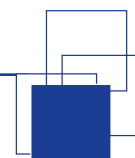


## CONSOLIDATED INCOME STATEMENT

EUR 1000	NOTES	1.1.-31.12.2005		1.1.2004-31.12.2004	
Net sales	1	<b>35 308</b>	<b>100,0 %</b>	<b>32 473</b>	<b>100,0 %</b>
Other income	2	1 215		1 551	
Changes in inventories of finished goods and work in progress Production for own use		-2 241		-1 014	
Material and equipment used		15 177		15 344	
Employee benefits expense	3	10 170		10 900	
Depreciation and amortisation	5	1 181		1 399	
Impairment of tangible assets					
Other expenses	4	6 994		5 916	
Operating profit		<b>760</b>	<b>2,0 %</b>	<b>-549</b>	<b>-1,7 %</b>
Financial income	6	599		251	
Financial expenses	6	1 070			996
Profit before taxes		289	0,8 %	-1 294	-4,0 %
Income taxes	7	-40		-84	
Change in deferred taxes	7	1 642		26	
Profit for the period		<b>1 891</b>	<b>5,4 %</b>	<b>-1 352</b>	<b>-4,2 %</b>
EPS calculated from the profit for the year attributable to equity holders of the parent company:					
Earnings per share (diluted), EUR	8	0,06			
Earnings per share (non-diluted), EUR	8	0,06			



## CONSOLIDATED BALANCE SHEET

EUR 1 000

NOTES 31.12.2005 31.12.2004

### ASSETS

Non-current assets			
Tangible assets	9	2 251	3 334
Investment property	11	992	
Goodwill	10	1 902	1 902
Other intangible assets	10	1 770	1 668
Incomplete product development projects	10	1 133	650
Deferred tax asset	13	1 895	
Available-for-sale investments	12	21	85
		<b>9 964</b>	<b>7 639</b>

### Current assets

Inventories	14	5 661	8 844
Trade receivables	15	8 051	4 708
Other current assets	15	1 119	1 874
Cash and cash equivalents	16	319	2 264
		<b>15 150</b>	<b>17 690</b>

### Total assets

**25 114** 25 329

### EQUITY AND LIABILITIES

#### Equity attributable to equity holders of the parent

17

Share capital		3 125	3 125
Other reserves		4 159	6 658
Fair value reserve		441	
Retained earnings		-862	-5 657
<b>Total equity</b>		<b>6 863</b>	<b>4 126</b>

#### Non-current liabilities

Non-current loans	20	6 038	8 745
Deferred tax liabilities	13	40	46
Non-current provisions	19	46	43
<b>Total non-current liabilities</b>		<b>6 124</b>	<b>8 834</b>

#### Current liabilities

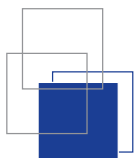
Trade and other payables	21	5 774	6 428
Current loans	20	4 482	3 634
Instalments of non-current loans	20	1 535	2 004
Current income tax liabilities		40	24
Current provisions	19	296	279
<b>Total current liabilities</b>		<b>12 127</b>	<b>12 369</b>

### Total liabilities

**18 251** 21 203

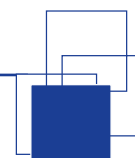
### Total equity and liabilities

**25 114** 25 329



## CONSOLIDATED CASH FLOW STATEMENT

1000 EUR	IFRS 1-12/2005	IFRS 1-12/2004
<b>Cash flow from business operations</b>		
Income statement profit/loss before taxes	289	-1 286
Non-monetary items adjusted on income statement		
Depreciation and amortisation	+ 1 181	1 391
Impairment	+/- 0	860
Unrealised exchange rate gains (-) and losses (+)	+/- -357	162
Interest expenses and other financial expenses	+ 1 070	996
Interest gains	- -415	-251
Total cash flow before changes in working capital	1 768	1 603
<b>Change in working capital</b>		
Increase (-) / decrease (+) in trade and other receivables	-2 673	-491
Increase (-) / decrease (+) in inventories	3 570	-787
Increase (+) / decrease (-) in trade and other payables	-578	1 499
Changes in provisions	20	2
Change in working capital	339	223
<b>Adjustment of financial items and taxes to cash-based accounting</b>		
Interest paid	- -451	-549
Interest received	+	5
Income taxes paid	- -22	-58
Financial items and taxes	-473	-602
<b>NET CASH FLOW FROM BUSINESS OPERATIONS</b>	<b>1 634</b>	<b>1 224</b>
<b>Cash flow from investments</b>		
Investments in tangible and intangible assets	- -1 767	-860
Proceeds on disposal of tangible and intangible assets	+ 374	42
Acquisition of subsidiaries and other business units	-	-12
Disposal of subsidiaries and other business units	+ 225	
<b>NET CASH FLOW FROM INVESTMENTS</b>	<b>-1 168</b>	<b>-830</b>
<b>Cash flow from financing activities</b>		
Proceeds on share issue	+	1 450
Loans raised	+	543
Loans repaid	- -2 301	-2 334
<b>Cash flow from financing activities</b>	<b>-2 301</b>	<b>-341</b>
<b>INCREASE (+) OR DECREASE (-) IN CASH FLOW</b>	<b>-1 835</b>	<b>53</b>
Cash and cash equivalents at the beginning of the period	2 264	2 254
Translation adjustment to cash and cash equivalents	-110	-43
Cash and cash equivalents at the end of the period	319	2 264
	<b>-1 835</b>	<b>53</b>

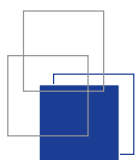


## STATEMENT OF CHANGE IN EQUITY 1 JAN. - 31 DEC. 2005

EUR 1 000	SHARE CAPITAL	OTHER RESERVES	TRANSLATION DIFF.	EARNINGS	TOTAL
<b>Shareholders' equity on 31 Dec. 2004</b>	<b>3 125</b>	<b>6 658</b>	<b>-3 805</b>	<b>-1 852</b>	<b>4 126</b>
Adoption of IAS 39				221	221
Fund transfer		-2 500		2 500	
Adoption of IAS 40				441	441
Translation difference			184		184
Profit/loss				1 891	1 891
<b>Shareholders' equity on 31 Dec. 2005</b>	<b>3 125</b>	<b>4 158</b>	<b>-3 621</b>	<b>3 201</b>	<b>6 863</b>

## SHAREHOLDERS' EQUITY 1 JAN. - 31 DEC. 2005

EUR 1 000	SHARE CAPITAL	OTHER RESERVES	TRANSLATION DIFF.	EARNINGS	TOTAL
<b>Shareholders' equity under the FAS on 31 Dec. 2003</b>	<b>2 813</b>	<b>6 541</b>	<b>-3 608</b>	<b>-1 256</b>	<b>4 490</b>
Impact of IAS 17 in 2003				-303	
<b>Shareholders' equity under the IFRS on 31 Dec. 2003</b>	<b>2 813</b>	<b>6 541</b>	<b>-3 608</b>	<b>-1 559</b>	<b>4 187</b>
Directed issue	312	1 138			1 450
Fund transfer		-1 021		1 021	
Translation difference			-197		-197
Profit/loss under the FAS				-1 694	
Impact of IAS 3				318	
Impact of IAS 17				24	
Profit/loss under the IFRS				-1 352	-1 352
Impact of IFRS 3 and IAS 17 on retained earnings				38	38
<b>Shareholders' equity on 31 Dec. 2004</b>	<b>3 125</b>	<b>6 658</b>	<b>-3 805</b>	<b>-1 852</b>	<b>4 126</b>



## ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

### GENERAL COMPANY INFORMATION

The Cencorp Group supplies the electronics and semiconductor industries with automation solutions that enhance productivity.

The Group's parent company is Cencorp Corporation, a Finnish public limited company domiciled in Lohja. The company's registered address is Maksjoentie 11, FI-08700 Virkkala.

#### General

These are the Cencorp Group's first consolidated financial statements prepared in compliance with the International Financial Reporting Standards (IFRS). The Group has adopted all of the IAS and IFRS standards and SIC and IFRIC interpretations effective on 31 December 2005. International Financial Reporting Standards mean the standards and related interpretations in the Finnish Accounting Act and provisions issued on the grounds thereof that have been approved for adoption in the EU according to the procedure laid out in Regulation (EC) No 1606/2002. The notes to the consolidated financial statements also comply with Finnish accounting and European community legislation. The Group has applied the IFRS 1 First-time Adoption of IFRS standard when preparing the consolidated financial statements. The transition date was 1 January 2004, with the exception of IAS 32 Financial Instruments: Disclosure and Presentation, and IAS 39 Financial Instruments: Recognition and Measurement. In this respect, the Cencorp Group is not required to prepare comparative information in compliance with the standard (after the amendment in March 2004 to IAS 39 applied by Cencorp in its financial statements for 2005). The presentation of financial instruments that come under the scope of IAS 32 and 39 have thus been prepared according to Finnish Accounting Standards in the comparative information for 2004.

Differences arising from the adoption of the IFRS are presented in statements of change included in item 32 of the Notes. Except for financial instruments, the comparative information for 2004 has been adjusted to comply with the IFRS.

#### Use of estimates

When preparing financial statements in compliance with the IFRS, company management must make certain estimates and assumptions that affect the assets and liabilities on the balance sheet date, reporting of conditional assets and liability engagements, as well as the income and expenses for the review period. The estimates are based on the management's best understanding at the time, but actual figures may differ from the estimates used in the financial statements.

### PRINCIPLES OF CONSOLIDATION

#### Subsidiaries

Cencorp Corporation's subsidiaries have been consolidated in the financial statements. Subsidiaries are enterprises over which the Group has control. Control over an enterprise arises when the Group holds over half of the votes or has control in other ways. Control is the right to govern the enterprise's financial and operating principles so as to obtain benefits from its activities. Intra-group shareholdings have been eliminated using the acquisition method. Acquired subsidiaries are consolidated in the financial statements as of the date on which the Group has acquired control over the company, and disposed subsidiaries until the date on which control ceases. All of the Group's internal operations, receivables, liabilities and gains are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated if they result from impairment.

Intra-group shareholding has been eliminated using the acquisition method. To calculate goodwill, the fair value of the acquired company's net assets is deducted from its acquisition cost. (See Intangible assets: goodwill).

#### Transactions denominated in foreign currency

The figures representing the performance and financial standing of the Group's units are measured in the functional currency of each unit's main operating environment. The consolidated financial statements are prepared in euro, which is the parent company's functional and presentation currency.

Foreign currency transactions have been recognised in euro using the exchange rate prevailing on the transaction date. Monetary items denominated in foreign currency have been translated into euro at the closing rate. Non-monetary items in foreign currency, measured at fair value, have been translated into euro at the rates prevailing on the measurement date. Other non-monetary items have been measured at the rate prevailing on the transaction date. Gains and losses from foreign currency transactions and from the translation of monetary items have been recognised in the income statement. Exchange rate gains and losses from business activities are included in the corresponding items above operating profit.

The income statements of foreign group undertakings have been translated into euro using the weighted average rate for the financial year, while the balance sheets have been translated using the closing rates. Using different rates to translate the period's result in the income statement and balance sheet results in a translation difference that needs to be recognised in shareholders' equity. The translation differences resulting from the elimination of the acquisition cost of foreign subsidiaries are recognised in the income statement as part of sales profit or loss. Translation differences generated before 1 January 2004 have been recognised under retained earnings in conjunction with the IFRS transition and will not be later recognised in the income statement in conjunction with the disposal of subsidiaries.

As of 1 January 2004 the goodwill arising from the acquisition of foreign units and the fair value adjustments made to the carrying amounts of the foreign units' assets and liabilities in conjunction with their acquisition are treated as part of the foreign units' assets and liabilities and have been translated to euro at the closing rates. The goodwill and fair value adjustments of acquisitions carried out prior to 1 January 2004 have been recognised in euro.

#### Recognition principles

Revenue from the sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services is recognised at the time the service is carried out.

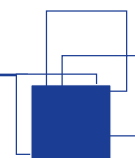
### EMPLOYEE BENEFITS

#### Pension liabilities

The Group's pension arrangements comply with the local regulations and practices of different countries. The Group's payments to defined contribution plans, as determined in IAS 19, are recognised as an expense in the period that the payment relates to. The Group has no pension arrangements considered to be defined benefit plans.

#### Share-based payments

The Group has applied IFRS 2 Share Based Payment to all share option schemes in which the share options have been granted after 7 November 2002 and had not vested by 1 January 2005. No expenses for share option schemes prior to this are recognised in the income statement. Share options are measured at fair value at grant date and are recognised as an expense on a straight-line basis in the income statement over the vesting period. The expense is based on the fair value of the Group's share option



at grant date. The fair value is determined using the Black-Scholes pricing model. When share options are exercised, the payments received for subscriptions (adjusted by possible transaction expenses) are recognised in the share capital (nominal value) and the share premium account.

#### Other employee benefits

After multiples of full ten years of service, employees receive a gift/paid holiday. Since the entitlement to the benefit arises only after the required number of service years has been completed, any ensuing expense is recognised as an annual expense for the year in question.

#### Public subsidies

Public subsidies are deducted from tangible assets and the carrying amounts of intangible assets. Subsidies are recognised as income through smaller depreciations over the useful lives of commodities.

### INTANGIBLE ASSETS

#### Goodwill

Goodwill corresponds to that part of the acquisition cost that exceeds the Group's share of the net fair value of assets on the acquisition date of a business acquired after 1 January 2004. The goodwill of business combinations carried out prior to this corresponds to the book value that complies with earlier accounting standards and has been used as the default acquisition cost. These acquisitions have not been reclassified nor has their treatment in financial statements been adjusted for the opening IFRS balance sheet.

Goodwill is tested annually for possible impairment. For this purpose, goodwill has been allocated to cash-generating units. Goodwill is measured at its original acquisition cost less any impairment.

#### Research and development costs

Research expenditure is recognised as an expense in the income statement. Development expenditure arising from the design of new or more advanced products is capitalised in the balance sheet under intangible assets as of the date the product is technically realisable and commercially viable and can be expected to generate future economic benefit. Development expenditure that has been previously recognised as an expense cannot be capitalised later. Depreciation of an intangible asset begins once the asset is ready for use. Capitalised development expenditure is reviewed annually for any indication of impairment. The useful economic life of capitalised development expenditure is 3–5 years, during which time capitalised commodities are recognised as an expense on a straight-line basis. An intangible assets not ready for use is tested annually for impairment.

#### AINEETOMAT HYÖDYKKEET/INTANGIBLE RIGHTS

Patents and licences with a limited useful economic life are recognised on the balance sheet at acquisition cost and recorded as expenses on a straight-line basis in the income statement over their useful economic life. The expenses from a patent application are capitalised, and once the patent has been granted it is depreciated on a straight-line basis over ten years. Software licences are depreciated over five years, and software usage fees are recorded as annual expenses.

### TANGIBLE ASSETS

Tangible assets have been recognised at the original acquisition cost less depreciation and impairment.

When part of an asset is treated as a separate commodity, expenses related to its renewal are capitalised. Otherwise, expenses incurred at a later time are included in the carrying amount of a tangible asset only if it is probable that any future economic benefit associated with the commodity will flow to the Group and if the acquisition cost of the asset can be reliably determined. Other repair and maintenance fees are recognised in the

income statement after their realisation.

Straight-line depreciations are made on commodities over their estimated economic useful life. No depreciation is made on land areas. The estimated economic useful lives are the following:

Buildings:	25 years
Modernization of leased facilities:	10 years
Machinery and equipment:	3–7 years

The residual value and economic useful life of commodities are assessed for every financial statement and, if needed, adjusted to reflect any changes in the expected economic benefit. Tangible assets are reviewed annually for any indication of impairment.

The depreciation of a tangible asset is terminated when the asset is classified as Held for Sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

#### Investment property

Investment property means buildings or parts thereof that are not in the Group's own use and that the Group holds to earn rental income or appreciation of property. Investment property is measured at fair value. The fair value is determined on the basis of an estimate prepared by a third-party real estate assessor. Changes in the fair value of investment property are included in other operating income or expenses in the income statement.

#### Impairment

On every closing date the Group tests assets for possible impairment. If any indication of impairment is found, the recoverable amount of the asset in question shall be assessed. In addition, the recoverable amount is estimated annually for goodwill and ongoing product development projects.

### LEASES

#### Group as lessee

In accordance with IAS 17, leases are classified as finance leases or operating leases. Other leases are recognised as rental expenses under other operating expenses.

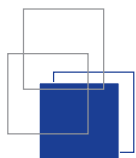
Leases on tangible assets, which transfer substantially the risks and rewards of ownership to the Group, are classified as finance leases in accordance with IAS 17 Leases. Finance leases are recognised in the balance sheet at the beginning of the lease period at the fair value of the leased asset or, if lower, at the present value of minimum lease payments. An asset acquired on a finance lease is depreciated over the shorter of the asset's economic useful life or lease period. Lease obligations are included in interest-bearing liabilities.

#### Inventories

Inventories are measured at the lower of acquisition cost or net realisable value. The acquisition cost of material inventories is determined using the weighted average cost method and that of work in progress using the FIFO method. The acquisition cost of finished and unfinished products consists of raw materials, direct work expenses, other direct expenses and an appropriate share of fixed general production expenses and general property expenses in normal operations. The net realisable value is the estimated selling price in normal business operations, less the estimated costs of completion and estimated costs resulting from sales.

#### Financial assets and liabilities

The Group has applied IAS 39 Financial Instruments: Recognition and Measurement since 1 January 2005. The financial assets and liabilities for 2004 were measured according to the Finnish Accounting Standards. Since the beginning of 2005 the Group's financial assets have been classified



in the following way in compliance with the standard:

- Financial assets recognised at fair value in the income statement
- Available-for-sale financial assets
- Held-to-maturity financial assets
- Loans and other receivables

Financial assets are classified into these categories at the time of acquisition based on the purpose of acquisition. The Group has not yet classified any financial assets as assets recognised at fair value in the income statement or as assets held to maturity. Transaction expenses are included in the original carrying amount of financial assets. All of the purchases and sales of financial assets are recognised on the transaction date. Financial assets are derecognised if the Group loses the contractual right to cash flows or if it transfers substantial risks and income outside the Group.

Financial assets maturing in the following 12 months are included in current assets.

Loans and other receivables are assets that are not included in derivatives, have fixed or measurable payments, are not quoted on active markets and not held for trading by the Group. This category includes the Group's financial assets obtained by assigning money, goods or services to a debtor. They are measured at accrued acquisition cost and are included in current and non-current financial assets.

Financial assets available for sale are assets that are not included in derivatives and have been expressly allocated to this group or have not been classified into any other group. They are included in non-current assets except if they are to be held for less than 12 months from the closing date, in which case they are recorded under current assets. Available-for-sale financial assets may consist of shares and interest-bearing investments. They are measured at fair value. As a rule, the fair value of investments in this category is determined on the basis of price quotations published on active markets, that is, on the basis of purchase quotations on the closing date.

Changes in the fair value of available-for-sale financial assets are recorded in equity in the fair value reserve taking into consideration the tax impact. Changes in fair value are transferred from equity to the income statement when the investment is sold or if it is subjected to impairment and an impairment loss must be recognised on the investment.

Cash and cash equivalents consist of cash, bank deposits that can be withdrawn if demanded and other current, highly liquid investments.

Credit accounts related to Group accounts are included in current interest-bearing liabilities and are reported as netted.

Financial liabilities are recognised on the basis of the fair value of the compensation received. Transaction expenses are included in the original carrying amount of financial liabilities. All financial liabilities are later measured at accrued acquisition cost using the effective interest method. Financial liabilities are included in current and non-current liabilities and they can be either interest-bearing or non-interest-bearing.

#### **Provisions**

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that the payment obligation must be settled and the amount of the obligation can be reliably estimated.

A warranty provision is recognised when a product including a warranty clause is sold. The amount of the warranty provision is based on experience about the realisation of warranty expenses.

#### **Income taxes**

The Group's taxes include the taxes of group undertakings that are based on the taxable income for the financial year and on changes in deferred taxes. Deferred taxes are calculated for all temporary differences between the carrying and taxation amounts using the prevailing tax bases. The main accruals arise from the depreciation differences of fixed assets and confirmed losses. Deferred tax assets are recognised to the extent that it is probable that they can be used against taxable income in future financial years.

The Group classifies accumulated depreciation differences into deferred tax liability and shareholders' equity. According to the Finnish Companies Act, the share included in shareholders' equity is not part of distributable equity.

#### **Dividend distribution**

The dividend proposed by the Board of Directors to the Annual General Meeting is not deducted from distributable equity until the Annual General Meeting makes its decision.

#### **Compliance with new or amended IFRS standards**

In 2006 the Group will adopt the following revised or amended standards and interpretations published by IASB in 2004 and 2005:

- IAS 39 Financial Instruments: Recognition and Measurement the following changes:
- Cash Flow Hedge Accounting of Forecast Intragroup Transactions
- Fair Value Option

- IFRIC 4 Determining whether an Arrangement contains a Lease

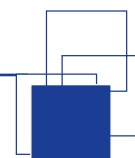
The Group believes that the adoption of revised or amended standards and interpretations will not have a significant impact on the Group's future financial statements.

In 2007 the Group will adopt the following new standard published by IASB in 2005:

- IFRS 7 Financial Instruments: Disclosures
- According to the Group's estimates the new standard will mainly affect the notes to the consolidated financial statements.

#### **Presentation of figures**

Unless otherwise indicated, the figures in the following notes are given in thousands of euro.



## TRANSITION TO THE IFRS

Cencorp Corporation adopted the International Financial Reporting Standards (IFRS) at the beginning of 2005. The transition did not have a significant impact on the Group's income statement, balance sheet and shareholder's equity.

This section describes the effects that the IFRS transition had on the financial statements for 2004, which were prepared in compliance with the Finnish Accounting Standards (FAS).

The transition has affected Cencorp's reporting in the following areas:

### SEGMENT REPORTING

Cencorp's operations are reported primarily by business segment and secondarily by geographical segment.

Cencorp has only one business segment as defined in IAS 14 (Segment Reporting): production automation. Cencorp's production units specialise in different product groups and engage in worldwide deliveries. Most of the Group's product development resources are located in Europe.

The management monitors primarily the Group's overall profitability. While slight differences in profitability can be seen between individual product groups and plants, no significant differences in this respect can be detected within product groups.

The Group's risks are independent of product group and geographical region.

The secondary, geographical, segment is divided into three sales areas:

- Europe
- Asia
- Americas

All product groups are sold in all sales areas. Key customers operate on a worldwide basis and call for local service.

The segment's profits are based on the customers' geographic location, whereas its assets and investments are based on the location of assets.

### LEASES

Cencorp had no effective financial leases in 2004.

The facilities in Lohja, on Maksjoentie 11 and Pailantie 12, have been treated as financial leases in compliance with IAS 17. They were already capitalised in Cencorp's balance sheet in the FAS-compliant financial statements.

### FINANCIAL INSTRUMENTS

Financial instruments are recognised in the income statement in compliance with IAS 39 (Financial Instruments) unless effective hedge accounting has been adopted.

The subordinated loan treated in compliance with IAS 39 had an impact of EUR -3 million on equity. The loan is presented under non-current liabilities.

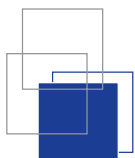
### PENSION LIABILITIES

The Group had 282 employees on 1 January 2004. Consequently, the disability portion calculated according to the Finnish Employees' Pension Act (TEL) would not have been significant had it been treated in accordance with IAS 19 (Employee Benefits). As a result, no actuarial statements were prepared for the disability portion and no provision was made in the opening IFRS balance sheet for TEL disability.

### NON-CURRENT ASSETS

An impairment was made in the opening IFRS balance sheet for fixed assets buildings and land areas. The net impact on the opening balance sheet was EUR 303 thousand. The IFRS-compliant profit for 2004 improves by EUR 24 thousand due to the decrease in depreciation.

The goodwill related to the operations of PMJ test solutions Oy is treated in compliance with IFRS 3 (Business Combinations). The impact on non-current assets and results, and consequently on shareholder's equity, is EUR 318 thousand.



## CENCORP GROUP'S FINANCIAL INFORMATION UNDER THE IFRS IFRS STATEMENTS OF CHANGE

### 1. CHANGES IN SHAREHOLDERS' EQUITY (EUR 1,000)

	31.12.2003	31.3.2004	30.6.2004	30.9.2004	31.12.2004
<b>Shareholders' equity under the FAS</b>	<b>7 490</b>	<b>6 084</b>	<b>4 901</b>	<b>6 890</b>	<b>7 088</b>
IFRS 3 Business Combinations		79	159	238	318
IAS 17 Leases	-303	-297	-291	-285	-280
IAS 39 Financial Instruments, subordinated loan	-3 000	-3 000	-3 000	-3 000	-3 000
<b>Shareholders' equity under the IFRS</b>	<b>4 187</b>	<b>2 866</b>	<b>1 769</b>	<b>3 843</b>	<b>4 126</b>

### 2. CHANGES IN INCOME STATEMENT (EUR 1,000)

	Q1/2004	Q2/2004	Q3/2004	Q4/2004	2004
<b>Profit for the period under the FAS</b>	<b>-1 786</b>	<b>-1 187</b>	<b>950</b>	<b>329</b>	<b>-1 694</b>
IFRS 3 Business Combinations	79	80	79	80	318
IAS 17 Leases	6	6	6	6	24
<b>Profit for the period under the IFRS</b>	<b>-1 701</b>	<b>-1 101</b>	<b>1 035</b>	<b>415</b>	<b>-1 352</b>

### 3. CONSOLIDATED INCOME STATEMENT (EUR 1,000)

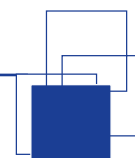
	FAS	1 JAN. - 31 DEC. 2004 RECONCILIATION	IFRS
<b>Net sales</b>	<b>32 473</b>	<b>0</b>	<b>32 473</b>
Other income	1 551	0	1 551
Total expenses	-33 174	0	-33 174
Depreciation and amortisation	-1 741	350	-1 391
Financial income and expenses	-745	0	-745
<b>Profit before taxes</b>	<b>-1 636</b>	<b>-350</b>	<b>-1 286</b>
Income taxes	-58	-8	-66
<b>Profit for the period</b>	<b>-1 694</b>	<b>342</b>	<b>-1 352</b>

#### KEY INDICATORS

	FAS	IFRS
Earnings per share (diluted), EUR	-0,05	-0,04
Earnings per share (non-diluted), EUR	-0,06	-0,05

### 4. CONSOLIDATED BALANCE SHEET (EUR 1,000)

ASSETS	31.12.2003			31 DEC. 2004		
	FAS	RECONCILIATION	IFRS	FAS	RECONCILIATION	IFRS
<b>Non-current assets</b>						
Tangible assets	5 446	-322	5 124	3 646	-312	3 334
Goodwill	1 902	0	1 902	1 584	318	1 902
Other intangible assets	762	-105	657	1 751	-83	1 668
Incomplete product development projects	1 535	0	1 535	650	0	650
Holdings in associated entities	17	0	17	0	0	0
Available-for-sale investments	85	0	85	85	0	85
	<u>9 747</u>	<u>-427</u>	<u>9 320</u>	<u>7 716</u>	<u>-77</u>	<u>7 639</u>
<b>Current assets</b>						
Inventories	8 128	0	8 128	8 844	0	8 844
Trade receivables	4 967	0	4 967	4 708	0	4 708
Other current assets	1 006	124	1 130	1 759	115	1 874
Cash and cash equivalents	2 254	0	2 254	2 264	0	2 264
	<u>16 355</u>	<u>124</u>	<u>16 479</u>	<u>17 575</u>	<u>115</u>	<u>17 690</u>
<b>Total assets</b>	<b>26 102</b>	<b>-303</b>	<b>25 799</b>	<b>25 291</b>	<b>38</b>	<b>25 329</b>



## EQUITY AND LIABILITIES

	31.12.2003			31.12.2003		
	FAS	Reconciliation	IFRS	FAS	Reconciliation	IFRS
<b>Equity attributable to equity holders of the parent</b>						
Share capital	2 813	0	2 813	3 125	0	3 125
Other reserves	6 541	0	6 541	6 658	0	6 658
Retained earnings	-4 864	-303	-5 167	-5 695	38	-5 657
<b>Total equity *</b>	<b>4 490</b>	<b>-303</b>	<b>4 187</b>	<b>4 088</b>	<b>38</b>	<b>4 126</b>
<b>Non-current liabilities</b>						
Non-current loans	10 392	0	10 392	8 745	0	8 745
Deferred tax liabilities	64	0	64	46	0	46
Non-current provisions	12	0	12	43	0	43
<b>Total non-current liabilities</b>	<b>10 468</b>	<b>0</b>	<b>10 468</b>	<b>8 834</b>	<b>0</b>	<b>8 834</b>
<b>Current liabilities</b>						
Trade and other payables	5 029	0	5 029	6 428	0	6 428
Current loans	4 016	0	4 016	3 634	0	3 634
Instalments of non-current loans	1 781	0	1 781	2 004	0	2 004
Tax liabilities based on the period's taxable income	6	0	6	24	0	24
Current provisions	312	0	312	279	0	279
<b>Total current liabilities</b>	<b>11 144</b>	<b>0</b>	<b>11 144</b>	<b>12 369</b>	<b>0</b>	<b>12 369</b>
<b>Total liabilities</b>	<b>21 612</b>	<b>0</b>	<b>21 612</b>	<b>21 203</b>	<b>0</b>	<b>21 203</b>
<b>Total equity and liabilities</b>	<b>26 102</b>	<b>-303</b>	<b>25 799</b>	<b>25 291</b>	<b>38</b>	<b>25 329</b>

\* = Under the FAS, the subordinated loan (EUR 3,000,000) was included in equity: here, however, it is presented in non-current liabilities. See statement of change in equity.

### KEY INDICATORS

	31.12.2004	
	FAS	IFRS
Return on equity, %	-39,5	-32,5
Return on capital employed, %	-3,3	-1,5
Equity ratio, %	17,4	17,6
Net gearing, %	296,5	293,7
Non-interest-bearing liabilities	6 498	6 498
Interest-bearing liabilities	11 383	14 383
Shareholders' equity per share, EUR	0,13	0,13

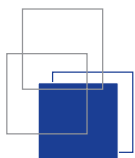
### CASH FLOW STATEMENT

No material adjustments have been made to the cash flow statements as a result of transition to the IFRS

### 5. QUARTERLY DATA, FAS

INCOME STATEMENT (EUR 1,000)	Q4/2004	Q3/2004	Q2/2004	Q1/2004
<b>Net sales</b>	8 914	11 197	6 938	5 424
Other income	1 363	83	46	59
Total expenses	-9 338	-9 290	-7 708	-6 838
Depreciation and amortisation	-211	-783	-351	-396
Financial income and expenses	-268	-157	-205	-115
<b>Profit before taxes</b>	<b>460</b>	<b>1 050</b>	<b>-1 280</b>	<b>-1 866</b>
Income taxes	-131	-100	93	80
<b>Profit for the period</b>	<b>329</b>	<b>950</b>	<b>-1 187</b>	<b>-1 786</b>

The income tax figure presented corresponds to taxes on the profit for the period.



**BALANCE SHEET**  
(EUR 1,000)**ASSETS****Non-current assets**

	Q4/2004	Q3/2004	Q2/2004	Q1/2004
Tangible assets	3 646	3 711	5 071	5 246
Goodwill	1 584	1 663	1 743	1 822
Other intangible assets	1 751	1 890	2 047	688
Incomplete product development projects	650	650	564	1 789
Holdings in associated entities		17	17	17
Available-for-sale investments	85	85	85	85
	<u>7 716</u>	<u>8 016</u>	<u>9 527</u>	<u>9 647</u>

**Current assets**

Inventories	8 844	9 199	9 464	8 519
Trade receivables	4 708	6 984	5 865	5 235
Other current assets	1 759	1 385	887	1 000
Cash and cash equivalents	2 264	1 525	572	1 396
	<u>17 575</u>	<u>19 093</u>	<u>16 788</u>	<u>16 150</u>

**Total assets**

**25 291**      **27 109**      **26 315**      **25 797**

**EQUITY AND LIABILITIES**

Equity attributable to equity holders of the parent

Share capital	3 125	3 125	2 913	2 913
Other reserves	6 658	6 658	5 770	5 770
Retained earnings	-5 695	-5 893	-6 782	-5 599
<b>Total equity *</b>	<u>4 088</u>	<u>3 890</u>	<u>1 901</u>	<u>3 084</u>

**Non-current liabilities**

Non-current loans	8 745	10 623	10 208	10 028
Deferred tax liabilities	46	51	43	52
Non-current provisions	43	71	71	2
<b>Total non-current liabilities</b>	<u>8 834</u>	<u>10 745</u>	<u>10 322</u>	<u>10 082</u>

**Current liabilities**

Trade and other payables	6 428	6 705	7 363	5 733
Current loans	3 634	4 546	5 040	4 743
Instalments of non-current loans	2 004	864	1 053	1 602
Tax liabilities based on the period's taxable income	24			
Current provisions	279	359	636	553
<b>Total current liabilities</b>	<u>12 369</u>	<u>12 474</u>	<u>14 092</u>	<u>12 631</u>

**Total liabilities**

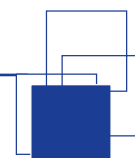
21 203      23 219      24 414      22 713

**Total equity and liabilities**

**25 291**      **27 109**      **26 315**      **25 797**

**6. QUARTERLY FIGURES, IFRS RECONCILIATION****INCOME STATEMENT (EUR 1,000)****Net sales**

	Q4/2004	Q3/2004	Q2/2004	Q1/2004
Other income				
Total expenses				
Depreciation and amortisation	86	85	86	85
Financial income and expenses				
<b>Profit before taxes</b>	<u>86</u>	<u>85</u>	<u>86</u>	<u>85</u>
Income taxes				
<b>Profit for the period</b>	<u>86</u>	<u>85</u>	<u>86</u>	<u>85</u>



**BALANCE SHEET (EUR 1000)****ASSETS****Non-current assets**

	Q4/2004	Q3/2004	Q2/2004	Q1/2004
Tangible assets	312	320	325	324
Goodwill	-318	-239	-159	-80
Other intangible assets	83	81	85	95
Incomplete product development projects	0	0	0	0
Holdings in associated entities	0	0	0	0
<b>Available-for-sale investments</b>	0	0	0	0
	77	162	251	339

**Current assets**

Inventories	0	0	0	0
Trade receivables	0	0	0	0
Other current assets	-115	-115	-119	-121
Cash and cash equivalents	0	0	0	0
	-115	-115	-119	-121

**Total assets**

	<b>-38</b>	<b>47</b>	<b>132</b>	<b>218</b>
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**EQUITY AND LIABILITIES****Equity attributable to equity holders of the parent**

Share capital	0	0	0	0
Other reserves	0	0	0	0
Retained earnings	-38	47	132	218
<b>Total equity *</b>	<b>-38</b>	<b>47</b>	<b>132</b>	<b>218</b>

**Non-current liabilities**

Non-current loans	0	0	0	0
Deferred tax liabilities	0	0	0	0
Non-current provisions	0	0	0	0
<b>Total non-current liabilities</b>	0	0	0	0

**Current liabilities**

Trade and other payables	0	0	0	0
Current loans	0	0	0	0
Instalments of non-current loans	0	0	0	0
Tax liabilities based on the period's taxable income	0	0	0	0
Current provisions	0	0	0	0
<b>Total current liabilities</b>	0	0	0	0

**Total liabilities**

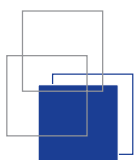
	0	0	0	0
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**Total equity and liabilities**

	<b>-38</b>	<b>47</b>	<b>132</b>	<b>218</b>
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**7. QUARTERLY FIGURES, ADJUSTED FOR IFRS****INCOME STATEMENT (EUR 1,000)**

	Q4/2004	Q3/2004	Q2/2004	Q1/2004
<b>Net sales</b>	8 914	11 197	6 938	5 424
Other income	1 363	83	46	59
Total expenses	-9 338	-9 290	-7 708	-6 838
Depreciation and amortisation	-125	-698	-265	-311
Financial income and expenses	-268	-157	-205	-115
<b>Profit before taxes</b>	<b>546</b>	<b>1 135</b>	<b>-1 194</b>	<b>-1 781</b>
Income taxes	-131	-100	93	80
<b>Profit for the period</b>	<b>415</b>	<b>1 035</b>	<b>-1 101</b>	<b>-1 701</b>



**BALANCE SHEET (EUR 1,000)****Q4/2004**      **Q3/2004**      **Q2/2004**      **Q1/2004****ASSETS****Non-current assets**

Tangible assets	3 334	3 391	4 746	4 922
Goodwill	1 902	1 902	1 902	1 902
Other intangible assets	1 668	1 809	1 962	593
Incomplete product development projects	650	650	564	1 789
Holdings in associated entities		17	17	17
Available-for-sale investments	85	85	85	85
	<u>7 639</u>	<u>7 854</u>	<u>9 276</u>	<u>9 308</u>

**Current assets**

Inventories	8 844	9 199	9 464	8 519
Trade receivables	4 708	6 984	5 865	5 235
Other current assets	1 874	1 500	1 006	1 121
Cash and cash equivalents	2 264	1 525	572	1 396
	<u>17 690</u>	<u>19 208</u>	<u>16 907</u>	<u>16 271</u>

**Total assets****25 329**      **27 062**      **26 183**      **25 579****EQUITY AND LIABILITIES****Equity attributable to equity holders of the parent**

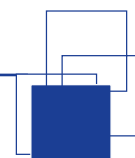
Share capital	3 125	3 125	2 913	2 913
Other reserves	6 658	6 658	5 770	5 770
Retained earnings	-5 657	-5 940	-6 914	-5 817
<b>Total equity *</b>	<u>4 126</u>	<u>3 843</u>	<u>1 769</u>	<u>2 866</u>

**Non-current liabilities**

Non-current loans	8 745	10 623	10 208	10 028
Deferred tax liabilities	46	51	43	52
Non-current provisions	43	71	71	2
<b>Total non-current liabilities</b>	<u>8 834</u>	<u>10 745</u>	<u>10 322</u>	<u>10 082</u>

**Current liabilities**

Trade and other payables	6 428	6 705	7 363	5 733
Current loans	3 634	4 546	5 040	4 743
Instalments of non-current loans	2 004	864	1 053	1 602
Tax liabilities based on the period's taxable income	24			
Current provisions	279	359	636	553
<b>Total current liabilities</b>	<u>12 369</u>	<u>12 474</u>	<u>14 092</u>	<u>12 631</u>

**Total liabilities****21 203**      **23 219**      **24 414**      **22 713****Total equity and liabilities****25 329**      **27 062**      **26 183**      **25 579**

## 1. SEGMENT INFORMATION

Cencorp's operations are reported primarily by business segment and secondarily by geographical segment. In 2005 the Cencorp Group had only one business segment: production automation. The laser business set up in 2005 will form another business segment in 2006. Cencorp's production units specialise in different product groups and engage in worldwide deliveries. Most of the Group's product development resources are located in Europe.

The management monitors primarily the Group's overall profitability. While slight differences in profitability can be seen between individual product groups and plants, no significant differences in this respect can be detected within product groups. Pricing between business segments is carried out at a fair market value. The Group's risks are independent of product group and geographical region.

The secondary geographical segment is divided into three sales areas:

- Europe
- Asia
- Americas

All product groups are sold in all sales areas. Key customers operate on a worldwide basis and call for local service. The segment's profits are based on the customers' geographic location, whereas its assets and investments are based on the location of assets.

### Geographical segments

	Europe	Asia	Americas	Group
<b>2005</b>				
Net sales	22 950	6 708	5 650	35 308
Segment's assets	21 816	0	3 298	25 114
investments	1 734	0	33	1 767
<b>2004</b>				
Net sales	18 681	3 910	9 882	32 473
Segment's assets	23 300	0	2 029	25 329
investments	793	0	67	860

### Distribution of net sales

	2005	2004
services	727	585
goods	34 581	31 888

### 2. Other operating income

	2005	2004
Sales proceeds from tangible assets		0
Public subsidies	69	37
Divestment of the projects business	275	1 231
Insurance indemnities	57	16
Other income items	814	267
<b>Total</b>	<b>1 215</b>	<b>1 551</b>

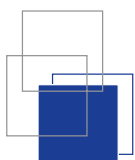
### 3. Personnel expenses

	2005	2004
Salaries	8 539	9 177
Retirement expenses - defined contribution plans	1 192	1 252
Share options granted	87	
Other indirect employee expenses	696	732
<b>Total</b>	<b>10 514</b>	<b>11 161</b>

Information about the management's employment benefits and loans is included in Notes 29: Related party transactions.

### 4. Other operating expenses

	2005	2004
Finance lease expenses	10	0
Rental expenses	420	300
Research and development costs	2 201	2 148
Third-party services	2 340	1 070
Other expense items	2 023	2 398
<b>Total</b>	<b>6 994</b>	<b>5 916</b>



## 5. Depreciation and impairment

	2005	2004
Depreciation by commodity group		
Intangible assets		
Patents and other intangible rights	162	151
Capitalised development costs	646	267
<b>Total</b>	<b>808</b>	<b>418</b>
Tangible assets		
Buildings	108	146
Machinery and equipment	265	835
<b>Total</b>	<b>373</b>	<b>981</b>

## 6. Financial income and expenses (net)

	2005	2004
<b>Financial income</b>		
Interest gains	7	5
Dividend yield	184	1
Exchange rate gains	408	245
<b>Total</b>	<b>599</b>	<b>251</b>
<b>Financial expenses</b>		
Interest expenses	724	562
Exchange rate losses	346	434
<b>Total</b>	<b>1 070</b>	<b>996</b>

Items above operating profit include a total of EUR 56 thousand in exchange rate gains and losses in 2005 (EUR 19 thousand in 2004). Other financial expenses include a total of EUR 10 thousand in rental payments from finance leases recognised as an expense in the period (EUR 0 in 2004).

## 7. Income taxes

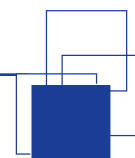
	2005	2004
Tax based on the taxable income for the financial year	-40	-84
Taxes from previous years		
Deferred taxes	1 642	26
<b>Total</b>	<b>1 602</b>	<b>-58</b>

Statement on the differences between the tax expense in the income statement and taxes calculated using the tax rate of the Group's home country (2005: 26%, 2004: 29%):

	2005	2004
Profit before taxes	289	-1 352
Taxes calculated using the tax rate in the home country	75	-392
Different tax rates of foreign subsidiaries	14	-22
Use of unrecognised tax losses	-147	719
Use of unrecognised tax losses	1 690	
Use of confirmed losses		-184
Other items	-30	-63
<b>Taxes in the income statement</b>	<b>1 602</b>	<b>-58</b>

## 8. Earnings per share

Undiluted earnings per share are calculated by dividing the profit attributable to equity holders of the parent by the weighted average of the number of outstanding shares during the period.



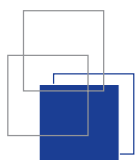
<b>Profit attributable to equity holders of the parent (EUR thousand)</b>	<b>1 891</b>	<b>-1 352</b>
Weighted average number of shares during the period (1,000)	32 726	29 708
Undiluted earnings per share (EUR/share)	0,06	-0,05

When calculating earnings per share adjusted for the dilution effect, the weighted average number of shares is determined by taking into account the diluting effect of all potential factors resulting from the conversion of ordinary shares. The Group has two types of diluting instruments that increase the number of ordinary shares: share options and convertible bonds. Share options have a diluting effect when their subscription price is lower than the fair value of the share. The diluting effect equals the number of shares that must be issued gratuitously because the Group could not use the options' available assets to issue the same number of shares at fair value. The fair value of shares is based on their average price over the period. Convertible bonds have been converted to shares, and the period's result has been increased with the interest expense adjusted for tax effect.

Profit attributable to equity holders of the parent (EUR thousand)	1 891	-1 352
Period's result for calculating earnings per share adjusted for the dilution effect (EUR thousand)	1 891	-1 352
Weighted average number of shares during the period (1,000)	32 726	29 708
Impact of share options (1,000)	729	1 356
Weighted average number of shares for calculating earnings per share adjusted for the dilution effect (1,000)	33 455	31 064
Earnings per share adjusted for the dilution effect (EUR/share)	0,06	-0,04

#### 9. Tangible assets

	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Land areas</b>	<b>Total</b>
Acquisition cost 1 Jan. 2005	4 243	5 386	296	9 925
Increase		431		431
Transfer to investment property	-763			-763
Acquisition cost 31 Dec. 2005	3 480	5 817	296	9 593
Accumulated depreciation and impairment 1 Jan. 2005	-1 725	-4 781	-46	-6 552
Depreciation and amortisation	-108	-265		-373
Reversed depreciation from transfers to investment property	212			212
Decrease	-417	-179	-135	-731
Exchange rate differences	56	46		102
Accumulated depreciation and impairment 31 Dec. 2005	-1 982	-5 179	-181	-7 342
Carrying amount 1 Jan. 2005	2 518	566	250	3 334
Carrying amount 31 Dec. 2005	1 498	638	115	2 251



**CENCORP**

	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Land areas</b>	<b>Total</b>
Acquisition cost 1 Jan. 2004	4 236	6 184	284	10 704
Increase	7	299	12	318
Decrease	-1 097		-1 097	
Acquisition cost 31 Dec. 2004	4 243	5 386	296	9 925
Accumulated depreciation and impairment 1 Jan. 2004	-1 201	-3 946		-5 147
Depreciation and amortisation	-138	-835		-973
Impairment	-349		-46	-395
Exchange rate differences	-37	-39		-76
Accumulated depreciation and impairment 31 Dec. 2004	-1 725	-4 781	-46	-6 552
Carrying amount 1 Jan. 2004	2 602	2 238	284	<b>5 124</b>
Carrying amount 31 Dec. 2004	2 518	566	250	<b>3 334</b>

### Finance lease agreements

Tangible assets include the following property obtained on finance lease agreements:

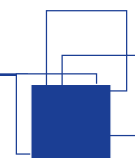
<b>2005</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Total</b>
Acquisition cost	2 347	34	2 381
Accumulated depreciation	1 066	9	1 075
Carrying amount	1 281	25	1 306

<b>2004</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Total</b>
Acquisition cost	0	0	0
Accumulated depreciation	0	0	0
Carrying amount	1 774	0	0

The increase in tangible assets includes a total of EUR 34 thousand in assets acquired on finance lease agreements in 2005 (2004: EUR 0).

### 10. Intangible assets

	<b>Goodwill</b>	<b>Patent and other intangible rights</b>	<b>Unfinished product development proj.</b>	<b>Total</b>
Acquisition cost 1 Jan. 2005	3 362	5 755	943	10 061
Capitalised development costs				
Increase		1 183	190	1 373
Acquisition cost 31 Dec. 2005	3 362	6 938	1 133	11 433
Accumulated depreciation 1 Jan. 2005	-1 460	-4 381		-5 841
Depreciation and amortisation		-787		-787
Impairment				
Exchange rate differences				
Accumulated depreciation 31 Dec. 2005	1 460	-5 168	0	-3 708
Carrying amount 1 Jan. 2005	1 902	1 668	650	<b>4 220</b>
Carrying amount 31 Dec. 2005	1 902	1 770	1 133	<b>4 805</b>



	Goodwill	Patents and other intangible rights	Unfinished product development projects	Total
Acquisition cost 1 Jan. 2004	3 362	6 064	1 176	10 602
Capitalised development costs				
Increase		16	526	542
Exchange rate differences		-1		-1
Acquisition cost 31 Dec. 2004	3 362	6 049	650	10 061
Accumulated depreciation 1 Jan. 2004	-1 460	-3 963		-5 423
Depreciation and amortisation		-418		-418
Exchange rate differences				
Accumulated depreciation 31 Dec. 2004	1 460	-4 381		-2 921
Carrying amount 1 Jan. 2004	1 902	657	1 535	4 094
Carrying amount 31 Dec. 2004	1 902	1 668	650	4 220

No depreciation is carried out on goodwill in compliance with IFRS 3. Goodwill has been tested using the recoverable cash flow method. The tests carried out in 2004 and 2005 have not indicated a need to decrease the existing consolidated goodwill. The Group has not recognised impairment in the financial year 2004 or 2005 nor has it found indications of impairment in any property item. For the purpose of impairment testing in compliance with IAS 36 goodwill has been allocated in full to the Cencorp Test Solutions business. In impairment testing the segment's recoverable amount has been determined on the basis of the replacement cost. Cash flow estimates are based on estimates approved by the management, which cover a period of five years. The discount interest rate is 13%, which has not changed from the previous year.

The management estimates that no possible change of a key variable in use could, according to moderate estimates, lead to a situation in which a segment's recoverable amount would fall under its carrying amount.

The main variables used to calculate the replacement cost are:

1. Budgeted sales margin - Determined on the basis of the average sales margin realised in the last three years. The value of the variable is based on actual figures. No significant changes are expected to take place in the sales margin during the estimate period.
2. Budgeted market share - Determined on the basis of the actual market share in the previous year. The value of the variable is based on actual figures. The market share is not expected to change essentially when also taking into consideration ongoing product development and the expected stiffer competition.

#### 11. Investment property

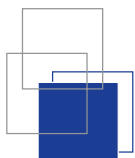
	2005	2004
Maintenance fees for investment property	18	17
Rental income from investment property	36	42
	<b>2005</b>	<b>2004</b>
Transfer from working capital	551	
Gains and losses from adjustments to fair value	441	
At the end of the financial year	992	

Investment property has previously been used for production. In the financial year 2005 it was rented to third parties. The item has been measured at fair value.

#### 12. Available-for-sale investments

Kiinteistö Oy Musko one-week share  
Helsinki Halli Oy B shares, 2 shares, batch I

	2005	2004
Unquoted share investments	21	85
Fair value	21	85



### 13. Deferred tax assets and liabilities

Changes in deferred taxes in 2005

	31.12.2004	Recognised in the income statem.	Recognised under equity	Exchange rate	Acquired subsidiaries	31.12.2005
<b>Deferred tax assets</b>						
Inventories: internal margin	80	-70	80			10
Provisions	77	-29	77			48
Confirmed losses	9	1 704				1 704
<b>Total</b>	<b>166</b>	<b>1 605</b>	<b>157</b>			<b>1 762</b>

#### Deferred tax liabilities

	31.12.2004	Recognised in the income statem.	Recognised under equity	Exchange rate	Acquired subsidiaries	31.12.2005
Other items	46			-6		40
<b>Total</b>	<b>46</b>			<b>-6</b>		<b>40</b>

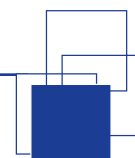
#### Changes in deferred taxes in 2004

	31.12.2004	Recognised in the income statem.	Recognised under equity	Exchange rate	Acquired subsidiaries	31.12.2005
<b>Deferred tax assets</b>						
Inventories: internal margin	28	53	27			80
Provisions	61	14	63			77
Confirmed losses	63	-31	40			9
Other items						
<b>Total</b>	<b>152</b>	<b>36</b>	<b>130</b>			<b>166</b>

#### Deferred tax liabilities

	31.12.2004	Recognised in the income statem.	Recognised under equity	Exchange rate	Acquired subsidiaries	31.12.2005
Other items	64			-18		46
<b>Total</b>	<b>64</b>			<b>-18</b>		<b>46</b>

Deferred tax assets are recognised to the extent possible that they can be used against taxable income in future financial years. On 31 Dec. 2005 the Group had confirmed losses totalling EUR 24.4 million (EUR 22.0 million in 2004), EUR 1,699 thousand of which were recognised as tax assets in the income statement. The losses will expire in 2010–2014. No deferred tax liabilities have been recognised for the undistributed retained earnings of foreign subsidiaries because the assets have been permanently invested in the countries in question.



#### 14. Inventories

	2005	2004
Materials and supplies	2 402	3 344
Work in progress	1 244	3 919
Finished products	2 015	1 581
<b>total</b>	<b>5 661</b>	<b>8 844</b>

A total of EUR 749 thousand was recognised as an expense in the financial year to reduce the carrying amount of inventories to correspond to the net realisation value (2004: EUR 0 thousand).

#### 15. Trade and other receivables

	2005	2004
Trade receivables	8 051	4 708
Accrued income	562	494
Other receivables	557	1 380
<b>Total</b>	<b>9 170</b>	<b>6 582</b>

#### 16. Cash and cash equivalents

	2005	2004
Cash on hand and deposits	319	2 264
<b>Total</b>	<b>319</b>	<b>2 264</b>

Cash and cash equivalents in the cash flow statement consist of cash on hand and bank deposits

#### 17. Notes to shareholders' equity

		number of shares (1 000)	share capital
Share issue	1.1.2004	2 813	2 813
		312	312
	31.12.2004	<b>3 125</b>	<b>3 125</b>
	31.12.2005	<b>3 125</b>	<b>3 125</b>

The maximum number of shares is 60 million (2004: 60 million). The nominal value of shares is EUR 0.10 per share and the Group's maximum share capital equals EUR 6.0 million (EUR 6.0 million in 2004). All shares issued have been paid in full.

##### Share premium account

The items indicated in the Companies Act, Chapter 12, Section 3a, are recognised in the share premium account.

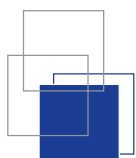
##### Reserve fund

Chapter 12, Section 3 of the Companies Act lays down provisions on the reserve fund. The reserve fund is restricted capital as defined in the Companies Act.

##### Fair value fund

##### Translation differences

The account for translation differences contains the translation differences that arise from the conversion of foreign subsidiaries' financial statements. Gains and losses from the hedging of net investments in foreign subsidiaries are also included in translation differences if the requirements for hedge accounting are met.



## 18. Share-based payments (1,000)

The Group has had share option schemes since 14 April 2003. Share options granted after 1 January 2005 that had not vested by 31 December 2005 have been recognised in the income statement in compliance with IFRS 2 Share-based Payment. Share options are granted to the management and some employees. A share option entitles the holder to acquire Group shares at EUR 0,78 per share during the period determined in the share option scheme. To receive share options, the person must remain with the Group during the entire vesting period.

For share options 2004 A this period ends on 1 January 2006 and for share options 2004 B on 1 January 2007, after which the share options no longer return to the company even if the holder's employment were to end. The share options expire if they have not been exercised by 31 January 2009. If the holder leaves the company prior to the expiry of share options, the options received shall be returned.

Share options are divided into A and B options. Subscription with share options A begins on 1 January 2006, the maximum number available for subscription being 1,113,347. Subscription with share options B begins on 1 January 2007, the maximum number of shares available for subscription being 1,113,347.

The exercise of share options may lead to a maximum share capital increase of EUR 222,669.40, which corresponds to some 7.1% of the company's current share capital.

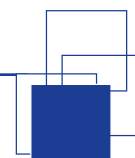
	2005 Exercise price as weighted share option price, EUR per share	amounts	2004 average share option price EUR/share	average share option price, amounts
At the beginning of the financial year	0,35	3 000	0,35	3 000
New share options granted	0,78	1 859	0,78	0
Exercised share options	0,78	0	0,78	0
Share options expired	0,78	0	0,78	0
At the end of the financial year	0,35	3 000	0,35	3 000
	0,78	1 859		
Exercisable share options at the end of the financial year	0,78	0	0,78	0

The Group applies the Black-Scholes formula for share options schemes, which does not set special conditions on vesting. The expected volatility has been determined by calculating the historical volatility of the Group's share price, adjusted by a generally available factor that is expected to cause changes in the historical volatility. Historical volatility is calculated as a weighted figure for the average term of share options.

Exercise price (euro) 0,78

Share option scheme 1. Share-based options,  
granted to key management

Nature of scheme	Granted	Number of instruments	Exercise price EUR	Share price at the time of granting
Grant date	9.2.2005	1 224 000	0,78	0,70
	14.3.2005	25 000	0,78	0,67
	27.4.2005	428 000	0,78	0,74
	6.6.2005	50 000	0,78	0,82
	15.8.2005	25 000	0,78	1,15
	30.9.2005	107 000	0,78	1,67
		1 859 000		



Term of options (years) according to the scheme	5
Exercise	Shares
expected volatility	30 %
Expected term of options on grant date (years)	
Risk-free interest	3 %
Expected dividend (dividend yield)	0 %
Expected staff reduction (on grant date)	0 %
Fair value of instrument determined on grant date.	0,71
Measurement model	Black-Scholes

The total expenditure for share options recognised in the financial year is EUR 87,000.

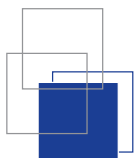
## 19. Provisions

### Warranty provision

1.1.2005	322
Increase in provisions	245
Provisions exercised	-81
Käyttämättömien	144
Reversals of unused provisions	
31.12.2005	342

	2005	2004
Non-current provisions	46	43
Current provisions	296	279
<b>Total</b>	<b>342</b>	<b>322</b>

Sales are recognised after goods delivery. A provision is made for the estimated warranty expenses. On average, the company gives a one-year warranty for its products. Defects detected in products during the warranty period are repaired at the company's cost, or the customer is given a corresponding product. Warranty provisions at the end of 2005 totalled EUR 206 thousand (EUR 106 thousand in 2004). The warranty provision is based on experiences of defective products in previous years. Warranty provisions are expected to be used in the following two years. The warranty provision is recognised in conjunction with final project approval at the beginning of the warranty period and is cancelled by the end of the period.



## 20. Interest-bearing liabilities

	Balance sheet value 2005	Balance sheet value 2004
<b>Non-current</b>		
Loans from financial institutions	1 590	3 073
Subordinated loan	2 878	3 000
Finance lease liabilities	1 478	2 538
Other liabilities	92	134
<b>Current</b>		
Loans from financial institutions	4 230	3 285
Finance lease liabilities	1 535	2 004
Instalments of non-current loans	252	349

The fair values of liabilities are presented in Notes 22.

Non-current liabilities mature in the following way:

	2005	2006	2007	2008	2009	2010	later
Fixed-rate loans from financial institutions		73	73				
Floating-rate loans from financial institutions		1 201	243				
Finance lease liabilities		252	234	234	234	234	290
Other liabilities		42	42	8			
<b>Total non-current liabilities</b>		<b>1 568</b>	<b>592</b>	<b>242</b>	<b>234</b>	<b>234</b>	<b>290</b>

	2004	2005	2006	2007	2008	2009	later
Loans from financial institutions							
Loans from financial institutions, fixed rate		184	173	80			
Loans from financial institutions, floating rate		1 192	1 192	252			
Finance lease liabilities		349	349	349	349	349	793
Other liabilities		42	42	42	8		
<b>Total non-current liabilities</b>		<b>1 767</b>	<b>1 756</b>	<b>723</b>	<b>357</b>	<b>349</b>	<b>793</b>

The breakdown by currency of interest-bearing non-current liabilities is as follows:

	2005	2004
HUF	12 219	4 000
EUR	5 990	8 729

The breakdown by currency of interest-bearing current liabilities is as follows:

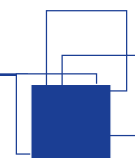
	2005	2004
HUF	2 750	0
EUR	6 006	5 638

Based on the authorisation granted by the Annual General Meeting on 10 April 2003, the Board of Directors decided on 14 April 2003 to issue 4,000,000 share options, of which 3,000,000 are still available for subscription. Sampo Bank, the holder of the share options, is entitled to subscribe for shares at a price of EUR 0.35.

The subscription period ends on 14 April 2008 or, if the subordinated loan is unpaid, the subscription period will be extended until the loan has been repaid. Based on share options, the share capital can be further increased by EUR 300,000, which corresponds to some 9.6% of the company's current share capital.

The subordinated loan was issued on 14 April 2003. According to the loan terms, in the event of company dissolution or bankruptcy,

the subordinated loan and interest shall be paid at a lower priority than that applied to other creditors. In other cases, the capital may be repaid only if full cover is ensured to restricted shareholders' equity and other non-distributable items according to the balance sheet or consolidated balance sheet confirmed for the last ended financial year. Interest on the subordinated loan can be paid only if the paid amount can be used for profit distribution according to the balance sheet and consolidated balance sheet confirmed for the last ended financial year.



## Maturity of finance lease liabilities

	2005	2004
Finance lease liabilities - total of minimum lease payments		
Within twelve months	236	349
Over one year and not more than five years	773	1 396
Over five years	216	793
finance lease liabilities - present value of minimum lease payments	1 225	2 538
Within twelve months	252	349
Over one year and not more than five years	936	1 396
Over five years	290	793
	1 478	2 538

The finance leases paid in 2005 totalled EUR 10,440.

Financial expenses incurred in the future	27	
total of finance lease liabilities	1 730	2 887

## 21. Trade and other payables

	2005	2004
Current		
Trade payables	3 301	1 779
Accrued expenses	1 756	2 101
Other liabilities	1 072	2 548
Total	6 129	6 428

Material items included in accrued expenses consist of personnel expenses and accrued interest on liabilities.

## 22. Fair values of financial assets and liabilities

	Carrying amount 2005	Fair value 2005	Carrying amount 2004	Fair value 2004
Financial assets				
Available-for-sale investments	21	21	85	85
Trade and other receivables	9 170	9 170	6 582	6 582
Cash and cash equivalents	319	319	2 264	2 264
Forward exchanges	0	0	734	734

The carrying amount of trade and other receivables is considered to closely correspond to the fair value. The financial assets and liabilities for 2004 were measured according to the Finnish Accounting Standards.

### Financial liabilities

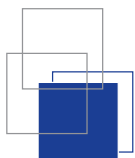
Bank loans	6 576	7 055	8 402	8 402
Other loan	2 878	2 878	3 000	3 000
Finance lease liabilities	1 730	1 730	2 930	2 930
Trade and other payables	5 774	5 774	6 428	6 428

In accordance with the IAS 39 transition regulation, a total of EUR 221,000 of the nominal value of the loan was transferred to shareholders' equity.

## Range of fluctuation for the interest rate of interest-bearing liabilities

	2005	2004
Loans from financial institutions	1,00-4,48	1,00-4,15
Pension loans	4,00-5,20	4,00-5,20
Finance lease liabilities	4,047-8,00	4,047

The Group has one product development loan, the fair value of which is smaller than its carrying amount.



### 23. Business operations with no related payments

	2005	2004
Depreciation and amortisation	1181	1 391
Impairment	860	
Exchange rate differences	-357	162
Employee benefits	87	
Gains/losses from the measurement of investment property at fair value	441	
Total	1352	2 413

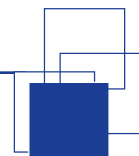
### 24. Contingent liabilities

	2005	2004
Assets pledged for the company		
promissory notes secured by pledge	12 452	12 687
inventories		
Assets pledged for associated entities	0	0
pledged securities	0	0
Assets pledged for others		
promissory notes secured by pledge	0	0
pledged securities	0	0
Other pledged assets		
mortgages on real estate	168	168
pledged securities	0	0
Other contingent liabilities		
Guarantees for others	0	0
Leasing liabilities		
Minimum leases payable on the basis of other non-cancellable lease agreements:		
in one year	168	156
1-5 years	186	199

### 25. Related party transactions

The relations and shares between the parent company and subsidiaries are as follows:

Company	Home Country	Shares (%)	Share of votes (%)
Parent Company Cencorp Oyj	Finland		
PMJ testline Oy	Lohja, Finland	100,0 %	
CENCORP test solutions Oy	Salo, Finland	100,0 %	
Kiinteistö Oy Salon Ratakatu 10	Salo, Finland	100,0 %	
CENCORP AB	Sollentuna, Sweden	100,0 %	
Cencorp AS	Tallinna, Estonia	100,0 %	
Cencorp (UK) Ltd.	Hartford, UK	100,0 %	
Cencorp Deutschland GmbH	Kaiserslautern, Germany	100,0 %	until 27 Dec.2005
Cencorp France S.A.R.L.	Marne la Vallee, France	99,0 %	100,0 %
PMJ automec USA, Inc.	Dallas, USA	100,0 %	
Cencorp, LLC	Longmont, USA	100,0 %	
Cencorp Kft	Budapest, Hungary	100,0 %	
Singulase Oy	Espoo, Finland	100,0 %	



The Group has purchased goods and services from companies in which the majority holding and/or power of decision granting control of the company is held by members of the Group's related parties. Sales of goods and services carried out with related parties are based on market prices.

The Group entered into the following transactions with related parties:

**a. Sales of goods and services**

	<b>2005</b>	<b>2004</b>
Sales of goods and services		
related party companies:		
Photonium oy	310	153

**b. Purchases of goods and sales**

	<b>2005</b>	<b>2004</b>
Purchases of goods and sales		
related party companies	2 004	60
Photonium oy		
Fees paid on the basis of consultation agreements		
Loyal Talent Spain	33	76
FT Capital Oy	23	95
Trade payables to related parties	<b>352</b>	<b>8</b>
Accrued expenses to related parties	0	68
Other receivables from related parties	100	551
Trade receivables from related parties	350	56

**c. Employment benefits of the management**

	<b>2005</b>	<b>2004</b>
Wages and other short-term employment benefits	693	409
Share-based payments		
Benefits paid in conjunction with dismissal		242
Post-employment benefits		
Other long-term employment benefits		

**Wages and remuneration**

	<b>2005</b>	<b>2004</b>
Managing directors	137	209
Deputy managing director	25	

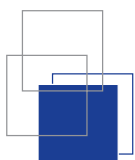
**Board members and deputies**

	<b>2004</b>
Kielenniva	
Väinölä	10
Jokela	7
Välimäki	6
Stenman	
Pellonmaa	3
Kiesi	2
	<b>28</b>

	<b>2005</b>
Kielenniva	4
Väinölä	4
Jokela	3
Välimäki	2
Stenman	
	<b>13</b>

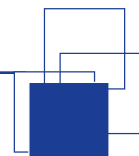
The retirement age of the managing director is 60 years.

Company management received 1,170,000 share options in 2005 (0 in 2004). The management's share options are governed by the same terms as the share options of other employees. On 31 December 2005 1,120,000 share options had been granted to management, 0 of which were exercisable (0 in 2004, 0 of which were exercisable).



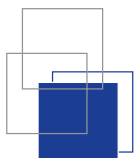
## CONSOLIDATED INCOME STATEMENT (EUR)

	NOTES	1.1.2005-31.12.2005		1.1.2004-31.12.2004	
<b>Net sales</b>	<b>1</b>	<b>23 669 356,16</b>	<b>100,0 %</b>	<b>16 184 073,24</b>	<b>100,0 %</b>
Increase (+) / decrease (-) in inventories of finished goods and work in progress		-3 205 979,38		1 480 918,77	
Production for own use					
Other operating income undertakings	2	1 167 040,55		2 933 474,97	
Materials and services	3				
Materials and supplies					
Purchases during the financial year		8 890 580,71		9 715 829,04	
Change in inventories		564 846,24		31 594,24	
Third-party services		2 957 606,42		1 830 949,31	
Personnel expenses	5	5 436 192,09		7 006 508,34	
Depreciation and impairment	7				
Planned depreciation		995 449,83		1 418 123,36	
Impairment		394 942,63			
Other operating expenses	8	4 239 329,39		4 963 386,39	
<b>Operating profit</b>		<b>-1 848 529,98</b>	<b>-7,8 %</b>	<b>-4 367 923,70</b>	<b>-27,0 %</b>
Financial income and expenses	9				
Income from participations in group undertakings		183 984,81			
Other interest and financial income					
Group undertakings		256 299,21		192 595,78	
Others		1 887,28		1 826,71	
Interest expenses and other financial expenses					
Group undertakings		- 20 599,56		- 84 145,60	
Others		-1 002 882,37		- 622 081,33	
Exchange rate differences		329 944,22		- 246 912,79	
<b>Profit/loss before extraordinary items</b>		<b>-2 099 896,39</b>	<b>-8,9 %</b>	<b>-5 126 640,93</b>	<b>-31,7 %</b>
Extraordinary items	10				
Extraordinary income		2 532 000,00		2 603 000,00	
<b>Profit/loss before taxes and provisions</b>		<b>432 103,61</b>		<b>-2 523 640,93</b>	
Appropriations					
Increase (-) / decrease (+) in depreciation difference		30 198,93		23 885,08	
Income taxes		- 106,85			
<b>Profit for the period</b>		<b>462 195,69</b>	<b>2,0 %</b>	<b>-2 499 755,85</b>	<b>-15,4 %</b>



## CONSOLIDATED BALANCE SHEET

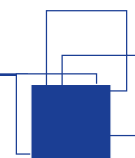
ASSETS	NOTES	31.12.2005		31.12.2004	
<b>FIXED ASSETS</b>					
Intangible assets					
Product development expenses	12	1 233 925,01		1 175 519,14	
Intangible rights	12	526 181,45		492 361,25	
Other long-term expenses	12	98 966,37		81 234,70	
Incomplete product development projects	12	<u>1 134 302,15</u>	2 993 374,98	<u>650 003,02</u>	2 399 118,11
Tangible assets					
Land and water areas	12	115 428,31		296 335,14	
Buildings and structures	12	1 280 748,98		2 122 372,79	
Machinery and equipment	12	<u>228 080,85</u>	1 624 258,14	<u>256 171,41</u>	2 674 879,34
Investments					
Shares and participations in group undertakings	12	5 430 509,41		5 447 509,41	
Other shares and participations		<u>10 091,28</u>	<u>5 440 600,69</u>	<u>20 073,90</u>	<u>5 467 583,31</u>
			10 058 233,81		10 541 580,76
<b>CURRENT ASSETS</b>					
Inventories					
Materials and supplies		1 731 939,24		2 296 785,48	
Work in progress		979 139,88		3 902 062,37	
Finished products		<u>909 431,36</u>	3 620 510,48	<u>1 192 488,25</u>	7 391 336,10
Receivables					
Non-current					
From group undertakings	14	<u>1 695 346,27</u>	1 695 346,27	<u>1 468 320,97</u>	1 468 320,97
Current					
Trade receivables		5 198 150,67		2 634 280,43	
From group undertakings	14	5 181 548,78		5 241 905,94	
Other receivables		332 474,65		644 809,08	
Accrued income	15	<u>358 231,66</u>	11 070 405,76	<u>370 741,43</u>	8 891 736,88
Cash and cash equivalents		<u>6 387,56</u>	<u>6 387,56</u>	<u>789 810,39</u>	<u>789 810,39</u>
<b>TOTAL ASSETS</b>			<b><u>26 450 883,88</u></b>		<b><u>29 082 785,10</u></b>
		<b>31.12.2005</b>		<b>31.12.2004</b>	
<b>LIABILITIES</b>					
<b>SHAREHOLDER'S EQUITY</b>					
Share capital	16	3 125 059,10		3 125 059,10	
Share premium account		3 945 570,81		6 445 326,66	
Reserve fund		211 384,16		211 384,16	
Profit or loss brought forward		6 600,12			
Profit for the period		462 195,69		-2 499 755,85	
Subordinated loan		<u>3 000 000,00</u>	10 750 809,88	<u>3 000 000,00</u>	10 282 014,07
<b>ACCUMULATED APPROPRIATIONS</b>					
Depreciation difference		<u>4 781,04</u>	4 781,04	<u>34 979,97</u>	34 979,97
<b>OBLIGATORY PROVISIONS</b>					
Other obligatory provisions	17	<u>293 932,59</u>	293 932,59	<u>272 925,54</u>	272 925,54
<b>LIABILITIES</b>					
Non-current	18				
Loans from financial institutions		1 544 464,38		3 025 944,43	
Other liabilities		<u>1 541 722,14</u>	3 086 186,52	<u>2 672 050,27</u>	5 697 994,70
Current					
Loans from financial institutions		7 670 933,38		6 972 589,26	
Pension loans				181 676,68	
Advances received		114 000,00		1 822 358,00	
Trade payables		2 329 403,39		1 453 309,63	
Debts to group undertakings	19	275 220,17		<u>300 402,16</u>	
Other liabilities		415 770,31		829 905,27	
Accrued expenses	20	<u>1 509 846,60</u>	<u>12 315 173,85</u>	<u>1 234 629,82</u>	<u>12 794 870,82</u>
<b>TOTAL LIABILITIES</b>			<b><u>26 450 883,88</u></b>		<b><u>29 082 785,10</u></b>



## PARENT COMPANY CASH FLOW STATEMENT

1000 (EUR)

	2005	2004
Cash flow from business operations:		
Operating profit	-1 849	-4 368
Planned depreciation	1 390	1 418
Reversal of accrual-based items	-163	926
Cash flow before changes in working capital	-621	-2 024
Change in working capital:		
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	3 091	2 923
Increase (-) / decrease (+) in inventories	3 771	-1 449
Increase (+) / decrease (-) in advances received	-1 708	1 689
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-345	-209
Cash flow from business operations before financial items and taxes	4 189	929
Increase (-) / decrease (+) in financing to subsidiaries	-1 866	2 211
Financial income and expenses	2	-789
Direct taxes paid	-107	0
<b>Cash flow from business operations</b>	<b>2 217</b>	<b>2 352</b>
Cash flow from investments:		
Investments in tangible and intangible assets	-1 484	-620
Proceeds from the disposal of tangible and intangible assets	12	0
Proceeds from the disposal of other investments	17	16
<b>Cash flow from investments</b>	<b>-1 455</b>	<b>-604</b>
Cash flow from financing activities:		
Rights issues	0	1 450
Change in current loans	1 066	-771
Change in non-current loans	-2 612	-1 680
<b>Cash flow from financing activities</b>	<b>-1 546</b>	<b>-1 001</b>
<b>Increase (+) / decrease (-) in cash and cash equivalents</b>	<b>-784</b>	<b>747</b>
Cash and cash equivalents at the beginning of the period	790	43
Cash and cash equivalents at the end of the period	6	790
	-783	747



## NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

### Accounting policies

Cencorp Corporation's financial statements have been prepared in compliance with the Finnish Accounting Standards (FAS). The consolidated financial statements have been prepared compliance with the IFRS accounting policies, as have the parent company's financial statements whenever possible. The accounting policies used for the parent company's financial statements differ from those used for the consolidated financial statements in the following cases:

### Other long-term expenses

Other long-term expenses under intangible fixed assets include modernization expenses for rental facilities, which, according to the IFRS, are recognised under tangible assets in the consolidated financial statements.

### Subordinated loan

The parent company's shareholders' equity includes a separate item for the subordinated loan, which is included in other loans under non-current liabilities in the consolidated financial statements.

## NOTES TO THE INCOME STATEMENT

### 1. DISTRIBUTION OF NET SALES BY MARKET AREA (EUR 1,000)

		PARENT COMPANY		
		2005	2004	
Europe	80 %		<b>19 054</b>	12 756
The Americas	4 %	<b>869</b>	2 127	
Asia and Australia	16 %	<b>3 746</b>	1 301	
Total		<b>23 669</b>	16 184	

### 2. OTHER OPERATING INCOME (EUR 1,000)

		PARENT COMPANY	
		2005	2004
Rental income		<b>36</b>	36
Structural changes		<b>275</b>	1 067
Subsidies		<b>69</b>	28
Other income		<b>787</b>	1 802
		<b>1 167</b>	2 933

### 3. MATERIALS AND SERVICES

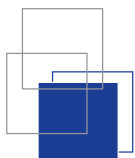
		PARENT COMPANY	
		2005	2004
Materials and supplies			
Purchases during the financial year		<b>8 890</b>	9 715
Change in inventories		<b>565</b>	32
		<b>9 455</b>	9 747
Third-party services		<b>2 958</b>	1 831
Total materials and services		<b>12 413</b>	11 578

## NOTES CONCERNING THE STAFF AND MEMBERS OF DIFFERENT ORGANS

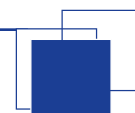
### 4. PERSONNEL

During the financial year the company employed an average of

		PARENT COMPANY		GROUP	
		2005	2004	2005	2004
clerical workers		<b>160</b>	194	<b>89</b>	127
workers		<b>54</b>	69	<b>30</b>	40
		<b>214</b>	263	<b>119</b>	167
At the end of the year					
clerical workers		<b>153</b>	154	<b>89</b>	90
workers		<b>52</b>	53	<b>30</b>	29
		<b>205</b>	207	<b>119</b>	119



<u>5. PERSONNEL EXPENSES (EUR 1,000)</u>	GROUP 2005	PARENT COMPANY 2004
Wages and remuneration	4 658	6 009
Retirement expenses	847	926
Other indirect employee expenses	275	333
Total personnel expenses	<u>5 780</u>	7 268
Amount of personnel expenses capitalised under product development expenses prior to the deduction of subsidies	344	261
<u>6. ORGANS</u>		
Wages of the managing director and deputy managing director	192	209
Fees of Board members	13	28
<u>Retirement contributions of the Board of Directors and the Managing Director</u> The Managing Director is entitled to retire at the age of 60.		
<u>Loans to related parties</u> No loans have been granted to the company's Managing Director, Board members or shareholders.		
<u>7. DEPRECIATION AND IMPAIRMENT (EUR 1,000)</u>	PARENT COMPANY 2005	2004
Planned depreciation	995	1 418
Impairment on fixed assets	395	
Total	<u>390</u>	1 418
<u>8. OTHER OPERATING EXPENSES (EUR 1,000)</u>	PARENT COMPANY 2005	2004
Other personnel expenses	185	284
Transport and vehicle expenses	214	343
Travel, marketing and representation expenses	724	775
Real estate expenses	325	524
Telecommunications expenses	617	500
Third-party services	588	1 542
Other operating expenses	586	995
Total	<u>4 239</u>	4 963
<u>9. FINANCIAL INCOME AND EXPENSES (EUR 1,000)</u>	PARENT COMPANY 2005	2004
Dividend yield		
Group undertakings	184	
Others		1
<b>Total dividend yield</b>	<u>184</u>	1
Interest income from long-term investments		
Group undertakings	256	193
Others		
<b>Total interest income from long-term investments</b>	<u>256</u>	193
Other interest and financial income		
Group undertakings		
Total other interest income and other interest income	<u>2</u>	1
<b>Total other interest and financial income</b>	<u>2</u>	1
Interest expenses and other financial expenses	258	194
<b>Total interest expenses and other financial expenses</b>		
Group undertakings	21	17
Others	954	558
<b>Total interest expenses</b>	<u>975</u>	575
<b>Total interest expenses and other financial expenses</b>	<u>1 024</u>	706
<b>Total financial income and expenses</b>	<u>-582</u>	-512
<b>Exchange rate gain (net)</b>	<u>330</u>	-247
<u>10. EXTRAORDINARY ITEMS</u>	PARENT COMPANY 2005	2004
Extraordinary income/Group contribution	2 532	2 603
	<u>2 532</u>	2 603



## NOTES CONCERNING BALANCE SHEET ASSETS

### 11. UNDEPRECIATED CAPITALISED PRODUCT DEVELOPMENT EXPENSES (EUR 1,000)

	PARENT COMPANY	
	2005	2004
Increase in product development capitalisation	1 190	525
The company continued to develop the testing equipment range and initiated development of an entirely new type of application based on laser technology.		

### 12. TANGIBLE AND INTANGIBLE ASSETS

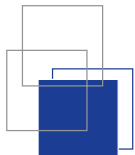
	Intangible assets		Tangible assets				Total	
	Product development expenses*	Intangible rights	Other long-term expenses	Total	Land areas	Buildings and structures		Machinery and equipment
Acquisition cost								
31 Dec. 2005	5 434	1 171	690	7 295	296	2 696	3 249	6 241
Increase	1 189	174	36	1 399			85	85
Decrease					181	688		869
Transfers between items								
Acquisition cost								
31 Dec. 2005	6 623	1 345	726	8 694	115	2 008	3 334	5 457
Accumulated depreciation and impairment								
1.1.2005	3 609	679	609	4 897		572	2 993	3 565
Accumulated depreciation of decreases and transfers								
Depreciation for the period	646	140	18	804		-270	113	-270
Impairment								
Accumulated depreciation						349		349
31 Dec. 2005	4 255	819	627	5 701		727	3 106	3 833
Carrying amount								
31 Dec. 2005	2 368	526	99	2 993	115	1 281	228	1 624
Carrying amount								
31 Dec. 2004	1 826	492	81	2 399	296	2 122	256	2 674

\*) includes product development expenses for work in progress

The real estate arrangements with the town of Lohja is treated as a financial event. The real estate is included in the parent company's fixed assets and depreciation is recognised as originally planned.

### 13. HOLDINGS IN GROUP UNDERTAKINGS

	Domicile	Parent Company's holding	Group holding
PMJ testline Oy	Lohja, Finland	100,0 %	
Cencorp test solutions Oy	Salo, Finland	100,0 %	
Kiinteistö Oy Salon Ratakatu 10	Salo, Finland	100,0 %	
Singulase Oy	Espoo, Finland	100,0 %	
Cencorp AB	Sollentuna, Sweden	100,0 %	
Cencorp AS	Tallinna, Estonia	100,0 %	
Cencorp UK Ltd.	Hartford, UK	100,0 %	
Cencorp S.A.R.L.	Marne la Vallee, France	99,0 %	100,0 %
PMJ automec USA, Inc.	Dallas, USA	100,0 %	
Cencorp Inc.	Longmont, USA		100,0 %
Cencorp Kft.	Budapest, Hungary	100,0 %	



#### 14. RECEIVABLES FROM GROUP UNDERTAKINGS (EUR 1,000)

	PARENT COMPANY	
	2005	2004
<u>Non-current</u>		
Loan receivables	1 695	1 468
<u>Current</u>		
Trade receivables	907	1 752
Loan receivables	3 446	2 905
Other current receivables	829	585
Total	<u>5 182</u>	<u>5 242</u>

#### 15. ACCRUED INCOME (EUR 1,000)

	PARENT COMPANY	
	2005	2004
Subsidies	270	259
Other accrued income	88	112
Total	<u>358</u>	<u>371</u>

## NOTES CONCERNING BALANCE SHEET LIABILITIES

#### 16. SHAREHOLDERS' EQUITY (EUR 1,000)

	PARENT COMPANY	
	2005	2004
<u>Changes in shareholders' equity</u>		
Share capital at the beginning of the financial year	3 125	2 813
Directed issue		312
Share capital at the end of the financial year	<u>3 125</u>	<u>3 125</u>
Share premium reserve at the beginning of the financial year	6 445	6 327
Directed issue		1 139
Transferred from share premium reserve to retained earnings	-2 500	-1 021
Share premium reserve at the end of the financial year	<u>3 945</u>	<u>6 445</u>
Reserve fund at the beginning of the financial year	211	211
Reserve fund at the end of the financial year	<u>211</u>	<u>211</u>
Assets at the beginning of the financial year	-2 500	-1 021
Transferred from share premium reserve to retained earnings	2 500	1 021
Adjustment to the profit/loss of the previous financial year	8	
Profit for the period	462	-2 500
Assets at the end of the financial year	<u>470</u>	<u>-2 500</u>
Subordinated loan at the beginning of the financial year	3 000	3 000
Subordinated loan raised		
Subordinated loan at the end of the financial year	<u>3 000</u>	<u>3 000</u>
Total equity	<b>10 751</b>	<b>10 281</b>

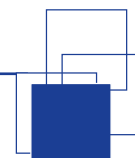
The company has a subordinated loan of EUR 3,000 thousand as defined in Section 5 of the Companies Act. The interest on the loan is the 12-month Euribor plus a 4,5% annual margin. The accumulated interest at the end of the financial year totalled EUR 498,299.41. The interest has been recognised in the parent company's profit for the period.

##### Main loan terms:

- In the event of company dissolution or bankruptcy, the principle, interest and other compensation shall be paid at a lower priority than that applied to other debt.
- The principle may be repaid only if full cover is ensured to the restricted shareholders' equity and other non-distributable items according to the company's balance sheet confirmed for the last ended financial year.
- Interest and other compensation may be paid only if the amount paid can be used for profit distribution according to the company's balance sheet confirmed for the last ended financial year.

#### 17. OBLIGATORY PROVISIONS (EUR 1,000)

	PARENT COMPANY	
	2005	2004
Recognition provisions	115	178
Warranty provision	158	57
Other obligatory provisions	21	38
Total	<u>294</u>	<u>273</u>



## 18. NON-CURRENT LIABILITIES (EUR 1,000)

Non-current liabilities include items that mature in five years or more:

	PARENT COMPANY	
	2005	2004
Other non-current liabilities	290	1 480
Total	290	1 480

## CURRENT LIABILITIES

### 19. LIABILITIES TO GROUP UNDERTAKINGS (EUR 1000)

	PARENT COMPANY	
	2005	2004
Trade payables	275	294
Other current liabilities		6
Total	275	300

### 20. ACCRUED EXPENSES (EUR 1,000)

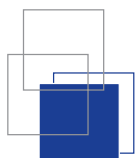
	PARENT COMPANY	
	2005	2004
Accrued interest	532	62
Accrued personnel expenses	719	1 061
Commission	252	102
Other accrued expenses	7	10
Total accrued expenses	1 510	1 235

### 21. COLLATERAL AND CONTINGENT LIABILITIES (EUR 1,000)

	PARENT COMPANY	
	2005	2004
<b>Pension loans</b>		182
Business mortgages		235
Mortgages on real estate		
<b>Loans from financial institutions</b>	7 275	8 085
Business mortgages	12 452	12 452
Mortgages on real estate		
<b>Other liabilities</b>	1 815	3 064
Mortgages on real estate		
<b>Bank guarantee limit</b>	330	1 936
Mortgages on real estate		
<b>Pledged as security</b>		
Total business mortgages	12 452	12 687
Total mortgages on real estate	0	0
<b>Leasing liabilities</b>		
Maturing the following year	168	156
Maturing later	186	199

### 22. LIABILITIES ARISING FROM DERIVATIVES AGREEMENTS (EUR 1,000)

	PARENT COMPANY	
	2005	2004
Forward exchanges used to hedge parent company's trade receivables:		734



### 23. RELATED PARTY TRANSACTIONS

		PARENT COMPANY	
		2005	2004
Sales of goods and services	Photonium Oy	<u>310</u>	<u>153</u>
		<b>310</b>	153
Purchases of goods and sales	Photonium Oy	<b>2 007</b>	60
	Loyal Talent	<b>33</b>	76
	FT Capital Oy	<u>23</u>	<u>95</u>
		<b>2 063</b>	231
Trade receivables	Photonium Oy	<b>350</b>	56
Other receivables	Photonium Oy	<b>100</b>	<u>649</u>
Total receivables from related parties		<b>450</b>	705
Trade payables	Photonium Oy	<b>352</b>	
Accrued expenses	Loyal Talent		8
Total liabilities from related parties	Photonium Oy	<u>352</u>	<u>68</u>
		<b>352</b>	76

### 24. SHARE OPTIONS

Based on the authorisation granted by the Annual General Meeting on 10 April 2003, the Board of Directors decided on 14 April 2003 to issue 4,000,000 share options, of which 3,000,000 are still available for subscription. The holder of the share options is entitled to subscribe shares at EUR 0.35 per share.

The subscription period ends on 14 April 2008 or, if the subordinated loan is unpaid, the subscription period will be extended until the loan has been repaid. The share capital can be further increased through share options by EUR 300,000, which corresponds to some 9.6% of the company's current share capital.

Based on the authorisation granted by the Extraordinary General Meeting held on 15 July 2004, the Board of Directors decided on 5 October 2004 to give share options to key employees of the Group and to the Group's fully owned subsidiary, PMJ testline Oy.

A total of 2,226,694 option rights were issued, and they entitle to the subscription of 2,226,694 Cencorp shares at a subscription price that equals EUR 0.78 minus the amount of dividend distributed after the end of the subscription period and before the share subscription, on the matching date of each dividend distribution.

Share options are divided into A and B options:

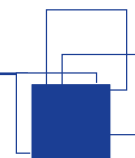
- Subscription with A share options starts on 1 January 2006 and the maximum number of shares available for subscription is 1,113,347.
- Subscription with B share options starts on 1 January 2007 and the maximum number of shares available for subscription is 1,113,347.

The subscription period for all share options ends on 31 January 2009. The share options can increase share capital by a maximum of EUR 222,669.40, which corresponds to some 7.1% of the company's current share capital.

A total of 1,859,000 share options have been distributed to the Cencorp Group's key employees, and the 367,694 share options temporarily held by PMJ testline Oy will later be transferred to key employees working for the Cencorp Group now or in the future.

### 25. BOARD OF DIRECTORS' AUTHORISATIONS TO INCREASE SHARE CAPITAL

The Board of Directors is authorised to increase share capital by a maximum of EUR 78,126.40, which corresponds to a maximum of 781,264 shares. The total authorised amount equals approximately 2.5% of the currently registered share capital. The authorisation is valid until 23 March 2006.



## RISK MANAGEMENT

The Group's normal business operations expose it to financial risks. Risk management aims to minimise the adverse effects that changes in the financial markets may have on the Group's results and balance sheet position. The main financial risks are currency risk, interest rate risk, funding risk and credit risk.

The Group's general risk management principles are approved by the Board of Directors, and their implementation is the joint responsibility of the Group's centralised financial department and the business areas. The financial department identifies, assesses and acquires the instruments needed to hedge against risks in close cooperation with the operative units. Hedging transactions are carried out in compliance with the risk management policy approved by Group management.

### Currency risk

The Group's international operations expose it to transaction risks caused by foreign exchange positions and to risks arising from the translation of investments denominated in foreign currencies to the operating currency of the parent company. USD is the most significant foreign currency for the Group. Currency risks arise from purchases and sales carried out in a currency other than the Group's operating currency, from foreign currency denominated trade receivables and payables, as well as from net investments in foreign subsidiaries.

The primary sales and invoicing currency is EUR. If required, other commonly used currencies (USD, SEK, HUF and GBP) can also be used. Of these, USD accounts for 13% of overall sales while the other currencies together account for less than 1%.

The Group hedges its foreign currency sales agreements and purchases but does not apply IAS 39-compliant hedge accounting to them.

As a rule, the foreign currency position is continuously monitored by individual currency for periods covering the following 12 months. The forecast and realised cash flows have been quite steady over the financial year and are highly probable. (The Group met the requirements of IAS 39 concerning hedge accounting in the financial year.)

The Group has foreign net investments in subsidiaries and is thus exposed to risks that arise from translating investments denominated in USD, SEK, HUF and GBP into the parent company's operating currency. The Group has decided not to hedge net investments in foreign subsidiaries due to the small size of the investments.

### Interest rate risk

The Group's revenue and operative cash flows are mostly independent of fluctuations in market rates. The Group is exposed to fair value interest rate risk (fixed rate debts) and cash flow interest rate risk (floating rate debts) mainly due to interest on debts.

In compliance with the principles of risk management, at least 10% of the credit portfolio must be fixed rate and the loan portfolio shall have an average duration of 3–6 years. On the closing date, 17% of the credits were of a fixed-rate nature and the duration was three years. The Group can take out either fixed-rate or floating-rate loan and use interest rate swaps to reach the objective of the policy.

### Market risk of investment activities

The Group's investments in market-priced shares and other instruments are minor/nonexistent, leading to market risk from investment activities being very small.

### Credit risk

The Group does not have significant credit risk pools because it has a broad customer base with a wide geographical distribution. The Group only grants credit to companies with an impeccable credit rating. The credit losses recognised in the income statement during the financial year were not significant.

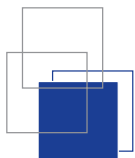
The maximum amount of the Group's credit risk equals the carrying amount of financial assets on 31 December 2005.

### Liquidity risk

The Group continuously assesses and monitors the financing needed for business to ensure that it has enough liquid assets at its disposal to finance operations and repay loans falling due. The Group's financing policy determines the optimum size of the liquidity reserve. The maturity and amortisation of loans are planned so as to optimise liquidity. The availability and flexibility of financing are ensured through unused credit limits and by using several banks and financing methods to acquire financing.

### Commodity risk

The Group is exposed to commodity risk related to the availability and price fluctuations of commodities/components. It aims to reduce these risks by using several subcontractors and procurement channels.

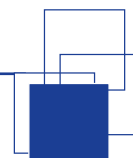


## SHARES AND SHAREHOLDERS

### Distribution of shareholdings and shareholder information

The company had a total of 7,053 shareholders at the end of the period. The ten biggest shareholders held a total of 46.6 per cent of the company's shares and votes on 31 December 2005. The biggest shareholder is Markku Jokela, the company's founder and former CEO, presently Deputy Chairman of the Board, who owns 27.5 per cent of the company's shares and votes. Board members and foundations or associations under their control owned 8,797,471 shares on 31 December 2005, which amounts to 28.2 per cent of the company's shares and votes. CEO Petri Väinölä owned 107,857 shares at the end of the year. Shares owned by foreign shareholders on 31 December 2005 totalled 381,257, representing 1.22 per cent of all shares and votes. Cencorp Corporation did not own any of its own shares at the end of the year.

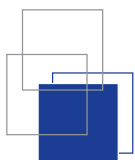
	<b>Name</b>	<b>Number of shares</b>	<b>%</b>
1	Jokela Markku	8 607 757	27,54
2	Etra-Invest Oy Ab	3 000 000	9,60
3	Mandatum Finnish Small Cap Fund	680 700	2,18
4	Mutual Fund Pohjola Finland Growth	660 650	2,11
5	Sampo Finnish Equity Fund	403 300	1,29
6	Jokela Joni	296 000	0,95
7	Jokela Pirjo	296 000	0,95
8	Mutual Fund Pohjola Balanced	217 050	0,70
9	Nordea Bank Finland, nominee reg.	202 523	0,65
10	Mutual Fund Pohjola Forte	200 000	0,64
	Others, total	16 686 611	53,39
		31 250 591	100,00



## GROUP'S KEY INDICATORS

### FIVE-YEAR FIGURES

EUR 1000	IFRS	IFRS	FAS	FAS	FAS
	2005 12 months	2004 12 months	2003 12 months	2002 12 months	2001 12 months
Net sales	35 308	32 473	31 962	38 307	50 661
Operating profit	760	-541	607	-7 274	-7 848
% of net sales	2,2	-1,7	1,9	-19,0	-15,5
Profit/loss before extraordinary items	289	-1 294	-230	-9 005	-9 545
% of net sales	0,8	-4,0	-0,7	-23,5	-18,8
Profit before taxes	289	-1 294	-230	-9 005	-9 545
% of net sales	0,8	-4,0	-0,7	-23,5	-18,8
Return on equity, %	34,4 %	-31,2 %	-8,6	-95,8	-58,6
Return on capital employed, %	7,3 %	-1,5 %	6,9	-22,8	-15,9
Equity ratio, %	27,5 %	17,6 %	17,3	18,5	33,6
Net gearing, %	171,0 %	293,7 %	310,4	325,2	136,4
Non-interest-bearing liabilities	5 853	6 498	5 099	4 487	6 193
Interest-bearing liabilities	12 055	14 383	13 189	18 682	20 893
Gross investments	1 767	860	3 096	671	863
% of net sales	5,0 %	2,6	9,7	1,8	1,7
Research and development costs	2 201	2 148	1 613	1 482	2 602
% of net sales	6,2 %	6,6	5,0	3,9	5,1
Order book, million	1,6	6,5	5,2	4,9	9,0
Personnel on average	214	263	292	357	448
Personnel at the end of the period	205	207	282	318	400
<b>Share key indicators</b>					
Earnings per share (diluted), EUR	0,06	-0,04	-0,02	-0,37	-0,42
Earnings per share (non-diluted), EUR	0,06	-0,05	-0,01	-0,33	-0,41
Shareholders' equity per share, EUR	0,22	0,13	0,16	0,18	0,50
Dividend per share, EUR					
Dividend on profit, %					
Effective dividend yield, %					
P/E ratio (diluted)	24	-15,16			-1,5
P/E ratio (undiluted)	23	-14,50	-48,1	-1,1	-1,6
Share price 31 Dec.	1,23	0,66	0,71	0,36	0,64
Market capitalisation, EUR million	38	21,0	20,0	10,0	18,0
Share trading adjusted for share issue	29 948 868	15 431 020	17 747 793	10 511 937	29 918 313
Portion of the weighted average of shares, %	91,5	51,9	63,1	37,4	106,3
Weighted average of the number of shares adjusted for share issue over the financial year	32 725 627	29 707 882	28 133 470	28 133 470	28 132 941
Number of shares adjusted for share issue at the end of the financial year	31 250 591	31 250 591	28 133 470	28 133 470	28 133 470
Average number of shares, diluted by stock options, over the financial year	33 455 136	31 063 991	25 346 954	24 622 107	27 415 866



## CALCULATION OF KEY INDICATORS

Return on equity (ROE), %:

$$\frac{\text{Profit/loss before extraordinary items - taxes} \times 100}{\text{Shareholder's equity} + \text{minority interest (average)}}$$

Return on investment (ROI), %:

$$\frac{\text{Profit/loss before extraordinary items} + \text{interest and other financial expenses} \times 100}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}}$$

Equity ratio, %:

$$\frac{\text{Shareholders' equity} + \text{minority interest} \times 100}{\text{Balance sheet total} - \text{advances received}}$$

Net gearing, %:

$$\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents} + \text{marketable securities} \times 100}{\text{Shareholder's equity} + \text{minority interest}}$$

Earnings per share (EPS):

$$\frac{\text{Profit before extraordinary items} + / - \text{minority interest of profit/loss for the period} - \text{taxes}}{\text{Number of shares adjusted for share issue (average)}}$$

Equity per share:

$$\frac{\text{Shareholder's equity}}{\text{Number of shares adjusted for share issue at the end of the financial year}}$$

Dividend per share:

$$\frac{\text{Dividend paid in the financial year}}{\text{Number of shares adjusted for share issue at the end of the financial year}}$$

Dividend on profit, %:

$$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$$

Effective dividend yield, %:

$$\frac{\text{Dividend per share} \times 100}{\text{Closing price on the financial statements date}}$$

P/E ratio:

$$\frac{\text{Closing price on the financial statements date}}{\text{Earnings per share}}$$

## SIGNATURE OF THE BOARD OF DIRECTORS

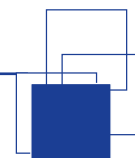
Virkkala, 8 February 2006

Jorma Kielesseniva  
Chairman

Markku Jokela

Jan-Erik Stenman

Petri Väinölä  
President and  
CEO



## AUDITORS' REPORT

Cencorp Corporation's shareholders,

We have audited Cencorp Corporation's accounting, Board review, financial statements and corporate governance for the financial year 1 January – 31 December 2005. The Board of Directors and the CEO have prepared consolidated financial statements in compliance with the International Financial Reporting Standards (IFRS) adopted in the EU. The statements include the consolidated balance sheet, income statement, cash flow statement, statement on changes in equity, notes, as well as the review of the Board of Directors and the parent company's financial statements, including the parent's balance sheet, income statement, cash flow statement and notes, which have been prepared in compliance with Finnish Accounting Standards. Based on our audit we express an opinion on the consolidated financial statements, the review of the Board of Directors, the parent company's financial statements and corporate governance.

The audit has been carried out in compliance with generally accepted accounting principles. The accounting, as well as the principles, content and presentation of the review of the Board of Directors and the financial statements, have been examined to obtain reasonable assurance about whether the review and the financial statements are free of material misstatement. The audit of corporate governance examined the activities of the parent company's Board members and CEO to assure their legality in compliance with the Companies Act.

### Consolidated financial statements

In our opinion, the consolidated financial statements prepared in compliance with the IFRS adopted in the EU give a true and fair view of the Group's financial position and results of operations, according to the IFRS and the Accounting Act.

### Parent company's financial statements, review of the Board of Directors and corporate governance

The parent company's financial statements have been prepared in compliance with the Accounting Act and other rules and regulations governing the preparation of financial statements. They give a true and fair view of the parent company's financial position and results of operations, in accordance with the Accounting Act.

The review of the Board of Directors has been prepared in compliance with the Accounting Act and other rules and regulations governing the preparation of reviews. The review of the Board of Directors is consistent with the financial statements and gives a true and fair view of the Group's and parent company's financial position and results of operations, in accordance with the Accounting Act

The consolidated financial statements and the parent company's financial statements can be adopted and the parent company's Board members and CEO discharged from liability for the period audited by us. The Board's proposal regarding distributable funds complies with the Companies Act.

Virkkala, Finland, 6 March 2006

KPMG OY AB

Sune Almqvist

Authorised Public Accountant

