

Cencorp Corporation Interim Report for 1 January – 31 March 2008

January-March 2008

- Net sales amounted to **EUR 4.5 (3.8) million**
- Operating profit (EBIT) totalled **EUR -0.1 (-1.0) million**
- Profit before taxes was **EUR -0.3 (-1.3) million**
- Equity ratio stood at **15.1% (-2.3 %).**

The figures given for comparison are those for the restated corresponding period in the previous year unless otherwise stated.

The interim report has been prepared in compliance with the recording and valuation principles of the IFRS Standards but that not all the requirements of the IAS 34 Standard have been complied with.

Group's key figures

(unaudited)			
EUR 1,000	1-3/2008	1-3/2007	1-12/2007
Net sales	4 495	3 820	20 323
Operating profit/loss (EBIT)	-71	-1 018	-1 060
% of net sales	-1.6 %	-26.6 %	-5.2 %
Profit/loss before taxes (EBT)	-307	-1 335	-3 889
% of net sales	-6.8 %	-34.9 %	-19.1 %
Research and development costs	211	203	896
% of net sales	4.7 %	5.3 %	4.4 %
Equity ratio, %	15.1 %	-2.3 %	13.7 %
Personnel on average	128	139	134
Personnel at the end of period	125	132	133
Profit/share, EUR, diluted	-0.01	-0.05	-0.12
Profit/share, EUR, undiluted	-0.01	-0.04	-0.11

Net sales and earnings performance

January-March 2008

Net sales in January-March 2008 totalled EUR 4.5 million (EUR 3.8 million) while operating profit amounted to EUR -0.1 million (EUR -1.0 million). The Group's net financial items were EUR -0.2 (-0.3) million. Profit before taxes totalled EUR -0.3 (-1.3) million. The net profit for the period was EUR -0.3 (-1.3) million. Earnings per share were EUR -0.01 (-0.05).

Equipment investments made in the electronic industry for the First half of the year are typically lower than second half. However we managed to increase our revenue with 15% and Ebit improved EUR 1 million. This shows that we have been able to improve both our internal efficiency and product margins despite tough competition.

Balance sheet and financing

The balance sheet figures at 31 March 2008 are compared to those at 31 December 2007.

At the end of the review period, the balance sheet total was EUR 15.5 (17.5) million. The company's cash flow after investments was EUR 1.5 million, while interest-bearing net debts at the end of the review period amounted to EUR 9.7 (10.8) million. Accounts receivables were EUR 4.5 (6.4) million, and inventories were EUR 4.4 (4.3) million.

Non-interest-bearing liabilities amounted to EUR 3.2 (3.7) million and interest bearing liabilities to EUR 10.1 (11.0) million. The equity ratio was 15.1 % (-2.3%). Gross investments in January-March totalled EUR 0.02 (0.05) million, or 0.5 % (1.2%) of the period's net sales, and mainly came from product development.

Events in the review period

Details about events in the review period are available in Cencorp Corporation's stock exchange releases on Cencorp Corporation's website at www.cencorp.com.

Cencorp Corporation writes down deferred tax assets

Consolidated financial statements of Cencorp Corporation per December 31, 2005 included deferred tax assets worth of 1.690 million euros. Deferred tax assets were also noticed in the interim reports April 27, 2006, August 17, 2006, October 19, 2006 and in the consolidated financial statements December 31, 2006 and in the interim reports May 10, 2007, August 21, 2007 and November 6, 2007.

Company has reappraised booking principles based on IAS 12.34 - 36 and IAS 12.56 of deferred tax assets. Furthermore, as part of an internal evaluation process related to the preparation of financial statements January 1- December 31, 2007 company has discussed with the Finnish Financial Supervision Authority concerning interpretation of IFRS standards.

Based on the above referred, the Board of Directors of Cencorp Corporation have decided to adjust reference data concerning booking of deferred tax assets of years 2005 and 2006 according to IAS 8 in financial statements 2007. Corresponding adjustment concerning reference data will be included also to the interim reports dated on April 27, 2006, August 17, 2006, October 19, 2006, May 10, 2007, August 21, 2007 and November 6, 2007. Figures are not audited. Based on included adjustment, the deferred tax assets will not be included anymore in the financial statements January 1- December 31, 2007.

Adjustment affects to the equity of the consolidated Cencorp Corporation but not to the equity of the parent company, so it is not relevant when calculating the equity ratio of Cencorp Corporation.

Public warning by The Financial Supervision Authority to Cencorp Corporation

Cencorp Corporation has today been notified of the following decision by the Financial Supervision Authority

“PUBLIC WARNING BY FIN-FSA TO CENCORP FOR NEGLECT OF DISCLOSURE OBLIGATION”

The Financial Supervision Authority (FIN-FSA) has issued a public warning to Cencorp Corporation for neglect of the disclosure obligation.

The FIN-FSA is of the view that Cencorp's conduct has repeatedly during the year 2006 been in violation of financial markets provisions, since it has provided unjustified estimates of the company's prospects and has delayed the correction of these estimates and because, due to the recognition of a deferred tax asset, has failed to give a true and fair view of the result of the company's operations and financial position in its financial statements for 2005 and 2006. Due to the continuous and repetitive nature of the company's misconduct, FIN-FSA is of the opinion that the company's behavior qualifies for a public warning.

The prospects of the company's net sales and results published by Cencorp in 2006 were unjustified, since in publishing its prospects, the company failed to pay due attention to its actual performance and uncertainties related to its business operations, such as changes in customers' purchasing behavior and tightening of the competitive situation. The further the period proceeded, the clearer the excessive optimism of the prospects became. The company revised its prospects during the period, but these changes were inadequate and were not made without undue delay. The company has failed to provide sufficient justifications for the guidance it issued.

The financial statements for 2005 and 2006 failed to give a true and fair view of the result of the company's operations and financial position, as the consolidated financial statements contained a material error. The company should not have recognized deferred tax assets for the carry forward of unused tax losses in its consolidated financial statements for years 2005 and 2006. The criteria for recognizing a deferred tax asset for carry forward of unused tax losses were not met, since the company had a history of recent losses and it could not present in its consolidated financial statements for 2005 and 2006 other convincing evidence, as required by IAS 12 Income Taxes, that sufficient taxable profit would be available against which the unused tax losses could be utilized. The amount of the error was material, since the deferred tax asset, the recognition criteria of which was not met, amounted to 24% of equity in the consolidated balance sheet on 31 December 2005, and 51% of equity on 31 December 2006. The company announced its decision to restate in its financial statements for 2007 the comparative figures for 2005 and 2006 concerning the deferred tax asset.

This is the first public warning issued by the FIN-FSA. A public warning is an administrative sanction, which the FIN-FSA has been authorized to issue since 2003.

The decision is not legally final as Cencorp Corporation has the right to appeal the decision, issued on 3 March 2008, with the Market Court within 30 days of receiving the decision.

FINANCIAL SUPERVISION AUTHORITY"

Cencorp Corporation has made an internal investigation in the matter and restated in its financial statements for 2007 the comparative figures for 2005 and 2006 concerning the deferred tax asset as released on January 18, 2008.

Opinion of Cencorp Corporation is that company has acted diligently in the matter and given the answers requested to the Financial Supervision Authority.

According to the decision of the Financial Supervision Authority the matter as a whole does not require any stricter actions.

Auditor's report of Cencorp Corporation

The Board of Cencorp Corporation has been informed of auditor's report concerning the financial year January 1 – December 31, 2007. The content of the auditor's report is as follows:

"AUDITORS' REPORT

To the shareholders of Cencorp Oyj

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Cencorp Oyj for the period 1.1.–31.12.2007. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of

Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Companies Act.

The balance sheet of the parent company includes EUR 3,2 million receivables from unprofitable subsidiaries. As mentioned in the report of Board of Directors, the repayment of these receivables depends on the profitable performance of the subsidiaries in the future. The balance sheet of the parent company includes goodwill of EUR 1,2 million and the consolidated balance sheet includes corresponding goodwill of EUR 2,0 million. The balance sheet of the parent company and the consolidated balance sheet include incomplete product development projects of EUR 1,3 million. As it is stated in the notes to the financial statements the valuation of these assets depends on how the profitability of the company develops in the future.

Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the Managing Directors of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies Act.”

Changes in group structure

There were no changes in the group structure during the review period.

Board, management and personnel

At the end of the review period, Cencorp Corporation's Board of Directors consisted of Mr. Jorma Kielenniva, Chairman, LL.M. with court training, Mr. Markku Jokela, Deputy Chairman, B.Sc. (Eng) and Mr. Sauli Kiuru, member, M.Sc. (Econ). The company's management team comprised of Mr. Jouni Suutarinen (CEO), Mr. Jarmo Kanervo (finance and administration), Mr. Ville Parpola (legal affairs), Mr. Kimmo Akiander (sales and marketing), Mr. Sami Lahokoski (production), Mr. Hannu Seppälä (testing business) and Mr. Pekka Kettunen (product development).

Cencorp employed an average of 128 (139) people from January to March. The payroll at the end of the period totalled 125 (132) employees: 108 (107), or 87% (81%), in Finland and 16 (25), or 13% (19%), abroad.

Notifications pursuant to Chapter 2, Section 9, Of The Securities Market Act

There were no notifications pursuant to chapter 2, section 9, of the Securities Market Act during the review period.

Events after the review period

Details about events after the review period are available in Cencorp Corporation's stock exchange releases on Cencorp's website at www.cencorp.com

Cencorp Corporation appealed to Market Court concerning public warning by Financial Supervision Authority

Cencorp Corporation has appealed to Market Court concerning public warning given by the Financial Supervision Authority on March 3, 2008. Company appeals the decision of Financial Supervision Authority and claims that Market Court overrules the decision in its totality.

Opinion of Cencorp Corporation is that company has acted diligently in the matter and given the answers requested to the Financial Supervision Authority.

Decisions of the annual general meeting of Cencorp Corporation held on April 17, 2008

The financial statements for the fiscal year 2007 were approved. In accordance with the Board's proposal, it was resolved that no dividend shall be paid for the fiscal year January 1 – December 31, 2007. Likewise, it was resolved that the net loss of the fiscal year 2007 will be entered in the retained earnings account. Release from liability for the fiscal year January 1 – December 31, 2007 was granted to the members of the parent company's Board and the CEO.

The Annual General Meeting passed a resolution to elect four members to the Board. The previous members elected to the Board were Mr. Markku Jokela and Mr. Sauli Kiuru. New members are M.Sc, MBA, Mr. Turo Levänen (b. 1960) and Attorney, LL.M, Mr. Ari Anttonen (b. 1962).

Turo Levänen has acted as CEO of Proventure AG, as Investment Director of Suomen Teollisuussijoitus Oy, as CEO of Fimet Oy and as Branch of Industry Director in SITRA. Ari Anttonen works as Lawyer in Bützow Attorneys Ltd. He has acted as Director in Varma Mutual Pension Insurance Company, as General Counsel in Mutual Pension Insurance Company Eläke-Varma and as Director of Finance in Postipankki Ltd.

At the Board's organization meeting that was held after the Annual General Meeting, Turo Levänen was elected Chairman of the Board and Ari Anttonen Vice Chairman of the Board. Cencorp's Vice President, Legal Affairs Mr. Ville Parpola continues as the secretary of the board. Ari Anttonen and Turo Levänen were elected as members of the Nomination and Compensation Committee. Mr Anttonen was elected as the Chairman of the Nomination and Compensation Committee.

Tilintarkastus Tuokko Oy was elected as the Company's auditor, with Authorised Public Accountant Timo Tuokko to be the primarily responsible auditor.

In accordance with the Board's proposal, it was resolved that the Board of Directors of the company is authorized to resolve on the issuance of shares and stock options and other special rights entitling to shares subject to chapter 10, section 1 of the Companies Act as follows.

The aggregate number of shares issued on the basis of the authorization may not exceed 10,000,000 shares. The Board of Directors is authorized to resolve on all the terms and conditions concerning the issue of shares and stock options and other special rights entitling to shares. Issuance of shares and other special rights entitling to shares can be carried out as a directed issue. Authorization is valid until further notice, however not more than five years from the decision by the Annual General Meeting of Shareholders.

Business environment and customers

Continuous demand for improved efficiency and newer ending cost cuttings are typical trends for the electronic industry, especially for EMS-companies.

OEM customers are very demanding and sourcing agreement decisions and partner selections are made at very late phase. This leads into situation, that EMS companies has to delay capacity investment decisions into very late moment.

This has direct impact to an equipment manufacturing companies like Cencorp, thus generating occasionally very tight delivery schedules.

Euro is expected to keep strong against US dollar. This has set some challenges in machine pricing, especially in US. Apex exhibition, which was held in March at Las Vegas USA, is one of the leading trade shows in electronics industry. Exhibition was a success for Cencorp and we got some hard orders, even during the exhibition, which hasn't happened within several years. Us government has approved some investment support packages for smaller industries, and that may generate some unexpected demand for Cencorp products in 2008.

Market overview in Europe has remained rather steady. Cencorp sales in Europe are mainly focused in automotive and industrial electronics.

Asian markets are expected to develop steadily. Cencorp sales in Asia is focused in lower cost equipments and test products.

Research and development

Manufacturing of new Cencorp 1001 product line started as planned within first quarter and deliveries are started during the second quarter.

Cencorp 1001 product line will replace some older generation products, originally designed and manufactured in USA.

The R&D expenses for January–March totalled 4.7% of net sales, or EUR 0.2 (0.2) million.

Share performance and changes in ownership

The price of the company's share ranged from EUR 0.18 (1-3/2007: EUR 0.30) to EUR 0.25 (1-3/2007: EUR 0.46) over the review period, the average share price being EUR 0.22 (1-3/2007: EUR 0.40). A total of 2,061,956 (1-3/2007: 2,824,538) shares, or 6.0% (1-3/2007: 8.2 %) of the company's entire share capital, were traded during the period.

The company's market capitalisation at the end of the review period was EUR 10 million (1-3/2007: EUR 11 million).

At the end of the review period, the company had 5 316 registered shareholders (1-3/2007 6,006). A total of 164 413 shares were nominee registered (1-3/2007: 317,373), i.e., 0.4% (1-3/2007: 0.9 %). Cencorp had a total of 46,964,875 shares

outstanding at the end of the review period (1-3/2007: 34,250,591), and one share series.

Outlook for the future

Despite improved profitability, competitive situation and general markets situation remains challenging. Thus Cencorp continues to improve internal efficiency. A development program was started at the end of Year 2007 to further reduce lead times significantly without losing capabilities to provide customized products.

The development of the laser technology related to semiconductor business are has taken much more time than expected. Cencorp's Board of Director's has decided that the know how generated from laser product development project will be utilized also into electronic industry and especially in cutting of Printed Circuit Boards. This project is estimated to generate cash flow during year 2009. Cencorp is updating it's laser business strategy and will give more information on August 21, 2008 when publishing interim report for the period of January 1-June 30, 2008.

Future risks and uncertainty factors

Short lead times and difficulties to predict customer demand are the biggest risks in terms of adjusting demand and supply. Sales volume development has the biggest impact on profitability development. Success of internal efficiency improvement programs has also important role in the profitability development.

Virkkala 13.5.2008

Cencorp Corporation

Board of Directors

Tables can be found on the following page

CONSOLIDATED INCOME STATEMENT

(unaudited figures)

EUR 1 000	1-3/2008	1-3/2007	1-12/2007
Net sales	4 495	3 820	20 323
Other operating income	27	37	421
Expenses, total	-4 302	-4 566	-20 901
Depreciations and write-downs	-149	-309	-893
Operating result	-71	-1 018	-1 050
Financial income and expenses	-236	-317	-2 839
Result before taxes	-307	-1 335	-3 889
Income taxes	-6	1	-74
Consolidated net result	-313	-1 334	-3 963

CONSOLIDATED BALANCE SHEET

(unaudited)

EUR 1 000	31.3.2008	31.3.2007	31.12.2007
ASSETS			
Long-term assets			
Tangible assets	1 578	1 705	1 613
Investment property	334	338	343
Goodwill	2 028	2 028	2 028
Other intangible assets	333	822	430
Incomplete product development projects	1 352	1 239	1 340
Deferred tax asset	11	36	23
Available-for-sale investments	17	17	17
	5 653	6 185	5 794
Short-term assets			
Inventories	4 448	4 841	4 298
Accounts receivable	4 471	4 601	6 388
Other short-term assets	619	1 281	744
Cash and bank receivables	336	980	253
	9 874	11 703	11 683
Total assets	15 527	17 888	17 477
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	3 425	3 425	3 425
Other equity fund	9 318	4 695	8 842
Non-restricted equity	-9 926	-8 516	-9 883
Total shareholders' equity	2 336	-396	2 384
Long-term liabilities			
Long-term loans	6 931	10 426	7 078
Deferred tax liability	165	331	303
Total long-term liabilities	7 096	10 757	7 381
Short-term liabilities			
Accounts payable and other liabilities	3 327	4 078	3 724
Short-term loans	1 451	2 030	2 219
Long-term loans shortening	1 206	1 338	1 564
Tax liabilities			13
Short-term reserves	111	81	192
Total short-term reserves	6 095	7 527	7 712
Total liabilities	13 191	18 284	15 093
Total liabilities and shareholders' equity	15 527	17 888	17 477

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1.1. - 31.3.2008

(unaudited figures)

EUR 1 000	Share capital	Other restricted equity	Translation difference	Fund of invested non-restricted equity	Retained earnings	Total
Shareholders' equity 31.12.2007	3 425	4 432	6	4 410	-9 889	2 384
Translation difference			-11			-11
IAS12					276	276
Correction of the translation difference related to loan receivables IAS39						
Net result					-313	-313
Shareholders' equity 31.3.2008	3 425	4 432	-5	4 410	-9 926	2 336

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1.1. - 31.3.2007

(unaudited figures)

EUR 1 000	Share capital	Other restricted equity	Translation difference	Fund of invested non-restricted equity	Retained earnings	Total
Shareholders' equity 31.12.2006	3 425	4 432	-3 254	0	-3 660	943
Translation difference			-448			-448
IAS 12					30	30
IAS 39					11	11
IFRS 3					402	402
Net result					-1 334	-1 334
Shareholders' equity 31.3.2007	3 425	4 432	-3 702	0	-4 551	-396

CONSOLIDATED CASH FLOW STATEMENT

(unaudited figures)

EUR 1 000	1-3/2008	1-3/2007	1-12/2007
Cash flow from operations	1 491	-68	-791
Cash flow into and from investments	-22	-45	-261
Financial cash flow	-1 397	158	352
Increase(+)/ decrease(-) in financial assets	72	45	-700

GROUP KEY FIGURES

(unaudited figures)

EUR 1 000	1-3/2008	1-3/2007	1-12/2007
Net sales	4 495	3 820	20 323
Operating result	-71	-1 018	-1 060
% of net sales	-1,6 %	-26,6 %	-5,2 %
Result before extraordinary items and taxes	-307	-1 335	-3 889
% of net sales	-6,8 %	-34,9 %	-19,1 %
Total assets	15 527	17 888	17 477
Equity ratio, %	15,1 %	-2,3 %	13,7 %
Gearing ratio, %	403,6 %	-3478,8 %	452,1 %
Gross investments	22	45	896
% of net sales	0,5 %	1,2 %	4,4 %
R&D expenditure	211	203	896
% of net sales	4,7 %	5,3 %	4,4 %
Personnel, average	128	139	134
Personnel, at end of period	125	132	133
Non-interest bearing liabilities	3 153	3 801	3 707
Interest bearing liabilities	10 076	15 036	11 030
Per-share key figures:			
Equity per share, EUR	0,05	-0,01	0,07
Earnings per share, EUR/share (diluted)	-0,01	-0,05	-0,12
Earnings per share, EUR/share (undiluted)	-0,01	-0,04	-0,11
Share price trend:			
High, euros	0,25	0,46	0,46
Low, euros	0,18	0,30	0,22
Average, euros	0,22	0,40	0,35
Price at end of period, euros	0,22	0,31	0,24
Market capitalization at end of period, EUR millions	10	11	11

CALCULATION OF KEY FIGURES

Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} \times 100}{\text{Balance sheet total} - \text{advances received}}$
Net gearing, %	$\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents and marketable securities} \times 100}{\text{Shareholders' equity} + \text{minority interest}}$
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	$\frac{\text{Shareholders' equity}}{\text{Number of shares adjusted for share issue at the end of the financial year}}$

CONTINGENT LIABILITIES

(unaudited figures)

EUR 1 000	31.3.2008	31.3.2007	31.12.2007
Loans from financial institutions	8 914	13 533	9 810
Corporate mortgages granted	12 687	12 687	12 687
Real-estate mortgages granted	0	0	0
Other loans	1 159	1 503	1 220
Real-estate mortgages granted	0	0	0
Used bank guarantee facility	0	151	0
Real-estate mortgages granted	0	0	0
Used financial limits	1 431	1 949	1 630
Accounts receivable granted	1 699	2 216	3 437
Given as collateral			
Corporate mortgages granted, total	12 687	12 687	12 687
Real-estate mortgages granted, total	0	0	0
Leasing commitments			
falling due during the next 12 months			
falling due later			
Rental liabilities	61	110	69
falling due during the next 12 months	31	84	41
falling due later			
Liabilities due to derivative contracts	47	97	68
Forward exchange contracts	40	83	44
of which taken out to hedge the parent company's accounts receivable	0	0	0
of which taken out to hedge the parent company's other receivables	0	0	0

For more information, please contact:

Jouni Suutarinen
President and CEO
Tel. +358 (0)19 6610 100

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

DISTRIBUTION: Helsinki Stock Exchange and the media

Neither this press release nor any copy of it may be taken, transmitted into or distributed in the United States of America or its territories or possessions.