

## STOCK EXCHANGE RELEASE

# Cencorp Corporation Financial Statements for 1 January–31 December 2008

## Year 2008 for Cencorp Corporation

- Net sales were EUR 15.6 million (EUR 20.3 million).
- Operating loss (EBIT) totalled EUR -2.2 (-1.1 million).
- Net loss for the period was EUR -4.6 (-4.0) million.
- Equity ratio was 16.4 % (13.9 %).
- Cash flow after investments was positive and amounted to EUR 1.6 (-1.1) million.
- Research and development investments accounted for 4.4 % of net sales, amounting to EUR 0.5 million (4.4%, or EUR 0.9 million).

(The figures given for comparison are those for the corresponding period (restated) in the previous year unless otherwise stated.) The report has been prepared in accordance with IAS 34 standard.

## GROUP'S KEY FIGURES

(unaudited figures)

<b>Eur 1 000</b>	<b>1-12/2008</b>	<b>1-12/2007</b>	<b>Q4/2008</b>	<b>Q4/2007</b>
Net sales	<b>15 611</b>	20 323	<b>3 677</b>	6 338
Profit/loss before depreciations (EBITDA)	<b>-1 354</b>	-157	<b>-425</b>	694
% of net sales	<b>-8,7 %</b>	-0,8 %	<b>-11,6 %</b>	10,9 %
Operating profit/loss (EBIT)	<b>-2 185</b>	-1 050	<b>-837</b>	542
% of net sales	<b>-14,0 %</b>	-5,2 %	<b>-22,8 %</b>	8,6 %
Financial income and expenses	<b>-2 386</b>	-2 839	<b>-1 627</b>	-1 766
Profit/loss before taxes (EBT)	<b>-4 571</b>	-3 889	<b>-2 464</b>	-1 224
% of net sales	<b>-29,3 %</b>	-19,1 %	<b>-67,0 %</b>	-19,3 %
Net result for the period	<b>-4 595</b>	-3 963	<b>-2 481</b>	-1 328
R&D expenditure	<b>504</b>	896	<b>84</b>	299
% of net sales	<b>4,4 %</b>	4,4 %	<b>2,3 %</b>	4,7 %
Equity ratio, %	<b>16,4 %</b>	13,7 %	<b>16,4 %</b>	13,7 %
Net debt	<b>6 766</b>	10 777	<b>6 766</b>	10 777
Equity per share	<b>0,03</b>	0,07	<b>0,03</b>	0,07
Personnel, average	<b>119</b>	134	<b>104</b>	133
Personnel, at end of period	<b>101</b>	133	<b>101</b>	133
Earnings per share (diluted), EUR	<b>-0,15</b>	-0,12	<b>-0,12</b>	-0,04
Earnings per share (undiluted), EUR	<b>-0,10</b>	-0,11	<b>-0,05</b>	-0,04

## NET SALES AND EARNINGS PERFORMANCE

### January – December 2008

Net sales of 2008 amounted to EUR 15.6 decreased from the previous year (20.3) mainly due the decrease of net sales. Operating profit (EBIT) totalled EUR -2.2 million decreased from EBIT of the previous year (-1.1 million) due the decrease of net sales. Savings of the reorganisation expenses will have an effect on the net result not until in 2009. The net financial items at the end of the financial year totalled euro 2.4 million (2.8 million).

The total impairment of inventories was EUR 0.9 million in 2008, of which 0.4 million was recorded in the last quarter.

The net financial items included EUR 1.5 million numerical cost which was related to the amendment of the terms of Convertible Capital drawn in 2006. According to IFRS-standards (IFRS 2 and IAS 32) a cost should be recorded in the case the terms of convertible loan would be deteriorated from the company's point of view. The company subscribed in 2006 a convertible loan of EUR 5.7 million which would have been converted into Cencorp shares with the original rate of EUR 0.70 per share. In October 2007 the conversion rate was changed from EUR 0.70 per share to equal to the average trading price of the shares of the Company during the 10 trading days prior to subscription of shares, however minimum EUR 0.34 per share and maximum EUR 0.70 per share. In December 2008 the rest of the Convertible Loan was converted into company's shares at the price of EUR 0.34 per share. The difference of the original and actual convert rate totaled EUR 1.5 million was recorded at cost and on the other hand at the increase of the shareholder's equity. The booking has no effect on the total shareholder's equity, equity ratio and on the consolidated cash flow statement.

In 2007 EUR 3.0 million was converted to company's shares and comparable numerical cost totalled 1.5 million was also recorded as financial expense.

The result before taxes for the period totalled EUR -4.6 (-3.9) million and the net result was EUR -4.6 (-4.0) million, while diluted earnings per share were EUR - 0.15 (-0.12).

The company's liquidity was in the beginning of the fiscal year moderate and the company was able to pay its loan instalments according to the schedule. The liquidity deteriorated during the second half of the financial year and payments of loan instalments had to be postponed. In spite of this the company was able to pay all instalments, even late compared to the original timetable. The conversion of convertible loan EUR 2.7 million improved the equity ratio to 16.4 % (13.7 % in 2007). The conversion had no cash flow impact.

The ownership will be changed significantly in the case the company transaction with Savcor Group Ltd Oy (later Combined Transaction) will take place. Because of the Combined Transaction Savcor Group Ltd Oy will be the major shareholder of the company with the ownership exceeding 50 %.

The short term credit facilities amounting EUR 3.5 million have been extended to the end of April, 2009. If the planned Combined Transaction takes place, the short-term credit facilities totalled EUR 3.5 million will be continued as a part of the Combined Transaction.

The conversion of long term loan from Sampo Bank totalled EUR 3.5 million into company shares is also associated with the planned Combined Transaction. Installment of EUR 0.3 million linked to the long term loan of Sampo Bank has expired on February 1, 2009, but as it is a part of the planned Combined Transaction, this installment has been postponed to April 30, 2009. After the conversion the long term loan totalled EUR 0.8 million linked to real estate arrangement between the company and the City Council of Lohja will remain as the only long term loan. This loan will be paid monthly and the last installment will take place on April, 2013.

The short term finance of the company was based on financing of sales receivables. As new orders has been decreased significantly during the last quarter of 2008 and

as the order backlog is still very small, the company has decided on February 3, 2009 to direct a share issue of EUR 0.8 million to Savcor Group and received a loan of EUR 0.2 million in order to meet the actual financial need. The payment of these items realized on February 5, 2009.

Cencorp Corporation evaluated the laser business as a part of the Combined Transaction and made an additional amortization totaled EUR 0.2 million of the capitalized production development expenses.

It was noted in the impairment test of goodwill that the group goodwill totaled EUR 2.0 million is appropriate taken into consideration of significant synergy benefits originated of the Combined Transaction. If the planned Combined Transaction will not take place, the impairment of the goodwill would be considered once again.

The parent company recorded a loan receivable of the subsidiary Singulase Oy totaled EUR 1.1 million at cost, as the subsidiary has no business operations. A loan receivable from the Swedish subsidiary Cencorp AB totaled EUR 0.1 million was also recorded at cost in the parent company. Furthermore the parent company did an impairment of EUR 0.2 million of the book value of non-operative subsidiaries. The impairments within the group structure have no effect in consolidated financial statements.

Cencorp Corporation's net sales came from one business segment: the automation and testing business. The laser business, which has been moved to Cencorp Corporation's subsidiary Singulase Corporation, did not generate any revenue in 2008. The operating loss (EBIT) of the automation and testing business amounted to EUR -1.6 (-0.9) million, while earnings before taxes and the net loss were EUR -4.0 (-3.8). The operating loss (EBIT), earnings before taxes and the net loss of the laser business were all EUR -0.6 (-0.2) million.

Cencorp Corporation decided to implement from the beginning of the year 2009 one business segment only because the management of the corporation will be based on one business area after the planned Combined Transaction too.

The geographical split of Cencorp's net sales for 2008 was as follows: Europe 57 % (54 %), the Americas 28 % (17 %), and Asia and Australia 15 % (29 %).

## October–December 2008

The net sales for October–December 2008 were EUR 3.7 (6.3) million and the operating profit (EBIT) was -22.8 % (8.6 %) of the net sales being EUR -0.8 (0.5) million. Profit for the period was EUR -2.5 (-1.3) million.

The impairment of inventories was EUR 0.4 million in the last quarter of 2008.

The net financial items of the last quarter included EUR 1.5 million numerical cost as been previously explained which was related to the amendment of the terms of Convertible Capital loan and which realized in December 2008 in relation to the share conversion. The booking has no effect on the total shareholder's equity, equity ratio and on the consolidated cash flow statement.

The additional amortization totaled EUR 0.2 million of the capitalized production development expenses was recorded during the last quarter. Total EUR 1.2 million of

the total 1.4 impairment expenses in the parent company was recorded during the last quarter of 2008.

## Balance sheet and financing

The balance sheet total at the end of the review period was EUR 11.9 (17.5) million. The company's cash flow after investments was positive EUR 1.6 million, while interest-bearing net liabilities at the end of the period totalled EUR 6.8 (10.8) million. Accounts receivable decreased to EUR 3.0 (6.4) million, and inventories decreased to EUR 3.6 (4.3) million.

Non-interest-bearing liabilities amounted to EUR 3.0 (3.7) million and interest-bearing liabilities to EUR 6.9 (11.0) million. The equity ratio was 16.4 % (13.7 %). Gross investments totalled EUR 0.2 (0.3) million, or 1.1 % (1.3 %) of the period's net sales, and mainly targeted product development.

## EVENTS IN THE FINANCIAL PERIOD

Details about events in the financial period are available in Cencorp Corporation's stock exchange releases on Cencorp's website at [www.cencorp.com](http://www.cencorp.com).

## Public Warning by the Financial supervision Authority to Cencorp Corporation

Cencorp Corporation has on 3. March 2008 been notified of the decision by the Financial Supervision Authority for neglect of the disclosure obligation.

The company appealed on 2. April 2008 to Market Court concerning public warning given by the Financial Supervision Authority.

Cencorp Corporation informed on 16. December 2008 Market Court that company cancels its appeal, dated on April 2, 2008 related to public warning given by the Financial Supervision Authority.

## Auditor's Report of Cencorp Corporation

The Board of Cencorp Corporation was informed on March 30, 2008 of auditor's report concerning the financial year January 1 – December 31, 2007. Auditor's report included following mentioning concerning financial situation of the company: "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." Cencorp Corporation has written down totaling EUR 0,2 million related to laser soldering product development capitalized expenses due to uncertain revenue expectations.

## Decisions made by the Annual General Meeting

The Annual General Meeting held on 17 April 2008 adopted the financial statements for the fiscal year 2007. In accordance with the Board's proposal, it was decided not to pay a dividend for 1 January – 31 December 2007 financial year. A decision was also made to enter the net result for the financial period ending on 31 December 2007 in retained earnings. The parent company's Board members and CEO were discharged from liability for the financial year that ended on 31 December 2007.

The AGM passed a resolution to elect four members to the Board of Directors, re-electing Markku Jokela, B.Sc. (Eng), and Sauli Kiuru, M.Sc. (Econ), as Board members and electing Turo Levänen, M.Sc, MBA, and Ari Anttonen, LL.M., Attorney-at-law, as new members. At the Board's assembly meeting held after the Annual General Meeting, Turo Levänen (b 1960) was elected as Chairman of the Board and Ari Anttonen, (b. 1962) as deputy chairman. Ville Parpola, Cencorp Corporation's vice president for Legal Affairs, was elected as the Board's secretary. Ari Anttonen and Turo Levänen were elected to the Board's Compensation and Nomination Committee, the former as its chairman. Tuokko Auditing Ltd was appointed as the company's auditor, with Authorised Public Accountant Timo Tuokko as the main 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 General Meeting's decision.

## Statutory negotiations were completed on 27 June 2008

Negotiation result was reached in the statutory negotiations started on May 13, 2008 in Cencorp Corporation. Amount of employees in Finnish sites decreases in all by 25 people. Reductions will be realized mainly by dismissals.

French subsidiary of Cencorp Corporation ended its operations by September 30, 2008. Business operations in France will be simultaneously out-sourced to local distributors. Swedish subsidiary of Cencorp ceased its operation by 31 December 2008 and the Swedish R&D operations have been transferred to Salo, Finland.

By these efficiency improvement measures company reaches approx. EUR 2.5 million savings in fixed and operational costs. These measures began to have a positive impact on results in fourth quarter of year 2008 and savings are reached in full during year 2009.

Due to the rearrangements, Cencorp Corporation will register non-recurring costs approximately EUR 0.9 million for the second quarter of year 2008 as disclosed in May 13, 2008.

Cencorp Corporation and Catella Property Oy signed an agreement concerning arrangement, target of which is to sell industrial facilities of Cencorp Corporation in

Lohja to third party investor and lease back facilities. Surface area of industrial and office buildings is approx. 5,602 square meters. Real estates are burden by EUR 0.9 million loan from City of Lohja.

The agreement ceased on 31. December 2008 and Cencorp did not sign a new agreement.

## Financial Statements as Defined in the Companies Act 20:23§

As the shareholders' equity of the parent company decreased under 50% of the share capital the Company prepared interim financial statements January 1, 2008 – June 30, 2008 as defined in the Companies Act 20:23§. The Company had a convertible loan EUR 2.7 million which has not been considered when the proportion between the shareholders' equity and the share capital has been calculated. Because the convertible loan could be considered as equity, the total equity of the company met the requirements stated in the Companies Act.

## Decisions of Extraordinary General Meeting on 27 October 2008

Extraordinary General Meeting of Cencorp Corporation, held on October 27, 2008, handled the following issues:

1. Financial Statements January 1, 2008 – June 30, 2008 were notified to shareholders according to the Companies Act.
2. The Extraordinary General Meeting passed a resolution to elect Mr. Turo Levänen, Mr. Ari Anttonen, Mr. Sauli Kiuru and as a new member, Mr. Heikki Kiesi, LL. Lic., to the Board of Directors. At the Board's organization meeting held after the Extraordinary General Meeting, Mr. Turo Levänen was elected Chairman of the Board.

## Cencorp Oyj gave a profit warning

The company estimated December 5, 2008 sales of fourth quarter to be EUR 3.7 million. Previous estimate concerning net sales of fourth quarter was EUR 4.3 – 5.0 million.

Net sales estimation decreased because orders, totally worth of EUR 750 thousand were not been confirmed in time, nevertheless Cencorp had readiness to deliver equipments in question. Because of this it was unlikely that equipments would be delivered during the fourth quarter.

The net sales of fiscal year 2008 would be lower than year 2007 (EUR 20.3 million) as informed previously and operating profit (EBIT) of fiscal year 2008 would be negative. Because of decreased net sales of fourth quarter the operating profit of last half of the fiscal year was estimated to turn slightly negative. Previous estimate concerning operating profit of the last half of the fiscal year was positive.

The company warned several times the prospects of net result, net sales and liquidity during the financial year.

## Cencorp Corporation starts statutory negotiations and financial position of the company tightened

The Board of Cencorp Corporation decided on 16 December 2008 to start statutory negotiations in Finnish companies of the group. Reason for negotiations is a need to adjust operations to correspond exceptionally fast weakened demand situation. Target of the negotiations is lay-offs based on financial and production related grounds. The negotiations start on December 23, 2008 and they concern personnel as a whole.

If the demand remains on low level Cencorp Corporation needs additional financing in the beginning of year 2009.

Negotiation result was reached on 8 January 2009 in the statutory negotiations started on December 23, 2008 in Cencorp Corporation. Lay-offs based on financial and production related grounds in Finnish companies of the group will start on January 26, 2009. Maximum time period for lay-offs is 90 days. Lay-offs will be realized in scales so that operation capacity and delivery capacity of the company stays in the level which corresponds demand situation.

## Decisions of the extraordinary general meeting on December 22, 2008

### 1. Directed share issue to Sampo Bank Plc

According to the proposal of the Board of Directors general meeting decided upon an issue of new shares against consideration where the shares are offered, deviating from the shareholders' pre-emptive right of subscription, for subscription to Sampo Bank plc (hereinafter referred to as the "SP-issue"). The subscription rights are not transferable. In the event that not all of the shares offered are subscribed, no other shareholder or any third party has a secondary subscription right to the shares.

No more than 44,594,041 new shares are offered for subscription in the SP-issue for a subscription price of 0.08 Euros per share. The subscription price in the SP-issue can be paid by setting of Sampo Bank plc's 3,567,523.28 Euro senior loan receivable from the company. The subscription price is based upon agreement with Sampo Bank plc, having regard, inter alia, to the fact that when the issue is finalised a substantial part of the company's debts would be converted into equity and thus improve the capital structure of the company, and to the fact that Sampo Bank plc simultaneously would undertake to amend the terms its remaining loan receivables to be more favourable to the company.

The Board of Directors is authorised to decide on the detailed subscription period of the SP-issue. The subscription period of the SP-issue begins on a date set by the Board of Directors after the Extra General Meeting and ends on a date set by the Board of Directors, however being no later than nine (9) months from the date of the Extra General Meeting.

The basis for the share issue is the strengthening of the capital structure of the company and securing the general preconditions of operation. Hence the deviation from the pre-emptive right of subscription has a weighty financial reason for the company. The Board of Directors shall decide on all other aspects relating to the SP-issue. Sampo Bank plc has given a subscription undertaking whereby it undertakes to subscribe the shares offered to it in the SP-issue against the 3,567,523.28 Euro

senior loan receivable it has against the company. The subscription undertaking is valid provided certain preconditions are met, including certain resolutions by the Board of Directors.

## 2. Share issue to the shareholders

According to the proposal of the Board of Directors general meeting decided upon an issue of new shares against consideration, where the shares are offered for subscription to the company's shareholders pro rata to their previous shareholding in the company (below the "Pre-emptive issue"). In addition those shareholders who have used their pre-emptive right to subscribe for new shares in the Pre-emptive issue are entitled to subscribe to shares that have not been subscribed for based on the primary pre-emptive subscription rights (i.e. a secondary subscription right). In the Pre-emptive issue no more than 87,500,000 new shares would be offered for subscription.

The Board of Directors is authorised to resolve in more detail on the maximum amount of new shares offered for subscription, however, so that the maximum amount of new shares to be offered within the pre-emptive rights issue shall be at least 38,750,000 new shares and at most 87,500,000 new shares. The subscription price is 0.08 Euros per share. The maximum amount of new capital that may be raised in the Pre-emptive issue would hence be no less than 3,100,000 Euros and no more than 7,000,000 Euros.

The Board of Directors is authorised to decide on the detailed subscription period of the Pre-emptive issue. The subscription period of the Pre-emptive issue begins on a date set by the Board of Directors after the Extra General Meeting and ends on a date set by the Board of Directors, however being no later than nine (9) months from the date of the Extra General Meeting. The subscription period begins after the registration of the new shares issued in the SP-issue, enabling the shares subscribed to in the SP-issue to take part in the Pre-emptive issue.

The Board of Directors shall decide on all other aspects relating to the Pre-emptive issue. Savcor Group Ltd Oy undertaken to ensure that new shares for a value of at least 1.6 million Euros are subscribed for in the Pre-emptive issue. The subscription undertaking is valid provided certain preconditions are met, including certain resolutions by the Board of Directors.

## 3. Directed share issue to members of the Board of Directors

According to the proposal of the Board of Directors general meeting decided upon an issue of new shares against consideration, where the shares are offered, deviating from the shareholders' pre-emptive right of subscription, for subscription to the new board members to be elected by the Extra General Meeting (hereinafter referred to as the "Incentive-issue"). The subscription rights are not transferable. In the event that not all of the shares offered are subscribed, no other shareholder or any third party has a secondary subscription right to the shares.

No more than 5,000,000 new shares are offered for subscription in the Incentive-issue for a subscription price of 0.09 Euros per share. The subscription price is set to offer an incentive for the board members and increase their commitment to the company.

The Board of Directors is authorised to decide on the detailed subscription period of the Incentive-issue. The subscription period of the Incentive-issue begins on a date

set by the Board of Directors after the Extra General Meeting and ends on a date set by the Board of Directors, however being no later than nine (9) months from the date of the Extra General Meeting. The subscription period begins simultaneously with the Pre-emptive issue in such manner that shares subscribed for in the Pre-emptive issue cannot participate in the Incentive-issue.

The basis for the share issue is the creation of a share based incentive scheme with a committing effect for the members of the Board of Directors. Hence the deviation from the pre-emptive right of subscription has a weighty financial reason for the company. The Board of Directors shall decide on all other aspects relating to the SP-issue.

Mr. Hannu Timmerbacka and Mr Matti Paasila have undertaken to subscribe to shares offered in the Incentive-issue for a value of 450,000 Euros.

The subscription undertaking is valid provided certain preconditions are met, including certain resolutions by the Board of Directors.

By the share issues referred to above it is not the intention to amend any of the existing, earlier decided authorisations.

#### 4. Amending the Articles of association

According to the proposal of the Board of Directors, general meeting decided to amend the Articles of Association of the company and remove the redemption right clause 12 of the Articles of Association.

#### 5. Election of members to the board of directors

General meeting decided to elect three members to the Board of Directors. Mr. Hannu Timmerbacka, Mr. Matti Paasila and Mr. Markku Jokela were elected as board members. At the Board's organization meeting held after the general meeting Mr. Matti Paasila was elected as Chairman of the Board and Mr. Hannu Timmerbacka as Vice Chairman of the Board. Mr. Markku Jokela is a member of the Board. The Board of Directors decided to discontinue operations of Nomination and Compensation Committee, because the extent of the company's business does not require preparation of nomination and compensation matters to be dealt with by a group with a more compact composition than the entire Board.

Industrial Counsellor Mr. Matti Paasila (b. 1947) has wide experience concerning international executive management and working in the Boards of Directors. His areas of speciality are growth management and acquisitions. Mr. Paasila has recently acted as CEO of Sarna Polymer Holding Inc. in Switzerland. He has previously worked as CEO of Rieter Automotive Systems and in several management level positions in Nokia Corporation. Mr. Paasila is a chairman of the Board of Directors of Maillefer S.A, which is specialized in manufacturing of cable production equipment and has been nominated to the chairman of the supervisory board of Alphaform AG:n and the board member of Ecostream Oy.

Mr. Timmerbacka has a long time experience in developing of sales and marketing function as well as in acquisitions in international Finnish companies. Mr. Timmerbacka has recently acted as CEO of Sasken Finland Oy and Botnia Hightech Oy. He has previously worked in several management level positions in Rocla Robotrucks Oy, Metso Automation Oy and Valmet Automation Oy.

Engineer, Mr. Markku Jokela (b. 1957) is the founder of Cencorp Corporation and former CEO. He has worked in the Board of Directors of Cencorp Corporation between 1989 and October 2008. Currently Mr. Jokela acts as CEO of Lohja based automation and fiber equipment manufacturer Photonium Oy. He has previously worked for example as site manager of Metalex Oy.

## Hannu Timmerbacka nominated as CEO of Cencorp Corporation

The Board of Cencorp Corporation and CEO Mr. Jouni Suutarinen signed on May 13, 2008 an agreement concerning termination of cooperation. Mr. Hannu Seppälä, Vice President, tester business has been appointed as acting CEO starting on May 13, 2008. Acting CEO Mr. Hannu Seppälä carried out successfully the demanding task given to him in May 2008 concerning rearrangements in Cencorp Corporation. The Board of Cencorp Corporation and Mr. Seppälä have agreed on 26 June, 2008 that Mr. Seppälä will focus to be in charge of testing and laser businesses of Cencorp Corporation in the future. CFO Mr. Jarmo Kanervo has been appointed as acting CEO starting on June 27, 2008.

Board of Directors elected by extraordinary general meeting held on December 22, 2008 nominated Mr. Hannu Timmerbacka (b. 1950) as CEO of Cencorp Corporation beginning on December 22, 2008. Mr. Hannu Timmerbacka is also the Vice Chairman of the Board of Cencorp Corporation.

## Changes in group structure

There were no changes in group structure during the financial year 2008.

## Research and development

Manufacturing of new Cencorp 1001 product line started as planned within first quarter and deliveries started during the second quarter. Cencorp 1001 product line will replace some older generation products, originally designed and manufactured in USA.

The depreciations of the completed product development projects related to fiber-laser business have started as planned on July 1, 2008.

In 2008 Cencorp's research and development expenses were 3.2 % of net sales, or EUR 0.5 million (EUR 0.9 million, or 4.4%).

## Board, management and personnel

At the end of the financial year, Cencorp Corporation's Board of Directors consisted of Mr Matti Paasila, Chairman, Industrial Counsellor, Mr Hannu Timmerbacka, Deputy Chairman and Mr. Markku Jokela, member, Engineer. The company's management team comprised Hannu Timmerbacka (CEO), Jarmo Kanervo (finance and administration), Sami Lahokoski (production, Lohja), Arto Timonen (sales and marketing), Hannu Seppälä (testing and laser business) and Ville Parpola (legal affairs and HR).

Cencorp employed an average of 119 (134) people in 2008. The payroll at the end of the period totalled 101 (133) employees: 89 (115), or 88 % (86%), in Finland and 12 (18), or 12 % (14%), abroad.

### Listing of additional share amount of Cencorp Corporation

7,908,847 new shares subscribed by Sampo Bank Plc on the basis of the EUR 2,689,008 convertible capital notes 2006 will be combined with the company's existing shares in the main list of NASDAQ OMX Helsinki on 19.12.2008

New shares were recorded in the Trade Register on 9.12.2008 when share amount of Cencorp Corporation increased by altogether 7,908,847 shares, from 46,964,875 shares to 54,873,722 shares. The subscription price of the shares was recorded entirely to the fund of invested non-restricted equity.

### Share performance and changes in ownership

On 31 December 2008, the share capital of Cencorp Corporation was EUR 3,425,059.10 and the number of shares 54,873,722. A total value of EUR 1.8 million of the company's shares were traded on the Helsinki Stock Exchange and 14,488,490 of the company's shares respectively (EUR 5.3 million and 15,224,169 shares in 2007). The highest share price in the period was EUR 0.25 and the lowest EUR 0.09. The period's average share price was EUR 0.13 and the price on the last trading day of the period (December 31, 2008) was EUR 0.10. The market value of the company's share capital was EUR 5.5 million at the end of the year.

The company had a total of 5,172 shareholders at the end of the period. The ten biggest shareholders held a total of 64.6 per cent of the company's shares and votes on 31 December 2008. The company's largest shareholder after the conversion of the convertible loan in December 2008 was Sampo Bank, which held 19.9 per cent of the company's shares and voting rights. Mr. Markku Jokela, the founder of the company, former CEO and current Member of the Board, held 15.3 per cent of the company's shares and voting rights. Savcor Group Ltd Oy became the third biggest shareholder, who held 9.7 per cent of the company's shares and voting rights.

The members of the company's Board of Directors held, either directly or through companies controlled by them, a total of 10,144,897 shares on 31 December 2008, representing 18.4 per cent of the company's shares and voting rights. CEO Hannu Timmerbacka did not own any shares at the end of the year. Shares owned by foreign shareholders on 31 December 2008 totalled 184,231, representing 0.3 per cent of all shares and voting rights. Cencorp Corporation did not own any of its own shares at the end of the year.

### NOTIFICATIONS PURSUANT TO CHAPTER 2, SECTION 9, OF THE SECURITIES MARKET ACT

Notifications pursuant to chapter 2, section 9, of the Securities Market Act are available in Cencorp Corporation's stock exchange releases on the Cencorp website at [www.cencorp.com](http://www.cencorp.com).

The company has been informed the following notifications pursuant to chapter 2, section 9, of the Securities Market Act of changes in holdings in Cencorp Oyj:

On November 28, 2008 Savcor Group Ltd acquired a total of 5,311,213 shares in Cencorp and Savcor's holding of Cencorp's share capital has thus exceeded 10%. Following the completion of the said share acquisitions Savcor's holding of shares and votes in Cencorp is 5,311,213 shares and 11.3 %.

On November 28, 2008 Sampo Pankki OY has converted 7,908,847 new shares on the basis of the EUR 2,7 million convertible capital notes of year 2006 representing 15 % of shares and votes in Cencorp. Sampo Pankki Oyj has totally 10,908,847 shares and 19,9 % of Cencorp shares and votes.

Savcor and Markku Jokela as well as FT Capital Ltd which is controlled by Markku Jokela within the meaning of Chapter 1, Section 5 of the Securities Markets Act as well as Pirjo Jokela and Joni Jokela (hereinafter jointly "Jokela") have on November 28, 2008 also agreed on a plan to propose to Cencorp a corporate transaction ("Transaction") in relation to which Savcor would also make a voluntary tender offer for all the shares and option rights in Cencorp ("Tender Offer"). In addition, Savcor and Sampo Bank Plc have agreed on certain sub-arrangements relating to the Conditional Financing Arrangement and the Tender Offer. The Conditional Financing Arrangement, the Transaction and the Tender Offer are hereafter referred to jointly as the "Arrangement". According to the decision of the Financial Supervision Authority, Savcor, Jokela and Sampo Bank Plc operate, as part of the Arrangement, jointly in a manner referred to in the Securities Markets Act in order to exercise decisive control over Cencorp.

On November 28, 2008 Keskinäinen työeläkevakuutusyhtiö Varma has decreased its holdings to less than 1/20 of the share amount and voting rights in Cencorp Corporation from 10.46 percent to 0 percent. Keskinäinen työeläkevakuutusyhtiö Varma owned previously 4,914,263 shares.

## EVENTS AFTER THE FINANCIAL PERIOD

Details about events after the financial period are available in Cencorp Corporation's stock exchange and on Cencorp's website at [www.cencorp.com](http://www.cencorp.com)

### CEO Hannu Timmerbacka appointed management team of Cencorp Corporation

From January 8, 2009 members of management team of Cencorp Corporation are CEO Mr. Hannu Timmerbacka, CFO Mr. Jarmo Kanervo and Vice President, Legal Affairs Mr. Ville Parpola. In addition of monitoring the company's financial performance, one of the key tasks of the management team is the realization of financial arrangement between Cencorp Corporation, Sampo Bank Plc and Savcor Group Ltd Oy, published on November 28, 2008 as well as share issues and acquisitions related to it.

Vice President, Sales and Marketing Mr. Arto Timonen, Vice President, testing and laser business Mr. Hannu Seppälä and Vice President, Lohja Operations Mr. Sami Lahokoski continue in their positions and they report to directly to CEO.

### Statutory negotiations completed

Negotiation result has been reached on January 8, 2009 in the statutory negotiations started on December 23, 2008 in Cencorp Corporation. Lay-offs based on financial

and production related grounds in Finnish companies of the group will start on January 26, 2009. Maximum time period for lay-offs is 90 days. Lay-offs will be realized in scales so that operation capacity and delivery capacity of the company stays in the level which corresponds demand situation.

## Savcor Group Ltd subscribed for 10.000.000 shares of Cencorp Plc

The board of directors of Cencorp decided on 3 February 2009, based on the authorization granted by the annual shareholders' meeting on 17 April 2008, on a directed share issue of total maximum of 10,000,00 new shares to Savcor. The subscription price is 0.08 euros per share. The purpose of the directed share issue is to meet the needs of Cencorp's acute financial situation. In connection with the afore described, Savcor gave Cencorp a loan of 200.000 euros on market terms.

Savcor Group Ltd Oy subscribed on 3 February 2009 for 10,000,000 new shares of Cencorp Plc and paid the share issue amounting EUR 0,8 million on February 5, 2009. Following the completion of the said share issue Savcor Group Ltd Oy's holding of shares and votes in Cencorp Plc is 23.6 %.

According to the decision of the Financial Supervision Authority, Savcor Group Ltd Oy, Markku, Pirjo and Joni Jokela, FT Capital Oy and Sampo Bank Plc operate, as part of the Arrangement, jointly in a manner referred to in the Securities Markets Act in order to exercise decisive control over Cencorp Plc. After the subscription of the direct share issue the said shareholders' aggregate holding of shares and votes in Cencorp Plc is 56.9 %.

## Co-operation Agreement between Cencorp and Photonium

Cencorp and Photonium Ltd signed a co-operation agreement on 3 February 2009 according to which the parties have an intention of beginning to have significantly closer co-operation than earlier with each other in different sectors. As a part of this co-operation Cencorp would purchase from Photonium at least R&D services and possibly later also contract manufacturing subcontracting services. In addition, Cencorp would act as a distributor of tailored automation solutions offered by Photonium.

Markku Jokela, the Managing Director of Photonium, transferred on 3 February 2009 to the service of Cencorp to become its Technology Director.

The co-operation agreement will be described later more in detail and the entry into force of it is conditional upon the Transaction entering into force.

## FINANCIAL ARRANGEMENT BETWEEN CENCORP OYJ, SAMPO BANK PLC AND SAVCOR GROUP LTD AND RELATED TRANSACTION, CO-OPERATION AGREEMENT AND VOLUNTARY TENDER OFFER

Details about the Conditional Financing Arrangement, Transaction and Tender Offer are available in Cencorp Corporation's stock exchange and on Cencorp's website at [www.cencorp.com](http://www.cencorp.com)

## Transaction and Plan about the Voluntary Tender Offer proposed by Savcor Group Ltd

Savcor Group Ltd (“Savcor”) has conducted negotiations with Cencorp plc (“Cencorp”) and its main financier Sampo Bank plc (“SP”) relating to strengthening the financial position of Cencorp. In relation to the aforesaid agreement the extraordinary general meeting made necessary decisions related to Conditional Financing Agreement (“Conditional Financing Arrangement”). Savcor and Markku Jokela as well as FT Capital Ltd being controlled by him (hereinafter “Jokela”) have also agreed on a plan to propose to Cencorp a corporate transaction (“Transaction”) in relation to which Savcor would also make a voluntary tender offer for all the shares and option rights in Cencorp (“Tender Offer”). In addition, Savcor and SP have agreed on certain sub-arrangements relating to the Conditional Financing Arrangement and the Tender Offer. In case the Transaction and the Tender Offer are not completed, the Conditional Financing Arrangement is not to be completed either.

Transaction and Tender Offer are described in detail hereinafter in chapters “2 Transaction”, “3. Co-operation Agreement and “4 Tender Offer”.

### 1. Conditional Financing Agreement

On 22 December 2008 extraordinary general meeting made necessary decisions related to Conditional Financing Agreement, which are described in detail in the chapter “Decisions of the extraordinary general meeting on December 22, 2008”

### 2. Transaction (Acquisition of Savcor Alfa Ltd)

Savcor proposed to the new Board of Directors of Cencorp elected in the extraordinary general meeting on December 22, 2008 the commencement of negotiations in order to carry out the Transaction. As part of the Transaction Cencorp and Savcor Face Group Ltd, fully owned subsidiary of Savcor, signed on 3 February 2009 a conditional purchase agreement, according to which Cencorp will acquire the entire share capital of Savcor Alfa Ltd.

In the Transaction the enterprise value (EV) of Savcor Alfa Ltd is agreed to be 2.0 million euros. The interest-bearing net debts of Savcor Alfa Ltd by the completion of the Transaction Ltd are estimated to be approximately 1.1 million euros as a result of which the purchase price for the shares of Savcor Alfa Ltd would be approximately 0.9 million euros. Cencorp and Savcor Face Group Ltd have agreed that Cencorp will become indebted to Savcor Face Group Ltd in the amount of final purchase price as from the closing of the Transaction. The shares of Savcor Alfa Ltd will remain as a pledge to Savcor Face Group Ltd.

The board of directors of Cencorp has requested a statement (so called Fairness Opinion) from Pro Value Corporate Finance Ltd regarding the compensation paid in the Transaction. According to the statement the compensation agreed in the purchase agreement shall be considered, as a whole, reasonable for the shareholders of Cencorp in financial sense when taking into account the synergy benefits of the Combined Transaction.

The purpose of the Transaction, as well as the co-operation made possible by the below described co-operation agreement between Cencorp and Photonium, is to make Cencorp an even more significant company specialised in automation solutions

for the electronics industry and capable of offering more versatile and more effective automation solutions by way of combining laser know-how of Savcor Alfa Ltd and automation know-how brought into the company by Photonium based on the co-operation agreement in order to supplement Cencorp's product and service supply to the current and future customers.

The entry into force of the purchase agreement of Savcor Alfa Ltd is conditional, among others, upon Savcor deciding to complete the Tender Offer related to the Transaction as described in more detail in the stock exchange releases published on 28 November 2008 (and as amended on 1 December 2008) and that no matter or circumstance has happened or occurred in Savcor Alfa Ltd after the signing of the purchase agreement which would, when assessing reasonably, prevented Cencorp from committing to the purchase agreement at the date of signing. The entry into force of the purchase agreement of Savcor Alfa Ltd is estimated to take place in March 2009 at the earliest.

### 3. Co-operation Agreement between Cencorp and Photonium

Cencorp and Photonium Ltd signed a co-operation agreement on 3 February 2009 according to which the parties have an intention of beginning to have significantly closer co-operation than earlier with each other in different sectors. The co-operation agreement will replace the supply agreement entered into between Cencorp and Photonium in 2004. As a part of this co-operation Cencorp (consolidated with Savcor Alfa Ltd) would purchase from Photonium at least R&D services and possibly later also contract manufacturing subcontracting services. In addition, Cencorp would act as a distributor of tailored automation solutions offered by Photonium.

Co-operation agreement includes also an option, according to which Cencorp, should it so choose, has a right but not an obligation to buy businesses of Photonium and Akseli Lahtinen Ltd under the terms specified in the agreement during three (3) years' period beginning from the entry into force of the agreement.

The entry into force of the co-operation agreement is conditional upon the Transaction entering into force.

### 4. Tender Offer

Provided that the shareholders' meeting of Cencorp has made the decisions required by the Conditional Financing Arrangement and the parties have agreed on the completion of the Transaction described in section 2 above, Savcor makes a decision on the Tender Offer in accordance with Chapter 6 of the Securities Markets Act for all the shares and option rights in Cencorp. The completion of the Tender Offer is conditional upon, among others, the completion of the Conditional Financing Arrangement and the Transaction.

The consideration for the shares in Cencorp in the Tender Offer would be 0.08 euro per share.

Jokela has undertaken not to sell his shares in the Tender Offer. SP for its part has given an undertaking according to which it will accept the Tender Offer concerning all the shares of Cencorp owned by it. According to Savcor's estimate the Tender Offer can begin on January 2009 at the earliest.

Savcor announces its decision concerning the Tender Offer as well as the main terms of the offer by way of stock exchange release without delay after the final decision.

In connection with the completion of the Tender Offer SP subscribes for 44,594,041 new shares directed to it and sells the new shares of Cencorp it has obtained immediately to Savcor at 0.08 euros / share. Savcor can thus participate in the pre-emptive rights issue to be arranged after the completion of the Tender Offer also with these shares.

Savcor's intention is to keep Cencorp in the stock exchange list also after the completion of the Tender Offer. Savcor's ownership in Cencorp is expected to be increased to over 60 but at most to 90 per cent of the shares and votes in Cencorp as a result of the Conditional Financing Arrangement, the Transaction and the Tender Offer. Savcor is thus not expected to have the right and obligation to redeem the shares of the minority shareholders of Cencorp as a result of the Conditional Financing Arrangement, the Transaction and the Tender Offer in accordance with Chapter 18 of the Companies Act.

## 5. Effect of the combined transaction on Cencorp's equity ratio

In particular the following factors affect the equity ratio of the Cencorp group following the Combined Transaction: (i) the execution of the Conditional Financing Arrangement decided on Cencorp's general meeting on December 22, 2008; (ii) the amount of interest-bearing debt of Savcor Alfa at the time of entry into force of the Transaction (iii) the potential impairments to be made with respect to certain balance sheet items in connection with the Combined Transaction; and (iv) reporting of the Combined Transaction in accordance with IFRS.

As per the initial assessment of Cencorp, the equity ratio of Cencorp group after the Combined Transaction shall be 40-60% assuming the balance sheet position of Cencorp as per 30 September 2008, the balance sheet position of Savcor Alfa to be combined therewith as per 30 September 2008, Savcor's commitment to see to it that Cencorp will receive at minimum an amount of 1.6 million euros of new capital in the pre-emptive rights issue to be arranged as part of the Conditional Financing Arrangement, the commitment of two Board members of Cencorp to invest an amount of 450,000 euros in Cencorp in the share issue to be directed to them as part of the Conditional Financing Arrangement and also taking into account the aforementioned share issue of 0.8 million euros directed to Savcor. The final equity ratio may, however, deviate from this initial assessment.

## 6. Estimate on Synergies of the Combined Transaction

The purpose of the Combined Transaction is to make Cencorp an even more significant company specialised in automation solutions for the electronics industry and capable of offering more versatile and more effective automation and laser solutions.

The Combined Transaction is expected to be likely to result in total in significant synergies in revenues, costs and financing and other benefits resulting in particular from the strengths of Cencorp and Savcor Alfa complementing each other and closer co-operation than earlier between Cencorp and Photonium based on afore described contemplated co-operation agreement: (i) Savcor Alfa's laser know-how meets Cencorp's needs to partner in the field of laser technology, (ii) the versatile

automation experience of Photonium to be utilised as a result of co-operation agreement enables the combination of the products of Cencorp and Savcor Alfa in a more flexible way into different and new solutions as well as development and manufacturing of new solutions, (iii) the combined product portfolio of Cencorp and Savcor Alfa – as well as products supplied by Photonium based on the co-operation agreement - covers a significant part of the process chain of electronics industry thus enabling the sale of larger combined solutions, (iv) Cencorp's brand recognition and position as an accepted supplier in wide customer base and global distribution and maintenance network further the product sales, (v) the functions and work processes of Cencorp and Savcor Alfa can be developed and rationalized, (vi) the strengthening of Cencorp's balance sheet and the improvements in its cash position enable the company to maintain its significant customer relationships and develop new ones, (vii) decreases in the costs for debt financing as a consequence of the Conditional Financing Arrangement, and (viii) changes that have already been partly completed in Cencorp's board of directors and management increase their industry and customer knowledge and experience in international management.

The assessments presented above on the synergies and other benefits of the Combined Transaction are Cencorp's own initial assessments.

## 7. Exemption granted by the Financial Supervision Authority

According to the decision of the Financial Supervision Authority, Savcor, Markku Jokela (and FT Capital Oy which is under his control in accordance with Chapter 1 Section 5 of the Securities Markets Act as well as Pirjo Jokela and Joni Jokela, jointly "Jokela") and SP operate jointly in the above-described arrangement in order to exercise decisive control over Cencorp in a manner referred to in the Securities Markets Act. The Financial Supervision Authority has on 3 February 2009 granted Savcor, Jokela and SP an exemption from the obligation to launch a tender offer as set forth in Chapter 6 Section 10 of the Securities Markets Act which obligation the said parties would otherwise have when operating jointly as referred to above.

A precondition for the granting of the exemptions by the Financial Supervision Authority to Savcor, Jokela and SP is that the said parties will not operate jointly in order to exercise decisive control over Cencorp in other ways than in connection with the afore-described arrangement.

## BUSINESS ENVIRONMENT, CUSTOMERS, OUTLOOK FOR THE FUTURE AND THE PLANNED COMBINED TRANSACTION

Cencorp is operating actively in the branches of telecommunication, industrial & conveyance electronics and semiconductor industry providing production automation cells, test solutions, laser applications and production line solutions which are comprised of different applications. Company also provides associated after sales service and other technical services. Company is targeting on market areas which are Nordic countries, Europe, Russia, North America, Latin America and Asia.

The purpose of the ongoing Combined Transaction is to create a more significant company specializing solutions of production automation for electronic industry and which will be capable to provide more versatile and effective automation and laser solutions in order to improve customers' production activity.

The Company estimates that the Combined Transaction will lead to benefits of synergy associated to orders, expense savings and financing. This is caused by complementary strengths and product range of Cencorp and Savcor Alfa Oy and the planned co-operation between Cencorp and Photonium based on Co-Operation Agreement.

The low order backlog and especially challenging general financial and market situation complicates giving of financial estimates for the current financial year. Because of this the Company will concentrate to accomplish the coming integration process and to follow up the outcomes achieved.

## Future risks and uncertainties

Most significant near future risks are related to Cencorp's business operations are associated with the caution of clients' investment projects, the successful accomplishment of ongoing Combined Transaction and the uncertainty of the general financial and economic situation.

The forecast of development of orders received is especially difficult because of the rapid change of investment activity of the customers during the last few weeks. When investments increase in general, the customers of Company will probably demand shorter delivery periods, which could cause to strong short and medium term fluctuation of the Company's net sales depending the demand of products at the given time. In the case the customers of the Company are not willing to commit funds for investment projects of production automation; the situation will have a direct effect on Company's order backlog.

In the aforesaid Company and Combined Transaction does not take place as planned, the expected synergy benefits may not be realized partly or entirely as planned and Company will not obtain planned increase of net sales or planned cost savings.

The liquidity of the Company has been exceptional weak. The board of directors of Cencorp decided on 3 February 2009 on a directed share issue of total maximum of 10,000,000 new shares to Savcor. The subscription price was 0.08 euros per share. The purpose of the directed share issue is to fulfill the needs of Cencorp's acute financial situation. If the ongoing Combined Transaction takes place, the share issue to shareholders will bring cash 2.0 million euro at the least. In addition Sampo Bank will convert a loan of 3.5 million euro into new shares of the Company which will decrease the future financial expenses of the Company.

If the order backlog does not increase positively, if the general economic situation worsens and if the ongoing Combined Transaction does not take place, the Company would have to consider its financial needs once again.

## Board's proposal for the appropriation of profit

Cencorp Corporation's Board of Directors proposes to the Annual General Meeting to be held on 29 April 2009 that the net loss for the review period ended on 31 December 2008 be entered in the retained earnings and that no dividend will be paid. Company has no distributable funds.

## Annual general meeting

Cencorp Corporation's Annual General Meeting will be held on 29 April 2009. A call to the meeting will be published later.

## Financial reporting in 2009

Cencorp will publish an electronic Annual Report 31 March, 2009 on the company's website at [www.cencorp.com](http://www.cencorp.com). The Annual Report will be published in both Finnish and English on the site.

In 2009 Cencorp Corporation will publish its financial information in Finnish and English according to the following schedule:

Interim Report Q1/2009, Thursday 28 May 2009

Interim Report Q2/2009, Thursday 27 August 2009

Interim Report Q3/2009, Thursday 26 November 2009

Virkkala, Finland, 6 February 2009

Cencorp Corporation

Board of Directors

### CONSOLIDATED INCOME STATEMENT

(unaudited figures)

EUR 1 000	10-12/2008	10-12/2007	1-12/2008	1-12/2007
<b>Net sales</b>	<b>3 677</b>	6 338	<b>15 611</b>	20 323
Other operating income	47	236	86	421
Expenses, total	-4 149	-5 880	-17 051	-20 901
Depreciations and amortizations	-412	-152	-831	-893
<b>Operating result</b>	<b>-837</b>	542	<b>-2 185</b>	-1 050
Financial income and expenses	-1 627	-1 766	-2 386	-2 839
<b>Result before taxes</b>	<b>-2 464</b>	-1 224	<b>-4 571</b>	-3 889
Income tax	-17	-104	-24	-74
<b>Consolidated net result</b>	<b>-2 481</b>	-1 328	<b>-4 595</b>	-3 963

## CONSOLIDATED BALANCE SHEET

(unaudited figures)

EUR 1 000

31.12.2008

31.12.2007

### ASSETS

#### Current assets

Tangible assets	1 431	1 613
Investment property		343
Goodwill	2 028	2 028
Other intangible assets	1 243	430
Product development in progress	0	1 340
Deferred tax assets	0	23
Available-for-sale investments	10	17
	<u>4 712</u>	<u>5 794</u>

#### Short-term assets

Inventories	3 554	4 298
Accounts receivable	2 974	6 388
Other short-term assets	472	744
Cash and bank receivables	175	253
	<u>7 175</u>	<u>11 683</u>

#### Total assets

11 887 17 477

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### Shareholders' equity

Share capital	3 425	3 425
Other equity funds	12 007	9 318
Translation difference	69	-2
Retained earnings	-13 602	-10 357
<b>Equity</b>	<u>1 899</u>	<u>2 384</u>

#### Non-current liabilities

Long-term loans	2 962	7 078
Deferred tax liability	13	303
<b>Non-current liabilities</b>	<u>2 975</u>	<u>7 381</u>

#### Current liabilities

Accounts payable and other liabilities	2 919	3 345
Short-term loans	2 596	2 611
Long-term loans shortening	1 383	1 564
Provisions	115	192
<b>Current liabilities</b>	<u>7 013</u>	<u>7 712</u>

#### Total liabilities

9 988 15 093

#### Total liabilities and shareholders' equity

11 887 17 477

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1.1. - 31.12.2008  
(unaudited figures)

EUR 1 000	Share capital	Other restricted equity	Translation difference	Fund of invested non-restricted equity	Retained earnings	Total
<b>Shareholders' equity 31.12.2007</b>	<b>3 425</b>	<b>4 908</b>	<b>41</b>	<b>4 410</b>	<b>-10 400</b>	<b>2 384</b>
Conversion of convertible loan into equity				2 689		2 689
Translation difference			45			45
Numerical cost due of the conversion the convertible loan to equity (IAS32)					1 464	1 464
Other changes					-88	-88
Consolidated net result					-4 595	-4 595
<b>Shareholders' equity 31.12.2008</b>	<b>3 425</b>	<b>4 908</b>	<b>86</b>	<b>7 099</b>	<b>-13 619</b>	<b>1 899</b>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1.1. - 31.12.2007  
(unaudited figures)

EUR 1 000	Share capital	Other restricted equity	Translation difference	Fund of invested non-restricted equity	Retained earnings	Total
<b>Shareholders' equity 31.12.2006</b>	<b>3 425</b>	<b>4 908</b>	<b>-3 254</b>		<b>-4 136</b>	<b>943</b>
Endorsement of translation differences accumulated to the end of 2003			3 259		-3 259	0
Conversion of convertible loan into equity				3 050		3 050
Translation difference			36			36
Directed share issue				1 360		1 360
Numerical cost due of the conversion the convertible loan to equity (IAS32)					1 525	1 525
IAS 39					-508	-508
Other changes					-59	-59
Consolidated net result					-3 963	-3 963
<b>Shareholders' equity 31.12.2007</b>	<b>3 425</b>	<b>4 908</b>	<b>41</b>	<b>4 410</b>	<b>-10 400</b>	<b>2 384</b>

The company decided to use the possibility according to IFRS 1 to assume accumulated transaction differences as null per implementation day of the IFRS-accounting standard. The company started to count the transaction differences retroactively from 1<sup>st</sup> of January 2004. At the moment 0.5 million euro were transferred from the retained earnings to other restricted equity. Restated equity was informed in the press release on 6. November 2008. The restated numbers have no effect to total equity as well as other items of the final accounts.

**CONSOLIDATED CASH FLOW STATEMENT**

(unaudited figures)

EUR 1 000	1-12/2008	1-12/2007
Result before taxes	-4 571	-3 889
Adjustments:		
Depreciation and amortisation	831	893
Impairment charges	7	
Unrealised foreign exchange gains and losses	0	108
Other non-cash flow items	5	
Finance cost - net	2 379	2 839
Funds from operations	-1 349	-49
Change in working capital	3 613	26
Total net cash flow from operating activities	2 264	-23
Interest paid	-896	-723
Interest received	2	0
Income tax paid	0	-45
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1 370</b>	<b>-791</b>
Capital expenditure	-170	-261
Proceeds from sales of fixed assets	350	
Cash flow from investing activities	180	-261
<b>CASH FLOW BEFORE FINANCIAL ACTIVITIES</b>	<b>1 550</b>	<b>-1 052</b>
Issue of shares	0	1 360
Payments of long-term liabilities	-1 605	-1 698
Proceeds of short-term liabilities	9 737	786
Payments of short-term liabilities	-9 755	-96
Total net cash of financing activities	-1 623	352
<b>TOTAL NET INCREASE (+)/ DECREASE (-) IN CASH</b>	<b>-73</b>	<b>-700</b>

**GROUP KEY FIGURES**

(unaudited figures)

EUR 1 000	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Net sales	<b>3 677</b>	6 338	<b>15 611</b>	20 323
Operating result	<b>-837</b>	542	<b>-2 185</b>	-1 050
% of net sales	<b>-22,8 %</b>	8,6 %	<b>-14,0 %</b>	-5,2 %
Result before extraordinary items and tax	<b>-2 464</b>	-1 224	<b>-4 571</b>	-3 889
% of net sales	<b>-67,0 %</b>	-19,3 %	<b>-29,3 %</b>	-19,1 %
Total assets	<b>11 887</b>	17 477	<b>11 887</b>	17 477
Return on equity (ROE), %	-	-	<b>-212,3 %</b>	-238,2 %
Return on investment (ROI), %	-	-	<b>-19,6 %</b>	-7,2 %
Equity ratio, %	<b>16,4 %</b>	13,7 %	<b>16,4 %</b>	13,7 %
Gearing ratio, %	<b>356,3 %</b>	452,1 %	<b>356,3 %</b>	452,1 %
Gross investments	<b>6</b>	125	<b>178</b>	261
% of net sales	<b>0,2 %</b>	2,0 %	<b>1,1 %</b>	1,3 %
R&D expenditure	<b>84</b>	299	<b>504</b>	896
% of net sales	<b>2,3 %</b>	4,7 %	<b>3,2 %</b>	4,4 %
Order book	<b>532</b>	2 588	<b>532</b>	2 588
Personnel, average	<b>104</b>	133	<b>119</b>	134
Personnel, at end of period	<b>101</b>	133	<b>101</b>	133
Non-interest bearing liabilities	<b>3 047</b>	3 737	<b>3 047</b>	3 737
Interest bearing liabilities	<b>6 941</b>	11 030	<b>6 941</b>	11 030
<b>Per-share key figures:</b>				
Number of shares at end of period	<b>54 873 722</b>	46 964 875	<b>54 873 722</b>	46 964 875
Average number of shares at end of period	<b>48 856 121</b>	43 509 907	<b>47 440 270</b>	36 584 446
Average number of shares diluted for stock options	<b>55 332 154</b>	30 943 321	<b>51 720 802</b>	42 237 619
Earnings per share, EUR/share (diluted)	<b>-0,12</b>	-0,04	<b>-0,15</b>	-0,12
Earnings per share, EUR/share (undiluted)	<b>-0,05</b>	-0,04	<b>-0,10</b>	-0,11
Equity per share, EUR	<b>0,03</b>	0,07	<b>0,03</b>	0,07
P/E ratio, (diluted)	<b>-2,23</b>	-5,6	<b>-1,13</b>	-2,6
P/E ratio, (undiluted)	<b>-1,96</b>	-6,6	<b>-1,03</b>	-2,2
<b>Share price trend:</b>				
High, euro	<b>0,14</b>	0,38	<b>0,25</b>	0,46
Low, euro	<b>0,09</b>	0,22	<b>0,09</b>	0,22
Average, euro	<b>0,09</b>	0,28	<b>0,13</b>	0,35
Price at end of period, euros	<b>0,10</b>	0,24	<b>0,10</b>	0,24
<b>Market capitalization at end of period</b>	<b>5,5</b>	11	<b>5,5</b>	11
<b>Share turnover trend:</b>				
Share issue-adjusted turnover	-	-	<b>14 488 490</b>	15 224 169
Proportion of weighted average of share	-	-	<b>30,5 %</b>	41,6 %

## 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	31.12.2008	31.12.2007
<b>Loans from financial institutions</b>	5 594	9 810
Corporate mortgages granted	12 687	12 687
Real-estate mortgages granted	0	0
<b>Other loans</b>	778	1 220
Real-estate mortgages granted	0	0
<b>Used financial limits</b>	1 670	1 630
Accounts receivable granted	2 129	3 437
<b>Given as collateral</b>		
Corporate mortgages granted, total	12 687	12 687
Real-estate mortgages granted, total	0	0
<b>Leasing commitments</b>		
falling due during the next 12 months	59	69
falling due later	28	41
<b>Rental liabilities</b>		
falling due during the next 12 months	162	176
falling due later	545	692

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