GEOSENTRIC OYJ STOCK EXCHANGE BULLETIN May 25, 2009 at 12:00

INTERIM REPORT 1-3/2009

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1. Summary of key figures and results

The key figures summarizing the Group's financial position and financial results were as follows (teuros unless indicated otherwise):

In period	Q1/2009	Q1/2008	2008
Net sales	939	1085	4374
Operating Result	-3827	-2710	-11919
Basic earnings per share (eur)	-0.00	-0.00	-0.01
At the end of the period			
Total assets	13303	14623	16805
Shareholders' equity	6430	10430	10053
Total liabilities	6873	4193	6752

2. Operational overview

GeoSentric is a developer and provider of solutions, products and technologies for location based services and mobile and web-based social networks. It develops a leading geo-integration platform for mobile devices, personal navigation devices, web browsers, and other internet-connected devices, which provides applications and bundled ODM/OEM solutions for consumer and B2B markets, built on the convergence of location based services, social networking, search, mobile & Web 2.0 technologies. Its intellectual property is delivered as software and services in products which include the GyPSii product platform ("GyPSii") together with ready-to-use integrated GPS/GSM devices for navigation and object tracking and customisable software solutions for industry specific uses ("TWIG"). In addition, GeoSentric offers Internet-based locating services with which the user may locate other GeoSentric devices. The GyPSii platform and

TWIG product line complement each other and enable GeoSentric to utilize its overall intellectual property rights (IPR) to software and services in an efficient manner with delivery of products and services to two different markets, GyPSii offerings to the geo social networking/LBS sector and TWIG offerings to the LBS/B2B sector.

The business model for the GyPSii platform services and applications is via embedded licensing of IPR in terms of software technology and branded trademarks, and downstream advertising revenue generation from the platform in partnerships with mobile operators and carriers. Thus during the reporting period Q1/2009 the Group focused on securing contracts with the major distribution partners to integrate products on to their new devices and services. Major marketing and launch plans for 2009 by all the distribution partners are expected to drive significant volumes of GyPSii users on a global basis, which is also expected to have a positive impact on revenues from GyPSii during the second half of 2009. The global financial crisis has delayed the launches of new products by company’s distribution partners. This has caused some lag to company’s business plans but has not had any significant effect on the future outlook of GyPSii business.

The total net sales of the Group in Q1/2009 were 939 teuros, slightly down compared to the total net sales in Q1/2008 of 1085 teuros, while the total cost of sales in Q1/2009 were substantially reduced from that of the prior period in Q1/2008, going to 600 teuros from 827 teuros, a 27.4% reduction. The revenue in Q1/2009 was substantially from the Twig products and IP with also GyPSii, as expected, continuing to generate minor revenues. The gross margin for the reporting period was strong, at 339 teuros (36.1%), compared to a gross margin of 258 teuros (23.8%) for Q1/2008.

Total operating expenses were increased in the reporting period compared to the prior year period, going to 4166 teuros in Q1/2009, from 2970 teuros in Q1/2008, a 40.2% increase. This was mainly driven by increases in R & D personnel related to the development of GyPSii products and services and to increased sales and marketing expenditure and personnel again in relation to the GyPSii products and services.

The total earnings before taxes were -3920 teuros in Q1/2009, versus -2710 teuros in Q1/2008, a 41.2% decrease. Earnings per share for the reporting period were -0.00 Euros per share.

3. Material events in the period

During the period 1–3/2009, the Group has continued its efforts to broaden the range of GyPSii supported devices, which is an essential element in Group’s business plan. In February the Company announced that its GyPSii mobile social networking application was now available on over 25 more Nokia devices, including the flagship N96 and N95 products.

At Mobile World Congress in Barcelona, February 2009, the Company announced a strategic partnership with LG Electronics of Korea, to embed GyPSii’s location-enabled mobile digital lifestyle application on a range of mobile devices. LG Electronics and GyPSii will share advertising and sponsorship revenues generated by users of GyPSii on the new LG devices. The range will first launch across Windows Mobile devices, closely followed by Android and java-enabled devices.

Also at Mobile World Congress, the Company announced the launch of OpenExperience Services Platform (OEx), the premier all-inclusive platform for incorporating location-based social networking functionality into embedded mobile clients and applications. The Company demonstrated select services of OEx on the soon to be released GyPSii native application support for the iPhone at Mobile World Congress, in Barcelona. OEx supports a whole new "user experience" on mobile devices, as seen on the iPhone and other embedded mobile and internet connected device platforms. OEx allows GyPSii partners to enhance their own products and services with the rich location-specific features, content and community of the GyPSii mobile social network. In using the API Service, partners can leverage GyPSii's vast international infrastructure and immediately offer new services to their customer base. OEx powers GyPSii's own mobile social network and is currently in use by industry leaders Samsung, Navteq and Garmin to offer enhanced services to their customers.

As GyPSii's revenue model is based on income from embedded and licensing of IPR, subscription fees and advertising, broadening the range of supported devices, entering into agreements with major distribution partners and introduction of OEx has created a solid basis for achieving a critical mass of users for GyPSii and at the same for future revenue generation, even though those events haven't had material effect on company's financial performance yet during the first quarter of 2009.

In February 2009, the Company announced the launch of its new, next generation, location-centric GPS/GSM personal protection device: the TWIG Protector. This latest addition to TWIG portfolio supports the efficient utilization of company's core IPRs and revenue generation from TWIG products.

4. Material events after the end of the period

The Company made significant announcements after the end of the period concerning its Annual General Meeting and its GyPSii geo-social networking platform and service.

After the reporting period the company announced that the Group's GyPSii mobile social networking application was available as a download from the Samsung Mobile Application Store, which was launched in January 2009(http://applications.samsungmobile.com). This will further extend the accessibility of the GyPSii application to potentially many millions of users.

In May, GyPSii announced GyPSii native application support for the iPhone, and can now be downloaded from the Apple iPhone Application Store, extending penetration into the fastest growing mobile phone sector, smart phones, to over 30M iPhone/iTouch active mobile internet users.

The Court of First Instance in Rome has given a decision relating to the dispute between the Company and an Italian company Magi.tel regarding an alleged patent infringement. The Company has appealed the judgment on 21 April 2009 and is awaiting the Court's decision relating to its appeal. Relating to the claim brought against it in the US by a distributor for its TWIG Discovery mobile phones seeking to terminate the issued purchase order the company considers it has received a binding purchase order and has continued in pursuing fulfillment of the purchase order in all suitable manners.

Company’s Annual General Meeting (AGM) convened in Helsinki on Friday 15 May 2009. The AGM confirmed the financial statements and resolved to discharge from liability the members of the Board and the Managing Director for the financial year 2008. In addition, the AGM resolved to adopt the proposal by the Board of Directors that no dividend shall be paid for 2008. The AGM resolved that that the number of Board members is seven (7) and elected the following persons to the Board: Mr. Daniel Harple (Chairman), Mr. Michael Vucekovich, Mr. Gary Bellot, Mr. Andy van Dam, Mr. Winston Guillory, Mr. Hans van der Velde and Mr. Raymond Kalley. The meeting fee for each Board and committee meeting was decided to be 1,500 euros.

The AGM re-elected Ernst & Young as the auditor of the Company with Erkka Talvinko (CPA) as the auditor in charge.

The AGM authorized the Board to decide upon increase in share capital and the issuance of new shares as well as special rights entitling to shares, against or without payment, such that the maximum amount of increase is 3,000,000 euros and the maximum number of new shares is 300,000,000. The decisions adopted by the AGM are described in more detail in the stock exchange release published on 15 May.

The AGM amended company’s Articles of Association according to Board’s proposal such that the notice to the General Meeting shall be published no later than twenty-one (21) days before the date of the General Meeting, instead of earlier seventeen (17) days.

5. Review of the financial position and the financial results

The Company has during the period retained solidity and liquidity.

The key figures summarizing the Group’s financial position and financial results were as follows (teuros unless indicated otherwise):

In period	Q1/2009	Q1/2008	2008
Net sales	939	1085	4374
Operating Result	-3827	-2710	-11919
Basic earnings per share (eur)	-0.00	-0.00	-0.01
At the end of the period			
Total assets	13303	14623	16805
Shareholders’’ equity	6430	10430	10053
Total liabilities	6873	4193	6752
Cash	7167	5256	9754

6. Sufficient liquidity

Report on sufficient liquidity in period 4/2009-6/2010

The cash flow projection below assumes that the sales targets set in the Group’s internal financial projections for the financial years 2009 and 2010 are met. These projections are highly dependent on timely deliveries and the sales success and market take-up of the Group's products and services.

Cash Flow Statement 4/2009-6/2010	million euros
Cash flow from operations	-3.6
Share/ debt subscription payments	0.0
Investments	-0.1
Change in cash	-3.7
Cash in the beginning of the period	7.2
Cash at the end of the period	3.5

7. Future Outlook

Over the past 18 months the Group has signed agreements with global leaders in mobile technology and GPS navigation: Samsung as the #2 provider of mobile handsets, and Garmin as the #1 provider of GPS products. Further, the agreement with MyNet/China Unicom and China Mobile is indicative of the global market's selection and adoption of the GyPSii overall platform. The Intel relationship as part of the reference platform for Atom-based processor MID devices is also a strategic and significant milestone for the Group. The Group also has deep device support for Nokia supported platforms built on the Symbian operating systems, like the recently introduced, 5^{th} Edition Touch based device, Nokia 5800 and future devices expected in 2009. These material agreements continue to establish GyPSii as a leading platform, applications and services provider for the geo-social networking, mobility, and internet advertising markets. GyPSii was selected as the Most Innovative application for Symbian for 2008.

GyPSii is further establishing distribution with major global players in the phone and MID (mid internet devices) markets. The market is blurring between smart phones, MID devices and new entrants that are pushing the price down for entry point for what was seen as mid to high level mobile devices making them available to purchase by the mass market in the US, Europe and Asia. This trend continues with the recent entries by Android and RIM devices. GyPSii will be supporting Android as it emerges as a serious alternative for device manufacturers to the development of home grown proprietary platforms, lightly supported Linux variants and established competitive platforms. GyPSii will be updating the iPhone application for full native support in Q2, which will expand reach into the most advanced mobile web user base.

The GyPSii business is moving from intensive product development phase to market penetration phase. As the revenues derive from embedded licensing of IPR and downstream advertising revenue generation, the growth of both the number of GyPSii users and the devices supported by GyPSii in the markets are crucial for the commercial success of the business. Despite the global financial crisis the company has seen steady growth rate in the number of GyPSii users and managed to close several important distribution partnership deals with world's leading mobile manufacturers and operators. The company expects to see positive development in GyPSii generated revenues starting from the latter quarter of 2009.

The TWIG product demand has remained in a steady and stable state focused on the TWIG Discovery Pro GSM/GPRS/GPS handset which is targeted at the safety and security market and the TWIG Locator tracking unit for the asset and vehicle tracking market. Customers continue to place orders for these unique devices and the Company continues to provide reliable quality product shipments and delivery. The recently announced new Twig Protector product which is a next generation, ruggedized, location-centric personal protection device will further enhance the Group’s product range.

8. Assessment of significant operational risks

The global financial crisis and current global recession may have a negative impact also on the business of the Group. The Group’s business model is partner driven and possible delays in partners’ launching their new products to the market may have an adverse effect on the development of the Group’s business by decelerating the distribution and user-adoption rate of the Group’s services.

There is no certainty of the success regarding the implementation and realisation of the business plan. According to the business strategy, the Group is pursuing entrance also to new business segments with competitive situations new to it, or which may be only in the early market phase. Unless the Group is able to successfully respond to these development it may significantly impair the Group´s operating results.

A key driver of the business model is sufficient and sufficiently rapid growth of users of the services, and the speed of adoption of mobile, UGC and location based advertising of which the Group has no certainty. Advertising budgets are being reduced by all major brands and advertisers and this could have an adverse affect on the adoption of mobile and location based advertising in 2009 and beyond.

In addition, the Company carries a limited risk connected with the TWIG product inventory. Should the Company not be able to sufficiently protect its industrial rights and other intangible assets, its competitive position may suffer. It is also possible that other parties may bring action against the Company on grounds of alleged infringement of industrial or intellectual property rights and, should they be successful, the Company may be obligated to pay significant compensation.

Since 1997, the Company has not paid dividends. In the future, the re-payments of capital loans will restrict the possibility to distribute dividends. The total amount of loans as at 31 March 2009 was 10113 teuros at nominal value. Regarding future dividend payments, there is also uncertainty about the ability of the Company to accrue distributable capital. According to the financial statements of the Company, there was no distributable capital in the latest balance sheet of the Company.

The Group´s business plan has been prepared by assuming that the Group´s result and cashflow will improve significantly. Should the result and cashflow essentially fail to meet the planned figures, the Group´s financing plan may turn out to be insufficient causing a need to secure additional financing.

9. Review of R&D-activities

The volume of the Group´s R&D activities continued to be significant due to the on-going R&D-programs by means of which the Group intends to significantly expand its business over the next few years. No capitalisations were made.

The Group has R&D units in Salo (Finland), Amsterdam (the Netherlands), Windsor (UK), Warwick, RI (USA) and Shanghai (China).

Additionally, GyPSii server facilities are maintained in the US, China and the Netherlands at present, with continued upgrades and new locations planned in the future.

10. Investments

Gross investments in period 1-3/2009 were 14 teuros. In the full year 2008 gross investments were 119 teuros. There were no new investments made into the Company and no new sources of finance established in the period 1-3/2009.

11. Personnel and organization

The number of employed personnel at GeoSentric in period 1-3/2009 averaged 108, of which 28, at most, were affected by alternate forced leaves. The alternate forced leave program, agreed in autumn 2007 to apply for the time being, continues also in 2009.

Board member David Francis resigned from the Board of Directors effective as of March 13, 2009 due to personal reasons not connected to the Company.

GeoSentric Oyj's Board of Directors decided in March to establish committees to enhance the preparation of matters falling within the competence of the Board. The established committees are 1) Audit and Finance Committee; 2) Corporate Governance and Nominations Committee; 3) Compensation Committee; and 4) Strategic Options Committee.

Thor Johnson, SVP of Media Markets and member of the management team has resigned from the Company as of April 2, 2009. Due to the resignation Jay Cahill joined the management team responsible for the Strategic Partner Relations.

12. Environmental issues

The Company pays for its products a statutory recycling fee and has organised the recycling of disposed materials contractually through Jalopinta Ky. Altogether, the Group´s operations cause no significant environmental impact.

13. Financing and structural arrangements

As previously disclosed, the Company decided to raise a maximum amount of EUR 16,000,000 (“Issue”) by issuing a loan note which includes a specific option right. The Company received and accepted in 2008 a commitment for a total amount of 10,000,000 euros and the subscription period for the Issue has now ended on May 15, 2009. The maximum amount of new shares to be subscribed by virtue of the note is 94,339,622.

In addition the issued amount of 2,830,189 shares directed to an advisor of the Board as part of his advisory fee was registered into the Finnish Trade Register on February 5, 2009. Thus the registered share amount was increased to 897,926,354.

After the reporting period the Board decided in its meeting on May 14, 2009 to adopt Option Plan 2009-I and issue a total amount of 3,000,000 by virtue of the authorization granted by the EGM on September 10, 2007. The options are directed to the Board’s advisors without charge as decided by the Board. The options may be subscribed into corresponding amount of new shares during the share subscription period ending on December 31, 2012 with a share subscription price of 0.045 euros per share. Option rights have been subscribed when issued.

The Board decided in its meeting on May 15, 2009 to adopt Option Plan 2009-II and issue a total amount of 24,500,000 option rights to the members of the Board of Directors without charge. The options may be subscribed into corresponding amount of new shares during the share subscription period ending on December 31, 2013 with a share subscription price of 0.045 euros per share. Option rights have been subscribed when issued.

The company is also preparing a restructuring of its group structure to achieve a more efficient operation model. In the planned restructuring all GeoSentric’s subsidiaries would be centered under its Dutch subsidiary, GeoSolutions Holding N.V. The restructuring does not have any effect on company’s assets and liabilities.

14. Board authorization

The Extraordinary General Meeting convened on September 10, 2007, authorized the Board to increase share capital by a maximum of 8,000,000 euros. At the end of the reporting period the remaining amount of this authorization, valid until September 10, 2009, was 2,273,050.69 euros and 224,474,880 shares.

The Annual General Meeting convened on May 15, 2009 authorized the Board to increase the share capital by maximum of 3,000,000 euros and share amount by maximum of 300,000,000 new shares. The authorization is valid for two (2) years from the date of the Annual General Meeting. At the same all the other authorizations were terminated.

At the date of this report the remaining authorization is 2,755,000 euros and 275,500,000 shares.

15. Company’s shares and shareholders

The shares of GeoSentric Oyj are listed on the NASDAQ OMX Helsinki (NASDAQ OMX: GEO1V) and issued in the book entry system held by Euroclear Finland, address PL 1110, FIN-00101 Helsinki, Finland. The ISIN-code of the share is FI 0009004204. The Company’s shares have been on the surveillance list since February 11, 2003.

The Company and its subsidiaries do not have any Company´s shares owned by or administered on behalf of the Company.

At the end of the reporting period company’s registered share capital was 8,950,961.65 euros, consisting of 897,926,354 shares.

During the reporting period the company received a flagging notice from GeoHolding. According to the notice, the threshold of GeoHolding could increase from 27.97 % to a maximum of 31.90 % by virtue of option rights. In addition the threshold of GeoHolding and its beneficial shareholder, Dan Harple, could raise together up to a maximum of 32.80 % of the registered share amount and votes, comprising of aggregate amount of 251,171,068 shares and 43,418,055 option rights.

16. About the Company

GeoSentric is a developer of location-based technologies, delivering products and services with a market-leading mobile digital lifestyle application and geo-mobility social networking platform: connecting people, places and communities across networks and devices. GyPSii provides a geo-location social networking platform and services for mobile and web Internet-connected devices, and provides applications and bundled ODM/OEM solutions for consumer and B2B markets, built on the convergence of location based services, social networking, search, mobile & Web 2.0 technologies. For more information, visit www.geosentric.com or www.gypsii.com or www.gypsii.com.cn.

Based in Salo, Finland and Amsterdam, The Netherlands, GeoSentric operates offices in North America, Europe and Asia Pacific.

GeoSentric (NASDAQ OMX Helsinki-GEO1V) is listed on the Nasdaq OMX Exchange in Helsinki. The company has been on the surveillance list since February 2003.

GEOSENTRIC OYJ

For more information, please contact: investors@gypsii.com

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GEOSENTRIC OYJ INTERIM REPORT 1Q/2009 (Unaudited)

GROUP STATEMENT OF COMPREHENSIVE INCOME

1000 EUR	Note	1Q/2009	1Q/2008	2008
Net sales		939	1085	4374
Cost of goods sold	4	600	827	3006
Gross margin		339	258	1368
Other operating income		0	4	35
General & Administrative expenses	4	835	977	3874
Research & Development expenses	4	2120	1375	6088
Sales & Marketing expenses	4	1211	620	3360
Operating result		-3827	-2710	-11919
Financial income		77	40	330
Financial expenses		-170	-47	-276
Result before taxes		-3920	-2717	-11865
Income taxes		126	127	492
Result for the period		-3794	-2590	-11373
Translation difference		4	0	124
Comprehensive income		-3790	-2590	-11249
Earnings per share, eur				
Basic earnings per share, eur		-0,00	-0,00	-0,01

Diluted earnings per share have not been computed because dilution effect would improve the key figure.

GROUP STATEMENT OF FINANCIAL POSITION

1000 EUR	Note	31.3.2009	31.3.2008	31.12.2008
ASSETS				
Non-current assets				
Property, plant and equipment	15	179	217	194
Goodwill	16	216	216	216
Other intangible assets	16	2018	4028	2520
Other financial assets	17	66	64	64
Deferred tax assets	18	0	0	0
		2479	4525	2994
Current assets				
Inventories	19	1865	2400	1405
Trade receivables and other receivables	20	1784	1667	1816
Prepaid expenses		8	775	836
Cash and cash equivalents	21	7167	5256	9754
		10824	10098	13811
Total assets		13303	14623	16805
EQUITY AND LIABILITIES				
Shareholders´equity				
Share capital	5	8951	7045	8951
Share premium account	5	13631	14652	13631
Translation difference		128	0	124
Invested distributable equity account	5	28012	22074	28039
Retained earnings		-44292	-33341	-40692
Total shareholders´ equity		6430	10430	10053
Non-current liabilities				
Deferred tax liabilities		511	1021	638
Interest-bearing debt	7	3394	0	3394
		3905	1021	4032
Current liabilities				
Trade payables and other payables		2225	2201	1977
Provisions		62	104	62
Interest bearing debt	7	681	867	681
		2968	3172	2720
Total liabilities		6873	4193	6752
Total shareholders´ equity and liabilities		13303	14623	16805

GROUP CASH FLOW STATEMENT

1000 EUR	1Q/2009	1Q/2008	2008
Cash flow from operations			
Result for the period	-3794	-2590	-11373
Adjustments	259	605	3384
Changes in working capital:			
Change of trade and other receivables	860	572	362
Change of inventories	-460	418	1416
Change of trade and other liabilities	248	-230	-454
Paid interests	0	0	-2
Received interest payments	71	40	118
Cash flow from operations, net	-2816	-1185	-6549
Cash flow from investments, net	-14	-47	-119
Cash flow from financing			
Proceeds from issue of share capital	0	0	1
Transaction expenses of share issues	-27	-32	-99
Proceeds from long term borrowings, equity	0	0	6038
Proceeds from long term borrowings, liability	0	0	3962
Net cash flow from financing	-27	-32	9902
Change in cash	-2857	-1264	3234
Cash in the beginning of the period	9754	6520	6520
Cash at the end of the period	7167	5256	9754

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS´ EQUITY

	Share capital (1000eur)	Translation difference (1000eur)	Share premium account (1000eur)	Inv. distrib. equity account (1000eur)	Accrued result (1000eur)	Total (1000eur)
Shareholders´ equity 31.12.2007	5246	0	14652	23695	-30856	12737
Items booked directly into shareholders´ equity	0	0	0	0	0	0
Result for the period	0	0	0	0	-2590	-2590
Comprehensive income	0	0	0	0	-2590	-2590
Share issues, cash	6	0	0	99	0	105
Conversion of convertible	1793	0	0	-1714	0	79

bonds into shares						
Share issue expenses	0	0	0	-32	0	-32
Booked expense of stock options to key personnel and partners	0	0	0	0	105	105
Equity portions of liabilities	0	0	0	26	0	26
Shareholders´ equity 31.03.2008	7045	0	14652	22074	-33341	10430
Shareholders´ equity 31.12.2008	8951	124	13631	28039	-40692	10053
Items booked directly into shareholders´ equity	0	4	0	0	0	4
Result for the period	0	0	0	0	-3794	-3794
Comprehensive income	0	4	0	0	-3794	-3790
Share issue expenses	0	0	0	-27	0	-27
Booked expense of stock options to key personnel and partners	0	0	0	0	194	194
Shareholders´ equity 31.3.2009	8951	128	13631	28012	-44292	6430

KEY FIGURES

	1Q/2009	1Q/2008	2008
Net sales, 1000 EUR	939	1085	4374
Operating result, 1000 EUR	-3827	-2710	-11919
Result before taxes, 1000 EUR	-3920	-2717	-11865
Gross investments, 1000 EUR	14	47	119
Average personnel	108	87	94
Earnings per share, EUR	-0,00	-0,00	-0,01
Equity per share, EUR	0,02	0,02	0,01
Weighted average number of shares in period, 1000 pcs	896826	596607	779047
Number of shares at the end of the period, 1000 pcs	897926	704532	895096

NOTES TO THE GROUP INTERIM REPORT

1. BASE INFORMATION OF THE COMPANY

GeoSentric is a developer and provider of solutions, products and technologies for location based services and LBS-enabled social networks. It develops a leading geo-integration platform for mobile devices, personal navigation devices, web browsers, and other internet-connected devices, which provides applications and bundled ODM/OEM solutions for consumer and B2B markets, built on the convergence of location based services, social networking, search, mobile & Web 2.0 technologies. Its intellectual property is delivered as software and services in products which include the GyPSii product platform (“GyPSii”) together with ready-to-use integrated GPS/GSM devices for navigation and object tracking and customisable software solutions for industry specific uses (“TWIG”).
The company has deep expertise and technology IP in User Generated Content Management, Location Based Services, Open Social Networking, Ad-Targeting and Integration, for Social Media markets and users on mobile phones, the web, personal navigation and internet connected devices.
Based in Salo, Finland, and Amsterdam, The Netherlands, GeoSentric operates offices in North America, Europe and Asia Pacific. GeoSentric is listed in NASDAQ OMX Helsinki Ltd (NASDAQ OMX: GEO1V). The parent company of the group is GeoSentric Oyj (former Benefon Oyj). The registered domicile is Salo, Finland, with street address Meriniitynkatu 11, 24100 Salo, Finland, and mail address PL 84, FIN-24101 Salo, Finland. A copy of the group financial statements is available at the internet address www.geosentric.com or at the company head office at address Meriniitynkatu 11, FIN-24100 Salo, Finland.

2. ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS

Foundation:
The group interim report has been prepared in accordance with the International Financial Reporting Standards ("IFRS") and has been prepared according to the accounting standard IAS 34, Interim Reports. An interim report shall be read together with the financial statements for year 2008.

Accounting principles:
The utilised principles of preparation are identical with those utilised by the Group in financial statements for year 2008.
IASB has published new standards and interpretations and changes in existing standards, application of which is mandatory on 1.1.2009 or thereafter, and which the group has not adopted earlier voluntarily. The group will adopt the following standards (and their amendments) and interpretations from 1.1.2009 onwards:
IAS 23, cost of liabilities. The renewed standard prescribes that in the purchase cost of a commodity fulfilling the conditions are included the immediate cost of related liabilities. No effect on the Group.
IFRIC 13, Customer Loyalty Programmes. Group operations do not include pertinent transactions.
IAS 1, Presentation of the financial statements. The change affects the terminology and the presentation format of some accounts.
IFRS 2, Share-based payments. The change affects the definition of the fair value of equity-based instruments.
IAS 1, Presentation of the financial statements and IAS 32, Financing instruments: presentation format. The changes may cause the re-classification as equity of certain equity-based financing instruments.
Changes for "Improvements to IFRS". Small changes relate to 34 different standards but they have no significant effects on the financial statements.
Changes to standards IFRS 1, First application of the IFRS-standards and IAS 27, Group financial statements and separate financial statements. They concern only firms applying the IFRS for the first time. IFRIC 15, Agreements for the Construction of Real Estate. No effect on the Group.
IFRIC 16, Hedges of a Net Investment in a Foreign Operation.No effect on the Group.

IFRS 8, Business segments. No essential effect on the information because there is only one business segment.

3. SEGMENT INFORMATION

The primary reported segments of the group comprise business segments. At the moment, there is only one distinct segment, location based services and devices utilising them. Its share of net sales has been 100% in the period and in the reference period.

4. COSTS BY CATEGORY

1000 EUR	1Q/2009	1Q/2008	2008
Increase/decrease in inventories of finished products	184	372	1290
Use of raw materials and consumables	281	285	808
Total expense of direct employees	135	170	908
Cost of goods sold total	600	827	3006
Total expense of indirect employees	2195	1404	7263
Depreciations	529	530	2133
Other operating expenses	1442	1038	3926
Expenses by cost category, total	4166	2972	13322

5. SHAREHOLDERS´ EQUITY

	Number of shares (1000)	Share capital (1000eur)	Share premium (1000eur)	Invested distributed equity account (1000eur)	Total (1000eur)
31.12.2008	895096	8951	13631	28039	50621
Share issue free Kalley 5.2.2009	2830				0
Costs of share issues				-27	-27
31.03.2009	897926	8951	13631	28012	50594

According to the Company´s new articles of association registered on 10.12.2007, there is no maximum for the shares and there is only one category of shares at the Company. Also the clause about maximum amount of share capital has been removed. The shares carry no nominal value. All outstanding shares are fully paid.

6. OPTION RIGHTS

Option program 2008-5:
According to the terms and conditions the maximum of 9,505,000 option rights shall be allotted to the key recourses of the GeoSentric group during the option subscription period, which ends on December 31, 2009. Of the received amount, a total of 5,647,500 options have been allotted before end of reporting period.

Special right:
The Board decided to issue 2.830.189 shares without price to Raymond Kalley as part of the agreed advisor fee. The shares have been registered in trade register on 5.2.2009.

Cost of options booked in the period according to IFRS 2. Consideration is given as options. The counter-item of costs bookings is income statement is shareholders´equity.

1000 EUR	1Q/2009	1Q/2008	2008

Key persons	91	64	385
Board	76	0	989
Other interest groups	27	41	163
Total	194	105	1537

7. FINANCIAL LIABILITIES

1000 EUR	Nominal loan value 1Q/2009	1Q/2009	1Q/2008	2008
Non-current:				
Loan 2008	10000	3394	0	3394
Current:				
Cbl 2004A	113	113	867	113
Loan 2008		568	0	568
Current total		681	867	681

Convertible bond loan 2004A:
This loan with a nominal principal of 1130 teuros was raised on year 2004 and was converted during the conversion period before 31.12.2008 in all 1017 teuros. The interest is 4%. No interest was paid. The loan capital, interest and other benefit may be paid in case of dismantling or bankruptcy of the company only with priority after the other creditors. The principal may be returned otherwise only providing that a full coverage for the bound equity and other non-distributable items in the confirmed financial statements for the latest expired financial year is retained. Interest or other benefits may be paid only in case the paid amount may be used for profit distribution in the confirmed balance sheet for latest expired financial period.

Financing round 2008:
The Board has decided to raise a maximum of 16,000 teuros by issuing a loan with an attached special right to use the loan receivable for payment of share subscriptions in set-off. The minimum rate of conversion is 0.106 euros and the maximum number of shares subscribed by virtue of the loan is 150,302,466. The annual interest of the loan is 12.5 %, paid twice a year. The loan period will end on 25.8.2013. The Board has received and accepted an investment commitment of 10,000 teuros, of which 2,800 teuros was raised on 3.9.2008 and 7,200 teuros on 13.10.2008.

8. COLLATERAL COMMITMENTS AND CONTINGENCIES

1000 EUR	1Q/2009	1Q/2008	2008
Contingent liability:			
Debt to banks with interest until 31.12.	0	1745	0
Collateral for own liabilities:			
Chattel mortgage as collateral for own liability	0	12068	0
Pledged non-current financial assets	46	44	44
Pledged current financial assets	57	373	57

9. RELATED PARTY TRANSACTIONS

The parent and subsidiary company relations in the group were as follows:

Parent company GeoSentric Oyj. Subsidiaries with parent company ownership and voting rights of 100 % are GeoSolutions B.V., GeoSentric (UK) Ltd., GyPSii (Shanghai) Co. Ltd., GyPSii Inc. and Benefon Solutions B.V..

Inner circle transactions have been presented in the financial statements for year 2008. No essential changes have taken place in the reporting period.

Board member David Francis has resigned from the Board of Directors effective as of March 13, 2009 due to personal reasons not attributable to the company.

10. EVENTS AFTER THE END OF THE PERIOD

1) Annual General Meeting

GeoSentric Oyj's Annual General Meeting was held on Friday May 15, 2009. The general meeting confirmed the financial statements of the company and the Group, and released the Board members and the Managing Director from liability for the year of 2008. The Annual General Meeting decided that no dividend would be paid for the financial year. Following Board members were elected to the Board: Daniel Harple, Michael Vucekovich, Gary Bellot, Andy van Dam, Hans van der Velde, Winston Guillory and Raymond Kalley. The Board meeting elected Daniel Harple as Chairman.

Ernst & Young Oy, Authorized Public Accountants, was selected to continue as the company's Auditor with Erkka Talvinko as responsible Auditor.

The Annual General Meeting authorized the Board to increase the share capital by maximum of 3,000,000 euros and share amount by maximum of 300,000,000 new shares. The authorization is valid for two (2) years from the date of the Annual General Meeting. At the same all the other authorizations were terminated. At the date of this report the remaining authorization is 2,755,000 euros and 275,500,000 shares.

Additional information of the Annual General Meetings decisions are disclosed on the stock exchange release published on May 15, 2009

2) Structural arrangements

After the reporting period the Board decided in its meeting on May 14, 2009 to adopt Option Plan 2009-I and issue a total amount of 3,000,000 by virtue of the authorization granted by the EGM on September 10, 2007. The options are directed to the Board’s advisors without charge as decided by the Board. The options may be subscribed into corresponding amount of new shares during the share subscription period ending on December 31, 2012 with a share subscription price of 0.045 euros per share. Option rights have been subscribed when issued.

The Board decided in its meeting on May 15, 2009 to adopt Option Plan 2009-II and issue a total amount of 24,500,000 option rights to the members of the Board of Directors without charge. The options may be subscribed into corresponding amount of new shares during the share subscription period ending on December 31, 2013 with a share subscription price of 0.045 euros per share. Option rights have been subscribed when issued.

The subscription period of the loan note for raising a maximum amount of EUR 16,000,000 ended on May 15, 2009 and the total amount of subscription was EUR 10,000,000. The maximum amount of new shares to be subscribed by virtue of the subscribed note is 94,339,622. As a result of the Note, company’s share capital may increase by a maximum of EUR 943,396.22. More information from the stock exchange release published on May 15, 2009.