

INTERIM REPORT 1-6/2009

Contents

1. Summary of key figures and results
2. Operational overview
3. Material events in the period
4. Material events after the end of the period
5. Review of the financial position and the financial results
6. Sufficient liquidity
7. Outlook
8. Assessment of significant operational risks
9. Review of R&D activities
10. Investments
11. Personnel and organization
12. Environmental issues
13. Financing and structural arrangements
14. Board authorization
15. Company's shares and shareholders
16. About the Company
17. Financial Statements, Q2 2009 (not audited)

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	<u>4-6/2009</u>	<u>1-6/2009</u>	<u>4-6/2008</u>	<u>1-6/2008</u>	<u>2008</u>
Net sales	548	1487	1061	2146	4374
Operating Result	-3943	-7770	-2973	-5683	-11919
Basic earnings per share (eur)	-0.00	-0.01	-0.00	-0.01	-0.01
At the end of the period					
Total assets	9665		12189		16805
Shareholders' equity	2554		8265		10053
Total liabilities	7111		3924		6752

2. Operational overview

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 customizable 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 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 Q2/2009 the Group continued its focus on securing contracts with the major distribution partners to integrate product 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 certain new products by some of the company's distribution partners. This has caused some lag to the company's business plans but has not had any significant effect on the future outlook for GyPSii business.

The total net sales of the Group in 1-6/2009 were 1487 teuros, down by 30.7% compared to the total net sales in 1-6/2008 of 2146 teuros. Revenue in 1-6/2009, as last year, was substantially all from the Twig products. The revenue reduction was caused by a decline in sales of the older Discovery Pro product which was not offset by the newly launched Protector product. Protector sales are expected to improve in future quarters. The total cost of sales in 1-6/2009 were substantially reduced from that of the prior period in 1-6/2008, going to 989 teuros from 1600 teuros, a 38.2% reduction. The gross margin for the reporting period was strong, at 498 teuros (33.5%), compared to a gross margin of 546 teuros (25.4%) for 1-6/2008. This reduction in cost of sales and resulting gross margin improvement was caused mainly by the inclusion in Q1 last year of a strategic sale at a relatively low sales price to a customer, and also by a reduction from last year to this year in the cost of direct (i.e. production) employees resulting from efficiency savings.

Total operating expenses were increased in the reporting period compared to the prior year period, going to 8268 teuros in 1-6/2009, from 6263 teuros in 1-6/2008, a 32.0% 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 -8034 teuros in 1-6/2009, versus -5696 teuros in 1-6/2008, a 41.0% decrease. Earnings per share for the reporting period were -0.00 Euros per share.

3. Material events in the period

During the period 4-6/2009, the Group has continued its efforts to broaden the range of GyPSii supported devices, which is an essential element in Group's business plan. As GyPSii's revenue model is based

on income from embedded and upstream 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 half of 2009. The following distribution milestones were achieved during the period:

In April 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, the company announced GyPSii native application support for the iPhone, which 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.

In May, the GyPSii application was made available as a download from GetJar (<http://www.getjar.com/>) for the following operating systems: Windows Mobile, S60 3rd Edition, S60 5th edition, and RIM Blackberry. Getjar.com is available in over 200 different countries, support over 1600 different devices, has over 300,000 registered users and over 300 million downloads to date.

In May, the company signed an agreement with WeFi, Inc. to make the GyPSii application available for distribution from WeFiApps <<http://www.WeFiApps.com/>>. WeFi is an application portal for rich multimedia and data applications for mobile phones. WeFi and WeFiApps.com opens up the GyPSii application to a user base leveraging over 30 million WiFi access points across the globe.

In May, the GyPSii application was made available as download from Uygulama Pazari, the mobile application portal for Turkcell subscribers. Launched in Q4 of 2008 through a joint partnership between Turkcell and Kokteyl, Uygulama Pazari, Turkish for "Application Market", now contains more than 550 unique mobile applications and exclusively supports Turkcell's 35 million subscribers.

In May, the company signed a marketing partnership agreement with UCweb (www.ucweb.com). UCWEB is the leading mobile software and integrated service providers in China. UCweb is sponsoring the GyPSii's wap portal on it's WAP portal promotion page.

In June, the company announced GyPSii product availability on the mobile Java platform, which opens access to over 650 million java device users in China alone. The new java version was built with extensive feedback from partners and users and has been a positive contributor to the uptake of users, particularly in the target Chinese market.

In June, the company launched its GyPSii application in Nokia's Ovi store, which provides access for downloads of the applications in more than 100 countries.

In June the company signed an agreement with Sony Ericsson Mobile Communications for World-wide distribution of the Group's GyPSii mobile social networking application. GyPSii is made available to Sony Ericsson phones in 19 different languages to support its global reach and distribution to over 90 million consumers.

In June, the company revised its global contract with LG Electronics, for an expanded commitment to ship GyPSii on all LG platforms of which GyPSii has an application. In calendar year 2008, LG shipped approximately 110 million devices, which therefore, illustrates the significance of this revised contractual commitment for global GyPSii distribution.

In June, the company signed a marketing partnership agreement in China with weiphone.com (<http://weiphone.com>). Weiphone.com is the most popular iPhone forum in China and the biggest platform for Chinese iPhone users to discuss and share how to use iPhone and what's new on iPhone. Weiphone has 300,000 registered members and the daily unique visitors are over 100,000, daily PV is 1,500,000. As part of the agreement, weiphone provides an ad banner space on the main page of weiphone.com, as well as opening a dedicated forum space within weiphone to promote GyPSii's iPhone client.

In June, the company signed a marketing partnership agreement with 91.com (<http://91.com>). 91.com is a new platform for Chinese iPhone users that features interaction and entertainment. 91.com will put the GyPSii ad banner on the main page of 91.com.

In June, the company signed a marketing partnership agreement with CHANet in China (www.chanet.com.cn). CHANet will issue GyPSii ads to over 32,000 affiliate sites. This partnership is expected to heavily impact the awareness of GyPSii in China.

Other material events during the reporting period were:

The Court of First Instance in Rome has given a decision relating to the dispute between the Company and a UK company Magi.Tel Limited regarding an alleged patent infringement in Italy. The Company has appealed the judgment on 21 April 2009 and is awaiting the Court's decision relating to its appeal.

The 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 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 the company's Articles of Association according to the 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.

In June the company announced that the European Patent Office had granted it an EU-wide patent for the transmission of location-based information between devices and the subsequent publishing of that information for viewing on a map. This feature represents what the industry has coined "friend finding" and is felt to be the cornerstone of the combination of mobile social networking and location based services. The Company is currently exploring the options to utilize its patent commercially and also reviewing the use of the patented technology in the solutions already in the markets.

4. Material events after the end of the period

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

The company made a settlement in the previously reported dispute with its US distributor for TWIG products. The company is satisfied with the outcome and reaching the final settlement in the matter. The settlement shall become final during the Q3 after all closing conditions have been met.

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. 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 and affect positively on revenue from GyPSii. The global financial crisis has delayed the launches of new products by some of Company's distribution partners which increases uncertainty towards the rest of the year causing some lag to the Company's business plans and slightly shifting the revenue expectations of GyPSii.

To continue to execute the business plan and to secure Company's working capital the Company has started preparations for new 15ME financing round to selected international investors. The Company has entered into an agreement with CRT Investment Banking LLC ("CRT") to act as a financial advisor and placement agent. CRT is a highly reputed international investment bank, with an excellent track record. There are already a number of investors that have indicated their interest to participate in the upcoming financing round. Accordingly, the Company sees it likely that the financing round will be successful and that it's able to retain sufficient liquidity in all circumstances. The Company targets to close the new financing during the Q3, or early Q4 at the latest, and will inform the additional details of the financing as soon as they are available.

The Company's management monitors the progress of the business and financial performance against the business plan and budget and reports to the Board on a regular basis. Working capital management is one of management's key focus areas.

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):

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At the end of the period					
Total assets	9665		12189		16805
Shareholders' equity	2554		8265		10053
Total liabilities	7111		3924		6752
Cash	4087		3950		9754

The Company has agreed with its main investor to delay the payment of accrued interest on its loans, which had a positive impact of 930k€ in Company's cash position at the end of the reporting period.

6. Sufficient liquidity

The Company has during the period retained sufficient liquidity. However, the company's working capital is not sufficient for the next twelve (12) months without raising additional external financing. To secure sufficient liquidity in all circumstances the Company has started preparations for a new EUR 15M financing round as in more detail described under the section "Material events after the end of the period" above. With the new financing the Company shall retain sufficient liquidity through the next twelve (12) months period.

Starting from this interim report 1-6/2009 the company does not include future looking cash flow projection in its reports.

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 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, 5th 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 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 updated 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 second half of 2009. However, this also requires that the Company is able to continue executing its current business plan, which further requires the Company to be able to secure sufficient financing. Possible delays in raising the new external financing, which is currently being prepared, might have adverse effect on Company's ability to execute its business plan and accordingly shift the revenue expectations of GyPSii further to the future.

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 30 June 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. The Company has already started preparations of a new financing round. Should the new financing be delayed this might enforce the Company to introduce significant cost cutting plan, which would also have material effect on execution on Company's current business plan in the short term.

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 1-6/2009 were 177 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 1-6/2009.

11. Personnel and organization

The number of employed personnel at GeoSentric in period 1-6/2009 averaged 115, 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.

On 15 May 2009 Mr Raymond Kalley was elected to the Board. Mr Kalley has extensive management experience and a background in mergers and acquisitions and general corporate development.

The employment of Thor Johnson, SVP Media Markets, with the Company ended in June 2009.

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 were registered into the Finnish Trade Register on February 5, 2009. Thus the registered share amount was increased to 897,926,354.

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 Board decided in its meeting on August 13 to adopt Option Plan 2009-III and issue a total amount of 1,500,000 option rights to the key employees of the company 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 Board further decided to allocate additional 195,000 new option rights to the employees under the Option Plan 2008-V.

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, Benefon Solutions B.V., name to be changed to GeoSolutions Holding N.V. The restructuring does not have any effect on company's assets and liabilities.

14. Board authorization

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 2,740,000 euros and 274,000,000 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 could raise 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

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GEOCENTRIC OYJ INTERIM REPORT 2Q/2009 (Unaudited)

GROUP STATEMENT OF COMPREHENSIVE INCOME

1000 EUR	Note	2Q/2009	1-2Q/2009	2Q/2008	1-2Q/2008	2008
Net sales		548	1487	1061	2146	4374
Cost of goods sold	4	389	989	773	1600	3006
Gross margin		159	498	288	546	1368
Other operating income		0	0	30	34	35
General & Administrative expenses	4	724	1559	929	1906	3874
Research & Development expenses	4	2163	4283	1490	2865	6088
Sales & Marketing expenses	4	1215	2426	872	1492	3360
Operating result		-3943	-7770	-2973	-5683	-11919
Financial income		-5	72	14	54	330
Financial expenses		-166	-336	-20	-67	-276
Result before taxes		-4114	-8034	-2979	-5696	-11865
Income taxes		128	254	128	255	492
Result for the period		-3986	-7780	-2851	-5441	-11373
Translation difference		14	18	0	0	124
Comprehensive income		-3972	-7762	-2851	-5441	-11249
Earnings per share, eur						
Basic earnings per share, eur		-0,00	-0,01	-0,00	-0,01	-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	30.6.2009	30.6.2008	31.12.2008
ASSETS				
Non-current assets				
Property, plant and equipment		310	219	194
Goodwill		216	216	216
Other intangible assets		1515	3525	2520
Other financial assets		66	64	64
Deferred tax assets		0	0	0
		<u>2107</u>	<u>4024</u>	<u>2994</u>
Current assets				
Inventories		1692	1982	1405
Trade receivables and other receivables		1778	1458	1816
Prepaid expenses		1	775	836
Cash and cash equivalents		4087	3950	9754
		<u>7558</u>	<u>8165</u>	<u>13811</u>
Total assets		9665	12189	16805
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	5	8951	8231	8951
Share premium account	5	13631	13631	13631
Translation difference		142	0	124
Invested distributable equity account	5	27972	21950	28039
Retained earnings		<u>-48142</u>	<u>-35547</u>	<u>-40692</u>
Total shareholders' equity		2554	8265	10053
Non-current liabilities				
Deferred tax liabilities		383	893	638
Interest-bearing debt	7	<u>3013</u>	<u>0</u>	<u>3394</u>
		3396	893	4032
Current liabilities				
Trade payables and other payables		2591	2094	1977
Provisions		62	104	62
Interest bearing debt	7	<u>1062</u>	<u>833</u>	<u>681</u>
		3715	3031	2720
Total liabilities		7111	3924	6752
Total shareholders' equity and liabilities		9665	12189	16805

GROUP CASH FLOW STATEMENT

1000 EUR	1-2Q/2009	1-2Q/2008	2008
Cash flow from operations			
Result for the period	-7780	-5441	-11373
Adjustments	1024	1660	3384
Changes in working capital:			
Change of trade and other receivables	873	781	362
Change of inventories	-287	836	1416
Change of trade and other liabilities	614	-337	-454
Paid interests	0	0	-2
Received interest payments	147	45	118
Cash flow from operations, net	-5409	-2456	-6549
Cash flow from investments, net	-191	-80	-119
Cash flow from financing			
Proceeds from issue of share capital	0	1	1
Transaction expenses of share issues	-67	-35	-99
Proceeds from long term borrowings, equity	0	0	6038
Proceeds from long term borrowings, liability	0	0	3962
Net cash flow from financing	-67	-34	9902
Change in cash	-5667	-2570	3234
Cash in the beginning of the period	9754	6520	6520
Cash at the end of the period	4087	3950	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	-5441	-5441
Comprehensive income	0	0	0	0	-5441	-5441
Share issues, cash	6	0	0	99	0	105
Share issues, special rights	1022	0	-1021	0	0	1
Conversion of convertible bonds into shares	1957	0	0	-1836	0	121
Share issue expenses	0	0	0	-35	0	-35
Booked expense of stock options to	0	0	0	0	750	750

key personnel and partners						
Equity portions of liabilities	0	0	0	27	0	27
Shareholders' equity 30.06.2008	8231	0	13631	21950	-35547	8265
Shareholders' equity 31.12.2008	8951	124	13631	28039	-40692	10053
Items booked directly into shareholders' equity	0	18	0	0	0	18
Result for the period	0	0	0	0	-7780	-7780
Comprehensive income	0	18	0	0	-7780	-7762
Share issue expenses	0	0	0	-67	0	-67
Booked expense of stock options to key personnel and partners	0	0	0	0	330	330
Shareholders' equity 30.06.2009	8951	142	13631	27972	-48142	2554

KEY FIGURES

	2Q/2009	1-2Q/2009	2Q/2008	1-2Q/2008	2008
Net sales, 1000 EUR	548	1487	1061	2146	4374
Operating result, 1000 EUR	-3943	-7770	-2973	-5683	-11919
Result before taxes, 1000 EUR	-4114	-8034	-2979	-5696	-11865
Gross investments, 1000 EUR	177	191	33	50	119
Average personnel	121	115	92	90	94
Earnings per share, EUR	-0,00	-0,01	-0,00	-0,01	-0,01
Equity per share, EUR	0,00	0,00	0,01	0,01	0,01
Weighted average number of shares in period, 1000 pcs	897926	897376	767777	682192	779047
Number of shares at the end of the period, 1000 pcs	897926	897926	823116	823116	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 has adopted 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	2Q/2009	1-2Q/2009	2Q/2008	1-2Q/2008	2008
Increase/decrease in inventories of finished products	180	364	364	736	1290
Use of raw materials and consumables	75	356	116	401	808
Total expense of direct employees	134	269	293	463	908
Cost of goods sold total	389	989	773	1600	3006
Total expense of indirect employees	2177	4372	1818	3222	7263
Depreciations	549	1078	534	1064	2133
Other operating expenses	1376	2818	939	1977	3926
Expenses by cost category, total	4102	8268	3291	6263	13322

5. SHAREHOLDERS' EQUITY

	Number of shares (1000)	Share capital (1000eur)	Share premium account (1000eur)	Invested distribut. equity account (1000eur)	Total (1000eur)
31.12.2008	895096	8951	13631	28039	50621
Share issue free 5.2.2009	2830				0
Costs of share issues				-67	-67
30.06.2009	897926	8951	13631	27972	50554

According to the Company's 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 resources of the GeoSentric group during the option subscription period, which ends on December 31, 2009. Of the reserved amount, a total of 9,277,500 options have been allotted before end of reporting period.

Option program 2009-I:

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 option rights 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.

Option program 2009-II:

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 by virtue of the authorization granted by the AGM on May 15, 2009. 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.

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 in income statement is shareholders' equity.

1000 EUR	1-2Q/2009	1-2Q/2008	2008
Key persons	82	222	385
Board	221	446	989
Other interest groups	27	82	163
Total	330	750	1537

7. FINANCIAL LIABILITIES

1000 EUR	Nominal loan value 2Q/2009	2Q/2009	2Q/2008	2008
Non-current:				
Loan 2008	10000	3013	0	3394
Current:				
Cbl 2004A	113	113	833	113
Loan 2008		949	0	568
Current total		1062	833	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 subscription period of the loan note for raising a maximum amount of 16,000 teuros ended on May 15, 2009 and the total amount of subscription was 10,000 teuros. The maximum amount of new shares to be subscribed by virtue of the subscribed note is 94,339,622 representing approximately 10.51 % of the registered share amount and 8.14 % of all outstanding securities. As a result of the note company's share capital may increase by a maximum of 943 teuros. The annual interest of the loan is 12.5 %, paid twice a year,

however no interest was paid by the end of the reporting period. The loan will end on August 25, 2013.

8. COLLATERAL COMMITMENTS AND CONTINGENCIES

1000 EUR	2Q/2009	2Q/2008	2008
Contingent liability:			
Debt to banks with interest until 31.12.	0	1756	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	357	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.

The Annual General Meeting on May 15, 2009 elected the following persons 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.

The Board received a directed option program 2009-II with total cost effect of 555 teuros of which a cost of 145 teuros was booked in period 2Q/2009.

10. EVENTS AFTER THE END OF THE PERIOD

1) Structural arrangements

The Board decided in its meeting on August 13, 2009 to adopt Option Plan 2009-III and issue a total amount of 1,500,000 option rights to the secretary of the Board of Directors without charge under the same terms and conditions as Option Plan 2009-II directed to the Board members. 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. More about events after the end of the period in the explanatory section above.

11. DISCLAIMER

Possible forward-looking statements in this Q2/2009 release are based on the current expectations, known factors, decisions and plans of the management of GeoSentric. Although the management believes that the disclosed expectations are reasonable, there is no assurance that these expectations would prove to be correct. Therefore, the results could differ materially from those implied in the managements statements, due to for example changes in the economic, market and competitive environments, delays in partners' launching their new products and regulatory changes.