

Contents

1. Summary of key figures and results
2. Significant events in the period
 - a. Samsung multi-year worldwide partnership agreement
 - b. China Ramar bundled OEM Distribution Agreement
 - c. Intel Mobile Internet Device Support and partnership
 - d. GyPSii signs agreement with Nanjing MyNet Ltd., for mobile social networking initiatives with world's largest mobile network provider, China Mobile
 - e. The Company decided to raise new financing for a minimum amount of EUR 10,000,000 and received investment commitment
 - f. Legal claims status
 - g. Agreement with eLong, Inc., content provider in China
 - h. Favorable decision on old patent dispute in Italy
 - i. Changes in share amounts
3. Events after the end of the period
 - a. The Company closed financing of EUR 10,000,000 and decided to extend the subscription period to raise at a maximum EUR 6,000,000 additional funds
 - b. GyPSii won the prestigious Symbian Star Developer award for "Most Innovative Symbian Application"
 - c. GyPSii joins Forum Nokia
 - d. David Francis to leave the Board due to personal reasons and Raymond Kalley to be appointed advisor of the Board
 - e. Adopting three new option plans, aligning terms with older option plans with current option plan structure and approving incentive share issue
 - f. New organization approved
4. Development of the financial position and result
5. Sufficient Liquidity
6. Outlook
7. Significant Business risks and uncertainties
8. R&D Activity
9. Investments
10. Personnel
11. Environmental Issues
12. Financing Arrangements
13. Board equity issue authority
14. About the company
15. Financial Statements, Q3 2008 (not audited)

1. Summary of key figures

As per the last quarter's interim report (1-6/2008), financial results continued to improve. Net sales of the Company in period 1-9/2008 were 3210 teuros. Costs of revenue were substantially decreased from that of the same period in the prior year 2007, going to 2342 teuros from 5114 teuros, a 54% reduction. Majority revenue was derived from the Twig product segment, with GyPSii segment revenues derived from recently announced agreements representing a minority of the recognized revenue for the period. Consequently, gross margin for the reporting period was positive, at 868 teuros, compared to -1571 teuros in the same period in the prior year 2007, representing a material turnaround in generating positive gross margin.

Additionally, Operating expenses were improved in the reporting period compared to the prior year reporting period, going to 9567 teuros, from 13637 teuros, a 30% improvement. As a result, the earnings before taxes were -8605 teuros, versus -15484 teuros in the same period of the prior year, a 44 % improvement. Result per share for the reporting period was -0.01 euros per share.

2. Significant events in period July through September/2008

The Company made multiple significant announcements in period 7-9/2008 concerning its GyPSii geo-mobility social networking platform, along with a material financing event:

(a) In July the Company announced a multi-year worldwide agreement with Samsung, a leader, 2nd to Nokia, in global market share for mobile phones. Under the terms of the agreement, GeoSentric will provide technology, products, worldwide data center infrastructure, and GyPSii branding rights to Samsung, on a worldwide non-exclusive basis for a range of Samsung products. GeoSentric's leading mobility digital lifestyle application, GyPSii, will be initially bundled on Samsung's Omnia (SGH-i900) and SGH-i780 as an embedded application. Samsung's customers will be able to take full advantage of the location-based social networking digital lifestyle features of the GyPSii suite and create and share user generated content (UGC) with GyPSii's global user community, and other interoperable social networks such as Facebook. The agreement has provisions for revenue sharing between GyPSii and Samsung, utilizing the business models enabled by GyPSii.

The GyPSii application will be made available to users in numerous local languages, with GyPSii providing the global infrastructure and operating platform to Samsung customers. GyPSii's PlaceRank™ technology is planned to be utilized to deliver highly contextual and personally relevant user generated content, regional POI (points of interest) and location-targeted advertising to GyPSii members.

(b) In August the company announced a pre-bundled Distribution Agreement with Ramar, an electronics and manufacturing organization based in China supplying OEM or ODMs with GPS navigation and mobile phones.

The agreement has provisions for revenue sharing between GeoSentric and Ramar. GyPSii will be available on "amsam" devices in both Traditional and Simplified Chinese. Ramar will promote and distribute

the GyPSii-enabled phones directly from its own stores, and also via retail partners across China. The deal includes provisions for GyPSii revenue streams from both IPR (intellectual property rights) licenses and mobile Geo-advertising business models.

GyPSii's PlaceRank™ and Geo-Advertising technology will be utilized to deliver highly contextual and personally relevant user generated content, regional POI (points of interest) and location-targeted advertising to users on the Ramar devices.

(c) In August the company announced it has been chosen by Intel as a preferred mobile social networking application for its family of forthcoming Mobile Internet Devices (MIDs) based on the Intel® Atom™ processor Z5XX series. GyPSii is planned to be embedded into the reference Moblin architecture that Intel will provide to over 70 OEM & ODM's who build or will be building MID solutions on the Intel Moblin platform for the global marketplace. GyPSii for Intel-based MID devices also runs on Microsoft Windows XP and Microsoft Windows Vista environments.

As part of the MID Moblin rollout Intel showcased GyPSii in the Keynote Session - at the Intel Developers Forum Conference in San Francisco from August 18-21, 2008.

GyPSii is the social networking solution that Intel will promote for the MID class of device, and will receive 'platinum-level' status in the Intel developer community. Intel will recommend GyPSii as a key platform that will add significant 'out of the box' value to Intel's OEM partners, by allowing users to bring together location and the social networking experience to turn a MID into their personal digital life recorder. ABI Research forecasts 90M MID units to ship over the next 4 years, with customers from Gen Y, Social Networkers, Young Gamers and the Lifestyle Boomer segments.

During the conference GyPSii rolled out a sneak preview of the innovative new GyPSii design & user interface (UI) for MID devices that encompasses all the advanced navigation capabilities of multi-functional MID devices: thumb and finger touch screen, stylus, virtual qwerty & keypad, and mouse. These innovations take graphical and navigational UI standards for these types of devices to a new level for mobile users, with one-click easy access to features, places, people, content and maps.

(d) In August, the Company announced it had signed an agreement with Nanjing MyNet Ltd. to make the GyPSii mobile social networking platform available to customers of China Mobile, the world's biggest mobile phone operator by subscriber numbers, representing over six hundred million subscribers.

MyNet provides mobile services and applications to China Mobile's subscribers. The agreement with GyPSii means that MyNet will offer the full suite of GyPSii location and mobile social networking features and services to China Mobile customers.

The agreement has provisions for GyPSii to share revenues based on current business models for mobile social networking that provide a range of revenue streams, including both subscriptions and advertising revenues.

GyPSii's PlaceRank™ technology will be utilized to deliver highly contextual and personally relevant user generated content, regional POI (points of interest) and location-targeted advertising to users.

(e) In August-September, the Company announced that to facilitate the funding to support the Company's current business plan, growth of the operations and future investments, the Company was preparing a new funding round to raise up to a minimum of ten million euros, with a maximum up to sixteen million euros. As discussed with the lead investor, Schroders & Co., Limited, the funding would be in a form of a loan note issue with special options rights. The lead investor, Schroders & Co., Limited, agreed on final financing terms and delivered an investment commitment of EUR 10,000,000 to the Company. The Board had decided to approve the investment commitment and the terms of financing as follows.

The board decided to raise a maximum amount of EUR 16,000,000 ("Issue") by virtue of authorization granted by the Extraordinary General Meeting of September 10, 2007, by issuing a loan note which includes a specific option right to use the note to set off subscription price of shares as according to Chapter 10, Clause 1 of the Finnish Companies Act ("Note"). The Note shall be directed to at maximum one hundred institutional and qualified investors accepted by the Board. The note provides a minimum conversion ratio of EUR 0.106, exceeding the current share price, and is exercisable only at predefined conversion events. The maximum amount of new shares to be subscribed by virtue of the Note is 150,302,466, assuming that the maximum amount of financing is raised. Of the share subscription price EUR 0.01 is booked to share capital and the remainder in invested unrestricted equity fund. As a result of the Note Company's share capital may increase by a maximum of EUR 1,503,024.66.

The maximum principal amount of the Note is EUR 16,000,000 and the interest rate of the Note is 12.5 % payable semi-annually with the first payment due on 30 June, 2009. The Note period is five years ending on August 25, 2013.

The Company had a right to withdraw the committed amount in two separate parts during the following three months. The first part of EUR 2,800,000 of the commitment was withdrawn on September 3, 2008.

The initial subscription period for the Issue was decided to end on November 18, 2008. However, the board has decided to continue the subscription period until April 1, 2009.

(f) In August, the Company informed that it had been informed of a claim brought against it in the US by a distributor for its TWIG Discovery mobile phones seeking to terminate the issued purchase order, return already delivered accepted devices and refund of returned devices added with stocking and delivery costs. The Company's view is that it has received a binding purchase order for the devices and it will pursue fulfillment of the purchase order in all suitable manners. The Company has also filed a claim in Finland to enforce the purchase order against the said distributor. The Company has evaluated the claims brought against it and has solid grounds to believe that they are without grounds. Company has further evaluated that the case has no material impact on the business or financial position of the company.

The company continues in its efforts to manage a claim from a US-based software provider of mapping data for TWIG phones, which has been previously disclosed. The Company continues to believe that the claims are without grounds and will have not material impact on the business or financial position of the Company.

(g) In September, the Company announced it had signed an agreement with one of China's leading web-based travel companies, eLong Inc., to provide GyPSii-powered hotel information and reservation services to visitors to China, including such popular cities as Beijing and Shanghai.

GyPSii users will have access from their mobile phone to eLong's large selection of hotel content, allowing them to search for nearby hotels, review comments, pictures and contact information, and to contact eLong to make a reservation - all via GyPSii's unique mobile lifestyle application. The deal is the first of its kind with a major on-line travel provider in China.

People visiting China will find it very easy to search for hotels and make a reservation using GyPSii's unique functionality. Subscribers will be able to access almost 7,000 eLong partner hotels in China view a detailed map and directions to their chosen location in just one click, making it easy for visitors to select and review the hotel of their choice while on the move.

Under the agreement, eLong will pay GyPSii a referral fee for hotel customers using the GyPSii platform. This deal will cover hotels in almost 400 cities across China, and is part of GyPSii "whole product strategy" to include 3rd party premium content for GyPSii members and additional revenue streams for GyPSii.

(h) In September, the Company announced it had been notified of a decision by the Court of First Instance in Rome on the dispute between GeoSentric and an Italian company Magi.tel regarding an alleged patent infringement. The claim was first brought against the Company in 2001 and it has been in the court process since then and disclosed earlier on several occasions.

Magi.tel's originally claimed for damages of approximately 15 million euros. The Company has on several occasions underlined that it believes the claim to be without grounds.

The court ruled in favour of Company's views and rejected the claims for damages for the most part and obliged GeoSentric to pay in total 167.070,00 euros in damages and legal fees to Magi.tel. Although the ruling was in favour of the Company the Company is still disappointed to the outcome as it was expecting all claims to be rejected.

The Company still has a strong position that the claims made by Magi.tel are without grounds and it is considering appealing on the judgement. Both parties have a right to file an appeal within the given time limits.

(i) Changes in amounts of the securities

In June a total amount of 71,980,517 shares of GeoSentric were subscribed for by virtue of convertible bond loan 2004. As a result of share subscriptions, the Company's share capital was increased by EUR 719,805.17 and the total number of registered shares in the

Company was increased to 895,096,165 with the registration of the share issuance, completed in August 2008.

With reference to the section (e) above, the Board of the Company has decided to raise a maximum amount of EUR 16,000,000 ("Issue") by virtue of authorization granted by the Extraordinary General Meeting of September 10, 2007, by issuing a loan note which includes a specific option right to use the note to set off subscription price of shares as according to Chapter 10, Clause 1 of the Finnish Companies Act ("Note"). The maximum amount of new shares to be subscribed by virtue of the Note is 150,302,466, assuming that the maximum amount of financing is raised. Of the share subscription price EUR 0.01 is booked to share capital and the remainder in invested unrestricted equity fund. As a result of the Note Company's share capital may increase by a maximum of EUR 1,503,024.66.

The subscription period for the Issue has been decided to be extended until April 1, 2009 from the initial November 18, 2008.

During the reporting period the Company had received and accepted an investment commitment for a total amount of EUR 10,000,000.

3. Events after the end of the reporting period

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

(a) In October, the Company announced that it has withdrawn the second part of EUR 7,200,000 of the committed Loan described above in section 2(e),

On November 18, 2008 the Company informed that the subscription period for the Issue was extended until April 1, 2009.

As a part of the terms relating to the investment, previous financing round arranged in August-September 2007 and simultaneously agreed restructuring of company's ownership, the Board has approved an incentive carve-out agreement entered into with key senior managers who are holders in GeoHolding B.V. for a successfully completed exit transaction. The incentive carve-out is based on the valuation of the company in pre-defined exit events, requiring shareholders' approval to take place, and may not exceed 10 percent of the valuation. The agreement shall be valid until July 31, 2017.

(b) In October GyPSii won the prestigious Symbian Star Developer Award, for Most Innovative Symbian Application, in recognition of its market-leading mobile digital lifestyle application and geo-mobility social networking platform.

Presented during the Symbian Smartphone Show in London on Wednesday 22nd Oct, the Star Developer Awards recognize the most unique and innovative applications developed for mobile phones based on the Symbian OS™.

(c) As a member of Forum Nokia, GyPSii has developed a strong relationship with the world's largest handset manufacturer. GyPSii

will work with Forum Nokia to further develop the application and pursue future opportunities.

(d) Board member David Francis will leave the Board at a date after November 21, 2008 to be agreed with the Chairman due to personal reasons not attributable to the company. Mr. Raymond Kalley has been called to join the company as independent advisor of the Board. Mr. Kalley is financial markets and business strategy specialist.

(e) The Company has adopted three new option plans. According to Option Plan 2008-IV Company issues a maximum of 2,877,000 new option rights to certain key resources of the Company. Each option right entitles its holder to subscribe for one new share at subscription price of EUR 0.06 during the subscription period which ends on December 15, 2013 at the latest. In November 2008 the Board adopted two new option plans, reserving in total 10,000,000 option rights to be allotted to the personnel. Of the reserved amount in total 5,703,500 options have been allotted. The Board also decided to align the terms of previous option plans approved in 2007 and 2008 to follow the same plan structure as the new plans. The Board further approved issue of approximately 2.8 million shares without charge to Mr. Raymond Kalley as a part of his agreed advisory fee. The details of the mentioned option plan and share issue decisions have been announced to the markets by a stock exchange release on November 21, 2008.

(f) In November 2008, the Board approved the new organization chart re-defining and clarifying the management structure of the company. The details of the new organization have been released by organization announcement on November 21, 2008.

4. Development of the financial position and result

The Company has during the period retained solidity and liquidity.

Development of key figures characterizing the Company's financial position and result (teuros if not indicated otherwise):

In period	<u>7-9/2008</u>	<u>1-9/2008</u>	<u>7-9/2007</u>	<u>1-9/2007</u>	<u>1-12/2007</u>
Net sales	1064	3210	1170	3543	4435
Op. result	-2981	-8664	-5359	-15176	-18726
Op. result (%)	-280	-270	-458	-428	-422

At the end of period

Total assets	12709		20844		17360
Shareh. Equity	8324		10042		12737
Total liabilities	4385		10802		4623
Cash	5230		8682		6520

5. Sufficient liquidity

Report on sufficient liquidity in period 10/2008-12/2009

The below cash flow statement assumes that sales targets set in financial projections for financial years 2008 and 2009 are met. These projections are highly dependent on timely deliveries and sales success of the Company's products and services.

Cash Flow Statement 10/2008-12/2009	million euros
Cash flow from operations	9.3
Share/ debt subscription payments	7.2
Investments	-4.8
Change in cash	11.7
Cash in the beginning of the period	5.2
Cash at the end of the period	16.9

6. Outlook

The outlook for 2008 appears to be trending positively for the Company. The acceleration of the GyPSii platform and the subsequent partnership announcements is successfully seeding the global device and carrier market with the GyPSii mobile lifestyle application. The Company has a focus of generating significant volumes of users on a global basis. Revenue generation is planned to come 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, carriers, OEMs, and ODMs. The Company is further looking to expand its reach beyond mobile phones & smart phones, into adjacent markets such as navigation and other mobile based internet-connected form factors, whose success will be dependent on manufacturers' ability to break new markets and garner market adoption.

The first three quarters of 2008 witnessed the Company signing 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 Company. 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.

The TWIG product demand has remained in a steady-state focused on the TWIG Discovery Pro GSM/GPRS/GPS handset which is targeted for safety and security market and the TWIG Locator tracking unit for asset and vehicle tracking market. Customers continue to place orders on these unique devices and the Company continually provides reliable quality product shipments and delivery.

The market continues to develop in both of the focused sectors, and, activity after the reporting period has generated business potentials that may have a material positive impact on 2008 and 2009 results.

7. Significant business risks and uncertainties

There are significant financial risks related to the Company's business, competition and industry and it is possible that the investor may lose all or a part of the invested capital.

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

There is no certainty of the success regarding the implementation and realisation of the business plan. According to the business strategy, the Company 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 Company is able to successfully respond to this development it may significantly impair the Company's operating result.

A key issue about 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 Company has no certainty.

The Company's sales and result may be endangered also if its products or service solutions will not fulfill the quality, safety or other requirements by customers, officials or by itself, or if it is not able to deliver them in agreed schedules.

In addition, the Company carries a special risk due to the still significant size of TWIG product inventory. Should the implemented measures undertaken by the Company in response prove insufficient, the Company may need to make write-offs which would impair the operating results. The strategy of the Company and focusing the TWIG product offering to B2B customers may affect demand of older TWIG products targeted to consumer markets and have adverse effect on orders received earlier for these products.

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 rights and, should they be successful, the Company may be obligated to pay significant compensations. As made public previously by the Company, it is involved in a patent case in Italy, in which the Company has forcefully refuted all claims made towards the Company and which was ruled in favour of the Company by the Court of First Instance in Rome as disclosed above in section 2(h) above. The Company has also been informed of the claim brought against it in the US as disclosed in sections 2 (f) above. The Company has evaluated the claims brought against it and has solid grounds to believe that they are without grounds.

The financial statements of the Company have been prepared on going-concern principle. The Company's business plan has been prepared by assuming that the Company's result and cashflow will improve significantly. Should the result and cashflow essentially fail to meet the planned figures, the Company's financing plan may turn out to be insufficient causing a need to acquire additional financing.

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 per September 30, 2008 was about 113 teuros at nominal value, consisting solely of the convertible bond loans issued by the Company. Regarding future dividend payments, there is also uncertainty about the ability of the Company to accrue distributable capital. According to the latest financial statements of the Company, there was no distributable capital in the balance sheet of the Company-

Investor groups led by GeoHolding B.V., Horizon Investment Ltd, and Schrodgers Private Bank use significant influence in GeoSentric, each of them separately.

8. R&D-activity

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

The Company 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 India at present, with continued upgrades and new locations planned in the future.

9. Investments

Gross investments in period 1-9/2008 were 105 teuros. In year 2007 gross investments were 6283 teuros, which amount almost entirely came from the GeoSolutions acquisition.

10. Personnel

The number of employed personnel at GeoSentric in period 1-9/2008 averaged 92, of which 42, 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 2008.

11. 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 Company's operations cause no significant environmental impact.

12. Financing arrangements

As disclosed above in section 2(e) above, 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 maximum amount of new shares to be subscribed by virtue of the note is 150,302,466, assuming that the maximum amount of financing is raised. The Company received and accepted a total amount of EUR 10,000,000 commitment during the reporting period of which the first part of EUR 2,800,000 was withdrawn on September and the remainder on October

Subscription period for the Issue shall end on April 1, 2009.

13. Board equity issue authority

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 2,393,380.71 euros and 239,338,071 shares. At the date of this report the remaining authorization was 2,236,308.82 euros and 223,630,882 shares.

14. 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.

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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 small cap list of NASDAQ OMX Exchange in Helsinki. The listing has been on the surveillance list since February 2003.

GEOSENTRIC OYJ

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Section 15

GEOCENTRIC OYJ
 INTERIM REPORT 3Q/2008
 3Q/2008

Not audited

GROUP INCOME STATEMENT

1000 EUR	Note	3Q/2008	1-3Q/2008	3Q/2007	1-3Q/2007	2007
Net revenues		1064	3210	1170	3543	4435
Cost of goods sold	4	742	2342	1842	5114	6021
Gross margin		322	868	-672	-1571	-1586
Other operating income		1	35	6	32	61
General & Administrative expenses	4	840	2746	1096	3492	4947
Research & Development expenses	4	1630	4495	1795	4598	5797
Sales & Marketing expenses	4	834	2326	1802	5547	6457
Operating result		-2981	-8664	-5359	-15176	-18726
Financial income		86	140	8	26	69
Financial expenses		-14	-81	-15	-334	-353
Result before taxes		-2909	-8605	-5366	-15484	-19010
Income taxes		127	382	128	255	382
Result for the period		-2782	-8223	-5238	-15229	-18628
Earnings per share, eur						
Basic earnings per share, eur		-0.00	-0.01	-0.02	-0.05	-0.06

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

The interim financial statements have not been audited.

GROUP BALANCE SHEET

1000 EUR	<u>Note</u>	<u>9/30/2008</u>	<u>9/30/2007</u>	<u>12/31/2007</u>
ASSETS				
Non-current assets				
Property, plant and equipment		215	216	199
Development costs		0	250	0
Goodwill		216	216	216
Other intangible assets		3023	5035	4531
Other financial assets		64	62	62
Deferred tax assets		0	0	0
		<hr/>	<hr/>	<hr/>
		3518	5779	5008
Current assets				
Inventories		1556	3338	2818
Trade receivables and other receivables		1628	2425	2049
Prepaid expenses		777	620	965
Cash and cash equivalents		5230	8682	6520
		<hr/>	<hr/>	<hr/>
		9191	15065	12352
Total assets		12709	20844	17360
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	5	8951	3533	5246
Share issue		0	3960	0
Share premium account	5	13631	15925	14652
Invested distributable equity account	5	23642	14200	23695
Retained earnings		-37900	-27576	-30856
		<hr/>	<hr/>	<hr/>
Total shareholders' equity		8324	10042	12737
Non-current liabilities				
Deferred tax liabilities		766	1275	1148
Interest-bearing debt	7	1086	930	0
		<hr/>	<hr/>	<hr/>
		1852	2205	1148
Current liabilities				
Trade payables and other payables		2316	7315	2431

Provisions		104	157	104
Interest-bearing debt	7	113	1125	940
		2533	8597	3475
Total liabilities		4385	10802	4623
Total shareholders' equity and liabilities		12709	20844	17360

GROUP CASHFLOW STATEMENT

1000 EUR	<u>1-3Q/2008</u>	<u>1-3Q/2007</u>	<u>2007</u>
Cashflow from operations			
Result of the			
period	-8223	-15229	-18628
Adjustments	2494	3955	5934
Changes in working capital			
Change of trade and other receivables	609	2438	2469
Change of inventories	1262	2856	3376
Change of trade and other liabilities	-115	-626	-2069
Paid interests	0	-2	-47
Received interest payments	74	21	50
Cashflow from operations, net	-3899	-6587	-8915
Cashflow from investments, net	-105	-130	-131
Cashflow from financing			
Proceeds from issue of shares	1	6953	10693
Transaction expenses of share issues	-87	-269	-202
Proceeds from long term borrowings, equity	1714	0	2113
Proceeds from long term borrowings, liability	1086	6173	420
Cashflow from financing, net	2714	12857	13024
Change in cash	-1290	6140	3978
Cash in the beginning of the period	6520	2542	2542
Cash at the end of the period	5230	8682	6520

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Share	Inv. distrib.
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	Share capital (1000eur)	Share issue (1000eur)	premium account (1000eur)	equity account (1000eur)	Accrued result (1000eur)	Total (1000eur)
Shareholders' equity 31.12.2006	2634	400	15936	4866	-13415	10421
Items booked directly into shareholders' equity	0	0	0	0	0	0
Result of the period	0	0	0	0	-15229	-15229
Total income and costs booked in the period	0	0	0	0	-15229	-15229
Share issues, cash	189	3560	0	3153	0	6902
Share issue, debt set-off	80	0	0	1054	0	1134
Share issue, share premium acc.	11	0	-11	0	0	0
Share exchange, GeoSolutions	300	0	0	3900	0	4200
Conversion of convertible bonds into shares	319	0	0	2020	0	2339
Share issue expenses	0	0	0	-793	0	-793
Booked expense of stock options to key personnel and partners	0	0	0	0	1068	1068
Shareholders' equity 30.09.2007	3533	3960	15925	14200	-27576	10042
Shareholders' equity 31.12.2007	5246	0	14652	23695	-30856	12737
Items booked directly into shareholders' equity	0	0	0	0	0	0
Result of the period	0	0	0	0	-8223	-8223
Total income and costs booked in the period	0	0	0	0	-8223	-8223
Share issue, cash	6	0	0	99	0	105
Share issue, special rights	1022		-1021			1
Conversion of convertible bonds into shares	2677	0	0	-1721	0	956
Share issue expenses	0	0	0	-87	0	-87

Booked expense of stock options to key personnel and partners	0	0	0	0	1179	1179
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Equity portions of liabilities						
Shareholders' equity 30.09.2008	0	0	0	1656	0	1656
	8951	0	13631	23642	-37900	8324

KEY FIGURES

	3Q/2008	1-3Q/2008	3Q/2007	-3Q/2007	2007
Net sales, 1000 EUR	1064	3210	1170	3543	4435
Operating result, 1000 EUR	-2981	-8664	-5359	-15176	-18726
Result before taxes, 1000 EUR	-2909	-8605	-5366	-15484	-19010
Gross investments, 1000 EUR	25	105	13	6279	6283
Average personnel	97	92	79	82	83
Earnings per share, EUR	-0.00	-0.01	-0,02	-0.05	-0.06
Equity per share, EUR	0.01	0.01	0.03	0.03	0.02
Weighted average number of shares in period, 1000 pcs	856707	740363	339527	303402	327772
Number of shares at the end of the period, 1000 pcs	895096	895096	353321	353321	524583

Notes:

1. BASE INFORMATION OF THE COMPANY

GeoSentric is a developer of location-based technologies, delivering products and services that connect people to places and networks. It develops the leading geo-integration platform for mobile phone devices, personal navigation devices, web browsers, and set top boxes, 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.

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. 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 2007.

Accounting principles:

The utilised principles of preparation are identical with those utilised by the Group in financial statements for year 2007.

In the P&L-statement, the Company has adopted a functional format replacing the prior presentation format by cost categories. All reference numbers have been adjusted to be congruent with those for the on-going period, presented in the new functional format. Amortisation of GeoSolutions IPR, received in the acquisition, has been included in R&D function in the new functional presentation, whereas in the financial statements 2007 it was not included in R&D costs.

IASB has published new standards and interpretations and changes in existing standards, application of which is mandatory on 1.1.2008 or thereafter, and which the group has not adopted earlier voluntarily.

The group will adopt the following standards (and their amendments) and interpretations from 1.1.2008 onwards:

IFRIC 12, Service Concession Arrangements. This interpretation is not applicable to Group's industry.

IFRIC 13, Customer Loyalty Programmes. Group operations do not include pertinent transactions.

IFRIC 14, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

At the moment, the Company has no benefit-based retirement plans in the meaning of the interpretation.

IFRS 8, Business segments. The Company is clarifying the effects of this new standard to segment reporting but, as it will first become in force on 1.1.2009, it is not applied in this financial period.

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	3Q/2008	1-3Q/2008	3Q/2007	1-3Q/2007	2007
Increase/decrease in inventories					
of finished products	358	1094	423	305	691
Use of raw materials and consumables	146	547	1152	3869	4246
Total expense of direct employees	238	701	267	940	1084
Cost of goods sold total	742	2342	1842	5114	6021
Total expense of indirect employees	1483	3989	1246	3922	5345
Depreciations	531	1595	1279	3238	4013
Impairment loss	0	0	440	440	440
Other operating expenses	1290	3983	1728	6037	7403
Expenses by cost category, total	3304	9567	4693	13637	17201

5. SHAREHOLDERS' EQUITY

	Number of shares	Share capital	Share premium account	Inv. distrib. equity account	Total
	-1000	(1000eur)	(1000eur)	(1000eur)	(1000eur)
31.12.2007	524583	5246	14652	23695	43593
Share conversion of CBL2007G 31.1.2008	47803	478		-478	0
Share conversion of CBL2007H 31.1.2008	44659	447		-447	0
Share conversion of CBL2007I 31.1.2008	311	3		-3	0
Share conversion of CBL2007J 31.1.2008	880	9		-9	0
Share issue 20.3.2008	582	6		99	105
Share conversion of CBL2004A 20.3.2008	7998	79			79
Share conversion of CBL2007G 20.3.2008	37900	379		-379	0

Share conversion of CBL2007H 20.3.2008	35416	354		-354	0
Share conversion of CBL2007I 20.3.2008	4400	44		-44	0
Share conversion of CBL2004A 12.5.2008	4239	42			42
Share conversion of CBL2007F 12.5.2008	5400	54		-54	0
Share conversion of CBL2007G 12.5.2008	2298	23		-23	0
Share conversion of CBL2007H 12.5.2008	2147	22		-22	0
Share conversion of CBL2008A 12.5.2008	2329	23		-23	0
Share issue, special rights 12.5.2008	102171	1022	-1021		1
Share conversion of CBL2004A 18.8.2008	71980	720		115	835
Costs of share issues				-87	-87
Equity components separated from liabilities				1656	1656
30.9.2008	895096	8951	13631	23642	46224

According to the Company's new articles of association registered on 10.12.2007, there is no maximum for number of 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 but the book parity value at the moment is 0.01 euros per share.

All outstanding shares are fully paid.

6. OPTION RIGHTS

In the period, three new option programs according to IFRS 2 have been approved.

Option program 2008-I:

The Board decided on 15.2.2008 by virtue of authorization by extraordinary general meeting on 10.9.2007 to issue a maximum of 4,451,632 option rights to certain key persons of the Company. Subscription period of the option rights began on 19.2.2008 and will end on 31.12.2009. Share subscription price is 0.06 euros. Share subscription period began on 19.2.2008 and will end on 31.12.2010.

Option program 2008-II:

The Board decided on 18.4.2008 by virtue of authorization by extraordinary general meeting on 10.9.2007 to issue a maximum of 577,000 option rights to certain key persons of the Company. Subscription period of the option rights began on 18.4.2008 and will end on 31.12.2012. Share subscription price is 0.06 euros. Share subscription period will begin on 18.4.2010 and will end on 31.12.2012.

Option program 2008-III:

The Board decided on 16.5.2008 by virtue of authorization by extraordinary general meeting on 10.9.2007 to issue a maximum of 24,500,000 option rights to the members of the Board of the Company.

The option rights are divided into four classes, each with 6,125,000 option rights. The options are issued as a part of the incentive plan approved by the annual general meeting of 16.5.2008. Subscription period of the option rights began on 16.5.2008 and ended on 30.6.2008. Share subscription price is 0.045 euros.

Share subscription period will begin depending on the option class in period 1.7.2008 and 1.4.2009 and will end on 31.12.2012.

A total of 102,171,068 special rights in the special rights program 2007-I have been converted on 12.5.2008 into same amount of shares at subscription price of 1 euro/100,000 shares.

1000EUR	1-3Q/2008	1-3Q/2007	2007
Cost of options booked in the period according to IFRS 2. Consideration is given as options. The counter-item of cost bookings in income statement is shareholders' equity.			
Options issued in 2005	0	70	70
Options issued in 2006	122	122	163
Options issued in 2007	127	876	954
Options issued in 2008	930	0	0
Total	1179	1068	1187

7. DEBTS WITH NOMINAL INTEREST

1000 EUR	Nominal loan value 3Q/2008	3Q/2008	3Q/2007	2007
Non-current loans:				
Cbl2004A		0	930	0
Loan2008	2800	1086	0	0
Current loans:				
Cbl2004A	113	113	0	940
Cbl2007C		0	135	0
Cbl2007F		0	990	0
Current total		113	1125	940

Convertible bond loan 2004A:

This loan with nominal value of 1130 teuros was raised in February 2004 and converted into shares in years 2004-2006 for a total of 175 teuros, in March-May 2008 for a total of 122 teuros and in August 2008 for a total of 720 teuros. The remaining part of the loan may be converted into shares until 31.12.2008.

Share subscription price is 0.01 euros. Loan interest is 4% p.a. No interest was paid.

Convertible bond loan 2007F:

This loan with nominal value of 135 teuros was raised in June 2007 and converted into shares in May 2008. Share subscription price was 0.025 euros. No interest was paid.

Convertible bond loan 2007G:

This loan with nominal value of 990 teuros was raised in September 2007 and converted into shares in January 2008 and March 2008 for a total of 964 teuros and in May 2008 for a total of 26 teuros.

Share subscription price was 0.01125 euros. No interest was paid.

Convertible bond loan 2007H:

This loan with nominal value of 925 teuros was raised in October 2007 and converted into shares in January 2008 and March 2008 for a total of 901 teuros and in May 2008 for a total of 24 teuros.

Share subscription price was 0.01125 euros. No interest was paid.

Convertible bond loan 2007I:

This loan with nominal value of 53 teuros was formed from trade payables in October 2007 and converted into shares in January 2008 and March 2008. Share subscription price was 0.01125 euros. No interest was paid.

Convertible bond loan 2007J:

This loan with nominal value of 10 teuros was raised in December 2007 and converted into shares in January 2008. Share subscription price was 0.01125 euros. No interest was paid.

Convertible bond loan 2008A:

This loan with nominal value of 26 teuros was raised in March 2008 and converted into shares in May 2008. Share subscription price was 0.01125 euros. No interest was paid.

Financing round 2008:

The Board has decided to raise a maximum of 16,000,000 euros 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 10,000,000 euros, of which 2,800,000 euros was raised on 3.9.2008 and 7,200,000 euros after the end of reporting period.

8. COLLATERAL COMMITMENTS AND CONTINGENCIES

Contingent liabilities relating to chattel mortgage	0	1723	1734
Collateral for own liabilities:			
Chattel mortgage as collateral for contingent liability	12068	12068	12068
Pledged non-current financial assets	44	42	42
Pledged current financial assets	357	373	373

Contingent debts, amounting to 1768 teuros with interest, have been rendered null and void on 30.9.2008.

Related chattel mortgages and pledged cash have been relieved after the end of the reporting period.

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. (formerly Benefon (UK) Ltd.), GyPSii Information Technology (Shanghai) corp., GyPSii Inc. and Benefon Solutions B.V. Ismap S.A. has been closed down.

Inner circle transactions have been presented in the financial statements for year 2007.

The Annual General Meeting on 16.5.2008 resolved that the number of Board members is seven and elected the following persons to the Board: Daniel Harple, Michael Vucekovich, Gary Bellot, David Francis, Andy van Dam, Winston Guillory and Hans van der Velde. It was also resolved that the meeting fee for the members of the Board will be 1,500 euros per meeting and that the members of the Board are entitled to standard incentive plan according to practices of the company.

The Board received a directed option program 2008-III with total cost effect of 1065 teuros of which a cost of 807 teuros was booked in period 1-3Q/2008.

During the reporting period, the related party companies converted cbl`s from year 2007 to the shares for the amount of 978,000 euros.

10. EVENTS AFTER THE END OF THE PERIOD

Bulletin 13.10.2008

GeoSentric draws second part of financing 7,200,000 euros and approves incentive agreement with the top management.

As a part of the terms relating to the investment, previous financing round arranged in August-September 2007 and simultaneously agreed restructuring of company's ownership, the Board has approved an

incentive carve-out agreement entered into with key senior managers who are holders in GeoHolding B.V. for a successfully completed exit transaction. The incentive carve-out is based on the valuation of the company in pre-defined exit events, requiring shareholders' approval to take place, and may not exceed 10 percent of the valuation. The agreement shall be valid until July 31, 2017.

Bulletin 21.11.2008

The Company has adopted three new option plans. According to Option Plan 2008-IV Company issues a maximum of 2,877,000 new option rights to certain key resources of the Company. Each option right entitles its holder to subscribe for one new share at subscription price of EUR 0.06 during the subscription period which ends on December 15, 2013 at the latest. In November 2008 the Board adopted two new option plans, reserving in total 10,000,000 option rights to be allotted to the personnel. Of the reserved amount in total 5,703,500 options have been allotted. The Board also decided to align the terms of previous option plans approved in 2007 and 2008 to follow the same plan structure as the new plans. The Board further approved issue of approximately 2.8 million shares without charge to Mr. Raymond Kalley as a part of his agreed advisory fee. The details of the mentioned option plan and share issue decisions have been announced to the markets by a stock exchange release on November 21, 2008.