

## TECNOTREE CORPORATION INTERIM REPORT 1 JANUARY - 30 SEPTEMBER 2010 (unaudited)

Sales and profitability improve but results fall below target

Net sales in the third quarter of the year, EUR 13.3 million, were similar to those in the corresponding period in the previous year (EUR 13.2 million). The cash flow after investments was EUR -7.1 (-1.7\*\*) million. Net sales for the full nine month period totalled EUR 46.7 (39.7) million and the adjusted operating result\*\*\* was EUR 0.7 (-6.8) million. The cash flow after investments was EUR -11.1 (-0.8\*\*) million and the order book at the close of the period stood at EUR 20.1 (31 Dec.2009: 11.7) million.

KEY FIGURES	7-9/2010	7-9/2009	1-9/2010	1-9/2009	1-12/2009
Net sales, MEUR	13.3	13.2	46.7	39.7	53.3
Adjusted operating result, MEUR***	-0.7	-2.1*	0.7	-6.8*	-8.8*
Operating result, MEUR	-2.0	-3.2*	-3.2	-6.5*	-15.0*
Result before taxes, MEUR	-1.8	-3.6*	-4.3	-6.9*	-15.4*
Result for the period	-2.1	-4.4*	-5.7	-9.0*	-16.2*
Earnings per share, basic, EUR	-0.03	-0.06	-0.08	-0.14	-0.24
Order book, MEUR			20.1	15.2	11.7
Cash flow after investments, MEUR	-7.1	-1.7**	-11.1	-0.8**	-4.8**
Change in cash and cash equivalents, MEUR	-7.1	-2.1	-12.2	-20.7	-26.0
Cash and cash equivalents, MEUR			14.1	30.5	25.7
Equity ratio %			68.8	68.7*	65.6*
Net gearing %			3.1	-13.8**	-10.8
Personnel at end of period			830	842	779

\* The figures for the comparative periods have changed due to adjustments to the purchase price calculation of Tecnotree India

\*\* Before the EUR 14.7 million net payment for the acquisition of Tecnotree India

\*\*\* Adjusted operating result = operating result before R & D capitalisation, amortization of this and one-time costs. Details of these are given in the section "Result analysis".

Unless otherwise stated, all figures presented below are for the review period 1-9/2010 and the figures for comparison are for the corresponding period 1-9/2009. The figures for the period 1-12/2009 include the figures for Tecnotree India (formerly Lifetree) for the period 6 May - 31 December 2009.

President and CEO Eero Mertano:

"Even though we have not achieved our profitability targets set at the beginning of the year, our sales have increased clearly from the previous year and our profitability has improved considerably. This has been made possible by the gradually increasing willingness of mobile phone operators to make investments, and by our broader product portfolio, greater R & D resources and improving cost structure.

During the nine month review period our net sales increased significantly from the corresponding period in the previous year to EUR 46.7 million (EUR 39.7 million in Jan. - Sep. 2009). New orders totalled EUR 55.1 million and as a result the order book rose from EUR 11.7 million at the end of 2009 to EUR 20.1 million. Maintenance sales also increased encouragingly to EUR 19.4 (16.9) million.

Our company has a strong financial position, a competitive solutions portfolio and skilled international personnel. These strong points enable us to work closely with our customers with a long-term approach."

#### SALES AND NET SALES

Tecnotree's net sales in the review period increased 17.6 per cent to EUR 46.7 (39.7) million.

EUR 20.5 million of sales in the review period have been recognised by stage of completion (IAS 11 Construction Contracts) and EUR 26.2 million on delivery (IAS 18 Revenues).

NET SALES BY MARKET AREA	1-9/2010 MEUR	1-9/2009 MEUR	1-9/2010 %	1-9/2009 %
Americas (North, Central and South America)	19.4	17.3	41.5	43.4
Europe	4.9	5.6	10.5	14.1
MEA (Middle East and Africa)	17.8	14.9	38.1	37.5
APAC (Asia and Pacific)	4.6	2.0	9.9	6.0
TOTAL	46.7	39.7	100.0	100.0

CONSOLIDATED ORDER BOOK	30.9.2010 MEUR	31.12.2009 MEUR	30.9.2010 %	31.12.2009 %
Americas (North, Central and South America)	4.5	1.9	22.4	15.9
Europe	1.8	1.2	9.0	10.0
MEA (Middle East and Africa)	12.6	6.9	62.7	59.2
APAC (Asia and Pacific)	1.2	1.7	6.0	14.9
TOTAL	20.1	11.7	100.0	100.0

Maintenance and service sales totalled EUR 19.4 (16.9) million or 41.5 per cent (42.6 %) of net sales.

#### RESULT ANALYSIS

Tecnotree's business operations are based on project sales. The income and costs recorded for these vary considerably from one quarter to another. For this reason it is important to base an examination of the profitability of the company on the result for more than one quarter.

INCOME STATEMENT, KEY FIGURES, MEUR	1-9/2010	1-9/2009	1-12/2009
Net sales	46.7	39.7	53,3
Adjusted operating result, MEUR	0.7	-6.8	-8.8
Product development capitalisation	0.5	-4.5	5.1
Product development amortisation	-4.4	-3.2	-4.2
One-time costs	0.0	-1.0	-7.0
Operating result	-3.2	-6.5	-15.0
Result before taxes	-4.3	-6.9	-15.4

The adjusted result before R & D capitalisation showed an improvement of EUR 7.5 million from the previous year. This was due in particular to the increase in net sales of EUR 7.0 million. Capitalisation of research and development costs and amortisation of these had the net impact of weakening the result by EUR 5.2 million compared to the corresponding period in the previous year. Capitalisation was EUR 4.0 million less and amortization EUR 1.2 million more than in the previous year.

Tecnotree Convergence Limited has been consolidated as from 6 May 2009, so the figures for the first half of 2009 do not include the figures for India for the period 1 January - 6 May 2009. These were: net sales EUR 5.0 million and operating profit EUR 0.1 million. Net sales in the review period were EUR 2.1 million more than the corresponding 2009 figure when these omitted net sales of EUR 5.0 million are included. Costs adjusted by the net impact of R & D capitalisation and by one-time items totalled EUR 46.0 million in the period, compared with a total of EUR 51.7 million in the previous year including Tecnotree Convergence Limited's costs in the first part of the year. Therefore, there have been savings of EUR 5.7 million.

Taxes for the period totalled EUR 1.4 (2.1) million, including the following items:

TAXES IN INCOME STATEMENT, MEUR	1-9/2010	1-9/2009	1-12/2009
Withholding tax expenses in parent company	-1.3	-1.0	-1.5
Income taxes on the results of Group companies	-1.3	-0.5	-1.4
Deferred tax asset based on tax allowances in India	0.5	0.1	0.6
Change in deferred tax liability based on:			
- R&D capitalisation	0.7	-0.8	2.2
- dividend tax in India	-0.5		-0.6
Other items	0.5	0.1	-0.0
TAXES IN INCOME STATEMENT, TOTAL	-1.4	-2.1	-0.8

Earnings per share were EUR -0.08 (-0.14). Equity per share at the end of the period was EUR 1.03 (31.12.2009: EUR 1.05).

#### FINANCING AND INVESTMENTS

Tecnotree's liquid funds totalled EUR 14.1 (31.12.2009: 25.7) million. The change in cash and cash equivalents for the review period was EUR -12.2 million.

The balance sheet total on 30 September 2010 stood at EUR 111.3 (31.12.2009: 118.4) million. Interest-bearing liabilities were EUR 17.8 (31.12.2009: 18.9) million. The net debt to equity ratio (net gearing) was 3.1 per cent (31.12.2009: -10.8 %). The balance sheet structure remained strong and the equity ratio on 30 September 2010 was 68.8 per cent (31.12.2009: 65.6 %).

Tecnotree's gross capital expenditure during the review period, excluding the capitalisation of development costs, was EUR 0.6 (1.3) million or 1.2 per cent (3.2 %) of net sales.

Financial income and expenses (net) during the review period totalled EUR -1.1 (-0.4) million. The change from the comparative period is due mainly to the reduction in exchange rate gains and increase in exchange rate losses due to unfavourable developments in the exchange rates for the Group's main currencies during the first half of the year.

FINANCIAL INCOME AND EXPENSES, MEUR	1-9/2010	1-9/2009	1-12/2009
Interest income	0.2	0.3	0.3
Exchange rate gains	0.2	0.4	0.4
Other financial income	0.3	0.4	0.6
FINANCIAL INCOME, TOTAL	0.7	1.1	1.3
Interest expenses	-0.3	-0.3	-0.4
Exchange rate losses	-1.1	-0.8	-0.8
Other financial expenses	-0.4	-0.4	-0.6
FINANCIAL EXPENSES, TOTAL	-1.8	-1.5	-1.8

CHANGE IN WORKING CAPITAL, MEUR (increase - / decrease +)	1-9/2010	1-9/2009	1-12/2009
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Change in trade receivables	0.5	2.5	1.5
Change in other short-term receivables	-6.1	9.0	10.9
Change in inventories	-0.4	-0.3	-0.1
Change in trade payables	4.1	-1.9	-1.5
Change in other current liabilities	-8.6	-1.5	-1.4
CHANGE IN WORKING CAPITAL, TOTAL	-10.4	7.7	14.1

The change in current liabilities had a negative impact of EUR 8.6 million on the cash of the review period. This item includes payments made in 2010 on the provision for the one-time costs made in the 2009 closing.

#### SEGMENT INFORMATION

As from the beginning of 2010, the operating segments under IFRS 8 reported by Tecnotree are the geographical areas, which are Americas (North, Central and South America), Europe, MEA (Middle East and Africa), and APAC (Asia Pacific). This is because their results are monitored separately in the company's internal financial reporting. Tecnotree's chief operating decision maker, as referred to in IFRS 8, is the Group's management board.

Net sales and the result for the operating segments are presented based on the location of customers. The result of the operating segments includes the costs that can be allocated to the segments on a reasonable basis. Common costs for the whole Group as well as taxes and financial items are not allocated.

#### GEOGRAPHICAL AREAS

Tecnotree Group operates in the following geographical areas: Americas (North, Central and South America), Europe, MEA (Middle East and Africa) and APAC (Asia Pacific).

##### Americas (North, Central and South America)

Sales and the order book grew encouragingly in Latin America and Tecnotree obtained major new customers and expansion projects in the region. Income recognition made encouraging progress for the expansion projects and the new products developed in India. Mobile phone operators in the region have significantly increased their level of investment from the previous year.

##### Europe

In Europe, sales stopped growing due to the slower investment behaviour of operators. The degree of completion of delivery projects in progress rose as planned. European operators seem to be making slightly bigger investments than in the previous year, especially in eastern Europe.

##### MEA (Middle East and Africa)

In the Middle East and Africa, sales and the order book grew considerably. Sales of billing, customer management and managed services solutions increased in particular. Operators in the region continue to have heavy investment needs, which are boosted by the growth in subscriber numbers.

##### APAC (Asia Pacific)

Sales in the APAC region grew significantly from the corresponding period in the previous year. The willingness of operators to make investments varies greatly from one country to another, but overall seems to be better than in 2009.

#### RESEARCH AND DEVELOPMENT

Research and development costs during the review period totalled EUR 9.8 (10.7) million, corresponding to 21.0 per cent (26.9 %) of net sales. EUR 0.5 (4.5)

million of development costs were capitalised. Once projects are completed, their capitalised costs are amortised over 3-5 years from the start of commercial use. R&D costs of EUR 4.4 (3.2) million were amortised during the review period.

#### PERSONNEL

At the end of September 2010 Tecnotree employed 830 (31.12.2009: 779) persons, of whom 66 (31.12.2009: 83) worked in Finland and 764 (31.12.2009: 696) elsewhere. The company employed on average 779 (503) people during the review period. Personnel by country were as follows:

	1-9/2010	1-9/2009	1-12/2009
Personnel, at end of period	830	842	779
Finland	66	90	83
Ireland	64	140	87
Brazil	47	50	49
India	601	510	507
Other countries	52	52	53
Personnel, average	779	613	665
Personnel expenses before R&D capitalisation (MEUR)	21.4	21.9	32.3

#### TECNOTREE'S SHARES AND SHARE CAPITAL

At the end of September 2010 the shareholders' equity of Tecnotree Corporation stood at EUR 75.9 (31.12.2009: 77.1) million and the share capital was EUR 4.7 million. The total number of shares was 73,630,977. The company held 134,800 of these shares, which represents 0.18 per cent of the company's total number of shares and votes. Equity per share was EUR 1.03 (31.12.2009: 1.05).

A total of 10,413,941 Tecnotree shares (EUR 9,167,972) were traded on the Helsinki Exchanges during the period 2 January - 30 September 2010, representing 14.2 per cent of the total number of shares.

The highest share price quoted in the period was EUR 1.00 and the lowest EUR 0.70. The average quoted price was EUR 0.88 and the closing price on 30 September 2010 was EUR 0.77. The market capitalisation of the share stock at the end of the period was EUR 56,695,852.

#### CURRENT AUTHORISATIONS

The Annual General Meeting held on 25 March 2010 authorised the Board of Directors to decide on the acquisition of a maximum of 7,360,000 of the Company's own shares. Own shares may be acquired with unrestricted shareholders' equity otherwise than in proportion to the holdings of the shareholders through public trading of the securities on NASDAQ OMX Helsinki Oy at the market price of the shares in public trading at the time of the acquisition. Own shares may be acquired for the purpose of developing the capital structure of the Company, carrying out corporate acquisitions or other business arrangements to develop the business of the Company, financing capital expenditure, to be used as part of the Company's incentive schemes, or to be otherwise retained in the possession of the Company, disposed of or nullified in the extent and manner decided by the Board of Directors. The authorisation is valid for one year from the decision of the Annual General Meeting. The Board of Directors has not exercised this authorisation during the review period.

Furthermore, the Annual General Meeting authorised the Board of Directors to decide to issue and/or to convey a maximum of 17,800,000 new shares and/or the Company's own shares either against payment or for free. New shares may be issued and the Company's own shares may be conveyed to the Company's shareholders in proportion to their current shareholdings in the Company or waiving the shareholder's pre-emption right, through a directed share issue if

the Company has a weighty financial reason to do so. The Board of Directors may also decide on a free share issue to the Company itself. The Board of Directors is, within the authorization, authorized to grant the special rights referred to in Chapter 10, Section 1 of the Companies Act. The authorisation is valid for one year from the decision of the Annual General Meeting. The Board of Directors has not exercised this authorisation during the review period.

#### STOCK OPTION PROGRAMMES

During the review period the company had in force the 2006 and 2009 stock option programmes. The exercise period for the 2006A options ended on 30 April 2010.

The state of the options on 30 September 2010 was as follows:

Option series	Maximum number of options	Number of granted options	Exercise period	Exercise price
2006B	173,000	173,000	1.4.2008-30.4.2011	1.32
2006C	667,000		1.4.2009-30.4.2012	0.98
Total	840,000	173,000		
2009A	1,026,005	686,171	1.4.2009-31.3.2011	0.86
2009B	2,394,013	1 096,207	1.4.2010-31.3.2012	0.86
2009C	3,420,018	1 566,011	1.4.2011-31.3.2013	0.86
Total	6,840,036	3 348,389		
2006 and 2009 total	7,680,036	3,521,389		

Some of the 2009B and 2009C stock options become available to key personnel based on a performance appraisal. The stock options are part of the incentive and commitment scheme for key personnel.

Altogether 7,680,036 stock options remained on 30 September 2010 of all the company's stock options in circulation. The shares that could be subscribed on the basis of these stock options accounted for a maximum of 9.45 % of the Company's shares and the votes carried by the shares after any increase in share capital. On 30 September 2010 the Company still held 4,158,647 of all the current stock options. The issued stock options had a maximum diluting effect on 30 September 2010 of 4.56 %.

The company's Board of Directors may issue stock options such that their maximum dilution shall not exceed 8.50 %.

#### PRESIDENT AND CEO

Tecnotree's Board of Directors has appointed Kaj Hagros as president and CEO as from 1 November 2010. Tecnotree's acting president and CEO Eero Mertano continues in this position until 31 October 2010.

Before joining Tecnotree, Kaj Hagros has held positions as managing director and chief operating officer within Fox Mobile Group, a subsidiary of News Corporation (NASDAQ: NWS).

#### RISKS AND UNCERTAINTY FACTORS

The risks and uncertainty factors for Tecnotree are explained in the report of the Board of Directors presented in the 2009 Annual Report. The risks and uncertainties to which the company is exposed in the near future relate to major projects that are under negotiation and to their timing, to receivables, and to changes in currency exchange rates. No significant changes have taken

place in the company's risks and uncertainty factors compared to the 2009 closing.

#### EVENTS AFTER THE END OF PERIOD

No significant events have occurred after the end of period.

#### PROSPECTS

Consistent with the improving market sentiment and demand, Tecnotree estimates that sales will be higher in 2010 than in 2009. The higher sales and reduced costs are expected to improve profitability.

Despite the improvement in profitability, the operating result is expected to remain negative.

Variations between quarterly figures are expected to continue to be considerable.

#### FINANCIAL INFORMATION

Tecnotree is holding a conference for analysts and the media to announce its results for the third quarter of 2010 at 10.00 am on 27 October 2010 in the Pavilion conference room at the Scandic Hotel Simonkenttä, Simonkatu 9, Helsinki. The interim review will be presented by President and CEO Eero Mertano and the conference will be held in Finnish. The material to be presented at the press conference will be available at [www.tecnotree.com](http://www.tecnotree.com).

#### TECNOTREE CORPORATION

Board of Directors

#### FURTHER INFORMATION

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#### DISTRIBUTION

NASDAQ OMX Helsinki Ltd  
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#### TABLE SECTION

The financial figures in the income statement, balance sheet and key indicators are presented in million euros. The figures shown here have been calculated using exact values.

CONSOLIDATED INCOME STATEMENT, MEUR	Note	7-9/ 2010	7-9/ 2009	1-9/ 2010	1-9/ 2009	1-12/ 2009
NET SALES	2	13.3	13.2	46.7	39.7	53.3
Other operating income		0.0	0.2	0.0	0.3	0.3
Materials and services		-1.9	-2.3	-7.7	-7.7	-10.7
Employee benefit expenses		-6.8	-7.3	-21.3	-19.0	-29.2
Depreciation, amortisation and impairment charges		-2.1	-1.9*	-6.3	-5.1*	-6.9*
Other operating expenses		-4.5	-5.1	-14.6	-14.6	-21.8
OPERATING RESULT	2	-2.0	-3.2*	-3.2	-6.5*	-15.0*

Financial income		0.2	0.2	0.7	1.1	1.3
Financial expenses		-0.0	-0.7	-1.8	-1.5	-1.8
RESULT BEFORE TAXES	2	-1.8	-3.6*	-4.3	-6.9*	-15.4*
Income taxes		-0.3	-0.7*	-1.4	-2.1*	-0.8
RESULT FOR THE PERIOD		-2.1	-4.4*	-5.7	-9.0*	-16.2*

Allocated to:

Equity holders of parent company		-2.1	-4.4*	-5.6	-9.1*	-16.2*
Non-controlling interest		0.0	0.1	0.0	0.1	0.0

Earnings per share calculated from the profit attributable to equity holders of parent company:

Earnings per share, basic, EUR		-0.03	-0.06	-0.08	-0.14	-0.24
Earnings per share, diluted, EUR		-0.03	-0.06	-0.08	-0.13	-0.24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, MEUR	7-9/ 2010	7-9/ 2009	1-9/ 2010	1-9/ 2009	1-12/ 2009
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RESULT FOR THE PERIOD	-2.1	-4.4*	-5.7	-9.0*	-16.2*
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Other comprehensive income:

Translation differences from foreign operations		-3.5	-1.0	4.4	-1.4	0.4
Tax relating to components of other comprehensive income		0.1		-0.0		
Other comprehensive income, net of tax		-3.4	-1.0	-4.4	-1.4	0.4

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-5.6	-5.5*	-1.2	-10.4*	-15.8*
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Allocated to:

Equity holders of parent company		-5.6	-5.5*	-1.2	-10.5*	-15.8*
Non-controlling interest		0.0	0.1	-0.0	0.1	0.0

\* The figures for the comparative periods have changed due to adjustments to the purchase price calculation of Tecnotree India

CONSOLIDATED CONDENSED BALANCE SHEET, MEUR	Note	30.9.2010	30.9.2009	31.12.2009
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Assets

Goodwill		21.2	18.4*	19.6*
Other intangible assets		19.7	24.6*	24.0*
Tangible assets		6.8	7.5	7.3
Deferred tax assets		2.2	1.3	1.5
Other non-current trade and other receivables		0.9	0.8	0.9
Current assets				
Inventories		1.7	1.5	1.3
Trade receivables		19.8	18.0	19.3
Other receivables		23.2	18.2	17.2
Investments		1.4	0.8	1.6
Cash and cash equivalents		14.1	30.5	25.7
TOTAL ASSETS		111.3	121.6	118.4*
Shareholders' equity		75.9	82.1*	77.1*



Non-current liabilities			
Deferred tax liabilities	3.5	6.4*	4.0*
Non-current interest-bearing liabilities	15.6	17.8	16.7
Other non-current liabilities	0.9	0.3	0.3
Current liabilities			
Current interest-bearing liabilities	2.2	2.2	2.3
Trade payables and other liabilities	13.2	12.8	18.1
EQUITY AND LIABILITIES, TOTAL	111.3	121.6	118.4*

\* The figures for the comparative periods have changed due to adjustments to the purchase price calculation of Tecnotree India

#### CALCULATION OF CHANGES IN SHAREHOLDERS' EQUITY, MEUR

A = Share capital  
B = Share premium fund  
C = Own shares  
D = Translation differences  
E = Invested non-restricted equity reserve  
F = Other reserves  
G = Retained earnings  
H = Total equity attributable to equity holders of parent company  
I = Non-controlling interest  
J = Total shareholders' equity

MEUR	A	B	C	D	E	F	G	H	I	J
Shareholders' equity										
1 Jan. 2010	4.7	0.8	-0.1	0.4	12.6	52.1	6.4	77.0	0.1	77.1
Covering of loss						-22.7	22.7			0.0
Share-based payments							0.2	0.2		0.2
Other adjustments							-0.1	-0.1		-0.1
Total comprehensive income for the period				4.4			-5.7	-1.3	-0.0	-1.3
Shareholders' equity										
30 Sep. 2010	4.7	0.8	-0.1	4.7	12.6	29.4	23.6	75.8	0.1	75.9

MEUR	A	B	C	D	E	F	G	H	I	J
Shareholders' equity										
1 Jan. 2009	4.7	0.8	-0.1	-0.1	0.3	50.6	27.3	83.5		83.5
Share issue					11.8	2.0		13.7		13.7
Dividend paid						-0.5	-4.6	-5.1		-5.1
Share-based payments							0.1	0.1		0.1
Acquisitions									0.3	0.3
Total comprehensive income for the period				-1.4			-9.0	10.5	0.1	-10.4
Shareholders' equity										
30 Sep. 2009	4.7	0.8	-0.1	-1.5	12.1	52.0	13.8	81.9	0.4	82.1

In June 2009 a total dividend of EUR 5,097,325.52 was paid, or EUR 0.07 per share on 72,818,936 shares.

CONSOLIDATED CONDENSED CASH FLOW STATEMENT, MEUR	1-9/2010	1-9/2009	1-12/2009
Cash flow from operating activities			
Result for the period	-5.7	-9.0	-16.2
Adjustments of the result	7.8	5.1	8.1
Changes in working capital	-10.4	7.7	14.1
Interest paid	-0.3	-1.0	-1.2
Interest received	0.5	0.4	0.4
Income taxes paid	-2.1	-1.3	-3.2
Net cash flow from operating activities	-10.4	4.6	2.0
Cash flow from investing activities			
Acquisition of subsidiaries less cash and cash equivalents at acq. date		-14.5	-14.0
Transactions with minority			-0.7
Investments in intangible assets	-0.6	-4.7	-5.3
Investments in tangible assets	-0.5	-1.1	-1.2
Investments in other securities	-0.7	-0.5	-0.8
Proceeds from disposal of other securities	0.9	0.8	0.3
Interest received from investments	0.0		0.1
Dividends received from investments	0.2	0.1	0.1
Net cash flow from investing activities	-0.8	-19.9	-21.5
Cash flow from financing activities			
Repayments of borrowings	-1.1	-0.3	-1.4
Dividend paid	0.0	-5.1	-5.1
Net cash flow from financing activities	-1.1	-5.4	-6.5
Increase (+) and decrease (-) in cash and cash equivalents	-12.2	-20.7	-26.0
Cash and cash equivalents at beg. of period	25.7	51.0	51.0
Impact of changes in exchange rates	0.8	0.0	0.4
Change in fair value of investments	-0.2	0.1	0.2
Cash and cash equivalents at end of period	14.1	30.5	25.7

## 1. ACCOUNTING PRINCIPLES FOR THE INTERIM REPORT

This interim report has been prepared in accordance with the international financial reporting standard IAS 34 Interim Financial Reporting. The formulas for calculating the key figures presented and the accounting principles for the interim report are the same as the principles published in the 2009 Annual Report. The new and revised IFRS regulations that came into force on 1 January 2010 have not had a significant impact on the accounting principles and basis for preparing the interim report.

As from the beginning of 2010, Tecnotree has changed the operating segments under IFRS 8, so that these are now the geographical areas: Americas (North, Central and South America), Europe, MEA (Middle East and Africa), and APAC (Asia Pacific).

The purchase price calculation of Tecnotree India presented in the financial statements 2009 was preliminary. In the final purchase price calculation, the fair value of customer contracts and the related customer relationships was assessed at EUR 0.5 million and the fair value of the order book at EUR 0.2 million. These values were included in goodwill in the preliminary calculation. The amortization period for customer relationships is 5 years and for the order book 5 months, beginning on the date of acquisition 6 May 2009. The figures for

the comparative period have been adjusted accordingly. The adjustments affecting the result in the comparative period are in amortizations of other intangible assets and deferred taxes relating to these.

## 2. SEGMENT INFORMATION

As from the beginning of 2010, the operating segments under IFRS 8 reported by Tecnotree are the geographical areas, which are Americas (North, Central and South America), Europe, MEA (Middle East and Africa), and APAC (Asia Pacific). This is because their results are monitored separately in the company's internal financial reporting. Tecnotree's chief operating decision maker, as referred to in IFRS 8, is the Group's management board.

Net sales and the result for the operating segments are presented based on the location of customers. The result of the operating segments includes costs that can be allocated to the segments on a reasonable basis, such as sales, customer service and delivery costs. Product management, product development and administrative costs, depreciation, taxes and financial items are not allocated.

As from 1 January 2010, reporting for the new operating segments is such that the 2009 segment results are not presented in accordance with the new segment structure, since the information is not available and the cost to develop it would be excessive.

### OPERATING SEGMENTS:

NET SALES, MEUR	1-9/2010	1-9/2009	1-12/2009
Americas (North, Central and South America)	19.4	17.3	23.1
Europe	4.9	5.6	5.2
MEA (Middle East and Africa)	17.8	14.9	21.3
APAC (Asia Pacific)	4.6	2.0	3.6
TOTAL	46.7	39.7	53.3

### 3. CONSOLIDATED CONTINGENT LIABILITIES, MEUR

	30.9.2010	30.9.2009	31.12.2009
Pledges given	0.1	0.0	0.0
Guarantees			
On own behalf	0.3	0.2	0.6
Other liabilities			
Restriction related to real estate in Ireland	0.4	0.4	0.4

### OTHER OPERATING LEASES, MEUR

Minimum rents payable based on other leases that cannot be cancelled:

	30.9.2010	30.9.2009	31.12.2009
Other operating leases			
Less than one year	0.6	0.6	0.7
Between one and five years	0.3	0.8	0.5

## 4. CONSOLIDATED KEY FINANCIAL FIGURES

	1-9/2010	1-9/2009	1-12/2009
Return on investment, %	-3,4	-7.0*	-13.7*
Return on equity, %	-9.9	-14.5*	-20.2*
Equity ratio, %	68.8	68.7*	65.6*
Net gearing, %	3.1	-13.8*	-10.8
Investments, MEUR	1.1	1.3	1.4
% of net sales	2.4	3.2	2.7
Research and development, MEUR	9.8	10.7	14.5

% of net sales	21.0	26.9	27.2
Order book, MEUR	20.1	15.2	11.7
Personnel, average	779	613	665
Personnel, at end of period	830	842	779

\* The figures for the comparative periods have changed due to adjustments to the purchase price calculation of Tecnotree India

CONSOLIDATED KEY FIGURES PER SHARE	1-9/2010	1-9/2009	1-12/2009
Earnings per share, basic, EUR	-0.08	-0.14	-0.24
Earnings per share, diluted, EUR	-0.08	-0.13	-0.24
Equity per share, EUR	1.03	1.12	1.05
Number of shares at end of period, x 1,000	73,496	78,819	73,496
Number of shares on average, x 1,000	73,496	66,306	68,039
Share price, EUR			
Average	0.88	1.01	1.00
Lowest	0.70	0.78	0.78
Highest	1.00	1.21	1.21
Share price at end of period, EUR	0.77	1.00	0.94
Market capitalisation of issued stock at end of period, MEUR	56.7	73.0	69.2
Share turnover, million shares	10.4	18.4	22.6
Share turnover, % of total	14.2	25.2	30.7
Share turnover, MEUR	9.2	19.1	23.2
Price/earnings ratio (P/E)			-3.97

#### QUARTERLY KEY FIGURES

	3Q/10	2Q/10	1Q/10	4Q/09	3Q/09	2Q/09
Net sales, MEUR	13.3	19.3	14.1	13.5	13.2	15.0
Net sales, change %	0.5	28.7	22.8	-37.7	-27.4	-32.6
Adjusted operating result***	-0,7	2,0	-0,6	-2.0	-2.1	-2.7
% of net sales	-5.1	10.2	-4.2	-14.7	-15.6	-18.0
Operating result, MEUR	-2.0	0.7	-1.9	-8.5	-3.2	-1.6
% of net sales	-14.7	3.8	-13.7	-63.0	-23.9	-10.5
Result before taxes, MEUR	-1.8	0.0	-2.5	-8.6	-3.6	-1.8
Personnel at end of period	830	794	759	779	842	820
Earnings per share, basic, EUR	-0.03	-0.01	-0.04	-0.10	-0.06	-0.04
Earnings per share, diluted, EUR	-0.03	-0.01	-0.04	-0.10	-0.06	-0.04
Equity per share, EUR	1.03	1.11	1.08	1.05	1.12	1.20
Net interest-bearing liabilities, MEUR	-10.3	-5.0	-9.1	-8.3	-11.3	-14.3
Order book, MEUR	20.1	21.0	21.9	11.7	15.2	21.5

\*\*\* Adjusted result = operating result before R & D capitalisation, amortization of this and one-time costs. Details of these are given in the section "Result analysis".