



REVIEW PERIOD IN BRIEF

		1.1.-30.9.2007	1.1.-30.9.2006	1.1.-31.12.2006
Revenue	(EUR 1,000)	8,202	7,662	10,447
Profit before taxes	(EUR 1,000)	11,921	6,355	20,674
Cash flow from operations ⁽¹⁾	(EUR 1,000)	12,151	2,432	3,738
Market value of real estate assets at end of review period	(EUR million)	139.6	113.8	129.7
Increase in investment properties	(EUR million)	37.6	5.3	5.3
Sales profits of investment properties	(EUR million)	24.9	0	0
Equity per share at end of review period	(EUR)	3.22	2.44	2.95
Equity ratio at end of review period	%	56	54	58
Interest rate hedging ratio at end of review period	%	61	60	63
Occupancy rate at end of review period	%	93	96	93

⁽¹⁾ Formula for calculating cash flow from operations:

Operating profit +/- sales profits or losses of real estate properties ./ cash flow interests, net
+/- cash flow taxes and +/- change in fair value of investment properties

OUTLOOK FOR 2007 IN BRIEF

Revenue and especially cash flow from operations increased compared with the corresponding period of 2006 due to the executed property transactions.

- Property value increases have been substantial in 2007, but an increase of the same magnitude as last year is not expected this year.
- Occupancy rate is expected to increase.
- Marketing of the ECONIA BUSINESS PARK, a new office building project in the Aviapolis area of Vantaa, has commenced in collaboration with the Rakennusosakeyhtiö Hartela construction company.

MARKET OUTLOOK INVESTMENT MARKET

According to Catella Property Oy, total transaction volumes on Finland's business property market in 2007 will achieve at least last year's level, and the contribution of international investors will continue to increase. The demand for good investment opportunities currently exceeds the supply, and nowhere more than in the Helsinki metropolitan area. The return requirements for property investments remained unchanged during the past quarter. The net return requirement for prime investment objects in the Helsinki city center is currently about 4.8-5.2%. The equivalent figure for office buildings located outside the

center is around 5.7-7.3%, depending on the site-specific characteristics.

PREMISES MARKET

According to Catella Property Oy, the vacancy rate for office premises in the Helsinki metropolitan area was about 8.4% in August 2007. The volume of vacant commercial and logistics premises is at the 1.7-2.5% level. In other words, there continues to be excess demand for these types of premises.

MAIN EVENTS DURING THE REVIEW PERIOD PROPERTY DISPOSALS

No disposals of the company's investment properties have taken place since the share transactions related to the Koy Helsingin Kanavaranta 7 and Koy Nahkahousuntie 3 properties were concluded in the first quarter.

PROPERTY INVESTMENTS

In a transaction completed on September 28, 2007, Julius Tallberg Real Estate Corporation purchased from Hannu and Airi Sohlberg the entire stock of Kiinteistö Oy Helsingin Höyläämöntie 2. A preliminary agreement on the transaction had already been made during the previous review period, more precisely on June 13, 2007, when Julius Tallberg Real Estate Corporation purchased from Hannu and Airi Sohlberg the entire

stock of six real estate companies. In addition, the acquisitions of SK Property Oy's entire stock and the Tietäjantie 12 property were carried out in the first quarter.

The occupancy rate of the company's investment properties is currently 93% (96% on September 30, 2006). The company's equity ratio was 56% on September 30, 2007 (54% on September 30, 2006).

DECISIONS OF THE ANNUAL GENERAL MEETING

Julius Tallberg Real Estate Corporation's Annual General Meeting of March 7, 2007 approved the company's financial statements for 2006 and discharged the Board of Directors and the Managing Director from liability. The AGM decided, in accordance with the Board's proposal, to distribute a dividend of EUR 0.34 per share.

Magnus Bargum, Kaj Hedvall, Kari Jordan, Susanna Renlund, Kari Sainio, Martin Tallberg and Thomas Tallberg were elected as the company's Board of Directors. To the best knowledge of the Board, four of the Board members elected, i.e. Magnus Bargum, Kaj Hedvall, Kari Jordan and Kari Sainio, are independent of the company and the company's major shareholders.

The Board elected Susanna Renlund as Chairman and Thomas Tallberg as Vice Chairman. The Board did not establish any committees.

PricewaterhouseCoopers Oy, Authorized Public Accountants, were re-elected as the company's Auditor.

The Annual General Meeting approved the Board's proposal on the merging of share categories. The company's A and B shares were merged, and it was decided to offer a bonus issue of 56,505 shares to holders of A shares. Application was made to the OMX Nordic Exchange for public trading of the company's unquoted shares, 621,575 in all. A new trading code, JTK1V, was sought for the company share.

The Annual General Meeting approved the Board's proposal on amending the Articles of Association. The amendments concern the removal from the Articles of Association of the company's minimum and maximum capital, the nominal value and different categories of shares. In addition, it was decided that a notice of a general meeting could be delivered no earlier than three months and no later than 17 days before a meeting, by publishing a notice in one newspaper or by letter. In other respects the article was amended to correspond with the requirements of the new Finnish Companies' Act.

The Annual General Meeting authorized the Board of Directors to decide on a bonus share issue for shareholders in relation to their respective shareholdings without changing the company's share capital. The Board of Directors can issue, in one or more lots, a maximum of 21,000,000 new shares. The authorization is valid for five years from the decision of the General Meeting. The authorization was registered in the Trade Register on March 15, 2007.

The Board decided, at its meeting on March 21, 2007, to utilize the authorization to implement a bonus share issue, in which a total of 20,897,525 new shares would be issued to shareholders. As a result of the share issue, the number of the company's shares would increase to 25,077,030 shares. The decision was registered in the Trade Register on March 26, 2007.

DECISIONS OF THE EXTRAORDINARY GENERAL MEETING

Julius Tallberg Real Estate Corporation's Extraordinary General Meeting of May 31, 2007:

The Extraordinary General Meeting

1. Authorized the Board of Directors to decide on the acquisition of a maximum of 1,253,850 of the company's own shares. The company's

own shares may be acquired with the company's non-restricted equity at their market price on the Helsinki Stock Exchange at the time of acquisition, and in other than a proportional relationship to the shares owned by the shareholders provided that the company has a weighty financial reason for the acquisition.

2. Authorized the Board of Directors to decide on one or more issues of the company's shares and on the issuance of special rights entitling to shares referred to in the Finnish Companies' Act (624/2006), chapter 10, section 1 as follows: The Board of Directors is authorized to decide on the number of company shares to be issued and the number of special rights entitling to shares provided that no more than 18,000,000 company shares may be issued pursuant to this authorization. The Board of Directors is authorized to decide on all other terms and conditions of share issues and of the issuance of special rights entitling to shares. This authorization applies to both the issue of new shares of the company and the conveyance of the company's own shares in the possession of the company. Share issues and the issuance of special rights entitling to shares may occur in deviation from the pre-emptive subscription rights of shareholders, if the company has a weighty financial reason for so doing, such as the use of shares as consideration in acquisitions or other business restructuring, as a means of financing investments or as part of the company's incentive system for personnel.
3. Decided to reduce the company's share premium account by transferring the EUR 6,109,233.27 recognized in it in the financial statements of December 31, 2006, entirely to the invested non-restricted equity fund, which is part of the company's non-restricted equity. The share premium account will be reduced without compensation, and will not affect the number of the company's shares, the rights pertaining to the company's shares or the holdings of shareholders in the company. The reduction of the share premium account will be concluded during the fall.

The authorization decisions of the Extraordinary General Meeting were entered in the Trade Register on June 7, 2007. The Board of Directors of Julius Tallberg Real Estate Corporation decided to offer 1.33 million shares, equivalent to 5.04% of the company's total shares and votes, to Hannu Sohlberg on June 13, 2007 as part of the transaction price. The share issue was valued at approx. EUR 5.0 million.

PROFIT PERFORMANCE

Revenue from rental income during the review period totaled EUR 8.2 million (EUR 7.7 million), i.e. 7% higher than in the corresponding period of 2006. Profit before taxes was EUR 11.92 million (EUR 6.36 million), which is 88% more than in the previous year.

To hedge against interest rate rises, the company had valid interest rate hedges on September 30, 2007 totaling EUR 25.3 million (EUR 20.6 million) and maturing in the period 2007-2017. These hedges represent an interest hedging ratio of 61% (60%), taking into consideration the company's EUR 5.4 million fixed rate loan (interest risk hedges + fixed rate loans / company's total loan portfolio).

The company's real estate stock was revalued for the situation on September 30, 2007. The revaluation is based on Catella Property Oy's statement made under IVS 2005 in which changes in the market and in the company's property-specific return requirements and significant events occurring during the review period are taken into account.

The change in the fair value of the Group's investment assets and available-for-sale assets during January 1 - September 30, 2007 was as follows:

THE CHANGE IN THE FAIR VALUE OF THE GROUP'S INVESTMENT ASSETS AND AVAILABLE-FOR-SALE ASSETS DURING JANUARY 1 - SEPTEMBER 30, 2007 WAS AS FOLLOWS:

EUR million	30.9.2007	30.9.2006	31.12.2006
Market value of investment property	144.6	114.4	96.3
Market value of available-for-sale assets	6.6	2.0	33.4
Total	151.2	116.4	129.7
Debt portion of available-for-sale assets	-	-1.0	-1.1
Total	151.2	115.4	128.6
Increase in investment properties	37.7	5.3	5.3
Decrease in real estate stock	-24.9	-	-
Change in the fair value of investment property	8.7	3.4	16.5
Total change	21.5	8.7	21.8

The EUR 9.1 million change in the fair value of investment property recognized in the income statement includes EUR 0.3 million resulting from cancellation of the revaluation reserve and corresponding deferred tax liability, related to the increase in the company's holding in SK Property Oy. During the review period, the Group's equity increased to EUR 85.1 million, i.e. by 37% (EUR 62 million on September 30, 2006), while equity per share increased to EUR 3.22 (EUR 2.51), i.e. by 29%.

The turnover of the company's issue-adjusted shares on the OMX Nordic Exchange for the period January 1 - September 30, 2007 was 607,273 shares (i.e. 2.38% of the average number of shares), and was valued at EUR 2,150,590.27. The share-issue adjusted trading price varied between EUR 2.97 and EUR 4.10. The final trading price on September 30, 2007 was EUR 3.59. The market capitalization of the company's stock on September 30, 2007 was EUR 94,801,238.

According to the Group's risk assessment, the risk level related to the Group's strategic targets is low. The risk level can be considered low with respect to the tenant portfolio, the competitors and operating environment, subcontractors and suppliers. Similarly, the risk level is low with respect to financing and investments. To hedge against interest rate rises, the company has made significant interest hedges for the period 2007-2017. The company is also well-prepared with respect to accident and liability risks and data security. Due to the small number of personnel, the risk level related to the functioning of the back-up system for longer absences has been fairly high. This risk was reduced, as the company hired two new personnel members in the summer. There have been no exceptional business transactions with insiders. The employee benefits of the management are at the level of the comparison period.

OUTLOOK FOR 2007 AND THE FUTURE

The only effects on the Finnish property markets caused by the uncertainty of the international financial and capital markets during the summer and early fall were that investors now analyze risks more carefully and that the lending rate has decreased.

According to Catella Property Oy, the return requirements of investors have not increased to any material extent, as the strong demand has kept them at a low level. The rise in short-term interest rates has been compensated by the perception that rent levels will be on the increase.

The value of Julius Tallberg Real Estate Corporation's lease portfo-

lio was still at a high level of approx. EUR 34 million on September 30, 2007 (approx. EUR 38 million on September 30, 2006), but its average duration had dropped to 2.7 years (3.4 years on September 30, 2006). The company's financial solvency and liquidity are forecast to remain good.

Revenue will grow from the previous year's level, and the occupancy rate is expected to rise. On October 4, 2007, Julius Tallberg Real Estate Corporation and the Rakennusosakeyhtiö Hartela construction company signed a marketing and project development agreement concerning the ECONIA BUSINESS PARK, a new office building project located in the Aviapolis area of Vantaa. According to the agreement, new office premises that are customer-oriented, ecological, and purposeful, both technologically and financially, will be planned for the Äyritie 6 address. The project, which is approx. 24,000 floor square meters in size, is intended to be carried out in stages, based on the success in renting out premises.

The project's name, ECONIA BUSINESS PARK, describes the site's inherently ecological image.

In the designing and planning of ECONIA, attention is being paid particularly to the application of progressive technology and energy savings, although not at the expense of functionality and comfort, which are key in increasing the efficiency of tenants' operations. ECONIA's location is extremely visible and highly accessible in close proximity to the Helsinki-Vantaa International Airport, the Jumbo shopping center and the Flamingo recreational center along Ring Road III. Project marketing has already commenced and construction will commence immediately once certain ongoing negotiations with potential tenants have been completed.

Although it is difficult to forecast changes in the fair value of investment property, no material adverse factors affecting the fair value are visible in the short term due to the positive situation prevailing in the Helsinki metropolitan area's property market. The value increase in 2007 has been substantial at EUR 9.1 million, but a value increase such as that of last year (EUR 16.5 million) is not likely to be repeated this year. Due to the more moderate increase in the value of investment property, the Group's result will decrease from last year.

The company's strategic goal is to continue increasing the company's real estate assets by using share issue as a means of payment in transactions. The company's Board of Directors still has an unused share issue authorization of about EUR 16.7 million.

The goal is to provide shareholders with a safe and stable investment alternative by steadily improving the ability to distribute dividends. The company has increased dividends for 11 years already.

ACCOUNTING POLICIES

This Interim Report complies with the IAS 34 standard (Interim financial reporting). The company has applied the same accounting policies in compiling the Interim Report as it did in compiling the annual financial statements for 2006. All new and amended standards and interpretations have been taken into account, but have had no material impact.

The information in this Interim Report is unaudited.

Espoo, October 30, 2007
Board of Directors

KEY FIGURES

	1.1.-30.9.2007	1.1.-30.9.2006	1.1.-31.12.2006
Occupancy rate, %	93	96	93
Revenue	8,202	7,662	10,447
Operating profit	13,137	7,473	22,167
Earnings/share, EUR	0.34	0.18	0.62
Equity/share, EUR	3.22	2.51	2.95
Return on investment (ROI), % p.a.	14.3	10.0	21.2
Return on equity (ROE), % p.a.	14.6	10.0	23.2
Equity ratio, %	56.1	54.3	57.7
Gross investments in fixed assets, EUR million	37.7	5.3	5.3
Gross investments in fixed assets, % of revenue	459.7	68.7	50.4
Personnel	6	4	4

CONSOLIDATED INCOME STATEMENT

1 000 EUR	Actual 30.9.2007		Comparison		
	1.7.-30.9.2007	1.1.-30.9.2007	1.7.-30.9.2006	1.1.-30.9.2006	1.1.-31.12.2006
REVENUE	3,060	8,202	2,649	7,662	10,447
Expenses					
From employee benefits	-114	-383	-106	-288	-586
Depreciation	-3	-8	-4	-12	-16
Change in the fair value of investment property	7,120	9,141	1,685	3,428	16,525
Property maintenance costs	-989	-3,066	-1,004	-2,953	-3,701
Other operating expenses	-127	-749	-66	-364	-502
OPERATING PROFIT	8,947	13,137	3,154	7,473	22,167
Financial income	35	94	90	104	128
Financial expenses	-554	-1,310	-421	-1,222	-1,621
Profit before taxes	8,428	11,921	2,823	6,355	20,674
Income tax	-2,306	-3,289	-874	-1,816	-5,351
NET PROFIT FOR THE REVIEW PERIOD	6,122	8,632	1,949	4,539	15,323
Earnings/share, EUR					
Diluted and undiluted	0.24	0.34	0.08	0.18	0.62

CONSOLIDATED BALANCE SHEET

EUR 1,000	30.9.2007	30.9.2006	31.12.2006
ASSETS			
Non-current assets			
Tangible fixed assets	73	36	33
Intangible assets	4	6	6
Investment property	144,600	114,400	96,300
Available-for-sale investments	0	589	748
Receivables	0	309	309
Deferred tax assets	0	113	113
	144,677	115,454	97,509
Current assets			
Trade and other receivables	1,645	264	931
Cash and cash equivalents	169	1	1
	1,814	265	932
Non-current asset items held for sale	6,600	0	31,200
TOTAL ASSETS	153,091	115,719	129,641
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders			
Share capital	21,027	21,027	21,027
Share premium account	6,109	6,109	6,109
Revaluation reserve	0	73	191
Hedge fund	119	29	150
Invested non-restricted equity fund	5,001	0	0
Retained earnings	44,191	30,270	30,270
Net profit for the period	8,632	4,539	15,323
Total equity	85,080	62,047	73,070
Non-current liabilities			
Interest-bearing liabilities	44,745	27,881	26,484
Other liabilities	1,400	1,400	1,400
Deferred tax liabilities	12,825	9,150	12,911
Total non-current liabilities	58,970	38,431	40,795
Current liabilities			
Trade and other payables	4,101	1,033	3,015
Current interest-bearing liabilities	4,941	14,208	12,761
Total current liabilities	9,042	15,241	15,776
Total liabilities	68,012	53,672	56,571
TOTAL EQUITY AND LIABILITIES	153,091	115,719	129,641
Interest-bearing liabilities	49,686	42,089	39,245

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	1.1.-30.9.2007	1.1.-30.9.2006	1.1.-31.12.2006
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period	8,632	4,539	15,323
Adjustments for:			
Non-cash transactions			
Proceeds from disposal of fixed assets	8	12	16
Changes in fair value of investment property	-9,141	-3,430	-16,524
Financial items	1,216	1,118	1,493
Tax	3,289	1,371	5,351
Changes in working capital			
Change in trade and other receivables	261	666	413
Change in trade and other payables	-379	-507	-590
Interest and financing expenses paid	-1,268	-1,116	-1,593
Interest received	94	7	30
Tax paid	-377	-474	-442
NET CASH FROM/USED IN OPERATING ACTIVITIES	2,335	2,186	3,477
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets	-47	-5	-5
Advances received on disposal of tangible assets	0	0	1,525
Investments in investment property	-32,401	-5,255	-5,261
Proceeds from disposal of investments	21,239	27	27
Dividends received	0	84	98
NET CASH FROM/USED IN INVESTING ACTIVITIES	-11,209	-5,150	-3,616
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans withdrawn	22,100	6,981	6,469
Repayments on loans	-11,657	-2,740	-5,052
Dividends paid	-1,402	-1,278	-1,278
NET CASH FROM/USED IN FINANCIAL ACTIVITIES	9,042	2,963	139
Change in liquid assets	168	0	0
Liquid assets at beginning of period	1	1	1
LIQUID ASSETS AT END OF PERIOD	169	1	1

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Share		Invested non-		Retained earnings	Total
		premium account	Revaluation reserve	Hedge fund	restricted equity fund		
Equity 1.1.2006	21,027	6,109	277	-190		31,547	58,770
Interest hedges							
Gains recognized in equity				296			296
Deferred tax liabilities				-77			-77
Available-for-sale investments							
Gains/losses on measurement at fair value			-276				-276
Taxes related to items recognized in equity or transferred from equity			72				72
Net profit for the period						4,539	4,539
Total income/expense recognized in period			-204	219		4,539	4,554
Dividends paid						-1,278	-1,278
Equity 30.9.2006	21,027	6,109	73	29		34,808	62,047
Equity 31.12.2006	21,027	6,109	191	150		45,593	73,070
Equity 1.1.2007	21,027	6,109	191	150		45,593	73,070
Available-for-sale investments							
Gains/losses on measurement at fair value			-258				-258
Taxes related to items recognized in equity or transferred from equity			67				67
Net income recognized directly in equity				-42			-42
Deferred tax liabilities				11			11
Share issue						5,001	5,001
Net profit for the period						8,632	8,632
Total income/expenses recognized in period			-191	-31	5,001	8,632	13,411
Dividends paid						-1,402	-1,402
Equity 30.9.2007	21,027	6,109	0	119	5,001	52,823	85,080

CHANGES IN SHARES

				Total
31.12.2006		A shares	565,070	
		B shares	3,557,930	4,123,000
15.3.2007	New B shares and merging of share categories			56,505
26.3.2007	Bonus issue 1:5			20,897,525
19.6.2007	Share offering			1,330,000
				25,077,030
				26,407,030

MARKET VALUE OF INVESTMENT PROPERTY

EUR 1,000	1.1.-30.9.2007	1.1.-30.9.2006	1.1.-31.12.2006
Market value of investment property at start of period	96,300	105,700	105,700
Investments in investment property	0	5,255	5,261
Investment properties acquired	37,645	0	0
Transfer from available-for-sale investments	489	0	0
Share of debt	1,445	0	0
Change in fair value of investment property	8,721	3,445	16,539
Transfer to available-for sale investments	0	0	-31,200
Market value of investment property at end of period	144,600	114,400	96,300
Non-current asset items held for sale	6,600	0	31,200
	151,200	114,400	127,500

DERIVATIVE CONTRACTS

EUR 1,000	30.9.2007	30.9.2006	31.12.2006
Interest rate swaps			
Interest rate swaps, nominal value of capital	25,267	20,645	19,690
Positive fair value	179	20	198

PLEDGES, MORTGAGES AND LIABILITIES

EUR 1,000	30.9.2007	30.9.2006	31.12.2006
Secured loans and other debt from financial institutions	50,843	43,489	40,402
Collateral pledges on own debt			
Mortgages	46,168	51,420	49,120
Pledged investment property shares	22,937	0	0