

The Telesse logo is rendered in a white, italicized, sans-serif font. It is positioned on the right side of the image, overlaid on a blue background that features a complex network of glowing blue lines and a grid pattern. The background also shows a close-up of a server rack with multiple rows of ports and cables on the left side.

Telesse

Full-year 2004
and Q4 2004

Jukka Rinnevaara
CEO

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Teleste Full Year 2004

Highlights

- Positive market development
 - Good Orders Received starting from Q2/2004
 - New customers like Telewest, ERT, Helltec, SNCF
- New Full Service business strategy
- Successful acquisition of Flomatik
- China sourcing and manufacturing according to plans
- First commercial launch of EttH solution
- Strong balance sheet, improved profitability
- Strategy implementation well on it's way

Teleste Group Full Year

	2004	2003	Change%
Orders Received	80.5	52.2	+54%
Net Sales	66.2	54.2	+22%
Operating Profit	5.3	1.8	+200%
Net Profit	3.5	1.7	+112%
EPS	0.21	0.10	+108%



Market Situation Q4

Positive development in market situation

- Main business - Broadband Cable Networks – continued to develop positively
 - Cable operators network investments activated in Europe
 - Broadband Internet solutions grew strongly
 - Intense price competition still prevailed the markets
- Video Networks – Market situation indicating growth development
 - Large scale network management solutions taking off (SNCF)
 - Public sector's financial status still weak
 - Technology break through taking place
 - Network investment plans growing

Teleste Group Q4

	Q4/2004	Q4/2003	Change%
Orders Received	27.2	15.0	+82%
Net Sales	23.4	16.7	+40%
Operating Profit	2.9	0.5	+457%
Net Profit for the Period	2.1	0.7	+191%

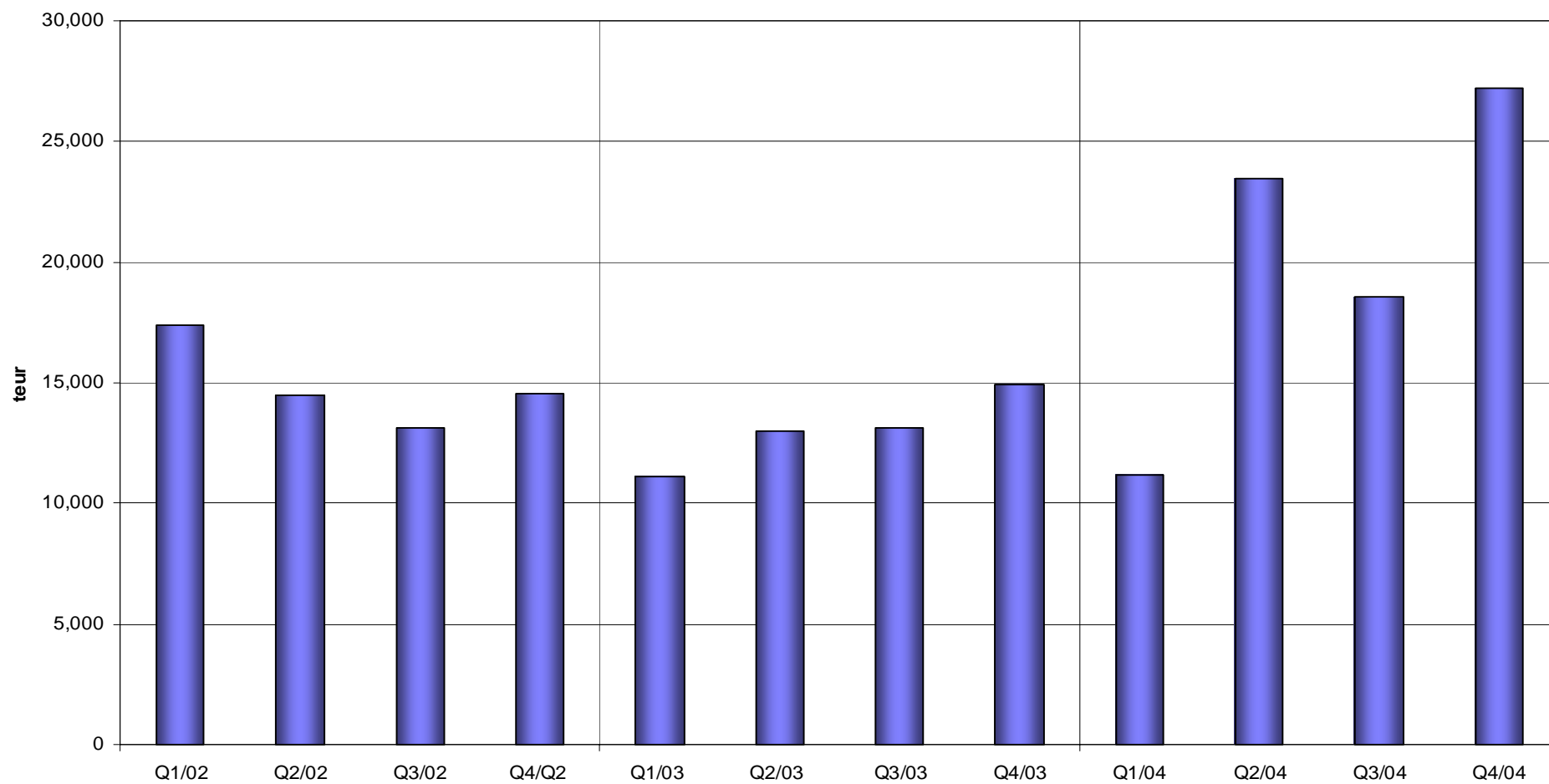
Broadband Cable Networks (BCN) Q4

	Q4/2004	Q4/2003	Change%
Net Sales	19.0	13.2	+44%
Orders Received	19.3	10.6	+81%

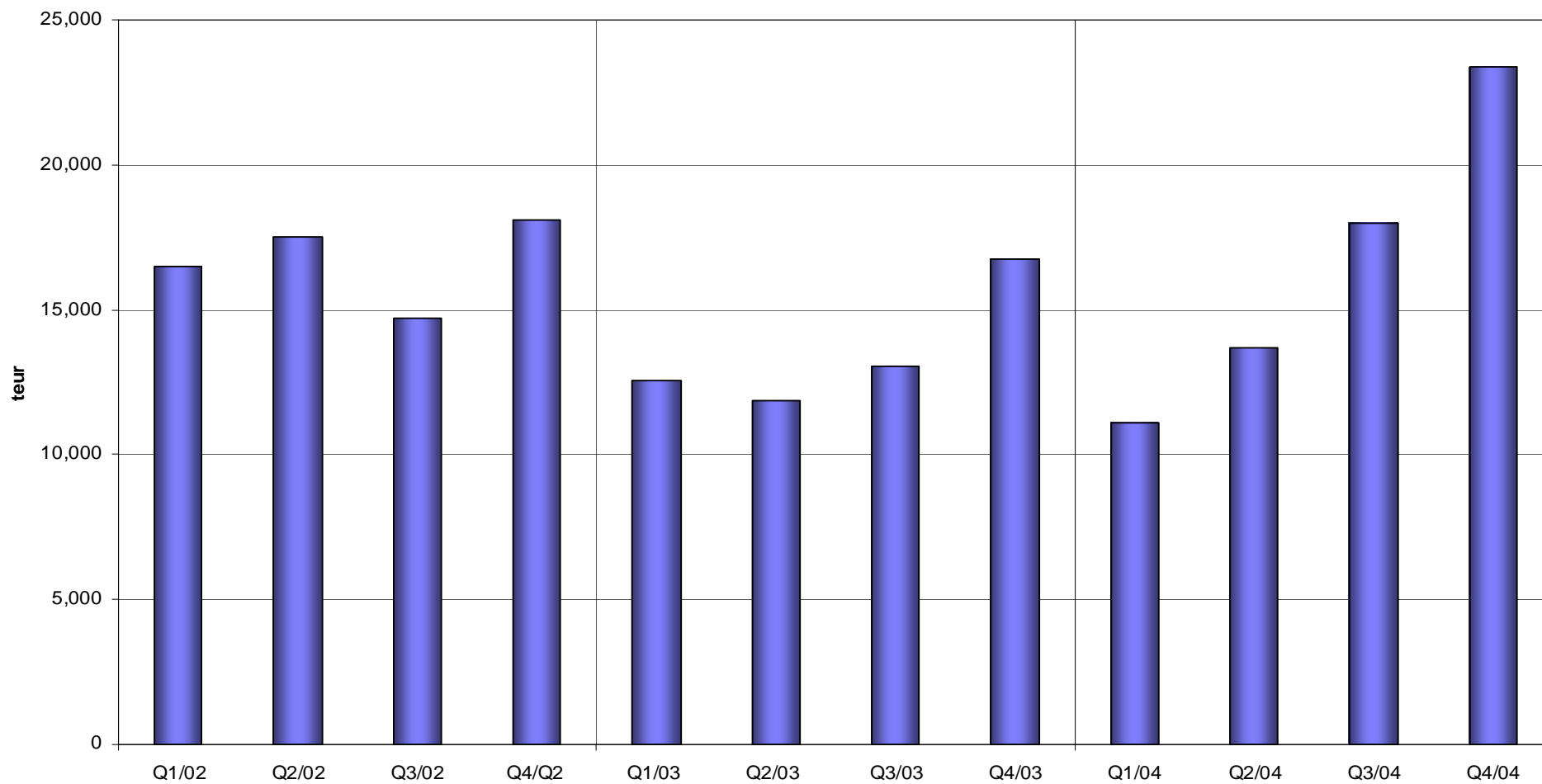
Video Networks (VN) Q4

	Q4/2004	Q4/2003	Change%
Net Sales	4.4	3.5	+24%
Orders Received	7.9	4.3	+84%

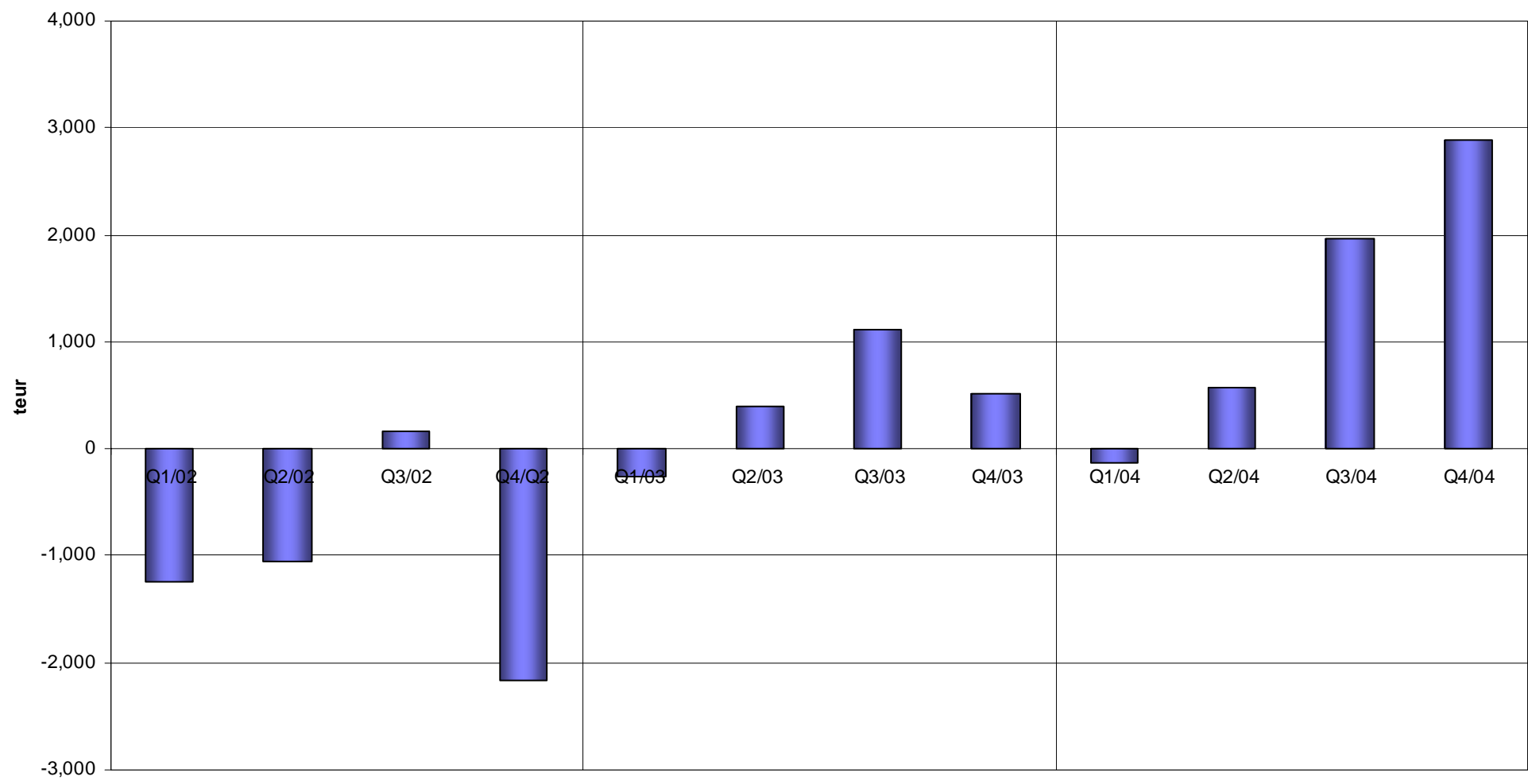
Orders Received by Quarters



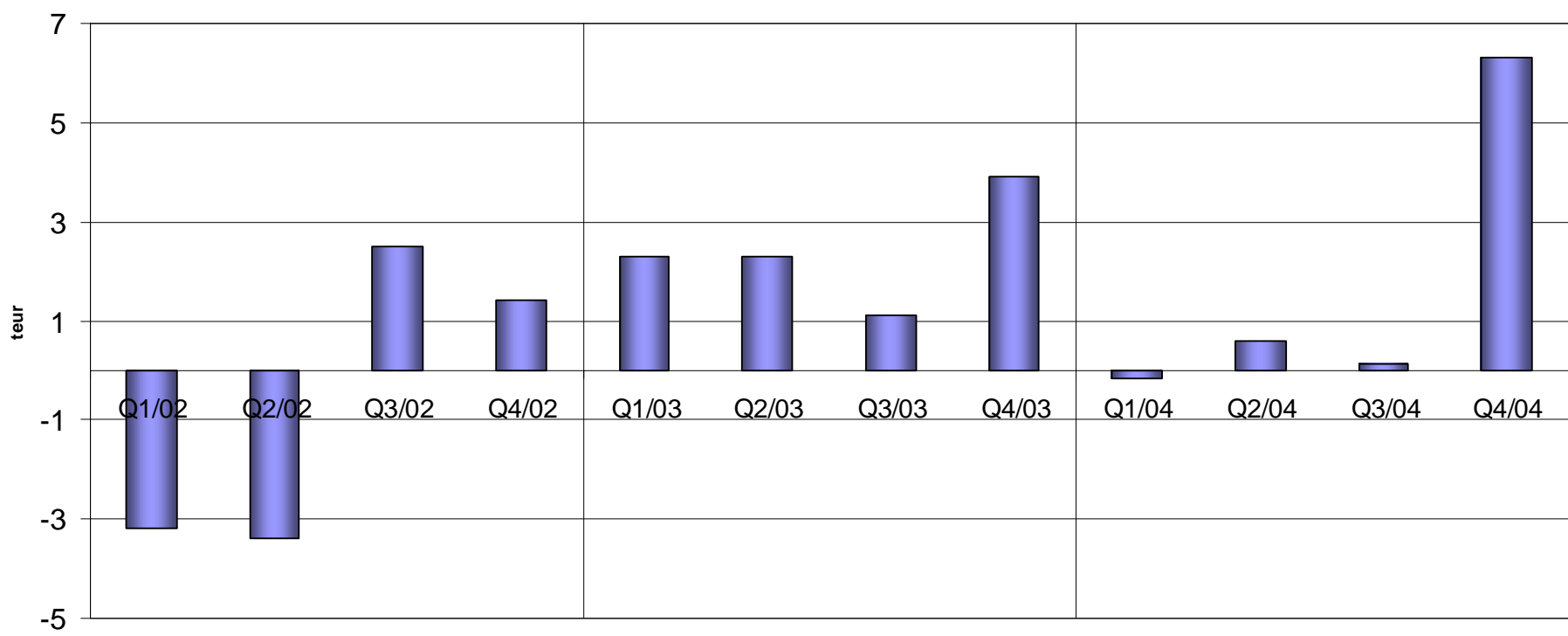
Net Sales by Quarters



Operating Profit by Quarters



Cash Flow from Operations by Quarters



R&D Costs

	M€	2004	2003
Costs		6,9	5,8
% Of Net Sales		10,4%	10,7%

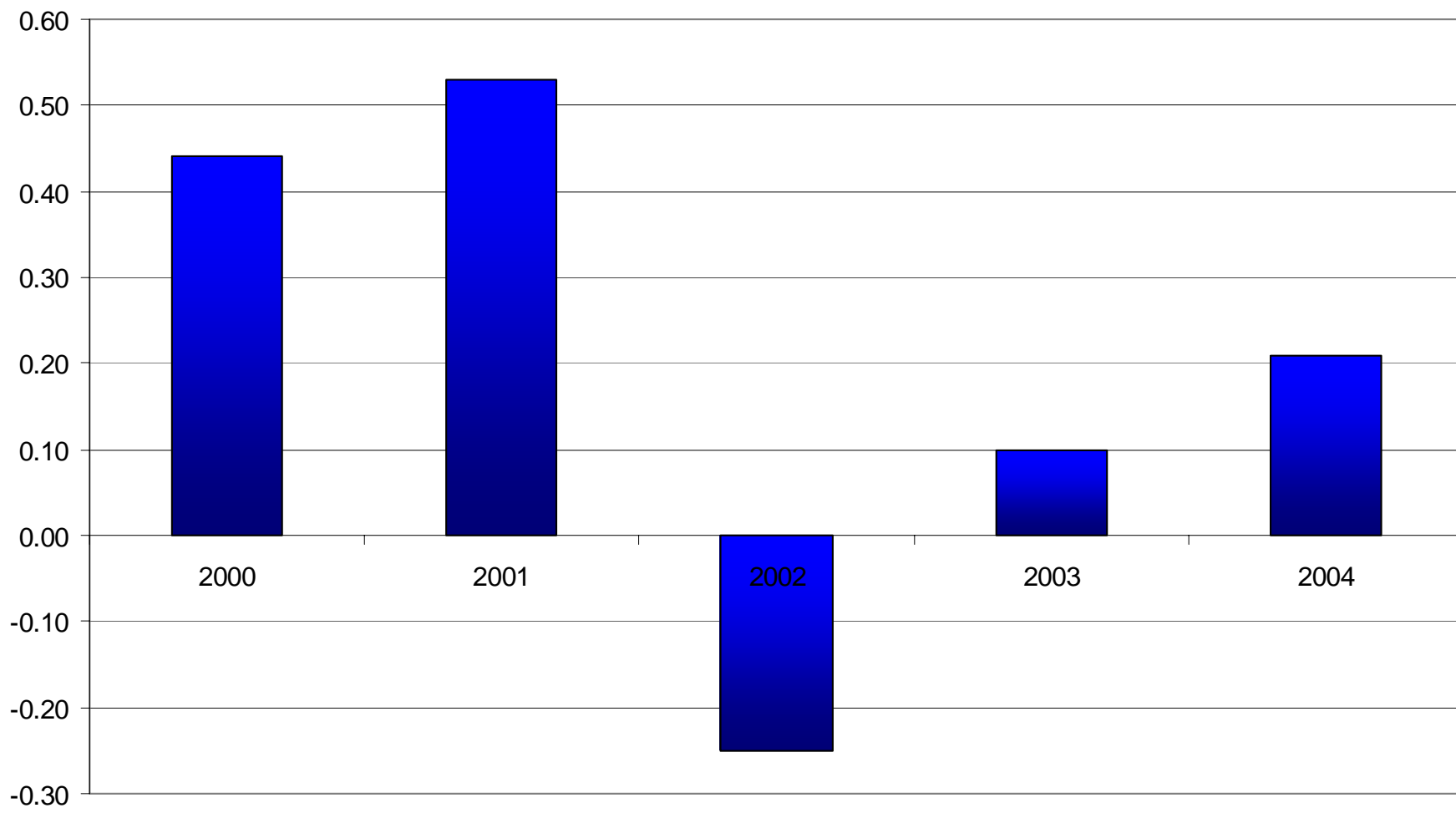
Investments

	M€	2004	2003
Investments		5,4	3,4
% Of Net Sales		8,2%	6,3%

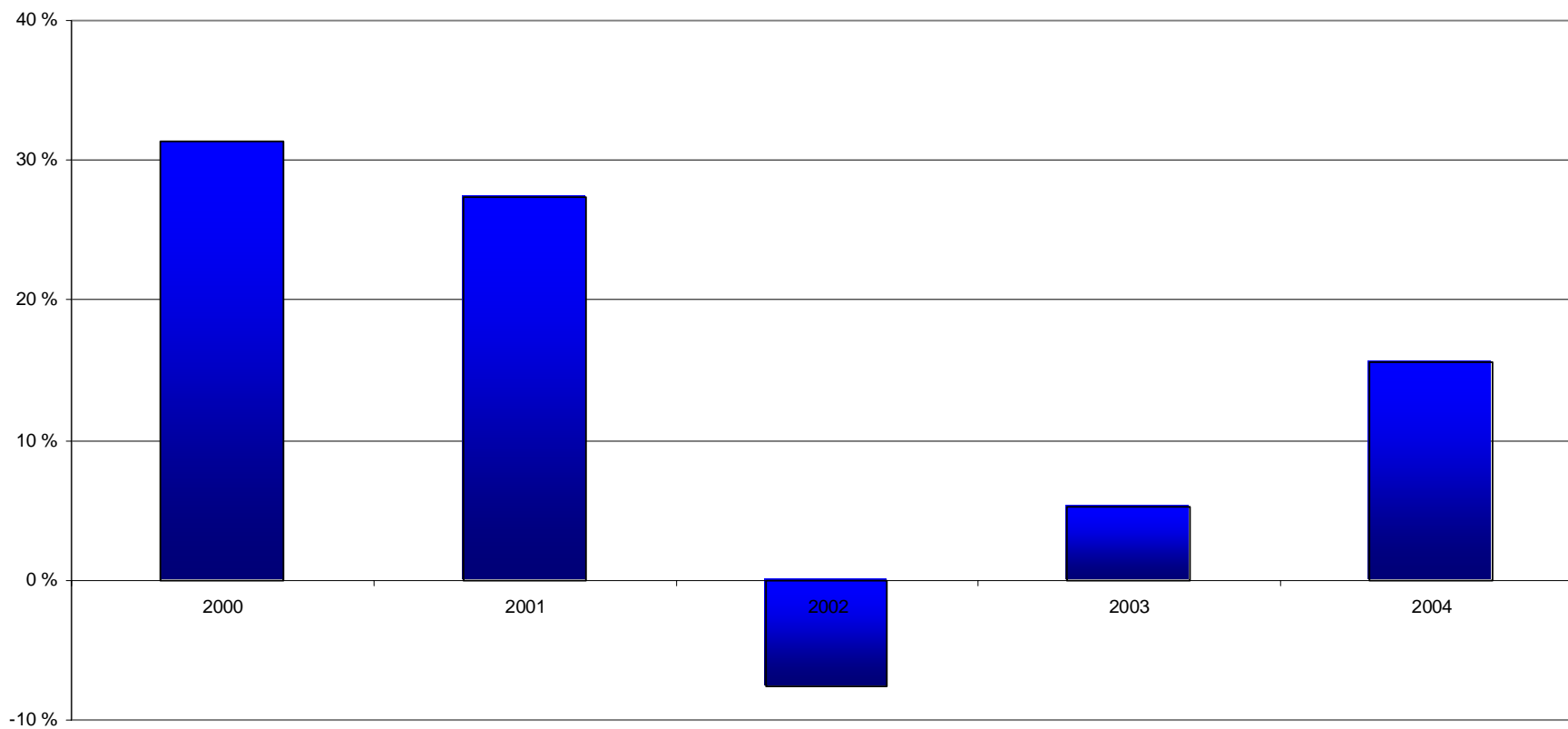
Balance Sheet Q4

M€	Q4/2004	Q4/2003
Fixed Assets	18	17
Inventories	8	5
Other current assets	13	12
Cash and cash equivalents	17	14
Shareholders' equity	30	27
Obligatory provisions	2	2
Long-term liabilities	9	10
Short-term liabilities	15	9
Total liabilities and shareholders' equity	56	48

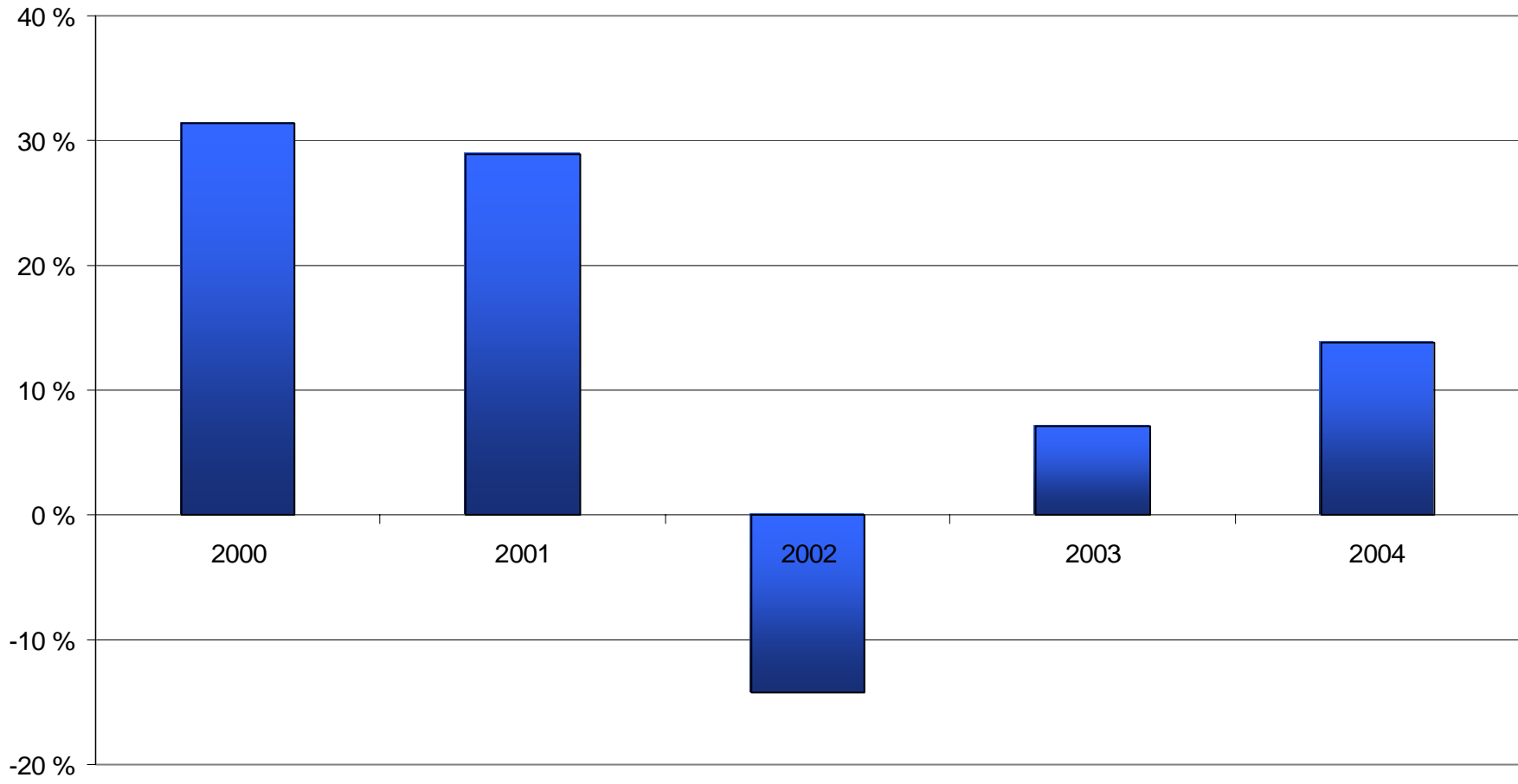
EPS



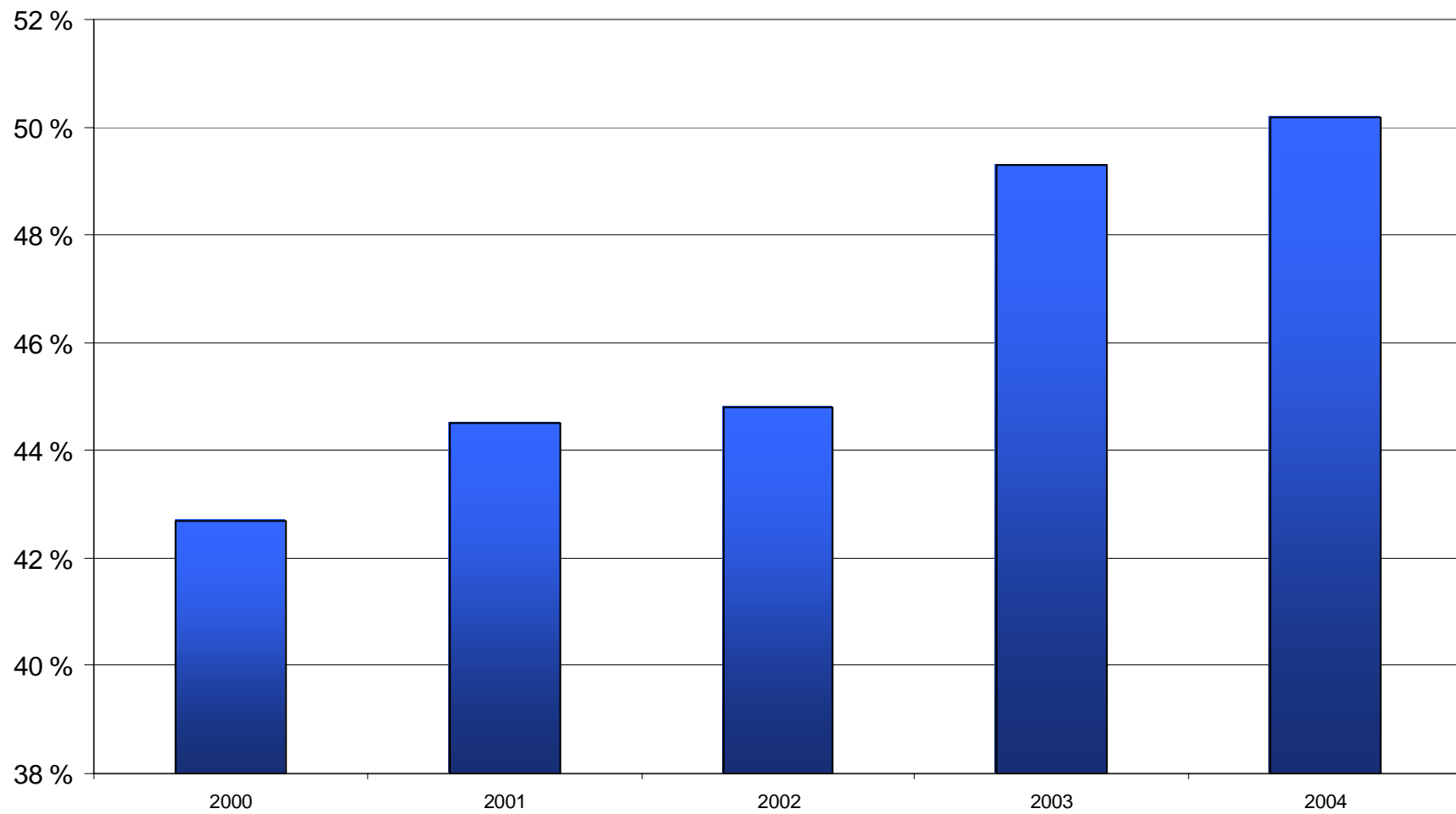
Return on Capital Employed %



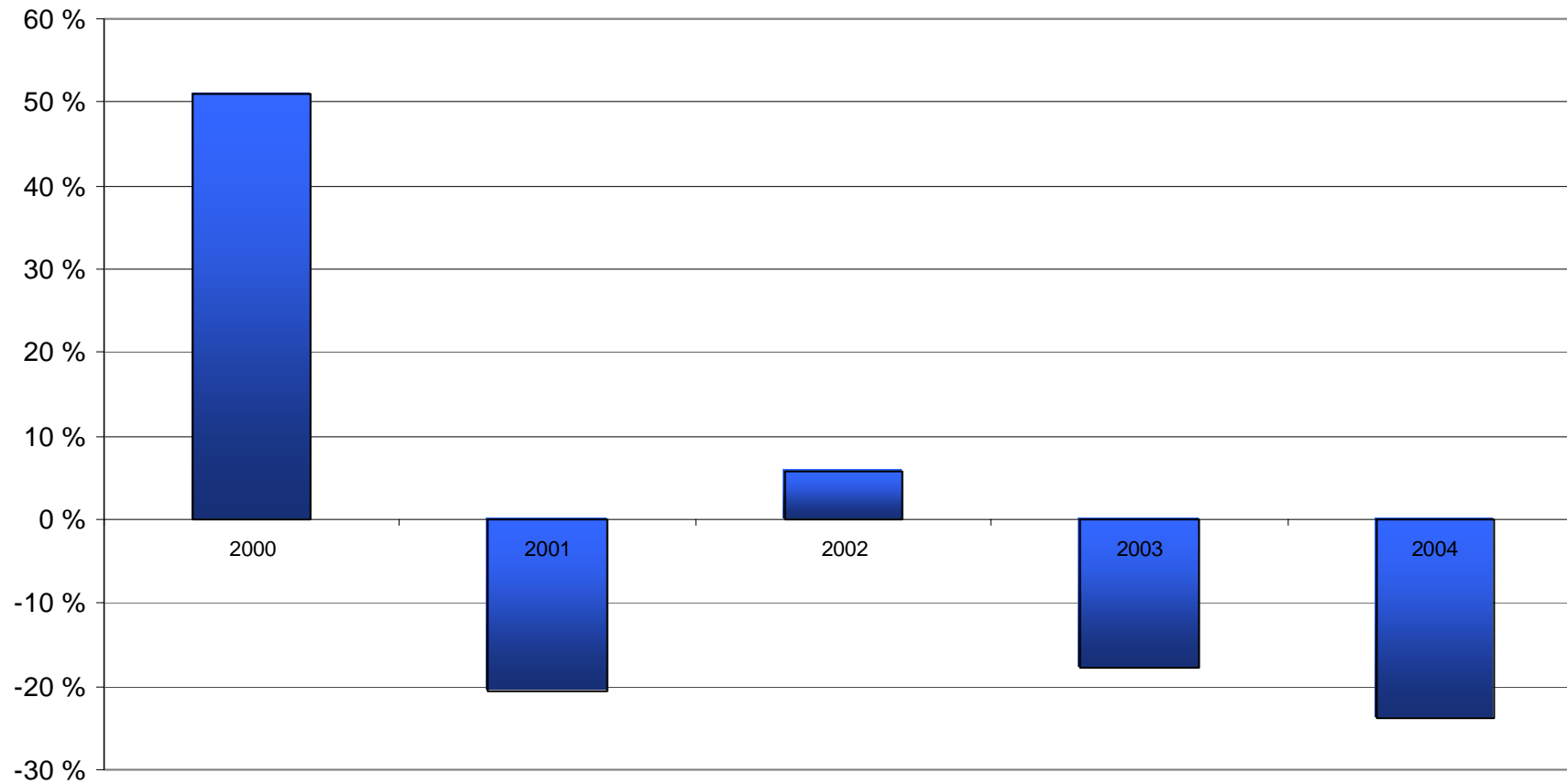
Return on Equity %



Equity Ratio



Gearing



Future Outlook

- Broadband Cable Networks - Market situation is expected to continue the positive development
 - Cable operator's operative business and profitability is developing well
 - Investment plans for network upgrades continues
 - Demand for broadband Internet connections still growing, next level of bandwidth requirements picking up
 - We expect the market growth to continue
- Video Networks - Market situation is expected to develop positively after a technology breakthrough
 - Large scale network projects increasing

We expect favourable market situation to continue also year 2005

➤ **Teleste targets Profitable Growth**

The text "Teleste Vision" is centered in the upper middle of the slide. It is written in a bold, blue, sans-serif font. The background behind this text is a light blue and white gradient with a subtle grid pattern.The main headline is centered on the slide. It consists of two lines of text in a large, bold, black, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.This text is part of a list of key points, positioned in the middle of the slide. It is written in a bold, orange, sans-serif font. The background is a white and light blue gradient with a subtle grid pattern.



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