

The Telesse logo is rendered in a white, italicized, sans-serif font. It is positioned in the upper right quadrant of the page, set against a background of a blue-toned network diagram with glowing nodes and connecting lines. The overall aesthetic is high-tech and digital.

*Telesse*

Interim Report Q1/2004

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## Market Situation Q1

Market situation continuously quiet, but signs of upswing are in sight

- Main business - Broadband Cable Networks – Market turned slowly into the right direction
  - Cable operators continued to postpone large investment projects, but the plans will materialise
  - Small and mid size maintenance investments continued
  - Stringent price competition in the markets
- Video Networks – Market situation normalising
  - Investment plans growing
  - Public Sector slow in its movements

## Group Q1

	Q1 2004	Q1 2003	Change
Orders received	11.2	11.1	+1%
Net sales	11.1	12.5	-11%
Operating profit	-0.14	-0.26	+48%
Profit for the period	-0.19	-0.49	+61%



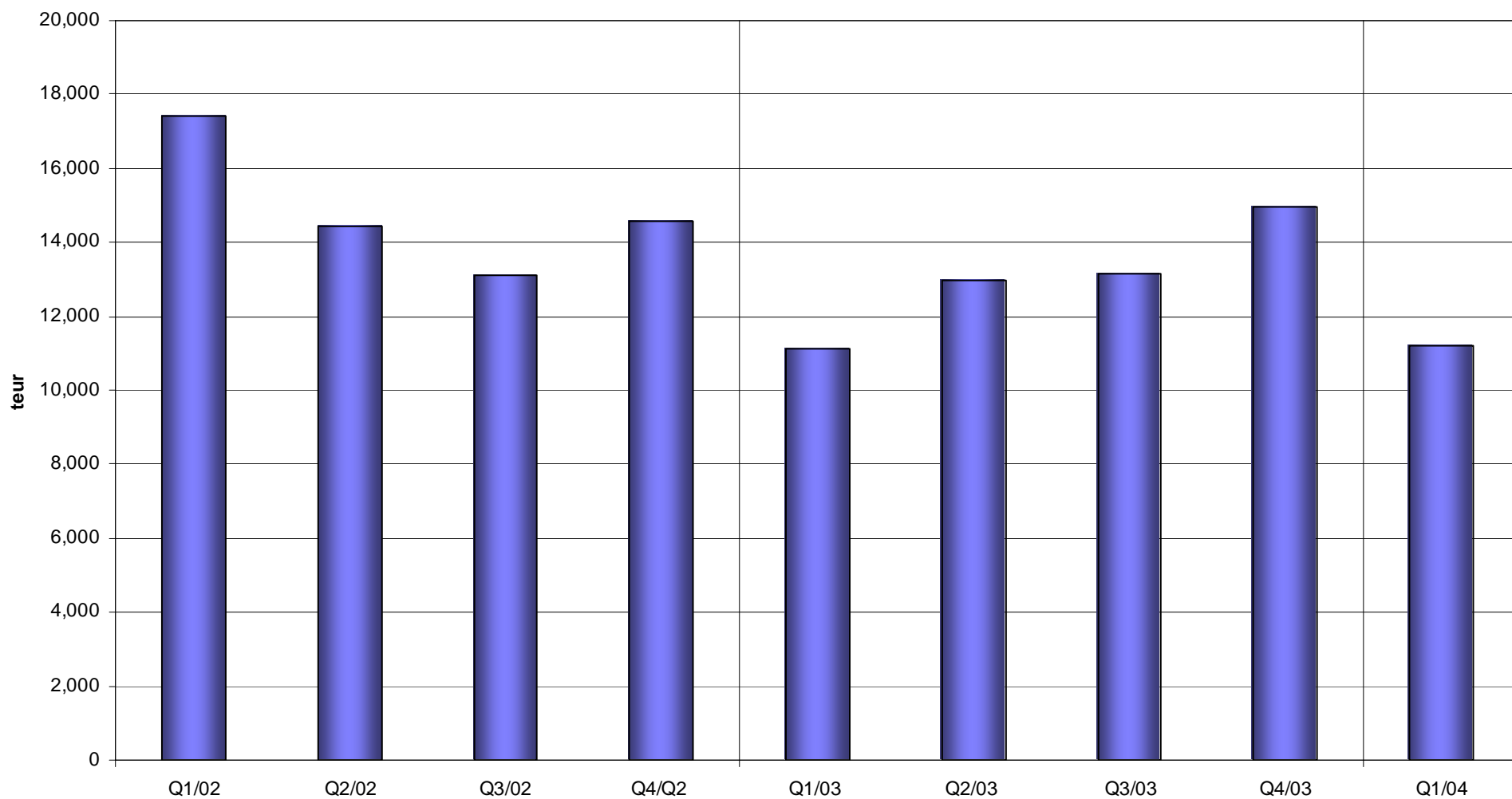
## Q1 Broadband Cable Networks (BCN)

	Q1 2004	Q1 2003	Change
Net sales	8.6	9.4	-9%
Orders received	8.9	8.4	+6%

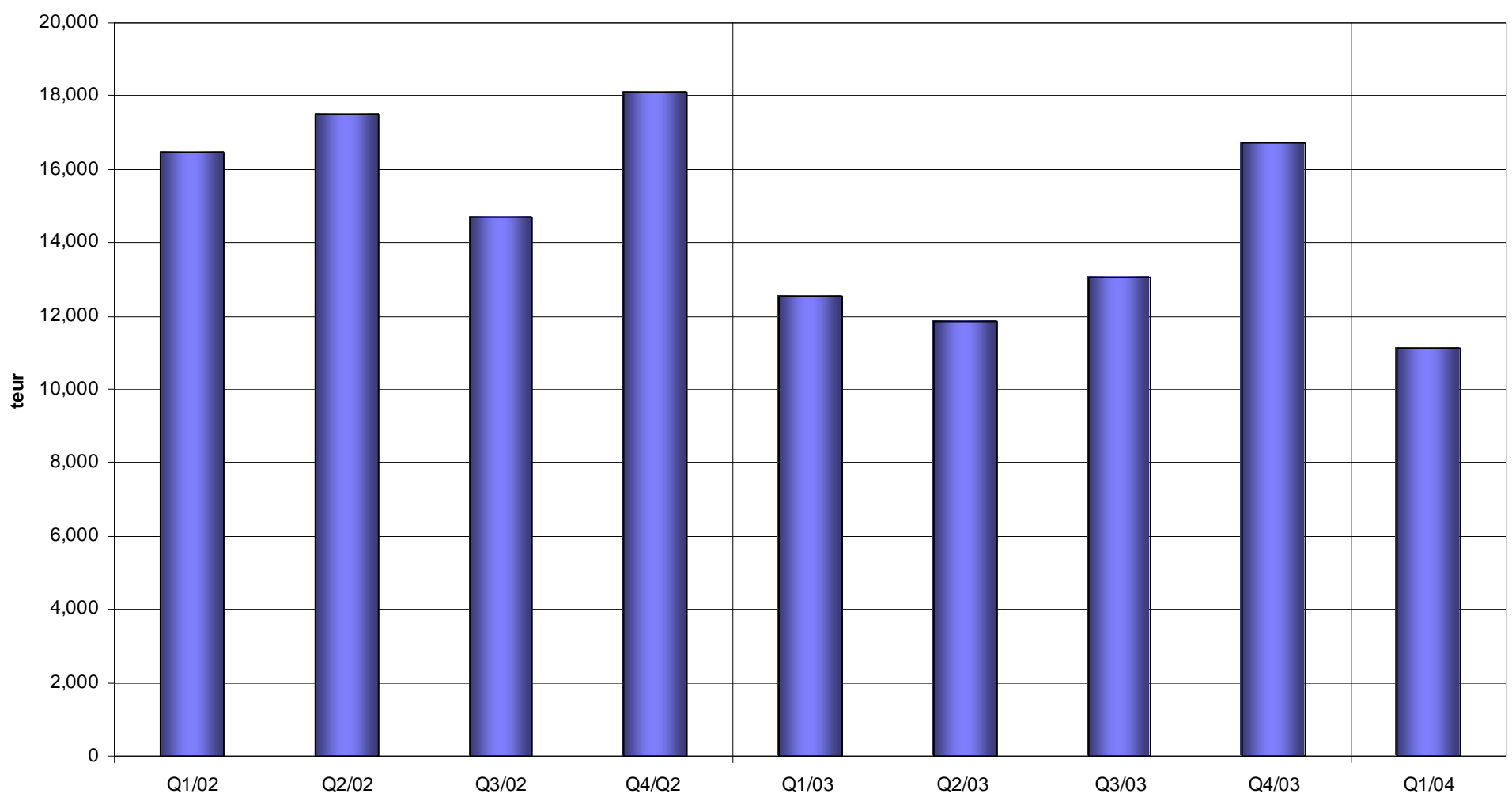
## Q1 Video Networks (VN)

	Q1 2004	Q1 2003	Change
Net sales	2.5	3.1	-18%
Orders received	2.3	2.7	-15%

## Orders Received by Quarters

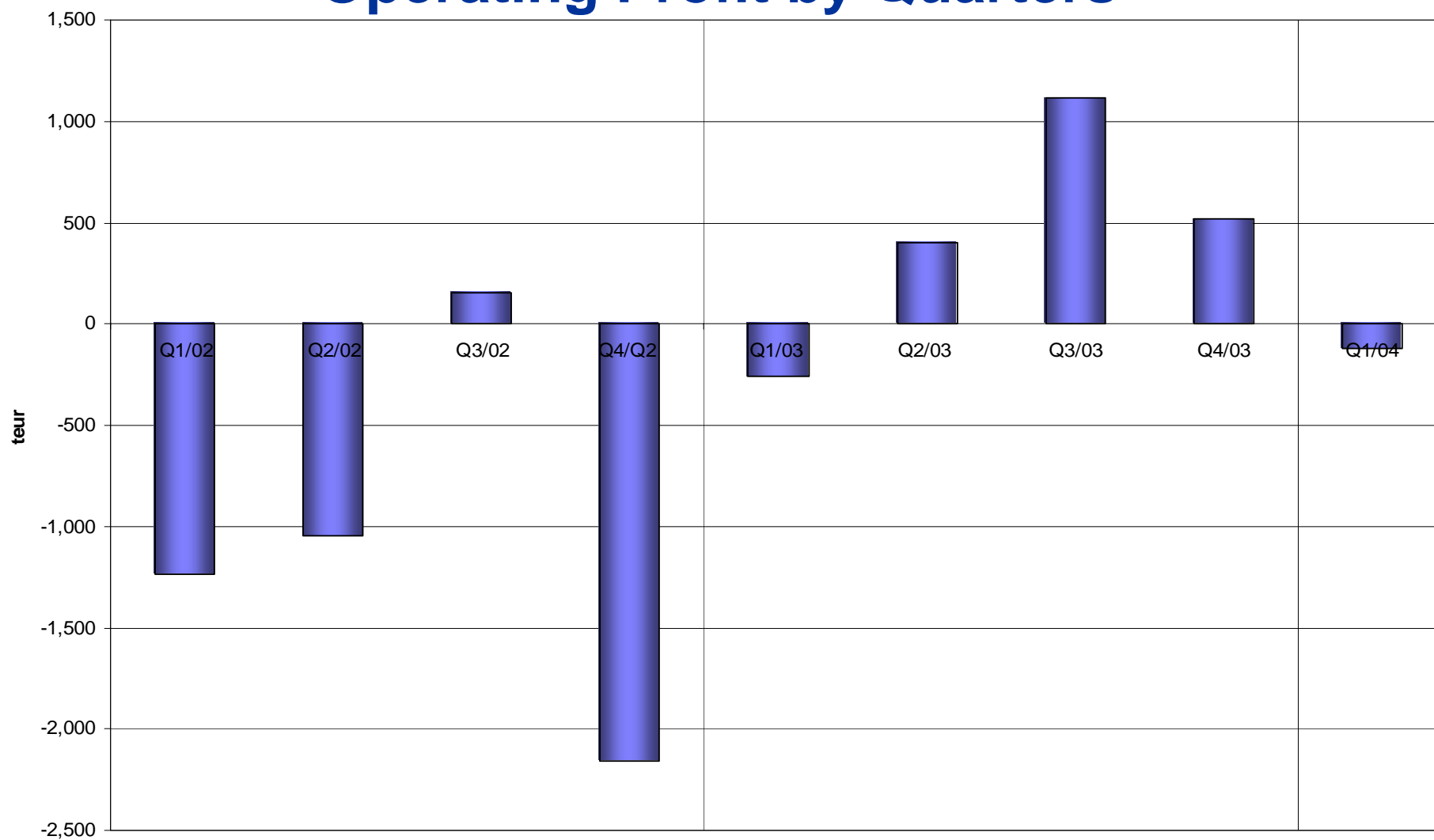


# Net Sales by Quarters

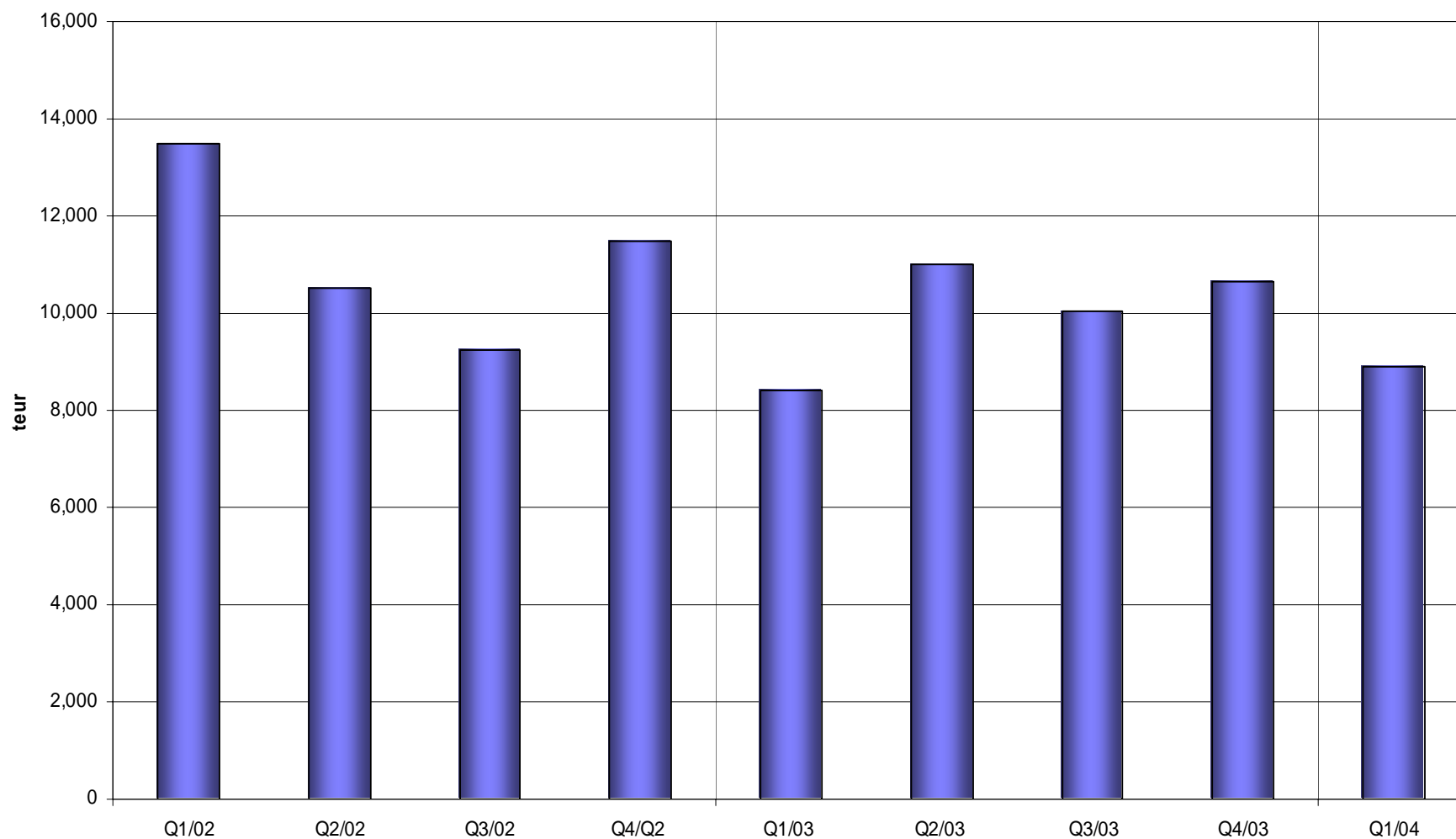




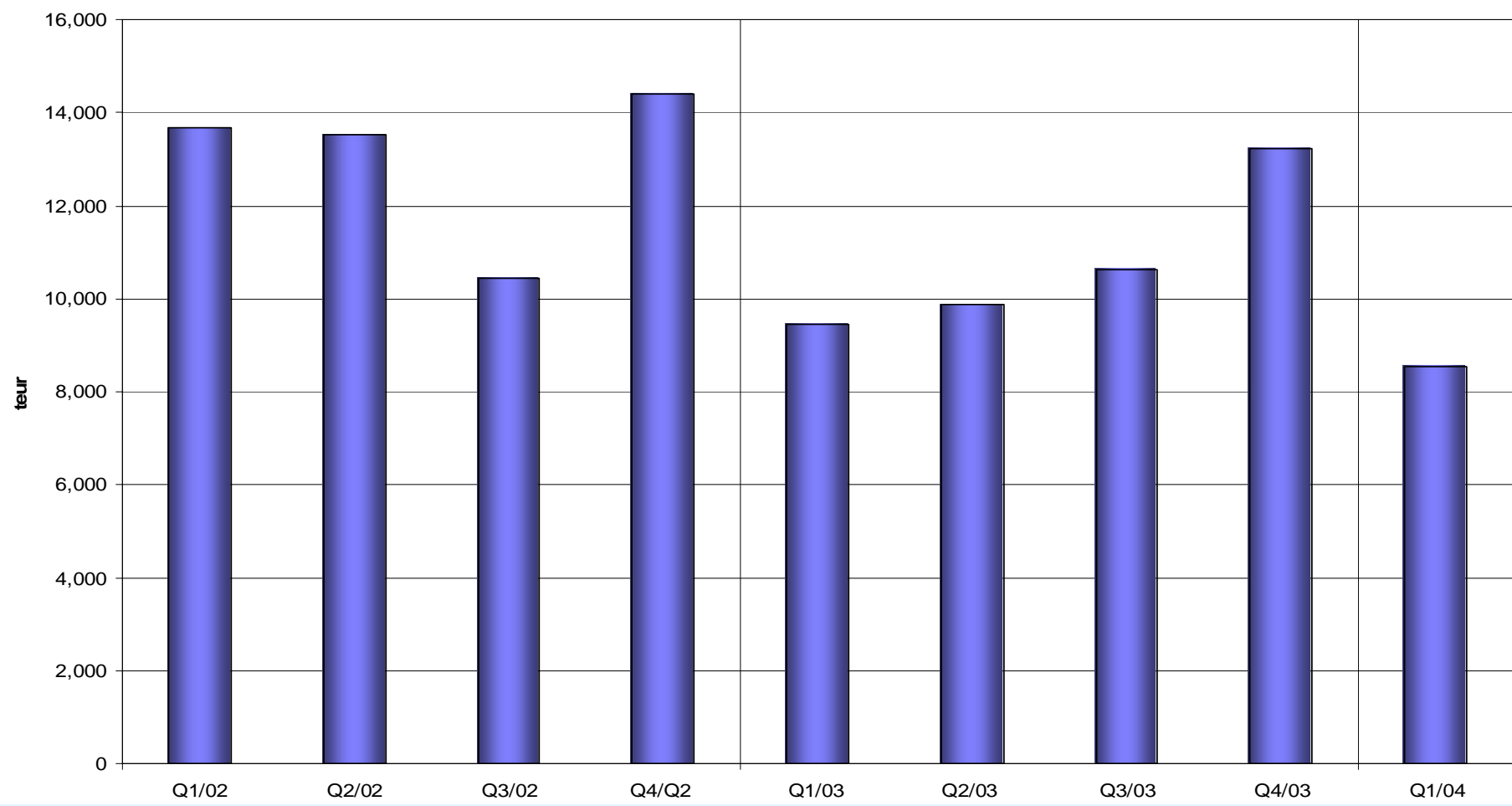
# Operating Profit by Quarters



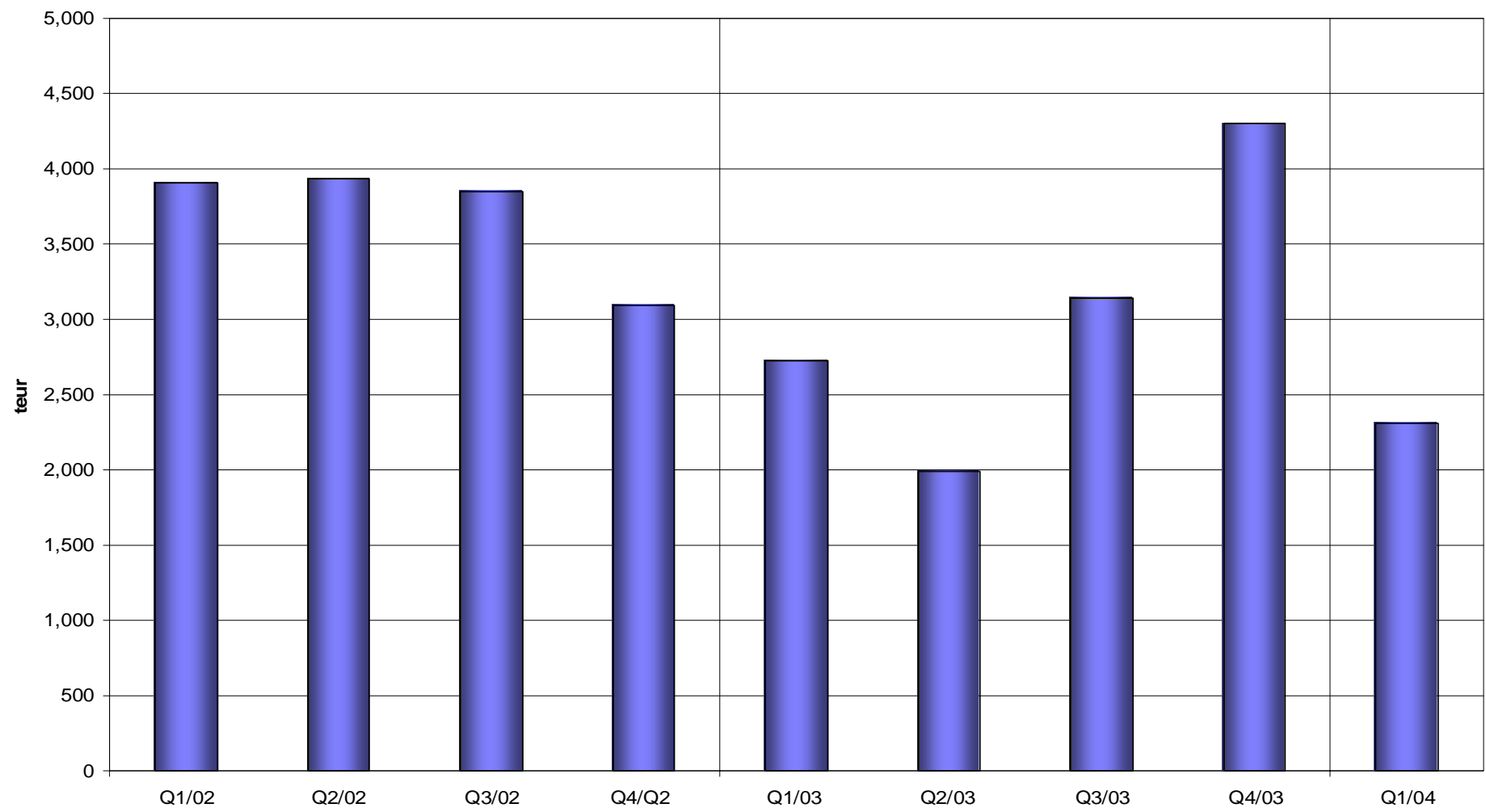
## BCN Orders Received by Quarters



## BCN Net Sales by Quarters

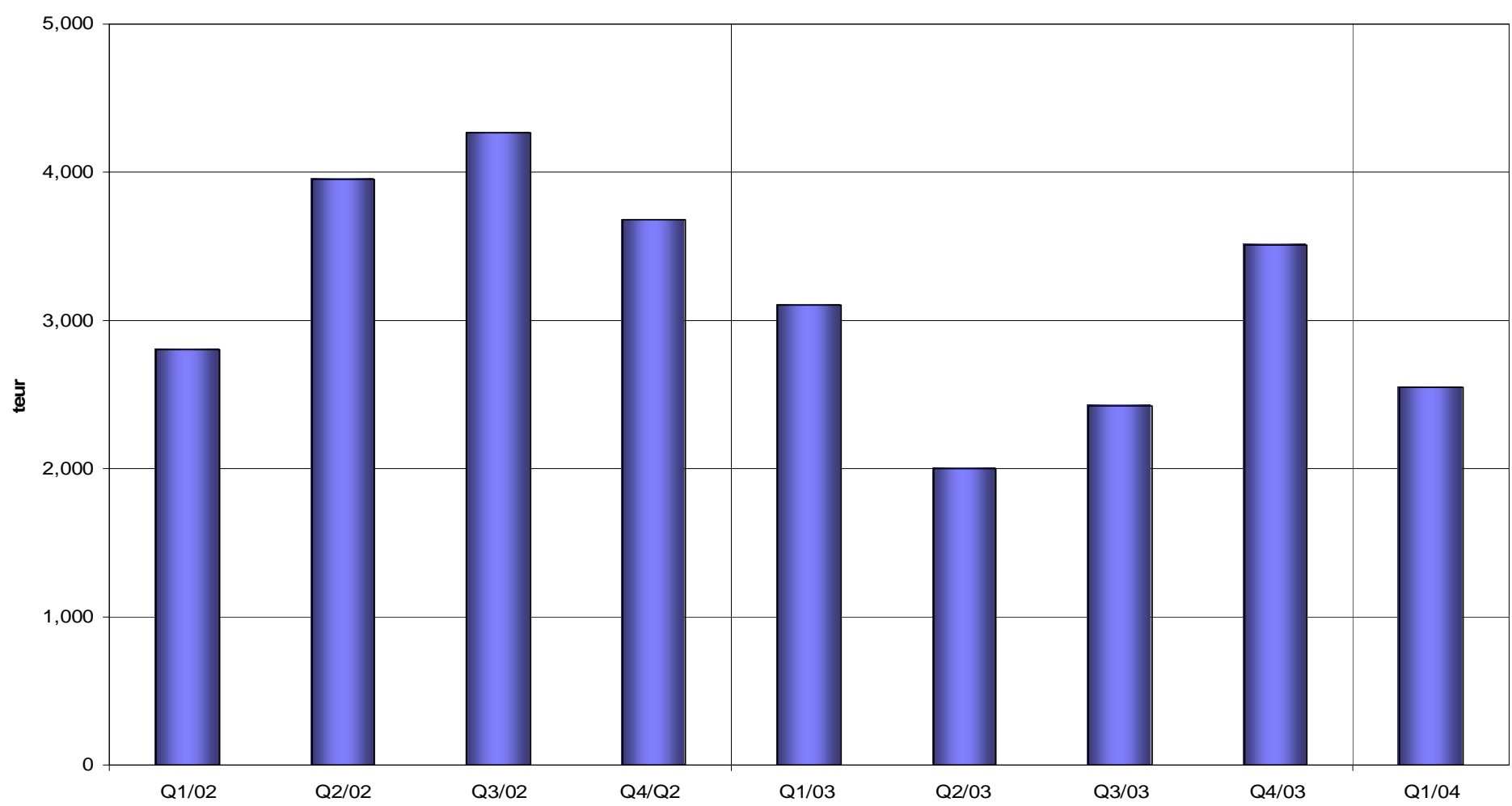


## VN Orders Received by Quarters

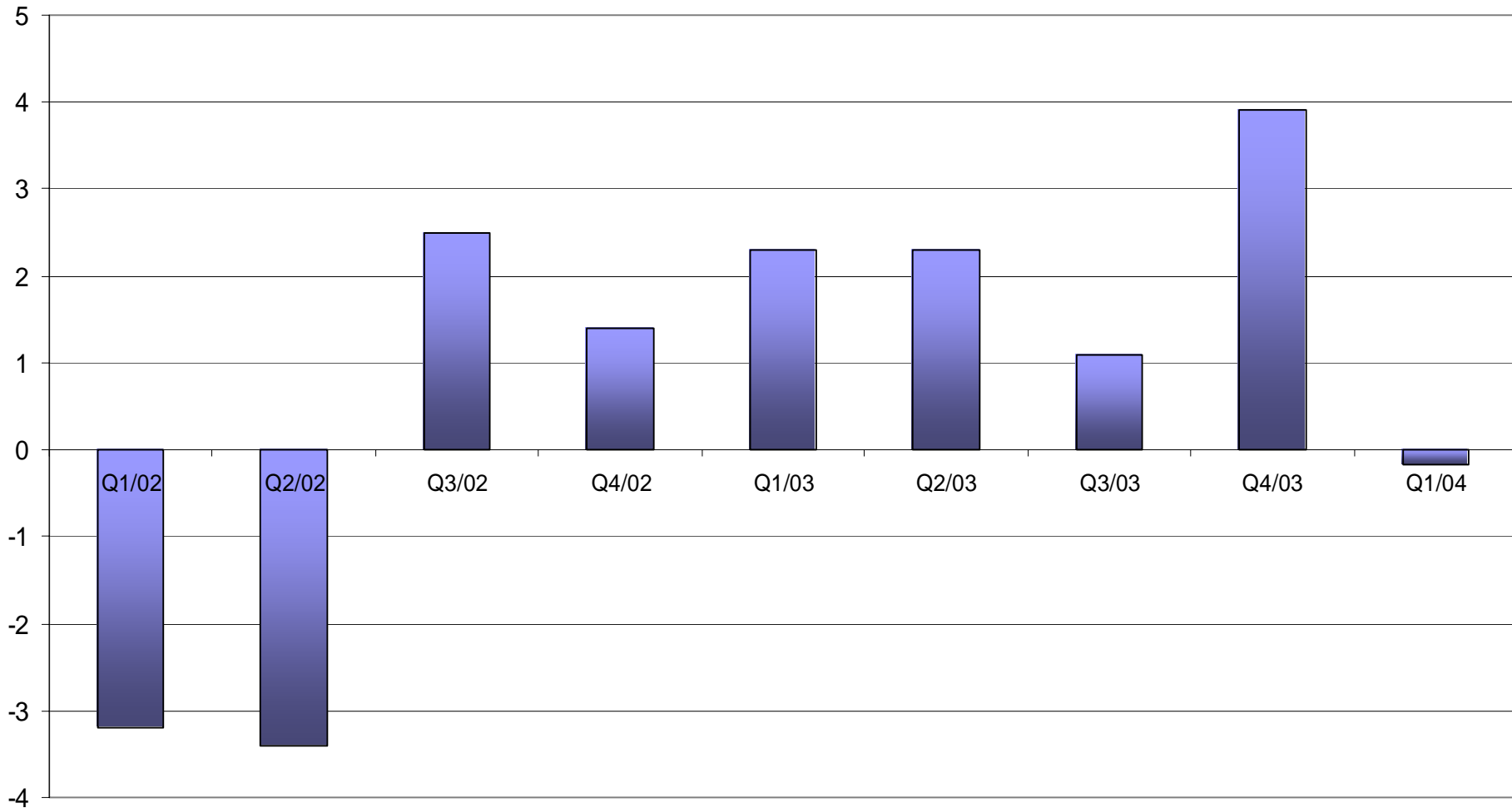




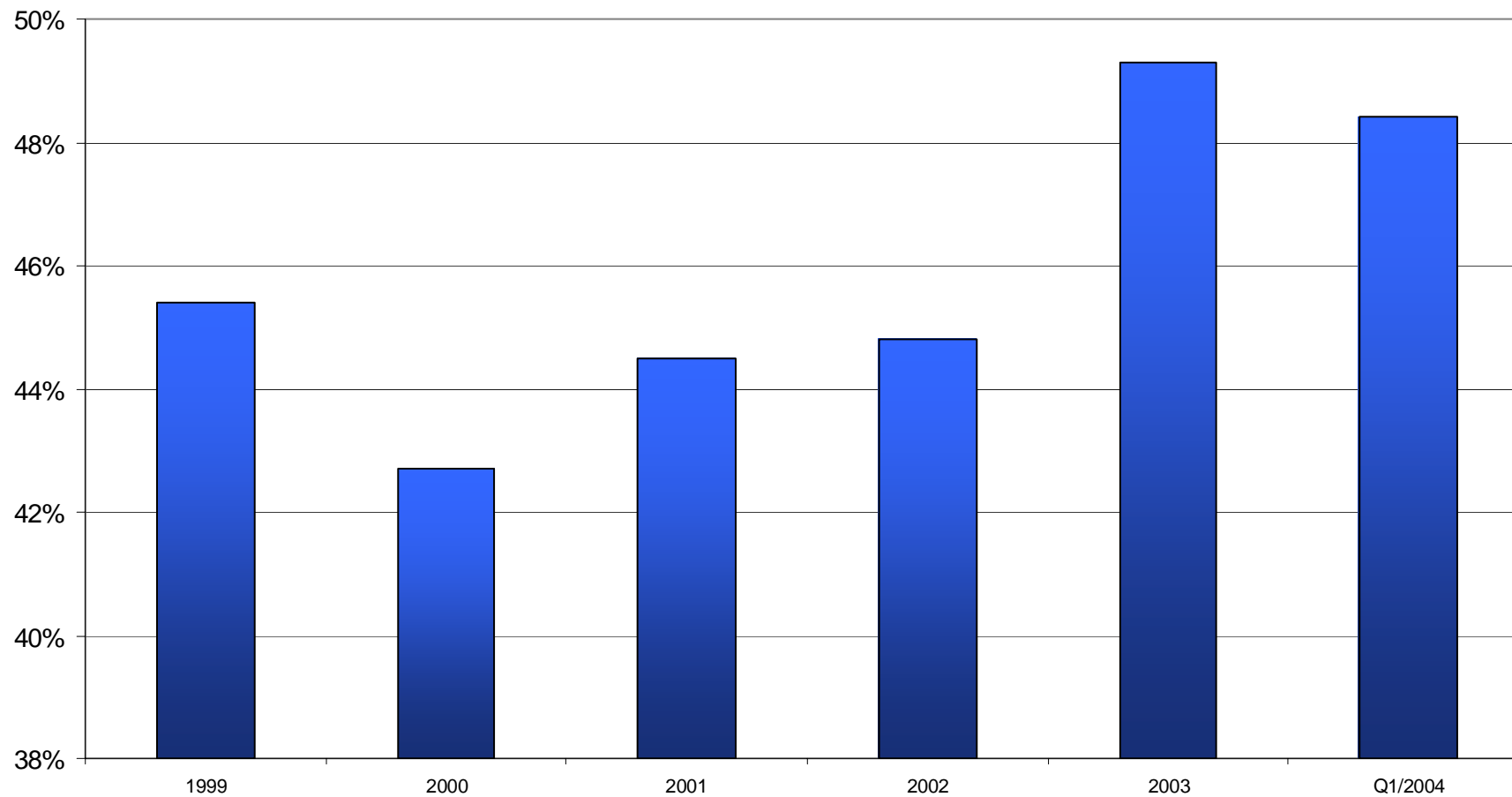
# VN Net Sales by Quarters



# Cash Flow from Operations by Quarters

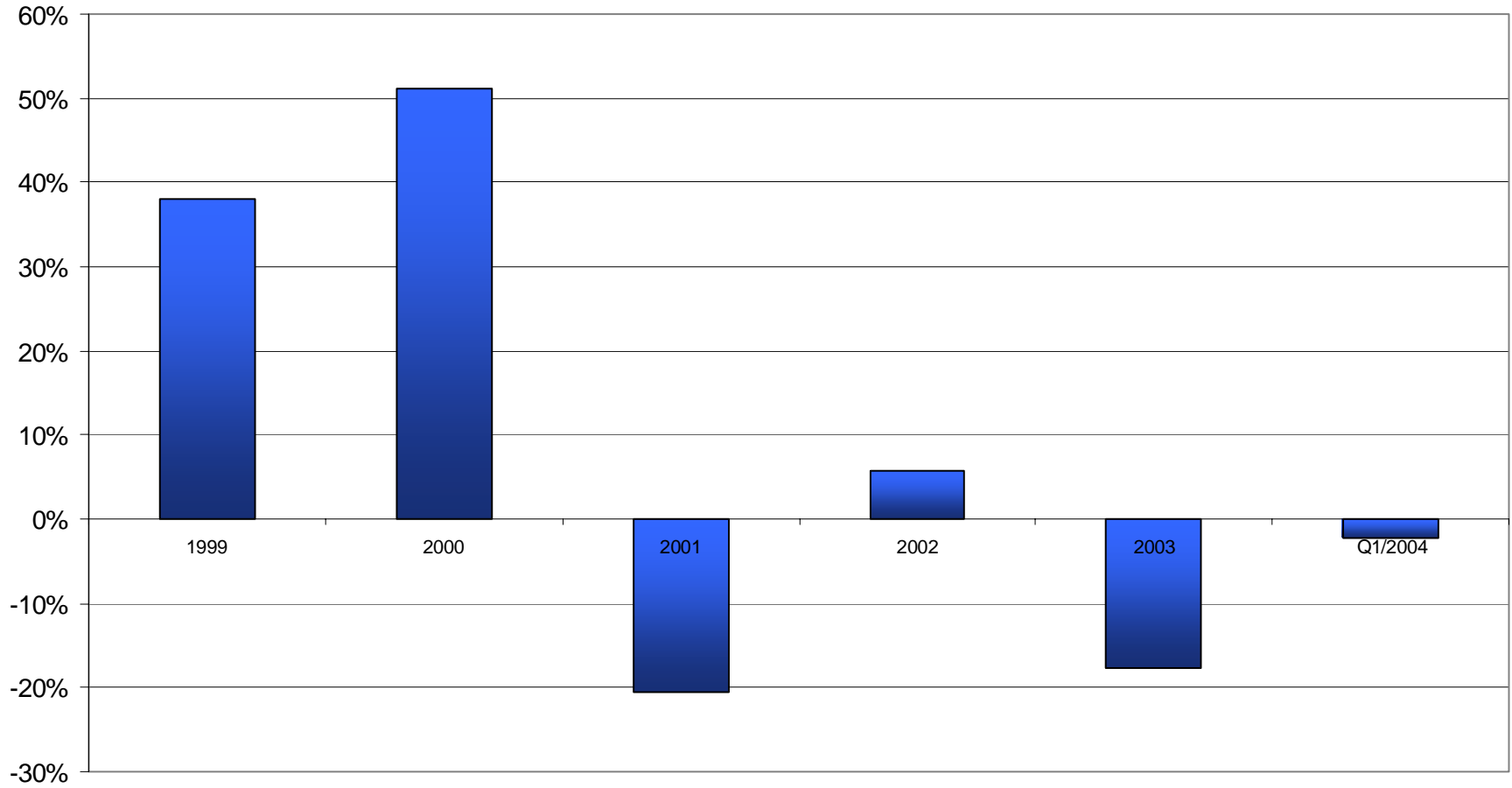


## Equity Ratio %





## Gearing %





## Future Outlook

- Broadband Cable Networks in – Market situation showing concrete signs of positive development
  - Cable operator's business have developed favourable and ownership structures are clearing up
  - Investment plans for upgrading networks have materialised
  - Broadband internet connections still in growing mode
  - We expect the markets to grow this year
- Video Networks - Market situation is expected to develop favourable after a temporary investment block
- Teleste whole year turn over is expected to improve from the last year's
- We expect profitable growth for the whole year