

The background of the slide features a blue-toned image of a telecommunication data center. On the left, there are several vertical racks of equipment with numerous circular ports. Some ports have blue fiber optic cables plugged into them. The right side of the image is dominated by a complex, glowing blue network grid of lines, representing data connections. The overall aesthetic is high-tech and digital.

Teleste

Interim Report Q1/2005

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Market Situation Q1

Positive market climate continues

Broadband Cable Networks

The overall market situation still active in spite of typical seasonal variation

- Cable operators continue the development of new services
- Network upgrades and investments continued especially in Europe
- Intense price competition still prevailed in certain product groups

Video Networks

Strengthened demand for video surveillance

- Investment plans for network management projects growing
- Public Sector slow in its movements

Group Q1

	Q1 2005	Q1 2004	Change%
Orders Received	16.6	11.2	+48%
Net Sales	19.8	11.2	+76%
Operating Profit	1.3	0.1	+774%
Net Profit for the Period	0.7	0.1	+549%

Broadband Cable Networks (BCN) Q1

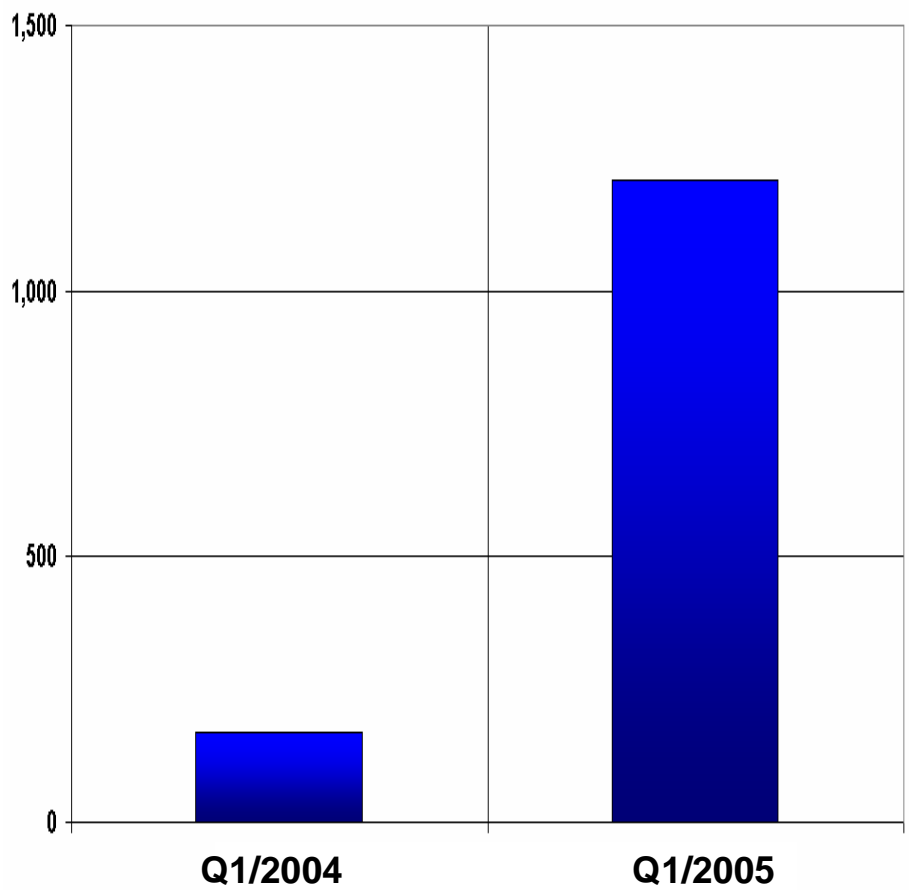
	Q1 2005	Q1 2004	Change%
Orders Received	14.1	8.9	+59%
Net Sales	16.6	8.7	+92%
EBIT	1.2	0.2	+620%

Video Networks (VN) Q1

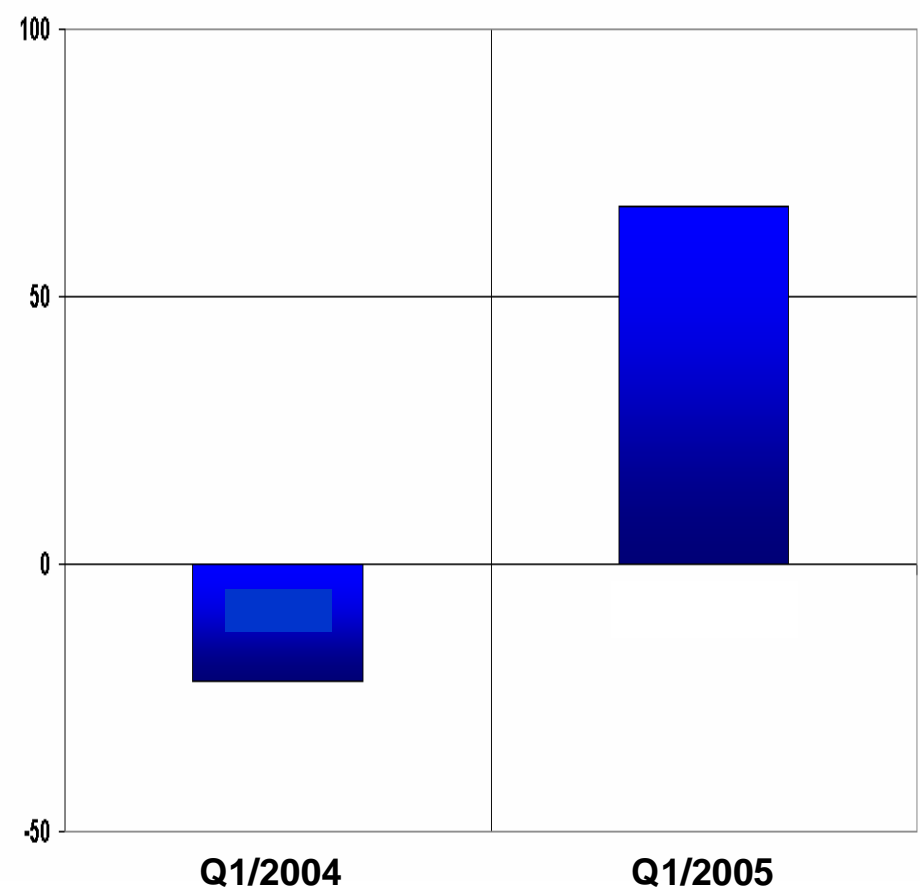
	Q1 2005	Q1 2004	Change%
Orders Received	2.5	2.3	+7%
Net Sales	3.1	2.6	+22%
EBIT	0.1	-0.0	

Segment Report EBIT Q1

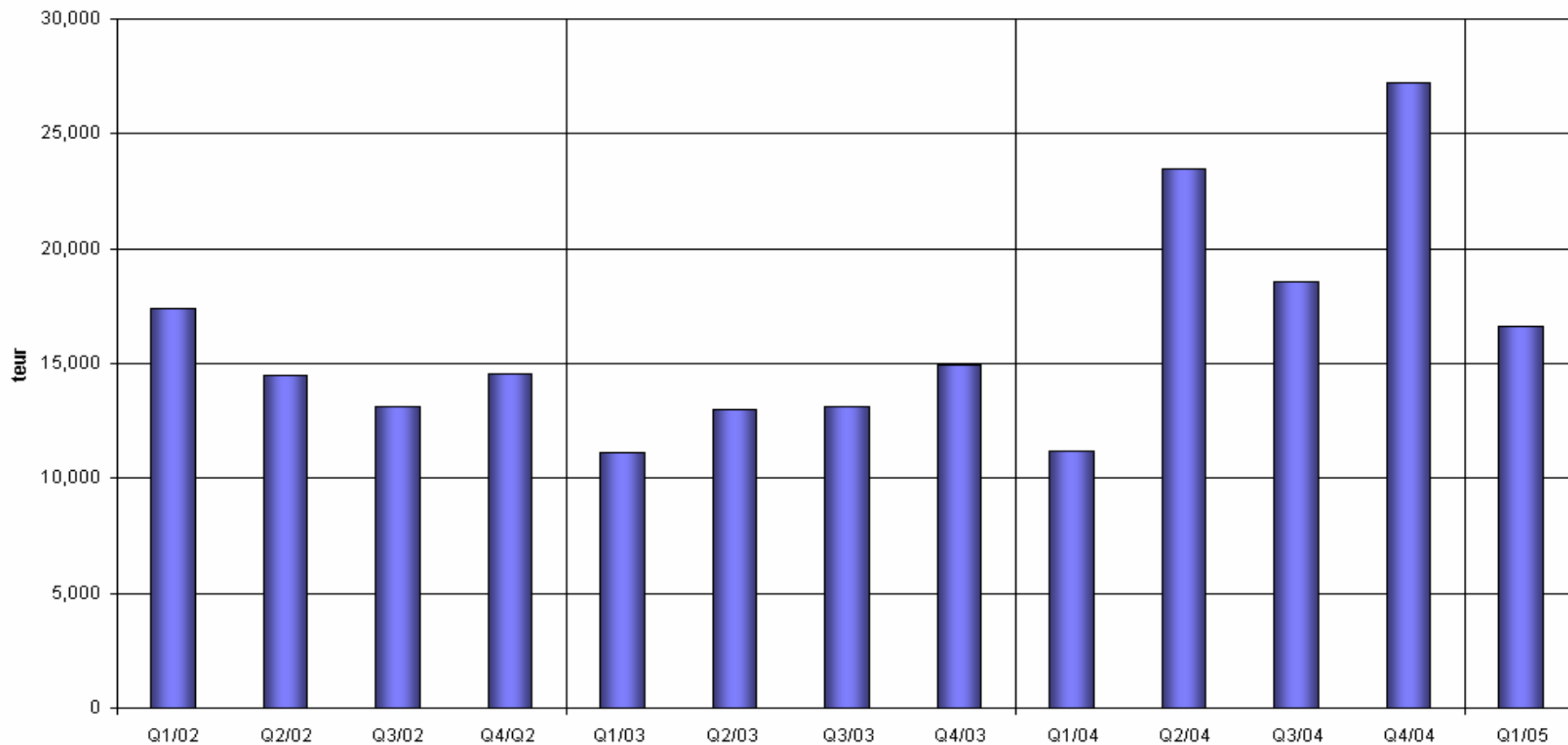
BROADBAND CABLE NETWORKS



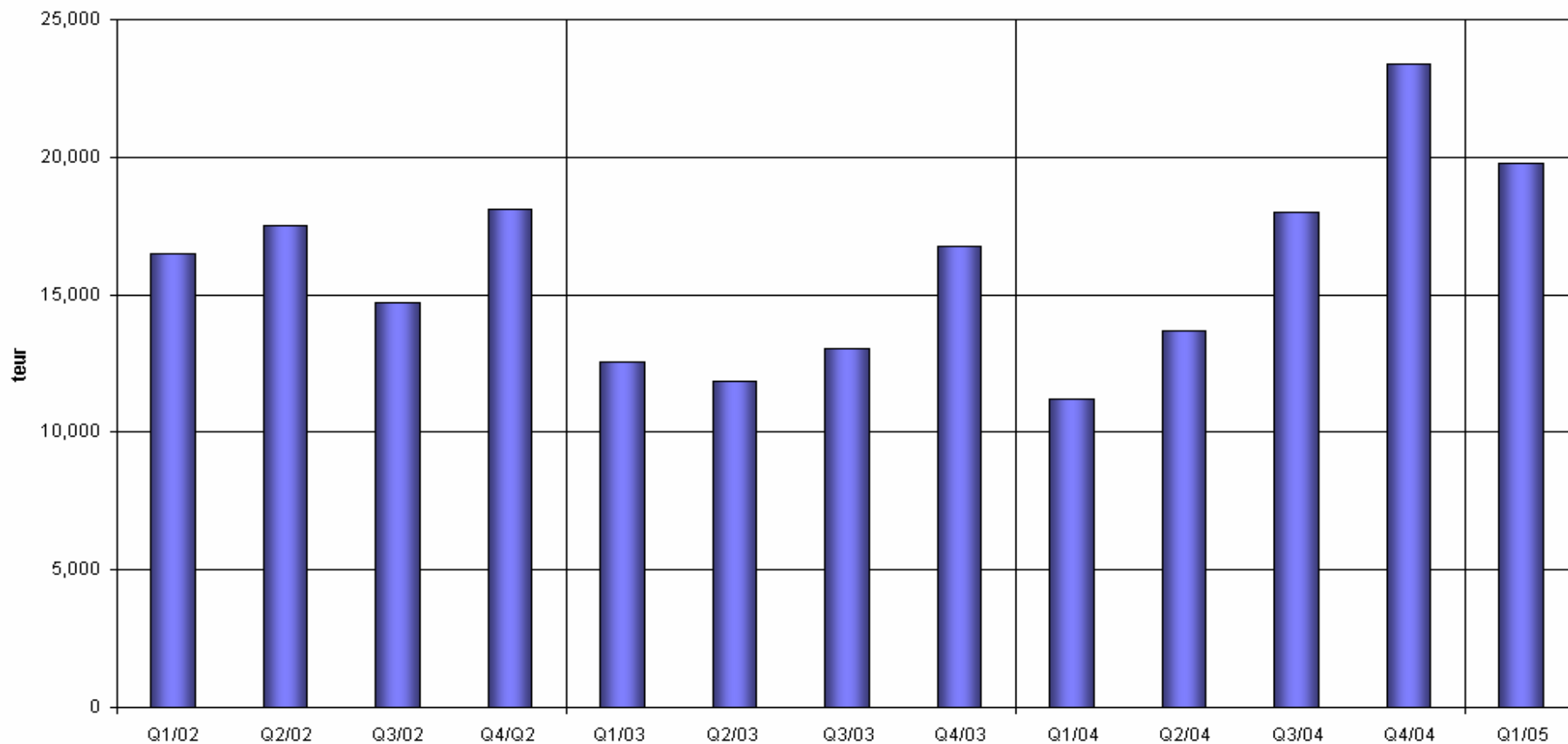
VIDEO NETWORKS



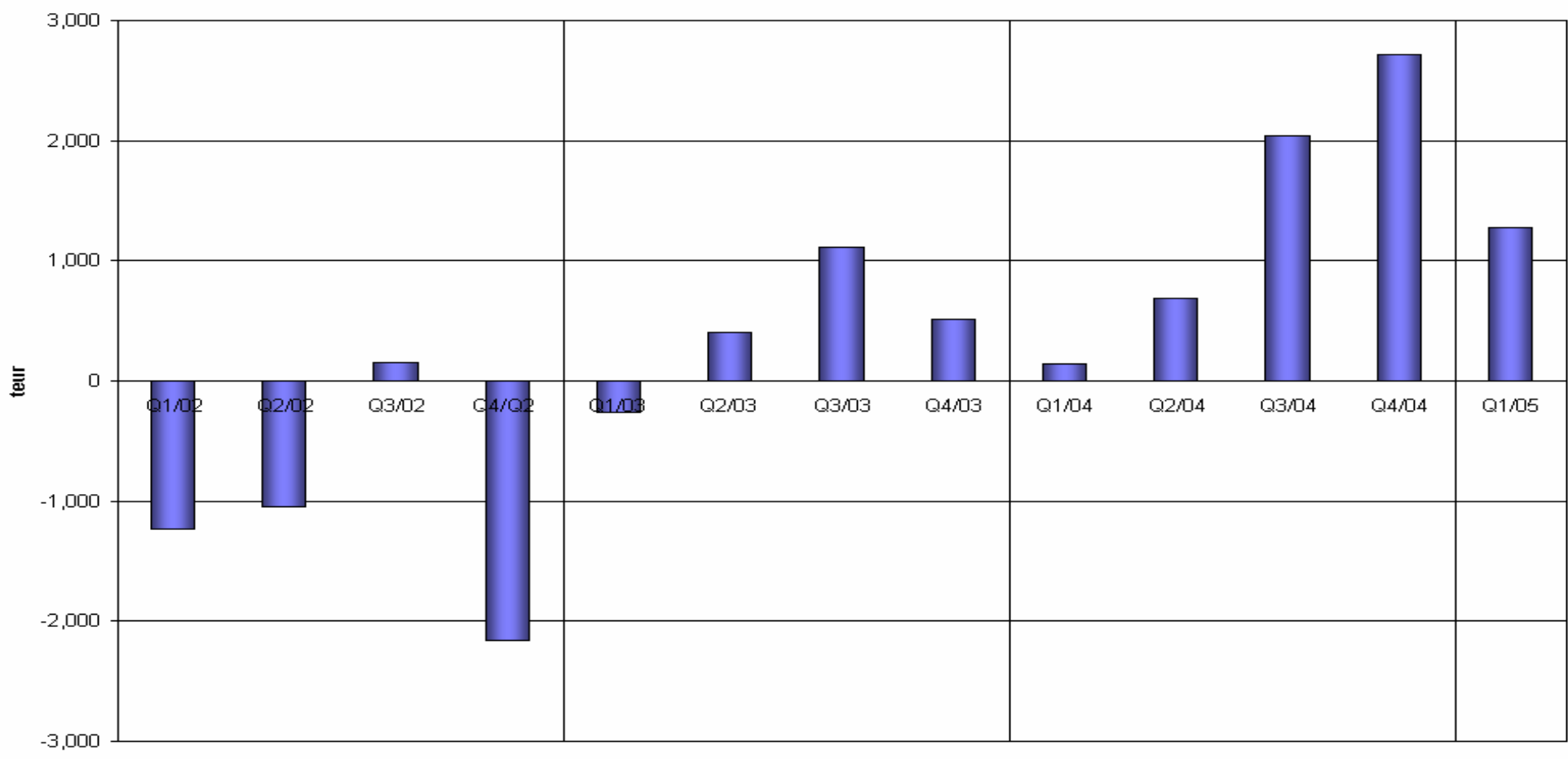
Orders Received by Quarters



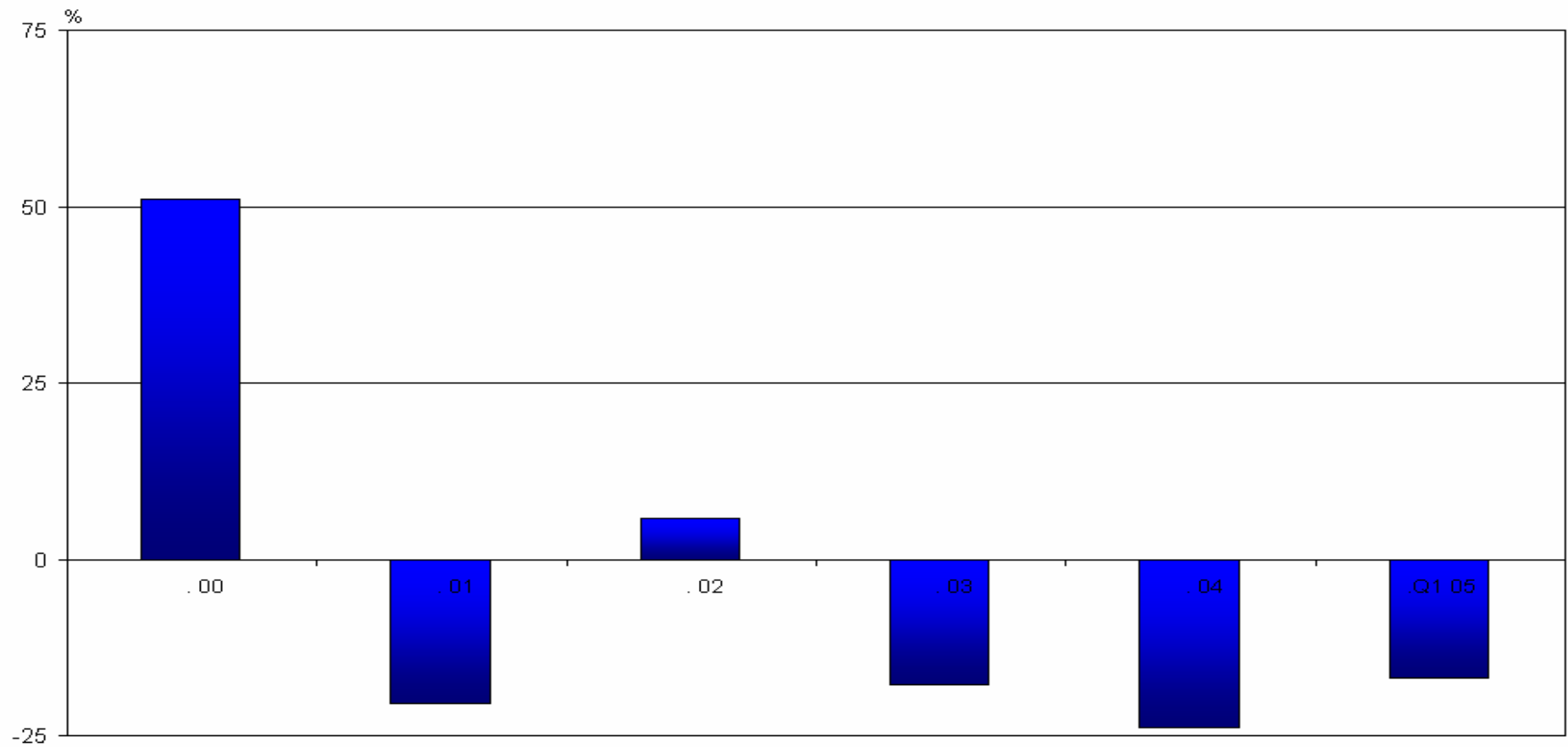
Net Sales by Quarters



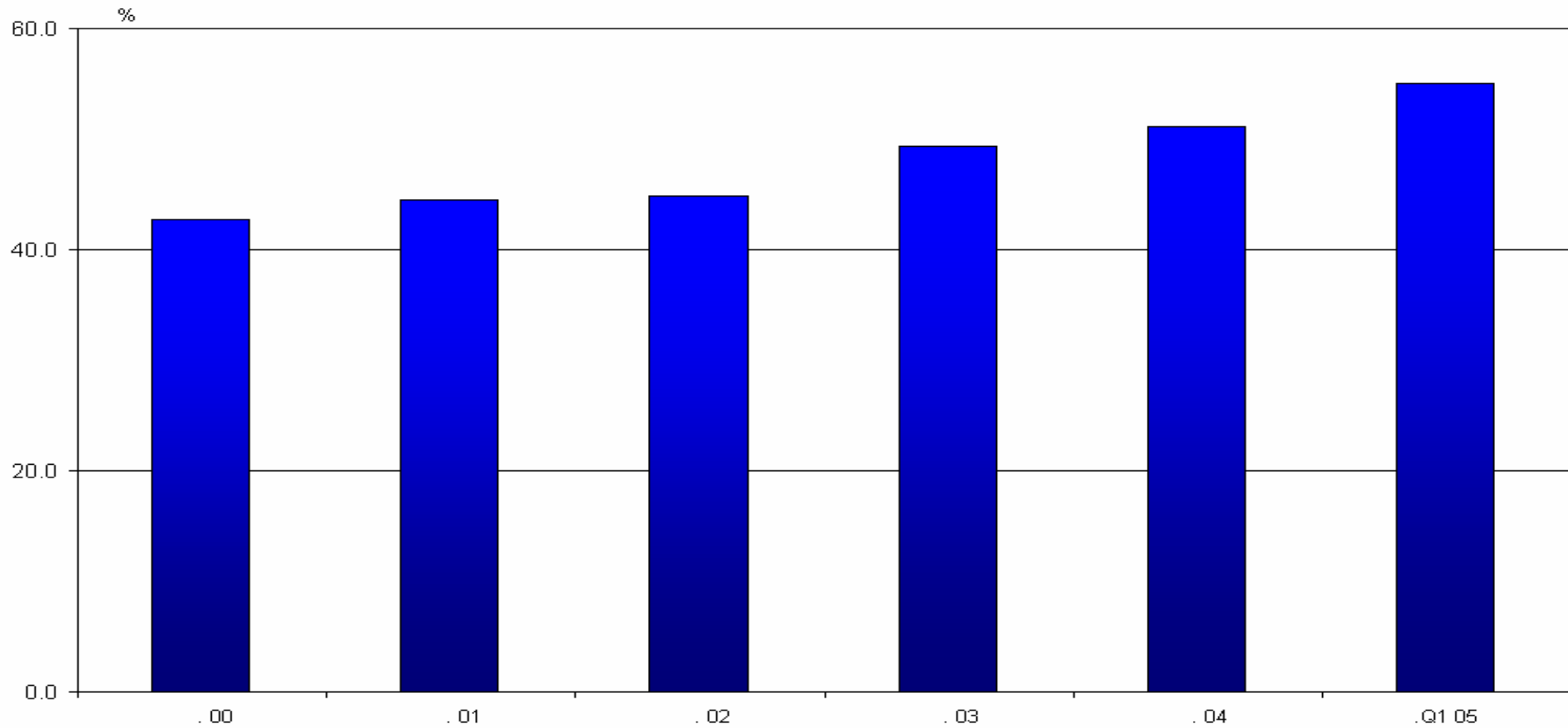
Operating Profit by Quarters



Gearing



Equity Ratio



Future Outlook

- Broadband Cable Networks – We expect market climate to be active
 - Cable operator's operative business improving
 - Investment plans for networks upgrades activating
 - Demand for broadband Internet connections still growing
 - We expect the market growth to continue this year
- Video Networks - We particularly expect the demand for network management projects to strengthen

Teleste's full year sales is expected to improve from the last year's

We expect profitable growth for the full year