

The Telesse logo is rendered in a white, italicized, sans-serif font. It is positioned in the upper right quadrant of the image, set against a background of a blue, glowing network mesh. The mesh consists of numerous thin, intersecting lines that create a complex, web-like pattern. The overall color palette is dominated by various shades of blue, from light cyan to deep navy, with white text providing high contrast.

Telesse

Interim Report Q2/2005

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Market Situation Q2

Positive market climate continues

Broadband Cable Networks

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

- Published frame agreements indicates that there is more focus on long term planning in investment programs
- Cable operators continue the development of new services
- Bandwidth battle going on, ADSL2+...
- Intense price competition still prevailed in certain product groups

Video Networks

Need for better security - strenghtend demand for video surveillance

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

Group Q2

	Q2 2005	Q2 2004	Change%
Orders Received	20.3	23.5	-14%
Net Sales	18.1	13.6	+33%
Operating Profit	1.5	0.7	+113%
Net Profit for the Period	1.0	0.4	+155%
EBIT-%	8.3 %	5.2 %	

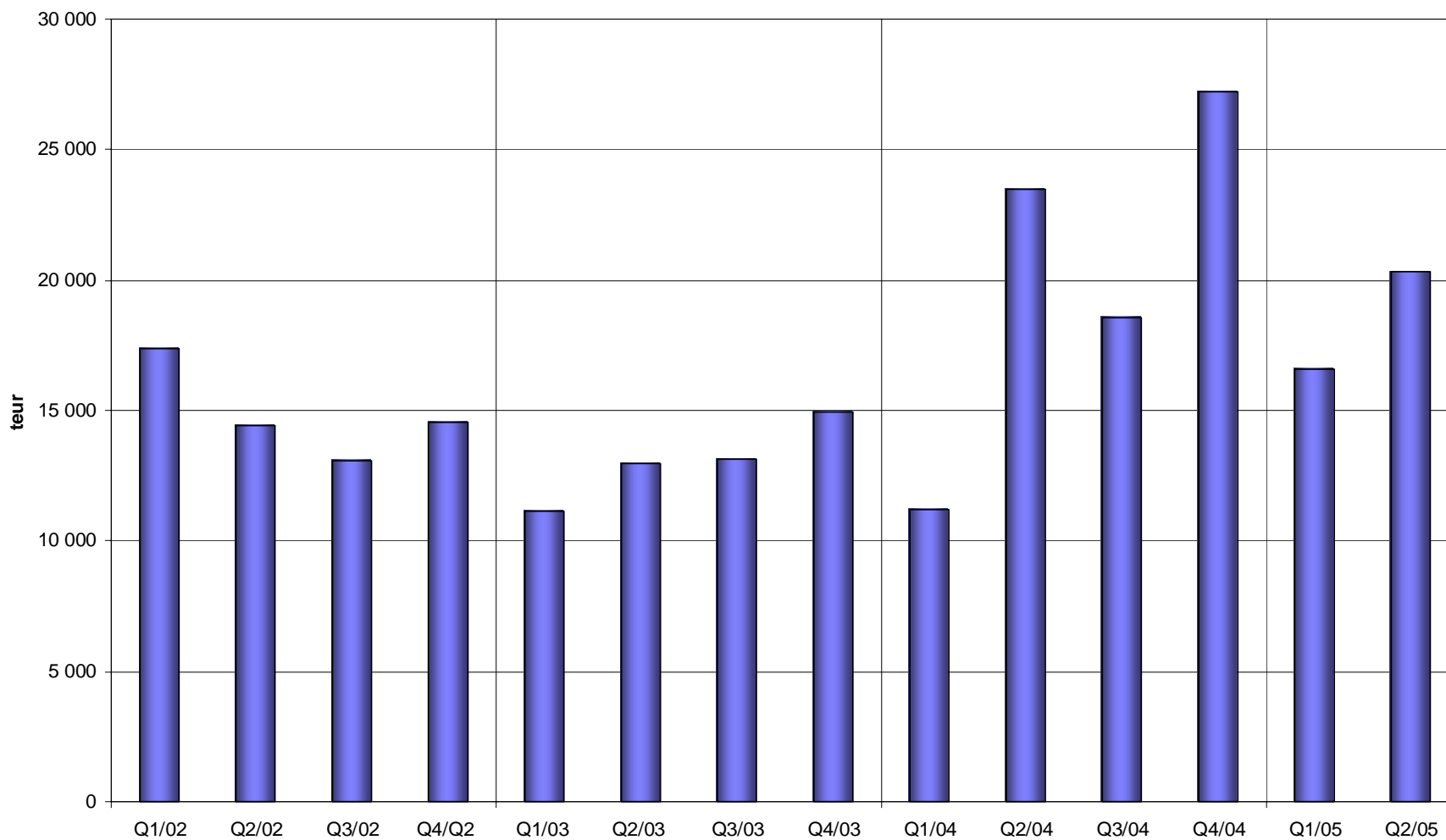
Broadband Cable Networks (BCN) Q2

	Q2 2005	Q2 2004	Change%
Orders Received	17.5	20.5	-15%
Net Sales	14.8	11.0	+35%
EBIT	1.4	0.6	+117%

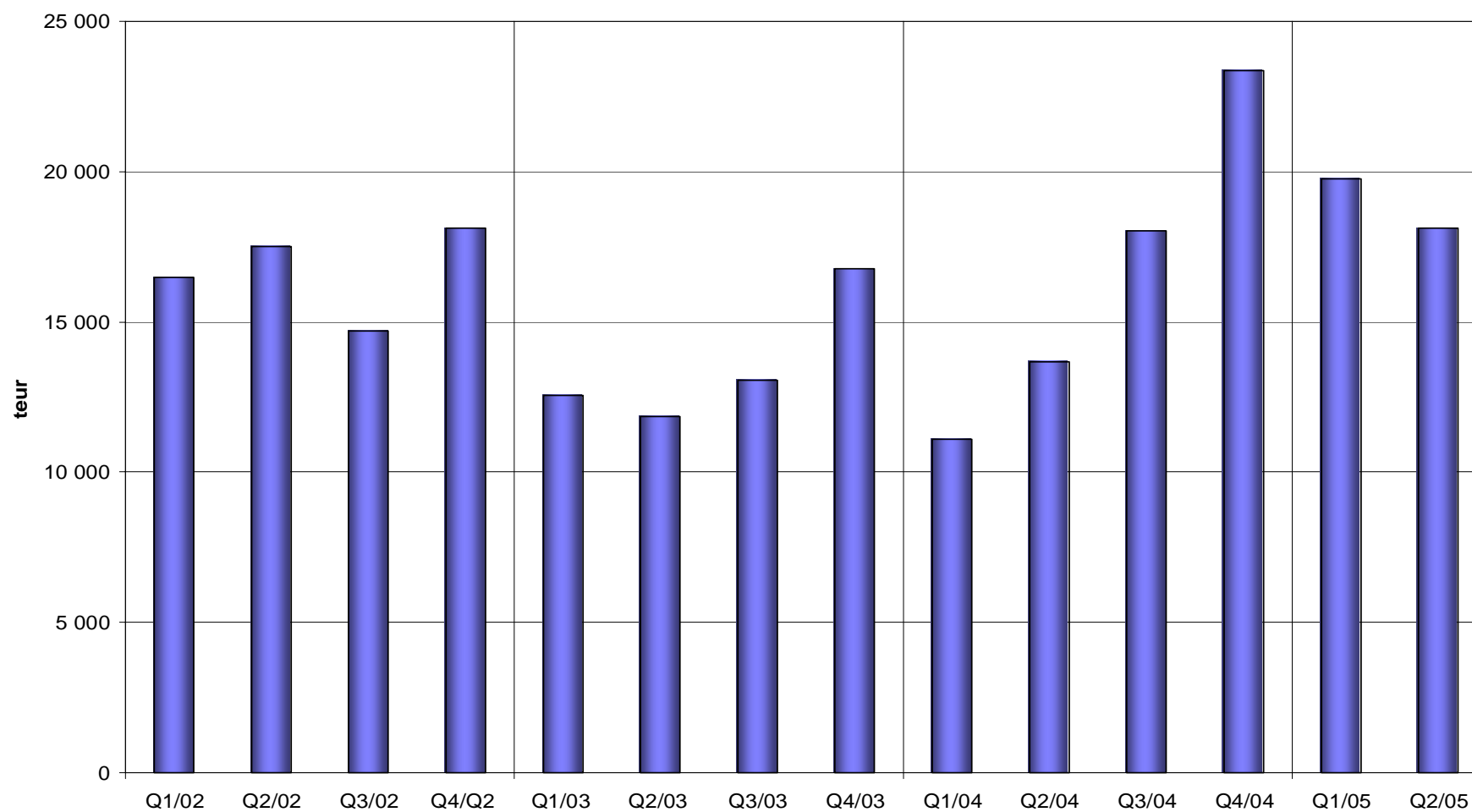
Video Networks (VN) Q2

	Q2 2005	Q2 2004	Change%
Orders Received	2.9	3.0	-4%
Net Sales	3.3	2.6	+27%
EBIT	0.1	-0.0	

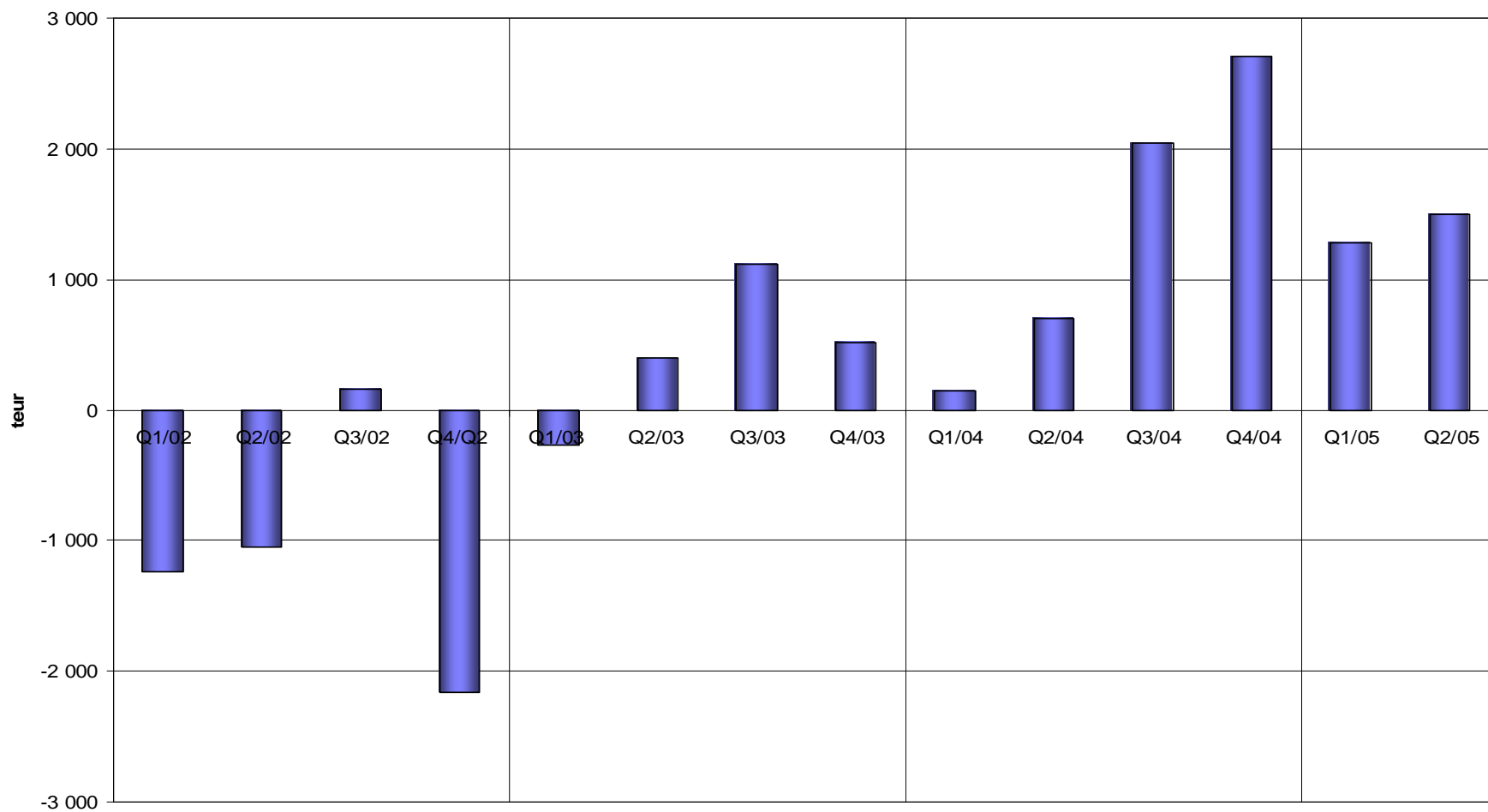
Orders Received by Quarters



Net Sales by Quarters

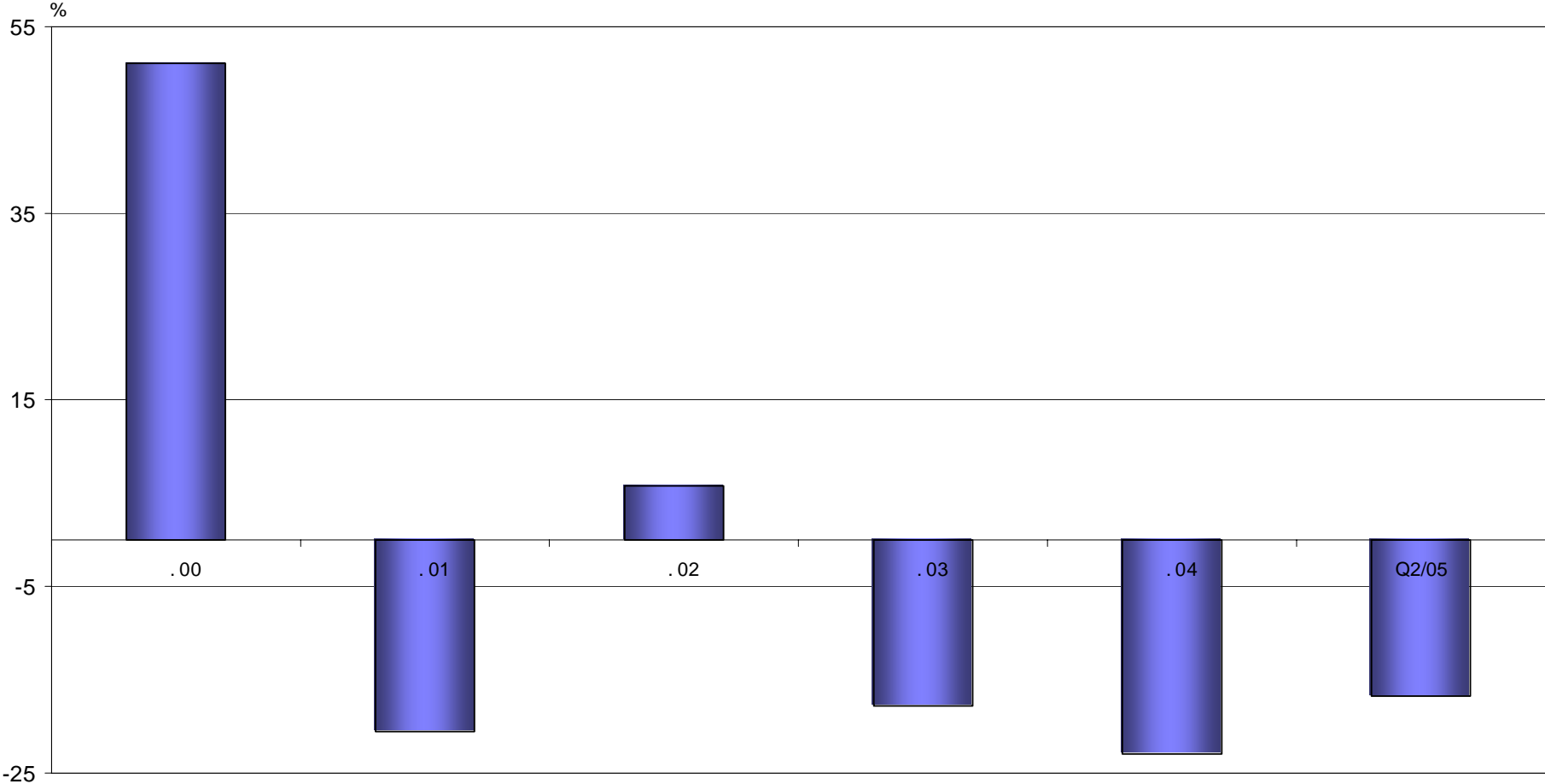


Operating Profit by Quarters

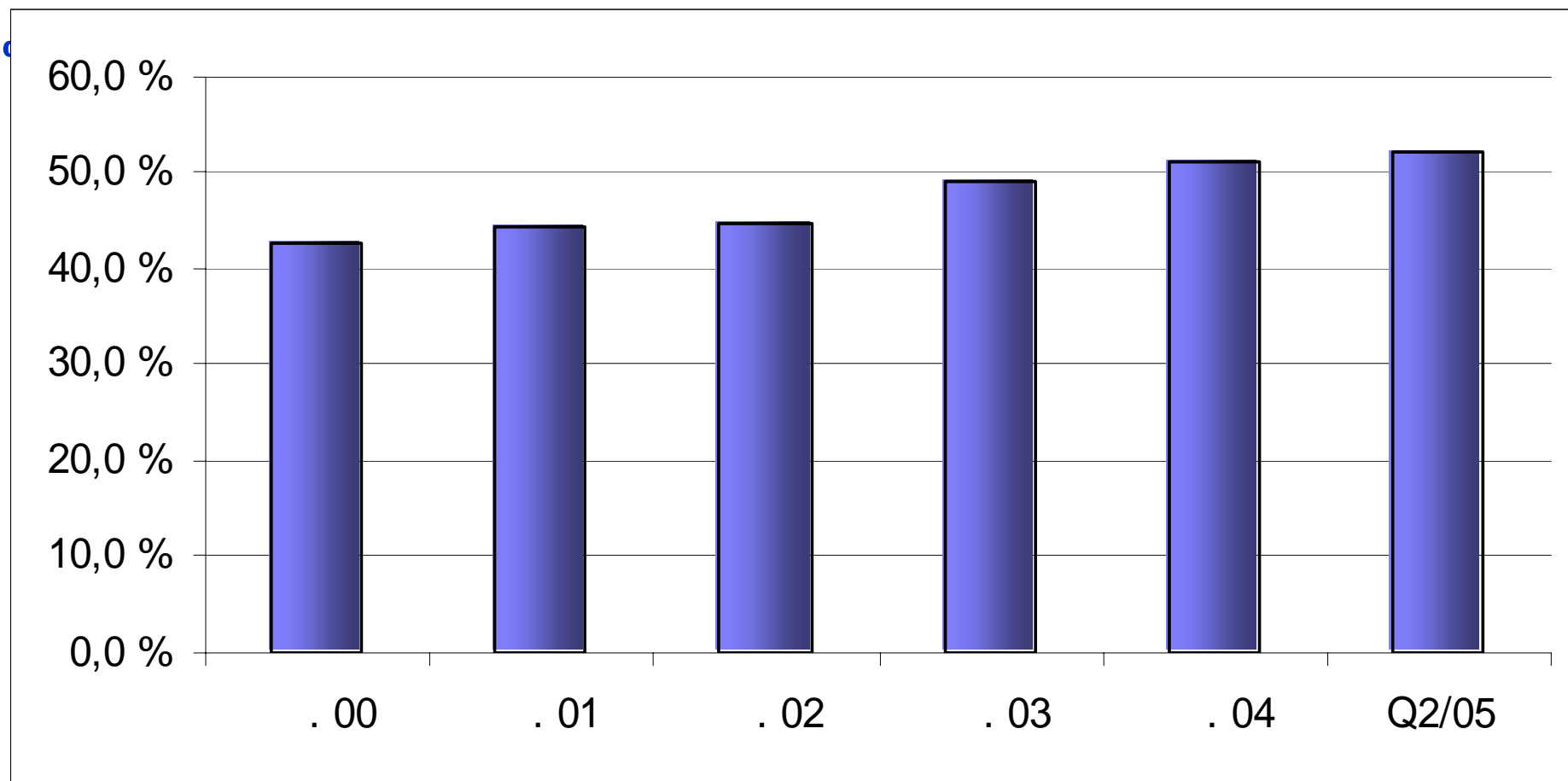




Gearing



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
- VoIP creates higher requirements for access networks
 - 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



Teleste