

The Teleste logo is rendered in a white, italicized, sans-serif font. It is positioned on the right side of the page, overlaid on a background of blue fiber optic cables and a network mesh. The background image shows a close-up of a rack of network equipment with numerous ports and cables, with a blue-tinted overlay of a complex network structure.

Interim Report  
Q3/2006

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## Market Situation in Q3

### Positive market climate continued

#### Broadband Cable Networks

Active market situation particularly in Europe

- Cable operators continued the development of new services
  - Broadband Internet, VoIP and Triple Play
  - German market still growing
- Continued tough price competition in specified product groups
- Customer's consolidation continued and caused some delays in network investments

#### Video Networks

Need for improved security - increased demand for video surveillance

- More large-scale network management projects
  - Active markets: USA, France and England
- and more industry specific solutions

## Group Q3

	Q3 2006	Q3 2005	Change%
Orders Received	24.9	23.9	+4%
Net Sales	27.9	20.4	+36%
Operating Profit	3.5	2.7	+28%
Net Profit for the Period	2.4	1.9	+26%
EBIT-%	12.5 %	13.4 %	

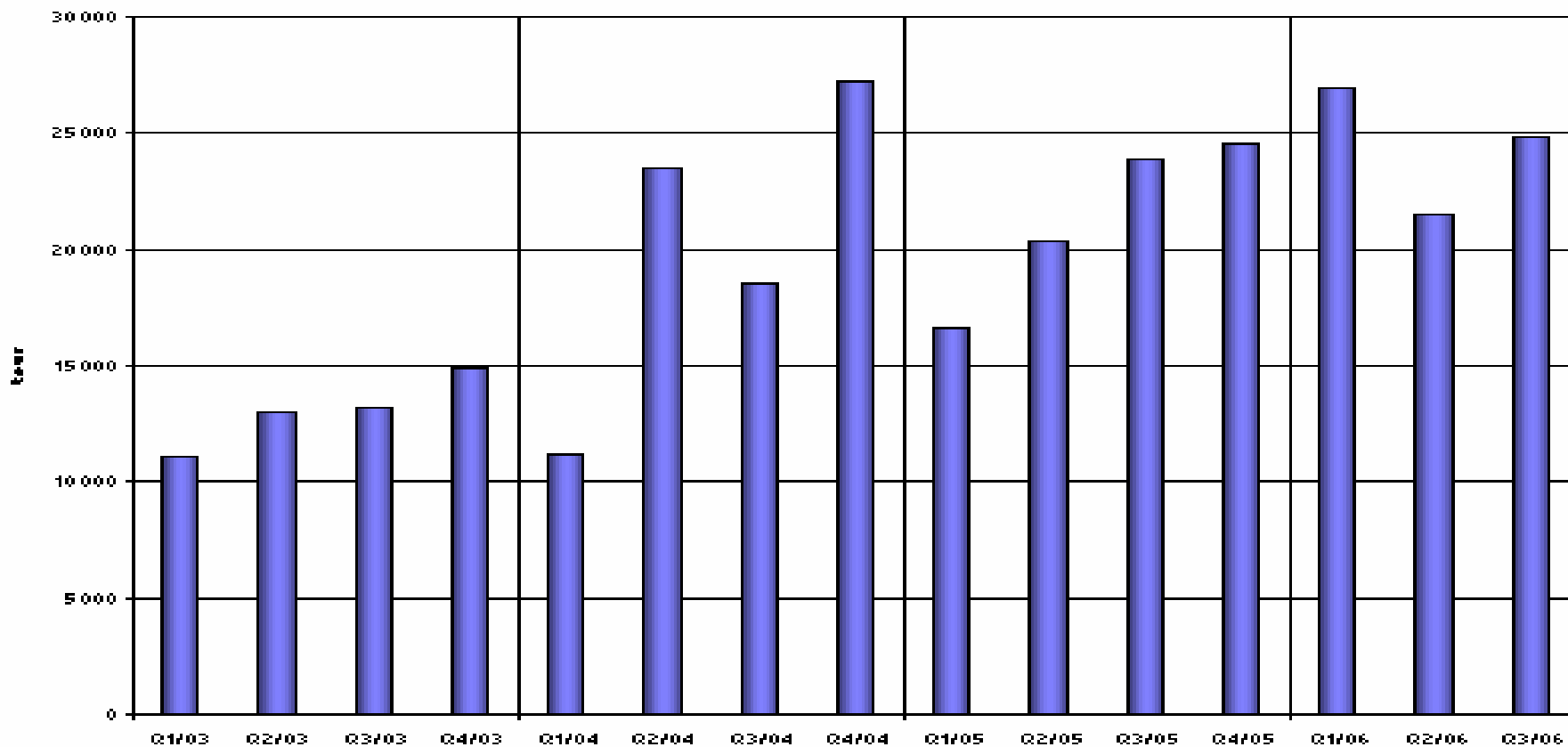
## Broadband Cable Networks (BCN) Q3

	Q3 2006	Q3 2005	Change%
Orders Received	20.4	20.2	+1%
Net Sales	23.6	16.6	+43%
EBIT	3.3	2.3	+46%
EBIT- %	13.9%	13.6%	

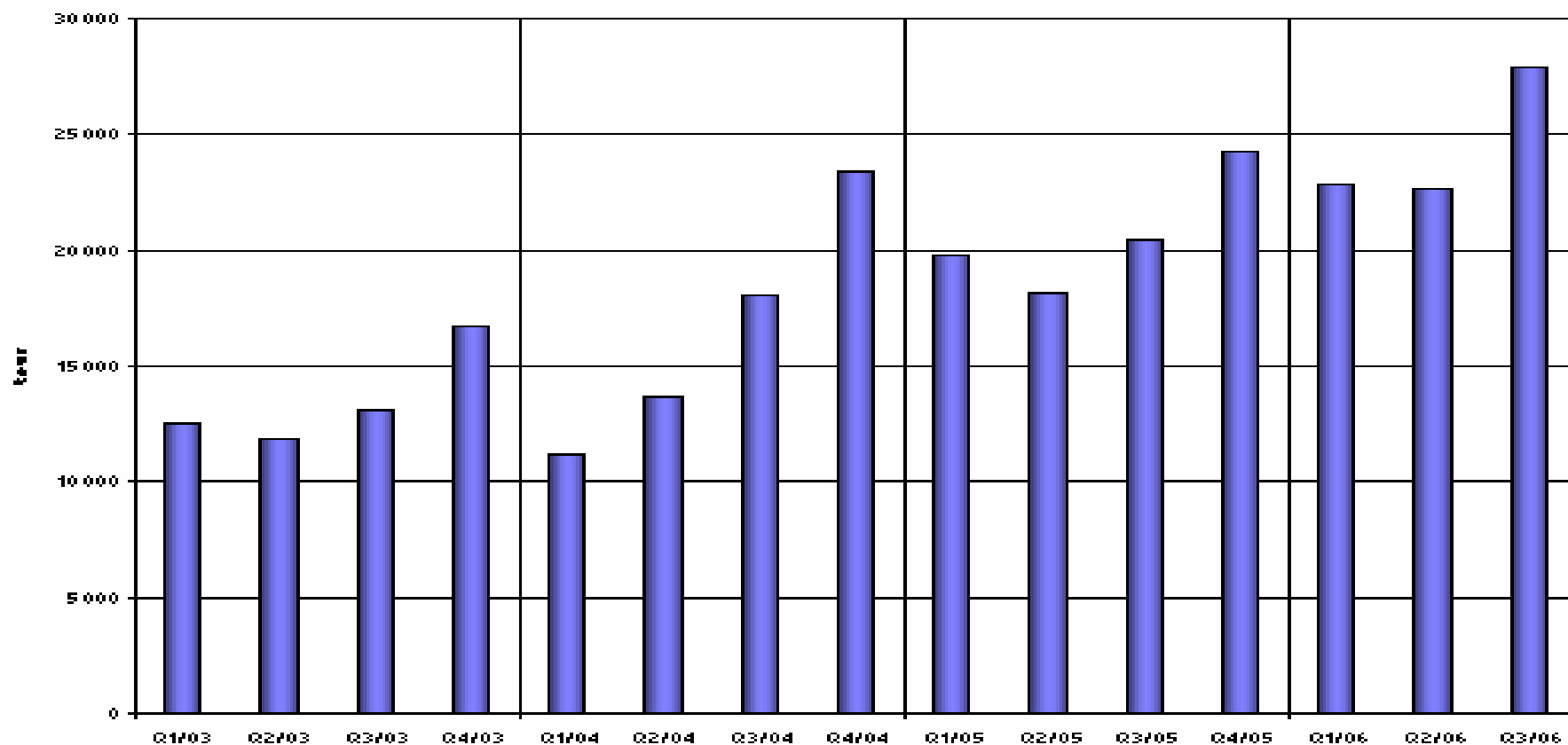
## Video Networks (VN) Q3

	Q3 2006	Q3 2005	Change%
Orders Received	4.4	3.7	+19%
Net Sales	4.2	3.8	+10%
EBIT	0.2	0.5	-59%
EBIT- %	4.6%	12.4%	

## Orders Received by Quarters

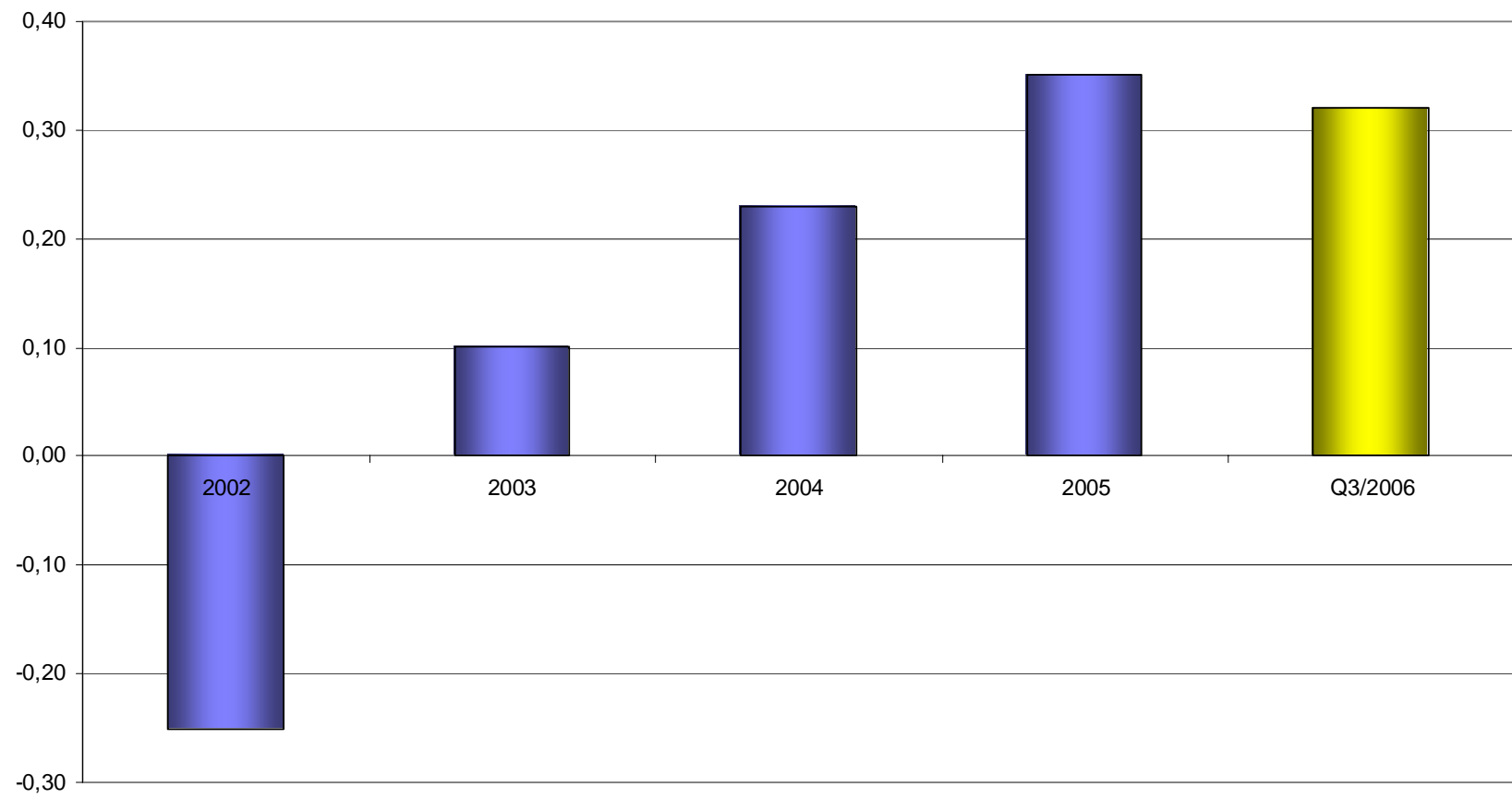


## Net Sales by Quarters

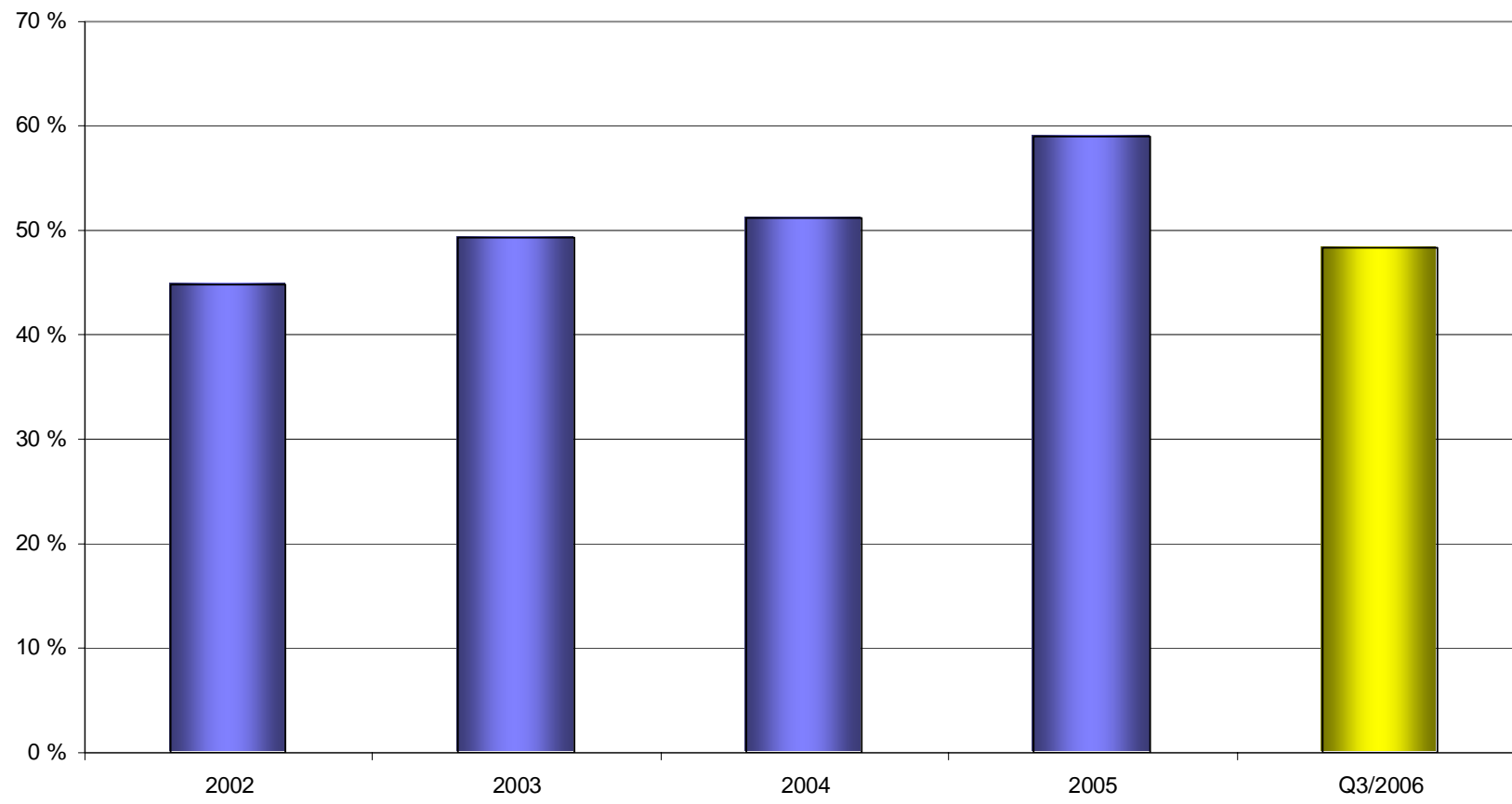




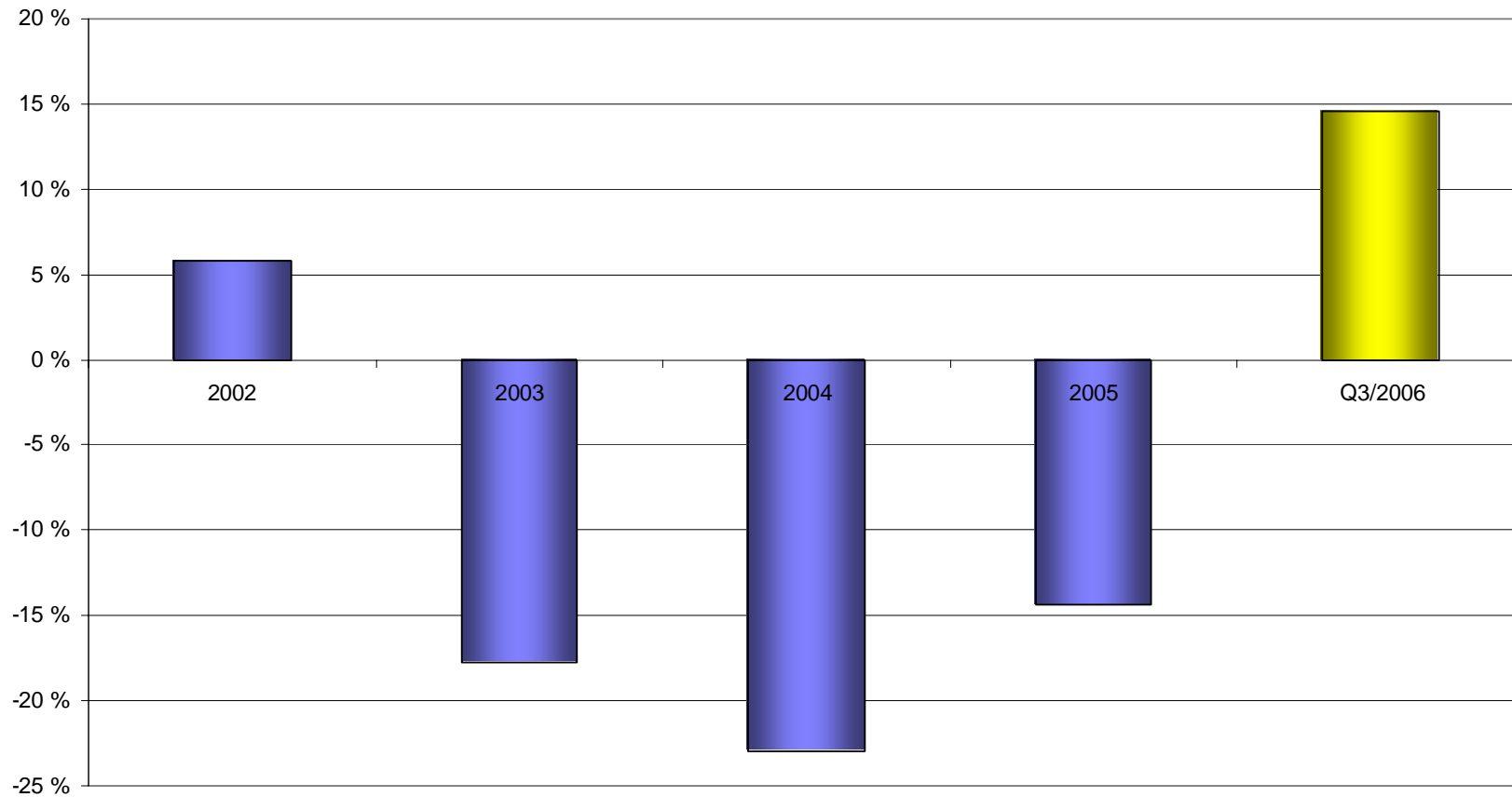
# EPS



## Equity Ratio



## Gearing



## Outlook

Broadband Cable Networks – Market situation is believed to continue active

- Cable operators' operational profitability has improved
- Investments in network upgrades continues, market situation active in Germany
- Video is driving network demand and broadband Internet access growth continues - EttH roll-outs are expected to be accelerated
- Consolidation of cable operators continues
  - We expect positive market climate to continue in 2006

Video Networks – Particularly large-scale network management projects and industry specific solutions are on the increase. Demand for new and more intelligent solutions growing

- **Teleste's net sales and post-tax profit for 2006 will increase from the previous year**
- **We estimate the market for 2007 to continue favourably in both our businesses**



*Teleste*