

**AMENDMENT OF THE TERMS AND CONDITIONS OF THE STOCK OPTION PLANS FOR
YEARS 2002 AND 2004**

The Annual General Meeting of Shareholders of Teleste Corporation has on 8 April 2002 and on 16 March 2004 approved stock option plans regarding granting stock option rights.

Due to the fact that the Board of Directors proposes to the Annual General Meeting of Shareholders to be held on 3 April 2007 that the current Articles of Association of the Company be amended to the effect that the references to the nominal value of the share be deleted, and because the new Companies Act that entered into force on 1 September 2006 allows to record the subscription price under the invested non-restricted equity fund, the Board of Directors proposes that the references to the nominal value of the shares be deleted from the terms and conditions of the stock option plans and that the subscription price of the shares be recorded under the invested non-restricted equity fund. Consequently, the provision on the maximum increase in share capital shall be deleted from the terms and conditions. In addition, a provision according to which the subscription price must always be at least EUR 0.40 shall be added to the terms and conditions of the stock option plans.

As regards the nominal value of the share, the above amendments shall be made only provided that the General Meeting approves the Board of Directors' proposal on abandoning the nominal value. In case the General Meeting would decide to retain the nominal value, the Board of Directors proposes that the terms and conditions of the option plans be amended so that the amount of the subscription price exceeding the nominal value be recorded under the invested non-restricted equity fund.

Helsinki, 14th March, 2007

Teleste Corporation
The Board of Directors