

**PROPOSAL TO GRANT AN AUTHORIZATION TO THE BOARD TO ISSUE SHARES, TO
CONVEY OWN SHARES AND TO GRANT SPECIAL RIGHTS**

The Board of Directors of Teleste Corporation proposes to the Annual General Meeting of Shareholders to be held on 3 April 2007 that the Board of Directors be authorized to decide on

- (i) issuing new shares and/or
- (ii) conveying the Company's own shares held by the Company and/or
- (iii) granting special rights entitling to shares

on the following terms and conditions:

1. Right to the shares

New shares may be issued and the Company's own shares held by the Company may be conveyed:

- to the Company's shareholders in proportion to their current shareholdings in the Company; or
- waiving the shareholder's pre-emption right, through a directed share issue if the Company has a weighty financial reason to do so, such as using the shares as consideration in future acquisitions or other arrangements related to the Company's business, as financing for investments or as part of the Company's incentive program.

The new shares may also be issued in a free share issue to the Company itself.

2. Share issue against payment and for free

New shares may be issued and the Company's own shares held by the Company may be conveyed either against payment ("Share Issue Against Payment") or for free ("Free Share Issue").

3. Maximum number of shares

A maximum of 4.500.000 new shares may be issued.

A maximum of 1.730.000 of the Company's own shares held by the Company may be conveyed.

The number of shares to be issued to the Company itself together with the shares repurchased to the Company on basis of the repurchase authorization shall be at the maximum of 1.290.000 shares. This maximum number of shares shall include the Company's own shares held by the Company itself or its subsidiary as specified in Chapter 15, Section 11, Paragraph 1 of the Companies Act.

4. Granting of special rights

The Board of Directors is authorized to grant special rights referred to in Chapter 10, Section 1 of the Companies Act, which carry the right to receive, against payment, new shares of the Company or the Company's own shares held by the Company. The right may also be granted to the Company's creditor in such a manner that the right is granted on a condition that the creditor's receivable is used to set off the subscription price.

The maximum number of shares that may be subscribed with the special rights granted by the Company is 1.730.000 shares.

5. Recording of the subscription price

The subscription price of the new shares and the consideration payable for the Company's own shares shall be recorded under the invested non-restricted equity fund.

6. Other terms and validity

The Board of Directors shall decide on other terms and conditions related to the authorizations.

The authorizations are valid until the Annual General Meeting of Shareholders for year 2008.

Helsinki, 14th March, 2007

Teleste Corporation
The Board of Directors