

Financial Statements 2007

- Net sales grew by 22.9% amounting to EUR 125.1 (101.8) million
- Operating profit improved by 35.1% standing at EUR 13.2 (9.8) million
- Undiluted result per share increased by 34.3% amounting to EUR 0.55 (0.41)
- Orders received improved by 10.5% standing at EUR 118.5 (107.2) million. Order backlog totalled EUR 21.5 (28.1) million
- Orders received by Broadband Cable Networks stood at EUR 101.4 (92.8) million
- Orders received by Video Networks amounted to EUR 17.1 (14.4) million
- Operating cash flow totalled EUR 12.0 (2.7) million
- The Board of Directors proposes that a dividend of EUR 0.24 (0.20) per outstanding share will be paid.

REPORT OF THE BOARD OF DIRECTORS

Overview

As to deliveries and profitability Teleste's growth continued on a good level. Framework contractual deliveries to Europe and the reference delivery of the 100mbps broadband solution (EttH) to South Korea were particularly significant. A new sales office was set up in Australia. The service business was developed in compliance with the strategy by way of acquisition in April of the Belgian DINH Telecom and establishment in June of the network engineering company in the UK. R&D efforts mainly involved the IP-headend solution drawing on the Internet Protocol technology. The new IP-headend product was well received including the developing Indian market.

Net Sales and Profitability

Teleste net sales totalled EUR 125.1 (101.8) million, an increase of 22.9% over the previous year. Net sales in Q4 amounted to EUR 31.1 (28.4) million.

Operating profit stood at EUR 13.2 (9.8) million making 10.5% (9.6%) of net sales. Operating profit for Q4 stood at EUR 3.0 (2.2) million making 9.8 % (7.6%) of net sales.

Teleste's orders received improved by 10.5% standing at EUR 118.5 (107.2) million. Orders received in Q4 stood at EUR 29.7 (33.9) million. Teleste's order backlog reduced by 23.5% amounting to EUR 21.5 (28.1) million at the year-end. This decline in order backlog was caused by stabilisation in growth of orders involving Broadband Cable Networks amplifiers and the reduction in the order backlog for EttH. The order backlog was additionally affected by shortened delivery times achieved through the investments made in flexibility of the production capacity, on the one hand, and the increased service business, on the other.

Profit after financial items totalled EUR 12.7 (9.3) million while the net profit equalled EUR 9.4 (6.9) million. The Group's undiluted result per share stood at EUR 0.55 (EUR 0.41). Tax rate for the period was 26.1% (25.9%). Return on capital employed amounted to 27.1% (24.3%) while return on equity was 22.2% (19.7%).

R&D and Investments

R&D expenditure for the period under review totalled EUR 13.1 (9.8) million making 10.5% (9.7%) of net sales. The single most important R&D initiative involved the IP-headend solution based on the Internet Protocol technology. R&D efforts included development of the platforms Ethernet-to-the-Home (EttH), Fiber to the X (FttX), GigaHerz amplifier technology Access, video surveillance transfer system MP-X and video surveillance management system MoRIS. Some 40% of the R&D expenses involved maintenance of solution platforms currently in production. Activated product development expenses stood at EUR 2.7 (1.4) million. This capitalisation involved the broadband technology platforms of IP-headend, EttH, MP-X and GigaHerz. Depreciation on R&D expenses for the period under review activated earlier amounted to EUR 1.4 (0.9) million. The R&D expenditure in Q4 amounted to EUR 3.5 (3.9) million. A number of Teleste's projects involved co-operation with Finnish universities and research institutes. Almost 23% (22%/2006, 20%/2005, 20%/2004) of the Group personnel was involved in R&D.

Investments for the period under review totalled EUR 12.3 (6.2) million making 9.8% (6.1%) of net sales; acquisition of DINH Telecom involved EUR 6.1 million. Other investments included essentially a new SMT line, R&D and IT. As to investments for the period, EUR 1.8 (0.5) million was carried out by financial leasing.

Finance

Liquidity of the Group remained good. Operating cash flow improved standing at EUR 12.0 (2.7) million. Teleste is prepared for strategic investments and increased need for working capital driven by growth by means of stand-by credits. The amount of unused stand-by credits at the end of the period amounted to EUR 23.0 (23.0) million. The relevant credit limits are valid until November 2008 and negotiations over new financing arrangements are on-going.

The Group's equity ratio was 60.2% (55.3%) with gearing standing at 3.8% (3.2%). Interest bearing debt on 31 December 2007 was EUR 9.5 (8.0) million.

Personnel and Organisation

In 2007 the Group employed an average of 681 people (608/2006, 546/2005). At the year-end, the figure totalled 672 (621/2006, 557/2005) of which approximately 34% (30%/2006, 27%/2005) were stationed overseas. The stated number of personnel does not include temporary labour averaging 64 (50) persons in the financial period. The number of temporary labour at the year-end was 36 (59). Employees stationed outside Europe accounted for less than 10% of the Group's personnel. Expenditure on employee benefits amounted to EUR 31.5 (27.1/2006, 24.1/2005) million.

Description of Business Areas and the Involved Key Risks

Founded in 1954, Teleste is a technology company currently running the business units of Broadband Cable Networks and Video Networks. In line with its strategy Teleste continues to focus on the chosen product and technology segments as well service business and technical integration. Integrated deliveries of solutions pave the way for brisk growth even if the involved resource allocation and technical implementation also pose a challenge involving reasonable risks. In addition, appropriately chosen technology and its correct timing are instrumental for the success of the businesses not forgetting market dynamics such as the importance of consolidation of clients and competition. Much of Teleste's competition comes from America and, therefore, strong euro up against the US dollar erodes our price competitiveness.

The company has covered risks involving any damage in operative functions of the businesses mainly through insurance policies, with no credit loss risks included.

For Teleste no such risks materialised in 2007 and no such legal proceedings or juridical procedures were pending that would have had any essential significance for the Group operation.

Broadband Cable Networks

Broadband Cable Networks delivers its main clientele of cable operators with equipment and systems designed for the construction of transmission network and signal processing. Deliveries include individual pieces of equipment and turnkey networks alike. The business also makes available a number of services related to maintenance and engineering of network infrastructure. The main market area of Broadband Cable Networks is Europe, which business area involves 19 own sales offices supported by a number of retail and integration partners. Outside Europe, Broadband Cable Networks has own offices located in China and India.

As to the framework contractual deliveries to the biggest European cable operators Broadband Cable Networks succeeded as planned. Deliveries involving EttH technology for the South Korean Hanaro Telecom materialized for the main part in Q1. Concerning our European clientele and competition, mergers and changes in ownership relations continued. These developments may affect Teleste's position in view of the operators' choices of suppliers for products and services.

The unit continued to invest in R&D, shortening of turnaround times in deliveries, strengthening of its partner network and expansion of its service business. In April the unit acquired the Belgian DINH Telecom and in the following June the service business was expanded by setting up in UK a network engineering company with approximately 40 employees. Marketing efforts involving the IP-headend product solution were initiated in Q4 continuing over to Q1 of 2008. Orders received by Broadband Cable Networks increased by 9.3% (27.4%) amounting to EUR 101.4 (92.8) million.

Net sales grew by 26.5% (27.3%) standing at EUR 108.2 (85.6) million. Operating profit went up by 41.7% (22.9%) standing at EUR 12.8 (9.1) million. At the year-end order backlog stood at EUR 19.7 (26.7) million. Orders received in Q4 of the period stood at EUR 25.2 (29.7) million. Reduction in the order backlog was attributed to stabilisation of growth in demand for amplifiers, reduction in the order backlog for the EttH, the short order backlog typical for service business and shortening of turnaround times in deliveries.

Net sales for Q4 amounted to EUR 25.5 (23.8) million while operating profit stood at EUR 2.3 (1.8) million. As a whole we estimate the market situation for the business unit to remain favourable also in 2008. However, the market situation varies by market area depending on the need faced by the operators to invest in their networks.

Video Networks

Clientele of Video Networks mainly includes public sector organisations and system integrators. The business area has focussed on high-quality video surveillance systems transferring real-time video, audio and data. In July Video Networks made a two-year framework agreement with a significant French telecommunications company on deliveries involving video surveillance equipment and network solutions to the French market. Additional deliveries for the French National Railway Authority (SNCF) involving video surveillance management systems played a key part. The implemented R&D efforts involved development of the IP-based video surveillance system MP-X and technical integration.

The business has seven sales offices in Europe and offices outside Europe are located in the United States, Australia, China and Thailand.

Orders received by Video Networks increased by 18.9% (15.5%) amounting to EUR 17.1 (14.4) million. Net sales grew by 4.3% (5.3%) standing at EUR 16.9 (16.2) million.

Operating profit stood at EUR 0.3 (0.7) million. Reduced profitability was due to smaller net sales from mid-market systems and R&D efforts such as strengthening of the technical integration organisation. At the year-end order backlog stood at EUR 1.8 (1.5) million. In Q4 orders received amounted to EUR 4.5 (4.2) million with net sales equalling EUR 5.5 (4.6) million. Operating profit stood at EUR 0.7 (0.3) million.

In 2008 price competition will continue to intensify especially in the area of network solutions. Large companies have entered the market by force. Significance of technical integration in operations of the business area will increase. The technology involved in these applications is renewed rapidly.

Based on the developments in order backlog we estimate our business area to develop favourably in 2008.

Business Areas by Geography

In geographical terms, the Group's business areas are divided up into Scandinavia, rest of Europe and others.

Scandinavia:

Net sales in the Nordic countries amounted to EUR 35.5 (32.2) million. Investments for the area totalled EUR 6,1 (5.8) million.

Rest of Europe:

Net sales for the rest of Europe stood at EUR 78.3 (62.1) million while the investments made in the area amounted to EUR 6.1 (0.1) million.

Others:

Net sales were up to EUR 11.3 (7.4) million. Investments totalled EUR 0.1 (0.3) million.

Group Structure

In the period under review Teleste acquired the entire share capital of the Belgian DINH Telecom and founded a network engineering company in UK to promote growth of its service business.

The parent company of Teleste Group operates through branch offices in Australia, Belgium, China, Denmark, France, India, the Netherlands, Poland, Spain and Thailand while running subsidiaries in 11 countries exclusive of Finland.

General Meetings

The Annual General Meeting (AGM) held on 3 April 2007 confirmed the financial statements for 2006 and discharged the Board and the CEO from liability for the financial period. The AGM confirmed the dividend of EUR 0.20 per share as proposed by the Board of Directors. The dividend was paid out on 17 April 2007.

Composition of Teleste's Board remained unchanged: Mr. Tapio Hintikka was re-elected as Chairman whilst Mr. Tero Laaksonen, Mr. Pertti Raatikainen, Mr. Timo Toivila and Mr. Pekka Vennamo continued as members on the Board of Directors.

Authorised Public Accountants KPMG Oy Ab continue as the auditor until the next AGM.

The AGM authorised the Board to acquire the maximum of 1,290,000 of the company's own shares and to convey the maximum of 1,730,000 company's own shares. Based on authorisations of 2001 and 2002 the company is in possession of 352,482 of its own shares. The AGM also authorised the company to issue 4,500,000 new shares. The maximum number of significant shares accommodated by the special rights granted by the company equals 1,730,000. These authorisations will be valid until the AGM due to be held in 2008.

Nominal value of the company share was renounced.

The AGM accepted a share option plan involving key personnel. According to this, 840,000 new shares may be subscribed; the plan's possible dilution effect might be 4.6%.

In the financial period authorisations granted by the AGM were used by conveying 0.53% of the number of shares, i.e. 92,338 own shares, on acquiring the capital stock of DINH Telecom. 10,180 shares, in other words 0.06% of the number of shares, were conveyed for payment of the share bonus of the Management Group. Other authorisations were not used.

Management and the Auditors

CEO of the company has been Mr. Jukka Rinnevaara. The AGM elected KPMG Oy Ab as the auditor.

Shares and Changes in Share Capital

Largest single shareholder at the end of 2007 was the Sampo Life Insurance Company Ltd with the holding of 9.19%.

As to the company share price in 2007 the low was EUR 6.47 (6.46) and the high EUR 12.34 (12.75). Closing price at the end of the year stood at EUR 6.71 (11.63). In 2007 7.2 (14.2) million shares standing for 40.5% (81.4%) of the share capital were traded on the OMX Nordic Exchange Helsinki.

The 2004A options distributed to the Teleste key personnel were listed on the main list of OMX Nordic Exchange Helsinki on 24 August 2007. In the period 221,965 own shares were subscribed using 2002A options and 60,038 using 2002B options. At the balance sheet date the company's registered share capital amounted to EUR 6,966,932.80, divided up into 17,671,305 shares; out of these the company was holding 352,482 shares. At the balance sheet date, when put against the total amount of shares and votes the shares in company possession equalled 1.99%.

Other matters affecting the company governance will be stated in the Annual Report under section Good Governance.

Outlook for 2008

Regardless of the general uncertainty in the world market we estimate the favourable market situation to continue in our business areas. New services provided by the cable operators and the increased competition for customers call for investments in greater capacity of transfer networks. The demand for solutions involving next generation high-speed data communication solutions like EttH and FttX will increase together with those concerning smart fibre-optical and coaxial networks (HFC). Digitalisation of IPTV and TV services will lead to growth in sales of the new IP-headend solution. The market situation of Broadband Cable Networks varies by market area depending on the needs for investment related to the networks' technical status. The cost-effective range of products and services of the business area create preconditions for continued profitable growth also in 2008. Increased needs for security and more effective traffic infrastructure raise demand for the Video Networks' solutions. We estimate demand for our top-quality network management applications and tailored-to-industry solutions to pick up in 2008 as well as improvement in profitability for the business area.

In 2008 Teleste will grow profitably even if the figures of the previous year may not be reached in the first quarter.

In 2008 we continue to focus on speeding up R&D and turnaround times in deliveries, opening up new sales channels and growth in the integration and service business.

Board of Directors' Proposal for Dividends

As to the Annual General Meeting scheduled for 1 April 2008, the Board proposes that a dividend of EUR 0.24 (EUR 0.20) per share will be paid for the outstanding shares for the year 2007.

29. January 2008

Teleste Corporation Jukka Rinnevaara
The Board of Directors President and CEO

TELESTE CORPORATION
FINANCIAL STATEMENTS 2007

The audited Financial Statements have been prepared according to International Financial Reporting Standards (IFRS).

CONSOLIDATED INCOME STATEMENT, 1000 EUROS

	1.1. - 31.12. 2007	1.1. - 31.12. 2006	Change %
Net sales	125 100	101 773	22.9 %
Other operating income	1 772	2 158	-17.9 %
Change in inventories of finished products and work in progress	-673	6 066	n/a
Raw material and consumables used	-59 692	-54 743	9.0 %
Employee benefits expense	-31 455	-27 100	16.1 %
Depreciation and amortisation expense	-3 552	-2 393	48.4 %
Other operating expenses	-18 324	-16 006	14.5 %
Operating profit	13 176	9 755	35.1 %
Financial income	627	194	223.8 %
Financial expenses	-1 131	-661	71.1 %
Profit before taxes	12 672	9 288	36.4 %
Taxes	-3 309	-2 408	37.4 %
Profit for the period	9 363	6 879	36.1 %
Attributable to:			
Equity holders of the parent	9 363	6 879	36.1 %
Earnings per share for profit of the year attributable to the equity holders of the parent			
Basic (expressed in euro per share)	0.55	0.41	34.3 %
Diluted (expressed in euro per share)	0.52	0.38	36.4 %
	10-12 2007	10-12 2006	Change %
INCOME STATEMENT 1000 EUROS			
Net sales	31 076	28 423	9.3 %
Other operating income	618	540	14.5 %
Change in inventories of finished products and work in progress	-4 068	-202	1913.5 %
Raw material and consumables used	-10 179	-14 284	-28.7 %
Employee benefits expense	-8 836	-7 380	19.7 %
Depreciation and amortisation expense	-1 018	-624	63.1 %
Other operating expenses	-4 558	-4 311	5.7 %
Operating profit	3 035	2 162	40.4 %
Financial income	365	97	277.7 %
Financial expenses	-180	-249	-27.7 %
Profit before taxes	3 220	2 009	60.2 %
Taxes	-862	-544	58.4 %
Profit for the period	2 358	1 465	60.9 %

Attributable to:			
Equity holders of the parent	2 358	1 465	60.9 %
Earnings per share for profit of the year attributable to the equity holders of the parent			
Basic (expressed in euro per share)	0.14	0.09	58.9 %
Diluted (expressed in euro per share)	0.13	0.08	61.3 %

CONSOLIDATED BALANCE SHEET, 1000 EUROS

	31.12.2007	31.12.2006	Change %
Non-current assets			
Property, plant and equipment	7 757	5 578	39.1 %
Goodwill	12 686	12 127	4.6 %
Other intangible assets	6 629	3 614	83.4 %
Available-for-sale investments	723	1 116	-35.2 %
Total	27 795	22 435	23.9 %
Current assets			
Inventories	15 936	16 604	-4.0 %
Trade and other receivables	26 455	22 409	18.1 %
Cash	7 702	6 789	13.5 %
Total	50 093	45 801	9.4 %
Total assets	77 888	68 236	14.1 %
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	6 967	6 955	0.2 %
Share premium	1 504	1 417	6.1 %
Translation differences	-53	65	n/a
Invested nonrestricted equity	2 531	0	n/a
Retained profits	35 720	29 224	22.2 %
Total	46 669	37 661	23.9 %
Non-current liabilities			
Interest-bearing liabilities	1 700	742	129.1 %
Deferred tax liabilities	1 197	368	225.3 %
Provisions	425	425	0.0 %
Total	3 322	1 535	116.4 %
Current liabilities			
Trade and other liabilities	19 016	20 045	-5.1 %
Current tax payable	580	875	-33.7 %
Provisions	518	850	-39.1 %
Interest-bearing liabilities	7 783	7 270	7.1 %
Total	27 897	29 040	-3.9 %
Total liabilities	31 219	30 575	2.1 %
Equity and liabilities total	77 888	68 236	14.1 %

CONSOLIDATED CASH FLOW STATEMENT, 1000 EUROS

	1.1.-31.12. 2007	1.1.-31.12. 2006	Change %
Cash flows from operating activities			
Profit for the period	9 363	6 879	36.1 %

Adjustments for:			
Non-cash transactions	4 202	3 407	23.3 %
Interest and other financial expenses	1 131	661	71.1 %
Interest income and other financial income	-617	-188	228.2 %
Dividends	-10	-6	66.7 %
Taxes	3 309	2 100	57.6 %
Change in working capital			
Increase in trade and other receivables	-1 209	-3 938	-69.3 %
Increase in inventories	1 216	-6 651	n/a
Increase in trade and other payables	-1 414	3 392	n/a
Decrease in provisions	-332	-742	-55.3 %
Paid interests and other financial expenses	-647	-521	24.2 %
Received interests and dividends	208	194	7.2 %
Paid taxes	-3 211	-1 912	68.0 %
Cash flow from operating activities	11 988	2 675	348.2 %
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired	-5 301	-3 078	72.2 %
Purchases of property, plant and equipment (PPE)	-1 257	-699	79.8 %
Purchases of intangible assets	-2 724	-1 734	57.1 %
Proceeds from sales of other investments	814	0	n/a
Proceeds from sales of PPE	0	376	n/a
Net cash used in investing activities	-8 468	-5 136	64.9 %
Cash flow from financing activities			
Proceeds from borrowings	11 000	4 000	175.0 %
Payments of borrowings	-11 113	-460	2315.9 %
Payment of finance lease liabilities	-594	-273	117.6 %
Dividends paid	-3 413	-2 697	26.5 %
Proceeds from issuance of ordinary shares	1 630	161	912.4 %
Net cash used in financing activities	-2 490	731	n/a
Change in cash			
Cash and cash equivalents 1.1.	6 789	8 524	-20.3 %
Effect of currency changes	-118	-5	2260.0 %
Cash and cash equivalents 31.12.	7 702	6 789	13.4 %

Consolidated statement of changes in equity, 1000 euros
Attributable to equity holders of the parent

	Share capital	Share premium	Translation Differences	Retained earnings	Invested non-restricted equity	Total
Equity 31.12.2006	6 955	1 417	65	29 224	0	37 661
Profit for the period	0	0	0	9 363	0	9 363
Dividends	0	0	0	-3 413	0	-3 413
Share issue	0	0	0	0	0	0
Equity-settled share-based payments	0	0	0	546	1 000	1 546
Used share options	12	87	0	0	1 531	1 630
Exchange differences	0	0	-118	0	0	-118
Equity 31.12.2007	6 967	1 504	-53	35 720	2 531	46 669

BUSINESS SEGMENTS 2007, 1000 EUROS

	Broadband Cable Networks	Video Networks	Group
External sales			
Services	4 681	363	5 044
Goods	103 523	16 533	120 056
External sales total	108 204	16 896	125 100
Operating profit of segments	12 837	339	13 176
Unallocated expenses			-3 813
Profit for the period			9 363
Segments assets	54 952	15 234	70 186
Unallocated assets			7 702
Total assets			77 888
Segments liabilities	17 165	2 794	19 959
Unallocated liabilities			11 260
Total liabilities			31 219
Capital expenditure for the period	11 082	1 201	12 283
Depreciations for the period	2 800	752	3 552

BUSINESS SEGMENTS 2006, 1000 EUROS

	Broadband Cable Networks	Video Networks	Group
External sales			
Services	2 813	195	3 008
Goods	82 738	16 027	98 765
External sales total	85 551	16 222	101 773
Operating profits of the segments	9 055	700	9 755
Unallocated expenses			-2 876
Profit for the period			6 879
Segments assets	46 927	14 520	61 447
Unallocated assets			6 789
Total assets			68 236
Segments liabilities	17 909	3 411	21 320
Unallocated liabilities			9 255
Total liabilities			30 575
Capital expenditure for the period	2 032	4 143	6 175
Depreciations for the period	1 863	530	2 393

GEOGRAPHICAL SEGMENTS 2007, 1000 EUROS

	Nordic countries	Other Europe	Others	Group
Sales by origin	35 535	78 260	11 305	125 100
Assets	57 483	18 837	1 568	77 888
Capital expenditure for the period	6 113	6 120	50	12 283

GEOGRAPHICAL SEGMENTS 2006, 1000 EUROS

	Nordic countries	Other Europe	Others	Group
Sales by origin	32 200	62 100	7 473	101 773
Assets	51 381	15 115	1 740	68 236
Capital expenditure for the period	5 838	87	250	6 175

Commitments and contingencies	2007	2006	Change %
Guarantees	184	819	-77.5 %
Other securities	365	731	-50.1 %
Rental liabilities	1 112	928	19.8 %
Lease liabilities	1 523	1 937	-21.4 %
Value of underlying forward contracts	7 746	9 980	-22.4 %
Market value of forward contracts	-152	144	n/a

The average number of employees broken down by following categories	2007	2006	Change %
Research and development	158	131	20.6 %
Production and material management	305	297	2.7 %
Sales and marketing	179	148	20.9 %
Finance, quality and IT	39	32	21.9 %
Total	681	608	12.0 %

KEY FIGURES

	FAS 2003	IFRS 2004	IFRS 2005	IFRS 2006	IFRS 2007
Profit and loss account, balance sheet					
Net sales, Meur	54.2	66.0	82.6	101.8	125.1
Change %	-18.8 %	21.8 %	25.1 %	23.2 %	22.9 %
Sales outside Finland, %	81.9 %	85.1 %	89.3 %	90.6 %	91.2 %
Operating profit, Meur	1.8	5.6	8.6	9.8	13.2
% of net sales	3.3 %	8.5 %	10.4 %	9.6 %	10.5 %
Profit after financial items, Meur	1.5	5.4	8.3	9.3	12.7
% of net sales	2.8 %	8.2 %	10.1 %	9.1 %	10.1 %
Profit before taxes, Meur	1.5	5.4	8.3	9.3	12.7
% of net sales	2.8 %	8.2 %	10.1 %	9.1 %	10.1 %
Profit for the financial period, Meur	1.7	3.9	6.0	6.9	9.4
% of net sales	3.1 %	5.9 %	7.2 %	6.8 %	7.5 %
R&D expenditure, Meur	5.8	6.9	8.6	9.8	13.1
% of net sales	10.7 %	10.4 %	10.5 %	9.7 %	10.5 %
Gross investments, Meur	3.4	5.4	4.1	6.2	12.3
% of net sales	6.3 %	8.2 %	4.9 %	6.1 %	9.8 %
Interest bearing liabilities, Meur	10.0	10.8	3.9	8.0	9.5
Shareholder's equity, Meur	27.0	27.7	32.4	37.7	46.7
Total assets, Meur	48.1	54.4	54.8	68.2	77.9
Personnel and orders					
Average personnel	452	492	546	608	681
Order backlog at year end, Meur	6.6	20.7	22.7	28.1	21.5
Orders received, Meur	52.2	80.5	85.4	107.2	118.5
Key metrics					
Return on equity, %	7.1 %	15.1 %	19.8 %	19.7 %	22.2 %
Return on capital employed, %	5.3 %	16.1 %	23.7 %	24.3 %	27.1 %
Equity ratio, %	49.3 %	51.1 %	59.1 %	55.3 %	60.2 %

Gearing, %	-17.7 %	-22.9 %	-14.3 %	3.2 %	3.8 %
Earnings per share, euro	0.10	0.23	0.35	0.41	0.55
Earnings per share fully diluted, euro	n/a	0.22	0.33	0.38	0.52
Shareholders equity per share, euro	1.41	1.65	1.92	2.22	2.69
Teleste share					
Highest price, euro	6.49	7.06	8.35	12.75	12.34
Lowest price, euro	2.40	5.14	5.85	6.46	6.47
Closing price, euro	5.41	6.02	7.45	11.63	6.71
Average price, euro	4.41	6.03	6.97	9.83	10.10
Price per earnings Market	53.7	25.8	21.0	28.6	12.3
capitalization, Meur	90.3	101.4	129.2	202.2	118.6
Stock turnover, Meur	43.7	74.2	75.3	138.9	72.4
Turnover, number in millions	9.9	12.3	10.8	14.2	7.2
Turnover, % of share capital	57.2 %	70.9 %	62.3 %	81.4 %	40.5 %
Average number of shares	17094910	17334235	17339752	17363102	17494435
Number of shares at the year-end	17304248	17339752	17339752	17389302	17671305
Number of shares subscribed, not registered 31.12.	23 304	0	0	0	0
Average number of shares, diluted w/o own shares	18715000	17918580	18001437	18022505	17971752
Number of shares at the year-end, diluted w/o own shares	18715000	17999752	18004752	18034752	17972785
Paid dividend, Meur	1.3	2.0	2.7	3.4	*4.2
Dividend per share, euro	0.08	0.12	0.16	0.20	*0.24
Dividend per net result, %	79.4 %	52.2 %	45.7 %	49.1 %	43.9 %
Effective dividend yield, %	1.5 %	2.0 %	2.1 %	1.7 %	3.6 %
* The Board's proposal to the AGM					

CALCULATION OF KEY FIGURES

Return on equity:	Profit/loss for the financial period ----- Shareholders' equity (average) ----- * 100
Return on capital employed:	Profit/loss for the period after financial items + financing charges ----- * 100
Equity ratio:	Total assets - non-interest-bearing liabilities (average) Shareholders' equity ----- * 100
Gearing:	Total assets - advances received Interest bearing liabilities - cash in hand and in bank - interest bearing assets ----- * 100
Earnings per share:	Profit for the period attributable to equityholder of the parent ----- Weighted average number of ordinary shares outstanding during the period

Earnings per share, diluted: Profit for the period attributable to equity holder of the parent (diluted)

Average number of shares - own shares + number of options at the period-end

SECTOR DISPERSION	Number of shares	% of total shares
Corporations	1 818 473	10,29
Financial and insurance corporations	5 350 876	30,28
Public institutions	2 318 476	13,12
Non-profit organizations	1 072 319	6,07
Households	3 485 893	19,73
Foreign and nominee -registered	3 625 268	20,51
Total	17 671 305	100

MAJOR SHAREHOLDERS	Shares	%
1. Sampo Life Insurance Company Ltd	1 624 200	9.19%
2. Ilmarinen Mutual Pension Insurance Company	894 776	5.06%
3. Kaleva Mutual Insurance Company	798 541	4.52%
4. FIM Fenno Mutual Fund	603 868	3.42%
5. State Pension Fund	500 000	2.83%
6. Varma Mutual Pension Insurance Company	498 650	2.82%
7. Aktia Capital Mutual Fund	487 200	2.76%
8. Op-Suomi Pienyhtiöt	461 016	2.61%
9. Skagen Vekst Verdipapierfond	437 000	2.47%
10. Fondita Nordic Small Cap Placfond	375 000	2.12%

