TELESTE CORPORATION

THE PROPOSAL OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 5, 2005 TO AUTHORIZE THE BOARD TO DECIDE ON THE ACQUISITION OF THE COMPANY’S OWN SHARES

The Board of Directors proposes to the Annual General Meeting of Shareholders to be held on April 5, 2005 that the Annual General Meeting of Shareholders authorizes the Board of Directors to decide on the acquisition of the company's own shares as follows:

The Board of Directors has the right, within one year of the resolution of the Annual General Meeting of Shareholders -- i.e., until April 5, 2006 -- to decide on the acquisition of the company's own shares with the company’s distributable funds, on the following conditions:

The company's own shares are acquired for the company to be used as consideration when the company acquires property related to its business or as consideration in possible acquisitions in a manner and scope decided on by the Board.

The maximum number of shares to be acquired is 370,000, the amount of which together with the amount already in the company’s possession is less than 5 percent of the share capital of the company after the acquisition of shares.

The shares are acquired in other manner to the proportion of the Shareholders’ property by means of public trade arranged by the Helsinki Exchanges.

The shares are acquired at the market value they have in public trade at the time of the acquisition. The purchase price of the shares is paid to the sellers within a term of payment determined in accordance with the Rules of Helsinki Exchanges and the Rules of the Finnish Central Securities Depository.

The shares are acquired otherwise than in proportion to the shareholdings of the shareholders, since the company's shares are publicly traded on the Helsinki Exchanges and since the acquisition of the shares is intended to be carried out through public trade.

The acquisition of shares reduces the company's distributable free equity.

The acquisition of shares has no significant effect on the division of the shareholdings and voting rights in the company, since the maximum number of the shares to be acquired is less than 5 per cent of the total number of the company shares and votes in the company.