

## **TELESTE CORPORATION**

### **PROPOSAL OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 4 APRIL 2006 TO AUTHORISE THE BOARD TO DECIDE ON ACQUISITION OF THE COMPANY'S OWN SHARES**

The Board of Directors proposes to the Annual General Meeting of Shareholders to be held on 4 April 2006 that the current authorisation will be cancelled and that the Annual General Meeting of Shareholders authorises the Board of Directors to decide on the acquisition of the company's own shares as follows:

The Board of Directors has the right, which is valid for one year from the resolution of the Annual General Meeting of Shareholders – i.e., until 4 April 2007 – to decide on 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 and implementation of other arrangements, or to set up reward programs based on company shares, or in other way to be conveyed, or further invalidated in a manner and scope decided on by the Board.

The maximum number of shares to be acquired is 1,215,000, the amount of which together with the amount already in the company's possession is less than 10 percent of the share capital of the company after the acquisition of shares.

The shares are acquired at their market value 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 in a manner other 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.

Acquisition of shares reduces the company's distributable free equity.

Since shares are acquired through public trading, no prior knowledge exists regarding the effect on division of shareholdings and voting rights in the company.