

TELESTE CORPORATION: NOTICE TO THE ANNUAL GENERAL MEETING

The shareholders of Teleste Corporation are hereby invited to the Annual General Meeting to be held on Tuesday, 7 April 2009, at 3:00 p.m., in Finlandia Hall at the address of Mannerheimintie 13 e, 00100 Helsinki. The reception of persons who have registered for the meeting will commence at 2:00 p.m.

A. Agenda of the Annual General Meeting:

1 § Opening of the meeting

2 § Election of the chairman and the secretary

3 § Election of persons to review the minutes and to supervise the counting of votes

4 § Recording the legality and quorum of the meeting

5 § Voting list

6 § Presentation of the financial statements, the consolidated financial statements, the auditor's report and the report of the Board of Directors as well as the review by the CEO

7 § Adoption of the financial statements and consolidated financial statements

8 § Resolution on the use of the profit shown on the balance sheet and the payment of dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.12 per share be paid based on the adopted balance sheet for the fiscal year that ended on 31 December 2008 for shares other than those held by the Company. The dividend will be paid to a shareholder who on the record date 14 April 2009 is registered in the Company's Shareholders' Register, which is maintained by Euroclear Finland Ltd (previously Finnish Central Securities Depository Ltd). The dividend will be paid on 21 April 2009.

9 § Resolution on the discharge of the members of the Board of Directors and the CEO from liability

10 § Resolution on the number of members of the Board of Directors

Company's shareholders who together represent more than 40 per cent of the voting rights carried by the Company's shares, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that the number of members of the Board of Directors be confirmed to be six (6).

11 § Resolution on the remuneration of the members of the Board of Directors

Company's shareholders who together represent more than 40 per cent of the voting rights carried by the Company's shares, have notified the Board of Directors that they will propose to the Annual General Meeting that the annual remunerations to be paid to the members of the Board of Directors would remain unchanged and thus be the following: EUR 40,000 per year for the Chairman and EUR 25,000 per year for each member. In addition a meeting fee of EUR 250 per

meeting is proposed. The annual remuneration is proposed to be paid so that 40 per cent of the annual remuneration will be used for purchasing the Company's shares for the members of the Board of Directors and the rest will be paid in cash.

12 § Election of members of the Board of Directors

Company's shareholders who together represent more than 40 per cent of the voting rights carried by the Company's shares, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that the Board members Tero Laaksonen, Pertti Raatikainen and Kai Telanne be re-elected and Pertti Ervi, Marjo Raitavuo and Petteri Walldén be elected as new Board members. The presentation of persons proposed for Teleste Corporation's Board of Directors can be found on the Company's website.

13 § Election of the chairman of the Board of Directors

Company's shareholders who together represent more than 40 per cent of the voting rights carried by the Company's shares, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that Marjo Raitavuo be elected as chairman of the Board of Directors.

14 § Resolution on the number of auditors

Company's shareholders who together represent more than 40 per cent of the voting rights carried by the Company's shares, have notified the Board of Directors of the Company that the number of auditors shall be one (1).

15 § Resolution on the remuneration of the auditor

The Board of Directors proposes that the auditor's compensation is paid against an invoice approved by the Company.

16 § Election of the auditor

The Board of Directors has evaluated the operations and independence of the current auditor KPMG Oy Ab. The Board of Directors recommends the re-election of KPMG Oy Ab for the Company's auditor for the term that ends at the expiry of the next Annual General Meeting following the election. Company's shareholders who together represent more than 40 per cent of the voting rights carried by the Company's shares have informed the Company's Board of Directors that they are in favour of electing KPMG Oy Ab as the Company's auditor. KPMG Oy Ab has notified of the appointment of APA Esa Kailiala as principally responsible auditor of the Company.

17 § Proposal of the Board of Directors to grant share repurchase authorization to the Board of Directors

The Board of Directors proposes that the Board of Directors be authorized to decide on repurchasing a maximum of 900,000 own shares of the Company.

The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through public trading on NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition.

The shares shall be repurchased for use 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 or to be held by the Company, to be conveyed by other means or to be cancelled.

The repurchase authorization is valid until the Annual General Meeting of Shareholders for year 2010.

18 § Proposal of the Board of Directors to grant share issue authorization and authorization to grant special rights to the Board of Directors

The Board of Directors proposes that the Board of Directors be authorized to decide on issuing new shares and/or conveying the Company's own shares held by the Company and/or granting special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act.

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 by 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 using the shares as part of the Company's incentive program.

New shares may be issued and the Company's own shares held by the Company may be conveyed either against payment or for free. A directed share issue may be a free share issue only if there is an especially weighty financial reason both for the Company and with regard to the interests of all shareholders in the Company.

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

A maximum of 10,000,000 new shares may be issued. A maximum of 1,744,721 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 900,000 shares. The maximum number of new shares that may be subscribed and own shares held by the Company that may be conveyed by virtue of the special rights granted by the Company is 5,000,000 shares in total which number shall be included in the above maximum numbers of new shares and own shares held by the Company.

The authorizations are valid until the Annual General Meeting of Shareholders for year 2010.

B. Documents of the Annual General Meeting

The proposals of the Board of Directors referred to above as well as this notice are available on Teleste Corporation's website at [www.teleste.com/Investors/Governance/Annual General Meeting](http://www.teleste.com/Investors/Governance/Annual%20General%20Meeting) and at the Company's headquarter at the address Seponkatu 1, 20660 Littoinen, Finland. The annual report of Teleste Corporation, including the Company's financial statements, the report of the Board of Directors and the auditor's report, is available on the website. The proposals of the Board of Directors as well as the financial statements are also available at the Annual General Meeting and copies of these documents and of this notice will be sent to shareholders upon request. The minutes of the Annual General Meeting will be available for inspection on the website as from 21 April 2009.

C. Instructions for the participants in the Annual General Meeting

1. The right to participate

Each shareholder, who is registered on Friday, 27 March 2009 in the shareholders' register of the Company held by Euroclear Finland Ltd, has the right to participate in the Annual General Meeting.

2. Registration

A shareholder, who wants to participate in the Annual General Meeting, should register for the meeting no later than Tuesday, 31 March 2009 at 4:00 p.m. by giving a prior notice of participation to the Company. Such notice can be given either by regular mail to the address Teleste Corporation, Tiina Vuorinen, P.O.Box 323, FI-20101 Turku, Finland; by telephone +358 (0)2 2605 611; by telefax +358 (0)2 2605 812; or by email investor.relations@teleste.com.

The notice should be delivered to the Company before the deadline for registration. In connection with the registration, a shareholder should notify his/her name, address, telephone number and the name of a possible assistant.

Pursuant to Chapter 5, Section 25 of the Finnish Company's Act, a shareholder who is present at the shareholders' meeting has the right to request information with respect to the matters to be considered at the meeting.

3. Authorised representatives

A shareholder may participate in the Annual General Meeting and thereby use his/her rights via an authorized representative.

Possible power of attorneys should be delivered in originals to the above-mentioned address before Tuesday, 31 March 2009 at 4:00 p.m.

4. Holders of nominee registered shares

Shareholders holding their shares under the name of a nominee, who wants to participate in the Annual General Meeting, must be registered temporarily into the shareholders' register of the Company latest on the record date Friday, 27 March 2009 of the Annual General Meeting. A holder of nominee registered shares is advised to request necessary instructions regarding the registration in the shareholders' register of the Company, the issuing of power of attorneys and the registration for the Annual General Meeting from his/her custodian bank.

5. Other information

On the date of this notice to the Annual General Meeting, the total number of shares and votes in Teleste Corporation is 17,805,590.

The notice shall not be sent to shareholders separately.

In Helsinki, on 16 day of March 2009

Teleste Corporation
The Board of Directors

FOR MORE INFORMATION:
CEO Jukka Rinnevaara, tel. +358 2 2605 866 or +358 400 747 488

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www.teleste.com

ATTACHEMENTS :

PROPOSAL TO GRANT SHARE REPURCHASE AUTHORIZATION TO THE BOARD OF DIRECTORS

The Board of Directors of Teleste Corporation proposes to the Annual General Meeting to be held on 7 April 2009 that the Board of Directors be authorized to decide on the repurchase of the Company's own shares (Repurchase Authorization) on the following terms and conditions:

1. Maximum number of shares to be repurchased

By virtue of the authorization the Board of Directors is entitled to decide on repurchasing a maximum of 900,000 Company's own shares.

2. Directed repurchase and consideration to be paid for shares

The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through public trading on NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition.

The shares shall be repurchased and paid for in accordance with the rules of NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd.

3. Holding, cancelling and conveying of shares

The shares shall be repurchased for use 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 or to be held by the Company, to be conveyed by other means or to be cancelled.

4. Other terms and validity

The Board of Directors shall decide on other terms and conditions related to the repurchase of the Company's own shares.

The Repurchase Authorization is valid until the Annual General Meeting of Shareholders for year 2010.

PROPOSAL TO GRANT SHARE ISSUE AUTHORIZATION AND AUTHORIZATION TO GRANT SPECIAL RIGHTS ENTITLING TO SHARES TO THE BOARD OF DIRECTORS

The Board of Directors of Teleste Corporation proposes to the Annual General Meeting of to be held on 7 April 2009 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 pursuant to Section 1, Chapter 10 of the Finnish Companies Act on the following terms and conditions:

1. Right to the shares

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

- to the Company's shareholders in proportion to their current shareholdings in the Company; or
- by 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). A directed share issue may be a Free Share Issue only if there is an especially weighty financial reason both for the Company and with regard to the interests of all shareholders in the Company.

3. Maximum number of shares

A maximum of 10,000,000 new shares may be issued.

A maximum of 1,744,721 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 by the Company on basis of the Repurchase Authorization shall be at the maximum of 900,000 shares. This maximum number of shares shall include the Company's own shares held by the Company itself or its subsidiary as stated in Chapter 15, Section 11, Paragraph 1 of the Finnish 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 Finnish 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 (convertible bond).

The maximum number of new shares that may be subscribed and own shares held by the company that may be conveyed by virtue of the special rights granted by the Company is in total 5,000,000 shares which number shall be included in the maximum numbers stated in section 3.

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 2010.