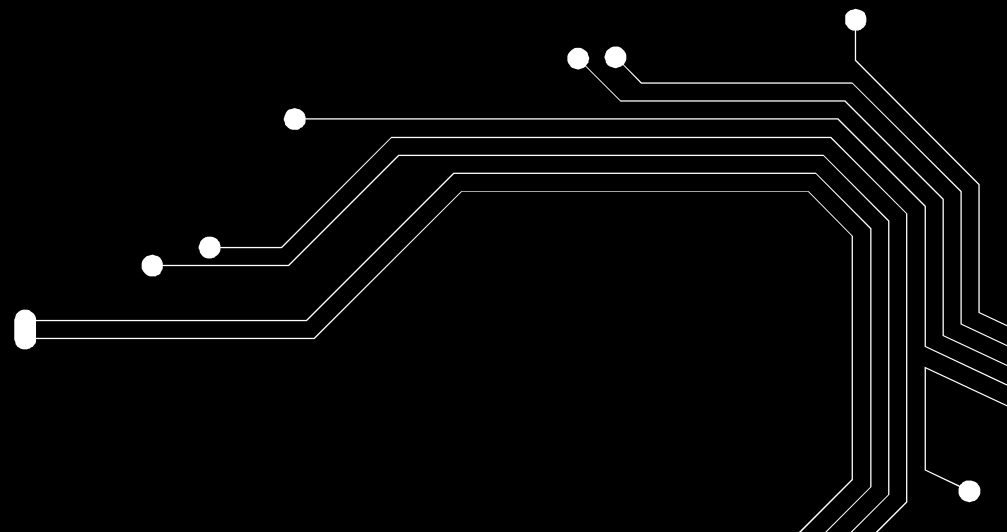


TELESTE CORPORATION

Year 2007

JUKKA RINNEVAARA
CEO



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Market Situation and Operation Q4/2007

Market situation continues to be active

Broadband Cable Networks

Positive market situation continued

- **European cable operators continued developing new services**
 - **Broadband Internet, VoIP and Triple Play**
 - **Deliveries under frame agreements continued**
- **Continued tough price competition in specified product groups**
- **Growth in service business**
- **No major orders received during the Q4 though**

Video Networks

Need for improved safety - active demand for video surveillance

- **Sizeable network management and recording projects underway**
 - **Active markets include USA, France, UK and Australia**
 - **Growth in industry-specific solutions**

Highlights 2007

**Delivery capacity improved during Q1, new SMT line operational
EttH deliveries to Hanaro Telecom on time**

Acquisition of DINH Telecom companies from Belgium

Network planning company (FNS) successfully started in the UK

Frame agreement deliveries to Altice France continued as planned

Digital recording systems for Queensland government (Police)

Service office established in Brisbane/Australia

Volume production transfers to Suzhou/China done, cost competitiveness improved

Extension of SNCF orders in Paris area

Strong market share in Germany, orders from KDG

Frame agreement with France Telecom to deliver video surveillance systems

Market launch of new IP-headend Luminato at IBC exhibition

Market launch of intelligent AC3000 amplifier family

Record number of amplifiers manufactured and delivered

Important market penetration to India, IP-headend system to Digicable Network

Teleste Q4

	Q4 2007	Q4 2006	Change%
Orders Received	29.7	33.9	-12%
Net Sales	31.1	28.4	+9%
Operating Profit	3.0	2.2	+40%
EBIT %	9,8%	7,6%	+28%
Net Profit for the Period	2.4	1.5	+63%

Broadband Cable Networks (BCN) Q4

	Q4 2007	Q4 2006	Change%
Orders Received	25.2	29.7	-15%
Net Sales	25.5	23.8	+7%
EBIT	2.4	1.8	+28%
EBIT %	9,3%	7,8%	+20%

Video Networks (VN) Q4

	Q4 2007	Q4 2006	Change%
Orders Received	4.6	4.2	+10%
Net Sales	5.5	4.6	+21%
EBIT	0.7	0.3	+112%
EBIT %	12,0%	6,8%	+75%

Teleste full year

	2007	2006	Change%
Orders Received	118.5	107.2	+11%
Net Sales	125.1	101.8	+23%
Operating Profit	13.2	9.8	+35%
EBIT %	10,5%	9,6%	+10%
Net Profit	9.4	6.9	+36%
EPS	0.55	0.41	+34%

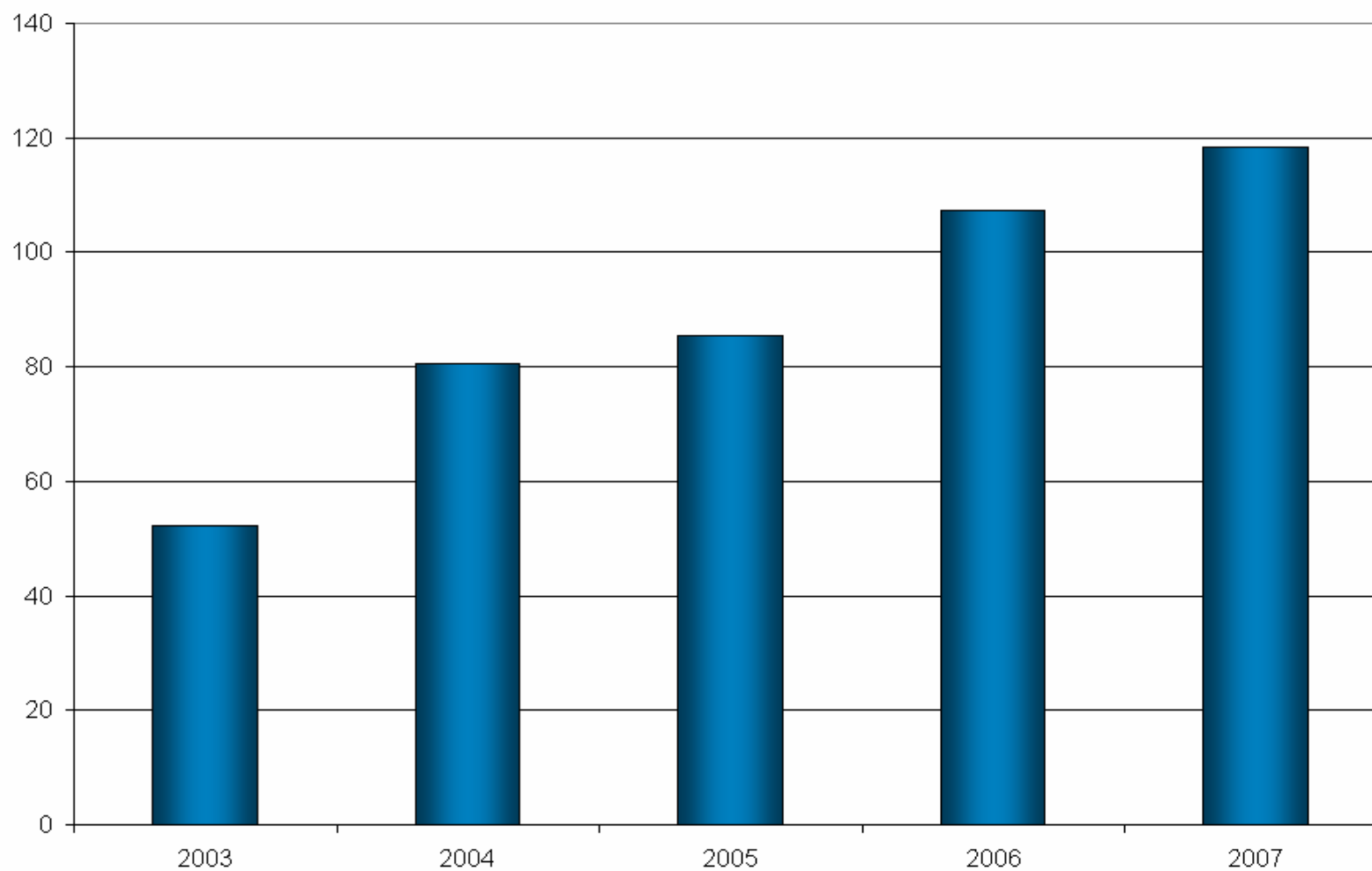
BCN full year

	2007	2006	Change%
Orders Received	101.4	92.8	+9%
Net Sales	108.2	85.6	+26%
Operating Profit	12.8	9.1	+42%
EBIT %	11,9%	10,6%	+12%

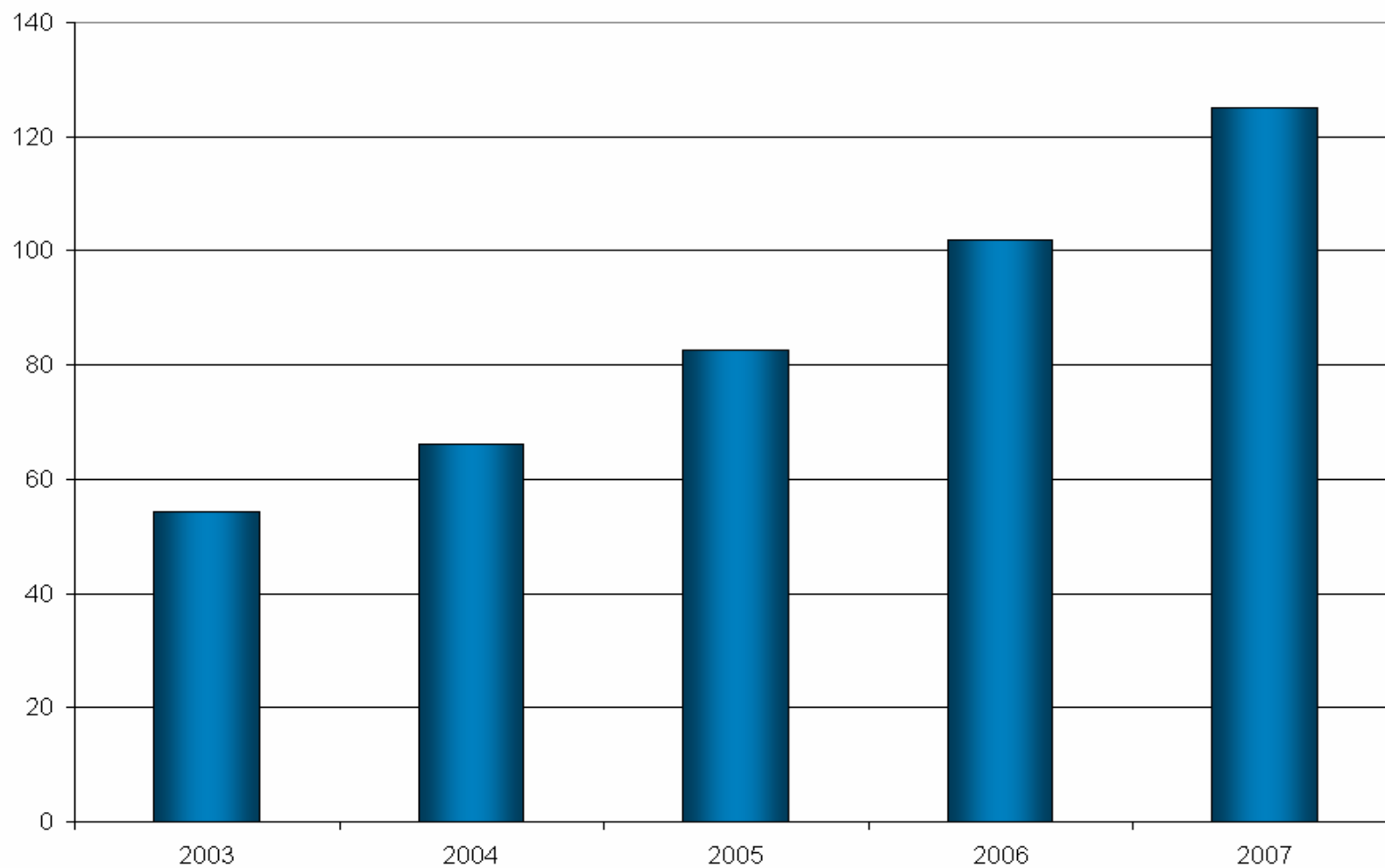
VN full year

	2007	2006	Change%
Orders Received	17.1	14.4	+19%
Net Sales	16.9	16.2	+4%
Operating Profit	0.3	0.7	-52%
EBIT %	2,0%	4,3%	-54%

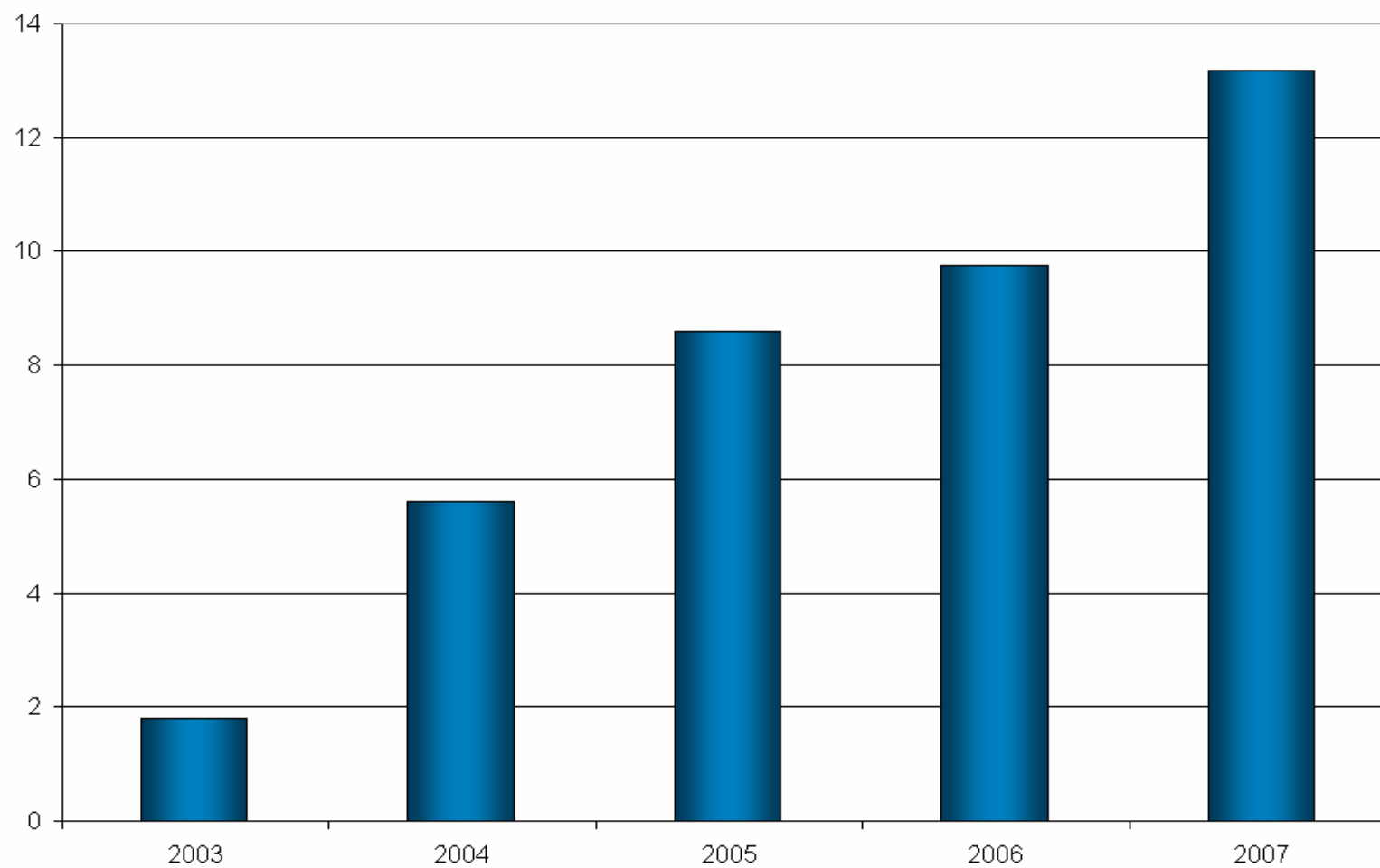
Orders received



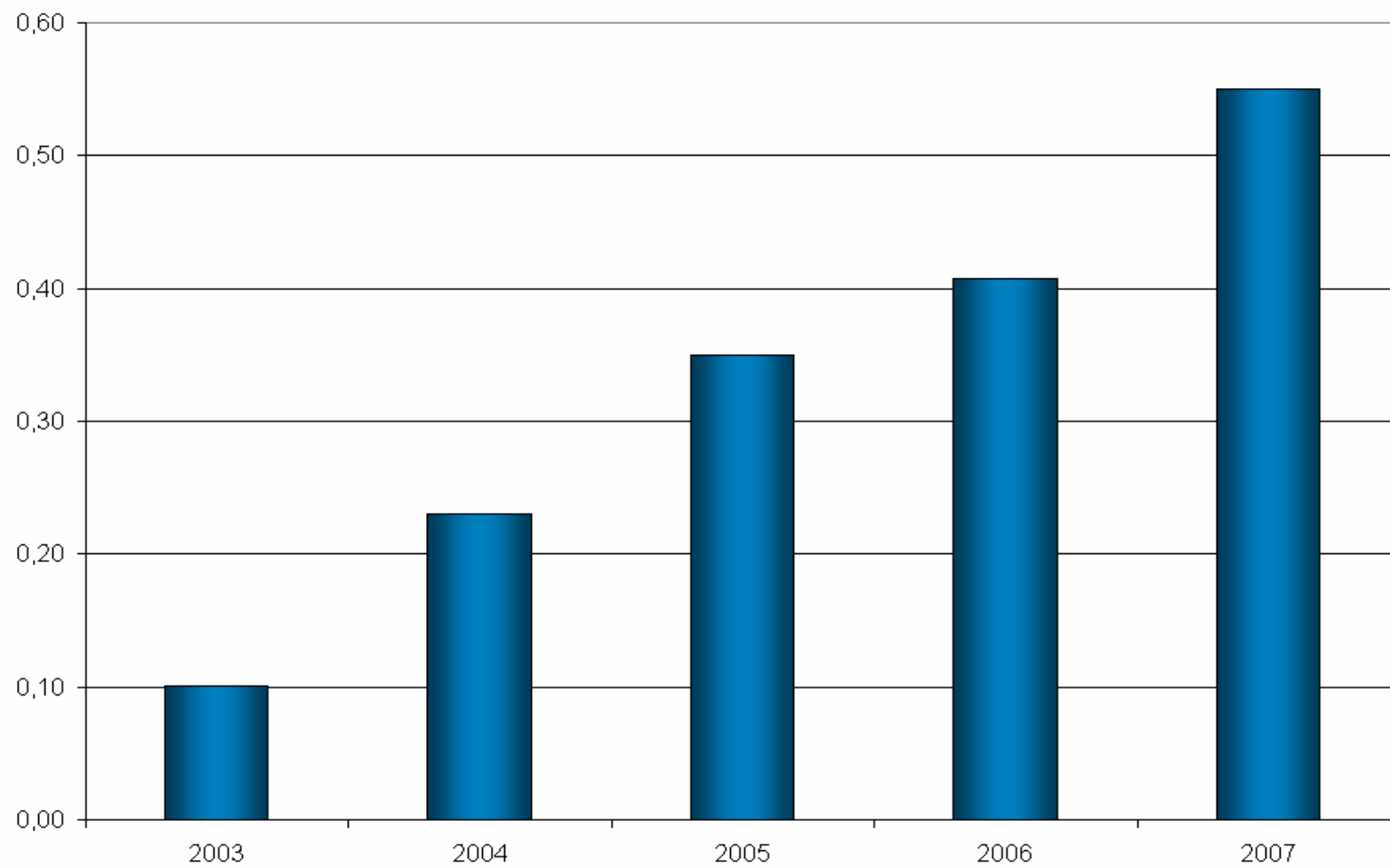
Net Sales



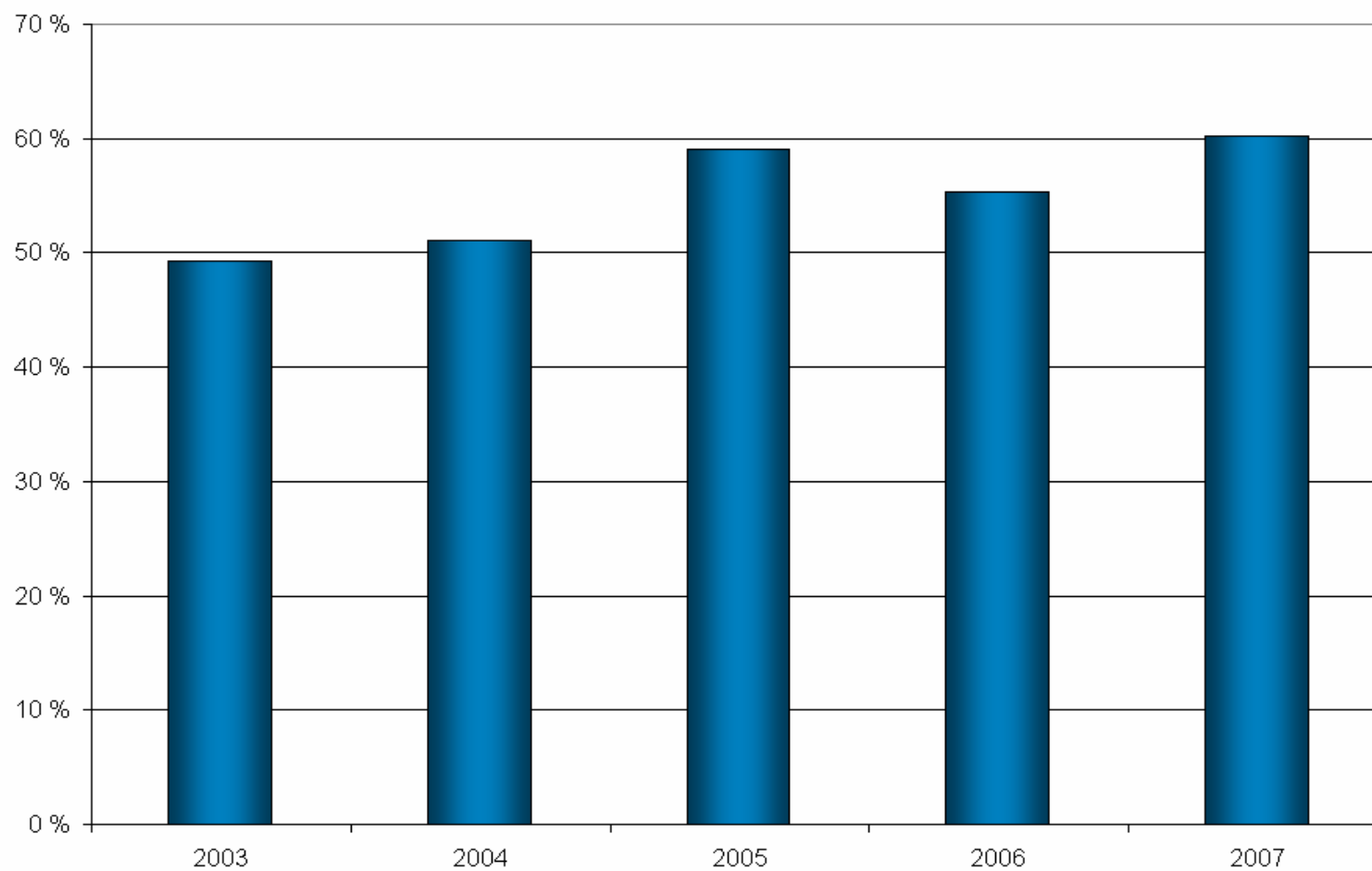
EBIT



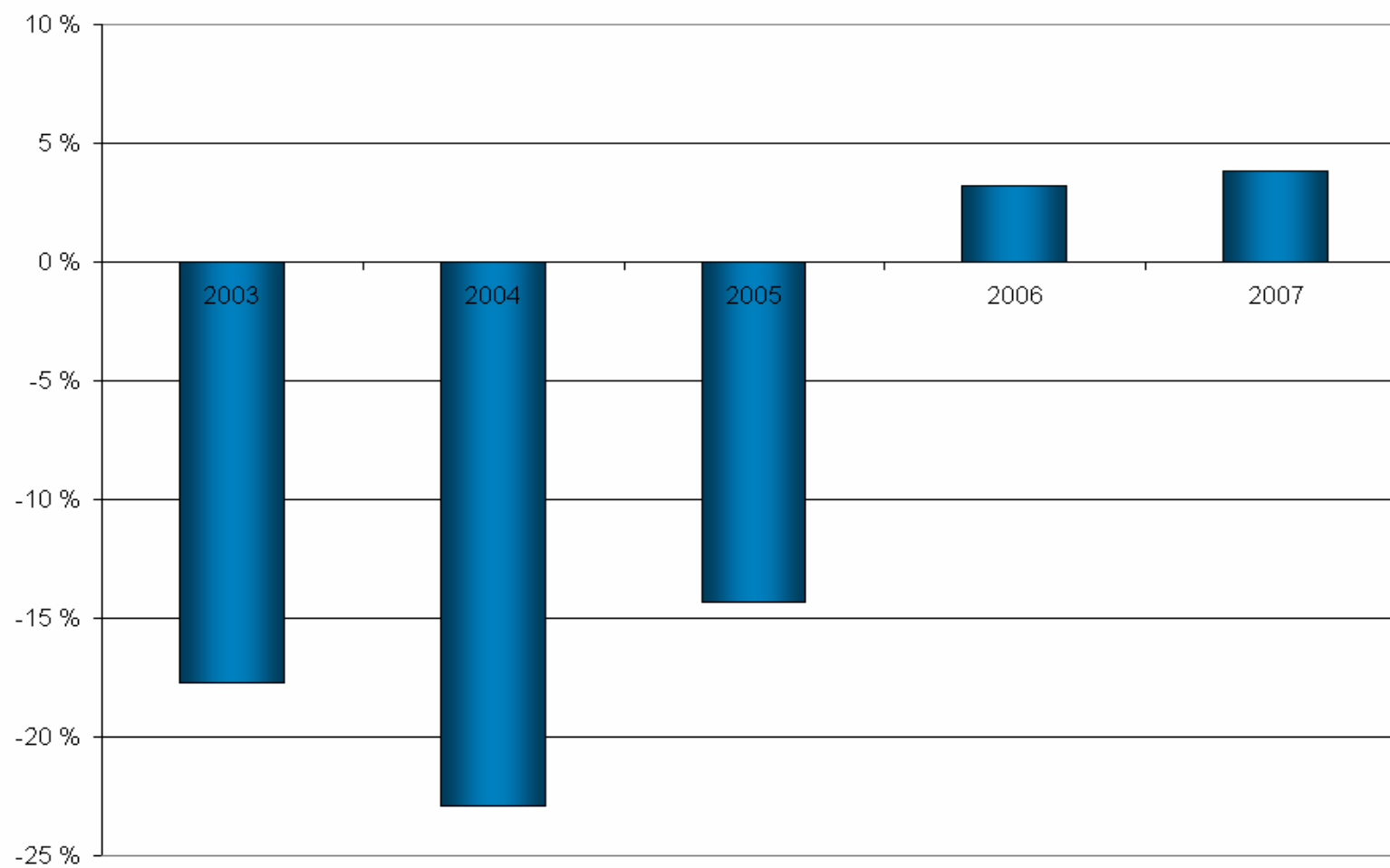
EPS



Equity Ratio



Gearing



Outlook

Broadband Cable Networks – Market situation is believed to continue active

- Cable operators are expanding their service offerings
- Demand for network driven by video (HDTV, IPTV, WebTV) and growth in broadband Internet access continues
- Growth in demand for services
- Continued consolidation among clientele and competitors
 - We expect on-going market growth in 2008

Video Networks

- Particularly large-scale network management and record projects as well as industry-specific solutions are on the increase
- Increased demand for new and more intelligent solutions
- Promising prospects list for year 2008

- **Teleste continues its profitable growth**
- **We estimate the positive market situation to continue even in 2008**

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