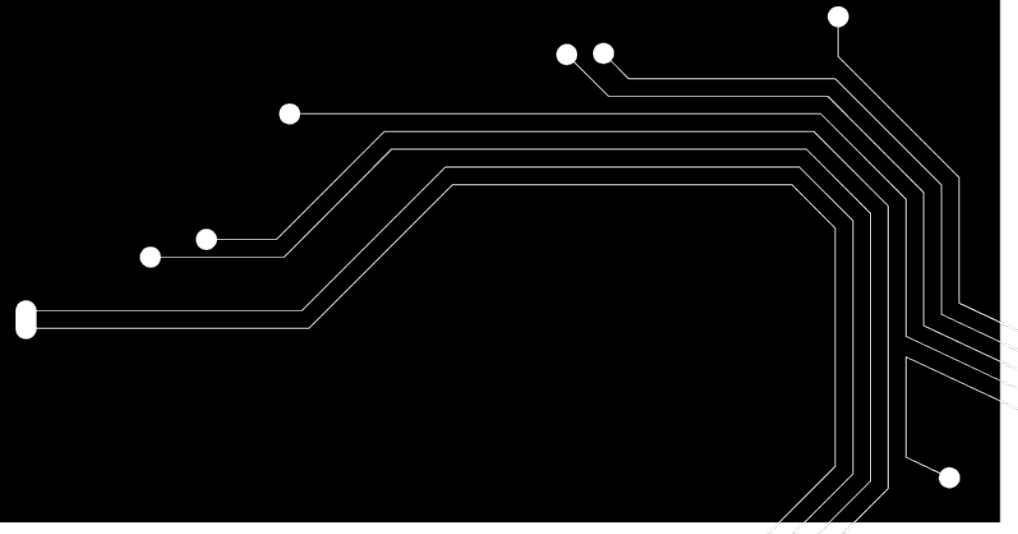


# Financial Statement 2009

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# Market situation Q4/2009

## Broadband Cable Networks

- Owing to the general situation in the world market, network investments are clearly on a lower level compared with the last year, but investment activity picked up somewhat compared with the beginning of the year.
- Cable operators provide new services (broadband, HDTV, VoD). Competition with telcos and alternative ISPs continued strong.
- Activity in the services market continued on a good level and the planned projects were successfully delivered by the year-end.

## Video Networks

- Continuously active market areas include UK, USA, France and Finland.
- In spite of the uncertain market situation, the public sector investments continued steadily.

## Significant events during 2009

- **Cooperation procedure and cost adaptation program** 12/-08
  - Layoffs, notices of termination, wage flexibilities
- **Acquisitions of services business in Germany** 1/-09
  - MKS Companies, Young-Net GmbH, Antel GmbH
- **EM Group became the new principal owner (20.32%)** 2/-09
- **Nousiainen real estate for sale** 3/-09
- **23 R&D persons outsourced to Cybercom Plenware** 3/-09
- **Launch of business premises expansion** 4/-09
- **Renewed Board** 4/-09
  
- **Acquisitions of services business in Germany continued** 7/-09
  - AVC Systemhaus GmbH and 75% holding in Cableway AG
- **Order of 3.9M€ for fibre-optic network from NetCologne** 7/-09
- **Video surveillance order of 3M€ from Chicago Transit Authority** 9/-09
- **Cable network upgrade order of 2.2M€ from Versatel** 11/-09
- **Concentration of production in Finland to Littoinen** 12/-09
- **Several significant development projects involving products and operations**
  - Processing centre for IP services, Product ranges of AC/HDO, VMX video surveillance solutions, lean manufacturing

## RESULT Q4 - Group

	Q4 2009	Q4 2008	Change%
Orders Received	46.8	25.3	85%
Net Sales	43.8	28.1	56%
Operating Profit	1.7	1.6	9%
EBIT %	3.9%	5.6%	-30%
Net Profit for the Period	1.0	1.9	-47%

## RESULT Q4 - Broadband Cable Networks

	Q4 2009	Q4 2008	Change %
Orders Received	40.8	19.7	107%
Net Sales	39.3	23.8	65%
EBIT	2.4	1.7	40%
EBIT %	6.1%	7.2%	-15%

## RESULT Q4 - Video Networks

	Q4 2009	Q4 2008	Change %
<b>Orders Received</b>	<b>6.0</b>	<b>5.6</b>	<b>8%</b>
<b>Net Sales</b>	<b>4.5</b>	<b>4.4</b>	<b>2%</b>
<b>EBIT</b>	<b>-0.7</b>	<b>-0.1</b>	<b>n/a</b>
<b>EBIT %</b>	<b>-15.3%</b>	<b>-3.2%</b>	<b>n/a</b>

## RESULT 2009 - Group

	2009	2008	Change %
Orders Received	151.0	118.6	27%
Net Sales	141.7	108.7	30%
Operating Profit	2.5	5.6	-55%
EBIT %	1.8%	5.2%	-65%
Net Profit for the Period	0.4	5.5	-92%



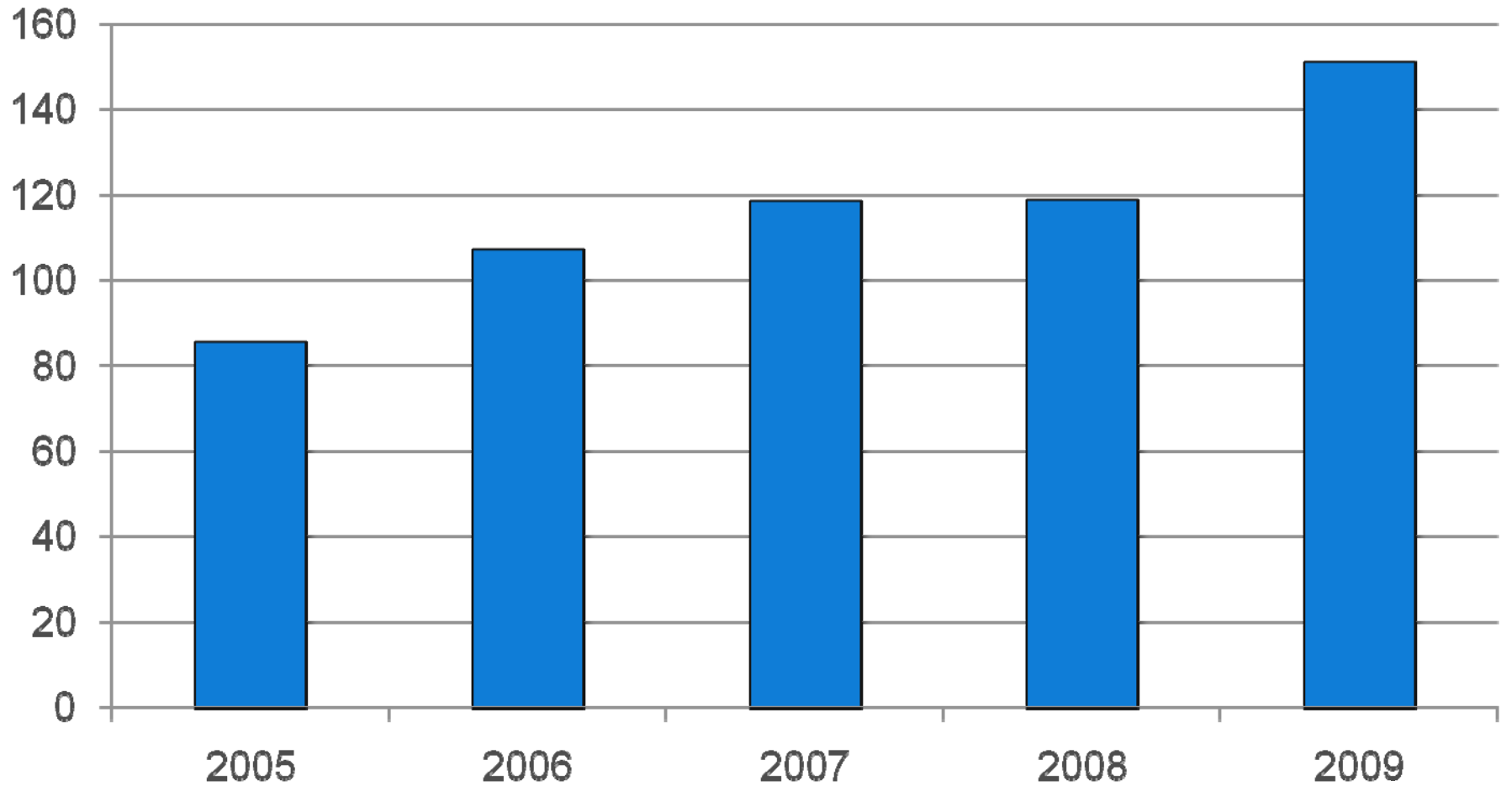
## RESULT 2009 - Broadband Cable Networks

	2009	2008	Change %
Orders Received	131.8	101.4	30%
Net Sales	125.6	92.6	36%
EBIT	2.9	6.1	-52%
EBIT %	2.3%	6.6%	-65%

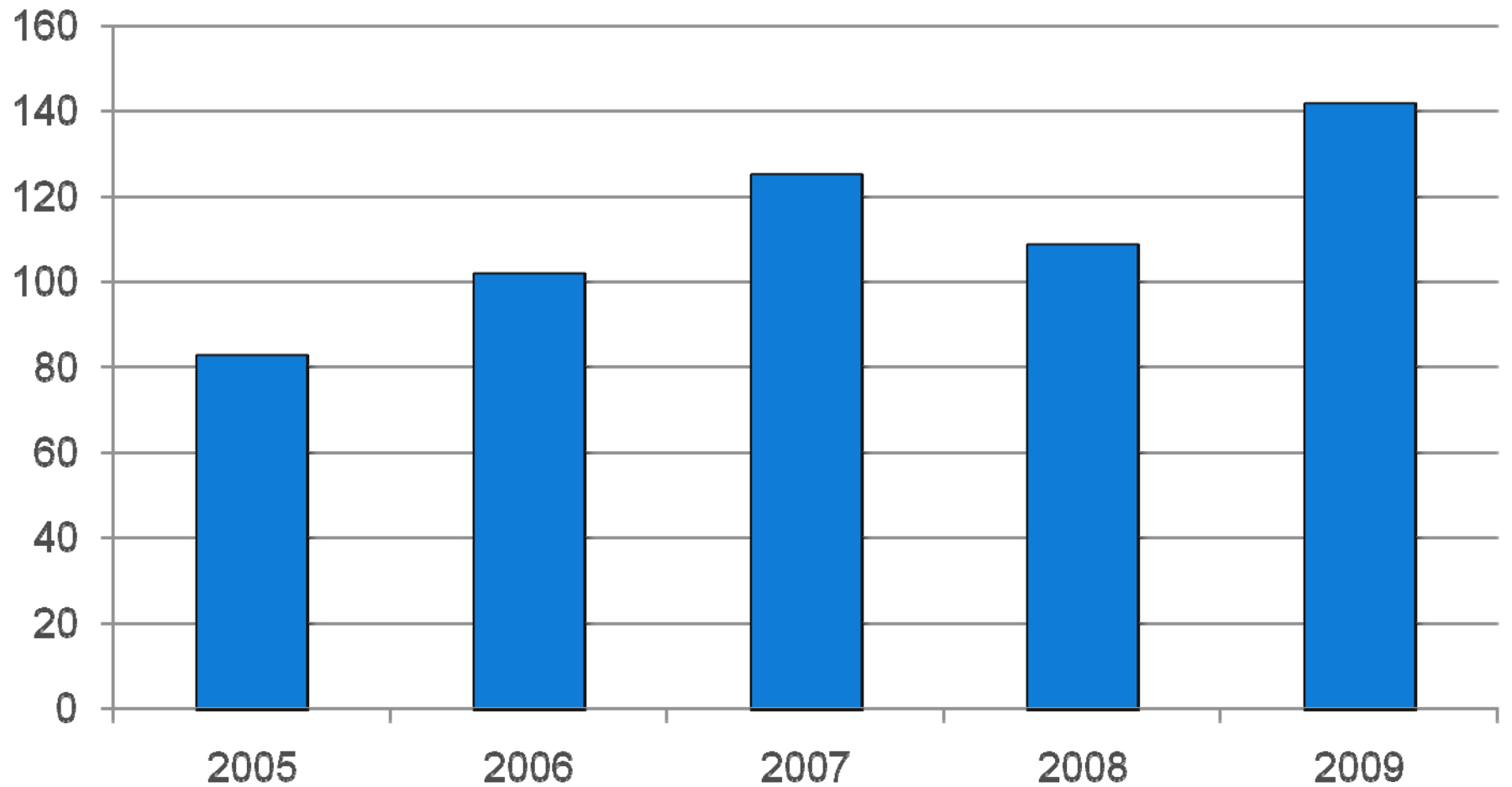
## RESULT 2009 - Video Networks

	2009	2008	Change %
<b>Orders Received</b>	<b>19.2</b>	<b>17.2</b>	<b>12%</b>
<b>Net Sales</b>	<b>16.1</b>	<b>16.1</b>	<b>0%</b>
<b>EBIT</b>	<b>-0.3</b>	<b>-0.5</b>	<b>n/a</b>
<b>EBIT %</b>	<b>-2.1</b>	<b>-2.9%</b>	<b>n/a</b>

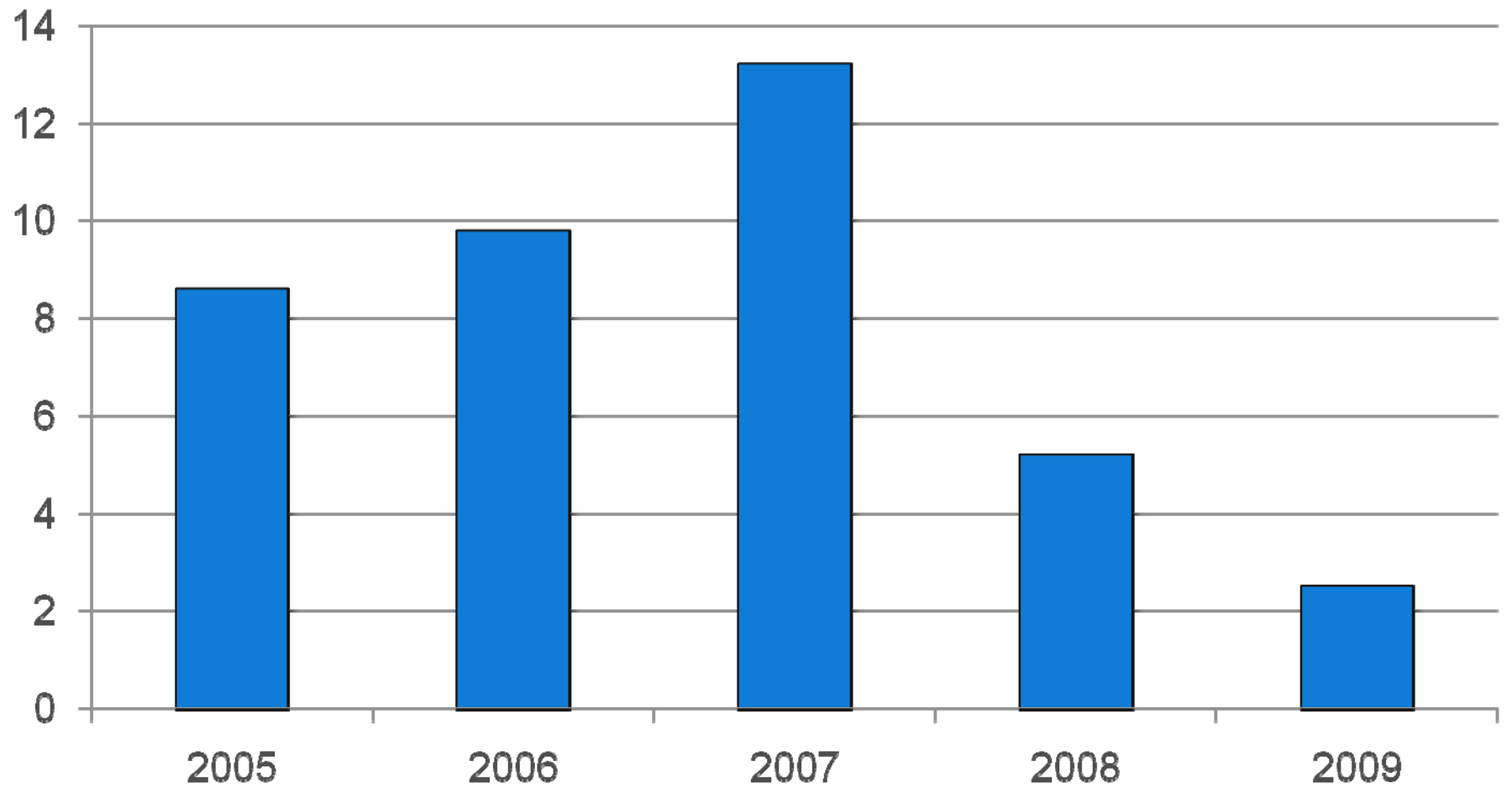
## Orders Received



## Net Sales

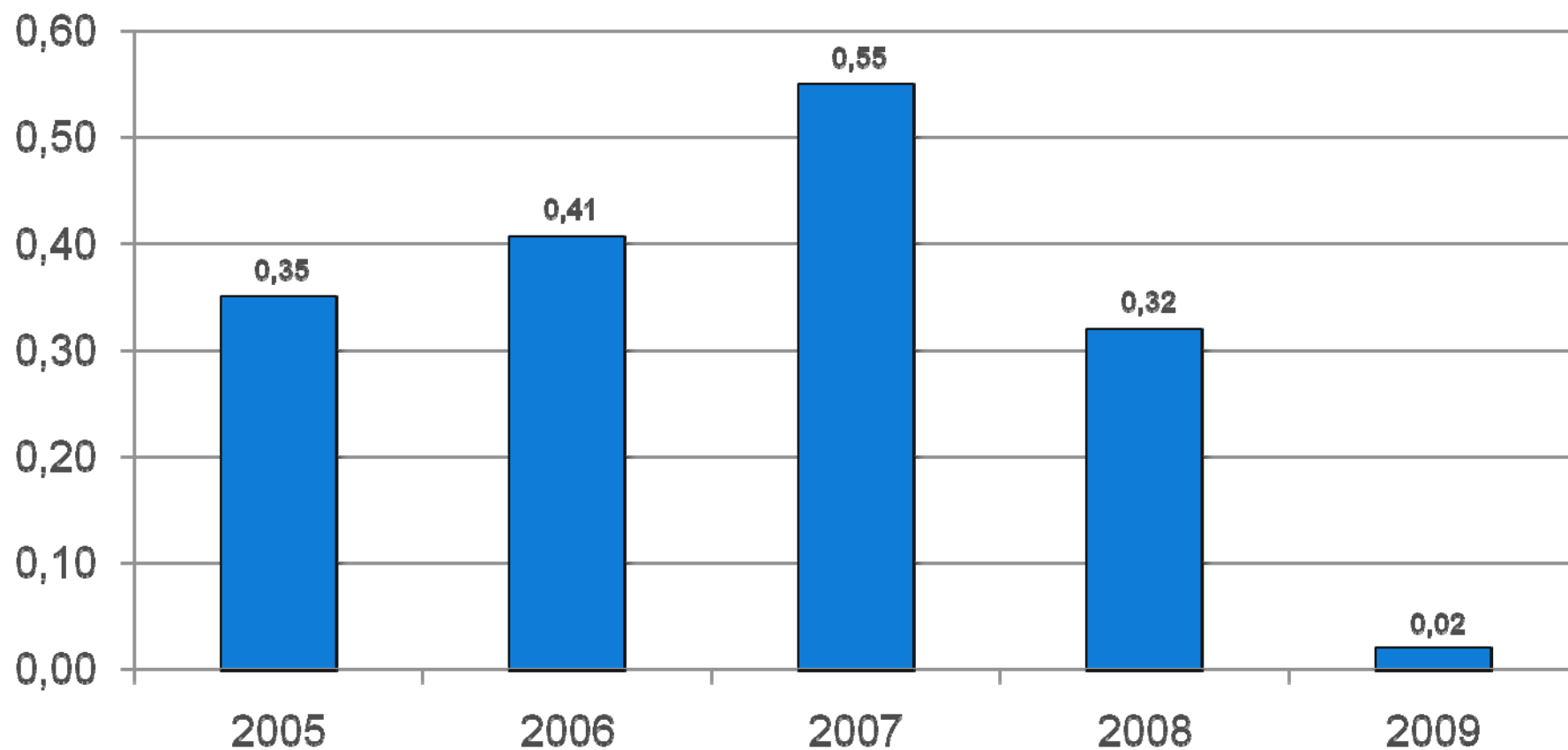


# EBIT

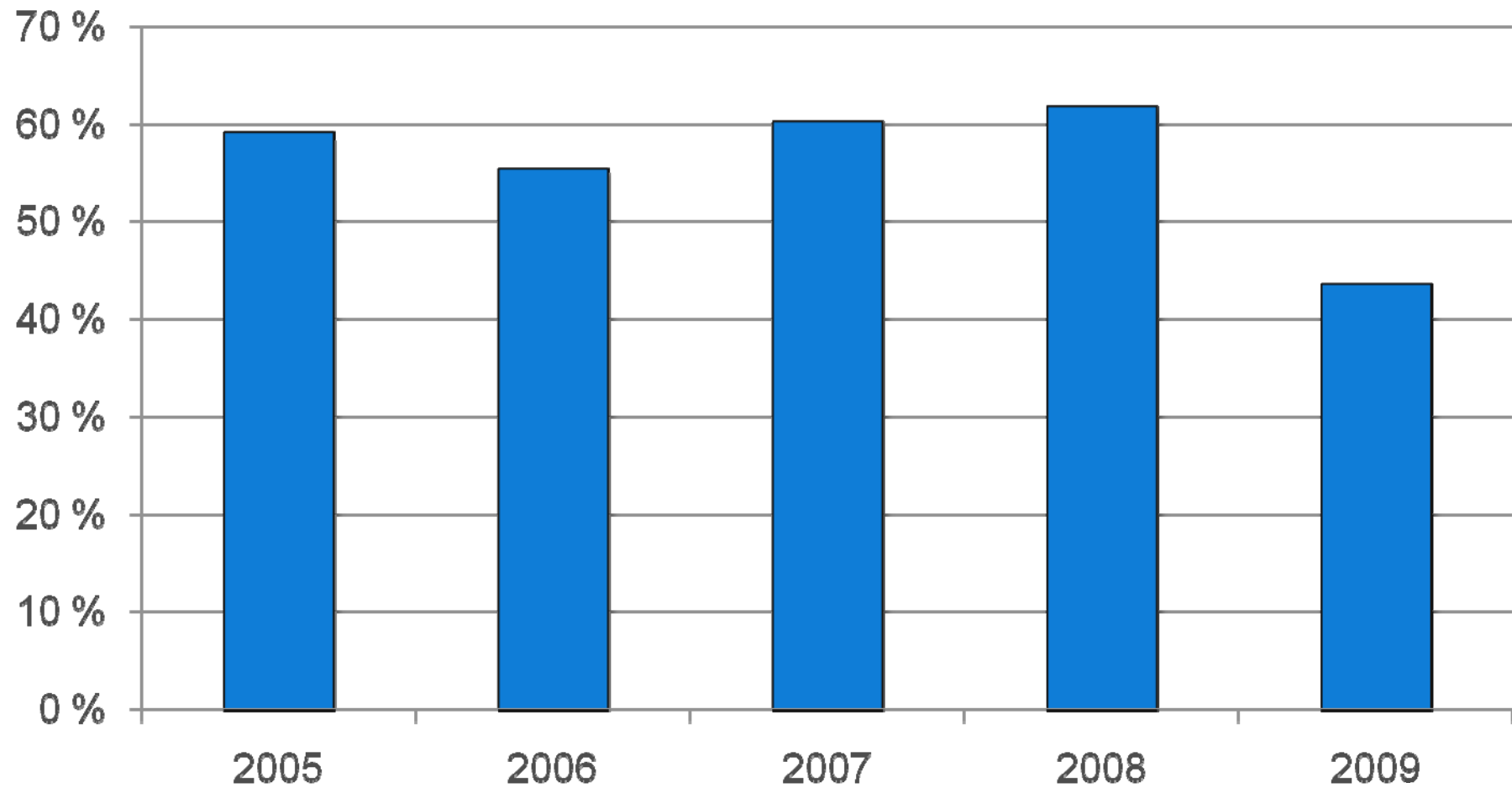


## EPS

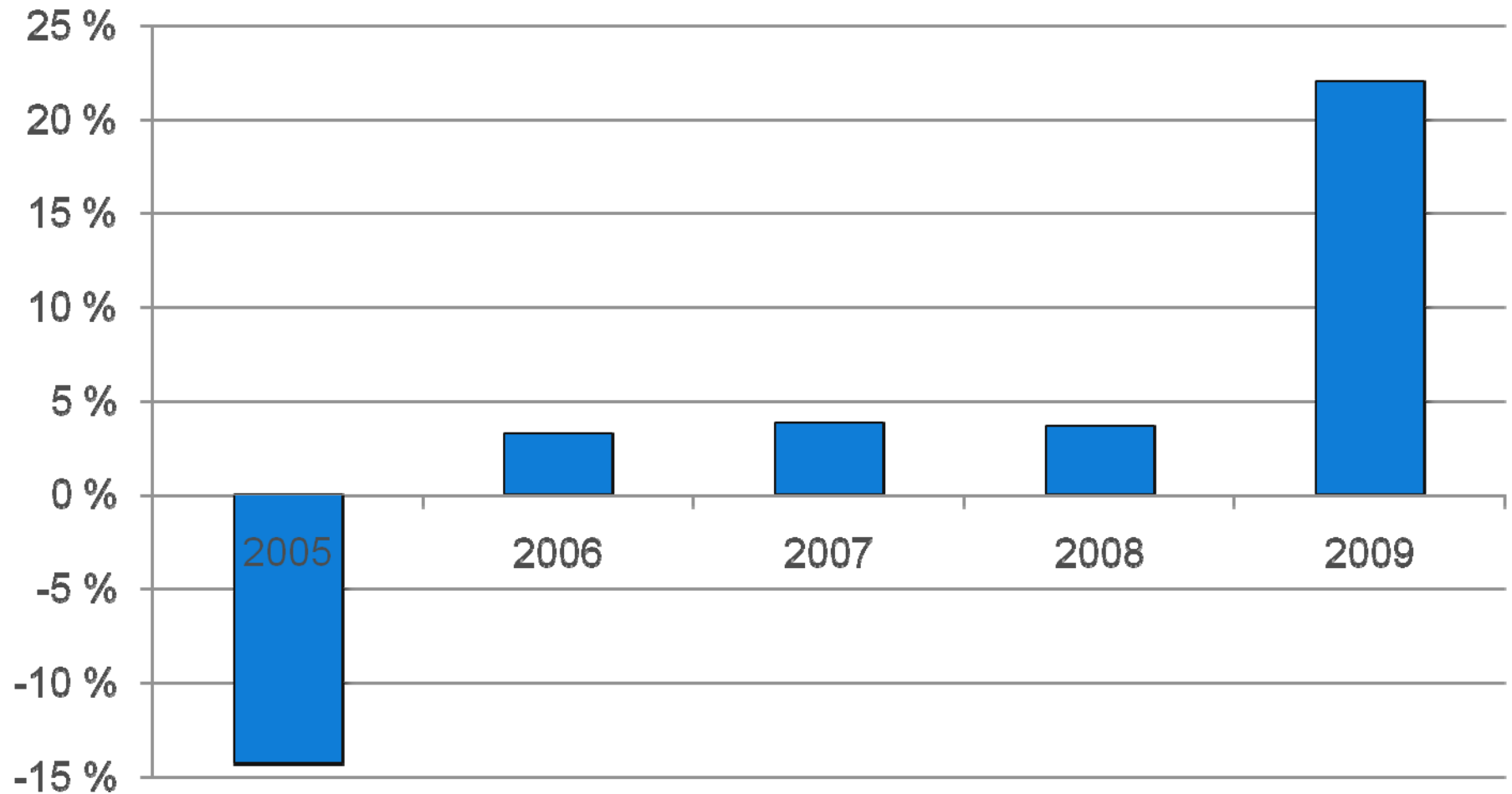
## EPS



## Equity Ratio



# Gearing





# Future Outlook

## Broadband Cable Networks

- Continued demand for greater network capacity driven by video (HDTV, IPTV, WebTV) and growth in broadband Internet access
- The general economic uncertainty is not expected significantly to affect consumer demand for the end-customer operator services – investments are limited by financing arrangements of the venture capitalists
- Operators are planning on outsourcing of network services
- Deliveries of product solutions in 2010 will remain at least on the 2009 level
- Net sales will grow due to increased provision of services
  - Exceptionally cold winter and significant sporting events in H1/2010 may delay upgrading of networks

## Video Networks

- Increased need for safety and more efficient traffic infrastructure enable cautious growth in net sales in 2010
  - Public sector development is stable regardless of business cycle

## Teleste

- We will keep our strong market position and continue to implement our strategy in a goal-directed manner while adapting our cost structure are required by the economic situation
- In an uncertain market situation, the recent strategic investments made in the services business enable the net sales to grow from the 2009 level. Bearing in mind increased net sales and the adaptation of costs we estimate the operating profit to improve over 2009.

**Leading provider of broadband video technology and services for operators**



**THE DIGITAL FUTURE –  
The revolution in communication leads to  
the explosion of digital network content.**