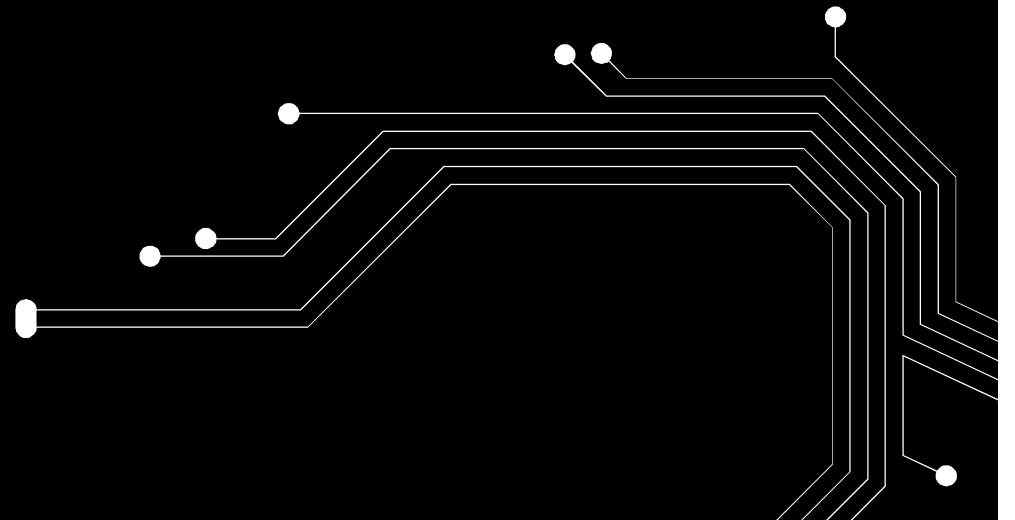


# RESULT Q1 2008

**JUKKA RINNEVAARA**

**CEO**



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# Highlights and Market situation Q1/2008

## Highlights Q1 2008

- Orders from Kabel Deutschland AG (>1 M€)
- Acquisition of Ortikon Interactive
- Frame agreement with German Cableway AG (>15 M€ 2008 – 2011)
- Orders from Finnish Elisa (>1 M€)
- Order from major Russian MSO (1,4 M€, Deep Fibre and DHE's)
- Annual General Meeting
- New frame agreement with Altice group (~ 3M€, Fttx)

➤ 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 supported by weak USD

## Video Networks

### Need for improved safety - active demand for video surveillance

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

## RESULT Q1 - Group

	Q1 2008	Q1 2007	Change%
Orders Received	29.4	36.4	-19%
Net Sales	27.2	31.4	-13%
Operating Profit	0.9	2.8	-69%
EBIT %	3.2%	8.9%	-64%
Net Profit for the Period	0.5	1.9	-72%

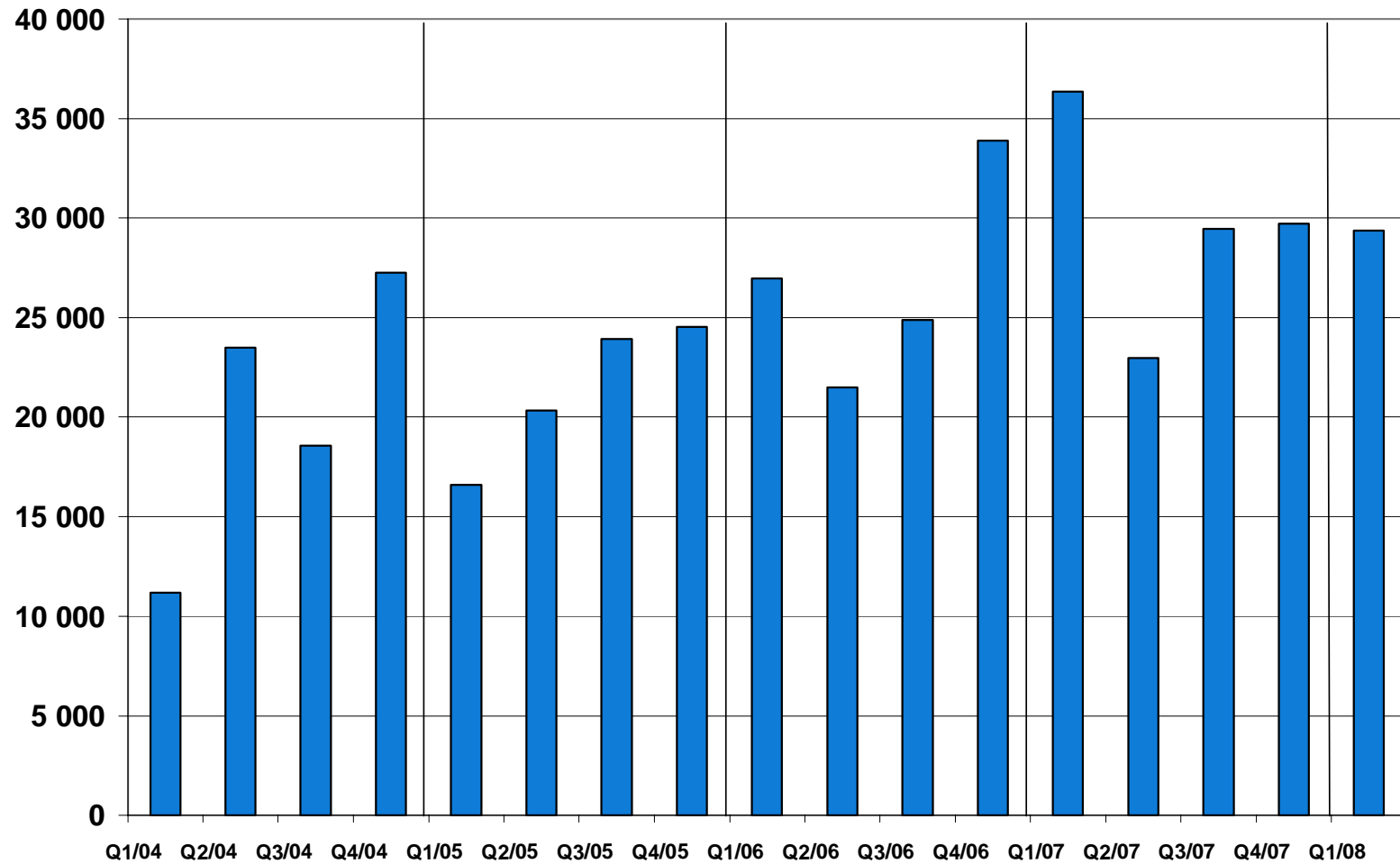
## RESULT Q1 - Broadband Cable Networks (BCN)

	Q1 2008	Q1 2007	Change%
Orders Received	26.0	32.7	-21%
Net Sales	23.0	28.0	-18%
EBIT	0.9	3.3	-73%
EBIT %	3.9%	11.8%	-67%

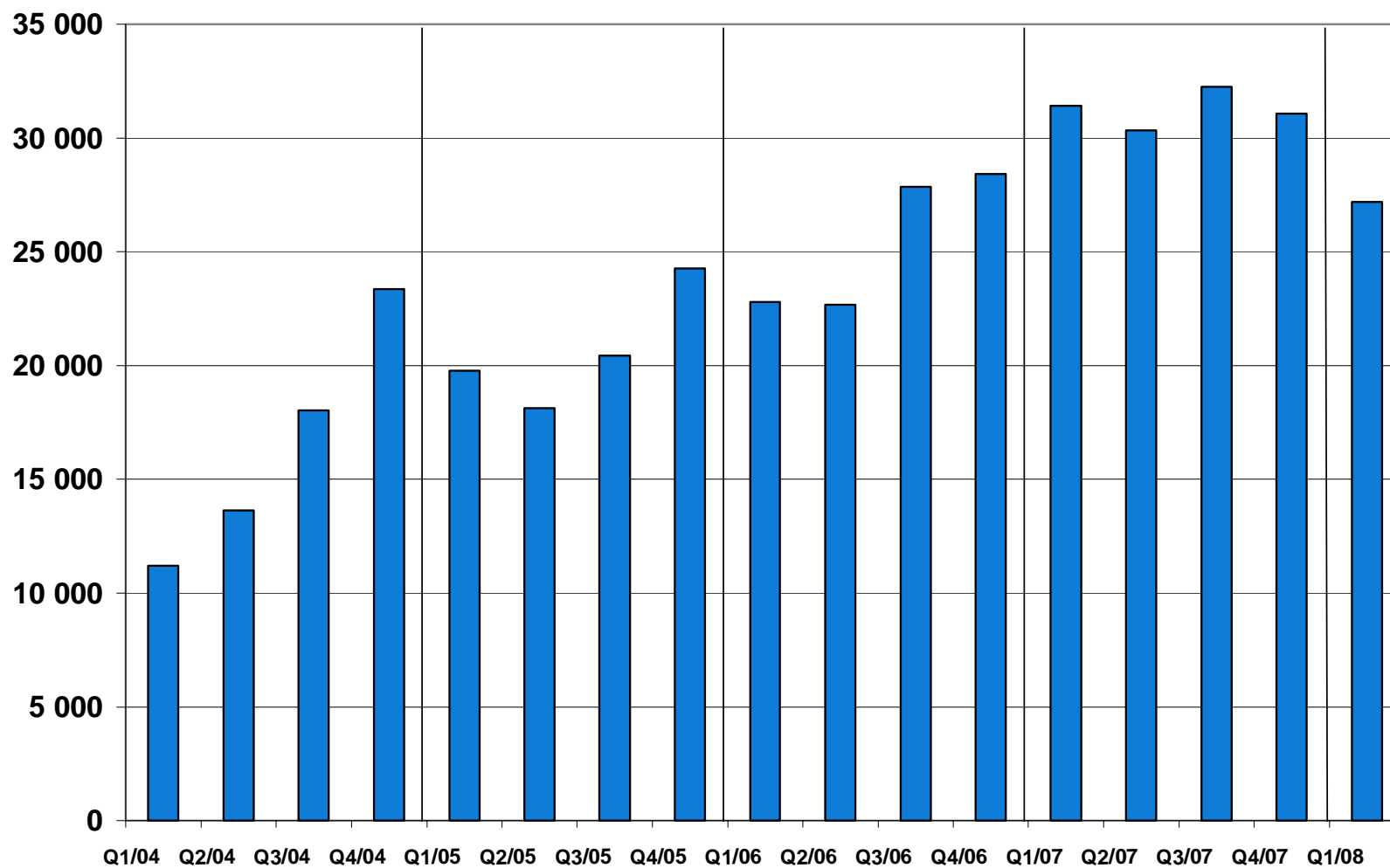
## RESULT Q1 - Video Networks (VN)

	Q1 2008	Q1 2007	Change%
Orders Received	3.3	3.6	-8%
Net Sales	4.2	3.4	24%
EBIT	-0.0	-0.5	n/a
EBIT %	-0.5%	-14.9%	n/a

# Orders Received by quarters

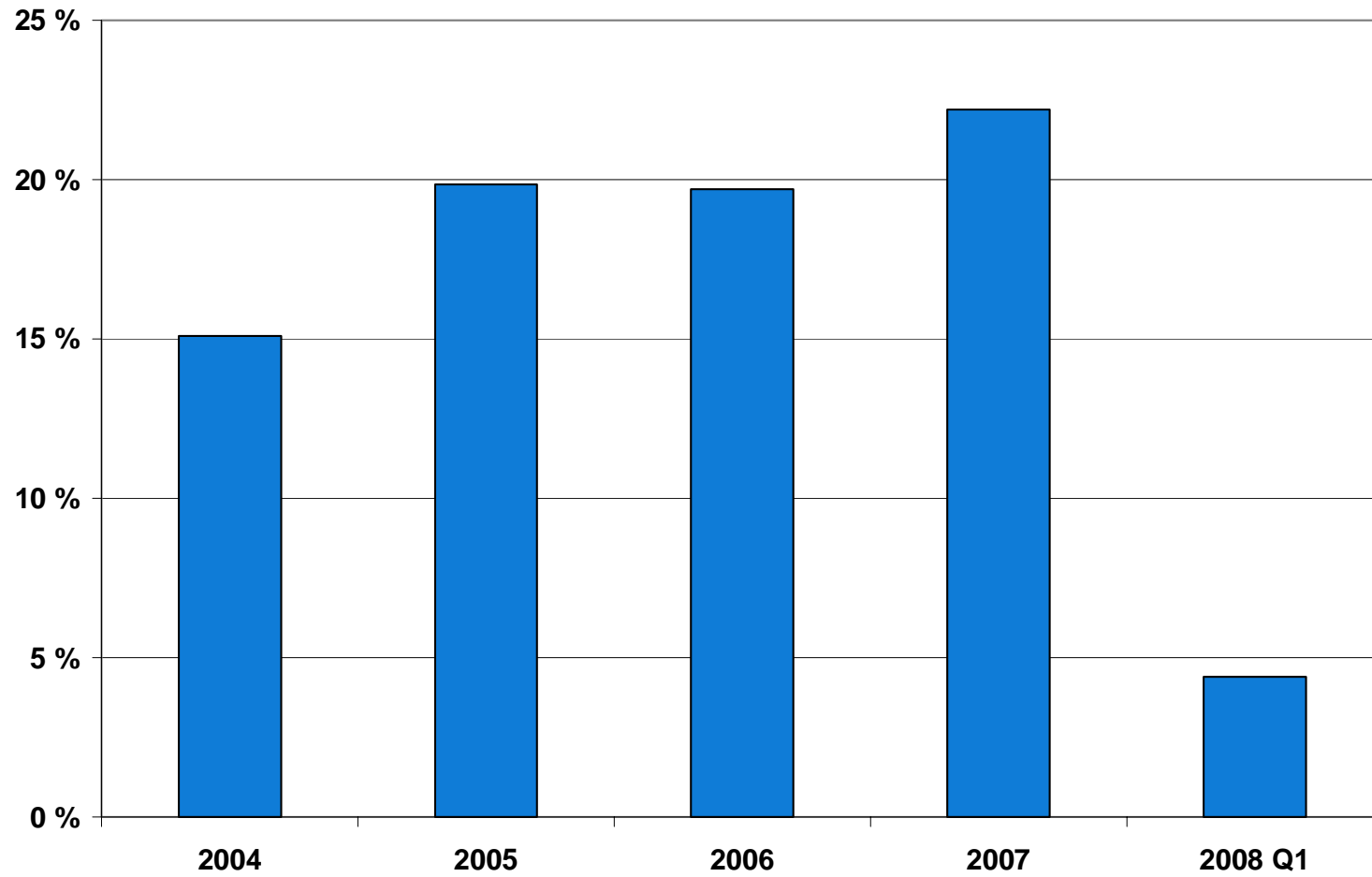


# Net Sales by quarters

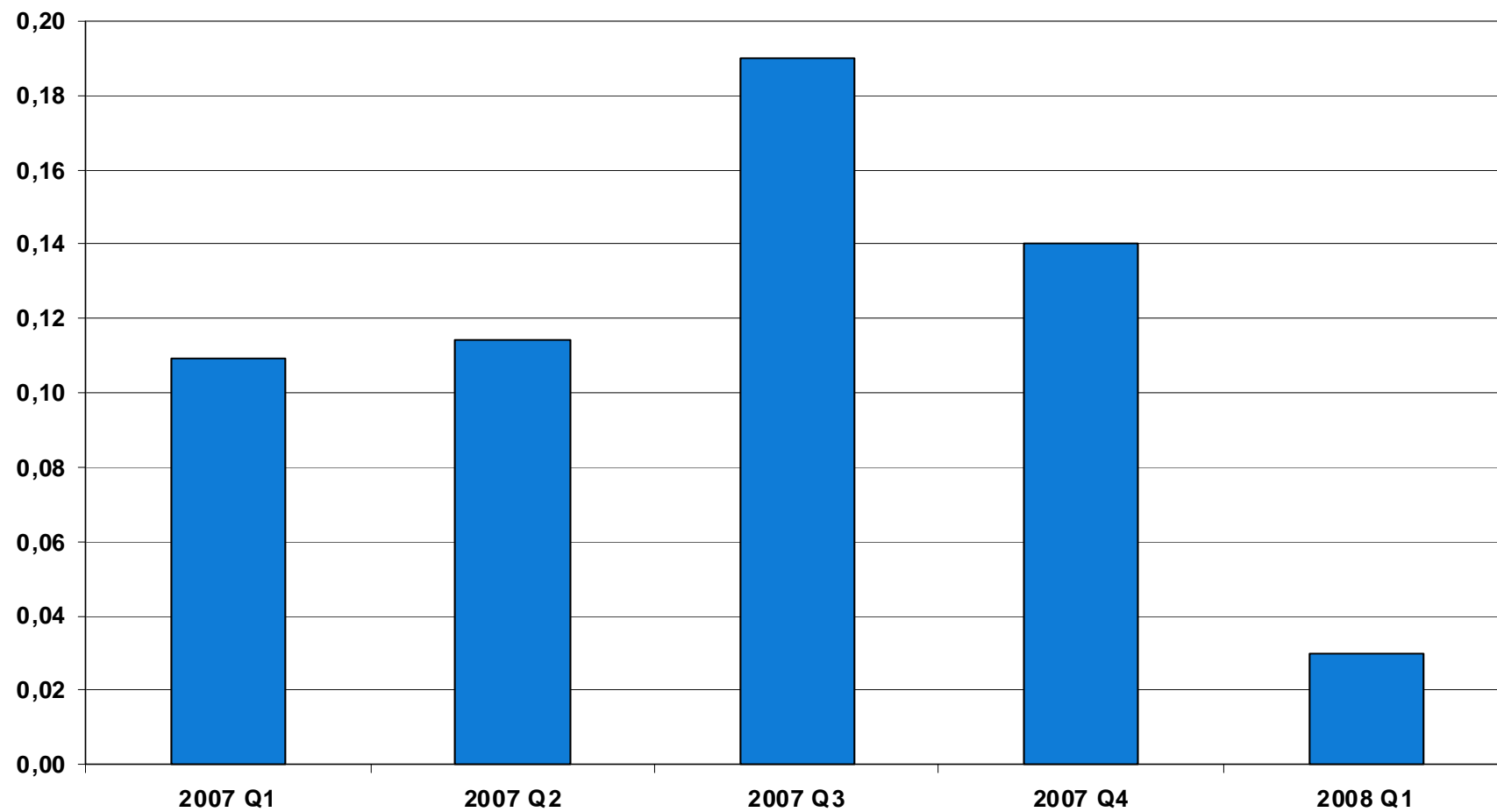




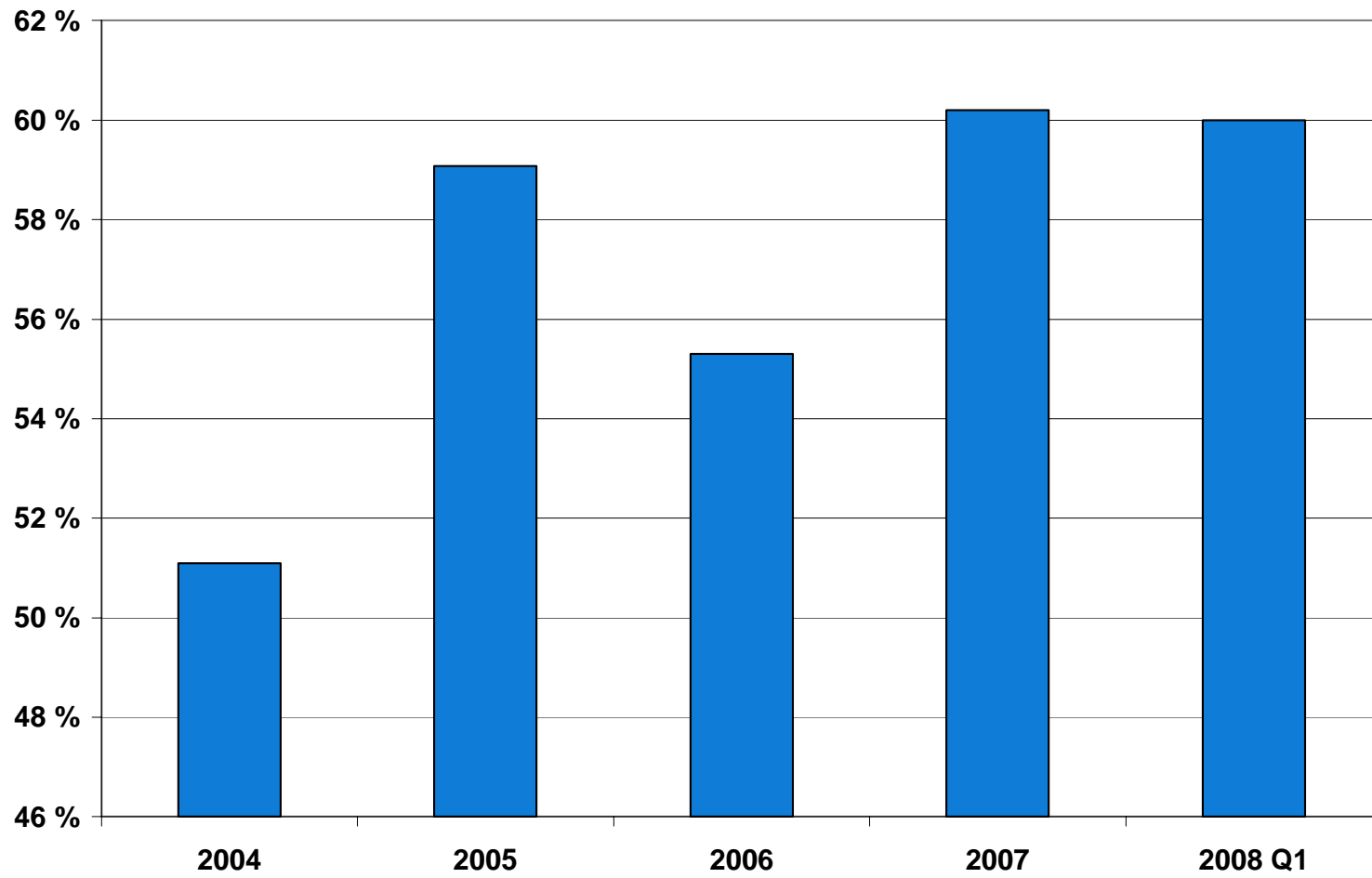
## Return on Equity %



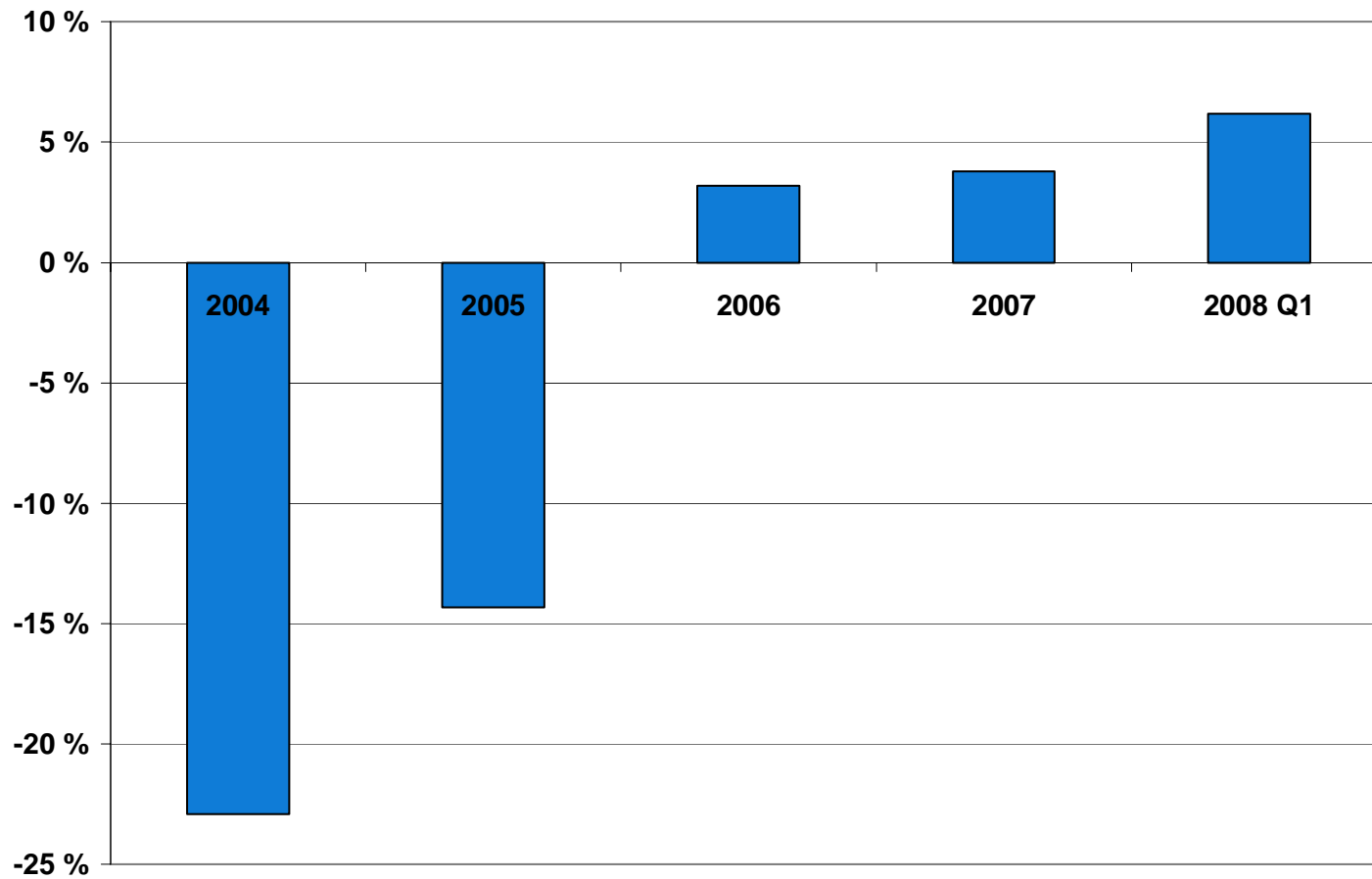
# EPS



# 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 in clientele and competition
- Weak USD leads to more aggressive price competition
  - We expect market to continue to be active in 2008

### Video Networks

- Particularly large-scale network management and recording projects as well as industry-specific solutions are on the increase
- Promising prospects list for year 2008

- Business predictability has become more difficult due to the increased uncertainty in the world economy
- We estimate the active market situation to continue in 2008
- Teleste targets to continue its profitable growth
  - We expect orders received to grow for year 2008, but sales and profitability might end up at the same level as year 2007

**TELESTE**

