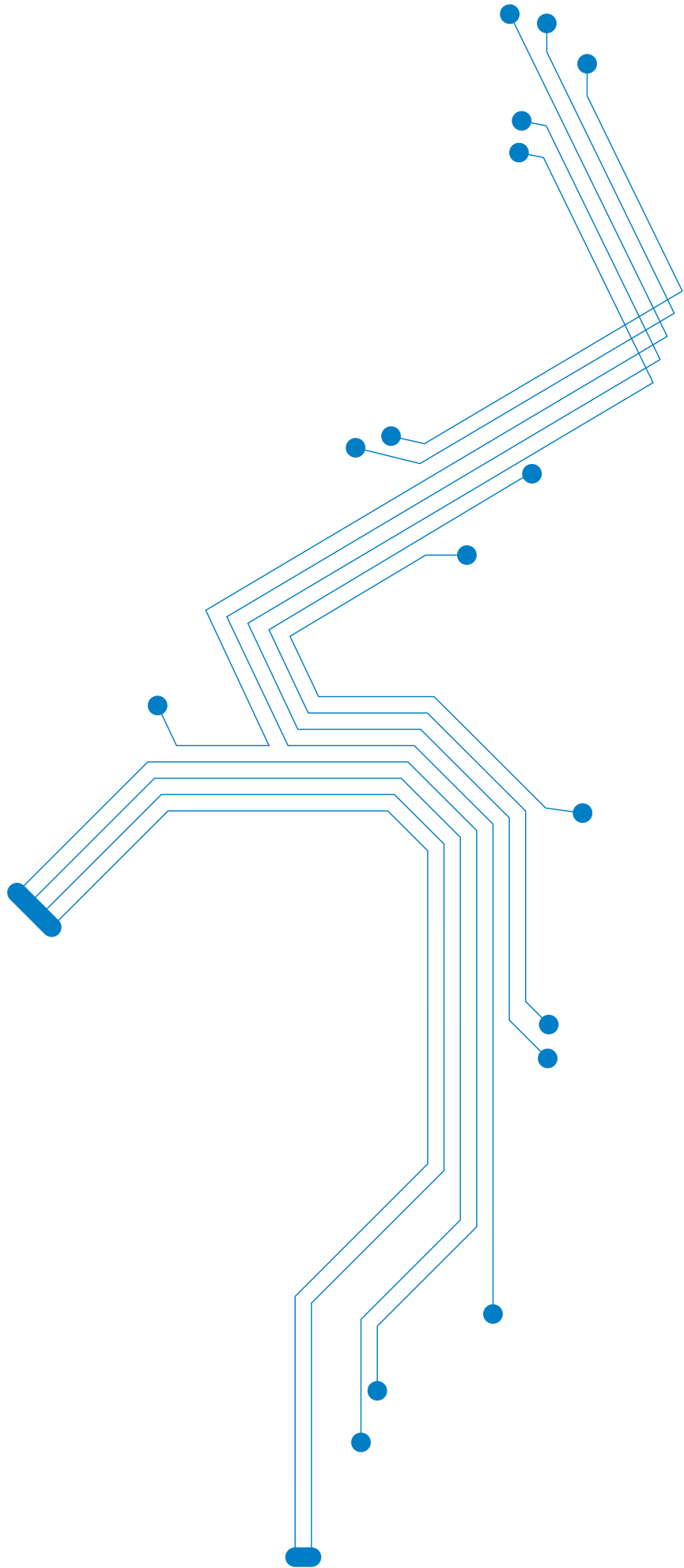


# Interim Report Q1





## TELESTE CORPORATION INTERIM REPORT 1 JANUARY TO 31 MARCH 2015

## SIGNIFICANT INCREASE IN NET SALES, PROFIT AND ORDERS RECEIVED

## First quarter of 2015

- Net sales amounted to EUR 53.4 (43.5) million, an increase of 22.8%
- Operating profit amounted to EUR 2.6 (1.3) million, an increase of 101.3%
- Undiluted result per share stood at EUR 0.12 (0.05) per share, an increase of 136.5%
- Orders received totalled EUR 56.9 (46.9) million, an increase of 21.2%
- Operating cash flow was EUR -1.2 (1.5) million

## Outlook for 2015

We estimate that net sales and operating profit for 2015 will exceed the 2014 level.

## Comments on the first quarter of 2015 by CEO Jukka Rinnevaara:

"Demand for Teleste's products and services in the first quarter of 2015 in our key markets has been good. Orders received in the quarter reached Teleste's all-time high of EUR 56.9 million. The orders received were at a record level even without the Mitron acquisition. Also net sales and operating profit clearly exceeded the comparative period. In particular, orders received and net sales were increased by products in line with the new Docsis 3.1 standard. The improvement in our operating profit was achieved through organic growth.

Orders received by Video and Broadband Solutions grew strongly. The greatest growth in demand was registered in optical network products. Along with the acquisition of Mitron, our net sales was boosted by the sales of access network products and video security solutions. Orders received by the business area increased the most in France, Belgium and Israel. The most significant growth in deliveries was recorded in France, the UK and Belgium. Our good delivery capability was instrumental in helping us meet the increased demand, and thus improving the business area's profitability significantly. Early in this year we carried out the acquisition of Mitron Group Oy Ltd's entire share capital, which was transferred to the ownership of Teleste. Mitron is a Finnish provider of public transportation information systems and modern display solutions. Mitron is ideal for Teleste's strategy and strengthens our presence as a comprehensive supplier of rail video security and information solutions.

As for Network Services, we were able to improve our operating profit over the comparative period, although the result was burdened by investments in the expansion of business in the UK. In Germany, we reached good qualitative results measured by our customer's standards while achieving the planned profitability. The volume of our services business has developed positively in Switzerland, where we increased our net sales significantly from the last year."

## Group Operations in January to March 2015

Key figures	1-3/2015	1-3/2014	Change %	1-12/2014
Orders received, M€	56.9	46.9	+21.2 %	199.3
Net sales, M€	53.4	43.5	+22.8 %	197.2
Operating profit, M€	2.6	1.3	+101.3 %	11.1
Operating profit, %	4.9%	3.0%		5.6%
Net profit, M€	2.2	0.9	+139.7%	8.5
Earnings per share, €	0.12	0.05	+136.5%	0.48

Cash flow from operations, M€	-1.2	1.5		9.2
Net gearing, %	21.9%	12.3%		9.5%
Equity ratio, %	49.0%	53.7%		53.4%
Personnel at period-end	1,462	1,260	+16.0%	1,343

In the first quarter, orders received by the Group totalled EUR 56.9 (46.9) million, which is 21.2% above the reference period. The Group's order backlog amounted to EUR 42.3 (16.5) million.

Net sales were EUR 53.4 (43.5) million, up 22.8% from the comparative period. Compared to the same period in the previous year, operating profit increased by 101% standing at EUR 2.6 (1.3) million, which is 4.9% (3.0%) of the net sales. Personnel expenses amounted to EUR 17.0 (14.0) million. Together with the Mitron acquisition our personnel expenses were increased by recruitment of additional employees in Network Services. Undiluted result per share stood at EUR 0.12 (0.05) per share, an increase of 137%.

Operating cash flow stood at EUR -1.2 (1.5) million. Operating cash flow was decreased by growth in net working capital, which resulted from increased inventories and reduced accounts payable, including changes in the working capital of Mitron.

Operations received through the Mitron acquisition are reported under the figures for Video and Broadband Solutions. The Mitron impact on the reported figures for the first quarter were as follows: orders received +2.1, net sales +5.6, operating profit including group level intangible asset depreciations +0.0 millions of euros. The order backlog transferred in the acquisition stood at EUR 23.7 million.

### Video and Broadband Solutions in January to March 2015

Key figures	1-3/2015	1-3/2014	Change %	1-12/2014
Orders received, T€	33,990	24,896	36.5%	109,007
Net sales, T€	30,532	21,485	+42.1%	106,901
Operating profit, T€	2,003	801	+150.1%	9,673
Operating profit, %	6.6%	3.7%		9.0%

Year-on-year orders received improved by 36.5% standing at EUR 34.0 (24.9) million. Order backlog strengthened to EUR 42.3 (16.5) million. Net sales grew by 42.1% amounting to EUR 30.5 (21.5) million. Along with the acquisition of Mitron, our net sales were increased by the sales of access network products, passive and house network products as well as video security solutions. Operating profit increased by 150% to EUR 2.0 (0.8) million, representing 6.6% (3.7%) of net sales. The year-on-year operating profit percentage was improved by increased sales volumes.

R&D expenses amounted to EUR 2.9 (2.6) million, i.e. 9.4% (12.1%) of the business area's net sales. Capitalized R&D expenses amounted to EUR 0.4 (0.3) million. Product development projects focused on network products complying with the Docsis 3.1 standard and on customer-specific projects. Depreciation on capitalized R&D expenses equalled EUR 0.3 (0.3) million.

### Network Services in January to March 2015

Key figures	1-3/2015	1-3/2014	Change %	1-12/2014
Orders received, T€	22,911	22,048	+3.9%	90,275
Net sales, T€	22,911	22,048	+3.9%	90,275
Operating profit, T€	595	490	+21.4%	1,463
Operating profit, %	2.6%	2.2%		1.6%

The first-quarter orders received and net sales amounted to EUR 22.9 (22.0) million, which was 3.9% higher than in the comparison period. Net sales increased particularly in Switzerland. Operating profit stood at EUR 0.6 (0.5) million, up 21.4% from the comparative period. Operating profit was 2.6% (2.2%) of net sales. The year-on-year operating profit was improved by the reduced loss in the UK, where investments in the expansion of the services business continued. A good operational result was achieved in Germany.

## **Personnel and Organization in January to March 2015**

In the period under review, the Group had an annual average of 1,466 people (1,262/2014 1,335/2013), of whom 665 (554) were employed by Video and Broadband Solutions, and 801 (708) by Network Services. At the end of the review period, the number of people working for the Group was 1,462 (1,260/2014, 1,342/2013), of whom 68% (71%/2014, 73%/2013) were working outside Finland. Approximately 3% of the Group's employees were working outside Europe.

Wages, salaries and social expenses increased over the previous year and amounted to EUR 17.0 (14.0/2014, 14.4/2013) million. This increase in personnel expenses was due to the acquisition of Mitron and growth in the number of personnel working for Network Services.

## **Investments and Product Development in January to March 2015**

Investments by the Group in the period under review totalled EUR 12.4 (0.9) million accounting for 23.3% (2.1%) of net sales. EUR 11.5 million of these investments involved the acquisition of Mitron. Investments in product development equalled EUR 0.3 (0.3) million. Investments of EUR 0.1 (0.1) million were made under financial lease arrangements.

Product development projects focused on network products complying with the Docsis 3.1 standard, network management system, distributed access architecture and customer-specific projects.

## **Financing and Capital Structure in January to March 2015**

Operating cash flow stood at EUR -1.2 (1.5) million. Operating cash flow was decreased by growth in net working capital, which resulted from increased inventories and reduced accounts payable, including changes in the working capital of Mitron.

In January, Teleste Corporation signed new overdraft and revolving credit facilities with a total value of EUR 45.0 million. These agreements replaced the previous ones. The new binding agreements are valid until the end of March 2018. At the end of the period under review, the amount of unused binding credit facilities amounted to EUR 17.0 (17.0) million.

The Group's equity ratio equalled 49.0% (53.7%) and net gearing 21.9% (12.3%). On 31 March 2015, the Group's interest-bearing debt stood at EUR 30.5 (24.2) million.

## **Key Risks by the Business Areas**

Founded in 1954, Teleste is a technology and services company consisting of two business areas – Video and Broadband Solutions and Network Services. With Europe as the main market area, our clients include European cable operators and specified organisations in the public sector.

As to Video and Broadband Solutions, client-specific and integrated deliveries of solutions create favourable conditions for growth, even if the involved resource allocation and technical implementation pose a challenge involving, therefore, also reasonable risks. Our customers' network investments vary based on the relevant need for upgrading and their financial structure. Significant part of Teleste's competition comes from the USA so the exchange rate of euro up against the US dollar affects our competitiveness. The exchange rate development of the US dollar and the Chinese renminbi to the euro affects our product costs.

The company hedges against short-term currency exposure by means of forward exchange contracts. The situation in the European financial markets may slow down our customers' investment plans. Furthermore, a weakening in the consumer purchasing power in Europe could slow down the network investments by the cable operators. Competition increased by the new service providers (OTT) may undermine the cable operators' ability to invest. Availability of components is subject to natural phenomena, such as floods and earthquakes. Correct technological choices and their timing are vital for our success. Regardless of careful planning and quality assurance, complex products may fail in the customer's network and lead to expensive repair obligations.

Net sales of Network Services comes, for the most part, from a small number of large European customers, so a significant change in the demand for our services by any one of them is reflected in the actual deliveries and profitability. To ensure quality of services and cost-efficiency along with efficient

service process management, customer satisfaction and improvements in productivity require innovative solutions in terms of processes, products and logistics. Smooth operation of cable networks requires effective technical management and functional hardware solutions in accordance with contractual obligations. This, in turn, demands continuous and determined development of skills and competencies in Teleste's own personnel as well as those of our subcontractors. In addition, Teleste's ability to deliver and compete may be constrained by the adequacy of our own personnel and our sub-contractor network capacity. Tender calculation and management of larger projects with overall responsibility are complex and include risks. Severe weather conditions may affect the supply conditions of our products and services.

Teleste's strategy involves risks and uncertainties – new business opportunities may fail to be identified or they cannot be acted upon successfully. It is important for our business areas to take into account any market developments such as consolidations taking place among the clientele and competition. Intensifying competition may decrease the prices of products and solutions faster than we manage to reduce our products' manufacturing and delivery costs. Various information systems are critical to the development, manufacturing and supply of products to our customers. Maintenance of information systems and deployment of new systems involve risks that may affect our ability to deliver products and services. Information systems may also be subject to external threats, from which we aim to protect ourselves. Acquisition of skilled personnel and maintenance of their competence require encouragement, development and recruitment, which can fail.

The Board of Directors annually reviews any essential risks related to the company operation and their management. Risk management is an integral part of the strategic and operational activities of the business areas. Risks are reported to the Board on a regular basis.

The company has covered any major risks of loss involving the business areas through insurance policies. Insurance will also cover credit loss risks related to sales receivables. In the period under review, no such legal proceedings or judicial procedures were pending that would have had any essential significance for the Group operation.

## **Group Structure**

Parent company Teleste has branch offices in Australia, the Netherlands, and Denmark with subsidiaries in 14 countries outside Finland. Teleste Management II Oy, founded in December 2011, has been consolidated in the Teleste Group figures on account of financial arrangements.

## **Shares and Changes in Share Capital**

On 31 March 2015, EM Group Oy was the largest single shareholder with a holding of 23.2%.

In the period under review, the lowest company share price was EUR 5.32 (4.25) and the highest was EUR 7.38 (4.86). Closing price on 31 March 2015 stood at EUR 6.94 (4.53). According to Euroclear Finland Ltd the number of shareholders at the end of the period under review was 5,151 (5,073) while foreign ownership accounted for 5.0% (4.8%). The share exchange in the period 1 January to 31 March 2015 was 1.1 (0.8) million. The value of this exchange amounted to EUR 7.5 (3.6) million.

In January, the Company transferred 56,924 shares as part of the purchase price in the context of the acquisition of the entire share capital of Mitron Group Oy Ltd by Teleste Corporation. In February, the Company transferred 73,644 shares in a directed free share issue constituting part of Teleste Corporation's 2012 long-term incentive plan.

At the end of March 2015, the Group held 1,059,086 of its own shares, of which the parent company Teleste Corporation had 517,086 shares and the controlled companies had 542,000 shares, respectively. At the end of the period, the Group's holding of the total amount of shares amounted to 5.6% (6.3%).

On 31 March 2015, the registered share capital of Teleste stood at EUR 6,966,932.80 divided in 18,985,588 shares.

Valid authorizations at the end of the review period:

- Purchases of own shares: maximum 1,200,000 of the Company's own shares, valid until 30 September 2015.
- Issue of new shares: maximum 4,000,000 shares, valid until 31 March 2017.
- Disposal of own shares in possession: maximum 1,800,000 shares, valid until 31 March 2017.
- Based on the special rights granted by the Company, the number of shares to subscribe may not exceed 2,500,000 shares; these special rights are included in the maximum warrants concerning new shares and the Group's own shares mentioned above. This authorization is valid until 31 March 2017.

### **Events after the end of the review period**

The Annual General Meeting (AGM) of Teleste Corporation held on 9 April 2015 confirmed the financial statements for 2014 and discharged the Board of Directors and the CEO from liability for the financial period. The AGM confirmed the dividend of EUR 0.20 per share proposed by the Board. The dividend was paid out on 20 April 2015.

The AGM decided that the Board of Directors consists of six members. Mr. Pertti Ervi, Ms. Jannica Fagerholm, Mr. Esa Harju, Ms. Marjo Miettinen, Mr. Kai Telanne and Mr. Petteri Walldén were re-elected as members of Teleste Corporation's Board of Directors. Ms. Marjo Miettinen was elected Chair of the Board in the organisational meeting held immediately after the AGM.

Authorized Public Accountants KPMG Oy Ab continues as the auditor until the next AGM. Mr. Esa Kailiala, accountant authorized by the Central Chamber of Commerce of Finland, was chosen auditor-in-charge.

The Annual General Meeting decided to authorize the Board of Directors to decide on repurchasing the Company's own shares as proposed by the Board. Based on this authorization, the Board of Directors may repurchase a maximum of 1,200,000 own shares of the Company otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through regulated market on NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition. This authorization of purchasing is valid for 18 months from the date of the decision.

### **Outlook for 2015**

The business objective of Video and Broadband Solutions is to maintain its strong market position in Europe and to strengthen this market position in selected new markets outside Europe. Network capacity will continue to increase, driven by the new broadband and video services provided by the operators. Our new products in line with the Docsis 3.1 communication standard allow the cable operators to increase their network capacity competitively. Price erosion in the market continues. Changes in the value of the euro, particularly against the US dollar and the Chinese renminbi, affect Teleste's competitiveness, on the one hand, and product manufacturing costs, on the other. The positive trend in the video security and rail information markets continue, but the public sector decisions concerning initiation of projects may be delayed by the current economic situation. In addition to organic growth, we estimate the Mitron acquisition to increase our net sales by more than EUR 22 million and its impact on our operating profit to be positive. -

As to Network Services, our business objective is to further develop the operational efficiency and increase the share of those services that provide our customers with higher value. In line with this objective, we will continue to expand the new services business in the UK. We estimate the demand for all-inclusive network services in our key target markets to continue at least at the previous year's level.

We estimate that net sales and operating profit for 2015 will exceed the 2014 level.

29 April 2015

Teleste Corporation  
The Board of Directors

Jukka Rinnevaara  
President and CEO

This interim report has been compiled in compliance with IAS 34, as it is accepted within EU, using the recognition and valuation principles with those used in the Annual Report. Teleste has prepared this interim report applying the same accounting principles as those described in detail in its the consolidated financial statements. The data stated in this report is unaudited. The changes in IAS1, IFRS13 and IAS19 have been applied in this interim report and they do not have any material impact on the financial reporting.

#### STATEMENT OF COMPREHENSIVE INCOME (tEUR)

	1-3/2015	1-3/2014	Change %	1-12/2014
Net Sales	53,443	43,533	22.8 %	197,176
Other operating income	446	185	140.6 %	2,536
Materials and services	-25,537	-21,001	21.6 %	-97,561
Personnel expenses	-16,976	-13,985	21.4 %	-59,497
Other operating expenses	-7,570	-6,417	18.0 %	-27,309
Depreciation	-1,209	-1,024	18.1 %	-4,211
Operating profit	2,598	1,291	101.3 %	11,135
Financial income and expenses	306	-93	n/a	-301
Profit after financial items	2,904	1,198	142.5 %	10,835
Profit before taxes	2,904	1,198	142.5 %	10,835
Taxes	-698	-278	151.4 %	-2,353
Net profit	2,206	920	139.7 %	8,482
Attributable to:				
Equity holders of the parent	2,206	920	139.7 %	8,482
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in € per share)				
Basic	0.12	0.05	136.5 %	0.48
Diluted	0.12	0.05	139.6 %	0.48
Total comprehensive income for the period (tEUR)				
Net profit	2,206	920	139.7 %	8,482
Possible items with future net profit effect				
Translation differences	398	92	332.6 %	-465
Fair value reserve	4	-7	n/a	-25
Total comprehensive income for the period	2,608	1,005	159.5 %	7,992
Attributable to:				
Equity holders of the parent	2,608	1,005	159.5 %	7,992

#### STATEMENT OF FINANCIAL POSITION (tEUR)

	31/03/2015	31/03/2014	Change %	31/12/2014
Non-current assets				
Property, plant, equipment	10,473	10,485	-0.1 %	9,627
Goodwill	38,425	33,289	15.4 %	33,121
Other intangible assets	6,934	4,331	60.1 %	3,891
Deferred tax assets	1,885	1,828	3.1 %	1,698
Available-for-sale Investments	713	294	142.5 %	701
	58,430	50,227	16.3 %	49,037



Current assets				
Inventories	29,566	20,866	41.7 %	20,483
Trade and other receivables	51,803	37,214	39.2 %	45,276
Cash and cash equivalents	14,373	16,008	-10.2 %	17,672
	95,742	74,088	29.2 %	83,431
Total assets	154,173	124,315	24.0 %	132,467
Shareholder's equity and liabilities				
Share capital	6,967	6,967	0.0 %	6,967
Other equity	66,414	59,381	11.8 %	63,227
Non-controlling interest	477	386	23.6 %	487
	73,858	66,734	10.7 %	70,682
Non-current liabilities				
Provisions	1,294	598	116.3 %	1,238
Deferred tax liabilities	1,922	1,203	59.8 %	1,327
Non interest bearing liabilities	3,527	2,436	44.8 %	31
Interest bearing liabilities	29,744	434	6748.8 %	595
	36,487	4,671	681.1 %	3,192
Current liabilities				
Trade payables and other liabilities	41,777	28,031	49.0 %	33,536
Current tax payable	615	210	192.6 %	793
Provisions	650	893	-27.1 %	480
Interest bearing liabilities	786	23,776	-96.7 %	23,784
	43,828	52,909	-17.2 %	58,593
Total shareholder's equity and liabilities	154,173	124,315	24.0 %	132,467

#### **CONSOLIDATED CASH FLOW STATEMENT (tEUR)**

	<b>1-3/2015</b>	<b>1-3/2014</b>	<b>Change %</b>	<b>1-12/2014</b>
Cash flows from operating activities				
Profit for the period	2,206	920	139.7 %	8,482
Adjustments	1,601	1,306	22.5 %	4,211
Interest and other financial expenses and incomes	306	-93	n/a	-301
Paid Taxes	-269	-1,155	-76.7 %	-2,717
Change in working capital	-5,023	482	n/a	-448
Cash flow from operating activities	-1,179	1,461	-180.7%	9,227
Cash flow from investing activities				
Acquisition of subsidiaries, net of cash acquired	-6,826	0	n/a	0
Purchases of property, plant and equipment (PPE)	-260	-426	-39.0 %	-1,782
Proceeds from sales of PPE	17	0	n/a	64
Purchases of intangible assets	-338	-372	-9.1 %	-1,077
Proceeds from available-for-sale investments	0	0	n/a	-407
Net cash used in investing activities	-7,407	-798	828.2 %	-3,202
Cash flow from financing activities				
Proceeds from borrowings	5,000	0	n/a	1,000
Payments of borrowings	-111	-152	-27.0 %	-1,255
Dividends paid	0	0	n/a	-3,360
Proceeds from issuance of ordinary shares	0	176	n/a	497

Net cash used in financing activities	4,889	24	n/a	-3,118
Change in cash				
Cash in the beginning	17,672	15,229	16.0 %	15,229
Effect of currency changes	398	92	332.6 %	-465
Change	-3,697	687	n/a	2,907
Cash at the end	14,373	16,008	-10.2 %	17,672

<b>KEY FIGURES</b>	<b>1-3/2015</b>	<b>1-3/2014</b>	<b>Change %</b>	<b>1-12/2014</b>
Earnings per share, EUR	0.12	0.05	136.5 %	0.48
Earnings per share fully diluted, EUR	0.12	0.05	139.6 %	0.48
Shareholders' equity per share, EUR	4.09	3.75	9.1 %	3.94
Return on equity	12.2 %	5.6 %	117.9 %	12.5 %
Return on capital employed	12.4 %	5.9 %	110.2 %	12.2 %
Equity ratio	49.0 %	53.7 %	-8.8 %	53.4 %
Gearing	21.9 %	12.3 %	78.0 %	9.5 %
Investments, tEUR	12,426	912	1262.5 %	3,676
Investments % of net sales	23.3 %	2.1 %	1009.8 %	1.9 %
Order backlog, tEUR	42,342	16,511	156.4 %	15,206
Personnel, average	1,466	1,262	16.2 %	1,302
Number of shares (thousands) including own shares	18,986	18,874	0.6 %	18,918
Highest share price, EUR	7.38	4.86	51.9 %	5.29
Lowest share price, EUR	5.32	4.25	25.2 %	4.25
Average share price, EUR	6.52	4.48	45.6 %	4.67
Turnover, in million shares	1.1	0.8	43.5 %	2.3
Turnover, in MEUR	7.5	3.6	108.0 %	10.9

#### Treasury shares

	Number of shares	% of shares	% of votes
Possession of company's own shares 31.3.2015	1,059,086	5.58%	5.58%

#### Contingent liabilities and pledged assets (tEUR)

Leasing and rent liabilities	5,756	6,133	-6.1 %	5,559
Derivative instruments (tEUR)				
Value of underlying forward contracts	20,031	6,518	207.3 %	13,141
Market value of forward contracts	117	-139	n/a	65
Interest rate swap	11,000	11,000	0.0 %	11,000
Market value of interest swap	-27	-13	115.1 %	-31

Taxes are computed on the basis of the tax on the profit for the period.

<b>OPERATING SEGMENTS (tEUR)</b>	<b>1-3/2015</b>	<b>1-3/2014</b>	<b>Change %</b>	<b>1-12/2014</b>
<b>Video and Broadband Solutions</b>				
Orders received	33,990	24,896	36.5 %	109,007
Net sales	30,532	21,485	42.1 %	106,901
EBIT	2,003	801	150.1 %	9,673
EBIT%	6.6 %	3.7 %		9.0 %
<b>Network Services</b>				
Orders received	22,911	22,048	3.9 %	90,275
Net sales	22,911	22,048	3.9 %	90,275
EBIT	595	490	21.4 %	1,463
EBIT%	2.6 %	2.2 %		1.6 %
<b>Total</b>				
Orders received	56,901	46,944	21.2 %	199,282
Net sales	53,443	43,533	22.8 %	197,176
EBIT	2,598	1,291	101.3 %	11,135
EBIT%	4.9 %	3.0 %		5.6 %
Financial items	306	-93	n/a	-301
Operating segments net profit before taxes	2,904	1,198	142.5 %	10,835

<b>INFORMATION PER QUARTER (tEUR)</b>	<b>1-3/15</b>	<b>10-12/14</b>	<b>7-9/14</b>	<b>4-6/14</b>	<b>1-3/14</b>	<b>4/2014-3/2015</b>
<b>Video and Broadband Solutions</b>						
Orders received	33,990	28,642	27,571	27,898	24,896	118,101
Net sales	30,532	29,500	28,909	27,007	21,485	115,948
EBIT	2,003	2,616	4,421	1,835	801	10,875
EBIT %	6.6 %	8.9 %	15.3 %	6.8 %	3.7 %	9.4 %
<b>Network Services</b>						
Orders received	22,911	24,367	21,455	22,405	22,048	91,138
Net sales	22,911	24,367	21,455	22,405	22,048	91,138
EBIT	595	909	516	-452	490	1,568
EBIT %	2.6 %	3.7 %	2.4 %	-2.0 %	2.2 %	1.7 %
<b>Total</b>						
Orders received	56,901	53,009	49,026	50,303	46,944	209,239
Net sales	53,443	53,867	50,365	49,412	43,533	207,087
EBIT	2,598	3,525	4,937	1,383	1,291	12,442
EBIT %	4.9 %	6.5 %	9.8 %	2.8 %	3.0 %	6.0 %

#### **Attributable to equity holders of the parent (tEUR)**

A	Share capital
B	Share premium
C	Translation differences
D	Retained earnings
E	Invested free capital
F	Other funds
G	Total
H	Share of non-controlling interest
I	Total equity

	A	B	C	D	E	F	G	H	I
Shareholder's equity 1.1.2015	6,967	1,504	-339	58,139	3,954	-31	70,194	487	70,682
Total comprehensive income for the period			398	2,206		4	2,608	0	2,608
Disposal of own shares					568		568	0	568
Interest, non controll party				10			10	-10	0
Shareholder's equity 31.3.2015	6,967	1,504	59	60,355	4,522	-27	73,380	477	73,858
Shareholder's equity 1.1.2014	6,967	1,504	126	53,079	3,457	-6	65,127	425	65,553
Total comprehensive income for the period			92	920		-7	1,005	0	1,005
Used options					176		176	0	176
Interest, con controll party				39			39	-39	0
Shareholder's equity 31.3.2014	6,967	1,504	218	54,038	3,633	-13	66,347	386	66,734

### CALCULATION OF KEY FIGURES

Return on equity:

Profit/loss for the financial period  
 ----- \* 100  
 Shareholders' equity (average)

Return on capital employed:

Profit/loss for the period after financial items + financing charges  
 ----- \* 100  
 Total assets - non-interest-bearing liabilities (average)

Equity ratio:

Shareholders' equity  
 ----- \* 100  
 Total assets - advances received

Gearing:	Interest bearing liabilities - cash in hand and in bank - interest bearing assets ----- * 100 Shareholders' equity
Earnings per share:	Profit for the period attributable to equity holder of the parent ----- Weighted average number of ordinary shares outstanding during the period
Earnings per share, diluted:	Profit for the period attributable to equity holder of the parent (diluted) ----- Average number of shares - own shares + number of options at the period-end

#### Major shareholders 31.3.2015

	Number of shares	% of share capital
EM Group Oy	4,409,712	23.23
Mandatum Life Insurance Company Limited	1,679,200	8.84
Ilmarinen Mutual Pension Insurance Company	963,860	5.08
Kaleva Mutual Insurance Company	824,641	4.34
Teleste Management II Oy	542,000	2.85
Varma Mutual Pension Insurance Company	521,150	2.74
Teleste Oyj	517,086	2.72
OP-Finland Small Firms Fund	500,712	2.64
The State Pension Fund	500,000	2.63
FIM Fenno Equity fund	324,279	1.71

Shareholders by sector 31.3.2015	Number of shareholders	% of Owners	Number of shares	Number of shares
Households	4,815	93.48	4,691,350	24.7
Public sector institutions	4	0.08	2,001,510	10.5
Financial and insurance institutions	18	0.35	3,799,797	20.0
Corporations	252	4.89	7,127,336	37.5
Non-profit institutions	28	0.54	408,222	2.2
Foreign and nominee registered owners	34	0.66	957,373	5.0
Total	5,151	100.00	18,985,588	100.0

Number of shares 31.3.2015	Number of shareholders	% of shareholders	Number of shares	% of shares
1 – 100	1,162	22.6	77,496	0.4
101 - 500	2,250	43.7	610,762	3.2
501 - 1000	790	15.3	650,723	3.4
1001 - 5000	757	14.7	1,670,404	8.8
5001 - 10000	92	1.8	653,179	3.4
10001 - 50000	73	1.4	1,458,243	7.7
50001 - 100000	2	0.0	155,104	0.8
100001 - 500000	17	0.3	3,751,316	19.8
500001 -	8	0.2	9,958,361	52.5
Total	5,151	100.0	18,985,588	100.0
of which nominee registered			722,650	3.8

**The following assets and liabilities were preliminary recognised in the acquisition Mitron:**

1 000 €	Recognised fair values on acquisition
Fair values used in consolidation	
Trade marks (inc. in intangible assets)	746
Customer relationship (inc. in intangible assets)	585
Technology (inc. in intangible assets)	1,362
Inventories	4,983
Trade receivables	8,514
Book values used in consolidation	
Tangible assets	944
Intangible assets	537
Shares and immaterial rights	29
Accrued income	1,315
Other receivables	425
Cash and cash equivalents	874
Total assets	20,314
Book values used in consolidation	
Interest-bearing liabilities	1,174
Trade payables	5,672
Deferred tax liabilities	539
Advances received	2,984
Other liabilities	3,300
Total liabilities	13,669
Net identifiable assets and liabilities	6,645
Total consideration	11,500
Goodwill on acquisition	<b>4,855</b>
Consideration paid in cash	-7,700
Cash and cash equivalents in acquired subsidiary	874
Total net cash outflow on the acquisition	-6,826

## Notes

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