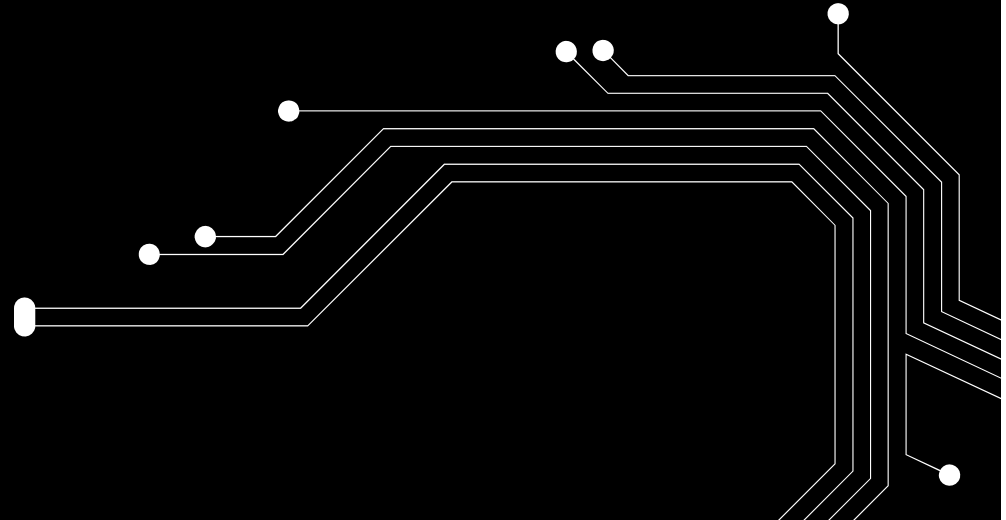


RESULT Q2 2008

JUKKA RINNEVAARA
CEO



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Highlights and Market situation Q2/2008

Highlights Q2 2008

- Delays in launching of customer projects
- Additional orders from SNCF - clear sign of customer satisfaction ~ 1 M€
- Cable TV equipment and service agreement with the Finnish DNA ~ 2,6 M€
- Significant order from Digicable in India for IP-based digital TV platform ~ 12 M€
- Repurchase program of own shares launched in June 16th (39 600 shares)
- Both orders received and order backlog are strong

Broadband Cable Networks

Positive market situation continued - investments by the operators may be delayed momentarily due to uncertainty of the world economy

- 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 USA
 - Growth in industry-specific solutions

RESULT Q2 - Group

	Q2 2008	Q2 2007	Change%
Orders Received	37.4	23.0	63%
Net Sales	29.3	30.3	-4%
Operating Profit	1.7	2.7	-36%
EBIT %	5.9%	8.9%	
Net Profit for the Period	1.3	2.0	-35%

RESULT Q2 - Broadband Cable Networks (BCN)

	Q2 2008	Q2 2007	Change%
Orders Received	32.9	19.7	67%
Net Sales	25.0	26.3	-5%
EBIT	1.8	2.6	-29%
EBIT %	7,3%	9,8%	

RESULT Q2 - Video Networks (VN)

	Q2 2008	Q2 2007	Change%
Orders Received	4.5	3.3	37%
Net Sales	4.3	4.1	5%
EBIT	-0.1	0.1	n/a
EBIT %	-1,6%	2,7%	

RESULT H1 - Group

	H1 2008	H1 2007	Change%
Orders Received	66.8	59.3	13%
Net Sales	56.5	61.8	-9%
Operating Profit	2.6	5.5	-53%
EBIT %	4.6%	8.9%	-48%
Net Profit for the Period	1.8	3.8	-53%

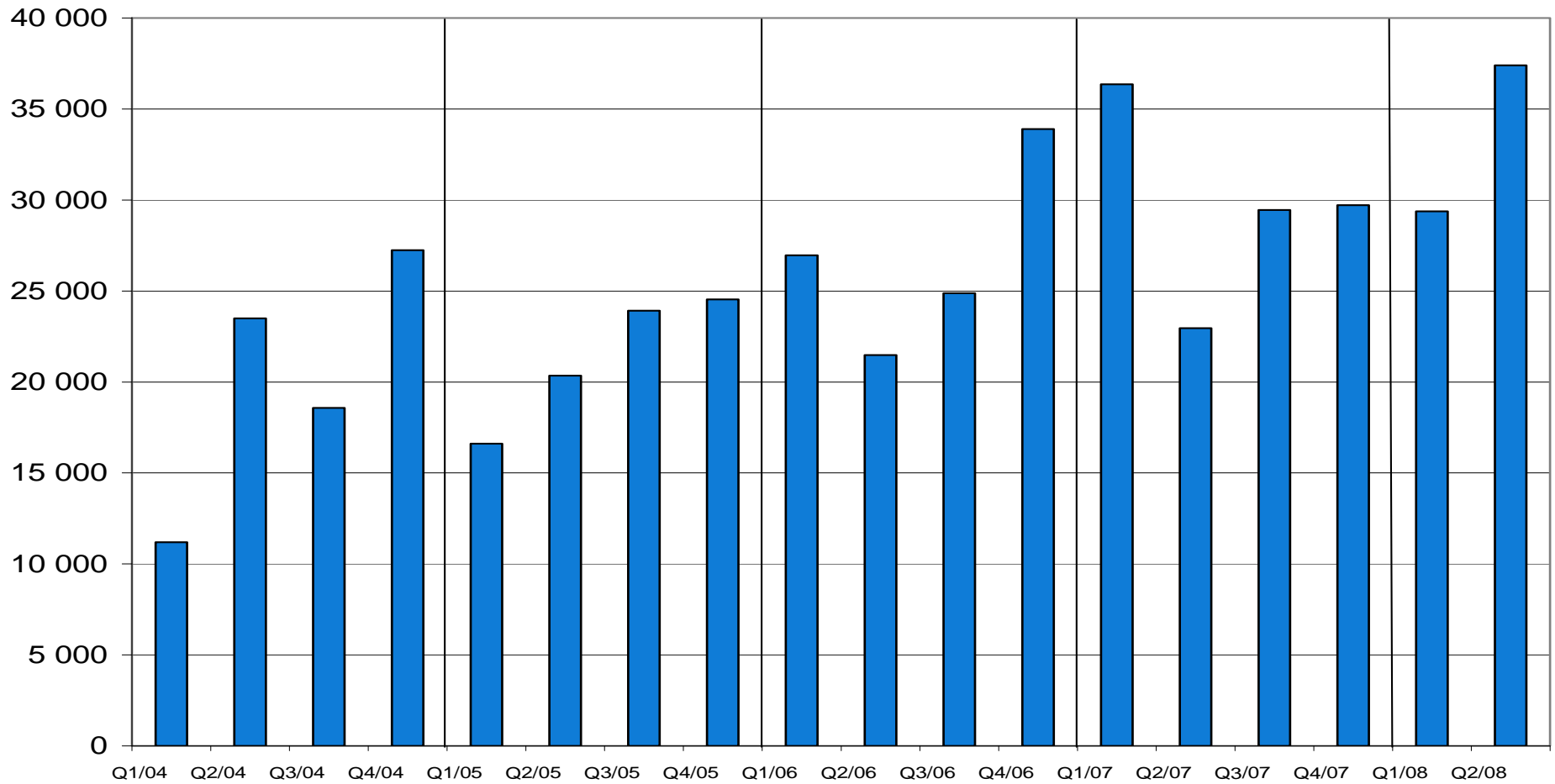
RESULT H1 - Broadband Cable Networks (BCN)

	H1 2008	H1 2007	Change%
Orders Received	58.9	52.4	12%
Net Sales	48.0	54.3	-12%
EBIT	2.7	5.9	-54%
EBIT %	5,7%	10,8%	-48%

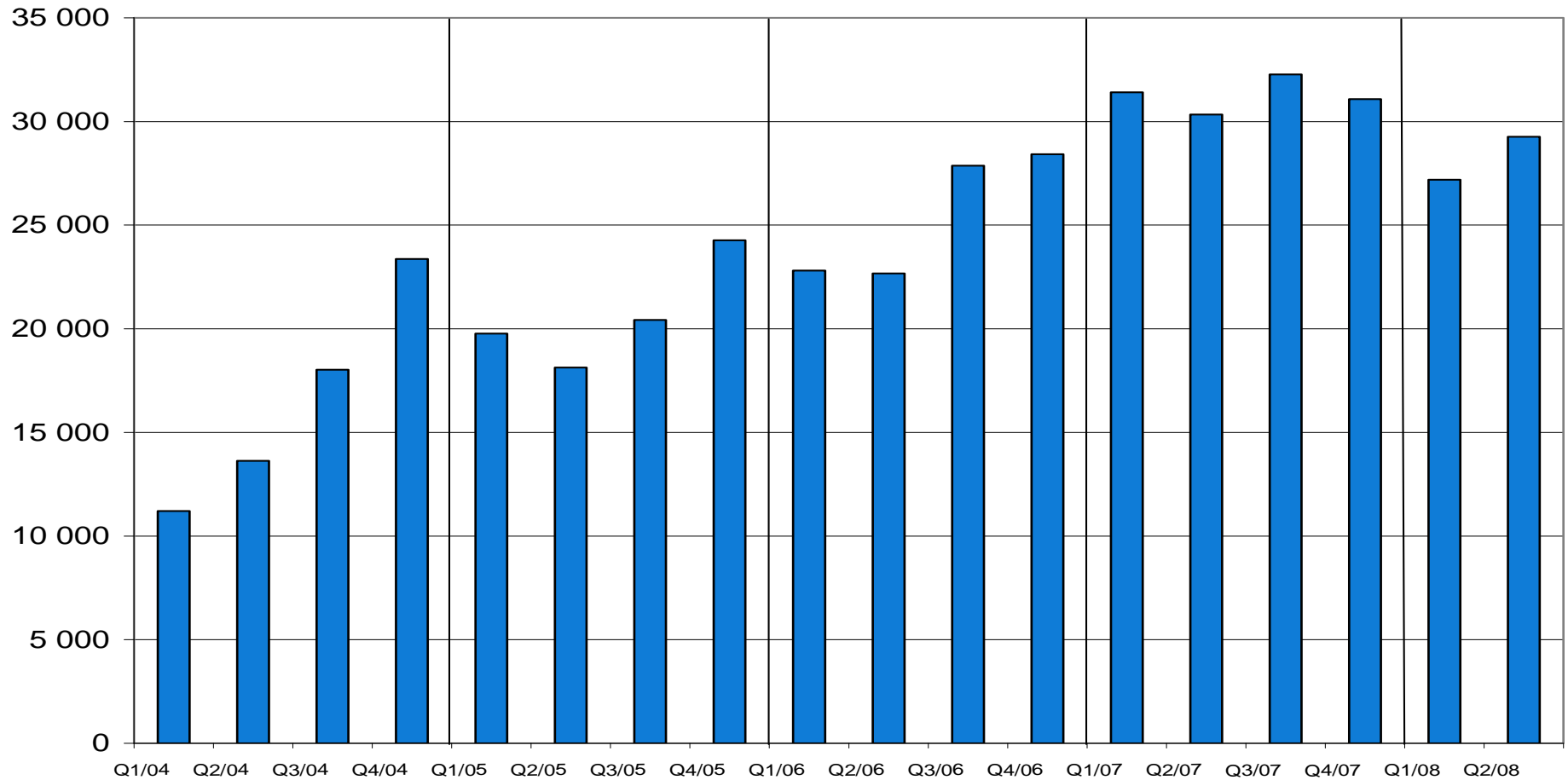
RESULT H1 - Video Networks (VN)

	H1 2008	H1 2007	Change%
Orders Received	7.9	6.9	14%
Net Sales	8.5	7.5	14%
EBIT	-0.1	-0.4	n/a
EBIT %	-1,6%	-5,4%	n/a

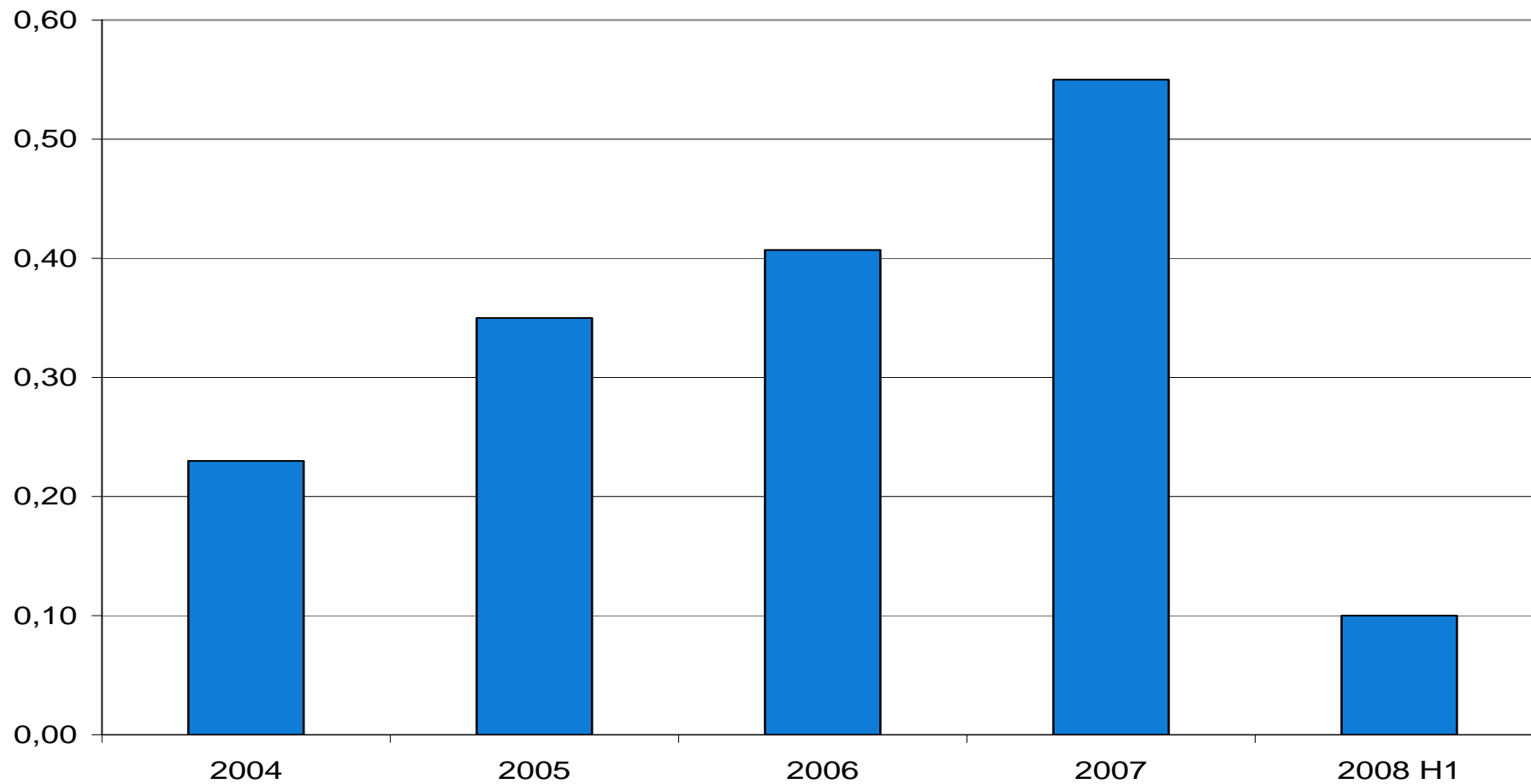
Orders Received by Quarters



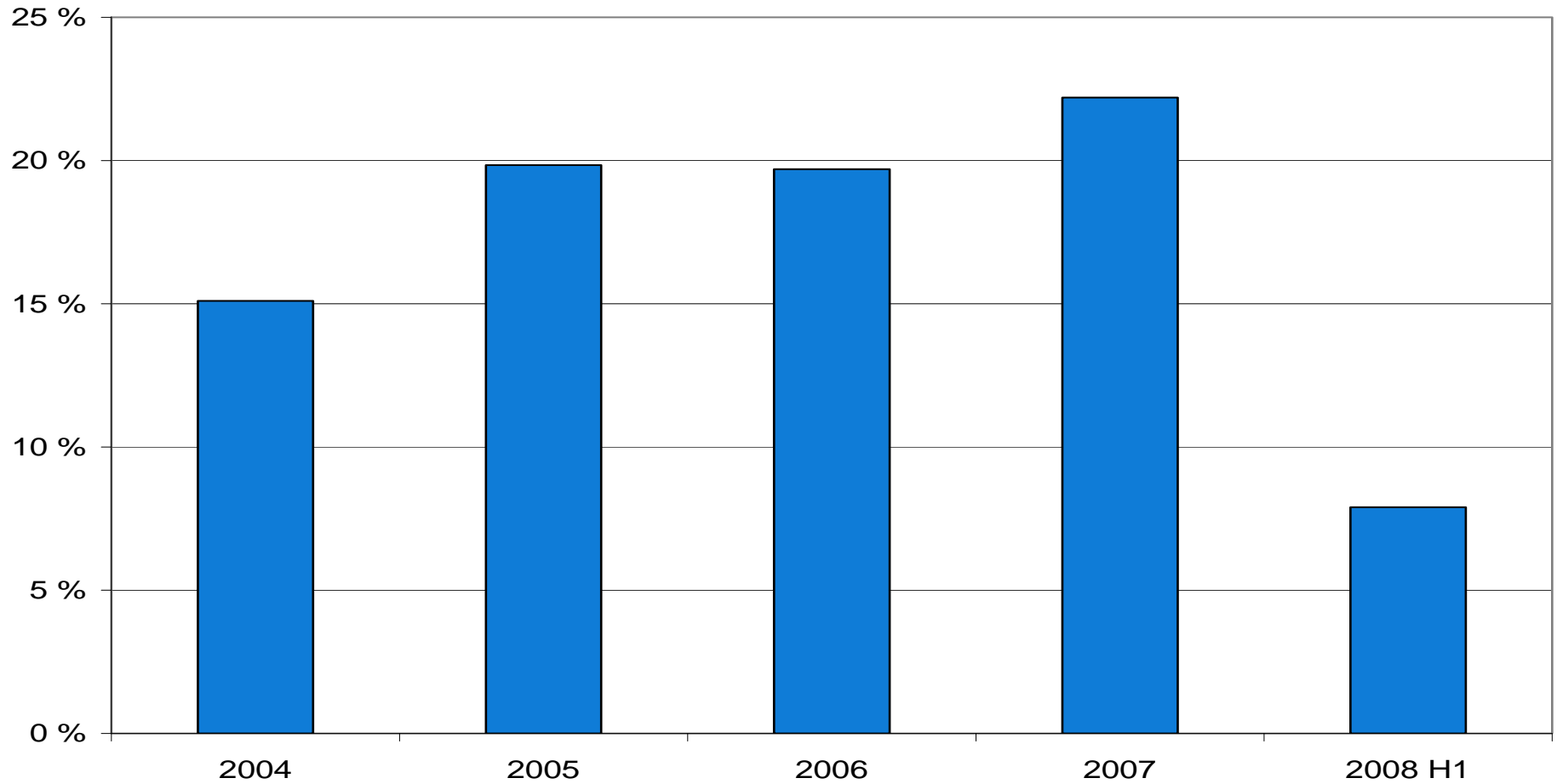
Net Sales by Quarters



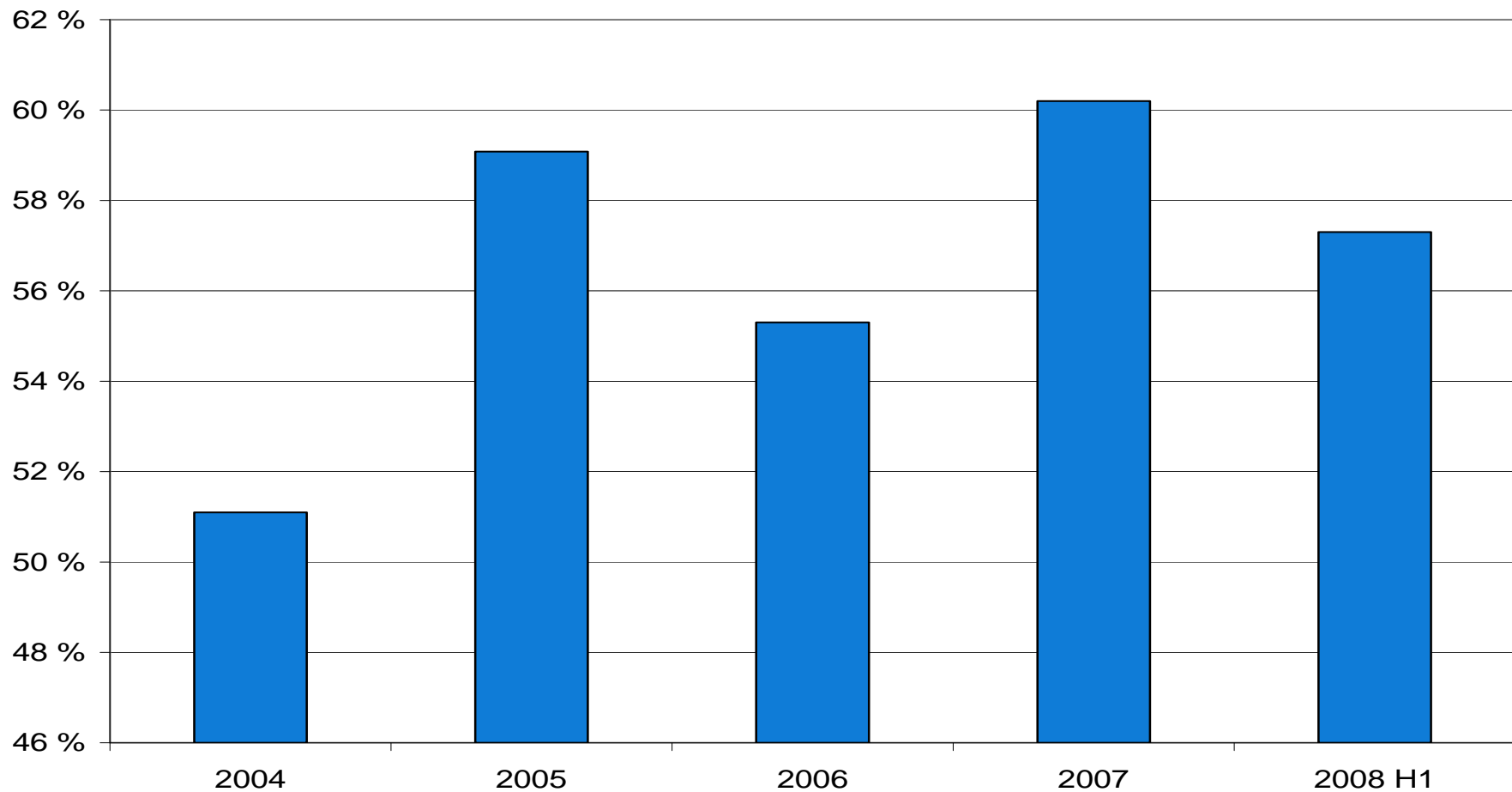
EPS



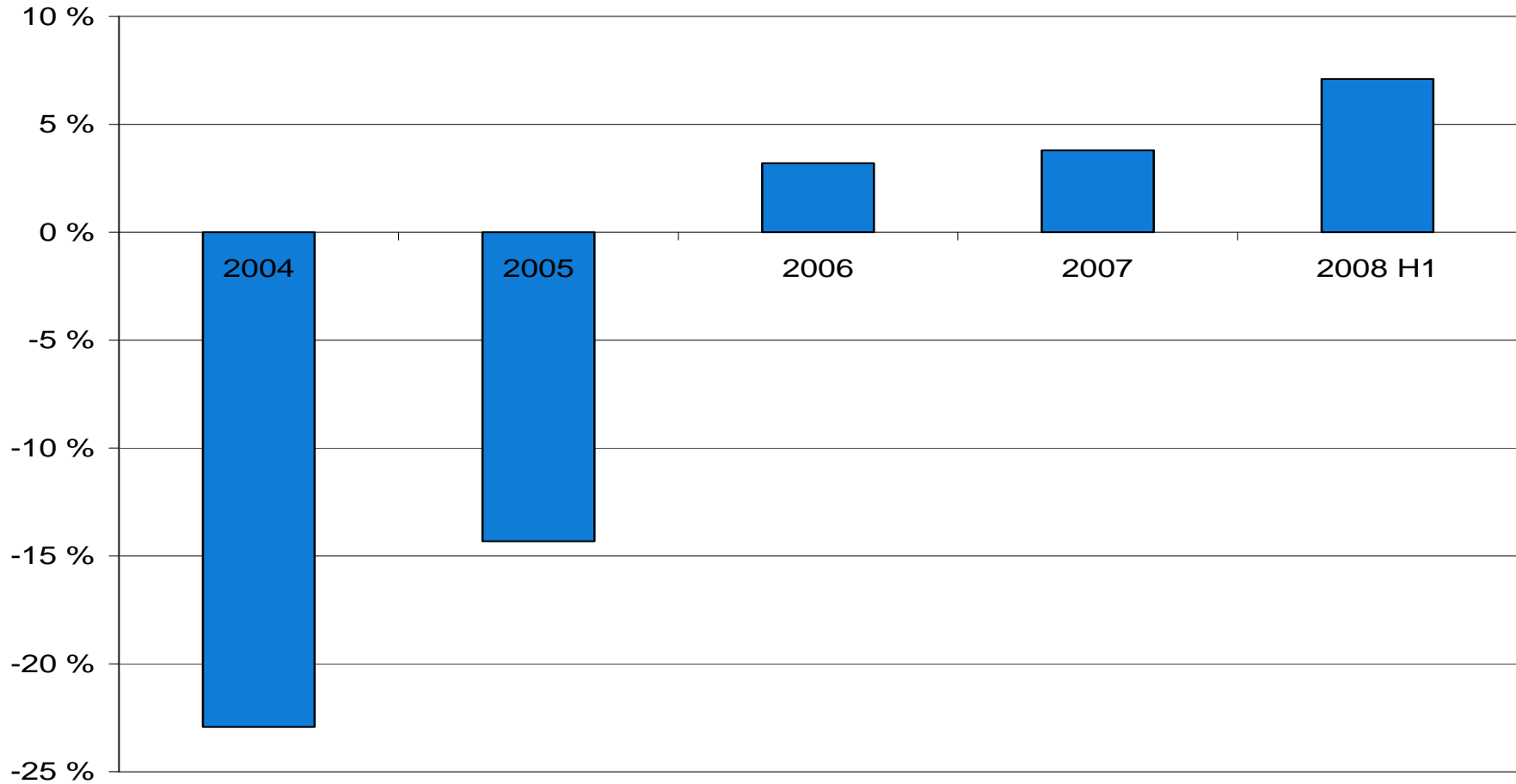
Return on Equity %



Equity Ratio



Gearing



Outlook

Broadband Cable Networks

- Cable operators expand their service offerings
- Demand for increased network capacity driven by video (HDTV, IPTV, WebTV) and growth in Broadband Internet access continues
- The global financial uncertainty might delay the consumer needs for new services to some degree
- Growth in demand for services - outsourcing projects ongoing
- Continued consolidation in clientele and competition
- Weak USD leads to more aggressive price competition
 - We expect the market to continue to be active in 2008 - uncertain financial situation might cause some delays in investment decisions

Video Networks

- Particularly large-scale network management and recording projects as well as industry-specific solutions are on the increase
 - Promising prospects list for the year 2008
-
- Business predictability has become more difficult due to continued uncertainty in the world economy
 - We estimate the active market situation to continue in 2008, but customer's investments may temporarily be delayed
 - Teleste targets to continue its profitable growth in the medium term perspective
 - We expect orders received to increase over the previous year, but net sales will fall slightly and operating profit will fall short of last year's level
 - We continue investments in the chosen product and service areas

