

# *TELESTE*

**Result Q3 2007**

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## Market Situation and Operation Q3/2007

### 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
  - Future prospects involving Hanaro are being probed
  - Continued tough price competition in specified product groups
  - Manufacturing of selected bulk products in China improves margins
  - Growth in service business
  - Investments slowed down by consolidation

#### 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

## Group Q3

	Q3 2007	Q3 2006	Change%
Orders Received	29.4	24.9	+18%
Net Sales	32.3	27.9	+16%
Operating Profit	4.7	3.5	+33%
Net Profit for the Period	3.2	2.4	+31%
EBIT-%	14.4 %	12.5 %	

## Broadband Cable Networks (BCN) Q3

	Q3 2007	Q3 2006	Change%
Orders Received	23.8	20.4	+16%
Net Sales	28.4	23.6	+20%
EBIT	4.6	3.3	+39%
EBIT %	16.1 %	13.9 %	

## Video Networks (VN) Q3

	Q3 2007	Q3 2006	Change%
Orders Received	5.7	4.4	+28%
Net Sales	3.9	4.2	-9%
EBIT	0.08	0.2	-62%
EBIT %	1.9 %	4.6 %	-58 %

## Group Q3 Cumulative

	2007	2006	Change%
Orders Received	88.8	73.3	21%
Net Sales	94.0	73.4	28%
Operating Profit	10.1	7.6	34%
EBIT %	10.8%	10.4 %	
Net Profit	7.0	5.4	29%
EPS	0.41	0.32	28%

## Broadband Cable Networks (BCN) Q3 cum

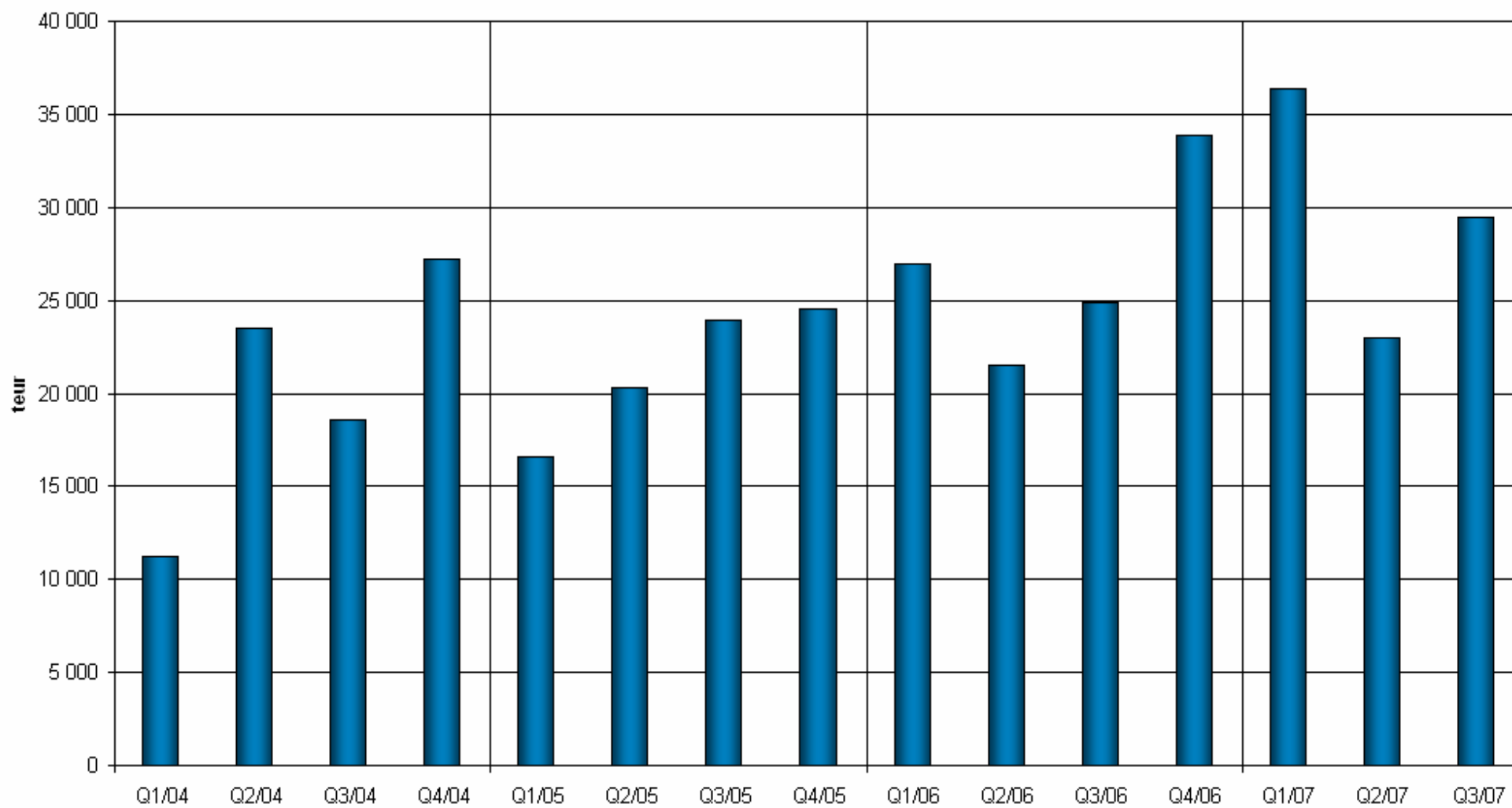
	2007	2006	Change%
Orders Received	76.2	63.0	21%
Net Sales	82.7	61.7	34%
EBIT	10.5	7.2	45%
EBIT%	12.7 %	11.7 %	



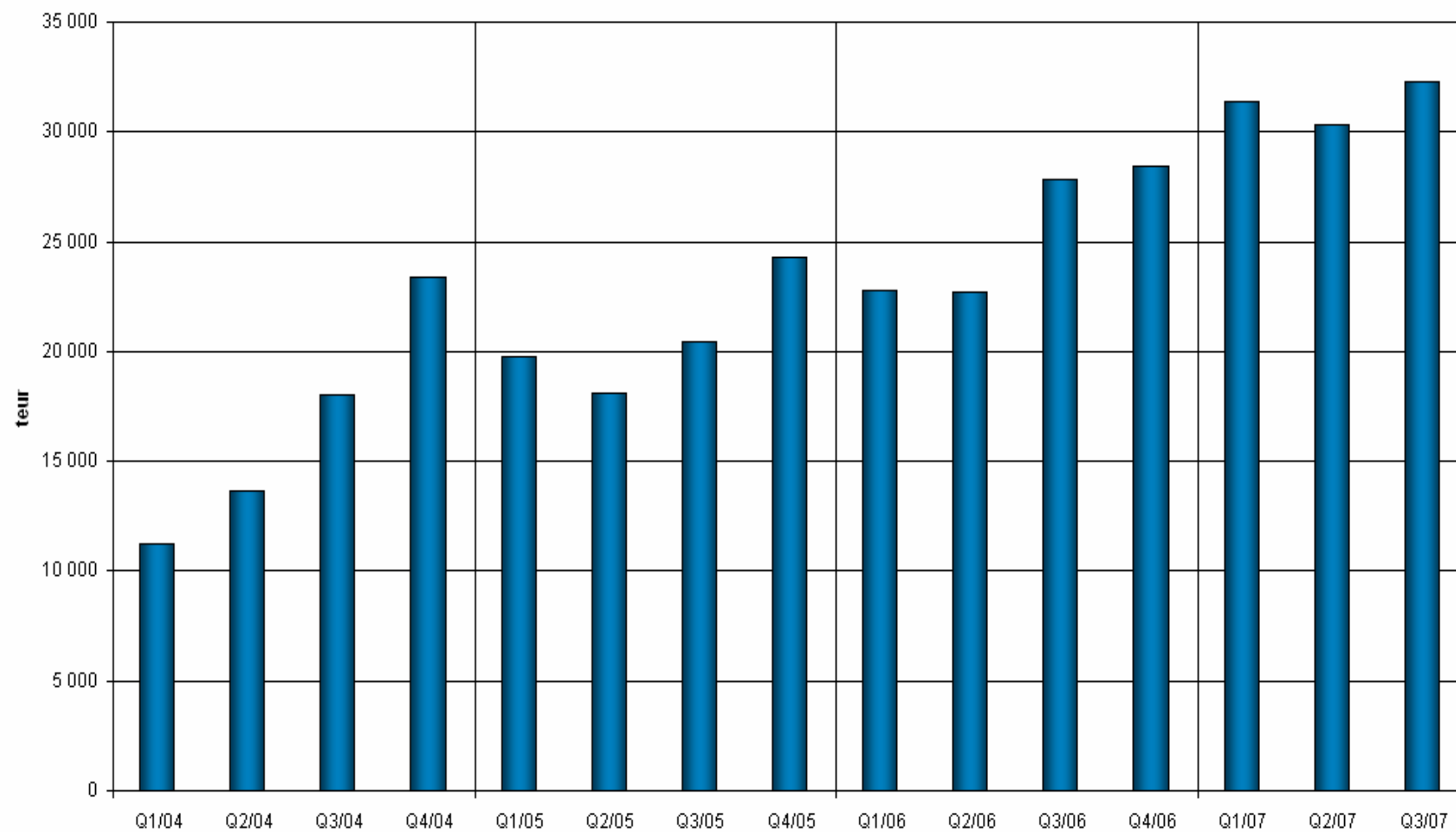
## Video Networks (VN) Q3 cum

	2007	2006	Change%
Orders Received	12.6	10.3	22%
Net Sales	11.4	11.6	-3%
EBIT	-0,3	0.4	Neg.
EBIT%	-2.9 %	3.3 %	

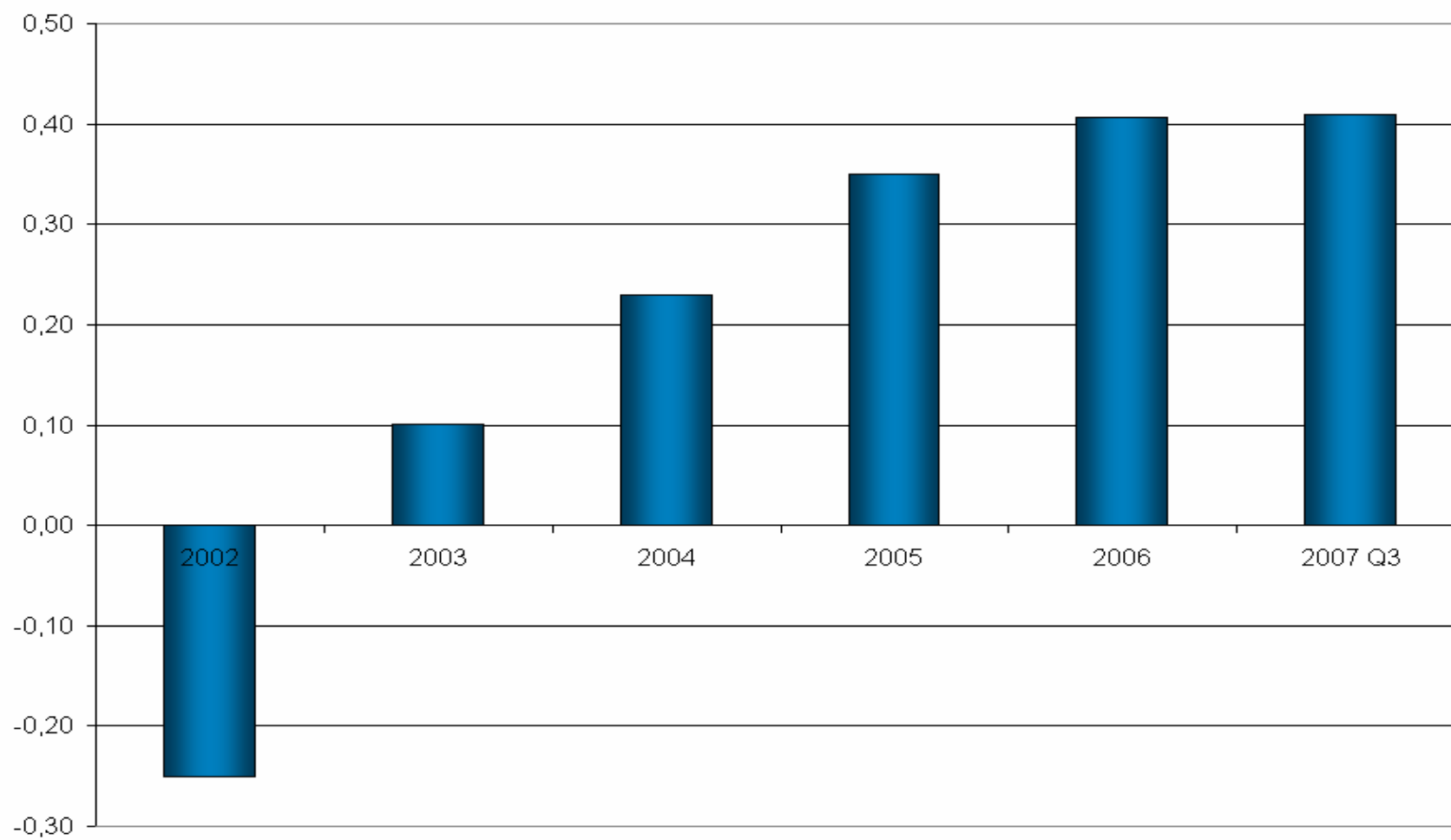
## Orders Received by Quarters



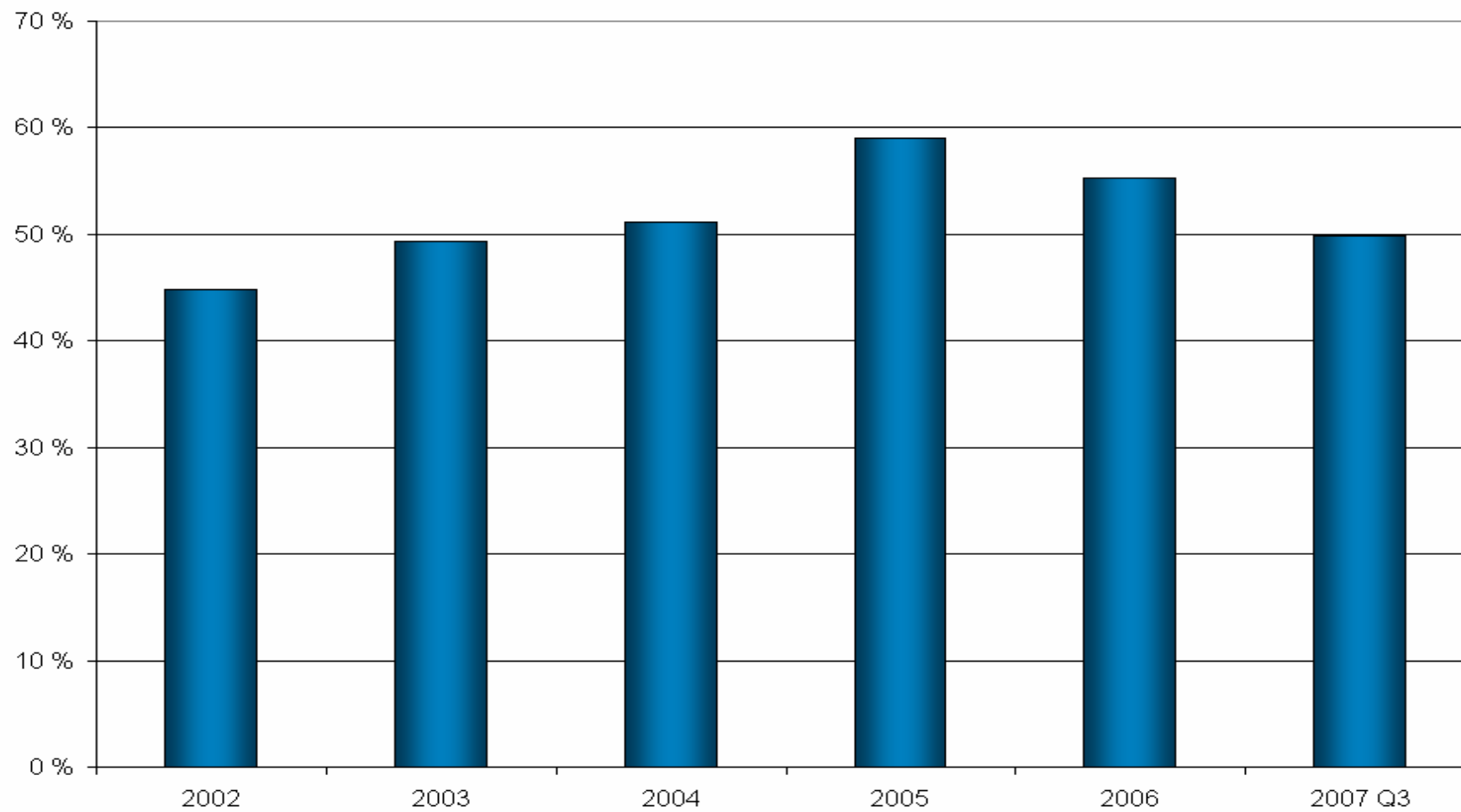
## Net Sales by Quarters



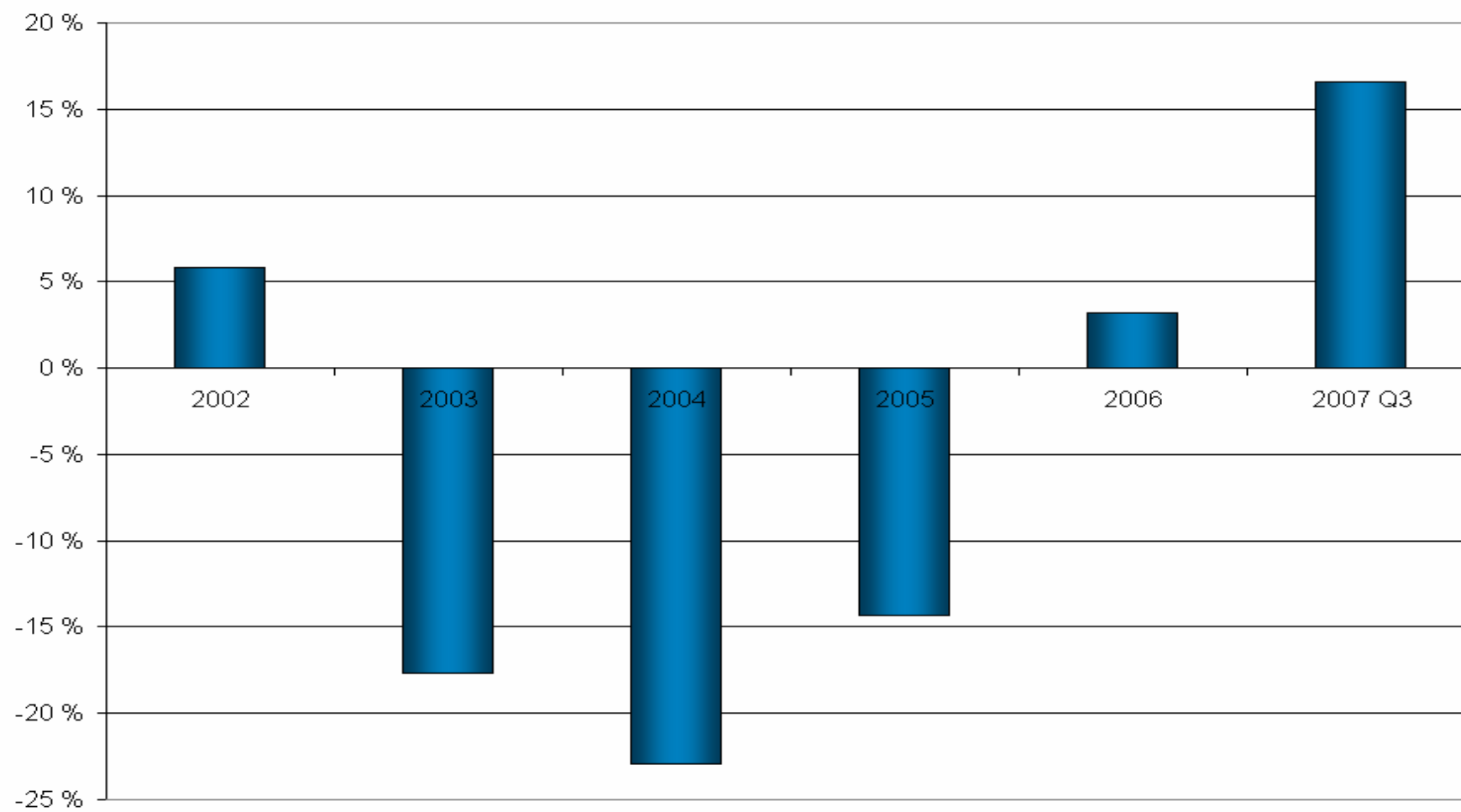
## EPS



## 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
- Continued investments in network maintenance. Rearrangements in the German market improve competitive capacity
- Growth in demand for services
- Leveraging on Hanaro EttiH reference
- Continued consolidation in clientele and competition
  - We expect on-going market growth in 2007

### **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 list of prospects for the year-end
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- **Teleste continues its profitable growth**
  - **We estimate the positive market situation to continue even in 2008**

The background is a dark blue gradient with dynamic, glowing light trails and a central lens flare effect, creating a sense of motion and depth. The word "TELESTE" is centered horizontally and vertically.

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