

The Teleste logo is displayed in a white box. It consists of the word "TELESTE" in a blue, italicized, sans-serif font.

**TELESTE**

**Enabling  
digital  
evolution**

# **Interim Report Q2 2014**

**Jukka Rinnevaara  
CEO**

# Disclaimer

**This presentation has been prepared by the Company. The information on which it is based has not been independently verified by any other person.**

**This presentation is not intended to provide the basis of any investment decision and should not be considered as a recommendation by the Company or any other person to the recipients of the presentation. Each person to whom this presentation is made must make his/her own independent assessment of the Company after making such investigations as he/she deems necessary. This presentation does not constitute an offer of or invitation to acquire any shares or other securities in the Company.**

**Nothing in this presentation is, or should be relied upon as, a promise or representation as to the future.**

# Market Review Q2/2014

## Video and Broadband Solutions

Market situation was favourable and orders received increased significantly from the comparative period

- Sustained growth in demand for broadband capacity
- Positive development in orders on optical access network products and headends
  - Particularly strong markets included Germany, France and the UK
  - First network products based on Docsis 3.1 standard are available
- Large video surveillance projects at tendering stage

## Network Services

Market situation at par with the comparative period

- Increase in net sales included mainly maintenance and upgrading of cable access
- Stable market situation in the UK (VM), investments in expansion of the services business
- In other countries market situation at par with the comparative period

## RESULT Q2, M€- Teleste

	Q2 2014	Q2 2013	Change %
Orders Received	50.3	44.2	13.8%
Net Sales	49.4	46.5	6.3%
EBIT	1.4	1.7	-20.4%
EBIT %	2.8%	3.7%	
Net Profit for the Period	0.9	1.3	-29.0%

## RESULT Q2, M€- Video and Broadband Solutions

	Q2 2014	Q2 2013	Change %
Orders Received	27.9	23.4	19.5 %
Net Sales	27.0	25.6	5.4 %
EBIT	1.8	2.3	-20.5 %
EBIT %	6.8%	9.0%	

## RESULT Q2, M€- Network Services

	Q2 2014	Q2 2013	Change %
Orders Received	22.4	20.9	7.4 %
Net Sales	22.4	20.9	7.4 %
EBIT	-0.5	-0.6	n/a
EBIT %	-2.0%	-2.7%	

# RESULT H1, M€- Teleste

	H1 2014	H1 2013	Change %
Orders Received	97.2	87.6	11.0 %
Net Sales	92.9	92.3	0.7 %
EBIT	2.7	4.3	-38.4 %
EBIT %	2.9%	4.7%	
Net Profit for the Period	1.8	3.1	-40.4%

# RESULT H1, M€- Video and Broadband Solutions

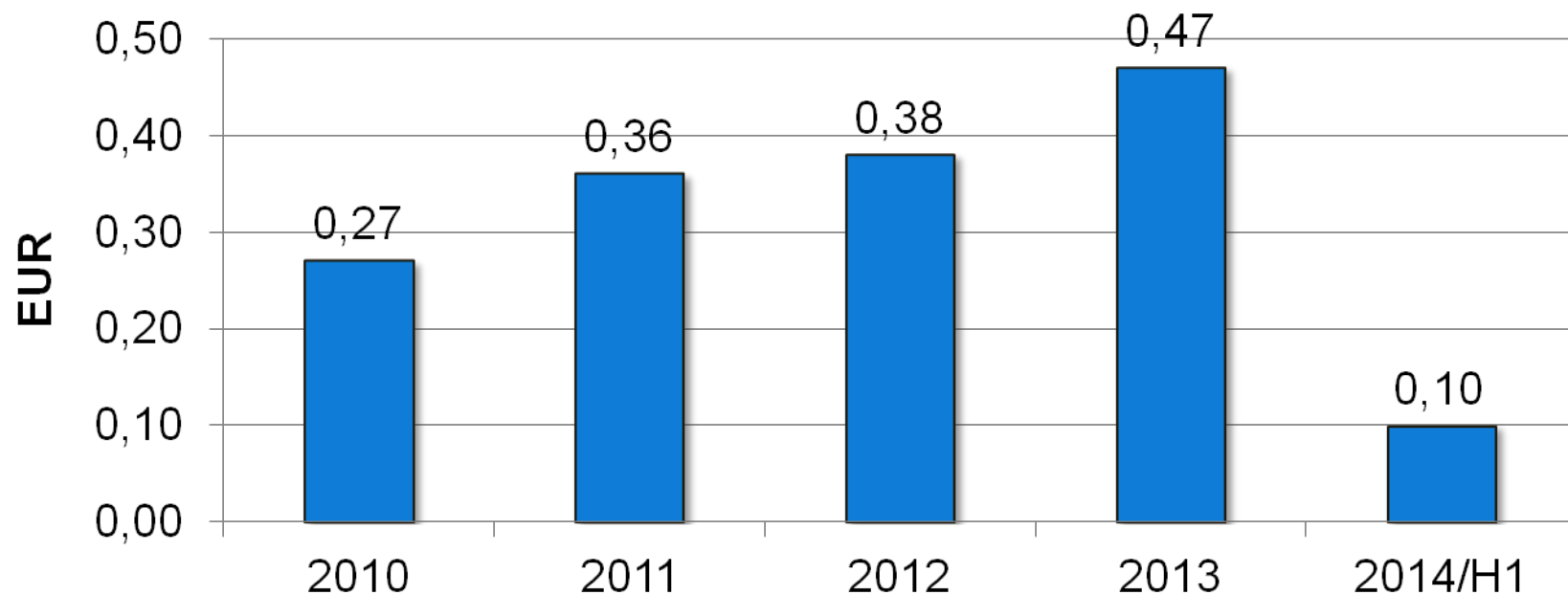
	H1 2014	H1 2013	Change %
Orders Received	52.8	44.8	17.9 %
Net Sales	48.5	49.4	-1.9 %
EBIT	2.6	4.7	-44.5 %
EBIT %	5.4%	9.6%	



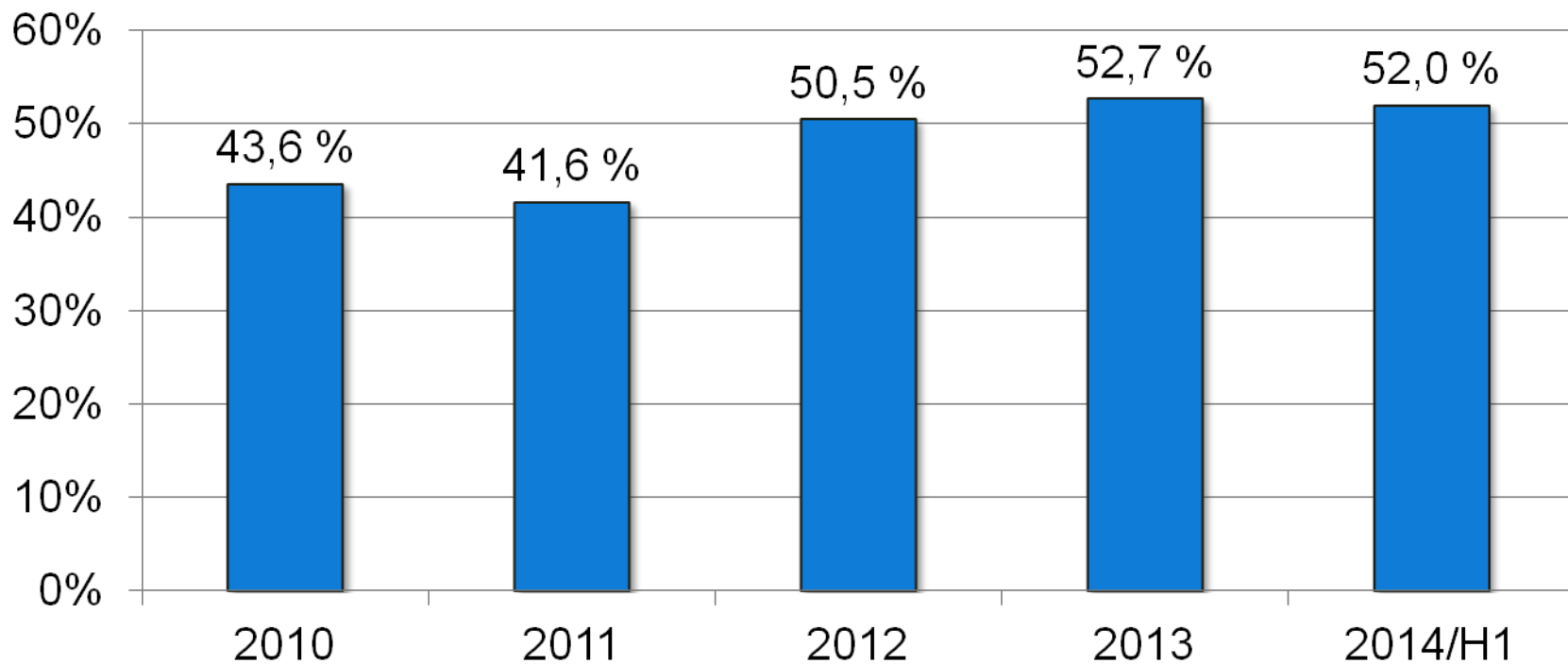
# RESULT H1, M€– Network Services

	H1 2014	H1 2013	Change %
Orders Received	44.5	42.8	3,8 %
Net Sales	44.5	42.8	3,8 %
EBIT	0.0	-0.4	n/a
EBIT %	0.1%	-0.9%	

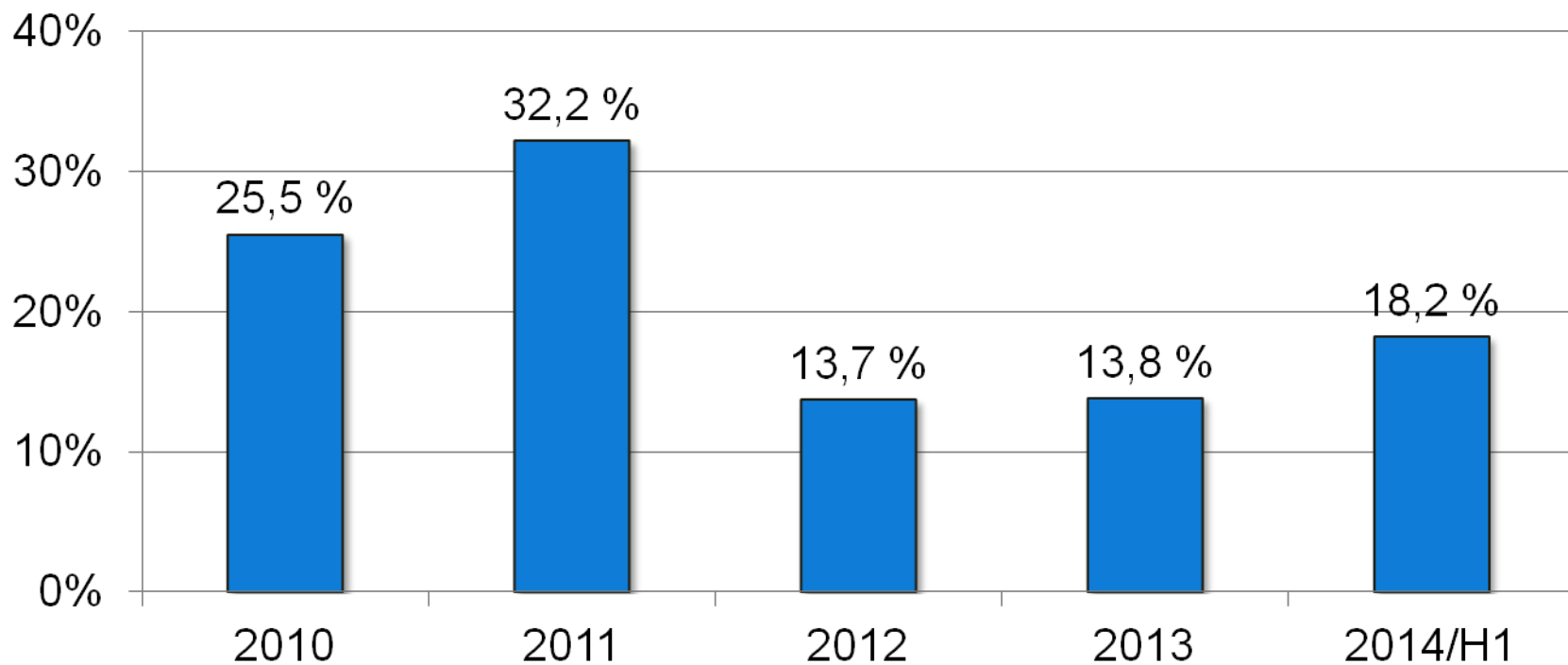
# EPS



## Equity Ratio



# Gearing



# Outlook

**Video and Broadband Solutions** aim at maintaining a strong market position in Europe and expand into selected new markets. Network capacity will continue to increase driven by the new broadband and video services provided by the operators. New products in line with communication standard Docsis 3.1 will enable network operators to activate their investments in the rest of the year. Price erosion in the market continues. The positive trend in the video surveillance market will continue, but the public sector decisions to start projects may be delayed in the current economic climate. We estimate **profitability of Video and Broadband Solutions to improve compared to the first half of the year.**

The business objective of **Network Services** is to develop the operational efficiency and give up any unprofitable services activities during the year. We estimate the demand for comprehensive network services in our key target markets to continue at par with the comparative year and the **profitability to improve compared to the first half of the year.**

**We estimate that net sales and operating profit for the year 2014 will not reach the 2013 level.**





**The world is networking –  
Teleste is at the centre of digitalisation.**