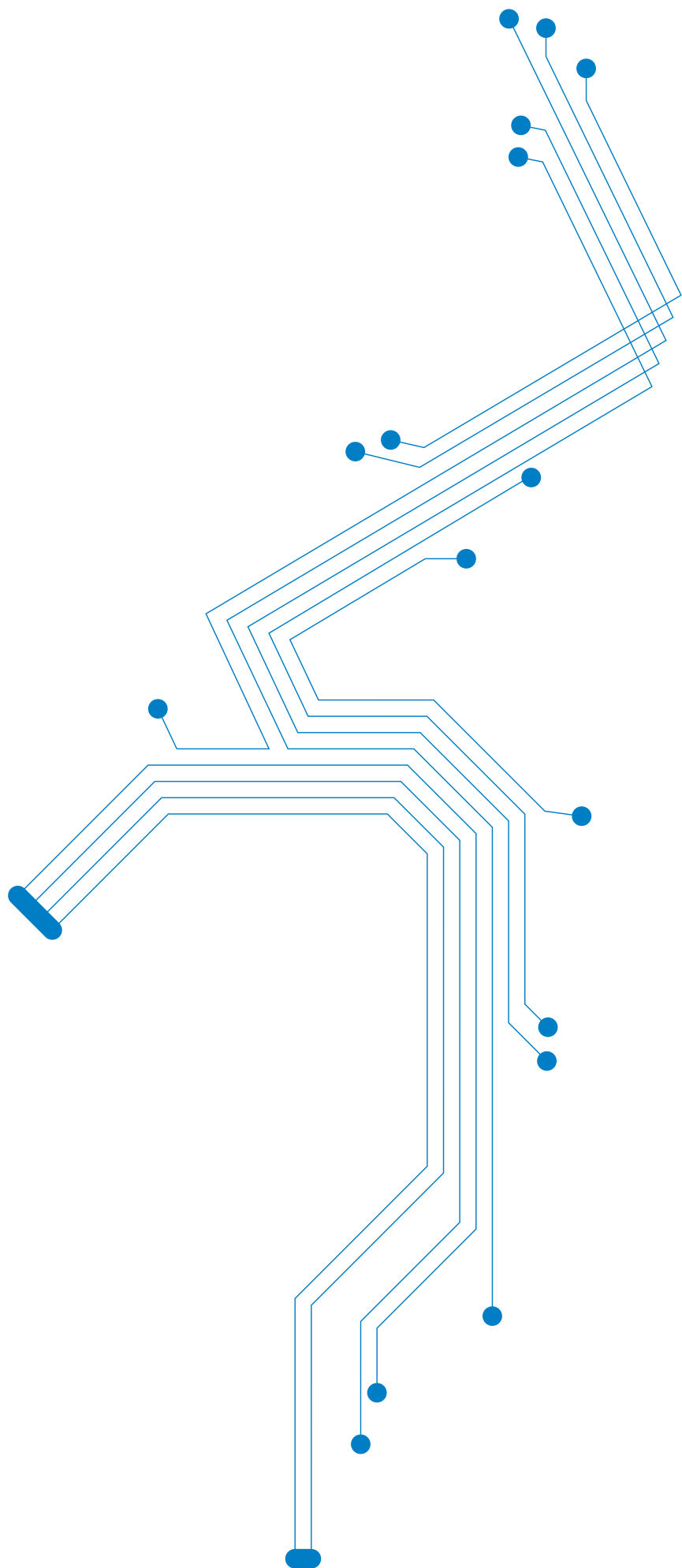


## Interim Report Q3

January 1– September 30, 2011





**TELESTE CORPORATION INTERIM REPORT 1 JAN TO 30 SEP 2011**

**Third quarter of 2011**

- Net sales grew by 21.6% amounting to EUR 47.0 (38.6) million
- Operating profit grew by 91.4% equaling EUR 3.8 (2.0) million
- Undiluted result per share stood at EUR 0.15 (EUR 0.07)
- Orders received improved by 9.8% standing at EUR 43.8 (39.9) million
- Orders received by Video and Broadband Solutions increased by 5.3% over the period of comparison and amounted to EUR 22.3 (21.2) million
- Orders received by Network Services increased by 14.9% over the period of comparison and stood at EUR 21.5 (18.7) million
- Operating cash flow stood at EUR -0.5 (0.8) million

**Outlook for 2011**

We keep the outlook for 2011 unchanged. We estimate net sales to increase slightly and the operating profit to improve somewhat over the 2010 level.

**Comments on Q3 by CEO Jukka Rinnevaara**

The operator clientele of Video and Broadband Solutions continued to increase the capacity of their networks and kept on investing in new services. Year-on-year orders received by the business area picked up slightly while net sales and operating profit increased significantly. In Q3, we enhanced our production capacity to match the increased demand. The level of profitability in Q3 was good. The first significant deliveries of the Luminato headend solution to Russia started in the third quarter. Similarly, deliveries involving optical equipment were on a sound level.

Year-on-year orders received, net sales and operating profit of Network Services increased significantly. Deliveries involving German network services and UK network planning operations developed favorably. The development program for the German services operations proceeded according to plan, but the costs went up to some extent because of the limited availability of certain subcontractor resources.

**The Group's Business in the Third Quarter of 2011**

Net sales grew by 21.6% amounting to EUR 47.0 (38.6) million. Operating profit stood at EUR 3.8 (2.0) million making 8.1% (5.1%) of the net sales. Undiluted result per share was EUR 0.15 (0.07). Orders received stood at EUR 43.8 (39.9) million, i.e. 9.8% above the period of comparison. Order backlog totaled EUR 21.4 (13.3) million. The increase in order backlog was mostly attributable to the German market.

Operating cash flow stood at EUR -0.5 (0.8) million. Inventories and short-term receivables grew over the year of comparison. Increase in inventories over the period of comparison by EUR 5.5 million was mainly due to incompleteness of certain customer deliveries by Video and Broadband Solutions. Year-on-year short-term receivables grew by EUR 8.7 million. This growth was mainly due to a change in payment terms conducted in late 2010 by the German main client of our Network Services.

**Group Operations – January to September 2011**

Net sales grew by 7.4% amounting to EUR 130.2 (121.2) million. Operating profit grew by 17.5% equaling EUR 5.2 (4.5) million. Undiluted result per share was EUR 0.20 (0.15). Year-on-year orders received improved by 15.7% standing at EUR 134.6 (116.4) million. Operating cash flow stood at EUR -2.4 (4.5) million.

### **Video and Broadband Solutions in Q3**

Net sales grew by 20.2% amounting to EUR 23.9 (19.9) million. Operating profit stood at EUR 3.4 (2.0) million making 14.3% (9.8%) of the net sales. Even relative profitability improved as a result of the increase in net sales. Orders received totaled EUR 22.3 (21.2) million. Order backlog totaled EUR 18.8 (13.3) million.

R&D expenses for the business area amounted to EUR 2.8 (2.2) million making 11.7% (11.2%) of the area's net sales. Increase in R&D expenses was due to investments in the Luminato video processing system and the video surveillance transfer solution (standard H.264). Some 60% (60%) of product development expenses involved further development of product platforms currently in production, maintenance, and customer-specific product applications. Out of the R&D expenses EUR 0.7 (0.4) million were capitalized, which involved mainly the Luminato video processing system and the video surveillance transfer system in line with standard H.264. Depreciation on activated R&D expenses amounted to EUR 0.5 (0.6) million.

### **Video and Broadband Solutions – January to September**

Net sales grew by 4.8% amounting to EUR 62.0 (59.2) million. Operating profit increased by 29.7% standing at EUR 5.2 (4.0) million making 8.3% (6.7%) of the net sales. Product development expenses equaled EUR 8.6 (7.7), in other words 13.9% (12.9%) of the net sales. Orders received improved by 8.7% standing at EUR 64.6 (59.5) million.

### **Network Services in Q3**

Net sales amounted to EUR 23.0 (18.7) million. Net sales grew in all target markets of the business area. Operating profit stood at EUR 0.4 (0.03) million making 1.6% (0.2%) of the net sales. The development program for the German services operations proceeded according to plan, but the costs went up to some extent because of the limited availability of certain subcontracting resources. Orders received in Q3 stood at EUR 21.5 (18.7) million. Order backlog totaled EUR 2.6 (0.0) million.

### **Network Services – January to September**

Net sales grew by 9.9% amounting to EUR 68.2 (62.0) million. Operating profit fell over the comparative period standing at EUR 0.1 (0.5) million, which is 0.1% (0.8%) of the net sales. In H1 of the period under review, this decline in operating profit involved Germany, and was due to increased costs related to both construction work mainly carried out by means of subcontracting and those involving added resources in fiber-optic projects. Over the comparative period, clearly more working capital was committed to accounts receivable due to a change of a payment term in late 2010 by the German main client. Orders received improved by 23.0% standing at EUR 70.0 (56.9) million.

### **Investment and Financing – January to September**

Investments by the Group for the period under review totaled EUR 5.2 (9.2) million accounting for 4.0% (7.6%) of the net sales. Investments made in the comparative period include two acquisitions. Out of these investments EUR 1.1 (0.4) million involved the extension of premises in Finland. Product development investments totaled EUR 2.1 (1.2) million. As to other investments, EUR 1.1 million was allocated in tools and equipment for Network Services, 0.4 million in machinery and equipment for Video and Broadband Solutions. Investments made in corporate reporting and computing totaled EUR 0.5 million. As to investments for the period, EUR 0.4 (0.1) million was carried out by means of financial leasing.

Operating cash flow stood at EUR -2.4 (4.5) million. In the review period, working capital was committed, in particular, to the accounts receivable and inventories. At the end of the period under review, the amount of unused binding stand-by credits amounted to EUR 7.5 (18.5) million. The current binding stand-by credits of EUR 40.0 million run till November 2013. The Group's equity ratio equaled 41.4% (41.5%) and net gearing 44.1% (26.7%). Interest bearing debt on 30 September 2011 stood at EUR 33.4 (22.9) million.

## **Personnel and Organization – January to September**

In January to September 2011, the Group employed an average of 1,290 people (1,221/2010, 1,090/2009). At the end of the review period, the number of Group's employees was 1,311 (1,231/2010, 1,230/2009), of whom 755 (664) worked for Network Services and 556 (567) for Video and Broadband Solutions. Employees stationed outside Europe accounted for less than 5% of the Group's personnel. At the end of the review period, the number of rented personnel involved in production in Finland was 24. Expenditure on employee benefits amounted to EUR 39.1 (36.7/January-September/2010, EUR 31.2/January-September/2009) million.

## **Essential Operational Risks of the Business Areas**

Founded in 1954, Teleste is a technology and service provider consisting of two business areas: Video and Broadband Solutions and Network Services. With Europe as the main market area, our most significant clients include European cable operators and specified organizations in the public sector.

Concerning Video and Broadband Solutions, integrated deliveries of solutions create favorable conditions for growth, even if the involved resource allocation and technical implementation pose a challenge involving, therefore, also reasonable risks. The still ongoing difficult market situation may delay the implementation of investment plans among the clientele. Network investments carried out by the clients vary based on their need for upgrading and their capital structure. Much of Teleste's competition comes from the USA so the exchange rate of euro up against the US dollar affects our competitiveness. Teleste hedges against short-term currency exposure by means of forward contracts. Correct technological choices and their timing are vital for our success.

Net sales for Network Services comes, for the most part, from a small number of large European customers, so a change in the demand for services by any one of them is reflected in the actual deliveries. The services provided by this business area include planning, new construction and maintenance of cable and fiber networks. Implementation and scope of the relevant services vary by client ranging from stand-alone applications to integrated turnkey deliveries. Most deliveries are based on frame agreements. The services also include Teleste's own product solutions. Our know-how in services covers all the sectors related to the cable and fiber-optic network technology from installation and maintenance of headends to upgrading of house networks. Services will also be implemented through a network of subcontracting, so the sufficiency of our subcontractor network capacity may limit our ability to deliver. To ensure quality of services and cost-efficiency, along with an efficient service process management, customer satisfaction requires innovative solutions in terms of processes, products and logistics. As far as technical management of the networks and functional product solutions are concerned, ensuring smooth operation of the operators' networks requires constant focus on the development of qualifications of Teleste's own and its suppliers' personnel.

It is equally important for our business areas to take into account any market developments such as consolidations taking place among the clientele and competition. Also the European financial market instability including the difficult economic situation of the public sector affects the demand for our products and services, either directly or indirectly. Weather conditions in our target markets affect the delivery conditions of products and services of our business areas.

The Board of Directors annually reviews any essential risks related to the company operation and the management thereof. Risk management constitutes an integral part of the strategic and operative practices of our business areas. Risks and their probability are reported to the Board by regular monthly reports.

The company has covered risks involving damage to operative functions of the business areas mainly through insurance policies. These insurances do not include credit loss risks. In the period under review, no such risks materialized, and no 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, China and Denmark with subsidiaries in 12 countries outside Finland. Teleste Management Oy, founded in March 2010, has been consolidated in the Teleste Group figures on account of financial arrangements.

## Decisions by the Annual General Meeting

The Annual General Meeting (AGM) of Teleste Corporation on 08.04.11 confirmed the financial statements for 2010 and discharged the Board of Directors and the CEO from liability for the financial period. The AGM confirmed the dividend of EUR 0.12 per share proposed by the Board. The dividend was paid out on 20 April 2011.

The AGM elected Marjo Miettinen, Pertti Ervi, Tero Laaksonen, Pertti Raatikainen, Kai Telanne and Petteri Walldén members of the Board. Marjo Miettinen was elected Chair of the Board in the organizational meeting held immediately after the AGM.

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

The AGM authorized the Board to acquire the maximum of 1,400,000 of the company's own shares and to convey the maximum of 1,779,985 company's own shares. The AGM also authorized the company Board to issue 5,000,000 new shares. Pursuant to the special rights provided by the company, the maximum number of significant shares is 2,500,000; these special rights are included in the authorization to issue 5,000,000 new shares.

## Shares and Changes in Share Capital

On 30 September 2011, EM Group Oy was the largest single shareholder with a holding of 21.55%.

In the period under review, the lowest company share price was EUR 2.61 (3.63) and the highest was EUR 4.82 (5.33). Closing price on 30 September 2011 stood at EUR 2.71 (4.91). According to Euroclear Finland Ltd the number of shareholders at the end of the period under review was 5,090 (5,306). Foreign ownership accounted for 8.0% (8.5%). From 1 January to 30 September 2011, trading with Teleste share at NASDAQ OMX Helsinki amounted to EUR 4.8 (11.6) million. In the period under review, 1.2 (2.6) million Teleste shares were traded on the stock exchange.

At the end of September 2011, the number of own shares in the Group possession stood at 760,985 (760,985) out of which parent company Teleste Corporation had none (0) while other Group or controlled companies had 760,985 shares, respectively. At the end of the period, the Group's holding of the total amount of shares amounted to 4.18% (4.18%).

On 30 September 2011, the registered share capital of Teleste stood at EUR 6,966,932.80 divided in 18,186,590 shares.

## Outlook

In 2011, deliveries of equipment and solutions by Video and Broadband Solutions to its customer base of operators in our target markets will, in our estimation, at least achieve the level of 2010. European telecom operators have launched their investments into the TV distribution infrastructure, and we believe that our video headend and optical network products will be competitive in this new emerging market. Due to postponements in a number of medium-sized projects Teleste's deliveries related to security and traffic control will remain at the level of the comparative period.

On the annual basis, demand by our current clientele for the services provided by Network Services will remain relatively active. We expect that in Germany, the main market, profitability for the current year will improve from the 2010 level with the increase in net sales and the gradual introduction of the streamlining measures.

We keep the outlook for 2011 unchanged. We estimate net sales to increase slightly and the operating profit to improve somewhat over the 2010 level.

26 October 2011

Teleste Corporation      Jukka Rinnevaara  
Board of Directors      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. The data stated in this report is unaudited.

STATEMENT OF COMPREHENSIVE INCOME (tEUR)	7-9/2011	7-9/2010	Change %
Net Sales	46,960	38,625	21.6 %
Other operating income	461	363	27.2 %
Materials and services	-23,039	-18,650	23.5 %
Personnel expenses	-13,106	-11,624	12.7 %
Other operating expenses	-6,172	-5,080	21.5 %
Depreciation	-1,308	-1,650	-20.7 %
Operating profit	3,796	1,984	91.4 %
Financial income and expenses	-98	-111	-11.7 %
Profit after financial items	3,698	1,873	97.5 %
Profit before taxes	3,698	1,873	97.5 %
Taxes	-1,103	-635	73.7 %
Net profit	2,595	1,238	109.7 %
Attributable to:			
Equity holders of the parent	2,595	1,238	109.7 %
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in € per share)			
Basic	0.15	0.07	109.7 %
Diluted	0.15	0.07	112.9 %
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (tEUR)			
Net profit	2,595	1,238	109.7 %
Translation differences	-87	-67	29.9 %
Fair value reserve	0	7	n/a
Total comprehensive income for the period	2,508	1,178	113.0 %
Attributable to:			
Equity holders of the parent	2,508	1,178	113.0 %

STATEMENT OF COMPREHENSIVE INCOME (tEUR)	1-9/2011	1-9/2010	Change %	1-12/2010
Net Sales	130,183	121,193	7.4 %	167,836
Other operating income	1,383	971	42.5 %	1,460
Materials and services	-65,184	-59,980	8.7 %	-82,054
Personnel expenses	-39,080	-36,684	6.5 %	-50,824
Other operating expenses	-18,108	-16,492	9.8 %	-23,090
Depreciation	-3,946	-4,543	-13.1 %	-5,896
Operating profit	5,248	4,465	17.5 %	7,432

Financial income and expenses	-398	-497	-19.9 %	-689
Profit after financial items	4,850	3,968	22.2 %	6,743
Profit before taxes	4,850	3,968	22.2 %	6,743
Taxes	-1,426	-1,288	10.7 %	-1,959
Net profit	3,424	2,680	27.8 %	4,784
Attributable to:				
Equity holders of the parent	3,424	2,680	27.8 %	4,784
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in € per share)				
Basic	0.20	0.15	27.8 %	0.27
Diluted	0.20	0.15	29.7 %	0.27

#### TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (tEUR)

Net profit	3,424	2,680	27.8 %	4,784
Translation differences	-286	-125	128.8 %	277
Fair value reserve	96	-150	n/a	-70
Total comprehensive income for the period	3,234	2,405	34.5 %	4,991
Attributable to:				
Equity holders of the parent	3,234	2,405	34.5 %	4,991

#### STATEMENT OF FINANCIAL POSITION (tEUR)

	30.09.2011	30.09.2010	Change %	31.12.2010
Non-current assets				
Property,plant,equipment	10,445	9,020	15.8 %	8,836
Goodwill	30,959	36,914	-16.1 %	30,959
Intangible assets	6,314	7,021	-10.1 %	6,709
Investments	713	713	0.0 %	713
	48,431	53,668	-9.8 %	47,217
Current assets				
Inventories	25,118	19,623	28.0 %	21,000
Other current assets	42,170	33,438	26.1 %	32,819
Liquid funds	10,600	10,063	5.3 %	15,203
	77,888	63,124	23.4 %	69,022
Total assets	126,319	116,792	8.2 %	116,239
Shareholder's equity and liabilities				
Share capital	6,967	6,967	0.0 %	6,967
Other equity	44,402	40,902	8.6 %	43,143
Non-controlling interest	318	319	-0.3 %	292
	51,687	48,188	7.3 %	50,402
Non-current liabilities				
Provisions	361	513	-29.6 %	511
Non interest bearing liabilities	4,499	10,720	-58.0 %	4,522
Interest bearing liabilities	10,937	11,676	-6.3 %	11,847
	15,797	22,909	-31.0 %	16,880



Short-term liabilities				
Trade payables and other s-t liabilities	35,063	33,212	5.6 %	31,401
Provisions	1,313	1,227	7.0 %	1,313
S-t interest bearing liabilities	22,459	11,256	99.5 %	16,243
	58,835	45,695	28.8 %	48,957
Total shareholder's equity and liabilities	126,319	116,792	8.2 %	116,239

#### CONSOLIDATED CASH FLOW STATEMENT (tEUR)

	1-9/2011	1-9/2010	Change %	1-12/2010
Cash flows from operating activities				
Profit for the period	3,424	2,680	27.8 %	4,784
Adjustments	5,912	6,517	-9.3 %	6,143
Interest and other financial expenses and incomes	-398	-497	-19.9 %	-481
Paid Taxes	-2,000	-378	429.1 %	-786
Change in working capital	-9,378	-3,805	146.5 %	-4,248
Cash flow from operating activities	-2,440	4,517	n/a	5,412
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired	0	-3,120	n/a	-3,643
Purchases of property, plant and equipment (PPE)	-2,223	-620	258.5 %	-716
Purchases of intangible assets	-2,869	-1,006	185.2 %	-1,499
Net cash used in investing activities	-5,092	-4,746	7.3 %	-5,858
Cash flow from financing activities				
Proceeds from borrowings	6,000	0	n/a	5,520
Payments of borrowings	-694	-966	-28.2 %	-1,562
Dividends paid	-2,091	-1,394	50.0 %	-1,394
Proceeds from issuance of ordinary shares	0	259	n/a	289
Net cash used in financing activities	3,215	-2,101	n/a	2,853
Change in cash				
Cash in the beginning	15,203	12,518	21.4 %	12,518
Change in cash during period	-4,317	-2,330	85.3 %	2,408
Effect of currency changes	-286	-125	128.8 %	277
Cash at the end	10,600	10,063	5.3 %	15,203

#### KEY FIGURES

	1-9/2011	1-9/2010	Change %	1-12/2010
Earnings per share, EUR	0.20	0.15	27.8 %	0.27
Earnings per share fully diluted, EUR	0.20	0.15	29.7 %	0.27
Shareholders' equity per share, EUR	2.97	2.77	7.3 %	2.90
Return on equity	8.9 %	7.5 %	18.6 %	9.9 %
Return on capital employed	8.8 %	8.6 %	1.8 %	10.2 %
Equity ratio	41.4 %	41.5 %	-0.4 %	43.6 %
Gearing	44.1 %	26.7 %	65.1 %	25.5 %
Investments, tEUR	5,195	9,232	-43.7 %	3,765
Investments % of net sales	4.0 %	7.6 %	-47.6 %	2.2 %
Order backlog, tEUR	21,420	13,271	61.4 %	17,000
Personnel, average	1,290	1,221	5.7 %	1,215

Number of shares (thousands) including own shares	18,094	18,062	0.2 %	18,094
Highest share price, EUR	4.82	5.33	-9.6 %	5.33
Lowest share price, EUR	2.61	3.63	-28.1 %	3.64
Average share price, EUR	3.89	4.44	-12.4 %	4.49
Turnover, in million shares	1.2	2.6	-53.2 %	3.2
Turnover, in MEUR	4.8	11.6	-59.0 %	14.2
Treasury shares				
	Number of shares		% of shares	% of votes
Teleste companies owns own shares	760,985		4.18 %	4.18 %
Contingent liabilities and pledged assets (tEUR)				
For own debt				
Other securities	0	120	n/a	640
Leasing and rent liabilities	9,210	6,518	41.3 %	6,481
	9,210	6,638	38.7 %	7,121
Derivative instruments (tEUR)				
Value of underlying forward contracts	6,181	5,285	17.0 %	8,283
Market value of forward contracts	-10	-176	-94.3 %	-293
Interest rate swap	11,500	11,500	0.0 %	11,500
Market value of interest swap	-186	-266	-30.1 %	-236

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

OPERATING SEGMENTS (tEUR)	1-9/2011	1-9/2010	Change %	1-12/2010
Video and Broadband Solutions				
Order intake	64,600	59,450	8.7 %	86,530
Net sales	62,018	59,159	4.8 %	82,007
EBIT	5,158	3,976	29.7 %	6,345
EBIT%	8.3 %	6.7 %	23.8 %	7.7 %
Network Services				
Order intake	70,003	56,914	23.0 %	80,675
Net sales	68,165	62,034	9.9 %	85,829
EBIT	90	489	-81.6 %	1,087
EBIT%	0.1 %	0.8 %	-83.2 %	1.3 %
Total				
Order intake	134,603	116,364	15.7 %	167,205
Net sales	130,183	121,193	7.4 %	167,836
EBIT	5,248	4,465	17.5 %	7,432
EBIT%	4.0 %	3.7 %	9.4 %	4.4 %
Financial items	-398	-497	-19.9 %	-689
Operating segments net profit before taxes	4,850	3,968	22.2 %	6,743

Information per quarter (tEUR)	7-9/11	4-6/11	1-3/11	10-12/10	7-9/10	10/2010- 9/2011
Video and Broadband Solutions						
Order intake	22,300	24,827	17,473	27,080	21,170	91,680
Net sales	23,947	19,517	18,554	22,882	19,915	84,900
EBIT	3,420	1,332	406	2,365	1,955	7,523
EBIT %	14.3 %	6.8 %	2.2 %	10.3 %	9.8 %	8.9 %
Network Services						
Order intake	21,503	25,744	22,756	23,761	18,710	93,764
Net sales	23,013	22,396	22,756	23,761	18,710	91,926
EBIT	376	-422	136	603	28	693
EBIT %	1.6 %	-1.9 %	0.6 %	2.5 %	0.2 %	0.8 %
Total						
Order intake	43,803	50,571	40,229	50,841	39,880	185,444
Net sales	46,960	41,913	41,310	46,643	38,625	176,826
EBIT	3,796	910	542	2,968	1,984	8,216
EBIT %	8.1 %	2.2 %	1.3 %	6.4 %	5.1 %	4.6 %

Attributable to equity holders of the parent (tEUR)

	Share capital	Share premium	Trans- lation differ- ences	Reta- ined ear- nings	Invested free capital	Other funds	Total	Share of non- cont- rolling Inter- est	Total equity
Share- holder's equity 1.1.2011	6,967	1,504	-95	39,183	2,737	-186	50,110	292	50,402
Total compre- hensive income for the period			-286	3,424		96	3,234	0	3,234
Paid dividend				-2,137			-2,137	46	-2,091
Equity- settled share- based payments				142	0	0	142	0	142
Changes in subsidiary interest				20			20	-20	0
Share- holder's equity 30.9.2011	6,967	1,504	-381	40,632	2,737	-90	51,369	318	51,687
Share- holder's equity 1.1.2010	6,967	1,504	-372	35,949	2,737	-116	46,669	0	46,669
Profit of the period			-125	2,680		-150	2,405	0	2,405

Share issue							0	289	289
Paid dividend				-1,394			-1,394	30	-1,364
Equity-settled share-based payments				189	0	0	189	0	189
Shareholder's equity									
30.9.2010	6,967	1,504	-497	37,424	2,737	-266	47,869	319	48,188

#### 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)

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Average number of shares - own shares + number of options at the period-end



SHAREHOLDERS 30.9.2011	Shares	%
EM Group Oy	3,918,513	21.55
Mandatum Life	1,679,200	9.23
Ilmarinen Mutual Pension Insurance Company	936,776	5.15
Kaleva Mutual Pension Insurance Company	824,641	4.53
Op-Suomi Small Cap	545,925	3.00
Varma Mutual Pension Insurance Company	521,150	2.87
State Pension Fund	500,000	2.75
Aktia Capital Mutual Fund	450,000	2.47
Skagen Vekst Verdipapierfond	437,000	2.40
Teleste Management Oy	381,000	2.09

SECTOR DISPERSION 30.9.2011	Shareholders	%	Shares	%
Corporations	290	5.69	5,914,717	32.52
Financial and insurance corporations	10	0.19	3,638,526	20.00
Public institutions	9	0.17	2,327,976	12.80
Non-profit institutions	35	0.68	369,811	2.03
Households	4,710	92.53	4,474,136	24.60
Foreign countries and nominee registered	36	0.70	1,461,424	8.03
Total	5,090	100	18,186,590	100

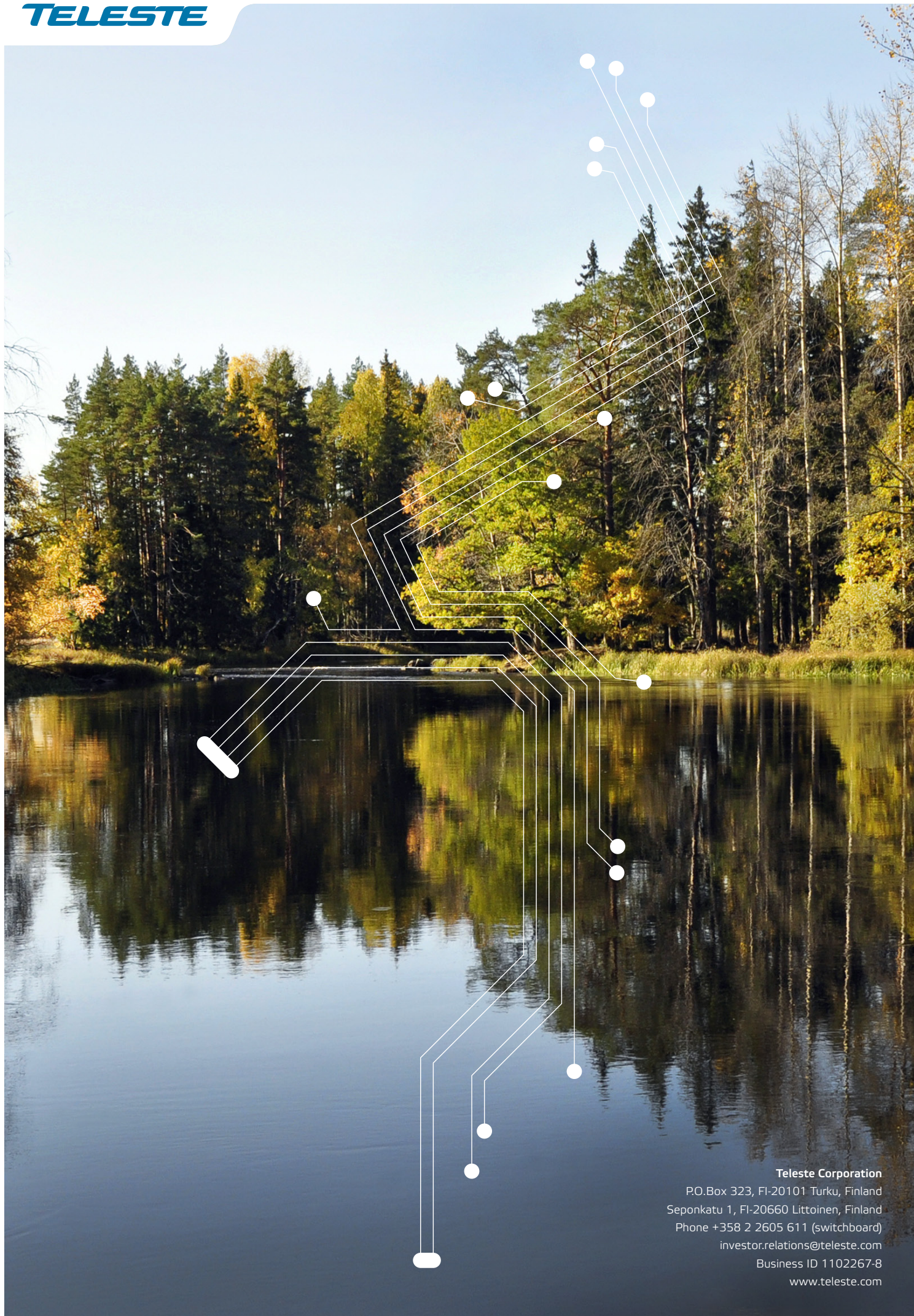
HOLDING DISPERSION 30.9.2011	Owners	%	Shares	%
0 - 100	1,137	22.33	78,649	0.43
101 - 1 000	2,965	58.25	1,242,903	6.83
1 001 - 10 000	894	17.56	2,550,965	14.02
10 001 - 100 000	76	1.49	1,894,204	10.41
100 001 - 1 000 000	16	0.31	6,822,156	37.51
1 000 001 -	2	0.03	5,597,713	30.77
Total	5,090	100.00	18,186,590	100.00

Final calculation of recognised fair values on acquisition of Satlan  
1 000 EUR

Fair values used in consolidation	
Trade marks (inc. in intangible assets)	154
Customer relationship (inc. in intangible assets)	843
Inventories	1,314
Trade receivables	1,305
Book values used in consolidation	
Tangible assets	51
Other receivables	219
Liquid funds	333
Total assets	4,219
Book values used in consolidation	
Deferred tax liabilities	259
Other liabilities	2,363
Total liabilities	2,622
Net identifiable assets and liabilities	1,597
Total consideration	6,330
Goodwill on acquisition	4,733
Consideration paid in cash	-2,780
Cash and cash equivalents in acquired subsidiary	333
Total net cash outflow on the acquisition	-2,447

## Notes





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