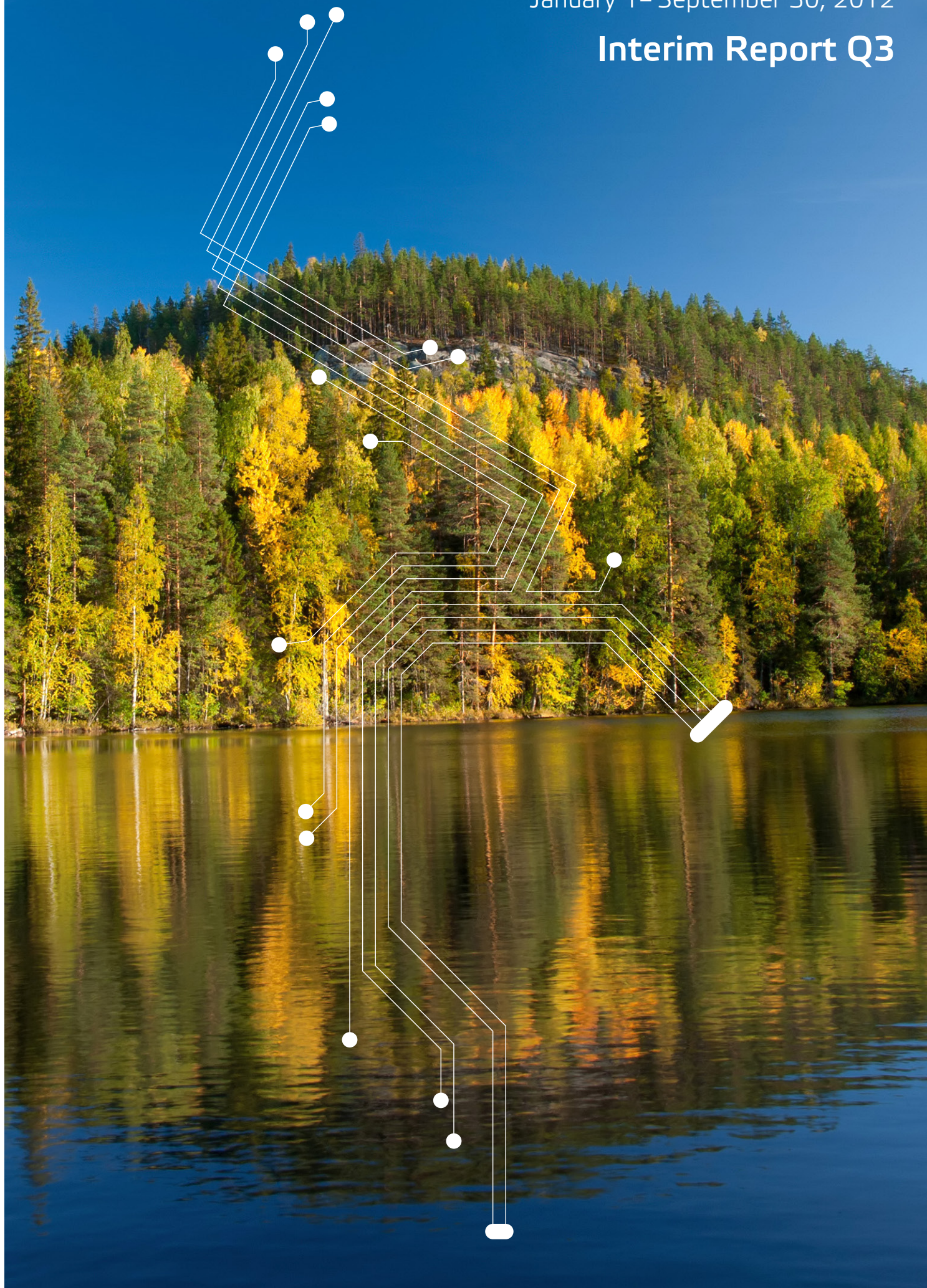
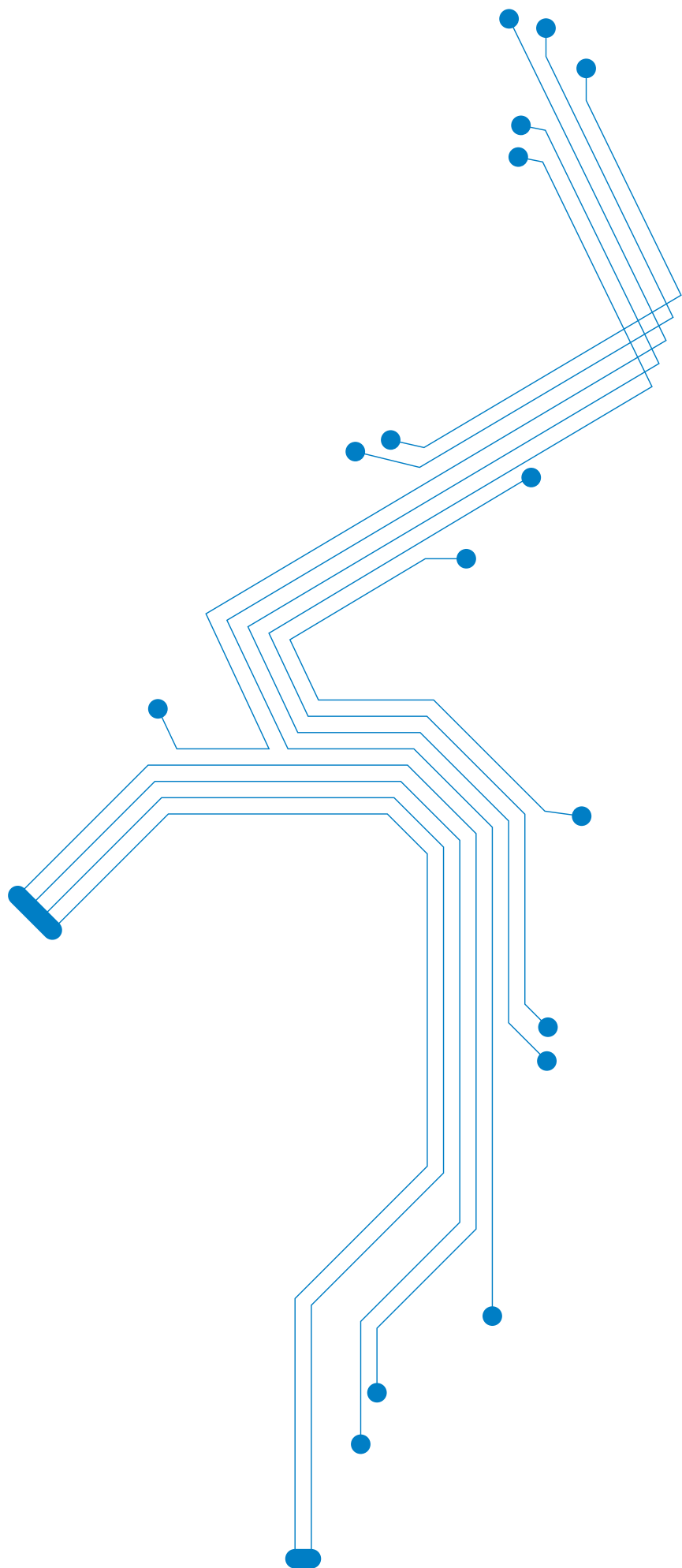


Interim Report Q3





THIRD QUARTER FELL SHORT OF THE COMPARATIVE PERIOD, OUTLOOK FOR THE ENTIRE YEAR UNCHANGED

Third quarter of 2012

- Orders received totaled EUR 40.5 (43.8) million, i.e. 7.5% below the reference period
- Net sales amounted to EUR 45.6 (47.0) million, a decrease of 2.9%
- Operating profit stood at EUR 2.9 (3.8) million, a decrease of 24.4%
- Undiluted result per share equaled EUR 0.11 (EUR 0.15)
- Operating cash flow was EUR -0.2 (-0.5) million

Key figures (€ million)	7-9/2012	7-9/2011	Change %	1-12/2011
Orders received	40.5	43.8	-7.5%	188.1
Net sales	45.6	47.0	-2.9%	183.6
Operating profit	2.9	3.8	-24.4%	9.4
Operating profit, %	6.3%	8.1%		5.1%
Net profit	1.9	2.6	-28.3%	6.3
Other important key figures				
Earnings per share, EUR	0.11	0.15	-28.8%	0.36
Cash flow from operations, € million	-0.2	-0.5	n/a	2.1

Outlook 2012

We estimate that the 2012 net sales and operating profit will increase from the level of 2011.

Comments on Q3 of 2012 by CEO Jukka Rinnevaara:

"Teleste's orders received, net sales and operating profit fell short of the reference period. Investments in increased network capacity made by the customers of Video and Broadband Solutions leveled off. In our assessment, this slowdown in the investments was contributed by the active investment period preceding the big sporting events and the uncertainty in the European economic situation. In order to maintain its cost-effectiveness in an uncertain environment, Teleste has decided to initiate adaptation measures in compliance with the Act on Co-operation within Undertakings. We pursue to carry out these adaptation measures without compromising any future growth prospects.

Cable operators' business in Europe has developed favorably and the demand for increased cable network capacity is still there in the long term.

Network Services' year-on-year net sales decreased. This decrease in net sales was due to a reduction in the deliveries of fiber-optic projects.

Operating cash flow was decreased by a few fairly large outstanding sales receivables."

Group Operations in July to September 2012

Orders received by the Group in the third quarter totaled EUR 40.5 (43.8) million, which is 7.2% below the reference period. The order backlog was EUR 13.6 (21.4) million, i.e. 36.4% below the reference period.

Net sales decreased by 2.9% to EUR 45.6 (47.0) million. Year-on-year operating profit fell by 24.4% standing at EUR 2.9 (3.8) million, which is 6.3% (8.1%) of net sales. The year-on-year materials margin

was slightly better. Wages and salaries amounted to EUR 13.3 (13.1) million while taxes stood at EUR 1.1 (1.1) million. Tax rate rose to 36.2% due to the growth in the Parent Company's tax accrual. Undiluted result per share was EUR 0.11 (0.15). Operating cash flow stood at EUR -0.2 (-0.5) million. Cash flow was weakened by a few fairly large outstanding sales receivables.

Group Operations in January to September 2012

Key figures (€ million)	1-9/2012	1-9/2011	Change %	1-12/2011
Orders received	138.8	134.6	3.1%	188.1
Net sales	146.4	130.2	12.5%	183.6
Operating profit	8.2	5.2	56.8%	9.4
Operating profit, %	5.6%	4.0%		5.1%
Net profit	5.1	3.4	48.4%	6.3
Other important key figures				
Earnings per share, EUR	0.29	0.20	48.4%	0.36
Cash flow from operations, € million	10.2	-2.4	n/a	2.1
Net gearing, %	21.7%	44.1%	-50.7%	32.2%
Equity ratio, %	47.5%	41.4%	14.8%	41.6%
Personnel at period-end	1,308	1,311	-0.2%	1,319

Due to the favorable order intake in the first quarter, orders received increased by 3.1% from the comparative period and totaled EUR 138.8 (134.6) million. Net sales grew by 12.5% amounting to EUR 146.4 (130.2) million. Operating profit grew by 56.8% equaling EUR 8.2 (5.2) million.

Financial items amounted to EUR 0.7 (0.4) million. Taxes paid amounted to EUR 2.4 (1.4) million and the Group's tax rate was 32.3% (29.4%). Undiluted result per share was EUR 0.29 (0.20). Operating cash flow stood at EUR 10.2 (-2.4) million.

Events after the end of the review period

Teleste initiated codetermination negotiations on 9 October 2012. These negotiations involve personnel of the parent company Teleste Corporation in Finland. In addition, adaptation measures are being prepared in certain overseas business units of Video and Broadband Solutions.

Video and Broadband Solutions in July to September 2012

Economic Development of Video and Broadband Solutions:

	7-9/2012	7-9/2011	Change %
Orders received	19,720	22,300	-11.6%
Net sales	24,794	23,947	3.5%
Operating profit	2,423	3,420	-29.1%
Operating profit, %	9.8%	14.3%	

Year-on-year orders received decreased by 11.6% standing at EUR 19.7 (22.3) million. Order backlog totaled EUR 13.6 (18.8) million. Net sales grew by 3.5% amounting to EUR 24.8 (23.9) million.

Operating profit stood at EUR 2.4 (3.4) million making 9.8% (14.3%) of the net sales. This decline in the operating profit was mainly due to weakening in the materials margin as the deliveries were increasingly focused on low-margin supplies.

R&D expenses were 2.4 (2.8) million, or 9.8% (11.7%) of the business area's net sales. Activated R&D expenses stood at EUR 0.2 (0.7) million. Projects focused mainly on research of future platforms and on

short-term customer-specific development projects. Depreciation on R&D expenses amounted to EUR 0.5 (0.5) million.

Video and Broadband Solutions in January to September 2012

	1-9/2012	1-9/2011	Change %	1-12/2011
Orders received	69,900	64,600	8.2%	93,274
Net sales	76,571	62,018	23.5%	89,716
Operating profit	6,495	5,158	25.9%	8,220
Operating profit, %	8.5%	8.3%		9.2%

Orders received improved by 8.2% standing at EUR 69.9 (64.6) million.

Net sales grew by 23.5% amounting to EUR 76.6 (62.0) million. Operating profit increased 25.9% to EUR 6.5 (5.2) million, or 8.5% (8.3%) of net sales. This positive development was due to increased net sales.

R&D expenses equaled EUR 8.3 (8.6), in other words 10.9% (13.9%) of net sales. Activated R&D expenses stood at EUR 0.6 (2.1) million while depreciation on product development expenses equaled EUR 1.5 (2.1) million.

Network Services in July to September 2012

Economic Development of Network Services:

	7-9/2012	7-9/2011	Change %
Orders received	20,796	21,503	-3.3%
Net sales	20,796	23,013	-9.6%
Operating profit	448	376	19.1%
Operating profit, %	2.2%	1.6%	

Orders received in Q3 stood at EUR 20.8 (21.5) million. Year-on-year net sales decreased by 9.6% and totaled EUR 20.8 (23.0) million. Net sales decreased in German fiber projects and UK network design services. Operating profit stood at EUR 0.4 (0.4) million making 2.2% (1.6%) of the net sales.

Network Services in January to September 2012

	1-9/2012	1-9/2011	Change %	1-12/2011
Orders received	68,936	70,003	-1.5%	94,800
Net sales	69,836	68,165	2.5%	93,900
Operating profit	1,733	90	1825.6%	1,160
Operating profit, %	2.5%	0.1%		1.2%

Orders received totaled EUR 68.9 (70.0) million. Net sales grew by 2.5% amounting to EUR 69.8 (68.2) million. Operating profit equaled EUR 1.7 (0.1) million. This growth in the operating profit was due to increased net sales and a better partner network management.

Personnel and Organization in January to September 2012

In the period under review, the Group had an annual average of 1,326 people (1,290/2011 1,221/2010), of whom 568 (562) were employed by Video and Broadband Solutions, and 758 (728) by Network Services, respectively. At the end of the review period, the figure totaled 1,308 (1,311/2011, 1,231/2010) of whom 73% (72%/2011, 68%/2010) were stationed overseas. Employees stationed outside Europe accounted for less than 5% of the Group's personnel.

The year-on-year wages and salaries increased by 12.0% and totaled EUR 43.8 (39.1/January to September/2011, 36.7/January to September/2010) million. This increase in wages and salaries was mainly attributable to the growth in personnel in Network Services, accruals of remuneration schemes and union-specific pay increases based on collective agreements.

At the end of the review period, rented workforce in Finland was 15 (24). Temporary labor costs are included in the cost of materials and services.

Investments in January to September 2012

Investments by the Group for the period under review totaled EUR 2.5 (5.2) million accounting for 1.7% (4.0%) of net sales. Investments in product development equaled EUR 0.6 (2.1) million. R&D investments decreased, mainly because the projects focused on research of future product platforms, further development of product platforms and short-term customer projects. Other investments involved information systems, as well as machinery and equipment for production and services. As to these investments, EUR 0.8 (0.4) million were carried out under financial lease arrangements. Investments in the comparative period included the extension investment of the company business premises of EUR 1.0 million.

Financing and Capital Structure in January to September 2012

Operating cash flow stood at EUR 10.2 (-2.4) million. This improvement in the operating cash flow over the comparative period was mainly due to higher EBITDA, as well as a decrease in inventories. Moreover, the impact created by the change in payment terms of our German main customer was weakened. At the end of the period under review, the amount of unused binding stand-by credits amounted to EUR 16.0 (7.5) million. These stand-by credits have been revised and the current binding stand-by credit facilities of EUR 40.0 million are valid until August 2015.

The Group's equity ratio equaled 47.5% (41.4%) while net gearing stood at 21.7% (44.1%). Interest bearing debt on 30 September 2012 stood at EUR 25.1 (33.4) million.

Essential Operational Risks of 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 most significant clients include European cable operators and selected organizations in the public sector.

As to Video and Broadband Solutions, client-specific and 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. Our customers' network investments vary based on their given 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. Also the exchange rate development of the Chinese renminbi to euro affects our material costs. The company hedges against short-term currency exposure by means of forward contracts. The tight financial market in Europe may slow down our customers' investment plans. Availability of components is subject to natural phenomena, such as floods and earthquakes. Correct technological choices and their timing are vital for our success.

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 services by any one of them is reflected in our actual deliveries. 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 skill levels in Teleste's own personnel as well as those of our subcontractors. In addition, our ability to deliver and compete may be constrained by the adequacy of our sub-contractor network capacity. Tender calculation and management of larger projects involving overall responsibility is complex and risky.

It is important for our business areas to take into account any market developments such as consolidations taking place among the clientele and competition. The threats to information systems must be minimized to ensure business continuity. Severe weather conditions have an impact on the business areas' ability to supply products and services.

The Board of Directors annually reviews any essential risks related to the company operation and their management. 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 covers 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 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. On account of financial arrangements, Teleste Management Oy, established in March 2010, and Teleste Management II Oy, established in December 2011, have been consolidated into Teleste Corporation's figures. Teleste Incentive Oy has been merged with Teleste Corporation.

Decisions by the Annual General Meeting

The Annual General Meeting (AGM) of Teleste Corporation held on 3 April 2012 confirmed the financial statements for 2011 and discharged the Board of Directors and the CEO from liability for the financial period. The AGM confirmed the dividend of EUR 0.14 per share proposed by the Board. The dividend was paid out on 17 April 2012.

Ms. Marjo Miettinen, Mr. Pertti Ervi, Mr. Pertti Raatikainen, Mr. Kai Telanne and Mr. Petteri Walldén continue in Teleste's Board of Directors. Mr. Esa Harju was elected a new member while the membership of Mr. Tero Laaksonen ended. Ms. 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. Mr. Esa Kailiala, accountant authorized by the Central Chamber of Commerce of Finland, 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. On 8 April 2011, the AGM authorized the Board of Directors to issue five million new shares; this authorization will be valid until the Annual General Meeting of 2014. 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 2012, EM Group Oy was the largest single shareholder with their holding of 22.48%.

In the period under review, the lowest company share price was EUR 3.04 (2.61) and the highest was EUR 4.44 (4.82). Closing price on 30 September 2012 stood at EUR 4.38 (2.71). According to Euroclear Finland Ltd, the number of shareholders at the end of the period under review was 5,187 (5,090). Foreign ownership accounted for 5.96% (8.0%). From 1 January to 30 September 2012, trading with Teleste share at NASDAQ OMX Helsinki amounted to EUR 8.2 (4.8) million. In the period under review, 2.1 (1.2) million Teleste shares were traded on the stock exchange.

At the end of September 2012, the number of own shares in the Group possession stood at 1,302,985 (760,985) out of which parent company Teleste Corporation had 379,985 while other Group or controlled companies had 923,000 shares, respectively. At the end of the period, the Group's holding of the total amount of shares amounted to 6.96% (4.18%).

On 30 September 2012, the registered share capital of Teleste stood at EUR 6,966,932.80 divided in 18,728,590 shares.

2007B and 2007C stock options began trading on the NASDAQ OMX Helsinki Ltd on 2 April 2012. These options allow subscription for a maximum of 560,000 shares in the company.

Outlook for 2012

In terms of the whole year, we estimate that deliveries of equipment and solutions for the operator clientele of Video and Broadband Solutions will increase from the 2011 level.

On the annual basis, demand by the current clientele of Network Services will remain stable. Profitability in our main market of Germany will improve markedly for the entire year over the 2011 level.

Net sales and profitability for Teleste's fourth quarter of 2012 will fall short of the comparative period due to leveling off in demand.

We estimate that the 2012 net sales and operating profit will increase from the level of 2011.

30 October 2012

Teleste Corporation
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 2011 consolidated financial statements. The data stated in this report is unaudited.

**STATEMENT OF COMPREHENSIVE INCOME
(tEUR)**

	7-9/2012	7-9/2011	Change %	1-12/2011
Net Sales	45,590	46,960	-2.9 %	183,616
Other operating income	0	461	-100.0 %	2,112
Materials and services	-21,867	-23,039	-5.1 %	-90,990
Personnel expenses	-13,258	-13,106	1.2 %	-54,560
Other operating expenses	-6,256	-6,172	1.4 %	-25,426
Depreciation	-1,338	-1,308	2.3 %	-5,372
Operating profit	2,871	3,796	-24.4 %	9,380
Financial income and expenses	43	-98	n/a	-541
Profit after financial items	2,914	3,698	-21.2 %	8,839
Profit before taxes	2,914	3,698	-21.2 %	8,839
Taxes	-1,054	-1,103	-4.4 %	-2,540
Net profit	1,860	2,595	-28.3 %	6,299
Attributable to:				
Equity holders of the parent	1,860	2,595	-28.3 %	6,299
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in € per share)				
Basic	0.11	0.15	-28.8 %	0.36
Diluted	0.11	0.15	-29.9 %	0.36
Total comprehensive income for the period (tEUR)				
Net profit	1,860	2,595	-28.3 %	6,299
Translation differences	322	-87	n/a	149
Fair value reserve	36	0	n/a	20
Total comprehensive income for the period	2,218	2,508	-11.6 %	6,468
Attributable to:				
Equity holders of the parent	2,218	2,508	-11.6 %	6,468

**STATEMENT OF COMPREHENSIVE INCOME
(tEUR)**

	1-9/2012	1-9/2011	Change %	1-12/2011
Net Sales	146,407	130,183	12.5 %	183,616
Other operating income	788	1,383	-43.0 %	2,112
Materials and services	-72,265	-65,184	10.9 %	-90,990
Personnel expenses	-43,759	-39,080	12.0 %	-54,560
Other operating expenses	-19,074	-18,108	5.3 %	-25,426
Depreciation	-3,869	-3,946	-2.0 %	-5,372
Operating profit	8,228	5,248	56.8 %	9,380

Financial income and expenses	-718	-398	80.4 %	-541
Profit after financial items	7,510	4,850	54.8 %	8,839
Profit before taxes	7,510	4,850	54.8 %	8,839
Taxes	-2,428	-1,426	70.3 %	-2,540
Net profit	5,082	3,424	48.4 %	6,299
Attributable to:				
Equity holders of the parent	5,082	3,424	48.4 %	6,299
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in € per share)				
Basic	0.29	0.20	48.4 %	0.36
Diluted	0.29	0.20	46.2 %	0.36
Total comprehensive income for the period (tEUR)				
Net profit	5,082	3,424	48.4 %	6,299
Translation differences	679	-286	n/a	149
Fair value reserve	120	96	25.0 %	20
Total comprehensive income for the period	5,881	3,234	81.8 %	6,468
Attributable to:				
Equity holders of the parent	5,881	3,234	81.8 %	6,468

**STATEMENT OF FINANCIAL POSITION
(tEUR)**

	30/09/2012	30/09/2011	Change %	31/12/2011
Non-current assets				
Property, plant, equipment	10,032	10,445	-4.0 %	9,364
Goodwill	31,400	30,959	1.4 %	31,277
Intangible assets	4,644	6,314	-26.4 %	6,338
Deferred tax assets	1,833	n/a	n/a	1,714
Investments	287	713	-59.7 %	713
	48,196	48,431	-0.5 %	49,406
Current assets				
Inventories	21,131	25,118	-15.9 %	24,075
Other current assets	42,315	42,170	0.3 %	44,326
Liquid funds	12,311	10,600	16.1 %	15,404
	75,757	77,888	-2.7 %	83,805
Total assets	123,952	126,319	-1.9 %	133,211
Shareholder's equity and liabilities				
Share capital	6,967	6,967	0.0 %	6,967
Other equity	51,111	44,402	15.1 %	47,688
Non-controlling interest	695	318	118.6 %	623
	58,773	51,687	13.7 %	55,278
Non-current liabilities				
Provisions	605	361	67.6 %	605

Deferred tax liabilities	2,182	776	181.2 %	1,946
Non interest bearing liabilities	3,394	3,723	-8.8 %	4,140
Interest bearing liabilities	665	10,937	-93.9 %	11,940
	6,846	15,797	-56.7 %	18,631
Short-term liabilities				
Trade payables and other s-t liabilities	32,700	35,063	-6.7 %	36,818
Provisions	1,211	1,313	-7.8 %	1,211
S-t interest bearing liabilities	24,422	22,459	8.7 %	21,273
	58,333	58,835	-0.9 %	59,302
Total shareholder's equity and liabilities	123,952	126,319	-1.9 %	133,211

CONSOLIDATED CASH FLOW STATEMENT (tEUR)

	1-9/2012	1-9/2011	Change %	1-12/2011
Cash flows from operating activities				
Profit for the period	5,082	3,424	48.4 %	6,299
Adjustments	7,069	5,912	19.6 %	8,633
Interest and other financial expenses and incomes	-295	-398	-25.9 %	-541
Paid Taxes	-2,087	-2,000	4.4 %	-2,471
Change in working capital	450	-9,378	n/a	-9,857
Cash flow from operating activities	10,219	-2,440	n/a	2,063
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired	-580	0	n/a	0
Purchases of property, plant and equipment (PPE)	-1,242	-2,223	-44.1 %	-2,632
Purchases of intangible assets	-480	-2,869	-83.3 %	-2,729
Net cash used in investing activities	-2,302	-5,092	-54.8 %	-5,361
Cash flow from financing activities				
Proceeds from borrowings	0	6,000	n/a	6,000
Payments of borrowings	-9,249	-694	1232.7 %	-877
Dividends paid	-2,440	-2,091	16.7 %	-2,091
Proceeds from issuance of ordinary shares	0	0	n/a	319
Net cash used in financing activities	-11,689	3,215	n/a	3,351
Change in cash				
Cash in the beginning	15,404	15,203	1.3 %	15,203
Change in cash during period	-3,772	-4,317	-12.6 %	52
Effect of currency changes	679	-286	n/a	149
Cash at the end	12,311	10,600	16.1 %	15,404

KEY FIGURES

	1-9/2012	1-9/2011	Change %	1-12/2011
Earnings per share, EUR	0.29	0.20	48.4 %	0.36
Earnings per share fully diluted, EUR	0.29	0.20	46.2 %	0.36
Shareholders' equity per share, EUR	3.37	2.97	13.7 %	3.17
Return on equity	11.9 %	8.9 %	32.9 %	11.9 %
Return on capital employed	13.0 %	8.8 %	48.4 %	11.5 %
Equity ratio	47.5 %	41.4 %	14.8 %	41.6 %
Gearing	21.7 %	44.1 %	-50.7 %	32.2 %

Investments, tEUR	2,522	5,195	-51.5 %	5,240
Investments % of net sales	1.7 %	4.0 %	-56.8 %	2.9 %
Order backlog, tEUR	13,629	21,420	-36.4 %	21,200
Personnel, average	1,326	1,290	2.8 %	1,297
Number of shares (thousands) including own shares	18,729	18,094	3.5 %	18,190
Highest share price, EUR	4.44	4.82	-7.9 %	4.82
Lowest share price, EUR	3.04	2.61	16.5 %	2.50
Average share price, EUR	3.97	3.89	2.1 %	3.00
Turnover, in million shares	2.1	1.2	69.6 %	1.7
Turnover, in MEUR	8.2	4.8	72.1 %	6.2

Treasury shares

	Number of shares	% of shares	% of votes
Teleste companies own shares 30.9.2012	1,302,985	6.96%	6.96%

Contingent liabilities and pledged assets (tEUR)

Leasing and rent liabilities	9,026	9,210	-2.0 %	8,124
Derivative instruments (tEUR)				
Value of underlying forward contracts	1,913	6,181	-69.1 %	7,434
Market value of forward contracts	-50	-10	400.0 %	-99
Interest rate swap	2,500	11,500	-78.3 %	11,500
Market value of interest swap	-46	-186	-75.3 %	-167

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

OPERATING SEGMENTS (tEUR)	1-9/2012	1-9/2011	Change %	1-12/2011
Video and Broadband Solutions				
Order intake	69,900	64,600	8.2 %	93,274
Net sales	76,571	62,018	23.5 %	89,716
EBIT	6,495	5,158	25.9 %	8,220
EBIT%	8.5 %	8.3 %		9.2 %
Network Services				
Order intake	68,936	70,003	-1.5 %	94,800
Net sales	69,836	68,165	2.5 %	93,900
EBIT	1,733	90	1825.6 %	1,160
EBIT%	2.5 %	0.1 %		1.2 %
Total				
Order intake	138,836	134,603	3.1 %	188,074
Net sales	146,407	130,183	12.5 %	183,616
EBIT	8,228	5,248	56.8 %	9,380
EBIT%	5.6 %	4.0 %		5.1 %
Financial items	-718	-398	80.4 %	-541
Operating segments net profit before taxes	7,510	4,850	54.8 %	8,839

Information per quarter (tEUR)	7-9/12	4-6/12	1-3/12	10-12/11	7-9/11	10/2011- 9/2012
Video and Broadband Solutions						
Order intake	19,720	23,790	26,390	28,674	22,300	98,574
Net sales	24,794	24,278	27,499	27,698	23,947	104,269
EBIT	2,423	1,548	2,524	3,062	3,420	9,557
EBIT %	9.8 %	6.4 %	9.2 %	11.1 %	14.3 %	9.2 %
Network Services						
Order intake	20,796	25,409	22,731	24,797	21,503	93,733
Net sales	20,796	25,409	23,631	25,735	23,013	95,571
EBIT	448	872	413	1,070	376	2,803
EBIT %	2.2 %	3.4 %	1.7 %	4.2 %	1.6 %	2.9 %
Total						
Order intake	40,516	49,199	49,121	53,471	43,803	192,307
Net sales	45,590	49,687	51,130	53,433	46,960	199,840
EBIT	2,871	2,420	2,937	4,132	3,796	12,360
EBIT %	6.3 %	4.9 %	5.7 %	7.7 %	8.1 %	6.2 %

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
Attributable to equity holders of the parent (tEUR)									
Shareholder's equity 1.1.2012	6,967	1,504	54	43,559	2,737	-166	54,655	623	55,278
Total comprehensive income for the period			679	5,082		120	5,881		5,881
Paid dividend				-2,569			-2,569	129	-2,440
Non-controlling parties accrued cost of interest for the loan provided by mother company				57			57	-57	0
Equity-settled share-based payments				54			54	0	54
Shareholder's equity 30.9.2012	6,967	1,504	733	46,183	2,737	-46	58,078	695	58,773
Shareholder's equity 1.1.2011	6,967	1,504	-95	39,183	2,737	-186	50,110	292	50,402

Profit of the period			-286	3,424		96	3,234	0	3,234
Paid dividend				-2,137			-2,137	46	-2,091
Non-controlling parties accrued cost of interest for the loan provided by mother company				20			20	-20	0
Equity-settled share-based payments				142			142	0	142
Shareholder's equity 30.9.2011	6,967	1,504	-381	40,632	2,737	-90	51,369	318	51,687

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 30.9.2012

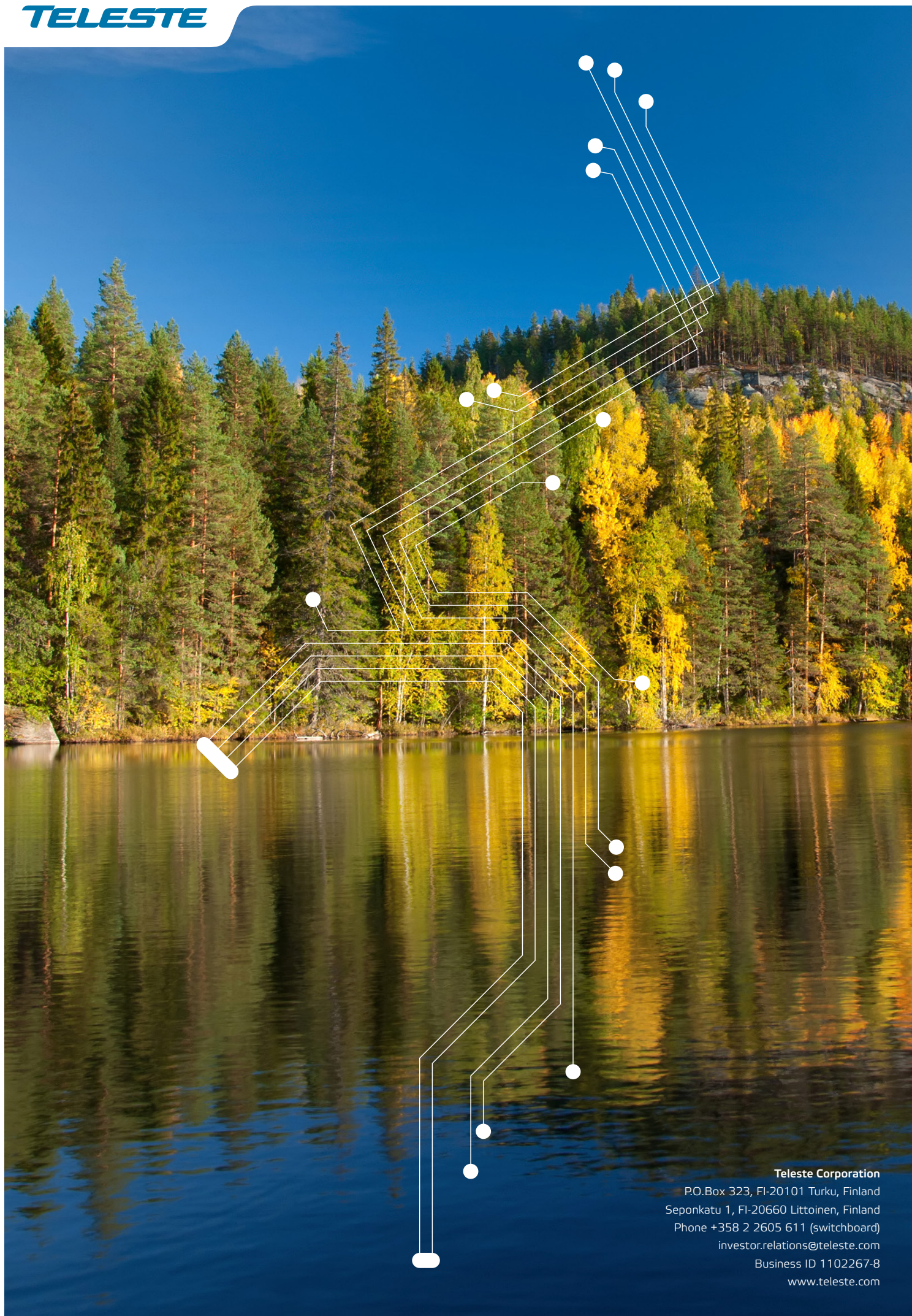
	Shares	%
EM Group Oy	4,209,816	22.48
Mandatum Life	1,679,200	8.97
Ilmarinen Mutual Insurance Ccompany	936,776	5.00
Kaleva Mutual Insurance Ccompany	824,641	4.40
Teleste Management II Oy	542,000	2.89
Varma Mutual Insurance Ccompany	521,150	2.78
State Pension Fund	500,000	2.67
Op-Suomi Small Cap	480,000	2.56
Aktia Capital Mutual Fund	450,000	2.40

SECTOR DISPERSION 30.9.2012

	Shareholders	%	Shares	%
Corporations	291	5.61	7,009,926	37.42
Financial and insurance corporations	11	0.21	3,510,655	18.74
Public institutions	7	0.13	2,108,026	11.25
Non-profit institutions	36	0.69	354,904	1.89
Households	4,795	92.44	4,627,856	24.71
Foreign countries and nominee registered	47	0.90	1,117,223	5.96
Total	5,187	100.00	18,728,590	100.00

AMOUNT 30.9.2012

	Shareholders	%	Shares	%
0 - 100	1,141	21.99	78,309	0.41
101 - 1,000	3,029	58.39	1,277,430	6.82
1,001 - 10,000	919	17.71	2,539,018	13.55
10,001 - 100,000	77	1.48	1,897,942	10.13
100,001 - 1,000,000	19	0.36	7,046,875	37.62
1,000,001 -	2	0.03	5,889,016	31.44
Total	5,187	100.00	18,728,590	100.00



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