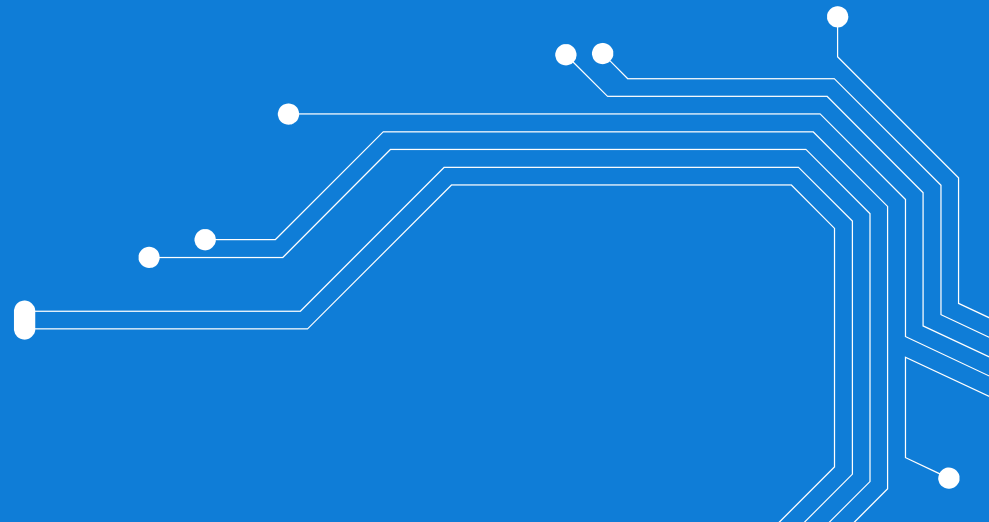


Interim Report 1.1. – 31.3.2012

JUKKA RINNEVAARA
CEO



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Market Situation in Q1 2012

Video and Broadband Solutions

- The market continued strong, and especially in Israel, Finland, the UK and Denmark
 - Increased deliveries of optical solutions and amplifiers
- The general economic situation in Europe continues to pose a threat
- New video services and major sporting events
 - A need for increased network capacity

Network Services

- The market is active, especially in Germany and the UK
- Upgrading of networks driven by digitization and HD
- German profitability improvement program is proceeding, cost overruns in fiber projects

RESULT Q1 - Group

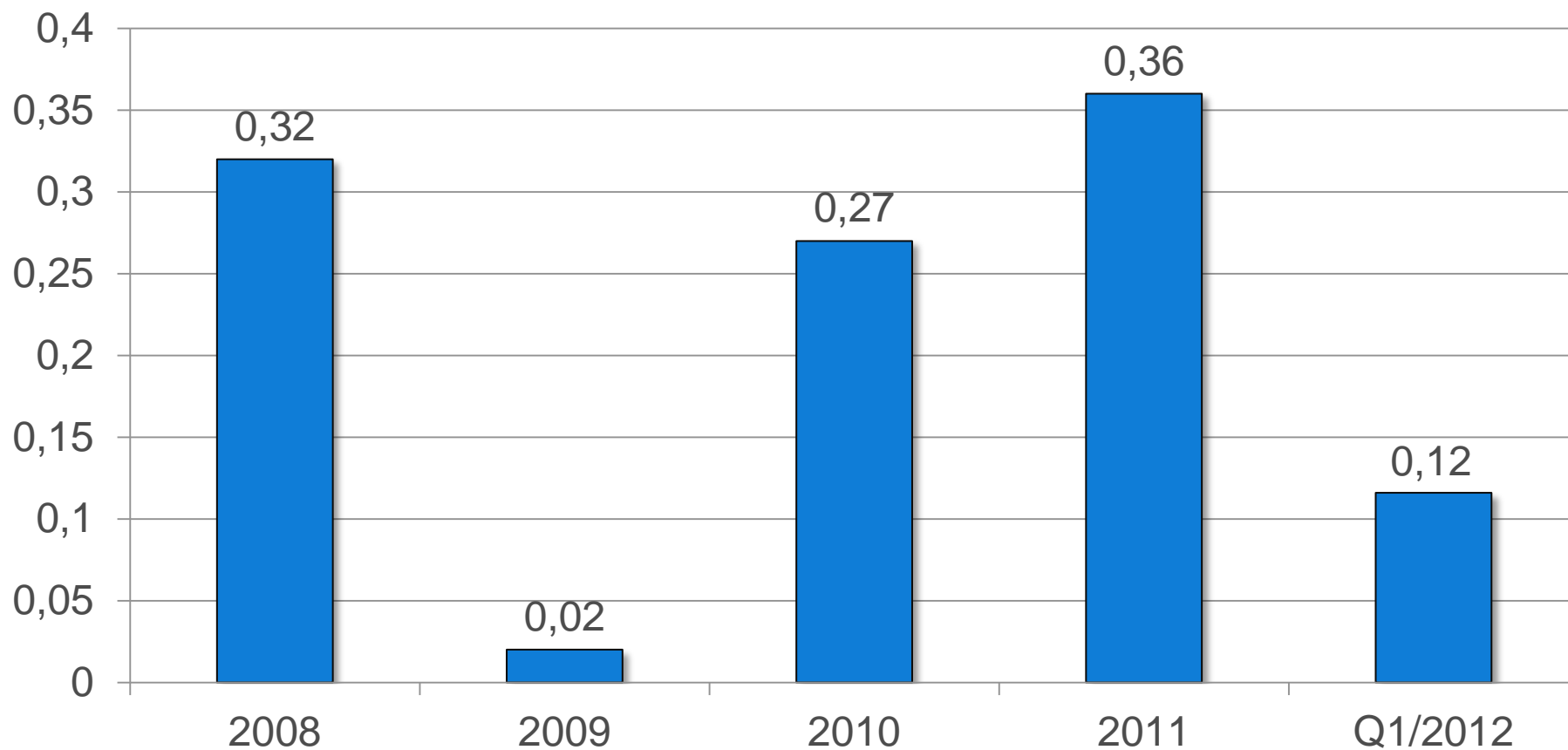
	Q1 2012	Q1 2011	Change%
Orders Received	49.1	40.2	22.0%
Net Sales	51.1	41.3	23.7%
EBIT	2.9	0.5	441.9%
EBIT %	5.7%	1.3%	n/a
Net Profit for the Period	2.0	0.3	622.4%

RESULT Q1 - Video and Broadband Solutions (VBS)

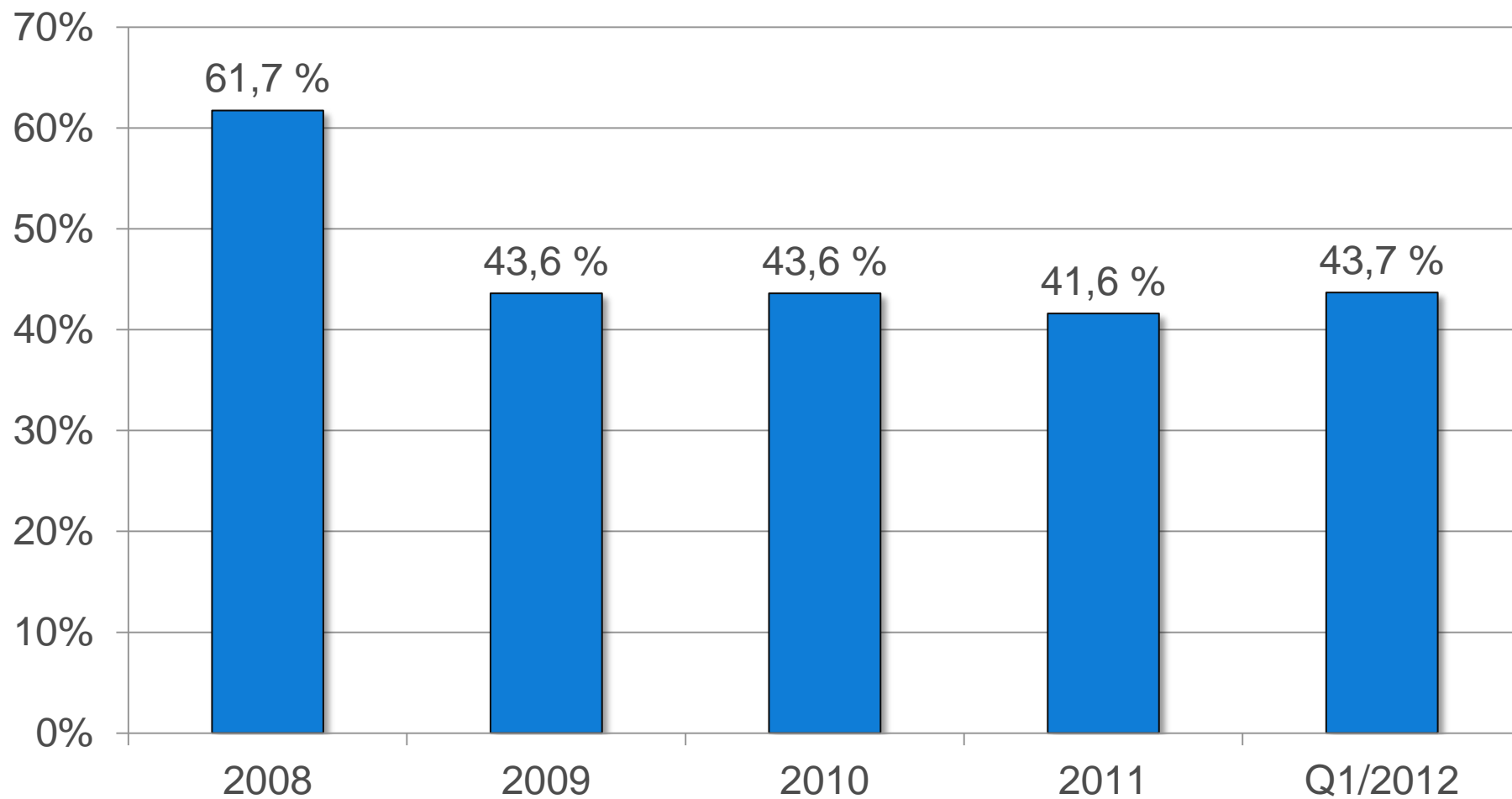
	Q1 2012	Q1 2011	Change%
Orders Received	26.4	17.5	51.0%
Net Sales	27.5	18.6	48.2%
EBIT	2.5	0.4	521.7%
EBIT %	9.2%	2.2%	n/a

RESULT Q1 – Network Services (NS)

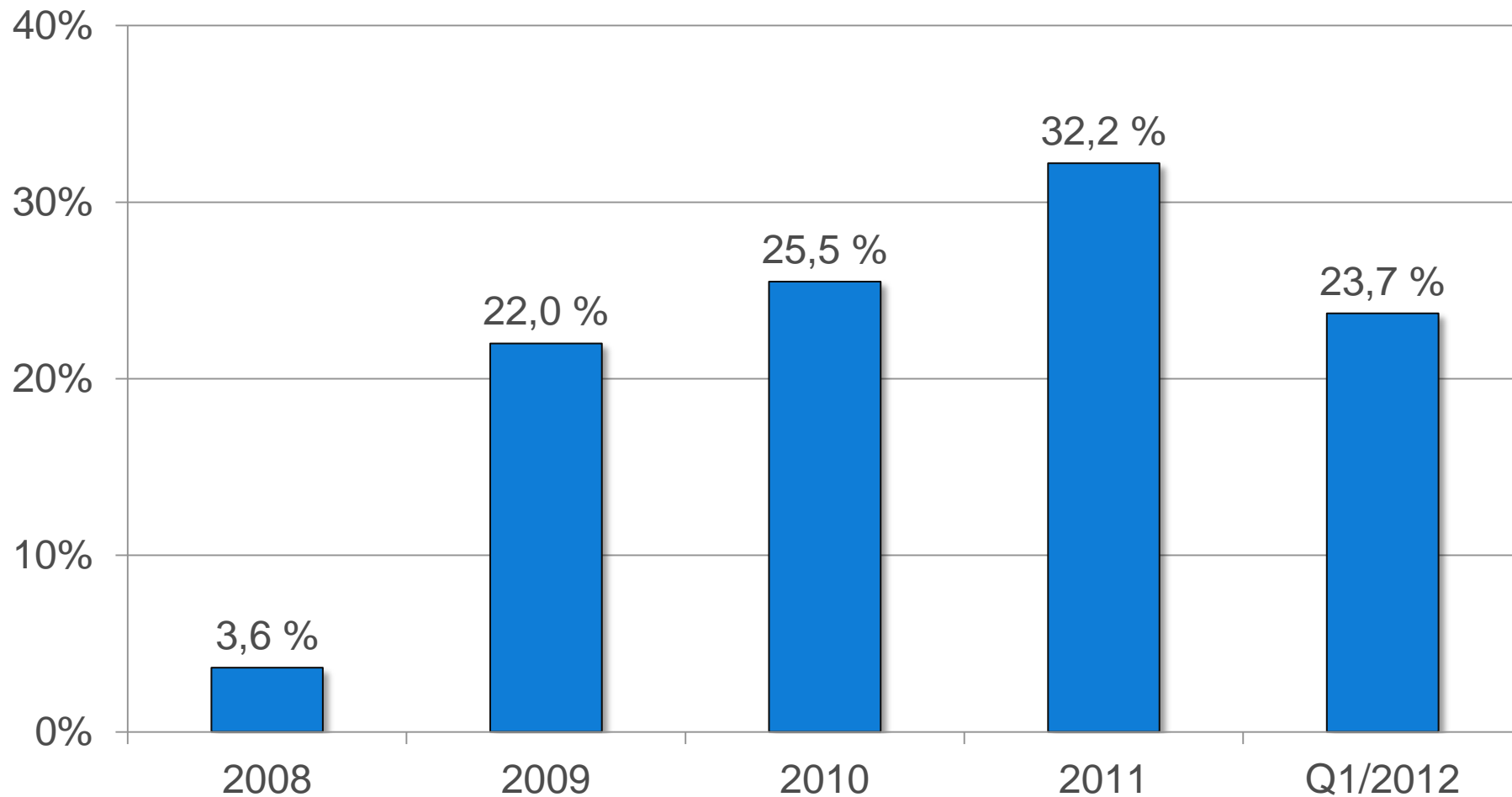
	Q1 2012	Q1 2011	Change%
Orders Received	22.7	22.8	-0.2%
Net Sales	23.6	22.8	3.7%
EBIT	0.4	0.1	203.7%
EBIT %	1.7%	0.6%	n/a

EPS

Equity Ratio



Gearing



Future Outlook 2012

We estimate that deliveries of equipment and solutions for the operator clientele of **Video and Broadband Solutions** will increase from the 2011 level. European telecom operators are about to launch 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. Also, the network capacity will continue to increase driven by the new video services provided by the operators. The big sports events to be held in summer 2012 may slow down the upgrading of networks in the second and third quarters.

On the annual basis, demand by our current clientele for the services provided by **Network Services** will remain relatively stable. In the main market area of Germany, we expect profitability to improve from the 2011 level with the gradual introduction of the efficiency measures.

- We estimate the 2012 net sales and operating profit to increase from the level of 2011

