

Interim Report 1.1. – 30.9.2013

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.

Business Areas



Video and Broadband Solutions

Product solutions for broadband networks, video service platforms and video surveillance applications



Network Services

Comprehensive service solutions for cable networks

Market situation Q3/2013

Video and Broadband Solutions

Positive situation in the market

- **Positive momentum in network investments of the European cable operators**
- **Growth in demand for broadband capacity**
- **Particularly strong markets included the Nordic countries, the Netherlands, Poland and France**
- **Comparisons between network technologies (D3.1 decentralized – centralized)**
- **Significant consolidation projects in the operator field incl. mergers of Kabel Deutschland and Vodafone in Germany, as well as Liberty Global and Virgin Media in the U.K. - impact on the timing of investments**
- **Deliveries for video surveillance projects at a good level (CTA)**

Network Services

The market was at a higher level than in the comparable period

- **Demand for new broadband connections grew in Germany**
- **Market in other countries at par with the comparative period**

RESULT Q3 2013 - Group

	Q3 2013	Q3 2012	Change%	Q2/13
Orders Received	51.1	40.5	26.2%	44.2
Net Sales	46.5	45.6	1.9%	46.5
EBIT	3.2	2.9	10.9%	1.7
EBIT %	6.9%	6.3%	n/a	3.7%
Net Profit for the Period	2.0	1.9	9.4%	1.3

RESULT Q3 - Video and Broadband Solutions

	Q3 2013	Q3 2012	Change%	Q2/13
Orders Received	28.9	19.7	46.6%	23.4
Net Sales	24.3	24.8	-2.2%	25.6
EBIT	2.4	2.4	-2.5%	2.3
EBIT %	9.7 %	9.8%	n/a	9.0%

RESULT Q3 – Network Services

	Q3 2013	Q3 2012	Change%	Q2/13
Orders Received	22.2	20.8	6.8%	20.9
Net Sales	22.2	20.8	6.8%	20.9
EBIT	0.8	0.4	83.8%	-0.6
EBIT %	3.7 %	2.2%	n/a	-2.7%

RESULT 1-9/2013 - Group

	1-9/2013	1-9/2012	Change%
Orders Received	138.7	138.8	-0.1 %
Net Sales	138.7	146.4	-5.2 %
EBIT	7.5	8.2	-8.5 %
EBIT %	5.4 %	5.6%	n/a
Net Profit for the Period	5.1	5.1	0.2 %

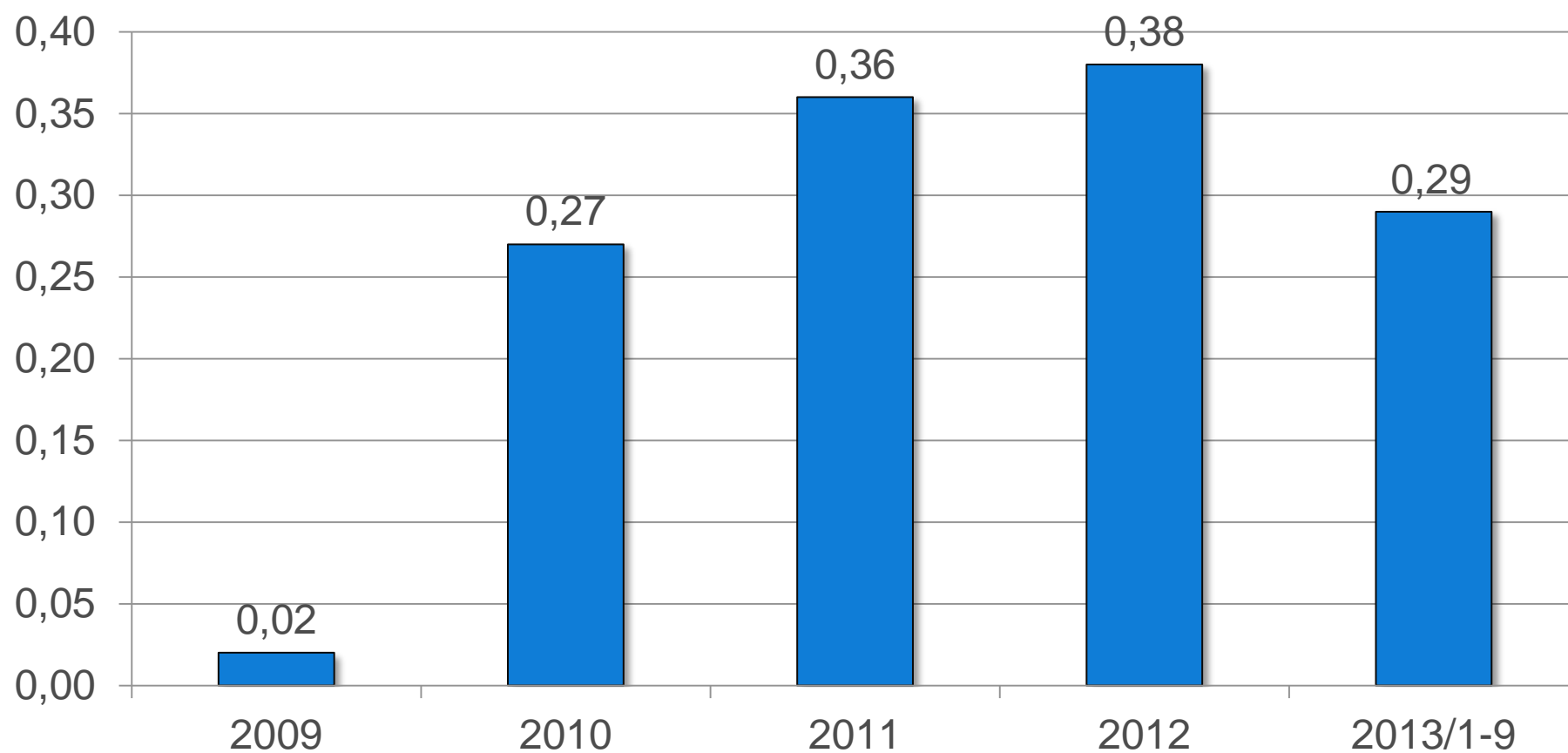
RESULT 1-9/2013 - Video and Broadband Solutions

	1-9/2013	1-9/2012	Change%
Orders Received	73.7	69.9	5.4 %
Net Sales	73.7	76.6	-3.8 %
EBIT	7.1	6.5	9.4 %
EBIT %	9.6 %	8.5%	n/a

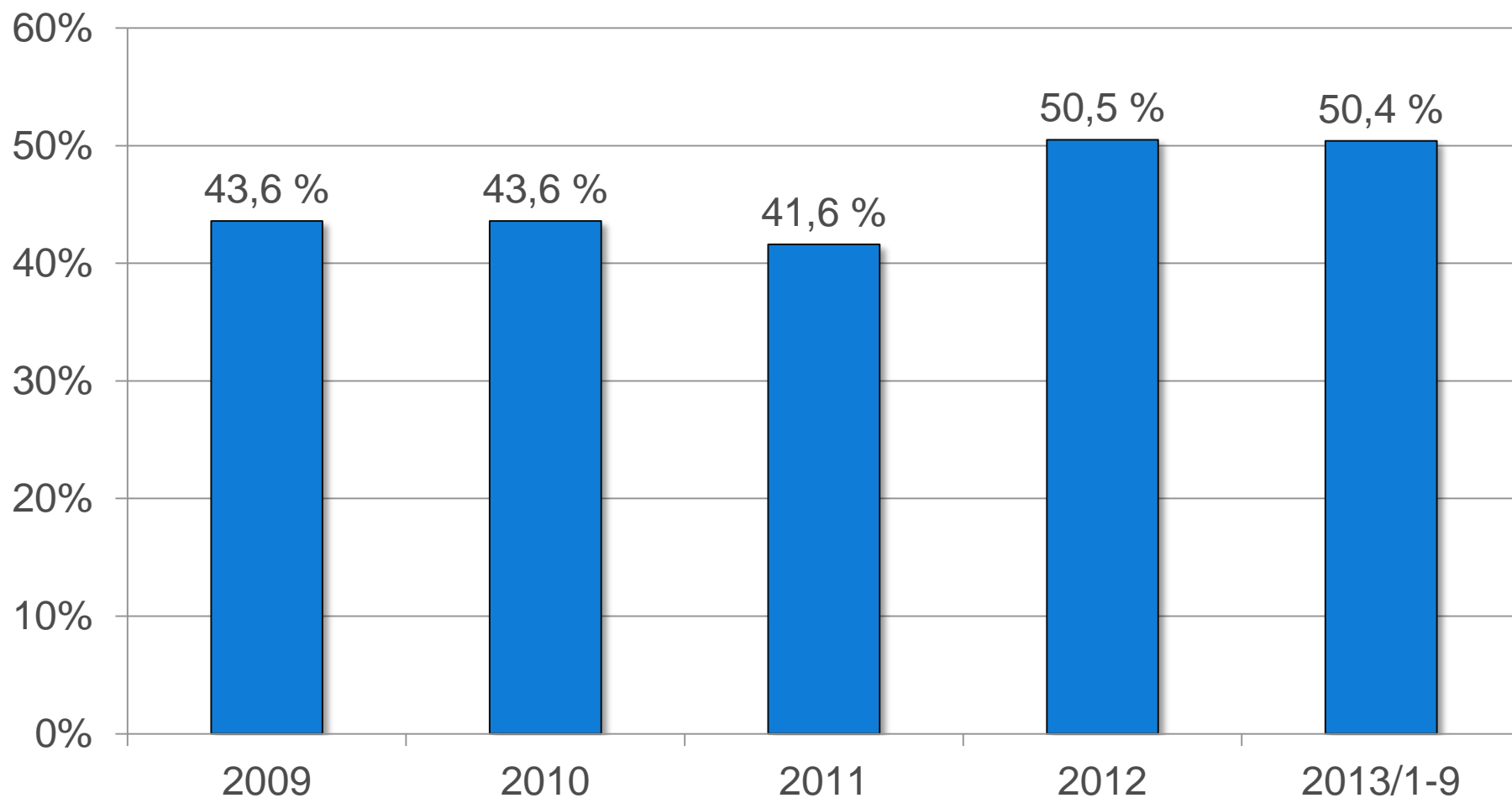
RESULT 1-9/2013 – Network Services

	1-9/2013	1-9/2012	Change%
Orders Received	65.0	68.9	-5.7 %
Net Sales	65.0	69.8	-6.9 %
EBIT	0.4	1.7	-75.8 %
EBIT %	0.6 %	2.5%	n/a

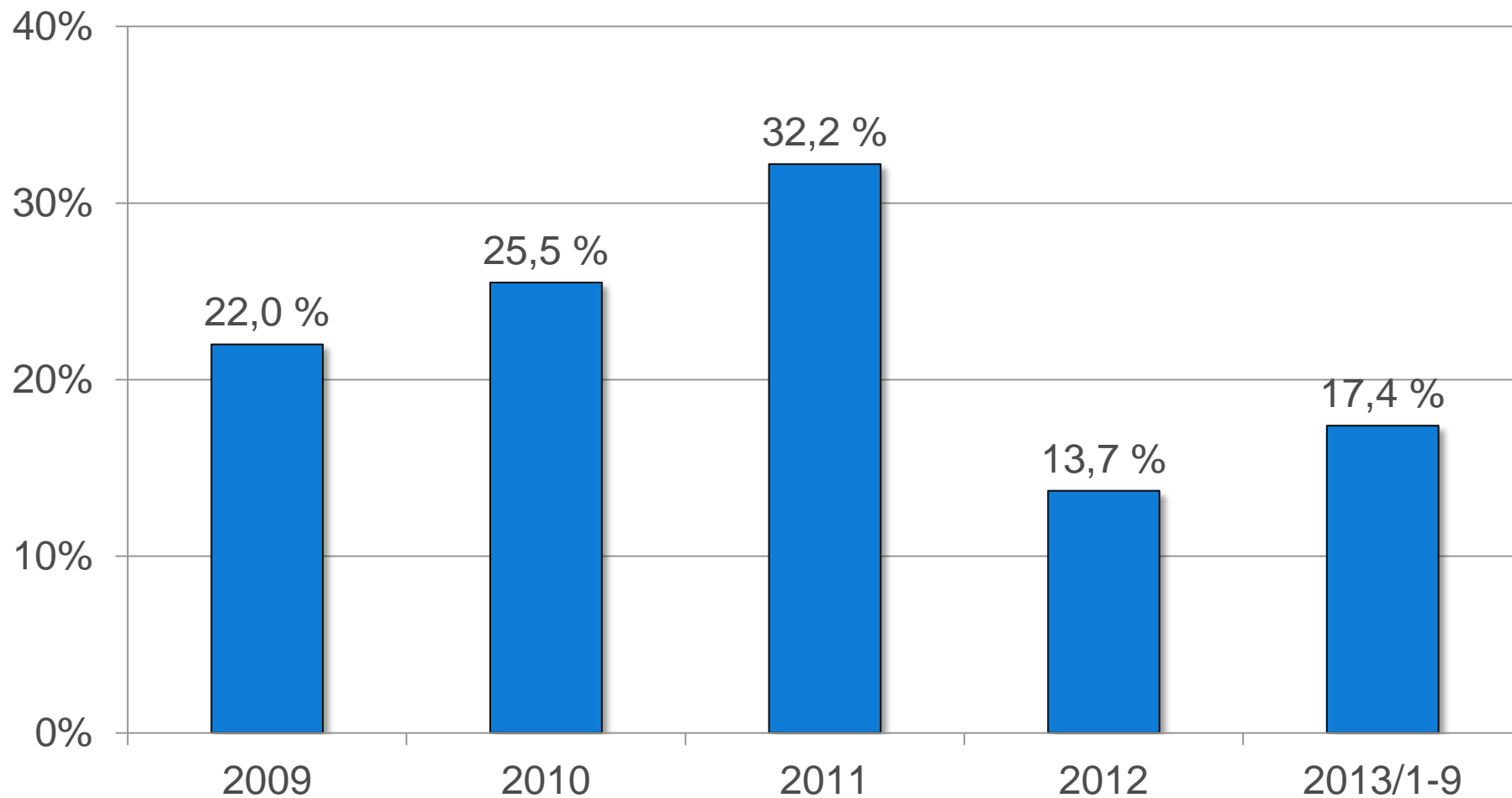
EPS



Equity Ratio



Gearing

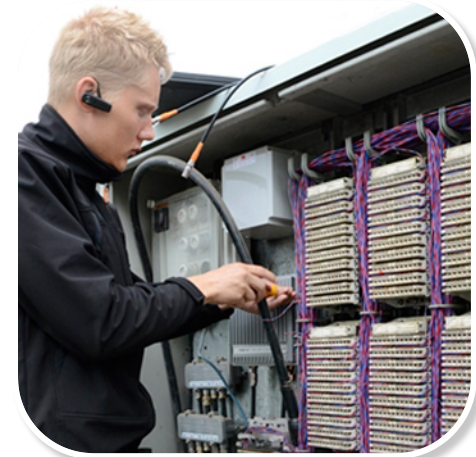


Outlook unchanged

Network capacity will continue to increase driven by the new video services provided by the operators. However, comparisons made by the operators concerning the future access network technologies could delay the launch of investments. We estimate profitability of **Video and Broadband Solutions** to improve over the comparative period.

We estimate profitability of **Network Services** to remain below the comparative period.

- We expect net sales and operating profit for 2013 to reach the 2012 level.



**VISION - As the leading provider in our field,
we build a modern networked society with
new broadband and video solutions.**

