

**PROPOSAL TO GRANT SHARE REPURCHASE AUTHORIZATION TO THE BOARD OF DIRECTORS**

The Board of Directors of Teleste Corporation (the "Company") proposes to Annual General Meeting to be held on 8 April 2011 that the Board of Directors be authorized to decide on the repurchase of the Company's own shares ("Repurchase Authorization") on the following terms and conditions:

**1. Maximum number of shares to be repurchased**

By virtue of authorization, the Board of Directors is entitled to decide on repurchasing a maximum of 1,400,000 Company's own shares.

**2. Directed repurchase and consideration to be paid for shares**

The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through public trading on NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition.

The shares shall be repurchased and paid in accordance with the rules of NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd.

**3. Holding, cancelling and conveying of shares**

The shares shall be repurchased for use as consideration in possible acquisitions or other arrangements related to the Company's business, as financing for investments or as part of the Company's incentive program or to be held by the Company, to be conveyed by other means or to be cancelled.

**4. Other terms and validity**

The Board of Directors shall decide on other terms and conditions related to the repurchase of the Company's own shares.

The Repurchase Authorization shall be valid until the Annual General Meeting for year 2012.

In Turku, 1 March 2011

Teleste Corporation  
The Board of Directors