

TELESTE CORPORATION STOCK EXCHANGE RELEASE 4.3.2013 AT 14:00

TELESTE CORPORATION: NOTICE TO THE ANNUAL GENERAL MEETING

The shareholders of Teleste Corporation (the "Company") are hereby invited to the Annual General Meeting to be held on Friday, 12 April 2013, at 3:00 p.m., in Helsinki Hall of Finlandia Hall at the address of Mannerheimintie 13 e, 00100 Helsinki, Finland. The reception of persons who have registered for the meeting will commence at 2:00 p.m.

A. Agenda of the Annual General Meeting:

1 § Opening of the meeting

2 § Calling the meeting to order

3 § Election of persons to review the minutes and to supervise the counting of votes

4 § Recording the legality of the meeting

5 § Recording the attendance at the meeting and adoption of the list of votes

6 § Presentation of the financial statements, the consolidated financial statements, the auditor's report and the report of the Board of Directors for year 2012 as well as the review by the CEO

7 § Adoption of the financial statements and the consolidated financial statements

8 § Resolution on the use of the profit shown on the balance sheet and the payment of dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.17 per share be paid based on the adopted balance sheet for the financial period that ended on 31 December 2012 for shares other than those held by the Company. The dividend will be paid to a shareholder who on the record date of dividend payment 17 April 2013 is registered in the Company's shareholders' register maintained by Euroclear Finland Ltd. The dividend will be paid on 24 April 2013.

9 § Resolution on the discharge of the members of the Board of Directors and the CEO from liability

10 § Resolution on the number of members of the Board of Directors

Company's shareholders who represent more than 40 per cent of all the Company's shares and voting rights, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that the number of members of the Board of Directors be confirmed to be six (6).

11 § Resolution on the remuneration of the members of the Board of Directors

Company's shareholders who represent more than 40 per cent of all the Company's shares and voting rights, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that the annual remunerations to be paid to the members of the Board of Directors would be the

following: EUR 40,000 per year for the chairman and EUR 28,000 per year for each member. Out of the annual remuneration to be paid to the Board members, 40 % of the total gross remuneration amount will be used to purchase Teleste's shares in public trading through NASDAQ OMX Helsinki Ltd, or alternatively by using the own shares held by the Company, and the rest will be paid in cash. The shares will be purchased and/or disposed as soon as possible after the Annual General Meeting.

12 § Election of members of the Board of Directors

Company's shareholders who represent more than 40 per cent of all the Company's shares and voting rights, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that the current Board members Mr. Pertti Ervi, Mr. Esa Harju, Ms. Marjo Miettinen, Mr. Kai Telanne and Mr. Petteri Walldén would be re-elected as Board members and that Ms. Jannica Fagerholm would be elected as a new Board member. Nominees have given their consent to the election.

Jannica Fagerholm (born 1961) has been the Managing Director of Signe and Ane Gyllenberg Foundation since 2010. Earlier, from 1999 until 2010, she was the Managing Director of SEB Gyllenberg Private Bank. Before this, she held managerial positions in Life Insurance company Handelsbanken Liv and worked within investment and asset management functions in Sampo Group. Ms. Fagerholm has graduated as a Master of Science (Econ.) from Hanken Swedish School of Economics in 1986.

13 § Resolution on the number of auditors

Company's shareholders who represent more than 40 per cent of all the Company's shares and voting rights, have notified the Board of Directors of the Company that they will propose to the Annual General Meeting that the number of auditors shall be one (1).

14 § Resolution on the remuneration of the auditor

The Board of Directors proposes that the auditor's compensation is paid against an invoice approved by the Company.

15 § Election of the auditor

The Board of Directors proposes the re-election of KPMG Oy Ab, Authorized Public Accountants, for the Company's auditor for the term that ends at the expiry of the next Annual General Meeting following the election. Company's shareholders who represent more than 40 per cent of all the Company's shares and voting rights have notified the Board of Directors of the Company that they are in favour of electing KPMG Oy Ab as the Company's auditor. KPMG Oy Ab has notified of the appointment of Mr. Esa Kailiala, APA, as principally responsible auditor of the Company.

16 § Authorizing the Board of Directors to decide on the repurchase of the Company's own shares

The Board of Directors proposes that the Annual General Meeting would resolve on authorizing the Board of Directors to decide on repurchasing a maximum of 1,400,000 own shares of the Company ("Repurchase Authorization").

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 trading on regulated market organized by 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.

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.

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 2014.

17 § Closing of the meeting

B. Documents of the Annual General Meeting

The proposal of the Board of Directors on the agenda of the Annual General Meeting referred to above as well as this notice of meeting are available on Teleste Corporation's website at www.teleste.com/AGM and at the Company's headquarters at the address Seponkatu 1, 20660 Littoinen, Finland. Teleste Corporation's financial statements, the report of the Board of Directors and the auditor's report are available on the aforementioned website on 22 March 2013 at the latest. The proposal of the Board of Directors as well as the other abovementioned documents are also available at the Annual General Meeting. The minutes of the Annual General Meeting will be available on the website as from 26 April 2013 at the latest.

C. Instructions for the participants in the Annual General Meeting

1. Shareholders registered in the shareholders' register

Each shareholder, who is registered on Tuesday, 2 April 2013 in the shareholders' register of the Company maintained by Euroclear Finland Ltd, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered on his/her personal Finnish book-entry account, is registered in the shareholders' register of the Company.

A shareholder, who wants to participate in the Annual General Meeting, shall register for the meeting no later than Friday 5 April 2013 at 4 p.m. by giving a prior notice of participation to the Company. Such notice can be given

- a) by email investor.relations@teleste.com;
- b) by telephone +358 (0)2 2605 611, from Monday to Friday between 9 a.m. and 4 p.m.;
- c) by telefax +358 (0)2 2605 812; or
- d) by regular mail to the address Teleste Corporation, Tiina Vuorinen, P.O.Box 323, FI-20101 Turku, Finland.

The notice shall be delivered to the Company before the deadline for registration. In connection with the registration, a shareholder shall notify his/her name, personal identification number, address, telephone number and the name of a possible assistant or proxy representative and the personal identification number of the proxy representative. The personal data given to Teleste Corporation is used only in connection with the Annual General Meeting and with the processing of thereto related necessary registrations.

2. Holders of nominee registered shares

A holder of nominee registered shares has the right to participate in the Annual General Meeting by virtue of such shares, based on which he/she on the record date of the Annual General Meeting, i.e. on 2 April 2013, would be entitled to be registered in the shareholders' register of the Company held by Euroclear Finland Ltd. The right to participate in the Annual General Meeting requires, in addition, that the shareholder on the basis of such shares has been temporarily registered into the shareholders' register held by Euroclear Finland Ltd. at the latest by 9 April 2013, by 10 a.m. As regards nominee registered shares this constitutes due registration for the Annual General Meeting.

A holder of nominee registered shares is advised without delay to request necessary instructions regarding the temporary registration in the shareholders' register of the Company, the issuing of proxy documents and the registration for the Annual General Meeting from his/her custodian bank. The account manager of the custodian bank has to register a holder of nominee registered shares, who wants to participate in the Annual General Meeting, to be temporarily entered in the shareholders' register of the Company at the latest by the time stated above.

Further information on these matters can also be found on the Company's website www.teleste.com/AGM.

3. Proxy representative and powers of attorney

A shareholder may participate in the Annual General Meeting and exercise his/her rights at the meeting by way of proxy representation.

A proxy representative shall produce a dated proxy document or otherwise in reliable manner demonstrate his/her right to represent the shareholder. Should a shareholder participate in the meeting by means of several proxy representatives representing the shareholder with shares in different book-entry accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration.

Possible proxy documents should be delivered in originals to the address Teleste Corporation, Tiina Vuorinen, P.O.Box 323, FI-20101 Turku, Finland by Friday 5 April 2013 at 4 p.m. at the latest.

4. Other information

Pursuant to Chapter 5, Section 25 of the Finnish Companies Act, a shareholder who is present at the shareholders' meeting has the right to request information with respect to the matters to be considered at the meeting.

On the date of this notice of meeting, the total number of shares and votes in Teleste Corporation is 18,728,590.

In Turku, 4 March 2013

Teleste Corporation
The Board of Directors

ENCLOSURE:
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 12 April 2013 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 own shares of the Company.

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 trading on regulated market organized by 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 2014.

In Turku, 4 March 2013

Teleste Corporation
The Board of Directors

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