

The Teleste logo is displayed in a white box. It consists of the word "TELESTE" in a blue, italicized, sans-serif font.

**TELESTE**

**Enabling  
digital  
evolution**

# **WELCOME**

Annual General Meeting April 1<sup>st</sup>, 2014

**1. Teleste in brief**

**2. Financial Statement 2013 and  
key figures**

**3. Our digital future -  
Vision, trends and  
strategic choices**

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



# Teleste celebrated 60 years

On 22 January Teleste celebrated its 60th anniversary. Founded by Olavi Ahonen in 1954, our company has grown over the decades to become one of the world's leading providers of access network and video surveillance product solutions as well as related comprehensive services.



We have both become an international company and, on the other hand, remained true to our Finnish roots. Today there are some 1,300 Teleste employees working in over 20 countries. Our clientele has also grown and changed – indeed, Teleste has kept pace with its clients, expanding into new business areas.

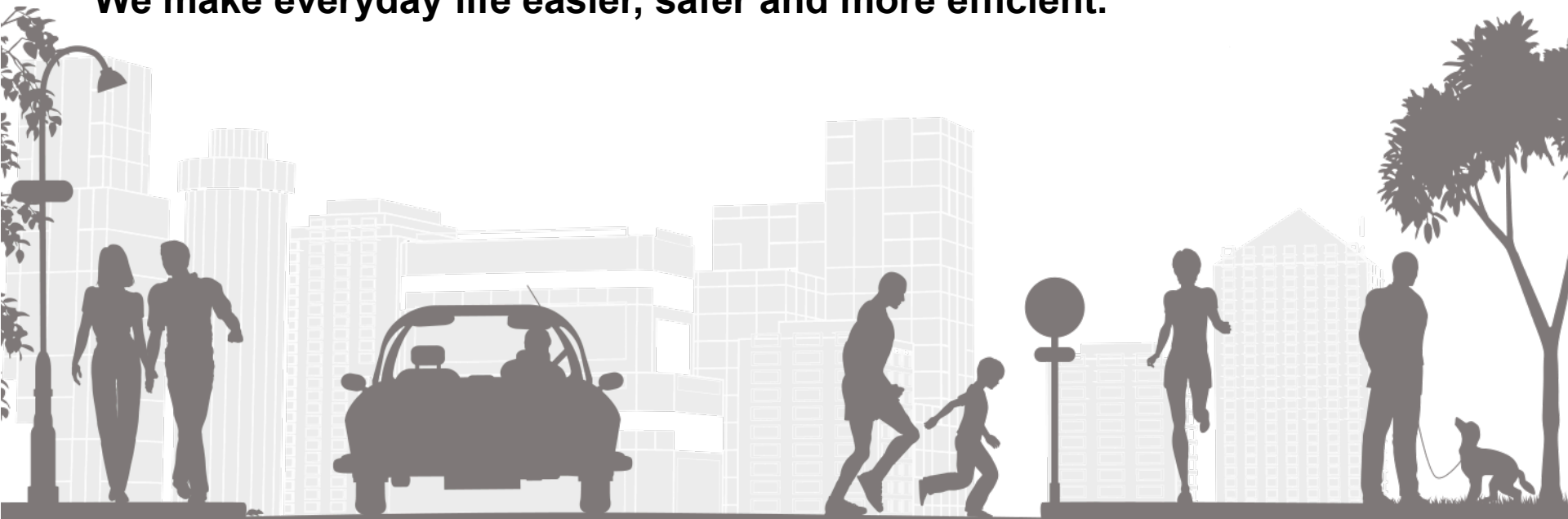


We will keep working together as we head into a new decade and toward the challenges of a digital future.

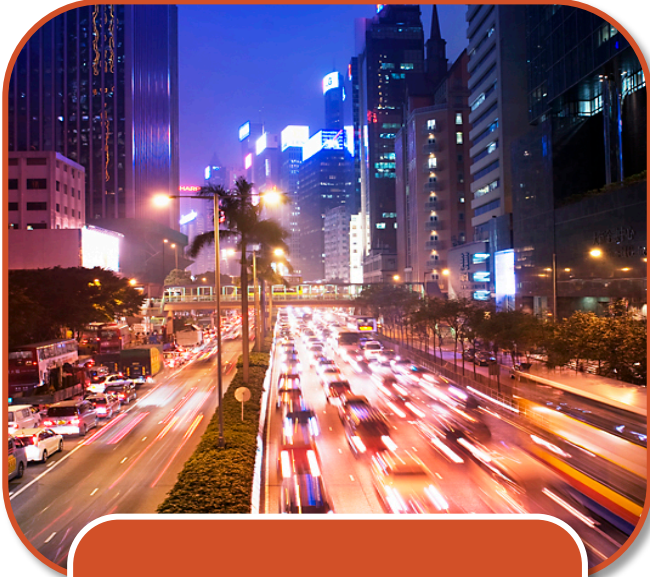
# Our mission

**We develop and offer video and broadband products, services and solutions for cable operators and the public sector.**

**We make everyday life easier, safer and more efficient.**



# Business Areas



## Video and Broadband Solutions

Broadband networks and video surveillance applications

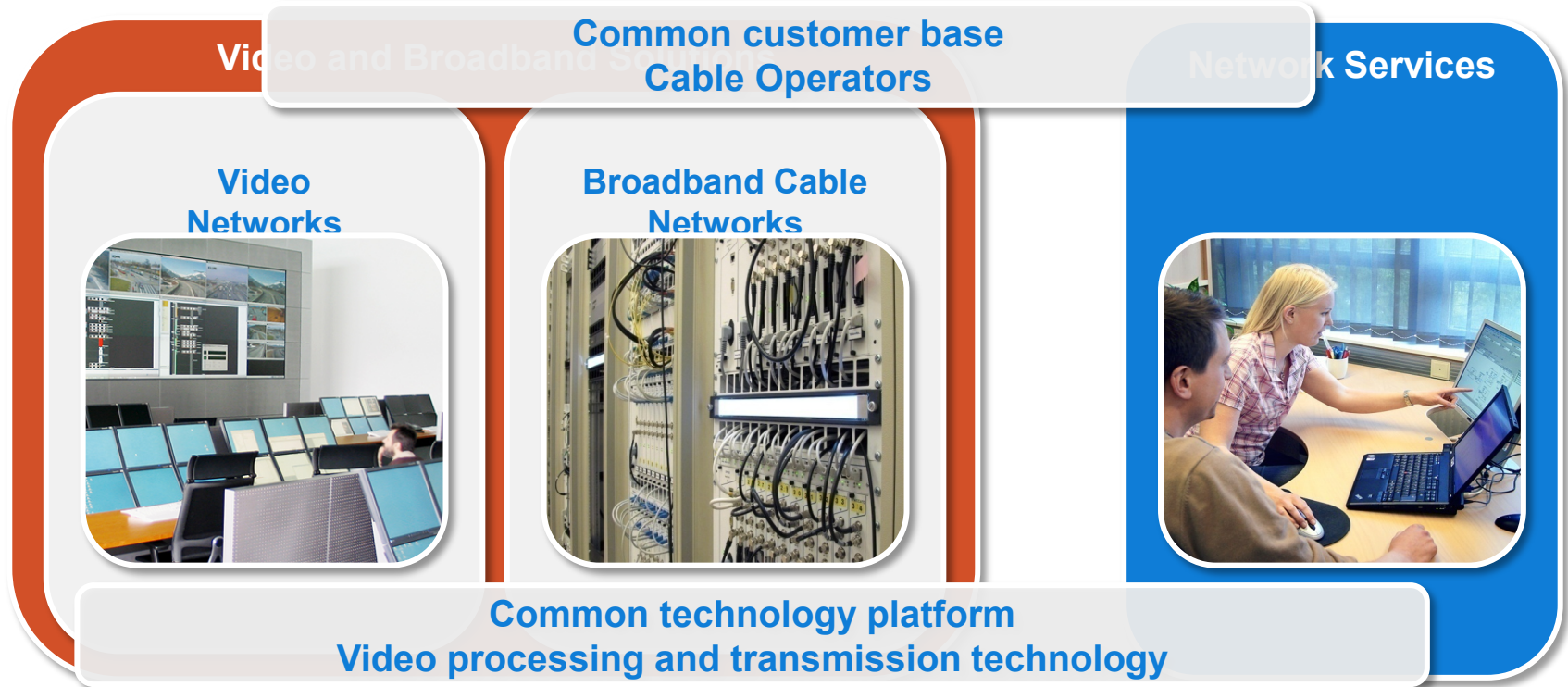


## Network Services

Comprehensive service solutions for cable networks



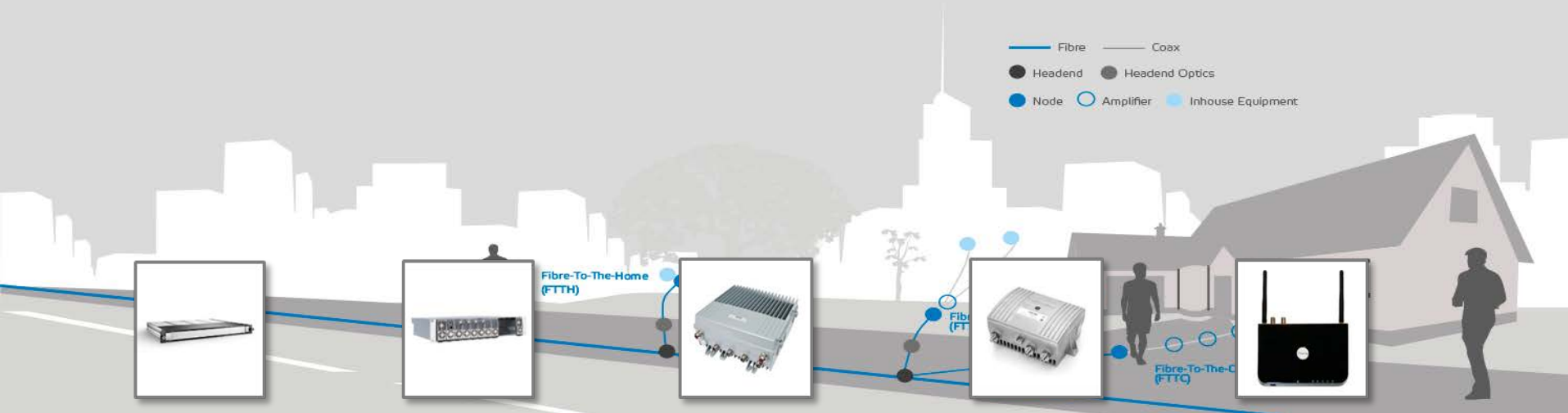
# Synergies between businesses



# Access Networks and video service platforms

We offer to our customers all the products needed for cable operator access network from the digital IP headend all the way to subscriber wall outlet.

The most important product groups are access network active equipment and passives, digital headends as well as solutions for on-demand TV services.



# Network Services

**We offer high-quality services in planning, design, engineering, documentation and construction of networks, as well as installation and maintenance.**

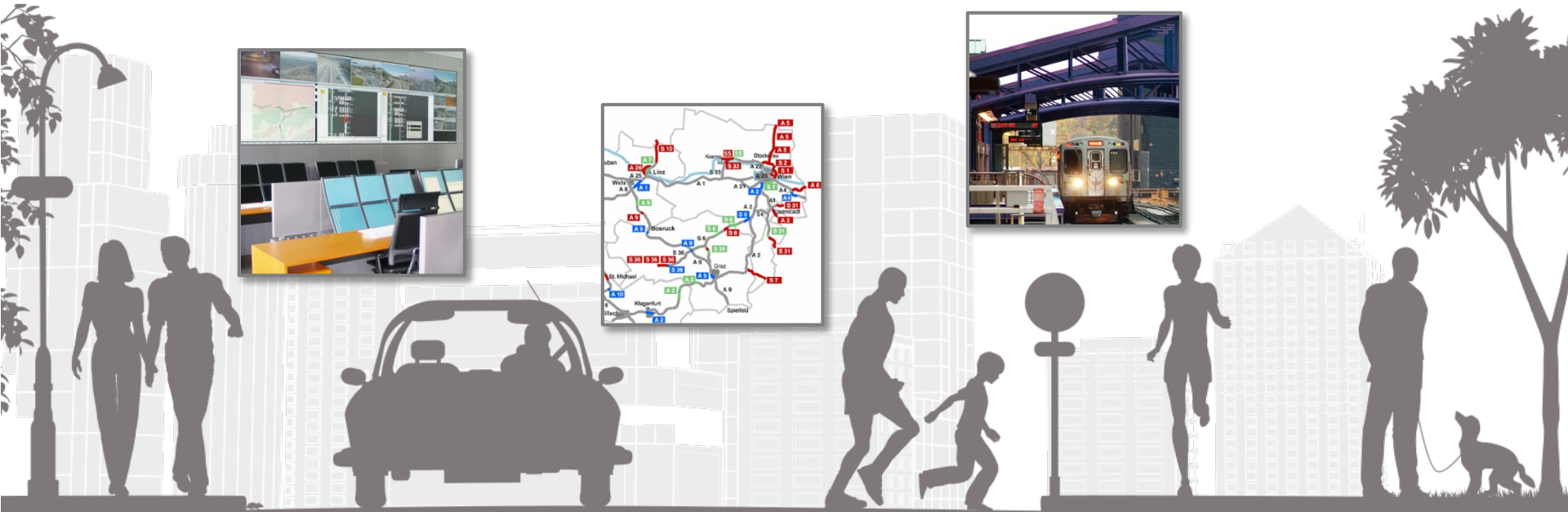
**We also provide project management capabilities for larger programmes.**



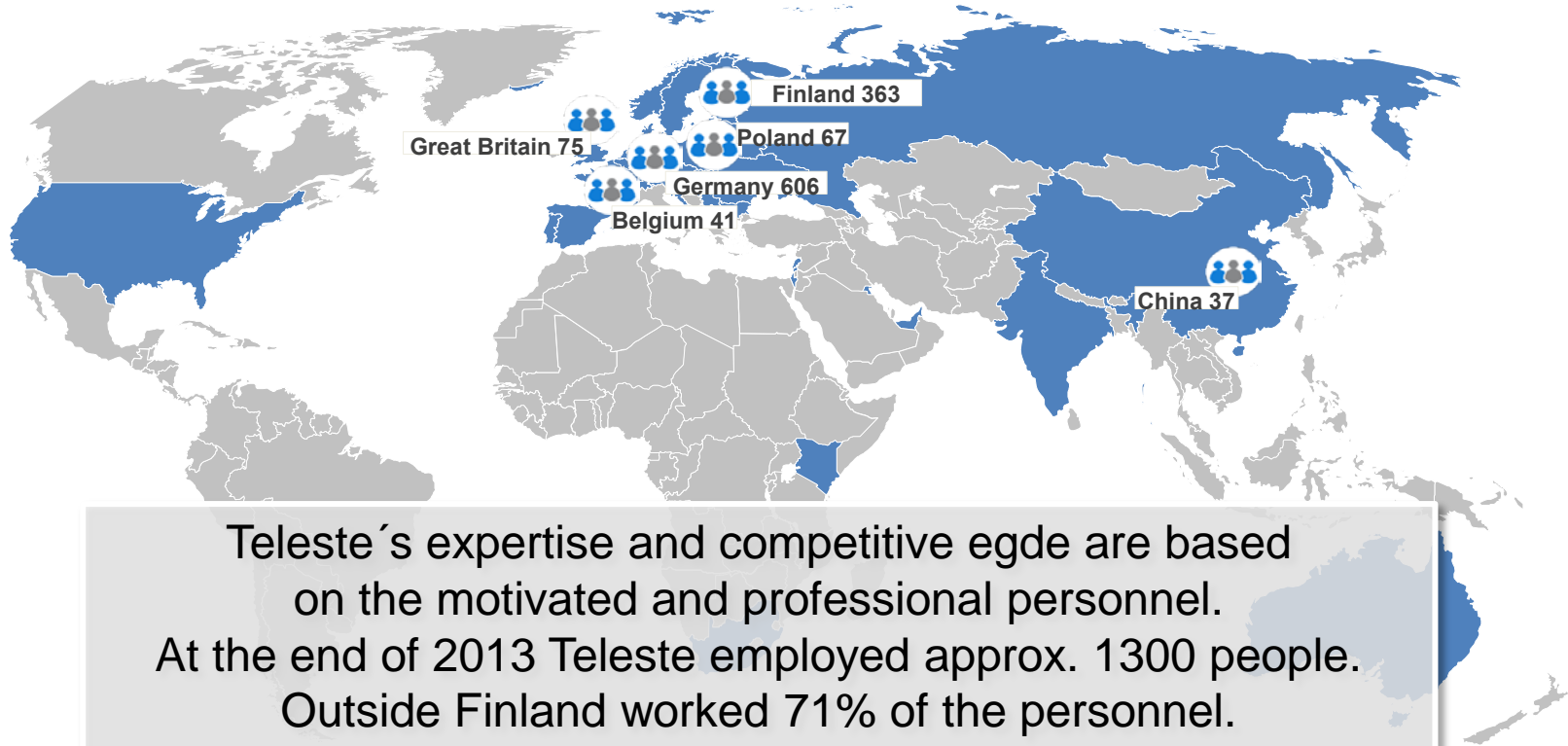


# Video Networks

**We offer comprehensive video surveillance solutions based on own and third party products and our own products cover video transmission, storage and management.**



# Market area and personnel



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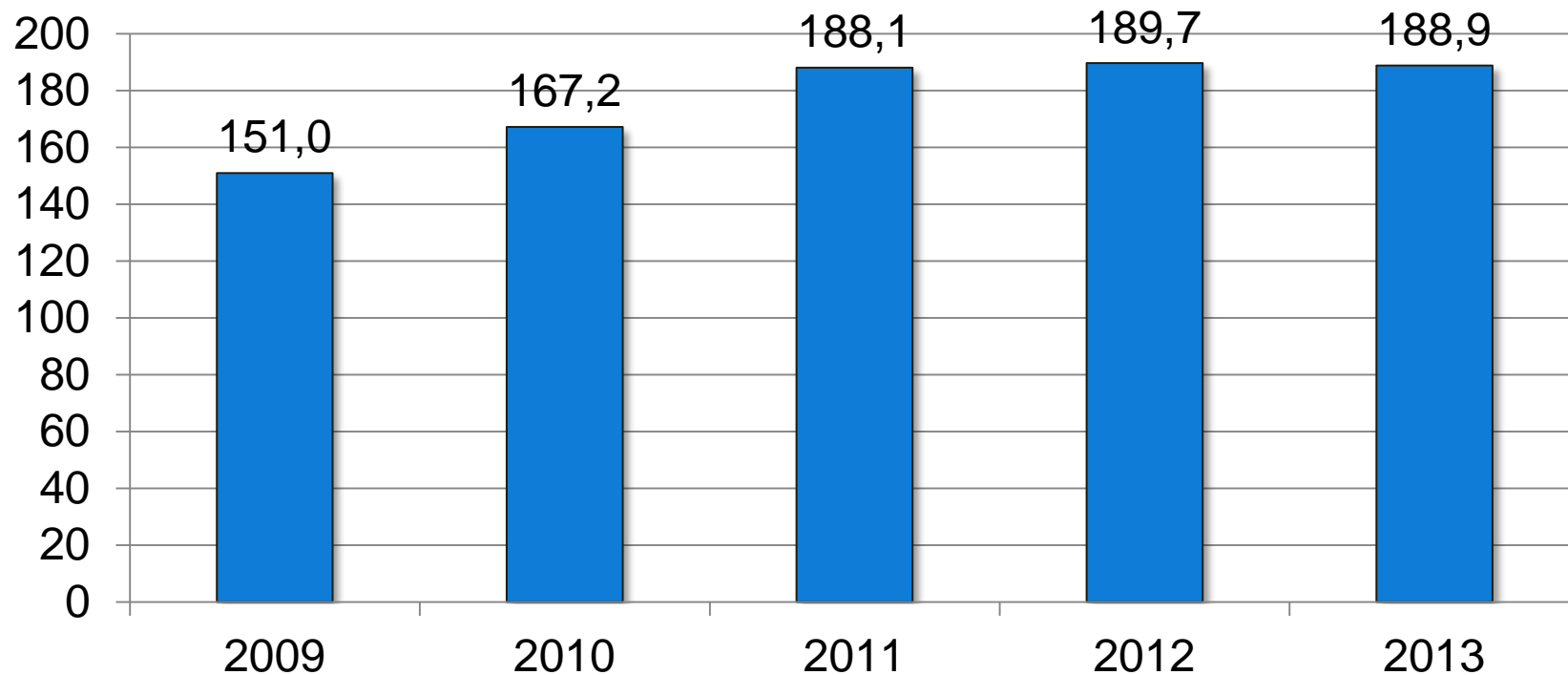


## Result 2013 - Teleste

	2013	2012	Change%
<b>Orders received</b>	<b>188.9</b>	<b>189.7</b>	<b>-0.4%</b>
<b>Net Sales</b>	<b>192.8</b>	<b>193.9</b>	<b>-0.6%</b>
<b>EBIT</b>	<b>11.0</b>	<b>10.9</b>	<b>1.0%</b>
<b>EBIT %</b>	<b>5.7%</b>	<b>5.6%</b>	<b>n/a</b>
<b>Net profit for the period</b>	<b>8.1</b>	<b>6.7</b>	<b>21.6%</b>

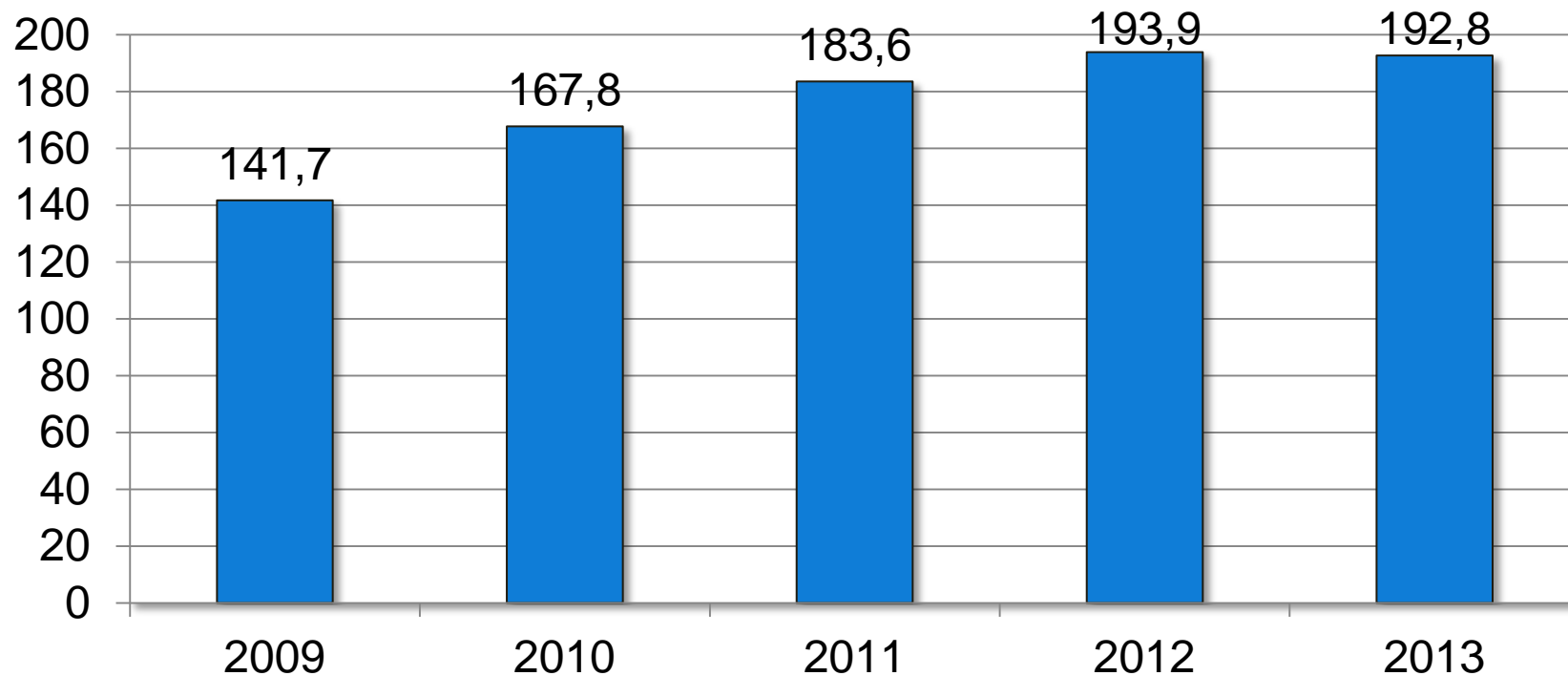
# Orders received

CAGR 5,8%

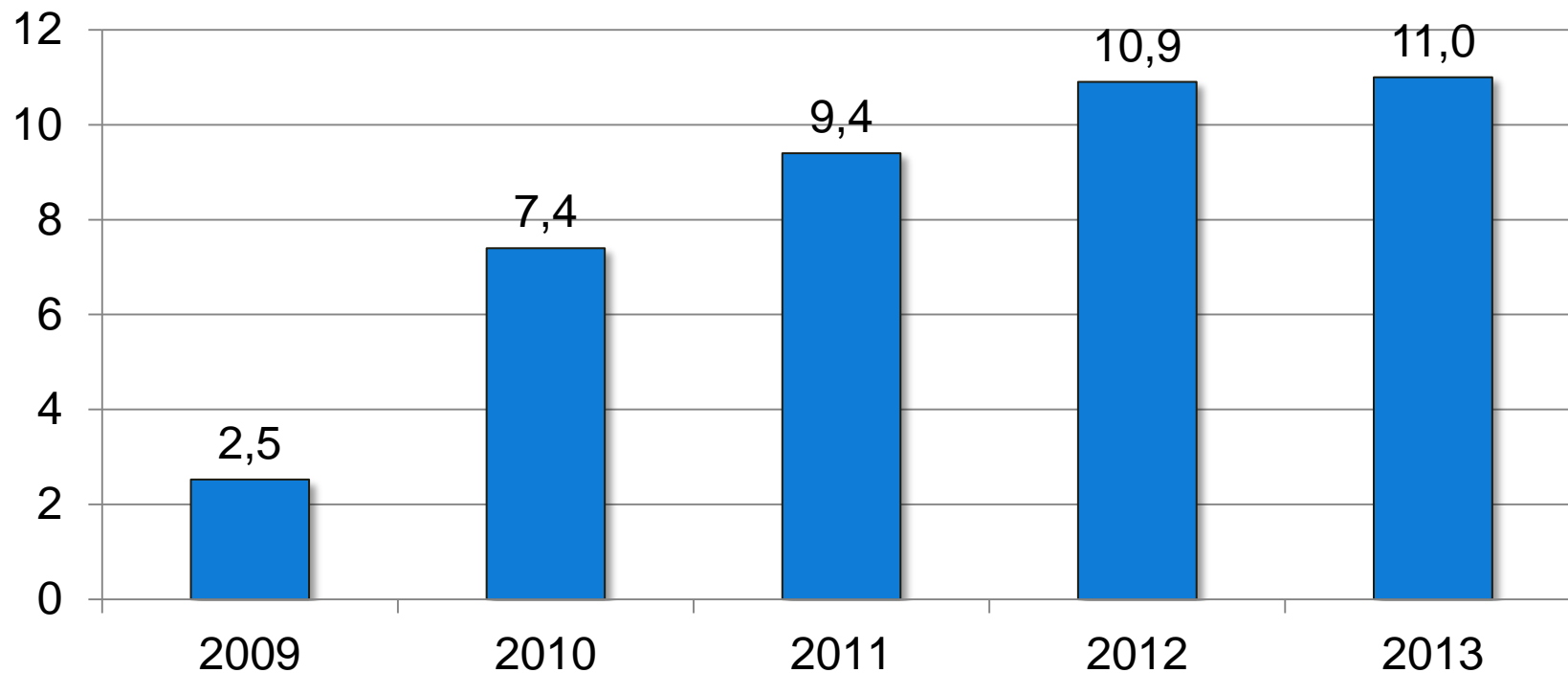


# Net sales

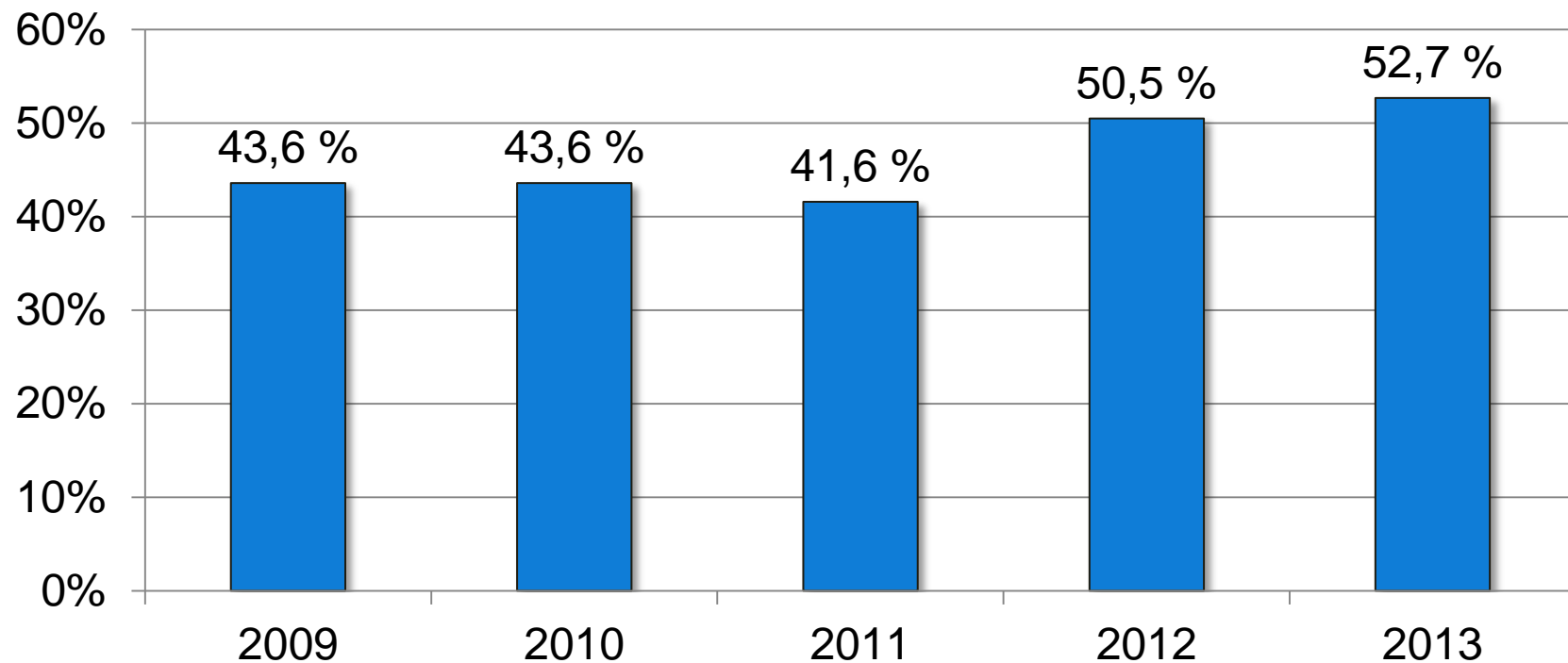
CAGR 8,0%



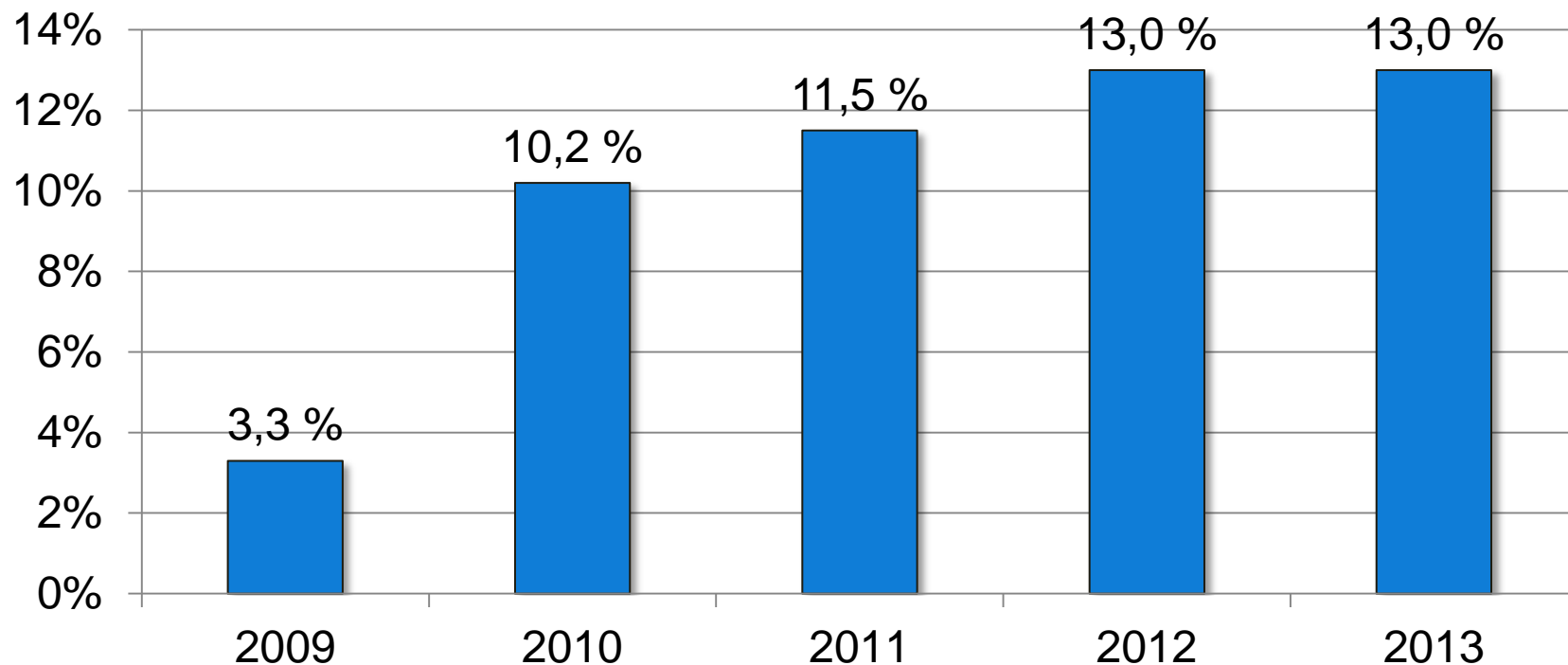




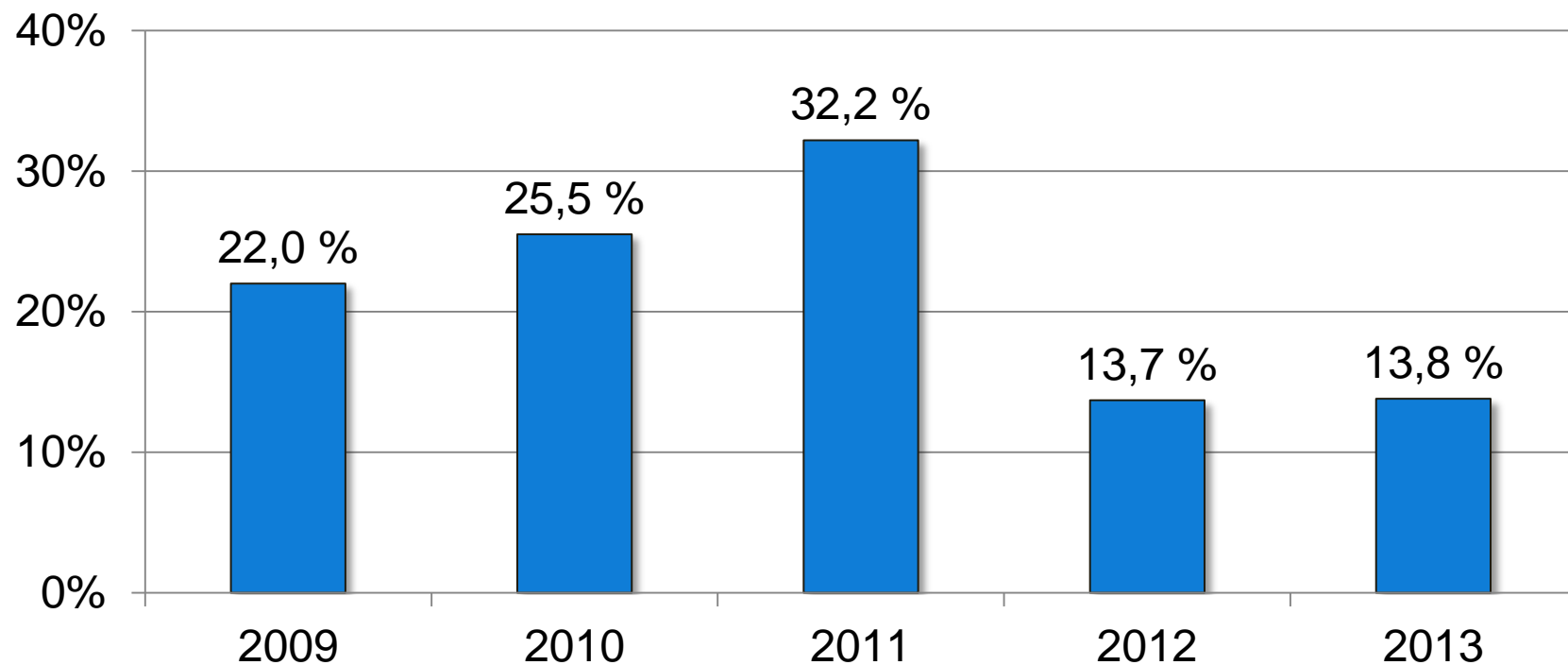
## Equity ratio



## Return on capital employed %



# Gearing

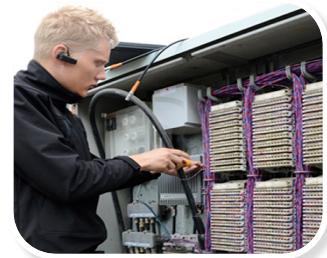


# Future outlook

**Video and Broadband Solutions** aim at maintaining a strong market position in Europe and expand into selected new markets. Network capacity will continue to increase driven by the new broadband and video services provided by the operators. Limited product offering of the new Docsis 3.1 communications standard may delay the network investments in the beginning of the year. Price erosion in the market continues. The positive trend in the video surveillance market will continue, but the public sector decisions to start projects may be delayed in the current economic climate. We estimate the market for Video and Broadband Solutions to fluctuate greatly during the year and the demand to be emphasized on the second half of the year.

The business objective of **Network Services** is to develop the operational efficiency and give up any unprofitable services activities during the year. These measures will be taken to create conditions for better business profitability over the reference year, but these will have a slight reducing effect on net sales. We estimate the demand for comprehensive network services in our key target markets to continue at par with the comparative year.

We estimate net sales and operating profit for the first half of 2014 to fall clearly from the comparative period. Due to this, we estimate that net sales and operating profit for the full year of 2014 will not reach the 2013 level.



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**"We are living in an age of digital evolution. The world is networking, the volume of information is growing and the modes and means of communications are changing. Today, people want different things than in the past."**



# Megatrends

## Increasing volume of video and data traffic

- The capacity and quality of networks are improved
- There will be new players in the market and the offering to consumers will expand



## Technology development is fast

- The development of new video and data transmission technologies continues
- Consumer devices develop and become more diversified
- Digital systems are replacing analogue
- New business and earning models will be generated



## Growing need to ensure the safety of people

- There is a growing demand for reliable, intelligent and cost-effective surveillance solutions



## VISION

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

## GOALS

Be a valued partner for our customers  
and a preferred employer.

Profitable growth.

## STRATEGY

- We are close to customer.
- We continue our strong investments into the development of access network products and services.
- We develop solutions enabling innovative TV services
- We focus on developing ultra high-end video surveillance solutions and expand our offering to high-end solutions.

## STRATEGY

- By combining our core competencies, we create comprehensive solutions that meet the unique needs of our customers.
- We improve our performance and cost efficiency.

## VALUES

Customer Centricity  
Respect  
Reliability  
Result Orientation



**The world is networking –  
Teleste is at the centre of digitalisation.**