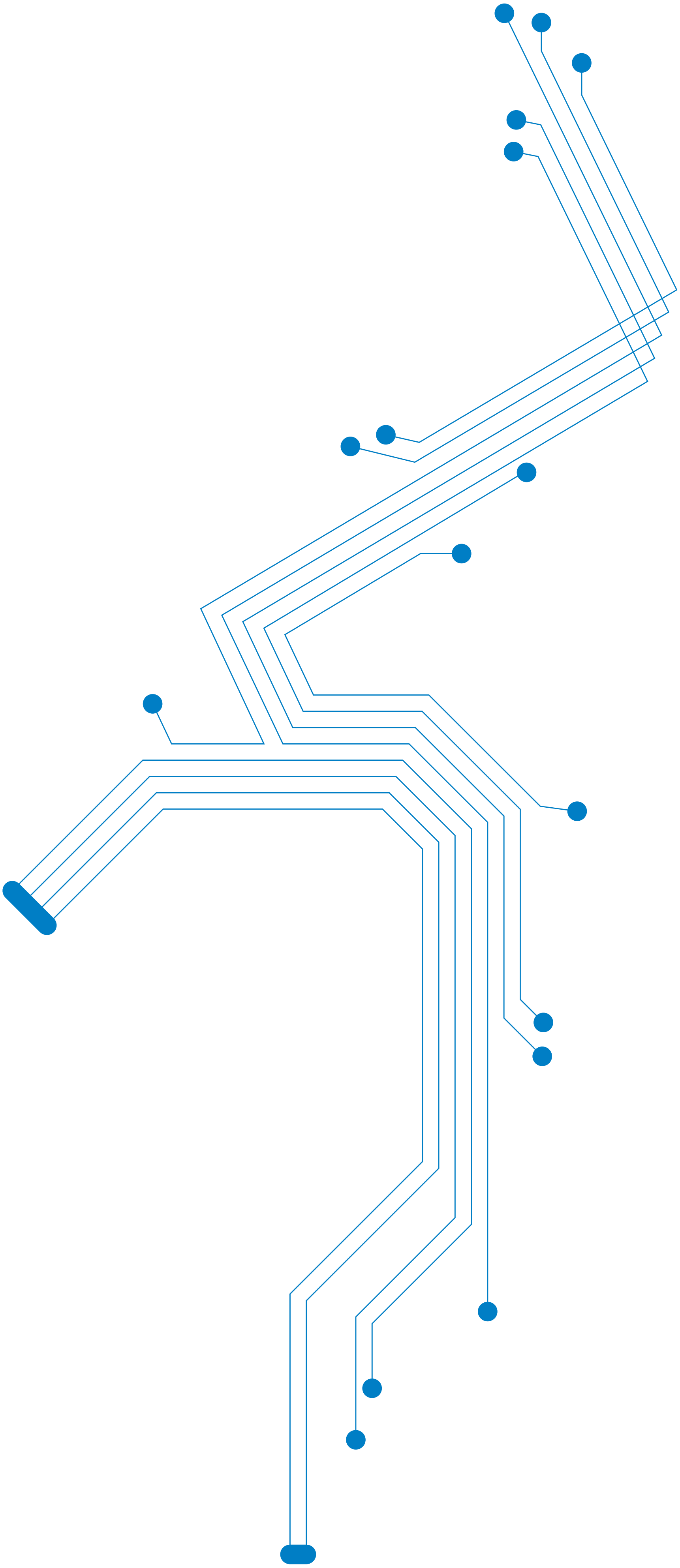
TELESTE

January 1– June 30, 2011

Interim Report Q2



TELESTE CORPORATION INTERIM REPORT 1 JANUARY TO 30 JUNE 2011

Second Quarter of 2011

- Net sales amounted to EUR 41.9 (43.5) million, a decrease of 3.6% over the period of comparison
- Operating profit fell by 45.0% equaling EUR 0.9 (1.7) million
- Undiluted result per share equaled EUR 0.03 (0.05)
- Orders received improved by 29.7% standing at EUR 50.6 (39.0) million
- Orders received by Video and Broadband Solutions increased by 26.0% over the period of comparison (Q2/2010) and stood at EUR 24.8 (19.7) million
- Orders received by Network Services increased by 33.5% over the period of comparison and amounted to EUR 25.7 (19.3) million
- Operating cash flow stood at EUR -0.9 (1.3) million.

Outlook for 2011

We keep the outlook for year 2011 unchanged. We estimate net sales to increase slightly and the operating profit to improve somewhat over the 2010 level. Improvement in the operating profit depends on the scheduled execution of the development program for the German services operations in the latter part of the year.

Comments on Q2 by CEO Jukka Rinnevaara:

Video and Broadband Solutions business area's orders received increased significantly, whereas net sales were slightly below the comparative period. The main reason for the reduced net sales was the lower level of network upgrades of certain operators over the period of comparison as well as the decreased demand by video surveillance retail customers. The business area's operating profit fell EUR 0.1 million from the comparative period due to reduced net sales. The order backlog strengthened significantly over the comparative period, so we expect net sales to grow in the second half of the year.

Orders received by Network Services business area increased significantly over the comparative period. Net sales, however, fell below the comparative period due to deliveries in the German fiber-optic projects being scheduled for the second half of the year. Operating loss of EUR 0.4 million was affected by the decline in net sales and the increase in personnel costs required for the implementation of the fiber-optic projects in Germany. In addition, the availability of subcontractor resources continued to be challenging in the second quarter. The development program of the German services operations fell behind its schedule in parts involving resource management. In the latter part of the year, net sales in the fiber-optic projects will increase significantly. Along with the growing net sales we expect the ongoing development programs to improve the business area's profitability during the second half.

The Group's Business in the Second Quarter of 2011

Orders received stood at EUR 50.6 (39.0) million, i.e. 29.7% above the period of comparison. Most of the growth in orders came from Germany and Poland.

Net sales in Q2 of 2011 equaled EUR 41.9 (43.5) million, which is 3.6% below the figure for the comparative period. Net sales for both of our business areas declined slightly.

Order backlog strengthened amounting to EUR 23.7 (14.7) million.

Operating profit for Q2 stood at EUR 0.9 (1.7) million making 2.2% (3.8%) of net sales. Undiluted result per share was EUR 0.03 (0.05).

Cash flow from operations was EUR -0.9 (1.3) million, a decline of EUR 2.2 million from the comparative period. This decline in cash flow was mainly due to a change in payment terms conducted in late 2010 by the main client of our Network Services.

Group Operations January to June

Year-on-year orders received improved by 18.7% standing at EUR 90.8 (76.5) million. Net sales amounted to EUR 83.2 (82.6) million while operating profit stood at EUR 1.5 (2.5) million. This decline in operating profit of Video and Broadband Solutions was caused by slightly lower net sales and material margin. Profitability of Network Services in the comparative period was weakened by the meager German subcontractor capacity and differences in the scheduling of fiber-optic project deliveries. In addition, there was an increase in the German personnel expenses in preparation for end-of-the-year fiber-optic project deliveries. The German development program was delayed, in part, from the target schedule. Undiluted result per share was EUR 0.05 (0.08).

Video and Broadband Solutions in Q2

Net sales fell slightly from the comparative period and stood at EUR 19.5 (20.1) million.

Operating profit stood at EUR 1.3 (1.5) million making 6.8% (7.3%) of the net sales. This decline in operating profit was caused by decreased net sales.

Orders received totaled EUR 24.8 (19.7) million. Order backlog totaled EUR 20.0 (14.7) million. Growth in the order backlog came mainly from the German market area.

R&D expenses for the business area amounted to EUR 3.0 (2.9) million making 15.4% (14.4%) of the area's net sales. Some 60% (60%) of product development expenses involved further development and maintenance of product platforms currently in production as well as customer-specific product applications. Capitalized development expenses amounted to EUR 1.0 (0.5) million, involving Luminato video processing system, video surveillance transfer system compliant with H.264 standard as well as network devices enabling cost-effective segmentation of HFC networks. Depreciation on activated R&D expenses amounted to EUR 0.5 (0.6) million.

Video and Broadband Solutions January to June

Orders received stood at EUR 42.3 (38.3) million, i.e. 10.5% above the period of comparison. Net sales amounted to EUR 38.1 (39.2) million, a decrease of 2.9% over the period of comparison. Operating profit stood at EUR 1.7 (2.0) million making 4.6% (5.2%) of the net sales. This drop in operating profit over the comparative period was due to a small decline in net sales and a little lower material margin.

Network Services in Q2

Net sales amounted to EUR 22.4 (23.3) million. The decrease in net sales over the comparative period was due to the lower volume in net sales in the German fiber-optic projects.

Operating profit stood at EUR -0.4 (0.2) million making -1.9% (0.8%) of net sales. Decrease in operating profit was caused by lower net sales, increased input into growing fiber-optic projects as well as scarce subcontractor capacity. In addition, the development program of the German services operations fell behind its target schedule for parts involving resource management. Implementation of the program will be intensified in the latter part of this year. With our German main customer we have started a pilot project, which among other things aims at securing adequate construction capacity.

Orders received in Q2 stood at EUR 25.7 (19.3) million. The business area's deliveries are mainly based on framework agreements, but the fiber-optic project of EUR 3.7 million received on 7 June 2011 is included in orders received. The project will be delivered in the second half of the year.

Network Services January to June

Net sales amounted to EUR 45.2 (43.4) million, an increase of 4.1% over the reference period. Operating profit fell over the comparative period standing at EUR -0.3 (0.5) million, which is -0.6% (1.1%) of net sales. The decreased operating profit involved Germany and was caused by the significantly lower net sales in fiber-optic projects. In Germany, the cost went up because we started preparing for the growing deliveries of the fiber-optic projects in the latter part of the year. The development program of the German services program has lagged behind the schedule for the part of the resource management. Over the comparative period, clearly more working capital was committed to accounts receivable due to a change of a payment term in late 2010 by the German main client.

Orders received stood at EUR 48.5 (38.2) million, i.e. 27.0% above the period of comparison. Order backlog totaled EUR 3.7 (0.0) million.

Investment and Financing in January to June

Investments by the Group for the period under review totaled EUR 3.4 (2.4) million accounting for 4.1% (2.9%) of net sales. Out of these investments EUR 1.0 (0.3) million was attributable to the extension of premises in Finland. Product development investments totaled EUR 1.5 (0.8) million. As to other investments, EUR 0.5 million was allocated in tools and equipment for Network Services, 0.2 million in equipment for Video and Broadband Solutions and EUR 0.1 million in corporate reporting. As to investments for the period, EUR 0.1 (0.1) million was carried out by means of financial leasing.

Operating cash flow stood at EUR -1.9 (3.7) million. In the review period, working capital was committed, in particular, to the accounts receivable. At the end of the period under review, the amount of unused binding stand-by credits amounted to EUR 10.5 (18.5) million. The current binding stand-by credits of EUR 40.0 million run till November 2013. The Group's equity ratio equaled 41.4% (44.4%) and net gearing 41.9% (21.7%). Interest bearing debt on 30 June 2011 stood at EUR 30.4 (22.8) million.

Personnel and Organization January to June

In January to June 2011, the Group employed an average of 1,279 people (1,221/2010, 1,001/2009). At the end of the review period, the number of Group's employees was 1,314 (1,203/2010, 1,009/2009), of whom 742 (653) worked for Network Services and 572 (550) for Video and Broadband Solutions. 72% of the personnel (68%/2010, 55%/2009) worked outside Finland. Employees stationed outside Europe accounted for less than 5% of the Group's personnel. Expenditure on employee benefits amounted to EUR 26.0 (25.1/1-6/2010, 20.3/1-6/2009) million.

Essential Operational Risks of the Business Areas

Founded in 1954, Teleste is a technology and service provider consisting of two business areas: Video and Broadband Solutions and Network Services. With Europe as the main market area, our most significant clients include European cable operators and specified organizations in the public sector.

Concerning Video and Broadband Solutions, integrated deliveries of solutions create favorable conditions for growth, even if the involved resource allocation and technical implementation pose a challenge involving, therefore, also reasonable risks. The still ongoing difficult market situation may delay the implementation of investment plans among our clientele. Network investments carried out by the clients vary based on their need for upgrading and their capital structure. Much of Teleste's competition comes from the USA so the exchange rate of euro up against the US dollar affects our competitiveness. Teleste hedges against short-term currency exposure by means of forward contracts. Correct technological choices and their timing are vital for our success.

Net sales for Network Services comes, for the most part, from a small number of large European customers, so a change in the demand for services by any one of them is reflected in the actual deliveries. The services provided by this business area include planning, new construction and maintenance of cable networks. Implementation and scope of the relevant services vary by client ranging from standalone applications to integrated turnkey deliveries. Most deliveries are based on frame agreements. The services also include Teleste's own product solutions. Our know-how in services covers all the sectors related to the cable and fiber-optic network technology from installation and maintenance of headends to upgrading of house networks. Services will also be implemented through a network of subcontracting, so the sufficiency of our subcontractor network capacity may limit our ability to deliver. To ensure quality of services and cost-efficiency, along with an efficient services process management, customer satisfaction requires innovative solutions in terms of processes, products and logistics. As far as technical management of the networks and functional product solutions are concerned, ensuring smooth operation of the operators' networks requires constant focus on the development of qualifications of Teleste's own and its suppliers' personnel.

For our business areas it is equally important to take into account any developments in the market such as consolidations taking place among the clientele and competition. Weather conditions in our target markets affect the delivery conditions of products and services of our business areas.

The Board of Directors annually reviews any essential risks related to Teleste's operations and the management thereof. Risk management has been integrated into the strategic and operative practices of our business areas. Risks and their probability are reported to the Board with regular monthly reports. The company has covered risks involving damage to operative functions of the business areas mainly by means of insurance policies. These insurances do not include credit loss risks. In the period under review, no such risks materialized, and no legal proceedings or judicial procedures were pending that would have had any essential significance for the Group operation.

Group Structure

Parent company Teleste has branch offices in Australia, the Netherlands, China and Denmark with subsidiaries in 12 countries outside Finland. Teleste Management Oy, founded in March 2010, has been consolidated in the Teleste Group figures on account of financial arrangements.

Decisions by the Annual General Meeting

The Annual General Meeting (AGM) of Teleste Corporation on 8 April 2011 confirmed the financial statements for 2010 and discharged the Board of Directors and the CEO from liability for the financial period.

The AGM confirmed the Board's proposed dividend of EUR 0.12 per share. The dividend was paid out on 20 April 2011.

The AGM elected Marjo Miettinen, Pertti Ervi, Tero Laaksonen, Pertti Raatikainen, Kai Telanne and Petteri Walldén members of the Board. Marjo Miettinen was elected Chair of the Board in the organizational meeting held immediately after the AGM.

Authorised Public Accountants KPMG Oy Ab continue as the auditor until the next AGM. Accountant authorised by the Central Chamber of Commerce of Finland Esa Kailiala was chosen auditor-in-charge.

The AGM authorised the Board to acquire the maximum of 1,400,000 of the company's own shares and to convey the maximum of 1,779,985 company's own shares. The AGM also authorised the company Board to issue 5,000,000 new shares. Pursuant to the special rights provided by the company, the maximum number of significant shares is 2,500,000; these special rights are included in the authorisation to issue 5,000,000 new shares.

Shares and Changes in Share Capital

On 30 June 2011, EM Group Oy was the largest single shareholder with a holding of 21.55%.

In the period under review, the lowest company share price was EUR 3.49 (3.63) and the highest was EUR 4.82 (5.28). On 30 June 2011, the closing price stood at EUR 3.80 (4.45). According to the Finnish Central Security Depository, the number of shareholders at the end of the period under review was 5,152 (5,347). Foreign ownership accounted for 8.0% (8.6%). From 1 January to 30 June 2011, trading with Teleste share at NASDAQ OMX Helsinki amounted to EUR 3.7 (9.5) million. In the period under review, 0.9 (2.2) million Teleste shares were traded on the stock exchange.

At the end of June 2011, the number of own shares in the Group possession stood at 760,985 (760,985) out of which parent company Teleste Corporation had none (0) while other Group or controlled companies had 760,985 shares, respectively. At the end of the period, the Group's holding of the total amount of shares amounted to 4.18% (4.18%).

On 30 June 2011, the registered share capital of Teleste stood at EUR 6,966,932.80 divided in 18,186,590 shares.

Outlook

In 2011, deliveries of equipment and solutions by Video and Broadband Solutions to its customer base of operators in our target markets will, in our estimation, at least achieve the level of 2010. 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. Deliveries related to security and traffic control may remain at the comparative period's level due to postponements in a number of medium-sized projects.

On the annual basis, demand by our current clientele for the services provided by Network Services will remain relatively active. We expect that in Germany, the main market, profitability for the current year will improve from the 2010 level with the increase in net sales and the gradual introduction of the streamlining measures.

We keep the outlook for year 2011 unchanged. We estimate net sales to increase slightly and the operating profit to improve somewhat over the 2010 level. Improvement in the operating profit depends on the scheduled execution of the development program for the German services operations in the latter part of the year.

2 August 2011

Teleste Corporation
Board of Directors

Jukka Rinnevaara
CEO

This interim report has been compiled in compliance with IAS 34, as it is accepted within EU, using the recognition and valuation principles with those used in the Annual Report. The data stated in this report is unaudited.

STATEMENT OF COMPREHENSIVE INCOME (tEUR)

	4-6/2011	**4-6/2010**	**Change %**
Net Sales	41,913	43,474	-3.6 %
Other operating income	510	251	103.2 %
Materials and services	-20,354	-21,918	-7.1 %
Personnel expenses	-13,488	-12,781	5.5 %
Other operating expenses	-6,381	-5,993	6.5 %
Depreciation	-1,290	-1,378	-6.4 %
Operating profit	910	1,655	-45.0 %
Financial income and expenses	-145	-238	-39.1 %
Profit after financial items	765	1,417	-46.0 %
Profit before taxes	765	1,417	-46.0 %
Taxes	-215	-470	-54.3 %
Net profit	550	947	-41.9 %
Attributable to:			
Equity holders of the parent	550	947	-41.9 %
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)			
Basic	0.03	0.05	-41.9 %
Diluted	0.03	0.05	-41.9 %

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (tEUR)			
Net profit	550	947	-41.9 %
Translation differences	-115	-239	-51.9 %
Fair value reserve	-12	-113	-89.4 %
Total comprehensive income for the period	423	595	-28.8 %
Attributable to:			
Equity holders of the parent	423	595	-28.8 %

STATEMENT OF COMPREHENSIVE INCOME (tEUR)	**1-6/2011**	**1-6/2010**	**Change %**	**1-12/2010**
Net Sales	83,223	82,568	0.8 %	167,836
Other operating income	922	608	51.6 %	1,460
Materials and services	-42,145	-41,330	2.0 %	-82,054
Personnel expenses	-25,974	-25,060	3.6 %	-50,824
Other operating expenses	-11,936	-11,412	4.6 %	-23,090
Depreciation	-2,638	-2,893	-8.8 %	-5,896
Operating profit	1,452	2,481	-41.5 %	7,432

Financial income and expenses	-300	-386	-22.3 %	-689
Profit after financial items	1,152	2,095	-45.0 %	6,743
Profit before taxes	1,152	2,095	-45.0 %	6,743
Taxes	-323	-653	-50.6 %	-1,959
Net profit	829	1,442	-42.5 %	4,784
Attributable to:				
Equity holders of the parent	829	1,442	-42.5 %	4,784
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)				
Basic	0.05	0.08	-42.5 %	0.27
Diluted	0.05	0.08	-42.5 %	0.27

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (tEUR)				
Net profit	829	1,442	-42.5 %	4,784
Translation differences	-199	-58	243.1 %	277
Fair value reserve	96	-157	n/a	-70
Total comprehensive income for the period	727	1,227	-40.8 %	4,991
Attributable to:				
Equity holders of the parent	727	1,227	-40.8 %	4,991

STATEMENT OF FINANCIAL POSITION (tEUR)	**30.06.2011**	**30.06.2010**	**Change %**	**31.12.2010**
Non-current assets				
Property,plant,equipment	9,180	9,542	-3.8 %	8,836
Goodwill	30,959	32,257	-4.0 %	30,959
Intangible assets	6,529	6,755	-3.3 %	6,709
Investments	713	713	0.0 %	713
	47,381	49,267	-3.8 %	47,217
Current assets				
Inventories	21,881	16,419	33.3 %	21,000
Other current assets	39,955	27,780	43.8 %	32,819
Liquid funds	9,831	12,605	-22.0 %	15,203
	71,667	56,804	26.2 %	69,022
Total assets	119,048	106,071	12.2 %	116,239
Shareholder's equity and liabilities				
Share capital	6,967	6,967	0.0 %	6,967
Other equity	41,830	39,668	5.5 %	43,143
Non-controlling interest	338	319	5.9 %	292
	49,135	46,954	4.6 %	50,402
Non-current liabilities				
Provisions	511	513	-0.4 %	511
Non interest bearing liabilities	4,522	7,036	-35.7 %	4,522
Interest bearing liabilities	11,847	12,237	-3.2 %	11,847

	16,880	19,786	-14.7 %	16,880
Short-term liabilities				
Trade payables and other s-t liabilities	33,166	27,663	19.9 %	31,401
Provisions	1,313	1,112	18.1 %	1,313
S-t interest bearing liabilities	18,554	10,556	75.8 %	16,243
	53,033	39,331	34.8 %	48,957
Total shareholder's equity and liabilities	119,048	106,071	12.2 %	116,239

CONSOLIDATED CASH FLOW STATEMENT (tEUR)

	1-6/2011	**1-6/2010**	**Change %**	**1-12/2010**
Cash flows from operating activities				
Profit for the period	829	1,442	-42.5 %	4,784
Adjustments	3,369	4,065	-17.1 %	6,143
Interest and other financial expenses and incomes	-300	-386	-22.3 %	-481
Paid taxes	-1,400	-150	833.3 %	-786
Change in working capital	-4,433	-1,244	262.9 %	-4,248
Cash flow from operating activities	-1,935	3,727	n/a	5,412
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired	0	-374	n/a	-3,643
Purchases of property, plant and equipment (PPE)	-1,792	-873	105.3 %	-716
Purchases of intangible assets	-1,666	-694	140.1 %	-1,499
Net cash used in investing activities	-3,458	-1,941	78.2 %	-5,858
Cash flow from financing activities				
Proceeds from borrowings	3,000	0	n/a	5,520
Payments of borrowings	-689	-566	21.7 %	-1,562
Dividends paid	-2,091	-1,364	53.3 %	-1,394
Proceeds from issuance of ordinary shares	0	289	n/a	289
Net cash used in financing activities	220	-1,641	-112.9 %	2,853
Change in cash				
Cash in the beginning	15,203	12,518	21.4 %	12,518
Change in cash during period	-5,173	145	n/a	2,408
Effect of currency changes	-199	-58	n/a	277
Cash at the end	9,831	12,605	-22.0 %	15,203

KEY FIGURES	**1-6/2011**	**1-6/2010**	**Change %**	**1-12/2010**
Earnings per share, EUR	0.05	0.08	-42.5 %	0.27
Earnings per share fully diluted, EUR	0.05	0.08	-42.5 %	0.27
Shareholders' equity per share, EUR	2.82	2.69	4.8 %	2.90
Return on equity	3.3 %	6.2 %	n/a	9.9 %
Return on capital employed	4.0 %	7.1 %	n/a	10.2 %
Equity ratio	41.4 %	44.4 %	-6.7 %	43.6 %
Gearing	41.9 %	21.7 %	92.9 %	25.5 %
Investments, tEUR	3,384	2,387	41.8 %	3,765
Investments % of net sales	4.1 %	2.9 %	40.7 %	2.2 %
Order backlog, tEUR	23,777	14,716	61.6 %	17,000

Personnel, average	1,279	1,221	4.9 %	1,215
Number of shares (thousands) including own shares	18,187	18,187	0.0 %	18,094
Highest share price, EUR	4.82	5.28	-8.7 %	5.33
Lowest share price, EUR	3.49	3.63	-3.9 %	3.64
Average share price, EUR	4.22	4.39	-4.0 %	4.49
Turnover, in million shares	0.9	2.2	-59.2 %	3.2
Turnover, in MEUR	3.7	9.5	-60.8 %	14.2

Treasury shares

	Number of shares		% of shares	% of votes
Teleste companies own shares 30.6.2011	760,985		4.18 %	4.18 %

Contingent liabilities and pledged assets (tEUR)

For own debt				
Other securities	640	120	433.3 %	640
Leasing and rent liabilities	8,842	6,159	43.6 %	6,481
	9,482	6,279	51.0 %	7,121

Derivative instruments (tEUR)				
Value of underlying forward contracts	3,434	3,554	-3.4 %	8,283
Market value of forward contracts	-85	-59	44.1 %	-293
Interest rate swap	11,500	11,500	0.0 %	11,500
Market value of interest swap	-120	-273	-56.0 %	-256

Taxes are computed on the basis of the tax on the profit for the period.

OPERATING SEGMENTS (tEUR)	**1-6/2011**	**1-6/2010**	**Change %**	**1-12/2010**
Video and Broadband Solutions				
Order intake	42,300	38,280	10.5 %	86,530
Net sales	38,071	39,210	-2.9 %	82,007
EBIT	1,738	2,025	-14.2 %	6,345
EBIT%	4.6 %	5.2 %	-11.6 %	7.7 %
Network Services				
Order intake	48,500	38,204	27.0 %	80,675
Net sales	45,152	43,358	4.1 %	85,829
EBIT	-286	456	-162.7 %	1,087
EBIT%	-0.6 %	1.1 %	-160.2 %	1.3 %
Total				
Order intake	90,800	76,484	18.7 %	167,205
Net sales	83,223	82,568	0.8 %	167,836
EBIT	1,452	2,481	-41.5 %	7,432
EBIT%	1.7 %	3.0 %	-41.9 %	4.4 %
Financial items	-300	-386	-22.3 %	-689
Operating segments net profit before taxes	1,152	2,095	-45.0 %	6,743

Information per quarter (tEUR)	4-6/11	1-3/11	10-12/10	7-9/10	4-6/10	7/2010-6/2011
Video and Broadband Solutions						
Order intake	24,827	17,473	27,080	21,170	19,702	90,550
Net sales	19,517	18,554	22,882	19,915	20,148	80,868
EBIT	1,332	406	2,365	1,955	1,463	6,058
EBIT %	6.8 %	2.2 %	10.3 %	9.8 %	7.3 %	7.5 %
Network Services						
Order intake	25,744	22,756	23,761	18,710	19,278	90,971
Net sales	22,396	22,756	23,761	18,710	23,326	87,623
EBIT	-422	136	603	28	192	345
EBIT %	-1.9 %	0.6 %	2.5 %	0.2 %	0.8 %	0.4 %
Total						
Order intake	50,571	40,229	50,841	39,880	38,980	181,521
Net sales	41,913	41,310	46,643	38,625	43,474	168,491
EBIT	910	542	2,968	1,984	1,655	6,404
EBIT %	2.2 %	1.3 %	6.4 %	5.1 %	3.8 %	3.8 %

Attributable to equity holders of the parent (tEUR)

	Share capital	Share premium	Translation differences	Retained earnings	Invested free capital	Other funds	Total	Share of non-controlling interest	Total equity
Shareholder's equity 1.1.2011	6,967	1,504	-95	39,183	2,737	-186	50,110	292	50,402
Total comprehensive income for the period			-199	829		96	727		727
Share issue									0
Paid dividend				-2,137			-2,137	46	-2,091
Changes in subsidiary interest				13			13	-13	0
Equity-settled share-based payments				98			98		98
Shareholder's equity 30.6.2011	6,967	1,504	-294	37,986	2,737	-90	48,811	325	49,135
Shareholder's equity	6,967	1,504	-372	35,949	2,737	-116	46,669	0	46,669

1.1.2010									
Total comprehensive income for the period			-58	1,442		-157	1,227		1,227
Share issue								289	289
Paid dividend				-1,394			-1,394	30	-1,364
Equity-settled share-based payments				133	0	0	133		133
Shareholder's equity 30.6.2010	6,967	1,504	-430	36,130	2,737	-273	46,635	319	46,954

CALCULATION OF KEY FIGURES

Return on equity:

Profit/loss for the financial period
------------------------------ * 100
Shareholders' equity (average)

Return on capital employed:

Profit/loss for the period after financial items + financing charges
------------------------------ * 100
Total assets - non-interest-bearing liabilities (average)

Equity ratio:

Shareholders' equity
----------------------------- * 100
Total assets - advances received

Gearing:

Interest bearing liabilities - cash in hand and in bank - interest bearing assets
----------------------------- * 100
Shareholders' equity

Earnings per share:

Profit for the period attributable to equity holder of the parent
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Weighted average number of ordinary shares outstanding during the period

Earnings per share, diluted:

Profit for the period attributable to equity holder of the parent (diluted)

Average number of shares - own shares + number of options at the period-end

MAJOR SHAREHOLDERS 30.6.2011	Shares	%
EM Group Oy	3,918,513	21.55
Mandatum Life	1,679,200	9.23
Ilmarinen Mutual Pension Insurance Company	936,776	5.15
Kaleva Mutual Pension Insurance Company	824,641	4.53
Op-Suomi Small Cap	545,925	3.00
Varma Mutual Pension Insurance Company	521,150	2.87
State Pension Fund	500,000	2.75
Aktia Capital Mutual Fund	450,000	2.47
Skagen Vekst Verdipapierfond	437,000	2.40
Teleste Management Oy	381,000	2.09

SECTOR DISPERSION 30.6.2011	Shares	%
Corporations	5,935,218	32.63
Financial and insurance corporations	3,657,528	20.11
Public institutions	2,327,976	12.80
Non-profit institutions	369,811	2.03
Households	4,432,356	24.37
Foreign countries and nominee registered	1,463,701	8.04
Total	18,186,590	100.00

HOLDING DISPERSION 30.6.2011

Number of shares	Shareholders	%	Shares	%
0 - 100	1,142	22.16	79,216	0.43
101 - 1,000	3,019	58.59	1,264,306	6.95
1.001 - 10,000	895	17.37	2,535,754	13.94
10,001 - 100,000	78	1.51	1,886,768	10.37
100,001 - 1,000.000	16	0.31	6,822,833	37.51
1,000.001 -	2	0.03	5,597,713	30.77
Total	5,152	100.00	18,186,590	100.00

Notes

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