



Teleste Corporation Interim Report 1.1.– 30.9.2008

- Net sales stood at EUR 80.6 million being 14.3% below the period of comparison
- Operating profit amounted to EUR 4.1 million, a fall of 60.0% over the previous year; undiluted result per share equalled EUR 0.21 (0.41) per share
- Orders received improved by 5.2% over the year of comparison standing at EUR 93.4 million
- Orders received by Broadband Cable Networks amounted to EUR 81.8 million, up by 7.3% over the previous year
- Orders received by Video Networks equalled EUR 11.6 million, down by 7.6% over the previous year
- Growth and profitability outlook for the current year have been adjusted downwards.

Net Sales and Profitability

Net sales fell 14.3% short of the corresponding period last year amounting to EUR 80.6 (94.0) million. Net sales for the period of comparison include a fairly large delivery to South Korea. Due to the uncertainty in the finance market some customers have postponed their ordering decisions. In Europe network upgrading was limited in Q3 during major sporting events.

Compared to the same time period in the previous year operating profit fell by 60.0% standing at EUR 4.1 (10.1) million, which is 5.0% (10.8%) of net sales. Weakening in the operating profit was mainly caused by diminished net sales. Year over year, employee benefits increased by 8.2% standing at EUR 24.5 (22.6) million. Other operating expenses decreased by 4.7% amounting to EUR 13.1 (13.8) million. Year over year, depreciation grew by 38.7% standing at EUR 3.5 (2.5) million.

Undiluted result per share equalled EUR 0.21 (EUR 0.41). Earnings per share include a tax rebate of EUR 1.1 million involving a changed interpretation regarding deductibility of certain items for years 2001 to 2004.

Year over year, orders received improved by 5.2% standing at EUR 93.4 (88.8) million. Order backlog grew amounting to EUR 27.8 (23.3) million.

Net sales for Q3 totalled EUR 24.1 (32.3) million, a decrease of 25.3% over the period of comparison. Compared to the same time period in the previous year, owing to the reduction in net sales, operating profit fell by 68.6% standing at EUR 1.5 (4.7) million, which is 6.1% (14.4%) of net sales.

Orders received in Q3 stood at EUR 26.6 (29.4) million, which is 9.7% below the figure for the period of comparison.

Changes in Group Structure

In the beginning of February Teleste improved its standing as a supplier of headend video centre solutions (IPTV) by acquiring the Finnish Ortikon Interactive Oy. The acquisition will not have an essential effect on Teleste's financial figures for 2008.

Business Areas

Broadband Cable Networks

Net sales of Broadband Cable Networks fell by 16.7% from the year of comparison standing at EUR 68.8 (82.7) million. This reduction was mainly caused by the insecurity in the financial markets affecting the investment decisions. Private equity companies, in particular, have slowed down their investment activities. A number of major sporting events in Q3 also set a limit to network upgrading operations.

Operating profit stood at EUR 4.4 (10.5) million making 6.4% (12.7%) of the net sales. The weakened operating profit was caused by diminished net sales.

Orders received by Broadband Cable Networks amounted to EUR 81.8 (76.2) million. Order backlog totalled EUR 26.1 (20.5) million. The order backlog includes an order on headend video centre of EUR 12 million received from India in June. The related deliveries will begin in Q1 of 2009. Orders for EUR 4.4 million received in 2007 have been removed from the order backlog in September this year because their deliveries are not likely to be realised in the near future.

Ortikon Interactive Oy acquired in February 2008 strengthens the provision of headend video centre solutions for the business area.

The Q3 net sales for the business was EUR 20.9 (28.4) million, which is 26.5% below the figure for the period of comparison. Operating profit stood at EUR 1.7 (4.6) million making 7.9% (16.1%) of the net sales. Weakening in the operating profit was mainly caused by diminished net sales. Orders received in Q3 stood at EUR 22.8 (23.8) million, that is 4.0% less than in the period of comparison.

In August Broadband Cable Networks secured a frame agreement worth millions of euros with the leading Belgian cable operator Telenet for deliveries involving an optical system. We estimate this frame agreement to run for 4 to 5 years and the related deliveries will start in Q1 of 2009.

In August we entered into a new significant customer relationship with the Dutch cable operator Ziggo. Teleste will supply Ziggo with optical equipment for about one million euros and the related deliveries are scheduled to start in Q4 of 2008.

The business area expanded its service offering for the cable operators. New services include hosting of video headends and operating encryption systems. These services were first commercially launched in Spain.

Video Networks

Net sales of Video Networks amounted to EUR 11.7 (11.4) million, which is 3.3% more over the period of comparison. Operating profit was EUR -0.3 (-0.3) million in the red. Orders received by Video Networks decreased by 7.6 % over the period of comparison to EUR 11.6 (12.6) million. Order backlog totalled EUR 1.7 (2.8) million.

The Q3 net sales for the business was EUR 3.2 (3.9) million, which is 16.4% below the figure for the period of comparison. Operating loss was EUR -0.2 million (profit of EUR 0.1 million). Weakening in the operating profit was mainly caused by diminished net sales.

Year-on-year orders received in Q3 declined by 33.6% standing at EUR 3.8 (5.7) million. As to the orders received by the business area, this falling short of the period of comparison was due to the high volume of orders in that period and the temporary weakening of the market.

Significant Short-Term Risks and Uncertainty Factors for the Business Areas

The increased insecurity in the world economy and the financial markets may slow down the investment activity of our customers even more than we have estimated.

Regardless of the slight weakening in the value of euro, strong euro against the American dollar continues to some degree to erode our competitive edge.

Ownership and operative rearrangements among our clientele may slow down the folding out of some investments in both of our business areas. Strengthening of order backlog for Video Networks is dependent on timing of public sector decisions.

Introduction to the market of new competing technologies is a characteristic risk factor for both of our business areas.

Personnel

At the end of September the number of Teleste staff was 694 (677, 607), out of which 471 (446, 430) were stationed in Finland. At the end of September the number of temporary labour was 20 (69, 50). The stated number of personnel does not include temporary employees.

R&D and Investments

The R&D expenditure for the review period totalled EUR 10.1 (9.6) million making 12.5% (10.2%) of net sales. Almost 60% of the relevant expenditure involved customising product platforms and the maintenance thereof. The increase in R&D expenses over the previous year was mainly caused by the development effort involving the IPTV system as a whole and the software development for the video surveillance systems. Depreciation on previous R&D investments amounted to EUR 1.3 (1.0) million.

At the end of September, the number of our R&D personnel was 160 (142, 128). The growth in the R&D personnel is mainly related to the acquisition of Ortikon.

In June 2008 Tekes - the National Technology Agency of Finland - decided to continue its contribution to the development of broadband integrated services digital networks.

In total terms, the development support stands at EUR 2.8 million and the decision covers the period 1 July 2008 to 31 December 2009.

Investments totalled EUR 2.8 (10.5) million. Investments made in the period under review mainly involve product development, EUR 1.8 (1.7) million, and performance of the additional contract price included in the acquisition of EUR 0.3 million. Investments in machinery and equipment for the production in the period under review stood at EUR 0.3 million. Acquisition of Ortikon Interactive Oy is included in the investments. Investments made in the given period included EUR 6.1 million related to the acquisition of DINH Telecom and EUR 1.4 million for the SMT line.

The company has prepared plans for the transfer of operations carried out in the Nousiainen plant over to Littoinen. The move is estimated to take place before end of 2009.

Finance

Operating cash flow in the period under review increased by 35.0% standing at EUR 7.1 (5.3) million. In the period under review, short-term receivables decreased by EUR 2.5 million and short-term non-interest bearing debt by EUR 2.1 million. The financing cash flow includes EUR 0.8 million involving purchasing of Teleste's own shares. At the end of the review period the funds stood at EUR 8.9 (13.5) million.

At the end of September, interest-bearing debt stood at EUR 11.3 (20.8) million. In the review period, interest-bearing debt increased by EUR 1.8 (12.8) million. At the end of September, in addition to liquid funds the company's unused stand-by credits amounted to EUR 21.0 (12.0) million. The current stand-by credits will be due in November 2008. The company has negotiated total credit facilities of EUR 40 million with two financiers. These new facilities will stay effective for five years.

Gearing was 5.2% (16.6%) and the equity ratio was 59.6% (49.8%). The company hedges main exchange rate risks of forecasted currency flows for six months ahead.

Shares and Shareholders

In the past year the trading price of the share fluctuated between EUR 3.71 (8.50) and EUR 7.49 (12.34). The closing price at the end of September was EUR 3.92 (8.70). According to the Finnish Central Security Depository, the number of shareholders at the end of the period was 5,326 (5,313) while foreign ownership accounted for 15.3% (21.7%). Trading in NASDAQ OMX Helsinki Oy amounted to EUR 38.5 (56.1) with the number of shares totalling 6.6 (5.2) million.

At the end of September the number of own shares in the company's possession was 525,871 (352,482) equalling 3.0% (2.0%) of the entire capital stock at the end of the period under review. In the period under review 7,761 own shares were conveyed to the Management Team share bonus scheme. This equals 0.04% of the total number of shares.

In May 2008 the Board of the company decided to launch a repurchase program of own shares based on authorisation granted by the Annual General Meeting. Based on this decision by the Board the maximum number of own shares repurchased will be 500,000. In the period under review the number of repurchased own shares amounted to 181,150 with the relevant price averaging EUR 4.47 per share.

The 2004B options received by Teleste key personnel were listed in NASDAQ OMX Helsinki Oy on 1 April 2008.

On behalf of their customers Schroder Investment Management Limited reported their holding in Teleste to have decreased below five per cent. Considering the made share purchases, the holding in Teleste equals 4.96% of the company share capital and 4.42% of the company votes (the previous holding amounted 5.01% of the company share capital and votes).

Decisions by the Annual General Meeting

The Annual General Meeting (AGM) on 1 April 2008 confirmed the financial statements for 2007 and discharged the Board and the CEO from liability for the financial period.

The AGM confirmed the Board's proposed dividend of EUR 0.24 per share. The dividend was paid out on 15 April 2008.

The AGM decided that the Board of Directors shall consist of six members. Mr. Tapio Hintikka was re-elected as Chairman of the Board whilst Mr. Tero Laaksonen, Mr. Pertti Raatikainen, Mr. Timo Toivila and Mr. Pekka Vennamo continue as members on the Board of Directors. Mr. Kai Telanne was elected new member of the Board.

Authorised Public Accountants KPMG Oy Ab continue as the auditor until the next AGM.

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 1,744,721 company's own shares. The AGM also authorised the company to issue 5,000,000 new shares. The maximum number of shares that may be subscribed with the special rights granted by the Company is 2,000,000 shares.

These authorisations will be valid until the AGM due to be held in 2009.

Outlook

As the offering of services for the clientele of Broadband Cable Networks increases and becomes more versatile and with the increasing competition the operators will need to invest in increased network capacity and improved quality. We believe that there will be growing demand for the products and services of the business area in the medium term.

To make use of the future development potential we will continue to focus on the next generation network and broadband technologies as well as the service business. Our new product solutions will strengthen our position in the rapidly growing and developing markets such as India. Investments by the operators may be delayed with the increased uncertainty in the world economy. Price competition will continue to be strong.

The prospect list for the system deliveries and the related services by Video Networks is on a good level.

Growth and profitability prospects for the current year have been specified. In our interim report published on 15 July 2008 we stated that our net sales will remain slightly below the level of 2007 and that the operating profit will fall short of the 2007 level. In our current estimation, net sales for the current year will remain below last year's level due to postponement of orders by the customers and, owing to this decrease in net sales, operating profit will fall clearly short of last year's. Operating profit for Q4 is estimated to end up at level with the previous quarters.

As to orders received, the view for the entire year has also been specified. In our interim report of 15 July 2008 we estimated the orders received to increase over 2007. According to our current estimate, orders received for the entire year are at the same level with 2007 and, therefore, order backlog at the year-end will be higher than at the end of last year.

Regardless of the insecurity in the world economy and the crisis in the financial markets, our positive view of the market situation is based on growth prospects of the developing markets, the frame agreements and the potential growth in the provided services.

Teleste's final accounts for the financial year 2008 will be released on 4 February 2009.

21.10.2008

Teleste Corporation Jukka Rinnevaara
Board of Directors CEO

This interim report has been compiled in compliance with IFRS 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.

CONSOLIDATED STATEMENT OF INCOME (TEUR)	1-9/2008	1-9/2007	Change%	1-12/2007
Turnover	80 570	94 024	-14.3 %	125 100
Change in inventories of finished goods	-963	3 395	n/a	-673
Other operating income	1 351	1 154	17.1 %	1 772
Materials and services	-35 792	-49 513	-27.7 %	-59 692
Personnel expenses	-24 471	-22 619	8.2 %	-31 455
Other operating expenses	-13 125	-13 766	-4.7 %	-18 324
Depreciation	-3 514	-2 534	38.7 %	-3 552
Operating profit	4 057	10 141	-60.0 %	13 176
Financial income and expenses	-432	-696	-38.0 %	-504
Profit after financial items	3 625	9 445	-61.6 %	12 672
Profit before taxes	3 625	9 445	-61.6 %	12 672
Taxes	40	-2 447	n/a	-3 309
Net profit	3 665	6 998	-47.6 %	9 363
Attributable to:				
Equity holders of the parent	3 665	6 998	-47.6 %	9 363
Earnings per share for profit of the year attributable to the equity holders of the parent (expressed in euro per share)				
Basic	0.21	0.41	-48.4 %	0.55
Diluted	0.21	0.39	-46.1 %	0.52

Consolidated Statement of Income (tEUR)	7-9/2008	7-9/2007	Change %
Turnover	24 118	32 267	-25.3 %
Change in inventories of finished goods	901	1 546	-41.7 %
Other operating income	466	288	61.8 %
Materials and services	-10 794	-16 859	-36.0 %
Personnel expenses	-7 904	-7 257	8.9 %
Other operating expenses	-4 214	-4 285	-1.7 %
Depreciation	-1 114	-1 048	6.3 %
Operating profit	1 460	4 651	-68.6 %
Financial income and expenses	-284	-361	-21.3 %
Profit after financial items	1 176	4 291	-72.6 %
Profit before taxes	1 176	4 291	-72.6 %
Taxes	698	-1 118	n/a
Net profit	1 874	3 173	-40.9 %
Attributable to:			
Equity holders of the parent	1 874	3 173	-40.9 %

Earnings per share for profit of the year attributable to the equity holders of the parent			
Basic (expressed in euro per share)	0.11	0.19	-41.6 %
Diluted (expressed in euro per share)	0.11	0.18	-39.0 %

BALANCE SHEET (tEUR)	30.9.2008	30.9.2007	Change%	31.12.2007
Non-current assets				
Property,plant,equipment	6 815	7 536	-9.6 %	7 757
Goodwill	13 584	12 871	5.5 %	12 686
Intangible assets	6 408	6 095	5.1 %	6 629
Investments	783	1 116	-29.8 %	723
	27 590	27 618	-0.1 %	27 795
Current assets				
Inventories	16 131	19 351	-16.6 %	15 936
Other current assets	23 962	28 786	-16.8 %	26 455
Short-term investments	3 500	2 006	74.5 %	0
Liquid funds	5 434	11 480	-52.7 %	7 702
	49 027	61 623	-20.4 %	50 093
Total assets	76 617	89 241	-14.1 %	77 888

Shareholder's equity and liabilities

Share capital	6 967	6 967	0.0 %	6 967
Other equity	38 698	37 163	4.1 %	39 702
	45 665	44 130	3.5 %	46 669

Non-current liabilities

Provisions	425	425	0.0 %	425
Non interest bearing liabilities	1 288	939	37.2 %	1 197
Interest bearing liabilities	1 311	2 110	-37.9 %	1 700
	3 024	3 474	-13.0 %	3 322

Short-term liabilities

Trade payables and other s-t liabilities	17 468	22 258	-21.5 %	19 596
Provisions	440	658	-33.1 %	518
S-t interest bearing liabilities	10 019	18 721	-46.5 %	7 783
	27 927	41 637	-32.9 %	27 897

Total shareholder's equity and liabilities	76 617	89 241	-14.1 %	77 888
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CASH-FLOW (TEUR)	1-9/2008	1-9/2007	Change%	1-12/2007
Cash-flow from operation				
Cash in	7 132	5 284	35.0 %	11 988
Cash out	84 456	91 204	-7.4 %	125 663
	-77 324	-85 920	-10.0 %	-113 675
Cash-flow from investments				
Cash in	-1 829	-6 282	-70.9 %	-8 468
Cash out	220	377	-41.6 %	814
	-2 049	-6 659	-69.2 %	-9 282
Cash-flow from finance				
Cash in	-4 048	7 704	n/a	-2 490
Cash out	6 249	12 222	-48.9 %	12 630
Paid dividend	-6 139	-1 106	455.1 %	-11 707
	-4 158	-3 412	21.9 %	-3 413
Other items				
Effect of currency rates	-23	-9	155.6 %	-118
	-23	-9	155.6 %	-118
Change in liquid funds	1 232	6 697	-81.6 %	912

KEY FIGURES	1-9/2008	1-9/2007	Change%	1-12/2007
Earnings per share, EUR	0.21	0.41	-48.4 %	0.55
Earnings per share fully diluted, EUR	0.21	0.39	-46.1 %	0.52
Shareholders' equity per share, EUR	2.66	2.55	4.2 %	2.69
Return on equity	10.6 %	22.8 %	-53.6 %	22.2 %
Return on capital employed	9.9 %	24.7 %	-59.9 %	27.1 %
Equity ratio	59.6 %	49.8 %	19.6 %	60.2 %
Gearing	5.2 %	16.6 %	-68.5 %	3.8 %
Investments, tEUR	2 755	10 475	-73.7 %	12 284
Investments % of net sales	3.4 %	11.1 %	-69.3 %	9.8 %
Order backlog, tEUR	27 800	23 305	19.3 %	21 523
Personnel, average	708	683	3.7 %	681
Number of shares (thousands) including own shares	17 682	17 437	1.4 %	17 494
Highest share price, EUR	7.49	12.34	-39.3 %	12.34
Lowest share price, EUR	3.71	8.50	-56.4 %	6.47
Average share price, EUR	5.86	10.85	-46.0 %	10.10
Turnover, in million shares	6.6	5.2	26.4 %	7.2
Turnover, in MEUR	38.5	56.1	-31.3 %	72.4

Treasury shares

	Number of shares	% of shares	% of votes
Parent company owns own shares 30.9.2008	525 871	2.97 %	2.97 %

Contingent liabilities and pledged assets (tEUR)

For own debt				
Guarantees	306	404	-24.3 %	184
Other securities	240	568	-57.7 %	365
Leasing and rent liabilities	2 440	2 167	12.6 %	2 635
	2 986	3 139	-4.9 %	3 184

Derivative instruments (tEUR)

Value of underlying forward contracts	10 320	11 717	-11.9 %	7 746
Market value of forward contracts	-148	-302	-51.0 %	-152

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

Primary segments information (tEUR)	1-9/2008	1-9/2007	Change%	1-12/2007
Broadband Cable Networks				
Order intake	81 750	76 200	7.3 %	101 450
Net sales	68 840	82 674	-16.7 %	108 204
EBIT	4 387	10 466	-58.1 %	12 837
EBIT%	6.4 %	12.7 %	-49.7 %	11.9 %

Video Networks					
Order intake		11 620	12 570	-7.6 %	17 080
Net sales		11 730	11 350	3.3 %	16 896
EBIT		-330	-325	n/a	339
EBIT%		-2.8 %	-2.9 %	n/a	2.0 %
Total					
Order intake		93 370	88 770	5.2 %	118 530
Net sales		80 570	94 024	-14.3 %	125 100
EBIT		4 057	10 141	-60.0 %	13 176
EBIT%		5.0 %	10.8 %	-53.3 %	10.5 %

Information per quarter (tEUR)	7-9/08	4-6/08	1-3/08	10-12/07	7-9/07	10/2007- 9/2008
Broadband Cable Networks						
Order intake	22 838	32 872	26 040	25 250	23 798	107 000
Net sales	20 873	24 995	22 972	25 530	28 387	94 370
EBIT	1 657	1 829	901	2 371	4 576	6 757
EBIT %	7.9 %	7.3 %	3.9 %	9.3 %	16.1 %	7.2 %
Video Networks						
Order intake	3 753	4 535	3 332	4 510	5 650	16 130
Net sales	3 245	4 265	4 220	5 546	3 880	17 276
EBIT	-197	-113	-20	664	75	334
EBIT %	-6.1 %	-2.6 %	-0.5 %	12.0 %	1.9 %	1.9 %
Total						
Order intake	26 591	37 407	29 372	29 760	29 448	123 130
Net sales	24 118	29 260	27 192	31 076	32 267	111 646
EBIT	1 460	1 716	881	3 035	4 651	7 091
EBIT %	6.1 %	5.9 %	3.2 %	9.8 %	14.4 %	6.4 %

Attributable to equity holders of the parent (tEUR)	Share capital	Share premium	Translation differences	Retained earnings	Invested free capital	Total
Shareholder's equity 1.1.2008	6 967	1 504	-53	35 720	2 531	46 669
Translation differences			-23			-23
Profit of the period				3 665		3 665
Equity-settled share- based payments				-3 954	-754	-4 708
Used options					62	62
Shareholder's equity 30.9.2008	6 967	1 504	-76	35 431	1 839	45 665
Shareholder's equity 1.1.2007	6 955	1 417	65	29 224	0	37 661
Translation differences			-9			-9
Profit of the period				6 998		6 998
Equity-settled share- based payments				-3 021	2 101	-920
Used options	12	87			301	400
Shareholder's equity 30.9.2007	6 967	1 504	56	33 201	2 101	44 130

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 ----- 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

SECTOR DISPERSION

Owners	Number of shareholders	% of owners	Number of shares	% of total shares
Corporations	304	5.71	1 693 138	9.56
Financial and insurance corporations	29	0.54	5 487 751	31.00
Public institutions	13	0.24	2 945 591	16.64
Non-profit organizations	50	0.94	1 135 491	6.41
Households	4 883	91.68	3 737 004	21.11
Foreign and nominee -registered	47	0.88	2 705 669	15.28
Total	5 326	100	17 704 644	100.00

MAJOR SHAREHOLDERS 30.9.2008

	Shares	%
1. Mandatum Henkivakuutusosakeyhtiö	1 679 200	9.48%
2. Ilmarinen Mutual Pension Insurance Company	894 776	5.05%
3. Kaleva Mutual Insurance Company	798 541	4.51%
4. Teleste Corporation	525 871	2.97%
5. Varma Mutual Pension Insurance Company	521 150	2.94%
6. State Pension Fund	500 000	2.82%
7. Alfred Berg Finland Sijoitusrahasto	495 828	2.80%
8. Aktia Capital Mutual Fund	487 200	2.75%
9. Skagen Vekst Verdipapierfond	437 000	2.47%
10. Op-Suomi Pienyhtiöt	411 016	2.32%

The range of products and services of Broadband Cable Networks was strengthened by acquisition of 100% of shares of Finish Ortikon Interactive Oy at 6 February 2008. The purchase price was 100 thousands EUR and it was paid in cash. The acquisition resulted in 202 thousands EUR of intangible assets, which was allocated to trade marks, customer relationships and technology. The goodwill, amounted 605 thousands EUR, is mainly due to synergy effects in the future. The impact of the acquisition on Teleste's net sales during the period was 388 teur and on the EBIT -115 teur

Recognised fair values on acquisition	
1 000 €	
Fair values used in consolidation	
Trade marks (inc. in intangible assets)	46
Customer relationship (inc. in intangible assets)	108
Technology (inc. in intangible assets)	48
Book values used in consolidation	
Tangible assets	13
Trade receivables	19
Other receivables	126
Total assets	360
Book values used in consolidation	
Interest-bearing liabilities	556
Deferred tax liabilities	53
Other liabilities	256
Total liabilities	865
Net identifiable assets and liabilities	-505
Total consideration	100
Goodwill on acquisition	605
Consideration paid in cash	-100
Cash and cash equivalents in acquired subsidiary	0
Total net cash outflow on the acquisition	-100