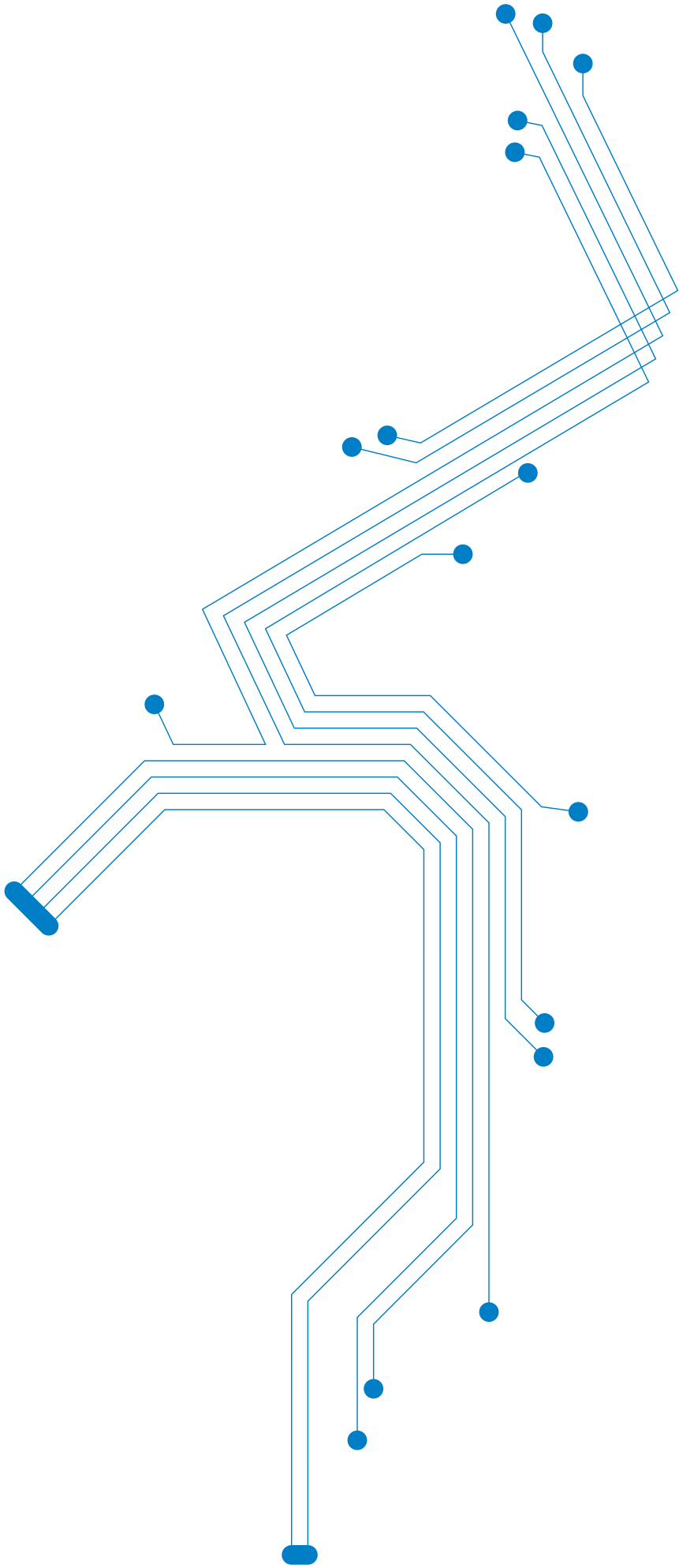


Interim Report Q1





- Net sales amounted to EUR 25.6 (27.2) million, a fall of 5.8% over the year of comparison.
- Operating profit amounted to EUR -1.2 (0.9) million.
- Undiluted result per share equalled EUR -0.07 (EUR 0.03).
- Orders received amounted to EUR 26.0 (29.4) million, a drop of 11.5% over the year of comparison.
- Orders received by Broadband Cable Networks stood at EUR 22.6 (26.0) million. Operating profit was in the red.
- Orders received by Video Networks amounted to EUR 3.4 (3.3) million. Operating profit was in the black.
- Offering of services was strengthened by acquisition in line with the strategy.

Decline in Net Sales and Profit

Year-on-year net sales decreased by 5.8% standing at EUR 25.6 (27.2) million. Owing to the general tight situation in the financial market our main customers, i.e. the European cable operators, have delayed maintenance investments on their networks. Moreover, strengthening of the euro has decreased investment opportunities among our customers, for instance, in the Eastern Europe.

Operating profit fell clearly from the year of comparison standing at EUR -1.2 (0.9) million, which is -4.7% (3.2%) of net sales. This decline in the operating profit was due to reduced product deliveries caused by delayed investment decisions. Undiluted result per share equalled EUR -0.07 (EUR 0.03).

Orders received diminished over the previous year by 11.5% standing at EUR 26.0 (29.4) million.

Order backlog totalled EUR 24.1 (23.7) million, which includes the order of EUR 12.0 million secured in India in June 2008 for the Luminato headend solution with deliveries scheduled to begin towards the end of 2009.

Changes in Group Structure

Broadband Cable Networks' offering of services was strengthened on 1 January 2009 by the acquisition of three German companies: Antel GmbH, the MKS companies and YoungNet GmbH. The acquisition price for the relevant capital stock stood at EUR 8.8 million. This price may increase subject to development of the net profit of the acquired companies in the next two years. In our estimate, the effect of these acquisitions on Teleste net sales for 2009 will be more than EUR 30 million and the operating profit will be positive. The acquisitions were paid for by using cash assets and a bank loan. At the same time Teleste Services GmbH with 100% holding of the acquired companies was set up in Germany.

With these acquisitions Teleste's holding in the German Cableway AG has increased up to 50%. Share equal to Teleste's holding in Cableway AG is presented under the Financial Items.

Business Areas

Net sales of Broadband Cable Networks stood at EUR 21.3 (23.0) million, a fall of 7.3% over the period of comparison. In terms of volume, deliveries of products decreased clearly over the period of comparison, whereas the share of services increased significantly with the acquisition. Operating profit stood at EUR -1.4 (0.9) million making -6.4% (3.9%) of the net sales. Orders received by Broadband Cable Networks decreased over the year of comparison amounting to EUR 22.6 (26.0) million. Order backlog totalled EUR 20.4 (22.2) million, which includes the order secured in India in June 2008 of EUR 12.0 million for the Luminato headend solution. 1 January 2009 three companies were acquired in Germany to strengthen the offering of services provided by the business area.

Net sales of Video Networks was on a par with the period of comparison amounting to EUR 4.3 (4.2) million. Operating profit amounted to EUR 0.2 (-0.02) million. Orders received by Video Networks amounted to EUR 3.4 (3.3) million. Order backlog totalled EUR 3.7 (1.5) million.

Personnel

At the end of March the Group employed 1001 people (2008: 686, 2007: 639), out of which 453 (2008: 461 and 2007: 448) were working in Finland. The acquisitions in Germany increased the number of personnel by 340. No hired personnel was used in period under review (2008: 37 and 2007: 78).

Layoffs involving personnel stationed in Finland commenced at the end of 2008. Furthermore, in an uncertain market situation preparations for additional layoffs have been taken designed to adapt the company operations to the tough-to-predict market situation without compromising the company's potential for growth.

R&D and Investments

The average number of persons working in R&D related assignments was 162 (2008: 158 and 2007: 145). As of beginning of April 2009 the number of people working in R&D will decrease by 23 in line with the outsourcing contract made with Cybercom Plenware. This solution supports the implementation of our strategy of business growth, enables focusing on core business and provides flexibility to the R&D personnel resources.

Product development expenses for Q1 stood at EUR 3.2 (3.2) million making 12.5% (11.8%) of the net sales. The relevant efforts were mainly focused on further develop-

ment of the IP based Luminato video processing system and the development of the next generation video surveillance transfer system. Activated R&D expenses stood at EUR 0.5 (0.8) million and depreciation on previous activation items equalled EUR 0.6 (0.4) million. Some 70% of product development expenses involved further development of product platforms currently in production and their maintenance as well as customer-specific product modifications.

Investments for the Group totalled EUR 10.8 (1.0) million. These mainly involved strengthening of the Broadband Cable Networks' services business. The quoted figure for investments includes the acquisition price of EUR 8.8 million paid for the three German companies. The investments also include estimated additional contract prices of EUR 1.5 million related to previously performed acquisitions. Product development investments totalled EUR 0.5 (0.8) million.

To boost productivity Teleste focuses its operations involving production in Finland to one spot; a decision has been made on extension of a production and store building next to the head office in Littoinen. The extension investment will be completed at the end of 2009 and the related expenses are estimated to be approximately EUR 3 million. The factory building in Nousiainen was sold in April 2009, but production on the premises will continue to the end of the year by way of a tenancy agreement.

Financing

Operating cash flow stood at EUR 1.0 (0.6) million. In the period under review the interest-bearing debt increased by 4.8 million. The increased debt was used to finance acquisitions for the Broadband Cable Networks business area. At the end of March, interest-bearing debt stood at EUR 15.7 (11.7) million. At the end of the review period, liquid funds stood at EUR 7.3 (8.8) million.

At the end of the review period, the amount of unused stand-by credits amounted to EUR 26.0 (21.0) million. The current stand-by credits of EUR 40.0 million run till November 2013. The Group's gearing was 18,6 % (6,2 %) and the equity ratio was 51,8 % (60,0 %).

Teleste hedges main exchange rate risks of forecasted currency flows for six months ahead.

Shares and Shareholders

With stock purchases performed on 14 January 2009, holding by EM Group Oy of the total number of shares and votes of Teleste Corporation stood at 5.04%.

With stock purchases performed on 29 January 2009, holding by EM Group Oy of the total number of shares and votes of Teleste Corporation stood at 10.57%.

With stock purchases performed on 10 February 2009, holding by Reima Kuisla of the total number of shares and votes of Teleste Corporation stood at 5.59%.

With stock purchases performed on 25 February 2009, holding by Reima Kuisla of the total number of shares and votes of Teleste Corporation stood at 0,00%.

With stock purchases performed on 25 February 2009, holding by EM Group Oy of the total number of shares and votes of Teleste Corporation stood at 20.32%.

In the period under review, the trading price of shares fluctuated between EUR 2.25 (5.90) and EUR 4.18 (7.49). The closing price at the end of March was EUR 3.18 (6.78). According to the Finnish Central Security Depository, the number of shareholders at the end of the period was 5,415 (5,193). Foreign ownership accounted for 7.9% (18.7%). The trading in NASDAQ OMX Helsinki Oy with the shares of Teleste amounted to EUR 21.1 (23.4) with the number of shares totalling 5.9 (3.5) million.

At the end of March, Teleste and its subsidiaries were in the possession of 844,721 own shares. In the period under review, the number of own shares purchased amounted to 78,530.

Decisions by the Annual General Meeting

On 7 April 2009, the Annual General Meeting (AGM) confirmed the financial statements for 2008 and discharged the Board 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 21 April 2009.

The AGM decided that the Board of Directors shall consist of six members. Marjo Raitavuori was elected as the Chairman of the Board with Pertti Ervi and Petteri Walldén as new Board members. Tero Laaksonen, Pertti Raatikainen and Kai Telanne were reelected members of the Board.

Authorised Public Accountants KPMG Oy Ab continue as the auditor until the next AGM. Esa Kailiala was approved as auditor-in-charge.

The AGM authorised the Board to acquire the maximum of 900,000 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 Board to issue 10,000,000 new shares. Pursuant to the special rights provided by the company, the maximum number of significant shares is 5,000,000; these special rights are included in the authorisation to issue 10,000,000 new shares.

These authorisations will be valid until the AGM due to be held in 2010.

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

Potential ownership and debt rearrangements among Teleste's clientele may slow down the folding out of some investments in the business of Broadband Cable Networks.

Strengthening of order backlog for Video Networks is dependent on timing of the public sector decisions.

Inactive situation in the financial markets may lead to delays in the customers' investment plans and weakening solvency. The strength of the euro in relation to the US dollar may further erode Teleste's competitive edge. Introduction to the market of new competing technologies is a characteristic risk factor for both of our business areas.

Outlook

The offering of services to private households by the operator clientele of Broadband Cable Networks will remain relatively stable even in an uncertain market situation. Demand for the network services provided by the business area is growing particularly in Germany. Due to the difficult situation in the financial markets the cable operators are proceeding cautiously with regard to their network investments. In our view, in the current year deliveries of product solutions provided by Broadband Cable Networks will remain under the 2008 level with the price competition increasing further.

Increased needs for security and more effective traffic infrastructure maintain demand for the Video Networks' solutions on the same level with the previous year.

Teleste will keep its strong market position in the core markets and continue to implement its strategy in a goal-directed manner while adapting its cost structure as required by the economic situation. The recent strategic investments in the services business performed by Teleste will cushion the cyclic pattern in the company net sales under the uncertain market conditions.

Due to delays in network investments the company action plan prepares for net sales lower than that of the previous year and for a clear drop in profitability in the first half of the year. In the second half of the year, we expect the market to pick up to some degree based on the investment plans of the operators. However, we estimate that profitability for the whole year will fall clearly from the last year's level.

Teleste's interim report for the January - June period will be published on 22 July 2009.

21.4.2009

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) | 1-3/2009 | 1-3/2008 | Change % | 1-12/2008 |
|---|----------|----------|----------|-----------|
| Turnover | 25 604 | 27 192 | -5.8 % | 108 695 |
| Other operating income | 1 113 | 407 | 173.5 % | 1 820 |
| Materials and services | -11 903 | -13 450 | -11.5 % | -49 145 |
| Personnel expenses | -10 018 | -8 020 | 24.9 % | -33 226 |
| Other operating expenses | -4 662 | -4 060 | 14.8 % | -17 811 |
| Depreciation | -1 339 | -1 188 | 12.7 % | -4 705 |
| Operating profit | -1 205 | 881 | n/a | 5 628 |
| Financial income and expenses | -239 | -159 | 50.3 % | -533 |
| Share of profit of associates | -100 | 0 | n/a | 0 |
| Profit after financial items | -1 544 | 722 | n/a | 5 095 |
| Profit before taxes | -1 544 | 722 | n/a | 5 095 |
| Taxes | 336 | -204 | n/a | 433 |
| Net profit | -1 208 | 518 | n/a | 5 528 |
| Attributable to: | | | | |
| Equity holders of the parent | -1 208 | 518 | n/a | 5 528 |
| Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share) | | | | |
| Basic | -0.07 | 0.03 | n/a | 0.32 |
| Diluted | -0.07 | 0.03 | n/a | 0.32 |
| Total comprehensive income for the period (tEUR) | | | | |
| Net profit | -1 208 | 518 | n/a | 5 528 |
| Translation differences | 43 | -49 | n/a | -508 |
| Total comprehensive income for the period | -1 165 | 469 | n/a | 5 020 |
| Attributable to: | | | | |
| Equity holders of the parent | -1 165 | 469 | n/a | 5 020 |

| STATEMENT OF FINANCIAL POSITION (tEUR) | 31.3.2009 | 31.3.2008 | Change % | 31.12.2008 |
|---|---------------|---------------|---------------|---------------|
| Non-current assets | | | | |
| Property, plant, equipment | 6 725 | 7 448 | -9.7 % | 6 373 |
| Goodwill | 20 092 | 13 291 | 51.2 % | 13 865 |
| Intangible assets | 9 113 | 6 823 | 33.6 % | 6 466 |
| Investments | 1 128 | 775 | 45.5 % | 790 |
| | 37 058 | 28 337 | 30.8 % | 27 494 |
| Current assets | | | | |
| Inventories | 18 670 | 14 536 | 28.4 % | 14 049 |
| Other current assets | 27 639 | 27 219 | 1.5 % | 24 728 |
| Liquid funds | 7 311 | 8 766 | -16.6 % | 9 268 |
| | 53 620 | 50 521 | 6.1 % | 48 045 |
| Total assets | 90 678 | 78 858 | 15.0 % | 75 539 |
| Shareholder's equity and liabilities | | | | |
| Share capital | 6 967 | 6 967 | 0.0 % | 6 967 |
| Other equity | 38 297 | 40 343 | -5.1 % | 39 678 |
| | 45 264 | 47 310 | -4.3 % | 46 645 |
| Non-current liabilities | | | | |
| Provisions | 314 | 425 | -26.1 % | 314 |
| Non interest bearing liabilities | 1 523 | 1 219 | 24.9 % | 1 025 |
| Interest bearing liabilities | 10 175 | 1 702 | 497.8 % | 1 175 |
| | 12 012 | 3 346 | 259.0 % | 2 514 |
| Short-term liabilities | | | | |
| Trade payables and other s-t liabilities | 26 160 | 17 694 | 47.8 % | 15 964 |
| Provisions | 1 673 | 518 | 223.0 % | 629 |
| S-t interest bearing liabilities | 5 569 | 9 990 | -44.3 % | 9 787 |
| | 33 402 | 28 202 | 18.4 % | 26 380 |
| Total shareholder's equity and liabilities | 90 678 | 78 858 | 15.0 % | 75 539 |

| STATEMENT OF CASH FLOWS (TEUR) | 1-3/2009 | 1-3/2008 | Change % | 1-12/2008 |
|-----------------------------------|---------------|--------------|-----------------|---------------|
| Cash-flow from operation | 1 035 | 630 | 64.3 % | 9 673 |
| Cash in | 28 602 | 26 755 | 6.9 % | 112 238 |
| Cash out | -27 567 | -26 125 | 5.5 % | -102 565 |
| Cash-flow from investments | -7 471 | -744 | 904.2 % | -3 222 |
| Cash in | 0 | 0 | n/a | 221 |
| Cash out | -7 471 | -744 | 904.2 % | -3 443 |
| Cash-flow from finance | 4 436 | 1 227 | 261.5 % | -4 376 |
| Cash in | 9 000 | 2 000 | 350.0 % | 6 342 |
| Cash out | -4 564 | -773 | 490.4 % | -6 560 |
| Paid dividend | 0 | 0 | n/a | -4 158 |
| Other items | 43 | -49 | -187.8 % | -508 |
| Effect of currency rates | 43 | -49 | -187.8 % | -508 |
| Change in liquid funds | -1 957 | 1 064 | -283.9 % | 1 566 |

| KEY FIGURES | 1-3/2009 | 1-3/2008 | Change % | 1-12/2008 |
|--|----------|----------|----------|-----------|
| Earnings per share, EUR | -0.07 | 0.03 | n/a | 0.32 |
| Earnings per share fully diluted, EUR | -0.07 | 0.03 | n/a | 0.32 |
| Shareholders' equity per share, EUR | 2.67 | 2.73 | -2.2 % | 2.74 |
| Return on equity | -10.5 % | 4.4 % | n/a | 11.8 % |
| Return on capital employed | -9.4 % | 6.5 % | n/a | 10.4 % |
| Equity ratio | 51.8 % | 60.0 % | -13.7 % | 61.7 % |
| Gearing | 18.6 % | 6.2 % | 200.5 % | 3.6 % |
| Investments, tEUR | 10 825 | 1 020 | 961.3 % | 3 920 |
| Investments % of net sales | 42.3 % | 3.8 % | 1027.1 % | 3.6 % |
| Order backlog, tEUR | 24 096 | 23 703 | 1.7 % | 24 000 |
| Personnel, average | 1 011 | 681 | 48.5 % | 702 |
| Number of shares (thousands) including own shares | 17 806 | 17 672 | 0.8 % | 17 708 |
| Highest share price, EUR | 4.18 | 7.49 | -44.2 % | 7.49 |
| Lowest share price, EUR | 2.25 | 5.90 | -61.9 % | 1.90 |
| Average share price, EUR | 3.50 | 6.62 | -47.1 % | 4.52 |
| Turnover, in million shares | 5.9 | 3.5 | 66.5 % | 11.5 |
| Turnover, in MEUR | 21.1 | 23.4 | -9.6 % | 51.1 |

Treasury shares

| | Number of shares | % of shares | % of votes |
|---|---------------------|----------------|---------------|
| Teleste companies own shares 31.3.2009 | 844 721 | 4.74 % | 4.74 % |

Contingent liabilities and pledged assets (tEUR)

| | | | | |
|------------------------------|-------|-------|----------|-------|
| For own debt | | | | |
| Guarantees | 0 | 293 | -100.0 % | 0 |
| Other securities | 259 | 506 | -48.8 % | 259 |
| Leasing and rent liabilities | 5 899 | 2 401 | 145.7 % | 3 699 |
| | 6 158 | 3 200 | 92.4 % | 3 958 |

Derivative instruments (tEUR)

| | | | | |
|---------------------------------------|-------|-------|---------|-------|
| Value of underlying forward contracts | 7 387 | 8 634 | -14.4 % | 9 094 |
| Market value of forward contracts | -81 | -242 | -66.5 % | 419 |

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

There are no changes in segment reporting compared to earlier adopted IAS14.

| Operating segments (tEUR) | 1-3/2009 | 1-3/2008 | Change % | 1-12/2008 |
|--|----------|----------|----------|-----------|
| Broadband Cable Networks | | | | |
| Order intake | 22 580 | 26 040 | -13.3 % | 101 430 |
| Net sales | 21 300 | 22 972 | -7.3 % | 92 605 |
| EBIT | -1 373 | 901 | n/a | 6 098 |
| EBIT% | -6.4 % | 3.9 % | n/a | 6.6 % |
| Video Networks | | | | |
| Order intake | 3 420 | 3 332 | 2.6 % | 17 203 |
| Net sales | 4 304 | 4 220 | 2.0 % | 16 090 |
| EBIT | 168 | -20 | n/a | -470 |
| EBIT% | 3.9 % | -0.5 % | n/a | -2.9 % |
| Total | | | | |
| Order intake | 26 000 | 29 372 | -11.5 % | 118 633 |
| Net sales | 25 604 | 27 192 | -5.8 % | 108 695 |
| EBIT | -1 205 | 881 | n/a | 5 628 |
| EBIT% | -4.7 % | 3.2 % | n/a | 5.2 % |
| Financial items | -239 | -159 | 50.3% | -533 |
| Shares of associates | -100 | 0 | n/a | 0 |
| Operating segments net profit before taxes | -1 544 | 722 | n/a | 5 095 |

Segment assets

Segment assets include items directly attributable as well as those that can be allocated on a reasonable basis

| | 31.3.2009 | 31.3.2008 | Change % | 31.12.2008 |
|--------------------------|-----------|-----------|----------|------------|
| Broadband Cable Networks | 68 789 | 55 012 | 25.0 % | 50 930 |
| Video Networks | 14 578 | 15 080 | -3.3 % | 15 341 |
| Segment assets total | 83 367 | 70 092 | 18.9 % | 66 271 |
| Unallocated assets | 7 311 | 8 766 | -16.6 % | 9 268 |
| Total assets | 90 678 | 78 858 | 15.0 % | 75 539 |

| Information per quarter (tEUR) | 1-3/09 | 10-12/08 | 7-9/08 | 4-6/08 | 1-3/08 | 4/2008-3/2009 |
|---------------------------------|--------|----------|--------|--------|--------|---------------|
| Broadband Cable Networks | | | | | | |
| Order intake | 22 580 | 19 680 | 22 838 | 32 872 | 26 040 | 97 970 |
| Net sales | 21 300 | 23 765 | 20 873 | 24 995 | 22 972 | 90 933 |
| EBIT | -1 373 | 1 711 | 1 657 | 1 829 | 901 | 3 824 |
| EBIT % | -6.4 % | 7.2 % | 7.9 % | 7.3 % | 3.9 % | 4.2 % |
| Video Networks | | | | | | |
| Order intake | 3 420 | 5 583 | 3 753 | 4 535 | 3 332 | 17 291 |
| Net sales | 4 304 | 4 360 | 3 245 | 4 265 | 4 220 | 16 174 |
| EBIT | 168 | -140 | -197 | -113 | -20 | -282 |
| EBIT % | 3.9 % | -3.2 % | -6.1 % | -2.6 % | -0.5 % | -1.7 % |
| Total | | | | | | |
| Order intake | 26 000 | 25 263 | 26 591 | 37 407 | 29 372 | 115 261 |
| Net sales | 25 604 | 28 125 | 24 118 | 29 260 | 27 192 | 107 107 |
| EBIT | -1 205 | 1 571 | 1 460 | 1 716 | 881 | 3 542 |
| EBIT % | -4.7 % | 5.6 % | 6.1 % | 5.9 % | 3.2 % | 3.3 % |

| Attributable to equity holders of the parent (tEUR) | Share capital | Share premium | Translation differences | Retained earnings | Invested free capital | Total |
|---|---------------|---------------|-------------------------|-------------------|-----------------------|--------|
| Shareholder's equity 1.1.2009 | 6 967 | 1 504 | -561 | 37 284 | 1 451 | 46 645 |
| Total comprehensive income for the period | | | 43 | -1 208 | | -1 165 |
| Equity-settled share-based payments | | | | 48 | -264 | -216 |
| Used options | | | | | 0 | 0 |
| Shareholder's equity 31.3.2009 | 6 967 | 1 504 | -518 | 36 124 | 1 187 | 45 264 |
| Shareholder's equity 1.1.2008 | 6 967 | 1 504 | -53 | 35 720 | 2 531 | 46 669 |
| Profit of the period | | | -49 | 518 | | 469 |
| Equity-settled share-based payments | | | | 108 | 56 | 164 |
| Used options | | | | | 8 | 8 |
| Shareholder's equity 31.3.2008 | 6 967 | 1 504 | -102 | 36 346 | 2 539 | 47 310 |

CALCULATION OF KEY FIGURES

| | |
|------------------------------|---|
| Return on equity: | $\frac{\text{Profit/loss for the financial period}}{\text{Shareholders' equity (average)}} \times 100$ |
| Return on capital employed: | $\frac{\text{Profit/loss for the period after financial items + financing charges}}{\text{Total assets - non-interest-bearing liabilities (average)}} \times 100$ |
| Equity ratio: | $\frac{\text{Shareholders' equity}}{\text{Total assets - advances received}} \times 100$ |
| Gearing: | $\frac{\text{Interest bearing liabilities - cash in hand and in bank - interest bearing assets}}{\text{Shareholders' equity}} \times 100$ |
| Earnings per share: | $\frac{\text{Profit for the period attributable to equity holder of the parent}}{\text{Weighted average number of ordinary shares outstanding during the period}}$ |
| Earnings per share, diluted: | $\frac{\text{Profit for the period attributable to equity holder of the parent (diluted)}}{\text{Average number of shares - own shares + number of options at the period-end}}$ |

| SECTOR DISPERSION OF SHAREHOLDERS | Number of shareholders | % of owners | Number of shares | % of total shares |
|--------------------------------------|------------------------|-------------|------------------|-------------------|
| Corporations | 312 | 5.76 | 5 897 342 | 33.12 |
| Financial and insurance corporations | 19 | 0.35 | 3 374 463 | 18.95 |
| Public institutions | 7 | 0.13 | 2 172 976 | 12.20 |
| Non-profit organizations | 45 | 0.83 | 757 432 | 4.25 |
| Households | 4 990 | 92.15 | 4 188 172 | 23.52 |
| Foreign and nominee -registered | 42 | 0.78 | 1 415 205 | 7.95 |
| Total | 5 415 | 100.00 | 17 805 590 | 100.00 |

HOLDING DISPERSION 31.3.2009

| Number of shares | Owners | % | Shares | % |
|--------------------|--------|---------|------------|---------|
| 1 - 100 | 1 234 | 22.79% | 87 518 | 0.49% |
| 101 - 1 000 | 3 207 | 59.22% | 1 316 253 | 7.39% |
| 1001 - 10 000 | 879 | 16.23% | 2 453 494 | 13.78% |
| 10 001 - 100 000 | 75 | 1.39% | 1 853 135 | 10.41% |
| 100 001 - | 20 | 0.37% | 12 095 190 | 67.93% |
| Total | 5415 | 100.00% | 17 805 590 | 100.00% |
| Nominee registered | | | 890 409 | 5.00% |

MAJOR SHAREHOLDERS 31.3.2009

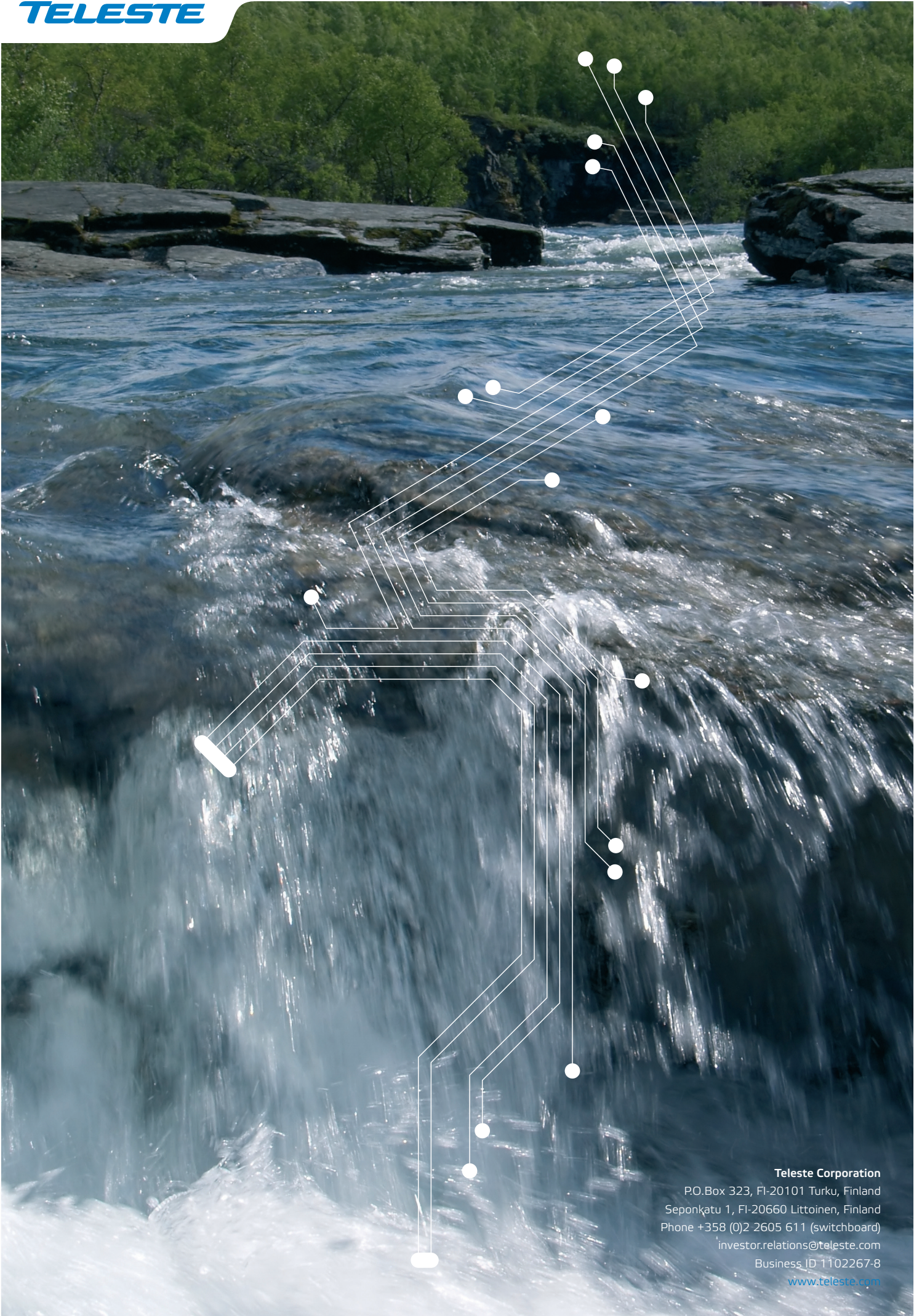
| | Shares | % |
|--|-----------|--------|
| 1 EM Group Oy | 3 617 552 | 20.32% |
| 2 Mandatum Henkivakuutusosakeyhtiö | 1 679 200 | 9.43% |
| 3 Keskinäinen Eläkevakuutusyhtiö Ilmarinen | 894 776 | 5.03% |
| 4 Kaleva Mutual Insurance Company | 798 541 | 4.48% |
| 5 Aktia Capital Mutual Fund | 524 200 | 2.94% |
| 6 Varma Mutual Pension Insurance Company | 521 150 | 2.93% |
| 7 State Pension Fund | 500 000 | 2.81% |
| 8 Teleste Incentive Oy | 500 000 | 2.81% |
| 9 Skagen Vekst Verdipapierfond | 437 000 | 2.45% |
| 10 FIM Fenno Mutual Fund | 401 342 | 2.25% |
| 11 Teleste Corporation | 344 721 | 1.94% |

ACQUISITIONS 1 Jan - 31 March 2009

At 1 January 100% of shares of German companies, GmbH, MKS and Young-Net GmbH was purchased. The purchase price was 8 554 thousand and was paid in cash.

The acquisition resulted in 2 605 thousand of intangible assets, which was allocated to trade marks, customer relationships. The goodwill, amounted 4 727 thousand EUR, is mainly due to future revenue expectation and to personnel synergy effects in the future. The impact of the acquisition on Teleste's net sales during the period 1.1.2009 - 31.3.2009 was 8 230 thousand EUR and on the EBIT 620 thousand EUR.

| | |
|---|--------|
| Recognised fair values on acquisition | |
| 1 000 EUR | |
| Fair values used in consolidation | |
| Trade marks (inc. in intangible assets) | 574 |
| Customer relationship (inc. in intangible assets) | 2 031 |
| Book values used in consolidation | |
| Tangible assets | 544 |
| Inventories | 5 828 |
| Deferred tax receivables | 785 |
| Trade receivables | 3 136 |
| Other receivables | 1 928 |
| Liquid funds | 1 961 |
| <hr/> | |
| Total assets | 16 787 |
| Book values used in consolidation | |
| Interest-bearing liabilities | 559 |
| Deferred tax liabilities | 677 |
| Other liabilities | 11 524 |
| <hr/> | |
| Total liabilities | 12 760 |
| Net identifiable assets and liabilities | 4 027 |
| Total consideration | 8 554 |
| Acquisition costs | 200 |
| Goodwill on acquisition | 4 727 |
| Consideration paid in cash | -8 754 |
| Cash and cash equivalents in acquired subsidiary | 1 961 |
| <hr/> | |
| Total net cash outflow on the acquisition | -6 793 |



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