

**OMNITELE**

**Turning opportunities  
into success.**

OMNITELE ANNUAL REPORT 2006

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## Omnitele facts

- ▶ Telecommunications consulting since 1988
- ▶ Projects in more than 70 countries worldwide
- ▶ Owned by Finnish telecom operator group
- ▶ 50 full-time consultants

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# President's review

Technology developments within the telecommunications industry are continuous and operators are constantly facing new opportunities and challenges. By identifying suitable future technologies and by guaranteeing fast technology and service implementation through customised solutions, Omnitele offers a way of turning these opportunities into success.

Operationally Omnitele made in 2006 clear progress compared to previous years and increased net sales considerably. Our market presence in selected areas was strong and the established partnerships with customers solid. Our year was dedicated to finding the best technology and business solutions for our respective customers, on both a short and long term, in order to ensure an efficient and competitive business.


Our plan for 2007 is to continue to strengthen our position as a partner consultant and through commitment and expertise to offer operators enhanced network performance and profitability, and a quality of service reflected in end-user satisfaction. Our target is to continue reshaping our technology focus within network services in order to reflect customer needs today and in the future.

I thank all employees and our loyal Omnitele customers for a good year 2006 and look forward to a new challenging year in 2007!

**OMNITELE**

Timo Mustonen, President





# Performance, Quality, People – Our way of turning opportunities into success

Omnitele's strengths lie in mobile network planning and development, technical consulting and operator business development. We aim to increase and improve overall operator performance and quality of services, and we thrive to provide best possible solutions for deploying new technologies. By integrating these solutions with new service possibilities and capabilities, we provide a unique strategic insight in how to best address new market opportunities.

Omnitele offers a wide range of Network and Business Consulting services. Our competitive strength lies in our ability to combine detailed technical know-how with a solid business understanding allowing the customer overall assistance during its whole operational lifecycle.

Omnitele project philosophy is to assist

clients co-operatively and efficiently and therefore our unique value lies with our people and the special line of communication we are able to develop with our customers. Omnitele has since 1988 been part of numerous projects within the operator environment in more than 70 countries and continues to build up new close partnerships across the telecommunications sector.

## Network consulting

Omnitele Network Consulting concentrates on radio and core network planning, audit and optimisation, and network development for domestic and international customers. The aim is to assist operators in developing customised solutions to improve efficiency, guarantee fast technology implementations and to identify future technologies.

The UMTS/GSM radio network planning and optimisation of DNA Finland has since three years been outsourced to Omnitele, including also the development of the radio networks and radio network solutions. Omnitele ensures relia-

ble radio network functionality and tests potential technologies in order to ensure smooth transition towards future technologies.

Network audit and optimisation including a competitor benchmark is important for operators facing an increase of traffic or new market competition. Omnitele has performed e.g. a GSM, GPRS and UMTS network benchmark and audit in Slovenia, a radio network audit with a strong emphasis also on core network and prepaid billing performance in Surinam and a complete GSM network coverage and performance audit for an operator in Trinidad & Tobago.

New technology implementation is also a part of Omnitele service offering. In 2006 Omnitele has performed a review of the 3G radio network plan in Jersey. The project consisted of field measurements, analysis and optimisation tasks. Additionally Omnitele performed on-site 3G radio network planning.

Remote network performance monitoring and management is a continuous service Omnitele offers for operators in e.g. Gibraltar and Greenland. The projects have included setting up a performance management process, defining appropriate key performance indicators and a suitable reporting structure for the technical and management teams. The network performance is monitored continuously and reported to the operator with optimisation recommendations according to agreement with operator.

In emerging markets Omnitele has assisted operators with GSM network extension and in introducing new technologies to the network in order to improve network performance. Key assignments were performed in Angola and in Uganda.

## Business consulting

Omnitele Business consulting aims at offering end-to-end business & technology solution, design and delivery supervision, for domestic and international customers. Other focus areas are delivering comprehensive business audits, including operational strategies and service planning. We focus on consultancy services that bring

clear value to our customers. We maximise returns on investment through professional procurement processes and commercial strategies, and identify new market and revenue opportunities through business development and value added service planning.

Omnitele assisted in 2006 the Finnet group in Finland in researching latest technology and business developments within the industry, and by assessing their impact on operations from a technology and business perspective. In 2006 projects ranged from global industry surveys and strategic investment scenarios to new technology and service deployment, including future broadband technology mapping, VoWLAN-product development and a Triple Play roadmap.

Further to assisting with network extensions and introducing new network technologies, Omnitele has assisted operators in business decisions related to service development and supplier selection. In Angola Omnitele has assisted an operator in content business development and in introducing a service layer to the network. Further Omnitele assisted in enhancing the efficiency of operational processes.

Business continuity and disaster recovery audit with the objective to assess the risk and organisation preparedness for a disaster or a critical failure has been widely applied service. The audit includes an analysis of the communications infrastructure and business processes and was performed for e.g. Faroe Islands in 2006.

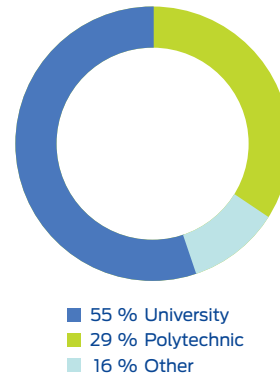


# Personnel

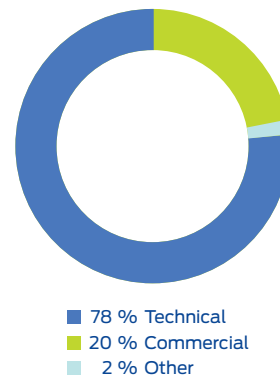
Omnitele project philosophy to assist customers co-operatively and efficiently has rendered our consultants the trust and respect of many customers. We aim to be the leading global telecommunications partner for our customers and achieve it through the know-how within our company. Our unique value lies with our people and the special line of communication we are able to develop. Motivation, personal development and exciting projects are also essential factors to keep the personnel challenged within their area of responsibility and to continue the development of our services.

Omnitele average number of employees at the end of the year was 49 compared to 47 in 2005. Our educational level is very high since out of 50 employees 27 have an academic degree. The nature of the business also reflects the educational background of Omnitele employees, as 78 percent have a degree in technical sciences. The average age of personnel is 37, 1 years and the average length of employment is 3, 9 years.

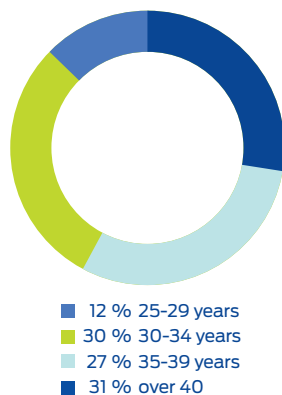
Education



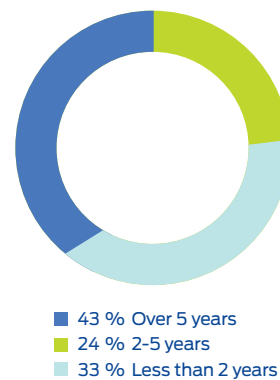
Educational Background



Age distribution of personnel



Length of employment



# Board of Directors' report

## Market situation

The telecommunications industry in Omnitele selected market areas has been developing auspiciously during 2006, and the outlook is promising for the coming years.

## Operations

Omnitele's strengths lie in mobile network planning and development, technical consulting and operator business development. Omnitele main focus in 2006 was to increase and improve overall operator performance and quality of services, and to provide best possible solutions in deploying new technologies.

Omnitele projects have in 2006 faced an expansion in duration and size. Also customers have grown and the average number of subscribers per operator customer has increased. For Omnitele personnel this has signified extended time of travel and more demanding assignments. The fast growth and requirement for resources has been compensated by utilising a vast network of partners.

Financially Omnitele performance within the telecommunications consulting business was good. The turnover for 2006 was EUR 7,3 million with an outcome of EUR 415.000 before taxes, compared to EUR 234.000 in 2005. Total turnover grew by 36 percent compared to the previous year. Due to the reorganisation of the local telecommunications companies within the Finnet-group, the domestic sales were lower than expected. The domestic turnover fell by 10 percent. However, the international turnover was increased by 226 percent, being in total 56 percent of total turnover.

Omnitele conducted over one hundred projects in 2006 of which approximately fifty percent internationally. The significant difference, however, to last year was the expansion in project size and duration. International projects were conducted in Europe, Africa, the Middle

East and in the Caribbean. All projects were obtained without any EU- or other public funding in a very competitive market situation.

Home office support has been important for successful completion of project work and the motivation and flexibility of all employees has been exceptional. Mutual cooperation and teamwork spirit has been reflected in outstanding customer satisfaction feedback and continuous customer relationships.

## Offices

Omnitele headquarters lies in Helsinki, Finland.

## Organisation

The company operations have been re-organised starting 1.9.2006 to better correspond to prevailing telecommunications business environment. The previous two Consulting and Engineering departments have been divided into Network Consulting, Business Consulting and Operator Business Development units. The Network Consulting –unit is headed by Mr. Olli Knuuttila, the Business Consulting–unit by Mr. Antonios Drossos and the Operator Business Development–unit by Mrs. Leena Kaunisto. Mr. Esa Vesterinen is responsible for Business Development and International Sales and Mrs. Anna Salovius-Ådahl is the Head of Finance & Administration. Omnitele company President is Mr. Timo Mustonen. All the above persons together with the President constitute Omnitele management team.

## Employees

The average number of employees during 2006 was 49 compared to 47 in 2005. At the end of the year Omnitele employed 50 persons.

## Annual meeting of shareholders

The annual meeting of shareholders was held 27th April 2007 in Helsinki.

# Income statement

Euro	<b>1.1.-31.12.2006</b>	1.1.-31.12.2005
Net Sales	<b>7 290 428,62</b>	5 361 672,49
Other operating income	<b>0,00</b>	0,00
Materials and Services	<b>-850 451,50</b>	-176 263,75
Staff expenses	<b>-3 714 393,74</b>	-3 229 358,30
Depreciations and value adjustments	<b>-179 141,92</b>	-170 236,78
Other operating expenses	<b>-2 271 768,14</b>	-1 587 682,80
Operating profit	<b>274 673,32</b>	198 130,86
Financial income and expenses	<b>141 147,55</b>	35 631,16
Profit before appropriations and taxes	<b>415 820,87</b>	233 762,02
Direct taxes	<b>-109 812,65</b>	-66 609 86
Net profit for the period	<b>306 008,22</b>	167 152,16

# Balance Sheet

Euro	31.12.2006	31.12.2005
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible assets	56 173,00	67 975,07
Tangible assets	188 796,07	152 860,28
Shares in Group companies	23 546,31	23 546,31
Other investments	485,26	22 246,21
	<b>269 000,64</b>	266 627,87
<b>Current assets</b>		
Current receivables	1 430 725,76	1 220 904,47
Other investments	1 252 661,06	1 382 565,49
Cash and Bank	586 436,16	229 137,54
	<b>3 269 822,98</b>	2 832 607,50
	<b>3 538 823,62</b>	3 099 235,37
<b>Liabilities</b>		
<b>Shareholders' equity</b>		
Share capital	201 825,51	201 825,51
Retained earnings	1 772 780,66	1 675 828,50
Net profit for the period	306 008,22	167 152,16
	<b>2 280 614,39</b>	2 044 806,17
<b>Accumulated appropriations</b>		
Long-term liabilities	20 443,24	20 443,24
Short-term liabilities	1 237 765,99	1 033 985,96
	<b>1 258 209,23</b>	1 054 429,20
	<b>3 538 823,62</b>	3 099 235,37

# Management Group

**Timo Mustonen**  
Managing Director

**Antonios Drossos**  
Head of Business Consulting

**Leena Kaunisto**  
Head of Operator Development

**Olli Knuuttila**  
Head of Network Consulting

**Anna Salovius-Ådahl**  
Head of Finance  
& Administration

**Esa Vesterinen**  
Head of Business Development  
& International Sales

# Board of Directors

## Omnitele Board

Helsinki, 4th April 2007

**Veikko Naire**  
Managing Director  
Satakunnan Puhelin Ltd.  
Chairman of the board

**Seppo Toivonen**  
Managing Director  
Finnet Association  
Vice chairman of the board

**Ilpo Hellman**  
Managing Director  
Ikaalisten-Parkanon Puhelin Osakeyhtiö

**Erik Sjöberg**  
Managing Director  
Vaasan Läänin Puhelin Oy

**Jarmo Matilainen**  
Managing Director  
Mikkelin Puhelin Oyj  
(20.4.2006 starting)\*

\* Matti Kotisaari, Director of Development, Finnet Ltd. (20.4.2006 ending)  
Arto Herranen, Managing Director, Enfo Oyj (20.4.2006 ending)

# Auditors report

## To the shareholders of Omnitele Ltd.

We have audited the accounting, the financial statements and the corporate governance of Oy Omnitele Ab for the period 1.1.-31.12.2006. The financial statements, which include the report of the Board of Directors, income statement, balance sheet and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes earning on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as, evaluating the overall financial statement pres-

entation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the company's result of operations as well as of the financial position. The financial statements can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the retained earnings is in compliance with the Companies Act.

Helsinki, 20th April 2007

**Kunto Pekkala**  
Authorised Public Accountant

**Anne Vuorio**  
Authorised Public Accountant

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