

omnitele



Annual Report 2008

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Omnitele facts

- > Telecommunications consulting since 1988
- > Projects in more than 70 countries worldwide
- > Owned by national telecom operator groups
DNA, Finnet and Veritas insurance company
- > 51 full-time consultants

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President's review

Omnitele Ltd. celebrated its 20th anniversary in 2008. Since 1988 we have been working in more than 70 countries having the main focus on wireless industry. During recent years the focus of Omnitele's business has shifted towards international markets. Currently the share of International projects exceeds 70 % of turnover.

Operationally Omnitele had a good year in 2008. Our market presence in Africa, Middle-East, the Caribbean and in Europe was good. We were able to carry out nearly one hundred projects during 2008, out of which 60 projects internationally, in assisting our customers in finding the best technology and business solutions.

In the telecommunication industry, year 2009 will be clearly more challenging than 2008 due to the global economic situation. Our target is to continue reshaping our service focus within network technologies. We aim to offer our clients services with concrete results based on our deep technical know-how and profound understanding of operator processes and business.

I thank all employees and Omnitele customers for a good year 2008 and look forward to face 2009 as a strong and experienced team.

omnitele
Timo Mustonen, President



PERFORMANCE, QUALITY, PEOPLE

Our way of turning opportunities into success

Omnitele Ltd. is a pioneer within the wireless industry with over twenty years of leading edge network and business consulting experience worldwide. Omnitele was founded in 1988 to set up the first GSM operator in the world and is owned by Finnish national telecom operators and an external investor.

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 solutions for deploying new technologies.

Omnitele bridges the gap between business and technology. Our expert project teams combine the deep technical knowhow with solid business understanding. In each project we deploy a project team that best suits the customer's requirements and needs, whether the requirements are deep technical understanding of technologies, the technologies' business effects, or both.

Business Consulting

The main emphasis of Omnitele Business Consulting projects was on assisting operators around the world in analyzing and improving the profitability of their mobile broadband business. Omnitele conducted ground breaking analyses of the cost structure and profitability of mobile broadband business in a number of projects in Europe and the Middle East.

Omnitele also assisted the African clients in successful launch of mobile content services and roll-out of state-of-the-art 3G networks. In Finland, Omnitele conducted a number of techno-economic feasibility studies on new technologies and services, assessed the feasibility of pricing models of companies with significant market power and assisted a group of operators in benchmarking and improving the internal efficiency of their operations.

As a total, Omnitele's 12 business consultants conducted a total of 45 projects out of which 24 to international clients.



Network Consulting

Omnitele's offering in technical services vary from network audit and development projects to turnkey network planning and optimization services. In total Network Consulting Unit conducted 40 client projects during the year. We strengthened our position as a leading edge network auditor and conducted demanding network optimization and development projects worldwide.

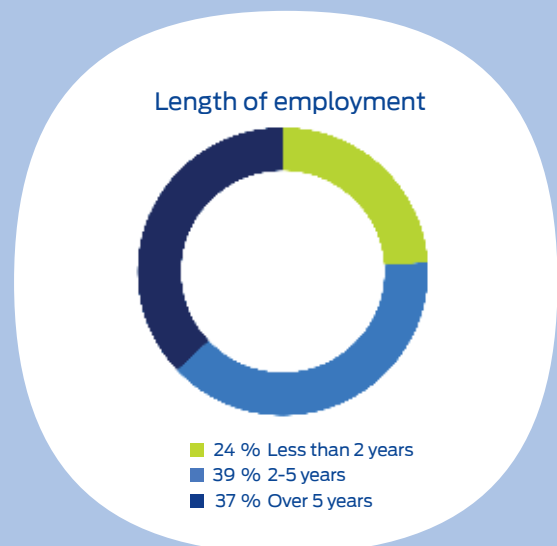
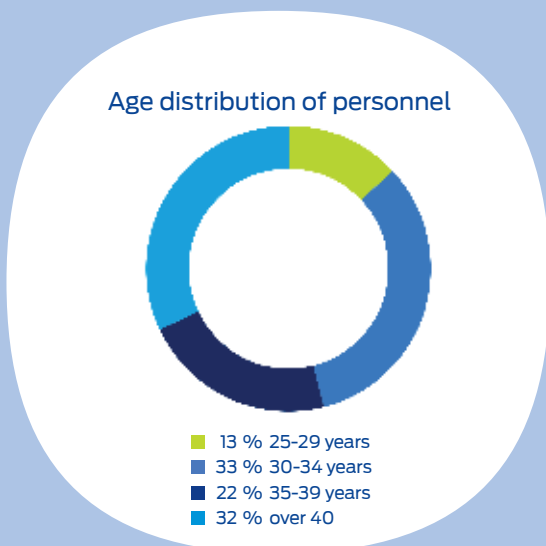
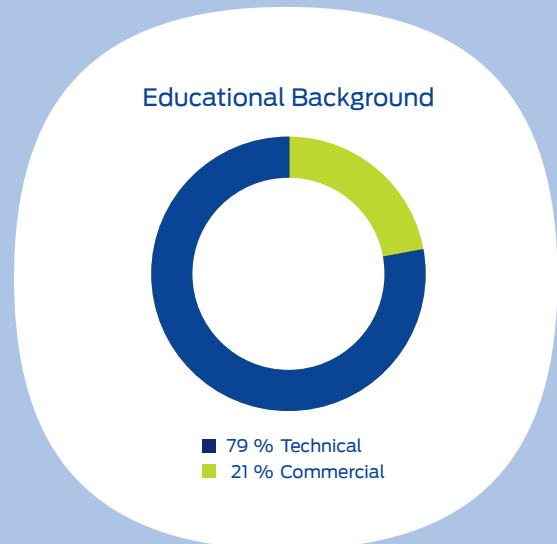
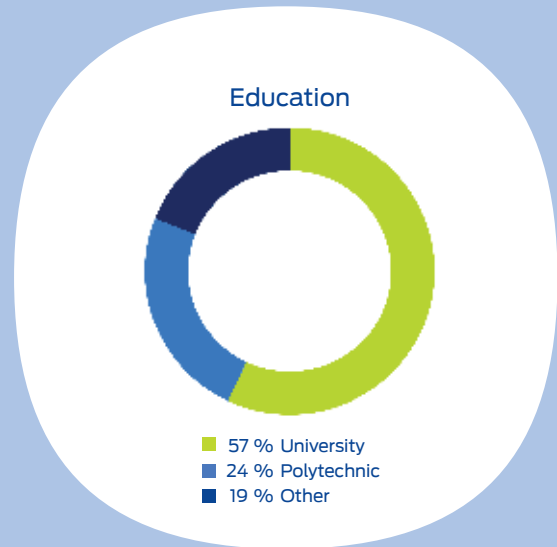
International clients represented two thirds of Network Consulting business, both in terms of revenue and amount of projects.

In the emerging markets Omnitele role was more to assist operators in managing their growth. Omnitele focus was to improve operator coverage footprint and to optimize the offered network capacity. Whereas in the developed countries, Omnitele focus was to assist operators in optimizing their networks to meet the new challenges of mobile broadband.

Personnel

We aim to be the trusted partner for our customers and will achieve it through our most valuable asset; the know-how within our company. Our employees are our most important asset. Omnitele's consultants have an extensive expertise of telecommunications technology and business, providing customers with real added value.

The average number of employees at the end of the year was 54 compared to 53 in 2007. Our education level is very high as 57 percent of our employees have an academic degree.



Board of Directors' report

Market Situation:

Telecommunications industry development in Omnitele's selected market areas was diverse in 2008. European operators were focusing in re-organisations and cost efficiency, while operators in Africa, the Caribbean and in the Middle East focused to expand their capacity to serve their customers with the newest technology innovations.

Operations:

Omnitele's business focus has been on the international side as 72 percent of Omnitele's turnover comes from abroad. In the first half of the year there were issues to find the right resources for project delivery and to put our experienced consultants where they are needed. In the second half of the year, Omnitele had challenges with focusing our sales efforts to the right customers.

Financially Omnitele performance within the telecommunications consulting business was good. The turnover for 2008 was EUR 8,9 million with a profit of EUR 549.000 before taxes, compared to EUR 589.000 in 2007. The total turnover grew by 14 percent compared to previous year.

Omnitele conducted nearly one hundred projects in 2008 of which 60 projects were for international clients. The size of international projects continued to grow. International projects were carried out in Europe, the Caribbean, Africa and in the Middle East. All projects were obtained without any EU or other public funding in a very competitive market situation.

Core know-how used in these projects were gained from previous project experiences. Home office support has also been important for successful completion of project work and the motivation and the flexibility of all employees has been exceptional.

Offices:

Omnitele headquarter is in Helsinki, Finland. Other offices are located in Tampere, Finland and Pristina, Kosovo.

Organisation:

The operations were organized into four units in 2008: Business Consulting Unit, Network Consulting Unit, Finance, Infrastructure, HR & Control and Marketing and Strategy. The Business Consulting Unit was headed by Mr. Antonios Drossos, the Network Consulting Unit by Mr. Esa Vesterinen. The head of Finance, Infrastructure, HR & Control was Mrs. Anna Salovius-Ådahl and Mr. Karri Virkajärvi was responsible for Marketing and Strategy. Omnitele company President was Mr. Timo Mustonen. All the above persons constituted Omnitele management team.

Employees:

The average number of employees during 2008 was 54 compared to 53 in 2007. At the end of the year Omnitele employed 54 persons.

Annual meeting of shareholders:

The annual meeting of shareholders was held on 16th April 2008 in Helsinki.

Income statement

| Euro | 1.1.-31.12.2008 | 1.1.-31.12.2007 |
|--|----------------------|-----------------|
| Net Sales | 8 921 224,10 | 7 851 386,72 |
| Materials and Services | -1 399 385,83 | -652 888 26 |
| Staff expenses | -4 205 492,25 | -4 019 941,61 |
| Depreciations and value adjustments | -235 246,54 | -249 886,69 |
| Other operating expenses | -2 540 580,91 | -2 387 069,19 |
| Operating profit | 540 518,57 | 581 600,97 |
| Financial income and expenses | 8 788,11 | 7 632,65 |
| Profit before appropriations and taxes | 549 306,68 | 589 233,62 |
| Direct taxes | -172 431,57 | -156 337,84 |
| Net profit for the period | 376 875,11 | 432 895,78 |

Balance Sheet

| Euro | 31.12.2008 | 31.12.2007 |
|-----------------------------------|---------------------|--------------|
| Assets | | |
| Fixed assets | | |
| Intangible assets | 46 833,64 | 66 531,97 |
| Tangible assets | 221 477,89 | 332 430,60 |
| Shares in Group companies | 23 546,31 | 23 546,31 |
| Other investments | 485,26 | 485,26 |
| | 292 343,10 | 422 994,14 |
| Current assets | | |
| Current receivables | 1 957 746,47 | 1 942 395,51 |
| Other investments | 1 252 661,06 | 1 252 661,06 |
| Cash and Bank | 515 461,50 | 390 447,81 |
| | 3 725 869,03 | 3 585 504,38 |
| | 4 018 212,13 | 4 008 498,52 |
| Liabilities | | |
| Shareholders' equity | | |
| Share capital | 201 825,51 | 201 825,51 |
| Retained earnings | 2 263 284,66 | 1 970 788,88 |
| Net profit for the period | 376 875,11 | 432 895,78 |
| | 2 841 985,28 | 2 605 510,17 |
| Accumulated appropriations | | |
| Long-term liabilities | 20 443,24 | 20 443,24 |
| Short-term liabilities | 1 155 783,61 | 1 382 545,11 |
| | 1 176 226,85 | 1 402 988,35 |
| | 4 018 212,13 | 4 008 498,52 |

Board of Directors

Omnitele Board

Helsinki, 16th April 2008

Risto Siivola

Chairman of the Board
Managing Director
Oulun Puhelin Holding Oy

Timo Cáven

Managing Director
Vaasan läänin Puhelin Oy

Christian Kurtén

Independent Industry Specialist

Jarmo Leino

Lännen Teletieto Oy

Jan-Erik Stenman

Managing Director
Eläkevakuutusyhtiö Veritas

Hannu Turunen

Director
DNA Oy

Auditors report

To the annual general meeting of Omnitele Ltd.

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Omnitele Ltd. for the year ended on 31 December, 2008. The financial statements comprise the balance sheet, the income statement, the cash flow statement and notes to the financial statements.

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements and the report of the Board of Directors in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on these financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors and the Managing Director have complied with the Limited Liability

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of the financial performance and financial position of the company in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, February 13, 2009

Kirsi Jantunen
Authorised Public Accountant

Anders Lundin
Authorised Public Accountant

omnitele

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