



Telestone Technologies Corporation provides local access network solutions with products manufacturing and projects implementation in China's telecommunication industry. Telestone's customers are China Mobile, China Unicom and China Telecom who require local access networks for their mobile signal coverage. The Big 3 have earmarked \$70 billion for 3G upgrades in 2009-2011. Telestone's fiber-optic based technology, WFDS™, provides comprehensive access solutions with multi-play capabilities. The benefits include cost savings to clients, efficiency of information users, convenience to property owners, higher-margin revenues, and growth potential both at home and abroad. Telestone projects 2009 revenue at \$70 million, 100% growth over 2008

INDUSTRY: Telecom
SECTOR: Technology

Telestone Technologies Corporation

6th Floor, Saiou Plaza
3 Haiying Road,
Fentai Technology Park
Beijing, CHINA 100070
Tel: 86-10-83670088
www.telestone.com

Company Contact:

Ren Hu
Board Secretary
Tel: (201) 887-0415
arenhu@gmail.com

Investor Relations:

John Mattio, SVP
HC International, Inc.
Tel: (203) 616-5144
john.mattio@hcinternational.net

SELECT FINANCIALS

Nasdaq : TSTC

Fiscal Year End	Dec. 31st
Market Cap	USD \$144 M
Current Price (11/18/09)	\$13.18
52 Week Price Range	\$ 0.63 - \$13.80
Fully-Diluted Shares	10.4 M
Volume	310,000
Cash (09/30/09)	\$5.3 M
2008 Revenues	\$35.3 M ▲ 5.2%
2008 Net Income	\$7.0M ▲ 16.7%
2008 EPS	\$0.70
Management Ownership	38.8%
Auditor	QC CPA
Legal	Cadwalader, Wickersham & Taft LLP

INVESTMENT HIGHLIGHTS

- A leader in wireless access network solutions for the wireless telecom industry in China:
 - Local access solution innovation
 - Equipment R&D and manufacturing
 - Project engineering and services
- Only provider of comprehensive solutions with a nationwide presence and rapid international expansion
- Strategically positioned to benefit from ongoing transition from 2G to 3G technologies – \$70B earmarked by the Big 3 carriers from 2009 to 2011
- Engaged in 3,000-4,000 projects annually, with 1200 employees and 26 offices in China.
- New WFDS™ technology becoming industry standard. FCC approved WFDS™ in September of 2009 for use in the US.
- Revenue for the third quarter 2009 increased 124.7% to approximately US\$18.9 million from US\$8.4 million in the third quarter of 2008
- For the first nine months of 2009 revenues increased 85.8% to \$38.9 million, while net income increased 96.8% to \$7.4 million with EPS of \$0.71
- Telestone has revenue guidance of \$70 million for 2009, a 100% increase over 2008.

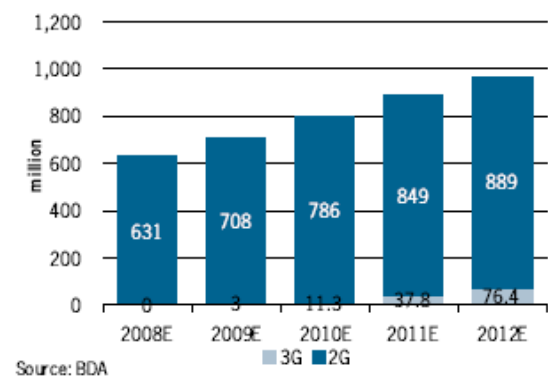
FINANCIAL PERFORMANCE

	FY 2008	FY 2007	vs. FY 2007	9M 2009	9M 2008	vs. 9M 2008
Revenue	\$35.3 M	\$33.6 M	▲ 5.2%	\$38.9 M	\$20.5 M	▲ 85.8%
Gross Profit	\$18.2 M	\$17.4 M	▲ 6.8%	\$18.6 M	\$10.5 M	▲ 77.1%
Net Income	\$7.0 M	\$6.0 M	▲ 16.7%	\$7.4 M	\$3.7 M	▲ 98.6%
EPS (Fully-Diluted)	\$0.70	\$0.58	▲ 20.7%	\$0.71	\$0.36	▲ 97.2%

MARKET OPPORTUNITY

- **Increasing mobile users**- China is the world's largest market for telecom products and services. Mobile users totaled over 700 million, compared to 255 million in the second largest market in the world, the US.
- **Restructuring of China's telecomm industry** - The consolidation of the telecom industry in China from six service providers to currently three, has created the opportunity of infrastructure capital expenditure totaling RMB 280 billion for upgrading in next two years, of which RMB 150 billion will be spent in 2009.
- **Launch of 3G network** - China officially released 3G licenses on Jan. 7, 2009 to new and existing telecom operators which paves way for massive investment on upgrading and equipment. On May 17, 2009, Chinese telecomm carriers announced plans to upgrade 200 cities by the end of 2009.
- **Unification access network provides the right solution for both carriers and property owners.**

PRC mobile subscribers forecasts

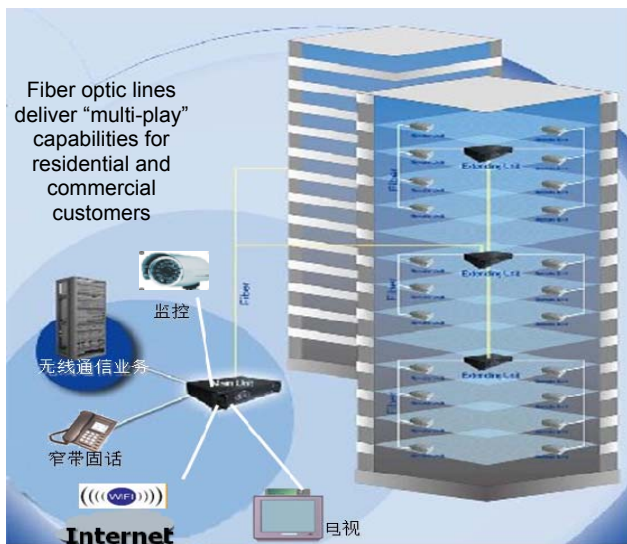


TELESTONE'S COMPETITIVE ADVANTAGES

1. **WFDS™** is the only technology of its kind in the world and it is becoming the industry standard.
2. **WFDS™** brings substantial cost savings to the clients and convenience to the property owners, which allow TSTC to generate higher margin revenue and expand market share quickly.
3. **Solution provider**, instead of product manufacturer and reseller.
4. **3-5% of annual revenue invested in R&D**, 70% of 1200 employees are technical staff, 40% of 100 R&D staff have masters degree or above. Dozen industry experts lead the access solution R&D.
5. **IP-based operations** with 60 patents and 40 waiting for approval.
6. **Nationwide footprint** and international offices poised for quick expansion.
7. **10+ year relationships** with clients and strategically positioned to benefit from \$70B budgeted for the 3G upgrade

WFDS™—Wireless Fiber Optic Delivery System - TELESTONE'S NEW 3G TECHNOLOGY

estimated 20% of 2009 revenues with huge growth potential









- WFDS™ is a new generation of a wireless distribution system
- Only technology of its kind in China and is expected to become the industry standard
- Utilizes fiber-optic cable to provide a comprehensive connectivity solution for:
 - ◇ 2G/3G wireless signal coverage
 - ◇ High-speed Internet
 - ◇ TV
 - ◇ Fixed line phone and fax
 - ◇ Closed circuit monitoring and security alarm system
 - ◇ Utilities usage readings
- All-optical design supports all mobile telecom networks and various other networks—enables "Multi-Play"
- Low cost, quick installation and simple to maintain for building owners and telecomm carriers

The Unification Advantage with WFDS™

- More service products are enjoyed by mobile users, like games, TV and GPS creating a variety of bandwidth demands on networks plus more services applications are used in more fields, like P2M, P2C, M2M.
- The above are driving the upgrades of 3G network and broadband fix line network to commercial and residential locations.
- Traditional systems can not handle all data sources, WFDS™ provides a unified platform for delivery.

TELESTONE-MANUFACTURED 2G PRODUCT LINE

estimated 80% of 2009 revenues

Repeaters Connects remote locations to city wireless infrastructures 	Coverage Increased coverage for skyscrapers, airports, stadiums, shopping malls, hospitals, etc. 	TMA & TMB Creates connectivity for extremely remote areas or regions with geographic challenges 
Microwave Provides increased capacity in densely populated areas 	Mobile Deploys a private branch (telephone) exchange using wireless technology 	Jammers Transmits on the same frequencies cell phones, disrupting communication 

MANAGEMENT TEAM

Han Daqing, President, CEO & Chairman of the Board

Served as a member of the Board of Directors of Telestone since its inception in October, 1997 and was named CEO in January, 2002. From 1996 to 2002, Mr. Han was the Chief Representative of the Beijing Office of Allgon Systems AB, an international telecommunications conglomerate. Mr. Han holds a Bachelors degree in Computer Engineering and a Masters degree in Digital Communication Engineering, both from the Xi'an University of Electronic Science & Technology. In addition, Mr. Han holds a Masters of Business Administration from CITY University.

Yu Yongjing, Chief Operating Officer

Mr. Yu joined Telestone in July, 2007 from Shandong Guolian Telecommunication Technology Limited Company ("Shandong Guolian"), where he served as General Manager. From 1994 to 2003, Mr. Yu managed the Engineering department of Japan Daimei Telecommunication Corporation. Mr. Yu earned a Bachelor's degree in Telecommunication Engineering from Nanjing University of Post and Telecommunication.

Li Hong, Chief Financial Officer

Ms. Li joined Telestone in Nov. 2008. Ms. Li brings over 13 years of senior management experience in accounting, auditing, financial analysis and reporting for both public and private companies in China. From January 2002 to June 2008, Ms. Liserved as the Chief Financial Officer at Beijing Suburb Telecommunication Industry Co., Ltd.. Ms. Li holds a Master's degree in Accounting from Central University of Finance and Economics, China and a Bachelor's degree in Accounting from Hefei.

Wang Jianjun, Vice President

Mr. Wang joined Telestone in November, 2001. From 1997 to 2001, Mr. Wang was a Technology Representative for LPG Allgon Co. in its Beijing Office. Mr. Wang holds a Bachelor's degree in Communication Engineering and a Masters degree in Communication and Electronic Systems, both from Xi'an University of Electronic Science & Technology.

DISCLAIMER

Statements included in this document may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks and uncertainties such as competitive factors, technological development, market demand, and the company's ability to obtain new contracts and accurately estimate net revenues due to variability in size, scope and duration of projects, and its ability to complete and integrate future acquisition opportunities. As a result, actual results may differ materially from any financial outlooks stated herein. Common stocks involve significant risk and it is possible to lose your entire capital investment. Further information on potential factors that could affect the company's financial results can be found on www.sec.gov. HC International provides investor relations services for TSTC under a one-year contract commencing September 10, 2009 and receives eight thousand dollars per month. In addition HCl received 40,000 warrants to purchase common stock which vest on September 10, 2010 and are