



TEKLA

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**Tekla CMD in Helsinki
May 25, 2010**

Ari Kohonen

Tekla Corporation

Innovation since 1966

Seminar program

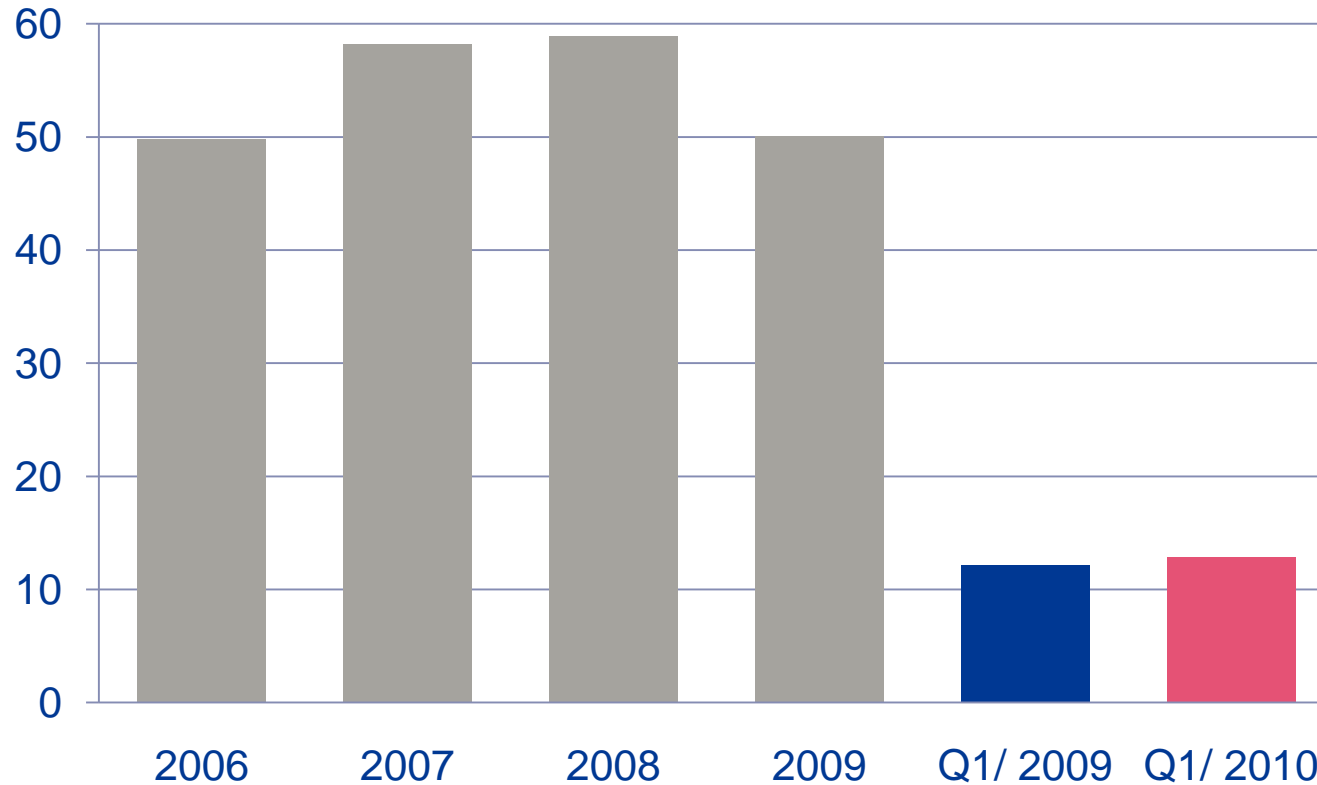
- > 12:45 – 13:15
 - Opening words & short Tekla overview; Ari Kohonen
 - Bench mark with 2009 figures; Timo Keinänen

- > 13:15 – 14:45
 - Visit to Crusell bridge (Skanska site):
presentation of the project, Tekla Structures' role in the project

- > 14:45 – 17:15
 - Built Information Top Know-How; Ari Ahonen, Managing Director, RYM Oy
 - Tekla B&C overview; Risto Rätty
 - Smart Grids: Eero Saarijärvi, Researcher, Department of Electrical Engineering, Aalto University School of Science and Technology
 - Tekla I&E overview; Kai Lehtinen

Net sales 2006 – Q1/2010

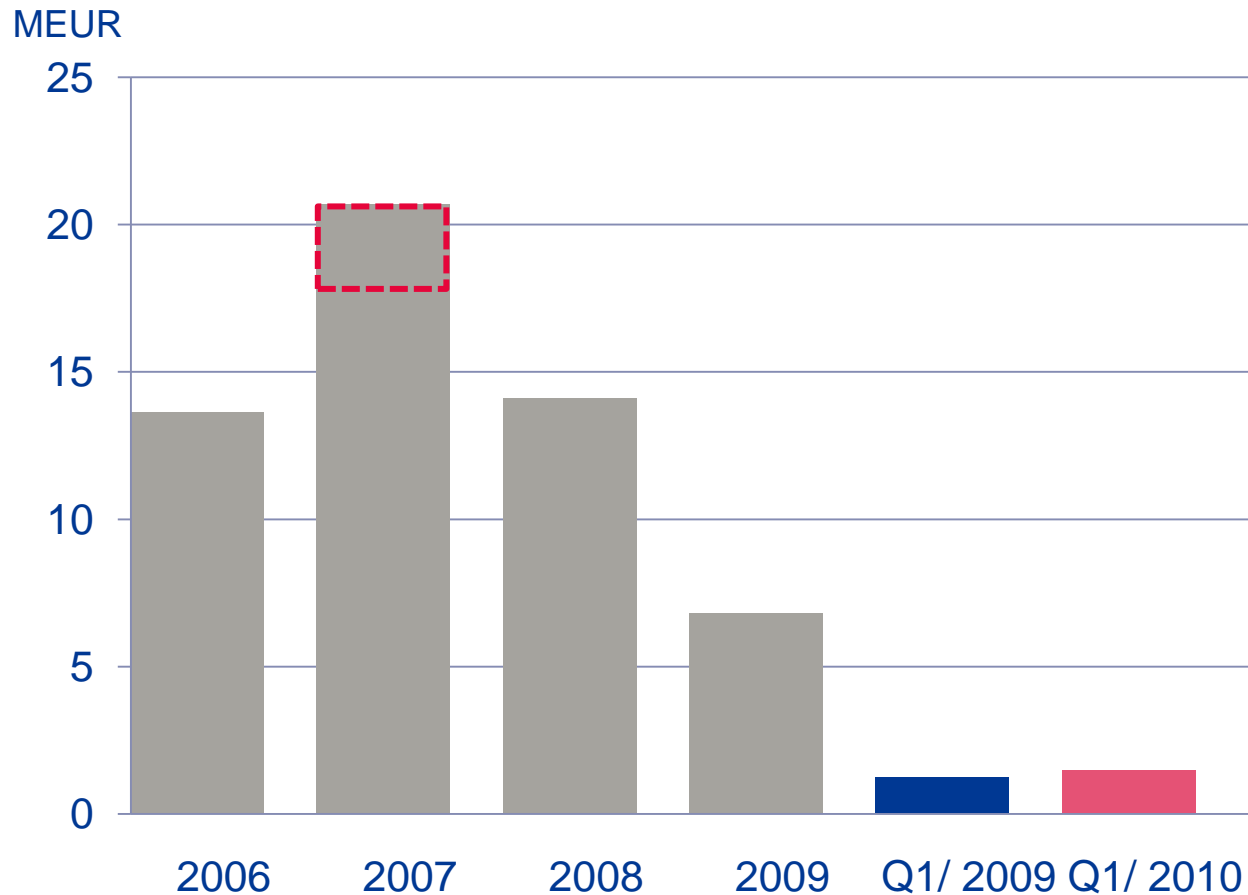
MEUR



> In Q1/2010
net sales was
M€ 12.84 (12.19)



Operating result 2006 – Q1/2010



> In Q1/2010 operating result was M€ 1.48 (1.24)

 Impact from sale of Defence M€ 2.78



Business model review

- > **Software product business** with wide **geographic potential**
- > Compact set of **target industries**
- > Focus on the **core processes** of the customers
- > Almost **all product development** in Finland
- > **Independent** of third party platforms
- > Importance of **interoperability** increasing
- > Needs a **dedicated sales force**
- > Sales highly **diversified**, not dependent on single clients
- > Average **size of clients** growing, some migration towards **product based solutions** from pure products

Software product business

- > Costs are mainly **personnel costs**
- > Highly skilled personnel, **long training** period
 - Cost base not flexible
- > Production and other **cost for additional (or missing) sales low**
- > No **geographic or raw material** constraints
- > Successful **product business** is normally more **profitable** than selling work hours
 - It can also be more volatile
- > **Product development** is much more an **investment** than operating cost



2010 outlook (unchanged) as per May 5

- > The rate of the recovery of the global economy has a major impact on the development of Tekla's net sales, but foreseeing it is naturally difficult.
- > Net sales and operating result are estimated to increase moderately in 2010.



Comments on the 2010 outlook

- > The **worst part of the recession** appears to be over.
- > Economic growth still uncertain, and therefore guidance was not changed
- > Personnel reduction in Q1 a cyclical event; personnel will increase if sales increase but more slowly
- > Operational costs not lower, level will depend on sales growth and profitability
- > Quite possible to reach faster than single digit growth



Future

- > Tekla takes **the long term view**
- > We did not significantly cut cost, competitive position improved
- > We are confident that the markets for our products will substantially grow in **the long term**
- > Synergistic **expansion of the product offering**
- > Focus on **organic growth**
- > **Partnerships** with other industry players
- > **BIM** is gaining more and more acceptance

