

Tekla Corporation

February 12, 2010

**Tekla Corporation's Financial Statements Bulletin January 1 – December 31, 2009:  
Year 2009 good considering the circumstances**

Net sales of Tekla Group for January-December 2009 totaled 50.07 (58.90) million euros, decreasing by 15%. The operating result was 6.81 (14.10) million euros, 13.6% (23.9%) of net sales. Earnings per share were 0.23 (0.49) euros. The Board's dividend proposal to the Annual General Meeting is 0.20 euros per share.

Net sales for the fourth quarter amounted to 14.29 (15.80) million euros, decreasing by 9.6%. The operating result for the quarter was 2.20 (3.63) million euros, or 15.4% (23.0%) of net sales.

**Ari Kohonen**, President and CEO, comments on the reporting period:

- The slightly positive development continued during the fourth quarter. The quarter saw the highest net sales of the year, similarly to previous years. Net sales and profitability did fall short of the year before, but less than during the previous quarters of the year. As for the year as a whole, the company's profitability, cash flow and solvency can still be deemed good, especially in view of the challenging operating environment.

- As we have mentioned before, there is still reason to be cautious in estimating the future. The global economy is on the verge of recovery, but there is still no certainty of the beginning of the actual upturn. Our customers have not reported an improvement in their business performance either. No fundamental changes have taken place in the demand situation, but some cautious positive signs can be seen.

- The net sales of our main business area, Building & Construction, for the fourth quarter were slightly better than during the first three quarters. The operating result fell considerably short of the year before, as the cost savings achieved during the year did not have an equally strong impact on the result for the fourth quarter. Full-year net sales and operating result were considerably lower than the year before. Nevertheless, the operating result and its level (13.0%) can be considered good in the difficult conditions.

- The longer-term outlook of the business area continues to be promising as the building industry is utilizing information models more and more extensively. Customers show great interest in Building Information Modeling (BIM), and the BIM trend is a strong one in the industry.

- In terms of market areas, license sales increased during the fourth quarter in North America, India and France. As for the year as a whole, sales trends were negative in India, Western Europe, the UAE and the Nordic countries among others. License sales increased in China and Indonesia among others. The most promising among the potential markets is South America.

- The Infra & Energy business area succeeded in increasing its net sales and operating result on an annual level, with which we are very pleased. The fourth quarter was by far the best during the year, similarly to several previous years. The operating result percentage was 15.1, which we consider good in the prevailing business environment.

- The number of personnel remained at the same level during the fourth quarter and the year as a whole. The average number of personnel during the entire year increased by 26 persons on the previous year. Nevertheless, total expenses were slightly lower compared to the year before. The lower costs were due to cost control and result-based bonus level adapted to profitability.

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. At this stage, the Board of Directors estimates both net sales and operating profit to increase moderately.

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## NET SALES AND PROFITABILITY

- \* Net sales of Tekla Group for January-December 2009 were 50.07 million euros (58.90 million euros in January-December 2008).
- \* Net sales decreased by 15%.
- \* Operating result was 6.81 (14.10) million euros.
- \* Operating result percentage was 13.6 (23.9).
- \* Earnings per share were 0.23 (0.49) euros.
- \* Return on investment was 24.5 (49.0) percent.
- \* Return on equity was 17.4 (35.4) percent.

## FINANCIAL POSITION

- \* Cash flow from operating activities totaled 6.89 (9.51) million euros.
- \* Liquid assets amounted to 26.65 (26.30) million euros on December 31.
- The assets have been invested in money market instruments with very low risk.
- \* Equity ratio was 73.1 (68.4) percent.
- \* Interest-bearing debts were 0.13 (0.12) million euros.
- \* Net effects of changes in exchange rates on net sales and operating result were small.

## OTHER KEY FIGURES

- \* International operations accounted for 81.1% (82.9%) of net sales.
- \* Personnel averaged 456 (430) for January-December.
- \* At year's end, the number of personnel including part-time staff was 466 (464).
- \* Research and product development expenses amounted to 28.9 (25.7) percent of net sales.
- \* Gross investments in property, plant and equipment were 1.71 (2.02) million euros.
- \* Equity per share was 1.33 (1.35) euros.
- \* On the last trading day of December, trading closed at 6.35 (3.73) euros.
- \* The Board's dividend proposal for 2009 is 0.20 euros per share.

## BUSINESS AREAS

### NET SALES BY BUSINESS AREA

Million euros	Q1-Q4/ 2009	Q1-Q4/ 2008	Chang e	Q4/ 2009	Q4/ 2008
Building & Construction	36.34	46.07	-9.73	9.90	11.35
Infra & Energy	13.80	12.95	0.85	4.41	4.50
Net sales between segments	-0.07	-0.12	0.05	-0.02	-0.05
Total	50.07	58.90	-8.83	14.29	15.80

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**OPERATING RESULT BY BUSINESS AREA**

Million euros	Q1-Q4/ 2009	Q1-Q4/ 2008	Change	Q4/ 2009	Q4/ 2008
Building & Construction	4.72	12.13	-7.41	1.05	2.36
Infra & Energy	2.08	1.97	0.11	0.95	1.26
Others	0.01	0.00	0.01	0.20	0.01
<b>Total</b>	<b>6.81</b>	<b>14.10</b>	<b>-7.29</b>	<b>2.20</b>	<b>3.63</b>

**GEOGRAPHICAL DISTRIBUTION OF NET SALES**

Million euros	2009	2008
Finland	9.44	10.10
Rest of Europe	19.22	22.80
North America	8.79	10.02
Asia	9.93	12.73
Other countries	2.69	3.25
<b>Total</b>	<b>50.07</b>	<b>58.90</b>

**BREAKDOWN OF NET SALES BY CATEGORY\*)**

% of net sales	Building & Construction		Infra & Energy		Tekla total	
	2009	2008	2009	2008	2009	2008
Licenses	47	59	18	17	39	50
Recurring	48	37	52	51	49	40
Services	5	4	16	18	8	7
Others	0	0	14	14	4	3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*) Net sales categories:

- License: license to use the sold product version
- Recurring: maintenance income (includes annual product versions and customer support), subscriptions and SaaS
- Services: implementation support, training and consultation
- Others: e.g. customer- or customer group-specific product projects

**BUSINESS AREAS**
**Building & Construction**

Tekla's Building & Construction business area (B&C) develops and markets the Tekla Structures software product for information model-based design of steel, concrete and other structures as well as the management of fabrication and construction.

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Demand fluctuates strongly in our license-based sales. Particularly from fall 2008 onward, the development of the building industry has been negative in all of Tekla's key market areas. Uncertainty of financing has added to the problems, and this is particularly seen in new larger projects. The general economic uncertainty continues to affect customers' investments, making their decision-making times longer and postponing the start-up of projects into the future. It seems that pent-up demand is piling up in the market. At the moment, there are cautious signs of a revival in sight.

Despite the building industry's challenging situation, Tekla's position as a supplier of 3D modeling software is strong and the numbers of users are on the increase. Customers in the building industry are seeking tools that make their operations more efficient, which is what Tekla's products are. Information modeling is strengthening its foothold in structural design and other stages of the building process. The benefits of information modeling are seen more clearly in site management in particular.

Instead of large one-off sales, software continues to be purchased in smaller batches. However, many of the purchases are strategic with customers preparing for the information-model-based way of working. New customers account for an increasing proportion of sales, which is a positive sign of interest in Tekla's expanding product offering.

The net sales of B&C amounted to 36.34 (46.07) million euros for January-December 2009. Net sales decreased by approximately 21% compared to the previous year. Operating result was 4.72 (12.13) million euros. B&C's operating result percentage for 2009 was 13.0% (26.3%). The operating result and its level can be considered good in view of the difficult circumstances. B&C's maintenance revenue increased, and with the decreasing license sales the proportional and balancing importance of maintenance increased.

During the fourth quarter, B&C's net sales amounted to 9.90 (11.35) million euros, decreasing by 12.8%. B&C's operating result for October-December was 1.05 (2.36) million euros and operating result percentage was 10.6% (20.8%). Net sales for the fourth quarter were slightly better than for the previous quarters of the year thanks to license sales. The operating result fell considerably short of the year before, as the cost savings achieved during the year did not have an equally strong impact on the result for the fourth quarter. Towards the end of the year, Tekla secured a potentially significant new customer account in the United States.

International operations accounted for 96% (95%) of B&C's net sales in January-December 2009. In terms of market areas, license sales increased during the fourth quarter in North America, India and France. As for the year as a whole, sales trends were negative in India, Western Europe, the UAE and the Nordic countries among others. License sales increased in China and Indonesia among others. The most promising among the potential markets is South America.

It is very favorable for Tekla that the building industry's move to information-model-based 3D processes from traditional 2D ways of working continues. Because of this, the business area's long-term outlook continues to be promising. This development is supported by the fact that the number of training licenses intended for educational institutions has increased noticeably.

Building Information Modeling (BIM) is consolidating its position in the building industry. BIM means that the information of the product model is transferred and shared between the parties of the construction process.

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This expands the cooperation between the parties involved in the building process. In order to facilitate cooperation, the interoperability of software is increased and data exchange between software systems is improved. This way customers are able to choose the product that is suited the best for a specific task. Examples of this are the cooperation agreements signed by Tekla during the latter half of the year with MAP Software (in August), Graphisoft (in September) and Nemetschek (in October).

Measures against software piracy continued both by own efforts and in cooperation with BSA. It seems that the efforts are bearing fruit, even though piracy will hardly be eradicated completely.

In July, Tekla opened an office in Bangkok, Thailand, for B&C's customer support functions. A corresponding office was opened in Jakarta, Indonesia, in February.

In April, Tekla purchased the business operations of 3-Design LLC, a small producer of general engineering software. The primary customer base consists mainly of engineering offices operating in the UK market.

Tekla and Rautaruukki signed a cooperation agreement in April. Tekla Structures BIM software will be used for structural steel design in almost all countries in which Rautaruukki's construction division has a presence.

In March, Tekla and UK-based Fisher Engineering signed a frame agreement to replace all of Fisher's current structural design and detailing software licenses with Tekla Structures licenses over the next two years.

Tekla and Dutch machine tool manufacturer HGG signed an agreement on continued cooperation during the first months of the year. The aim is to develop a standardized software solution for the steel tube industry in Tekla Structures. These are widely used e.g. in the off-shore industry.

At the end of the year, the product development of Tekla Structures concentrated on developing the work flow, in situ concrete design and IFC data. The annual main version with these improvements was released at the beginning of February 2010.

## Infra & Energy

The Infra & Energy business area focuses on the development and sales of model-based software solutions that support customers' core processes. Its key customer industries (products in parentheses) are energy distribution (Tekla Xpower), public administration (Tekla Xcity), water (Tekla Xpipe) as well as civil engineering (Tekla Xstreet).

In the energy industry, information system acquisitions are strategic investments for the companies. The economic recession has not had much effect on these investments. Tekla's market position as a supplier of network information systems is strong in the Nordic and Baltic countries.

In public administration, the economic crunch has decreased income and funds available for investments. However, information systems provide additional productivity, efficiency and self-service and therefore cost-savings. Decreased financial resources have slowed down the development of the

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municipal sector, and preparation times of investments have become longer. Tekla's sales and market position remained strong in Finland.

The net sales of I&E amounted to 13.80 (12.95) million euros for January-December 2009, increasing by 6.6% during the year. I&E's operating result was 2.08 (1.97) million euros. The business area succeeded in increasing its net sales and operating result on an annual level, with which we are very pleased. I&E's operating result percentage was 15.1% (15.2%), which is considered good in the prevailing business environment. International operations accounted for 42% (39%) of net sales.

I&E's net sales for the October-December amounted to 4.41 (4.50) million euros and operating result was 0.95 (1.26) million euros. The operating result percentage was 21.5% (28.0%). The fourth quarter was by far the best during the year, similarly to several previous years.

At the end of the year, Vattenfall Central Europe decided to expand the use of Tekla Xpower in Berlin and Hamburg. Vattenfall's goal is to enter full production use of the system in Berlin gradually during 2010. System coverage will also be expanded in Hamburg, where Tekla Xpower has been in use for approximately ten years.

During the year, strategic cooperation has been tightened with several key customers in the energy industry. This can be seen as further development projects of the solutions for instance, involving Vattenfall Verkko (Finland), Helsinki Energy and Eesti Energia among others.

Tekla is participating in the Smart Grids and Energy Markets research program started in fall 2009. The program aims to develop technologies and operating models for building an electricity distribution network that meets future needs. The five-year program has three themes: management of the smart electricity network, active resources and the infrastructure of the future of energy distribution.

Latvenergo expanded the use of Tekla Xpower, and the distribution management system covers the management of the entire Latvian distribution network. The system integration for Eesti Energia Jaotusvõrk OÜ as well as the support for the European network calculation standard (IEC standard) were completed.

Tekla Xcity's offering has been expanded in the area of electronic infrastructure management services. With regard to water supply and district heating, the first customers adopted operation support applications developed by Tekla in Finland and Sweden.

The user base of Tekla solutions expanded in Finland due to both the merging of municipalities and the expansion of regional solutions. In addition, solutions based on the SaaS concept were implemented in minor energy companies and the management of urban outdoor lighting networks.

## PERSONNEL

The Group personnel averaged 456 (430) in January-December 2009; on average 189 (174) worked outside Finland. In these figures, the number of part-time staff has been converted to correspond to full-time work contribution. At the end of the year, Tekla personnel totaled 466 (464) including part-time staff, of whom 192 (189) worked outside Finland.

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The average age of Tekla's employees was 37.8 (37.0) years. Of the personnel, 64% (64%) had a higher academic degree or university-level studies. 29% (29%) of Tekla employees were female, 71% (71%) male. The turnover of personnel was low, 3.8% (6.6%).

The company has an incentive system that covers all employees. Its level is decided by the Board of Directors. Compensation is linked to the operational and, in particular, financial performance during the previous year. Tekla has no share option programs.

## SHARE AND OWNERSHIP STRUCTURE

### Shares and share capital

The total number of Tekla Corporation shares at the end of December 2009 was 22,586,200, of which the company owned 169,600. The total book counter value of those was 5,088 euros, representing 0.75% of the company's shares and the total number of votes. A total of 898,212.35 euros had been used for acquiring the company's own shares, and their market value was 1,076,960 euros on December 31, 2009. The book counter value of the share is 0.03 euros. At the end of the period, share capital stood at 677,586 euros.

### Share price trends and trading

The highest quotation of the share in January-December was 7.88 (13.00) euros, the lowest 3.40 (3.25) euros. The average quotation was 5.56 (8.32) euros. On the last trading day of December, trading closed at 6.35 (3.73) euros.

A total of 4,419,355 (6,879,065) Tekla shares changed hands in January-December at NASDAQ OMX Helsinki Ltd, amounting to 19.6% (30.5%) of the entire share capital.

Nominee registered and foreign owners held 22.46% (25.07%) of all shares at the end of 2009.

### Flagging Announcements

The holdings of Threadneedle Asset Management Holdings Limited and Ameriprice Financial Inc decreased below the 10% threshold on September 17, 2009. According to the notification, the holdings of Threadneedle and Ameriprice totaled 2,251,721 shares, which represents 9.969% of Tekla's shares and voting rights.

## ANNUAL GENERAL MEETING

Tekla Corporation's Annual General Meeting on March 18, 2009 adopted Tekla Corporation's financial statements and consolidated financial statements for 2008. The Annual General Meeting also discharged the CEO and the Board members from liability. The AGM accepted the Board's proposal whereby a dividend of 0.25 euros per share was distributed for 2008 (total 5,604,150 euros). The dividend payment date was March 30, 2009.

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Ari Kohonen, Olli-Pekka Laine (Vice Chair), Heikki Marttinen (Chair), Erkki Pehu-Lehtonen and Reijo Sulonen were elected Board members until the conclusion of the Annual General Meeting in 2010. Timo Keinänen was re-elected deputy member of the Board. Juha Kajanen will continue as the Tekla personnel representative on the Board with Kirsi Hakkila as his personal deputy.

Ernst & Young Oy, Authorized Public Accountants, were elected as the company's new auditor, with Erkkä Talvinko, Authorized Public Accountant, as the auditor in charge.

The AGM authorized the Board to increase the company's share capital and acquire or transfer the company's treasury shares. The above-mentioned authorizations are valid until the next Annual General Meeting, however not later than April 30, 2010. The Board did not use its authorizations in 2009.

### SHORT-TERM RISKS AND UNCERTAINTY FACTORS

Possible risks and uncertainty factors associated with Tekla's business are mainly related to the market and competition situation and the general economic situation. Trends in the building industry are weak in nearly all markets, and this has had a negative impact on the demand for Tekla products.

A majority of Tekla's net sales comprises of sales of licenses entitling to use software products. Fluctuation in their demand can be rapid and significant. In the short term and with rapidly decreasing demand, it is challenging to proportion fixed personnel expenses, which account for the majority of Tekla's costs. Tekla is, however, able to react swiftly to growing demand, and profits from additional sales are good.

The sales of Tekla software are geographically distributed. Also individual customers do not account for a significant share of net sales, and therefore these risks are not substantial.

### EVENTS AFTER THE REPORTING PERIOD

The holdings of Threadneedle Asset Management Holdings Limited and Ameriprice Financial Inc decreased below the 5% threshold on January 21, 2010. According to the notification, the holdings of Threadneedle and Ameriprice totaled 808,973 shares, which represents 3.582% of Tekla's shares and voting rights.

Tekla received the Internationalization Award 2009 at the beginning of February 2010. The objective of the award, presented by the President of the Republic of Finland, is to encourage businesses in an international environment and to boost their ability to develop and apply new operational models.

### BOARD'S PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The parent company's distributable assets are 23,279,611 euros, of which net profit for the period amounts to 6,080,559 euros.

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Tekla Corporation's Board will propose to the Annual General Meeting, to be held on April 8, 2010, that a dividend of 0.20 euros per share be paid for the financial period 2009 for a total dividend payout of 4,483,320 euros. No dividends shall be paid on the 169,600 shares held by the company.

## OUTLOOK FOR 2010

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. At this stage, the Board of Directors estimates both net sales and operating profit to increase moderately.

## FINANCIAL REPORTING

Tekla's Annual Report for 2009 will be published on the company's Web site on the week of March 8, 2010.

Tekla Corporation's Interim report for January-March 2010 will be published on Wednesday, May 5, 2010.

Espoo, February 11, 2010

TEKLA CORPORATION  
Board of Directors

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**Tekla** is an international software product company whose model-based software solutions make customers' core processes more effective in building and construction, energy distribution, infrastructure management and water supply. Tekla has customers in nearly 100 countries. Tekla's net sales for 2009 were 50 million euros and operating result almost 7 million euros. International operations accounted for more than 80% of net sales. Tekla Group currently employs over 460 persons, of whom almost 200 are outside Finland. Tekla was established in 1966, making it one of the longest operating software companies in Finland. [www.tekla.com](http://www.tekla.com)

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**CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**
**CONSOLIDATED INCOME STATEMENT**

Million euros	Q1-Q4/ 2009	Q1-Q4/ 2008	Change %	Q4/ 2009	Q4/ 2008	Change %
Net sales	50.07	58.90	-15.0	14.29	15.80	-9.6
Other operating income	0.33	1.01		0.14	0.32	
Change in inventories of finished goods and in work in progress	0.07	-0.04		0.03	-0.12	
Raw materials and consumables used	-2.11	-2.86		-0.69	-0.98	
Employee compensation and benefit expense	-27.96	-27.84		-7.60	-7.41	
Depreciation	-1.57	-1.17		-0.41	-0.33	
Other operating expenses	-12.02	-13.90		-3.56	-3.65	
Operating result	6.81	14.10	-51.7	2.20	3.63	-39.4
% of net sales	13.60	23.94		15.40	22.97	
Financial income	2.01	2.44		0.44	0.74	
Financial expenses	-1.56	-1.39		-0.33	-0.31	
Profit (loss) before taxes	7.26	15.15	-52.1	2.31	4.06	-43.1
% of net sales	14.50	25.72		16.17	25.70	
Income taxes	-2.02	-4.20		-0.56	-1.07	
Result for the period	5.24	10.95	-52.1	1.75	2.99	-41.5
<b>Attributable to:</b>						
Owners of the parent	5.24	10.95		1.75	2.99	
Earnings per share for profit attributable to the owners of the parent (EUR)	0.23	0.49		0.08	0.13	

Earnings are not diluted.

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Million euros	Q1-Q4/ 2009	Q1-Q4/ 2008	Change %	Q4/ 2009	Q4/ 2008	Change %
Result for the period	5.24	10.95	-52.1	1.75	2.99	-41.5
Other comprehensive income for the period, net of tax:						
Transl. differences	0.08	-0.07		0.00	0.06	
Changes in available-for- sale investments	-0.15	-0.06		-0.18	-0.02	
Total	-0.07	-0.13	46.2	-0.18	0.04	-550.0
Total comprehensive income for the period	5.17	10.82	-52.2	1.57	3.03	-48.2
<b>Attributable to:</b>						
Owners of the parent	5.17	10.82		1.57	3.03	

**CONDENSED BALANCE SHEET**

Million euros	12/2009	12/2008	Change %
<b>Assets</b>			
Non-current assets			
Property, plant and equipment	1.42	1.70	
Goodwill	0.19	0.19	
Intangible assets	2.03	1.64	
Other financial assets	1.64	0.30	
Receivables	0.36	0.26	
Deferred tax assets	0.44	0.18	
Non-current assets, total	6.08	4.27	42.4
Current assets			
Inventories	0.11	0.03	
Trade and other receivables	9.74	13.87	
Tax receivables	0.13	0.26	
Other financial assets	20.04	19.99	
Cash and cash equivalents	5.13	6.34	
Current assets, total	35.15	40.49	-13.2
Assets total	41.23	44.76	-7.9
<b>Equity and liabilities</b>			
Equity			
Share capital	0.68	0.68	
Share premium account	8.89	8.89	
Other own capital	1.80	1.04	
Retained earnings	18.53	19.72	
Equity total	29.90	30.33	-1.4

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Non-current liabilities			
Deferred tax liabilities	0.10	0.08	
Interest-bearing liabilities	0.08	0.08	
Non-current liabilities tot.	0.18	0.16	12.5
Current liabilities			
Trade and other payables	11.05	14.14	
Tax liabilities	0.04	0.09	
Current interest-bearing liabilities	0.06	0.04	
Current liabilities total	11.15	14.27	-21.9
Liabilities total	11.33	14.43	-21.5
Equity and liabilities total	41.23	44.76	-7.9

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Attributable to the owners of the parent

	Share cap.	Share prem. acct	Res. fund	Fair value res.	Acc transl diff.	Ret. earn.	Total
Equity January 1, 08	0.68	8.89	1.33	0.30	-0.46	20.71	31.45
Payment of dividend						-11.26	-11.26
Acquisition of own shares						-0.68	-0.68
Total comprehensive income for the period				-0.06	-0.07	10.95	10.82
Equity December 31, 08	0.68	8.89	1.33	0.24	-0.53	19.72	30.33

Attributable to the owners of the parent

	Share cap.	Share prem. acct	Res. fund	Fair value res.	Acc transl diff.	Ret. earn.	Total
Equity January 1, 09	0.68	8.89	1.33	0.24	-0.53	19.72	30.33
Payment of dividend						-5.60	-5.60
Transfer from retained earnings					0.83	-0.83	0.00
Total comprehensive income for the period				-0.15	0.08	5.24	5.17
Equity December 31, 09	0.68	8.89	1.33	0.09	0.38	18.53	29.90

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**CONDENSED CASH FLOW STATEMENT**

Million euros	Q1-Q4/ 2009	Q1-Q4/ 2008	Change %
Net cash flows from operating activities	6.89	9.51	
Cash flows from investing activities:			
Investments	-1.71	-2.02	
Sale of intangible assets and property, plant and equipment	0.22	-0.01	
Cash outflow on acquisition		-0.15	
Purchases of available-for-sale financial assets	-33.16	-52.84	
Proceeds from sale of available-for-sale financial assets	32.82	55.20	
Interests received from available-for-sale financial assets	0.72	1.05	
Net cash used in/from investing activities	-1.11	1.23	
Cash flows from financing activities:			
Payment of dividend	-5.60	-11.26	
Own shares		-0.68	
Repayments of long-term debt		-0.22	
Payments of finance lease liabilities	-0.04	-0.03	
Net cash used in financing activities	-5.64	-12.19	
Net decrease/increase in cash and cash equivalents	0.14	-1.45	
Cash and cash equivalents at beginning of the period	6.98	8.43	-17.2
Cash and cash equivalents at end of the period	7.12	6.98	2.0
The cash and cash equivalents in the cash flow statement include:			
Cash and cash equivalents	5.13	6.34	
Available-for-sale financial assets, cash equivalents	1.99	0.64	

**NOTES TO THE FINANCIAL STATEMENTS**

The notes are presented in millions of euros, unless otherwise stated.

The financial statements have been prepared in accordance with the IAS 34 (Interim Financial Reporting) standard. The same accounting and valuation policies and methods of computation have been followed in the financial statements as in the annual financial statements for 2008. The amendments and interpretations to published standards as well as new standards, effective January 1, 2009, are presented in detail in the financial statements for 2008. Tekla Corporation has applied IFRS 8, Operating Segments, standard as of January 1, 2009.

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The segment information has already previously been based on internal reporting to the management, so the operating segments are the same as the business segments according to IAS 14. Tekla Corporation has also applied the revised standard IAS 1, Presentation of Financial Statements, as of January 1, 2009, and this has resulted in changes in the presentation of the income statement and the consolidated statement of changes in equity.

The figures presented in the financial statements are unaudited.

### Use of estimates

When preparing the financial statements, the Group's management is required to make estimates and assumptions influencing the content of the financial statements, and it must exercise its judgment regarding the application of accounting policies. Although these estimates are based on the management's best knowledge, actual results may ultimately differ from the estimates used in the financial statements. Tax losses carried forward are recognized as deferred tax assets only to the extent that it is probable that future taxable profits will be available against which unused tax losses can be utilized. Actual results could differ from those estimates.

### Segment information

#### Net sales by business area

Million euros	Q1-Q4/ 2009	Q1-Q4/ 2008	Change %	Q4/ 2009	Q4/ 2008
Building & Construction	36.34	46.07	-21.1	9.90	11.35
Infra & Energy	13.80	12.95	6.6	4.41	4.50
Net sales between segments	-0.07	-0.12	41.7	-0.02	-0.05
Total	50.07	58.90	-15.0	14.29	15.80

#### Operating result by business area

Million euros	Q1-Q4/ 2009	Q1-Q4/ 2008	Change %	Q4/ 2009	Q4/ 2008
Building & Construction	4.72	12.13	-61.1	1.05	2.36
Infra & Energy	2.08	1.97	5.6	0.95	1.26
Others	0.01			0.20	0.01
Total	6.81	14.10	-51.7	2.20	3.63

#### Financial indicators

	Q1-Q4/ 2009	Q1-Q4/ 2008	Q4/ 2009	Q4/ 2008
Earnings per share (EPS), EUR	0.23	0.49	0.08	0.13
Equity/share, EUR	1.33	1.35		
Interest-bearing liabilities	0.13	0.12		
Equity ratio, %	73.1	68.4		
Net gearing, %	-83.7	-86.3		
Return on investment, %	24.5	49.0	32.5	56.5
Return on equity, %	17.4	35.4	24.0	41.5

Number of shares  
at end of period

22416600    22416600

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Number of shares, on average	22416600	22485500		
Gross investments, MEUR	1.71	2.02	0.25	0.95
% of net sales	3.42	3.43	1.75	6.01
Personnel, on average	456	430	455	454

**Consolidated income statement by quarter**

Million euros	Q4/ 2009	Q3/ 2009	Q2/ 2009	Q1/ 2009	Q4/ 2008
Net sales	14.29	11.73	11.86	12.19	15.80
Other operating income	0.14	0.06	0.05	0.08	0.32
Change in inventories of finished goods and in work in progress	0.03	0.04	0.04	-0.04	-0.12
Raw materials and consumables used	-0.69	-0.33	-0.47	-0.62	-0.98
Employee compensation and benefit expense	-7.60	-6.12	-7.11	-7.13	-7.41
Depreciation	-0.41	-0.41	-0.40	-0.35	-0.33
Other operating expenses	-3.56	-2.58	-2.99	-2.89	-3.65
Operating result	2.20	2.39	0.98	1.24	3.63
% of net sales	15.40	20.38	8.26	10.17	22.97
Financial income	0.44	0.31	0.37	0.89	0.74
Financial expenses	-0.33	-0.37	-0.25	-0.61	-0.31
Profit (loss) before taxes	2.31	2.33	1.10	1.52	4.06
% of net sales	16.17	19.86	9.27	12.47	25.70
Income taxes	-0.56	-0.58	-0.40	-0.48	-1.07
Result for the period	1.75	1.75	0.70	1.04	2.99
<b>Income taxes</b>	<b>Q1-Q4/ 2009</b>	<b>Q1-Q4/ 2008</b>			
Taxes for the financial period and prior periods	-2.28	-4.37			
Deferred taxes	0.26	0.17			
Total	-2.02	-4.20			
<b>Property, plant and equipment</b>	<b>12/2009</b>	<b>12/2008</b>			

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Cost at the beginning of the period	7.76	7.20
Translation differences	0.03	-0.10
Additions	0.66	0.75
Disposals	-0.15	-0.09
<b>Cost at the end of the period</b>	<b>8.30</b>	<b>7.76</b>
Accumulated depreciation at the beginning of the period	6.06	5.41
Translation differences	0.02	-0.10
Accumulated depreciation on disposals	-0.08	-0.06
Depreciation for the financial period	0.88	0.81
<b>Accumulated depreciation at the end of the period</b>	<b>6.88</b>	<b>6.06</b>
<b>Net book amount at the end of the period</b>	<b>1.42</b>	<b>1.70</b>

The investments consisted of normal acquisitions of hardware, software and equipment.

#### Provisions

The Group had no provisions in the reporting or comparison period.

#### Collaterals, contingent liabilities and other commitments

	12/2009	12/2008
<b>Collaterals for own commitments</b>		
Business mortgages (as collateral for bank guarantee limit)	0.50	0.50
Pledged funds	0.07	0.06
<b>Leasing and rental agreement commitments</b>		
Premises	4.63	5.58
Others	0.59	0.71
Total	5.22	6.29
<b>Derivative contracts</b>		
Currency forward contracts:		
Fair value	0.06	-0.14
Nominal value of underlying instruments	2.49	2.38

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The Group makes derivative contracts to hedge against the exchange rate risks of prospective sales agreements. Derivative contracts are stated at fair value, and related foreign exchange gains and losses are recognized in the income statement. The derivative contracts hedge sales in US dollars in accordance with the Group policy.

**Related party transactions**

	<b>12/2009</b>	<b>12/2008</b>
Gerako Oy		
Purchases of services	0.21	0.21
Management remuneration		
Salaries and post-employment benefits	1.27	1.47

Management herein refers to members of the Tekla Management Team.