

Tekla Corporation

August 6, 2010

**Tekla Corporation's Interim Report January 1 – June 30, 2010:  
Outlook improved, demand recovering**

Net sales of Tekla Group for January-June 2010 totaled 27.32 (24.05) million euros, increasing by 13.6%. The operating result was 3.58 (2.22) million euros, 13.1% (9.2%) of net sales. Earnings per share were 0.15 (0.08) euros.

Net sales for the second quarter amounted to 14.48 (11.86) million euros, increasing by approximately 22%. The operating result for the quarter was 2.10 (0.98) million euros, or 14.5% (8.3%) of net sales.

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

- Net sales and operating result for the second quarter increased considerably, which seems to be a continuation of the favorable trend observed in the first quarter. Net sales and especially operating result for the first half of the year increased nicely. Our future outlook is positive after several rather challenging quarters.

- Our main business area, Building & Construction, increased its net sales by nearly 16 percent during the reporting period, and its operating result was twice as high as for the comparison period in 2009. The growth of license sales was approximately 30 percent. The business area's net sales increased considerably in the second quarter, while its operating result tripled. The growth of license sales in the quarter was boosted by additional sales to existing customers.

- Asia and the Nordic countries were the most successful market areas. The United States continues as Tekla's largest individual market, but the gap to the next ones narrowed during the first half of the year. India, Saudi Arabia and Japan are examples of successful markets.

- Net sales of the Infra & Energy business area increased by 8 percent during the reporting period, but its operating result decreased slightly. I&E's full-year outlook continues to be better than last year.

- During the second quarter, the number of personnel increased by 19 persons, amounting to 473 at the end of the reporting period. Compared to the beginning of the year, we had seven more employees at the end of June.

The Board of Directors is increasing its full-year net sales and operating result outlook. Net sales are expected to increase by approximately 15 percent on the year before and the operating result percentage to be 15 to 20 percent. The previous outlook issued in February expected a moderate increase in net sales and operating result in 2010.

**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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## NET SALES AND PROFITABILITY

- \* Net sales of Tekla Group for January-June 2010 were 27.32 (24.05 in January-June 2009) million euros.
- \* Net sales increased by 13.6%.
- \* Operating result was 3.58 (2.22) million euros.
- \* Operating result percentage was 13.1 (9.2).
- \* Earnings per share were 0.15 (0.08) euros.
- \* Return on investment was 29.6 (18.8) percent.
- \* Return on equity was 23.0 (12.2) percent.

## FINANCIAL POSITION

- \* Cash flows from operating activities totaled 9.47 (7.85) million euros.
- \* Liquid assets amounted to 30.40 (27.74) million euros on June 30. The assets have been invested in money market instruments with very low risk. Liquid assets amounted to 26.65 (26.30) million euros on December 31.
- \* Equity ratio was 59.4 (62.1) percent.
- \* Interest-bearing debts were 0.12 (0.12) million euros.
- \* During the reporting period, changes in exchange rates had such an effect that the weakening of the euro against several key invoicing currencies had a slightly positive effect on net sales and operating result. The effect was mainly seen in the second quarter.

## OTHER KEY FIGURES

- \* International operations accounted for 78% (80%) of net sales.
- \* Personnel averaged 452 (458) for January-June.
- \* At the end of June, the number of personnel including part-time staff was 473 (463).
- \* At year's end, the number of personnel including part-time staff was 466 (464).
- \* Gross investments were 2.21 (1.16) million euros.
- \* Equity per share was 1.29 (1.18) euros.
- \* On the last trading day of June, trading closed at 6.80 (5.50) euros.

## BUSINESS AREAS

### NET SALES

Million euros	Q1-2/ 2010	Q1-2/ 2009	Change	Q1-4/ 2009	Q2/2010	Q2/2009
Building & Construction	20.19	17.46	2.73	36.34	10.77	8.58
Infra & Energy	7.16	6.63	0.53	13.80	3.73	3.30
Sales between segments	-0.03	-0.04	0.01	-0.07	-0.02	-0.02
<b>Total</b>	<b>27.32</b>	<b>24.05</b>	<b>3.27</b>	<b>50.07</b>	<b>14.48</b>	<b>11.86</b>

### OPERATING RESULT

Million euros	Q1-2/ 2010	Q1-2/ 2009	Change	Q1-4/ 2009	Q2/2010	Q2/2009
Building & Construction	2.92	1.48	1.44	4.72	1.78	0.56
Infra & Energy	0.66	0.74	-0.08	2.08	0.32	0.42
Others	0.00	0.00	0.00	0.01	0.00	0.00
<b>Total</b>	<b>3.58</b>	<b>2.22</b>	<b>1.36</b>	<b>6.81</b>	<b>2.10</b>	<b>0.98</b>

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**GEOGRAPHICAL DISTRIBUTION OF NET SALES**

	Q1-2/2010	Q1-2/2009	2009
	%	%	%
Finland	21.7	19.9	18.9
Rest of Europe	36.5	39.3	38.4
North America	13.4	16.3	17.5
Asia	23.9	20.1	19.8
Other countries	4.5	4.4	5.4
	100.0%	100.0%	100.0%
Total	(MEUR 27.32)	(MEUR 24.05)	(MEUR 50.07)

**Building & Construction**

Tekla's Building & Construction business area (B&C) develops and markets the Tekla Structures software product. Designed for Building Information Modeling (BIM), Tekla Structures is a 3D tool that integrates openly with other programs and models imported from them, supporting all the phases of the construction process. The software is a comprehensive solution for structural engineering, design and production of steel structures and precast units, reinforced concrete detailing as well as site and construction management.

Despite the building industry's challenging situation, Tekla's position as a supplier of 3D modeling software is strong and the number of users are increasing. Customers in the building industry are seeking tools that make their operations more efficient, which is what Tekla's products are. Information modeling is gaining a stronger 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.

Demand has fluctuated strongly in license-based sales. Particularly from fall 2008 onward, the development of the building industry was negative until the end of 2009 in nearly all of Tekla's key market areas. Favorable development has taken place in the demand this year, especially in several Asian countries.

The net sales of B&C amounted to 20.19 (17.46) million euros for January-June 2010. Net sales increased by 15.6% compared to the corresponding period the previous year. The growth of license sales was approximately 30 percent. Operating result was 2.92 (1.48) million euros. B&C's operating result percentage was 14.5% (8.5%).

B&C's net sales increased considerably during the second quarter, to 10.77 (8.58) million euros. Operating result tripled and totaled 1.78 (0.56) million euros, or 16.5% (6.5%) of net sales. The growth of license sales was boosted by additional sales to existing customers during the quarter.

International operations accounted for 95% (96%) of B&C's net sales for January-June 2010. Asia was the most successful market area. Sales also developed favorably in the Nordic countries compared to the modest level of the previous year. The United States continues as Tekla's largest individual market, but the gap to the next ones narrowed during the first half of the year. India, Saudi Arabia, Japan, Finland, Sweden, Indonesia, and Italy are examples of successful markets.

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. 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. This expands the cooperation between the parties of the construction process. In order to facilitate cooperation,

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the interoperability of software is increased further and data exchange between software systems is improved, so that customers are able to choose the product that is suited the best for a specific task.

In April, Tekla announced that it had signed a framework agreement with the Swedish company Sweco.

Tekla Structures' functionality for cast-in-place was selected as the "Most Innovative Product" at the North American construction industry's annual "World of Concrete" event in March.

During the first quarter, Tekla established a regional office in Singapore to serve customers throughout Southeast Asia. At the same time, the product development activity in Malaysia was transferred to Finland.

Measures against software piracy continued both by own efforts and in cooperation with other parties, such as BSA. The efforts are bearing fruit, even though piracy will probably never be eradicated completely.

The product development of Tekla Structures concentrated on development that supports the advance of BIM, i.e., sharing and utilizing the models between the parties. The annual main version of Tekla Structures 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), as well as civil engineering and water (Tekla Xstreet and Tekla Xpipe).

In the energy industry, information system acquisitions are strategic investments for the companies. The economic recession has not had much effect on these investments. Climate change and the strive toward sustainable development set new requirements for the industry, e.g., with new energy production methods becoming more common and partial decentralization of production. In addition, consumers' demands for the reliability of distribution and energy consumption-related customer service will increase. New technologies, smart grids and software solutions hold a key role in achieving these objectives. Tekla's market position as a supplier of energy distribution information systems is strong in the Nordic and Baltic countries.

In public administration, the tightening economy has decreased income and funds available for investments. Improved and more extensive utilization of information technology is seen to be a key solution for achieving efficiency, self-services and thereby cost-savings. Citizens' services are being extensively migrated into the Web, and the accessibility of the services can also be improved this way. Tekla's sales and market position remained strong in Finland.

The net sales of I&E amounted to 7.16 (6.63) million euros for January-June 2010. The business area's net sales increased by 8 percent. I&E's operating result was 0.66 (0.74) million euros. I&E's operating result percentage was 9.2% (11.2%). International operations accounted for 33% (39%) of net sales.

Net sales for the second quarter amounted to 3.73 (3.30) million euros, and operating result was 0.32 (0.42) million euros, or 8.6% (12.7%) of net sales. The full-year outlook for I&E continues to be better than last year.

An agreement was signed with Vattenfall Lämpö Oy on the implementation of the Tekla Xpower district heating solution. Agreements on district heating systems were also made with a Norwegian and a Swedish customer.

An agreement was signed with the City of Kuopio on the implementation of the Tekla Xcity system as the core solution for the city's geographic information management. The adoption of e-service solutions expanded in Finnish cities.

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New agreements on the further development of Tekla Xcity have been made with key customers. With regard to e-services, a feedback system (ePalaute) and a service for plot marketing and sales (eTontti) were completed.

## PERSONNEL

Tekla Group personnel averaged 452 (458) for January-June 2010; on average 185 (190) worked outside Finland. In these figures, the number of part-time staff has been converted to correspond to full-time work contribution. At the beginning of the year, Tekla personnel totaled 466 (464) including part-time staff, of whom 192 (189) worked outside Finland, and at the end of June 473 (463), of whom 186 (190) worked outside Finland.

During the second quarter, the number of personnel increased by 19 persons. This figure includes replacements for employees who left Tekla in the first quarter, temporary personnel and additional recruitments due to the improved business outlook. Compared to the beginning of the year, there were seven more employees at the end of June. The long-term personnel trend is a growing one in order to be able to take advantage of the market potential in sight.

## SHARE AND OWNERSHIP STRUCTURE

### Shares and share capital

The total number of Tekla Corporation shares at the end of June 2010 was 22,586,200, of which the company owned 96,600. The total book counter value of those was 2,898 euros representing 0.43% of the company's shares. A total of 652,479.02 euros had been used for acquiring the company's own shares, and their market value was 656,880 euros on June 30, 2010. The book counter value of the share is 0.03 euros. At the end of the period, share capital stood at 677,586 euros.

### Transfer of treasury shares

Based on the authorization issued by the Annual General Meeting of 2010, a total of 73,000 treasury shares were transferred as part of the purchase price when Tekla acquired a 20% share in Construsoft Groep BV at the beginning of May. Construsoft has been a reseller of Tekla products in several countries for 15 years.

### Share price trends and trading

The highest quotation of the share in January-June 2010 was 8.26 (5.95) euros, the lowest 6.30 (3.40) euros. The average quotation was 6.96 (4.23) euros. On the last trading day of June, trading closed at 6.80 (5.50) euros.

A total of 2,702,218 (1,519,545) Tekla shares changed hands in January-June 2010 at NASDAQ OMX Helsinki Ltd, amounting to 12% (6.7%) of the entire share capital.

Nominee registered and foreign owners held 19.3% (24.9%) of all shares at the end of June 2010.

## 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 have improved in several market areas, but the development is incoherent. There is no certainty of the continued favorable development of the global economy.

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

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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. In addition, individual customers do not account for a significant share of net sales, and therefore such risks are not essential.

## ANNUAL GENERAL MEETING

Tekla Corporation's Annual General Meeting was held on April 8, 2010. The AGM adopted Tekla Corporation's financial statements and consolidated financial statements for 2009. It also discharged the CEO and the Board members from liability. The AGM accepted the Board's proposal whereby a dividend of 0.20 euros per share be distributed for 2009, or a total of 4,483,320 euros. The dividend payment date was April 20, 2010.

Ari Kohonen, Olli-Pekka Laine (Vice Chair), Heikki Marttinen (Chair), Erkki Pehu-Lehtonen and Reijo Sulonen were re-elected Board members until the conclusion of the Annual General Meeting in 2011. 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, was re-elected as company auditor, with Erkkä Talvinko, Authorized Public Accountant, as the auditor in charge.

The AGM decided on reducing the share premium account shown on the company's balance sheet of December 31, 2009 by transferring all the funds in the share premium account to the invested non-restricted equity fund.

The AGM authorized the Board to increase the company's share capital and acquire or transfer the company's treasury shares. The authorizations are valid until the next Annual General Meeting, however not later than April 30, 2011.

The Board of Directors has exercised the authorization to transfer treasury shares at the beginning of May. This has been discussed under "Share and ownership structure" in this report.

## OUTLOOK FOR 2010

Tekla's future outlook is positive. This notion is also supported by the favorable development of net sales and operating result during the first half of 2010 after several rather challenging quarters.

The Board of Directors is increasing its full-year net sales and operating result outlook. Net sales are expected to increase by approximately 15 percent on the year before and the operating result percentage to be 15 to 20 percent. The previous outlook issued in February expected a moderate increase in net sales and operating result in 2010.

## NEXT FINANCIAL REPORT

Unlike previously announced, Tekla's Interim report for January-September 2010 will be published on Wednesday, November 3, 2010. The previously announced date was Friday, October 22, 2010.

Espoo, August 5, 2010

TEKLA CORPORATION  
Board of Directors

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

Million euros	Q1-Q2/ 2010	Q1-Q2/ 2009	Q1-Q4/ 2009	Q2/ 2010	Q2/ 2009
Net sales	27.32	24.05	50.07	14.48	11.86
Other operating income	0.25	0.13	0.33	0.12	0.05
Change in inventories of finished goods and in work in progress	-0.02	0.00	0.07	-0.05	0.04
Raw materials and consumables used	-1.00	-1.09	-2.11	-0.56	-0.47
Employee compensation and benefit expense	-15.46	-14.24	-27.96	-8.12	-7.11
Depreciation	-0.86	-0.75	-1.57	-0.44	-0.40
Other operating expenses	-6.68	-5.88	-12.02	-3.36	-2.99
Share of results in associated companies	0.03			0.03	
Operating result	3.58	2.22	6.81	2.10	0.98
% of net sales	13.10	9.23	13.60	14.50	8.26
Financial income	1.47	1.26	2.01	0.68	0.37
Financial expenses	-0.75	-0.86	-1.56	-0.37	-0.25
Profit (loss) before taxes	4.30	2.62	7.26	2.41	1.10
% of net sales	15.74	10.89	14.50	16.64	9.27
Income taxes	-0.91	-0.88	-2.02	-0.52	-0.40
Result for the period	3.39	1.74	5.24	1.89	0.70
<b>Attributable to:</b>					
Owners of the parent	3.39	1.74	5.24	1.89	0.70
Earnings per share for profit attributable to the owners of the parent (EUR)	0.15	0.08	0.23	0.08	0.03

Earnings are not diluted.

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Million euros	Q1-Q2/ 2010	Q1-Q2/ 2009	Q1-Q4/ 2009	Q2/ 2010	Q2/ 2009
Result for the period	3.39	1.74	5.24	1.89	0.70
Other comprehensive income for the period, net of tax:					
Transl. differences	-0.24	0.07	0.08	0.01	-0.02
Changes in available-for-sale investments	-0.03	-0.01	-0.15	0.04	0.02
Total	-0.27	0.06	-0.07	0.05	0.00
Total comprehensive income for the period	3.12	1.80	5.17	1.94	0.70
<b>Attributable to:</b>					
Owners of the parent	3.12	1.80	5.17	1.94	0.70

**CONDENSED BALANCE SHEET**

Million euros	6/2010	6/2009	12/2009
<b>Assets</b>			
Non-current assets			
Property, plant and equipment	1.44	1.55	1.42
Goodwill	0.20	0.19	0.19
Intangible assets	2.10	2.19	2.03
Investments in associated companies	1.30		
Other financial assets	1.13	3.38	1.64
Receivables	0.54	0.20	0.36
Deferred tax assets	0.74	0.16	0.44
Non-current assets, total	7.45	7.67	6.08
Current assets			
Inventories	0.09	0.03	0.11
Trade and other current receivables	12.19	9.80	9.74
Tax receivables	0.14	1.12	0.13
Other financial assets	23.45	19.75	20.04
Cash and cash equivalents	5.98	4.96	5.13
Current assets, total	41.85	35.66	35.15
Assets total	49.30	43.33	41.23

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**Equity and liabilities**

## Equity

Share capital	0.68	0.68	0.68
Share premium account	8.89	8.89	8.89
Other own capital	1.80	1.93	1.80
Retained earnings	17.68	15.03	18.53
Equity total	29.05	26.53	29.90

## Non-current liabilities

Deferred tax liabilities	0.09	0.09	0.10
Interest-bearing liabilities	0.03	0.09	0.08
Non-current liabilities total	0.12	0.18	0.18

## Current liabilities

Trade and other payables	20.00	16.57	11.05
Tax liabilities	0.04	0.02	0.04
Current interest-bearing liabilities	0.09	0.03	0.06
Current liabilities total	20.13	16.62	11.15

Liabilities total 20.25 16.80 11.33

Equity and liabilities total 49.30 43.33 41.23

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

## Attributable to the owners of the parent

	Share capital	Share prem. acct	Other funds	Fair value res.	Acc. transl. diff.	Ret. earn.	Total
Equity January 1, 2009	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				-0.01	0.07	1.74	1.80
Equity June 30, 2009	0.68	8.89	1.33	0.23	0.37	15.03	26.53

## Attributable to the owners of the parent

	Share capital	Share prem. acct	Other funds	Fair value res.	Acc. transl. diff.	Ret. earn.	Total
Equity January 1, 2010	0.68	8.89	1.33	0.09	0.38	18.53	29.90
Payment of dividend						-4.48	-4.48
Transfer of treasury shares May 7, 2010			0.27			0.24	0.51
Total comprehensive income for the period				-0.03	-0.24	3.39	3.12
Equity June 30, 2010	0.68	8.89	1.60	0.06	0.14	17.68	29.05

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**CONDENSED CASH FLOW STATEMENT**

<b>Million euros</b>	<b>Q1-Q2/ 2010</b>	<b>Q1-Q2/ 2009</b>	<b>Q1-Q4/ 2009</b>
Net cash flows from operating activities	9.47	7.85	6.89
Cash flows from investing activities:			
Investments	-0.94	-1.16	-1.71
Sale of intangible assets and property, plant and equipment			0.22
Purchases of available-for-sale financial assets	-26.21	-23.34	-33.16
Proceeds from sale of available-for-sale financial assets	21.77	19.87	32.82
Acquisition of associated companies	-0.40		
Interests received from available-for-sale financial assets	0.16	0.38	0.72
Net cash used in/from investing activities	-5.62	-4.25	-1.11
Cash flows from financing activities:			
Payment of dividend	-4.48	-5.60	-5.60
Payments of finance lease liabilities	-0.02	-0.02	-0.04
Net cash used in financing activities	-4.50	-5.62	-5.64
Net decrease/increase in cash and cash equivalents	-0.65	-2.02	0.14
Cash and cash equivalents at beginning of the period	7.12	6.98	6.98
Cash and cash equivalents at end of the period	6.47	4.96	7.12
The cash and cash equivalents in the cash flow statement include:			
Cash and cash equivalents	5.98	4.96	5.13
Available-for-sale financial assets, cash equivalents	0.49	0.00	1.99

**NOTES TO THE INTERIM REPORT**

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

This interim report has 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 interim report as in the annual financial statements for 2009. The amendments and interpretations to published standards as well as new standards, effective January 1, 2010, are presented in detail in the financial statement for 2009.

The figures presented in the interim report are unaudited.

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Tekla Corporation

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### Use of estimates

When preparing the interim report, the Group's management is required to make estimates and assumptions influencing the content of the interim report, 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 interim report. 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-Q2/ 2010	Q1-Q2/ 2009	Q1-Q4/ 2009	Q2/ 2010	Q2 2009
Building & Construction	20.19	17.46	36.34	10.77	8.58
Infra & Energy	7.16	6.63	13.80	3.73	3.30
Net sales between segments	-0.03	-0.04	-0.07	-0.02	-0.02
Total	27.32	24.05	50.07	14.48	11.86

#### Operating result by business area

Million euros	Q1-Q2/ 2010	Q1-Q2/ 2009	Q1-Q4/ 2009	Q2/ 2010	Q2 2009
Building & Construction	2.92	1.48	4.72	1.78	0.56
Infra & Energy	0.66	0.74	2.08	0.32	0.42
Others			0.01		
Total	3.58	2.22	6.81	2.10	0.98

#### Financial indicators

	Q1-Q2/ 2010	Q1-Q2/ 2009	Q1-Q4/ 2009	Q2/ 2010	Q2 2009
Earnings per share (EPS), EUR	0.15	0.08	0.23	0.08	0.03
Equity/share, EUR	1.29	1.18	1.33		
Interest-bearing liabilities	0.12	0.12	0.13		
Equity ratio, %	59.4	62.1	73.1		
Net gearing, %	-100.8	-92.6	-83.7		
Return on investment, %	29.6	18.8	24.5	32.3	17.1
Return on equity, %	23.0	12.2	17.4	24.9	10.6
Number of shares, at end of the period	22,489,600	22,416,600	22,416,600		
Number of shares, on average	22,438,782	22,416,600	22,416,600		
Gross investments, MEUR	2.21	1.16	1.71	1.92	0.49
% of net sales	8.09	4.82	3.42	13.26	4.13
Personnel, on average	452	458	456	452	457

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### Consolidated income statement by quarter

Million euros	Q2/ 2010	Q1/ 2010	Q4/ 2009	Q3/ 2009	Q2/ 2009
Net sales	14.48	12.84	14.29	11.73	11.86
Other operating income	0.12	0.13	0.14	0.06	0.05
Change in inventories of finished goods and in work in progress	-0.05	0.03	0.03	0.04	0.04
Raw materials and consumables used	-0.56	-0.44	-0.69	-0.33	-0.47
Employee compensation and benefit expense	-8.12	-7.34	-7.60	-6.12	-7.11
Depreciation	-0.44	-0.42	-0.41	-0.41	-0.40
Other operating expenses	-3.36	-3.32	-3.56	-2.58	-2.99
Share of results in associated companies	0.03				
Operating result	2.10	1.48	2.20	2.39	0.98
% of net sales	14.50	11.53	15.40	20.38	8.26
Financial income	0.68	0.79	0.44	0.31	0.37
Financial expenses	-0.37	-0.38	-0.33	-0.37	-0.25
Profit (loss) before taxes	2.41	1.89	2.31	2.33	1.10
% of net sales	16.64	14.72	16.17	19.86	9.27
Income taxes	-0.52	-0.39	-0.56	-0.58	-0.40
Result for the period	1.89	1.50	1.75	1.75	0.70

### Acquired operations

Tekla Corporation reinforced its collaboration with the Dutch reseller Construsoft Groep BV by acquiring 20% of its shares on May 3, 2010. Construsoft has been a reseller of Tekla products in several countries for 15 years.

Of the purchase price, 0.40 million Euros was paid in cash. As part of the purchase price, 73,000 treasury shares were transferred at a price of 7.03 Euros per share according to the market value on May 7, 2010, for a total price of 0.51 million Euros. Tekla is obliged to pay an additional purchase price depending on the result development of the acquired business in 2009–2011. The additional purchase price estimated in the interim report is 0.36 million Euros, and any resulting liability will be due in 2012.

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Consolidated result of associated companies and equity adjustment to investments is 0.03 million Euros. Had Construsoft Groep BV's figures been consolidated as from the beginning of the financial period, Tekla's result would have been approximately 0.01 million Euros higher.

#### Total acquisition cost

Consideration paid in cash	0.40
Transferred treasury shares	0.51
Additional purchase price	0.36
Total	1.27

Of the purchase price, 0.16 million Euros were allocated to goodwill and 0.61 million Euros to customer relationships in intangible assets, which are included in the balance sheet value of the associated company according to the one-line principle.

#### Income taxes

	Q1-Q2/ 2010	Q1-Q2/ 2009	Q1-Q4/ 2009
Taxes for the financial period and prior periods	-1.22	-0.84	-2.28
Deferred taxes	0.31	-0.04	0.26
Total	-0.91	-0.88	-2.02

	6/2010	6/2009	12/2009
<b>Property, plant and equipment</b>			
Cost at the beginning of the period	8.30	7.76	7.76
Translation differences	0.24	0.00	0.03
Additions	0.44	0.30	0.66
Disposals	-0.58	-0.09	-0.15
<b>Cost at the end of the period</b>	<b>8.40</b>	<b>7.97</b>	<b>8.30</b>

Accumulated depreciation at the beginning of the period	6.88	6.06	6.06
Translation differences	0.19	0.00	0.02
Accumulated depreciation on disposals	-0.56	-0.07	-0.08
Depreciation for the financial period	0.45	0.43	0.88
<b>Accumulated depreciation at the end of the period</b>	<b>6.96</b>	<b>6.42</b>	<b>6.88</b>

<b>Net book amount at the end of the period</b>	<b>1.44</b>	<b>1.55</b>	<b>1.42</b>
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The investments consisted of normal acquisitions of hardware, software, and equipment.

#### Provisions

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

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**Collaterals, contingent liabilities and other commitments**

	6/2010	6/2009	12/2009
<b>Collaterals for own commitments</b>			
Business mortgages (as collateral for bank guarantee limit)	0.50	0.50	0.50
Pledged funds	0.08	0.06	0.07
<b>Leasing and rental agreement commitments</b>			
Premises	3.99	5.11	4.63
Others	0.43	0.71	0.59
Total	4.42	5.82	5.22
<b>Derivative contracts</b>			
Currency forward contracts:			
Fair value	-0.20	0.04	0.06
Nominal value of underlying instruments	2.08	1.81	2.49

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.

<b>Related party transactions</b>	6/2010	6/2009	12/2009
Gerako Oy			
Purchases of services	0.15	0.10	0.21
Management remuneration			
Salaries and post-employment benefits	0.59	0.73	1.27

Management herein refers to members of the Tekla Management Team.

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