Tekla Corporation August 8, 2008 at 9.00 a.m.

Tekla Corporation's Interim Report January 1 – June 30, 2008:
Tekla's profitability still good despite slowing down of growth

Net sales of Tekla Group for January-June 2008 totaled 29.38 (comparable net sales for the same period in 2007: 27.03) million euros. Growth in net sales was nearly 9%. The operating result was 6.97 (7.09) million euros, 23.7% (26.2%) of net sales.

Net sales for the second quarter were 14.52 (comparable net sales for the corresponding period in 2007: 13.92) million euros, increasing by approximately 4%. The operating result for the quarter was 3.04 (3.33) million euros, 20.9% (23.9%) of net sales.

The comparable figures for 2007 have been calculated by excluding the Defence business, which was divested in April 2007.

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

- Tekla's net sales developed favorably during the reporting period, even if growth has slowed down. Operating result was at the last year's level. Our profitability is still good despite an increase in the number of personnel.

- During the first half of the year, the development of net sales in our main business area, Building & Construction, was satisfactory. The operating result fell slightly behind compared to the previous year. Towards the end of the reporting period, growth in the building industry slowed down in several key market areas. Our customers' decision-making times have become longer. Rapid increase in the price of steel has contributed to this. These things were particularly evident in the United States, B&C's largest individual market. Sales there remained at a good level, but growth did not reach expectations. In addition, the weakening of the US dollar decreased B&C's sales by approximately three percent. In France, sales developed favorably, but expectations were not reached in the United Kingdom and some other Western European countries. Development was favorable in the Middle East, several other emerging markets and Australia.

- It is difficult to predict license-based sales. We believe that the soft demand is likely to be relatively short-lived. The development of sales is still promising, especially in emerging markets. Tekla's strong market position and the competitive situation of the industry remained unchanged. The long-term outlook is still good, as the building industry is seeking ways of working that increase productivity. We have expanded our product portfolio, aiming to facilitate this development.

- The Infra & Energy business area's first two quarters went almost as planned. The second quarter was slightly below expectations. On a yearly level, the situation is expected to improve; the majority of I&E's net sales are generated during the latter half of the year.

- Our number of personnel has increased by 44 during the first two quarters. During the rest of the year, increase in the number of personnel will be clearly more moderate than during the first two quarters, with recruitment focusing on personnel working in the customer interface.

- We updated our net sales and operating result outlook on July 24. According to it, growth of Tekla's net sales in 2008 will be approximately 10 percent. We estimate that profitability will remain good and operating result will be at the previous year's level. Growth in the Building & Construction business area is expected to outpace Infra & Energy.

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Tekla will organize an information conference for analysts and media at Scandic Hotel Simonkenttä, Helsinki (Pavilion cabinet) on August 8, 2008 11:30 a.m.

Tekla Corporation August 8, 2008 at 9.00 a.m.

TEKLA CORPORATION'S INTERIM REPORT JANUARY 1 – JUNE 30, 2008

The figures for the comparison period have been presented for the continuing businesses, i.e. comparable, excluding the figures for the Defence business, which was divested in April 2007. Defence's figures are presented in more detail in the tables of this report.

NET SALES AND PROFITABILITY

* Net sales of Tekla Group for January-June 2008 were 29.38 (comparable net sales 27.03 in January-June 2007) million euros.
* Growth in net sales was 8.69% (comparable).
* Operating result was 6.97 (comparable 7.09) million euros.
* Operating result percentage was 23.7% (comparable 26.2%).
* Earnings per share were 0.23 (comparable 0.23) euros.
* Return on investment was 51.1 (81.7) percent.
* Return on equity was 36.7 (59.8) percent.

FINANCIAL POSITION

* Cash flow from operating activities totaled 7.04 (10.35) million euros.
* Liquid assets amounted to 25.53 (27.13) million euros on June 30, 2008 and 30.15 million euros on December 31, 2007.
* Equity ratio was 61.8 (56.1) percent.
* Interest-bearing debts were 0.14 (0.31) million euros.

OTHER KEY FIGURES

* International operations accounted for 84% (comparable 82%) of net sales.
* Personnel averaged 414 (371) for January-June.
* At the end of June, the number of personnel including part-time staff was 444 (377).
* Gross investments in property, plant and equipment were 0.60 (0.76) million euros.
* Equity per share was 1.12 (1.02) euros.
* On the last trading day of June, trading closed at 8.00 (14.22) euros.

NET SALES BY BUSINESS AREA (PRIMARY SEGMENT)

Million euros	**Q1-2/ 2008**	**Q1-2/ 2007**	**Chang e**	**1-12/ 2007**	**Q2/ 2008**	**Q2/ 2007**
Building & Construction	23.64	21.43	2.21	45.48	11.45	10.81
Infra & Energy	5.74	5.60	0.14	12.76	3.07	3.11
Defence *)		1.00	-1.00	1.00		0.51
Others				0.01		
Total	**29.38**	**28.03**	**1.35**	**59.25**	**14.52**	**14.43**

OPERATING RESULT BY BUSINESS AREA (PRIMARY SEGMENT)

Million euros	**Q1-2/ 2008**	**Q1-2/ 2007**	**Change**	**1-12/ 2007**	**Q2/200 8**	**Q2/200 7**
Building & Construction	6.75	6.94	-0.19	15.96	2.65	3.09
Infra & Energy	0.23	0.14	0.09	1.96	0.28	0.31
Defence *)		2.53	-2.53	2.78		2.51
Others	-0.01	0.01	-0.02	-0.02	0.11	-0.07
Total	**6.97**	**9.62**	**-2.65**	**20.68**	**3.04**	**5.84**

*) The Defence business was divested in April 2007.

BUSINESS AREAS

Building & Construction

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

Growth in the building industry slowed down in several key market areas. The customers' decision-making times have become longer. A rapid increase in the price of steel has contributed to this.

It is difficult to predict license-based sales. The soft demand is likely to be relatively short-lived. The development of sales is still promising in emerging markets in particular. Tekla's strong market position and the competitive situation of the industry remained unchanged. The long-term outlook is still good, as the building industry is seeking ways of working that increase productivity. Tekla has expanded its product portfolio, aiming to facilitate this development.

Demand for modeling systems continues to increase, and product modeling is strengthening its foothold in structural design and other stages of the building process. Tekla's market position as a supplier of 3D modeling software remained strong in all markets and the numbers of users were on the increase.

It is very favorable for Tekla that the building industry's move to model-based 3D processes from traditional 2D ways of working continues. In addition, Building Information Modeling (BIM) is gaining ground around the world. BIM means that the information of the product model is transferred and shared between the parties of the construction process.

The net sales of B&C amounted to 23.64 (21.43) million euros for January-June 2008. Net sales increased by approximately 10% compared to the previous year. Operating result was slightly less than the previous year, amounting to 6.75 (6.94) million euros. B&C's operating profit percentage for the reporting period was 28.6% (32.4%). The weakening of the US dollar decreased B&C's net sales by approximately 3 percent.

During the second quarter, B&C's net sales amounted to 11.45 (10.81) million euros and its operating result was 2.65 (3.09) million euros.

International operations accounted for 95% (94%) of B&C's net sales in January-June 2008. With regard to the key market areas, the highest proportional growth in net sales was seen in the Far East and the Middle East during the first two quarters. Sales in the largest individual market, the United States, remained at a good level, but growth did not reach expectations. In Australia and France, sales developed favorably, but expectations were not reached in the United Kingdom and a few other Western European countries. At the beginning of the year, India was the second-largest market, but slowing growth in the US market seems to have had an impact on demand in India.

In March, Tekla announced closing a considerable license deal in India. Prothius Engineering Services, one of the world's largest engineering offices, acquired more than one hundred new Tekla Structures licenses.

Tekla joined the Business Software Alliance in spring 2007. The BSA is a global association that aims to, e.g., reduce software piracy. The first raids, in which several illegal copies of Tekla Structures software were found, took place in the Philippines, Indonesia and China at the beginning of the year. Actions were continued in co-operation with the BSA.

During the reporting period, B&C's product development concentrated on the annual main version of Tekla Structures, which was released at the end of May. The development focused on improving openness. Customers can customize the software themselves or with their own partners for their own use. At the same time, a novel software-based licensing system was adopted.

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), infrastructure management (Tekla Xcity, Tekla Xstreet), as well as water and sewage (Tekla Xpipe).

Structural changes in the energy industry and end users' increasing expectations of the reliability of energy distribution and customer service increase the need for developing and renewing network information systems. Tekla has a solid market position in the industry in the Nordic countries and the Baltic states. In Finland, increasing regional collaboration will increase the public sector's GIS development needs. Tekla's market position is strong in large and medium-sized Finnish municipalities.

The net sales of I&E amounted to 5.74 (5.60) million euros for January-June 2008. Net sales increased by 2.5%. I&E's operating result was 0.23 (0.14) million euros. International operations accounted for 34% (37%) of net sales. I&E's operating result percentage was 4.0% (2.5%).

I&E's second quarter was at the same level with the corresponding quarter the previous year. Net sales for the second quarter amounted to 3.07 (3.11) million euros, and operating profit was 0.28 (0.31) million euros.

I&E's first half of the year went almost as planned. The second quarter was slightly below expectations. On a yearly level, the situation is expected to improve; the majority of I&E's net sales are generated during the latter half of the year.

The majority of net sales consists of additional and service sales to existing customers. New customers are expected from the strong markets in the Nordic countries. Efforts for business growth are underway in Germany and in the new EU countries. The customer base in the infrastructure management sector is expected to broaden with the adoption of regional services in Finland.

During the reporting period, product development in all products focused on main versions, which were completed in June. Integration of operational support with automatic meter reading was developed for Tekla Xpower. In addition, the software was developed to support the modeling of gas networks more comprehensively. Productization of Tekla Xpipe for the Swedish market continued. E-service is the primary target of development in Tekla Xcity. In addition to this, street and park management applications were developed further.

PERSONNEL

The Group personnel averaged 414 (371) for January-June 2008; on average 167 (136) 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 400 (365) including part-time staff, and at the end of June 444 (377), of whom 179 (147) worked outside Finland.

During the rest of the year, increase in the number of personnel will be clearly more moderate than during the first two quarters, with recruitment focusing on experts working in the customer interface.

SHARE AND OWNERSHIP STRUCTURE

Shares and Share Capital

The total number of Tekla Corporation shares at the end of June 2008 was 22,586,200, of which the company owned 69,600. The total book countervalue of those was 2,088 euros, representing 0.3% of the company's shares and the total number of votes. A total of 220,702.46 euros had been used for acquiring the company's own shares, and their market value was 556,800 euros on June 30, 2008. The book countervalue 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-June 2008 was 13.00 (14.94) euros, the lowest 7.58 (7.60) euros. The average quotation was 10.21 (10.27) euros. On the last trading day of June, trading closed at 8.00 (14.22) euros.

A total of 4,966,217 (6,967,468) Tekla shares changed hands in January-June 2008 at OMX Nordic Exchange Helsinki, amounting to 22% (30.8%) of the entire share capital.

Changes in ownership structure (flagging notifications)

Threadneedle Asset Management Holdings Limited announced that their holdings in Tekla Corporation crossed above the 5% threshold on January 14, 2008. According to the notification, Threadneedle's holdings stood at 5.098%.

ANNUAL GENERAL MEETING

Tekla Corporation's Annual General Meeting on March 19, 2008 adopted the company's financial statements, consolidated income statement and balance sheet for 2007. 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 0.50 euros per share was distributed for 2007. The dividend payment date was April 3, 2008.

Ari Kohonen, Olli-Pekka Laine (Vice Chair), Heikki Marttinen (Chair) and Erkki Pehu-Lehtonen were re-elected Board members until the conclusion of the Annual General Meeting in 2009. Reijo Sulonen was elected as a new Board member. Timo Keinänen was re-elected deputy member of the Board. Juha Kajanen is the Tekla personnel representative on the Board and Pirjo Lundén his personal deputy.

PricewaterhouseCoopers were re-elected as auditors, with Markku Marjomaa, Authorized Public Accountant, as the auditor in charge.

The AGM renewed the Board's authorizations regarding the increase of the company's share capital and acquiring or transferring the company's treasury shares.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

No changes were detected in risks and uncertainty factors during the reporting period.
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 may weaken further, at least in certain markets, which might have a negative impact on the demand for Tekla products.

In the software product business, it is possible to react swiftly to growing demand, and profits from additional sales are good. The majority of 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 in case of quick changes, it would be challenging to proportion fixed personnel expenses, which account for the majority of Tekla's costs.

The sales of Tekla software are geographically distributed. Also individual customers do not account for a significant share of net sales, and therefore risks such as those described above are not significant.

EVENTS AFTER THE REPORTING PERIOD

According to the notification Tekla Corporation received on August 4, 2008 Threadneedle Asset Management Holdings Limited´s holdings in Tekla Corporation crossed above the 10% threshold on August 1, 2008. According to it further, their holdings are in total 2,264,730 shares, which represent 10.027% of Tekla´s shares and voting rights.

OUTLOOK FOR 2008

A new net sales and operating profit outlook was released on July 24. In it, Tekla estimated its growth in net sales for 2008 to be approximately 10 percent. Profitability is expected to remain good and operating result to be at the previous year's level. Growth in the Building & Construction business area is expected to outpace Infra & Energy.

Previously, the company estimated the growth in net sales to be approximately 15% on the previous year and the operating result to improve on the previous year.

Both outlooks have been calculated for the continuing businesses, whose net sales for 2007 amounted to 58.24 million euros and operating result to 17.90 million euros.

NEXT FINANCIAL REPORT

Tekla Corporation's Interim Report for January-September 2008 will be published on October 23, 2008.

Espoo, August 7, 2008

TEKLA CORPORATION
Board of Directors

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Tekla Corporation August 8, 2008 at 9.00 a.m.

Distribution: OMX Nordic Exchange Helsinki, main media

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 more than 80 countries. Tekla Group's net sales for 2007 were nearly 60 million euros and operating result approximately 20 million euros. International operations account for more than 80% of net sales. Tekla Group currently employs nearly 450 people, of whom approximately 40% work outside Finland. Tekla was established in 1966, making it one of the oldest software companies in Finland. www.tekla.com

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

CONSOLIDATED INCOME STATEMENT

Million euros	**Q1-Q2/ 2008**	**Q1-Q2/ 2007**	**1-12/ 2007**	**Q2/ 2008**	**Q2/ 2007**
Continuing businesses:					
Net sales	29.38	27.03	58.24	14.52	13.92
Other operating income	0.54	0.46	1.02	0.42	0.22
Change in inventories of finished goods and in work in progress		0.10	0.03		0.05
Raw materials and consumables used	-1.32	-1.10	-2.04	-0.71	-0.52
Employee compensation and benefit expense	-13.87	-12.87	-25.49	-7.23	-6.77
Depreciation	-0.55	-0.58	-1.14	-0.28	-0.28
Other operating expenses	-7.21	-5.95	-12.72	-3.68	-3.29
Operating result	6.97	7.09	17.90	3.04	3.33
% of net sales	23.72	26.23	30.73	20.94	23.92
Financial income	1.21	0.77	1.86	0.41	0.27
Financial expenses	-0.93	-0.50	-1.33	-0.19	-0.24
Profit (loss) before taxes	7.25	7.36	18.43	3.26	3.36
% of net sales	24.68	27.23	31.64	22.45	24.14
Income taxes	-2.04	-2.11	-4.92	-0.94	-1.03
Result for the period from continuing businesses	5.21	5.25	13.51	2.32	2.33
Discontinued operations:					
Result for the period from discontinued operations		1.87	2.06		1.86
Result for the period	5.21	7.12	15.57	2.32	4.19

Attributable to the equity holders of the Company

Earnings per share for profit attributable to the equity holders of the Company: Earnings per share (EUR)	0.23	0.32	0.69	0.10	0.19
Earnings per share from continuing businesses attributable to the equity holders of the Company: Earnings per share (EUR)	0.23	0.23	0.60	0.10	0.10
Earnings per share from discontinued operations attributable to the equity holders of the Company: Earnings per share (EUR)		0.08	0.09		0.08

Earnings are not diluted.

CONDENSED BALANCE SHEET			
Million euros	**6/2008**	**6/2007**	**12/2007**
Assets			
Non-current assets			
Property, plant and equipment	1.73	1.63	1.79
Goodwill	0.10	0.10	0.10
Intangible assets	0.88	0.76	0.74
Other financial assets	0.30	0.30	0.30
Receivables	0.31	0.49	0.49
Deferred tax assets	0.15	0.14	0.11
Non-current assets, total	3.47	3.42	3.53
Current assets			
Inventories	0.07	0.14	0.07
Trade and other receivables	12.46	10.57	12.96
Other financial assets	19.89	21.15	25.22
Cash and cash equivalents	5.67	6.03	4.97
Current assets, total	38.09	37.89	43.22
Assets related to discontinued operations	0.25		0.25
Assets total	41.81	41.31	47.00

Equity and liabilities			
Equity			
Share capital	0.68	0.68	0.68
Share premium account	8.89	8.89	8.89
Other own capital	1.12	1.14	1.17
Retained earnings	14.59	12.22	20.71
Equity total	25.28	22.93	31.45
Non-current liabilities			
Deferred tax liabilities	0.05		0.13
Provisions		0.62	
Interest-bearing liabilities	0.09	0.04	0.07
Non-current liabilities total	0.14	0.66	0.20
Current liabilities			
Trade and other payables	16.13	16.31	13.35
Tax liabilities	0.21	0.46	1.01
Current interest-bearing Liabilities	0.05	0.27	0.27
Current liabilities total	16.39	17.04	14.63
Liabilities total	16.53	17.70	14.83
Liabilities related to discontinued operations		0.68	0.72
Equity and liabilities total	41.81	41.31	47.00

CALCULATION OF RECONCILIATION OF EQUITY

Equity attributable to the holders of the Company

	Share Cap.	Share prem. acct.	Res. fund	Fair value res.	Acc. transl. diff.	Ret. earn.	Total
Equity January 1,07	0.68	8.89	1.33	0.10	-0.21	13.93	24.72
Transl. differences					-0.10	0.18	0.08
Changes in available-for-sale investments				0.02			0.02
Items recognized directly in equity	0.00	0.00	0.00	0.02	-0.10	0.18	0.10
Net profit for the period						7.12	7.12
Total income and expenses recognized in the period	0.00	0.00	0.00	0.02	-0.10	7.30	7.22
Payment of dividend						-9.01	-9.01
Equity June 30, 07	0.68	8.89	1.33	0.12	-0.31	12.22	22.93

Equity attributable to the holders of the Company

	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
Transl. differences					0.09	-0.07	0.02
Changes in available-for-sale investments				-0.14			-0.14
Items recognized directly in equity	0.00	0.00	0.00	-0.14	0.09	-0.07	-0.12
Net profit for the period						5.21	5.21
Total income and expenses recognized in the period	0.00	0.00	0.00	-0.14	0.09	5.14	5.09
Payment of dividend						-11.26	-11.26
Equity June 30, 08	0.68	8.89	1.33	0.16	-0.37	14.59	25.28

CONDENSED CASH FLOW STATEMENT

Million euros	**Q1-Q2/ 2008**	**Q1-Q2/ 2007**	**1-12/ 2007**
Cash flows from operating activities:			
Continuing businesses	7.04	9.75	12.31
Discontinued operations		0.60	1.24
Net cash flows from operating activities	7.04	10.35	13.55
Cash flows from investing activities:			
Investments	-0.60	-0.76	-1.66
Sale of intangible assets and property, plant and equipment	0.01	0.02	0.25
Cash flow from sale of discontinued operations		2.35	2.35
Purchases of available-for-sale financial assets	-31.50	-28.57	-55.16
Proceeds from sale of available-for-sale financial assets	33.24	25.34	50.11
Interests received from available-for-sale financial assets	0.54	0.33	0.65
Net cash used in/from investing activities	1.69	-1.29	-3.46
Cash flows from financing activities:			
Payment of dividend	-11.26	-9.01	-9.01
Repayments of long-term debt	-0.22	-0.39	-0.39
Payments of finance lease liabilities	-0.01	-0.02	-0.04

Net cash used in financing activities	-11.49	-9.42	-9.44
Net decrease/increase in cash and cash equivalents	-2.76	-0.36	0.65
Cash and cash equivalents at beginning of the period	8.43	7.78	7.78
Cash and cash equivalents at end of the period	5.67	7.42	8.43
The cash and cash equivalents in the cash flow statement include:			
Cash and cash equivalents	5.67	6.03	4.97
Available-for-sale financial assets, cash equivalents		1.39	3.46

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 financial reports as in the annual financial statements for 2007. The amendments and interpretations to published standards as well as new standards, effective January 1, 2008, are presented in detail in the financial statements for 2007. The adopted standards have not had a significant effect on the result or the data presented in the interim report. The figures presented in the Interim Report 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 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 (primary segment)

Million euros	Q1-Q2/ 2008	Q1-Q2/ 2007	1-12/ 2007	Q2/ 2008	Q2/ 2007
Building & Construction	23.64	21.43	45.48	11.45	10.81
Infra & Energy	5.74	5.60	12.76	3.07	3.11
Defence *)		1.00	1.00		0.51
Others			0.01		
Total	29.38	28.03	59.25	14.52	14.43

Operating result by business area (primary segment)

Million euros	Q1-Q2/ 2008	Q1-Q2/ 2007	1-12/ 2007	Q2/ 2008	Q2/ 2007
Building & Construction	6.75	6.94	15.96	2.65	3.09
Infra & Energy	0.23	0.14	1.96	0.28	0.31
Defence *)		2.53	2.78		2.51
Others	-0.01	0.01	-0.02	0.11	-0.07
Total	6.97	9.62	20.68	3.04	5.84

*) Defence has been processed as discontinued business for the comparison period.

Financial indicators	Q1-Q2/ 2008	Q1-Q2/ 2007	1-12/ 2007	Q2/ 2008	Q2/ 2007
Earnings per share (EPS), EUR	0.23	0.32	0.69	0.10	0.19
Earnings per share (EPS) from continuing businesses, EUR	0.23	0.23	0.60	0.10	0.10
Earnings per share (EPS) from discontinued operations, EUR		0.08	0.09		0.08
Equity/share, EUR	1.12	1.02	1.40		
Interest-bearing liabilities	0.14	0.31	0.34		
Equity ratio, %	61.8	56.1	67.5		
Net gearing, %	-100.4	-117.0	-94.8		
Return on investment, %	51.1	81.7	74.5	54.4	111.6
Return on equity, %	36.7	59.8	55.4	38.5	80.6
Number of shares at end of period	22,516,600	22,516,600	22,516,600		
Number of shares, on average	22,516,600	22,516,600	22,516,600		
Gross investments, MEUR	0.60	0.76	1.66	0.33	0.26
% of net sales	2.04	2.71	2.80	2.27	1.80
Personnel, on average	414	371	374	425	371

Discontinued operations

Defence business

Tekla's Defence business was transferred to Patria on May 1, 2007.
The calculations below show the effect of the business sale on the result and the cash flow during the reporting and comparison periods.

Result for the Defence business

	Q1-Q2/ 2008	Q1-Q2/ 2007	1-12/ 2007
Net sales		1.00	1.00
Expenses		-0.81	-0.81
Profit (loss) before income taxes	0.00	0.19	0.19

Taxes		-0.05	-0.05
Profit (loss) after taxes	0.00	0.14	0.14
Sales profit from the Defence business sale		2.34	2.59
Taxes		-0.61	-0.67
Sales profit after taxes	0.00	1.73	1.92
Profit/loss for the period from discount. operations	0.00	1.87	2.06

Cash flow statement, Defence

Cash flows from operating activities		0.60	1.24
Cash flow from investing activities		2.35	2.35
Total cash flow	0.00	2.95	3.59

The effect of the sale of the Defence business on the financial position of the Group

Assets	0.25		0.25
Liabilities		0.68	0.72

Consolidated income statement by quarter

Million euros	**Q2/ 2008**	**Q1/ 2008**	**Q4/ 2007**	**Q3/ 2007**	**Q2/ 2007**
Continuing businesses:					
Net sales	14.52	14.86	16.44	14.78	13.92
Other operating income	0.42	0.12	0.39	0.17	0.22
Change in inventories of finished goods and in work in progress			-0.05	-0.02	0.05
Raw materials and consumables used	-0.71	-0.61	-0.67	-0.28	-0.52
Employee compensation and benefit expense	-7.23	-6.64	-6.90	-5.72	-6.77
Depreciation	-0.28	-0.27	-0.28	-0.28	-0.28
Other operating expenses	-3.68	-3.53	-3.94	-2.83	-3.29
Operating result	3.04	3.93	4.99	5.82	3.33
% of net sales	20.94	26.45	30.35	39.38	23.92
Financial income	0.41	0.80	0.47	0.62	0.27
Financial expenses	-0.19	-0.74	-0.42	-0.41	-0.24

Profit (loss) before taxes	3.26	3.99	5.04	6.03	3.36
% of net sales	22.45	26.85	30.66	40.80	24.14
Income taxes	-0.94	-1.10	-1.24	-1.57	-1.03
Result for the period from continuing businesses	2.32	2.89	3.80	4.46	2.33
Discontinued operations:					
Result for the period from discontinued operations			0.19		1.86
Result for the period	2.32	2.89	3.99	4.46	4.19

Income taxes	**Q1-Q2/ 2008**	**Q1-Q2/ 2007**	**1-12/ 2007**
Taxes for the financial period and prior periods	-2.16	-1.90	-4.54
Deferred taxes	0.12	-0.21	-0.38
Total	-2.04	-2.11	-4.92

Estimated effective tax rate for the financial year has been applied to the result of the reporting period.

Property, plant and equipment	**6/2008**	**6/2007**	**12/2007**
Cost at the beginning of the period	7.20	6.82	6.67
Translation differences	-0.05	-0.02	-0.09
Additions	0.41	0.37	1.16
Disposals	-0.15	-0.23	-0.54
Cost at the end of the period	**7.41**	**6.94**	**7.20**
Accumulated depreciation at the beginning of the period	5.41	5.08	4.93
Translation differences	-0.04	-0.02	-0.05
Accumulated depreciation on disposals	-0.07	-0.18	-0.31
Depreciation for the financial period	0.38	0.43	0.84
Accumulated depreciation at the end of the period	**5.68**	**5.31**	**5.41**
Net book amount at the end of the period	**1.73**	**1.63**	**1.79**

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

Provisions

The Group's provisions, loss-making contracts and provisions for pension obligations have been eliminated on December 31, 2007.

Collaterals, contingent liabilities and other commitments

	6/2008	6/2007	12/2007
Collaterals for own commitments			
Business mortgages (as collateral for bank guarantee limit)	0.50	0.50	0.50
Pledged funds	0.05	0.07	0.07
Other contingent liabilities			
Guarantees		0.06	
Leasing and rental agreement commitments			
Premises	4.00	5.62	4.75
Others	0.84	0.74	0.81
Total	4.84	6.36	5.56
Derivative contracts			
Currency forward contracts:			
Fair value	0.13	0.07	0.31
Nominal value of underlying instruments	2.37	3.76	3.63

The Group makes derivative contracts to hedge against the exchange rate risks of prospective sales agreements. Forward contracts and currency options 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.

Related party transactions	**6/2008**	**6/2007**	**12/2007**
Gerako Oy			
Purchases of services	0.11	0.03	0.06
Reimbursed expenses			0.01
Management remuneration			
Salaries and post-employment benefits	0.94	0.82	1.33

Management herein refers to members of the Tekla Management Team.