Tekla Corporation 26 October 2007 at 9:00 a.m.

Tekla Corporation's Interim Report January 1-September 30, 2007:
Excellent third quarter for Tekla

Net sales of Tekla Group for January-September 2007 totaled 42.81 (34.29 during the same period in 2006) million euros. Growth in net sales was nearly 25%. The operating result for the reporting period was considerably better than the corresponding period the previous year, 15.44 (8.83) million euros. The operating result was 36.1% (25.8%) of net sales. The Defence business is included in the 2007 figures for the first four months.

Net sales of the continuing businesses in January-September 2007 amounted to 41.81 (33.08) million euros, increasing by approximately 26%. The operating result of the continuing businesses amounted to 12.91 (8.92) million euros, the operating result percentage was 30.9% (27.0%).

Net sales for the third quarter of the continuing businesses totaled 14.78 (11.42) million euros, increasing by approximately 29%. The operating result for the quarter was 5.82 (3.94) million euros; the operating result percentage for the third quarter was 39.4% (34.5%).

- Tekla's excellent figures for the third quarter further strengthen our confidence that the investments for the future, mainly increases to personnel, have been correct. The fact that some rather major deals were made in July-September contributed to the extremely good operating result. In addition, the development of costs was moderate, one of the reasons for this being the holiday season. The number of personnel grew slower than during the first two quarters, says Ari Kohonen, Tekla's President and CEO.

- Our main business area, Building & Construction, achieved record quarterly net sales in July-September (12.01 million euros), increasing by 33% compared to the corresponding period the previous year. Sales in the key markets were extraordinary. The third quarter was excellent especially in our largest market, North America. Sales developed extremely favorably in India, the Nordic countries and the Middle East as well.

- Our second business area, Infra & Energy, is proceeding according to plans. We are very satisfied with I&E's sales during the third quarter and especially its profitability.

The Board increases the company's net sales and profit outlook for the year as a whole. Net sales of the continuing business operations are estimated to exceed those of the previous year by 20% to 25%. The earlier forecast of growth in net sales was approximately 20%. The operating result of the continuing businesses is expected to be clearly better than the previous year. The forecast is specified so that the operating result will exceed the level of the previous year (28%). The Building & Construction business area generates the majority of Tekla's net sales and operating profit. Net sales of Infra & Energy are expected to experience moderate annual growth, and its result to be better than the previous year.

Tekla is the industry-leading international software company whose innovative software solutions make customers' core business more effective in building and construction, energy distribution and in municipalities. The company's model-based software products and related services are used in more than 80 countries. Tekla Group's net sales for 2006 were approximately 50 million euros and operating result 13.6 million euros. International operations account for more than 80% of net sales. Tekla Group employs nearly 400 persons, of whom a third work outside Finland. Tekla was established in 1966, making it one of the oldest software companies in Finland.

Tekla Corporation 26 October 2007 at 9:00 a.m.

TEKLA CORPORATION'S INTERIM REPORT JANUARY 1–SEPTEMBER 30, 2007

NET SALES AND PROFITABILITY

* Net sales of Tekla Group for January-September 2007 were 42.81 million euros (34.29 million euros in January-September 2006).
* Growth in net sales was 24.8%.
* Operating result was 15.44 (8.83) million euros.
* Operating profit percentage was 36.1 (25.8).
* Earnings per share were 0.51 (0.30) euros.
* Return on investment was 80.4 (60.2) percent.
* Return on equity was 59.3 (46.3) percent.
* The Defence business is included in the 2007 figures for the first four months.

Continuing businesses:
* Net sales were 41.81 (33.08) million euros.
* Operating result was 12.91 (8.92) million euros.
* Operating profit percentage was 30.9 (27.0).
* Earnings per share were 0.43 (0.30) euros.

FINANCIAL POSITION

* Cash flows from operating activities totaled 11.44 (11.53) million euros.
* Liquid assets amounted to 28.06 (23.23) million euros on September 30, 2007 and 24.24 million euros on December 31, 2006.
* Equity ratio was 65.3 (61.1) percent.
* Interest-bearing debts were 0.31 (0.78) million euros.

OTHER KEY FIGURES

* International operations accounted for 82.5% (80.0%) of net sales (continuing businesses).
* Personnel averaged 371 (317) for January-September. The Defence personnel (approximately 20) are included in the number of personnel until the end of April 2007.
* At the end of September, the number of personnel including part-time staff was 384 (347).
* Gross investments in property, plant and equipment were 1.14 (0.74) million euros.
* Equity per share was 1.21 (0.94) euros.
* On the last trading day of September, trading closed at 10.20 (5.65) euros.

BUSINESS AREAS

NET SALES BY BUSINESS AREA (PRIMARY SEGMENT)

Million euros	Q1-Q3/ 2007	Q1-Q3/ 2006	Change	1-12/ 2006	Q3/ 2007	Q3/ 2006
Building & Construction	33.44	24.97	8.47	35.88	12.01	9.00
Infra & Energy *)	8.36	8.11	0.25	11.76	2.76	2.42

Defence **)	1.00	1.21	-0.21	2.14	0.00	0.29
Others	0.01	0.00	0.01	0.00	0.01	0.00
Total	42.81	34.29	8.52	49.78	14.78	11.71

OPERATING RESULT BY BUSINESS AREA (PRIMARY SEGMENT)

Million euros	Q1-Q3/ 2007	Q1-Q3/ 2006	Change	1-12/ 2006	Q3/ 2007	Q3/ 2006
Building & Construction	12.11	8.78	3.33	12.77	5.17	3.73
Infra & Energy *)	0.76	0.51	0.25	1.04	0.62	0.20
Defence **)	2.53	-0.09	2.62	0.24	0.00	-0.06
Others	0.04	-0.37	0.41	-0.43	0.03	0.01
Total	15.44	8.83	6.61	13.62	5.82	3.88

*) At the beginning of 2007, the Energy & Utilities and Public Infra business areas were merged. Comparison figures for 2006 have been calculated to correspond with the new division of business areas.
**) Defence has been processed as discontinued business also for the comparison period. The Defence operating result for Q2/2007 includes approximately 2.3 million euros profit from the business sale.

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.

The trends in the building industry have remained favorable in all key market areas. Demand for modeling systems is on the rise, and product modeling is strengthening its position in structural design and other stages of the building process. Tekla's market position as a supplier of 3D modeling software is strong in all markets and the numbers of users continued to increase.

B&C's customers' business volumes show no sign of letting up. Effects of volume changes on the demand for Tekla's products are not linear, and in addition they are difficult to predict. Tekla's products are primarily used in commercial, office and industrial buildings. B&C's most significant single market is the United States, where the weakened outlooks refer to residential construction.

The net sales of B&C amounted to 33.44 (24.97) million euros for January-September 2007. Net sales increased by approximately 34% compared to the same period the previous year. Its operating result was 12.11 (8.78) million euros. B&C’s operating profit percentage for the reporting period was 36.2% (35.2%). Fluctuations in the exchange rate between the US dollar and the euro had a slightly negative effect on B&C's net sales and result.

During the third quarter, B&C's net sales amounted to 12.01 (9.00) million euros. This was the business area's best quarter ever in terms of net sales. B&C's operating result was excellent: 5.17 (3.73) million euros. Increase in the number of personnel continued also during the second quarter in order to ensure favorable development.

By far the most of B&C's net sales were still due to the product offering for structural steel engineering. Sales of B&C's other products developed favorably as well during the reporting period. Nordic customers in particular are using the features of Tekla Structures increasingly more extensively. A significant part of the resource additions has, in fact, been and will be allocated to expanding the product offering.

International operations accounted for 94% (95%) of B&C's net sales in January-September 2007. The biggest market areas were North America, India, the Nordic countries and the Middle East, which increased their net sales also proportionally the most.

The Indian company Techflow Engineers strengthened its competitive position and increased the number of its Tekla Structures licenses to one hundred. Techflow is a local pioneer in structural engineering and a long-time customer for Tekla.

WSP Group, one of the fastest growing building industry consultancies in the world and the industry's leading expert in structural 3D modeling, signed a framework agreement with Tekla in September.

In August, Tekla signed a framework agreement with Ramboll Group, a leading Nordic engineering company. Ramboll is a significant Tekla Structures user. The company has used the software in hundreds of general design projects, most of which have involved concrete as the building material.

Al Attar Group, the U.A.E.-based real estate development and construction group, chose to adopt Tekla Structures in its key business processes in July. The contract is one of the largest for Tekla's Middle East office, and it consolidates Tekla's position as the leading BIM solution provider in the region.

Tekla joined the Business Software Alliance in the spring. BSA is a global association that aims to reduce software piracy and promote a legal network environment.

Infra & Energy

At the beginning of 2007, the Energy & Utilities and Public Infra business areas merged into a new business area, Infra & Energy. Infra & Energy focuses on development and sales of model-based software solutions that support customers' core processes. Its key customer industries (products in brackets) are energy distribution (Tekla Xpower), infrastructure management (Tekla Xcity, Tekla Xstreet) and water supply (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 firm 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 8.36 (8.11) million euros for January-September 2007. Net sales increased by some 3%. I&E's operating result for the reporting period was 0.76 (0.51) million euros. I&E's operating profit percentage was 9.1% (6.3%). International operations accounted for 38% (35%) of net sales.

I&E's net sales for the third quarter amounted to 2.76 (2.42) million euros and operating result was 0.62 (0.20) million euros. The operating result percentage was 22.5% (8.2%).

I&E's prospects for the rest of the year are favorable; the business area's net sales are experiencing moderate growth and the result of the year is expected to be above that of the previous year.

The majority of I&E's net sales consists of additional and service sales to existing customers. In the field of energy distribution, expanding the use of Tekla Xpower was agreed with customers in the Nordic countries. The use of the software continued also in Malaysia. In the field of infrastructure management, several collaboration projects were underway with customers. A project to develop electronic building supervision services continued with six major Finnish cities. When it is completed next spring, the application will comprise a key part of the Tekla Xcity-based electronic service entity for infrastructure management.

New customers are mainly expected from among Swedish energy companies as well as Finnish and Swedish water utilities. In Eastern Europe, exploration of new business opportunities continues with local partners. The customer base in the infrastructure management sector is expected to broaden with the adoption of regional services in Finland.

Defence

Tekla sold its project-based Defence business to Patria on May 1, 2007. In connection with the transaction, some 20 Defence employees transferred to Patria.

The Defence business area will be processed as discontinued business in the financial reporting for 2007. More detailed information can be found in the tables of this Interim Report.

PRODUCT DEVELOPMENT

Tekla's software development is taken care of by the Product Development unit, which focuses on developing Tekla's own products instead of customer-specific information system projects. However, product projects where product features are developed in cooperation with individual customers and customer groups continue as a part of the I&E business area's product-based solution portfolio.

The annual main version of Tekla Structures was launched in mid-April. During the third quarter, Tekla Structures development focused on the 2008 main version to be released next spring. In it, the focus of development include modeling of all types of structures, speed and user friendliness of the software, improvements connected with drawings and reports, and more versatile utilization of the product model between organizations. In addition, a product module for construction management is being developed. This makes it possible to model the entire project from detailing to site schedules and supervision.

The annual main versions of the Tekla Xpower and Tekla Xpipe software were completed in September, with various new features, especially in network calculations. During the third quarter, product development targeted the next main version, e.g. improving the safety aspects of various user groups.

Development of the Tekla Xcity and Tekla Xstreet software products continued in close cooperation with customers. Main versions of both products were released in June and the next versions will be released in November – December.

PERSONNEL

The Group personnel averaged 371 (317) for January-September 2007; on average 141 (103) worked outside Finland. In these figures, the number of part-time staff has been converted to correspond to full-time work contribution. The Defence personnel (approximately 20) are included in the number of personnel until the end of April 2007.

At the beginning of the year, Tekla personnel totaled 365 (324) including part-time staff, and at the end of September 384 (347), of whom 152 (111) worked outside Finland. Largest increases to personnel took place in product development and sales.

SHARE AND OWNERSHIP STRUCTURE

Shares and Share Capital

The total number of Tekla Corporation shares at the end of September 2007 was 22,586,200, of which the company owned 69,600. The total nominal value of those was 2,088 euros, representing 0.3% of the total share capital 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 709,920 euros on September 30, 2007. The nominal 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-September 2007 was 14.94 (6.49) euros, the lowest 7.60 (3.38) euros. The average quotation was 10.59 (4.87) euros. On the last trading day of September, trading closed at 10.20 (5.65) euros.

A total of 10,516,655 (11,288,021) Tekla shares changed hands in January-September 2007, amounting to 46.6% (50%) of the entire share capital.

Tekla terminated the market-making agreement for its share in July. The agreement terminated on August 31, 2007.

Flagging Announcements

According to a notification by Fidelity International Ltd and its subsidiaries dated March 19, 2007, their holdings in Tekla Corporation had decreased below the 5% threshold to 4.09%.

At the end of March, Fidelity International and its subsidiaries announced that their holdings had crossed above the 5% threshold after the security lending ended on March, 23, 2007. According to the notification, the new holdings amounted to 8.37%.

ANNUAL GENERAL MEETING

Tekla Corporation's Annual General Meeting on March 15, 2007 adopted the financial statements, consolidated income statement and balance sheet for 2006. The Annual General Meeting also discharged the CEO and the Board members from liability. The Annual General Meeting also approved the Board's proposal that a dividend of 0.20 euros plus an extra dividend of 0.20 euros due to the anniversary, or a total of 0.40 euros per share, be distributed for the financial period 2006.

Ari Kohonen, Esa Korvenmaa, Olli-Pekka Laine (Vice Chair), Heikki Marttinen (Chair) and Erkki Pehu-Lehtonen were re-elected as Board members until the conclusion of the Annual General Meeting in 2008. Timo Keinänen was re-elected as 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 transferring the company's treasury shares. In addition, the AGM authorized the Board to acquire a maximum of 500,000 Tekla shares.

The Board had not used its authorizations by the end of September 2007.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

Possible risks and uncertainty factors associated with Tekla's business are mainly connected with the market and competition situation and the general economic situation.

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 is challenging to proportion fixed personnel expenses, which account for the majority of Tekla's costs.

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

OUTLOOK FOR 2007

The Board increases the company's net sales and profit outlook for the year as a whole. Net sales of the continuing business operations are estimated to exceed those of the previous year by 20% to 25%. The earlier forecast of growth in net sales was approximately 20%. The operating result of the continuing businesses is expected to be clearly better than the previous year. The forecast is specified so that the operating result will exceed the level of the previous year (28%). The Building & Construction business area generates the majority of Tekla's net sales and operating profit. Net sales of Infra & Energy are expected to experience moderate annual growth, and its result to be better than the previous year.

TEKLA

Tekla Corporation 26 October 2007 at 9:00 a.m.

NEXT FINANCIAL REPORT

Tekla Corporation's financial statement bulletin for 2007 will be published on February 7, 2008.

Espoo, October 26, 2007
TEKLA CORPORATION
Board of Directors

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Distribution: Helsinki Exchanges, main media

Enclosures:
- Consolidated income statement, balance sheet (condensed) and cash flow statement (condensed)
- Consolidated statement of changes in equity
- Notes to the Interim Report

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

CONSOLIDATED INCOME STATEMENT

Million euros	Q1-Q3/ 2007	Q1-Q3/ 2006	1-12/ 2006	Q3/ 2007	Q3/ 2006
Continuing businesses:					
Net sales	41.81	33.08	47.64	14.78	11.42
Other operating income	0.63	0.69	1.02	0.17	0.26
Change in inventories of finished goods and in work in progress	0.08	0.06	0.02	-0.02	0.03
Raw materials and consumables used	-1.38	-1.14	-2.01	-0.28	-0.25
Employee compensation and benefit expense	-18.59	-15.56	-21.70	-5.72	-5.07
Depreciation	-0.86	-0.89	-1.19	-0.28	-0.28
Other operating expenses	-8.78	-7.32	-10.40	-2.83	-2.17

Operating profit (loss)	12.91	8.92	13.38	5.82	3.94
% of net sales	30.88	26.96	28.09	39.38	34.50
Financial income	1.39	0.71	1.06	0.62	0.29
Financial expenses	-0.91	-0.48	-0.91	-0.41	-0.09
Profit (loss) before taxes	13.39	9.15	13.53	6.03	4.14
% of net sales	32.03	27.66	28.40	40.80	36.25
Income taxes	-3.68	-2.41	-3.55	-1.57	-1.18
Result for the period from continuing businesses	9.71	6.74	9.98	4.46	2.96
Discontinued operations:					
Result for the period from discontinued operations	1.87	-0.09	0.18	0.00	-0.06
Result for the period	11.58	6.65	10.16	4.46	2.90
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)	0.51	0.30	0.45	0.20	0.13
Earnings are not diluted.					
Earnings per share from continuing operations attributable to the equity holders of the Company:					
Earnings per share (EUR)	0.43	0.30	0.44	0.20	0.13
Earnings are not diluted.					
Earnings per share from discontinued operations attributable to the equity holders of the Company:					
Earning per share (EUR)	0.08	0.00	0.01	0.00	0.00
Earnings are not diluted.					

CONDENSED BALANCE SHEET

Million euros	9/2007	9/2006	12/2006
Assets			
Non-current assets			

Property, plant and equipment	1.80	1.58	1.74
Goodwill	0.10	0.10	0.10
Intangible assets	0.69	0.39	0.49
Other financial assets	0.30	0.30	0.30
Receivables	0.54	0.65	0.56
Deferred tax assets	0.02	0.29	0.36
Non-current assets, total	3.45	3.31	3.55
Current assets			
Inventories	0.12	0.08	0.04
Trade and other receivables	10.45	8.03	10.90
Other financial assets	21.70	17.62	18.60
Cash and cash equivalents	6.41	5.67	5.69
Current assets, total	38.68	31.40	35.23
Assets related to discontinued operations	0.00	0.54	0.97
Assets total	42.13	35.25	39.75
Equity and liabilities			
Equity			
Share capital	0.68	0.68	0.68
Share premium account	8.89	8.89	8.89
Other own capital	1.09	1.32	1.22
Retained earnings	16.66	10.21	13.93
Equity total	27.32	21.10	24.72
Non-current liabilities			
Provisions	0.56	0.83	0.83
Interest-bearing liabilities	0.05	0.27	0.27
Non-current liabilities total	0.61	1.10	1.10
Current liabilities			
Trade and other payables	12.22	10.67	12.17
Tax liabilities	1.04	1.59	0.80
Current interest-bearing liabilities	0.26	0.51	0.43
Current liabilities total	13.52	12.77	13.40
Liabilities total	14.13	13.87	14.50
Liabilities related to			

discontinued operations	0.68	0.28	0.53
Equity and liabilities total	42.13	35.25	39.75

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company						
	Share cap.	Share prem. acct.	Res. fund	Fair value res.	Acc. transl. diff.	Ret. earn.	Total
Equity January 1, 2006	0.68	8.89	1.33	0.04	-0.05	6.32	17.21
Translation differences					-0.02	-0.06	-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	-0.02	-0.06	-0.06
Net profit for the period						6.65	6.65
Total income and expenses recognized in the period	0.00	0.00	0.00	0.02	-0.02	6.59	6.59
Payment of dividend						-2.70	-2.70
Equity September 30, 2006	0.68	8.89	1.33	0.06	-0.07	10.21	21.10

	Attributable to the equity holders of the Company						
	Share cap.	Share prem. acct.	Res. fund	Fair value res.	Acc. transl. diff.	Ret. earn.	Total
Equity January 1, 2007	0.68	8.89	1.33	0.10	-0.21	13.93	24.72
Translation differences					-0.16	0.16	0.00
Changes in available-for-sale investments				0.03			0.03
Items recognized directly in equity	0.00	0.00	0.00	0.03	-0.16	0.16	0.03
Net profit for the period						11.58	11.58
Total income and expenses recognized. in the period	0.00	0.00	0.00	0.03	-0.16	11.74	11.61
Payment of dividend						-9.01	-9.01
Equity September 30, 2007	0.68	8.89	1.33	0.13	-0.37	16.66	27.32

CONDENSED CASH FLOW STATEMENT

Million euros	Q1-Q3/ 2007	Q1-Q3/ 2006	1-12/ 2006
Cash flows from operating activities:			
Continuing operations	10.84	11.76	13.15
Discontinued operations	0.60	-0.23	-0.14
Cash flows from operating activities	11.44	11.53	13.01
Cash flows from investing activities:			
Investments	-1.14	-0.66	-1.33
Sale of intangible assets and property, plant and equipment	0.03	0.00	0.13
Cash flow from sale of discontinued business	2.35		
Purchases of available-for-sale financial assets	-44.31	-38.27	-48.64
Proceeds from sale of available-for-sale financial assets	39.35	33.71	43.84
Interests received from available-for-sale financial assets	0.54	0.29	0.40
Net cash used in/from investing activities	-3.18	-4.93	-5.60
Cash flows from financing activities:			
Payment of dividend	-9.01	-2.70	-2.70
Repayments of long-term debt	-0.39	-0.51	-0.59
Payments of finance lease liabilities	-0.03	-0.05	-0.06
Net cash used in financing activities	-9.43	-3.26	-3.35
Net decrease/increase in cash and cash equivalents	-1.17	3.34	4.06
Cash and cash equivalents at beginning of the period	7.78	3.72	3.72
Cash and cash equivalents at end of the period	6.61	7.06	7.78

The cash and cash equivalents in the cash flow statement include:

Cash and cash equivalents	6.41	5.67	5.69

Available-for-sale financial assets, cash equivalents	0.20	1.39	2.09

NOTES TO THE INTERIM REPORT

The notes are presented in millions of euros, unless otherwise specified. This interim report has been prepared in accordance with the IAS 34 (Interim Financial Reporting) standard. The same accounting policies and methods of computation have been followed in the interim financial statements as in the annual financial statements for 2006. The amendments and interpretations to published standards as well as new standards, effective January 1, 2007, are presented in detail in the financial statements for 2006. The adopted standards have not had a significant effect on the result or the data presented in the interim report.
The notes in the interim report are unaudited.

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 (primary segment)

Million euros	Q1-Q3/ 2007	Q1-Q3/ 2006	1-12/ 2006	Q3/ 2007	Q3/ 2006
Building & Construction	33.44	24.97	35.88	12.01	9.00
Infra & Energy *)	8.36	8.11	11.76	2.76	2.42
Defence **)	1.00	1.21	2.14	0.00	0.29
Others	0.01	0.00	0.00	0.01	0.00
Total	42.81	34.29	49.78	14.78	11.71

Operating result by business area (primary segment)

Million euros	Q1-Q3/ 2007	Q1-Q3/ 2006	1-12/ 2006	Q3/ 2007	Q3/ 2006
Building & Construction	12.11	8.78	12.77	5.17	3.73
Infra & Energy *)	0.76	0.51	1.04	0.62	0.20
Defence **)	2.53	-0.09	0.24	0.00	-0.06
Others	0.04	-0.37	-0.43	0.03	0.01
Total	15.44	8.83	13.62	5.82	3.88

*) At the beginning of 2007, the Energy & Utilities and Public Infra business areas were merged. Comparison figures for 2006 have been calculated to correspond with the new division of business areas.

**) Defence has been processed as discontinued operations also for the comparison period. The Defence operating result for Q2/2007 includes approximately 2.3 million euros profits from the business sale.

Financial indicators

	9/2007	9/2006	12/2006
Earnings per share (EPS), EUR	0.51	0.30	0.45
Earnings per share (EPS) fr. continuing businesses, EUR	0.43	0.30	0.44
Earnings per share (EPS) fr. discontinued operations, EUR	0.08	0.00	0.01
Equity/share, EUR	1.21	0.94	1.10
Interest-bearing liabilities	0.31	0.78	0.69
Equity ratio, %	65.3	61.1	63.4
Net gearing, %	-101.6	-106.4	-95.2
Return on investment, %	80.4	60.2	63.1
Return on equity, %	59.3	46.3	48.5
Number of shares, end of period	22,516,600	22,516,600	22,516,600
Number of shares, average	22,516,600	22,516,600	22,516,600
Gross investments, MEUR	1.14	0.74	1.33
% of net sales	2.73	2.24	2.79
Personnel, on average	371	317	324

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 period. Tekla has also a possibility to receive an additional price depending on the sales development of the sold business.

Result of the Defence business

	Q1-Q3/ 2007	Q1-Q3/ 2006	1-12/ 2006
Net sales	1.00	1.21	2.14
Expenses	-0.81	-1.30	-1.90
Profit (loss) before taxes	0.19	-0.09	0.24
Taxes	-0.05		-0.06
Profit (loss) after taxes	0.14	-0.09	0.18
Sales profit from the Defence business sale	2.34		
Taxes	-0.61		
Sales profit after taxes	1.73	0.00	0.00
Profit (loss) for the period from discontinued operations	1.87	-0.09	0.18

Cash flow statement, Defence

Cash flows from operating activities	0.60	-0.23	-0.14
Cash flows from investing activities *)	2.35	0.00	0.00
Cash flows from financing activities	0.00	0.00	0.00
Total cash flow	2.95	-0.23	-0.14

*) At Tekla the investments are made centralized and not allocated to the businesses.

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

	September 30, 2007
Trade and other payables	0.02
Tax liabilities	0.66
Liabilities total	0.68

Consideration received and effect on cash flow

Cash received	2.35
Cash and cash equivalents of the discontinued operations	0.00
Total net disposal consideration	2.35

Consolidated income statement by quarter

Million euros	Q3/ 2007	Q2/ 2007	Q1/ 2007	Q4/ 2006	Q3/ 2006
Continuing businesses:					
Net sales	14.78	13.92	13.11	14.55	11.42
Other operating income	0.17	0.22	0.24	0.33	0.26
Change in inventories of finished goods and in work in progress	-0.02	0.05	0.05	-0.04	0.03
Raw materials and consumables used	-0.28	-0.52	-0.58	-0.87	-0.25
Employee compensation and benefit expense	-5.72	-6.77	-6.10	-6.14	-5.07
Depreciation	-0.28	-0.28	-0.30	-0.30	-0.28
Other operating expenses	-2.83	-3.29	-2.66	-3.07	-2.17
Operating profit (loss)	5.82	3.33	3.76	4.46	3.94
% of net sales	39.38	23.92	28.68	30.65	34.50
Financial income	0.62	0.27	0.50	0.35	0.29
Financial expenses	-0.41	-0.24	-0.26	-0.43	-0.09
Profit (loss) before taxes	6.03	3.36	4.00	4.38	4.14
% of net sales	40.80	24.14	30.51	30.10	36.25
Income taxes	-1.57	-1.03	-1.08	-1.14	-1.18
Result for the period from continuing businesses	4.46	2.33	2.92	3.24	2.96
Discontinued operations:					
Result for the period from discontinued operations	0.00	1.86	0.01	0.27	-0.06
Result for the period	4.46	4.19	2.93	3.51	2.90

Income taxes

	Q1-Q3/ 2007	Q1-Q3/ 2006	1-12/ 2006
Taxes for the financial period and prior periods	-3.35	-2.03	-3.23
Deferred taxes	-0.33	-0.38	-0.32
Total	-3.68	-2.41	-3.55

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

Property, plant and equipment	9/2007	9/2006	12/2006
Cost at the beginning of the period	6.82	6.47	6.47
Translation differences	-0.05	-0.04	-0.03
Additions	0.76	0.59	0.98
Disposals	-0.25	-0.57	-0.60
Cost at the end of the period	7.28	6.45	6.82
Accumulated depreciation at the beginning of the period	5.08	4.61	4.61
Translation differences	-0.04	-0.03	-0.03
Accumulated depreciation on disposals	-0.19	-0.41	-0.44
Depreciation for the financial period	0.63	0.70	0.94
Accumulated depreciation at the end of the period	5.48	4.87	5.08
Net book amount at the end of the period	1.80	1.58	1.74

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

Provisions

	Loss-making contracts	Provisions for pensions	Total
January 1, 2007	0.75	0.08	0.83
Deductions of provisions	-0.27		-0.27
September 30, 2007	0.48	0.08	0.56

Collaterals, contingent liabilities and other commitments

	9/2007	9/2006	12/2006
Collaterals for own commitments			
Business mortgages (as collateral for bank guarantee limit)	0.50	0.50	0.50
Pledged funds	0.06	0.05	0.08
Other contingent liabilities			
Guarantees	0.00	0.06	0.07
Leasing and rental agreement commitments			
Premises	5.23	3.56	3.38
Others	0.84	0.72	0.87
Total	6.07	4.28	4.25
Derivative contracts			
Currency forward contracts:			
Fair value	0.25	-0.03	0.06
Nominal value of underlying instruments	5.18	3.13	3.85

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	9/2007	9/2006	12/2006
Gerako Oy			
Purchases of services	0.05	0.03	0.07
Reimbursed expenses	0.01	0.01	0.02
Management remuneration			
Salaries and post-employment benefits	1.08	0.96	1.44

Management herein refers to members of the Tekla Corporation Management Team.