Tekla Corporation's Interim Report January 1-June 30, 2007:
Growth in Tekla's net sales and operating result continued

Net sales of Tekla Group for January-June 2007 totaled 28.03 (22.58) million euros. Growth in net sales was approximately 24 percent. The operating result for the reporting period was nearly twice that of the corresponding period the previous year, 9.62 (4.95) million euros. The operating result was 34.3% (21.9%) of net sales.

Net sales for the second quarter were 14.43 (12.05) million euros, increasing by some 20% compared to the same period in 2006. The operating result for the quarter was 5.84 (3.10) million euros, including approximately 2.3 million euros generated by the sale of the Defence business.

The divested Defence business is included in the 2007 figures for the first four months. Growth in the net sales of the continuing business in January-June 2007 amounted to some 25%, with an operating result of 7.09 (4.98) million euros. The operating result percentage was 26.2% (23.0%).

- The net sales and operating profit of the Building & Construction business area developed favorably during the first two quarters. The key markets are still strong. At the end of the reporting period India became the second largest market area after the United States. Also in the Middle East the sales have been on a good level. We have seen very favorable development in the Nordic countries as well; it is noteworthy that our Nordic customers are using the features of Tekla Structures increasingly more extensively, comments Ari Kohonen, Tekla's President and CEO.

- We are also pleased about the favorable development of the other business area, Infra & Energy, during the second quarter.

- Tekla has chosen the strategy of focusing on the software product business. In accordance with this strategy, the Infra & Energy business area was formed at the beginning of the year, and the project-based Defence business was divested in the second quarter.

- The Board's estimates of the net sales and operating profit for 2007 remain unchanged. Net sales of the continued business operations will increase by approximately 20%. In order to guarantee long-term growth, personnel resources have been and will be further increased. Therefore, costs will increase, but we nevertheless expect the operating result of the continued business operations to clearly exceed that of the previous year. The Building & Construction business area generates the majority of Tekla's net sales and operating profit, but net sales of Infra & Energy are expected to experience moderate annual growth as well, and its result to be positive.

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Tekla will organize a joint information conference for analysts and media at the Scandic Hotel Simonkenttä (address Simonkatu 9, Helsinki, Pavilion Cabinet) on August 3, 2007 from 11:30 a.m. to 12:30 p.m.

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Tekla is the industry-leading international software product 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 accounted for 75% of net sales. Tekla Group employs more than 350 persons, of whom a third work outside Finland. Tekla was established in 1966, making it one of the oldest software companies in Finland. For additional information on Tekla, please visit www.tekla.com

TEKLA CORPORATION'S INTERIM REPORT JANUARY 1-JUNE 30, 2007

NET SALES AND PROFITABILITY

* Net sales of Tekla Group for January-June 2007 were 28.03 million euros (22.58 million euros in January-June 2006).
* Growth in net sales was 24.1%.
* Operating result was 9.62 (4.95) million euros.
* Operating result of the continuing operations was 7.09 (4.98) million euros.
* Operating profit percentage was 34.3 (21.9).
* Operating profit percentage of the continuing operations was 26.2 (23.0).
* Earnings per share were 0.32 (0.17) euros.
* Earnings per share of the continuing operations were 0.23 (0.17) euros.
* Return on investment was 81.7 (53.4) percent.
* Return on equity was 59.8 (42.4) percent.

FINANCIAL POSITION

* Cash flows from operating activities totaled 10.35 (10.36) million euros.
* Liquid assets amounted to 27.13 (22.22) million euros on June 30, 2007 and 24.24 million euros on December 31, 2006.
* Equity ratio was 56.1 (55.0) percent.
* Interest-bearing debts were 0.31 (0.88) million euros.

OTHER KEY FIGURES

* International operations accounted for 79% (75%) of net sales.
* Personnel averaged 371 (312) for January-June.
* At the end of June, the number of personnel including part-time staff was 377 (336).
* Gross investments in property, plant and equipment were 0.76 (0.46) million euros.
* Equity per share was 1.02 (0.81) euros.
* On the last trading day of June, trading closed at 14.22 (4.75) euros.

BUSINESS AREAS

NET SALES BY BUSINESS AREA (PRIMARY SEGMENT)

Million euros	**Q1-Q2/ 2007**	**Q1-Q2/ 2006**	**Change**	**1-12/ 2006**	**Q2/ 2007**	**Q2/ 2006**
Building & Construction	21.43	15.97	5.46	35.88	10.81	8.64
Infra & Energy *)	5.60	5.69	-0.09	11.76	3.11	2.96
Defence **)	1.00	0.92	0.08	2.14	0.51	0.45
Others	0.00	0.00	-	0.00	0.00	0.00
Total	**28.03**	**22.58**	**5.45**	**49.78**	**14.43**	**12.05**

OPERATING RESULT BY BUSINESS AREA (PRIMARY SEGMENT)

Million euros	**Q1-Q2/ 2007**	**Q1-Q2/ 2006**	**Change**	**1-12/ 2006**	**Q2/ 2007**	**Q2/ 2006**
Building & Construction	6.94	5.05	1.89	12.77	3.09	2.90
Infra & Energy *)	0.14	0.31	-0.17	1.04	0.31	0.30
Defence **)	2.53	-0.03	2.56	0.24	2.51	0.00
Others	0.01	-0.38	0.39	-0.43	-0.07	-0.10
Total	**9.62**	**4.95**	**4.67**	**13.62**	**5.84**	**3.10**

*) 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 sales profits amounting to approximately 2.3 million euros.

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 have increased further.

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. B&C's most significant single market is the United States, where the outlook for residential construction has recently weakened. Tekla's products are not widely used in residential construction. Instead the software is primarily used in commercial, office and industrial buildings.

The net sales of B&C amounted to 21.43 (15.97) million euros for January-June 2007. Net sales increased by approximately 34% compared to the same period the previous year. Its operating result was 6.94 (5.05) million euros. B&C's operating profit percentage for the reporting period was 32.4 (31.6). Fluctuations in the exchange rate between the US dollar and the euro had a slightly negative effect on B&C's net sales and operating result.

During the second quarter, B&C's net sales amounted to 10.81 (8.64) million euros and its operating result was 3.09 (2.90) million euros. Personnel resources were further increased during the second quarter in order to ensure favorable development.

By far the most of B&C's net sales were 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 the expanded product offering.

International operations accounted for 94% (95%) of B&C's net sales in January-June 2007. The biggest market areas were North America, India and the Nordic countries, which increased their net sales also proportionally the most. In the Middle East the sales continued on a good level. As for Western Europe, the most favorable development was seen in Germany.

During the reporting period, Tekla joined the Business Software Alliance. The BSA is a global association that aims to reduce software piracy and promote a legal network environment.

Infra & Energy

As of 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 5.60 (5.69) million euros for January-June 2007. Net sales decreased by 1.6%. I&E's operating result for the reporting period was 0.14 (0.31) million euros. I&E's operating profit percentage was 2.5 (5.4). International operations accounted for 37 (32) of net sales.

I&E's second quarter was on the same level with the corresponding quarter the previous year. The net sales for the second quarter amounted to 3.11 (2.96) million euros and operating result was 0.31 (0.30) million euros.

I&E's prospects for the rest of the year are favorable, and the result of the year is expected to be positive.

The majority of net sales consisted of additional and service sales to existing customers. In the field of energy distribution, expanding the use of Tekla Xpower was agreed with several Nordic customers. In the field of infrastructure management, a project to develop electronic building supervision services was agreed with six major Finnish cities. In the future, 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 announced on April 26, 2007, that it will sell the project-based Defence business to Patria on May 1, 2007. In connection with the transaction, some 20 employees transferred to Patria.

The Defence business area's net sales for January-June 2007 amounted to 1.00 (0.92) million euros. Operating profit for the periods was 2.53 (-0.03) million euros, respectively. The operating profit for 2007 includes sales profits amounting to approximately 2.3 million euros.

The Defence business area will be processed as discontinued operations in the financial reporting for 2007.

STRATEGY TO FOCUS ON SOFTWARE PRODUCT BUSINESS

After the realization of the sale of the Defence business and the formation of the new Infra & Energy business area, Tekla will focus further on the software product business. The company develops and sells software products to clearly defined customer industries in the international market. Tekla's software products are meant for professional use and supporting the customers' core business functions. Focusing on the software product business facilitates more uniform processes in product development and e.g. customer relationship management.

PRODUCT DEVELOPMENT

The name of Tekla's software developer unit, Software Production, was changed during the reporting period. The new name is Product Development, which better describes Tekla's increasing focus on the development of its own products and abandonment of the development 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.

During the first two quarters of 2007, building industry product development focused on the main version of Tekla Structures. The 2007 main version was launched in mid-April. Version 13 contains improvements concerning e.g. software performance and usability.

In the future, two Tekla Structures versions will be released annually instead of the previous three versions. The annual main version will be released in the spring and the intermediate version towards the end of the year.

As for Tekla Xpower and Tekla Xpipe software, focus was on the main versions which were completed in June, with various new features, especially in network calculations.

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.

PERSONNEL AND ORGANIZATION

Personnel

The Group personnel averaged 371 (312) for January-June 2007; on average 136 (101) 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 365 (324) including part-time staff, and at the end of June 377 (336), of whom 147 (105) worked outside Finland. Largest increases to personnel took place in product development and sales.

Senior management

Members of the Tekla Management Team as of the beginning of 2007 are: Ari Kohonen, President and CEO; Heikki Multamäki, Executive Vice President (responsible for Tekla's business development); Risto Räty, Executive Vice President (Building & Construction); Kai Lehtinen, Senior Vice President (Infra & Energy); Petri Raitio, Senior Vice President (Product Development); Leif Granholm, Senior Vice President (Tekla Nordic); Harald Lundberg, Vice President (Tekla Information Management); Anneli Bergström, Vice President (Human Resources); and Timo Keinänen, CFO.

SHARE AND OWNERSHIP STRUCTURE

Shares and Share Capital

The total number of Tekla Corporation shares at the end of June 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 989,712 euros on 30.06.2007. 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-June 2007 was 14.94 (6.49) euros, the lowest 7.60 (3.38) euros. The average quotation was 10.27 (4.76) euros. On the last trading day of June, trading closed at 14.22 (4.75) euros.

A total of 6,967,468 (8,293,147) Tekla shares changed hands in January-June 2007, amounting to 30.8% (36.7%) of the entire share capital.

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 Board members until the conclusion of the Annual General Meeting in 2008. 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 transferring the company's treasury shares. In addition, the AGM authorized the Board to acquire a maximum of 500,000 Tekla shares.

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.

Sales of Tekla's software are geographically diverse and individual customers do not account for a significant proportion of the net sales, and therefore the above mentioned risks are not remarkable.

EVENTS AFTER THE REPORTING PERIOD

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

Tekla terminated the Liquidity Providing agreement between Tekla Corporation and FIM Securities Ltd on July 26, 2007. Market making in accordance with the LP agreement will end on August 31, 2007.

OUTLOOK FOR 2007

The Board estimates that the net sales of continued business operations will increase by some 20%. In order to guarantee long-term growth, personnel resources have been and will be increased further. Therefore, costs will increase, but the operating result of the continuing business operations is estimated to clearly exceed that of the previous year. The Building & Construction business area is spearheading the growth in net sales and operating profit, but Infra & Energy is expected to experience moderate growth in net sales as well, and its result to be positive.

NEXT FINANCIAL REPORT

Tekla Corporation's Interim Report for January-September 2007 will be published on October 26, 2007.

Espoo, August 3, 2007
TEKLA CORPORATION
Board of Directors

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

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

CONSOLIDATED INCOME STATEMENT

Million euros	**Q1-Q2/ 2007**	**Q1-Q2/ 2006**	**1-12/ 2006**	**Q2/ 2007**	**Q2/ 2006**
Continuing operations:					
Net sales	27.03	21.66	47.64	13.92	11.60
Other operating income	0.46	0.43	1.02	0.22	0.25
Change in inventories of finished goods and in work in progress	0.10	0.03	0.02	0.05	0.03
Raw materials and consumables used	-1.10	-0.89	-2.01	-0.52	-0.49
Employee compensation and benefit expense	-12.87	-10.49	-21.70	-6.77	-5.37
Depreciation	-0.58	-0.61	-1.19	-0.28	-0.31
Other operating expenses	-5.95	-5.15	-10.40	-3.29	-2.61
Operating profit (loss)	7.09	4.98	13.38	3.33	3.10
% of net sales	26.23	22.99	28.09	23.92	26.72
Financial income	0.77	0.42	1.06	0.27	0.20
Financial expenses	-0.50	-0.39	-0.91	-0.24	-0.27
Profit (loss) before taxes	7.36	5.01	13.53	3.36	3.03
% of net sales	27.23	23.13	28.40	24.14	26.12
Income taxes	-2.11	-1.23	-3.55	-1.03	-0.71
Result for the period from continuing operations	5.25	3.78	9.98	2.33	2.32
Discontinued operations:					
Result for the period from discontinued operations	1.87	-0.03	0.18	1.86	0.00
Result for the period	7.12	3.75	10.16	4.19	2.32
Attributable to the equity holders of the Company					
Earnings per share for profit attributable to the equity holders of the Company:					
Earning per share (EUR)	0.32	0.17	0.45	0.19	0.10
Earnings are not diluted.					

Earnings per share from continuing operations attributable to the equity holders of the Company:					
Earning per share (EUR)	0.23	0.17	0.44	0.10	0.10
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	0.08	0.00
Earnings are not diluted.					

CONDENSED BALANCE SHEET

Million euros	**6/2007**	**6/2006**	**12/2006**
Assets			
Non-current assets			
Property, plant and equipment	1.63	1.69	1.74
Goodwill	0.10	0.10	0.10
Intangible assets	0.76	0.37	0.49
Other financial assets	0.30	0.30	0.30
Receivables	0.49	0.70	0.56
Deferred tax assets	0.14	0.30	0.36
Non-current assets, total	3.42	3.46	3.55
Current assets			
Inventories	0.14	0.05	0.04
Trade and other receivables	10.57	7.28	10.90
Other financial assets	21.15	15.89	18.60
Cash and cash equivalents	6.03	6.39	5.69
Current assets, total	37.89	29.61	35.23
Assets related to discontinued operations	0.00	0.69	0.97
Assets total	41.31	33.76	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	1.14	1.37	1.22
Retained earnings	12.22	7.28	13.93
Equity total	22.93	18.22	24.72
Non-current liabilities			
Provisions	0.62	0.83	0.83
Interest-bearing liabilities	0.04	0.28	0.27
Non-current liabilities total	0.66	1.11	1.10

Current liabilities			
Trade and other payables	16.31	12.58	12.17
Tax liabilities	0.46	0.89	0.80
Current interest-bearing liabilities	0.27	0.60	0.43
Current liabilities total	17.04	14.07	13.40
Liabilities total	17.70	15.18	14.50
Liabilities related to discontinued operations	0.68	0.36	0.53
Equity and liabilities total	41.31	33.76	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	-0.09	-0.11
Changes in available-for-sale investments				0.07			0.07
Items recognized directly in equity	0.00	0.00	0.00	0.07	-0.02	-0.09	-0.04
Net profit for the period						3.75	3.75
Total income and expenses recognized in the period	0.00	0.00	0.00	0.07	-0.02	3.66	3.71
Payment of dividend						-2.70	-2.70
Equity June 30, 2006	0.68	8.89	1.33	0.11	-0.07	7.28	18.22

	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					-0.10	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, 2007	0.68	8.89	1.33	0.12	-0.31	12.22	22.93

CONDENSED CASH FLOW STATEMENT

Million euros	**Q1-Q2/ 2007**	**Q1-Q2/ 2006**	**1-12/ 2006**
Cash flows from operating activities:			
Continuing operations	9.75	10.61	13.15
Discontinued operations	0.60	-0.25	-0.14
Cash flows from operating activities	10.35	10.36	13.01
Cash flows from investing activities:			
Investments	-0.76	-0.46	-1.33
Sale of intangible assets and property, plant and equipment	0.02	0.00	0.13
Cash flow from sale of discontinued business	2.35		
Purchases of available-for-sale financial assets	-28.57	-22.71	-48.64
Proceeds from sale of available-for-sale financial assets	25.34	18.54	43.84
Interests received from available-for-sale financial assets	0.33	0.10	0.40
Net cash used in/from investing activities	-1.29	-4.53	-5.60
Cash flows from financing activities:			
Payment of dividend	-9.01	-2.70	-2.70

Repayments of long-term debt	-0.39	-0.41	-0.59
Payments of finance lease liabilities	-0.02	-0.05	-0.06
Net cash used in financing activities	-9.42	-3.16	-3.35
Net decrease/increase in cash and cash equivalents	-0.36	2.67	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	7.42	6.39	7.78
The cash and cash equivalents in the cash flow statement include:			
Cash and cash equivalents	6.03	6.39	5.69
Available-for-sale financial assets, cash equivalents	1.39	0.00	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 statement for 2006. The adopted standards have not had a significant effect on the result or the data presented in the interim report. The notes to 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-Q2/ 2007**	**Q1-Q2/ 2006**	**1-12/ 2006**	**Q2/ 2007**	**Q2/ 2006**
Building & Construction	21.43	15.97	35.88	10.81	8.64
Infra & Energy *)	5.60	5.69	11.76	3.11	2.96
Defence **)	1.00	0.92	2.14	0.51	0.45
Others	0.00	0.00	0.00	0.00	0.00
Total	28.03	22.58	49.78	14.43	12.05

Operating result by business area (primary segment)

	Q1-Q2/ 2007	Q1-Q2/ 2006	1-12/ 2006	Q2/ 2007	Q2/ 2006
Building & Construction	6.94	5.05	12.77	3.09	2.90
Infra & Energy *)	0.14	0.31	1.04	0.31	0.30
Defence **)	2.53	-0.03	0.24	2.51	0.00
Others	0.01	-0.38	-0.43	-0.07	-0.10
Total	9.62	4.95	13.62	5.84	3.10

*) The Energy & Utilities and Public Infra business areas were merged at the beginning of 2007. 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 sales profits amounting to approximately 2.3 million euros.

Financial indicators	**6/2007**	**6/2006**	**12/2006**
Earnings per share (EPS), EUR	0.32	0.17	0.45
Earnings per share (EPS) from continuing operations, EUR	0.23	0.17	0.44
Earnings per share (EPS) from discontinued operations, EUR	0.08	0.00	0.01
Equity/share, EUR	1.02	0.81	1.10
Interest-bearing liabilities	0.31	0.88	0.69
Equity ratio, %	56.1	55.0	63.4
Net gearing, %	-117.0	-117.1	-95.2
Return on investment, %	81.7	53.4	63.1
Return on equity, %	59.8	42.4	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	0.76	0.46	1.33
% of net sales	2.81	2.12	2.79
Personnel, on average	371	312	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-Q2/ 2007**	**Q1-Q2/ 2006**	**1-12/ 2006**
Net sales	1.00	0.92	2.14
Expenses	-0.81	-0.95	-1.90
Profit (loss) before taxes	0.19	-0.03	0.24
Taxes	-0.05		-0.06
Profit (loss) after taxes	0.14	-0.03	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	-0.03	0.18
Cash flow statement, Defence			
Cash flows from operating activities	0.60	-0.25	-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	-0.25	-0.14

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

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

	June 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	**Q2/ 2007**	**Q1/ 2007**	**Q4/ 2006**	**Q3/ 2006**	**Q2/ 2006**
Continuing operations:					
Net sales	13.92	13.11	14.55	11.43	11.60
Other operating income	0.22	0.24	0.33	0.26	0.25
Change in inventories of finished goods and in work in progress	0.05	0.05	-0.04	0.03	0.03
Raw materials and consumables used	-0.52	-0.58	-0.87	-0.25	-0.49
Employee compensation and benefit expense	-6.77	-6.10	-6.14	-5.07	-5.37
Depreciation	-0.28	-0.30	-0.30	-0.28	-0.31
Other operating expenses	-3.29	-2.66	-3.07	-2.18	-2.61
Operating profit (loss)	3.33	3.76	4.46	3.94	3.10
% of net sales	23.92	28.68	30.65	34.47	26.72
Financial income	0.27	0.50	0.35	0.29	0.20
Financial expenses	-0.24	-0.26	-0.43	-0.09	-0.27
Profit (loss) before taxes	3.36	4.00	4.38	4.14	3.03
% of net sales	24.14	30.51	30.10	36.22	26.12
Income taxes	-1.03	-1.08	-1.14	-1.18	-0.71
Result for the period from continuing operations	2.33	2.92	3.24	2.96	2.32
Discontinued operations:					
Result for the period from discontinued operations	1.86	0.01	0.27	-0.06	0.00
Result for the period	4.19	2.93	3.51	2.90	2.32

Income taxes	**Q1-Q2/ 2007**	**Q1-Q2/ 2006**	**1-12/ 2006**
Taxes for the financial period and prior periods	-1.90	-0.86	-3.23
Deferred taxes	-0.21	-0.37	-0.32
Total	-2.11	-1.23	-3.55

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

Property, plant and equipment	**6/2007**	**6/2006**	**12/2006**
Cost at the beginning of the period	6.82	6.47	6.47
Exchange differences	-0.02	-0.02	-0.03
Additions	0.37	0.39	0.98
Disposals	-0.23	-0.33	-0.60
Cost at the end of the period	**6.94**	**6.51**	**6.82**
Accumulated depreciation at the beginning of the period	5.08	4.61	4.61
Exchange differences	-0.02	-0.02	-0.03
Accumulated depreciation on disposals	-0.18	-0.25	-0.44
Depreciation for the financial period	0.43	0.48	0.94
Accumulated depreciation at the end of the period	**5.31**	**4.82**	**5.08**
Net book amount at the end of the period	**1.63**	**1.69**	**1.74**

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

Provisions

	Loss-making contracts	Provisions for pensions	Total
1.1.2007	0.75	0.08	0.83
Deductions of provisions	-0.21		-0.21
30.6.2007	0.54	0.08	0.62

Collaterals, contingent liabilities and other commitments

Collaterals for own commitments	6/2007	6/2006	12/2006
Business mortgages (as collateral for bank guarantee limit)	0.50	0.50	0.50
Pledged funds	0.07	0.03	0.08
Other contingent liabilities			
Guarantees	0.06	0.06	0.07
Leasing and rental agreement commitments			
Premises	5.62	3.55	3.38
Others	0.74	0.76	0.87
Total	6.36	4.31	4.25
Derivative contracts			
Currency forward contracts:			
Fair value	0.07	0.05	0.06
Nominal value of underlying instruments	3.76	1.62	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	6/2007	6/2006	12/2006
Gerako Oy			
Purchases of services	0.03	0.03	0.07
Reimbursed expenses	0.00	0.01	0.02
Management remuneration			
Salaries and post-employment benefits	0.82	0.69	1.44

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