

*Tekla Corporation
Annual Report 2001*



ANNUAL GENERAL MEETING

The Annual General Meeting of Tekla Corporation will be held on Thursday, March 21, 2002 at 15.00 in the Leonardo auditorium of Innopoli, Tekniikantie 12, 02150 Espoo.

Shareholders entered in the company shareholders' register kept by the Finnish Central Securities Depository Ltd. on March 11, 2002 at the latest are entitled to attend.

Shareholders who wish to attend the AGM should register by 16.00 at the latest on March 18, 2002, by letter addressed to Tekla Corporation, Communications, Koronakatu 1, 02210 Espoo, on the Internet at <http://investors.tekla.com>, by phone to +358 9 8879 518/Elina Hollo, by telefax to +358 9 8039 489, or by e-mail to communications@tekla.com. Any powers of attorney should be presented at such advance registration.

DIVIDEND PAYMENT

The Board of Directors proposes to the Annual General Meeting payment of a dividend of 0.04 euros per share for 2001. The dividend will be paid to all shareholders entered in the company shareholders' register kept by the Finnish Central Securities Depository Ltd. on the dividend record date, March 26, 2002. The dividend pay-out date is April 4, 2002, assuming the AGM approves the Board dividend distribution proposal.

FINANCIAL INFORMATION IN 2002

In 2002, Tekla Corporation will release the following financial information:

Financial statements 2001 bulletin	February 19, 2002
Annual Report 2001	March 8, 2002
Interim report January-March 2002	May 6, 2002
Interim report January-June 2002	August 13, 2002
Interim report January-September 2002	November 5, 2002

The financial information will be published in Finnish and English and will be made available on the Internet at <http://investors.tekla.com> after publication. Printed copies of the annual report can be ordered via the investor website or Tekla Communications (Koronakatu 1, 02210 Espoo; communications@tekla.com).

2	Tekla in Brief
3	Five Years in Figures 1997-2001
4-5	Most Important Events in 2001 and Key Figures
6-7	Review by the President and CEO

8-10	Building & Construction
11-13	Energy & Utilities
14-16	Public Infra
17-18	Defence

19	Technology
20-21	Marketing and Communications
22	Personnel

23-24	Corporate Governance and Organization
25	Stock Option Program
25	Risk Management
26	Board of Directors and Management Team
27-28	Shares and Shareholders

29-49	Financial Statements 2001
-------	---------------------------

50	Stock Exchange and Press Releases
51	Glossary
52	Contact Information



*Tekla Corporation
Annual Report 2001*



This symbol refers to an article published in Tekla News on the Internet at <http://teklanews.tekla.com>

<http://annual.tekla.com>

Tekla's annual report is now also online.

TEKLA IN BRIEF

Tekla Corporation is the leading supplier of model-based operative software products in the world. Software products developed by Tekla improve commercial and operative efficiency and competitiveness. Tekla's products are used in energy sales and distribution, building and construction and public infra.

- > Founded in 1966
- > Offices in 12 countries, international partner network
- > Net Sales in 2001 were 39.20 million euros, increased by 48.1%
- > Operating Profit in 2001 was 2.50 million euros, increased by 197.6%
- > About 500 employees worldwide
- > Listed on the Helsinki Stock Exchange since May 2000

Strategic Intent

Tekla is globally recognized, leading provider of customers' core-business software solutions, for designers, owners, operators and users of intelligent infrastructure of today's information society.

Prospects

People build and use electricity, water, and municipal services all over the world. Information technology offers enormous possibilities for managing advanced environments, and this is where Tekla is leading the way.

Tekla estimates that its net sales will grow more than 30% in 2002, while operating profit will reach the level of 10%.

TEKLA VALUES

Innovation

- > Curiosity and openness towards new ideas including their controlled implementation related to, e.g. patents, products, and way of working
- > Constructive questioning, multi-directional discussion and feedback, processing tacit information to structured knowledge, from data to wisdom
- > Taking (managed) risks, but carrying also responsibility
- > Continuous learning and development, aiming at "excelling in achievements, rediscovering oneself"

Professionalism

- > Professionalism in managing, carrying out and developing one's responsibilities and behavior
- > Commitment to enduring ethical principles, common values and targets
- > Capability and willingness to represent Tekla
- > Cooperate and work seamlessly in teams
- > Dependability, coherence and accuracy
- > Open communication

Long-term relationships

- > Stretching for agreed-upon targets and perseverance to complete what's started
- > Long-term employment and cooperation relationships building a basis for continuous development and mutual commitment
- > Customer relationships based on mutual benefits, customer satisfaction and quality

FIVE YEARS IN FIGURES 1997 - 2001

Million euros	2001	2000	1999	1998	1997
Scale of operations:					
Net sales	39.20	26.47	18.09	12.97	11.20
Change, %	48.1	46.3	39.5	15.8	10.7
Exports and international operations	22.44	18.50	9.50	3.94	2.70
Change, %	21.3	94.7	141.1	45.8	28.4
% of net sales	57.2	69.9	52.5	30.4	24.1
Balance sheet total	50.61	30.79	9.82	11.07	8.98
R&D expenses	9.69	7.41	5.07	3.37	2.69
% of net sales	24.7	28.0	28.0	26.0	24.0
Capital expenditures	14.31	1.33	1.27	1.06	1.13
% of net sales	36.5	5.0	7.0	8.2	10.1
Personnel, on average	382	268	205	156	130
Net sales / employee (1,000 euros)	102.6	98.8	88.3	83.1	86.2
Personnel expenses / employee (1,000 euros)	54.5	52.5	47.9	45.6	45.7
Profitability:					
Operating profit	2.50	0.84	0.22	0.89	1.32
% of net sales	6.4	3.2	1.2	6.9	11.8
Profit before extraordinary items	3.60	1.32	0.29	0.72	1.17
% of net sales	9.2	5.0	1.6	5.6	10.5
Profit/loss before appropriations and taxes	3.60	1.32	1.01	0.09	-0.54
% of net sales	9.2	5.0	5.6	0.7	-4.8
Return on equity (ROE), %	7.9	6.7	7.8	27.2	40.3
Return on investment (ROI), %	12.0	9.3	7.6	14.6	21.3
Operating profit / employee (1,000 euros)	6.6	3.1	1.1	5.7	10.2
Financing and financial position:					
Shareholders' equity	37.37	23.14	2.75	1.79	1.85
Interest-bearing liabilities	2.35	2.19	2.12	5.63	4.37
Non-interest-bearing liabilities	10.68	5.45	4.94	3.65	2.77
Equity ratio, %	75.4	75.4	31.9	16.5	21.1
Net gearing, %	-45.2	-73.7	48.3	293.6	223.5
Share related data:					
Earnings per share (euros)	0.12	0.05	0.01	0.04	0.06
Equity per share (euros)	1.66	1.19	0.18	0.13	0.13
Dividend per share (euros)	0.040 ¹⁾	0.020	0.006	0.000	0.004
Dividend to earnings ratio, %	34.4	41.3	51.4	0.0	6.6
Effective dividend yield, %	1.2	0.4			
Price / earnings ratio	29.3	106.8			
Share prices, euros					
- year's lowest	2.62	4.00			
- year's highest	5.15	5.25			
- year's average	3.44	4.97			
- on December 28, 2001	3.40	5.18			
Market capitalization	76.56	100.95			
Share turnover (in 1,000s)	3,046	2,260			
Share turnover, %	13.5	11.6			
No. of issue-adjusted shares at year-end	22,518,200	19,488,500	15,488,500	13,763,500	13,763,500
Average no. of issue-adjusted shares	20,588,996	17,969,374	15,104,125	13,763,500	13,763,500

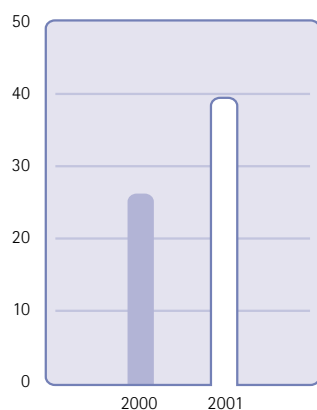
¹⁾ The Board's proposal to the AGM.

See page 40 for calculation of financial indicators.

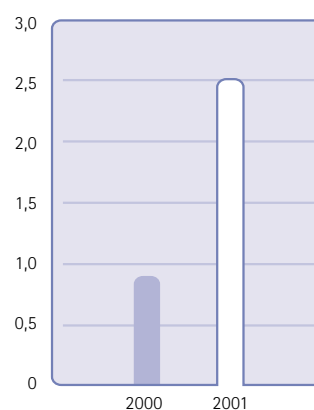
In calculation share related data, the company's own shares have been deducted from the total number of shares, and the value of own shares from shareholders' equity.

MOST IMPORTANT EVENTS IN 2001 AND KEY FIGURES

Net sales,
million euros



Operating profit,
million euros



January

Renewed organization focusing on international core business areas starts operation

April

Tekla's Board of Directors renewed: Heikki Marttinen elected Chairman and Jan-Mikael von Schantz becomes new member
Tekla divests the Xcable business

August

Research collaboration with VTT Energy continues
Tekla acquires the software business operations and related services of Enfo Group Plc: new business area Energy & Utilities is born
Tekla launches new investor Web site

March

Graning in Sweden chooses Xpower
Tekla acquires the business operations of Datacad in Berlin

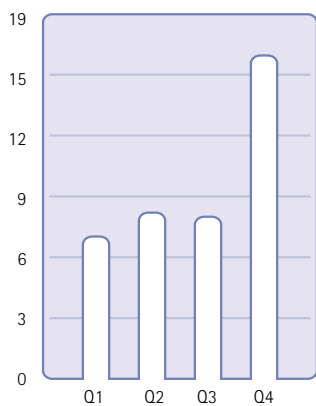
May

Tekla participates in endowing a professorship in Software Business at the Helsinki University of Technology
Xpower contract signed with Latvenergo

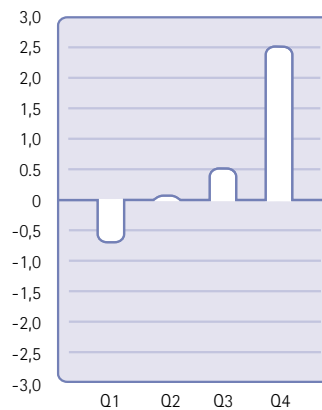
September

Xsteel 7.0 launched
Tekla continues focusing its business operations: Xenvi business is sold, and the development of the Xforest product is divested

**Net sales 2001,
by quarter, million euros**



**Operating profit 2001,
by quarter, million euros**



October

Synergy benefits from the merger prove to be bigger than first estimated: Tekla starts statutory employer – employee negotiations.

Extensive cooperation agreement with the Japanese structural steel industry signed

December

Statutory employer – employee negotiations over

Espoo becomes the 17th Finnish municipality to join Tekla’s municipal information system project

Agreement to deliver a command and control system for the Finnish Defense Forces signed

November

Tekla News magazine for stakeholders goes online

Investor website compares well in survey

Tekla Corporation and Enfo Group Plc enter arbitration

January 2002

Agreement to harmonize Vattenfall Oy’s network information systems signed

PLEASANT ENVIRONMENT – EFFICIENT SERVICES

> Lately, all around the world people have woken up to the realization that a high-quality, efficient societal infrastructure is a key competitive advantage for companies and individuals, as well as for municipalities and governments.

Finland is a prime example of a well-run infrastructure. According to recent studies, Finnish infrastructure – traffic, standard of buildings and houses, energy service, communication, and the overall quality of the environment – is among the best run in the world.

Tekla is leading the way in managing such advanced infrastructures. Tekla has developed its technology and products in a cutting-edge environment. The strategic aim of the company is to be the number one supplier of software for managing infrastructures in chosen segments.

People build and use a variety of infrastructure services all over the world – electricity, water, etc. – and today's information technology offers enormous possibilities to better manage these systems and services.

The facts mentioned above are the foundation of Tekla's future opportunities, growth, and success.

DOMESTIC AND GLOBAL SUCCESS

In 2001, Tekla Corporation's consolidated net sales grew by approximately 48% and operating profit tripled in comparison with the previous year.

We are also pleased to note that profits for the fourth quarter exceeded the expectations presented earlier. This was due to brisk sales in the key business areas during November and December.

Tekla started its internationalization process three years ago, and in 2001 we reached a stage where the company's global presence and the network to support our business are built. During 2001, our Brazilian subsidiary and our representative office in the United Arab Emirates began operation. Our Japanese representative office became a subsidiary. Today, Tekla is an international company, operating in 12 countries around the world.

Building a successful global presence has meant raising all our business functions – sales and customer service, mar-

keting and communications, as well as human resources management – to international mode of operation.

By the end of 2001, we gained the leadership position in the challenging structural steel modeling and detailing software market in North America. We also strengthened our foothold in the French and British steel construction software markets. We signed an important cooperation agreement with the Japanese structural steel industry. This agreement will promote the idea of model-based 3D software in Japan as well as increase interest in Tekla and its products.

As an energy distribution software supplier, we are a major player in Northern Europe. Vattenfall's network operations in Finland chose Xpower to enhance and complete the management of its distribution networks – a clear indication of the confidence that our customers have in our technological capabilities. Vattenfall's decision to harmonize its network systems is considered a pioneering solution in Finland, and even more so in international perspective.

As a software supplier for municipal and public facilities we are number one in Finland and are also strengthening our foothold in the other Nordic countries. 17 Finnish municipalities are currently participating in our development project of a municipal information system based on the Infrastructure Resource Management concept. Implementation of the new municipal information system, which will combine spatial, demographic, and infrastructure data, will take place in 2002.

FOCUSING ON THE INTERNATIONAL MARKET

In 2001, Tekla focused its business operations and divested the products that were considered not to have sufficient international potential. Today, Tekla stands on three international legs: building and construction, energy, and public infra.

The software business operations acquired from Enfo Group Plc in August complement Tekla's product range for the energy industry with software solutions for sales, customer management, and energy metering management. The acquisition also makes us one of the premier software suppliers for the energy industry in Europe. As a result of the deal, a new

For Whom?

Tekla's products and services are intended for managing infrastructures, in the business areas of building and construction, energy sales and distribution, and the public sector.



What?

Tekla develops and delivers model-based software products.

How?

Tekla offers its customers a wide range of products and services through a value-adding network of partners and a networked business model.

business area was born; it was named Energy & Utilities. The Enfo deal also strengthens our Public Infra business area, aimed at municipalities and public facilities.

Tekla divested the Xenvi and Xcable operations and decided to cease the development of Xforest. The business area formerly responsible for these products will focus instead on developing command and control systems with the Finnish Defence Forces. The Finnish Defence Forces and the Defence business area signed a significant delivery contract at the end of the financial year, which will further deepen and expand the cooperation that has lasted for more than ten years.

AIMING AT PROFITABLE GROWTH

Our goal for 2002 is to grow at a rate that surpasses the average of the software product market while also improving our profitability. We estimate that net sales will grow more than 30%, and that operating profit will increase to the level of 10% of net sales. We have good premises for this. We have built a strong international presence, we are product leaders in our chosen areas, and our customers are pleased with our capability to serve them. We have been able to continuously

provide added value for our customers. This has been evidenced, among other things, in our 2001 customer satisfaction survey.

Listening to our customers and better understanding our target markets are essential to the development of our operations. Our global way of working together with our leading products and our partners' offering are designed to address these needs. As a result of the work done in 2001, we now have a portfolio that we can carry into the future with determination, focus, and better predictability – in order to build a more pleasant and more efficient environment for the benefit of our customers.

I would like to thank our customers for their trust in us and also our personnel and our partners for working with us to achieve our common goals.

March 2002

Seppo Ruotsalainen
President and CEO

Construction

The Building & Construction business area develops and markets integrated model-based applications and services for the construction industry. Xsteel, developed for modeling and detailing of steel structures, is Tekla's most international product, with thousands of users in over 50 countries. The new Xengineer, developed for multi-material modeling, will significantly broaden Tekla's potential customer base.

Important events in 2001

- > *Acquiring the business operations of partner in Berlin strengthened the German subsidiary*
- > *Significant contract with the Japanese steel industry signed*
- > *Sales in North America increased sharply*
- > *Position in Great Britain and France strengthened* [> NEWS](#)
- > *Sales in Southeast Asia and Australia better than expected*
- > *Xsteel 7.0 was launched* [> NEWS](#)
- > *Pilot projects of the new Xengineer product completed successfully* [> NEWS](#)

Building & Construction



*Risto Rätty, M.Sc.Eng.,
Director of Tekla's Building &
Construction business area.
Tekla employee since 1986.*

Top product and global network combined with local presence are behind the growth. They will be the strengths of the Building & Construction business area in the future as well, as the effects of globalization become visible in the building industry.

> The business area's net sales rose nearly 33%, and totaled 18.05 million euros. International operations accounted for 97% of net sales. Operating profit totaled 3.83 million euros.

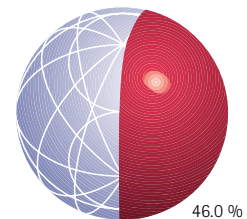
One third of the business area's sales were generated in North America. The sales of Xsteel progressed well in the area: compared to 2000, sales grew 53%. The terrorist attacks in the United States had only a minor impact on sales.

3D modeling continues to gain popularity in North America. Competitive pressures are driving improved quality and productivity. Demand for Xsteel has increased as a result. Xsteel is now the number one modeling and detailing system in the market.

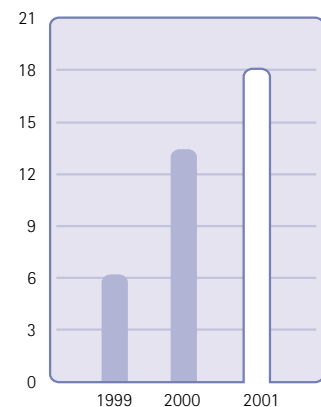
Sales also developed as expected in Great Britain and France, as well as Southeast Asia and Australia. In Germany, the recession of the building industry was reflected in the sales. Building slowed down in Japan as well, and sales did not proceed according to expectations. Gaining market acceptance for 3D in Japan has been slower than in North America or Europe.

The early markets have seen growth stabilize, and sales are expected to increase as the large, new markets evolve.

Share of consolidated net sales 2001



Net sales, million euros



Key figures

	2001	2000	Change %
Net sales, million euros	18.05	13.58	32.9
Share of int'l operations, %	97	98	
Operating profit, million euros	3.83	3.34	14.7
Share of net sales, %	21.2	24.6	

The Future

Tekla's goal is to be the no.1 global supplier of structural engineering and design software. In modeling and detailing of steel construction, it currently holds the leading position globally. The new Xengineer concept developed for multi-material modeling expands Tekla's product range from detailing steel structures to the design of concrete and complex structures. The volume of concrete construction in the world is many times greater than that of steel construction. Complex structures are commonly used in modern construction.

Xengineer, launched at the beginning of 2002, opens up new customer potential for Tekla. In the North American and British markets, the target groups of Xengineer are consultant and engineering offices that design concrete structures as well as concrete manufacturers. In the Nordic Countries, Xengineer's customers are consultant and engineering offices that are already using Xsteel and take care of structural engineering as a whole.

In addition to leading technology and products, Tekla's strength in the structural engineering and design market is its unique combination of a global network with a local presence. Tekla can guarantee its customers local support either by itself or through its partners in all its market areas. No other company offers an international network combined with such strong local presence and customer support.

The benefits of a global network will be further underlined when the effects of globalization begin to emerge in the building industry. Even now, most Tekla customers are networking, and they expect their software suppliers to do the same. Globally operating consultant companies and design groups appreciate software products that they can efficiently use throughout the entire project chain regardless of time and location, but can nevertheless simultaneously conform to local norms in the target countries.

The Building & Construction business area believes that growth will continue. The best prospects are in North America and Japan, where the volume of building is high and model-based planning tools are gaining a foothold. The cooperation contract signed with the Japanese structural steel industry is expected to have an effect on sales during 2002. Tekla is also strengthening its presence in China, the host of the 2008 Olympics. Additionally, Tekla has started discussions on a resale contract with a Russian software supplier.

The growth expectations are supported by a uniform, global way of operating, in which the business area invested heavily during 2001.



Joseph Burns from Thornton – Tomasetti Engineers: "3D MODELING IS THE FUTURE"

> Thornton-Tomasetti Engineers, a division of The Thornton-Tomasetti Group Inc., is one of the world's leading structural engineering firms. It is internationally known for creating innovative structural design on the widest variety of premier projects – from sports arenas and museums to hospitals, schools, and high-rise towers.

Thornton-Tomasetti Engineers began using Xsteel over the last couple of years. The company was introduced to Xsteel and object-oriented modeling by Whitby Bird & Partners, a London-based structural engineering firm and Tekla partner.

"Whitby Bird & Partners have been at the forefront of the development of international standards for 3D object modeling. They have also employed Xsteel early in the design process of a building and used models in the tender process successfully. They have assisted us in technical expertise, as well as staff training for Xsteel," says Joseph Burns, Design Principal from Thornton-Tomasetti Engineers.

"3D object modeling of material in construction is the future. Tekla's commitment to international standards and other tools of collaboration are essential for the global community to fully use the information available in the model."

Thornton-Tomasetti Engineers currently have two major buildings under construction utilizing Xsteel: a new football stadium and a 25-story steel residential building. Joseph Burns has advanced degrees in both Architecture and Structural Engineering and more than 20 years of experience as a structural designer, investigator, and renovator of existing buildings. He specializes in the design of complex structural systems, including earthquake engineering and dynamic analysis.

"I collaborate with a number of professionals, including architects, engineers, contractors and clients. Communicating in the language shared by the other professionals is essential for collaboration. Unfortunately, everyone is not on the same CAD platform, and so translators are critical. Great collaboration and communication are crucial for great architecture."

Energy

The Energy & Utilities business area develops and supplies solutions that improve the commercial and operative efficiency of energy companies.

The network information management product Xpower is used in more than 70 companies, and the invoicing and customer management solution in some 50 companies. The product family also includes software for energy measurement data management and balance calculation.

Important Events in 2001

- > *Latvenergo in Latvia and Graninge in Sweden chose Xpower*
- > *HEW's Xpower project in Hamburg, Germany, was successfully completed*
- > *Xpower was implemented in Kuala Lumpur, Malaysia*
- > *Product range was expanded to energy sales and measurements through the Enfo deal* [> NEWS](#)
- > *Restructuring after the Enfo deal, new name Energy & Utilities*
- > *Xpower 6.2 was launched*
- > *Vattenfall chose Xpower as the management solution of its distribution networks in Finland*

Energy & Utilities

The software business operations acquired from Enfo make Tekla one of Europe's premier suppliers of software for the energy industry. The restructured and renamed Energy & Utilities business area is now significantly stronger and more extensive, and has the ability to respond to the changing needs of the energy industry.



*Jukka Rouhe, M.Sc.Eng.,
Director of Tekla's
Energy & Utilities
business area until 31.1.2002.
Tekla employee since 1999.*

> The business area's net sales rose 116%, and totaled 12.98 million euros. International operations accounted for 36% of net sales. Operating result totaled -1.16 million euros.

Highlights of 2001 included signing Xpower delivery contracts with Latvia's national energy company Latvenergo and the Swedish company Granninge. Latvenergo supplies electricity for some 1.1 million customers, and Granninge is one of the biggest electricity distributors in Sweden. An extensive cooperation agreement was prepared with Vattenfall during 2001 and signed at the beginning of 2002. The implementation of Xpower with HEW (Hamburgische Electricitäts-Werke) in Hamburg, Germany, was successfully completed according to plans. Cooperation with HEW continues.

The Xpower project with Malaysia's national electric utility Tenaga Nasional Berhad, in the high-tech area of Kuala Lumpur, was successfully completed, and further cooperation was agreed upon.

The most significant issue in 2001 was the integration of the software business operations acquired from Enfo Group.

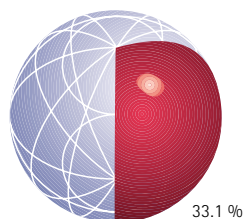
As a result of the Enfo deal, Tekla's product range for the energy industry was expanded from energy distribution to energy sales and measurement. The business operations entity created in the merger became one of the major players in Europe in terms of net sales, number of personnel, product range, and number of customers.

The old name of the business area, Energy Distribution, no longer corresponded with the new reality: the new business operations area was named Energy & Utilities.

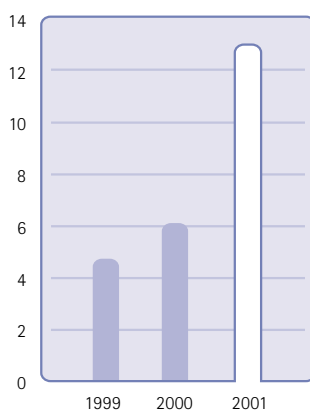
Starting the new business operations entity and structuring the new business area took place over the two last quarters of the year. The process demanded resources and was partially reflected in the sales of the business area. Synergy benefits from the merger proved to be larger than expected. Eliminating overlapping operations led to redundancies after statutory employer-employee negotiations.

The strength of the software products transferred to Tekla in the Enfo deal, for managing sales and customer information, is reflected in the positive development of the business

Share of consolidated net sales 2001



Net sales, million euros



Key figures

	2001	2000	Change %
Net sales, million euros	12.98	6.01	116.0
Share of int'l operations, %	36	83	
Operating result, million euros	-1.16	-1.08	-7.4
Share of net sales, %	-8.9	-18.0	

area's net sales. The year 2001 also saw Finnish electricity companies preparing for the euro era. Customers using Tekla's systems for sales and customer management moved into the euro era as planned and scheduled.

The Future

In Finland, Tekla is the leading supplier of software for the energy industry. Its network information management product and sales and customer management solutions have strong positions in energy companies all across the country.

Tekla's standing is further reinforced by Vattenfall's recent decision to use Xpower as the central solution for distribution network management in Finland. Tekla's model-based distribution management solution will be utilized in Vattenfall's entire operating area in Finland during 2002.

However, there are signs of tightening competition in Finland. The Energy & Utilities business area plans to respond by investing in customer service and follow-up marketing.

Finnish and international customers alike have taken a positive stance on the Enfo deal and the resulting expansion of Tekla's product range. Changes in the European energy industry will accelerate in the next few years. These changes promise to open energy sales to competition and to enhance the operation of energy companies.

Thanks to the expanded product range, Tekla is now an even stronger and more extensive alternative in the global software market for the energy industry. Tekla's standing in the European market is further reinforced by the fact that the Nordic countries have been pioneers in liberalizing the electricity market: changes that are still to be seen in Central Europe have become commonplace in the Nordic countries.

The liberalization of the market in the Nordic countries, along with the distribution companies' need for high technology, has created an excellent environment for Tekla to develop its solutions, for both network information management and sales and customer management.

Central Europe is following the example set by Nordic countries in liberalizing the electricity market. Tekla's marketing will monitor market developments closely, and besides Nordic countries, target areas are in Central Europe.

Xpower is spearheading the internalization. Tekla's know-how, and the business operations acquired from Enfo, enable a notable expansion of international business operations.



Maija-Liisa Friman, President of Vattenfall Oy: "CREATIVITY AND HARMONIZED OPERATING METHODS GET US CLOSER TO CUSTOMERS"

> "Our aim in Finland is to be known for satisfied and loyal customers. This is achieved by being a creative pioneer. One must offer customers versatile services in a cost-effective way," says Maija-Liisa Friman, President of Vattenfall Oy.

Friman became President of Vattenfall Oy, the Finnish subsidiary of the Swedish energy giant, a couple of years ago. Since then, the company's strategy has become more customer-driven.

"Customer orientation is stressed when the value chain of the energy industry is divided into production, sales, and distribution. Each and every one of these links of the value chain must be able to operate in a customer-driven way, and they must have their own customers that they have gained by their own merits."

Harmonizing operating methods is another of Vattenfall's strategic aims. Customers can see this as harmonized customer service of uniform quality. Harmonization is also pursued when it comes to choices regarding IT. Tekla products are at the heart of Vattenfall Oy's implementation of its new IT strategy. At the beginning of 2002, the company chose Xpower to enhance the management of its distribution networks in Finland. The decision to harmonize its network systems is a pioneering solution for Finland, and even more so for the rest of the world.

"We aim at replacing our currently varied systems with a few compatible solutions. Cost-effectiveness and uniform quality are a goal here as well," stresses Friman.

The company has 350,000 customers in Finland, and its market share stands at 14%. The company has already gone a long way in terms of separating operations. Vattenfall Sähkömyynti sells electricity, outsourcing solutions for energy use as well as environmental and energy-saving services all over Finland. Vattenfall Verkko Oy will begin operations in July 2002 as the biggest electricity distribution company in Finland.

Municipalities and Water

Tekla's Infrastructure Resource Management (IRM) concept offers a revolutionary model-based platform for making municipal operations more efficient and developing services for residents. The Public Infra business area's product family consists of Xcity for managing municipal information, Xpipe for managing water and sewage networks, and invoicing systems for municipalities and waterworks acquired in the Enfo acquisition.

Important Events in 2001

- > 17 Finnish municipalities joined project to develop a new municipal information system [> NEWS](#)
- > Internet services implemented in several Finnish cities and in Helsingborg, Sweden
- > Internet-based welfare barometer implemented in Turku, Finland
- > Popularity of Xpipe grew
- > Enfo deal strengthened the product range [> NEWS](#)
- > Cooperation with the City of Espoo deepened [> NEWS](#)

Public Infra

As the municipal sector looks for more efficient operations and actively develops its e-services, interest in Tekla's technology and products continues to grow. The Public Infra business area believes that its community model, based on the IRM concept, will be successful internationally as well.



*Leif Granholm, M.Sc.Eng.,
Director of Tekla's
Public Infra business area.
Tekla employee since 1979.*

> The business area's net sales rose nearly 60%, and totaled 4.06 million euros. Operating result totaled -0.30 million euros.

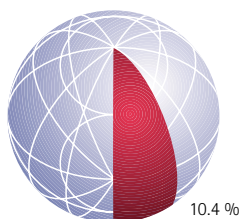
The growth is based primarily on Tekla's expanded product range and its even higher quality. Also, the organizational reforms carried out at the beginning of 2001 clarified the focus of the business area and improved its operative efficiency.

The growth is also generated by the need and desire of municipalities and similar organizations to make their operations run more efficiently and to create genuine e-services for their customers. The IRM concept aims at a resource and information management system that is designed from the viewpoint of municipalities: information is stored in a single place, describing real world phenomena, and can thus be effectively used for several purposes. The society model, consisting of spatial, demographic, and infrastructural information, enables producing versatile information and other services that serve users of different kinds.

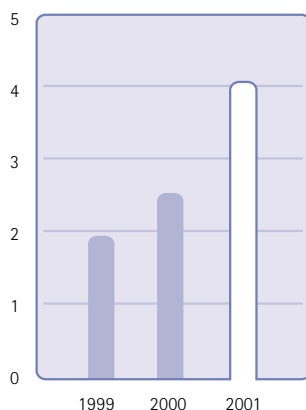
Around a dozen Finnish cities initially joined the development of the new municipal information system based on the IRM concept. By the end of 2001, 17 municipalities were taking part in the project. The new information system will be implemented in the cities during 2002.

The business operations that Tekla acquired from Enfo Group also include products and systems for municipalities and municipal facilities. They fit well with Tekla's previous line of Public Infra products. The deal brought Tekla two new products designed for municipal core functions: Tekla Community, an invoicing and customer management system designed for municipalities, and Tekla Aqua, an invoicing, measurement data, and customer management system for water utilities. The solutions also create new possibilities for residents. They can check payments by themselves, appeal for changes in the terms if necessary, and pay invoices online.

Share of consolidated net sales 2001



Net sales, million euros



Key figures

	2001	2000	Change %
Net sales, million euros	4.06	2.54	59.8
Operating result, million euros	-0.30	-0.69	56.5
Share of net sales, %	-7.4	-27.2	

The Future

Tekla's Public Infra products are already the market leaders in Finland. Finland and other Nordic countries comprise the core market areas for the business area, but Tekla sees opportunities elsewhere in Europe as well.

Although the standing of local government varies from country to country, authorities everywhere need the same kind of data about population, business and industry, buildings, real estate, and operating locations. Thanks to the technology that Tekla has developed for information management, its systems can be adapted quite easily to meet the varying needs of local governments everywhere – a fact that bodes well for the future of Public Infra's globalization.

In addition to the basic need to make operations more efficient and develop services in the municipal sector, there is also a growing interest in outsourcing. Outsourcing requires better information management, which strengthens the competitiveness of Tekla's technology for information management.

Also, municipalities are increasingly willing to embrace electronic customer service. Working in close cooperation with customers, Tekla develops genuine e-services.

In 2002, product development in Public Infra will focus on the development of a new application for land property management of municipalities as part of the Xcity system.



Marketta Kokkonen, Mayor of the City of Espoo: "WE MUST ALLOCATE RESOURCES TO SERVING AND CARING FOR PEOPLE"

> "The most important aspect in utilizing IT is that it liberates our personnel resources for use where people are needed the most: serving and caring for the residents of our city," stresses Marketta Kokkonen, Mayor of the City of Espoo, Finland.


"IT can also provide the residents with a new kind of interaction and new tools for participating," she adds.

Espoo is known as the high-tech city of Finland. It has a population of 216,000 residents and is growing annually at a rate of 1.5 to 2%. Its residents boast the highest average education level in Finland, and they demand a lot from their municipal services. Families with children abound, which creates challenges for day care, school services, and public health services in particular.

As a utilizer of IT, Espoo is a pioneer among Finnish municipalities. Its cooperation with Tekla has grown even closer over the last few years. Tekla's invoicing and payment control system, which was implemented at the beginning of 2002, enhances the operation of the city and improves the services for residents.

Espoo also uses Tekla's Xcity product and is participating in Tekla's IRM (Infrastructure Resource Management) development project, which will result in a new system for managing and utilizing municipal information. The municipal information system will be implemented by the beginning of 2003, and it will support the development of e-services for the City of Espoo.

Defence



The Defence business area focuses on cooperation with the Finnish Defence Forces. Tekla and the Finnish Defence Forces have been cooperating for more than ten years, and the prospects are promising.

Important Events in 2001

- > Operations were focused: Xenvi and Xcable businesses were sold and the development of Xforest was discontinued*
- > The business area, formerly known as Projects, was renamed Defence*
- > Cooperation with the Finnish Defence Forces deepened*

Defence

The Defence business area, formerly known as Projects, develops command systems in cooperation with the Finnish Defence Forces. A significant delivery contract was signed at the end of 2001, further deepening the cooperation.



*Petri Raitio,
Director of Tekla's
Defence business area.
Tekla employee since 1987.*

> The business area's net sales rose 23%, and totaled 2.73 million euros. Operating profit totaled 0.28 million euros.

Tekla's fourth business area, previously known as Projects, was responsible for carrying out customer-specific projects that utilized Tekla's technological know-how. During 2001, Tekla focused its business operations by divesting the Xenvi, Xcable, and Xforest products. As a result, the development of command and control systems in cooperation with the Finnish Defence Forces became the Projects business area's core business. The business area was consequently renamed Defence.

Cooperation with the Finnish Defence Forces increased by some 50% in 2001.

Operations associated with the Xcable product, developed for managing fixed line telephone networks, were sold to a group of users consisting of telecommunications companies. Four employees left Tekla with the sold business operations. The Xenvi product, a system designed for environmental control, was sold to Environics Oy, a Finnish company that specializes in environmental measurement systems.

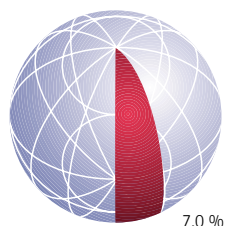
Further development of the Xforest product, a software system designed for forest management, was terminated at the end of 2001. Tekla and Xforest's main users, namely Forestry Development Centre Tapio and Stora Enso Oyj, have agreed to maintain technological cooperation to enable the customers to maintain their systems.

The Future

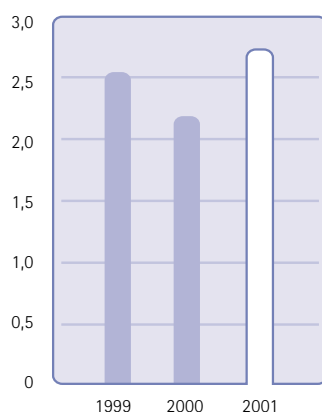
Tekla has been cooperating with the Finnish Defence Forces for more than ten years. Tekla Corporation and the Defence Materiel Establishment of the Finnish Defence Forces signed a contract at the end of 2001 for the delivery of a command system in 2002-2003. The value of the contract is in excess of 1.5 million euros.

Tekla uses the latest technology to develop reconnaissance, command and control systems for the Finnish Defence Forces. Interest in web-based and mobile solutions is also on the rise in these systems.

Share of consolidated net sales 2001



Net sales, million euros



Key figures

	2001	2000	Change %
Net sales, million euros	2.73	2.22	23.0
Operating profit, million euros	0.28	-0.18	255.6
Share of net sales, %	10.3	-8.1	

Technology

Tekla develops model-based software products that improve the design, management and utilization of infrastructures. Tekla's technology and products reflect on everyone's lives in several ways.

*Kim Nyberg, M.Sc.Eng.,
Tekla's Technology Director.
Tekla employee since 1991.*



> Around the breakfast table, the X family discusses buying a site for a bungalow. Ms X surfs the **Internet** to find out the day care center nearest to the site they have been considering. She also pays the **day care bill** on the Web. The middle child of the family wants to know whether there is a skating rink near the future home.

Ms X goes to work in the shopping center that was recently nominated the **steel structure** of the year.

Mr X works as a municipal engineer. His morning is consumed by a visit to a residential area that is currently being expanded, which also means new **municipal engineering**. Local residents are satisfied when they hear that the main street will be dug open only once.

In the evening it is time to visit the summer cottage. Mother-in-law calls and tells that a storm cut electric lines in the neighboring county, and half the residents are still without **electricity**. Ms X uses her Communicator to connect to the Web and sees that **everything seems to be all right** at the cottage.

Evening at the cottage goes smoothly as they enjoy sauna, good food and talking about plans for the future.

The Internet server developed by Tekla enables viewing the location of municipal and commercial services on a map with an Internet browser. The municipal information system that combines spatial, demographic and infrastructure data helps in developing new information and other electronic services for citizens.

Tekla Community is an invoicing and payment control system developed for municipalities.

Tekla Xsteel is a modeling and detailing software product for steel structures that cuts design times and reduces errors.

In the Infrastructure Resource Management concept, data that depicts the real world is stored in a single model, and thus it can be used for various purposes.

Tekla Xpipe is used for managing location, operation and maintenance data of water and sewage networks.

In electricity distribution, network information can be managed with Tekla Xpower: the electricity company gets an on-screen map, that is colored in real-time according to the switching status. The same information can be viewed by everyone on the electricity company's Internet site. Xpower enhances and speeds fault correction.

In addition, Tekla has software products for energy sales as well as customer and measurement data management.

MODEL-BASED

= The abstractions and functionalities known by the system have been created on the basis of real world phenomena to address the needs of users and customer organizations.

MARKETING AND COMMUNICATIONS

Tekla's communications strategy is based on the business strategy. Future challenges include increasing awareness of the company in Finland as well as globally. The Web is the most important channel of marketing and communications in Tekla.

> Marketing and Communications have their own specific duties and goals. However, their aims are the same: to promote Tekla's business by increasing awareness of Tekla and by strengthening both the Tekla brand and the company's reputation in Finland and in the global market.

Tekla is systematically building a global, genuinely networked approach that is supported by online marketing and communications. In 2001, Tekla started completely restructuring its corporate website and transferred a part of its marketing and communications processes onto the Web. This renewal shaped a new technological platform for developing versatile network services that serve customers and other stakeholders. Tekla Group's renewed site was launched in February 2002.

Interaction between Marketing, Communications, and the business areas was strengthened by founding a common development group (Tekla Marketing & Communications Council). It is responsible for guidelines for marketing and communications, and it integrates and coordinates communication from Tekla to its stakeholders.

In marketing and communications, the networked approach is reflected for instance in Tekla's development of strong partnerships. In 2001, Tekla strengthened its cooperation network in investor relations in particular.

The Enfo deal brought Tekla more employees, new customers, and new products. This created additional challenges for both communications and marketing.

Marketing in 2001

The organizational restructuring that came into effect at the beginning of 2001 clarified the division of responsibilities in marketing: the Marketing unit is responsible for marketing on group level, while the business areas take care of product marketing. Operations were also enhanced by developing the "Tekla Way of Marketing" processes; these processes clarify the roles of the mother company and its subsidiaries. International marketing received additional resources.



Customer satisfaction surveys are an important tool for Tekla's constantly-developing operations. According to the most recent results, Tekla improved operations in nearly all aspects in 2001. More than 90% of all participants in the poll were willing to recommend Tekla as software supplier. More than half of the respondents replied via the Internet. [> NEWS](#)

Tekla ran its image campaign in Finnish financial and IT magazines during the beginning of fall 2001. The magazine advertisement encouraged readers to solve a match puzzle that looked deceptively simple. Entering the competition was done via Tekla's Internet pages. The brain-teasing match puzzle attracted around 10,000 curious visitors to the company's web site. Nearly 6,000 of them answered the questions correctly.

[> NEWS](#)

Communications in 2001

When it was first established, in spring 2000, the Communications unit focused on creating communications infrastructure and developing investor relations. During 2001, communications was further integrated into business operations.

Tekla took its communications to the Web. This provided the company with a global medium and limitless possibilities content-wise. Tekla created its IR site first in English, then also in Finnish. The new investor site serves investors more

*Suso Kolesnik, M.Soc.Sc.,
Tekla's Communications Manager (left).
Kenneth Fogde, M.Sc.Econ,
Tekla's Marketing Manager.
Both Tekla employees since 2000.*



quickly and in a more up-to-date way. This was positively received, and the site ranked well in surveys. Tekla's investor relations were acknowledged for their reliability and fidelity in an IR survey carried out by the company. [> NEWS](#)

Also the Tekla News magazine for stakeholders went online. The online magazine and the IR site together form an information database for the constantly increasing and accumulating information on Tekla and its operational environment.

Tekla was also featured in internationally acclaimed publications on the building and energy industries.

Tekla's internal channel for information management and distribution is the Intranet that serves Tekla employees in Finland and abroad. The Intranet is also the internal foundation of the company's networked approach. In addition to utilizing the network, internal communications are based on manager-employee communication: discussion and questioning are a part of everyday interaction, on and between all levels of the company.

The Future

Strengthening the reputation and brand, as well as awareness of Tekla, becomes even more important in the networking-based business model as the number of partners and new stakeholders increases. In the future, the renewed corporate

website www.tekla.com will be the central tool for marketing and communications.

The reputation of the company is built over the long term, and it is affected by everything that the company and its personnel do and communicate. The development of Tekla's reputation is constantly under scrutiny. It is measured by general reputation and corporate image surveys as well as Tekla's own surveys that measure the success of its communications efforts.

Developing global internal communications is also central to managing the company's brand and reputation.

Investor relations are developed to better serve also minor shareholders. Launching the IR site in Finnish was the first important step.

Tekla also stresses face-to-face meetings as a complement to its network communications. Capital Market Days are arranged every year in Finland. Press and analyst conferences take place whenever Tekla publishes interim reports and financial statements. Additionally, Tekla organizes meetings between its experts and journalists, as well as trips abroad for journalists looking to learn more about the company's operations.

PERSONNEL

> The most notable challenge faced by Tekla's personnel administration was the Enfo deal signed in August; the deal brought Tekla some 180 new employees. Tekla's own personnel consultants began taking part in the merger process immediately after the deal was signed. Tekla wanted to ensure that merging the two corporate cultures went as smoothly as possible, from the viewpoint of both old and new Tekla employees.

Statutory employer – employee negotiations were started in October when synergy benefits proved to be larger than initially estimated. As a result of the negotiations, which ended in December, 15 appointments in Finland ceased. Additionally, 17 fixed-term contracts were not renewed. As a result of employer – employee negotiations in the Swedish subsidiary, 3 employees were dismissed.

All management-level positions in the Energy & Utilities business area were declared open for application. All Tekla employees, old and new, had the option to apply for new positions. This was done to ensure the equity and openness of the recruitment process.

Charting the employees' competence and assessing the skills they need for the future play a prominent role as Tekla creates its own Tekla Way of Working. During 2001, the skills profile of every Tekla employee was charted and task-specific skill demand profiles were made. The information was transferred to Tekla's human resources management system, an entity which enables constant skill updating and managing.

The Future

At Tekla, personnel development is based on the principle of constant, lifelong development and learning. Tekla seeks to ensure, and to further develop, its employees' job satisfaction and performance by offering a module-based training portfolio based on the company's and its business areas' strategies, as well as the analyses of needed future skills. This training

*Henrik von Hedenberg, M.Sc.Eng.,
Director in charge of Tekla
Human Resources Management.
Tekla employee since 1999.*



program supports the Tekla Way of Working. It includes modules for management, sales, customer service, marketing, product development, project management, and communications.

In addition to the Tekla Way of Working training program, Tekla actively follows international development in the field and arranges seminars on topical issues.

The competence database, created in 2001, serves as the basis for personal development and training planning of Tekla employees. Skills needed for the future, due to the company's dynamic progress, are estimated yearly. During 2002, the competence database will be expanded to cover the employees of Tekla's subsidiaries as well.

Tekla is a globally-operating, fast-growing company, and as such it faces the unique challenge of applying a common way of working to many different countries, while taking into account local features.

Tekla aims to give its employees the flexibility they need to balance work and family life. For example, Tekla is developing telecommuting opportunities and has just started a program in Finland to provide temporary care service for ill children of its employees. Tekla also encourages networking outside working hours by supporting an array of recreational activities for the personnel.

- > *At the end of 2001 the Tekla Group had 495 employees (297 in 2000), of whom 111 were outside Finland*
- > *The Group personnel averaged 382 (268) – of the total personnel an average of 100 (64) worked outside Finland*
- > *Turnover of personnel 14% (16)*

CORPORATE GOVERNANCE

> Governance in Tekla Corporation complies with the provisions of the Finnish Companies Act, which are supplemented by the Articles of Association and Tekla Corporation's own principles that conform to sound corporate governance. The company is managed by the Board of Directors and the President and CEO. The duties of different bodies are determined according to Finnish legislation, the Articles of Association, and sound governance policy as defined by the company.

Board of Directors

The Board of Directors consists of a minimum of three (3) and maximum of five (5) actual members and one (1) deputy member. The Board elects the Chairman from among its members. The term of the members of the Board ends when the first Annual General Meeting following the election ends. In 2001, the Board consisted of five (5) members, including the CEO of the company, and one deputy member. The Annual General Meeting elects the members of the Board for one year at a time. Board members are elected from among the representatives of the most notable shareholders as well as external experts with experience in international business. The members of the Board are introduced on page 26, and you can read more about them on Tekla's Internet site. The Board of Directors met 19 times in 2001.

President and CEO

The President and CEO manages operative activity according to valid legislation as well as instructions and decisions of the Board. Seppo Ruotsalainen has been Tekla's President and CEO since 1998. Heikki Multamäki is the company's Vice President.

Management Team

The company has a Management Team that consists of the President and CEO as well as the Directors of business areas and the company's key support functions. The members of the Management Team are introduced on page 26, and you can read more about them on Tekla's Internet site. The Management Team meets regularly two (2) times a month.

Auditor

The company has one (1) ordinary auditor, SVH Pricewaterhouse Coopers Oy, which is an audit firm approved of by the Finnish Central Chamber of Commerce. The term of the auditor is defined as the financial period under way at the time of selection, and it ends when the next Annual General Meeting after the selection ends. The Annual General Meeting selects the auditor. Jukka Ala-Mello, APA, was the auditor with primary responsibilities in 2001.

Insiders

Tekla follows the recommendations of the Helsinki Stock Exchange concerning insider trading. Insiders include statutory insiders – members and the deputy member of the Board of Directors, the President and CEO, Vice President, and auditors – as well as insiders by definition. These include Directors of the business areas, the Management Team, Communications Manager and the CEO's secretary. The names of insiders and the shareholdings of the management and the Board of Directors can be seen on the company's Internet site. According to Tekla's insider rules, stock investments in Tekla are long-term. Dealing with the company's shares is not allowed for 14 days before the publication of interim reports and financial statements.

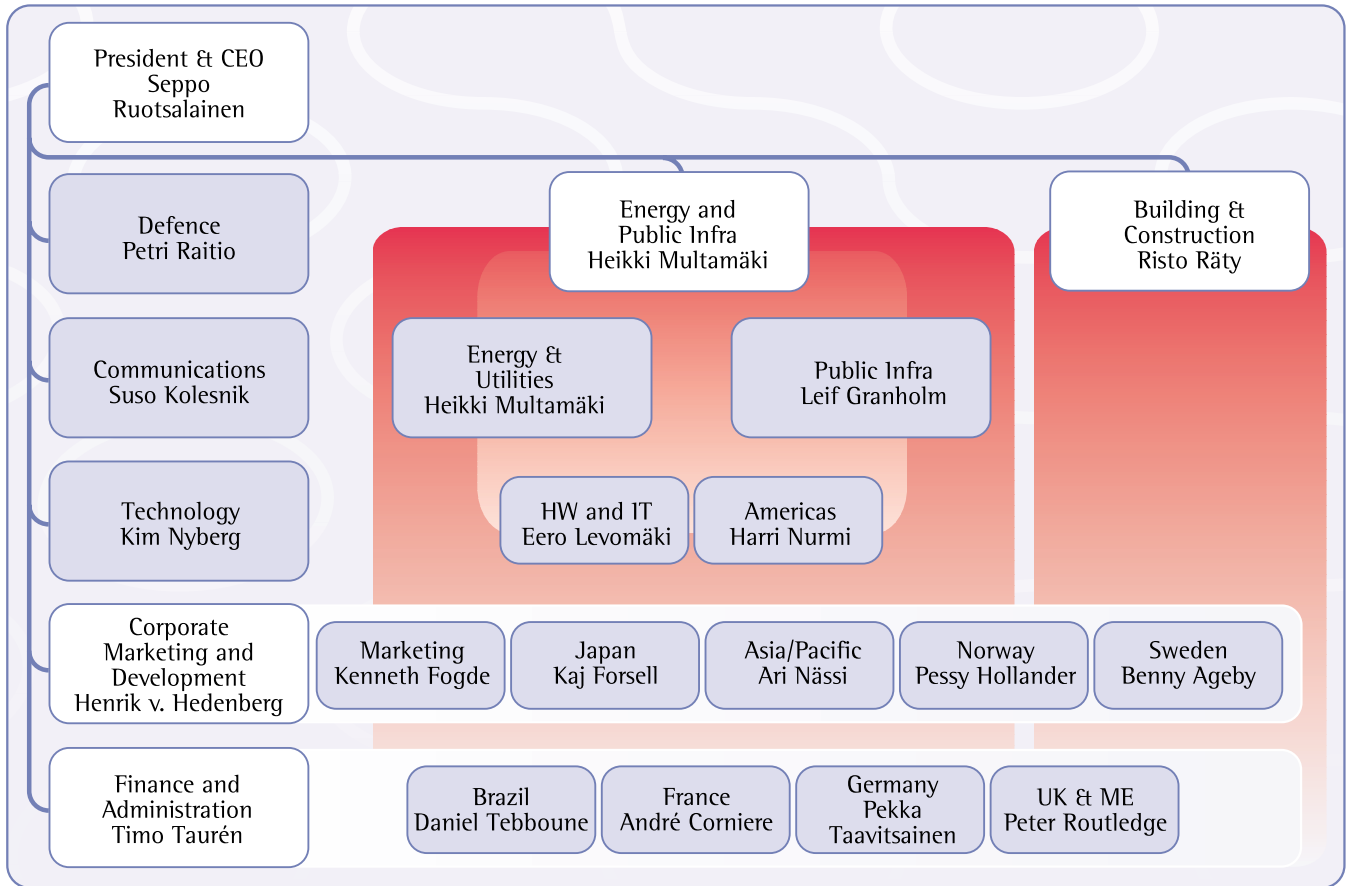
THE OPERATION OF THE BOARD OF DIRECTORS AND THE MANAGEMENT TEAM

> Tekla Corporation's business is rapidly changing, growing, and increasingly international, which makes the issues facing its leaders many-sided and challenging. Addressing these issues requires a high level of interaction between the Board of Directors and the operative management, and this is especially true when developing new strategies.

Working in close cooperation with one another, the Board and the management decide the company's long-term strategies and policies for years at a time. The management suggests and innovates, while the Board accepts and advises. Technology and products, development of sales, and international allocation of resources are among the core issues.

In 2001, the Board's operations centered on focusing the company's strategy and deciding key organizational changes. The central decisions can be seen in the company's clarified strategy for not only the overall company but also the individual business areas. During 2001, the company gave up functions that were immaterial to its strategy and focused the operations of its central business areas. One of the most notable decisions made in 2001 was the decision to acquire the energy business operations of Enfo Group.

The division of work between the Board and the management conforms to sound administrative practice. A high level of interaction occurs when an experienced board of experts and an innovative operative management exchange views.



INCENTIVE PROGRAM

> Tekla rewards its employee's based on yearly set targets and actual performance. The annually reviewed Incentive Program covers all employee groups within the company. The incentive program is divided into four different schemes with different measurements. Three of them are similar and cover all employees working either within a business area, or within a support unit or within a Tekla subsidiary. The fourth scheme is for employees working in sales regardless of in what entity they work. The employees' total individual compensation is

based on five components: basic salary, annually reviewed merit increase, individual bonus based on the individual targets, the performance of a business area, or a support unit or subsidiary. The fifth component is based on the Tekla Group's annual operating profit. All employees are covered either by a business area or support unit scheme, or by a subsidiary scheme. Individual bonuses cover the Tekla Management Team and key personnel.

STOCK OPTION PROGRAM

An Extraordinary General Meeting on May 16, 2000 authorized the Board of Directors to decide on the issue of option rights to staff members of the company and its subsidiaries. Up to 1,000,000 option warrants will be issued, divided into four 250,000 warrant tranches. The warrants are marked A,B,C or D. Each warrant entitles the holder to subscribe one share, with a nominal value of 0.03 euros. Tekla Corporation's share capital can be raised by a total of 1,000,000 new shares or 30,000 euros as a result of subscriptions.

Subscription Period

The share subscription period under the various warrants is as follows:

- A October 1, 2001
- B October 1, 2002
- C October 1, 2003
- D October 1, 2004

The subscription period for all the warrants ends on October 31, 2005.

Subscription Price

The subscription price for various warrants is as follows:

- A: the final subscription price paid for the share in the public issue (5.00 euros)
- B: the mean between the final subscription price in the public issue and average trading-weighted price in October 2000 (5.01 euros)
- C: the mean between the final subscription price in the public issue and the trading-weighted price in October 2001 (4.11 euros)
- D: the mean between the final subscription price in the public issue and the trading-weighted price in October 2002

Shareholder Rights

The shares entitle holders to full dividend for the financial year during which the shares are subscribed.

Management Share of Options

If all the warrants are used to subscribe company shares, the total number of shares will rise by 1,000,000, corresponding to 5% of the total stock. Members of the Board of Directors and the CEO will own 88,616 shares, i.e. 0.4% of total shares and votes.

RISK MANAGEMENT

Tekla Corporation effectively monitors and minimizes risks that are typical of its business. The IT industry can be a dynamic and unpredictable industry; this means that effective risk-management is an area of premium importance.

- The business risks of the company are limited by the active and interactive work of the Board and the Management Team in developing strategies.
- Personnel-related risks, which are typical of the IT industry, are addressed through a system of competence management. This ensures that the company develops the areas of know-how that are essential to the future of the business.
- Product and service-related risks are minimized through contracts and limited authorizations to sign, as well as by auditing bids, contracts, and delivery responsibilities.
- The central trademarks of the company are protected by Industrial Property Management principles.
- Unauthorized and harmful use of the company's network is prevented, and data security risks are minimized by the best and most recent data security technology in the market.
- Currency risks arising from the company's international business operations are managed by protecting the net flow of payments in the most important foreign currencies regularly for the following 12 months.
- Investing the liquid assets of the company is done according to principles decided by the Board in certificates of deposit, bonds, and similar securities where the risks are small.
- Due to the company's rather large amounts of liquid assets, the liquidity risk is very low.
- Risks related to sales and other unpaid debts are minimized with short terms of payment and efficient methods of collecting.
- There is a low interest risk in the company's long-term, low-interest product development loans.
- Functional and economic risks are also controlled by internal quality auditioning in the Group; this applies to the company's international business units as well.
- The management of the company is insured, and ensured with an efficient substitute system. The property of the company is protected with due insurances.

BOARD OF DIRECTORS



Heikki Marttinen
*Chairman of the
Board of Tekla Corporation
President and CEO of Eimo Oyj*



Risto Siirilä
*Deputy Chairman of
the Board of Tekla Corporation
Member of the Board of Gerako Oy*



Seppo Ruotsalainen
*President and CEO
Member of the Board
of Tekla Corporation*



Reino Heinonen
*Member of the Board of Tekla Corporation
Chairman of the Board of Ereka Oy*



Jan-Mikael von Schantz
*Member of the Board of
Tekla Corporation
Managing Director,
IFL – Swedish Institute of Management*

MANAGEMENT TEAM



Risto Rätty
*Director
Building & Construction*

Heikki Multamäki
*Vice President; Director
Energy & Public Infra
since 1.2.2002*

Jukka Rouhe
*Director
Energy & Utilities
until 31.1.2002*

Seppo Ruotsalainen
President and CEO

Henrik von Hedenberg
*Director, Corporate
Marketing and Development*

Timo Taurén
*Chief Financial
Officer*

SHARES AND SHAREHOLDERS

Shares and Capital Stock

The total number of Tekla Corporation shares at the end of 2001 was 22,586,200, of which the company owned 68,000. The nominal value of the share is 0.03 euros. At year's end, share capital stood at 677,586 euros.

Under the authorization of Tekla's Annual General Meeting, the Board of Directors increased the company's share capital in August by 92,931 euros by issuing a directed issue of 3,097,700 shares to be used in the acquisition of software business operations from Enfo Group Plc.

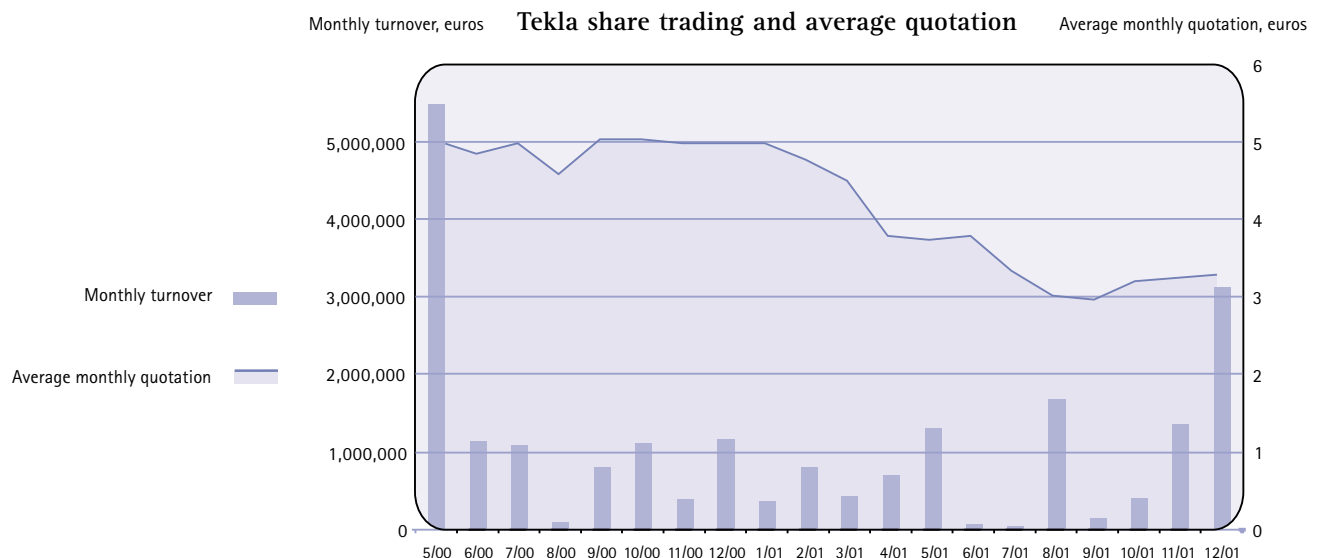
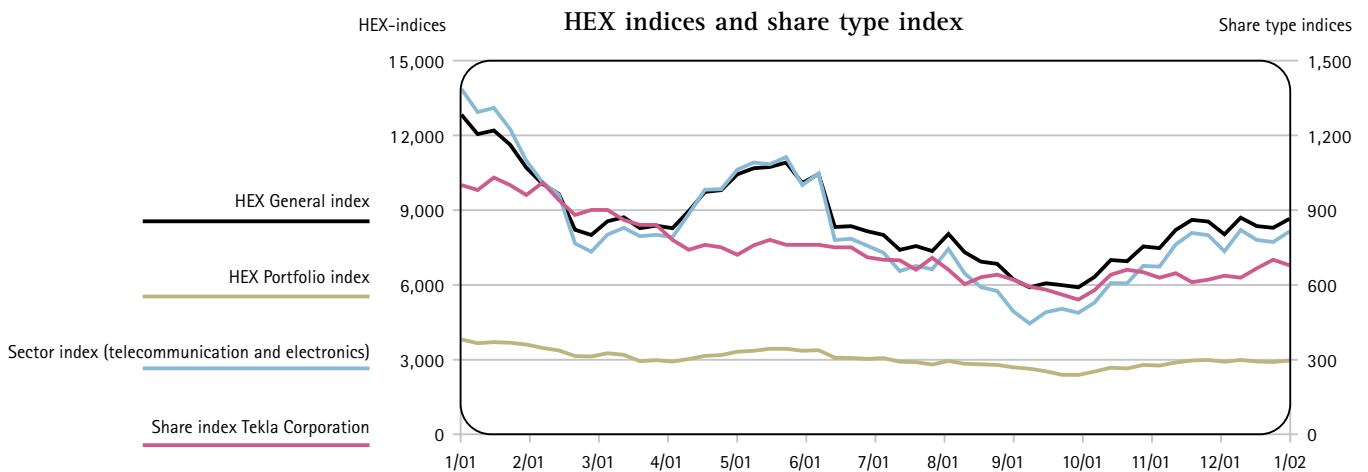
Share Price Trends and Trading

The share index for the Tekla share between January and December 2001 corresponded the development of the general index of Helsinki Exchanges; however, it surpassed the overall index for telecommunications and electronics.

In 2001, total turnover of Tekla Corporation shares was 10.5 million euros. A total of 3,045,786 shares changed hands, amounting to 13.5% of the entire share capital. The highest quotation in 2001 was 5.15 euros in January, the lowest 2.62 euros in October and the average quotation 3.44 euros. At year's end, the Tekla Corporation share stood at 3.40 euros. The taxation value for 2001 was set at 2.31 euros.

Ownership

The most notable ownership change in Tekla Corporation took place as the company acquired the software business operations of Enfo Group Plc. The acquisition was mainly carried out as a directed share issue. In August, Enfo Group Plc became Tekla's second largest shareholder with a holding of 13.7%. In December, Enfo Group Plc sold 30% of its Tekla shares to Gerako Oy, and its ownership fell under 10%.



The largest shareholders, December 28, 2001

	No. of shares	% of shares and votes
1. Gerako Oy	12,133,810	53.7
2. Enfo Group Plc	2,168,390	9.6
3. Mutual Pension Insurance Company Varma-Sampo	775,400	3.4
4. Mutual Pension Insurance Company Tapiola	684,200	3.0
5. Mutual Insurance Company Tapiola	650,000	2.9
6. Sampo Suomi Osake	638,000	2.8
7. LEL Employment Pension Fund	581,000	2.6
8. Ereka Oy	528,500	2.3
9. Mutual Insurance Company Pension-Fennia	407,400	1.8
10. Mutual Life Assurance Company Tapiola	371,500	1.6
Ten largest, total	18,938,200	83.8
Other shareholders	3,648,000	16.2
Total	22,586,200	100.0

Ownership breakdown by sector, December 28, 2001

	Shares, %	Votes, %
Companies	67.18	67.18
Financial and insurance institutions	12.38	12.38
Public-sector corporations	11.02	11.02
Non-profit organizations	1.05	1.05
Households	8.32	8.32
Foreign shareholders	0.05	0.05
Total	100.00	100.00

The number of nominee-registered shares 6,150, representing 0.03% of total stock, is included under 'Foreign shareholders'.

Ownership breakdown by number of shares, December 28, 2001

	No. of shareholders	%	No. of shares	%
1-1 000	1,010	84.80	344,654	1.52
1 001-10 000	126	10.58	336,950	1.50
10 001-100 000	34	2.86	1,125,846	4.98
100 001- 500 000	13	1.09	2,619,450	11.60
500 001-1 000 000	6	0.50	3,857,100	17.08
1 000 001 -	2	0.17	14,302,200	63.32
Total	1,191	100.00	22,586,200	100.00

The Board of Directors and CEO owned or controlled 920,400 shares of Tekla Corporation. These shares represented 4.1% of share capital and votes. Based on the options, they can subscribe for 88,616 shares which represents 0.4% of share capital and votes.

FINANCIAL STATEMENTS 2001

Review by the Board of Directors 1.1. – 31.12.2001

Income Statement

Balance Sheet

Cash Flow Statement

Notes to the Financial Statements

Board of Directors' Proposal
for the Distribution of Profits

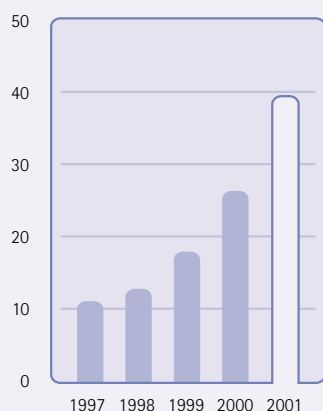
Auditors' Report

REVIEW BY THE BOARD OF DIRECTORS 2001

Financial Year in Brief

- > Tekla Group's consolidated net sales for 2001 grew by 48.1% compared with the previous fiscal year, rising to 39.20 million euros (2000: 26.47 million euros).
- > Operating profit tripled and totaled 2.50 (0.84) million euros, or 6.4% (3.2%) of net sales. International operations accounted for 57% (70%) of net sales.
- > The company continued strengthening its global presence and focusing its operations.
- > The company acquired the software business operations of Enfo Group Plc. The deal gave Tekla products and services for the energy industry and municipal sector, as well as competence and customer relationships.
- > The Board proposes payment of a dividend of 0.04 (0.02) euros per share, for a total dividend payment of 900,728 euros for the fiscal year 2001.

Net sales, million euros



BUSINESS ENVIRONMENT

Tekla Corporation is the oldest software company in Finland with 35 years of experience. During the recent years, the company has been internationalizing quickly. Tekla's model-based software products are used for designing and managing infrastructures in building and construction, the energy industry and public infra. Customers use them to improve their own profitability as well as the quality of their products and services. Tekla's business is dependent upon general economic developments to some extent, but fluctuations in the international economy have not significantly impacted the demand for the company's products.

The terrorist attacks in the United States had only a minor impact on Tekla's sales. Recession in Germany and Japan was reflected in the company's sales. However, steel construction, an important business area for Tekla, is increasing its proportion of all construction globally.

The forceful change process taking place in the European energy industry was reflected in the operations of the company, as energy companies were slower in arriving at purchase decisions of information systems than experience from the Scandinavian market would have suggested.

The municipal sector's need to improve operations and develop new electronic services for citizens speeded the demand for Tekla's products, especially in Finland.

NET SALES AND RESULTS

Tekla's net sales rose 48.1% in 2001, to 39.20 million euros. Operating profit tripled, reaching 2.50 (0.84) million euros. Income before extraordinary items for the financial period amounted to 3.60 (1.32) million euros. Earnings per share were 0.12 euros, more than twice as much as the previous year.

Seasonal fluctuations are typical of the software business, and in Tekla's case, it was stronger in 2001 than the previous year. The terrorist attacks in the United States slowed sales down momentarily in September and October, but in November–December sales and deliveries became brisker than expected. Traditionally, system deliveries take place towards the end of the year. Net sales of the last quarter were also increased by the business operations acquired from Enfo Group Plc. They accounted for 6.5 million euros of total net sales in 2001 and generated an operating profit of 0.5 million euros.

Tekla's consolidated net sales and results were made up as indicated in the tables below:

Net sales, million euros

January 1 – December 31	2001	2000	Change, %	% of net sales
Building & Construction	18.05	13.58	32.9	46.0
Energy & Utilities	12.98	6.01	116.0	33.1
Public Infra	4.06	2.54	59.8	10.4
Projects	2.73	2.22	23.0	7.0
Others	1.38	2.12	-34.9	3.5
Total	39.20	26.47	48.1	100.0

Operating profit, million euros

January 1 – December 31	2001	2000	Change, %	% of op. profit
Building & Construction	3.83	3.34	14.7	153.2
Energy & Utilities	-1.16	-1.08	-7.4	-46.4
Public Infra	-0.30	-0.69	56.5	-12.0
Projects	0.28	-0.18	255.6	11.2
Others	-0.15	-0.55	72.7	-6.0
Total	2.50	0.84	197.6	100.0

PROFITABILITY

Return on investment (ROI) was 12.0% (2000: 9.3%) and return on equity (ROE) 7.9% (6.7%). Earnings per share were 0.12 (0.05) euros and equity per share at the end of the period was 1.66 (1.19) euros.

FINANCIAL POSITION

The consolidated balance sheet totaled 50.61 (30.79) million euros. Equity ratio was 75.4% (75.4%). Interest-bearing debt totaled 2.35 (2.19) million euros. Cash and cash equivalents and marketable securities stood at 19.26 (19.26) million euros, constituting 38.1% of the balance sheet total.

BUSINESS ACQUISITIONS AND SALES

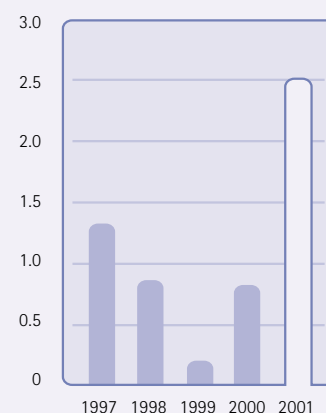
In March, Tekla acquired the structural steel software business operations of the German company Datacad GmbH.

In August, Tekla acquired from Enfo Group Plc (previously Tietosavo Plc) its energy industry software business operations. Enfo Group's product and system development units (ENFO SOFT and ENFO SYSTEMS) were transferred to Tekla in the deal. The corresponding business operations of Enfo Group's Swedish subsidiary Enfo AB were also included in the deal; they were acquired by Tekla's Swedish subsidiary Tekla Software AB.

The value of the acquisition was 13.1 million euros, of which 0.7 million euros were paid in cash and 12.4 million euros in Tekla's new shares that sought listing on the Helsinki Exchanges, valued four (4) euros per share. As for the shares received from Tekla, Enfo Group Plc committed not to sell or otherwise transfer without approval the shares received as consideration before November 15, 2001, when 30% of the shares received as consideration were released to be transferred. The next 30% lot was released to be transferred over to same extent on February 15, 2002, while further 30% will be released on April 15, 2002. As for the remaining 10%, the lock-up ends on August 22, 2002.

In April, Tekla sold its operations regarding Xcable, a product developed for managing fixed line telephone networks, to a group of users consisting of telecommunications companies. The Xenvi product for environmental control was sold to Environics Oy in September. At the same

Operating profit, million euros



time, a decision was made to terminate the development of the Xforest system for forest management planning at year's end. Tekla and Xforest's main users, namely Forestry Development Centre Tapio and StoraEnso Oyj, agreed on technological cooperation to help the customers continue maintaining the system.

CHANGES IN GROUP STRUCTURE

Tekla renewed its organization in the beginning of 2001. The new organization was based on three international business areas: Building & Construction, Energy Distribution and Public Infra. As a result of the focusing and the software business acquisition from Enfo Group Plc in 2001, the organization was renewed again during the reporting period. The energy industry business area became Energy & Utilities. The Projects business area, previously in charge of customer-specific projects, focused on cooperation with the Finnish Defence Forces, and was consequently renamed Defence.

During 2001, Tekla established a Brazilian subsidiary, Model Software Ltda, and a representative office in the United Arab Emirates. As of May, the operation of Tekla's representative office in Japan was continued by a subsidiary, Tekla K.K.

BUSINESS AREAS

Building & Construction

Despite the insecurity of the economic and world political situation during 2001, demand for Tekla-developed software products for modeling and detailing steel structures progressed well. Tekla's products increase profitability and the quality of operations and services by cutting design times and reducing mistakes.

Net sales of the Building & Construction business area grew 32.9%, rising to 18.05 (13.58) million euros. Operating profit amounted to 3.83 (3.34) million euros. International operations accounted for 97% of net sales, third of which was generated in North America and circa half in Europe.

The Xsteel product for detailing steel structures strengthened its position as market leader in Great Britain and France and began competing for market leadership in North America. Sales developed well in Southeast Asia, Australia and Canada as well.

In Germany, the recession of the building industry was reflected in the sales. Building slowed down in Japan as well, and sales did not proceed according to expectations. An extensive cooperation agreement signed with the Japanese steel structure industry in October is expected to promote Tekla's sales in Japan. The cooperation aims at enhancing the productivity and quality of the Japanese steel structure industry with the help of Tekla's Xsteel product. A further objective of the project is to identify in detail the unique requirements of the Japanese structural steel fabrication industry in order to widen the practical applicability of Xsteel throughout the industry in Japan.

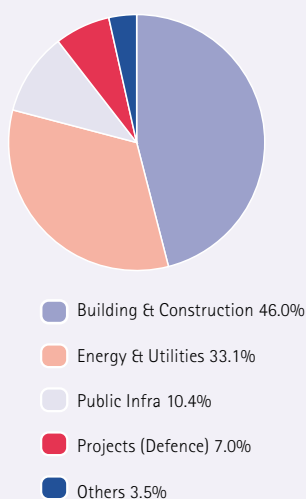
Energy & Utilities

Tekla supplies energy companies with solutions that enhance commercial and operative efficiency and competitiveness.

Net sales of the Energy & Utilities business area grew 116.0%, rising to 12.98 (6.01) million euros. Operating result was -1.16 (-1.08) million euros. International operations accounted for 36% of net sales.

The growth in net sales was generated in Finland and Northern Europe. For instance, Latvia's national energy company and the Swedish Gräninge Nät AB chose Tekla Xpower for network information management. The strong standing of software products acquired from Enfo in managing sales and customer information is reflected in the positive development of the business area's net sales. The year 2001 also saw Finnish electricity companies preparing for the euro era.

Net sales 2001 by business area, %



Public Infra

Tekla offers municipalities and municipal facilities systems for making municipal operations more efficient and the technological platform for developing information and other electronic services for residents.

Net sales of the Public Infra business area grew 59.8%, rising to 4.06 (2.54) million euros. Its operating result was -0.30 (-0.69) million euros.

The products developed by Tekla for managing public infrastructure are market leaders in Finland. By the end of 2001, 17 Finnish municipalities were participating in the development project of a municipal information system based on Tekla's Infrastructure Resource Management concept. Tekla's Internet services were implemented in several Finnish cities and in Helsingborg, Sweden. Sales of the Xpipe product for managing water and sewage networks progressed well. The Enfo deal supplemented the business area's product range with invoicing and payment control systems for municipalities and municipal facilities. The cooperation with the City of Espoo in Finland is a good example of this.

Projects

Projects net sales amounted to 2.73 (2.22) million euros, 23.0% up from the previous year. Operating profit was 0.28 (-0.18) million euros. Business sales made during the year affected the net sales. The Finnish Defence Forces, with which Tekla develops command and control systems utilizing its model-based technology, were the biggest customer of the business area in 2001.

The business area renounced its former activity, the development of customer-specific products, and concentrated on its original core business in cooperation with the Finnish Defence Forces. In December, Tekla and the Finnish Defence Forces signed a significant contract for the delivery of a command system in 2002-2003. As of the beginning of 2002, the business area was renamed Defence.

RESEARCH AND PRODUCT DEVELOPMENT

The most important product release was Xsteel 7.0, which was launched in September. It meets even better the special demands for steel structure detailing in different market areas. Pilot projects of Xengineer that covers to multi-material modeling and strength calculation were successfully completed.

The development of an information system that uses the Infrastructure Resource Management (IRM) concept for municipal information management and utilization proceeded on schedule. 17 Finnish municipalities are participating in the development. The new system will be ready for implementation towards the end of 2002.

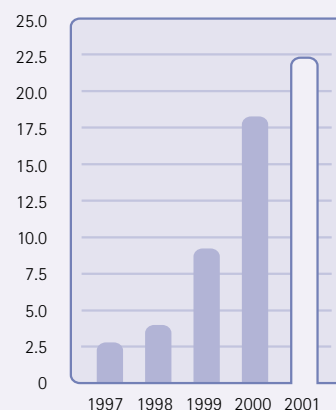
Launching the Xpower 6.2 product for managing network information of energy companies also took place during 2001.

Tekla and VTT Energy agreed on continuing their more than decade long cooperation in research and development. The research project that will be carried out between 2001-2002 aims at enhancing the use of electricity distribution networks notably.

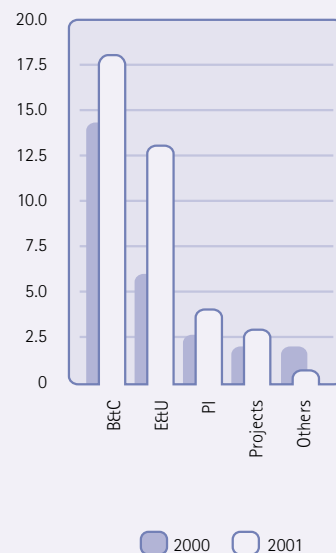
PERSONNEL

After the first stage of the integration project started following the acquisition of the software business operations of Enfo Group Plc, synergy benefits proved to be greater than initially estimated. Therefore Tekla initiated statutory employer-employee negotiations in October; they were completed in December. In Finland, 15 appointments ceased, and 17 fixed-term contracts were not renewed. As a result of employer-employee negotiations in the Swedish subsidiary, three employees were dismissed. All management-level positions in the Energy & Utilities business area that was born in the merger process were declared open for application for new

International operations, million euros



Net sales by business area, million euros



and old Tekla employees alike. The renewed organization started full-scale operation on February 1, 2002.

The number of employees in the Group averaged 382 (268); on average 100 (64) worked outside Finland. At the end of the year, Tekla personnel including part-time employees totaled 495 (297), of whom 111 outside Finland. Turnover of personnel was lower than in 2000, 14% (16%).

CHANGES IN SHARE CAPITAL AND OWNERSHIP

After the Enfo deal, Enfo Group Plc became Tekla's second largest shareholder with 13.7% of shares. All 3,097,700 shares granted by Tekla's annual general meeting for a directed issue on April 5, 2001 were used in the acquisition, and Gerako Oy's ownership of Tekla was reduced to 49.6%. In December, the number of Tekla Corporation votes and shares held by Enfo Group Plc slipped under one tenth (1/10) of the total number of votes and shares after it sold 30% of its Tekla Corporation shares. Gerako Oy's proportion of Tekla Corporation votes and shares rose to 53.72%.

ARBITRATION

Tekla Corporation and Enfo Group Plc decided to seek an award from a court of arbitration in November due to a dispute concerning the interim accounts prepared by Enfo Group Plc on August 15, 2001 and the principles according to which it was prepared. Tekla acquired the software business operations of Enfo Group on August 13, 2001, and the acquired business operations were transferred to the ownership of Tekla as of August 16.

The companies disagree on the principle of how the unfinished customer-specific software projects in the interim accounts should be entered as income. The disagreement concerns some 4 million euros.

CORPORATE GOVERNANCE

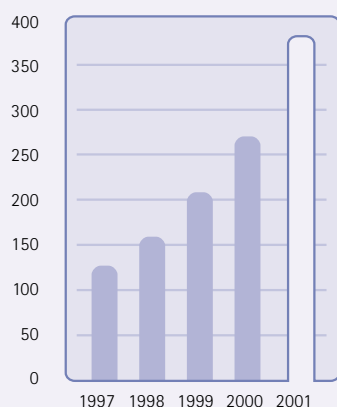
Governance in Tekla Corporation complies with the provisions of the Finnish Companies Act, which are supplemented by the Articles of Association and Tekla Corporation's own principles that conform to sound corporate governance. The company is managed by the Board of Directors and the President and CEO. The duties of different bodies are determined according to Finnish legislation, the Articles of Association, and sound governance policy as defined by the company. Board members have no particular duties or separately specified supervisory responsibilities. Tekla operations comply with the recommendations of Helsinki Exchanges concerning insider trading.

Annual General Meeting

Tekla Corporation's Annual General Meeting on April 5, 2001 adopted the financial statements for 2000 and decided on a dividend of 0.02 euros per share. The Annual General Meeting authorized the Board to decide on the increase of the company's share capital by a maximum of 3,097,700 new shares with a nominal value of 0.03 euros. The authorization included the right to waive the pre-emptive rights of shareholders in the event of a compelling financial reason. The Board used the authorization up in full in the acquisition of the software business operations of Enfo Group Plc in August.

The Board was also authorized for the period of one year to use funds available for distribution of profits for acquiring the company's own shares amounting to a maximum of 5% of the total number of shares issued. By December 31, 2001, the company had acquired a total of 68,000 Tekla shares in public trading, amounting to 0.3% of the total number of shares.

Personnel, on average



Board of Directors and CEO

The AGM re-elected Risto Siirilä, Reino Heinonen, Heikki Marttinen and Seppo Ruotsalainen, President and CEO, as Board members. Jan-Mikael von Schantz was elected new member of the Board. Aaro Kohonen, former Chairman of Tekla Board and Chairman of the Board of Tekla's main owner Gerako Oy, announced his resignation due to high age at the Annual General Meeting held on April 5, 2001. The Board elected Heikki Marttinen the new Chairman. CFO Timo Taurén continued as deputy member of the Board. SVH Pricewaterhouse Coopers were appointed auditors, with Jukka Ala-Mello, A.P.A, as the responsible auditor.

Authorizations and Stock Option Programs

The Annual General Meeting on April 5, 2001 authorized the Board to increase the company's share capital by a maximum of 3,097,700 shares and acquire the company's own shares amounting to a maximum 5% of the total number of shares. These authorizations are valid for one year from the meeting. So far, no Tekla shares have been subscribed on the basis of the stock option program for the employees of the company decided by the Extraordinary General Meeting on May 16, 2000. The Board had no other valid authorizations at the end of the year.

DIVIDEND POLICY

Tekla follows a dividend policy that reflects profit trends. It intends to distribute one third of annual profit as dividend on average. The Board proposes payment of a dividend of 0.04 (0.02) euros per share, for a total dividend payment of 900,728 (389,770) euros for the fiscal year 2001.

EVENTS AFTER THE REPORTING PERIOD

The strategic aim of Tekla Corporation is to be the number one supplier of software for managing infrastructures in chosen segments. As a part of this, the Energy & Utilities and Public Infra business areas have a common Director as of February 1, 2002: Vice President Heikki Multamäki. He will also be responsible for the E & U business area. Leif Granholm will continue in charge of the PI business area. In addition to this, he will also be responsible for product management and marketing of the E & U business area. Jukka Rouhe will become Director in charge of sales of the E & U business area. Both Rouhe and Granholm will report to Vice President Multamäki.

As a result of the restructuring, the Tekla Management Team consists, as of February 1, 2002, of Tekla's President and CEO Seppo Ruotsalainen, Vice President Heikki Multamäki (Energy & Utilities and Public Infra business areas), CFO Timo Taurén, Development Director Henrik von Hedenberg, and Director of the Building & Construction business area, Risto Rätty.

PROSPECTS

People build and use electricity, water, and municipal services all over the world. Information technology offers enormous possibilities for managing advanced environments, and this is something where Tekla is leading the way.

Tekla estimates that its net sales will grow more than 30% in 2002, while operating profit will reach the level of 10%. Seasonal fluctuations in demand are expected to remain much the same as in previous years. The majority of the company's results are therefore expected to accumulate during the second half of the year.

INCOME STATEMENT

1,000 euros	Note	Consolidated 2001	Consolidated 2000	Parent company 2001	Parent company 2000
Net sales	1	39,199	26,468	33,298	22,087
Change in inventories of finished products and in work in progress (+/-)		163	-73	159	39
Other operating income	2	1,909	1,380	2,313	1,647
Materials and services	3	-3,961	-2,806	-4,616	-3,397
Personnel expenses	4	-20,824	-14,060	-15,349	-10,551
Depreciation and value adjustments	5	-1,531	-1,037	-1,070	-738
Other operating expenses		-12,450	-9,028	-10,635	-8,737
Operating profit		2,505	844	4,100	350
Financial income and expenses	6	1,091	478	1,085	539
Profit before extraordinary items		3,596	1,322	5,185	889
Profit before appropriations and taxes		3,596	1,322	5,185	889
Appropriations	7			-968	
Income taxes	8	-1,205	-451	-1,237	-301
Net profit for the period		2,391	871	2,980	588

BALANCE SHEET

1,000 euros	Note	Consolidated 2001	Consolidated 2000	Parent company 2001	Parent company 2000
ASSETS					
Fixed assets and other long-term investments	9				
Intangible assets		13,429	1,309	13,052	1,249
Goodwill on consolidation		285	288		
Tangible assets		1,439	1,028	768	454
Long-term investments		274	41	1,287	643
Total fixed assets and long-term investments		15,427	2,666	15,107	2,346
Current assets					
Inventories	10	232	69	228	69
Deferred tax assets	11	337	125		
Short-term receivables	12	15,359	8,673	17,168	8,308
Marketable securities		15,341	17,168	15,341	17,168
Cash and cash equivalents		3,919	2,089	2,059	687
Total current assets		35,188	28,124	34,796	26,232
TOTAL ASSETS		50,615	30,790	49,903	28,578
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	13				
Share capital		678	585	678	585
Share premium account		32,008	19,710	32,008	19,710
Reserve for own shares		215		215	
Legal reserve		1,323	1,323	1,323	1,323
Translation differences		27	13		
Retained earnings		929	636	694	711
Net profit for the period		2,391	871	2,980	588
Shareholders' equity total		37,571	23,138	37,898	22,917
Minority interest		14	3		
Accumulated appropriations	14			968	
Liabilities					
Long-term liabilities	15	1,943	1,526	1,943	1,526
Short-term liabilities	16	11,087	6,123	9,094	4,135
Liabilities total		13,030	7,649	11,037	5,661
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		50,615	30,790	49,903	28,578

CASH FLOW STATEMENT

1,000 euros	Consolidated 2001	Consolidated 2000	Parent company 2001	Parent company 2000
Cash flow from operating activities:				
Profit before extraordinary items	3,596	1,322	5,185	889
Adjustments:				
Depreciation according to plan	1,531	1,037	1,070	738
Other operating income and expenses (not received or paid)	7		7	0
Financial income and expenses	-1,129	-478	-1,085	-539
Other adjustments	-45	135	-2	145
Cash flow before change in working capital	3,960	2,016	5,175	1,233
Change in working capital:				
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	-6,803	-1,373	-8,223	-764
Increase (-) / decrease (+) in inventories	-163	73	-159	-39
Increase (+) / decrease (-) in non-interest-bearing short-term liabilities	4,275	93	4,199	68
Cash flow from operations before financial items and taxes	1,269	809	992	498
Interest paid and payments of other financial expenses	-94	-65	-90	-74
Interest received	961	510	1,011	558
Other financial income	224	33	164	55
Income taxes paid	-241	-913	-175	-752
Cash flow before extraordinary items	2,119	374	1,902	285
Net cash provided by (used in) operating activities (A)	2,119	374	1,902	285
Cash flow from investing activities:				
Investments in tangible and intangible assets	-1,612	-1,332	-820	-831
Proceeds from sale of tangible and intangible assets	31	86	25	5
Increase (-) / decrease (+) in loans receivable	3	-3	-780	-163
Investments in Group companies		-146		-146
Other investments	-17	-7	-17	-7
Investments in subsidiaries	-75	-91	-410	-313
Net cash used in (provided by) investing activities (B)	-1,670	-1,493	-2,002	-1,455
Cash flow from financing activities:				
Share issue		19,605		19,605
Investment in own shares	-215		-215	
Increase (+) / decrease (-) in short-term debt		-154	90	-938
Proceeds from long-term debt	736	631	736	631
Repayments of long-term debt	-576	-404	-576	-404
Dividends paid and other distribution of profits	-390	-94	-390	-94
Net cash provided by (used in) financing activities (C)	-445	19,584	-355	18,800
Increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	4	18,465	-455	17,630
Cash and cash equivalents at beginning of year	19,257	792	17,855	225
Cash and cash equivalents at end of year	19,261	19,257	17,400	17,855

NOTES TO THE FINANCIAL STATEMENTS

Tekla's parent company is Gerako Oy, domiciled in Espoo.

Copies of the Gerako Group Financial Statements are available from Gerako Oy, Koronakatu 2, 02210 Espoo.

ACCOUNTING PRINCIPLES

Principles used for the consolidated financial statements

The consolidated financial statements include the parent company Tekla Corporation and the subsidiaries in which the parent company owns over 50% of the voting rights, either directly or indirectly. The subsidiaries acquired during the year are included from the date of acquisition.

All inter-Group transactions, unrealized margins, liabilities and receivables, and profit distribution are eliminated.

In the consolidated financial statements, the income statements of foreign subsidiaries are translated into euros at the average rate for the year and balance sheets at the exchange rate of the balance sheet date. An exchange rate difference resulting from translation of the income statement and balance sheet at different rates is entered under consolidated retained earnings.

Acquisitions of companies are accounted for using the purchase method. The exchange differences arising from the application of the purchase method are entered under consolidated shareholders' equity.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the exchange rates prevailing at the transaction dates. At the end of the accounting period the unsettled receivables and debts are valued at the exchange rate of the balance sheet date. All foreign exchange gains and losses are entered as exchange rate differences in the income statement under financial income and expenses.

Derivative contracts

The Group makes forward exchange contracts to hedge against the exchange rate risks of prospective sales agreements. Foreign exchange gains and losses on forward contracts are recognized in the income at the same time as the hedged cash flow.

Revenue recognition

When net sales are calculated, indirect sales taxes and discounts are deducted from sales income.

Revenue from goods or services sold is recognized at the time of delivery, except for revenue on significant (> 1.0 million euros) long-term contracts, which is recognized on the percentage of completion method. The degree of completion is calculated on the basis of the actual expenses and the total cost estimate.

Research and product development expenses

As of the beginning of 1999, all research and product development costs are expensed in the financial period during which they are incurred.

Fixed assets and other long-term investments

The balance sheet figures for fixed assets are based on historical cost. The fixed assets are depreciated or amortized using the straight-line method, based on the useful life of the asset. The useful lives are as follows:

Intangible rights	10 years
Goodwill	5 - 15 years
Goodwill on consolidation	5 years
Other capitalized expenditures	2 - 4 years
Machinery and equipment	2 - 5 years

Fixed assets are stated in the Notes at acquisition cost less accumulated depreciation. Acquisition cost includes only the commodities for which the acquisition cost has not yet been depreciated or amortized totally according to plan.

Ordinary sales gains and losses on intangible fixed assets and machinery and equipment are included in other operating income and expenses.

Own shares

The company's own shares are included in fixed assets and other long-term investments. Own shares are valued at acquisition cost. In calculating share related data, the company's own shares are excluded from shareholders' equity and number of shares.

Leasing

Operating lease payments are treated as monthly rental expenses. Outstanding rents on leasing contracts are presented as contingent liabilities in the Notes.

Pension arrangements

The Group companies' pension expenses entered in the consolidated financial statements are calculated according to the local practice of each country.

The pension arrangements of the Group companies comply with local regulations and practices. Employee pension security is organized through outside pension insurance companies.

Income taxes

Income taxes include taxes based on the results of the Group companies and are calculated according to the local tax rules of each country. Income taxes include tax adjustments on previous years and deferred taxes. The deferred tax asset has been calculated with extreme prudence for temporary differences between the tax basis of assets and liabilities and their values in financial reporting.

Dividends

Dividends proposed to the Annual General Meeting by the Board of Directors will not be recorded in the financial statements until they have been approved by the Annual General Meeting.

CALCULATION OF FINANCIAL INDICATORS

Equity ratio, %	=	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total - advances received}}$	x 100
Net gearing, %	=	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Shareholders' equity}}$	x 100
Return on investment, %	=	$\frac{\text{Profit before extraordinary items + financial expenses}}{\text{Balance sheet total - non-interest-bearing liabilities (average for the year)}}$	x 100
Return on equity, %	=	$\frac{\text{Profit before extraordinary items - taxes}}{\text{Shareholders' equity (average for the year)}}$	x 100
Earnings per share	=	$\frac{\text{Profit before extraordinary items - taxes}}{\text{Average number of shares}}$	
Equity per share	=	$\frac{\text{Shareholders' equity}}{\text{Number of shares at the end of the year}}$	
Dividend to earnings ratio, %	=	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$	x 100
Effective dividend yield, %	=	$\frac{\text{Dividend per share}}{\text{Share price at the end of the year}}$	x 100
Price / earnings ratio	=	$\frac{\text{Share price at the end of the year}}{\text{Earnings per share}}$	
Market capitalization	=	Number of shares at the end of the year x share price at the end of the year	

NOTES TO THE FINANCIAL STATEMENTS

In 1,000 euros unless otherwise noted.

	Consolidated		Parent company	
	2001	2000	2001	2000
1. Net sales by market area				
Finland	16,764	7,965	16,764	7,965
Rest of Europe	12,517	12,096	8,680	9,009
Americas	5,867	3,757	4,147	2,928
Asia and Australia	3,948	2,551	3,605	2,086
Other countries	103	99	102	99
Total	39,199	26,468	33,298	22,087
Net sales by percentage of completion	1,086	830	1,086	830
Other net sales	38,113	25,638	32,212	21,257
Total	39,199	26,468	33,298	22,087
The revenue on (2) long-term contracts entered under net sales according to the percentage of completion method in 2001 and previous fiscal years	3,081	1,995	3,081	1,995
The revenue on long-term contracts not entered under net sales	976	2,062	976	2,062
2. Other operating income				
Sales gains from fixed assets	535	12	535	1
Service charges from Group companies	1		408	278
Product development and other subsidiaries	1,347	1,368	1,347	1,368
Other	26		23	
Total	1,909	1,380	2,313	1,647
3. Materials and services				
Purchase of materials during the year	1,994	1,324	1,781	1,207
External services	1,967	1,482	2,835	2,190
Total	3,961	2,806	4,616	3,397
4. Personnel expenses				
Salaries and fees	16,515	11,300	12,016	8,348
Pension expenses	2,450	1,546	2,098	1,341
Other social expenses	1,859	1,214	1,235	862
Total	20,824	14,060	15,349	10,551
Salaries and fees paid to the Board members and the Managing Directors	1,653	1,029	354	289
Management pension arrangements:				
Retirement ages in the Group companies are determined according to the pension legislation of each country.				
Personnel:				
On average	382	268	289	204
End of period,	495	297	392	224
of which part-time employees	41	36	40	35

	Consolidated		Parent company	
	2001	2000	2001	2000
5. Depreciation				
Intangible assets				
Development costs	91	161	91	161
Intangible rights	17	14	17	14
Goodwill	362		344	
Goodwill on consolidation	80	65		
Other capitalized expenditure	429	273	378	259
Tangible assets				
Machinery and equipment	552	524	240	304
Total	1,531	1,037	1,070	738
6. Financial income and expenses				
Other interest and financial income				
From Group companies		21	70	62
From others	961	489	941	496
Total	961	510	1,011	558
Exchange rate differences	224	33	164	55
Interest and financial expenses				
To others	-94	-65	-90	-74
Total	-94	-65	-90	-74
Financial income and expenses total	1,091	478	1,085	539
7. Appropriations				
Difference between depreciation according to plan and depreciation applied in taxation			968	
8. Direct taxes				
Income taxes on operations	1,417	518	1,237	301
Change in deferred tax assets	-212	-67		
Total	1,205	451	1,237	301

9. Fixed assets and other long-term investments

Consolidated	Intangible assets					Total	Tangible assets		Total
	Capitalized development costs	Intangible rights	Goodwill	Goodwill on consolidation	Other capitalized expenditure		Machinery and equipment	Advanced payments	
Acquisition cost Jan. 1	869	149		353	1,799	3,170	2,405		2,405
Translation differences					3	3	11		11
Additions		32	12,606	77	382	13,097	975	7	982
Disposals					-9	-9	-88		-88
Acquisition cost Dec. 31	869	181	12,606	430	2,175	16,261	3,303	7	3,310
Accumulated depreciation Jan. 1	778	40		65	690	1,573	1,377		1,377
Translation differences					2	2	4		4
Accumulated depreciation on disposals					-7	-7	-60		-60
Write-downs							-2		-2
Depreciation for the year	91	17	362	80	429	979	552		552
Accumulated depreciation Dec. 31	869	57	362	145	1,114	2,547	1,871	0	1,871
Net book value Dec. 31	0	124	12,244	285	1,061	13,714	1,432	7	1,439

Parent company	Intangible assets					Total	Tangible assets		Total
	Capitalized development costs	Intangible rights	Goodwill	Goodwill on consolidation	Other capitalized expenditure		Machinery and equipment	Advanced payments	
Acquisition cost Jan. 1	869	149			1,711	2,729	1,434		1,434
Additions		33	12,391		212	12,636	569	7	576
Disposals					-3	-3	-29		-29
Acquisition cost Dec. 31	869	182	12,391		1,920	15,362	1,974	7	1,981
Accumulated depreciation Jan. 1	778	40			662	1,480	980		980
Accumulated depreciation on disposals							-7		-7
Depreciation for the year	91	17	344		378	830	240		240
Accumulated depreciation Dec. 31	869	57	344		1,040	2,310	1,213	0	1,213
Net book value Dec. 31	0	125	12,047		880	13,052	761	7	768

Investments	Consolidated			Parent company			
	Other shares and holdings	Own shares	Total	Shares in Group companies	Other shares and holdings	Own shares	Total
Acquisition cost Jan. 1	41		41	602	41		643
Additions	18	215	233	412	17	215	644
Net book value Dec. 31	59	215	274	1,014	58	215	1,287

Own shares	No. of shares in 1,000s	Average price euros/share	Acquisition cost in 1,000 euros
September	1	2.86	3
October	33	3.22	107
November	32	3.09	97
December	2	3.23	8
Total	68	3.16	215

Shares in subsidiaries	Domicile	Holding %
Tekla AS	Norway	83.2
Tekla GmbH	Germany	100
Tekla Inc.	U.S.A	100
Tekla K.K.	Japan	100
Tekla (M) Sdn. Bhd.	Malaysia	100
Tekla Sarl	France	100
Tekla Software AB	Sweden	100
Tekla (UK) Ltd.	England	100
Model Software Ltda	Brazil	95

Besides the subsidiaries, Tekla Corporation also has representative offices in Dubai, the United Arab Emirates, and Shanghai, China.

	Consolidated		Parent company	
	2001	2000	2001	2000
10. Inventories				
Work in progress	218	36	218	36
Finished goods	14	33	10	33
Total	232	69	228	69
11. Deferred tax assets and liabilities				
Deferred tax assets from timing differences	618	125		
Deferred tax liabilities from appropriations	-281			
Total	337	125		
12. Short-term receivables				
Receivables from others				
Accounts receivable	10,955	6,178	7,092	3,915
Other receivables	2,099	196	1,757	72
Prepaid expenses and accrued income	2,301	2,288	2,158	2,048
Total	15,355	8,662	11,007	6,035
Receivables from Group companies				
Accounts receivable	4	8	2,648	1,060
Loans receivable		3	1,713	934
Other receivables			1,704	279
Prepaid expenses and accrued income			96	
Total	4	11	6,161	2,273
Short-term receivables total	15,359	8,673	17,168	8,308
Prepaid expenses and accrued income				
Accrued product development and other subsidies	412	660	412	660
Accrued income related to long-term contracts	257	299	257	299
Accrued sales income	1,237	858	1,334	729
Other prepaid expenses and accrued income	395	471	251	360
Total	2,301	2,288	2,254	2,048

	Consolidated		Parent company	
	2001	2000	2001	2000
Net receivables and liabilities for projects in progress recognized on the percentage of completion method				
Accrued income according to profits based on percentage of completion	3,081	1,995	3,081	1,995
Advances received	-2,824	-1,696	-2,824	-1,696
Receivables in current assets in the balance sheets recognized on the percentage of completion method	257	299	257	299
13. Shareholders' equity				
Share capital Jan. 1	585	521	585	521
New share issue	93	64	93	64
Share capital Dec. 31	678	585	678	585
Share premium account Jan. 1	19,710	168	19,710	168
Share premium	12,298	19,542	12,298	19,542
Share premium account Dec. 31	32,008	19,710	32,008	19,710
Reserve for own shares Jan. 1				
Additions	215		215	
Reserve for own shares Dec. 31	215		215	
Legal reserve Jan. 1	1,323	1,323	1,323	1,323
Legal reserve Dec. 31	1,323	1,323	1,323	1,323
Translation differences	27	13		
Retained earnings Jan. 1	1,507	735	1,299	857
Payment of dividend	-390	-94	-390	-94
Transfer to reserve for own shares	-215		-215	
Changes in Group structure				-52
Exchange rate differences	27	-5		
Retained earnings Dec. 31	929	636	694	711
Net profit for the period	2,391	871	2,980	588
Total shareholders' equity	37,571	23,138	37,898	22,917
Calculation of distributable funds				
Retained earnings Dec. 31	929	636	694	711
Net profit for the period	2,391	871	2,980	588
Equity share of accumulated depreciation difference	-687			
Distributable funds of shareholders' equity	2,633	1,507	3,674	1,299

On December 31, 2001, the Tekla Group (parent company) owned 68,000 own shares, total nominal value of those being 2,040 euros and acquisition cost 214,971 euros.

	Consolidated		Parent company	
	2001	2000	2001	2000
14. Accumulated appropriations				
Difference between depreciation according to plan and depreciation applied in taxation				
Goodwill			895	
Machinery and equipment			73	
Total			968	
15. Long-term liabilities				
Other long-term liabilities	1,943	1,526	1,943	1,526
Total	1,943	1,526	1,943	1,526
Loans maturing after more than five years				
Other long-term liabilities	234	174	234	174
16. Short-term liabilities				
Loans from others				
Loans from financial institutions		193		193
Advances received	828	100	828	100
Accounts payable	1,137	1,031	903	833
Other liabilities	2,623	1,693	1,786	1,011
Accrued expenses and deferred income	6,463	3,078	4,538	1,808
Total	11,051	6,095	8,055	3,945
Liabilities to Group companies				
Accounts payable	36	28	845	177
Other liabilities			90	
Accrued expenses and deferred income			104	13
Total	36	28	1,039	190
Short-term liabilities total	11,087	6,123	9,094	4,135
Accrued expenses and deferred income				
Accrued salaries and social expenses	3,303	1,796	3,026	1,658
Income taxes	971	57	926	
Periodization of sales	1,539	991	272	31
Other accrued expenses and deferred income	650	234	418	132
Total	6,463	3,078	4,642	1,821

	Consolidated		Parent company	
	2001	2000	2001	2000
17. Collaterals, contingent liabilities and other commitments				
Liabilities and commitments for which business mortgages are pledged as collateral				
Loans from financial institutions		193		193
Guarantees on behalf of own commitments	598	699	598	598
Guarantees on behalf of subsidiaries' commitments				101
Total	598	892	598	892
Mortgages				
Business mortgages	505	505	505	505
Other contingent liabilities				
Guarantees on behalf of own commitments	20	135		
Guarantees on behalf of subsidiaries' commitments				115
Total	20	135	0	115
Leasing and rental agreement commitments				
Premises				
Due during the next financial year	1,667	1,100	1,045	595
Due later	4,903	4,721	3,568	3,148
Total	6,570	5,821	4,613	3,743
Other				
Due during the next financial year	1,080	1,001	873	780
Due later	753	942	570	740
Total	1,833	1,943	1,443	1,520
Total	8,403	7,764	6,056	5,263
18. Derivatives contracts				
Currency forward contracts				
Current value of underlying instruments	5,469	4,406	5,469	4,406
Nominal value of underlying instruments	5,339	4,788	5,339	4,788

The forward contracts are used for hedging US dollar-based sales.

19. Legal proceedings and claims

Tekla Corporation and Enfo Group Plc decided to seek an award from a court of arbitration due to a dispute concerning the interim accounts prepared by Enfo Group Plc on August 15, 2001 and the principles according to which it was prepared. The companies disagree on the principle of how the unfinished customer-specific software projects in the interim accounts should be entered as income. The disagreement concerns some 4 million euros.

Advances from projects that belong to Tekla Corporation according to the contract of sale amounted to some 1.7 million euros by August 15, 2001. In the parent company, these have been entered as receivable from Enfo Group Plc.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS

According to the consolidated balance sheet of December 31, 2001, the Group's distributable funds are 2,632,671 euros.

The parent company profit for the year is 2,980,343 euros after which the distributable funds in the parent company are 3,674,800 euros.

The Board of Directors proposes that a dividend of 0.04 euros per share, in total 900,728 euros, be distributed and that the remaining 2,079,615 euros can be carried over under non-restricted shareholders' equity.

Espoo, February 18, 2002

Heikki Marttinen
Chairman

Reino Heinonen

Risto Siirilä

Jan-Mikael von Schantz

Seppo Ruotsalainen
CEO

AUDITORS' REPORT

To the shareholders of Tekla Corporation

We have audited the accounting, the financial statements and the corporate governance of Tekla Corporation for the financial year 2001. The financial statements prepared by the Board of Directors and the CEO include a Board of Directors' report, consolidated and parent company income statements, balance sheets and notes to the financial statements. Based on our audit, we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The audit of corporate governance is conducted to examine that the members of the Board of Directors and the CEO have legally complied with the rules of the Companies' Act.

In our opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of the financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements, including the consolidated financial statements, can be adopted and the members of the Board of Directors and the CEO of the parent company can be discharged from liability for the financial period audited by us.

The proposal by the Board of Directors regarding the distributable assets is in compliance with the Companies' Act.

Espoo, February 19, 2002

SVH Pricewaterhouse Coopers Oy
Authorized Public Accountants

Jukka Ala-Mello
Authorized Public Accountant

STOCK EXCHANGE AND PRESS RELEASES

Year 2001

- 20.12.2001 TEKLA CORPORATION FINANCIAL INFORMATION 2002
- 19.12.2001 TEKLA TO DELIVER COMMAND SYSTEM FOR THE FINNISH DEFENCE FORCES
- 17.12.2001 NOTIFICATION ON A CHANGE IN HOLDINGS REFERRING TO CHAPTER 2, SECTION 9, OF THE SECURITIES MARKETS ACT
- 17.12.2001 NOTIFICATION ON A CHANGE IN HOLDINGS REFERRING TO CHAPTER 2, SECTION 9, OF THE SECURITIES MARKETS ACT
- 12.12.2001 ESPOO JOINS TEKLA'S EXTENSIVE MUNICIPAL INFORMATION SYSTEM PROJECT
- 4.12.2001 EMPLOYER-EMPLOYEE NEGOTIATIONS OVER IN TEKLA CORPORATION
- 3.12.2001 TEKLA'S INVESTOR WEBSITE COMPARED WELL
- 27.11.2001 TEKLA CORPORATION AND ENFO GROUP PLC TO ENTER ARBITRATION
- 13.11.2001 NOTIFICATION ON A CHANGE IN HOLDINGS REFERRING TO IN CHAPTER 2, SECTION 9, OF THE SECURITIES MARKETS ACT
- 8.11.2001 TEKLA LAUNCHES ONLINE MAGAZINE
- 6.11.2001 TEKLA GROUP JANUARY-SEPTEMBER 2001: PROFITS AND NET SALES GROWTH CONTINUED
- 2.11.2001 TEKLA'S XPIPE PRODUCT OVERTAKING THE FINNISH WATER UTILITIES MARKET
- 31.10.2001 ANNOUNCEMENT OF TEKLA CORPORATION'S INTERIM REPORT 1-9/2001
- 19.10.2001 TEKLA'S ASTERIX SYSTEM FOR CUSTOMER SERVICE AND INVOICING READY FOR EURO
- 16.10.2001 TEKLA SIGNED AN IMPORTANT COOPERATION AGREEMENT WITH THE JAPAN STRUCTURAL STEEL INDUSTRY
- 16.10.2001 TEKLA STARTS EMPLOYER - EMPLOYEE NEGOTIATIONS, SYNERGY BENEFITS FROM THE ACQUISITION BIGGER THAN EXPECTED, REVENUE GROWTH FOR 2001 ESTIMATED BETWEEN 20 TO 25%
- 28.9.2001 TEKLA CONTINUES FOCUSING ITS BUSINESS OPERATIONS
- 17.9.2001 TEKLA CORPORATION: REPURCHASE OF OWN SHARES
- 3.9.2001 TEKLA'S LISTING PARTICULAR PUBLISHED
- 23.8.2001 NOTIFICATION ON A CHANGE IN HOLDINGS REFERRING TO CHAPTER 2, SECTION 9, OF THE SECURITIES MARKETS ACT
- 17.8.2001 NOTIFICATION ON A CHANGE IN HOLDINGS REFERRING TO CHAPTER 2, SECTION 9, OF THE SECURITIES MARKETS ACT
- 15.8.2001 NOTIFICATION ON A CHANGE IN HOLDINGS REFERRING TO CHAPTER 2, SECTION 9, OF THE SECURITIES MARKETS ACT
- 15.8.2001 NOTIFICATION ON A CHANGE IN HOLDINGS REFERRING TO CHAPTER 2, SECTION 9, OF THE SECURITIES MARKETS ACT
- 14.8.2001 TEKLA GROUP JANUARY- JUNE 2001: NET SALES GREW BY NEARLY 40 PERCENT
- 14.8.2001 SPECIFICATION TO TEKLA'S INTERIM REPORT 1 - 6/2001
- 14.8.2001 TEKLA AND ENFO GROUP MERGE BUSINESS OPERATIONS IN THE ENERGY SECTOR
- 9.8.2001 TEKLA AND VTT ENERGY SIGNED AGREEMENT ON RESEARCH COLLABORATION
- 8.8.2001 ANNOUNCEMENT OF TEKLA CORPORATION'S INTERIM REPORT 1-6/2001
- 25.5.2001 TEKLA AND LATVENERGO SIGNED A CONTRACT FOR POWER DISTRIBUTION NETWORK MANAGEMENT
- 23.5.2001 PROFESSORSHIP IN SOFTWARE BUSINESS ENDOWED AT THE HELSINKI UNIVERSITY OF TECHNOLOGY
- 15.5.2001 TEKLA CORPORATION INTERIM REPORT JANUARY 1 - MARCH 31, 2001
- 8.5.2001 ANNOUNCEMENT OF TEKLA CORPORATION'S INTERIM REPORT 1-3/2001
- 27.4.2001 TEKLA SELLS ITS XCABLE BUSINESS TO A GROUP OF USER COMPANIES
- 10.4.2001 TEKLA'S BOARD OF DIRECTORS RENEWED: HEIKKI MARTTINEN ELECTED CHAIRMAN, JAN-MIKAEL VON SCHANTZ BRINGS ADDITIONAL EXPERIENCE FROM IT AND TELECOMMUNICATIONS
- 5.4.2001 DECISIONS BY THE TEKLA CORPORATION ANNUAL GENERAL MEETING
- 15.3.2001 NOTICE OF ANNUAL GENERAL MEETING OF TEKLA CORPORATION
- 12.3.2001 TEKLA ACQUIRES THE BUSINESS OPERATIONS OF DATA CAD IN BERLIN: CLOSER TO THE XSTEEL CUSTOMERS IN GERMANY
- 7.3.2001 ONE OF THE BIGGEST ELECTRICITY DISTRIBUTORS IN SWEDEN CHOOSES XPOWER
- 28.2.2001 TEKLA CORPORATION FINANCIAL STATEMENTS BULLETIN JANUARY 1-DECEMBER 31, 2000
- 22.2.2001 ANNOUNCEMENT OF TEKLA CORPORATION'S FINANCIAL STATEMENT
- 8.2.2001 PRELIMINARY INFORMATION ON TEKLA'S FINANCIAL RESULTS IN 2000: NET SALES GREW BY 46%, PROFIT FIVE TIMES BETTER THAN IN 1999
- 1.2.2001 APPOINTMENTS IN TEKLA'S MARKETING
- 24.1.2001 APPOINTMENTS IN TEKLA'S TOP MANAGEMENT
- 23.1.2001 TEKLA STRENGTHENS ITS POSITION IN NORTHERN EUROPE'S ENERGY DISTRIBUTION BUSINESS: LATVIA'S NATIONAL POWER COMPANY CHOOSES XPOWER
- 8.1.2001 TEKLA TO DEVELOP LOCATION SENSITIVE MOBILE SERVICES FOR THE CONSUMER MARKET

Year 2002

- 19.2.2002 TEKLA'S YEAR 2001: FOCUSING AND INTERNATIONALIZATION COMPLETE, STRONG GROWTH CONTINUED, EARNINGS PER SHARE MORE THAN DOUBLED
- 12.2.2002 ANNOUNCEMENT OF TEKLA CORPORATION'S FINANCIAL STATEMENT 2001
- 30.1.2002 PRELIMINARY INFORMATION ON TEKLA'S FINANCIAL RESULTS IN 2001: NET SALES ROSE 48% AND OPERATING PROFIT TRIPLED
- 21.1.2002 TEKLA TO HARMONIZE VATTENFALL'S NETWORK INFORMATION SYSTEMS IN FINLAND

GLOSSARY

3D modeling	three-dimensional modeling	model-based	the abstractions and functionalities known by the system have been created on the basis of real world phenomena to address the needs of users and customer organizations
Building & Construction	Tekla's business operations related to software products for the building and construction industry	multimaterial modeling	the software can be used for modeling several materials instead of just one. Cf. Xengineer
database	an information storage that is used for storing the objects of a model; a database can be used by numerous simultaneous users and by one or more information systems	Public Infra	Tekla's business operations related to software products for managing municipal information
detailing	the design of details, such as steel structure joints	real time	an event is visible on the user's screen immediately when it takes place – likewise, updated information is immediately available to all users if a user alters existing data
document-based	the abstractions and functionalities known to the system have been created on the basis of paper documents to enhance the existing paper-based process	Tekla Community	invoicing and payment control system developed for municipalities
Energy & Utilities	Tekla's business operations related to software products for the energy industry	Xcity	Tekla's software product for municipalities for the production, maintenance and utilization of different kind of data
IRM	Infrastructure Resource Management: a concept for managing municipal information, developed by Tekla; the IRM concept efficiently combines spatial, demographic and infra-structural data into a single database	Xengineer	Tekla's modeling and detailing software concept that also includes dimensioning and analysis tools, and is applicable to detailing also other materials than steel, e.g. concrete and wood structures
localization	adjusting a software product to local conditions; e.g. language, measuring units, standards	Xpipe	Tekla's software product for water and sewage utilities for the management, documentation and maintenance of the network
		Xpower	Tekla's solution for energy distribution companies for managing network information
		Xsteel	Tekla's software product for modeling and detailing steel structures



Tekla Corporation

Headquarters

Koronakatu 1

FIN-02210 Espoo

FINLAND

Tel. +358 9 8879 500

Fax +358 9 8039 489

Area office Kuopio

Kiveläntie 4

FIN-70460 Kuopio

FINLAND

Tel. +358 17 193 000

Fax +358 17 193 341

Area office Oulu

Isokatu 70 A 1

FIN-90120 Oulu

FINLAND

Tel. +358 8 321 9010

Fax +358 8 321 9011

Area Office Vaasa

Virtaviiva 9

FIN-65320 Vaasa, FINLAND

Fax +358 6 320 0880

Tekla Inc.

4677 Old Ironsides Drv., Suite 290,

Santa Clara, CA 95054

USA

Tel. +1 408 855 8313

Fax +1 408 855 8326

Area office

Technology Center - Atlanta

600 Town Park Lane, Suite 175

Kennesaw, GA 30144

USA

Tel. +1 770 424 8666

Fax +1 770 919 0574

Tekla Brazil

Model Software Ltda

c/o ERAI do Brasil

Av. Brig Faria Lima, 1912

20° Andar - Conj. 20-I

01451-000 São Paulo - SP

BRAZIL

Tel. +55 11 3815 0021

Fax +55 11 3814 2273

Tekla (M) Sdn Bhd

L4-E-8 Enterprise 4

Technology Park Malaysia

Bukit Jalil

57000 Kuala Lumpur

MALAYSIA

Tel. +60 3 8996 1191

Fax +60 3 8996 1192

Tekla K.K.

2F Shinyu Mitsui Bldg

1-7-22 Utsubo Hommachi

Nishi-ku, Osaka 550-0004

JAPAN

Tel. +81 6 6459 3426

Fax +81 6 6459 3427

Area office Tokyo

Aoyama Brick Bldg

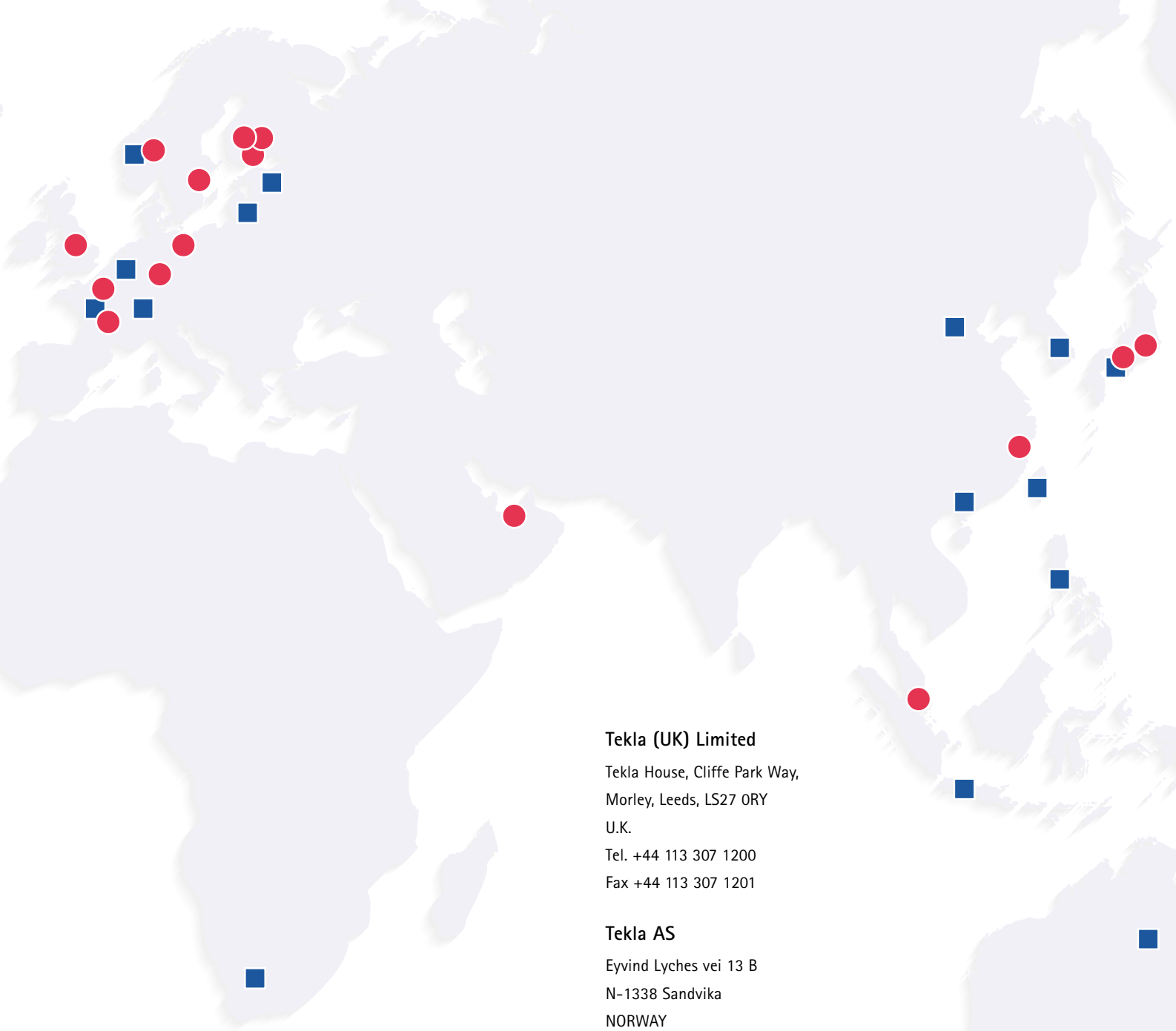
3-13-8 Minami Aoyama

Minato-ku, Tokyo 107-0026

JAPAN

Tel. +81 3 5786 4180

Fax +81 3 5786 4190



Tekla Sarl

5 rue de la Corderie
Centra 405
94616 Rungis CEDEX
FRANCE
Tel. +33 1 468 76275
Fax +33 1 468 78068

Area office Albi

Zone de Ranteil
81000 Albi
FRANCE
Tel. +33 5 6348 1160
Fax +33 5 6348 1161

Tekla GmbH

Rathausplatz 12-14
D-65760 Eschborn
GERMANY
Tel. +49 6196 4730 830
Fax +49 6196 4730 840

Area office Berlin

Rhinstrasse 137
D-10315 Berlin
GERMANY
Tel. +49 30 5499 920
Fax +49 30 5499 9219

Tekla (UK) Limited

Tekla House, Cliffe Park Way,
Morley, Leeds, LS27 0RY
U.K.
Tel. +44 113 307 1200
Fax +44 113 307 1201

Tekla AS

Eyvind Lyches vei 13 B
N-1338 Sandvika
NORWAY
Tel. +47 67 80 56 60
Fax +47 67 80 56 61

Tekla Software AB

Sigurdsgatan 21
S-721 30 Västerås
SWEDEN
Tel. +46 21 10 96 00
Fax +46 21 10 96 09

Tekla Shanghai Representative Office

1902B, Shanghai Trade Center,
800 Qu Yang Road,
Shanghai 200437
PEOPLES REPUBLIC OF CHINA
Tel. +86 21 65549695
Fax +86 21 55540356

● Tekla

■ Partner *

* *In certain countries Tekla
has several partners*

Tekla Middle East Branch

202, Canon Building No.9
Dubai Internet City
P.O. Box 500103
Dubai
UNITED ARAB EMIRATES
Tel. +971 4 391 5640
Fax +971 4 391 6799

www.tekla.com

<http://annual.tekla.com>

<http://investors.tekla.com>

<http://teklanews.tekla.com>