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Destia is a Finnish infrastructure and construction service company that seeks to make the world a smoother running place. Destia builds, maintains and designs modern traffic and industrial environments, and also provides expert services and up-to-the-minute traffic information. Destia’s services cover the whole spectrum, from comprehensive overground operations to subterranean construction. No matter what you’re looking for – a smooth running commercial or industrial environment, mining operations, traffic route implementation and maintenance, or energy solutions – Destia is the right partner.

Destia – Building the Bigger Picture
Destia in 2008

Destia’s customer base includes industrial and commercial companies, cities and municipalities, and government agencies. An extensive network of regional offices ensures that Destia is always close to its customers, both in Finland and the surrounding areas.

With a turnover of almost EUR 720 million, the Destia Group is Finland’s infrastructure market leader. The Destia Group comprises the parent company Destia Ltd and its subsidiaries.

Destia employs about 2,900 people. The company is an expert organisation offering a positive atmosphere and the widest ranging opportunities for experts in the infrastructure industry.

Group net sales by business operation

Group personnel by business operation
Business operations

Construction
The Construction unit encompasses construction, bridge renovation, surfacing and road marking services, and mineral aggregate services. Destia conducts construction operations in Finland, Northern Sweden and Northern Norway. Destia also provides special construction services for major ‘Design and Build’ projects, which involve both design and implementation. The unit also handles demanding bridgework, rock engineering, and railway and energy infrastructure construction.

Maintenance and Ferry Services
The Maintenance and Ferry Services unit includes regional upkeep and maintenance contracts, small-scale construction, ferry services, road weather service centres, and vehicle and machinery services.

Consulting Services
The Consulting Services unit includes infrastructure planning services, geotechnical engineering, surveying, and other specialist services.

International and other operations
Destia’s international operations include construction, upkeep and maintenance in the Baltic region, currently primarily in Estonia. Other operations include Destia Traffic’s traffic information services.

Key figures

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<th>Group</th>
<th>Destia Ltd</th>
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<tr>
<td>Turnover</td>
<td>717.1</td>
<td>649.0</td>
</tr>
<tr>
<td>Operating profit</td>
<td>19.3</td>
<td>15.2</td>
</tr>
<tr>
<td>% of turnover</td>
<td>2.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Profit for the financial period</td>
<td>10.4</td>
<td>9.2</td>
</tr>
<tr>
<td>% of turnover</td>
<td>1.5</td>
<td>1.4</td>
</tr>
<tr>
<td>Return on investment, %</td>
<td>15.7</td>
<td>15.4</td>
</tr>
<tr>
<td>Equity ratio, %</td>
<td>33.4</td>
<td>35.5</td>
</tr>
<tr>
<td>Gross capital expenditure, % of turnover</td>
<td>9.3</td>
<td>7.4</td>
</tr>
<tr>
<td>Number of personnel, average</td>
<td>2,921</td>
<td>2,469</td>
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Strategy

Improving profitability
Growth
Going international

Destia’s values are

Achieving goals fairly, boldly and skilfully.

Vision 2011

Destia is the leading infrastructure service provider in Finland, with a strong presence in the Baltic region.

Destia’s ethical principles

Social responsibility; the demands of sustainable development, life cycle approach and crisis preparedness

Compliance with laws, agreements and social obligations

Pro-environmental operations

Communication is proactive, open, reliable and fast

Strategy implementation 2008

Improving profitability

- Destia had a good order book, and we were able to concentrate on projects in which our expertise is strongest, and which are therefore also the most profitable.
- We continued in our efforts to introduce shared, Group-level operating methods and to boost the efficiency of our processes. This work will continue in 2009 with the aim of achieving significant cost savings.
- Automated site machinery was introduced on several construction sites. Automation enables precise monitoring of work progress, improving both productivity and quality. Destia is a pioneer in Finland when it comes to harnessing work machine automation.
- The organisational restructuring of several units increased efficiency and generated significant cost savings.
- Growth was primarily achieved with existing resources.
A structural reorganisation was carried out to accelerate the implementation of Destia’s growth strategy. Specialised Construction and Construction were combined in a new unit called Infra Construction, and we renamed the Maintenance and Ferry Services division Infra Maintenance. These units, which currently generate the majority of Destia’s turnover, will now focus on improving profitability. We also established two new units - Solutions and Rocks - and these are the Group’s top growth prospects, alongside international operations. The International Operations unit was renamed International. The new organisation was effective from the start of 2009.

Destia is only just beginning its internationalisation process. During 2008, we continued preparations to expand our international operations.

Our operations in Estonia were centred on Destia Eesti AS, and Destia’s new subsidiary Destia Norge AS will head up operations in Norway.

Destia Traffic, which provides traffic information to road users, expanded its operations to the Nordic and Baltic countries, Poland and Russia.

Destia’s recognition has increased not only in Finland, but also among customers in the Baltic Sea region.

Although Destia’s growth was mainly organic, acquisitions were also made.

In April, Destia acquired the Oulu-based company Maarakennus Jaara Oy. The acquisition strengthened our position and resources, particularly in the Northern Finland infrastructure market.

In October, Destia acquired a 51 per cent share in infrastructure consulting firm Finnroad Ltd, and we now have a 100 per cent holding in the company. The acquisition expanded Destia’s project management and consulting service offering both in Finland and abroad.

Traffic information services and the mining industry are two of Destia’s growth areas, and we have invested in both sectors during 2008.

### Strategy 2011

<table>
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<th>Strategic focuses</th>
<th>Targets</th>
<th>Position at the end of 2008</th>
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| Improving profitability | • Operating profit 5.5% of turnover  
• Return on investment 20% | • Operating profit 2.7% of turnover  
• Return on investment 15.7% |
| Growth and going international | • Profitability growth in turnover  
• To increase the proportion of private sector projects | • Turnover EUR 717 million |

### Divisional developmental focal points

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<th>Improving profitability</th>
<th>Growth</th>
<th>Going international</th>
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<tr>
<td>Infra Construction</td>
<td>Rocks</td>
<td>International</td>
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<tr>
<td>Infra Maintenance</td>
<td>Solutions</td>
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Our aim – to make Destia a respected, highly profitable, international company and the leading player in its industry.

Jukka Laaksovirta
President and CEO

Destia Ltd’s first year

Major change initiatives launched

Destia Ltd was created on 1 January 2008 when the Finnish Road Enterprise became a wholly state-owned limited liability company. Destia was incorporated to ensure that it is well poised to compete in the market, improve its profitability, and grow its business.

Our mission now is to forge Destia into a respected, highly profitable, international company that is viewed by both customers and personnel as the leading player in its industry. We have risen to the challenge and are already advancing on a broad front, launching many change initiatives in 2008. These initiatives are guided by our vision - to make Destia the leading infrastructure service company in Finland and a powerful player in the Baltic region. In order to succeed, we must first increase growth and profitability both in Finland and the neighbouring markets.

Organisational restructuring accelerates strategy realisation

We established two new units: Solutions and Rocks, which now hold primary responsibility for reaching our new growth targets. We also combined all of our construction services into a single unit - Infra Construction - and renamed the Maintenance and Ferry Services unit Infra Maintenance. The two units operate primarily in
the Finnish market and currently generate the majority of our turnover. Their major focus will now be on improving profitability while maintaining their volume of operations. The International Operations unit’s name has been changed to International, and it will be the driver for our internationalisation project.

We believe that this clarification of our divisions’ targets and operational fields will help us realise our strategy. The new organisational structure will come into force at the beginning of 2009.

**Strengthening our culture of results**

If any overhaul is to succeed, it must also involve a change in people’s attitudes and ways of working. This applies to Destia, too. We can only reach our targets if all personnel want to achieve good financial results and make a concerted effort to achieve them in all areas.

We can support a corporate culture of results by encouraging personal development, rewarding personnel for good performance, and developing helpful processes, tools and ways of working that increase efficiency. During 2008, we launched appropriate new development projects and forged ahead with our ongoing initiatives. Our key projects were further developing a Group-wide quality management system, boosting the efficiency of procurements and production planning, and an extensive overhaul of HR functions.

**Continual competence development**

In order to succeed in an increasingly competitive environment, we have to make continual investments in developing and diversifying our competence base, by both training existing staff and hiring new experts.

One of the most important competence development projects of 2008 was to analyse our current competence capital. This involved working with each division’s key personnel to conduct our first ever review of this personnel group’s current expertise and potential to meet future requirements. The review, which will be repeated regularly from now on, will help us attach the most suitable people to each task and support us in planning management successors.

We have also defined the core competences required to develop business in line with our strategy. In the coming years, development will centre on customer relations management, sales, and sales management.

We are also proactively increasing our competence through recruitment. At the beginning of the year, we ran the ‘Tosi Toimet’ (‘Real Action’) campaign, which was aimed at attracting new professionals to the company and developing our corporate and employer profile. The campaign was the first round in a long-term programme to spread the word that we offer the widest ranging opportunities for experts in Finland’s infrastructure industry.

The recruitment market had been tight for a long time. Towards the end of the year, the economic downturn eased the situation and we were able to hire more top experts.

**Favourable trends in 2008**

Turnover trends were favourable in 2008 and our operating profit was clearly up on that of the Finnish Road Enterprise in 2007. In our core businesses - construction, consulting, and maintenance and ferry services - we were able to improve profitability despite a rise in costs in the early part of the year. Destia Traffic, which sells up-to-the-minute traffic information to a variety of user groups in Finland and several of the Baltic countries, was one new business that saw favourable trends in 2008. Our international operations did not, however, develop as we had hoped, mainly due to the challenging operational environment in Estonia.

Although our turnover growth was primarily organic, part of our growth strategy was implemented through the acquisition of 80 per cent of the share capital of the Oulu-based company Maarakennus Jaara Oy and the remainder of the share capital of Finnroad Ltd, an infrastructure consultancy firm in which we had previously held a 49 per cent holding. These acquisitions bolstered our market position both in Finland and abroad.

**Looking beyond the downturn**

By the end of 2008, the effects of the US financial crisis were being reflected in the world economy, impacting negatively on both consumer and investment demand, and resulting in a global economic downturn. This also became evident in Finnish infrastructure construction during summer and early autumn. Orders did, however, stand at a reasonably good level at the turn of the year. A rapidly weakening financial situation increases competition and impacts on profitability, but the expected government refi nement measures will balance out the situation, and the outlook for the industry remains moderate.

Destia intends to increase the proportion of its business coming from industry and trade, and also seeks to bring more added value to its services. We can generate more added value by combining expertise from all parts of the Group into comprehensive end-to-end solutions - wind power construction is one good example. Thanks to our broad expertise, we can offer turnkey wind farm projects that will include all the services required throughout their entire life cycles, from soil analyses to maintenance and follow-up studies. Developing internal Group cooperation plays a key role in building up our offering of such end-to-end concepts, and we are therefore making substantial investments in this area.

Russia is our geographical focus for expansion in the near future. We paved the way for launching operations in the country during 2008, and actual construction will begin in 2009.

We will continue in our efforts to improve profitability and to create favourable conditions for growth and internationalisation. Alongside our traditional earthwork operations, we will also continue to expand our operations in infrastructure construction for the mining industry, railway construction, energy infrastructure and traffic information services. These major changes and development projects have demanded a lot from our personnel. I want to extend my heartfelt thanks to them for the commitment they have shown in working towards our shared goals, and I also wish to thank our customers and partners for their constructive and profitable cooperation.

**Jukka Laaksovirta**

President and CEO
Infrastructure industry trends remain stable

In 2008, the total value of civil engineering in Finland amounted to EUR 5.5 billion. The market grew by 3%, although the effects of the global economic downturn, which started in spring 2008, began to be seen in the industry towards the end of the year. In general, the major changes in the construction sector occurred in the construction of housing and business premises, with the number of new project launches declining throughout 2008. Trends in civil engineering have been relatively stable for several years. Our new personnel policy was completed.

In early 2008, the market situation and growth outlook were still highly favourable, and a lack of personnel resources was seen as the major threatening factor in the infrastructure industry. There was a shortage of competent project managers in particular, which caused a general rise in salary levels within this group as they moved from company to company. As the financial crisis spread to Europe and Finland, corporate financing costs rose and financing became more difficult to obtain. This led to delays in investment projects, and later to a dramatic reduction in demand in certain construction sectors. These trends caused substantial lay-offs and redundancies in residential, office and commercial premises construction in particular, as financing and demand for these projects came almost completely from the private sector. The availability of personnel resources has now notably increased, as has the number of people studying for infrastructure-related qualifications, such as Construction Manager. This will improve personnel availability in the future, too.

So far, the economic downturn has not had as substantial an effect on infrastructure projects as on many other investments, as public sector projects have been launched on schedule. In its first supplementary budget of 2009, the government launched reflation measures - basic road and railway maintenance, airport development and a variety of other road, waterway and railway projects as part of a traffic revitalisation programme - totalling about EUR 350 million. Project implementation started at the beginning of 2009 and will run through to 2013.

The major expenses in civil engineering works are bitumen, steel, wood products, mineral aggregates and oil-based products, such as fuels and plastics. Substantial changes in costs were seen in 2008. During the first half of the year, the prices of steel, oil-based products and mineral aggregates rose dramatically, increasing construction costs. The economic crisis began to bite at the end of the summer, and both these prices and interest rates fell sharply. However, due to low demand, this did not revive private construction. The total costs of civil engineering works rose by 2.1% in 2008. Cost fluctuations ranged between -11.3% for surfacing and +5.9% for soil structures. A sharp rise in personnel expenses also contributed to cost increases.

Economic downturn and financing difficulties increase competition

Competition in the Finnish infrastructure industry comes from large global companies offering comprehensive service packages, nationwide medium-sized companies specialising in certain areas, and small local firms. In addition to Destia, the other major players in the Finnish market are Lemminkäinen, Skanska, YIT, NCC and VR Rata. Medium-sized companies include Kesälähden Maansiirto, Niska & Nyyssönen and Soraset.

The economic downturn has caused a collapse in residential construction, shifting the focus towards infrastructure projects. Although the level of public sector investments has not fallen, competition has increased, as housing construction companies have also begun competing for infrastructure projects. The financial crisis has also had a significant impact on the cost and availability of financing for construction companies, further underlining the importance of cash flow and increasing price competition on tendered contracts.

Estonian maintenance company AS Teho launched operations in Finland in 2007, but had to withdraw in 2008. The five Finnish Road Administration contracts held by the company were redistributed to other service providers.
At the end of 2008, regional contracts were numerically divided as follows: Destia 71%, YIT 17%, NCC Roads 6%, Koillistie Määttä 4% and Savon Kuljetus 2%.

On the basis of major industry players’ interim reports, order books at the end of the year remained strong in comparison with historical data.

Our key developmental themes for the years ahead – internationalisation, safety and operational efficiency

Nordic infrastructure companies will be seeking growth through international markets. The substantial investments being made in Russia are enticing many foreign players to the country.

Improving construction site safety has become increasingly important, as occupational safety is a decisive criterion for many major customers when they choose contractors. Success in the international market also requires excellent performance in maintaining occupational safety.

Automated machinery began to be introduced in Finland a few years ago and is rapidly becoming commonplace. Automation improves productivity and quality, while also optimising material usage.

Environmental friendliness in both business frameworks and infrastructure companies’ own working methods is becoming ever more vital, as legislation gets stricter and general attitudes are becoming more environmentally conscious. Alongside increased nuclear power capacity, wind farm construction is another important focal area in Finland in the fight against global warming.

Enhanced processes are the key to boosting operational efficiency in the infrastructure industry. Substantial amounts of time and materials are wasted on construction sites due to poorly planned processes. Optimised construction phases, correctly timed procurements, and an increased machinery usage rate can significantly reduce the loss percentage on implementation and lead to substantial cost savings. Several companies in the industry have introduced the Lean project planning system, which is one of the most effective tools for boosting operational efficiency.

The multiple-year contracts that have already been used extensively in maintenance projects are now becoming more commonplace in construction, as the government and local authorities are outsourcing long-term contracts for construction and maintenance projects to external providers. This increase in long-term orders improves the predictability of operations in the infrastructure industry.

The lifecycle model that has previously been used in maintenance projects is gradually becoming more commonplace in civil engineering as well, particularly in major public sector route projects. The lifecycle model involves construction on a long-term basis, that is, in phases over a period of 20-30 years, with the construction company taking complete responsibility for design, construction and maintenance. Financing for lifecycle projects is obtained from either private or institutional providers of finance that can invest capital or operate as debt financiers. The Finnish State has categorised improvements to the Kokkola-Ylivieska section of the Seinäjoki railway line and the Koskenkylä-Kotka section of the E 18 highway as lifecycle projects for 2009. Whatever the prevailing conditions with regard to private financiers and budget frameworks, employing a lifecycle model can help push projects forward, as capital investments can be balanced out over a number of years. Infrastructure projects are concrete investment opportunities and have therefore been appealing to investors. Equally spaced project start dates are crucial for construction companies, so they can manage resources and plan maintenance.

Projects currently being planned in Finland will create notable opportunities for infrastructure construction companies in the coming years. These include mining projects, wind farm construction to support governmental energy policy, and major railway investments, such as the Western Metro and Ring Rail Line in the Helsinki Metropolitan Area.

The economic downturn will continue to impact on the outlook for both the infrastructure and other industries. The depth and duration of the recession will be the decisive factors in how significantly its effects will be felt in the industry. Financing difficulties and increased prices have had a noticeable impact on the implementation of planned investments in the private sector in particular, or have at least postponed their start dates. Competition for upcoming projects will most likely continue to heat up.

VTT’s report on the economic climate forecasts a 3% fall in growth for the civil engineering industry in Finland in 2009.
A versatile infrastructure expert

The Infra Construction unit’s services include basic construction, surfacing, extensive ‘design and build’ projects, bridge construction and repair, energy infrastructure and railway construction. Thanks to its broad-ranging expertise, extensive service offering and lengthy experience, Destia is the largest infrastructure service provider in Finland.

Destia also offers infrastructure services in northern Sweden and northern Norway. The Finnish Road Administration is the unit’s largest single client, generating about half of the unit’s turnover. Other customers include the Finnish Rail Administration (RHK), other government agencies, municipalities and cities, as well as industrial companies, which are accounting for an increasing share of turnover.

Depending on the scale, nature and location of a project, competition for infrastructure construction services comes from both major global and national companies as well as smaller regional and local players. Thanks to its broad range of expertise and excellent resources, Destia is able to implement demanding large-scale projects involving both design and construction.
Projects are implemented using effective project-based methods that combine our own expert project management, design and construction with extensive subcontractor services and material procurements.

Solid order book in 2008
The financial development of the Infra Construction unit was favourable in 2008. At the end of 2008, the unit’s order book for 2009 stood at EUR 135 million. Orders for surfacing work in particular were excellent. This was a result of Destia winning all of the Finnish Road Administration’s long-term surfacing maintenance contracts in 2008. The maintenance contract for Koillismaa, for example, runs until 2022.

The most important investment of the year was the acquisition of Oulu-based company Maarakennus Jaara Oy.
This acquisition offers increased opportunities to participate in projects in both Northern Finland and elsewhere in the country, and has also expanded the company’s infrastructure services to cover the demanding area of foundation and waterway construction. Destia divested its road markings unit towards the end of the year.

The largest project of 2008 was Main Road 100 Hakamäentie, whose construction is proceeding according to schedule. During 2008, phase two of Tampere’s western ring road was completed, as was construction of the Rauma harbour link and Saaristokatu in Kuopio. A ‘design and build’ project to modernise the Lusi-Hartola section of Highway 4 began in 2007 and is still ongoing.

Major project kick-offs during 2008 include the Hännilänänsalmi bridge on Highway 4 and improvements to Highway 4 near Kemi, both of which will be implemented using the ‘design and build’ model.

Destia also carried out many other demanding projects in 2008, some of which are still ongoing. Projects include strengthening the Kulosaari bridge for the City of Helsinki, street construction for the City of Lohja, harbour work for the City of Hamina and port authorities, excavation work in Kullasvaara for RHK, the Lemponen industrial area for the Municipality in Kangasala, overtaking lanes on Highway 3 near Parkano for the Finnish Road Administration, and excavation work on the Talvivaara line for VR-Track Ltd.

Work at the Talvivaara mine in Sotkamo continues. This project is benefiting greatly from Destia’s wide range of design and measurement, basic and specialised construction, and maintenance services.

Although there were no significant changes in the proportion of turnover accounted for by each of the Infra Construction unit’s customer groups, an increase in passenger transport, goods traffic and rail construction for mining projects will raise the importance of railway construction in the long term.

**Introduction of automated site machinery progresses**

In 2008, the Infra Construction unit focused its developmental efforts on the automation of site machinery used in its construction and surfacing operations. Automation optimises material usage and improves both productivity and quality. In Finland, Destia is a pioneer in introducing and systematically enhancing this new technology. The company aims to have automated site machinery in standard use in all suitable operations by 2010.

Destia is currently conducting a pilot introduction of the Last Planner system. This management tool improves project planning by reducing losses and promoting regular dialogue between project participants. The current loss percentage on work implemented can be up to 60 per cent. The Last Planner system can significantly reduce this, which in turn increases project profitability.

**Destia increases operational efficiency and expands its service offering**

Orders for infrastructure construction were at a reasonably good level in 2008. Major changes in the financial markets and the economy have, however, led to uncertainty in the outlook for the infrastructure industry. Although several major highway and rail projects have been planned to kick off in the coming years, the current economic climate will require the government to implement reflation measures, such as bringing forward project start dates and making extra investments in basic road maintenance and mining projects.

The general decline in economic growth has been reflected in a fall in demand for construction, particularly in trade and industry. To balance out the effects of this contraction, Destia is employing new end-to-end concepts in, for example, the wind power sector and commercial construction, to boost the efficiency of its customer work and expand its service offering. Investments in the mining industry are also continuing.

The Group’s strategic targets for the Infra Construction unit focus primarily on improving profitability. The economic downturn means that price levels cannot be increased for some years and so targets must be reached through improving cost efficiency. In addition to introducing the Last Planner system, the unit is also seeking to centralise its procurements and make them more cost effective.

Destia’s ultimate goal is to be an infrastructure construction pioneer offering leading solutions and top-quality service through cooperation with both partners and subcontractors.
Design & Build projects
Main road 100 Hakamäentie, Uusimaa road district
Highway 3 Tampere western bypass, Häme road district
Highway 4 improvements near Kemi, Lappland road district
Highway 4 Lusi–Hartola, Central Finland road district
Highway 4 Hännilänsalmi Bridge, Viitasaari, Central Finland road district
Highway 4 Rauma harbour access road, Turku road district
Karjaa western bypass, Uusimaa road district
Niittukulma multilevel junction, City of Loimaa

Life cycle projects
Highway 4 Lahti–Lusi service contract/life cycle contract, Häme road district

Other construction projects
Kulosaari Bridge, City of Helsinki
Kullasvaara earthworks, Finnish Rail Administration
Talvivaara, Talvivaara Projekti Oy
Lemponen industrial estate, Municipality of Kangasala
Construction of the Saaristokatu road, City of Kuopio
Suomenoja-Leppävaara district heating pipe, Fortum Espoo Oy
Matkus phase 2 construction, City of Kuopio
Vuosaari Harbour railway track, Uusimaa road district
Highway 3, Parkano overtaking lanes
Road construction, City of Lohja
Harbour works, City of Hamina
Highway 9, Hildenmäki interchange, Central Finland road district
Kaukas biomass power plant, earthworks and structural work, Kaukaan Voima Oy

Upkeep contracts for surfaced roads
Koillismaa region 2008–2022
South-eastern Finland road district 2008–2017
Cooperation contract, Savo-Karjala road district 2007–2010

Safety afternoon for personnel involved in major projects
One of the events organised as part of Destia’s safety theme year was an occupational safety afternoon held in February for all Infra Construction personnel involved in major projects. The event sought ways to reduce on-site accident frequency. The afternoon’s results were used to draw up shared working methods for major projects and set targets for improving occupational safety. The discussion highlighted the fact that discipline at work and every employee’s commitment to safety are the most important factors for improvement. The results for 2008 were excellent: accident frequency fell in all of Destia’s major projects.

Destia’s mobile asphalt plant wins safety award
Destia entered its mobile asphalt plant - first introduced in 2002 - into the Finnish Asphalt Association’s annual safety competition, where it was up against both fixed and mobile asphalt plants. Destia’s asphalt plant was awarded an honourable mention and received the best safety score that has ever been awarded to a mobile plant, with results nearing those achieved by fixed plants.
The leader in Finnish traffic route maintenance

The Infra Maintenance unit’s services include traffic route maintenance, small-scale infra construction, ferry services, and road weather service centres. Destia has the longest experience in traffic route maintenance in Finland and our customers include the Finnish Road Administration, local authorities and industry.

In both traffic route maintenance and ferry services, Destia holds an exceptionally strong market position - one that it has been able to retain even though both markets have gradually opened up to competition. Destia’s success is founded on the company’s lengthy experience, profound industry expertise, local knowledge, and substantial investments in further developing working methods, machinery and services.

Destia - a traffic route maintenance expert whatever the weather

Good traffic route maintenance is the foundation for safe, smoothly flowing traffic 24 hours a day in all seasons. Destia offers a wide range of traffic environment services, including winter, gravel road and bridge maintenance, and provides its customers with a comprehensive, quality-assured service package.

Finland’s changing and often demanding weather conditions pose challenges for safety and traffic flow, particularly during the winter months. The Finnish Road Administration sets quality standards for the winter maintenance of public roads. Destia’s winter maintenance services encompass anti-skid treatment, snow and slush removal, grading of ice and packed snow, cleaning traffic signs and clearing road markings. Efficient winter maintenance requires skill in predicting driving conditions and correctly choosing and timing suitable maintenance measures.

Destia’s Road Weather Service Centre cooperates with the Finnish Meteorological Institute to provide a 24-hour, seven-day-a-week on-call service throughout the winter. A warning system forecasts rain and snow, meteorological changes, and other factors affecting weather and driving conditions. Satellite and radar images, a variety of predictive systems and tips from road users are all used to help forecast conditions. Meteorological changes and maintenance crews are monitored in real time to enable correctly timed deployment. Correct weather predictions prevent driving conditions from deteriorating and reduce salt usage. Correctly timed meas-
- Traffic Route and Environment Maintenance
- Regional Contracts
- Small-Scale Construction
- Road Weather Service Centres
- Ferry Services

Percentage of Group personnel at the beginning of 2009
27.4%
ures and optimal maintenance crew deployment also improve profitability. Even globally, the Road Weather Service Centre is a unique concept that has been continually developed since 1990.

The unit’s largest customer is the Finnish Road Administration, which puts out tenders for regional maintenance contracts covering the maintenance of public roads. Service agreements typically last 5–7 years.

Although Destia also offers maintenance services to local authorities, only a small percentage of their maintenance services are currently put out to tender and purchased as end-to-end services from external providers. Most local authorities carry out maintenance work either wholly using their own organisations or by putting out tenders on subcontractor services for specific maintenance vehicles. The total market for upkeep and maintenance services for local authorities is, however, relatively large, and open tendering is gradually becoming more commonplace.

Small-scale construction services boost resource usage rate
Destia’s small-scale construction services cover infra projects that are implemented as part of maintenance work and make use of the unit’s transport and road grader fleet. This type of work is carried out during the summer. In practice, work such as strengthening gravel roads that are prone to weather damage and the construction of small sections of road, car parks or terminal areas is carried out as small-scale construction projects.

Destia responsible for the public road network’s ferry services
The Finnish Road Administration has contracted Destia to provide services for 40 of the public road network’s ferry routes. Destia runs both lake and sea ferries, transporting about 5 million vehicles and over 10 million passengers per year. According to the Highways Act, ferries are part of the public road network and are therefore free of charge for road users.

Destia holds a more than fifty per cent share. Destia has so far handled all of the Finnish Road Administration’s EUR 30 million ferry traffic except for just two routes. The Finnish Road Administration is gradually opening up its ferry traffic to competition. Destia’s other customers include local authorities and crossings on private roads.

Solid position retained in Finnish Road Administration regional contracts

In 2008, Destia won seven regional maintenance contracts put out to tender by the Finnish Road Administration. Destia was also granted three of the five regional contracts formerly held by Estonian company AS Teho after it ceased operations in Finland. Destia now has a total of 59 regional contracts with the Finnish Road Administration, representing a market share of 72 per cent in terms of contract price. Fifteen regional contracts for public road maintenance will be put out to tender in 2009. Destia also has about 30 winter maintenance contracts with other customers all across Finland.

The TYL E18 consortium chose Destia as project contractor for the life cycle project covering the Muuria-Lohja section of the E18 highway. The agreement covers summer and winter maintenance for a good 50 kilometres of road for a period of 21 years ending in 2029.

The unit’s major customers in 2008 were local authorities in Helsinki, Hämeenlinna, Jyväskylä, Pudasjärvi, Taivalkoski and Nurmijärvi, and industrial company Rautaruukki Oyj in Raase.

Increased efficiency = improved profitability
As Destia already holds a solid position in the infrastructure maintenance market, the company’s goal is to maintain its status and improve profitability through increasing service efficiency. The practical results achieved by development efforts in recent years have included widening snowploughs so that all lanes can be ploughed using a single vehicle, when two vehicles or multiple passes had previously been required. Vehicle usage rates have been raised by using tractors for winter carriageway maintenance and, for certain tasks, by replacing road graders with trucks equipped with snow blades. Destia will continue to invest in this type of development work.

Another of the Infra Maintenance unit’s goals is to increase the proportion of local authorities and industrial companies in its customer base. Both local authorities and large industrial customers are expected to outsource an increasing amount of their maintenance work. Destia aims to grow its business in these sectors by offering maintenance services that generate added value and cost savings.
**Major contracts awarded to Maintenance in 2008**

**Finnish Road Administration**
Regional contract, Lapua
Regional contract, Mikkeli
Regional contract, Juva
Regional contract, Ilomantsi
Regional contract, Kittilä
Regional contract, Parkano
Regional contract, Pudasjärvi–Taivalkoski
Regional contract, Virrat
Regional contract, Pulkkila
Regional contract, Veteli

**TYL E18 consortium**
Life cycle project maintenance contract for the Muurula–Lohja section of the E18 Highway until 2029

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**Pilot for new comprehensive workplace survey**

Destia piloted a new workplace survey model as part of a codetermination agreement overhaul at the beginning of 2008. Destia cooperated with Suomen Terveystalo Oyj to conduct a comprehensive workplace survey evaluating hazards and load factors for project management and drivers in the Southern Finland Service Unit region. Workplace surveys have previously been carried out on a more decentralised basis, but they have not been targeted at any particular professional group. Working conditions, hazards and load factors were thoroughly analysed with the aim of identifying any factors that should be addressed with regard to preventing accidents and maintaining employees’ ability to work at the highest possible capacity.

The pilot aimed to improve workplace survey processes and expand survey benefits. Results were encouraging and could be directly linked to safety-enhancing measures. Visits to various locations underlined the exceptionally committed attitude of Destia’s employees to both their work and safety in all circumstances.
Specialist know-how and equipment for demanding projects

Rocks unit brings together the company’s rock-related operations: mineral aggregate services, rock engineering, and subsidiary Maansiirto Veli Hyvryläinen Oy, which specialises in railway construction. The unit’s profound expertise and specialist equipment enable a broad service offering and efficient implementation.
Destia’s mineral aggregate services are primarily targeted at giving the company a competitive edge. As well as providing its own mineral aggregates, Destia also sells them to external customers for road, street and railway construction and maintenance. Destia has the largest mineral aggregate stocks of all Finnish mineral aggregate suppliers and is constantly on the lookout for new land use sites. Destia is one of the four largest mineral aggregate suppliers in terms of total sales volume.

Although Destia’s rock engineering services focus primarily on open excavation, the company also cooperates with partners to offer subterranean construction. Open excavation is required in foundation construction, municipal engineering, and laying new roads. Destia is one of the top three open excavation companies in Finland. The company also offers mass excavation and mining excavation services. The mining industry, property developers, and Destia’s other units are the main customers for rock engineering services.

When it comes to railways, Rocks unit focuses on surface structures. The unit’s services encompass both the construction of new railways and maintenance of existing lines. Other Destia divisions also provide railway-related services that expand the company’s offering to cover the whole lifecycle from design to maintenance. The Finnish Rail Administration (RHK) almost wholly owns the Finnish rail network and is therefore the major customer. Destia also carries out some work for private railway owners, such as port authorities or companies. VR Rata Oy is the undisputed market leader in railway superstructures in Finland, and Destia is the only other major service provider.

**Major equipment investments in 2008**

In 2008, Destia purchased additional rock crushing equipment to increase its self-sufficiency in processing mineral aggregates. Destia has been making investments in excavation equipment for its rock engineering services for some time. In 2008, the company also began acquiring transportation and lifting equipment to offer a more comprehensive service package to the mining industry. Destia had 8 heavy mining trucks at the end of the year, and the company now has a solid, comprehensive equipment base. The Talvivaara mine was the major project of 2008 for both mineral aggregates and rock engineering. Other important rock engineering projects included excavation work for Areva on the Olkiluoto 3 construction site, the EH4 in Helsinki, and excavations for the Hamina Port expansion in cooperation with Destia’s Eastern Finland Service Unit.

The State railway construction market has gradually opened up to competition and the importance of project management expertise will be underlined as an increasing number of contracts are put out to tender. In 2008, Destia won RHK maintenance contracts for the whole of Northern Finland, as well as a variety of different-sized construction contracts. Other important projects included construction for the Lahti-Luumäki line and superstructures for the Vuosaari harbour link.

**Growth expectations in all sectors**

Rock engineering and railway construction are the Destia Group’s top growth prospects. Significant growth in rock engineering will be sought in the mining industry through both new projects and more comprehensive services. We are also considering introducing our own service offering in underground construction. The economic downturn will probably postpone the start dates of certain mining projects, but the long-term growth potential of the mining sector looks good for Destia.

Destia is aiming to further grow its market share in railway construction and maintenance as the market opens up to competition. Railway tracks must be in good condition to ensure safety and smoothly running traffic. The need for increased freight capacity and faster passenger services will require improvements to be made in the near future. Although internal sales will remain dominant in mineral aggregates, Destia is also aiming to grow external sales and exports. Only small volumes of mineral aggregates have so far been exported, primarily to Estonia.
Growth from new sectors

Solutions is the second of Destia’s new units, which were established to accelerate the implementation of the company’s growth strategy. The Solutions unit comprises the Infra Planning, Infra Information and Ventures units. Infra Planning offers infrastructure planning services and Infra Information provides geotechnical engineering, land surveying and road information services. The Ventures unit develops whole new business ideas by harnessing the profound and broad-ranging specialist know-how of these units.
Infra Planning and Infra Information offer a comprehensive range of infrastructure consulting services. Their largest customers are the Finnish Road Administration, municipalities and cities, and government authorities. Their specialist know-how also supports Destia’s other units. A nationwide network of offices enables us to work near customers throughout Finland.

Ventures seeks to get onto a growth track by combining the expertise of Infra Planning, Infra Information and other Destia units to come up with new solutions and create innovation-based business areas, primarily for customers in the private sector.

Infra Planning – one of the largest providers in Finland

Infra Planning covers almost all of the services required in infrastructure planning. Its services for traffic system design range all the way from effect analyses to implementation design. Infra Planning cooperates with Destia’s other units to produce end-to-end solutions that encompass everything from design to implementation and maintenance.

In recent years, the unit has steadily increased its turnover in the local authority sector. Business trends were favourable in 2008, and the unit strengthened its position as a railway planner. It also engaged in systematic competence development and is now better prepared to undertake, for example, land use planning and site automation. The unit has also been actively cooperating with software houses to develop its planning systems.

Infra Information – customised, precise and high-quality information

Infra Information provides the surveying and inspection services required in infrastructure planning. Its services for traffic system design range all the way from effect analyses to implementation design. Infra Planning cooperates with Destia’s other units to produce end-to-end solutions that encompass everything from design to implementation and maintenance.

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Infra Information – customised, precise and high-quality information

Infra Information provides the surveying and inspection services required for infrastructure planning and implementation, and is one of the largest surveying and inspection providers in the construction industry in Finland.

Financial trends were favourable for Infra Information in 2008. Its largest projects included the Talvivaara mine, Vuosaari Harbour, Helsinki Western Metro, and all the major railway projects currently ongoing in Finland. In 2008, the unit launched the PTM (road surface profile measurement) surveys that it won in 2007. This project to measure the service level of surfaced roads will last until 2013 (the three final years are under option). Substantial investments have been made in new surveying technology for the PTM project, and major investments have also been made in software development and laser spot technology for 3D modelling.

The specific targets set for the Infra Planning and Infra Information units are continued growth, further improved profitability, and customer base expansion, especially in the private sector. The units are also involved in developing new businesses and internationalisation projects with Destia’s other units.

Ventures – services with high added value

The Ventures unit proactively develops new, customised solutions by combining the expertise of Destia’s various units, and also using products and services from external providers when necessary. It develops end-to-end solutions in new business sectors, such as wind power farms, that offer better profitability than traditional infrastructure construction. Destia has already participated in wind farm construction with, for example, foundation construction and environmental effect analyses. We will now offer energy companies turnkey projects for wind farms, all the way from design to maintenance and follow-up surveys.

Examples of Destia’s brand-new, innovative services are Destia Traffic, which specialises in providing and processing traffic information (see case), and automated anti-skid treatments (AIS, anti-ice-system), which notably improve traffic and pedestrian safety.

The Ventures unit has already succeeded in creating important new business frameworks that will generate profitable growth and extensive international opportunities. There are also several new frameworks in development, which are either based completely on new innovations or on combining Destia’s existing expertise.

Destia Traffic - for safer, smoother flowing traffic

Destia Traffic, which specialises in providing and processing traffic information, offers precise, real-time information on traffic and driving conditions for several user groups in the Nordic and Baltic countries. Its sources include the Finnish Road Administration, larger cities and municipalities, the emergency services, commercial radio stations, and the Finnish Meteorological Institute. RDS-TMC receivers give drivers direct access to Destia Traffic’s services through their GPS navigators. TomTom, Navigon, Mio and Garmin provide navigators offering the TMC service in the Nordic countries.

Thanks to real-time traffic information, drivers can keep up to date with driving conditions, and better-prepared drivers increase road safety. If, for example, there is congestion due to an accident, navigators can guide drivers along a faster route. This will save not only time but also petrol, thereby reducing traffic emissions. Dynamic traffic information makes daily driving safer and faster, and also more cost-effective and environmentally friendly.
Going international

The Destia Group’s international business is focused on the International unit. The unit is currently responsible for running Destia’s Baltic operations and will also handle the process of launching operations in Russia during 2009. It also offers the infrastructure, maintenance and mineral aggregate services provided by Destia’s Finnish divisions to the international market.
We are now ready to launch operations in Russia and our first projects will kick off in 2009.

The unit is also responsible for strategic development in the Baltic region. It monitors and analyses each country’s infrastructure market and identifies areas with a high concentration of major projects planned for the near future. On the basis of these analyses, Destia is able to decide which countries and areas to expand into. Major infrastructure investments are, for example, expected in Poland and the Stockholm area in Sweden, even though the economic downturn may alter their start dates. Whenever major projects are launched in the Baltic region, Destia is ready to compete for those that best suit its expertise.

The International unit differs from those units operating primarily in Finland, as it is organised geographically, rather than around a particular business sector. Its local company organisation is flexible and will be able to adapt to Destia’s expanding international operations.

Internationalisation plays a major role in Destia’s strategy as a driver for future growth. As international operations currently account for only a small percentage of Destia’s turnover, investments in the International unit appear relatively large.

Ready for business in Russia

Financial trends in Destia’s International unit were unsatisfactory in 2008 due to the loss made in Estonia, where the operating environment has proved to be highly challenging. Measures to combat the situation were launched in August-September. These measures included increasing monitoring system efficiency and adapting operations to match prevailing market conditions. We intend to continue doing business in Estonia, but with a reduced scope of operations.

The main development project of 2008 involved preparations for entering the Russian market. When establishing operations in Russia, it’s vital to find reliable partners who know the special characteristics of the market. Destia has invested a lot of effort into choosing the right partners and we believe we have found them.

We are now ready to launch operations in Russia and our first projects will kick off in 2009. In spite of the difficult economic climate, Russia’s immense infrastructure market offers almost limitless opportunities to an expert company like Destia.

An important acquisition was made to support Destia’s internationalisation strategy in October. Destia acquired the entire share capital of infrastructure consultancy firm Finnroad Ltd, in which the company had previously held a 49 per cent share. Finnroad is an internationally recognised and highly respected company that specialises in enhancing road administration and steering the design and implementation of major road projects. The acquisition has given both Destia and Finnroad’s customers a broader range of opportunities, as they can now benefit from the companies’ diverse project management and consulting services both in Finland and abroad.

Investing in end-to-end service concepts

There are two separate growth outlooks for the Baltic region in the near future. Growth in Scandinavian countries is slow and relatively stable, while Russia, the Baltic countries and eastern continental Europe are experiencing rapid, but unpredictable growth.

PPP (Private Public Partnership) projects are becoming increasingly important. This form of cooperation allows public projects to be partly funded by private investments. In return, once the project has been completed, private financing organisations have the right to collect usage fees, such as tolls, in proportion to the usage rate. The PPP model enables major projects to be launched without overburdening public organisations with debt. PPP projects have been particularly popular in central Eastern Europe, and several such projects are currently being planned in Russia. Destia’s current product portfolio, covering everything from project planning to road maintenance, creates excellent opportunities for participation in these projects as part of a larger consortium.

As in Finland, Destia is also investing in expanding its international service packages, which combine consulting, construction and maintenance services with significant added value.

The focal points for global development during 2009 will be launching operations in Russia, analysing potential target countries, integrating Finnroad Ltd, and creating a shared policy for local companies.
Responsibility central to business development

Destia’s operations have a significant impact on society, the environment and our stakeholders. Destia divides its corporate responsibility into three areas: financial, environmental and social (responsibility for people and their safety). Destia’s theme for 2008 was safety, and we implemented an extensive and diverse campaign – ‘Safety is a Professional Skill’ – to improve onsite safety.
In 2008, Destia was awarded the ISO 9001 and ISO 14001 international quality and environmental certificates.

**Corporate Responsibility**

Destia’s values - to achieve goals fairly, boldly and skilfully - guide our company’s development and form the basis for our corporate responsibility. Group-level policies on responsibility are defined in our ethical principles, quality assurance, occupational health and safety, environmental and risk management policy and personnel strategy. The concrete actions required to achieve this responsibility are extensively described in our working methods, which cover all subsections of Destia’s operations.

**Ethical principles guide Destia’s operations**

Ethical considerations guide all of Destia’s operations. We follow the principles of sustainable development, take a lifecycle approach, and adhere to the ethical principles of the civil engineering industry.

Destia’s business is founded on the requirements and expectations of society and our customers, and these also guide the development of our products and services. Customer satisfaction is a key indicator of our success and is also used to monitor and enhance corporate responsibility.

Destia honours the contracts it makes with subcontractors and partners, and seeks constructive cooperation. Subcontractors and partners are also expected to carry their legal, contractual, social and environmental obligations. Destia always competes honestly. We respect our competitors and discuss them in a professional manner.

Destia communicates honestly and truthfully with its stakeholders, even when we need to handle difficult issues. Ethical principles concerning personnel are governed by openness and fairness.

Destia is committed to developing its operations in a way that promotes environmental wellbeing. When it comes to safety, we pay attention not only to employees and subcontractors, but also to road users and residents. Destia conducts regular road user and personnel surveys to measure its success with regard to responsibility-related issues.

**Quality and environmental certification for much of our operating system**

Destia’s operating methods, guidelines and responsibilities - which are based on our policies - are collected together in our operating system. This system is based on international standards and also partly on Finnish quality standards for the industry.

In 2008, Destia was awarded the ISO 9001 and ISO 14001 international quality and environmental certificates. They cover Destia’s infrastructure construction, infrastructure maintenance, surfacing, and mineral aggregate services. Destia uses approved processes to ensure top-quality, environmentally friendly operations for our customers and stakeholders. Our operating methods also comply with OHSAS 18001 occupational health and safety standards. Destia’s consulting services adhere to the RAKLI-SKOL-ATL quality assurance system, and our maritime operations comply with the ISM Code.

In all of Destia’s projects, named individuals are appointed to take responsibility for quality, environmental and safety issues. Project management aims for effective leadership, a clear division of responsibility, and the best use of resources and expertise.

We continued to develop our operating system during 2008. Focal areas for improvement included cost and timetable management, and developing our production system to better integrate the work carried out by various project participants.
Profitability affects a wide range of stakeholders

Financial responsibility entails meeting shareholders' profit expectations, providing employees with jobs and creating new ones, taking care of taxes and tax-like payments, and generating financial wellbeing for a wide range of stakeholders through procurements and investments. Destia is a major employer, and our stakeholders include an extensive network of subcontractors and partners. Competitiveness and a solid financial position also enable Destia to provide its customers with the best possible service.

Owners and financers
Destia assumed responsibility for the Finnish Road Enterprise’s public income for 2007, EUR 4.6 million, which was paid in 2008. The Board of Directors proposes to the Annual General Meeting that Destia Ltd pay the State, which is the company’s sole shareholder, a dividend of EUR 6.80 per share for 2008 to a total of EUR 4,624,000.00 million.

Financial expenses for the year totalled EUR 3.7 million, which was partly paid to the State and partly to financial institutions as borrowing costs.

Personnel
Wages and salaries paid to Destia personnel in 2008 totalled EUR 114.9 million. This sum included EUR 0.6 million in employee benefits. Other personnel expenses amounted to EUR 28.1 million, of which EUR 20.7 million comprised pension expenses. Destia’s personnel expenses totalled EUR 143.0 million. At the beginning of the year, the company took out EUR 32.3 million in additional pension insurance to supplement its standard occupational pension insurance.

Taxes and tax-like payments
The Group’s taxes and tax-like payments totalled EUR 2.1 million.

Material, services and investments
Destia purchased materials and services from external suppliers and outsourcers to a total of EUR 480.7 million. Gross capital expenditure during the financial year totalled EUR 66.5 million. Construction and machinery investments accounted for EUR 42.2 million and other investments amounting to EUR 24.3 million were primarily associated with corporate acquisitions.

Destia also wants to ensure that our subcontractors carry out their social responsibilities, too.

Key financial indicators

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<th>EUR MILLION</th>
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<td>Turnover</td>
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<td>Direct taxes</td>
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<td>Dividends</td>
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<td>Wages, salaries and fees</td>
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<td>Other personnel expenses</td>
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<td>Personnel expenses</td>
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<td>Number of personnel, on average</td>
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<td>Materials and services</td>
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<tr>
<td>Gross investments</td>
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<td>Number of suppliers</td>
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Destia’s environmental policy

- We are aware of our environmental responsibility as a major infrastructure service provider and we seek to reduce our environmental loading using all the means at our disposal.
- We help our customers to meet the challenges posed by environmental and lifecycle management. We develop products and services that promote environmental wellbeing.
Environmental considerations crucial in both our own operations and the products and services we offer to our customers

Infrastructure production chains affect the environment, through, for example, energy consumption and the use of soil and mineral aggregates. Destia proactively seeks to reduce both the direct and indirect environmental impact of our operations. We also offer environmentally friendly end-to-end solutions.

In 2008, Destia was granted combined ISO 9001 and 14001 quality and environmental certification for all of its contract services, that is, the construction and maintenance of infrastructure.

Destia’s operating system contains an environmental issues management system, and so managing environmental issues is a natural part of the way we work. This management system ensures that suitable attention is paid to environmental issues in our project operations and that all measures are target-oriented. Destia’s environmental management is based on legislation, company policy and customers’ requirements.

Destia also addresses global challenges such as climate change and declining reserves of non-renewable natural resources. The consumption of fuels, energy and natural resources are some of the major concerns we consider at individual company level. The fuel consumption and emissions of Destia’s truck fleet are monitored using the Econet system. In our project operations, we carefully plan our working methods to optimise fuel consumption and material usage. Developing production systems improves ecological efficiency, that is, efficient and productive operations that promote environmental wellbeing.

Destia’s experts are also familiar with the challenges posed by climate change. During 2008, we carried out numerous assignments for our customers that were connected to preventing climate change.

Destia uses substitutes for non-renewable natural resources whenever possible, depending on requirements or limitations set by our customers and the authorities, legislation, and techno-economic opportunities. We are experts in the use of by-products and recycled materials, and provide a related service offering. Our major usage of recycled materials in 2008 was at the Hakamäentie site in Helsinki, where an almost three-hundred-metre-long sound barrier was constructed from about 1,500 tonnes of used vehicle tyres.

There were no incidents causing significant environmental harm in 2008. A total of 29 (15) environmental disruptions or irregularities were recorded during the year. No oil spills occurred in our ferry traffic.

As part of our customer research, we survey our customers’ satisfaction with regard to our handling of environmental issues. On a scale of 1–5, Destia received an average score of 4.34 (4.24) for its handling of environmental and safety issues in 2008. We regularly cooperate with environmental authorities on permit and notification issues concerning our projects. Destia also collects feedback from the authorities on the management of our soil and mineral aggregate extraction areas. On a scale of 1–5, our 2008 score was 3.76 (3.71).

- Our attention to environmental issues is evident in senior management’s commitment and responsibility.
- We set targets for our environmental operations. We monitor the standard and efficiency of our operations and report on the results, to both our customers and stakeholders.
- We are continually and systematically developing our environmental operations.
- Our attention to environmental issues is evident in our guidelines and responsible operations. We are systematic in our identification and management of environmental risks.
- We follow changes in legislation and regulations and adapt our operations accordingly - and we expect the same from our subcontractors. We fulfil the obligations set down in our contracts and other commitments.
- We hone our personnel’s and partners’ environmental expertise and proficiency.

Destia’s environmental considerations
- a lifecycle approach and ecological efficiency
- energy and fuel consumption
- the consumption of natural resources
- chemical usage
- clean and well-organised offices and construction sites.

Destia’s salt usage
1,000 tonnes

<table>
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<th>Year</th>
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Wellbeing and safety – our priority

Destia’s social responsibility encompasses all of our stakeholders. The most important aspects of our social responsibility are, however, personnel wellbeing and safety. Destia invests in competence development, incentives, and wellbeing at work. In 2008, we overhauled our HR strategy and introduced the Talent Management system. We consider safety issues throughout our service production chain.

At the end of 2008, Destia had 2,833 (2,610) employees, of whom 224 (211) were employed on fixed-term contracts. Our payroll increased as a result of both acquisitions and organic growth during the report year. Our major acquisition was an 80% holding in Oulu-based company Maar-akennus Jaara Oy, which had 127 employees at the time of the transaction.

At year-end, Destia Ltd’s permanent staff consisted of 1,842 men (86%) and 299 women (14%) with an average age of 47.3 years. Over-55s accounted for 30 per cent of our permanent staff.

Ensuring sufficient, competent personnel resources still poses a challenge throughout the industry despite the changes that occurred in the labour market towards the end of 2008. In the coming years, Destia will need to recruit about 200 people per year to compensate for growth, personnel turnover and retirements. There is a particular need for project managers.

The new organisation that came into force at the beginning of 2009 has not significantly altered our recruitment needs. Project management remains vital, and the new kinds of business goals set for the Solutions division also require a new kind of expertise.

In 2008, Destia recruited experts through the ‘Real Action’ campaign, which was part of our long-term corporate and employer image programme. This campaign sought to attract new professionals and enhance our image as a well-recognised and versatile expert and a desirable employer.

239 new employees started at Destia in 2008, 40 of them in project management positions. Recruiting people with technical training will remain challenging, but is crucial if we are to achieve our goals. Close cooperation with educational establishments is a vital part of Destia’s recruitment efforts.

In 2008, Destia offered over 200 summer jobs and other positions to trainees and students preparing their theses. Successful trainees are encouraged to join Destia after graduation.

Destia’s compensation system includes payment schemes for waged and salaried personnel as well as an incentive scheme. Our payment schemes are aligned with the job requirements, competence and performance.
The incentive scheme consists of a management incentive scheme, a bonus system for managers and key employees involved in major construction projects, project-specific bonuses, and other one-off incentives. A total of EUR 2.4 million in performance-related bonuses was paid out in 2008.

**New personnel strategy completed**

Destia's previous personnel strategy was drawn up in 2005. In recent years, the company’s business has developed and our operating environment has undergone significant changes. This has increased the strategic importance of competence, and so Destia’s Management Team launched preparations for a new personnel strategy in summer 2008.

Openness and interaction were the cornerstones of our efforts, and all of Destia’s personnel groups and divisions - a total of 150 people - took part. Destia’s values, vision and strategic targets form the foundation for our personnel strategy, aligning it with the Group’s business requirements.

Our new personnel strategy defines several key developmental targets: long-term forecasting of competence and other developmental requirements, enhancing managerial and supervisory work, increasing wellbeing at work, promoting a working culture that supports innovativeness, standardising working methods, providing career opportunities, and supporting incentive schemes and practices.

The strategy also contains a personnel vision extending to 2012 (see below), as well as targets and the concrete actions required to achieve them.

**Talent Management introduced**

In 2008, Destia introduced the Talent Management system to support implementation of the company’s business strategy. Talent Management highlights the importance of personnel development and forges HR into a strategic partner for the business functions. The Talent Management approach uses a range of different processes to guide and manage competence at the various stages of each employee’s career.

Successful recruitment is Destia’s most critical developmental area. We are working to create Group-wide processes and working methods, and to define recruitment criteria based on the Group’s strategy. Although personnel availability improved towards the end of 2008, we will continue to enhance our recruitment processes and link them more closely to our strategy. Our goal is to create a competence base that will enable Destia to achieve its strategic objectives.

Destia maintains contact with both students and teachers at educational establishments. We have an extensive network and are active in universities, polytechnics and vocational education institutions. Our Destudia trainee programme forms an integral part of our educational cooperation. The programme was launched in 2006, and the third phase began in autumn 2008. Destudia aims to educate the infrastructure industry experts of tomorrow. During the three-year programme, students at polytechnics and universities can choose to acquaint themselves with a selection of the infrastructure industry tasks that appeal to them. Destia offers summer trainee positions throughout the programme, as well as opportunities for writing theses.

In summer 2008, Destia conducted a brand-new kind of cooperation project with the Rovaniemi University of Applied Sciences and the Lapland Vocational College. Students were offered unique practical work experience through a project to build a two-kilometre section of light traffic road in Vanttauskoski, Rovaniemi. Destia, the Finnish Road Administration and the educational institutions cooperated on the project, which was implemented in line with Destia’s operating system and the Finnish Road Administration’s guidelines and regulations for road construction.

The highly successful project benefited all those involved. Students gained valuable work experience and recruiters were able to meet future employees.

Encouraged by the favourable reception of the project, Destia will continue to offer projects that provide practical work experience for students. We have already agreed to carry out similar projects in cooperation with Metsähallitus and the HAMK University of Applied Sciences in 2009.
In 2008, we also developed the People Review process to give us a better overview of the Group’s competence. As Destia fine-tunes itself to meet more demanding challenges, management needs to be familiar with available and potential in-house competence, so that the right people can be chosen for the right task. In order to support their career development, we analysed the competence, potential and developmental targets of close to 200 employees. Several employees transferred to new positions - some in other divisions or subsidiaries - on the basis of this analysis. People Review will now become a standard Group-level practice, and similar processes will be launched in the divisions. Access to concrete information on the Group’s competence enables management to plan its further development and facilitates successor planning.

Destia’s critical core competence was divided into three broad areas: project management, customer relations and resource management. As part of the Talent Management system, Destia also defined working methods and tools to handle the post-acquisition integration process in a structured and effective manner that will best harness potential synergies.

First occupational health survey conducted
Destia conducted its first occupational health survey for all employees in 2 Personnel vision 2012
- We have a culture of mutual trust. Responsibility is both given and accepted.
- We have a proactive, caring management. Personnel feel secure and have a clear understanding of targets.
- Cooperation and the Group’s shared working methods are highlighted and under continual development.
- A high standard of wellbeing at work.
- Destia is a desirable and well-respected international employer. All our employees feel successful in their work.

Gender distribution at year-end 2008

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>13.3%</td>
</tr>
<tr>
<td>Men</td>
<td>86.7%</td>
</tr>
</tbody>
</table>

Destia has decided to implement an extensive action programme to promote health and wellbeing at work. Occupational healthcare will be expanded to cover specialists, where necessary. Sports, exercise and other recreational activities will be offered to encourage employees to maintain a healthy lifestyle. The programme will also support employees’ ability to cope at work by providing opportunities to change tasks or working environments.

The early intervention model is an important tool in increasing health and wellbeing at work. The model, which was introduced at Destia in 2008, offers help for health-related problems at a sufficiently early stage. In practice, this involves providing help and support for those people who are often absent due to sickness.

Visibility for safety issues – our theme for 2008
In 2008, Destia ran the ‘Safety is a Professional Skill’ campaign, which was aimed at kick-starting the creation of an even stronger safety culture at our company.

At Group level, the campaign’s core activities focused on: raising awareness of safety issues and accidents through personnel communication channels, highlighting and monitoring basic safety-related procedures, a visible example from management, and linking safety more closely to performance targets. Each division also implemented its own safety-enhancing measures.

According to an Intranet questionnaire, personnel felt that the campaign had to some
Together we do our best to maintain everyone’s health and safety. Our operations reflect the senior management’s responsibility. Everyone takes part in activities to promote occupational health and safety. We keep up with the changes in legislation and always act in compliance with the law. We set specific targets for health and safety activities. We focus on reducing the risks of accidents, and on the quality and accurate implementation of health and safety plans.

We meet our contractual obligations without compromising safety. We make sure that subcontractors observe the law and fulfil the health and safety requirements specified by our customers and us. We measure our success and disclose the results. We develop our operations in line with the principle of continued improvement.

Extent improved the level of safety in the company and increased awareness of safety issues. Although our target for zero-accident months was not reached, low accident figures were achieved in May, when the number of accidents fell to 4 (compared to 7 in 2007) and September, which likewise saw a fall from 13 to 8.

The accident frequency for the whole of 2008 - the number of accidents, per million work hours, leading to an absence of at least one day - was 14.7 (16.1). Typical accidents included falls, tripping over things, and injuries sustained when using machinery or equipment. The notable decrease in our accident frequency during the theme year indicates that accidents can be reduced through effective communication and varied methods of encouraging personnel to adhere to safety procedures. Destia aims to reduce its accident frequency at worksites to below five by 2011.

The major safety-related challenges for the future will be pre-emptive safety measures, safety management throughout the service chain, and maintaining the positive trends that we have already set in motion.

Destia also monitors production safety with a variety of indicators. Construction site safety, tidiness and organisation are monitored weekly using the MVR, asphalt and crush indicators. Quarterly site inspections are carried out on our maintenance work.

Destia reached second place in the civil engineering category of the Uusimaa region’s 2007 occupational safety competition. Destia received its award in February 2008. The criteria evaluated were accident frequency and the MVR results for site safety, and the special theme for the 2007 competition was identifying dangers.

**Road safety a top priority**

Road safety is a top priority for us, as many of our projects concern the traffic environment. Correctly planned construction sites and traffic arrangements help ensure safety for both road users and employees. Traffic arrangements also extend to rail traffic. Professional operations that use well-marked vehicles and keep road users informed help ensure road safety during maintenance and upkeep.

Customers are asked to evaluate their satisfaction with traffic arrangements and safety after each project. In 2008, our average score was 4.35 (4.28) on a scale of 1-5.

Destia has signed the EU’s European Road Safety Charter, which seeks to halve the number of fatalities on the roads by 2010.

The services provided by Destia Traffic - a unit specialised in processing and transmitting traffic information - also enhance public road safety. In 2008, our service offering expanded to include the transmission of real-time traffic information directly to navigators through RDS-TMC receivers. As part of its TMC service, Destia Traffic also offers unique information on driving conditions - such as slippery roads due to sudden ice formation, supercooled rain, and high winds. This awareness helps reduce accidents caused by unpredictable changes in the weather.
Operating environment
The infrastructure market grew another 3 per cent in 2008, although the impact of the global economic downturn, which started in the spring, began to be seen in the industry towards the end of the year. However, demand for civil engineering remained reasonably good.

The market situation changed dramatically as the year progressed, which posed challenges for Destia’s operations. Although a shortage of personnel resources had been predicted at the beginning of 2008, the industry in fact downscaled personnel towards the end of the year. Construction and financing costs experienced a sharp rise at the beginning of the year, but raw material prices and interest rates then fell towards the end of the year.

The economic downturn has not had as substantial an effect on infrastructure projects as on many other investments, as public sector projects have been launched on schedule. In its first supplementary budget of 2009, the government launched economic reflation projects – basic road and track maintenance, airport development and a variety of other road, waterway and track projects – totalling about EUR 350 million. Project implementation started at the beginning of 2009 and will run through to 2013.

A fall in residential construction volume has shifted the industry’s focus towards infrastructure projects. Competition has increased, as new players have entered the market. This increase in supply has also heated up price competition.

Improving construction site safety has become increasingly important in the industry, as has the introduction of automated machinery. Environmental friendliness and process efficiency have also come under the microscope.

New implementation concepts and increased use of the lifecycle model have been topics of discussion in major public sector route projects in particular.

The economic downturn will continue to impact on the outlook for both the infrastructure and other industries. The depth and duration of the recession will be the decisive factors in how significantly its effects will be felt in the industry. Financing difficulties and costs have had a noticeable impact on the implementation of planned investments in the private sector in particular, or have led to the postponement of start dates. Competition for upcoming projects will continue to heat up.

Financial performance 1 Jan–31 Dec 2008
The Destia Group’s turnover grew by 19.1 per cent on 2007 (as The Finnish Road Enterprise Group) to EUR 717.1 million. Excluding acquisitions, turnover for the financial year increased by 15 per cent. Operating profit rose to EUR 19.3 million, representing 2.7 per cent of turnover. Operating profit for 2008 includes EUR 11.4 million in other operating income, mainly consisting of rental income and capital gains on the sale of machinery and business operations. The acquisition of Maarakennus Jaara Oy in April 2008 has contributed EUR 24.2 million in turnover and EUR 3.5 million in operating profit to the Group’s figures. The acquisition of 51 per cent of the share capital of Finnroad Ltd in October 2008 has not yet had a significant impact on turnover or operating profit. Destia’s road marking business, which was sold in December 2008, was only transferred to the new owner at the turn of the year.

The Group’s profit for the financial year totalled EUR 10.4 million.

The Destia Group satisfactorily improved its relative core business profitability by employing targeted measures in Finland. Demand remained reasonably good throughout the year, which led to an increase in turnover and improved profitability. A turnaround was also achieved in the surfacing business, which had been suffering from lowering margins. Losses in Estonia significantly cut into operating profit. Co-determination negotiations aimed at matching the scope of operations to the operating environment and market situation have been launched in Estonia.

The Destia Group’s financial goals
The Destia Group has set the following financial targets to be reached by 2011: profitable growth with an operating profit of 5.5 per cent of turnover and a return on investment (ROI) of 20 per cent.

Business operations
In 2008, the Destia Group was divided into four units: Construction, Maintenance and Ferry Services, Consulting Services, and International and other operations.

Construction
The Construction unit encompasses construction, bridge renovation, surfacing and road marking services, and mineral aggregate services. Destia conducts construction operations in Finland, Northern Sweden and Northern Norway. Destia also provides special construction services for major ‘Design and Build’ projects, which involve both design and implementation. The unit also handles demanding bridgework, rock engineering, and railway and energy infrastructure construction.

In 2008, the Construction unit’s turnover amounted to EUR 476 million and accounted for 66.3 per cent of the Group’s total turnover. At the turn of the year, the unit employed 1,310 people and its order backlog stood at EUR 277 million.

The unit’s major project of 2008 was the Hakamäentie road construction project in Helsinki, which began in 2006 and is progressing according to schedule. During 2008, phase two of the Tampere...
Western Ring Road was completed, as was construction of the Rauma harbour link and Saaristokatu in Kuopio. Important new contracts during the financial year include the Hännilänsalmi bridge on Highway 4 in Central Finland and a 'Design and Build' project on Highway 4 near Kemi. A major maintenance contract for surfaced roads in the Koillismaa region was also signed for the years 2008–2022. Trends in the Construction unit’s order backlog were favourable during 2008 and we competed for numerous tenders.

Maintenance and Ferry Services
The Maintenance and Ferry Services unit includes regional maintenance contracts, small-scale construction, ferry services, road weather service centres, and vehicle and machinery services.

In 2008, the Maintenance and Ferry Services unit’s turnover amounted to EUR 204 million and accounted for 28.5 per cent of the Group’s total turnover. At year-end, the unit employed 763 people and its order backlog stood at EUR 422 million.

Major new agreements for 2008 included regional contracts in Virrat, Lapua, Ilomantsi, Kiltiä, Juva, Parkano and Pudasjärvi-Taivalkoski lasting between 5 and 7 years. Destia also signed a 21-year (2008–2029) maintenance contract for a life cycle project covering the Muurla–Lohja section of the E18 highway.

Destia was also granted three of the five regional contracts previously held by Estonian company AS Teho, which ceased operations in Finland.

Consulting Services
The Consulting Services unit includes infrastructure planning services, geotechnical engineering, surveying, and other specialist services. In 2008, the Consulting Services unit’s turnover amounted to EUR 28 million and accounted for 3.9 per cent of the Group’s total turnover. At the end of the year, the unit employed 478 people and its order backlog stood at EUR 13 million.

Major new agreements during 2008 included surveying for the Highway 4 project at Kemi and diamond drilling for the Geological Survey of Finland.

International and other operations
Destia’s international operations include construction, maintenance in the Baltic region, currently primarily in Estonia.

In 2008, the International unit’s turnover amounted to EUR 9 million and accounted for 1.3 per cent of the Group’s total turnover. At year-end, the unit employed 200 people and its order backlog stood at EUR 10 million.

The acquisition of Finnroad Ltd's entire share capital brought Destia both new international operations and new personnel with international experience.

In 2008, Destia Traffic – part of the company’s other operations – signed cooperation agreements with four major navigator manufacturers to provide real-time traffic data (TMC) directly to navigators. Internationalisation of Destia’s traffic information services progressed well during the year. TMC service production and provision contracts have also been signed with two different navigator manufacturers in Norway and Sweden.

The parent company’s turnover accounted for 90.5 per cent of the Group’s total turnover, and subsidiaries and associated companies for 9.5 per cent. The Group’s un invoiced order backlog stood at EUR 721 million at the end of 2008.

Acquisitions and divestments
As a result of a sales contract signed in the previous year, Destia increased its holding in Kaivuýýrä – a Group specialising in railway construction – from 60 per cent to 68 per cent.

In April, Destia Ltd acquired an 80 per cent holding in the Oulu-based company Maarakennus Jaara Oy. Maarakennus Jaara Oy carries out both traditional civil engineering and infrastructure projects requiring specialist know-how. The company employs 130 people and had turnover of EUR 24.2 million in 2008. The acquisition forms part of Destia’s growth strategy in Finland, and will provide both Destia and Maarakennus Jaara with increased opportunities to participate in projects not only in Northern Finland, but throughout the entire country.

On 1 October, Destia Ltd acquired a 51 per cent holding in infrastructure consulting firm Finnroad Ltd and now owns the company’s entire share capital. Destia acquired a 26 per cent share from Ramboll Finland Ltd and a 25 per cent share from SITO Oy. The acquisition will support Destia’s internationalisation strategy. Finnroad has 10 employees and turnover of about EUR 7 million. As of 1 October, Finnroad Ltd continued its operations as a subsidiary of Destia Ltd.

On 13 November 2008, Destia Ltd signed a contract to sell its road marking business to Geveko Trading Oy. The divestment will promote Destia’s strategy of focusing on its core business. Road marking operations were transferred to Geveko at the end of 2008, and the business’s 41 employees also transferred to the company as existing employees. The road marking business had turnover of about EUR 10 million. In the spring, Destia had acquired the entire share capital of Rovaniemibased road marking company Lapin Tiemerkintä Oy, and this company was also transferred to Geveko in December as part of the transaction. Lapin Tiemerkintä Oy had turnover of about EUR 1 million.

Balance sheet, investments and financing
Act 1126/2007 on converting the Finnish Road Enterprise into a limited liability company came into force on 1 January 2008. This Act authorised the Government to surrender all assets, immaterial rights and business operations under the Finnish Road Enterprise’s control to the limited liability company established to take over these operations. The limited liability company will answer all loan, service, procurement and delivery agree-
ments, contracts, and other commitments made by the Finnish Road Enterprise. The Finnish State subscribed for all the shares of the new company, Destia Ltd.

As part of the incorporation, Destia assumed responsibility for the Finnish Road Enterprise's public income of EUR 4.6 million for 2007, and for arranging additional pension coverage of about EUR 32.4 million for employees transferring from the Finnish Road Enterprise. These additional pension contributions have been entered directly into the opening balance sheet as a decrease in equity. The incorporation also led to the payment of about EUR 19 million in non-current liabilities to the State.

After the Finnish Road Enterprise's financial statements had been confirmed on 31 December 2007, the Annual General Meeting confirmed the final amount contained in the fund for investments of non-restricted equity in Destia Ltd's opening balance sheet as EUR 60.6 million, and thereby an increase of EUR 12.8 million in this fund. Net non-cash contributions in Destia Ltd's opening balance sheet were confirmed at EUR 77.5 million, of which EUR 17.0 million was share capital. According to the calculation method used in the proposed bill, the company's opening balance sheet total stood at EUR 204.9 million and the equity ratio at 37.9 per cent.

Gross capital expenditure totalled EUR 66.5 million. Construction and machinery investments accounted for EUR 42.2 million and other investments amounting to EUR 24.3 million were primarily associated with corporate acquisitions.

Destia maintained a good cash position during the year. The parent company did not withdraw any new long-term financing, and the long-term loan withdrawals of Group companies totalled EUR 2.1 million. The Group's long-term loan repayments during the year amounted to EUR 5.6 million. Short-term credit limits were only used occasionally.

Liquid funds, including cash and bank and investments in securities, totalled EUR 22.9 million at the end of December. The EUR 30 million short-term credit limit was unused.

The Group's long-term liabilities decreased to EUR 6.6 million during 2008.

In spring 2008, Destia Ltd, Nordea Bank Finland plc, Pohjola Bank plc and Sampo Bank plc signed a commercial paper agreement for the Finnish money market. The EUR 150 million joint programme is aimed at strengthening Destia's financing resources and gaining recognition for the Destia name in the financing market. Destia had issued a total of EUR 48.4 million in commercial papers at the turn of the year.

Destia had no derivative contracts at the turn of the year.

Cash flow comprised EUR 36.9 million in net cash flow from operations, EUR -55.5 million in cash flow from investment activities and EUR 37.8 million in cash flow from financing activities.

The year-end equity ratio was 33.4 per cent and gearing 44.4 per cent.

**General Meetings 2008 and Corporate Governance**

The Government Programme issued in spring 2007 by Prime Minister Vanhanen's second Cabinet contained a plan to incorporate the Finnish Road Enterprise into a limited liability company that would be wholly owned by the State. The incorporation date was set for 1 January 2008, and Destia Ltd launched operations according to plan.

Members of Destia Ltd's Board of Directors as of 1 January 2008 included former Board members Jorma Wiitakorpi (Chairman), Eeva-Liisa Virkkunen (Vice Chair), Kaisa Vikkula and Arto Honkaniemi. New members elected were Jorma Haapamäki, Jarmo Pirhonen, Jukka Ruuska, and Anna Tapio. After the resignation of Jorma Wiitakorpi, an Extraordinary General Meeting held on 14 November 2008 elected Eeva-Liisa Virkkunen as Chair and Jorma Haapamäki as Vice Chairman. All members of the Board are independent of the company except for Arto Honkaniemi, who is not independent with regard to the company's shareholder.

The Board of Directors conducted a self-assessment in December 2008.

The Board of Directors has appointed two committees, an Audit Committee and a Nomination and Compensation Committee, whose members are elected from among the Board members. The members of the Audit Committee for 2008 were Eeva-Liisa Virkkunen (Chair), Jukka Ruuska and Kaisa Vikkula.

The members of the Nomination and Compensation Committee for 2008 were Jorma Wiitakorpi (Chairman until 14 November 2008), Jorma Haapamäki and Arto Honkaniemi. Eeva-Liisa Virkkunen was Chair as of 14 November 2008.

The Annual General Meeting approved a monthly fee of EUR 3,300 for the Chairman, EUR 1,800 for the Vice Chairman, and EUR 1,500 for the other members of the Board. In addition to the monthly fee, each Board member was paid a EUR 600 participation fee for each Board or Committee meeting. Travel expenses and daily allowances were reimbursed in accordance with Destia's travel regulations.

Destia's auditor for 2008 was Ernst & Young Oy, a firm of Authorised Public Accountants, with Jarno Lohi, Authorised Public Accountant, Chartered Public Finance Auditor, as principal auditor.

Jukka Laaksovirta was President and CEO from 1 January to 31 December 2008.

**Establishing Destia Ltd, share capital and shares**

The contract establishing Destia Ltd was signed on 13 December 2007, and the Destia Ltd trade name was registered on 4 January 2008. At the beginning of 2008, Destia Ltd had 680,000 shares and registered share capital totalling EUR 17.0 million. The company is wholly owned by the State of Finland and its financial year runs from 1 January to 31 December.
**Organisation and personnel**

Destia carried out a structural reorganisation on 1 January 2008. The company’s previous organisational model had been part geographical and part operational, while the new structure is organised around the company’s business operations. Destia’s business operations were divided into four units: Construction, Maintenance and Ferry Services, Consulting Services, and International and other operations.

As of 1 January 2009, Destia further clarified its structure by organising operations into the following divisions: Infra Construction, Infra Maintenance, Rocks, Solutions and International. The Group’s joint functions are Finance and Administration, Legal Services and Communications.

As of 1 January 2009, the Destia Management Team comprised President and CEO Jukka Laaksovirta, Hannu Kulju, Kalevi Katko, Jouni Karjalainen, Juha Ryhänen, Markus Korhonen, Pirko Salminen, Pekka Holopainen, Milla Apukka and personnel representative Jouko Korhonen.

Destia Kalusto Oy launched operations on 1 July 2008. The parent company transferred all of its heavy vehicle and machinery operations — that is, all heavy vehicles and machinery used in its ferry, surfacing and road marking, crushing, construction and maintenance activities — to Destia Kalusto Oy.

In May, Destia Ltd and Enfo Oy signed a major outsourcing agreement to transfer Destia’s ICT service processes to Enfo in their entirety. As part of the agreement, 20 Destia personnel transferred to Enfo as existing employees. The agreement covers all of the ICT services required by Destia, and outsourcing these services will enable Destia to implement its planned business strategy of focusing on core business and improving profitability.

The average number of Group personnel in 2008 was 2,921. At the end of December, Destia personnel numbered 2,633, of whom 2,612 were permanent employees and 221 were on fixed-term contracts. 95.4 per cent worked in Finland and 4.6 per cent abroad. Due to the seasonal nature of operations, the number of personnel fluctuates and is at its highest during the summer.

Personnel expenses for 2008 amounted to EUR 143.0 million, representing 19.9 per cent of turnover. General increases raised personnel expenses by about 3.2 per cent, or EUR 4.4 million. Taxable salaries and other remuneration paid to the Board of Directors, President and CEO and Deputy Managing Director during the year totalled EUR 0.76 million.

Destia has an incentive scheme covering all company personnel. The criteria applied in the incentive scheme are based on the financial results of the Group and its divisions, and also on personal targets specified in annual performance reviews. An instant performance-related bonus may be granted to all employees subject to a separate decision.

In 2008, particular attention was also paid to competence development, wellbeing at work, and occupational safety. Further investments will be made in these areas in 2009 and beyond with special projects aimed at initiating ongoing processes.

The safety campaign launched in 2008 will also continue in 2009.

**Environmental issues**

Infrastructure production chains have an impact on the environment through energy consumption and the use of soil and mineral aggregates. Environmental management is a fundamental aspect of Destia’s corporate culture. Destia offers solutions that take a life cycle approach and promote environmental wellbeing, and also participates in joint efforts to develop the industry.

In 2008, Destia was granted combined ISO 9001 and 14001 quality and environmental certification for all of its contract services, that is, infrastructure construction, upkeep and maintenance.

**Research and development**

R&D enables Destia to remain a pioneer in its field. In line with its strategy, Destia continued to invest in R&D in 2008 with investments totalling EUR 3.0 million.

Destia’s R&D seeks to standardise production concepts and improve profitability, and also to develop new businesses to support the Group’s growth strategy. Destia also plays its part in general sector development through a variety of projects. R&D cooperation is also carried out with stakeholders.

Automation continues to be a significant area of ongoing development. The introduction of automated machinery on Destia’s construction sites has continued and significant progress was achieved in 2008. Development will also help us respond to changing order practices in the industry.

**Risk management**

As stated in Destia’s risk management policy and business principles, risk management is an integral part of standard operations and overall management. Management closely monitors any changes in the operating environment and evaluates any risks and their impact on implementing the company’s strategy. Strategy-related risks are reviewed as part of Destia’s strategy work.

Business plans assess risk factors, how likely they are to be realised and their potential impact on achieving targets. Major risks for the current operating year are identified, and measures are drawn up to manage them. Quarterly reports are made on any changes in the risk environment.

The Destia Group’s major risks are associated with the implementation of customer projects. Offering projects to new customers and implementing them in a new operating environment – and the profitability of such projects – involves considerable risks. International operations also include risks that differ from those of domest-
tic operations, which is why particular attention must be paid to the risks involved in international projects.

Separate risk management guidelines have been drawn up for every stage of a project: tendering, contract practice, project launches, implementation management, and closing projects. Project risks and their financial impact are evaluated on a monthly basis as part of the company’s financial reporting. Proactive risk indicators have been introduced to improve risk management in project work. Projects involving significant risks are reviewed as part of quarterly reporting.

Major risk factors related to projects, assets and commitments are covered by contractual terms and insurance.

Management of the Group’s financing risks is conducted centrally in accordance with the Group’s separately defined financing policy.

The Group’s internal audit helps ensure sufficient internal control. The internal audit is conducted according to professional standards.

During 2008, the Board of Directors and the Audit Committee reviewed the status of Destia’s internal audit. As a result, the organisation of Destia’s internal control and audit has been reinforced so as to ensure that these operations are duly arranged.

Legal proceedings
On 19 October 2007, the District Court of Helsinki issued its ruling in the lawsuit filed by Destia regarding procurement proceedings for the E18 Lohja–Lohjanharju motorway contract. Destia sought EUR 5.5 million in compensation from the Finnish Road Administration, but the District Court dismissed the claim. Destia has now taken its case to the Helsinki Court of Appeal. The maximum additional costs that may be incurred by Destia are the costs of the legal proceedings.

Events after the close of the financial year
Destia Ltd has signed a cooperation agreement with Masku Kiinteistöt Oy for the construction of the Kiminki Ideapark business park. Kiminki Ideapark will cover about 100,000 square metres, and a total land area of 30 hectares has been reserved for the project. The project is scheduled to start in May 2009 and the construction phase will employ about 1,000 people.

Destia will act as project director and will bring its core expertise in infrastructure construction and project management to the project. Destia will not be a property developer for this project. Destia’s main partner for commercial construction is Metsäliiton Puutuotetel lisuus (Finnforest), which has international experience in delivering timber products for demanding commercial and public sector buildings.

Future prospects
Improved profitability is the Destia Group’s primary target. This will pave the way for growth and internationalisation. Alongside traditional civil engineering, Destia will make investments in railway construction and infrastructure construction for the mining and energy industries, and will also expand with new businesses.

Substantial changes in financing markets and the economy have led to uncertainty in the outlook for the infrastructure industry. Major traffic route and railway projects are in the pipeline and will be launched in the coming years. In January, Government decided on a refi ation programme that will increase infrastructure construction in 2009–2013. The economic downturn and difficult fi nancing situation will hinder the launch of private sector projects in particular, and competition for upcoming projects is heating up.

The current market situation makes it difficult to forecast trends for 2009. The economic downturn is expected to lower demand for infrastructure construction, and so the Destia Group’s 2009 turnover is forecast to fall short of 2008 figures. However, thanks to Destia’s order backlog and ongoing measures to improve profitability, the Board of Directors expects consolidated operating profit to remain at the same level as in 2008.
## Profit and loss account

<table>
<thead>
<tr>
<th>EUR</th>
<th>Consolidated 1 Jan-31 Dec 2008</th>
<th>Destia Ltd 1 Jan-31 Dec 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>717,119,079.02</td>
<td>649,006,795.42</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>11,393,155.98</td>
<td>9,525,057.80</td>
</tr>
<tr>
<td><strong>Materials and services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Materials and consumables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases during the financial year</td>
<td>–152,404,994.28</td>
<td>–128,530,680.43</td>
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<tr>
<td>Increase/decrease in inventories</td>
<td>3,331,657.28</td>
<td>3,206,242.33</td>
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<tr>
<td>External services</td>
<td>–331,673,623.43</td>
<td>–325,740,325.31</td>
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<tr>
<td>Materials and services</td>
<td>–480,746,960.42</td>
<td>–451,064,763.41</td>
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<tr>
<td><strong>Personnel expenses</strong></td>
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<tr>
<td>Salaries and fees</td>
<td>–114,854,613.76</td>
<td>–101,354,517.64</td>
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<tr>
<td><strong>Personnel expenses</strong></td>
<td></td>
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<tr>
<td>Pension expenses</td>
<td>–20,696,529.07</td>
<td>–18,080,550.93</td>
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<td>Other personnel expenses</td>
<td>–7,460,073.92</td>
<td>–6,411,607.73</td>
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<td>Personnel expenses</td>
<td>–143,011,216.75</td>
<td>–125,846,676.30</td>
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<tr>
<td><strong>Depreciation and write-downs</strong></td>
<td></td>
<td></td>
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<tr>
<td>Depreciation according to plan</td>
<td>–19,211,217.25</td>
<td>–9,612,477.57</td>
</tr>
<tr>
<td>Depreciation of consolidated goodwill</td>
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<td></td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>–64,791,449.14</td>
<td>–56,857,566.56</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>19,283,230.14</td>
<td>15,150,369.38</td>
</tr>
<tr>
<td><strong>Financial income and expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend income from Group companies</td>
<td></td>
<td>420,005.00</td>
</tr>
<tr>
<td>Income from other financial assets</td>
<td>418.00</td>
<td>418.00</td>
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<tr>
<td>Other interest income from Group companies</td>
<td></td>
<td>2,392,220.09</td>
</tr>
<tr>
<td>Other interest income and financial income</td>
<td>267,550.70</td>
<td>245,480.48</td>
</tr>
<tr>
<td>Depreciation on financial assets</td>
<td></td>
<td>–600,000.00</td>
</tr>
<tr>
<td>Interest expenses from liabilities to Group companies</td>
<td></td>
<td>–15,833.34</td>
</tr>
<tr>
<td>Interest expenses from liabilities to others</td>
<td>–3,722,819.77</td>
<td>–3,141,544.48</td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>–3,454,851.07</td>
<td>–599,254.25</td>
</tr>
<tr>
<td><strong>Profit before extraordinary items</strong></td>
<td>15,828,379.06</td>
<td>14,551,115.13</td>
</tr>
<tr>
<td><strong>Extraordinary items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraordinary expenses</td>
<td>–5,324,623.08</td>
<td></td>
</tr>
<tr>
<td>Extraordinary items</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit before taxes</strong></td>
<td>10,417,434.59</td>
<td>9,226,492.05</td>
</tr>
<tr>
<td><strong>Appropriations, taxes and minority interest</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td>–2,062,228.11</td>
<td></td>
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<tr>
<td>Change in deferred tax liability</td>
<td>–1,618,910.51</td>
<td></td>
</tr>
<tr>
<td>Minority interest</td>
<td>–1,729,805.85</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>10,417,434.59</td>
<td>9,226,492.05</td>
</tr>
</tbody>
</table>
## Balance sheet

### EUR

#### Consolidated  
**31 Dec 2008** | **1 Jan 2008** | **31 Dec 2008** | **1 Jan 2008**
--- | --- | --- | ---

### Assets

#### Non-current assets

##### Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible rights</td>
<td>820,207.02</td>
<td>639,729.21</td>
<td>726,990.84</td>
<td>636,729.62</td>
</tr>
<tr>
<td>Goodwill</td>
<td>151,740.20</td>
<td>232,632.38</td>
<td>151,740.20</td>
<td>232,632.38</td>
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<tr>
<td>Consolidated goodwill</td>
<td>13,655,644.01</td>
<td>3,882,661.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other long-term expenditure</td>
<td>553,867.15</td>
<td>678,897.40</td>
<td>487,955.53</td>
<td>619,397.40</td>
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<tr>
<td>Advance payments on intangible assets</td>
<td>24,893.22</td>
<td>24,893.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>15,206,351.61</td>
<td>5,433,920.42</td>
<td>1,391,579.79</td>
<td>1,488,759.40</td>
</tr>
</tbody>
</table>

##### Tangible assets

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and water areas</td>
<td>3,185,311.19</td>
<td>3,085,419.16</td>
<td>3,169,065.42</td>
<td>3,085,419.16</td>
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<tr>
<td>Buildings and structures</td>
<td>11,898,234.93</td>
<td>9,989,923.90</td>
<td>9,674,215.37</td>
<td>9,977,181.41</td>
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<tr>
<td>Machinery and equipment</td>
<td>95,412,215.58</td>
<td>66,026,245.21</td>
<td>7,664,261.80</td>
<td>59,177,501.33</td>
</tr>
<tr>
<td>Other tangible assets</td>
<td>15,926,497.21</td>
<td>15,823,734.90</td>
<td>15,234,697.67</td>
<td>15,503,765.14</td>
</tr>
<tr>
<td>Advance payments and construction in progress</td>
<td>421,483.78</td>
<td>1,483,092.46</td>
<td>421,483.78</td>
<td>1,399,477.22</td>
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<tr>
<td>Tangible assets</td>
<td>126,843,742.70</td>
<td>96,408,415.63</td>
<td>36,163,674.04</td>
<td>89,143,344.26</td>
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</table>

##### Investments

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares in Group companies</td>
<td>23,735,816.74</td>
<td></td>
<td>6,032,048.92</td>
<td></td>
</tr>
<tr>
<td>Receivables from Group companies</td>
<td>4,100,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares in associated companies</td>
<td>81,262.11</td>
<td></td>
<td>181,575.17</td>
<td></td>
</tr>
<tr>
<td>Other shares and securities</td>
<td>2,101,798.39</td>
<td>115,665.17</td>
<td>2,036,471.42</td>
<td>62,165.17</td>
</tr>
<tr>
<td>Investments</td>
<td>2,101,798.39</td>
<td>196,927.28</td>
<td>29,872,288.16</td>
<td>6,275,789.26</td>
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</tbody>
</table>

##### Non-current assets

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>144,151,892.66</td>
<td>102,039,263.33</td>
<td>67,427,541.99</td>
<td>96,907,892.92</td>
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</table>

##### Current assets

##### Inventories

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials and consumables</td>
<td>32,136,634.75</td>
<td>28,221,757.35</td>
<td>31,317,800.29</td>
<td>28,111,557.96</td>
</tr>
<tr>
<td>Unfinished products</td>
<td>11,977.25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished products</td>
<td>110,640.50</td>
<td>5,494.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other inventories</td>
<td>65,838.46</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Inventories</td>
<td>32,325,090.96</td>
<td>28,227,251.57</td>
<td>31,317,800.29</td>
<td>28,111,557.96</td>
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</tbody>
</table>

##### Receivables

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>65,563,684.73</td>
<td>54,199,136.49</td>
<td>55,869,164.51</td>
<td>50,277,343.40</td>
</tr>
<tr>
<td>Current receivables from Group companies</td>
<td>75,289,434.78</td>
<td>955,822.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current receivables from associated companies</td>
<td>1,178,110.20</td>
<td>1,178,110.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>3,378,412.46</td>
<td>551,752.02</td>
<td>1,151,830.31</td>
<td>434,431.79</td>
</tr>
<tr>
<td>Prepaid expenses and accrued income</td>
<td>26,036,497.70</td>
<td>25,847,598.29</td>
<td>21,583,611.57</td>
<td>25,689,321.17</td>
</tr>
<tr>
<td>Receivables</td>
<td>94,978,594.89</td>
<td>81,776,597.00</td>
<td>153,894,041.17</td>
<td>78,535,029.00</td>
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</table>

##### Investments

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>5,114,497.54</td>
<td>682,889.13</td>
<td>5,114,497.54</td>
<td>227,031.68</td>
</tr>
</tbody>
</table>

##### Cash and bank

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and bank</td>
<td>17,821,038.44</td>
<td>3,088,771.40</td>
<td>12,005,110.05</td>
<td>1,077,552.44</td>
</tr>
</tbody>
</table>

##### Current assets

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>150,239,221.86</td>
<td>113,775,509.10</td>
<td>202,331,449.05</td>
<td>107,951,171.08</td>
</tr>
</tbody>
</table>

##### Assets

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Destia Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>294,391,114.53</td>
<td>215,814,772.43</td>
<td>269,758,991.04</td>
<td>204,859,064.00</td>
</tr>
</tbody>
</table>
## Equity and liabilities

### Equity

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2008</th>
<th>1 Jan 2008</th>
<th>31 Dec 2008</th>
<th>1 Jan 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscribed equity</td>
<td>17,000,000.00</td>
<td>17,000,000.00</td>
<td>17,000,000.00</td>
<td>17,000,000.00</td>
</tr>
<tr>
<td>Fund for investments of non-restricted equity</td>
<td>60,549,400.91</td>
<td>60,549,400.91</td>
<td>60,549,400.91</td>
<td>60,549,400.91</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>-2,455,826.06</td>
<td>-2,359,570.76</td>
<td>-2,455,826.06</td>
<td>-2,359,570.76</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
<td>10,417,434.59</td>
<td>9,226,492.05</td>
<td>10,417,434.59</td>
<td>9,226,492.05</td>
</tr>
<tr>
<td>Equity</td>
<td>85,511,009.44</td>
<td>75,189,830.15</td>
<td>86,775,892.96</td>
<td>77,549,400.91</td>
</tr>
<tr>
<td>Minority interest</td>
<td>3,910,048.34</td>
<td>854,309.69</td>
<td>3,910,048.34</td>
<td>854,309.69</td>
</tr>
<tr>
<td>Provisions</td>
<td>18,257,284.54</td>
<td>16,551,740.63</td>
<td>17,320,665.77</td>
<td>16,412,778.35</td>
</tr>
<tr>
<td>Group reserve</td>
<td>129,376.35</td>
<td>137,627.02</td>
<td>129,376.35</td>
<td>137,627.02</td>
</tr>
</tbody>
</table>

### Liabilities

#### Long-term liabilities

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2008</th>
<th>1 Jan 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government loan</td>
<td>1,793,060.06</td>
<td>8,700,000.00</td>
</tr>
<tr>
<td>Loans from financial institutions</td>
<td>4,832,637.56</td>
<td>2,970,746.20</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>890,151.44</td>
<td>709,522.02</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>7,515,849.07</td>
<td>12,380,268.22</td>
</tr>
</tbody>
</table>

#### Short-term liabilities

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2008</th>
<th>1 Jan 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government loan</td>
<td>3,453,469.97</td>
<td>3,453,469.97</td>
</tr>
<tr>
<td>Loans from financial institutions</td>
<td>51,327,354.13</td>
<td>8,933,961.42</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>27,042,016.87</td>
<td>22,151,492.82</td>
</tr>
<tr>
<td>Liabilities to Group companies</td>
<td>40,701,722.47</td>
<td>34,544,584.69</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>9,982,461.20</td>
<td>10,762,287.69</td>
</tr>
<tr>
<td>Accrued expenses and deferred income</td>
<td>44,380,580.98</td>
<td>31,094,171.50</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>2,179,941.18</td>
<td>38,125.62</td>
</tr>
<tr>
<td>Short-term liabilities</td>
<td>179,067,546.80</td>
<td>110,838,623.74</td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2008</th>
<th>1 Jan 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td>186,583,395.86</td>
<td>123,218,891.96</td>
</tr>
<tr>
<td>Equity and liabilities</td>
<td>294,391,114.53</td>
<td>215,814,772.43</td>
</tr>
</tbody>
</table>
## Cash flow statement

### Cash flow from business operations

<table>
<thead>
<tr>
<th>EUR</th>
<th>Consolidated Dec 2008</th>
<th>Destia Ltd Dec 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Payments received from customers</td>
<td>723,437,752.76</td>
</tr>
<tr>
<td></td>
<td>Payments to suppliers of goods/services and to personnel</td>
<td>-683,419,885.65</td>
</tr>
<tr>
<td></td>
<td><strong>Cash flow from business operations</strong></td>
<td>40,017,867.11</td>
</tr>
<tr>
<td></td>
<td><strong>Cash flow from business operations before financial items and taxes</strong></td>
<td>40,017,867.11</td>
</tr>
<tr>
<td></td>
<td>Interest paid on business operations</td>
<td>-3,015,398.70</td>
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<tr>
<td></td>
<td>Dividend income received from business operations</td>
<td>418.00</td>
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<tr>
<td></td>
<td>Interest received from business operations</td>
<td>250,132.75</td>
</tr>
<tr>
<td></td>
<td>Taxes paid on business operations</td>
<td>-357,007.03</td>
</tr>
<tr>
<td></td>
<td>Cash flow before extraordinary items</td>
<td>36,896,012.13</td>
</tr>
<tr>
<td></td>
<td><strong>Cash flow from business operations</strong></td>
<td>36,896,012.13</td>
</tr>
</tbody>
</table>

### Cash flow from investment activities

<table>
<thead>
<tr>
<th>EUR</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investments in tangible and intangible assets</td>
<td>-46,143,328.04</td>
</tr>
<tr>
<td></td>
<td>Proceeds from the sale of tangible and intangible assets</td>
<td>6,424,727.84</td>
</tr>
<tr>
<td></td>
<td>Acquired and divested shares in subsidiaries</td>
<td>-13,914,671.34</td>
</tr>
<tr>
<td></td>
<td>Other investments</td>
<td>-1,988,971.39</td>
</tr>
<tr>
<td></td>
<td>Proceeds from the sale of other investments</td>
<td>98,421.14</td>
</tr>
<tr>
<td></td>
<td>Loans granted</td>
<td>-5,214,889.21</td>
</tr>
<tr>
<td></td>
<td><strong>Cash flow from financing activities</strong></td>
<td>-55,523,821.79</td>
</tr>
</tbody>
</table>

### Cash flow from financing activities

<table>
<thead>
<tr>
<th>EUR</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Withdrawals of short-term loans</td>
<td>41,495,385.31</td>
</tr>
<tr>
<td></td>
<td>Withdrawals of long-term loans</td>
<td>2,062,081.97</td>
</tr>
<tr>
<td></td>
<td>Repayment of long-term loans</td>
<td>-5,575,282.17</td>
</tr>
<tr>
<td></td>
<td>Dividends paid</td>
<td>-188,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>Cash flow from financing activities</strong></td>
<td>37,794,185.11</td>
</tr>
</tbody>
</table>

### Change in liquid funds

<table>
<thead>
<tr>
<th>EUR</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Liquid assets on balance sheet on 31 Dec.</td>
<td>22,935,535.98</td>
</tr>
<tr>
<td></td>
<td>Liquid assets on balance sheet on 1 Jan.</td>
<td>3,769,160.53</td>
</tr>
<tr>
<td></td>
<td><strong>Change in liquid funds</strong></td>
<td>19,166,375.45</td>
</tr>
</tbody>
</table>

---

**Note:** The table and calculations are based on the provided financial information from the Consolidated Destia Ltd annual report for the year 2008.
## Quarterly profit and loss account

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit and loss account, FAS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover</td>
<td>103.7</td>
<td>170.3</td>
<td>227.3</td>
<td>215.8</td>
<td>717.1</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.7</td>
<td>1.4</td>
<td>1.5</td>
<td>7.8</td>
<td>11.4</td>
</tr>
<tr>
<td>Materials and services</td>
<td>–66.4</td>
<td>–111.5</td>
<td>–156.7</td>
<td>–146.2</td>
<td>–480.8</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>–28.6</td>
<td>–34.3</td>
<td>–35.7</td>
<td>–44.5</td>
<td>–143.1</td>
</tr>
<tr>
<td>Depreciation and write-downs</td>
<td>–4.3</td>
<td>–5.2</td>
<td>–5.8</td>
<td>–5.4</td>
<td>–20.7</td>
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<tr>
<td>Other operating expenses</td>
<td>–10.0</td>
<td>–15.7</td>
<td>–17.1</td>
<td>–21.9</td>
<td>–64.7</td>
</tr>
<tr>
<td><strong>Operating profit/loss</strong></td>
<td>–4.9</td>
<td>5.0</td>
<td>13.5</td>
<td>5.6</td>
<td>19.2</td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>–0.3</td>
<td>–0.7</td>
<td>–1.1</td>
<td>–1.3</td>
<td>–3.4</td>
</tr>
<tr>
<td><strong>Profit/loss before extraordinary items</strong></td>
<td>–5.2</td>
<td>4.3</td>
<td>12.4</td>
<td>4.3</td>
<td>15.8</td>
</tr>
<tr>
<td>Income tax on operations</td>
<td>0.0</td>
<td>–0.4</td>
<td>–0.6</td>
<td>–1.0</td>
<td>–2.0</td>
</tr>
<tr>
<td>Change in deferred tax liability</td>
<td></td>
<td></td>
<td></td>
<td>–1.7</td>
<td>–1.7</td>
</tr>
<tr>
<td>Minority interest</td>
<td>0.3</td>
<td>–0.2</td>
<td>–0.5</td>
<td>–1.3</td>
<td>–1.7</td>
</tr>
<tr>
<td><strong>Profit/loss for the period</strong></td>
<td>–4.9</td>
<td>3.7</td>
<td>11.3</td>
<td>0.3</td>
<td>10.4</td>
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</tbody>
</table>

## Quarterly balance sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>144.2</td>
<td>134.8</td>
<td>131.5</td>
<td>104.2</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>32.3</td>
<td>33.0</td>
<td>32.3</td>
<td>28.6</td>
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<tr>
<td>Receivables</td>
<td>95.0</td>
<td>142.4</td>
<td>105.1</td>
<td>57.8</td>
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<tr>
<td>Investments</td>
<td>5.1</td>
<td>0.2</td>
<td>0.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Cash and bank</td>
<td>17.8</td>
<td>4.5</td>
<td>6.8</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>150.2</td>
<td>180.1</td>
<td>144.4</td>
<td>92.4</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>294.4</td>
<td>314.9</td>
<td>275.9</td>
<td>196.6</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>85.5</td>
<td>85.5</td>
<td>70.2</td>
<td>66.7</td>
</tr>
<tr>
<td>Minority interest</td>
<td>3.9</td>
<td>2.7</td>
<td>2.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Provisions</td>
<td>18.3</td>
<td>16.4</td>
<td>16.7</td>
<td>16.4</td>
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<tr>
<td>Group reserve</td>
<td>0.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>2.2</td>
<td>0.5</td>
<td>0.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>7.5</td>
<td>15.6</td>
<td>15.3</td>
<td>12.5</td>
</tr>
<tr>
<td>Short-term liabilities</td>
<td>176.9</td>
<td>194.2</td>
<td>171.0</td>
<td>100.6</td>
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<tr>
<td><strong>Liabilities</strong></td>
<td>186.6</td>
<td>210.3</td>
<td>186.9</td>
<td>113.1</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td>294.4</td>
<td>314.9</td>
<td>275.9</td>
<td>196.6</td>
</tr>
</tbody>
</table>
# Quarterly cash flow statement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from business operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments received from customers</td>
<td>129.6</td>
<td>263.7</td>
<td>470.0</td>
<td>723.4</td>
</tr>
<tr>
<td>Payments to suppliers of goods/services and to personnel</td>
<td>–142.0</td>
<td>–278.3</td>
<td>–494.7</td>
<td>–683.4</td>
</tr>
<tr>
<td><strong>Cash flow from business operations before financial items and taxes</strong></td>
<td>–12.4</td>
<td>–14.6</td>
<td>–24.7</td>
<td>40.0</td>
</tr>
<tr>
<td>Interest paid on business operations</td>
<td>–0.3</td>
<td>–0.8</td>
<td>–1.4</td>
<td>–3.0</td>
</tr>
<tr>
<td>Interest received from business operations</td>
<td>0.0</td>
<td>0.1</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Taxes paid on business operations</td>
<td>0.0</td>
<td>–0.3</td>
<td>–1.1</td>
<td>–0.4</td>
</tr>
<tr>
<td><strong>Cash flow from business operations</strong></td>
<td>–12.7</td>
<td>–15.6</td>
<td>–27.0</td>
<td>36.9</td>
</tr>
<tr>
<td><strong>Cash flow from investment activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in tangible and intangible assets</td>
<td>–6.1</td>
<td>–20.8</td>
<td>–30.4</td>
<td>–46.1</td>
</tr>
<tr>
<td>Proceeds from the sale of tangible and intangible assets</td>
<td>0.1</td>
<td>1.0</td>
<td>2.5</td>
<td>6.4</td>
</tr>
<tr>
<td>Acquired and divested shares in subsidiaries and associates</td>
<td>–0.4</td>
<td>–11.2</td>
<td>–14.5</td>
<td>–13.9</td>
</tr>
<tr>
<td>Other investments</td>
<td></td>
<td></td>
<td></td>
<td>–2.0</td>
</tr>
<tr>
<td>Proceeds from the sale of other investments</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Cash flow from investment activities</strong></td>
<td>–6.4</td>
<td>–30.9</td>
<td>–42.3</td>
<td>–55.5</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Withdrawals of short-term loans</td>
<td>21.2</td>
<td>49.0</td>
<td>69.5</td>
<td>41.5</td>
</tr>
<tr>
<td>Withdrawals of long-term loans</td>
<td>0.2</td>
<td>1.0</td>
<td>1.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Repayment of long-term loans</td>
<td>0.0</td>
<td>–0.2</td>
<td>–0.3</td>
<td>–5.6</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>0.0</td>
<td>–0.1</td>
<td>–0.2</td>
<td>–0.2</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>21.4</td>
<td>49.7</td>
<td>70.3</td>
<td>37.8</td>
</tr>
<tr>
<td><strong>Change in liquid funds</strong></td>
<td>2.3</td>
<td>3.2</td>
<td>1.0</td>
<td>19.2</td>
</tr>
<tr>
<td>Liquid assets on balance sheet on 31 Dec.</td>
<td>6.1</td>
<td>7.0</td>
<td>4.8</td>
<td>22.9</td>
</tr>
<tr>
<td>Liquid assets on balance sheet on 1 Jan.</td>
<td>3.8</td>
<td>3.8</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Change in liquid funds</strong></td>
<td>2.3</td>
<td>3.2</td>
<td>1.0</td>
<td>19.2</td>
</tr>
</tbody>
</table>
Notes to the financial statements

1. Accounting principles for the consolidated financial statements
Destia Ltd started its operations on 1 January 2008 when the Finnish Road Enterprise ceased its operations as a State-owned enterprise. No reference figures for the Finnish Road Enterprise are presented in the financial statements. Instead, the opening balance sheet of Destia Ltd, as ratified by the Government, is presented as comparison information for the balance sheet, and the opening consolidated balance sheet has been prepared by combining the balance sheets of Group companies that were part of the State-owned enterprise with the parent company's opening balance sheet dated 1 January 2008 using the acquisition cost method and in line with the going concern principle.

The consolidated financial statements have been prepared using the acquisition cost method and all Group companies have been consolidated. The consolidated goodwill arising from the acquisition of Turgel Grupp AS will be depreciated on a straight-line basis over five years, and the consolidated goodwill arising from the acquisition of the Kaivujyrä Group and Maarakennus Jaara Oy will be depreciated on the basis of their estimated economic life on a straight-line basis over ten years.

The financial year of Maarakennus Jaara Oy, which was acquired during the report year, was nine months, and the financial year of Destia Kalusto Oy, established in the summer, was six months. Teekaru AS was merged into Destia Eesti AS in June. The associated company Finnroad Oy became a subsidiary as from 1 October 2008.

Intra-group transactions and internal distribution of profit have been eliminated and the depreciation difference is divided between the deferred tax liability and equity in the consolidated balance sheet, and shown as the change in the deferred tax liability in the profit and loss account. Minority interests have been separated out of the Group’s equity and earnings and presented as a separate item. The profit and loss account of Destia Norge AG has been translated into euro at the average exchange rate for the financial year and its balance sheet has been translated using the exchange rate on the closing day. Translation differences are presented under the item “retained earnings”.

2. Notes to the profit and loss account
2.1. Comparability to the previous year
There are no reference figures for the previous year, as the company started its operations on 1 January 2008. The key figures of the Finnish Road Enterprise for 2005 – 2007 are presented separately at the end of the balance sheet on page 52.

2.2. Principles for planned depreciation
Planned depreciation is calculated on a straight-line basis on the estimated economic life of the fixed assets. Depreciation of mineral aggregates is calculated based on the declining balance method.

<table>
<thead>
<tr>
<th>Non-current assets</th>
<th>Economic life</th>
<th>Percentage</th>
<th>Valuation principles applied in the preparation of the financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td></td>
<td></td>
<td>Fixed assets are valued at acquisition cost. The acquisition cost includes the variable costs of purchasing and manufacturing. Planned depreciation has been deducted from the acquisition cost on the basis of the useful economic life of the asset. Depreciation on mineral aggregates included under other tangible assets has been calculated using the declining balance method. In addition, the valuation of individual fixed asset items has, in material parts, been assessed in line with the prudence principle.</td>
</tr>
<tr>
<td>Intangible rights</td>
<td>5 years</td>
<td>20</td>
<td>STRAIGHT-LINE DEPRECIATION</td>
</tr>
<tr>
<td>Goodwill</td>
<td>5–10 years</td>
<td>10–20</td>
<td>STRAIGHT-LINE DEPRECIATION</td>
</tr>
<tr>
<td>Consolidated goodwill</td>
<td>5–10 years</td>
<td>10–20</td>
<td>STRAIGHT-LINE DEPRECIATION</td>
</tr>
<tr>
<td>Other long-term expenditure</td>
<td>5 years</td>
<td>10</td>
<td>STRAIGHT-LINE DEPRECIATION</td>
</tr>
<tr>
<td>Tangible assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>10–40 years</td>
<td>2.5–10</td>
<td>STRAIGHT-LINE DEPRECIATION</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>3–20 years</td>
<td>5–33.3</td>
<td>STRAIGHT-LINE, NET EXPENDITURE DEPRECIATION</td>
</tr>
<tr>
<td>Other tangible assets</td>
<td>according to usage</td>
<td></td>
<td>DECLINING</td>
</tr>
</tbody>
</table>
2.3. Breakdown of turnover

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Destia Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2008</td>
</tr>
<tr>
<td>Turnover from percentage of completion projects</td>
<td>462,319</td>
<td>437,353</td>
</tr>
<tr>
<td>Other turnover</td>
<td>254,800</td>
<td>211,654</td>
</tr>
<tr>
<td>Turnover, total</td>
<td>717,119</td>
<td>649,007</td>
</tr>
</tbody>
</table>

Income recorded for the financial period and in previous periods on long-term projects that have been recognised under percentage of completion but not handed over to the customer

663,001
615,122

2.3.1. Long-term projects

not recognised as income

656,136
634,158

2.3.2. Increase in provisions for long-term projects

Materials and services
External services
Change in provisions for long-term projects

2,337
1,528

2.4. Other operating income

Capital gains on the sale of fixed assets and business operations

7,383
5,919

Rental and other income

4,010
3,606

11,393
9,525

2.5. Average number of personnel

Waged employees

1,607
1,222

Salaried employees

1,314
1,247

2.6. Management salaries and fees

President and CEO and Deputy Managing Director

796
489

Members of the Board of Directors

277
272

2.7. Auditors’ fees

Audit fee

132
72

Taxation advice

30
30

Other fees

31
29

192
131

2.8. Extraordinary expenses

Write-down on subsidiaries’ receivables

5,325

2.9. Income tax

Due to additional tax-deductible pension contributions recognised in the company’s opening balance sheet, Destia Ltd will not make any taxable income in 2008. A Central Tax Commission decision has been received. Unrecognised deferred tax assets in the balance sheet total EUR 4.5 million.
### 3.1. Fixed assets, changes in balance sheet items:

#### Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Destia Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2008</td>
</tr>
<tr>
<td></td>
<td>EUR 1,000</td>
<td>EUR 1,000</td>
</tr>
<tr>
<td><strong>Intangible rights</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition cost 1 Jan. (+)</td>
<td>641</td>
<td>637</td>
</tr>
<tr>
<td>Increase (investments) (+)</td>
<td>359</td>
<td>271</td>
</tr>
<tr>
<td>Acquisitions (investments) (+)</td>
<td>17</td>
<td></td>
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<tr>
<td>Acquisition cost at the end of the period</td>
<td>1,017</td>
<td>908</td>
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<tr>
<td>Accumulated depreciation and write-downs 1 Jan. (-)</td>
<td>–1</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation from acquisitions (-)</td>
<td>–5</td>
<td></td>
</tr>
<tr>
<td>Depreciation during the period (-)</td>
<td>–190</td>
<td>–181</td>
</tr>
<tr>
<td>Accumulated depreciation and write-downs at the end of the period (-)</td>
<td>–197</td>
<td>–181</td>
</tr>
<tr>
<td><strong>Intangible rights, book value on 31 Dec.</strong></td>
<td>820</td>
<td>727</td>
</tr>
</tbody>
</table>

| **Goodwill** |          |            |
| Goodwill     | 233       | 233        |
| Decrease (-) | –52       | –52        |
| Acquisition cost at the end of the period | 181        | 181        |
| Accumulated depreciation on decrease (+) | 5           | 5          |
| Depreciation during the period (-) | –34        | –34        |
| Accumulated depreciation and write-downs at the end of the period (-) | –29        | –29        |
| **Goodwill, book value on 31 Dec.** | 152        | 152        |

| **Consolidated goodwill** |          |            |
| Acquisition cost 1 Jan. (+) | 4,398     |            |
| Increase (investments) (+)    | 432       |            |
| Acquisitions (investments) (+) | 10,914    |            |
| Corporate divestments (-) | –120      |            |
| Acquisition cost at the end of the period | 15,623     |            |
| Accumulated depreciation and write-downs 1 Jan. (-) | –515       |            |
| Accumulated depreciation from corporate divestments (+) | 16         |            |
| Depreciation during the period (-) | –1,468    |            |
| Accumulated depreciation at the end of the period (-) | –1,968     |            |
| **Consolidated goodwill** | 13,656    |            |

| **Other long-term expenditure** |          |            |
| Acquisition cost 1 Jan. (+) | 683       | 619        |
| Acquisitions (investments) (+) | 89         |            |
| Acquisition cost at the end of the period | 772        | 619        |
| Accumulated depreciation and write-downs 1 Jan. (-) | –4         |            |
| Accumulated depreciation from corporate divestments (-) | –68       |            |
| Depreciation during the period (-) | –146       | –131       |
| Accumulated depreciation and write-downs at the end of the period (-) | –218       | –131       |
| **Other long-term expenditure, book value 31 Dec.** | 554        | 488        |

| **Advance payments on intangible assets** |          |            |
| Increase (investments) (+) | 25         | 25         |
| **Advance payments on intangible assets, 31 Dec.** | 25         | 25         |

#### Tangible assets

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Destia Ltd</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>2008</td>
</tr>
<tr>
<td></td>
<td>EUR 1,000</td>
<td>EUR 1,000</td>
</tr>
<tr>
<td><strong>Land and water areas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition cost 1 Jan. (+)</td>
<td>3,085</td>
<td>3,085</td>
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<tr>
<td>Increase (investments) (+)</td>
<td>270</td>
<td>270</td>
</tr>
<tr>
<td>Acquisitions (investments) (+)</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Decrease (-)</td>
<td>–186</td>
<td>–186</td>
</tr>
<tr>
<td><strong>Land and water areas, book value 31 Dec</strong></td>
<td>3,185</td>
<td>3,169</td>
</tr>
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</table>
### Consolidated Destia Ltd

<table>
<thead>
<tr>
<th>EUR 1,000</th>
<th>Consolidated 2008</th>
<th>Destia Ltd 2008</th>
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</thead>
<tbody>
<tr>
<td><strong>Buildings and structures</strong></td>
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<td></td>
</tr>
<tr>
<td>Acquisition cost 1 Jan. (+)</td>
<td>9,994</td>
<td>9,977</td>
</tr>
<tr>
<td>Increase (investments) (+)</td>
<td>1,486</td>
<td>1,408</td>
</tr>
<tr>
<td>Acquisitions (investments) (+)</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td>Decrease (–)</td>
<td>–334</td>
<td>–334</td>
</tr>
<tr>
<td>Decrease, internal Group restructuring (–)</td>
<td>–2,113</td>
<td></td>
</tr>
<tr>
<td>Reclassification (+/–)</td>
<td>1,360</td>
<td>1,261</td>
</tr>
<tr>
<td>Acquisition cost at the end of the period</td>
<td>12,622</td>
<td>10,200</td>
</tr>
<tr>
<td>Accumulated depreciation and write-downs 1 Jan. (–)</td>
<td>–4</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation from acquisitions (–)</td>
<td>–49</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation on decrease (+)</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Depreciation during the period (–)</td>
<td>–790</td>
<td>–645</td>
</tr>
<tr>
<td>Accumulated depreciation and write-downs at the end of the period (–)</td>
<td>–723</td>
<td>–525</td>
</tr>
<tr>
<td>Buildings and structures, book value 31 Dec.</td>
<td>11,898</td>
<td>9,674</td>
</tr>
</tbody>
</table>

| **Machinery and equipment** | | |
| Acquisition cost 1 Jan. (+) | 67,683 | 59,178 |
| Increase (investments) (+) | 40,670 | 17,818 |
| Increase, internal Group restructuring (+) | 1,211 | |
| Acquisitions (investments) (+) | 15,101 | |
| Corporate divestments (–) | –10 | |
| Decrease (–) | –9,720 | –6,783 |
| Decrease, internal Group restructuring (–) | –63,715 | |
| Reclassification (+/–) | 2,640 | 2,166 |
| Acquisition cost at the end of the period | 116,364 | 9,874 |
| Accumulated depreciation and write-downs 1 Jan. (–) | –1,656 | |
| Accumulated depreciation from acquisitions (–) | –8,319 | |
| Accumulated depreciation from corporate divestments (+) | 3 | |
| Accumulated depreciation on decrease (+) | 6,711 | 6,127 |
| Depreciation during the period (–) | –17,691 | –8,337 |
| Accumulated depreciation and write-downs at the end of the period (–) | –20,952 | –2,210 |
| Machinery and equipment, book value 31 Dec. | 95,412 | 7,664 |

| **Other tangible assets** | | |
| Acquisition cost 1 Jan. (+) | 15,953 | 15,504 |
| Increase (investments) (+) | 153 | 153 |
| Acquisitions (investments) (+) | 643 | |
| Decrease (–) | –138 | –138 |
| Acquisition cost at the end of the period | 16,611 | 15,518 |
| Accumulated depreciation and write-downs 1 Jan. (–) | –130 | |
| Accumulated depreciation from acquisitions (–) | –196 | |
| Depreciation during the period (–) | –359 | –284 |
| Accumulated depreciation at the end of the period (–) | –685 | –284 |
| Other tangible assets, book value 31 Dec. | 15,926 | 15,235 |

| **Advance payments and construction in progress** | | |
| Acquisition cost 1 Jan. (+) | 1,483 | 1,399 |
| Increase (investments) (+) | 2,938 | 2,449 |
| Reclassification (+/–) | –3,999 | –3,427 |
| Advance payments and construction in progress, book value 31 Dec. | 421 | 421 |
### Financial assets

**Holdings in Group companies**
- **Acquisition cost 1 Jan. (+)**: 6,032
- **Increase (investments) (+)**: 18,488
- **Corporate divestments (–)**: –284
- **Financial assets, acquisition cost 31 Dec.**: 24,236
- **Write-downs for the period (–)**: –500
- **Accumulated write-downs at the end of the period**: –500
- **Holdings in Group companies, 31 Dec.**: 23,736

**Receivables from Group companies**
- **Increase (investments) (+)**: 4,100
- **Receivables from Group companies, acquisition cost 31 Dec.**: 4,100

**Holdings in joint entities**
- **Acquisition cost 1 Jan. (+)**: 81
- **Decrease (–)**: –128
- **Share of joint entities’ results**: 47
- **Holdings in joint entities, acquisition cost 31 Dec.**

**Other shares and holdings**
- **Acquisition cost 1 Jan. (+)**: 116
- **Increase (investments) (+)**: 1,989
- **Acquisitions (investments) (+)**: 96
- **Decrease (–)**: –98
- **Other shares and holdings, acquisition cost 31 Dec.**: 2,102

### Total non-current assets
- **Acquisition cost 1 Jan. (+)**: 104,350
- **Increase (+)**: 48,321
- **Increase, acquisitions (+)**: 26,992
- **Increase, internal Group restructuring (+)**: 1,211
- **Decrease (–)**: –10,657
- **Decrease, corporate divestments (–)**: –130
- **Decrease, internal Group restructuring (–)**: –65,828
- **Share of joint entities’ results**: 47
- **Acquisition cost at the end of the period**: 168,923
- **Accumulated depreciation and write-downs 1 Jan. (–)**: –2,311
- **Accumulated depreciation from acquisitions (–)**: –8,637
- **Accumulated depreciation on decrease (+)**: 6,836
- **Accumulated depreciation from corporate divestments (+)**: 19
- **Write-downs for the period (–)**: –500
- **Depreciation during the period (–)**: –20,678
- **Accumulated depreciation and write-downs at the end of the period**: –24,771
- **Book value 31 Dec.**: 144,152

**Book value of production machinery and equipment 31 Dec.**: 95,369
3.2. Group companies

| Holding, % | 100 |
| Destia Eesti AS, Estonia |
| Destia Norge AS, Norway |
| Destia Sverige AB (no operations as yet) |
| Destia Kalusto Oy, Kuopio |
| Destia International Ltd, Helsinki (no operations as yet) |
| Finnroad Ltd, Helsinki |
| Gammasora Oy, Helsinki (no operations as yet) |
| Katvujyrä Oy, Kouvolá |
| Maarakennus Jaara Oy, Oulu |
| Turgel Grupp AS, Estonia |

EUR 1,000

3.3. Receivables from uncompleted contracts and advances received

Accrued income and deferred expenses
(a larger sum recognised as income than was invoiced) 16,710 14,796

Advances received
(a larger sum invoiced than recognised as income) 25,557 24,169

3.4. Receivables from Group companies

Sales receivables 2,829

Loan receivables 69,831

Accrued income and deferred expenses 2,629

75,289

3.5. Main items relating to accrued income and deferred expenses

Receivables from uncompleted contracts 16,710 14,796

Other items 9,326 6,788

26,036 21,584

4.1. Increases and decreases in equity items

Restricted equity

Share capital at 1 Jan 17,000 17,000
Share capital at 31 Dec 17,000 17,000
Restricted equity, total 17,000 17,000

Non-restricted equity

Other funds
Fund for investments of non-restricted equity 1 Jan 60,549 60,549
Fund for investments of non-restricted equity 31 Dec 60,549 60,549

Profit/loss from previous financial years 1 Jan –2,360
Change in Group structure –95
Profit/loss from previous financial years 31 Dec –2,455

Profit/loss for the period 10,417 9,226
Non-restricted equity, total 68,511 69,775

Equity, total 85,511 86,775

Distributable non-restricted equity

Profit for the period 9,226
Fund for investments of non-restricted equity 60,549
Total 69,775
Destia Ltd, share capital
Registered  No. of shares  Votes conferred
4 Jan 2008  680,000  1 vote/share

Consolidated  Destia Ltd

EUR 1,000  

4.2. Breakdown of provisions

Other provisions
- Provisions for long-term projects 6,282 5,473
- Guarantee provisions for other than long-term projects 2,473 2,346
- Provision for landscaping 1,830 1,830
- Provisions for contaminated soil treatment 1,982 1,982
- Unemployment pension provision 5,565 5,565
- Other provisions 125 125
Total 18,257 17,321

4.3. Long-term liabilities

- Government loan 1,793 1,793
- Loans from financial institutions 4,833
- Loans falling due for repayment in more than five years 237

4.4. Short-term liabilities

- Loans from financial institutions
  - Bank loans 2,945
  - Commercial paper loans 48,382 48,382
  Total 51,327 48,382

- Liabilities to Group companies
  - Trade payables 4,696
  - Short-term loans 4,000
  - Accrued expenses and deferred income 380
  Total 9,086

- Main items relating to accrued expenses and deferred income
  - Personnel-related 29,163 26,759
  - Other 15,218 10,892
  Total 44,381 37,651

GROUP FINANCIAL STATEMENTS

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5. Commitments

Group obligations:

Guarantees on behalf of subsidiaries 4,938
Corporate mortgages 6,046
Real estate mortgages 1,761
Vessel mortgages 336
Pledged deposits 93
Commercial bank guarantees 77,012 76,652
Pledged shares owned by a subsidiary, book value in the subsidiary 1,321
Other guarantees and commitments 49
Leasing and rental commitments
  Falling due in less than one year 2,463 2,463
  Falling due at a later date 7,112 7,112
Committments, total 96,193 91,165

Destia Ltd has pending disputes related to projects for which provisions have been made to the extent Destia Ltd deems it necessary and justified.

6. Key figures

<table>
<thead>
<tr>
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<th>Consolidated</th>
<th>Destia Ltd</th>
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</table>
|                     | 2008 | 2008
| Turnover             | 717.1 | 649.0 |
| Operating profit     | 19.3  | 15.2 |
| % of turnover        | 2.7   | 2.3  |
| Profit for the period| 10.4  | 9.2  |
| % of turnover        | 1.5   | 1.4  |
| Gross capital expenditure | 66.5 | 48.2 |
| % of turnover        | 9.3   | 7.4  |
| Balance sheet total  | 294.4 | 269.8 |
| Equity               | 85.5  | 86.8 |
| Equity ratio, % 1)   | 33.4  | 35.5 |
| Gearing, % 2)        | 44.4  | 46.7 |
| Interest-bearing liabilities | 62.7 | 57.6 |
| Current Ratio 3)     | 0.8   | 1.2  |
| Quick Ratio 4)       | 0.7   | 1.1  |
| Return on equity, % 5) | 14.7 | 17.7 |
| Return on investment, % 5) | 15.7 | 15.4 |
| Average number of personnel | 2,921 | 2,469 |
| Order book           | 721   | 689 |
| Research and development costs | 3.0  | 3.0 |
| % of other operating expenses | 4.6  | 5.3 |

Calculation of key figures:
1) Equity + minority interest/(Balance sheet total – advances received)
2) (Interest-bearing liabilities – cash, bank balances and securities)/Equity + minority interest
3) Inventories + financial assets/Short-term liabilities
4) Financial assets excluding receivables from uncompleted contracts/Short-term debts excluding advances paid
5) Profit before extraordinary items – taxes /(Equity + minority interest) (balance sheet at beginning and end of year)
6) Profit before extraordinary items + interests and other financial expenses/Average of equity invested (balance sheet total – non-interest bearing liabilities – provisions, balance sheet at beginning and end of year)
Board’s proposal for the disposal of profit

Destia Ltd’s distributable funds total EUR 69,775,892.96, of which EUR 9,226,492.05 is operating profit for the period. Destia Ltd’s Board of Directors proposes to the Annual General Meeting that a dividend of EUR 6.80 per share be paid for the 2008 financial year to a total of EUR 4,624,000.00 and that the remainder, EUR 4,602,492.05, be retained as earnings. The proposed dividend does not endanger Destia’s liquidity.

Helsinki, 26 February 2009
Eeva-Liisa Virkkunen  Jorma Haapamäki  Arto Honkaniemi
Jarmo Pihonen  Jukka Ruuska  Anna Tapio
Kaisa Vikkula  Jukka Laaksovirta
President and CEO

Auditor’s report

To the Annual General Meeting of Destia Ltd
We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Destia Ltd for its first financial year, 13 December 2007 – 31 December 2008. The financial statements comprise both the consolidated and the parent company’s profit and loss account, balance sheet, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the President and CEO
The Board of Directors and the President and CEO are responsible for the preparation and the fair presentation of the financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company’s accounts and finances, and the President and CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor’s Responsibility
Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company’s financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the President and CEO have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

The financial statements can be adopted and the members of the Board of Directors and the President and CEO can be discharged from liability for the period audited by us. The proposal of the Board of Directors on the distribution of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act.

Helsinki, 26 February 2009
Ernst & Young Oy
Authorised Public Accountants

Jarmo Lohi
Authorised Public Accountant, Chartered Public Finance Auditor
# Key figures of the Road Enterprise Group

## 2005–2007

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<tr>
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<tbody>
<tr>
<td>Turnover</td>
<td>601.9</td>
<td>485.4</td>
<td>495.2</td>
<td>572.7</td>
<td>474.1</td>
<td>490.7</td>
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<tr>
<td>change from previous year</td>
<td>24.0</td>
<td>-2.0</td>
<td>-1.1</td>
<td>20.8</td>
<td>-3.4</td>
<td>-1.4</td>
</tr>
<tr>
<td>Operating profit</td>
<td>10.2</td>
<td>9.2</td>
<td>7.2</td>
<td>7.9</td>
<td>10.6</td>
<td>7.6</td>
</tr>
<tr>
<td>% of turnover</td>
<td>1.7</td>
<td>1.9</td>
<td>1.4</td>
<td>1.4</td>
<td>2.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>5.9</td>
<td>8.2</td>
<td>6.1</td>
<td>4.8</td>
<td>9.6</td>
<td>6.7</td>
</tr>
<tr>
<td>% of turnover</td>
<td>1.0</td>
<td>1.7</td>
<td>1.2</td>
<td>0.8</td>
<td>2.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Gross capital expenditure</td>
<td>33.2</td>
<td>20.8</td>
<td>23.3</td>
<td>26.6</td>
<td>19.2</td>
<td>22.6</td>
</tr>
<tr>
<td>% of turnover</td>
<td>5.5</td>
<td>4.3</td>
<td>4.7</td>
<td>4.6</td>
<td>4.0</td>
<td>4.6</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>248.1</td>
<td>234.6</td>
<td>224.7</td>
<td>237.1</td>
<td>231.1</td>
<td>223.8</td>
</tr>
<tr>
<td>Equity</td>
<td>93.1</td>
<td>91.9</td>
<td>88.3</td>
<td>95.5</td>
<td>95.5</td>
<td>90.5</td>
</tr>
<tr>
<td>Equity ratio, % 1)</td>
<td>41.6</td>
<td>42.2</td>
<td>41.6</td>
<td>44.2</td>
<td>44.5</td>
<td>42.8</td>
</tr>
<tr>
<td>Gearing, % 2)</td>
<td>39.1</td>
<td>3.5</td>
<td>-18.1</td>
<td>34.0</td>
<td>-0.4</td>
<td>-18.4</td>
</tr>
<tr>
<td>Interest bearing liabilities</td>
<td>40.6</td>
<td>38.2</td>
<td>35.5</td>
<td>33.7</td>
<td>34.5</td>
<td>34.5</td>
</tr>
<tr>
<td>Current Ratio 3)</td>
<td>1.3</td>
<td>1.5</td>
<td>1.6</td>
<td>1.4</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Quick Ratio 4)</td>
<td>1.2</td>
<td>1.2</td>
<td>1.4</td>
<td>1.2</td>
<td>1.2</td>
<td>1.4</td>
</tr>
<tr>
<td>Return on equity, % 5)</td>
<td>9.5</td>
<td>9.0</td>
<td>6.9</td>
<td>7.6</td>
<td>10.4</td>
<td>7.3</td>
</tr>
<tr>
<td>Return on investment, % 6)</td>
<td>8.5</td>
<td>8.0</td>
<td>6.5</td>
<td>6.9</td>
<td>9.0</td>
<td>6.8</td>
</tr>
<tr>
<td>Average number of personnel</td>
<td>2,774</td>
<td>2,600</td>
<td>2,674</td>
<td>2,469</td>
<td>2,469</td>
<td>2,638</td>
</tr>
<tr>
<td>Order book</td>
<td>658</td>
<td>693</td>
<td>611</td>
<td>627</td>
<td>685</td>
<td>608</td>
</tr>
<tr>
<td>Research and development costs</td>
<td>4.1</td>
<td>4.7</td>
<td>5.2</td>
<td>4.1</td>
<td>4.7</td>
<td>5.2</td>
</tr>
<tr>
<td>% of other operating expenses</td>
<td>7.8</td>
<td>10.4</td>
<td>10.7</td>
<td>7.6</td>
<td>10.8</td>
<td>10.9</td>
</tr>
</tbody>
</table>

**Calculation of key figures:**

1) Equity + minority interest/(Balance sheet total – advances received)
2) (Interest-bearing liabilities – cash, bank balances and securities)/Equity + minority interest
3) Inventories + financial assets/Short-term liabilities
4) Financial assets excluding receivables from uncompleted contracts/Short-term debts excluding advances paid
5) Profit before extraordinary items – taxes /Equity + minority interest (balance sheet at beginning and end of year)
6) Profit before extraordinary items + interests and other financial expenses/Average of equity invested (balance sheet total – non-interest bearing liabilities – provisions, balance sheet at beginning and end of year)
Corporate Governance of the Destia Group

Regulations applied
Destia Ltd’s Corporate Governance is based on the Finnish Limited Liability Companies Act, Destia’s Articles of Association and, as applicable, the Corporate Governance Recommendation for Listed Companies approved by the Helsinki Exchanges, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers that took effect on 1 July 2004. Destia also adheres to the Finnish Corporate Governance Code for listed companies that was issued by the Securities Market Association and came into force on 20 October 2008.

Annual General Meeting
The Annual General Meeting is Destia Ltd’s highest decision-making body. The Annual General Meeting is held annually within six months of the balance sheet date. An Extraordinary General Meeting will be held if a decision is required.

The Annual General Meeting approves the financial statements, decides on the distribution of profit, and appoints the company’s Board of Directors and auditor. The Annual General Meeting also makes decisions regarding the remuneration payable to members of the Board and the auditor, and discharges members of the Board and the President and CEO from liability.

Board of Directors
According to the company’s Articles of Association, the company has a Board of Directors comprising between three and eight (3–8) ordinary members. The Chairman of the Board is elected at the General Meeting. A person who has turned 68 years of age cannot be elected Chairman or member of the Board. It is recommended that no one serve as a Board member for more than seven terms. The Board members’ term of office is until the end of the first Annual General Meeting following their election.

As a rule, the Board meets 8–10 times a year. Board meeting dates will be confirmed in advance for the entire term. The Board may meet more frequently if necessary.

The Board of Directors is responsible for defining the Destia Group’s values and vision, its ethical principles, risk management policy and strategic guidelines, as well as for the appropriate organisation of administration and business operations.

The Board of Directors also approves the Group’s annual financial and operational objectives, and its financial statements and interim reports. It makes decisions on significant investments, acquisitions and mergers. The Board of Directors also approves the Group’s organisational and operational structure, the principles applied in personnel compensation and incentive schemes, and the rules of procedure for its Committees.

The Board meets when given notification by the Chairman of the Board or, in the Chairman’s absence, the Vice Chairman. More than half of the members present, including either the Chairman or Vice Chairman, constitute a quorum. The Board’s quorum will be the proposal that is supported by more than half of the members present, with the Chairman having the casting vote in case of a deadlock.

The President and CEO and the CFO participate in Board meetings as presenters, and the General Counsel, acts as Secretary. Members of Destia’s Management Team and other management personnel take part in meetings as required.

The Board of Directors has prepared rules of procedure both for itself and its Board Committees.

The main duties of the Board of Directors are to:

- monitor the company’s business with regard to its targets
- support management and provide critical evaluation
- approve the Group’s business strategy
- appoint and dismiss the President and CEO and approve the President and CEO’s written contract
- approve the Group’s organisational and operational structure
- approve personnel compensation and short-term incentive schemes
- approve the principles for incentive schemes and decide on the remuneration and fees of the President and CEO, and the compensation principles for other Management Team members
- approve the Group’s annual financial and operative targets
- approve the Group’s investment guidelines
- decide on acquisitions and structural reorganisations
- approve the procedure for internal auditing
- approve risk management measures and responsibilities
- and approve loans and guarantees.

Jorma Wiltakorpi was Chairman of the Board and Eeva-Liisa Virkkonen Vice Chair until 14 November 2008. The other members of the Board were Jorma Haapamäki, Arto Honkaniemi, Jarmo Pirhonen, Jukka Ruuska, Anna Tapio and Kaisa Vikkula. At an Extraordinary General Meeting held on 14 November 2008, Eeva-Liisa Virkkonen was chosen as Chair, and the Board elected Jorma Haapamäki as Vice Chairman from amongst its members. All members of the Board are independent of the company except for Arto Honkaniemi, who is not independent of the company’s shareholder.

The Board carried out a self-assessment in December 2008.

Board Committees
The Board of Directors is supported by two committees. At its organisation meeting, the Board chooses the members of each committee from amongst its members. Each committee must have at least three members. According to the rules of procedure for the Nomination and Compensation Committee, the Chairman of the Board must act as Chairman of this committee. The Chairman of the Audit Committee is chosen by the Board.

Audit Committee
The Audit Committee assists the Board in its supervision duties. The Committee does not make independent decisions; its duty is to regularly assess the company’s internal supervision system, financial risk management and reporting, and the audit process. The Committee’s duties also include the preparation of financing decisions and the selection of the company auditor. The Committee also provides an opinion on any potential acquisitions or mergers with regard to risk management and determining the values of the companies involved. The Committee reports to the Board of Directors, and it meets at least four times a year.

The members of the Audit Committee for 2008 were Eeva-Liisa Virkkonen (Chair), Jukka Ruuska and Kaisa Vikkula. CFO Pirikko Salminen was Secretary for the Committee. Other regular participants were the company’s President and CEO Jukka Laaskovsita, the auditor, and the head of the internal audit.

Nomination and Compensation Committee
The Nomination and Compensation Committee assists the Board in its compensation and nomination duties. The Committee’s duties include the preparation of management appointments and remuneration issues, as well as outlining the principles for personnel compensation and incentive schemes. The Committee also organises the Board’s self-assessment.

The members of the Nomination and Compensation Committee for 2008 were Jorma Wiltakorpi (Chairman until 14 November 2006), Jorma Haapamäki and Arto Honkaniemi. Eeva-Liisa Virkkonen was Chair as of 14 November 2008, Pekka Holopainen, General Counsel, was Secretary as of 17 March 2008, President and CEO Jukka Laaskovsita also participated in Committee meetings.

Board membership fees and other benefits 2008
The Annual General Meeting approved a monthly fee of EUR 3,300 for the Chairman, EUR 1,800 for the Vice Chairman, and EUR 1,500 for the other members of the Board. In addition to the monthly fee, each Board member was paid a EUR 600 participation fee for each Board or Committee meeting. Travel expenses and daily allowances were reimbursed in accordance with Destia’s travel regulations.

Group structure
In 2008, Destia Ltd’s operations consisted of six business divisions: Construction, Special Construction, Maintenance and Ferry Services, Consulting Services, International Operations, and Sales and Production Management. Destia’s divisions include subsidiaries operating in Finland and abroad. Group functions are responsible for the Group’s shared functions such as legal services, finance, communications and human resources, as well as internal auditing and competence development.

Destia carried out a structural reorganisation at the beginning of 2009. As of 1 January 2009, the company’s divisions are Infra Construction, Infra Maintenance, Rocks, Solutions and International; and the Group’s functions are Finance and Administration, Legal Services and Communications.

Operative responsibility for Destia’s business processes is vested in the divisional Executive Vice Presidents, who report to Destia’s President and CEO. Senior Vice Presidents of Group functions also report to Destia’s President and CEO.
President and CEO and Group Management Team
The President and CEO of Destia Ltd is responsible for managing the company’s and Group’s business operations and administration in accordance with the Limited Liability Companies Act and the instructions and orders issued by the Board of Directors. The President and CEO is not a member of Destia's Board of Directors. The President’s relationship with Destia is defined in a written contract, which the Board has approved.

In managing the Group, the President and CEO is assisted by a Destia Management Team that meets regularly and is responsible for ensuring that the Group has a functional business structure, management system, and general planning and reporting systems. The President and the Management Team prepare the Group’s strategic plans as well as significant acquisitions and investments for the Board’s approval, and ensure their execution and risk management. The Board of Directors approves the budget, and the Management Team, under the President’s leadership, is also responsible for carrying out any associated measures as instructed. Rules of procedure have been prepared for the Destia Management Team.

Its main tasks were to implement Destia’s strategy with regard to growth, internationalisation and improving profitability. The Management Team also handled acquisitions, developments in the operating environment, and issues concerning major projects.

Management’s fees and other benefits
The Board of Directors decides on the salaries and other terms of employment of the President and CEO and the other members of the Management Team. The salaries of Management Team members comprise a basic salary plus an incentive based on personal targets and the Group’s and/or division’s result.

Every year, the Board of Directors approves the rules according to which incentives are paid. The President and CEO can be paid an annual maximum bonus of 40 percent of his or her taxable annual earnings excluding incentives. This bonus can also be based on other key operative targets in addition to earnings. Other Management Team members may receive bonuses equal to no more than four month’s basic salary.

The salaries and fees of the President and CEO and the Executive Vice President for 2008 were EUR 489 000.

Supervision system
Destia observes legislation, regulations and generally accepted principles in all of its operations. The company also adheres to its own values and operational guidelines. The Group’s management is responsible for ensuring that the Group’s day to day activities comply with applicable legislation and the Board’s decisions, and that the Group’s risk management is duly arranged.

The Group is divided into business divisions to promote clearer and more efficient management, and to enable more effective supervision. The Group has an operative reporting system that produces a diverse range of information regarding the company’s financial position each month, enabling financial development to be monitored and controlled.

The Group has a clearly defined decision-making system for investments.

Internal audit
Destia has an independent body responsible for internal auditing, which reports to the President and the Board-appointed Audit Committee. The Board has approved the procedures for internal audits. Destia’s internal audit helps the Board and Management Team to implement and develop internal supervision, and also supports the company in its efforts to meet targets. The internal audit is conducted in accordance with international professional standards and in cooperation with the company’s auditors.

Auditors
According to Destia’s Articles of Association, the company must elect one auditor that shall be an audit firm approved by the Central Chamber of Commerce. The Audit Committee, which is elected by the Board of Directors, makes preparations for the selection of the company auditor. The company auditors report to the President, the Board of Directors and the Board’s Audit Committee at least twice a year. The auditors issue an audit report to the company’s shareholders in connection with the annual financial statements as required by law.

In 2008, the auditors received a total of EUR 132 000 in audit fees and EUR 30 000 for taxation advice. Other services purchased amounted to EUR 31 000.

Risk management
As the body with the ultimate responsibility for risk management, Destia’s Board of Directors approves the company’s risk management policy. The President and CEO, assisted by the Group Management Team, prepares the Group’s risk management policy, including monitoring and action proposals. At least once a year, the Board of Directors reviews a risk map of risk management actions and responsibilities. Divisional Executive Vice Presidents and project managers identify the risks associated with their business, and then plan and take responsibility for implementing the measures required to avoid these risks in line with the policy.

Communications
Destia’s corporate communications unit is responsible for informing stakeholders of any issues relating to the company. Destia aims to provide accurate, sufficient and topical information regularly and as simultaneously as possible.

Destia Ltd has published its key Corporate Governance principles on its website at www.destia.fi and in its Annual Report, which is available on the website or may be ordered from Destia Ltd.

Eeva-Liisa Virkkunen born 1957
M. Sc. (Econ.), member of the Board since 2007 and Chair since 14 November 2008. Chair of Destia’s Nomination and Compensation Committee.


Jukka Ruuska born 1961
LL.M., MBA, member of the Board since 2008. Chairman of Destia’s Audit Committee.


Member of the Board and Chairman from 2006 to 14 November 2008

Jorma Wiitakorpi, M.Sc. (Eng.)
Jorma Haapamäki born 1948
M. Sc. (Eng.), member of the Board since 2008 and Vice Chairman as of 14 November 2008. A member of Destia’s Nomination and Compensation Committee.

Key work experience: Vistanovo Oy: Chairman of the Board and Managing Director since 2007, SRV Group Plc/Pontos Oy: Director, 1987–2007, Perusyhtymä Oy: Director, 1985–87


Anna Tapio born 1968
M. Sc. (Econ.), member of the Board since 2008. A member of Destia’s Audit Committee.


Jarno Pirhenen born 1958
LL.M., member of the Board since 2008.


Key positions of trust: a member of numerous committees and teams working on regional and administrative development matters.

Kaisa Vikkula born 1960
D.Sc. (Econ.), member of the Board since 2006. A member of Destia’s Audit Committee.

Key work experience: Finnair Plc: Senior Vice President, Leisure Traffic and Travel Services, and member of the Finnair Executive Board since 2006, Mascus Ltd: Managing Director, 2000–2004, Partek Corporation: SVP Corporate Communications & IR, 1996–2000

Key positions of trust: Aurinkomatkat, Matkatoimisto Area, Suomen Matkatoimisto and Olarin Voimistelijat ry: Chair of the Board of Directors

Arto Honkaniemi born 1946


Key positions of trust: Metso Corporation, member of the Board, Alko Ltd, member of the Board

Counsellor Raimo Jaara and Ministerial Adviser Ilpo Nuutinen were appointed to the Board of Directors as from 11 March 2009.
Jukka Laaksovirta born 1961
M. Sc. (Eng.), Destia’s President and CEO since 2007


Key positions of trust: Ilmarinen Mutual Pension Insurance Company: member of the Supervisory Board

Hannu Kulju born 1950
M. Sc. (Eng.), Destia’s Deputy Managing Director since 2007 and Executive Vice President, Infra Construction since 2009


Pirkko Salminen born 1957
M. Sc. (Econ.), Destia’s CFO, Financial Administration since 2009


Kalevi Katko born 1949
M. Sc. (Eng.), Destia’s Executive Vice President, Infra Maintenance since 2007


Pekka Holopainen born 1959
LL.M. (trained on the bench), M. iur. comp., Destia’s General Counsel, Corporate and Legal Services since 2008


Juha Ryhänen born 1960
M. Sc. (Eng.), Destia’s Executive Vice President, Solutions since 2009

Jouko Korhonen born 1963
B.Sc. (Eng.), MBA, Destia’s Executive Vice President, International since 2009

Miia Apukka born 1968
M.Sc. (Soc.Sc.), Destia’s Senior Vice President, Communications and Marketing since 2007

Jouko Korhonen born 1960
Secondary School, Personnel Representative in the Management Team since 2007, Regional Shop Steward for Infra Maintenance and Infra Construction since 2007

Other members of the 2008 Management Team were:
Sakari Suominen 1 Jan–31 Dec 2008
Jukka Muhonen 1 Jan–31 May 2008
Ilpo Virtanen 1 Jan–24 Jan 2008
Jukka Yliherva 1 Jan–26 Mar 2008
Pauli Tarna 25 Jan–18 May 2008
Esko Pyykkönen 1 Mar–31 Dec 2008
Sampo Hietanen 27 Mar–31 Dec 2008
Events

2009

January
21.1. Destia appointed project director for the construction of the Kiiminki Ideapark
14.1. Tampere Western Ring Road officially opened
13.1. Tampere Western Ring Road awarded the Pirkanmaa Civil Engineering Award 2008

2008

December
10.12. Destia’s Ferry Services organises a safety training day for its personnel at the old ferry quay in Prostvik, Nauvo
19.12. New traffic arrangements introduced at the Vaajakoski roundabout
23.12. Destia to implement the Hanhimaa–Kiistala road project in Kittilä

November
17.11. Destia’s mobile asphalt station receives safety award
14.11. Eeva-Liisa Virkkunen becomes Chair of Destia’s Board of Directors
13.11. Destia sells its road markings business to Geveko

October
28.10. Structural reorganisation at Destia
17.10. Destia signs regional contracts for Mikkeli and Pulkila
14.10. Destia designers were one of the winners in the “Tie paikallaan – Katu kohdallaan” competition
8.10. Destia presents an award to the best thesis on an infrastructure industry topic by a polytechnic student
2.10. Destia acquires the entire share capital of Finnroad
1.10. Destia’s fleet ready for winter driving conditions

September
29.9. Destia to build the Hiidenmäki interchange in Jämsä
24.9. Garmin is the first navigator manufacturer to sign a TMC contract with Destia Traffic covering several countries
24.9. Destia to implement the Highway 17 improvements in Silinjärvi between Toivala and Lentoasemantie.
August
15.8 Destia’s consulting services win the Special Achievement in GIS (Geographical Information System) award at the ESRI International User Conference in San Diego

July
15.7 Destia wins the construction contract for the pedestrian and cycle road on the Lumijoki–Liminka section of Main Road 813

June
23.6 Nordic Asphalt Award goes to Finland – a diploma thesis written at Destia studies possibilities for increasing asphalt production efficiency
18.6 Destia offers a new version of its ferry portal application for mobile phones
9.-11.6. Destia attended the Via Nordica event as a head partner
6.6 Destia’s Turku office moves from Pitkämäenkatu to Puutarhakatu 53.

May
22.5 Destia wins maintenance contract for the E18 highway
16.5 EUR 150 million commercial paper programme for Destia
13.5 Destia outsources its ICT service processes to Enfo
7.5 Destia acquires Lapin Tiemerkintä Oy

April
29.4 Destia acquires Maarakennus Jaara Oy
21.4 Destia wins “Design and Build” contract for the Kemi road and bridge project on Highway 4
16.4 Destia wins seven regional maintenance contracts
16.4 Destia Traffic signs cooperation agreement with navigator manufacturer Mio Technology Europe
11.4 Destia Traffic signs cooperation agreements with Navigon and TomTom Finland for GPS navigators providing real-time traffic data
7.4 Destia signs framework agreement with Colliers International Oy – Colliers to develop Destia’s real estate

March
27.3 Destia to build the Hännilänsalmi bridge
7.3 Road safety award to Destia employee Christel Kautiala
3.3 Destia’s Tampere office moves to Åkerlundinkatu 11

February
28.2 Destia takes part in INFRA 2008
15.2 Success for Destia in an occupational safety competition
5.2 An almost EUR 1.3 million contract for Destia’s Consulting Services – construction design for basic improvements to a 38-kilometre section of track between Voltti and Pännäinen on the Seinäjoki-Oulu line

January
28.1 Destia becomes a member of Finnish Energy Industries (ET)
24.1 Destia joins Infra ry
21.1 Destia launches the ‘Real Action’ employer image campaign
18.1 Destia joins The Finnish Association of Consulting Firms (SKOL)
2.1 Destia Ltd starts up
Destia’s Organisation

Board of Directors

President and CEO
Jukka Laaksovirta

Internal Audit
Sanna-Mari Luuri

FINANCE AND ADMINISTRATION
CFO
Pirkko Salminen

LEGAL SERVICES
General Counsel
Pekka Holopainen

COMMUNICATIONS
Senior Vice President
Miia Apukka

INFRA CONSTRUCTION
Executive Vice President
Hannu Kulju
- Construction
- Design & Build projects
- Energy infrastructure
- Production management
- Surfacing Services
- Mannerkaivuu Oy
- Maarakennus Jaara Oy
- Destia Norge AS

INFRA MAINTENANCE
Executive Vice President
Kalevi Katko
- Maintenance services
- Small-scale construction
- Ferry services
- Road Weather Service Centres
- Destia Fleet Oy

ROCKS
Executive Vice President
Jouni Karjalainen
- Mineral aggregates
- Rock engineering
- Maansiirto Veli Hyyryläinen Oy

SOLUTIONS
Executive Vice President
Juha Ryhänen
- Infrastructure design
- Infrastructure information
- Ventures

INTERNATIONAL
Executive Vice President
Markus Korhonen
- Construction and maintenance in the Baltic region
- Destia Eesti AS
- Finnroad Oy

Finance and Administration
Finance, Treasury, Strategic Planning, HR, Premises Services, ICT

Legal Services
Legal Services, M&A Process, Insurances, IPR, Risk Management

Communications
Internal and External Communications, Marketing/Marketing Communications, Destia Brand
Contact information

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Southern Finland Service Unit
Kumpulantie 11, P.O.Box 12
00521 Helsinki

Infra Construction
Western Finland Service Unit
Åkerlundinkatu 11 A, P.O.Box 382
33101 Tampere

Infra Construction
Eastern Finland Service Unit
Kauppamiehenkatu 4, 45100 Kouvola

Infra Construction
Northern Finland Service Unit
Moreenitie 2
90630 Oulu

Energy Infrastructure
Service Unit
Kumpulantie 11, P.O.Box 73
00521 Helsinki

Surfacing Service Unit
Vapaaherrantie 2, P.O.Box 511,
40101 Jyväskylä

Mining and International
Operations
Kumpulantie 11, P.O.Box 73
00521 Helsinki

Infra Maintenance
Päivärannantie 10,
P.O.Box 1881
70421 Kuopio, FINLAND

Infra Maintenance –
Southern Finland Service Unit
Väkyväärantie 10,
P.O.Box 1881, 70421 Kuopio

Infra Maintenance –
Eastern Finland Service Unit
Päivärannantie 10,
P.O.Box 1881, 70421 Kuopio

Infra Maintenance –
Northern Finland Service Unit
Veteraanikatu 9,
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Road Condition Centre
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Ferry Services
Puutarhakatu 53,
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Infra Planning
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P.O.Box 403, 33101 Tampere

Infra Data
Åkerlundinkatu 11 A,
P.O.Box 403, 33101 Tampere

Ventures
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Destia Traffic
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Service Unit
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Solutions
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