BUILDING THE BIGGER PICTURE
DESTIA BUILDS, MAINTAINS AND DESIGNS TRAFFIC AND INDUSTRIAL ENVIRONMENTS, SO THAT THE LIVING ENVIRONMENT WILL BE EFFICIENT AND SAFE. THE COMPANY CREATES QUALITY INFRASTRUCTURE SOLUTIONS PROFESSIONALLY, UTILISING THE LATEST WORKING METHODS IN THE INDUSTRY.

CONTENTS

DESTIA IN 2010 ............................................................1
CEO’S REVIEW ..............................................................2
DESTIA’S STRATEGY 2011-2013 ...................................4
OPERATING ENVIRONMENT AND MARKET REVIEW ....6
DESTIA’S BUSINESS ......................................................8
REGIONAL OPERATIONS ...............................................10
INFRA CONSTRUCTION ...............................................10
INFRA MAINTENANCE ...............................................11
RAILWAYS ............................................................ 12
ROCK ................................................................. 12
CONSULTING SERVICES ...........................................13
CORPORATE RESPONSIBILITY ....................................14
ORGANISATION AND MAIN OFFICES .......................17
DESTIA IN 2010

DESTIA IS A FINNISH INFRASTRUCTURE AND CONSTRUCTION SERVICE COMPANY. WE BUILD, MAINTAIN AND DESIGN TRAFFIC ROUTES, INDUSTRIAL AND TRAFFIC ENVIRONMENTS, AS WELL AS COMPLETE LIVING ENVIRONMENTS. OUR SERVICES COVER THE WHOLE SPECTRUM, FROM OVERGROUND OPERATIONS TO SUBTERRANEAN CONSTRUCTION.

DESTIA’S CUSTOMER BASE INCLUDES GOVERNMENT AGENCIES, MUNICIPALITIES AND CITIES, INDUSTRIAL AND COMMERCIAL COMPANIES. AN EXTENSIVE NETWORK OF REGIONAL OFFICES ENSURES THAT DESTIA IS ALWAYS CLOSE TO ITS CUSTOMERS, BOTH IN FINLAND AND THE SURROUNDING AREAS.


DESTIA EMPLOYS ABOUT 2000 PEOPLE. THE COMPANY IS AN EXPERT ORGANISATION OFFERING AN ENCOURAGING ATMOSPHERE AND WIDE-RANGING OPPORTUNITIES FOR EXPERTS IN THE INFRASTRUCTURE INDUSTRY.

<table>
<thead>
<tr>
<th>KEY FIGURES</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEUR</td>
<td>539.2</td>
<td>603.4</td>
</tr>
<tr>
<td>Turnover</td>
<td>8.3</td>
<td>-16.9</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1.5</td>
<td>-2.8</td>
</tr>
<tr>
<td>% of turnover</td>
<td>6.2</td>
<td>-10.6</td>
</tr>
<tr>
<td>Profit for the financial period</td>
<td>30.4</td>
<td>26.3</td>
</tr>
<tr>
<td>% of turnover</td>
<td>68.4</td>
<td>65.2</td>
</tr>
<tr>
<td>Return on investment, %</td>
<td>2.2</td>
<td>4.9</td>
</tr>
<tr>
<td>Equity ratio, %</td>
<td>2 096</td>
<td>2 860</td>
</tr>
</tbody>
</table>

In 2010, Destia’s business groups were Infra Construction, Infra Maintenance and Rocks.

The Infra Construction business group encompassed traffic route and environmental construction, bridge and energy infrastructure construction, surfacing works, Design and Build projects, planning and design, survey and analysis services, and international contracting and consulting.

The Infra Maintenance business group included winter maintenance, gravel road maintenance and repair, traffic environment and bridge maintenance, minor construction, area-wide maintenance contracts and winter maintenance management centre.

The Rocks business group included mineral aggregate services, rock and mine construction, railway construction and railway infrastructure maintenance.
Our main objective in 2010 was to improve the profitability of our operations. In this we succeeded in spite of a market situation that remained difficult: Our development programme aimed at improving profitability progressed as targeted and the profitability of our operations improved in comparison with the previous year. Improvement in profitability remains a key objective of our new strategy covering the period 2011-2013, together with the strengthening of our core businesses and improvement of our customer service.

The market for infrastructure construction remained difficult in 2010, and overall demand fell even more than had been forecast. The positive impact of major government infrastructure projects on the market situation will mainly target the period 2012-2013. Our turnover fell by 5.8 percent to €539.2 million (2009: €603.4 million). Thanks to our strong order book and the development programme aimed at profitability and competitiveness, our operating profit, however, improved to €8.3 million (-16.9).

This positive development in profit is above all the result of the successful easing of the support for business and administration costs. The reduction of costs has required significant cuts in personnel, which we have also been unable to avoid at the end of 2010. In addition to continuing the streamlining measures, success in the upcoming competitive environment requires from us even sharper concentration on our strongest fields of expertise and even more nimble operating practices. The Destia Group strategy that we prepared during 2010 for the period 2011-2013 focuses strongly on these matters.

In accordance with our new strategy, we are now concentrating on our core businesses, i.e. those in which we have proven competitive expertise and a strong market position. These businesses are road and railway construction and maintenance. The support businesses related to these fields of expertise include consulting in infra-

“WE ARE NOW CONCENTRATING ON OUR CORE BUSINESSES, I.E. THOSE IN WHICH WE HAVE PROVEN COMPETITIVE EXPERTISE AND A STRONG MARKET POSITION.”
structure projects, mineral aggregate services, rock engineering including mining construction and surfacing. The focus of our operations is in Finland from a geographical point of view and in the improvement of our customer service from a quality point of view.

Internationally, our operations are limited and comprise international consulting and on the markets in Northern Norway and Northern Sweden as part of Northern Finnish regional operations.

By concentrating on improving the profitability of our core business and on customer services, we are creating a strong foundation for our operations, upon which we can again build something new in the coming years.

SUCCESS IN REGIONAL OPERATIONS AND ANTICIPATORY CUSTOMER SERVICE
In order to improve the cost effectiveness of our operations, we switched to a regional operating model in infrastructure construction and maintenance early 2011. Through regional organisation, we can offer our customers better overall service in the different fields of infrastructure and combine these services based on customer need. By raising the utilisation rate of our regional resources in this way, we can also offer services more competitively than before.

We are investing in customer service and in understanding the needs of our customers. We are in more active contact with our customers, and are offering Destia solutions to their problems in a more anticipatory way. Our goal is to move our strong technical expertise into a position where it will be of greater benefit to our customers and bring added value to business.

GROWTH IN 2012
In order to keep on a path to improved profitability, we must proceed with our feet on the ground and costs well under control. The strategy we came up with in 2010 is our response to the continuation of difficult market conditions. In the field of infrastructure we expect hardly any growth in 2011, with the exception of mining operations. We expect a recovery in 2012, when two major Public Private Partnership (PPP) projects will be in full swing.

Difficult times are always an opportunity to measure and improve one’s own competitiveness. Although, as far as cost structure is concerned, we are setting off on our challenge at a slight disadvantage. Our advantages are strong technical expertise and, based on that, the open-minded development of working methods and techniques, by which we can better meet the expectations of our customers.

I would like to thank our customers for their trust in us and for our fruitful co-operation. I would also like to extend my thanks to Destia’s employees for your contribution and commitment to developing our company.

Hannu Leinonen
President and CEO

“OUR GOAL IS TO MOVE OUR STRONG TECHNICAL EXPERTISE INTO A POSITION WHERE IT WILL BE OF GREATER BENEFIT TO OUR CUSTOMERS AND BRING ADDED VALUE TO BUSINESS.”
DEVELOPMENT THROUGH OUR CORE EXPERTISE

MISSION
BUILDING THE BIGGER PICTURE - THE FOUNDATION OF OUR EXISTENCE. WE AT DESTIA AIM TO BUILD, MAINTAIN AND DESIGN OUR LIVING ENVIRONMENT SO THAT IT IS EFFICIENT AND SAFE. WE PROFESSIONALLY CREATE HIGH-QUALITY SOLUTIONS AND SERVICES UTILISING THE LATEST WORKING METHODS.

VISION
BY 2015, TO BE THE LEADING INFRASTRUCTURE CUSTOMER SERVICE PROVIDER IN FINLAND AND ONE OF THE MOST PROFITABLE.

VALUES
OUR OPERATIONS ARE BASED ON FAIRNESS, BOLDNESS AND SKILL, AND THROUGH THESE WE ACHIEVE OUR GOALS. WE ARE FAIR WITH OUR CUSTOMERS, PARTNERS AND EACH OTHER. WE CREATE RESPONSIBLE INFRASTRUCTURE SOLUTIONS WITH BOLDNESS AND SKILL, BUILDING THE BIGGER PICTURE, PIECE BY PIECE.

FINANCIAL TARGETS FOR THE STRATEGIC PERIOD

- Growth in core businesses faster than market growth
- Operating profit 4%
- Return on investment 15%
- Equity ratio 35%
We proceed in our strategy on a stage-by-stage basis, and we are currently focusing our core business on ensuring profitability in Finland.

Our core business operations are functions where we have clear competitive advantages and where Destia has either a leading market position or, with regard to its starting points, the prerequisites to achieve it.

STRATEGIC CHOICES

- We serve our clients more and more at the local level so we will be able to respond to their requirements more effectively.
- We implement large building projects nationally using our best resources.
- With the processes at our disposal, we ensure that our strong technical know-how is available for the benefit of our customers.
- We concentrate more on local customer relationships, i.e., industrial and municipal customers, in addition to our important public administration customer relationship (Finnish Transport Agency and Centres for Economic Development, Transport and the Environment).
- Our international operations are restricted to northern Norway and northern Sweden as part of our regional operations in northern Finland.
ALTHOUGH THE GLOBAL ECONOMY HAS
BEGIN TO RECOVER, IN 2010 THE OVERALL
VOLUME IN THE INFRASTRUCTURE SECTOR
REMAINED AT THE LEVEL OF THE PREVIOUS
YEAR OF €5.5 BILLION. IN INFRASTRUCTURE
SECTORS THAT FORM PART OF DESTIA’S
RANGE OF SERVICES, HOWEVER, THERE
WAS A SLIGHT DETERIORATION IN COMPARI-
SION WITH THE PREVIOUS YEAR. IN 2011,
THE TOTAL VOLUME OF CIVIL ENGINEERING
IS FORECAST TO FALL SLIGHTLY AND THEN
TO BEGIN A CAUTIOUS RECOVERY.

The economies of Finland and the rest of
Europe have started to recover surprisingly
quickly. In Finland, GNP in 2010 increased
by 3.1%. The risk to general economic
recovery is the possibility of the so-called
double-dip recession in 2012-2013, when
financial contracts made during the
financial crisis will be due for renewal. If
the financial markets operate normally,
economic recovery will continue and sup-
port the start-up of private projects as a
result of the release of pent-up investment
requirements during the recession.

The infrastructure market, however, will
have plenty of excess capacity, particularly
in 2011. In spite of this, however, analysts
reckon that investment prices began a con-
stant rise late in 2009 driven by the growth
in the global economy. In 2010, costs in
the civil engineering sector increased by
2.5%. The increase in the total index was
affected particularly by price increases in
fuel and energy as well as an increase in
the costs for metal products. The rise in the
total index was moderated by, among other
things, the decline in labour costs.

DEMAND CREATED BY URBANIS-
ATION, ENERGY INVESTMENTS AND
NEW MINING PROJECTS
In Finland, demand in the infrastructure
market is being maintained by strong
urbanisation. Since 2000, intracountry
migration has been greater than at any
time since World War Two. The growth in
population is concentrated on the major
population centres: the capital region,
Tampere, Oulu, Jyväskylä, Vaasa and
Turku. The opening up of the municipal
sector to competition is continuing, but,
owing to the political decision-making
mechanism, the pace of its progress is
difficult to forecast.

Because of weakness in the national
economy, it can be expected that overall
investment in society in the coming years
will not increase, and may even fall. In the
coming years too, the focus of the public
sector to competition is continuing, but,
more than ever before on the construction
and maintenance of centres of growth and
the connections between them.

Investments in renewable energy and
the safeguarding of energy supplies will
greatly increase in the future. Planned
investments in wind energy and nuclear
power will create new market opportuni-
ties, especially in the field of engineering
construction. The volume effect of these
projects in the coming years will, however,
be slight and centred on the demand cre-
ated by the building of wind farms.

Railway construction and mainte-
nance was opened up to market-based
competition about ten years ago. The final
breakthrough is likely to take place within
the next couple of years, because the
temporary framework agreement with the
Finnish Transport Agency plus the optional
year will expire at the end of 2011. From
a point of view of a competitive environ-
ment, it would be beneficial if all railway
construction and maintenance contracts
were put out to tender by the end of 2013.

New mining projects will also increase
demand for infrastructure services. The
robust global demand for minerals has
increased prices, which in turn has raised
the exploitability of Finnish ore reserves
above the level for profitability. Several
mining projects will be starting up in the
near future.

A FRAGMENTED FIELD OF
COMPETITORS
In small and technically simple jobs,
Destia’s field of competitors is quite local,
but grows to include larger players in
proportion to the size and level of techni-
cal difficulty of projects. Most of the work
is put out to tender based on ready plans,
the key competitive factor of which is cost
efficiency. Another important selection
criterion that supports the profitability of
service providers is the risk management
of the project tenders.

Capacity demand in the infrastruc-
ture sector is strongly influenced by the
weather and the changing of the seasons.
In road maintenance, the greatest
burden comes in the winter, and, in road
construction, in the summer. In addition
to purchases and system solutions, a
major player can also benefit from major
economies of scale by largely using the same resources in service production, be it summer or winter.

The field of competitors is very fragmented, and the threshold for entry quite low. Most of the participants are relatively small local companies specialising in a single or a limited range of services.

There are a few national companies offering a broader range of services with infrastructure business comparable to Destia’s. In project construction, there are also medium-sized contractors offering a nationwide service, which in recent years have expanded their operations geographically and have got involved in major contracts in the role of main contractor, both in maintenance and construction.

In the coming years, international companies will also begin to participate in tenders on the Finnish market, which will further increase the requirements for cost effectiveness in the sector.

### MEGATRENDS AFFECTING THE OPERATIONS OF COMPANIES IN THE INFRASTRUCTURE SECTOR

1. **Urbanisation**
   - the concentration of demand

2. **Climate change**
   - new challenges

3. **Ageing population**
   - difficulties in the availability of manpower

4. **Safety**
   - stringent operational requirements

---

**OPERATING ENVIRONMENT**

**Civil engineering cost index - annual change**

**The division of regional maintenance contracts from 1 October 2010**

**The value of infrastructure construction at the end of 2010**

Sources: Euroconstruct, Finnish Transport Agency, Statistics Finland, VTT
Destia is a Finnish infrastructure and construction service company that builds, maintains and designs traffic routes, industrial and traffic environments and complete living environments. Our services cover the whole spectrum, from overground operations to subterranean construction. Destia’s solutions create the prerequisites for safe and smooth mobility and for making the surrounding environment more efficient, piece by piece. Destia’s customers are public sector organisations, cities and municipalities, industrial and business corporations. An extensive network of regional offices ensures that Destia is always close to its customers, both in Finland and the surrounding areas.

Destia has also strong position in major road projects and their related engineering construction. In the railways market, Destia is the second largest provider in Finland. Other strong segments, which Destia has major marketing position are survey and bridge repairs.

From the beginning of 2011, Destia simplified its operating structure. Five regional and three operating business units were formed. Through the new organisational structure, decision-making has transferred nearer to the customer and a tighter grip on project performance is being targeted.

The regional business units are Southern Finland, Western Finland, Southwest Finland, Eastern Finland and Cap of the North. Destia’s infrastructure construction and maintenance services will be provided through these business units. The operating business units are Railways, Rock and Consulting Services.

**Group turnover by business operations in 2010**

- Infra Construction 58.2%
- Infra Maintenance 29.8%
- Rocks 12%

**Group personnel by business operations in 2010**

- Infra Construction 56.3%
- Rocks 18.8%
- Infra Maintenance 19.8%
- Group functions 5.1%
DESTIA’S SERVICES

DESTIA’S SERVICES

Destia is a builder of traffic routes, industrial and traffic environments and complete living environments. The company builds roads, bridges, traffic environments, green areas, noise barriers and energy infrastructure. Its services also include the construction of industrial infrastructure.

Destia is multi-skilled in maintenance services. The basis of its operations are the best possible weather forecasts, experienced and skilled personnel and the latest in working methods and equipment. Destia’s services cover the winter maintenance of traffic routes and the living environment, as well as the maintenance of gravel roads, bridges and the entire traffic environment.

Destia serves the whole of Finland in railway services. The railway work done by the company ranges from major superstructure and bridge contracts to the replacement of old railway culverts. Most of the basic construction contracts concern the renovation of old tracks and matters concerning track safety.

In the new organisation, all Destia’s rock-related services have been combined into a single business unit. These services are mineral aggregate and surfacing services and rock and mining engineering. A nationwide network enables the delivery of CE-certified mineral aggregate throughout Finland.

Behind efficient traffic system are top-quality plans from innovative preliminary studies to detailed construction designs. Destia possesses solid expertise in the entire life cycle of projects. Infrastructure design requires expertise not only in traffic and environmental planning but also the different structures of roads. Successful plans are based in detailed research into traffic, terrain and soil.
REGIONAL OPERATIONS

FROM THE BEGINNING OF 2011, DESTIA’S INFRASTRUCTURE CONSTRUCTION AND MAINTENANCE OPERATIONS FUNCTION BASED ON A REGIONAL OPERATING MODEL. OUTSIDE CENTRES OF GROWTH, THE BACKBONE OF THE COMPANY’S OPERATIONS WILL CONSIST OF LONG-TERM MAINTENANCE CONTRACTS. WHERE NECESSARY, SPECIAL PROJECTS WITHIN GROWTH CENTRES WILL BE IMPLEMENTED NATIONALLY USING RESOURCES COLLECTED BY THE REGIONS. THE AIM OF THIS REGIONAL ORGANISATION

INFRA CONSTRUCTION
TO MAKE THE WORLD RUN SMOOTHER

THE SERVICES OF DESTIA’S INFRA CONSTRUCTION COVER THE BUILDING OF TRAFFIC ROUTES, INDUSTRIAL AND TRAFFIC ENVIRONMENTS AND COMPLETE LIVING ENVIRONMENTS.

Destia’s largest customers in infrastructure construction are the Finnish Transport Agency and the ELY Centres (Centres for Economic Development, Transport and the Environment), which provide the company with about half its turnover in construction projects. Other customer groups include other government agencies, cities, municipalities and industrial companies, whose share of the total is on the increase.

Amongst Destia’s major construction projects ongoing in 2010 were the Main Road 51 Kirkkonummi–Kivenlahti, Highway 14 Savonlinna Bypass, Highway 6 Ahvenlampi–Mansikkala, Highway 6 Joensuu Ring Road, Highway 4 Joutsa–Toivakka, Highway 5 Lusi–Mikkeli and Highway 4 at Kemi.

DESTIA’S CONSTRUCTION SERVICES

- Road and street construction
- Area-wide and environmental construction
- Earth construction and foundation engineering
- Construction services for water supply
- Energy infrastructure construction
- Bridge construction and other structural engineering

Destia and the Construction Technology Research Group at the University of Oulu were awarded the prize for Northern Finland’s best construction achievement 2010 for the development and introduction of machine automation in the Kemi Bypass construction project. Destia’s construction project Highway 4 at Kemi was completed in late September year 2010.
INFRA MAINTENANCE
KEEPING THE ROADS SAFE

DESTIA’S INFRASTRUCTURE MAINTENANCE SERVICES COVER MAINTENANCE OF TRAFFIC ROUTES, GRAVEL ROADS, BRIDGES AND THE ENTIRE TRAFFIC ENVIRONMENT.

In Finland, Destia has long-term experience of the maintenance of traffic routes and robust expertise and local knowledge of the industry. The basis of its operations are the best possible weather forecasts, experienced and skilled personnel and the latest in working methods and equipment. Thanks to these strengths, Destia has succeeded in maintaining its good position in the traffic route maintenance market.

Destia provides infrastructure maintenance services for the ELY Centres, for municipalities and for companies.

In Finland’s climatic conditions, ensuring the safety and smoothness of traffic is very challenging in the winter. In co-operation with the Finnish Meteorological Institute, Destia’s winter maintenance management centre is on-call 24 hours a day throughout the winter. Changes in the weather and movements of equipment can be monitored in real time, so that maintenance personnel can be deployed at just the right time. Good anticipation prevents deterioration in driving conditions and reduces the use of salt. The correct scheduling of jobs and optimal maintenance crew deployment also reduce the environmental impact of maintenance work and improve its profitability.

DESTIA’S INFRASTRUCTURE MAINTENANCE SERVICES

- Road and street network regional contracts, industrial regional contracts
- Winter maintenance of roads and streets
- Winter maintenance management centre
- Maintenance of gravel roads
- Maintenance of traffic environment

In 2010, Destia won nine of 13 area-wide maintenance contracts for road put out to tender by the ELY Centres: Seven-year regional contracts at Viinijärvi, Kristiinankaupunki, Pyhäjärvi, Keuruu, Pielavesi and Savonlinna and five-year contracts at Puolanka, Porvoo and Kemijärvi-Posio. At the beginning of the maintenance season that began on 1 October 2010, Destia had agreements for a total of 55 regional maintenance contracts. The total value of Destia’s regional contracts amounts to €100.6 million and the company occupies 65% of the market for such contracts.
RAILWAYS

EFFICIENT RAILWAY WORKS THROUGHOUT THE LIFE CYCLE

DESTIA’S RAILWAY WORKS RANGE FROM MAJOR SUPERSTRUCTURE AND BRIDGE CONTRACTS TO THE REPLACEMENT OF OLD RAILWAY CULVERTS.

Destia provides railway work services throughout Finland. Destia has at its disposal various equipment for railway construction, repair and maintenance, which has been developed for various customer needs through innovative product development. Multi-year service agreements are implemented on the principle of condition responsibility.

Because the Finnish railway network is almost completely under the supervision of the Finnish Transport Agency, the agency is Destia’s most significant customer in railway construction services. Some work is also done for private railway owners such as port authorities or companies. In railway superstructures, Destia is the second largest service provider in Finland.

In spring 2010, Destia Ltd bought the remaining 16 per cent of the shares of the Kaivujyrä Group by corporate acquisition. The subsidiary of the Kaivujyrä Group, Maansiirto Veli Hyryläinen Oy (MVH) is now Destia Rail Ltd. Destia Rail is specialized in the construction, repair and maintenance of the railway network.

DESTIA’S RAILWAY-RELATED SERVICES

- Railway construction
- Railway maintenance

Finland’s railway network is divided into 12 maintenance regions. Destia has a five-year contract to maintain the track and safety equipment in regions 4 and 8. Region 4 includes the section of track between Pieksämäki and Rauma, and region 8 the track in Upper Savo between Isalmi, Kuopio and Pieksämäki. Destia’s track maintenance contracts also include region 7, which covers the so-called Karelia line and its related sections all the way from Kouvola to Porokylä north of Joensuu, and region 10 in Central Finland. Region 10 includes the sections between Ylivieska, Haapajärvi and Åänekoski and between Haapajärvi and Isalmi.

ROCK

A WIDE RANGE OF ROCK-RELATED SERVICES

DESTIA’S ROCK-RELATED SERVICES ARE MINERAL AGGREGATE AND SURFACING SERVICES AND ROCK AND MINING ENGINEERING.

Nationwide, Destia has about 300 soil areas, from which it can extract a wide range of top-quality minerals. The company is also responsible for the crushing and quality control of mineral aggregate. A nationwide network enables the delivery of CE-certified mineral aggregate throughout Finland. Taking the environment into account is very important in mineral-related operations, and Destia meets such obligations by operating in accordance with the ISO 14 001 environmental system.

In its surfacing services, Destia has decades of experience in various surfacing materials and their properties. Destia has developed its own surface maintenance service concept to challenge old practices, according to which the company continuously monitors the condition of the roads and streets on behalf of the customer, and carries out necessary measurements and analyses. With the aid of these analyses, Destia can study and plan the precise locations requiring repair work and the financing required for investments. The required repair plans are drawn up in co-operation with the customer, after which Destia carries out the required resurfacing and repair measures.

In rock and mining engineering, Destia provides services in open-pit mining,
underground mining and, together with its partners, in rock construction. Destia carries out open-pit mining in relation to, for example, foundation engineering, public utility construction and road cuttings. In underground mining work, Destia’s range of services includes ore quarrying work. If necessary, the company can also build local infrastructure for mines, including roads, railways, public utilities and electrical work. Through its network of partners, Destia designs and builds tunnels and subterranean facilities. The focuses of operations are mining, special quarrying and support of the company’s own mineral aggregate production.

### CONSULTING SERVICES

#### INNOVATION AND TECHNICAL EXPERTISE

**DESTIA’S CONSULTING SERVICES ARE PLANNING AND DESIGN, SURVEY AND ANALYSIS AND INTERNATIONAL CONSULTING.**

A good and high-quality plan is created as a result of co-operation between experts in different fields. In addition to the needs of the customer, planning must take account of the applicability of solutions to the built environment, nature, the landscape and the cultural environment.

Destia offers a wide range of planning and design services concerning traffic, highways and the environment. A plan can be carried out as a separate service or as part of a broader design and implementation project.

In survey-, research- and quality control services related to investments in traffic routes and traffic environments, Destia is the leading provider in Finland. Expert personnel, modern equipment and an extensive network of co-operation guarantee success even in the most demanding measurement and research tasks.

Consulting services in international infrastructure planning are provided by Destia Finnroad, whose projects are situated not only in Eastern Europe and the Baltic countries, but also the Pacific Islands, Vietnam, the Caucasus, Central Asia and Africa. The source of funding for such major projects is usually an international investment and development bank such as the World Bank or the Asian Development Bank. Destia Finnroad works in co-operation with local companies and organisations. That way, it is possible to guarantee long-lasting, environmentally-friendly and economic solutions for local conditions.

### DESTIA’S SERVICES

#### DESTIA’S ROCK-RELATED SERVICES

- Surfacing services
- Aggregate services
- Rock and mining engineering

The largest rock engineering contracts ongoing in 2010 were waste rock excavation and ore crushing at the Talvivaara mine (ALU2), tunnel expansion and local works at Olkiluoto 3 nuclear power plant, excavation of the vehicular tunnel at the site’s ONKALO nuclear waste repository and construction of the testing and demonstration facilities there. The METRO consortium formed by Destia and Metrostav a.s of the Czech Republic won the excavation contracts for the tunnels for the West Metro on the Helsinki side and excavation of the Karhusaari Island Metro Tunnels in Helsinki and Espoo. Destia is in charge of project management and superstructures and Metrostav for the excavation of the tunnel.

#### DESTIA’S EXPERT SERVICES

- Planning and design
- Survey and analysis
- International consulting

Destia carries out Service Level Measurements (SLMs) in Finland and Sweden. The project ordered by the Finnish Transport Agency and by Trafikverket in Sweden is generating measured data for the analysis of the current state of the road network as well as for the planning and budgeting of future procedural requirements. By means of SLMs, length- and crosswise road irregularities, in addition to road surface characteristics such surface roughness, are being clarified. SLMs generate road evenness profiles as well as groove- and lateral inclination-related data, while geometrical road measurements generate hilliness- and average curvature-based data.
CORPORATE RESPONSIBILITY

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 RESPONSIBILITY FOR PEOPLE AND THEIR SAFETY.

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

QUALITY AND ENVIRONMENTAL CERTIFICATES FOR A SIGNIFICANT PART OF BUSINESS OPERATIONS

The working practices, guidelines and responsibilities based on Destia’s operating policies have been assembled in the company’s operational system, which is based on international standards and Finnish quality criteria for the industry. Destia has the quality and environmental certificates ISO 9001 and ISO 14001, accordant with the international ISO standards. They cover Destia’s infrastructure construction, infrastructure maintenance, surfacing and mineral aggregate services. Via procedures that are consistent with the quality and environmental certificate requirements, Destia ensures it provides high-quality, environmentally conscious operations for its customers and stakeholder groups. In addition, Destia’s working practices are in line with the OHSAS 18001 occupational health and safety standard. In its design services, Destia follows the RAKLI-SKOL-ATL criteria.

FINANCIAL RESPONSIBILITY

Financial responsibility entails developing and offering services that yield added value for customers, meeting shareholders’ profit expectations, providing jobs, generating financial wellbeing for a wide range of stakeholders through procurements and investments as well as taking care of taxes and tax-like payments. To meet these expectations, the company’s finances must be on a firm footing and its operations profitable.

<table>
<thead>
<tr>
<th>CUSTOMERS</th>
<th>SUPPLIERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 2010, Destia’s net sales were EUR 539.2 million (603.4).</td>
<td>Destia procured materials and services from external subcontractors and suppliers with a total value of EUR 355.4 million (381.6).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PUBLIC SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Destia’s taxes and tax-like payments totalled EUR 0.1 million (1.1).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The total of Destia’s financing costs for 2010 was EUR 3.1 million (2.7).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross investments for the financial period were EUR 11.7 million (29.4).</td>
</tr>
</tbody>
</table>
REDUCTION OF THE BURDEN ON THE ENVIRONMENT IS A KEY ELEMENT OF BUSINESS OPERATIONS

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 IMPACTS CAUSED BY OUR OPERATIONS BY INVESTING IN RENEWABLE FORMS OF ENERGY, ENERGY EFFICIENCY AND EFFICIENT MATERIAL FLOW.

The environmental management system is part of Destia’s operational system. The management system ensures that environmental issues are duly taken into consideration in project operations and that they are managed in a focused way.

Destia is a pioneer in Finland in utilising and developing machine automation, and it is used in all of Destia’s excavation sites that are suitable for it. Thanks to machine automation, work can be performed more effectively, and accuracy is improved, thus saving materials.

The fuel consumption and emissions of Destia’s truck fleet are monitored using the Econen system. In project operations, attention is paid to the design of working practices and logistics, thus optimising fuel consumption and material usage.

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.

As part of customer research, Destia monitors customers’ satisfaction with regard to our handling of environmental issues. In 2010, Destia obtained an average score of 4.03 (4.12) on the scale of 1-5 for its handling of environmental and safety issues.

By building the energy infrastructure and by supporting sustainable energy production and transport, Destia promotes the efforts of its customers and the whole society to reduce the burden on the environment.

Further information about Destia’s environmental responsibility is available on our website, www.destia.fi.

THE MOST ECONOMICAL DRIVERS FOR 2010

Destia’s Infra Maintenance Business Group organised the Most Economical Drivers Competition 2010. All the lorry drivers in Infra Maintenance Business Group participated in the competition.

In the competition, six drivers were rewarded on the basis of economic use and care for cleaning of their vehicle. The aim of the competition was to encourage the drivers to take notice of the common environmental objective of Infra Maintenance, reduction of lorry idling and the importance of cleaning as it affects the economic life of a vehicle.

By driving economically and avoiding idling of the vehicle a driver can reduce the fuel costs and the wearing of the vehicle and tyres thus reducing the harm to environment. Thorough cleaning of a vehicle and its bodywork will add an extra 2-3 years to its lifetime.
MANAGING PERFORMANCE TO ACHIEVE OUR AIDS

DESTIA’S SOCIAL RESPONSIBILITY EXTENDS ALL OF OUR STAKEHOLDERS. THE MOST IMPORTANT ASPECTS OF OUR SOCIAL RESPONSIBILITY ARE PERSONNEL WELLBEING AND SAFETY. DESTIA INVESTS IN COMPETENCE DEVELOPMENT, INCENTIVES AND WELLBEING AT WORK. SAFETY ASPECTS ARE TAKEN INTO CONSIDERATION IN ALL PARTS OF OUR SERVICE PRODUCTION CHAINS.

During 2010, Destia introduced new guidelines for management and working practices as well as a performance-management policy. According to the key guidelines, every employee at Destia has a responsibility to operate and manage in accordance with the common rules and that both management and performance are being assessed and evaluated regularly. Good performance is rewarded, and underperformance is managed consistently and without delay.

Performance management is Destia's basic leadership tool. It is an ongoing process geared towards ensuring that personnel adopt company's values, vision, strategy and objectives in their personal objectives and behaviour. At Destia, performance is managed by the everyday managerial work, discussions of results and objectives, 360-degree appraisal among management, people reviews and a comprehensive bonus system.

Destia’s management and operational principles are profitability, openness, honesty, responsible entrepreneurship and respect for the individual. These are put into practice in accordance with the company's values fairly, boldly and skilfully.

IMPLEMENTATION OF ETHICAL GUIDELINES

In 2010, ethical guidelines were implemented for all Destia personnel. During the year, working methods were specified, concerning for example rules related to secondary occupation. A body was appointed to which suspicions of malpractice can be reported. Ethical guidelines were also discussed at different events in the course of the year.

SAFETY IS TOP PRIORITY IN ALL OUR OPERATIONS

KEEPING WORKING ENVIRONMENT SAFE IS IMPORTANT FOR BOTH THE COMPANY'S OWN EMPLOYEES AND ALL OF ITS STAKEHOLDERS. RAISING THE BAR OF SAFETY IS A DEVELOPMENTAL CHALLENGE FOR THE ENTIRE CONSTRUCTION INDUSTRY, AS IT HAS SIGNIFICANT IMPACT ON THE INDUSTRY'S PRODUCTIVITY AND THE ATTRACTIVENESS AS AN EMPLOYER.

At Destia, we invested further in safety last year in line with the “Safety is a professional skill” theme. On every Destia site, the so-called 10-second rule was introduced, according to which ten seconds are used before starting work to think how accidents can be avoided. During 2010, Destia’s entire project management performed a safety test.

Destia’s accident frequency rate in 2010 – the number of accidents per million work hours, leading to absence of at least one day – was 22.1 (22.7 comparable to the current organisation). With regard to frequency of accidents, the aim of achieving the level of the best sectors in the industry poses a challenge for the entire field of construction.

In addition to accident frequency, safety on construction sites and the maintenance of cleanliness and order is monitored weekly using the land and water construction site (MVR), asphalt and mineral-aggregate indicators. In Infra Maintenance, management checks are also performed quarterly on fixed maintenance bases.

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 carry out work on time help ensure road safety during maintenance.

Read more about our social responsibility in our website www.destia.fi.
Destia Ltd, tel. +358 20 444 11
www.destia.fi, firstname.lastname@destia.fi

Destia's Head Office
Heidehofintie 2, PO BOX 206,
01301 Vantaa, Finland


Design and production:
Zeeland Branding
Printed by Nykypaino

Ecolabelled printed matter 441 748