DESTIA

Financial Statements

Q1	1 Jan-31 Mar 2010
Q2	1 Jan-30 Jun 2010
Q3	1 Jan-30 Sep 2010
Q4	1 Jan-31 Dec 2010

DESTIA GROUP: FINANCIAL STATEMENTS, 1 JANUARY – 31 DECEMBER 2010

Summary:
- Profitability improved during the 2010 financial year: the business result rose to MEUR 8.3
- The development programme aimed at improving profitability achieved the set objectives
- Destia's Board of Directors ratified the new company strategy and financial targets for the strategic period 2011–2013
- At the turn of the year (2009–2010), ferry services were separated from Destia Ltd through a partial demerger

Key figures, MEUR	**1-12/2010**	**1-12/2009**	**10-12/2010**	**10-12/2009**
Turnover	539,2	603,4*	148,3	153,2**
operating result	8,3	-16,9	0,5	-20,2
% of turnover	1,5	-2,8	0,3	-13,2
Result for the period	8,3	-17,7	3,7	-18,4
% of turnover	1,5	-2,9	2,5	-12,0
Order book end of the period	726,5	753,3		

* without Ferry Services 572,7

** without Ferry Services 144,9

OPERATING ENVIRONMENT

Business cycle prospects in infrastructure construction were poor during 2010 as a whole. 'Infra' construction-based production remained the same as in 2009 and totalled 5.5 billion euros. (Economic trends of civil engineering in Finland 2010/2011, VTT.)

The costs of the civil engineering industry rose 2.5 per cent from December 2009 to December 2010. The annual change in costs varied by subindex from 1.2 per cent in municipal engineering systems to 5.9 per cent in concrete structures. 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**.** (Civil engineering cost index 2010, December. Statistics Finland.)

The impacts of the economic recovery measures approved by the Finnish Government in 2009 will not be initially seen until 2012 and thereafter. The market in the field is weighted towards residential production projects and Southern Finland's large rail projects. During the second quarter of the year, a total of MEUR 40 was slashed from the supplementary proposal of the Government's additional budget when the contracts for the basic improvement of the Seinäjoki–Oulu and Tampere–Orivesi track sections were withdrawn from competitive tendering. Other construction operations were cut due to the weak financial situation of municipalities and the State, as well as the lack of opportunities for private infrastructural investments. Demand in the field has not revived during the year to the level preceding the downturn, which has led to overcapacity in the field. Contract price rates were particularly low.

Generally speaking, an increase in safety on the site was given emphasis in the field. The development of construction field work processes and taking the ecological aspects into consideration were targets of attention.

In particular, in large public sector route projects, the new implementation models have been the subject of discussion. An example of new models is the ‘alliance’ projects and the already utilized increase in the use of the life cycle model.

The downturn is still reflected in the future prospects of infrastructure-based construction. Problems in the area of financing availability financing and prices have either weakened the implementation potential of the private sector in terms of investment plans or have transferred their realization to the future.

DEVELOPMENT OF BUSINESS OPERATIONS

During the 1 January – 31 December 2010 financial year, Destia’s operations have comprised three business sections: Infrastructure Construction, Infrastructure Maintenance and Rocks, in addition to the following Group units: Economics & Financing, Legal Services, Human Resources, Communications and Corporate Planning & Development.

On 1 July 2010, Destia Ltd sold its real-time traffic information services unit, Destia Traffic, to Mediamobile S.A., which is part of the TDF Group. The trade does not significantly impact Destia’s key financial figures. Destia Traffic’s 18 employees transferred to the employment of Mediamobile as ‘old’ employees.

Destia’s turnover declined 10.6 per cent in 2010 by reference to the previous year, and totalled MEUR 539.2 (603.4). Turnover and the business result for the financial year by reference to the previous year declined at the end of 2009 with the implemented separation of the ferry business to form its own company. The turnover of the previous year without ferry services was MEUR 572.7. The Group’s order book at the end of December was MEUR 726.5 (753.3).

Infrastructure Construction Business

Infrastructure (‘Infra’) construction comprises construction of traffic routes, environmental construction and bridge building, as well as energy infrastructure construction and surfacing services, “Plan and Implement” projects, design and measurement and research services, in addition to international contracting and consultation.

Key figures, MEUR	**1-12/2010**	**1-12/2009**	**10-12/2010**	**10-12/2009**
Turnover	314,0	334,8	89,8	82,4
% of turnover	58,2	55,5	60,6	53,7
Order book end of the period	268,4	332,8		
Average personnel	1181	1485	1093	1398

The turnover for the last quarter in infra construction was 9.0 per cent larger by reference to the same period during the previous year, and the turnover of the entire financial year was 6.2 per cent lower than the previous year. This decline is due to diminished demand for basic infrastructure construction. At the end of the reporting period, the order book of infra construction was on a weaker level than in the previous year, and the contracts were distributed on a longer time span than the year before. The number of personnel was affected by personnel adjustments carried out in late 2009.

During the financial year, several large projects were in progress, of which the Kemi section of National Road 4 in Northern Finland was completed. The Kemi section of National Road 4 was awarded as the best construction project of 2010 in Northern Finland for the implementation and development of construction machine automation.

The most significant new contract agreements of the financial year were signed with the Finnish Transport Agency with regard to National Road 6, Repokallio–Käpykangas road project in Joensuu and National Road 14, Savonlinna Centre, second construction stage. The contract in Joensuu is being completed by the consortium TYL Joensuu Kehätie, whose shareholders are Destia Ltd and Kesälahden Maansiirto Oy.

Preparation for competitive bidding projects based on Public Private Partnership (PPP) continues. Destia is participating together with YIT in competitive bidding for projects implemented with the PPP model. These projects are the Kokkola–Ylivieska section of track, including 20 years of maintenance; and the E18 motorway from Koskenkylä to Kotka, including 15 years of maintenance. The targets are being offered during 2011 and construction will be in full swing as of the outset of 2012.

Infrastructure Maintenance Business

Infrastructure ('Infra') maintenance includes winter upkeep, gravel road upkeep and repair, traffic environment and bridge maintenance, small-scale construction work, regional upkeep and repair projects, and the services for the monitoring of winter road conditions offered by Kelikeskus.

Key figures, MEUR	**1-12/2010**	**1-12/2009**	**10-12/2010**	**10-12/2009**
Turnover	160,7	204,1	40,0	53,3
% of turnover	29,8	33,8	27,0	34,8
Order book end of the period	379,9	382,6		
Average personnel	414	781	381	715

Compared to the previous year, Infra Maintenance results were affected by the demerging of the ferry services from Destia. The comparable turnover of Infra Maintenance was MEUR 45.0 for the last fourth quarter of the previous year and MEUR 173.4 for the entire reporting period. The average number of staff in 2009 without the ferry staff was 490. Destia's ferry services separated into their own State-owned company, Suomen Lauttaliikenne Oy, on 1 January 2010. The 272 ferry service workers previously employed by Destia were transferred to the new company. In 2009, the turnover of Ferry Services was MEUR 30.7, with a fourth quarter result of MEUR 8.3. The effects of the partial demerger of Ferry Services on the balance sheet of the Destia Group are presented in the Table on page 20.

As the financial year closed, Destia had agreements for a total of 55 regional contracts. In addition, Destia has approximately 30 winter maintenance contracts in various parts of Finland. Destia's Infrastructure Maintenance carries out both winter and summer upkeep in the Rautaruukki factory area at Raahe as well as in the steelworks area of Outokumpu Stainless Ltd at Tornio.

Destia won nine out of the 13 regional roadworks contracts that were up for tendering in 2010. The duration of the contracts was either five or seven years.

Rocks Business

Rocks *comprises rock material services and bedrock and mining construction as well as railway construction and railway infrastructure maintenance.*

Key figures, MEUR	**1-12/2010**	**1-12/2009**	**10-12/2010**	**10-12/2009**
Turnover	64,5	64,5	18,5	17,5
% of turnover	12,0	10,7	12,4	11,5
Order book end of the period	78,2	37,9		
Average personnel	393	454	400	417

Rocks' turnover for the last quarter was 5.7 per cent larger by reference to the previous year, whilst turnover for the entire financial year was the same as the year before. Rocks' order book was significantly larger at the end of the year than during the previous year, due to long-term railway maintenance and bedrock construction projects. The personnel adjustments at the end of 2009 are, by reference to the year before, the essential factor affecting personnel change.

The largest projects during the financial year were waste excavation and ore rock crushing at the Talvivaara mine as well as a number of projects at the Olkiluoto nuclear power plant: tunnel expansion and regional work, excavating a vehicle passage tunnel for the ONKALO research facility, and track maintenance areas 7 and 10 in Eastern and Central Finland as well as in Central Finland, in addition to significant rock material deliveries for Nordstream, etc. During the last quarter of the year, the five-year maintenance periods of track and safety equipment with respect to Maintenance Area 4, Pieksämäki–Tampere–Rauma, as well as Maintenance Area 8, Iisalmi–Kuopio–Rauma, also began.

In the fourth quarter, the METRO consortium between Destia Ltd and Metrostav a.s. of the Czech Republic signed a contract agreement for the excavation of the Karhusaari Island Metro Tunnels in Helsinki and Espoo.

During the first quarter of the financial year, Destia's ownership share rose in the Kaivujyrä Group from 76 per cent to 84 per cent. The increase of shareholding was based on a trade agreement made in 2007. On 1 April 2010, Destia Ltd bought the remaining 16 per cent of the shares of the Kaivujyrä Group by corporate acquisition. It is now the owner of Kaivujyrä Group's entire share capital. The subsidiary of the Kaivujyrä Group, Destia Rail Oy (formerly Maansiirto Veli Hyyryläinen Oy, MVH) is specialized in the construction, repair and maintenance of the railway network. Destia Rail Oy's subsidiary, Mannerkaivuu Oy, merged with the parent company during the fourth quarter of the year.

GROUP PERFORMANCE

Destia Group's business result in 2010 was MEUR 8.3 (-16.9), which was 1.5 per cent (-2.8) of turnover. Business profit for the financial year includes MEUR 6.1 (5.5) of other business yields, which for the most part are made up of rental proceeds, equipment-related capital gains and business gains on disposal. In 2009, the business result included MEUR 22.6 of non-recurring items. The turnover and business result for the financial year are reduced by reference to the previous year by the partial distribution of ferry services implemented on 1 January 2010. Turnover for ferry services totalled MEUR 30.7 in 2009.

The profitability increase from the previous year was particularly influenced by a development programme for increasing profitability. The programme was initiated in the autumn of 2009, and it advanced in accordance with the plans to reach the set objectives. The relative share of the company's fixed costs declined to 8.0 per cent of turnover (11.4), despite the reduction in turnover. The business result was weakened by the difficulties speciality in Norway's business operations and in other new business operations for Destia.

BALANCE SHEET, MONEY FLOW AND FINANCING

The sum total of the Group's balance sheet was MEUR 251.6 (274.1). The balance sheet sum total decreased by MEUR 16.1 compared with the previous period due to the demerging of ferry services. The comparable sum total of the Group's balance sheet was on the level of the previous year. Return on investments was 6.2 per cent (-10.6), the level of self-sufficiency was 30.4 per cent (26.3), and the debt-to-equity ratio was 68.4 per cent (65.2).

The money flow for the reporting period comprised business money flow of MEUR -6.0 (30.7), investment money flow of MEUR -6.1 (-28.2) and financing money flow of MEUR -2.7 (15.8). The money flow from business operations during the financial year was affected by the general deterioration in the market conditions in addition to the priority given to scheduled payments with regard to on-going large projects towards the year 2009, as well as the personnel adjustments made in 2009. The partial demerger of ferry services affected the business cash flow of the reporting period by MEUR -6.4.

The financial assets at the end of the financial years according to the balance sheet were MEUR 26.3 (41.2). In total, MEUR 0.3 of Destia's short-term credit limit of 31.1 million euros was in use (0.0).

Destia's liquidity during the year was good. Destia carried out reorganization of its financing by signing a five-year loan for MEUR 30.0 in November. The loan was drawn in full in November, and it has a variable interest rate. Interest on the loan has been changed to a fixed interest rate swap system. Commercial papers were paid off with the drawn loan which, as released for circulation at year's end, amounted to MEUR 10.0 (38.4).

The Group's long-term outside capital with interest rose during the financial year to MEUR 60.8 (41.4). With regard to loans, 15.8 per cent (50.4) are short-term and 84.2 prosenttia (49.6) are long-term. Short-term credit limits were only occasionally in use.

Protections are in effect against currency, commodity and interest risks in accordance with the Group's financing policies.

SHARES AND SHARE CAPITAL

The registered share capital of Destia Ltd is MEUR 17.0 and its total number of shares is 680,000. The company is owned 100% by the State of Finland.

INVESTMENTS

The total amount of gross investments during the financial year was MEUR 11.7 (29.4). Of the investments made, MEUR 8.5 (19.4) were primarily equipment-related investments, and MEUR 3.2 (10.0) were other investments.

ANNUAL GENERAL MEETING 2010 AND ADMINISTRATION

The Annual General Meeting of Destia Ltd was held on 18 March 2010, and it confirmed the company's balance sheet for 2009. As proposed by the Board, the AGM decided not to distribute a dividend.

The Annual General Meeting granted, during the extraordinary general meetings on 27 October 2009 and 2 December 2009, exemption from liability to selected Board members as well as to the company's President & CEOs acting during the period of 29 May 2009 – 31 December 2009.

The decision was made at the Annual General Meeting to leave exemption from liability non-granted to the company's President & CEO Jukka Laaksovirta as well as to the parent company's Board members functioning during the period of 1 January 2009 – 29 May 2009.

The General Meeting ratified the total number of Board members as five. Elina Engman, Karri Kaitue, Matti Mantere, Ilpo Nuutinen and Solveig Törnroos-Huhtamäki were elected to the Board. Karri Kaitue will continue to act as the Chairperson of the Board as elected by the AGM. The Chartered Accounting Company Deloitte & Touche was selected as the company auditor, whose main responsible auditor is CA Tapani Vuopala. The Board elected Matti Mantere as Vice Chairperson at its organizing meeting on 22 March 2010.

The Board of Directors has established two committees from within its midst – an Audit Committee and a Nomination and Compensation Committee. Matti Mantere acted as Chairperson of the Audit Committee and Ilpo Nuutinen and Solveig Törnroos-Huhtamäki functioned as members. The Nomination and Compensation Committee was composed of Karri Kaitue as Chairperson and, as members, Elina Engman and Ilpo Nuutinen.

In accordance with the decision made at the Annual General Meeting, monthly compensation to the Board's Chairperson was 3,300 euros. Compensation to the Vice Chairperson was 1,800 euros and the other members of the Board received 1,500 euros each as compensation. In addition to monthly compensation, all members of the Board were paid EUR 600 each as a participation fee for every Board and committee meeting. Travel costs and daily allowance were remitted in accordance with Destia's travel regulations.

CHANGES IN THE ORGANISATION STRUCTURE COMPANY'S MANAGEMENT

The Destia Group strategy was prepared during 2010 for the period 2011 – 2013 and launched in the last period of the year. In order to realise the strategy and meet the set targets, Destia streamlined its organisational structure from the beginning of 2011. In order to improve the cost effectiveness of operations, five regional and three operating profit centres were formed. Through the new organisational structure, decision-making has been transferred nearer to the customer and a tighter grip on project performance is being targeted.

Master of Laws Aki Markkola was appointed as a member of Destia Ltd's Management Team and as Legal Affairs Manager, starting 15 March 2010.

MANAGEMENT AND PERSONNEL

From the outset of 2010, Destia's Group Management Team was composed, in addition to President & CEO Hannu Leinonen, of Miia Apukka, Jouni Karjalainen, Kalevi Katko, Hannu Kulju, Sari Kuittinen-Tihilä, Aki Markkola (as of 15 March 2010), Pirkko Salminen and personnel representative Jouko Korhonen.

On 15 October 2010, Destia Ltd began negotiations in accordance with the Cooperation Act with regard to personnel reductions and layoffs, so that the company's cost structure and number of staff could be brought in line with the market situation and new business structure. As a result of the negotiations ending 3 December 2010, Destia's total number of personnel declined by 70. The staff reductions were implemented as of December 2010, and partly they will be implemented in 2011.

The final outcome of the discussions concerning layoff requirements affected at maximum 150 person years. The total number of layoffs during the negotiations declined from 450 to 350 people. The layoffs are being realized during the winter and spring of 2011.

The Group's average number of personnel during the financial year was 2,096 (2,860). At the end of December, the number of personnel was 1,940 (2,585), of which permanent staff totalled 1,816

(2,423) and temporary employees totalled 124 (162). The change from the previous year was caused by the personnel adjustments carried out in late 2010. In previous year the ferry service personnel included in numbers. A total of 96.6 per cent (97.6) of the personnel worked in Finland and 3.4 per cent (2.4) worked abroad. Due to the seasonal nature of the business, the number of personnel varies during the year and peaks in the summer.

In 2010, personnel costs in the Group totalled MEUR 103.4 (146.0), which was 19.2 (24.2) per cent of turnover. During the year, general increases raised personnel costs 1.9 per cent (4.1): in other words, MEUR 1.9 (5.5). At the end of 2009, non-recurring costs caused by dismissals, MEUR 4.0, were included within the obligatory reservations made in the financial statements for 2009. These reservations dissolved in 2010.

Destia's incentive system was renewed during the financial year. It brings an encouraging in-house cooperation and strategy-supportive control- and reward-based element to compensation. With this system, the foundations of rewarding the company through commitment to its profitability, operational prerequisites and development are supported with respect to the company's strategy periods and pivotal success factors. The company's entire staff is part of the incentive system. An essential priority is to reward successful project management. The decision was made to also implement a management incentive plan as part of the Group-wide reform of the incentive system.

A collective labour agreement concerning infrastructure industry workers was made on 9 March 2010, and an agreement concerning infrastructure industry employees was made on 10 March 2010. The agreement period of both agreements is from 1 March 2010 to 29 February 2012. Unless the parties reach agreement on the 2011 increases, the contract may be terminated by February 28th 2011.

Safety improvement is a pivotal challenge to the construction field, since it substantially impacts both the field's productivity and its attractiveness as an employer. Occupational health and safety are implemented in accordance with a separate occupational health and safety policy programme. The results of the measures are gauged regularly. In 2010, Destia's personnel-related accident frequency – i.e. workplace accidents leading to at least one case of absence per one million working hours – was 22.1 (22.7, calculated to correspond to the current organization). Despite of continuous safety improvements two serious accidents occurred which led to the death of two employees. Due to the serious work accidents, all activity at Destia's worksites was momentarily halted and the company's safety questions were subsequently examined and reviewed on the early of January 2011.

LITIGATION AND DISPUTES

Helsinki's District Attorney raised charges on 31 August 2010 against the former President & CEO of Destia Ltd on suspicion of abuse of seven individual positions of trust during the years 2008–2009. In addition, charges were laid against a former employee of the company, a unit manager, on suspicion of abetting abuse of a position of trust in 2009. A charge was also made against one person external to the company on suspicion of two cases of abetting abuse of a position of trust in 2008. After hearing those accused in the pre-trial investigation, the decision was made with regard to the four former employees of Destia suspected of committing legal offences not to bring charges against them on the grounds of suspected abetment to abuse of a position of trust.

No further action has been taken in the deliberations, started in 2009, on the disagreements concerning cancellation of the cooperation agreements between Destia, Lempäälän Hiihtoputki Oy and Soraset Yhtiöt Oy as well as between Destia, Masku Kiinteistöt Oy and Rakennusliike Lehto Oy.

The District Attorney of Päijät-Häme has raised charges against two of Destia’s technical managers in addition to demanding compensation for damage from Destia for excessive removal of extractable soil resources in Hartola in 2007.

NEAR-FUTURE RISKS AND UNCERTAINTIES

Destia classifies risks into market and operating environment risks as well as operational risks. The most significant short-term risks to the implementation of strategy – such as those during the entire previous financial year – are linked with the prevailing market conditions. The demand for construction services, in particular, has not revived to the level preceding the downturn, which has led to overcapacity in the field. The tight competition is also reflected in the maintenance and upkeep-based business operations as, for instance, new service providers enter the market. The general economic situation is also reflected in the investment potential of the municipalities.

During the financial year, fixed costs were reduced to correspond to the market conditions with planned measures as well as by adjusting operations at the end of the year. During the current year, the improvement of production efficiency and the maintenance of structural effectiveness are being ensured through individual development programmes.

Uncertainty in terms of project profitability is also being generated by the possible increase in bidding prices. This uncertainty is being reduced by basing sales contracts on indices where possible, in addition to carrying out the essential procurements as quickly as possible as soon as the project has been confirmed. In project operations, risks are also involved in the execution of projects, particularly when the latter are implemented by using new contract-related methods. Project risk management is supported by using risk management measures as well as by securing Destia’s interests with appropriate agreement terms and securities.

The considerable changes in the general economic situation or failure in regional maintenance-related contract competitions and large investment projects-based bidding competitions may negatively impact the realization of Destia Group’s strategic objectives, in addition to the development and results of its business operations.

ENVIRONMENTAL MATTERS

Destia has a combined international quality and environmental ISO 9001 and 14001 certificate with regard to all its contracted services, i.e. infra construction, surfacing, upkeep and maintenance services as well as rock material-based services. During the financial year, Destia’s operations were in compliance with the certification. In operations, attention was given to ecological effectiveness, the use of natural resources and materials, fuel and energy consumption, as well as the environmental safety of operations and taking the immediate environs into consideration. More detailed information on Destia’s approach to environmental matters is available on the company’s website.

RESEARCH AND DEVELOPMENT

Still continued development target is construction machine automation, where progress was also systematically achieved in 2010. The initialization of automation at Destia’s worksite has proceeded well: by the end of the financial year, experience of the use of construction machine automation was already obtained at over 60 worksites whose contractual base was in the range of several millions of euros. With the advancement of construction machine automation, productivity has improved and contract turnaround times have shortened. The costs of the company's research and development activities in 2010 totalled MEUR 0.6 (2.8).

EVENTS FOLLOWING THE FINANCIAL YEAR

Operations with the organizational structure focused on new regional activities began at the outset of 2011.

Destia Ltd and Ramirent Finland Oy signed a letter of intent according to which Destia's worksite facilities and part of the small construction machines as well as the operations connected with them shall be transferred to Ramirent. The goal is to sign a final multi-year agreement during the first quarter of 2011.

Destia demanded unpaid barge-related rental arrears through legal recourse from Baltic Cargo Shipping Oy and its guarantor. After the financial year, the dispute with regard to the vessel's rental agreement was awarded in Destia's favour. Baltic Cargo Shipping Oy was ordered to pay approximately 500,000 euros in rental arrears and deposit returns to Destia. The opposite party has appealed the decision and the handling of the case will continue in the Court of Appeal.

According to the special inspection performed by Destia Ltd performed in 2009, the reporting of audit observations to the Board of Directors was not in all respects adequate with regard to the 1 January – 31 December financial year. The company's auditor at the time was Ernst & Young Oy. As the consequence of the above-mentioned special inspection performed with audit firm Ernst & Young and the discussions ensuing that resulted from a statement made by the Roschier law firm, the parties have together confirmed that, in order to resolve the matter, Ernst & Young will remit, as a result of a claim made by Destia, a lump-sum reimbursement of 100,000 euros, which will totally resolve the disagreement between the parties.

STRATEGIC DIRECTION

The most important goal of Destia Group in 2010 was to improve profitability. Cost effectiveness was improved to reduce fixed costs and general expenses as well as intensify the efficacy of support activities. On 1 January 2010, a Service Centre for the Group's finance-, human resources-, premises- and ICT services-based services was launched.

On 1 October 2010, Destia's Board of Directors ratified the new company strategy and financial targets for the strategic period 2011-2013. The key focus area of the strategy continues to be the restoration of business profitability and consolidation of the company's position in core business areas. Destia aims to be one of the most profitable infrastructure companies in Finland. The Board set the following financial targets for the strategic period: the growth rate of core business should exceed the overall market growth, operating profit at 4 per cent, return on investments 15 per cent and equity ratio 35 per cent. In order to realise the strategy and meet the set targets, Destia streamlined its organisational structure.

PROSPECTS FOR 2011

Large infrastructure projects on the part of the State are on-going to a lesser extent in 2011 than in previous years, which significantly affects the overall market situation. Moreover, investments in the municipal sector remain, due to the financing situation, more meagre than in previous years. The conditions of demand for private infra contracts are affected by financing availability and the related price rates. Therefore, it is estimated that the revival in demand will not occur until 2012–2013, at which time significant PPP projects, for instance, will be in full swing.

However, Destia's existing strong order book and the measures for improving profitability initiated early shall exert a positive impact on the prospects for the current year.

Due to the market situation, Destia Group's 2011 turnover is estimated to be lower than for the previous year. The business profit for the Group is anticipated to be on the level of the previous year.

BOARD OF DIRECTORS' PROPOSAL FOR THE USE OF PROFIT FUNDS

The distributable free shareholders' equity of Destia Ltd consists only of the invested unrestricted equity fund, resulting that The Board of Directors of Destia Ltd proposes to the Annual General Meeting that no dividends will be distributed for the year ending 31 December 2010.

Helsinki, 18 February 2011

DESTIA LTD

Board of Directors

Further information is provided by: President & CEO Hannu Leinonen, tel. +358 20 444 4000 and Head of Economics and Financing Pirkko Salminen, tel. +358 50 3022 485

Destia Group's Interim Report for the first quarter of 2011 will be published on 29 April 2010.

DESTIA GROUP´S PROFIT AND LOSS ACCOUNT

1000 EUR	1.1.-31.12.2010	1.1.-31.12.2009
TURNOVER	539 202	603 405
Production for own use		212
Other operating income	6 108	5 512
MATERIAS AND SERVICES		
MATERIALS AND CONSUMABLES		
Purchases during the financial year	-95 310	-106 734
Increase/decrease in inventories	-1 073	-6 874
External services	-258 997	-267 946
Materials and services	-355 380	-381 555
PERSONNEL EXPENSES		
Salaries and fees	-86 705	-118 844
Personnel expenses		
Pension expenses	-11 560	-19 224
Other personnel expenses	-5 157	-7 968
Personnel expenses	-103 422	-146 036
DEPRECIATION AND WRITE-DOWNS		
Depreciation according to plan	-20 229	-27 453
Depreciation of consolidated goodwill	-2 446	-2 312
Write-downs of non-current assets		-1 343
Other operating expenses	-55 542	-67 326
OPERATING RESULT	8 292	-16 896
FINANCIAL INCOME AND EXPENSES		
Income from other non-current financial assets	2	1
Other interest income and financial income	662	897
Interest expenses from liabilities to others	-2 337	-1 823
Other financial expenses at Group companies	-831	-873
Financial income and expenses	-2 504	-1 798
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS	5 788	-18 694
EXTRAORDINARY ITEMS		
Extraordinary expenses		-717
Extraordinary items		-717
PROFIT/LOSS BEFORE TAXES	5 788	-19 411
Income tax and deferred taxes	2 479	2 338
Minority interest		-619
PROFIT/LOSS FOR THE PERIOD	8 267	-17 692

DESTIA GROUP'S BALANCE SHEET

1000 EUR	31.12.2010	31.12.2009
ASSETS		
NON-CURRENT ASSETS		
INTANGIBLE ASSETS		
Intangible rights	2 858	1 165
Goodwill	1	25
Consolidated goodwill	15 730	16 939
Other long-term expenditure	141	534
Advance payments on intangible assets	43	501
Intangible assets	18 773	19 164
TANGIBLE ASSETS		
Land and water areas	2 986	3 034
Buildings and structures	10 618	10 970
Machinery and equipment	67 220	90 661
Other tangible assets	13 177	13 705
Advance payments and construction in progress	458	1 066
Tangible assets	94 459	119 436
INVESTMENTS		
Other shares and securities	2 182	2 190
Investments	2 182	2 190
NON-CURRENT ASSETS	115 414	140 790
CURRENT ASSETS		
INVENTORIES		
Materials and consumables	24 437	25 499
Inventories	24 437	25 499
RECEIVABLES		
Accounts receivable	50 721	40 044
Other receivables	1 459	1 100
Deferred tax assets	6 899	4 303
Prepaid expenses and accrued income	26 365	21 132
Receivables	85 444	66 579
Cash and bank	26 324	41 185
CURRENT ASSETS	136 205	133 263
ASSETS	251 619	274 053

1000 EUR	31.12.2010	31.12.2009
EQUITY AND LIABILITIES		
EQUITY		
Share capital	17 000	17 000
Reserve for invested non-restricted equity	56 430	60 549
Retained earnings	-14 638	3 035
Profit/loss for the period	8 267	-17 692
EQUITY	67 060	62 892
MINORITY INTEREST		2 039
PROVISIONS	17 703	25 686
GROUP RESERVE	129	129
LIABILITIES		
LONG-TERM LIABILITIES		
Loans from financial institutions	60 821	41 391
Long-term liabilities	60 821	41 391
SHORT-TERM LIABILITIES		
Government loan		1 793
Loans from financial institutions	11 383	40 344
Advances received	30 914	27 215
Accounts payable	28 997	27 307
Other liabilities	8 338	10 651
Accrued expenses and deferred income	23 463	31 585
Deferred tax liability	2 810	3 021
Short-term liabilities	105 906	141 916
LIABILITIES	166 727	183 307
EQUITY AND LIABILITIES	251 619	274 053

DESTA GROUP´S CASH FLOW STATEMENT

1000 EUR	12/2010	12/2009
Cash flow from business operations		
Payments received from customers	530 333	636 545
Payments to suppliers of goods/services and to personnel	-533 748	-602 144
Cash flow from business operations before financial items and taxes	-3 415	34 401
Interest paid on business operations	-2 337	-1 823
Dividend income received from business operations	2	1
Interest received from business operations	662	248
Other financial items from business operations	-831	-873
Taxes paid on business operations	-86	-1 226
Cash flow from business operations	**-6 005**	**30 728**
Cash flow from investment activities		
Investments in tangible and intangible assets	-10 455	-24 678
Proceeds from the sale of tangible and intangible assets	7 528	5 512
Acquired and divested shares in subsidiaries and associates	-3 263	-8 984
Other investments		-104
Proceeds from the sale of other investments	8	5
Cash flow from investment activities	**-6 181**	**-28 249**
Cash flow from financing activities		
Repayment of short-term loans	-31 265	-13 018
Withdrawals of short-term loans	30 000	40 352
Repayment of long-term loans	-1 410	-6 659
Dividends paid		-4 904
Cash flow from financing activities	**-2 675**	**15 771**
Change in liquid assets	**-14 861**	**18 250**
Liquid assets on balance sheet on 31 Dec	26 324	41 185
Liquid assets on balance sheet on 1 Jan	41 185	22 935
	-14 861	18 250

GROUP´S KEY FIGURES

EUR MILLION	2010	2009	2008
Turnover	539,2	603,4	717,1
Year-on-year change, %	-10,6	-15,9	
Operating result	8,3	-16,9	19,3
% of turnover	1,5	-2,8	2,7
Profit/loss for the period	8,3	-17,7	10,4
% of turnover	1,5	-2,9	1,5
Gross capital expenditure	11,7	29,4	66,5
% of turnover	2,2	4,9	9,3
Balance sheet total	251,6	274,1	294,4
Equity	67,1	62,9	85,5
Equity ratio, % 1)	30,4	26,3	33,4
Gearing, % 2)	68,4	65,2	44,4
Interest-bearing liabilities	72,2	83,5	62,7
Current Ratio 3)	1,3	0,9	0,8
Quick Ratio 4)	1,2	0,8	0,7
Return on equity, % 5)	12,5	-21,2	14,7
Return on investment, % 6)	6,2	-10,6	15,7
Earnings per share, EUR	12,16	-24,96	15,32
Equity per share, EUR	98,62	92,49	125,75
Average personnel	2 096	2 860	2 921
Order book	726,5	753,3	720,8
Research and development costs	0,6	2,8	3,0
% of other operating expenses	1,1	4,2	4,6

Formulas:
1) ((Equity + minority interest/(Balance sheet total - advances received) *100
2) ((Interest-bearing liabilities - cash, bank balances and securities)/(Equity + minority interest))*100
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))*100 (balance sheet at beginning and end of year)
6) (Profit before extraordinary items + interests and other financial expenses/Average equity invested
(balance sheet total - non-interest-bearing liabilities - provisions, balance sheet at beginning and end of year)

GROUP´S QUATERLY PROFIT AND LOSS ACCOUNT

EUR MILLION	1-3/ 2010	4-6/ 2010	7-9/ 2010	10-12/ 2010	1-12/ 2010	1-3/ 2009	4-6/ 2009	7-9/ 2009	10-12/ 2009	1-12/ 2009
TURNOVER	89,4	122,3	179,2	148,3	539,2	96,9	147,9	205,4	153,2	603,4
Production for own use									0,2	0,2
Other operating income	0,8	2,5	1,0	1,9	6,1	1,0	0,8	2,3	1,4	5,5
Materials and services	-49,9	-80,8	-122,4	-102,2	-355,4	-55,9	-87,9	-134,1	-103,6	-381,5
Personnel expenses	-27,0	-23,1	-26,8	-26,5	-103,4	-30,7	-38,6	-39,4	-37,3	-146,0
Depreciation and write-downs	-5,5	-5,4	-5,6	-6,2	-22,7	-5,9	-6,1	-6,5	-12,6	-31,1
Other operating expenses	-10,8	-16,7	-13,3	-14,8	-55,5	-12,3	-18,0	-15,6	-21,5	-67,4
OPERATING RESULT	-3,1	-1,2	12,1	0,5	8,3	-6,9	-1,9	12,1	-20,2	-16,9
Financial income and expenses	-0,6	-0,7	-0,7	-0,6	-2,5	-0,6	-0,3	-0,9	0,0	-1,8
RESULT BEFORE EXTRAORDINARY ITEMS AND TAXES	-3,7	-1,9	11,4	-0,1	5,8	-7,5	-2,2	11,2	-20,2	-18,7
EXTRAORDINARY ITEMS										
Extraordinary items			-0,1	0,1					-0,7	-0,7
APPROPRIATIONS, TAXES AND MINORITY INTEREST										
Income tax and deferred taxes	-0,9	-0,1	-0,2	3,7	2,5	-0,1	0,1	-0,5	2,8	2,3
Minority interest						0,1		-0,3	-0,4	-0,6
PROFIT AND LOSS FOR THE PERIOD	-4,6	-1,9	11,1	3,8	8,3	-7,5	-2,1	10,4	-18,5	-17,7

DESTIA GROUP´S QUATERLY BALANCE SHEET

EUR MILLION	31.12.2010	30.9.2010	30.6.2010	31.3.2010	31.12.2009
ASSETS					
NON-CURRENT ASSETS	115,4	120,0	125,4	129,9	140,8
CURRENT ASSETS					
Inventories	24,4	28,1	27,4	25,1	25,5
Receivables	85,4	121,2	102,7	55,6	66,6
Cash and bank	26,3	11,8	10,0	15,6	41,2
CURRENT ASSETS	136,2	161,1	140,1	96,2	133,3
ASSETS	251,6	281,1	265,5	226,1	274,1
EQUITY AND LIABILITIES					
EQUITY	67,1	63,6	52,3	54,2	62,9
MINORITY INTEREST				1,3	2,0
PROVISIONS	17,7	17,6	18,8	21,7	25,7
GROUP RESERVE	0,1	0,1	0,1	0,1	0,1
LIABILITIES					
Deferred tax liability	2,8	2,8	2,8	2,8	3,0
Long-term liabilities	60,8	31,8	31,9	31,8	41,4
Short-term liabilities	103,1	165,2	159,6	114,2	138,9
LIABILITIES	166,7	199,8	194,3	148,8	183,3
EQUITY AND LIABILITIES	251,6	281,1	265,5	226,1	274,1

DESTIA GROUP´S QUATERLY CUMULATIVE CASH FLOW STATEMENT

EUR MILLION	3/2010	6/2010	9/2010	12/2010	12/2009
Cash flow from business operations					
Payments received from customers	96,2	185,0	331,9	530,3	636,5
Payments to suppliers of goods/services and to personnel	-108,2	-213,5	-380,2	-533,8	-602,1
Cash flow from business operations before financial items and taxes	-12,0	-28,5	-48,3	-3,4	34,4
Interest paid on business operations	-0,4	-0,8	-1,6	-2,3	-1,8
Interest received from business operations	0,1	0,1	0,1	0,7	0,2
Other financial items from business operations	-0,2	-0,3	-0,5	-0,8	-0,9
Taxes paid on business operations	-0,3	-0,5	-0,7		-1,2
Cash flow before extraordinary items and taxes	-12,8	-30,0	-51,0	-5,9	30,7
Cash flow cause business operations extraordinary items and taxes				-0,1	
Cash flow from business operations	**-12,8**	**-30,0**	**-51,0**	**-6,0**	**30,7**
Cash flow from investment activities					
Investments in tangible and intangible assets	-4,1	-5,4	-7,5	-10,5	-24,7
Proceeds from the sale of tangible and intangible assets	1,0	2,6	5,4	7,5	5,5
Acquired and divested shares in subsidiaries	-1,3	-3,3	-3,3	-3,3	-9,0
Other investments					-0,1
Cash flow from investment activities	**-4,4**	**-6,1**	**-5,4**	**-6,2**	**-28,2**
Cash flow from financing activities					
Withdrawals of short-term loans		5,4	27,5		
Repayment of short-term loans	-8,0			-31,3	-13,0
Withdrawals of long-term loans			0,1	30,0	40,4
Repayment of long-term loans	-0,5	-0,5	-0,6	-1,4	-6,7
Dividends paid					-4,9
Cash flow from financing activities	**-8,5**	**4,9**	**27,0**	**-2,7**	**15,8**
Change in liquid assets	**-25,7**	**-31,2**	**-29,4**	**-14,9**	**18,3**
Liquid assets on balance sheet on 31 Dec	15,5	10,0	11,8	26,3	41,2
Liquid assets on balance sheet on 1 Jan	41,2	41,2	41,2	41,2	22,9
Change in liquid assets	-25,7	-31,2	-29,4	-14,9	18,3

GROUP´S CONTINGENT LIABILITIES

1 000 eur

	2010	2009
Loans secured by mortgages		
Loans from financial institutions	130	167
Mortgages given as security	350	350
Pledged mortgages	126	826
Pledged deposits	59	57
Pledged shares of subsidiaries (book value in subsidiary)		1 321
Guarantees		
On behalf of Group companies	0	
On behalf of others	86 559	86 302
Leasing commitments		
Falling due during current financial year	975	1 775
Falling due in later financial years	2 642	2 116
Future payments for long-term rental agreements	7 532	4 515

GROUP´S DERIVATIVE CONTRACTS

	2010	2009
Currency derivatives		
Nominal value	8 539	3 553
Fair value	-36	37
Interest rate derivatives		
Nominal value	60 000	39 990
Fair value	-421	144
Commodity derivatives		
Nominal value	1 431	2 828
Fair value	298	424

Nominal values and fair values are presented as net amounts.
Fair value is an estimate of the gains or losses that would have been realised if the derivative contracts had been terminated at the balance sheet date.

SHARES AND SHAREHOLDERS

Shareholder	Number of shares	EUR / share	%	Voting right	Share capital EUR
State of Finland	680 000	25	100	1 vote/share	17 000 000

DEMERGING OF FERRY SERVICES FROM DESTIA GROUP
Influence on the 2010 balance sheet of Destia Group

EUR MILLION	31.12.2009	1.1.2010
ASSETS		
NON-CURRENT ASSETS	140,8	131,2
CURRENT ASSETS		
Inventories	25,5	25,5
Receivables	62,3	62,2
Deferred tax assets	4,3	4,3
Cash and bank	41,2	34,8
CURRENT ASSETS	133,3	126,8
ASSETS	274,1	258,0
EQUITY AND LIABILITIES		
EQUITY		
Share capital	17,0	17,0
Reserve for invested non-restricted equity	60,6	56,4
Retained earnings	3,0	-14,6
Profit/loss for the period	-17,7	
EQUITY	62,9	58,8
MINORITY INTEREST	2,0	2,0
PROVISIONS	25,7	25,7
GROUP RESERVE	0,1	0,1
LIABILITIES		
Deferred tax liability	3,0	2,8
Long-term liabilities	41,4	32,4
Short-term liabilities	138,9	136,2
LIABILITIES	183,3	171,4
EQUITY AND LIABILITIES	274,1	258,0