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

IN 2011, THE REVENUE OF THE DESTIA GROUP was about € 500 million. The Destia Group comprises the parent company Destia Ltd and its subsidiaries.

DESTIA EMPLOYS about 1,600 people. The company is an expert organisation offering an encouraging atmosphere and wide-ranging opportunities for experts in the infrastructure industry.

IN 2011, DESTIA RENEWED ITS ORGANISATIONAL STRUCTURE by dividing its operations into five regional and three operating business units, so that decision-making is closer to the field and to the customers. The regional business units, whose services are infrastructure construction and maintenance, are Southern Finland, Western Finland, Southwestern Finland, Eastern Finland and Cap of the North. The operating business units are Railways, Rock and Consulting Services.

The business of Infra Construction includes the construction of traffic routes, industrial and traffic environments and complete living environments; the business of Infra Maintenance includes the maintenance of traffic routes, gravel roads, bridges and the traffic environment as well as the services of the road weather maintenance centre Kelikeskus. The Railways business unit includes maintenance work for railway construction and infrastructure, the Rock business unit deals with aggregate services, rock and mining construction and Consulting Services with planning, measuring and international consulting.

KEY FIGURES, IFRS

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<thead>
<tr>
<th>MILL. EUROS</th>
<th>2011</th>
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<tr>
<td>Revenue</td>
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<td>538.6</td>
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<td>Operating result</td>
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<tr>
<td>% of revenue</td>
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<td>Profit for the financial period</td>
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<tr>
<td>% of revenue</td>
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<td>Return on investment, %</td>
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<tr>
<td>Gross capital expenditure, % of revenue</td>
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<tr>
<td>Number of personnel, average</td>
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</table>

DESTIA IN 2011

Finland, Southwestern Finland, Eastern Finland and Cap of the North. The operating business units are Railways, Rock and Consulting Services.
In 2011, the focus has been shifting from the revamping of basic structures to the improvement of operations. We have improved our tendering work, so that we can better identify risks at the tendering stage and find factors that increase our competitiveness when making tendering calculations. In the 2011 key financials, however, successes and progress were overshadowed by corrections to income allocations for old projects.

In 2012, the streamlining of functions will continue with investments in managerial work and project management. In development work, we are now focusing on core issues and are improving our service processes by increasing understanding and expertise in customer service work and project implementation.

**We have a good team**

The successes of 2011 have been the efficiency of the new leaner organisation, wins in tendering competitions for major projects and the preservation of our strong position in maintenance contracts.

I am also very pleased with how the organisation has developed. During the year, a desire to show what we can do has clearly emerged. I certainly cannot say, however, that I am pleased with the fact that we failed to notice earlier the need for major corrections in the income entries or allocations for long contracts. In 2012, we are tackling this weak aspect of project management through our PRO development project.

We are focusing on work with customers and customer service. We are constantly improving our own operations under the guidance of customer feedback. We are also endeavouring to work more actively with and closer to the customer. We have already achieved positive results from our work, although there is still a great deal to do.

**Increasing profitability through successful project management**

In 2012, the main objective is to ensure profitability and cash flow and to improve competitiveness. The majority of infrastructure contracts are based purely on price competition. Cost-efficiency is the foundation and starting point for competitiveness and the core of profitability. If the foundation is in good condition, we can stand out for our customers as a reliable partner by virtue of our strong expertise, which is available nationwide.

In 2012, we are investing in project management. We have launched the extensive PRO project management coaching programme, in which we go through with project managers working at different levels of line organisations what is expected of them, what they are responsible for, what the agreed ways of operating are and what the work of a supervisor means. The aim is to spread good practices more widely and to improve performance levels, especially in weak projects.
Demand for infrastructure construction on the market

From the point of view of the whole sector, the next year for Destia is looking better than the last two, because major earthworks projects are starting now. House building will decrease, but no great change in the overall market will be evident as these large-scale projects begin.

2011 was a year of company reorganisation in the infrastructure sector. In spite of reorganisations and mergers, the market remains fragmented. The opening-up of the municipal and railway markets is linked to changes in the social structure and, as these changes are implemented, the number of open markets will increase.

The greatest threat to the sector in 2012 will be the state of the European money markets, as economic uncertainty will directly affect the willingness of companies to invest. With a small delay, it will also influence the realisation of major public investments. Destia’s internal challenge is to ensure that it has sufficient expertise in both the short- and long-term. Our aim is to increase the number of experts in our organisation.

Busy at the front line

At Destia, we have achieved a competitive setup after some difficult stages. Reorganisation is complete, and now we have a greater possibility to react to market fluctuations.

The whole of Destia is endeavouring to ensure that work done in the field is successful and that we are continually improving our service to our customers. We will know we have succeeded if we are successful at the front line and the customer is satisfied.

I would like to thank our customers and partners 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
Mission
Building the bigger picture - the foundation of our existence. We at Destia aim to build, maintain and plan our living environment so that it is more efficient and safe. We professionally create high-quality solutions and services utilising the latest working methods.

Vision
By 2015, to be the leading infrastructure 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. We create responsible infrastructure solutions with boldness and skill, building the bigger picture, piece by piece.
Destia has proceeded in the implementation of its strategy on a stage-by-stage basis, and is strengthening its market position in existing business functions. We are focusing on ensuring the profitability of core business in Finland.

Destia is increasingly serving its customers at the local level, as, at the beginning of 2011, it began operating as five regional business units, Southern, Southwestern, Western and Eastern Finland and Cap of the North, providing services in infrastructure construction and maintenance. Destia’s strong technical expertise can be ensured by sharing expertise throughout the organisation and through constant development work.

In 2012, we are focusing on developing content and improving the efficiency of production operations. We are aiming to achieve this through the main strategic project of 2012, PRO project management coaching, in which about 500 Destia managers will take part. The coaching will deal with managerial work and project management through Destia’s own case examples. The achievement of PRO targets will be monitored quarterly by such means as audits and profitability indicators.

Strategic choices

- We focus on ensuring the profitability of core business in Finland.
- Core business functions are those in which we have clear competitive advantages and a leading market position, or in which we have the basic prerequisites to attain a leading market position.
- We improve our operations by further developing tendering work and risk management.
- We serve our clients 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 all our strong technical know-how and the uniform quality of our service are available for the benefit of our customers.
- We concentrate on local customer relationships, i.e., industrial and municipal customers, in addition to our important public administration customer relationships (Finnish Transport Agency and Centres for Economic Development, Transport and the Environment).
- We invest in managerial work and project management through our PRO project management coaching.

**Did you know**

The value of Finland’s infrastructure is approximately EUR 77 billion, which is approximately 10% of the Finnish gross national product.
Destia classifies risks into market and operating environment risks, operational risks and damage-related risks. For example, project-based risk management covers all key stages of the project. During each stage, the risks are identified, their significance is assessed, and measures, responsibilities and schedules are agreed.

**Prevailing market situation creates uncertainty**

Destia’s most significant short-term risks and factors of uncertainty are related to the prevailing market situation. Even though the 2012 State budget has seen an increase in traffic-route financing, there are no signs of growth of the entire infrastructure construction market. Economic uncertainty has decreased the willingness of the private sector to invest. The scarcity of budgetary appropriations and investments is reflected in the competitive situation of the sector. Competition is fierce, especially in construction and maintenance operations.

The most significant operating risks concern project work. Uncertainty in terms of project profitability is being created by the possible increase in input prices and the ability to manage project risks related to project tender calculation and implementation. Project risk is managed from tendering to implementation through comprehensive risk management procedures, contractual terms and insurance.

Read more about Destia’s risk management at [www.destia.fi](http://www.destia.fi) and about short-term risks and factors of uncertainty in the financial statements on page 7.
## RISK MANAGEMENT

### Destia’s Risk Management Supports Business

#### I Market and operating environment risks

- External strategy-implementation factors of uncertainty
- Risk management policy
- Strategic updating process
- Risk assessment in the strategic process, including processing on the Board of Directors and in the Management Team
- Decisions on risk management procedures at Group and business unit level
- Quarterly monitoring of Group and business unit risk situation and assessment of measures
- Risk reporting and processing with results reporting

#### II Operating risks

- Project risks: Management of project tendering and project implementation risks
- Order of work
- Operating system procedures from a point of view of tendering and project management
- Operating system project management, including risk management procedures concerning project work
- Project monitoring, reporting and forecasting
- Monitoring and assessment of operations: Internal and external assessments
- Development of project management and technical know-how

#### III Accident risks

- Sudden and surprising accident risks
- Destia’s insurance programme
- Crisis instructions
- Measures required by the insurance programme and guidelines to safeguard property and responsibilities
- Risk management procedures based on operating system project management

#### IV Financial risks

- Risk management concerning liquidity, currencies, interest, opposite parties, credit and goods
- Financial policy
- Order of work
- Central management of financial solutions by financial services
- Harmonised procedures for project finance management
- Quarterly reporting of financial activities to the Board of Directors and Audit Committee
- Internal and external audits monitor Group compliance with financial policy
In 2011, the overall volume in the infrastructure sector experienced moderate growth, and stood at about €5 billion. In 2012, the overall volume of civil engineering is expected to fall slightly, although road and rail construction and the expansion of the high-speed data network are growing.

Estimates for the total volumes in the infrastructure sector in 2011 were optimistic. However, growth forecasts had to be lowered towards the end of the year as a result of the eurozone debt crisis and uncertainty in the global economy. Input costs started to increase markedly last year. Costs in the civil engineering sector rose by 7%. The increase in the total index was particularly affected by price increases in fuel and materials.

The published forecasts for the Finnish economy and the rate of inflation are expected to be moderate in the coming years. In 2012, the greatest threats to the industry will concern the development of the European financial markets and economic uncertainty, which will directly affect the implementation of major infrastructure projects. In the longer term as the economic situation recovers, a regional lack of skilled labour may be a threat.

**Need for long-term investment programmes**

In Finland, demand in the infrastructure market is being maintained by strong urbanisation. Since 2000, intra-country migration has been greater than at any time since World War Two. The growth in population is concentrated on major population centres: the Helsinki metropolitan area, Tampere, Oulu, Jyväskylä, Vaasa and Turku.

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. The focus of the public sector will shift from new investment to maintenance, and demand will focus on the construction and maintenance of centres of growth and the connections between them. In the coming years, it can be expected that the condition of the road network will further deteriorate. In order that transport route development projects can be implemented in the years to come, their funding must be safeguarded by means of a long-term investment programme.

The opening up of the municipal and railway market segments has progressed more slowly than expected. It is expected that municipalities will start to procure services provided on the open market, instead of producing services on their own. The role of municipalities as significant regional customers for the sector will be heightened if the number of major state-funded projects declines.

**Major infrastructure projects maintaining the level of the market**

In infrastructure construction, railway projects, tunnel construction, energy grid construction and the opening of mines are all experiencing growth. Railway construction and maintenance has been opened up to market-based competition for about ten years now. From a point of view of the competition environment, it would be beneficial if all railway construction and maintenance contracts were put out to tender by the end of 2013.

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 opportunities, 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 that may be created by the building of wind farms.

Major infrastructure investments will maintain market volumes for roads and railways. The 2012 budget proposal suggested a nominal increase of 4% for appropriations for basic road maintenance. New investment projects are the Tampere shore route to be carried out based on the alliance model, the Turku port connecting route and the E18 Koskenkylä–Kotka project that was started at the end
MARKET REVIEW

OPERATING ENVIRONMENT AND MARKET REVIEW

of 2011. The Ostrobothnian railway project, which was not realised as a PPP (public private partnership) project, is likely to start.

It is estimated that the revival in demand in the infrastructure sector will occur in 2012–2013, at which time the above-mentioned major projects like PPP and alliance projects will be in full swing.

Sector needs more than mere price competition

The infrastructure sector experienced consolidation in 2011. Last year saw much corporate restructuring, and the sector lost some medium-to-large-sized players. Infrastructure construction service areas, such as road and track maintenance, are, however, still quite fragmented as a competitive field. Most of the businesses are relatively small local companies specialising in a single or limited range of services. The entry threshold to the sector is low.

In small and technically simple jobs, Destia’s field of competitors is quite local, but grows to include larger players as the size and level of technical difficulty of projects increase. There are several nationally-operating companies providing a wider range of services. Major infrastructure construction companies have been aiming for regional markets, and medium-sized companies have, in recent years, expanded their operations geographically and have got involved in major contracts in the role of the main contractor, both in maintenance and construction.

In 2011, consortia of large and medium-large companies participated in tendering for major contracts. International players are also entering the Finnish infrastructure market. These companies are taking advantage of the competition in the field, as they are cheaper but still able to provide professionally-skilled labour. So far, new foreign companies have not succeeded in gaining a foothold in the Finnish infrastructure market as independent operators.

In 2012, the volume of infrastructure construction will remain at the level of the previous year, and there will be free capacity. As a result of a possible decline in house building, resources may also become available for infrastructure construction. Road, rail and mine projects planned to start in 2012 are being postponed until 2013 or later. There will be fewer new major contracts on offer in 2012, so competition for them will be fierce.

Sources: Euroconstruct, the Finnish Transport Agency, the Confederation of Finnish Construction Industries, Statistics Finland, the VTT Technical Research Centre of Finland, the Finnish Ministry of Finance.

URBANISATION AND CLIMATE CHANGE THE MOST SIGNIFICANT MEGATRENDS

Megatrends affecting the operations of companies in the infrastructure sector are urbanisation, climate change, the ageing of the population and safety. Urbanisation is directing infrastructure investments towards growth centres and the connecting routes between them. Pressure on public finance is increasing, so new financing models are needed. In the public sector, the focus is shifting towards the construction and maintenance of growth centres and the connecting routes between them.

During the last hundred years, the Finnish climate has changed with a rise in temperature and an increase in precipitation and wind. Climate change makes road weather conditions more difficult and hampers road maintenance. The infrastructure investment and maintenance requirements of cities are increasing.

In Finland, the share of over-65s in the population is increasing rapidly. The labour market is contracting, so functions must be made more efficient and the EU labour market must be utilised. The emphasis on safety is forcing the construction industry to change its attitudes. Future trends are digitalisation, ecology, user-friendliness and design.

Did you know

Civil engineering is a very domestic business, as only 11% of the investment is based abroad. This sector directly employs 42,000 Finns.
Destia’s strongest market position is in road maintenance. When new contracts started on 1 October 2011, Destia’s market share of all road contracts was 62%. At the year-end, Destia had a total of 52 area-wide contracts.

Destia also has about 40 winter and summer maintenance contracts with other customers in various parts of Finland.

Destia also has a strong position in major road projects and their related engineering construction. Thanks to its diverse range of expertise and strong resources, Destia can implement large and demanding projects, which entail not only construction but also planning and design. In the railways market, Destia is the second largest provider in Finland. Other strong segments in which Destia has a major marketing position are survey and bridge repairs.

Destia’s Aggregate unit serves its customers in about 300 soil areas, offering a wide range of high-quality aggregates. Destia’s consulting services include planning and design, survey and analysis and international consulting. Infrastructure design requires expertise not only in traffic and environmental planning but also in the different structures of roads. Successful plans are based on detailed research into traffic, terrain and soil.
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 industrial and business corporations, cities, municipalities and public sector organisations. An extensive network of regional offices ensures that Destia is always close to its customers, both in Finland and the surrounding areas.
BUILDING THE BIGGER PICTURE IN SAVONLINNA

When it is completed in 2013, the beautiful scenic Highway 14 in Savonlinna will be the realisation of a dream. It will ease congestion in the town centre, as heavy-goods traffic and through-traffic will be directed onto a new parallel road. All in all, the Savonlinna traffic system project consists of three construction stages, in the second of which Destia is constructing the parallel road connection.

The project began in autumn 2010 with dredging. About 200,000 m³ of surplus material was first removed from the section of water. The embankment was widened for the new road by 40–50 metres, and the rock waste was driven into the soil of the embankment in early spring. The work was completed by the end of March.

“While the rock waste was being driven in, the site was a constant rally of trucks. About 5,000 tonnes of rock waste was brought every day to both ends of the site, which means in practice three hundred semi-trailer truck loads,” says Harri Korhonen, Site Manager in charge of the Highway 14 project.

In mid-May, another milestone was reached when the section of water between Ruislahti and Laitaatsalmi became drivable with the rock embankment in place. The two bridges over Jukolansalmi were opened to traffic in August on schedule.

“The long and mild autumn helped with the progress of the work. Earth construction and the building of the concrete structures went faster than planned. The railway track was cut weeks earlier than planned, as a result of which the earth-cutting work could be started before the ground froze,” continues Korhonen, describing the progress in 2011.

The project, which is due for completion in 2013, has employed up to 90 people, about 30 of whom are Destia employees. In addition to Destia’s work management, Destia’s Energyinfrastructure Unit has been responsible for the street lighting and telematic solutions. The Rock unit has been in charge of rock excavation work. Destia’s subsidiary Destia Rail has built the railways.

The first stage of the Highway 14 project covered construction work between Ruislahti and Miekkoniemi. The budget for the second stage Laitaatsalmi-Ruislahti carried out by Destia is about EUR 80 million. Once the second stage is complete, a new 4-km two-lane parallel road connection between Laitaatsalmi and Ruislahti will exist. In addition to the traffic route, roads for street and non-motorised traffic will be built, as well as 22 bridges and a 2-km stretch of railway. In addition, the Pääskylahti railway yard has been refurbished for railway maintenance operations.

The third and final stage of the project includes the construction of a deep-water channel at Laitaatsalmi. Upon completion, the Highway 14 Savonlinna Centre project will remove trunk road congestion and heavy-goods traffic problems from the town centre, improve traffic safety and reduce harm to the environment.
KELIKESKUS OPERATIONS OVER 20 YEARS

In October 2011, the winter maintenance management centre Kelikeskus celebrated 20 years of operation. The first regional 24-hour centre at Lieto near Turku opened in 1991 at the start of the winter maintenance season. Antti Yli-Paunu, then Deputy Regional Engineer for the Turku Road Region, was inspired by the road weather centre model used in Sweden and decided to give it a try.

“The aims were cost savings and the utilisation of road weather stations installed in the region. Based on the experience of Turku, Uusimaa also became interested in trying it out, and so the Helsinki Kelikeskus was born in the autumn of 1992 in a vehicle repair shop in Vantaa,” says Destia’s Service Manager, Seppo Kaarto.

The main objectives of Kelikeskus, to monitor weather changes in real time and to quickly warn road maintenance personnel to be on the right road at the right time, have not changed over the years, but technology is developing increasingly rapidly. The forecasting of what measures to take was added to the list of Kelikeskus’ services as early as its third year of operation. The development of winter maintenance supervision and the streamlining and automation of operations through competition are then again the result of more recent developments.

At some point, there were nine Kelikeskus, the winter maintenance management centres in Finland, one in every road region. During the first years, Kelikeskus’ field of work also encompassed the provision of traffic information, i.e., the present functions of traffic centres. Road weather functions and traffic management were later separated into two by the Finnish Road Administration. This took place in stages between 1998 and 2000.

The era of the Finnish Road Administration in the history of public roads ended in 2001, when production and administration were finally separated into two organisations. Kelikeskus was transferred to the organisation of the Finnish Road Enterprise and later Destia to support the winter maintenance supervision.

“Since 2002, the service has been developed in co-operation with the Finnish Meteorological Institute. In Finland in winter, the service is provided by 14 operators, 24 hours a day at the Kelikeskus centres in Helsinki and Oulu. Kelikeskus’ customers are all Destia’s area-wide contracts, about 15 municipalities and all Finavia’s 25 airports,” says Kelikeskus Manager Eero Mikkola about the present state of operations.

Infra Maintenance

Destia is multi-skilled in maintenance services. In Finland, Destia has long experience of traffic route maintenance services and excellent know-how and local knowledge of the sector. The basis of its operations are the best possible weather forecasts, very experienced and skilled personnel and the latest in working methods and equipment. Correct timing and the optimisation of the movement of equipment reduce the environmental impact of operations.

Services
- Area-wide maintenance contracts for road and street networks and industrial sites
- Winter maintenance of roads and streets
- Services of winter maintenance management centre
- Maintenance of gravel roads
- Maintenance of the traffic environment

Customers
- ELY Centres (Centres for Economic Development, Transport and the Environment)
- Local government
- Companies

Municipal and industrial customers
- Area-wide maintenance contract for Maaria-Paattinen, Turku
- Area-wide maintenance contract for southern districts of the City of Lahti
- Winter and summer maintenance work at Outokumpu’s Tornio steel plant

Significant projects in 2011
In 2011, Destia won the following area-wide contracts*
- Raasepori (formerly Tammisaari)
- Kangasala
- Orivesi
- Suonenjoki
- Pihpudas
- Ii
- Ranua

*Destia’s market share of regional road maintenance service contracts put out to tender by the ELY Centres is 62% (2011–2012). The contracts cover about 3,000 km of road and some 5,300 km of pedestrian and light traffic routes. Destia also has about 40 winter maintenance contracts with other customers in various parts of Finland.
MAURI I FINDS FAULTS IN TRACKS

Mauri I is Finland’s first motorised ultrasound device that travels on rails. It looks for internal cracks, holes and dents in rails, which must be repaired to ensure safety.

“This work was previously done by walking along the track. This motorised device has doubled the speed of fault-finding and also improved the quality of work,” says Mauri Kosonen, Destia’s Site Manager from Ylivieska.

The creator of this idea to increase the efficiency and precision of work was Kosonen’s subordinate, Harri Salo, who took test measurements using an inspection trolley. He noticed that the accuracy of measurements did not suffer at all, even when the equipment was moved at faster than walking speed. Kosonen then decided to build a new kind of motorised inspection trolley, which doubled the efficiency of measuring work.

The equipment was built at Destia’s own Haapajärvi unit in winter 2011. It was designed and built by ultrasound researchers, Jarkko Keskitalo from Oulu and Joni Hautala from Pyhäjoki. The device is like a four-wheeled motorised inspection trolley, but it comprises two parts and is very lightweight. Two men can take it to the desired location in a van, and assemble it on the spot in a moment.

“If the equipment is also efficient on busy sections of track, as a motorised device can travel further during the time that elapses between the passing of trains. As much use as possible must, however, be made of summertime, because ultrasound inspections cannot be done in the winter. Ice and frost interfere too much with the measuring equipment. The new device can take care of all Destia’s maintenance regions. Next we will train the employees from other regions to use the equipment,” continues Kosonen.

*Finland’s railway network is divided into 12 maintenance regions. Destia maintains the tracks and safety equipment in regions 4 and 8 on a five-year contract. Its maintenance contracts also include regions 7 and 10 (2011).*
INTERNATIONAL CO-OPERATION FOR METRO TUNNELS

METRO, a consortium between Destia and Metrostav a.s. of the Czech Republic, is mining the Lauttasaari, Myllykallio and Koivusaari access tunnels and the Karhusaari metro tunnel ordered by Länsimetro Oy. Destia is responsible for not only the project management of the tunnel contracts, but also the construction of the overground earth and concrete structures as well as the loading and removal of the excavated rock, whilst Metrostav is responsible for the mining of the subterranean tunnels.

“The distribution of labour is clear. We are in charge of general project management and administration in co-operation with Metrostav, whereas Metrostav is taking care of the tunnel excavation under the ground, a task for which they have a great deal of special expertise acquired in many different European countries,” says Project Director Sami Korhonen. As a result of this co-operation, Destia has also gained valuable new knowledge about European tunnel construction.

At METRO sites, great attention has been paid to occupational safety. Safety at the metro sites is being monitored on a six-monthly basis through the ‘Safest Building Site’ competition, which measures the occupational safety at building sites, the frequency of accidents, innovations aimed at occupational safety and good working practices. METRO won the first occupational safety competition organised by Länsimetro Oy in February 2011.

“The careful and precise planning of work in advance is essential. Another vital thing if we want to guarantee personal safety and the smoothness of work is to ensure that each person works according to instruction and knows how to act in hazardous situations,” continues Korhonen.

The length of the Myllykallio access tunnel is 280 m, the Koivusaari tunnel is 560 m long and Lauttasaari 405 m. At Karhusaari, two parallel metro tunnels 1,300 m long are being dug as well as three vertical shafts.

The access tunnel contracts were completed at the end of 2011, and the excavation of the Karhusaari metro tunnel will continue until the spring 2013. As far as their scope is concerned, the €23 million metro tunnel projects of the Destia-Metrostav consortium are Destia’s largest tunnel programmes, along with the ONKALO project at Olkiluoto.

Destia’s Rock business unit focus on functions concerning soil, i.e., mineral aggregate services and rock engineering. Nationwide, Destia has about 300 soil areas, from which it can extract a wide range of top-quality minerals. Rock engineering mainly focuses on quarrying but, together with its partners, Destia also offers services in subterranean construction. In November 2011, Destia sold its surfacing business to NCC.

Services
- Aggregate services
- Rock and mine construction

Customers
- Local government
- Companies

Significant projects in 2011
- Technical work at ONKALO, Olkiluoto
- Helsinki metro extension, access and metro tunnels
A SUCCESSFUL ROAD PROJECT REQUIRES SUCCESSFUL DESIGN

Destia is building a section of motorway more than 10 km long on Main Road 51 in southern Finland between Kivenlahti and Kirkkonummi. The construction work began in spring 2010 at almost the same time as the start of construction design, as is usual in design and build projects. The aim of design is to change the single-carriageway, mainly built in the 1960s to carry mixed traffic, into a modern motorway. The old road crosses several public and private roads, so that the busy route easily becomes congested and has seen many traffic accidents resulting in personal injury.

On this section of road, challenges to design arose in the utilisation of both the soil and the existing road structures. “The area’s soil conditions have been variable and difficult, because the road goes over an area where the sea used to be and its elevation is close to sea-level. In this project, a second carriageway is being built next to the old one, so design has had to optimise the use of the old structures. In design, we have also had to look forward, as the dimensioning of the surface structure and the timing of the maintenance surfacing work are part of the maintenance contract, which will last 15 years,” says Keijo Katravuori, site Design Manager.

Design has also had to take account of special environmental features, such as protected and historical sites and the rare animals in the area: the Siberian flying squirrel and the macroplea pubipennis. A successful road project requires careful work planning to ensure the safety of road-users and workers, the minimisation of disturbance to traffic and the on-schedule progress of the work.

“The plans have mainly been carried out, but it’s true that soil conditions in the area have required the plans to be reviewed as the work has progressed. Winning and implementing such a major project require a successful performance from all parties, so the fluency of co-operation is also evident in the discovery of more efficient and safer solutions, for example. In this project too, Destia has been able to take advantage of expertise across the company, and the project has certainly provided us designers with knowledge and experience that we will be able to utilise in subsequent projects,” adds Markus Ventola, Unit Manager, Planning and Design Services.

The construction plan for this design, build and maintenance project was completed in 2011. Destia Oy Infrastructure Consulting has been in charge of planning the project, assisted by Siltanylund Oy, WSP Finland Oy and WSP Environmental Oy.

The upgrading project for Main Road 51 between Kirkkonummi and Kivenlahti, which will be completed in autumn 2013, will improve the fluency and safety of traffic. Destia is upgrading the road into a motorway over a 10.2-km section and is also building three new interchanges and 10 bridges. The €68 million contract includes project planning and design, implementation and 15 years of maintenance responsibility.
Corporation's operations have a significant impact on society, the environment and other company stakeholders. Destia divides its corporate responsibility into three areas: financial, environmental and responsibility for people and their safety.

Destia’s responsible operations are evident in its management, operating practices and communications. 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, in quality assurance, occupational health and safety, environmental and risk management policies 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.

Destia is constantly developing its responsible operations. Feedback obtained from customer service- and personnel surveys guides and develops our activities. In 2011, Destia reported matters of corporate responsibility in accordance with the ownership-policy decision-in-principle reporting model. In 2012, Destia will particularly focus on improving the reporting of the measurement of corporate responsibility.

Ethical guidelines guiding operations

At the start of 2010, Destia’s ethical guidelines were introduced, and were impressed upon all personnel during the year. During 2011, ethical rules have been looked at by the management teams of business units by means of examples, as part of the monitoring system development project. Every year, Destia carries out a Group- and business unit-level risk assessment, and ethical guidelines are dealt with as part of the risk models. Matters concerning ethical guidelines were also included in the project management coaching that began in 2011. In 2012, the ethical guidelines and compliance with them will be assessed, after which they will be updated as necessary.

Read more about the implementation of Destia’s corporate responsibility and ethical guidelines at www.destia.fi.

Quality and environmental certificates a significant part of business

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 and mineral aggregate services.

Through 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 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. In 2011, Destia’s revenue were €495.9 million and company cash flow was good.

Financial responsibility in the construction industry entails ensuring that customers receive the premises and structures that they need at the agreed price and quality and in accordance with the timetable. Throughout its life cycle, the infrastructure created must be able increasingly to meet the changing needs of its users. Satisfying the needs of customers and generating financial wellbeing require efficient, profitable, competitive and healthy business activity and opportunities for sustained operations.

Suppliers
Destia procured materials and services from external subcontractors and suppliers with a total value of €344.3 million (344.3).

Personnel
The salaries and remuneration paid to Destia’s employees totalled €76.8 million (86.7).

Public Sector
Destia’s taxes and tax-like payments totalled €0.1 million (0.1). Destia’s pension and indirect personnel expenses came to €14.0 million (16.8).

Investors
The total of Destia’s financing expenses for 2011 was €4.2 million (3.1).

Investments
Gross investments for the financial year were €5.2 million (12.0).

Customers
In 2011, Destia Group’s revenue were €495.9 million (538.6).

Financial responsibility extends to all its stakeholder groups. The key areas of the company’s social responsibility are the wellbeing and safety of its personnel, investment in the skills development, encouragement and occupational wellbeing of its personnel, and attention to safety aspects in all parts of the service production chains.

In 2011, Destia’s work in personnel functions stressed support for the harmonisation of the organisation’s operating practices, which were revamped the previous year. In the autumn, a Group-wide personnel survey was carried out, which looked at Destia’s strong points and areas with room for improvement, as well as factors affecting job satisfaction.

There is major investment in the development of employee skills. At the end of the year, project management coaching directed at managers was launched, and this will characterise staff development work in 2012. In 2012, there will also be a focus on improving service processes, in both customer service work and project implementation. The development of the HR process will also continue in Group-level personnel work, which will be evident in such things as investment in the new personnel system.

Read more about meeting stakeholder expectations on Destia’s website, www.destia.fi.

Safety

The construction industry is focusing on investment in occupational safety and the constant development of professional skills. Paying attention to safety in working environments is important, both for the company’s own employees and for all its stakeholders. Safety improvement is a pivotal challenge to the construction field, since it
Personnel survey reveals information about needs for development

In early autumn 2011, Destia carried out a personnel survey, which looked at Destia's strong points and areas for improvement. The results will be used in the planning of future development work. All Destia employees could participate in the survey and the response rate was 62%.

In 2011, Destia's personnel-related accident frequency – i.e., workplace accidents leading to at least one case of absence per one million working hours – was 23.2 (22.1). In 2011, Destia's Western Finland business unit experienced no accident resulting in a case of absence. In addition to accident frequency, site safety and the maintenance of tidiness and good order are monitored weekly with MVR, asphalt and gravel meters. In service work, the quarterly inspection of fixed bases is carried out.

Because many Destia projects are carried out in a traffic environment, attention to traffic safety is very important to the company. Efforts are made to ensure occupational safety through correctly planned and implemented on-site traffic arrangements, which take care of both vehicular traffic and employees. These arrangements also cover rail traffic. In maintenance services, traffic safety is ensured by acting professionally, marking equipment well and carrying out work at the right time.

The companies respect the rights of consumers in all their operations, and observe good construction practice. The companies are in close interaction with those affected by the construction of the built environment. Destia belongs to e.g. the following associations that operate in the interests of the construction and infrastructure sectors: The Infra Association, the Confederation of Finnish Construction Industries.

Substantially impacts both the field’s productivity and its attractiveness as an employer.

In spring 2011, there was a campaign at Destia sites on the theme of ‘safety is a professional skill’. Every site adopted the so-called ‘ten-second rule’, according to which a person should take ten seconds to consider how to avoid an accident, whenever he starts a job. At the end of 2011, Destia introduced Deskymppi, which contains ten self-assessment questions. These questions are used to evaluate possible winter-related hazards at work sites and to decide on further measures.

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ENVIRONMENTAL RESPONSIBILITY

The production chains in the infrastructure sector affect the environment through, for example, the use of soil and minerals and the consumption of energy. Destia endeavours to reduce the direct and indirect environmental impact of its activities by investing in renewable forms of energy, energy efficiency and the efficient circulation of materials. In infrastructure construction, expertise and services related to life-cycle management are being developed.

The environmental management system is part of Destia’s operating system. The management system ensures that environmental issues are properly taken into account in project work and that they are managed purposefully. In Finland, Destia is a pioneer in the utilisation and development of construction machine automation, and such automation is in use at all Destia civil engineering sites where it is suitable. When construction machine automation is used, work performance is boosted and precision improves while saving materials. In Destia’s fleet of trucks, the Econen system is used for monitoring fuel consumption and emissions.

In project work, attention is paid to the planning of operating practices and logistics, thus optimising such things as fuel consumption and the use of materials. Destia uses other materials in place of non-renewable resources within the limits set by customers, standards or restrictions, legislation, official ordinances and techno-economic possibilities.

Reduction of environmental load a key part of business

As part of its customer survey, Destia is monitoring the level of satisfaction of customers towards its care of environmental issues. In 2011, Destia received an average mark of 3.82 (4.03) for its care of environmental and safety matters on a scale of 1–5. By building energy infrastructure and supporting sustainable energy production, travel and transport, through its business Destia is also promoting the efforts of its customers and the whole of society to reduce the burden on the environment.

Read more about Destia’s environmental issues on Destia’s website, www.destia.fi.

On 3 October 2011, Destia was highly commended in the Environmental Structure of the Year competition for the implementation of a construction project in Turku’s Vähätori square. The area of Vähätori is one of Turku’s finest. Its historical roots date back to the town plan of 1828 in the wake of the Great Fire of Turku.

The commendation for Destia was based on the fact that Vähätori has been revamped in a very skilled way. The refurbished square does not seem new and brims with a spirit of continuity and local history.

In addition to demolition work, the elements of the contract were design and cobblestone work for the surface of the square and the renovation of the Lion statue and fountain. The main sources of stones were block paving, cube and rubble stones from building sites around the city. The pleasant atmosphere of the square was embellished by building a set of steps for sitting on and by renewing the lighting and furnishings in the square. The square, surfaced with triangular block paving stones, covers an area of about 3,000 sqm.

The contract to refurbish Vähätori was carried out in 2009 and lasted a total of 4½ months.

“The timetable for the contract was very tight, because the work had to be completed in time for a Government visit. We are satisfied with the successful result, for which we thank HÅK Granit Oy, who performed the paving work,” says Site Manager Jarmo Koskinen.

The Environmental Structure of the Year competition honours environmental works in which a good, aesthetically and functionally sustainable environment is created through good planning, design and implementation. The competition has been going for 21 years. The panel of judges consisted of representatives from the Finnish Association of Construction Product Industries RTT, the Central Organisation for Finnish Horticulture, the Finnish Natural Stone Association, the Finnish Association of Landscape Industries VYL, the Finnish Association of Landscape Architects MARK, the Finnish Association of Architects SAFA, the Association of Finnish Local and Regional Authorities, the Finnish Ministry of the Environment and representatives of the press.

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