

Easy living

We build apartments in urban growth centres in Finland and in the St Petersburg region in Russia. Our customers appreciate the quality and good location of our apartments.

In the housing market, 2014 was a challenging year. In Finland, the general economic uncertainty could be seen in housing sales and, consequently, in the number of residential units started. So far, the economic uncertainty in Russia has not been reflected in the demand for our apartments in St Petersburg city centre. In 2014, we started the construction of 979 (1,058) new residential development units in Finland. In Russia, we did not start any new residential development units (757) but continued the construction of ongoing projects and completed two major residential development projects.

Apartments for customers appreciating high quality and location

In Finland, we focus on residential development and construction in the Helsinki metropolitan area and other urban growth centres. Our aim is to build high-quality apartments in attractive areas. In the acquisition of new plots, we focus on the Helsinki metropolitan area, where our apartments are mainly located near good traffic connections and services. Our customers include both private buyers and investors. Private residential property investors are also a growing customer group.

In the Helsinki metropolitan area, we completed and continued several residential area development and construction projects in 2014, such as in the Töölö Bay, Vuosaari and Jätkäsaari areas. In the Töölö Bay area, we completed our second residential project. In Vuosaari, we are building a residential entity of 22 apartment blocks, called Kahvikortteli, on the plot of land where Paulig's old coffee roastery was once located, offering homes for approximately 2,000 people by 2022. In 2014, we completed the construction of the housing cooperative Paahtaja. In addition, we started building one new apartment complex in the area and

continued the construction of the housing cooperative Kahvimylly. In Jätkäsaari, we will build 430 apartments in the Saukonpaasi quarter by 2016. In 2014, we continued construction in the Ruori, Kompassi and Loisto apartment complexes. We also completed the conversion of a former office and commercial building, Kivipalatsi, into apartments in the centre of Helsinki.

In the centre of Turku, in western Finland, we completed Aurajoen Helmi, a 78-apartment complex, and continued the construction of Telakkaranta. In Oulu, in northern Finland, we completed the 83-apartment Louhi complex, and in Jyväskylä, in central Finland, we handed over two projects built for investors. We have numerous new residential projects underway in Tampere, Jyväskylä, Vaasa and Oulu, for example.

Quality assurance permeates the construction process

Our management system covers all construction phases. We use it to make sure that all inspections and reviews are done on time, right up to the pre-handover inspection. This way we can ensure that our apartments are handed over to our customers according to schedule and in impeccable condition. In addition, for all of our completed projects, we measure the quality of both the product and the customer service with resident satisfaction surveys, for example.

Our own housing sales network helps our customers to find the most suitable solution. Working in cooperation with the housing sales organisation, our alteration engineers help our customers to choose the optimal space solutions and surface materials. In 2014, the use of Nettikoti, a web-based

additional work and alteration service, was expanded from the Helsinki metropolitan area to other major cities in Finland, as planned.

A busy year in St Petersburg

In Russia, we are developing our operations as one of the largest foreign players in the construction of premium, technically high-quality comfort-class apartments in the St Petersburg region. In 2014, we completed two large residential development projects in St Petersburg: the second phase of the 230-apartment Aino project and the first phase of the 339-apartment Tapiola project. In addition, we started the construction of the second phase of Tapiola in the autumn, and the construction is proceeding well. The 418-apartment project is scheduled to be completed in last quarter of 2015.

Location is the most important criterion in plot acquisition in St Petersburg, too. Our primary target group is Russia's growing middle class that appreciates high technical quality of apartments and living in a central location near good traffic connections and services. In Russia, developers also take part in the development of the urban infrastructure, which means that a day-care centre or a school is often built as part of residential projects. In 2014, we handed over to the City Administration the kindergarten built in connection with our Aino residential project, as the first construction company in St Petersburg to do so.

We also have residential contracting projects underway in Russia. In 2014, we completed the elite residential building project for Tetra

Invest in Kamennyi Ostrov, St Petersburg. In addition, the contracting project we started to build for OOO Mikrorayon Kantri in 2013 is proceeding as planned. The project includes the construction of 46 low-rise apartment buildings in the park-like, esteemed Istra area near Moscow.

Quality awards for our teams

Our customers appreciate our reliability and high standard of finishing. In 2014, two of our Tapiola teams received awards for high quality both in concrete construction and in roof structures.

Our housing sales organisation supports our customers at every step of the home buying process. Our customer service also helps in the registration of the apartment purchase and provides advice on the mortgage options of the banks. When one of our residential projects is completed, our property management company looks after its upkeep and maintenance as well as the cleaning of public areas.

New housing sales websites

In Russia, the web is the primary customer service channel. Consequently, we launched a new housing sales website at the end of 2014 to better serve our customers online. In 2014, we also started renewing the Finnish housing sales website in order to improve our customer service online. The new website was launched in early 2015.