

A photograph of two construction workers in a large industrial or construction site. They are wearing blue hard hats with the 'Are' logo, safety glasses, and high-visibility orange and blue work clothes. They are holding and looking at a large set of blueprints. The background shows a blurred industrial environment with structural elements and lighting. A large blue and black diagonal graphic is on the left side of the image.

Are

ANNUAL REVIEW 2014

MOMENTOUS YEAR 2014

The year 2014 was an especially momentous one for Are. In the summer we acquired Lemminkäinen's building services business and as a result became the largest building services provider in Finland when measured by turnover. Our offering, expertise and ability to serve became stronger everywhere in Finland. The number of localities where we operate increased from 13 to 26. We are now able to carry out even larger and more demanding projects and provide property maintenance on a national level.

Better operating margin

The operating margin of Are Group improved again although turnover was slightly lower than in 2013. Among Are's business areas, Property Services posted a very good result. The performance of Building Services Contracting was weaker than the year before as turnover decreased and some large projects did not succeed financially. In Russia we are shifting our focus more from building services contracting to property maintenance and upkeep.

A stronger Are

The state of the overall economy will make 2015 a challenging year. Construction activity is declining because of the poor economic outlook, although renovation does offer some support to building services contracting. Our order backlog grew on the previous year. We expect demand for property services to remain stable. The acquisition of the Lemminkäinen business is bringing substantial synergy and we will also continue to improve the efficiency of our internal operations.

Building services are our core competence. They play a continuously increasing role in new construction, while in renovation the focus on building services is growing. Building services are also important in attaining energy saving targets. During 2015 we will implement and develop new procedures that will benefit our customers. For example, the intelligent maintenance service concept makes our services even more flexible and efficient.

I would like to thank our customers, partners and owners for the confidence they have shown during this historical year. I would also like to thank everyone at Are for their excellent cooperation in building the new Are. We are in a great position to continue forward.



Heikki Pesu
President and CEO

* The figures presented in the annual review are pro forma.

PROPERTY SERVICES

Property Services' turnover amounted to EUR 163 million, a growth of three per cent on the previous year. Operating profit also developed favourably, partly explained by the successful integration process following the corporate acquisition. We took good care of our customers during the period when the changes were being made. We now have a service network that covers the entire country, consisting of 1,500 professionals and 500 service vehicles.

In Russia, the focus is on maintenance

Turnover in Russia amounted to EUR 12 million. Thanks to new service agreements signed in St Petersburg, the focus in our Russian business has moved towards maintenance and upkeep, which will improve the profitability of our operations. At the beginning of 2015, Are's business operations in Russia were made a part of the Property Services business area.

Continued expansion for intelligent maintenance

Development of the intelligent maintenance concept continued in 2014 and operations under the concept have been expanded to include new customers. The results have been positive: we are now ready to introduce the operating model to all key customers during 2015. The operating model will improve the quality and flexibility of our service, and we believe it will further improve customer satisfaction.

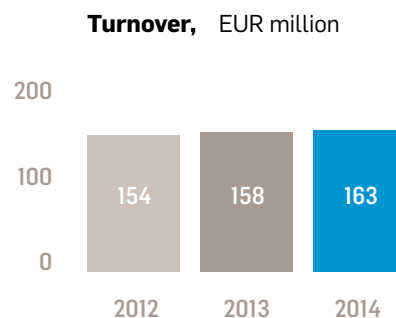
Indicators and monitoring ensure successful maintenance

We ensure the quality of our maintenance services by monitoring our performance with indicators that we agree with the customer. We want both our customers and property users to always be satisfied with our service. Conditions and cost efficiency are also important indicators.

Our new control centre in Kaivoksela, Vantaa, monitors the properties for which we are responsible around the clock. In addition to technical alerts, the control centre monitors consumption and reports this to the customer. A report is written on all discrepancies in order to ensure that energy and water consumption, for example, are well managed.

New service agreements

- Expansion of Elisa's maintenance services
- Maintenance of HOK-Elanto properties in the Helsinki region
- Framework agreement on the Defence Administration Construction Establishment's properties in south-eastern Finland.
- Maintenance services at Neste Oil refineries in Naantali and Porvoo
- Maintenance services and technical maintenance of OP-Pohjola Group's office properties in Helsinki
- Technical maintenance of Sokos hotels in St Petersburg.



BUILDING SERVICES CONTRACTING

The turnover of Building Services Contracting was EUR 205 million. Despite the slowness of the construction sector, the order backlog remained good. In 2014, we won a significant proportion of the building services contracts for new office construction projects launched during the year. We were also able to increase the share of negotiated contracts.

Energy calculation provides data on energy efficiency

During 2014, we were able to properly exploit the IDA-ICE calculation software developed in 2013. With this software, we can compare the energy efficiency of building services systems more quickly and in greater detail. Based on comparisons carried out by independent energy consultants, the Are Sensus® system was selected for a number of construction projects. The energy consumption of completed Are Sensus® sites has matched the results of energy calculations.

Life-cycle projects and specialised technology

Versatile projects that call for demanding technical solutions are Are's speciality. In Oulu, the Kastelli community centre was completed as a life-cycle project. Are was the building services contractor and will handle its maintenance. Reliable solutions that are economical in the long-term were selected for Kastelli during the construction stage. Are is also involved in another new life-cycle project at a school in Pudasjärvi. This is the world's largest log-built school. In Kuopio we will continue to maintain schools that are part of the City's life-cycle project.

At Serlachius Museum Gösta in Mänttä, our expertise and skill in electrical and fire safety installations was put to good use, as a very high quality of finish was required in a special property of this nature. An example of this is our innovative fire prevention system. It lowers oxygen concentration in the air to a point where it is impossible for a fire to start. Yet the facilities are safe to work in.

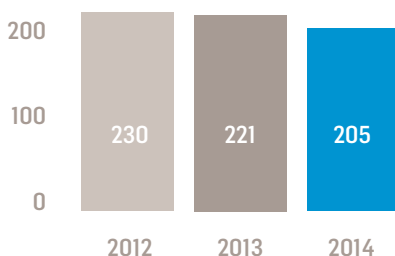
New comprehensive building services contracts

- SOK logistics centre in Sipoo
- Campus of the Satakunta in Pori
- Pudasjärvi school
- Expansion of the Mylly shopping centre in Raisio
- Rantaväylä tunnel in Tampere

New Sensus projects

- Ruusuipuisto building in Jyväskylä, owned by University Properties of Finland Ltd
- Futura 4, Vaasa Parks (completed in 2014)
- Sponda Plc's Ilmalanrinne and Estradi projects in Helsinki
- Technopolis Plc G building in Vantaa

Turnover, EUR million



EXPERT EMPLOYEES ARE THERE FOR THE CUSTOMER

Our personnel more than doubled with the transfer of Lemminkäinen's building services business to Are in summer 2014. Hundreds of our employees have taken part in creating common practices and a common corporate culture. Are management toured Are's offices in the summer and induction events were organised for office staff and supervisors around the country in January 2015 to introduce the new procedures to everyone at Are. Work will continue in several work groups and regular weekly meetings.

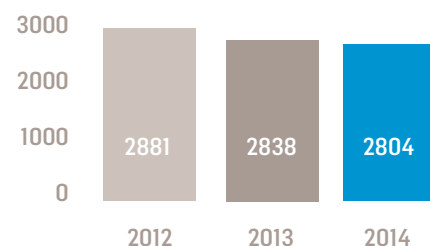
Excellent improvement in accident rate

Our goal is to have zero occupational accidents in 2020. We have made good progress toward that goal. In 2014 we organised safety information sessions in the various towns and cities where we operate. We paid especial attention to the investigation of accidents and using personal protective equipment. We will organise more of these events in 2015.

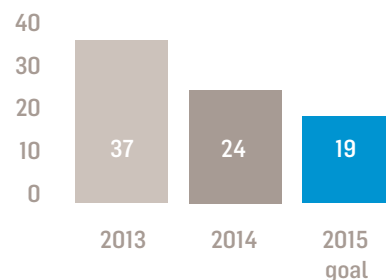
Reduction in sick leave days

Because we take good care of our personnel, the number of sick days and premature retirement continued to decrease. To improve and maintain the working capacity and occupational wellbeing of our personnel, we continue to train our supervisors and will enhance our partnership with occupational health care services. We will introduce insurance that covers health care costs in 2015, which will be a major investment in our personnel.

Personnel 31.12.



Accident Frequency



Accidents leading to at least one day of absence per million hours worked.

NEW ARE'S CORE VALUES

Following acquisition of the Lemminkäinen business we respecified our values to reflect today's Are and the way we work.

We serve our customers.

- We provide the best services and solutions.
- We earn our customers' respect by keeping our promises every day.
- We want to succeed with our customers.

We are professionals.

- Our professional expertise is based on technical know-how, an excellent service attitude and the ability to move with the times.
- We follow jointly agreed methods that are safe and efficient.
- We look after our employees and each other.

We work together.

- Are employees make fair and reliable partners.
- We work hard and keep our promises.
- We are open and honest and trust each other.
- We share what we know and learn from our mistakes.

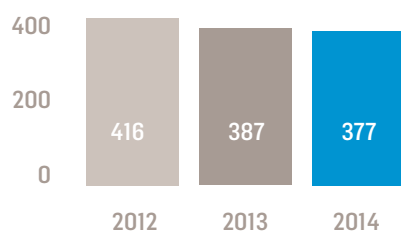
We make a profit.

- Are employees are business-minded and aim to make a profit.
- Good earnings, continuous development and long-term operations ensure continuity and growth.
- Are is a responsible employer and the most popular in the industry.

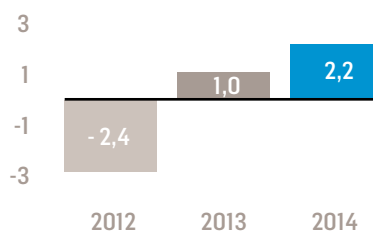
KEY FIGURES

(PRO FORMA)

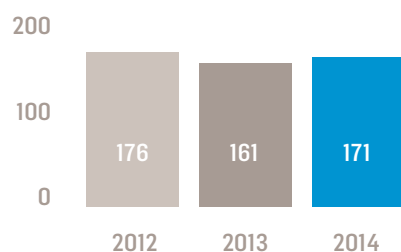
Turnover, EUR million



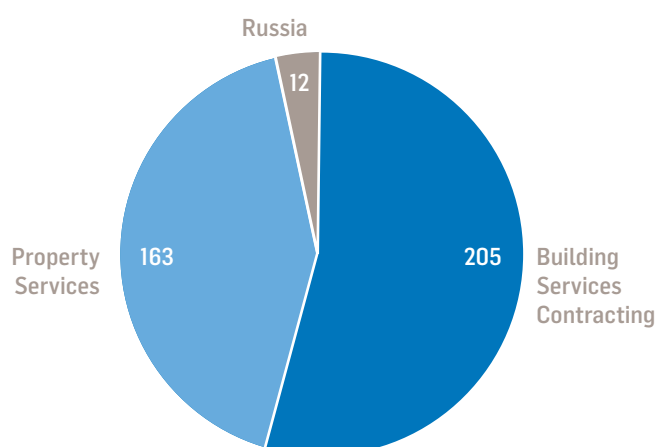
Operating profit, EUR million



Order backlog 31.12. EUR million



Distribution of turnover by business area, EUR million



MANAGEMENT TEAM AND BOARD OF DIRECTORS



Management Team 31 December 2014

Lauri Leskinen

CEO
OOO Are
member since 2014

Heikki Pesu

President and CEO
member since 2011

Jarmo Liimatainen

Business Area Director
Building Services Contracting,
Central Finland
member since 2014

Pepe Perkiö

Director, Integration
member since 2012

Seppo Korhonen

Business Area Director
Property Services
member since 2007

Sari Kulmala

HR Director, HR and
Communications
member since 2010

Petri Alapelto

Business Area Director
Building Services
Contracting,
Northern Finland
member since 2014

Laura Kekarainen

CFO
member since 2013



Board of Directors 31.12.2014

Kimmo Lautanen

M.Sc. (Econ. & Bus. Adm.)
Board member since
2011

Teija Andersen

M.Sc. (Agr. & For.),
eMBA
Board member
since 2012

Ilkka Koivisto

M.Sc. (Tech.)
Director, Corporate
Development, Onvest Oy
Board member since 2011

Maarit Toivanen-Koivisto

Vuorineuvos
President of Onvest Oy
Board member since 2000
Board Chairman since 2009

Jouko Ketola

Industrial Counsellor,
M.Sc. (Tech.)
Board member since
2002

CONTACT INFORMATION

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E-mail **firstname.lastname@are.fi**

Property Services **+358 (0)20 530 5700** (24 h)

Head Office

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Localities

Hyvinkää	Hakakalliontie 7, FI-05460 Hyvinkää / Koneenkatu 8, FI-05830 Hyvinkää
Hämeenlinna	Kantolankatu 7, FI-13110 Hämeenlinna
Joensuu	Parrutie 1, FI-80100 Joensuu
Jyväskylä	Ohjelmakaari 10, FI-40500 Jyväskylä
Kerava	Jäspilänkatu 18, FI-04250 Kerava
Kokkola	Tervahovintie 2, FI-67101 Kokkola
Kotka	Valajantie 5, FI-48230 Kotka
Kouvola	Kanervistontie 46, FI-45200 Kouvola
Kuopio	Itkonniemenkatu 29 E, FI-70500 Kuopio
Lahti	Väinämöisentie 6, FI-15170 Lahti
Lappeenranta	Moreenikatu 4, FI-53810 Lappeenranta
Lohja	Pysäkkitie 14, FI-08680 Lohja
Oulu	Jääsalontie 17, FI-90400 Oulu
Pori	Kuriirintie 8, FI-28430 Pori
Porvoo	Mestarintie 31, FI-06150 Porvoo
Riihimäki	Teollisuuskatu 28, FI-11100 Riihimäki
Rovaniemi	Koskikatu 27 B 203, FI-96100 Rovaniemi
Seinäjoki	Välkkilänkatu 7, FI-60120 Seinäjoki
Tampere	Kuoppamäentie 11, FI-33800 Tampere
Turku	Juhana Herttuan puistokatu 21, FI-20100 Turku
Vaasa	Olympiakatu 3 B, FI-65100 Vaasa
Valkeakoski	Tehtaankatu 7, FI-37630 Valkeakoski
Ylivieska	Ratakatu 22, FI-84100 Ylivieska
Äänekoski	Yrittäjänkatu 2, FI-44100 Äänekoski

Subsidiaries

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OOO Are	Vnukovskaya st. 2, Business Center Pulkovo Sky, Office B 501, 196210 St. Petersburg, RUSSIA, puh. +7 (812) 611 09 15