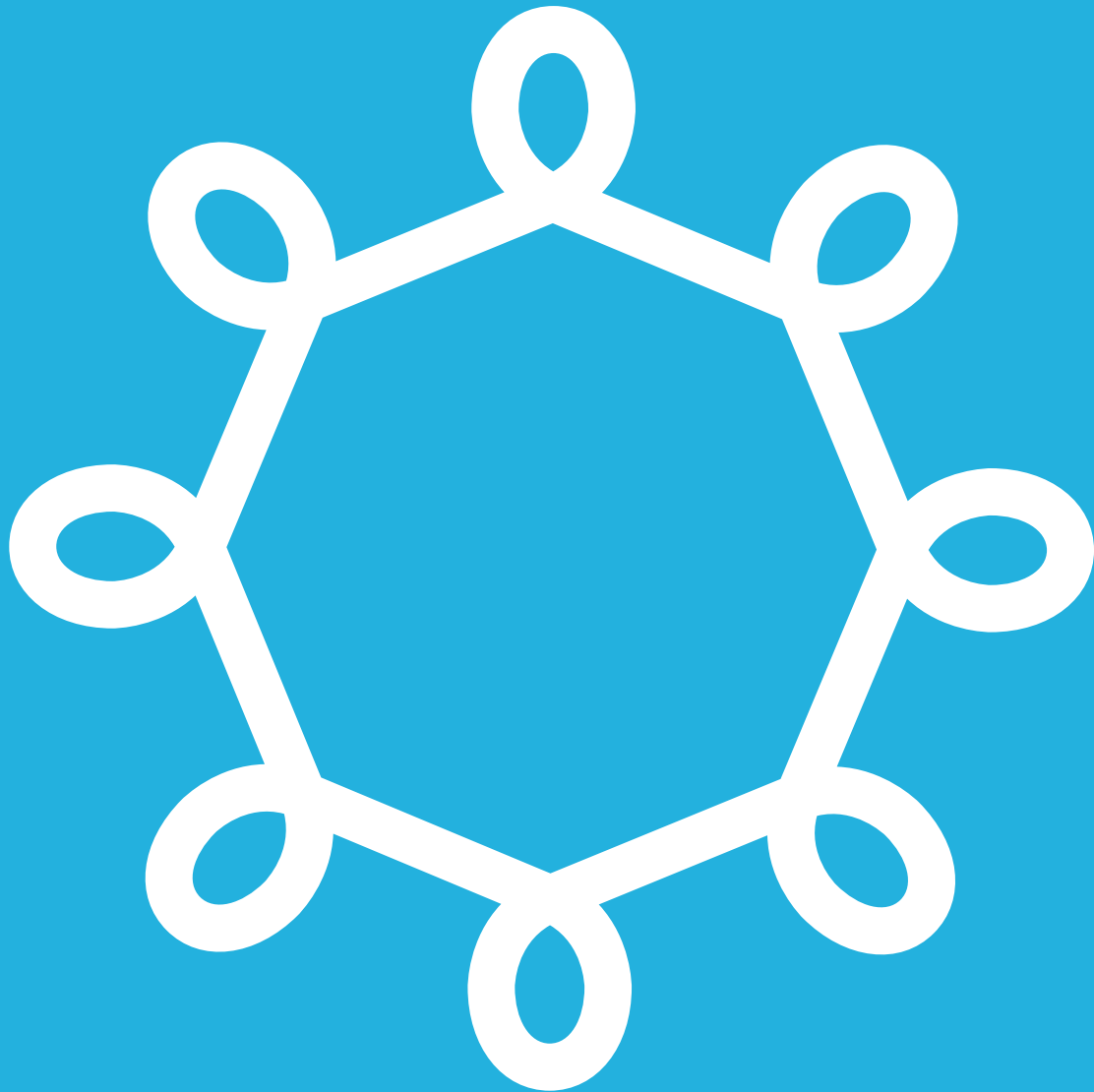


HSL Helsinki Region Transport

Annual Report



HSL Helsinki Region Transport Annual Report 2014

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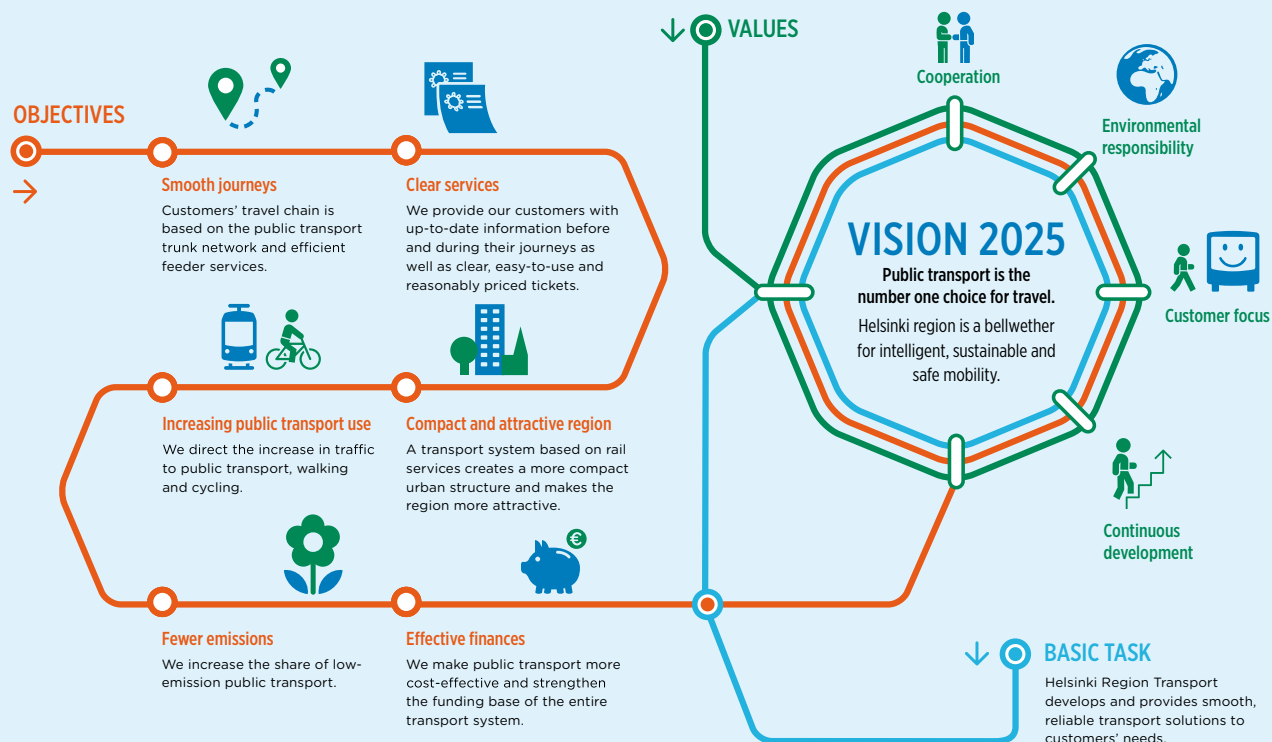


In 2014, HSL carried

353.3

million passengers.





Strategic goals and their achievement 2014

In 2014, HSL had nine strategic goals. Progress towards these goals was monitored using specially developed indicators.

1 The customers' trip chain is based on the public transport trunk network and efficient feeder services

Reliability of public transport (operated services as share of scheduled services)
 Travel is fast and smooth (customer satisfaction survey, share of grades 4-5)
 Transfers between modes are easy (customer satisfaction survey, share of grades 4-5)

Target level	Realization
99.74 %	99.75%
88.00 %	87.43%
87.00 %	85.39%

2 We provide our customers with up-to-date information before and during their journeys as well as clear, easy-to-use and reasonably priced tickets

Share of boardings by passengers using pre-paid tickets: an indicator and time series will be developed
 Information on timetables and routes is readily available (customer satisfaction survey, share of grades 4-5)
 Realization of the annual plan for the ticketing and information system redesign

100.00 %	100.00%
88.00 %	88.20 %
100.00 %	85.00 %

3 We direct the increase in traffic to public transport, walking and cycling



The share of public transport of motorized transport

- At the city center boundary in the morning peak
- On crosstown routes extending to Ring Road I (all day)

Per capita total ridership (boardings/inhabitant/year)

HSL's valuation index (public image, brand)

Residents' satisfaction with public transport (BEST survey)

Overall grade for HSL area public transport (customer satisfaction survey, share of grades 4-5)

Target level	Realization
73.90 %	73.0
20.0%	20.69 %
307	295.77
33	40
85.00 %	79.40 %
90.00 %	90.00 %

4 A transport system based on rail services creates a more compact urban structure and makes the region more attractive



Making the Helsinki Region Transport System Plan HLJ 2015 more strategic and effective, better integration of land use and transport and defining the roles of different modes of transport

Company satisfaction index: an indicator and time series will be developed.

100.00 %	100.00 %
100.00 %	100.00 %

5 We increase the share of low-emission public transport



Bus transport emission and energy efficiency index

EU emission limits (c/passenger km)

0.734	0.746
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6 We make public transport more cost-effective and strengthen the funding base of the entire transport system



Ticket revenue/operating expenses

Productivity of public transport: passenger-kilometer costs increase less than the public transport cost index

Effectiveness of ticket inspections: number of tickets inspected/inspection days

The share of new sources of funding of the total funding

Progress in the implementation of the work program for the tendering of train services

49.80 %	49.30 %
0.70 %	6.0 %
245	240
100.00 %	100.00 %
100.00 %	100.00 %

7 We develop our skills in a purposeful manner through diverse training to improve our operations and results



HSL level skills development plan for 2015, derived from the strategic goals and needs for change in skills development

100.00 %	100.00 %
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8 We develop the professional capacity of the supervisory staff and the employees' skills for the workplace



Staff survey, supervisory staff index

Staff survey, cooperation index

3,9	3,8
4.0	3.94

9 We work in fruitful cooperation with colleagues, customers and stakeholders



Staff survey, organizational performance index

A concrete, verifiable plan derived from the staff survey results that sets out measures (realization% of the plan)

3.45	3.27
100.00 %	30.0 %

Making public transport the number one choice for travel

HSL's fifth year of activities was relatively successful both operationally and financially. We achieved 59.3 per cent of the goals set. We had budgeted for a loss of €8.3m but ran a surplus of €5m. Savings were achieved in the operating costs of bus services due to low fuel and lubricant prices and low interest rates, which provided savings in rolling stock costs for train services.

Our customers were also satisfied. Passenger satisfaction with public transport services has remained high for several years and 2014 saw record levels, with nearly 88 per cent of passengers giving public transport a good or very good rating.

We began preparing our new strategy in autumn 2013, engaging our staff, key stakeholders and customers in the work. The Executive Board of HSL approved the strategy at the beginning of 2014 and the General Assembly in November. The new strategy was already guiding our operations last year and we are strongly committed to our vision running to 2025 and will work hard to achieve it: "Public transport is the number one choice for travel and the Helsinki region is a bellwether for intelligent, sustainable and safe mobility".

Integrated land use and transport

The development of the Helsinki region transport system plays a key role in HSL's activities. The Letter of Intent on Land Use, Housing and Transport concluded between the Government, the region's municipalities and HSL enables the development of a more compact urban structure and closer integration of land use and transport. In August, an agreement was concluded between the Government and the region's municipalities on support for transport

infrastructure projects and the promotion of housing production. A draft Helsinki Region Transport System Plan (HLJ 2015) and its impact assessment were completed at the same time as a land use plan for the 14 municipalities in the region and a draft housing strategy.

One of our goals is to expand our operations to cover the entire Helsinki region. This would enable us to plan and procure public transport services even more effectively. The studies on the establishment of metropolitan administration undertaken by the Government continued and HSL played a key role in planning the functions of the administration. A working group appointed by the Ministry of Finance completed its proposal for a bill on the metropolitan administration in December. However, the Government did not submit the proposal to Parliament, whose term expires in April 2015.

HSL continued to prepare the new fare and ticketing system as well as the ticketing and information system (TIS 2014). The aim is to introduce the new Travel Card system in 2017. The TIS project will bring up-to-date passenger information to all Helsinki region public transport and enable new services to be introduced. As outlined in the strategy, these projects will make public transport more attractive and improve its competitiveness relative to the car.

Rail services strengthened

HSL is preparing to tender commuter train services within the HSL area, when the current direct procurement contract with VR Group expires. The aim is for the tendered services to begin operating in 2018. At the beginning of February 2015, VR made a

proposal for a new contract for the transition period 2016-2021. The proposal would achieve significant savings and speed up the replacement of old rolling stock.

If HSL approves the proposal, the tendering of commuter train services will be postponed by three years. Otherwise, tendering is to proceed as scheduled.

Preparations for the opening of the Ring Rail Line and the introduction of a new bus network in Vantaa gathered pace. The Ring Rail Line is a project of national significance. Opening in 2015, this new line will provide a rail link to Helsinki Airport, allowing easy access from all parts of the country. A new trunk bus route 560 will start running from Rastila to Myyrmäki in autumn 2015.

At the beginning of the autumn timetable season, HSL assumed responsibility for bus services in Sipoo and Kirkkonummi. Bus services were reorganized using a new contract model in which the operator plans timetables according to routes and service level guidelines determined by HSL. Our goal was to simplify the bus network in both of the municipalities.

Our first HR strategy was developed along with a new operational strategy. Both of the strategies strongly reflect HSL's values: customer focus, continuous development, cooperation and environmental responsibility. Our professional, motivated and committed staff contributes to achieving the goals set out in the operational and HR strategies.

Executive Director

Sari Rintamäki



Year at a glance 2014



New bus routes in Sipoo and Kirkkonummi

HSL assumed responsibility for bus routes in Sipoo and Kirkkonummi in autumn 2014. In Kirkkonummi, for example, the number of different route versions decreased from over one hundred to around twenty. In Sipoo, special efforts were made to improve services in the evening and weekends.

HSL is responsible for the route network planning, tendering and procurement of services while operators plan timetables on the basis of the service level standards set by HSL.

The new plan took effect in August. In Kirkkonummi, a number of improvements were promptly made after the services were launched due to a wealth of customer feedback on transport links to schools. In October, more improvements were made for the same reason and a direct morning commuter bus service was introduced from Kirkkonummi to Helsinki.

Kutsuplus gained popularity and awards

At the beginning of the year, the Kutsuplus service area expanded to Tapiola, Itäkeskus and Myllypuro. In the autumn, the operating hours of the service were extended until midnight. Passenger numbers increased rapidly throughout the year: almost 10,000 Kutsuplus journeys were made in December. At the year end, there were over 21,000 registered customers.

CXPA Finland, Customer Experience Professionals Association awarded Kutsuplus the Best Customer Experience in Finland. According to the panel, Kutsuplus is revolutionizing consumer behavior towards public transport services, is having a significant impact on the environment and living comfort and, at best, is encouraging occasional customers to become regular public transport users.

Kutsuplus system developer Ajelo Oy won an award in a competition for applications held at the ITS Europe intelligent transport conference. The jury praised Ajelo for the simplicity of its concept and, in particular, for the successful use of big data in the public sector.

HSL prepares to tender commuter train services

HSL is preparing to tender commuter train services when the current contract with VR Group expires. HSL purchases commuter train services worth over €70m or some 7 million train kilometers a year.

Commuter train services are to be tendered as a whole, including the operation of the services and maintenance of Flirt trains. By May 2017, 34 new Flirt trains will enter into service on commuter train services. HSL leases the trains with a long-term contract from the rolling stock company Junakalustoyhtiö Oy.

In 2014, HSL prepared for the tender with the aim of having tendered commuter train services begin in 2018. In early 2015, VR made HSL an offer on commuter train services during the transition period 2016-2021. The offer is significantly more advantageous than the current contract. If HSL approves the offer, the tendering of commuter train services will be postponed by three years.

Clearer and stronger tram network

The tram route network plan reached the final stage. In early 2014, a draft plan was made available for comments by residents at the HSL website as well as via a blog. In March, the draft was presented to the HSL Executive Board, which decided to invite comments from member municipalities. The Executive Board approved the final plan revised in the light of the comments and feedback received in February 2015.

Changes to the route network will be introduced in phases during 2016-2024. The changes will help to create a more robust tram network in Helsinki city center, making travel easy thanks to frequent services. HSL aims to create a tram network that is easy to understand, serves the travel needs of as many passengers as possible and connects seamlessly to other modes of transport.



I and P trains to operate on the Ring Rail Line

In the summer, HSL decided that the letter codes of the trains operating on the Ring Rail Line would be I and P. I trains will run along the main line from Helsinki via Tikkurila to Helsinki Airport, from where they will continue along the Martinlaakso line. P trains will run from Helsinki along the Martinlaakso line to Vantaankoski and the airport, from where they will continue to the main line. The trains will run every 10 minutes during the day.

The construction of the new Ring Rail Line stations continued in 2014. In the first phase, there will be five new stations: Vehkala, Kivistö, Aviapolis, Airport and Leinelä.

The final decisions on the main line stations at which I and P trains will stop will be made in spring 2015 when information on the real journey times is available following test runs.

Year at a glance 2014

Draft transport system plan circulated for comments

The draft Helsinki Region Transport System Plan (HLJ 2015) was completed and circulated for comments together with the region's land use plan and housing strategy. The plans cover 14 municipalities and will be completed in early 2015. They set out the locations of housing and employment development and determine transport links and public transport services for different parts of the region.

In 2050, the Helsinki region will be home to 2 million people and over one million jobs. More effective land use is needed to ensure the flow of traffic. The need to travel decreases when services and housing are concentrated along good public transport links.

A compact urban structure supports public transport, walking and cycling. The trunk network, i.e. frequently running rail services and trunk bus services, form the basis of the public transport system.



HSL demanded funding and clear responsibilities for metropolitan administration

The Government working group continued work towards establishing a metropolitan administration. In its statements on the matter, HSL emphasized that sufficient funding and a clear decision-making system must be ensured for the administration. In addition, the working group should set out a sustainable funding model to maintain the service level of public transport in the area.

The Government's ideas on, for example, the administrative area (14 municipalities), were largely in line with HSL's views. HSL is responsible for transport system planning in the 14 municipalities and the proposals would strengthen the integration of land use, housing and transport.

A draft bill was published in late 2014 on the basis of a proposal by the working group. However, in February 2015 it became evident that the Government proposal would not be completed early enough for discussion by the current parliament.

Planning of bus networks in North East Helsinki and Kerava began

HSL began the planning of the North East Helsinki bus network in early autumn 2014 and published the first drafts at the year end. We received exceptionally high numbers of comments on the drafts and in early 2015 the plans were revised on the basis of the feedback.

We received most feedback on the proposed changes to the route of bus 72. In January, the number of participants at a residents' meeting held at Malmitalo in Helsinki took us by surprise and two more meetings were held in February.

The reorganization of the North East Helsinki bus network is based on changes to train services and the number of residents and passengers in different areas. The opening of the Ring Rail Line will allow a metro-like service on the main line and the role of Malmi as a feeder station will be strengthened.

We also began planning a new bus network for Kerava. The North East Helsinki bus network plan covers the years 2016-2023, while the plan for Kerava is for 2016-2026.

Over 50,000 electronic newsletter subscribers

The HSL.fi online service was extended in March with the My HSL service. Customers register to the service at HSL.fi. The service enables us to improve our customer register and enhance customer communications, as all customers registered to HSL.fi are asked to agree to customer communications being sent electronically.

The service allows customers to select the routes for which they want to receive traffic bulletins, news and disruption alerts. The information is available via My HSL or by email. In addition, HSL sends an electronic newsletter to all registered customers about once a month. At the year end, over 53,000 customers had subscribed to the newsletter.



Successful marketing campaigns

HSL's Travel Card campaign generated 15,000 orders for new Travel Cards. The over 50s in particular ordered cards enthusiastically. During the campaign, new Travel Card customers were able to order a Travel Card loaded with a 14 day season ticket online, free of charge.

The campaign targeted in particular middle-aged and senior citizens, who clearly use public transport less than other age groups. The campaign succeeded in reaching its target groups: 45 per cent of those who ordered the card were over 50 years of age. Men accounted for 60 per cent of all orders. Equal number of orders were received from all HSL area municipalities in proportion to their populations.

We also ran a campaign to promote the employer-subsidized commuter ticket among employers. As a result of the campaign, some 250 companies, mainly small ones with fewer than ten employees, contacted us to learn more.





Share of
satisfied
passengers
is a new record.

87.7%

Popularity of public transport is steady

Passenger satisfaction with public transport services reached record levels.

In 2014, 353.3 million journeys were made in the HSL area, an increase of 0.6 per cent from the previous year. Passenger numbers increased on regional bus routes (6.2%), commuter trains (3.2%) and on the Suomenlinna ferry (0.7%). According to HSL's Traffic Survey 2012, the share of public transport on journeys made in the Helsinki metropolitan area has increased by one percentage point to 43 per cent from the previous survey year (2008). Walking and cycling have also gained popularity, particularly in the metropolitan area.

Passengers continue to be satisfied with our services. In the 2014 customer satisfaction survey, nearly 88 per cent of passengers gave public transport a good or very good rating. The biggest increase in the share of satisfied customers from the previous year was seen on the Metro where 93 per cent of passengers were satisfied. Passengers gave public transport an overall grade of 4.10 (on a scale of 1 to 5). Less than one and half per cent of passengers were dissatisfied.

In addition, HSL was again successful in the international BEST survey, which studies resident's opinions on local public transport. In 2014, 79 per cent

of Helsinki region residents were satisfied with public transport in the area. HSL area residents gave higher ratings than residents in the other BEST cities for issues such as reliability of public transport (83% satisfied).

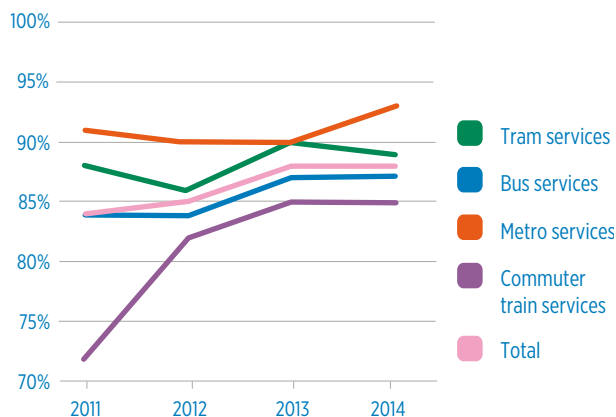
Visits to amusement park and depots as part of loyalty scheme pilot

We continued working on a loyalty scheme. Through the scheme, we aim at even better understanding of the needs and wishes of our customers and to develop our services in line with customer needs.

In the spring, we launched a loyalty scheme pilot to gain an understanding of the kinds of benefits our customers are interested in. Benefits and discounts are available to HSL Travel Card owners and customers registered to HSL's online service. At the year end, some 50,000 customers had registered to the service.

In addition to events, we offer our loyal customers discounts, for example, on car rental and car sharing services. In November, we began cooperating with Kliento Oy. Our customers can use their Travel Cards as a loyalty card in the brick-and-mortar stores, cafés and restaurants included in the Kliento loyalty scheme.

Share of satisfied passengers on the basis of overall score by mode of transport 2011-2014



Loyalty scheme in the making

Experiences of various loyal customer benefits were collected through the loyalty scheme pilot during the summer and autumn. HSL will launch a loyalty scheme in spring 2015.



In August, we offered our loyal customers discount price tickets to the Tikkurila Festival. During the event, we entertained customers in an HSL Lounge, where customers could enjoy refreshments and snacks. The lounge provided an excellent view of the stage.

“The HSL Lounge is the best place at the festival! Here you can sit down, there are no toilet queues and the service is top notch.”



On the Car Free Day 22 September, we organized a loyal customer evening at the Linnanmäki amusement park. Our customers got tickets for unlimited riding for five euros. The 6,000 tickets reserved were sold out in around a week.

Unfortunately, the evening happened to be the first cold and rainy one of the autumn. Despite this, over 4,000 customers came to enjoy the evening with us. We distributed pink HSL rain capes to protect customers from the rain.



In October, our loyal customers had the opportunity to have a look behind the scenes at a tram depot. Together, HSL and Helsinki City Transport (HKL) organized visits to the Töölö and Koskela depots. A total of 100 places were available on a first come, first served basis and the visits were fully booked in no time.

The school autumn break was an ideal time for the visits. Many of the participants were keen school boys with equally enthusiastic fathers and grandfathers.



Developing customer-oriented cooperation

HSL’s HR strategy was completed, along with the operational strategy. The best means of promoting the goals in our daily work were discussed at various forums.

HSL’s HR, which runs until 2018 is as follows: “We are inspired and committed to cooperation and development. Our approach to work is customer and solution-focused.” On this basis, our staff discussed the best means of implementing the strategies in our daily work in groups and sitting around game tables.

During the discussions, the staff had the opportunity to propose initiatives in support of the strategy implementation. Two initiatives were selected for implementation: improvement of the Journey Planner terminal maps and training material for retailers.

In addition, skills development was planned on the basis of the strategic goals and tools for skills development were extensively discussed.

In the autumn, we introduced common guidelines for workplace behavior. The guidelines were discusses among the supervisors and in groups. They support the running of our daily activities and ensure consistent approach to conflicts.

Well-working workplace community, clear tasks

According to the 2014 staff survey, job satisfaction was at almost the same level as in 2013. The overall score was 3.79 on a scale of 1 to 5 (3.8 in 2013). Some 81 per cent of all employees responded to the survey.

The staff were most positive about their own work and cooperation with their closest colleagues, giving the highest ratings to their relationship with colleagues, their own skills and task clarity. HSL’s services and environmental responsibility were also highly rated.

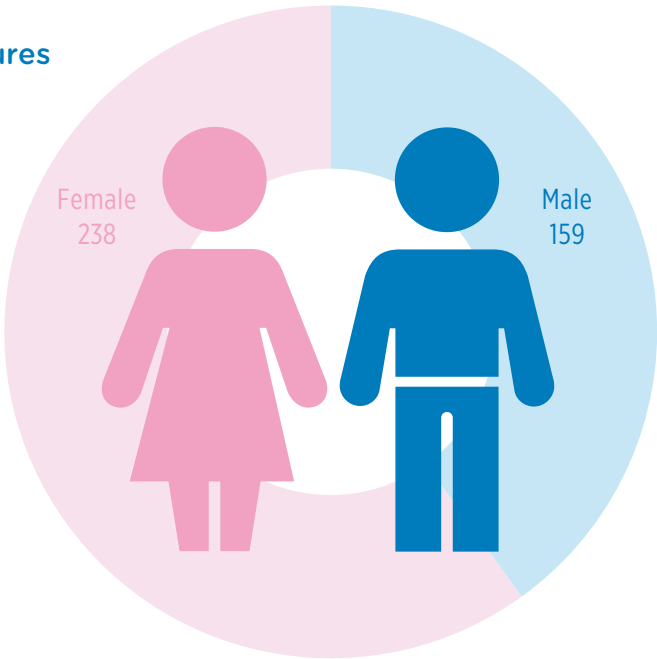
Dissemination of information, distribution of work and cooperation between departments were the areas that received the most criticism. When evaluating HSL as an employer, employees identified salaries and benefits as areas for improvement. The feeling of being too busy is a cause of dissatisfaction with work.

HSL’s personnel in figures

Personnel 397

Average age 42

Under 30s 20 %
30-50 years old 50 %
Over 50s 30 %



Permanent 344
Fixed-term 53

Full-time 341
Part time 56

Playing out the strategy

HSL's staff gathered around game tables to discuss how to implement the strategy and customer program in practice. A total of 327 staff members participated in the game sessions, which produced 246 smart and creative initiatives.



"The game was a great form of social interaction and cooperation. The staff contributed to the contents of the sessions as players and instructors and participated in the follow-up work. Game material, quiz questions and cases were also produced by the staff. The members of the project group and strategy ambassadors prepared questions and cases and the management group scored them. Staff from all different departments and positions gathered around game tables in mixed groups.

The game inspired people to think about sharing information and their own roles, actions and how active they are as employees. It revealed different ways of thinking and reminded us that diversity is an asset. Feedback received on the game sessions reflected a real desire to make things together."

Heli Rautio, Customer Experience Planner



"Strategy game – playing games during working hours? Well, not quite. Instead, it was a great way of exploring the content and meaning of the strategy. When HSL began recruiting game instructors, I became interested right away. We learned the secrets of the strategy by playing the game ourselves. Through the game, a range of common policies and procedures became clear. The game also forced us to come up with ideas for developing our operations.

In the group I was guiding, players were excited about the game and participated in earnest. It was great to become acquainted with people from different departments, whom I tend to see way too seldom. However, the resources used for the strategy work will be wasted if we don't act in the spirit of the strategies. This is our daily challenge."

Kai Kalmari, Safety Specialist



"In my game group, there was plenty of good discussion, although the game presented us with several situations and questions that do not arise in our work and that a ticket inspector wouldn't usually come across.

Within the inspection unit, we actually developed our own version of the game based on situations and cases we come across in our work. We have successfully played the game in inspector training courses. Feedback from the participants indicated that the game was the most beneficial lesson during the course."

Anne Toura, Ticket Inspector





plus.fi

CO₂ emissions
from bus services
decreased by

3.2%

from the
previous year.



At the leading edge of sustainable development

HSL's values include taking the environment into account in all our activities and openly sharing information about the impacts of our activities. In terms of environmental responsibility, our strategic goals include increasing the share of low-emission public transport and directing growth in traffic volumes to public transport, walking and cycling.

HSL promotes low-emission and sustainable transport, both at a strategic level via transport system planning and at operational level by means of public transport planning, service procurement, affordable public transport fares and mobility management.

In the preparation of the Helsinki Region Transport System Plan completed in 2014, a strong emphasis was placed on a transport system based on a rail transport network and the creation of a more compact urban structure. In the impact assessment of the plan (SOVA), the assessment of direct and indirect environmental impacts played a key role.

Various means of cutting emissions

Our goal has been to cut nitrogen oxide (Nox) and particle (PM) emissions from bus services by 80 per cent and carbon emissions (CO₂) by 50 per cent from 2010 to 2018. Emissions were reduced on target thanks to new vehicles and the use of biofuels. In 2014, one hundred new, low-emission Euro 6 compliant buses entered into service. In addition, five more hybrid buses were introduced on

top of the two already in use. Experience shows that hybrid technology helps to reduce fuel consumption, emissions and noise.

We also promote environmentally friendly bus services through an environmental bonus scheme. Thanks to the scheme, last year we were able to cut carbon emissions from bus services by 2,650 tons and local emissions by a total of 7,560 kg.

HSL and HKL Metro and Tram Units have made an agreement on the use Nordic renewable energy in 2014-2016. As much Nordic wind power as possible will be purchased; the rest of the electricity used will be Nordic hydropower.

Our activities comply with a Quality and Environmental Management System based on the ISO 9001 and 14001 standards. This system supports our activities and development work and is used to monitor changes in our operations. In an external audit conducted in 2014, HSL received special thanks for its extensive monitoring and reporting of environmental responsibility and indicators.

Employer-subsidized commuter ticket gained popularity



In 2014, we ran a campaign to encourage companies to start using employer-subsidized commuter tickets and to raise awareness of our services for employers. As a result of the campaign, some 250 companies contacted us to learn more and around 30 companies decided to purchase employer-subsidized commuter tickets.

In 2014, there were over 70,000 users of employer-subsidized commuter tickets in the HSL area. About 35,000 were using a company car. The employer-subsidized commuter ticket increased in popularity by nearly 10 per cent from 2013, while the popularity of company cars fell slightly.



Electric buses on their way



Photograph Alex Hallberg



For several years, the Transdev bus company (former Veolia) has been testing electric buses on route 11 in Espoo. These tests form part of the eBus project, which studies how electric buses suit urban transport in our conditions. The Finnish climate and, in particular, severe winter conditions provide an excellent environment for testing battery endurance, for example.

HSL is closely involved in the eBus project to accumulate knowhow in the planning of electric bus services and the related infrastructure, because the extensive introduction of electric buses requires the creation of a charging network. In addition, the effects of the drivers' driving style on power consumption are being studied alongside the passenger experience of electric buses.

Our goal is that in 2025 all feeder routes will be operated with electric buses powered by sustainably produced electricity.

State-of-the-art tram technology



The first two Finnish Artic trams completed their first year in service. Artic is equipped with state-of-the-art energy-efficiency technology. In the planning of the tram, special attention has been paid to issues such as the utilization of braking energy, the insulation of the body shell, structural solutions and modern led-lighting. Thanks to freely turning bogies, the tram produces less noise and vibration.

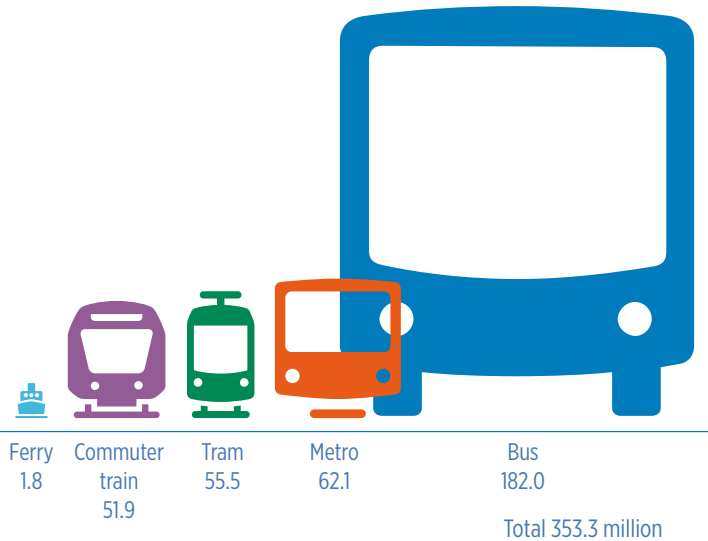
The Finnish Artic has been tailored for the needs of the Helsinki tram network and designed to withstand the northern climate. HKL has ordered a total of 40 new trams, the last of which will enter into service in 2018.



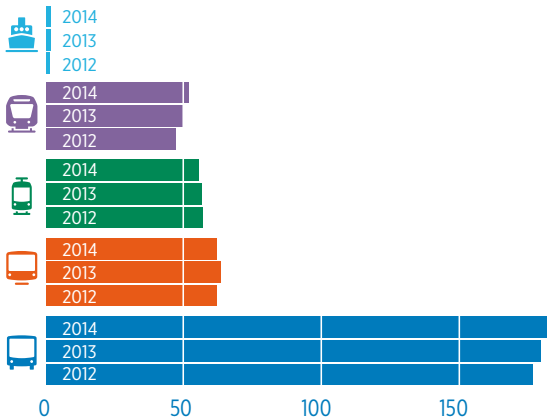
Comparing modes of transport

In 2014, about 353 million journeys were made on HSL’s transport services. Buses are the most popular mode of transport, with over half of all journeys made on them. Services are reliable: over 99 per cent of scheduled services are operated. Passenger satisfaction with public transport services continues to be high.

Passenger numbers by mode of transport








Passenger numbers by mode of transport 2012-2014 (million) *)








*) The 2013 passenger numbers on the Metro and Helsinki bus routes were checked in 2014. As a result, the total number of journeys made in 2013, 351.4 million, differs slightly from the previously reported figure.






Services Mon-Fri

	21,072
	497
	2,408
	857
	72
Total	24,906

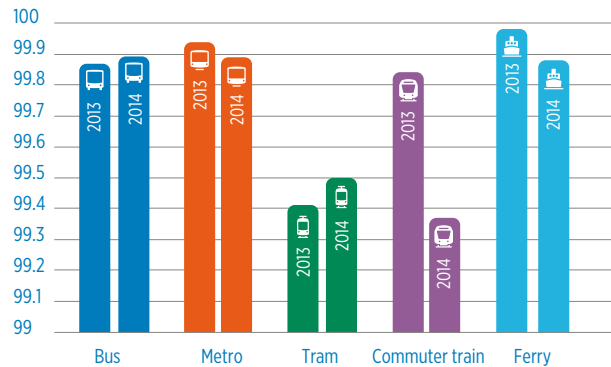
Number of routes

	319
	2
	12
	14
	2
Total	349

Number of vehicles

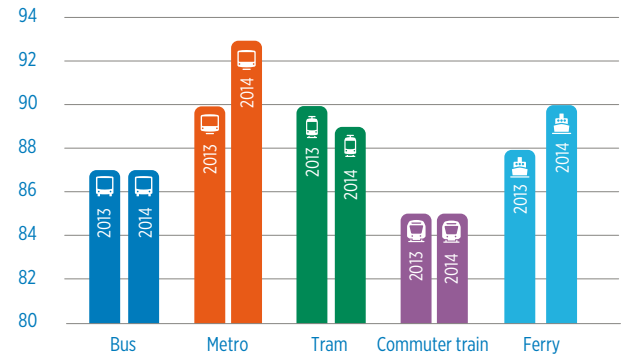
	1,451
	54 (pairs of Metro cars)
	124
	112 (train units)
	4
Total	1,745

Reliability of operation (%)



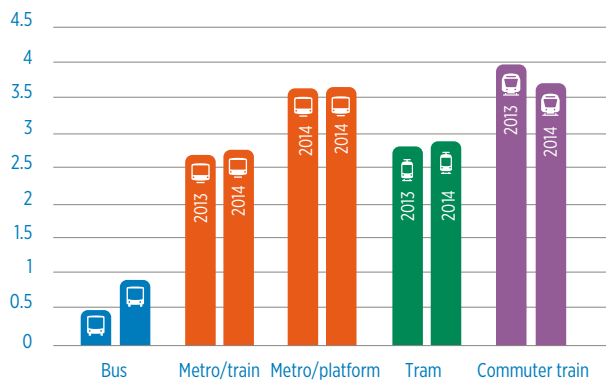
The percentage share indicates the share of services operated out of planned services. A one-day strike disrupted Metro and tram services in September. The reliability figures take account of the impact of the strike on overall reliability in 2014.

Overall satisfaction (%)



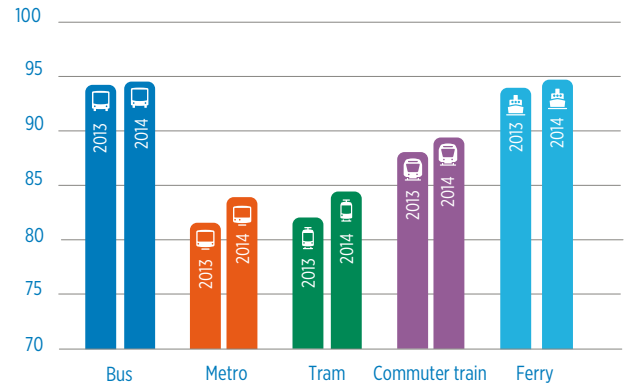
In the 2014 customer satisfaction surveys, the share of satisfied passengers (grades 4 and 5 on a scale of 1 to 5) was 88 per cent.

Fare dodging (%)



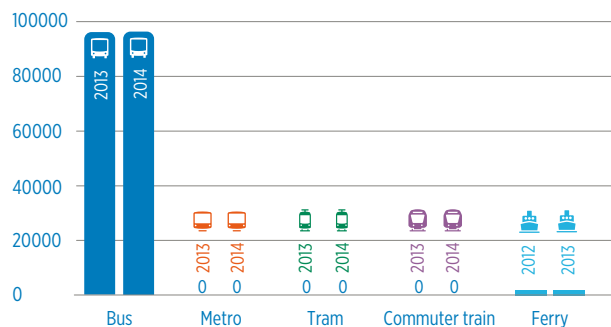
On average, 2.7 per cent of the inspected passengers in 2014 were traveling without a valid ticket. The figure was the same as in 2013. On bus services, ticket inspections were targeted in particular on trunk route 550, where open fare collection is being tested. Without route 550, the share of fare dodgers on bus services was 0.72%.

Satisfaction with safety (%)



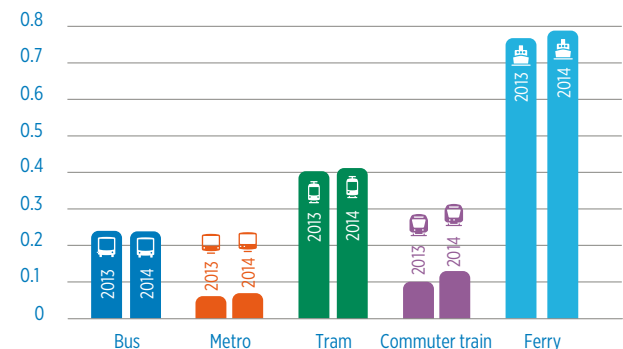
HSL's customer survey also asks if journeys go without disturbances. Passengers consider the Suomenlinna ferry and buses to be the safest modes of transport.

Carbon emissions (tons)



Emissions from bus services have increased due to a rise in the number of kilometers driven. Emissions/passenger kilometer have decreased. The Metro and trams use electricity based on Nordic wind power and hydropower.

Production costs (EUR/passenger kilometer)



The production costs are calculated by dividing the operating costs of each mode of transport by the number of passenger kilometers. The figure also describes the loads on different modes of transport and thus shows how successful planning has been.

HSL's ticket revenue
amounted to

€287.3_{m.}





6

A woman in a black coat and beanie walks in the foreground of a modern transit station. The station features a complex, industrial-style ceiling with exposed metal beams and a large, illuminated purple sign with the number 6. Other passengers are visible in the background, walking along the platform.

Very moderate cost increases

In 2014, HSL ran a surplus of about €5m. The good result was due to lower-than-expected fuel prices and low interest rates, in particular.

HSL's operating income totaled €595.2m, €6.4m (1.1%) less than the budgeted amount (budget €601.6m). Ticket revenue accounted for 48.3 per cent and municipal contributions for 48.8 per cent of the total. The share of ticket revenue increased by 0.9 per cent from the previous year.

Ticket revenue totaled €287.3m, falling short of the budget by €5.6m (1.9%). Ticket revenue was up by 3.4 per cent from the previous year. Ticket prices were increased by an average of three per cent at the beginning of the year.

The part of HSL's expenses not covered by ticket revenue or other operating income is covered by municipal contributions paid by the municipalities. In 2014, municipal contributions totaled €290.2m, as budgeted, covering 49.9 per cent of operating expenses. Municipal contributions were down from 2013 by €1.1m (0.4%).

Other operating income, €17.7m, mainly consisted of government subsidies, ticket inspection revenue, income from Travel Card equipment charged to operators and income from the rental of drivers' rest facilities. The Government subsidy to public transport in large cities amounted to €6.1m. Ticket inspection

revenue amounted to €4.8m, of which €2.3m was set aside for credit losses.

Operating expenses amounted to €582.1m, €19.5m (3.2%) lower than the budget estimate. Purchase of services accounted for €554.9m (95.3%) of the operating expenses. Operating costs totaled €464.4m, infrastructure costs €66.1m, other purchase of services €24.3m, and personnel costs €19.1m.

The public transport cost level increased by an average of 0.9 per cent, while the budget provided for an increase of 2.5 per cent. The cost level was affected the most by the lower-than-expected fuel and lubricant prices and interest rates.

Investment expenses totaled €13.6m, of which €11.4m was related to the TIS 2014 project and the current ticketing system.

Major public transport projects created price pressures

Procurement of transport services accounts for about 80 per cent of HSL's expenses. Bus services account for about half of the total costs. Fuel prices and drivers' wage levels therefore have a major impact on HSL's finances.

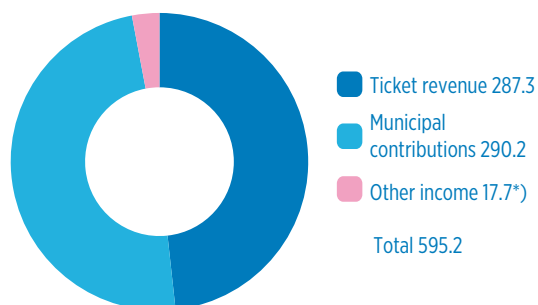
In 2014, moderate wage solutions and decreased fuel, lubricant and electricity prices resulted in the lowest cost increase since HSL began its operations. Moreover, interest rates were at a historical low which reduced train service costs as rental fees for rolling stock, tied to interest rates, were clearly lower than expected.

The price of crude oil is predicted to remain at a lower than usual level in 2015, which should have a positive effect on our finances.

However, our finances are also being affected by the generally weak economic growth. Increasing unemployment is reducing commuting and ticket revenue. The declining economic prospects are reducing opportunities to invest in the development of public transport. On the other hand, major public transport investments such as the Ring Rail Line and West Metro are creating pressure either to increase fares to outweigh increased costs, or to increase municipal contributions in order to maintain the competitiveness of public transport.

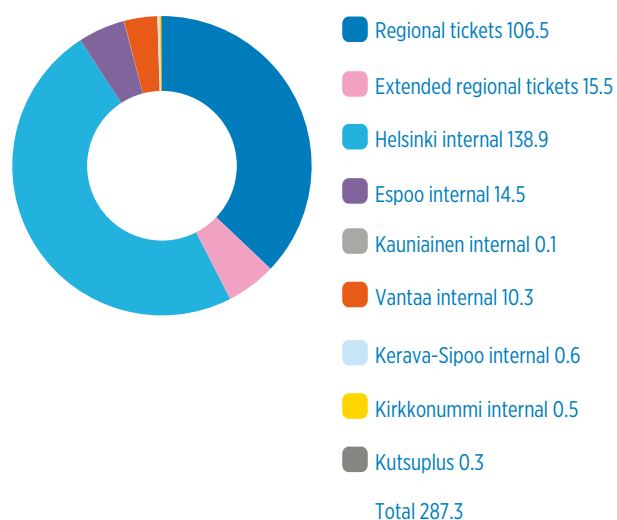


Operating income 2014

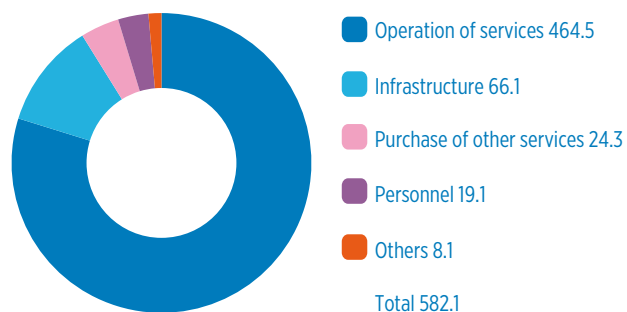


*) E.g. State subsidies, ticket inspection income and rental income.

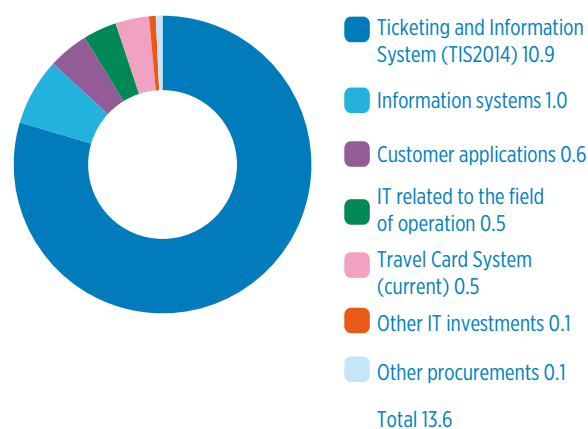
Ticket revenue 2014



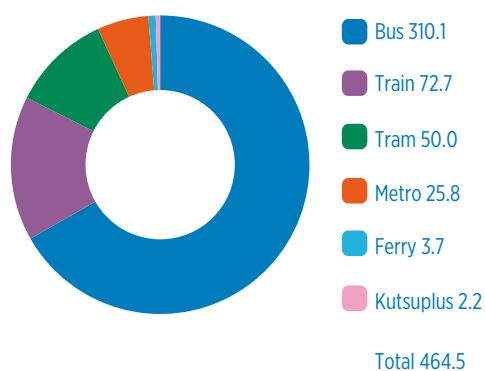
Operating expenses 2014



Investments 2014



Operating costs in 2014



All figures are in EUR million.

Profit and loss account

		1 Jan-3 Dec 2014	1 Jan-31 Dec 2013
Operating income			
Sales income		289,174,899.70	280,088,442.55
Municipal contributions		290,244,000.00	291,379,000.00
Subsidies and grants		7,301,993.50	6,662,526.33
Other operating income		8,453,299.53	8,344,098.36
		595,174,192.73	586,474,067.24
Operating expenses			
Personnel expenses:	Wages, salaries and fees	-15,378,205.66	-15,132,192.55
Social security costs:	Pension costs	-2,864,675.59	-2,744,739.14
	Other social security costs	-890,022.28	-860,752.44
Purchasing of services		-554,935,073.23	-542,999,746.19
Materials, equipment and supplies		-848,256.82	-1,041,481.48
Other operating expenses		-7,225,136.74	-7,029,159.96
		-582,141,370.32	-569,808,071.76
Operating margin		13,032,822.41	16,665,995.48
Financial income and expenses			
Interest income		134,450.12	64,378.77
Other financial income		8,983.91	30,440.08
Interest expenses		-2,218.41	-2,693.60
Other financial expenses		-168,081.20	-421,537.55
		-26,865.58	-329,412.30
Annual profit from operation		13,005,956.83	16,336,583.18
Depreciations		-8,055,232.30	-5,898,924.62
Profit/loss for the financial year		4,950,724.53	10,437,658.56
Surplus(+)/deficit(-) for the financial year		4,950,724.53	10,437,658.56

Cash flow statement

		FS2014	FS2013
Cash flow from operations	Annual profit from operations	13,005,956.83	16,336,583.18
Cash flow from investments			
	Investment expenses	-13,582,553.79	-13,392,244.64
Cash flow from operations and investments		-576,596.96	2,944,338.54
Cash flow from financing activities			
Other changes in liquidity			
	Changes in inventories	-29,053.20	0,00
	Changes in receivables	6,366,162.70	-5,012,811.11
	Changes in non-interest bearing liabilities	-1,932,100.20	7,054,931.68
Cash flow from financing activities		4,405,009.30	2,042,120.57
Change in cash and cash equivalents		3,828,412.34	4,986,459.11
Cash and equivalents 31 Dec		59,659,371.95	55,830,959.61
Cash and equivalents 1 Jan		55,830,959.61	50,844,500.50

Balance sheet

Assets	31 Dec 2014	31 Dec 2013
Fixed assets	43,149,107.16	37,621,785.67
Intangible assets	29,587,816.95	24,932,687.74
Intangible rights	19,083,304.37	15,945,474.74
Computer software	1,124,930.44	1,759,398.64
Other capitalized expenditure	485,698.41	694,481.68
Advance payments	8,893,883.73	6,533,332.68
Tangible assets	10,175,167.27	9,302,974.99
Fixed structures and equipment	4,834,802.54	5,703,727.42
Machinery and equipment	278,527.48	344,270.76
Advance payments and work in progress	5,061,837.25	3,254,976.81
Investments		
Shares and other rights of ownership	3,386,122.94	3,386,122.94
Current assets	101,158,644.66	103,667,341.82
Inventories	29,053.20	0.00
Receivables	41,470,219.51	47,836,382.21
Long-term receivables	400,000.00	400,000.00
Loan receivables	400,000.00	400,000.00
Short-term receivables	41,070,219.51	47,436,382.21
Receivables from sales	25,767,600.74	37,821,750.26
Loan receivables	1,750.00	1,750.00
Other receivables	9,036,644.49	9,519,033.91
Accrued income	6,264,224.28	93,848.04
Fixed financial assets	25,177,715.00	154,365.00
Other securities	25,177,715.00	154,365.00
Cash at bank and in hand	34,481,656.95	55,676,594.6
Assets, total	144,307,751.82	141,289,127.49
Liabilities	31 Dec 2014	31 Dec 2013
Equity	48,207,717.34	43,256,992.81
Basic capital	9,230,475.00	9,230,475.00
Other equity	9,758,669.01	9,758,669.01
Retained surplus/deficit	24,267,848.80	13,830,190.24
Surplus/Deficit for the period	4,950,724.53	10,437,658.56
Liabilities	96,100,034.48	98,032,134.68
Short-term	96,100,034.48	98,032,134.68
Advances received	24,824,048.62	22,412,417.37
Accounts payable	51,622,624.01	53,256,472.89
Other creditors	2,936,476.25	4,505,546.69
Accrued expenses and deferred income	16,716,885.60	17,857,697.73
Liabilities, total	144,307,751.82	141,289,127.49

Executive Board of HSL 2014

Member

Risto Rautava (NCP/H), Chair
Hennariikka Andersson (NCP/H)
Jaana Pelkonen (NCP/H)
Janne Tähtikunnas (NCP/E)
Markku Weckman (NCP/V)
Sirpa Hertell (Greens/E), Vice Chair
Ville Ylikahri (Greens/H)
Hanna Valtanen (Greens/V)

Tarja Kantola (SDP/H)
Martti Tieaho (SDP/E) until 10 June 2014
Jukka Hako (SDP/V)
Pekka M. Sinisalo (Finns Party/Ki)
Hanna Mithiku (Left Alliance/H)
Björn Månsson (Swedish People's Party/H)

Deputy

Harri Nikander (NCP/Ke)
Ted Apter (NCP/H)
Aura Salla (NCP/H) until 18 Nov 2014
Sini Jokinen (NCP/H)) from 18 Nov 2014
Ulla Palomäki (NCP/E)
Laura Simik (NCP/H)
Heli Halava (Greens/E)
Jessica Karhu (Greens/H)

Jouni Vauhkonen (Greens/V)
Mirva Haltia-Holmberg (SDP/H)
Hannele Kerola (SDP/E)
Markku J. Jääskeläinen (SDP/V)
Matti Kopra (Finns Party/H)
Hannu Koponen (Left Alliance/H)
Christel Liljeström (Swedish People's Party/Si)



HSL Executive Board and Management, back row left to right: Olavi Louko (expert, Espoo), Ilkka Heinänen (HSL), Kati Hepokorpi (HSL), Tarmo Aarnio (expert, Kirkkonummi), Pekka M. Sinisalo, Björn Månsson, Mikael Grannas (expert, Sipoo), Hanna Valtanen, Finn Berg (expert, Kauniainen), Mirva Haltia-Holmberg, Christel Liljeström, Pekka Sauri (expert, Helsinki), Ville Ylikahri, Janne Tähtikunnas, Hannele Kerola, Henry Westlin (expert, Vantaa), Jukka Hako, Markku Weckman, Reijo Mäkinen (HSL), Mari Flink (HSL), Harri Nikander, Pirkko Lento (HSL). Front row, left to right: Sini Puntanen (HSL), Tero Anttila (HSL), Jaana Pelkonen, Hanna Mithiku, Risto Rautava, Sirpa Hertell, Suvi Rihtniemi (HSL).

HSL's Audit Committee 2014

Member

Ilkka Malmivaara (NCP/V), Chair
Jaana Meklin (NCP/H)
Kimmo Kyrölä (Greens/E), Vice Chair
Juhani Turkkila (SDP/H)
Saana Lehto (Finns Party/E)

Personal deputy

Heikki Hiltunen (NCP/E)
Sini Jokinen (NCP/H) until 18 Nov 2014
Hanna Laakso (NCP/H)) from 18 Nov 2014
Petteri Niskanen (Greens/V)
Hannele Halonen (SDP/V)
Kari Paunonen (Finns Party/E)

H (Helsinki), **E** (Espoo), **V** (Vantaa), **Ka** (Kauniainen),
Ke (Kerava), **Ki** (Kirkkonummi), **Si** (Sipoo)

Experts

Head of Technical Services
Deputy Mayor
Mayor
Mayor
Municipal Manager
Municipal Manager
Deputy Mayor
Chair of City Council

Olavi Louko, Espoo
Pekka Sauri, Helsinki
Torsten Widén, Kauniainen
Petri Härkönen, Kerava
Tarmo Aarnio, Kirkkonummi
Mikael Grannas, Sipoo
Juha-Veikko Nikulainen, Vantaa
Finn Berg, Kauniainen

Auditing

Auditing is performed by KPMG Julkishallinnon Palvelut Oy.
Accountable auditor is Leif-Erik Forsberg, CPFA, APA.

I show interest and I help

About one million journeys are made on HSL's transport services every day, 360 million journeys a year. It is probable that no other organization in Finland has as many regular customer visits. HSL offers a unique vantage point over everyday life in the metropolitan area, where public transport plays a significant role.

The vast number of customers is both a blessing and a curse. It is great that we can make daily travel easier for thousands of people. We want to offer our customers easy, affordable and reliable public transport. Our success in our basic task is measured by passenger numbers, which have steadily increased year by year in the Helsinki region.

As always when large numbers of people are involved, some not satisfied, often with good reason since the decisions made are not the best for them. In the public transport sector, we must accept that there will always be those who are not completely satisfied and that taking criticism is part of the job. However, HSL's goal is to find the best solutions for as many people as possible.

Last year, we launched a project to systematically develop the customer experience. To begin with, we defined what characterizes HSL customer experience. A good customer experience consists of the following elements:

1. HSL understands my needs and takes an interest in me
2. HSL keeps me up to date.
3. Dealing with HSL is easy.
4. Traveling is smooth and reliable.
5. Service is friendly.

These are simple yet ambitious goals. They describe the kind of service that passengers in future are entitled to expect from HSL. Although we cannot promise that services and routes will always run where individual customers would like, in our solutions we do our best to take account of the needs of as many people as possible.

We are also developing completely new kind of services on the basis of our customers' needs. Kutsuplus is a good example of this. Last year, Kutsuplus was awarded the Best Customer Experience Award in Finland. When planning the service in 2011, we wanted to provide an easy, reliable, convenient



and flexible customer experience. The aim was to develop "the right ride for you". We succeeded in this. Kutsuplus increased rapidly in popularity in 2014 and the popularity continues to grow.

How do we achieve the service experience described above for all of our services? We have made the following five service promises:

1. I show interest and I help
2. I keep others up to date.
3. I offer solutions and suggestions.
4. I listen and cooperate.
5. I cheer up and inspire others.

During 2015, we will work to ensure that all HSL staff are aware of the service promises and implement them in their own work. In addition, the HSL Executive Board is ready to commit itself to these promises. In cooperation with our customers, we will achieve our strategic goal of making public transport the number one choice for travel and the Helsinki region the bellwether for intelligent, sustainable and safe mobility by 2025.

Risto Rautava, Chair of HSL Executive Board

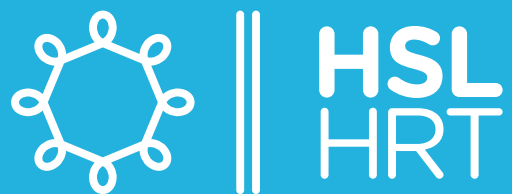


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Moves us all