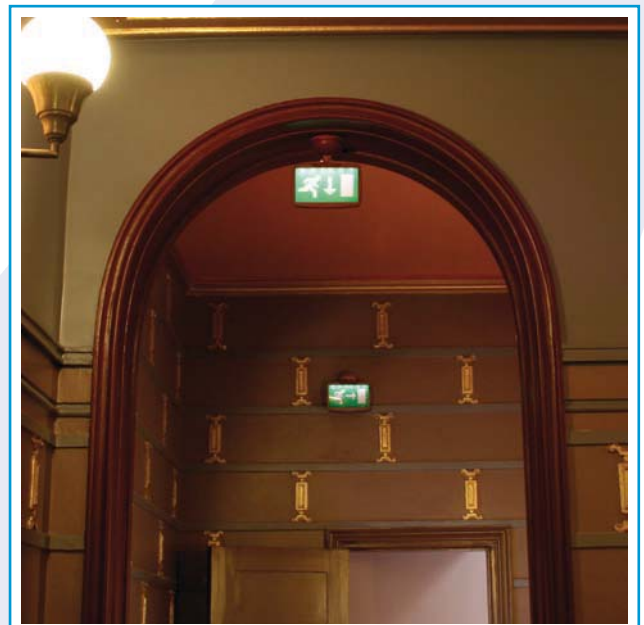
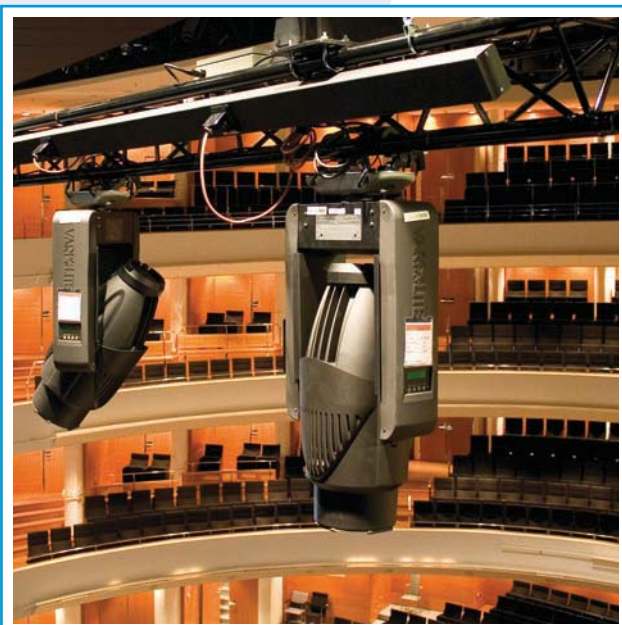
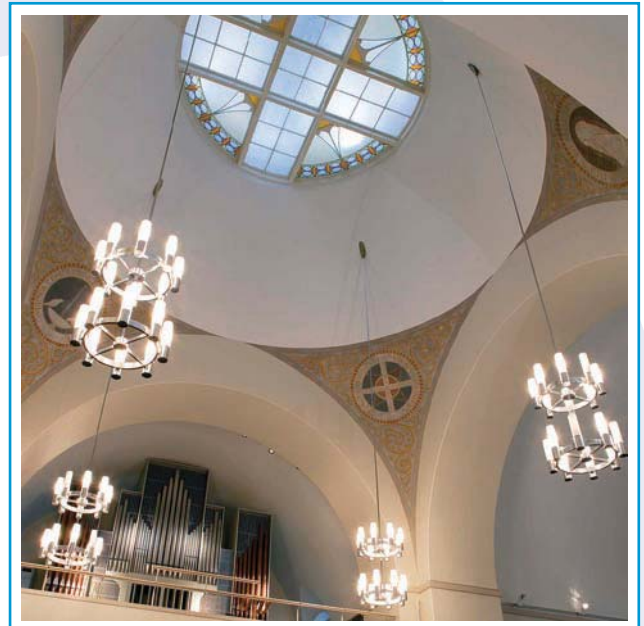
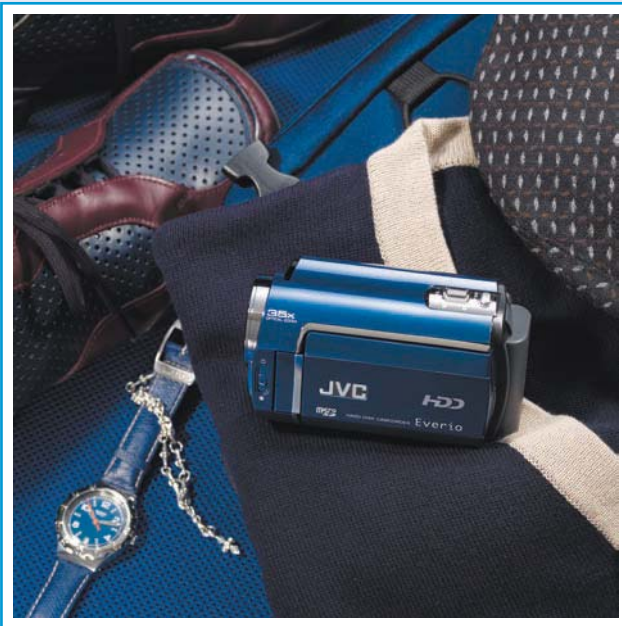




HEDENGREN

1918 **90** 2008

Leading Solutions



Review of the Year 2007



In 2007 operating environment of trade was favourable and development of national economy was positive. Demand increased in all our business lines, particularly in the consumer technology sector.

The turnover of the Hedengren Group rose by 9% and amounted to 106.4 million euros. The result improved significantly compared to the previous year being 2.3 million euros. Self-sufficiency ratio was 41.9 percent and balance sheet sum total 51.1 million euros. The number of employees within the Group was 347 on an average.

Hedengren's all four business lines were successful in increasing turnover and improving result.

Oy Hedtec Ab, our building technology company, increased sales by 10% and achieved a record result. Among the profit centres, the installation materials department did especially well.

Oy Hedengren Security Ab, trading in the security field, increased its sales by 12% and the result improved appreciably. The emergency exit light business showed the strongest growth.

Oy Hedengren Kodintekniikka Ab, our company for consumer technology, reported a sales rise of 7.5% and improved its result considerably. In particular, sales of coffeemakers and digital set top boxes progressed quite satisfactorily. The direct sales company Hedengren Direct attained a good result as well.

Oy Hedcom Ab, trading in the AV and broadcast technology business, increased its turnover by 9% and the result was good.

Export to our neighbouring countries, the Baltic States, Russia and Scandinavia, developed favourably. Long-term work has strengthened our position and made export an important part of our activities.

In 2007 we renewed our Group structure by splitting up the division for professional electronics into two sectors: AV and broadcast technology and Security technology. This new structure supports Hedengren's strategy and defines more precisely the Group's position on the market.

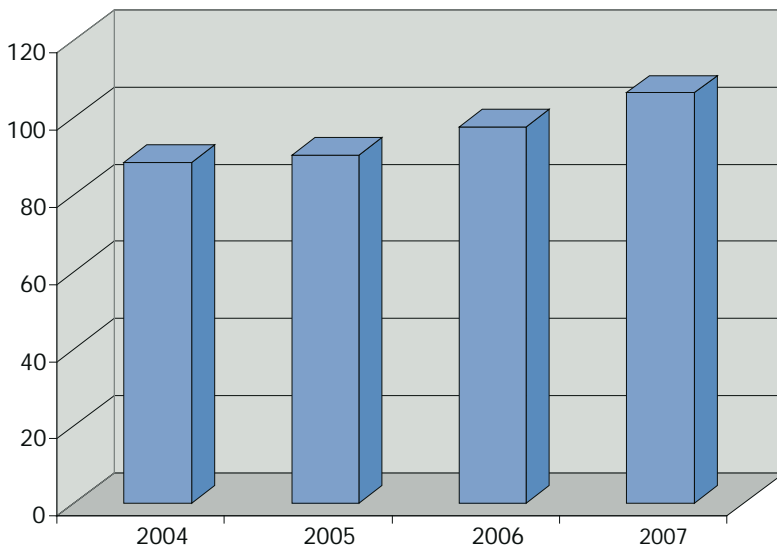
We also carried through several development projects related to customer service and internal activities. Furthermore, our showroom was renovated. We are continuing our development work focusing on intensified customer relations, wider product offerings and range of services as well as cost-effectiveness of our activity chain.

Hedengren celebrates its 90th anniversary this year. We will celebrate the year committed to working and we look forward to the future with confidence trusting that the positive trend will continue all through 2008.

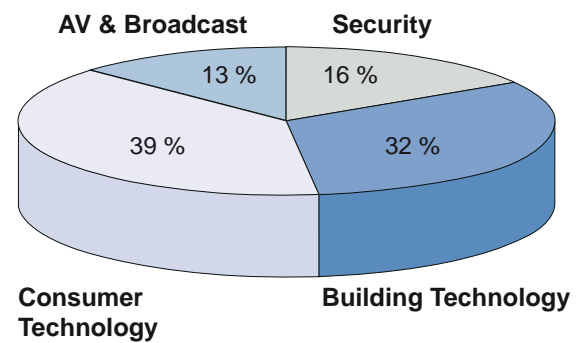
Berndt Johansson
CEO

Income Statement (1000 EUR)			Balance Sheet (1000 EUR)		
	2007	2006		2007	2006
Turnover	106 355	97 492	Assets	12 838	13 386
- Other operating income	272	420	Inventories	18 397	17 701
- Materials and services	-76 083	-71 265	Financial assets	19 869	18 794
- Personnel expenses	-16 601	-16 481	Total assets	<u>51 104</u>	<u>49 881</u>
- Depreciation and value adjustments	-966	-941	Shareholders equity		
- Other costs and expenses	-9 483	-8 026	- Share capital	1 036	1 036
Operating profit	3 494	1 199	- Other equity	19 537	18 257
Financial income and expenses	-218	-216	Provisions	4 583	4 415
Profits before appropriations and taxes	3 276	983	Liabilities		
Appropriations			- Long-term	6 624	4 986
Income taxes	-941	-335	- Short-term	19 277	21 187
Minority share	-47		Total liabilities	<u>51 104</u>	<u>49 881</u>
Profit for the financial year	<u>2 288</u>	<u>648</u>			
Personnel	347	361			

Turnover growth (MEUR)



Turnover by business line



Consumer Technology

2007 was a successful year for Oy Hedengren Kodintekniikka Ab, irrespective of which indicators were applied: operating figures, quality factors within the company or customer satisfaction.

Among our brands, Moccamaster coffeemakers and Kaon digital set top boxes demonstrated the best sales results. As many times before, the Moccamaster sales reached its peak during the last quarter of the year and, for the whole year, our market share expressed in euros in this product group was huge, exceeding 60%. Kaon made its breakthrough in the very tough digital set top box market holding a market share of 10%.

During the year, we spent a lot of time on basic work and investigations in order to develop our JVC sales, our biggest product group, for 2008 and 2009. The result will show already in the spring of 2008 when JVC will launch their revolutionary Super Slim TV and the new Everio hard disk cameras adapted to the market trends.



AV & Broadcast Technology / Hedcom

The year started off briskly and demand was strong and stable throughout the whole year. A strengthened installation division enabled us to meet the growing demand by increasing the number of projects we were able to deliver. Co-operation with our dealers and contractors was also intensified bringing growth to this sector as well.

The Finnish shipyards enjoyed full order books and this had a positive effect on Hedcom's project deliveries to this industry. The demand for AV and public address system continued strong in the corporate and public sectors. Production equipment sales kept steady to our broadcast and production clients.

The strongest growth however came from the cultural sector and included two of the year's largest project deliveries. The Hämeenlinna Verkatehdas concert venue took delivery of turnkey sound and lighting systems including VariLites as well as the Finnish National Opera which purchased a vast quantity of VariLite moving stage luminaries.





Building Technology / Hedtec

Growth in the total demand within our business area weakened by some percentage points to +6%, but can still be considered good.

In all departments and main product lines we succeeded in reaching the best sales results ever. Together with our core customers we could show record growth figures, superior to the average in this field. On annual level, the impact of raw materials on our sales and result was definitely more positive than we had expected. These factors and an extremely dedicated and skilled staff constitute the basic elements for our good result in 2007.

All Hedtec's sales unit took part in several big projects. For instance, the comprehensive delivery of Peha electrical installation fittings to the world's biggest luxury cruiser Genesis as well as air curtain projects for a big department store in the city of Tampere and the new Prisma hypermarket in Lohja, carried through by our industrial department.

The installation materials department concluded an important agreement concerning Entes energy measurement systems and network analysers for industry and buildings.



Hedengren Security

All Hedengren Security's business activities grew significantly during the year. The strongest growth was seen in the sales of camera surveillance systems and we prepared ourselves for new market conditions by concluding contracts with IP based camera suppliers. Also markets for integrated security systems have been growing, which had a positive effect on our system deliveries both in Finland, Scandinavia and the Baltic countries. Our specialist know-how was evident in our co-operation with the Finnish broadcasting corporation, YLE. We designed, built and serviced transmission vans for them.

Our integrated fire alarm/emergency light system Prodex EML got a very positive reception on the export market. Environment friendliness of the system in view of energy consumption, maintenance and installation has received well-deserved attention among customers, designers and installation companies.

Hedengren Security's NeptoSec web sales were renewed to be a shopping basket type system, through which specialist dealers in the security business can buy all security technology products of the Hedengren Group and, at the same time, get an e-mail confirmation of the order and delivery.

