



## Hedengren Security

The year 2008 was very successful for Hedengren Security. Our turnover increased 17 % compared to the previous year. The growth came especially from exports, but also from Finnish operations. We sold 40 % more security systems to the Nordic Countries than in 2007. The positive development concerned all the systems we represent, but especially Prodex fire alarm systems, Neptolux emergency light systems, and Hedsam access control systems.

The biggest projects of the year were the security system for Leisure and Entertainment Centre Flamingo in Vantaa, and the electricity and security contracts for the Ruoholahden Tähti (Ruoholahti Star) office building in Helsinki. The security contract for Flamingo amounted to over half a million euros, and it included emergency light, access control, intruder alarm, and CCTV systems. These systems are controlled and maintained from the security control room of the entertainment centre with the HedGraphics graphic system.

The 2 million euro contract for Ruoholahti Star included, in addition to basic contracting work, Prodex fire alarm system covering the whole building and Hedsam access control system. The employees of the medical centre Diacor situated in the building were equipped with the wireless alarm buttons of Smartti personal alarm system. In an emergency situation, Smartti system transmits an alarm to the guards with the ID and location information of the alarm sender.



## AV & Broadcast Technology / Hedcom

Hedcom's market share rose further in 2008. The year was one of the best in the history of the company. Demand remained high on almost all sectors, and project deliveries had an especially high share of the year's sales. Some notable projects were the AV and conference systems for the European Chemicals Agency, the AV solutions for the headquarters of Varma, and the communications systems for the Viking XPRS and Tallink Baltic Princess built at the Helsinki shipyards.

The demand was good also on the broadcast sector, and TV production systems were delivered, for example, to Werne Facilities, which produces the ice hockey TV coverage in high definition. This has never been done before in Finland. The coverage uses a new HD outside production truck that has the latest Grass Valley HD broadcast camera and audio mixing technology.

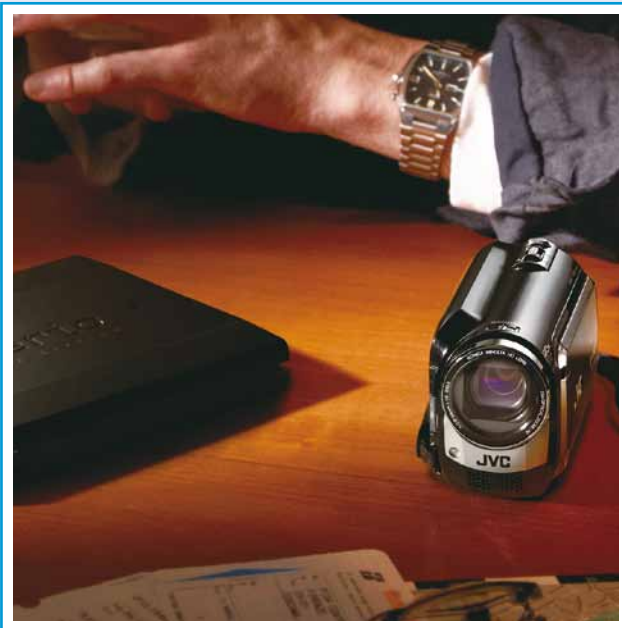
Hedcom has widened its AV product selection in the teaching sector by introducing the highly requested interactive teaching boards that are globally appraised by teachers. This product family adds to the already strong brands of our AV sector. At the same time, the co-operation with our retailers and contractors is strengthened.





# HEDENGRÉN

Leading Solutions



Review of the Year 2008



The Finnish economy did not develop as favourably as anticipated in 2008, which could be seen as decreased demand on all Hedengren's business lines during the second half of the year. The consumers' trust in the economy weakened radically, which had an effect on the sales of consumer technology. Housing and business building continued strong and brought with it growth for the group.

Despite the challenges of the autumn, the Hedengren Group operations were successful in 2008. Our turnover reached 103.5 million euros, and our profit rose to 2.5 million euros, which clearly surpassed our budget goals. Our self-sufficiency ratio rose to 46.7 %, and the balance sheet sum total was 47.5 million euros.

Our product and service selection that is adjusted to the demand on the market, our strong local presence, and our knowledgeable and committed personnel all had a positive effect on our success.

All of Hedengren's four business lines were successful. The strongest progress was made in Security Technology.

The sales of our Building Technology company Oy Hedtec Ab increased, and it reached a good result once again. The Industrial Department was an especially successful profit centre.

The sales of our Security Technology company Oy Hedengren Security Ab increased by over 17 %, and its profit doubled compared to last year. The security systems sales developed very well both in Finland and abroad.

The Consumer Technology branch had to contend with

decreased sales and result in 2008. The declined demand on digital set top boxes had a large effect on the turnover of Oy Hedengren Kodintekniikka Ab. Our direct sales company Oy Hedengren Direct Ab had a very successful year, and its turnover and profit increased.

Oy Hedcom Ab, our AV and broadcast technology company, reached a record turnover of 14.1 million euros and a good profit. Its project operations especially were highly successful.

Export to our close markets, especially the Nordic countries, developed favourably. Persistent long-term work and local presence have strengthened our position, and made export an important part of our operations.

Several customer service and internal operations development projects were concluded during 2008. They increased the cost-effectiveness of our activity chain. As the general instability in the economy continues, the year 2009 will be very challenging. We anticipate seeing a decrease in the turnover, and we expect our result still to be positive.

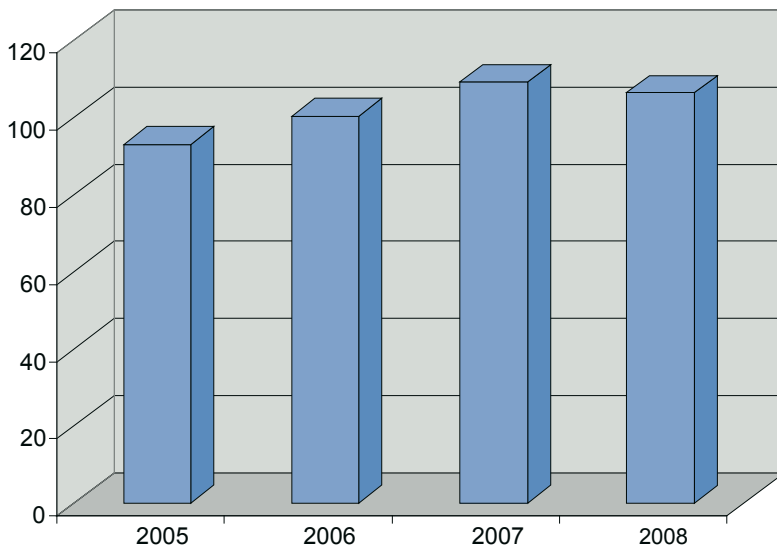
Our basic business is on a steady base, our finances are in order, and we can provide our customers with first-rate service. This year we will give special attention to intensify our customer activities.

We look forward to the year 2009 with confidence. We have a strong belief in success together with our customers and partners even in more challenging times.

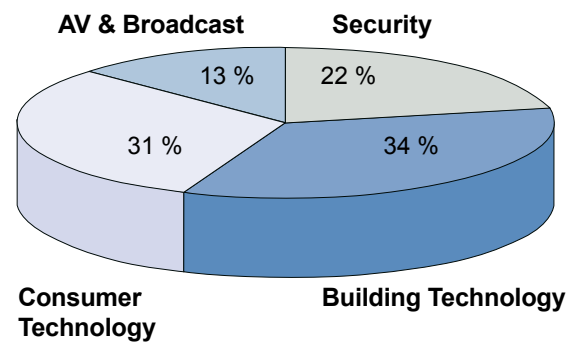
**Berndt Johansson**  
CEO

Income Statement (1000 EUR)			Balance Sheet (1000 EUR)		
	2008	2007		2008	2007
Turnover	103 459	106 355	Assets	12 470	12 838
- Other operating income	416	272	Inventories	16 433	18 397
- Materials and services	-72 084	-76 083	Financial assets	18 646	19 869
- Personnel expenses	-17 918	-16 601	Total assets	<u>47 549</u>	<u>51 104</u>
- Depreciation and value adjustments	-1 023	-966	Shareholders equity		
- Other costs and expenses	-9 076	-9 483	- Share capital	1 036	1 036
Operating profit	3 774	3 494	- Other equity	20 576	19 537
Financial income and expenses	-99	-218	Minority share	101	47
Profits before appropriations and taxes	3 675	3 276	Provisions	4 658	4 583
Appropriations			Liabilities		
Income taxes	-1 141	941	- Long-term	5 261	6 624
Minority share	-54	-47	- Short-term	15 917	19 277
Profit for the financial year	<u>2 480</u>	<u>2 288</u>	Total liabilities	<u>47 549</u>	<u>51 104</u>
			Personnel	361	347

## Turnover growth (MEUR)



## Turnover by business line



## Hedengren Consumer Technology

In 2008, Finns bought consumer technology with a total of 2.1 billion euros (Kotek 2008), which means a decrease of 4 %. Later in the year especially, the depression forecasts dampened the sales, as the consumer trust indicator fell.

Hedengren Kodintekniikka represents six brands: JVC, Kaon, Audio Pro, Moccamaster, Saeco, and Wilfa. The Moccamaster brand has the largest sales value, and it dominates the Finnish coffeemaker markets with its 60 % market share (GFK 2008). JVC has an ongoing restructuring of operations, with a theme of reinforcing its sales in Europe. The market leading speaker in Finland, Audio Pro, is moving more and more towards wireless audio. Kaon is the third-most sold recording digital set top box in Finland, and is directing even more effort to the new high definition markets in the future. The Saeco coffee centres (espresso, cappuccino, latte) are the most recent members of our representation family. With Saeco we can strengthen our position even more on the changing coffee markets in Finland.



## Building Technology / Hedtec

Hedtec's ninth annual report year was another success. The growth of the total demand on our business area slowed down four percentage points to + 2 %, but was good in relation to the history of the business area. Many of Hedtec's main product lines reached the best sales result in their history. We reached record growth figures that were clearly better than those of the rest of the business area with almost all of our core customers. On an annual level, the effect of raw materials on our sales and result was more positive than expected. These, together with our very committed and professional personnel, were the ingredients for the highly successful year of 2008.

All the sales units of Hedtec took part in many large projects. Some examples of these are the exhibition area spot lighting for the Maritime Museum of Finland in the new Maritime Centre Vellamo in Kotka, and the renewal of the exhibition lighting in the Oulu Museum of Art (spot lighting, light rails, and the control system for the Dali lighting). We also delivered 47 air curtain units to the new shopping centre Skanssi in Turku.

