



Hedengren Security

Although our turnover for 2009 decreased slightly when compared to the previous year, it was still a relatively good year for Hedengren Security. This was regardless of the current global recession and the decline experienced within the Finnish security market. Our export operations, in particular, experienced an increase with Norway and Sweden, due largely to Neptolux emergency exit lighting products and Prodex fire alarm systems. Despite the decline of sales in Finland, we increased our market share in our key product sectors.

Over the past year, we completed a four year security contract with the oldest shopping centre in the Nordic countries, Vällingby in Stockholm, Sweden. The delivery included all the essential security systems: access control, burglar alarms, CCTV and monitoring graphics. The value of the project increased over the four years to SEK 16 million. Our largest project in 2009 was the EUR 2.5 million renovation of the police station in Pasila, Helsinki. In addition to the electrical work, we supplied the fire and emergency lighting systems in the contract.

In December, our product development unit received recognition at the Nemko laboratory in Oslo. The recognition was given for Neptolux guidance and safety lights functioning as fire safety products, in accordance with the EN54 directive. We are now able to offer our clients a fire alarm system that includes emergency lighting products with EN54-14 and EN50172 approval. With this new PRODEX FireLux emergency evacuation system, we are once again a forerunner in the rapidly developing security market.



AV & Broadcast Technology / Hedcom

Hedcom's versatile customer base and high quality product selection proved important in bringing balance to our sales activities amidst global economic turmoil.

Public sector investments ranging from education, performing arts to the national broadcaster continued strong. Some of our largest projects were realized for these customers.

The private sector, on the other hand, reacted quickly and put many building projects on hold. The ship building industry's lead times are naturally longer and the deliveries of our marine intercom systems continued. AV- hire companies also continued to invest strongly in new inventory.

We completed the acquisition of Oy Finnrecord Ab during the first quarter, which confirmed our position as market leader in the PA and voice evacuation markets.

We strengthened our commitment to our dealer network by launching numerous new products aimed at the corporate and educational markets. Demand for Promethean interactive learning tools, active whiteboards and visualizers continued to grow.

During the end of the year, we relocated our growing systems integration and service departments to our corporate logistics and service centre in Kauklahti, Espoo. The new, large installation and testing facility will now provide the efficiency needed to better match our future growth.





HEDENGREN

Leading Solutions



CONSUMER



BUILDING



SECURITY



AV & BROADCAST

Review of the Year 2009



Last year was one of the worst years for the Finnish economy in decades. Demand diminished, particularly in our industries associated with building. The Finnish GDP decreased by 7.5 %. A year ago, Finnish exports, industrial production and business investment collapsed. As general uncertainty increased and the labour outlook weakened, private consumption also contracted, despite a decrease in taxation.

Despite this, we were able to strengthen our market position, improve efficiency with our operations and develop our services.

The Hedengren Group turnover was MEUR 84.6 and the profit after tax for the fiscal period was MEUR 2.0, which exceeded the budgeted profit expectations. Our equity ratio increased to 50.4 % and our balance sheet total was MEUR 44.4.

The adjusted product and service selection according to market demand and strong local presence, together with knowledgeable and committed personnel, contributed to our success.

All of Hedengren's business lines were clearly profitable. The strongest progress was made in security technology and direct selling.

Our building technology company, Oy Hedtec Ab, performed better than market trends and once again generated a good profit. The industrial department was an especially successful profit centre.

The sales of our security technology company Oy Hedengren Security Ab remained at the same level as the previous year and the company achieved a good operating profit. Export trade and installation operations developed particularly well.

The consumer technology branch had to be content with decreased sales, but achieved a better profit than the previous year. Our direct sales company Oy Hedengren Direct Ab succeeded well and its turnover and profit increased.

The sales of Oy Hedcom Ab, our AV and Broadcast technology company, settled near the budgeted goal. This resulted in a profit clearly in the black. Particularly our AV presentation technology operations were successful.

During 2009, we were able to improve efficiency with our operations. We paid particular attention to developing our customer service.

Our competitiveness is also increased by our constantly growing product selection, a local presence, our own warehouse and a healthy financial position that guarantees stability.

Predictions expect the economy to slightly grow and the economic cycle to take a turn for the better toward the end of the year. We expect our turnover to decrease, but our profit to remain satisfactory.

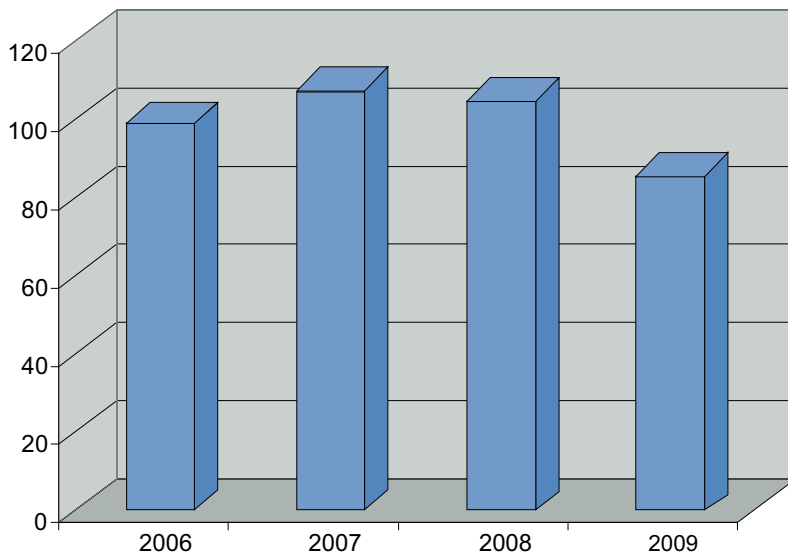
Our core business is solid and our financial position is good. We are able to produce first-class service for our customers. This year, we will yet again especially focus on customer-oriented practices, improving efficiency and reducing costs.

We welcome 2010 with confidence. We believe we can achieve success together with our customers and partners also during more challenging times.

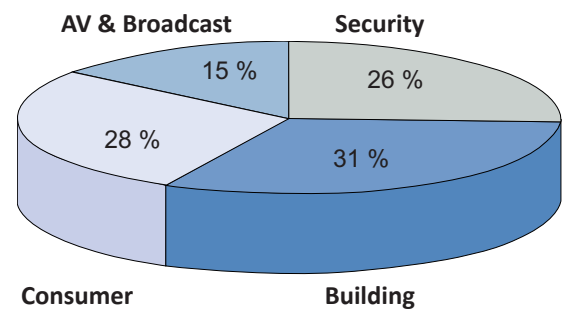
Berndt Johansson
CEO

| Income Statement (1000 EUR) | | | Balance Sheet (1000 EUR) | | |
|--------------------------------------|---------------------|---------------------|--------------------------|---------------|---------------|
| | 2009 | 2008 | | 2009 | 2008 |
| Turnover | 84 591 | 103 459 | Assets | 12 043 | 12 470 |
| - Other operating income | 424 | 416 | Inventories | 13 719 | 16 433 |
| - Materials and services | -54 889 | -72 084 | Financial assets | 14 241 | 14 914 |
| - Personnel expenses | -18 581 | -17 918 | Cash and bank | 4 410 | 3 710 |
| - Depreciation and value adjustments | -849 | -1 023 | Total assets | <u>44 413</u> | <u>47 527</u> |
| - Other costs and expenses | -8 022 | -9 076 | Shareholders equity | | |
| Operating profit | <u>2 674</u> | <u>3 774</u> | - Share capital | 1 036 | 1 036 |
| Financial income and expenses | 105 | -99 | - Other equity | 21 135 | 20 576 |
| Profits before taxes | 2 779 | 3 675 | Minority share | 83 | 101 |
| Income taxes | -752 | -1 141 | Provisions | 4 326 | 4 636 |
| Minority share | -28 | -54 | Liabilities | | |
| Profit for the financial year | <u><u>1 999</u></u> | <u><u>2 480</u></u> | - Long-term | 3 899 | 5 261 |
| | | | - Short-term | 13 934 | 15 917 |
| | | | Total liabilities | <u>44 413</u> | <u>47 527</u> |
| | | | Personnel | 361 | 361 |

Turnover (MEUR)



Turnover by business line



Consumer Technology / Hedengren Kodintekniikka

For well-known reasons, 2009 was rather challenging for consumer technology sales. The effect of the economic downturn was compounded by increased competition and a significant decline of average prices. Although general consumer confidence increased, this was still weakened by cautious customer behaviour. In 2009, the cumulative value of consumer technology trade declined 13 % from the previous year. The retail trade value of the industry was EUR 1.8 billion.

Hedengren Kodintekniikka performed well in 2009 improving its operating profit by over 70 % and generating a profit well in the black both in 2008 and 2009. The positive profit growth was affected by the critical analysis and reassessment of the product portfolio. The market share of the company's largest representation, Moccamaster, remained at 60 %. The other brands we represent are JVC, Audio Pro, Kaon, Wilfa and Topcom. Topcom is the most recent brand, which focuses on the health and well-being sector. Topcom sales were increased toward the end of 2009 by top-notch swimmer and physical therapist Hanna-Maria Sepälä. In the autumn of 2009, Swedish Audio Pro introduced several new wireless products for listening to music at home.



Building Technology / Hedtec

The last year for Hedtec was filled with turmoil. In 2009, the total market for sales of electrical supplies declined by a record-breaking -28 %. The industry has not experienced a similar contraction before. The decrease in demand was the steepest with cable products, which was also impacted by low raw material prices. The recession also hit the production industry particularly hard. The number of orders in the industry collapsed. However, careful cost-monitoring resulted in a very satisfactory profit for 2009.

Despite the downturn, Hedtec participated in several large projects. Examples include lighting department deliveries to the world's largest cruise ship – Oasis of the Seas (Bega lighting and Peha sockets and switches) and the Pronec installation systems delivered by the industrial department to the new business premises of Tapiola Yhtiöt (see picture). Air curtain sites included Skanssi and Sokos Wiklund/Turku, Terra/Kokkola and Prisma/Joensuu.

Hedtec entered a supplier agreement with Nato Maintenance and Supply Agency. The first order through NAMSA was a 300-unit PCE construction site power centre delivery customised for the Finnish Army.

