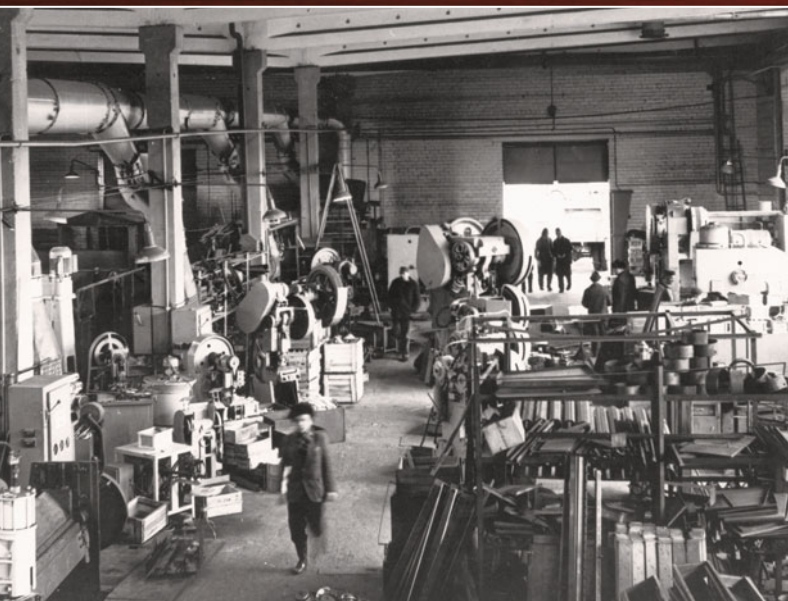


40

 HARJU ELEKTER®



Forty productive years!



Since **1968**, Harju Elekter has evolved into one of the biggest producers of electrical equipment and material in the Baltic States, and a well-known and recognised business partner in the Baltic Sea region. Harju Elekter's main business is the development, manufacturing and sales of equipment required for the distribution and transmission of electricity into the energy sector (substations, distribution boards), the industrial sector (automation and control boards, medium voltage switching equipment), and for infrastructure and the construction sector (distribution and connection cabinets). In addition, output and sheet metal products directed towards the telecommunications sector are manufactured, industrial real estate is developed and managed and retailing and wholesaling is dealt with. Harju Elekter's shares are listed on the Tallinn Stock Exchange.

The production activities of companies in the Harju Elekter Group meets the international quality standard ISO 9001 and the environmental management standard ISO 14001. Properly planned investments have guaranteed manufacturing capacities that support the continued expansion of the Group and the satisfaction of client needs in strategic markets. In Estonia, Finland and Lithuania, Harju Elekter has a total of 15 hectares of manufacturing and service land, with over 64 000 sq.m of modern manufacturing and office premises.

History

The date of Harju Elekter's establishment is considered to be July 1968, when, at the initiative of legendary manager Sulev Kivimäe, the manufacturing of wiring cable began at Harju KEK. Wire cable manufacturing was followed by the manufacturing of project-based electrical boards. Due to high demand, existing products continued to be developed further and the range of products expanded rapidly. In the early years of Harju Elekter, original technologies had to be introduced for the manufacturing of electrical and electronic equipment, lighting fittings, cable and also acetylene. The company developed and placed into production patented original products such as voltage stabilisers, reactive power compensators, automation boards and switchboard equipment and substations, and marketed them all across the Soviet Union. Harju Elekter has always considered innovation to be very important in developing and introducing both products and product assortments, as well as in the development of manufacturing processes and technology.

Developments in the field have been followed constantly, and the best practices from around the world employed. The engineering staff at the company has been assembled based on the needs of electrical construction and automatics and has become increasingly stronger over the years.

Forty productive years

1968

Cable manufacturing begins

1969

Electrical board and lighting
manufacturing begins

1971

Electronics workshop
formed



Cable production hall in the 1970s





Co-operation with us - a guaranteed advantage!

Responsibility

Day after day and year after year, Harju Elekter has been working constantly to get to know the needs of clients and provide expert, quality solutions, with the aim of winning each client's trust. Knowledge and experience are handed down from generation to generation. It has been like this for forty years. The resulting continuity and invaluable reserve of skills support, as a solid base, the future development and reliability of the company.

Research & Development

Harju Elekter updates and develops products matching clients' needs and improves technology. Innovation in developing and introducing products and product ranges as well as the manufacturing processes and technology is a key factor in the company's daily operation and plans for the future. In addition to products –substations, distribution boards and the like – developed by the Group's engineers, product selection is also broadened by licence contracts: for the production of primary and secondary equipment for the medium voltage network like NEX and SM6, as well as Sivacon-type low voltage distribution equipment. We are curious and innovation-minded.

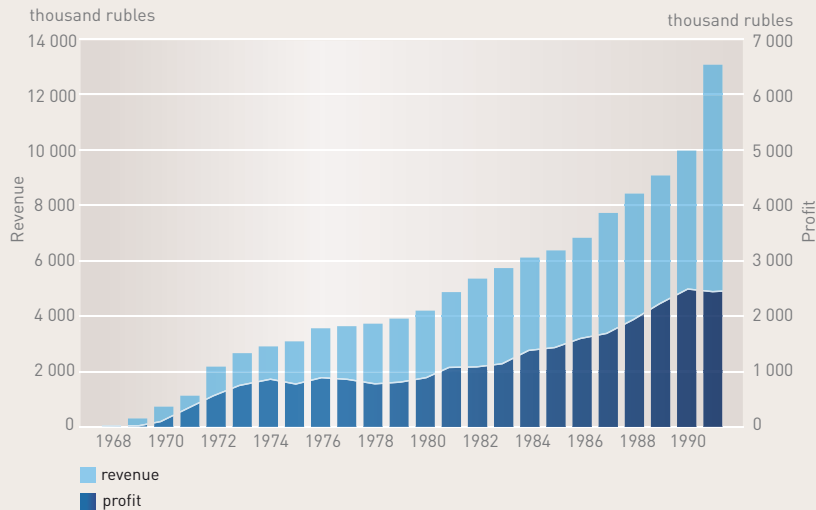
Quality

A high-quality model for business and management is one of Harju Elekter Group's basic values. Our objective is to ensure exceptional quality, both in products and the reliability of supply. Quality development is a continuous process, where all employees play a central role. On quality, no concessions are made.

Customer-oriented operations

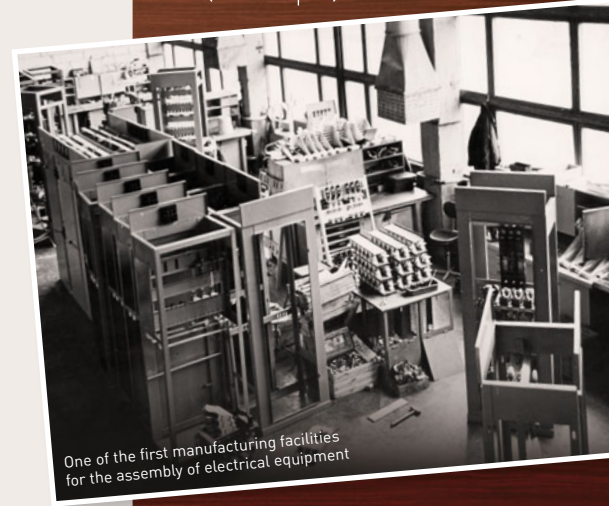
Harju Elekter cooperates closely with its partners and clients. Only by acting together, can solutions producing added value be provided to both parties and modern products developed. We wish to offer the best in everything we do.

Revenue and profit in 1968-1991

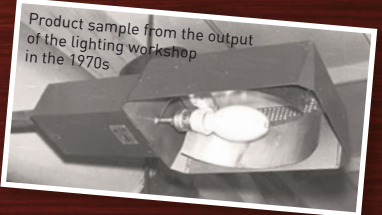
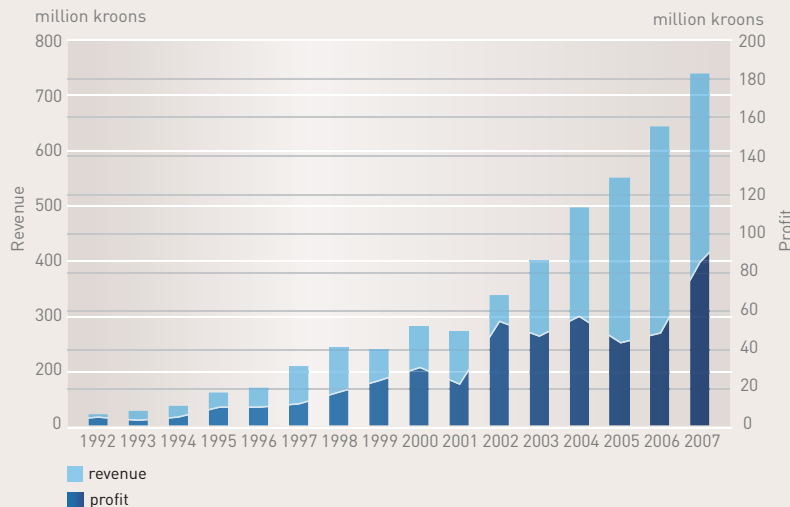


1972

Electrical equipment manufacturing moves into the newly completed workshop (2300 sq.m)



Revenue and profit in 1992-2007



1975

Facility housing the household and electronics workshops completed.
Canteen begins operating

1979

EKTE formed

Construction of the new cable workshop, completed in 1980

Team

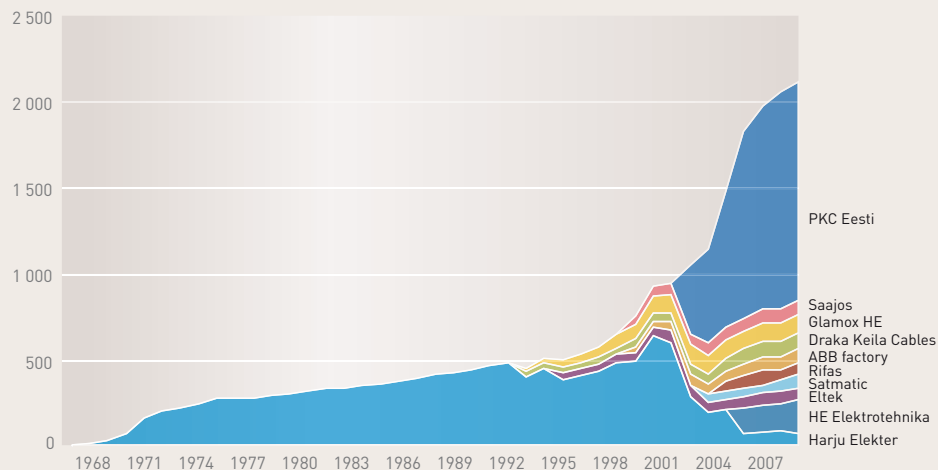
One of Harju Elekter's greatest strengths is the existing organisational culture, the persistence and evolution of which are promoted by the high proportion of long-serving employees. Of the Group's 500 employees, one third have been employed here for 10 years or longer. In its four decades of operation, Harju Elekter has become known and recognised both as a solid manufacturer and an attractive employer.



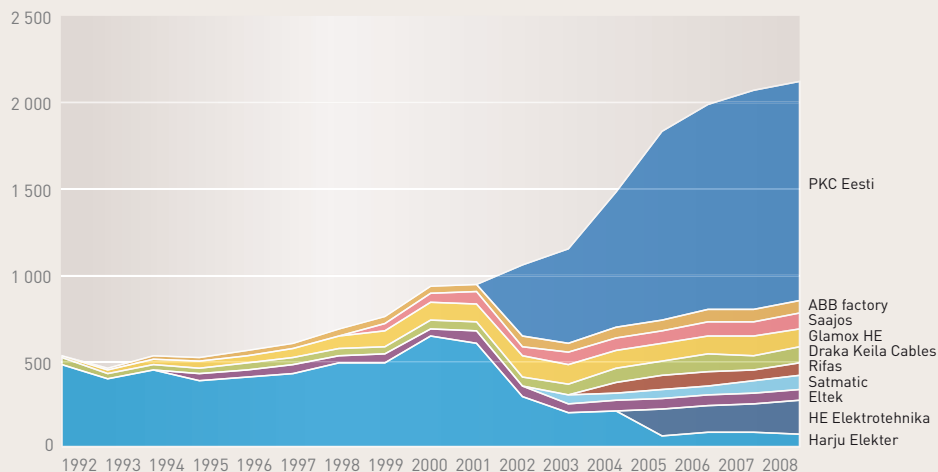
First team of electrical boards assembling in 1969
Aili Rattasepp, Eha Pärt, Pilvi Ots, Helgi Uibo



Employees worked at the companies founded by Harju Elekter 1968-2007



Employees worked at the companies founded by Harju Elekter 1992-2007



1980

Acetylene workshop completed and manufacturing launched

1983

Harju Elekter stand alone company formed and trade-mark entered into service

1985

HE transformed into an industrial company including, besides electrical equipment, electronics, cable and acetylene manufacturing, a saw mill, timber workshop, concrete and metal workshops



Telephone centre developed at Harju Elekter

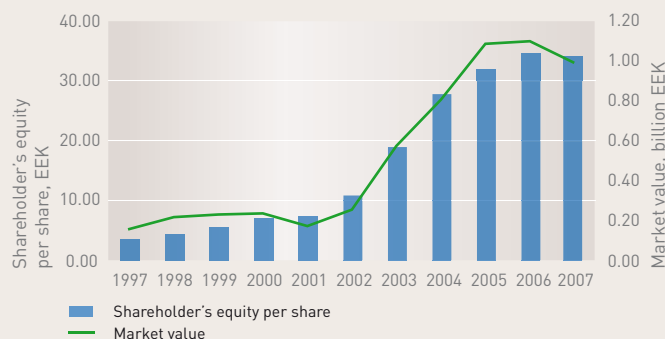
1988

Independent foreign trade licence obtained and cooperation with foreign companies launched

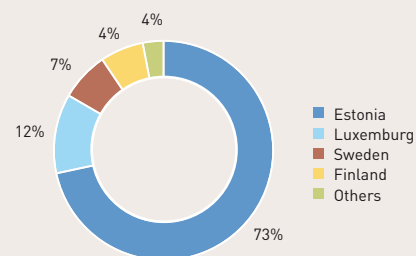
Harju Elekter on Stock Exchange

Harju Elekter's shares have been listed on the Tallinn Stock Exchange since 1997, and on the main list since 2003. The company's share capital is MEEK 168, divided into 16.8 million ordinary shares. By observing the regulations of the Tallinn Stock Exchange and Corporate Governance Code, we ensure on-line information for our shareholders. In assessing the company's activity and projecting its plans for the future, we are guided by the company's long-term success, also keeping in mind shareholder profit and growth in the company's value.

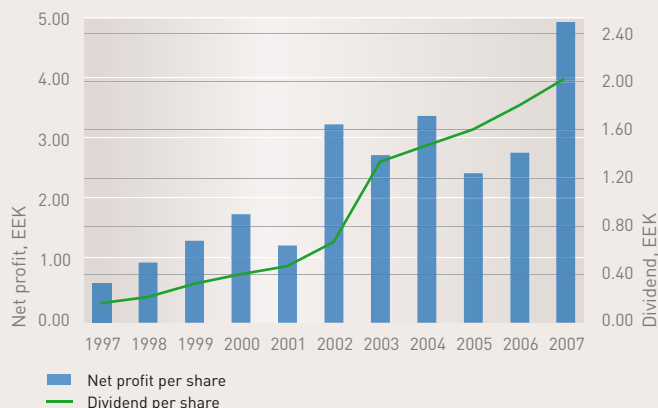
Market value. Shareholder's equity per share



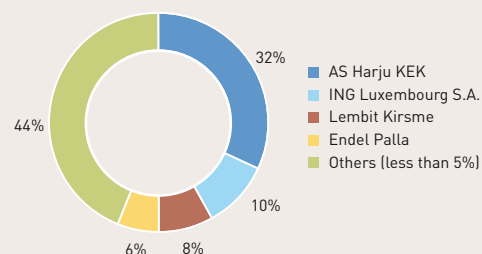
Shareholders by country 2007



Dividend and net profit per share



Shareholders (more than 5%) 2007

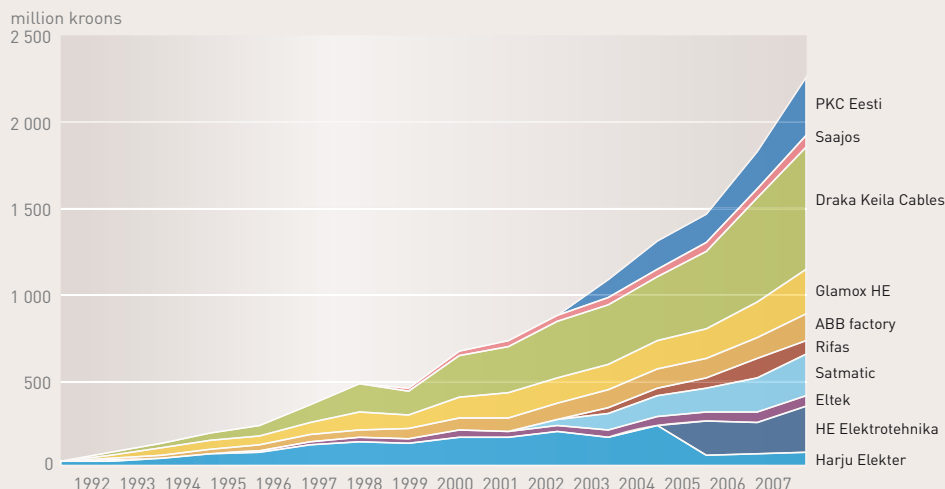


Ownership (31.12.2007)	Number of shareholders	Percent	Percent of votes
more than 10%	1	0.1%	32.1%
1.0-10.0%	13	1.3%	44.6%
0.1-1.0%	42	4.3%	12.6%
under 0.1%	918	94.3%	10.7%
Total	974	100%	100%

International co-operation

Harju Elekter has long-term contact with the leading manufacturers of electronics, electrical equipment and components in the world – Nokia, ABB, Glamox, Siemens, Schneider Electric and others. International cooperation has been a driving force in advancement, in both the Group's expansion and the development of the professional skills of our staff, as well as in the building of new companies and jobs and in accelerating their development.

Revenue of the companies founded by Harju Elekter



1991

General construction manufacturing units separated into stand alone companies

1993

Company transformed into a public limited company

1997

Shares listed on the Tallinn Stock Exchange, on the main list since 2003

Founding of the companies

1992

AS ABB Harju Elekter (HE 49%). Sold to ABB in 1995

AS Glamox HE (HE 49%). Sold to Glamox in 2000

AS Draka Keila Cables (HE 41.2%). Holding today 34%

1994

PKC Group Oyj (financial investment, HE 9%)

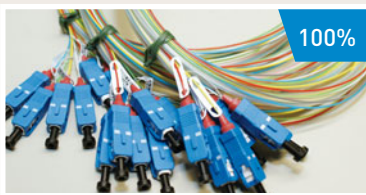
AS HARJU ELEKTER

SUBSIDIARIES



AS Harju Elekter Elektrotehnika

Manufacturer of electrical equipment for energy distribution, industrial and construction sectors, located in Keila



AS Eltek

Manufacturer of telecom and fibre optic products, located in Keila



Satmatic OY

Manufacturer of industrial control and automation devices, located in Ulvila and Kerava, Finland



UAB Rifas

Manufacturer of automatic equipment and control and distribution units, located in Panevezys, Lithuania

ASSOCIATED COMPANIES



AS Draka Keila Cables

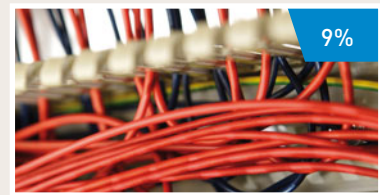
Producer of power cables, located in Keila

STRATEGICAL INVESTMENTS



SIA Energokomplekss

MV/LV equipment sales organisation in Latvia



PKC Group Oyj

Manufacturer of wiring systems



It is with great pleasure that I remember the evolution of our company over my 40 years of work experience here. Together with an excellent staff, we have arrived, through various stages in the development of society, at this day and feel secure in our future, too. I would like to thank all our former, current and future employees, our clients, suppliers, shareholders and partners.

Endel Palla

Chairman of the Supervisory Board, AS Harju Elekter
Founder of electrical equipment manufacturing manager since 1969.

1998

AS Eltek (HE 100%)

AS Saajos Inexa (HE 33%).
Sold to Saajos Int. in 2007

2002

AS AJT Harju Elekter
(HE 100%). Sold to PKC Group
in 2002

Satmatic Oy (HE 100%).
Purchasing of Finoval Oy and
integration with Satmatic Oy
in 2006

2003

UAB Rifas (HE 51%)

2005

AS Harju Elekter
Elektrotehnika (HE 100%)

2006

SIA Energokomplekss (HE 10%)

In *2007*, 2100 employees worked at the companies founded by Harju Elekter and the turnover of the companies totalled BEEK 2.3

- Harju Elekter Estonian companies
- Rifas Group
- Satmatic Oy
- PKC Group
- SIA Energokomplekss