

# Fastems 2008


Annual review







# Interesting year behind and ahead



The year 2008 was very successful for Fastems. Financially, it was a record year and we achieved an annual turnover of over 100 million euros for the first time. The year was filled with different activities. We start the year 2009 with the same order backlog as last year, but with mixed expectations.

## New manufacturing processes

Fastems' approach is to outsource subassemblies and parts manufacturing to our partner network. Final assembly work and testing is kept in our own hands to secure flexibility and quality of deliveries. More production space and new manufacturing processes were needed for our long-term growth goals. We worked to meet these needs, and the inauguration of the Tampere main factory extension was held in September together with our major stakeholders. The core of our new manufacturing process is Fastems Assembly Organizer (FAO), a flexible manufacturing system that supports assembly operations. This solution significantly reduces non-value-adding forklift traffic and searching for parts in the factory. We see FAO as a future best-seller in Fastems offering. Furthermore, our other processes were also fine-tuned to meet the latest quality standards. The size of our factory in Tampere is now 11 000 m<sup>2</sup>. 200 people now work in our headquarters, and overall Fastems has 365 employees.

## Customers in focus

In 2008, there were several national exhibitions in our field. We participated in exhibitions in all our major market areas in Europe and North America. As an open integrator, Fastems needs to have a full understanding of the needs of each of our customers. To facilitate this, we established new offices in Tokyo, Japan and Barcelona, Spain. We now have offices in 10 countries, which gives us a fairly good coverage of our market areas and we are often able to serve our customers in their native language. Our experience is based on more than 800 delivered FMS systems with 1900 integrated machine tools from 50 different manufacturers. We have also delivered more than 1300 robots and robot cells.

Our main customer segments are mechanical engineering, aerospace, and to some extent automotive/vehicle industry. Our solutions are suitable for large manufacturing plants, but they are even better for small companies that do not have their own products. As sub-suppliers, they need extreme flexibility. Machine tool manufacturers and their dealers also play an important part in marketing our solutions.

## Offering

Different customer segments have different needs for products and services. Our offering is well-known for reliable modules that enable flexible, customer-specific solutions. In addition to this, we have introduced a series of standard products to fulfill many of the emerging first needs for automation. A newcomer in this family is our Flexible Pallet Magazine (FPM), a product with a completely new control system. RPC-70G complements our robotics product line as a solution for medium-size machine tool tending. RPC-70G is an easy-to-use and extendable product that makes automation easy. Another big step for us has been the development of Fastems Fadector, a production efficiency monitoring system product that collects data and monitors stand-alone machines for better utilization and productivity. This is a new weapon against efficiency critters.

## Future

The coming years will bring a more fierce battle between automated solutions and traditional stand-alone technology. Fastems is committed to helping our customers win this battle and enable high added value production to continue also in the traditional industrial countries. With the increasing demand for quality, there are also a lot of possibilities for automation in the rapidly growing markets in Asia.

# Recognized technology

All Fastems products and services aim to increase the productivity of the customer's production line through automation and unmanned production. The ultimate goal is to help the customer get the most out of the annually available 8760 production hours.



## Product business in 2008

Our first Flexible Pallet Magazines (FPM) were delivered to the customers, and the feedback was positive, especially regarding the new control system. This gives us a good starting point for new deliveries in 2009.

Flexible Pallet Containers (FPC) continued to sell well, and our focus during the year was to reduce the costs that rose somewhat early in the year. This goal was achieved. A new project that aims at shortening the delivery time and improving the efficiency of our entire delivery process was started late in the year.

Our strategy focuses on creating guidelines for growth in both FMS systems and robotics, but the ongoing recession will most likely slow down our progress as well.

Our cooperation with Finn-Power started well and the goals were reached thanks to good numbers late in the year.



## Project business grows rapidly

For project business, the year was highly successful. Strong order backlog and excellent sales early in the year carried our project business to record turnover and record profit. Due to the change in market situation, the last few months were very two-fold. We worked hard to deliver everything on time, but at the same time it became more difficult to receive new orders as investment decisions were delayed.

The process improvements we started in 2007 continued, and the results are now visible. Our delivery process is efficient and customer-oriented. We continue to improve our delivery processes to take different customer segments into account even better. At the start of the year 2009, the order backlog for project business is still quite good, but the global decrease in investments causes uncertainty, especially for the last few months of the year. However, some of our order backlog for project business is already for year 2010.

# ly and efficient service



## Industrial Services

The goal of our services is to let the customers focus on their core competences and let us keep the production machinery running. That makes Industrial Services (IS) a central part of Fastems' offering.

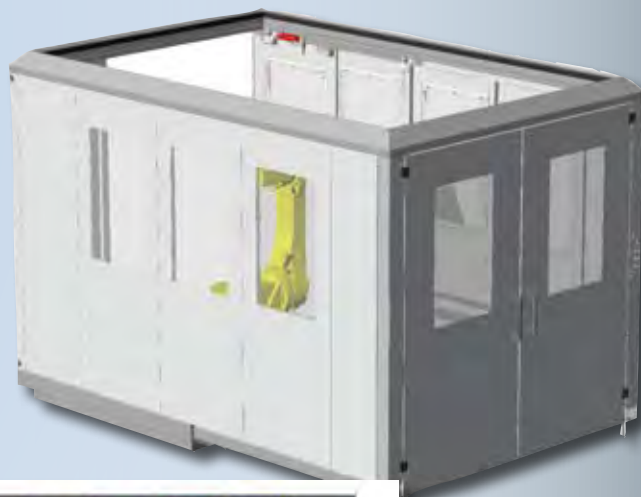
Industrial Services encompasses all services offered by Fastems for the entire lifespan of the customer's products. Industrial Services includes Lifetime Care, Support Services, and Full Care service contracts. Lifetime Care includes installation, commissioning, training, and maintenance for Fastems' products. Support Services provides technical support for customers as well as internally at Fastems. Full Care unit takes care of installation and maintenance of the machine tools imported to Finland as well as the service contract customers who have outsourced the maintenance of their entire machinery to Fastems.

There are 150 people in the Industrial Services unit in the service centers in Finland and other countries. There are nine service centers in Finland.

Fastems introduced its new Fadector product at the Finntec 08 exhibition in April. Fadector collects status data from production machinery. Instead of the previous manually collected and error-prone production data, Fadector produces reliable information automatically. This way, even the smallest production disturbances are noticed. Fastems Fadector is an excellent tool for efficient monitoring of production and improving the productivity of working methods.

## Product development

Fastems invested approximately 1.4 million euros in new products, new technology, and improvement of current products.



## SERVICES

Our Industrial Services aim at maximizing the availability of your equipment. With a focus on local support, we are close enough to help you with your production problems. In urgent matters, you can turn to our 24-hour Call Center.

## PRODUCTS

All Fastems products, solutions and services adhere to the highest technology standards and aim to increase the productivity of customer production processes.

## PARTNERSHIP

For us, high-quality products and services are not enough. We want to build a relationship with all our key customers based on an understanding of their needs and targeted at further developing their manufacturing processes.

## 8760 PRODUCTION HOURS A YEAR

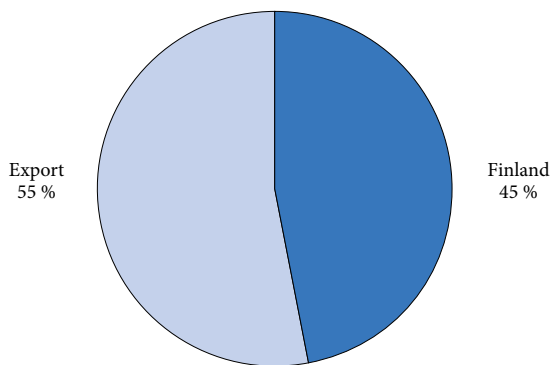
The goal for every product, service and partnership is to ensure that the annually available 8760 production hours are utilized as efficiently as possible.



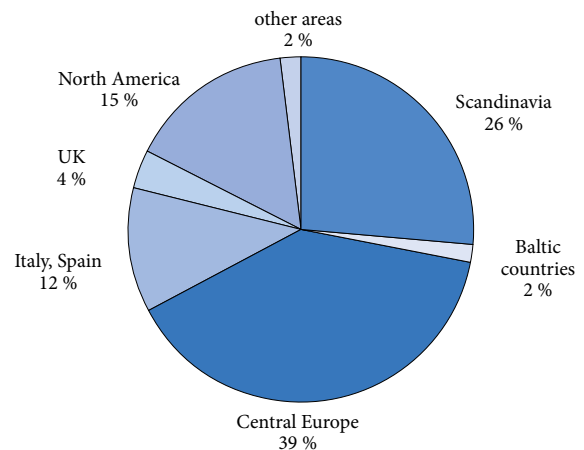
# Financial results 2008

<i>Fastems Group</i>	2008	2007
Turnover, € million	105,2	86,7
Change over previous year, %	21%	15%
Operating result, € million	10,7	7,4
Earnings before taxes, € million	10,3	9,4
Balance sheet total, € million	60,3	44,3
Solidity %	57,6	63,4
Gearing	-34	-60

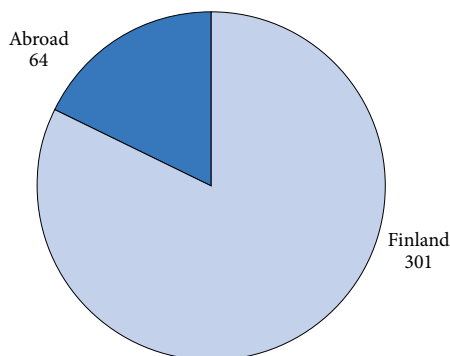
### Revenue



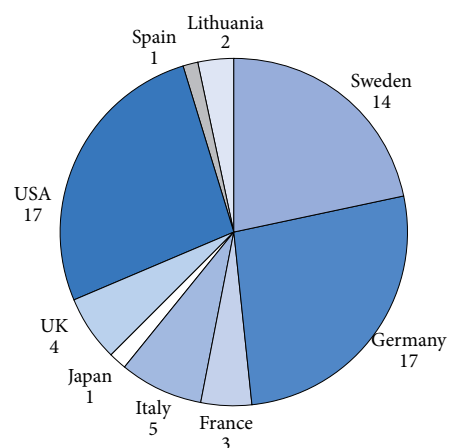
### Export by region



### Personnel



### Personnel outside Finland



#### Fastems Board Members:

Olli Riikkala, Arthur Aminoff, Dieter Aminoff, Philip Aminoff, Tomas Hedenborg, and Folke Lindberg.

#### Fastems Management Team:

Jarmo Hyvönen (Managing Director), Tomi Ketola (President, Fastems LLC), Harri Lehtinen (Products), Seppo Lehtonen (Sales), Jari Mansikkaoja (Industrial Services), Pekka Lammassaari (Projects), Jukka Marttila (Finance and Data Administration), Juhani Rantalainen (Business Development and Marketing), Tomi Tiitola (Sales, Finland).



**Fastems**

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