

Corporate Profile

Henry Bros. Electronics, Inc. (Nasdaq: HBE)

Henry Bros. Electronics, Inc., with roots going back more than a half-century, is an established player in the electronic physical security industry, specializing in integrated security systems, and emergency preparedness.

HBE provides products and services to customers in the public and private sectors. Customers include transit authorities, seaports, airports, universities, office-buildings, hospitals and airlines.

The company operates through four primary business units:

1. Security integration
2. Evacuation planning
3. Mobile digital recording
4. Airlorlite Communications

The **Security Integration** business operates under the name Henry Bros. Electronics, Inc. and its approach to client service is core to all of its businesses. At the beginning of each new client relationship, HBE designates one member of its professional staff as the client service contact. This individual is the point person for communications between the client and HBE and often acts as the client's project manager for all of its security needs, which ensures that clients receive the best possible security solution to meet its needs.

The **Evacuation Planning** business operates under the Diversified Security Solutions, Inc. name and works with managers of high-rise office buildings to analyze their specific facilities' needs with emergency preparedness plans. This division provides demonstrations, training and recommendations to clients; develops emergency plans and procedures; and communicates building strategy to the tenants to increase building community unity, awareness and confidence.

The **Mobile Digital Recording** business operates under the name Viscom Products, Inc. and has developed an integrated standard solution for the deployment of mobile digital recorders on municipal buses and trains.

The **Airlorlite Communications** business (acquired in 2004) provides specialized communications product design, development and engineering related to RF transmission.

Growth Strategy

Since its IPO in November 2001, Henry Bros. Electronics, Inc. has been actively pursuing the strategic acquisition of synergistic integrators to further fuel steady growth.

Investment Considerations

- **Market Potential:** Electronic security is a \$24 billion industry and HBE addresses more than \$1 billion of this market.
- **Homeland Footprint:** The "convergence" of physical and logical security and long-overdue rollouts of homeland security programs bodes well for HBE's position as one of the leading security integrators servicing public infrastructure.
- **National Footprint:** HBE has a national footprint with marquee customers including the New York MTA, TRA PAC, Port Authority of New York and New Jersey, University of Southern California, Arizona State University and Silverstein Properties.
- **Pure-play Integrator:** The only publicly traded pure-play security systems integrator servicing commercial enterprises and governmental agencies and facilities throughout the country.
- **Strong Growth Opportunities:** Selected by L3 Communications for TVCS project - largest video training deployment in USMC history; Pilot project in India; security integration for 7 World Trade Center; and continued national expansion.
- **Revenue & Earnings Growth:** Reported 2008 revenue of \$62.4 million, representing an increase of 7.8% over 2007 and earnings per share of \$0.26 compared to a loss of \$(0.05) per share in 2007.

Financial Highlights

Exchange:	NASDAQ
Ticker:	HBE
Price (3/12/10):	\$4.29
Market Cap:	\$25.89 million
52-week high:	\$7.52
52-week low:	\$3.77
Shares outstanding:	5.96 million
Float:	2.36 million
IPO (11-15-01)	\$10.5 million
Fiscal year end:	December

History of Acquisitions

In October of 2006, Henry Bros. acquired Southwest Securityscan, a privately-held company focused on providing installation, service and alarm systems, further strengthening HBE's position in Texas. The Company also completed the acquisition of CIS Security Systems Corporation in October, a privately-held security systems integrator with offices in Baltimore, Maryland and Newington, Virginia, which has opened the door to new opportunities to service the mass transportation and maritime markets in the Washington-Baltimore metropolitan area.

In October of 2005, Henry Bros. acquired Securus, Inc., a Colorado-based security systems integrator that services small businesses, Fortune 500 companies and local, county, state, military and U.S. Government agencies. The acquisition expanded HBE's presence into Colorado, which has consistently ranked among the top 10 fastest growing markets in the U.S. for the past five years.

In April 2004, Henry Bros. Electronics acquired Airlite Communications, Inc. based in Saddle Brook, New Jersey and specializing in design, manufacturing and maintaining wireless communications equipment used to enhance and extend emergency radio frequency services and cellular communication for both fixed and mobile applications. Airlite's Radio Frequency experience will meet the needs of the company's existing customers as the technology transitions to wireless.

In 2002, Henry Bros. Electronics established a base of operations on the West Coast when it acquired two integrators that gave the Company entrée into new niche markets — Los Angeles-based Photo Scan Systems, Inc., which specializes in security systems for medical facilities, and National Safe of California, based in Fullerton, which supplies locking devices, alarm security equipment and CCTV to many of the nation's financial institutions. Henry Bros. Electronics also acquired Corporate Security Integration, LLC, (CSI) a full-service integrator based in Phoenix, Arizona. CSI was a natural fit with HBE as they utilize similar vendors, products and technology.

Selected Customers



Recent News

March 12, 2010 Henry Bros. Electronics Reports Fourth Quarter and Year-end 2009 Results

November 12, 2009 Henry Bros. Electronics Reports Third Quarter 2009 Results

August 13, 2009 Henry Bros. Electronics Reports Second Quarter 2009 Results

July 21, 2009 Henry Brothers Electronics Named One of Fortune Small Business Magazine's Top 100 Fastest Growing Small Public Companies.

May 14, 2009 Henry Bros. Electronics Reports First Quarter 2009 Results

March 3, 2009 Henry Bros. Electronics Reports Fourth Quarter & Year-End 2008 Results

March 2, 2009 Henry Bros. Electronics, Inc. Announces Opening of Second Texas Office

February 17, 2009 Henry Bros. Electronics, Inc. Announces New Colorado Office

December 4, 2008 Henry Bros. Electronics Appoints Richard Rockwell Vice Chairman of Board of Directors

November 13, 2008 Henry Bros. Electronics, Inc. Reports Third Quarter 2008 Results

October 6, 2008 Henry Bros. Electronics Announces Increase in Revolving Credit Agreement

September 22, 2008 Henry Bros. Electronics Announces Move to the NASDAQ Stock Market

August 14, 2008 Henry Bros. Electronics, Inc. Reports Second Quarter 2008 Results

Management

James Henry, Vice-Chairman and CEO

Brian Reach, President and COO

Chris Peckham, CIO/CSO

John P. Hopkins, CFO

David Fitzgerald, V.P. of Business Development

Bob Hodgson, V.P. Human Resources

Contact Information

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