

Solar Danmark A/S*

Today, Solar Danmark A/S is a total supplier of electrical, HWS and ventilation articles to professional customers.

Customers are served by 3 sales regions, and 16 Drive-in branches are situated throughout Denmark. More than half of total revenue is generated via electronic trade with customers.

Solar Danmark A/S has established special product technical support centres within industry, marine/offshore, communication, broadband, safety, ventilation and HWS.

The 40,000 m² central warehouse is located in Vejen, Denmark. It stocks more than 50,000 electrical, HWS and ventilation articles.

The Solar Danmark A/S central warehouse is certified according to ISO 9001: 2000 and ISO 14001: 2004.

Management

Søren Larsen, Chief Executive Director

Jens Andersen, Finance Director

Kurt Storgaard, Market Director

The market in 2006

Denmark was characterised by strong growth within all business areas in 2006. The new business areas within HWS, ventilation and broadband activities all lived up to or exceeded the established targets.

Events in 2006

Solar Danmark A/S implemented significant automation upgrades at the central warehouse in Vejen, Denmark. These upgrades include paperless picks and a new sorting system in the dispatch area, resulting in both expansion of capacity and improvement of efficiency.

The central warehouse was extended structurally throughout 2006. To ensure possible future extensions, the enterprise acquired a large adjoining 98,800 m² site at the end of 2006.

Solar A/S, parent company (excl. profit of subsidiaries)

Amount in € million	2006	2005	2004	2003	2002
Revenue	377.3	311.9	292.1	279.3	290.3
Organic growth in %	20.6	7.0	4.7	(3.8)	(6.3)
EBITA	31.5	24.0	26.7	23.9	25.4
EBITA in %	8.3	7.7	9.1	8.5	8.8
EBT	30.0	21.3	25.7	23.2	26.4
Equity	196.4	194.9	174.7	163.4	164.4
Return on invested capital (ROIC) in %	17.9	15.3	19.8	15.6	15.7
Investment in property, plant and equipment, net	3.0	8.1	0.7	5.6	(1.9)
Employees (FTE)	708	680	653	654	685

Solar became a certified distributor of Cisco products in 2006. The approval of Solar as a distributor supports Solar's strategy to be a full range supplier of equipment to professional customers.

Net profit for the year (excl. profit of subsidiaries)

Solar A/S realised a revenue of € 377.3m in 2006, corresponding to an organic growth of 21%.

Earnings before interest, tax and amortisation (EBITA) amounted to € 31.5m, corresponding to 8.3% of revenue.

Earnings before tax (EBT) amounted to € 30.0m, corresponding to 8.0% of revenue.

Expectations for the future

The very high level of growth that has characterised the Danish market since the beginning of 2005 is expected to dampen in 2007. In 2006, more focus was placed on business development and, therefore, the enterprise expects to continue to experience satisfactory growth.

Further extension of the central warehouse in Vejen, Denmark, is planned and process optimisation and efficiency improvements will contribute to maintaining satisfactory earnings in the group's largest market.

* In the process of name change