

Solar Deutschland GmbH

Solar Deutschland GmbH is a supplier of electrical articles to professional customers.

Customers are served by 6 sales regions:

Schleswig-Holstein, Hamburg, Lower Saxony, Mecklenburg-Western Pomerania, Berlin and Saxony. 16 branches have been established. In addition, Solar Deutschland GmbH has industry departments in Berlin, Hamburg and Nordrhein - Westphalen.

The 18,000 m² central warehouse located in Lanken to the south-east of Hamburg stocks more than 28,000 articles. The 6,000 m² regional warehouse located in Niederlehme stocks more than 8,000 articles.

Solar Deutschland GmbH is certified according to ISO 2001: 2000.

Management

Hilmar Bartels, Chief Executive Director
Rolf Fermer, Finance Director

The market in 2006

For the first time in 7 years, Germany experienced a small economic upswing that contributed to ending the negative trend that has characterised the construction industry in recent years.

However, the early-stage economic upswing did not have a noticeable impact on competition which continues to be very keen.

Events in 2006

In the second half of 2006, the enterprise's management and employees began work to create a "Neues Solar". Focus on management development, upgrading of technical competence, appointment of new employees and business development are meant to strengthen the market position and, thus, create a basis of growth.

As part of this plan, the construction of a new office building in connection with the central warehouse in Lanken began. When this office building is occupied in the second

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Amount in € million	2006	2005	2004	2003	2002
Revenue	134.8	124.5	122.6	120.6	122.1
Organic growth in %	8.3	1.5	1.7	(1.2)	(0.5)
EBITA	1.6	1.2	(2.9)	0.5	1.4
EBITA in %	1.2	1.0	(2.4)	0.5	1.1
EBT	1.7	1.0	(3.2)	(1.8)	0.4
Equity	48.1	46.6	45.7	48.9	40.6
Return on invested capital (ROIC) in %	2.7	2.2	(5.5)	(2.5)	3.1
Investment in property, plant and equipment, net	0.5	0.0	0.2	0.3	(0.6)
Employees (FTE)	329	328	353	366	385

quarter of 2007, the enterprise will have gathered all technical and product functions, forming the basis of a considerably improved resource utilisation and customer service.

In 2006, Solar Deutschland GmbH also began the establishment of an industry department.

Net profit for the year

Solar Deutschland GmbH realised a revenue of € 134.8m in 2006, corresponding to an organic growth of 8.3%.

Earnings before interest, tax and amortisation (EBITA) amounted to € 1.6m, corresponding to 1.2% of revenue.

Earnings before tax (EBT) amounted to € 1.7m, corresponding to 1.2% of revenue.

Expectations for the future

The economic upswing is expected to continue in 2007, in spite of the VAT increase realised as from January 2007.

However, excess capacity in the wholesale market will continue to be considerable and, therefore, continued keen competition is expected.

The activities launched for a "Neues Solar" require resources but are the way to obtain a strengthened market position. In spite of the continued investments in organisation and marketing, earnings are expected to be marginally strengthened in the short term.