

The background of the slide is a close-up, low-angle shot of solar panels, showing the grid lines and the texture of the silicon cells. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of depth and technology. In the top left corner, there is a solid blue square.

solar *stronger together*

CFA Denmark Company Day

June 2008

Agenda

- Who we are
- What we do
- The results we achieved in Q1 2008
- Our acquisition strategy

Who we are



Our customers describe us as “The empathic company” of the technical wholesaler industry

Based on in-depth interviews with our customers in seven countries, the answers were:



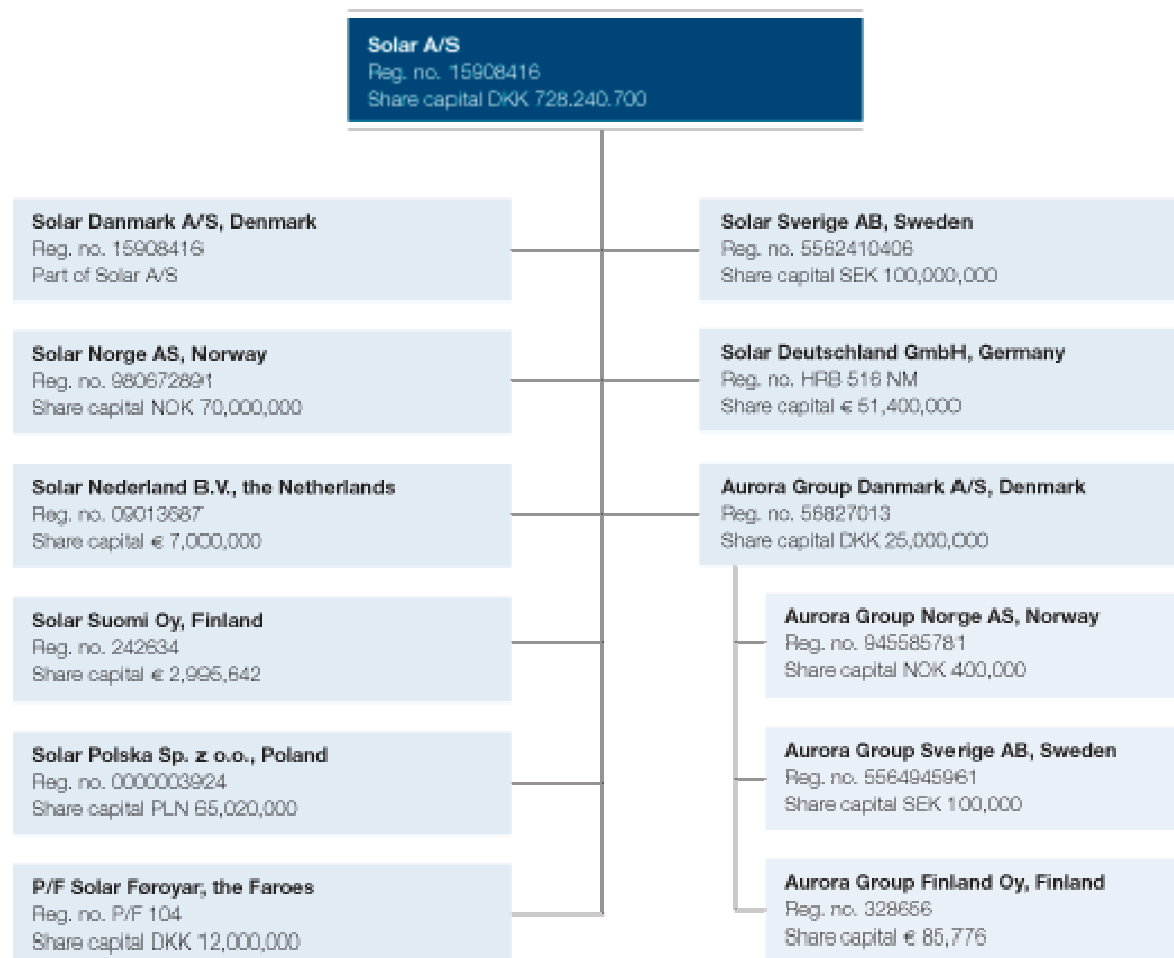
- “Solar is the “empathic company”, meaning that Solar is a company that involves itself in its customers.”
- “Solar’s customers benefit from customised logistics and tailored technical and marketing support.”
- “This is a result of Solar’s efforts and ability to understand the business of the individual customer and to take active part in helping the customer optimise his business.”

The Solar Mission

At Solar we understand
our customers' needs
and provide integrated
workflow solutions



Group structure



What we do



Solar's primary business areas are concerned with electrical, HWS and ventilation products



Installation



Cables



Marine & Offshore



Lighting



Industry



Communication



Security



Ventilation



Heating, Water & Sanitary

We deliver products and solutions to customers within



Residential and commercial buildings



Industry



Marine & Offshore



Utility and infrastructure



Public Sector

The results we achieved in Q1 2008



Revenue increased by 13% of which organic growth amounted to 6.7% in Q1

Solar Group							
€m	Q1 2008		Q1 2007		Difference		
Revenue	360.8	100.0%	319.4	100.0%	41.4	13.0%	

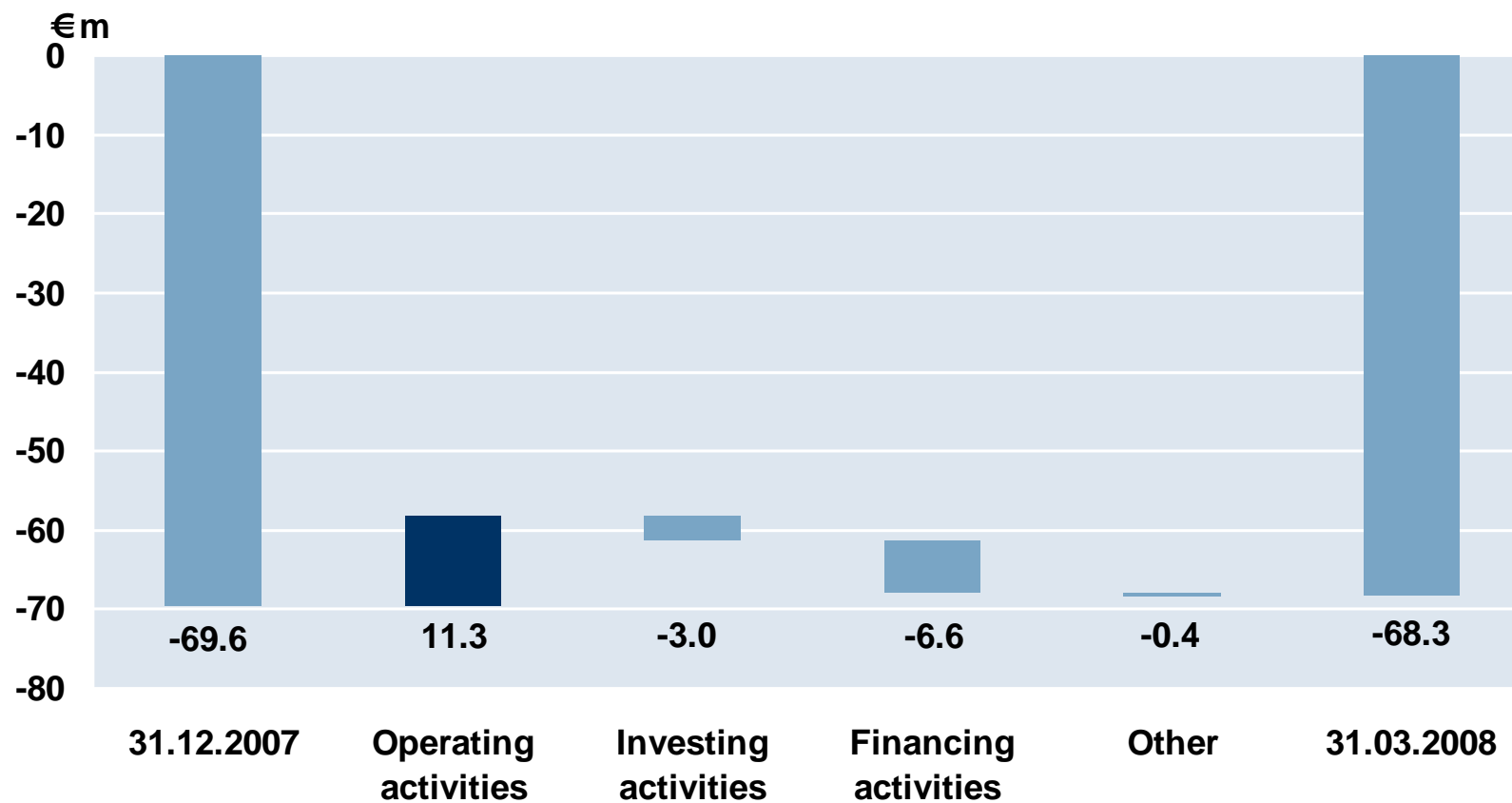
Most companies experienced good organic growth

Solar Group Q1 2008		
€m	Revenue	Organic growth
Solar Danmark A/S	113.6	8%
Solar Sverige AB	73.6	6%
Solar Norge AS	57.2	18%
Solar Nederland B.V.	58.6	5%
Solar Deutschland GmbH	34.4	-2%
Solar Suomi Oy	4.6	-7%
Solar Polska Sp. z o.o.	5.2	8%
P/F Solar Føroyar	1.8	8%
Aurora Group	14.5	-3%
Eliminations	-2.7	
Total	360.8	7%

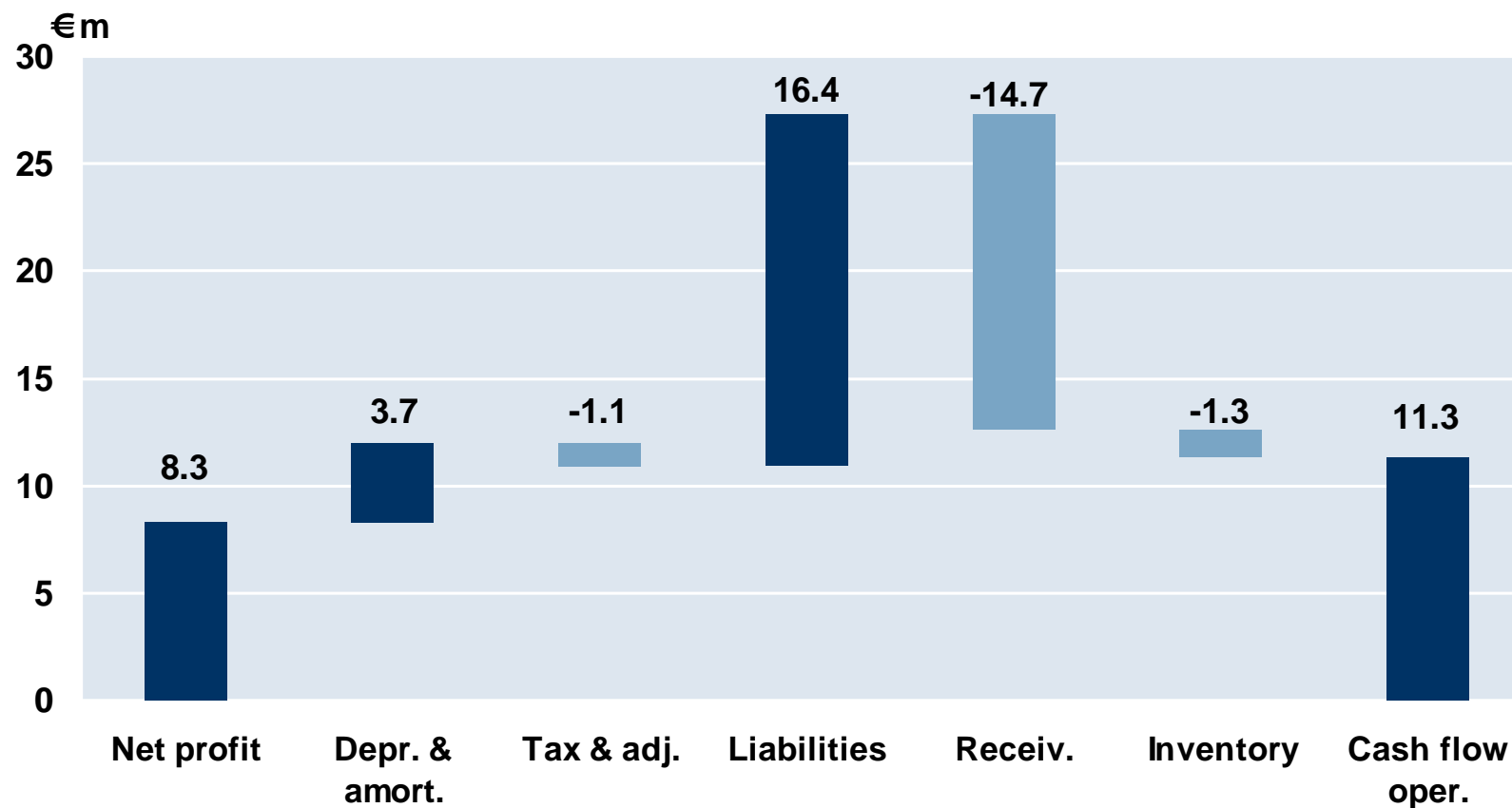
Easter had negative impact on revenue and earnings for Q1 2008 – but at expected level

Solar Group							
€m	Q1 2008		Q1 2007		Difference		
Revenue	360.8	100.0%	319.4	100.0%	41.4	13.0%	
EBITDA	17.3	4.8%	19.6	6.1%	-2.3	-11.7%	
EBITA	15.3	4.2%	17.5	5.5%	-2.2	-12.6%	
EBIT	13.6	3.8%	16.3	5.1%	-2.7	-16.6%	
EBT	11.8	3.3%	15.8	4.9%	-4.0	-25.3%	
Net profit	8.3	2.3%	11.1	3.5%	-2.8	-25.2%	

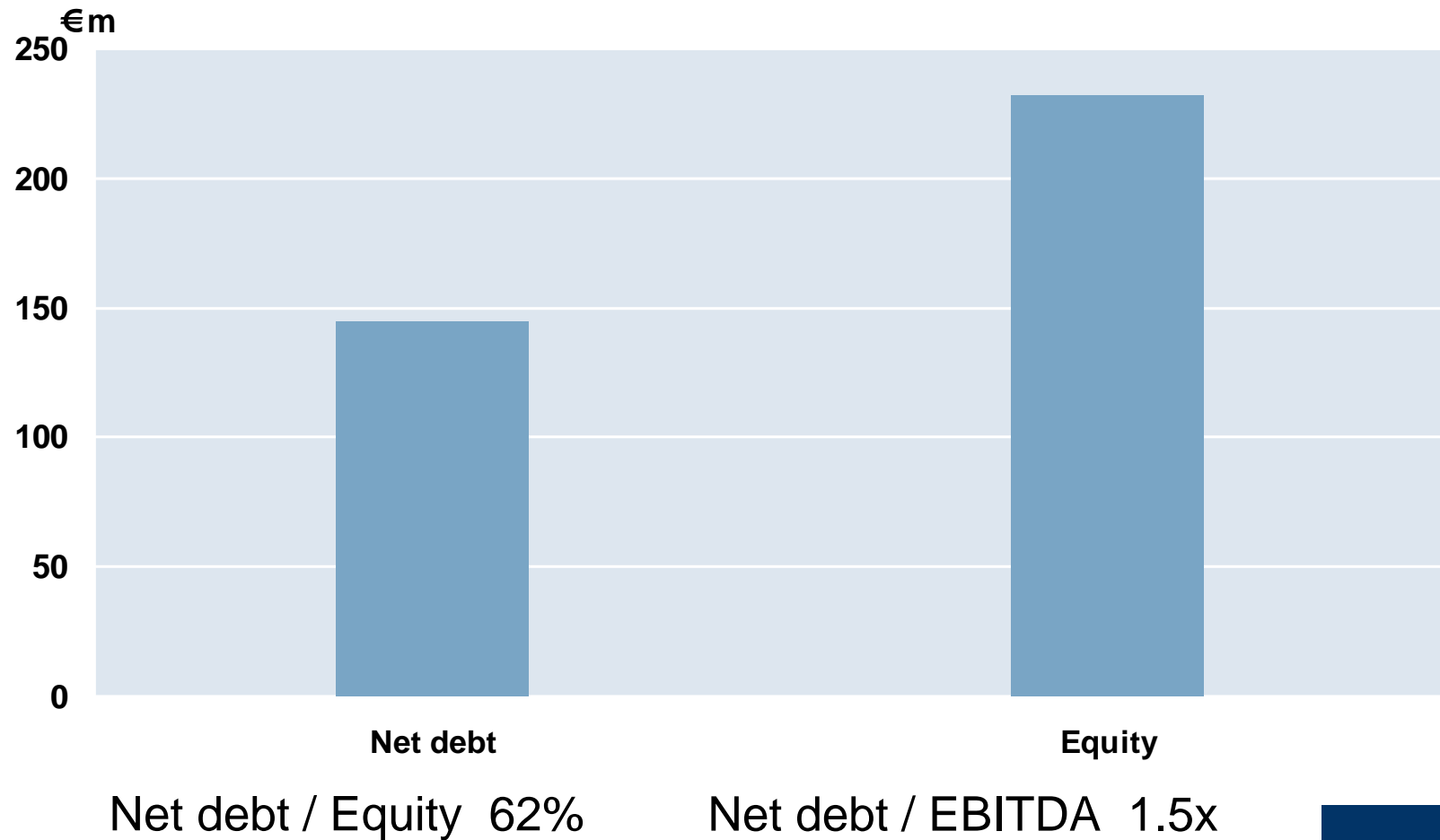
Operating activities contributed with € 11.3m in Q1



Operating activities contributed with € 11.3m in Q1



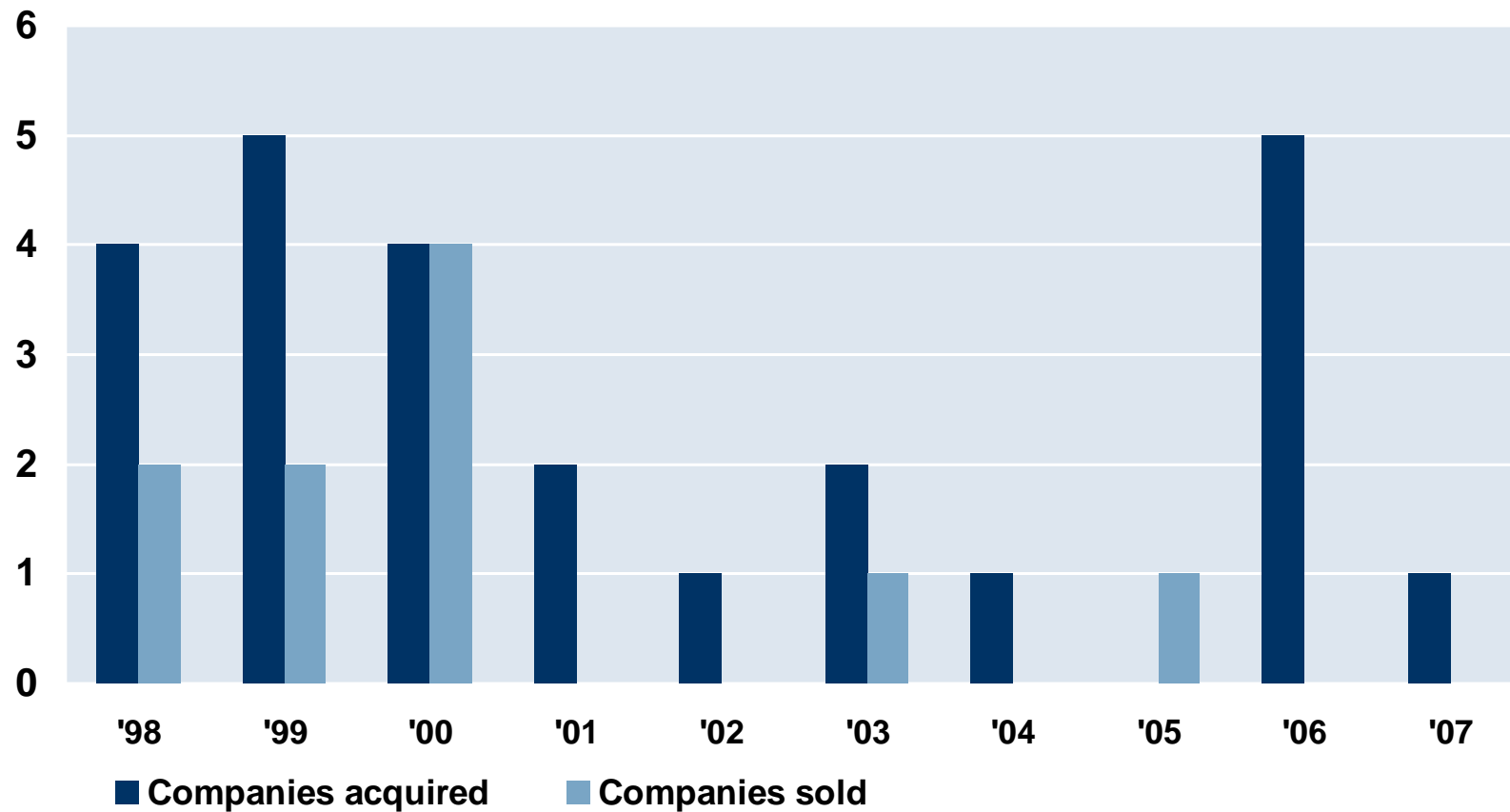
Sound financial structure is the basis for further acquisitions



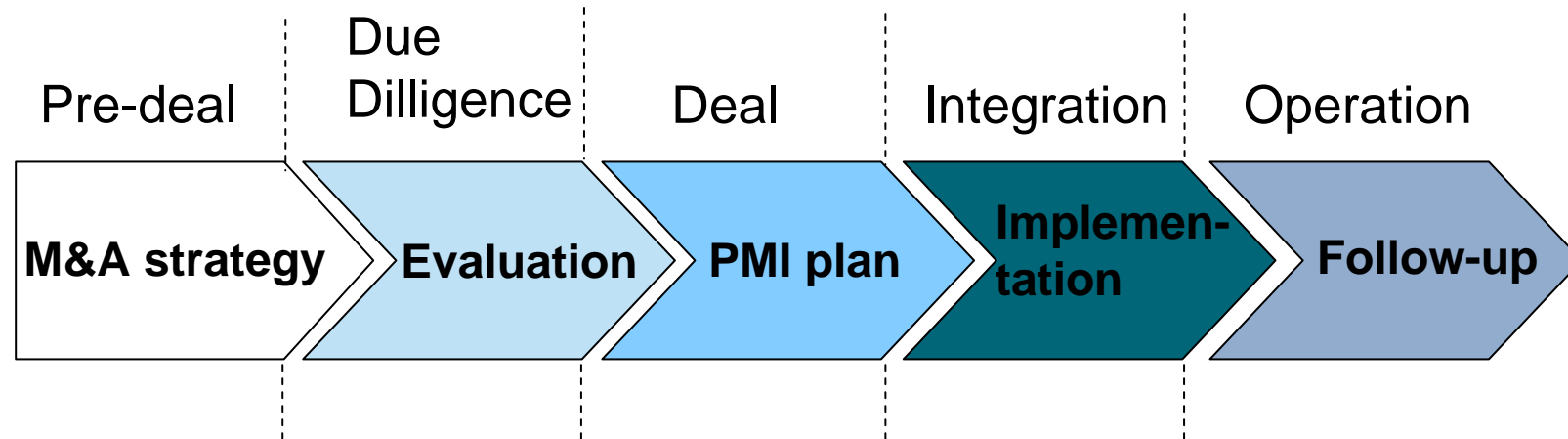
Our acquisition strategy



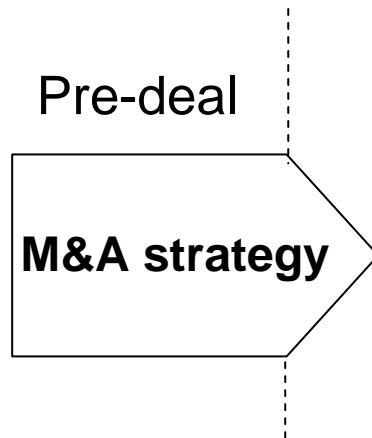
Solar acquired 25 companies and sold 10 companies from 1998 to 2007



Main phases of an acquisition

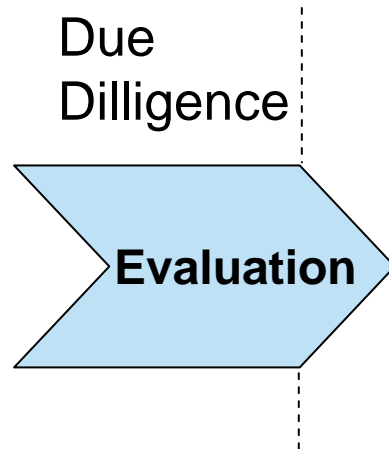


Solar wants to realise acquisitions to increase growth – published Q1 2006



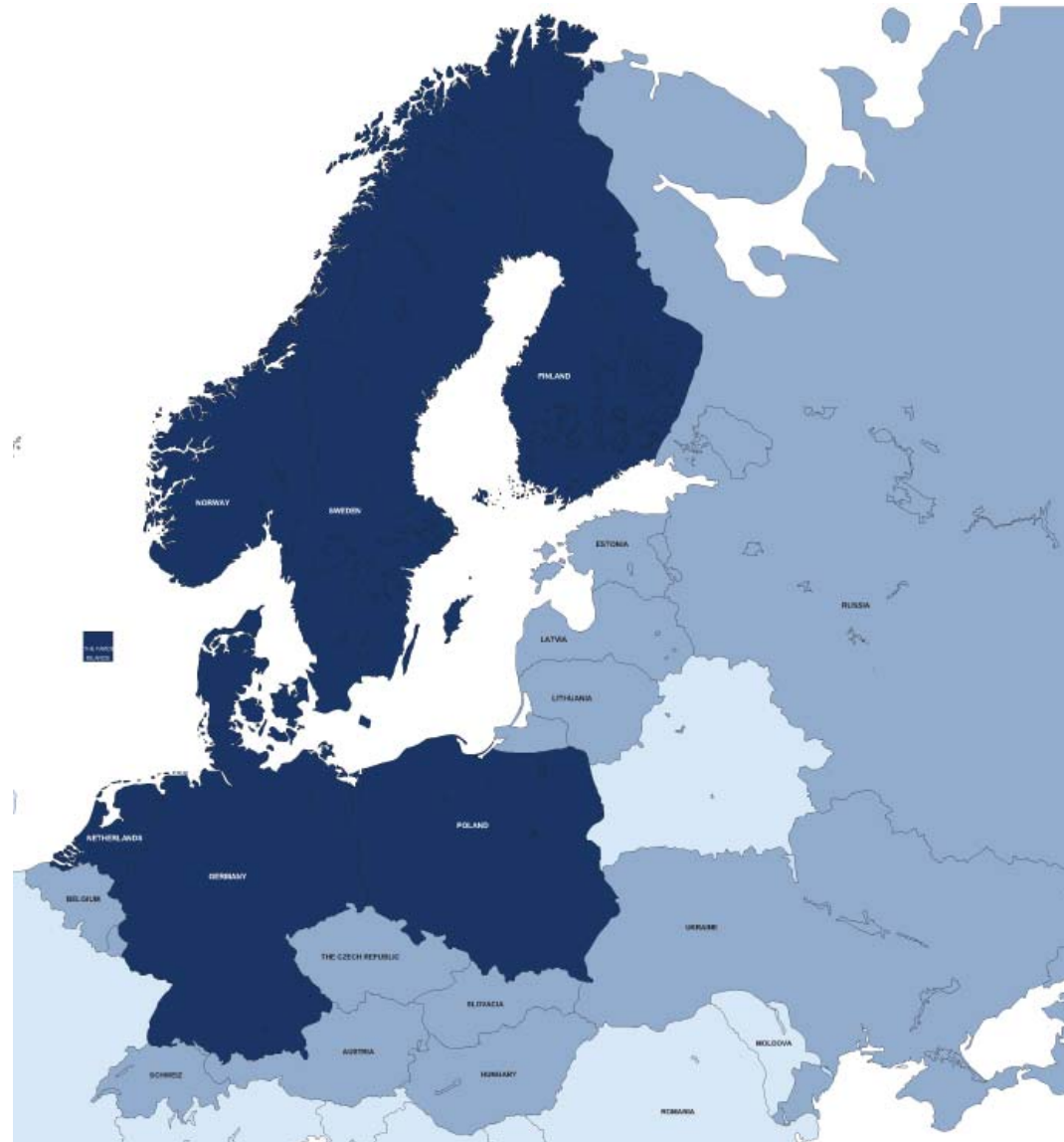
- Acquisitions will be realised if value-adding – ROIC as group financial objective
- Necessary management must be present in the purchasing Solar company
- The strategic rationale for the acquisition must be clear
- A well worked-out post-merger plan focusing on quick implementation of the group's concepts and follow-up on the recognised synergies

Solar evaluates according to published objectives

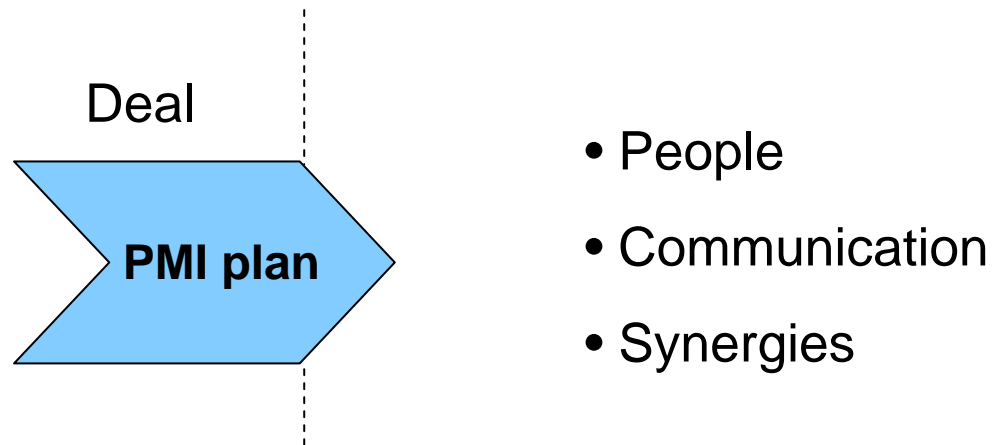


- The synergies will be recognised to the extent they can be rendered probable
- An isolated acquisition must not be of a scale that considerably reduces the group's financial latitude
- The risk factors will be carefully assessed and simulations of the values carried out
- Valuation will be based on DCF models

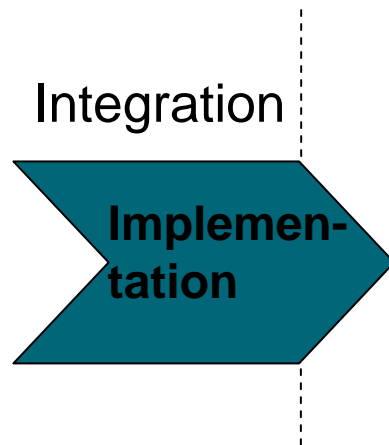
The focus area is the northern part of Europe



A post merger integration plan is prepared

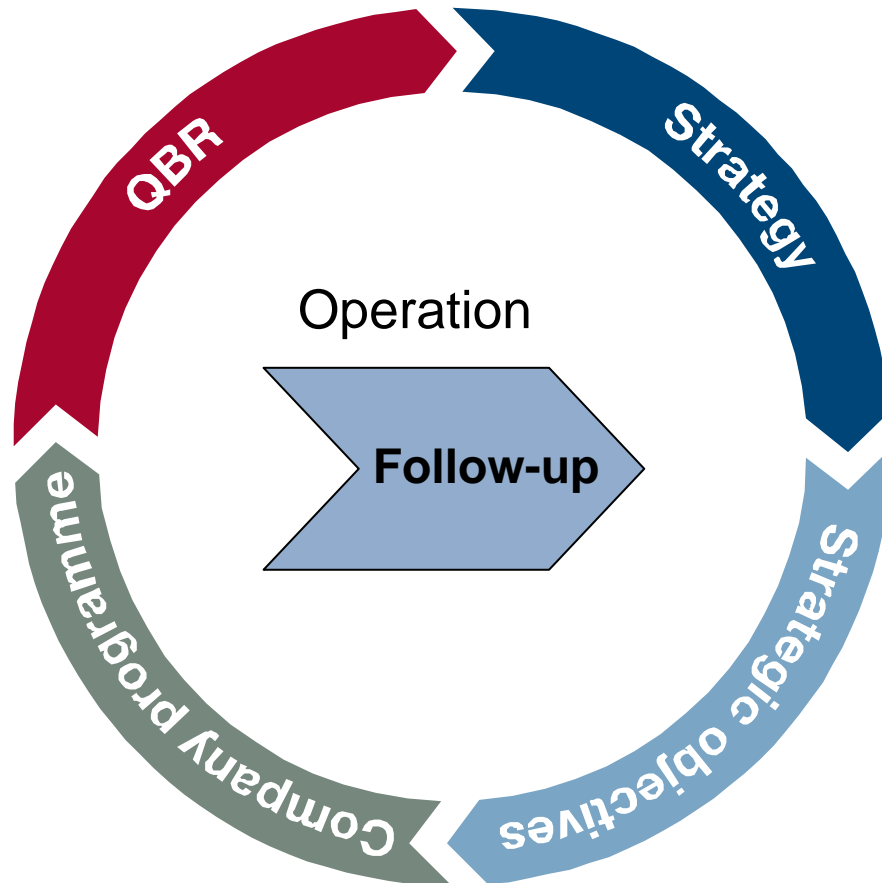


The implementation of the PMI begins



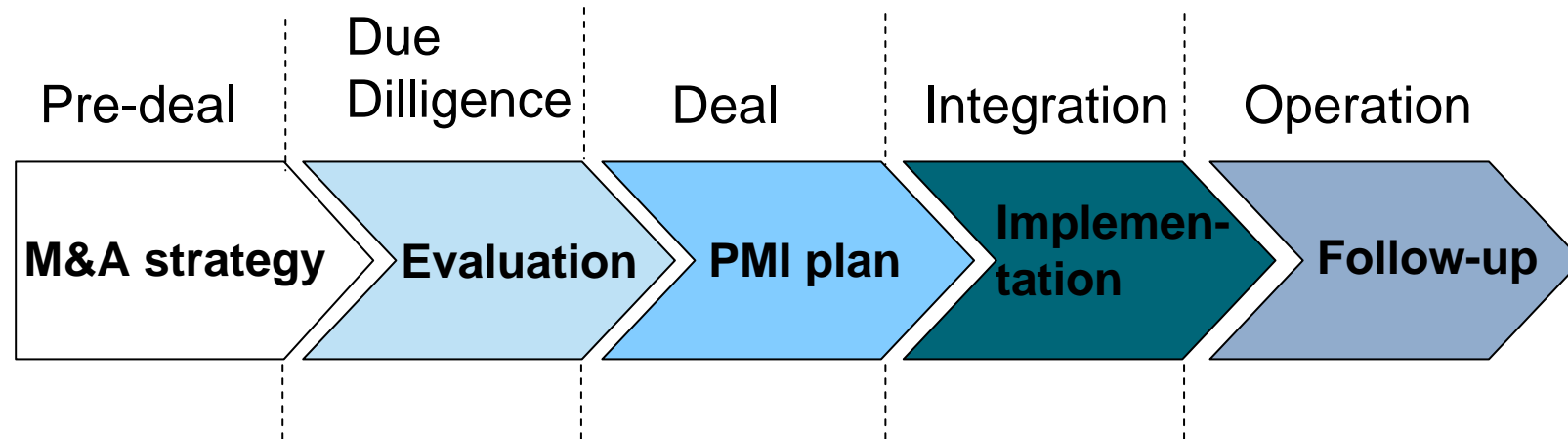
- Quick wins
- Long term plans

The Performance Management Process enables the organisation to reach the overall strategic objectives



- Group strategy.
- Group strategic objectives.
- Company Programme “New Solar 2010” focusing on: Growth, Efficiency & People. Implemented and executed in local company programme.
- Local performance are measured and reviewed in Quarterly Business Reviews.

Main phases of an acquisition





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