

A large flock of birds is captured in flight against a deep blue sky. A bright, glowing light source, likely the sun, is positioned behind the birds, creating a silhouette effect and illuminating the scene from behind. The birds are densely packed, filling most of the lower and middle portions of the frame. The overall mood is one of collective movement and natural energy.

solar *stronger together*

2008
ANNUAL REPORT

Agenda

- Highlights 2008
- The results we achieved in 2008
- The results we expect in 2009
- Questions & answers

Herring shoals may consist of thousands of herrings that instinctively react as one organism, for example altering the shoal's form and direction in a split second.

At Solar, we constantly focus on integrating and strengthening cooperation across corporate functions and countries, allowing for quick adjustment to any market changes.

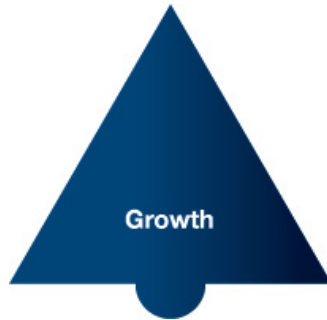
Highlights 2008

When swans migrate south through Europe, they always fly in a V formation with the strongest individual in the front, charting the course and sheltering the weaker swans behind it.

Solar wants to be a market leader, the one that drives innovation in all areas and markets in which we operate



Highlights



- Positive organic growth – also in 2008
- Acquisition of Vegro, NL, and Eltomont, PL
- Geographical expansion in SE, DE and PL
- Integrated Workflow System / our structured way to create value for customers
- Blue Energy / our way to offer energy-efficient products and solutions



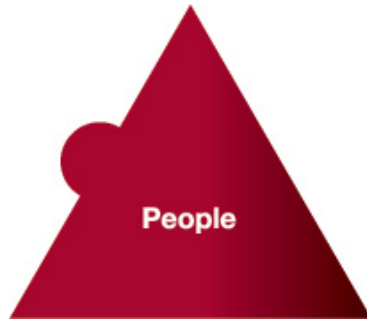
Highlights



- Reduced net working capital – again in 2008
- Financial Shared Services Centre established
- Solar Lean Way – follow roadmap 2010
- New IT strategy and SGS renewal project
- Integration of the Netherlands into SGS



Highlights



- Solar values
- Solar STAR
- Solar leadership competences
- Solar Academy
- Internal communication



The results we achieved in 2008



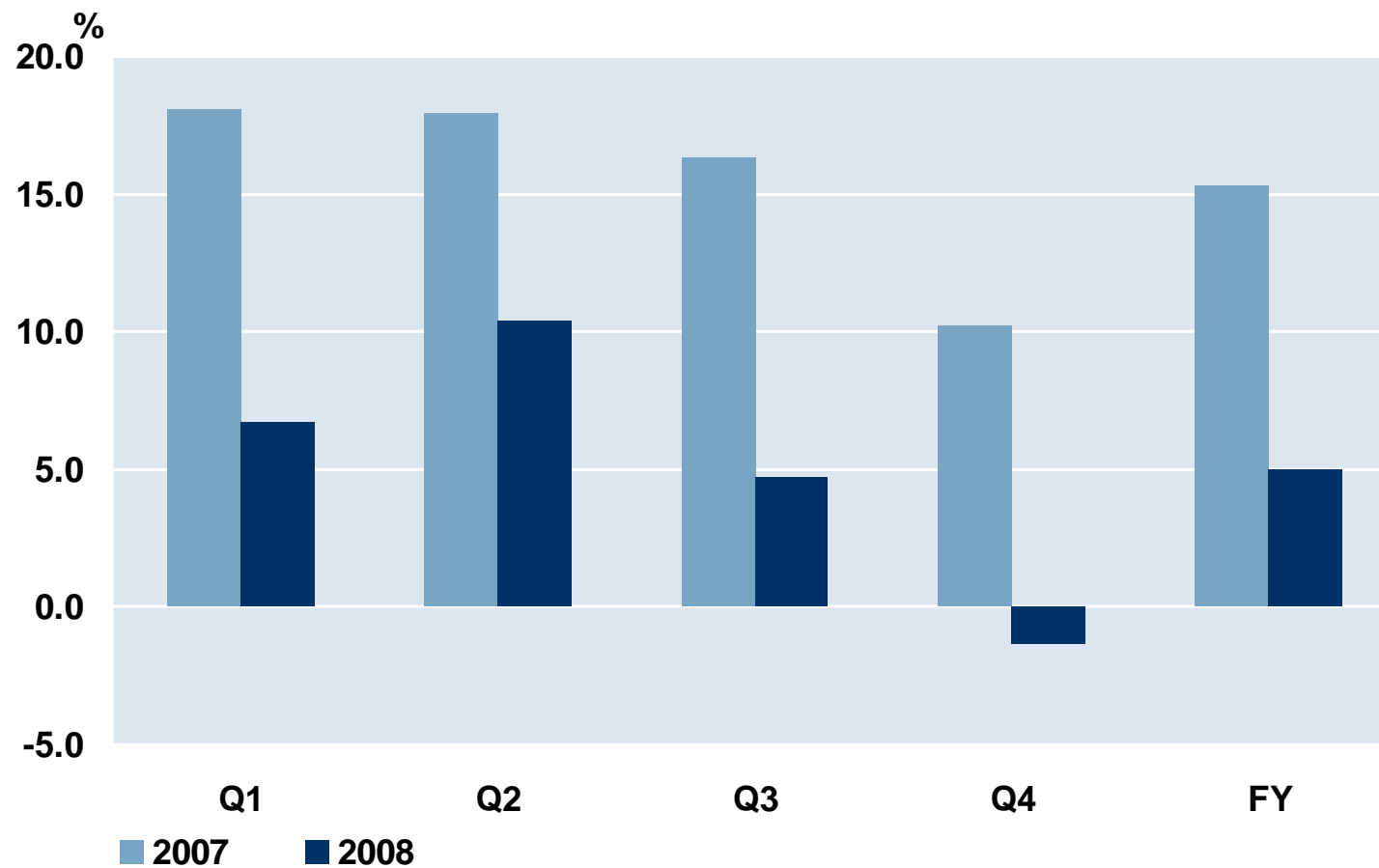
Anthills are inhabited by millions of ants that have always proved fascinating
Because of their ability to communicate, solve problems and organise work
Between them with each individual ant knowing it's role and working for
the good of the colony.

During 2008 Solar has worked dedicatedly on creating transparent work
processes and combining select functions in efficient central units such as
our Shared Services Centre.

Revenue reached all-time high of € 1,500m

Solar Group						
€million	2008		2007		Difference	
Revenue	1,500.3	100.0%	1,367.2	100.0%	133.1	9.7%

Another year with organic growth - this time 5%



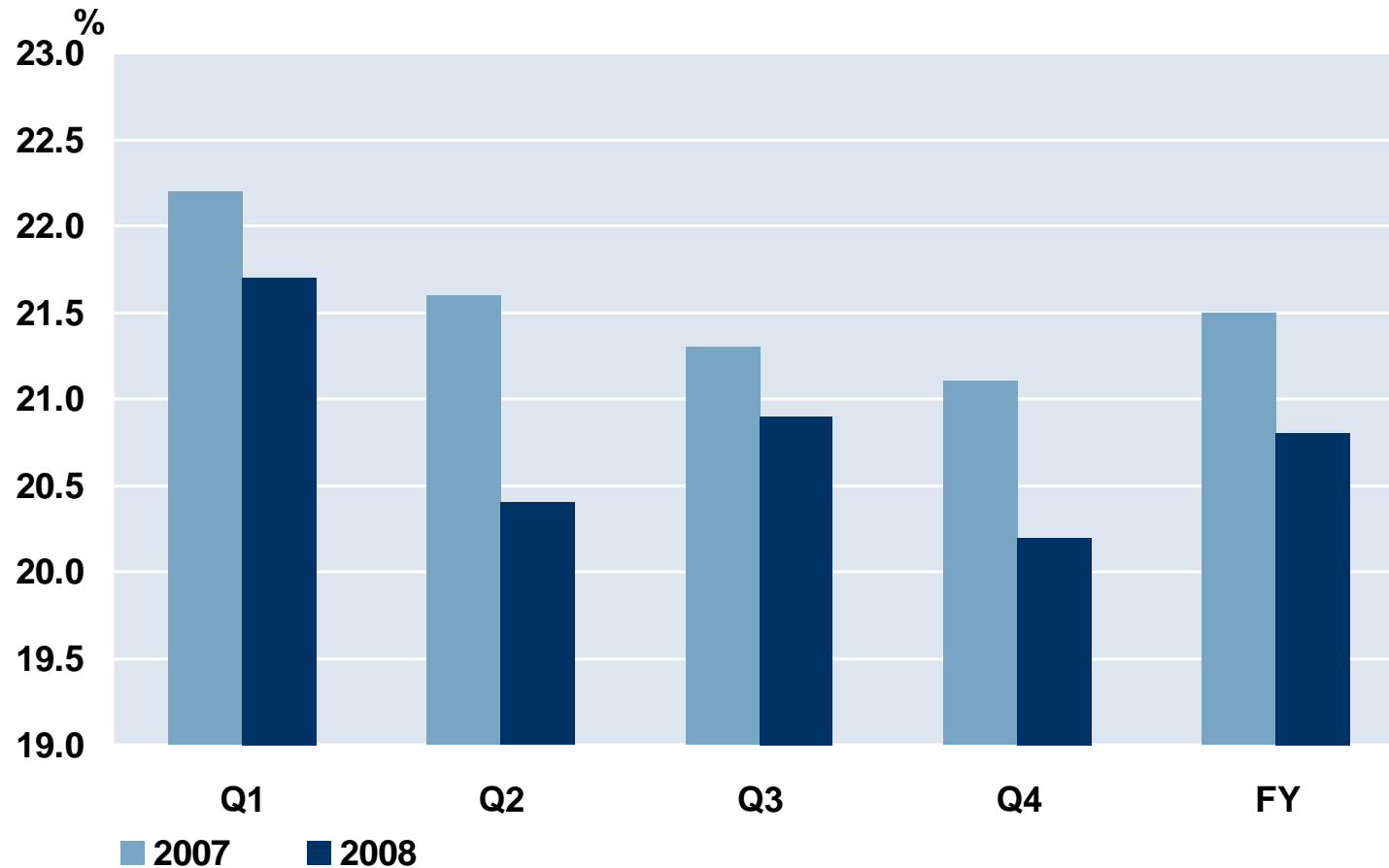
Still organic growth in most enterprises

Solar Group 2008		
€ million	Revenue	Organic growth
Solar Danmark A/S	437.2	4%
Solar Sverige AB	302.8	7%
Solar Norge AS	242.4	14%
Solar Nederland B.V.	271.3	0%
Solar Deutschland GmbH	151.7	6%
Solar Suomi Oy	19.9	(9%)
Solar Polska Sp. z o.o.	24.8	(3%)
P/F Solar Føroyar	6.2	3%
Aurora Group	55.4	(6%)
Eliminations	(11.4)	
Total	1,500.3	5%

Gross profit amounted to €311.9m

Solar Group						
€million	2008		2007		Difference	
Revenue	1,500.3	100.0%	1,367.2	100.0%	133.1	9.7%
Gross profit	311.9	20.8%	294.5	21.5%	17.4	5.9%

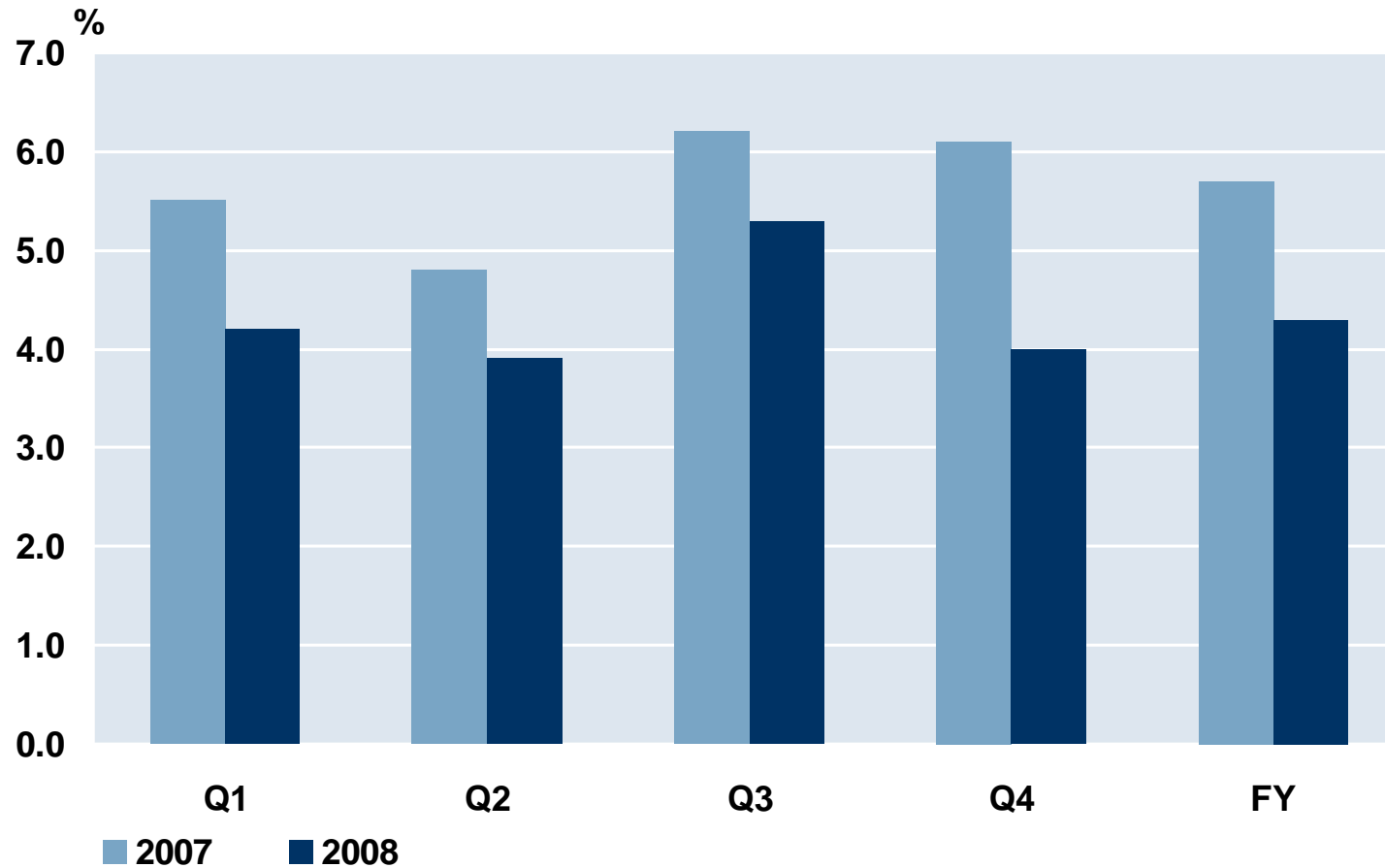
Gross profit margin amounted to 20.8%. Freight and write-down on inventory had negative effects



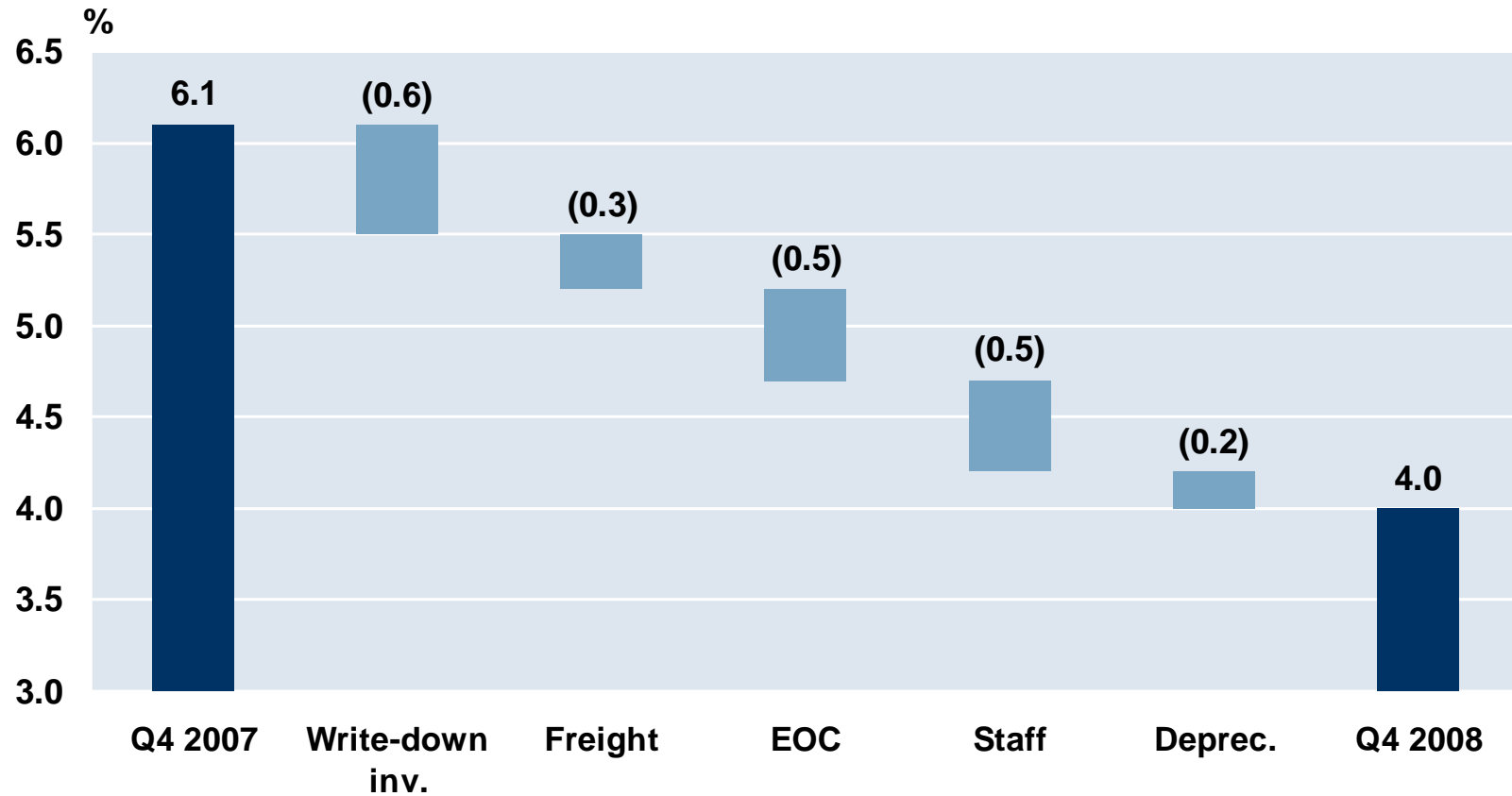
EBITA amounted to € 65.0m

Solar Group						
€million	2008		2007		Difference	
Revenue	1,500.3	100.0%	1,367.2	100.0%	133.1	9.7%
Gross profit	311.9	20.8%	294.5	21.5%	17.4	5.9%
EBITDA	74.2	4.9%	85.4	6.2%	(11.2)	(13.1%)
EBITA	65.0	4.3%	77.3	5.7%	(12.3)	(15.9%)

EBITA margin amounted to 4.3%



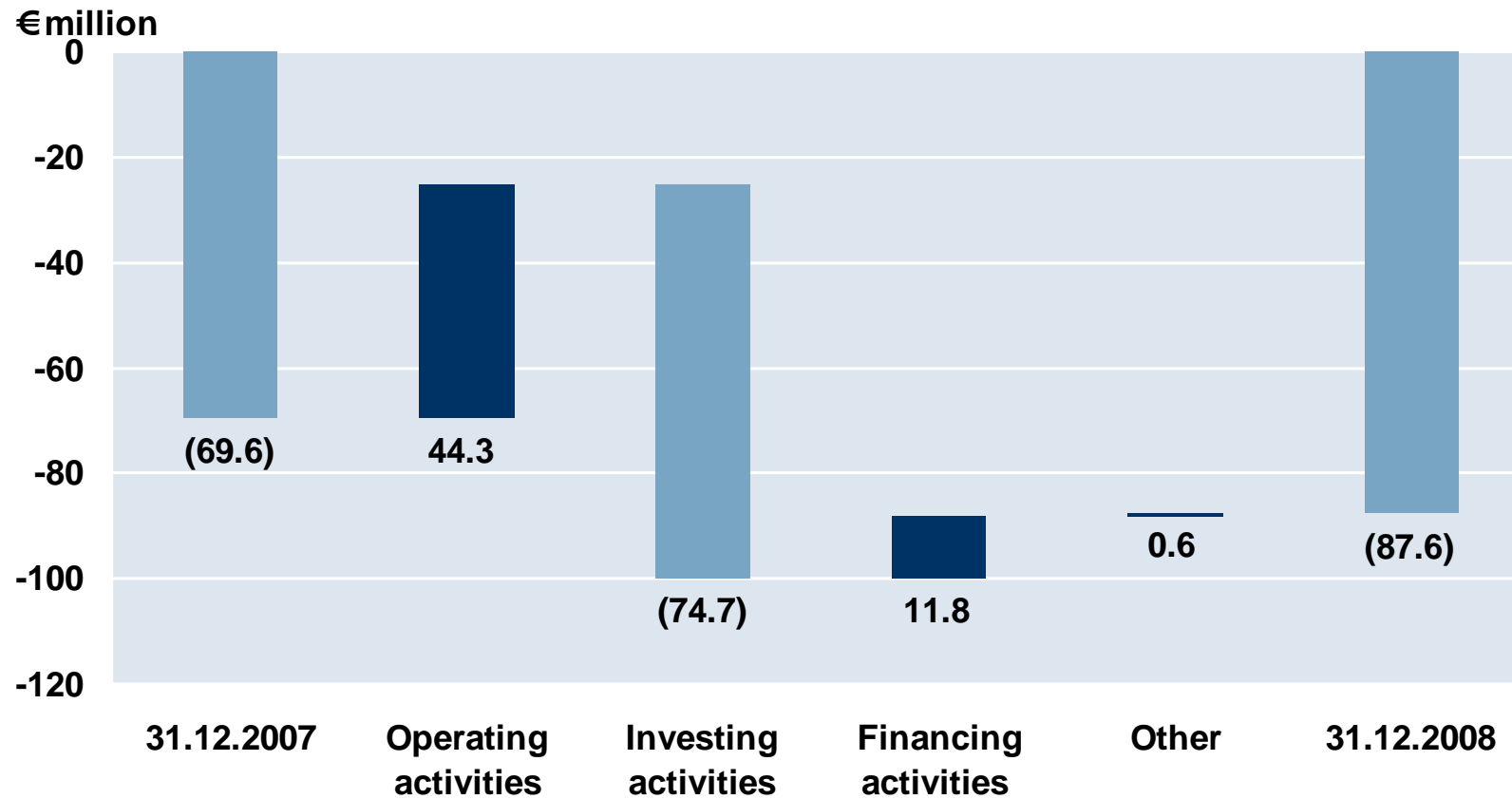
Q4 EBITA margin amounted to 4%



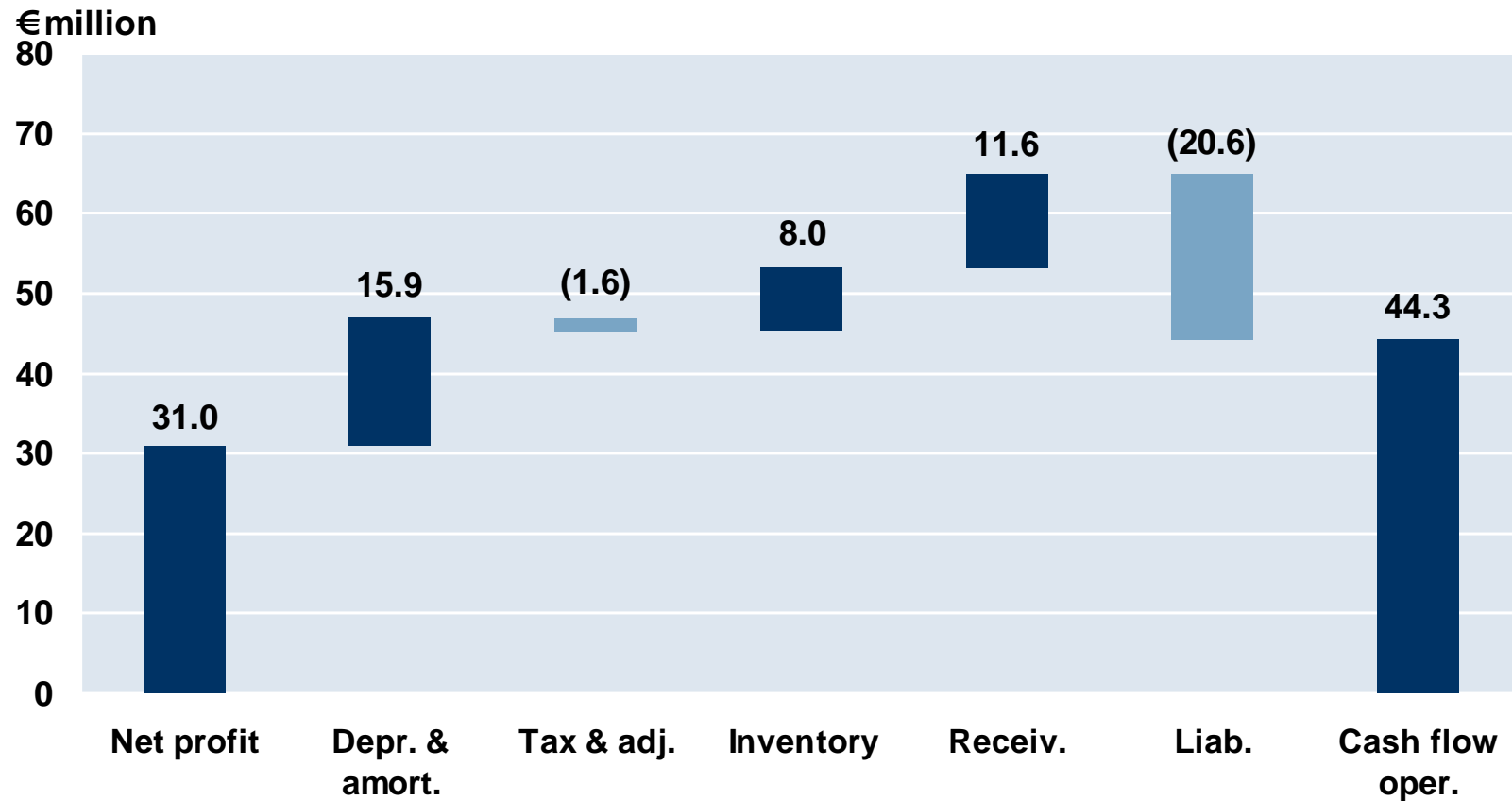
EBT amounted to € 45.4m

€million	Solar Group					
	2008		2007		Difference	
Revenue	1,500.3	100.0%	1,367.2	100.0%	133.1	9.7%
Gross profit	311.9	20.8%	294.5	21.5%	17.4	5.9%
EBITDA	74.2	4.9%	85.4	6.2%	(11.2)	(13.1%)
EBITA	65.0	4.3%	77.3	5.7%	(12.3)	(15.9%)
EBIT	58.3	3.9%	71.2	5.2%	(12.9)	(18.1%)
EBT	45.4	3.0%	65.6	4.8%	(20.2)	(30.8%)
Net profit	31.0	2.1%	47.5	3.5%	(16.5)	(34.7%)

Operating activities contributed € 44.3m



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Intangible assets regarding acquisitions amounted to € 41m

€ million	2008	2007	Difference	Difference
Intangible assets	45.7	50.5	(4.8)	(9.5%)
Property, plant and equipment	174.4	125.7	48.7	38.7%
Investments	0.9	0.7	0.2	28.6%
Fixed assets	221.0	176.9	44.1	24.9%

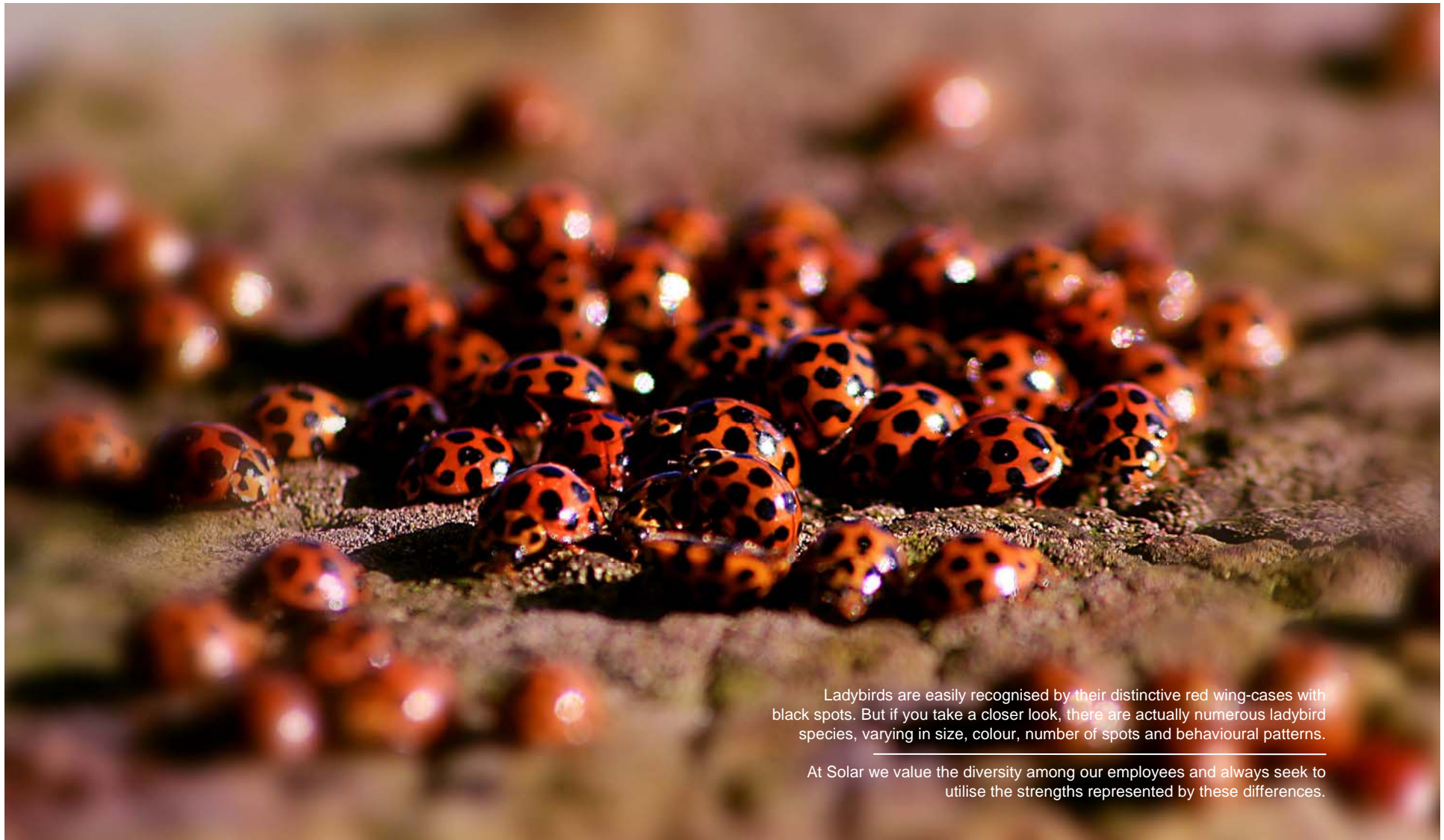
Inventory and receivables decreased by €9.6m and €6.3m, respectively, when adjusted for acquisitions and foreign exchange rates

€ million	2008	2007	Difference	Difference
Inventories	162.0	154.7	7.3	4.7%
Trade receivables	202.6	196.9	5.7	2.9%
Other receivables	15.2	9.6	5.6	58.3%
Cash	3.3	4.7	(1.4)	(29.8%)
Current assets	383.1	365.9	17.2	4.7%

Adjustments of foreign currency and hedging instruments affected equity negatively by €23.6m

€ million	2008	2007	Difference	Difference
Equity	205.0	229.0	(24.0)	(10.5%)
Interest-bearing liabilities	232.3	151.7	80.6	53.1%
Provisions	25.9	19.1	6.8	35.6%
Other liabilities	140.9	143.0	(2.1)	(1.5%)
Liabilities	399.1	313.8	85.3	27.2%
Balance sheet total	604.1	542.8	61.3	11.3%

The results we expect in 2009



Ladybirds are easily recognised by their distinctive red wing-cases with black spots. But if you take a closer look, there are actually numerous ladybird species, varying in size, colour, number of spots and behavioural patterns.

At Solar we value the diversity among our employees and always seek to utilise the strengths represented by these differences.

2009 – Conditions and actions

- Period of high organic growth ended in 2008
- From reduced activity level through financial crisis to deep economic recession
- Business development and geographical expansion will only to a limited extent dampen strong negative organic growth
- Restructuring ongoing and total annual savings of €23m, including further staff reductions with annual savings of €11m
- Continuation of measures implemented in the autumn of 2008
- We have hit the brake hard – but keep the foot on the accelerator pedal!

2009 – First priorities are profit and cash flow!

Focus areas

- Strengthen gross profit
- Reduce staff costs and other costs
- Reduce net working capital
- Limit investments
- Reduce net interest-bearing debt

2009 – Basic guidance assumptions

- Duration of economic recession and derived effects cannot be estimated with reasonably certainty
- Expectations for revenue, gross profit and loss on debtors more uncertain than usual
- Positive expectations in terms of national stimulus packages

2009 - Guidance

€ million	Guidance 2009	
	High	Low
Revenue	1,450.0	1,350.0
EBITA	40.0	25.0

Questions and answers

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