

solar

*stronger together*

# Agenda

- Who we are
- What we do
- How we do it
- The results we achieved in 2007
- The results we expect in 2007/2008
- Highlights 2007/2008

# Who we are



# Our customers describe us as the “empathic company” of the technical wholesale 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.”

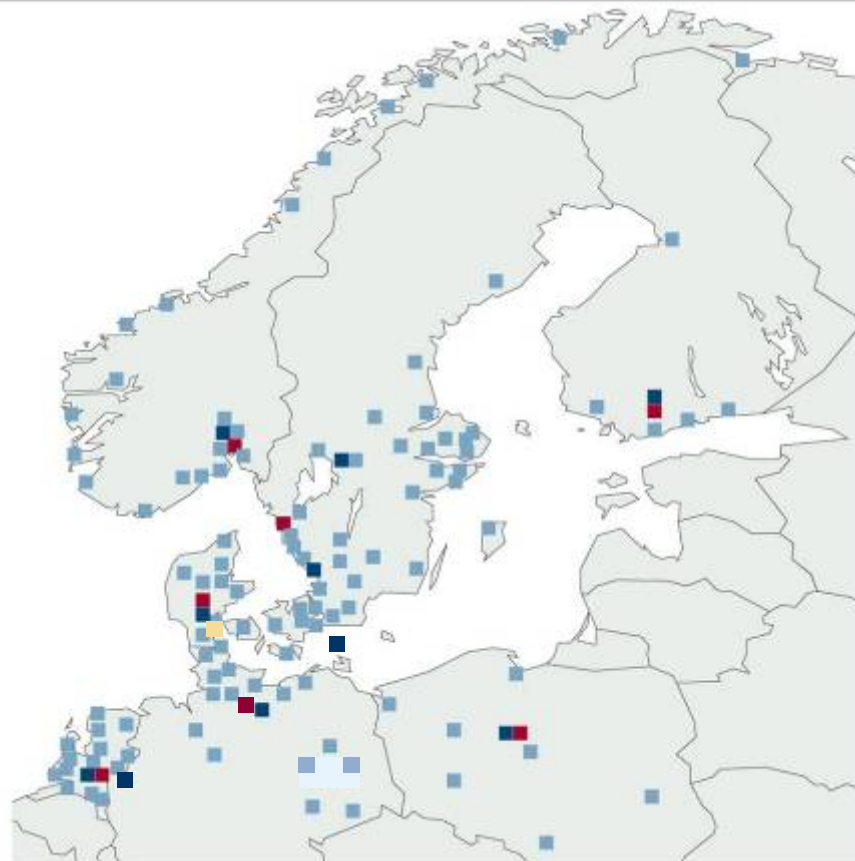
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# The Solar Mission

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

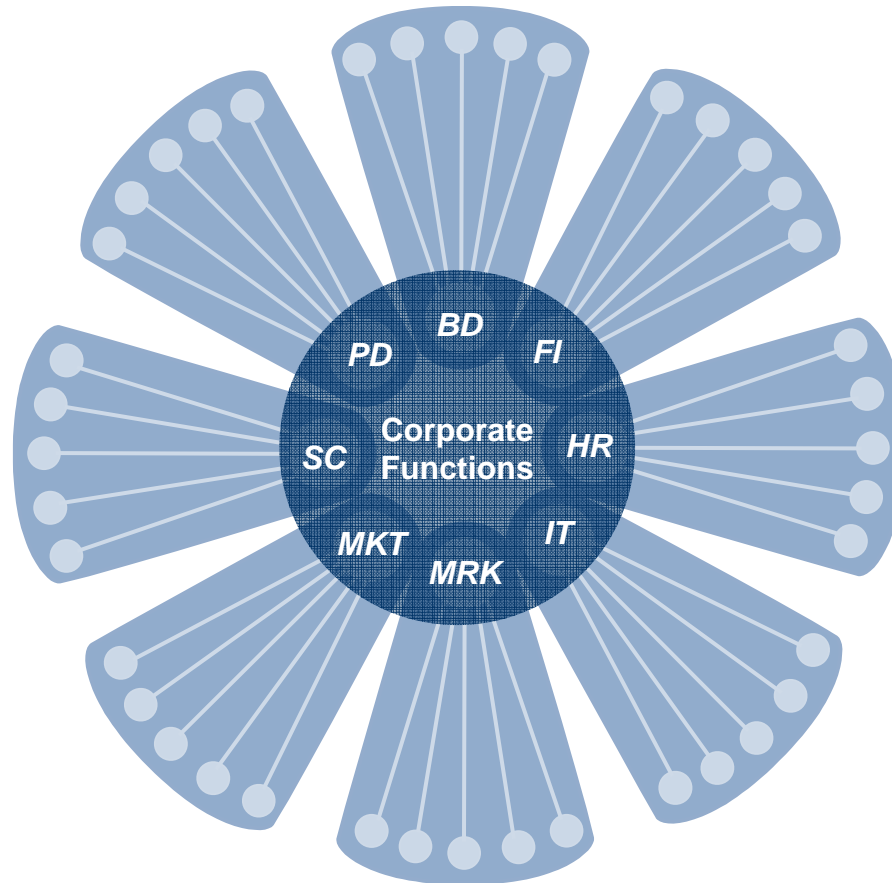
# Solar's primary market areas in Northern Europe

- Central warehouses (10)
- Branches (143)
- National head offices
- International head office

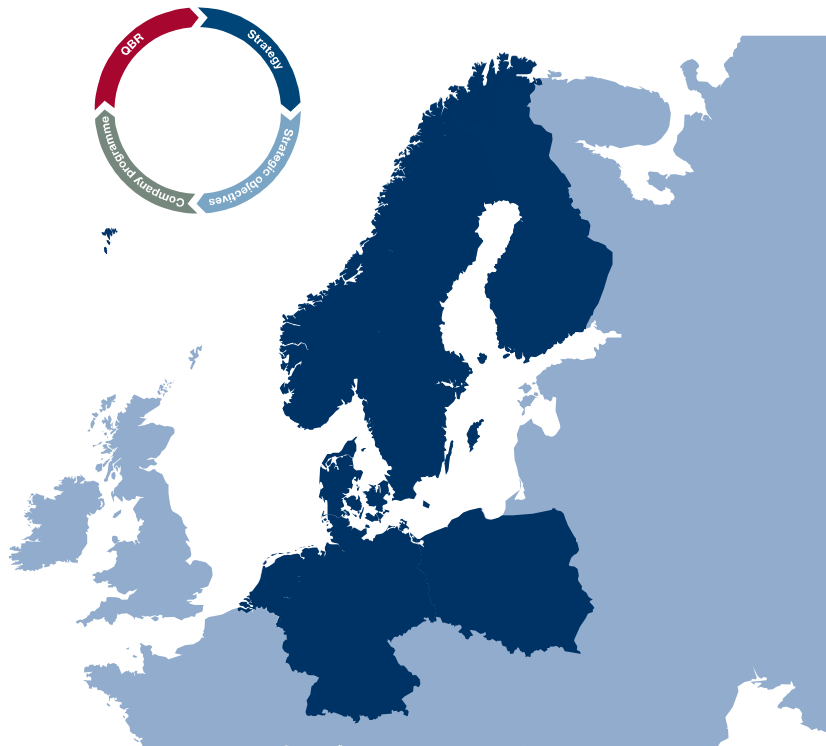


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# Network between corporate functions and subsidiaries



# The Performance Management Process enables the organisation to reach the overall Group and subsidiary strategic objectives



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

# Our business

The primary line of business is wholesaling and distribution of electrical, HWS and ventilation components.

The primary customer groups are electricians, HWS & ventilation fitters, companies that employ certified electricians and industrial OEM companies.

The primary geographical market for the group's activities is the northern part of Europe

# The strategic objectives towards 2010 are demanding

Increase organic growth rate to 6 - 8% on the average

Increase growth and product scope through acquisitions

Improve EBITA to 5.5 - 6.5% on the average

Return on investment capital of 14 - 16%

Building leadership and competence

# Our company programme “New Solar 2010” was established to close the gap between present and future position

## Growth

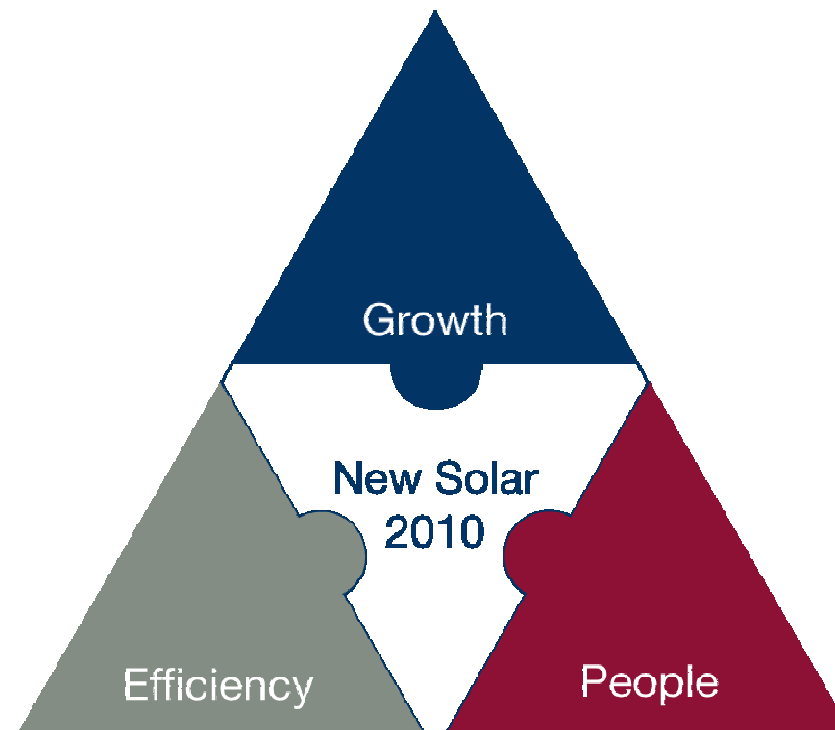
- Adding value to customers
- Stronger profile
- Increased market presence

## Efficiency

- Sharing best practices
- Lean management
- Profit management

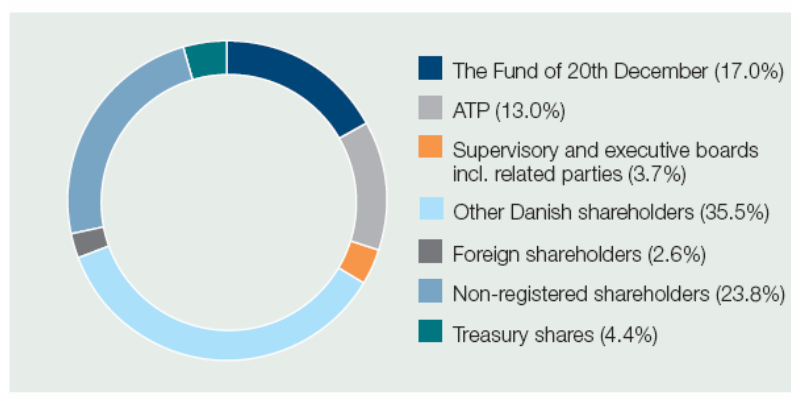
## People

- Solar leaders make talent grow
- Leading edge by competences
- Unleash entrepreneurship

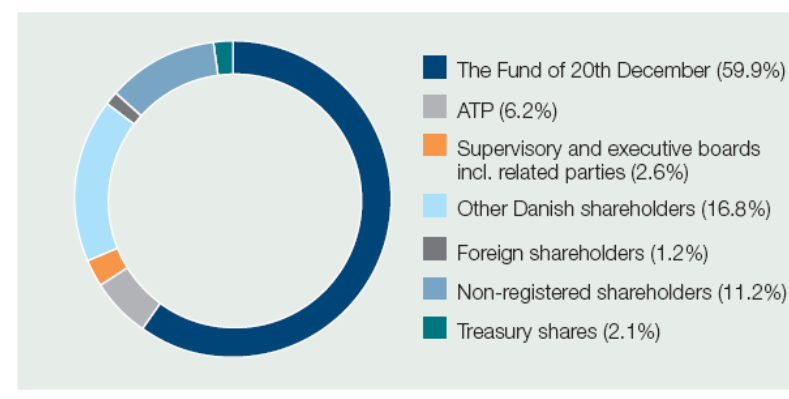


# Solar is listed on the stock exchange and has a majority off long-term investors

Distribution of share capital as at 30 September 2007



Distribution of votes as at 30 September 2007



# Significant parts of the Solar history



**1919**  
Jacob L. Jørgensen, founds the trade, import and electrical wholesale company Nordisk Solar Compagni in Kolding, Denmark.



**1988**  
Among many new customer valued concepts Solar launches Solar Link – and makes the first step into the e-business era.



**1953**  
Nordisk Solar Compagni is listed on the Copenhagen Stock Exchange.



**1989**  
Solar acquires/establishes electrical wholesale companies in Northern Europe and divests non-core activities.



**1976**  
Solar changes profile from ordinary to technical wholesale by starting up an industry division.



**2005**  
The strategic business area is expanded to wholesale and distribution of electrical, HWS and ventilation components.



**1980**  
Solar establishes Marine & Offshore as a new business area.



**2007**  
The new company programme “New Solar 2010” is launched and the new pay-off “stronger together” is introduced.



**1986**  
The first central warehouse is established and night distribution is introduced



**2007**  
The Swedish HWS company Alvesta VVS Material AB is acquired.

# 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

# How we do it

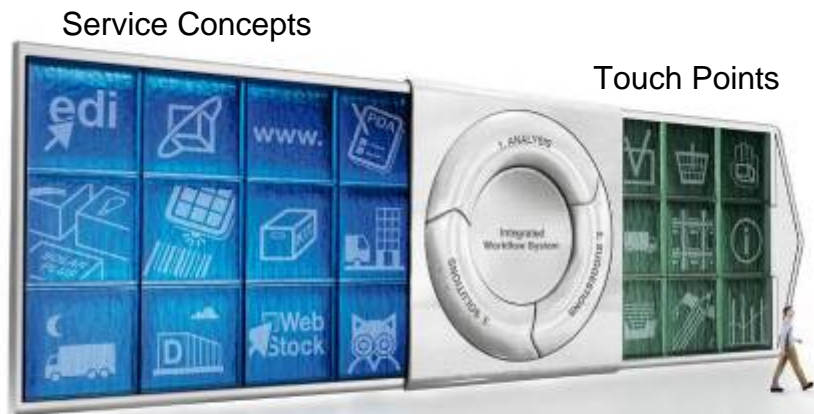


# Solar's product and service concepts create value to customers



- The purpose of our product and service concepts is to create value for our customers by optimising their workflow.
- The concepts reflect an understanding of how our customers work and our commitment to constantly improve the way we do business together.

# With our Integrated Workflow System (IWS) we interact with customers



The IWS model is a mindset and communication tool. By using the model we:

- Learn, listen and understand our customers' needs,
- offer the best suggestions to our customers and,
- together with our customers we find the right integrated workflow solution.

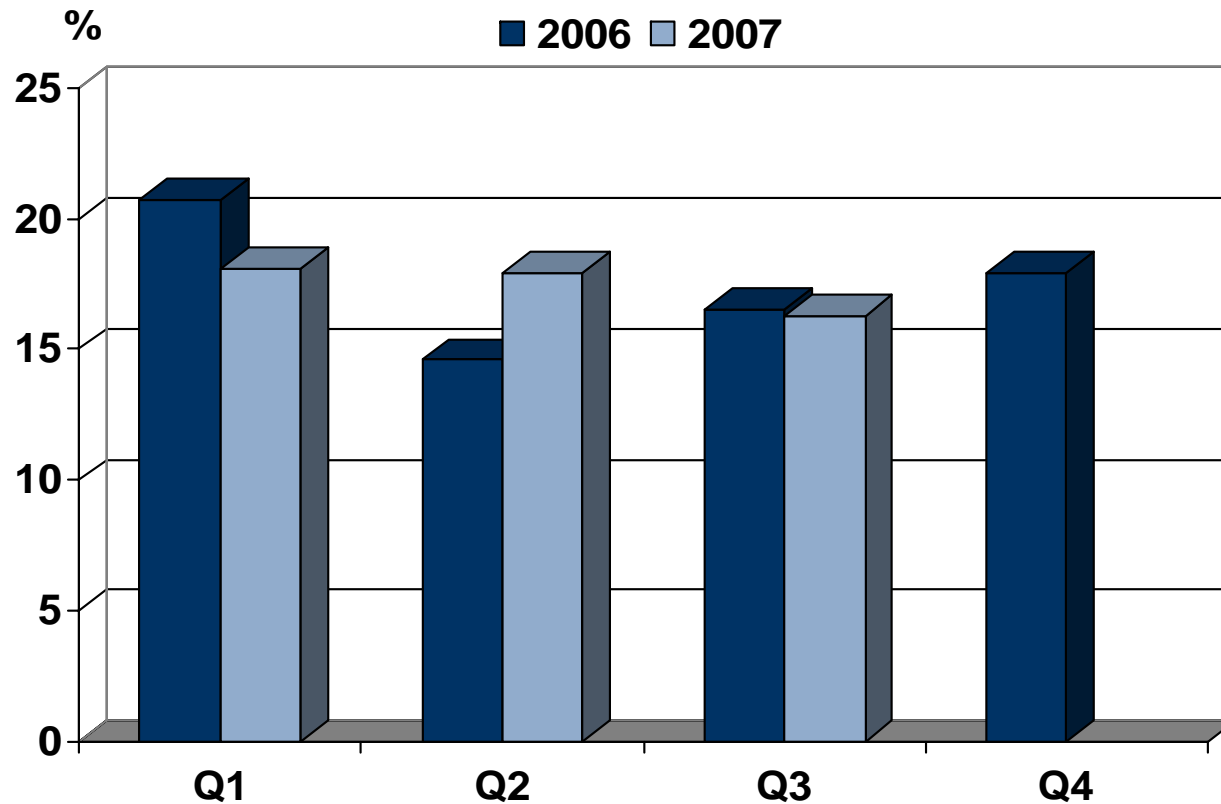
# The results we achieved in 2007



# Revenue increased by 29%

Solar Group						
€m	Q1-Q3 2007		Q1-Q3 2006		Difference	
Revenue	988.9	100.0%	767.3	100.0%	221.6	28.9%

## Organic growth amounted to 17% for Q1-Q3



## Very strong organic growth in most companies

<b>Solar Group Q1-Q3 2007</b>		
<b>€m</b>	<b>Revenue</b>	<b>Organic growth</b>
<b>Solar Danmark A/S</b>	<b>307.2</b>	<b>13%</b>
<b>Solar Sverige AB</b>	<b>186.2</b>	<b>22%</b>
<b>Solar Norge AS</b>	<b>155.9</b>	<b>42%</b>
<b>Solar Nederland B.V.</b>	<b>160.6</b>	<b>8%</b>
<b>Solar Deutschland GmbH</b>	<b>107.0</b>	<b>9%</b>
<b>Solar Suomi Oy</b>	<b>16.6</b>	<b>-3%</b>
<b>Solar Polska Sp. z o.o.</b>	<b>15.8</b>	<b>35%</b>
<b>P/F Solar Føroyar</b>	<b>4.2</b>	<b>35%</b>
<b>Aurora Group</b>	<b>42.4</b>	<b>16%</b>
<b>Eliminations</b>	<b>-7.0</b>	
<b>Total</b>	<b>988.9</b>	<b>17%</b>

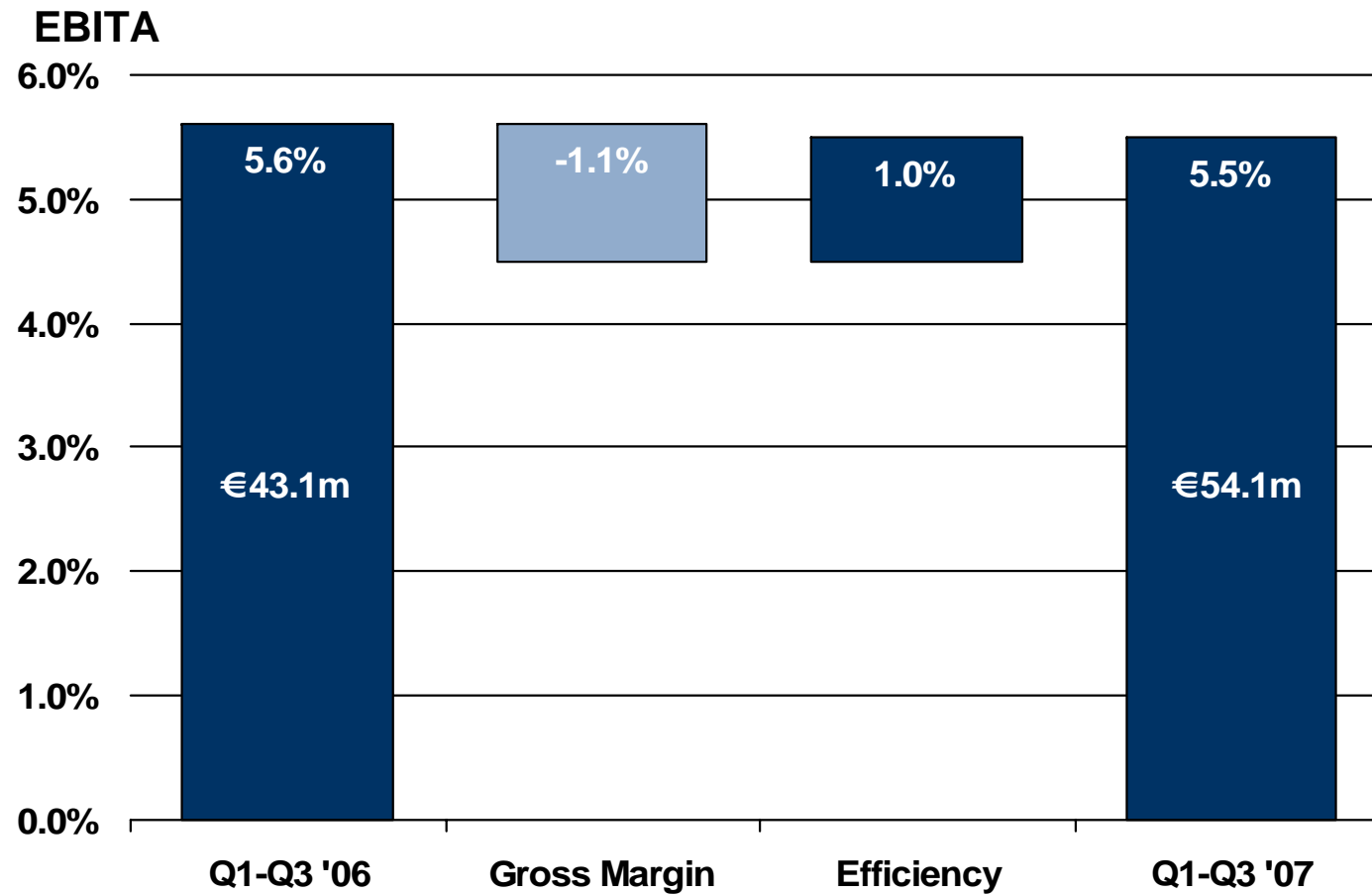
# We perform strong organic growth compared to international peers

Q1-Q3 2007	Solar	Hagemeyer		Rexel	
		Total	PPS Eur.	Total	Europe
Revenue €m	989	4,745		7,982	3,704
Change in revenue	28.9%	3.9%		21.4%	12.2%
Organic growth	17.4%	4.8%	7.3%	3.4%	7.4%

# EBITA increased with 26% compared to last year

Solar Group						
€m	Q1-Q3 2007		Q1-Q3 2006		Difference	
Revenue	988.9	100.0%	767.3	100.0%	221.6	28.9%
EBITDA	60.3	6.1%	49.0	6.4%	11.3	23.1%
Depreciation	-6.2	-0.6%	-5.9	-0.8%	-0.3	
EBITA	54.1	5.5%	43.1	5.6%	11.0	25.5%

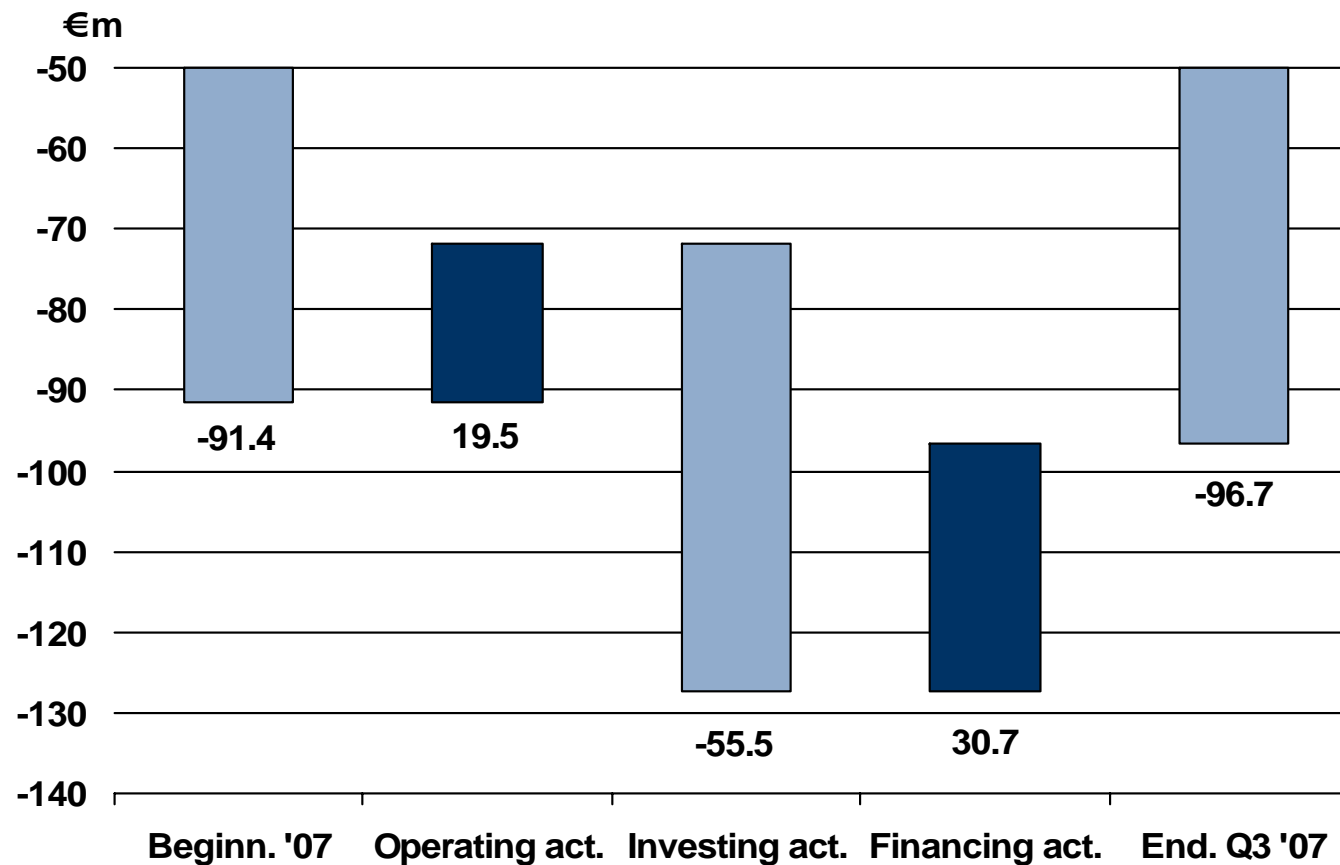
## Efficiency improved during the first 3 quarters



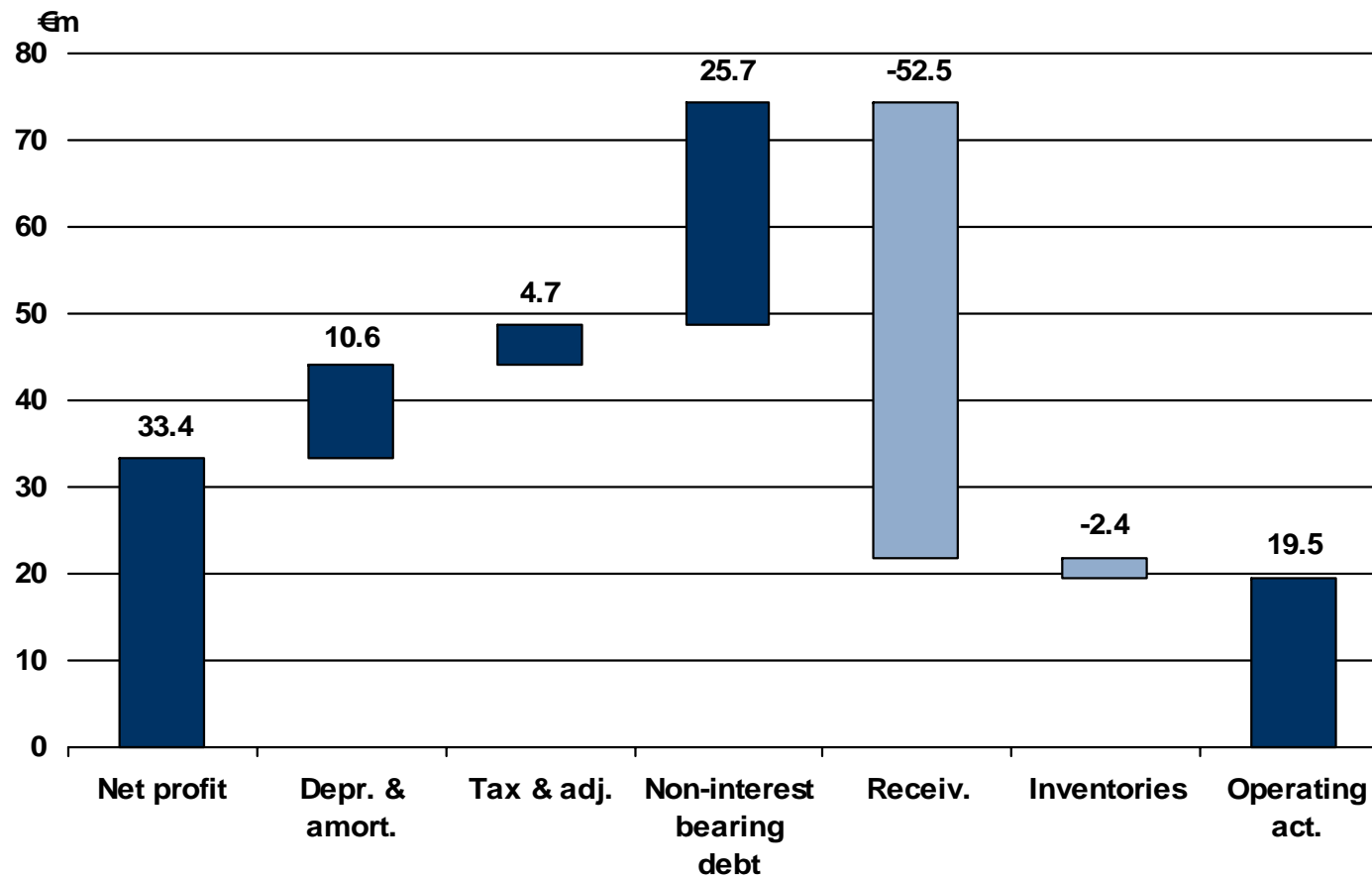
# Adjusted for special items and amortisation EBT increased by 23%

Solar Group						
€m	Q1-Q3 2007		Q1-Q3 2006		Difference	
Revenue	988.9	100.0%	767.3	100.0%	221.6	28.9%
EBITDA	60.3	6.1%	49.0	6.4%	11.3	23.1%
Depreciation	-6.2	-0.6%	-5.9	-0.8%	-0.3	
EBITA	54.1	5.5%	43.1	5.6%	11.0	25.5%
Amortisation	-4.4	-0.4%	0.0	0.0%	-4.4	
Special items	0.0	0.0%	2.9	0.4%	-2.9	
Financial items, net	-3.2	-0.3%	-1.6	-0.2%	-1.6	
EBT	46.5	4.7%	44.4	5.8%	2.1	4.7%

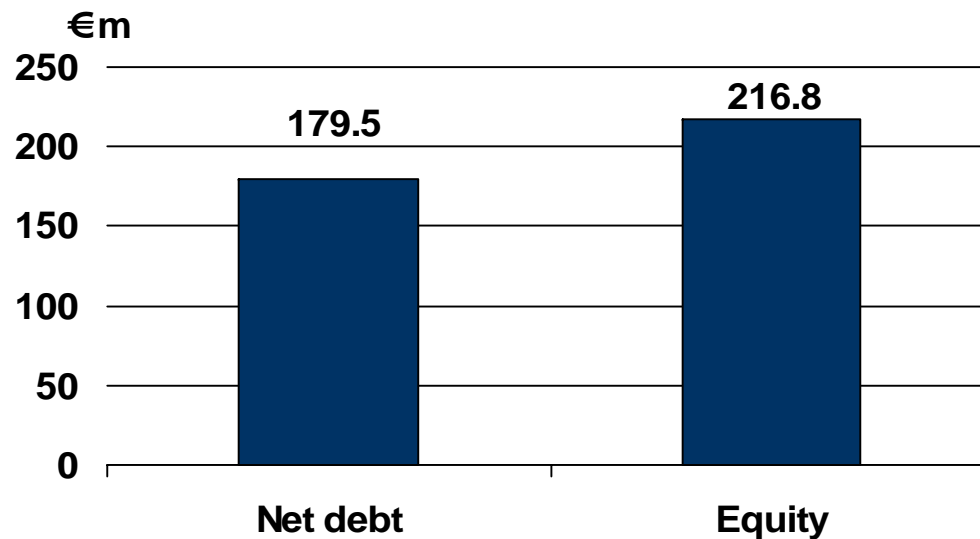
# Cash flow from operating activities amounted to € 19.5m



# The strong growth is reflected in the receivables



# Sound financial structure is the basis for further acquisitions

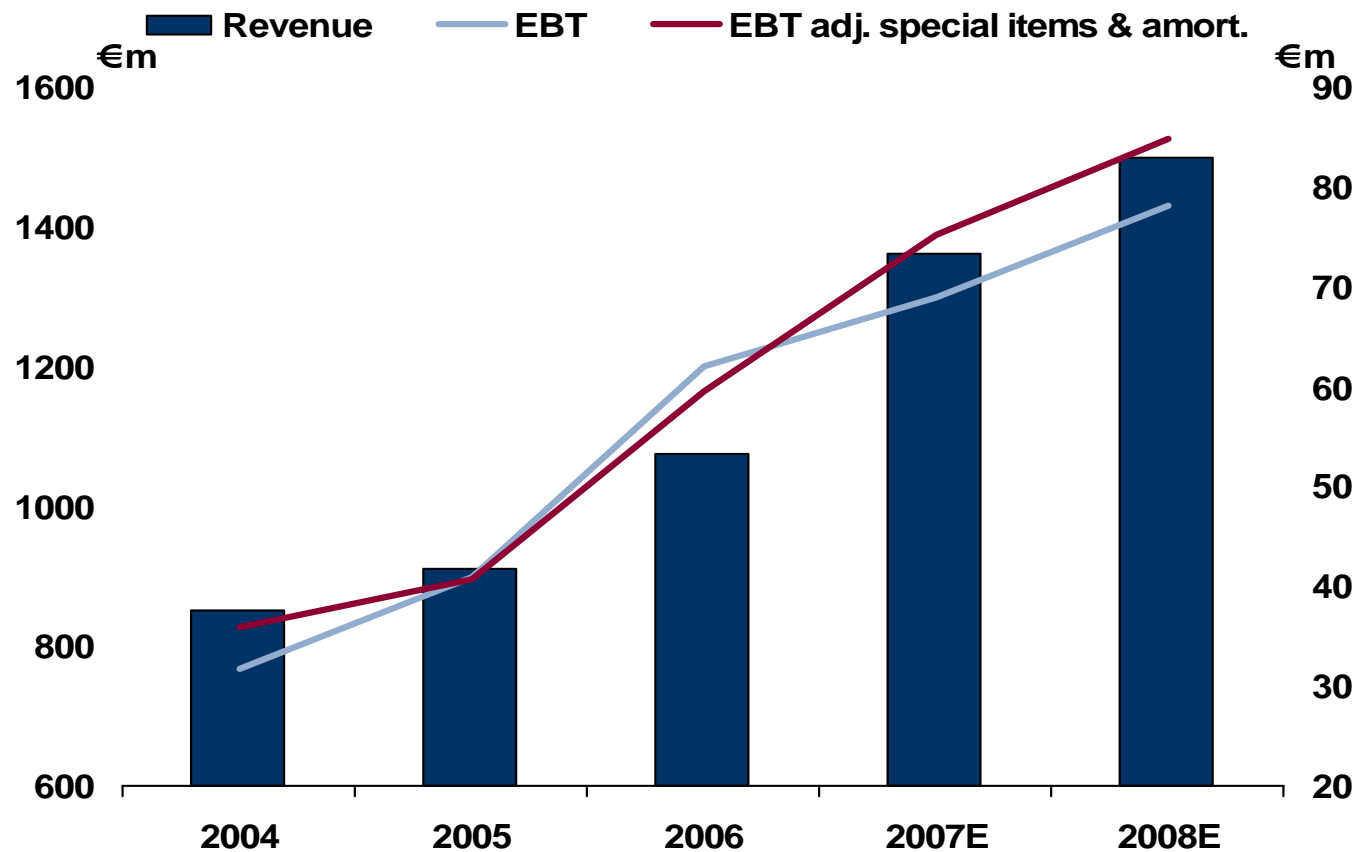


Net debt / Equity 83%  
Net debt / EBITDA 2.3x

# The results we expect in 2007/2008



The positive development in 2006 is expected to continue in 2007 and 2008



# Highlights 2007/2008



# Highlights – New Solar 2010



## **Growth**

- Organic growth
- Acquisitions
- Business development
- Branding



## **Efficiency**

- Investments
- Solar Lean Way
- Solar Group Systems



## **People**

- Solar Navigator

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