



solar *stronger together*

Presentation Q3 2008

Agenda

- Who we are
- What we do
- How we do it
- Highlights Q3 2008 and the acquisition of Vegro B.V.
- The results we achieved in Q3 and Q3 YTD 2008
- The results we expect in 2008

Who we are



The Solar Mission

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

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

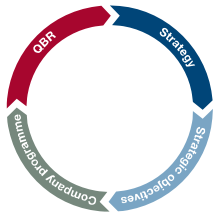
Increase growth and product scope through acquisitions

Improve EBITA to 5.5 - 6.5% on the average

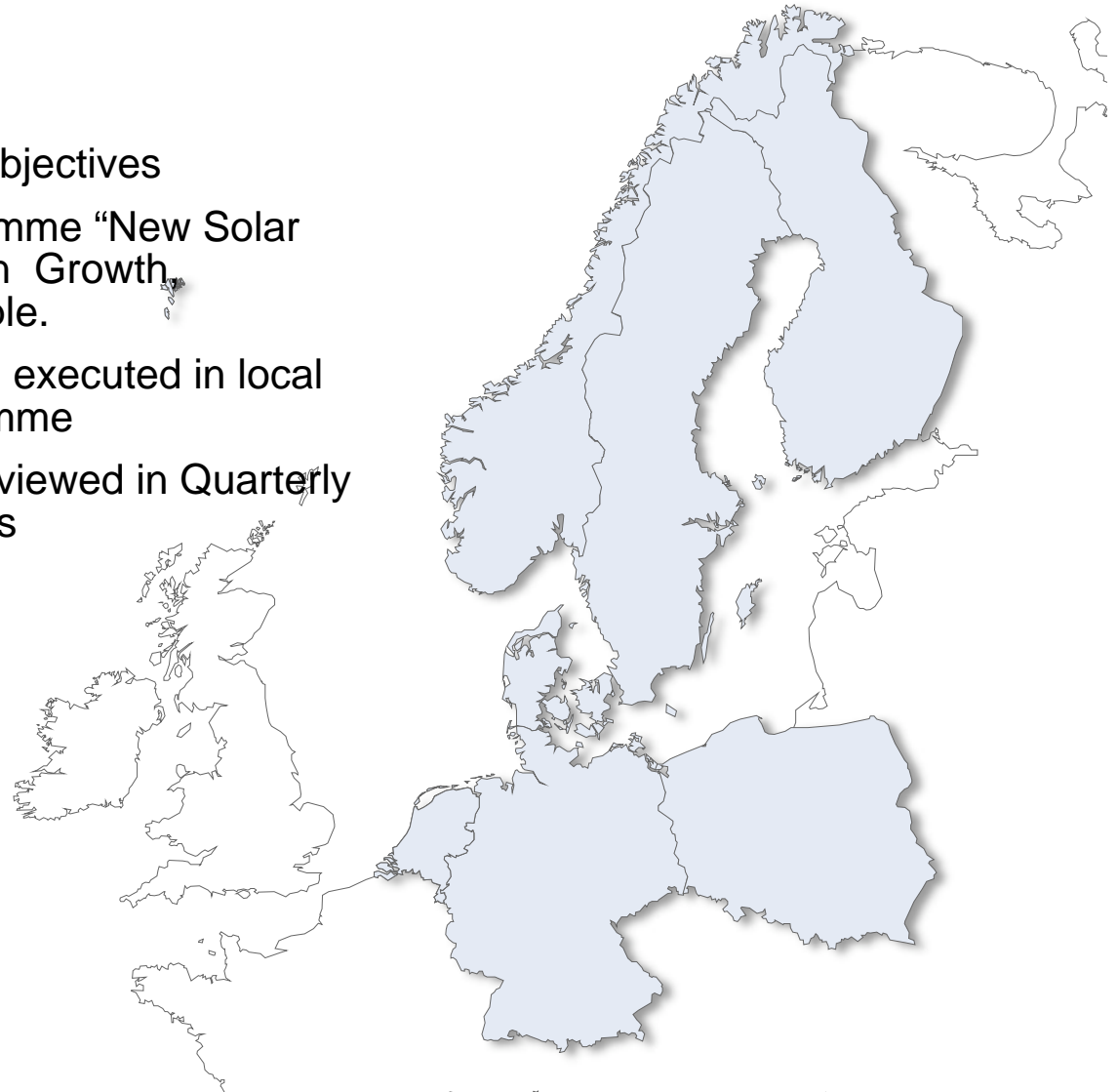
Return on investment capital of 14 - 16%

Building leadership and competence

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

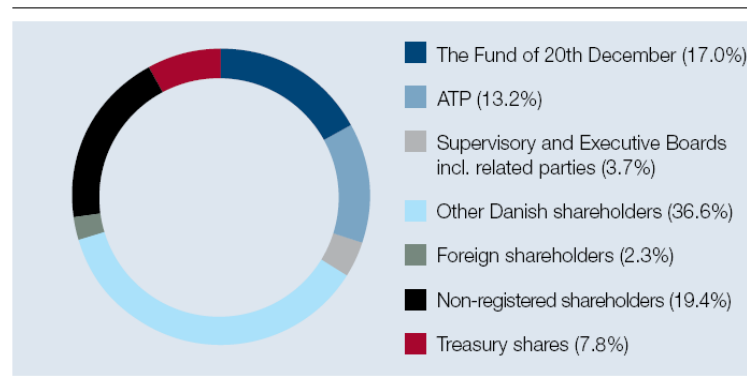


- Group strategy
- Group strategic objectives
- Company programme “New Solar 2010” focusing on Growth, Efficiency & People.
- Implemented and executed in local company programme
- Measured and reviewed in Quarterly Business Reviews

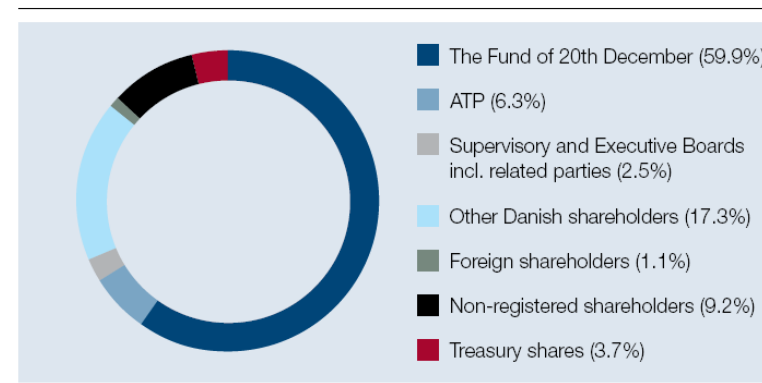


Solar is listed on the stock exchange and has a majority off long-term investors

Distribution of share capital as at 30 September 2008



Distribution of votes as at 30 September 2008



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

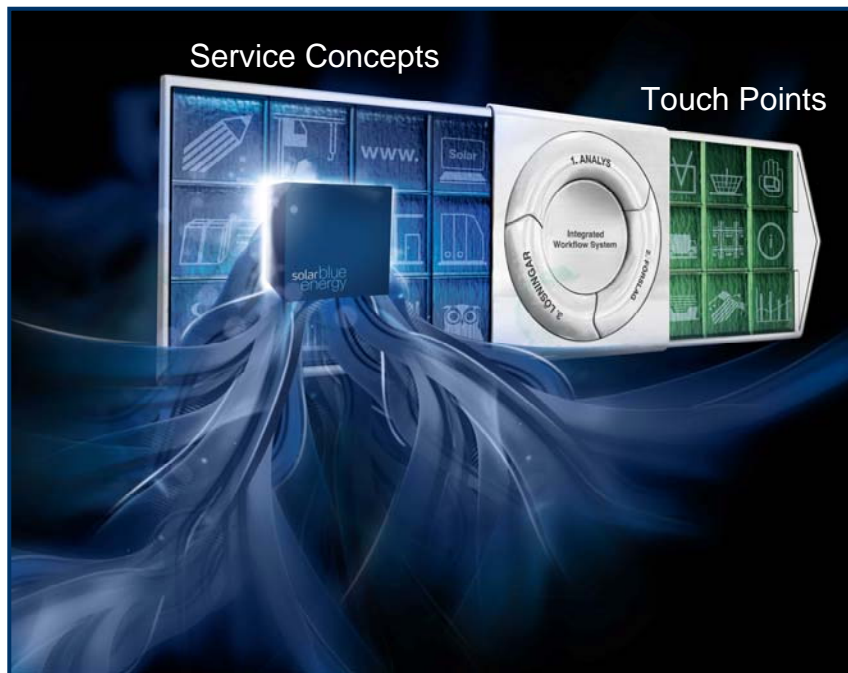


Public Sector

How we do it



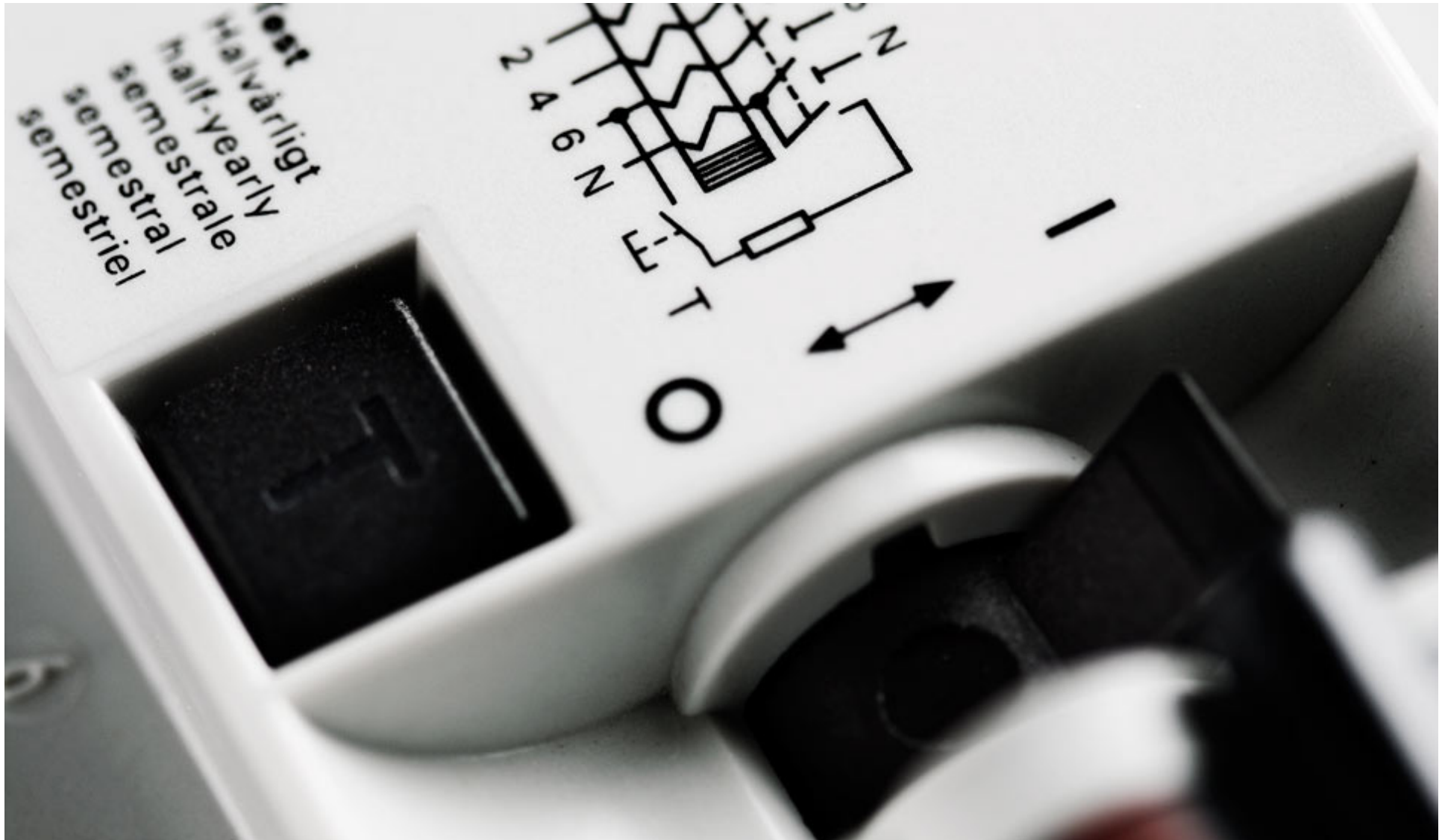
With our Integrated Workflow System (IWS) we interact with customers



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.

Highlights Q3 2008



Highlights



- Geographical expansion in SE, DE and PL
- Acquisition of Eltomont Sp. z o.o. and Vegro B.V.
- IWS / Solar Blue Energy 

Acquisition of Vegro

Restructuring costs and synergies

- Restructuring costs of approx. €5-6m until 2010
- Sales synergies are expected from 2009
- Procurement synergies at Group level are expected from 2009
- Distribution, back office and net working capital synergies are expected from 2010
- By the end of 2010, total annualised synergies of approx. €3-4m are expected – not including possible sales synergies

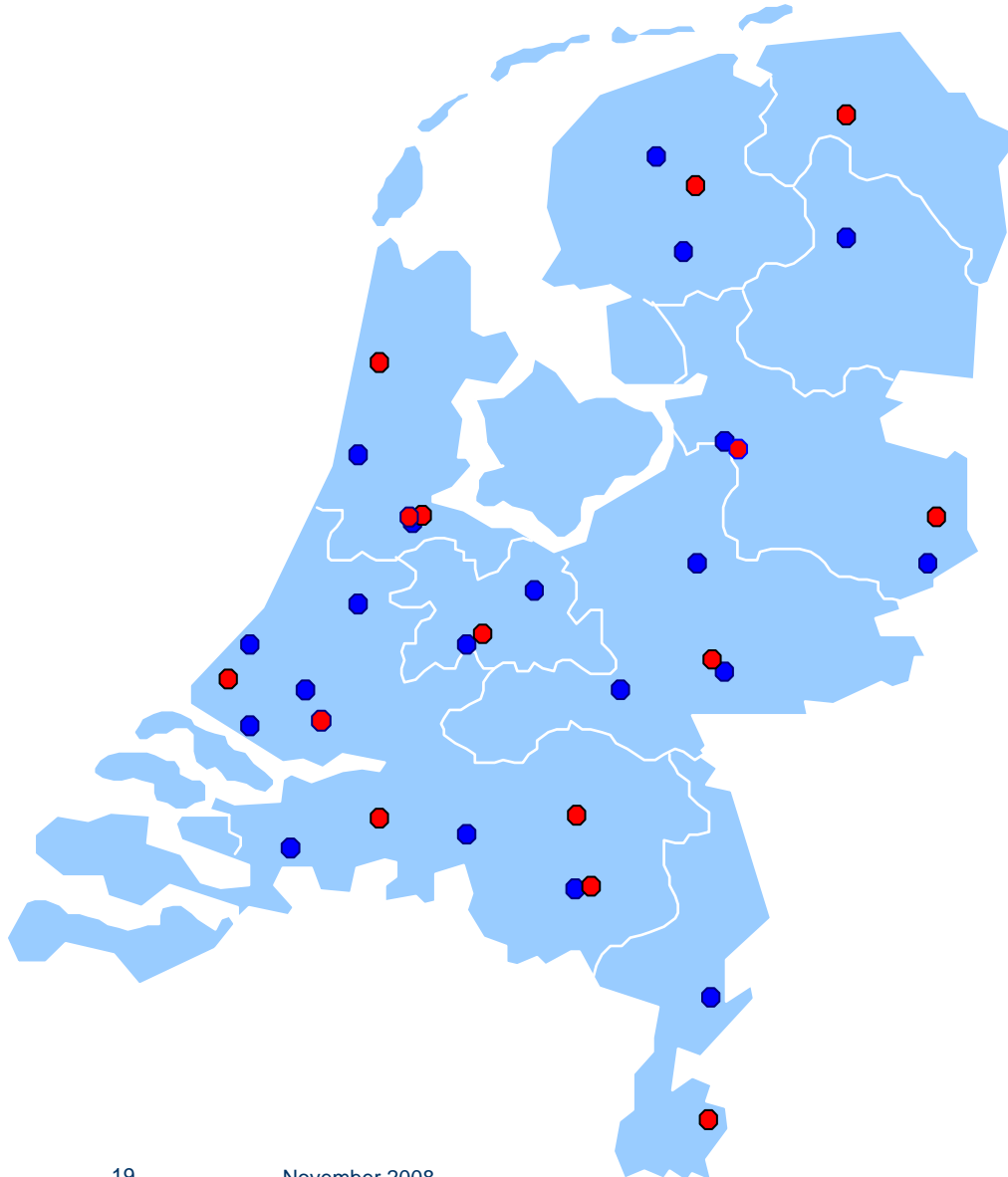
Strategic rationale

- Dutch installer market
 - > 50% technical installers, i.e. both Electrical & HWS
- One-stop shopping opportunity for installers
- Efficiency developments
 - Concentration of purchase, tenders, (off-line) e-business
- Increased focus on integrated solutions and energy efficiency
- Disappearing borders between the market segments under the influence of e.g. heating pumps and renewable energy
- Consolidation of the Dutch wholesale industry
 - Recent: Saint Gobain, Wolseley, Rexel
- In line with the overall Solar Group strategy

Strategic rationale

- Access to strong customer base via the acquisition of national independent market leader within HWS
- Solar becomes the clear runner-up after the market leader in the technical wholesale market
- Access to highly qualified management and specialists within both heating and sanitary products
- Synergies within:
 - customers and projects
 - network of branches & showrooms
 - increased efficiency within back office and logistics
- Supports our “Solar Group critical mass” within procurement of HWS

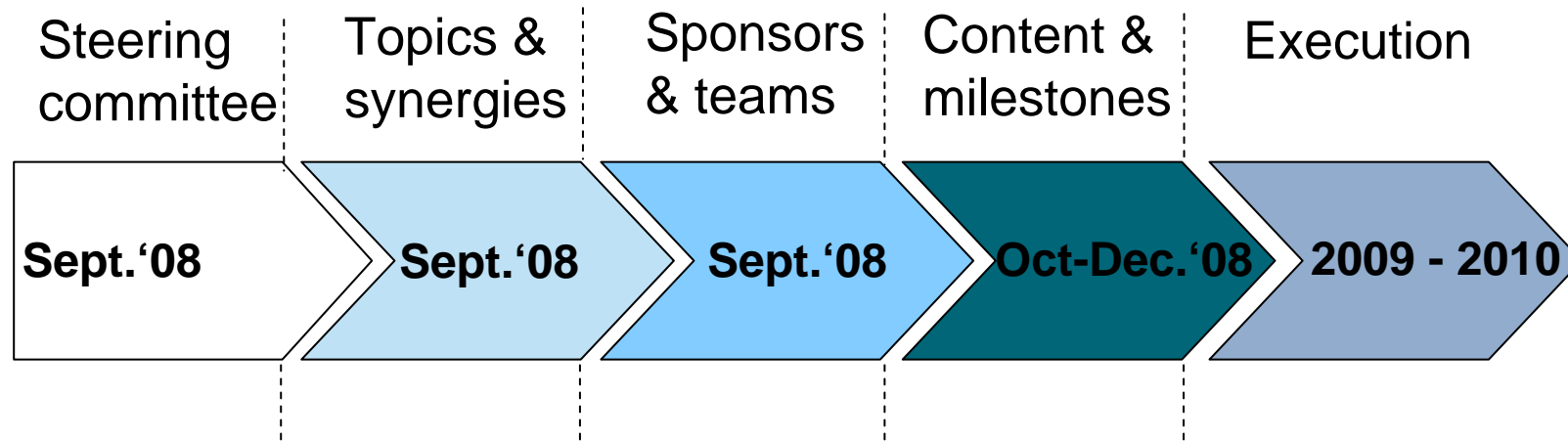
Branch network Solar./ Vegro



- 9 new regions
- 6 branches in the same cities
- 12 showrooms
- 37 pick-up possibilities for customers
- Technical expertise at branch, regional and central offices
- Higher delivery capacity
- Increase of service package



Main phases of the PMI plan



Full integration of all processes & activities

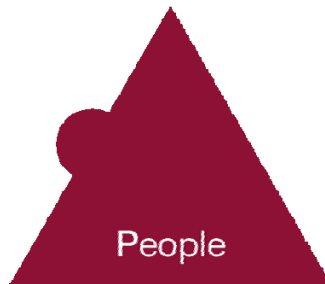


Highlights



- Implementation of Solar Lean Way 
- SGS renewal project
- Optimisation of Net Working Capital
- Integration of the Netherlands into SGS
- Shared Services Centre

Highlights



- New CED in Sweden has joined
- Solar Values 
- Solar Leadership Principles
- Solar Academy
- Solar STAR / EPA
- Internal communication

The results we achieved in Q3 and Q3 YTD 2008



Revenue increased by 4.0%. Organic growth amounted to 4.7% in Q3.

Solar Group						
€m	Q3 2008		Q3 2007		Difference	
Revenue	349.4	100.0%	335.9	100.0%	13.5	4.0%

Organic growth rate is declining but still positive

Solar Group Q3 YTD 2008		
€m	Revenue	Organic growth
Solar Danmark A/S	331.2	8%
Solar Sverige AB	226.2	9%
Solar Norge AS	182.8	16%
Solar Nederland B.V.	165.4	3%
Solar Deutschland GmbH	112.6	5%
Solar Suomi Oy	15.2	-8%
Solar Polska Sp. z o.o.	17.0	-3%
P/F Solar Føroyar	4.8	14%
Aurora Group	39.8	-6%
Eliminations	-7.3	
Total	1,087.7	7%

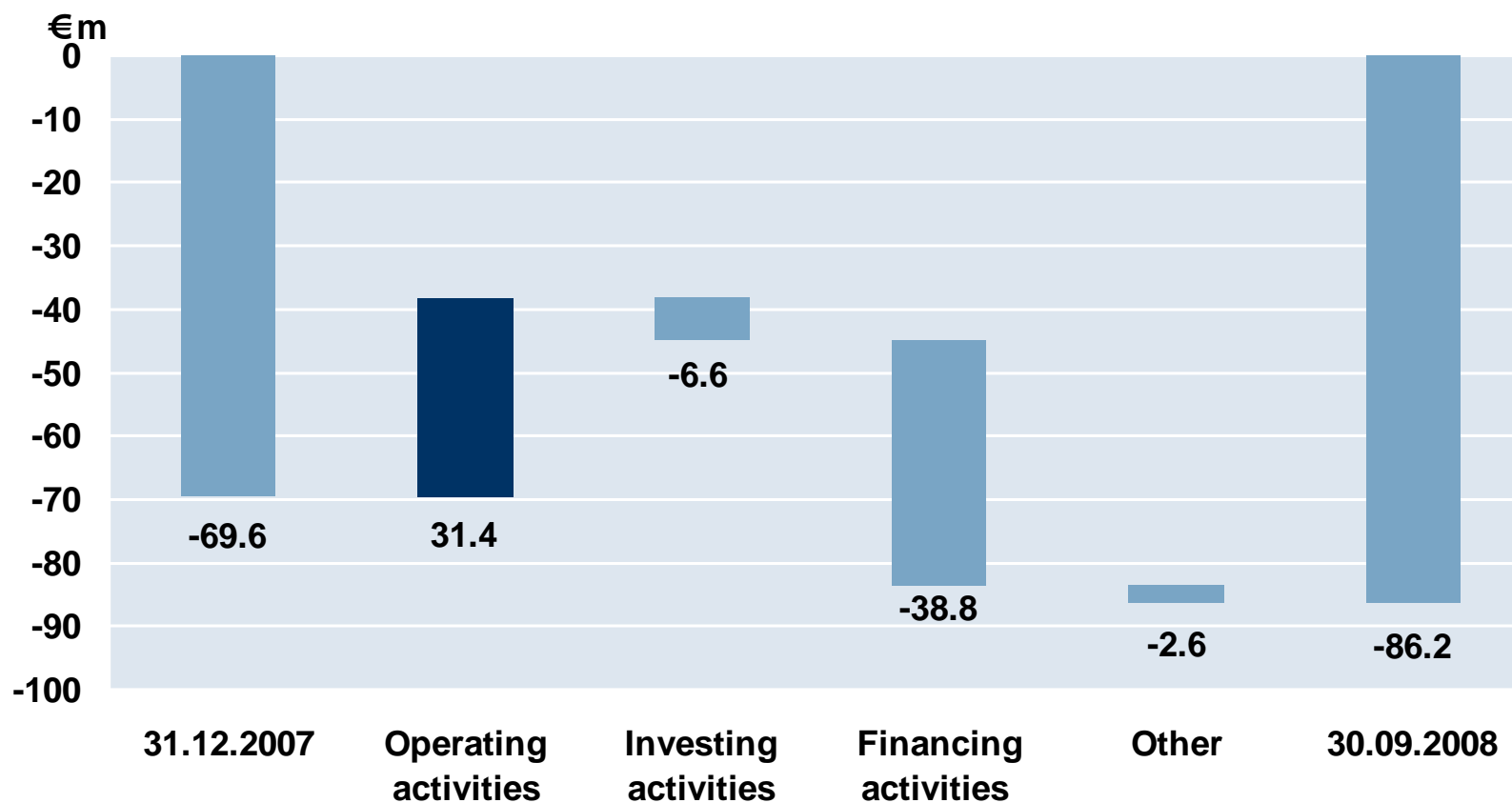
Revenue at expected level – but earnings did not meet expectations

Solar Group							
€m	Q3 2008		Q3 2007		Difference		
Revenue	349.4	100.0%	335.9	100.0%	13.5	4.0%	
EBITDA	20.6	5.9%	22.8	6.8%	-2.2	-9.6%	
EBITA	18.4	5.3%	20.7	6.2%	-2.3	-11.1%	
EBIT	16.7	4.8%	19.0	5.7%	-2.3	-12.1%	
EBT	14.3	4.1%	17.7	5.3%	-3.4	-19.2%	
Net profit	10.0	2.9%	12.7	3.8%	-2.7	-21.3%	

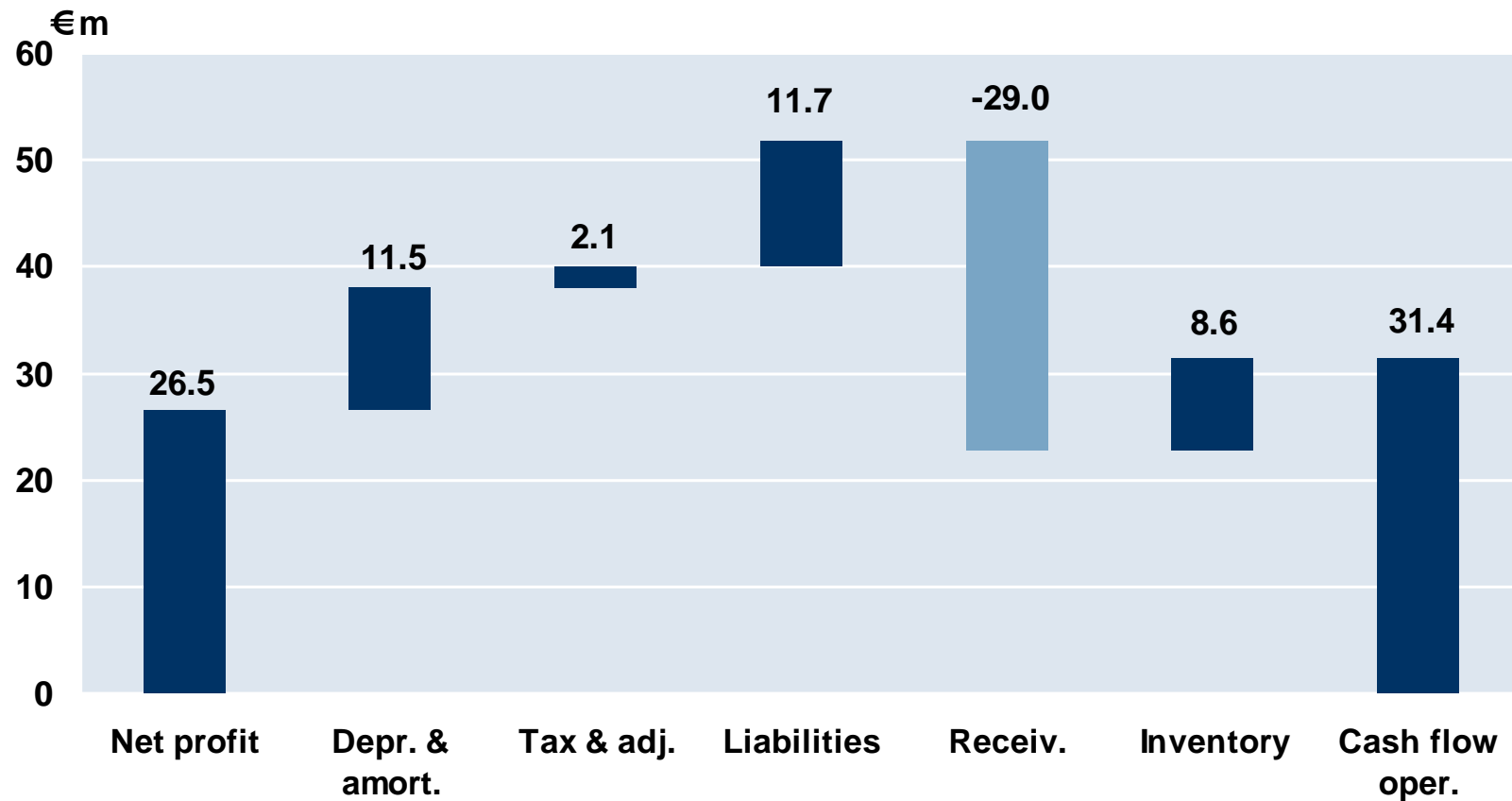
Q3 YTD in total; EBITA amounted to € 48.6m

Solar Group						
€m	Q3 YTD 2008		Q3 YTD 2007		Difference	
Revenue	1,087.7	100.0%	988.9	100.0%	98.8	10.0%
Gross profit	228.4	21.0%	214.8	21.7%	13.6	6.3%
EBITDA	55.0	5.1%	60.3	6.1%	-5.3	-8.8%
EBITA	48.6	4.5%	54.1	5.5%	-5.5	-10.2%

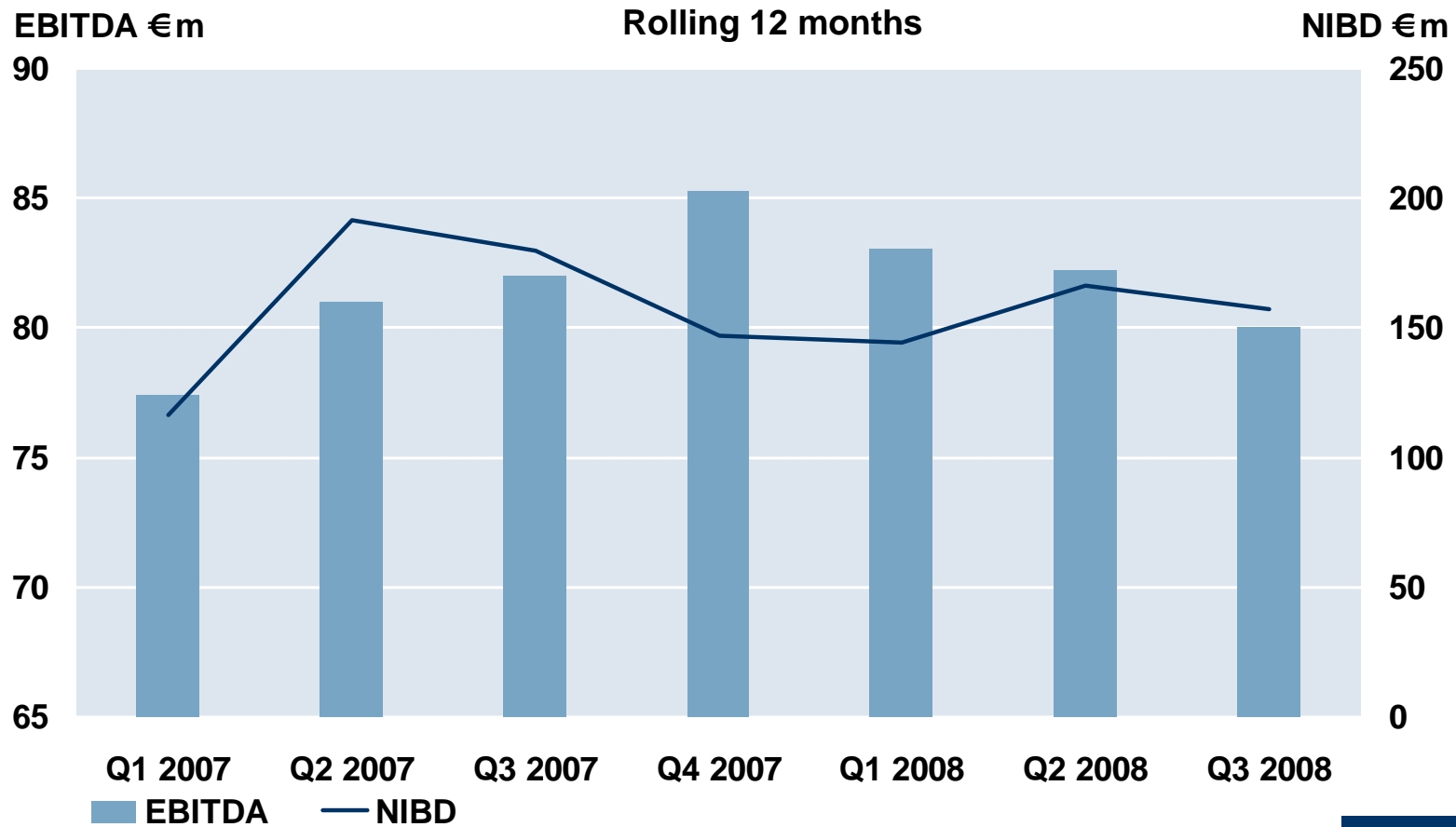
Operating activities contributed with € 31.4m in Q3 YTD



Operating activities contributed with € 31.4m in Q3 YTD



Sound financial structure is the basis for further acquisitions



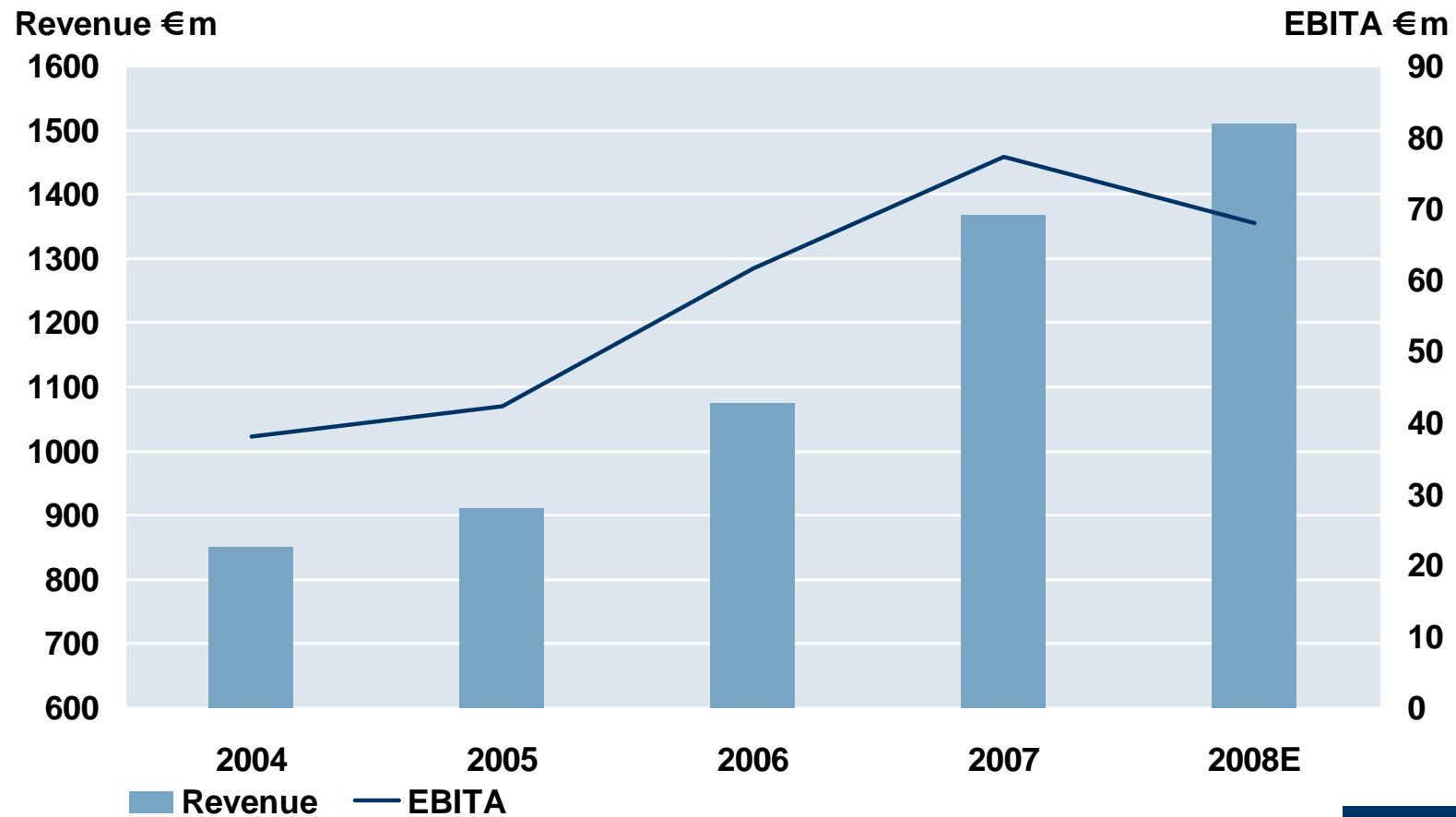
The results we expect in 2008



2008 in general

- Organic growth will be on the decline and is expected to be negative overall in Q4.
- Freight costs will affect the group's total net profit negatively compared with 2007. Several activities have been launched to compensate for this cost.
- Further staff reductions have been initiated, and a number of new appointments have been suspended. When the reductions have been fully completed in 2009, the result will be annual savings equal to € 12m.
- Further cost reduction initiatives have been launched.

Expectations for 2008; Revenue € 1,510m and EBITA € 68m





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