

solar

stronger together

Q2 / 2008



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The report for Q2 2008 for Solar A/S CVR no. 15 90 84 16 was published in Danish and English on 20 August 2008 via OMX The Nordic Exchange Copenhagen. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

Financial highlights

Consolidated

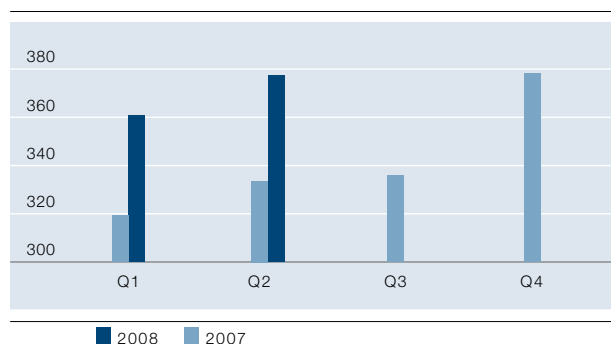
	Q2		H1		Year
	2008	2007	2008	2007	2007
Financial and operating data of income statement (€ million)					
Revenue	377.5	333.6	738.3	653.0	1,367.2
Earnings before interest, tax and amortisation (EBITA)	14.9	15.9	30.2	33.4	77.3
Earnings before interest and tax (EBIT)	13.2	14.4	26.8	30.7	71.2
Items under financial income and expenses, net	-1.7	-1.4	-3.5	-1.9	-5.6
Earnings before tax (EBT)	11.5	13.0	23.3	28.8	65.6
Net profit for the period	8.2	9.6	16.5	20.7	47.5
Earnings per share in € per share outstanding (EPS)	1.20	1.38	2.40	2.97	6.82
Earnings excl amortisation per share in € per share outstanding	1.45	1.59	2.89	3.36	7.70
Financial and operating data of balance sheet (€ million)					
Total assets	573.6	574.5	573.6	574.5	542.8
Net investments in property, plant and equipment	3.0	4.4	6.0	9.6	13.8
Share capital outstanding	91.1	93.6	91.1	93.6	93.3
Equity	219.5	202.7	219.5	202.7	229.0
Interest-bearing liabilities	170.0	196.0	170.0	196.0	151.7
Financial and operating data for cash flow (€ million)					
Cash flow from operating activities	1.0	-8.4	12.3	6.4	54.6
Cash flow from investing activities	-3.0	-50.8	-6.0	-56.0	-59.3
Cash flow from financing activities	-23.2	34.9	-29.8	33.1	25.5
Financial ratios (% unless otherwise stated)					
Revenue growth	13.2	29.7	13.1	27.7	27.2
Organic growth	10.4	17.9	8.7	18.0	15.3
Earnings before interest, tax and amortisation (EBITA)	3.9	4.8	4.1	5.1	5.7
Earnings before interest and tax (EBIT)	3.5	4.3	3.6	4.7	5.2
Operating margin	2.2	2.9	2.2	3.2	3.5
Return on equity (ROE)	14.5	18.8	14.7	20.7	22.3
Return on equity (ROE) before amortisation	17.5	21.7	17.7	23.5	25.2
Return on invested capital (ROIC)	9.3	10.3	9.4	10.7	13.1
Return on invested capital (ROIC) excl amortisation	11.0	11.8	11.1	12.1	14.7
EV/EBITA	8.5	14.0	8.4	13.3	8.6
Equity ratio	38.3	35.3	38.3	35.3	42.2
Intrinsic value in € per share outstanding	32.3	29.1	32.3	29.1	32.9
Share price in €	49.8	100.3	49.8	100.3	74.3
Share price/intrinsic value	1.54	3.44	1.54	3.44	2.26
Share price in DKK	372	746	372	746	554
Employees					
Average number of employees (FTE)	2,861	2,646	2,827	2,584	2,658

Outline

Q2 and H1 2008

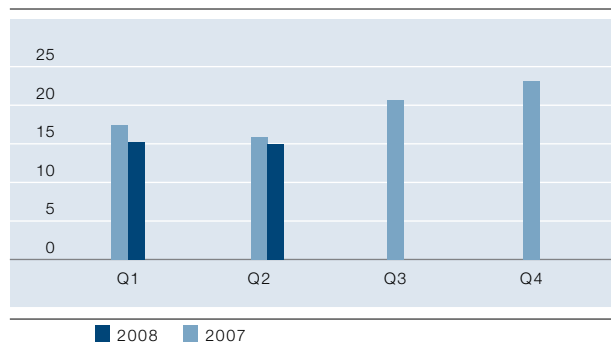
In Q2, revenue increased to € 377.5m equating to an increase of 13%. For H1 in total, revenue increased by € 85.3m to € 738.3m, i.e. an increase of 13%. Organic growth amounted to 10% for Q2 and 8.7% for H1.

Revenue in € million



EBITA decreased by 6.3% in Q2 to € 14.9m. For H1, EBITA totalled € 30.2m against € 33.4m for H1 2007.

EBITA in € million



EBT decreased by 11% to € 11.5m in Q2 and net profit for the period decreased by 15% to € 8.2m. For H1 in total, pre-tax profit decreased by 19% to € 23.3m and net profit for the period decreased by 20% to € 16.5m. Net profit per outstanding share for H1 totalled € 2.40 against € 2.97 for H1 2007.

Revenue was in line with expectations, but net profit failed to reach the expected level.

Expectations for 2008

Solar downgrades the expectations for the 2008 revenue

from € 1,500m to 1,475m. EBITA expectations have been reduced to € 73m against the previously expected € 86m.

The downward adjustment of the expectations is caused by a significant decline in growth as well as a negative earnings performance in various subsidiaries. Especially the Norwegian company is experiencing a considerable reduction in expected growth, and in combination with a declining gross margin, this means that EBITA is reduced by € 7.0m compared to the expectations for 2008.

Substantial investments in establishing a stronger geographical presence, especially in Germany, will also have a negative impact on short-term earnings. Rapid expansion has been made possible by the uncertainty in the market following a change in ownership in some of the leading players in the market. As a result, the German subsidiary has taken on 55 employees, which will have a negative impact on EBITA of at least € 2.0m for 2008.

Strategic initiatives

Based on the company programme New Solar 2010, Q2 also focused on strategic initiatives within the three areas of Growth, Efficiency and People.

Geographical expansion continues with the opening of new branches in several countries and more emphasis on acquisitions. Business development within current and new product areas contributed to Q2's sustained and relatively high growth.

The optimisation of net working capital is on schedule and improvements fully meet the prescribed targets. The work to define a new SGS strategy (the group's IT business systems) has been concluded and an SGS Business Case is expected to be completed this autumn. The implementation of Lean continues to produce satisfactory results in terms of efficiency and employee satisfaction.

The established group networks for Human Resources, Marketing and Internal Communication are working highly satisfactorily and support group initiatives in these areas.

Group report

Q2 2008

Q2 revenue increased by € 43.9m to € 377.5m, equating to 13% growth. Organic growth amounted to 10%.

EBITA decreased by 6.3% to € 14.9m, i.e. 3.9% of revenue. Compared to Q2 2007, rising freight costs impacted EBITA in percentage of revenue negatively by 0.5 percentage points.

EBT in Q2 totalled € 11.5m against € 13.0m for the corresponding period last year. Net profit for the period totalled € 8.2m against € 9.6m last year.

Revenue was in line with expectations, while net profit failed to meet the expected level.

H1 2008

Revenue

Revenue for H1 increased by € 85.3m to € 738.3m, equating to an increase of 13%. Organic growth amounted to 8.7%.

Revenue distribution was as follows:

	Revenue in € million		Organic growth in %*	
	H1 2008	H1 2007	H1 2008	H1 2007
Solar Danmark A/S	227.5	206.1	10	14
Solar Sverige AB	154.0	118.1	9	23
Solar Norge AS	123.1	101.1	19	41
Solar Nederland B.V.	116.8	111.3	5	7
Solar Deutschland GmbH	71.5	69.3	3	9
Solar Suomi Oy	9.7	11.4	-15	3
Solar Polska Sp. z o.o.	11.0	9.7	3	35
P/F Solar Føroyar	3.4	2.9	19	35
Aurora Group	26.4	27.7	-5	17
Eliminations	-5.1	-4.6		
Total	738.3	653.0	9	18

* When calculating organic growth, no adjustments have been made for the number of working days.

Growth remains at a high level, while revenue for H1 was at the expected level.

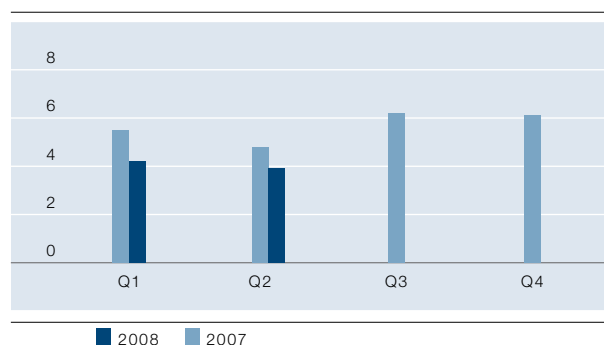
EBITA

EBITA decreased by 9.6% to € 30.2m, i.e. 4.1% of revenue.

Compared to H1 2007, rising freight costs impacted EBITA in percentage of revenue negatively by 0.5 percentage points. As a consequence of the rapidly increasing freight costs, extraordinary price increases have, among other things, been effected in several countries.

The development in EBITA in % of revenue over the past six quarters can be illustrated as follows:

EBITA in % of revenue



EBT and net profit for the period

EBT decreased by 19% to € 23.3m, i.e. 3.2% of revenue. Net profit for the period decreased by 20% to € 16.5m.

H1 2008 net profit was affected by amortisation of € 3.4m against € 2.7m in H1 2007. Adjusted for amortisation, both pre-tax profit and net profit for the period decreased by 15%.

Profit failed to reach the expected level.

Net profit per share

Net profit per outstanding share for H1 decreased by 19% to € 2.40.

Investments

In 2007, Solar embarked on the construction of a new Norwegian administration building adjacent to the central warehouse in Gardermoen. The building is expected to be commissioned in Q3 2008.

H1 saw net investments in fixed assets of € 6.0m.

Cash flow

Cash flow from operating activities totalled € 12.3m for the period against € 6.4m for H1 2007. As at 30 June 2008, net working capital amounted to 17.9% of the expected revenue for 2008.

Cash flow from investing activities totalled € -6.0m for H1 2008 against € -56.0m for H1 2007.

Cash flow from financing activities totalled € -29.8m against € 33.1m for H1 2007. In H1 2008, cash flow from financing activities was negatively affected by payment of dividend of € -17.6m, corresponding to DKK 19.00 per share and purchase of treasury shares by € -10.0m.

Key risks

Annual Report 2007 outlines Solar's commercial and financial risks. The most important risk is that Solar, like other international businesses, is affected by global as well as local economic trends in Solar's markets.

Solar is continually expanding its business base and has, therefore, reduced its exposure to economic changes in the construction industry.

STRATEGIC INITIATIVES

Based on the New Solar 2010 company programme, H1 focused on strategic initiatives within the three areas of Growth, Efficiency and People. Within the overall cross-disciplinary group concepts, the following can be accentuated:

Growth

The implementation of IWS, our new means of optimising our customer cooperation, continues as planned. All countries have also committed to further increasing the share of E-business orders.

Efficiency

The implementation of Solar Lean Way continues as planned. Pilot projects have been implemented in Denmark, Sweden, Norway and at group headquarters. Moreover, Lean master plans have been put in place for the three

above-mentioned countries. The Lean implementation in the other companies has been scheduled and proceeds as planned. The completed Lean initiatives have fostered increased efficiency and employee satisfaction.

The optimisation of net working capital follows the pre-determined plans and the improvements meet expectations.

People

Solar Academy works with skills development throughout the group. Although Lean and English language skills are focus areas in 2008, efforts have been intensified in some subsidiaries regarding management and talent development and specialist skills.

Three new Solar values; SmartFun, Glow and Courage, were introduced at the Value Days in Q2 to which all employees were invited.

Internal communication was strengthened through a new common intranet in all companies and the establishment of the newsletter Solar News which is published in seven languages.

STATUS ON THE DEVELOPMENT IN THE INDIVIDUAL SUBSIDIARIES

Solar Danmark A/S

The activity level in the Danish market remains relatively high despite the slowdown in new build. During the past couple of years, a number of business development initiatives have been taken within areas that are independent of new build activities. The new initiatives will contribute to a continually positive growth. Growth in overall market activity is decreasing, but we expect to show positive organic growth in H2 as well.

The company has initiated an expansion of the administration building in Vejlen. The building is expected to be commissioned in Q2 2009.

The implementation of Lean proceeds on schedule.

Group report

Solar Sverige AB

In Q2, the company continued to implement its geographical expansion in the plumbing and sanitation area, which was envisaged at the time of the acquisition of Alvesta V.V.S. – Material AB in the spring of 2007.

The first of two combined electricity, plumbing and sanitation branches opened in Stockholm and the second is scheduled to open before the end of Q3. Combined electricity, plumbing and sanitation branches will open in Malmö and Karlstad before the end of Q4. The results following the opening of the branch in Stockholm are promising. The activity level on the industrial market has been at a continually good level, while new build activities have been on the decline – first on housing construction, including prefabricated houses, but now also on industrial and commercial building.

As a result of weaker growth and new ownership of some major players, competition in the electricity area further intensified during the spring. This had a negative effect on earnings in Q2. At the beginning of H2, the expectations for the rest of the year are lower than before.

With the appointment of Anders Gärdström as CED (currently Executive Vice President of YIT Sverige AB) with effect at latest from early 2009, the company's generational shift is in place.

The HR development programme "Solar Success" aims at developing management skills amongst a large group of leaders. Like most other executives across the group, the leaders in Solar Sverige are facing new challenges from the planned activities under the company programme New Solar 2010.

The implementation of Lean continues as planned.

Solar Norge AS

Activity levels within industry and offshore remain high. Developments in housing construction as well as industrial and commercial building are now negative.

Organic growth was not in line with expectations, with particularly disappointing growth at the end of Q2. Recent years' focus on growth through the establishment of new business areas such as offshore, tele and, recently, energy, has required substantial resources from large parts of the organisation. Not all new activities have achieved satisfactory earnings as rapidly as desired and in combination with the fact that some major projects extending over several years have been replaced by several new and smaller projects, this has led to highly unsatisfactory earnings' development in Q2. Continually rising freight costs and tougher price competition within the more traditional areas have resulted in a further decrease in gross margin.

The combination of a substantial reduction in growth compared to what was expected and a decreasing gross margin has resulted in a significant reduction of EBITA. Compared to the expected result, the difference in EBITA for Q2 is € -3.0m.

Necessary initiatives to improve gross margin and reduce staff levels, including top management, have been taken. Overall, staff reductions are expected to correspond to 45 full-time positions before the end of 2008. Despite the planned and already implemented measures, the overall negative effect on EBITA for 2008 is expected to total € 7.0m.

The construction of a new administration building in Gardermoen is on schedule and the building is expected to be commissioned before the end of Q3.

Solar Nederland B.V.

Activity levels remain at a relatively high level, albeit at a diminishing rate. It has been difficult to recruit the required specialists to build geographical expansion within the plumbing and sanitation area. This effort has been put on hold until the outcome of negotiations concerning a possible takeover of the national plumbing and sanitation wholesaler, Vegro B.V., has been clarified. Please refer to announcement no. 42. This entails reduced revenue from plumbing and sanitation this year compared to previous expectations.

Within the electricity area, we strengthened our market position further during H1. On the backdrop of the major organisational changes that were implemented at the beginning of the year, this is satisfactory.

The previously announced investment in a new head office and central warehouse in Zevenaar will not materialise if the acquisition of Vegro B.V. goes ahead.

The implementation of the group's SGS system (IT/ERP) will, as planned, take place during Q3.

Solar Deutschland GmbH

Market developments continue to be negatively affected by reduced private consumption and a negative trend in housing construction. Industry, however, remains at a relatively high activity level. A decrease in growth is, however, expected over the year.

As part of the continued geographical expansion of the company, a branch was opened in Magdeburg in July, which will be followed by another in Hameln in August and one in Uelzan at the end of the year. This rapid expansion has been made possible by the uncertainty that currently exists in the market as a result of the change of ownership among some of the key market players. Consequently, the company has employed 55 people with the necessary experience from the business. The establishment of the three branches will have a short-term negative effect on EBITA for 2008 of at least € 2.0m. Revenue growth, which over the next few years is expected to stem from the above-mentioned establishments, can be handled from the central warehouse in Lanken. As a result, efficiency will be increased further.

Solar Suomi Oy

Developments in the market were negative in Q2. This is within housing construction as well as industrial and commercial building and, lately, also within industry. As the reorganisation of the company continues, earnings improved despite the declining market. A major part of the sales force has been replaced and a training pro-

gramme has been set up for the current as well as new sales representatives.

Solar Polska Sp. z o.o.

Developments in the market were generally negative in Q2. Industry, however, continues to record relatively high activity levels. The negative trend has increased competition further, which reduced earnings in Q2. Growth is expected to diminish over the year.

As stated in announcement no. 36, the company has embarked on negotiations concerning the acquisition of Eltomont Sp. z o.o. Due diligence is currently being carried out and the acquisition is expected to be completed before the end of Q3.

P/F Solar Føroyar

Solar Føroyar maintains its positive development, albeit at a lower growth rate. Efforts are continually being employed to establish sales in the plumbing and sanitation area.

Aurora Group

Decreasing private consumption, which has also hit the Nordic market for consumer electronics, has had a negative impact on Q2 revenue from accessories for consumer electronics. Furthermore, H1 revenue was also negatively affected by inventory reductions performed by many customers in anticipation of reduced revenues in retail.

During H2, the company will be designing a number of shops following a multi-annual agreement with a major customer in Sweden.

The decision concerning the location of a new central warehouse has been postponed until the spring of 2009.

EXPECTATIONS FOR 2008

Uncertainty concerning market developments over the next quarters did not lessen during Q2. The combination of increasing inflation, increasing interest rates, the financial crisis and, in some markets, decreasing house prices, is a challenge. Consequently, there is significant uncertainty about the future development.

Group report

Nevertheless, we expect reduced, but continually positive organic growth during H2. The strong focus on new business areas and geographical expansion is generating revenue growth whilst, at the same time, having a short-term negative impact on earnings. Generally decreasing growth combined with the major changes in the electricity sector is expected to intensify the competitive situation in near future.

In addition, we see the negative effects of the development in individual companies – in particular our Norwegian subsidiary. Continually high freight costs will also have a negative impact on the group's net profit for 2008.

As a consequence of the above, expectations for 2008 have been downgraded from revenue of € 1,500m to € 1,475m. The expectations for EBITA have been reduced to € 73m against the previously expected €86m. The impact of the possible acquisitions of Eltomont Sp. z o.o. and Vegro B.V. has not been included in the expectations for 2008.

SOLAR'S SHARES

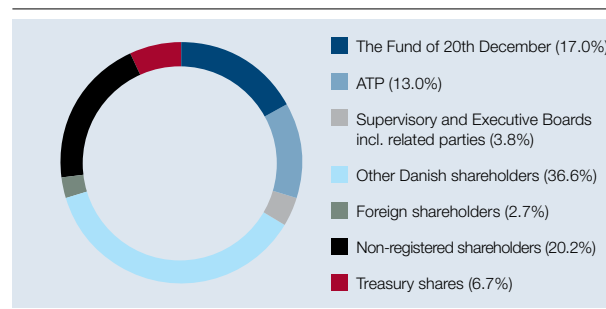
Solar's share capital is composed of nominally € 12.1m A shares and nominally € 85.6m B shares.

As at 30 June 2008, the following shareholders had registered ownership shares or voting rights of 5% or more of the total share capital:

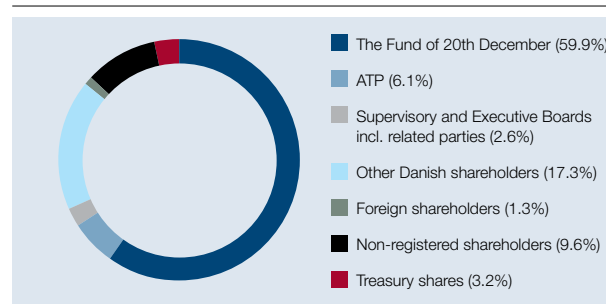
Ownership and voting rights

	Shares	Votes
The Fund of 20 th December, Kolding	17.0%	59.9%
Arbejdsmarkedets Tillægspension, Hillerød	13.0%	6.1%
Solar A/S, Kolding	6.7%	3.2%

Distribution of share capital as at 30 June 2008



Distribution of votes as at 30 June 2008



Treasury shares

Since December 2007, Solar has implemented three share buy-back programmes of up to € 13.4m. The most recent share buy-back programme was completed on 22 May 2008. In addition to the share buy-back programmes, Solar purchased treasury shares for € 4.0m in April 2008.

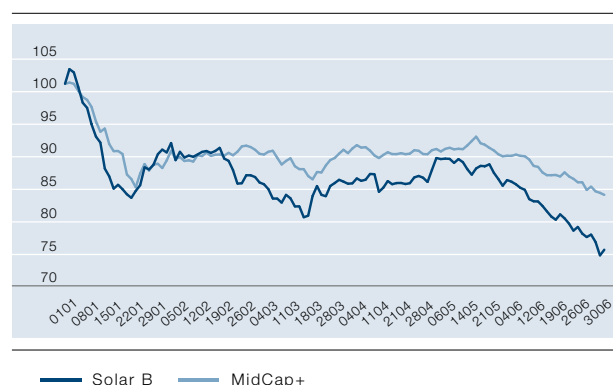
As at 30 June 2008, Solar's portfolio of treasury shares totalled 486,445 B shares equating to 6.7% of the share capital. The portfolio of treasury shares is maintained as a cash reserve for possible future acquisitions and to cover the option programme or a reduction of the share capital. At the Annual General Meeting in April 2009, it will be proposed that 364,120 shares be cancelled, equating to 5% of the share capital.

“For 2008, Solar expects revenue of € 1,475m and EBITA of € 73m.”

Price development

As at 30 June, the price of Solar's B share was DKK 372 against DKK 554 at the beginning of the year.

Share price development (index)



25.03	22	Notice of general meeting
25.03	20	Share buy-back in Solar A/S
17.03	19	Share buy-back in Solar A/S
11.03	17	Launch of a new share buy-back programme
11.03	16	Annual Report 2007
05.03	15	Share buy-back in Solar A/S
05.03	14	Change of financial calendar 2008
03.03	13	Share buy-back in Solar A/S
25.02	12	Establishment of option plan for leading employees in Solar A/S
25.02	11	Results for 2007 and new expectations for 2008
25.02	10	Share buy-back in Solar A/S
18.02	9	Share buy-back in Solar A/S
11.02	8	Share buy-back in Solar A/S
04.02	7	Share buy-back in Solar A/S
28.01	6	Share buy-back in Solar A/S
24.01	5	New Chief Executive Director in Aurora Group
21.01	4	Share buy-back in Solar A/S
14.01	3	Share buy-back in Solar A/S
07.01	2	New Corporate IT Director in Solar A/S
07.01	1	Share buy-back in Solar A/S

Financial calendar 2008

21 October – 18 November	IR quiet period
18 November	Quarterly report Q3 2008

The presentation of the Q2 2008 report will be transmitted online from OMX The Nordic Exchange Copenhagen on 20 August 2008 at 11:00 CET and is available at www.solar.eu.

Announcements 2008 excl insider announcements

Date	No.	Announcement
23.05	41	Quarterly report Q1 2008
23.05	40	Share buy-back in Solar A/S
19.05	39	Share buy-back in Solar A/S
13.05	38	Share buy-back in Solar A/S
05.05	37	Share buy-back in Solar A/S
28.04	36	Solar A/S' Polish subsidiary, Solar Polska Sp. z o.o., has started negotiations concerning the acquisition of an electrical wholesaler
25.04	35	Launch of a new share buy-back programme
24.04	34	Purchase of treasury shares
23.04	33	Purchase of treasury shares
22.04	31	Purchase of treasury shares
17.04	30	Purchase of treasury shares
16.04	29	Purchase of treasury shares
11.04	28	Applicable articles of association
11.04	27	Course of the General Meeting of Solar A/S
11.04	26	Share buy-back in Solar A/S
07.04	25	Share buy-back in Solar A/S
31.03	24	Issue of options to leading employees in Solar A/S
31.03	23	Share buy-back in Solar A/S

ACCOUNTING POLICIES

The quarterly report for Solar A/S has been prepared in accordance with IAS 34 "Presentation of interim reports" as approved by the EU and additional Danish disclosure requirements for quarterly reports of listed companies.

The accounting policies remain unchanged from Annual Report 2007 which contains a full description of the accounting policies on pages 44-50.

Key items in the accounts are based on annual contracts, etc. A prudent assessment of the current year's activities was undertaken during the preparation of the quarterly report.

In the quarterly report, corporation tax has been calculated on the basis of pre-tax profits at the expected average tax rate. No assessment of the taxable income for the period has been made.

No audit or review of the quarterly report has been conducted.

Management's statement

Today, the Supervisory Board and the Executive Board discussed and approved the report for Q2 2008 for Solar A/S.

The quarterly report, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish disclosure requirements for quarterly reports of listed companies.

It is our opinion that the quarterly report gives a true and fair view of the group's assets, equity and liabilities and financial position as at 30 June 2008 and of the result of the group's activities and cash flow for H1 2008.

Furthermore, it is our opinion that the group report contains a true statement of the development in the group's activities and financial situation, the result for the period and a description of the most significant risks and uncertainties the group is faced with.

Kolding, 20 August 2008

Executive Board

Flemming H. Tomdrup
CEO

Supervisory Board

Jens Borum
(Chairman)

Peter Falkenham
(Vice-Chairman)

Kent Arentoft

Niels Borum

Remy Cramer

Bent H. Frisk

Preben Jessen

Aase Kofoed

Carsten H. Ørssleff

Income statement

Consolidated

€ million	Q2		H1		Year
	2008	2007	2008	2007	2007
Revenue	377.5	333.6	738.3	653.0	1,367.2
Cost of sales	-300.5	-261.5	-582.8	-509.9	-1,072.7
Gross profit	77.0	72.1	155.5	143.1	294.5
External operating costs	-15.8	-13.5	-32.4	-27.4	-55.2
Staff costs	-43.6	-40.4	-87.2	-77.4	-152.2
Loss on trade receivables	-0.5	-0.3	-1.5	-0.8	-1.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)	17.1	17.9	34.4	37.5	85.4
Depreciation on property, plant and equipment	-2.2	-2.0	-4.2	-4.1	-8.1
Earnings before interest, tax and amortisation (EBITA)	14.9	15.9	30.2	33.4	77.3
Amortisation of intangible assets	-1.7	-1.5	-3.4	-2.7	-6.1
Operating profit before special items	13.2	14.4	26.8	30.7	71.2
Special items, net	0.0	0.0	0.0	0.0	0.0
Earnings before interest and tax (EBIT)	13.2	14.4	26.8	30.7	71.2
Financial income	1.1	1.0	2.1	2.4	4.9
Financial costs	-2.8	-2.4	-5.6	-4.3	-10.5
Earnings before tax (EBT)	11.5	13.0	23.3	28.8	65.6
Corporation tax	-3.3	-3.4	-6.8	-8.1	-18.1
Net profit for the period	8.2	9.6	16.5	20.7	47.5
Earnings in € per share outstanding (EPS)	1.20	1.38	2.40	2.97	6.82
Diluted earnings in € per share outstanding (EPS-D)	1.20	1.38	2.40	2.97	6.82

Balance sheet

Consolidated

€ million	As at 30 June		At year-end
	2008	2007	2007
ASSETS			
Intangible assets	47.1	54.6	50.5
Property, plant and equipment	127.6	125.2	125.7
Investments	0.7	1.6	0.7
Fixed assets	175.4	181.4	176.9
Inventories	155.4	152.0	154.7
Trade receivables	224.8	225.2	196.9
Corporation tax receivable	6.6	4.6	2.2
Other receivables and prepayments	7.8	7.0	7.4
Cash at bank and in hand	3.6	4.3	4.7
Current assets	398.2	393.1	365.9
Total assets	573.6	574.5	542.8
EQUITY AND LIABILITIES			
Share capital	97.7	97.9	97.7
Reserves	1.0	-1.1	-0.1
Retained earnings	120.8	105.9	113.8
Proposed dividend	0.0	0.0	17.6
Equity	219.5	202.7	229.0
Interest-bearing liabilities	73.5	85.0	77.4
Provision for pension obligations	3.9	4.6	3.9
Provision for deferred tax	15.6	14.1	15.2
Other provisions	0.0	0.0	0.0
Non-current liabilities	93.0	103.7	96.5
Interest-bearing liabilities	96.5	111.0	74.3
Trade payables	115.7	104.5	95.7
Corporation tax payable	8.5	11.4	4.3
Other payables and prepayments	40.2	40.3	42.8
Other provisions	0.2	0.9	0.2
Current liabilities	261.1	268.1	217.3
Liabilities	354.1	371.8	313.8
Total equity and liabilities	573.6	574.5	542.8

Statement of changes in equity / Treasury shares

Consolidated

€ million	Q2		H1		Year
	2008	2007	2008	2007	2007
STATEMENT OF CHANGES IN EQUITY					
Equity at the beginning of the period	231.9	206.9	229.0	196.4	196.4
Foreign currency translation adjustment at the beginning of the period	0.0	0.0	0.0	0.0	0.0
Foreign currency translation adjustment of foreign subsidiaries	0.7	1.5	0.5	0.9	0.4
Value adjustment of hedging instruments before tax	2.6	0.6	1.6	0.6	1.1
Tax of value adjustments	-0.6	0.0	-0.7	0.0	-0.1
Net income recognised directly in equity	2.7	2.1	1.4	1.5	1.4
Net profit for the period	8.2	9.6	16.5	20.7	47.5
Total income for the period	10.9	11.7	17.9	22.2	48.9
Distribution of dividend	-17.6	-15.9	-17.6	-15.9	-15.9
Purchase of treasury shares	-5.9	0.0	-10.0	0.0	-0.4
Additional dividend from treasury shares	0.2	0.0	0.2	0.0	0.0
Other movements	-23.3	-15.9	-27.4	-15.9	-16.3
Equity at the end of the period	219.5	202.7	219.5	202.7	229.0
which can be specified as follows:					
Share capital	97.7	97.9	97.7	97.9	97.7
Reserves	1.0	-1.1	1.0	-1.1	-0.1
Retained earnings	120.8	105.9	120.8	105.9	113.8
Proposed dividend	0.0	0.0	0.0	0.0	17.6
Equity at the end of the period	219.5	202.7	219.5	202.7	229.0
TREASURY SHARES					
Holding at the beginning of the period in number of shares	389,795	318,420	323,420	318,420	318,420
Purchase in the period	96,650	0	163,025	0	5,000
Sale in the period	0	0	0	0	0
Holding at the end of the period in number of shares	486,445	318,420	486,445	318,420	323,420
Holding at the end of the period in %	6.7	4.4	6.7	4.4	4.5
Acquisition cost at the beginning of the period	20.4	15.9	16.2	15.9	15.9
Purchase in the period	5.9	0.0	10.0	0.0	0.4
Sale in the period	0.0	0.0	0.0	0.0	0.0
Foreign currency translation adjustment in the period	-0.1	0.0	0.0	0.0	-0.1
Acquisition cost at the end of the period	26.2	15.9	26.2	15.9	16.2
Nominal value at the end of the period	6.6	4.3	6.6	4.3	4.4
Market value at the end of the period	24.2	31.9	24.2	31.9	24.0

The holding of treasury shares is maintained as a cash reserve in connection with any future acquisition of enterprises, for hedging of a share option plan or a reduction of the share capital.

In compliance with authority granted at the general meeting, the company can acquire up to 10% treasury shares until the annual general meeting in 2009.

All treasury shares are held by the parent company.

Cash flow statement

Consolidated

€ million	Q2		H1		Year
	2008	2007	2008	2007	2007
Net profit for the period	8.2	9.6	16.5	20.7	47.5
Depreciation and amortisation	3.9	3.5	7.6	6.8	14.2
Change in provisions and other adjustments	0.1	-0.7	0.0	-0.7	-1.1
Financials, net	1.7	1.4	3.5	1.9	5.6
Corporation tax	3.3	3.4	6.8	8.1	18.1
Financials, net, paid	-1.7	-1.4	-3.5	-1.9	-6.0
Corporation tax paid	-2.5	-3.8	-7.0	-6.7	-20.0
Cash flow before change in working capital	13.0	12.0	23.9	28.2	58.3
Change in inventories	0.6	-6.8	-0.7	-1.6	-4.2
Change in receivables	-13.6	-23.7	-28.3	-46.8	-15.5
Change in non-interest-bearing liabilities	1.0	10.1	17.4	26.6	16.0
Cash flow from operating activities	1.0	-8.4	12.3	6.4	54.6
Net investments in intangible assets	0.0	0.0	0.0	0.0	0.0
Net investments in property, plant and equipment	-3.0	-4.4	-6.0	-9.6	-13.8
Net investments in other investments	0.0	0.0	0.0	0.0	0.9
Acquisition of subsidiaries	0.0	-46.4	0.0	-46.4	-46.4
Cash flow from investing activities	-3.0	-50.8	-6.0	-56.0	-59.3
Raising of non-current interest-bearing liabilities	0.0	52.7	0.0	52.7	51.5
Repayment of non-current interest-bearing liabilities	-2.5	-2.5	-3.9	-4.3	-10.7
Dividend paid	-17.6	-15.9	-17.6	-15.9	-15.9
Purchase and sale of treasury shares	-5.9	0.0	-10.0	0.0	-0.4
Other items	2.8	0.6	1.7	0.6	1.0
Cash flow from financing activities	-23.2	34.9	-29.8	33.1	25.5
Total cash flow	-25.2	-24.3	-23.5	-16.5	20.8
Cash at the beginning of the period	-68.3	-83.4	-69.6	-91.4	-91.4
Taken over in connection with acquisition of subsidiaries	0.0	0.0	0.0	0.0	0.0
Foreign currency translation adjustments	0.6	1.0	0.2	1.2	1.0
Cash at the end of the period	-92.9	-106.7	-92.9	-106.7	-69.6
Cash at the end of the period					
Cash at bank and in hand	3.6	4.3	3.6	4.3	4.7
Current interest-bearing liabilities	-96.5	-111.0	-96.5	-111.0	-74.3
Cash at the end of the period	-92.9	-106.7	-92.9	-106.7	-69.6

Acquisition of subsidiaries

Consolidated

H1 2008

No subsidiaries have been acquired or divested in the period.

H1 2007

As at 1 May 2007, Solar Sverige AB acquired 100% of the share capital and voting rights in the Swedish enterprise Alvesta V.V.S. - Material AB. Please refer to note 27 in the consolidated accounts in Annual Report 2007 for further details concerning the acquisition.

2007

As at 1 May 2007, Solar Sverige AB acquired 100% of the share capital and voting rights in the Swedish enterprise Alvesta V.V.S. - Material AB. Please refer to note 27 in the consolidated accounts in Annual Report 2007 for further details concerning the acquisition.

Quarterly figures

Consolidated

	Q1		Q2		Q3		Q4	
	2008	2007	2008	2007	2007	2006	2007	2006
Financial and operating data for the income statement (€ million)								
Revenue	360.8	319.4	377.5	333.6	335.9	256.1	378.3	307.2
Earnings before interest, tax and amortisation (EBITA)	15.3	17.5	14.9	15.9	20.7	19.4	23.2	18.6
Operating profit before special items	13.6	16.3	13.2	14.4	19.0	19.4	21.5	18.3
Special items, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Earnings before interest and tax (EBIT)	13.6	16.3	13.2	14.4	19.0	19.4	21.5	18.2
Financials, net	-1.8	-0.5	-1.7	-1.4	-1.3	-0.7	-2.4	-0.6
Earnings before tax (EBT)	11.8	15.8	11.5	13.0	17.7	18.7	19.1	17.6
Net profit for the quarter	8.3	11.1	8.2	9.6	12.7	13.5	14.1	11.8
Earnings per share in € per share outstanding (EPS)	1.20	1.59	1.20	1.38	1.82	1.94	2.03	1.68
Earnings excl amortisation per share in € per share outstanding	1.44	1.77	1.45	1.59	2.07	1.94	2.27	1.74
Financial and operating data for the balance sheet (€ million)								
Total assets	562.2	483.7	573.6	574.5	580.5	422.3	542.8	464.7
Net investments in property, plant and equipment	3.0	5.2	3.0	4.4	0.4	5.4	3.8	2.2
Share capital outstanding	92.4	93.5	91.1	93.6	93.4	93.4	93.3	93.4
Equity	231.9	206.9	219.5	202.7	216.8	183.6	229.0	196.4
Interest-bearing liabilities	150.1	124.8	170.0	196.0	184.7	97.5	151.7	133.8
Financial and operating data for cash flow (€ million)								
Cash flow from operating activities	11.3	14.8	1.0	-8.4	13.1	15.9	35.1	0.9
Cash flow from investing activities	-3.0	-5.2	-3.0	-50.8	0.5	-5.0	-3.8	-27.3
Cash flow from financing activities	-6.6	-1.8	-23.2	34.9	-2.4	16.7	-5.2	-2.3
Financial ratios (% unless otherwise stated)								
Revenue growth	13.0	25.8	13.2	29.7	31.2	16.3	23.1	20.1
Organic growth	6.7	18.1	10.4	17.9	16.3	16.5	10.2	17.9
Earnings before interest, tax and amortisation (EBITA)	4.2	5.5	3.9	4.8	6.2	7.6	6.1	6.1
Earnings before interest and tax (EBIT)	3.8	5.1	3.5	4.3	5.7	7.6	5.7	5.9
Operating margin	2.3	3.5	2.2	2.9	3.8	5.3	3.7	3.8
Return on equity (ROE)	14.4	22.0	14.5	18.8	24.2	30.4	25.3	24.8
Return on equity (ROE) excl amortisation	17.4	24.4	17.5	21.7	27.5	30.4	28.4	25.5
Return on invested capital (ROIC)	9.7	13.7	9.3	10.3	13.2	19.8	16.1	14.6
Return on invested capital (ROIC) excl amortisation	11.5	15.2	11.0	11.8	14.8	19.8	17.8	15.0
EV/EBITA	9.1	11.3	8.5	14.0	9.3	8.3	7.2	10.6
Equity ratio	41.2	42.8	38.3	35.3	37.3	43.5	42.2	42.3
Intrinsic value in € per share outstanding	33.6	29.7	32.3	29.1	31.1	26.4	32.9	28.2
Share price in €	59.7	97.2	49.8	100.3	85.1	80.1	74.3	95.5
Share price/intrinsic value	1.77	3.27	1.54	3.44	2.73	3.04	2.26	3.39
Share price in DKK	445	725	372	746	634	597	554	712
Employees								
Average number of employees (FTE)	2,786	2,515	2,861	2,646	2,712	2,267	2,764	2,409

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