solar

stronger together

Q3 / 2008

Contents

The report for Q3 2008 for Solar A/S CVR no. 15 90 84 16 was published in Danish and English on 18 November 2008 via NASDAQ OMX Copenhagen. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

Financial highlights
Consolidated

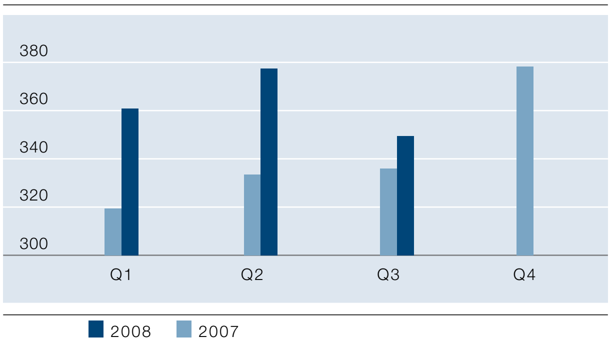
	Q3		Q1 - Q3		Year
	2008	2007	2008	2007	2007
Financial and operating data for income statement (€ million)					
Revenue	349.4	335.9	1,087.7	988.9	1,367.2
Earnings before interest, tax and amortisation (EBITA)	18.4	20.7	48.6	54.1	77.3
Earnings before interest and tax (EBIT)	16.7	19.0	43.5	49.7	71.2
Items under financial income and expenses, net	-2.4	-1.3	-5.9	-3.2	-5.6
Earnings before tax (EBT)	14.3	17.7	37.6	46.5	65.6
Net profit for the period	10.0	12.7	26.5	33.4	47.5
Earnings per share in € per share outstanding (EPS)	1.48	1.82	3.88	4.79	6.82
Earnings excl amortisation per share in € per share outstanding	1.73	2.07	4.62	5.43	7.70
Financial and operating data for balance sheet (€ million)					
Total assets	564.1	580.5	564.1	580.5	542.8
Net investments in property, plant and equipment	0.4	0.4	6.4	10.0	13.8
Share capital outstanding	90.0	93.4	90.0	93.4	93.3
Equity	221.2	216.8	221.2	216.8	229.0
Interest-bearing liabilities	161.6	184.7	161.6	184.7	151.7
Financial and operating data for cash flow (€ million)					
Cash flow from operating activities	19.1	13.1	31.4	19.5	54.6
Cash flow from investing activities	-0.6	0.5	-6.6	-55.5	-59.3
Cash flow from financing activities	-9.0	-2.4	-38.8	30.7	25.5
Financial ratios (% unless otherwise stated)					
Revenue growth	4.0	31.2	10.0	28.9	27.2
Organic growth	4.7	16.3	7.3	17.4	15.3
Earnings before interest, tax and amortisation (EBITA)	5.3	6.2	4.5	5.5	5.7
Earnings before interest and tax (EBIT)	4.8	5.7	4.0	5.0	5.2
Operating margin	2.9	3.8	2.4	3.4	3.5
Return on equity (ROE)	18.2	24.2	15.7	21.6	22.3
Return on equity (ROE) excl amortisation	21.2	27.5	18.7	24.4	25.2
Return on invested capital (ROIC)	11.8	13.2	10.3	11.5	13.1
Return on invested capital (ROIC) excl amortisation	13.6	14.8	12.1	12.9	14.7
EV/EBITA	6.4	9.3	7.3	10.7	8.6
Equity ratio	39.2	37.3	39.2	37.3	42.2
Intrinsic value in € per share outstanding	32.9	31.1	32.9	31.1	32.9
Share price in €	46.4	85.1	46.4	85.1	74.3
Share price / Intrinsic value	1.41	2.73	1.41	2.73	2.26
Share price in DKK	346	634	346	634	554
Employees					
Average number of employees (FTE)	2,942	2,712	2,878	2,625	2,658

Outline

Q3 and Q1-Q3 2008

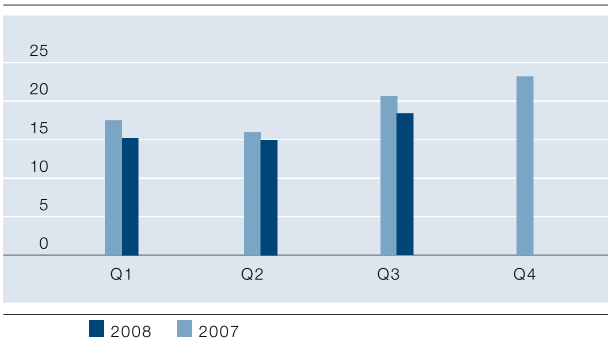
In Q3, revenue increased to € 349.4m, equating to an increase of 4.0%. For the first nine months in total, revenue increased by € 98.8m to € 1,087.7m, i.e. an increase of 10%. Organic growth amounted to 4.7% for Q3 and 7.3% for the first nine months of the year.

Revenue in € million



EBITA decreased by 11% in Q3 to € 18.4m. For Q1-Q3, EBITA totalled € 48.6m against € 54.1m for Q1-Q3 2007.

EBITA in € million



EBT decreased by 19% to € 14.3m in Q3, and net profit for the period decreased by 21% to € 10.0m.

For Q1-Q3 in total, pre-tax profit decreased by 19% to € 37.6m, and net profit for the period decreased by 21% to € 26.5m. Net profit per outstanding share for Q1-Q3 totalled € 3.88 against € 4.79 for Q1-Q3 2007.

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

Expectations for 2008 and 2009

In spite of great efforts within new business areas and our geographical expansion, the very long period of high organic growth is expected to end in Q4. This does not result from a loss of customers – quite the contrary – but is a result of the general uncertainty that has hit markets and the slowdown that affects new builds in particular in a number of countries. Consequently, staff reductions have been introduced in a number of subsidiaries to reduce cost levels. Continued high freight costs, which have been possible to compensate for only partly in Q3, will also affect group profit negatively for the remainder of 2008.

As a result, Solar downgrades the expectations for the 2008 revenue from € 1,530m to € 1,510m. EBITA expectations are reduced to € 68m against the previously expected € 75m.

There is great uncertainty about market development in 2009. At present, the duration of the financial crisis and the resulting effect on construction and industry cannot be assessed with any reasonable certainty. Consequently, expectations for revenue and earnings in 2009 will not be published until March 2009.

Strategic initiatives

Based on the company programme New Solar 2010, Q3 also focused on strategic initiatives within the three areas of Growth, Efficiency and People.

Geographical expansion continues with the opening of already planned branches in several countries and continued emphasis on acquisitions. Business development within current and new product areas continues to contribute positively to organic growth. The optimisation of net working capital is on schedule and improvements in Q3 fully meet the prescribed targets. To be able to support continued positive development of the group's business activities even better, the IT strategy has been redefined. A business case has been prepared based on New SGS (the group's joint ERP platform). On this basis, the decision has been made to transfer part of the group's in-house developed ERP system to SAP.

Group report

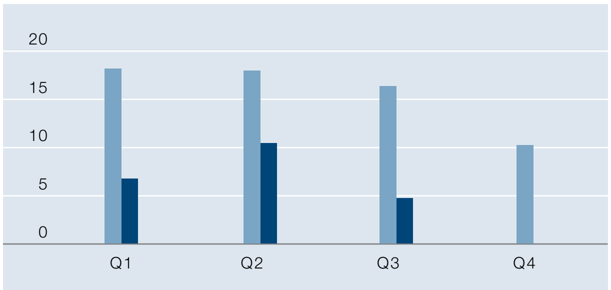
Q3 2008

Revenue

Revenue for the quarter increased by € 13.5m to € 349.4m, equating to 4.0% revenue growth. Organic growth amounted to 4.7%.

Organic growth development in % over the last seven quarters can be illustrated as follows:

Organic growth in %



2008 2007

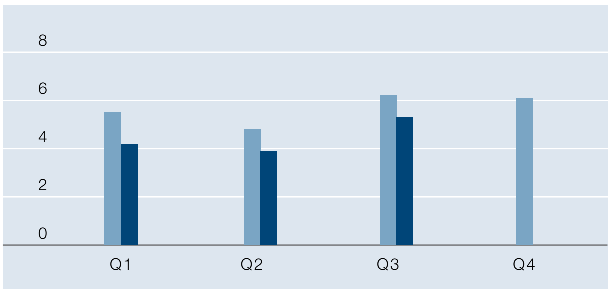
Revenue for Q3 was at the expected level.

EBITA

EBITA decreased by 11% to € 18.4m, i.e. 5.3% of revenue. Compared with Q3 2007, rising freight costs impacted EBITA in percentage of revenue negatively by 0.6 percentage points.

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

EBITA in % of revenue



2008 2007

EBT and net profit for the period

EBT in Q3 amounted to € 14.3m against € 17.7m for the corresponding period last year. Net profit for Q3 amounted to € 10.0m against € 12.7m last year.

Net profit failed to reach the expected level.

Net profit per share

Net profit per outstanding share for Q3 decreased by 19% to € 1.48.

Q1-Q3 2008

Revenue for the first nine months of 2008 increased by € 98.8m to € 1,087.7m, equating a revenue increase of 10%. Organic growth amounted to 7.3%.

Revenue distribution on subsidiaries was as follows:

	Revenue in € million		Organic growth in %*	
	Q1-Q3 2008	**Q1-Q3 2007**	**Q1-Q3 2008**	**Q1-Q3 2007**
Solar Danmark A/S	331.2	307.2	8	13
Solar Sverige AB	226.2	186.2	9	22
Solar Norge AS	182.8	155.9	16	42
Solar Nederland B.V.	165.4	160.6	3	8
Solar Deutschland GmbH	112.6	107.0	5	9
Solar Suomi Oy	15.2	16.6	-8	-3
Solar Polska Sp. z o.o.	17.0	15.8	-3	35
P/F Solar Føroyar	4.8	4.2	14	35
Aurora Group	39.8	42.4	-6	16
Eliminations	-7.3	-7.0		
Total	**1,087.7**	**988.9**	**7**	**17**

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

EBITA declined by 10% to € 48.6m, i.e. 4.5% of revenue. Compared with the corresponding period in 2007, rising freight costs alone impacted EBITA in percentage of revenue negatively by 0.5 percentage points.

EBT decreased by 19% to € 37.6m, equating 3.5% of revenue. Net profit for the period decreased by 21% to € 26.5m.

In Q1-Q3 2008, net profit was affected by amortisation of € 5.1m against € 4.4m in Q1-Q3 2007. Adjusted for amortisation, both pre-tax profit and net profit for the period decreased by 16%.

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

Investments

In 2007, construction of a new Norwegian administration building adjacent to the central warehouse in Gardermoen began. As expected, the building was commissioned in Q3 2008. Extension of the administration building in Vejen, Denmark, has begun. The building is expected to be commissioned in Q3 2009.

The first nine months of the year saw net investments in property, plant and equipment of € 6.4m.

Cash flow

Cash flow from operating activities totalled € 31.4m for the period against € 19.5m for Q1-Q3 2007. Long-term efforts to reduce net working capital are proceeding according to plan. As at 30 September 2008, net working capital amounted to 18.2% of the expected revenue for 2008 against 20.6% as at 30 September 2007.

Cash flow from investing activities totalled € -6.6m for Q1-Q3 2008 against € -55.5m for Q1-Q3 2007.

Cash flow from financing activities totalled € -38.8m against € 30.7m for Q1-Q3 2007. In the first nine months of 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 € 14.0m.

In connection with the acquisition of Vegro B.V. in October 2008, long-term debt of € 54m has been contracted, and Solar A/S has provided property as security for € 35m of this debt.

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, Q3 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 are also making great efforts to increase the share of E-business orders.

Efficiency

To be able to support continued positive development of the group's business activities even better, the IT strategy has been redefined. A business case has been prepared based on New SGS (the group's joint ERP platform). On this basis, a decision has been made to move part of the group's ERP functions to SAP. The change-over to New SGS will be implemented over the next 3-4 years. Total investments are expected to amount to up to € 40m distributed over a 3-year period with the main costs in 2009 and 2010. When fully implemented throughout the group, the change-over to New SGS is expected to increase EBITDA by € 8-10m annually.

The optimisation of net working capital follows the predetermined plans and the substantial improvements fully meet expectations.

People

Solar maintains increased focus on employees through the mapping of competences. The objective is for all employee competences to be mapped against the defined job com-

Group report

petences by the end of 2009. At group level, the mapping of competences will form the basis of an even more efficient utilisation of existing competences and training.

STATUS ON THE DEVELOPMENT IN THE INDIVIDUAL SUBSIDIARIES

Solar Danmark A/S

The activity level in the Danish market is now very low within housing construction and decreasing within industrial construction, which the enterprise noted at the end of the quarter particularly.

During the past couple of years, a number of business development initiatives have been taken within areas that are independent of new build activities. These activities help to alleviate the effect of the negative growth expected in Q4.

Extension of the administration building in Vejen is proceeding according to schedule. The building is expected to be commissioned in Q3 2009.

The implementation of Lean proceeds on schedule and means continuous increased efficiency, quality and employee satisfaction.

Solar Sverige AB

In Q3, the enterprise 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. With the basis for continued growth in place, we will now focus further on strengthening earnings as planned.

The last of two combined electricity, plumbing and sanitation branches has opened in Stockholm. Combined electricity, plumbing and sanitation branches will open in Malmø and Karlstad before the end of Q4.

Within electricity, improvement of earnings has been the primary focus area for some time. Declining growth reported at the end of Q2 has continued.

Anders Gärdström joined Solar in the beginning of October. Anders Gärdström will take up the position of CED as at 1 January 2009. The current CED of the enterprise will remain with Solar part-time in a new role with special focus on development of plumbing and sanitary activities.

The implementation of Lean continues with very satisfactory results.

Solar Norge AS

The general activity level remains relatively high.

Organic growth was at the expected level. In Q2, the enterprise initiated a restructuring plan which involves staff reductions and strengthening of the gross profit. Both revenue and earnings meet the targets established in the restructuring plan.

As planned, the new administration building in Gardermoen has been commissioned, meaning that all central functions and the central warehouse are now located at one single address in Gardermoen.

Solar Nederland B.V.

The activity level in the market remains at a relatively high level.

As stated in announcement no. 52, the enterprise has acquired Vegro B.V. The Post Merger Integration (PMI) plan for the integration has been initiated. Vegro is expected to be fully integrated by the end of 2010. As a result of the acquisition of Vegro, the planned geographical expansion within the plumbing and sanitation area is stopped as far as Solar Nederland is concerned.

Implementation of the group's SGS (IT/ERP) systems was carried out as planned at the end of Q3. The Dutch organisation was supported by 25 super users from the group's other subsidiaries and 30 persons from the corporate IT and process development departments. This ensured a successful change-over to the SGS platform used also in Denmark, Sweden, Norway and Finland.

Solar Deutschland GmbH

After having performed only moderately over the summer, the subsidiary is now experiencing more positive development.

The geographical expansion of the enterprise is on schedule with the opening of branches in Magdeburg, Hamelin and Uelzen, meaning that we have gotten off to a good start from a business point of view. We have carried out extensive activities to integrate the many new employees in the enterprise.

Solar Suomi Oy

General development is affected by a marked slowdown in exports in addition to weak demand for new housing. Still, the subsidiary has managed to increase revenue in Q3.

Solar Polska Sp. z o.o.

Developments in the market were generally negative in Q3 but this must be compared to a very high activity level a year ago. This has increased competition further, which reduced earnings in Q3. Technical wholesalers such as Solar perform better than the general wholesalers who only focus on construction activities. The market situation is expected to remain unchanged for the remainder of the year.

In Q3 the enterprise opened two new branches in Tarnów and Bydgoszcz.

As stated in announcement no. 51, Solar Polska Sp. z o.o. has acquired technical wholesaler Eltomont Sp. z o.o. The Post Merger Integration (PMI) plan has been initiated, and Eltomont Sp. z o.o. is expected to be fully integrated by the end of 2009.

P/F Solar Føroyar

Solar Føroyar saw declining growth in Q3 as expected.

Aurora Group

Decreasing private consumption, which has also hit the Nordic market for consumer electronics, has had a negative impact on revenue from accessories for consumer electronics. In spite of the start-up of deliveries to a new chain in Q3, the enterprise recorded a drop in revenue – the Norwegian market was especially disappointing.

The decision about the location of the new central warehouse has been postponed until the beginning of 2009.

EXPECTATIONS FOR 2008 AND 2009

There is uncertainty about market development for the remainder of 2008 and for 2009. The group continues to work at a relatively high level of activity.

Great efforts within new business areas and our geographical expansion create revenue growth but affect performance negatively in the short term. Under the current market conditions, the very long period of high organic growth is expected to end in Q4 2008 when we expect slightly negative organic growth. Continually high freight costs will also have a negative impact on the group's net profit for the remainder of 2008 and probably also for some part of 2009.

As a consequence of general market trends, staff reductions have been introduced to adjust costs to the new situation. When this reduction has been fully completed during 2009, it will result in annual savings of € 12m.

As a result, Solar downgrades the expectations for 2008 from € 1,530m to € 1,510m. EBITA expectations are reduced to € 68m against the previously expected € 75m. Expectations for 2008 include the effect of the acquisitions of both Eltomont Sp. z o.o. and Vegro B.V.

At present, the duration of the financial crisis and its effects on construction, industry and raw material prices cannot be assessed with any reasonable certainty. Consequently, expectations for 2009 revenue and earnings will not be published until March 2009.

Group report

SOLAR'S SHARES

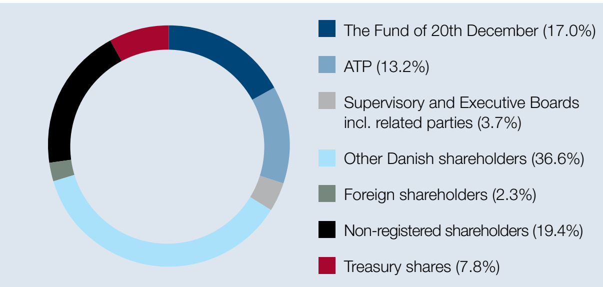
Solar's share capital is composed of nominally € 12.1m A shares and nominally € 85.5m B shares.

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

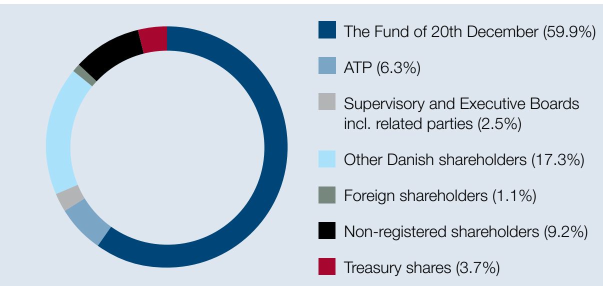
Ownership and voting rights

	Shares	Votes
The Fund of 20th December, Kolding	17.0%	59.9%
Arbejdsmarkedets Tillægspension, Hillerød	13.2%	6.3%
Solar A/S, Kolding	7.8%	3.7%

Distribution of share capital as at 30 September 2008



Distribution of votes as at 30 September 2008



Treasury shares

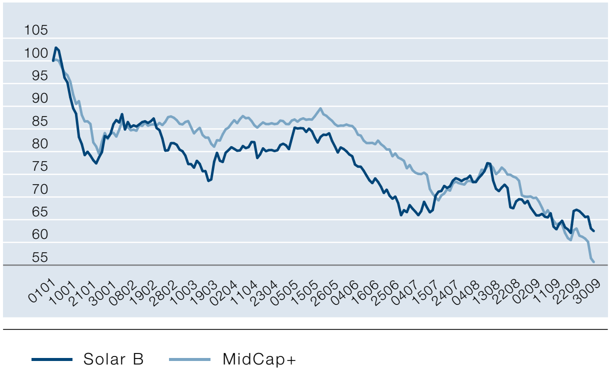
Since December 2007, Solar has purchased treasury shares for € 6.3m through three share buy-back programmes. The most recent share buy-back programme was completed on 22 May 2008. In addition to the share buy-back programmes, Solar purchased treasury shares for € 8.0m in April and September 2008.

As at 30 September 2008, Solar's portfolio of treasury shares totalled 568,220 B shares, equating to 7.8% of the share capital.

Price development

As at 30 September 2008, the price of Solar's B share was DKK 346 against DKK 554 at the beginning of the year.

Share price development (index)



Financial calendar 2009

12 February – 12 March	IR quiet period
12 March	Annual Report 2008
17 April	Annual general meeting
22 April – 20 May	IR quiet period
20 May	Quarterly report Q1 2009
24 July – 21 August	IR quiet period
21 August	Quarterly report Q2 2009
21 October – 18 November	IR quiet period
18 November	Quarterly report Q3 2009

The presentation of Annual Report 2008 will be transmitted online from NASDAQ OMX Copenhagen A/S on 12 March 2009 at 11:00 CET and will be available at www.solar.eu.

Announcements 2008 excl insider announcements

Date	No.	Announcement
30.09	50	Solar Nederland B.V. now expects clarification of the acquisition of the Dutch HWS wholesaler Vegro B.V. by mid-October
15.09	48	Purchase of treasury shares
10.09	47	Purchase of treasury shares
26.08	45	Financial calendar 2009 for Solar A/S
20.08	44	Quarterly report Q2 2008
05.08	43	New CED appointed in Solar Sverige AB
30.07	42	Solar Nederland B.V. has entered into negotiations concerning the acquisition of Vegro B.V.
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
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

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 quarterly report for Q3 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 September 2008 and of the result of the group's activities and cash flow for Q1-Q3 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 of the group's financial position as a whole and a description of the most significant risks and uncertainties the group is faced with.

Kolding, 18 November 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	Q3 2008	Q3 2007	Q1 - Q3 2008	Q1 - Q3 2007	Year 2007
Revenue	**349.4**	**335.9**	**1,087.7**	**988.9**	**1,367.2**
Cost of sales	-276.5	-264.2	-859.3	-774.1	-1.072.7
Gross profit	**72.9**	**71.7**	**228.4**	**214.8**	**294.5**
External operating costs	-13.5	-12.7	-45.9	-40.1	-55.2
Staff costs	-37.9	-35.2	-125.1	-112.6	-152.2
Loss on trade receivables	-0.9	-1.0	-2.4	-1.8	-1.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**20.6**	**22.8**	**55.0**	**60.3**	**85.4**
Depreciation on property, plant and equipment	-2.2	-2.1	-6.4	-6.2	-8.1
Earnings before interest, tax and amortisation (EBITA)	**18.4**	**20.7**	**48.6**	**54.1**	**77.3**
Amortisation of intangible assets	-1.7	-1.7	-5.1	-4.4	-6.1
Operating profit before special items	**16.7**	**19.0**	**43.5**	**49.7**	**71.2**
Special items, net	0.0	0.0	0.0	0.0	0.0
Earnings before interest and tax (EBIT)	**16.7**	**19.0**	**43.5**	**49.7**	**71.2**
Financial income	1.1	1.5	3.2	3.9	4.9
Financial costs	-3.5	-2.8	-9.1	-7.1	-10.5
Earnings before tax (EBT)	**14.3**	**17.7**	**37.6**	**46.5**	**65.6**
Corporation tax	-4.3	-5.0	-11.1	-13.1	-18.1
Net profit for the period	**10.0**	**12.7**	**26.5**	**33.4**	**47.5**
Earnings in € per share outstanding (EPS)	1.48	1.82	3.88	4.79	6.82
Diluted earnings in € per share outstanding (EPS-D)	1.48	1.82	3.88	4.79	6.82

Balance sheet
Consolidated

€ million	As at 30 September 2008	2007	Year-end 2007
ASSETS			
Intangible assets	44.2	53.2	50.5
Property, plant and equipment	126.1	126.0	125.7
Investments	0.9	0.7	0.7
Fixed assets	**171.2**	**179.9**	**176.9**
Inventories	146.1	152.9	154.7
Trade receivables	227.0	230.3	196.9
Corporation tax receivable	8.9	5.7	2.2
Other receivables and prepayments	6.3	6.5	7.4
Cash at bank and in hand	4.6	5.2	4.7
Current assets	**392.9**	**400.6**	**365.9**
Total assets	**564.1**	**580.5**	**542.8**
EQUITY AND LIABILITIES			
Share capital	97.6	97.7	97.7
Reserves	-0.7	-1.2	-0.1
Retained earnings	124.3	120.3	113.8
Proposed dividend	0.0	0.0	17.6
Equity	**221.2**	**216.8**	**229.0**
Interest-bearing liabilities	70.8	82.8	77.4
Provision for pension obligations	3.8	4.6	3.9
Provision for deferred tax	14.4	14.3	15.2
Other provisions	0.0	0.0	0.0
Non-current liabilities	**89.0**	**101.7**	**96.5**
Interest-bearing liabilities	90.8	101.9	74.3
Trade payables	108.5	100.3	95.7
Corporation tax payable	12.7	16.4	4.3
Other payables and prepayments	41.9	43.4	42.8
Other provisions	0.0	0.0	0.2
Current liabilities	**253.9**	**262.0**	**217.3**
Liabilities	**342.9**	**363.7**	**313.8**
Total equity and liabilities	**564.1**	**580.5**	**542.8**

Statement of changes in equity / Treasury shares Consolidated

€ million	Q3 2008	Q3 2007	Q1 - Q3 2008	Q1 - Q3 2007	Year 2007
STATEMENT OF CHANGES IN EQUITY					
Equity at the beginning of the period	**219.5**	**202.7**	**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	-2.7	1.6	-2.2	2.5	0.4
Value adjustment of hedging instruments before tax	-2.3	-0.2	-0.7	0.4	1.1
Tax on value adjustments	0.7	0.0	0.0	0.0	-0.1
Net income recognised directly in equity	-4.3	1.4	-2.9	2.9	1.4
Net profit for the period	10.0	12.7	26.5	33.4	47.5
Total income for the period	**5.7**	**14.1**	**23.6**	**36.3**	**48.9**
Distribution of dividend	0.0	0.0	-17.6	-15.9	-15.9
Purchase of treasury shares	-4.0	0.0	-14.0	0.0	-0.4
Additional dividend from treasury shares	0.0	0.0	0.2	0.0	0.0
Other movements	**-4.0**	**0.0**	**-31.4**	**-15.9**	**-16.3**
Equity at the end of the period	**221.2**	**216.8**	**221.2**	**216.8**	**229.0**
which is specified as follows:					
Share capital	97.6	97.7	97.6	97.7	97.7
Reserves	-0.7	-1.2	-0.7	-1.2	-0.1
Retained earnings	124.3	120.3	124.3	120.3	113.8
Proposed dividend	0.0	0.0	0.0	0.0	17.6
Equity at the end of the period	**221.2**	**216.8**	**221.2**	**216.8**	**229.0**
TREASURY SHARES					
Holding at the beginning of the period in number of shares	**486,445**	**318,420**	**323,420**	**318,420**	**318,420**
Purchases in the period	81,775	0	244,800	0	5,000
Sales in the period	0	0	0	0	0
Holding at the end of the period in number of shares	**568,220**	**318,420**	**568,220**	**318,420**	**323,420**
Holding at the end of the period in%	**7.8**	**4.4**	**7.8**	**4.4**	**4.5**
Acquisition cost at the beginning of the period	26.2	15.9	16.2	15.9	15.9
Purchases in the period	4.0	0.0	14.0	0.0	0.4
Sales in the period	0.0	0.0	0.0	0.0	0.0
Foreign currency translation adjustment in the period	-0.1	0.0	-0.1	0.0	-0.1
Acquisition cost at the end of the period	**30.1**	**15.9**	**30.1**	**15.9**	**16.2**
Nominal value at the end of the period	**7.6**	**4.3**	**7.6**	**4.3**	**4.4**
Market value at the end of the period	**26.4**	**27.1**	**26.4**	**27.1**	**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 and a reduction of the share capital.

In compliance with authority granted at the general meeting, Solar 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	Q3 2008	Q3 2007	Q1 - Q3 2008	Q1 - Q3 2007	Year 2007
Net profit for the period	**10.0**	**12.7**	**26.5**	**33.4**	**47.5**
Depreciation and amortisation	3.9	3.8	11.5	10.6	14.2
Change in provisions and other adjustments	-0.1	0.1	-0.1	-0.6	-1.1
Financials, net	2.4	1.3	5.9	3.2	5.6
Corporation tax	4.3	5.0	11.1	13.1	18.1
Financials, net, paid	-1.9	-1.3	-5.4	-3.2	-6.0
Corporation tax paid	-2.4	-1.1	-9.4	-7.8	-20.0
Cash flow before change in working capital	**16.2**	**20.5**	**40.1**	**48.7**	**58.3**
Change in inventories	9.3	-0.8	8.6	-2.4	-4.2
Change in receivables	-0.7	-5.7	-29.0	-52.5	-15.5
Change in non-interest-bearing liabilities	-5.7	-0.9	11.7	25.7	16.0
Cash flow from operating activities	**19.1**	**13.1**	**31.4**	**19.5**	**54.6**
Net investments in intangible assets	0.0	0.0	0.0	0.0	0.0
Net investments in property, plant and equipment	-0.4	-0.4	-6.4	-10.0	-13.8
Net investments in other investments	-0.2	0.9	-0.2	0.9	0.9
Acquisition of subsidiaries	0.0	0.0	0.0	-46.4	-46.4
Cash flow from investing activities	**-0.6**	**0.5**	**-6.6**	**-55.5**	**-59.3**
Raising of non-current interest-bearing activities	0.0	0.0	0.0	51.5	51.5
Repayment of non-current interest-bearing liabilities	-2.7	-2.2	-6.6	-5.3	-10.7
Dividend paid	0.0	0.0	-17.6	-15.9	-15.9
Purchase and sale of treasury shares	-4.0	0.0	-14.0	0.0	-0.4
Other items	-2.3	-0.2	-0.6	0.4	1.0
Cash flow from financing activities	**-9.0**	**-2.4**	**-38.8**	**30.7**	**25.5**
Total cash flow	**9.5**	**11.2**	**-14.0**	**-5.3**	**20.8**
Cash at the beginning of the period	-92.9	-106.7	-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	-2.8	-1.2	-2.6	0.0	1.0
Cash at the end of the period	**-86.2**	**-96.7**	**-86.2**	**-96.7**	**-69.6**
Cash at the end of the period					
Cash at bank and in hand	4.6	5.2	4.6	5.2	4.7
Current interest-bearing liabilities	-90.8	-101.9	-90.8	-101.9	-74.3
Cash at the end of the period	**-86.2**	**-96.7**	**-86.2**	**-96.7**	**-69.6**

Acquisition of subsidiaries
Consolidated

Q1 - Q3 2008

No subsidiaries have been acquired or divested in the period Q1-Q3 2008.

As at 6 October 2008, Solar Polska Sp. z o.o. acquired 100% of the share capital and voting rights in the Polish enterprise Eltomont Sp. z o.o., see announcement no. 51.

As at 15 October 2008, Solar Nederland B.V. acquired 100% of the share capital and voting rights in the Dutch enterprise Vegro B.V., see announcement no. 52.

Q1 - Q3 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	2008	2007	2007	2006
Financial and operating data for the balance sheet (€ million)								
Revenue	360.8	319.4	377.5	333.6	349.4	335.9	378.3	307.2
Earnings before interest, tax and amortisation (EBITA)	15.3	17.5	14.9	15.9	18.4	20.7	23.2	18.6
Operating profit before special items	13.6	16.3	13.2	14.4	16.7	19.0	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	16.7	19.0	21.5	18.2
Financials, net	-1.8	-0.5	-1.7	-1.4	-2.4	-1.3	-2.4	-0.6
Earnings before tax (EBT)	11.8	15.8	11.5	13.0	14.3	17.7	19.1	17.6
Net profit for the quarter	8.3	11.1	8.2	9.6	10.0	12.7	14.1	11.8
Earnings per share in € per share outstanding	1.20	1.59	1.20	1.38	1.48	1.82	2.03	1.68
Earnings excl amortisation per share in € per share outstanding	1.44	1.77	1.45	1.59	1.73	2.07	2.27	1.74
Financial and operating data for the balance sheet (€ million)								
Total assets	562.2	483.7	573.6	574.5	564.1	580.5	542.8	464.7
Net investments in property, plant and equipment	3.0	5.2	3.0	4.4	0.4	0.4	3.8	2.2
Share capital outstanding	92.4	93.5	91.1	93.6	90.0	93.4	93.3	93.4
Equity	231.9	206.9	219.5	202.7	221.2	216.8	229.0	196.4
Interest-bearing liabilities	150.1	124.8	170.0	196.0	161.6	184.7	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	19.1	13.1	35.1	0.9
Cash flow from investing activities	-3.0	-5.2	-3.0	-50.8	-0.6	0.5	-3.8	-27.3
Cash flow from financing activities	-6.6	-1.8	-23.2	34.9	-9.0	-2.4	-5.2	-2.3
Financial ratios (% unless otherwise stated)								
Revenue growth	13.0	25.8	13.2	29.7	4.0	31.2	23.1	20.1
Organic growth	6.7	18.1	10.4	17.9	4.7	16.3	10.2	17.9
Earnings before interest, tax and amortisation (EBITA)	4.2	5.5	3.9	4.8	5.3	6.2	6.1	6.1
Earnings before interest and tax (EBIT)	3.8	5.1	3.5	4.3	4.8	5.7	5.7	5.9
Operating margin	2.3	3.5	2.2	2.9	2.9	3.8	3.7	3.8
Return on equity (ROE)	14.4	22.0	14.5	18.8	18.2	24.2	25.3	24.8
Return on equity (ROE) excl amortisation	17.4	24.4	17.5	21.7	21.2	27.5	28.4	25.5
Return on invested capital (ROIC)	9.7	13.7	9.3	10.3	11.8	13.2	16.1	14.6
Return on invested capital (ROIC) excl amortisation	11.5	15.2	11.0	11.8	13.6	14.8	17.8	15.0
EV/EBITA	9.1	11.3	8.5	14.0	6.4	9.3	7.2	10.6
Equity ratio	41.2	42.8	38.3	35.3	39.2	37.3	42.2	42.3
Intrinsic value in € per share outstanding	33.6	29.7	32.3	29.1	32.9	31.1	32.9	28.2
Share price in €	59.7	97.2	49.8	100.3	46.4	85.1	74.3	95.5
Share price / Intrinsic value	1.77	3.27	1.54	3.44	1.41	2.73	2.26	3.39
Share price in DKK	445	725	372	746	346	634	554	712
Employees								
Average number of employees (FTE)	2,786	2,515	2,861	2,646	2,942	2,712	2,764	2,409

Solar A/S
Haderslevvej 25
DK - 6000 Kolding
Phone: +45 76 30 42 00

www.solar.eu

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