



NASDAQ OMX Copenhagen A/S

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Contacts:

CEO Anders Wilhjelm – tel. +45 79 30 02 01

Group CFO Michael H. Jeppesen – tel. +45 79 30 02 62

Corporate IR & Communication Manager Charlotte Risskov Kræfting – tel. +45 40 34 29 08

Solar A/S

Executive Board

Haderslevvej 25

DK – 6000 Kolding

Denmark

Tel. + 45 79 30 00 00

www.solar.eu

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15 May 2014

Quarterly report Q1 2014

As at 24 April 2013, Solar A/S sold the subsidiary Aurora Group Danmark A/S. Hence, the stated figures for 2013 and 2014 in this announcement relate to the continuing activities.

The Solar Group's Q1 2014 revenue and EBITA matched our expectations. We maintain our expectations for revenue and EBITA for 2014.

CEO Anders Wilhjelm says:

"Most of our enterprises generated positive organic growth in the first quarter except the enterprises in Denmark and the Netherlands, and we maintain our financial expectations for the year. We continue to focus on improving operations and increasing customer focus."

Select financial highlights	€ million			~ DKK million		
	Q1 2014	Q1 2013	Year 2013	Q1 2014	Q1 2013	Year 2013
Revenue	378.4	375.5	1,531.5	2,824	2,801	11,422
EBITA	2.9	-3.9	21.7	22	-29	162
Earnings before tax	-1.0	-7.8	5.5	-7	-58	41
Cash flow from operating act.	-21.5	-31.6	35.1	-160	-236	262
Select key figures	%			%		
Organic growth	3.9	-10.5	-5.9	3.9	-10.5	-5.9
EBITA margin	0.8	-1.0	1.4	0.8	-1.0	1.4
Net working capital/revenue*	13.0	14.1	13.5	13.0	14.1	13.5

* Calculated as an average of the last four quarters' inventories, debtors and creditors.

Revenue in Q1 2014:

- Group revenue matched our expectations.
- Adjusted for the number of working days, organic growth in Q1 2014 was 2.3%.

EBITA in Q1 2014:

- Group EBITA matched our expectations.
- In Q1 2014, a €-0.4m adjustment was made to the variable part of the selling price of Aurora Group. This amount was recognised under other operating income and costs.
- In addition, EBITA was as expected negatively affected by Solar 8000 costs of €0.7m against €0.9m in Q1 2013.
- In Q1 2014, no restructuring costs were recognised, whereas Q1 2013 EBITA was affected by restructuring costs of €4.2m.

Net working capital:

- Net working capital was reduced to 12.7% of revenue, down from 13.7% in Q1 2013. When stated as an average of four quarters, net working capital was reduced to 13.0% of revenue from 14.1% in Q1 2013.
- Efforts to reduce net working capital will continue. Stated as an average of four quarters, our target for 2014 is to get net working capital to 13% of revenue. Moreover, we expect net working capital of 11% of revenue at year-end 2014.

Expectations for 2014:

- For 2014, we still expect revenue of € 1,465-1,510m and EBITA of € 25-32m.
- Expectations for 2014 EBITA include restructuring costs and Solar 8000 implementation costs totalling approximately € 3m. Adjusted for these, normalised EBITA is expected at € 28-35m.
- The lower expectation levels equal negative growth of approximately 2.5%, while the upper levels equal positive growth of approximately 0.5%.
- We will continuously implement improvement measures in several group enterprises to adjust cost levels to the current market situation as a result of our expectations for continued low market growth.
- We still expect to roll out SAP in Solar Sverige in Q2 2014.

Q1 presentation – audio webcast and teleconference today

The presentation of Quarterly Report Q1 2014 will be transmitted online in English from NASDAQ OMX Copenhagen today at 11.00 CET and will be accessible via www.solar.eu. It will be possible to participate via teleconference – see phone numbers below:

Participants from Denmark: tel. +45 32 72 80 18
Participants from Great Britain: tel. +44 145 255 5131
Participants from the USA: tel. +1 866 682 8490
International participants: tel. +44 (0) 145 255 5131

Yours faithfully
Solar A/S

Anders Wilhjelm

Attachment: Quarterly report Q1 2014 page 1-22

Facts about Solar

Solar A/S was established in 1919 and listed on the Copenhagen Stock Exchange in 1953. Solar is one of Northern Europe's leading sourcing and services companies within electrical, heating, plumbing and ventilation products. The group, based in Kolding, Denmark, has subsidiaries in Denmark incl. the Faroes, Sweden, Norway, the Netherlands, Belgium, Germany, Poland and Austria. In 2013, Solar Group revenue totalled € 1,531.5m, equating DKK 11.4bn. The group currently has some 3,300 employees.

For more information, please visit: www.solar.eu.

Disclaimer

This announcement was published in Danish and English today via NASDAQ OMX Copenhagen. In case of any discrepancy between the two languages, the Danish version shall prevail.

Solar A/S

Quarterly report Q1 2014

Quarterly report Q1 2014

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The quarterly report of Solar A/S was published in Danish and English on 15 May 2014 via NASDAQ OMX Copenhagen. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

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Solar A/S
Haderslevvej 25
DK - 6000 Kolding
Tel. +45 79 30 00 00
CVR no. 15908416

www.solar.eu
www.linkedin.com/company/solar-as

Consolidated Financial highlights

	Q1		Year
Income statement (€ million)	2014	2013	2013
Revenue	378.4	375.5	1,531.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5.8	-0.8	36.6
Earnings before interest, tax and amortisation (EBITA)	2.9	-3.9	21.7
Earnings before interest and tax (EBIT)	0.4	-6.2	12.9
Earnings before tax (EBT)	-1.0	-7.8	5.5
Net profit or loss for the period	-1.5	-6.9	3.0
Balance sheet total	681.3	752.9	665.0
Equity	284.8	289.9	286.6
Interest-bearing liabilities, net	66.5	111.2	42.4
Cash flow from operating activities	-21.5	-31.6	35.1
Financial ratios (% unless otherwise stated)			
Organic growth	3.9	-10.5	-5.9
EBITDA margin	1.5	-0.2	2.4
EBITA margin	0.8	-1.0	1.4
Net working capital (NWC end of period)/revenue (LTM)	12.7	13.7	11.5
Gearing (Interest-bearing liabilities, net/EBITDA), no. of times	1.5	3.3	1.2
Return on equity (ROE) excl. amortisation	6.1	4.8	4.1
Return on invested capital (ROIC) excl. amortisation	5.7	4.9	4.1
Equity ratio	41.8	39.0	43.1
Share ratios			
Earnings in € per share outstanding (EPS)	-0.19	-0.88	0.38
Earnings excl. amortisation in € per share outstanding (EPS)	0.13	-0.59	1.50
Employees			
Average number of employees in continuing activities (FTE)	3,284	3,416	3,333

OUTLINE

Most of Solar's enterprises generated positive growth in Q1 2014. The group's Q1 revenue and EBITA matched our expectations.

Our expectations for 2014 remain revenue at € 1,465-1,510m and EBITA at € 25-32m.

Net working capital was reduced to 12.7% of revenue, down from 13.7% in Q1 2013. Moreover, net working capital was reduced to 13.1% of revenue, down from 13.0% in Q1 2013, when stated as an average of the past four quarters.

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2010".

In general, restatements have been made of 2013 income statements, cash flows and key ratios to compensate for the divestment of Aurora Group Danmark A/S. In accordance with IFRS recommendations the balance sheet has not been restated.

Management's review

Financial review

Most of Solar's enterprises generated positive growth in Q1 2014 except those in Denmark and the Netherlands.

An unfavourable customer and product mix had a negative impact on gross profit, but we still managed to improve the group's EBITA by € 6.8m from the Q1 2013 level, mainly due to cost and bad debt reductions.

Revenue

Revenue from continuing activities was up at € 378.4m from € 375.5m in Q1 2013. Organic growth was 3.9% but saw a positive impact from the placement of Easter compared to Q1 2013. Organic growth was 2.3% in Q1 2014 when adjusted for number of working days.

Revenue matched our expectations.

EBITA

EBITA from continuing activities was up at € 2.9m, or 0.8% of revenue, from € -3.9m, i.e. -1.0% of revenue in Q1 2013.

Gross profit was under pressure in several markets due to our customer and product mix. Consequently, group-level gross profit dropped to 20.9% from 21.5% in Q1 2013.

In Q1 2013, staff costs adjusted for restructuring costs totalled 14.9% of revenue. Actually, staff costs dropped to 14.2% of revenue in Q1 2014 owing to restructuring measures implemented in Q1 2013.

Bad debts dropped to 0.3% of revenue from 0.5% in Q1 2013.

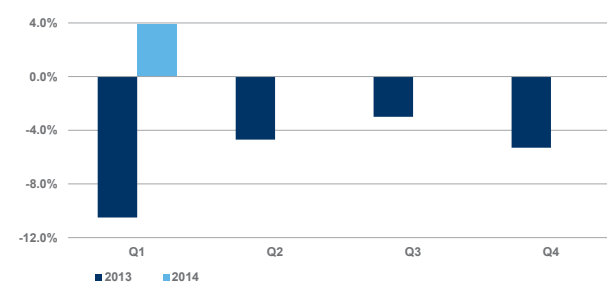
In Q1 2014, a € -0.4m adjustment was made to the variable part of the selling price of Aurora Group. This amount was recognised under other operating income and costs.

In addition, Q1 2014 EBITA was affected by Solar 8000 costs of € 0.7m. In Q1 2013, EBITA saw the effect of restructuring and Solar 8000 costs of € 4.2m and € 0.9m, respectively.

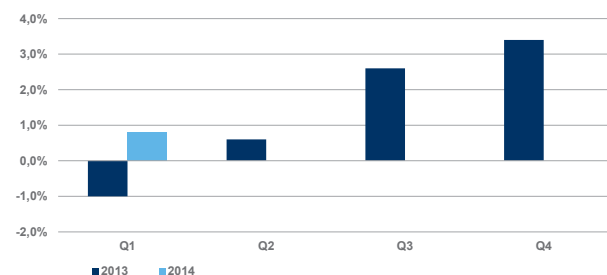
Normalised EBITA amounted to € 4.0m in Q1 2014, up from € 1.2m in Q1 2013.

EBITA matched our expectations.

Organic growth in %



EBITA in % of revenue



Normalised EBITA

€ million	Q1	
	2014	2013
EBITA	2.9	-3.9
Restructuring costs	0.0	4.2
Solar 8000 costs	0.7	0.9
Adjustment of profit from sale of Aurora Group	0.4	-
Normalised EBITA	4.0	1.2
Normalised EBITA margin in %	1.1	0.3

EBT, income tax and net profit or loss for the period

EBT from continuing activities was improved by € 6.8m and totalled € -1.0m, up from € -7.8m in Q1 2013.

In Q1 2014, income tax amounted to an expense of € 0.5m. A change in deferred tax assets in the Netherlands resulted in income tax for Q1 2013 representing income of € 1.0m.

Net profit or loss for the period for continuing activities totalled € -1.5m, up from € -6.8m in Q1 2013.

Investments

In Q1 2014, € 0.7m were invested in Solar 8000 (SAP) and this brings total investments so far to € 53.5m. We expect overall investments in Solar 8000 of approximately € 54m, and by the end of Q1 2014, a total of € 36.2m of this had been capitalised with € 14.5m amortised.

Net investments in property, plant and equipment totalled € 2.1m in Q1 2014.

Cash flows

Net working capital totalled € 194.8m, down from € 249.7m in Q1 2013 when Aurora Group was recognised with € 13.7m.

Net working capital was reduced to 12.7% of revenue, down from 13.7% in Q1 2013. When stated as an average of four quarters, net working capital was reduced to 13.0% of revenue from 14.1% in Q1 2013.

In Q1 2014, trade receivables were reduced due to revenue growth and Easter's occurrence in Q2, unlike 2013 when most of Easter was in Q1.

Development in trade payables in the quarter was affected by the fact that Solar Denmark had temporarily been allowed extended credit from some of the enterprise's suppliers in connection with the Solar 8000 roll-out. The resulting effect was estimated at approximately € 4.0m at year-end 2013.

Consequently, cash flow from operating activities totalled € -21.5m, up from € -31.6m in Q1 2013.

Cash flow from investing activities amounted to € -2.7m against € -3.3m in Q1 2013, while cash flow from financing activities remained unchanged at € -2.4m.

Overall, cash flow from continuing activities totalled € -26.6m against € -37.3m in Q1 2013.

Net interest-bearing debt was down € 44.7m compared to Q1 2013. This meant a drop in gearing to 1.5 from 3.3 times EBITDA at the end of Q1 2013.

As at 31 March 2014, Solar had unutilised credit facilities worth € 87.5m. Solar's agreement with its main bankers is not subject to any covenants.

Events after the end of the accounting period

In April, Solar Group distributed dividend of € 12.6m, equalling € 1.61 (DKK 12.00) per share.

As planned, Flemming H. Tomdrup left Solar at the end of April, and Anders Wilhjelm took over the role as CEO as of 1 May.

Jakob Thyregod took up the position as Corporate HR Director as at 1 April.

Anders Koppel joined Solar Sverige as new CED on 1 April.

GFI Gesellschaft für Installationstechnik mbH and GFI Elektro GmbH were integrated into Solar Deutschland GmbH as of 1 April.

Key risks

Solar's Annual Report 2013 details the commercial and financial risks related to our activities. The key risks remain that Solar, like other international companies, is affected by both global trends and local conditions in the markets where we operate.

Management's review

Markets

Solar saw positive growth in Q1, partly because the quarter held more working days and partly due to a mild winter which moved the spring season up. We find that the group maintained its market position.

Several enterprises are working to implement more improvements to adjust costs to the still challenging market conditions.

In Denmark construction activities remain at a low level. The extent of new construction projects initiated dropped to the lowest level in many years with both construction of housing and commercial property at historically low levels. However, industry is showing more promise but this is only a small part of our business.

Following the successful Solar 8000 implementation, the Danish organisation is now focused on its customers and on continuing to reduce the complexity of their business.

In Sweden we are seeing market growth while focusing on a profitable development of our business. We are currently seeing a shift in the customer mix towards large customers.

In Q1, Sweden had great internal expenses in relation to the Solar 8000 implementation preparations. Moreover, management is dedicating considerable focus and commitment to ensure a successful go-live. This trend will continue until after the implementation and subsequent stabilisation period.

Anders Koppel joined Solar Sverige as their new CED as of 1 April 2014.

In Norway we saw positive market growth and Solar performed just as well if not better, among other things, due to contracts made in 2013. At the same time, Solar strengthened earnings compared to Q1 2013.

Boasting customers in the contractor trade, industry, infrastructure and utilities, the Norwegian business is widespread.

In the Netherlands the market was flat compared to 2013, confirming our belief that the market is on its way to a stabilisation. We are seeing improved consumer confidence and an upward trend in the sale of houses, however up from a very low level.

The Dutch organisation continues to focus on stabilising its business and creating the basis for future profitable growth.

Other markets – see tables.

Solar Danmark (excl. results in subsidiaries)

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	87.9			
Other operating income and costs ¹	0.7			
Solar 8000 costs	-0.5			
EBITA	3.3			
Organic growth %	-3.9			
EBITA %	3.8			
2013				
Revenue	91.5	92.1	89.2	92.9
Other operating income and costs	1.1	-1.9	1.3	-0.7
Solar 8000 costs	-0.7	-0.1	-0.2	-1.2
EBITA	5.1	1.7	9.3	4.5
Organic growth %	-8.0	-4.8	-9.5	-19.9
EBITA %	5.6	1.9	10.4	4.8

¹ Other operating income and costs relate to re-invoicing of the Solar 8000 investment to subsidiaries and write-down of earn out from the divestment of Aurora Group.

Solar Sverige

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	80.6			
Solar 8000 costs	-0.2			
EBITA	2.1			
Organic growth %	6.1			
EBITA %	2.6			
2013				
Revenue	79.3	81.8	74.7	87.9
Solar 8000 costs	-0.2	-0.7	-0.7	0.2
EBITA	1.5	0.6	3.0	3.6
Organic growth %	-6.9	-2.7	-2.8	-0.2
EBITA %	1.9	0.8	4.1	4.0

Solar Norge

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	67.1			
EBITA	2.1			
Organic growth %	17.9			
EBITA %	3.1			
2013				
Revenue	63.9	73.7	65.3	70.1
EBITA	1.6	4.2	2.1	4.1
Organic growth %	-5.5	16.6	11.0	10.9
EBITA %	2.5	5.7	3.2	5.8

Solar Nederland ¹

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	84.1			
EBITA ²	-1.0			
Organic growth %	-1.2			
EBITA %	-1.1			
2013				
Revenue	85.5	78.1	74.7	88.9
EBITA	-7.6	-4.1	-2.9	3.2
Organic growth %	-15.0	-16.5	-4.6	-3.4
EBITA %	-8.9	-5.3	-3.8	3.6

¹ Includes Conelgro B.V.

² EBITA was positively impacted by € 0.5m for reversed provisions in Q1 2014.

Solar Deutschland ¹

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	31.9			
EBITA	-2.2			
Organic growth %	5.8			
EBITA %	-6.9			
2013				
Revenue	30.2	30.5	34.9	32.9
EBITA	-2.8	-2.7	-1.2	-2.9
Organic growth %	-20.4	-12.0	-6.0	-6.1
EBITA %	-9.2	-8.8	-3.6	-8.9

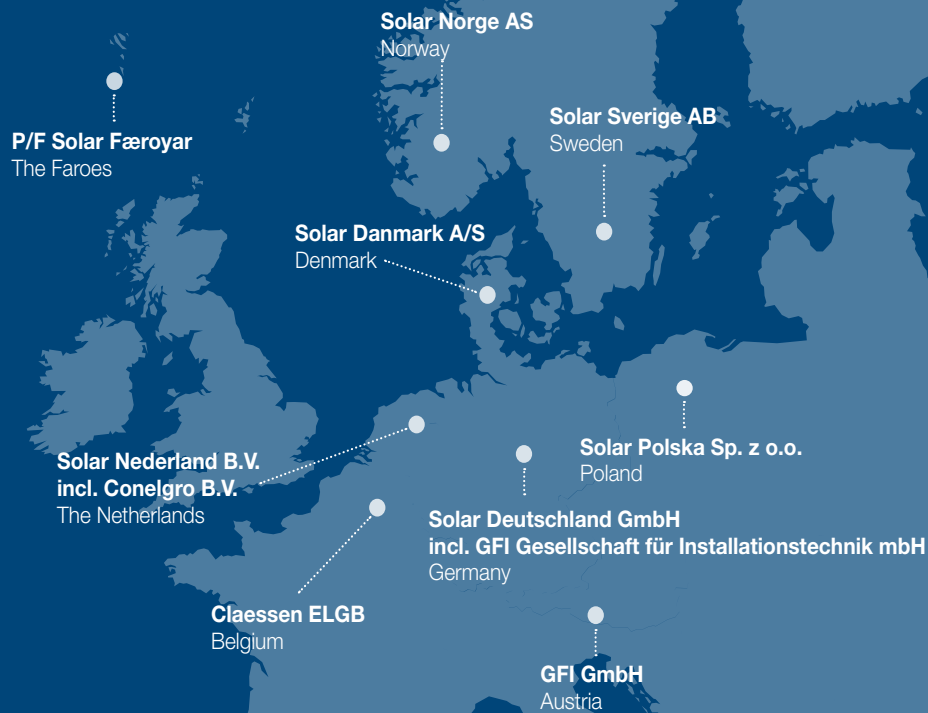
¹ Includes GFI Gesellschaft für Installationstechnik mbH.

Claessen, Belgium

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	8.6			
EBITA	0.0			
Organic growth %	2.5			
EBITA %	-0.4			
2013				
Revenue	8.4	8.5	7.0	8.0
EBITA	0.0	-0.1	-0.2	0.3
Organic growth %	-5.6	-3.1	-7.2	-9.2
EBITA %	-0.1	-0.6	-3.2	3.2

GFI, Austria

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	11.7			
EBITA	-0.2			
Organic growth %	11.8			
EBITA %	-1.7			
2013				
Revenue	10.5	12.9	14.8	14.2
EBITA	-0.3	-0.3	0.5	0.0
Organic growth %	-6.3	-2.5	-2.3	-3.2
EBITA %	-3.1	-1.8	3.4	-0.1



Solar Polska

Figures in € million

	Q1	Q2	Q3	Q4
2014				
Revenue	7.8			
EBITA	-0.2			
Organic growth %	6.0			
EBITA %	-2.5			

2013

Revenue	7.4	7.5	9.5	9.8
EBITA	-0.4	-0.3	0.2	0.3
Organic growth %	-19.8	-15.6	8.5	-3.3
EBITA %	-4.9	-4.4	1.9	2.7

Solar Føroyar

Figures in € million

	Q1	Q2	Q3	Q4
2014				
Revenue	0.8			
EBITA	0.1			
Organic growth %	-8.3			
EBITA %	12.0			

2013

Revenue	0.9	1.0	0.7	0.8
EBITA	0.1	0.0	0.0	0.1
Organic growth %	-7.0	19.2	-21.1	-11.5
EBITA %	5.8	2.1	6.4	6.3

Management's review

Expectations 2014

Market expectations

Although winter was mild this year, the Danish market saw negative growth in Q1 2014. New construction remains at a very low level – especially within housing. Overall, we expect moderately negative organic growth for Solar in 2014, even if we are still seeing a high number of requests for projects.

The Swedish market grew in Q1 2014. We expect this trend to continue for the remainder of the year and to apply to Solar as well.

In the Norwegian market, we expect growth to decline in 2014, partly due to a decrease in housing investments. For 2014 on the whole, we see market growth around zero, while we expect Solar to generate positive growth.

In the Netherlands, we are seeing budding optimism for the second half of 2014. In the first half of 2014, we only expect a stable to slightly decreasing market, while the second half-year is shaping up to a stable to slightly positive market. Overall, we expect Solar to generate slight negative organic growth in 2014.

As anticipated, trends in the German market were positive. In our opinion, this market has stabilised, and market trends for the year 2014 will continue to be positive. We also expect Solar to generate positive growth.

On the whole, we expect growth of around nil in the remaining markets.

Business expectations

The business areas renewable energy, lighting, energy supply and infrastructure as well as security are all expected to generate positive growth rates. More traditional and major areas related to new construction, such as installation equipment and cables, will generate negative growth.

The market for energy optimisation of existing buildings, including lighting projects, and renovations and upgrades of public buildings in particular, is still expected to show positive growth.

Financial expectations

For 2014, we still expect revenue of € 1,465-1,510m and EBITA of € 25-32m.

Expectations for 2014 EBITA include restructuring costs and Solar 8000 implementation costs totalling approximately € 3m. Adjusted for these, normalised EBITA is expected at € 28-35m.

The lower expectation levels equal negative growth of approximately 2.5%, while the upper levels equal positive growth of approximately 0.5%.

We will continuously implement improvement measures in several group enterprises to adjust cost levels to the current market situation as a result of our expectations for continued low market growth.

Improving profitability, the conclusion of our Solar 8000 project with the implementation in Sweden in Q2 2014, and improved operations and more customer focus will take centre stage.

Also, efforts to reduce net working capital will continue. Stated as an average of four quarters, our target for 2014 is to get net working capital to 13% of revenue. Moreover, we expect net working capital of 11% of revenue at year-end 2014.

Management's review

Shareholder information

Solar's shares

Solar's share capital is divided into nominally € 12.1 million A shares and nominally € 94.1 million B shares.

The A shares are not listed. The B shares are listed on NASDAQ OMX Copenhagen under the ID code DK0010274844 with the short designation SOLAR B and form part of the MidCap index and MidCap on NASDAQ OMX Nordic.

Share capital includes 900,000 A shares and 7,020,607 B shares.

A shares have 10 votes per share amount of DKK 100, while B shares have 1 vote for each share amount of DKK 100.

The following shareholders had registered ownership shares or voting rights of 5% or more of the total share capital as at 31 March 2014:

Shares

The Fund of 20th December, Kolding	15.6%
Chr. Augustinus Fabrikker A/S, Copenhagen	10.3%
Investeringsforeningen Nordea Invest, Copenhagen	5.1%
Arbejdsmarkedets Tillægspension, Hillerød	5.0%

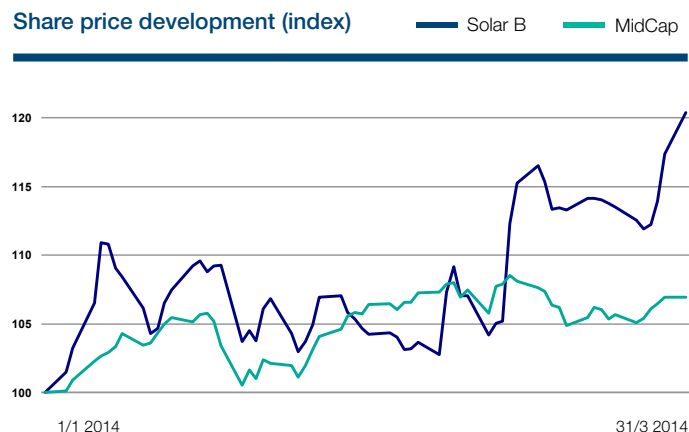
Votes

The Fund of 20th December, Kolding	57.5%
Chr. Augustinus Fabrikker A/S, Copenhagen	5.1%
Investeringsforeningen Nordea Invest, Copenhagen	2.5%
Arbejdsmarkedets Tillægspension, Hillerød	2.5%

Share price development

On 31 March 2014, the price of Solar's B share was DKK 405, up from DKK 336 on 1 January 2014. This is a rise of approximately 20% over Q1. In comparison, the MidCap index saw a rise of some 7% during the quarter.

Share price development (index)



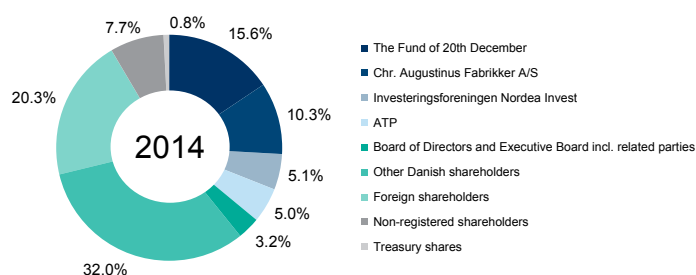
Financial calendar 2014

15 July – 20 August	IR quiet period
20 August	Quarterly report Q2 2014
5 October – 18 November	IR quiet period
18 November	Quarterly report Q3 2014

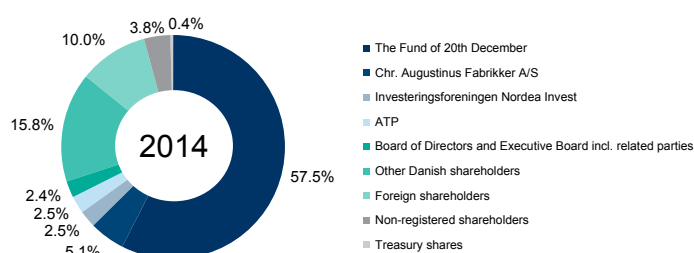
Audio webcast

The presentation of Quarterly Report Q1 2014 will be transmitted online from NASDAQ OMX Copenhagen on 15 May 2014 at 11.00 CET and will be accessible via www.solar.eu.

Distribution of share capital as at 31 March 2014 in %



Distribution of votes as at 31 March 2014 in %



Announcements 2014

Date	No.	Announcement
11.04	9	Course of annual general meeting (AGM) of Solar A/S
28.03	8	Election of employee representatives for the Board of Directors of Solar A/S
24.03	7	Major shareholder announcement
19.03	6	Grant of options to the Executive Board and management team
19.03	5	Exercise of options in Solar A/S
17.03	4	Notice of annual general meeting
06.03	3	New HR Director appointed in Solar A/S
05.03	2	Share options to Executive Board and Management Team of Solar A/S
05.03	1	Annual Report 2013

Consolidated Quarterly figures

Income statement (€ million)	Q1		Q2		Q3		Q4	
	2014	2013	2013	2012	2013	2012	2013	2012
Revenue	378.4	375.5	383.9	400.2	368.3	387.3	403.8	436.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5.8	-0.8	5.3	6.0	12.6	14.5	19.5	14.3
Earnings before interest, tax and amortisation (EBITA)	2.9	-3.9	2.3	3.1	9.5	11.7	13.8	11.5
Earnings before interest and tax (EBIT)	0.4	-6.2	0.2	0.9	7.3	9.4	11.6	9.4
Financials, net	-1.4	-1.6	-2.3	-1.2	-1.7	-1.4	-1.8	-1.5
Earnings before tax (EBT)	-1.0	-7.8	-2.1	-0.3	5.6	8.0	9.8	7.9
Net profit or loss for the quarter	-1.5	-6.9	-1.0	-1.2	3.8	6.0	7.1	7.0
Balance sheet (€ million)								
Non-current assets	240.7	256.4	255.1	258.4	251.4	257.2	243.2	255.6
Current assets	440.6	496.5	454.5	490.2	437.3	504.2	421.8	511.6
Balance sheet total	681.3	752.9	709.6	748.6	688.7	761.4	665.0	767.2
Equity	284.8	289.9	278.6	281.6	282.7	289.2	286.6	295.3
Non-current liabilities	100.6	142.8	137.1	148.9	112.5	148.4	103.4	143.4
Current liabilities	295.9	320.2	293.9	318.1	293.5	323.8	275.0	328.5
Interest-bearing liabilities, net	66.5	111.2	97.5	122.9	79.5	122.1	42.4	74.9
Invested capital	367.0	425.1	396.3	434.1	382.1	441.1	353.5	395.4
Net working capital, year-end	194.8	249.7	223.6	249.8	205.7	257.3	176.7	215.4
Net working capital, average	200.2	243.1	236.5	241.1	223.6	244.2	206.2	228.7
Cash flows (€ million)								
Cash flow from operating activities	-21.5	-31.6	8.1	-17.0	18.9	3.1	39.7	46.3
Cash flow from investing activities	-2.7	-3.3	9.0	-4.2	-0.7	-1.3	-3.4	-1.9
Cash flow from financing activities	-2.4	-2.4	-9.2	-7.3	-25.3	-2.5	-2.2	-2.2
Net investments in intangible assets	-0.6	-0.2	-0.6	-2.0	-0.1	0.0	-0.6	-0.1
Net investments in property, plant and equipment	-2.1	-3.1	-1.4	-2.2	-0.6	-1.3	-2.8	-1.8
Acquisitions and disposals of subsidiaries and operations, net	0.0	0.0	11.0	0.0	0.0	0.0	0.0	0.0

Consolidated Quarterly figures – continued

Financial ratios (% unless otherwise stated)	Q1		Q2		Q3		Q4	
	2014	2013	2013	2012	2013	2012	2013	2012
Revenue growth	0.8	-9.5	-4.1	15.2	-4.9	14.1	-7.5	-1.3
Organic growth	3.9	-10.5	-4.7	0.4	-3.0	-2.0	-5.3	-3.2
EBITDA margin	1.5	-0.2	1.4	1.5	3.4	3.7	4.8	3.3
EBITA margin	0.8	-1.0	0.6	0.8	2.6	3.0	3.4	2.6
EBIT margin	0.1	-1.7	0.1	0.2	2.0	2.4	2.9	2.2
Net working capital (NWC end of period)/revenue (LTM)	12.7	13.7	14.1	14.9	13.2	14.8	11.5	12.3
Net working capital (NWC average)/revenue (LTM)	13.0	14.1	14.0	14.4	13.6	14.1	13.5	13.7
Gearing (net interest-bearing liabilities/EBITDA), no. of times	1.5	3.3	2.9	2.3	2.5	2.3	1.2	1.6
Return on equity (ROE)	2.9	1.7	1.8	6.6	1.0	6.9	1.1	5.5
Return on equity (ROE) excl. amortisation	6.1	4.8	4.9	10.1	4.1	10.3	4.1	8.6
Return on invested capital (ROIC)	3.0	2.6	1.1	6.1	0.7	6.8	1.0	5.9
Return on invested capital (ROIC) excl. amortisation	5.7	4.9	4.0	9.0	3.8	8.3	4.1	8.1
Adjusted market capitalisation/earnings before interest, tax and amortisation (EV/EBITA)	16.9	18.2	17.0	10.7	19.8	11.1	17.8	9.6
Equity ratio	41.8	39.0	39.3	38.0	41.0	38.3	43.1	39.2
Share ratios								
Earnings in € per share outstanding (EPS)	-0.19	-0.88	-0.13	-0.15	0.48	0.76	0.91	0.89
Earnings excl. amortisation in € per share outstanding (EPS)	0.13	-0.59	0.14	0.13	0.76	1.06	1.19	1.16
Intrinsic value in € per share outstanding	36.3	36.1	35.5	35.1	36.0	35.9	36.5	36.8
Share price in €	54.2	38.8	35.8	42.2	40.4	43.8	45.0	34.4
Share price/intrinsic value	1.49	1.08	1.01	1.20	1.12	1.22	1.23	0.94
Share price in DKK	405	290	267	314	301	326	336	257
Employees								
Average number of employees in continuing activities (FTE)	3,284	3,416	3,320	3,506	3,301	3,504	3,294	3,504

Definitions

Organic growth:	Revenue growth adjusted for enterprises acquired and disposed of and any exchange rate changes. No adjustments have been made for number of working days.
Net working capital:	Inventories and trade receivables less trade payables.
Gearing:	Interest-bearing liabilities, net, relative to EBITDA. EBITDA has not been adjusted for enterprises and operations acquired.
ROIC:	Return on invested capital calculated on the basis of operating profit or loss before special items less calculated tax.

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2010".

In general, restatements have been made of the 2012 and 2013 income statements, cash flows and key ratios to compensate for the divestment of Aurora Group Danmark A/S. In accordance with IFRS recommendations the balance sheet has not been restated.

Consolidated Income statement

€ million	Q1		Year
	2014	2013	2013
Revenue	378.4	375.5	1,531.5
Cost of sales	-299.4	-294.7	-1,206.8
Gross profit	79.0	80.8	324.7
Other operating income and costs	-0.4	0.0	1.5
External operating costs	-18.0	-20.0	-69.8
Staff costs	-53.8	-59.7	-214.8
Loss on trade receivables	-1.0	-1.9	-5.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5.8	-0.8	36.6
Write-down and depreciation on property, plant and equipment	-2.9	-3.1	-14.9
Earnings before interest, tax and amortisation (EBITA)	2.9	-3.9	21.7
Amortisation of intangible assets	-2.5	-2.3	-8.8
Earnings before interest and tax (EBIT)	0.4	-6.2	12.9
Financial income	0.7	0.7	2.8
Financial costs	-2.1	-2.3	-10.2
Earnings before tax (EBT)	-1.0	-7.8	5.5
Income tax	-0.5	1.0	-2.5
Profit or loss from continuing operations	-1.5	-6.8	3.0
Result of discontinued operations	0.0	-0.1	0.0
Net profit or loss for the period	-1.5	-6.9	3.0
Earnings per share in € per share outstanding (EPS)	-0.19	-0.88	0.38
Diluted earnings per share in € per share outstanding (EPS-D)	-0.19	-0.88	0.38
Earnings per share in € per share outstanding (EPS) from continuing operations	-0.19	-0.87	0.38
Diluted earnings per share in € per share outstanding (EPS-D) from continuing operations	-0.19	-0.87	0.38

Statement of comprehensive income

Net profit or loss for the period	-1.5	-6.9	3.0
Other income and costs recognised:			
Items that cannot be reclassified for the income statement			
Actuarial gains / losses on defined benefit plans	0.0	0.0	-0.3
Tax	0.0	0.0	0.2
Items that can be reclassified for the income statement			
Foreign currency translation adjustment at the beginning of year	0.1	0.3	-0.1
Foreign currency translation adjustment of foreign subsidiaries	0.6	0.0	-8.7
Value adjustment of hedging instruments before tax	-1.3	1.6	5.8
Tax on value adjustments of hedging instruments	0.3	-0.4	-1.6
Other income and costs recognised after tax	-0.3	1.5	-4.7
Total comprehensive income for the period	-1.8	-5.4	-1.7

Consolidated Balance sheet

€ million	31.03		31.12
	2014	2013	2013
Assets:			
Intangible assets	67.9	79.3	70.2
Property, plant and equipment	158.2	168.3	158.3
Deferred tax asset	8.9	7.7	8.5
Other non-current assets	5.7	1.1	6.2
Non-current assets	240.7	256.4	243.2
Inventories	179.7	197.6	175.9
Trade receivables	222.2	248.4	194.9
Income tax receivable	7.0	6.6	5.4
Other receivables	3.8	3.6	2.6
Prepayments	8.1	4.5	3.6
Cash at bank and in hand	19.8	34.2	39.4
Assets held for sale	0.0	1.6	0.0
Current assets	440.6	496.5	421.8
Total assets	681.3	752.9	665.0
Equity and liabilities:			
Share capital	106.2	106.3	106.2
Reserves	-13.0	-6.9	-12.6
Retained earnings	179.0	183.5	180.4
Proposed dividend for the year	12.6	7.0	12.6
Equity	284.8	289.9	286.6
Interest-bearing liabilities	74.6	110.0	77.0
Provision for pension obligations	2.9	3.3	2.9
Provision for deferred tax	20.5	25.5	20.8
Other provisions	2.6	4.0	2.7
Non-current liabilities	100.6	142.8	103.4
Interest-bearing liabilities	16.0	35.4	9.1
Trade payables	207.2	196.3	194.1
Income tax payable	2.9	3.7	2.4
Other payables	66.7	77.1	65.5
Prepayments	0.8	1.0	0.9
Other provisions	2.3	6.7	3.0
Current liabilities	295.9	320.2	275.0
Liabilities	396.5	463.0	378.4
Total equity and liabilities	681.3	752.9	665.0

Consolidated Cash flow statement

€ million	Q1		Year
	2014	2013	2013
Net profit or loss for the period from continuing operations	-1.5	-6.8	3.0
Write-down, depreciation and amortisation	5.4	5.4	23.7
Changes to provisions and other adjustments	-0.9	2.9	-4.3
Financials, net	1.4	1.6	7.4
Income tax	0.5	-1.0	2.5
Financial income, received	0.2	0.2	1.2
Financial expenses, settled	-1.6	-1.6	-7.0
Income tax, settled	-2.1	-1.9	-10.9
Cash flow before change in working capital	1.4	-1.2	15.6
Change in inventories	-3.4	0.0	5.4
Change in receivables	-31.9	-8.9	28.0
Change in non-interest-bearing liabilities	12.4	-21.5	-13.9
Cash flow from operating activities	-21.5	-31.6	35.1
Purchase of intangible assets	-0.6	-0.2	-1.5
Purchase of property, plant and equipment	-2.2	-3.1	-12.6
Disposal of property, plant and equipment	0.1	0.0	4.7
Divestment of subsidiaries	0.0	0.0	11.0
Cash flow from investing activities	-2.7	-3.3	1.6
Repayment of non-current, interest-bearing debt	-2.4	-2.4	-32.1
Dividend distributed	0.0	0.0	-7.0
Cash flow from financing activities	-2.4	-2.4	-39.1
Net cash flow from continuing operations	-26.6	-37.3	-2.4
Cash flow from discontinued operations	0.0	-0.8	-2.7
Total cash flow	-26.6	-38.1	-5.1
Cash at bank and in hand at the beginning of period	30.3	36.5	36.5
Foreign currency translation adjustments	0.1	0.4	-1.1
Cash at bank and in hand at the end of period	3.8	-1.2	30.3
Cash at bank and in hand at the end of period			
Cash at bank and in hand	19.8	34.2	39.4
Current interest-bearing liabilities	-16.0	-35.4	-9.1
Cash at bank and in hand at the end of period	3.8	-1.2	30.3

Consolidated Statement of changes in equity

€ million	Share capital	Reserves for hedging transactions	Reserves for foreign currency translation adjustments	Retained earnings	Proposed dividends	Total
2014						
Equity as at 1 January	106.2	-9.6	-3.0	180.4	12.6	286.6
Foreign currency translation adjustment at the beginning of year	0.0			0.1		0.1
Foreign currency translation adjustment of foreign subsidiaries			0.6			0.6
Value adjustment of hedging instruments before tax		-1.3				-1.3
Tax on value adjustments		0.3				0.3
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0.0	-1.0	0.6	0.1	0.0	-0.3
Net profit or loss for the period				-1.5		-1.5
Comprehensive income	0.0	-1.0	0.6	-1.4	0.0	-1.8
Equity as at 31 March	106.2	-10.6	-2.4	179.0	12.6	284.8
2013						
Equity as at 1 January	106.2	-13.8	5.7	189.7	7.0	294.8
Adjustments owing to changes in accounting policies				0.5		0.5
Adjusted equity as at 1 January	106.2	-13.8	5.7	190.2	7.0	295.3
Foreign currency translation adjustment at the beginning of year	0.1			0.2		0.3
Foreign currency translation adjustment of foreign subsidiaries			0.0			0.0
Value adjustment of hedging instruments before tax		1.6				1.6
Tax on value adjustments		-0.4				-0.4
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0.1	1.2	0.0	0.2	0.0	1.5
Net profit or loss for the period				-6.9		-6.9
Comprehensive income	0.1	1.2	0.0	-6.7	0.0	-5.4
Equity as at 31 March	106.3	-12.6	5.7	183.5	7.0	289.9

Notes

Segment information

€ million	Solar A/S parent company ¹	Solar Sverige AB	Solar Norge AS	Solar Nederland ²	Claessen ELGB, Belgium	Solar Deutschland ³	GFI GmbH, Austria	Solar Polska Sp. z o.o.	P/F Solar Føroyar	Eliminations ⁴	Continuing operations total	Discontinued operations ⁵	Solar Group
Q1 2014													
Revenue	87.9	80.6	67.1	84.1	8.6	31.9	11.7	7.8	0.8	-2.1	378.4		378.4
Other operating income and costs	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.1	-0.4		-0.4
Solar 8000 costs	-0.5	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.7		-0.7
EBITA	3.3	2.1	2.1	-1.0	0.0	-2.2	-0.2	-0.2	0.1	-1.1	2.9		2.9
Financials, net	-0.2	-0.6	-0.2	-0.3	0.0	-0.1	0.0	0.0	0.0	0.0	-1.4		-1.4
EBT	1.9	0.5	1.4	-1.8	0.0	-2.5	-0.2	-0.2	0.1	-0.2	-1.0		-1.0
Depreciation and amortisation recognised in EBT	-2.3	-1.5	-0.6	-1.2	0.0	-0.4	-0.1	-0.1	0.0	0.8	-5.4		-5.4
Non-current assets	312.9	40.3	22.8	79.5	0.8	12.3	1.5	4.7	0.6	-234.7	240.7		240.7
Additions property, plant and equipment	1.6	0.2	0.4	0.3	0.0	0.1	0.0	0.2	0.0	0.0	2.8		2.8
Equity	323.9	38.9	39.3	78.8	7.5	16.3	5.6	9.0	1.7	-236.2	284.8		284.8
Liabilities	164.2	99.5	63.6	97.4	8.9	39.2	11.5	7.2	0.8	-95.8	396.5		396.5
Balance sheet total	488.1	138.4	102.9	176.2	16.4	55.5	17.1	16.2	2.5	-332.0	681.3		681.3
Organic growth %	-3.9	6.1	17.9	-1.2	2.5	5.8	11.8	6.0	-8.3		3.9		3.9
EBITA % ⁶	3.8	2.6	3.1	-1.1	-0.4	-6.9	-1.7	-2.5	12.0		0.8		0.8
Q1 2013													
Revenue	91.5	79.3	63.9	85.5	8.4	30.2	10.5	7.4	0.9	-2.1	375.5	14.6	390.1
Other operating income	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.1	0.0	0.0	0.0
Solar 8000 costs	-0.7	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.9	0.0	-0.9
EBITA	5.1	1.5	1.6	-7.6	0.0	-2.8	-0.3	-0.4	0.1	-1.1	-3.9	0.1	-3.8
Financials, net	-0.1	-0.6	-0.4	-0.5	0.0	-0.1	0.0	0.0	0.0	0.1	-1.6	-0.1	-1.7
EBT	3.8	-0.1	0.9	-8.6	0.0	-2.9	-0.3	-0.4	0.1	-0.3	-7.8	-0.1	-7.9
Depreciation and amortisation recognised in EBT	-2.4	-1.5	-0.6	-1.2	-0.1	-0.3	0.0	-0.1	0.0	0.8	-5.4	-0.1	-5.5
Non-current assets	298.8	46.5	25.2	78.9	0.6	18.0	1.7	4.5	0.7	-221.0	253.9	2.5	256.4
Additions property, plant and equipment	2.9	0.1	0.0	0.2	0.0	0.1	0.0	0.0	0.0	0.0	3.3	0.0	3.3
Equity	325.5	41.0	42.4	48.6	7.1	24.7	5.5	8.9	1.7	-222.1	283.3	6.6	289.9
Liabilities	187.8	97.2	71.4	132.5	8.4	41.8	10.1	6.9	1.1	-114.7	442.5	20.5	463.0
Balance sheet total	513.3	138.2	113.8	181.1	15.5	66.5	15.6	15.8	2.8	-336.8	725.8	27.1	752.9
Organic growth %	-8.0	-6.9	-5.5	-15.0	-5.6	-20.4	-6.3	-19.8	-7.0		-10.5	1.0	-10.1
EBITA % ⁶	5.6	1.9	2.5	-8.9	-0.1	-9.2	-3.1	-4.9	5.8		-1.0	0.6	-1.0

¹ Under the cost method.

² Includes Conelgro B.V.

³ Includes GFI Gesellschaft für Installationstechnik mbH and GFI Elektro GmbH.

⁴ Eliminations include an adjustment resulting from the translation from cost method to equity method. Intercompany revenue was € 2.1m (€ 2.1m in 2013).

⁵ Includes Aurora Group.

⁶ EBITA % has been calculated using absolute figures and is therefore not directly deductible.

Notes

Share option plans

Number of share options	Executive Board	Others	Total
2014			
Outstanding as at 1 January 2014	26,208	71,599	97,807
Granted in 2014	5,892	18,200	24,092
Exercised	0	-7,541	-7,541
Forfeited	0	-6,894	-6,894
Expired	0	0	0
Outstanding as at 31 March 2014	32,100	75,364	107,464
2013			
Outstanding as at 1 January 2013	22,420	55,864	78,284
Granted in 2013	8,147	30,217	38,364
Exercised	0	0	0
Forfeited	0	0	0
Expired	0	0	0
Outstanding as at 31 March 2013	30,567	86,081	116,648
€ million			
Market value estimated using the Black-Scholes model		31.03.2014	31.03.2013
		0.9	0.4
Conditions applying to the statement of market value using the Black Scholes model:			
Expected volatility		34%	35%
Expected dividend in proportion to market value		2%	3%
Risk-free interest rate		4%	4%

Notes

Share option plans – continued

Number of share options	Grant year					
	2009	2010	2011	2012	2013	2014
Specification of share option plans						
Executive Board						
Granted	10,099	4,054	5,076	7,159	8,147	5,892
Transferred on enlargement of the Executive Board	4,359	1,772	0	0	0	0
Exercised	-14,458	0	0	0	0	0
Expired	0	0	0	0	0	0
Total	0	5,826	5,076	7,159	8,147	5,892
Exercise price	148.53	370.04	443.26	314.27	276.18	380.64
Others						
Granted	64,213	22,034	14,350	33,112	30,217	18,200
Transferred on enlargement of the Executive Board	-4,359	-1,772	0	0	0	0
Exercised on resignation of management employees	-3,067	0	0	0	0	0
Forfeited on resignation of management employees	-12,498	-9,177	-4,803	-13,245	-6,011	0
Exercised	-44,289	-7,541	0	0	0	0
Total	0	3,544	9,547	19,867	24,206	18,200
Exercise price	148.53	370.04	443.26	314.27	276.18	380.64
Exercise period for the CEO						
6 weeks following publication of the annual report in	2013/2014**					
10 banking days following publication of the annual report in			2014/2015	2015/2016	2016/2017	2017/2018
Exercise period for the Group CFO and others						
10 banking days following the publication of the annual report in	2013*	2013/2014**	2014/2015	2015/2016	2016/2017	2017/2018

* As at 31 March 2013, 8,717 share options from the 2009 granting remained outstanding. The exercise period for these was prolonged, and the options were exercised in Q2 2013. Share price at the exercise date was DKK 281.88.

** In Q1 2014, 7,541 share options were exercised. Share price at the exercise date was DKK 380.64. The exercise period for the 9,370 share options that remain from the 2010 granting has been prolonged.

Each share option entitles the holder to purchase one Solar B share.

Both plans make it possible to make payment as a cash settlement.

The liability in relation to share options is recognised in the balance sheet under other payables.

Consolidated Accounting policies

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.

Apart from the effect of new IAS/IFRS standards implemented during the period, accounting policies remain unchanged from Annual Report 2013, which holds a full description of these on pages 49-55.

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, income tax has been calculated on the basis of pre-tax profits at the expected average tax rate. No calculations of taxable income for the period have been made.

New accounting standards implemented during the period

On 1 January 2014, Solar implemented IFRS 10-12 on consolidated financial statements, joint arrangements and disclosure of interests in other entities. Also, we have implemented new interpretations on existing standards. These changes have no impact on Solar.

New accounting standards to be implemented in coming accounting periods

For information on new accounting standards, reference is made to note 31 on page 85 in Annual Report 2013. No new or amended standards have been issued in 2014 other than those stated in the annual report.

On audit

The quarterly report has not been audited or reviewed.

Management's statement

The group's supervisory and executive boards have discussed and approved the Q1 2014 quarterly report of Solar A/S today.

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.

In our opinion, the quarterly report gives a fair presentation of the group's assets, equity and liabilities and financial position as at 31 March 2014 as well as of the results of the group's activities and cash flow for Q1 2014.

Further, in our opinion, the management's review gives a true and fair statement of the development of the group's activities and financial situation, net profit or loss for the period and of the group's overall financial position. It describes the most significant risks and uncertainties pertaining to the group.

Kolding, 15 May 2014

EXECUTIVE BOARD

.....
 Anders Wilhjelm
 CEO

.....
 Michael H. Jeppesen
 Group CFO

BOARD OF DIRECTORS

.....
 Jens Borum
 Chairman

.....
 Agnete Raaschou-Nielsen
 Vice chairman

.....
 Lars Lange Andersen

.....
 Niels Borum

.....
 Ulrik Damgaard

.....
 Bent H. Frisk

.....
 Ulf Gundemark

.....
 Jens Peter Toft

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 Steen Weirsøe