



NASDAQ OMX Copenhagen A/S

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Quarterly Report Q2 2014

As at 24 April 2013, Solar A/S divested the subsidiary Aurora Group Danmark A/S. The stated figures for 2013 and 2014 in this announcement, therefore, relate to the continuing operations.

Q2 revenue for the Solar Group matched our expectations, while EBITA was in the low range of our expectations. Our expectations for revenue and EBITA for 2014 are changed.

As the Board of Directors of Solar A/S has processed the quarterly report and guidance earlier than planned, the publication of Quarterly Report Q2 2014 has been moved forward.

CEO Anders Wilhelm says:

“Most of our enterprises generated negative growth in Q2, and we see a historically weak Danish market, which is disappointing to us. It gives us an unfavourable effect of our geographical mix. In spite of the dropping top line, we still expect group EBITA to grow compared to 2013, however at a lower level than earlier stated. In general, we do not see any vast changes to the group’s overall market conditions in 2015.”

Select financial highlights	€million				~ DKK million			
	Q2 2014	Q2 2013	H1 2014	H1 2013	Q2 2014	Q2 2013	H1 2014	H1 2013
Revenue	361.2	383.9	739.6	759.4	2,695	2,863	5,519	5,663
EBITA	-2.1	2.3	0.8	-1.6	-16	17	6	-12
Earnings before tax	-5.5	-2.1	-6.5	-9.9	-41	-16	-49	-74
Cash flow from operating act	-12.5	8.1	-34.0	-23.5	-93	60	-254	-175
Select key figures	%				%			
Organic growth	-3.5	-4.7	0.2	-7.6	-3.5	-4.7	0.2	-7.6
EBITA margin	-0.6	0.6	0.1	-0.2	-0.6	0.6	0.1	-0.2
Net working capital/rev.*	13.0	14.0	13.0	14.0	13.0	14.0	13.0	14.0

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

Q2 2014 revenue:

- Group revenue matched our expectations.
- Organic growth was -3.5% but was negatively affected by the placement of Easter compared with Q2 2013. When adjusted for the number of working days, organic growth was -2.3%.

Q2 2014 EBITA:

- Group EBITA was in the low range of our expectations.
- The result was negatively affected by the placement of Easter compared to Q2

2013.

- Furthermore, EBITA was affected by restructuring costs of € 1.5m and Solar 8000 costs of € 1.0m. In Q2 2013, EBITA was affected by restructuring costs of € 0.7m and Solar 8000 costs of € 0.8m as well as profit from the divestment of Aurora Group of € 1.4m.

Net working capital:

- Net working capital was reduced to 13.7% of revenue, down from 14.1% in H1 2013. When stated as an average of four quarters, net working capital was reduced to 13.0% of revenue from 14.0% in H1 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. We expect net working capital of 11% of revenue at year-end 2014.

Expectations for 2014:

- Expectations for 2014 revenue have changed from revenue at € 1,465-1,510m to revenue around € 1,500m.
- Expectations for EBITA have been changed from EBITA at € 25-32m to EBITA around € 23m.
- Expectations for EBITA are negatively affected by a shifting of the geographical mix, in which Solar Danmark, in particular, are experiencing negative organic growth above group average.
- At the same time, we expect the changes in our customer and product mix, which affected gross profit negatively in several of our markets in H1, to continue.
- Expectations for 2014 EBITA include restructuring costs of approximately € 2m and Solar 8000 implementation costs of approximately € 2m. Adjusted for these, normalised EBITA is expected at € 27m.
- As a consequence of our expectations for a continued weak market development we focus on improvement measures in several group enterprises with the purpose of adjusting the business to fit the market situation.

Q2 presentation – video webcast and teleconference

The presentation of Quarterly Report Q2 2014 will be transmitted online from NASDAQ OMX Copenhagen Wednesday 20 August at 11.00 CET and will be accessible via www.solar.eu. Teleconference numbers are available here:

Participants from Denmark: tel. +45 32 72 80 18

Participants from the UK: 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 Q2 2014 pages 1-22

Facts about Solar

Solar A/S is a listed company and one of Northern Europe's leading sourcing and services companies within electrical, heating, plumbing and ventilation products. Solar offers products, knowledge and solutions.

In 2013, the Solar Group, which is based in Denmark, generated revenue totalling € 1,531.5m, equating DKK 11.4bn. The group currently has some 3,300 employees. Solar is listed on NASDAQ OMX Copenhagen with the short designation SOLAR B and has been listed since 1953.

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 versions, the Danish version shall prevail.



Solar A/S

Quarterly Report Q2 2014

solar

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Quarterly Report Q2 2014

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The quarterly report of Solar A/S was published in Danish and English on 19 August 2014 via NASDAQ OMX Copenhagen. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

Consolidated Financial highlights

	Q2		H1		Year
	2014	2013	2014	2013	2013
Income statement (€ million)					
Revenue	361.2	383.9	739.6	759.4	1,531.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	0.8	5.3	6.6	4.5	36.6
Earnings before interest, tax and amortisation (EBITA)	-2.1	2.3	0.8	-1.6	21.7
Earnings before interest and tax (EBIT)	-3.9	0.2	-3.5	-6.0	12.9
Earnings before tax (EBT)	-5.5	-2.1	-6.5	-9.9	5.5
Net profit or loss for the period	-4.8	-1.0	-6.3	-7.9	3.0
Balance sheet total	650.4	709.6	650.4	709.6	665.0
Equity	265.2	278.6	265.2	278.6	286.6
Interest-bearing liabilities, net	94.0	97.5	94.0	97.5	42.4
Cash flow from operating activities	-12.5	8.1	-34.0	-23.5	35.1
Financial ratios (% unless otherwise stated)					
Organic growth	-3.5	-4.7	0.2	-7.6	-5.9
EBITDA margin	0.2	1.4	0.9	0.6	2.4
EBITA margin	-0.6	0.6	0.1	-0.2	1.4
Net working capital (NWC end of period)/revenue (LTM)	13.7	14.1	13.7	14.1	11.5
Gearing (Interest-bearing liabilities, net/EBITDA), no. of times	2.4	2.9	2.4	2.9	1.2
Return on equity (ROE) excl. amortisation	4.8	4.9	4.8	4.9	4.1
Return on invested capital (ROIC) excl. amortisation	4.9	4.0	4.9	4.0	4.1
Equity ratio	40.8	39.3	40.8	39.3	43.1
Share ratios					
Earnings in € per share outstanding (EPS)	-0.61	-0.13	-0.80	-1.01	0.38
Earnings excl. amortisation in € per share outstanding (EPS)	-0.38	0.14	-0.25	-0.45	1.50
Employees					
Average number of employees in continuing operations (FTE)	3,274	3,320	3,276	3,368	3,333

OUTLINE

Most of Solar's enterprises generated negative growth in Q2 2014 except those in Sweden and Poland.

Q2 group revenue was in line with our expectations, while EBITA was in the low range of our expectations.

As a consequence of our expectations for a continued weak mar-

ket development we focus on improvement measures in several group enterprises with the purpose of adjusting the business to fit the market situation.

Our expectations for 2014 have changed from revenue at € 1,465-1,510m to revenue around € 1,500m. Expectations for EBITA are changed from € 25-32m to EBITA around € 23m.

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

Q2 2014

Revenue

Most of Solar's enterprises generated negative growth in Q2 2014 except those in Sweden and Poland.

Negative market development resulted in revenue of € 361.2m against € 383.9m in Q2 2013. Organic growth was -3.5% but was negatively affected by the placement of Easter compared with Q2 2013. When adjusted for the number of working days, organic growth was -2.3% in Q2 2014.

Revenue matched our expectations.

EBITA

EBITA was € -2.1m, or -0.6% of revenue, against € 2.3m i.e. 0.6% of revenue in Q2 2013.

The result was negatively affected by the placement of Easter compared to Q2 2013.

In comparison with Q2 2013, gross profit was unchanged 20.6%.

Bad debts were reduced to 0.2% of revenue from 0.4% in Q2 2013.

In Q2 2014, EBITA was affected by restructuring costs of € 1.5m and Solar 8000 costs of € 1.0m. In Q2 2013, EBITA was affected by restructuring costs of € 0.7m and Solar 8000 costs of € 0.8m as well as profit from the divestment of Aurora Group of € 1.4m.

Normalised EBITA amounted to € 0.4m in Q2 2014 against € 2.4m in Q2 2013.

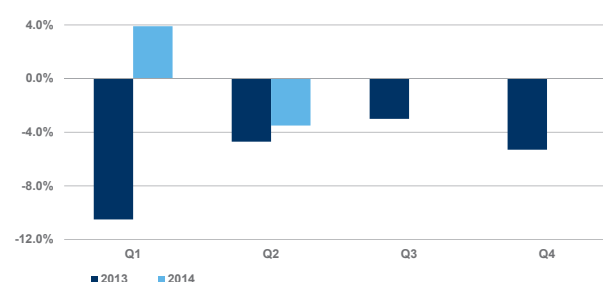
EBITA was in the low range of our expectations.

EBT amounted to € -5.5m against € -2.1m in Q2 2013.

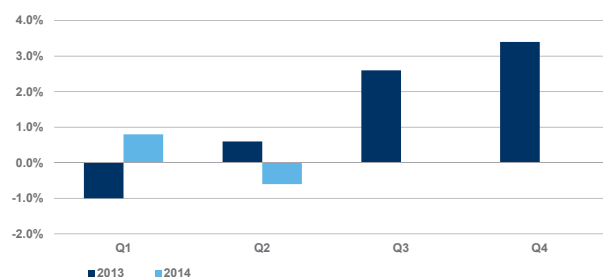
In Q2 2014, income tax amounted to a profit of € 0.7m. In Q2 2013, a reduction of the Danish company tax rate caused a reduction of deferred tax of € 1.3m which resulted in company tax income of € 1.0m.

Result for the period totalled € -4.8m against € -1.0m in Q2 2013.

Organic growth in %



EBITA in % of revenue



Normalised EBITA

€ million	Q2		H1	
	2014	2013	2014	2013
EBITA	-2.1	2.3	0.8	-1.6
Restructuring costs	1.5	0.7	1.5	4.9
Solar 8000 costs	1.0	0.8	1.7	1.7
Adjustment of profit from divestment of Aurora Group	0.0	-1.4	0.4	-1.4
Normalised EBITA	0.4	2.4	4.4	3.6
Normalised EBITA margin in %	0.1	0.6	0.6	0.5

H1 2014**Revenue**

Revenue totalled € 739.6m against € 759.4m in H1 2013. Organic growth amounted to 0.2% against -7.6% in H1 2013.

EBITA

EBITA was up at € 0.8m from € -1.6m in H1 2013.

H1 gross profit was negatively affected by a shifting of our geographical mix, in which Solar Danmark, in particular, experienced negative organic growth above group average. Furthermore, we saw a negative effect of a shifting of our customer and product mix in several of our markets. Consequently, group-level gross margin dropped to 20.7% from 21.1% in H1 2013.

Bad debts were reduced to 0.3% of revenue from 0.5% in H1 2013.

In H1 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, H1 2014 EBITA was affected by restructuring costs of € 1.5m and Solar 8000 costs of € 1.7m. In H1 2013, EBITA saw the effect of restructuring and Solar 8000 costs of € 4.9m and € 1.7m, respectively, as well as a profit from the divestment of Aurora Group of € 1.4m.

Normalised EBITA thereby rose to € 4.4m in H1 2014 from € 3.6m in H1 2013.

EBT amounted to € -6.5m against € -9.9m in H1 2013.

In H1 2014, company tax resulted in a € 0.2m profit against € 2.0m in H1 2013.

Result for the period was € -6.3m compared to € -7.9m in H1 2013.

Investments

In H1 2014, € 1.7m were invested in Solar 8000 (SAP) and this brings total investments to € 54.5m. Following the implementation in Solar Sverige, the Solar 8000 project is now finalised.

At the end of H1 2014, a total of € 36.2m had been capitalised with € 15.7m amortised.

Net investments in property, plant and equipment totalled € 4.1m in H1 2014.

Cash flows

Net working capital was reduced to € 207.8m at the end of the period, down from € 223.6m in H1 2013.

Net working capital was reduced to 13.7% of revenue, down from 14.1% in H1 2013. When stated as an average of four quarters, net working capital was reduced to 13.0% of revenue from 14.0% in H1 2013.

Cash flow from operating activities thereby totalled € -34.0m against € -23.5m in H1 2013.

Cash flow from investing activities amounted to € -5.5m against € 5.7m in H1 2013, when the divestment of Aurora Group had a positive effect of € 11.0m. Cash flow from financing activities amounted to € -16.8m against € -11.6m in H1 2013. Of this, € 12.6m were paid out to the company's shareholders, up from € 7.0m in H1 2013.

Total cash flow amounted to € -56.3m against € -32.1m in H1 2013.

Compared to H1 2013, net interest-bearing debt was reduced by € 3.5m. Gearing thereby dropped to 2.4 from 2.9 times EBITDA at the end of H1 2013.

As at 30 June 2014, Solar had unutilised credit facilities worth € 91.0m. Solar's agreement with its main bankers is not subject to any covenants.

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 negative growth in Q2. Partly due to a reduced number of working days compared to 2013, but even adjusted for this, we are seeing overall negative growth for the group. We assess that we as a group, in general, have maintained our market position.

In several group enterprises, we are working on improvement measures with the purpose of adjusting our costs to the still challenging market conditions.

In Denmark construction activities remain at a low level. Adjusted for the number of working days and the sale of solar panels, growth amounted to -4.1% in Q2 2014 and -3.8% in H1 2014. 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 and with no indication of a turnaround in sight. On the other hand, we are experiencing improved conditions in our other market areas outside of the construction industry.

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.

On 1 June, Solar Sverige went live with Solar 8000 as planned. The transition took place without any significant operational disturbances. In the period leading up to go-live we spent many resources on ensuring a secure transition. There is a continued need for management focus as well as internal resources, which will be maintained until operations are fully optimised.

The SAP implementation has temporarily required increased internal focus in Sweden. The Swedish organisation will now again increase focus on the customers.

In Norway we saw positive market growth in H1, and Solar performed just as well if not better than the market. Thus, Solar's sales development has been positive in H1, but whereas Q1 growth was positive, we experienced negative growth in Q2. In our opinion, this is a result of periodical shifting between

Q1 and Q2 due to favourable weather conditions in Q1 and the effect of the placement of Easter. Another contributing factor to Q2 development is diminishing effects of contracts entered into in 2013. These contracts were most recently mentioned in Quarterly Report Q1 2014.

In the Netherlands the market was vaguely negative compared to 2013. We still believe that the market is on its way to a stabilisation. In spite of a disappointing GDP development in Q1, we are seeing improved consumer confidence and an upward trend in the sale of houses, however up from a very low level. We are also seeing an emerging growth within industry, while commercial construction is still developing weakly. 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	83.2		
Other operating income and costs ¹	0.7	1.2		
Solar 8000 costs	-0.5	-0.3		
EBITA ²	3.3	1.8		
Organic growth %	-3.9	-9.7		
EBITA %	3.8	2.1		
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.

² Restructuring costs amounted to € 1.1m, which solely affected Q2.

Solar Sverige

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	80.6	78.5		
Solar 8000 costs	-0.2	-0.7		
EBITA	2.1	-1.1		
Organic growth %	6.1	1.4		
EBITA %	2.6	-1.4		
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	63.2		
EBITA	2.1	1.9		
Organic growth %	17.9	-7.3		
EBITA %	3.1	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	77.8		
EBITA ²	-1.0	-1.2		
Organic growth %	-1.2	-0.5		
EBITA %	-1.1	-1.6		
2013				
Revenue	85.5	78.1	74.7	88.9
EBITA ³	-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 2014.³ Restructuring costs amounted to € 4.2m, of which the majority affected Q1.Solar Deutschland ¹

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	31.9	29.4		
EBITA	-2.2	-2.0		
Organic growth %	5.8	-3.8		
EBITA %	-6.9	-6.9		
2013				
Revenue	30.2	30.5	34.9	32.9
EBITA ²	-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 and GFI Elektro GmbH which were integrated into Solar Deutschland as at 1 April 2014.² Restructuring costs amounted to € 0.5m, of which the majority affected Q1.

Claessen, Belgium

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	8.6	8.2		
EBITA	0.0	-0.2		
Organic growth %	2.5	-4.0		
EBITA %	-0.4	-1.5		
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	12.9		
EBITA	-0.2	-0.2		
Organic growth %	11.8	-0.7		
EBITA %	-1.7	-1.6		
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

P/F Solar Føroyar
The Faroes

Solar Norge AS
Norway

Solar Sverige AB
Sweden

Solar Danmark A/S
Denmark

**Solar Nederland B.V.
incl. Conelgro B.V.**
The Netherlands

Solar Polska Sp. z o.o.
Poland

Solar Deutschland GmbH
Germany

Clæssen ELGB
Belgium

GFI GmbH
Austria

Solar Polska

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	7.8	9.5		
EBITA	-0.2	0.1		
Organic growth %	6.0	25.4		
EBITA %	-2.5	1.0		
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	0.8		
EBITA	0.1	0.0		
Organic growth %	-8.3	-15.0		
EBITA %	12.0	2.8		
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

Also in Q2 2014, the Danish market saw negative growth - apart from what can be ascribed to the number of working days. New construction remains at a very low level, especially within housing we are seeing a continued decline, and we have no indication of any turnaround in sight. We are still seeing a large number of requests for projects but detect insecurity in terms of their completion and timing. Overall, we expect negative organic growth for Solar Danmark in 2014.

The Swedish market grew in Q2 2014 within both the electrical and the heating and plumbing areas. We expect this trend to continue for the remainder of the year. Following the successful implementation of Solar 8000, increased customer focus means that we expect positive organic growth for Solar Sverige.

In the Norwegian market, we expect growth to weaken in 2014 - among other things due to a decrease in housing and offshore investments. For 2014 on the whole, we see market growth around zero, while we expect Solar Norge to generate positive growth.

In the Netherlands, we are seeing budding optimism. In the second half of 2014, we expect a stable to slightly positive market. There are, however, still many available commercial leases. Overall, we expect Solar in the Netherlands to generate slight negative organic growth in 2014.

Development in the German market was surprisingly poor in Q2. It is, however, still our expectation that the market has stabilised, and that market trends for 2014 will be weakly positive. We expect Solar Deutschland to generate growth.

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

Business expectations

The business areas industry, 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.

Financial expectations

Expectations for 2014 revenue have changed from revenue at € 1,465-1,510m to revenue around € 1,500m.

Expectations for EBITA have been changed from EBITA at € 25-32m to EBITA around € 23m.

Expectations for EBITA are negatively affected by a shifting of the geographical mix, in which Solar Danmark, in particular, are experiencing negative organic growth above group average.

At the same time, we expect the changes in our customer and product mix, which affected gross profit negatively in several of our markets in H1, to continue.

Expectations for 2014 EBITA include restructuring costs of approximately € 2m and Solar 8000 implementation costs of approximately € 2m. Adjusted for these, normalised EBITA of € 27m is expected.

As a consequence of our expectations for a continued weak market development we focus on improvement measures in several group enterprises with the purpose of adjusting the business to fit the market situation.

Improving profitability, the rounding off of our Solar 8000 project and more customer focus will take centre stage.

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. 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.

Video webcast

The presentation of Quarterly Report Q2 2014 will be transmitted online from NASDAQ OMX Copenhagen on 20 August 2014 at 11.00 CET and will be accessible via www.solar.eu.

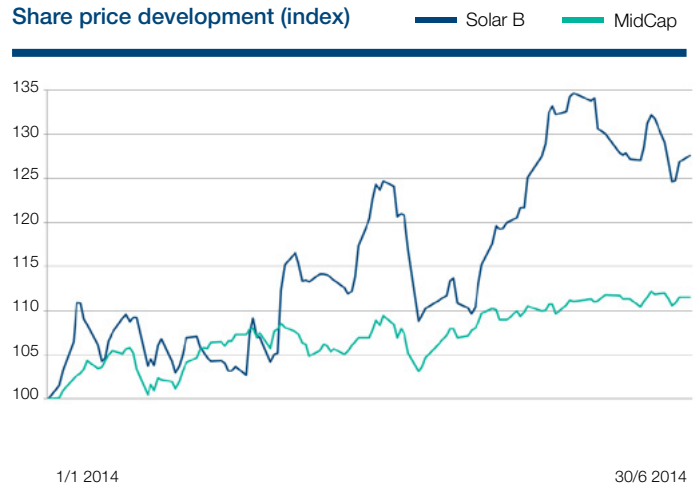
Financial calendar 2014

5 October - 18 November	IR quiet period
18 November	Quarterly Report Q3 2014

Share price development

On 30 June 2014, the price of Solar's B share was DKK 429, up from DKK 336 on 1 January 2014. This is a rise of almost 28% over the period. In comparison, the MidCap index saw a rise of some 11% during the same period.

Share price development (index)



Distribution of share capital and votes as at 30 June 2014

Shareholders with 5% or more	Share capital in %	Share of votes in %
The Fund of 20 th December	15.6	57.5
Chr. Augustinus Fabrikker A/S	10.3	5.1
Investeringsforeningen Nordea Invest	5.2	2.6
ATP	5.0	2.5
Other shareholders		
Board of Directors and Executive Board incl. related parties	3.1	2.3
Other Danish shareholders	31.5	15.6
Foreign shareholders	20.1	9.9
Non-registered shareholders	8.4	4.1
Treasury shares	0.8	0.4

Announcements 2014

Date	No.	Announcement
03.06	12	Exercise of options in Solar A/S
02.06	11	Solar A/S makes changes to its management team
15.05	10	Quarterly Report Q1 2014
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	2014	2013	2013	2012	2013	2012
Revenue	378.4	375.5	361.2	383.9	368.3	387.3	403.8	436.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5.8	-0.8	0.8	5.3	12.6	14.5	19.5	14.3
Earnings before interest, tax and amortisation (EBITA)	2.9	-3.9	-2.1	2.3	9.5	11.7	13.8	11.5
Earnings before interest and tax (EBIT)	0.4	-6.2	-3.9	0.2	7.3	9.4	11.6	9.4
Financials, net	-1.4	-1.6	-1.6	-2.3	-1.7	-1.4	-1.8	-1.5
Earnings before tax (EBT)	-1.0	-7.8	-5.5	-2.1	5.6	8.0	9.8	7.9
Net profit or loss for the quarter	-1.5	-6.9	-4.8	-1.0	3.8	6.0	7.1	7.0
Balance sheet (€ million)								
Non-current assets	240.7	256.4	233.0	255.1	251.4	257.2	243.2	255.6
Current assets	440.6	496.5	417.4	454.5	437.3	504.2	421.8	511.6
Balance sheet total	681.3	752.9	650.4	709.6	688.7	761.4	665.0	767.2
Equity	284.8	289.9	265.2	278.6	282.7	289.2	286.6	295.3
Non-current liabilities	100.6	142.8	98.0	137.1	112.5	148.4	103.4	143.4
Current liabilities	295.9	320.2	287.2	293.9	293.5	323.8	275.0	328.5
Interest-bearing liabilities, net	66.5	111.2	94.0	97.5	79.5	122.1	42.4	74.9
Invested capital	367.0	425.1	379.3	396.3	382.1	441.1	353.5	395.4
Net working capital, year-end	194.8	249.7	207.8	223.6	205.7	257.3	176.7	215.4
Net working capital, average	200.2	243.1	196.3	236.5	223.6	244.2	206.2	228.7
Cash flows (€ million)								
Cash flow from operating activities	-21.5	-31.6	-12.5	8.1	18.9	3.1	39.7	46.3
Cash flow from investing activities	-2.7	-3.3	-2.8	9.0	-0.7	-1.3	-3.4	-1.9
Cash flow from financing activities	-2.4	-2.4	-14.4	-9.2	-25.3	-2.5	-2.2	-2.2
Net investments in intangible assets	-0.6	-0.2	-0.8	-0.6	-0.1	0.0	-0.6	-0.1
Net investments in property, plant and equipment	-2.1	-3.1	-2.0	-1.4	-0.6	-1.3	-2.8	-1.8
Acquisitions and disposals of subsidiaries and operations, net	0.0	0.0	0.0	11.0	0.0	0.0	0.0	0.0

Consolidated Quarterly figures – continued

Financial ratios (% unless otherwise stated)	Q1		Q2		Q3		Q4	
	2014	2013	2014	2013	2013	2012	2013	2012
Revenue growth	0.8	-9.5	-5.9	-4.1	-4.9	14.1	-7.5	-1.3
Organic growth	3.9	-10.5	-3.5	-4.7	-3.0	-2.0	-5.3	-3.2
EBITDA margin	1.5	-0.2	0.2	1.4	3.4	3.7	4.8	3.3
EBITA margin	0.8	-1.0	-0.6	0.6	2.6	3.0	3.4	2.6
EBIT margin	0.1	-1.7	-1.1	0.1	2.0	2.4	2.9	2.2
Net working capital (NWC end of period)/revenue (LTM)	12.7	13.7	13.7	14.1	13.2	14.8	11.5	12.3
Net working capital (NWC average)/revenue (LTM)	13.0	14.1	13.0	14.0	13.6	14.1	13.5	13.7
Gearing (net interest-bearing liabilities/EBITDA), no. of times	1.5	3.3	2.4	2.9	2.5	2.3	1.2	1.6
Return on equity (ROE)	2.9	1.7	1.7	1.8	1.0	6.9	1.1	5.5
Return on equity (ROE) excl. amortisation	6.1	4.8	4.8	4.9	4.1	10.3	4.1	8.6
Return on invested capital (ROIC)	3.0	2.6	2.2	1.1	0.7	6.8	1.0	5.9
Return on invested capital (ROIC) excl. amortisation	5.7	4.9	4.9	4.0	3.8	8.3	4.1	8.1
Adjusted market capitalisation/earnings before interest, tax and amortisation (EV/EBITA)	16.9	18.2	22.4	17.0	19.8	11.1	17.8	9.6
Equity ratio	41.8	39.0	40.8	39.3	41.0	38.3	43.1	39.2
Share ratios								
Earnings in € per share outstanding (EPS)	-0.19	-0.88	-0.61	-0.13	0.48	0.76	0.91	0.89
Earnings excl. amortisation in € per share outstanding (EPS)	0.13	-0.59	-0.38	0.14	0.76	1.06	1.19	1.16
Intrinsic value in € per share outstanding	36.3	36.1	33.8	35.5	36.0	35.9	36.5	36.8
Share price in €	54.2	38.8	57.5	35.8	40.4	43.8	45.0	34.4
Share price/intrinsic value	1.49	1.08	1.70	1.01	1.12	1.22	1.23	0.94
Share price in DKK	405	290	429	267	301	326	336	257
Employees								
Average number of employees in continuing operations (FTE)	3,284	3,416	3,274	3,320	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	Q2		H1		Year
	2014	2013	2014	2013	2013
Revenue	361.2	383.9	739.6	759.4	1,531.5
Cost of sales	-286.8	-304.8	-586.2	-599.5	-1,206.8
Gross profit	74.4	79.1	153.4	159.9	324.7
Other operating income and costs	0.0	1.4	-0.4	1.4	1.5
External operating costs	-16.7	-18.1	-34.7	-38.1	-69.8
Staff costs	-55.9	-55.6	-109.7	-115.3	-214.8
Loss on trade receivables	-1.0	-1.5	-2.0	-3.4	-5.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	0.8	5.3	6.6	4.5	36.6
Write-down and depreciation on property, plant and equipment	-2.9	-3.0	-5.8	-6.1	-14.9
Earnings before interest, tax and amortisation (EBITA)	-2.1	2.3	0.8	-1.6	21.7
Amortisation of intangible assets	-1.8	-2.1	-4.3	-4.4	-8.8
Earnings before interest and tax (EBIT)	-3.9	0.2	-3.5	-6.0	12.9
Financial income	0.5	0.6	1.2	1.3	2.8
Financial costs	-2.1	-2.9	-4.2	-5.2	-10.2
Earnings before tax (EBT)	-5.5	-2.1	-6.5	-9.9	5.5
Income tax	0.7	1.0	0.2	2.0	-2.5
Profit or loss from continuing operations	-4.8	-1.1	-6.3	-7.9	3.0
Result of discontinued operations	0.0	-0.1	0.0	0.0	0.0
Net profit or loss for the period	-4.8	-0.1	-6.3	-7.9	3.0
Earnings per share in € per share outstanding (EPS)	-0.61	-0.13	-0.80	-1.01	0.38
Diluted earnings per share in € per share outstanding (EPS-D)	-0.61	-0.13	-0.80	-1.01	0.38
Earnings per share in € per share outstanding (EPS) from continuing operations	-0.61	-0.14	-0.80	-1.01	0.38
Diluted earnings per share in € per share outstanding (EPS-D) from continuing operations	-0.61	-0.14	-0.80	-1.01	0.38

Statement of comprehensive income

Net profit or loss for the period	-4.8	-1.0	-6.3	-7.9	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	0.0	0.0	-0.3
Tax	0.0	0.0	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	-0.6	0.2	-0.3	-0.1
Foreign currency translation adjustment of foreign subsidiaries	-1.7	-4.5	-1.1	-4.5	-8.7
Value adjustment of hedging instruments before tax	-0.8	2.4	-2.1	4.0	5.8
Tax on value adjustments of hedging instruments	0.2	-0.6	0.5	-1.0	-1.6
Other income and costs recognised after tax	-2.2	-3.3	-2.5	-1.8	-4.7
Total comprehensive income for the period	-7.0	-4.3	-8.8	-9.7	-1.7

Consolidated Balance sheet

€ million	30.06		31.12
	2014	2013	2013
Assets:			
Intangible assets	66.4	74.2	70.2
Property, plant and equipment	156.4	165.2	158.3
Deferred tax asset	9.3	8.8	8.5
Other non-current assets	0.9	6.9	6.2
Non-current assets	233.0	255.1	243.2
Inventories	173.4	170.4	175.9
Trade receivables	216.6	235.6	194.9
Income tax receivable	7.6	7.3	5.4
Other receivables	7.0	3.0	2.6
Prepayments	7.1	3.6	3.6
Cash at bank and in hand	5.7	34.6	39.4
Current assets	417.4	454.4	421.8
Total assets	650.4	709.6	665.0
Equity and liabilities:			
Share capital	106.2	106.2	106.2
Reserves	-15.3	-9.6	-12.6
Retained earnings	174.3	182.0	180.4
Proposed dividend for the year	0.0	0.0	12.6
Equity	265.2	278.6	286.6
Interest-bearing liabilities	72.0	105.5	77.0
Provision for pension obligations	2.8	3.1	2.9
Provision for deferred tax	20.2	24.4	20.8
Other provisions	3.0	4.1	2.7
Non-current liabilities	98.0	137.1	103.4
Interest-bearing liabilities	32.0	30.9	9.1
Trade payables	182.2	182.4	194.1
Income tax payable	1.4	4.8	2.4
Other payables	68.5	69.6	65.5
Prepayments	0.4	0.7	0.9
Other provisions	2.7	5.5	3.0
Current liabilities	287.2	293.9	275.0
Liabilities	385.2	431.0	378.4
Total equity and liabilities	650.4	709.6	665.0

Consolidated Cash flow statement

€ million	Q2		H1		Year
	2014	2013	2014	2013	2013
Net profit or loss for the period from continuing operations	-4.8	-1.1	-6.3	-7.9	3.0
Write-down, depreciation and amortisation	4.7	5.1	10.1	10.5	23.7
Changes to provisions and other adjustments	0.7	-2.8	-0.2	0.1	-4.3
Financials, net	1.6	2.3	3.0	3.9	7.4
Income tax	-0.7	-1.0	-0.2	-2.0	2.5
Financial income, received	0.2	0.6	0.4	0.8	1.2
Financial expenses, settled	-1.6	-2.1	-3.2	-3.7	-7.0
Income tax, settled	-1.9	-0.6	-4.0	-2.5	-10.9
Cash flow before change in working capital	-1.8	0.4	-0.4	-0.8	15.6
Change in inventories	5.1	13.1	1.7	13.1	5.4
Change in receivables	6.7	-1.8	-25.2	-10.7	28.0
Change in non-interest-bearing liabilities	-22.5	-3.6	-10.1	-25.1	-13.9
Cash flow from operating activities	-12.5	8.1	-34.0	-23.5	35.1
Purchase of intangible assets	-0.8	-0.6	-1.4	-0.8	-1.5
Purchase of property, plant and equipment	-2.0	-3.0	-4.2	-6.1	-12.6
Disposal of property, plant and equipment	0.0	1.6	0.1	1.6	4.7
Divestment of subsidiaries	0.0	11.0	0.0	11.0	11.0
Cash flow from investing activities	-2.8	9.0	-5.5	5.7	1.6
Repayment of non-current, interest-bearing debt	-1.8	-2.2	-4.2	-4.6	-32.1
Dividend distributed	-12.6	-7.0	-12.6	-7.0	-7.0
Cash flow from financing activities	-14.4	-9.2	-16.8	-11.6	-39.1
Net cash flow from continuing operations	-29.7	7.9	-56.3	-29.4	-2.4
Cash flow from discontinued operations	0.0	-1.9	0.0	-2.7	-2.7
Total cash flow	-29.7	6.0	-56.3	-32.1	-5.1
Cash at bank and in hand at the beginning of period	3.8	-1.2	30.3	36.5	36.5
Foreign currency translation adjustments	-0.4	-1.1	-0.3	-0.7	-1.1
Cash at bank and in hand at the end of period	-26.3	3.7	-26.3	3.7	30.3
Cash at bank and in hand at the end of period					
Cash at bank and in hand	5.7	34.6	5.7	34.6	39.4
Current interest-bearing liabilities	-32.0	-30.9	-32.0	-30.9	-9.1
Cash at bank and in hand at the end of period	-26.3	3.7	-26.3	3.7	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				0.2		0.2
Foreign currency translation adjustment of foreign subsidiaries			-1.1			-1.1
Value adjustment of hedging instruments before tax		-2.1				-2.1
Tax on value adjustments		0.5				0.5
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0.0	-1.6	-1.1	0.2	0.0	-2.5
Net profit or loss for the period				-6.3		-6.3
Comprehensive income	0.0	-1.6	-1.1	-6.1	0.0	-8.8
Dividend distribution					-12.6	-12.6
Other movements	0.0	0.0	0.0	0.0	-12.6	-12.6
Equity as at 30 June	106.2	-11.2	-4.1	174.3	0.0	265.2
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				-0.3		-0.3
Foreign currency translation adjustment of foreign subsidiaries			-4.5			-4.5
Value adjustment of hedging instruments before tax		4.0				4.0
Tax on value adjustments		-1.0				-1.0
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0.0	3.0	-4.5	-0.3	0.0	-1.8
Net profit or loss for the period				-7.9		-7.9
Comprehensive income	0.0	3.0	-4.5	-8.2	0.0	-9.7
Dividend distribution					-7.0	-7.0
Other movements	0.0	0.0	0.0	0.0	-7.0	-7.0
Equity as at 30 June	106.2	-10.8	1.2	182.0	0.0	278.6

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
H1 2014													
Revenue	171.1	159.1	130.3	161.9	16.8	61.3	24.6	17.3	1.6	-4.4	739.6		739.6
Other operating income and costs	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.3	-0.4		-0.4
Solar 8000 costs	-0.8	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.7		-1.7
EBITA	5.1	1.0	4.0	-2.2	-0.2	-4.2	-0.4	-0.1	0.1	-2.3	0.8		0.8
Financials, net	-0.6	-1.3	-0.4	-0.6	0.0	-0.2	0.0	0.0	0.0	0.1	-3.0		-3.0
EBT	1.9	-1.9	2.9	-3.9	-0.1	-4.6	-0.4	-0.2	0.1	-0.3	-6.5		-6.5
Depreciation and amortisation recognised in EBT	-4.7	-2.6	-1.3	-2.5	-0.1	-0.7	-0.1	-0.2	0.0	2.1	-10.1		-10.1
Non-current assets	308.0	38.8	22.5	79.7	0.8	12.1	1.5	4.7	0.6	-235.7	233.0		233.0
Additions property, plant and equipment	3.5	0.2	0.7	0.7	0.1	0.2	0.0	0.2	0.0	0.0	5.6		5.6
Equity	310.5	36.3	39.1	77.5	7.5	14.2	5.5	9.1	1.7	-236.2	265.2		265.2
Liabilities	177.6	86.0	54.0	92.4	7.0	39.5	12.0	8.5	0.9	-92.7	385.2		385.2
Balance sheet total	488.1	122.3	93.1	169.9	14.5	53.7	17.5	17.6	2.6	-328.9	650.4		650.4
Organic growth %	-6.8	3.7	4.2	-0.4	-0.8	1.0	4.9	15.9	-11.7		0.2		0.2
EBITA % ⁶	3.0	0.6	3.1	-1.4	-0.9	-6.9	-1.6	-0.5	7.5		0.1		0.1
H1 2013													
Revenue	183.6	161.1	137.6	163.6	16.9	60.7	23.4	14.9	1.9	-4.3	759.4	18.9	778.3
Other operating income and costs	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2	1.4	0.0	1.4
Solar 8000 costs	-0.8	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.7	0.0	-1.7
EBITA	6.8	2.1	5.8	-11.7	-0.1	-5.5	-0.6	-0.7	0.1	2.2	-1.6	0.3	-1.3
Financials, net	-0.5	-1.5	-0.8	-0.9	0.0	-0.1	0.0	0.0	0.0	-0.1	-3.9	-0.1	-4.0
EBT	3.9	-1.4	4.3	-13.8	0.0	-5.7	-0.6	-0.8	0.1	4.1	-9.9	0.0	-9.9
Depreciation and amortisation recognised in EBT	-4.5	-3.2	-1.3	-2.5	-0.1	-0.5	-0.1	-0.2	0.0	1.9	-10.5	-0.1	-10.6
Non-current assets	293.0	43.6	23.9	78.4	0.6	17.9	1.6	4.3	0.7	-208.9	255.1	0.0	255.1
Additions property, plant and equipment	4.4	0.7	0.5	0.7	0.1	0.3	0.0	0.2	0.0	0.0	6.9	0.0	6.9
Equity	320.1	37.9	43.5	43.9	7.1	22.0	5.2	8.2	1.7	-211.0	278.6	0.0	278.6
Liabilities	170.4	91.2	69.4	132.0	8.7	43.1	12.4	6.8	0.9	-103.9	431.0	0.0	431.0
Balance sheet total	490.5	129.1	112.9	175.9	15.8	65.1	17.6	15.0	2.6	-314.9	709.6	0.0	709.6
Organic growth %	-6.7	-4.8	5.4	-15.7	-4.4	-16.4	-4.3	-17.7	4.8		-7.6		
EBITA % ⁶	3.7	1.3	4.2	-7.2	-0.3	-9.0	-2.4	-4.6	3.9		-0.2		

¹ Under the cost method.

² Includes Conelgro B.V.

³ Includes GFI Gesellschaft für Installationstechnik mbH and GFI Elektro GmbH, which were integrated into Solar Deutschland as at 1 April 2014.

⁴ Eliminations include an adjustment resulting from the translation from cost method to equity method. Intercompany revenue was € 4.4m (€ 4.3m 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
Transferred on change to Executive Board	-21,583	21,583	0
Exercised	-1,772	-15,139	-16,911
Forfeited	0	-6,894	-6,894
Outstanding as at 30 June 2014	8,745	89,349	98,094
2013			
Outstanding as at 1 January 2013	22,420	55,864	78,284
Granted in 2013	8,147	30,217	38,364
Exercised	-4,359	-4,358	-8,717
Forfeited	0	-10,124	-10,124
Outstanding as at 30 June 2013	26,208	71,599	97,807
€ million			
	30.06.2014	30.06.2013	
Market value estimated using the Black-Scholes model	1.0	0.2	
Conditions applying to the statement of market value using the Black Scholes model:			
Expected volatility	33%	34%	
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 change to Executive Board	4,359	-2,282	-3,384	-4,773	-5,431	-3,941
Exercised	-14,458	-1,772	0	0	0	0
Total	0	0	1,692	2,386	2,716	1,951
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 change of Executive Board	-4,359	2,282	3,384	4,773	5,431	3,941
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	-15,139	0	0	0	0
Total	0	0	12,931	24,640	29,637	22,141
Exercise price	148.53	370.04	443.26	314.27	276.18	380.64
Exercise period						
10 banking days following 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 remaining 9,370 share options was prolonged, and the options were exercised in Q2 2014. Share price at the exercise date was DKK 441.64.

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

The 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 board of directors and executive board have discussed and approved the Q2 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 30 June 2014 as well as of the results of the group's activities and cash flow for Q2 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, 19 August 2014

EXECUTIVE BOARD

.....
Anders Wilhjelm
CEO

.....
Michael H. Jeppesen
Group CFO

BOARD OF DIRECTORS

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Jens Borum
Chairman

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Agnete Raaschou-Nielsen
Vice chairman

.....
Lars Lange Andersen

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Niels Borum

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Ulrik Damgaard

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Bent H. Frisk

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Ulf Gundemark

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Jens Peter Toft

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Steen Weirsøe