



NASDAQ OMX Copenhagen A/S

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Quarterly Report Q3 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.

The Solar Group's revenue and EBITA in Q3 2014 were in line with our expectations. Expectations for underlying operations are unchanged, which is why expectations for yearly revenue are unchanged. However, a number of optimisation initiatives entail non-recurring costs in Denmark, Sweden, Norway and the Netherlands, which has changed our expectations for full-year EBITA.

CEO Anders Wilhjem says:

"Several of our enterprises experienced negative growth in Q3, while the enterprises in Poland, Belgium and Austria generated positive growth. As we do not expect a significant change in the market conditions for our classic business areas, we have started to transform Solar from a wholesaler to a sourcing and services company with focus on customer needs. We have started a number of optimisation initiatives, but the journey Solar has embarked upon will take time. The transformation means that we have to become better at developing the existing business in a profitable manner, while at the same time exploring new opportunities."

Select financial highlights	€million				~ DKK million			
	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013
Revenue	356.8	368.3	1,096.4	1,127.7	2,661	2,747	8,178	8,410
EBITA	10.0	9.5	10.8	7.9	74	71	81	59
Earnings before tax	6.7	5.6	0.2	-4.3	49	43	2	-32
Cash flow from operating act	14.5	18.9	-19.5	-4.6	109	141	-145	-34
Select key figures	%				%			
Organic growth	-1.4	-3.0	-0.3	-6.1	-1.4	-3.0	-0.3	-6.1
EBITA margin	2.8	2.6	1.0	0.7	2.8	2.6	1.0	0.7
Net working capital/rev.*	13.0	13.6	13.0	13.6	13.0	13.6	13.0	13.6

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

Q3 2014 revenue:

- Group revenue matched our expectations.
- Organic growth amounted to -1.4% against -3.0% in Q3 2013. Adjusted for the number of working days, organic growth amounted to -1.3% against -4.5% in Q3 2013.

Q3 2014 EBITA:

- Group EBITA matched our expectations.
- EBITA was affected by restructuring costs of €0.4m, while Q3 2013 EBITA was affected by restructuring costs of €0.8m and Solar 8000 costs of €0.9m.

Net working capital:

- Net working capital amounted to 13.3% of revenue, up from 13.2% in Q3 2013. When stated as an average of four quarters, net working capital was reduced to 13.0% of revenue from 13.6% in Q3 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 approximately 11% of revenue at year-end.

Expectations for 2014:

- Expectations for underlying operations are unchanged, which is why we continue to expect 2014 revenue around €1,500m.
- However, the optimisation initiatives entail non-recurring costs which have changed expectations for EBITA from around €23m to around €9m. Normalised EBITA of unchanged approximately €27m is expected.
- The optimisation initiatives in Solar's enterprises in Denmark, Sweden, Norway and the Netherlands described in quarterly report Q3 2014 under events after closing of the accounts entail that expected restructuring costs increase from approximately €2m to approximately €12m along with an expected write-down of assets at fair value of €4m which total €16m.
- All things being equal, the annual effect of these initiatives entails cost savings of approximately €7m of which approximately 50% is expected to be realised in 2015. Furthermore, the invested capital is expected to be reduced by €9m as a result of the sales of assets along with the optimisation of net working capital in the Netherlands.

Presentation currency:

- Going forward, Solar will change the presentation currency from euro to Danish kroner. The change is a result of our wanting to reduce complexity in the presentation of accounts.

Q3 presentation – audio webcast and teleconference

The presentation of Quarterly Report Q3 2014 will be transmitted online from Nasdaq Copenhagen on Tuesday 18 November 2014 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 Wilhelm

Attachment: Quarterly Report Q3 2014 pages 1-23

Facts about Solar

Solar A/S is a listed company and one of Northern Europe's leading sourcing and services companies, mainly within electrical, heating, plumbing and ventilation technologies. 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 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 Copenhagen. In case of any discrepancy between the two versions, the Danish version shall prevail.



Solar A/S

Quarterly Report Q3 2014

Quarterly Report Q3 2014

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The quarterly report of Solar A/S was published in Danish and English on 18 November 2014 via Nasdaq Copenhagen. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

Consolidated Financial highlights

Income statement (€ million)	Q3		Q1 - Q3		Year
	2014	2013	2014	2013	2013
Revenue	356.8	368.3	1,096.4	1,127.7	1,531.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	12.9	12.6	19.5	17.1	36.6
Earnings before interest, tax and amortisation (EBITA)	10.0	9.5	10.8	7.9	21.7
Earnings before interest and tax (EBIT)	8.3	7.3	4.8	1.3	12.9
Earnings before tax (EBT)	6.7	5.6	0.2	-4.3	5.5
Net profit or loss for the period	4.8	3.8	-1.5	-4.1	3.0
Balance sheet total	677.1	688.7	677.1	688.7	665.0
Equity	270.4	282.7	270.4	282.7	286.6
Interest-bearing liabilities, net	81.2	79.5	81.2	79.5	42.4
Cash flow from operating activities	14.5	18.9	-19.5	-4.6	35.1
Financial ratios (% unless otherwise stated)					
Organic growth	-1.4	-3.0	-0.3	-6.1	-5.9
EBITDA margin	3.6	3.4	1.8	1.5	2.4
EBITA margin	2.8	2.6	1.0	0.7	1.4
Net working capital (NWC end of period)/revenue (LTM)	13.3	13.2	13.3	13.2	11.5
Gearing (Interest-bearing liabilities, net/EBITDA), no. of times	2.1	2.5	2.1	2.5	1.2
Return on equity (ROE) excl. amortisation	5.2	4.1	5.0	4.1	4.1
Return on invested capital (ROIC) excl. amortisation	5.1	3.8	5.1	3.8	4.1
Equity ratio	39.9	41.0	39.9	41.0	43.1
Share ratios					
Earnings in € per share outstanding (EPS)	0.61	0.48	-0.19	-0.52	0.38
Earnings excl. amortisation in € per share outstanding (EPS)	0.83	0.76	0.57	0.32	1.50
Employees					
Average number of employees in continuing operations (FTE)	3,247	3,301	3,270	3,346	3,333

OUTLINE

Several of Solar's enterprises experienced negative growth in Q3 2014, while the enterprises in Poland, Belgium and Austria generated positive growth.

Q3 group revenue and EBITA were in line with our expectations.

As previously announced, Solar will focus on reducing complexity, optimising operations and our customers' needs. Consequently,

a number of changes have been implemented or initiated – see page 6.

Expectations for underlying operations are unchanged, which is why we continue to expect 2014 revenue around € 1,500m. However, the optimisation initiatives entail non-recurring costs which have changed expectations for EBITA from around € 23m to around € 9m - see page 10.

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

Q3 2014

Revenue

Q3 revenue was in line with our expectations.

Several of Solar's enterprises experienced negative growth, while the enterprises in Poland, Belgium and Austria generated positive growth.

The negative market development resulted in revenue of € 356.8m against € 368.3m in Q3 2013. Organic growth amounted to -1.4% against -3.0% in Q3 2013.

Adjusted for the number of working days, organic growth amounted to -1.3% against -4.5% in Q3 2013.

EBITA

Q3 EBITA was in line with our expectations and amounted to € 10.0m or 2.8% of revenue against € 9.5m or 2.6% of revenue in Q3 2013.

Gross profit was 20.3% against 20.9% in Q3 2013. In Solar Danmark and Solar Sverige, Q3 2014 gross profit was still negatively affected by the customer and product mix.

Q3 showed no significant bad debts. In general, customer solvency improved and we collected payments of previously written-down receivables. Thereby, bad debts were reduced to 0.1% of revenue compared to 0.5% of revenue in Q3 2013.

In Q3 2014, EBITA was affected by restructuring costs of € 0.4m, while Q3 2013 EBITA was affected by restructuring costs of € 0.8m and Solar 8000 costs of € 0.9m.

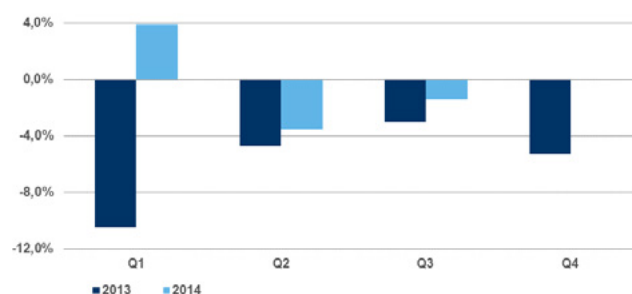
Normalised EBITA amounted to € 10.4m in Q3 2014 compared to € 11.2m in Q3 2013.

EBT

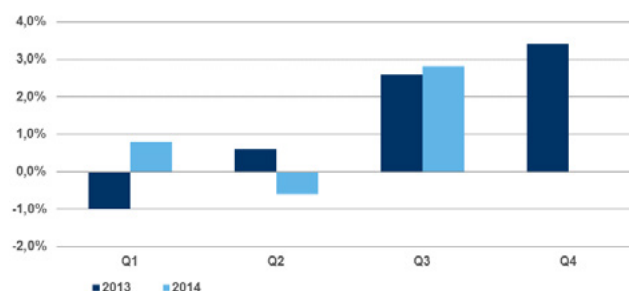
EBT amounted to € 6.7m against € 5.6m in Q3 2013.

The result for the period totalled € 4.8m against € 3.8m in Q3 2013.

Organic growth in %



EBITA in % of revenue



Normalised EBITA

	Q3		Q1-Q3	
€ million	2014	2013	2014	2013
EBITA	10.0	9.5	10.8	7.9
Restructuring costs	0.4	0.8	1.9	5.7
Solar 8000 costs	-	0.9	1.7	2.6
Adjustment of profit from divestment of Aurora Group	-	-	0.4	-1.4
Normalised EBITA	10.4	11.2	14.8	14.8
Normalised EBITA margin in %	2.9	3.0	1.3	1.3

Q1-Q3 2014

Revenue

Revenue was € 1,096.4m compared to € 1,127.7m in Q1-Q3 2013. Organic growth amounted to -0.3% compared to -6.1% in Q1-Q3 2013.

EBITA

EBITA increased to € 10.8m, up from € 7.9m in Q1-Q3 2013.

Gross profit for the first nine months of the year was negatively affected by a shifting of our geographical mix, in which especially Solar Danmark experienced negative growth below 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 20.6%, down from 21.0% in Q1-Q3 2013.

Loss on bad debts was reduced to 0.2% of revenue compared to 0.5% of revenue in Q1-Q3 2013.

In addition, Q1-Q3 2014 EBITA was affected by restructuring costs of € 1.9m and Solar 8000 costs of € 1.7m. 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. By comparison, EBITA in the first nine months of 2013 saw the effect of restructuring and Solar 8000 costs of € 5.7m and € 2.6m, respectively, as well as a profit from the divestment of Aurora Group of € 1.4m.

Normalised EBITA thereby amounted to € 14.8m in Q1-Q3 2014 as in Q1-Q3 2013.

EBT

EBT amounted to € 0.2m against € -4.3m for the first nine months of 2013. Company tax made up a € -1.7m cost against a € 0.2m profit in Q1-Q3 2013. The 2013 company tax was affected by a reduction of the Danish company tax rate, which caused a reduction of deferred tax of € 1.3m.

Result for the period was € -1.5m compared to € -4.1m for the first nine months of 2013.

Investments

Net investments in property, plant and equipment totalled € 5.2m in Q1-Q3 2014.

Cash flows

Net working capital was reduced to € 199.1m at the end of the period, down from € 205.7m in Q3 2013. We did, however, build up stock in Q3 2014. It is a focus area to reduce inventories to a normal level.

Net working capital amounted to 13.3% of revenue, up from 13.2% in Q3 2013. When stated as an average of four quarters, net working capital was reduced to 13.0% of revenue from 13.6% in Q3 2013.

Cash flow from operating activities thereby totalled € -19.5m against € -4.6m in Q1-Q3 2013.

Cash flow from investing activities amounted to € -7.0m against € 5.0m in the first nine months of 2013, when the divestment of Aurora Group had a positive effect of € 11.0m.

Cash flow from financing activities amounted to € -18.6m against € -36.9m in Q1-Q3 2013. Of this, € 12.6m were paid out to the company's shareholders, up from € 7.0m in 2013. Furthermore, Solar repaid non-current interest-bearing debt amounting to € 23.0m in Q3 2013.

Total cash flow amounted to € -45.1m against € -39.2m in the first nine months of 2013.

Compared to Q1-Q3 2013, net interest-bearing debt was increased by € 1.7m. Gearing dropped to 2.1 from 2.5 times EBITDA at the end of Q3 2013.

As at 30 September 2014, Solar had unutilised credit facilities worth € 99.5m. Solar's agreement with its main bankers is not subject to any covenants.

Events after closing of the accounts

As previously announced, Solar will focus on reducing complexity, optimising operations and our customers' needs. Consequently, a number of changes have been implemented or initiated.

Solar Norge has closed a number of drive-ins and made the necessary adaptations. Solar Danmark is also planning to close a number of drive-ins. The continuously increasing digitalisation of Solar's business and changed customer behaviour enable this optimisation in both countries.

In the Netherlands, we are in the process of optimising Solar Nederland's supply chain setup. This involves closing down the central warehouse in Zwolle and the activities being moved to the warehouse in Alkmaar.

At the same time, we commence the integration of Conelgro in the Netherlands and Claessen in Belgium into Solar Nederland. The purpose is to consider the Conelgro and Claessen customers and give them full access to all of Solar's products and services. At the same time, Solar Nederland's customers will get access to a larger network of branches. Furthermore, we want to consolidate and optimise all back office functions in Alkmaar as well as merge several branch offices. The integra-

tion is expected complete before the end of 2015.

All business activities in the Netherlands and Belgium will be managed by CED Martin Trampe.

At the beginning of Q4, Solar Sverige initiated the necessary normalisation of the costs following the SAP implementation.

The financial consequences of the above-mentioned initiatives are described under financial expectations.

Going forward, Solar will change the presentation currency from euro to Danish kroner. The change is a result of our wanting to reduce complexity in the presentation of accounts. More than half of our group revenue comes from countries outside the euro collaboration. The functional currencies in the group enterprises will still be the currency of the country in which that enterprise operates. When publishing financial reports, we will publish a separate appendix with key figures in euro.

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

As expected, Solar saw negative growth also in Q3. We assess that we as a group, in general, have maintained our market position.

In Denmark activities remain at a historically low level. However, adjusted for the sale of solar panels, growth amounted to 1.0% in Q3 2014 but -2.3% in the first nine months of 2014. The extent of new construction projects initiated and renovations remains at a very low level within both construction of housing and commercial property. However, we saw a slight improvement in sales to large customers by the end of Q3. We are experiencing better conditions in our other market areas outside of the construction industry.

In Sweden the market is growing within industry, construction and infrastructure. However, Solar only has limited activities relating to infrastructure. The implementation of SAP as at 1 June along with changes in the Swedish management have temporarily increased internal focus, which has affected sales negatively. Now, the Swedish organisation has increased resumed focus on customers and development of the business.

In Norway market growth was slightly positive in Q3. Thus, our sales development was below the total market level, which primarily relates to weak sales within utility. As mentioned in previous quarterly reports, we see a deceleration of investments within offshore as well as within new construction of housing.

In the Netherlands the market was negative compared with 2013. In spite of a surprisingly negative development in Q3, we still believe that the market is stabilising. The Dutch organisation continues to focus on stabilising its business and creating the basis for future profitable growth. With the mentioned

integration of activities in the Netherlands and Belgium, in time, we expect to strengthen Solar's overall market position.

In Germany the market has been stagnant for the past two quarters compared with 2013. A string of the German key figures has been disappointing the past months and we do not expect a forthcoming improvement.

Other markets – see tables.

Solar Danmark (excl. results in subsidiaries)

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	87.9	83.2	88.4	
Other operating income and costs ¹	0.7	1.2	1.1	
Solar 8000 costs	-0.5	-0.3	0.0	
EBITA ²	3.3	1.8	10.0	
Organic growth %	-3.9	-9.7	-0.8	
EBITA %	3.8	2.1	11.3	
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 € 1.3m, which mainly affected Q2.

Solar Sverige

Figures in € million	Q1	Q2	Q3	Q4
2014				
Revenue	80.6	78.5	69.5	
Solar 8000 costs	-0.2	-0.7	0.0	
EBITA	2.1	-1.1	1.2	
Organic growth %	6.1	1.4	-1.4	
EBITA %	2.6	-1.4	1.6	
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	63.2	60.6	
EBITA	2.1	1.9	2.6	
Organic growth %	17.9	-7.3	-3.4	
EBITA %	3.1	3.1	4.3	
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	73.3	
EBITA ²	-1.0	-1.2	-1.6	
Organic growth %	-1.2	-0.5	-0.9	
EBITA %	-1.1	-1.6	-2.2	
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	32.6	
EBITA	-2.2	-2.0	-1.1	
Organic growth %	5.8	-3.8	-6.4	
EBITA %	-6.9	-6.9	-3.4	
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	7.1	
EBITA	0.0	-0.2	-0.2	
Organic growth %	2.5	-4.0	0.8	
EBITA %	-0.4	-1.5	-2.8	
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	14.9	
EBITA	-0.2	-0.2	0.0	
Organic growth %	11.8	-0.7	0.9	
EBITA %	-1.7	-1.6	-0.3	
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	11.5	
EBITA	-0.2	0.1	0.2	
Organic growth %	6.0	25.4	19.6	
EBITA %	-2.5	1.0	1.9	
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	0.8	
EBITA	0.1	0.0	0.1	
Organic growth %	-8.3	-15.0	-0.7	
EBITA %	12.0	2.8	9.3	
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

Overall, we do not see a significant change in the markets, except a weakening of the German market. However, it is unsure if the recent disappointing development in the Netherlands will continue.

The Danish market is expected to also decrease for the remaining part of 2014. New construction is still at a very low level. Particularly within housing we see a decline and we see no indication that it is about to change. In areas outside of the construction industry, we continue to expect a positive development for Solar. Overall, we expect negative organic growth for Solar Denmark in 2014.

The Swedish market grew in Q3 2014 within both the electrical and the heating and plumbing areas and we expect this development to continue. As customer focus is increased, we expect that Solar in Sweden will gain a fair share of this market growth.

In the Norwegian market, we expect weak growth for the remainder of 2014, among other things due to a decrease in housing and industry investments. For 2014 on the whole, we now see slight positive market growth. Solar Norge also expects to generate slight positive growth.

Despite a negative development in the Dutch market in Q3, we still expect the market to stabilise, but at a low level. 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 for the past two quarters. Therefore, we estimate that market development for 2014 will be negative, which will also affect Solar.

In the Polish market, we expect positive growth, while we expect growth around nil in the remaining markets.

Business expectations

The business areas industry, energy supply and infrastructure are all expected to generate positive growth rates, whereas the more traditional and major installation areas related to construction will generate negative growth.

Financial expectations

Expectations for underlying operations are unchanged, which is why we continue to expect 2014 revenue around € 1,500m. However, the optimisation initiatives entail non-

recurring costs, which changes expectations for EBITA from around € 23m to around € 9m.

The initiatives in Solar's enterprises in Denmark, Sweden, Norway and the Netherlands described on page 6 entail that expected restructuring costs increase from approximately € 2m to approximately € 12m along with an expected write-down of assets at fair value of approximately € 4m which total approximately € 16m. All things being equal, the annual effect of these initiatives entails cost savings of approximately € 7m of which approximately 50% is expected to be realised in 2015. Furthermore, the invested capital is expected to be reduced by € 9m as a result of the sale of assets along with the optimisation of net working capital in the Netherlands.

Expectations for 2014 EBITA include restructuring costs and write-downs of approximately € 16m and Solar 8000 implementation costs of approximately € 2m. Adjusted for these, normalised EBITA of unchanged approximately € 27m is expected.

Efforts to optimise 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 approximately 11% of revenue at year-end.

In connection with the integration of Conelgro into Solar Nederland, we performed an impairment test of the carrying amount of goodwill based on estimates and business plans etc. Here, the value in use of the expected future cash flows is compared with the carrying amount of the individual cash-generating units.

After the integration of Conelgro into Solar Nederland, it is not possible to make a disaggregation of the expected future cash flows in the individual units. Therefore, the impairment test is performed based on cash flows from the total combined company, where Solar Nederland constitutes a low starting point.

As at 30 September 2014, book value of goodwill related to Conelgro amounted to € 13.5m and book value of customer-related assets amounted to € 3.4m, in total € 16.9m. An impairment test of goodwill and customer-related assets was carried out in the fourth quarter of 2014. The test shows the need for a write-down of € 16.9m. Write-downs of goodwill and customer-related assets are placed under EBITA level in the income statement.

Management's review

Shareholder information

Solar's shares

Solar's share capital is divided into nominally € 12.1 million A shares and nominally € 94.3 million B shares.

The A shares are not listed. The B shares are listed on Nasdaq Copenhagen under the ID code DK0010274844 with the short designation SOLAR B and form part of the MidCap index and MidCap on Nasdaq 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 per share amount of DKK 100.

Start times of IR quiet periods

As from 2015, all Solar's IR quiet periods will start on the 10th of the month following the end of a quarter. This change is made out of consideration for Solar's internal processes concerning the presentation of accounts.

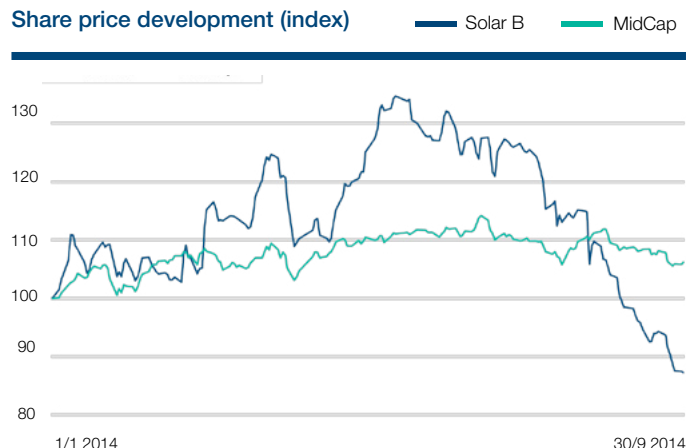
Financial calendar 2015

10 January – 25 February	IR quiet period
25 February	Annual Report 2014
27 March	Annual general meeting
1 April	Payment of dividend
10 April – 7 May	IR quiet period
7 May	Quarterly Report Q1 2015
10 July – 12 August	IR quiet period
12 August	Quarterly Report Q2 2015
10 October – 5 November	IR quiet period
5 November	Quarterly Report Q3 2015

Share price development

On 30 September 2014, the price of Solar's B share was DKK 293 against DKK 336 on 1 January 2014. This is a decline of almost 13% over the period.

Share price development (index)



Deadline for proposals to the agenda

Please note that shareholders' deadline for handing in proposals for the agenda for the annual general meeting is 13 February 2015.

Audio webcast

The presentation of Quarterly Report Q3 2014 will be transmitted online from Nasdaq Copenhagen on 18 November 2014 at 11.00 CET and will be accessible via www.solar.eu.

Distribution of share capital and votes as at 30 September 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
Nordea Funds Oy, Danish branch	10.1	5.0
ATP	5.0	2.5
Other shareholders		
Board of Directors and Executive Board incl. related parties	3.1	2.3
Other Danish shareholders	26.7	13.2
Foreign shareholders	19.8	9.8
Non-registered shareholders	8.6	4.2
Treasury shares	0.8	0.4

Announcements 2014

Date	No.	Announcement
19.09	16	Major shareholder announcement
08.09	15	Major shareholder announcement
25.08	14	Financial calendar 2015
19.08	13	Quarterly report Q2 2014
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	2014	2013	2013	2012
Revenue	378.4	375.5	361.2	383.9	356.8	368.3	403.8	436.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5.8	-0.8	0.8	5.3	12.9	12.6	19.5	14.3
Earnings before interest, tax and amortisation (EBITA)	2.9	-3.9	-2.1	2.3	10.0	9.5	13.8	11.5
Earnings before interest and tax (EBIT)	0.4	-6.2	-3.9	0.2	8.3	7.3	11.6	9.4
Financials, net	-1.4	-1.6	-1.6	-2.3	-1.6	-1.7	-1.8	-1.5
Earnings before tax (EBT)	-1.0	-7.8	-5.5	-2.1	6.7	5.6	9.8	7.9
Net profit or loss for the quarter	-1.5	-6.9	-4.8	-1.0	4.8	3.8	7.1	7.0
Balance sheet (€ million)								
Non-current assets	240.7	256.4	233.0	255.1	231.5	251.4	243.2	255.6
Current assets	440.6	496.5	417.4	454.5	445.6	437.3	421.8	511.6
Balance sheet total	681.3	752.9	650.4	709.6	677.1	688.7	665.0	767.2
Equity	284.8	289.9	265.2	278.6	270.4	282.7	286.6	295.3
Non-current liabilities	100.6	142.8	98.0	137.1	96.2	112.5	103.4	143.4
Current liabilities	295.9	320.2	287.2	293.9	310.5	293.5	275.0	328.5
Interest-bearing liabilities, net	66.5	111.2	94.0	97.5	81.2	79.5	42.4	74.9
Invested capital	367.0	425.1	379.3	396.3	370.8	382.1	353.5	395.4
Net working capital, year-end	194.8	249.7	207.8	223.6	199.1	205.7	176.7	215.4
Net working capital, average	200.2	243.1	196.3	236.5	194.6	223.6	206.2	228.7
Cash flows (€ million)								
Cash flow from operating activities	-21.5	-31.6	-12.5	8.1	14.5	18.9	39.7	46.3
Cash flow from investing activities	-2.7	-3.3	-2.8	9.0	-1.5	-0.7	-3.4	-1.9
Cash flow from financing activities	-2.4	-2.4	-14.4	-9.2	-1.8	-25.3	-2.2	-2.2
Net investments in intangible assets	-0.6	-0.2	-0.8	-0.6	-0.5	-0.1	-0.6	-0.1
Net investments in property, plant and equipment	-2.1	-3.1	-2.0	-1.4	-1.1	-0.6	-2.8	-1.8
Acquisitions and disposals of subsidiaries and operations, net	0.0	0.0	0.0	11.0	0.1	0.0	0.0	0.0

Consolidated Quarterly figures – continued

Financial ratios (% unless otherwise stated)	Q1		Q2		Q3		Q4	
	2014	2013	2014	2013	2014	2013	2013	2012
Revenue growth	0.8	-9.5	-5.9	-4.1	-3.1	-4.9	-7.5	-1.3
Organic growth	3.9	-10.5	-3.5	-4.7	-1.4	-3.0	-5.3	-3.2
EBITDA margin	1.5	-0.2	0.2	1.4	3.6	3.4	4.8	3.3
EBITA margin	0.8	-1.0	-0.6	0.6	2.8	2.6	3.4	2.6
EBIT margin	0.1	-1.7	-1.1	0.1	2.3	2.0	2.9	2.2
Net working capital (NWC end of period)/revenue (LTM)	12.7	13.7	13.7	14.1	13.3	13.2	11.5	12.3
Net working capital (NWC average)/revenue (LTM)	13.0	14.1	13.0	14.0	13.0	13.6	13.5	13.7
Gearing (net interest-bearing liabilities/EBITDA), no. of times	1.5	3.3	2.4	2.9	2.1	2.5	1.2	1.6
Return on equity (ROE)	2.9	1.7	1.7	1.8	2.1	1.0	1.1	5.5
Return on equity (ROE) excl. amortisation	6.1	4.8	4.8	4.9	5.2	4.1	4.1	8.6
Return on invested capital (ROIC)	3.0	2.6	2.2	1.1	2.5	0.7	1.0	5.9
Return on invested capital (ROIC) excl. amortisation	5.7	4.9	4.9	4.0	5.1	3.8	4.1	8.1
Adjusted market capitalisation/earnings before interest, tax and amortisation (EV/EBITA)	16.9	18.2	22.4	17.0	15.4	19.8	17.8	9.6
Equity ratio	41.8	39.0	40.8	39.3	39.9	41.0	43.1	39.2
Share ratios								
Earnings in € per share outstanding (EPS)	-0.19	-0.88	-0.61	-0.13	0.61	0.48	0.91	0.89
Earnings excl. amortisation in € per share outstanding (EPS)	0.13	-0.59	-0.38	0.14	0.83	0.76	1.19	1.16
Intrinsic value in € per share outstanding	36.3	36.1	33.8	35.5	34.4	36.0	36.5	36.8
Share price in €	54.2	38.8	57.5	35.8	39.4	40.4	45.0	34.4
Share price/intrinsic value	1.49	1.08	1.70	1.01	1.14	1.12	1.23	0.94
Share price in DKK	405	290	429	267	293	301	336	257
Employees								
Average number of employees in continuing operations (FTE)	3,284	3,416	3,274	3,320	3,247	3,301	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	Q3		Q1 - Q3		Year
	2014	2013	2014	2013	2013
Revenue	356.8	368.3	1,096.4	1,127.7	1,531.5
Cost of sales	-284.3	-291.3	-870.5	-890.8	-1,206.8
Gross profit	72.5	77.0	225.9	236.9	324.7
Other operating income and costs	0.0	0.0	-0.4	1.4	1.5
External operating costs	-14.7	-15.8	-49.4	-53.9	-69.8
Staff costs	-44.6	-46.6	-154.3	-161.9	-214.8
Loss on trade receivables	-0.3	-2.0	-2.3	-5.4	-5.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	12.9	12.6	19.5	17.1	36.6
Write-down and depreciation on property, plant and equipment	-2.9	-3.1	-8.7	-9.2	-14.9
Earnings before interest, tax and amortisation (EBITA)	10.0	9.5	10.8	7.9	21.7
Amortisation of intangible assets	-1.7	-2.2	-6.0	-6.6	-8.8
Earnings before interest and tax (EBIT)	8.3	7.3	4.8	1.3	12.9
Financial income	0.8	0.5	2.0	1.8	2.8
Financial costs	-2.4	-2.2	-6.6	-7.4	-10.2
Earnings before tax (EBT)	6.7	5.6	0.2	-4.3	5.5
Income tax	-1.9	-1.8	-1.7	0.2	-2.5
Net profit or loss for the period	4.8	3.8	-1.5	-4.1	3.0
Earnings per share in € per share outstanding (EPS)	0.61	0.48	-0.19	-0.52	0.38
Diluted earnings per share in € per share outstanding (EPS-D)	0.61	0.48	-0.19	-0.52	0.38
Earnings per share in € per share outstanding (EPS) from continuing operations	0.61	0.48	-0.19	-0.52	0.38
Diluted earnings per share in € per share outstanding (EPS-D) from continuing operations	0.61	0.48	-0.19	-0.52	0.38

Statement of comprehensive income

Net profit or loss for the period	4.8	3.8	-1.5	-4.1	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	0.6	-0.1	0.8	-0.4	-0.1
Foreign currency translation adjustment of foreign subsidiaries	1.1	-0.4	0.0	-4.9	-8.7
Value adjustment of hedging instruments before tax	-1.7	1.0	-3.8	5.0	5.8
Tax on value adjustments of hedging instruments	0.4	-0.2	0.9	-1.2	-1.6
Other income and costs recognised after tax	0.4	0.3	-2.1	-1.5	-4.7
Total comprehensive income for the period	5.2	4.1	-3.6	-5.6	-1.7

Consolidated Balance sheet

€ million	30.09		31.12
	2014	2013	2013
Assets:			
Intangible assets	65.3	72.5	70.2
Property, plant and equipment	155.5	162.5	158.3
Deferred tax asset	9.8	9.5	8.5
Other non-current assets	0.9	6.9	6.2
Non-current assets	231.5	251.4	243.2
Inventories	189.5	171.7	175.9
Trade receivables	228.5	232.2	194.9
Income tax receivable	5.5	8.3	5.4
Other receivables	7.0	5.3	2.6
Prepayments	5.6	3.7	3.6
Cash at bank and in hand	9.5	16.1	39.4
Current assets	445.6	437.3	421.8
Total assets	677.1	688.7	665.0
Equity and liabilities:			
Share capital	106.4	106.2	106.2
Reserves	-15.5	-9.2	-12.6
Retained earnings	179.5	185.7	180.4
Proposed dividend for the year	0.0	0.0	12.6
Equity	270.4	282.7	286.6
Interest-bearing liabilities	70.6	80.5	77.0
Provision for pension obligations	2.7	3.2	2.9
Provision for deferred tax	19.8	24.7	20.8
Other provisions	3.1	4.1	2.7
Non-current liabilities	96.2	112.5	103.4
Interest-bearing liabilities	24.4	19.4	9.1
Trade payables	218.9	198.2	194.1
Income tax payable	4.4	7.5	2.4
Other payables	60.2	63.6	65.5
Prepayments	0.4	0.9	0.9
Other provisions	2.2	3.9	3.0
Current liabilities	310.5	293.5	275.0
Liabilities	406.7	406.0	378.4
Total equity and liabilities	677.1	688.7	665.0

Consolidated Cash flow statement

€ million	Q3		Q1-Q3		Year
	2014	2013	2014	2013	2013
Net profit or loss for the period from continuing operations	4.8	3.8	-1.5	-4.1	3.0
Write-down, depreciation and amortisation	4.6	5.3	14.7	15.8	23.7
Changes to provisions and other adjustments	-0.6	-1.8	-0.8	-1.7	-4.3
Financials, net	1.6	1.7	4.6	5.6	7.4
Income tax	1.9	1.8	1.7	-0.2	2.5
Financial income, received	0.2	0.1	0.6	0.9	1.2
Financial expenses, settled	-1.6	-1.6	-4.8	-5.3	-7.0
Income tax, settled	2.7	-0.7	-1.3	-3.2	-10.9
Cash flow before change in working capital	13.6	8.6	13.2	7.8	15.6
Change in inventories	-15.0	-1.5	-13.3	11.6	5.4
Change in receivables	-8.8	0.5	-34.0	-10.2	28.0
Change in non-interest-bearing liabilities	24.7	11.3	14.6	-13.8	-13.9
Cash flow from operating activities	14.5	18.9	-19.5	-4.6	35.1
Purchase of intangible assets	-0.5	-0.1	-1.9	-0.9	-1.5
Purchase of property, plant and equipment	-1.3	-3.1	-5.5	-9.2	-12.6
Disposal of property, plant and equipment	0.2	2.5	0.3	4.1	4.7
Divestment of subsidiaries	0.1*	0.0	0.1*	11.0	11.0
Cash flow from investing activities	-1.5	-0.7	-7.0	5.0	1.6
Repayment of non-current, interest-bearing debt	-1.8	-25.3	-6.0	-29.9	-32.1
Dividend distributed	0.0	0.0	-12.6	-7.0	-7.0
Cash flow from financing activities	-1.8	-25.3	-18.6	-36.9	-39.1
Net cash flow from continuing operations	11.2	-7.1	-45.1	-36.5	-2.4
Cash flow from discontinued operations	0.0	0.0	0.0	-2.7	-2.7
Total cash flow	11.2	-7.1	-45.1	-39.2	-5.1
Cash at bank and in hand at the beginning of period	-26.3	3.7	30.3	36.5	36.5
Foreign currency translation adjustments	0.2	0.1	-0.1	-0.6	-1.1
Cash at bank and in hand at the end of period	-14.9	-3.3	-14.9	-3.3	30.3
Cash at bank and in hand at the end of period					
Cash at bank and in hand	9.5	16.1	9.5	16.1	39.4
Current interest-bearing liabilities	-24.4	-19.4	-24.4	-19.4	-9.1
Cash at bank and in hand at the end of period	-14.9	-3.3	-14.9	-3.3	30.3

* First installment of the variable part of the selling price of Aurora Group Danmark A/S.

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			0.6		0.8
Foreign currency translation adjustment of foreign subsidiaries						0.0
Value adjustment of hedging instruments before tax		-3.8				-3.8
Tax on value adjustments		0.9				0.9
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0.2	-2.9	0.0	0.6	0.0	-2.1
Net profit or loss for the period				-1.5		-1.5
Comprehensive income	0.2	-2.9	0.0	-0.9	0.0	-3.6
Dividend distribution					-12.6	-12.6
Other movements	0.0	0.0	0.0	0.0	-12.6	-12.6
Equity as at 30 September	106.4	-12.5	-3.0	179.5	0.0	270.4
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				-0.4		-0.4
Foreign currency translation adjustment of foreign subsidiaries			-4.9			-4.9
Value adjustment of hedging instruments before tax		5.0				5.0
Tax on value adjustments		-1.2				-1.2
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0.0	3.8	-4.9	-0.4	0.0	-1.5
Net profit or loss for the period				-4.1		-4.1
Comprehensive income	0.0	3.8	-4.9	-4.5	0.0	-5.6
Dividend distribution					-7.0	-7.0
Other movements	0.0	0.0	0.0	0.0	-7.0	-7.0
Equity as at 30 September	106.2	-10.0	0.8	185.7	0.0	282.7

Notes

Segment information

€ million	Solar A/S parent company ¹	Solar Sverige AB	Solar Norge AS	Solar Neder- land ²	Claessen ELGB, Belgium	Solar Deutsch- land ³	GFI GmbH, Austria	Solar Polska Sp. z o.o.	P/F Solar Føroyar	Elimina- tions ⁴	Continuing operations total	Dis- continued opera- tions ⁵	Solar Group
Q1-Q3 2014													
Revenue	259.5	228.6	190.9	235.2	23.9	93.9	39.5	28.8	2.4	-6.3	1,096.4		1,096.4
Other operating income and costs	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.4	-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	15.1	2.2	6.6	-3.8	-0.4	-5.3	-0.4	0.1	0.2	-3.5	10.8		10.8
Financials, net	-0.9	-2.0	-0.5	-0.9	0.0	-0.2	0.0	0.0	0.0	-0.1	-4.6		-4.6
EBT	10.3	-1.9	5.0	-6.4	-0.3	-5.8	-0.5	0.0	0.2	-0.4	0.2		0.2
Depreciation and amortisation recognised in EBT	-7.1	-3.5	-1.9	-3.7	-0.1	-0.9	-0.2	-0.3	0.0	3.0	-14.7		-14.7
Non-current assets	307.1	38.7	23.3	79.3	0.8	11.8	1.4	4.7	0.6	-236.2	231.5		231.5
Additions property, plant and equipment	4.6	0.4	1.0	0.8	0.1	0.2	0.0	0.3	0.0	0.0	7.4		7.4
Equity	318.5	35.9	42.0	75.6	7.3	13.0	5.5	9.3	1.8	-238.5	270.4		270.4
Liabilities	171.8	91.2	57.5	96.7	6.6	43.2	13.0	10.3	0.7	-84.3	406.7		406.7
Balance sheet total	490.3	127.1	99.5	172.3	13.9	56.2	18.5	19.6	2.5	-322.8	677.1		677.1
Organic growth %	-4.8	2.1	1.7	-0.6	-0.3	-1.7	3.3	17.4	-8.6		-0.3		
EBITA % ⁶	5.8	0.9	3.5	-1.6	-1.5	-5.7	-1.1	0.5	8.0		1.0		
Q1-Q3 2013													
Revenue	272.8	235.8	202.9	238.3	23.9	95.6	38.2	24.4	2.6	-6.8	1,127.7	18.9	1,146.6
Other operating income and costs	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	1.4	0.0	1.4
Solar 8000 costs	-1.0	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.6	0.0	-2.6
EBITA	16.1	5.1	7.9	-14.6	-0.3	-6.7	-0.1	-0.5	0.1	0.9	7.9	0.3	8.2
Financials, net	-0.8	-2.0	-1.1	-1.4	0.0	-0.2	0.0	0.0	0.0	-0.1	-5.6	-0.1	-5.7
EBT	11.5	0.1	5.6	-17.7	-0.2	-7.0	-0.1	-0.6	0.1	4.0	-4.3	0.0	-4.3
Depreciation and amortisation recognised in EBT	-6.9	-4.9	-1.9	-3.8	-0.1	-0.8	-0.2	-0.2	0.0	3.0	-15.8	-0.1	-15.9
Non-current assets	327.9	43.2	23.3	77.7	0.6	15.6	1.5	4.4	0.6	-243.4	251.4	0.0	251.4
Additions property, plant and equipment	6.5	0.9	1.1	0.9	0.1	0.4	0.0	0.2	0.0	0.0	10.1	0.0	10.1
Equity	326.2	40.2	43.7	74.7	6.8	20.6	5.7	8.6	1.7	-245.5	282.7	0.0	282.7
Liabilities	172.9	94.5	61.1	87.7	6.2	44.1	12.4	8.1	0.8	-81.8	406.0	0.0	406.0
Balance sheet total	499.1	134.7	104.8	162.4	13.0	64.8	18.1	16.7	2.5	-327.4	688.7	0.0	688.7
Organic growth %	-7.4	-4.2	7.2	-12.5	-5.2	-12.9	-3.5	-9.1	-2.5		-6.1		
EBITA % ⁶	5.9	2.2	3.9	-6.1	-1.2	-7.1	-0.2	-2.1	4.6		0.7		

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 € 6.3m (€ 6.8m 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 September 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 September 2013	26,208	71,599	97,807
€ million			
	30.09.2014	30.09.2013	
Market value estimated using the Black-Scholes model	0.2	0.3	
Conditions applying to the statement of market value using the Black Scholes model:			
Expected volatility	31%	33%	
Expected dividend in proportion to market value	3%	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 Q3 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 September 2014 as well as of the results of the group's activities and cash flow for Q3 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, 18 November 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