



NASDAQ OMX Copenhagen A/S

GlobeNewswire

<https://cns.omxgroup.com>

Announcement no. 13 2015

Contacts:

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

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

Stakeholder Relations Manager Charlotte Risskov Kræfting – tel. +45 40 34 29 08

Solar A/S

Executive Board

Industrivej Vest 43

DK – 6600 Vejen

Denmark

Tel. + 45 79 30 00 00

www.solar.eu

Ref.: AW/crk

CVR no.: 15 90 84 16

7 May 2015

Quarterly Report Q1 2015

As a consequence of the divestment of the assets in Solar Deutschland GmbH, the stated figures for 2014 and 2015 in this announcement relate to the continuing operations.

With organic growth of 4.6%, the Solar Group's revenue for Q1 2015 was in the uppermost part of the interval of our expectations, and EBITA was in the upper part. We maintain our expectations for the full year but we now expect revenue and EBITA for 2015 in the upper part of the interval.

CEO Anders Wilhjelm says:

"We are pleased about a reasonable start to the year with growth in basically all our markets and strengthened earnings. As there are still uncertainties about the development in the Danish and Norwegian markets, we, however, remain cautious in relation to our market expectations. Solar's focus is still on profitable growth as well as the internal transformation of the company."

| Select key figures (DKK million) | Q1 2015 | Q1 2014 | Year 2014 |
|--|------------|------------|--------------|
| Revenue | 2,645 | 2,585 | 10,252 |
| EBITA | 60 | 38 | 117 |
| Earnings before tax | 40 | 11 | -122 |
| Cash flow from operating activities | -183 | -172 | 187 |
| Select key ratios (%) | | | |
| Organic growth | 4.6 | 3.8 | 0.4 |
| EBITA margin | 2.3 | 1.5 | 1.1 |
| Year-end net working capital/revenue (LTM) | 12.7 | 12.2 | 10.8 |
| Average net working capital/revenue (LTM)* | 12.4 | 12.5 | 12.4 |

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

Q1 2015 revenue

- The group's total revenue was in the uppermost part of the interval of our expectations.
- Organic growth amounted to 4.6% against 3.8% in Q1 2014. Adjusted for the number working days, organic growth amounted to 5.8% against 2.1% in Q1 2014.

Q1 2015 EBITA

- EBITA was in the upper part of the interval of our expectations.
- A part of the selling price for the sale of Aurora Group in 2013 was variable. In Q1, an adjustment of the variable part of the selling price of DKK 2m was made, while an adjustment of DKK -3m was made in Q1 2014.
- Furthermore, Q1 2014 EBITA was affected by Solar 8000 costs of DKK 5m.

Expectations for 2015

- We maintain our expectations for 2015 of revenue between DKK 10.0-10.3bn and EBITA between DKK 200-250m. We now expect revenue and EBITA to be in the upper part of the interval.
- For Solar in total, we expect organic growth in 2015 to be between approximately 0% and 2.5%.

Q1 presentation – audio webcast and teleconference today

The presentation of Quarterly Report Q1 2015 will be transmitted online on Thursday 7 May 2015 at 11:00 CET. The presentation will be transmitted as audio webcast and will be accessible via www.solar.eu. It will be possible to make comments and ask questions via teleconference.

Teleconference numbers:

DK: tel. +45 354 455 83
UK: tel. +44 203 194 0544
US: tel. +1 855 269 2604

Yours faithfully
Solar A/S

Anders Wilhjelm

Appendix: Quarterly Report Q1 2015 pages 1-22

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.

The Solar Group, which is based in Denmark, employs around 3,000 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 Q1 2015

CVR no. 15908416



stronger together

Contents

Management review

| | |
|-------------------------|---|
| Financial highlights | 3 |
| Segments | 4 |
| Expectations 2015 | 5 |
| Financial review | 6 |
| Shareholder information | 8 |

Financial statements

| | |
|-----------------------------------|----|
| Quarterly figures | 10 |
| Statement of comprehensive income | 12 |
| Balance sheet | 13 |
| Cash flow statement | 14 |
| Statement of changes in equity | 15 |
| Notes | 16 |
| Accounting policies | 20 |
| Management's statement | 21 |



Statement on the future

This quarterly report contains statements concerning the future, including financial expectations for 2015. These statements are in their nature affiliated with risks and uncertainties that Solar cannot influence. These factors may entail that the actual development and realised results may vary from the expectations described in this quarterly report.

The quarterly report was published in Danish and English on 7 May 2015 via Nasdaq Copenhagen. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

Copyright: Solar, May 2015

Financial highlights

Consolidated

| Consolidated (DKK million) | Q1 | | Year |
|---|-------|-------|--------|
| | 2015 | 2014 | 2014 |
| Revenue | 2,645 | 2,585 | 10,252 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 77 | 59 | 227 |
| Earnings before interest, tax and amortisation (EBITA) | 60 | 38 | 117 |
| Earnings before interest and tax (EBIT) | 48 | 21 | -73 |
| Earnings before tax (EBT) | 40 | 11 | -122 |
| Net profit or loss for the period | 62 | -11 | -234 |
| Balance sheet total | 4,687 | 5,071 | 4,574 |
| Equity | 1,754 | 2,120 | 1,732 |
| Interest-bearing liabilities, net | 240 | 495 | 302 |
| Cash flow from operating activities, continuing operations | -183 | -172 | 187 |
| Net investments in property, plant and equipment | -4 | -16 | -41 |
| Financial ratios (% , unless otherwise stated) | | | |
| Organic growth | 4.6 | 3.8 | 0.4 |
| Organic growth adjusted for number of working days | 5.8 | 2.1 | 0.1 |
| Gross profit | 21.2 | 21.5 | 21.2 |
| EBITDA margin | 2.9 | 2.3 | 2.2 |
| EBITA margin | 2.3 | 1.5 | 1.1 |
| Net working capital (NWC at end of period)/revenue (LTM) | 12.7 | 12.2 | 10.8 |
| Gearing (net interest-bearing liabilities/EBITDA), no. of times | 1.0 | 1.0 | 1.3 |
| Return on equity (ROE) excl. amortisation | 1.4 | 6.0 | -2.3 |
| Return on invested capital (ROIC) excl. amortisation | 1.7 | 8.5 | 0.7 |
| Equity ratio | 37.4 | 41.8 | 37.9 |
| Share ratios (DKK million) | | | |
| Earnings per share outstanding (EPS) | 7.89 | -1.40 | -29.79 |
| Earnings excl. amortisation per share outstanding (EPS) | 9.42 | 0.76 | -5.60 |
| Employees | | | |
| Average number of employees (FTE), continuing operations | 2,892 | 2,912 | 2,898 |

In general, financial ratios are calculated in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2010". In general, when EBITDA is included in the calculation of financial ratios, EBITDA for the last 12 months is included.

In general, restatements have been made of income statements, cash flows and key ratios concerning the discontinued operations in Solar Deutschland GmbH for 2014. In accordance with IFRS, the balance sheet has not been restated. The key ratio interest-bearing liabilities, net, has been adjusted for interest-bearing receivables relating to the divestment of Aurora Group Danmark A/S up until the settlement in Q1 2015.

Effective from the presentation of the annual report for 2014, Solar has changed its presentation currency from EUR to DKK. Balance sheet items as at 1 January 2014 have been translated at a price of 746.030, while the 2014 income statement has been translated at a price of 745.879. Apart from this, the change will not affect earnings before tax, net profit or loss for the period or earnings per share.

Segments

Development – installation and industry

Segment reporting

The segment reporting is divided into the three business segments: Installation, Industry and Other.

The business segments are based on the customers' affiliation. Installation covers the installation of electrical and heating and plumbing products. Industry primarily covers industry, marine and offshore, utility and infrastructure. Other covers a number of small areas.

The installation and industry segments have different delivery requirements and different dynamics.

Installation is very dependent on the construction activities, whereas industry is more affected by general financial growth, export and the development within oil and energy.

Within the individual segments, customers across countries are more alike than installation and industry customers. While installation customers are typically local customers, industry customers are often international customers.

Development within Installation in Q1

In general, the installation area still suffers under the low construction activities in a number of our markets.

Solar, however, experienced growth in all main markets with total revenue growth of 2.5% within the installation area. We assess that we as a minimum have maintained our market share.

The Danish as well as the Norwegian market has been a positive surprise in Q1 compared to our expectations. However, the Danish market still reflects significant competition, which challenges profitability.

Development within Industry in Q1

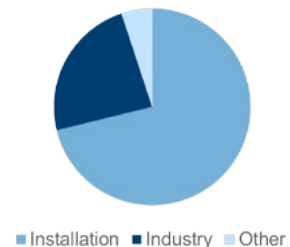
In general, we see a slightly positive development within the industry segment on Solar's markets driven by general economic growth in Northern Europe and increasing export.

The offshore industry in the North Sea is, however, challenged by the price fall on energy, which has affected the activity level of this sector negatively, in the meantime, we assess that this will have a positive effect in other parts of the industry.

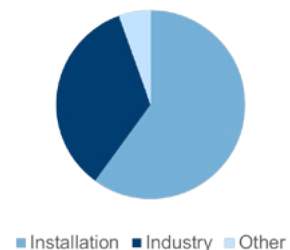
Solar experienced group-wide growth – led by Denmark, Sweden, the Netherlands and Poland. Solar's revenue growth within the industry segment was 5.4% in Q1.

The development in Q1 2015 thereby supports the potential for growth that we see within the industry segment.

Revenue



Segment earnings



The installation and industry segments have different delivery requirements and different dynamics.

Expectations 2015

Solar maintains expectations

Market expectations

Q1 was a positive start to the year for Solar. In general, we do, however, not see a significant permanent change in the markets compared to Q4 2014. Currently, there is significant insecurity concerning the market development, especially in Norway and Denmark.

The **Danish** market is expected to be continuously challenging in 2015. New construction is still at a very low level, and termination of the housing subsidy scheme 'boligjobordningen' will have a negative effect on renovation activities. Despite the ambiguous signals surrounding the Danish building sector, we still expect 2015 to be a challenging year within Installation. In areas outside the building sector we still expect a slightly positive development.

The **Swedish** installation market is expected to grow moderately in 2015. For areas outside the building sector we also expect a positive development.

The development in the **Norwegian** market is subject to uncertainties out of the ordinary. Especially offshore investments are expected to drop with an expected negative spillover effect in other areas due to the offshore industry's significance for the Norwegian economy. Thus, we expect negative growth in the Norwegian market within Installation as well as Industry.

We expect a flat market development in the **Dutch** market in 2015. The installation market gives a mixed picture, as there are still many available commercial leases, which is expected to have a negative effect on the installation market. On the other hand, the sales of houses and the number of building permits increase, which may have a positive effect. In areas outside the building sector we expect a slightly positive development.

We expect positive growth in the **Polish** market, while expecting total market growth around nil for the remaining markets.

Expectations for Solar's business areas

We expect a slightly negative to neutral development within Installation owing primarily to the market development in Denmark, Norway, and the Netherlands, respectively.

We expect a slightly positive development within Industry.

For Solar in total, we expect organic growth in 2015 to be between approximately 0% and 2.5%.

Financial expectations

We maintain our expectations for 2015 of revenue between DKK 10.0-10.3bn and EBITA between DKK 200-250m. We now expect revenue and EBITA to be in the upper part of the interval.

Financial review

Revenue growth and improved EBITA

Q1 2015

The divestment of assets in Solar Deutschland was finalised in Q1, cf. company announcement no. 6 2015. Profit from the divestment of DKK 50m is included under discontinued operations.

Thus, as in Annual Report 2014, Solar Deutschland is presented as discontinued operations, and, unless otherwise stated, this report covers the continuing operations.

In Q1, Solar saw organic growth of 4.6%. Compared to Q1 2014, gross profit dropped by 0.3 percentage points, while EBITA improved by DKK 22m amounting to DKK 60m.

In Annual Report 2014, we informed about having initiated the integration of Conelgro in the Netherlands and Claessen in Belgium into Solar Nederland. The integration is on schedule and is expected finalised before the end of 2015.

Revenue

With the exception of Belgium, Solar saw growth in all markets in Q1. Thereby, revenue increased to DKK 2,645m from DKK 2,585m in Q1 2014, and organic growth amounted to 4.6% against 3.8% in Q1 2014. Adjusted for the number of working days, organic growth amounted to 5.8% against 2.1% in Q1 2014. Q1 revenue was in the uppermost part of the interval of our expectations.

EBITA

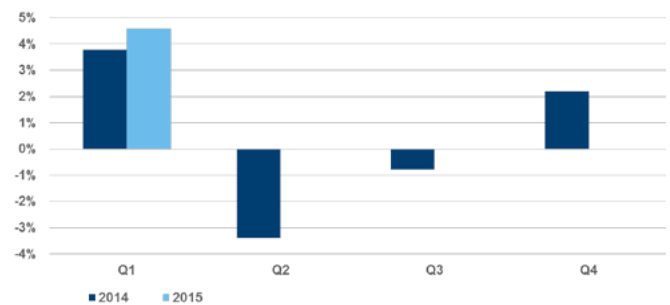
EBITA increased to DKK 60m or 2.3% of revenue compared to DKK 38m or 1.5% of revenue in Q1 2014.

Gross profit dropped to 21.2% compared to 21.5% in Q1 2014. A part of this drop can be attributed to Solar Danmark. Here, gross profit was negatively affected within both installation and industry and by a single sale of products with low profit.

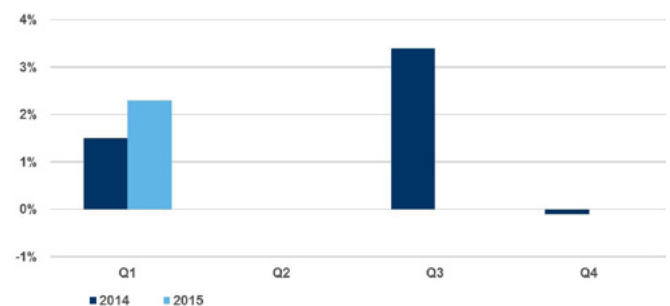
A single significant loss on one debtor entailed a total loss on debtors of 0.5% of revenue in Q1 against 0.2% of revenue in Q1 2014.

A part of the selling price for the sale of Aurora Group in 2013 was variable. In Q1, an adjustment of the variable part of the selling price of DKK 2m was made, while an adjustment of DKK -3m was made in Q1 2014. The amounts are included under other operating income and costs.

Organic growth in %



EBITA in % of revenue



Normalised EBITA

| DKK million | Q1 | |
|--------------------------------|------|------|
| | 2015 | 2014 |
| EBITA | 60 | 38 |
| Effect of divestment of Aurora | -2 | 3 |
| Solar 8000 costs | - | 5 |
| Normalised EBITA | 58 | 46 |
| Normalised EBITA margin in % | 2.2 | 1.8 |



Furthermore, Q1 2014 EBITA was affected by Solar 8000 costs of DKK 5m.

Q1 EBITA was in the upper part of the interval of our expectations.

Net profit or loss for the period

The profit increased to DKK 29m from DKK 7m in Q1 2014. Earnings from discontinued operations of DKK 33m in Q1 2015 contain DKK 50m in profit from the divestment of the assets in Solar Deutschland. Thus, total net profit or loss for the period then amounted to DKK 62m against DKK -11m in Q1 2014.

Cash flows

The development in net working capital in Q1 was less satisfactory. We continue to focus on improving net working capital, which calculated as an average of four quarters amounted to 12.4% of revenue against 12.5% in Q1 2014. Net working capital at the end of the quarter was 12.7% of revenue against 12.2% in Q1 2014.

Cash flow from operating activities amounted to DKK -183m against DKK -172m in Q1 2014. In Q1 2015, Solar received the final part of the fixed transfer price from the divestment of Aurora Group in 2013. The amount totalled DKK 32m, which affected cash flow from investing activities positively. Thereby, cash flow from investing activities totalled DKK 22m against DKK -20m in Q1 2014. Cash flow from financing activities totalled DKK -14m against DKK -18m in Q1 2014.

In connection with the divestment of assets in Solar Deutschland, the company settled its trade payables. This had a significant impact on cash flow from operating activities for discontinued operations, amounting to DKK -68m against DKK 11m in Q1 2014. The total consideration from the divestment of the assets is included under cash flow from investing activities from discontinued operations, amounting to DKK 328m against DKK 0m in Q1 2014.

Thereby, total cash flow amounted to DKK 85m against DKK -199m in Q1 2014.

Compared to Q1 2014, net interest-bearing debt was reduced by DKK 255m to DKK 240m. Gearing was unchanged at 1.0 times EBITDA.

As at 31 March 2015, Solar had unutilised credit facilities worth DKK 852m. Solar's agreement with its main banker is not subject to any covenants.

Remuneration of Executive Board and management team

In March 2015, Solar's Executive Board and management team were granted 38,372 share options to be exercised 10 banking days after the publication of the annual reports in 2018 or 2019, see company announcement no. 5 of 11 March 2015 and the note concerning share option plans.

The share option plan is in line with Solar's overall guidelines for incentive programmes adopted by the annual general meeting on 5 April 2013.

The guidelines are available at Solar website under www.solar.eu/menu/investor/downloads/policies.

Events after closing of the accounts

In April, Solar paid dividends of DKK 55m, corresponding to DKK 7.00 per share. The payment of dividends was adopted by the annual general meeting on 27 March 2015.

Key risks

Solar's Annual Report 2014 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.

Shareholder information

Solar's shares

Solar's share capital is divided into nominally DKK 90 million A shares and nominally DKK 702 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. Solar has a holding of treasury shares of 65,173 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.

Shareholders with 5% or more of the share capital

| As at 31.03.2015 | Share capital in % | Votes in % |
|---|--------------------|------------|
| The Fund of 20 th December, Kolding, Denmark | 15.6 | 57.5 |
| Nordea Funds Oy, Danish Branch, Copenhagen, Denmark | 11.1 | 5.5 |
| Chr. Augustinus Fabrikker A/S, Copenhagen, Denmark | 10.3 | 5.1 |
| RWC Asset Management LLP, London, England | 7.7 | 3.8 |

Financial calendar 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 |



**Financial
statements
Q1 2015**



Quarterly figures

Consolidated

| | Q1 | | Q2 | | Q3 | | Q4 | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2015 | 2014 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Income statement (DKK million) | | | | | | | | |
| Revenue | 2,645 | 2,585 | 2,476 | 2,635 | 2,418 | 2,487 | 2,773 | 2,766 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 77 | 59 | 19 | 56 | 103 | 102 | 46 | 136 |
| Earnings before interest, tax and amortisation (EBITA) | 60 | 38 | 0 | 36 | 82 | 81 | -3 | 116 |
| Earnings before interest and tax (EBIT) | 48 | 21 | -13 | 20 | 69 | 65 | -150 | 100 |
| Financials, net | -8 | -10 | -11 | -17 | -12 | -12 | -16 | -13 |
| Earnings before tax (EBT) | 40 | 11 | -24 | 3 | 57 | 53 | -166 | 87 |
| Net profit or loss for the quarter | 62 | -11 | -35 | -9 | 35 | 30 | -223 | 52 |
| Balance sheet (DKK million) | | | | | | | | |
| Non-current assets | 1,322 | 1,792 | 1,734 | 1,903 | 1,724 | 1,875 | 1,324 | 1,814 |
| Current assets | 3,365 | 3,279 | 3,107 | 3,391 | 3,317 | 3,263 | 3,250 | 3,147 |
| Balance sheet total | 4,687 | 5,071 | 4,841 | 5,294 | 5,041 | 5,138 | 4,574 | 4,961 |
| Equity | 1,754 | 2,120 | 1,974 | 2,078 | 2,012 | 2,108 | 1,732 | 2,138 |
| Non-current liabilities | 649 | 749 | 729 | 1,023 | 717 | 840 | 655 | 771 |
| Current liabilities | 2,284 | 2,202 | 2,138 | 2,193 | 2,312 | 2,190 | 2,187 | 2,052 |
| Interest-bearing liabilities, net | 240 | 495 | 700 | 727 | 604 | 593 | 302 | 316 |
| Invested capital | 2,101 | 2,732 | 2,823 | 2,957 | 2,760 | 2,851 | 2,172 | 2,637 |
| Net working capital, end of period | 1,308 | 1,450 | 1,547 | 1,668 | 1,482 | 1,535 | 1,111 | 1,318 |
| Net working capital, average | 1,362 | 1,490 | 1,461 | 1,764 | 1,448 | 1,668 | 1,267 | 1,538 |
| Cash flows (DKK million) | | | | | | | | |
| Cash flow from operating activities, continuing operations | -183 | -172 | -75 | 68 | 128 | 187 | 306 | 278 |
| Cash flow from investing activities, continuing operations | 22 | -20 | -21 | 58 | -11 | -21 | -6 | -23 |
| Cash flow from financing activities, continuing operations | -14 | -18 | -108 | -68 | -13 | -189 | -12 | -16 |
| Net investments in intangible assets | -6 | -4 | -6 | -4 | -4 | -1 | -4 | -4 |
| Net investments in property, plant and equipment | -4 | -16 | -15 | -20 | -8 | -20 | -2 | -19 |
| Acquisitions and disposals of subsidiaries, net | 32 | 0 | 0 | 82 | 1 | 0 | 0 | 0 |
| Financial ratios (% , unless otherwise stated) | | | | | | | | |
| Revenue growth | 2.3 | 0.4 | -6.0 | -3.1 | -2.8 | -4.6 | 0.3 | -7.5 |
| Organic growth | 4.6 | 3.8 | -3.4 | -4.0 | -0.8 | -2.7 | 2.2 | -5.2 |
| Organic growth adjusted for the number of working days | 5.8 | 2.1 | -2.3 | -5.8 | -0.8 | -4.2 | 1.2 | -4.9 |
| Gross profit margin | 21.2 | 21.5 | 21.1 | 21.3 | 20.9 | 21.6 | 21.1 | 22.3 |
| EBITDA margin | 2.9 | 2.3 | 0.8 | 2.1 | 4.3 | 4.1 | 1.7 | 4.9 |
| EBITA margin | 2.3 | 1.5 | 0.0 | 1.4 | 3.4 | 3.3 | -0.1 | 4.2 |
| EBIT margin | 1.8 | 0.8 | -0.5 | 0.8 | 2.9 | 2.6 | -5.4 | 3.6 |
| Net working capital (NWC end of period)/revenue (LTM) | 12.7 | 12.2 | 13.3 | 13.8 | 12.7 | 12.5 | 10.8 | 10.7 |
| Net working capital (NWC average)/revenue (LTM) | 12.4 | 12.5 | 12.4 | 13.9 | 12.4 | 13.4 | 12.4 | 13.2 |
| Gearing (net interest-bearing liabilities/EBITDA), no. of times | 1.0 | 1.0 | 1.7 | 2.4 | 1.4 | 2.0 | 1.3 | 1.0 |
| Return on equity (ROE) | -9.2 | 2.9 | 1.8 | 1.7 | 2.1 | 1.0 | -12.5 | 1.0 |
| Return on equity (ROE) excl. amortisation | 1.4 | 6.0 | 4.8 | 4.7 | 5.0 | 4.0 | -2.3 | 4.1 |
| Return on invested capital (ROIC) | -3.3 | 6.0 | 4.9 | 4.2 | 5.1 | 4.1 | -4.3 | 4.5 |
| Return on invested capital (ROIC) excl. amortisation | 1.7 | 8.5 | 7.4 | 6.5 | 7.5 | 6.4 | 0.7 | 6.9 |
| Adjusted market capitalisation/earnings before interest, tax and amortisation (EV/EBITA) | 19.4 | 12.7 | 16.4 | 12.5 | 11.4 | 13.9 | 21.7 | 12.8 |
| Equity ratio | 37.4 | 41.8 | 40.8 | 39.3 | 39.9 | 41.0 | 37.9 | 43.1 |

Quarterly figures - continued

Consolidated

| | Q1 | | Q2 | | Q3 | | Q4 | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2015 | 2014 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Share ratios (% , unless otherwise stated) | | | | | | | | |
| Earnings in DKK per share outstanding (EPS) | 7.89 | -1.40 | -4.46 | -1.15 | 4.46 | 3.82 | -28.39 | 6.62 |
| Earnings excl. amortisation in DKK per share outstanding (EPS) | 9.42 | 0.76 | -2.80 | 0.89 | 6.11 | 5.86 | -9.67 | 8.67 |
| Intrinsic value in DKK per share outstanding | 223.28 | 269.88 | 251.45 | 264.69 | 256.29 | 268.51 | 220.62 | 272.34 |
| Share price in DKK | 318 | 405 | 429 | 267 | 293 | 301 | 288 | 336 |
| Share price/intrinsic value | 1.43 | 1.49 | 1.70 | 1.01 | 1.14 | 1.12 | 1.30 | 1.23 |
| Employees | | | | | | | | |
| Average number of employees, continuing operations (FTE) | 2,892 | 2,912 | 2,910 | 2,930 | 2,885 | 2,911 | 2,893 | 2,902 |

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. |
| ROIC | Return on invested capital calculated on the basis of operating profit or loss before special items less calculated tax. |

In general, financial ratios are calculated in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2010". In general, when EBITDA is included in the calculation of financial ratios, EBITDA for the last 12 months is included.

In general, restatements have been made of income statements, cash flows and key ratios concerning the discontinued operations in Solar Deutschland GmbH 2013 and 2014 and concerning the divestment of Aurora Group Danmark A/S for 2013. In accordance with IFRS, the balance sheet has not been restated. The key ratio interest-bearing liabilities, net, has been adjusted for interest-bearing receivables relating to the divestment of Aurora Group Danmark A/S, up until the settlement in Q1 2015.

Effective from the presentation of the annual report for 2014, Solar has changed its presentation currency from EUR to DKK. Balance sheet items as at 1 January 2013 have been translated at a price of 746.040, while the 2013 income statement has been translated at a price of 745.794. Similarly, balance sheet items as at 1 January 2014 have been translated at a price of 746.030, while the 2014 income statement has been translated at a price of 745.879. Apart from this, the change will not affect earnings before tax, net profit or loss for the period or earnings per share.

Statement of comprehensive income

Consolidated

Income statement

| DKK million | Q1 | | Year |
|--|--------------|--------------|---------------|
| | 2015 | 2014 | 2014 |
| Revenue | 2,645 | 2,585 | 10,252 |
| Cost of sales | -2,083 | -2,029 | -8,083 |
| Gross profit | 562 | 556 | 2,169 |
| Other operating income and costs | 2 | -3 | -3 |
| External operating costs | -116 | -121 | -446 |
| Staff costs | -359 | -367 | -1,470 |
| Loss on trade receivables | -12 | -6 | -23 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 77 | 59 | 227 |
| Write-down and depreciation on property, plant and equipment | -17 | -21 | -110 |
| Earnings before interest, tax and amortisation (EBITA) | 60 | 38 | 117 |
| Amortisation of intangible assets | -12 | -17 | -190 |
| Earnings before interest and tax (EBIT) | 48 | 21 | -73 |
| Financial income | 12 | 5 | 29 |
| Financial costs | -20 | -15 | -78 |
| Earnings before tax (EBT) | 40 | 11 | -122 |
| Income tax | -11 | -4 | -58 |
| Profit or loss from continuing operations | 29 | 7 | -180 |
| Profit or loss from discontinued operations | 33 | -18 | -54 |
| Net profit or loss for the period | 62 | -11 | -234 |
| Earnings in DKK per share outstanding (EPS) | 7.89 | -1.40 | -29.79 |
| Diluted earnings in DKK per share outstanding (EPS-D) | 7.89 | -1.40 | -29.79 |
| Earnings in DKK per share outstanding (EPS) from continuing operations | 3.69 | 0.89 | -22.91 |
| Diluted earnings in DKK per share outstanding (EPS-D) from continuing operations | 3.69 | 0.89 | -22.91 |

For resultat af ophørende aktivitet pr. udestående aktie (EPS), se note 28 for ophørende aktivitet.

Other comprehensive income

| | | | |
|---|-----------|------------|-------------|
| Net profit or loss for the period | 62 | -11 | -234 |
| Other income and costs recognised: | | | |
| Items that cannot be reclassified for the income statement | | | |
| Actuarial gains / losses on defined benefit plans | 0 | 0 | -8 |
| Tax | 0 | 0 | -1 |
| Items that can be reclassified for the income statement | | | |
| Foreign currency translation adjustment of foreign subsidiaries | 24 | 2 | -36 |
| Value adjustment of hedging instruments before tax | -12 | -11 | -43 |
| Tax on value adjustments of hedging instruments | 3 | 2 | 10 |
| Other income and costs recognised after tax | 15 | -7 | -78 |
| Total comprehensive income for the period | 77 | -18 | -312 |

Balance sheet

Consolidated

| DKK million | 31.03 | | 31.12 |
|-------------------------------------|--------------|--------------|--------------|
| | 2015 | 2014 | 2014 |
| Assets | | | |
| Intangible assets | 338 | 505 | 339 |
| Property, plant and equipment | 936 | 1,179 | 937 |
| Deferred tax asset | 43 | 66 | 43 |
| Other non-current assets | 5 | 42 | 5 |
| Non-current assets | 1,322 | 1,792 | 1,324 |
| Inventories | 1,282 | 1,338 | 1,240 |
| Trade receivables | 1,538 | 1,655 | 1,303 |
| Income tax receivable | 24 | 52 | 10 |
| Other receivables | 68 | 27 | 49 |
| Prepayments | 44 | 59 | 25 |
| Cash at bank and in hand | 332 | 148 | 248 |
| Assets held for sale | 77 | 0 | 375 |
| Current assets | 3,365 | 3,279 | 3,250 |
| Total assets | 4,687 | 5,071 | 4,574 |
| Equity and liabilities | | | |
| Share capital | 792 | 792 | 792 |
| Reserves | -147 | -100 | -162 |
| Retained earnings | 1,109 | 1,334 | 1,047 |
| Proposed dividend for the year | 0 | 94 | 55 |
| Equity | 1,754 | 2,120 | 1,732 |
| Interest-bearing liabilities | 494 | 556 | 501 |
| Provision for pension obligations | 19 | 21 | 19 |
| Provision for deferred tax | 120 | 153 | 122 |
| Other provisions | 16 | 19 | 13 |
| Non-current liabilities | 649 | 749 | 655 |
| Interest-bearing liabilities | 78 | 120 | 81 |
| Trade payables | 1,513 | 1,542 | 1,432 |
| Income tax payable | 22 | 22 | 18 |
| Other payables | 592 | 496 | 503 |
| Prepayments | 5 | 5 | 4 |
| Other provisions | 74 | 17 | 77 |
| Liabilities held for sale | 0 | 0 | 72 |
| Current liabilities | 2,284 | 2,202 | 2,187 |
| Liabilities | 2,933 | 2,951 | 2,842 |
| Total equity and liabilities | 4,687 | 5,071 | 4,574 |

Cash flow statement

Consolidated

| DKK million | Q1 | | Year |
|---|-------------|-------------|-------------|
| | 2015 | 2014 | 2014 |
| Net profit or loss for the period from continuing operations | 29 | 7 | -180 |
| Write-down, depreciation and amortisation | 29 | 38 | 300 |
| Changes to provisions and other adjustments | -1 | -9 | 67 |
| Financials, net | 8 | 10 | 49 |
| Income tax | 11 | 4 | 58 |
| Financial income, received | 2 | 2 | 10 |
| Financial expenses, settled | -11 | -13 | -47 |
| Income tax, settled | -20 | -15 | -31 |
| Cash flow before change in working capital | 47 | 24 | 226 |
| Change in inventories | -24 | -38 | -75 |
| Change in receivables | -282 | -222 | -5 |
| Change in non-interest-bearing liabilities | 76 | 64 | 41 |
| Cash flow from operating activities, continuing operations | -183 | -172 | 187 |
| Cash flow from operating activities, discontinued operations | -68 | 11 | -29 |
| Cash flow from operating activities | -251 | -161 | 158 |
| Purchase of intangible assets | -6 | -4 | -18 |
| Purchase of property, plant and equipment | -4 | -17 | -47 |
| Disposal of property, plant and equipment | 0 | 1 | 6 |
| Divestment of subsidiaries ¹ | 32 | 0 | 1 |
| Cash flow from investing activities, continuing operations | 22 | -20 | -58 |
| Cash flow from investing activities, discontinued operations | 328 | 0 | -1 |
| Cash flow from investing activities | 350 | -20 | -59 |
| Repayment of non-current, interest-bearing debt | -14 | -18 | -57 |
| Dividend distributed | 0 | 0 | -94 |
| Cash flow from financing activities, continuing operations | -14 | -18 | -151 |
| Cash flow from financing activities, discontinued operations | 0 | 0 | 0 |
| Cash flow from financing activities | -14 | -18 | -151 |
| Total cash flow | 85 | -199 | -52 |
| Cash at bank and in hand at the beginning of period | 167 | 226 | 226 |
| Foreign currency translation adjustments | 2 | 1 | -7 |
| Cash at bank and in hand at the end of period | 254 | 28 | 167 |
| Cash at bank and in hand at the end of period | | | |
| Cash at bank and in hand | 332 | 148 | 248 |
| Current interest-bearing liabilities | -78 | -120 | -81 |
| Cash at bank and in hand at the end of period | 254 | 28 | 167 |

¹ Variable and fixed part of the selling price of Aurora Group Danmark A/S.

Statement of changes in equity

Consolidated

| DKK million | Share capital | Reserves for hedging transactions | Reserves for foreign currency translation adjustments | Retained earnings | Proposed dividends | Total |
|---|---------------|-----------------------------------|---|-------------------|--------------------|--------------|
| 2015 | | | | | | |
| Equity as at 01.01 | 792 | -105 | -57 | 1,047 | 55 | 1,732 |
| Foreign currency translation adjustment of foreign subsidiaries | | | 24 | | | 24 |
| Value adjustment of hedging instruments before tax | | -12 | | | | -12 |
| Tax on value adjustments | | 3 | | | | 3 |
| Net income recognised in equity via other comprehensive income in the statement of comprehensive income | 0 | -9 | 24 | 0 | 0 | 15 |
| Net profit or loss for the period | | | | 62 | | 62 |
| Comprehensive income | 0 | -9 | 24 | 62 | 0 | 77 |
| Adopted dividend | | | | | -55 | -55 |
| Other movements | 0 | 0 | 0 | 0 | -55 | -55 |
| Equity as at 31.03 | 792 | -114 | -33 | 1,109 | 0 | 1,754 |
| 2014 | | | | | | |
| Equity as at 01.01 | 792 | -72 | -21 | 1,345 | 94 | 2,138 |
| Foreign currency translation adjustment of foreign subsidiaries | | | 2 | | | 2 |
| Value adjustment of hedging instruments before tax | | -11 | | | | -11 |
| Tax on value adjustments | | 2 | | | | 2 |
| Net income recognised in equity via other comprehensive income in the statement of comprehensive income | 0 | -9 | 2 | 0 | 0 | -7 |
| Net profit or loss for the period | | | | -11 | | -11 |
| Comprehensive income | 0 | -9 | 2 | -11 | 0 | -18 |
| Equity as at 31.03 | 792 | -81 | -19 | 1,334 | 94 | 2,120 |

Notes

Segment information

In Q4 2014, Solar implemented a change in the segment reporting from geographical segmentation to business segmentation. The business segments include Installation, Industry and Other and are based on the customers' affiliation with the segments. Installation

covers installation of electrical and heating and plumbing products, while Industry covers industry, offshore and marine and utility and infrastructure. Other covers other small areas.

| DKK million | Installation | Industry | Other | Total |
|--|--------------|------------|-----------|------------|
| Q1 2015 | | | | |
| Revenue | 1,882 | 629 | 134 | 2,645 |
| Cost of sales | -1,494 | -480 | -109 | -2,083 |
| Gross profit | 388 | 149 | 25 | 562 |
| Direct costs | -81 | -22 | -2 | -105 |
| Earnings before indirect costs | 307 | 127 | 23 | 457 |
| Indirect costs | -142 | -32 | -8 | -182 |
| Segment earnings | 165 | 95 | 15 | 275 |
| Non-allocated costs ¹ | | | | -198 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | | | | 77 |
| Depreciation and amortisation | | | | -29 |
| Earnings before interest and tax (EBIT) | | | | 48 |
| Financials, net | | | | -8 |
| Earnings before tax (EBT) | | | | 40 |

| DKK million | Installation | Industry | Other | Total |
|--|--------------|------------|-----------|------------|
| Q1 2014 | | | | |
| Revenue | 1,836 | 597 | 152 | 2,585 |
| Cost of sales | -1,446 | -448 | -135 | -2,029 |
| Gross profit | 390 | 149 | 17 | 556 |
| Direct costs | -81 | -23 | -2 | -106 |
| Earnings before indirect costs | 309 | 126 | 15 | 450 |
| Indirect costs | -138 | -33 | -7 | -178 |
| Segment earnings | 171 | 93 | 8 | 272 |
| Non-allocated costs ¹ | | | | -213 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | | | | 59 |
| Depreciation and amortisation | | | | -38 |
| Earnings before interest and tax (EBIT) | | | | 21 |
| Financials, net | | | | -10 |
| Earnings before tax (EBT) | | | | 11 |

¹ Non-allocated costs constitute costs for administrative staff and various costs for common expenses.

Notes

Segment information - continued

Geographical information

Solar A/S operates primarily on the Danish, Swedish, Norwegian and Benelux markets. In the below table, Other markets covers the remaining markets, which can be seen in the group structure

on page 17 of Annual Report 2014. The below allocation has been made based on the products' place of sale.

| DKK million | Revenue | Organic growth | Non-current assets |
|----------------|--------------|----------------|--------------------|
| Q1 2015 | | | |
| Denmark | 705 | 7.4 | 1,839 |
| Sweden | 581 | 2.4 | 283 |
| Norway | 491 | 2.7 | 161 |
| Benelux | 716 | 3.6 | 336 |
| Other markets | 167 | 10.6 | 46 |
| Eiminations | -15 | - | -1,343 |
| Total | 2,645 | 4.6 | 1,322 |
| Q1 2014 | | | |
| Denmark | 656 | -3.9 | 2,331 |
| Sweden | 601 | 6.1 | 300 |
| Norway | 500 | 17.9 | 170 |
| Benelux | 695 | -1.3 | 597 |
| Other markets | 145 | 8.6 | 145 |
| Eiminations | -12 | - | -1,751 |
| Total | 2,585 | 3.6 | 1,792 |

Notes

Share option plans

Description and specification of Solar's share option plans are stated in Annual Report 2014 and at www.solar.eu/menu/investor/downloads/policies. In March 2015, Solar granted 38,372 additional share options (March 2014: 24,092 share options) to the

Executive Board and senior management employees. Furthermore, 14,623 share options from the 2011 granting have expired. Hereafter, outstanding share options total 121,843.

2015 granting

| | Number of share options |
|-----------------|------------------------------------|
| Executive board | 7,383 |
| Others | 30,989 |
| Total | 38,372 |

Exercise period:

| | |
|---|-----------|
| 10 banking days following publication of the annual report in | 2018/2019 |
|---|-----------|

DKK million

| | |
|--|---|
| Market value estimated at the time of granting using the Black-Scholes model | 2 |
|--|---|

Conditions applying to the statement of market value at the time of granting using the Black-Scholes model:

| | |
|---|--------|
| Average share price | 335.26 |
| Exercise price | 335.26 |
| Expected volatility | 29% |
| Expected dividend in proportion to market value | 2% |
| Risk-free interest rate | 2% |

Average share price is calculated based on the average price on Nasdaq Copenhagen the first 10 business days following publication of Annual Report 2014.

Notes

Discontinued operations and assets held for sale

As at 16 March 2015, Solar A/S finalised the divestment of assets in Solar Deutschland GmbH to Sonepar Group, with an accounting gain of DKK 50 million.

The discontinued operation has affected the income statement as follows:

| DKK million | Q1 | | Year |
|--|------------|------------|------------|
| | 2015 | 2014 | 2014 |
| Revenue | 185 | 238 | 932 |
| Cost of sales | -160 | -205 | -792 |
| Gross profit | 25 | 33 | 140 |
| Costs and other operating income | 8 | -51 | -192 |
| Earnings before interest and tax (EBIT) | 33 | -18 | -52 |
| Financials | 0 | 0 | -2 |
| Earnings before tax (EBT) | 33 | -18 | -54 |
| Tax of net profit or loss for the period | 0 | 0 | 0 |
| Net profit or loss for the period | 33 | -18 | -54 |
| Earnings of discontinued operations in DKK per share outstanding (EPS) | 4.20 | -2.29 | -6.87 |
| Diluted earnings of discontinued operations in DKK per share outstanding (EPS-D) | 4.20 | -2.29 | -6.87 |
| Cash flow from operating activities | -68 | 11 | -29 |
| Cash flow from investing activities | 328 | 0 | -1 |
| Cash flow from financing activities | 0 | 0 | 0 |
| Total cash flow | 260 | 11 | -30 |

Divestment of the discontinued operation may be specified as follows:

| | |
|-------------------------------|------------|
| Accounting gain of net assets | 298 |
| Gain of divestment | 50 |
| Total consideration | 348 |

Assets held for sale

| DKK million | 31.03.2015 |
|--------------------------------------|------------|
| Property, plant and equipment | 77 |

Assets held for sale consists of buildings in Solar Nederland and Solar Deutschland of DKK 61m and DKK 16m, respectively.

Accounting policies

Consolidated

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 2014, which holds a full description of these on pages 44-49.

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 2015, Solar implemented IAS 19 on employee benefits and third party contributions to pension plans.

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 82 in Annual Report 2014. No new or amended standards have been issued in 2015 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 Q1 2015 quarterly report of Solar A/S today.

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

In our opinion, the quarterly report gives a fair presentation of the group's assets, equity and liabilities and financial position as at 31 March 2015 as well as of the results of the group's activities and cash flow for Q1 2015.

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.

Vejen, 7 May 2015

EXECUTIVE BOARD

Anders Wilhjelm
CEO

Michael H. Jeppesen
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

Steen Weirsøe

Solar A/S
Industrivej Vest 43
6600 Vejlen
Tel. +45 79 30 00 00
CVR no. 15908416

www.solar.eu
<http://www.linkedin.com/company/solar-as>

Thanks to the employees, whose portraits we have been allowed to decorate this quarterly report with.



stronger together