

SOL GROUP

PRESS RELEASE

2005 FULL YEAR CONSOLIDATED RESULTS

Growing Sales and Cash Flow

Sales: € 346 ml (+7,5%)
Cash flow: € 56,3 ml (+4%)
Net profit: € 17,3 ml (17,7 in 2004)

Proposed dividend of € 0,067 per share (equal to 2004)

The Board of Directors of SOL S.p.A. approved the 2005 consolidated results, prepared according to the new International Accounting Standards (IAS/IFRS) introduced in 2005, compulsory for the preparation of the consolidated accounts of European listed companies.

Consolidated sales € 346 ml (+7,5% vs € 321,8 ml in 2004), EBITDA € 76,4 ml (22,1% on sales, € 75,5 ml in 2004), EBIT € 36,2 ml (10,5% on sales, on the same levels of 2004), consolidated net profit of € 17,3 ml substantially unchanged compared to 2004 result. Cash flow of € 56,3 ml growing vs € 54,2 ml in 2004.

These are highlights of the consolidated figures approved earlier today by the Board of Directors of SOL S.p.A., a listed company on the Italian Stock Exchange that acts as holding company to a multinational group of 41 companies, with 1.512 employees, involved in the area of technical gases and home-care assistance, operating in 15 European countries.

At the upcoming shareholders' meeting, called for April 28, 2006 in Monza, the company's Board of Directors will propose distribution of a dividend of Euro 0,067 per ordinary share (equal to 2004), to be paid from May 18, 2006.

Despite of the unfavourable macroeconomic scenario the growth of sales is due to the positive trend of the activity both in Italy and abroad, supported by the investments realized.

In the technical gas business, (sales equal to € 252,8 ml) the good results in sales (+5,1%) is due to the increased volume of liquid and compressed gases and to the development of the services offered to the customers.

In the home-care business, (sales equal to € 102,3 ml) in which the Group operates through Visisol, was confirmed the strong trend seen over the last few years (+15,1%).

Positive growth of EBITDA to € 76,4 ml compared with € 75,5 ml of 2004, despite the unfavourable macroeconomic scenario and the continuous growing of production and distribution costs, linked to the rising costs of oil and energy.

The consolidated net profit of € 17,3 ml is affected by a tax burden of 43,1% (43,6% in 2004) due to the heavy Italian tax charge.

In financial terms, operating consolidated cash flow amounted to € 56,3 ml, compared to € 54,2 ml in 2004, while the net financial debt is € 90,7 ml, increasing by € 15,5 ml vs 2004 despite of the capital expenditures of the Group were € 63,3 ml (CAPEX 18,3%).

In the investments made during 2005 we underline the 2 new Air Separation Units in Jesenice (Slovenia) and Kavadarci (Macedonia) and the double of the production capacity of the ASU plant in Feluy (Belgium) and the CO₂ production plant in Bitola (Macedonia).

The net debt / equity ratio is equal to 36,5%.

"The results achieved in the year 2005", said Marco Annoni Vice-president of SOL S.p.A., "confirmed the positive trend of our Group. We shall continue to firm up our presence in the foreign markets, where we are growing in technical gases and home care businesses, which represent more than 32% of total turnover of the Group. "

"We hope that the 2006 economic situation will be better than the 2005 one, even if we expect a further increase in the cost of energy." concluded Aldo Fumagalli Romario President of SOL S.p.A. "Our target is to increase the turnover and to maintain the profitability of the Group."

Enclosure: Consolidated Profit and Loss, Balance Sheet and Cash Flow Statement.

Monza, March 29, 2006

SOL Group – Profit and loss account

(Thousands Euro)

	31/12/2005	%	31/12/2004	%
Net revenues	346.040	100,0%	321.853	100,0%
Other revenues	2.804	0,8%	3.669	1,1%
Work in progress	5.521	1,6%	5.748	1,8%
Total revenues	354.365	102,4%	331.270	102,9%
Purchases	105.833	30,6%	96.001	29,8%
Services	103.965	30,0%	95.501	29,7%
Change in inventories	(3.094)	-0,9%	(1.858)	-0,6%
Other costs	11.053	3,2%	10.423	3,2%
Total costs	217.757	62,9%	200.067	62,2%
Added value	36.608	39,5%	131.203	40,8%
Labour cost	60.192	17,4%	55.659	17,3%
EDITDA	76.416	22,1%	75.544	23,5%
Depreciation & amortization	38.291	11,1%	35.793	11,1%
Other provisions	1.944	0,6%	3.142	1,0%
EBIT	36.181	10,5%	36.609	11,4%
Financial income / (charges)	(4.520)	-1,3%	(4.004)	-1,2%
Income / (charges) from investments	1	0,0%	(58)	0,0%
Net financial income / (charges)	(4.519)	-1,3%	(4.062)	-1,3%
PBT	31.662	9,1%	32.547	10,1%
Income taxes	13.638	3,9%	14.188	4,4%
Net profit from ongoing operations	18.024	5,2%	18.359	5,7%
Net profit from discontinuous operations	-		-	
Minorities	(716)	-0,2%	(619)	-0,2%
Net profit	17.308	5,0%	17.740	5,5%
EPS	0,193		0,198	

SOL Group – Balance sheet

(Thousands Euro)

	31/12/2005	31/12/2004
Tangible assets	252.991	227.582
Goodwill and differences arising from consolidation	2.855	2.640
Other intangible assets	1.414	1.738
Equity investments	538	527
Other financial assets	1.699	1.590
Deferred tax assets	5.157	5.704
NON CURRENT ASSETS	264.654	239.781
Non current assets available for sale		
Inventories	23.733	20.596
Trade receivables	146.851	138.879
Other current assets	7.796	7.644
Current financial assets	443	218
Prepayments and accrued income	1.528	838
Cash and banks	16.422	21.888
CURRENT ASSETS	196.773	190.063
TOTAL ASSETS	461.427	429.844
Share capital	47.164	47.164
Share premium reserve	63.335	63.335
Legal reserve	4.864	3.439
Reserve for treasury stock held	-	-
Other reserves	107.408	96.018
Net profit	17.308	17.740
Shareholders' equity	240.079	227.696
Minorities	7.243	6.845
Net income attributable to minority shareholders	716	619
Shareholders' equity to minority shareholders	7.959	7.464
SHAREHOLDERS' EQUITY	248.038	235.160
Employee benefits	10.425	9.553
Deferred tax liabilities	24.013	20.693
Provision for liabilities and charges	848	838
Debts and other financial liabilities	84.011	78.455
NON CURRENT LIABILITIES	119.297	109.539
Non current liabilities available for sale	-	-
Due to banks	6.695	3.744
Trade payables	56.202	52.225
Current financial liabilities	17.445	15.911
Taxes payable	3.121	3.552
Accrued expenses and deferred income	3.390	3.099
Other current liabilities	7.239	6.614
CURRENT LIABILITIES	94.092	85.145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	461.427	429.844

SOL Group – Cash flow statement

(Thousands Euro)

	31/12/2005	31/12/2004
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	17.308	17.740
Minorities	716	619
<i>Adjustments of non-monetary items</i>		
Depreciation and amortization	38.291	35.793
Financial charges	4.907	4.810
Increase in employee benefits	1.290	994
Increase (decrease) in other provisions	3.330	2.371
<i>Total</i>	65.842	62.327
<i>Change in working capital</i>		
Inventories	(3.137)	(1.922)
Trade receivables	(7.704)	(7.159)
Prepayments and accrued income	(690)	(202)
Trade payables	3.977	5.659
Other debts	3.161	485
Interest paid	(4.398)	(4.291)
Accrued expenses and deferred income	(219)	(644)
Taxes payable	(431)	(1.250)
<i>Total</i>	(9.441)	(9.325)
<i>Cash flow from operating activities</i>	56.401	53.003
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition, revaluations and other movements of tangible assets	(63.912)	(57.405)
Net value of sold assets	1.055	461
Increase in intangible assets	(733)	(1.200)
(Increase) decrease in financial assets	9	205
(Increase) decrease in current financial assets	(225)	359
<i>Total</i>	(63.807)	(57.581)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(15.551)	(6.351)
Proceeds from borrowings	20.100	15.014
Proceeds (repayment) of loans from shareholders	0	44
Dividends paid	(5.998)	(5.460)
Decrease in employee benefits	(418)	(483)
Movements in shareholders' equity		
- foreign exchange translation adjustment and other movements	1.073	740
- movements in minority shareholders' equity	(221)	(78)
<i>Total</i>	(1.016)	3.427
CHANGE IN CASH	(8.421)	(1.151)
CASH AT THE BEGINNING OF THE PERIOD	18.134	19.286
CASH AT THE END OF THE PERIOD	9.713	18.134