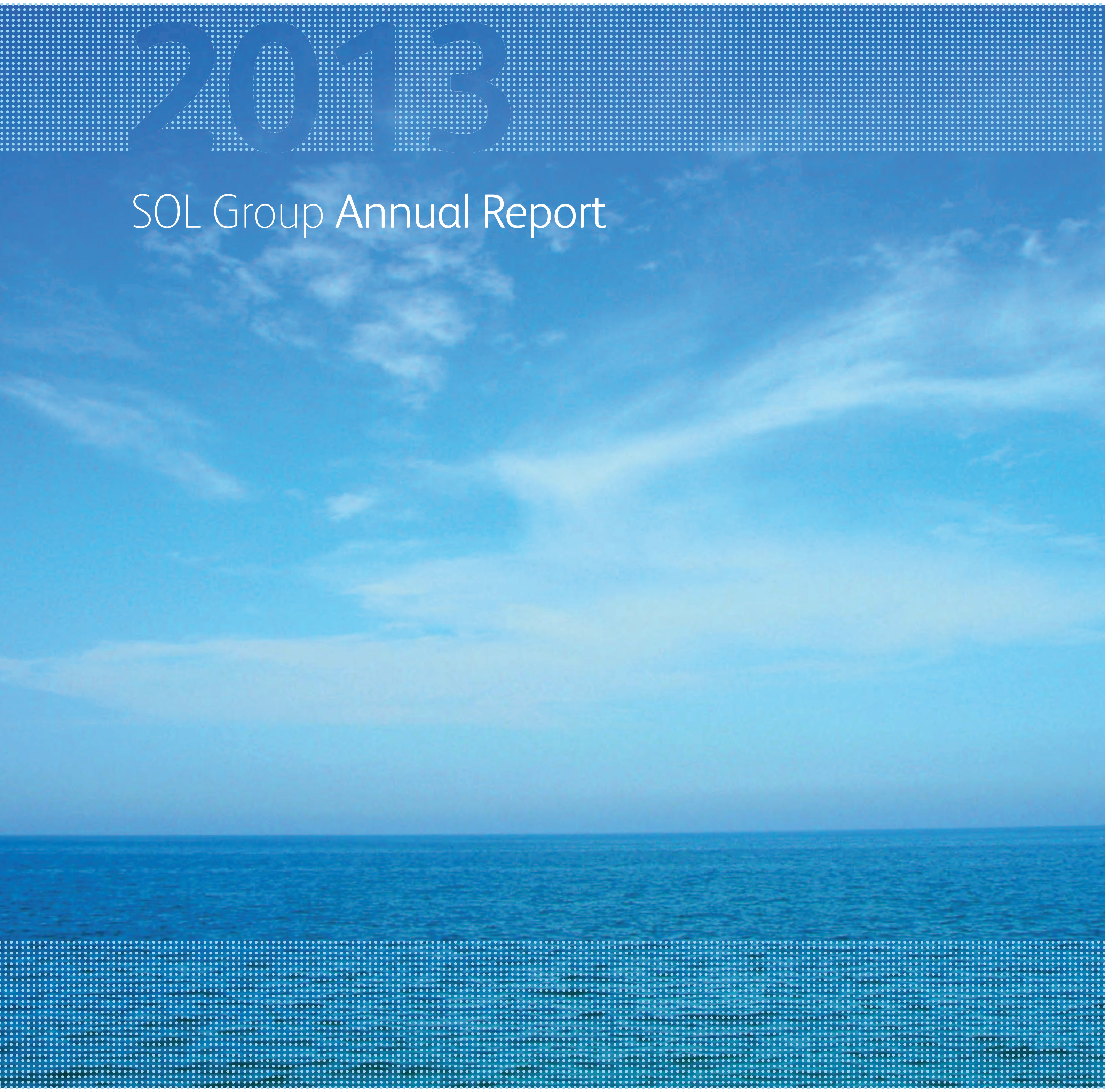
2013

SOL Group Annual Report



SOLGROUP
a breath of life

Index

SOL Spa

Registered office
Via Borgazzi, 27
20900 Monza - Italy

Share Capital
Euro 47.164.000,00 fully paid up.

C.F and company register of Monza e Brianza
n° 04127270157
R.E.A. n° 991655
C.C.I.A.A. Monza e Brianza

CONFINDUSTRIA PER LA SOSTENIBILITÀ

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

Board of Directors	Chairman and CEO Aldo Fumagalli Romario Vice Chairman and CEO Marco Annoni Director with special powers Giovanni Annoni Director with special powers Giulio Fumagalli Romario Members Maria Antonella Boccardo (Independent) Stefano Bruscagli Susanna Dorigoni (Independent) Anna Gervasoni (Independent) Antonella Mansi (Independent) Alberto Tronconi
General Managers	Giulio Mario Bottes Andrea Monti
Board of Statutory Auditors	Chairman Alessandro Danovi Statutory Auditors Roberto Campidori Giuseppe Marino Alternate Auditors Adriano Albani Vincenzo Maria Marzuillo
Auditing Company	BDO Spa Largo Augusto n. 8 20122 Milan

Powers granted to the Directors

(CONSOB Communication No. 97001574 dated 20 February 1997)

To the Chairman and Vice Chairman: legal representation before third parties and the court; joint and several powers of ordinary administration; joint powers of extraordinary administration, without prejudice that for the execution of the relevant acts the signature of one of the two is sufficient with written authorisation from the other; without prejudice to various specific acts of particular importance that are reserved to the competence of the Board of Directors.

To Directors with special appointments: powers of ordinary administration relevant to Legal and Corporate Business (Mr. Giulio Fumagalli Romario) and the Organisation of Information Systems (Mr. Giovanni Annoni) with single signature.

SOL Spa (1)

12.31.13

100 % **AIRSOL BV**
Tilburg (NL)

100 % **TMG GmbH**
Krefeld (D)

100 % **VIVISOL H. GmbH**
Vienna (A)

100 % **VIVISOL France Sarl**
Vaux le Penil (F)

100 % **FRANCE OXYGENE Sarl**
Avelin (F)

100 % **VIVISOL Deutschland GmbH**
Neufahrn bei Freising (D)

VIVICARE GmbH 100 %
Neufahrn bei Freising (D)

100 % **VIVISOL Hellas SA**
Athens (GR)

99.72 % **SOL Hellas SA**
Magoula (GR)

49 % **BIOTECHSOL Srl** 51 %
Monza (I)

99.92 % **VIVISOL B Sprl** 0.08 %
Lessiness (B)

100 % **Dolby Healthcare Limited**
Stirling (UK)

Dolby Medical Home Respiratory Care Limited 100 %
Stirling (UK)

R.L. Dolby (Services) Limited 100 %
Stirling (UK)

49 % **VIVISOL Srl** 51 %
Monza (I)

81 % **VIVISOL Napoli Srl**
Marcianise (I)

70 % **VIVISOL Silarus Srl**
Battipaglia (I)

CTS Srl 100 %
Monza (I)

NTG BV 100 %
Tilburg (NL)

100 % **VIVISOL Iberica SL**
Arganda del Rey (E)

100 % **BTG BVBA**
Lessines (B)(4)

100 % **SOL France Sas**
Cergy Pontoise (F)

100 % **HYDROSOL Shpk**
Tirana (AL)

49 % **BEHRINGER Srl** 2 %
Genova (I)

TGS AD 99.81 %
Skopje (MK)

SOL SEE doo 2.84 % 97.16 %
Skopje (MK)

SOL-K Shpk 0.28 % 53.72 %
Pristina (KS)(3)

12.01 % **IMG doo** 21.04 % 66.95 %
Nova Pazova (SRB)

100 % **BT GASES Ltd**
Harrietshame (UK)*

80 % **VIVISOL TK AS**
Istanbul (TR)

100 % **SOL TK AS**
Istanbul (TR)

ICOA Srl 97.60 %
Vibo Valentia (I)

30 % **VIVISOL Calabria Srl** 70 %
Vibo Valentia (I)

65 % **Il Point Srl**
Verona (I)

DIATHEVA Srl 51 %
Fano (I)

GTE SL 100 %
Barcellona (E)*

100 % **VIVISOL Nederland BV**
Tilburg (NL)

100 % **SOL TG GmbH**
Wiener Neustadt (A)

SOL Hungary KFT 100 %
Budapest (H)

75.18 % **TGT AD**
Trn (BiH)

60.96 % **TGP AD** 26.43 %
Petrovo (BiH)

62.79 % **SOL-INA doo**
Sisak (HR)

UTP doo 98 %
Pula (HR)

Kisikana doo 100 %
Sisak (HR)

100 % **Energetika ZJ doo**
Jesenice (SLO)

54.85 % **SPG - SOL Plin Gorenjska doo** 45.15 %
Jesenice (SLO)

64.11 % **TPJ doo** 35.89 %
Jesenice (SLO)

100 % **SOL Welding Srl**
Costabissara (I)

66.57 % **GTS Shpk**
Tirana (AL)(2)

75 % **HydroEnergy Shpk**
Tirana (AL)

50 % **SICGILSOL INDIA PRIVATE LIMITED**
Chennai (IND)

51 % **MEDES Srl**
Settimo Milanese (I)

100 % **SOL Bulgaria EAD**
Sofia (BG)

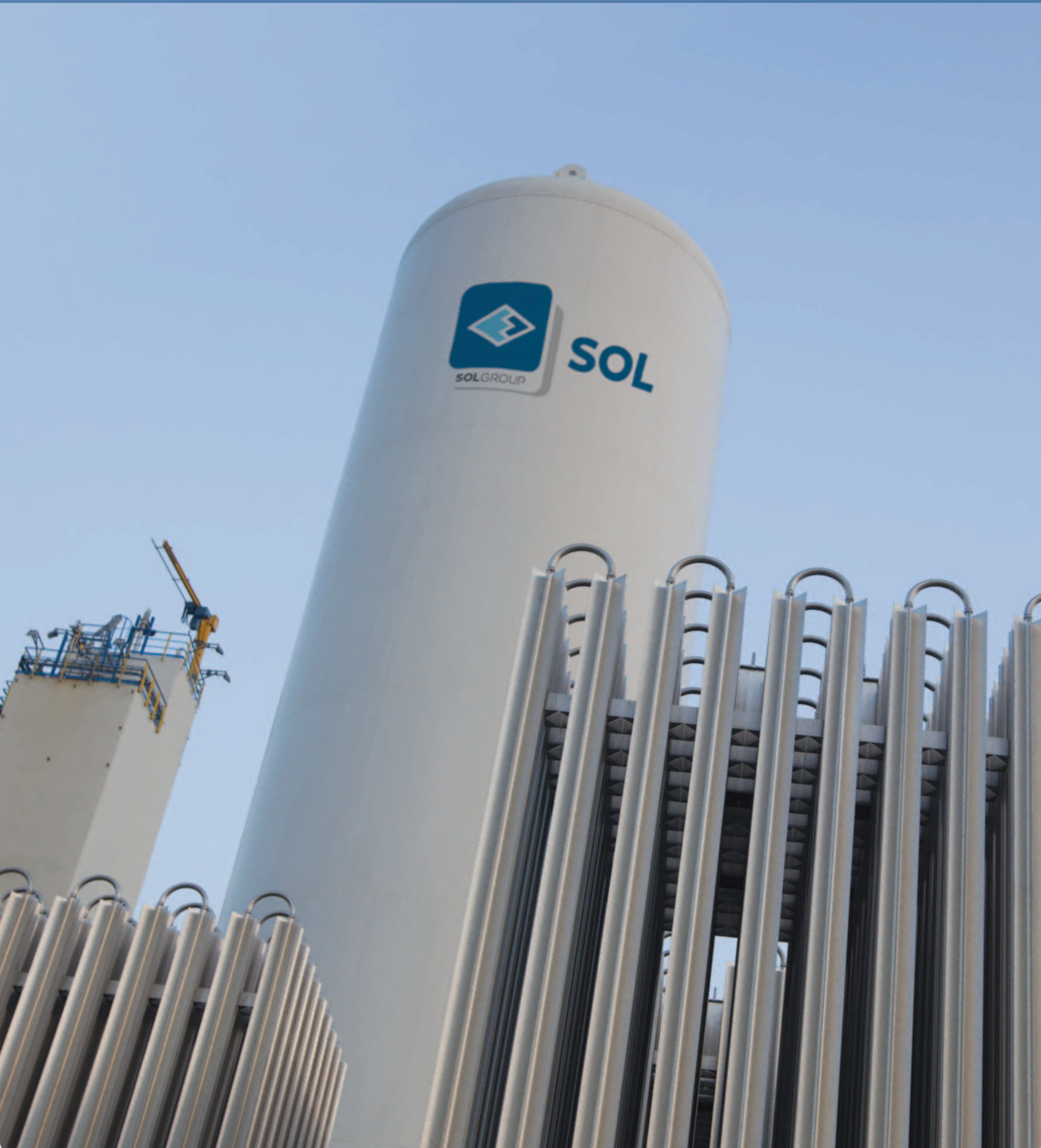
99.98 % **GTH GAZE INDUSTRIALE SA**
Bucarest (RO)

100 % **SOL HYDROPOWER doo**
Skopje (MK)

25.79 % **CONSORGAS Srl**
Milano (I)

(1) SOL has established the following foreign branches: Vaux le Penil (F), Lugano (CH), Feluy- Seneffe (B), Frankfurt (D).
(2) The share pertaining to minority interests includes a 33.43 % equity investment by SIMEST Spa On the basis of the contract SOL/SIMEST of 30/07/2007, SOL has the reacquisition obligation of such shareholding in SIMEST within 30/06/2015.
(3) The share pertaining to minority interests includes a 46.00 % equity investment by SIMEST Spa On the basis of the contract SOL/SIMEST of 11/06/2010, SOL has the reacquisition obligation of such shareholding in SIMEST within 30/06/2018.
(4) BTG has established a foreign branch in Avion (France) and one in Harrietshame, Meidstone Kent (UK).
(*) Company outside of the consolidation area

Management report SOL Group



Preamble

The present annual Financial Report as at December 31, 2013 is drawn up pursuant to art. 154 ter of Italian Legislative Decree 58/1998 and prepared in compliance with the applicable international accounting principles recognised in the European Community pursuant to regulation (EC) No. 1606/2002 of the European Parliament and Board, of 19 July 2002, as well as the provisions issued as implementation of art. 9 of Italian Legislative Decree no. 38/2005.

General context

The SOL Group is engaged in production, applied research and distribution activities pertaining to industrial, pure and medicinal gases, in door-to-door medical care, as well as in the sector for related medical equipment in Italy, presently active in 21 other European countries, in Turkey and in India. The products and services of companies belonging to the Group are used in the chemical, electronics, iron and steel, engineering and foodstuff industries, as well as in sectors such as environmental protection, research and health.

The year 2013 was characterised by an economic scenario of growth, although less than expected, for the Unites States, China and India and recession for almost all of the countries of Europe and the Euro. Among the latter, only Germany registered an economic trend of moderate growth.

Only in the second half of the year, and particularly during the last quarter, some very moderate signs of recovery were notices in various countries mainly driven by exports.

Even industrial production during the last quarter of 2013 showed signs of a, although limited, tendency towards growth, after a long period of reduction.

In Italy the economic crisis continued for all of 2013, with the GDP still on the decline and with the industrial production that, although in reduction, demonstrated and inversion of the trend during the last few months of the year. Even consumption and investment showed a negative trend, while the unemployment rate has increased.

For that which regards the financial aspects, even in a situation of low interests, the propensity of the banking system to extend credit to companies has not significantly improved compared to the slowdown of 2012 and also the spreads applied observed a marginal reduction.

In general, the signs of the turnaround in the economy experienced over the last few months of 2013 should signify the end of a long period of recession and the beginning of an upturn, even if modest, which should be felt in 2014, year in which a slight growth of the GDP, the industrial production, to a lesser extent, consumption and investments is expected.

For that which regards the technical, special and medicinal gases sector, in 2013 there was a reduction of the production and sales of gases for industrial use in Italy as well as various other European countries, while they maintained the quantities sold for food and medicinal gases, even if the health care cost containment policies implemented in many countries had an impact of the dynamics of the prices.

The tendency to reduce health care costs has, furthermore, had an impact also in the home care sector that showed lesser growth, especially in Italy, compared to recent years.

Summary results

Within the afore-mentioned context, we believe that the results achieved by the SOL Group during 2013 were positive.
The net sales achieved by the SOL Group in 2013 were equal to 596.3 million Euro (+2.3% compared to those of 2012).
The gross operating margin amounts to 131.8 million Euro, equal to 22.1% of the sales, substantially the same as that of 2012 (132.2 million equal to 22.7% of the sales).
The operating result amounts to 53.5 million Euro, equal to 9.0% of the sales, in reduction by 3.0 million Euro compared to that of 2012 (56.5 million equal to 9.7% of the sales), due to higher depreciation and provisions for Euro 2.6 million.
The net profit amounted to Euro 21.6 million (Euro 29.0 million at the end of 2012). The reduction is, above all, due to taxes relevant to previous years for 5.6 million Euro.
The cash-flow is equal to 92.6 million Euro (15.5% of sales) a decrease of 5.9 million Euro compared to that of 2012 (equal to 98.5 million).
The investments recorded equal 92.0 million Euro (85.4 million in 2012).
The average number of employees as at 31 December 2012 is equal to 2,579 units (2,441 units as at December 2012).
The net current borrowing of the Group is equal to 205.1 million Euro (195.3 million as at December 31, 2012).

Management trend

During 2013 the technical gases sector showed a slight reduction of sales compared to the previous year (-0.6% for a turnover equal to Euro 342.7 million), with a moderate increase in volumes in various end economic sectors and in reduction above all in the iron and steel sectors of the mechanical, glass and petrochemical industry.
Compared to 2012, sales registered a slight increase in the health and food sectors and, above all in Italy, in those sectors with greater export activities.
The home care activity experienced positive growth (+6.1% for a turnover equal to Euro 281.2 million) above all in foreign countries, thanks to an ongoing commitment to the development of new products and services that support and integrate oxygen therapy activities.
From a costs viewpoint, there was a maintenance of margins at the level of EBITDA.
The net operating result, down slightly compared to 2012, was impacted by higher depreciation and provisions for a total of 2.6 million Euro.
There are still difficulties in collecting receivables from customers and a significant increase was registered for those that became a loss.
The net borrowing of the Group has increased by 9.8 million Euro, essentially subsequent to the technical investments made over the year.
The debt/equity ratios remain very sound; debt/equity ratio 0.52 and cash flow cover 1.56.
During 2013, technical gas reserves remained within the safety levels prescribed while some sites reduced their work due to the difficult situation of the economy.
During 2013 the SOL Group recorded an increase and continued the training and qualification of personnel in order to improve the professional quality to achieve the development goals of the Group.

Performance on the Stock Exchange

The SOL stock opened the year 2013 with a listing of 4.044 Euro and closed as at 12.30.2013 with 5.675 Euro. During the year, the stock achieved a maximum listed price of Euro 6.330, while the minimum came to Euro 3.980.

Quality, Safety, Health and Environment

The focus on issues of quality management, health, safety and environment was constantly active throughout 2013 with an intense internal auditing activity and with verifications by third parties, being Notified Bodies for Certification and Auditing Bodies of the Public Administration. All of these verifications have always had a positive outcome.

Overall, the certifications obtained over the years pursuant to international standards ISO 9001, ISO 14001, ISO 13485, OHSAS 18001, ISO 22000 - FSSC 22000, ISO 50001, ISO 27001 were not only renewed but extended to other operational sites of the Group.

The certification status was also confirmed for the application of the PED Directive for the internal manufacturing of humidifiers and Directive 93/42 for the manufacturing of medical apparatuses.

An important result obtained at the end of 2013 was the achievement of the certification UNI EN ISO 17025; 2005, for the methods of analysis of the medicinal gases at the laboratory of the plant in Monza which results as officially accredited.

Again, in this case the management system was implemented for the purposes of documentation integrated with quality, safety and environmental issues.

In the scope of the technical gases activities, the certification status of excellency was confirmed with the maintenance of the European Registration EMAS for the plants in Verona and Mantua; and followed by the application, for over ten years now, of the Responsible Care program and the compliance with the standards of corporate Social Responsibility.

Moreover, all of the CE marking certifications were renewed such as the medical device for the medicinal gas distribution plants, vacuum systems and anaesthetic gas evacuation plants, as well as the maintenance of the CE marking for gases and mixes classified and registered as medical devices. The EC marking for the Emergency Units (EMU) and for cryobanks was also confirmed as products always classified as a medical device.

Within the sphere of home-care activities, third party certification obtained in previous years was confirmed. To date, the certification status (ISO 9001) of the Vivisol sites is confirmed for 20 sites in Italy and was expanded to 13 sites outside of Italy.

Also confirmed was the certification ISO 14001 for Vivisol Srl and the auditing activity was implemented in preparation for the achievement of the safety management system certification pursuant to the OHSAS 18001 standard applied and certified at 20 sites in Italy and 3 sites outside of Italy.

All of the Integrated Environmental Certifications achieved have been confirmed over the previous years for the first sites of first transformation, with transparency criteria towards the public and local media.

Also during 2013 the systematic monitoring continued for the indirect environmental impacts that the activities of the Group can influence. The number of installations in place at the sites of the Customers with technical gas self-generation plants called "plants on site" resulted in an increase compared to the previous year. This solution, which is an alternative to the traditional supply of cylinders or liquefied cryogenic gas that occurs through road transport, involves a benefit from the kilometres not travelled by the transport vehicles on rubber, as well as a different production cycle with lower energy consumption compared to the centralised production facility, resulting in the reduced release into the environment of CO_2. By applying the Life Cycle Assessment technique the final 2013 figure shows an equivalent CO_2 figure not released in the environment totalling 16,001 tons.

In May 2013 a new edition of the Sustainability Report for the SOL Group was published (referred to year 2012) enriched by data from the foreign companies of the Group.
The Sustainability Report was structured according to the principles of the Global Reporting Initiative (GRI) international standard.

Pharmaceutical - Regulatory Activities

The group's pharmaceutical activities, both in Italy and abroad, continued intensely, especially with regard to regulations.
The key elements in the final balance of 2013 were the achievement of 96 market authorisations of which 6 for the Italian market and 90 for European markets.
At the end of 2013 the SOL Group has 58 Pharmaceutical Workshops of which 27 in Italy and 31 abroad.
Also during 2013 the drug supervision and scientific service activities were implemented and the techniques for the preparation of the "Product Quality Review" were further refined, the activities of validation of processes and software also continued, an exceedingly important activity in the production of the drugs. The number of Qualified Persons dedicated to the regulatory pharmaceutical activities within the scope of the Group have further expanded arriving at a staff of over 70 units.

SOL Group investments

During the financial year investments were made for 57.7 million Euro in the "technical gases" sector, of which 14.7 million Euro by the parent company SOL Spa, and for 34.4 million Euro in the "home care" sector as detailed below:

- In Italy the the production development project for the SOL Plant in Mantua is nearing completion. The start-up of the new unit is foreseen within the first six months of 2014.
- In Bulgaria the affiliate SOL Bulgaria doo began the project for the building of a new technical gas production plant at the fertiliser hub Agropolichym of Dennja on the Black Sea.
- In Macedonia the expansion project for the main production plant in Kavadarci by the company SOL SEE is nearing completion.
- The works for the building of the hydroelectric plants Murdhari 1 and 2 in Albania and the 4 hydroelectric plants in Macedonia continue.
- In Italy the construction project of the new production branch with relevant SOL and VIVISOL offices in Settimo Milanese is nearing completion.
- The programme for the modernisation and rationalisation of the secondary SOL plants in Europe continues. This activity has particularly affected the units of Padua in Italy, Tilburg in the Netherlands, Germany Gersthofen, Saint Savin in France and Thessaloniki in Greece
- In India SICGILSOL has launched a project to build a new centre for storage and distribution systems and production of nitrous oxide in Ranipet.
- Various on-site industrial and medical plants were built and activated both in Italy and abroad.
- The means of transport, distribution and sales of products have been enhanced with the purchase of cryogenic tanks, cryogenic liquid distribution reservoirs, cylinders, dewars, electro medical devices, all to sustain the development of the group within all the sectors of activity and geographic areas.
- The investments for the improvement of the IT systems in both the technical gases and home care sectors continue.

Corporate transactions

The following transactions were carried out in 2013:

- effective as at January 1, 2013, the German company Bösch GmbH was merged by incorporation into VIVISOL Deutschland GmbH that owned 100 % of the share capital.
- effective as at January 1, 2013, the company Behringer Srl incorporated 100 % the subsidiary Medical System Srl.
- the company SOL TK AS was established, with registered office in Istanbul that operates in the production and marketing of technical gases in Turkey.
- SOL Spa increased its interest in the Macedonian subsidiary TGS AD taking it to 99.8 %.

Research and development activities

During the year, despite a difficult economic situation, the research that has traditionally characterised, motivated and supported the development of the Group continued, consisting mainly in applied research connected to the development in Europe of new productive and distribution technologies, with the promotion of new applications for technical gases and with the development for new health care services.

Shares of the Parent Company held by Group Companies

We point out that as at 12.31.2013, the Parent Company SOL Spa does not own treasury shares.
The other Companies of the Group did not hold shares of the parent company SOL Spa.
During the 2013 reporting year, no SOL shares were purchased or sold either by the Parent Company itself or by other Group Companies.

Inter-company relations and with related parties

For that which regards transactions executed with related parties, including inter-company, we point out that the same cannot be qualified neither as atypical nor as unusual, forming part of the normal course of business for Group companies. The said operations are regulated at market conditions, bearing in mind the characteristics of the supplied goods and services.
The information of relations with related parties, including those requested by the Consob Commission of July 28, 2006, are presented in our Explanatory Notes to the Consolidated Financial Statements as at 12.31.2013.

Main risks and uncertainties to which the SOL Group is exposed

• Risks related to the general economic trend

The Group performance is affected by the increase or decrease of the gross national product, industrial production, cost of energy products and health expense policies adopted in the different European countries in which the Group works.
There was a slowdown of the economic trend in many European countries during 2013 and partly in China and India as well.

• Risks relevant to the results of the Group

The SOL Group works partially in sectors considerably regulated by economic cycles related to the trend of the industrial production, such as iron, metallurgical, engineering industry and glass manufacture. In the case of an extended decline in business, the growth and profitability of the Group could be partially affected.
Moreover, state policies for reducing health expenses could cause a reduction in margins of the home-care and medical gas sectors.

• Risks related to fund requirements

The SOL Group carries on an activity that entails considerable investments both in production and in commercial equipment and expects to face up to requirements through the flows deriving from the operational management and from new loans.
Operations are expected to continue to generate adequate financial resources while the use of new loans, despite the excellent financial position of the Group, will encounter high spreads and greater difficulties in obtaining long-term loans compared to the past.

Other financial risks

The Group is exposed to financial risks associated with its business operations:

- credit risk in relation to normal trade transactions with customers;
- liquidity risk, with particular reference to the raising of financial resources associated with investments and the financing of working capital;
- market risks (mainly relating to exchange and interest rates, and to commodity costs), in that the Group operates at international level in different currency areas and uses financial instruments that generate interest.

Credit risk

The granting of credit to end customers is subject to specific assessments by means of structured credit facility systems.
Positions amongst trade receivables (if individually significant) for which objective partial or total non-recoverability is ascertained, are subject to individual write-down. Provisions are made on a collective basis for receivables that are not subject to individual write-down, taking into account the historic experience and the statistical data.

Liquidity risk

The liquidity risk may manifest with regards to the inability to raise the financial resources necessary for the anticipated investments under good economic conditions and for financing working capital.
The Group has adopted a series of policies and processes aimed at optimising the management of the financial resources, reducing the liquidity risk, such as the maintenance of an adequate level of available liquidity, the obtaining of adequate credit facilities and the systematic monitoring of the forecast liquidity conditions, in relation to the corporate planning process.
Management believes that the funds and the credit facilities currently available, in addition to those that will be generated by operating and financing activities, will permit the Group to satisfy its requirements deriving from activities for investments, working capital management and debt repayments on their natural maturity dates.

Exchange rate risk

In relation to the sales activities, the Group companies may find themselves with trade receivables or payables denominated in currencies other than the reporting currency of the company that holds them.
A number of Group subsidiary companies are located in countries that do not belong to the European Monetary Union, in particular Switzerland, Bosnia, Croatia, Serbia, Albania, Macedonia, Bulgaria, Romania, United Kingdom, India and Turkey. Since the reference currency for the Group is the Euro, the income statements of these companies are translated into Euro using the average exchange rate for the period and, revenues and margins in local currency being equal, changes in interest rates may have an effect on the equivalent value in Euro of revenues, costs and economic results.
Assets and liabilities of the consolidated companies whose reporting currency is not the Euro, can adopt equivalent values in Euro that differ depending on the performance of the exchange rates. As envisaged by the accounting standards adopted, the effects of these changes are booked directly to shareholders' equity, under the item "Other reserves".
Some Group companies purchase electric energy that is used for the primary production of technical gases. The price of electricity is affected by the Euro/dollar rate of exchange and by the price trend of energy raw materials. The risk related to their fluctuations is mitigated by stipulating, as much as possible, fixed price purchase contracts or with a fluctuation measured on a not very short time period. Moreover, long-term supply contracts to customers are index-linked in such a way as to cover the fluctuation risks shown above.
The parent company has two debentures loans in force for a total of 95 million USD. The exchange rate risk was hedged with a Cross Currency Swap transaction in Euro on the entire amount of the loans and for the entire duration (12 years). The fair value of the CCS as of December 31, 2013 was negative for Euro 9,139 thousand.

Interest rate risk

The interest rate risk is handled by the Parent Company by means of the centralisation of the majority of the medium/long-term debt and an adequate division of the loans between fixed rate and floating rate favouring, when possible and convenient, medium/long-term debt with fixed rates, also by operating through specific Interest Rate Swap agreements.
Some Group companies have stipulated Interest Rate Swap agreements linked to floating rate medium-term loans with the aim of ensuring a fixed rate on said loans. The notional value as at December 31, 2013 is equal to Euro 62,917 thousand and the negative fair value is equal to Euro 3,196 thousand.

Risks relevant to the personnel

In the different countries in which the Group operates, employees are protected by different laws and/or collective labour contracts that guarantee them the right to be consulted on specific issues - including the downsizing and closing of departments and the reduction of employees - through representations. This could affect the Group's flexibility in redefining strategically its own organisations and activities.
The management of the Group consists of persons of proven expertise and normally having a long experience in the sectors in which the Group operates. The replacement of any person in the management may require a long period of time.

Risks relevant to the environment

The products and the activities of the SOL Group are subject to more and more complex and strict authorisation and environmental rules and regulations. This concerns manufacturing plants subject to regulations on emissions in the atmosphere, waste disposal, waste water disposal and land contamination ban.
High charges should be shouldered in order to observe such regulations.

Activity of direction and coordination (pursuant to art. 37, subsection 2 of the Consob Market Regulations)

In the shareholding structure of SOL Spa a controlling shareholder is present, Gas and Technologies World BV (in turn controlled by Stichting Airvision, a foundation under Dutch law), that holds 59.978% of the share capital.
Neither Gas and Technologies World BV nor Stichting Airvision exercise the activity of direction and coordination towards SOL Spa pursuant to art. 2497 of the Italian Civil Code, as the majority shareholder, a holding company, is limited to exercising the rights and prerogatives of each shareholder and does not get involved with the management of the Company (fully entrusted to the autonomous decisions of the Board of Directors' Meeting of SOL Spa).

Important facts occurring after the end of the financial year 2013 and business outlook.

No significant events have taken place after the end of the year.

For that which regards the year 2014, we forecast a period characterised by a slight recovery of the economic situation.

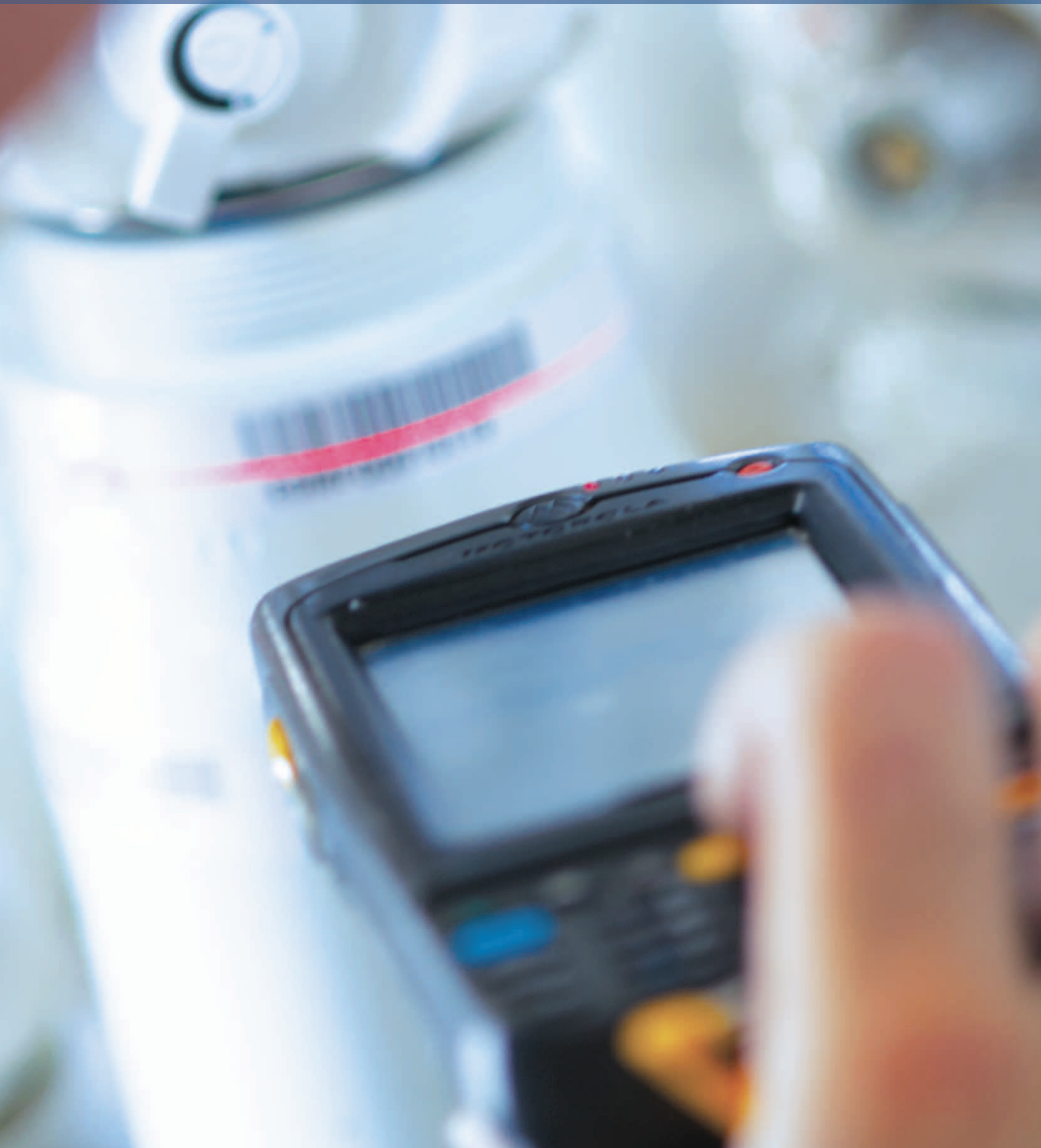
In this context we aim to achieve further revenue growth and improve profitability while continuing to invest for development.

The SOL Group shall continue to pursue, therefore, the objective of the development, especially in foreign markets, paying constant attention to the rationalisation of the activities, continuing to carry out investments in plants, sales, diversification and innovation tools.

Monza, March 28 2014

The Chairman of the Board of Directors
(Aldo Fumagalli Romario)

Consolidated financial statements and explanatory notes to the consolidated financial statements SOL Group



Consolidated income statement SOL Group

(in thousands of Euro)	Note	12.31.2013	%	12.31.2012	%
Net sales	1	**596,322**	**100.0%**	582,968	100.0%
Other revenues and proceeds	2	4,023	0.7%	6,835	1.2%
Internal works and collections	3	10,479	1.8%	9,455	1.6%
Revenues		**610,824**	**102.4%**	599,258	102.8%
Purchase of materials		149,288	25.0%	150,730	25.9%
Services rendered		177,833	29.8%	177,097	30.4%
Change in stock		(313)	-0.1%	(533)	-0.1%
Other costs		27,996	4.7%	24,736	4.2%
Total costs	4	**354,804**	**59.5%**	352,030	60.4%
Added value		**256,020**	**42.9%**	247,228	42.4%
Cost of labour	5	124,232	20.8%	115,013	19.7%
Gross operating margin		**131,788**	**22.1%**	132,215	22.7%
Depreciation/amortisation	6	70,060	11.7%	68,545	11.8%
Other provisions	6	8,288	1.4%	7,182	1.2%
Non-recurrent (income)/charges	6	(70)	0.0%	22	0.0%
Operating result		**53,510**	**9.0%**	56,466	9.7%
Financial income		2,583	0.4%	2,185	0.4%
Financial charges		10,982	1.8%	12,140	2.1%
Total financial income / (charges)	7	**(8,399)**	**-1.4%**	(9,955)	-1.7%
Profit (Loss) before taxes		**45,112**	**7.6%**	46,510	8.0%
Income taxes	8	22,606	3.8%	16,508	2.8%
Net result from business activities		**22,506**	**3.8%**	30,002	5.1%
Net result from intermittent activities		-	0.0%	-	0.0%
(Profit) / Loss pertaining to minority interests		(877)	-0.1%	(976)	-0.2%
Net Profit / (Loss)		**21,629**	**3.6%**	29,027	5.0%
Earnings per share		**0.238**		0.320	

Consolidated statement of comprehensive income SOL Group

(In thousands of Euro)	12.31.2013	12.31.2012
Profit/(Loss) for the year (A)	**22,506**	30,002
Components that will never be reclassified in the Income Statement		
Actuarial profits / (losses)	227	(1,504)
Tax effect	(62)	413
Total components that will never be reclassified in the Income Statement (B1)	**165**	**(1,091)**
Components that can be reclassified in the Income Statement		
Profits / (losses) on cash flow hedge instruments	(4,474)	(5,297)
Profits / (losses) deriving from conversion of financial statements of foreign companies	(797)	(504)
Tax effect related to other profits (losses)	1,229	1,044
Total components that can be reclassified in the Income Statement (B2)	**(4,042)**	(4,757)
Total other profits / (losses) net of the tax effect (B1) + (B2) = (B)	**(3,877)**	(5,848)
Overall result for the period (A+B)	**18,629**	24,154
Attributable to:		
- shareholders of the parent company	17,829	23,194
- minority interests	800	960

Consolidated balance sheet SOL Group

(In thousands of Euro)	Note	12.31.2013	12.31.2012	01.01.2012
Tangible fixed assets	9	385,375	362,844	343,655
Goodwill and consolidation differences	10	24,858	24,970	22,374
Other intangible fixed assets	11	8,755	8,492	5,576
Equity Shareholdings	12	778	781	753
Other financial assets	13	5,350	4,784	2,192
Prepaid taxes	14	5,779	5,923	4,490
Non-current assets		**430,894**	407,793	379,040
Non-current assets held for sale		-	-	-
Inventories	15	33,379	33,148	31,747
Trade receivables	16	241,073	238,755	249,187
Other current assets	17	20,704	21,938	20,320
Current financial assets	18	2,654	2,429	1,087
Accrued income and prepaid expenses	19	3,874	3,692	2,408
Cash and cash at bank	20	67,345	61,403	47,815
Current assets		**369,029**	361,367	352,564
TOTAL ASSETS		**799,923**	769,160	731,604
Share Capital		47,164	47,164	47,164
Share premium reserve		63,335	63,335	63,335
Legal reserve		9,457	8,615	7,957
Other reserves		239,257	225,204	213,892
Retained earnings (accumulated loss)		2,659	2,659	-
Net Profit		21,629	29,027	31,146
Shareholders' equity-Group		**383,500**	376,003	363,494
Shareholders' equity - Minority interests		11,696	11,342	10,179
Profit pertaining to minority interests		877	976	893
Shareholders' equity - Minority interests		**12,573**	12,318	11,072
SHAREHOLDERS' EQUITY	21	**396,073**	388,321	374,566
Employee severance indemnities and other benefits	22	10,687	11,056	9,571
Deferred taxes provision	23	2,684	3,015	3,562
Provisions for risks and charges	24	2,535	2,568	2,597
Payables and other liabilities	25	235,585	224,273	183,009
Non-current liabilities		**251,492**	240,912	198,738
Non-current liabilities held for sale		-	-	-
Due to banks		7,141	3,066	4,419
Trade accounts payable		77,245	74,576	85,960
Other financial liabilities		33,630	33,487	33,540
Tax payables		7,542	6,707	7,629
Accrued expenses and deferred income		10,781	7,999	8,355
Other current liabilities		16,020	14,093	18,396
Current liabilities	26	**152,358**	139,928	158,299
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**799,923**	769,160	731,604

Subsequent to the application from January 1, 2013 (retrospectively) of the amendment to IAS 19, the comparative data as at 1 January and December 31, 2012 were recalculated pursuant to IAS 1.

Consolidated cash flow statement SOL Group

(in thousands of Euro)	12.31.2013	12.31.2012
CASH FLOWS GENERATED BY OPERATING ACTIVITIES		
Profit for the year	**21,629**	29,027
Minority interests in profit/loss	**877**	976
Adjustments relevant to items that do not have an affect on liquidity		
Depreciation/amortisation	70,061	68,545
Financial charges	9,083	8,266
Accrued employee severance indemnities and other benefits	989	1,037
Provisions (use) provisions for risks and charges	(364)	(576)
Total	**102,275**	107,275
Changes in current assets and liabilities		
Inventories	(231)	(890)
Receivables	(940)	7,816
Prepayments and accrued income	(182)	(1,281)
Suppliers	2,668	(11,594)
Other payables	1,628	(4,366)
Interests paid	(9,046)	(8,330)
Accrued expenses and deferred income	2,745	(294)
Tax payables	835	(922)
Total	**(2,523)**	**(19,861)**
Cash flow generated by operating activities	**99,752**	87,414
CASH FLOWS GENERATED BY INVESTMENT ACTIVITIES		
Acquisitions, revaluations and other changes in tangible fixed assets	(91,660)	(85,315)
Net book value of assets sold	2,386	597
Increases in intangible assets	(3,469)	(5,311)
(Increase) decrease in investments	(563)	(2,617)
(Increase) decrease of shareholdings in non-consolidated subsidiary companies		
(Increase) decrease of shareholdings and business units	-	(3,317)
(Increase) decrease in current financial assets	(225)	(1,342)
Total	**(93,531)**	(97,305)
CASH FLOWS FROM FINANCIAL ASSETS		
Repayment of loans	(27,311)	(26,743)
Raising of new loans	12,000	20,038
Raising of bonds	27,069	47,942
Raising (repayment) of shareholders' loans	-	(40)
Dividends paid	(9,070)	(9,070)
Employee severance indemnities and benefits paid	(1,358)	(1,134)
Other changes in shareholders' equity		
- translation differences and other changes	(5,062)	(5,945)
- changes in shareholders' equity – minority interests	(622)	(216)
Total	**(4,354)**	24,832
INCREASE (DECREASE) IN CASH IN HAND AND AT BANK	**1,867**	14,941
CASH IN HAND AND AT BANK AT BEGINNING OF YEAR	**58,337**	43,396
CASH IN HAND AND AT BANK AT END OF YEAR	**60,204**	58,337

Statement of changes in consolidated shareholders' equity SOL Group

(in thousands of Euro)	Share Capital	Share premium reserve	Legal reserve	Other reserves	Net Profit	Total group shareholders' equity Gruppo	Total shareholders' equity pertaining to minority interests	Total shareholders' equity
Balance as at 12.31.2011	47,164	63,335	7,957	214,719	31,146	364,321	11,072	375,393
Effects of the amendment to accounting standard IAS 19	-	-	-	(827)	-	(827)	-	(827)
Balance as at 01.01.2012	47,164	63,335	7,957	213,892	31,146	363,494	11,072	374,566
Allocation of 2011 profit	-	-	658	21,418	(22,076)	-	-	-
Dividend distribution	-	-	-	-	(9,070)	(9,070)	-	(9,070)
Other consolidation changes	-	-	-	(1,614)	-	(1,614)	286	(1,328)
Effects of the amendment to accounting standard IAS 19	-	-	-	(1,504)	-	(1,504)	-	(1,504)
Profit / (loss) for the financial year	-	-	-	(4,329)	29,027	24,698	960	25,658
Balance as at 12.31.2012	47,164	63,335	8,615	227,863	29,026	376,003	12,318	388,321
Allocation of 2012 profit	-	-	842	19,114	(19,956)	-	-	-
Dividend distribution	-	-	-	-	(9,070)	(9,070)	-	(9,070)
Other consolidation changes	-	-	-	(1,262)	-	(1,262)	(545)	(1,807)
Profit / (loss) for the financial year	-	-	-	(3,800)	21,629	17,829	800	18,629
Balance as at12.31.2013	**47,164**	**63,335**	**9,457**	**241,916**	**21,629**	**383,500**	**12,573**	**396,073**

Explanatory notes

The 2013 consolidated financial statements have been drawn up in accordance with the International Accounting Principles (IFRS) established by the International Accounting Standards Board and approved by the European Union. The IFRS are understood to also be all the international accounting standards reviewed ("IAS"), all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").
The financial statements are prepared on the basis of the historical cost principle, amended as requested for the valuation of various financial instruments, as well as on a going concern basis. The SOL Group, in fact, evaluated that no significant uncertainties exist (as defined by paragraph 25 of accounting standard IAS 1) on the principle of going concern
The income statement has been drawn up with the allocation of the costs by nature; the balance sheet has been prepared in accordance with the format that highlights the separation of the "current/non-current" assets and liabilities, while the indirect method was adopted for the statement of cash flows.
In the income statement, income and costs deriving from non-recurring operations have been separately shown.
The analysis of the income statement and the consolidated statement of financial position and cash flow statement has also been carried out, in accordance with the matters anticipated by IAS 14, highlighting the contribution of the "Technical gases" and "Home-care service" activity sectors taken as primary sectors and providing the most important data relating to the activities by geographic area, Italy and other countries, identified as secondary sectors.
Further to the enforcement of Legislative Decree no. 38 of February 28, 2005, implementing in the Italian regulations the European Regulation No. 1606/2002, companies with securities admitted for trading on Member European Union States' regulated markets must from 2006 draw up their financial statements in accordance with the international accounting standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB), as approved by the EU Commission.
The financial statements and the notes to the financial statements have been prepared supplying also the additional information on diagrams and budget disclosure provided by Consob resolution no. 15519 and by Consob notification no. 6064293 issued on July 28, 2006.

Group composition and scope of consolidation

The consolidated financial statements comprise the financial statements as at December 31, 2013 of the Parent Company SOL Spa and of the following companies, which are, pursuant to Article 38.2 of Italian Legislative Decree No. 127/91:

a) companies controlled directly and indirectly, consolidated on a line-by-line basis:

				Ownership percentage		
Company Name and Registered Office	Notes		Share Capital	Direct	Indirect	Total
AIRSOL BV - Tilburg		EUR	7,750,000	100.00%		100.00%
BTG Bvba - Lessines		EUR	5,508,625		100.00%	100.00%
BEHRINGER Srl - Genoa		EUR	102,000	2.00%	49.00%	51.00%
BIOTECHSOL Srl - Monza		EUR	110,000	51.00%	49.00%	100.00%
CTS. Srl - Monza		EUR	156,000	100.00%		100.00%
DIATHEVA Srl - Fano		EUR	31,566	51.00%		51.00%
Dolby Healthcare Limited - Stirling		GBP	300,100		100.00%	100.00%
Dolby Medical Home Respiratory Care Limited-Stirling		GBP	15,100		100.00%	100.00%
ENERGETIKA ZJ doo - Jesenice		EUR	999,602	100.00%		100.00%
FRANCE OXYGENE Sarl - Avelin		EUR	1,300,000		100.00%	100.00%
GTS ShPK - Tirana	1	ALL	292,164,000	100.00%		100.00%
GTH GAZE INDUSTRIALE SA - Bucharest		RON	3,276,497	99.98%		99.98%
HYDROENERGY Shpk - Tirana		ALL	228,928,950	75.00%		75.00%
HYDROSOL Shpk - Tirana		ALL	125,000		100.00%	100.00%
ICOA Srl - Vibo Valentia		EUR	45,760	97.60%		97.60%
Il Point Srl - Verona		EUR	98,800		65.00%	65.00%
IMG doo - Nova Pazova		RSD	309,426,967	66.95%	33.01%	99.96%
KISIKANA doo - Sisak		HRK	28,721,300		62.79%	62.79%
MEDES Srl - Settimo Milanese		EUR	10,400	51.00%		51.00%
NTG BV - Tilburg		EUR	2,295,000	100.00%		100.00%
RL Dolby (Services) Limited - Stirling		GBP	3		100.00%	100.00%
SICGILSOL INDIA PRIVATE LIMITED - Chennai		INR	139,366,700	50.00%		50.00%
SOL Bulgaria EAD - Sofia		BGN	7,254,360	100.00%		100.00%
SOL France Sas - Cergy Pontoise		EUR	13,000,000		100.00%	100.00%
SOL Hellas SA - Magoula		EUR	9,710,697		99.72%	99.72%
SOL HUNGARY KFT - Budapest		HUF	50,000,000		100.00%	100.00%
SOL Hydropower - Skopje		MKD	2,460,200	100.00%		100.00%
SOL K Shpk - Pristina	2	EUR	3,510,000	99.72%	0.28%	100.00%
SOL SEE doo - Skopje		MKD	497,554,300	97.16%	2.83%	99.99%
SOL TG GmbH - Wiener Neustadt		EUR	726,728	100.00%		100.00%
SOL TK AS - Istanbul		TRY	700,000		100.00%	100.00%
SOL Welding Srl - Costabissara		EUR	100,000	100.00%		100.00%
SOL-INA doo - Sisak		HRK	58,766,000	62.79%		62.79%
SPG - SOL Plin Gorenjska doo - Jesenice		EUR	8,220,664	54.85%	45.15%	100.00%
TGP AD - Petrovo		BAM	1,177,999	60.96%	19.87%	80.83%
TGS AD - Skopje		MKD	413,001,942	99.81%		99.81%
TGT AD - Trn		BAM	970,081	75.18%		75.18%
TMG GmbH - Krefeld		EUR	7,000,000		100.00%	100.00%
TPJ doo - Jesenice		EUR	2,643,487	64.11%	35.89%	100.00%
UTP doo - Pula		HRK	13,155,500		61.53%	61.53%
VIVICARE GmbH - Neufahrn bei Freising		EUR	25,000		100.00%	100.00%
VIVISOL B Sprl - Lessines		EUR	162,500	0.08%	99.92%	100.00%
VIVISOL Calabria Srl - Vibo Valentia		EUR	10,400		98.32%	98.32%
VIVISOL Deutschland GmbH - Neufahrn bei Freising		EUR	2,500,000		100.00%	100.00%
VIVISOL France Sarl - Vaux le Penil		EUR	1,900,000		100.00%	100.00%
VIVISOL Heimbehandlungsgeräte GmbH - Vienna		EUR	726,728		100.00%	100.00%
VIVISOL Hellas SA - Athens		EUR	1,350,000		100.00%	100.00%
VIVISOL Iberica SL - Arganda del Rey		EUR	1,300,000		100.00%	100.00%
VIVISOL Napoli Srl - Marcianise		EUR	98,800		81.00%	81.00%
VIVISOL Nederland BV - Tilburg		EUR	500,000	100.00%		100.00%
VIVISOL Silarus Srl - Battipaglia		EUR	18,200		56.70%	56.70%
VIVISOL Srl - Monza		EUR	2,600,000	51.00%	49.00%	100.00%
VIVISOL TK AS - Istanbul		TRY	2,000,000		80.00%	80.00%

1) The Group's share as at December 31, 2013 includes a 33.43 % equity investment of Simest Spa; under an agreement entered into between SOL Spa and Simest on July 30, 2007, SOL Spa is under obligation to repurchase the entire Simest share by June 30, 2015.

2) The Group's share as at December 31, 2013 includes a 46% equity investment of Simest Spa; under an agreement entered into between SOL Spa and Simest on June 11, 2010, SOL Spa is under obligation to repurchase the entire Simest share by June 30, 2018.

b) non-consolidated subsidiary companies:

Company Name and Registered Office		Share capital	Ownership percentage
BT GASES Ltd - Harrietshame	GBP	1.00	100.00 %
GTE SL - Barcellona	Euro	12,020.24	100.00 %

The company has not been consolidated since it is dormant.

c) associated companies, consolidated by adopting the equity method:

Company Name and Registered Office		Share capital	Ownership percentage
CONSORGAS Srl - Milan	Euro	500,000.00	25.79 %

d) associated companies, carried at cost

Company Name and Registered Office		Share capital	Ownership percentage
Blue Sky Amercoeur Scarl - Brussels	Euro	8,000,000	1.25 %

Blue Sky Amercoeur Scarl has been classified among the associated companies since its relationships are of a commercial nature.

Equity investments in other companies were carried at cost, as they cannot be included among subsidiary and associated companies.

The scope of consolidation between December 31, 2013 and December 31, 2012 underwent the following changes:

- increase in the shareholding in TGS AD (from 98.78 % to 99.81 %),
- by means of the exclusion of the company Società Medical System Srl incorporated in Behringer Srl with a deed dated March 12, 2013,
- by means of exclusion of the Company BOSCH GmbH incorporated in VIVISOL Deutschland GmbH with deed dated April 2, 2013,
- by means of the inclusion of the Company SOL TK AS company established in May 2013.

Accounting and consolidation standards

General standards

The consolidated financial statements of the SOL Group have been drawn up in Euro since this is the legal tender of the economies in the countries where the Group operates. The balances of the consolidated financial statement items, taking into account their importance, are expressed in thousands of Euro. Foreign subsidiaries are included in accordance with the principles described in the section “Consolidation principles - Consolidation of foreign companies”.

Consolidation standards

Subsidiaries

These are companies over which the Group exercises control. Such control exists when the Group has the power, directly or indirectly, to determine the financial and operating policies of a company, for the purpose of obtaining the benefits from its activities. The financial statements of the subsidiary companies are included in the consolidated financial statements as from the date when control over the company was taken up until the moment said control ceases to exist. The portions of shareholders’ equity and the result attributable to minority shareholders are indicated separately in the consolidated balance sheet and profit & loss account, respectively. Dormant subsidiaries are not included in the consolidated financial statements.

Jointly controlled companies

These are companies in which the Group exercises or joint control as defined by IAS 31 - Equity investments in joint ventures. The consolidated financial statements include the portion pertaining to the Group of the results of the jointly controlled companies, recorded using the proportional method, as from the date on which the joint control started and until it ceases to exist.

Affiliated companies

These are companies in which the Group does not exercise control or joint control, over the financial and operating policies. The consolidated financial statements include the portion pertaining to the Group of the results of the associated companies, recorded using the equity method, as from the date on which the significant influence started and until it ceases to exist.

Equity investments in other companies

Equity investments in other companies (normally involving a percentage ownership of less than 20 %) are carried at cost and possibly written down to reflect any permanent losses in value. Dividends received from these companies are classified under the item Profit (loss) from equity investments.

Transactions eliminated during the consolidation process

All the balances and the significant transactions between Group companies, as well as unrealised gains and losses on inter company transactions, are eliminated during the preparation of the consolidated financial statements. Any unrealised gains or losses generated on transactions with associated companies are eliminated in relation to the value of the Group’s shareholding in said companies.

Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate in force as of the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the exchange rate in force as of the balance sheet date. Exchange differences arising from the settlement of monetary items or from their translation at exchange rates different from those used at the time of initial recording during the year or in previous financial statements, are booked to the income statement.

Consolidation of foreign companies

All the assets and liabilities of foreign companies denominated in currency other than the Euro which are included within the scope of consolidation are converted using the exchange rates in force as of the balance sheet date (current exchange rate method). Income and costs are translated using the average rate for the year.
The exchange differences emerging from the application of this method are classified as an equity account until the equity investment is disposed of.
Goodwill and adjustments to the fair value generated by the acquisition of a foreign company are stated in the relevant currency and translated using the period-end exchange rate.

The rates of exchange used for converting the financial statements not expressed in Euro are indicated in the table below:

Currency		Rate of exchange on 12.31.2013		Average rate of exchange for 2013		Rate of exchange on 12.31.2012		Average rate of exchange for 2012
Macedonian Dinar	Euro	0.01624	Euro	0.01620	Euro	0.01612	Euro	0.01624
Serbian Dinar	Euro	0.00871	Euro	0.00884	Euro	0.00888	Euro	0.00885
Hungarian forint	Euro	0.00337	Euro	0.00337	Euro	0.00342	Euro	0.00346
Croatian Kuna	Euro	0.13112	Euro	0.13195	Euro	0.13232	Euro	0.13295
Albanian Lek	Euro	0.00712	Euro	0.00713	Euro	0.00716	Euro	0.00719
Bulgarian Lev	Euro	0.51130	Euro	0.51130	Euro	0.51130	Euro	0.51130
Turkish lira	Euro	0.33778	Euro	0.39470	Euro	0.42461	Euro	0.43224
Convertible Mark	Euro	0.51130	Euro	0.51130	Euro	0.51130	Euro	0.51130
Romanian leu	Euro	0.22366	Euro	0.22630	Euro	0.22500	Euro	0.22425
Indian Rupee	Euro	0.01171	Euro	0.01283	Euro	0.01378	Euro	0.01458
Pound sterling	Euro	1.19947	Euro	1.17750	Euro	1.22534	Euro	1.23324

Business combinations

The business combinations are accounted for in accordance with the acquisition method. According to this method, the consideration transferred in a business combination is measured at fair value, calculated as the sum of the fair value of the assets transferred and liabilities undertaken by the Group at the date of acquisition and of the equity instruments issued in exchange for the control of the acquired company. The expenses related to the transaction are generally recognised in the income statement when they are incurred.
The goodwill is determined as the surplus between the sum of the amounts transferred in the business combination, the value of shareholders' equity attributable to minority interests and the fair value of any equity investment previously held in the acquired company compared to the fair value of net assets acquired and liabilities undertaken at the date of acquisition. If the value of the net assets acquired and liabilities undertaken at the date of acquisition exceeds the sum of the amounts transferred, the value of shareholders' equity attributable to minority interests and the fair value of any equity investment previously held in the acquired company, this surplus is immediately recognised in the income statement as income arising from the concluded transaction.
The portions of shareholders' equity attributable to minority interests, at the date of acquisition, can be measured at fair value or at the pro-rata value of net assets recognised for the acquired company. The choice of the measurement method is carried out for each transaction.
Any amount subject to conditions stipulated by the contract of business combination are measured at fair value at the date of acquisition and included in the value of the amounts transferred in the business combination for the purposes of determining the goodwill.
In the case of business combinations that occurred in stages, the equity investment previously held by the Group in the acquired company is revalued at fair value at the date of acquisition of control and any ensuing

gain or loss is recognised in the income statement. Any value arising from the equity investment previously held and recorded in Other profits (losses) are reclassified in the income statement as if the equity investment had been transferred.
The business combinations that occurred before January 1, 2010 were recognised according to the previous version of IFRS 3.

Accounting principles

Tangible fixed assets

Cost

Real estate property, plant and machinery are stated at purchase or production cost, inclusive of any related charges. For assets that justify capitalisation, the cost also includes the financial expenses which are directly attributable to the acquisition, construction or production of said assets.
The costs incurred subsequent to purchase are capitalised only if they increase the future economic benefits inherent to the assets to which they refer.
All the other costs are recorded in the income statement when incurred.
Assets held under financial leasing agreements, via which all the risks and benefits associated with the ownership are essentially transferred to the Group, are recorded as Group assets at their current value or, if lower, at the net current value of minimum lease payments due. The corresponding liability owed to the lessor is recorded in the financial statements under financial payables. The assets are depreciated by applying the following method and rates.
The recoverability of their value is ascertained in accordance with the approach envisaged by IAS 36 illustrated in the following paragraph “Losses in value on assets”.
The costs capitalised for leasehold improvements are attributable to the classes of assets to which they refer and depreciated over the residual duration of the rental contract or the residual useful life of the improvement, whichever period is shorter.
If the individual components of the compound fixed asset are characterised by different useful lives, they are recorded separately so as to be depreciated on a consistent basis with their duration (“component approach”). Specifically, according to this approach, the value of land and of the building which exists on said land are separated and just the building is depreciated.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, as follows:

Lands	-	
Buildings	2%	- 10 %
Plants and machinery	7.5%	- 20 %
Manufacturing and commercial equipment	5.5%	- 25 %
Other assets	10%	- 30 %

Public grants

Public grants obtained for investments in plant are recorded in the income statement over the period necessary for correlating them with the related costs, and are treated as deferred income.

Intangible assets

Goodwill and consolidation differences

In the event of the acquisition of businesses, the assets, liabilities and potential liabilities acquired and identifiable are stated at their current value (fair value) as of the date of acquisition. The positive difference between the purchase cost and the portion of the current value of these assets and liabilities pertaining to the Group is classified as goodwill and recorded in the financial statements as an intangible asset. Any negative difference ("negative goodwill") is by contrast stated in the profit & loss account at the time of acquisition.
Goodwill is not amortized, but is subject annually (or more frequently if specific events or changed circumstances indicate the possibility of having suffered a loss in value) to checks in order to identify any reduction in value, carried out at Cash Generating Unit level to which the Company's management charges said goodwill, in accordance with the matters anticipated by IAS 36 Reduction of the value of the assets. After initial recognition, goodwill is valued at cost, net of any accumulated losses in value.
Any write-downs made are not subject to subsequent reinstatement.
At the time of the disposal of a portion or of the whole of a company previously acquired, whose acquisition gave rise to goodwill, account is taken of the corresponding residual value of the goodwill when determining the capital gain or loss on the disposal.
At the time of initial adoption of the IFRS, the Group chose not to retroactively apply IFRS 3 - Aggregations of companies to the acquisitions of businesses that took place prior to January 1, 2004; consequently, the goodwill generated on the acquisitions prior to the date of transition to the IFRS is maintained at the previous value, as are the Consolidation reserves recorded under the shareholders' equity, determined in accordance with the Italian accounting principles, subject to assessment and recognition of any losses in value as of that date.

Other intangible fixed assets

The other intangible assets acquired or produced internally are identifiable assets lacking physical consistence and are recorded among the assets, in accordance with the matters laid down by IAS 38 - Intangible assets, when the company has control over said assets and it is probable that the use of the same will generate future economic benefits and when the cost of the assets can be determined reliably.
These assets are valued at purchase or production cost and amortized on a straight-line basis over their estimated useful lives, if the same have a definite useful life. Intangible fixed assets with an undefined useful life are not amortised, but are subject annually (or more frequently if there is indication that the asset may have suffered a loss in value) to assessment in order to identify any reductions in value.
Other intangible fixed assets recorded following the acquisition of a company are recorded separately from the goodwill, if their current value can be determined reliably.

Loss in value of assets

The Group periodically assesses the recoverability of the book value of the Intangible assets and the Real estate property, plant and machinery, so as to determine if there is any indication that said assets have suffered a loss in value. If such indication occurs, it is necessary to estimate the recoverable value of the assets in order to establish the entity of the possible loss in value. An intangible fixed asset with an undefined useful life is subject to assessment of any reduction in value each year, or more frequently, if there is indication that the asset may have suffered a loss in value.
When it is not possible to estimate the recoverable value of an individual asset, the Group estimates the recoverable value of the unit generating the financial flows to which the asset belongs.

Financial instruments

The item Equity investments and other non-current financial assets includes the equity investments in non-consolidated companies and other non-current financial assets (securities held with the intention of maintaining them in the portfolio until maturity, non-current receivables and loans and other non-current financial assets available for sale).
Current financial instruments include trade receivables, current securities, other current financial assets and liquid funds and equivalents.
Financial liabilities include financial payables and trade payables.
Equity investments in non-consolidated companies are stated in accordance with the matters established by IAS 28 - Equity investments in associated companies, as described in the previous section “Consolidation principles”; equity investments in other companies are stated at cost net of any write-downs . Other non-current financial assets, as well as current financial assets and financial liabilities, are stated in accordance with the approach established by IAS 39 - Financial instruments: recognition and valuation.
Current financial assets and securities held with the intention of maintaining them in the portfolio until maturity are recorded in the accounts with reference to the date of trading and, at the time of initial registration in the financial statements, are measured at acquisition cost, including any costs related to the transaction.
Subsequent to initial registration, the financial instruments available for sale and those available for trading are stated at current value. If the market price is not available, the current value of the financial instruments available for sale is gauged by means of the most appropriate measurement techniques, such as, for example, the analysis of the discounted back cash flows, made with the market information available as of the balance sheet date.
Gains and losses on financial assets available for sale are recorded directly under shareholders’ equity until the moment the financial asset is sold or is written down; then, the accumulated gains or losses, including those previously recorded under shareholders’ equity, are recorded in the income statement for the period.
Loans and receivables that the Group does not hold for trading purposes (loans and receivables originated during core business activities), securities held with the intention of being maintained in the portfolio until maturity and all the financial assets for which listings on an active market are not available and whose fair value cannot be determined reliably, are calculated, if they have a pre-established maturity, at depreciated cost, using the effective interest method. When the financial assets do not have a pre-established maturity, they are measured at purchase cost.
Measurements are regularly carried out so as to check if objective evidence exists whether a financial asset or a group of assets have suffered a reduction in value. If objective evidence exists, the loss in value will have to be recorded as a cost in the income statement for the period.
The financial liabilities hedged by derivative instruments are valued in accordance with the formalities established by IAS 39 for hedge accounting applying the following accounting treatments:

- fair value hedge: the profits or losses deriving from valuations at fair value of the hedged instrument are recorded in the income statement
- cash flow hedge: the effective portion of the profits or losses deriving from valuations at fair value of the hedged instrument are recorded in the income statement.

Inventories

Inventories of raw materials, semi-finished and finished products are valued at the lower of cost or market value, cost being determined using the weighted average cost method. The measurement of the inventories includes the direct costs of the materials and the labour and the indirect costs (variable and fixed). Write-down allowances are calculated for materials, finished products and other supplies considered obsolete or slow-moving, taking into account their future expected usefulness or their realisable value.

Contract work in progress is measured on the basis of the stage of completion, net of any advance payments invoiced to customers.
Any losses on these contracts are booked to the income statement in full at the time they become known.

Trade receivables

Receivables are stated at their fair value which corresponds with their estimated realisable value net of the allowance for doubtful accounts, which directly decreases the asset item to which it refers; those expressed in currency other than the Euro have been measured using the period end exchange rate communicated by the European Central Bank.

Cash and cash equivalents

This item includes the cash and bank current and deposit accounts repayable on demand and other short-term financial investments with elevated liquidity that are readily convertible into cash involving a risk of changes in value which is not significant.

Employee benefits

Post-employment benefits are defined on the basis of plans, even though not yet formalised, which in relation to their characteristics are classified as “defined contribution” and “defined benefit”. In defined contribution plans, the company’s obligation is limited to the payment of contributions to the State or to a legally separate entity (so called Fund), and is determined on the basis of contributions due, reduced by amounts already paid over, if any.
The liability for defined benefit plans, net of any assets serving the plan, is determined on the basis of actuarial calculations and is recognised on an accrual basis on a consistent basis with the period of employment necessary to obtain the benefit.
The severance indemnity is classified as a defined benefit plan-type post-employment benefit, the sum of which already accrued must be projected so as to estimate the amount to be paid out on termination of the employment relationship and subsequently discounted back, using the projected unit credit method, which is based on demographic and financial type hypothesis in order to make a reasonable estimate of the sum total of the benefits that each employee has already accrued against their employment services.
By means of the actuarial measurement, the current service cost that defines the sum total of the rights accrued during the year by the employees is charged to the income statement item “payroll and related costs” and the interest cost which represents the figurative liability that the company would incur by requesting the market for a loan for the same amount as the severance indemnity is booked under “financial income/expense”.
The remeasurement components of the net liabilities, which include the actuarial profits and losses, are immediately recorded in the Statement of Comprehensive Income. Such components need not be reclassified in the Income Statement.

Provisions for risks and charges

The Group records provisions for risks and charges when it has a legal or implied obligation vis-à-vis third parties, and it is probable that it will become necessary to use Group resources in order to fulfil the obligation and when a reliable estimate of the sum total of said obligation can be made.
The estimate variations are reflected in the income statement in the period when the variation took place.

Trade payables

Trade payables are recorded at their face value; those expressed in currencies other than the Euro have been stated at the period-end exchange rate communicated by the European Central Bank.

Treasury shares

Treasury shares, if present, are stated as a decrease to the shareholders' equity. The original cost of the treasury shares and the revenues deriving from any subsequent sale are recorded as changes in shareholders' equity.

Accruals and deferrals

These items include the reporting year's share of assets and liabilities affecting two or more financial years, whose amount is dependent upon time.

Revenue recognition

Revenues from sales and services are recorded at the time the effective transfer of the risks and the significant benefits deriving from the ownership or the performance of the service takes place. Revenues are stated net of discounts, allowances and returns.
Revenues relating to contract work in progress are stated with reference to the stage of completion (stage of completion method).

Loan costs

Loan costs are recorded in the profit & loss account during the period they are incurred, with the exception of the financial charges capitalised as part of an asset which justifies capitalisation (see the note: Real estate property, plant and machinery).

Tax

Income taxes include all the taxation calculated on the Group's taxable income. The income taxes are recorded in the income statement, with the exception of those relating to items directly debited against or credited to shareholders' equity, in which case the tax effect is booked directly to shareholders' equity. Provisions for taxation that might be generated by the transfer of the non-distributable profit of subsidiary companies are made solely when there is the real intention to transfer said profit.
Other taxes not linked to income, such as taxes on property and on capital, are included under Operating expense.
Deferred taxes are provided for according to the method of the overall provision of the liability. They are calculated on all the timing differences that emerge between the taxable base of an asset or liability and the book value in the consolidated financial statements, with the exception of goodwill not deductible for tax purposes.
Deferred tax assets on tax losses and unused tax credits carried forward, are recognised to the extent that future taxable income may be available against which they can be recovered.
Current and deferred tax assets and liabilities are offset when the income taxes are applied by the same tax authority and when there is a legal right to offset. Deferred tax assets and liabilities are determined using the tax rates which are expected to be applicable, within the respective legal systems of the countries where the Group operates, during the accounting period when the timing differences will be realized or cancelled.

Dividends

Dividends payable are represented as changes in shareholders' equity during the accounting period when they are approved by the shareholders' meeting.

Earnings per share

The basic earnings per share are calculated by dividing the Group's economic result by the weighted average of the shares in circulation during the year, excluding treasury shares.

Cash flow Statement

The cash flow statement is drawn up by applying the indirect method via which the pre-tax result is adjusted by the effects of the non-monetary transactions, by any deferral or provision of previous or future operative collections or payments.

Use of estimates

The preparation of the financial statements and the related notes in accordance with the IFRS requires management to make estimates and assumptions that have an effect on the values of the financial statement assets and liabilities and on the disclosures relating to the potential assets and liabilities as of the balance sheet date. The results that will make up the final balances may differ from said estimates. The estimates are used to obtain provisions for risks and charges, asset write-downs, employee benefits, taxation, other provisions and funds. The estimates and assumptions are periodically reviewed and the effects of each change are immediately reflected in the income statement.
All the amounts represented in the diagrams and tables are expressed in thousands of Euro.

Accounting standards, amendments and interpretations applied as at January 1, 2013

IAS 1 - Presentation of Financial Statements: presentation of the items of Other comprehensive profits and losses

The amendments require the grouping of the components presented within the Statement of Comprehensive Income according to whether they can or cannot be reclassified in the Income Statement. The Group applied such amendments to the present financial statements amending the presentation of the Statement of Comprehensive Income. The comparative information presented was re-presented.

IAS 1 - Presentation of Financial Statements: (in the scope of the 2009-2011 cycle of the Annual Improvements to the IFRS)

On May 17, 2012, the IASB issued a together of amendments to the IFRS. Among these, the amendment to IAS 1 - Presentation of the Financial Statements is applicable to the Group from January 1, 2013. The amendment clarifies the rules for the presentation of the comparative information in the case of amendment of the accounting principles and re-presentation of the comparative values or reclassification. Such amendments were applied for the retrospective re-presentation of the information of the equity-financial position following the amendments to IAS 19 adding a third Equity and financial situation as at January 1, 2012.

IAS 19 - Employee benefits

The amendment amends the rules for the recognition of defined benefit plans and termination benefits. The main variations made relevant to the defined benefit plans regard the recognition, in the equity-financial situation, of the deficit or surplus of the plan, the introduction of the net financial charge, the classification of the net financial charges on the defined benefit plans. In detail:

- Recognition of the deficit or surplus of the plan: the amendment eliminates the option to defer the actuarial profits and losses with the "corridor method" off balance sheet and requires the recognition directly among the Other Comprehensive Profits (losses); furthermore, the amendment requires the immediate recognition within the income statement of the costs relevant to the supply of past work.

- Net financial charges: The substitution of the concepts of financial charges and expected earnings on defined benefit plans with a concept of net financial charges on defined benefit plans that is made up of:
  - the financial charges calculated on the current balance of the liabilities for defined benefit plans,
  - the financial gains from the valuation of assets of the plan, and
  - the financial charges or gains from any limits to the recognition of the surplus of the plan.

  The net financial charge is calculated using for all of the components the discount rate used for the valuation of the obligation for benefit plans defined at the beginning of the period. Pursuant to the present version of IAS 19, the expected earnings of the assets is calculated on the basis of a rate of expected long term return.
- Classification of the net financial charges: pursuant to the new definition of net financial charges outlined by the standard, all of the net financial charges on defined benefit plans are recorded among the Financial Income (charges) of the Income Statement.

Pursuant to the transition rules provided by IAS 19 at paragraph 173, the Group applied such principle retrospectively starting from January 1, 2013, adjusting the opening balances of the equity-financial situation as at January 1, 2012 and the data of the Statement of Comprehensive Income 2012 as if the amendments of IAS 19 were always applied.

Here below we detail the retrospective effects that arise from the application of the amendment pursuant to IAS 19:

	as at January 1, 2012			as at December 31, 2012		
	Balances previously expressed	Effects deriving from the applic. of the amended IAS 19	Recalculated balances	Balances previously expressed	Effects deriving from the applic. of the amended IAS 19	Recalculated balances
Effects on the equity-financial situation						
Employee severance indemnities and other benefits	8,744	827	9,571	8,725	2,331	11,056
Shareholders' equity	375,393	(827)	374,566	390,652	(2,331)	388,321

	12.31.2012		
	Balances previously expressed	Effects deriving from the applic. of the amended IAS 19	Recalculated balances
Profit/(Loss) for the year (A)	**30,002**		**30,002**
Components that will never be reclassified in the Income Statement			
Actuarial profits / (losses)		(1,504)	(1,504)
Tax effect		414	414
Total components that will never be reclassified in the Income Statement (B1)	**-**	**(1,090)**	**(1,090)**
Components that can be reclassified in the Income Statement			
Profits / (losses) on cash flow hedge instruments	(5,297)		(5,297)
Profits / (losses) deriving from conversion of financial statements of foreign companies	(504)		(504)
Tax effect related to other profits (losses)	1,456		1,456
Total components that can be reclassified in the Income Statement (B2)	**(4,345)**	**-**	**(4,345)**
Total other profits / (losses) net of the tax effect (B1) + (B2) = (B)	**(4,345)**	**(1,090)**	**(5,435)**
Overall result for the period (A+B)	**25,658**	**(1,090)**	**24,568**
Attributable to:			
- shareholders of the parent company	24,698	(1,090)	23,608
- minority interests	960	-	960

Accounting principles, amendments and interpretations effective as of 2013 that are not relevant for the group

The following accounting principles, amendments and interpretations, valid as of January 1, 2011, govern the cases that are not present within the Group as of the date of these financial statements, but that could have accounting effects on future transactions or agreements:

IFRS 7 - Financial Instruments: additional information

The published amendments require information on the effects or potential effects on the equity-financial situation, deriving from the compensation agreements on financial assets and liabilities. The standard is applicable prospectively from January 1, 2013.

IFRS 13 - Fair value measurement

Such principle clarifies how the fair value is to be calculated for the purposes of the financial statements and is applicable to all of the IFRS principles that require or permit the measurement of fair value or the presentation of information based on fair value. The principle is applicable prospectively from January 1, 2013.

Accounting principles, amendments and interpretations not yet applicable and not adopted in advance

IFRS 10 - Consolidated financial statements

The mentioned standard, published May 12, 2011, substitutes SIC-12 Consolidation - Company with a specific purpose (vehicle company) and parts of the IAS 27 - Consolidated and separate financial statements which shall be renamed separate Financial Statements and shall regulate the accounting treatment of the shares in the separate financial statements. The new standard builds on existing standards by identifying the concept of control as the determining factor for the consolidation of a company into the consolidated financial statements of the parent company. The new IAS 27 confirms that the shareholdings in the subsidiaries, associates and joint ventures are stated at cost or alternatively pursuant to IFRS 9, the entity must apply uniform criteria for each category of shares. Moreover, if an entity decides to valuate the shares in associated companies and Joint ventures at fair value (applying IFRS 9) within its consolidated financial statements, it must apply the same principle in the statutory financial statements. The standard must be applied prospectively, at the latest, from the financial years starting from or after January 1, 2014.

IFRS 11 - Joint Agreements

This standard published on May 12, 2011, replaces IAS 31 (interests in joint ventures) and SIC-13 (joint ventures). The new standard provides criteria for the identification of shareholding agreements by focusing on the rights and obligations of the agreement rather than its legal form and establishes the equity method as the only method for recording shareholdings in joint ventures in the consolidated financial statements. The principle is applicable retrospectively, at the latest, from the financial years starting from or after January 1, 2014. Subsequent to the issue of the accounting standard IAS 28 - Investments in Associates and Joint Ventures was amended to include within its scope of application, from the effective date of the principle, also shareholdings in joint ventures.

IFRS 12 - Disclosure in interests in other entities

Is a new and complete standard regarding additional information to be supplied on every type of shareholding, including those in subsidiaries, the shareholding agreements, associates, companies with a specific purpose and other non-consolidated vehicle companies. The standard is applicable retrospectively, at the latest, from the financial years starting from or after January 1, 2014.

IAS 32 - Financial Instruments - presentation

This standard clarifies the criteria for the compensation of the financial assets and liabilities present in the standard. The standard is applicable prospectively from January 1, 2013. It is deemed that the adoption of the new standard shall not give rise to significant effects on the Group financial statements.

Notes

Income statement

1. Net sales

Balance as at 12.31.2013	596.322
Balance as at 12.31.2012	582,968
Change	**13,354**

The breakdown of revenues by type of business is detailed below:

Description	12.31.2013	12.31.2012	Change
Technical gases	315,867	318,557	(2,690)
Home care	280,455	264,411	16,044
Total	**596,322**	582,968	13,354

Reference should be made to the Directors' Report and the analysis of the results by type of business for comments regarding the trend in revenues.

2. Other revenues and proceeds

Balance as at 12.31.2013	4,023
Balance as at 12.31.2012	6,835
Change	**(2,812)**

The breakdown for the item “Other revenues and income” is as follows:

Description	12.31.2013	12.31.2012	Change
Capital gains on transfers	700	248	452
Contingent assets	2,898	6,279	(3,381)
Grants received	129	100	29
Real estate rentals	27	11	17
Other	269	197	72
Total	**4,023**	6,835	(2,812)

3. Internal works and collections

Balance as at 12.31.2013	10,479
Balance as at 12.31.2012	9,455
Change	**1,024**

The breakdown for the item “Internal works and collections” is as follows:

Description	12.31.2013	12.31.2012	Change
Transfers to assets	9,638	8,665	973
Time work	841	790	51
Total	**10,479**	9,455	1,024

The item “Time work” relates to costs incurred for the internal construction of fixed assets.
The item “Transfers to assets” includes the collection from the warehouse of materials transferred to assets.

4. Total costs

Balance as at 12.31.2013	354,804
Balance as at 12.31.2012	352,030
Change	**2,774**

The breakdown of the above item is as follows:

Description	12.31.2013	12.31.2012	Change
Purchase of materials	149,288	150,730	(1,442)
Services rendered	177,833	177,097	736
Change in stock	(313)	(533)	220
Other costs	27,996	24,736	3,260
Total	**354,804**	352,030	2,774

The item "Purchase of materials" includes purchases of gas and materials, electric energy, water, diesel oil and methane for production.
The item "Services rendered" includes costs of transports, maintenance, third-party services, consultancies and insurances.
The item "Other costs" includes rentals, taxes other than income tax, contingent liabilities and capital losses.

5. Cost of labour

Balance as at 12.31.2013	124,232
Balance as at 12.31.2012	115,013
Change	**9,219**

The breakdown of the above item is as follows:

Description	12.31.2013	12.31.2012	Change
Wages and salaries	94,803	87,656	7,147
Social security contributions	28,440	26,242	2,198
Employee severance indemnities	989	1,115	(126)
Pension liabilities	-	-	-
Total	**124,232**	115,013	9,219

The composition of the workforce is analysed below by category:

Description	12.31.2013	12.31.2012	Change
Managers	43	42	1
Clerks	1,733	1,643	90
Factory workers	834	821	13
Total	**2,610**	2,506	104

6. Depreciations, provisions and non-recurring expenses

Balance as at 12.31.2013	78,278
Balance as at 12.31.2012	75,749
Change	**2,529**

The breakdown of the above item is as follows:

Description	12.31.2013	12.31.2012	Change
Depreciation/amortisation	70,060	68,545	1,515
Provisions	8,288	7,182	1,106
Non-recurrent (income) / charges	(70)	22	(92)
Total	**78,278**	75,749	2,529

The breakdown of the item "Amortisation and depreciation" of intangible and tangible fixed assets by asset category, is presented below:

Depreciation of tangible fixed assets

Description	12.31.2013	12.31.2012	Change
Land	-	-	-
Buildings	3,192	3,268	(76)
Plant and machinery	13,097	14,754	(1,657)
Manufacturing and commercial equipment	47,252	44,068	3,184
Other assets	3,202	3,549	(347)
Assets in the process of being created and down-payments	-	-	-
Total	**66,743**	65,639	1,104

The increase in depreciation is linked to investments made during the period, amounting to Euro 92.5 million.

Amortisation of intangible fixed assets

Description	12.31.2013	12.31.2012	Change
Start-up and expansion costs	-	-	-
Costs for research, development and advertising	138	69	69
Industrial patent rights and use of intellectual property	2,110	1,877	233
Authorizations, licences and trademarks	1,019	819	200
Other	50	141	(91)
Total	**3,317**	2,906	411

The breakdown for the item "Provisions" is as follows:

Description	12.31.2013	12.31.2012	Change
Doubtful accounts	8,021	6,575	1,446
Provisions for risks	220	607	(387)
Other provisions	47	-	47
Total	**8,288**	7,182	1,106

Non-recurrent (Income)/Charges

Description	12.31.2013	12.31.2012	Change
Non-recurrent Income	81	-	81
Non-recurrent Charges	(11)	(22)	11
Total	**70**	(22)	92

The non-recurrent income refers to the recording of the consolidation provision relevant to the acquisition of a further 1.03 % controlling interest in the subsidiary TGS AD by the parent company.
The non-recurrent charges refer to start-up costs relevant to the acquisition of a further 0.19 % controlling interest of the subsidiary SOL Hellas SA by AIRSOL BV.

7. Financial income / (expenses)

Balance as at 12.31.2013	(8,399)
Balance as at 12.31.2012	(9,955)
Change	**1,557**

The breakdown of the above item is as follows:

Description	12.31.2013	12.31.2012	Change
Financial income	2,583	2,185	398
Financial charges	(10,982)	(12,140)	1,158
Total	**(8,399)**	(9,955)	1,557

The breakdown for the item “Financial income” is as follows:

Description	12.31.2013	12.31.2012	Change
Interest receivable on investment securities	-	62	(62)
Interest receivable on non-investment securities	11	12	(1)
Interest on bank and post office deposits	644	370	274
Trade interest receivable	33	83	(50)
Exchange rate gains	387	996	(609)
Other financial income	1,508	662	846
Total	**2,583**	2,185	398

The breakdown for the item “Financial expense” is as follows:

Description	12.31.2013	12.31.2012	Change
Bank interests	(137)	(304)	167
Interest on loans	(6,333)	(8,266)	1,934
Interest on debenture loans	(2,751)	(2)	(2,749)
Exchange losses	(572)	(486)	(86)
Other financial expenses	(1,189)	(3,081)	1,892
Total	**(10,982)**	(12,140)	1,158

8. Income taxes

Balance as at 12.31.2013	22,606
Balance as at 12.31.2012	16,508
Change	**6,098**

The breakdown of the above item is as follows:

Description	**12.31.2013**	12.31.2012	Change
Income taxes	17,173	18,469	(1,296)
Taxes from previous financial years	5,602	-	5,602
Deferred taxes	(365)	(550)	186
Prepaid taxes	195	(1,410)	1,606
Total	**22,606**	16,508	6,098

The item "Taxes from previous financial years" refers to taxes ascertained for the subsidiary AIRSOL BV relevant to previous financial years.

The reconciliation between the tax liability recorded in the financial statements and the theoretical tax liability, calculated on the basis of the theoretical tax rates in force in Italy, is as follows:

Description	**12.31.2013**	12.31.2012
Theoretical taxation	**12,364**	12,790
Tax effect permanent differences	8,008	5,476
Tax effect deriving from foreign tax rates other than Italian theoretical tax rates	(6,733)	(5,208)
Other differences	5,602	-
Taxes on income recorded in the financial statements, excluding IRAP (current and deferred)	**19,241**	13,059
Regional Production Tax (IRAP)	**3,365**	3,449
Taxes recorded on income recorded in the financial statements (current and deferred)	**22,606**	16,508

So as to provide a clearer understanding of the reconciliation, separate account was taken of IRAP tax (due to its taxable base differing from the pre-tax profit. Therefore, the theoretical taxes have been calculated by applying just the IRES (company earnings' tax) tax rate.

Balance sheet

9. Tangible fixed assets

Balance as at 12.31.2013	385,375
Balance as at 12.31.2012	362,844
Change	**22,532**

Analysis of tangible fixed assets

Changes in tangible fixed assets, with reference to their historical cost, depreciation and net value are as follows:

Changes in tangible fixed assets - cost	Land	Buildings	Plant and equipment	Industrial aand trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 12.31.2011	9,420	90,306	313,468	521,176	39,781	26,625	1,000,776
Increases	494	7,477	8,863	68,611	4,608	20,188	110,241
Revaluations	-	-	305	-	-	-	305
Write-downs	-	-	-	-	-	-	-
Other changes	2,985	(2,837)	(627)	1,809	280	(24,830)	(23,220)
Exchange rate differences	(5)	(45)	(206)	(57)	(33)	123	(224)
(Disposals)	-	(40)	(625)	(12,404)	(674)	-	(13,743)
Balance as at 12.31.2012	**12,894**	**94,860**	**321,179**	**579,135**	**43,962**	**22,106**	**1,074,136**
Increases	18	1,141	6,186	49,590	2,799	44,121	103,854
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	(46)	(2)	-	(47)
Other changes	(62)	(86)	(1,227)	5,099	(2,499)	(11,849)	(10,624)
Exchange rate differences	(11)	12	74	(673)	(74)	(73)	(745)
(Disposals)	-	(198)	(757)	(9,670)	(881)	-	(11,505)
Balance as at 12.31.2013	**12,839**	**95,730**	**325,454**	**623,435**	**43,305**	**54,304**	**1,155,068**

Changes in tangible fixed assets - Provisions for depreciation	Land	Buildings	Plant and equipment	Industrial aand trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 12.31.2011	-	48,765	230,967	346,292	31,098	-	657,122
Depreciation	-	3,269	14,754	44,068	3,549	-	65,639
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	-	168	342	1,160	234	-	1,905
Exchange rate differences	-	(17)	(106)	(78)	(28)	-	(229)
(Disposals)	-	(19)	(463)	(12,056)	(608)	-	(13,146)
Balance as at 12.31.2012	**-**	**52,167**	**245,494**	**379,386**	**34,244**	**-**	**711,291**
Depreciation	-	3,192	13,097	47,252	3,202	-	66,743
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	-	(68)	(772)	2,951	(1,311)	-	800
Exchange rate differences	-	(0)	70	(74)	(18)	-	(23)
(Disposals)	-	(68)	(559)	(7,702)	(790)	-	(9,119)
Balance as at 12.31.2013	**-**	**55,222**	**257,330**	**421,813**	**35,327**	**-**	**769,692**

Changes in tangible fixed assets - Net Value	Land	Buildings	Plant and equipment	Industrial aand trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 12.31.2011	9,420	41,541	82,501	174,884	8,683	26,625	343,654
Increases	494	7,477	8,863	68,611	4,608	20,188	110,241
(Depreciation and write-downs)	-	(3,269)	(14,754)	(44,068)	(3,549)	-	(65,639)
Other changes	2,985	(3,005)	(665)	649	46	(24,830)	(24,820)
Exchange rate differences	(5)	(29)	(100)	21	(5)	123	6
(Disposals)	-	(22)	(161)	(348)	(66)	-	(597)
Balance as at 12.31.2012	**12,894**	**42,693**	**75,685**	**199,748**	**9,718**	**22,106**	**362,845**
Increases	18	1,141	6,186	49,590	2,799	44,121	103,854
(Depreciation and write-downs)	-	(3,192)	(13,097)	(47,252)	(3,202)	-	(66,743)
Other changes	(62)	(18)	(455)	2,102	(1,190)	(11,849)	(11,472)
Exchange rate differences	(11)	13	4	(599)	(56)	(73)	(723)
(Disposals)	-	(130)	(198)	(1,968)	(90)	-	(2,386)
Balance as at 12.31.2013	**12,839**	**40,507**	**68,125**	**201,622**	**7,978**	**54,304**	**385,375**

- The investments made in the period of the item “Lands” refer mainly to investments by SICGILSOL (Euro 16 thousand) .
- The investments made during the period with regards to “Buildings” are mainly investments made by the Parent Company (Euro 170 thousand) and the subsidiaries VIVISOL Srl (Euro 70 thousand), SOL France Sas (Euro 54 thousand), Energetika (Euro 201 thousand) and TMG GmbH (Euro 311 thousand).
- Acquisitions made during the period under the item “Plants and machinery” are mainly due to the purchase of plants for the Parent Company (Euro 1,530 thousand), DOLBY Medical Home Respiratory Care Limited (Euro 751 thousand), SOL Bulgaria EAD (Euro 2,255 thousand), GTH Gaze Industriale SA (Euro 247 thousand) and to a lesser extent to other capital expenditure carried out by all other group companies.
- The item “Industrial and commercial equipment” comprises commercial equipment (supplying devices, cylinders, base units, concentrators and medical appliances) as well as other small and sundry equipment. The increase recorded for the period was due to investments in commercial equipment in the form of cylinders, dispensing devices and tanks, made by companies in the technical gases sector for Euro 20,137 thousand (including Euro 4,733 by the Parent Company) and to investments made by companies operating in the homecare sector for Euro 29,453 thousand (including Euro 6,853 thousand by the company VIVISOL Srl), in respect of base units and other medical appliances.
- The item “Other assets” includes motor vehicles and motor cars, electric office equipment, furniture and fixtures, EDP systems. The increase recorded the period relates to investments made in motor vehicles, laboratory equipment, hardware, furniture and furnishings, with Euro 1.031 thousand of the total reported pertaining to the Parent Company, of the total reported pertaining to the subsidiary DOLBY Medical Home RespiratoryCare Limited (Euro 323 thousand), of the total reported pertaining to the subsidiary TGS AD (Euro 241 thousand) and to a lesser extent to other investments by other company groups.
- The item “Fixed assets in the process of being created” mainly contains balances relevant to investments being created by the Parent Company (Euro 13,837 thousand) and the subsidiaries SOL Hydropower doo (Euro 10,896 thousand), Hydroenergy Shpk (Euro 15,019 thousand), SOL Bulgaria EA (Euro 6,770 thousand), VIVISOL Iberica SL (Euro 3,886 thousand) and SOL SEE doo (Euro 1.967 thousand).

It is to be noted that on the plants in Mantua and Jesenice are encumbered with mortgages and liens pertaining to medium-term loan agreements entered into by a number of Group companies with banks.

As at December 31, 2013, mortgages amounted to Euro 68,463 thousand.
As at December 31, 2013, liens amounted to Euro 63,263 thousand.

Analysis of leased tangible assets

Changes in tangible fixed assets, with reference to their historical cost, depreciation and net value are as follows:

Changes in tangible fixed assets - Cost	Land	Buildings	Plant and equipment	Industrial aand trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 12.31.2011	-	1,945	10,198	17,491	146	-	29,780
Increases	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-
Balance as at 12.31.2012	**-**	**1,945**	**10,198**	**17,491**	**146**	**-**	**29,780**
Increases	-	-	205	-	-	-	205
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	-	-	(80)	(650)	(128)	-	(858)
Exchange rate differences	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-
Balance as at 12.31.2013	**-**	**1,945**	**10,323**	**16,841**	**18**	**-**	**29,127**

Changes in tangible fixed assets - Provisions for depreciation	Land	Buildings	Plant and equipment	Industrial aand trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 12.31.2011	-	1,664	8,394	17,049	146	-	27,253
Depreciation	-	14	522	232	-	-	768
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-
Balance as at 12.31.2012	**-**	**1,678**	**8,916**	**17,281**	**146**	**-**	**28,021**
Depreciation	-	15	469	84	-	-	568
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	-	-	(80)	(650)	(128)	-	(858)
Exchange rate differences	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-
Balance as at 12.31.2013	**-**	**1,693**	**9,305**	**16,715**	**18**	**-**	**27,731**

Changes in tangible fixed assets - Net value	Land	Buildings	Plant and equipment	Industrial aand trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 312.31.2011	-	281	1,804	442	-	-	2,527
Increases	-	-	-	-	-	-	-
(Depreciation and write-downs)	-	(14)	(522)	(232)	-	-	(768)
Other changes	-	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-
Balance as at 12.31.2012	**-**	**267**	**1,282**	**210**	**-**	**-**	**1,759**
Increases	-	-	205	-	-	-	205
(Depreciation and write-downs)	-	(15)	(469)	(84)	-	-	(568)
Other changes	-	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-
Balance as at 12.31.2013	**-**	**252**	**1,018**	**126**	**-**	**-**	**1,396**

10. Goodwill and consolidation differences

Balance as at 12.31.2013	24,858
Balance as at 12.31.2012	24,970
Change	**(113)**

The breakdown of the above item is as follows:

	Goodwill	Consolidation difference	Total
Balance as at 12.31.2011	7,107	15,267	22,374
Increases	-	2,413	2,413
Revaluations / (Write-downs)	-	-	-
Other changes	114	-	114
Exchange rate differences	69	-	69
(Amortisation)	-	-	-
Balance as at 12.31.2012	**7,290**	**17,680**	**24,970**
Increases	-	-	-
Revaluations / (Write-downs)	-	-	-
Other changes	-	(49)	(49)
Exchange rate differences	(64)	-	(64)
(Amortisation)	-	-	-
Balance as at 12.31.2013	**7,226**	**17,631**	**24,858**

The Group assesses the recoverability of the goodwill at least once a year or more frequently if there is any indication of losses in value. The recoverable value of the cash generating units is assessed by means of the determination of the usage value.

The discount rates used reflect the current valuations of the cost of money; the growth rates consider a prudent development of the sector over a duration of five years.

11. Other intangible fixed assets

Balance as at 12.31.2013	8,755
Balance as at 12.31.2012	8,492
Change	**263**

The breakdown of the above item is as follows:

	Costs for research, development and advertising	Industrial patent rights and use of intellectual property	Concessions, licenses, trademarks and similar rights	Other	Assets in the process of being created and down-payments	Total
Balance as at 12.31.2011	-	3,427	1,714	240	197	5,577
Increases	152	1,897	616	100	2,593	5,357
Revaluations / (Write-downs)	-	-	-	-	-	-
Other changes	572	(673)	714	(9)	(141)	464
Exchange rate differences	-	-	(1)	-	-	(1)
(Amortisation)	(69)	(1,877)	(819)	(141)	-	(2,906)
Balance as at 12.31.2012	**655**	**2,774**	**2,225**	**189**	**2,649**	**8,492**
Increases	267	1,708	1,325	28	961	4,289
Revaluations / (Write-downs)	-	-	-	-	-	-
Other changes	-	-	54	8	(782)	(721)
Exchange rate differences	-	-	(1)	-	13	12
(Amortisation)	(138)	(2,111)	(1,019)	(50)	-	(3,318)
Balance as at 12.31.2013	**785**	**2,370**	**2,584**	**175**	**2,841**	**8,755**

12. Equity Shareholdings

Balance as at 12.31.2013	778
Balance as at 12.31.2012	781
Change	**(3)**

The breakdown of the above item is as follows:

Description	12.31.2013	12.31.2012
GTE SL	17	14
Non-consolidated subsidiary companies	**17**	14
Consorgas Srl	468	475
Blue Sky Amercoeur	100	100
Affiliated companies	**568**	575
Other equity investments	193	192
Other companies	**193**	192
Total	**778**	781

With exception of Euro 181 thousand recorded among the other equity investments (relevant to investments in local companies by the subsidiary TGS AD for Euro 170 thousand, by the subsidiary TPJ Doo for Euro 2 thousand, by the subsidiary ICOA Srl for Euro 8 thousand and by the subsidiary VIVISOL Silarus Srl for Euro 1 thousand), all of the above-mentioned shareholdings are owned by the Parent Company.

13. Other financial assets

Balance as at 12.31.2013	5,350
Balance as at 12.31.2012	4,784
Change	**566**

The breakdown of the above item is as follows:

Description	**12.31.2013**	12.31.2012	Change
Receivables from others	4,463	3,687	776
Securities	886	1,097	(210)
Treasury shares	-	-	-
Total	**5,350**	4,784	566

The breakdown for the item “Amounts receivable from third parties” is as follows:

Description	**12.31.2013**	12.31.2012	Change
Guarantee deposits	2,198	1,428	770
Tax credit pertaining to Employee Severance Indemnity	17	16	1
Amounts due from the tax authorities	2,194	2,188	5
Other receivables	55	55	0
Total	**4,463**	3,687	776

The breakdown for the item “Other securities” is as follows:

Description	**12.31.2013**	12.31.2012	Change
SOL TG GmbH	6	5	1
SOL Hellas SA	880	1,090	(210)
TGT AD	-	2	(2)
Total	**886**	1,097	(211)

The item “SOL Hellas securities” refers to the Greek government bonds that expire beyond 12 months, which were issued as payment for the credits towards public entities by the subsidiary SOL Hellas.

14. Amounts receivable for prepaid taxes

Balance as at 12.31.2013	5,779
Balance as at 12.31.2012	5,923
Change	**(144)**

The breakdown for the above item is as follows:

	Risks on receivables	Risk provisions	Internal profits	Prior losses	Other minor	Total
Balance as at 12.31.2011	1,381	165	296	2,449	199	4,490
Provisions	580	(146)	382	612	(49)	1,378
Uses	-	-	-	-	(0)	(0)
Other changes	7	-	32	(457)	477	59
Exchange rate differences	-	-	-	(4)	(0)	(5)
Balance as at 12.31.2012	**1,968**	**19**	**710**	**2,600**	**626**	**5,923**
Provisions	(364)	-	40	183	(53)	(195)
Uses	-	-	-	-	-	-
Other changes	-	-	-	41	14	55
Exchange rate differences	-	-	-	(3)	(0)	(3)
Balance as at 12.31.2013	**1,603**	**19**	**750**	**2,820**	**587**	**5,779**

15. Inventories

Balance as at 12.31.2013	33,379
Balance as at 12.31.2012	33,148
Change	**231**

The breakdown of the above item is as follows:

Description	**12.31.2013**	12.31.2012	Change
Raw subsidiary and consumable materials	2,640	3,061	(421)
Work in progress and semi-finished goods	775	567	208
Finished products and goods	29,964	29,521	444
Total	**33,379**	33,148	231

16. Trade receivables

Balance as at 12.31.2013	241,073
Balance as at 12.31.2012	238,755
Change	**2,317**

The breakdown of the above item is as follows:

Description	Within 12 months	Beyond 12 months	Allowance for doubtful accounts	**12.31.2013**	12.31.2012
Trade receivables	255,168	-	(14,095)	241,073	238,755
Total	255,168	-	(14,095)	**241,073**	238,755

The allowance for doubtful accounts saw the following changes:

Description	12.31.2012	Provisions	Uses	Other movements	12.31.2013
Allowance for doubtful accounts	15,812	8,021	(9,672)	(66)	14,095
Total	15,812	8,021	(9,672)	(66)	**14,095**

17. Other current assets

Balance as at 12.31.2013	20,704
Balance as at 12.31.2012	21,938
Change	**(1,234)**

The breakdown of the above item is as follows:

Description	12.31.2013	12.31.2012	Change
Amounts due from employees	615	627	(12)
Amounts receivable in respect of income tax	1,789	2,024	(235)
VAT receivables	12,714	18,217	(5,503)
Other amounts due from the tax authorities	591	215	376
Other receivables	4,995	855	4,140
Total	**20,704**	21,938	(1,234)

18. Current financial assets

Balance as at 12.31.2013	2,654
Balance as at 12.31.2012	2,429
Change	**225**

The composition of the item is shown below:

Description	12.31.2013	12.31.2012	Change
Securities France Oxygene	225	-	225
Securities HYDROENERGY Shpk	149	150	(1)
Securities SICGILSOL	3	69	(66)
Securities SOL Hellas SA	210	210	-
Securities SOL-INA	1,505	1,483	22
Securities TGT AD	562	460	102
Receivables due from Shareholders	-	57	(57)
Total	**2,654**	2,429	225

The SOL Hellas securities are Greek government bonds that expire on 2013, which were issued as payment for the credits towards public entities by the subsidiaries SOL Hellas.
The Securities France Oxygene, Hydroenergy ShpK, SICGILSOL, SOL-INA and TGT AD are made up of short-term deposits.

19. Accrued income and prepaid expenses

Balance as at 12.31.2013	3,874
Balance as at 12.31.2012	3,692
Change	**182**

These represent the harmonising items for the accounting period calculated on an accrual basis.

The item is composed as follows:

Description	12.31.2013	12.31.2012	Change
Accrued income			
Interests	106	262	(156)
Other accrued income	576	602	(26)
Total accrued income	**682**	863	(181)
Prepaid expenses			
Insurance premiums	341	604	(263)
Rent	160	148	12
Other prepayments	2,691	2,077	614
Total prepayments	**3,192**	2,829	363
Total accrued income and prepaid expenses	**3,874**	3,692	182

The item "Other prepayments" mainly comprises purchase invoices referring to maintenance agreements or other agreements of a long-term nature.

20. Cash and cash at bank

Balance as at 12.31.2013	67,345
Balance as at 12.31.2012	61,403
Variazione	**5,942**

The composition of the item is shown below:

Description	12.31.2013	12.31.2012	Change
Bank and postal accounts	67,026	61,121	5,906
Cash and other cash equivalents	319	282	36
Total accrued income	**67,345**	61,403	5,942

The above balance represents the liquid assets and cash and cash equivalents existing at the end of the accounting period.

21. Shareholders' equity

Balance as at 12.31.2013	396,073
Balance as at 12.31.2012	388,321
Change	**7,753**

The share capital of SOL Spa as at December 31, 2013 comprised 90,700,000 ordinary shares with a par value of Euro 0.52 each, fully subscribed and fully paid up.

The breakdown of and changes in shareholders' equity at year-end is detailed below:

Shareholders' equity	12.31.20112	Transfer of result	Dividends paid	Translation differences	Other movements	Result	12.31.2013
Pertaining to the Group:							
Share capital	47,164	-	-	-	-	-	47,164
Share premium reserve	63,335	-	-	-	-	-	63,335
Revaluation reserves	-	-	-	-	-	-	-
Legal reserves	8,615	842	-	-	-	-	9,457
Treasury shares reserves	-	-	-	-	-	-	-
Other reserves	225,204	19,115	-	(720)	(4,342)	-	239,257
Profits / (Losses) carried forward	2,659	9,070	(9,070)	-	-	-	2,659
Net profit	29,027	(29,027)	-	-	-	21,629	21,629
Group net equity	376,003	-	(9,070)	(720)	(4,342)	21,629	**383,500**
Minority interests:							
Shareholders' equity minority interests	11,342	976	-	(77)	(545)	-	11,696
Profits pertaining to minority interests	976	(976)	-	-	-	877	877
Shareholders' equity minority interests	12,318	-	-	(77)	(545)	877	**12,573**
Shareholders' equity	388,321	-	(9,070)	(797)	(4,887)	22,506	**396,073**

Reconciliation of Parent Company's Balance Sheet with the Consolidated Balance Sheet

Description	12.31.2013		12.31.2012	
	Shareholders'	Net income	Shareholders'	Net income
Financial Statements of SOL Spa	**222,580**	**20,046**	**216,253**	**16,837**
Elimination of consolidated inter-company transactions, net of tax effects:				
- Internal profit on tangible fixed assets	(2,426)	(136)	(2,290)	(1,017)
- Internal profit on investments	-	-	-	(4)
- Reversal of adjustments to investments in subsidiary companies	207	650	207	1,287
- Dividends paid by consolidated companies	-	(18,526)	-	(13,393)
Adjustment of accounting policies to achieve consistent Group accounting policies, net of tax effects:				
- Adjustment to achieve a consistent accounting policy regarding intangible assets	1,007	(164)	1,742	(168)
- Use of finance lease method for leased assets	-	(29)	29	(37)
- Valuation at equity of companies reported at cost	333	(8)	340	53
Carrying value of consolidated equity investments	(254,987)	-	(246,323)	-
Net assets and financial year's results of consolidated companies	399,155	19,726	388,365	25,447
Allocation of the difference to the assets of the companies and relative depreciation, amortisation and write-downs:				
- Goodwill from consolidation	17,631	70	17,680	22
Consolidated Group financial statements	**383,500**	**21,629**	**376,003**	**29,027**

22. Employee severance indemnities and other benefits

Balance as at 12.31.2013	10,687
Balance as at 12.31.2012	11,056
Change	**(368)**

The provisions underwent the following changes:

Description	12.31.2013	12.31.2012	Change
Balance as at 1 January	11,056	9,571	8,968
Provisions	989	1,115	1,103
(Uses)	(536)	(649)	(871)
Financial charges	15	12	129
Other changes	(837)	1,007	242
Exchange rate differences	0	(1)	-
Balance as at 31 December	**10,687**	11,056	9,571

Employee benefits are calculated on the basis of the following actuarial assumptions:

	Interest
Annual discount rate	3.594%
Inflation rate	1.50%
Annual severance indemnity increase rate	2.34%
Annual wage increase rate	3.00%

Sensitivity analysis

The effects of the variation of the assumptions used are presented here below:

DBO as at December 31 2013	Amount
Inflation rate + 0.5%	(274)
Inflation rate - 0.5%	421
Discount rate + 0.5%	620
Discount rate - 0.5%	(506)
Turnover rate + 0.5%	(26)

Employee severance indemnities

The item “Employee severance indemnities” reflects the indemnity provided to employees during their working relationship which is paid at the time the employee leaves the company. In the presence of specific conditions, the employee may obtain a partial advance on said indemnity during their working relationship.

Other

The item “Other” comprises benefits such as the loyalty bonus, which accrues on attainment of a specific length of service within the company.

23. Deferred taxes provision

Balance as at 12.31.2013	2,684
Balance as at 12.31.2012	3,015
Change	**(331)**

The item “Deferred taxation” represents the net balance of deferred tax liabilities provided for in the consolidated financial statements as at December 31, 2013 with regard to tax items present in the statutory financial statements of the Group companies (accelerated depreciation), and the deferred tax liabilities referring to the other consolidation entries; the item comprises:

	Capital gain	Accelerated depreciation	Leasing	Other minor	Total
Balance as at 12.31.2011	99	1,801	243	1,419	3,562
Provisions	(36)	(127)	(101)	(364)	(628)
Uses	-	-	-	(4)	(4)
Other changes	-	(218)	-	296	78
Exchange rate differences	-	-	-	7	7
Balance as at 12.31.2012	63	1,456	142	1,354	**3,015**
Provisions	(1)	(229)	(41)	(94)	(365)
Uses	-	-	-	-	-
Other changes	-	-	-	55	55
Exchange rate differences	-	-	-	(21)	(21)
Balance as at 12.31.2013	62	1,227	101	1,294	**2,684**

24. Provisions for risks and charges

Balance as at 12.31.2013	2,535
Balance as at 12.31.2012	2,568
Change	**(34)**

The breakdown for the item “Provisions for risks and charges” is as follows:

Description	**12.31.2013**	12.31.2012	Change
For pension liabilities and similar obligations	-	-	-
Consolidation for risks and contingency funds	-	-	-
Others:			
Exchange fluctuation provision	-	-	-
Other minor provisions	2,535	2,568	(34)
Total other provisions	**2,535**	2,568	(34)
Total	**2,535**	2,568	(34)

Provisions for risks highlight probable Group liabilities deriving from legal and tax disputes underway.

The change with respect to 2012 is due to provisions totalling Euro 267 thousand, uses amounting to Euro 300 thousand.

25. Payables and other liabilities

Balance as at 12.31.2013	235,585
Balance as at 12.31.2012	224,273
Change	**11,312**

The breakdown of the above item is as follows:

Description	**12.31.2013**	12.31.2012	Change
Bonds	75,011	47,942	27,069
Due to other lenders	157,522	172,976	(15,454)
Other payables	3,052	3,354	(302)
Total	**235,585**	224,273	11,313

The item “Bonds” refers to the issue of two debenture loans subscribed by two American institutional investors. The original amount of such issue of 95 thousand USD converted into 75,011 thousand Euro through two cross currency swap contracts (CCS) with for the entire duration of the original debenture loan (12 years).
The two loans result as issued on June 15, 2012 for USD 60 million and on May 29, 2013 for USD 35 million.

The item “Amounts due to other financiers” for the most part comprises loans granted by medium and long-term credit institutions. Some of these loans are backed by liens on movable assets and mortgages on real property, as already mentioned in the notes regarding tangible fixed assets. Furthermore, the same item also includes amounts owed to leasing companies amounting to Euro 342 thousand, deriving from the application of international accounting standard IAS 17 to assets that are the object of a finance lease.

The detailed breakdown of the item "Amounts due to other lenders" is as follows (with values expressed in thousands of Euro):

Lending institute	Amount	Long-term portion	Short-term portion	Interest rate		Maturity		Original amount
Banco di Brescia *	411	-	411	Fixed	4.46 %	12.31.2013	Euro	5,000,000
Banco di Brescia *	246	-	246	Fixed	4.46 %	12.31.2013	Euro	3,000,000
Banco di Brescia *	474	-	474	Fixed	4.84 %	12.31.2013	Euro	5,000,000
BNL PARIBAS (ex Fortis Bank)	417	-	417	Variable	0.84 %	02.16.2014	Euro	5,000,000
Banca Popolare di Bergamo	3,037	1,561	1,476	Fixed	5.66 %	07.30.2015	Euro	7,000,000
Credito Emiliano	210	107	103	Fixed	3.51 %	11.18.2015	Euro	500,000
Banco di Brescia *	500	200	300	Fixed	5.11 %	12.31.2015	Euro	1,000,000
Mediocredito Italiano	3,333	2,000	1,333	Variable	1.90 %	03.31.2016	Euro	8,000,000
GE Capital *	7,500	5,000	2,500	Variable	2.55 %	10.31.2016	Euro	10,000,000
BCC Carate	3,105	2,106	999	Variable	2.17 %	11.03.2016	Euro	5,000,000
Credito Emiliano	1,596	1,161	435	Fixed	3.70 %	05.26.2017	Euro	3,000,000
Mediobanca *	6,563	4,688	1,875	Fixed	2.82 %	06.20.2017	Euro	15,000,000
Mediobanca *	8,750	6,250	2,500	Fixed	4.39 %	06.20.2017	Euro	20,000,000
BNL - BNP Paribas *	4,500	3,500	1,000	Variable	3.09 %	02.14.2018	Euro	5,000,000
Intesa San Paolo *	6,924	5,386	1,538	Fixed	1.91 %	06.15.2018	Euro	10,000,000
MIUR	78	69	9	Fixed	0.25 %	07.01.2018	Euro	121,106
Banca Popolare di Bergamo	1,000	817	183	Fixed	4.28 %	11.30.2018	Euro	1,000,000
Credito Valtellinese	11,412	9,382	2,030	Variable	3.25 %	12.31.2018	Euro	20,000,000
Barclays bank *	5,500	4,500	1,000	Fixed	3.04 %	06.01.2019	Euro	10,000,000
Mediobanca *	16,250	13,750	2,500	Fixed	4.44 %	04.01.2020	Euro	20,000,000
Komercijalna B.	7,008	7,008	-	Fixed	5.50 %	10.15.2020	Euro	7,000,000
Intesa San Paolo *	25,002	21,670	3,332	Fixed	2.23 %	06.16.2021	Euro	30,000,000
Intesa San Paolo *	9,445	8,335	1,110	Variable	3.70 %	06.30.2022	Euro	10,000,000
Intesa San Paolo *	9,445	8,335	1,110	Variable	3.70 %	06.30.2022	Euro	10,000,000
Factor Banka	3,477	3,113	364	Variable	1.49 %	12.31.2022	Euro	5,200,000
Mediobanca *	10,179	9,108	1,071	Fixed	2.90 %	06.20.2023	Euro	15,000,000
Mediocredito Italiano	15,556	14,075	1,481	Variable	2.10 %	03.31.2024	Euro	20,000,000
Monte Paschi di Siena	9,583	8,750	833	Fixed	4.21 %	06.15.2025	Euro	10,000,000
Banca IMI *	6,973	6,577	396	Fixed	6.50 %	01.26.2026	Euro	7,000,000
Bonds	75,011	75,011	-				USD	95,000,000
Derivatives	12,336	9,841	2,494					
Amounts due to leasing companies	342	233	110					
	266,163	**232,533**	**33,630**					

Covenants

The loan agreements marked by an asterisk (*) contain financial restrictions (covenants) that envisage the maintenance of determinate ratios between net financial indebtedness and shareholders' equity, between net financial indebtedness and cash-flow, and between net financial indebtedness and EBITDA referable to the consolidated financial statements.

To date, these parameters have been observed.

Derivatives

1. The loan agreement outstanding with Mediobanca whose residual debt amounts to Euro 8,750 thousand has been hedged by an IRS agreement entered into on October 24, 2007 that anticipates the payment of a fixed rate of 4.39% against a floating 6-month Euribor rate.
   The fair value as at December 31, 2013, calculated by the same bank, was negative for a total of Euro 663 thousand (at December 31, 2012 negative for Euro 1,102 thousand).
2. The loan agreement outstanding with Mediobanca whose residual debt amounts to Euro 6,563 thousand has been hedged by an IRS agreement entered into on May 14, 2009 that anticipates the payment of a fixed rate of 2.82% against a floating 6-month Euribor rate.
   The fair value as at December 31, 2013, calculated by the same bank, was negative for a total of Euro 289 thousand (at December 31, 2012 negative for Euro 492 thousand).
3. The loan agreement outstanding with Mediobanca whose residual debt amounts to Euro 10,179 thousand has been hedged by an IRS agreement entered into on May 19, 2010 that anticipates the payment of a fixed rate of 2.9% against a floating 6-month Euribor rate.
   The fair value as at December 31, 2013, calculated by the same bank, was negative for a total of Euro 703 thousand (at December 31, 2012 negative for Euro 1,093 thousand).
4. The loan agreement outstanding with Intesa San Paolo whose residual debt amounts to Euro 5,500 thousand, has been hedged by an IRS agreement entered into on March 24, 2011 that anticipates the payment of a fixed rate of 3,04% against a floating 6-month Euribor rate.
   The fair value as at December 31, 2013, calculated by the same bank, was negative for a total of Euro 351 thousand (at December 31, 2012 negative for Euro 536 thousand).
5. The loan agreement outstanding with Intesa San Paolo whose residual debt amounts to Euro 25,002 thousand, has been hedged with a fixed rate of 2.23% against a floating 6-month Euribor rate.
   The fair value as at December 31, 2013, calculated by the same bank, was negative for a total of Euro 993 thousand (at December 31, 2012 negative for Euro 1,688 thousand).
6. The loan agreement outstanding with Intesa San Paolo whose residual debt amounts to Euro 6,924 thousand, has been hedged with a fixed rate of 1.91% against a floating 6-month Euribor rate.
   The fair value as at December 31, 2013, calculated by the same bank, was negative for a total of Euro 197 thousand (at December 31, 2012 negative for Euro 338 thousand).
7. The debenture loan whose residual debt amounts to 47,942 thousand Euro was hedged with a CCS contract executed with Intesa San Paolo on June 15, 2012.
   The fair value as at December 31, 2013, was negative for a total of Euro 6,583 thousand (as at December 31, 2012 negative for Euro 3,831 thousand).
8. The debenture loan whose residual debt amounts to 27,069 thousand Euro was hedged with a CCS contract executed with Intesa San Paolo on May 29, 2013.
   The fair value as of December 31, 2013 was negative for 2,557 thousand Euro.

The contracts numbered from 1. to. 4. were measured as a fair value hedge, whereas contracts numbered from 5. to 8. were measured as a cash flow hedge.

Hierarchical levels of fair value measurement

As regards the financial instruments recorded in the statement of financial position at fair value, the IFRS 7 requires that such values be classified on the basis of a hierarchical level that reflects the importance of the inputs used when determining the fair value.

The levels are broken down as follows:

- Level 1 - prices recorded on an active market for measured assets or liabilities;

- Level 2 - inputs other than the prices set forth above, which are directly (prices) or indirectly (derived from the prices) observable on the market;
- Level 3 - inputs that are based on observable market figures.

The following table shows the assets and liabilities at fair value as at December 31, 2012, by hierarchical level of fair value measurement:

Payables and other liabilities	Notes	Level 1	Level 2	Level 3	Total
Intesa San Paolo		-	(351)	-	(351)
Intesa San Paolo		-	(993)	-	(993)
Intesa San Paolo		-	(197)	-	(197)
Intesa San Paolo		-	(6,583)	-	(6,583)
Intesa San Paolo		-	(2,557)	-	(2,557)
Mediobanca		-	(663)	-	(663)
Mediobanca		-	(289)	-	(289)
Mediobanca		-	(703)	-	(703)
Total		**-**	**(12,336)**	**-**	**(12,336)**

The item “Other payables” includes the commitments of the company SOL Spa to repurchase shares in the companies SGTS ShPK (Euro 882 thousand) and SOL K ShPK (Euro 1,776 thousand) presently held by the company SIMEST Spa

26. Current liabilities

Balance as at 12.31.2013	152,358
Balance as at 12.31.2012	139,928
Change	**12,430**

The breakdown for this item is as follows:

Description	12.31.2013	12.31.2012	Change
Due to banks	7,141	3,066	4,075
Trade accounts payable	77,244	74,576	2,668
Other financial liabilities	33,630	33,487	143
Tax payables	7,542	6,707	835
Other current liabilities	16,020	14,093	1,927
Accrued expenses and deferred income	10,781	7,999	2,782
Total	**152,358**	139,928	12,430

The “Other financial liabilities” item represents the short-term portions of the amounts due to other lenders.

The breakdown for the item “Tax liabilities” comprises:

Description	12.31.2013	12.31.2012	Change
Amounts due in respect of income tax	398	2,398	(2,000)
VAT payables	3,218	1,541	1,677
Other tax liabilities	3,926	2,768	1,158
Total	**7,542**	6,707	835

”Other current liabilities” comprise:

Description	12.31.2013	12.31.2012	Change
Amounts due to Social Security institutions	4,999	4,840	159
Due to employees	6,139	5,896	243
Payables due to shareholders for dividends	6	4	2
Guarantee deposits due	365	110	255
Other payables	4,511	3,243	1,268
Total	**16,020**	14,093	1,927

“Accrued expenses and deferred income” represent the harmonising items for the period calculated on an accrual basis.

The item is composed as follows:

Description	12.31.2013	12.31.2012	Change
Accrued liabilities			
Interest payable on loans	624	587	37
Other	1,942	1,342	600
Total accrued liabilities	**2,566**	1,929	637
Deferred income			
Grants	34	49	(15)
Rents receivable	23	12	11
Other	8,158	6,009	2,149
Total deferred income	**8,215**	6,070	2,145
Total accrued expenses and deferred income	**10,781**	7,999	2,782

Breakdown of revenues by type of business SOL Group

(In thousands of Euro)	Technical gas sector	%	Home care service	%	Write-downs	Consolidated figures	%
	12.31.2013						
Technical Gas Sector	342,669	100.0%			(26,802)	315,867	53.0%
Home-care service sector			281,155	100.0%	(700)	280,455	47.0%
Net sales	**342,669**	**100.0%**	**281,155**	**100.0%**	**(27,502)**	**596,322**	**100.0%**
Other revenues and proceeds	3,327	1.0%	1,265	0.4%	(569)	4,023	0.7%
Internal works and collections	2,492	0.7%	6,579	2.3%	1,408	10,479	1.8%
Revenues	**348,488**	**101.7%**	**288,998**	**102.8%**	**(26,663)**	**610,824**	**102.4%**
Purchase of materials	92,200	26.9%	74,516	26.5%	(17,428)	149,288	25.0%
Services rendered	104,256	30.4%	81,472	29.0%	(7,896)	177,833	29.8%
Change in stock	730	0.2%	(1,043)	-0.4%	-	(313)	-0.1%
Other costs	13,935	4.1%	15,398	5.5%	(1,337)	27,996	4.7%
Other costs	**211,121**	**61.6%**	**170,343**	**60.6%**	**(26,660)**	**354,804**	**59.5%**
Added value	**137,367**	**40.1%**	**118,655**	**42.2%**	**(2)**	**256,020**	**42.9%**
Cost of labour	67,031	19.6%	57,200	20.3%	-	124,232	20.8%
Gross operating margin	**70,336**	**20.5%**	**61,455**	**21.9%**	**(2)**	**131,788**	**22.1%**
Depreciation/amortisation	38,276	11.2%	31,845	11.3%	(60)	70,060	11.7%
Other provisions	7,287	2.1%	1,000	0.4%	-	8,288	1.4%
Non-recurrent income/charges	(81)	0.0%	-		11	(70)	0.0%
Operating result	**24,854**	**7.3%**	**28,609**	**10.2%**	**46**	**53,510**	**9.0%**
Financial income	12,516	3.7%	728	0.3%	(10,661)	2,583	0.4%
Financial charges	(9,117)	-2.7%	(4,837)	-1.7%	2,973	(10,982)	-1.8%
Total financial income / (charges)	**3,398**	**1.0%**	**(4,108)**	**-1.5%**	**(7,688)**	**(8,399)**	**-1.4%**
Profit (Loss) before income taxes	**28,253**	**8.2%**	**24,501**	**8.7%**	**(7,642)**	**45,112**	**7.6%**
Income taxes	8,961	2.6%	13,629	4.8%	15	22,606	3.8%
Net result from business activities	**19,291**	**5.6%**	**10,872**	**3.9%**	**(7,657)**	**22,506**	**3.8%**
Net result from intermittent activities	-		-		-	-	
(Profit) / Loss pertaining to minority interests	155	0.0%	(1,032)	-0.4%	-	(877)	-0.1%
Net Profit / (Loss)	**19,446**	**5.7%**	**9,839**	**3.5%**	**(7,657)**	**21,629**	**3.6%**

Other information SOL Group

(In thousands of Euro)	Technical gas sector	%	Home care service	%	Write-downs	Consolidated figures	%
	12.31.2013						
Total assets	665,439		361,567		(227,083)	799,923	
Total liabilities	335,111		182,341		(113,602)	403,850	
Investments	**57,631**		**34,374**		**-**	**92,005**	

12.31.2012						
Technical gas sector	%	Home care service	%	Write-downs	Consolidated figures	%
344,853	100.0%			(26,296)	318,557	54.6%
		264,909	100.0%	(498)	264,411	45.4%
344,853	100.0%	264,909	100.0%	(26,794)	582,968	100.0%
6,232	1.8%	1,438	0.5%	(835)	6,835	1.2%
2,145	0.6%	5,824	2.2%	1,486	9,455	1.6%
353,230	102.4%	272,171	102.7%	(26,143)	599,258	102.8%
98,987	28.7%	68,624	25.9%	(16,882)	150,730	25.9%
105,904	30.7%	78,773	29.7%	(7,580)	177,097	30.4%
(761)	-0.2%	227	0.1%	-	(533)	-0.1%
11,823	3.4%	14,152	5.3%	(1,239)	24,736	4.2%
215,953	62.6%	161,777	61.1%	(25,700)	352,030	60.4%
137,277	39.8%	110,394	41.7%	(443)	247,228	42.4%
64,147	18.6%	50,866	19.2%	-	115,013	19.7%
73,130	21.2%	59,528	22.5%	(443)	132,215	22.7%
39,247	11.4%	29,358	11.1%	(60)	68,545	11.8%
6,187	1.8%	995	0.4%	-	7,182	1.2%
-		22	0.0%	-	22	0.0%
27,695	8.0%	29,153	11.0%	(383)	56,466	9.7%
10,090	2.9%	1,410	0.5%	(9,315)	2,185	0.4%
(9,355)	-2.7%	(5,546)	-2.1%	2,761	(12,140)	-2.1%
736	0.2%	(4,136)	-1.6%	(6,555)	(9,955)	-1.7%
28,431	8.2%	25,017	9.4%	(6,937)	46,510	8.0%
7,486	2.2%	9,122	3.4%	(100)	16,508	2.8%
20,945	6.1%	15,894	6.0%	(6,837)	30,002	5.1%
-		-		-	-	
(130)	0.0%	(846)	-0.3%	-	(976)	-0.2%
20,815	6.0%	15,049	5.7%	(6,837)	29,027	5.0%

12.31.2012						
Technical gas sector	%	Home care service	%	Write-downs	Consolidated figures	%
631,166		344,836		(206,842)	769,160	
308,967		167,205		(97,663)	378,508	
38,957		46,454		-	85,411	

Breakdown of revenues by type of business: Technical Gas Division

The income statement of the Technical Gas Division is shown below:

(In thousands of Euro)	12.31.2013	%	12.31.2012	%
Net Sales	**342,669**	100.0%	344,853	100.0%
Other revenues and proceeds	3,327	1.0%	6,232	1.8%
Internal works and collections	2,492	0.7%	2,145	0.6%
Revenues	**348,488**	101.7%	353,230	102.4%
Purchase of materials	92,200	26.9%	98,987	28.7%
Services rendered	104,256	30.4%	105,904	30.7%
Change in stock	730	0.2%	(761)	-0.2%
Other costs	13,935	4.1%	11,823	3.4%
Other costs	**211,121**	61.6%	215,953	62.6%
Added value	**137,367**	40.1%	137,277	39.8%
Cost of labour	67,031	19.6%	64,147	18.6%
Gross operating margin	**70,336**	20.5%	73,130	21.2%
Depreciation/amortisation	38,276	11.2%	39,247	11.4%
Other provisions	7,287	2.1%	6,187	1.8%
Non-recurrent income/charges	(81)	0.0%	0	0.0%
Operating result	**24,854**	7.3%	27,695	8.0%
Financial income	12,516	3.7%	10,090	2.9%
Financial charges	9,117	2.7%	9,355	2.7%
Total financial income / (charges)	**3,398**	1.0%	736	0.2%
Profit (Loss) before income taxes	**28,253**	8.2%	28,431	8.2%
Income taxes	8,961	2.6%	7,486	2.2%
Net result from business activities	**19,291**	5.6%	20,945	6.1%
Net result from intermittent activities	0	0.0%	0	0.0%
(Profit) / Loss pertaining to minority interests	155	0.0%	(130)	0.0%
Net Profit / (Loss)	**19,446**	5.7%	20,815	6.0%

Sales in the Technical Gas Division reported a 0.6% decrease.

Gross operating margin decreased by 3.8% compared to the previous year.

Operating result decreased by 10.3% compared to the previous year.

The balance sheet of the Technical Gas Division is presented below:

(in thousands of Euro)	12.31.2013	12.31.2012
Tangible fixed assets	282,490	261,466
Goodwill and consolidation differences	4,045	4,094
Other intangible fixed assets	7,409	7,560
Equity Shareholdings	59,864	59,867
Other financial assets	84,305	71,443
Prepaid taxes	4,667	5,511
Non-current assets	**442,779**	409,941
Non-current assets held for sale	**-**	-
Inventories	14,570	15,304
Trade receivables	153,256	153,062
Other current assets	9,535	4,927
Current financial assets	3,454	3,049
Accrued income and prepaid expenses	2,121	2,428
Cash and cash at bank	39,724	42,455
Current assets	**222,660**	221,225
TOTAL ASSETS	**665,439**	631,166
Share capital	47,164	47,164
Share premium reserve	63,335	63,335
Legal reserves	9,457	8,615
Other reserves	181,124	172,078
Profits (losses) carried forward	2,659	2,659
Net profit	19,446	20,815
Group net equity	**323,185**	314,665
Shareholders' equity minority interests	7,298	7,404
Profits pertaining to minority interests	(155)	130
Shareholders' equity minority interests	**7,144**	7,534
Shareholders' equity	**330,328**	322,200
Employee severance indemnities and other benefits	8,503	7,030
Deferred tax fund	2,237	2,482
Provisions for risks and charges	1,587	1,587
Payables and other liabilities	219,494	204,042
Non-current liabilities	**231,820**	215,141
Non-current liabilities held for sale	**-**	-
Due to banks	7,119	3,060
Trade accounts payable	47,761	46,382
Other financial liabilities	36,857	33,069
Tax payables	2,668	2,921
Accrued expenses and deferred income	1,425	1,437
Other current liabilities	7,461	6,956
Current liabilities	**103,291**	93,825
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**665,439**	631,166

Breakdown of revenues by type of business: Home-care Service Division

The income statement of the Home-care Service Division is shown below:

(In thousands of Euro)	12.31.2013	%	12.31.2012	%
Net Sales	**281,155**	100.0%	264,909	100.0%
Other revenues and proceeds	1,265	0.4%	1,438	0.5%
Internal works and collections	6,579	2.3%	5,824	2.2%
Revenues	**288,998**	102.8%	272,171	102.7%
Purchase of materials	74,516	26.5%	68,624	25.9%
Services rendered	81,472	29.0%	78,773	29.7%
Change in stock	(1,043)	-0.4%	227	0.1%
Other costs	15,398	5.5%	14,152	5.3%
Other costs	**170,343**	60.6%	161,777	61.1%
Added value	**118,655**	42.2%	110,394	41.7%
Cost of labour	57,200	20.3%	50,866	19.2%
Gross operating margin	**61,455**	21.9%	59,528	22.5%
Depreciation/amortisation	31,845	11.3%	29,358	11.1%
Other provisions	1,000	0.4%	995	0.4%
Non-recurrent income/charges	0	0.0%	22	0.0%
Operating result	**28,609**	10.2%	29,153	11.0%
Financial income	728	0.3%	1,410	0.5%
Financial charges	4,837	1.7%	5,546	2.1%
Total financial income / (charges)	**(4,108)**	-1.5%	(4,136)	-1.6%
Profit (Loss) before income taxes	**24,501**	8.7%	25,017	9.4%
Income taxes	13,629	4.8%	9,122	3.4%
Net result from business activities	**10,872**	3.9%	15,894	6.0%
Net result from intermittent activities	0	0.0%	0	0.0%
(Profit) / Loss pertaining to minority interests	(1,032)	-0.4%	(846)	-0.3%
Net Profit / (Loss)	**9,839**	3.5%	15,049	5.7%

Sales in the Home-care Service Division reported an increase of 6.1%.

Gross operating margin increased by 3.2% compared to the previous year.

Operating result decreased by 1.9% compared to the previous year.

The balance sheet of the Home-care Service Division is presented below:

(in thousands of Euro)	12.31.2013	12.31.2012
Tangible fixed assets	103,372	101,922
Goodwill and consolidation differences	20,813	20,876
Other intangible fixed assets	1,346	932
Equity Shareholdings	54,038	49,693
Other financial assets	7,253	5,449
Prepaid taxes	982	267
Non-current assets	**187,803**	179,139
Non-current assets held for sale	**-**	-
Inventories	18,809	17,844
Trade receivables	102,671	101,832
Other current assets	11,169	17,010
Current financial assets	11,740	8,798
Accrued income and prepaid expenses	1,753	1,264
Cash and cash at bank	27,620	18,948
Current assets	**173,763**	165,696
TOTAL ASSETS	**361,567**	344,836
Share capital	7,750	7,750
Share premium reserve	22,484	22,484
Legal reserves	-	-
Other reserves	103,764	98,015
Profits (losses) carried forward	29,955	29,546
Net profit	9,839	15,049
Group net equity	**173,792**	172,844
Shareholders' equity minority interests	4,401	3,941
Profits pertaining to minority interests	1,032	846
Shareholders' equity minority interests	**5,433**	4,787
Shareholders' equity	**179,225**	177,631
Employee severance indemnities and other benefits	2,185	1,694
Deferred tax fund	448	533
Provisions for risks and charges	947	981
Payables and other liabilities	102,782	92,339
Non-current liabilities	**106,361**	95,547
Non-current liabilities held for sale	**-**	-
Due to banks	22	6
Trade accounts payable	44,338	44,332
Other financial liabilities	8,832	9,836
Tax payables	4,874	3,786
Accrued expenses and deferred income	9,356	6,562
Other current liabilities	8,559	7,137
Current liabilities	**75,980**	71,658
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**361,567**	344,836

Information by geographic area

The breakdown of revenues by geographic area is presented below:

Description	**12.31.2013**	12.31.2012	Change
Italy	309,159	310,165	(1,006)
Other countries	287,163	272,803	14,360
Total	**596,322**	582,968	13,354

The breakdown of investments by geographic area is presented below:

Description	**12.31.2013**	12.31.2012	Change
Italy	23,377	19,172	4,205
Other countries	68,628	66,239	2,389
Total	**92,005**	**85,411**	**6,594**

InfraGroup transactions and transactions with related parties

The Parent Company SOL Spa is controlled by Gas and Technologies World BV, in turn controlled by Stichting AIRVISION; the Group has not entered into any transactions with the latter.

InfraGroup transactions

All the infraGroup transactions fall within the ordinary operations of the Group, they are carried out on an arms'-length basis and there were no atypical or unusual transactions or transactions causing potential conflicts of interest. Inter group sales and services carried out during 2013 amounted to Euro 110.9 million.

As at December 31, 2013, receivable and payable transactions between Group companies came to Euro 242.8 million, of which Euro 171.9 million of a financial nature and Euro 70.9 million of a trade nature.

The breakdown for the inter company financial receivables is as follows:

• Financial receivables granted by SOL Spa	Euro	116.5 thousand
• Financial receivables granted by AIRSOL BV	Euro	33.7 thousand
• Financial receivables granted by other companies	Euro	21.7 thousand

The transactions of the SOL Group with associated companies comprised:

• Purchases by Consorgas Srl	Euro	549 thousand
• Payables due to Consorgas Srl	Euro	139 thousand

Commitments, guarantees and potential liabilities

The Sol Group obtained sureties totalling Euro 27,092 thousand.

Net financial position

	(in thousands of Euro)	12.31.2013	12.31.2012
a	Cash	319	282
b	Banks	67,026	61,121
c	Securities held for trading	-	-
d	**Liquidity (a) + (b) + (c)**	**67,345**	61,403
e	Securities	2,654	2,372
e	Other short-term financial assets	-	-
e	**Current financial receivables**	**2,654**	2,372
f	Short-term amounts due to banks	(7,141)	(3,066)
g	Loans – long-term portion	(31,026)	(31,415)
g	Leases – short term portion	(110)	(86)
g	Bonds – short term portion	-	-
h	Amounts due to shareholders for loans	-	-
h	Amounts due to Shareholders for the purchase of equity investments	-	-
h *	Other short-term financial liabilities	(2,494)	(1,986)
i	**Current borrowing (f) + (g) + (h)**	**(40,771)**	(36,553)
j	**Net current borrowing (d) + (e) + (i)**	**29,228**	27,222
k	Long-term amounts due to banks	-	-
l	Bonds issued	(75,011)	(47,942)
m	Investment securities	886	1,097
m	Other long-term financial assets	-	-
m	Loans – long-term portion	(147,448)	(165,793)
m	Leasing – long-term portion	(233)	(89)
m	Amounts due to Shareholders for the purchase of equity investments	(2,658)	(2,658)
m *	Other long-term financial liabilities	(9,841)	(7,094)
n	**Non-current borrowing (k) + (l) + (m)**	**(234,305)**	(222,480)
o	**Net borrowing (j) + (n)**	**(205,077)**	(195,258)

* The fair value of the derivative financial instruments

Information on risks

Risks related to the general economic trend

The Group performance is affected by the increase or decrease of the gross national product, industrial production, cost of energy products and health expense policies adopted in the different European countries in which the Group works.
There was a slowdown of the economic trend in many European countries during 2013, and partly in China and India as well.

Risks relevant to the results of the Group

The SOL Group works partially in sectors considerably regulated by economic cycles related to the trend of the industrial production, such as iron, metallurgical, engineering industry and glass manufacture. In the case of an extended decline in business, the growth and profitability of the Group could be partially affected.
Moreover, state policies for reducing health expenses could cause a reduction in margins of the home-care and medical gas sectors.

Risks related to fund requirements

The SOL Group carries on an activity that entails considerable investments both in production and in commercial equipment and expects to face up to requirements through the flows deriving from the operational management and from new loans.
Operations are expected to continue to generate adequate financial resources while the use of new loans, despite the excellent financial position of the Group, will encounter high spreads and greater difficulties in obtaining long-term loans compared to the past.

Other financial risks

The Group is exposed to financial risks associated with its business operations:
- credit risk in relation to normal trade transactions with customers;
- liquidity risk, with particular reference to the raising of financial resources associated with investments and the financing of working capital;
- market risks (mainly relating to exchange and interest rates, and to commodity costs), in that the Group operates at international level in different currency areas and uses financial instruments that generate interest.

Credit risk

The granting of credit to end customers is subject to specific assessments by means of structured credit facility systems.
Positions amongst trade receivables (if individually significant) for which objective partial or total non-recoverability is ascertained, are subject to individual write-down. Provisions are made on a collective basis for receivables that are not subject to individual write-down, taking into account the historic experience and the statistical data.

Liquidity risk

The liquidity risk may manifest with regards to the inability to raise the financial resources necessary for the anticipated investments under good economic conditions and for financing working capital.
The Group has adopted a series of policies and processes aimed at optimising the management of the financial resources, reducing the liquidity risk, such as the maintenance of an adequate level of available liquidity, the obtaining of adequate credit facilities and the systematic monitoring of the forecast liquidity conditions, in relation to the corporate planning process.
Management believes that the funds and the credit facilities currently available, in addition to those that will be generated by operating and financing activities, will permit the Group to satisfy its requirements deriving from activities for investments, working capital management and debt repayments on their natural maturity dates.

Exchange rate risk

In relation to the sales activities, the Group companies may find themselves with trade receivables or payables denominated in currencies other than the reporting currency of the company that holds them.
A number of Group subsidiary companies are located in countries that do not belong to the European Monetary Union, in particular Switzerland, Bosnia, Croatia, Serbia, Albania, Macedonia, Bulgaria, Romania, United Kingdom, India and Turkey. Since the reference currency for the Group is the Euro, the income statements of these companies are translated into Euro using the average exchange rate for the period and, revenues and margins in local currency being equal, changes in interest rates may have an effect on the equivalent value in Euro of revenues, costs and economic results.
Assets and liabilities of the consolidated companies whose reporting currency is not the Euro, can adopt equi-

valent values in Euro that differ depending on the performance of the exchange rates. As envisaged by the accounting standards adopted, the effects of these changes are booked directly to shareholders' equity, under the item "Other reserves".
Some Group companies purchase electric energy that is used for the primary production of technical gasses. The price of electricity is affected by the Euro/dollar rate of exchange and by the price trend of energy raw materials. The risk related to their fluctuations is mitigated by stipulating, as much as possible, fixed price purchase contracts or with a fluctuation measured on a not very short time period. Moreover, long-term supply contracts to customers are index-linked in such a way as to cover the fluctuation risks shown above.
The parent company has two debentures loans in force for a total of 95 million USD. The exchange rate risk was hedged with a Cross Currency Swap transaction in Euro on the entire amount of the loans and for the entire duration (12 years). The fair value of the CCS as of December 31, 2013 was negative for Euro 9,139 thousand.

Interest rate risk

The interest rate risk is handled by the Parent Company by means of the centralisation of the majority of the medium/long-term debt and an adequate division of the loans between fixed rate and floating rate favouring, when possible and convenient, medium/long-term debt with fixed rates, also by operating through specific Interest Rate Swap agreements.
Some Group companies have stipulated Interest Rate Swap agreements linked to floating rate medium-term loans with the aim of ensuring a fixed rate on said loans. The notional value as at December 31, 2013 is equal to Euro 62,917 thousand and the negative fair value is equal to Euro 3,196 thousand.

Risks relevant to the personnel

In the different countries in which the Group operates, employees are protected by different laws and/or collective labour contracts that guarantee them the right to be consulted on specific issues - including the downsizing and closing of departments and the reduction of employees - through representations. This could affect the Group's flexibility in redefining strategically its own organisations and activities.
The management of the Group consists of persons of proven expertise and normally having a long experience in the sectors in which the Group operates. The replacement of any person in the management may require a long period of time.

Risks relevant to the environment

The products and the activities of the SOL Group are subject to more and more complex and strict authorisation and environmental rules and regulations. This concerns manufacturing plants subject to regulations on emissions in the atmosphere, waste disposal, waste water disposal and land contamination ban.
High charges should be shouldered in order to observe such regulations.

Adjustments pursuant to art.s 26 and 39 of the Market Regulations

In pursuance of what is provided by Article 39 of the Market Regulation issued by Consob with reference to "Conditions for the share prices of companies controlling companies set-up and governed by the law of non-EU Countries" (issued in order to implement Article 62 sub-paragraph 3 bis of Italian Legislative Decree 58/98 as amended on June 25, 2008 with resolution no. 16530), it is stated that in the SOL Group there are four companies based in two non-EU Countries that are important pursuant to sub-paragraph 2 of the said article 36.
The current procedures of the SOL Group already allow compliance with what is required by the standard.

Information pursuant to article 149 duodecies of the Consob Issuer Regulation

The following table, drawn up pursuant to Article 149 duodecies of the Consob Issuer Regulation, shows the considerations pertaining to the 2013 financial year for the auditing services and for those other than auditing supplied by the auditing company and by bodies belonging to its network.

(in thousands of Euro)	Subject who supplied the service	Receiver	Considerations pertaining to the 2013 financial year
Auditing	BDO Spa	SOL Spa Parent Company	100
	BDO Spa	Subsidiary companies	32
	BDO network	Subsidiary companies	197
Quarterly audit	BDO Spa	SOL Spa Parent Company	2
	BDO Spa	Subsidiary companies	10
Other services	BDO Spa	SOL Spa Parent Company (1)	10
	BDO Spa	Subsidiary companies (1)	15
	BDO network	Subsidiary companies (1)	15
Total			**381**

(1) Fiscal aid services and others

Non-recurring significant events and transactions

Pursuant to Consob communication no. DEM/6064296 of July 28, 2006, the SOL Group did not carry out non-recurring significant events and transactions during 2013.

Transactions deriving from atypical and/or unusual operations

Pursuant to Consob communication no. DEM/6064296 of July 28, 2006, the SOL Group did not carry out atypical and/or unusual operations in 2013, as defined by the Communication itself.

Significant events that took place after the end of the accounting period and foreseeable business developments

Please refer to the specific section in the report on operations.

Monza, March 28 2014

The Chairman of the Board of Directors
(Aldo Fumagalli Romario)

Certificate of the Consolidated financial statements pursuant to Article 154-bis of Italian Legislative Decree 58/98

The undersigned Aldo Fumagalli Romario and Marco Annoni, as Managing directors and Marco Filippi, as Manager in charge of the drawing up company accounting documents of SOL Spa, certify, considering also what is provided by Article 154-bis, sub-paragraphs 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998:

- the adequacy in relation to the characteristics of the business and
- actual application

of the administrative and accounting procedures for the drawing up of the consolidated financial statements during the 2013 financial year.

We also certify that:

1. The consolidated financial statements:
   a) have been prepared in accordance with the International Financial Reporting Standards recognised by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
   b) correspond to the figures reported in the accounting records;
   c) they are suitable for providing a true picture of the financial and economic position of the issuing company and of the consolidated companies;

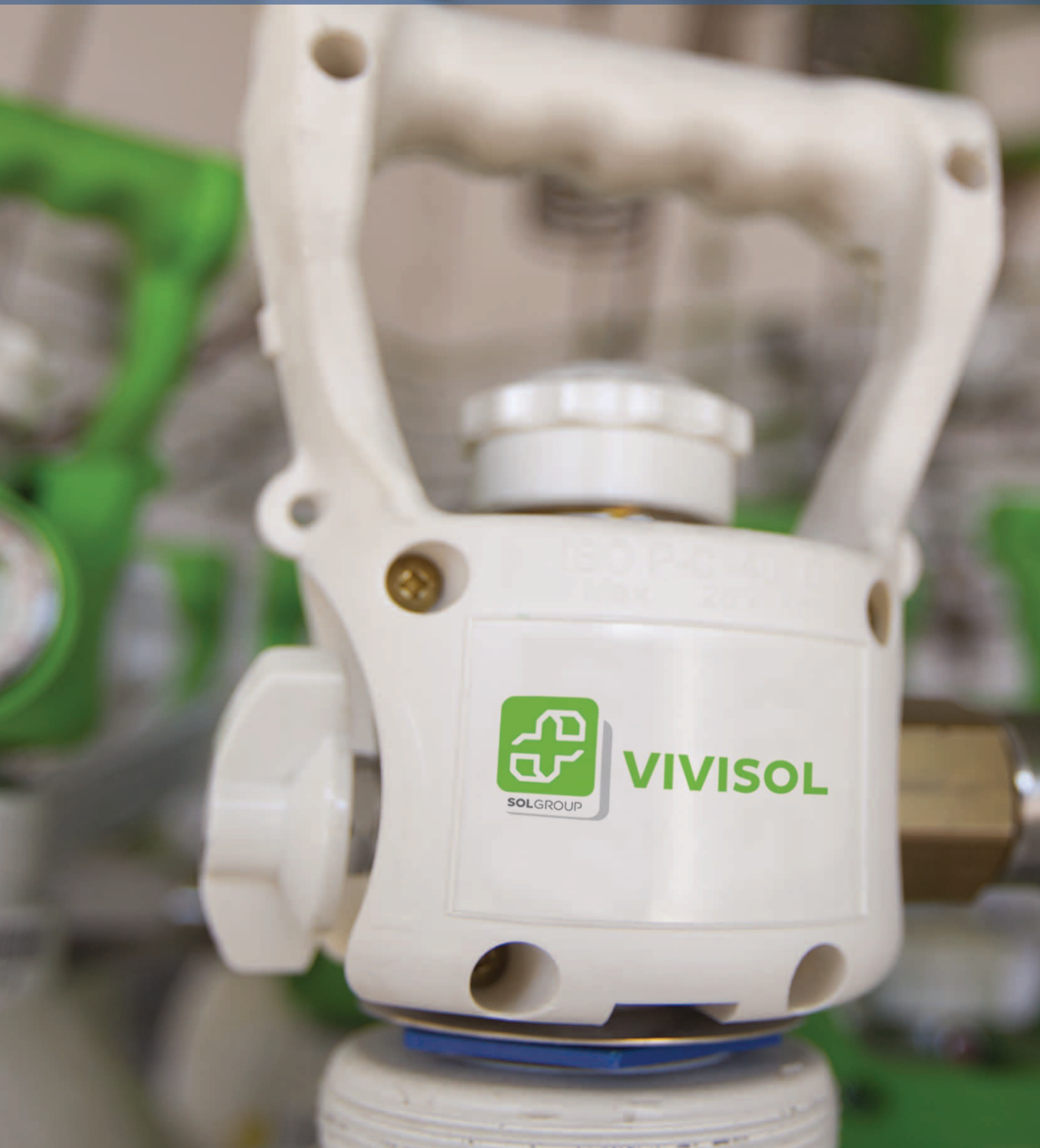
2. the directors' report includes a reliable analysis of the business trend and operating result as well as of the situation of issuing company and of the consolidated companies, together with a description of the main risks and uncertainties they incur.

Monza, March 28 2014

The Managing Directors
(Aldo Fumagalli Romario)
(Marco Annoni)

The Manager in charge of drawing up
company accounting documents
(Marco Filippi)

Report of the independent auditors SOL Group



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Auditor's report on the consolidated financial statements in accordance artt. 14 and 16 of legislative decree n. 39 of 27 January 2010
(This report has been translated from the original Italian text which was issued in accordance with the Italian legislation)

To the Shareholders of
SOL S.p.A.

1. We have audited the consolidated financial statements including the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes, of SOL S.p.A. and its subsidiaries (the "SOL" Group") as of and for the year ended December 31, 2013. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005, are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   With respect to the comparative data related to the consolidated financial statements of the prior year and the statement of financial position at January 1, 2012 derived from the consolidated financial statements at December 31, 2011, all restated as a result of the retrospective application of the amendment to IAS 19, as described in the related explanatory notes, reference should be made, respectively, to our reports issued on April 15, 2013 and April 13, 2012. We have examined the methods used to restate the comparative financial data and the information presented in the explanatory notes in this respect for the purposes of issuing this opinion.

3. In our opinion, the consolidated financial statements of SOL Group as of December 31, 2013 comply with International Financial Reporting Standards as adopted by European Union and the requirements of national regulations issued pursuant to art. 9 of legislative decree n. 38/2005; therefore , they are clearly stated and give a true and fair view of the financial position, the results of the operations and the cash flows of the SOL Group for the year then ended.

2.

4. The Directors of SOL S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance and ownership structures, published in the section "Financial Info", subsection "Corporate Governance" of SOL S.p.A.'s web site, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information provided by paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998 included in the annual report on corporate governance and ownership structures, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information provided by paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998, included in the annual report on corporate governance and ownership structures, are consistent with the consolidated financial statements of SOL Group as of December 31, 2013.

Milan, April 17, 2014

BDO S.p.A.

Signed by: Vincenzo Capaccio
(Partner)

This report has been translate into the English language solely for the convenience of international readers.

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