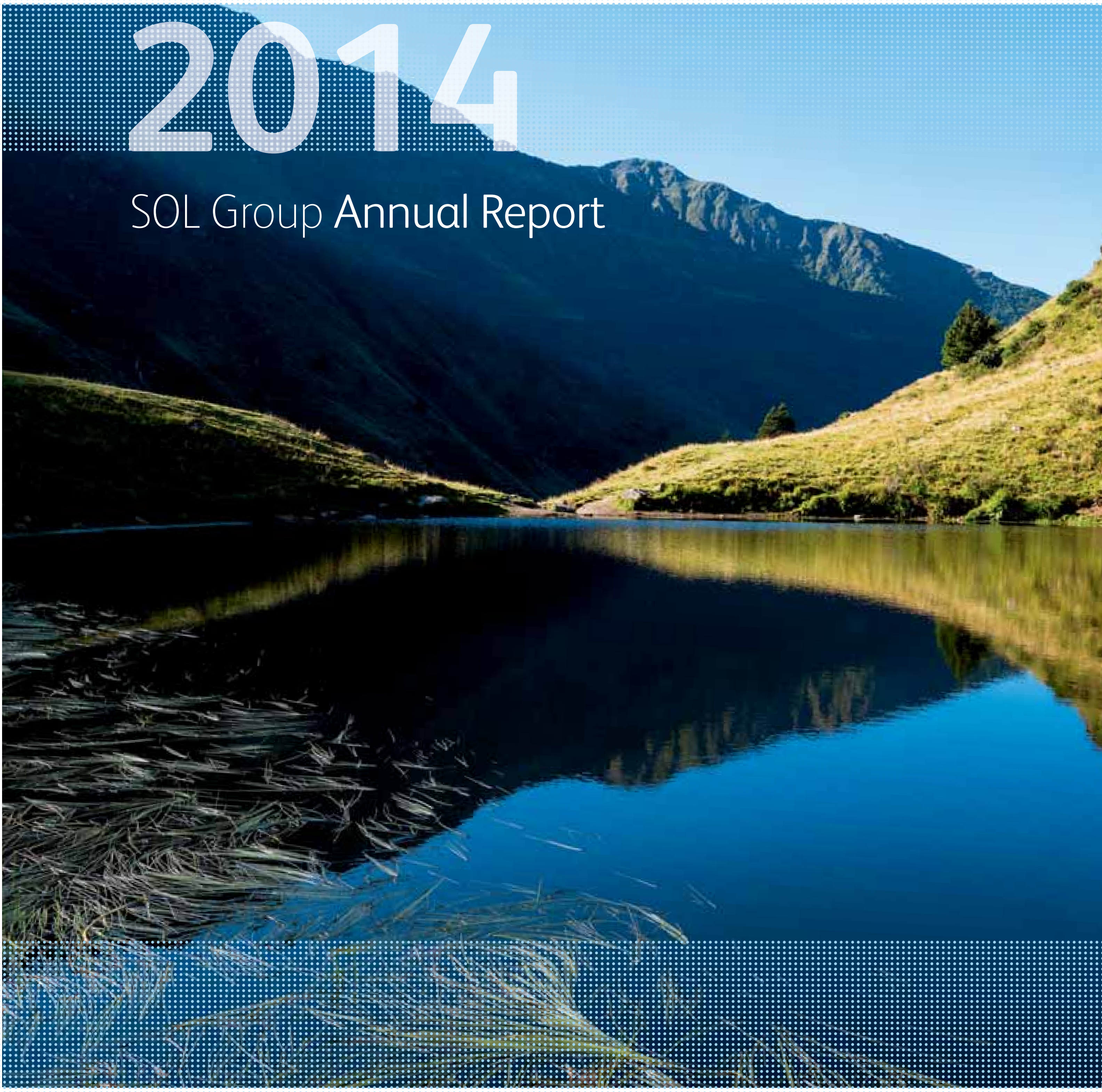
2014

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

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

On the cover: photo by Pino Veclani - Ponte di Legno Bs
from the book "Il deserto nella montagna"

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
Livia Martinelli
Giuseppe Marino

Alternate Auditors
Maria Gabriella Drovandi
Vincenzo Maria Marzuillo

Auditing Company

BDO Spa
Largo Augusto n. 8
20122 Milan

Powers granted to the Directors
(CONSOB Communication No. 97001574 dated February 20, 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)

12.31.14

- SOL TG GmbH, Wiener Neustadt (A) — 100%
  - 100% SOL Hungary KFT, Budapest (H)
- SOL Kohlensäure GmbH & Co. KG, Geretsried (D) — 100%
  - 100% SOL Kohlensäure Verwaltungs GmbH, Geretsried (D)
  - 100% SOL Kohlensäure Werk GmbH & Co. KG, Burgbrohl (D)
- CT Biocarbonic GmbH, Zeitz (D) — 50%
- SICGILSOL India Private Limited, Chennai (IND) — 50%
  - 100% SICGILSOL GASES PRIVATE LIMITED, Pudukudi (IND)
- TESI Srl, Milano (I) — 65%
- MEDES Srl, Settimo Milanese (I) — 51%
- Hydroenergy ShpK, Tirana (AL) — 75%
- GTS ShpK, Tirana (AL) (2) — 66.57%
- TGT AD, Trn (BiH) — 75.18%
  - 26.43% TGP AD, Petrovo (BiH)
- TGP AD, Petrovo (BiH) — 60.96%
- CONSORGAS Srl, Milano (I) — 25.79%

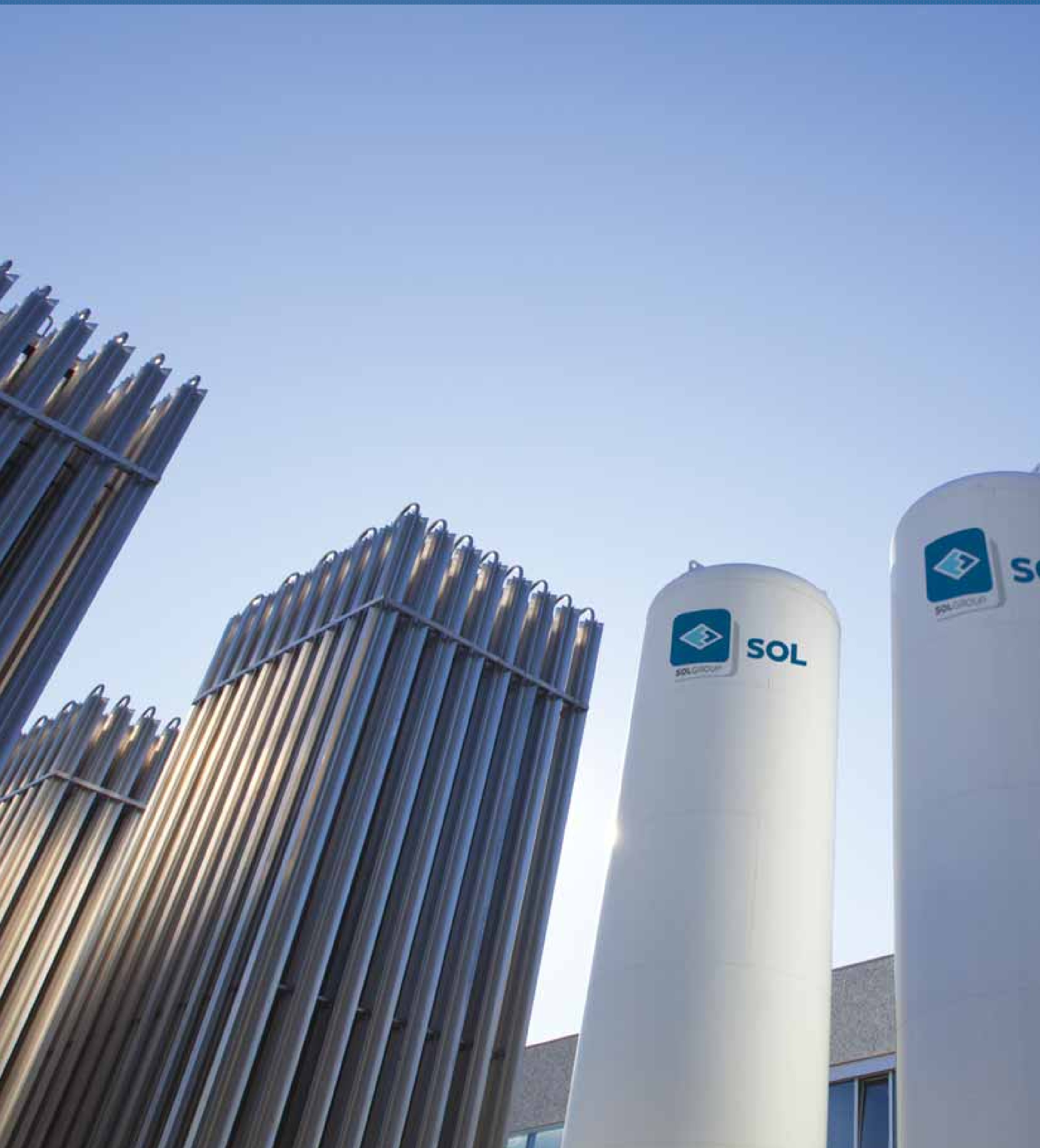
- 100% AIRSOL Srl, Monza (I)
  - TMG GmbH, Krefeld (D) — 100%
  - SOL France Sas, Cergy Pontoise (F) — 100%
  - Vivisol France Sarl, Vaux le Penil (F) — 100%
    - 100% MBAR Assistance Respiratoire Sas, Ballan Mire (F)
  - France Oxigene Sarl, Avelin (F) — 100%
  - Vivisol Deutschland GmbH, Neufahrn bei Freising (D) — 100%
    - 100% Vivicare GmbH, Neufahrn bei Freising (D)
  - Vivisol Hellas SA, Athens (GR) — 100%
  - SOL Hellas SA, Magoula (GR) — 99.72%
  - Dolby Healthcare Limited, Stirling (UK) — 100%
    - 100% Dolby Medical Home Respiratory Care Limited, Stirling (UK)
      - 100% RL Dolby (Services) Limited, Stirling (UK)
  - Vivisol Iberica SLU, Arganda del Rey (E) (5) — 100%
  - BTG BVBA, Lessines (B) (4) — 100%
  - Hydrosol ShpK, Tirana (AL) — 100%
  - SOL TK AS, Istanbul (TR) — 100%
  - 80% Vivisol TK AS, Istanbul (TR)
  - TGS AD, Skopje (MK)
    - 2.84% SOL SEE doo, Skopje (MK)
    - 0.28% SOL-K ShpK, Pristina (KS) (3)
    - 23.53% SOL Srbija doo, Nova Pazova (SRB)
  - 9.27% SOL Srbija doo, Nova Pazova (SRB)
  - 100% BT Gases Ltd, Harrietshame (UK) *
  - 49% BiotechSol Srl, Monza (I)
  - 99.92% Vivisol B Sprl, Lessines (B)
  - 49% BEHRINGER Srl, Genova (I)
  - 100% Vivisol H. GmbH, Vienna (A)
  - 49% VIVISOL Srl, Monza (I)
  - Vivisol Napoli Srl, Marcianise (I)
    - 70% Vivisol Silarus Srl, Battipaglia (I)

- GTH GAZE INDUSTRIALE SA, Bucarest (RO) — 99.99%
- TGS AD, Skopje (MK) — 99.81%
- SOL SEE doo, Skopje (MK) — 97.16%
- SOL-K ShpK, Pristina (KS) (3) — 53.72%
- SOL Srbija doo, Nova Pazova (SRB) — 67.16%
- BiotechSol Srl, Monza (I) — 51%
- Vivisol B Sprl, Lessines (B) — 0.08%
- BEHRINGER Srl, Genova (I) — 2%
- VIVISOL Srl, Monza (I) — 51%
  - Vivisol Adria doo, Jesenice (SLO) — 100%
  - Il Point Srl, Verona (I) — 65%
  - Vivisol Napoli Srl, Marcianise (I) — 81%
  - Vivisol Calabria Srl, Vibo Valentia (I) — 30%
  - 70% ICOA Srl, Vibo Valentia (I)

- 100% SOL Gas Primari Srl, Monza (I)
- 100% CTS Srl, Monza (I)
- 100% SOL Welding Srl, Costabissara (I)
- 100% GTE SL, Barcellona (E) *
- 100% NTG BV, Tilburg (NL)
- 100% Vivisol Nederland BV, Tilburg (NL)
- 100% SOL Bulgaria EAD, Sofia (BG)
- 100% SOL Hydropower doo, Skopje (MK)
- 100% Energetika ZJ doo, Jesenice (SLO)
  - 45.15% SPG - SOL Plin Gorenjska doo, Jesenice (SLO)
- 54.85% SPG - SOL Plin Gorenjska doo, Jesenice (SLO)
  - 35.89% TPJ doo, Jesenice (SLO)
  - 75% ZDS JESENICE doo, Jesenice (SLO) *
- 64.11% TPJ doo, Jesenice (SLO)
- 51% DIATHEVA Srl, Fano (I)
- 62.79% SOL-INA doo, Sisak (HR)
  - 98% UTP doo, Pula (HR)
  - 100% KISIKANA doo, Sisak (HR)
- 97.60% ICOA Srl, Vibo Valentia (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 07.30.2007, SOL has the reacquisition obligation of such shareholding in SIMEST within 06.30.2015.
(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 06.11.2010, SOL has the reacquisition obligation of such shareholding in SIMEST within 06.30.2018.
(4) BTG has established a foreign branch in Avion (France) and one in Harrietshame, Meidstone Kent (UK).
(5) VIVISOL IBERICA has established a foreign branch in Lisbon (Portugal).
(*) Company outside of the consolidation area.

Management report SOL Group



Preamble

The present annual Financial Report as at December 31, 2014 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 July 19, 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 mainly 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.
In 2014, the world economy has been trending substantially positive, though in a general context of high uncertainty.
Economic growth has not been uniform but well differentiated in the various continents.
The United States has resumed an important development trend, favoured by the production of shale gas and the weakness of the dollar compared to the Euro for almost the entire year.
The economies of the Far East have also continued to grow, albeit at lower levels than those of previous years.
The European Eurozone has slowly continued its process of exit from the crisis, with a very modest and unbalanced recovery and with some of the important countries, such as Italy and France, which are still is a stage of substantial stagnation of the economic activity.
In Italy, in particular, the economy has not yet started a real recovery, given that the positive trend of the exports was offset by the negative trend of the construction and inventories, as well as by the still stagnant fuel consumption, with the result of an economy still in recession.
Only during the last months of 24 were there weak signs of a turnaround, mainly due to the positive effect from the low cost of oil and, especially for exports, the drop of the Euro compared to the dollar.
From a financial viewpoint, in 2014, the interest rates have reached minimum values, even negative on very short-term deposits, and even the spreads applied to the banking system on loans have slightly reduced.
In Italy, there has been a modest improvement in the payment times by the Public Administration.
For that which regards the 2015 forecast, it is believed that both the United States and the economies of the Far East will continue with their development, while the Eurozone of Europe should start to demonstrate a growth more significant than that of 2014, due to the low price of fuel and the drop of the Euro towards the dollar.
For that which regards the technical, special and medical gas sector, there has been a substantial decline in 2014, in the production and sales of gas for industrial use in Italy as well as many other European countries due to both the reduction of productive activities, especially for medicinal gases, and the general downward trend of the purchase prices by the public sector.
For that which, instead, regards the homecare sector, there has been an increase in both Italy and Europe, also due to the new business opportunities for the homecare business.

Summary results

Within the aforementioned context, we believe that the results achieved by the SOL Group during 2014 are surely positive.
The net sales achieved by the SOL Group in 2014 were equal to 636.4 million Euro (+6.9 % compared to those of 2013).
The gross operating margin amounts to 142.9 million Euro, equal to 22.5 % of the sales, up 8.5 % compared to 2013 (131.7 million equal to 22.1 % of the sales).
The operating result amounts to 61.9 million Euro, equal to 9.7 % of the sales, up by 15.4 % compared to 2013 (53.6 million equal to 9.0 % of the sales), due to higher depreciation and provisions for Euro 2.9 million.
The net profit amounted to Euro 29.2 million (Euro 21.6 million at the end of 2013).
Cash flow amounted to Euro 106.2 million (16.7 % of sales), up by Euro 13.8 million when compared with 2013 (equal to Euro 92.4 million Euro).
The investments recorded equal 94.5 million Euro (92.0 million in 2013).
The average number of staff employed as at December 31, 2014 totalled 2,695 (2,549 as at December 31, 2013).
The net current borrowing of the Group is equal to 212.7 million Euro (205.1 million as at December 31, 2013).

Management trend

In 2014, the technical gas sector disclosed a growth in sales of 2.9 % compared to the previous year, for a turnover equal to Euro 351.7 million, with volumes slightly up in various end economic sectors.
Only in Italy did sales show a substantial increase in almost all sectors, except for metallurgy and mechanics sectors, which showed a decline.
The homecare activity experienced positive growth (+11.2 % for a turnover equal to Euro 312.8 million) both in Italy and in foreign countries, thanks to an ongoing commitment to the development of new products and services, which support and integrate oxygen therapy activities.
From a costs viewpoint, there was a growth of margins at the level of EBITDA.
The net operating result is also up compared to 2013, even in the face of higher depreciation and provisions for a total of 2.9 million Euro.
s net indebtedness increased only by Euro 7.6 million, essentially as a result of technical investments and acquisitions made during the year.
The debt/equity ratios remain very sound; debt/equity ratio 0.50 and cash flow cover 1.49.
During 2014, technical gas reserves remained within the safety levels prescribed while some sites reduced their work. In particular, the Piombino plant has virtually wiped out the production, starting from May, following the shut-down of the Lucchini steel mill.
During 2014, 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 2014 with a listing of 5.735 Euro and closed as at 12.30.2014 with 6.655 Euro. During the year, the stock achieved a maximum listed price of Euro 7.180, while the minimum came to Euro 5.630.

Quality, Safety, Health and Environment

The focus on issues of quality management, health, safety and environment was constantly active throughout 2014 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, FSSC 22000, ISO 50001, ISO 27001 were not only renewed but also extended to other operational sites of the Group.
The certification status was also confirmed for the enforcement of the PED directive in the internal production of vaporisers and of the 93/42 Directive for the production of medical devices.
The certification UNI EN ISO 17025:2005 was confirmed in 2014 the method of analysing the medical gases used in our laboratory located in our factory in Monza that, moreover, achieved the status of being an ACCREDIA approved and certified laboratory.
For the technical gas business, the certification status excellence was confirmed with the maintenance of the EMAS European Registration for the Verona and Mantua plants, in addition to continuing to apply the Responsible Care programme for more than twenty years and compliance with Corporate Social Responsibility principles. Our regular application of the Responsible Care programme was also verified by Certiquality through a specific audit and our achievement of a formal Certificate of Verification.
All CE marking certificates were regularly renewed, such as CE markings relevant to medical devices for the medicinal gas distribution plants, vacuum systems and anaesthetic gas evacuation plants and spirometry mixtures. The EC marking for the Emergency Units (EMU) and for cryobanks was also confirmed, products always classified as a medical devices.
Within the sphere of homecare activities, third party certification obtained in previous years was confirmed.
To date, the certification status (ISO 9001) for the Vivisol sites has been expanded to 23 sites in Italy and 14 sites outside of Italy.
Also confirmed was the certification ISO 14001 for Vivisol Srl and the safety management system certification was achieved pursuant to the OHSAS 18001 standard applied 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 our sites of first transformation, with transparency criteria towards the public and local media.
Also during 2014, systematic monitoring of the indirect environmental impacts that our activities may influence was continued. 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 2014 balance shows an equivalent CO_2 figure not released in the environment totalling 16,969 tons.
In May 2014, the new edition of the Sustainability Report for the Group was published (referred to 2013) further enriched, compared to the previous editions, 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

In 2014, the SOL Group's pharmaceutical activities, both in Italy and abroad, continued intensely, especially with regard to regulations.
The key elements in the final balance of 2014 were:
- the confirmation of 96 market authorisations of which 6 for the Italian market and 90 for European markets;
- the increase to 59 Pharmaceutical Plants, of which 27 in Italy and 32 abroad.

In addition, during 2014, 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 SOL Group amount to a staff of over 70 units.

SOL Group investments

During the financial year, investments were made for 53.4 million Euro in the "Technical Gases" sector, of which 14.1 million Euro by the parent company SOL Spa, and for 41.1 million Euro in the "Homecare" sector as detailed below:

- In Italy, the product expansion project for the SOL Plant in Mantua has been completed.
- In Bulgaria the affiliate SOL Bulgaria doo completed the project the building of a new technical gas production plant at the fertiliser hub Agropolichym of Dennja on the Black Sea.
- In Macedonia, the company SOL SEE completed the expansion project of the plant in Kavadarci for the production of technical gas from air separation.
- Improvement operations were carried out in Croatia to the auxiliary systems of the plant for the production of Technical Gases KISIKANA - Sisak.
- In Albania, the works were completed for the building of the dyke and the hydroelectric plants in Murdhari 1 and 2 and the plants entered into regular service starting in April 2014.
- In Macedonia, works were completed for the building of three waterfall hydroelectric plants on the river Bistrica while the works relevant to the fourth hydroelectric plant on the river Lipkovo continued and are at an advanced stage of completion.
- In Italy, the construction project of the new production branch with relevant SOL and VIVISOL offices in Settimo Torinese was completed.
- The programme for the modernisation and rationalisation of the primary and secondary SOL plants in Europe continues. This activity in particular involved the units of Cremona, Catania and Pavia in Italy, Krefeld in Germany and Banja Luka in Bosnia Herzegovina.
- In the homecare sector in the United Kingdom, the affiliate Dolby completed the project for the construction of a new secondary production plant in Stirling, Scotland and carried out operations of expansion and improvement on the plant in Bedford.
- Various on-site industrial and medical plants were built and activated both in Italy and abroad.
- Facilities for the transport, distribution and sale of products were enhanced involving the purchase of cryogenic tanks, cryogenic liquid delivery tanks, cylinders, dewars and electro-medical equipment. All such measures were taken to support the growth of the Group achieved in all business sectors and geographical areas.
- Investments continued to improve IT systems for both the technical gas and homecare sectors.

Main corporate transactions

The following transactions were carried out in 2014:

- In April 2014, SOL Spa acquired a 65 % stake in the Quota Capital of the company TESI Srl Tecnologia & Sicurezza, with registered office in Milan and active in the supply of services in the scope of clinical engineering, as well as the maintenance and quality control of the electro medical devices.
- In October 2014, SOL Spa acquired 100 % of the company Tyczka Kohlensäure GmbH & Co. KG (now Sol Kohlensäure) and 50 % of the company CT Biocarbonic GmbH, active in Germany, in the production and distribution of carbon dioxide.
- In December 2014, the French subsidiary Vivisol France Sarl acquired 100 % of the company MBAR Assistance Respiratoire S.A.S., in Ballan-Mire (France), active in the homecare sector,
- In December 2014, the Indian company SICGILSOL INDIA PRIVATE Limited, in which SOL Spa has a 50 % stake, acquired 100 % of the company SEVA Gases Private Limited (now SICGILSOL GASES PRIVATE Limited), in Pudukudi (India), active in the production of primary and secondary Technical Gases.
- In December 2014, the company SOL Gas Primari Srl was established, owned 100 % by SOL Spa
  Effective as at January 1, 2015, SOL Spa merged into SOL Gas Primari Srl, the business concern relevant to its activity of primary production and sales of Technical Gases in Italy. The reason for such reorganisation lie in the necessity to more effectively and efficiently pursue and control the management of the primary production plants.

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 12.31.2014, 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 2014 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 12.31.2014.

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.
2014, was characterised by a situation of slight economic recovery in some countries where the Group operates, while in others the economy was still in recession.

• 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 homecare and medical gas sectors.
It is noted that a dispute is pending before the Regional Administrative Court of Lazio between two companies of the Group and the Italian Drug Agency (AIFA) that also involves the Ministry of Health and all of the Regions, relevant to the allocation of the budget and the paying back the overspend of the hospital pharmaceutical expenditure in 2013, calculated by AIFA after a complex and reprehensible procedure.
Currently the Regional Administrative Court of Lazio has upheld the request for suspension, also confirmed by the State Council, scheduling the discussion at the hearing to be held in 2015. Similar appeals were submitted by most pharmaceutical companies and, in particular, from all major companies in our industry, also supported by an intervention ad adiuvandun by the trade association Federchimica-Assogastecnici. A first judgement issued by the same section of the Regional Administrative Court of Lazio upheld the appeal of a pharmaceutical company voiding the measures taken by AIFA.

• 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 .
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, 2014 was negative for Euro 1,426 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, 2014 is equal to Euro 59,601 thousand and the negative fair value is equal to Euro 4,417 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, wastewater 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).

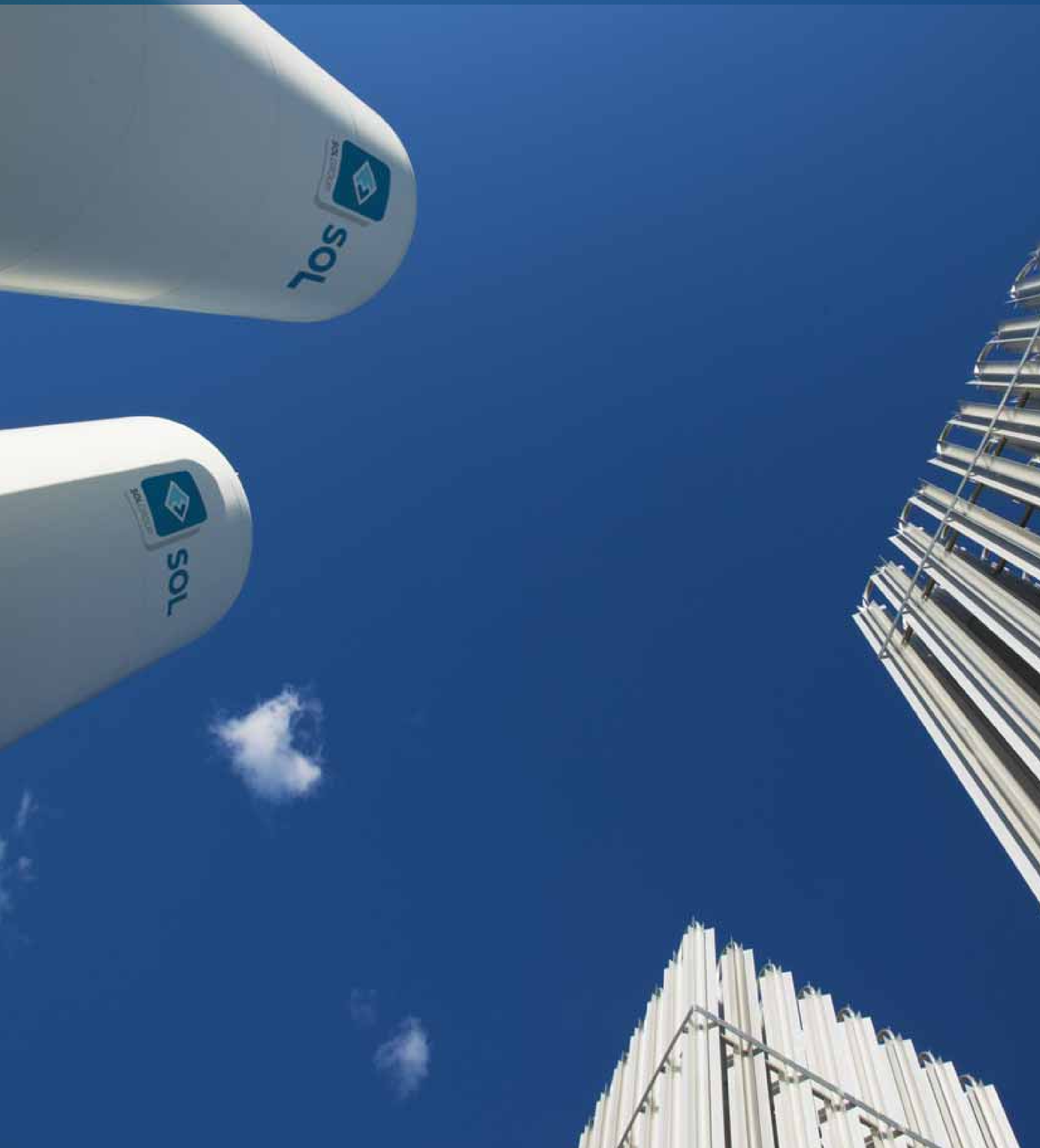
Important facts occurring after the end of the financial year 2014 and business outlook.

Relevant to facts occurring after the end of the financial year, it is noted that in February 2015, SOL Spa acquired, with registered office in Nouasseur (Casablanca-Morocco) and active in the production and sales of Technical Gases. With this acquisition, the SOL Group, for the first time, expands into the African continent.
For that which regards the year 2015, we forecast a period characterised by a slight recovery of the economic situation.
In this context, we aim to achieve further revenue and profitability growth, 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 30 2015

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)	Notes	12.31.2014	%	12.31.2013	%
Net Sales	1	**636,359**	**100.0%**	595,411	100.0%
Other revenues and proceeds	2	4,100	0.6%	4,023	0.7%
Internal works and collections	3	14,289	2.2%	10,479	1.8%
Revenues		**654,748**	**102.9%**	609,913	102.4%
Purchase of materials		157,320	24.7%	148,842	25.0%
Services rendered		192,947	30.3%	177,573	29.8%
Change in stock		(978)	-0.2%	(311)	-0.1%
Other costs		30,344	4.8%	27,912	4.7%
Other costs	4	**379,633**	**59.7%**	354,015	59.5%
Added value		**275,115**	**43.2%**	255,898	43.0%
Cost of labour	5	132,196	20.8%	124,150	20.9%
Gross operating margin		**142,919**	**22.5%**	131,748	22.1%
Depreciation/amortisation	6	75,473	11.9%	69,903	11.7%
Other provisions	6	5,580	0.9%	8,288	1.4%
Non-recurrent income/charges	6	-	0.0%	(70)	0.0%
Operating result		**61,867**	**9.7%**	53,628	9.0%
Financial income		2,787	0.4%	2,581	0.4%
Financial charges		(11,932)	-1.9%	(10,974)	-1.8%
Income from investments		(1,293)	-0.2%	(77)	0.0%
Total financial income / (charges)	7	**(10,439)**	**-1.6%**	(8,469)	-1.4%
Profit (Loss) before income taxes		**51,428**	**8.1%**	45,159	7.6%
Income taxes	8	20,703	3.3%	22,653	3.8%
Net result from business activities		**30,726**	**4.8%**	22,506	3.8%
Net result from intermittent activities		-	0.0%	-	0.0%
(Profit) / Loss pertaining to minority interests		(1,545)	-0.2%	(877)	-0.1%
Net Profit / (Loss)		**29,181**	**4.6%**	21,629	3.6%
Earnings per share		**0.322**		0.238	

Subsequent to the application from January 1, 2014 (retrospectively) of the amendment to IFRS 11, the comparative data as at December 31, 2013 were recalculated pursuant to IAS 1.

Consolidated statement of comprehensive income SOL Group

(In thousands of Euro)	12.31.2014	12.31.2013
Profit/(Loss) for the year (A)	**30,726**	22,506
Components that will never be reclassified in the Income Statement		
Actuarial profits / (losses)	(3,135)	227
Tax effect	862	(62)
Total components that will never be reclassified in the Income Statement (B1)	**(2,273)**	165
Components that can be reclassified in the Income Statement		
Profits / (losses) on cash flow hedge instruments	6,406	(4,474)
Profits / (losses) deriving from conversion of financial statements of foreign companies	1,359	(797)
Tax effect related to other profits (losses)	(1,761)	1,229
Total components that can be reclassified in the Income Statement (B2)	**6,004**	(4,042)
Total other profits / (losses) net of the tax effect (B1) + (B2) = (B)	**3,731**	(3,877)
Overall result for the period (A+B)	**34,457**	18,629
Attributable to:		
- shareholders of the parent company	32,920	17,829
- minority interests	1,537	800

Consolidated statement of financial position SOL Group

(In thousands of Euro)	Notes	12.31.2014	12.31.2013	01.01.2013
Tangible fixed assets	9	417,726	384,487	361,701
Goodwill and consolidation differences	10	39,351	24,858	24,970
Other intangible fixed assets	11	10,719	8,702	8,492
Equity Shareholdings	12	8,881	1,902	2,040
Other financial assets	13	8,107	5,328	4,774
Prepaid taxes	14	5,957	5,682	5,845
Non-current assets		**490,742**	430,959	407,822
Non-current assets held for sale		**-**	-	-
Inventories	15	35,087	33,341	33,106
Trade receivables	16	232,988	240,876	238,564
Other current assets	17	17,511	20,662	21,928
Current financial assets	18	2,906	2,651	2,360
Accrued income and prepaid expenses	19	5,230	3,874	3,690
Cash and cash at bank	20	95,665	67,317	61,391
Current assets		**389,387**	368,720	361,038
TOTAL ASSETS		**880,129**	799,679	768,860
Share capital		47,164	47,164	47,164
Share premium reserve		63,335	63,335	63,335
Legal reserves		10,459	9,457	8,615
Treasury shares reserves in portfolio		-	-	
Other reserves		256,134	239,566	225,298
Profits (losses) carried forward		2,281	2,350	2,564
Net profit		29,181	21,629	29,027
Group net equity		**408,554**	383,500	376,003
Shareholders' equity minority interests		11,770	11,696	11,342
Profits pertaining to minority interests		1,545	877	976
Shareholders' equity minority interests		**13,315**	12,573	12,318
SHAREHOLDERS' EQUITY	21	**421,869**	396,073	388,321
Employee severance indemnities and other benefits	22	15,197	10,687	11,056
Deferred tax fund	23	2,732	2,575	2,871
Provisions for risks and charges	24	1,318	2,535	2,568
Payables and other liabilities	25	274,875	235,585	224,170
Non-current liabilities		**294,122**	251,382	240,665
Non-current liabilities held for sale		**-**	-	-
Due to banks		2,531	7,141	3,066
Trade accounts payable		83,454	77,200	74,540
Other financial liabilities		37,015	33,630	33,487
Tax payables		12,787	7,540	6,704
Accrued expenses and deferred income		10,818	10,781	7,984
Other current liabilities		17,533	15,933	14,093
Current liabilities	26	**164,138**	152,224	139,874
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**880,129**	**799,679**	**768,860**

Subsequent to the application from January 1, 2014 (retrospectively) of the amendment to IFRS 11, the comparative data as at December 31, 2013 were recalculated pursuant to IAS 1.

Consolidated cash flow statement SOL Group

(in thousands of Euro)	12.31.2014	12.31.2013
CASH FLOWS GENERATED BY OPERATING ACTIVITIES		
Profit for the year	**29,181**	21,629
Minority interests in profit/loss	**1,545**	877
Adjustments relevant to items that do not have an affect on liquidity		
Depreciation/amortisation	75,473	69,903
Financial charges	9,506	9,083
Accrued employee severance indemnities and other benefits	647	989
Provisions (use) provisions for risks and charges	(1,448)	(330)
Total	**114,904**	102,151
Changes in current assets and liabilities		
Inventories	(1,019)	(235)
Receivables	13,910	(883)
Prepayments and accrued income	(1,261)	(184)
Suppliers	4,783	2,659
Other payables	(2,383)	1,641
Interests paid	(9,157)	(9,046)
Accrued expenses and deferred income	(512)	2,761
Tax payables	5,247	836
Total	**9,608**	(2,451)
Cash flow generated by operating activities	**124,512**	99,700
CASH FLOWS GENERATED BY INVESTMENT ACTIVITIES		
Acquisitions, revaluations and other changes in tangible fixed assets	(96,645)	(91,758)
Net book value of assets sold	2,358	2,386
Increases in intangible assets	(3,689)	(3,415)
(Increase) decrease in investments	(265)	(416)
(Increase) decrease of shareholdings and business units	(33,071)	-
(Increase) decrease in current financial assets	(255)	(291)
Total	**(131,567)**	(93,494)
CASH FLOWS FROM FINANCIAL ASSETS		
Repayment of loans	(37,325)	(27,312)
Raising of new loans	80,000	12,000
Raising of bonds	-	27,069
Dividends paid	(9,456)	(9,335)
Employee severance indemnities and benefits paid	2,699	973
Other changes in shareholders' equity		
- increase in share capital	-	-
- translation differences and other changes	5,328	(7,128)
- changes in shareholders' equity - minority interests	(1,233)	(622)
Total	**40,013**	(4,355)
INCREASE (DECREASE) IN CASH IN HAND AND AT BANK	**32,958**	1,851
CASH IN HAND AND AT BANK AT BEGINNING OF YEAR	**60,176**	58,325
CASH IN HAND AND AT BANK AT END OF YEAR	**93,134**	60,176

Subsequent to the application from January 1, 2014 (retrospectively) of the amendment to IFRS 11, the comparative data as at December 31, 2013 were recalculated pursuant to IAS 1.

Statement of changes in consolidated shareholders' equity SOL Group

(in thousands of Euro)	Share Capital	Share premium share price reserve	Legal reserves	Other reserves	Net Profit	Total group shareholders' equity	Total shareholders' equity pertaining to minority interests	Total shareholders' equity
Balance as at 01.01.2013	47,164	63,335	8,615	227,862	29,027	376,003	12,318	388,321
Allocation of 2012 profit			842	18,850	(19,692)	-		-
Dividend distribution					(9,335)	(9,335)		(9,335)
Other consolidation changes				(997)		(997)	(545)	(1,542)
Profit / (loss) for the financial year				(3,800)	21,629	17,829	800	18,629
Balance as at 12.31.2013	47,164	63,335	9,457	241,915	21,629	383,500	12,573	396,073
Allocation of 2013 profit	-	-	1,002	11,171	(12,173)	-		-
Dividend distribution					(9,456)	(9,456)		(9,456)
Other consolidation changes				1,590		1,590	(795)	795
Profit / (loss) for the financial year				3,739	29,181	32,920	1,537	34,457
Balance as at 12.31.2014	**47,164**	**63,335**	**10,459**	**258,415**	**29,181**	**408,554**	**13,315**	**421,869**

Explanatory notes

The 2014 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 "Homecare 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, 2014 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 Srl - Monza		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	11,276,497	99.99%		99.99%
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%
KISIKANA doo - Sisak		HRK	28,721,300		62.79%	62.79%
MBAR Assistance Respiratoire Sas - Ballan Mire		EUR	7,622		100.00%	100.00%
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%
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 Gas Primari Srl - Monza		EUR	410,000	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 doo - 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 Kohlensäure GmbH & Co. KG - Geretsried		EUR	20,000	100.00%		100.00%
SOL Kohlensäure Verwaltungs GmbH - Geretsried		EUR	25,000		100.00%	100.00%
SOL Kohlensäure Werk GmbH & Co. KG - Burgbrohl		EUR	10,000		100.00%	100.00%
SOL Srbija doo - Nova Pazova		RSD	317,193,834	67.16%	32.80%	99.96%
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	4,700,000		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 d.o.o. - Jesenice		EUR	8,220,664	54.85%	45.15%	100.00%
Tesi Srl Tecnologia & Sicurezza - Milan		EUR	14,489	65.00%		65.00%
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	13,388,500		61.53%	61.53%
Vivicare GmbH - Neufahrn bei Freising		EUR	25,000		100.00%	100.00%
VIVISOL Adria doo - Jesenice		EUR	7,500		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 SLU - Arganda del Rey		EUR	5,500,000		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, 2014 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, 2014 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) jointly controlled companies, consolidated by adopting the equity method:

Company Name and Registered Office		Share capital	Ownership percentage
CT Biocarbonic GmbH - Zeitz	EUR	50,000	50.00 %
SICGILSOL India Private Limited - Chennai	INR	303,366,700	50.00 %

c) non-consolidated subsidiary companies:

Company Name and Registered Office		Share capital	Ownership percentage
BT GASES Ltd - Harrietshame	GBP	1	100.00 %
GTE Sl - Barcellona	EUR	12,020	100.00 %
SICGILSOL GASES PRIVATE LIMITED - Pudukudi	INR	80,000,000	100.00 %
ZDS Jesenice doo - Jesenice	EUR	10,000	75.00 %

The companies BT GASES Ltd and GTE They were not consolidated since they are dormant.
The company ZDS Jesenice doo was not consolidates since it is administrated by a minority shareholder.

d) dassociated companies, consolidated by adopting the equity method:

Company Name and Registered Office		Share capital	Ownership percentage
CONSORGAS Srl - Milan	EUR	500,000	25.79 %

e) associated companies, carried at cost

Company Name and Registered Office		Share capital	Ownership percentage
Blue Sky Amercoeur Scarl - Brussels	EUR	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, 2014 and December 31, 2013 underwent the following changes:

- increase in the shareholding in GTH GAZE INDUSTRIALE SA (from 98.98 % to 99.99 %),
- by means of the inclusion of the Company SOL Gas Primari Srl company established in November 2014.
- by means of inclusion of the MBAR Assistance Respiratoire Sas company acquired in December 2014
- by means of inclusion of the SOL Kohlensäure GmbH & Co. KG company acquired in October 2014
- by means of the inclusion of the SOL Kohlensäure Verwaltungs GmbH company acquired in October 2014.
- by means of the inclusion of the SOL Kohlensäure Werk GmbH company acquired in October 2014.
- by means of the inclusion of the TESI Srl company acquired in April 2014.
- by means of the inclusion of the VIVISOL Adria doo company acquired in November 2014.

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 IFRS 11 - Joint Agreement. The consolidated financial statements include the portion pertaining to the Group of the results of the jointly controlled companies, recorded using the equity method, as from the date on which the significant influence 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 12.31.2014		Average rate of exchange for 2014		Rate of exchange on 12.31.2013		Average rate of exchange for 2013
Macedonian Dinar	Euro	0.01628	Euro	0.01624	Euro	0.01624	Euro	0.01620
Serbian Dinar	Euro	0.00826	Euro	0.00853	Euro	0.00871	Euro	0.00884
Hungarian Forint	Euro	0.00317	Euro	0.00324	Euro	0.00337	Euro	0.00337
Croatian Kuna	Euro	0.13058	Euro	0.13099	Euro	0.13112	Euro	0.13195
Albanian Lek	Euro	0.00714	Euro	0.00715	Euro	0.00712	Euro	0.00713
Bulgarian Lev	Euro	0.51130	Euro	0.51130	Euro	0.51130	Euro	0.51130
Turkish lira	Euro	0.35311	Euro	0.34406	Euro	0.33778	Euro	0.39470
Convertible Mark	Euro	0.51130	Euro	0.51130	Euro	0.51130	Euro	0.51130
Romanian Leu	Euro	0.22307	Euro	0.22504	Euro	0.22366	Euro	0.22630
Indian Rupee	Euro	0.01303	Euro	0.01234	Euro	0.01171	Euro	0.01283
Pound sterling	Euro	1.28386	Euro	1.24051	Euro	1.19947	Euro	1.17750

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 based on 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 based on 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 based on 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 based on 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 1 January 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. 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.
Pursuant to the transition rules, the Group applied such principle retrospectively starting from January 1, 2014, adjusting the opening balances of the equity-financial situation as at January 1, 2013 and the data of the Income Statement 2013 as if the standard was always applied.

Here below we detail the retrospective effects that arise from the application of IFRS 11.

Effect on the income statement:

	12.31.2013		
	Balances previously expressed	Effects deriving from the applic. of IFRS 11	Recalculated balances
Net Sales	596,322	(911)	595,411
Other revenues and proceeds	4,023	-	4,023
Internal works and collections	10,479	-	10,479
Revenues	**610,824**	**(911)**	**609,913**
Purchase of materials	149,288	(447)	148,842
Services rendered	177,833	(260)	177,573
Change in stock	(313)	2	(311)
Other costs	27,996	(84)	27,912
Other costs	**354,804**	**(789)**	**354,015**
Added value	**256,020**	**(122)**	**255,898**
Cost of labour	124,232	(82)	124,150
Gross operating margin	**131,788**	**(40)**	**131,748**
Depreciation/amortisation	70,060	(157)	69,903
Other provisions	8,288	-	8,288
Non-recurrent income/charges	(70)	-	(70)
Operating result	**53,510**	**118**	**53,628**
Financial income	2,583	(2)	2,581
Financial charges	(10,982)	(8)	(10,974)
Income from investments		(77)	(77)
Total financial income / (charges)	**(8,399)**	**(70)**	**(8,469)**
Profit (Loss) before income taxes	**45,112**	**47**	**45,159**
Income taxes	22,606	(47)	22,653
Net result from business activities	**22,506**	**-**	**22,506**
Net result from intermittent activities	-	-	-
(Profit) / Loss pertaining to minority interests	(877)	-	(877)
Net Profit / (Loss)	**21,629**	**-**	**21,629**

Effect on the equity-financial situation:

	12.31.2013			01.01.2013		
	Balances previously expressed	Effects deriving from the applic. IFRS 11	Recalculated balances	Balances previously expressed	Effects deriving from the applic. IFRS 11	Recalculated balances
Tangible fixed assets	385,375	(888)	384,487	362,844	(1,143)	361,701
Goodwill and consolidation differences	24,858	-	24,858	24,970	-	24,970
Other intangible fixed assets	8,755	(53)	8,702	8,492	-	8,492
Equity Shareholdings	778	1,125	1,902	781	1,260	2,040
Other financial assets	5,350	(21)	5,328	4,784	(10)	4,774
Prepaid taxes	5,779	(98)	5,682	5,923	(78)	5,845
NON-CURRENT ASSETS	**430,894**	**65**	**430,959**	**407,793**	**29**	**407,822**
Non-current assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**
Inventories	33,379	(38)	33,341	33,148	(43)	33,106
Trade receivables	241,073	(197)	240,876	238,755	(191)	238,564
Other current assets	20,704	(42)	20,662	21,938	(11)	21,928
Current financial assets	2,654	(3)	2,651	2,429	(69)	2,360
Accrued income and prepaid expenses	3,874	-	3,874	3,692	(2)	3,690
Cash and cash at bank	67,345	(28)	67,317	61,403	(12)	61,391
CURRENT ASSETS	**369,029**	**(308)**	**368,720**	**361,367**	**(328)**	**361,038**
TOTAL ASSETS	**799,923**	**(244)**	**799,679**	**769,160**	**(300)**	**768,860**
Share capital	47,164	-	47,164	47,164	-	47,164
Share premium reserve	63,335	-	63,335	63,335	-	63,335
Legal reserves	9,457	-	9,457	8,615	-	8,615
Treasury shares reserves in portfolio	-	-	-	-	-	-
Other reserves	239,257	309	239,566	225,204	94	225,298
Profits (losses) carried forward	2,659	(309)	2,350	2,659	(95)	2,564
Net profit	21,629	-	21,629	29,027	-	29,027
Group net equity	**383,500**	**-**	**383,500**	**376,003**	**-**	**376,003**
Shareholders' equity minority interests	11,696	-	11,696	11,342	-	11,342
Profits pertaining to minority interests	877	-	877	976	-	976
Shareholders' equity minority interests	**12,573**	**-**	**12,573**	**12,318**	**-**	**12,318**
SHAREHOLDERS' EQUITY	**396,073**	**-**	**396,073**	**388,321**	**-**	**388,321**
Employee severance indemnities and other benefits	10,687	-	10,687	11,056	(0)	11,056
Deferred tax fund	2,684	(110)	2,575	3,015	(144)	2,871
Provisions for risks and charges	2,535	-	2,535	2,568	-	2,568
Payables and other liabilities	235,585	-	235,585	224,273	(102)	224,170
NON-CURRENT LIABILITIES	**251,492**	**(110)**	**251,382**	**240,911**	**(246)**	**240,665**
Non-current liabilities held for sale	**-**	**-**	**-**	**-**	**-**	**-**
Due to banks	7,141	-	7,141	3,066	-	3,066
Trade accounts payable	77,245	(45)	77,200	74,577	(37)	74,540
Other financial liabilities	33,630	-	33,630	33,487	-	33,487
Tax payables	7,542	(2)	7,540	6,707	(3)	6,704
Accrued expenses and deferred income	10,781	-	10,781	7,999	(15)	7,984
Other current liabilities	16,020	(87)	15,933	14,093	-	14,093
CURRENT LIABILITIES	**152,358**	**(134)**	**152,224**	**139,928**	**(54)**	**139,874**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**799,923**	**(244)**	**799,679**	**769,161**	**(301)**	**768,860**

The application of IFRS 11 had no effect on the Statement of Comprehensive Income as at December 31, 2013.

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 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.
The standard is applicable prospectively from January 1, 2013. The adoption of the new standard did not give rise to significant effects on the Group financial statements.

Accounting principles, amendments and interpretations effective as of 2014 that are not relevant for the group

The following accounting principles, amendments and interpretations, valid as of January 1, 2014, 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 10 - Consolidated Financial Statements IAS 27 - Separate Financial Statements

The mentioned standard, published May 12, 2011, substitutes SIC-12 Consolidation - Company with a specific purpose (vehicle company) and the part of IAS 27 - Separate Financial Statements which that regulate the accounting of the Consolidated Financial Statements.
Regulates 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 a 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.

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

IFRS 9 - Financial instruments

On July 24, 2014 the IASB published the standard IFRS 9 - Financial instruments The series of changes made by the new standard includes the introduction of a logical approach for the classification and measurement of financial instruments based on the characteristics of the cash flows and business model according to which the asset is held, a single impairment modes of the financial assets based on the expected losses and a substantially renewed hedge accounting approach. The new standard shall be applicable retroactively from January 1, 2018, with the possibility of advanced adoption.

IFRS 15 - Revenue from contracts with customers

On May 28, 2014, IASB issued the standard IFRS 15 - Revenue from contracts with customers, which requires a company to recognise the revenues at the time of transfer of control of the goods or services to the customers at an amount that reflects the consideration expected in exchange for such products or services. In order to achieve this purpose, the new model of revenue recognition defines a process in five steps. The new standard also requires additional information relevant to the nature, amount, times and uncertainties in relation to the revenues and cash flows from customer contracts. The new standard must be applied for yearly periods that start before or after January 1, 2007. It is possible to adopt the standard in advance. The Group is assessing the implementation method and impact of the new standard on its consolidated Financial Statements.

Notes

Income statement

1. Net sales

Balance as at 12.31.2014	636,359
Balance as at 12.31.2013	595,411
Change	**40,948**

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

Description	12.31.2014	12.31.2013	Change
Technical Gases	324,421	314,956	9,464
Homecare	311,939	280,455	31,484
Total	**636,359**	595,411	40,948

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 12.31.2014	4,100
Balance as at 12.31.2013	4,023
Change	**77**

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

Description	12.31.2014	12.31.2013	Change
Capital gains on transfers	399	700	(300)
Contingent assets	3,375	2,898	477
Grants received	188	129	59
Real estate rentals	30	27	3
Other	108	269	(161)
Total	**4,100**	4,023	77

3. Internal works and collections

Balance as at 12.31.2014	14,289
Balance as at 12.31.2013	10,479
Change	**3,810**

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

Description	12.31.2014	12.31.2013	Change
Transfers to assets	13,406	9,638	3,768
Time work	883	841	42
Total	**14,289**	10,479	3,810

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. Other costs

Balance as at 12.31.2014	379,633
Balance as at 12.31.2013	354,015
Change	**25,618**

The breakdown of the above item is as follows:

Description	12.31.2014	12.31.2013	Change
Purchase of materials	157,320	148,842	8,478
Services rendered	192,947	177,572	15,375
Change in stock	(978)	(311)	(667)
Other costs	30,344	27,912	2,432
Total	**379,633**	354,015	25,618

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 12.31.2014	132,196
Balance as at 12.31.2013	124,150
Change	**8,046**

The breakdown of the above item is as follows:

Description	12.31.2014	12.31.2013	Change
Wages and salaries	100,734	94,735	5,998
Social security contributions	29,651	28,425	1,226
Employee severance indemnities	1,811	989	822
Total	**132,196**	124,150	8,046

The composition of the workforce is analysed below by category:

Description	12.31.2014	12.31.2013	Change
Managers	45	43	2
Clerks	1,884	1,709	175
Factory workers	875	828	47
Total	**2,804**	2,580	224

6. Depreciations, provisions and non-recurring expenses

Balance as at 12.31.2014	81,053
Balance as at 12.31.2013	78,120
Change	**2,932**

The breakdown of the above item is as follows:

Description	12.31.2014	12.31.2013	Change
Depreciation/amortisation	75,473	69,903	5,570
Provisions	5,580	8,288	(2,708)
Non-recurrent income/charges	-	(70)	70
Total	**81,053**	78,120	2,932

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	12.31.2014	12.31.2013	Change
Land	-	-	-
Buildings	3,021	3,192	(171)
Plant and machinery	14,180	13,074	1,106
Industrial and trade equipment	51,311	47,120	4,191
Other assets	3,100	3,200	(100)
Assets in the process of being created and down-payments	-	-	-
Total	**71,612**	66,586	5,026

The increase in depreciation is linked to investments made during the period, amounting to Euro 94.5 million.

Amortisation of intangible fixed assets

Description	12.31.2014	12.31.2013	Change
Start-up and expansion costs	-	-	-
Costs for research, development and advertising	71	138	(66)
Industrial patent rights and use of intellectual property	2,314	2,111	203
Authorizations, licences and trademarks	1,417	1,018	398
Other	58	50	8
Total	**3,860**	3,317	543

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

Description	12.31.2014	12.31.2013	Change
Doubtful accounts	5,070	8,021	(2,951)
Provisions for risks	278	220	58
Other provisions	233	47	186
Total	**5,580**	8,288	(2,708)

Non-recurrent (Income)/Charges

Description	12.31.2014	12.31.2013	Change
Non-recurrent Income	-	(81)	81
Non-recurrent Charges	-	11	(11)
Total	**-**	(70)	70

7. Financial income / (expenses)

Balance as at 12.31.2014	(10,439)
Balance as at 12.31.2013	(8,469)
Change	**(1,970)**

The breakdown of the above item is as follows:

Description	12.31.2014	12.31.2013	Change
Financial income	2,787	2,581	206
Financial charges	(11,932)	(10,974)	(959)
Income from investments	(1,293)	(77)	(1,216)
Total	**(10,439)**	(8,469)	(1,970)

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

Description	12.31.2014	12.31.2013	Change
Income from long-term receivables	19	-	19
Interest receivable on non-investment securities	3	11	(8)
Interest on bank and post office deposits	916	642	274
Trade interest receivable	269	33	236
Exchange rate gains	691	387	304
Other financial income	889	1,508	(619)
Total	**2,787**	2,581	206

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

Description	12.31.2014	12.31.2013	Change
Bank interests	(138)	(137)	(1)
Interest on loans	(6,439)	(6,333)	(107)
Interest on debenture loans	(3,067)	(2,751)	(316)
Exchange losses	(976)	(572)	(404)
Other financial expenses	(1,313)	(1,181)	(132)
Total	**(11,932)**	(10,974)	(959)

The breakdown for the item “Income from investments” is as follows:

Description	12.31.2014	12.31.2013	Change
Revaluations of investments	247	-	247
Write-downs of investments	(1,540)	(77)	(1,463)
Total	**(1,293)**	(77)	(1,216)

The item “Revaluations of investments” refers to the valuation at equity of the jointly controlled company CT Biocarbonic GmbH.

The Item "Write-downs of investments" refers to the valuation at equity of the jointly controlled company SICGILSOL India Private Limited (Euro 64 thousand) and the associate CONSORGAS Srl (Euro 1.476 thousand).

8. Income taxes

Balance as at 12.31.2014	20,703
Balance as at 12.31.2013	22,653
Change	**(1,950)**

The breakdown of the above item is as follows:

Description	**12.31.2014**	12.31.2013	Change
Income taxes	20,888	22,775	(1,887)
Deferred taxes	56	(351)	407
Prepaid taxes	(241)	229	(470)
Total	**20,703**	22,653	(1,950)

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

Description	**12.31.2014**	12.31.2013
Theoretical taxation	**14,143**	12,419
Tax effect permanent differences	10,322	8,008
Tax effect deriving from foreign tax rates other than Italian theoretical tax rates	(7,516)	(6,741)
Other differences	-	5,602
Taxes on income recorded in the financial statements, excluding IRAP (current and deferred)	**16,949**	19,288
Regional Production Tax (IRAP)	**3,754**	3,365
Taxes recorded on income recorded in the financial statements (current and deferred)	**20,703**	22,653

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 12.31.2014	417,726
Balance as at 12.31.2013	384,487
Change	**33,239**

Analysis of tangible fixed assets

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

Cost	Land	Buildings	Plant and machinery	Industrial and trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 01.01.2013	12,820	94,860	320,991	578,243	43,948	21,954	1,072,815
Increases	2	1,141	6,033	49,473	2,797	44,094	103,539
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	(46)	(2)	-	(47)
Other changes	-	(86)	(1,205)	5,175	(2,499)	(11,754)	(10,369)
Exchange rate differences	0	12	102	(539)	(72)	(51)	(547)
(Disposals)	-	(198)	(757)	(9,670)	(881)	-	(11,505)
Balance as at 12.31.2013	**12,823**	**95,730**	**325,164**	**622,635**	**43,291**	**54,243**	**1,153,885**
Increases	11	4,965	46,791	62,259	4,314	26,691	145,032
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	(209)	-	-	(209)
Other changes	4,466	1,514	4,031	13,130	276	(50,535)	(27,118)
Exchange rate differences	(0)	7	67	1,532	176	75	1,857
(Disposals)	-	(2)	(5,047)	(7,636)	(560)	-	(13,245)
Balance as at 12.31.2014	**17,300**	**102,214**	**371,006**	**691,711**	**47,497**	**30,474**	**1,260,202**

Provisions for depreciation	Land	Buildings	Plant and machinery	Industrial and trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 01.01.2013	-	52,168	245,484	379,224	34,239	-	711,115
Depreciation	-	3,192	13,074	47,120	3,200	-	66,586
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	-	(68)	(772)	2,951	(1,311)	-	799
Exchange rate differences	-	(0)	74	(38)	(17)	-	18
(Disposals)	-	(68)	(559)	(7,702)	(790)	-	(9,120)
Balance as at 12.31.2013	**-**	**55,223**	**257,301**	**421,554**	**35,320**	**-**	**769,398**
Depreciation	-	3,021	14,180	51,311	3,100	-	71,612
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	2,604	642	1,885	6,432	243	-	11,806
Exchange rate differences	-	0	34	423	89	-	547
(Disposals)	-	(2)	(3,937)	(6,450)	(499)	-	(10,887)
Balance as at 12.31.2014	**2,604**	**58,885**	**269,464**	**473,269**	**38,254**	**-**	**842,476**

Net value	Land	Buildings	Plant and machinery	Industrial and trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 01.01.2013	12,820	42,692	75,507	199,019	9,708	21,954	361,701
Increases	2	1,141	6,033	49,473	2,797	44,094	103,539
(Depreciation and write-downs)	-	(3,192)	(13,074)	(47,120)	(3,200)	-	(66,586)
Other changes	-	(17)	(433)	2,179	(1,190)	(11,754)	(11,216)
Exchange rate differences	0	13	28	(501)	(55)	(51)	(565)
(Disposals)	-	(130)	(198)	(1,968)	(90)	-	(2,386)
Balance as at 12.31.2013	**12,823**	**40,507**	**67,863**	**201,081**	**7,971**	**54,243**	**384,487**
Increases	11	4,965	46,791	62,259	4,314	26,691	145,032
(Depreciation and write-downs)	-	(3,021)	(14,180)	(51,311)	(3,100)	-	(71,612)
Other changes	1,862	872	2,146	6,489	33	(50,535)	(39,133)
Exchange rate differences	(0)	7	34	1,109	86	75	1,310
(Disposals)	-	-	(1,110)	(1,186)	(61)	-	(2,357)
Balance as at 12.31.2014	**14,696**	**43,329**	**101,543**	**218,441**	**9,243**	**30,474**	**417,726**

- The investments made in the period of the item "Lands" refer mainly to investments by SOL Bulgaria EAD (Euro 10 thousand).
- The investments made during the period with regards to "Buildings" are mainly investments made by the Parent Company (Euro 1,748 thousand) and the subsidiaries DIATHEVA Srl (Euro 809 thousand), KISIKANA doo (Euro 480 thousand), Energetika ZJ doo (Euro 438 thousand), TGT AD (Euro 394 thousand) and SOL SEE doo (Euro 358 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 13,921 thousand), HYDROENERGY ShpK (Euro 17,308 thousand), SOL Hydropower doo (Euro 9,858 thousand), SOL SEE doo (Euro 4,288 thousand) and to a lesser extent to other investments by 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 20,812 thousand (including Euro 6,016 by the Parent Company) and to investments made by companies operating in the home-care sector for Euro 41,447 thousand (including Euro 9,786 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 1,121 thousand of the total reported pertaining to the Parent Company, the subsidiary VIVISOL Iberica SLU (Euro 976 thousand), of the subsidiary SOL Bulgaria EAD (Euro 425 thousand), of the subsidiary Il Point Srl (Euro 205 thousand) and to a lesser extent to other investments by other Group companies.
- The item "Fixed assets in the process of being created" mainly contains balances relevant to investments being created by the Parent Company (Euro 5,130 thousand) and the subsidiaries SOL Hydropower doo (Euro 5.535 thousand), SOL Bulgaria EAD (Euro 13,208 thousand), GTH GAZE INDUSTRIALE SA (Euro 3,437 thousand), Dolby Medical Home Respiratory Care Limited (Euro 827 thousand) and SOL Kohlensäure GmbH & Co. KG (Euro 601 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, 2014, mortgages amounted to Euro 68,463 thousand.
As at December 31, 2014, 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:

Cost	Land	Buildings	Plant and machinery	Industrial and trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 01.01.2013	-	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**
Increases	-	-	48	-	-	-	48
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	-	700	-	2,206	-	-	2,906
Exchange rate differences	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-
Balance as at 12.31.2014	**-**	**2,645**	**10,371**	**19,047**	**18**	**-**	**32,081**

Provisions for depreciation	Land	Buildings	Plant and machinery	Industrial and trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 01.01.2013	-	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**
Depreciation	-	15	456	207	-	-	678
Revaluations	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
Other changes	-	308	-	907	-	-	1,215
Exchange rate differences	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-
Balance as at 12.31.2014	**-**	**2,016**	**9,761**	**17,829**	**18**	**-**	**29,624**

Net value	Land	Buildings	Plant and machinery	Industrial and trade equipment	Other goods	Fixed assets in the process of being created and down-payments	Total
Balance as at 01.01.2013	-	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**
Increases	-	-	48	-	-	-	48
(Depreciation and write-downs)	-	(15)	(456)	(207)	-	-	(678)
Other changes	-	392	-	1,299	-	-	1,691
Exchange rate differences	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-
Balance as at 12.31.2014	**-**	**629**	**610**	**1,218**	**-**	**-**	**2,457**

10. Goodwill and consolidation differences

Balance as at 12.31.2014	39,351
Balance as at 12.31.2013	24,858
Change	**14,494**

The breakdown of the above item is as follows:

	Goodwill	Consolidation difference	Total
Balance as at 01.01.2013	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**
Increases	-	11,713	11,713
Revaluations / (Write-downs)	-	-	-
Other changes	2,574	-	2,574
Exchange rate differences	207	-	207
(Amortisation)	-	-	-
Balance as at 12.31.2014	**10,007**	**29,344**	**39,351**

The increase for the year at the item "Differences from consolidation" is relevant to the acquisition of the companies TESI Srl, SOL Kohlensäure GmbH & Co. KG., VIVISOL Adria doo and MBAR Assistance Respiratoire Sas

In April 2014, the Parent Company SOL Spa acquired a 65 % stake in TESI Srl, active in the supply of services in the context of clinical engineering, as well as in the maintenance and control of the quality of the electro medical devices. If the acquisition had occurred on January 1, 2014, the revenues and the profit of the Group would have been more than Euro 1,067 thousand and more than Euro 149 thousand, respectively, for the 12-month period ended December 31, 2014.

In December 2014, the Parent Company SOL Spa acquired a 100 % stake in MBAR Assistance Respiratoire Sas, active in the homecare sector. If the acquisition had occurred on January 1, 2014, the revenues and the profit of the Group would have been more than Euro 1,775 thousand and more than Euro 47 thousand, respectively, for the 12-month period ended December 31, 2014.

The acquisitions of SOL Kohlensäure GmbH & Co. KG (acquired in October 2014) and VIVISOL Adria doo (acquired in November 2014) were effective as at January 1, 2014 and the income statement was, therefore, fully consolidated.

The result of the acquisitions on the assets and liabilities of the Group is set below:

	Values recorded during acquisition	Adjustments to fair value	Book values before acquisition
Tangible fixed assets	10,565	3,213	7,352
Intangible fixed assets	4,969		4,969
Long-term investments	2,514		2,514
Inventories	728		728
Trade and other receivables	3,148		3,148
Accrued income and prepaid expenses	95		95
Cash and cash at bank	2,295		2,295
Minority interests	(431)		(431)
Suppliers	(1,472)		(1,472)
Other payables	(3,983)		(3,983)
Risk provisions	(390)		(390)
Employee Severance Indemnity	(1,165)		(1,165)
Accrued expenses and deferred income	(199)		(199)
Identifiable net assets and liabilities	**16,674**	**3,213**	**13,461**
Goodwill deriving from acquisition	11,713		
Amount paid	28,387		
Available funds acquired	2,295		
Net outlays of available funds	**26,092**		

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 rate used (equal to 7 %) is represented by the average weighted cost of the capital that reflects the current market valuations of the cost of money and the specific risk connected to the cash generating unit. The growth rates consider a prudent development of the sector over a duration of five years.

11. Other intangible fixed assets

Balance as at 12.31.2014	10,719
Balance as at 12.31.2013	8,702
Change	**2,017**

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 01.01.2013	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	-	-	-	8	(782)	(774)
Exchange rate differences	-	-	(1)	-	13	12
(Amortisation)	(138)	(2,111)	(1,018)	(50)	-	(3,317)
Balance as at 12.31.2013	**785**	**2,371**	**2,531**	**175**	**2,841**	**8,702**
Increases	392	1,027	4,119	48	297	5,882
Revaluations / (Write-downs)	-	-	-	-	-	-
Other changes	-	2,272	74	22	(2,376)	(8)
Exchange rate differences	-	-	(2)	-	5	3
(Amortisation)	(71)	(2,314)	(1,417)	(58)	-	(3,860)
Balance as at 12.31.2014	**1,105**	**3,356**	**5,305**	**186**	**766**	**10,719**

12. Equity Shareholdings

Balance as at 12.31.2014	8,881
Balance as at 12.31.2013	1,902
Change	**6,979**

The breakdown of the above item is as follows:

Description	12.31.2014	12.31.2013
GTE SI	17	17
ZDS JESENICE doo	8	-
Non-consolidated subsidiary companies	**25**	17
CT Biocarbonic GmbH	4,341	-
SICGILSOL India Private Limited	3,857	1,125
Jointly controlled companies	**8,198**	1,125
Consorgas Srl	467	468
Blue Sky Amercoeur	93	100
Affiliated companies	**560**	568
Other equity investments	99	193
Other companies	**99**	193
Total	**8,882**	1,902

With exception for Euro 8 thousand Euro recorded among the non-consolidated subsidiaries (in the portfolio of the subsidiary ENERGETIKA ZJ doo) and Euro 87 thousand, recorded among the other equity investments (relevant to investments in local businesses by the subsidiary TGS AD for Euro 77 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.

The following table shows the main economic and financial data of the two jointly controlled companies consolidated with the net equity method:

Jointly controlled companies	CT Biocarbonic GmbH	SICGILSOL India Private Limited
Total assets	10,844	11,333
Total liabilities	7,272	4,495
Revenues	2,625	2,371
Operating result	493	(210)

13. Other financial assets

Balance as at 12.31.2014	8,107
Balance as at 12.31.2013	5,328
Change	**2,778**

The breakdown of the above item is as follows:

Description	12.31.2014	12.31.2013	Change
Receivables from others	7,221	4,442	2,779
Securities	886	886	-
Total	**8,107**	5,328	2,778

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

Description	12.31.2014	12.31.2013	Change
Guarantee deposits	2,140	2,177	(37)
Tax credit pertaining to Employee Severance Indemnity	8	17	(8)
Derivatives	118	-	118
Amounts due from the tax authorities	2,120	2,194	(74)
Other receivables	2,834	55	2,779
Total	**7,221**	4,442	2,779

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

Description	12.31.2014	12.31.2013	Change
SOL TG GmbH	6	6	-
SOL Hellas SA	880	880	-
Total	**886**	886	-

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 12.31.2014	5,957
Balance as at 12.31.2013	5,682
Change	**276**

The breakdown for the above item is as follows:

	Risks on receivables	Risk provisions	Internal profits	Prior losses	Other minor	Total
Balance as at 01.01.2013	1,968	19	710	2,523	625	5,845
Provisions	(364)	-	40	148	(53)	(229)
Uses	-	-	-	-	-	-
Other changes	-	-	-	41	14	55
Exchange rate differences	-	-	-	11	(0)	11
Balance as at 12.31.2013	**1,604**	**19**	**750**	**2,723**	**587**	**5,682**
Provisions	(110)	(19)	135	314	(79)	241
Uses	-	-	-	-	-	-
Other changes	-	-	-	-	1	1
Exchange rate differences	-	-	-	34	-	34
Balance as at 12.31.2014	**1,493**	**-**	**884**	**3,071**	**509**	**5,957**

15. Inventories

Balance as at 12.31.2014	35,087
Balance as at 12.31.2013	33,341
Change	**1,745**

The breakdown of the above item is as follows:

Description	**12.31.2014**	12.31.2013	Change
Raw subsidiary and consumable materials	2,093	2,624	(532)
Work in progress and semi-finished goods	811	775	36
Finished products and goods	32,183	29,942	2,241
Total	**35,087**	33,341	1,745

16. Trade receivables

Balance as at 12.31.2014	232,988
Balance as at 12.31.2013	240,876
Change	**(7,887)**

The breakdown of the above item is as follows:

Description	Within 12 months	Beyond 12 months	Allowance for doubtful accounts	**12.31.2014**	12.31.2013
Trade receivables	248,347	-	(15,359)	232,988	240,876
Total	248,347	-	(15,359)	**232,988**	240,876

The allowance for doubtful accounts saw the following changes:

Description	12.31.2013	Provisions	Uses	Other movements	12.31.2014
Allowance for doubtful accounts	14,095	5,070	(3,652)	(153)	15,359
Total	14,095	5,070	(3,652)	(153)	**15,359**

17. Other current assets

Balance as at 12.31.2014	17,511
Balance as at 12.31.2013	20,662
Change	**(3,151)**

The breakdown of the above item is as follows:

Description	12.31.2014	12.31.2013	Change
Amounts due from employees	678	615	63
Amounts receivable in respect of income tax	2,561	1,789	772
VAT receivables	6,456	12,712	(6,256)
Other amounts due from the tax authorities	430	550	(120)
Other receivables	7,386	4,996	2,390
Total	**17,511**	20,662	(3,151)

18. Current financial assets

Balance as at 12.31.2014	2,906
Balance as at 12.31.2013	2,651
Change	**255**

The breakdown of the above item is as follows:

Description	12.31.2014	12.31.2013	Change
Derivatives	24	-	24
Securities	2,882	2,651	231
Total	**2,906**	2,651	255

The composition of the item “Securities” is shown below:

Description	12.31.2014	12.31.2013	Change
Securities France Oxygene Sarl	-	225	(225)
Securities HYDROENERGY Shpk	150	149	1
Securities SOL Hellas SA	-	210	(210)
Securities SOL-INA doo	1,518	1,505	13
Securities TGT AD	614	562	52
Securities VIVISOL Silarus Srl	600	-	600
Total	**2,882**	2,651	231

The Securities HYDROENERGY ShpK, SOL-INA doo, TGT AD and VIVISOL Silarus Srl are made up of short-term deposits.

19. Accrued income and prepaid expenses

Balance as at 12.31.2014	5,230
Balance as at 12.31.2013	3,874
Change	**1,356**

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

The item is composed as follows:

Description	**12.31.2014**	12.31.2013	Change
Accrued income			
Interests	24	105	(81)
Other accrued income	1,948	576	1,371
Total accrued income	**1,972**	**681**	**1,290**
Prepaid expenses			
Insurance premiums	518	341	177
Rent	213	160	53
Other prepayments	2,527	2,691	(163)
Total prepayments	**3,258**	**3,192**	**66**
Total accrued income and prepaid expenses	**5,230**	**3,874**	**1,356**

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 12.31.2014	95,665
Balance as at 12.31.2013	67,317
Change	**28,349**

The composition of the item is shown below:

Description	**12.31.2014**	12.31.2013	Change
Bank and postal accounts	95,331	66,999	28,332
Cash and other cash equivalents	335	318	17
Total accrued income	**95,665**	67,317	28,349

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 12.31.2014	421,869
Balance as at 12.31.2013	396,073
Change	**25,795**

The share capital of SOL Spa as at December 31, 2014 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	12.31.2013	Transfer of result	Dividends paid	Translation differences	Other movements	Result	12.31.2014
Pertaining to the Group:							
Share capital	47,164	-	-	-	-	-	47,164
Share premium reserve	63,335	-	-	-	-	-	63,335
Revaluation reserves	-	-	-	-	-	-	-
Legal reserves	9,457	1,002	-	-	-	-	10,459
Statutory reserves	-	-	-	-	-	-	-
Treasury shares reserves	-	-	-	-	-	-	-
Other reserves	239,566	11,556	(386)	1,367	4,031	-	256,134
Profits / (Losses) carried forward	2,350	9,070	(9,070)	-	(69)	-	2,281
Net profit	21,629	(21,629)	-	-	-	29,181	29,181
Group net equity	383,500	-	(9,456)	1,367	3,962	29,181	**408,554**
Minority interests:							
Shareholders' equity minority interests	11,696	877	-	(8)	(795)	-	11,770
Profits pertaining to minority interests	877	(877)	-	-	-	1,545	1,545
Shareholders' equity minority interests	12,573	-	-	(8)	(795)	1,545	**13,315**
Shareholders' equity	396,074	-	(9,456)	1,359	3,167	30,726	**421,869**

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

Description	12.31.2014 Shareholders' equity	12.31.2014 Net income	12.31.2013 Shareholders' equity	12.31.2013 Net income
Financial Statements of SOL Spa	**237,410**	**18,036**	**222,580**	**20,046**
Elimination of consolidated inter-company transactions, net of tax effects:				
- Internal profit on tangible fixed assets	(2,694)	(268)	(2,426)	(136)
- Reversal of adjustments to investments in subsidiary companies	-	40	207	650
- Dividends paid by consolidated companies	-	(20,059)	-	(18,526)
Adjustment of accounting policies to achieve consistent Group accounting policies, net of tax effects:				
- Adjustment to achieve a consistent accounting policy regarding intangible assets	3,896	(483)	1,007	(164)
- Use of finance lease method for leased assets	290	61	-	(29)
- Valuation at equity of companies reported at cost	(353)	183	667	(77)
Carrying value of consolidated equity investments	(298,691)	-	(254,776)	-
Net assets and financial year's results of consolidated companies	439,352	31,671	398,610	19,795
Allocation of the difference to the assets of the companies and relative depreciation, amortisation and write-downs:				
- Goodwill from consolidation	29,344	-	17,631	70
Effect of other adjustments:	**-**	**-**	**-**	**-**
Consolidated Group financial statements	**408,554**	**29,181**	**383,500**	**21,629**

22. Employee severance indemnities and other benefits

Balance as at 12.31.2014	15,197
Balance as at 12.31.2013	10,687
Change	**4,510**

The provisions underwent the following changes:

Description	12.31.2014	12.31.2013
Balance as at 1 January	10,687	11,056
Provisions	1,811	989
(Uses)	(662)	(536)
Financial charges	17	15
Other changes	3,344	(837)
Exchange rate differences	0	0
Balance as at 31 December	**15,197**	10,687

Employee benefits are calculated based on the following actuarial assumptions:

	Interest rate
Annual discount rate	1.15% - 1.34%
Inflation rate	1.50%
Annual severance indemnity increase rate	2.18%
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 2014	Amount
Inflation rate + 0.5%	435
Inflation rate - 0.5%	(413)
Discount rate + 0.5%	(753)
Discount rate - 0.5%	742
Turnover rate + +0.5%	(100)

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 tax fund

Balance as at 12.31.2014	2,732
Balance as at 12.31.2013	2,575
Change	**158**

The item “Deferred taxation” represents the net balance of deferred tax liabilities provided for in the consolidated financial statements as at December 31, 2014 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 01.01.2013	63	1,455	143	1,210	2,871
Provisions	(1)	(228)	(41)	(81)	(351)
Uses	-	-	-	-	-
Other changes	-	-	-	55	55
Exchange rate differences	-	-	-	-	-
Balance as at 12.31.2013	62	1,227	102	1,184	**2,575**
Provisions	(22)	(146)	17	207	56
Uses	-	-	-	(4)	(4)
Other changes	-	128	107	(129)	106
Exchange rate differences	-	-	-	-	-
Balance as at 12.31.2014	40	1,209	225	1,258	**2,732**

24. Provisions for risks and charges

Balance as at 12.31.2014	1,318
Balance as at 12.31.2013	2,535
Change	**(1,217)**

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

Description	12.31.2014	12.31.2013	Change
For pension liabilities and similar obligations	-	-	-
Consolidation for risks and contingency funds	-	-	-
Others:			
Exchange fluctuation provision	-	-	-
Other minor provisions	1,318	2,535	(1,217)
Total other provisions	**1,318**	2,535	(1,217)
Total	**1,318**	2,535	(1,217)

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

The change with respect to 2013 is due to provisions totalling Euro 278 thousand, in increments of Euro 332 thousand and uses amounting to Euro 1,827 thousand.

25. Payables and other liabilities

Balance as at 12.31.2014	274,875
Balance as at 12.31.2013	235,585
Change	**39,289**

The breakdown of the above item is as follows:

Description	12.31.2014	12.31.2013	Change
Bonds	70,217	75,011	(4,794)
Due to other lenders	202,689	157,522	45,167
Other payables	1,968	3,052	(1,084)
Total	**274,875**	235,585	39,289

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 1,408 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
Banca Popolare di Bergamo	1,562	-	1,562	Fixed	5.66%	07.30.2015
Credito Emiliano	108	-	108	Fixed	3.51%	11.18.2015
Banco di Brescia *	200	-	200	Fixed	5.11%	12.31.2015
Mediocredito Italiano	2,000	666	1,334	Variable	1.75%	03.31.2016
Banca Passadore	12,000	12,000	-	Variable	0.78%	06.18.2016
HSBC	34	13	21	Fixed	4.06%	07.01.2016
GE Capital *	5,000	2,500	2,500	Variable	2.40%	10.31.2016
BCC Carate	2,106	1,071	1,035	Variable	2.03%	11.03.2016
Credito Emiliano	1,161	709	452	Fixed	3.70%	05.26.2017
Mediobanca *	6,250	3,750	2,500	Fixed	4.39%	06.20.2017
Mediobanca *	4,689	2,813	1,876	Fixed	2.82%	06.20.2017
BNL - BNP Paribas *	3,500	2,500	1,000	Variable	3.05%	02.14.2018
Intesa San Paolo *	5,387	3,848	1,539	Fixed	1.91%	06.15.2018
MIUR	61	44	17	Fixed	0.25%	07.01.2018
Banca Popolare di Bergamo	817	626	191	Fixed	4.28%	11.30.2018
Credito Valtellinese	9,383	7,233	2,150	Variable	3.25%	12.31.2018
Barclays bank *	4,500	3,500	1,000	Fixed	3.04%	06.01.2019
Mediobanca *	13,750	11,250	2,500	Fixed	4.44%	04.01.2020
Komercijalna B.	7,026	6,691	335	Fixed	5.50%	10.15.2020
Intesa San Paolo *	21,670	18,338	3,332	Fixed	2.23%	06.16.2021
Intesa San Paolo *	8,335	7,225	1,110	Variable	3.47%	06.30.2022
Intesa San Paolo *	8,335	7,225	1,110	Variable	3.47%	06.30.2022
Factor Banka	3,112	2,740	372	Variable	1.27%	12.31.2022
Mediobanca *	9,108	8,036	1,072	Fixed	2.90%	06.20.2023
Unicredit Bulbank	8,000	8,000	-	Fixed	4.50%	10.11.2023
Mediobanca	10,000	10,000	-	Variable	2.69%	03.11.2024
Mediobanca	10,000	10,000	-	Variable	2.69%	03.11.2024
Mediocredito Italiano	14,075	12,593	1,482	Variable	1.95%	03.31.2024
Intesa San Paolo *	30,000	30,000	-	Variable	2.27%	03.31.2024
Unicredit	10,000	10,000	-	Variable	2.60%	05.31.2024
Monte Paschi di Siena	8,750	7,917	833	Fixed	4.21%	06.15.2025
Banca IMI *	6,600	6,180	420	Fixed	6.50%	01.26.2026
Bonds	75,011	70,217	4,794			
Derivatives	5,983	4,298	1,685			
Amounts due to leasing companies	1,408	923	485			
	309,921	**272,906**	**37,015**			

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 6,250 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, 2014, calculated by the same bank, was negative for a total of Euro 399 thousand (at December 31, 2013 negative for Euro 663 thousand).
2. The loan agreement outstanding with Mediobanca whose residual debt amounts to Euro 4,688 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, 2014, calculated by the same bank, was negative for a total of Euro 188 thousand (at December 31, 2013 negative for Euro 289 thousand).
3. The loan agreement outstanding with Mediobanca whose residual debt amounts to Euro 9,107 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, 2014, calculated by the same bank, was negative for a total of Euro 1,014 thousand (at December 31, 2013 negative for Euro 703 thousand).
4. The loan agreement outstanding with Intesa San Paolo whose residual debt amounts to Euro 4,500 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, 2014, calculated by the same bank, was negative for a total of Euro 318 thousand (at December 31, 2013 negative for Euro 351 thousand).
5. The loan agreement outstanding with Intesa San Paolo, whose residual debt amounts to Euro 21,670 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, 2014, calculated by the same bank, was negative for a total of Euro 1,451 thousand (at December 31, 2013 negative for Euro 993 thousand).
6. The loan agreement outstanding with Intesa San Paolo, whose residual debt amounts to Euro 5,386 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, 2014, calculated by the same bank, was negative for a total of Euro 186 thousand (at December 31, 2013 negative for Euro 197 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, 2014, was negative for a total of Euro 1,569 thousand (as at December 31, 2013 negative for Euro 6,583 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 at December 31, 2014, was positive for a total of Euro 142 thousand (as at December 31, 2013 negative for Euro 2,557 thousand).
9. The loan agreement outstanding with Unicredit Bulbank, whose residual debt amounts to Euro 8,000 thousand, has been hedged with a fixed rate of 2.40% against a floating 3-month Euribor rate.

The contracts numbered from 1. to. 4. were measured as a fair value hedge, whereas contracts numbered from 5. to 9. 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 based on 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, 2014, by hierarchical level of fair value measurement:

Payables and other liabilities	Notes	Level 1	Level 2	Level 3	Total
Intesa San Paolo		-	(318)	-	(318)
Intesa San Paolo		-	(1,451)	-	(1,451)
Intesa San Paolo		-	(185)	-	(185)
Intesa San Paolo		-	(1,568)	-	(1,568)
Intesa San Paolo		-	(860)	-	(860)
Intesa San Paolo		-	-	-	-
Mediobanca		-	(399)	-	(399)
Mediobanca			(188)	-	(188)
Mediobanca			(1,014)	-	(1,014)
Total		**-**	**(5,983)**	**-**	**(5,983)**

The item "Other payables" includes the commitments of the company SOL Spa to repurchase the shares of SOL-K ShpK (Euro 1,776 thousand) currently owned by SIMEST Spa

26. Current liabilities

Balance as at 12.31.2014	164,138
Balance as at 12.31.2013	152,224
Change	**11,914**

The breakdown for this item is as follows:

Description	**12.31.2014**	12.31.2013	Change
Due to banks	2,531	7,141	(4,610)
Trade accounts payable	83,454	77,200	6,254
Other financial liabilities	37,015	33,630	3,385
Tax payables	12,787	7,540	5,247
Other current liabilities	17,533	15,933	1,600
Accrued expenses and deferred income	10,818	10,780	38
Total	**164,138**	152,224	11,914

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	12.31.2014	12.31.2013	Change
Amounts due in respect of income tax	5,166	398	4,769
VAT payables	4,166	3,218	948
Other tax liabilities	3,454	3,924	(470)
Total	**12,787**	7,540	5,247

”Other current liabilities” comprise:

Description	12.31.2014	12.31.2013	Change
Amounts due to Social Security institutions	5,532	4,998	534
Due to employees	6,701	6,139	562
Payables due to shareholders for dividends	11	6	5
Amounts due for acquisition of equity investments	882	-	882
Guarantee deposits due	236	278	(42)
Other payables	4,170	4,511	(341)
Total	**17,533**	15,933	1,600

The item “Amounts due for acquisition of equity investments” refer to the commitments of the company SOL Spa for the repurchase of the shares of GTS ShpK currently owned by SIMEST Spa

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

The item is composed as follows:

Description	12.31.2014	12.31.2013	Change
Accrued liabilities			
Interest payable on loans	973	624	349
Other	1,772	1,942	(170)
Total accrued liabilities	**2,745**	**2,566**	**179**
Deferred income			
Grants	18	34	(16)
Rents receivable	85	23	62
Other	7,970	8,157	(187)
Total deferred income	**8,073**	**8,214**	**(141)**
Total accrued expenses and deferred income	**10,818**	**10,780**	**38**

Breakdown of revenues by type of business SOL Group

	12.31.2014						
(In thousands of Euro)	Technical gas sector	%	Homecare service sector	%	Write-downs	Consolidated figures	%
Technical gas sector	351,676	100.0%			(27,255)	324,421	51.0%
Homecare Service sector			312,754	100.0%	(815)	311,939	49.0%
Net sales	**351,676**	**100.0%**	**312,754**	**100.0%**	**(28,070)**	**636,359**	**100.0%**
Other revenues and proceeds	3,868	1.1%	1,237	0.4%	(1,005)	4,100	0.6%
Internal works and collections	3,466	1.0%	9,314	3.0%	1,509	14,289	2.2%
Revenues	**359,010**	**102.1%**	**323,305**	**103.4%**	**(27,566)**	**654,748**	**102.9%**
Purchase of materials	93,172	26.5%	81,945	26.2%	(17,796)	157,320	24.7%
Services rendered	111,509	31.7%	89,446	28.6%	(8,008)	192,947	30.3%
Change in stock	228	0.1%	(1,207)	-0.4%	-	(978)	-0.2%
Other costs	13,238	3.8%	18,453	5.9%	(1,347)	30,344	4.8%
Other costs	**218,147**	**62.0%**	**188,637**	**60.3%**	**(27,151)**	**379,633**	**59.7%**
Added value	**140,862**	**40.1%**	**134,667**	**43.1%**	**(415)**	**275,115**	**43.2%**
Cost of labour	70,657	20.1%	61,539	19.7%		132,196	20.8%
Gross operating margin	**70,206**	**20.0%**	**73,128**	**23.4%**	**(415)**	**142,919**	**22.5%**
Depreciation/amortisation	41,031	11.7%	34,524	11.0%	(82)	75,473	11.9%
Other provisions	4,443	1.3%	1,137	0.4%	-	5,580	0.9%
Non-recurrent income/charges	-		-		-	-	
Operating result	**24,732**	**7.0%**	**37,468**	**12.0%**	**(333)**	**61,867**	**9.7%**
Financial income	12,822	3.6%	1,877	0.6%	(11,912)	2,787	0.4%
Financial charges	(10,462)	-3.0%	(4,852)	-1.6%	3,381	(11,932)	-1.9%
Income from investments	(1,293)	-0.4%	(136)	0.0%	136	(1,293)	-0.2%
Total financial income / (charges)	**1,067**	**0.3%**	**(3,111)**	**-1.0%**	**(8,395)**	**(10,439)**	**-1.6%**
Profit (Loss) before income taxes	**25,798**	**7.3%**	**34,357**	**11.0%**	**(8,727)**	**51,428**	**8.1%**
Income taxes	9,440	2.7%	11,369	3.6%	(106)	20,703	3.3%
Net result from business activities	**16,359**	**4.7%**	**22,988**	**7.4%**	**(8,621)**	**30,726**	**4.8%**
Net result from intermittent activities	-		-		-	-	
(Profit) / Loss pertaining to minority interests	(94)	0.0%	(1,451)	-0.5%	-	(1,545)	-0.2%
Net Profit / (Loss)	**16,265**	**4.6%**	**21,537**	**6.9%**	**(8,621)**	**29,181**	**4.6%**

Other information SOL Group

	12.31.2014						
(In thousands of Euro)	Technical gas sector	%	Homecare service sector	%	Write-downs	Consolidated figures	%
Total assets	741,653		390,687		(252,211)	880,129	
Total liabilities	398,299		197,112		(137,151)	458,260	
Investments	53,390		41,107		-	94,497	

12.31.2013						
Technical gas sector	%	Homecare service sector	%	Write-downs	Consolidated figures	%
341,758	100.0%			(26,802)	314,956	52.9%
		281,155	100.0%	(700)	280,455	47.1%
341,758	100.0%	281,155	100.0%	(27,502)	595,411	100.0%
3,327	1.0%	1,265	0.4%	(569)	4,023	0.7%
2,492	0.7%	6,579	2.3%	1,408	10,479	1.8%
347,577	101.7%	288,998	102.8%	(26,663)	609,913	102.4%
91,753	26.8%	74,516	26.5%	(17,428)	148,842	25.0%
103,996	30.4%	81,472	29.0%	(7,896)	177,573	29.8%
732	0.2%	(1,043)	-0.4%	-	(311)	-0.1%
13,850	4.1%	15,398	5.5%	(1,337)	27,912	4.7%
210,332	61.5%	170,343	60.6%	(26,660)	354,015	59.5%
137,245	40.2%	118,655	42.2%	(2)	255,898	43.0%
66,949	19.6%	57,200	20.3%	-	124,150	20.9%
70,296	20.6%	61,455	21.9%	(2)	131,748	22.1%
38,118	11.2%	31,845	11.3%	(60)	69,903	11.7%
7,287	2.1%	1,000	0.4%	-	8,288	1.4%
(81)	0.0%	-		11	(70)	0.0%
24,972	7.3%	28,609	10.2%	46	53,628	9.0%
12,514	3.7%	728	0.3%	(10,661)	2,581	0.4%
(9,109)	-2.7%	(4,715)	-1.7%	2,850	(10,974)	-1.8%
(77)	0.0%	(122)	0.0%	122	(77)	0.0%
3,328	1.0%	(4,108)	-1.5%	(7,688)	(8,469)	-1.4%
28,300	8.3%	24,501	8.7%	(7,642)	45,159	7.6%
9,008	2.6%	13,629	4.8%	15	22,653	3.8%
19,291	5.6%	10,872	3.9%	(7,657)	22,506	3.8%
-		-		-	-	
155	0.0%	(1,032)	-0.4%	-	(877)	-0.1%
19,446	5.7%	9,839	3.5%	(7,657)	21,629	3.6%

12.31.2013						
Technical gas sector	%	Homecare service sector	%	Write-downs	Consolidated figures	%
665,195		361,567		(227,083)	799,679	
334,867		182,341		(113,602)	403,606	
57,411		34,374		-	91,785	

Breakdown of revenues by type of business: Technical gas sector

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

(In thousands of Euro)	12.31.2014	%	12.31.2013	%
Net Sales	**351,676**	100.0%	341,758	100.0%
Other revenues and proceeds	3,868	1.1%	3,327	1.0%
Internal works and collections	3,466	1.0%	2,492	0.7%
Revenues	**359,010**	102.1%	347,577	101.7%
Purchase of materials	93,172	26.5%	91,753	26.8%
Services rendered	111,509	31.7%	103,996	30.4%
Change in stock	228	0.1%	732	0.2%
Other costs	13,238	3.8%	13,850	4.1%
Other costs	**218,147**	62.0%	210,332	61.5%
Added value	**140,862**	40.1%	137,245	40.2%
Cost of labour	70,657	20.1%	66,949	19.6%
Gross operating margin	**70,206**	20.0%	70,296	20.6%
Depreciation/amortisation	41,031	11.9%	38,118	11.2%
Other provisions	4,443	1.3%	7,287	2.1%
Non-recurrent income/charges	-	0.0%	(81)	0.0%
Operating result	**24,732**	7.0%	24,972	7.3%
Financial income	12,822	3.6%	12,514	3.7%
Financial charges	(10,462)	-3.0%	(9,109)	-2.7%
Income from investments	(1,293)	-0.4%	(77)	0.0%
Total financial income / (charges)	**1,067**	0.3%	3,328	1.0%
Profit (Loss) before income taxes	**25,798**	7.3%	28,300	8.3%
Income taxes	9,440	2.7%	9,008	2.6%
Net result from business activities	**16,359**	4.7%	19,291	5.6%
Net result from intermittent activities	-	0.0%	-	0.0%
(Profit) / Loss pertaining to minority interests	(94)	0.0%	155	0.0%
Net Profit / (Loss)	**16,265**	4.6%	19,446	5.7%

Sales in the Technical Gas Sector reported a 2.9% increase, also following the variation of the scope of consolidation that is equal to Euro 14.9 million.

Gross operating margin decreased by 0.1% compared to the previous year.

Operating result decreased by 1% compared to the previous year.

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

(in thousands of Euro)	12.31.2014	12.31.2013
Tangible fixed assets	307,591	281,602
Goodwill and consolidation differences	13,818	4,045
Other intangible fixed assets	8,881	7,356
Equity Shareholdings	67,967	60,988
Other financial assets	100,399	84,283
Prepaid taxes	4,050	4,569
Non-current assets	**502,706**	442,844
Non-current assets held for sale	**-**	-
Inventories	14,869	14,532
Trade receivables	150,110	153,059
Other current assets	14,265	9,492
Current financial assets	6,506	3,452
Accrued income and prepaid expenses	3,840	2,121
Cash and cash at bank	49,357	39,696
Current assets	**238,947**	222,351
TOTAL ASSETS	**741,653**	665,195
Share capital	47,164	47,164
Share premium reserve	63,335	63,335
Legal reserves	10,459	9,457
Other reserves	196,055	181,124
Profits (losses) carried forward	2,659	2,659
Net profit	16,264	19,446
Group net equity	**335,936**	323,185
Shareholders' equity minority interests	7,325	7,298
Profits pertaining to minority interests	94	-155
Shareholders' equity minority interests	**7,419**	7,144
Shareholders' equity	**343,355**	330,328
Employee severance indemnities and other benefits	12,410	8,503
Deferred tax fund	2,207	2,127
Provisions for risks and charges	375	1,587
Payables and other liabilities	265,650	219,494
Non-current liabilities	**280,642**	231,710
Non-current liabilities held for sale	**-**	-
Due to banks	2,523	7,119
Trade accounts payable	55,013	47,716
Other financial liabilities	45,528	36,857
Tax payables	3,634	2,666
Accrued expenses and deferred income	1,615	1,425
Other current liabilities	9,343	7,374
Current liabilities	**117,657**	103,157
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**741,653**	665,195

Breakdown of revenues by type of business: Homecare Service sector

The income statement of the Homecare Service sector is shown below:

(In thousands of Euro)	12.31.2014	%	12.31.2013	%
Net Sales	**312,754**	100.0%	281,155	100.0%
Other revenues and proceeds	1,237	0.4%	1,265	0.4%
Internal works and collections	9,314	3.0%	6,579	2.3%
Revenues	**323,305**	103.4%	288,998	102.8%
Purchase of materials	81,945	26.2%	74,516	26.5%
Services rendered	89,446	28.6%	81,472	29.0%
Change in stock	(1,207)	-0.4%	(1,043)	-0.4%
Other costs	18,453	5.9%	15,398	5.5%
Other costs	**188,637**	60.3%	170,343	60.6%
Added value	**134,667**	43.1%	118,655	42.2%
Cost of labour	61,539	19.7%	57,200	20.3%
Gross operating margin	**73,128**	23.4%	61,455	21.9%
Depreciation/amortisation	34,524	11.0%	31,845	11.3%
Other provisions	1,137	0.4%	1,000	0.4%
Non-recurrent income/charges	-	0.0%	-	0.0%
Operating result	**37,468**	12.0%	28,609	10.2%
Financial income	1,877	0.6%	728	0.3%
Financial charges	(4,852)	-1.6%	(4,715)	-1.7%
Income from investments	(136)	0.0%	(122)	0.0%
Total financial income / (charges)	**(3,111)**	-1.0%	(4,108)	-1.5%
Profit (Loss) before income taxes	**34,357**	11.0%	24,501	8.7%
Income taxes	11,369	3.6%	13,629	4.8%
Net result from business activities	**22,988**	7.4%	10,872	3.9%
Net result from intermittent activities	-	0.0%	-	0.0%
(Profit) / Loss pertaining to minority interests	(1,451)	-0.5%	(1,032)	-0.4%
Net Profit / (Loss)	**21,537**	6.9%	9,839	3.5%

Sales in the Homecare Service sector reported an increase of 11.2%.

Gross operating margin increased by 19.0% compared to the previous year.

Operating result increased by 31.0% compared to the previous year.

The statement of financial position of the Homecare Service sector is presented below:

(in thousands of Euro)	12.31.2014	12.31.2013
Tangible fixed assets	110,955	103,372
Goodwill and consolidation differences	25,534	20,813
Other intangible fixed assets	1,838	1,346
Equity Shareholdings	55,391	54,038
Other financial assets	7,590	7,253
Prepaid taxes	1,671	982
Non-current assets	**202,978**	187,803
Non-current assets held for sale	**-**	-
Inventories	20,218	18,809
Trade receivables	99,282	102,671
Other current assets	4,095	11,169
Current financial assets	16,416	11,740
Accrued income and prepaid expenses	1,390	1,753
Cash and cash at bank	46,308	27,620
Current assets	**187,708**	173,763
TOTAL ASSETS	**390,687**	361,567
Share capital	7,750	7,750
Share premium reserve	22,484	22,484
Legal reserves	-	-
Other reserves	111,319	103,764
Profits (losses) carried forward	24,584	29,955
Net profit	21,537	9,839
Group net equity	**187,674**	173,792
Shareholders' equity minority interests	4,449	4,401
Profits pertaining to minority interests	1,451	1,032
Shareholders' equity minority interests	**5,900**	5,433
Shareholders' equity	**193,574**	179,225
Employee severance indemnities and other benefits	2,787	2,185
Deferred tax fund	526	448
Provisions for risks and charges	942	947
Payables and other liabilities	109,108	102,782
Non-current liabilities	**113,363**	106,361
Non-current liabilities held for sale	**-**	-
Due to banks	8	22
Trade accounts payable	44,843	44,338
Other financial liabilities	11,504	8,832
Tax payables	9,153	4,874
Accrued expenses and deferred income	9,203	9,356
Other current liabilities	9,039	8,559
Current liabilities	**83,749**	75,980
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**390,687**	361,567

Information by geographic area

The breakdown of revenues by geographic area is presented below:

Description	**12.31.2014**	12.31.2013	Change
Italy	314,325	309,159	5,166
Other countries	322,034	286,252	35,782
Total	**636,359**	595,411	40,948

The breakdown of investments by geographic area is presented below:

Description	**12.31.2014**	12.31.2013	Change
Italy	26,230	23,377	2,853
Other countries	68,267	68,408	(141)
Total	**94,497**	91,785	2,712

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 2014 amounted to Euro 111.2 million.

As at December 31, 2014, receivable and payable transactions between Group companies came to Euro 272.1 million, of which Euro 203.4 million of a financial nature and Euro 68.7 million of a trade nature.

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

• Financial receivables granted by SOL Spa	Euro	143.0 thousand
• Financial receivables granted by AIRSOL BV	Euro	39.8 thousand
• Financial receivables granted by other companies	Euro	20.6 thousand

The transactions of the SOL Group with non-consolidated subsidiaries, Joint Ventures and associated companies are as follows:

• Sales and services to CT Biocarbonic GmbH	Euro	172 thousand
• Purchases from CT Biocarbonic GmbH	Euro	2,625 thousand
• Financial receivables due from CT Biocarbonic GmbH	Euro	1,750 thousand
• Payables due to CT Biocarbonic GmbH	Euro	172 thousand
• Sales and services to SICGILSOL India Private Limited	Euro	5 thousand
• Commercial receivables due from SICGILSOL India Private Limited	Euro	11 thousand
• Financial receivables due from SICGILSOL India Private Limited	Euro	1,043 thousand
• Purchases from ZDS JESENICE doo	Euro	52 thousand
• Payables due to ZDS JESENICE doo	Euro	8 thousand
• Payables due to Consorgas Srl	Euro	6 thousand

Commitments, guarantees and potential liabilities

The Sol Group obtained sureties totalling Euro 42,245 thousand.

Net financial position

(in thousands of Euro)		12.31.2014	12.31.2013
a	Cash	335	318
b	Banks	95,331	66,999
c	Securities held for trading	-	-
d	**Liquidity (a) + (b) + (c)**	**95,665**	**67,317**
e	Securities	2,882	2,651
e	Other short-term financial assets	24	-
e	Current financial receivables due from Group companies	-	-
e	**Current financial receivables**	**2,906**	**2,651**
f	Short-term amounts due to banks	(2,531)	(7,141)
g	Loans - long-term portion	(30,044)	(31,026)
g	Leases - short term portion	(485)	(110)
g	Bonds - short term portion	(4,794)	-
h	Amounts due to shareholders for loans	-	-
h	Payables due to companies of the Group	-	-
h	Amounts due to Shareholders for the purchase of equity investments	(882)	-
h	Other short-term financial liabilities	(1,686)	(2,494)
i	**Current borrowing (f) + (g) + (h)**	**(40,423)**	**(40,771)**
j	**Net current borrowing (d) + (e) + (i)**	**58,148**	**29,197**
k	Long-term amounts due to banks	-	-
l	Bonds issued	(70,217)	(75,011)
m	Investment securities	886	886
m	Other long-term financial assets	2,911	-
m	Loans - long-term portion	(197,467)	(147,448)
m	Leasing - long-term portion	(924)	(233)
m	Amounts due to Shareholders for the purchase of equity investments	(1,776)	(2,658)
m*	Other long-term financial liabilities	(4,299)	(9,841)
n	**Non-current borrowing (k) + (l) + (m)**	**(270,885)**	**(234,305)**
o	**Net borrowing (j) + (n)**	**(212,737)**	**(205,108)**

* 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.
2014, was characterised by a situation of slight economic recovery in some countries where the Group operates, while in others the economy was still in recession.

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 homecare 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 equiv-

alent 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, 2014 was negative for Euro 1,426 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, 2014 is equal to Euro 59,601 thousand and the negative fair value is equal to Euro 4,417 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, wastewater disposal and land contamination ban.
High charges should be shouldered in order to observe such regulations.

Adjustments pursuant to articles 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 to conform 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 2014 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 2014 financial year
Auditing	BDO Spa	SOL Spa Parent Company	117
	BDO Spa	Subsidiary companies	84
	BDO network	Subsidiary companies	181
Quarterly audit	BDO Spa	SOL Spa Parent Company	10
	BDO network	Subsidiary companies	11
Other services	BDO Spa	SOL Spa Parent Company (1)	26
	BDO network	SOL Spa Parent Company (1)	67
	BDO Spa	Subsidiary companies (1)	45
	BDO network	Subsidiary companies (1)	48
Total			**589**

(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 2014.

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 2014, 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 30 2015

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 2014 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;

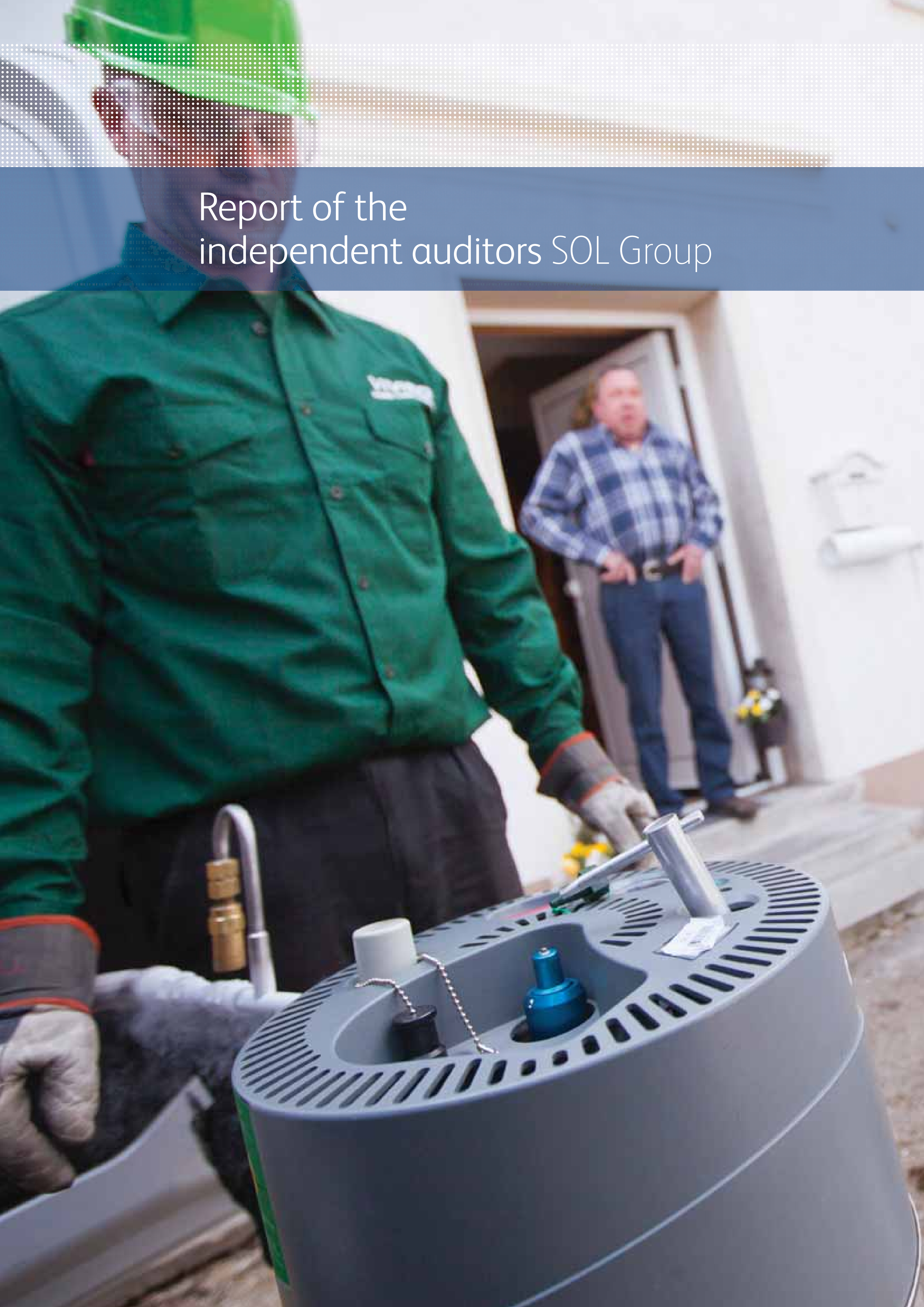
2. the directors' report includes a reliable analysis of the business trend and operating result as well as of the situation of issuing company and of the consolidated companies, together with a description of the main risks and uncertainties they incur.

Monza, March 30 2015

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, 2014. 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, 2013 derived from the consolidated financial statements at December 31, 2012, all restated as a result of the retrospective application of the IFRS 11, as described in the related explanatory notes, reference should be made, respectively, to our reports issued on April 17, 2014 and April 15, 2013. 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, 2014 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, 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, 2014.

Milan, April 14, 2015

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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