

The Board of Directors has examined the first half 2004 results

Consolidated sales € 159,3 ml, up 6.9% on the same period of 2003, net operating profit of € 20.4 ml, (+8.4% on the first half 2003) and pre-tax consolidated profits of € 18.5 ml, (+11,4% on the first half 2003).

Consolidated sales of **€ 159.3 ml**, up 6.9% on the same period of 2003 (€ 149 ml at 30.06.03), net operating profit of **€ 20.4 ml** (+8.4% on €18.9 ml at 30.06.03 and +12,8% on sales) and pre-tax consolidated profits of **€ 18.5 ml**, increasing of 11,4% on € 16.6 ml of the first half of 2003.

These are the highlights specified in the first half 2004 results, examined by the Board of Directors of SOL S.p.A. a listed company on the Italian Stock Exchange that acts as holding company to a multinational group of 47 companies, with more than 1,400 employees, involved in the area of technical gases and home-care assistance, operating in 15 European countries.

Specifically, the positive trend on consolidated sales is especially due to the good results achieved both in Italy and in the European countries where the Group operates, supported by the capital investments made.

In comparison to the first half 2003, the technical gases area increased the sales by 5.1%, while the home-care area, in which the Group operates through VIVISOL, by 12.7%.

The increase of the net operating profit, equal to **€ 20.4 ml** (12.8% on sales) on € 18.9 ml relating to 30.06.03, is mainly due to the good performances in the foreign countries, to the positive influence of the start up of the new air fractioning plant in Mantua and to the good results achieved in the home-care area in Italy and abroad.

In financial terms, gross operating cash flow in the first half of 2004 is **€ 35.8 ml** (+6,7% on the € 33.5 ml in the same period of 2003), the total net debt is **€ 65.7 ml** (compared to € 65.4 ml as at 31.12.03) and the capital investments at **€ 24 ml** (€ 14.4 ml in the first half 2003) confirm the trend to development and to technological innovation of SOL Group.

Referring to the relevant subsequent events after 30.06.2004, we inform that has been purchased the German company OXYMED GmbH, operating in the Home-care business, with a turnover of **€ 2 ml** per year.

“The results achieved in the first quarter 2004”, affirmed Marco Annoni, Vice-President of SOL S.p.A., “are positive if we consider the uncertainty and the difficulty of the Italian and the European economic business cycle. “

“In the year 2004”, concluded SOL Chairman Aldo Fumagalli Romario, “we expect to consolidate the increasing trend of turnover and to maintain the profitability of the Group.”

SOL GROUP– Consolidated Profit and Loss
(Thousand Euro)

	30/06/2004	% on net turnover	31/12/2003	% on net turnover	30/06/2003	% on net turnover
NET TURNOVER	159.288	100,0	298.499	100,0	149.008	100,0
OTHER REVENUES	1.831	1,1	2.528	0,8	1.547	1,0
WORK IN PROGRESS	2.055	1,3	4.082	1,4	2.085	1,4
TOTAL REVENUES	163.174	102,4	305.109	102,2	152.639	102,4
RAW MATERIALS	47.590	29,9	85.596	28,7	43.511	29,2
SERVICES	46.900	29,4	86.846	29,1	42.541	28,5
STOCKS	(2.758)	(1,7)	487	0,2	(807)	(0,5)
OTHER COSTS	4.386	2,8	7.527	2,5	3.574	2,4
TOTAL COSTS	96.118	60,3	180.456	60,5	88.818	59,6
ADDED VALUE	67.056	42,1	124.653	41,8	63.821	42,8
LABOUR COSTS	27.864	17,5	50.388	16,9	25.175	16,9
EBITDA	39.191	24,6	74.265	24,9	38.646	25,9
DEPRECIATION & AMORTIZATION	17.275	10,8	34.869	11,7	16.918	11,4
OTHER PROVISIONS	1.470	0,9	6.227	2,1	2.866	1,9
EBIT	20.446	12,8	33.169	11,1	18.863	12,7
FINANCIAL INCOME	463	0,3	1.596	0,5	917	0,6
FINANCIAL CHARGES	2.415	1,5	5.302	1,8	2.770	1,9
NET FINANCIAL INCOME	(1.951)	(1,2)	(3.706)	(1,2)	(1.853)	(1,2)
ORDINARY INCOME	18.495	11,6	29.463	9,9	7.010	11,4
EXTRAORDINARY	(7)	(0,0)	(201)	(0,1)	(412)	(0,3)
PBT	* 18.488	11,6	29.262	9,8	** 16.598	11,1
TAXES			14.089	4,7		
NET INCOME BEFORE MINORITIES			15.173	5,1		
MINORITIES			(31)	(0,0)		
NET INCOME			15.203	5,1		

* minorities 495

** minorities 190

SOL Group – Consolidated Balance Sheet
(Thousand Euro)

	30/06/2004	31/12/2003	30/06/2003
<u>ASSETS</u>			
<i>Current assets</i>			
Cash and banks	22.237	24.310	20.318
Trade debtors	136.004	128.545	124.932
Stocks	28.473	25.272	26.680
Prepayments and accrued income	2.074	636	1.786
Other current assets	13.477	10.164	12.914
Total current assets	202.265	188.927	186.630
<i>Fixed assets</i>			
Tangibles	211.424	204.079	200.800
Intangibles	4.808	5.143	6.461
Financials	3.384	3.352	3.208
Other fixed assets	1.132	1.371	1.994
Total fixed assets	220.748	213.945	212.463
Total assets	423.012	402.872	399.093
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<i>Current liabilities</i>			
Due to banks	3.700	5.016	5.669
Trade creditors	53.934	46.566	44.382
Other current liabilities	14.770	12.650	6.383
Short term financial debts	14.216	14.906	14.477
Accruals and deferred income	3.460	3.169	3.802
Taxes	2.961	4.803	2.765
Total current liabilities	93.042	87.110	77.478
<i>Long term liabilities and provisions</i>			
Provision for liabilities and charges	17.302	17.481	14.914
Staff leaving indemnities	9.160	8.921	8.437
Other liabilities	70.920	69.583	76.667
Total long term liabilities and provisions	97.381	95.986	100.018
<i>Shareholders' equity</i>			
Share capital	47.164	47.164	47.164
Reserves	159.922	150.427	149.763
Net profit	* 17.993	15.203	* 16.408
Shareholders' equity	225.079	212.795	213.335
Minorities	7.015	7.013	8.073
Net income attributable to minority	* 495	(31)	* 190
<i>Shareholders' equity to minority shareholders</i>	7.510	6.982	8.263
Total shareholders' equity	232.589	219.777	221.598
Total liabilities and shareholders' equity	423.012	402.872	399.093

* before taxes