

SOL GROUP: the Board of Directors has approved the Consolidated Financial Statements for the 1999 financial period.

Consolidated net profit amounting to Itl. 21.3 billion, representing an increase of 45.9% compared to Itl. 14.6 billion for the previous financial period, and a consolidated turnover equal to Itl. 376.7 billion (+ 10.4% compared to Itl. 341.3 billion at 31.12.98).

A dividend equal to Itl. 90 per ordinary share has been proposed (compared to the dividend of Itl. 75 for the previous financial period), payment falling due from 25 May 2000.

Forecasts for the year 2000 are positive.

The majority of two companies has been purchased in Germany and Greece.

Consolidated turnover equal to Itl. 376.7 billion, representing a growth of 10.4% compared to Itl. 341.3 billion for the previous financial period, the cash-flow amounting to Itl. 66.3 billion equal to 17.6 % of turnover (+ 24.2% compared to Itl. 53.4 billion in 1998), Gross Operating Margin (EBITDA) amounting to Itl. 93.4 billion, equal to 24.8% of turnover and net profit equal to Itl 21.3 billion (+ 45.9% compared to Itl. 14.6 million at 31.12.98).

The above, in brief, represent the principle consolidated results approved today by the Board of Directors of SOL S.p.A., a Company listed on the Italian Stock Exchange and the Holding Company of a multinational Group operating in the technical gases and medical home assistance sector.

The Board of Directors will propose that the Shareholders' Meeting, called in Monza on 28 April 2000, approves the distribution of a dividend amounting to Itl. 90 per ordinary share, with payment falling due as from 25 May 2000.

On examining the results in greater detail, the increase in the consolidated turnover of 10.4% was found to have been generated by the upturn in demand for technical gases by the steel industry, the positive trend of medical assistance and the continuous production of the Feluy (Belgium) throughout the year, encouraged by the growth in sales in Northern Europe, which have lead to improvements in supply and distribution costs.

Growth in turnover represented a particularly positive result especially in the framework of the economic position of the markets still weak during the first six months of the year. In particular, Vivisol has generated a turnover of Itl. 66.5 billion for the medical home assistance area, (+16.7% compared to the previous financial period).

The consolidated Gross Operating Margin (EBITDA) for the Group was equal to 24.8%, a particularly positive result for the sector, achieved also thanks to the implementation of a careful reduction policy of costs, to the start-up of the Feluy plant which has fostered significant savings in terms of logistic efficiency on the Northern European markets and to the improvement and development of the home assistance in Europe.

Cash flow (net profit plus depreciation) was equal to Itl. 66.3 billion, a higher figure compared to Itl. 53.4 billion for the previous financial period.

Investments, equal to Itl. 52.2 billion, decreased compared to the previous financial period which had been exceptional, also due to the start-up of the Feluy plant.

The Group's globalisation process continued throughout 1999 and during the early months of 2000 with further acquisitions of two companies in Germany and in Greece.

In particular, SOL purchased the majority of Ability TEAM GmbH in Germany, a Company operating in Bavaria and active in the respiratory assistance sector and specialising in domestic ventilation, thereby completing the services that Vivisol offers on the German market.

In Greece SOL purchased the majority of HGT SA of Salonicco, a Company that will enable the Hellenic market to be supplied by purchasing from the local production centres of the Group in Macedonia.

SOL is waiting to obtain the authorizations for purchasing the air fractionating plant owned by ENICHEM in Mantua and the erection of a new plant that will supply ENICHEM itself via a gas pipeline.

“Despite experiencing a difficult economic situation – Mr. Aldo Fumagalli Romario, Chairman of SOL S.p.A. stated – the Group SOL has achieved very positive results both in terms of turnover and profitability, accomplishing the investments made during the previous two years”.

“It is significant to point out – Mr. Aldo Fumagalli Romario continued – how the Gross Operating Margin (EBITDA), equal to 24.8%, ranks among the highest in the technical gases sector on a world scale ”.

“The forecasts for the year 2000 – Mr. Aldo Fumagalli Romario concluded – indicate a growth in turnover and an increase in profitability compared to the figures for 1999”.

SOL represents a Group active in the technical gases and medical home assistance sector with something in excess of 1,000 employees and more than 40,000 customers, present with production plants and commercial structures in 14 European countries.

Milan, 28 March 2000