

Italian Association of Glass Processing Machinery and Accessories
Suppliers

The Italian industry of glass processing machinery, accessories and special products in 2015

June 2016

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Introduction

GIMAV

GIMAV -- Italian Association of Glass Processing Machinery and Accessories Suppliers -- was established in 1980 and is the main contact for the entire sector in Italy and abroad.

Its main goals are to **safeguard the interests of the sector, to grow and disseminate a business culture**, and **activities to support and promote Italian products**.

GIMAV is a member of Confindustria, Federvarie and Federmacchine and over the years it has come to **represent** a large number of companies throughout the glass processing supply chain. Sales by GIMAV member companies account for almost 80% of total sales by Italian producers of glass processing machinery, accessories and special products.

Methodology: statistics survey and data analysis procedure

Gimav carried out its yearly statistics survey of the sector with the aim of providing an overview of the sector and information on its structure, sales, production and export markets.

A **data collection form** was sent to a representative sample from the sector comprising all the member companies plus non-member companies, for a total of 120, in order to have the best possible snapshot of the overall trend.

In order to **analyze export flows**, official ISTAT figures for the sector's main customs codes were used. Although the analysis was not complete and accurate given the extreme variability of customs codes used by the companies (there are more than 100 for Gimav members alone), it does, however, give an approximate picture of exports and their percentages of total sales for the main export markets. The codes used for this analysis were:

Flat Glass	84642011	Grinding or polishing machinery for optical glass processing
Flat Glass	84642019	Grinding or polishing machinery for glass processing (optical glass excluded)
Hollow Glass	847529	Machinery for the production or hot processing of glass or glassware
Hollow Glass	847590	Parts of machinery for assembling lamps, electric or electronic tubes or valves or machines for manufacturing or hot working glass or glassware
Hollow Glass	84805000	Molds for glass (except those made of graphite or other carbon material or ceramics)

This year the report for the sector includes a section on **the analysis of aggregate balance sheets**, following the large-scale work on statistics carried out by the Federmacchine Studies Office. Federmacchine completed a study involving a sample of 1,023 member companies of the federated associations. The AIDA data base was used for the study and its standard balance sheets financially reclassified.

The report ends with a new **qualitative economic survey for 2016** based on the data provided by Gimav member companies in February 2016, processed as aggregate percentages.

The Industrial Machinery Sector

(Source Federmacchine)

Like the previous year, the economic situation was positive in the industrial machinery sector in 2015.

Production grew over 2014: domestic sales grew slightly more than exports. After a long period of weakness, strong signs of a pickup in the domestic market were confirmed.

Sector trend in 2014 – 2015

Years	2014	2015*	2015/14 change
Production (millions of Euros)	36,704	38,354	+4.5%
Exports (millions of Euros)	26,153	27,294	+4.4%
Domestic supplies (millions of Euros)	10,551	11,060	+4.8%
Imports (millions of Euros)	6,791	7,855	+15.7%
Workforce	179,500	179,200	-0.2%

* preliminary

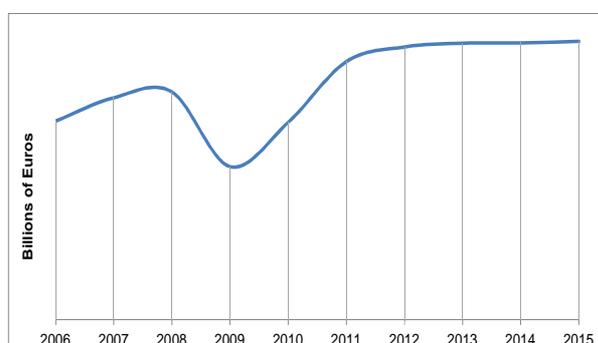
Exports and export figures

A distinguishing feature of the Italian industrial machinery sector -- which became even more apparent during the recession -- is its export drive. In 2015, the figure was 71%.

Exports accounted for more than 58% of sales in all the sectors, with peaks of almost 95%.

The overall trade balance for all the Federmacchine sectors amounted to a €19.4 billion trade surplus in 2015.

Italian trade balance for industrial machinery

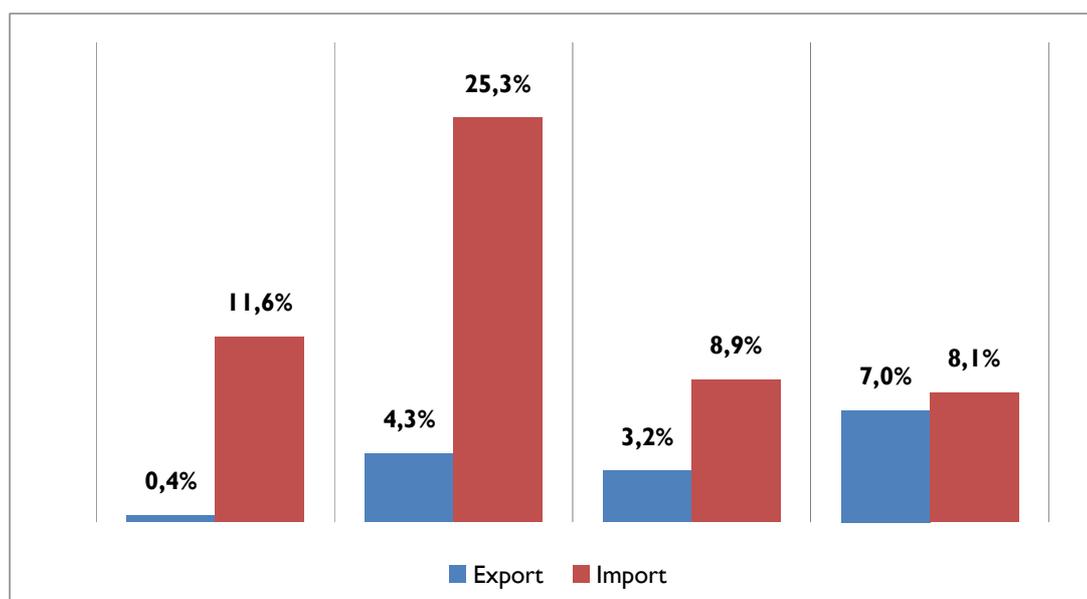


Import-export trend in 2015

The quarterly trend for 2015 was estimated on the basis of ISTAT figures for 8 of the 13 Federmacchine associations.

The representativeness of the figures (approx. 75% of total exports) is such that the estimates are guaranteed to be reliable and can be extended to the entire Italian sector of industrial machinery.

Import-Export: quarterly trend in 2015
(changes over the same period in the previous year)



Source: Federmacchine Statistics Group based on ISTAT figures

Trade by geographical area in 2015

	EXPORTS			IMPORTS		
	Value	% change	% share	Value	% change	% share
EU-27	8,984	7.7	44.7	3.835	12.0	64.7
Other European countries	2,173	-1.4	10.8	396	11.1	6.7
Africa	908	-2.1	4.5	11	35.9	0.2
Middle Est	750	2.1	3.7	9	18.9	0.1
Asia	3,400	-2.2	16.9	1.383	16.4	23.3
North America	2,633	14.0	13.1	240	23.7	4.1
South America	1,048	-9.5	5.2	34	26.8	0.6
Oceania	213	8.0	1.1	19	0.0	0.3
TOTAL	20,108	3.9	100.0	5.926	13.4	100.0

Source: Federmacchine Statistics Group based on ISTAT figures

Exports in 2015: top 20 markets					
	Value	% change		Value	% change
Germany	2087.6	-1.2	Belgium	457.5	7.7
United States	2003.0	14.6	Mexico	442.6	12.0
China	1346.2	-7.4	Brazil	421.3	-15.6
France	1276.6	3.3	Switzerland	393.8	15.1
Turkey	832.6	-3.3	Czech Rep.	377.1	22.6
United Kingdom	781.7	11.8	Sweden	372.4	16.2
Spain	746.0	15.5	Austria	323.2	-0.1
Poland	697.9	10.6	The Netherlands	291.3	28.0
India	500.8	10.6	Romania	286.7	30.4
Russia	478.0	-24.6	Saudi Arabia	238.3	15.0

Source: Federmacchine Statistics Group based on ISTAT figures

Imports in 2015: top 20 markets					
	Value	% change		Value	% change
Germany	1853.8	16.5	Poland	147.8	24.8
China	724.1	16.6	United Kingdom	135.2	10.5
France	448.1	7.6	Taiwan	130.3	27.6
Belgium	300.9	11.0	Spain	127.9	8.2
Switzerland	277.7	15.2	India	113.4	0.3
Japan	235.2	17.1	Turkey	85.5	3.9
United States	209.6	21.2	Sweden	84.1	-7.3
The Netherlands	184.4	20.7	Czech Rep.	73.3	-1.3
Austria	163.6	4.4	Slovakia	69.2	0.1
South Korea	150.5	24.1	Bulgaria	59.3	3.8

Source: Federmacchine Statistics Group based on ISTAT figures

The Italian Industry of Glass Processing Machinery, Accessories and Special Products

The encouraging growth in exports continued in 2015, and the domestic market seems to have finally left behind the long difficult period of the past years.

Imports

In 2015, imports fell significantly by 7.23% over 2014 (the year which posted a high growth rate, especially for hollow glass), an indication that the domestic market has gone back to preferring Italian-made products.

- Machinery and accessories for cold processing (Flat Glass): - 5.98%
- Machinery and accessories for hot processing (Hollow Glass): -7.37%

Total Imports			
Sectors	2015 [€]	2014 [€]	2015/2014% change
Flat Glass	8,970,932	9,541,683	-5.98
Hollow Glass	80,456,511	86,858,995	-7.37
Total Flat + Hollow	89,427,443	96,400,678	-7.23

GIMAV data based on ISTAT figures

Belgium was the leading exporter to Italy, albeit with a contraction in sales. There was an increase in imports from **Germany**, but a fall – in some cases significant – in imports from **France**, the **United States**, **Sweden**, the **United Kingdom**, and **Finland**. **China** held its 8th position among the exporters to Italy, accounting for slightly more than 5% of total imports.

Imports: top 15 countries for the entire sector				
Country	2015 [€]	2014 [€]	2015/2014% change	% of total imports
Belgium	21,864,081	23,175,153	-5.66	24.45
Germany	13,055,802	11,088,591	17.74	14.60
Malaysia	8,164,752	3,693,327	121.07	9.13
United States	7,123,303	7,913,688	-9.99	7.97
France	6,893,461	7,437,346	-7.31	7.71
Croatia	5,796,185	5,517,166	5.06	6.48
Luxembourg	4,898,906	3,728,613	31.39	5.48
China	4,600,808	4,182,079	10.01	5.14
Sweden	3,330,098	12,860,050	-74.11	3.72
Turkey	2,626,979	1,980,870	32.62	2.94
United Kingdom	2,494,600	3,929,564	-36.52	2.79
Finland	2,337,802	2,793,001	-16.30	2.61
India	789,679	715,255	10.41	0.88
Poland	649,312	408,454	58.97	0.73
Spain	503,968	840,484	-40.04	0.56

GIMAV data based on ISTAT figures

Imports by the flat glass sector

Imports by the flat glass sector fell by 5.98%, which confirmed the trend for the previous year when the figure stood at 9.37%. Imports from Europe continued to be the preferred choice, posting a 10.87% increase in absolute value over 2014, as opposed to **North America** which suffered a significant decline (90.47%). Imports from **Asia** increased as well, remaining at 20.27% of the total in absolute terms.

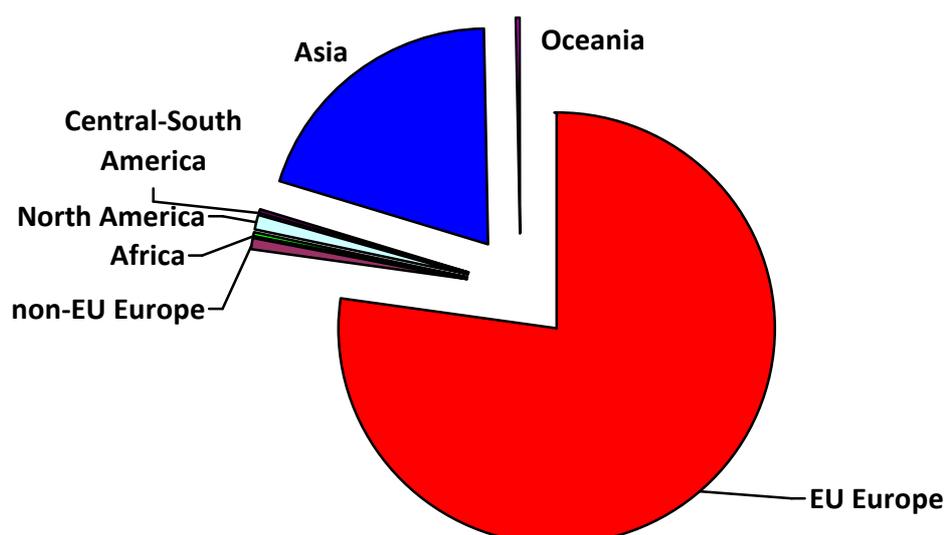
As for the **European Union**, imports from **Germany** rose by 30% and from **Finland** by 14.32% while those from **France** fell by 10%. Also on the upswing were imports from the **United Kingdom** which remained relatively limited.

In **non-EU Europe**, **Turkey** remained the leading exporter, but with a significant decrease in volumes.

Exports from **China** to Italy rose by slightly more than 10%, with a sudden reduction in the increase recorded in the previous year.

Imports of flat glass processing machinery, accessories and special products				
Area of origin	2015 [€]	2014 [€]	% change 2015/2014	% share of 2015 total
EU Europe	6,916,100	6,238,134	10.87	77.09
Non-EU Europe	98,595	580,960	-83.03	1.10
Africa	7,363	249,645	-97.05	0.08
North America (NAFTA)	99,789	1,046,849	-90.47	1.11
Central and South America	17,705	15,353	15.32	0.20
Asia	1,818,843	1,408,784	29.11	20.27
Oceania	12,537	1,958	540.29	0.14
Total	8,970,932	9,541,683	-5.98	

GIMAV data based on ISTAT figures



Imports of flat glass processing machinery, accessories and special products					
Geographical area	Country	2015 [€]	2014 [€]	2015/2014% change	% share of 2015 total
EU Europe	Germany	2,679,080	1,565,859	71.09	29.86
	France	2,137,894	2,355,128	-9.22	23.83
	Finland	1,284,559	997,273	28.80	14.32
	United Kingdom	443,398	8,000	5442.47	4.94
Non-EU Europe	Turkey	88,440	282,160	-68.65	0.99
America	United States	99,789	1,029,095	-90.30	1.11
Asia	China	1,322,021	1,196,327	10.50	14.74

GIMAV data based on ISTAT figures

Imports by the hollow glass sector

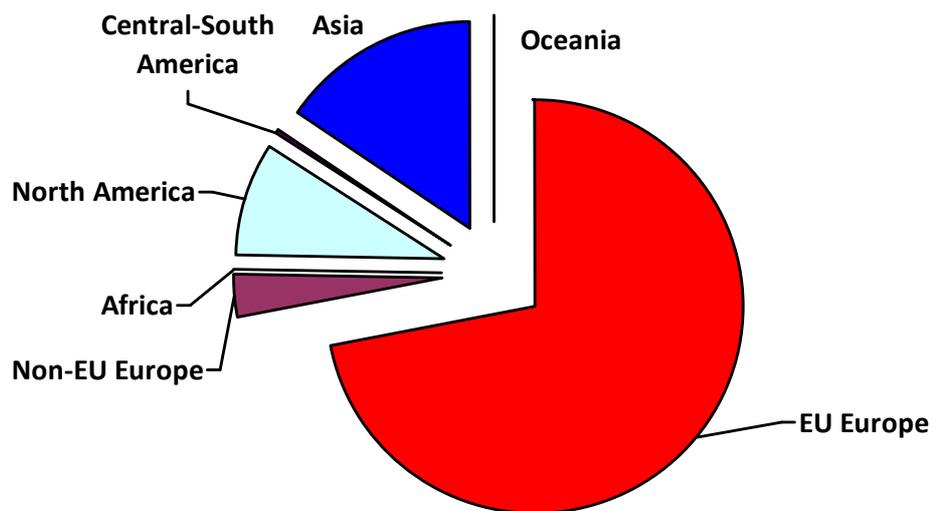
Imports by the hollow glass sector came to a sharp standstill after increasing in 2014, and fell by 7.37% over the previous year.

Machinery, special products and accessories from the **European Union** continued to hold the lion's share accounting for 72% of total imports, especially from **Belgium**, albeit at lower levels than in 2014, and from **Germany**, which posted an 8.97% increase in absolute value.

Also on the rise were imports from **non-EU Europe** (+32.09%), mainly as a result of increased volumes from **Turkey** and from **Asia**, with a strong increase for the second consecutive year from **Malaysia** and a slight increase from **China**.

Imports of hollow glass processing machinery, accessories and special products				
Area of origin	2015 [€]	2014 [€]	2015/2014% change	% share of 2015 total
EU Europe	57,987,880	69,504,858	-16.57	72.07
Non-EU Europe	2,613,490	1,978,516	32.09	3.25
Africa	19,007	188,943	-89.94	0.02
North America (NAFTA)	7,040,059	7,086,922	-0.66	8.75
Central and South America	199,587	106,481	87.44	0.25
Asia	12,586,819	7,990,145	57.53	15.64
Oceania	9,669	3,130	208.91	0.01
Total	80,456,511	86,858,995	-7.37	

GIMAV data based on ISTAT figures



Imports of hollow glass processing machinery, accessories and special products

Geographical area	Country	2015 [€]	2014 [€]	2015/2014% change	% share of 2015 total
EU Europe	Belgium	21,832,641	22,972,964	-4.96	27.14
	Germany	10,376,722	9,522,732	8.97	12.90
	Croatia	5,796,185	5,517,166	5.06	7.20
	Luxembourg	4,898,906	3,728,182	31.40	6.09
	France	4,755,567	5,082,218	-6.43	5.91
Non-EU Europe	Turkey	2,538,539	1,698,710	49.44	3.16
America	United States	7,023,514	6,884,593	2.02	8.73
Asia	Malaysia	8,164,752	3,693,327	121.07	10.15

GIMAV data based on ISTAT figures

Italian Market

During 2015, Italian companies had access to incentives to update their machinery, such as the “Nuova Sabatini” and the “SuperAmmortamento” benefits (which entered into effect in the second half of 2015 and the results of which should become more obvious in 2016).

These incentives are designed to lower the average age of Italian mechanical tools, which is very high at the moment, making Italian products less competitive on global markets.

La Nuova Sabatini: this incentive is designed to make the Italian manufacturing system more competitive and make it easier for micro- small- and medium-sized companies to obtain loans for the purchase of new machinery, systems and equipment. At the end of 2014, the ceiling of the Cassa Depositi e Prestiti (Deposits and Loans) fund, which initially stood at €2.5 billion, was increased to €5 billion. For 2014-2015, the budget earmarked funds to partially cover interests on banks loans, initially €191.5 million and now €383.6 million. The incentives provide for special terms loans for companies ranging from €20,000 to 2 million with the Ministry of Economic Development covering part of the interests. Investments must be made within 12 months and over a 5-year period. Allowable expenses are the purchase of machinery, systems, tools, capital goods, new equipment, hardware and software.

Super-ammortamento 140% (140% super-depreciation): this tool aims to spur investments by increasing tax deduction on depreciation by 40%. Allowable investments are new fixed assets purchased directly from the producer or dealer (or goods on display in show rooms for demonstration purposes only), in the period from 15/10/2015 to 31/12/2016.

Hopefully these incentives will be maintained and repeated next year, and the bureaucratic barriers to access them will be reduced.

In detail, Italian flat glass producers continue to be the preferred suppliers for the domestic market and posted a significant rise in sales. A slight increase was also posted for the hollow glass sector, along with – as stated – a sharp reduction in imports from abroad.

Absorption values for the Italian market				
Sectors Origin of Products	2015 [€]	2014 [€]	2013 [€]	% change 2015/2014
Flat Glass				
Imports	8,970,932	9,541,683	10,528,026	-5.98
National Product	204,634,802	184,755,300	184,525,200	10.75
Total Flat Glass	213,605,734	194,296,983	195,053,226	9.93
Hollow Glass				
Imports	80,456,511	86,858,995	43,563,433	-7.37
National Product	62,725,351	62,500,350	60,300,051	0.36
Total Hollow Glass	143,181,862	149,359,345	103,863,484	-4.13
Total Flat + Hollow	356,787,596	343,656,328	298,916,710	3.82

GIMAV data based on ISTAT figures and internal survey

Exports

Exports grew again by **+4.87%** for the entire sector, with a **+5.4%** increase for **flat glass** and **+4.01%** for **hollow glass**. Exports went back to growing for hollow glass in 2015.

Socio-economic events in **Brazil** and **Russia** had large-scale repercussions on these two countries, which had been among the top markets for Italian products in the past.

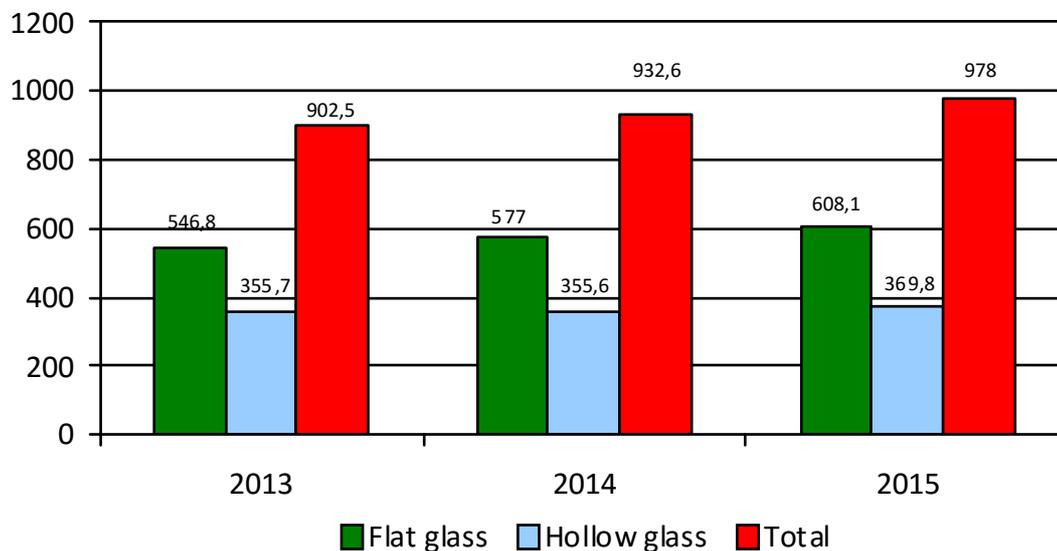
The positive impact of the **US** recovery was felt, with total exports to the **NAFTA** market growing by 58% in absolute value over the previous year

- flat glass machinery, accessories and special products: **+5.40%**
- hollow glass machinery, accessories and special products: **+4.01%**

Exports for the entire sector				
Sectors	2015 [€]	2014 [€]	2013 [€]	2015/2014% change
Flat Glass	608,149,661	576,992,088	546,792,500	5.40%
Hollow Glass	369,853,925	355,594,582	355,656,300	4.01%
Total Flat + Hollow	978,003,586	932,586,670	902,448,800	4.87%

GIMAV data based on ISTAT figures and internal survey

Exports 2013 - 2014 - 2015 (millions of Euros)



When export flows were analyzed in detail, the **European Union** was confirmed to be the leading export market with an 18.38% increase in sales absolute value. **France** lost its top-ranking position to **Turkey**, but the overall value of imports remained substantially unchanged. There was a sharp decline in the quantities exported to **Poland** and **Germany**, with a fall in exports to **Romania** as well. By contrast, the upward trend of **Spain** continued with a strong increase in imports of Italian-made products, and **Belgium** was among the top 15 export markets, climbing from its 25th positioning in 2014 to 11th.

As a result of the considerable increase in exports to **Turkey**, the volume of exports to **non-EU Europe** overtook those to **Asia**, which became the third market, and with **China** occupying 5th place, slightly up over the previous year.

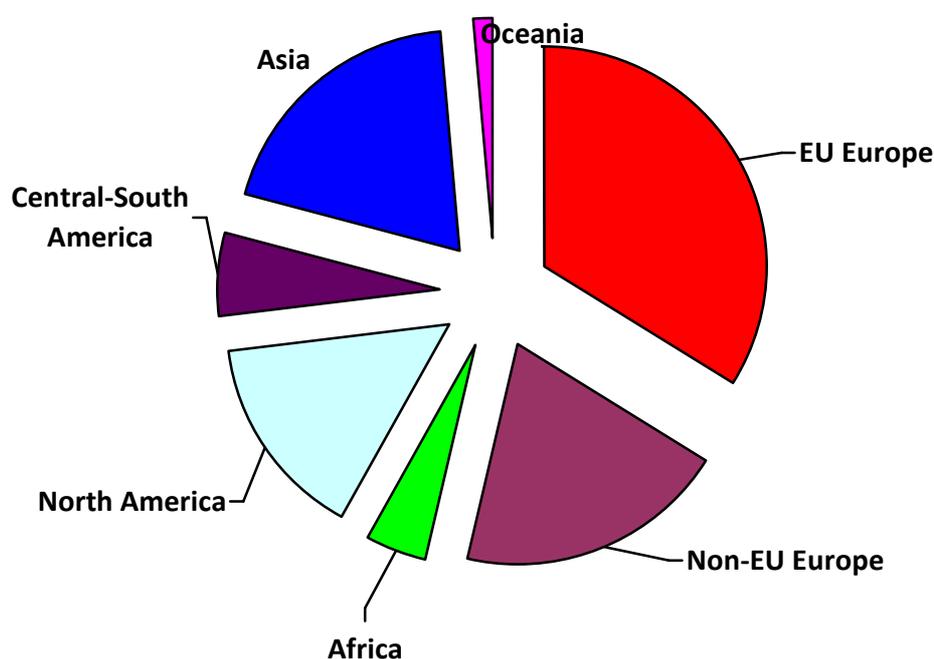
As stated, there was also a noteworthy increase in exports to the **United States**, which became the second importer. **Mexico**, with a 73.27% increase over 2014, became the third export market.

Due to political instability and the ensuing economic uncertainties and economic sanctions, **Russia** fell from being 3rd in the previous year's ranking to 20th.

Brazil was feeling the effects of the country's strong economic uncertainty and fell from 4th to 12th position, with the absolute value of imported goods declining by almost 60% over 2014.

Exports by the entire sector – % share by geographical area				
Export area	2015	2014	2015/2014% change	% share of 2015 total
EU Europe	33.84	33.06	18.38	33.84
Non-EU Europe	19.84	17.54	39.89	19.84
Africa	4.50	6.45	-13.83	4.50
North America (NAFTA)	14.83	11.59	58.20	14.83
Central and South America	6.14	10.43	-27.15	6.34
Asia	19.43	19.86	20.97	19.43
Oceania	1.42	1.07	64.05	1.42

GIMAV data based on ISTAT figures



Exports for the entire sector: ranking of the main export markets					
Exports 2015			Exports 2014		2015/2014 change
Ranking	Country	% share	Ranking	% share	
1	Turkey	12.12	7	4.17	↑
2	United States	7.23	5	5.30	↑
3	Mexico	6.93	6	4.94	↑
4	France	6.67	1	8.47	↓
5	China	6.23	2	7.60	↓
6	Poland	5.98	17	1.77	↑
7	Germany	4.43	9	3.71	↑
8	Uzbekistan	4.31	36	0.76	↑
9	United Kingdom	2.43	12	2.27	↑
10	Spain	2.42	13	1.98	↑
11	Belgium	2.18	25	1.09	↑
12	Brazil	1.89	4	5.65	↓
13	India	1.72	42	0.49	↑
14	Croatia	1.71	47	0.37	↑
15	Saudi Arabia	1.48	11	2.40	↓

GIMAV data based on ISTAT figures

Exports by the flat glass sector

The positive export trend for the flat glass sector continued in 2015, with exports rising by 5.40% over 2014.

The **European Union** was the main export market for Italian goods, accounting for 37.18% of the overall value of exports.

Belgium was the main importer in Europe – and the second worldwide – followed by **Poland**, a growing market, and by **Germany** which posted a sharp fall in imports from Italy. As for the **United Kingdom**, the value of imported goods increased by 40% in value over 2014, making it the fourth export market in Europe, ahead of **Spain**, **Portugal** and **France** (the latter falling sharply).

The export markets of **non-EU Europe** and **Africa** fell, whereas **North-America** increased significantly becoming the second export market, ahead of **Asia**, which posted a decrease over 2014.

Based on ISTAT figures, in 2015 the **United States** were the top importer of Italian glass processing machinery, special products and accessories, with the absolute value of imported goods rising by 37% versus 2014, and accounting for 14.86% of total exports.

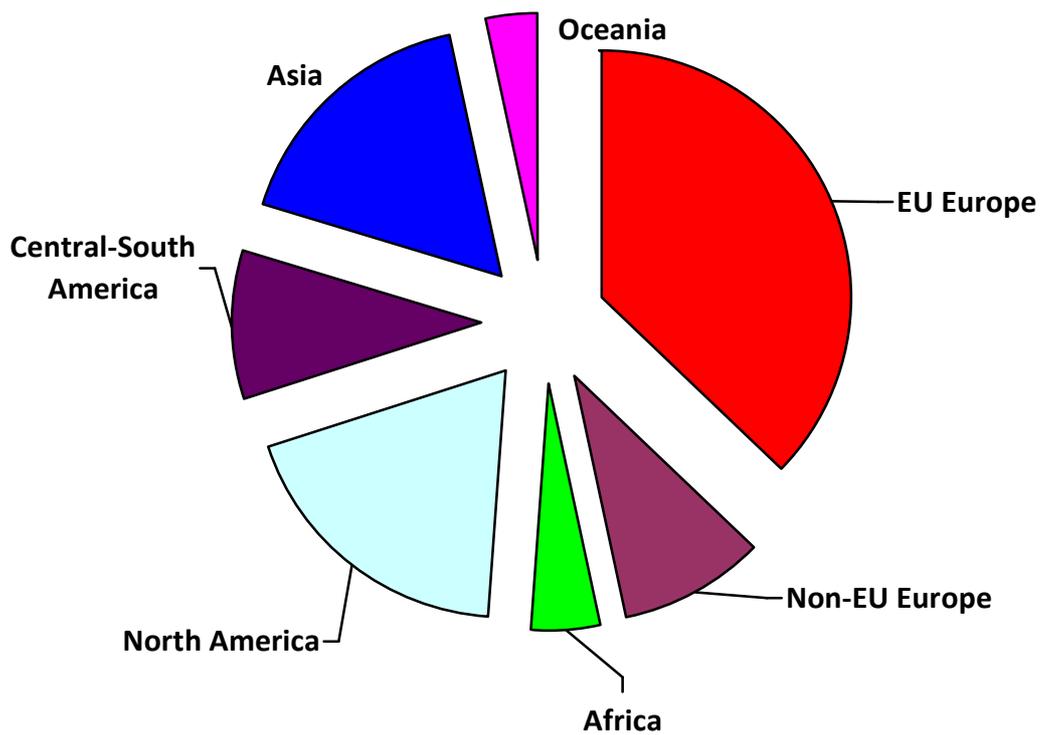
Brazil, which was the leading export market for the flat glass sector in 2014, fell to 6th position due to its socio-economic instability, falling from 12.23% of total sales in 2014 to 4.36% in 2015.

Exports to **Saudi Arabia** are clearly increasing, with the country accounting for 3.92% of exports by the sector, and **Oman** for 3.01%.

Russia plummeted to 38th place from its 5th position in 2014, paying heavily for international sanctions.

Exports of flat glass machinery, products and accessories % share by geographical area			
Export markets	2015	2014	% change 2015/2014
EU Europe	37.18	29.40	23.33
Non-EU Europe	9.57	10.96	-14.82
Africa	4.41	6.49	-33.76
North America (NAFTA)	18.79	16.17	13.31
Central and South America	9.71	15.49	-38.85
Asia	16.90	19.19	-14.16
Oceania	3.44	2.30	44.93

GIMAV data based on ISTAT figures



Flat glass exports: ranking for main export markets					
Exports 2015			Exports 2014		Change 2015/2014
Pos.	Country	% share	Pos.	% share	
1	United States	14.86	2	10.58	↑
2	Belgium	5.65	17	1.94	↑
3	Poland	5.04	16	1.96	↑
4	Germany	4.68	4	6.11	↔
5	United Kingdom	4.50	10	3.13	↑
6	Brazil	4.36	1	12.23	↓
7	Turkey	4.28	7	3.51	↑
8	Saudi Arabia	3.92	26	1.10	↑
9	Spain	3.12	11	2.68	↑
10	Oman	3.01	97	-	↑
11	Algeria	2.65	8	3.47	↓
12	Portugal	2.43	27	1.01	↑
13	France	2.39	6	3.67	↓
14	Mexico	2.23	13	2.32	↓
15	Switzerland	2.07	22	1.30	↑

GIMAV data based on ISTAT figures

Exports by the hollow glass sector

The hollow glass sector accounted for 37.8% of total exports which amounted to € 978 million. There was a 4.01% increase versus 2014.

The **European Union** remains the main export market for Italian products, where **France** is the main importer – and basically stable in terms of the absolute value of sales volume – followed by **Poland, Germany, Croatia** and by **Spain** which is growing significantly.

Turkey, the top customer worldwide, held on to its second position in **non-EU Europe**. **Russia** fell to 15th after occupying the 2nd position the previous year, with sales falling significantly due to international sanctions.

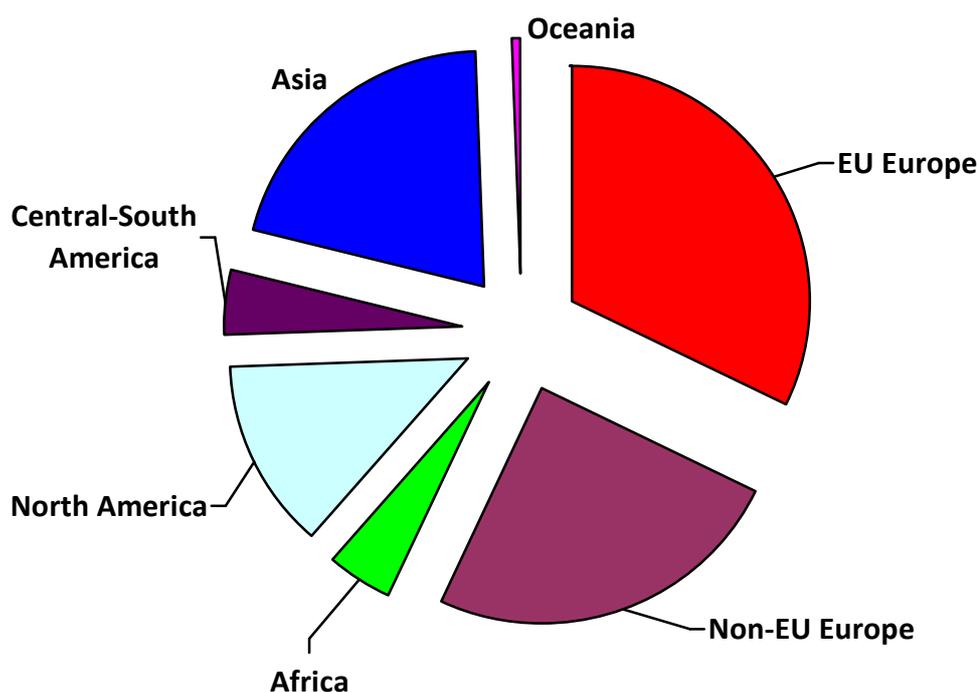
During the year, there was a significant fall in exports to **Egypt, Saudi Arabia** and **Georgia**, which were among the top 10 export markets in 2014 but ranked respectively 25th, 42nd and 69th in 2015.

Mexico grew considerably, and became the 2nd export market worldwide, and the same is true for the **United States**, now ranking 8th.

Exports to **India, Indonesia** and **Thailand** were also on the increase, confirming that Asia is the third export market.

Exports of hollow glass machinery, products and accessories % share by geographical area			
Export markets	2015	2014	2015/2014% change
EU Europe	32.25	35.60	28.40
Non-EU Europe	24.73	22.09	58.68
Africa	4.54	6.43	0.08
North America (NAFTA)	12.93	8.42	117.87
Central and South America	4.45	6.93	-9.04
Asia	20.64	20.32	43.93
Oceania	0.46	0.21	207.97

GIMAV data based on ISTAT figures



Hollow glass exports: ranking of main export markets					
Exports 2015			Exports 2014		2015/2014 Change
Ranking	Country	% share	Ranking	% share	
1	Turkey	15.85	6	4.62	↑
2	Mexico	9.16	4	6.76	↑
3	China	8.99	3	8.36	↔
4	France	8.70	1	11.80	↓
5	Poland	6.43	17	1.64	↑
6	Uzbekistan	6.02	22	1.28	↑
7	Germany	4.31	12	2.04	↑
8	United States	3.59	16	1.65	↑
9	Croatia	2.38	36	0.60	↑
10	Spain	2.09	21	1.50	↑
11	India	2.03	35	0.62	↑
12	Indonesia	1.96	50	0.31	↑
13	Thailand	1.92	31	0.79	↑
14	Austria	1.65	29	0.90	↑
15	Russia	1.52	2	9.19	↓

GIMAV data based on ISTAT figures

Industry Sales

There were comforting signs of a pickup for the sector again in 2015, after the negative results of 2009. In fact, the positive trend that we have been seeing since 2010, albeit inconsistently, is continuing.

There was a sharp downturn for the two preferred export markets for Italian products, Brazil and Russia, but losses during the year were offset by the very good results that were posted for the United States, Mexico and Turkey.

Italian flat glass products finally experienced an increase on the domestic market as well, while sales of hollow glass slowed down after the strong increase in 2014.

The overall result was a comforting +5.5% over the previous year, a figure that provides some room for optimism and shows that the sector is definitely back on a stronger economic footing.

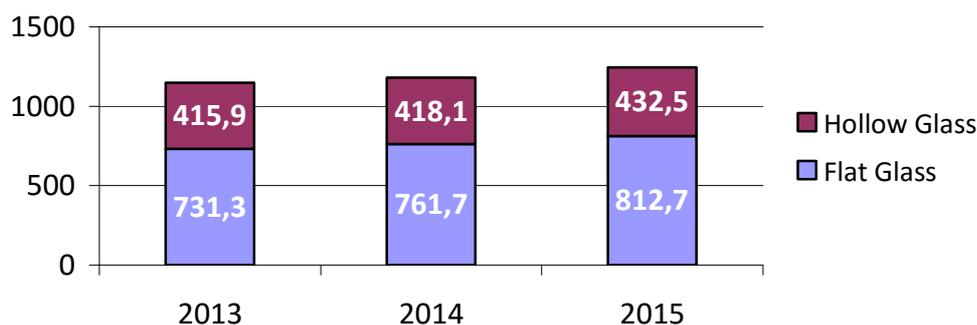
Sales by the Italian industry of glass processing machinery, special products and accessories				
Sectors	2015 [€]	2014 [€]	2013 [€]	2015/2014% change
Flat glass				
Italian market sales	204,634,802	184,755,300	184,525,200	+10.75
Exports	608,149,661	576,992,088	546,792,500	+5.4
Total sales for flat glass	812,784,463	761,747,388	731,317,700	+6.7
Hollow glass				
Italian market sales	62,725,351	62,500,350	60,300,051	+0.36
Exports	369,853,925	355,594,582	355,656,300	+4.01
Total sales for hollow glass	432,579,276	418,094,932	415,956,351	+3.46
Total Flat + Hollow	1,245,363,739	1,179,842,320	1,147,274,051	+5.55

GIMAV data based on ISTAT figures and internal survey

% share of sales for 2015			
Market	Flat Glass	Hollow Glass	Total for the Sector
Italian market sales	25.18	14.50	21.46
Exports	74.82	85.50	78.54

GIMAV data based on ISTAT figures and internal survey

Sales volume (millions of Euros)



Summary				
Industry of glass processing machinery, accessories and special products				
2013 – 2014 – 2015				
Variable	Unit of measure	2015	2014	2013
Sector sales	€	1,245,363,739	1,179,842,320	1,147,274,051
Exports	€	978,003,586	932,586,670	902,448,800
Imports	€	89,427,443	96,400,678	54,091,459
Trade balance	€	888,576,143	836,185,992	848,357,341
Domestic orders	€	267,360,153	247,255,650	244,825,251
	% change	+8.13	+0.99	-0.26
Foreign orders	€	978,003,586	932,586,670	902,448,800
	% change	+4.87	3.34	3.79
Workforce	Units	3,970	4,000	4,000

GIMAV data based on ISTAT figures and internal survey

Exports continued to account for a large share of sales by the sector during 2015, claiming 78.54% of sales which demonstrates the export drive of companies.

The trade balance started to grow again, and was in excess of €888 million.

Growth support measures, such as the Nuova Sabatini and Super-Ammortamento incentives, were welcomed, boosting the domestic market growth, with an 8.13% increase in domestic orders.

There are hopes that strong measures will be introduced to support the Italian industry by reducing taxes and uncertainties on taxation which, together with high labor costs, have a negative impact on the sector's competitiveness on world markets.

Analysis of 2012 – 2014 balance sheets

As a result of the detailed work on the statistics carried out by Federmacchine, as of this year the Gimav report for the industry will also include a section that analyzes aggregate balance sheets.

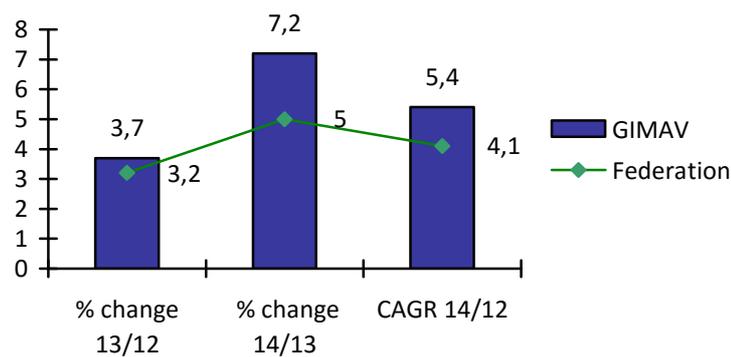
Federmacchine's study is based on a sample of 1,023 of its member associations, including Gimav.

The companies involved in the study are located in Lombardy (48%), Triveneto (19%), Emilia Romagna (12%), Piedmont (9%) and with smaller percentages for the other regions, for 12% in total.

The AIDA database was used for the study, whose standard balance sheets were financially reclassified.

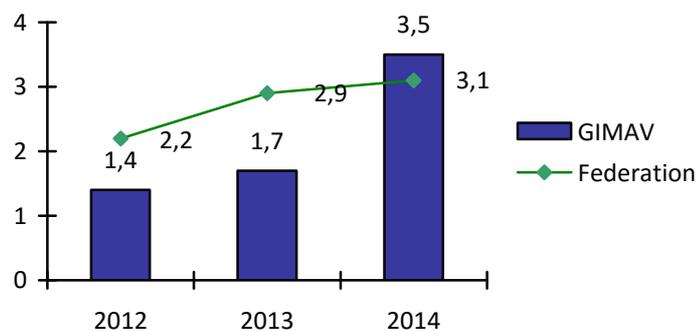
Core business: analysis of costs and revenues

For the period considered (2012-2014), the sample experienced a positive trend in revenues, growing by 4.1% on average. As far as our sector is concerned, in 2013 it grew by 3.7% over 2012, and in 2014 by 7.2% over 2013, with decidedly better results than the overall average.



Profits as a percentage of sales

This figure improved gradually, both throughout the industry in general as well as in our sector. In particular, the performance of the member companies reached, and exceeded, the average in 2014, increasing by 1.8% in just one year. The graph shows the trend for operating profits expressed as a percentage of sales.



Trend for operating costs

The costs for purchases and labor costs of GIMAV member companies followed an average trend over the 3-year period. Costs for services had an opposite trend.

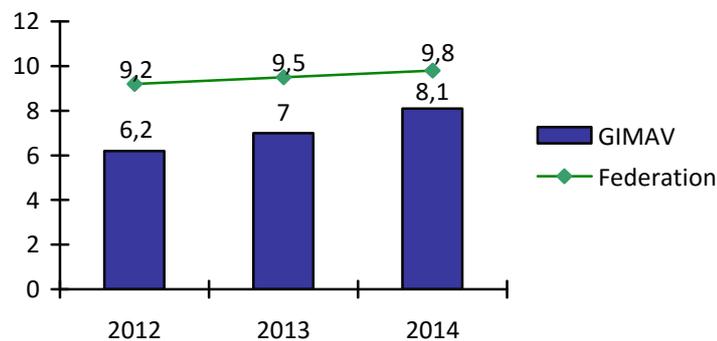
The graph shows the percentage change over the 3 years.



Gross Operating Margin

During the 3-year period being considered, this indicator – which represents the ability of a company to generate a gross margin from its core business – improved strongly for GIMAV companies, even though it has still to reach the average for the sample.

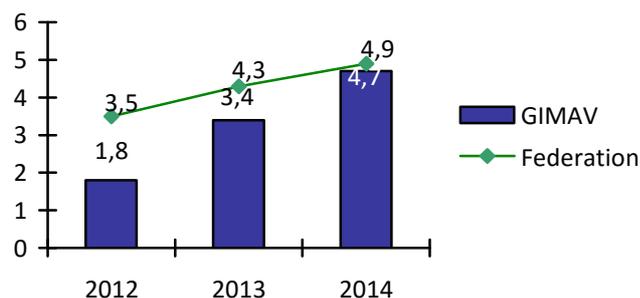
The graph below shows Gross Operating Margin as a percentage of sales.



ROI

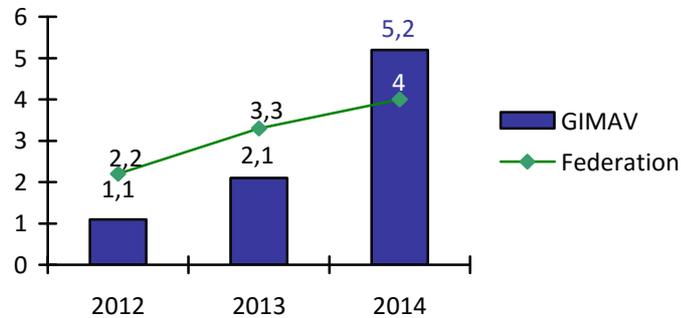
This figure also improved during the 3-year period, both for the machinery sector as a whole, as well as for Gimav companies. In particular, the positive trend for member companies led to a significant narrowing of the gap between the overall average and the results for the sector to just 0.2 percentage points in 2014.

The return on capital invested therefore improved.



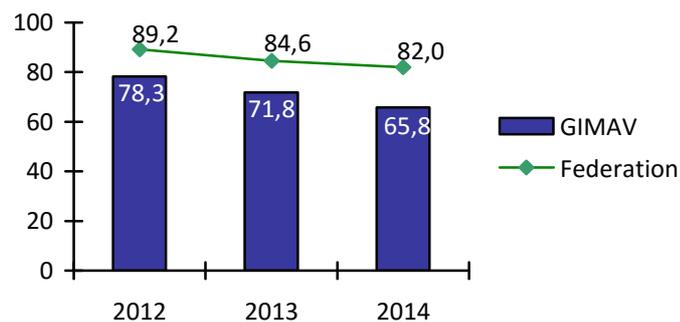
ROE

ROE also increased significantly for our companies, with an improvement in the return on risk capital.



Average days of inventory

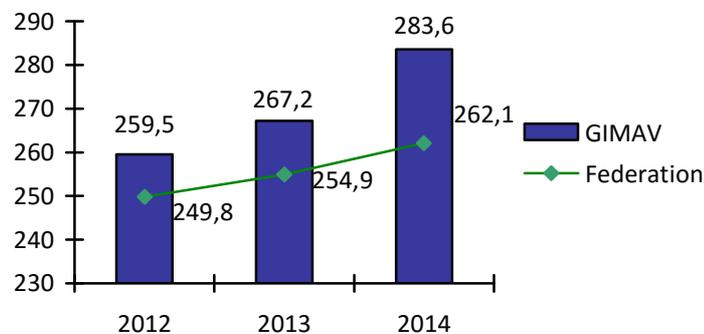
During the 3-year period, there was an overall reduction in the average days of inventory.



Per-capita revenues

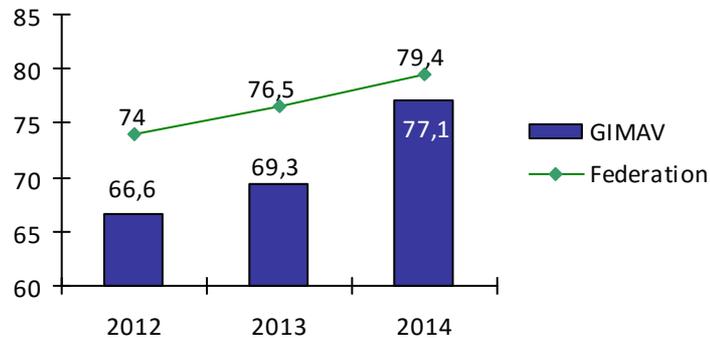
This indicator shows a strong increase in productivity. More specifically, the figure for Gimav companies is far higher than for the entire sector represented by Federmacchine.

In the graph this is expressed in thousands of Euros.



Per capita added value

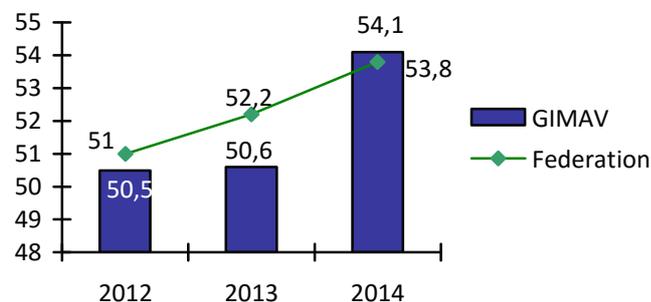
The trend was positive for this figure also, which posted a significant increase during the 3-year period for Gimav companies, while remaining slightly below average for the Italian machinery sector. The gap was reduced from 11.4 to 2.3 percentage points over the period. This graph is expressed in Euros as well.



Average labor costs

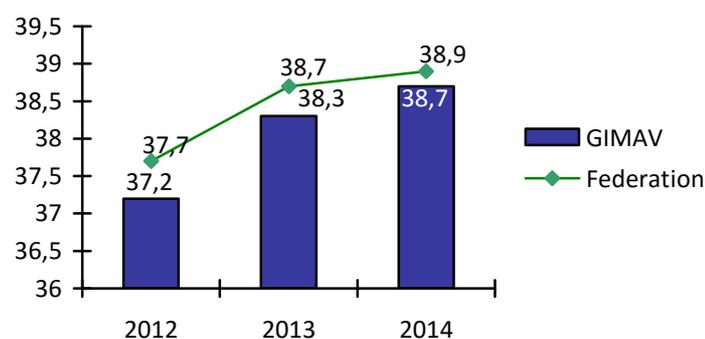
After remaining stable for two years, average labor costs in the glass sector increased considerably in 2014, and were slightly higher than overall figures.

The graph shows the figures in thousands of Euros.



Debt to equity ratio

The figure shows that more company capital than third-party capital was used by glass companies and by the sector as a whole.



2016 forecasts

This year's survey included two sections that assessed how companies in the sector perceived the economic trend for 2016.

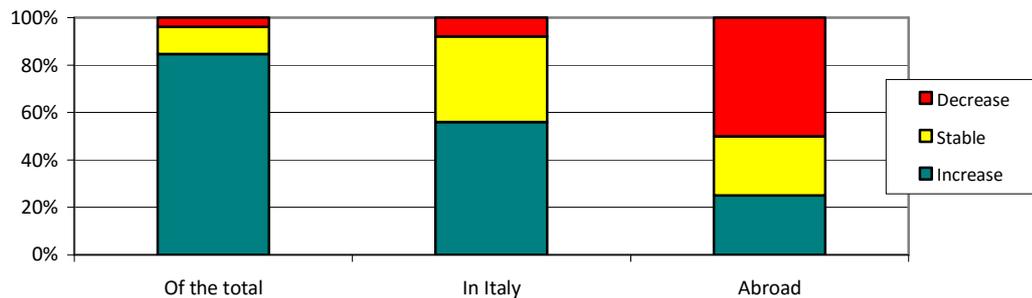
Their responses provided an interesting overview of some figures which – when fully interpreted – denote a positive attitude of optimism.

Estimated 2016 revenues

The sample expects the economic situation to improve, and for this year almost 85% of the companies are expecting revenues to increase.

This increase should be stronger on overseas markets and – albeit lower – on the domestic market as well.

Only 3% of the sample expected domestic market revenues to fall while for overseas markets the figure was 6%, with a maximum reduction of 5%.



Forecasted sales in the various export markets

The companies were asked to make sales forecasts for the various export markets.

The possible responses were: increase in sales; stability; decrease in sales.

The sales forecasts for **Europe**, both **EU** and **non-EU**, were very good, with figures for both expected to increase or remain unchanged.

As expected, **Russia** continues to be viewed as a very difficult export market, with sales tipped to decrease even further.

Companies were largely optimistic about **North America**, with 64% expecting an increase and 34% a stable situation.

Instead for **Central** and **South America**, most of the forecasts are for the current difficult situation to continue, even if 30% of the sample is starting to see an improvement.

The **Middle East** remains a very interesting export market for the companies, with exports to the area tipped to grow further.

China is another growing export market for 38% of the sample, whereas 10% think that sales will decline.

Forecasts for other countries in **Asia** and **Africa** were for the figure to remain basically the same whereas **Oceania** seems to promise an increase in revenues.

