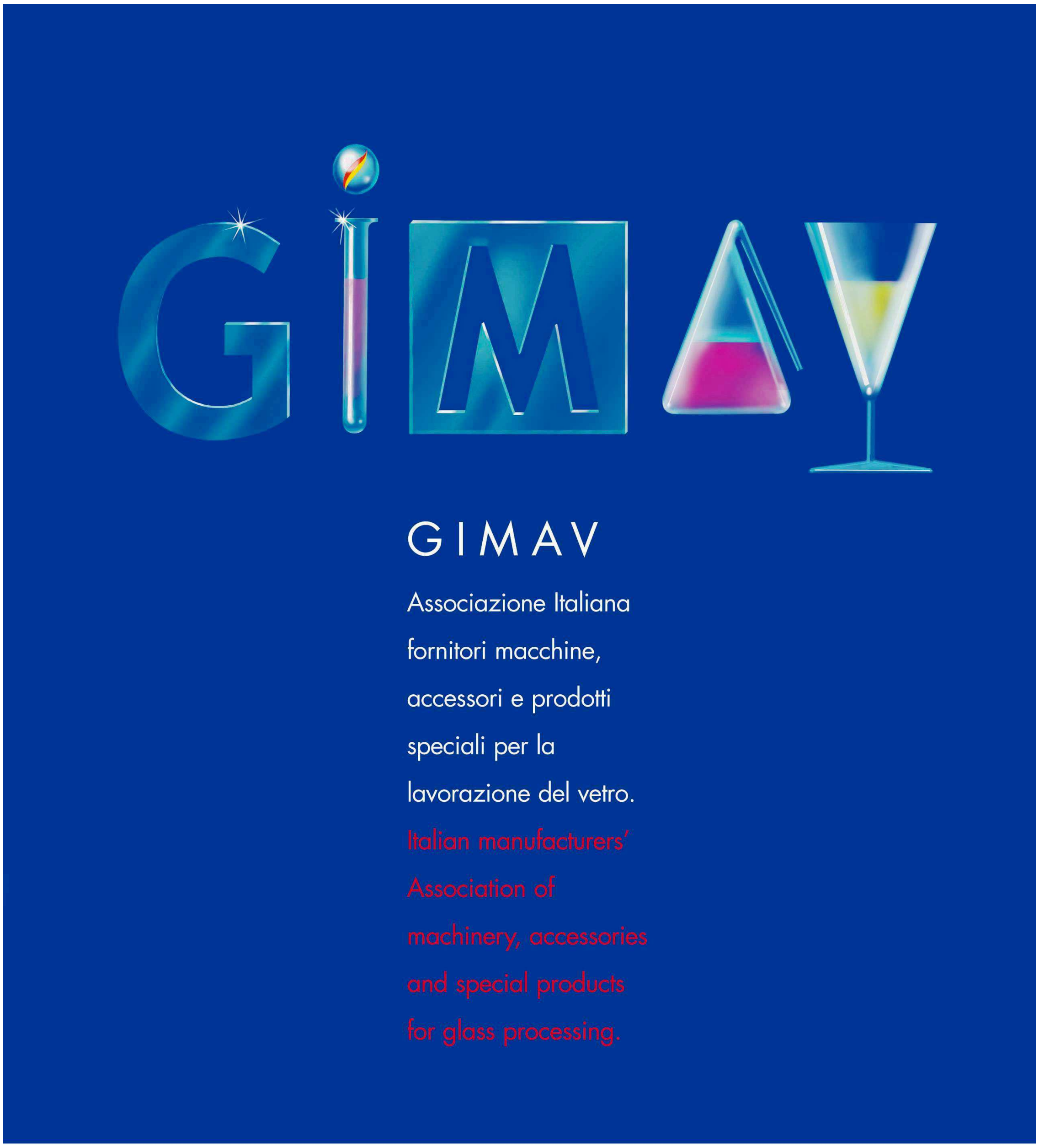
2008 INDUSTRY REPORT



GIMAV
VIA PETITTI 16
20149 MILANO - ITALY
TEL. +39.02.33.00.70.32
FAX +39.02.33.00.56.30

www.gimav.it
e-mail: gimav@gimav.it

July 1, 2009

GIMAV: scope and representation

Established in 1980 by a small group of businessmen, GIMAV -- the Association of Italian manufacturers and suppliers of machinery, accessories and special products for glass processing – is recognized today as a guiding force for the entire glass processing industry in Italy and abroad. Its underlying goals include safeguarding the best interests of the industry, fostering the growth and expansion of its business culture, and carrying out activities that boost and support promotion of Italian products around the globe. As a member of Confindustria, Federvarie and Federmacchine, in almost 30 years of business, GIMAV has considerably strengthened its representative presence throughout the industry's entire supply chain. The sales volume of GIMAV member companies makes up more than 75% of the overall turnover of Italian manufacturers of machinery, accessories and special glass-processing products. The value and reliability of the Association's core initiatives are evidenced by the exceptionally high level of member loyalty and constant growth of the membership base over the years. Gimav's initial, founding members have been joined by some of the industry's giants, but the true 'face' of the industry is represented by the small and medium-sized businesses which have made a lasting impact. Recognizing the importance of each member nurtures mutual respect and gives everyone the opportunity to participate in and contribute to the Association's strategic and management decisions -- a philosophy that has forged a cohesive group capable of exercising strong international influence, known and respected in many countries around the world.

THE INDUSTRY: statistical survey and research methodology

As always, GIMAV organized and conducted its own annual statistical survey of the industry, with the aim of providing a complete picture of the sector and information about its structure, sales, production and export markets. A time-tested research methodology was employed for data collection, making it possible to capture a reliable image of a sector that is homogeneous in terms of final product destination, but heterogeneous in terms of the categories of the companies that work in it. In fact, sales in the "GLASS PROCESSING" category are generated by firms operating in the areas of machinery, chemistry, plastics, rubber and many more. The common denominator, upon which the entire chain hinges, is the end customer, the one who makes and processes glass. Given the complexity of the situation, the only official source – the Italian Institute of Statistics (ISTAT) – understandably provides incomplete data since it is limited to imports and exports identified by only five Customs codes -- two for flat glass and three for hollow glass:

for flat glass

1) Code 84642011 - Glass processing machinery for grinding or polishing (optical glass)
2) Code 84642019 - Glass processing machinery for grinding or polishing (optical glass excluded)

for hollow glass

1) Code 847529 - Machines for manufacturing or hot working glass or glassware
2) Code 847590 - Parts of machines for assembling lamps, electric or electronic tubes or valves or machines for manufacturing or hot working glass or glassware
3) Code 84805000 - Glass molds (except those made of graphite or other carbon material or ceramics)

Even greater difficulties arise in the collection of data regarding domestic sales: no exhaustive institutional sources exist. To bridge this information gap, GIMAV distributes a detailed questionnaire to all of its members and to any major non-member firms. The return rate of completed questionnaires by members is very high and quite respectable from the others.

ITALY'S MACHINE-BUILDING INDUSTRY

The year 2008 has witnessed a slowdown for the capital goods sector, after the recovery seen in 2006-2007. Domestic consumption has practically come to a standstill (both deliveries to Italian manufacturers as well as imports), while exports have grown slightly.
Production value has grown by 2%, reaching 41.3 billion Euros. However, even though this average value is positive, it should be noted that almost half of the sectors have recorded a decline in sales.

Production (millions of Euros)	**2006**	**2007**	**2008 ***	**% Diff. 07/06**	**% Diff. 08/07**
Acimac – Ceramics machinery	1,702	1,938	1,991	13.9	2.7
Acimall – Woodworking machinery	1,820	1,866	1,825	2.5	- 2.2
Acimga – Machinery for the graphic, converting and paper industry	1,670	1,680	1,750	0.6	4.2
Acimit – Textile machinery	2,704	2,794	2,285	3.3	- 18.2
Assocomaplast – Plastics and rubber processing machinery	3,850	4,250	4,100	10.4	- 3.5
Assofluid - Fluid power equipment and components	2,728	3,162	3,197	15.9	1.1
Assomac – Footwear, leathergoods and tannery machines	500	503	427	0.6	- 15.1
Gimav – Glass processing machinery and products	1,238	1,370	1,400	10.7	2.2
Marmomacchine – Natural stone processing machines	1,250	1,280	1,277	2.4	- 0.2
Ucima – Automatic packing and packaging machinery	3,276	3,610	3,807	10.2	5.5
Ucimu – Machine tools, robots and automation systems	4,992	5,820	6,110	16.6	5.0
Unacoma – Agricultural machines	11,068	1,2227	13,141	10.5	7.5
Totals	**36,798**	**40,500**	**41,310**	**10.1**	**2.0**

*Preliminary data

Exports have reached 27.3 billion Euros (+2.7% versus the previous year), which marks the highest value yet, despite the slowdown in the industry's growth.

Exports (milions of Euros)	**2006**	**2007**	**2008***	**% Diff. 07/06**	**% Diff. 08/07**
Acimac – Ceramics machinery	1,244	1,386	1,423	11.4	2.7
Acimall – Woodworking machinery	1,492	1,532	1,531	2.7	- 0.1
Acimga – Machinery for the graphic, converting and paper industry	1,296	1,307	1,400	0.8	7.1
Acimit – Textile machinery	2,109	2,151	1,780	2.0	- 17.2
Assocomaplast – Plastics and rubber processing machinery	2,336	2,691	2,600	15.2	- 3.4
Assofluid - Fluid power equipment and components	1,572	1,831	1,870	16.5	2.1
Assomac – Footwear, leathergoods and tannery machines	355	358	304	0.8	- 15.1
Gimav – Glass processing machinery and products	893	1,006	1,031	12.7	2.5
Marmomacchine – Natural stone processing machines	800	840	838	5.0	- 0.2
Ucima – Automatic packing and packaging machinery	3,005	3,257	3,420	8.4	5.0
Ucimu – Machine tools, robots and automation systems	2,773	3,104	3,320	11.9	7.0
Unacoma – Agricultural machines	6,303	7,132	7,796	13.2	9.3
Totals	**24,178**	**26,595**	**27,313**	**10.0**	**2.7**

*Preliminary data

After the positive 2007 performance (+10.2%), domestic consumption has grown by only 0.7%, bordering on 14 billion Euros.
This stagnation of the domestic market (+0.5%, for almost 21.4 billion Euros) also explains the standstill in imports (+0.1% for 7.4 billion Euros).

Imports (millions of Euros)	**2006**	**2007**	**2008***	**% Diff. 07/06**	**% Diff. 08/07**
Acimac – Ceramics machinery	n.d.	n.d.	n.d.	n.d.	n.d.
Acimall – Woodworking machinery	174	183	203	5.2	10.9
Acimga – Machinery for the graphic, converting and paper industry	836	776	700	- 7.2	- 9.8
Acimit – Textile machinery	576	632	516	9.7	- 18.4
Assocomaplast – Plastics and rubber processing machinery	630	612	600	- 2.9	- 2.0
Assofluid - Fluid power equipment and components	725	856	901	18.1	5.3
Assomac – Footwear, leathergoods and tannery machines	23	30	26	30.4	- 13.3
Gimav – Glass processing machinery and products	53	87	84	64.2	- 3.4
Marmomacchine – Natural stone processing machines	39	42	41	7.7	- 2.4
Ucima – Automatic packing and packaging machinery	305	326	333	6.9	2.1
Ucimu – Machine tools, robots and automation systems	1,308	1,629	1,763	24.5	8.2
Unacoma – Agricultural machines	2,004	2,211	2,225	10.3	0.6
Totals	**6,673**	**7,384**	**7,392**	**10.7**	**0.1**

*Preliminary data

Due to the sluggish growth in sales, no increase in the workforce has been possible. In fact, the workforce has been cutback by one percent, shrinking from about 183,500 employees in 2007 to about 181,600 in 2008.

Workforce	**2006**	**2007**	**2008***	**% Diff. 07/06**	**% Diff. 08/07**
Acimac – Ceramics machinery	6,938	7,560	7500	9.0	- 0.8
Acimall – Woodworking machinery	12,000	11,000	11,000	- 8.3	-
Acimga – Machinery for the graphic, converting and paper industry	7,300	7,200	7,200	- 1.4	-
Acimit – Textile machinery	15,125	14,586	13,800	- 3.6	- 5.4
Assocomaplast – Plastics and rubber processing machinery	12,300	12,500	12,000	1.6	- 4.0
Assofluid - Fluid power equipment and components	20,375	21,665	21,385	6.3	- 1.3
Assomac – Footwear, leathergoods and tannery machines	6,050	5,700	4,900	- 5.8	- 14.0
Gimav – Glass processing machinery and products	4,500	4,500	4,500	-	-
Marmomacchine – Natural stone processing machines	11,300	11,300	11,300	-	-
Ucima – Automatic packing and packaging machinery	16,800	16,800	16,500	-	-
Ucimu – Machine tools, robots and automation systems	31,340	31,550	32,395	0.7	2.7
Unacoma – Agricultural machines	39,700	39,100	39,100	- 1.5	-
Totals	**183,728**	**183,461**	**181,580**	**- 0.1**	**- 1.0**

* Preliminary estimates

Machine-building's impact on the Italian economy

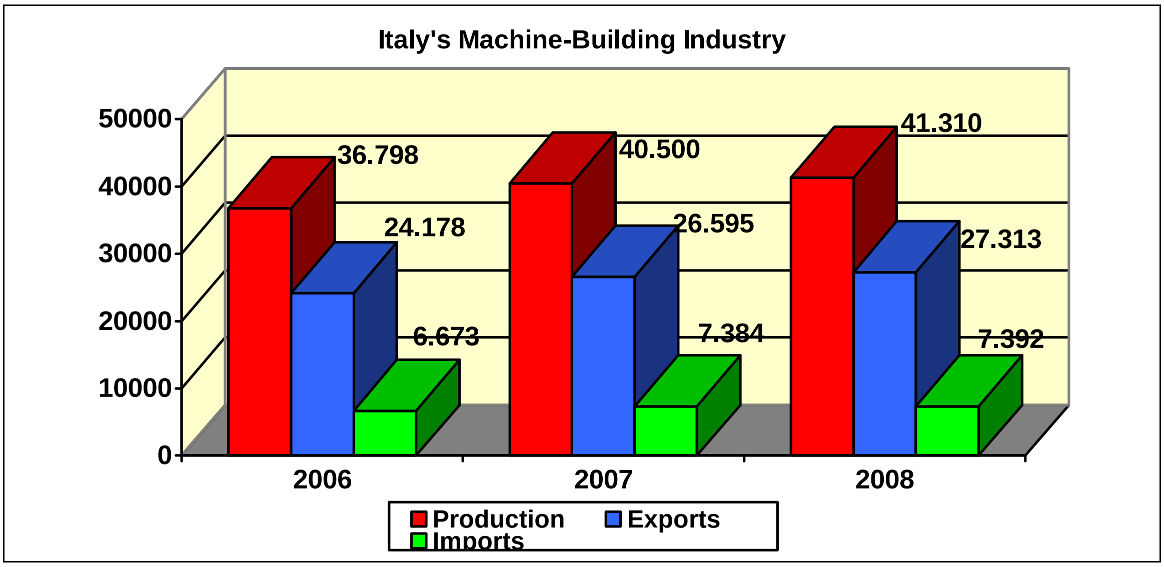
The nearly 6,600 firms belonging to the 12 industry categories totaled a combined production of 40.5 billion Euros in 2007, which accounts for 2.6% of the Gross Domestic Product. Based on preliminary data currently available, this percentage value should also be confirmed in 2008.
The machine-building industry's largest contribution to the Italian economy is its exports: with 26 billion Euros, the sales of machinery, equipment, accessories and special products abroad accounted for 5.9% of all Italian exports, and this share increases to 7.4% when considering the exports of goods only.
Strictly speaking, the employment rate in this industry accounts for 3.6% of the total workforce in Italian industry.

Propensity to export and foreign balance

One of the distinguishing features of the Italian capital goods industry is its high propensity to export which, based on preliminary 2008 data, has reached 66.1% of the sales.
All sectors have an exports-to-sales ratio of more than 50%, peaking at 90% for the manufacturers of automatic packing and packaging machinery and 84% for the woodworking machinery.
In 2008, the overall trade balance of the Machine-building sectors should amount to a surplus of 19.9 billion Euros. This is the fifth consecutive year of growth in the trade balance and represents the highest value ever recorded.

ITALY'S MACHINE-BUILDING INDUSTRY Summary					
	2006	**2007**	**2008**	**% Diff. 07/06**	**% Diff. 08/07**
Production	36,798	40,500	41,310	10.1	2.0
Exports	24,178	26,595	27,313	10.0	2.7
Imports	6,673	7,384	7,392	10.7	0.1
Consumption	17,505	19,211	19,921	9.7	3.7
Workforce	183,728	183,461	181,580	- 0.1	- 1.0

Preliminary data – Source: Federmacchine



Italy's machinery industry and the leading European countries

On a worldwide level, the Italian machine-building industry consistently ranks on top, out-performing all other Italian industrial sectors and proving to be one of the major strengths of Italy's economy.
The structure of the Italian machine-building industry is unique with respect to European competitors, which represent the privileged benchmark, also because the European Union remains the leading area worldwide for production and consumption of machinery.
The data on which the statistics are based come from Eurostat and are for the year 2006, the last year for which the data was published. The sector considered is NACE DK "machinery and equipment", the sector closest to that of the machine-building industry.

Let's try to analyze Italy's contribution within the European Union, starting with the most general data related to the Gross Domestic Product: Italy contributes 12.7% of the overall European income and ranks fourth, after Germany, the United Kingdom and France.

Italy's Contribution in Europe

	Germany	United Kingdom	France	Italy	Spain	Other EU 27
GDP	19.9%	16.6%	15.5%	12.7%	8.4%	26.9%
Industry	25.9%	10.4%	13.9%	13.7%	7.8%	28.3%
Machinery	33.5%	8.7%	10.5%	18.7%	4.9%	23.8%

Processing of Eurostat data

Focusing our attention on the manufacturing industry, Germany confirms its top ranking with a share of 25.9%, followed by France (13.9%) and, in third place, Italy with 13.7%.
If we confine the analysis to the machinery sector, Germany's share increases even further to 33.5% and Italy rises to second place with 18.7%. France and the United Kingdom follow by a distance, respectively with 10.5% and 8.7%.
This is an additional confirmation of Italy's specialization and strength in the sector, even in a European context characterized by an even greater presence of the industry.
Similar values are obtained when considering the workforce instead of sales. The sector's workforce in Germany is 28.9% of the European total, while in Italy it's 15.5% and in the United Kingdom and France it's less than 10%.
The overall picture changes, however, if we look at the number of firms: Italy alone accounts for almost 24% of the European firms, while Germany is second with 11.1%. The other

countries have an even lower number of firms. This data illustrates how the Italian businesses are, on average, much smaller than their European competitors.

The Machinery and Equipment Industry in Europe in 2006

	Number of businesses	Average sales (millions of Euros)	Average number of employees	Sales/employee ('000 Euros)
Italy	41,370	2.8	13.7	205
Germany	19,231	10.8	54.9	197
France	15,998	4.1	19.1	214
Spain	14,495	2.1	13.4	157
United Kingdom	13,013	4.1	21.4	194
Other EU	69,859	2.1	17.9	118
EU 27	173,966	3.6	21.0	170

Processing of Eurostat data

THE ITALIAN INDUSTRY OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS PROCESSING

Compared to the previous year, sales performance has grown continuously since the early part of 2008, and up to the beginning of the last quarter 2008 the outlet sectors appeared quite dynamic almost everywhere. In October our industry also began to suffer the consequences, although to a lesser extent and with a less sudden impact than other machine-building industry sectors, brought about by the worldwide economic crisis, which is expected to continue during most of the year 2009.
In short, the year 2008 which had started out as a year of excellent results for our industry lost, over just a few months, its entire percentage of growth versus 2007. The final balance remains positive, however, as tangible proof the solid nature of this sector, formed for the most part by family businesses managed carefully and always showing remarkable flexibility in meeting customers' needs.
Today this same flexibility is being used to cope with the changing market conditions.

Imports

Overall, 2008 imports have suffered **a 3.86% drop** compared to 2007 but, when analyzing the data in detail, the contrasting performance of the two sectors comprising the glass processing industry clearly emerges:

- Cold working machines and accessories (flat glass): - 29.30%
- Hot working machines and accessories (hollow glass): + 1.24%

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS PROCESSING - Entire industry

Areas of origin	2006 Euros	2007 Euros	2008 Euros	% Diff. 2008/2007	% Share of tot. imports
Europe EU	31,152,587	66,776,197	59,906,981	- 10.29	71.67
Europe non-EU	8,280,815	7,467,888	11,122,264	48.93	13.31
Africa	19,097	121,549	332,353	100.00	0.40
North America (Nafta)	3,462,822	5,600,341	5,712,967	2.01	6.84
Central and South Americ	86,043	283,866	633,324	123.11	0.76
Asia	5,859,707	6,679,921	5,815,060	- 12.95	6.96
Oceania	4,050,123	5,211	60,201	-	0.07
Total Flat + Hollow	**52,911,194**	**86,934,973**	**83,583,150**	**- 3.86**	**100.00**

Gimav processing of Istat data

Imports, leading countries of origin for the entire industry

Origin		Entire industry			
Geographic area	Country	2007 Euros	2008 Euros	% Diff. 2008/2007	% Share of tot. imports
Europe EU	Sweden	25,590,599	28,323,160	10.68	33.89
	Germany	16,229,972	11,191,915	- 31.04	13.39
	France	7,414,312	7,274,203	- 1.89	8.70
	United Kingdom	4,783,099	5,598,398	17.05	6.70
Europe non-EU	Croatia	5,252,725	7,138,659	35.90	8.54
	Turkey	1,242,614	1,643,540	32.26	1.97
America	USA	5,473,389	5,627,499	2.82	6.73
Asia	China+ Hong Kong	4,379,136	3,368,070	- 23.09	4.03
	Japan	161,459	1,719,562	965.01	2.06

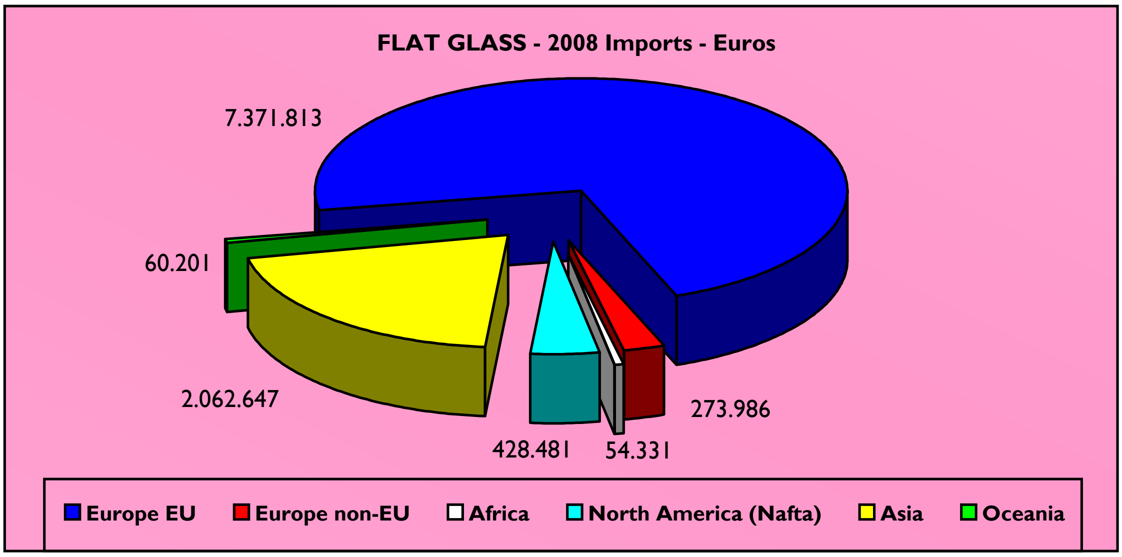
Gimav processing of Istat data

Imports for the flat glass sector

On total imports amounting to 83.58 million Euros, the machinery, accessories and special products for flat glass totaled 10.25 million Euros, i.e. a 29.3% decline versus 2007.
As usual, the primary source of imports has been the European Union with more than 7 million Euros, despite a drop of over 40% compared to the previous year. In particular, imports from Germany have dropped by more than half, returning to their 2006 values, declining from 5.8 million Euros in 2007 to 2.5 million in 2008. France remained the leading supplier with a share of 26.35%, although it suffered an almost 34% reduction in absolute value. Finland is also in steep decline: in 2007 its contribution was 5.86%, while in 2008 it plummeted to 0.47%, falling below one hundred thousand Euros.
For the first time after two years of significant growth, imports from China have reversed their trend and shrank, nevertheless still ranking fourth among the countries of origin.
The following tables provide a detailed picture of the imports of machinery, accessories and special products for the processing of flat glass, broken down into geographic areas and ranking the leading countries of origin.

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR FLAT GLASS PROCESSING				
Areas of origin	2006 Euros	2007 Euros	2008 Euros	% Diff. 2008/2007
Europe EU	7,662,320	12,342,261	7,371,813	- 40.27
Europe non-EU	480,056	149,782	273,986	82.92
Africa	10,111	-	54,331	100.00
North America (Nafta)	762,700	298,454	428,481	43.57
Central and South America	6,332	98,054	-	-
Asia	449,732	1,611,640	2,062,647	27.98
Oceania	-	-	60,201	-
Total Flat Glass Imports	**9,371,251**	**14,500,191**	**10,251,459**	**- 29.30**

Gimav processing of Istat data



Imports, leading countries of origin for the flat glass sector

Origin		Flat glass			
Geographic area	**Country**	**2007 Euros**	**2008 Euros**	**% Diff. 2008/2007**	**% Share of imp. flat glass**
Europe EU	France	4,086,629	2,701,537	- 33.89	26.35
	Germany	5,791,898	2,482,060	- 57.15	24.21
	Austria	700,417	1,111,182	58.65	10.84
	Spain	636,626	622,243	- 2.26	6.07
Europe non-EU	Switzerland	14,552	260,000	1,686.70	2.54
America	USA	237,548	428,481	80.38	4.18
Asia	China + Hong Kong	1,197,108	1,066,757	- 10.89	10.41
	Japan	40,010	973,272	2,332.57	9.49

Gimav processing of Istat data

Imports for the hollow glass sector

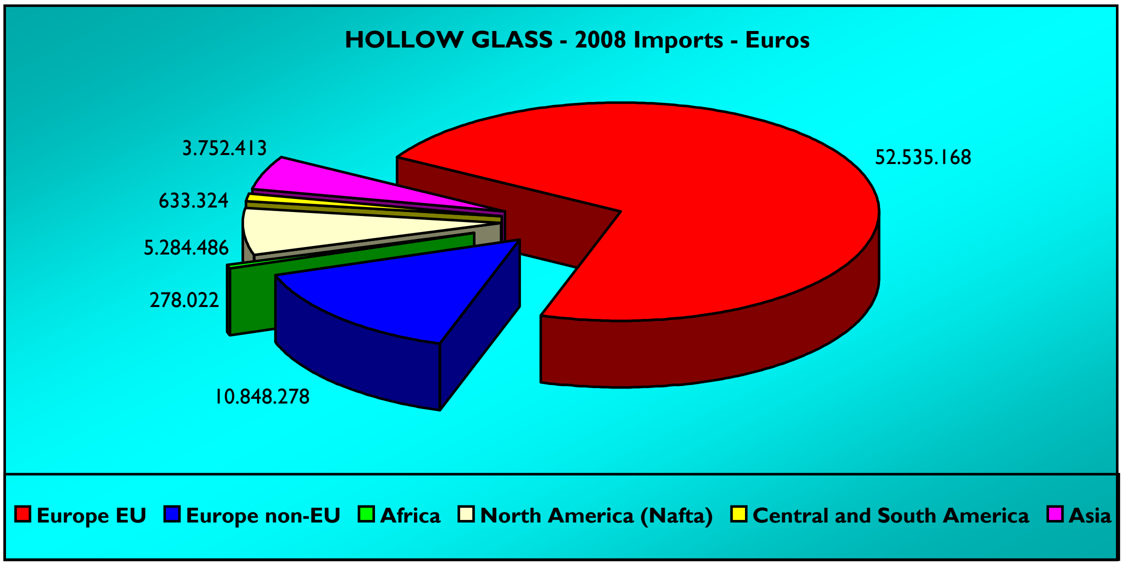
On total imports amounting to 83.58 million Euros, the machinery, accessories and special products for hollow glass totaled 73.3 million Euros, corresponding to a 1.24% increase over 2007.

Sweden remained the leading supplier with over 28 million Euros and a 38.62% share of total imports for hollow glass (in comparison with last year's 35.31%), while Germany, even though holding on to its second place standing, dropped from 14 to 11.8%, corresponding to a value of 8.7 million Euros. Finland suffered a sharp fall in the imports of this sector as well, from 6.7 million Euros in 2007 to little more than 1 million in 2008, dropping from a 9.29% to a 1.44% share.

As to countries outside the European Union, imports from Croatia continued to grow steadily: the year 2008 witnessed another double-digit percentage growth. Turkey's performance continued unchanged, although with much lower absolute values. Imports from China, however, declined to 2.3 million Euros, a 27.6% drop over the previous year.

The tables below illustrate the performance of imports over the last three years by geographic area of origin of the goods, while the ranking of leading countries of origin shows the differences between the 2008 and 2007 rankings.

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR HOLLOW GLASS PROCESSING				
Areas of origin	2006 Euros	2007 Euros	2008 Euros	% Diff. 2008/2007
Europe EU	23,490,267	54,433,936	52,535,168	- 3.49
Europe non-EU	7,800,759	7,318,106	10,848,278	48.24
Africa	8,986	121,549	278,022	128.73
North America (Nafta)	2,700,122	5,301,887	5,284,486	- 0.33
Central and South America	79,711	185,812	633,324	240.84
Asia	5,409,975	5,068,281	3,752,413	- 25.96
Oceania	4,050,123	5,211	-	- 100.00
Total Hollow Glass Imports	**43,539,943**	**72,434,782**	**73,331,691**	**1.24**



Imports, leading countries of origin for the hollow glass sector

Origin		Hollow glass			
Geographic area	**Country**	**2007 Euros**	**2008 Euros**	**% Diff. 2008/2007**	**% Share of imp. hollow glass**
Europe EU	Sweden	25,575,416	28,323,160	10.74	38.62
	Germany	10,438,074	8,709,855	- 16.56	11.88
	United Kingdom	4,746,646	5,549,008	16.90	7.57
	France	3,327,683	4,572,666	37.41	6.24
Europe non-EU	Croatia	5,252,752	7,124,673	35.64	9.72
	Turkey	1,226,963	1,643,540	33.95	2.24
America	USA	5,235,841	5,199,018	- 0.70	7.09
Asia	China + Hong Kong	3,182,028	2,301,313	- 27.68	3.14
	Japan	121,449	746,290	514.49	1.02

Gimav processing of Istat data

The Italian market

Despite the strong tendency to export, Italian companies are by far the preferred suppliers of the domestic market for this industry, especially for the flat glass-processing sector.
The table below shows the domestic consumption values of the Italian market, which has basically maintained the same investments for purchasing machinery, equipment, accessories and special products for glass processing. The imports refer to the last three years, while the right-hand column illustrates the percentage difference between 2008 and 2007.

DOMESTIC CONSUMPTION				
Sectors Product origin	2006 Euros	2007 Euros	2008 Euros	% Diff. 2008/2007
FLAT GLASS				
Imports	9,371,251	14,500,191	10,251,459	- 29.30
Domestic production	260,008,024	272,578,381	275,025,538	0.90
Total Flat Glass	**269,379,275**	**287,078,572**	**285,276,997**	**- 0.63**
HOLLOW GLASS				
Imports	43,539,943	72,434,782	73,331,691	1.24
Domestic production	84,447,130	91,020,640	92,586,119	1.72
Total Hollow Glass	**127,987,073**	**163,455,422**	**165,917,810**	**1.51**
Total Flat + Hollow	**397,366,348**	**450,533,994**	**451,194,807**	**0.15**

Gimav processing of Istat data

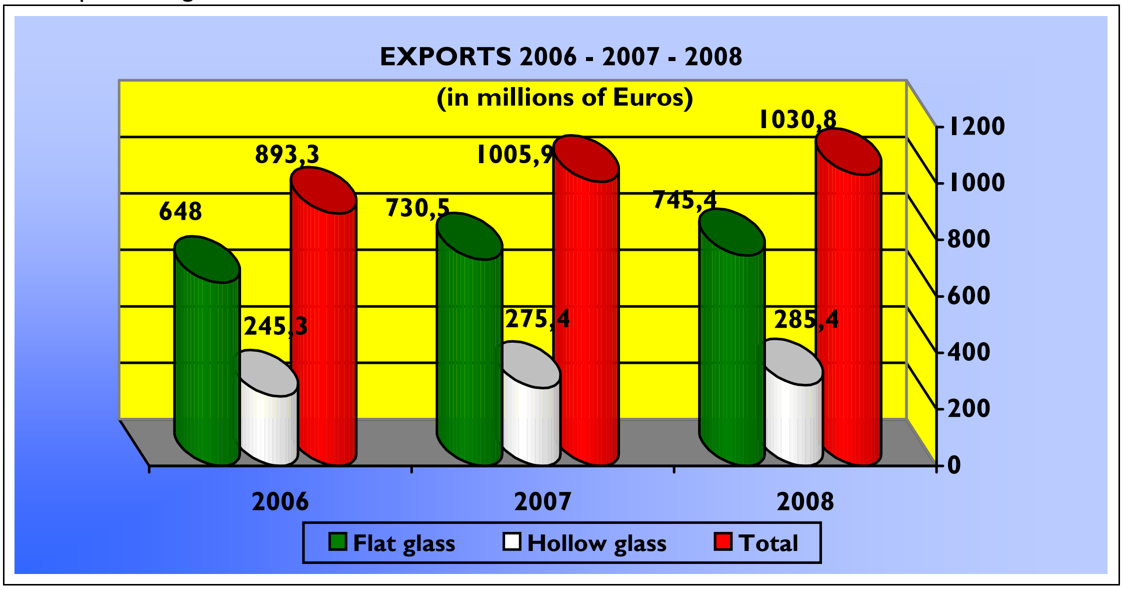
Exports

Globally, exports grew by **2.47%**, which is a highly encouraging sign given, as stated in the introduction, the generalized plunge in orders during the last quarter due to the economic crisis still afflicting the entire world.
Again in 2008, Italian exports for the entire industry totaled more than a billion Euros, a quite respectful result for a niche industry like the production of machinery, accessories and special products for glass processing. Both sectors closed the year 2008 with positive export trends:

- **machinery, accessories and special products for flat glass: + 2.03%**
- **machinery, accessories and special products for hollow glass: +3.64%**

EXPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS PROCESSING - Entire industry				
Sectors	**2006 Euros**	**2007 Euros**	**2008 Euros**	**% Diff. 2007/2006**
Flat glass	648,038,644	730,537,004	745,391,768	2.03
Hollow glass	245,307,383	275,380,514	285,406,507	3.64
Total Flat + Hollow	**893,346,027**	**1,005,917,518**	**1,030,798,275**	**2.47**

Gimav processing of Istat data



Looking at the flow of exports by geographic area, it's clear that in 2008 the European Union, claiming 37.31% (compared to 36.59% in 2007) of total exports, is still the primary destination which, when added to the 26.27% (22.61% in 2007) for the rest of Europe, shows that the European continent is the outlet for 63.58% of Italy's production. This significant share increase, + 7.22% over the previous year, is mainly attributable to growing exports to Russia (in the hollow glass sector only), Spain and Portugal (for both sectors).

Africa's share has remained steady, despite the boom in exports of the hollow glass sector to Egypt and Angola, which have become Africa's leading destination countries.

Even though its share dropped over 2007, the USA rose from 4th to 3rd place in the ranking of leading destination countries, with a 5.15% share of total exports.

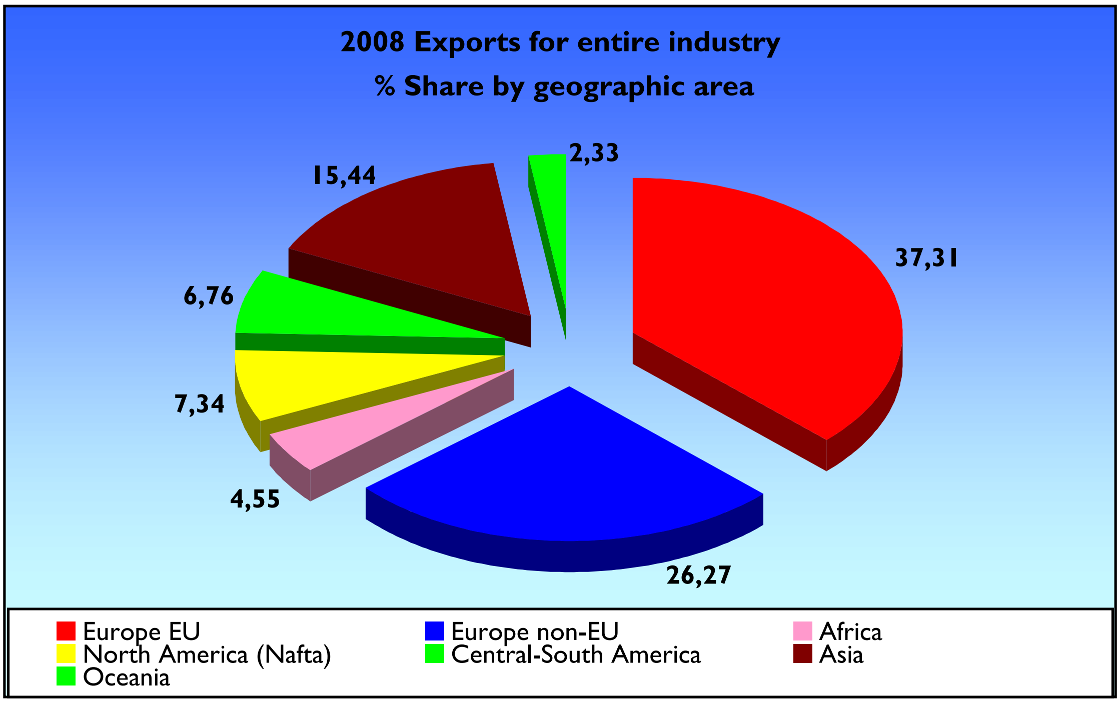
As to Central and South America, Brazil was decidedly the top buyer with a share of 3.42%, climbing as many as eight positions for a final ranking of 7th overall.

Asia's share dropped by almost six percentage points due to the abrupt slowdown in exports to China, which were cut by more than half. As a result, the country fell from 2nd to 7th place in the ranking.

The surge in Oceania, claiming 2.33% of our exports, can almost entirely be attributed to Australia, which alone contributes for 2.27%, almost doubling the value of goods imported from Italy.

% SHARE OF EXPORTS BY GEOGRAPHIC AREA Entire industry				
Destination areas	**2006**	**2007**	**2008**	**% Diff. 2008/2007**
Europe EU	40.26	36.59	37.31	1.97
Europe non-EU	19.10	22.61	26.27	16.19
Africa	5.42	4.04	4.55	12.62
North America (Nafta countries)	8.58	8.20	7.34	- 10.49
Central and South America	6.06	5.66	6.76	19.43
Asia	19.20	21.20	15.44	- 27.17
Oceania and free ports	1.38	1.70	2.33	37.06
Total Exports for entire industry	**100.00**	**100.00**	**100,00**	

Gimav processing of Istat data



The table below shows the ranking of the top 15 destination countries for our goods. As in 2007, this special classification is still decidedly topped by Russia, while 13 of the next 14 positions have changed.

The most important differences concern China, which fell from 2nd to 7th place, the Czech Republic, which plummeted from 8th to 26th and Brazil, which leaped from 15th place in 2007 to its current 8th-place ranking.

EXPORTS FOR THE ENTIRE INDUSTRY RANKING OF LEADING DESTINATION COUNTRIES					
2008 Exports			2007 Exports		Difference
Rank	Country	% share	Rank	% share	2008/2007
1	Russia	12.86	1	11.21	+ 19.22%
2	France	5.84	3	7.33	- 19.34%
3	USA	5.15	4	6.07	- 12.44%
4	Germany	4.74	6	4.50	+ 6.80%
5	Spain	4.02	7	3.23	+ 24.36%
6	Turkey	3.79	5	5.13	- 23.85%
7	China+Hong Kong	3.53	2	8.10	- 55.11%
8	Brazil	3.42	15	1.73	+ 103.16%
9	Portugal	2.97	13	2.06	+ 48.45%
10	Ukraine	2.75	12	2.12	+ 33.58%
11	Poland	2.59	11	2.28	+ 15.64%
12	Belgium	2.46	9	2.38	+ 3.57%
13	Australia	2.27	18	1.49	+ 56.61%
14	India	2.11	10	2.32	- 6.28%
15	United Kingdom	1.99	14	1.98	+ 3.19

Exports for the flat glass sector

On total exports amounting to 1,030.8 million Euros, the machinery, accessories and special products for flat glass totaled 745.4 million Euros, corresponding to a 2.03% increase with respect to the year 2007.

The export flows show that the European Union accounted for 42.60%, while entire Europe received more than 55.5% of the exports. The largest growing countries in Europe are Spain (third-ranking destination country), whose share for this sector rose from 4.21% to 5.97%, and Turkey, which doubled its purchases from Italy. The Russian Federation instead experienced a strong drop, especially during the last quarter of the year, falling from a share of 6.60% to 4.67%. Germany and France, on the other hand, showed only slight variations and substantially held their positions.

Africa, as usual, had an up-and-down trend that sees it alternating one year of growth with one of decline, while maintaining relatively modest absolute values.

The Americas have marked a share of 16.75%, 8.8% of which is claimed by the Nafta countries (Canada, USA and Mexico). The top-ranking destination country of our flat glass processing goods was the USA with a 6.40% share, despite a drop of over 17% in terms of absolute value. Brazil, enjoying a boom which has led it to triple its purchases from Italy, reached a 5.19% share of exports in comparison with the 1.85% share it had in 2007.

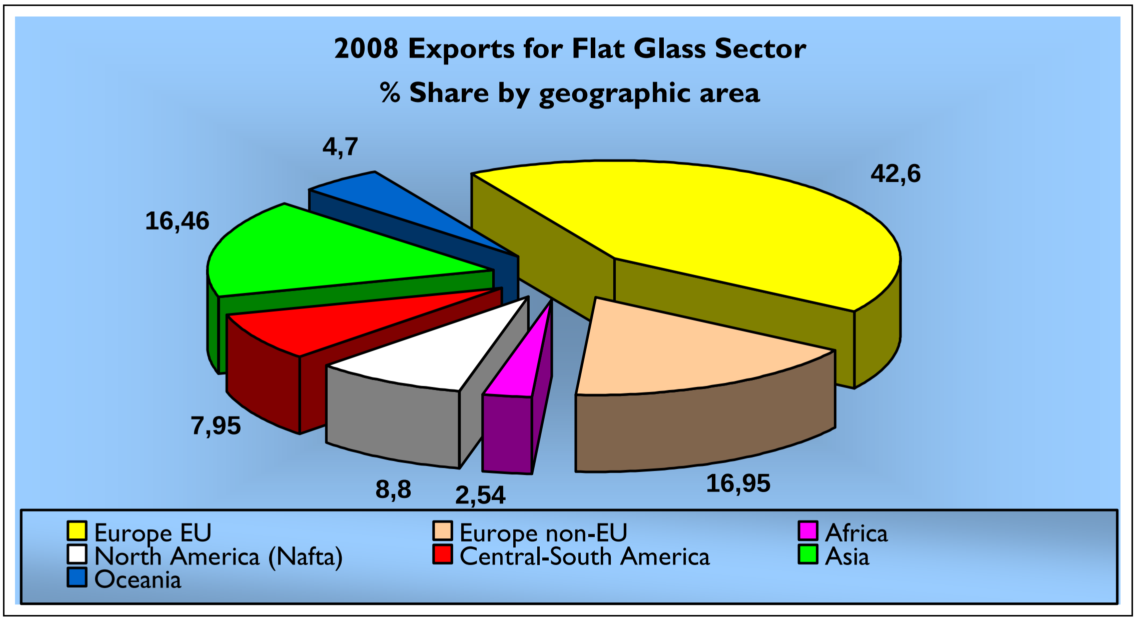
In line with the performance of the entire industry, the flat glass sector also recorded a drop in exports to Asia, attributed mainly to China, which cut the absolute value of its purchases from Italy by almost a third, marking a share of 6.36% in comparison with 10.6% the previous year. Nevertheless, the country ranks second among the leading destinations of our exports.

With Australia, Oceania recorded an upsurge of over 56.6% in the value of our exports, which has placed the country in 8th position in the ranking of destination countries of our goods with a 4.63% share.

The following tables provide a detailed picture of the exports of machinery, accessories and special products for the processing of flat glass, broken down by geographic areas and leading destination countries.

% SHARE OF EXPORTS BY GEOGRAPHIC AREA Flat Glass			
Destination areas	**2007**	**2008**	**% Diff. 2008/2007**
Europe EU	42.77	42.60	- 0.40
Europe non-EU	15.16	16.95	11.81
Africa	3.14	2.54	- 19.11
North America (Nafta countries)	10.56	8.80	- 16.67
Central and South America	4.23	7.95	87.94
Asia	21.18	16.46	- 22.29
Oceania and free ports	2.96	4.70	58.78
Total Exports for Flat Glass	**100.00**	**100.00**	

Gimav processing of Istat data



Flat glass: leading destination countries in 2008

MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR FLAT GLASS LEADING DESTINATION COUNTRIES BY GEOGRAPHIC AREA		
Geographic area	**Country**	**% share of exports flat glass sector**
Europe EU	Germany	5.74
	Spain	5.97
	Poland	4.28
Europe non-EU	Turkey	5.78
	Russia	4.67
	Ukraine	2.36
Africa	Rep. South Africa	0.64
	Libya	0.48
North America (Nafta countries)	USA	6.40
	Mexico	1.74
Central-South America	Brazil	5.19
	Venezuela	0.61
Asia	China + Hong Kong	6.36
	United Arab Emirates	1.92
	India	1.84
Oceania	Australia	4.63

Gimav processing of Istat data

Exports for the hollow glass sector

On total exports amounting to 1,030.8 million Euros, the machinery, accessories and special products for hollow glass totaled 285.4 million Euros, corresponding to a 3.64% increase with respect to the year 2007.

Exports to the 26 countries of the European Union make up 32.27% of the total exports (in comparison with 29.98% in 2007) which, when added to the 35.15% of the rest of Europe, brings the share of the European continent to 67.42%, an increase over 60.77% in the previous year. The leading destination country is Russia with an impressive 20.66%, which gives the country a very important role in the sector's trade balance, especially considering that the increase in absolute value was over 67% with respect to 2007. France, although falling in terms of absolute value, ranks second, but with a much lower share: 8.12%. Germany posted an appreciable growth, which brings it to a share of 3.78%, and the same holds true for Portugal which rose from 2.06% in 2007 to 3.43% in 2008, followed by Belarus which quadrupled the value of its imports from Italy.

Even the African continent has grown overall, moving up from a share of 5.14% to 6.47%. Egypt has been the top buyer with a share of 3% of total exports in the hollow glass sector.

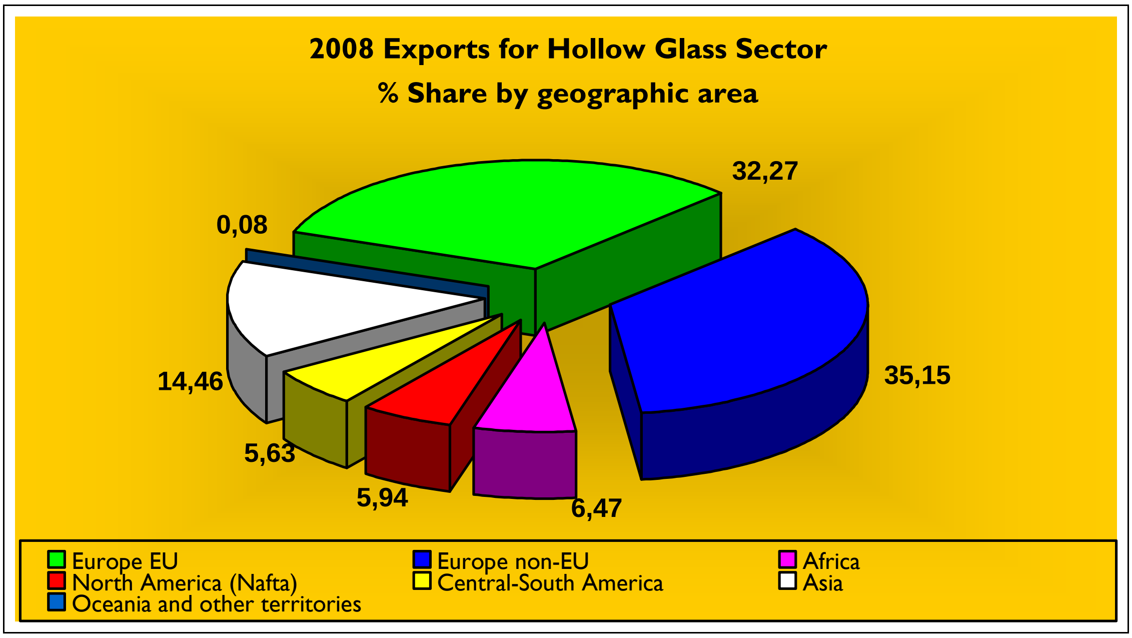
Taken together, the Americas suffered a slight decline over 2007, including the USA, ranking third among the leading destination countries with a share of 3.97%. Similar to the flat glass sector, Brazil also posted considerable growth in the hollow glass sector, both in terms of absolute value as well as percentage share.

Argentina, which suffered a sudden drop in 2007, seems to be heading slowly towards a trend reversal.

Overall, Asia posted a negative result over 2007, despite the increase in exports to some countries such as Iran (with a 2.14% share), Thailand (1.65%) and Saudi Arabia (1.21%).
Even though in considerable decline, India ranked as the top destination country of hollow glass goods, as a result of the sudden nosedive in exports to China which plummeted from 5.02% in 2007 to the current 0.84%.

Hollow glass: share of exports by geographic area

% SHARE OF EXPORTS BY GEOGRAPHIC AREA Hollow Glass			
Destination areas	**2007**	**2008**	**% Diff. 2008/2007**
Europe EU	28.98	32.27	11.35
Europe non-EU	31.79	35.15	10.57
Africa	5.14	6.47	25.88
North America (Nafta countries)	5.31	5.94	11.86
Central and South America	7.41	5.63	- 24.02
Asia	21.22	14.46	- 31.86
Oceania and free ports	0.15	0.08	- 46.67
Total Exports for Hollow Glass	**100.00**	**100.00**	



Hollow glass: leading destination countries in 2008

MACHINERY, ACCESS. AND SPECIAL PRODUCTS FOR HOLLOW GLASS LEADING DESTINATION COUNTRIES BY GEOGRAPHIC AREA		
Geographic area	**Country**	**% share of exports hollow glass sector**
Europe EU	France	8.12
	Germany	3.78
	Portugal	3.43
Europe non-EU	Russia	20.66
	Belarus	3.27
	Ukraine	3.13
Africa	Egypt	3.00
	Angola	1.30
North America (Nafta countries)	USA	3.97
	Mexico	1.93
Central-South America	Brazil	1.74
Asia	India	2.36
	Iran	2.14
	China + Hong Kong	0.84

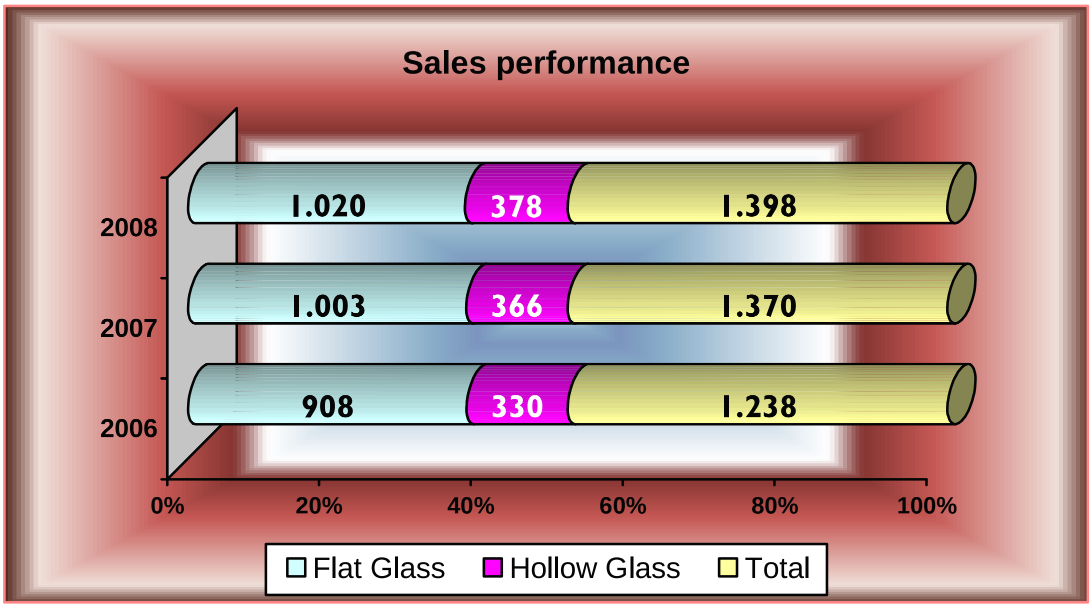
Industry sales

Despite aggressive competition, the unfavorable exchange rate between the Euro and the Dollar, the rising cost of raw materials and labor and, above all, the global economic crisis during the latter part of 2008, the Italian industry of machinery, accessories and special products for glass processing ended 2008 on a positive note for both sectors. Confirming the driving propensity to export that has long characterized Italy's machine-building industry businesses, in 2008 the percentage of sales delivered to foreign markets rose once again, totaling almost 74%.

ITALIAN INDUSTRY SALES MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS				
Sectors	2006 Euros	2007 Euros	2008 Euros	% Diff. 2008/2007
FLAT GLASS SECTOR				
Domestic sales	260,008,024	272,578,381	275,025,538	0.90
Exports	648,038,644	730,537,004	745,391,768	2.03
Tot. Flat Glass sales	**908,046,668**	**1,003,115,385**	**1,020,417,306**	**1.72**
HOLLOW GLASS SECTOR				
Domestic sales	84,447,130	91,020,640	92,586,119	1.72
Exports	245,307,383	275,380,514	285,406,507	3.64
Tot. Hollow Glass sales	**329,754,513**	**366,401,154**	**377,992,626**	**3.16**
Total Flat + Hollow	**1,327,801,181**	**1,369,516,539**	**1,398,409,932**	**2.11**

% SHARE OF 2008 SALES BY DESTINATION			
Destination area	**Flat Glass**	**Hollow Glass**	**SECTOR TOTALS**
Domestic sales	26.95	24.49	**26.29**
Exports	73.05	75.51	**73.71**
TOTAL	**100.00**	**100.00**	**100.00**

Gimav processing of Istat data



Summary

Summary Machinery, accessories and special products for glass processing industry Years 2006 – 2007 - 2008				
Variables	**Unit of measure**	**2006**	**2007**	**2008**
Industry sales	Euro	1,237,801,181	1,369,516,539	1,398,409,932
Exports	Euro	893,346,027	1,005,917,518	1,030,798,275
Imports	Euro	52,911,194	86,934,973	83,583,150
Trade surplus	Euro	840,434,833	918,982,545	947,215,125
Domestic orders	Euro	344,455,154	363,599,021	367,611,657
	% Difference	6.20	5.56	1.10
Foreign orders	Euro	893,346,027	1,005,917,518	1,030,798,275
	% Difference	4.99	12.60	2.47
Workforce	No. Employed	4,500	4,500	4,500

Gimav processing of Istat data

The excellent percentage of growth in sales and exports scored by our businesses for most of 2008 was eroded away by the plunge in orders that occurred during the final quarter. The initial financial crisis, which originated in USA was followed by a generalized drop in demand in 2009, which has significantly strained the world industry of both capital goods as well as consumer goods.
The structure of our businesses has helped, in part, to promptly ease the severity of the consequences, but the long-lasting nature of the crisis is quite worrisome for an industry that exports 74% of its production. Our businesses, thanks to their well-established heritage, are making every effort to face present difficulties without, however, neglecting the development of their product in order to be ready to innovatively meet the market's needs once the current trend turns around.

ITALY'S GLASS INDUSTRY

Flat glass

The year 2008 was marked by a significant drop in flat glass production, in contrast to a considerable increase in exports.

FLAT GLASS - in tons				
Items	**2006**	**2007**	**2008**	**% Diff. 2008/2007**
Production	1,141,874	1,125,097	1,067,817	- 5.09
Exports	187,841	176,079	202,423	14.96
Imports	400,574	514,448	448,474	- 12.82

Source: Istat

Hollow glass

Unlike the flat glass sector, Italy's hollow glass sector ended the year with a slight growth in production which, considering the decline in exports and rise in imports, indicates an appreciable increase in domestic consumption.

HOLLOW GLASS - in tons				
Items	**2006**	**2007**	**2008**	**% Diff. 2008/2007**
Production	3,721,288	3,789,249	3,835,239	1.21
Exports	535,948	570,037	558,079	- 2.10
Imports	458,411	475,418	530,928	11.68

Source: Istat

Bottles

Growth in this sector's production ran parallel to a drop in exports. There was, however, a noteworthy increase in imports.

BOTTLES - in tons				
Items	**2006**	**2007**	**2008**	**% Diff. 2008/2007**
Production	3,167,500	3,227,252	3,266,982	1.23
Exports	291,513	320,075	311,900	- 2.55
Imports	237,853	230,530	293,510	27.32

Source: Istat

Vases

The moderate rise in production and sharp increase in exports (a trend which was already in progress in 2007) indicate a reduction in domestic demand for vases. The imports, which have fallen significantly with respect to the previous year, confirm this trend.

VASES - in tons				
Items	**2006**	**2007**	**2008**	**% Diff. 2008/2007**
Production	242,009	240,680	258,788	7.52
Exports	18,282	20,215	24,909	23.22
Imports	65,513	85,217	80,065	- 6.05

Source: Istat

Small bottles and vials

After the considerable growth in production recorded in 2007, the year 2008 ended with a slight drop. Exports remained virtually the same, while there was a sharp decline in imports.

SMALL BOTTLES AND VIALS - in tons				
Items	**2006**	**2007**	**2008**	**% Diff. 2008/2007**
Production	139,532	152,590	148,577	- 2.63
Exports	98,103	101,448	101,550	0.10
Imports	62,564	62,551	58,345	- 6.72

Source: Istat

Housewares

Production dropped, in connection with a slight dip in exports. The increase in imports, although minimal, indicates a decided market preference for foreign products.

HOUSEWARES - in tons				
Items	**2006**	**2007**	**2008**	**% Diff. 2008/2007**
Production	172,247	168,727	160,892	- 4.64
Exports	128,050	128,299	119,720	- 6.69
Imports	92,481	97,120	99,008	1.94

Source: Istat

CRYSTALWARE - in tons (Assovetro estimates)			
Items	**2007**	**2008**	**% Diff. 2008/2007**
Production	103,000	106,000	2.91
Exports	60,558	56,558	- 6.61
Imports	12,975	12,228	- 5.76

OTHER GLASSWARE (Assovetro estimates)			
Items	**2007**	**2008**	**% Diff. 2008/2007**
Production	315,000	325,000	3.17
Exports	372,005	378,505	1.75
Imports	382,617	360,596	- 5.76

2008 FOREIGN TRADE (in tons)				
Rank	**Products**	**Exports**	**Imports**	**Balance**
1	Flat glass	202,423	448,474	- 246,51
2	Hollow glass	558,079	530,928	27,151
3	Bottles	311,900	293,510	18,390
4	Vases	24,909	80,065	- 55,156
5	Small bottles and vials	101,550	58,345	43,205
6	Houseware	119,720	99,008	20,712
7	Crystalware	56,558	12,228	44,330
8	Other glassware	378,505	360,596	17,909