

Italian Association of Glass-Processing Machinery and Accessory
Suppliers

The Italian Industry of Machinery, Accessories and Special Products for Glass Processing in 2012

June 2013



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 the promotion of Italian products around the globe. As a member of Confindustria, Federvarie and Federmacchine, in over 30 years of business activity, GIMAV has considerably strengthened its representative presence throughout the industry's entire supply chain. The sales volume of GIMAV member companies makes up 80% of the overall turnover by 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 form the backbone of the industry. 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 worldwide.

THE INDUSTRY: statistical survey and research methodology

GIMAV has conducted its usual yearly 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 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. 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 its complexity, the only official source -- the Italian Institute of Statistics (ISTAT) -- understandably provides incomplete data since this 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 when collecting domestic sales data, due to the lack of reliable institutional sources. 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 high, of course, and quite satisfactory by the others.



THE MACHINE-BUILDING INDUSTRY IN 2012

Data shows that as in 2011, production shrank in 2012. However this was to a lower extent than in 2011 vs. 2010.

By contrast, exports of capital goods rose significantly, with a partial recovery of the losses posted from 2009 onward.

Unfortunately, the domestic market remained extremely weak.

2010 – 2012 Performance of the industry

Years	2010	2011	2012	2012/2011 diff.
Production (millions of Euros)	33,893	28,148	27,975	-0.6%
Exports (millions of Euros)	22,791	20,740	21,201	2.2%
Domestic Consumption (millions of Euros)	11,102	7,408	6,774	-8.6%
Imports (millions of Euros)	5,783	4,461	4,146	-7.1%
Workers	141,000	140,669	135,580	-3.6%

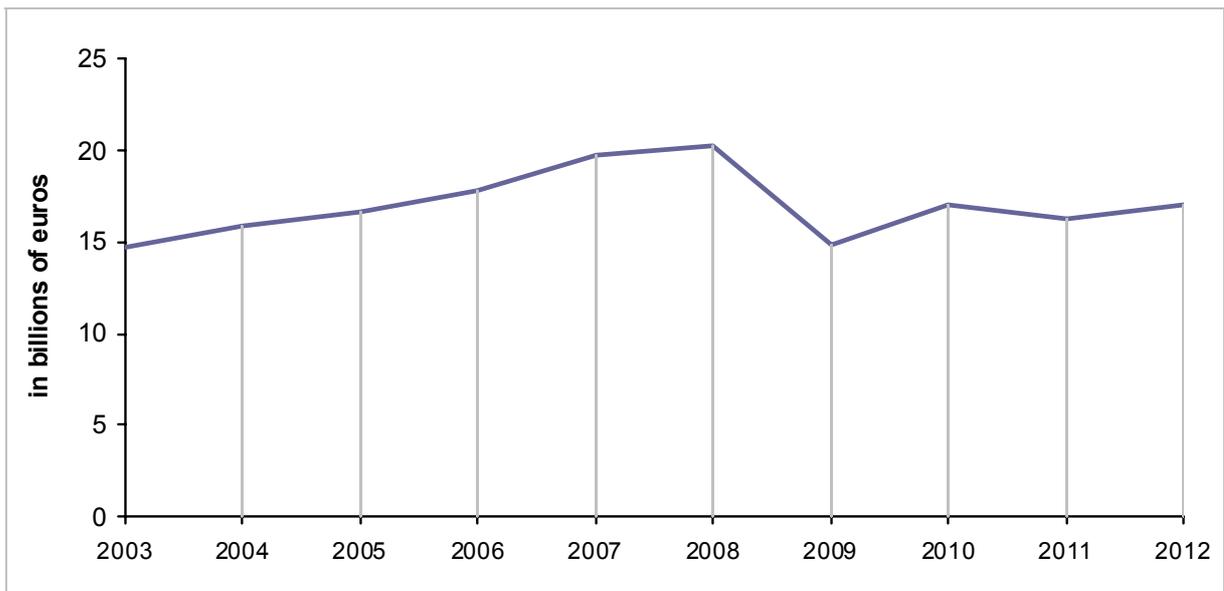
Export drive and trade balance

One of the distinguishing features of the Italian capital goods manufacturing industry is its high export drive which strengthened during the recession and accounted for 76% of sales in 2012.

All sectors have an exports-to-sales ratio of more than 60%, with peaks bordering on 90%.

In 2012, the overall trade balance of the Federmacchine sectors reported a €17.06 billion surplus.

The Italian trade balance for capital goods



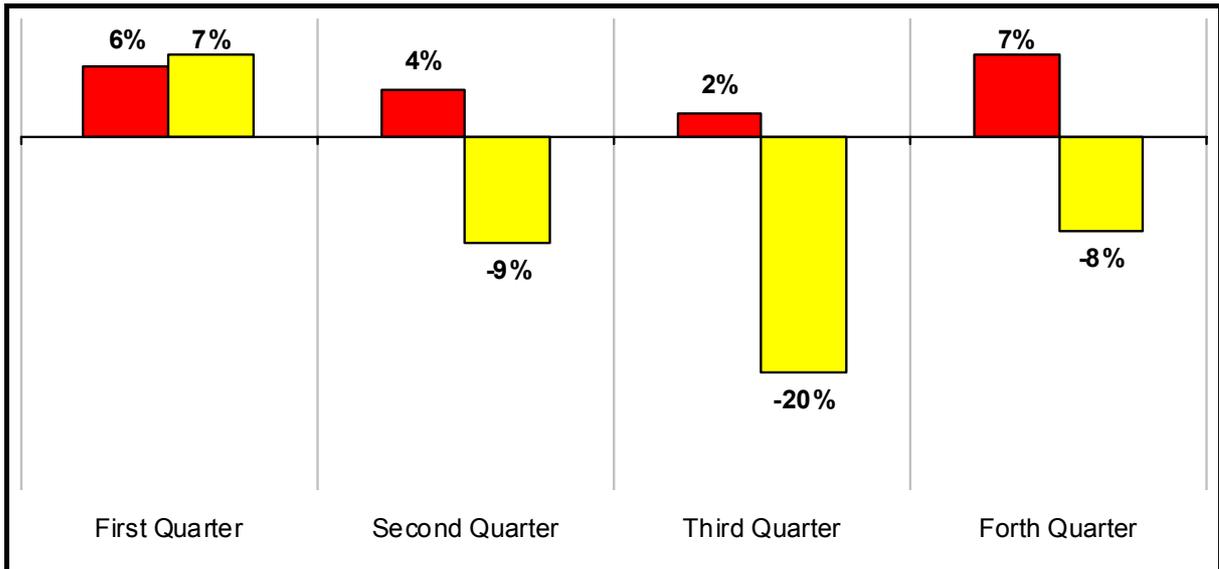


Foreign trade performance in 2012

Estimates for the quarterly trade performance in 2012 are based on ISTAT data for 8 of the 12 Federmacchine member associations.

Data representativeness (approximately 78% of total exports) is such as to ensure the reliability of results that can be extended to include the entire machine building and equipment industry.

2012 quarterly import-export data (changes vs. the same period in the previous year)



Processing of Federmacchine data

Trade by geographical area in 2012

	EXPORTS			IMPORTS		
	Value	% Diff.	Share	Value	% Diff.	Share
27 European Union countries	7,753	1.5	36.6 %	2,855	- 6.5	68.9 %
Europe (other countries)	2,813	6.3	13.3 %	371	- 7.3	8.9 %
Africa	1,128	2.4	5.3 %	12	- 2.4	0.3 %
Middle East	837	- 5.6	3.9 %	11	- 7.0	0.3 %
Asia (other countries)	4,237	- 4.8	20.0 %	717	- 10.5	17.3 %
North America	2,555	19.6	12.1 %	143	1.0	3.5 %
South America	1,656	- 1.1	7.8 %	19	1.6	0.5 %
Oceania	222	8.2	1.0 %	19	- 10.5	0.5 %
TOTAL	21,201	2.2	100.0 %	4,146	- 7.1	100.0 %

Processing of Istat data by Federmacchine statistics group



The industry of machinery, accessories and special products for glass processing

Exports in 2012: top 20 countries

	Value	% Diff.		Value	% Diff.
China	1,936	- 11.0	UK	651	20.4
Germany	1,883	6.5	Mexico	545	30.9
United States	1,809	17.2	Switzerland	421	1.1
France	1,351	1.0	Belgium	294	- 12.5
Turkey	949	- 0.3	Sweden	273	- 11.7
Brazil	759	- 10.7	Austria	330	11.0
Russia	942	18.4	Romania	316	8.0
India	648	- 8.6	Czech Republic	262	1.4
Spain	556	- 17.9	The Netherlands	228	- 8.8
Poland	634	1.8	Saudi Arabia	272	11.7

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Imports in 2012: top 20 countries

	Value	% Diff.		Value	% Diff.
Germany	6,912	4.6	Poland	586	25.1
France	1,600	8.5	South Korea	554	8.5
China	1,576	10.5	UK	520	- 5.4
Switzerland	1,400	2.5	Taiwan	469	16.5
Austria	1,252	0.6	Sweden	352	4.7
Belgium	925	- 2.9	Turkey	328	1.0
Japan	830	- 28.1	Czech Republic	311	0.0
United States	667	18.7	Romania	250	1.8
Spain	608	- 10.1	India	185	9.2
The Netherlands	596	1.8	Denmark	161	- 11.7

Processing of Istat data by Federmacchine statistics group



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

In line with the entire machine-building industry, the glass-processing machinery, accessories and special products sector also showed promising signs of growth, whereas the domestic market remained in the doldrums.

Imports

In 2012, imports **contracted by 4.89%** compared to 2011, with similar results being posted by the two sectors comprising the glass processing industry:

- ⇒ **Cold working machines and accessories (flat glass): - 3.69%**
- ⇒ **Hot working machines and accessories (hollow glass): -5.03%.**

Sectors	2011 Euros	2012 Euros	% Diff. 2012/2011
Flat Glass	6,549,693	6,307,843	- 3.69
Hollow Glass	56,066,337	53,243,797	- 5.03
Flat + Hollow Glass - Total	62,616,030	59,551,640	- 4.89

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Imports: leading countries of origin for the entire industry

Country	2011 Euros	2012 Euros	% Diff. 2012/2011	2012 % share of total imports
United Kingdom	1,987,946	8,851,715	345.27	14.86
Croatia	5,566,788	7,082,370	27.23	11.89
France	5,827,329	6,302,990	8.16	10.58
Germany	8,680,537	5,675,073	34.62	9.53
United States	8,276,882	5,575,258	32.64	9.36
Sweden	9,033,856	5,023,190	44.40	8.44
China	4,250,166	4,448,360	4.66	7.47
Belgium	8,128,500	3,298,685	59.42	5.54
Finland	811,733	2,445,975	201.33	4.11
Austria	1,698,625	2,331,426	37.25	3.91

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Imports for the flat glass sector

Out of €59.55 million imports, the flat glass processing sector claimed €6.31 million, with a 3.69% decrease over 2011.

As usual, the primary area of origin was the European Union and more specifically France (€1.83 million), Austria (€1.47 million), Belgium (€0.9) and Germany (€0.6) which accounted for over 77% of total imports by the industry in 2012.

Among non-EU countries, Turkey continued to rank first but with a negligible share (0.25%) of Italian total imports.

Imports from Asia leapt from €0.30 million to €0.70 in 2012, without however returning to the record value of 2010. More particularly, China increased its supplies to Italy (albeit with a small absolute value) from 1.71% in 2011 to 7.92% in 2012.

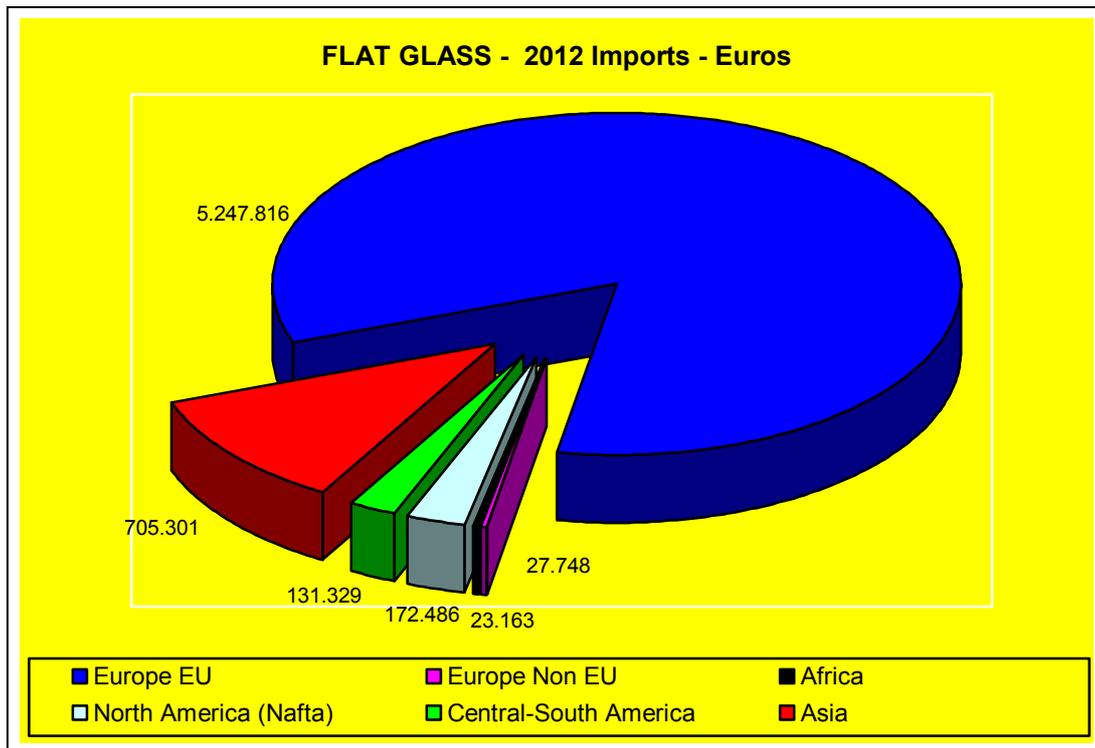


The industry of machinery, accessories and special products for glass processing

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 with a ranking of the leading countries of origin.

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR FLAT GLASS PROCESSING				
Origin	2010 Euros	2011 Euros	2012 Euros	% Diff. 2012/2011
Europe EU	9,601,248	5,942,872	5,247,816	- 11.70
Europe non-EU	202,736	127,82	27,748	- 78.29
Africa	20,376	-	23,163	100.00
North America (Nafta)	271,181	28,615	172,486	502.78
Central and South America	18,428	-	131,329	100.00
Asia	1,244,229	305,879	705,301	130.58
Oceania	-	144,507	-	100.00
Flat glass total imports	11,358,198	6,549,693	6,307,843	- 3.69

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FLAT GLASS SECTOR IMPORTS: leading countries of origin					
Geographical area	Country	2011 Euros	2012 Euros	% Diff. 2012/2011	% share of € 6.307.843
Europe EU	France	2,740,603	1,829,274	- 33.25	29.00
	Austria	548,28	1,474,555	168.94	23.38
	Belgium	36,922	955,633	2,488.25	15.15
	Germany	1,812,521	624,348	- 65.55	9.90
Europe non EU	Turkey	84,143	16,048	- 80.93	0.25
America	United States	28,615	172,486	502.78	2.73
Asia	China	112,191	499,725	345.42	7.92

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Imports by the hollow glass sector

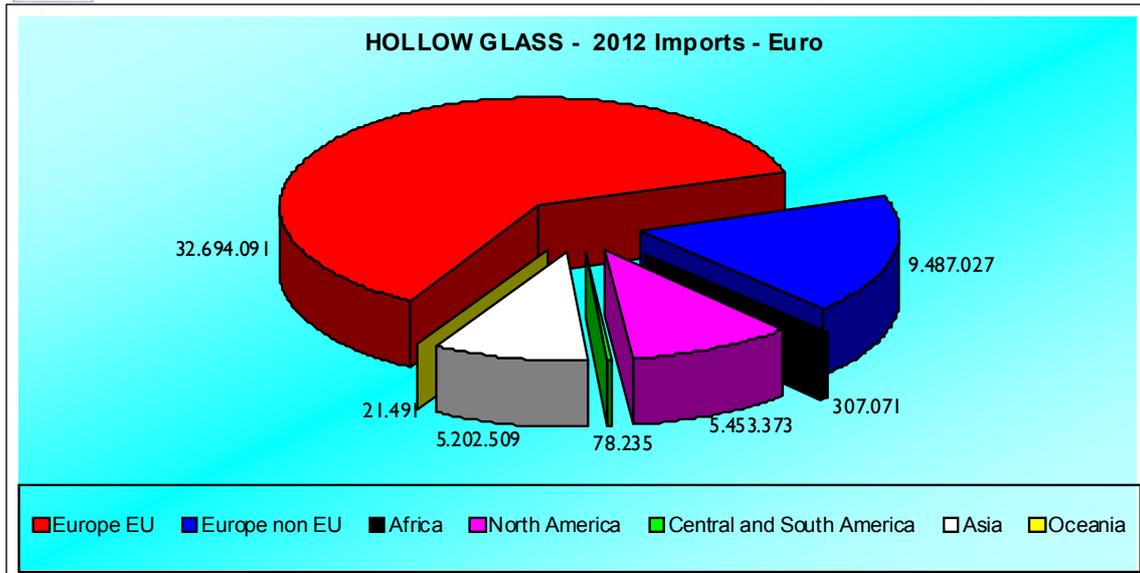
Out of total imports of €59.553 million, the machinery, accessories and special products for hollow glass processing accounted for €53.24 million, down by 5.03%.

The UK was the leading supplier with €8.76 million, up by 340.81% versus 2011 and claiming a 16.46% share of total imports for hollow glass. Second came Croatia (+27.47%) with a 13.30% share.

Statistics for the rest of the world show a steep downturn for imports from the United States (€5.4 million, down by 34.5%) which nonetheless remains the third leading supplier, and from China (-4.58%).

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 2012 vs. 2011 differences.

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR HOLLOW GLASS PROCESSING				
Origin	2010 Euros	2011 Euros	2012 Euros	% Diff. 2012/2011
Europe EU	25,994,934	36,090,096	32,694,091	- 9.41
Europe non-EU	7,393,319	6,388,306	9,487,027	48.51
Africa	157,138	62,103	307,071	394.45
North America (Nafta)	5,866,998	8,273,965	5,453,373	- 34.09
Central and South America	76,452	28,198	78,235	177.45
Asia	3,484,131	5,193,656	5,202,509	0.17
Oceania	6,962	30,013	21,491	- 28.39
Hollow glass total imports	42,979,934	56,066,337	53,243,797	- 5.03



HOLLOW GLASS IMPORTS: leading countries of origin

Geographic area	Country	2011 Euro	2012 Euro	% Diff. 2012/2011	% share of € 53.243.797
Europa UE	UK	1,987,946	8,763,106	340.81	16.46
	Germany	6,868,016	5,050,725	-26.46	9.49
	Sweden	9,033,856	5,023,190	- 44.40	9.43
	France	3,116,726	4,473,716	43.54	8.40
Europa extra UE	Croatia	5,556,088	7,082,370	27.47	13.30
	Turkey	651,351	2,265,773	247.86	4.26
America	United States	8,248,267	5,402,772	- 34.50	10.15
Asia	China	4,137,975	3,948,635	- 4.58	7.42

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The Italian market

Despite their strong export drive, Italian companies are by far the preferred suppliers of the domestic market for this industry, especially for the flat glass-processing sector, which continues to remain weak however.

Although to a lower extent, even users of machinery and equipment for hollow glass cut down on purchases, especially of imported goods

The table below shows domestic consumption values for the Italian market over the last three years.

The right-hand column illustrates the percentage differences between 2012 and 2011.



DOMESTIC CONSUMPTION				
Sectors Product origin	2010 Euros	2011 Euros	2012 Euros	% Diff. 2012/2011
FLAT GLASS				
Imports	11,358,198	6,549,693	6,307,843	- 3.69
Domestic product	198,305,552	198,284,650	183,934,730	- 7.24
Flat glass - Total	209,663,750	204,834,343	190,242,573	- 7.12
HOLLOW GLASS				
Import	42,979,934	56,066,337	53,243,797	- 5.03
Domestic product	67,902,523	59,550,620	61,519,163	3.31
Hollow glass - Total	110,882,457	115,616,957	114,762,960	- 0.74
Flat + Hollow Glass - Total	320,546,207	320,451,300	305,005,533	- 4.82

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Exports

After the heavy setback of 2009, exports -- which have always been the feather in the cap of the industry -- started climbing again, but with periods of promising vitality dotted with moments of market stagnation. Despite this fluctuating performance, the sector closed 2012 on positive ground, especially thanks to the hollow glass industry that seems to have shrugged off the recessionary times.

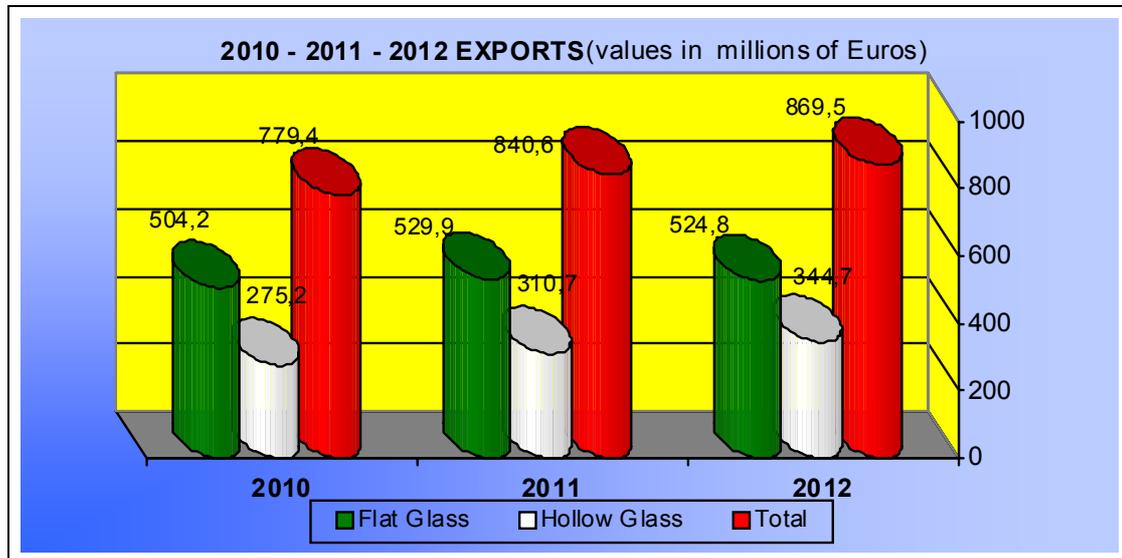
As of 31 December 2012, statistics for exports indicated an overall growth of **+3.44%**, more specifically:

- **machinery, accessories and special products for flat glass - 0.96%**
- **machinery, accessories and special products for hollow glass + 10.95%**

Entire industry exports

Sectors	2010 Euros	2011 Euros	2012 Euros	% Diff. 2012/2011
Flat Glass	504,155,775	529,870,668	524,765,300	- 0.96
Hollow Glass	275,226,150	310,732,300	344,748,356	10.95
Flat + Hollow Glass - Total	779,381,925	840,602,968	869,513,656	3.44

GIMAV processing of ISTAT data



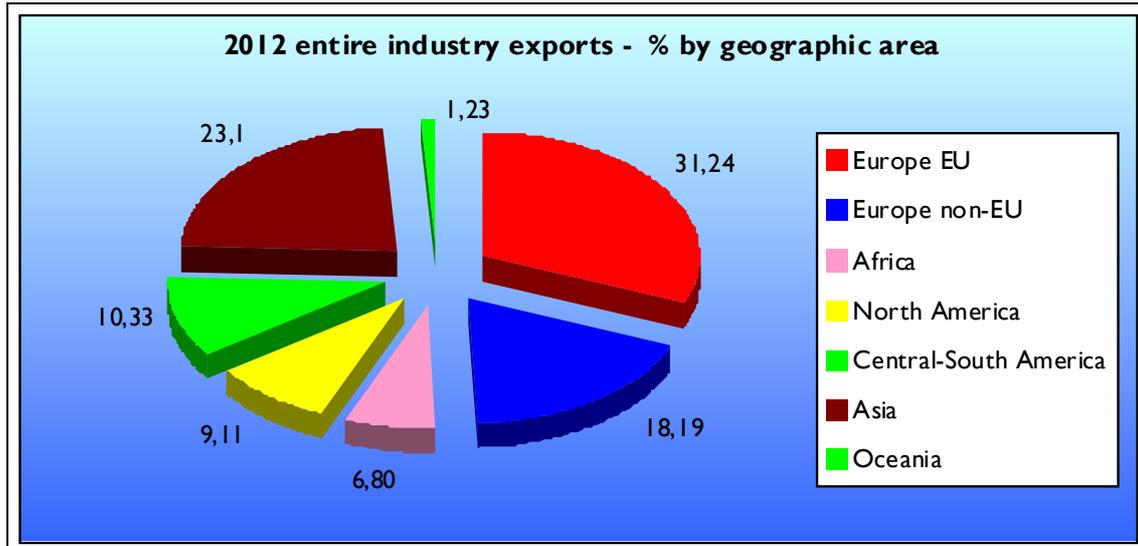
When examining the geographical breakdown of export flows, it appears that the European Union has recovered its No. 1 position as the major purchaser of Italian products which it had lost for the first time to Asia in 2011.

If all exports to non-EU countries are considered -- which proved to be on an encouraging upswing -- the Old Continent as a whole remains the destination of slightly less than 50% of Italian exports.

Unlike the 2010-2011 period, the drop-off in demand from industrialized economies seems to have halted, although the economies of some countries, above all Spain, are still in a tailspin. Statistics for 2012 show Africa's robust percentage growth despite its negligible absolute values along with the reassuring continuity of lively demand from the American continent as a whole.

EXPORTS BY THE ENTIRE INDUSTRY					
% SHARE BY GEOGRAPHIC AREA					
Destination	2009	2010	2011	2012	% Diff. 2012/2011
Europe EU	44.95	35.82	29.94	31.24	4.34
Europe non-EU	15.11	11.67	16.08	18.19	13.12
Africa	7.6	6.32	4.4	6.8	54.55
North America (Nafta)	7.94	6.94	8.28	9.11	10.02
Central and South America	7.65	9.42	8.88	10.33	16.33
Asia	15.52	28.62	31.21	23.1	- 25.99
Oceania	1.23	1.21	1.21	1.23	1.65
Entire industry total exports	100.00	100.00	100.00	100.00	

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The table below shows, in the first column, the ranking of the top 15 client countries by % share of total exports and, in the fourth column the 2011 ranking of the same countries, while the last column on the right indicates the difference between 2012 and 2011 sales by Italian companies in these countries.

Some interesting observations emerge from this ranking:

- The staggering rise of Turkey which has now become Italy's No. 1 export market;
- The considerable growth of Germany, a historic market for Italy's exports, that jumped from the 10th to the 5th place, as a result of its increase in imports both percentage-wise and in absolute value terms;
- Thailand's leap forward (from 20th to 9th place) and of the United Arab Emirates (from 40th to 12th place).
- The main underperformers were China (dropping from 1st to 10th place), India (from 5th to 14th), Spain (tumbling from 12th to 24th position), Austria (from 13th to 25th) and Iran (from 14th to 21st position)

ENTIRE INDUSTRY EXPORTS: leading destination countries					
2012 exports			2011 exports		% diff. in value 2012/2011
Pos.	Country	% Share	Pos.	% Share	
1	Turkey	7.33	9	3.58	+103.04
2	Poland	6.77	4	7.04	- 4.64
3	France	6.56	2	8.87	- 26.61
4	Russia	6.52	3	8.37	- 22.73
5	Germany	6.08	10	3.52	+ 71.47
6	Brazil	5.32	6	4.72	+ 11.99
7	Mexico	4.47	7	3.89	+ 14.04
8	United States	3.91	8	3.6	+ 7.53
9	Thailand	3.71	20	1.08	+ 241.56
10	China	3.61	1	11.33	- 68.38
11	United Kingdom	2.94	15	1.34	+ 117.88
12	United Arab Emirates	2.92	40	0.49	+ 485.41
13	South Korea	2.65	11	2.65	- 0.87
14	India	2.34	5	5.96	- 60.98
15	Egypt	1.88	18	1.19	+ 56.51



Flat glass sector exports

Out of total exports of €869.5 million, the industry of machinery, accessories and special products for flat glass claimed over €524.8 million, basically at the same level as 2011. Even though still far below the record values achieved during the two-year period from 2007 to 2008, this positive result indicates that despite the many difficulties Italian businesses are continuing to operate on the global marketplace, keen to take advantage of the opportunities offered by clients. In line with the trend exhibited by the entire industry, the flat glass sector also saw an increase in the European Union's share and a sharp drop in exports to Asia.

The **European Union** claimed 33.71% of our exports of machines, accessories and special products for flat glass, and **the whole of Europe** slightly less than 43% vs. 38.4% in 2011. The positive trend in the EU is largely the result of Germany's and Great Britain's performance. Germany climbed from 5th to 2nd in the ranking and almost doubled its share (increasing its imports from Italy by over 65% in value).

Great Britain almost tripled its share, up by 141% in value.

France maintained its 6th place but its share shrank from 5.32% in 2011 to 3.45% in 2012.

Due to the persisting recessionary climate, Spain plummeted to 20th place (0.87% share).

The non-EU area, as a whole underperformed and claimed 9% of the industry exports vs. 12.21% in 2011. Russia, on an upward trend in 2011, shifted to a lower gear and the value of its imports fell slightly below that of the previous year.

Africa confirmed its fluctuating performance with years of growth alternating with years of stagnation or of decline. In 2012 its share dropped to 3.20%.

North America (Nafta area) performed in line with 2011 despite Mexico's downward trend since 2011.

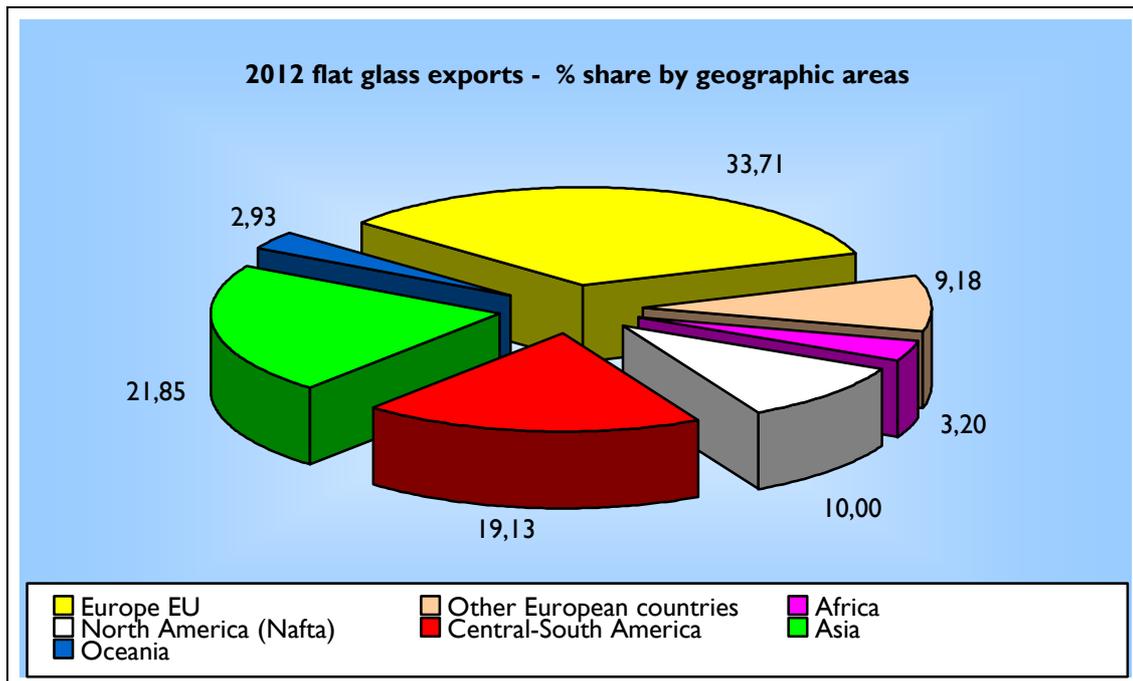
Central-South America as a whole posted healthy increases. Brazil confirmed its role as the most dynamic market in the area, claiming the first place in the ranking of the industry's best clients. Colombia also contributed to the growth of this geographic area and climbed from 25th to 10th place in the ranking with a share of over 3%.

Asia's share shrank by almost 10% (from 31.4% to 21.8%) as a result of China's slowdown which cut its purchases by 67.8% in value, followed by India (from 4.46% to 1.8%). Bucking the trend in the area were Thailand (+55.56% in value), Japan (+46.8% in value) and South Korea (+47.9%).

Oceania basically maintained the same position as in 2011.

The following tables provide a detailed picture of 2012 exports broken down into geographic areas and list the top 15 destination countries.

EXPORTS OF MACHINERY, ACCESSORIES AND PRODUCTS FOR FLAT			
% shares by geographic area			
Destination	2011	2012	% Diff. 2012/2011
Europe EU	27.19	33.71	23.98
Europe non-EU	12.21	9.18	- 24.82
Africa	3.51	3.20	- 8.83
North America (Nafta)	10.19	10.00	- 1.86
Central and South America	12.62	19.13	51.58
Asia	31.42	21.85	- 30.46
Oceania	2.86	2.93	2.45
Flat glass total exports	100.00	100.00	



FLAT GLASS EXPORTS: leading destination countries					
2012 exports			2011 exports		% diff. in value 2012/2011
Pos.	Country	% Share	Pos.	% Share	
1	Brazil	13.01	2	9.61	+ 24.24
2	Germany	10.68	5	5.93	+ 65.27
3	United States	7.15	3	6.74	- 2.50
4	United Kingdom	7.08	10	2.70	+ 141.16
5	China	4.80	1	13.71	- 67.83
6	France	3.45	6	5.32	- 40.46
7	Russia	3.25	8	3.21	- 7.30
8	Thailand	3.21	13	1.89	+ 55.56
9	Poland	3.20	11	2.25	+ 30.37
10	Colombia	3.07	25	0.98	+ 187.72
11	Australia	2.84	9	2.85	- 8.56
12	Turkey	2.81	4	6.32	- 56.19
13	Japan	2.42	18	1.51	+ 46.81
14	Bulgaria	2.15	53	0.22	+ 795.59
15	South Korea	2.05	19	1.27	+ 47.90

GIMAV processing of ISTAT data



Hollow glass sector exports

With total exports amounting to €869.5 million in 2012, machinery, accessories and special products for hollow glass totaled €344.75 million, i.e. up by 10.95% compared to 2011. The sector showed signs of extraordinarily dynamic vitality which helped it to post record export shares.

As in the flat glass industry, exports by this sector also increased to the European countries, which recaptured their role as Italy's leading export market.

In 2012, exports to the 26 countries of the **European Union** made up 29.71% of the hollow glass exports which, when added to the 23.76% of the rest of Europe, brings the share of the European continent to over 53%.

The top-ranking country was Turkey, which climbed as many as 12 positions with its 10.11% share, up by over 539%.

Russia dropped from first to third place (from 12 to 8.5%), with a conspicuous 25.6% decrease in value.

On a more or less significant downward trend were France (-22% in value) and Poland (-9.97%). By contrast, Germany rose from 11th to 8th place (with a 3.23% share) and an 86% increase in value.

The main setbacks were suffered by Austria and Spain.

Africa closed the year on a rising curve thanks to the large purchases by Algeria and Egypt, both with a 2.43% share.

The **American Continent** in general confirmed the same share level as in 2011 (13%) but with conflicting trends between the Nafta countries (+23.34% in value) and central-South America (-21.63%).

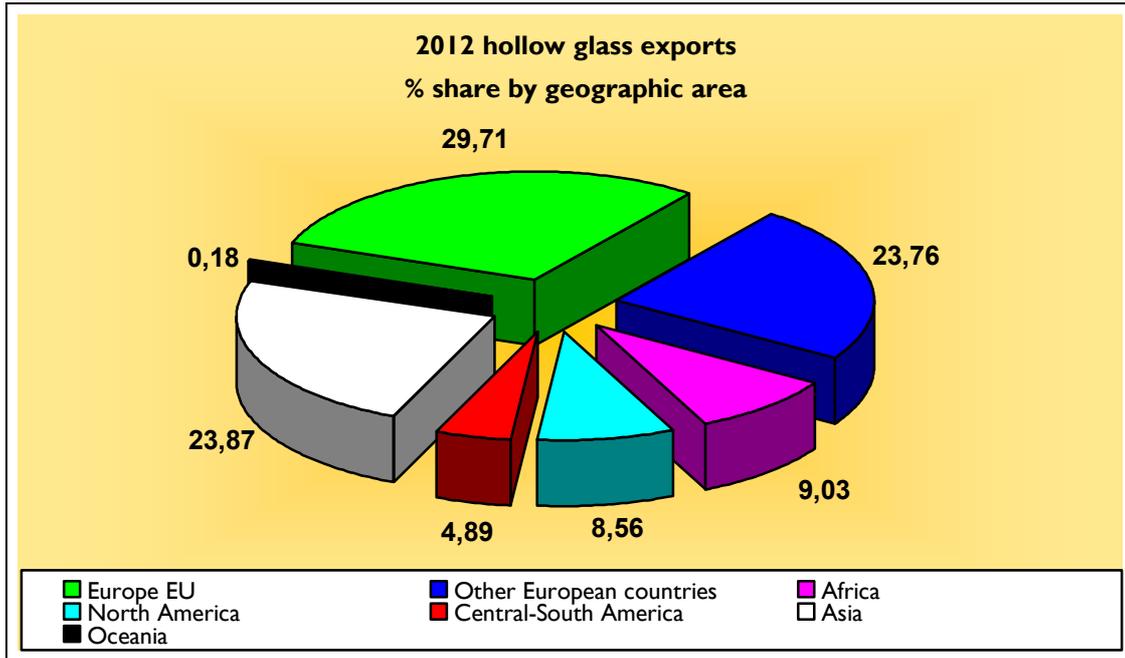
The United States and Mexico showed robust growth, whereas the southern countries in general suffered a setback.

As in the rest of the industry, **Asia** posted a downward trend also for hollow glass compared to 2011, mostly due to shrinking orders from China and India. Bucking the trend were Thailand (from 38th to 7th place) and the Arab Emirates (from 49th to 6th in the ranking).

Oceania posted a remarkable growth percentagewise, but with extremely low absolute values.

EXPORTS OF MACHINERY, ACCESSORIES AND PRODUCTS FOR HOLLOW GLASS % share by geographic area			
Destination	2011	2012	%Diff. 2012/2011
Europe EU	31.87	29.71	- 6.78
Europe non-EU	18.8	23.76	26.38
Africa	5.03	9.03	79.52
North America (Nafta)	6.94	8.56	23.34
Central and South America	6.24	4.89	- 21.63
Asia	31.07	23.87	- 23.17
Oceania	0.05	0.18	260.00
Hollow glass total exports	100.00	100.00	

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HOLLOW GLASS EXPORTS: leading destination countries					
2012 exports			2011 exports		% diff. in value 2012/2011
Pos	Countries	% share	Pos	% share	
1	Turkey	10.11	13	1.65	+ 539.21
2	Poland	8.97	3	10.41	- 9.97
3	Russia	8.54	1	11.99	- 25.64
4	France	8.48	2	11.36	- 22.05
5	Mexico	6.64	6	5.43	+ 27.80
6	United Arab Emirates	4.36	49	0.29	+ 1,463.41
7	Thailand	4.02	38	0.50	+ 732.87
8	Germany	3.23	11	1.82	+ 85.68
9	South Korea	3.02	7	3.63	- 12.90
10	China	2.88	4	9.67	- 68.92
11	India	2.65	5	7.01	- 60.45
12	Algeria	2.43	54	0.23	+ 1,000.77
13	Egypt	2.43	21	0.93	+ 173.44
14	Croatia	2.25	18	1.15	+ 105.34
15	United States	1.9	15	1.40	+ 41.43

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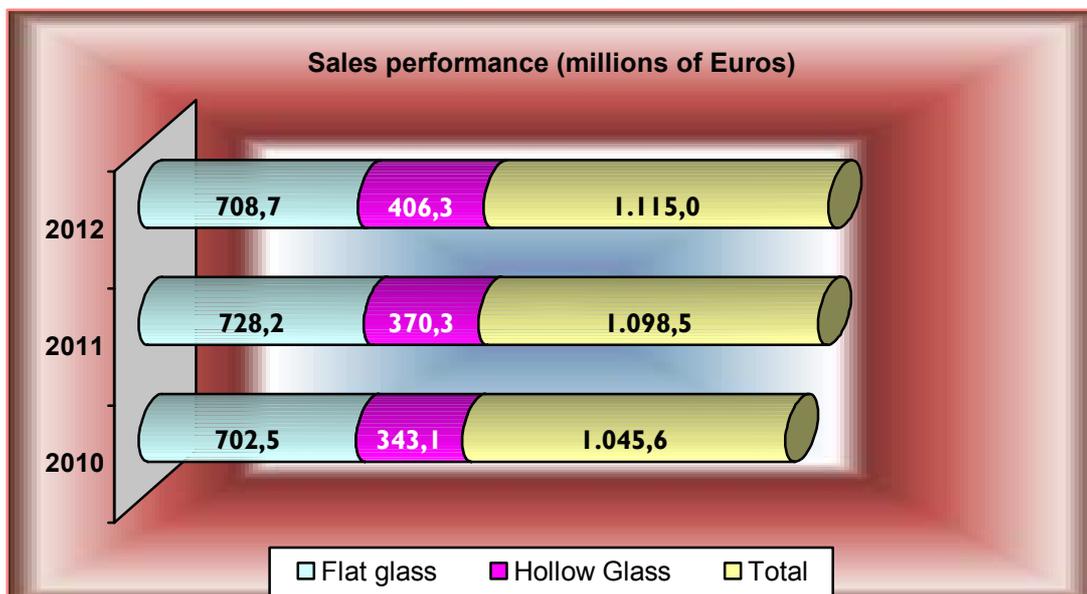
Industry sales

After the negative result in 2009, faint signs of a recovery in 2010, and a stronger recovery in 2011, the Italian industry of machinery, accessories and special products for flat and hollow glass processing confirmed an uptrend for the hollow glass sector but with signs of a new slowdown for flat glass, particularly because of the persisting weakness of the domestic market.

Both sectors, despite the difficulties experienced in the past few years, are rooted in an industrial fabric of remarkable solidity and experience and have once again given ample proof of their strong export drive.

ITALIAN INDUSTRY SALES MACHINERY, ACCESSORIES AND PRODUCTS FOR GLASS				
Sectors	2010 Euros	2011 Euros	2012 Euros	%Diff. 2012/2011
FLAT GLASS SECTOR				
Domestic sales	198,305,552	198,284,650	183,934,730	- 7.24
Exports	504,155,775	529,870,668	524,765,300	- 0.96
Flat glass total sales	702,461,327	728,155,318	708,700,030	- 2.67
HOLLOW GLASS SECTOR				
Domestic sales	67,902,523	59,550,620	61,519,163	3.31
Exports	275,226,150	310,732,300	344,748,356	10.95
Hollow glass totale sales	343,128,673	370,282,920	406,267,519	9.72
Flat + Hollow Glass - Total	1,045,590,000	1,098,438,238	1,114,967,549	1.50
% SHARE OF 2012 SALES BY DESTINATION				
Destination	Flat Glass	Hollow Glass	SECTOR TOTAL	
Domestic sales	25.95	15.14	22.01	
Exports	74.05	84.86	77.99	
TOTALS	100.00	100.00	100.00	

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Summary				
Machinery, accessories and products for glass processing				
2010 - 2011 - 2012				
Variables	Unit of measure	2010	2011	2012
Industry sales	Euro	1,045,590,000	1,098,438,238	1,114,967,549
Exports	Euro	779,381,925	840,602,968	869,513,656
Imports	Euro	54,338,132	62,616,030	59,551,640
Trade balance	Euro	725,043,793	777,986,938	809,962,016
Domestic orders	Euro	266,208,075	257,835,270	245,453,893
	% Diff.	0.88	- 3.15	- 4.80
Foreign orders	Euro	779,381,925	840,602,968	869,513,656
	% Diff.	5.28	7.86	3.44
Workforce	Unit	4,500	4,000	4,000

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Even though the industry comprises mainly small and medium-sized firms, it stands out for its high export drive, slightly under 80% of its production in 2012. An extensive, spread-out sales network, the ability to promote customer loyalty, operational flexibility to meet demand and prompt technical service are the key elements that have made our industry a sure leader in this sector.

After the significant setback at the end of 2009 due to the profound economic-financial crisis that shook the entire world, both sectors embarked on a path of growth, tentatively in 2010, more vigorously in 2011, and continuing in 2012.

This notwithstanding, the situation remains difficult especially in the euro area in general and more particularly on the domestic market, due to the persisting recession in some key segments, first and foremost the construction industry. The constantly growing prices of energy, raw materials and labor exacerbated by exorbitantly high taxes clearly indicate that the end of the crisis is not in sight.

Statistics for the first quarter of 2013 point to a robust pickup in demand from overseas, particularly for flat glass. Although the data is only partial, it is hoped that this may point to the end of the fluctuating trend that has dominated the markets for a few years now. Only a certain degree of stability can allow Italian businesses to develop far-reaching programs in order to innovate and upgrade their production.