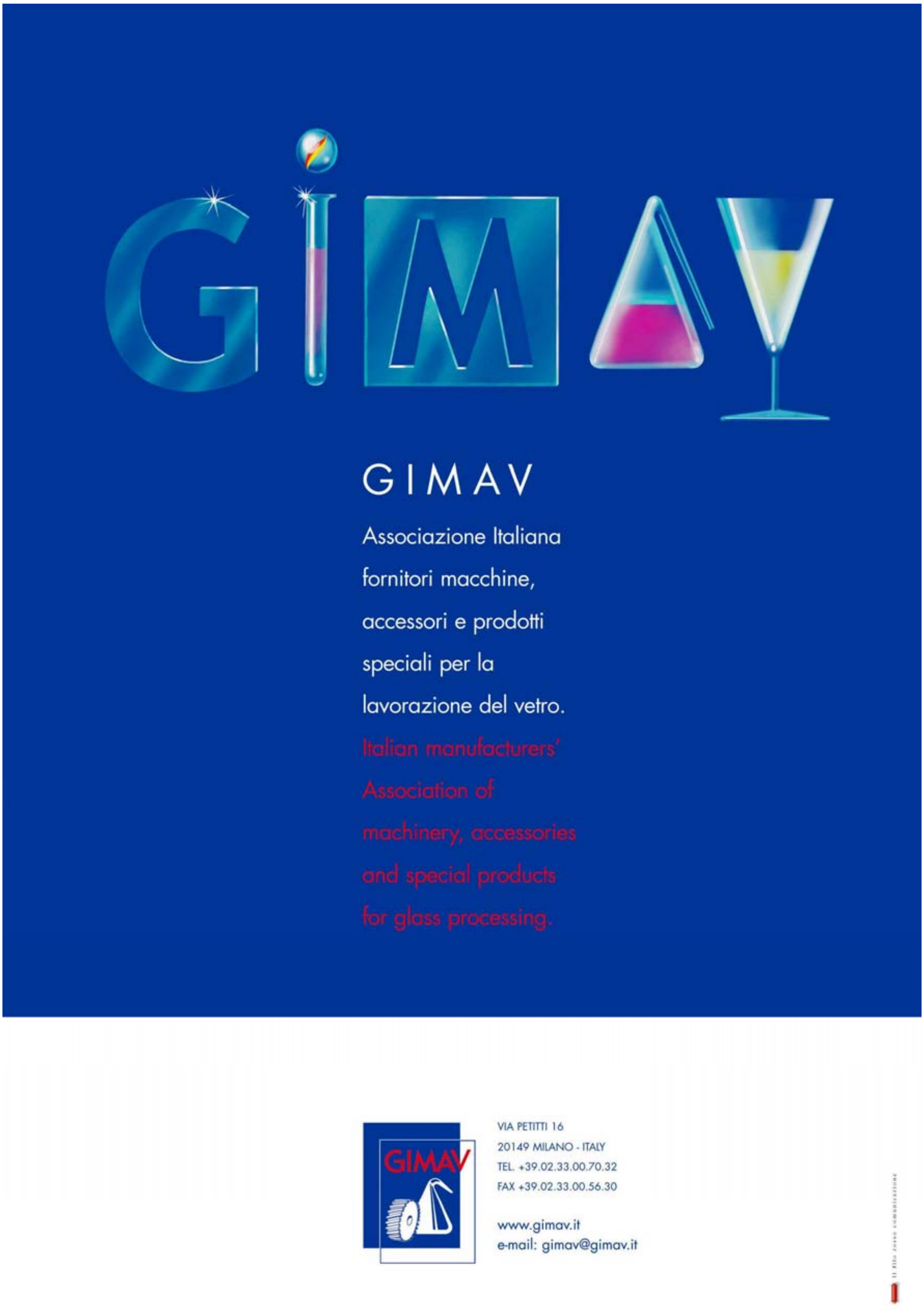
2007 INDUSTRY REPORT



June 19, 2008

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 known 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 processed glass products around the globe. As a member of Confindustria, Federvarie and Federmacchine, in its 28 years of activity, GIMAV has considerably strengthened its representative presence throughout the industry's entire supply chain. 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 initiatives that form the core of the Association's activities 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 it is the small and medium-sized businesses that are its true 'face' and have made a lasting impact on 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 strategical and management decisions -- a philosophy that has forged a cohesive group capable of exercising strong international influence and is known and respected in many countries around the world.

THE SECTOR: statistical survey and research methodology

As always, GIMAV conducted its 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 client, 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 because it is limited to imports and exports identified by only five Customs codes -- two for flat glass and three for hollow glass:

<u>for flat glass</u>

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

<u>for hollow glass</u>

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

Even greater difficulties arise in the collection of data regarding domestic turnover: no reliable institutional sources exist. To bridge this information gap, GIMAV distributes a detailed questionnaire to all of its members and to its very few 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

Data for 2007 concerning the entire machine-building sector show a considerable increase in production for all categories and, in many cases, the percentage increases were in double-digits.
Even though there were also significant gains in imports, the generally excellent trend in export flows made it possible to close 2007 with a very healthy trade surplus, confirming that Italy's machine-building industry is one of the country's key drivers of the economy.

The following tables illustrate performance in the various sectors, with regard to production, exports, domestic distribution, imports and the workforce. Although definitive data is not yet available concerning imports in the Ceramics Machines and Equipment sector, use of preliminary figures makes it possible to compile a reasonably reliable summary.

Production (millions of Euros)	**2006**	**2007**	**% Diff. 07/06**
Acimac – Ceramics machines	1,702	1,938	13.9
Acimall –Wood processing machines	1,820	1,866	2.5
Acimga – Machines for the graphics and paper industries	1,670	1,680	0.6
Acimit – Machines for the textile industry	2,680	2,794	4.3
Assocomaplast – Machines for materials in plastics and rubber	3,850	4,250	10.4
Assomac – Footwear, leather goods and tanning machines	500	525	5.0
Marmomacchine – Natural stone processing machinery	1,250	1,280	2.4
Gimav – Glass processing machines and products	1,238	1,370	10.7
Ucima – Packaging and packing goods machines	3,276	3,610	10.2
Ucimu – Machine tools, robots and automation	4,992	5,820	16.6
Unacoma – Farm machinery	11,068	12,227	10.5
Totals	**34,046**	**37,360**	**9.7**

Exports (millions of Euros)	**2006**	**2007**	**% Diff. 07/06**
Acimac – Ceramics machines	1,244	1,386	11.4
Acimall – Wood processing machines	1,492	1,532	2.7
Acimga – Machines for the graphics and paper industries	1,301	1,307	0.5
Acimit –Machines for the textile industry	2,091	2,151	2.9
Assocomaplast – Machines for materials in plastics and rubber	2,336	2,691	15.2
Assomac – Footwear, leather goods and tanning machines	355	380	7.0
Marmomacchine – Natural stone processing machinery	800	840	5.0
Gimav – Glass processing machines and products	893	1,006	12.7
Ucima – Packaging and packing goods machines	3,005	3,257	8.4
Ucimu – Machine tools, robots and automation	2,773	3,104	11.9
Unacoma – Farm machinery	6,303	7,132	13.2
Totals	**22,593**	**24,786**	**9.7**

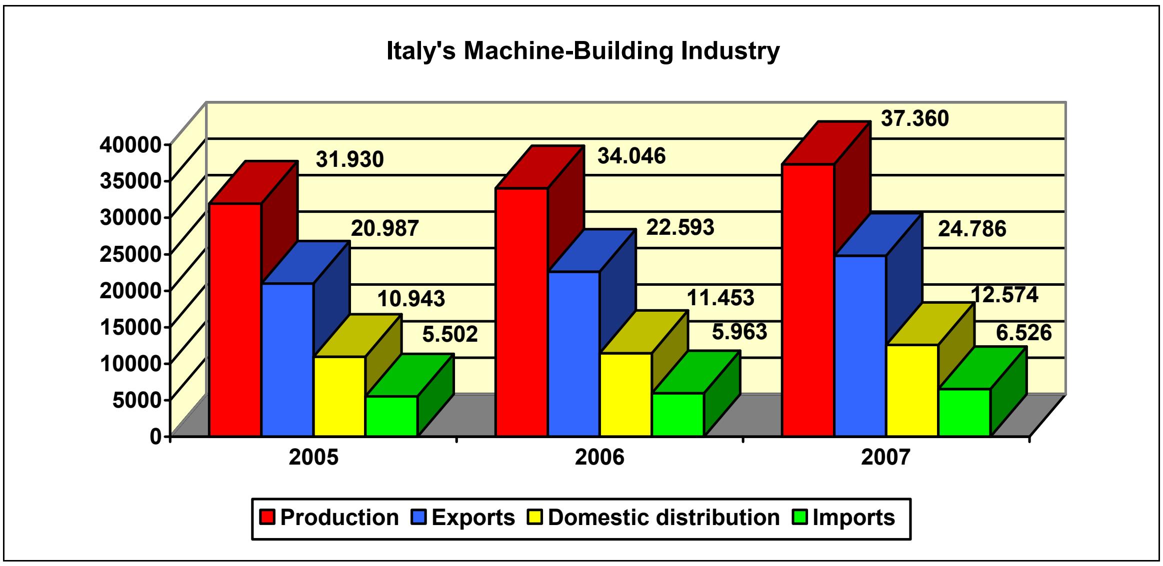
Domestic distribution (millions of Euros)	2006	2007	% Diff. 07/06
Acimac – Ceramics machines	458	552	20.5
Acimall – Wood-processing machines	328	334	1.8
Acimga – Machines for the graphics and paper industry	369	373	1.1
Acimit – Machines for the textile industry	589	643	9.2
Assocomaplast – Machines for materials in plastics and rubbber	1,514	1,559	3.0
Assomac – Footwear, leather goods and tanning machines	145	145	-
Marmomacchine – Natural stone processing machinery	450	440	- 2.2
Gimav – Glass-processing machines and products	345	364	5.5
Ucima – Packaging and packing goods machines	271	353	30.3
Ucimu – Machine tools, robots and automation	2,219	2,716	22.4
Unacoma – Farm machinery	4,765	5,095	6.9
Totals	**11,453**	**12,574**	**9.8**

Imports (millions of Euros)	2006	2007	% Diff. 07/06
Acimac – Ceramics machines	n.d.	n.d.	n.d.
Acimall – Wood-processing machines	174	183	5.2
Acimga – Machines for the graphics and paper industry	861	776	- 9.9
Acimit – Machines for the textile industry	568	632	11.3
Assocomaplast – Machines for materials in plastics and rubber	630	612	- 2.9
Assomac – Footwear, leather goods and tanning machines	23	28	21.7
Marmomacchine – Natural stone processing machinery	39	42	7.7
Gimav – Glass-processing machines and products	51	87	70.6
Ucima – Packaging and packing goods machines	305	326	6.9
Ucimu – Machine tools, robots and automation	1,308	1,629	24.5
Unacoma – Farm machinery	2,004	2,211	10.3
Totals	**5,963**	**6,526**	**9.4**

Workforce	**2006**	**2007**	**% Diff. 07/06**
Acimac – Ceramics machines	6,938	7,560	9.0
Acimall – Wood-processing machines	12,000	11,000	- 8.3
Acimga – Machines for the graphics and paper industry	7,300	7,200	- 1.4
Acimit – Machines for the textile industry	20,892	20,000	- 4.3
Assocomaplast – Machines for materials in plastics and rubber	12,300	12,500	1.6
Assomac – Footwear, leather goods and tanning machines	6,050	5,700	- 5.8
Marmomacchine – Natural stone processing machinery	11,300	11,300	-
Gimav – Glass-processing machines and products	4,500	4,500	-
Ucima – Packaging and packing goods machines	16,800	16,800	-
Ucimu – Machine tools, robots and automation	31,340	31,550	0.7
Unacoma – Farm machinery	39,700	39,100	- 1.5
Totals	**169,120**	**167,210**	**- 1.1**

ITALY'S MACHINE-BUILDING INDUSTRY Summary					
	2005	**2006**	**2007**	**% Diff. 06/05**	**% Diff. 07/06**
Production	31,930	34,046	37,360	6.6	9.7
Exports	20,987	22,593	24,786	7.7	9.7
Domestic distribution	10,943	11,453	12,574	4.7	9.8
Imports	5,502	5,963	6,526	8.4	9.4
Consumption	16,445	17,416	19,100	5.9	9.7
Trade surplus	15,485	16,630	18,260	7.4	9.8
Workforce	168,765	169,120	167,210	0.2	-1.1

* Preliminary data – Source: Federmacchine



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

Like the rest of the machine-building industry, the glass-processing machinery, accessories and special products for glass processing industry also posted an increase in production in 2007, compared to the previous year.

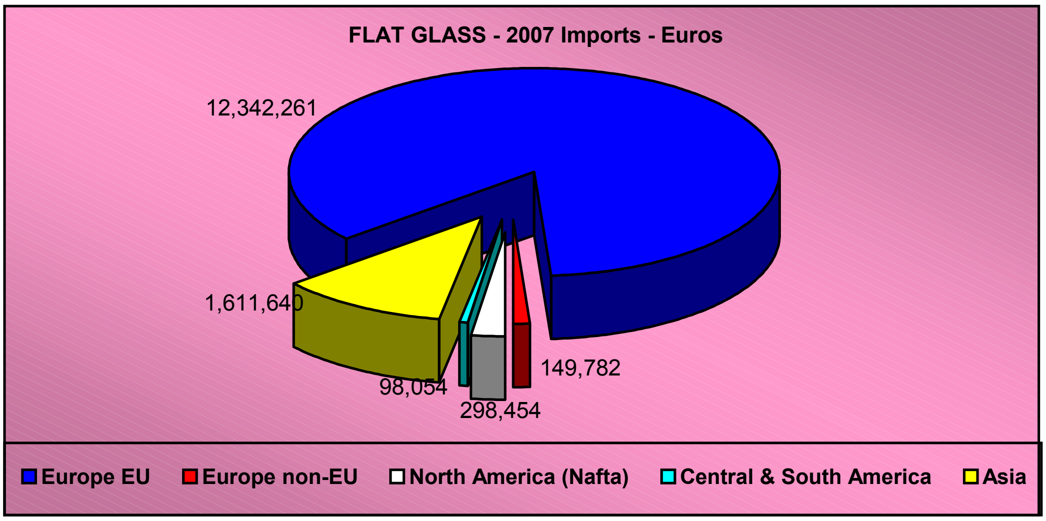
From the very beginning of the year, sales performance grew continuously compared to the previous year's figures and, as the months went by, the vitality of the end markets showed increasingly greater momentum. The final balance sheet reflects levels of growth that were unimaginable only a few years ago, and to which international sales made an exceptionally fine contribution, followed by more modest demand from the domestic market.

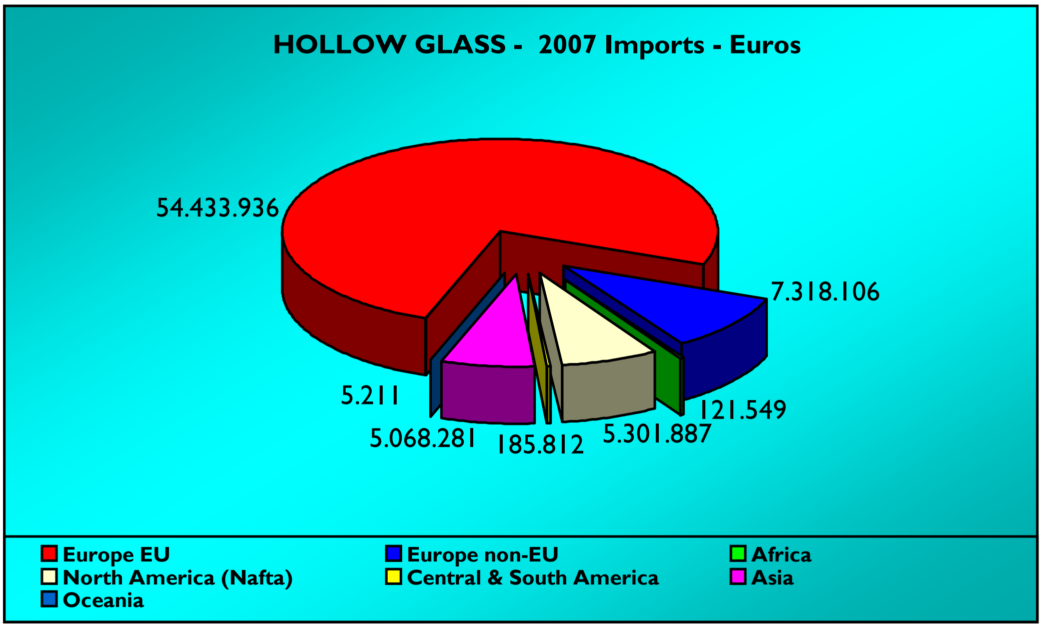
Imports

Foreign imports in 2007 displayed overall growth of **(+ 64.30%)** over 2006, reaching levels in terms of absolute value never reached before. Detailed analysis indicates a rapid rise for both categories that comprise the sector. Specifically:

- Cold processing machines and accessories (flat glass): + 54.73%

- Hot processing machines and accessories (hollow glass): + 66.35%





On total imports amounting to just under 87 million Euros, machines and accessories for flat glass totaled 14.5 million Euros, while Italian companies that manufacture and process hollow glass invested 72.4 million Euros in foreign capital goods.

Flat glass: it seems significant that the value of imports from Germany nearly doubled (from 2.9 to 5.8 million Euros) over 2006, accounting for almost 40% of the sector total, compared to 30% last year. France remained steady in absolute value, but dropped in terms of percentage influence: 28.18 compared to 43.11% in 2006.

Significant growth for China, as well, rising from 2.4% in 2006 to 8.2% in 2007, as Italy imported in excess of 1.1 million Euros' worth of products.

Hollow glass: Sweden is still the number one supplier, accounting for 35.31% (compared to 27.33 the previous year) of imports and an increase in absolute value from 11.5 to 25.6 million Euros. Germany's brilliant performance is evident in the hollow glass sector too, exploding from little more than 2 million Euros in 2006, to more than 10 million in 2007. Imports from China also experienced a major upsurge – the value of goods more than tripled, totaling more than 3 million Euros.

The following table illustrates the trends over the last three years: 2005, 2006 and 2007, broken down by geographic area and origin of goods. The far right column shows the percentage differences between 2007 and 2006.

Table 1 – Imports 2007

IMPORTS MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS PROCESSING				
Sectors Geographic areas of origin	2005 Euros	2006 Euros	2007 Euros	% Diff. 2007/2006
FLAT GLASS				
Europe EU	8,335,279	7,662,320	12,342,261	61.08
Europe non-EU	761,533	480,056	149,782	- 68.80
Africa	-	10,111	-	100.00
North America (Nafta)	403,628	762,700	298,454	- 60.87
Central and South America		6,332	98,054	
Asia	503,870	449,732	1,611,640	258.36
Oceania	4,978	-	-	-
Total Flat Glass Imports	**10,009,288**	**9,371,251**	**14,500,191**	**54.73**
HOLLOW GLASS				
Europe EU	27,399,633	23,490,267	54,433,936	131.73
Europe non-EU	6,189,426	7,800,759	7,318,106	- 6.19
Africa	27,914	8,986	121,549	1,252.65
North America (Nafta)	1,588,643	2,700,122	5,301,887	96.36
Central and South America		79,711	185,812	133.11
Asia	2,198,344	5,409,975	5,068,281	- 6.32
Oceania	34,563	4,050,123	5,211	- 99.87
Total Hollow Glass Imports	**37,438,523**	**43,539,943**	**72,434,782**	**66.36**
Total Flat + Hollow	**47,447,811**	**52,911,194**	**86,934,973**	**64.30**

Table 2 lists the main countries of origin for each geographic area, broken down first by sector (flat and hollow glass), then for the industry as a whole.

Table 2 – Imports 2007, leading countries of origin

Origin		Flat glass	
Geographic area	**Country**	**Euros**	**% share of imports flat glass**
Europe EU	Germany	5,791,898	39.94
	France	4,086,629	28.18
	Finland	850,000	5.86
Europe non-EU	Ukraine	79,429	0.55
	Russia	35,150	0.24
America	USA	237,548	1.64
	Canada	60,906	0.42
Asia	China	1,197,108	8.26
	Israel	219,142	1.51
Origin		**Hollow glass**	
Geographic area	**Country**	**Euros**	**% share of imports hollow glass**
Europe EU	Sweden	25,575,416	35.31
	Germany	10,438,074	14.41
	Finland	6,731,330	9.29
Europe non-EU	Croatia	5,252,752	7.25
	Turkey	1,226,963	1.69
Africa	Morocco	73,226	0.10
America	USA	5,235,841	7.23
Asia	China	3,180,477	4.39
	Taiwan	879,971	1.21

Imports, leading countries of origin -- Entire Industry

Origin		Entire sector		
Geographic area	**Country**	**Euros**	**% Diff. 2007/2006**	**% share of total imports**
Europe EU	Sweden	25,590,599	+122.28	29.44
	Germany	16,229,972	+225.40	18.67
	Finland	7,581,330	+3,162.18	8.72
	France	7,414,312	+6.89	8.53
Europe non-EU	Croatia	5,252,752	-9.46	6.04
	Turkey	1,242,614	+46.94	1.43
Africa	Morocco	73,226	+929.76	0.08
America	USA	5,473,389	+57.74	6.30
Asia	China	4,377,585	+252.49	5.04
	Taiwan	879,971	+54.94	1.01

Source: Gimav processing of Istat data

The following table illustrates domestic consumption, obtained by totaling both imports and domestic sales of Italian-made machines, equipment, accessories and special products.
The figures shown are for the last three years, while the far right column indicates the amount of change, in percentages, between 2007 and 2006.

Table 3 – Domestic consumption

DOMESTIC CONSUMPTION				
Sectors Product origin	2005 Euros	2006 Euros	2007 Euros	% Diff. 2007/2006
FLAT GLASS				
Imports	10,009,288	9,371,251	14,500,191	54.73
Domestic production	247,801,366	260,008,024	272,578,381	4.83
Totals Flat glass	**257,810,654**	**269,379,275**	**287,078,572**	**6.57**
HOLLOW GLASS				
Imports	37,438,523	43,539,943	72,434,782	66.36
Domestic production	76,549,009	84,447,130	91,020,640	7.78
Totals Hollow glass	**113,987,532**	**127,987,073**	**163,455,422**	**27.71**
Totals Flat + Hollow	**371,798,186**	**397,366,348**	**450,533,994**	**13.38**

Source: Gimav processing of Istat data

Exports

Globally, exports grew by an exceptional 12.60%, which allowed them to cross the billion Euro mark. Exhibiting similar percentages, both sectors reported extremely positive export trends:

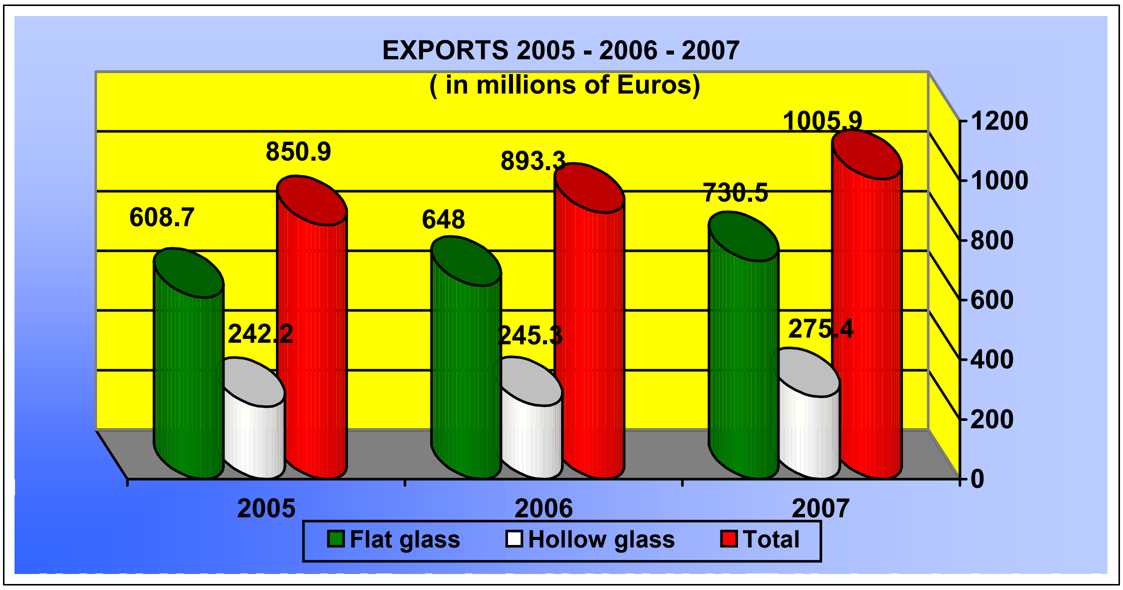
- **machines, accessories and special products for flat glass** **+ 12.73%**
- **machines, accessories and special products for hollow glass** **+ 12.26%**

The table below indicates export figures for the last three years and compares the percentage differences between 2007 and 2006.

Table 4 –2007 Exports

EXPORTS OF MACHINES, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS PROCESSING				
Sectors	**2005** **Euro**	**2006** **Euro**	**2007** **Euro**	**% Diff.** **2007/2006**
Flat glass	608,743,452	648,038,644	730,537,004	12.73
Hollow glass	242,178,796	245,307,383	275,380,514	12.26
Totals Flat + Hollow	**850,922,248**	**893,346,027**	**1,005,917,518**	**12.60**

Source: Gimav processing of Istat data



Looking at the flow of exports by geographic area, it's clear that in 2007 the European Union, absorbing 36.59% of total exports, is still the primary destination which, when added to the 22.61% for the rest of Europe, shows that the European continent is the outlet for 59.20% of Italy's production. This percentage is virtually unchanged from 2006, but indicates a shift in percentage share of consumption toward the non-EU countries, as shown in Table 5.

A detailed analysis of the EU countries with regard to the **overall industry** highlights the spike in percentage growth reported by the Czech Republic with more than 240% gain, while, in terms of absolute value, Russia and France are still on top. Figures for Germany stayed pretty much the same, while Spain exhibited a severe drop, down by 23.83%.

Examining the flow of exports within the EU separately for the two sectors, in the area of **flat glass** the resounding boom in consumption by the Czech Republic (+400% over 2006) is confirmed by the data, along with France's stunning increase, and the record-breaking figures for Germany in terms of absolute value.

In the area of **hollow glass**, French consumption grew by nearly 20%, while figures for Germany (-18.75%), Poland (-29.83%) and Spain (-46.5%) dropped significantly.

Outside the EU, the Russian Federation is again the leading European market, with a +49.21% increase in consumption, followed by a +81.11% for Turkey. Both the Ukraine and Switzerland seem to be on the rise as well. The **flat glass** sector reflected the same order of business, but the **hollow glass** sector felt the shock of a 30% decline in consumption by the Ukraine.

Africa maintained a modest position in terms of absolute value, while recording a slight drop in global consumption. South Africa's leadership position went unchallenged for the sector overall, as it did in the **flat glass** sector. But, in the area of **hollow glass**, it occupies third place, after Egypt and Nigeria.

Taken together, the Americas recorded a significant increase over 2006 (+12.02%), thanks especially to the increase in sales of Italian products in the US, Mexico and in parts of South America. Consumption in Argentina shrank by more than 26%.

Both sectors ended the year on a positive note, but with extremely different percentages: **flat glass** recorded a stellar increase of nearly 46%, while **hollow glass** came in at just under 10%.

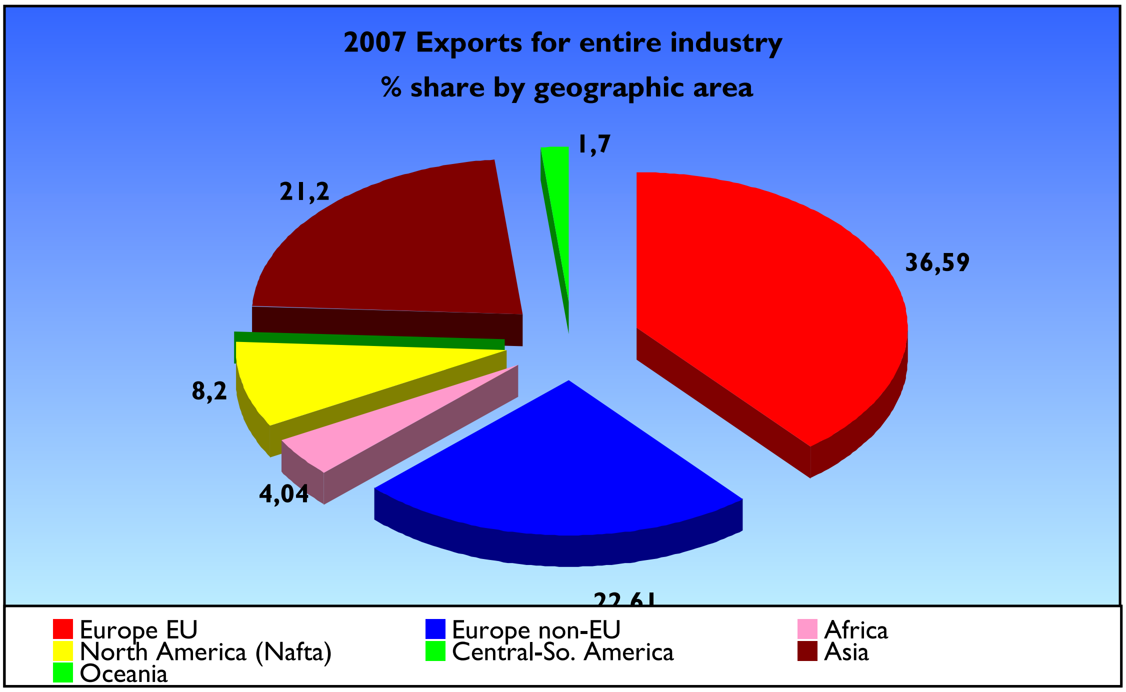
There was a considerable escalation in Asian consumption, which rose by more than 30%, thanks to the constant drive of Italian exports toward China, South Korea and the United Arab Emirates. After the decline it experienced in 2006, Iran also made a comeback in 2007, gaining more than 10 percentage points.

Table 5 shows performance over the last three years for the entire sector (flat glass + hollow glass), in terms of percentage share of all Italian exports in the various geographic areas.

Table 5 –Export shares for the entire industry

EXPORTS FOR THE ENTIRE INDUSTRY			
Destination areas	**2005**	**2006**	**2007**
Europe EU	29.90	40.26	36.59
Europe non-EU	22.89	19.10	22.61
Africa	2.90	5.42	4.04
North America (Nafta countries)	12.25	8.58	8.20
Central and South America		6.06	5.66
Asia	30.11	19.20	21.20
Oceania and free ports	1.95	1.38	1.70
Total Exports for the entire sector	**100.00**	**100.00**	**100.00**

Source: Gimav processing of Istat data



The following tables list the leading destination countries for Italian goods in each of the geographic areas indicated, for the flat glass (Table 6) and hollow glass (Table 7) sectors. The percentage share is based on the flow of exports for the sector indicated.

Table 6 – Flat glass: leading destination countries in 2007

MACHINES, ACCESSORIES AND SPECIAL PRODUCTS FOR FLAT GLASS LEADING DESTINATION COUNTRIES BY GEOGRAPHIC AREA		
Geographic areas	**Countries**	**% share of exports flat glass sector**
Europe EU	Germany	6.02
	Czech Republic	5.41
	Spain	4.21
Other European countries	Russia	6.60
	Turkey	2.83
	Ukraine	2.33
Africa	Rep. So. Africa	1.73
	Egypt	0.38
North America (Nafta countries)	USA	8.24
	Mexico	1.60
Central-South America	Brazil	1.85
	Argentina	0.83
Asia	China + Hong Kong	10.60
	Saudi Arabia	1.42
	United Arab Emirates	1.23
Oceania	Australia	2.64

Source: Gimav processing of Istat data

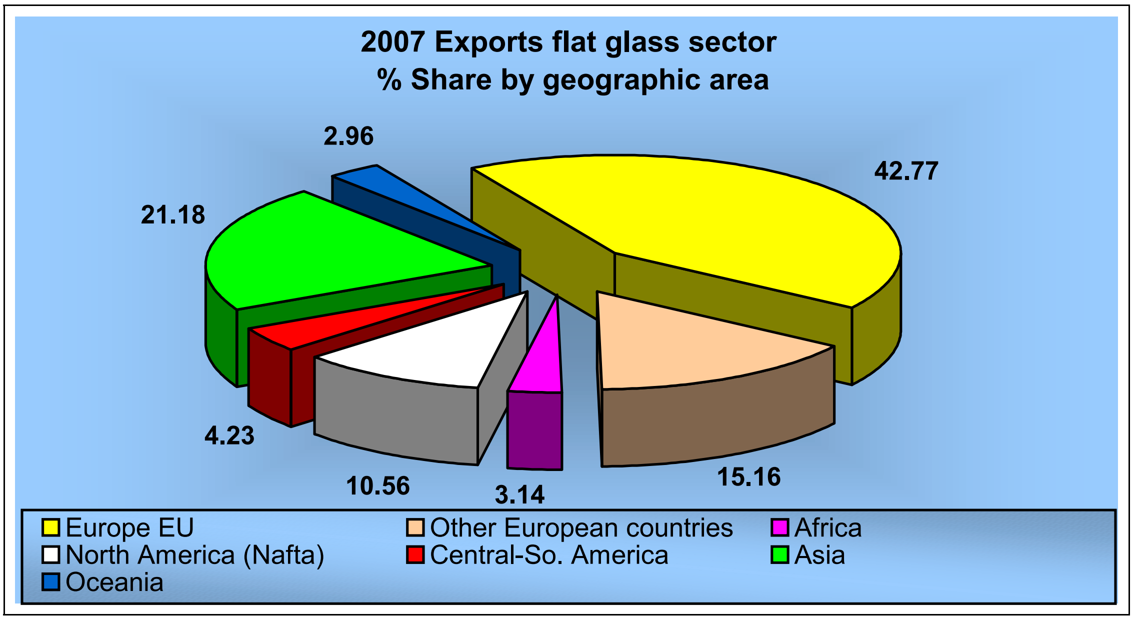
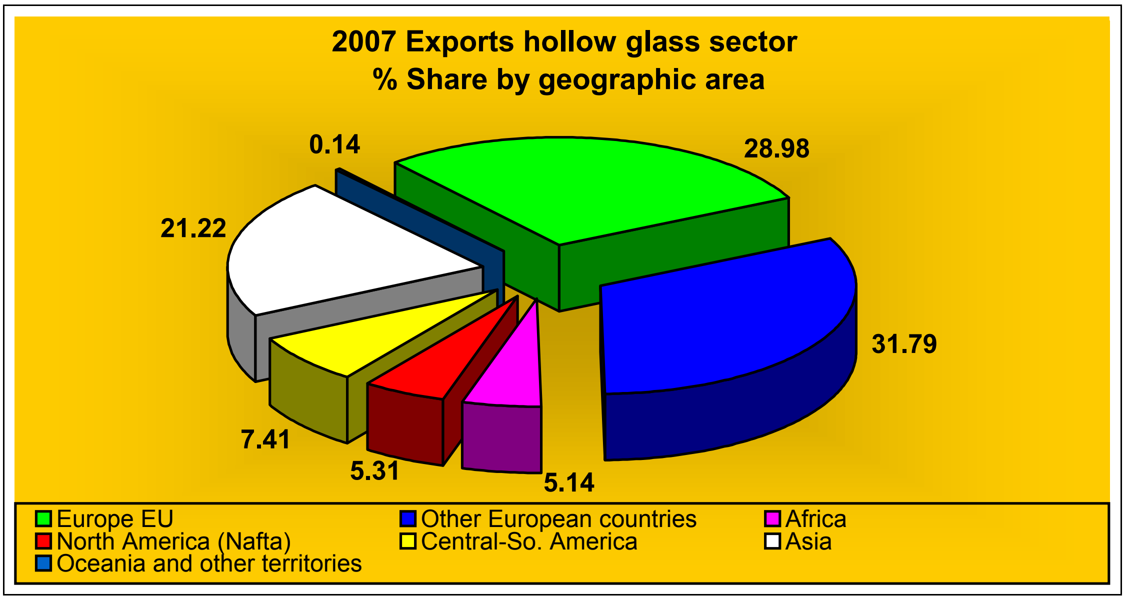


Table 7 – Hollow glass: leading destination countries in 2007

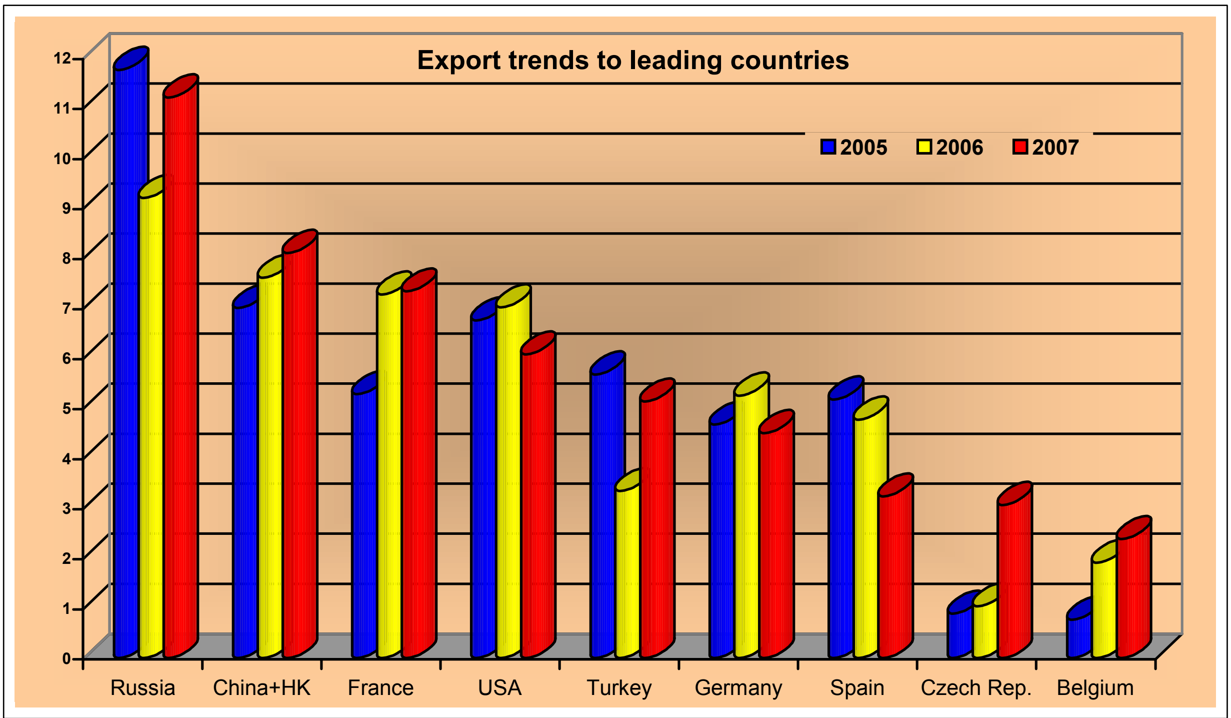
MACHINES, ACCESSORIES AND SPECIAL PRODUCTS FOR HOLLOWGLASS LEADING DESTINATION COUNTRIES BY GEOGRAPHIC AREA		
Geographic areas	**Countries**	**% share of exports hollow glass sector**
Europe EU	France	12.25
	Germany	2.63
	Poland	2.08
Other European countries	Russia	16.90
	Turkey	7.96
	Ukraine	1.87
Africa	Egypt	1.54
	Nigeria	1.50
	Rep. So. Africa	0.88
North America (Nafta countries)	USA	3.41
	Mexico	1.86
Central-South America	Brazil	1.59
	Chile	1.07
Asia	China + Hong Kong	5.02
	India	4.10
	South Korea	2.08
Oceania and other territories	Australia	0.08



The following table ranks the leading 20 destination countries for Italy's exports in 2007 for the entire sector (flat glass + hollow glass). The two columns on the far right show the rank and the percentage share in 2006 for each of the countries listed.

Table 8 – Total exports: leading destination countries 2007 - 2006

EXPORTS FOR THE ENTIRE INDUSTRY RANKING OF LEADING DESTINATION COUNTRIES				
2007 Exports			2006 Exports	
Rank	**Country**	**% share**	**Rank**	**% share**
1	Russia	11.21	**1**	9.2
2	China+Hong Kong	8.1	**2**	7.61
3	France	7.33	**3**	7.27
4	USA	6.07	**4**	7.01
5	Turkey	5.13	**8**	3.34
6	Germany	4.5	**5**	5.25
7	Spain	3.23	**6**	4.77
8	Czech Republic	3.06	**26**	1.04
9	Belgium	2.38	**16**	1.91
10	India	2.32	**7**	3.38
11	Poland	2.28	**9**	3.00
12	Ukraine	2.12	**14**	2.18
13	Portugal	2.06	**10**	2.88
14	UK	1.98	**11**	2.38
15	Brazil	1.73	**15**	2.08
16	Mexico	1.72	**28**	0.98
17	United Arab Emirates	1.53	**27**	1.01
18	Australia	1.49	**20**	1.32
19	South Korea	1.44	**39**	0.53
20	Rep. of South Africa	1.35	**12**	2.36



Industry sales

Despite aggressive competition, the punishing exchange rate between the Euro and the Dollar, and across-the-board increases in the cost of raw materials and labor, the Italian industry of machines, accessories and special products for glass processing ended 2007 on an extremely positive note, recording double-digit growth in both sectors. Confirming the driving force toward exportation that has long characterized Italy's industry firms, in 2007 the percentage of sales delivered to foreign markets made another leap of more than 73%.

Table 9 – Sales by sector and % difference between 2007/2006

ITALIAN INDUSTRY SALES MACHINES, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS PROCESSING				
Sectors	2005 Euros	2006 Euros	2007 Euros	% Diff. 2007/2006
FLAT GLASS SECTOR				
Domestic sales	247,801,366	260,008,024	272,578,381	4.83
Exports	608,743,452	648,038,644	730,537,004	12.73
Total flat glass sales	**856,544,818**	**908,046,668**	**1,003,115,385**	**10.47**
HOLLOW GLASS SECTOR				
Domestic sales	76,549,009	84,447,130	91,020,640	7.78
Exports	242,178,796	245,307,383	275,380,514	12.26
Total hollow glass sales	**318,727,805**	**329,754,513**	**366,401,154**	**11.11**
Totals Flat + Hollow	**1,175,272,623**	**1,237,801,181**	**1,369,516,539**	**10.64**
% SHARE OF 2007 SALES BY DESTINATION				
Destination area	**Flat glass**	**Hollow glass**	**SECTOR TOTALS**	
Domestic sales	27.17	24.84	**26.55**	
Exports	72.83	75.16	**73.45**	
TOTAL	100.00	100.00	**100.00**	

Source: Gimav processing of Istat data

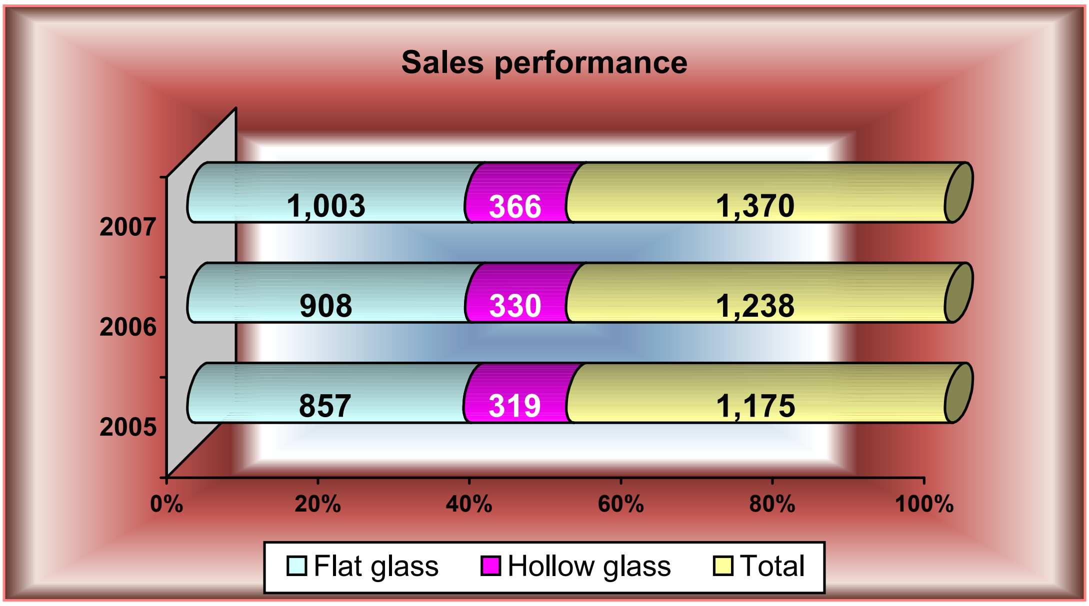


Table 10 – Summary

Summary Machines, accessories and special products for glass processing industry Years 2005 – 2006 - 2007				
Variables	**Unit of measure**	**2005**	**2006**	**2007**
Sector sales	Euro	1,175,272,623	1,237,801,181	1,369,516,539
Exports	Euro	850,922,248	893,346,027	1,005,917,518
Imports	Euro	47,447,811	52,911,194	86,934,973
Trade surplus	Euro	803,474,437	840,434,833	918,982,545
Domestic orders	Euro	324,350,375	344,455,154	363,599,021
	% Difference	1.73	6.20	5.56
Foreign orders	Euro	850,922,248	893,346,027	1,005,917,518
	% Difference	2.68	4.99	12.60
Workforce	No. employed	4,500	4,500	4,500

Source: Gimav processing of Istat data

Brilliant performance in 2007 and export figures for the first part of 2008, which are still on the rise, encourage looking to the future with a certain degree of optimism, despite the worrisome signs of continuing increases in the cost of supplying energy and raw materials.
Italy's industrial firms must, in any case, strive to continuously increase their range of action in order to establish and maintain their presence in an ever greater number of international markets, through innovation and increased supply available to their customers.

ITALY'S GLASS INDUSTRY

Flat glass

The year 2007 was marked by a significant dip in flat glass production and exports, in contrast to a major increase in imports.

FLAT GLASS - In tons			
Items	**2006**	**2007**	**% Diff.**
Production	1,141,874	1,125,097	- 1.5
Exports	187,841	176,079	- 6.3
Imports	400,574	514,448	28.4

Hollow glass

Unlike the flat glass sector, hollow glass ended the year with positive growth compared to 2006, recording a slight increase in production and an impressive rise in share of exports. During the same timeframe, foreign imports also rose by 3.5%.

HOLLOW GLASS - In tons			
Items	**2006**	**2007**	**% Diff.**
Production	3,721,288	3,789,249	1.8
Exports	535,948	569,877	6.3
Imports	458,411	474,383	3.5

Bottles

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

BOTTLES - In tons			
Items	**2006**	**2007**	**% Diff.**
Production	3,167,500	3,227,252	1.9
Exports	291,513	320,075	9.8
Imports	237,853	230,530	- 3.1

Vases

Although production levels remained fairly stable, there was a considerable increase in exports. The vast difference in percentage of imports is indicative of a reduction in domestic demand for Italian vases.

VASES - In tons			
Items	**2006**	**2007**	**% Diff.**
Production	242,009	240,680	- 0.5
Exports	18,282	20,215	10.6
Imports	65,513	85,217	30.1

Small bottles and vials

After the slump in production that occurred in 2005, the sector has turned around and come back to levels achieved prior to 2004, increasing its share of exports in the process. Imports remained virtually the same.

SMALL BOTTLES AND VIALS - In tons			
Items	**2006**	**2007**	**% Diff.**
Production	139,532	152,590	9.4
Exports	98,103	101,448	3.4
Imports	62,564	62,551	- 0.02

Housewares

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

HOUSEWARES - In tons			
Items	**2006**	**2007**	**% Diff.**
Production	172,247	168,727	- 2.0
Exports	128,050	128,139	0.1
Imports	92,481	96,085	3.9

Source: Assovetro

GLASS INDUSTRY
Summary

DOMESTIC CONSUMPTION			
Sectors Product origin	2006 tons	2007 tons	% Diff. 2007/2006
FLAT GLASS			
Imports	400.574	514.448	28,43
Domestic production	954.033	949.018	-0,53
Total Flat glass	1.354.607	1.463.466	8,04
HOLLOW GLASS			
Imports	458.411	474.383	3,48
Domestic production	3.185.340	3.219.372	1,07
Total Hollow glass	3.643.751	3.693.755	1,37

FOREIGN TRADE 2007 In tons				
Pos.	**Products**	**Exports**	**Imports**	**Balance**
1	Flat glass	176,079	514,448	-338,369
2	Hollow glass	569,877	474,383	95,494
3	Bottles	320,075	230,530	89,545
4	Vases	20,215	85,217	-65,002
5	Small bottles and vials	101,448	62,551	38,897
6	Housewares	128,139	96,085	32,054