

Italian Association of Glass-Processing Machinery and Accessory  
Suppliers

# The Italian industry of Machinery, Accessories and Special Products for Glass Processing in 2011

June 2012



## **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 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 more than 70% 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 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**

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 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, 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 respectable from the others.



## THE MACHINE-BUILDING INDUSTRY IN 2011

Data shows that 2011 was, just like 2010, a year of solid growth for the machine-building and industrial equipment sector as a whole, which continued to make up for the losses incurred in 2009.

Preliminary data also indicates that exports grew significantly, while domestic sales took a nosedive.

### 2009 – 2011 Performance of the industry

(millions of euros)

	2009	2010	2011*	2010/2009	2011/2010
Production	29,945	33,893	37,789	13.2%	11.5%
Exports	19,677	22,791	26,499	15.8%	16.3%
Domestic consumption	10,268	11,102	11,290	8.1%	1.7%
Imports	4,822	5,783	6,112	19.9%	5.7%
Apparent consumption	15,090	16,885	17,402	11.9%	3.1%

\* Preliminary data

Production value grew by 11.5%, topping the €37.8 billion mark. All the member associations of Federmacchine saw their sales growing.

Exports amounted to €26.5 billion (+16.3% vs. the previous year), approaching pre-crisis levels.

Domestic consumption, which had already slowed down compared to exports in 2010, rose only 1.7%, totaling slightly more than €11 billion.

The weak Italian market upturn (+3.1%) allowed importers to increase sales by 5.7% (for a value of €6.1 billion).

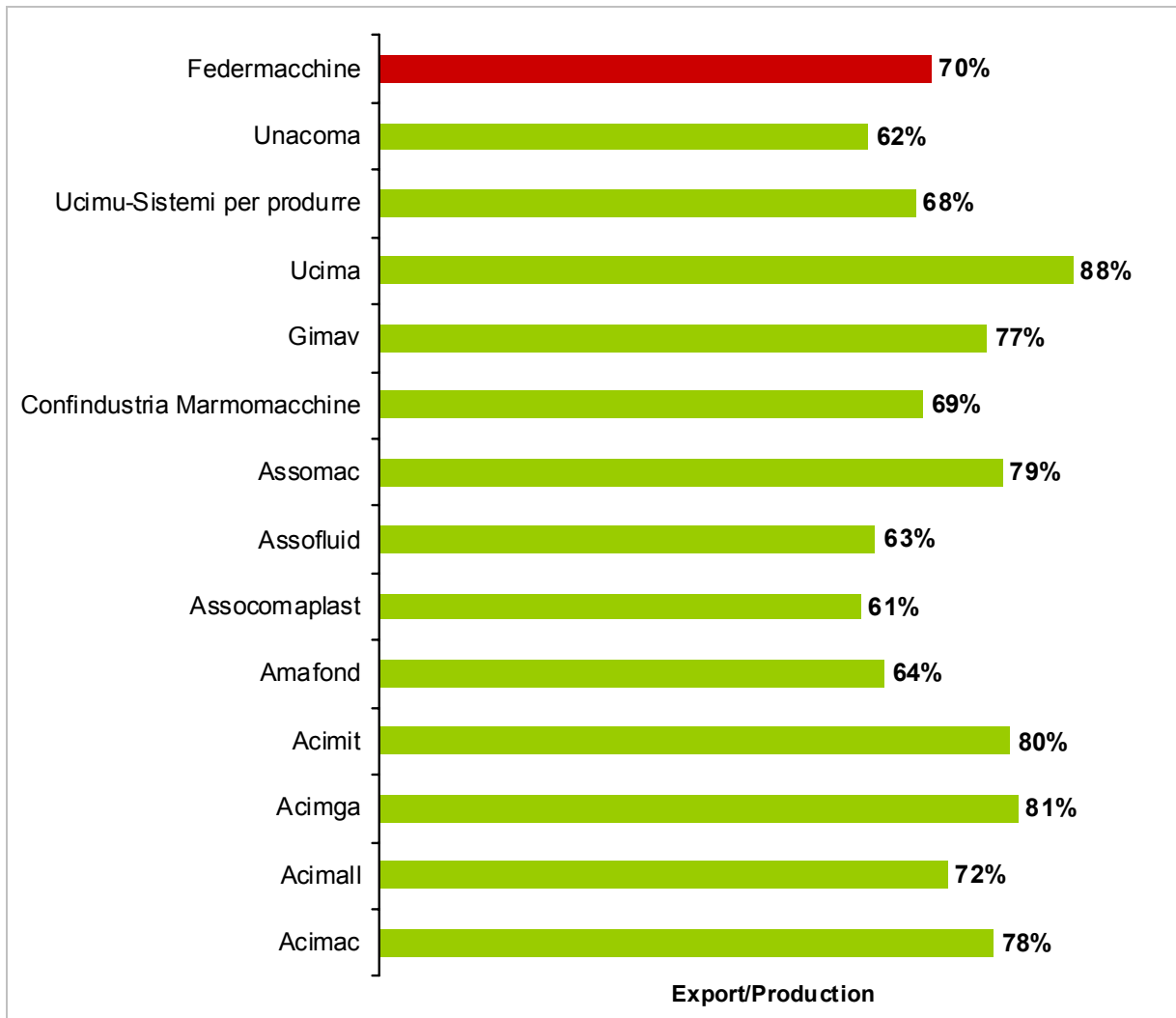
### Propensity to export and foreign balance

One of the distinguishing features of the Italian capital goods manufacturing industry is its high propensity to export which has strengthened during the recession and accounted for 70% of sales in 2011 based on preliminary data.

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



### Propensity to export by industry in 2011\*



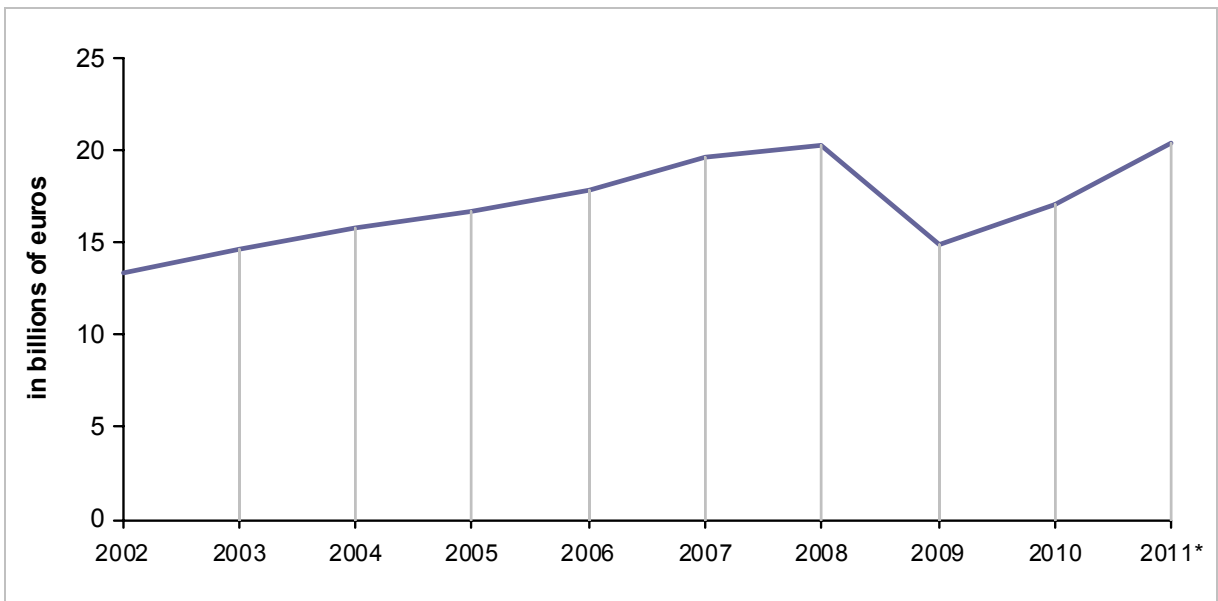
\* Preliminary data

In 2011, the overall trade balance of the Federmacchine sectors should be in the positive territory with €20.4 billion (+19.9%).

After the nosedive caused by the crisis in 2009, this is the second year of growth and a new all-time record (with the previous record in 2008 of €20.3 billion).



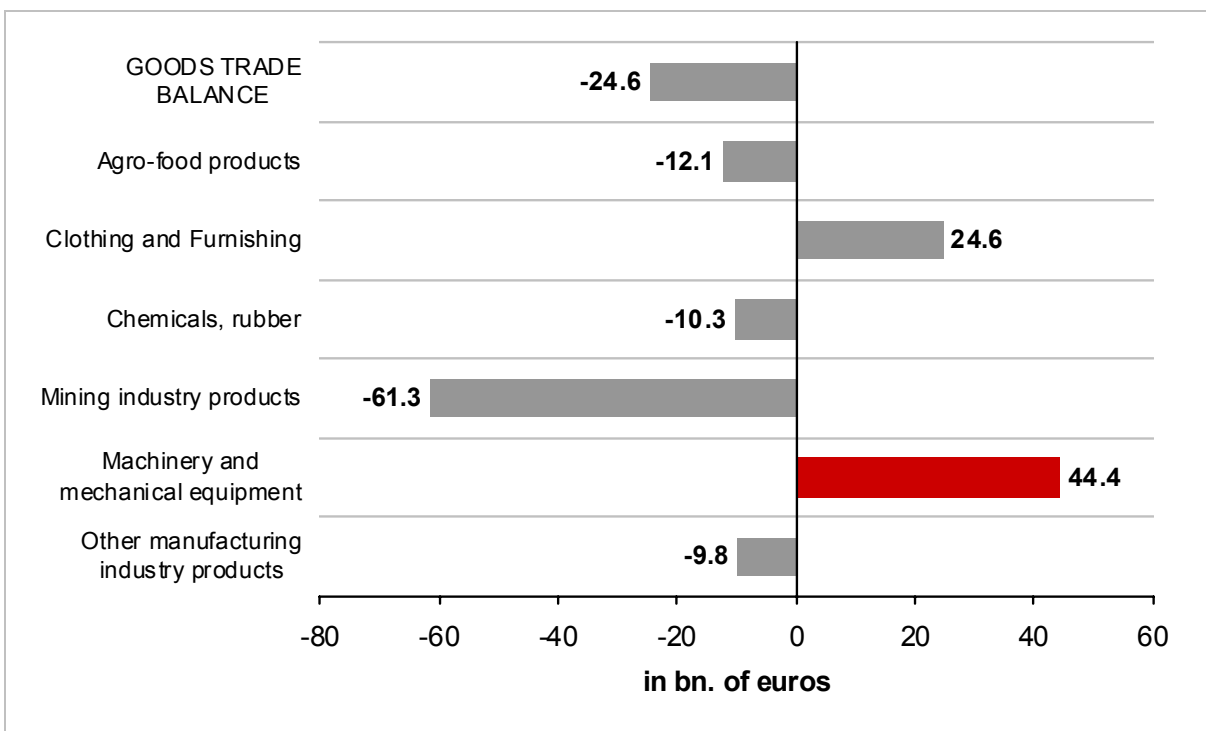
### The Italian trade balance for capital goods



\* Preliminary data

In order to fully grasp the significance of this result for the Italian economy, it is important to recall that in 2011 the overall goods trade balance was negative with a deficit of €24.6 billion.

### Italy's trade balance by sector in 2011



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The only two sectors in the black were Furnishing and Clothing (+€24.6 billion) and Machinery and Mechanical Equipment (+€44.4 billion), the latter including Federmacchine machinery.

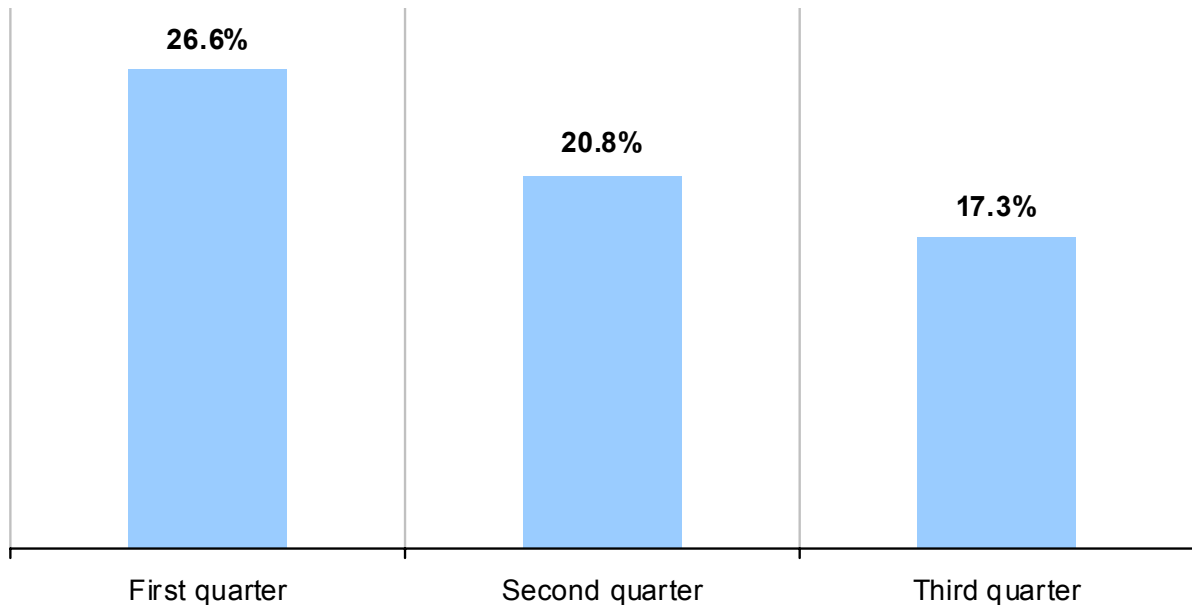


## Foreign trade performance in 2011

The quarterly trade performance in 2011 is estimated based on ISTAT data for 8 of the 12 Federmacchine members associations.

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

### 2011 exports by the machine building and equipment industry (changes vs. the same period in the previous year)



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During the first nine months of 2011, exports of the machine building and equipment industry soared considerably. More in detail, growth peaked in the first quarter (also compared to the first quarter last year), whereas performance started to slow down already in the second quarter.

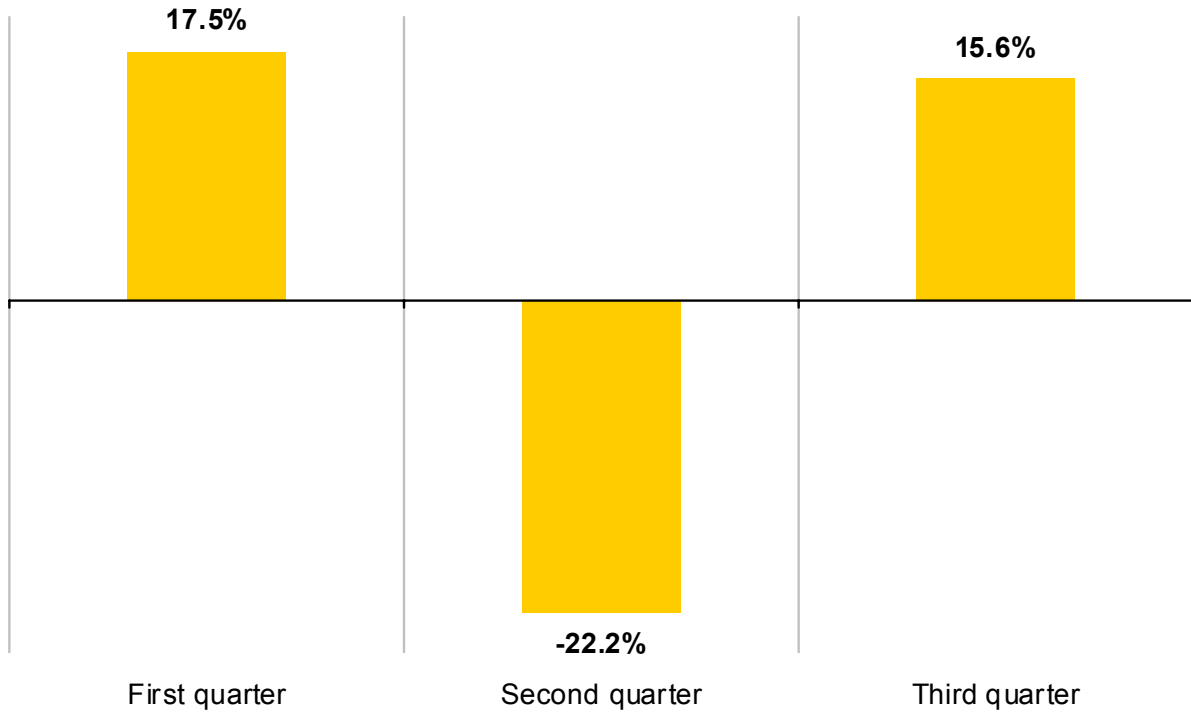
**The import data** shows weaker recovery as a result of both extra-economic factors and flagging domestic demand.

Quarterly performance shows an unusual trend when compared to the previous year due to the strong influence of the “Tremonti ter” fiscal benefit incentives whose expiration encouraged many firms to make investments during the second quarter of the year (hence the strong year-on-year slowdown in the second part of 2011), followed by a weak period (that made it possible for third quarter data to stand out as positive).



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

**2011 imports by the machine building and equipment industry**  
(changes vs. the same period in the previous year)



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## 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, although the domestic market weakness will make it very difficult to return to pre-crisis levels.

### Imports

In 2011, imports scored an **overall increase of 15.8%** compared to 2010, but with contrasting performance of the two sectors comprising the glass processing industry:

- ⇒ **Cold working machines and accessories (flat glass): - 42.34%**
- ⇒ **Hot working machines and accessories (hollow glass): + 30.25%.**

Sector	2010 Euros	2011 Euros	% Diff. 2011/2010
Flat Glass	11.358.198	6.549.693	-42,34
Hollow Glass	42.979.934	55.981.896	30,25
<b>Total Flat + Hollow</b>	<b>54.338.132</b>	<b>62.531.589</b>	<b>15,08</b>

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### Imports: leading countries of origin for the entire industry

Country	2010 euros	2011 euros	% Diff. 2011/2010	2011 % share of total imports
Sweden	8.818.037	9.033.856	2,45	14,45
Germany	7.678.500	8.680.537	13,05	13,88
United States	6.005.528	8.276.882	37,82	13,24
Belgium	1.681.025	8.128.500	383,54	13,00
France	6.651.669	5.827.329	-12,39	9,37
Croatia	5.288.539	5.566.788	5,26	8,90
China	2.507.922	4.250.166	69,47	6,80
United Kingdom	3.546.455	1.987.946	-43,95	3,18
Austria	860.155	1.698.625	97,48	2,72
Portugal	352.177	1.173.236	233,14	1,88

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### Imports for the flat glass sector

Out of €62.5 million imports, the flat glass processing sector claimed €6.55 million, i.e. an over 42.3% decrease over 2010, thus falling way below 2009 levels.

As usual, the primary area of origin was the European Union with €5.94 million, accounting for 90.7% of the entire industry. France, despite a sharp drop, remained the leading supplier with €2.74 million, followed by Germany with 1.81. The United Kingdom shrank considerably, falling from a share of over 10% of total industry imports in 2010 to nearly 0 in 2011.

Among non-EU countries, Turkey ranked first as – despite its negligible absolute values, it managed to grow by over 61%.

Imports from Asia took a nosedive, from €1.24 million in 2010 to 305,000 euros in 2011, claiming a 4.67% share. More particularly, China reduced its supplies to Italy by over 83%.



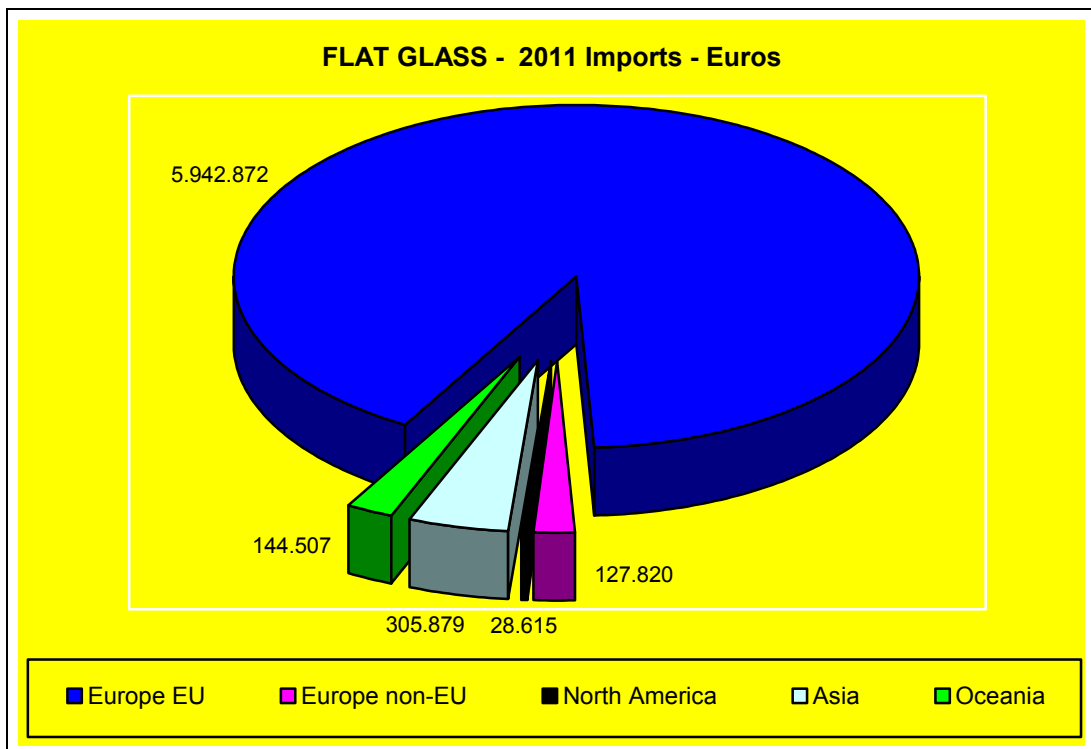


The industry of machinery, accessories and special products for glass processing

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 ranking the leading countries of origin.

<b>IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR FLAT GLASS PROCESSING</b>				
Origin	2009 euros	2010 euros	2011 euros	% Diff. 2011/2010
Europe EU	7.223.199	9.601.248	5.942.872	-38,10
Europe non-EU	188.791	202.736	127.820	-36,95
Africa	11.505	20.376	-	-100,00
North America (Nafta)	152.635	271.181	28.615	-89,45
Central and South America	36.549	18.428	-	-100,00
Asia	540.548	1.244.229	305.879	-75,42
Oceania	154.688	-	144.507	100,00
<b>Flat glass total imports</b>	<b>8.307.915</b>	<b>11.358.198</b>	<b>6.549.693</b>	<b>-42,34</b>

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<b>FLAT GLASS SECTOR IMPORTS: leading countries of origin</b>					
<b>Geographic area</b>	<b>Country</b>	<b>2010 euros</b>	<b>2011 euros</b>	<b>% Diff. 2011/2010</b>	<b>% Share of € 6.549.693</b>
Europe EU	France	3.979.342	2.740.603	-31,13	41,84
	Germany	3.411.507	1.812.521	-46,87	27,67
	Austria	534.291	548.280	2,62	8,37
	Slovenia	402.457	434.120	7,87	6,63
Europe non-EU	Turkey	52.177	84.143	61,26	1,28
America	United States	271.181	28.615	-89,45	0,44
Asia	China	670.783	112.191	-83,27	1,71

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### Imports by the hollow glass sector

Out of total imports of €62.53 million, the machinery, accessories and special products for hollow glass processing accounted for €55.98 million, up by 30.25%.

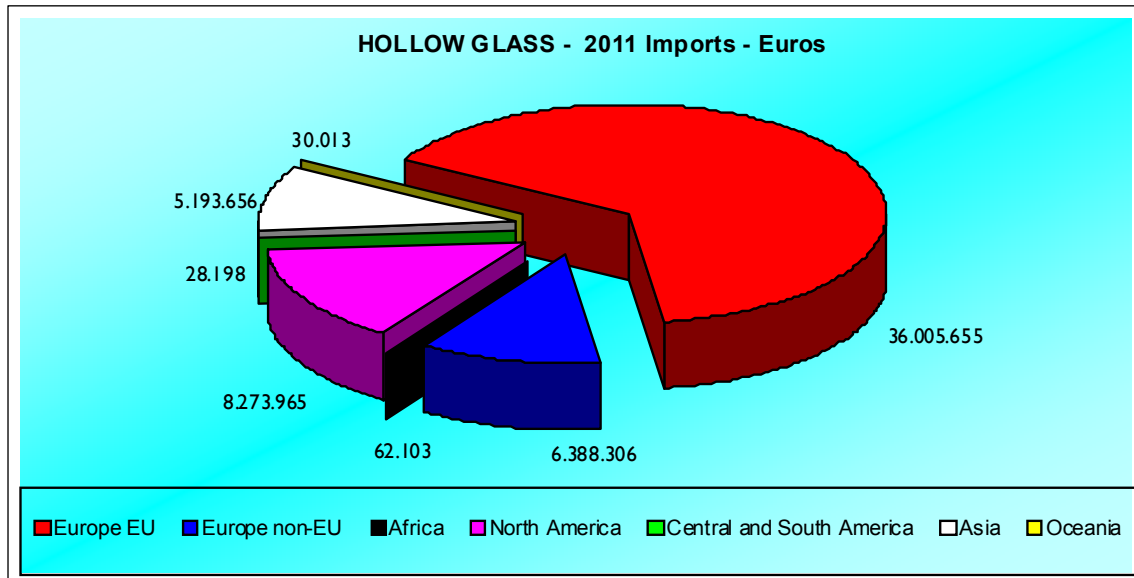
Sweden remained the leading supplier with €9 million, up by 2.45% versus 2010 and claiming a 16.14% share of total imports for hollow glass. Belgium (+391%), Germany (+60.96%) and France (+16.63%) posted a more robust increase, whereas the United Kingdom was down by 16.34%.

With regard to the countries outside the European Union, imports from Croatia grew 5% and those from Turkey dropped by over 60%.

The statistics regarding the rest of the world show a healthy increase in the flows from the United States (€8.2 million in 2011 versus 5.7 in 2010) which now ranks second with a 14.73% share, and the same holds true for China, that grew from 1.8 million in 2010 to 4 in 2011.

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 2011 vs. 2010 differences.

<b>IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR HOLLOW GLASS PROCESSING</b>				
<b>Area of origin</b>	<b>2009 euros</b>	<b>2010 euros</b>	<b>2011 euros</b>	<b>% Diff. 2011/2010</b>
Europe EU	27.750.907	25.994.934	36.005.655	38,51
Europe non-EU	6.697.809	7.393.319	6.388.306	-13,59
Africa	688.700	157.138	62.103	-60,48
North America (Nafta)	5.835.046	5.866.998	8.273.965	41,03
Central and South America	308.846	76.452	28.198	-63,12
Asia	2.486.098	3.484.131	5.193.656	49,07
Oceania	-	6.962	30.013	331,10
<b>Hollow glass total imports</b>	<b>43.767.406</b>	<b>42.979.934</b>	<b>55.981.896</b>	<b>30,25</b>



<b>HOLLOW GLASS SECTOR IMPORTS: leading countries of origin</b>					
Geographic area	Country	2010 euros	2011 euros	% Diff. 2011/2010	% Share of 55.981.896
Europe EU	Sweden	8.818.037	9.033.856	2,45	16,14
	Belgium	1.648.062	8.091.578	390,98	14,45
	Germany	4.266.993	6.868.016	60,96	12,27
	France	2.672.327	3.116.726	16,63	5,57
	United Kingdom	2.376.283	1.987.946	-16,34	3,55
Europe non-EU	Croatia	5.288.539	5.556.088	5,06	9,92
	Turkey	1.653.159	651.351	-60,60	1,16
America	United States	5.734.347	8.248.267	43,84	14,73
Asia	China	1.837.139	4.137.975	125,24	7,39

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## The Italian market

Despite the strong export propensity, 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, despite a general performance comparable to 2010, showed unmistakable signs of difficulty as regards flat glass processing. By contrast, the hollow glass manufacturing and processing industry grew by over 4% as a result of large purchases of foreign machinery.

Figures refer to the last three years, while the right-hand column provides the percentage differences between 2011 and 2010.



<b>DOMESTIC CONSUMPTION</b>				
Sectors Product Origin	2009 Euros	2010 Euros	2011 Euros	% Diff. 2011/2010
<b>FLAT GLASS</b>				
Imports	8.307.915	11.358.198	6.549.693	-42,34
Domestic product	196.277.979	198.305.552	198.284.650	-0,01
<b>Flat glass total</b>	<b>204.585.894</b>	<b>209.663.750</b>	<b>204.834.343</b>	<b>-2,30</b>
<b>HOLLOW GLASS</b>				
Imports	43.767.406	42.979.934	55.981.896	30,25
Domestic product	67.610.461	67.902.523	59.550.620	-12,30
<b>Hollow glass total</b>	<b>111.377.867</b>	<b>110.882.457</b>	<b>115.532.516</b>	<b>4,19</b>
<b>Total Flat + Hollow</b>	<b>315.963.761</b>	<b>320.546.207</b>	<b>320.366.859</b>	<b>-0,06</b>

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## Exports

After the heavy setback of 2009 exports, which have always been the industry's feather in the cap, slowly started climbing again, but with periods of promising vitality dotted with moments of market stagnation. Despite this fluctuating performance, the sector closed 2011 on positive ground, although the flat glass industry is still feeling the pinch of the persisting crisis affecting the construction industry.

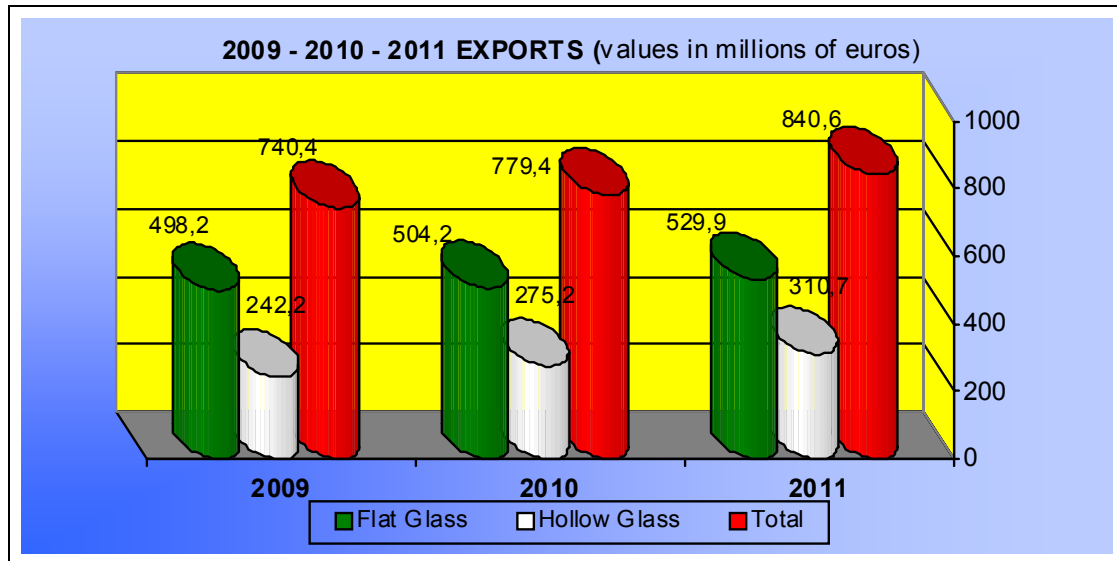
As of 31 December 2011, the statistical surveys for exports indicate an overall growth of **+7.86%**, more specifically:

- **machinery, accessories and special products for flat glass + 5.10%**
- **machinery, accessories and special products for hollow glass + 12.90%**

### Entire industry exports

Sectors	2009 euros	2100 euros	2011 euros	% Diff. 2011/2010
Flat Glass	498.199.622	504.155.775	529.870.668	5,10
Hollow Glass	242.117.418	275.226.150	310.732.300	12,90
<b>Total Flat + Hollow</b>	<b>740.317.040</b>	<b>779.381.925</b>	<b>840.602.968</b>	<b>7,86</b>

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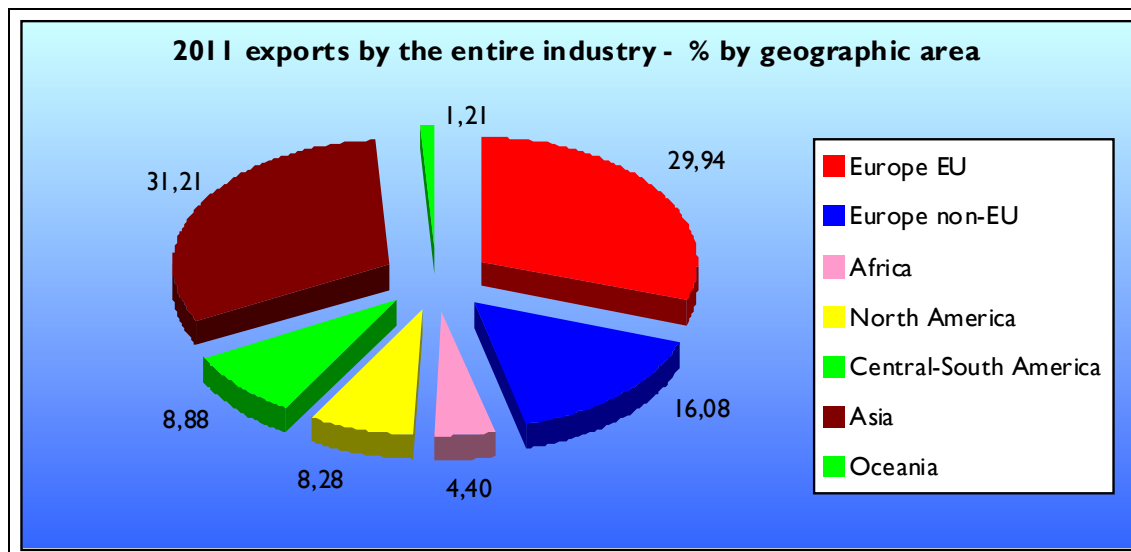
When examining the geographical breakdown of export flows, the most striking data is that of the European Union which for the first time lost its leadership as Italy's main preferential market outlet, dropping from 35.82% in 2010 to 29.94% in 2011. However, if all exports to non-EU countries are considered -- that proved to be on an encouraging upswing -- the Old Continent as a whole remains the destination of 46% of Italian exports.

As already evident last year when comparing 2009 versus 2010 data, demand from industrialized economies is continuing to decline, also due to the economic-financial crisis of the last few years, that has stalled major markets such as Spain and Russia.

2011 statistics confirm this trend and highlight that export flows are increasingly shifting towards the emerging countries in Asia and Latin America (although the latter is slightly slowing down compared to the recent past). Moreover, statistics also show that one of Italy's historic market outlets, i.e. the United States, is started to rebound.

<b>EXPORTS BY THE ENTIRE INDUSTRY</b>					
<b>% SHARE BY GEOGRAPHIC AREA</b>					
<b>Destination</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>% Diff. 2011/2010</b>
Europe EU	37,31	44,95	35,82	29,94	-16,42
Europe non-EU	26,27	15,11	11,67	16,08	37,79
Africa	4,55	7,60	6,32	4,40	-30,38
North America ( Nafta countries)	7,34	7,94	6,94	8,28	19,31
Central and South America	6,76	7,65	9,42	8,88	-5,73
Asia	15,44	15,52	28,62	31,21	9,05
Oceania and free ports	2,33	1,23	1,21	1,21	-
<b>Total entire industry exports</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	

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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 2010 ranking of the same countries, while the last column on the right indicates the difference between the 2011 and 2010 sales made by Italian companies in these countries.

Some interesting remarks emerging from this ranking are as follows:

- The staggering rise of China continued also throughout 2011, thus confirming its leadership as Italy's market outlet;
- The considerable growth of Poland, that climbed from the 11<sup>th</sup> to the 4<sup>th</sup> position and with an absolute value increase of over 230%, India (from the 15<sup>th</sup> to the 5<sup>th</sup>), the United States (from the 12<sup>th</sup> to the 8<sup>th</sup>), Turkey (from the 13<sup>th</sup> to the 9<sup>th</sup>) and South Korea, with a jump from the 24<sup>th</sup> to the 11<sup>th</sup> place.
- The main underperformers were Germany and Spain, the latter having almost halved its purchases from Italy, followed by Egypt (-59.56% in value) and Belgium (-80.51%).

<b>ENTIRE INDUSTRY EXPORTS: leading destination countries</b>					
<b>Export 2011</b>			<b>Export 2010</b>		<b>% diff. in value 2011/2010</b>
<b>Pos.</b>	<b>Countries</b>	<b>% share</b>	<b>Pos.</b>	<b>% share</b>	
1	China	11,33	1	10,18	+ 34,47
2	France	8,87	2	6,13	+ 74,56
3	Russia	8,37	4	5,59	+ 80,79
4	Poland	7,04	11	2,56	+ 232,17
5	India	5,96	15	2,12	+ 239,68
6	Brazil	4,72	8	3,93	+ 44,87
7	Mexico	3,89	7	4,13	+ 13,68
8	United States	3,60	12	2,55	+ 70,75
9	Turkey	3,58	13	2,39	+ 80,96
10	Germany	3,52	3	5,99	- 29,15
11	South Korea	2,65	24	1,03	+ 212,38
12	Spain	2,10	6	4,90	- 48,31
13	Austria	1,69	14	2,13	- 4,31
14	Iran	1,36	5	4,97	- 67,00
15	United Kingdom	1,34	18	1,71	- 5,38



## Exports for the flat glass sector

Out of total exports of €840.6 million, the industry of machinery, accessories and special products for flat glass claimed over €529.9 million, i.e. a 5.10% growth vs. 2010. Even though still far below the record values achieved during the two-year period from 2007 to 2008, this positive result achieved also in 2011, indicates that our exports are continuing on a path to recovery, even though with great difficulty. In line with the trend exhibited by the entire industry, the flat glass sector also registered a progressive decline as regards shares of European countries, against an increase in the flows to emerging economies.

The **European Union** claimed 27.19% of our exports of machines, accessories and special products for flat glass, a share which increases to slightly over 39% versus 48% when considering **the whole of Europe**. The decline only affected the Community area, with the exception of France, that totaled +43.94%. Germany also reduced its purchases from Italy by over 20% in absolute terms, dropping from the 2<sup>nd</sup> to the 5<sup>th</sup> place and Belgium plummeted from the 4<sup>th</sup> to the 20<sup>th</sup> place (-83% in value). The non-EU area, by contrast, experienced a strong boom with a 12% share of the industry exports versus 9% in 2010. The eagerly anticipated Russian recovery started to materialize with purchases doubling in value (+112.6%) and a 3.21% share.

**Africa**, primarily as a result of Egypt's good performance, showed a significant uptrend, with its share rising from 2.47% in 2010 to 3.51% in 2011.

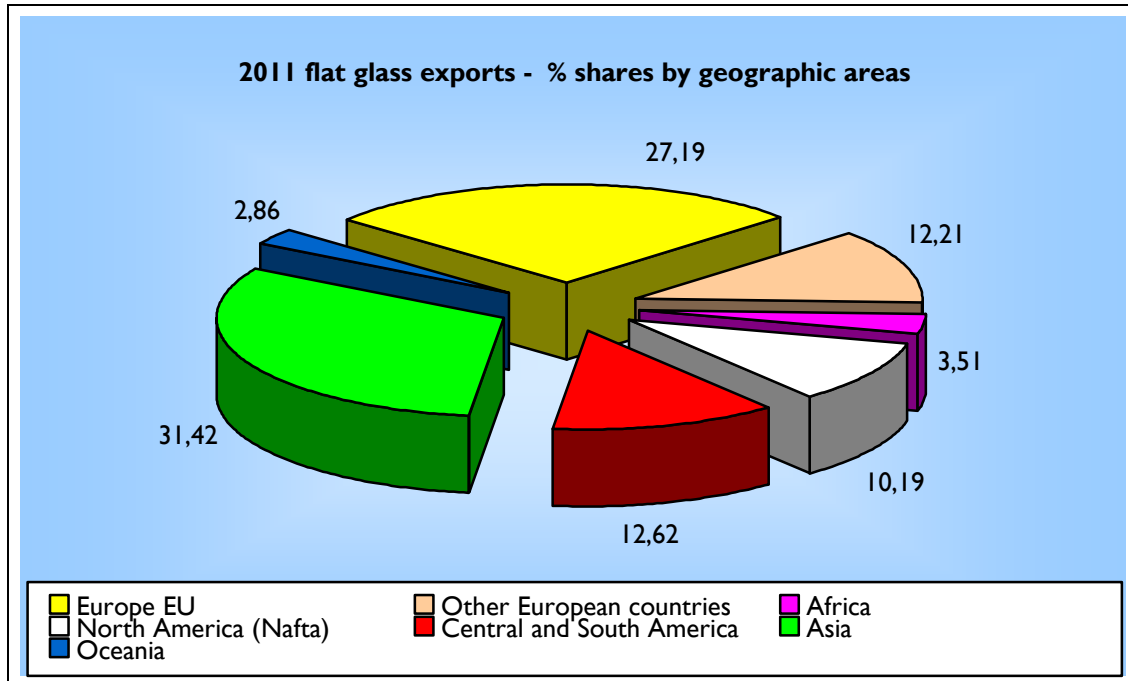
**North America** (Nafta area) experienced the strongest growth in the American Continent, rising from 5.95% to 10.19% largely as a result of the United States' staggering performance which almost doubled their purchases of Italian products. Bucking the trend was Mexico, reducing its purchases by 35%.

**Central-South America** as a whole posted good results. Brazil confirmed its role as the healthiest market in the area, claiming the second place in the ranking of the industry's best clients **Asia**, with its 31.4% share, absorbed almost one third of the sector's exports also in 2011. China, although losing some ground compared to last year, is still the Italian industry's best customer and alone claims 43% of exports to Asia. The most significant growth was seen in India (up by 192%), a country which skyrocketed from the 17<sup>th</sup> to the 7<sup>th</sup> place. The Gulf area, despite the decrease suffered by Saudi Arabia and the slump in Iran (the latter not attributable to commercial reasons only), appeared to be on a slight upswing.

**Oceania** proved to be quite buoyant in 2011, primarily as a result of Australia's good performance and its 2.85% share, and climbed from the 14<sup>th</sup> to the 9<sup>th</sup> place in the ranking of Italy's top 15 clients.

The following tables provide a detailed picture of the 2011 exports broken down into geographic areas and leading destination countries.

<b>EXPORTS OF MACHINERY, ACCESSORIES AND PRODUCTS FOR FLAT GLASS</b>			
<b>% Share by geographic area</b>			
<b>Destination area</b>	<b>2010</b>	<b>2011</b>	<b>% Diff. 2011/2010</b>
Europe EU	39,65	27,19	-31,42
Europa non-EU	8,98	12,21	35,97
Africa	2,47	3,51	42,11
North America ( Nafta countries)	5,95	10,19	71,26
Central and South America	9,76	12,62	29,30
Asia	30,99	31,42	1,39
Oceania and free ports	2,20	2,86	30,00
<b>Total flat glass exports</b>	<b>100,00</b>	<b>100,00</b>	



<b>FLAT GLASS EXPORTS: ranking of leading destination countries</b>						
<b>Export 2011</b>			<b>Export 2010</b>		<b>% difference in values</b>	
<b>Pos</b>	<b>Countries</b>	<b>% share</b>	<b>Pos</b>	<b>% share</b>	<b>2011/2010</b>	
1	China	13,71	1	15,16	-	10,01
2	Brazil	9,61	3	6,89	-	39,80
3	United States	6,74	9	2,81	-	140,31
4	Turkey	6,32	6	3,93	-	61,16
5	Germany	5,93	2	7,50	-	20,69
6	France	5,32	7	3,70	-	43,94
7	India	4,46	17	1,53	-	191,95
8	Russia	3,21	18	1,51	-	112,64
9	Australia	2,85	14	2,09	-	36,92
10	United Kingdom	2,70	10	2,77	-	2,62
11	Poland	2,25	8	3,07	-	26,37
12	Spain	2,23	5	6,01	-	62,85
13	Thailand	1,89	32	0,55	-	246,08
14	Canada	1,74	39	0,50	-	246,51
15	Mexico	1,71	11	2,64	-	35,02

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## Exports for the hollow glass sector

Of total exports amounting to €840.6 million in 2011, the machinery, accessories and special products for hollow glass totaled slightly less than €311 million, i.e. up by 12.90% compared to 2010. The sector showed signs of extraordinarily dynamic vitality which led to the almost complete recovery of what was lost in 2009 (namely 15%) vs. the previous year.

Although to a much smaller extent than the entire machine-building industry, this sector also experienced a progressive decline in terms of market shares held by some EU countries that had traditionally been major market outlets for Italy's overseas sales.

In 2011, exports to the 26 countries of the **European Union** made up 31.87% of the hollow glass exports which, when added to the 18.80% of the rest of Europe, brings the share of the European continent to over 50%.

The top-ranking country remained Russia, which hugely increased its percentage share (from 9.62% to 12%) as well as its absolute value, up by 75.83%. Ranking second and third were France and Poland, respectively. The former almost doubled its purchases and the latter posted an extraordinary +613%.

A general decline of varying magnitude was experienced by Germany (-43%) and Spain (-25.6%), followed by two countries in freefall, i.e. Bulgaria (which dropped from the 10<sup>th</sup> to the 27<sup>th</sup> place) and the Czech Republic (from the 15<sup>th</sup> to the 31<sup>st</sup> place in the ranking).

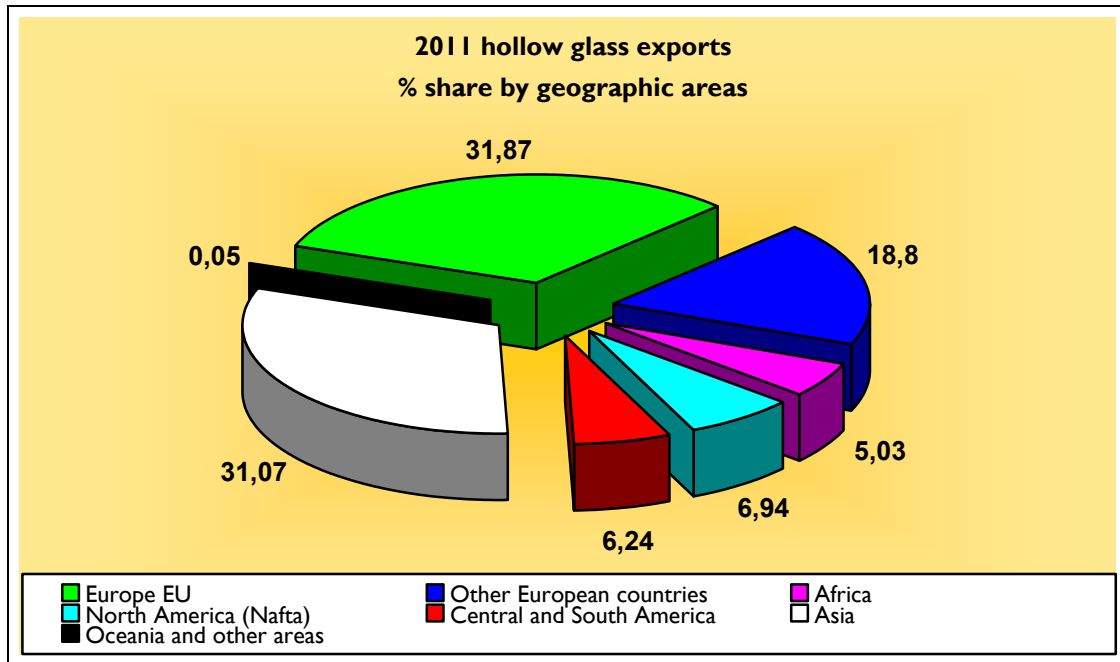
**Africa** closed the year with a markedly negative sign due to the sudden trend reversal of Egypt, which suffered a sharp 80% drop in value with its share shrinking from 6.24% in 2010 to 0.93% in 2011.

The **Americas** exhibited a slight contraction, with the exception of Mexico and Chile. The most significant negative data is that of Argentina, which following the substantial increase scored in 2010, saw its value dropped by over 83% in 2011, with its share shrinking from 3.64% to 0.42%.

Overall, **Asia** posted a positive result compared to 2010 in both percentage share and absolute value, due to an upsurge in the flow of our exports to China (+160%), India (+266%) and South Korea (+242%). For the hollow glass industry too, the significant downturn posted by Iran is likely due non-commercial reasons.

EXPORTS OF MACHINERY, ACCESSORIES AND PRODUCTS FOR HOLLOW GLASS			
% share by geographic area			
Destination	2010	2011	% Diff. 2010/2009
Europe EU	32,03	31,87	-0,50
Europe non-EU	14,33	18,80	31,19
Africa	10,14	5,03	-50,39
North America ( Nafta countries)	7,93	6,94	-12,48
Central and South America	9,08	6,24	-31,28
Asia	26,27	31,07	18,27
Oceania and free ports	0,22	0,05	-77,27
<b>Total hollow glass exports</b>	<b>100,00</b>	<b>100,00</b>	

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<b>HOLLOW GLASS EXPORTS: leading destination countries</b>					
<b>Export 2011</b>			<b>Export 2010</b>		<b>% diff. in values 2011/2010</b>
<b>Pos</b>	<b>Countries</b>	<b>% share</b>	<b>Pos</b>	<b>% share</b>	
1	Russia	11,99	1	9,62	75,83
2	France	11,36	2	8,54	87,72
3	Poland	10,41	14	2,06	613,49
4	China	9,67	6	5,25	159,95
5	India	7,01	11	2,70	266,48
6	Mexico	5,43	5	5,61	36,35
7	South Korea	3,63	17	1,50	242,05
8	Austria	2,11	13	2,21	34,77
9	Iran	2,07	3	7,75	- 62,32
10	Spain	2,01	8	3,81	- 25,63
11	Germany	1,82	7	4,51	- 43,07
12	Chile	1,73	19	1,26	92,58
13	Turkey	1,65	26	0,86	170,19
14	Taiwan	1,45	40	0,61	237,70
15	United States	1,40	12	2,29	- 13,66

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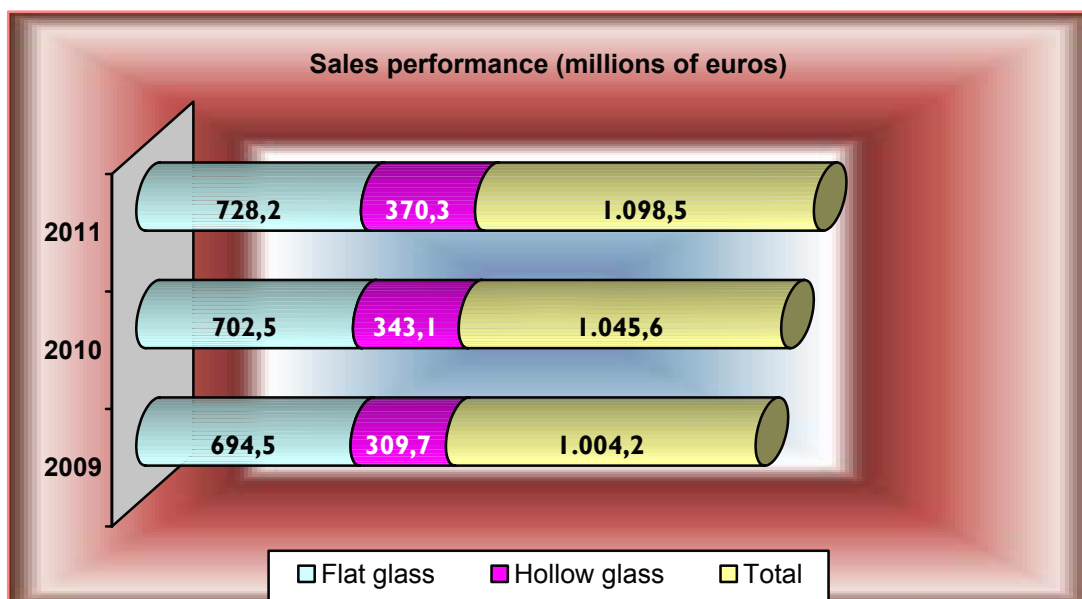


## Industry sales

After the negative result suffered in 2009 and the faint recovery signs emerging in 2010, the Italian industry of machinery, accessories and special products for flat and hollow glass processing vigorously resumed its journey towards growth in 2011, despite the persisting weakness of the domestic market. Both sectors are founded on an industrial fabric of remarkable solidity and experience and have once again given ample proof of their strong export-propensity.

ITALIAN INDUSTRY SALES				
MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS				
Sectors	2009 Euros	2010 Euros	2011 Euros	% Diff. 2011/2010
<b>FLAT GLASS</b>				
Domestic sales	196.277.979	198.305.552	198.284.650	- 0,01
Exports	498.199.622	504.155.775	529.870.668	5,10
<b>Total flat glass sales</b>	<b>694.477.601</b>	<b>702.461.327</b>	<b>728.155.318</b>	<b>3,66</b>
<b>HOLLOW GLASS</b>				
Domestic sales	67.610.461	67.902.523	59.550.620	- 12,30
Exports	242.117.418	275.226.150	310.732.300	12,90
<b>Total hollow glass sales</b>	<b>309.727.879</b>	<b>343.128.673</b>	<b>370.282.920</b>	<b>7,91</b>
<b>Total Flat + Hollow</b>	<b>1.004.205.480</b>	<b>1.045.590.000</b>	<b>1.098.438.238</b>	<b>5,05</b>
<b>% SHARE OF OF 2011 SALES BY DESTINATION</b>				
Destination area	Flat glass	Hollow glass	SECTOR TOTALS	
Domestic sales	27,23	16,08	<b>23,47</b>	
Exports	72,77	83,92	<b>76,53</b>	
<b>TOTALS</b>	100,00	100,00	<b>100,00</b>	

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

<b>Summary</b>				
<b>Machinery, accessories and special products for glass processing</b>				
<b>Variables</b>	<b>Unit of measure</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Industry sales	euro	1.004.205.480	1.045.590.000	1.098.438.238
Exports	euro	740.317.040	779.381.925	840.602.968
Imports	euro	52.075.321	54.338.132	62.531.589
Trade surplus	euro	688.241.719	725.043.793	778.071.379
Domestic orders	euro	263.888.440	266.208.075	257.835.270
	% Difference	5,56	0,88	-3,15
Foreign orders	euro	740.317.040	779.381.925	840.602.968
	% Difference	12,60	5,28	7,86
Workforce	No. Employed	4.500	4.000	4.000

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Even though the industry is made up mainly of small and medium-sized firms, it is distinguished for its high propensity to export, actually 77% of its production in 2011. An extensive, spread-out sales network, the ability to promote customer loyalty, operational flexibility to meet the demand and prompt technical service are the key elements that have made our industry a constant leader in this sector.

After the significant setback suffered 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, first tentatively in 2010 and more vigorously in 2011.

This notwithstanding, the future will not be all smooth sailing especially in the euro area in general and more particularly on the domestic market, due to the persisting recession in some key markets, first and foremost the construction industry. The constantly growing prices of energy, raw materials and labor exacerbated by an exorbitantly high taxation level clearly indicate that the crisis will not be overcome soon.

Statistical surveys in the first two months of 2012 point to flagging demand from overseas, thus confirming the fluctuating trend that for a few years now has been a fixture of certain markets and which thwarts the development of far-reaching programs by our companies.



## ITALY'S GLASS INDUSTRY

(Source: Assovetro)

FLAT GLASS (in tons)				
ITEMS	2009	2010	2011	2011/2010 % Diff.
Production	850.120	921.619	961.236	4,30
Imports	341.622	363.146	369.085	1,64
Exports	159.356	163.061	206.084	26,38

HOLLOW GLASS (in tons)				
ITEMS	2009	2010	2011	2011/2010 % Diff.
Production	3.468.094	3.656.425	3.714.259	1,58
Imports	479.926	623.379	640.639	2,77
Exports	448.022	501.782	519.304	3,49

BOTTLES (in tons)				
ITEMS	2009	2010	2011	2011/2010 % Diff.
Production	2.961.671	3.118.593	3.144.907	0,84
Imports	261.368	386.538	419.917	8,64
Exports	227.966	252.660	264.668	4,75

VASES (in tons)				
ITEMS	2009	2010	2011	2011/2010 % Diff.
Production	231.747	232.555	262.812	13,01
Imports	83.219	95.781	74.544	-22,17
Exports	28.582	28.794	21.855	-24,10

SMALL BOTTLES AND VIALS (in tons)				
ITEMS	2009	2010	2011	2011/2010 % Diff.
Production	138.996	155.384	160.991	3,61
Imports	52.747	54.747	57.687	5,37
Exports	92.956	112.225	122.805	9,43

HOUSEWARES (in tons)				
ITEMS	2009	2010	2011	Variatz. % 2011/2010
Production	135.680	149.893	145.549	-2,90
Imports	82.592	86.313	88.491	2,52
Exports	98.518	108.103	109.976	1,73



GLASS YARNS (in tons)				
ITEMS	2009	2010	2011	2011/2010 % Diff.
Production	67.858	115.332	132.722	15,08
Imports	115.971	158.014	142.617	-9,74
Exports	53.633	97.193	92.445	-4,89

