

Italian Association of Glass-Processing Machinery and Accessory
Suppliers

The Italian Industry of Machinery, Accessories and Special Products for Glass Processing in 2013

June 2014



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 activity, GIMAV has considerably strengthened its representative presence throughout the industry's entire supply chain. The sales volume of GIMAV member companies makes up almost 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, chemicals, 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 2013

Data shows that as in 2012, production shrank in 2013 but to a lower extent than 2012 vs. 2011. By contrast, exports of capital goods continued in the growth path blazed in 2012, showing that the crisis is slowly easing off despite its boom-and-bust trend. Unfortunately, the domestic market remained extremely weak.

2012 – 2013 Performance by the industry

Years	2012	2013*	2013/2012 Diff.
Production (millions of Euros)	28,960	28,854	-0.4%
Exports (millions of Euros)	21,771	21,967	0.9%
Domestic Consumption (millions of Euros)	7,189	6,887	-4.2%
Imports (millions of Euros)	4,186	4,190	0.1%
Workers	147,999	146,284	-1.2%

* preliminary forecasts

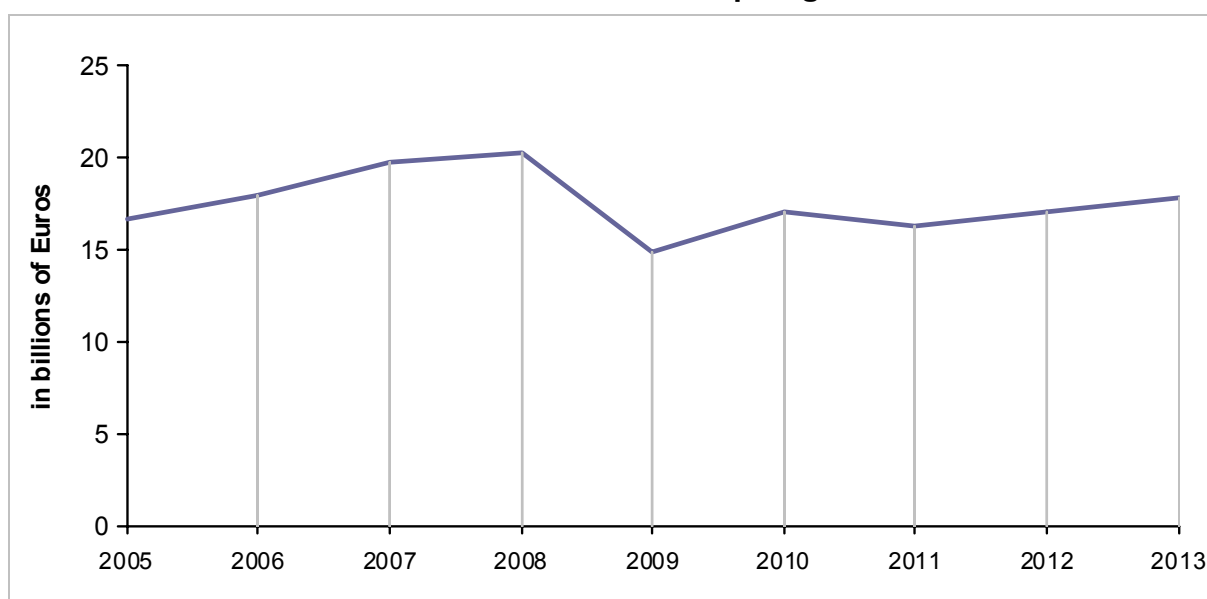
Export drive and trade balance

One of the distinguishing features of the Italian capital goods manufacturing industry – which has gained further momentum in the past few years - is its high export drive which accounted for over 76% of sales in 2013.

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

In 2013, the overall trade balance of the Federmacchine sectors reported a €17.8 billion surplus.

The Italian trade balance for capital goods



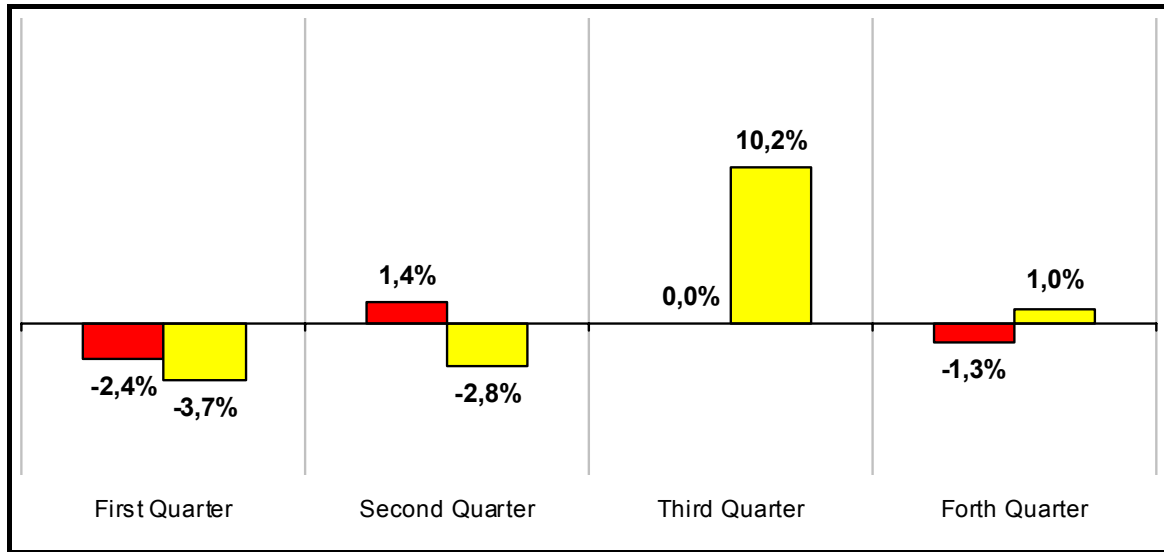


Foreign trade performance in 2013

Estimates for the quarterly trade performance in 2013 are based on ISTAT data for 7 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 Italy's entire machine building and equipment industry.

2013 quarterly import-export data
(changes vs. the same period in the previous year)



➡ Exports ➡ Imports

Processing of ISTAT data by Federmacchine Statistical Group

Trade by geographical area in 2013

	EXPORTS			IMPORTS		
	Value	% Diff.	Share	Value	% Diff.	Share
27 European Union countries	5,347	-6.2	34.5%	1,926	1.7	69.4%
Europe (other countries)	2,152	4.0	13.9%	275	11.8	9.9%
Africa	953	14.9	6.1%	6	-25.1	0.2%
Middle East	618	0.4	4.0%	10	35.9	0.3%
Asia (other countries)	3,121	0.2	20.1%	459	-3.4	16.5%
North America	1,878	0.0	12.1%	77	-19.2	2.8%
South America	1,252	2.8	8.1%	9	-26.5	0.3%
Oceania	186	13.7	1.2%	14	11.1	0.5%
TOTAL	15,507	-0.5	100.0%	2,776	0.9	100.0%

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Exports in 2013: top 20 countries

	Value	% Diff.		Value	% Diff.
China	1,371.7	-3.6	Spain	409.2	0.0
United States	1,327.6	-0.2	Mexico	376.7	-6.0
Germany	1,209.0	-12.7	Switzerland	305.8	-1.2
France	928.2	-6.5	Austria	244.2	0.5
Turkey	680.2	-2.5	Belgium	209.1	-3.1
Russia	655.7	-5.3	Indonesia	208.4	2.6
Brazil	536.1	-3.9	Czech Republic	199.9	3.7
UK	468.6	-2.2	Sweden	199.6	-0.5
Poland	449.8	-3.5	Saudi Arabia	192.4	-3.9
India	425.9	-10.7	Algeria	186.2	35.0

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Imports in 2013: top 20 countries

	Value	% Diff.		Value	% Diff.
Germany	913.1	1.8	South Korea	72.2	0.4
Switzerland	208.6	14.9	United States	64.4	-25.6
China	194.9	-4.7	The Netherlands	62.7	-18.9
France	190.1	-8.4	Sweden	49.5	8.4
Belgium	146.6	22.1	Turkey	45.0	5.7
Austria	138.6	-14.7	Taiwan	44.6	-26.6
Japan	113.2	5.1	Czech Republic	39.7	-1.8
Poland	90.5	18.9	Romania	33.0	1.9
UK	86.7	28.5	India	27.1	13.2
Spain	73.7	-6.7	Denmark	21.4	2.6

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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 encouraging signs of growth, whereas the domestic market remained in the doldrums.

Imports

In 2013, imports **contracted by 9.12%** compared to 2012, with conflicting results being posted by the two sectors comprising the glass processing industry:

- ⇒ **Cold working machines and accessories (flat glass): + 67.54%**
- ⇒ **Hot working machines and accessories (hollow glass): -18.21%.**

Sectors	2012 Euro	2013 Euro	2012/2011 % Diff.
Flat Glass	6,307,843	10,568,385	67.54
Hollow Glass	53,243,797	43,550,583	-18.21
Flat+Hollow Glass - Total	59,551,640	54,118,968	-9.12

GIMAV processing of ISTAT data

Imports: the top 15 countries of origin for the entire industry

Country	2012 Euros	2013 Euros	% Diff. 2013/2012	2013 % share of total imports
Sweden	5,023,190	7,691,127	53.11	14.21
United States	5,575,258	6,304,568	13.08	11.65
Germany	5,675,073	5,780,885	1.86	10.68
Croatia	7,082,370	5,690,015	-19.66	10.51
France	6,302,990	5,670,348	-10.04	10.48
Austria	2,331,426	4,870,893	108.92	9.00
Belgium	3,298,685	4,078,715	23.65	7.54
China	4,448,360	3,988,971	-10.33	7.37
Turkey	2,281,821	1,835,391	-19.56	3.39
UK	8,851,715	1,585,772	-82.09	2.93
Spain	620,362	854,561	37.75	1.58
Czech Republic	727,199	718,722	-1.17	1.33
Poland	155,663	643,630	313.48	1.19

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Flat glass imports

Out of €54.12 million in total imports, the flat glass processing sector claimed €10.56 million, up by more than 67% over 2012. As usual, the primary area of origin was the European Union which accounted for over 90.96% of total imports by the industry, broken down as follows:

- Austria, leapt from €1.47 million in 2012 to 4.36 in 2013, up by 195%;
- France, from €1.82 million to 2.56 in 2013 (+ 40%);
- Germany, from €0.62 million in 2012 to 2.33 in 2013, increasing its exports to Italy by over 270%.



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

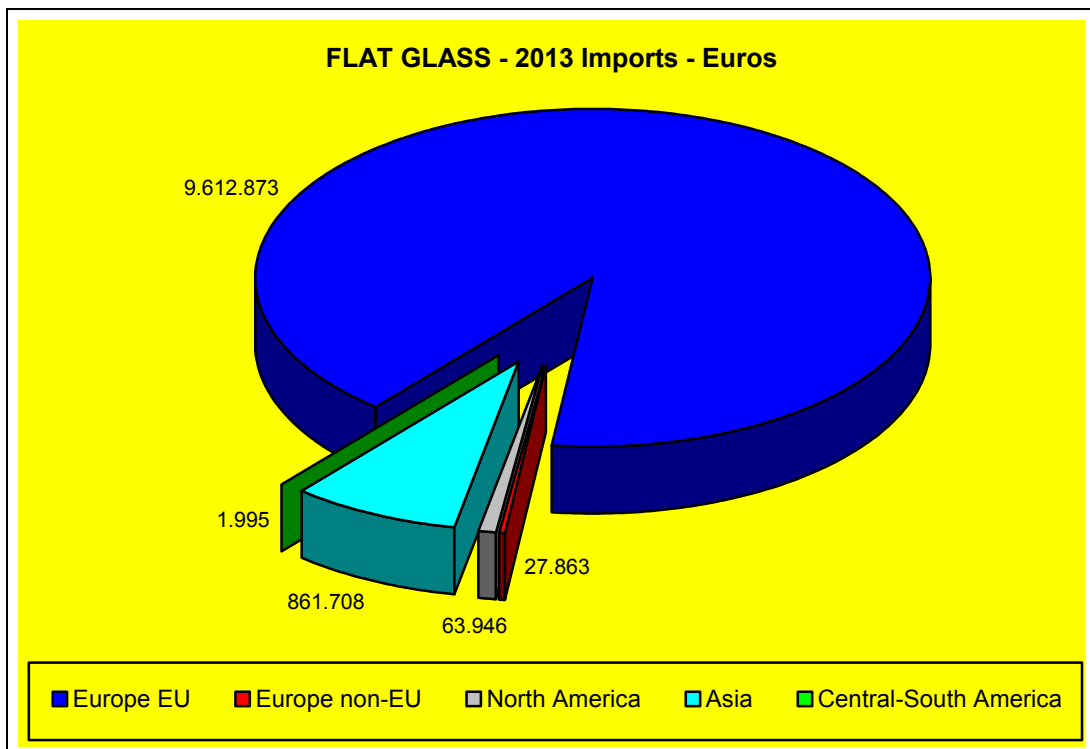
Among non-EU countries, Switzerland ranked first, followed by Norway. The value shares of both countries' total imports, however, are extremely small (0.11% and 0.08% respectively)

Imports from Asia skyrocketed in 2013, from €0.70 million to €0.86, without however returning to the record value of 2010. More particularly, China increased its supplies to Italy (albeit with a small absolute value of 0.63 million) and saw its import share drop from 7.92 in 2012 to 5.94 in 2013.

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

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR FLAT GLASS PROCESSING				
Origin	2011 Euros	2012 Euros	2013 Euros	% Diff. 2013/2012
Europe EU	5,942,872	5,247,816	9,612,873	83.18
Europe non-EU	127,820	27,748	27,863	0.41
Africa	0	23,163	0	0
North America (Nafta)	28,615	172,486	63,946	-62.93
Central and South America	0	131,329	1,995	-98.48
Asia	305,879	705,301	861,708	22.18
Oceania	144,507	0	0	0
Flat glass total imports	6,549,693	6,307,843	10,568,385	67.54

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FLAT GLASS IMPORTS: leading countries of origin					
Geographical area	Country	2012 Euros	2013 Euros	% Diff. 2013/2012	% share of € 10,538,385
Europe EU	Austria	1,474,555	4,355,990	195.41	41.22
	France	1,829,274	2,562,163	40.06	24.24
	Germany	624,348	2,325,801	272.52	22.01
	Lithuania	15,423	99,665	546.21	0.94
Europe non EU	Switzerland	2,600	11,496	342.15	0.11
America	United States	172,486	57,969	-66.39	0.55
Asia	China	499,725	627,671	25.60	5.94

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Hollow glass imports

Out of total imports of €54.12 million, machinery, accessories and special products for hollow glass processing accounted for €43.55 million, down by 18.21% from the previous year.

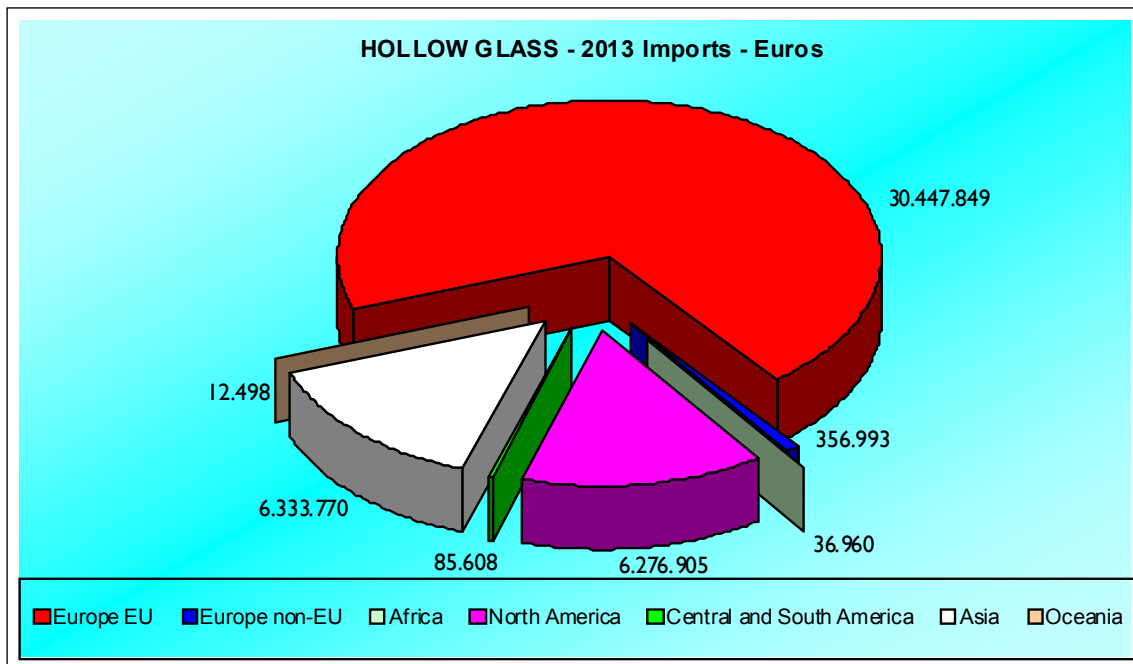
Sweden was the leading supplier at €7.69 million, up by 53.11% versus 2012. Second came Croatia which, despite a decrease of over 20%, remained second in the list with a 12.91% share.

The 96.24% decrease in imports from non-EU Europe is mainly due to the non-inclusion of import data for Croatia, which became a member of the EU in July 2013.

Statistics for the rest of the world show a significant increase of imports from the United States (€6.24 million, up by 15.62%) which remained the third leading supplier, while China suffered a drop of over 7.7%.

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 2013 vs. 2012 differences.

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR HOLLOW GLASS PROCESSING				
Origin	2011 Euros	2012 Euros	2013 Euros	% Diff. 2013/2012
Europe EU	3,6090,096	32,694,091	30,447,849	-6.87
Europe non-EU	6,388,306	9,487,027	356,993	-96.24
Africa	62,103	307,071	36,960	-87.96
North America (Nafta)	8,273,965	5,453,373	6,276,905	15.10
Central and South America	28,198	78,235	85,608	9.42
Asia	5,193,656	5,202,509	6,333,770	21.74
Oceania	30,013	21,491	12,498	-41.85
Hollow glass total imports	56,066,337	53,243,797	43,550,583	-18.21



HOLLOW GLASS IMPORTS: leading countries of origin					
Origin	Country	2012 Euros	2013 Euros	2013/2012 % Diff.	% share of € 43,550,583
Europe UE	Sweden	5,023,190	7,691,127	53.11	17.66
	Croatia	7,082,370	5,621,942	-20.62	12.91
	Belgium	2,343,052	4,060,587	73.30	9.32
	Germany	5,050,725	3,455,084	-31.59	7.93
	France	4,473,716	3,108,185	-30.52	7.14
	UK	8,763,106	1,566,487	-82.12	3.60
Europe non-UE	Turkey	2,265,773	1,815,244	-19.88	4.17
America	United States	5,402,772	6,246,599	15.62	14.34
Asia	China	3,948,635	3,361,300	-14.87	7.72

GIMAV processing of ISTAT data

The Italian market

Despite their strong export drive, Italian companies were by far the preferred suppliers to the domestic market for this industry, especially for the flat glass-processing sector, which increased slightly but remained quite sluggish.

Notwithstanding a clear preference for made-in-Italy products, users of machinery and equipment for hollow glass heavily cut down on investments, with a 9.5% decrease at the end of the year.

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 2013 and 2012.



DOMESTIC CONSUMPTION				
Sectors Product origin	2011 Euros	2012 Euros	2013 Euros	2013/2012 % Diff.
<u>FLAT GLASS</u>				
Imports	6,549,693	6,307,843	10,568,385	67.54
Domestic product	198,284,650	183,934,730	184,525,200	0.32
Flat glass - Total	204,834,343	190,242,573	195,093,585	2.55
<u>HOLLOW GLASS</u>				
Import	56,066,337	53,243,797	43,550,583	-18.21
Domestic product	59,550,620	61,519,163	60,300,051	-1.98
Hollow glass - Total	115,616,957	114,762,960	103,850,634	-9.51
Flat + Hollow Glass - Total	320,451,300	305,005,533	298,944,219	-1.99

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Exports

After the heavy setback in 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 that severely hampered the production and business planning of companies, both flat and hollow glass sectors closed 2013 in positive territory.

As of 31 December 2013, statistics for exports indicated an overall growth of **+3.79%**, more specifically:

- **machinery, accessories and special products for flat glass** + 4.20%
- **machinery, accessories and special products for hollow glass** + 3.16%

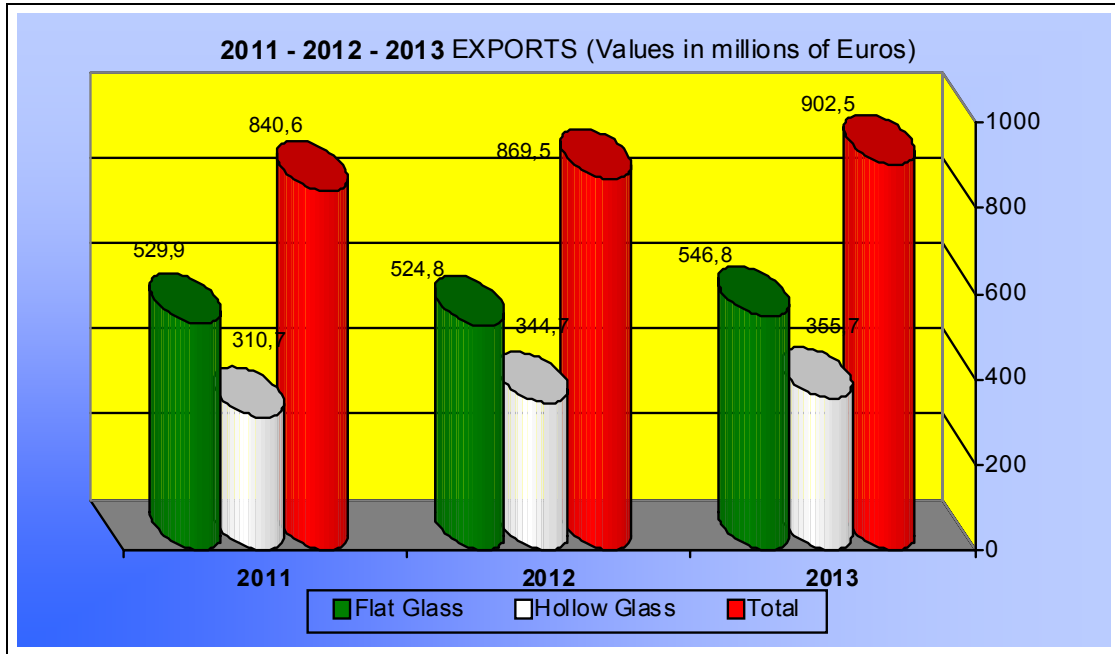
Entire industry exports

Sectors	2011 Euros	2012 Euros	2013 Euros	% Diff. 2013/2012
Flat Glass	529,870,668	524,765,300	546,792,500	4.20
Hollow Glass	310,732,300	344,748,356	355,656,300	3.16
Flat + Hollow Glass - Total	840,602,968	869,513,656	902,448,800	3.79

GIMAV processing of ISTAT data



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



When examining the geographic breakdown of export flows, it appears that the European Union managed to retain its No. 1 position as the major purchaser of Italian products which it recovered last year after losing it for the first time to Asia in 2011.

If all exports to EU countries are taken in account, Europe as a whole remains the destination of slightly more than 45% of Italian exports, which confirms that falling demand from the European industrialized countries is not tapering off and returning to stable levels.

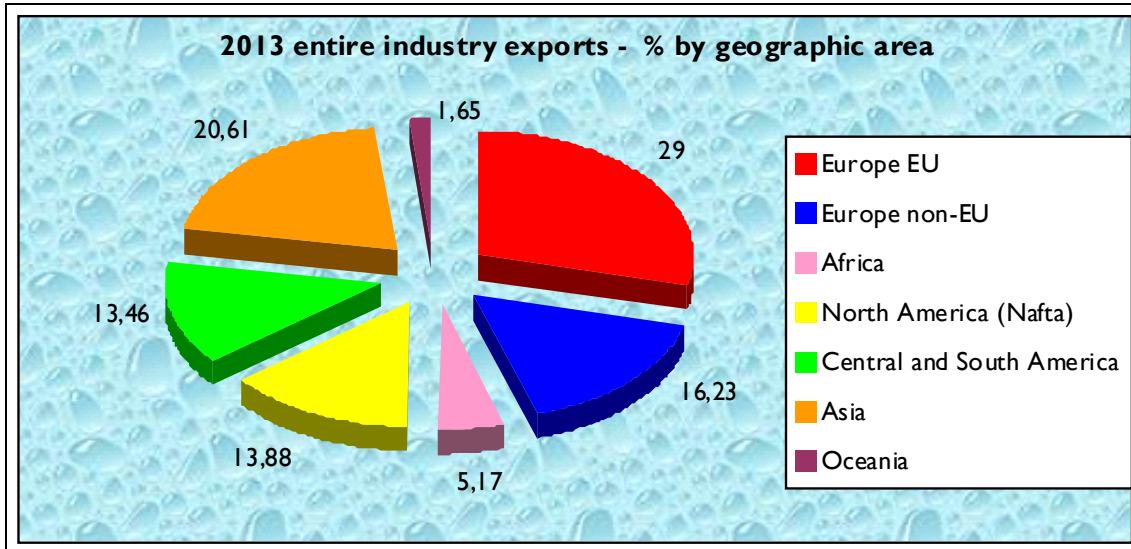
Africa once more showed fluctuating performance, while the decline of Asia that started last year continued throughout 2013.

Demand from the NAFTA area (USA, Canada and Mexico) was very strong and has been rising steadily for the past four years. Equally positive were the figures for the performance of Central and South America in the past few years, aside from a slight contraction suffered in 2011.

Although the absolute values for Australia were of limited relevance, it showed slow but steady growth.

EXPORTS BY THE ENTIRE INDUSTRY					
% SHARE BY GEOGRAPHIC AREA					
Destination	2010	2011	2012	2013	2013/2012 % Diff.
Europe EU	35.82	29.94	31.24	29.00	-7.17
Europe non-EU	11.67	16.08	18.19	16.23	-10.78
Africa	6.32	4.40	6.80	5.17	-23.97
North America (Nafta)	6.94	8.28	9.11	13.88	52.36
Central and South America	9.42	8.88	10.33	13.46	30.30
Asia	28.62	31.21	23.10	20.61	-10.78
Oceania	1.21	1.21	1.23	1.65	34.15
Entire industry total exports	100.00	100.00	100.00	100.00	

GIMAV processing of ISTAT data



The first column in the table below shows the ranking of the top 15 client countries by % share of total exports and, in the fourth column the 2012 ranking of the same countries, while the last column on the right indicates the difference between 2013 and 2012 sales by Italian companies in these countries.

Some interesting observations emerge from this ranking:

- France, after the substantial drop in 2012 versus the previous year (-27%), became the No. 1 export market for Italy, posting an increase in value in excess of 34%.
- Brazil, Russia Mexico and the United States showed steady growth and reaffirmed their role as key export markets for Italian products.
- China, after the strong fall in 2012 (from 1st to 10th place), picked up again with a sharp 110% increase in value.
- Although Germany remains a historical export market for Italian glass companies, it alternates periods of growth with negative months, thus showing the same fluctuating performance as many other European countries in the last few years.
- The main underperformers were Korea (dropping from 13th to 31st place), and the United Arab Emirates (from 12th to 40th position).

ENTIRE INDUSTRY EXPORTS: leading destination countries					
Export 2013			Export 2012		2013/2012 % diff. in value
Pos.	Countries	% share	Pos.	% share	
1	France	8.77	3	6.56	+34.09
2	Brazil	8.45	6	5.32	+59.21
3	Russia	7.74	4	6.52	+19.33
4	China	7.56	10	3.61	+110.00
5	Mexico	7.05	7	4.47	+58.06
6	United Sates	5.96	8	3.91	+52.93
7	Turkey	4.21	1	7.33	-42.43
8	Bulgaria	3.69	18	1.34	+176.40
9	Germany	3.40	5	6.08	-43.92
10	Poland	2.94	2	6.77	-56.42
11	Thailand	2.71	9	3.71	-26.56
12	Belgium	1.79	23	1.08	+66.61
13	Egypt	1.67	15	1.88	-10.68
14	Australia	1.49	20	1.20	+24.88
15	Saudi Arabia	1.42	36	0.59	+141.76



Flat glass sector exports

Out of total exports of €902.5 million, the industry of machinery, accessories and special products for flat glass claimed over €546.8 million, posting a significant increase versus 2012. Even though still far below the record values achieved during the two-year period from 2007 to 2008, the slow but steady growth of Italian exports 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.

The **European Union** claimed 23.81% of our exports of machines, accessories and special products for flat glass, and **the whole of Europe slightly less than 40%** vs. 42.89% in 2012.

The remarkable setback suffered by the EU is largely the result of Germany's and Great Britain's underperformance. The former plummeted from 2nd to 7th position in the ranking and more than halved both the share and the absolute value of its purchases from Italy, the value of which shrank by more than 52%. Great Britain dropped from 4th to 15th position, with a 1.55% share compared to 7.08% last year.

France maintained its 6th place and its share rose from 3.45% in 2012 to 5.89% in 2013. Russia, which showed some signs of weakness in 2012, posted a return to significant growth at more than 8%. The figures were also good for Turkey (5.93%).

Africa confirmed its fluctuating performance with years of growth alternating with years of stagnation or of decline. In 2013 its share remained unchanged while the absolute value of exports to Egypt and Algeria slightly increased.

North America (Nafta area) improved both percentage shares and absolute values (and this applies to both the area as a whole and the single countries, i.e. United States, +56.29%, Canada, +21.44%, and Mexico, + 52.36%).

Central-South America accounted for the same share of total exports in the flat glass sector as last year, spurred by the great vitality of Brazil which held onto its position as Italy's best trading partner in 2013, accounting for 16.75% of Italian exports and up by 51% in value.

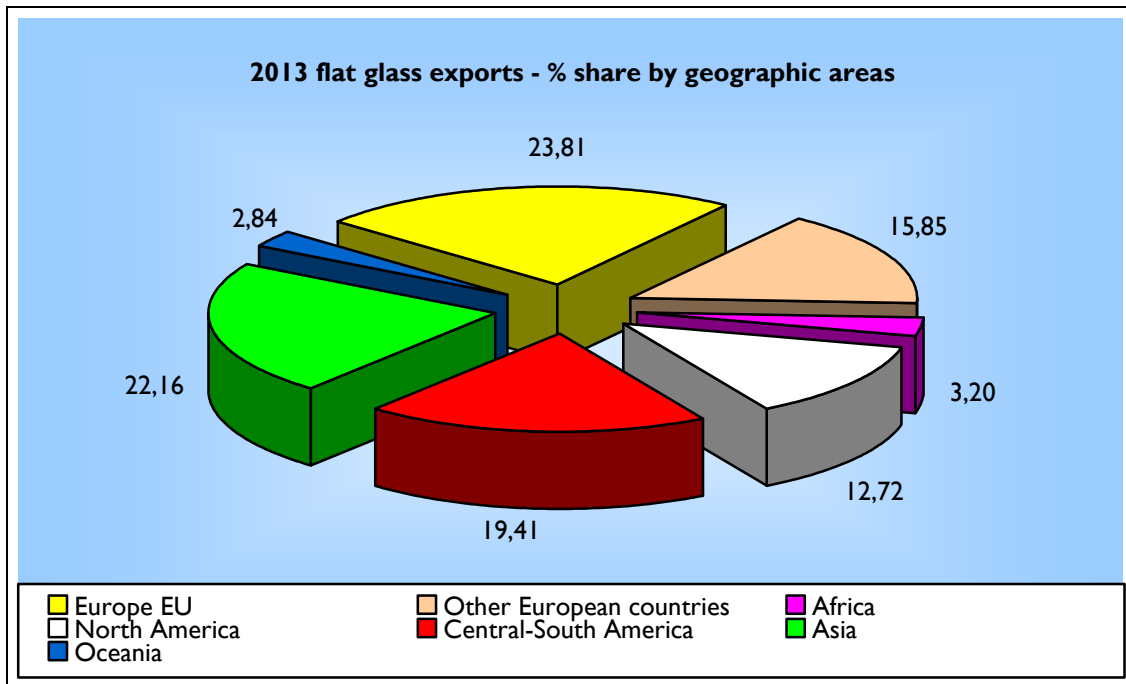
Asia was stable at 22%, but the figures were excellent for China, nudging up from fifth to second place (+159% in absolute value).

By contrast, Japan and Thailand suffered a heavy setback and their value shrank by 20.7% and 40.8%, respectively. Noteworthy was the performance of Saudi Arabia, which climbed from 19th to 9th position, thanks to investments planned in the past but left 'on hold' for a long period of time.

Oceania basically maintained the same position as in 2011 and 2012.

The following tables provide a detailed picture of 2013 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	2012	2013	2013/2012 % Diff.
Europe EU	33.71	23.81	-29.37
Europe non-EU	9.18	15.85	72.66
Africa	3.20	3.20	0.00
North America (Nafta)	10.00	12.72	27.20
Central and South America	19.13	19.41	1.46
Asia	21.85	22.16	1.42
Oceania	2.93	2.85	-2.73
Flat glass total exports	100.00	100.00	



FLAT GLASS EXPORTS: leading destination countries					
2013 Exports			2012 Exports		2013/2012 % diff. in value
Pos	Countries	% share	Pos	% share	
1	Brazil	16.75	1	13.01	+51.18
2	China	10.62	5	4.80	+159.61
3	United States	9.52	3	7.15	+56.29
4	Russia	8.15	7	3.25	+194.72
5	Turkey	5.93	12	2.81	+147.77
6	France	5.89	6	3.45	+100.42
7	Germany	4.33	2	10.68	-52.45
8	Bulgaria	3.63	14	2.15	+98.21
9	Saudi Arabia	3.02	19	1.32	+168.39
10	Australia	2.49	11	2.84	+2.86
11	Canada	1.94	16	1.87	+21.44
12	Poland	1.77	9	3.20	-35.10
13	Japan	1.64	13	2.42	-20.75
14	Thailand	1.62	8	3.21	-40.86
15	United Kingdom	1.55	4	7.08	-74.28

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Hollow glass sector exports

With total exports amounting to €902.5 million in 2013, machinery, accessories and special products for hollow glass totaled €355.65 million, i.e. up by 3.16% compared to 2012. The sector, despite posting a physiological slowdown after the staggering acceleration last year, showed signs of dynamic vitality also in 2013.

Unlike the performance of the flat glass industry, exports by the hollow glass sector to EU countries increased but decreased to the other non-EU markets in Europe. Therefore Europe firmly remains the No. 1 client of Italian hollow glass companies, accounting for 50% of their exports.

In 2013, exports to the 27 countries of the **European Union** made up 33.19% of the hollow glass exports versus 16.54% to **non EU countries**.

The top-ranking country was France, which climbed to 2nd place in the world ranking with its +11% share, up by over 17% in value.

Russia maintained its third place, although its share decreased from just under 9% to 7.4%, and, most importantly, with a 22% drop in value.

On a more or less significant downward trend were Poland (-61%), Germany (-26.5%), and Croatia (-44.7%). By contrast, Bulgaria rose from 27th to 6th place and Belgium from 19th to 10th.

Africa closed the year in negative territory because of the fall-off in demand by Algeria and Egypt, whereas South Africa showed positive results (+29.05%).

The **American Continent** as a whole achieved a 23.5% growth in 2013 thanks to the strong growth posted by both the NAFTA countries and Central-South America.

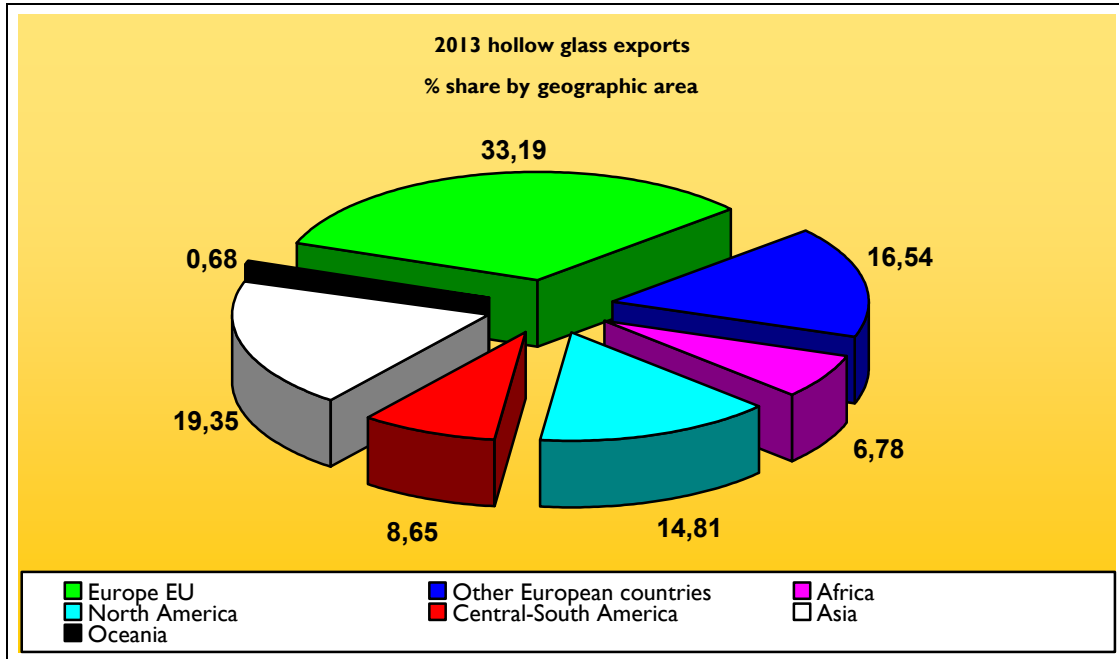
The United States showed remarkable growth (+45.09% in value) and the same applies to Mexico (+58.57%), which jumped to No. 1 position among the leading export markets for the Italian hollow glass industry.

Asia posted a downward trend also for hollow glass compared to 2012, mostly due to shrinking orders from the Arab Emirates (from 6th to 41st in the ranking). Bucking the trend was China (from 10th to 4th place), up by 58.79% in value.

The values of **Oceania**, despite its robust percentage growth, remained of extremely limited significance.

EXPORTS OF MACHINERY, ACCESSORIES AND PRODUCTS FOR HOLLOW GLASS % share by geographic areas			
Destination	2012	2013	2013/2012 % Diff.
Europe EU	29.71	33.19	11.71
Europe non-EU	23.76	16.54	-30.39
Africa	9.03	6.78	-24.92
North America (Nafta)	8.56	14.81	73.01
Central and South America	4.89	8.65	76.89
Asia	23.87	19.35	-18.94
Oceania	0.18	0.68	277.78
Hollow glass total exports	100.00	100.00	

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HOLLOW GLASS EXPORTS: leading destination countries					
2013 exports			2012 exports		2013/2012
Pos	Countries	% Share	Pos	% Share	% Diff. in value
1	Mexico	11.73	5	6.64	+ 58.57
2	France	11.09	4	8.48	+ 17.40
3	Russia	7.42	3	8.54	- 22.07
4	China	5.09	10	2.88	+ 58.79
5	Poland	3.89	2	8.97	- 61.12
6	Bulgaria	3.74	27	0.84	+300.23
7	Thailand	3.60	7	4.02	- 19.50
8	United States	3.07	15	1.90	+ 45.09
9	Turkey	2.81	1	10.11	- 75.08
10	Belgium	2.71	19	1.33	+ 82.72
11	Germany	2.65	8	3.23	- 26.51
12	Egypt	2.09	13	2.43	- 22.79
13	South Africa	1.84	20	1.28	+ 29.05
14	India	1.81	11	2.65	- 38.80
15	Brazil	1.74	31	0.57	+171.54

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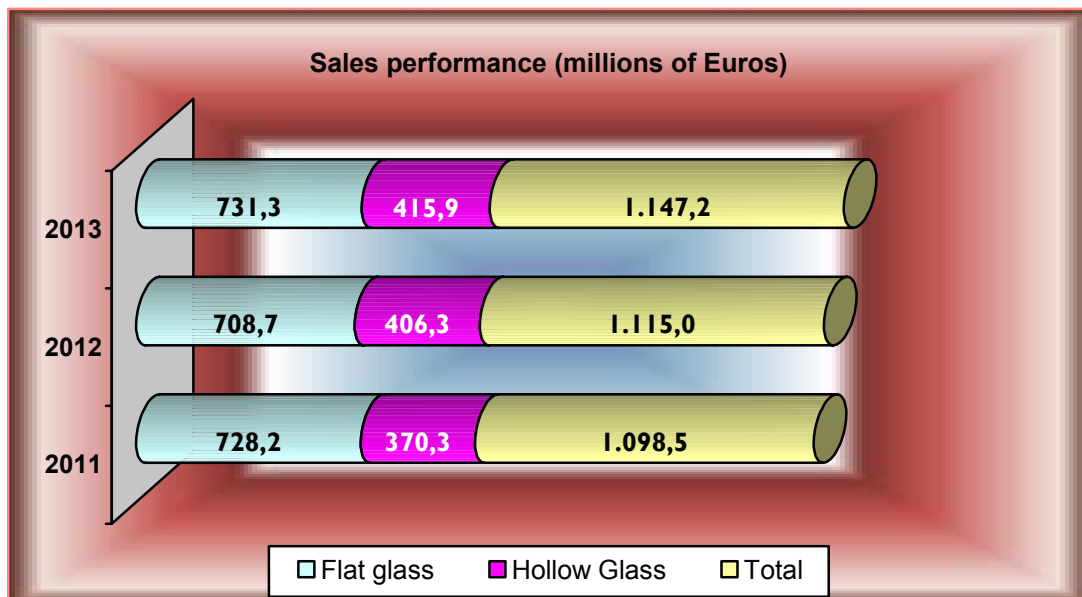


Industry sales

After the negative result in 2009, the Italian industry of machinery, accessories and special products for flat and hollow glass processing slowly started to turn around in 2010. The extreme difficulties of certain countries coupled with the fluctuating performance of some markets and the persistent sluggishness of the domestic market negatively affected recovery and often led to conflicting results between the flat and hollow glass sectors. Figures for 2013 confirmed a return to parallel trends for flat and hollow glass as well as an upswing in exports. More specifically 2013 witnessed minimal percentage differences between the flat and hollow glass industries in 2012, unlike 2012 vs. 2011. The flat glass industry suffered a 2.67 drop vs. a 9.72% increase for the hollow glass sector.

ITALIAN INDUSTRY SALES				
MACHINERY, ACCESSORIES AND PRODUCTS FOR GLASS				
Sectors	2011 Euros	2012 Euros	2013 Euros	2013/2012 % Diff.
FLAT GLASS SECTOR				
Domestic sales	198,284,650	183,934,730	184,525,200	0.32
Exports	529,870,668	524,765,300	546,792,500	4.20
Flat glass total sales	728,155,318	708,700,030	731,317,700	3.19
HOLLOW GLASS SECTOR				
Domestic sales	59,550,620	61,519,163	60,300,051	-1.98
Exports	310,732,300	344,748,356	355,656,300	3.16
Hollow glass total sales	370,282,920	406,267,519	415,956,351	2.38
Flat + Hollow Glass - Total	1,098,438,238	1,114,967,549	1,147,274,051	2.90
% SHARE OF 2013 SALES BY DESTINATION				
Destination	Flat Glass	Hollow Glass	SECTOR TOTAL	
Domestic sales	25.23	14.50	21.34	
Exports	74.77	85.50	78.66	
TOTALS	100.00	100.00	100.00	

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Summary Machinery, accessories and products for glass processing 2011 - 2012 - 2013				
Variables	Unit of measure	2011	2012	2013
Industry sales	Euro	1,098,438,238	1,114,967,549	1,147,274,051
Exports	Euro	840,602,968	869,513,656	902,448,800
Imports	Euro	62,616,030	59,551,640	54,118,968
Trade balance	Euro	777,986,938	809,962,016	848,329,832
Domestic orders	Euro	257,835,270	245,453,893	244,825,251
	% Diff.	-3.15	-4.80	-0.26
Foreign orders	Euro	840,602,968	869,513,656	902,448,800
	% Diff.	7.86	3.44	3.79
Workforce	Unit	4,000	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. 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 is still affecting the economic-financial policies of the entire world, the industry embarked on a path of growth, tentatively in 2010, more vigorously in 2011, with a few sudden setbacks in 2012 and with a steadier pace in 2013.

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 rising prices of energy, raw materials and labor exacerbated by exorbitantly high taxes is a heavy burden for our companies which thwarts medium-long term planning. The consequences are self-evident: an ailing labor market, unprecedented youth unemployment rates and depressed consumption levels.

Unfortunately, statistics for the first few months of 2014 do not point to the robust pickup that has been long overdue for both the glass industry and the entire industrial machinery sector. This notwithstanding, it should be pointed out that these figures are only partial and therefore insignificant. There are some signs, albeit weak, of recovery that appear to indicate that many markets will soon leave the past fluctuating performance behind them. This newly-found stability will breed new investment projects.



ITALY'S GLASS INDUSTRY IN 2012

(Source: Assovetro)

Domestic glass production totaled 4,879,719 tons in 2012 vs. 5,187,416 in 2011, down by almost 6% .

The glass industry also suffered from the down economy that has been negatively affecting the entire industry since 2009.

FLAT GLASS

The industrial flat glass industry also encompasses production of drawn sheet glass, which is no longer manufactured in Italy, blank glass sheets and float glass.

The manufacturing facilities are located in Northern, Central and Southern Italy

Total production in 2012 for the entire flat glass industry and resulting from the sum of the different groups mentioned was 884,242 tons, down by 8% vs. 2011.

FLAT GLASS (tons)				
ITEMS	2010	2011	2012	2012/2011 % Diff.
Production	921,619	961,236	884,242	-8.01
Imports	363,146	369,085	261,577	-29.13
Exports	163,061	206,084	238,876	15.91
Trade Balance	200,085	163,001	22,701	-86.07

HOLLOW GLASS

Automated production of hollow glass is performed by companies with facilities evenly distributed throughout Italy. This industry includes production of glass containers (bottles, flasks and demijohns), bottles for the pharmaceutical, cosmetic and perfumery sectors, food-grade containers and glass housewares (drinking glasses, dishes, tableware, etc.). Hollow glass production in 2012 totaled 3,535,707 tons, down by 4.8% vs. the previous year.

HOLLOW GLASS (tons)				
ITEMS	2010	2011	2012	2012/2011 % Diff.
Production	3,656,425	3,714,259	3,535,707	-4.81
Imports	623,379	640,639	649,962	1.46
Exports	501,782	519,304	506,577	-2.45
Trade Balance	121,597	121,335	143,385	18.17

More in detail, production data for the different sectors are as follows:



Bottles: in 2012 production totaled 3,006,378 tons, down by 4.4% versus 2011.

BOTTLES (tons)				
ITEMS	2010	2011	2012	2012/2011 % Diff.
Production	3,118,593	3,144,907	3,006,378	-4.40
Imports	386,538	419,917	434,344	3.44
Exports	252,660	264,668	257,782	-2.60
Trade Balance	133,878	155,249	176,562	13.73

Vials&Ampoules: in 2012 production totaled 155,563 tons, down by 3.3% vs. the previous year.

VIALS&AMPOULES (tons)				
ITEMS	2010	2011	2012	2012/2011 % Diff.
Production	155,384	160,991	155,563	-3.37
Imports	54,747	57,687	55,534	3.73
Exports	112,225	122,805	122,572	-0.19
Trade Balance	-57,478	-65,118	-67,038	2.95

Food grade containers: in 2012 production settled at 229,696 tons, down by 12.6% vs. the previous year.

FOOD GRADE CONTAINERS (tons)				
ITEMS	2010	2011	2012	2012/2011 % Diff.
Production	232,555	262,812	229,696	-12.60
Imports	95,781	74,544	80,767	8.35
Exports	28,794	21,855	20,015	-8.42
Trade Balance	66,987	52,689	60,752	15.30

Glass housewares: production totaled 144,070 tons, down by 1% vs. the previous year.

GLASS HOUSEWARES (tons.)				
ITEMS	2010	2011	2012	2012/2011 % Diff.
Production	149,893	145,549	144,070	-1.02
Imports	86,313	88,491	79,317	-10.37
Exports	108,103	109,976	106,208	-3.43
Trade Balance	-21,790	-21,485	-26,891	25.16

GLASS WOOL AND YARNS

Domestic production of glass wool and yarns by companies located in Northern Italy dropped by 27.74% in 2012 vs. the previous year and amounted to 95,770 tons.

ITEMS	2010	2011	2012	2012/2011 % Diff.
Production	115,332	132,540	95,770	-27.74
Imports	158,014	142,617	135,893	-4.71
Exports	97,193	92,445	84,336	-8.77
Trade Balance	60,821	50,172	51,557	2.76