Italian Association of Glass-Processing Machinery and Accessory Suppliers

The Italian Industry of Machinery, Accessories and Special Products for Glass Processing in 2014

June 2015

GIMAV: scope and representation

Established in 1980 by a small group of businessmen, GIMAV -- the Association of Italian manufacturers and suppliers of machinery and accessories 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 over 70% 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 satisfactory by the others.

THE MACHINE-BUILDING INDUSTRY IN 2014

The machine building industry showed improved economic performance in 2014.
Production grew compared to 2013 and domestic sales outperformed exports. After a prolonged period of sluggishness, the domestic market finally showed robust signs of growth.

2013 – 2014 Performance by the industry

Years	2013	2014*	2014/2013 Diff.
Production (millions of Euros)	35,005	36,640	4.7%
Exports (millions of Euros)	25,609	26,177	2.2%
Domestic Sales (millions of Euros)	9,396	10,463	11.4%
Imports (millions of Euros)	6,258	6,787	8.5%
Workers	177,806	177,530	-0.2%

* preliminary forecasts

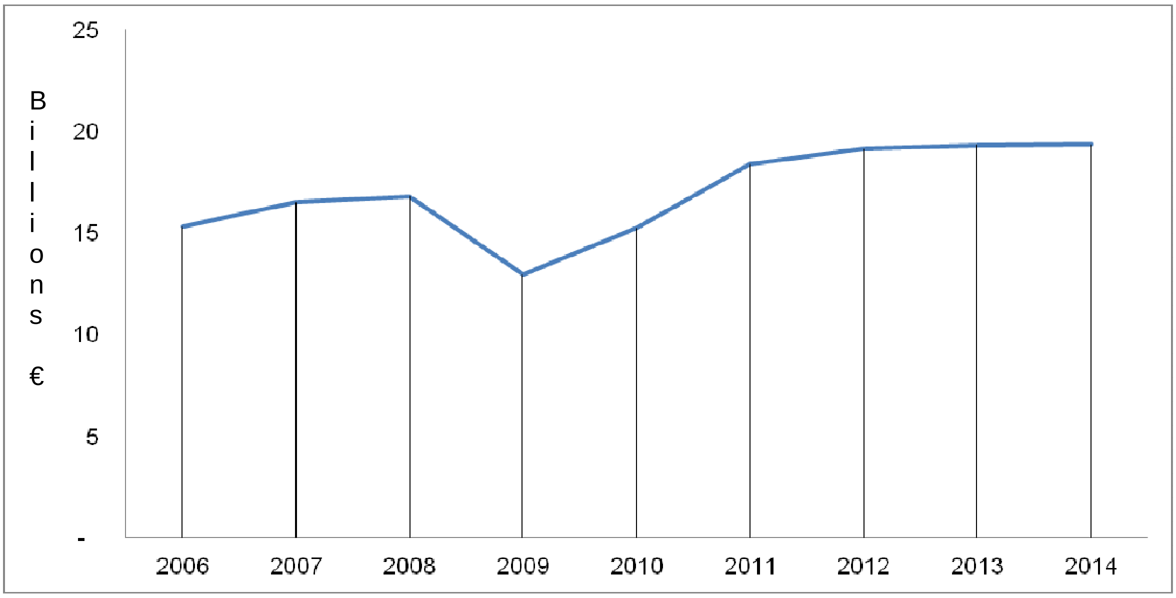
Export drive and trade balance

One of the distinguishing features of the Italian capital goods manufacturing industry – that has become more entrenched in the recent years of crisis-- is its high export drive which accounted for 71% of sales in 2014, also as a result of domestic consumption.

All sectors have an exports-to-sales ratio of more than 55%, with peaks bordering on 85%.

In 2014, the overall trade balance of the Federmacchine sectors scored a €19.4 billion surplus.

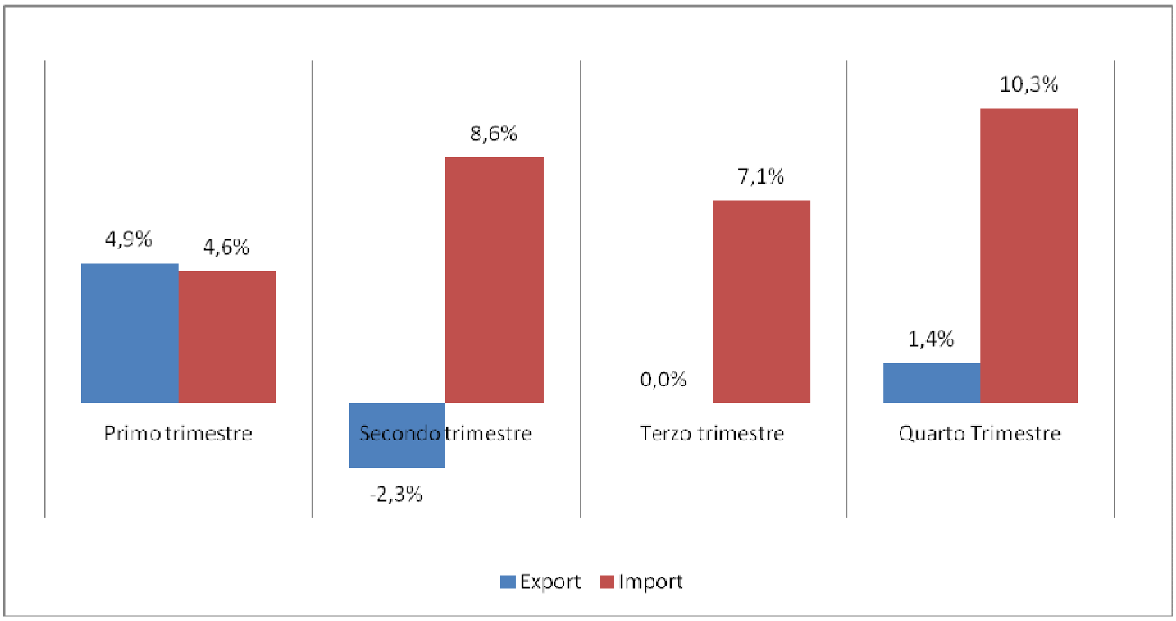
The Italian trade balance for capital goods



Import-Export performance in 2014

Estimates for the quarterly trade performance in 2014 are based on ISTAT data for 8 of the 13 Federmacchine member associations.
Data representativeness (approximately 75% 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.

2014 quarterly import-export data
(changes vs. the same period in the previous year)



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Trade by geographical area in 2014

	EXPORTS			IMPORTS		
	Value	% Diff.	Share	Value	% Diff.	Share
27 European Union countries	8,273	*7.5*	42.7%	3,412	*5.2*	65.3%
Europe (other countries)	2,276	*-4.1*	11.8%	368	*6.3*	7.1%
Africa	928	*-7.7*	4.8%	8	*13.1*	0.2%
Middle East	735	*12.2*	3.8%	7	*-34.6*	0.1%
Asia	3,476	*-0.6*	18.0%	1,188	*18.0*	22.7%
North America	2,311	*-1.0*	11.9%	194	*1.4*	3.7%
South America	1,158	*-16.9*	6.0%	27	*-10.7*	0.5%
Oceania	197	*-10.4*	1.0%	19	*34.5*	0.4%
TOTAL	**19,353**	*0.9*	**100.0%**	**5,224**	*7.7*	**100.0%**

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Exports in 2014: top 20 countries

	Value	% Diff.		Value	% Diff.
Germany	2.113,4	*5.6*	**India**	453,0	*-7.0*
United States	1.747,5	*1.8*	**Belgium**	424,6	*7.6*
China	1.454,0	*-5.7*	**Mexico**	395,1	*-5.8*
France	1.235,2	*-3.9*	**Switzerland**	342,1	*-6.6*
Turkey	860,7	*14.6*	**Austria**	323,4	*-9.2*
United Kingdom	699,5	*10.3*	**Sweden**	320,6	*-0.1*
Spain	645,6	*16.9*	**Indonesia**	317,0	*48.5*
Russia	633,6	*-8.5*	**Czech Republic**	307,5	*21.8*
Poland	631,0	*17.1*	**Netherlands**	227,6	*3.8*
Brazil	499,4	*-20.1*	**Romania**	219,8	*15.0*

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Imports in 2014: top 20 countries

	Value	%Diff.		Value	%Diff.
Germany	1.591,9	*5.0*	**South Korea**	121,3	*32.8*
China	621,0	*12.3*	**Poland**	118,4	*2.6*
France	416,5	*3.9*	**Spain**	118,3	*13.6*
Belgium	271,1	*21.3*	**India**	113,1	*9.0*
Switzerland	241,0	*-1.0*	**Taiwan**	102,1	*43.3*
Japan	200,8	*25.9*	**Sweden**	90,7	*3.9*
United States	173,0	*2.3*	**Turkey**	82,3	*25.0*
Austria	156,7	*-1.4*	**Czech Republic**	74,3	*22.3*
Netherlands	152,8	*-1.8*	**Slovakia**	69,1	*17.9*
United Kingdom	122,3	*-18.2*	**Bulgaria**	57,1	*5.9*

Processing of ISTAT data by Federmacchine Statistical Group

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

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

Imports

In 2014, imports **rose by 78.22%** compared to 2013, with conflicting results being posted by the two sectors comprising the glass processing industry: a strong decrease by the flat glass industry as against a formidable increase by the hollow glass sector.

- **Cold working machines and accessories (flat glass): - 9.37%**
- **Hot working machines and accessories (hollow glass): +99.39%**

Sectors	2013 Euro	2014 Euro	% Diff. 2014/2013
Flat Glass	10,528,026	9,541,683	-9.37
Hollow Glass	43,563,433	86,858,995	99.39
Flat + Hollow Glass	**54,091,459**	**96,400,678**	**78.22**

GIMAV processing of ISTAT data

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

Country	2013 Euros	2014 Euros	2014/2013 % Diff.	% share of 2014 total imports
Belgium	4,078,715	23,175,153	468.20	24.04
Sweden	7,691,127	12,860,050	67.21	13.34
Germany	5,780,885	11,088,591	91.81	11.50
United States	6,304,568	7,913,688	25.52	8.21
France	5,670,348	7,437,346	31.16	7.72
Croatia	5,690,015	5,517,166	3.04	5.72
China	3,988,971	4,182,079	4.84	4.34
United Kingdom	1,585,622	3,929,564	147.82	4.08
Luxembourg	441,945	3,728,613	743.68	3.87
Malaysia	185,736	3,693,327	1,888.48	3.83
Finland	257,587	2,793,001	984.29	2.90
Turkey	1,835,391	1,980,870	7.93	2.05
Austria	4,870,893	1,610,168	66.64	1.67
Spain	867,561	840,484	3.12	0.87
India	391,542	715,255	82.68	0.74

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Flat glass imports

Out of €96.4 million in total imports, machinery, accessories and special products for flat glass processing accounted for €9.54 million, down by more than 9.3% over 2013. Despite the general decrease, the primary area of origin remained the European Union with a 65.38% share.

Topping the list was France with €2.35 million, followed by Germany with €1.56 million.

As regards imports from non-EU countries, Turkey ranked first and outperformed Switzerland, which led the way in 2013. The values of both countries' total imports, however, are extremely small (€282,160 for Turkey and €217,800 for Switzerland).

Imports from Asia increased significantly in 2014, from €860,000 in 2013 to €1.4 million in 2014, accounting for 14.76% of total flat glass imports. As usual China topped the list for Asia and considerably increased its exports to Italy, from €0.63 to €1.2 million.

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	2012 Euros	2013 Euros	2014 Euros	2014/2013 % Diff.
Europe EU	5,247,816	9,572,514	6,238,134	-34.83
Europe non-EU	27,748	27,863	580,960	1985.06
Africa	23,163	-	249,645	-
North America (Nafta)	172,486	63,946	1,046,849	1537.08
Central and South America	131,329	1,995	15,353	669.57
Asia	705,301	861,708	1,408,784	63.49
Oceania	-	-	1,958	-
Flat glass total imports	**6,307,843**	**10,528,026**	**9,541,683**	**-9.37**

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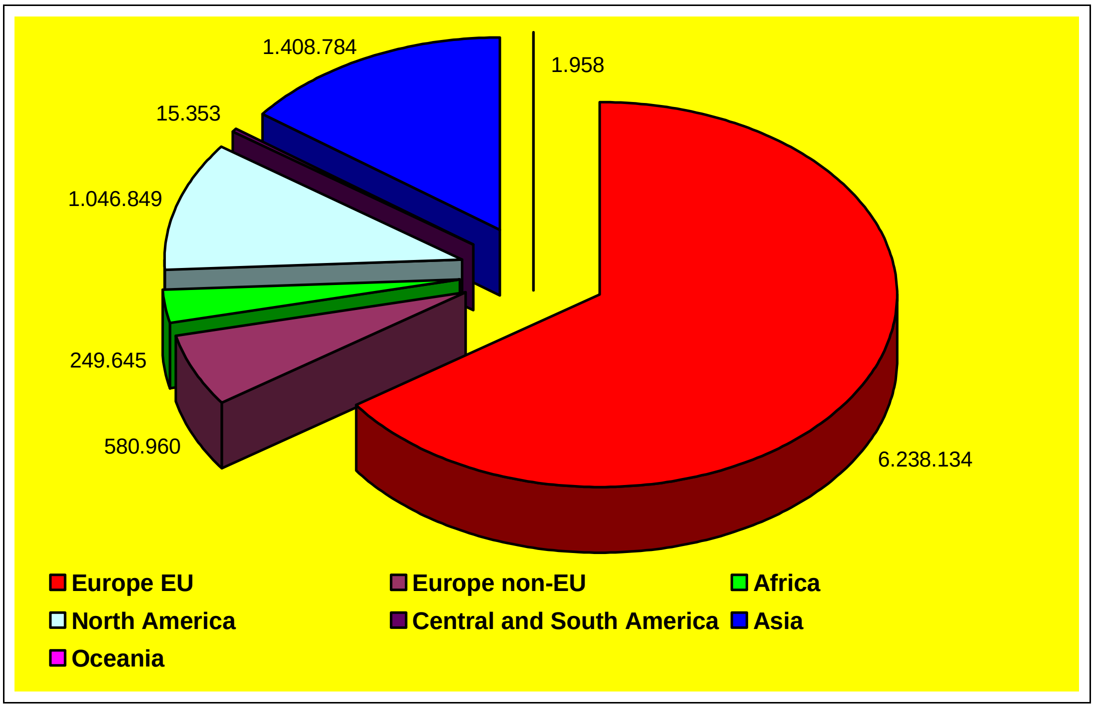

FLAT GLASS IMPORTS: leading countries of origin					
Geographical area	**Country**	**2013 Euros**	**2014 Euros**	**2014/2013 % Diff.**	**% Share of € 9.541.683**
Europe EU	France	2,562,163	2,355,128	- 8.08	24.68
	Germany	2,325,801	1,565,859	- 32.67	16.41
	Finland	-	997,273	-	10.45
	Austria	4,355,990	795,307	- 81.74	8.34
Europe non EU	Turkey	20,147	282,160	1,300.51	2.96
America	United States	57,969	1,029,095	1,675.25	10.79
Asia	China	627,671	1,196,327	90.60	12.57

GIMAV processing of ISTAT data

Hollow glass imports

Out of total imports of €96.4 million, the industry of machinery, accessories and special products for hollow glass processing accounted for €86.86 million, up by a formidable 99.39% from the previous year.
Sweden, the leading supplier in 2013, despite having robustly increased its exports to Italy (from €7.69 to 12.86 million), was outperformed by Belgium, topping the list with slightly less than €23 million worth of exports to Italy, accounting for 26.45% of total hollow glass imports.
Third came Germany, with €9.52 million and accounting for 10.96%.

Statistics for the rest of the world show rising imports from the United States (€6.88 million) which ranks among the five leading suppliers to our country, whereas China suffered a further drop, confirming its negative trend in 2013 over 2012. Topping the list among Asian suppliers in 2014 was Malaysia, with €3.7 million.

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 2014 vs. 2013 differences.

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR HOLLOW GLASS PROCESSING				
Origin	2012 Euros	2013 Euros	2014 Euros	2014/2013 % Diff.
Europa EU	32,694,091	30,460,699	69,504,858	128.28
Europe non-EU	9,487,027	356,993	1,978,516	454.22
Africa	307,071	36,960	188,943	411.21
North America (Nafta)	5,453,373	6,276,905	7,086,922	12.90
Central and South America	78,235	85,608	106,481	24.38
Asia	5,202,509	6,333,770	7,990,145	26.15
Oceania	21,491	12,498	3,130	- 74.96
Total hollow glass imports	**3,243,797**	**43,563,433**	**86,858,995**	**99.39**

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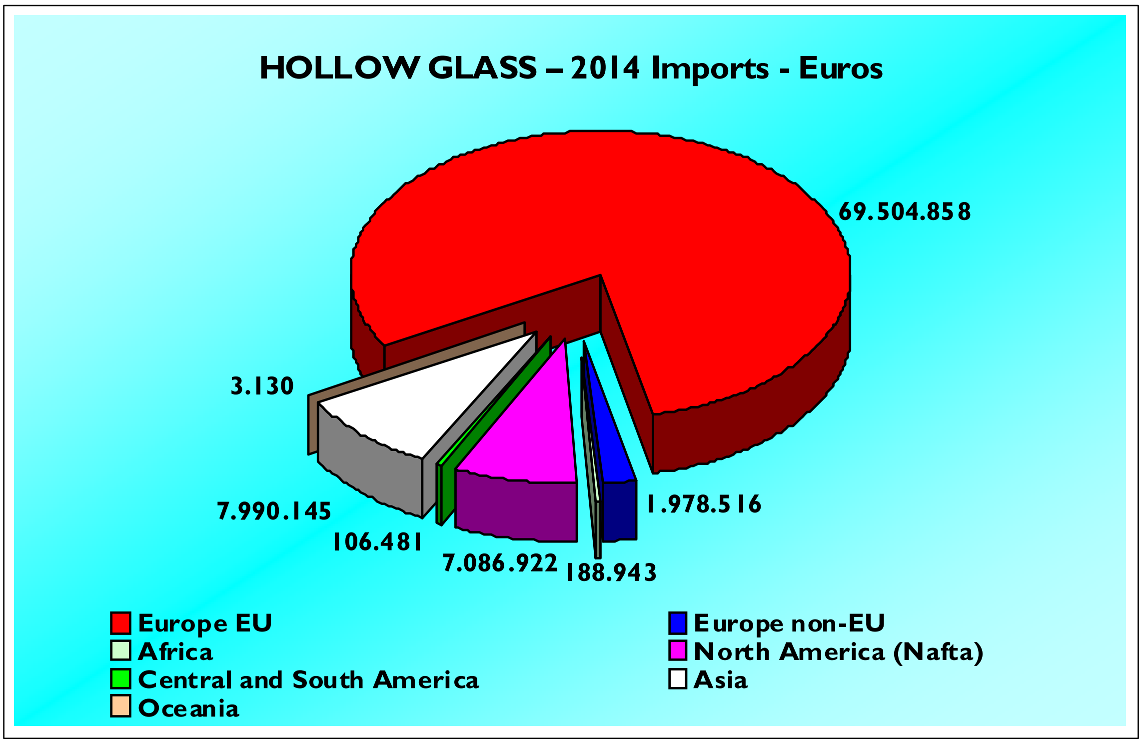

HOLLOW GLASS IMPORTS: leading countries of origin					
Origin	Country	2013 Euros	2014 Euros	2014/2013 % Diff.	% Share of € 86.858.995
Europe EU	Belgium	4,060,587	22,972,964	465.75	26.45
	Sweden	7,691,127	12,860,050	67.21	14.81
	Germany	3,455,084	9,522,732	175.62	10.96
	Croatia	5,621,942	5,517,166	- 1.86	6.35
	France	3,108,185	5,082,218	63.51	5.85
	United Kingdom	1,566,487	3,921,564	150.34	4.51
Europe non-EU	Turkey	1,815,244	1,698,710	- 6.42	1.96
America	United States	6,246,599	6,884,593	10.21	7.93
Asia	Malaysia	145,736	3,693,327	2434.26	4.25
	China	3,361,300	2,985,752	- 11.17	3.44

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The Italian market

Despite their strong export drive, Italian flat glass companies were by far the preferred suppliers to the domestic market, which however continues to show signs of weaknesses and the same share values as last year (-0.39).
By contrast, users of machinery and equipment for hollow glass showed a keen preference for imported products and heavily increased their purchases from foreign suppliers. This increase, along with the more modest rise in domestic purchases, led the hollow glass sector to close the year with a remarkable +43.80% increase.
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 2014 and 2013.

DOMESTIC CONSUMPTION				
Sectors Product origin	2012 Euros	2013 Euros	2014 Euros	2014/2013 % Diff.
FLAT GLASS				
Imports	6,307,843	10,528,026	9,541,683	- 9.37
Domestic product	183,934,730	184,525,200	184,755,300	0.12
Flat glass - Total	**190,242,573**	**195,053,226**	**194,296,983**	**- 0.39**
HOLLOW GLASS				
Imports	53,243,797	43,563,433	86,858,995	99.39
Domestic product	61,519,163	60,300,051	62,500,350	3.65
Hollow glass - Total	**114,762,960**	**103,863,484**	**149,359,345**	**43.80**
Flat + Hollow Glass - Total	**305,005,533**	**298,916,710**	**343,656,328**	**14.97**

GIMAV processing of ISTAT data

Exports

After the heavy setback in 2009, exports -- which have always been the feather in the cap of the industry – continued to climb with periods of promising vitality dotted with moments of market stagnation. Despite this fluctuating performance that continued also in 2014, results were generally good and, more specifically, extremely positive for the flat glass industry and more sluggish for the hollow glass sector.

As of 31 December 2014, statistics for exports indicated an overall growth of **+3.34%**, more specifically:

- **machinery, accessories and special products for flat glass + 5.52%**
- **machinery, accessories and special products for hollow glass – 0.02%**

Entire industry exports

Sectors	**2012** **Euros**	**2013** **Euros**	**2014** **Euros**	**2014/2013** **% Diff.**
Flat glass	524,765,300	546,792,500	576,992,088	5.52
Hollow glass	344,748,356	355,656,300	355,594,582	- 0.02
Flat + Hollow Glass Total	**869,513,656**	**902,448,800**	**932,586,670**	**3.34**

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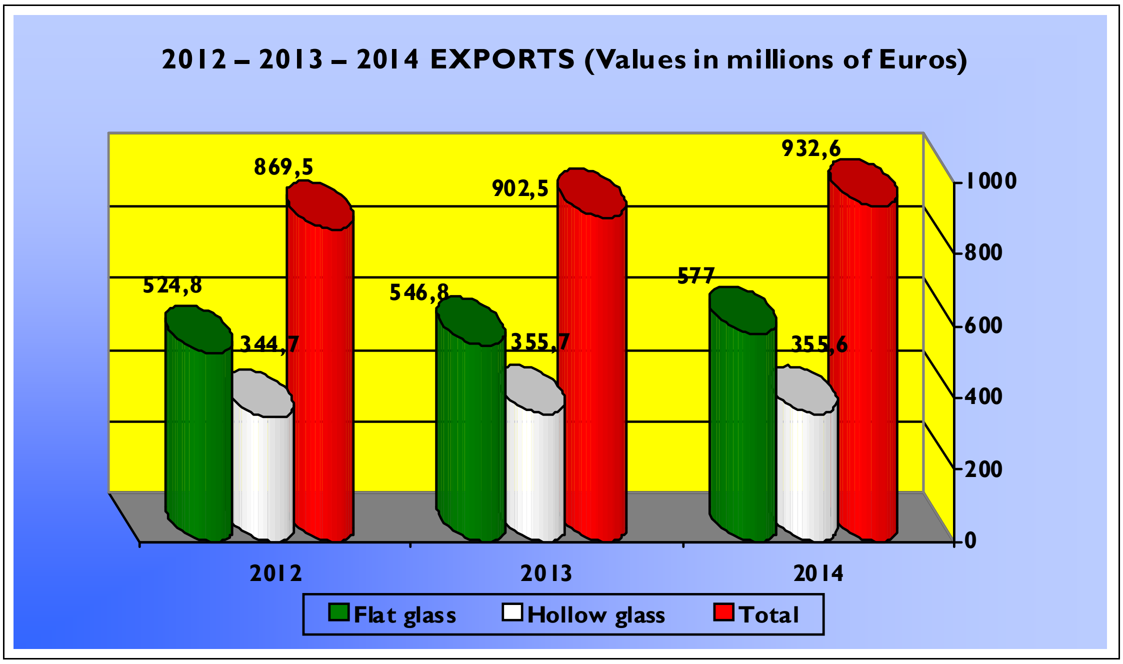


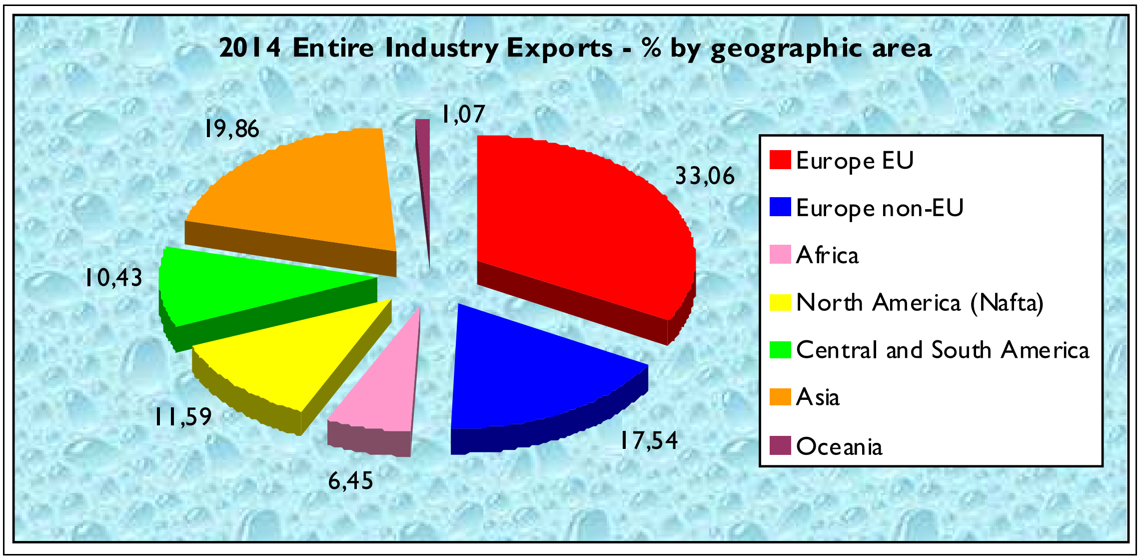
When examining the geographic breakdown of export flows, the European Union managed to retain its No. 1 position as the major purchaser of Italian products, a ranking it recovered in 2012 after losing it for the first time to Asia in 2011.
If all exports to EU countries are taken into account, Europe as a whole remains the destination of over 50% of Italian exports, which confirms that demand from the European industrialized countries has been solidly moving on a rising curve in the last 12 months.

Although the absolute figures for Africa were not significant and fluctuated wildly as usual, the growth rate was quite good, whereas the decline of Asia that started in 2012 continued throughout 2014.

Despite a noteworthy slowdown, demand from the NAFTA area (USA, Canada and Mexico) was very strong and has been rising steadily for the past three years. Equally positive were export figures to Central and South America.

EXPORTS BY THE ENTIRE INDUSTRY % SHARE BY GEOGRAPHIC AREA					
Destination	**2011**	**2012**	**2013**	**2014**	**2014/2013 % Diff.**
Europe EU	29.94	31.24	29.00	33.06	14.00
Europe non-EU	16.08	18.19	16.23	17.54	8.07
Africa	4.40	6.80	5.17	6.45	24.76
North America (Nafta)	8.28	9.11	13.88	11.59	- 16.50
Central and South America	8.88	10.33	13.46	10.43	- 22.51
Asia	31.21	23.10	20.61	19.86	- 3.64
Oceania	1.21	1.23	1.65	1.07	- 35.15
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 2013 ranking of the same countries, while the last column on the right indicates the % differences in sales to these countries by Italian companies between 2014 and 2013.

Some interesting observations emerge from this ranking:

- France, after the substantial drop in 2012, remained the No. 1 export market for Italy despite a significant decrease in absolute value versus the previous year.
- Brazil, Russia Mexico, the United States and Turkey, despite a few decreases, reaffirmed their ranking among the seven top export markets for Italian products.
- China climbed back to the 2nd place in the ranking, whereas Germany basically showed the same performance as in 2013.
- The main overperformers were Romania (climbing from 49th to 8th place), and the Czech Republic (from 24th to 10th position).
- The encouraging signs from Spain give grounds for optimism and a positive trend for this country which has been a major market for Italian producers since 2008.

ENTIRE INDUSTRY EXPORTS: leading destination countries

Export 2014			Export 2013		% Diff. in value
Pos.	**Countries**	**% share**	**Pos.**	**% share**	**2014/2013**
1	France	8.47	**1**	8.77	- 14.08
2	China	7.60	**4**	7.56	- 10.72
3	Russia	7.07	**3**	7.74	- 18.79
4	Brazil	5.65	**2**	8.45	- 40.59
5	United States	5.30	**6**	5.96	- 20.85
6	Mexico	4.94	**5**	7.05	- 37.66
7	Turkey	4.17	**7**	4.21	- 11.90
8	Romania	3.89	**49**	0.28	+ 1127.15
9	Germany	3.71	**9**	3.40	- 2.79
10	Czech Republic	3.03	**24**	0.96	+180.77
11	Saudi Arabia	2.40	**15**	1.42	+ 50.48
12	United Kingdom	2.27	**16**	1.37	+ 46.94
13	Spain	1.98	**19**	1.13	+ 55.78
14	Egypt	1.94	**13**	1.67	+ 3.10
15	Iran	1.87	**23**	1.02	+ 3.10

Flat glass sector exports

Out of total exports of €932.6 million, the industry of machinery, accessories and special products for flat glass claimed slightly less than €577 million, posting an encouraging 5.52% rise versus 2013. Even though still far below the record values achieved during the "magical" 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 29.40% of our exports of machines, accessories and special products for flat glass, and **the whole of Europe** slightly more than 40% vs. 39.66% in 2013. This significant growth for the EU area is largely the result of Germany (from 7th to 4th position among the top 15 clients), Great Britain (from 15th to 10th) and, above all, Spain (from 28th to 11th), with an increase that was just under 300%.

Africa, although confirming its fluctuating performance with years of growth alternating with years of stagnation or of decline, showed some signs of stability. In 2013 export values increased slightly versus 2012 and the same happened in 2014 with a further sensational leap forward that led Algeria to climb from 20th to 8th place.

North America (Nafta area), despite the slight decrease in absolute values posted for the United States, the export share increased by over 27%.
Canada and Mexico significantly increased their purchases of Made-in-Italy products in absolute values.

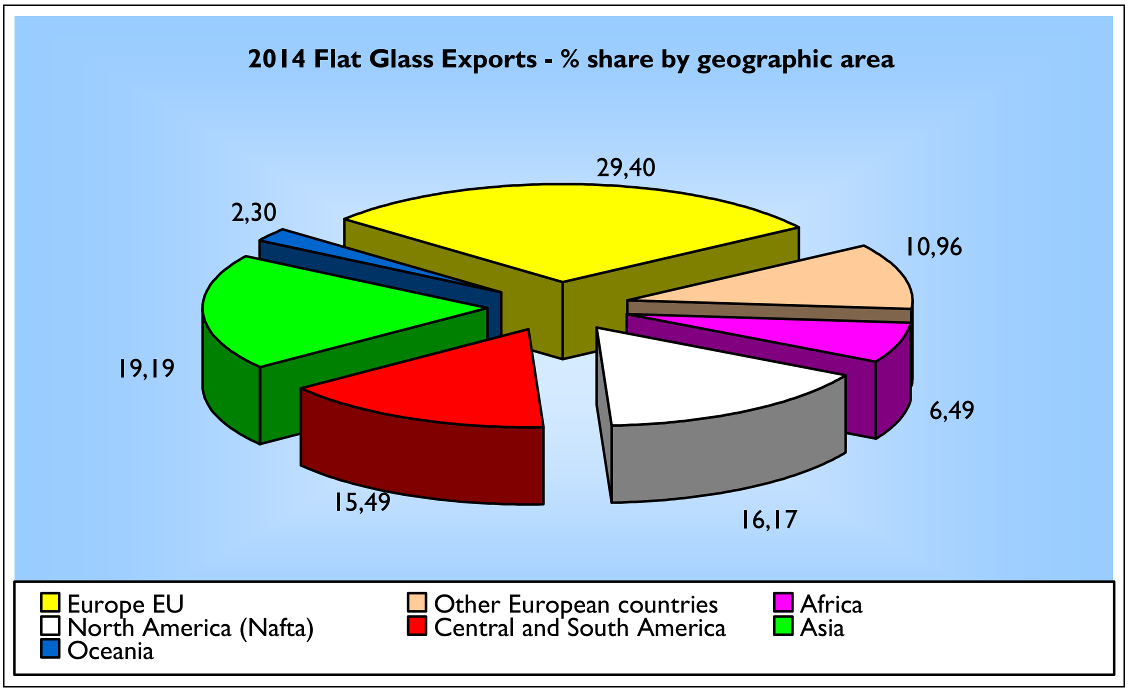
Central-South America saw Brazil maintaining its No. 1 position but the area suffered a general drop in its share, from 19.4 to 15.5%.

Asia remained Italy's second export destination, although China suffered a significant setback, with the exception of Hong Kong that jumped from 54th to 14th position in the ranking of the top 15 clients.

Oceania basically maintained the same position as in the past two years, with a share slightly in excess of 2%.

The following tables provide a detailed picture of 2014 exports broken down into geographic areas and list the top 15 export destinations compared to 2013.

EXPORTS OF MACHINERY, ACCESSORIES AND PRODUCTS FOR FLAT GLASS % share by geographic area			
Destination	**2013**	**2014**	**Variazione % 2014/2013**
Europe EU	23.81	29.40	23.48
Europe non-EU	15.85	10.96	- 30.85
Africa	3.20	6.49	102.81
North America (Nafta)	12.72	16.17	27.12
Central and South America	19.41	15.49	- 20.20
Asia	22.16	19.19	- 13.40
Oceania	2.85	2.30	- 19.30
Flat glass total exports	**100.00**	**100.00**	



FLAT GLASS EXPORTS: leading destination countries					
2014 Exports			2013 Exports		2014/2013
Pos	Countries	% Share	Pos	% Share	Diff. In value
1	Brazil	12.23	1	16.75	- 40.62
2	United States	10.58	3	9.52	- 9.66
3	China	6.49	2	10.62	- 50.32
4	Germany	6.11	7	4.33	+ 14.86
5	Russia	4.01	4	8.15	- 60.00
6	France	3.67	6	5.89	- 49.31
7	Turkey	3.51	5	5.93	- 51.92
8	Algeria	3.47	20	0.86	+ 229.93
9	Canada	3.27	11	1.94	+ 37.26
10	United Kingdom	3.13	15	1.55	+ 64.36
11	Spain	2.68	28	0.55	+ 296.57
12	Czech Republic	2.59	27	0.60	+ 250.82
13	Mexico	2.32	17	1.26	+ 50.07
14	Hong Kong	2.24	54	0.14	+ 1229.78
15	Australia	2.03	10	2.49	- 33.56

GIMAV processing of ISTAT data

Hollow glass sector exports

Out of total exports of €932.6 million in 2014, the industry of machinery, accessories and special products for hollow glass claimed €355.6 million. The sector, which posted a physiological slowdown in 2013 after the staggering acceleration of the previous year, maintained virtually unchanged market shares in 2014 as well.
Unlike the performance of the flat glass industry, exports by the hollow glass sector increased also to non-EU countries, thus confirming Europe as the No. 1 client of Italian hollow glass companies, accounting for 57.7% of their exports.

The top-ranking country was France, the No. 1 country in the world ranking with its +11.8% share. Russia increased its purchases of Italian products by 17% in absolute values and climbed to the 2nd position. On a more or less significant downward trend were Poland (-59.8%), Bulgaria (-9.3%), Belgium (-82.4%) and Germany (-26.7%). By contrast, Romania rose from 67th to 5th place with a share in excess of 6%.

Africa closed the year in negative territory despite the good performance of Egypt (+12.11% in value).

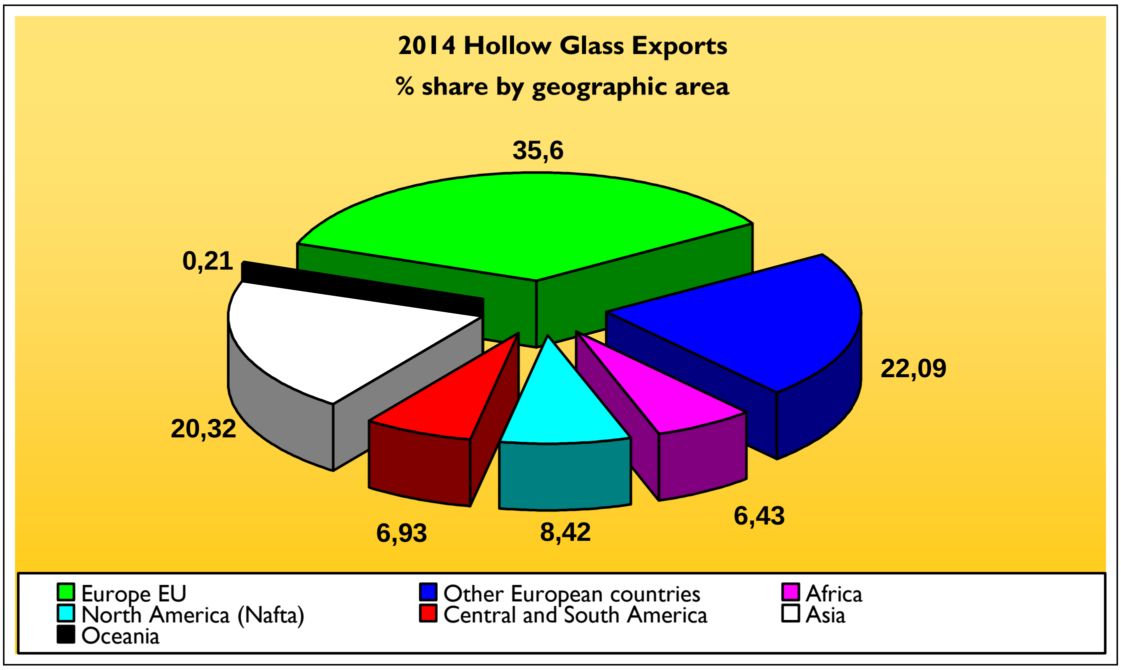
The **American Continent** as a whole claimed a 15.35% share amidst falling demand (particularly Mexico - 45.2%, United States - 48.9%, and Brazil - 40.3%).

Asia reversed last year's negative trend and increased its purchases, with the most significant orders placed by China (8.36% share) and the Middle East, Saudi Arabia (climbing from 64th to 8th place), and Iran (from 19th to 11th).

The values of **Oceania**, following its robust percentage growth last year, returned to their usual levels and remained of extremely limited significance.

EXPORTS OF MACHINERY, ACCESSORIES AND PRODUCTS FOR HOLLOW GLASS % share by geographic area			
Destination	**2013**	**2014**	**2014/2013 % Diff.**
Europe EU	33.19	35.60	7.26
Europe non-EU	16.54	22.09	33.56
Africa	6.78	6.43	- 5.16
North America (Nafta)	14.81	8.42	- 43.15
Central and South America	8.65	6.93	- 19.88
Asia	19.35	20.32	5.01
Oceania	0.68	0.21	- 69.12
Hollow glass total exports	**100.00**	**100.00**	

GIMAV processing of ISTAT data



HOLLOW GLASS EXPORTS: leading destination countries					
Export 2014			Export 2013		2014/2013
Pos	Paesi	% Share	Pos	% Share	% Diff.
1	France	11.80	2	11.09	+ 1.06
2	Russia	9.19	3	7.42	+ 17.80
3	China	8.36	4	5.09	+ 56.10
4	Mexico	6.76	1	11.73	- 45.27
5	Romania	6.06	67	0.10	+ 5604.80
6	Turkey	4.62	9	2.81	+ 56.44
7	Czech Republic	3.34	23	1.25	+ 153.66
8	Saudi Arabia	3.30	64	0.12	+ 2413.00
9	Egypt	2.47	12	2.09	+ 12.11
10	Georgia	2.16	57	0.20	+ 914.17
11	Iran	2.06	19	1.52	+ 28.96
12	Germany	2.04	11	2.65	- 26.75
13	Uruguay	1.90	72	0.06	+ 2830.95
14	Azerbaijan	1.76	47	0.40	+ 313.91
15	United Kingdom	1.67	24	1.23	+ 29.17

GIMAV processing of ISTAT data

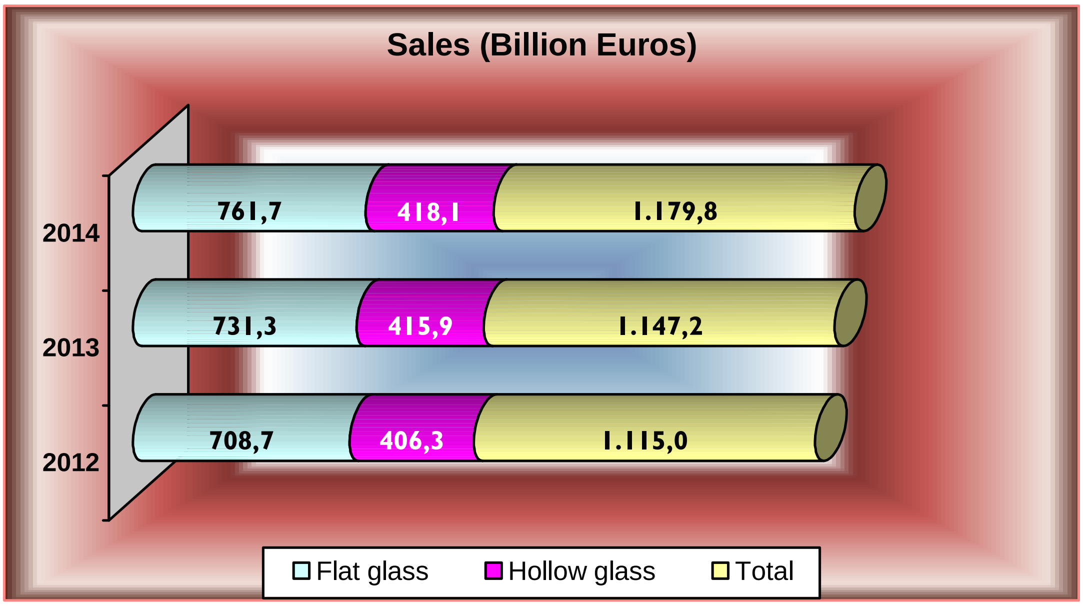
Industry sales

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 economic difficulties of certain countries coupled with the fluctuating demand and the political crises of some other nations, as well as the persistent sluggishness of the domestic market negatively affected recovery and often led to widely disparate results for the flat and hollow glass sectors. Figures for 2014 did not highlight any conflicting trends for flat and hollow glass but certainly indicate marked differences with widely different % changes for flat and hollow glass versus 2013.

Sales in general continued to grow and the signs of renewed enthusiasm from clients and the buoyancy of some markets seem to indicate that the industry is finally leaving this very long recessionary period behind.

ITALIAN INDUSTRY SALES MACHINES, ACCESSORIES AND PRODUCT FOR GLASS				
Sectors	2012 Euros	2013 Euros	2014 Euros	**2014/2013 % Diff.**
FLAT GLASS SECTOR				
Domestic sales	183,934,730	184,525,200	184,755,300	0.12
Exports	524,765,300	546,792,500	576,992,088	5.52
Flat glass total sales	**708,700,030**	**731,317,700**	**761,747,388**	**4.16**
HOLLOW GLASS SECTOR				
Domestic sales	61,519,163	60,300,051	62,500,350	3.65
Exports	344,748,356	355,656,300	355,594,582	- 0.02
Hollow glass total sales	**406,267,519**	**415,956,351**	**418,094,932**	**0.51**
Flat + Hollow Glass - To	**1,114,967,549**	**1,147,274,051**	**1,179,842,320**	**2.84**
% SHARE OF 2014 SALES BY DESTINATION				
Destination	**Flat Glass**	**Hollow Glass**	**SECTOR TOTAL**	
Domestic sales	24.25	14.95	**20.96**	
Exports	75.75	85.05	**79.04**	
TOTALS	100.00	100.00	**100.00**	

GIMAV processing of ISTAT data



Summary Machinery, accessories and products for glass processing 2012 - 2013 - 2014				
Variables	**Unit of measure**	**2012**	**2013**	**2014**
Industry sales	Euro	1,114,967,549	1,147,274,051	1,179,842,320
Exports	Euro	869,513,656	902,448,800	932,586,670
Imports	Euro	59,551,640	54,091,459	96,400,678
Trade balance	Euro	809,962,016	848,357,341	836,185,992
Domestic orders	Euro	245,453,893	244,825,251	247,255,650
	% Diff.	- 3.15	- 0.26	0.99
Foreign orders	Euro	869,513,656	902,448,800	932,586,670
	% Diff.	7.86	3.79	3.34
Workforce	Unità	4,000	4,000	4,000

GIMAV processing of ISTAT data

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 last year. 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 between 2008 and 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 the past two years.
This notwithstanding, the situation remains difficult especially in the euro area in general and more particularly on the domestic market, where a few weak signs of recovery appeared in the last few months in some sectors. The constantly rising prices of energy, labor and exorbitantly high taxes are a heavy burden for our companies which thwarts medium-long term planning. The consequences are self-evident: an ailing labor market, high youth unemployment rates and depressed consumption levels.

Statistics for the first few months of 2015 bode well for the eagerly awaited turnaround and, above all, for a more stable demand that both the glass industry and the entire industrial machinery sector have long been hoping for.

ITALY'S GLASS INDUSTRY IN 2014
(Source: Assovetro)

FLAT GLASS

The industrial flat glass industry 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 2014 for the entire flat glass industry and resulting from the sum of the different groups mentioned above was 793,211 tons, up by 8.72% vs. 2013.

Flat Glass (tons)			
ITEMS	**2013**	**2014**	**2014/2013 % Diff.**
Production	729,586	793,211	8.72
Imports	293,801	269,007	- 8.44
Exports	269,654	266,129	- 1.31
Trade Balance	24,147	2,878	- 88.08

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 2014 totaled 3,626,376 tons, up by 0.92% vs. the previous year.

HOLLOW GLASS(tons)			
ITEMS	**2013**	**2014**	**2014/2013 % Diff.**
Production	3,593,471	3,626,376	0.92
Imports	600,317	694,193	15.64
Exports	535,946	531,115	- 0.90
Trade Balance	64,371	163,078	153.34

The following tables provide detailed data for each single sector.

BOTTLES (tons)			
ITEMS	**2013**	**2014**	**2014/2013 % Diff.**
Production	3,070,637	3,090,113	0.63
Imports	368,680	444,951	20.69
Exports	286,882	281,864	- 1.75
Trade Balance	81,798	163,087	99.38

VIALS AND AMPOULES (tons)			
ITEMS	**2013**	**2014**	**2014/2013 % Diff.**
Production	141,042	143,559	1.78
Imports	68,204	65,227	- 4.36
Exports	116,283	118,822	2.18
Trade Balance	-48,079	- 53,595	11.47

CONTAINERS (tons)			
ITEMS	**2013**	**2014**	**2014/2013 % Diff.**
Production	233,623	234,272	0.28
Imports	83,865	102,701	22.46
Exports	28,553	27,613	- 3.29
Trade Balance	55,312	75,088	35.75

GLASS HOUSEWARES (tons)			
ITEMS	**2013**	**2014**	**2014/2013 % Diff.**
Production	148,169	158,432	6.93
Imports	79,568	81,314	2.19
Exports	104,228	102,816	- 1.35
Trade Balance	-24,660	-21,502	-12.81

GLASS WOOL AND YARNS

Domestic production of glass wool and yarns by companies located in Northern Italy rose by 0.38% in 2014 vs. the previous year amounting to 81,794 tons.

YARNS (tons)			
ITEMS	**2013**	**2014**	**2014/2013 % Diff.**
Production	81,486	81,794	0.38
Imports	145,715	157,186	7.87
Exports	69,654	75,346	8.17
Trade Balance	76,061	81,840	7.60