



June 23, 2011

Osservatorio Congiunturale

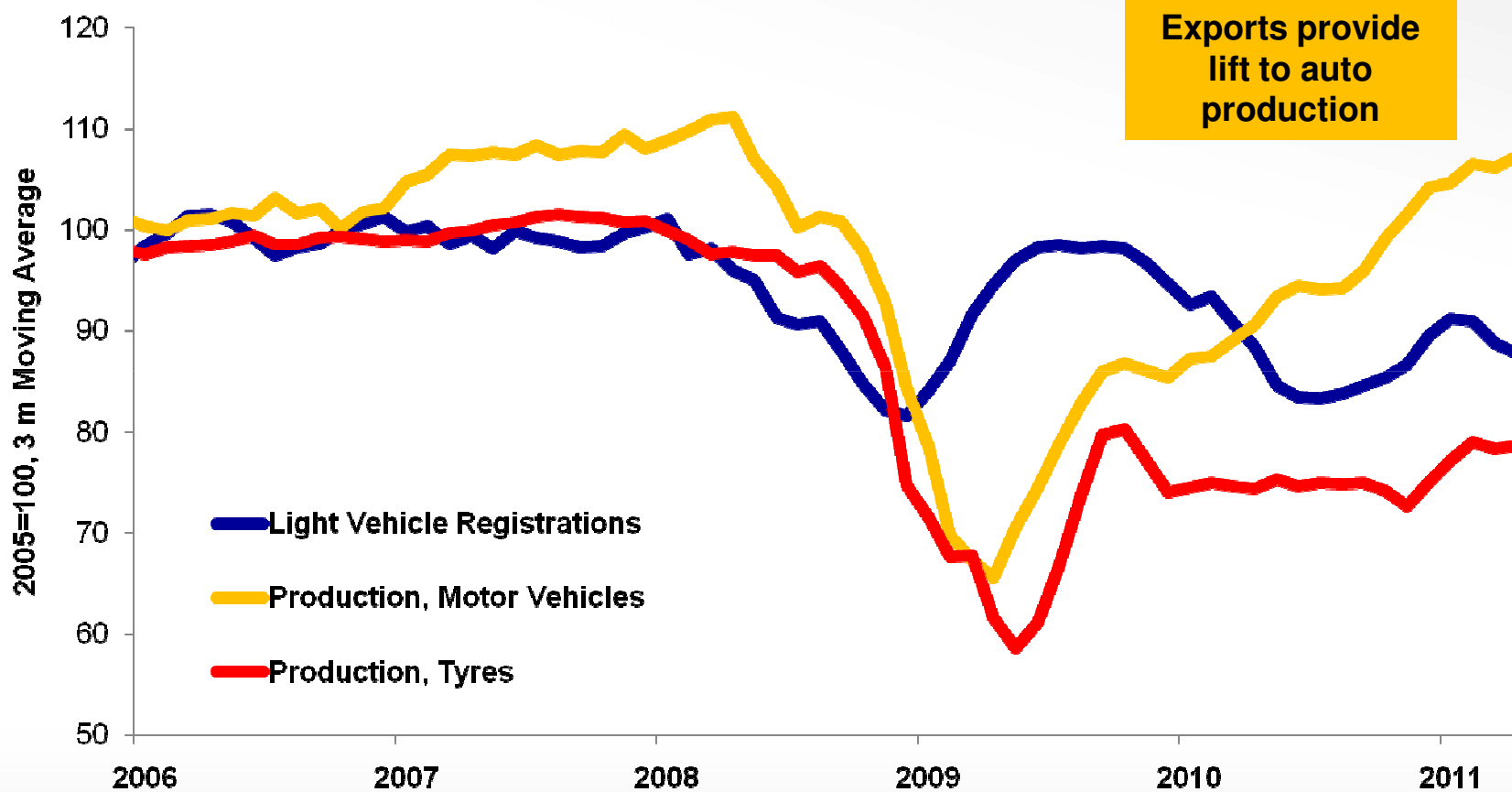
Global Light Vehicle Production: Japan limits global growth to 2.6% in 2011, but production rebounds +14% in 2012

- ▶ OEM production in Japan is improving post-earthquake/tsunami. Although lost volumes are expected to reach 1.6 million units in 2011 light vehicle production down 28% to 6.7 million units, most of the lost production will be recovered in 2012 as production rebounds 60% (IHS).
- ▶ North American producers will suffer lost volumes of 310,000 in units in 2011 as a result of supply chain problems stemming from the Japan disaster. US light vehicle production will be down slightly in Q2 2011 (y/y) to recover in the second half and full year production will be up 8% overall.
- ▶ West European demand trend is two-speed. Germany, Scandinavia, the Netherlands, Austria, and Switzerland are all posting positive growth, while the economies with high levels of public debt are suffering. Production has received a boost from recovering U.S. market and ongoing growth in demand for premium vehicles in emerging markets such as China and India, benefitting also from a defection from unavailable Japanese brands.



European Motor Vehicle Sector: post-incentive motor vehicle sales are flat but production is close to pre-crisis levels

Euro Area Sales and Production of Motor Vehicles vs Tyre Production

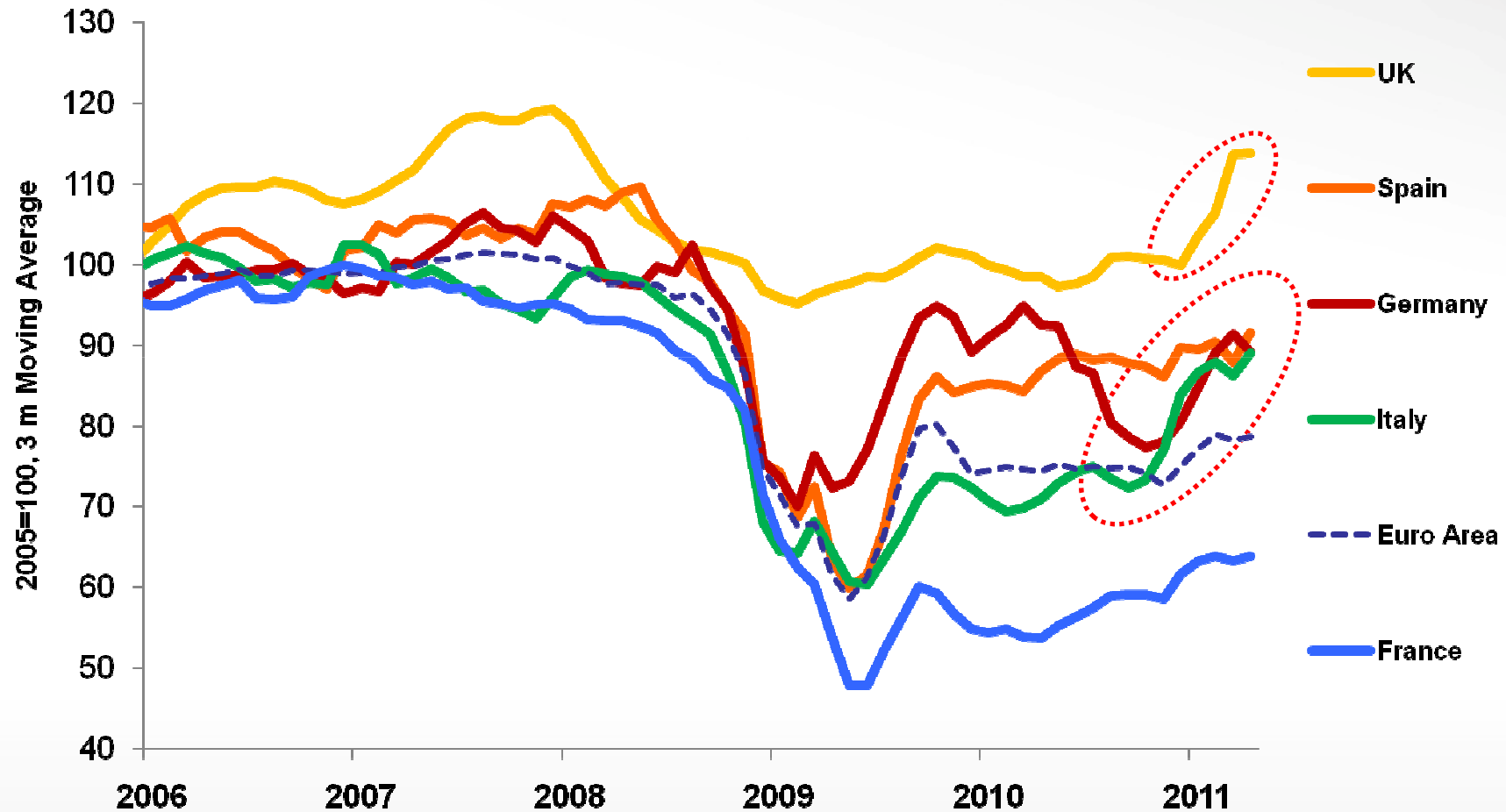


Registrations to May 2011, Production to April 2011. Source: Eurostat



European Tyre Production: strong recovery in Germany, Italy and the UK in Q1 2011

Industrial Production : Tyres and Tubes

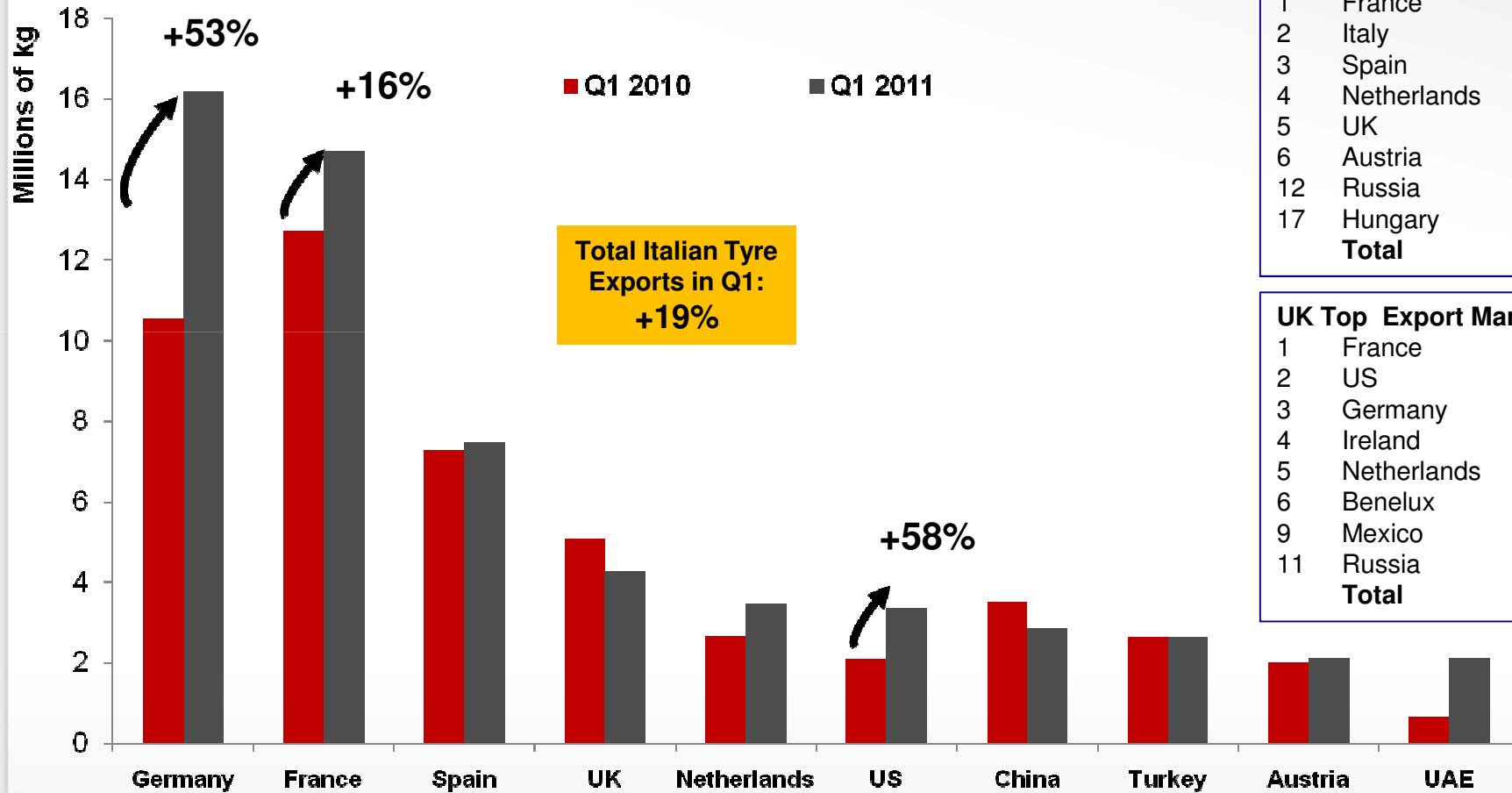


Data to April 2011. Source: Eurostat



European Tyre Production: exports are boosting Italian tyre production, but also that of Germany

Italy : Exports of Tyres by Major End Market in volumes



First Quarter Growth (y/y)

German Top Export Markets

1	France	19%
2	Italy	14%
3	Spain	10%
4	Netherlands	21%
5	UK	18%
6	Austria	21%
12	Russia	62%
17	Hungary	68%
	Total	19%

UK Top Export Markets

1	France	15%
2	US	26%
3	Germany	28%
4	Ireland	1%
5	Netherlands	14%
6	Benelux	13%
9	Mexico	37%
11	Russia	44%
	Total	7%

Source: Eurostat

