

Presidents' Forum

Istanbul – September, 30 2010

Presentation by

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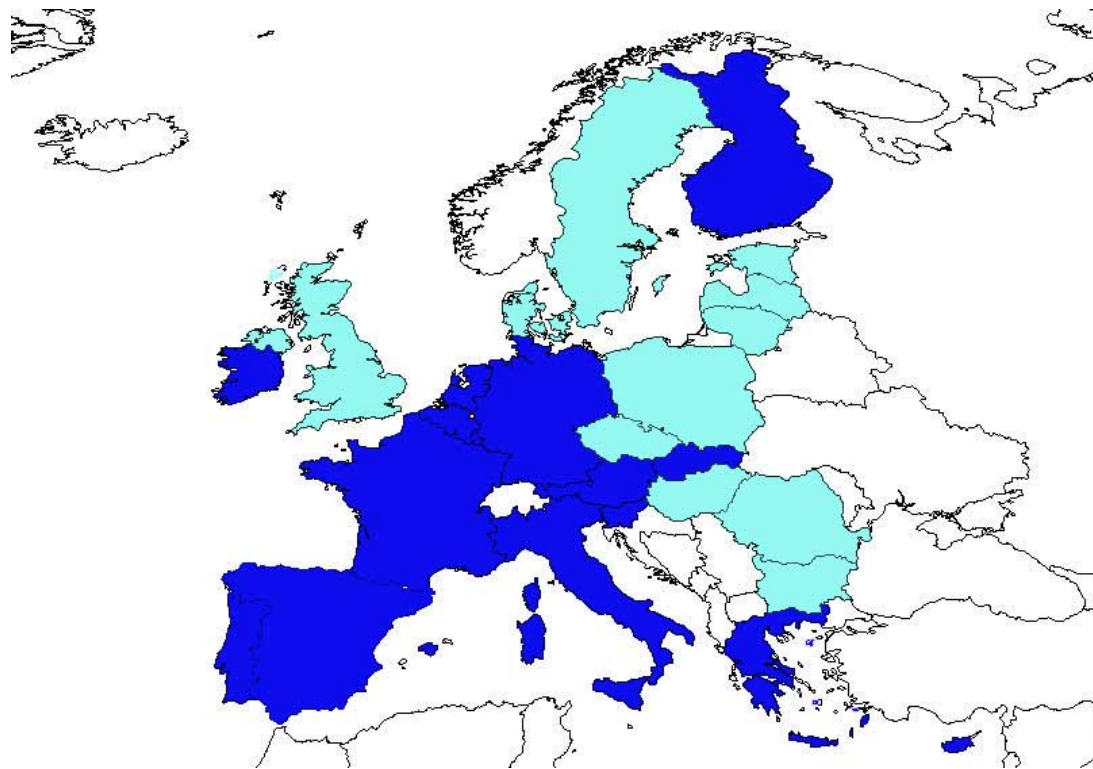


AGENDA

- Economic development Europe
- Industrial trucks market Europe
- Industrial trucks in 2025



Europe



Geographic EU **47** countries

Political EU (union) **27** members

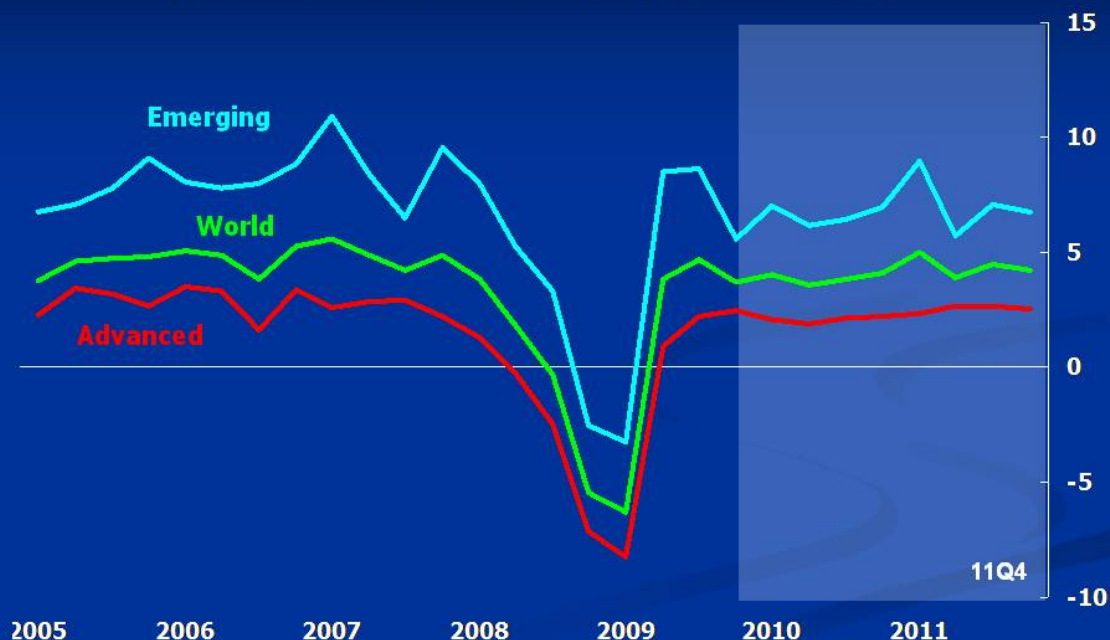
Euro Zone **16** members

NOTE: Three more Countries applied for EU membership



Economic development

Across the Globe Growth is Returning, but at Different Speeds (percent; quarter-over-quarter, annualized)



WEO main criteria for classification

- per capita income level

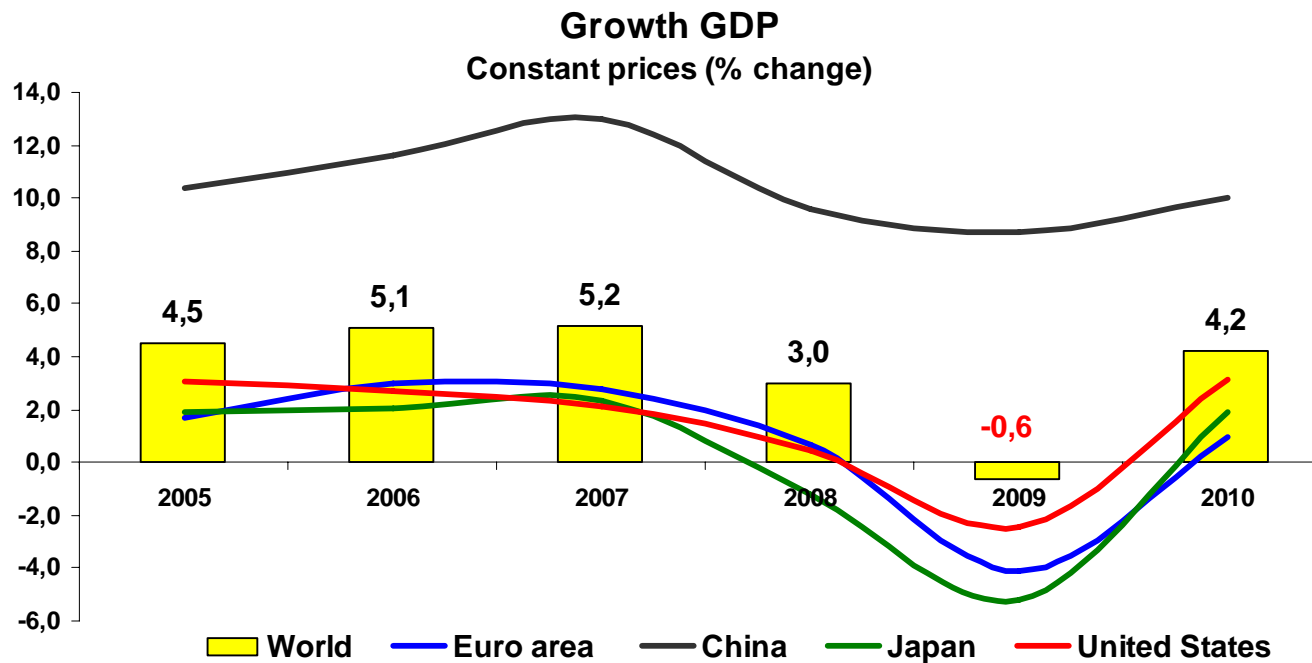
- export diversification

- degree of integration into the global financial system.

- According IMF (International Monetary Fund), the recovery is stronger than earlier anticipated
- The projection now expect Global growth in 2010 to rise close to 4% with Asia leading the way
- In the “Advanced” economies, growth is likely to be slow at 2% in 2010 and 2.5% in 2011
- In the “Emerging” economies, growth is expected to reach 6% in 2010

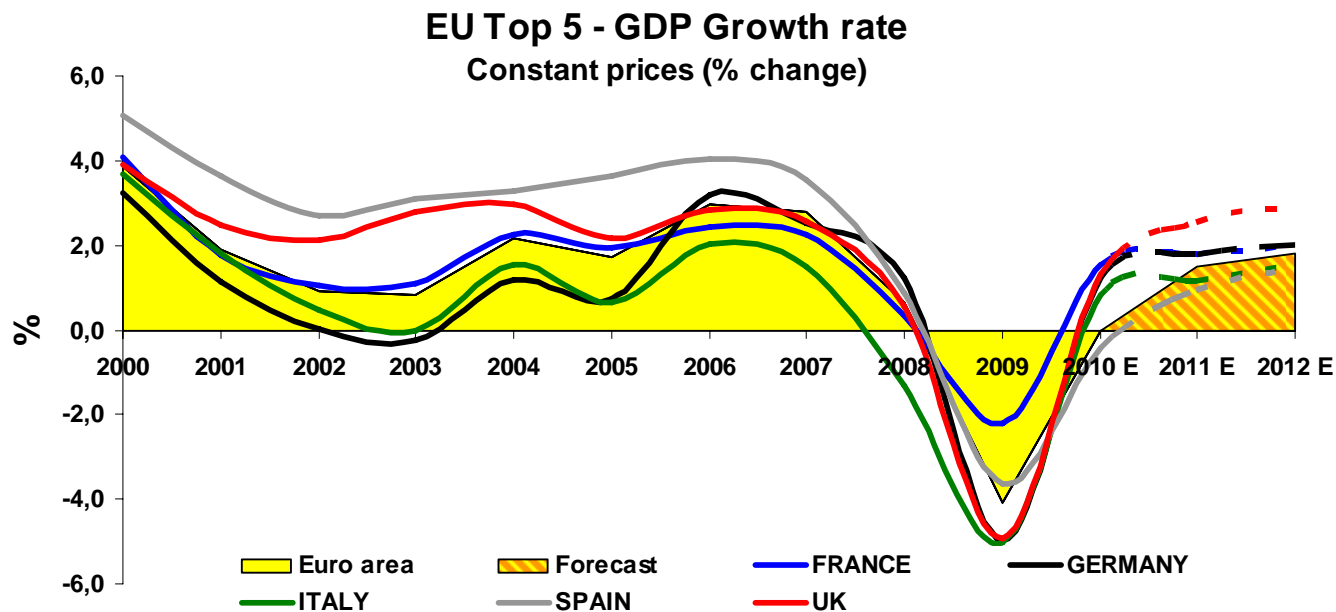
NOTE: *The Global growth has been supported by several “stimulus packages” by governments more aggressively in “Advanced” economies*

Economic development *cont'd*



- Within “Emerging” economies, China leads the World GDP Growth

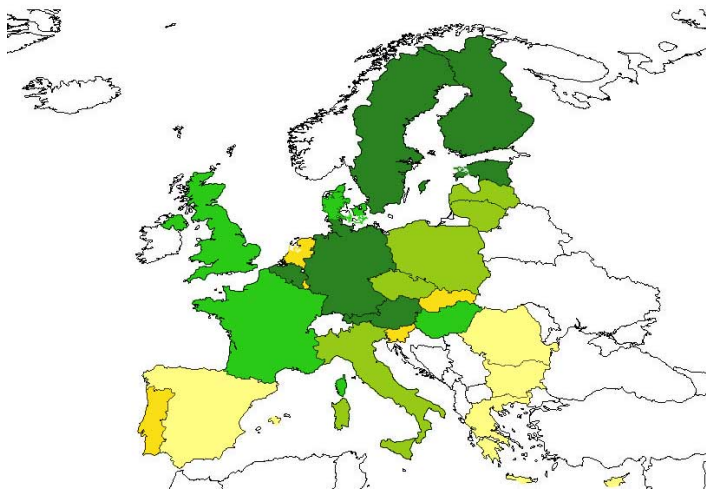
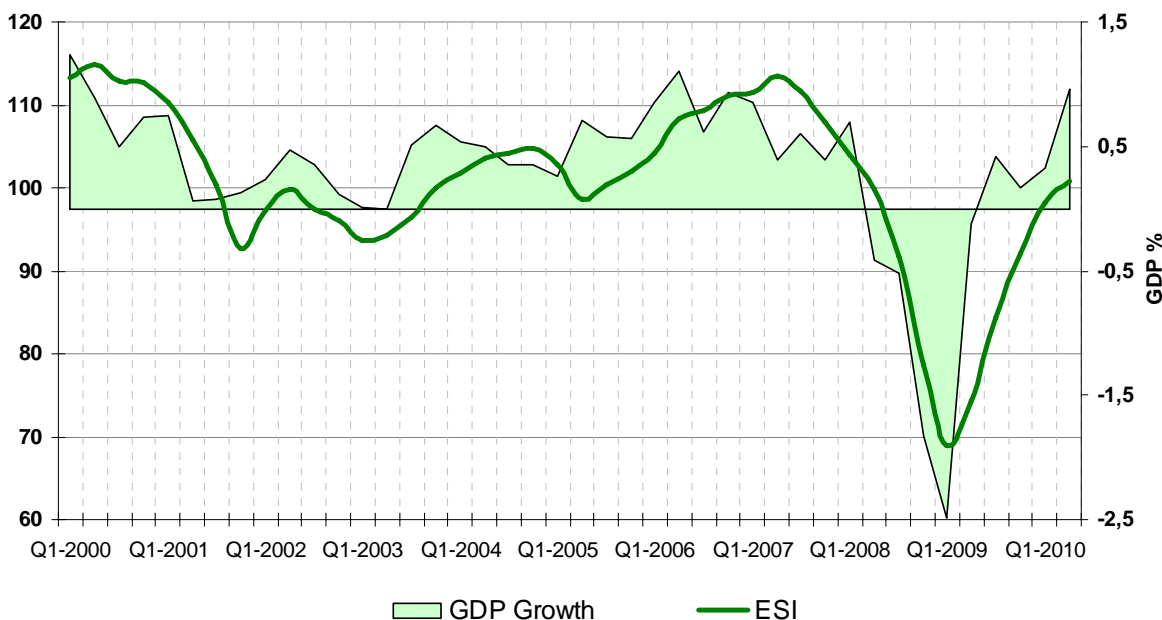
Economic development *cont'd*



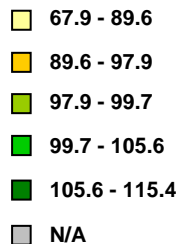
- A moderate and uneven recovery is taking shape across Europe where Germany, France and UK drive stronger GDP growth
- Growth is expected to pick up during 2010/11, but the traditional drivers of the recovery are likely to be weaker than usual

Drivers of recovery GDP and Economic Sentiment Indicator relation

GDP and Economic Sentiment Indicator (% change)



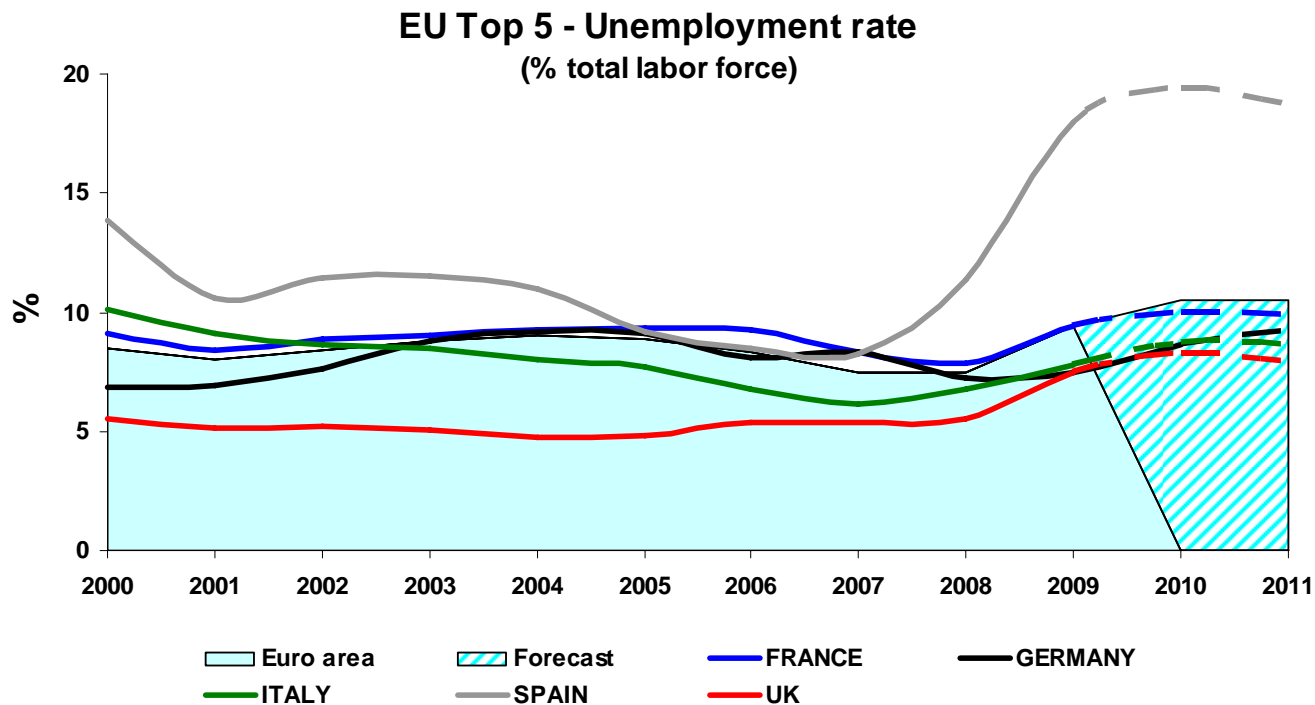
ESI by EU Countries
August 2010



- Fiscal “policies” and “stimulus” packages in EU are rebuilding ESI confidence index but at a slow pace
- The ESI improvement is mostly due to higher **I**ndustrial and **S**ervice confidence rather than **C**onsumer, **C**onstruction and **R**etail confidence
- However the level of uncertainty remains higher (Country deficit, Public debts, Bank credit restrictions, Euro fluctuation, Unemployment, etc.)

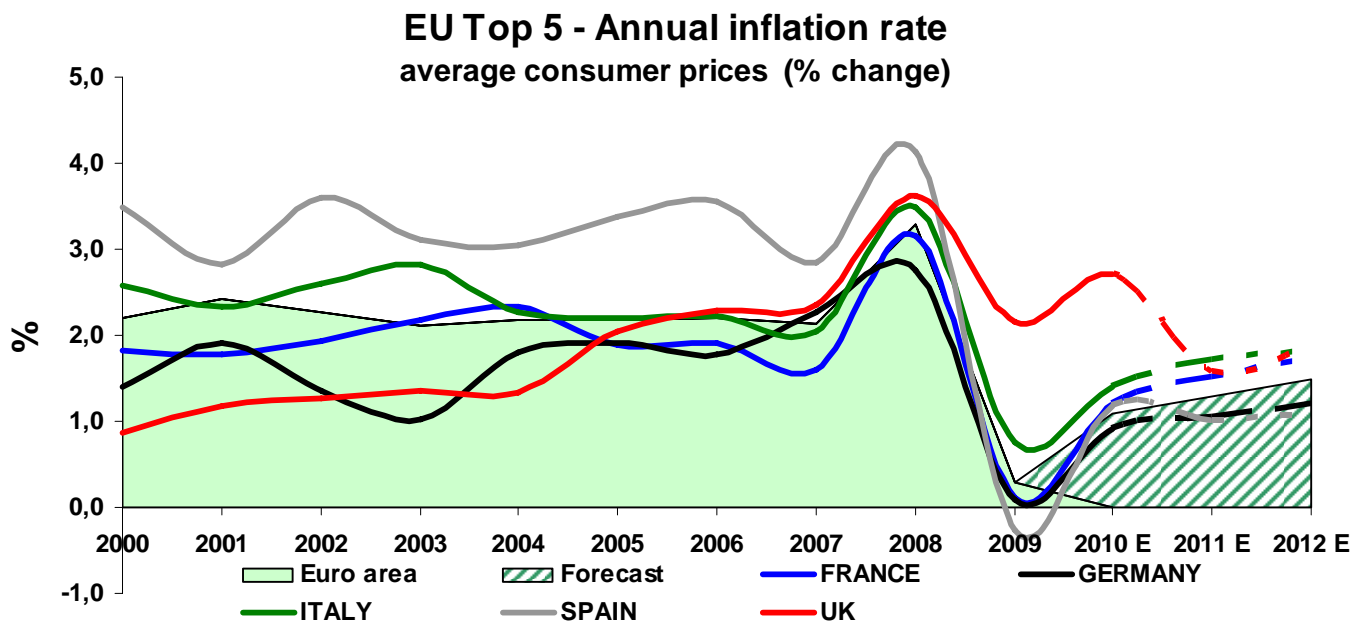


Economic development *cont'd*



- Unemployment rate expected substantially stable next year
- Euro weakness positive effect on export might help

Economic development *cont'd*



- Confidence level still low mitigates prices increases
- Expected below 2% in the Eurozone

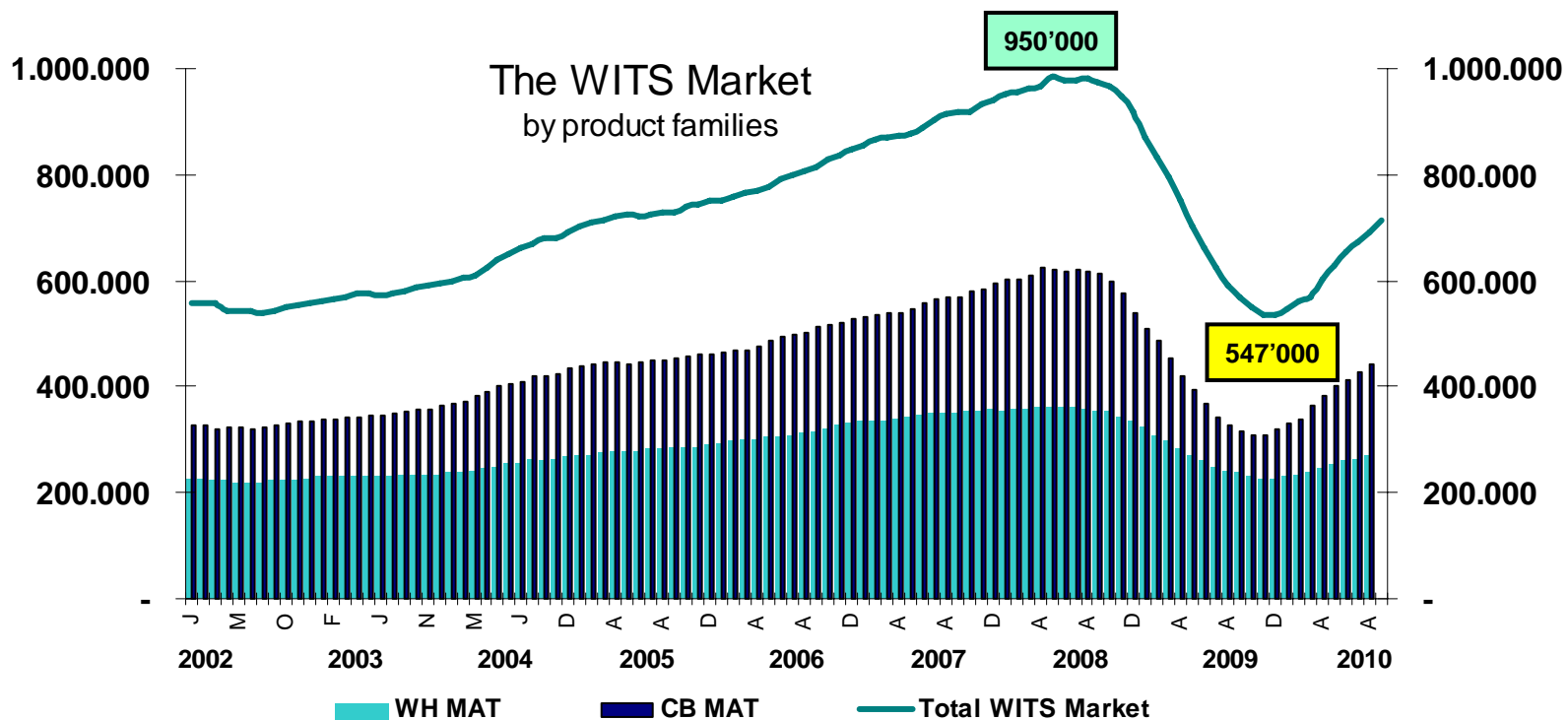


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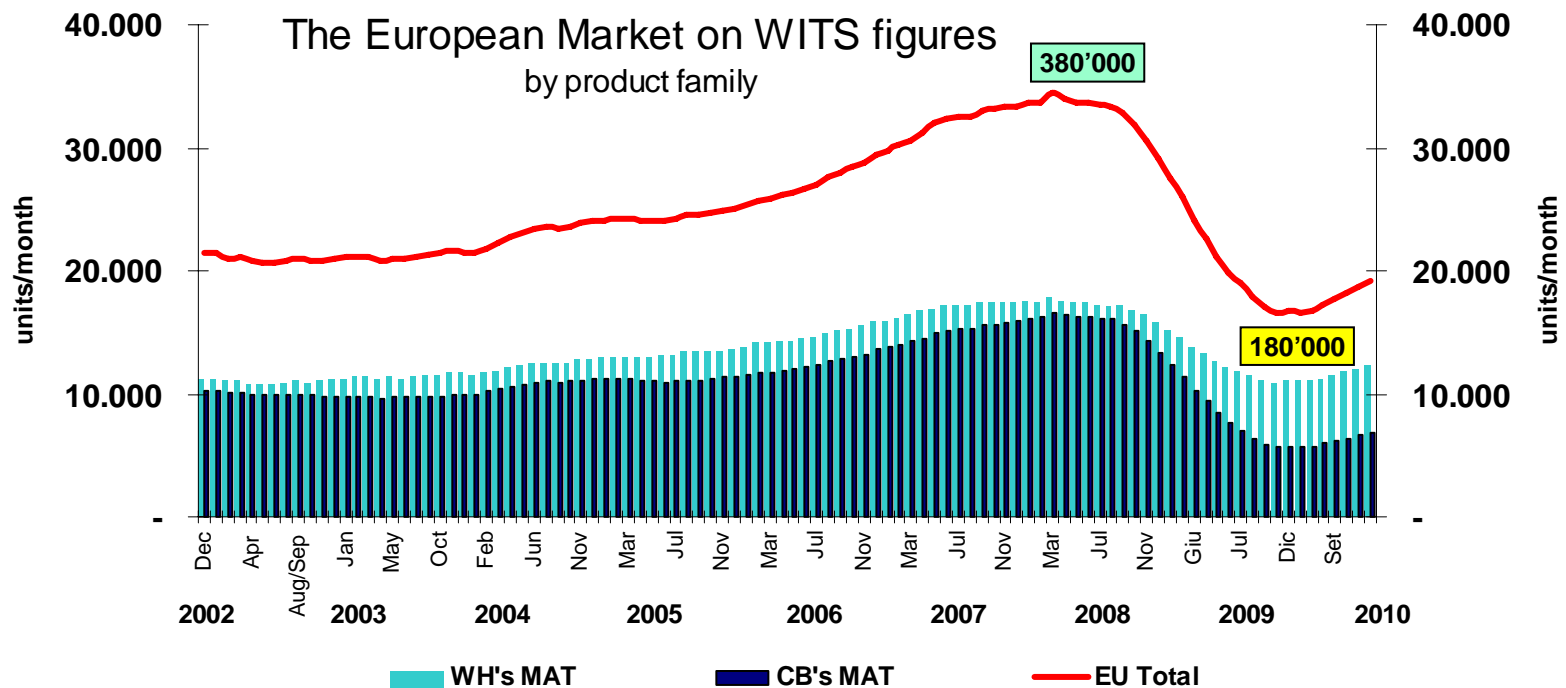
The Market *cont'd*





The Market *cont'd*

Geographic Europe





The Market *cont'd*

Geographic Europe

WITS Classification

West Europe

West Europe	
AUSTRIA	ANDORRA
BELGIUM	FAROE ISL
DENMARK	FINLAND
GERMANY	GIBRALTAR
FRANCE	GREECE
GREAT BRITAIN	HOLY SEE (VATICAN)
ITALY	ICELAND
NETHERLAND	IRELAND
PORTUGAL	LIECHTENSTEIN
SPAIN	LUXEMBOURG
SWEDEN	MALTA
SWITZERLAND	MONACO
	NORWAY
	SAN MARINO
	SVLBRD/JAN MAYEN

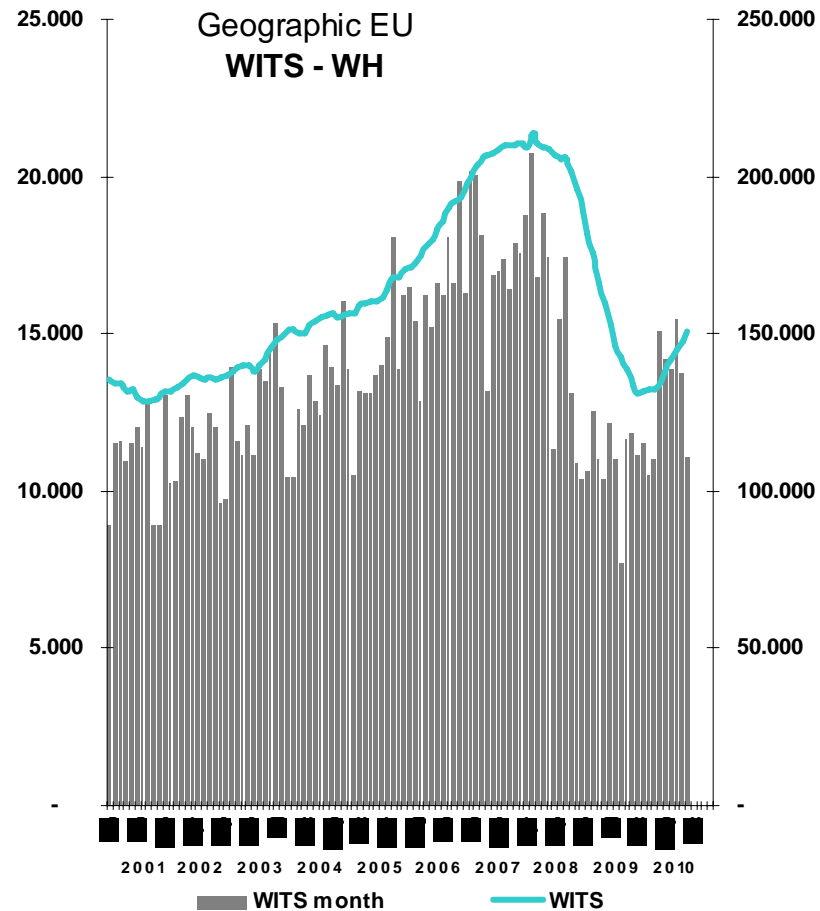
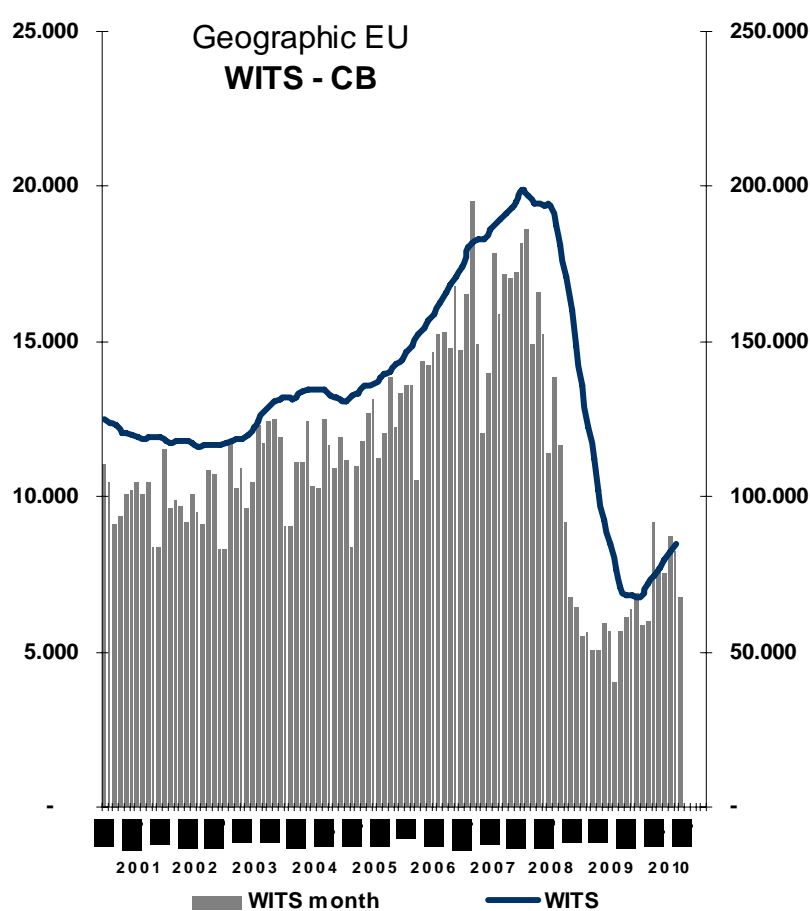
East Europe

EAST EU	
ALBANIA	MACEDONIA
ARMENIA	MOLDOVIA
AZERBAIJAN	POLAND
BELARUS	ROMANIA
BOSNIA-HZ	RUSSIAN FED
BULGARIA	SLOVAKIA
CROATIA	SLOVENIA
CZECH REP.	TAJIKISTAN
ESTONIA	TURKMENISTAN
GEORGIA	UKRAINE
HUNGARY	UZBEKISTAN
KAZAKHSTAN	SERBIA & MONTENEGRO
KYRGYZSTAN	
LATVIA	
LITHUANIA	



The Market *cont'd*

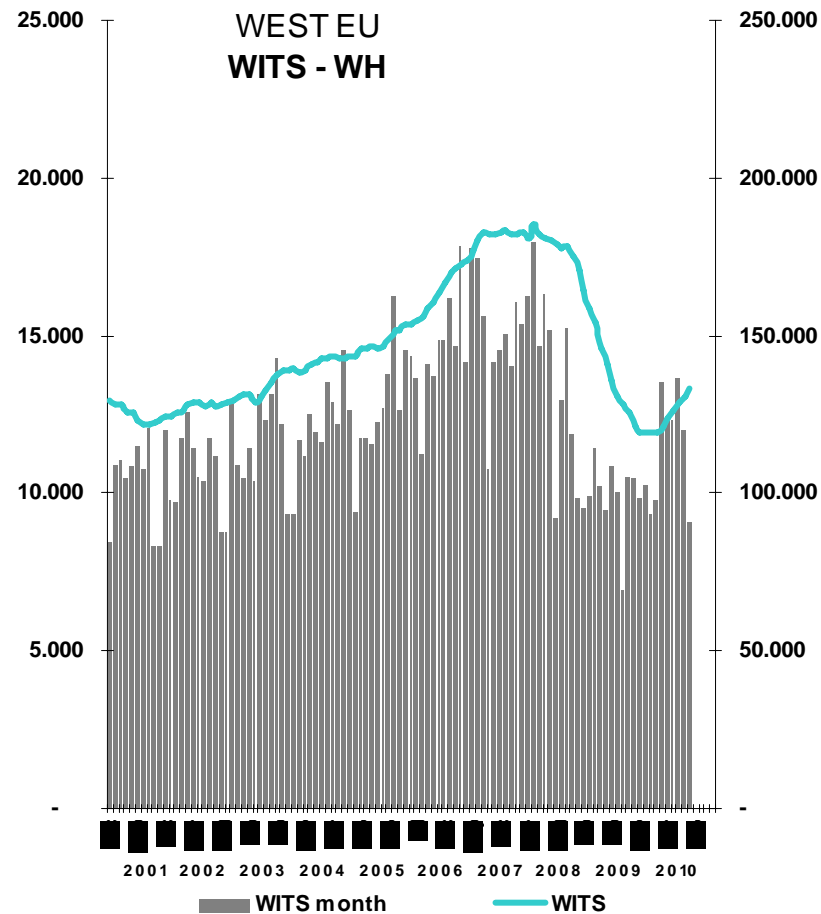
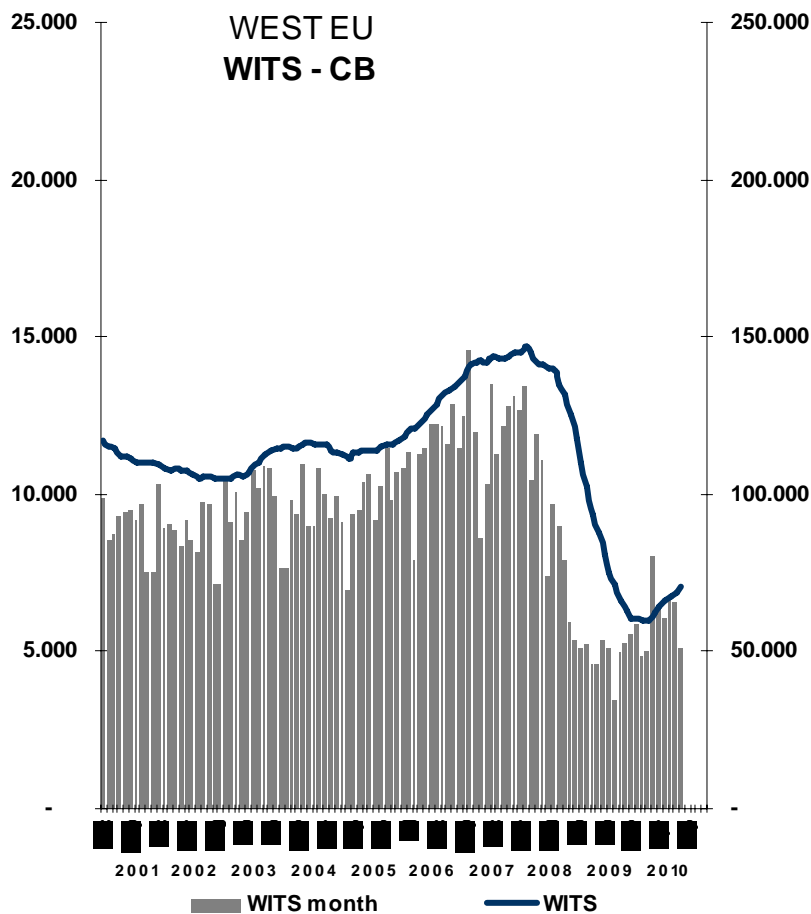
WITS - CB Market comparison Geographic Europe



The Market *cont'd*



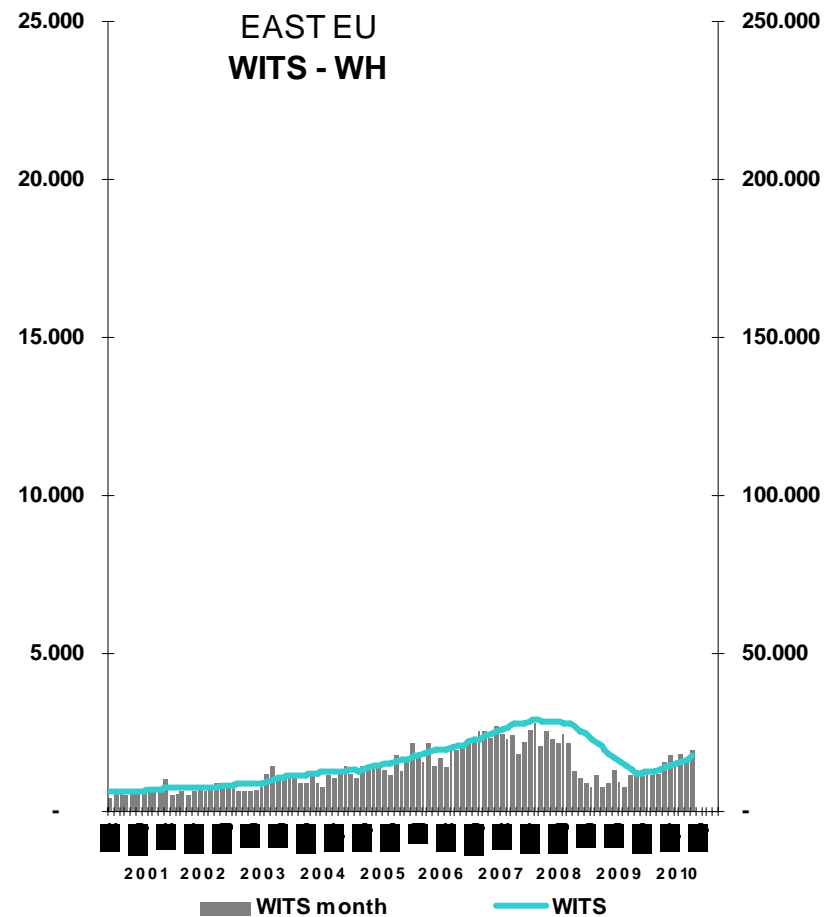
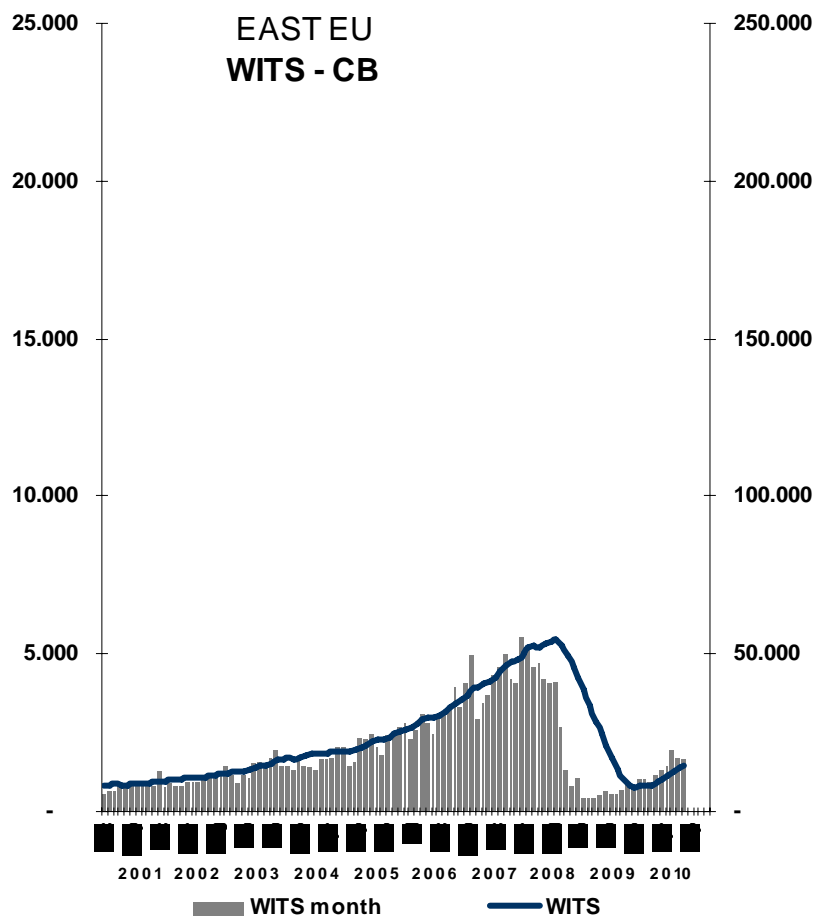
WITS - CB Market comparison West Europe detail





The Market *cont'd*

WITS - CB Market comparison East Europe detail





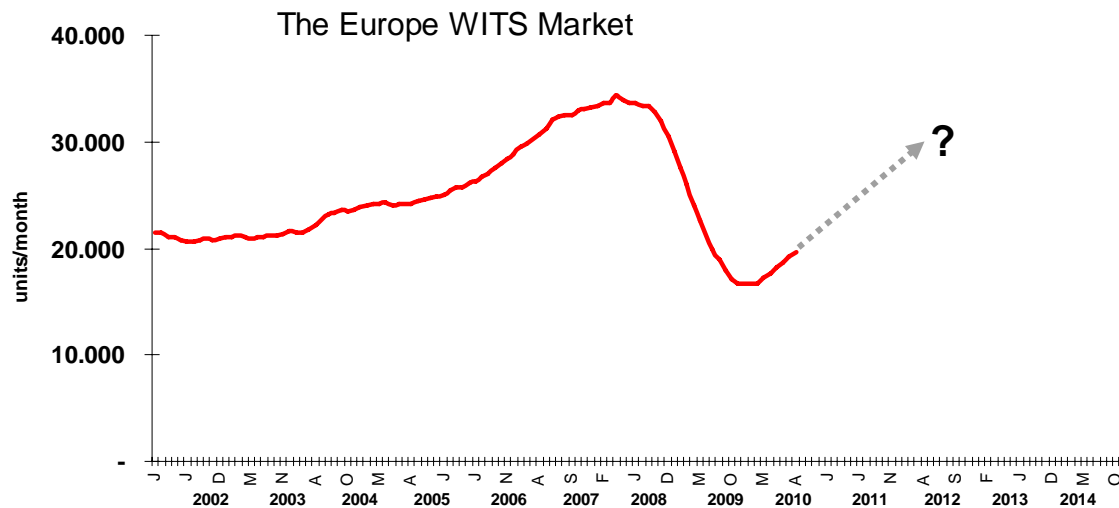
The today EU scenario

- The GDP growth rate in Q1 was of 0,2% and the latest data seems to confirm same growth in Q2. In Q3 the growth rate pace might slow-down due to a number of still open uncertainties
- These uncertainties (country deficit, public debts, bank credit restrictions, euro fluctuation, unemployment, etc.) are somehow affecting Industry and consumer confidence
- In this scenario, the material handling market is growing, since some time, in both East and West Europe and it is expected to continue hopefully at the same pace despite uncertainties
- After major restructuring in almost all mechanical industries, the installed capacity in EU is reasonably in balance with today growth rate
- Raw material price, significantly decreased in the last years, start to increase again since some time



Market expectations in EU

- The market pick recorded in 2007/8 will not be back shortly
- The today market recovery, largely driven by Germany, will continue
- Market growth will continue with some small “W shape” as the trend is expected to remain positive overall
- Back to 2006 level by 2012?





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- Ergonomics and safety will further gain importance and levers will disappear replaced by finger multifunctional systems
- Risks for operators and surrounding environment will likely be eliminated by integrated active safety systems
- High energy density batteries (lithium-Ion or new technologies) and fast chargers adoption as derivate from car industries
- Conventional diesel engines will become virtually obsolete in materials handling equipment and Hybrids systems will gain importance perhaps adopting bio-diesel engines (but bio-diesel production capacity will be limited)
- Electric applications might substitute hydraulic systems within the truck (mast actuation limited to light and simple applications)
- Permanent magnets synchronous motors might replace the asynchronous motors (efficiency)