



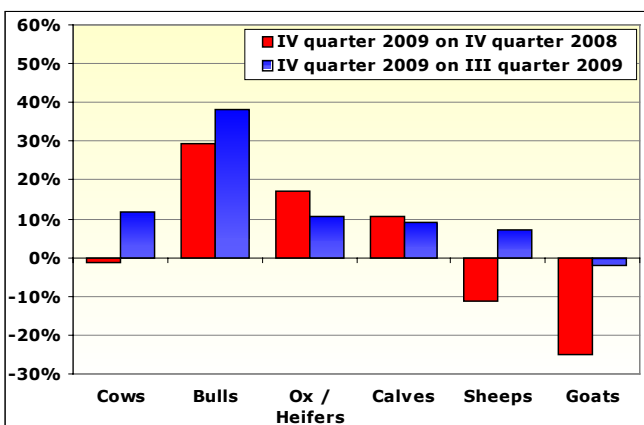
Market Trends 4th Quarter 2009

RAW HIDES AND SKINS

Although less intensely than in the third quarter, prices of hides and skins **have kept rising**. The size of adult bovine hides have been particularly affected by the rises, bulls on top. Prices of cow hides, heifers and steers have started to rise again in November and December, after some falls. The pattern of prices of sheep and goats skins is scattered, with Iran growing and New Zealand stable.

Export rates to the Far East and Turkey have also grown.

RAW HIDES AND SKINS PRICE variations by animal typology



SUPPLIERS

The **tanners' output** confirms negative variations for the most important animal types. Falls, however, are less heavy and rates averagely growing as compared to the previous months. Calfskins are generally weaker than adult bovine hides and sheep and goat skins. Demand is prudent, with more difficulties in the top range.

Components, accessories and **alternative materials** ended the year 2009 with falling rates in the concerned quarter, especially textiles and synthetics.

A general recovery can be seen in the short term, with accessories being particularly bright.

MANUFACTURERS

The **footwear sector** is still losing on a year-to-year comparison. The Italians performed slightly worse than the other EU manufacturers. In fact, France, Germany and the UK are now experiencing the first moderate signs of a recovery. Exports of China, Brazil and Vietnam have been shrinking. India too fell, although to a lesser extent. Prospects are rosier than in the third quarter 2009, with a more moderate loss for Italian footwear and some positive results too (France, Brazil, Vietnam).

Negative signs also come from **leather goods**. Here, the EU market is experiencing more difficulties than the Italian sector. A short-term comparison brings in good news, with some growth in Italy and Spain. A similar trend can be seen in China. Exports to India have also grown.

General falls in demand from **leather garment** manufacturers in Europe. Orders are still lively in Turkey and India, while they have kept falling in China.

In the sector of **upholstered furniture**, some recovery is felt in Europe (sales are good in Great Britain and Northern Europe) and in the United States.

EXPECTATIONS FOR THE I Q 2010

The operators expect **stability** or even **some growth** for the beginning of 2010.

A copy of the full Report (16 pages) is available for a fee.