

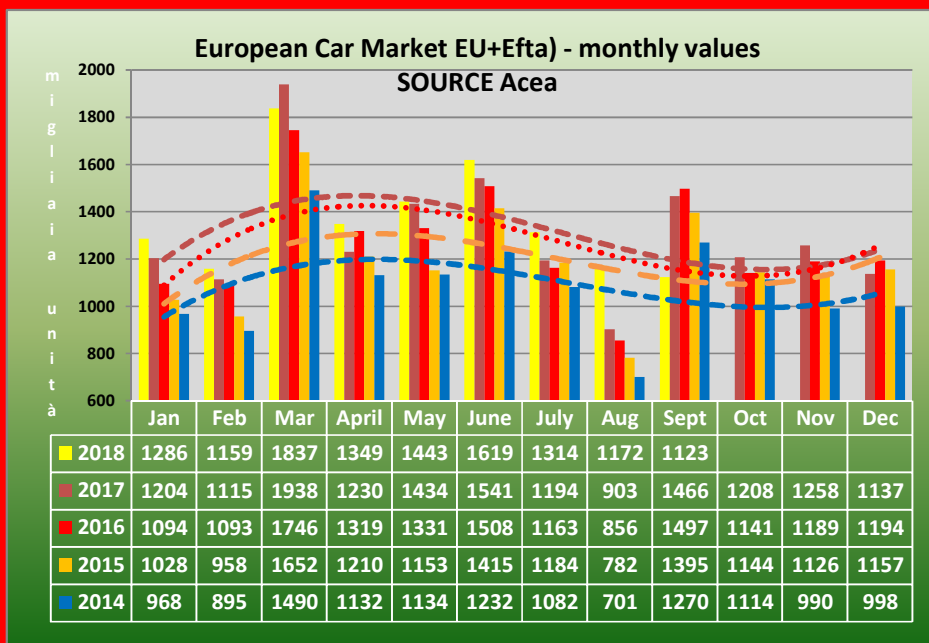


Press Release

Torino, October 18, 2018

European Car Market. September 2018 registrations

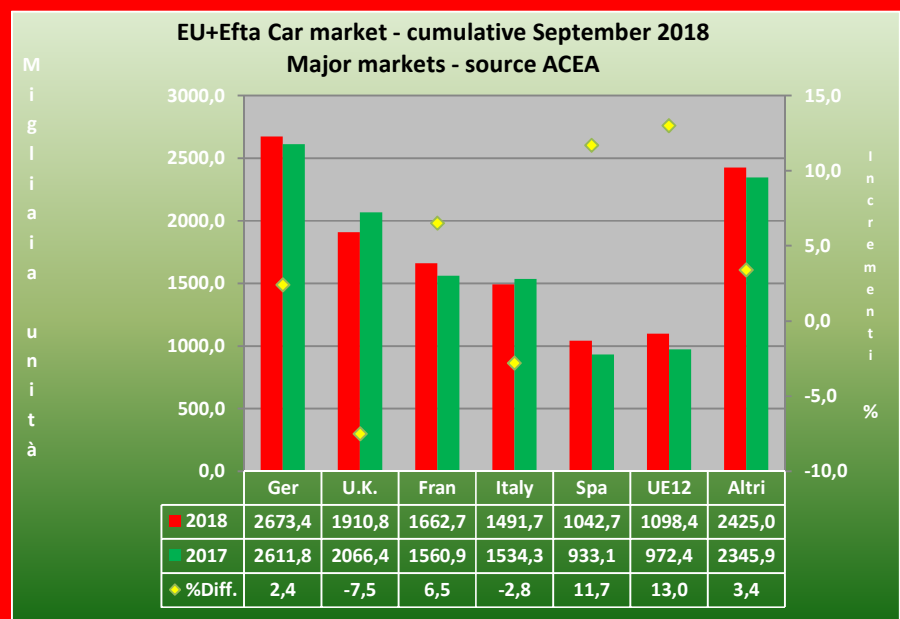
Car sales in Europe fell dramatically in September (-23.4%), also due to the anomalous growth in August (+ 29.8%) due to the advantageous offer of pre-WLTP test cars, in force from September 1st. Cumulatively in the first nine months of the year registrations increased by 2.3% to 12.304.711 units.



Among the major markets, the largest losses occurred in Germany (-30.5%), followed by the EU12 (-26.9%), Italy (-25.5%), the United Kingdom (-20.5%), from the EFTA area (-18.5%), from Spain (-17%) and from France (-12.8%). In the first nine months of the year, the result of the EU12 stands out, rising by 13%, [especially thanks to Romania (+31.5%), Hungary (+26.5%), and Poland (+13.5%)]

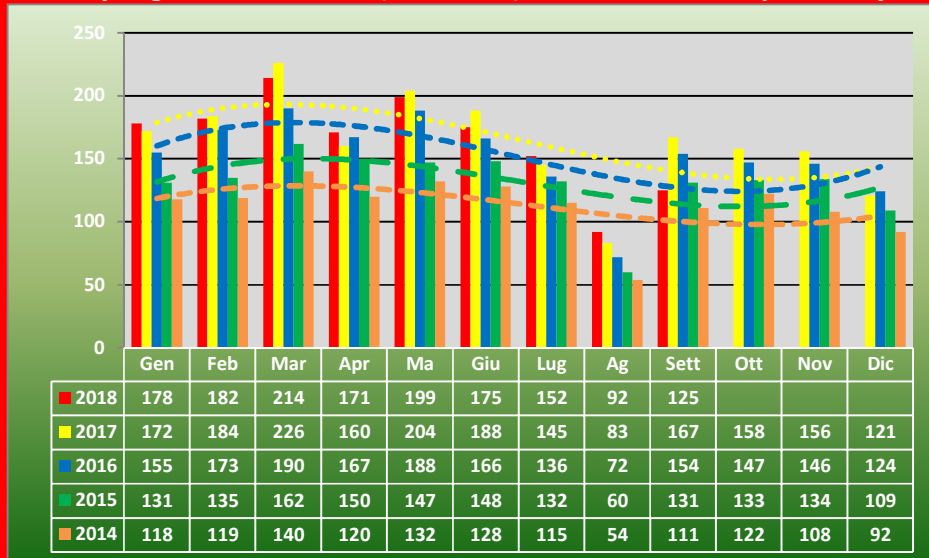
followed by Spain, which rose by 11.7%, by France (+ 6.5%) and Germany (+ 2.4%). Italy falls by 2.8%, the Efta area loses 3.6% and Great Britain 7.5%

As to Italy in particular, after an unusually high summer quarter, the car market dropped dramatically in September: -25.4% in the month with 124,976 units registered. 1,491,261 units were registered in the first nine



months of the year, 2.8% less than the same period last year.

Monthly registrations trend ('000 units) Source Min. Transport / Anfia / Unrae



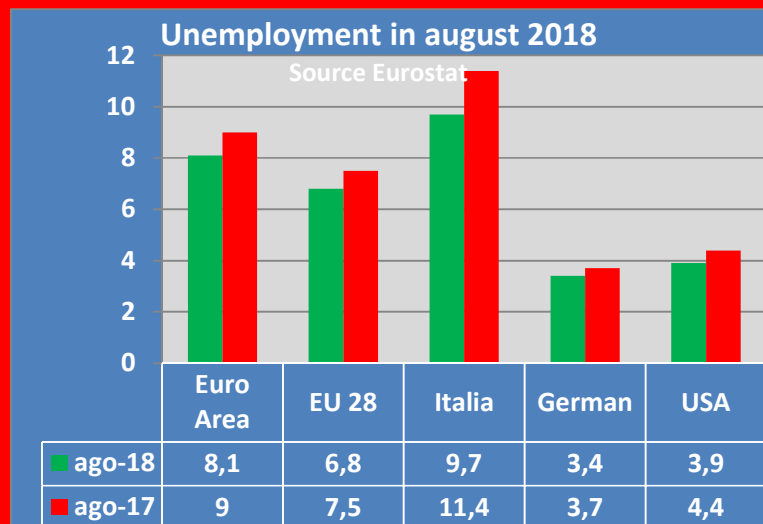
According to Anfia: "The decline recorded in the month follows a summer quarter with unusually high volumes determined by the introduction, starting from 1 September, of the new regulations on emissions and, therefore, of the obligation to register exclusively cars equipped with a Euro 6C and 6D temp. The growth in registrations above the

average in July and August led to a compensatory effect in the following month. To correctly interpret this discontinuity of the market, it is advisable to compare the trend of the third quarter of 2018 with the same period of 2017, showing a contraction decidedly more contained and equal to -6.9%. The situation is however destined to normalize in the fourth quarter of 2018 with the disposal of Euro 6B car stocks".

Also according to Unrae: After the positive impact on the month of August, the entry into force from 1 September of the new vehicle type approval standards and the consequent advance of purchases on the previous month, generated a negative effect on September sales which, also due to the unavailability of these new products by some brands and one working day less, they marked a substantial double-digit decline.

Unrae then emphasized that diesel engines in September lost 38.3% of

volumes, falling by 10 points to stop at 47.9% of the total market. In the cumulated first 9 months the share is 53.3% (-3.5 p.p.). This is due to the "demonization" campaigns of diesel cars that are disorienting and frightening customers, also in light of the impact on the residual value of their car ". In fact, an analysis carried out by the UNRAE Study and Statistics Center shows that in the three main cities by number of annual registrations, diesel passenger car sales by private customers are shrinking

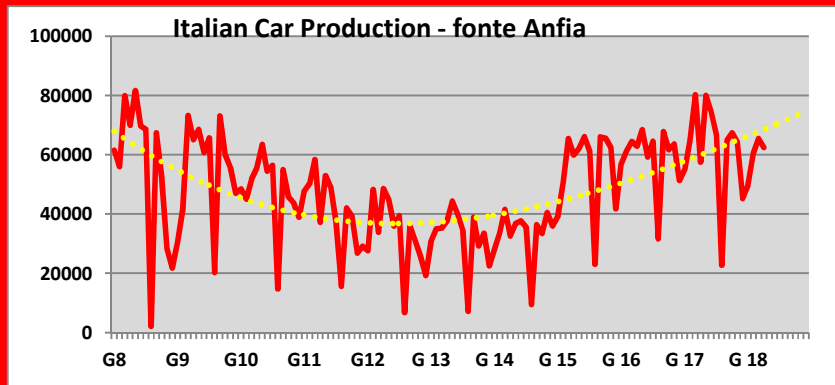


considerably

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On October 15, 2018, the 2019 draft budget document was signed by the Minister of Economy and Finance of the Conte government, Giovanni Tria. For the next three years, the document foresees a

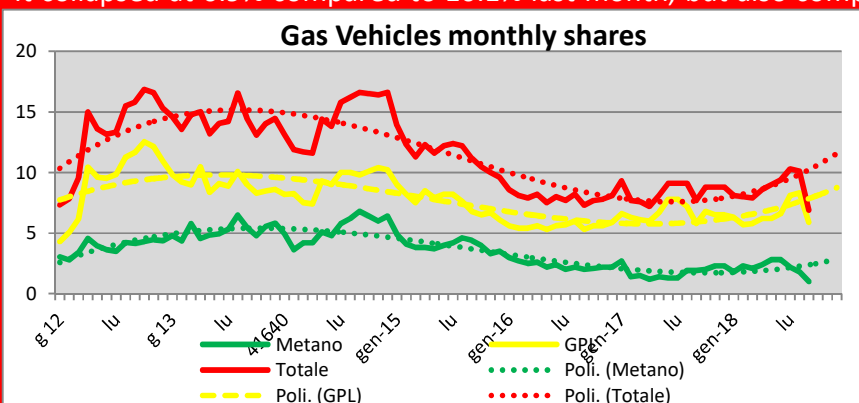
deficit / GDP ratio of 2.4% next year, 2.1% in 2020 and 1.8% in 2021, compared to 1.6% on which it seemed to insist Minister Tria and that probably would have been accepted by the EU. The document was considered negatively by the EU Commission. The concern arises above all from the



intention to finance with the deficit welfare initiatives such as income and citizenship pension and the amendment of the Fornero law. The measures to reduce the tax burden are modest. The concern of the President of the Republic was also perceived on this issue.

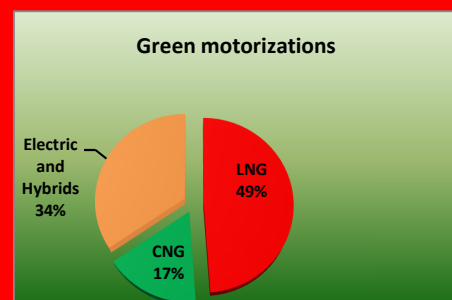
Meanwhile, the unemployment rate declined to 9.7% in August, the lowest figure since 2012, compared to 10.2% last July and 11.4% in August last year. Youth unemployment remained almost stable compared to July, but down compared to 34.5% a year ago. As far as the automotive sector as a whole is concerned, domestic car production in July is around 61,500 units, down 7.5% compared to July 2017. In the first seven months of the current year, production of passenger cars exceeds 447,000 units, 6.5% less than in the same period of 2017.

It collapsed at 6.9% compared to 10.1% last month, but also compared to 9.1% a year ago, the share



of gas vehicles. Together with electric and hybrid, the share of vehicles with alternative fuels to oil stood at 13.4% in September compared to 14.8% last month, due to the decline in sales of LPG and CNG vehicles. In the month the diesel dropped to 47.9% compared to 57.9% last year and compared to 56.1%

last month. Cumulatively in the first nine months the share of diesel fell to 53.3% compared to 56.8% a year ago. Petrol vehicles rose to 38.7% in the month compared to 29.1% in August. In the first 9 months rise to 33.6% compared to 32% in the first 9 months of last year. This situation was created, as mentioned above, by the "demonization" campaigns of diesel cars that are confusing and frightening



customers, also in light of the impact on the residual value of their car.

As a result, for what concerns the environmentally friendly engines, the proportions between the various alternatives in September continue to shift in favor of the electric.

Emilio di Camillo – www.centrostudisubalpino.it - october 2018