

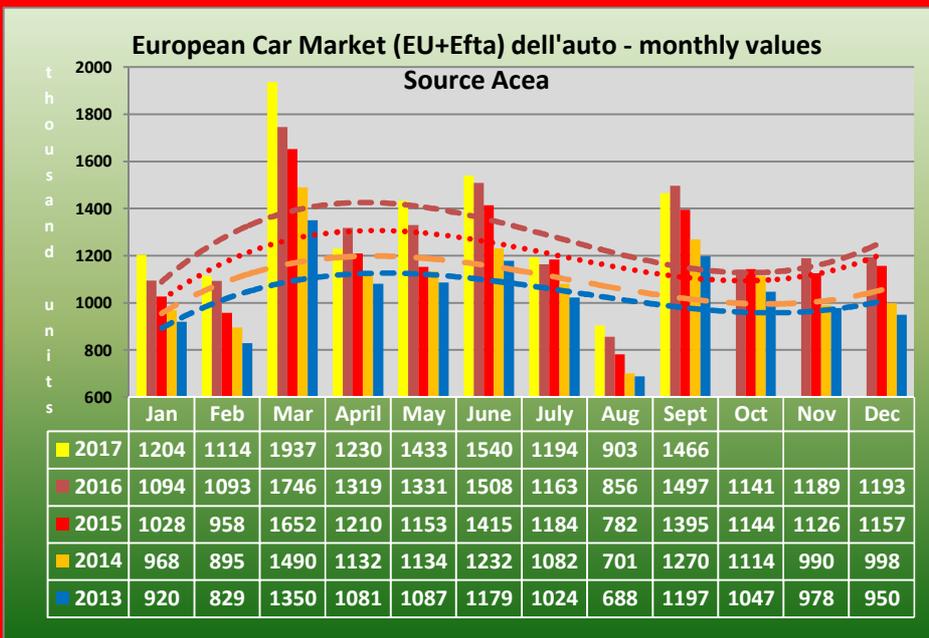


Press Release

Turin, October 17, 2017

European car market (Eu+EFTA): September 2017 registrations.

Slowly slows the trend of car registration in the EU+Efta: in September -2%, with 1,466,336 registered vehicles. However, in the first nine months of the year the registrations were 3.6% higher than in the same period last year at 12,026,194 units. Increase in volume and share of FCA Group, up from 6.6% last year to 6.9% this year.

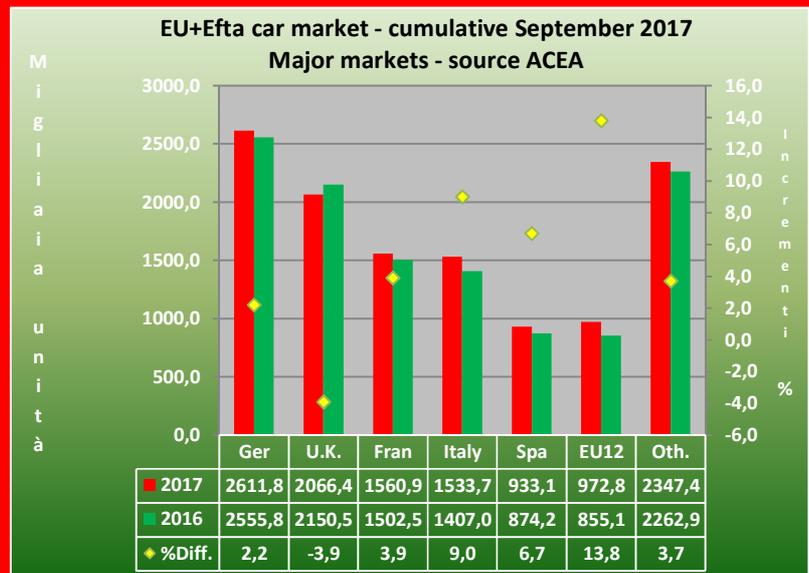


The decline in monthly registrations was limited by the good performances in UE12 (+ 9.3%), Italy (+ 8.1%) and Spain (+ 4.6%). France rose by 1.1%. Great Britain was down by 9.3%, Germany's by 4.4% Efta and by 3.3% Germany.

In the first nine months of the year, the EU12 rose by 13.8% [mainly due to Romania (+15.9%), Poland (+17.3%) and Hungary (+ 19%)], followed by Italy (+ 9.0%), Spain (+ 6.7%),

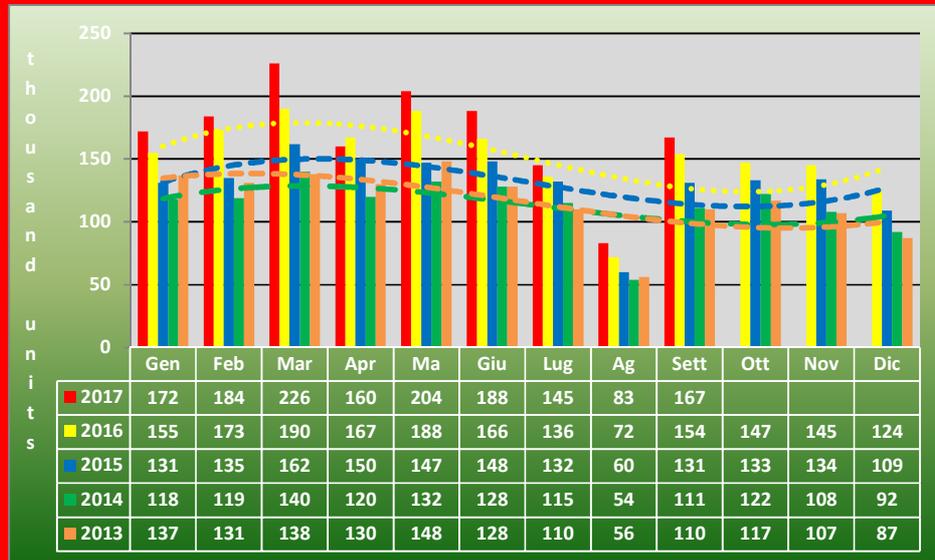
France (+ 3.9%) and Germany (+ 2.2%). Great Britain loses 3.9%. The Efta area earns 0.6%. On average, the increase in registrations in most of the rest of Europe. Great Britain remains broadly in second place, and Italy is still third behind France for a few thousand units in the ranking of the major European countries.

As to Italy in particular remains sizeable car registrations rise on the Italian market: +8.1% with 166,956 units registered in September. The



final figure for the first nine months shows an increase of 9% to 1,533,710 units.

Registrations monthly trend. ('000 units) Source Min. Trasporti/Anfia/Unrae



Anfia emphasizes the "positive sign even in September for the automotive market, albeit with growth smaller than that recorded in August, also because of a working day less in the past month (21 days against 22 in September 2016). It is, in any case, the higher volumes, for this month, from 2009, when the market exceeded 190,000 units. Also the closure of the quarter was good,

with volumes 9% higher than in the similar quarter of 2016.)".

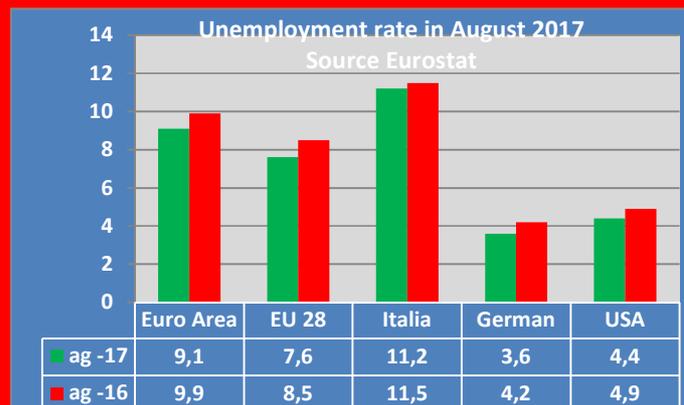
In Unrae's opinion: the market continues to give excellent signs of health and public interest towards our private sector and mobility, but we must point out that the phenomenon of selfregistrations, aimed to support the market shares, begins to acquire important boundaries, making it more difficult to correctly predict 2018 forecast."

From an analysis conducted by our statistics dept. it is apparent that the level of inventory of cars selfregistered at the dealer network has reached 168,000 units, accounting for more than a month of sale.

"Nevertheless," continues Unrae – we face a period of good opportunities for the renewal of the Park thanks to the convergence of availability of fresh product on the network along with very strong promotions, such as to make irresistible the urge to replace an old car through the Km 0".

The market seems to be able to maintain its growth potential at the end of the year around 8-9%".

After the summer phase, which marked the important progress in controlling the flow of emigrants from Libya and the improvement

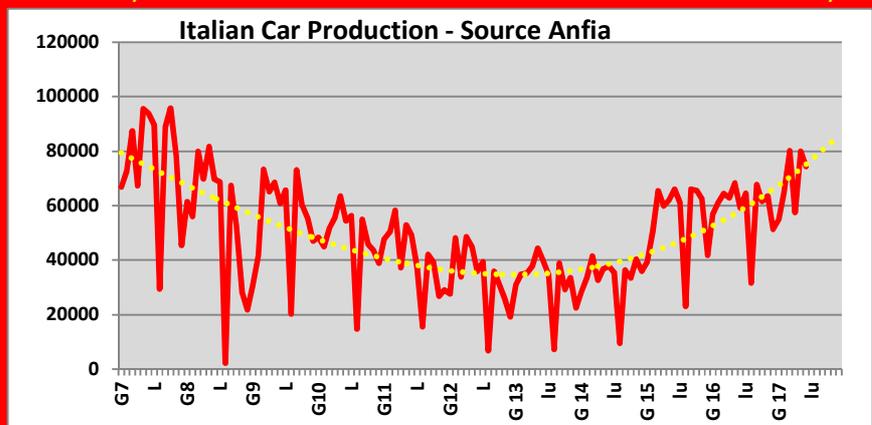


of the general economic picture, also underlined by the rise in Moody's rating, in recent weeks the DEF (Financial Document) was presented. The document revises GDP growth estimates and all macroeconomic indicators, thanks to the most favorable economic cycle and the effects of the reforms launched with the Government of Renzi. The new scenario implies a value of about 20 billion for 2018 activities, of which 15.7 billion to disable safeguard clauses, i.e. VAT increases and excise taxes. The rest will be split between the need to refinance renewal of public employment contracts

and growth measures, although a big slice will go for the incentives for stable employment of young people. Little will remain for other pro-growth measures, in particular for the desired stop at the increase in retirement age.

For the rest, we are back to the usual political debate in a framework that remains uncertain as to the real reforms the country needs to consolidate the economic results achieved in recent months. The major parties seem to try again this month to agree on a valid electoral system for both the Chamber and the Senate, already approved by the chamber of deputies, Mr Gentiloni's government continues to promise tax cuts and employment-related initiatives, and data seems to play in its favor: in August, unemployment fell slightly to 11.2% compared to 11.3% in the month before and 11.5% a year ago. Substantially stable youth unemployment: 35.1% in August against 35.4% in July, but well below 37.3% in July of last year.

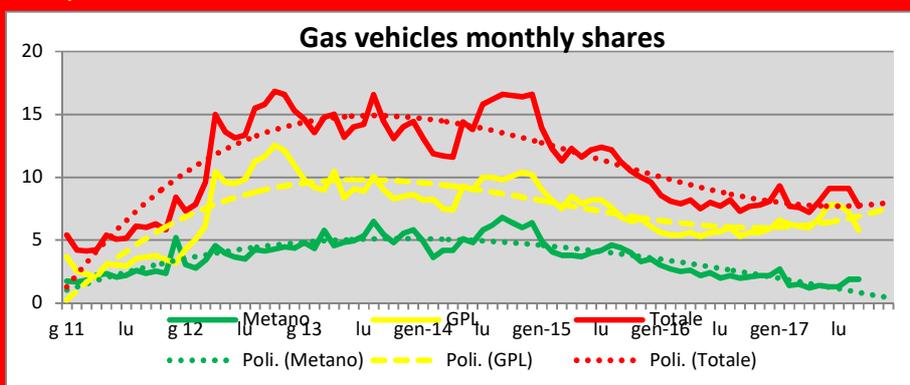
But no concrete solution is yet to come with the long-term problems affecting our economy, which remain virtually unchanged, such as a decisive reduction in public spending to revive consumption and investment with a substantial reduction in fiscal pressure. So, as repeatedly emphasized in the past, the biggest push



for further increases in private car sales comes from the need to replace old cars, already postponed during the crisis years.

As regards the automotive industry as a whole, a positive note for Italy is the continuation of the trend of increased car production. According to data collected by ANFIA among the manufacturing companies, growth in the first half of the year was 10.5%.

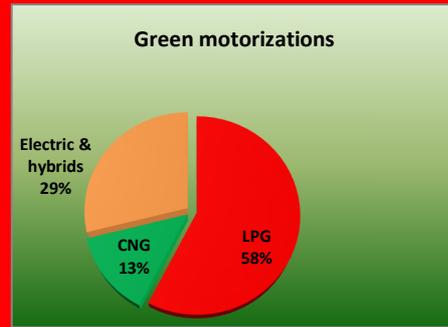
The share of gas vehicles dropped to 7.7%, compared with 9.1% last month, and 7.3% last year, mainly due to LPG downturn: the contribution of CNG continues to improve.



Along with electric and hybrid, the share of alternative fuel-based vehicles is 11.3% in September. In the month, diesel rose to 57.8% (but was 57.5% in September 2016). In the first nine months, it was 56.8%, in line with the first nine months of last year.

Gasoline sales rose to 30.8% in the month (32% in the first nine months, compared with 33.1% in the same period last year).

As far as ecodesigned vehicles are concerned, the proportions of the various alternatives in the year continue to move in favor of the electricity.



Emilio di Camillo – www.centrostudisubalpino.it - october 2017