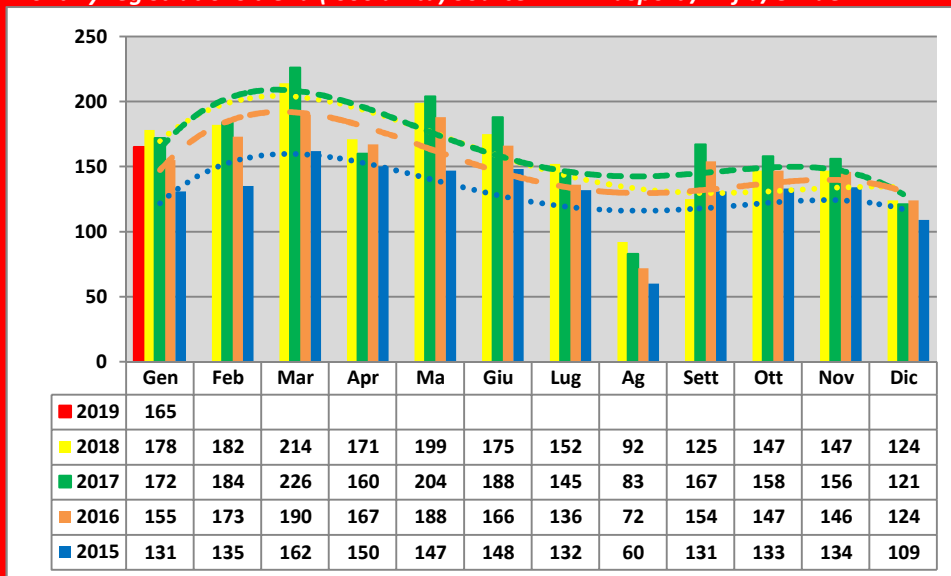


Italian Car Market: January 2019 registrations

The year starts with a negative sign: -7.5% in the month with 164,864 units registered.

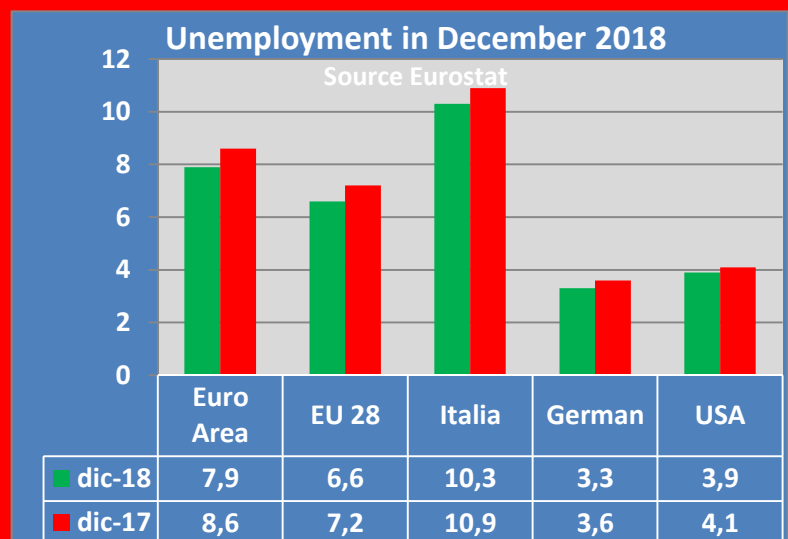
Monthly registrations trend ('000 unità) Source Min. Trasporti/Anfia/Unrae



According to Anfia: "January 2019 compares with a January 2018 that had registered, for the month, the highest volumes since 2010. For the first time since September 2003 diesel cars, down 31% and with a 41% share of the total registered, lose their market leadership to petrol cars, which represent

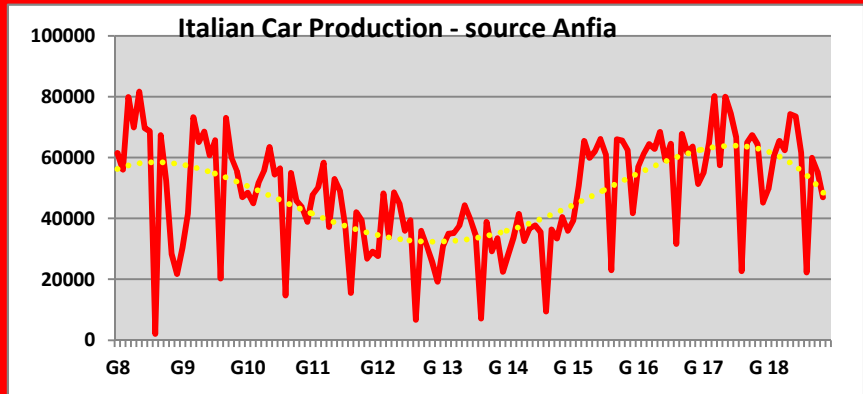
45% of the market and, in the month, recorded an increase of 28%. In addition to gasoline, alternative fuels are also growing (+ 3.5% and a 13.7% share), with the sole exception of GNP.

According to Unrae: "The signs of a new contraction in sales were already foreseeable and of this the automotive supply chain had already informed the Government that, to further tighten the situation, decided to enter the bonus-malus system starting in March, creating disorientation and negative expectation among the potential buyers of this first two months of the year. Looking at the medium-term prospects, considering that the effects of the bonus-malus are not predictable to date, the latest



estimates of the Unrae Study and Statistics Center, calculated by crossing the economic and sectorial drivers in a downward-revised macroeconomic scenario, are for a sharp slowdown in demand. The market will continue in a downward trend in 2019, as anticipated and in line with what was observed in 2018 ". "The year is expected to close further down by 1.1% to 1,888,500

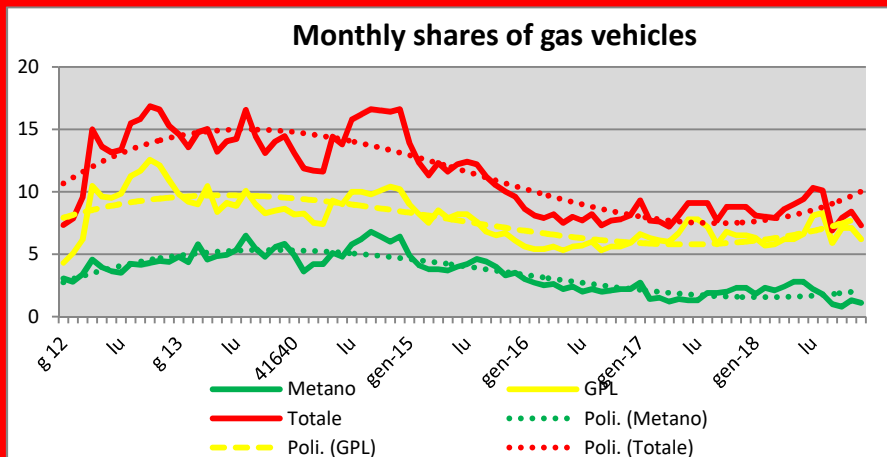
units, more than 21,000 less than the 1,910,000 in 2018. At the end of the month, Istat announced that the fourth quarter GDP decreased by -0.2%, after the decline in the third quarter. Italy is therefore in a "technical" recession, with a forecast of a GDP for 2019 well below the budget assumptions, with the possibility of additional maneuver in spring. In the meantime the unemployment rate fell (10.3% compared to 10.5% in November). Youth unemployment increased slightly.



As for the automotive sector as a whole, according to preliminary data from ANFIA, domestic car production in November 2018 amounted to 46991 units, down 26.9% compared to November 2017. In the first eleven months of year in progress, the production of cars (631,543 cars) recorded a 9.5% decrease compared to the same period of 2017.

It goes up to 8.3% compared to 7.3% in December, and slightly down compared to the same month last year (8.1%), the share of gas vehicles. Together with electric and hybrid, the share of vehicles with alternative fuel supply in January

stood at 13.6% compared to 12.1% last month, due solely to electric vehicles. The contribution of CNG is increasingly modest. In the month the diesel drops further and settles at 41.1% (it was 55.3% in January last year). Gasoline vehicles rose to 45.1% over the month compared to 32.5% last year, and for the first time since September



2003 they surpass the share of diesel cars. This situation was created, as mentioned above, by 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. As a result, for what concerns the environmentally friendly engines, the proportions between the various alternatives continue to shift in favor of the electric and hybrid. CNG descends decisively.

