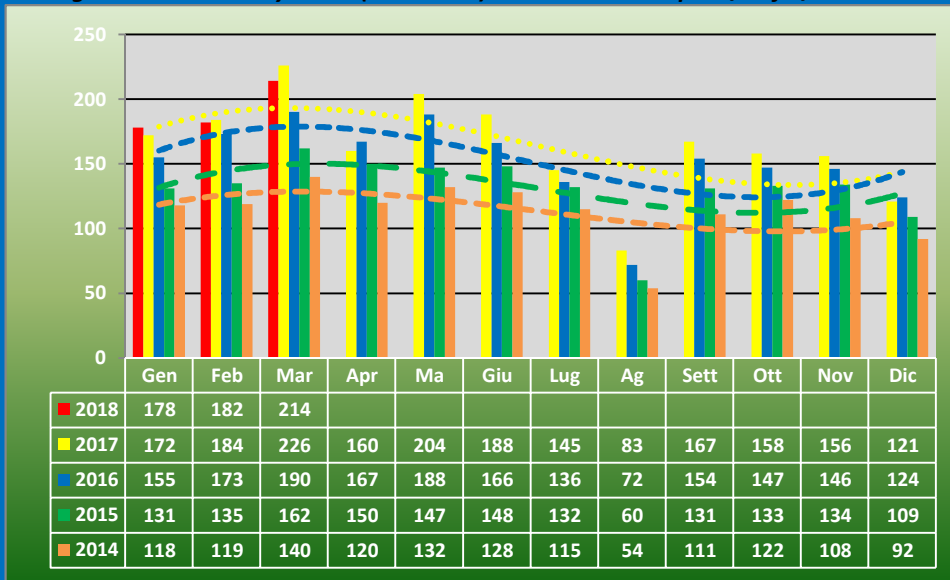


Italian Car Market: March 2018 registrations

Further and more severe decline in car registrations in March: -5.7% in the month with 213,731 units registered. In the first quarter, 574,330 units were registered, 1.5% less than the same period last year.

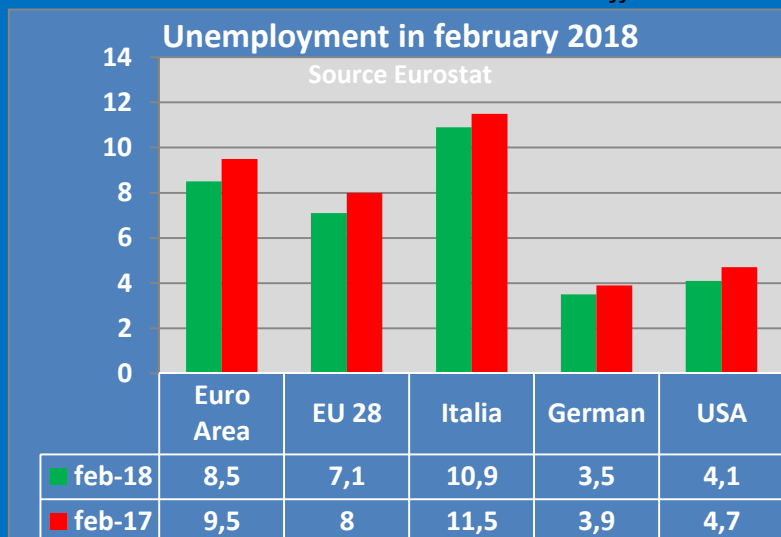
Car registrations monthly trend ('000 unità) Source Min. Trasporti/Anfia/Unrae



According to Anfia: "For the second consecutive month, in March the car market registers one down (-5.7%), also due to one working day less (22 working days in March 2018 compared to 23 in March 2017), resulting in a closure of the first quarter with decreasing volumes. There is a certain

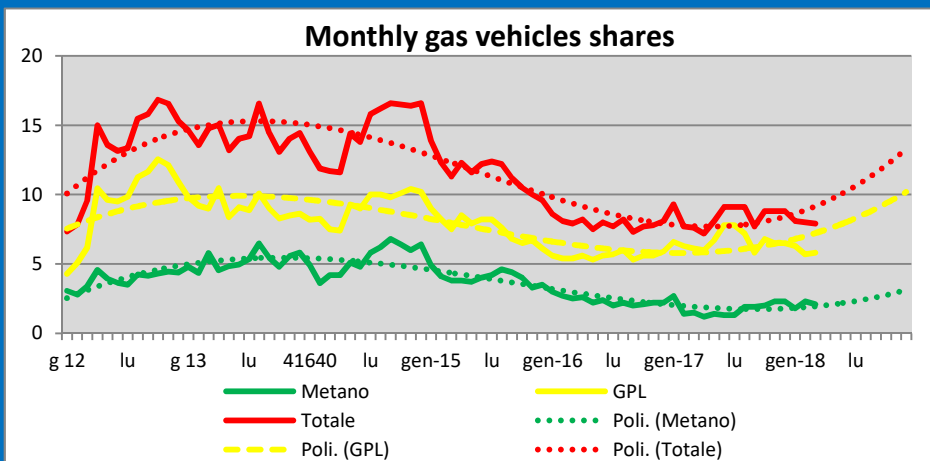
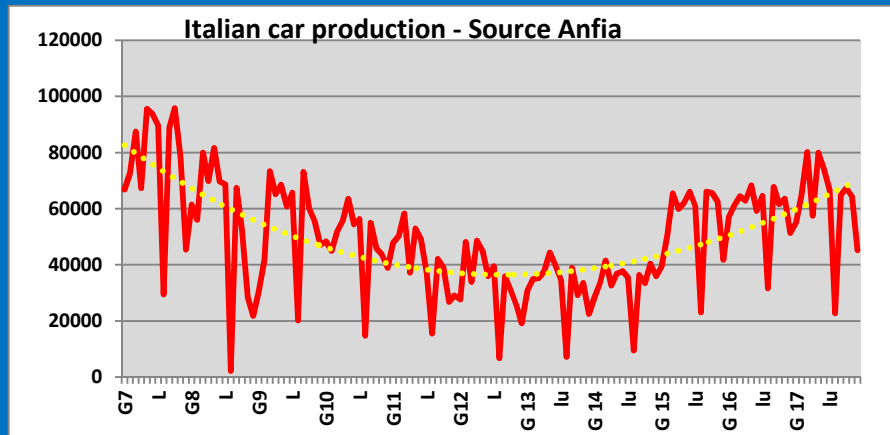
slowness in the collection of orders, influenced by the current uncertain political climate and a weaker economic recovery than expected at the beginning of the year. Nor does it help the lack of homogeneity in the measures adopted by some local authorities to deal with smog emergencies and access to restricted traffic areas".

According to Unrae: "The market slows down and with it further slows the ability of builders to contribute to the renewal of the running fleet despite the powerful promotional campaigns that in fact have replaced the State's interventions in an urgent process. Therefore - concludes Unrae - the task to be entrusted with urgency to the new Executive is to listen to the voices of the supply chain to find, together, possible solutions, with a view to technological



neutrality and resume a virtuous path through the disposal of the old park that allows to enter technologically advanced cars in the market and accelerate the achievement of the objectives set by Europe".

One month after the elections on March 4, the President of the Republic has begun consultations to arrive at the formation of a new government. At the moment the solution still seems difficult given the pretensions of the President of the M5S that clash with those of the League leader, who can boast of being the leader of a coalition (the Right Center) that has obtained more votes than the M5S. In the meantime ISTAT has revised the accounts of Italy which, considering the bank bailout outflows (over 6 billion euros), shows a rate of GDP/ deficit rising to 2.3%. Unemployment fell in February, but the youth rate rose to 32.8%. As far as the automotive sector as a whole is concerned, a positive note for Italy is the



continuation of the trend in the increase in car production. According to the data collected by ANFIA among the manufacturers, last year the growth was 4.2%, to 742.642 units.

It fell to 7.9% compared to 8.0% last month, but the share of a year ago.

gas vehicles rose compared to 7.6%. Together with electric and hybrids, the share of vehicles with alternative fuels to oil stood at 11.6% in March. In the month, diesel fell 54.5% compared to 56.3% in February (but was 56.4% in March last year). Gasoline vehicles rose to 33.9% compared to 31.9% in February. It was 33.3% in March of last year. As for the eco-compatible engines, the proportions between the various alternatives in March continue to shift in favor of the electric, but with a modest recovery of CNG.

