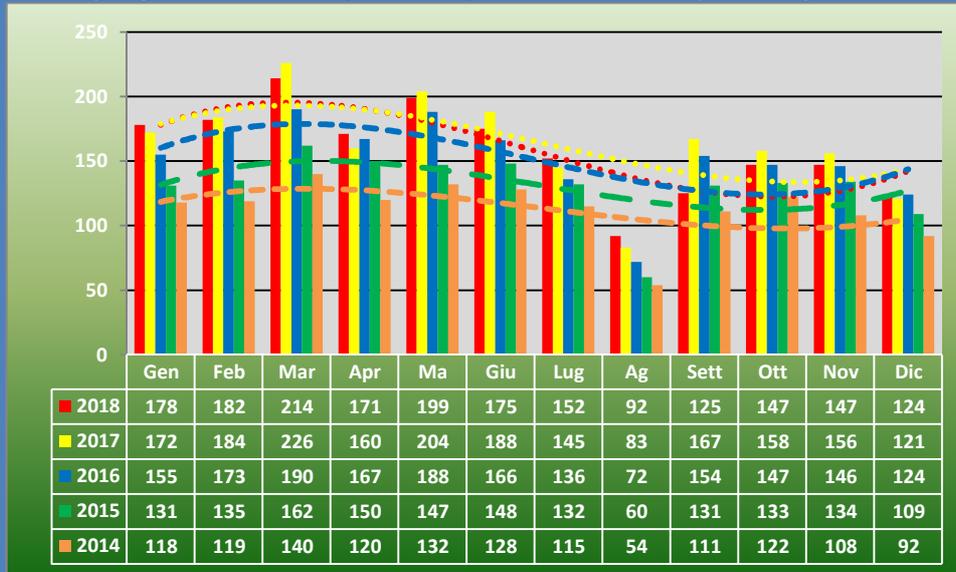


Italian Car Market. December 2018 registrations

Slight progress in December of the Italian car market: + 2% in the month with 124.068 units registered. In total, 1,910,025 units were registered in the year, 3.1% (around 60,000 cars) less than in 2017.

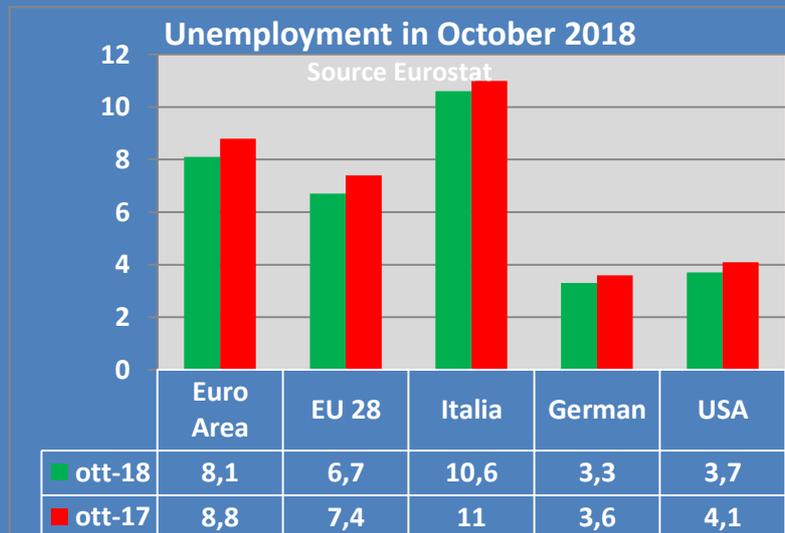
Monthly registrations trend ('000 units) Source Min. Transport / Anfia / Unrae



According to Anfia, "the month of December was positive, even for one more working day compared to December 2017, after three months in decline, but the new year opens with some concern for the negative repercussions of the bonus-malus taxation of new cars

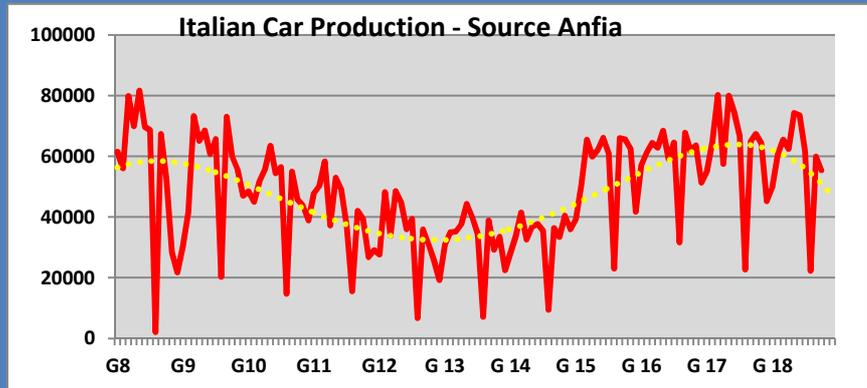
registrations, for the climate of economic uncertainty and for a critical productive context".

According to Unrae: "In the year just ended the Italian motorists were convinced on the possibility of tax reductions on fuel excise, and reassurance on the promise that no new taxes would be introduced. 2019, on the contrary, opens with additional imposition for buyers of new cars, not only luxury cars or large displacements vehicles, already subject to the superbollo, but some versions of popular models exceeding the "malus" values (high CO2 emissions – over 160 grams)".

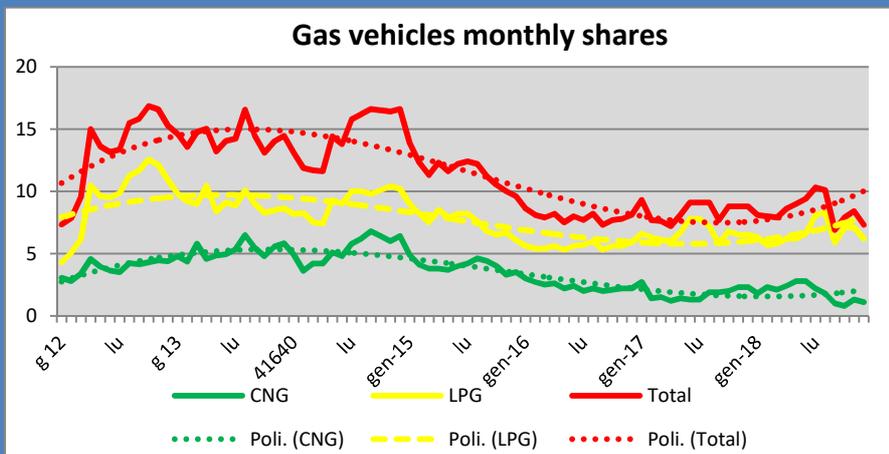


Among heavy contrasts with the opposition, who have complained about the little time left to Parliament to discuss the bill, was also approved by the Senate the budget law, signed immediately by the President of the Republic a few hours before the end of the year to avoid the provisional exercise. The practical implementation of the measures will take place with the approval of the implementing decrees (161 in total) expected in the coming months.

In the meantime, the unemployment rate rose again in October to 10.6%, compared to 10.3% last September. Youth unemployment also increased compared to September (32.5% against 32.4%), but down compared to 34.1% a year ago. Last month Istat announced the decline in GDP in the third quarter of 0.1%. As for the automotive sector as a whole, according to preliminary data of ANFIA, in October 2018 the domestic production of cars amounted to 55,387 units, down 17.3% compared to October 2017. In the first ten months of the year, the production of cars (594,552 cars) recorded a decrease of 7.7% compared to the same period of 2017.



Down to 7.3% in December compared to 8.4% in the previous month, and in a decisive decline compared to the same month last year (8.8%), the share of gas vehicles.



Together with electric and hybrid vehicles, the proportion of vehicles with alternative fuels to oil stood at 12.1% in December compared to 14.1% in the previous month, due solely to the decline in the share of gas vehicles. The contribution of methane is always modest. However in the year total the share of gas vehicles rose from 8.1% last year to 8.4% in 2018. In the month, diesel

recovered marginally to 46.4% compared to 45.1% of the last month but collapses compared to 57.4% last year. In the total of the year the share of diesel drops to 51.5% compared to 56.7 a year ago. Gasoline vehicles rose to 41.5% in the month compared to 29.7% last year. In the total year they rise to 35.3% compared to 31.6% last year. This situation has been created, among other things 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.

