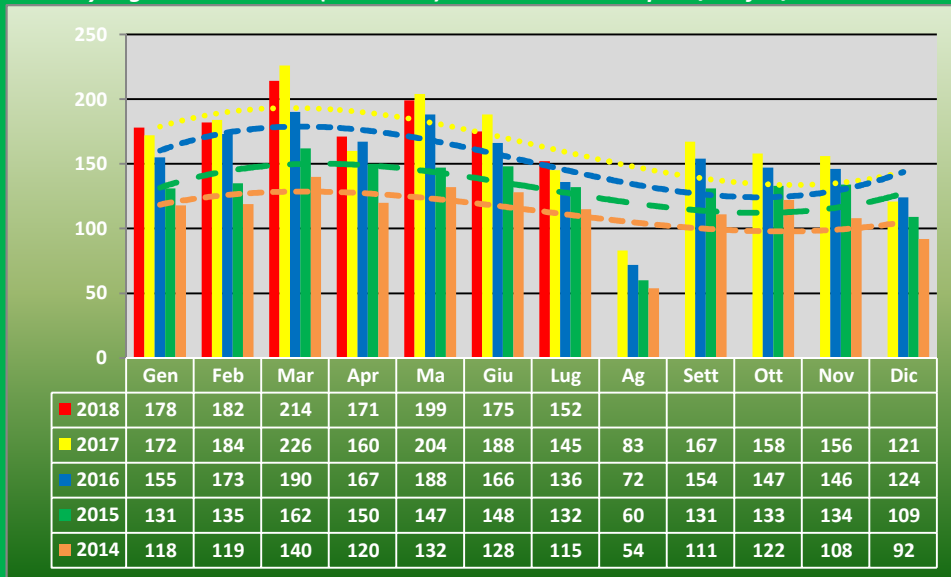


Italian Car Market: July 2018 registrations

The Italian car market returned positive in July: +4.4% in the month with 152,393 units registered. 1,273,730 units were registered in the first seven months of the year, 0.7% less than the same period last year.

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

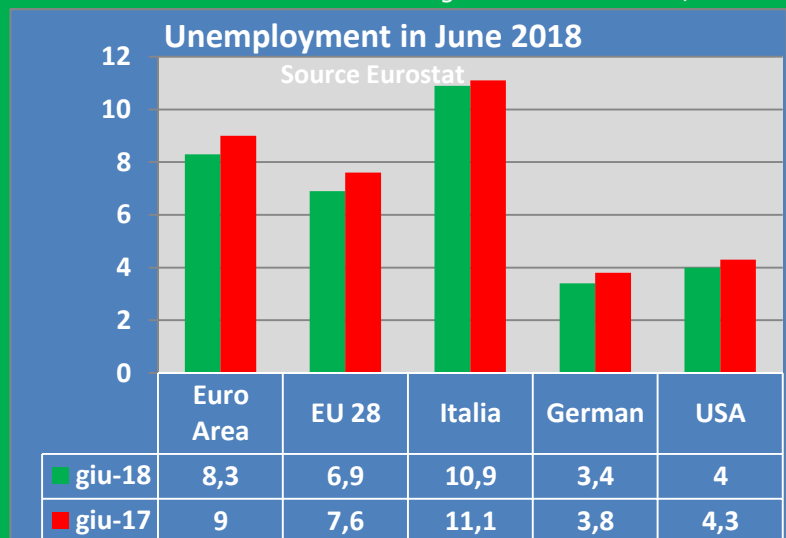


According to Anfia: "In July 2018 the market again shows a positive sign after the slowdowns in May (-2.6%) and June (-7.3%), which led to a slight drop in the first half of the year (-1.5%). The calendar effects also affected the closing of the month, counting July 2018 one more working day compared

to the same month last year (22 days against 21). The decline in diesel car registrations continued, albeit to a lesser extent compared to the previous month, when it registered a double-digit contraction.

According to Unrae: "Although a slight recovery, it is not easy to predict for the Italian car market a recovery compared to last year. Car registrations in the second half of the year, in fact, according to our estimate, should stabilize at 2017 levels, to bring 2018 to a volume of registrations slightly below the previous year, with 1,960,000 cars (-0.6%). "In 2018, after 4 consecutive years, the recovery path of the car market should stop, which would align with the levels recorded in 2010. Among the sales channels, at the

end of 2018 the rental is estimated to re-establish the distances from the Companies, after a 2017 with very similar shares. At the end of the year, the latter's representativeness should reach 23.4% of the total (+1.5 points), confirming its only growing sales channel, thanks to the long-term dynamism. Companies should stop at 21.2% and private individuals at 55.4% of the total market (-1.4 p.p.). "The long-term scenario - continues Unrae - indicates for 2019 a trend in car registrations slightly higher than that recorded in 2017, at 1,980,000 units, marking an increase of 1%. Only in 2020 is the market expected to exceed 2,000,000

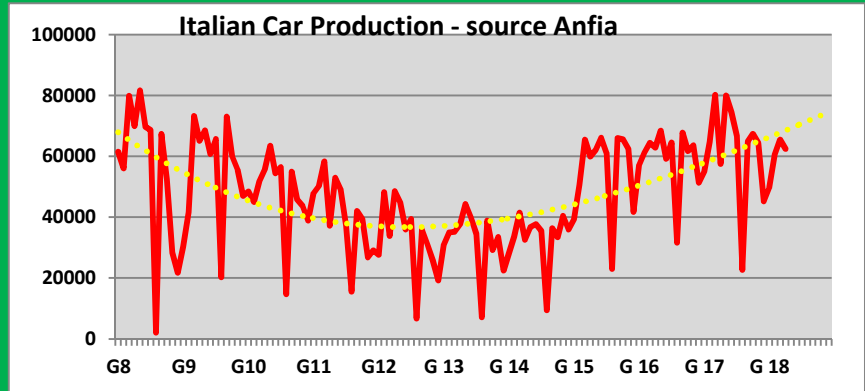


registrations.

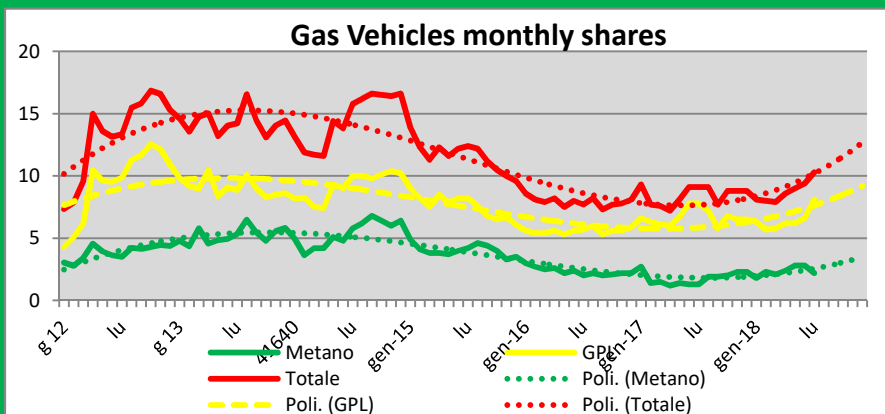
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On August 2 the House approved the so-called Decree Dignity, aimed at reducing precariousness and penalizing company displacements. The text, which now passes to the Senate, risks according to the opposition to reduce employment, something already happened in June according to ISTAT data: + 0.2% compared to May overall unemployment and +0.6 the youth one .. however, it remains the first economic measure of the Government, sponsored by the 5 stars movement. The rejection of the candidacy of the League for the presidency of RAI risks threatens to definitively break the Center Right alliance. The Lega remains particularly active on the problem of immigration, thanks to Minister Salvini. It is always difficult to anticipate the duration of the government, this absolute novelty in the political landscape of our Republic, and which of the economic measures that ensured the electoral victory of the two governing parties (Citizenship and Flat Tax Revenue) will actually be adopted.

With regard to the automotive sector as a whole, car production fell in the first 5 months, down 8% compared to the first 5 months of 2017. It rose to 10.3% compared to 9.4% last month and to 9,1% last year the share of gas vehicles. Together with electric and hybrid vehicles, the proportion of vehicles with alternative fuels to oil stood at 15.9% in June, up compared to 14.2% last month. During the month, diesel fell to 51% compared to 52.8% last month (but it was 56.1 in July last year). Gasoline vehicles remain stable at 33.1%. They were at



31% in July last year. As for the eco-compatible engines, the proportions between the various alternatives in July continue to shift in favor of the electric, but with a good recovery of CNG



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