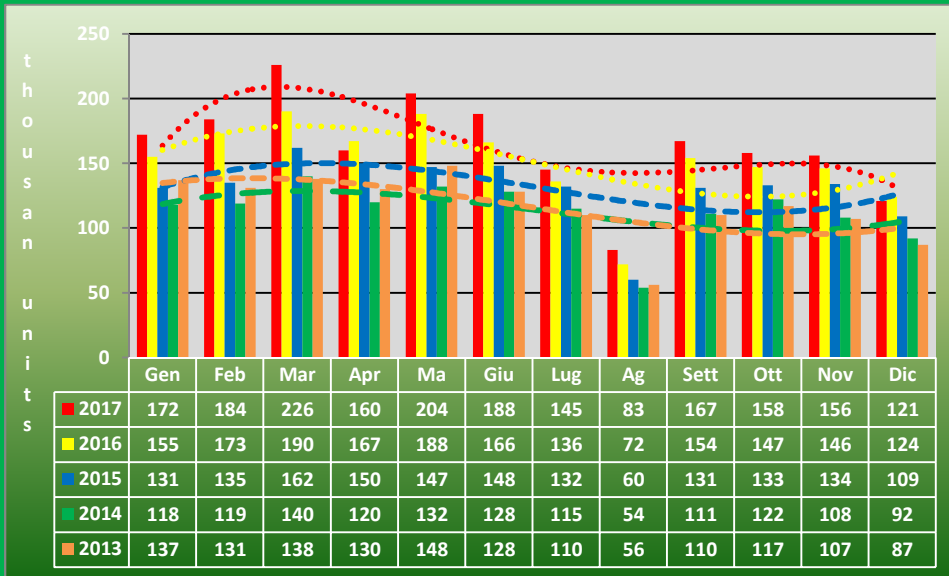


Italian Car market - December 2017 registrations

Second negative figure of the year in the growth trend of car registrations on the Italian market: in December -3.2% with 121,100 units registered. The final balance for the year shows an increase of 7.9% to 1,970,497 units.

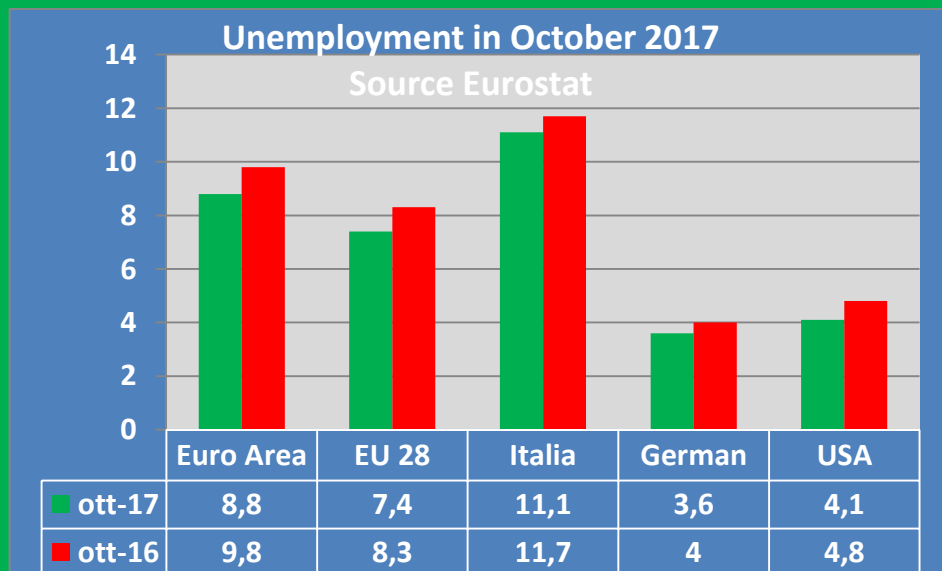
Car registrations monthly trend. ('000 units) Source Min. Trasporti/Anfia/Unrae



Anfia emphasizes that the result of the year "... was also possible thanks to the

promotional campaigns of car companies and sales networks, as the demand for new cars is still rather weak. In the absence of measures to support the replacement of the oldest cars in circulation, in fact, we expect a 2018 in line

with 2017. A positive contribution - concludes Anfia - could also derive from the containment of sector taxation - we remind, to as an example, that at the beginning of the year the tariff adjustments of motorway tolls have been taken place again, with an average increase of around 2.7% ". Also according to Unrae: "2017 has finally realigned to the real potential of the Italian market, even if with new variations in the mix of sales channels ". "The 2018 - continues Unrae - inherits the problem of



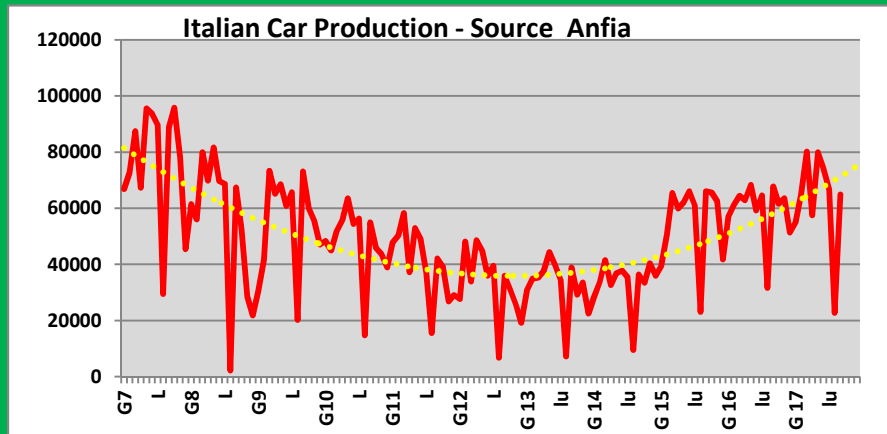
the quality of our running park, very large and very old (average age 10.5 years) on which it is necessary that the local decision makers, immediately, and then the renewed national executive act with determination to ensure the reachability of the emission targets planned for 2020. "

Once the 2018 stability law was approved, the Parliament was dissolved by President Mattarella and new elections have been scheduled for March 4: we are therefore today in full electoral

campaign. In this framework, all possibilities for the necessary reforms that the country needs will be postponed to next spring with a new Parliament and a new Government. And these reforms Italy badly needs to consolidate the economic results achieved in recent months. The government of Mr Gentiloni, who will remain in office until March, has achieved some positive results such as the recovery, beyond expectations, of income and continues to promise tax cuts and initiatives in favor of employment, and the data seem to play in his favor: in October unemployment remained stable at 11.1%, however, down compared to 11.7% a year ago.

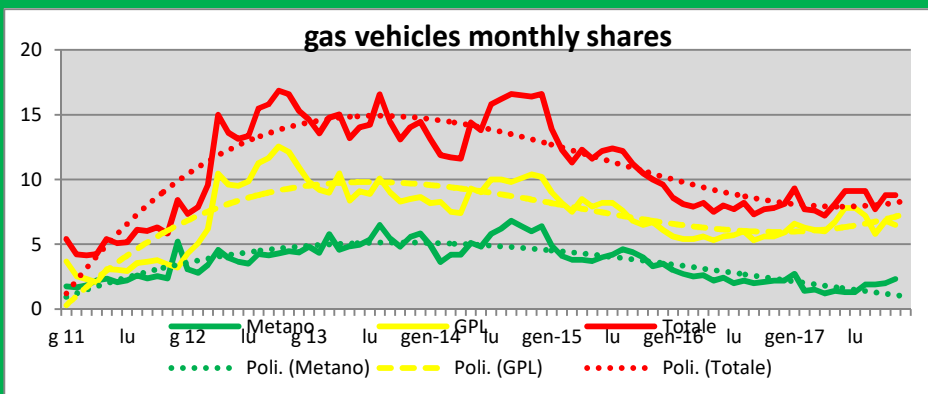
Youth unemployment also decreased slightly: 34.7% in October against 35.4% in September, and below 37.7% in October last year.

As far as the automotive sector as a whole is concerned, a positive note for Italy is the continuation of the trend of increase in car production. According



to the data collected by ANFIA among Manufacturers, in the first 9 months the growth was 5.5%, to 565,874 units.

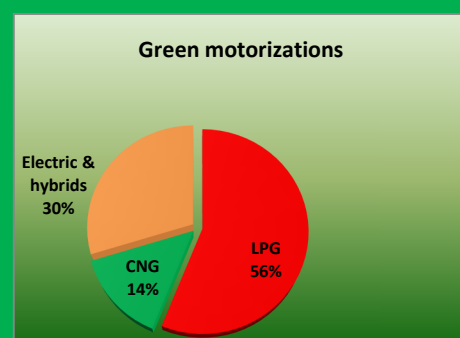
The share of gas vehicles remains stable at 8.8% compared to last month, and to 8.1% last year,



above all thanks to the LPG increase: the CNG contribution still improved during the month.

Together with electric and hybrid, the share of vehicles with alternative fuels to oil stood at 12.8% in December. In

the month the diesel rises to 57.3% (but it was 59.1% in December 2016). In the total of the year it stands at 56.7%, down compared to 2016 (57.4%). Gasoline vehicles dropped to 29.9% (31.6% in the total of 2017). As for the eco-compatible engines, the proportions between the various alternatives in the year continue to shift in favor of the electric.



Emilio di Camillo – www.centrostudisubalpino.it - January 2018