



FCA, IVECO and Snam sign a Memorandum of Understanding for the development of natural gas as an environmentally friendly vehicle fuel

Rome, 5 October 2016 - Alfredo Altavilla (Chief Operating Officer of FCA EMEA Region), Pierre Lahutte (IVECO Brand President) and Marco Alverà (Chief Executive Officer of Snam), today signed a Memorandum of Understanding (MoU) aimed at fostering the development of natural gas as a fuel for road vehicles. The MoU was signed in the presence of Italy's Minister of Economic Development Carlo Calenda and Minister of Infrastructure and Transport Graziano Delrio, and is part of a wider set of initiatives to promote sustainable mobility.

With long-established and world-leading cutting edge technology, Italy is the leading European market for natural gas consumption for vehicles, with more than 1 billion cubic meters consumed in 2015 and about 1 million vehicles currently in circulation.

Italy's natural gas value chain in the transport sector is globally recognized for its technological and environmental excellence, and Italy is also able to leverage Europe's largest, most accessible gas pipeline network, stretching over more than 32,000 km.

Under the terms of the Memorandum, the three companies - FCA, IVECO and Snam - will actively cooperate to boost the further development of methane for vehicle usage in the form of Compressed Natural Gas (CNG), an immediately available and more sustainable alternative to traditional fuels, which is capable of bringing important environmental and economic benefits to consumers, companies and public administration.

FCA is pursuing the development of alternative fuel motors as a key pillar in its strategy and has a leading position in the field of CNG technologies. FCA has recently significantly developed its range, which is now composed of 12 models, making it one of most complete in the automotive sector.

IVECO has achieved a technological advantage in natural gas engines by having developed a complete range of both CNG and LNG (Liquefied Natural Gas) vehicles, from the light commercial vehicle, Daily, to the urban bus, Urbanway, and the new Stralis LNG for long-haul transport, launched last June. These initiatives highlight the potential of methane as a fuel for commercial vehicles, public transport vehicles and public service vehicles, in which the brand also plays a leading role at an international level.

Together, FCA and IVECO intend to further develop their ranges of natural gas vehicles, already among the most comprehensive in the world, bringing additional innovation to well-recognized Italian technological excellence by playing an active role in promoting the offer and developing targeted marketing operations.

Snam, as a European leader in the construction and management of infrastructure for the natural gas market, will provide its consolidated experience in the sector by investing approximately 200 million euro over the next five years to foster the development of facilities for the supply of CNG. This will help expanding the number of methane service stations, currently at around 1,100, improving customer service quality and ensuring a more balanced distribution of filling stations throughout Italy, to support the evolution of an increasing fleet of light and heavy vehicles in circulation.

Environmental and economic benefits of methane for vehicle usage (CNG)

The doubling of the current number of CNG service stations to more than 2,000 over the next 10 years in line with the DAFI Directive currently in implementation will be the main factor to help achieve the growth target for the CNG fleet of over 3 million vehicles.

This will result in a direct benefit of 1.5 billion euro for Italian produced natural gas technology and more than 1 billion euro in overall infrastructure investments for the development of methane filling stations, with significant benefits also to employment. Consumers will also enjoy overall savings estimated at up to 800 million euro in five years' time, based on the historically low oil price over the past few months.

Methane fuelling for cars, trucks and buses has significant environmental benefits as it ensures a relevant reduction of polluting emissions of the foreseeable replaced vehicles estimated at 40% of CO₂ (carbon dioxide) emissions and more than 90% of NO_x (nitrogen oxides) compared with traditional fuels, with a near total reduction of the most polluting element, that of particulate matter (PM).

As of today, the natural gas road transport sector already has an annual turnover of 1.7 billion euro and employs 20,000 people. In addition, the savings generated by the use of natural gas vehicles and the short lead times associated with the development of a proven, safe and reliable technology provide an opportunity for value creation for families, enterprises and public administration.