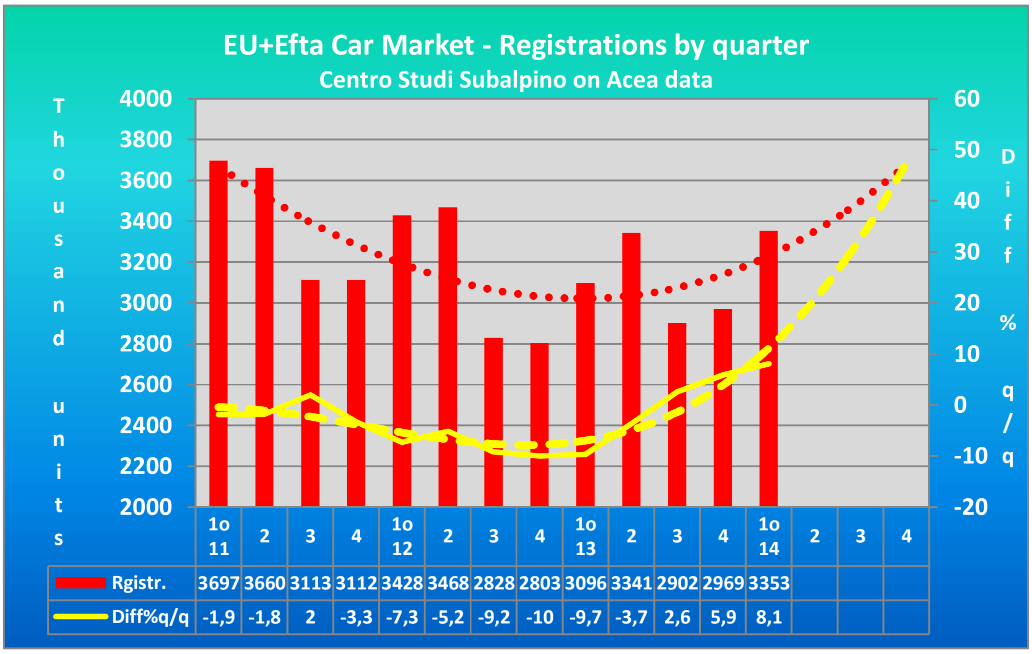
Press Release

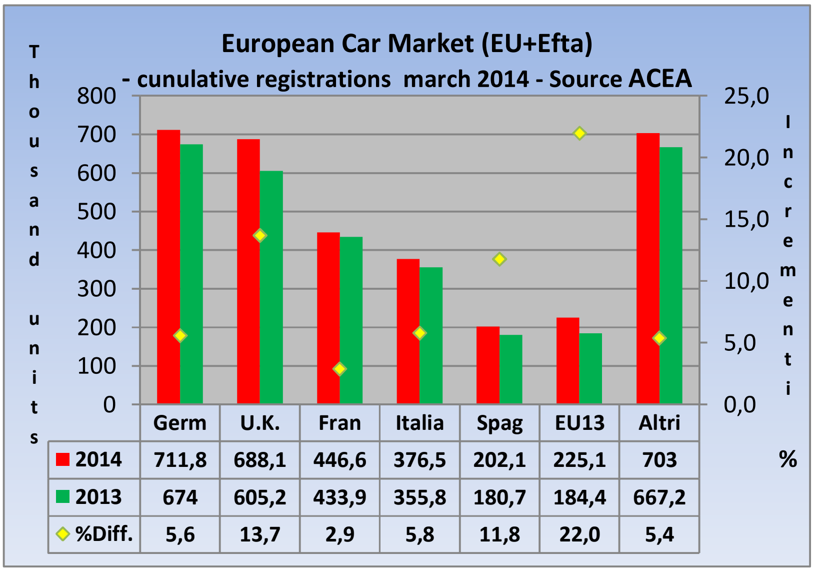
European car market – New car registrations in March 2014

Turin, April 17, 2014

Seventh consecutive month of recovery in the European car market (EU + EFTA): +10.4% in March, with 1,489,796 units registered. Cumulatively in the 1st quarter 3.353.180 units were registered, 8, 1% more than in the same quarter last year. However, it should be emphasized that the outcome of March is the second lowest result for the month since 2003.

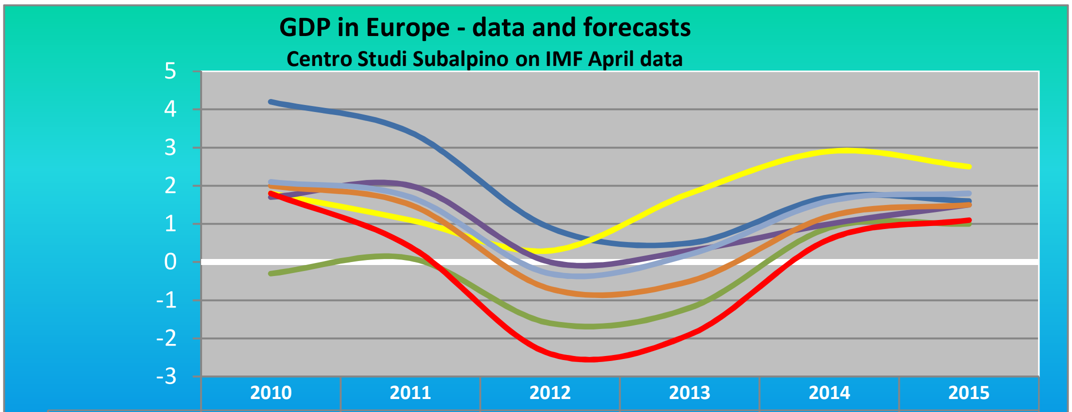


Among the major markets particularly good the performances in March of Great Britain (+17.7 %), Spain (+10%) and France (+8.5%), more modest those of Germany (+5.4%) and Italy (5%). Very good results instead of UE13 (+27.8%). Modest increase in the EFTA area (+2.2%), lower than average most of the markets of Northern Europe. Cumulatively in the quarter the best performance was that of the area of UE13 that rises by 22%, especially for the brilliant results of Poland (+28.9%), followed by the UK (+13.7%) and Spain with a +11,8%. Great Britain regained in the quarter the second position in the European ranking, at a short distance from Germany. Around 6% the increases in Italy and Germany. Down instead of 0.3 % the Efta area. France goes back up by some 2.9%. Continue to be excellent the results in Portugal (+40.5%) and Ireland (+26.5%). More modest the



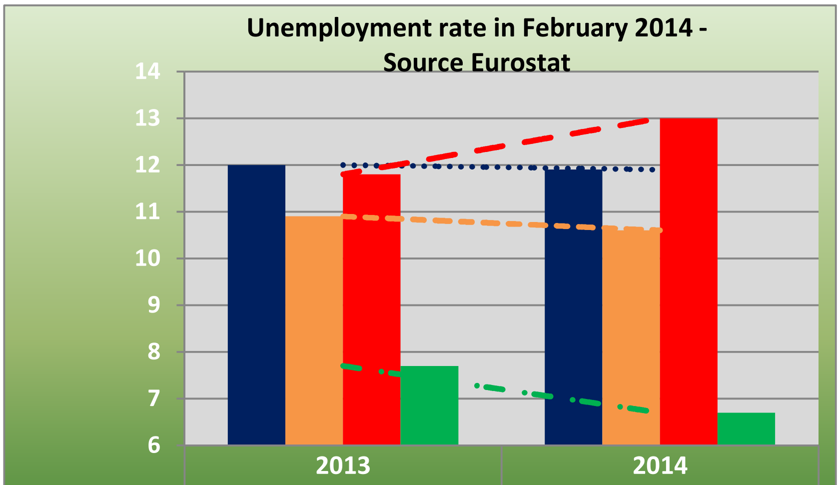
sales results in most of the countries of Northern Europe, negative those in Holland , the only country in Europe to report a strongly negative result in the given month (-17%) and in the quarter (-6.7%).
Continues to flex the share of the Fiat Group in Europe, down in the quarter to 6.1% from 6.4% a year ago.

Looking to the near future the latest available data on GDP in most European countries, revised at the beginning of April by the International Monetary Fund, show a general progress of all countries, with the Eurozone is foreseen in progress in 2014 of 1.2% and 1.5% next year. Italy also shows the first modest positive signs. Germany and France progress in the eurozone average.



	2010	2011	2012	2013	2014	2015
Germany	4,2	3,4	0,9	0,5	1,7	1,6
UK	1,8	1,1	0,3	1,8	2,9	2,5
Spain	-0,3	0,1	-1,6	-1,2	0,9	1
France	1,7	2	0	0,3	1	1,5
Italy	1,8	0,4	-2,4	-1,9	0,6	1,1
Euro area	2	1,5	-0,7	-0,5	1,2	1,5
EU 28	2,1	1,7	-0,3	0,2	1,6	1,8

Thanks to the great progress of Great Britain (expected up by 2.9 % this year and 2.5% next year) the EU is expected to increase by 1.6% this year and by 1.8 % next year. All comforting signals as to the development of the economy in general, both in the current year and the next. Also unemployment fell slightly in February from the previous month and the same month of 2013 in the EU: from 10.9% to 10.6%.
Down slightly also in the euro area, from 12% to 11.9%. Further increase instead in Italy, up to 13% compared to December (12.7%). Compared with February 2013 the Italian unemployment rises by 1.2 points. Always well over 42% among young people.

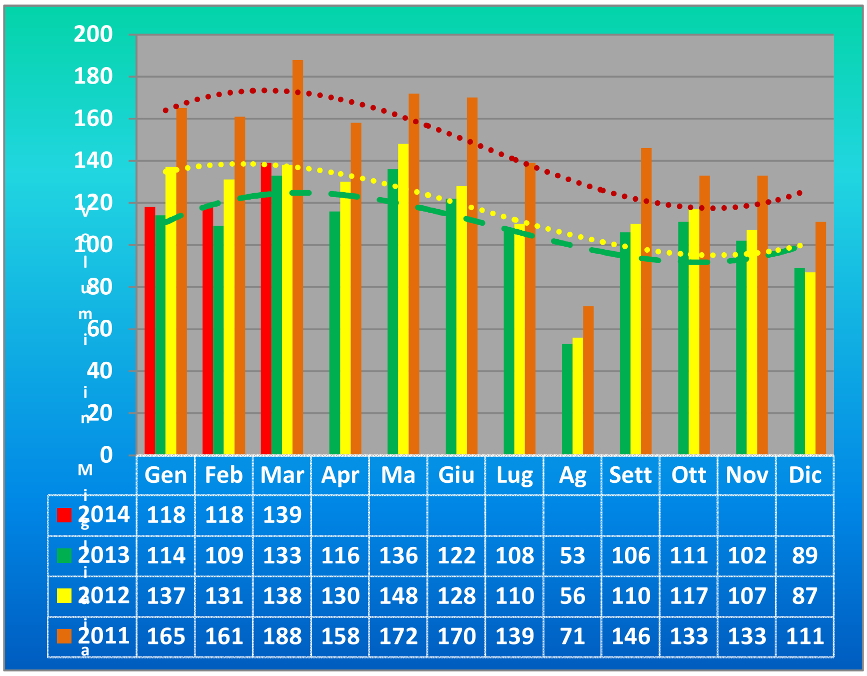


	2013	2014
Euro Area	12	11,9
UE 28	10,9	10,6
Italy	11,8	13
USA	7,7	6,7

But as far as the automotive sector is concerned, despite the good results of March and of the first quarter, seems to us still too early to make a forecast for the full year: the majority of analysts still believe that we should wait 2015 for a real recovery, especially in the euro area, even in presence of an increase in GDP . To this regard instead the CEO of Renault -Nissan , Carlos Ghosn, said recently, speaking at the opening of a Nissan factory in Resende, Brazil, last Tuesday , " There is a big recovery coming in Europe" after five years of contractions of the auto market.

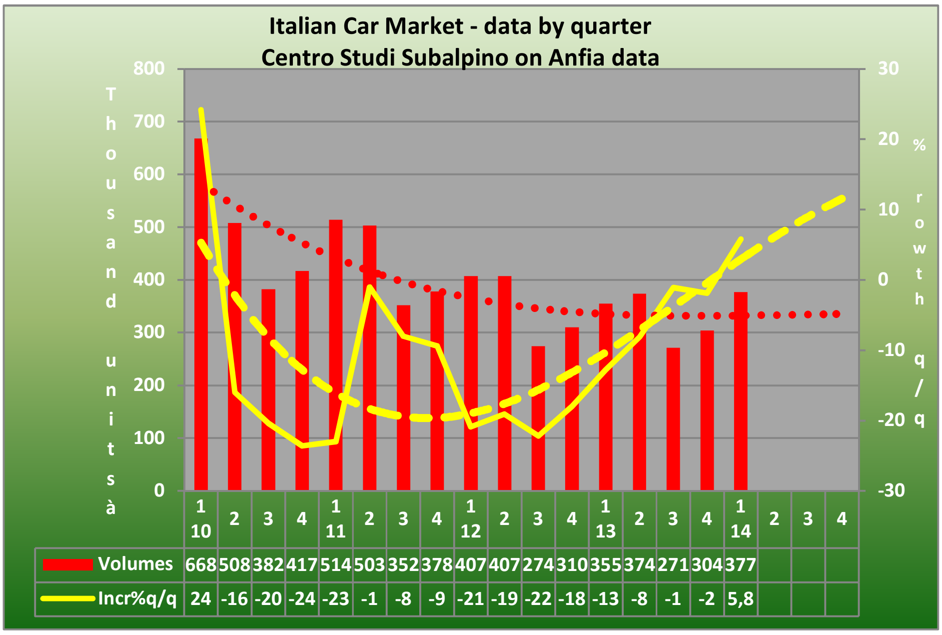
As to Italy continues also in March the recovery of the car market: 139 337 units registered, up 5% on March last year. In the 1st quarter the cumulative increase is of 5.8% to 376 519 units. Only for statistical information in March 2007 258,873 units were registered, and 733,223 in the 1st quarter, almost double the figures for this year. Falls in the quarter the share of the Fiat Group, from 29.04% last year to 28.21% this year.

Monthly registrations ('000 Units) Source Transport Min / Anfia / Unrae



	Gen	Feb	Mar	Apr	Ma	Giu	Lug	Ag	Sett	Ott	Nov	Dic
2014	118	118	139									
2013	114	109	133	116	136	122	108	53	106	111	102	89
2012	137	131	138	130	148	128	110	56	110	117	107	87
2011	165	161	188	158	172	170	139	71	146	133	133	111

Even in front of the third positive result in the year just begun, after almost four years of losses, it is still difficult to draw any positive indications for the foreseeable future, because the comparison is always with the extremely negative data of last year, already the lowest since 2007, as is also evident from the analysis of quarterly data. These data seem to confirm, however, that the trend is definitely on the rise and the comparison with the values q/q passed for the first time in positive since the 2nd quarter of 2010. While of course we hope that the market will continue in this positive trend, in our view we still remain far from the time of a real exit from a structural crisis. The ongoing economic difficulties that our economy is struggling with - in February unemployment rate rose to 13%, 42.2% among the young, the absolute record since 1977 - and the



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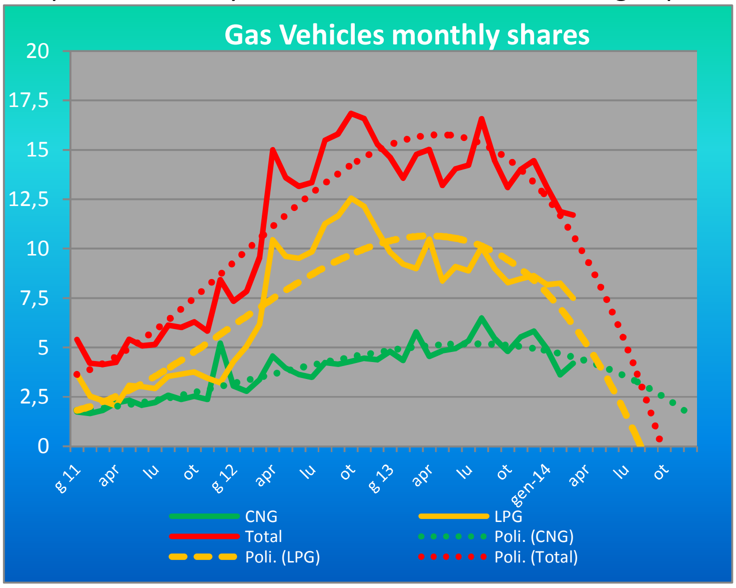
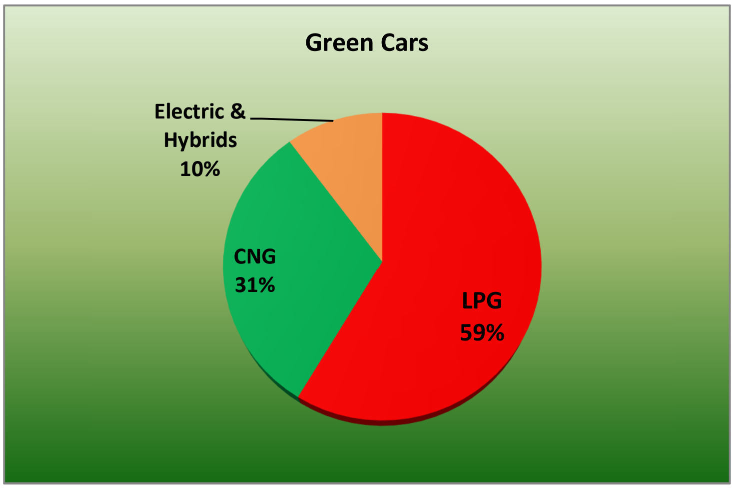
Volumes	668	508	382	417	514	503	352	378	407	407	274	310	355	374	271	304	377			
Incr%q/q	24	-16	-20	-24	-23	-1	-8	-9	-21	-19	-22	-18	-13	-8	-1	-2	5,8			

absence so far of implementation of any structural measure for the economic recovery in general clearly stress that fact.
Since a couple of months Italy has a new government, led by Matteo Renzi, General Secretary of the Democratic Party, and that relies on the same majority of the previous Letta government.
Matteo Renzi started with decision by promising a reform every month and ensuring coverage of new spending to reduce the tax burden on low and middle labour incomes, for the reduction of IRAP etc., even with a drastic reduction in spending that appears instead already opposed by varied and widespread interests. The Head of State was also speaking in that sense, declaring himself opposed to spending cuts not motivated.
However, even if these promises were kept, this will not have direct positive effects also on the automotive industry. The market will therefore continue to remain weak given the problems that remain unchanged in the industry. The problems that the government will face in the coming months will remain heavy, with few prospects, as far as the car in particular is concerned, that action be taken on the issue of a tax burden out of control, with a cost of fuel at the highest levels in Europe, and rising costs for insurance and tolls.
Drops dramatically in the month the market for gas-powered vehicles, from 14.1 % at the end of 2013 to 11,7%, especially for the descent of LPG vehicles. Together with electric and hybrid the share of alternative fuel vehicles came in March to 13.1 declining from the year-end values. In the 1st quarter cumulative gas vehicles accounted for 12.3% of the market in sharp decline from 13.9% in the 1st quarter of last year.



The diesel rises significantly in the month to 57.3% (54.8% last year) and gasoline drops to 29.6 %, as in March last year. In the cumulative diesel ended the quarter at 56.1% versus 53.9 % last year. Petrol cars went down from 31.2% to 30.2%.

As for the green engines, the proportions of the various eco-friendly alternatives remain unchanged from the previous month, highlighting the prevalence of gas cars vs. electric and hybrid cars, despite major investments on the latter engines and related media campaigns and promotion.



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