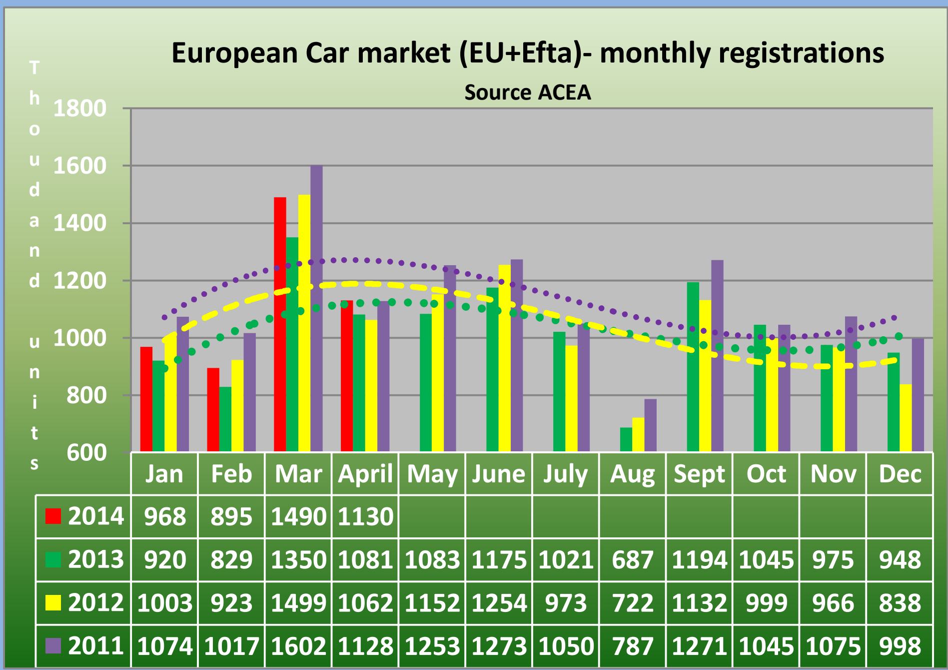
CENTRO STUDI SUBALPINO

Press Release

European Car Market (EU+Efta), April 2014 registrations

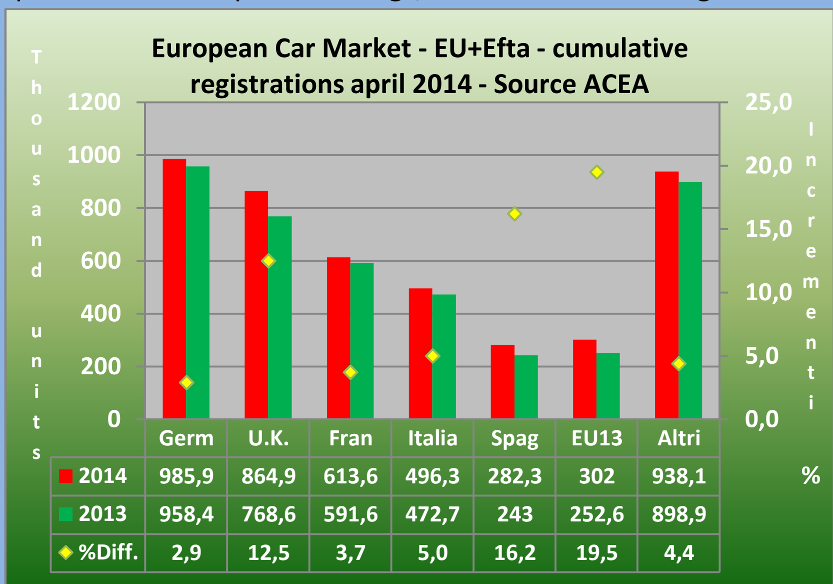
Turin, May 16, 2014

Slows down in April the recovery of the European car market (EU+EFTA): +4.2%, with 1,129,829 units registered. Cumulatively in the four months 4,483,077 units were registered, 7.1% more than in the same period last year. It should be emphasized that despite being the eighth consecutive month of recovery the result of April is the third lowest in the month since 2003, the year from which ACEA started the measurements.



	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2014	968	895	1490	1130								
2013	920	829	1350	1081	1083	1175	1021	687	1194	1045	975	948
2012	1003	923	1499	1062	1152	1254	973	722	1132	999	966	838
2011	1074	1017	1602	1128	1253	1273	1050	787	1271	1045	1075	998

Among the major markets particularly brilliant the performance in the month of Spain (+28.7%), followed at a certain distance by the EU13 (+12.7%) and UK (+8.2%). More modest that of France (+5.8%) and even lower that of Italy (+1.9%). EFTA area falls in the month (-5.5%). Grows on average the majority of markets in Northern Europe. Cumulatively in the quadrimester the best is the area of EU13 that rises by 19.5%, especially for the brilliant results of Poland (+26%), followed by Spain (+16.2%) and Great Britain (+12,5%). Britain remains in the period in second place in the European rankings, at an ever-decreasing distance from Germany. Grows of 5% Italy, better than France (+3.7 %) and Germany (+2.9%). Drops instead of 1.8% the EFTA area. Continue to be excellent the results of Portugal (+43.7%) and Ireland (+26.6%). More modest results in most of the countries of Northern Europe, and even negative in Holland, the only country in Europe to report a descent in the period (-7.1%).

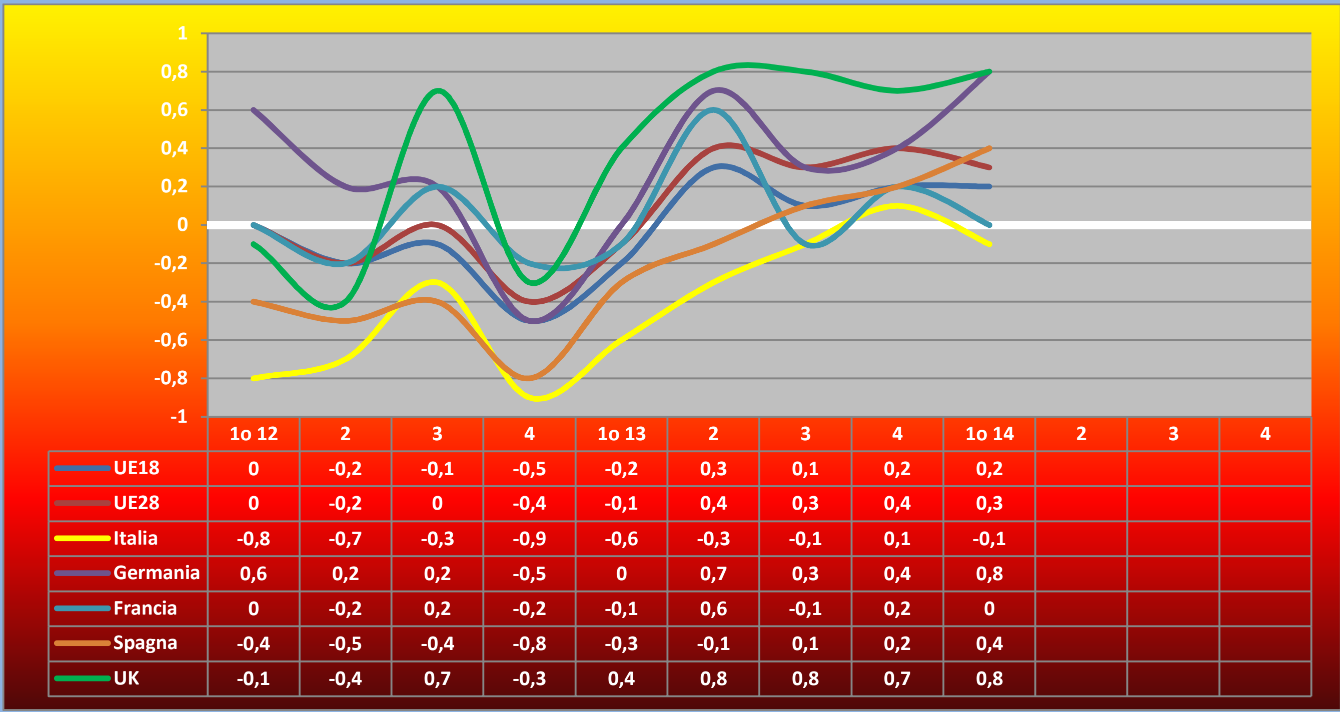


	Germ	U.K.	Fran	Italia	Spag	EU13	Altri
2014	985,9	864,9	613,6	496,3	282,3	302	938,1
2013	958,4	768,6	591,6	472,7	243	252,6	898,9
%Diff.	2,9	12,5	3,7	5,0	16,2	19,5	4,4

Continues to flex the share of the Fiat Group in Europe: down to 6.1% from 6.4% a year ago in the first four months

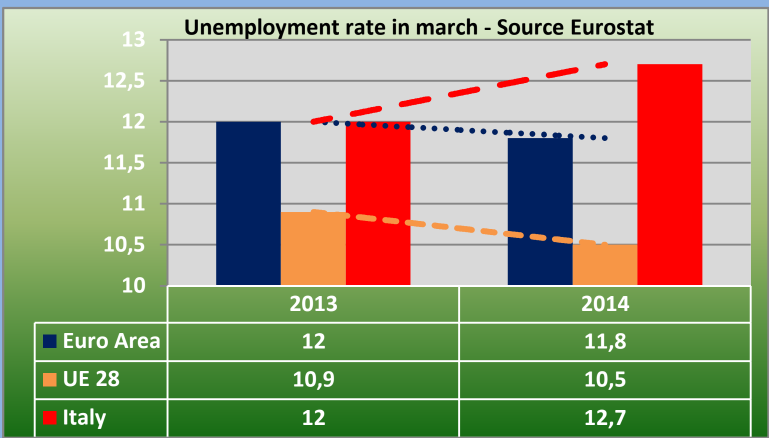
Looking to the near future the latest available data on GDP in most European countries in the 1st quarter of the year, published yesterday by Eurostat, confirmed a general progress of all the most important countries, with the Eurozone that progresses of 0,2% and of 0.3% the EU28 . Germany and

Great Britain are the best, but also Spain continues to progress. France remains firm on the result of the last quarter of last year. Only Italy went back to negative results (-0, 1%) despite the euphoria of our institutions that since a few months insist on the economic recovery of the Country.



	1o 12	2	3	4	1o 13	2	3	4	1o 14	2	3	4
UE18	0	-0,2	-0,1	-0,5	-0,2	0,3	0,1	0,2	0,2			
UE28	0	-0,2	0	-0,4	-0,1	0,4	0,3	0,4	0,3			
Italia	-0,8	-0,7	-0,3	-0,9	-0,6	-0,3	-0,1	0,1	-0,1			
Germania	0,6	0,2	0,2	-0,5	0	0,7	0,3	0,4	0,8			
Francia	0	-0,2	0,2	-0,2	-0,1	0,6	-0,1	0,2	0			
Spagna	-0,4	-0,5	-0,4	-0,8	-0,3	-0,1	0,1	0,2	0,4			
UK	-0,1	-0,4	0,7	-0,3	0,4	0,8	0,8	0,7	0,8			

Also unemployment fell slightly in March compared to the same month of 2013 in the EU: from 10.9% to 10.5%. Down slightly also in the euro area, from 12% to 11,8%. Further increase instead in Italy to 12.7% compared to the same month last year (12%). Always well over 42% among young people .

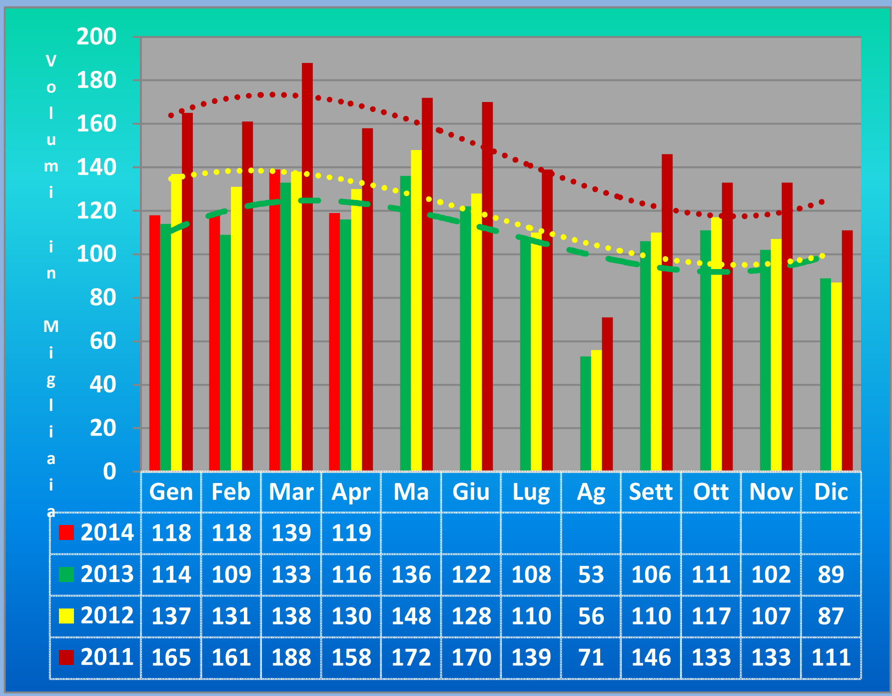


	2013	2014
Euro Area	12	11,8
UE 28	10,9	10,5
Italy	12	12,7

But as far as the automotive sector is concerned, despite the good results of April and of the first quadrimester, it is still too early to make a forecast for the whole year, especially after the slowdown in the recovery of the market in April and the setback in Germany. Most analysts still believe that for a substantial recovery we have to wait until next year, especially in the euro area, even in presence of an increase in GDP. .

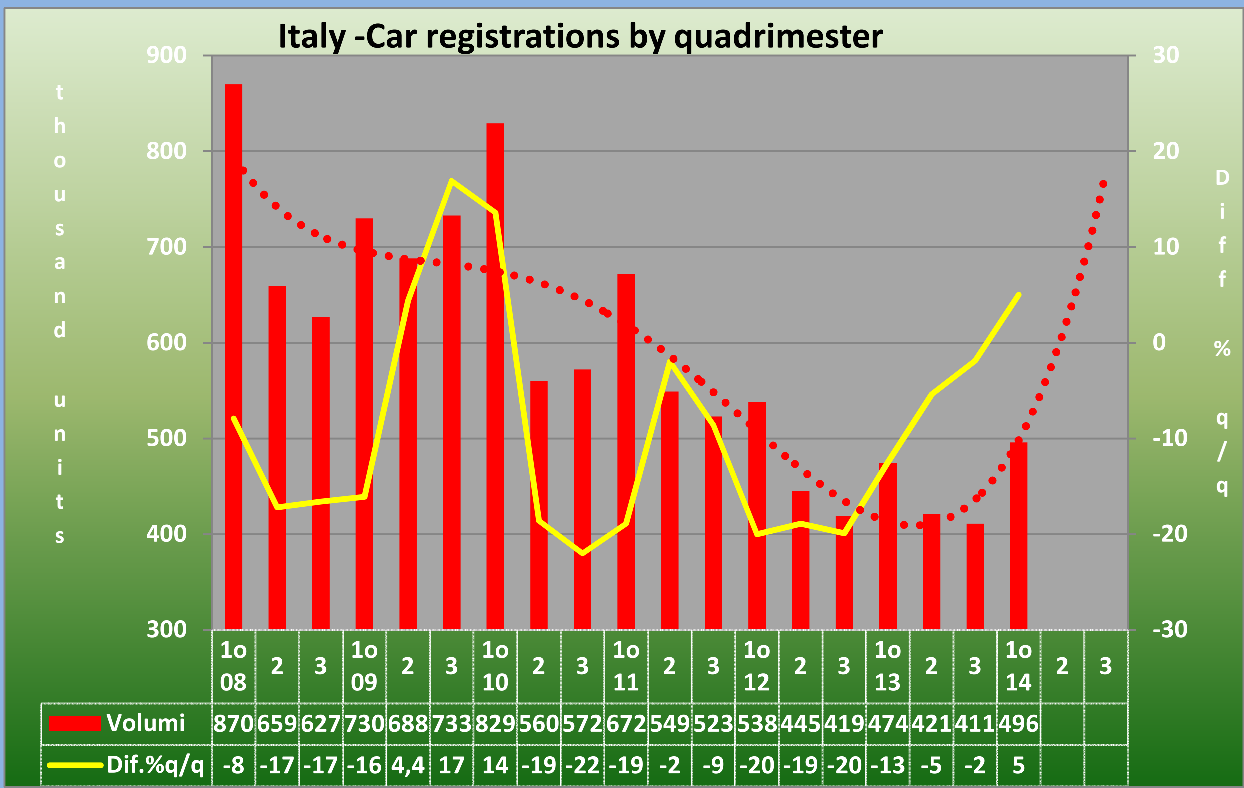
As to Italy in particular in April the recovery of the car market slowed down somehow: 119,099 registered units, up 1.9 % over April last year. In four months the cumulative increase is of 5.0% with 496,318 units registered. Only for the sake of statistical information in April 2007 205,000 units were registered, and 940,000 in the 1st quadrimester, almost double the figure for this year. Falls in the quadrimester the share of the Fiat Group, from 29.3% last year to 28.4% 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	119								
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

In the face of the fourth, albeit modest, positive figure in the year just begun, after almost four years of losses, we continue to remain skeptical about an actual structural change in the market and then to give positive indications for the foreseeable future, both for the slowing growth in April and because the comparison is always with last year extremely negative data, already the lowest since 2007. Also the analysis of registrations by quadrimester would seem to indicate that the lower turning point has been passed with the last four months of 2012 although the comparison q/q remains with the lowest

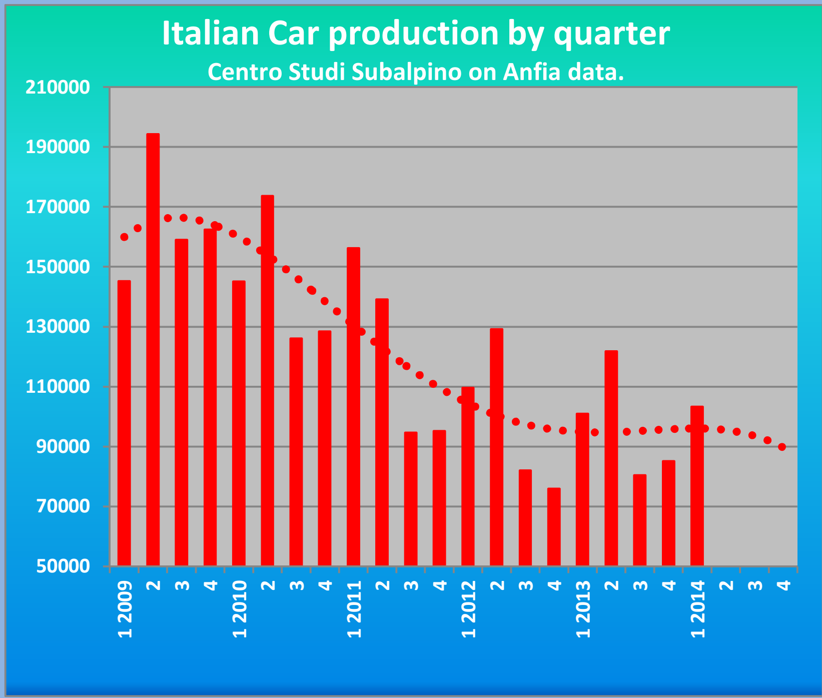


	1o 08	2	3	1o 09	2	3	1o 10	2	3	1o 11	2	3	1o 12	2	3	1o 13	2	3	1o 14	2	3
Volumi	870	659	627	730	688	733	829	560	572	672	549	523	538	445	419	474	421	411	496		
Dif.%q/q	-8	-17	-17	-16	4,4	17	14	-19	-22	-19	-2	-9	-20	-19	-20	-13	-5	-2	5		

values reported for many years now. Meanwhile of course we hope that the market will continue in this modest positive trend we think we should remain cautious about the size and reliability of the recovery, especially following the slowdown in April.

The ongoing economic difficulties that our economy is struggling, with a projected GDP growth of just 0.6% (but in fact decreased by 0,1% in the first quarter), a persistent dramatic unemployment - that in March, according to seasonally adjusted data rose to 12.7% (42.7% among the young) compared to 12% last year, the absolute record since 1977 - and the absence so far of any measure by which we can expect a real recovery in the economy in general and car in particular, do not help to make predictions with a minimum of tranquility.

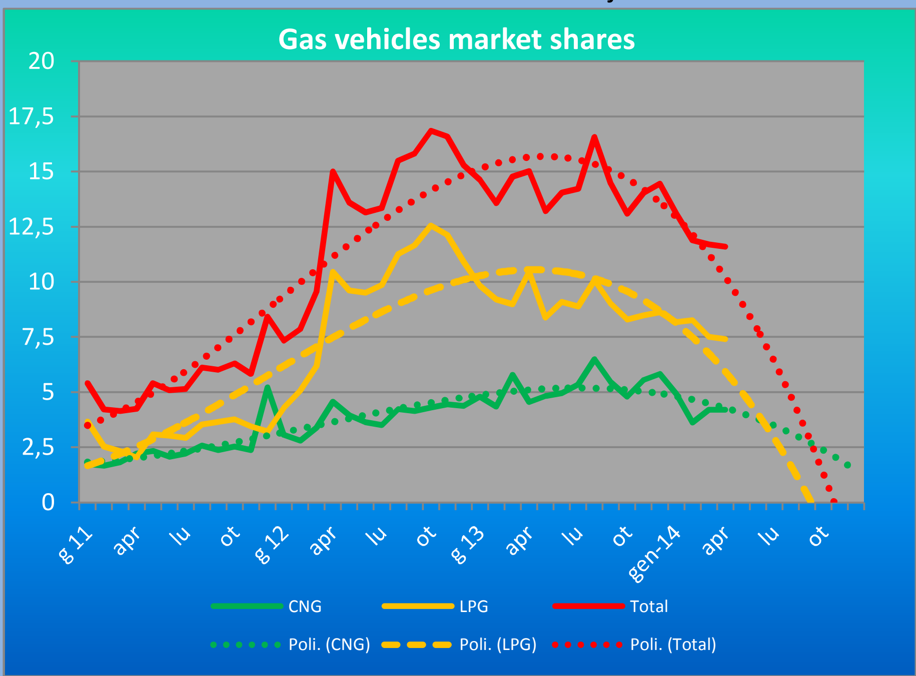
Also car production in our country does not show particularly encouraging data: in the first quarter car production increased only 2,3%.



And from the business side the reduction of IRAP is really modest and innovations on labor law, as amended in Parliamentary Committee, will not produce by itself any significant change in unemployment.

In terms of consumption the measure of 80 Euro payroll increase for employees with income between € 8,000 and € 24,000 per year seems likely to be partly or wholly offset by tax increases on the house (TASI), and by increases in the tax on bank accounts and income from investments in securities. Since we are already in full in election campaign for the 2014 European Parliament there is little to be expected, a part from electoral promises.

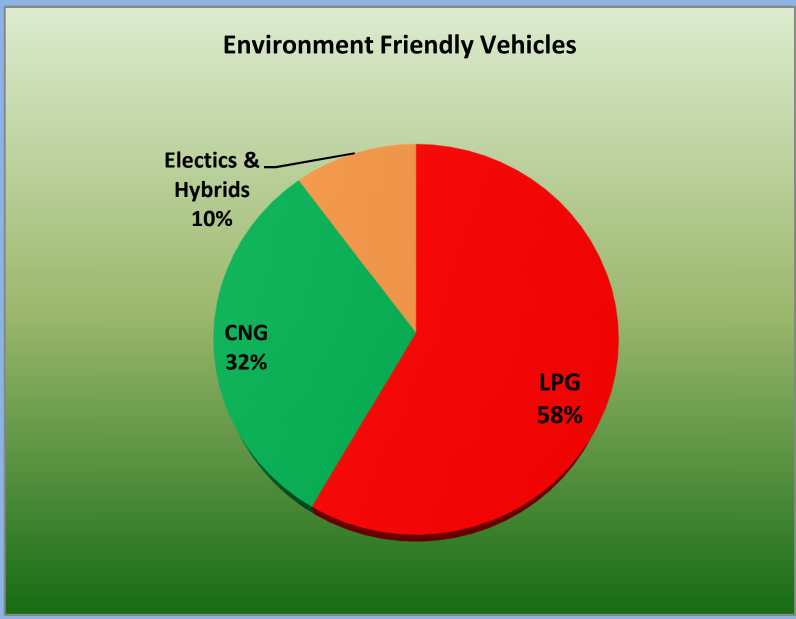
As far as the car is concerned new car incentives will start on May 6, intended however only for cars and commercials equipped with LPG, CNG, hybrid, electric and environmentally friendly vehicles in general, with discounts of up to 5000 Euros. An important part of the funds allotted are reserved for new private cars, without scrapping, while for companies and public administration scrap obligation remains. However, this will not bring particular benefits to the market as it will affect a segment that has fallen in the last months and now covers just over 13% of the total market, with a tendency of the demand for these vehicles to further decrease. The market will therefore continue to remain weak given the problems that remain essentially unchanged in the industry.



Still falls in the month the market share of gas-powered vehicles, from 14.1% at year end to 11,6%, especially for the descent of LPG vehicle. Together with the share of electric and hybrid vehicles the share of environmentally friendly vehicles stood at 12.8% in April, declining from the year-end values. In the 1st quadrimester of the year gas vehicles accounted for 12.1% of the market in sharp decline compared to 14% in the 1st quadrimester of last year.

The diesel keeps its share to 57.2 % in the month, rising, however, significantly compared to 52.4% last year, while gasoline is maintained at 30%, compared to 32.2% last year. In the cumulative diesel closes the period to 56.4% against 53.6 % last year. The petrol cars are down from 31.5% to 30.1%. .

The proportions of the various eco-friendly alternatives tend to move in favor of natural gas (CNG), remaining unchanged from the previous month the proportions of gas-powered engine and hybrid/ electric, emphasizing once again the prevalence of natural gas vehicles and LPG compared to electric and hybrid cars, despite major investments on the latter engines and related media campaigns and promotions.



Emilio di Camillo – Centro Studi Subalpino – May 2014