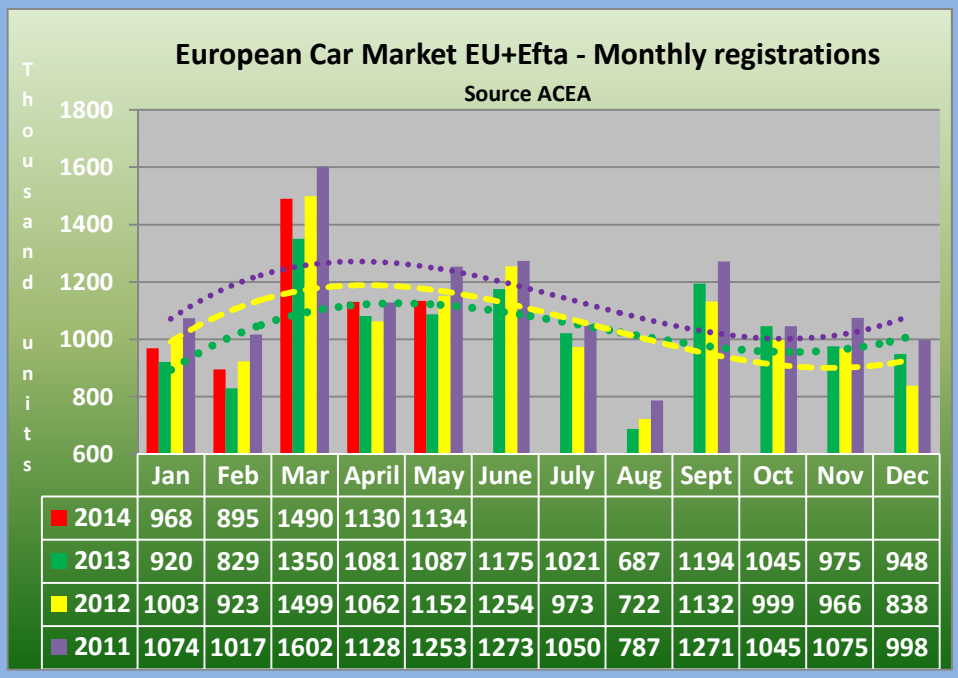
CENTRO STUDI SUBALPINO

Press Release

European Car Market (EU+Efta) – May 2014 Registrations

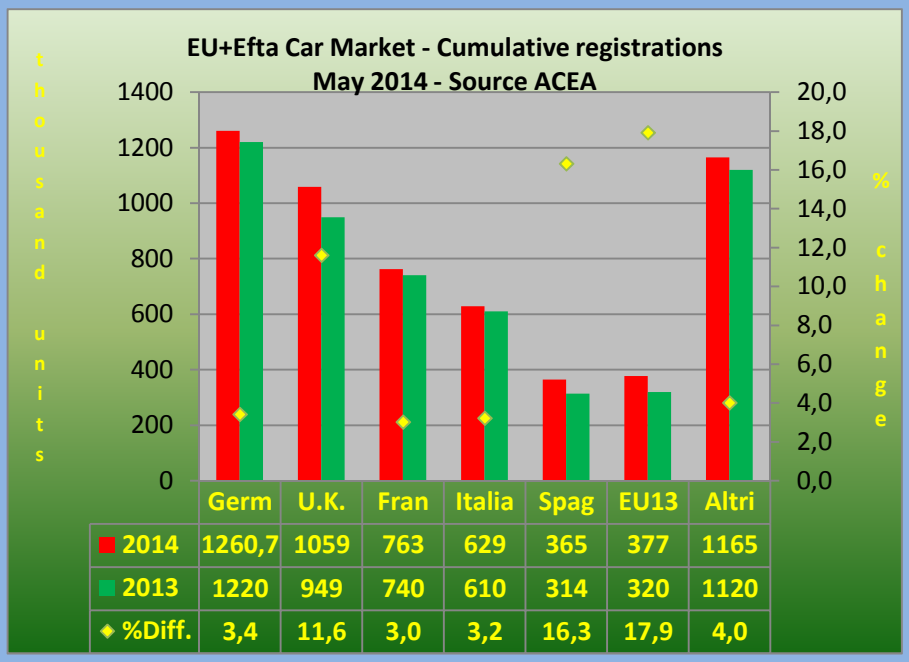
Turin, June 17, 2014

Continued recovery in the European car market (EU + EFTA): +4.3% in May, with 1,133,727 units registered. Cumulatively in the first five months 5,619,263 units were registered, 6.6% more than in the same period last year. However, in absolute figures, the total registered in the month marked the second lowest result to date for a month of May since ACEA began the series in 2003 with the enlarged EU..



	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2014	968	895	1490	1130	1134							
2013	920	829	1350	1081	1087	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

As in previous months among major markets particularly brilliant the performance in the month of Spain (+16.9%), followed at a certain distance by the UE13 (+9%) and the UK (+7.7%). In line with last year, the result of France (+0.3%) and even downhill that of Italy (-3.8%), the worst figure in Europe. Return to growth in Germany (+5.2%) after the descent of April. Down slightly in the month the area EFTA (-1%), up most of the markets of Northern Europe. Cumulatively in the first five months, the best resulted to be the area of UE13 that rose by 17.9%, (especially for the brilliant results of Poland +22.8%), followed by Spain (+16.3%) and Great Britain (+11.6%). Britain remains in the period in second place in the European rankings, and maintains the distance from Germany. Grows of 3.4% Germany followed by Italy (+3.2%) and France (+3.0%). Drops instead of 1,6% the EFTA area. Continue to be excellent the results in Portugal (+42%) and Ireland (+24.1%). More modest results in most of the countries of Northern Europe; remain below the level of 2013, though gradually improving, that of Holland, the only country in Europe to report a loss in the period (-5.3%).



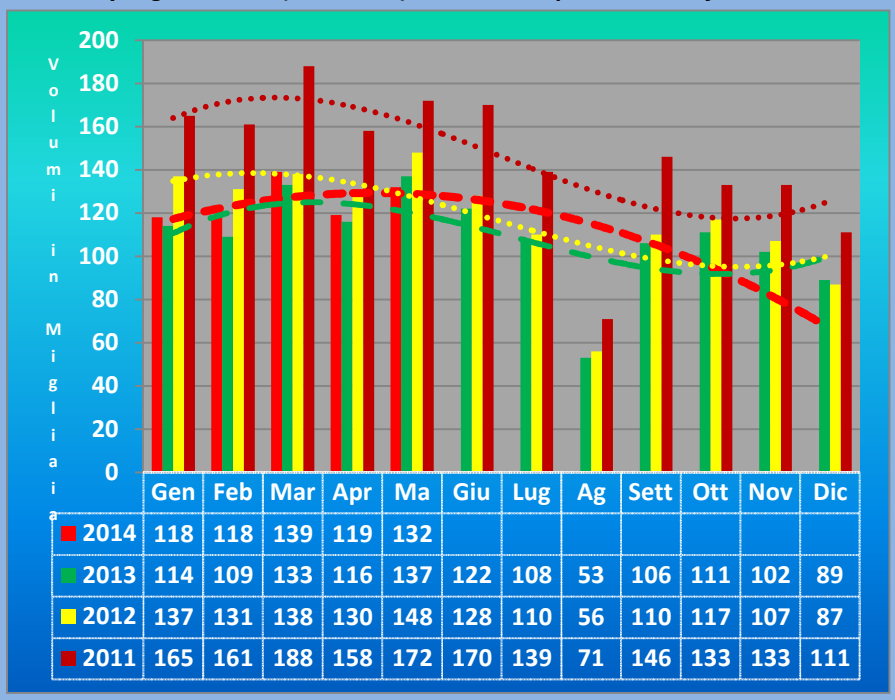
	Germ	U.K.	Fran	Italia	Spag	EU13	Altri
2014	1260,7	1059	763	629	365	377	1165
2013	1220	949	740	610	314	320	1120
%Diff.	3,4	11,6	3,0	3,2	16,3	17,9	4,0

Continue to flex the share of Fiat Group in Europe: in the first five months down to 6.1% from 6.5% a year ago.

Looking pragmatically to the near future the latest available data on GDP in most European countries in the 1st quarter of the year, published last month by Eurostat, confirmed a general progress of all the most important countries, with the Eurozone that progresses 0.2% and 0.3% UE28. 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 back to negative despite the euphoria of our institutions that since a few months insist on the economic recovery. All data are also reflected on the performance of car registrations. Also unemployment fell slightly in April compared to the same month of 2013 in the EU: from 10.9% to 10.4%. Down slightly also in the euro area, from 12% to 11, 7%. Always growing instead in Italy: 12.6% in April: It was 12% in April last year. Always well over 43% among young people.
As for the automotive sector, based on the good results of May and the first five months of the year, it is now common opinion among observers that the year will close with a progress around 3-4%, although most analysts still believe that one should not wait for a substantial recovery until next year, especially in the euro area, even in the presence of an increase in GDP.

As to Italy in particular back to decline in May the Italian car market: 131,602 units registered, -3.89% over May of last year. In the first five months, the cumulative increase over last year is reduced to +3.2% to 628,719 units. Only for statistical information in May 2007 245.357 units were registered, and 1,187,000 in the aggregate amount of the first five months, almost double the figure for this year. Falls in the period, the share of the Fiat Group, from 29.5 % last year to 28.3% this year.

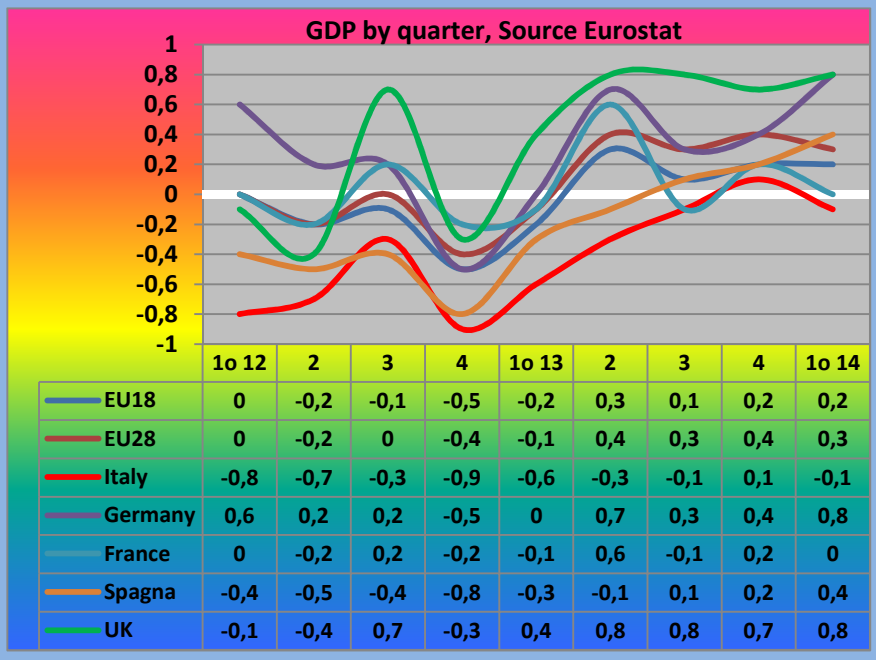
Monthly registrations. ('000 Units) Source Transport Min / Anfia / Unrae



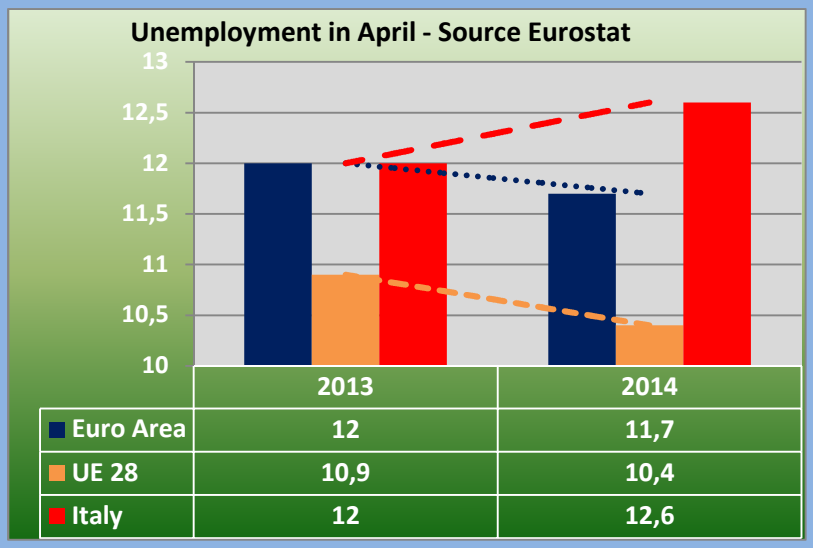
	Gen	Feb	Mar	Apr	Ma	Giu	Lug	Ag	Sett	Ott	Nov	Dic
2014	118	118	139	119	132							
2013	114	109	133	116	137	122	108	53	106	111	102	89
2012	137	131	138	130	148	128	110	56	110	117	107	87
2011	165	161	188	158	172	170	139	71	146	133	133	111

Faced with a new negative figure after a few months of recovery, in a market that has been in continuous decline for almost four years, we are increasingly convinced that the Italian car market is still far from an effective and lasting structural change, and then it is difficult and premature to draw positive indications for the foreseeable future. Meanwhile clearly it is hoped that the market will resume as soon as possible the positive trend which had started at the end of last year, we think we should remain cautious about the size and reliability of the recovery following the slowdown in April and the decline in May.

Remain unchanged in fact the problems facing our economy that fails to get out of the recession that has hit hard again starting from the second half of 2011 , after the heavy fall of the years of the global crisis. And after a brief period in the last quarter of last year, when GDP grew by 0.1 %, the first quarter of this year has chilled the hopes of recovery, with a further decline of 0.1%. It seems so hard to believe that the year will close with the expected slight increase of 0.6%. The rate of the unemployment remains at 12.6% in April, equal to march but increased from le level of last year (12%), and at 43.3 % for the young people, a value that continues to increase, second only to Greece and Spain. But what is even more worrying is the quarterly survey of Istat that shows that the unemployment rate in the first quarter jumped to 13.6%, against 12.8% in the first quarter of last year (row data, not seasonally adjusted). In the same quarter youth unemployment has risen to 46%.



	1o 12	2	3	4	1o 13	2	3	4	1o 14
EU18	0	-0,2	-0,1	-0,5	-0,2	0,3	0,1	0,2	0,2
EU28	0	-0,2	0	-0,4	-0,1	0,4	0,3	0,4	0,3
Italy	-0,8	-0,7	-0,3	-0,9	-0,6	-0,3	-0,1	0,1	-0,1
Germany	0,6	0,2	0,2	-0,5	0	0,7	0,3	0,4	0,8
France	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

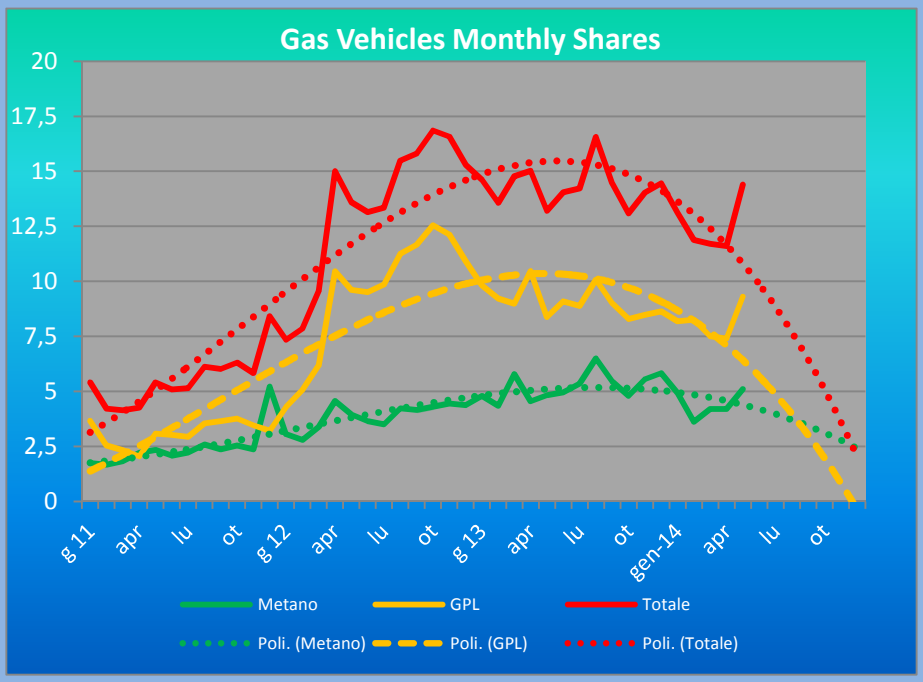


	2013	2014
Euro Area	12	11,7
UE 28	10,9	10,4
Italy	12	12,6

Meanwhile, the Democratic Party, led by Matteo Renzi, obtained a great success at the elections for the European Parliament, but the much-vaunted reforms are slow to be realized, except perhaps the 80 Euro paycheck increase for a certain category of people, whose dubious coverage is probably costing us a new warning from the European Commission and a likely new maneuver in the fall with the obvious increase in the tax burden, direct or indirect, perhaps with further increases of excise duties on fuel. Also still missing concrete measures by which we can expect a real recovery in the economy in general and in particular of the car, which does not help to make predictions with a minimum of tranquility.

Also from the business side and then a concrete resumption of production, the reduction of IRAP is really modest and innovations on labor legislation, recently approved, will not produce per se any significant reversal in the unemployment rate.

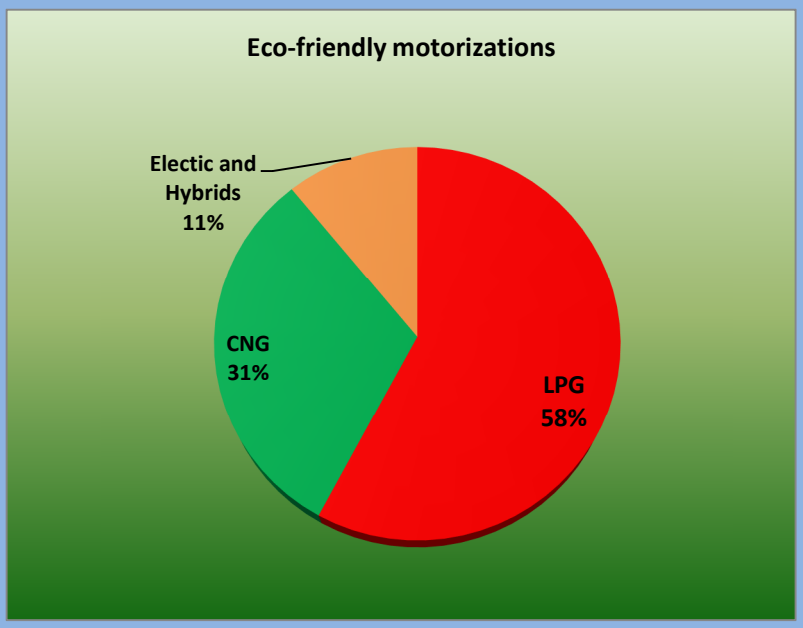
As for the car on May 6th a new small incentive campaign started, and the new car incentives for the private individuals has run out in 24 hours, while remains untouched the portion reserved for companies, that not having vehicles older than ten years to scrap do not have access to incentives, as already happened in the previous incentive campaign. Really very modest benefits for the industry. The market will therefore continue to remain weak given the problems that remain essentially unchanged in the industry.



Gets up abruptly in May, the market for gas-powered vehicles, from 11,6% in April to 14.4% last month, probably helped by the incentive campaign, that has however already exhausted its effects . Together with the share of electric and hybrid, alternative fuel vehicles stood at 16.5% in May, a sharp rise also in the values of year-end. In the first five months cumulative gas vehicles accounted for 12.4% of the market, in sharp decline, however, compared to 13.9 % in the same period last year.

Diesel goes down a bit in the month to 55%, a higher figure however, compared to 53.2 % last year, and gasoline drops further to 28.5%, compared to 32% last year. In the cumulative diesel closes at 56.1 % compared to 53.5 % last year. Gasoline cars down from 31.7% to 29.8%.

As for the engines, the proportions of the various eco-friendly alternatives tend to move in favor of natural gas and hybrid/electric, but emphasizing once more the prevalence of CNG and LPG cars vs. electric and hybrid cars, despite large investments of the latter engines and related media campaigns and promotions.



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