

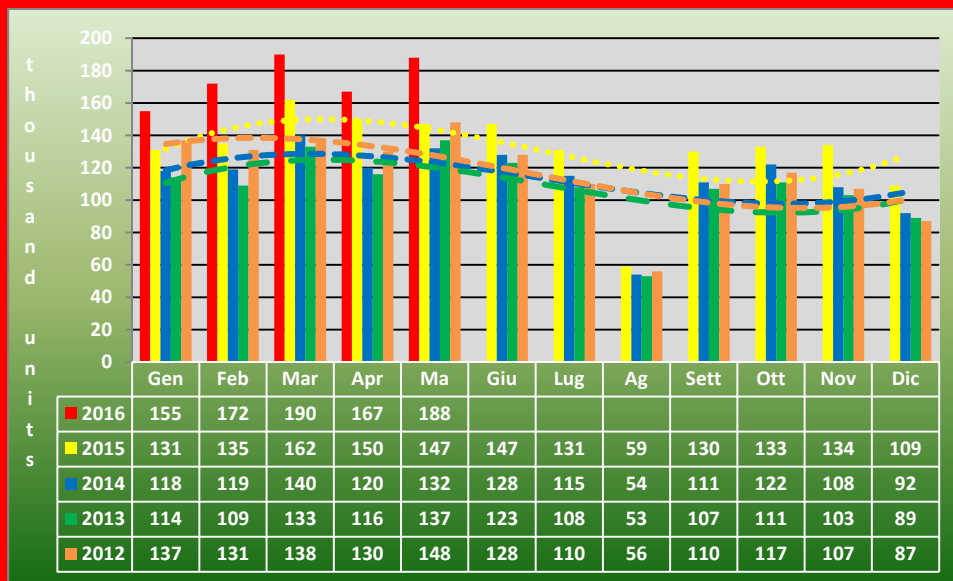
Turin, June 2, 2016

### Italian Car Market, May 2016 registrations

Although with two working days more compared to a year ago, the Italian car market in May got an extraordinary result not seen from May 2009: 187,631 units registered, 27.3% more than in May last year, the 24th straight month of increase. The final of the first five months totaled 875,778 registrations, 20.5% more than the volume reached in the same period of 2015.

The FCA group share grew in the period to 29.3% against 28.6% last year.

Registrations monthly trend. ('000 units) Source Min. Transport / Anfia / Unrae



According to Unrae "the Italian market is going very well - led in sales by households, by strong commercial actions offered by houses with their own networks.

It proves to work well the super-depreciation in sales to companies, a sign that, in particular small and medium-sized companies, appreciated the partial easing of the tax

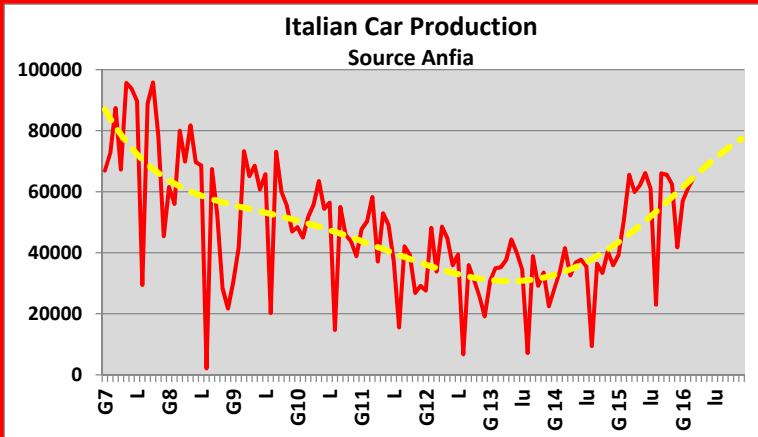
burden. Hence the need to clarify the future of this measure and plan its renewal schedule promptly - as was done in France - to avoid year-end unproductive anticipation of demand and the subsequent collapse in 2017, also including the extension of the 40% increase of the deductibility limit (now at about 25,000 Euros), which also expire on the same date. Regarding the near future, according to Anfia the year-end forecast, that should amount to 1,700,000 units, an increase of 7 to 9%, is based on a lower trend of increase in the 2nd half of the year, also for the resumption of fuel price increases. Higher instead the Unrae forecast that last month spoke of a closing the year at 1,780,000 units.

The economic picture continues to show, however, contradictory signals as our economy continues to struggle with such difficulty as bureaucratic and judicial ones in the first place. In April increased again the unemployment rate (11.7% compared to 11.5% in March) and 36.9% youth unemployment (36.7% in March).

So the greater push for further increases to justify the Unrae forecast is "the urgent need to replace old cars, already postponed during the crisis years" also favored by a "much more favorable credit market for purchase of automobiles".

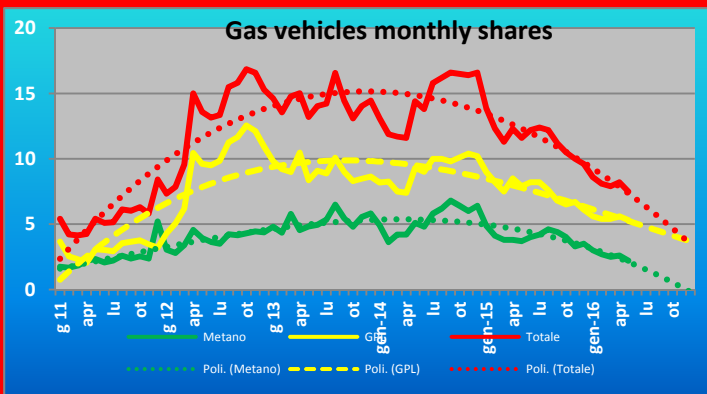
**However to date there are no concrete signs of long-term solutions to the problems** that still plague our economy, which remain virtually unchanged, such as a marked reduction in public spending to revive consumption and investment with a substantial reduction in the tax burden.

As for the automotive industry as a whole, positive note for Italy is the continuation of the increase in the production of car. According to Anfia data domestic production of cars has increased by



65.2% in 2015 compared to the year before, with 663,139 units produced. In the first quarter of this year increased production of cars, according to the ANFIA data, was of 17.4%.

**Starts to descend again the proportion of gas vehicles,** with a 7.5% share in May compared all'8,2% in April, and well below 11.5% in May last year and of course the values achieved in 2015 and especially in 2014.



Together with the share of electric and hybrid alternative fuel to petroleum vehicles amounted to 9.4% in May, compared to 13.1% last year. In the first five months, the gas vehicles amounted to 8.1% and the share of all vehicles with alternative propulsion at 10%, against 13.8% in the same period last year. In the period diesel rose to 56.2%, higher than the 55.7% last year. The petrol vehicles obtained a 33.8% share against 30.5% last

year.

As for the environmentally friendly engines the proportions between the various alternatives in the first five months continue to move slightly in favor of the electrics.

