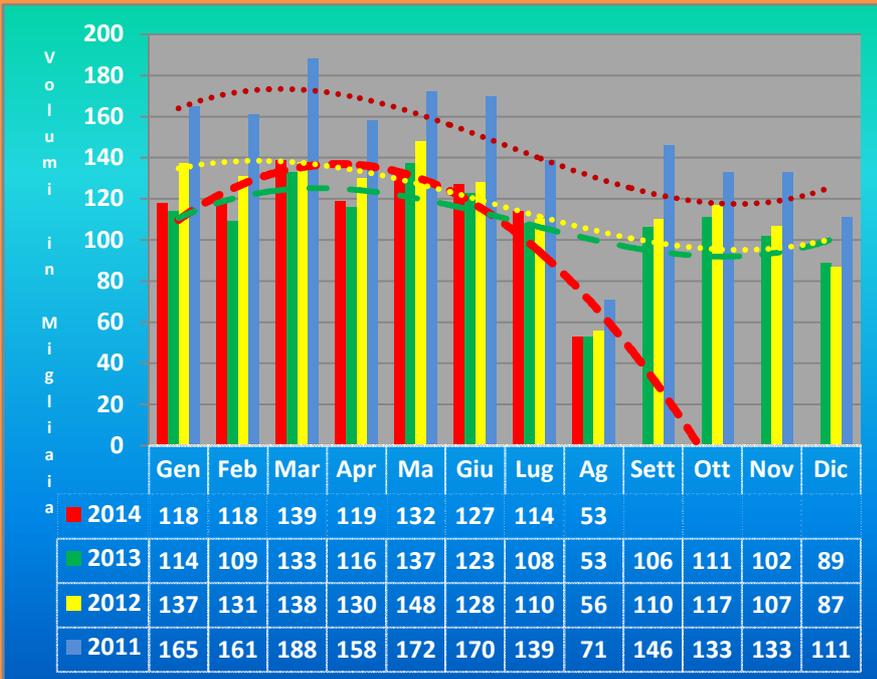


Turin, September 1st, 2014

Italian Car Market - August 2014 Registrations

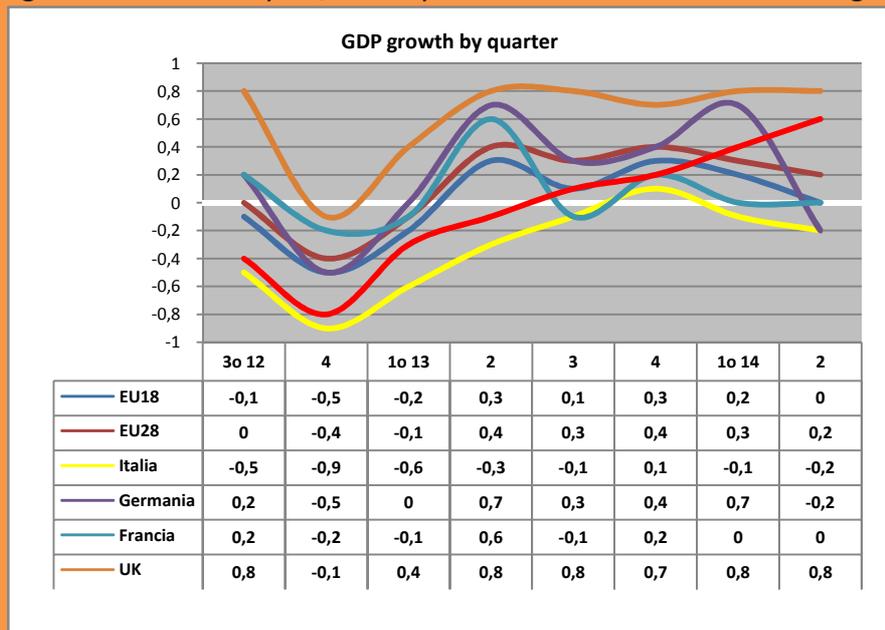
Remains substantially stable in August the Italian car market: 53,191 units registered, -0.2% on August last year. In the first eight months, the cumulative increase over the previous year decreased slightly to 3.5% to 925,393 units. Falls in the period, the share of the Fiat Group, from 29.2% last year to 28% this year.

Monthly Registrations ('000 units) Source Min. of Transport/Anfia/Unrae

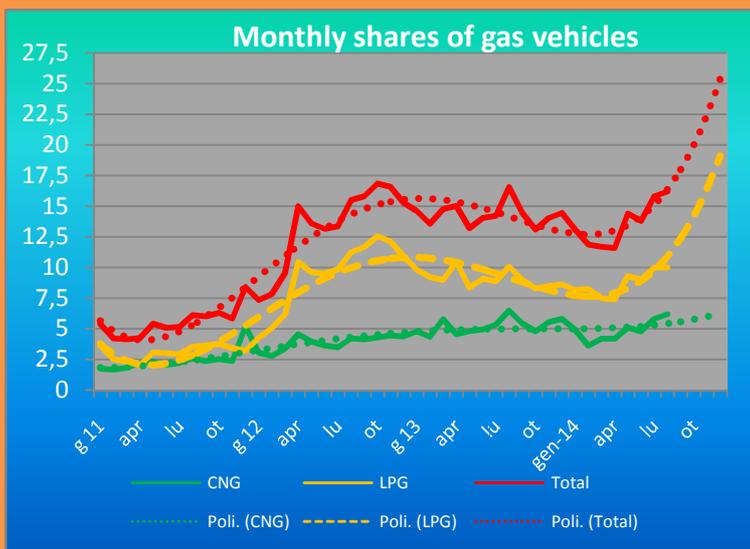


August confirms, albeit with a slight decrease over last year, the basic trend of last few months, but the reduced share of purchases of private individuals continues to suggest an inherent weakness in demand, which continues to prevent to build confidence in the possible structural change of the Italian car market. In our view therefore remains difficult to draw any positive indications for the coming months, partly because the comparison with the data is

always with the extremely negative data of last year, already the lowest since 2007. This in light of the still frail economic prospects of our country, as shown by the data on GDP growth in the second quarter of the year, confirming we are back in recession unlike the major euro zone countries, (excluding Germany which was also down by 0.2%), where we see the continuous modest progress in Spain and Britain to lead the ranking of the major advances of GDP. The difficulties of Italy to get out of the crisis with the current insufficient Government initiatives are also confirmed by the recent statements of Mr. Draghi who insists that Italy must start immediately to reduce the debt



and the tax burden with real reforms (revision of labor market legislation and decisive cuts in public spending). In this regard Mr. Cottarelli reported in July that the expenditure reductions identified have already been committed to other expenses, without any possibility of lowering the tax burden, to confirm that we are far from a solution of our problems which can only begin instead with a strong decrease in the tax burden on businesses and households. This leaves practically unchanged the problems that plague our economy that has returned to recession in the first half of the year, with little hope of recovery in the second half. Even the recent decree "Salva Italia (Save Italy)" certainly cannot help Italy out of the new heavy crisis. Unemployment rose back in July with a worsening of 0.3 points (to 12.6%) compared to June, a level higher than last year. Declined slightly among young people (42.9%), which is still however 2.9 points higher than the same month last year. Meanwhile our country experiences a deflationary phase, after more than 50 years, and even the Italian Statistical Office (ISTAT) confirmed that the measure of the 80 Euro tax reductions on a certain category of employees, so dear to Matteo Renzi, had no effect on consumption that continue to fall. No wonder then that the Prime Minister sees a decline in consent and find it increasingly difficult, especially within his own party, to approve the reforms, although these are essential to ensure a positive attitude of the European Community towards us.



It grows even in August the market for gas-powered vehicles, with a 16.2% share, only slightly lower than last year in the same month (16.5%). Together with electric and hybrid cars, the share of alternative fuel vehicles in August stood at 17.4%, compared to 17.5% last year. In the first eight months cumulative gas vehicles accounted for 13.4% of the market, but still lower than the 14.1% in the same period last year. The diesel in the month stood at 55.1%, higher than the 53.4% of last year, and

gasoline decreased to 27.4%, against 29.1% last year. In the cumulative diesel closed the first eight months to 55.9% against 53.7% last year. The petrol cars were down from 31.2% to 29.2%. As to the eco-friendly engines, the proportions of the various alternatives are maintained in favor of gas engines, leaving only 10% for electric and hybrid cars, despite major investments on their images and related media campaigns and promotions..

