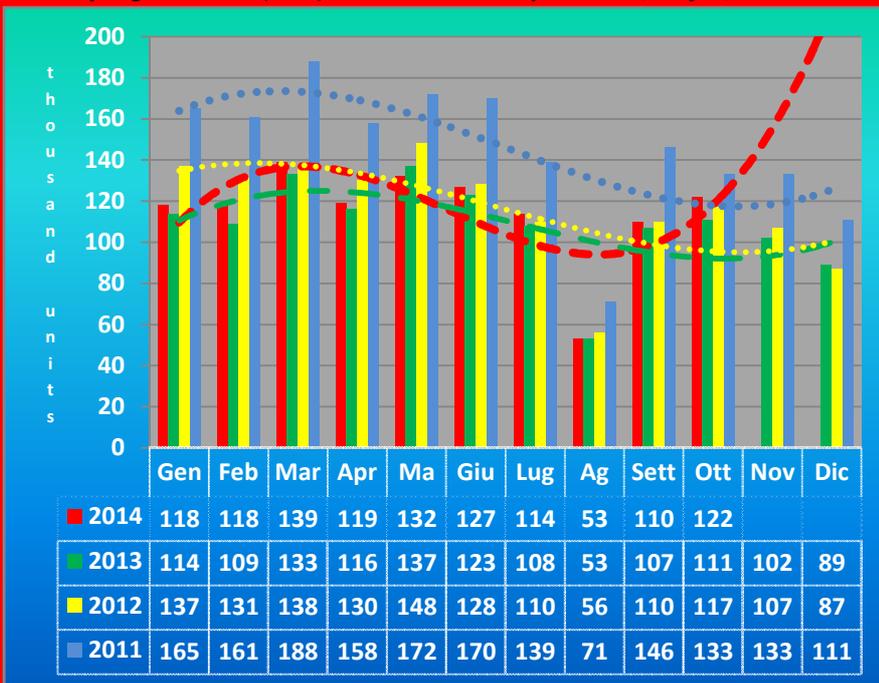


Turin, November 3, 2014

Italian car Market - October 2014 Registrations

A modest improvement in private consumptions, emphasized by the increase in car sales to private individuals, has led to a 9.2% increase in car registrations on the Italian market compared to October of last year, with 121.736 units registered. In the first ten months, the cumulative increase over the previous year, improved to + 4.2% with 1,158,896 units. Slight decline in the national brands (-1%).

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



Rather than comment directly on this information I decided to leave this month, the word to the presidents of the two Car Associations. According to the President of ANFIA: "Entering the fourth quarter of the year is positive for the market and confirms the forecast of a year-end increase by a few percentage points, for the first time after six years in decline, compared to 2013. The rise in new car registrations in October follows the trend of modest improvement, as already

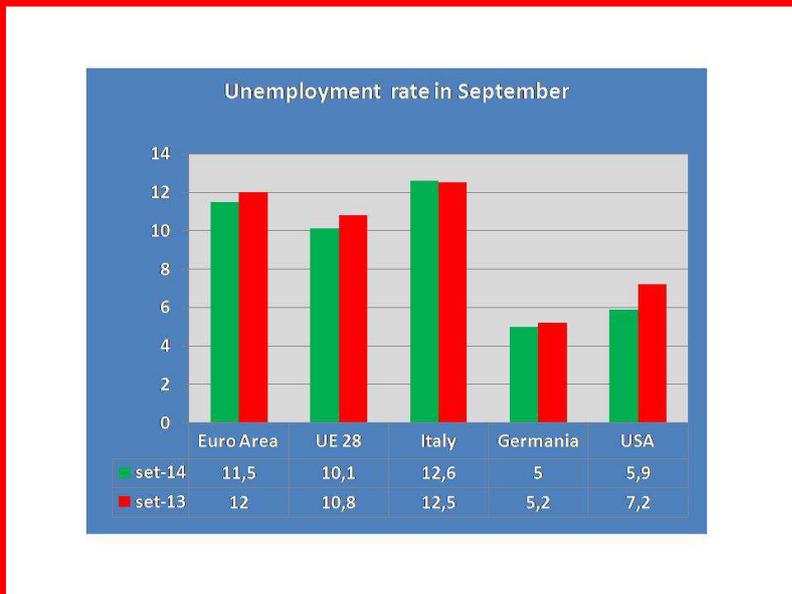
shown in the cumulative registrations in the first 9 months of 2014, in the recovery of share of car sales to private individuals. If in the first half of 2014, in fact, the cars registered to individuals accounted for 58.7% of the total registered, in the first nine months 2014 the share rose to 60%, thanks to the recovery occurred in the third quarter: + 4.6% compared to the same quarter in 2013, an increase higher than the overall market (+3.7%). According to the President UNRAE instead:

" the positive market hides the evidence that sales to households - once again, the true litmus test of the health of the market - remain stagnant at levels close to those of last year. There is indeed a problem of mobility, more and more costly for the Italian families who, despite having the need to change the car, do not find the environment conducive for doing so. This is leading to the non-renewal of the vehicle fleet, as recently pointed out by ACI that places our country among the worst in Europe for the age of vehicle park, definitely much worse with respect to the other major markets. The largest impact is no longer negligible and the aging of our fleet concern mostly for the social costs related to the safety of these vehicles and their impact on the environment.

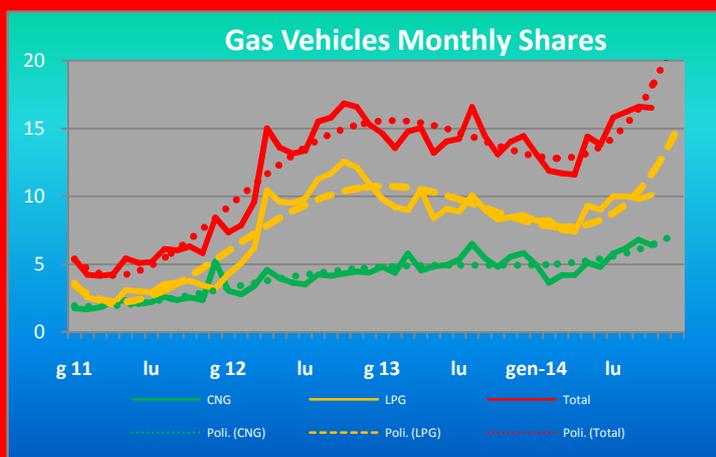
It is therefore still difficult to draw definitive positive signs for the future, because the comparison is always with the data extremely negative of past years. On the other hand the economic outlook of our country, as shown by the data on GDP growth in the second quarter that reaffirm we are in recession, remains extremely weak. The government has lowered the Revenue estimates last April, with the note of update of the

Document of Economics and Finance (Def) anticipating that GDP will close this year to -0.3% to return to growth, of only 0.6% in 2015. The stability law has since been approved by the European Commission, although unofficially, but with worsening of the deficit ratio admitted. However, no government decision in terms of real cuts in public spending and reduction of the tax burden on businesses and households yet materialized, except for the proposed renewal of the reduction of € 80 for a certain number of people, and a further slight reduction of IRAP, that are however dependent on parliamentary approval of the Budget Law, while the youth

unemployment continues to travel at about 43%, only slightly lower than the figure for August (44.2%) and overall unemployment returns above 12% (12.6% in September, up 0.3% on August and 0.1% on twelve months ago). This in a general improvement in the year in Europe. It should be noted the progress in Germany, where the rate fell to a structural minimum, and the United States where the economy is progressing at rates well above Europe. Some new perspective opens up on the side of labor law with the



likely approval of the "Jobs Act", which should include, inter alia, greater flexibility in the new open-ended contracts (increasing protection). All this leaves practically unchanged the problems of our economy that has returned to recession, from which is expected to exit only next year. Meanwhile, our country continues to experience a deflationary phase (consumer prices fell 0.4% also in October). No measures in sight with a view to facilitate the recovery of the automotive market,

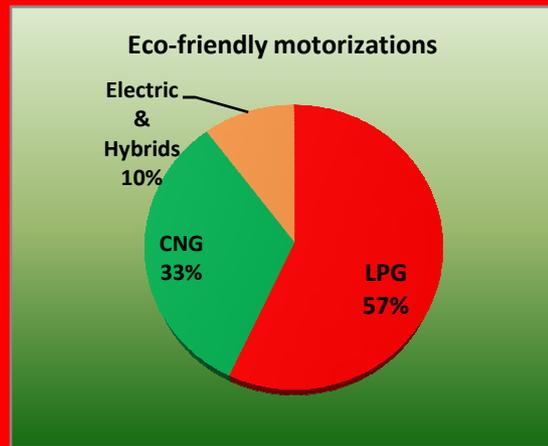


Continues to grow in October the market for gas-powered vehicles, with a 16.6% share, much better than last year (13.1%).

Together with electric and hybrid cars the share of alternative fuel vehicles stood at 18.2% in October, compared with 14.5% last year. In the first ten months cumulative gas vehicles sales accounted for 14% of the market, same value of the same period last year. Diesel increased in the month to 54.1%, a

figure only slightly lower than the 54.8% last year, and gasoline dropped to 27.5%, compared to 30.6% last year. Cumulatively diesel closes the first ten months at 55.4% compared to 53.8% last year. The petrol cars were down from 31.0% to 29.0%.

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.



Emilio di Camillo – Centro Studi Subalpino – November 2014