

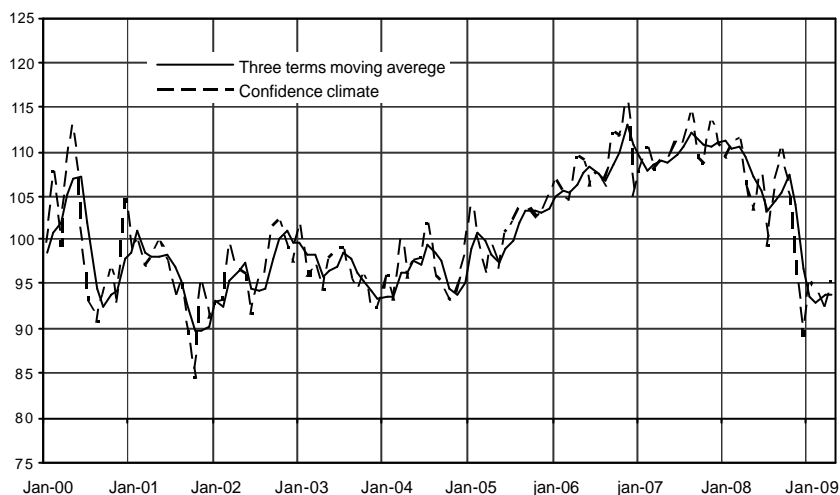


Date: April 28, 2009

ITALIAN RETAILERS' CONFIDENCE IMPROVES IN APRIL

- The seasonally adjusted indicator rose from 91.9 to 95.4, moving above its first quarter average
- Encouraging indications emerged from the opinions on current business activity, while optimism also came from the expected future trend in sales. However, the volume of inventories was considered to have increased further
- Among the variables excluded from the definition of retail confidence, expectations for the labour market were positive, but those for orders showed some concerns
- Regarding the price trend, retailers continued to perceive a slowdown in current inflation, whereas they forecast an acceleration in the following months
- The improvement in confidence characterized both distribution channels. The seasonally adjusted indicator actually increased from 86.2 to 91.6 in large distribution and from 94.5 to 97.4 in traditional trade

Confidence climate
(seasonally adjusted data, indices 2000=100)



Data on May shall be released on May 28, 2009

The next ISAE surveys are scheduled as follows:

May 27, 2009: ISAE Monthly Consumer Survey (reference period: May)

The full text of ISAE Surveys (either hardcopy or electronic format) is available for sale (for further information see the web site www.isae.it)

General results

The ISAE survey, carried out between April 1 and April 19 on a panel of about 1,000 firms operating in small and large retail distribution, showed that Italian retailers' confidence improved in April. The seasonally adjusted index actually rose to 95.4 from 91.9 in March. In a situation characterized by a moderate restocking of inventories, opinions on the current trend in business activity recovered and expectations on the future volume of sales turned more optimistic.

Among the variables excluded from the definition of retail confidence, expectations on future orders showed again some concerns, whereas the volume of employment was projected to increase. Regarding the price trend, the survey results showed a slowdown in current inflation and acceleration in the following months.

The improvement in confidence characterized both distribution channels. The seasonally adjusted indicator actually increased from 94.5 to 97.4 in traditional retail trade and from 86.2 to 91.6 in "modern" distribution.

Situation in the reference month (April 2009)

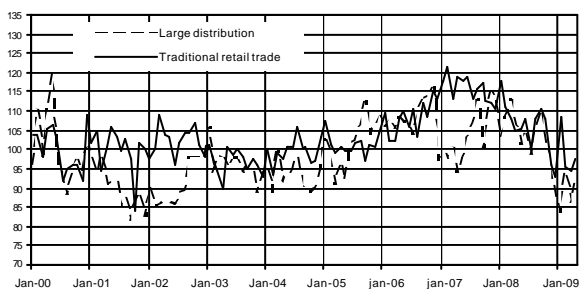
In April, retailers' opinions on the current volume of business activity started to improve once more. The seasonally adjusted balance of the variable recovered from -24 to -21. This result was accompanied, however, by a new restocking of inventories: the related balance (which is not affected by seasonal factors) continued to rise, moving from 6 to 8. Lastly, respondents considered a further slowdown in current inflation. The seasonally adjusted balance of the variable eased from 34 to 32.

The breakdown of data by distribution channel showed that operators viewed present trends differently. The current volume of business activity was considered to have diminished by retailers in "modern" trade, and, on the contrary, to have increased by those in small distribution. The seasonally adjusted balance of the variable actually lowered from 3 to -3 in the former sector, while it rose from -46 to -36 in the latter one. Inventories were believed to have mostly diminished in "modern" distribution, but to have largely increased in traditional trade. The related seasonally adjusted balance actually lowered from 10 to 3 in the former sector, while it rose from 3 to 12 in the latter one. Finally, with regard to supplier prices, large retail traders perceived a rise, while those in traditional trade reported a slight decline. The related seasonally adjusted balances moved from 47 to 50 and from 24 to 23, respectively.

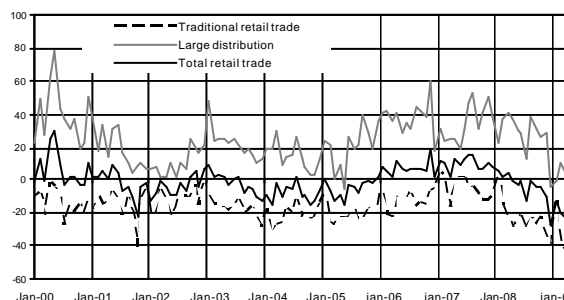
Outlook for the months ahead

In April, expectations for the future volume of orders continued to give negative indications, while, on the contrary, prospects for both business activity and employment became optimistic once more. The seasonally adjusted balance for orders declined from -16 to -21, while the one for sales and employment recovered from -1 to 9 and from 3 to 7, respectively. With regard to future selling prices, traders expected a new rise in inflationary pressures. The seasonally adjusted balance of the variable increased from 6 to 11.

Confidence climate
(seasonally adjusted data, indices 2000=100)



Assessments on the business trend
(seasonally adjusted data)



The breakdown of data by distribution channel showed that retailers were optimistic about the future trend in business activity in both distribution channels, but especially in large distribution. The seasonally adjusted balance of the variable recovered from -8 to -2 in traditional retail trade and surged instead from 9 to 28 in “modern” distribution. As for orders, respondents’ indications were mixed. Seemingly in contrast with the first result, firms in large distribution were mainly pessimistic. The related balance diminished from 0 to -17. Brighter prospects characterized instead traders in small retail distribution, for which the balance recovered from -26 to -23. With regard to the labour market, the related seasonally adjusted balance held steady at -1 in traditional distribution, but increased from 11 to 16 in “modern” trade. Finally, selling price inflation was expected to accelerate according to retailers in both distribution channels (the balance rose from 12 to 21 in “modern” distribution and from 3 to 5 in traditional trade).

Confidence climate and balances of the index-building series (seasonally adjusted data)

Month	Confidence climate	Business trend (assessments)	Business trend (forecasts)	Inventories
October	96,5	-10	11	19
November	89,2	-27	0	12
December	95,2	-13	2	9
January	94,7	-19	2	4
February	91,9	-24	-1	6
March	95,4	-21	9	8

Forecasts on business trend (seasonally adjusted data)

