

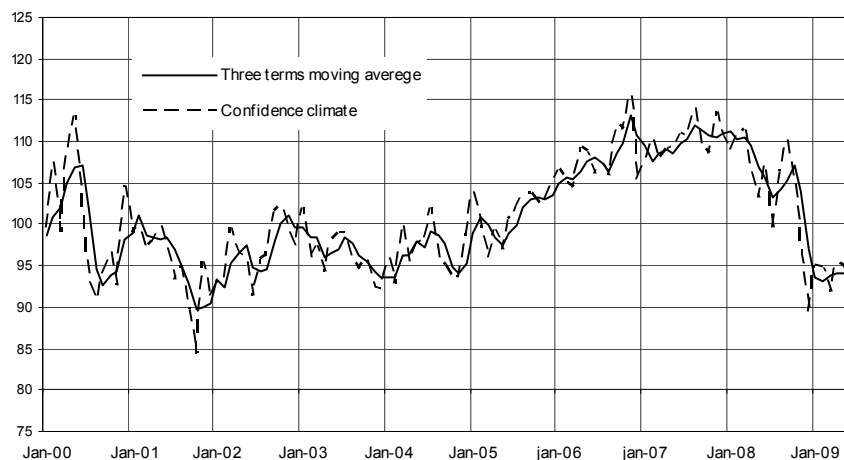


Date: June 25, 2009

ITALIAN RETAILERS' CONFIDENCE TURNS UP IN JUNE

- Following the slight decline posted in May, the seasonally adjusted indicator started to increase once more, reaching 98.5 from 94.7
- Compared to the previous survey, the opinions on the current trend in sales recovered while inventories diminished. Expectations on the future volume of sales remained instead unfavourable
- Among the variables excluded from the definition of retail confidence, respondents were pessimistic about labour market prospects and became concerned about the future volume of orders
- As for prices, retailers confirmed a slowdown for present and future inflation
- Developments in confidence in the two distribution channels were homogeneous. The seasonally adjusted indicator increased both in traditional distribution (to 105.5 from 104.3 in May) and, more markedly, in "modern" trade (to 91.1 from 83.1)

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



Data on July shall be released on July 29, 2009

The next ISAE surveys are scheduled as follows:

July 28, 2009: ISAE Monthly Consumer Survey (reference period: July)

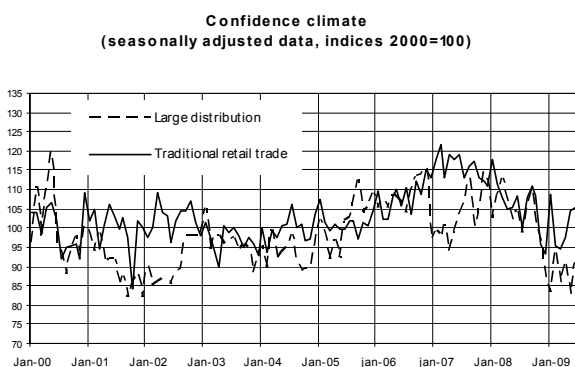
The full text of ISAE Surveys (either hardcopy or electronic format) is available for sale (for further information see the web site www.isae.it)

General results

The ISAE survey, carried out between June 1 and June 19 on a panel of 1,000 firms operating in small and large retail distribution, showed that in June Italian retailers' confidence started to improve once more, after the moderate decline posted in the previous month. The seasonally adjusted index, still fluctuating as in last months, recovered from 94.7 to 98.5. Compared to May, the opinions on the current trend in business activity clearly recuperated and inventories plunged. In contrast, expectations for the future volume of sales were less favourable.

The analysis of the variables excluded from the definition of retail confidence showed that expectations for labour market developments were decidedly negative and that slight concern about the future volume of orders re-emerged. Lastly, with regard to prices, firms confirmed the slowdown in both current and expected inflation.

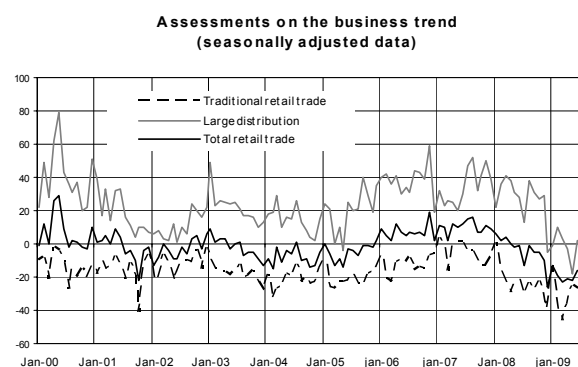
The breakdown of data by distribution channel indicated that retailers in large distribution gave the most encouraging signals. However, also those in traditional trade became more optimistic. More in detail, the seasonally adjusted indicator increased from 83.1 to 91.1 in "modern" distribution, going back to the value recorded last April, while it rose from 104.3 to 105.5 in small retail trade.



Situation in the reference month (June 2009)

In June, the seasonally adjusted balance for the current trend in business activity started to recover markedly once more, rising from -22 (in May) to -16. Moreover, positive opinions on sales came along with a sharp de-stocking of inventories, for which the seasonally adjusted balance dropped from 8 to 2. Lastly, compared to the previous survey, respondents continued to perceive an easing of inflationary pressures. The related seasonally adjusted balance fell for the fifth straight month, moving from 28 to 23.

The breakdown of data by distribution channel showed a sharp recovery in the trend in sales for "modern" distribution, but a slight worsening in traditional trade. The seasonally adjusted balance of the variable actually recuperated from -18 to 2 in the former sector, but, in contrast, diminished from -25 to -27 in the latter one. Respondents' opinions on both the volume of inventories and the trend in supplier prices were homogeneous instead. The seasonally adjusted balance for the former variable declined from 8 to 1 in "modern" distribution and from 7 to 2 in traditional trade, and the one for the latter variable diminished from 40 to 26 and from 21 to 20, respectively in the two sectors.



Outlook for the months ahead

In June, retail traders' short-term expectations became mostly unfavourable once more. Compared to the previous survey, respondents confirmed their concerns about the future trend in sales and again stated they were pessimistic about both labour market developments and the level of orders. The seasonally adjusted balance for the expected volume of sales dropped further, moving from 8 to 6, the balance for the labour market plunged from 11 to -1, and, lastly, the one related to the level of orders slipped from -12 to -13. In conclusion, with regard to future selling prices (also seasonally adjusted), the balance showed a new decline, actually diminishing from 10 to 6.

The breakdown of data by distribution channel mostly reported non-homogenous results. The seasonally adjusted balance for the future volume of business activity improved from 18 to 19 in large distribution, but stood at 0 (unchanged over the previous month) in traditional trade. The balance for the volume of orders recovered slightly in large distribution (to 1 from -1 in May), but markedly deteriorated in traditional trade (to -27 from -14). Lastly, the balance for the expected level of employment slumped in "modern" distribution (to -3, from 23 in the previous month), but remained instead unchanged, for the third month running, in traditional retail trade (at -1). Finally, the seasonally adjusted balance for selling price expectations eased from 9 to 8 in traditional distribution and retrenched from 14 to 5 in "modern" trade.

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

Month	Confidence climate	Business trend (assessments)	Business trend (forecasts)	Inventories
January	95,1	-13	2	9
February	94,8	-19	2	4
March	92,0	-23	-1	6
April	95,5	-21	9	8
May	94,7	-22	8	8
June	98,5	-16	6	2

Forecasts on business trend (seasonally adjusted data)

