

June 30, 2010

Data on July shall be released
on July 29, 2010

The next ISAE surveys are scheduled as
follows:

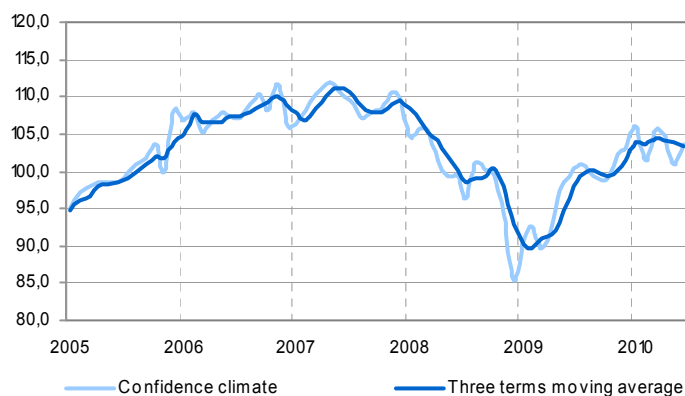
July 23, 2010: ISAE Monthly Consumer
Survey (reference period: July)

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or electronic format) is available for sale (for
further information see the website
www.isae.it)

ITALIAN RETAILERS' CONFIDENCE IMPROVES IN JUNE, BUT ONLY IN LARGE DISTRIBUTION

- In June, the seasonally adjusted overall confidence indicator retraced most of its May fall, moving up from 101 (in May) to 103.6
- Compared to the previous survey, the opinions on current business activity worsened while expectations for future sales improved. Lastly, inventories were considered to have remained stable
- With regard to the variables excluded from the definition of retail climate, expectations for the future volume of orders recovered slightly, while employment prospects held steady
- As for prices, respondents viewed a new deceleration in current inflation and especially in the future trend
- The improvement in confidence recorded for the entire sector was in fact solely due to retailers in large distribution. The seasonally adjusted indicator remained practically unchanged in traditional distribution (moving from 103.3 to 103.7), but surged instead from 99.2 to 106.2 in "modern" trade

CONFIDENCE CLIMATE (indices 2005=100, seasonally adjusted)



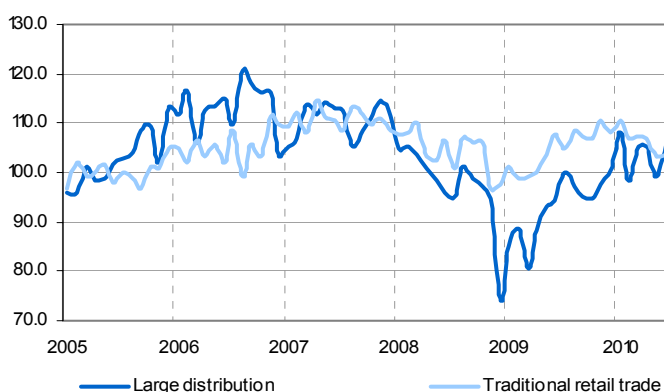
General results

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, retrieving most of the fall recorded in the previous month. The seasonally adjusted overall confidence indicator rose from 101 (in May) to 103.6. Compared to the previous survey, the opinions on current business activity continued to worsen, while widespread optimism distinguished future sales. Lastly, inventories were considered to have remained stable.

With regard to the variables excluded from the definition of retail climate, expectations for the future volume of orders slightly bettered, while employment prospects held steady. As for prices, current inflationary pressures eased overall, while the deceleration was even more marked for future inflation.

The breakdown of data by distribution channel pointed to stability in confidence for retailers in traditional distribution and, on the contrary, to a clear improvement for their colleagues in "modern" trade. The seasonally adjusted indicator moved from 103.3 (in May) to 103.7 in the former sector, but surged from 99.2 to 106.2 in the later one.

CONFIDENCE CLIMATE (indices 2005=100, seasonally adjusted)

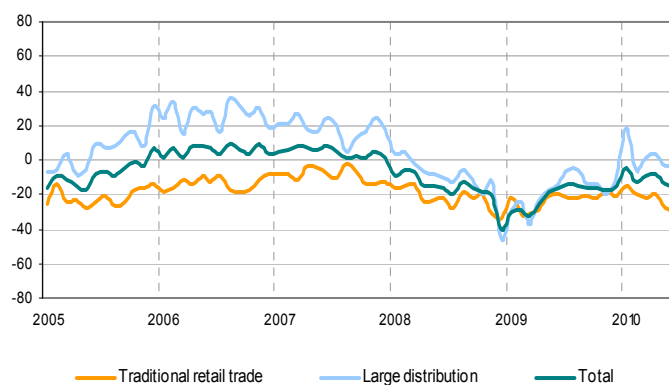


Situation in the reference month (June 2010)

In June, the opinions on the current trend in sales continued to worsen. The seasonally adjusted balance of the variable lowered from -14 (in May) to -16. In contrast, the level of inventories remained unchanged. The related seasonal adjusted balance stayed at 3, its previous month level. As for prices, current inflationary pressures eased slightly: the seasonally adjusted balance of the variable actually slipped from 25 (in May) to 24.

The breakdown of survey results by distribution channel gave totally contrasting indications. More in detail, assessments on the current trend in sales became more negative according to retailers in traditional distribution, but on the contrary more positive for those in large retail trade. The related seasonally adjusted balance dropped to -29 (from -27 in May) in the former sector and rose, though slightly, to -2 (from -3) in the latter one. Divergent indications also came from the opinions on inventories and supplier prices. The seasonally adjusted balance for inventories slumped in large distribution (to -1 from 6 in May), but increased instead (to 7 from 4) in traditional trade. The balance for prices recorded a further rise in traditional distribution (from 28 to 32), whereas it dropped in "modern" trade (from 21 to 16).

ASSESSMENTS ON THE BUSINESS TREND (seasonally adjusted balances)



Outlook for the months ahead

In June, the situation was characterized by widespread optimism about expectations for future sales and, at the same time, minor concern about prospects for the future volume of orders. The related seasonally adjusted balance doubled for the former variable, moving from 8 (in May) to 16, and improved only moderately for the latter one, inching up from -9 to -8. The June survey confirmed the stability for expectations for the level of employment: the seasonally adjusted balance of the variable held steady at 3 for the third straight month. Lastly, with regard to future selling price inflation, overall respondents' intention to cut prices prevailed: the seasonally adjusted balance of the variable declined from 7 to 2.

The breakdown of data by distribution channel indicated that retailers in both sectors stated they were optimistic about the future volume of sales, while only operators in large distribution projected a rise in the volume of orders. The seasonally adjusted balance of the former variable actually increased from 12 to 26 in large distribution and from 3 to 9 in traditional trade, while the balance of the latter variable improved from 0 to 3 (as in April) for "modern" distribution and held instead steady at -18 for traditional trade. In seeming contradiction, forecasts for the labour market worsened in "modern" distribution (the seasonally adjusted balance of the variable actually declined from 8 to 3), but on the contrary moderately improved in small distribution (to 1 from 0 in May). Finally, operators in both distribution channels expected an easing of future inflation: the seasonally adjusted balance of the variable actually declined from 0 to -3 in "modern" trade and from 13 to 6 in traditional distribution.

CONFIDENCE CLIMATE AND BALANCES FOR THE INDEX-BUILDING SERIES

(seasonally adjusted data)

Month	Confidence climate	Business trend (assessments)	Business trend (forecasts)	Inventories
Feb.	101.5	-13	7	2
Mar.	105.6	-10	16	3
Apr.	105.1	-9	11	0
May	101.0	-14	8	3
June	103.6	-16	16	3

EXPECTATIONS FOR THE BUSINESS TREND (seasonally adjusted balances)

