

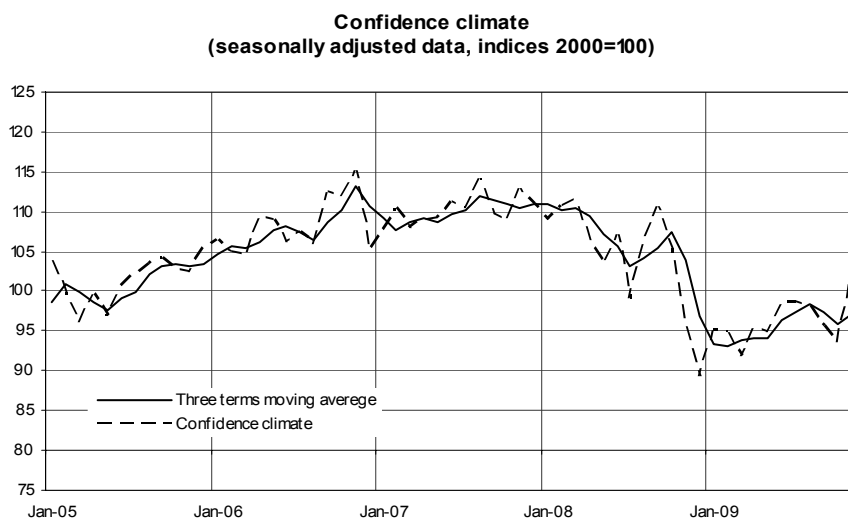


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RECOVERY IN NOVEMBER CONFIDENCE FROM ITALIAN DEALERS

- The summary indicator, considered net of seasonal components, climbed from 93.8 to 102 compared to the highest values recorded in November
- Strong optimistic hints, in particular, were reported on the future volume of sales and definitely strong optimistic signals arose on the ongoing business trend; overstocks, however, were deemed to further increase
- Compared to the previous survey, optimism grew among firms as to the volume of orders; however, concern was expressed on the future level of employment
- As to prices, the ongoing and future inflationary pressures were deemed to accelerate
- Disaggregating the results per typology of sale, confidence rose with reference to both sectors, and more intensively to large-scale distribution. As a matter of fact, looking at the seasonally adjusted indicators, the traditional distribution index slightly increased from 110.5 to 11.2, whereas “modern” distribution jumped from 75.6 to 89.9



Data on December shall be released on 29 December 2009

The next ISAE surveys are scheduled as follows:

23 December 2009: ISAE Monthly Consumer Survey (*Reference period: December*)

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

General results

The ISAE survey carried out between December 1 and December 19 on a panel of 1,000 firms from the small and large-scale distribution sector revealed a sharper growth of confidence in November across Italian dealers. The indicator, considered net of seasonal component, rose again from 93.8 (in October) to 102. Among the index components, hints of strong recovery were observed in the assessments and expectations on business trends; at the same time, inventories were deemed to increase.

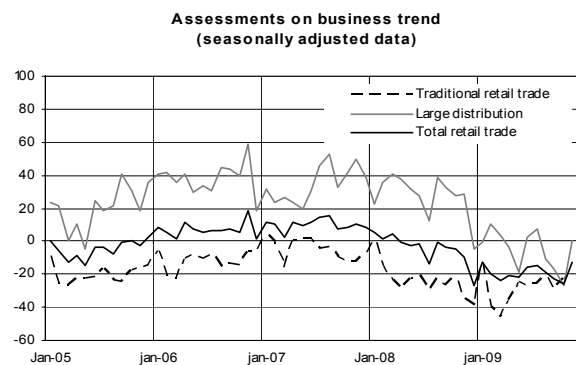
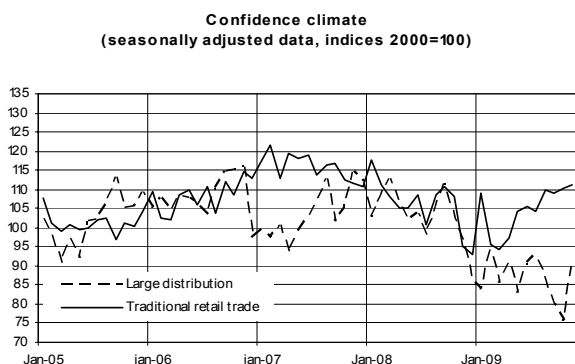
Looking at the variables not included in the calculation of the confidence climate, expectations on the level of employment confirmed to grow worse compared to the previous survey but new hints of optimism arouse for the expected volume of orders. Both current and future inflationary pressures were perceived to accelerate.

Disaggregating the results per distribution typology, the confidence climate slightly improved as regards traditional distribution (111.2 from 110.5 in October); a sharper growth, instead, was recorded for “modern” distribution (89.9, from 75.6 in October).

Situation in the reference period (November 2009)

Judgments on the ongoing business trend improved in November; the variable seasonally-adjusted balance strongly recovered from -26 (October value) to -13. On the contrary, the balance for the level of inventories continued to increase, moving from 5 to 9. Firms finally reported a further acceleration in current inflationary pressures, with the variable seasonally-adjusted balance climbing from 12 to 16.

Disaggregating the results per distribution typology, the ongoing business tendency, though revealing a positive trend in both selling typologies, showed a sharper recovery in the large distribution sector. In particular, the variable seasonally-adjusted balance increased from -23 to -21 for traditional distribution, and jumped from -27 to 0 for “modern” one. Similarly, the seasonally adjusted balance for the ongoing price trend increased more significantly in the large distribution sector. It actually rose from 19 to 20 in traditional distribution and from -10 to 9 in “modern” one. Finally, discordant signals were perceived with regard to inventories. Looking at the variable seasonally-adjusted balances, the one relating to large-scale distribution scaled down from 11 to 9, but the balance for traditional distribution rose from 3 to 9.



Outlook for the following months

In November, discordant indications were provided by the interviews on the variables that were the object of predictions: expectations on the future volume of sales and orders improved consistently but those on employment took a turn for the worse. Looking at the seasonally adjusted balances of variables, the balance related to the volume of sales rose from 7 to 21; after 12 months, the balance related to the volume of orders, showed positive signs, recovering from -8 to 7, and the one related to employment moved from 5 to 3. As to the selling price trends, the variable seasonally-adjusted balance returned to increase from 0 to 2.

Disaggregating the results per distribution typology, large-scale distribution dealers showed very optimistic signs of recovery as to the future volume of sales and orders, underlining, at the same time, a reduction in the level of employment. In particular, the seasonally adjusted balances of the first variables jumped respectively from 4 to 25 and from 2 to 40, whereas the balance related to the third variable decreased from 14 to 12. The colleagues from the traditional distribution sector, on their part, though showing optimistic signs on the future volume of business (the seasonally adjusted balance of the variable climbed, in fact, from 10 to 16), showed concern as to the volume of orders (-10, it was -7 in October); the volume of employment, instead, remained stable (-1). Finally, as to the expectations on future inflationary pressure, the selling prices were expected to increase according to the interviews operating in both distribution sectors. The variable seasonally-adjusted balance recovered, in fact, from -10 to -8, with reference to large-scale distribution, and climbed from 4 to 8 with regard to traditional distribution.

**Confidence climate and balance of the index-composing series
(Seasonally Adjusted Values).**

Month	Confidence climate	Business trend (assessments)	Business trend (forecasts)	Inventories
June	98,5	-16	7	2
July	98,7	-14	8	5
August	98,1	-19	9	2
Sept.	95,5	-23	5	2
Oct.	93,8	-26	7	5
Nov.	102	-13	21	9

**Expectations on business trend
(seasonally adjusted data)**

