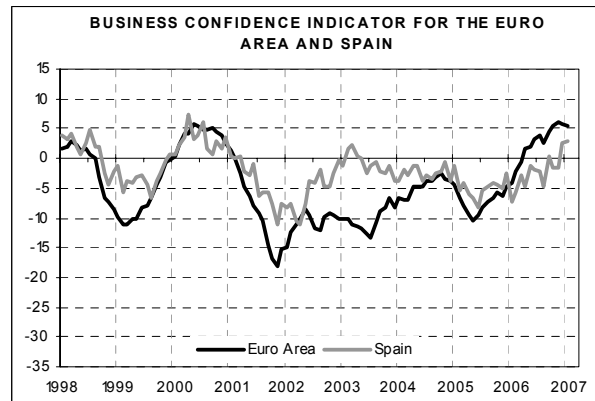
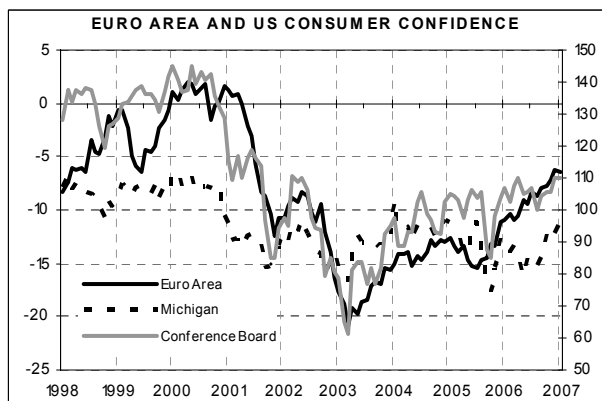




Date: February 7, 2007
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CONSUMER CONFIDENCE REACHES A FIVE-YEAR HIGH IN THE UNITED STATES AND DECLINES, INSTEAD, IN THE EURO AREA. ALSO MANUFACTURING FIRMS' CONFIDENCE WORSENS IN EUROPE

- US consumers showed more upbeat sentiment in January: the confidence climate indicators of the Conference Board and of the University of Michigan improved from 110 to 110.3 and from 91.7 to 96.9, respectively
- In the Euro Area, consumers gave a more pessimistic appraisal of the economic trend, but were less concerned about inflationary pressures. Among the main countries, in Germany confidence reached a 5-year high, whereas Spain and the United Kingdom sent negative signals
- In the average of the Euro Area, manufacturing firms' confidence worsened slightly. Among the main countries, the index stabilized at the highest level of the last six years in Spain, thanks mainly to the improvement in short-term prospects for productive activity, while confidence worsened in France and the United Kingdom



Data on February shall be released on March 7, 2007

The next ISAE surveys are scheduled as follows:

February 21: ISAE Monthly Consumer Survey (reference period: February)

February 22: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: February)

February 27: ISAE Monthly Business Services Survey (reference period: February); ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: February) and ISAE Monthly Survey on Construction (reference period: January)

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)

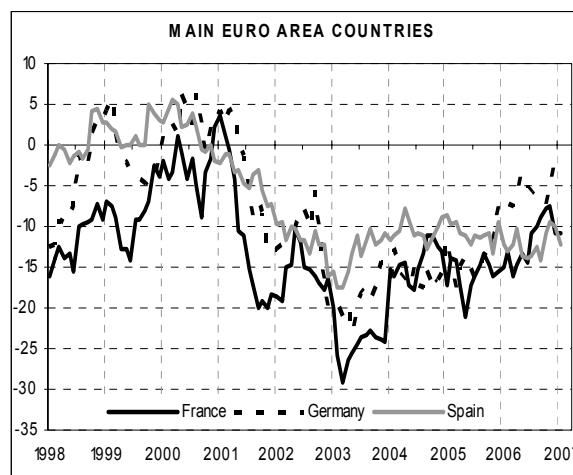
Consumer confidence in the Euro Area¹, the United States and the United Kingdom

According to the European Commission survey, in the average of the Euro Area consumer confidence edged down in January (from -6 to -7), mainly because of a worsening in the prospects for the economic trend (from -5 to -7). Nevertheless, expectations for the respondents' personal economic situation and for the labour market improved slightly. Furthermore, consumers anticipated a slowdown in inflation (the balance declined from 27 to 23). Among the main countries, consumer confidence continued to rise in Germany, moving from -2 in the previous month to -1, its highest level since June 2001. The improvement was backed by better expectations for the respondents' personal economic situation, for future saving opportunities and for labour market developments (the share of consumers anticipating a rise in unemployment was actually lower than the share of those expecting a decline, and the balance stood at -2, compared to -1 in December). Finally, inflationary pressures markedly eased, and the balance fell to 42 from 53. On the other hand, confidence stabilized in France at -11: prospects for the personal economic situation and for labour market developments improved, while expectations for the country's general economic situation and for future saving opportunities deteriorated. Lastly, like German consumers, French ones expected a decline in prices and the balance moved to 16 from 19 in the previous month. Spain sent, instead, negative signals: confidence decreased to -12 (from -10 in December), driven by a sharp deterioration in future saving opportunities (from -20 to -26); also the share of respondents anticipating an increase in unemployment in the following twelve months increased (the related balance rose from 7 to 9). Expectations for the country's general economic situation and for the respondents' personal situation remained instead unchanged with respect to the

previous month. Finally, inflationary pressures markedly eased (the balance lowered from 27 to 24).

In the United Kingdom, consumer climate worsened slightly in January, coming in at -7 (compared to -6 in December), due to a more pessimistic evaluation of the respondents' personal economic situation, of the country's general economic conditions and of labour market developments. Future saving opportunities improved instead. Finally, with regard to prices, consumers expected an acceleration in inflation (to 21 from 19 in the previous month).

The United States sent instead signs of general optimism. The Conference Board index increased from 110 to 110.3, reaching the highest level in the last five years, backed mainly by the improvement in the present situation sub-index, which rose from 130.5 to 133.9 (the sole expectations component declined instead from 96.3 to 94.5). The University of Michigan showed an improvement in the confidence indicator from 91.7 to 96.9, thanks to the respondents' more favourable assessments on the economic trend.



¹ The Euro Area also includes Slovenia.

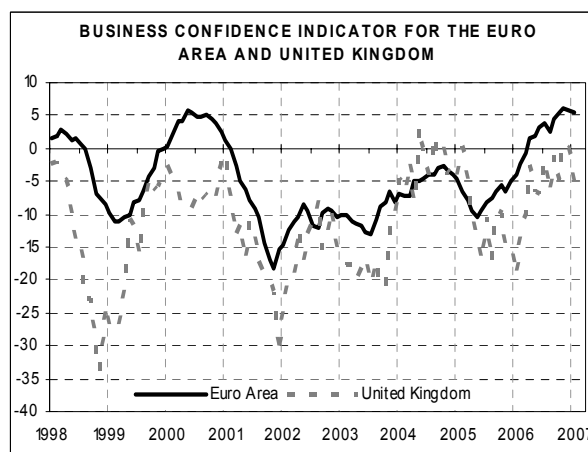
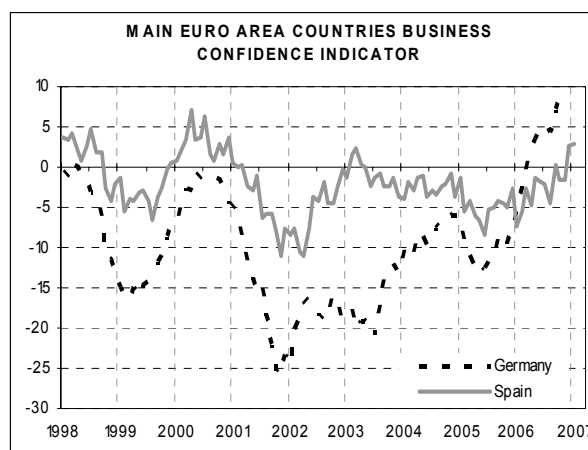
Business confidence in the Euro Area² and the United Kingdom

According to the European Commission survey, in the average of the Euro Area manufacturing firms' confidence worsened slightly in January, moving to 5 (from 6 in the previous month): expectations for short-term productive activity improved, but the opinions on order books worsened and inventories moderately built up. As for prices, anticipations of a rise in selling prices increased and the balance rose to 14 from 13 in the previous month.

With regard to the main Euro Area economies, in Germany business confidence stabilized at 9: production expectations improved, but the assessments on order books worsened and inventories slightly increased. Furthermore, German firms anticipated a new rise in industrial selling prices. The related balance grew to 15 (from 12 in December). In France, confidence edged down, coming in at -1 (from 0 in the previous month) due to entrepreneurs' rising concerns about prospects for short-term productive activity. The assessments on the current state of demand and on inventories remained instead unchanged. Lastly, with regard to the price trend, French enterprises, differently from German ones, expected a slight easing in inflationary pressures. The related balance declined from 10 to 8. In Spain, instead, firms' confidence remained at its previous month level (at 3, its best result since October 2000): production expectations markedly improved (from 9 to 12), but inventories increased; the assessments on orders stabilized instead. With regard to prices, as in France, but differently from the average of the Euro Area and from Germany, Spanish firms anticipated a sharp slowdown in inflation and the balance moved to 8 from 14 in the previous month, going back to the level posted last October.

Lastly, confidence plunged in the United Kingdom, where it reached -6 (from 0 in December), because of more pessimistic assessments on the current state of demand, on stock management and on short-term

production prospects. As for prices, British entrepreneurs also expected a sharp increase in inflationary pressures. The related balance surged to 12 from 8 in December.



² The Euro Area also includes Slovenia.