



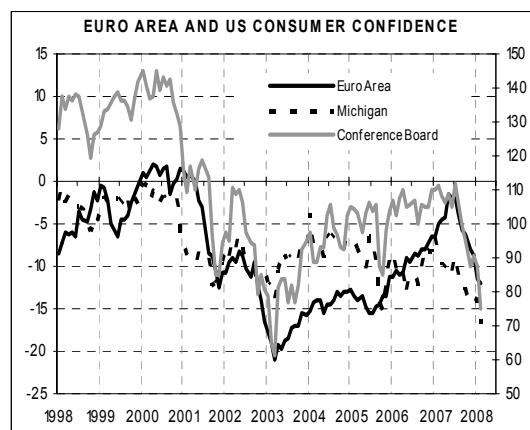
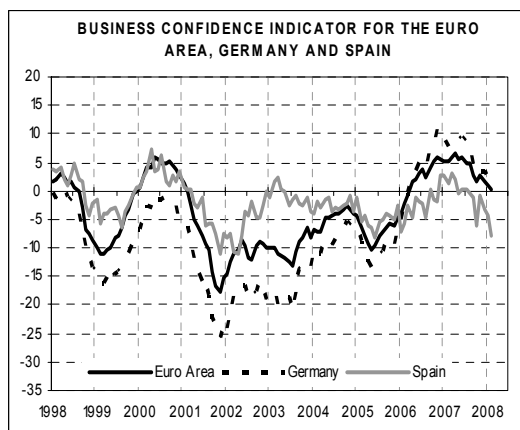
Date: March 6, 2008
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IN FEBRUARY, CONSUMER CONFIDENCE STABILIZES IN EUROPE AT A LOW LEVEL, AND MANUFACTURING FIRMS' CONFIDENCE DECLINES

- In the Euro Area, manufacturing firms' confidence declined in February to its lowest value since March 2006. Deterioration characterized the opinions on the current state of demand and, mostly, production expectations, while inventories remained unchanged. The index diminished in Spain and France, but showed signs of recovery in Germany, thanks mainly to more favourable assessments on the level of orders and inventories
- Consumer confidence stagnated at the low level experienced at the end of 2005, due to continuing less favourable opinions on the general economic situation, the labour market and future saving opportunities. Confidence worsened in Germany and Spain, but improved in France, owing to respondents' lower concerns about the prospects for their personal economic situation and for the economy in general

IN THE UNITED STATES, CONSUMER CONFIDENCE ABRUPTLY SINKS

- The Conference Board index plunged in February to the lowest level in five years, prompted mainly by sharp deterioration in the expectations component, which plunged to a seventeen-year low. According to the University of Michigan, confidence suddenly fell to a value last reached in February 1992, driven mainly by the respondents' rising concerns about their personal economic situation and the country's general economic conditions



Data on March shall be released on April 8, 2008

The next ISAE surveys are scheduled as follows:

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

March 26: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: March)

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

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)

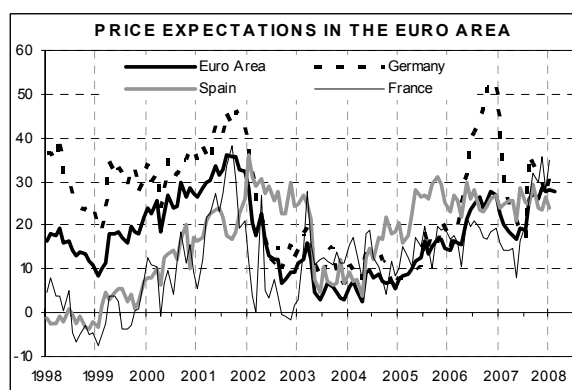
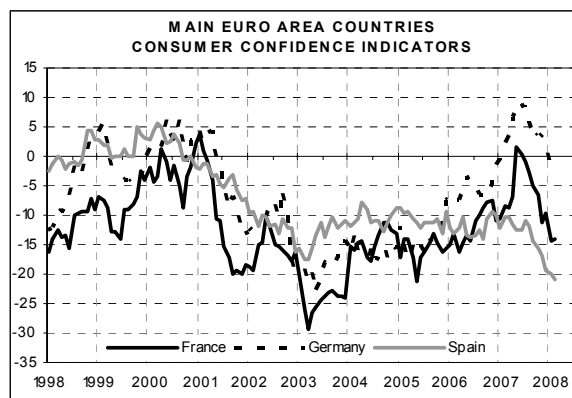
Consumer confidence in the Euro Area, the United States and the United Kingdom

According to the European Commission survey, in the average of the Euro Area consumer confidence stagnated in February at -12, the lowest level since the end of 2005. Forecasts about the country's economic developments, the labour market and future saving opportunities were less favourable, whereas family prospects remained unchanged. Consumers continued to worry about inflation: for the fourth month running, the balance held steady at its highest value since the euro changeover (at the start of 2002).

Among the main countries, the index lowered in Germany to -3 (from -1), mainly due to the worsening in prospects for the general economic situation and future saving opportunities. Moreover, inflation expectations continued to increase. In France, instead, the index went back up to -14 (from -15 in the previous month), because respondents were less concerned about personal and general economic forecasts and the price trend. Confidence edged down slightly in Spain, moving from -20 to -21. Negative signals distinguished expectations for the family economic situation and the labour market, but anticipations of future saving opportunities improved. Lastly, inflationary pressures decreased markedly and the balance reached 17 (from 24 in January), the lowest level since February 2005. Finally, the confidence climate worsened also in the United Kingdom, where the indicator came in at -8 (from -7 in January), because of deterioration in all its underlying components. Inflationary pressures stabilized instead.

The United States also gave negative indications. According to the index calculated by the Conference Board, consumer confidence plunged to 75 (from 87.3 in January), hitting the lowest level in five years (apart from the period during the outbreak of the 2003 Iraq war), prompted by the sharp fall in the gauge measuring expectations, which lowered from 69.3 to 57.9, a seventeen-year low. The present situation indicator declined instead from 114.3 to 100.6, the lowest value since November 2004. According to the

survey of the University of Michigan, confidence decreased from 78.4 to 70.8 (a low last reached in February 1992), driven by the worsening in both the present situation component (which dropped from 94.4 to 83.8) and the expectations one (from 68.1 to 62.4). Respondents mentioned, above all, rising concerns about employment prospects and personal and general economic conditions.



Business confidence in the Euro Area and the United Kingdom

According to the European Commission survey, in the average of the Euro Area manufacturing firms' confidence declined in February to 0 (from 1 in the previous month), the lowest reading since March 2006. Views on the current state of demand and, especially, on production expectations worsened, while inventories held steady. Entrepreneurs did not expect further pressures for industrial selling prices in the following months (the balance held steady at 14, its previous month level).

However, country developments were not homogeneous. In Germany, confidence increased from 1 to 2, thanks to a rise in the opinions on orders and to a slight de-stocking of inventories. Production expectations stabilized, instead, and the share of entrepreneurs expecting an increase in industrial selling prices in the following months declined. In Spain, on the contrary, the indicator extended its downward path, moving from -4 to -8, because of a worsening in the opinions on the level of orders (the balance moved from 6 to 1) and in production expectations, and due to a sharp restocking of inventories. Spanish entrepreneurs expected a rise in inflationary pressures also in the following months. In France the confidence indicator worsened as well, moving from 3 to 0, prompted by deterioration in all its underlying components. Lastly, inflation expectations for the following months increased. Finally, also the United Kingdom sent negative signals. The confidence indicator lowered to -3 (from 4 in January), due to deterioration in the opinions on orders and inventories, and in production expectations. Lastly, industrial selling price pressures increased.

