



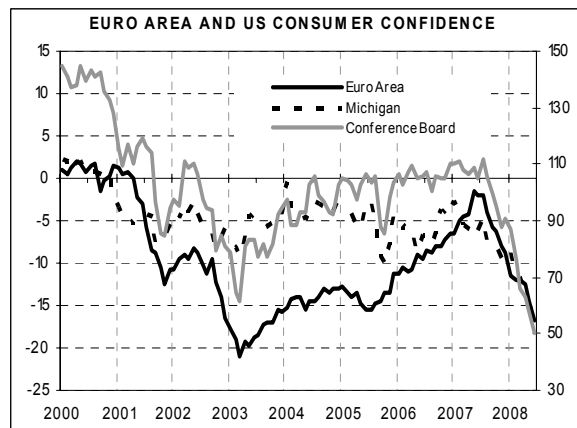
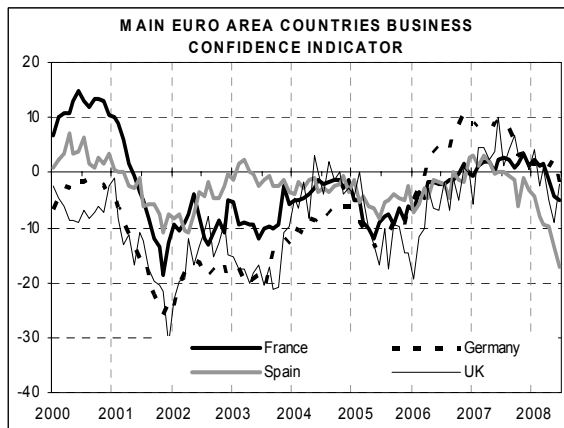
Date: July 3, 2008
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IN EUROPE, CONSUMER AND MANUFACTURING FIRMS' CONFIDENCE LOWERS IN JUNE

- In the Euro Area, manufacturing firms' confidence declined to its lowest level in the last three years, due to deterioration in all its underlying components. Each major Euro Area country displayed greater pessimism. The index improved, instead, in the United Kingdom
- Consumer confidence decreased in the Euro Area to a five-year low. The indicator diminished in France and, above all, in Spain, and stabilized in Germany
- Increasing concern mainly characterized family and general economic forecasts

CONSUMERS' PESSIMISM CLIMBS IN THE UNITED STATES

- According to the Conference Board, the US consumer confidence index continued to drop in June, hitting its lowest showing in sixteen years. Both the opinions on the current situation and expectations for the country's economic conditions and for the labour market worsened
- The University of Michigan confidence indicator fell to a low last reached in May 1980, prompted mainly by respondents' growing apprehension about personal economic conditions and labour market developments



Data on July shall be released on August 5, 2008

The next ISAE surveys are scheduled as follows:

July 22: ISAE Monthly Consumer Survey (reference period: July)

July 24: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: July)

July 25: ISAE Monthly Business Services Survey (reference period: July); ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: July) and ISAE Monthly Survey on Construction (reference period: June)

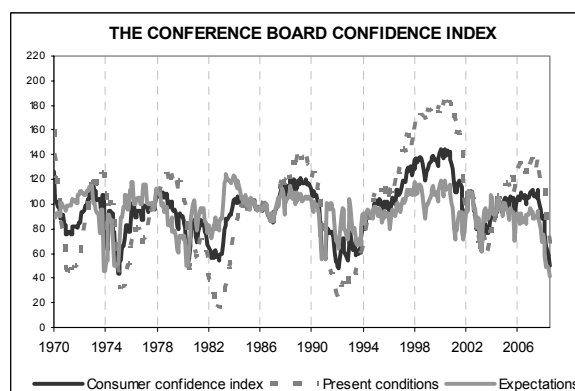
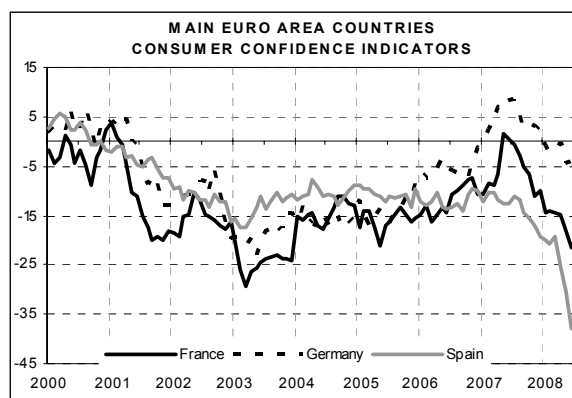
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Consumer confidence in the Euro Area, the United States and the United Kingdom

According to the European Commission survey, in the average of the Euro Area, consumer confidence declined from -15 in May to -17 in June, its lowest value since October 2003, due to a fall in all the underlying components of the indicator. Respondents became more pessimistic about forecasts for consumer price inflation (the balance reached 31, the highest reading since the start of 2008).

Among the main countries, the index worsened in France (from -18 to -22) and, above all, in Spain (from -31 to -38, a level unseen in the last fifteen years), but held steady in Germany (at -4, its previous month value). In the non-EU area, consumer confidence deteriorated in the United Kingdom as well (from -15 to -20, a minimum last seen in March 1994). Forecasts for the family economic situation worsened in nearly all major countries, apart from Germany, where they remained stable with respect to the previous survey. Prospects for future saving opportunities declined in France and, above all, in Spain, where they witnessed the lowest level of the last years. In all main countries, unfavourable indications characterized the forecasts for the country's general economic situation, especially in France (the balance plunged from -29 to -39) and Spain (from -31 to -38, the lowest level since October 1992), whereas only a slight decline distinguished Germany. In France and Germany, forecasts for unemployment developments stabilized (at 0 and 12, respectively). With regard to labour market prospects, consumers were instead less optimistic in Spain (the balance moved from 40 to 47, a high last reached in March 1994) and the United Kingdom (from 30 to 37). Lastly, as for future prices, inflationary pressures were expected to accelerate further in all the main Euro-Area countries and in the United Kingdom.

In the United States, consumer confidence continued to deteriorate. The Conference Board indicator actually dropped to its lowest level in the last sixteen years, moving from 58.1 to 50.4. The University of Michigan indicator declined from 59.8 to 56.4, reaching its lowest showing since May 1980. According to the Conference Board, the fall in consumer confidence mirrored the worsening in both the opinions on the current situation (the related index declined from 74.2 to 64.5) and short-term expectations for consumers' personal situation and the country's general prospects (the overall gauge measuring future developments diminished from 47.3 to 41). According to the survey carried out by the University of Michigan, consumers were concerned about their personal economic situation, labour market developments, and higher inflation.



Business confidence in the Euro Area and the United Kingdom

The European Commission survey showed that, in the average of the Euro Area, the manufacturing firms' confidence indicator decreased in June to its lowest reading since December 2005, because of deterioration in all its underlying components. As for prices, entrepreneurs projected higher industrial selling price pressures (the balance came in at 16, compared to 13 in the previous month).

With regard to major countries, confidence lowered to -2 (from 2) in Germany, to -5 (from -4) in France and to -17 (from -14) in Spain. In the non-EU area, confidence improved instead in the United Kingdom (from -9 to -2). The opinions on the trend in orders worsened in all main Euro Area countries, such as Germany (from 4 to -2), France (from -7 to -9) and Spain (from -15 to -21), but improved in the United Kingdom (from -9 to 2). Likewise, also short-term production expectations became more pessimistic in the main economies, compared to the previous month: the balance actually diminished from 8 to 3 in Germany and from -8 to -9 in Spain. In the United Kingdom, instead, the balance improved from -1 to 1. Inventories gave similar indications, rising in all countries, but the United Kingdom. Lastly, as for prices, inflationary pressures increased in France, Germany and Spain, whereas British firms anticipated a slight decline in industrial selling prices (the balance stood at 29, compared to 30 in the previous month).

