



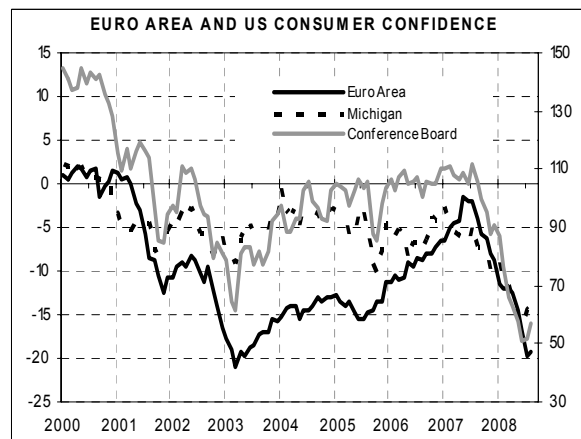
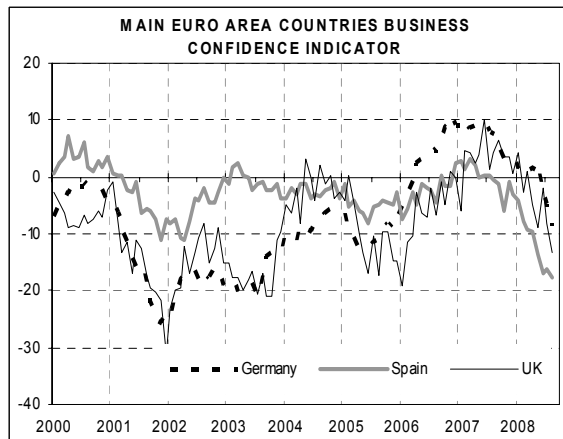
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IN AUGUST, EUROPEAN CONSUMERS' CONFIDENCE IMPROVES, BUT MANUFACTURING FIRMS' CONFIDENCE WORSENS

- In the Euro Area, consumer confidence edged up slightly. Expectations on the respondents' personal economic situation, the country's general economic conditions and future saving opportunities bettered. However, concerns about labour market developments increased
- The indicator lowered in Germany, but improved in Spain and, among the non-Euro Area countries, in the United Kingdom
- Manufacturing firms' confidence in the Euro Area remained at a three-year low, due to more pessimistic assessments on the current state of demand, the level of inventories and production prospects
- Among the main countries, the indicator declined in Germany and Spain and, among the non-Euro Area countries, also in the United Kingdom

IN THE UNITED STATES, CONSUMER CONFIDENCE SENDS POSITIVE SIGNALS

- The index calculated by the Conference Board rose in August, mainly thanks to the improvement in short-term expectations for the consumers' personal situation and the country's general economic prospects
- The University of Michigan confidence indicator came in at 63 (from 61.2 in July), owing to less pessimistic forecasts for the economic trend



Data on September shall be released on October 7, 2008

The next ISAE surveys are scheduled as follows:

September 23: ISAE Monthly Consumer Survey (reference period: September)

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

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

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)

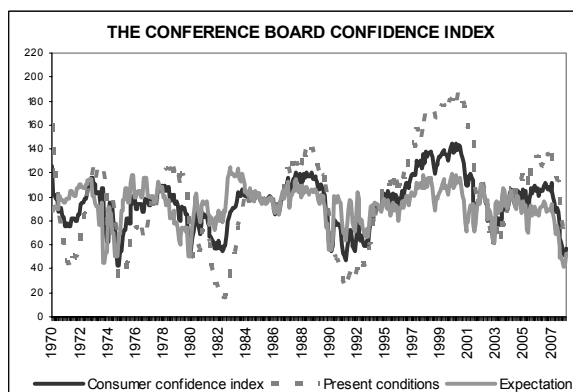
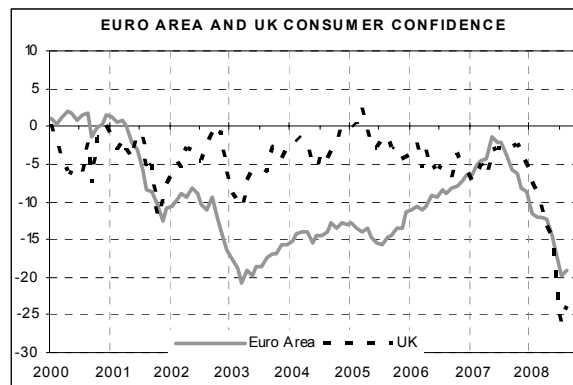
Consumer confidence in the Euro Area, the United States and the United Kingdom¹

According to the European Commission survey, in the average of the Euro Area, consumer confidence came in at -19 in August (compared to -20 in the previous month). Expectations on the respondents' personal economic situation, the country's general economic conditions and future saving opportunities bettered slightly. However, concerns about labour market developments increased. Lastly, inflationary pressures markedly eased (the balance declined from 30 to 22, the lowest level since July 2007).

Among the main countries, the index decreased in Germany (from -7 to -9, a low unseen since November 2005), but improved in Spain (from -39 to -37). In the non-Euro Area countries, consumer confidence rose in the United Kingdom (from -26 to -24). Forecasts for the family economic situation bettered in all major countries. Prospects for future saving opportunities declined instead in Spain, but improved slightly in Germany. Unfavourable indications characterized the forecasts for the country's general economic situation in both Germany (the related balance diminished from -16 to -19, the lowest value since September 2005) and Spain (from -38 to -39, a low last recorded at the start of the eighties). Lastly, consumers gave negative indications also for labour market prospects: in Germany the balance worsened from 3 to 10, the highest level since November 2006. Finally, with regard to price forecasts, lower inflationary pressures were expected in Germany (the balance declined from 40 to 28, a low last reached in December 2007) and, outside the Euro Area, in the United Kingdom (from 39 to 28, the level posted last February).

In the United States, consumer confidence improved in August: the Conference Board index came in at 56.9 (compared to 51.9 in the previous month), mainly thanks to progress in short-term expectations for the consumers' personal situation and for the country's general prospects (the overall forecasts index

increased from 42.7 to 52.8). The University of Michigan consumer confidence indicator stood at 63 (61.2 in July), owing to the respondents' less pessimistic forecasts for the economic trend.



Business confidence in the Euro Area and the United Kingdom²

The European Commission survey showed that, in August, in the average of the Euro Area manufacturing firms' confidence decreased from -8 (in July) to -10, the lowest showing since June 2005, because of deterioration in all the underlying components of the indicator. As for inflation, entrepreneurs reported, instead, an easing in industrial selling price pressures (the balance lowered to 17 from 20 in the previous month).

With regard to major countries, confidence diminished in Germany (from -5 to -9, a trough last reached in November 2005) and Spain (from -16 to -18, a low not recorded since May 1992). In the non-Euro Area countries, confidence worsened also in the

¹ France does not release data for August.

² France does not release data for August.

United Kingdom (from -8 to -13, a level unseen since January 2006). The opinions on the trend in orders deteriorated in Germany (from -5 to -8), but improved in Spain (from -28 to -24). In the United Kingdom, the balance sharply dropped, moving from -5 to -14, the lowest reading since June 2006. Likewise, also short-term production expectations became more pessimistic in the main economies. The related balance actually diminished from -1 to -8 in Germany and from -5 to -8 in Spain. In the United Kingdom, the balance declined from -5 to -10. Inventories gave similar indications, increasing in all main considered countries. Lastly, with respect to prices, lower inflationary pressures were recorded in all major Euro Area countries, as well as in the United Kingdom.

