



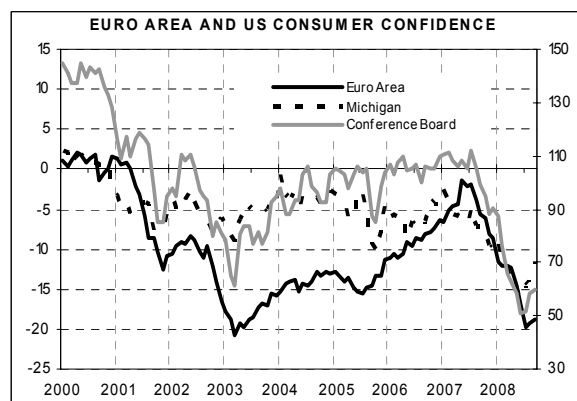
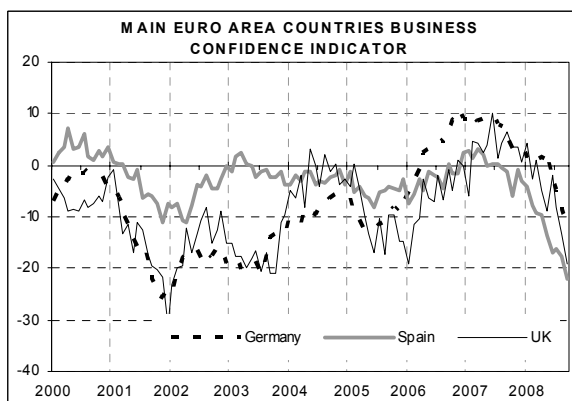
Date: October 7, 2008
TEL.: 06/444821

EUROPEAN CONSUMERS' CONFIDENCE STABILIZES IN SEPTEMBER, BUT MANUFACTURING FIRMS' CONFIDENCE DECLINES

- In the Euro Area, consumer confidence held steady in September. Expectations on the respondents' personal economic situation and the country's general economic conditions improved slightly, but concerns about future saving opportunities and labour market developments increased
- The indicator remained at a three-year low in Germany, while it diminished in France and Spain. Among the non-Euro Area countries, confidence improved instead in the United Kingdom
- In the Euro Area, manufacturing firms' confidence recorded the worst result for the past five years, 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 France, in Germany and, above all, in Spain, where it reached a fourteen-year low. Among the non-Euro Area countries, manufacturing firms' confidence decreased also in the United Kingdom

IN THE UNITED STATES, CONSUMER CONFIDENCE SENDS INSTEAD POSITIVE SIGNALS

- The index calculated by the Conference Board rose in September to 59.8 (from 58.5 in August), mainly thanks to the improvement in the sole expectations component. The present situation gauge lowered instead from 65 to 58.8, a trough last reached in October 2003
- On the other hand, the University of Michigan consumer sentiment index increased to 70.3 (from 63 in August), owing to the expansion of both the forecasts component (from 57.9 to 67.2) and the current conditions one (from 71 to 75). The indicator related to the purchase of consumer durables sent instead somewhat negative signals (the index moved from 110 to 107), because of respondents' new concerns about their financial situation



Data on October shall be released on November 5, 2008

The next ISAE surveys are scheduled as follows:

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

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

October 28: ISAE Monthly Business Services Survey (reference period: October); ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: October) and ISAE Monthly Survey on Construction (reference period: September)

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

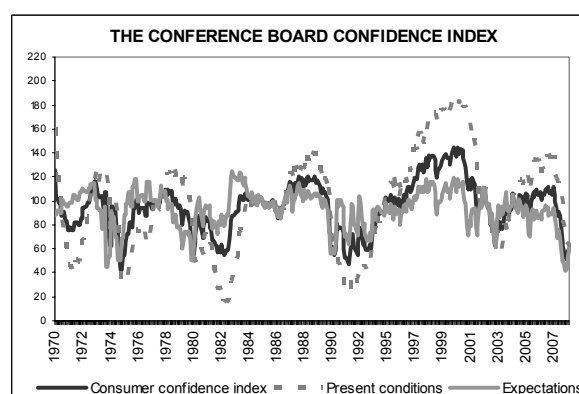
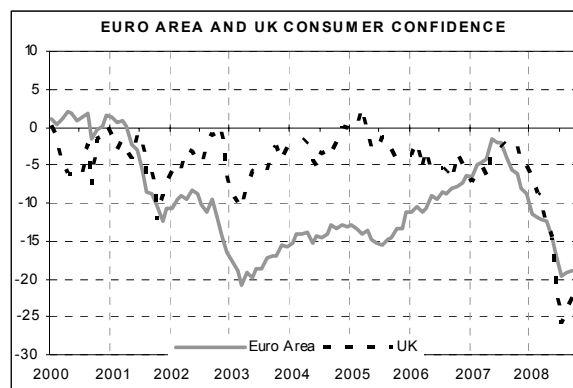
According to the European Commission survey, in the average of the Euro Area, in September consumer confidence stabilized at -19 (its previous month level). Expectations on the respondents' personal economic situation and on the country's general economic conditions improved slightly, but concerns about future saving opportunities and labour market developments increased. However, inflationary pressures were markedly lower (the related balance dropped from 22 to 17, the lowest level since last May).

Among the main countries, the index held steady in Germany (at -9, remaining at a low unseen since November 2005) and declined in Spain (from -37 to -39) and in France (from -23 to -24). In the non-Euro Area countries, consumer confidence improved slightly in the United Kingdom (from -24 to -23). Forecasts for the family economic situation bettered in Germany and France, but worsened in Spain. Prospects for future saving opportunities declined instead in all main countries. However, Spain recorded the sharpest decline (from -37 to -43, a low last reached in the early eighties). Among the non-Euro Area countries, the United Kingdom, instead, sent positive signals where the related balance increased from 6 to 8. As for the forecasts for the country's general economic situation, favourable indications came mainly from Germany (the balance rose from -19 to -17) and Spain (from -39 to -36). Lastly, consumers gave negative indications for labour market prospects in Germany (the balance deteriorated from 10 to 11, the worst result since October 2006) and, above all, in Spain (from 49 to 53, going back to its July 2008 value). Finally, with regard to price forecasts, lower inflationary pressures were expected in all main Euro Area countries. In the United Kingdom, instead, consumers predicted an acceleration of inflation (the balance rose from 28 to 30).

In the United States, in September consumer confidence improved. The index calculated by the Conference Board increased to 59.8 (from 58.5 in August, rising for the third month running), mainly

thanks to the improvement in the sole expectations component (from 54.1 to 60.5). The present situation gauge, instead, lowered from 65 to 58.8, a trough last reached in October 2003.

On the other hand, the University of Michigan consumer sentiment index increased to 70.3 (from 63 in August), owing to the expansion of both the forecasts component (from 57.9 to 67.2) and the current conditions one (from 71 to 75). The indicator related to the purchase of consumer durables sent instead somewhat negative signals (the index moved from 110 to 107), because of respondents' new concerns about their financial situation



Business confidence in the Euro Area and the United Kingdom

The European Commission survey showed that in September in the average of the Euro Area manufacturing firms' confidence decreased from -9 (in August) to -12, the worst showing for the past five years, 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 moved to 12 from 16 in the previous month).

With regard to major countries, confidence diminished in Germany (from -5 to -11, a trough last reached in August 2005), Spain (from -18 to -22, a minimum unseen since January 1994), and France (from -11 to -13, a five-year low). In the non-Euro Area countries, confidence worsened also in the United Kingdom (from -13 to -19). The opinions on the trend in orders deteriorated in all major economies: in Germany the balance declined from -8 to -14, in France from -13 to -21, and in Spain from -24 to -33, the lowest level since February 1994. In the United Kingdom, the balance plunged, moving from -14 to -22, the lowest reading for the last two years. Short-term production expectations remained instead stable in the major economies, apart from Spain where the related balance moved from -8 to -10. Inventories gave instead negative 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.

