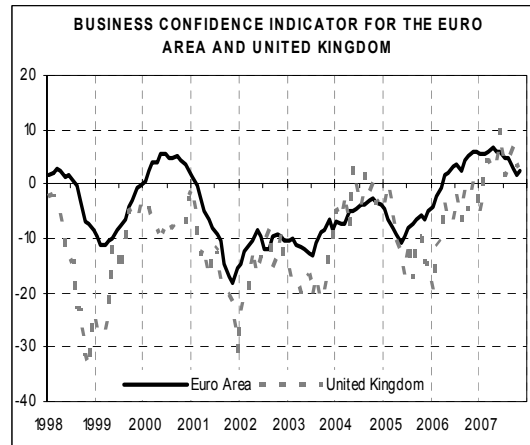
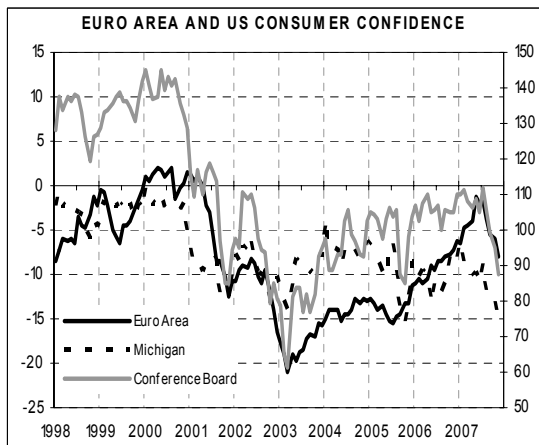




Date: December 6, 2007
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IN NOVEMBER MANUFACTURING FIRMS' CONFIDENCE IMPROVES IN THE EURO AREA. US AND EUROPEAN CONSUMERS SHOW INSTEAD STRONG PESSIMISM

- Manufacturing firms' confidence slightly improved in the average of the Euro Area, in the presence, however, of higher inflationary pressures. The opinions on order books and production expectations improved, while inventories stabilized
- Among the main countries, the index rose in France and Spain and held steady in Germany
- However, consumers in the Euro Area were increasingly worried about personal and general economic prospects, as well as rising inflation
- Negative signals were sent by all main countries in the Euro Area and by the United Kingdom, where the confidence index posted a marked decline due the deterioration in all its underlying components
- In the United States, consumer confidence plunged to its lowest level in two years both according to the Conference Board and the University of Michigan, mainly because of a worsening in short-term expectations



Data on December shall be released on January 10, 2008

The next ISAE surveys are scheduled as follows:

December 20: ISAE Monthly Consumer Survey (reference period: December)

December 21: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: December) and ISAE Investment Survey on Manufacturing and Extractive Firms (reference period July-December 2007)

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

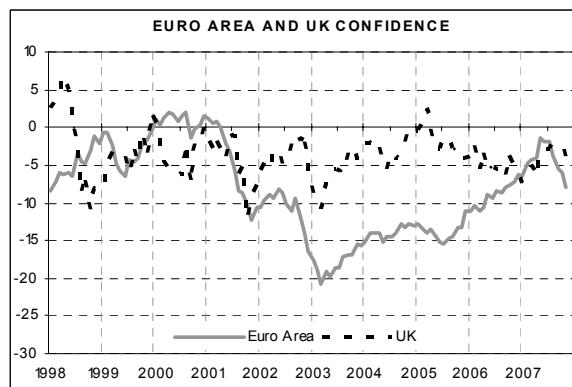
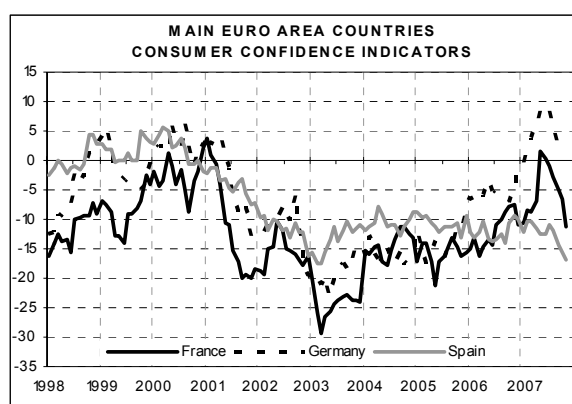
The full text of ISAE Surveys (either hardcopy or electronic format) is available for sale (for further information see the web site www.isae.it)

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 declined in November (from -6 to -8, the lowest level since October 2006), prompted by the deterioration in all the underlying components of the indicator. Moreover, consumers expected an increase in inflationary pressures (the balance rose from 26 to 28).

Among the main countries, consumer confidence worsened, though moderately, in Germany, reaching 3 (from 4 in October). Prospects for the general economic trend deteriorated, but future saving opportunities and respondents' expectations on their personal economic situation improved. Prospects for labour market developments stabilized instead. However, inflationary pressures eased slightly: the balance came in at 30 (compared to 32 in the previous month). In France, confidence declined in November from -7 to -11, because of marked deterioration in all the underlying components of the indicator. Prices also sent unfavourable signals: French consumers expected a sharp worsening in inflationary pressures (the balance increased from 30 to 36, the highest level since September 2001). In Spain, confidence moved from -16 to -17, due to deterioration in prospects for the respondents' personal economic situation, labour market developments and saving opportunities. Expectations for the general economic situation stabilized instead. Unlike the average of the Euro Area, Germany and France, Spanish consumers did not expect changes in inflation (the balance stayed at 26, its previous month level). Lastly, the confidence climate decreased in the United Kingdom, reaching -4 (from -2 in October), driven, also in this case, by the worsening in all the underlying components of the indicator. Finally, with regard to prices, British consumers expected an acceleration of inflation (the related balance rose from 21 to 22).

Also the United States sent markedly pessimistic signals. The consumer confidence indicator calculated by the Conference Board moved from 95.2 to 87.3, hitting the lowest level since October 2005. The fall stemmed from the worsening in the present situation index (from 118 to 115.4) and, above all, in the gauge measuring short-term prospects (from 80 to 68.7). The survey of the University of Michigan confirmed these indications: the consumer confidence index declined from 80.9 to 76.1, reaching, also in this case, the lowest level recorded in the last two years.



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 increased in November to 3 (from 2 in October): the opinions on order books and production expectations improved and inventories stabilized. As for prices, entrepreneurs expected a slight increase in industrial selling prices (the balance rose to 12, from 11 in the previous month).

In Germany, instead, the confidence climate held steady with respect to October (at 3): entrepreneurs' opinions on orders books worsened slightly, but expectations on short-term productive activity improved and inventories remained unchanged. However, German firms anticipated a moderate increase in industrial selling price inflation. The related balance moved from 11 to 12. In France, confidence improved over the previous month (the balance rose from 2 to 4), owing to an improvement in all the underlying components of the indicator. As for inflation, instead, French firms did not expect changes in industrial selling prices (the balance stood at 8, as in the previous month). In Spain, confidence recovered strongly (from -1 to -6), thanks, also in this case, to the improvement in the opinions on the level of order books and in production expectations and to the de-stocking of inventories. However, with regard to prices, Spanish firms expected a strong acceleration of inflation, and the balance increased to 11 from 7 in October. Lastly, in the United Kingdom, confidence edged up slightly (from 3 to 4), driven by an improvement in the opinions on orders and on production prospects. Nonetheless, inventories surged. Finally, with regard to prices, inflationary pressures increased sharply (the balance moved from 17 to 23).

