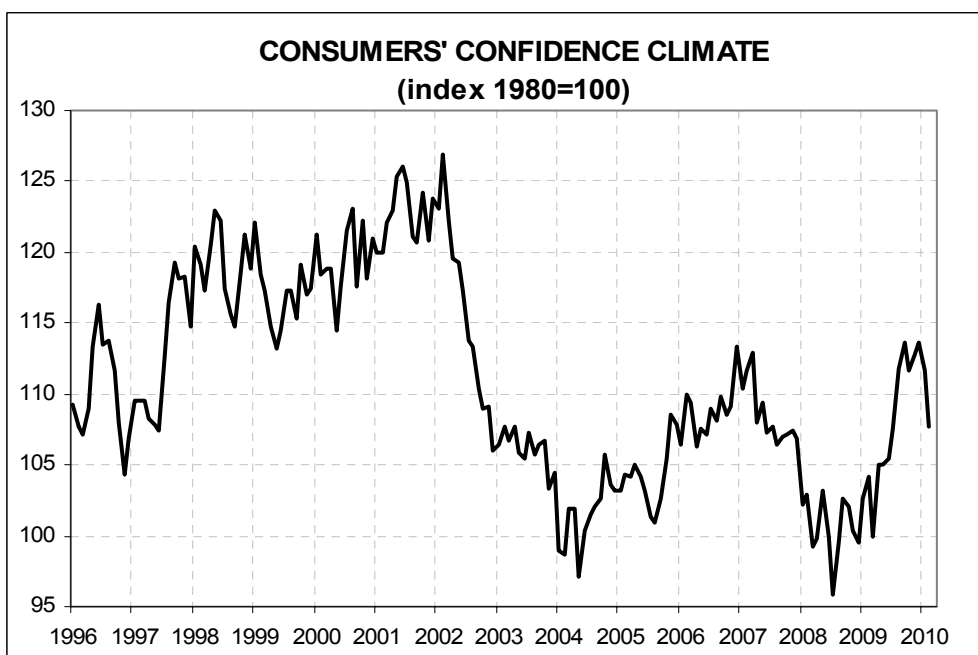


CONSUMER CONFIDENCE CONTINUES TO DECLINE IN FEBRUARY

- The confidence index lowered to 107.7 (from 111.6), coming close to the value reached last July
- The worsening mainly stemmed from assessments on the country's economic situation, for which the index declined from 88.5 to 79, hitting the low posted in May 2009. Deterioration also distinguished the indicator for short-term expectations (from 101 to 96.5), the opinions on the current situation (from 119.3 to 116.3) and on the respondents' personal situation (from 123.4 to 122)
- More in detail, the most unfavourable indications came from the views on both the country's economic conditions (mainly opinions) and the labour market. Some positive signals emerged instead from the family budget
- Moreover, for the second straight month, most consumers perceived once more a rise in inflation and the related balance reached the highest level since last June. Also short-term price expectations, though remaining negative, markedly increased compared to the previous survey
- At the regional level, confidence decreased all over the country, lowering mostly in the Northern areas (mainly in the North East) and to a lesser extent in the Centre



Data on March shall be released on March 24, 2010

The next ISAE surveys are scheduled as follows:

February 25: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: February), ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: February), ISAE Monthly Business Services Survey (reference period: February), and ISAE Monthly Survey on Construction (reference period: January)

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)

Italian consumers' confidence

According to the ISAE Survey carried out between February 1 and February 15, Italian consumers' confidence contracted markedly, losing nearly four points (from 111.6 to 107.7) and going back close to last July's value.

The worsening mainly stemmed from assessments on the country's economic situation, for which the index declined from 88.5 to 79, nearing the value posted in May 2009. Deterioration also distinguished the indicators for short-term expectations (from 101 to 96.5), the opinions on the current situation (from 119.3 to 116.3) and on the respondents' own personal situation (from 123.4 to 122).

In particular, as in the previous month but more markedly, the most unfavourable indications came from the views on both the country's economic situation (mainly opinions) and the labour market. Moreover consumers continued to perceive a new rise in the year-on-year inflation rate. Also short-term price expectations, though remaining negative, noticeably went up again compared to the previous survey.

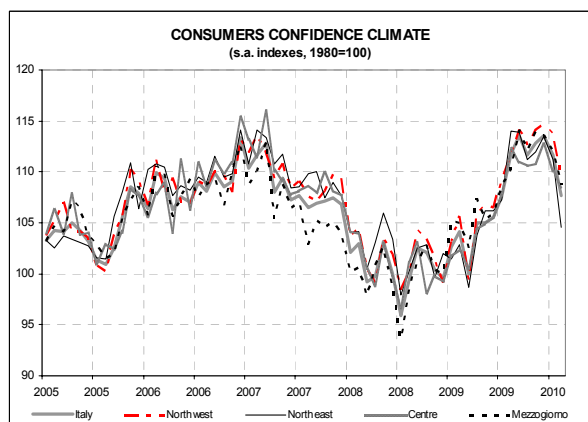
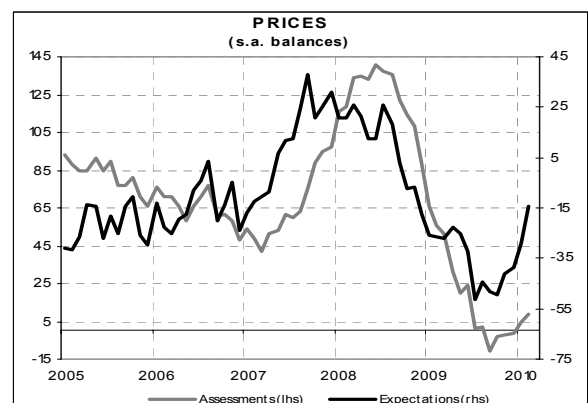
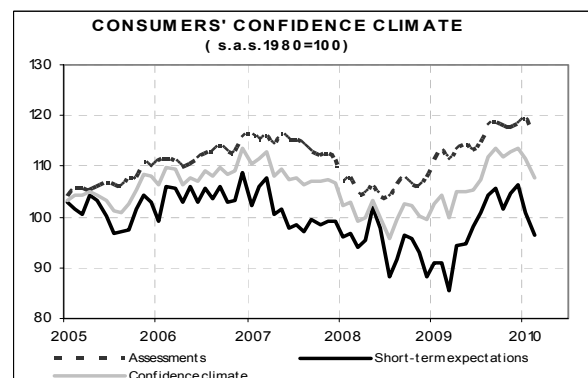
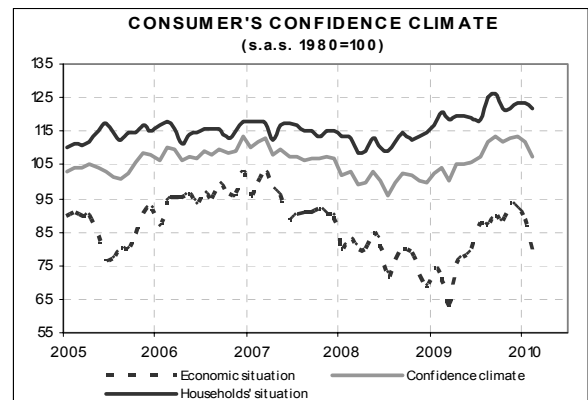
At the regional level, confidence decreased all over the country, lowering mostly in the Northern areas (mainly in the North East) and to a lesser extent in the Centre.

Overall economic situation

In February, all the opinions regarding the country's economic conditions markedly deteriorated. In particular, assessments on the current situation worsened from -81 to -100 and the related expectations diminished from -9 to -22, coming both close to the values posted last June.

Appraisals of the labour market showed a further worsening: expectations for higher unemployment reached 96, compared to 83 in the previous survey, attaining the highest level since March 2009.

As for inflation, in February for the second month in a row, people who considered prices to have increased ("much" or "quite") exceeded those who thought they remained "stable" or "declined". In fact,



the balance moved from 5 to 9. Though still negative, also short-term expectations somewhat recovered. The balance actually halved, moving from -29 to -14, the highest value since November 2008.

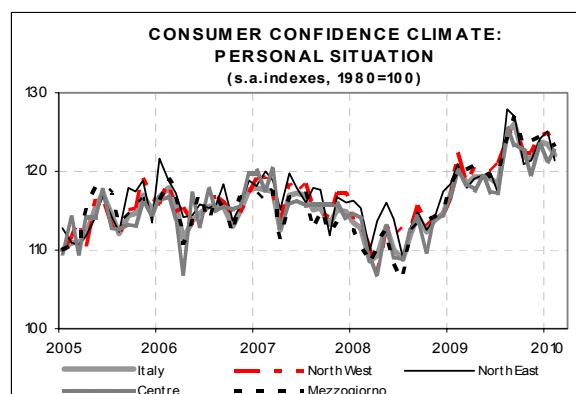
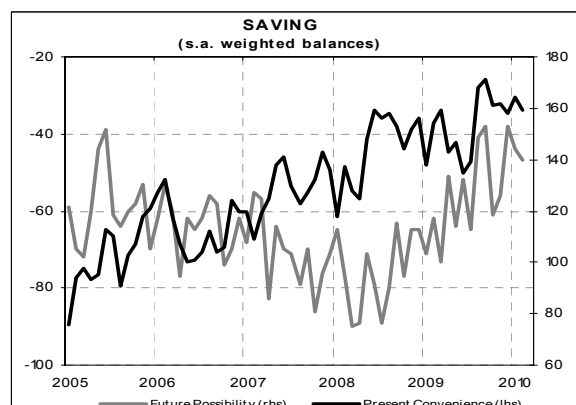
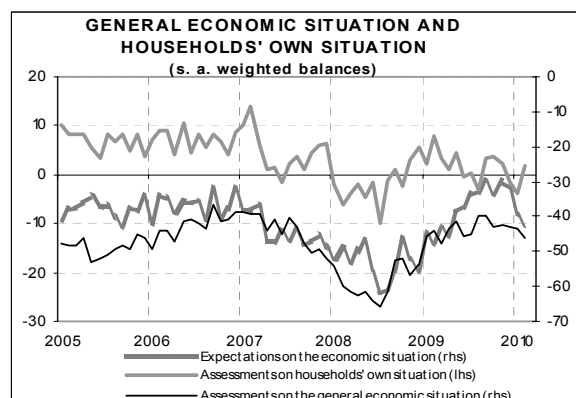
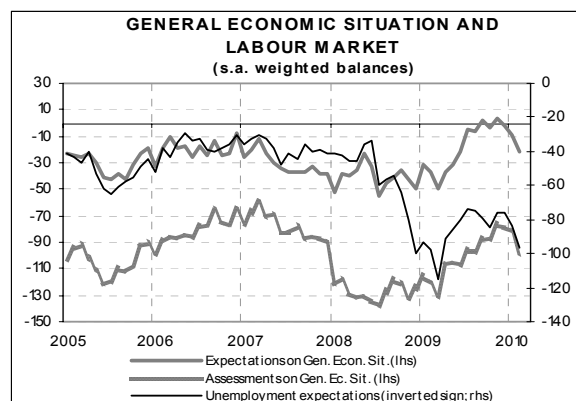
Personal situation

Opinions and forecasts for the personal situation recorded overall the most moderate decline. The perceptions about the family's economic situation were decidedly negative: the opinions declined from -43 to -46 and expectations moved from -8 to -10. On the contrary, consumers perceived better equilibrium for their family budget, for which after two months the balance turned positive and reached 2 (compared to -4 in January).

These indications were accompanied by cautiousness regarding the opinions on savings: the indicator for the current convenience to save diminished from 164 to 159 and the one for future opportunities lowered from -44 to -47. Moreover, also the opinions on the current and expected convenience to purchase consumer durables worsened (the related balances declined from -72 to -78 and from -48 to -53, respectively).

Regional breakdown of consumer confidence

The deterioration in consumer confidence posted at the national level was not evenly spread across the country. The situation deteriorated mostly in the North (especially in the North East) and to a lesser extent in the Centre and the South. As observed for the overall confidence climate, also at the regional level the nastiest deterioration occurred for the opinions on the general economic situation which worsened above all in the North East, while in the Centre the fall was more moderate. Also for the personal situation, consumers in the North East were again the most pessimistic, while in the Centre and the South they were less unfavourable. Current opinions were similar to the assessments on the personal situation, showing higher pessimism in the North (mainly in the North East) and lower pessimism in the Centre. Short-term expectations



were also in line with the opinions on the current situation: particularly unfavourable in the North, negative but less so in the Centre and the South.

North West: in this area the confidence index diminished from 113.7 to 109.4 going back to the value posted last July. Deterioration mainly characterized assessments and forecasts for the country's economic situation and labour market expectations. The family budget and, accordingly, the opinions on the durable goods market and on future saving opportunities improved instead.

North East: the index lowered from 111.3 to 104.6, posting the largest decline among all areas. The fall was particularly marked for assessments on the country's current situation and on the labour market. Nevertheless, the family budget and the forecasts for the respondents' own family economic situation slightly improved, though consumers did not expect to be able to save in the following twelve months.

Centre: in this area the fall in confidence (from 110 to 108.5) was the smallest, due to contrasting trends for the underlying components of the indicator. A marked deterioration of the opinions on the country's situation and on the labour market came along with favourable indications regarding the family budget and expectations for the personal economic situation. Consumers also believed they were able to save in the following twelve months.

Mezzogiorno: in this area confidence decreased from 111.9 to 108.7. Also in this case, the fall mainly stemmed from the economic climate and, in particular, from the opinions on the country's current conditions. Better assessments characterized instead the respondents' personal situation and, especially, the family finances and their economic conditions.

