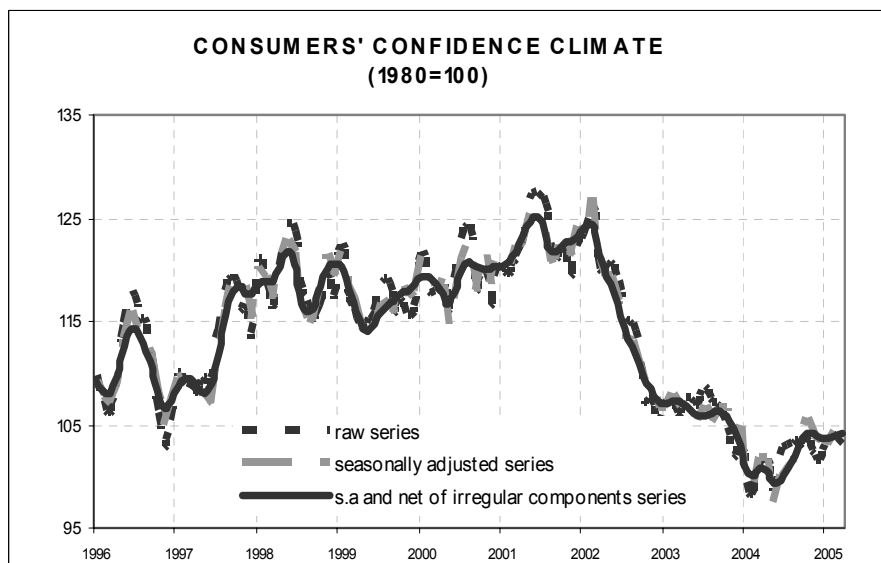




Date: March 23, 2005
TEL.: 06/444821

THE CONSUMERS' CONFIDENCE SLIGHTLY DECREASES IN MARCH

- The seasonally adjusted indicator falls from 104.4 to 104.1, thus remaining close to the average figures of Q4 2004; indeed, the raw index goes from 103.8 to 103.2 and the indicator adjusted for the seasonal and irregular component (which is more affected by the historical series) rises from 104 to 104.2
- The respondents' assessments on the country's general economic situation and on its future prospects are worsening, while evaluations on their own situations and on the current economic framework remain stable
- In particular, assessments on the convenience to save further increase, which confirms the confidence recovery observed after the financial scandals, while labour market evaluations deteriorate
- On average, confidence in Europe remains stable for the fourth month in a row as it shows signals of recovery in France and of deterioration in Germany
- In the United States, confidence slightly decreases both in February and in March, particularly because of the growing concerns for the raw material prices



Data referring to April shall be diffused on **April 21, 2005**.

Next ISAE surveys are scheduled as follows:

March 24, 2005: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (Reference month: March)

March 30, 2005: ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (Reference month: February) and ISAE Monthly Business Service Survey (Reference month: March)

April 5, 2005: Comparative Business Surveys for Italy, Germany and France (reference month: March)

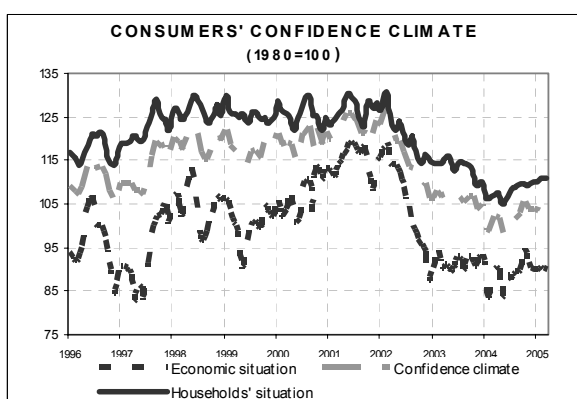
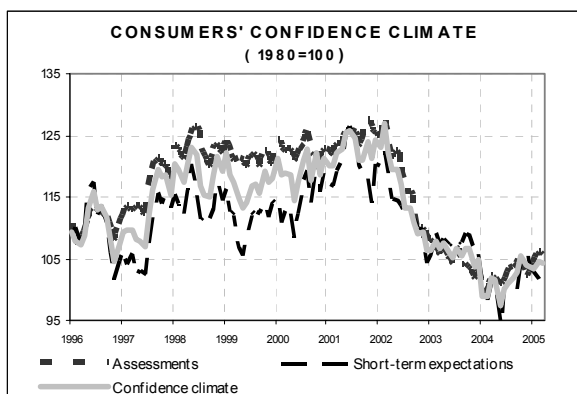
The full text of ISAE Surveys (either hardcopy or electronic) is available on sale (for further information see web site www.isae.it)

I – ISAE CONSUMER SURVEY FOR ITALY

March 2005

According to the Consumer Survey carried out by ISAE between March 1 and 16 on a sample of 2,000 respondents, the consumers' confidence slightly decreases in March, as the seasonally adjusted indicator falls from 104.4 to 104.1, thus remaining close to the average figures of Q4 2004. Indeed, the raw index goes from 103.8 to 103.2 and the indicator adjusted for the seasonal and irregular component (which is more affected by the historical series) increases from 104 to 104.2.

The respondents' assessments both on the country's general economic situation (close to the December 2004 figures) and on its future prospects (getting near the September 2004 values) are worsening. Conversely, evaluations on the respondents' own situations and on the current economic framework are stable.



General economic situation

In March, the seasonally adjusted confidence index of the general economic situation alone shows a deterioration, passing from 90.7 to 89.7, as the synthesis of the wide-spread concerns for the labour market. Indeed, the seasonally adjusted weighted balance of employment expectations rises from 43 to 48.

Assessments on the general economic Italian situation remain unchanged (the seasonally adjusted weighted balance equalling -94), while expectations become more cautious: indeed, the balance marks a worsening (from -26 to -27) for the fourth month in a row.

With reference to prices, the February assessments showing an inflation slowdown are confirmed. The raw weighted balance mirroring the trend of the past twelve months falls from 88 in February to 85, with a rise from 14 to 15% (which marks a peak since July 2002) in the share of those deeming prices rose "not much". However, few concerns remain on expectations for the next twelve months (the weighted balance rising from -34 to -28), which get close to the early-2005 figures. The share of consumers expecting higher rises than in the past remains stable (at 5%), while the percentage of those forecasting similar rises grows from 12 to 16% and the number of respondents expecting smaller rises falls from 23 to 20. Indeed, half of respondents confirm they expect a stability, as in February.

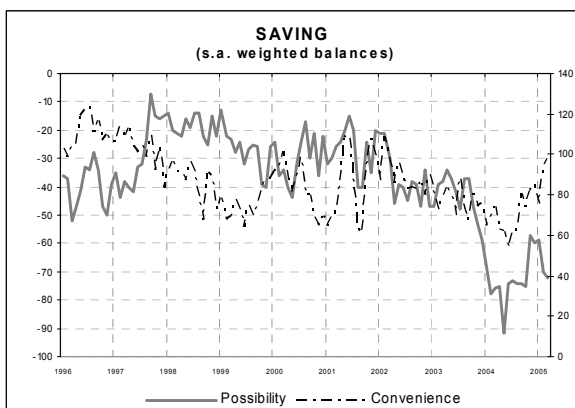
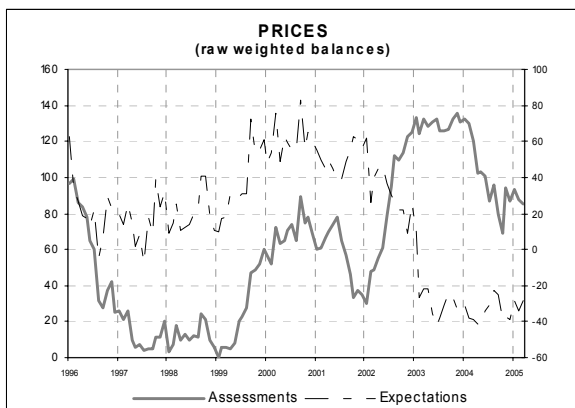
Households' situations

In March 2005, the seasonally adjusted confidence index referring to the respondents' own situations alone slightly decreases from 111 to 110.8, which is however close to the highest figures ever reached since October 2003. Evaluations on the present convenience to save continue to improve (the seasonally adjusted weighted balance growing from 94 to 98), which are again close to the early-2002 levels, thus recovering from the 2004 financial scandals. With reference to the real saving

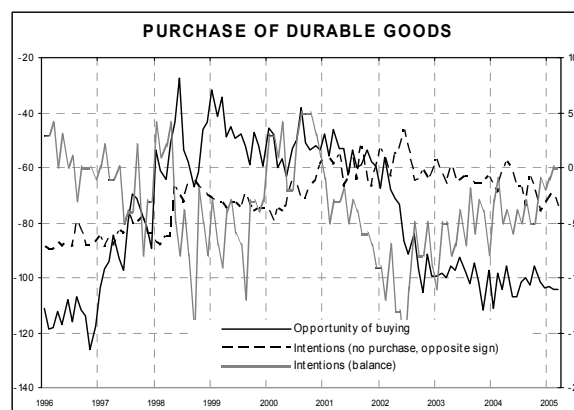
opportunities, consumers are more pessimistic than in February, as the balance further deteriorates from -70 in February to -72 in March.

The variables referring to the households' situations are rather cautious. Indeed, less favourable assessments on the households' own situations (the balance falling from 9 to 8) go alongside with darker evaluations on the present households' financial situations (the balance passing from -47 to -48) and no recovery is looming ahead for the next twelve months (the seasonally adjusted weighted balance remaining at -7 as in February).

The February stability of assessments on the present convenience to purchase durables is confirmed (the seasonally adjusted weighted balance equalling -104, as in the previous Survey) which is mirrored in the short-term spending intentions (the balance being 0, as in February). However, the share of those intending to make no purchase at all rises from 69 to 74%, after three contractions in a row.



Turning to details on the consumers' intentions to make major purchases, the percentage of those "definitely" or "probably" buying a car in the next twelve months remains at 8%, while the share of those "definitely" excluding any purchase grows from 85 to 86%. The number of consumers intending to buy a house rises from 2 to 3% (but the percentage of respondents excluding any home purchase also rises from 95 to 96%). Finally, the number of respondents referring they will have extra expenses for home maintenance and improvement decreases from 7 to 6, while the share of those definitely excluding that grows from 89 to 91%.



II - THE EUROPEAN COMMISSION CONSUMER SURVEY AND AMERICAN CONSUMER SURVEYS

February and early-March data

The February average consumers' confidence in the euro area stabilises on the 2004 average figures. Looking at single economies, a strong deterioration is registered in Germany, while the index shows a significant recovery in France. In the United States, the consumers' confidence registers a slight contraction in February, which is also confirmed by the early-March data.

Turning to details, the average euro area indicator stops at -13 in February for the sixth month in a row; conversely, the prospects for the respondents' own situations and for future saving opportunities slightly fall, while expectations on the country's general

economic situation remain unchanged. With regard to labour, the share of respondents expecting an unemployment rise grows (the balance passing from 28 to 30). Among non confidence-building indicators (according to the Commission), opinions on the present convenience to purchase durables and the spending prospects for the next twelve months stabilise, though new price rises are looming ahead (the balance passing from 8 to 9).

Among the major countries, the German confidence climate falls in February, passing from -12 to -15, thanks in particular to a worsening of the prospects of the country's general economic situation and of the labour market trend (indeed, the share of respondents expecting an unemployment rise considerably grows from 34 to 43, which is one of the highest figure ever reached since October 2003). With reference to prices, no variations emerge in the German inflationary dynamics and the February balance remains at 8, as in January.

The French confidence climate improves in February, passing from -17 to -13, which is close to the April 2004 figure), thanks in particular to rosier prospects for the country's general economic situation (from -18 to -15) and for the labour market trend (from 32 to 25, close to December 2004); conversely, future saving opportunities remain stable. With reference to prices, new price rises are expected and the balance grows from 10 in January to 15 in February.

The Spanish confidence indicator stops at -9 in February and expectations on the respondents' own situations and on future saving opportunities worsen, while those concerning the labour market recover (indeed, the share of those forecasting an unemployment rise falls from 12 to 8, which is close to the March 2004 figures). Turning to prices, Spanish respondents also expect an inflationary tension growth (the balance passing from 21 to 16, which is one of the lowest figures ever reached since June 2004).

In the United States of America, according to the Conference Board indicator, consumers' confidence falls from 105.1 to 104, mainly because of the worsening index referring to expectations alone (passing from 100.4 to 95.7), while the sub-index on the current situation improves from 112.1 to 116.4. According to the Michigan University data, the American confidence climate deteriorates in February from 95.5 to 94.1. The early-March data of the Michigan University itself show that American consumers should maintain a moderately pessimistic approach as the index falls down to 92.9 mainly owing to the growing concerns on the rises in raw material prices.