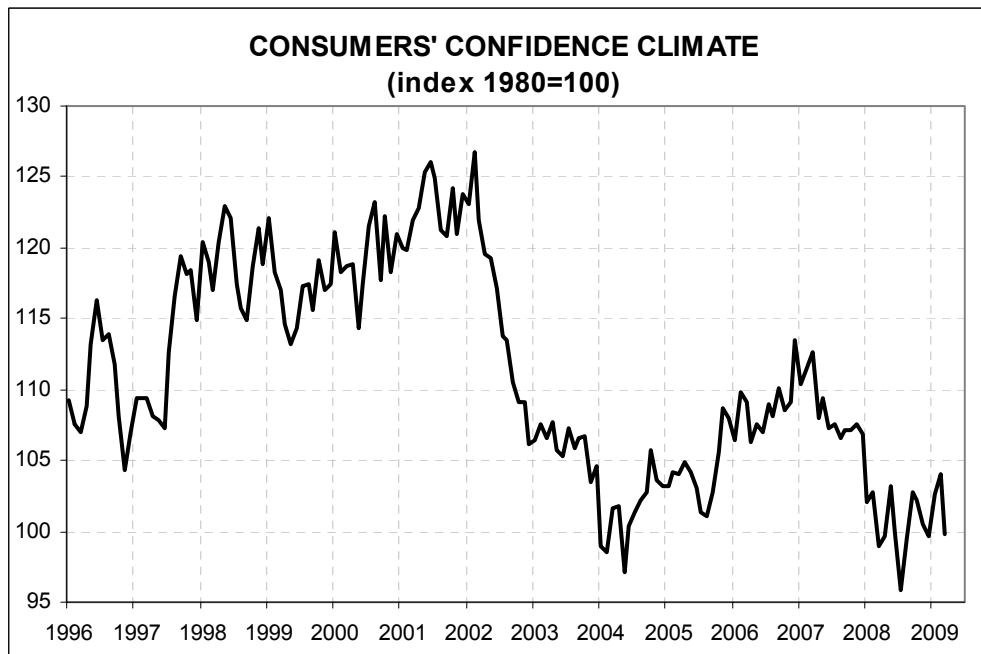




Date: March 25, 2009

IN MARCH CONSUMER CONFIDENCE RESUMES A DOWNWARD PATH

- After two consecutive increases, in March the confidence index dropped from 104 to 99.8, nearing the value recorded at the end of 2008
- The indicator for general economic conditions showed the sharpest fall (reaching 62.1, compared to 70.4 in February), while the worsening of the consumers' perception of their personal situation was more moderate (from 120.7 to 118.3)
- In particular, labour market prospects deteriorated, hitting their lowest level since February 1994
- Also short-term forecasts and assessments on current conditions declined (moving from 90.7 to 85.3 and from 112.3 to 110.3, respectively)
- Both current and expected inflation slowed down further, but the positive impact on the durable goods market and on savings partly stopped
- At the regional level, the decline was sharper in the North West and more moderate in the Centre and the South



Data on March shall be released on April 23, 2009

The next ISAE surveys are scheduled as follows:

March 26: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: March)

March 27: ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: March), ISAE Monthly Business Services Survey (reference period: March), and ISAE Monthly Survey on Construction (reference period: February)

April 7: ISAE International Comparison of Consumer and Business Surveys (reference period: March)

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 March 2 and March 16, following two months of recovery, in March Italian consumers' confidence dropped once more. The indicator moved from 104 to 99.8, nearing the value recorded at the end of 2008.

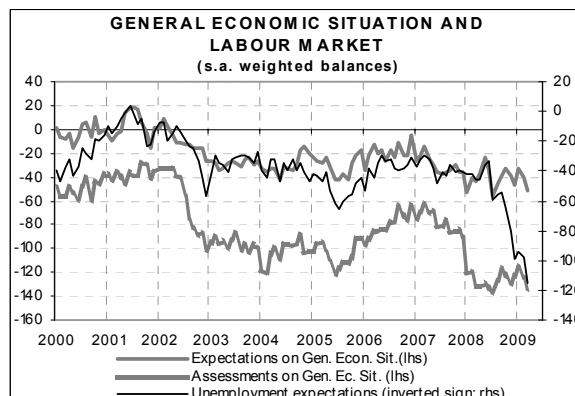
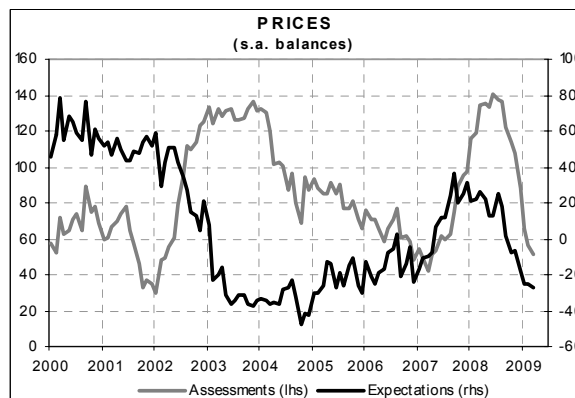
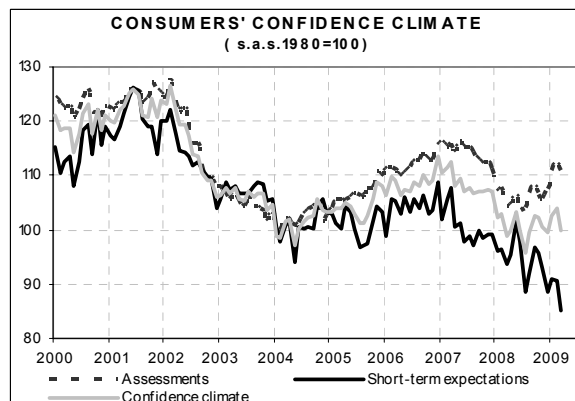
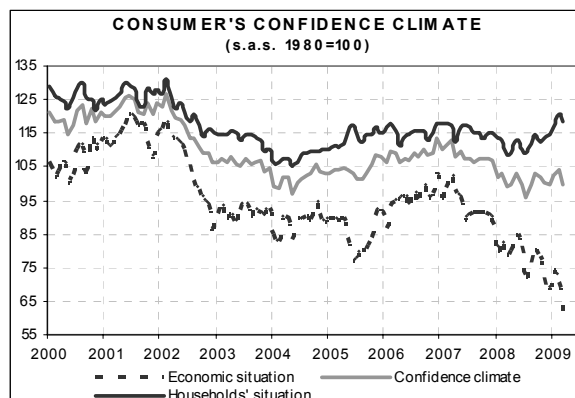
By and large, indications were unfavourable and were particularly negative for the general economic situation and future conditions. The related indices fell from 70.4 to 62.1 and from 90.7 to 85.3, respectively, thus reaching lows last seen at the end of 1993 (in December for the former variable and in November for the latter one). In both cases, deterioration in labour market conditions had a significant impact. A more moderate decline distinguished instead the opinions on the personal situation, for which the indicator decreased from 120.7 to 118.3; the one for the current situation moved from 112.3 to 110.3. Lastly, both present and expected inflation further slowed down.

At the regional level, confidence worsened markedly in the North and more moderately in the Centre and the South

Overall economic situation

Overall, consumers expressed highly pessimistic views. More in detail, the opinions on Italy's general economic situation continued to deteriorate: the balance for the trend in the last twelve months fell from -124 to -135 and the one for medium-term expectations diminished from -40 to -52. Short-term forecasts for labour market developments were expected to extend their marked deterioration. The balance for prospects of a rise in unemployment increased from 97 to 115, the highest reading since February 1994.

Lastly, the price trend continued to ease. The balance related to the opinions on inflation recorded in the last twelve months fell further, moving from 56 (in February) to 51, the lowest level since April 2007. The balance related to expectations for the following year decreased from -25 to -27, a low last reached in December 2005.



Personal situation

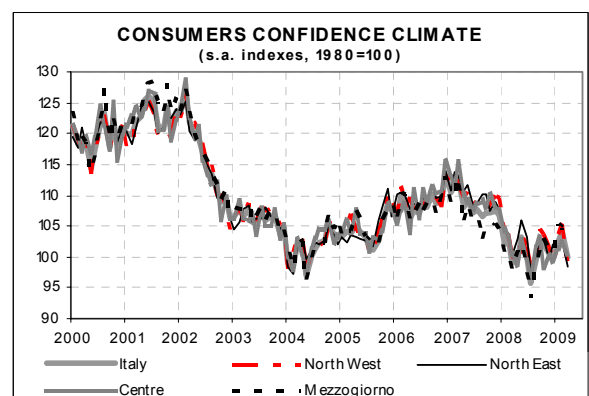
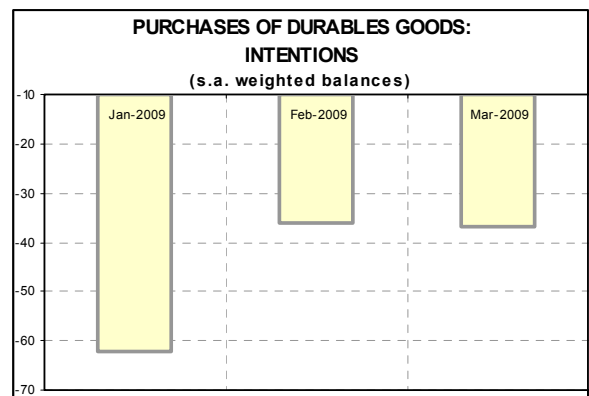
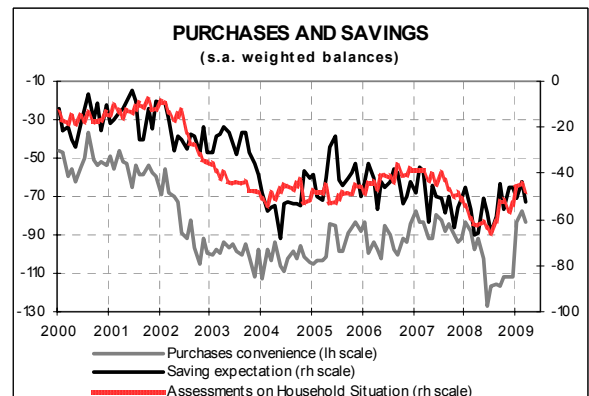
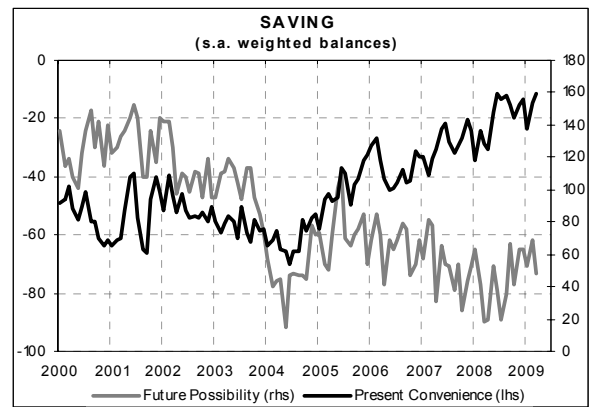
Notwithstanding the continuing deceleration of inflation, consumers' opinions on their personal situation and, mainly, their perception of their current conditions turned negative. Actually, following four months of recovery, families' assessments on their present situation and on their financial budget deteriorated (the balances dropped from -45 to -48 and from 8 to 3, respectively). Moreover, consumers did not consider the current situation encouraging for the purchase of durable goods and, though they continued to positively view the convenience to save, they did not believe they could actually do so in the short run.

However, respondents were less pessimistic about their future personal situation. The related balance recovered four points, moving from -15 to -11, the best result since August 2007.

Regarding the consumer durables market, as previously reported, starting from January 2009, ISAE changed the questionnaire on future buying intentions for harmonization with the one adopted by the European Union. According to the current survey, 64% of the respondents (61% in February) stated that, in the next twelve months, they were going to keep consumer durables' expenditures practically unchanged, while 28% (30% in the previous survey) said they planned to cut them down. Lastly, only 6% of consumers (8% in February) intended to spend more or much more than before.

Regional breakdown of consumer confidence

In March, consumer confidence worsened all over the country, but at different rates. The confidence index worsened more than the national average in the North West, and the same as average in the North East. Pessimism was instead lower in the Centre and the South. As recorded for the country's overall confidence indicator, deterioration mainly characterized general economic conditions and future prospects, whereas the opinions on the personal climate and on current conditions sent less negative signals.



North West: in the North West, the confidence indicator experienced the sharpest worsening compared to the other areas, moving from 105.5 to 99.3. The fall was mainly due to more negative opinions on the labour market and on the country's economic situation. With regard to the personal situation, assessments on the durable goods market and on future saving opportunities were markedly unfavourable

North East: in this area confidence diminished from 102.7 to 98.4. Deterioration stemmed both from the negative views on the country's conditions and the labour market and from above average pessimism regarding the personal situation and, in particular, in contrast with the national trend, regarding the prospects for the family economic situation.

Centre: in the Centre confidence dropped less than in all the other areas. The index diminished from 102 to 100.1. Pessimism was lower than average regarding future prospects, while the opinions on personal conditions actually improved.

Mezzogiorno: in the South, the index declined from 104.8 to 102.5. Marked pessimism distinguished almost exclusively the opinions on general economic conditions and, above all, the labour market. Pessimism was noticeably less marked for assessments on current and future conditions. In contrast, unique in the whole country, positive (albeit weak) signals emerged regarding the personal situation.

