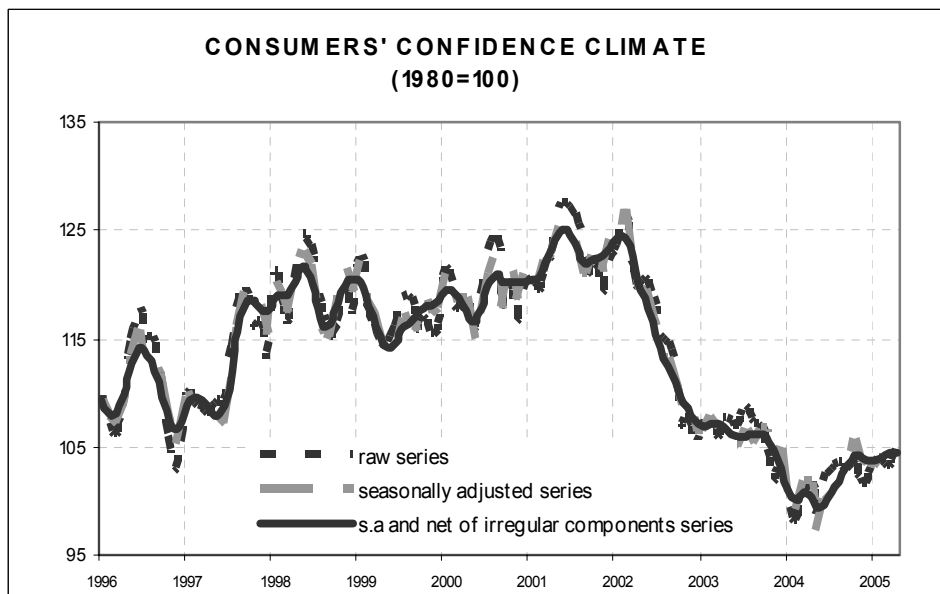




THE CONSUMERS' CONFIDENCE GROWS IN APRIL

- The seasonally adjusted indicator rises from 104.2 to 104.8, thus getting close to the October 2004 figures. Indeed, the raw index proportionally increases more (passing from 103.2 to 104.8, which is near the maximum values since September 2003). The indicator adjusted for the seasonal and irregular component, though showing a smaller growth (from 104.4 to 104.6), gets close to the November 2003 figure
- The major improvement is observed in short-term expectations, particularly with reference to the labour market and to saving opportunities. Indeed, favourable signals also come from evaluations on the respondents' own situations, which reach the October 2003 figures, and from assessments on the country's general economic situation
- In Europe, the consumers' confidence registers a slight contraction, after six months' stability, with unfavourable signals coming from Germany in particular
- In the United States, confidence shows a further deterioration in March, which is also confirmed by the early Michigan University data



Data referring to May shall be diffused on May 24, 2005.

Next ISAE surveys are scheduled as follows:

April 27, 2005: ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (Reference month: March) and ISAE Monthly Business Service Survey (Reference month: April)

April 28, 2005: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (Reference month: April)

May 3, 2005: Comparative Business Surveys for Italy, Germany and France (reference month: April)

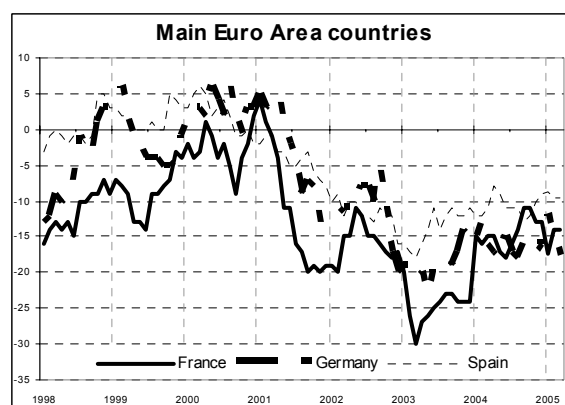
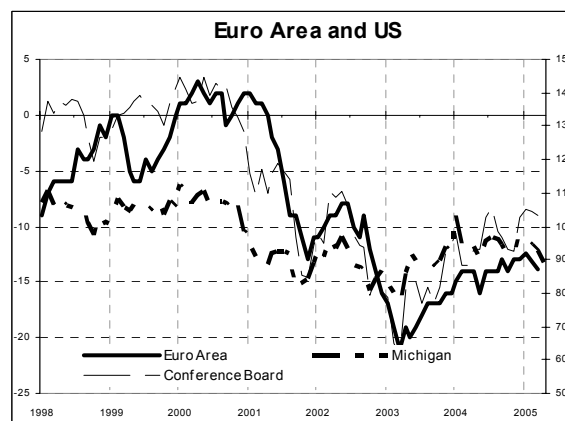
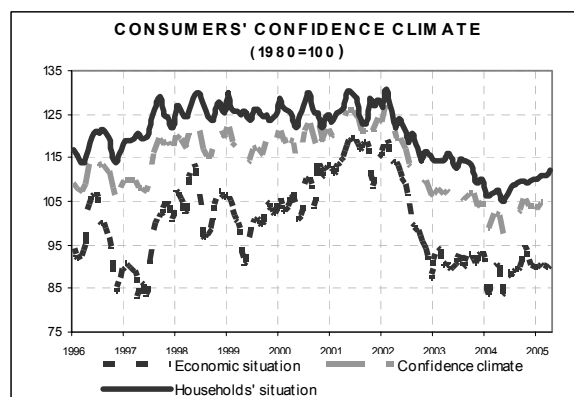
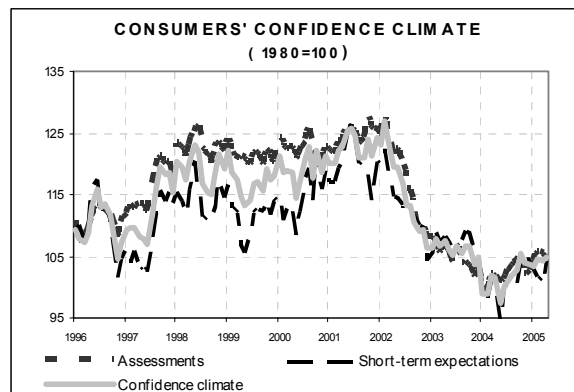
The full text of ISAE Surveys (either hardcopy or electronic) is available on sale (for further information see web site www.isae.it)

Confidence in Italy, in the euro area and in the United States¹

According to the Consumer Survey carried out by ISAE between April 1 and 14 on a sample of 2,000 respondents, the consumers' confidence grows in April, as the seasonally adjusted indicator rises from 104.2 to 104.8, thus getting close to the October 2004 figures. In proportional terms, the raw index increases even more (passing from 103.2 to 104.8, which is near the maximum values since September 2003). The indicator adjusted for the seasonal and irregular component, though showing a smaller growth (from 104.4 to 104.6), gets close to the November 2003 figure.

Assessments on short-term expectations are particularly favourable, as they recover from 100.4 to 104.2, thus getting near the November 2004 values. Also opinions on the respondents' own situations, which get closer to the October 2003 figures, are slightly improving, as are assessments on the country's general economic situation. Indeed, evaluations on the current confidence climate – falling from 105.6 to 104.9 – are moderately decreasing. With reference to the inflationary dynamics, evaluations on the present situation remain stable, though some concerns for future possible accelerations are emerging.

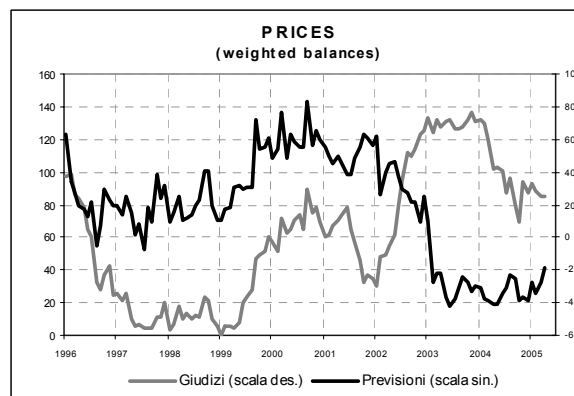
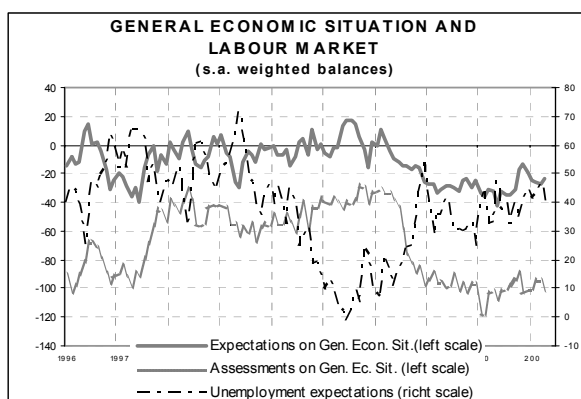
On average, after six months' stability, confidence in the euro area registers a slight contraction in March. Looking at single economies, unfavourable signals come from Germany. In the United States, confidence shows a further deterioration both in March and – according to the early Michigan University data – in April too.



¹ All data are seasonally adjusted, unless indicated otherwise.

The ISAE Survey: the general economic situation

In April, the confidence index of the general economic situation alone shows a slight improvement, passing from 89.7 to 90.1. Indeed, the prospects for both the general economic situation (the balance recovering from -27 to -23, after a four-month contraction) and, in particular, for the labour market, are improving (the weighted balance of expectations for the unemployment growth diminish from 47 to 41). However, definitely unfavourable assessments on the current economic situation remain, with a balance falling from -94 to -103. With regard to prices, the March assessments showing an inflation slowdown are confirmed. The raw weighted balance mirroring the trend of the past twelve months stabilises at 85, as does the number of those deeming prices increased “very much” or “enough” (equalling 27 and 45% respectively). Some concerns remain on expectations for the next twelve months (the weighted balance rising from -28 to -19, which is the worst values since January 2003). Alongside with a rise in the share of consumers expecting higher rises than in the past (passing from 5 to 7%), the percentage of those forecasting similar rises increases from 16 to 18% and the number of respondents expecting smaller rises grows from 20 to 22%. Finally, 47% of respondents expect stability (50% in March), which is the lowest figure ever registered since January 2003.



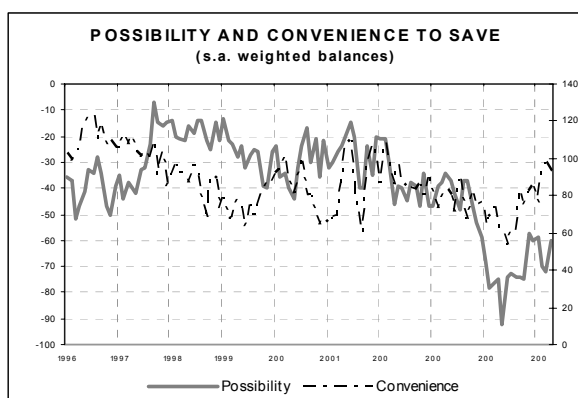
The ISAE Survey: the households' situations

In April 2005, the confidence index referring to the respondents' own situations alone rises from 110.8 to 112.1, which is close to the October 2003 value. Within a framework characterised by generally stable households' situations (the balance remaining at 8, as in March), consumers are slightly less pessimistic in their assessments and expectations on their own situations: indeed, balances show a slight recovery, passing from -47 and -7 to -46 and -6 respectively. Conversely, expectations on the future saving opportunities – which get close to the early-2005 figures (the weighted balance growing from -72 to -60) - are markedly recovering, while evaluations on the present convenience to save pass from 98 to 93, though remaining above the average figure of the past two years.

With regard to durables, consumers are slightly less pessimistic than in March in their assessments and expectations: the weighted balances recover from -106 and 0 to -104 and 1 respectively. With reference to future purchasing intentions, the percentage of those intending to make no purchase at all rises from 74 to 77%.

Turning to details on the consumers' intentions to make major purchases, signals are rosier. Indeed, the percentage of those “definitely” or “probably” buying a car in the next twelve months remains at 8% for the third month in a row, while the share of those

“definitely” excluding any purchase diminishes from 86 to 82%. The number of consumers intending to buy a house remains at 3%, but the percentage of respondents excluding any home purchase decreases from 96 to 92%. Finally, the number of respondents referring they will have extra expenses for home maintenance and improvement rises from 6 to 8%, while the share of those definitely excluding that decreases from 91 to 85%.



The Surveys on the euro area and the United States (March and early-April data)

The March average consumers’ confidence in the euro area falls from -13 to -14: indeed, all confidence-building components are worsening, with the exception of forecasts on the general economic situation, which remain stable. Among other variables, assessments on the convenience to purchase durables and spending intentions for the next twelve months remain unchanged, within a framework characterised by expectations for price stabilisation.

The German confidence climate falls from -15 to -18, thus reaching the low levels of October 2004. Unfavourable signals come from almost all confidence-building components with the exception of expectations on the respondents’ financial situations. Indeed, both the prospects on the general economic situation and those on future saving opportunities are worsening (the balance passing from 5 to 0, which is one of the lowest levels since April 2004) and the share

of those expecting an unemployment rise grows, while a further inflation rekindling is expected.

In France, the confidence climate remains stable at -14: indeed, the prospects for the country’s general economic situation are improving (from -15 to -10), as do – to a lesser extent - those concerning the respondents’ own situations and saving opportunities. Conversely, expectations on the labour market considerably worsen (unemployment expectations rise from 25 to 32). With regard to prices, the inflationary thrusts are expected to weaken.

The Spanish confidence indicator stops at 10, while future saving opportunities are improving (and reach the highest peaks since September 2002), though unfavourable signals on the labour market trend are emerging. Turning to prices, Spanish respondents expect new inflationary tensions (the balance passing from 16 to 18).

In the United States of America, according to the Conference Board indicator, consumers’ confidence falls from 104.4 to 102.4, owing to a worsening of the index on expectations alone (passing from 96.1 to 93.7) and of the one on the current situation (passing from 116.8 to 115.6). Unfavourable indications also come from the Michigan University data, which deteriorates from 94.1 to 92.6 in march. Those signals are confirmed by the preliminary April data of the Michigan University, which show that the confidence index falls down to 88.7 (the lowest figure since September 2003), thus deteriorating for the fourth time in a row. Indeed, the worsening mainly mirrors the respondents’ growing concerns for the raw material price rises.