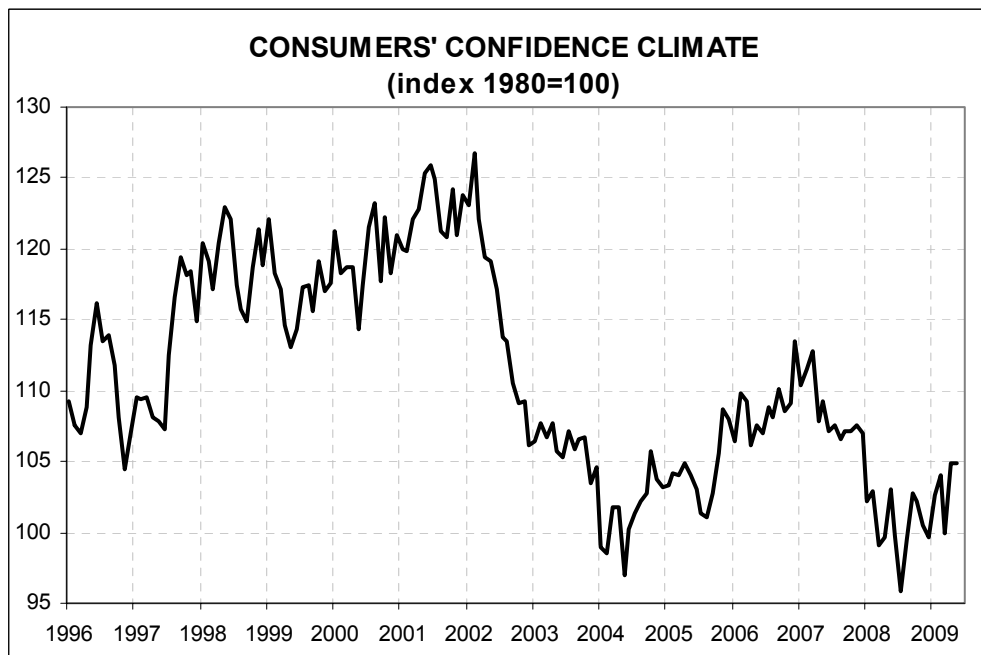




Date: May 27, 2009

CONSUMER CONFIDENCE REMAINS STABLE IN MAY

- The confidence index stayed at its April level (104.9). The indicator for general economic conditions progressed further, rising from 74.8 to 77.1, while a more moderate improvement distinguished respondents' opinions on the current situation (from 112.5 to 113.5)
- The indicators for the personal situation and future conditions remained instead virtually unchanged (the former stayed at 119.3, while the latter moved from 94.4 to 94.3)
- Particularly, improvement characterized expectations for the country's economic situation and the labour market. Moreover, both current and expected inflation continued to decelerate
- Instead, the scenario for savings in the following year and the opinions on the durable goods market were less favourable than in the previous month
- At the regional level, the rise in confidence was sharper in the North East than in the North West and the Centre. The *Mezzogiorno* sent instead negative signals



Data on June shall be released on June 24, 2009

The next ISAE surveys are scheduled as follows:

May 28, 2009: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: May), ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: May), ISAE Monthly Business Services Survey (reference period: May), and ISAE Monthly Survey on Construction (reference period: April)

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 May 4 and May 18, Italian consumers' confidence held steady in May at 104.9 (as in April), the best result since December 2007.

In particular, general economic conditions gave more favourable indications than in the last months. The index progressed further, rising from 74.8 to 77.1. A lower increase distinguished respondents' opinions on the current situation (from 112.5 to 113.5), which reached however the highest value since August 2007. The indicators for the personal situation and future conditions remained instead virtually unchanged. The former stayed at 119.3 (its April level), while the latter moved from 94.4 to 94.3.

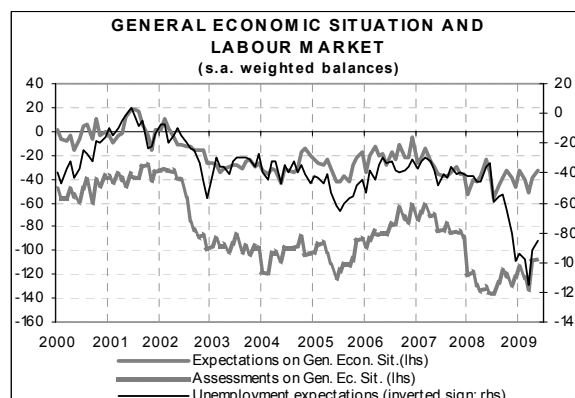
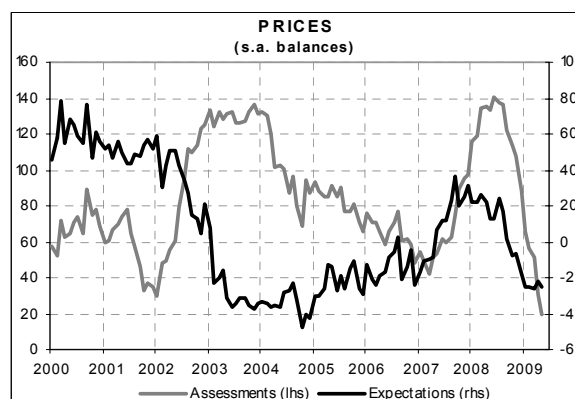
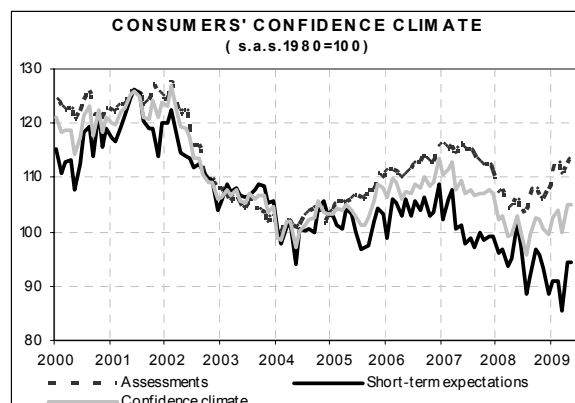
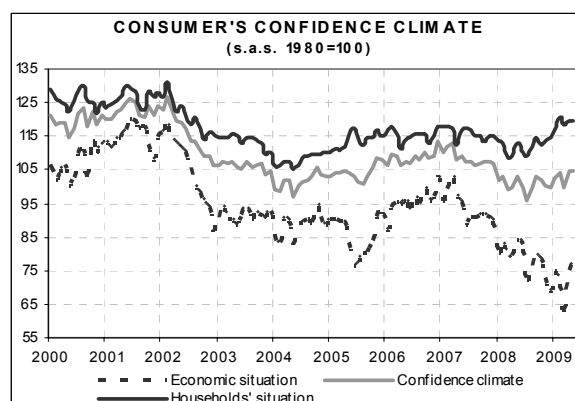
Moreover, current and expected inflation continued to decelerate.

At the regional level, confidence improved in the North East, edged up slightly in the North West and the Centre, but posted a decline in the *Mezzogiorno*.

Overall economic situation

In May, consumers were more optimistic than in the last months about the country's general economic situation. More in detail, the evaluation of current conditions recorded a new moderate improvement: the balance recovered from -108 to -107, the best showing since December 2007. The balance for medium-term expectations increased to -32 from -39, in this case the highest value since May 2008. Moreover, forecasts for unemployment developments in the following twelve months diminished: the balance lowered from 91 to 86, coming back close to the level recorded in November 2008.

Lastly, surveyed consumers considered a further deceleration in current inflation: the balance for the opinions on the trend in last twelve months moved from 31 to 20, the lowest value since June 1999. Also expectations of a slowdown in the following year increased (the related balance moved from -22 to -25).



Personal situation

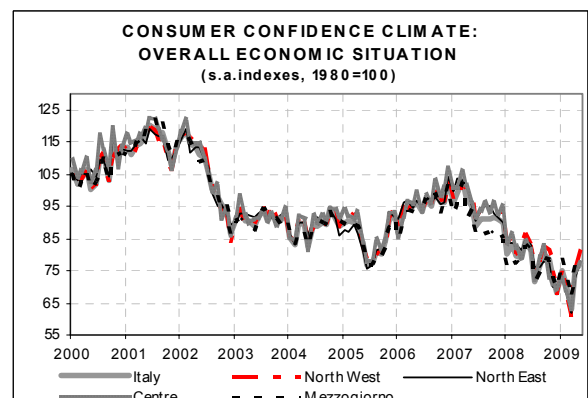
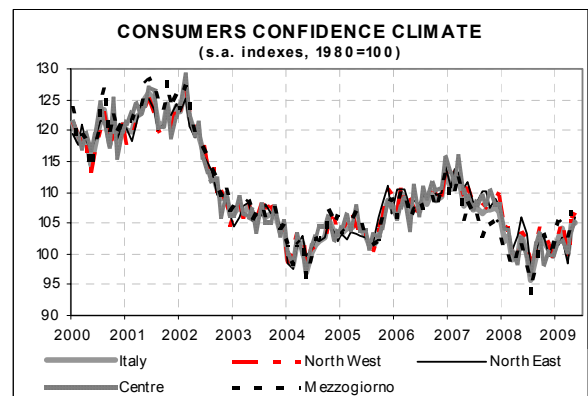
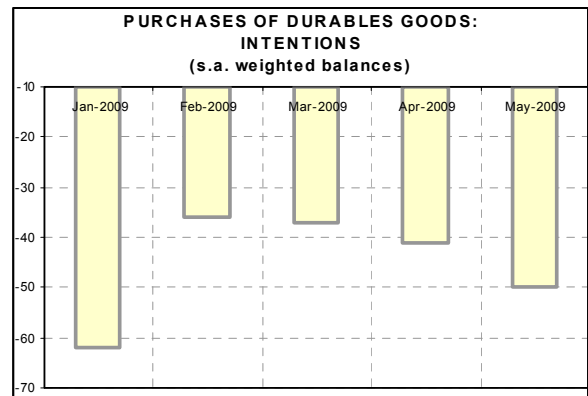
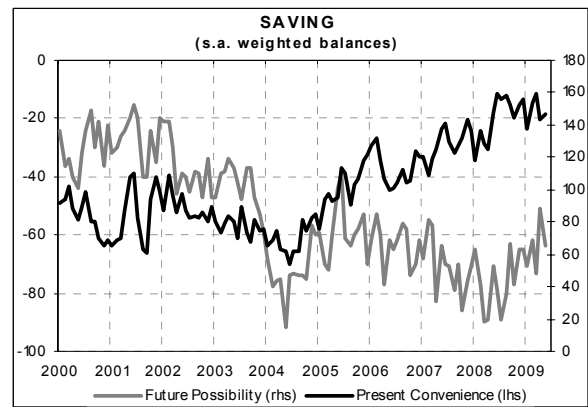
Consumers' opinions on their personal situation held steady, posting however some diversity with respect to April for the various components.

Assessments on the family budget actually bettered (from 1 to 5). With regard to the family's economic conditions, further improvement distinguished the opinions on the current situation (the balance rose from -44 to -42) and, mostly, short-term expectations (from -13 to -8), which showed the best result since March 2007. As for savings, following the April surge, short-term intentions worsened (from -51 to -64), while current opportunities improved (from 143 to 147).

Moreover, consumers started again to be cautious about purchases of durable goods: current opinions deteriorated, moving from -80 to -86, and buying intentions for the following twelve months declined from -82 to -86.

Regional breakdown of consumer confidence

In May, the stabilization of consumer confidence posted at the national level was the result of diverging trends across areas. The confidence index rose more than the national average in all the Northern regions and in particular in the North East. A moderate increase, more in line with the Italian average, distinguished the Centre, while in the South confidence retraced part of the sharp increase posted in April. Consumers in the North and the Centre were actually more optimistic about the general economic situation and more confident about their current economic conditions. In the *Mezzogiorno*, instead, higher pessimism prevailed with regard to all the above variables. Similarly, on average short-term expectations improved – though at different rates – in the North and the Centre, and worsened in the South. Lastly, stability for the personal situation was the consequence of favourable opinions in the North East and the Centre and of pessimism in the North West and the *Mezzogiorno*.



North West: in the North West the confidence indicator experienced a moderate improvement (from 105.7 to 106.6), reaching the best showing since December 2007. For the second month running, improvement derived from clearly better 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 deteriorated instead.

North East: in this area confidence rose more than in all the other areas: the index moved from 103.7 to 106. The improvement stemmed from more favourable views on the country's conditions and on the labour market, as well as on the family budget and on prospects for the personal situation. Consumers were however slightly guarded regarding the personal situation and future saving opportunities.

Centre: in the Centre the improvement in confidence was more moderate. The index inched up from 104.1 to 104.6. Progress in the general situation mainly stemmed from better expectations on the labour market. Cautious opinions on the family situation, spending and saving intentions held back the improvement in the personal climate.

Mezzogiorno: in the South, the index declined instead from 107.3 to 105. Pessimism distinguished the opinions on the general economic situation, as well as personal and future conditions. In contrast with the other areas, negative assessments on the country's current situation and fears of increase in unemployment emerged. Only the climate for current and future savings slightly improved.

