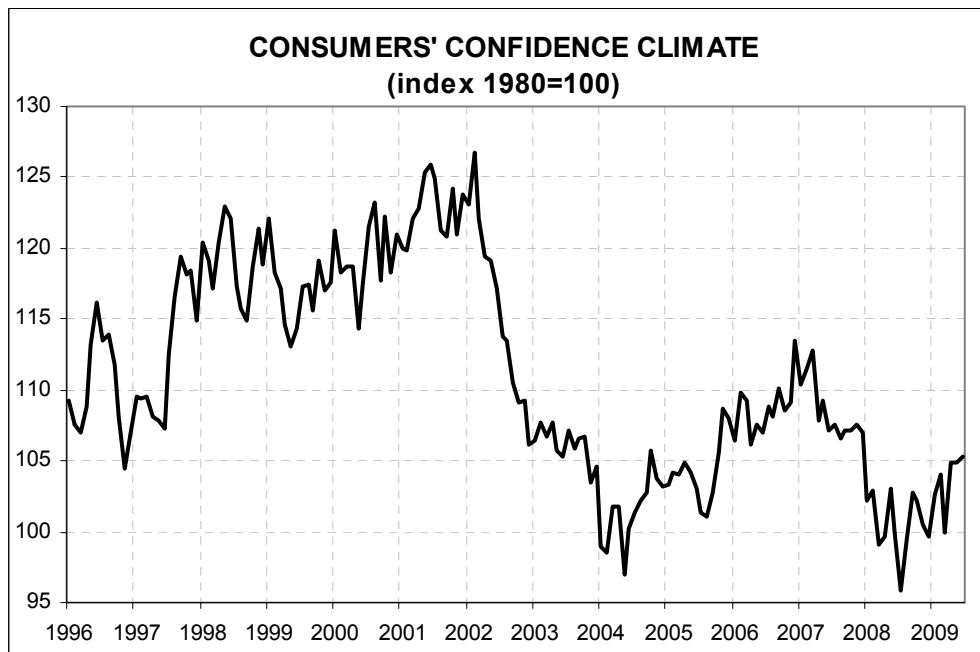




Date: June 24, 2009

CONSUMER CONFIDENCE INCREASES IN JUNE

- The confidence index rose to 105.4 from 104.9 in May, reaching the highest level since December 2007
- The indicator for general economic conditions marked the third consecutive improvement, growing to 79.5 from 77.2. Respondents were instead more reserved about their personal situation, for which the index came in at 119.1, compared to 119.3 in the previous month
- The expectations indicator significantly bettered, moving from 94.5 to 98.1. But, on the other hand, assessments on current conditions worsened (declining to 112 from 113.3)
- In particular, improvement characterized prospects for the country's economic situation, the labour market, and saving opportunities. Also the evaluation of the durable goods market bettered
- The opinions on the economic situation, on the family budget, and the present convenience to save were less favourable than in May
- As for prices, notwithstanding virtual stability recorded for assessments on current inflation, consumers continued to expect a deceleration of future inflation
- At the regional level, confidence increased in the Centre and the South, remained unchanged in the North East, and diminished slightly in the North West



Data on July shall be released on July 28, 2009

The next ISAE surveys are scheduled as follows:

June 25, 2009: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: June), ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: June), ISAE Monthly Business Services Survey (reference period: June), and ISAE Monthly Survey on Construction (reference period: May)

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 June 3 and June 16, Italian consumers' confidence moderately increased in June, moving from 104.9 to 105.4, the highest level since December 2007.

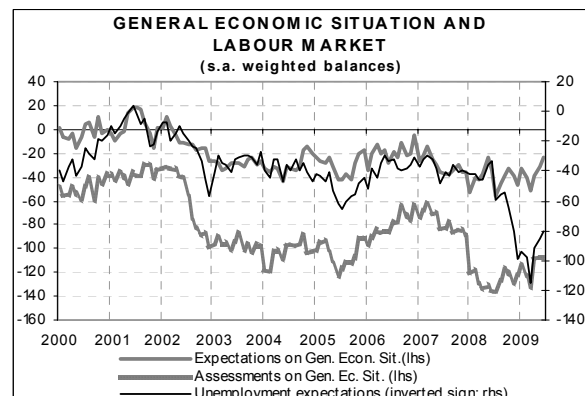
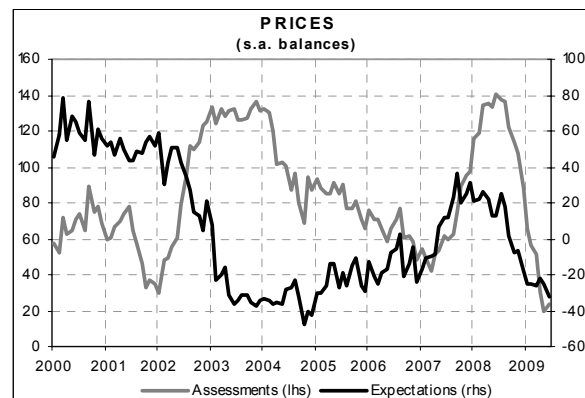
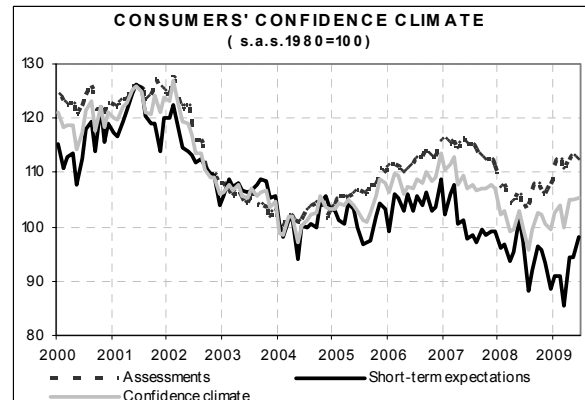
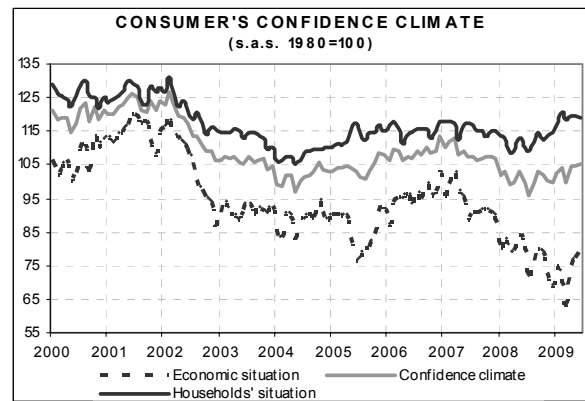
Definitely positive indications came in particularly from overall short-term expectations (the index rose from 94.5 to 98.1, the best result since May 2008) and from the general economic conditions indicator, which rose for the third month running, reaching 79.5 (from 77.2), its highest value since last September. A decline characterized instead the opinions on the personal situation (from 119.3 to 119.1) and, mainly, on current conditions (from 113.3 to 112), though both values remained above last year's average. Alongside a modest recovery of current inflation, expected inflation continued to ease.

At the regional level, confidence increased in the Centre and the South, remained unchanged in the North East, and diminished slightly in the North West.

Overall economic situation

In June, consumers confirmed the lower pessimism which emerged last April. Particularly, short-term expectations clearly improved, while assessments on the country's current situation were more cautious. In detail, the opinions on the Italian economic situation recorded a moderate decline (from -107 to -108), whereas prospects for the following twelve months improved from -32 to -24. Likewise, concerns about an increase in unemployment eased for the third straight month (the balance lowered to 80 from 86 in May).

The balance for the opinions on the year-on-year inflation rate recovered slightly (following twelve consecutive declines), reaching 24 (20 in May). It remained however at the lowest level of the last decade. Short-term expectations, instead, continued to diminish. The balance hit -32 (-25 in May), a minimum since December 2004.



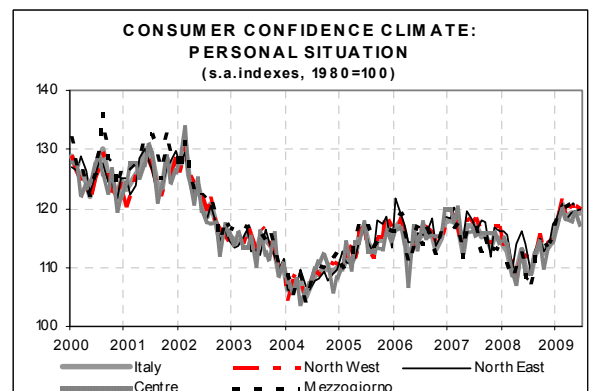
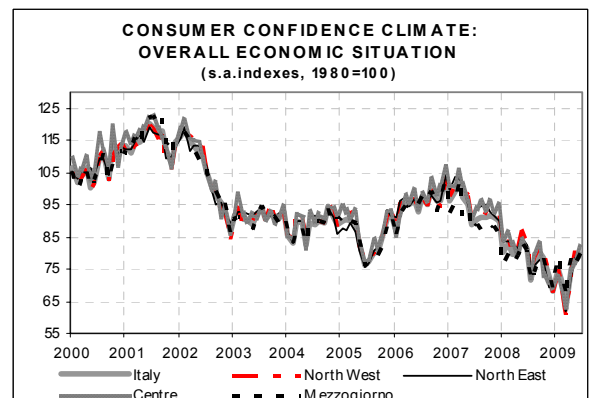
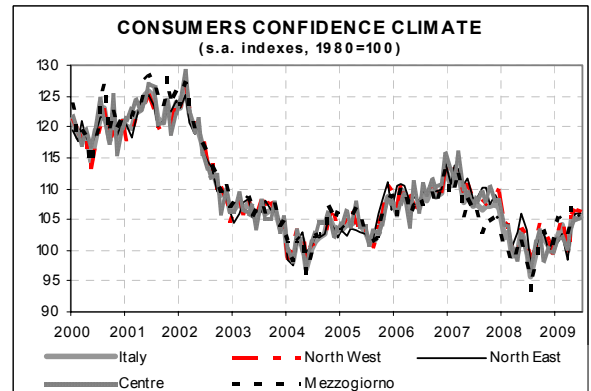
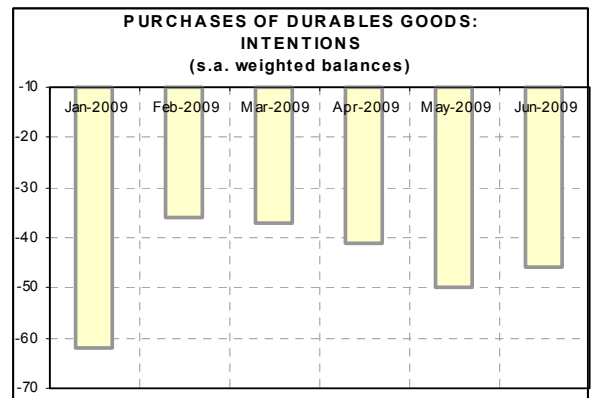
Personal situation

Consumers' opinions on their personal situation declined moderately, reflecting contrasting trends among the various components. Assessments on the family budget actually worsened (the balance lowered from 4 to 0), declining to the lowest level since October 2008. The share of respondents declaring they had to draw down their savings to meet current expenditures increased once more (to 16% of the sample, from 10% in the previous month). A corresponding decline (from 71% to 62%) distinguished the proportion of respondents claiming they were able to "balance" their budget. In spite of this, however, consumers were more willing to currently purchase durable goods (the balance moved to -78 from -86 in May), while they considered it wasn't the right time to save (from 147 to 135). However, surveyed consumers stated they intended to save in the future (the balance recovered from -64 to -52) and also to increase consumer durables purchases. With regard to the family's economic conditions, pessimism which distinguished consumers' opinions on the current situation (from -42 to -46) came along with moderate optimism for short-term expectations (from -8 to -7).

Regional breakdown of consumer confidence

In June, the moderate improvement in consumer confidence posted at the national level was the result of diverging trends across areas. The confidence index declined slightly or at most remained stable in the North, while it improved in the Centre and the South.

With regard to the general economic situation, confidence diminished in the North West, increased below the national average in the North East, and strongly improved in the Centre and the South. The personal situation, instead, worsened everywhere, except in the North East. While the current situation worsened all over the country, future conditions showed widespread signs of improvement, which were particularly strong in the Centre.



North West: in the North West the confidence indicator experienced a moderate decline (from 106.6 to 106.4), remaining however at its highest level since December 2007. The worsening derived from an extensive relapse for current assessments on the country's economic conditions and on the family's situation (mainly with regard to savings). Short-term expectations were instead generally more favourable, though concerns about labour market developments re-emerged.

North East: following the growth recorded in the previous month, in June confidence remained practically stable (at 106.1, compared to 106 in May). The result stemmed from the more favourable views on the general economic situation and future conditions, which outweighed the worsening in the opinions on the current situation. In particular, improvement characterized the forecasts for the country's economic conditions, the labour market, and saving opportunities. In contrast, the opinions on the country's situation and the current convenience to save worsened.

Centre: in the Centre, the improvement in confidence was comparatively higher. The index rose from 104.6 to 105.2, as a result of contrasting trends among the underlying components of the indicator. Clearly better forecasts for the country's economic situation, saving opportunities, and the labour market actually came along with more cautious opinions on the family budget and the current convenience to save.

Mezzogiorno: in the South, the index edged up in line with the national average (to 105.5 from 105 in May). As in the Centre, the opinions on Italy's economic situation and short-term prospects for all main surveyed variables improved markedly and diffusely. On the contrary, assessments on the current situation worsened, mainly because of the sharp deterioration in the family budget and the convenience to save.

