

June 23, 2010Data on July shall be released
on July 23, 2010The next ISAE surveys are scheduled as
follows:

June 30: 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 website www.isae.it)

CONSUMER CONFIDENCE DECLINES IN JUNE

- The confidence index decreased to 104.4 (from 105.4 in May), the lowest level since March 2009
- The decline stemmed from the worsening of the evaluation of the personal economic situation (from 120.3 to 119.1) and current conditions (from 116.9 to 114.2)
- Opinions on the country's economic situation remained instead stable (at 76.6), while short-term expectations improved (from 92 to 94.6)
- Moreover, after rising back in recent months, assessments and forecasts on the price trend abruptly fell

• The drop in confidence was rather uniformly spread across the country: the index declined from 107.1 to 106 in the North West, from 105.8 to 105.4 in the North East, from 104.2 to 103 in the Centre, and from 106.1 to 105.4 in the *Mezzogiorno*

CONFIDENCE CLIMATE

(Index 1980=100, seasonally adjusted)



Italian consumers' confidence

According to the ISAE Survey carried out between June 1 and June 16, Italian consumers' confidence decreased in June to 104.4 (from 105.4 in May), the lowest level since March 2009. The decline stemmed from the worsening of the evaluation of the personal economic situation (from 120.3 to 119.1) and current conditions (from 116.9 to 114.2). Opinions on the country's economic situation remained instead stable (at 76.6) while short-term expectations improved (from 92 to 94.6). Moreover, after rising back in recent months, assessments and forecasts on the price trend abruptly fell.

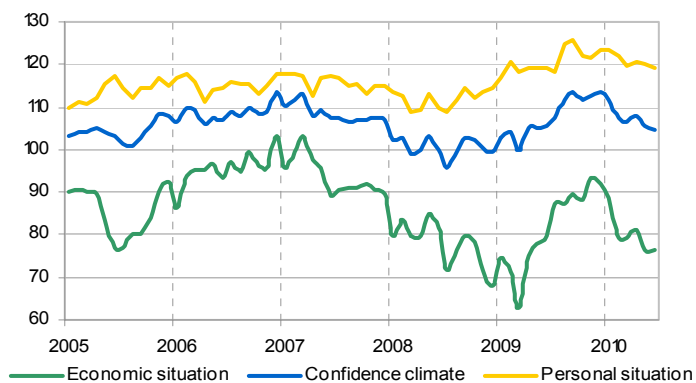
The fall in confidence was rather uniformly spread across the country: the index declined from 107.1 to 106 in the North West, from 105.8 to 105.4 in the North East, from 104.2 to 103 in the Centre, and from 106.1 to 105.4 in the *Mezzogiorno*.

Overall economic situation

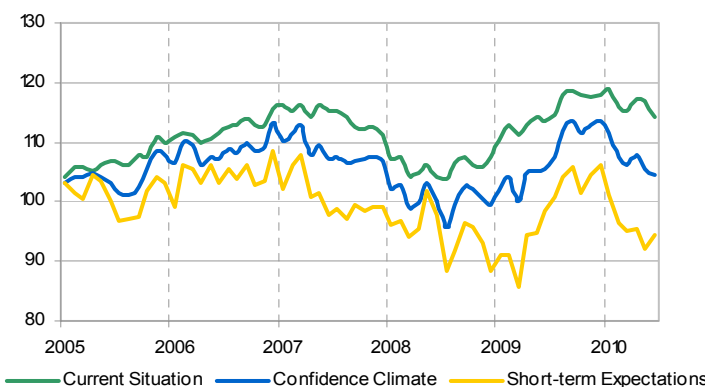
In June, assessments on general economic conditions held steady: the fall (from -98 to -101) recorded by the opinions on the current situation was actually offset by the recovery in short-term forecasts (from -41 to -36). Short-term prospects for unemployment remained instead practically stable (moving from 88 to 87).

The trend in prices showed instead a new reversal: the balance for the opinions on the year-on-year change dropped from -2 to -15, coming close to its February-April average. Following the upward pressures posted in recent months, also short-term forecasts started to decline once more: the balance moved from 2 to -9, turning negative and nearing the value recorded last April.

CONFIDENCE ABOUT THE PERSONAL SITUATION LOWERS, BUT THE ONE FOR GENERAL ECONOMIC CONDITIONS REMAINS STABLE



OPINIONS ON THE CURRENT SITUATION DETERIORATE, WHEREAS SHORT-TERM PROSPECTS RECOVER



AFTER RISING FOR MANY MONTHS, OPINIONS AND PROSPECTS FOR PRICES START TO DECLINE ONCE MORE



Personal situation

In June, overall opinions and forecasts for the respondents' personal situation decreased nearly one point over the previous month. However, the fall was mostly due to the collapse showed by the opinions on the current convenience to save, a historically very volatile series; the related balance fell to 128 in June (from 152 in May), the lowest level since March 2008. At the same time, consumers were more optimistic about saving opportunities in the following twelve months (the balance rose from -62 to -49). As for consumer durables, assessments on the current situation remained unchanged (at -68), whereas expectations markedly worsened (from -52 to -64). More generally, the evaluation of the family economic situation also remained largely stable with regard to both the opinions on the current situation (the balance inched up from -47 to -46) and short-term forecasts (the balance held steady at -13). Lastly, the family budget sent negative signals: respondents claiming they had to draw on savings or increase indebtedness outnumbered again those who stated they were able to save (for which the balance lowered to -1 from 1).

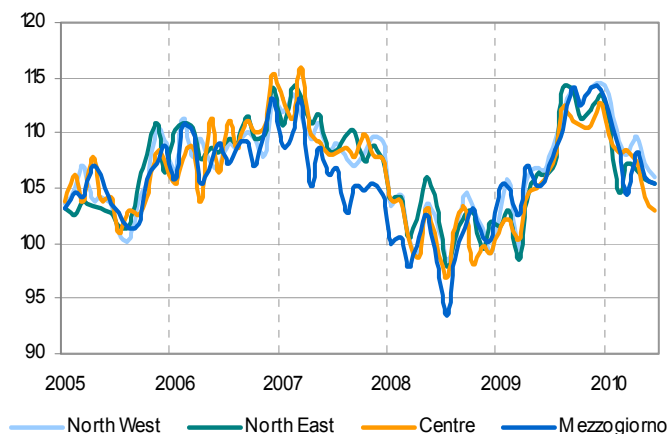
Regional breakdown of consumer confidence

The fall in consumer confidence recorded at the national level was uniformly spread across the country.

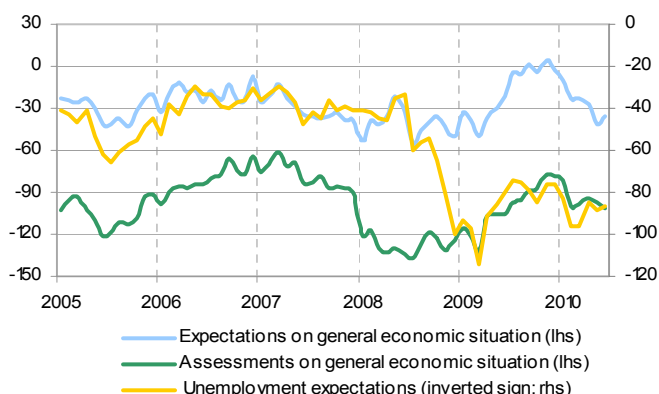
North West: the confidence index decreased from 107.2 to 106, hitting the low last reached in April 2009. Deterioration mainly characterized assessments on the current and personal climate, mainly regarding the family budget and, above all, the current convenience to save. Opinions on the current economic climate and on future conditions improved instead, mainly thanks to more favourable forecasts for the country's economic conditions, the personal situation, and labour market expectations.

North East: in this area the confidence index registered the smallest decline (from 105.8 to 105.4), also in this case because of pessimistic assessments on current and personal conditions: opinions on the current convenience to save plunged, while assessments on the family current

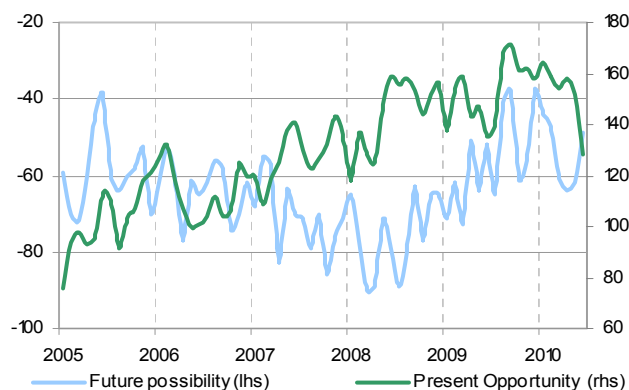
CONFIDENCE DECREASES ALL OVER THE COUNTRY



FOR THE ECONOMIC SITUATION OPINIONS DETERIORATE BUT FORECASTS IMPROVE; EXPECTATIONS FOR THE LABOUR MARKET REMAIN STABLE



OPINIONS ON CURRENT SAVINGS WORSEN, BUT FUTURE PROSPECTS BETTER

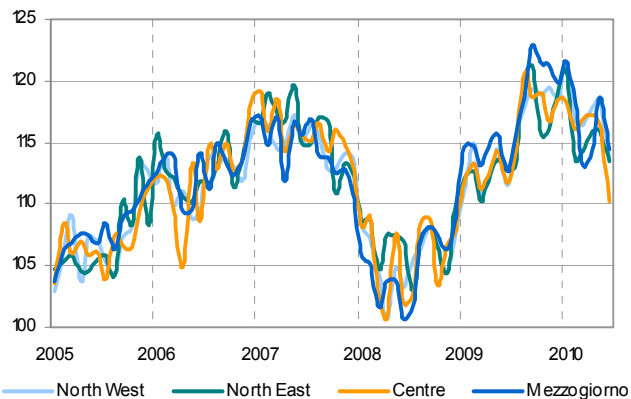


situation and saving prospects bettered instead. The latter also influenced the improvement of the present and future economic climate, as well as the positive expectations for the country's economic trend and the labour market.

Centre: in the Centre confidence recorded the sharpest decline moving from 104.3 to 103, in the wake of widely unfavourable opinions on current conditions, mainly with regard to the present convenience to save and the country's economic situation. But future saving prospects posted a sharp recovery, positively affecting the future climate, notwithstanding slightly unfavourable expectations for the country's economic conditions and the personal situation.

Mezzogiorno: confidence decreased moderately, moving from 106.1 to 105.4, mainly due to pessimism which distinguished the current climate and, to a lesser extent, personal conditions. The opinions on the present convenience to save were particularly unfavourable. Assessments on the country's economic conditions and the personal situation were negative as well. Also in this area, positive signals came instead from the economic climate and future conditions, nearly exclusively because of evaluations of better saving opportunities in the future.

ASSESSMENTS ON CURRENT CONDITIONS DETERIORATE EVERYWHERE ...



... BUT SHORT-TERM PROSPECTS WIDELY IMPROVE

