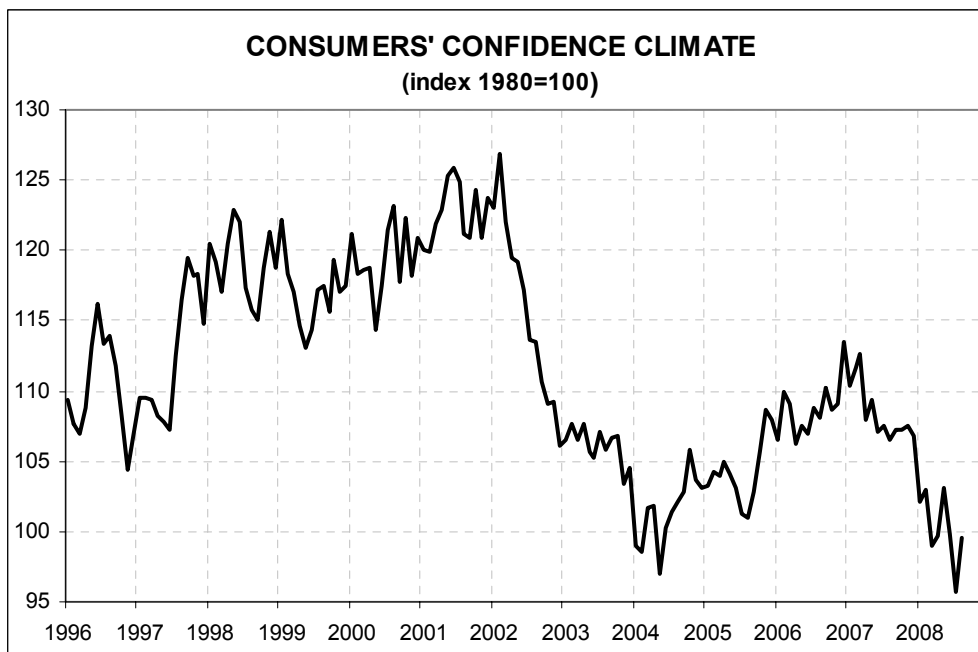




Date: August 27, 2008
TEL.: 06/444821

CONSUMER CONFIDENCE SURGES IN AUGUST

- Following the drop recorded in July, the consumer confidence index recovered nearly four points, climbing back to 99.5 (from 95.8), close to the value posted last June
- The overall indicator for the opinions on the respondents' personal situation rose from 108.9 to 111.9, approaching its May level. The one for the general economic situation picked up from a low of 72.6 experienced in July, reaching 77 but still remaining below its June value
- The indicator for the sole current situation increased from 103.5 to 106.2 (a high last reached in February 2008). The one related to the future situation climbed instead from 88.5 to 91.9, staying nevertheless well below the average recorded in the first six months of the year
- Opinions and forecasts on the country's economic situation showed significant signs of recovery following the fall staged in July, whereas unemployment expectations, though slightly less negative, remained close to the record high registered in the last years
- As for prices, assessments on inflation over the last twelve months stayed virtually stable, whereas expectations for the following year eased somewhat (after the jump recorded in July)
- Confidence recovered all over the country, but mostly in the Centre and the South



Data on September shall be released on September 23, 2008

The next ISAE surveys are scheduled as follows:

September 3: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: August)

September 4: ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: August), ISAE Monthly Business Services Survey (reference period: August), and ISAE Monthly Survey on Construction (reference period: July)

September 9: ISAE International Comparison of Consumer and Business Surveys (reference period: August)

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)

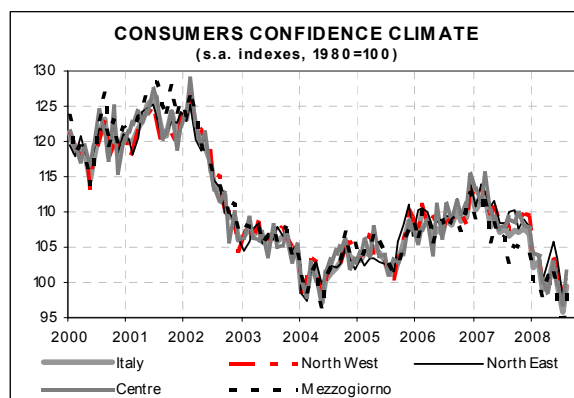
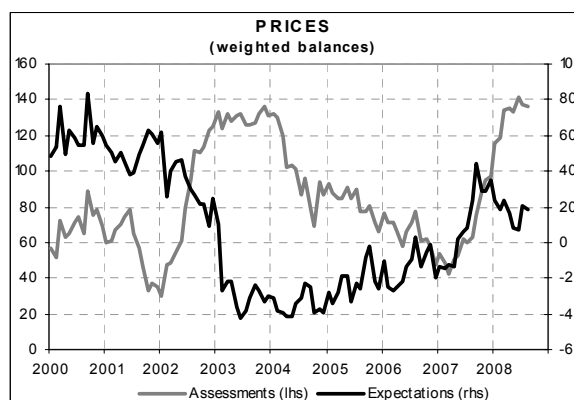
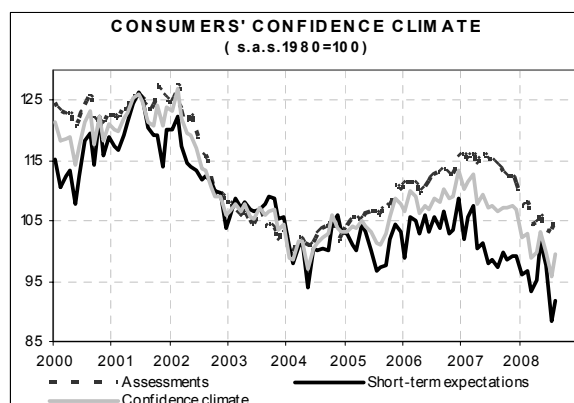
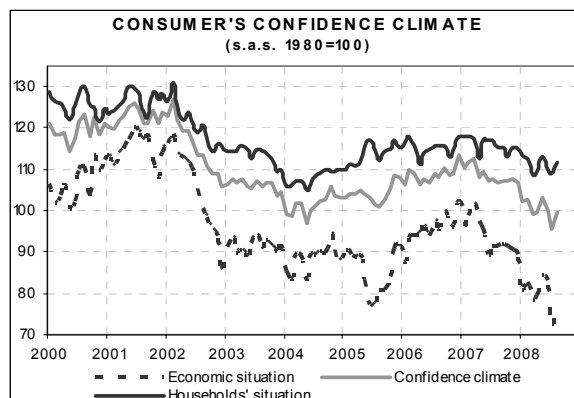
Italian consumers' confidence

According to the ISAE Survey, carried out between August 1 and August 20, Italian consumers' confidence started to rise once more, following the sharp fall recorded in July. In August, the indicator stood at 99.5 (from 95.8), coming close to its June 2008 level. The indicator related to the general economic situation picked up from a low of 72.6 experienced in June, reaching 77 but still remaining below its June value, while the one for the respondents' personal situation rose from 108.9 to 111.9 (the highest level since last May). The indicator for the sole current situation increased from 103.5 to 106.2 (a high last reached in February 2008). The one related to the future situation rose instead from 88.5 to 91.9, staying nevertheless well below the average staged in the first six months of the year. Following the sharp fall posted in the previous month, in August the improvement mainly characterized the opinions and the forecasts on the country's economic situation and on future saving opportunities. Labour market expectations remained negative, instead, though they bettered slightly. As for prices, assessments on inflation over the last twelve months stayed virtually stable, whereas expectations for the following year eased somewhat (after the jump recorded in July).

Confidence recovered all over the country, but mostly in the Centre and the South.

Overall economic situation

Opinions and forecasts on the country's economic situation showed significant signs of recovery, after the fall posted in July, whereas unemployment expectations, though slightly less negative, remained close to the record high registered in the last years. More in detail, the balance for the current economic situation increased from -136 to -128, while short-term expectations moved from -55 to -46. In both cases, however, the values were lower than their average in the first six months of the year. Moreover, concerns about labour market prospects were still high. The related balance rose to 56 (from 59 in July).



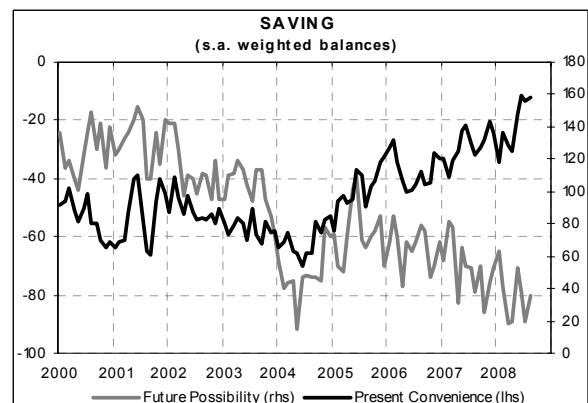
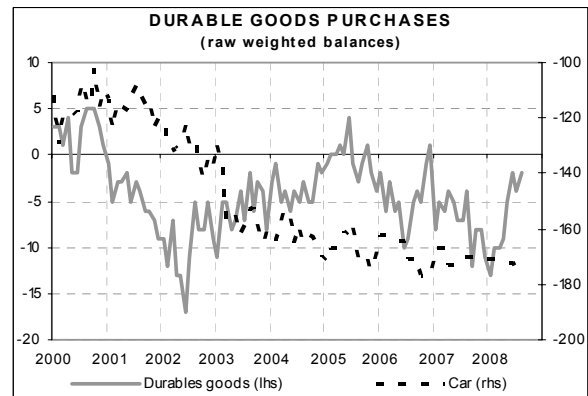
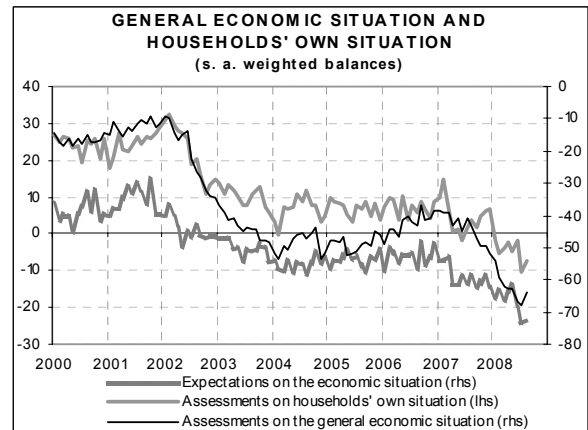
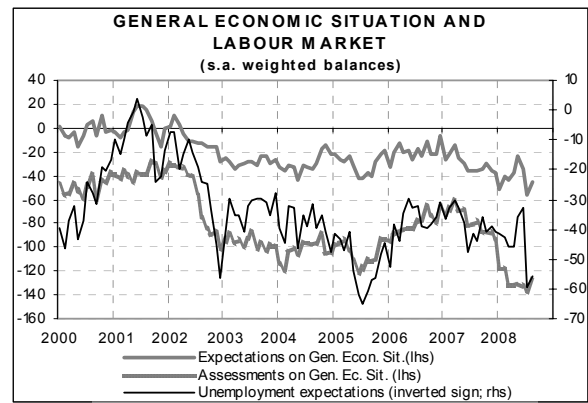
Also the balance for the opinions on the price trend in the last twelve months diminished slightly but remained high (coming in at 136, compared to 137 in the previous month). On the other hand, following the sharp jump posted in July (when the balance stood at 25), short-term inflation expectations declined to 19, reverting below the level staged at the start of the year.

Personal situation

Opinions and forecasts on the respondents' personal situation recovered over the previous month, mainly regarding future saving opportunities. More in detail, the balance for the families' economic situation in the last twelve months recuperated from -68 to -64, while the one related to the forecasts for the following year remained stable at -24. Opinions on the family budget recovered instead (from -10 to -7): the share of respondents who "balanced" their budget or managed to save somewhat increased from 63% to 66% and from 14% to 17%, respectively. Accordingly, the balances for the present convenience to save and for future saving opportunities rose from 156 to 158 and from -89 to -80. Assessments on current purchases of consumer durables remained stable at -116. However, future buying intentions recovered from -5 to -2.

Regional breakdown of consumer confidence

In August, confidence improved all over the country, though at different rates. The rise in confidence was the sharpest in the Centre and the South, whereas in the North of the country the increase was more moderate. The underlying components of the indicator showed higher optimism for the opinions on the general economic situation and on future and current conditions, while less favourable indications came from the opinions on the personal situation, mainly in the North West.



North West: the rise in confidence was the lowest in this region. The indicator actually rose from 98.4 to 100.2, reverting to its March value. The improvement was mainly due to decidedly more positive opinions about both the general economic situation and future conditions. Instead, optimism was more moderate regarding the current situation, whereas the personal situation sent signs of uncertainty.

North East: in general, also consumers in this area gave more positive opinions compared to the previous month: the indicator rose from 97.8 to 100.4, going back, also in this case, to its March level. The improvement mainly characterized the evaluation of the personal situation and current conditions. The opinions on the general economic situation and future conditions rose more moderately, but were positive.

Centre: in this case, the rise in confidence was higher. The indicator bounced from 96.6 in July to 101.6, the level recorded last June. Consumers gave a particularly optimistic evaluation of both the general economic situation and current conditions. The improvement was instead less marked for opinions and forecasts for the personal situation and future conditions.

Mezzogiorno: in the South, the confidence indicator increased the most, moving from 93.3 to 98.3. The improvement was basically due to higher optimism mostly about the opinions on the personal situation and current conditions, and, to a lesser extent, to the improvement in the assessments on the general economic situation and on short-term expectations.

