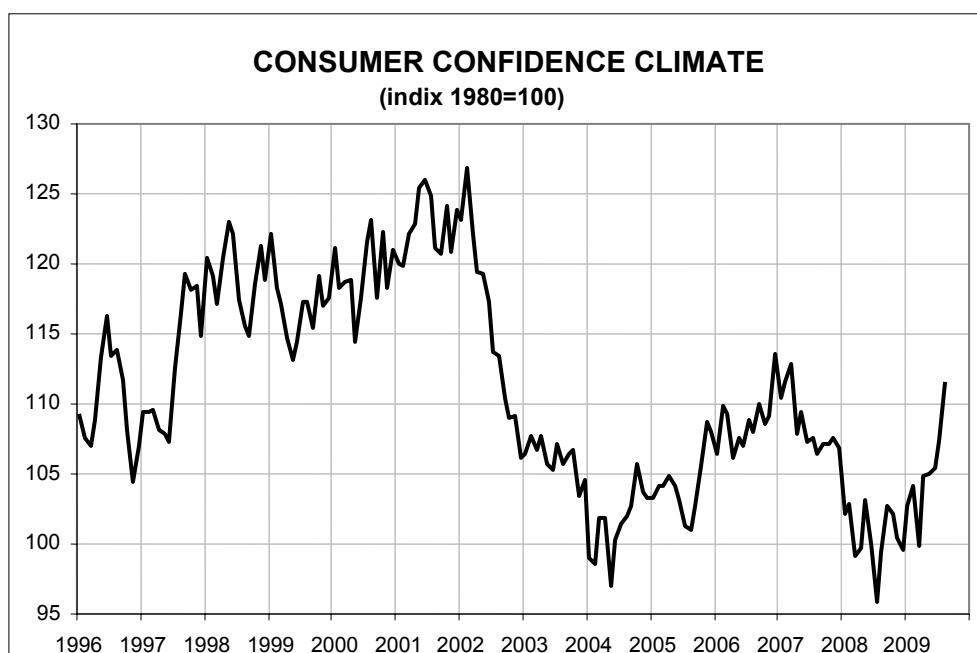




Date: 27 August 2009

CONSUMER CONFIDENCE RISES FURTHER IN AUGUST

- The index rises to 111.8 from 107.5, moving to its highest level since March 2007.
- After the slight setback last month, the indications about personal financial situation are particularly favourable, with an increase of more than six points, from 118.4 to 125, the highest level since March 2002. Instead, the index related to the general economic framework declines slightly (going from 87.3 to 87).
- Increases of a similar magnitude were registered by two indices: the current situation index (from 114.4 to 118, the highest level since June 2002) and the index related to expectations (from 100.9 to 104.2 at highest level since April 2007)
- Improvements were posted with regard to the present opportunities and future possibilities for savings, whereas a slight decline was seen in assessments about household budgets.
- As far as prices are concerned, the survey results confirm the virtual arrest of current inflation, and the continuation of the slowdown in expected inflation.
- The growth of confidence is seen across the nation, though being relatively more intense in the northeastern and central regions compared with northwestern and southern regions.



The data relative to the month of September are to be published on 28 September 2009

The next planned ISAE surveys are:

1 September: Monthly survey of manufacturing and mining businesses (month of reference: August); Monthly survey of services firms (month of reference: August); Monthly survey of retailers (month of reference: August); Monthly survey about construction activity (month of reference: July)

The complete text of the ISAE surveys (in paper and electronic form) is available for sale, at the conditions indicated on the site: www.isae.it

Consumer confidence in Italy

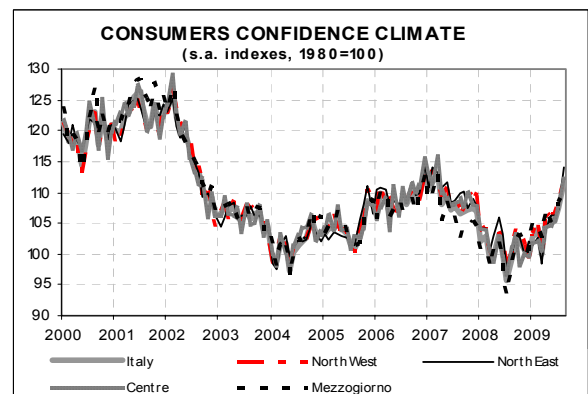
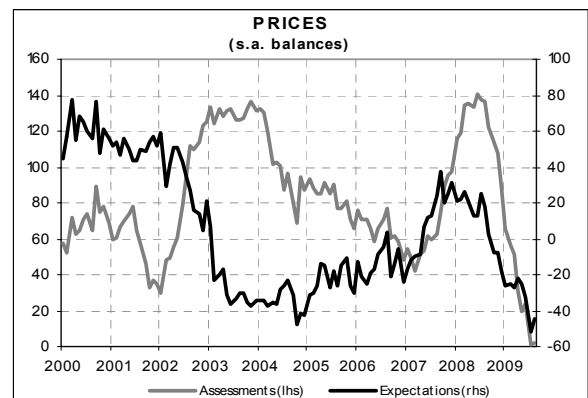
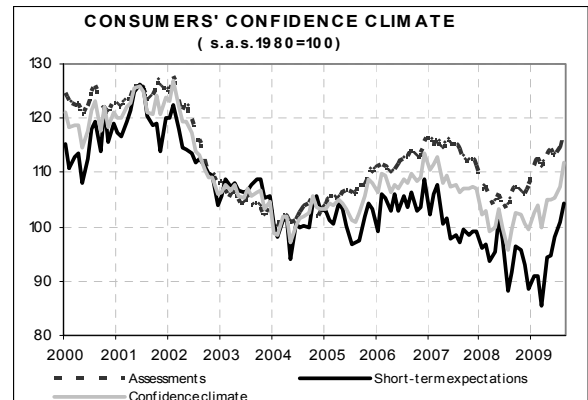
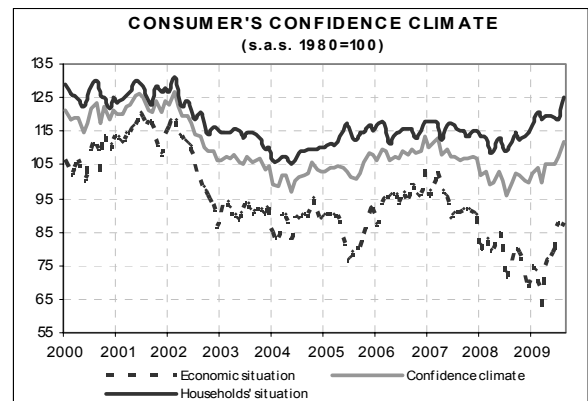
Based on a survey conducted by ISAE between 3 and 21 August, the consumer confidence index in Italy rose from 107.5 to 111.8 in August, reaching its highest level since March 2007. The indications about personal financial situation are particularly favourable; after a slight setback last month, the index jumped by over six points, climbing from 118.4 to 125, the highest level on record since March 2002. The indicator related to the general economic framework suffered a slight setback, going from 87.3 to 87. Finally, a positive trend was seen in the indicators related to the current framework (from 114.4 to 118 the highest level since June 2002) and future prospects (which improved for the fifth consecutive month, going from 100.9 a 104.2, the highest level since April 2007).

Consumers also perceive a virtual standstill in current prices, and a pronounced slowdown in the expected trend of inflation, though with intensity slightly below that registered last month, with the balance that continues to range around the historical low.

The growth of confidence has been widespread nationwide, though relatively more intense in northeastern regions (from 107.2 to 114.1) and central regions (from 107.7 to 112.3) than in northwestern regions (from 109.2 to 111.6) and southern regions (from 108.3 to 110.1).

General economic framework

The signs of a recovery that began to emerge in April were confirmed in August. In particular, the assessments about the country's current situation went from -98 to -97, the best result since December 2007; following the pronounced rebound in July, the near-term expectations indicate a modest downturn (from -5 to -6), though the index remains at its best level since December 2006. Turning to the labour market, the expectations of an increase in unemployment go from 74 to 75, with the index nonetheless remaining at levels well below the average of the past 12 months.



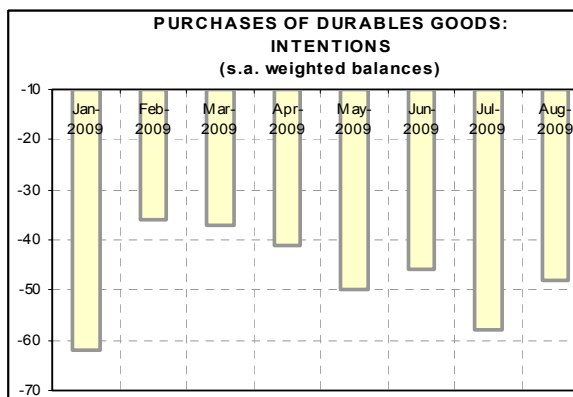
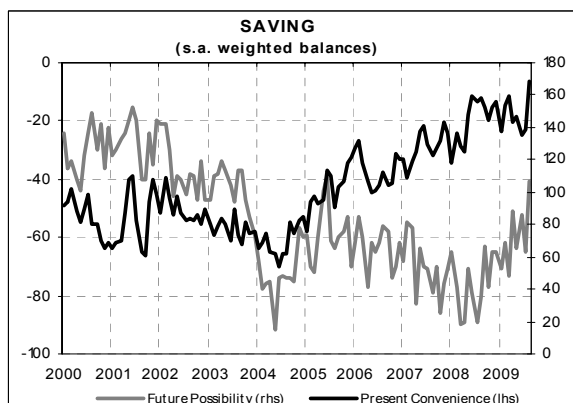
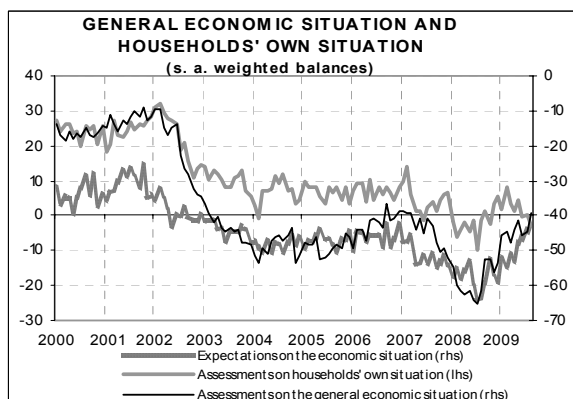
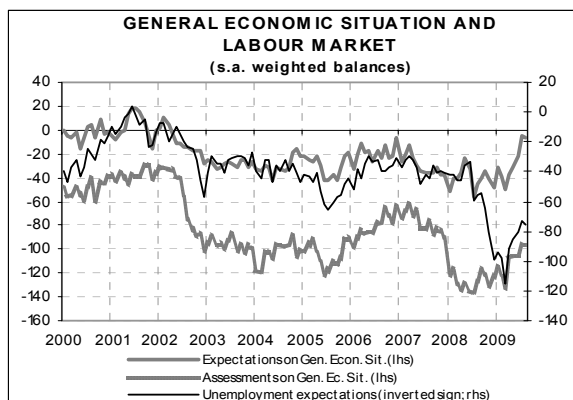
With reference to prices, the perception of virtually no change to the current situation was reinforced in August: the opinions about increases recorded in the last 12 months are positioned at 2 (they were 1 in July), which continues to be near the historical low of January 1999. The expectations for the next few months also remain highly negative, though they reflect a slight recovery compared with last month (from -51 to -45).

Personal financial situation

The improvement of the consumers' personal financial situation is mostly attributable to the pronounced increase in the present and prospective assessments about savings. In August, the opinions about the present opportunity for savings rose from 139 to 168, reaching an historical high, while the assessments about the future possibilities of being able to save rebounded from -65 to -41, the best performance since June 2005.

Consumers also believe that purchasing durable goods is more advantageous (the balance recovered from -84 to -80) and they are indicating intentions to expand their spending in the future (the balance recovered from -58 to -48).

On the other hand, the assessments about households yield inconsistent indications: the findings show a recovery of the current economic situation (from -44 to -39, the best result since March 2007), stabilisation of the forecasts for the next 12 months at a negative value (balance of -4), and further worsening of the household budget, with the prevalence of households forced to go into debt or tap into their reserves in order to meet current expenses (the balance accordingly decreases from 0 to -3, the lowest level since July 2008).



Consumer confidence on a regional basis

The growth of consumer confidence at the national level spans the entire national territory, albeit with different intensity. Perceptions about personal financial situation and the current situation improved across the board. Opinions about the economic climate are worse in all regions, with the exception of the northeast where the figure remained unchanged. As far as short-term expectations are concerned, particularly positive signs come from the northeastern and central regions, whereas the indicator is stable for the northwestern regions and declines slightly for southern Italy.

Northwest Italy: The index rose from 109.2 to 111.6, reaching its highest point since March 2007. Consistent with the findings at a national level, the improvement is mainly due to greater optimism in the assessments about savings. The durable goods market stabilised, while the assessments in relation to the household budgets of the survey participants were worse.

Northeast Italy: The index rose from 107.2 to 114.1, climbing to its highest level since December 2006. In this case, too, the growth is mostly due to improvement in perceptions about savings. However, in this case, the views about durable goods purchases, the household financial situation, and household budgets are re-ascending.

Central Italy: Confidence rose from 107.7 to 112.3, the highest level since March 2007. Improvement was seen in the perceptions about savings (as in the other regions) as well as the prospects for purchasing durable goods. Apart from that, new concerns emerged about the trend of the labour market in coming months.

Southern Italy: The increase in confidence is more modest in this case, with the index that went from 108.3 to 110.1 still reflecting the highest level since March 2006. Perceptions about savings were better (as in the other regions), but new concerns surfaced with regard to both the economic situation in general (current and expected) and household budgets for the coming months. Expectations about unemployment are once again gaining momentum, while the highly

negative balance of the index in relation to household budgets was further substantiated.

