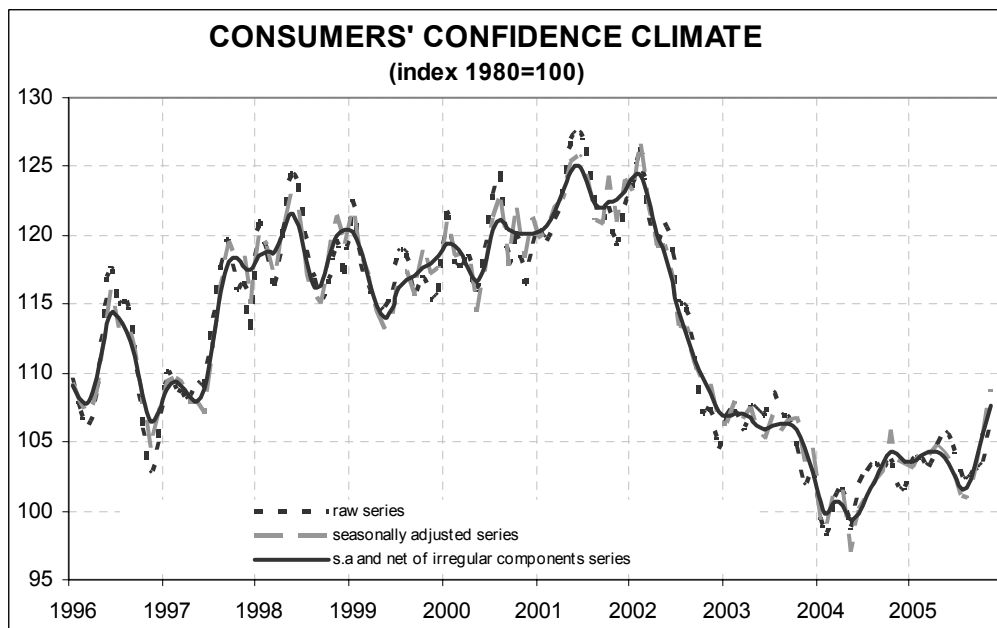




Date: November 23, 2005
TEL.: 06/444821

THE NOVEMBER CONSUMERS' CONFIDENCE REACHES ITS HIGHEST PEAK IN THE PAST THREE YEARS

- The seasonally adjusted indicator rises from 105.6 to 108.8 and the indicator adjusted for the seasonal and irregular components goes from 105.6 to 107.6, which are both the best scores since November 2002. The raw index rises from 103.5 to 107
- The improvement is particularly marked in opinions on the general economic situation and in assessments on the country's economic situation. Among evaluations on the respondents' own situations, assessments on the present convenience to save reach the past decade's highest score
- Reassuring signals emerge from prices, both in terms of assessments and of short-term expectations
- In the euro area, the October confidence slightly recovers, particularly thanks to the respondents' rosier approach to the labour market. Among the major countries, the index grows in Germany and falls in France, while it remains stable in Spain
- Confidence in the United States registers a further reduction in October both according to the Conference Board and to the Michigan University data. However, according to the Michigan University early November data, the index should increase thanks to better assessments on the respondents' current situations



Data referring to December shall be diffused on **December 21, 2005**.

Next ISAE surveys are scheduled as follows:

November 25, 2005: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (Reference month: November)

November 29, 2005: ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (Reference month: October) and ISAE Monthly Business Service Survey (Reference month: November)

December 1, 2005: Comparative Business Surveys for Italy, Germany and France (Reference month: November)

December 14, 2005: ISAE Bi-Annual Investment Survey (Reference period: H2 2005)

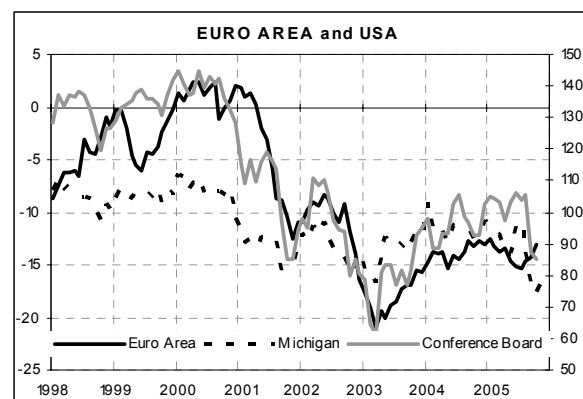
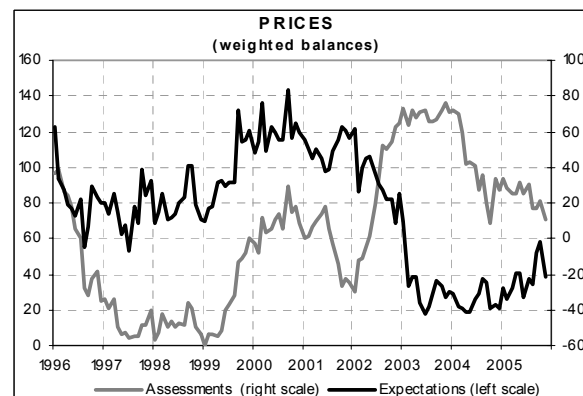
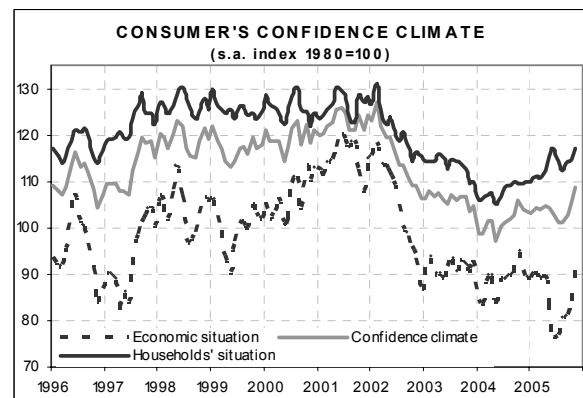
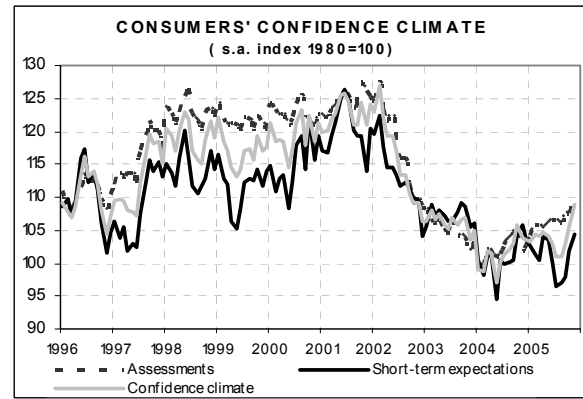
The full text of ISAE Surveys (either hardcopy or electronic) is available on sale (for further information see web site www.isae.it)

Confidence in Italy, in the euro area and in the United States

According to the ISAE Consumer Survey carried out between November 2 and 15 on a sample of 2,000 respondents, the Italian consumers' confidence climate bumps in November from 105.6 to 108.8 (the indicator adjusted for the seasonal and irregular components goes from 105.6 to 107.6), which are both the best scores since November 2002. The raw index rises from 103.5 to 107, which is also the best figure since August 2003.

The improvement is particularly marked in opinions on the general economic situation: indeed, the indicator rises by six percentage points, passing from 84.3 to 90.6, which is one of the peaks of the past twelve months. Also evaluations on the current confidence climate are improving and, rising from 107.5 to 110.7, they mark the best figure since September 2002. Opinions on the future confidence climate grow from 101.8 to 104.4, thus getting close to the December 2003 levels. Assessments on the respondents' own situations rise from 114.7 to 117, next to the June 2005 figures. Favourable indications also come from the inflationary dynamics: a contraction is observed in both the price trend balance of the past twelve months and in the one referring to forecasts for the next twelve months.

In the euro area, the October confidence slightly recovers, particularly thanks to the respondents' rosier approach to the labour market. Among the major EU countries, the index grows in Germany. Confidence in the United States registers a further reduction in October both according to the Conference Board and to the Michigan University data. However, according to the Michigan University early-data, the index should increase in November, thanks to better assessments on the respondents' current situations.

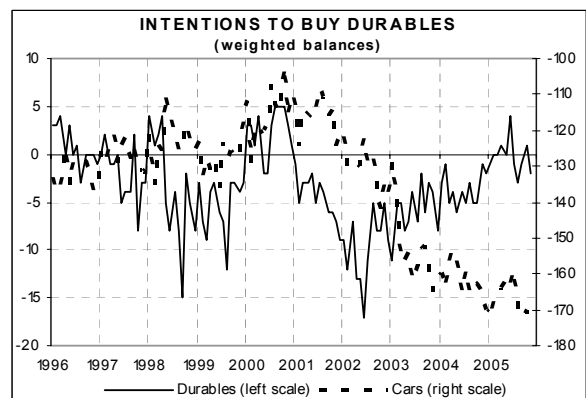
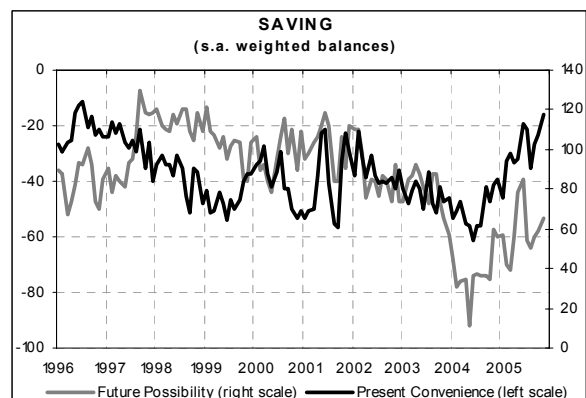
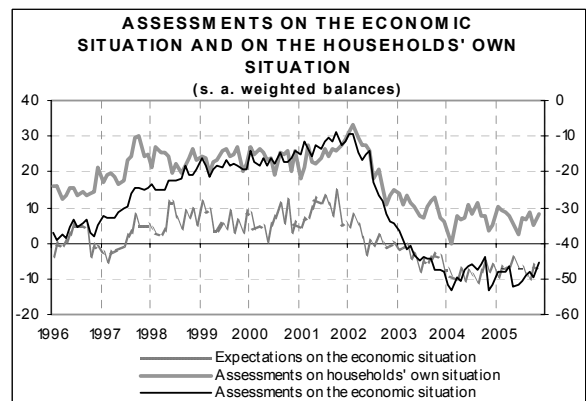
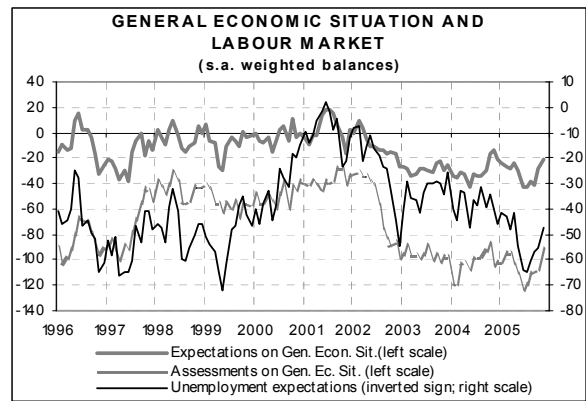


The ISAE Survey: the overall economic situation

In November, assessments on the country's general economic situation markedly grow (the balance rising from -108 to -92, which is the highest level since July 2003), while definitely favourable signals come from short-term expectations, passing from -28 to -21 and marking the score of the year. Also expectations for an unemployment rise diminish and their balance falls from 55 to 47, which is close to the April figures. Inflationary tensions are easing: the raw weighted balance of assessments of the past twelve months decreases from 81 to 71, which is a trough since May 2002. In particular, the share of those considering prices rose "very much" diminishes from 30 to 25%, while the number of respondents considering prices "slightly" increased or remained unchanged goes from 18% and 16% to 16% and 15% respectively. Expectations for the next twelve months improve: the raw weighted balance passes from -2 to -22, thus almost fully offsetting the tensions of the past two months. In particular, the share of those fearing a similar or larger inflation growth in the future decreases from 32 to 24%, while the percentage of respondents expecting price stability in the next twelve months increases from 41 to 47%.

The ISAE Survey: the households' situations

Favourable indications come from evaluations on the households' own situations. Indeed, assessments on the households' financial situations slightly rise (the balance passing from 5 to 8), as do those on their economic situations (the balance recovering from -49 to -46). However, few signals of concern stem from expectations for the next twelve months (the balance passing from -6 to -7). Besides, rosier assessments on saving are emerging: the balance on the present convenience to save grows from 107 to 118 (a peak since July 1996), while the one on future opportunities recovers from -58 to -53.



Signals of uncertainty come from durables: indeed, consumers are less pessimistic on their immediate convenience to purchase durables (the balance going from -86 to -84, which gets closer to the June 2005 figures), but they are more cautious in their short-term spending intentions (their raw weighted balance is negative again, passing from +1 to -2). In particular, the share of those excluding they will make any purchase in the next twelve months rises from 68 to 72%. Similarly, the share of respondents excluding they will buy a house enlarges from 95 to 96%, while the number of those reporting they will have no extraordinary expenses for home maintenance goes from 88 to 90% and the percentage of those excluding any car purchase rises from 87 to 90%.

The Surveys on the euro area and the United States (October and early-November data)

In October, the average consumers' confidence in the euro area slightly grows, rising from -14 (which was close to the April 2005 figure) to -13, thanks in particular to less pessimistic labour market forecasts (the share of respondents expecting an unemployment rise passes from 28 to 23, which is one of the lowest level since September 2002). Conversely, prospects on the consumers' own situations and on future saving opportunities remain unchanged. Among non confidence-building variables (according to the EU definition), evaluations on the convenience to purchase durables slightly improve, while spending expectations for the next twelve months remain stable. Finally, prices are expected to grow in the next twelve months, and the balance passes from 15 to 17, which is next to the July 2005 figures.

Confidence considerably recovers in Germany and passes from -14 (which was one of the highest figure since October 2002) to -11, thanks to a generalised improvement in all the indicator components. In particular, favourable signals come from the labour market, where the percentage of those expecting an

unemployment rise diminishes from 30 to 26. Conversely, confidence worsens in France decreasing from -13 (close to the August 2005 figures) to -15. Indeed, particularly unfavourable signals stem from almost all confidence components, with the exception of the labour market prospects (the balance passing from 32 to 17, which is one of the lowest level since June 2001). The confidence climate in Spain remains at -11 and the prospects for the country's general economic situation and for the respondents' own situations both stabilise, in the face of an improvement in future saving opportunities. Quite the reverse, labour market expectations worsen and the share of Spanish respondents expecting an unemployment rise increases from 10 to 12, which is close to the July level.

In the United States, confidence goes on decreasing both according to the Conference Board and to the Michigan University data. Indeed, the former index decreases from 87.5 to 85, owing to worsening assessments on the current situation (from 110.4 to 108.2) and to deteriorating short-term expectations (from 72.3 to 69.5), while the latter indicator diminishes from 76.9 to 74.2, thus reaching its lowest trough in the last thirteen years. The early November data made public by the Michigan University signal a slight recovery, as confidence is expected to grow up to 79.9 thanks to an improvement in the short-term prospects (from 63.2 to 66.8) and in assessments on the current situation (from 91.2 to 100.3), given the consumers' rosier approach to their own situations.