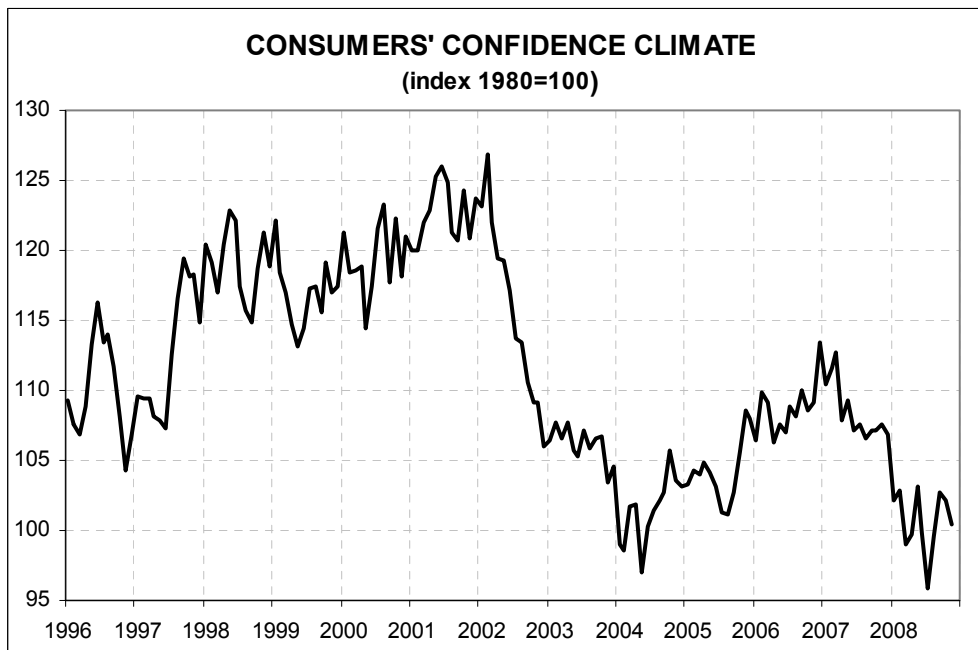




Date: November 25, 2008
TEL.: 06/444821

IN NOVEMBER CONSUMER CONFIDENCE CONTINUES TO DECLINE

- The index stood at 100.4, compared to 102.2 in October, going back close to its August 2008 low
- The indicator for the opinions on the general economic situation declined from 78 to 72.5 and the one for short-term expectations receded from 95.9 to 93.3
- The perception of current conditions moved from 105.1 to 104.6. In contrast, the gauge for the personal situation improved slightly (from 112.3 to 113.7)
- Deterioration mainly characterized labour market forecasts and assessments on the country's and the family's economic situation
- As for prices, respondents drastically scaled down their opinions for inflation in the last twelve months and also revised downwards their expectations for the following year
- At the regional level, confidence worsened in the North and the *Mezzogiorno*, but showed signs of recovery in the Centre



Data on December shall be released on December 23, 2008

The next ISAE surveys are scheduled as follows:

November 26: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: November) and ISAE Investment Survey on Manufacturing and Extractive Firms (reference period July-December 2008)

November 27: ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: November), ISAE Monthly Business Services Survey (reference period: November), and ISAE Monthly Survey on Construction (reference period: October)

December 4: ISAE International Comparison of Consumer and Business Surveys (reference period: November)

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

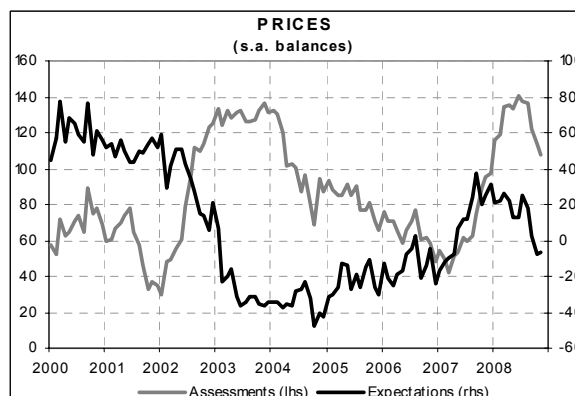
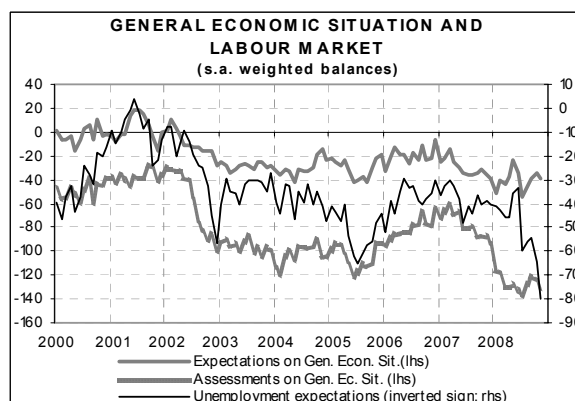
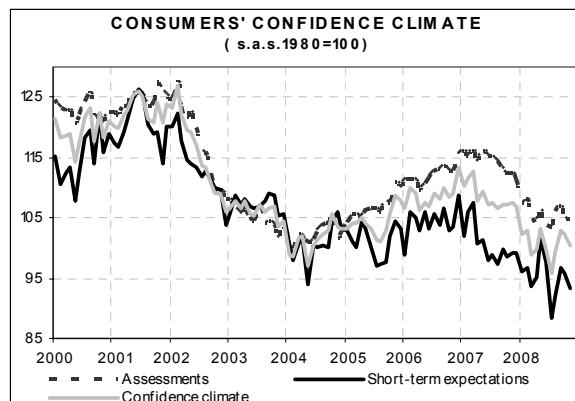
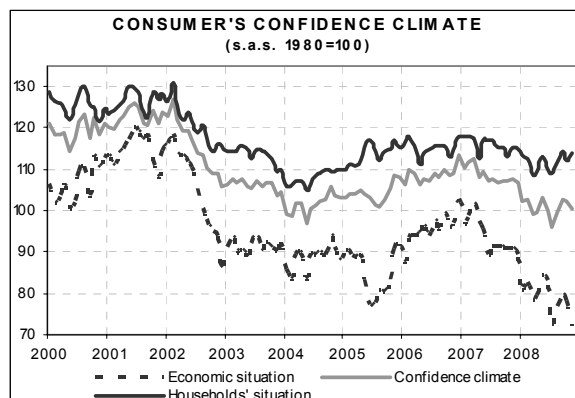
According to the ISAE Survey carried out between November 3 and November 18, Italian consumers' confidence continued to decline in November, reaching 100.4, compared to 102.2 in the previous month.

The deterioration was particularly sharp for the general economic situation. The related indicator lowered from 78 (in October) to 72.5, the lowest level since March 1994. The gauge for the future situation declined from 93.3 to 95.9, while the one covering the sole current conditions moved from 105.1 to 104.6. In contrast, the respondents' opinions on their personal situation improved (from 112.3 to 113.7), mainly thanks to slightly less negative indications regarding savings and the family budget. However, consumers were highly concerned about the labour market and showed marked pessimism regarding their personal situation and the country's general economic conditions. The consumer durables market remained basically stable at a low level and, lastly, respondents continued to downsize their perception of inflation. They scaled down their opinions on the rise in prices in the last twelve months and, as well, reduced their expectations for the following year (though to a lesser extent than in October).

At the regional level, confidence worsened in the North and the *Mezzogiorno*, but showed signs of recovery in the Centre.

Overall economic situation

Consumers expressed strong concerns about all variables. Italy's general economic situation was considered to have sharply deteriorated and was not expected to improve in the following twelve months. The related balances moved from -125 to -132 in the first case and from -34 to -40 in the second. Short-term forecasts for labour market developments were even more negative. The balance for expectations of a rise in unemployment bounced from 65 to 80, a high last seen in March 1994.



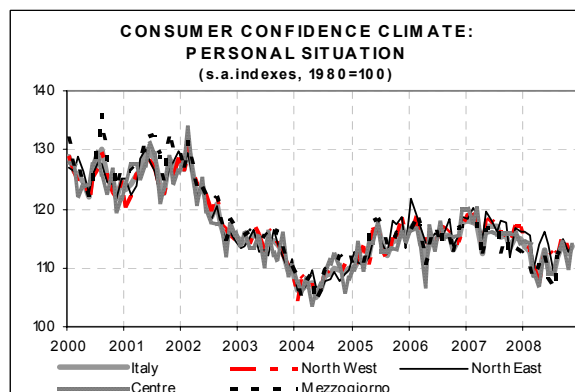
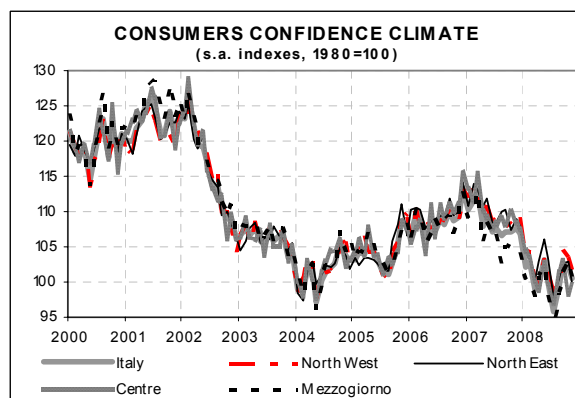
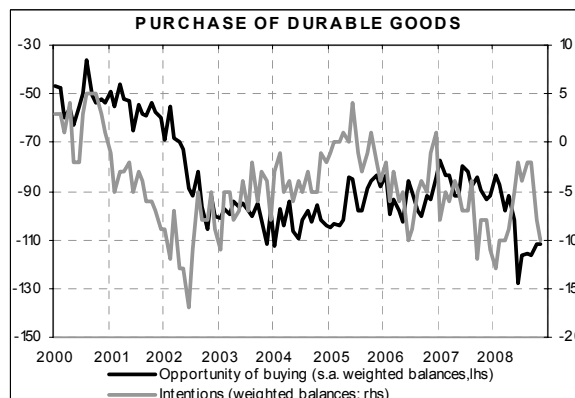
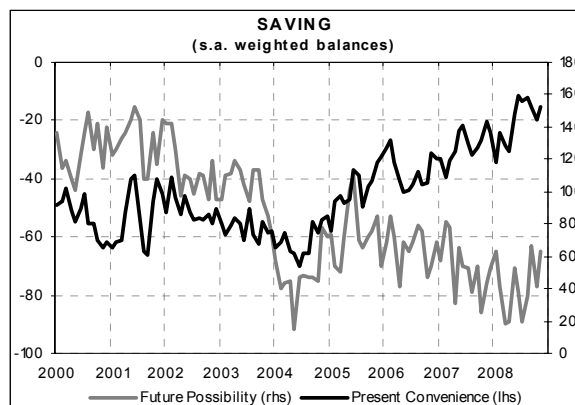
On the contrary, consumers continued to downsize their assessments on inflation: the opinions on the last twelve months accentuated the signs of improvement recorded in October. The related balance declined from 114 to 108, the lowest level since December. Prospects for the following year lowered for the second month running (moving to -7 from -8 in October).

Personal situation

Opinions on the respondents' personal situation were partly contradictory. Both assessments and expectations on the family economic situation declined over the previous month (the balances moved to -57 and -17, respectively, from -53 and -13 in October). The balance for the trend in the family budget instead turned positive (from -2 to +3) and, accordingly, consumers considered appropriate to save at present (the balance rose from 144 to 152) and expressed less negative intentions about saving in the near future (the balance recovered from -77 to -65). Finally, on the one hand the opinions on current purchases of consumer durables marginally recovered (from -112 to -111), but on the other future buying intentions remained depressed (the balance came in at -10, compared to -8 in October).

Regional breakdown of consumer confidence

In November, the worsening in consumer confidence posted at the national level was the result of diverging trends across areas. The confidence index declined in the North and the *Mezzogiorno*, but showed signs of recovery in the Centre. The analysis of the underlying components of the indicator showed overall deterioration in the opinions on the general economic situation and in future prospects, while assessments on the personal situation and, to a lesser extent, those on current conditions posted signs of recovery.



North West: in this area, the confidence indicator diminished for the second straight month, moving from 103.5 to 101.5 and slipping slightly below its June value. The fall in the index was mainly due to sharp deterioration in the opinions on the general economic situation and current and future conditions. The personal situation sent instead positive signals.

North East: following the basic stability recorded in October, in November the confidence indicator started to deteriorate once more (from 102.9 to 99.7), remaining however above the low level posted in July. The negative picture painted by the indicator was the combined result of highly negative assessments on the general economic situation and of more moderate deterioration for the current situation and future conditions. Also in this area, the opinions on the personal situation improved.

Centre: in contrast with the other areas, in the Centre the consumer confidence indicator rose from 98.2 to 99.7, regaining its June 2008 showing. Consistently with what happened in the rest of the country, consumers in this area gave negative assessments on both future conditions and the general economic situation. Opinions on the personal situation and current conditions were, instead, optimistic.

Mezzogiorno: after the recovery posted in October, the confidence index began to deteriorate in November, moving from 103.2 to 100.6. The fall was basically due to widespread pessimism posted by the opinions on the general economic situation and current and future conditions, whereas assessments on the personal situation gave positive indications.

