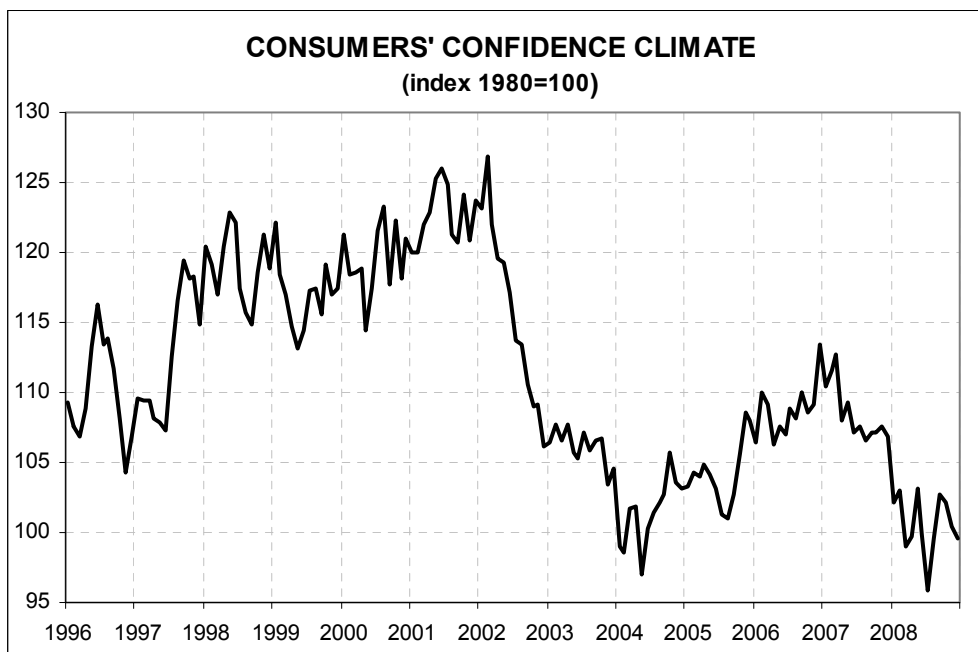




Date: December 23, 2008
TEL.: 06/444821

IN DECEMBER FEARS OF UNEMPLOYMENT AND DEFLATION DEPRESS CONSUMER CONFIDENCE

- The index came in at 99.6, compared to 100.4 in November, going back to its August 2008 level
- The indicator for the opinions on the general economic situation declined from 72.2 to 67.9 and the one for short-term expectations receded from 93.2 to 88.5
- Deterioration mainly distinguished forecasts for labour market developments and for the country's economic situation
- The perception of current conditions and of the personal situation improved instead (moving from 104.9 to 106.6 and from 113.7 to 114.7, respectively)
- As for prices, respondents promptly scaled down both their perception of inflation in the last twelve months and their expectations for the following year
- At the regional level, confidence worsened in the North West, the Centre and the South, but showed signs of recovery in the North East



Data on January shall be released on January 27, 2009

The next ISAE surveys are scheduled as follows:

December 29, 2008: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (reference period: December)

December 30, 2008: ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (reference period: December), ISAE Monthly Business Services Survey (reference period: December), and ISAE Monthly Survey on Construction (reference period: November)

January 13, 2009: ISAE International Comparison of Consumer and Business Surveys (reference period: December)

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 December 1 and December 17, Italian consumers' confidence continued to decline in December, reaching 99.6 (100.4 in November) and returning to its August 2008 value.

Pessimism mainly characterized the opinions on the general economic situation. The related indicator diminished from 72.2 to 67.9, its lowest level since January 1994. The gauge for the future situation also markedly worsened (moving from 93.2 to 88.5) because of the persistence of very strong concerns about the labour market and the country's economic trend.

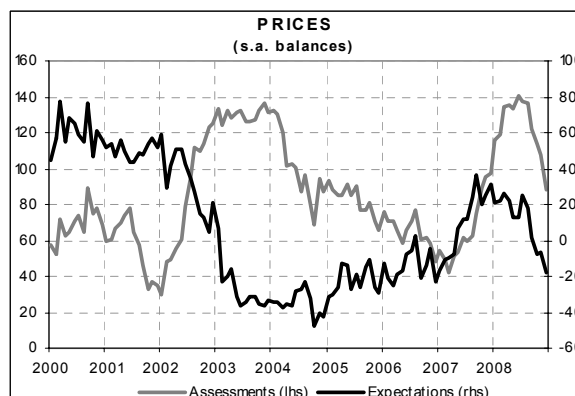
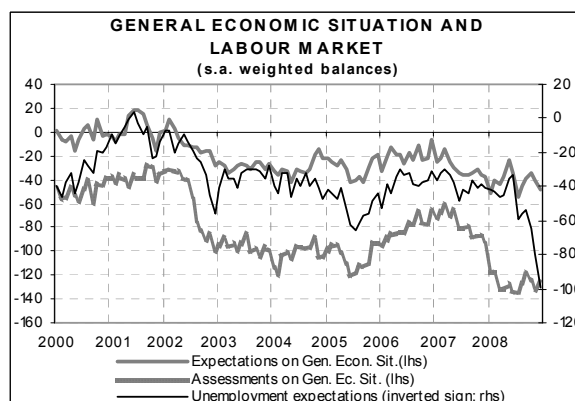
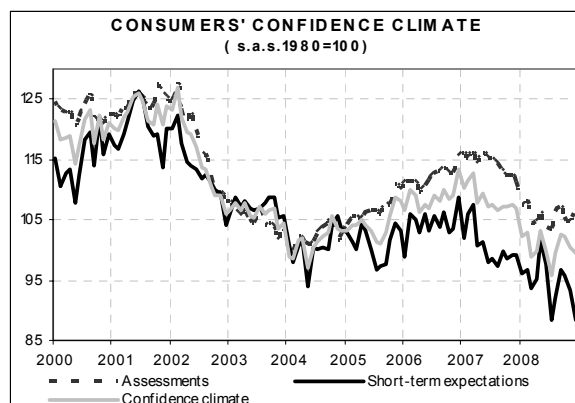
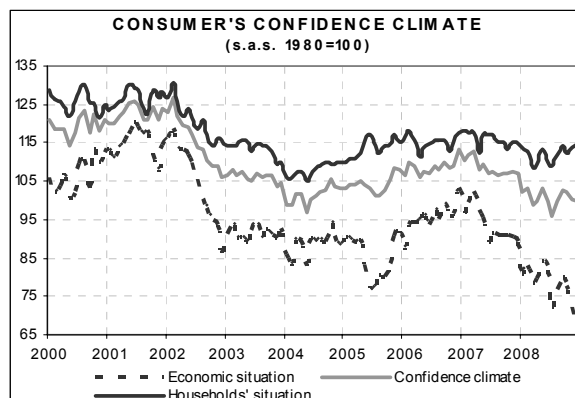
The evaluation of current conditions improved instead, rising from 104.9 to 106.6. Respondents' assessments on their personal situation bettered as well (from 113.7 to 114.7), mainly thanks to less negative opinions on the country's economic situation and on their current saving opportunities.

The consumer durables market remained stable at a low level, while respondents continued to downsize their perception of inflation. They scaled down both their opinions for inflation in the last twelve months and their short-term expectations.

At the regional level, confidence worsened in the North West, the Centre and the South, but showed signs of recovery in the North East.

Overall economic situation

In December, consumers expressed substantially unfavourable opinions. Italy's general economic situation was considered to have recovered, but such improvement was not expected to continue in the following twelve months. The related balances actually moved from -132 to -127 for the current situation and from -40 to -49 for future conditions. Short-term forecasts for labour market developments became even more negative. The balance for expectations of a rise in unemployment bounced from 80 to 100, a high last seen in February 1994.



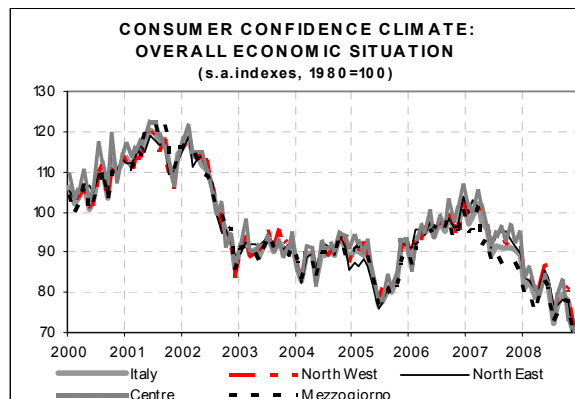
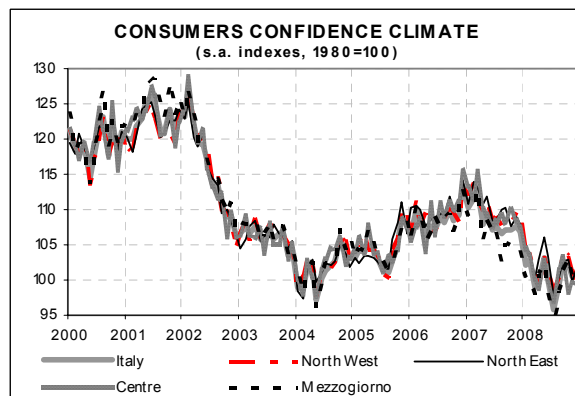
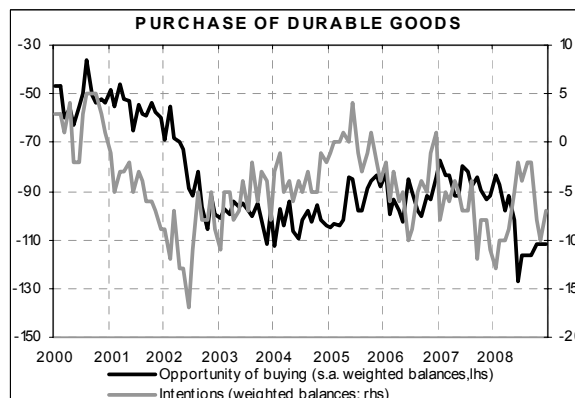
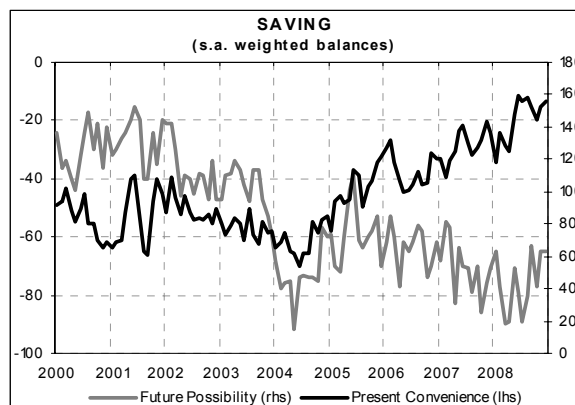
On the contrary, consumers continued to downsize their assessments on inflation: the balance for the opinions on the last twelve months fell from 108 to 88, the lowest level since September 2007. Prospects for the following year were negative for a third month in a row, moving from to -7 (in November) to -17, a trough last reached at the start of 2007.

Personal situation

Consumers' assessments on their personal situation were less negative compared to the previous month, mainly regarding the current situation. With respect to the family economic conditions, respondents' opinions on the current situation recovered, whereas expectations deteriorated (the related balances moved to -54 and to -20, respectively, compared to -56 and -17 in November). Instead, the balance for the trend in the family budget continued to climb (from 3 to 6) and, accordingly, saving opportunities increased (the balance rose from 152 to 156). However, consumers' intentions about effectively increasing their savings in the near future remained unchanged (the balance stood at -65, its November level). Likewise, opinions on current purchases of consumer durables held steady (coming in at -112 for the third consecutive month), while future buying intentions marginally recovered (the balance settled at -7, compared to -10 in November).

Regional breakdown of consumer confidence

In December, 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 West, the Centre and the South, but showed signs of recovery in the North East. Deterioration mainly characterized opinions and forecasts on the country's economic situation – except in the North East, where optimism prevailed – as well as assessments on future conditions. The evaluation of the personal situation and current conditions showed instead a slight improvement.



North West: in this area, the confidence indicator diminished, moving from 101.4 to 99.1 and hitting its April 2008 value. The fall in the index was mainly due to the deterioration in opinions and forecasts on the general economic situation and to the negative trend in assessments on future conditions. The evaluation of the personal situation and current conditions was instead optimistic.

North East: in contrast with the other areas, confidence rose from 99.7 to 102.1. The improvement was prompted by more optimism about general economic conditions and the personal situation and, mostly, by the recovery in confidence regarding current conditions. Assessments on future conditions sent instead negative signals.

Centre: following the recovery posted in the previous month, in December confidence started to diminish once more. The related index lowered from 99.7 to 99.3. Deterioration was due to the worsening in assessments on the general economic situation and future conditions. Opinions on the personal situation and current conditions showed, instead, moderate optimism.

Mezzogiorno: in this area, confidence declined more moderately. The index lowered from 100.6 to 100.4, remaining however above its June-August 2008 average. Also in this case, deterioration was basically driven by the worsening in the opinions on the general economic situation and future conditions. Assessments and expectations on the personal situation and opinions on current conditions gave instead positive indications.

