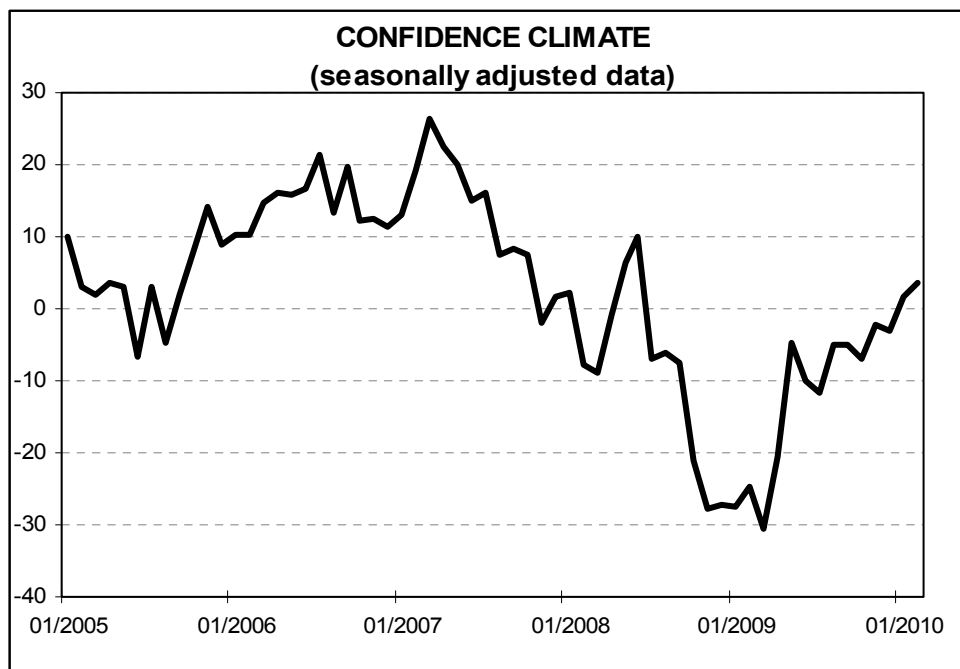




Date: February 25, 2010

CONFIDENCE AMONG MARKET SERVICES IMPROVES FUTHER IN FEBRUARY

- The seasonally adjusted confidence indicator rose to 4 (from 2 in January), thanks to better expectations for orders and the overall economy. Assessments on orders worsened instead
- At sector and regional level important differences however emerged. Confidence increased to 5 (from -7) in household services, due to clear improvement in prospects for orders and the economy, while in contrast the indicator worsened for financial (to 1 from 12) and business services (to 5 from 11)
- At regional level, the balance grew to 15 (from 1) in the North West and went back up to -8 (from -12) in the South. The confidence climate deteriorated instead in the other areas, hitting -3 (from 7) in the North East and -1 (from 2) in the Centre
- Finally, with regard to employment, the opinions on the current situation worsened, but short-term prospects improved, though remaining negative



Data on March shall be released on March 25, 2010

The next ISAE surveys are scheduled as follows:

March 24, 2010: ISAE Monthly Consumer Survey (reference period: March)

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)

General results

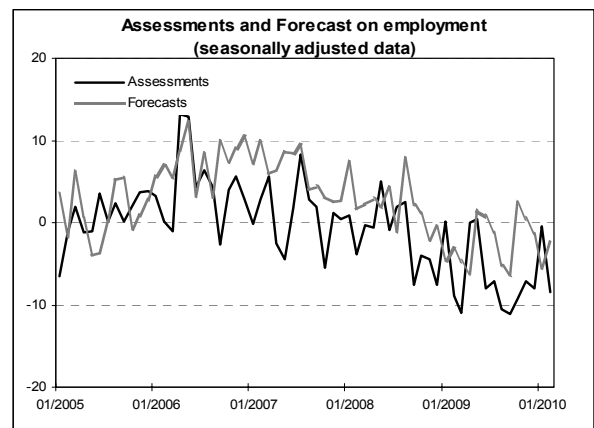
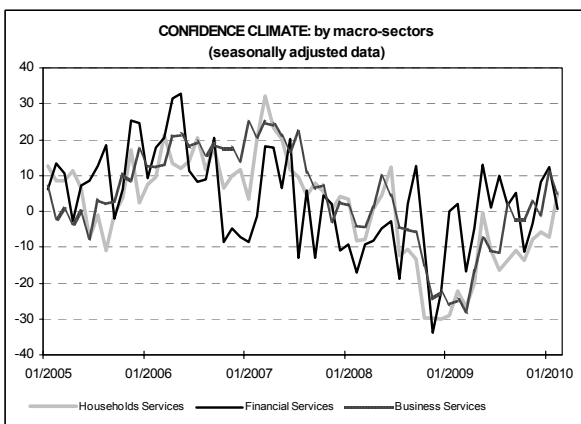
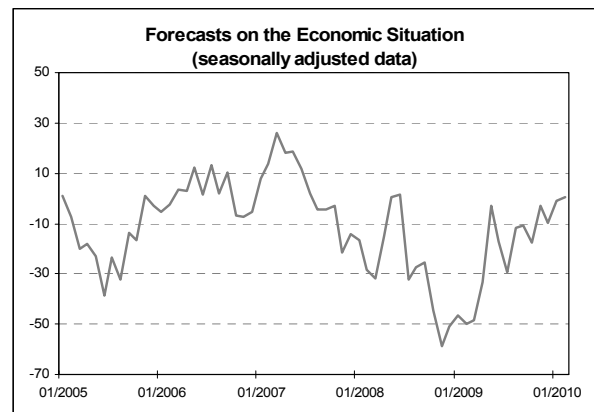
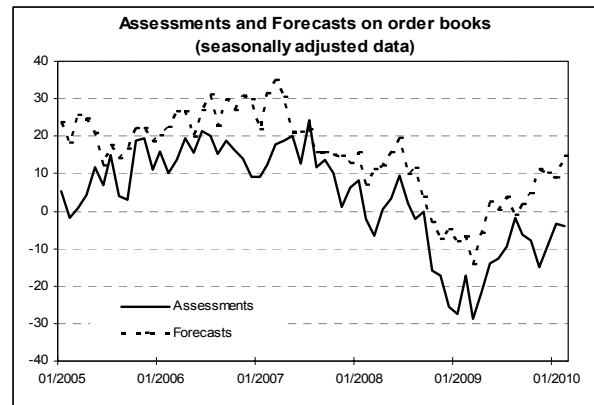
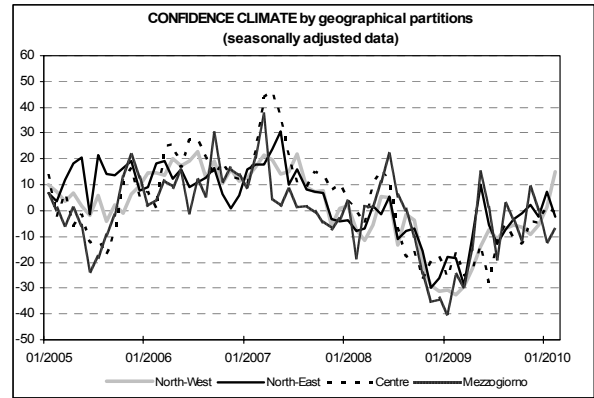
The ISAE Survey, carried out on a panel of about 2,000 firms between February 1 and February 19, showed that market services firms' confidence continued to improve in February. The seasonally adjusted indicator actually rose to 4 (from 2 in January), thanks to favourable expectations for orders and the overall economy. Assessments on orders worsened instead.

At sector and regional level important differences emerged. Confidence rose to 5 (from -7) in household services, due to clear improvement in prospects for orders and the economy, while the index worsened instead for financial and business services (to 1 from 12 and to 5 from 11, respectively).

At regional level, the indicator grew to 15 (from 1) in the North West and went back up to -8 (from -12) in the South. The confidence climate deteriorated instead in the other areas, hitting -3 (from 7) in the North East and -1 (from 2) in the Centre.

Situation in the reference period

Opinions on current orders and employment worsened in February. In detail, the balance for orders decreased to -4 (from -3) and the one for employment to -9 (from 0).



At sector level, however, firms' indications were heterogeneous. In household services, the opinions on orders recovered (the balance increased to -6 from -9) and those on employment declined (to -9 from -1). In financial services, the balance for orders remained stable in negative territory (at -4), but the one for employment recovered instead (to 0 from -3). Operators in business services were more pessimistic than in the previous month about both orders and employment (the seasonally adjusted balance lowered to 5 from 11 and to -8 from 1, respectively).

At the regional level, in the North West the opinions on orders improved further in February (to 9 from 0) and, in contrast, the ones for employment worsened (to -4 from 6). In the North East deterioration distinguished the balance for both orders and employment (to -11 from 6 and to -10 from 3). Also in the Centre the balance for orders worsened (to -1 from 3), but the one for employment recovered instead (-10 from -15). Lastly, operators in the South gave unfavourable indications for both surveyed variables: the balance for orders decreased to -27 (from -22) and the one for employment lowered to -12 (from -1).

Outlook for the next three months

In February, improvement characterized market services' expectations for both company variables and the country's economic conditions. In detail, the balance for orders rose to 15 (from 9) and the ones for employment and the economy recovered to -2 (from -6) and to 0 (from -1), respectively. As for prices, inflationary pressures, which emerged in the last quarter of 2009, continued to ease and the balance declined to -2 (from 5).

Also with regard to expectations, the breakdown of data by macro-sectors and regions showed some differences. In household services the balance for orders recovered 20 points, reaching 16 (from -4). The balance for employment increased to -6 (from -9) and the one for the overall economy reached 5 (from -9). In financial services, in contrast with the overall trend,

expectations worsened for both orders and the Italian economy (the balance diminished to -3 from 14 and to 10 from 27, respectively) and improved instead for employment (to 14 from -2). In business services, prospects for company variables bettered: the balance for orders hit 15 (from 14) and the one for employment reached 5 (from -1). In contrast, the balance for the country's general economic trend deteriorated (to -6 from 7).

At the regional level, in the North West improvement distinguished the balance for both orders and employment (to 19 and 0 from 10 and -3, respectively), as well as the one for the overall economy (to 18 from -6). In the North East, instead, the balance for orders remained stable in positive territory (at 17) and the one for employment edged up slightly (to 7 from 6), while firms were instead more pessimistic than in January about the Italian economy (the balance diminished to -13 from 0). In the Centre, the balance for orders rose to 9 (from 1), the one for employment held steady (at -13), and the balance for the general economic trend declined to -11 (from 1). Finally, in the *Mezzogiorno*, the balances for orders and employment went up to 8 and 5 respectively (from -15 and -13). The balance for the Italian economy diminished instead to -4 (from 2).