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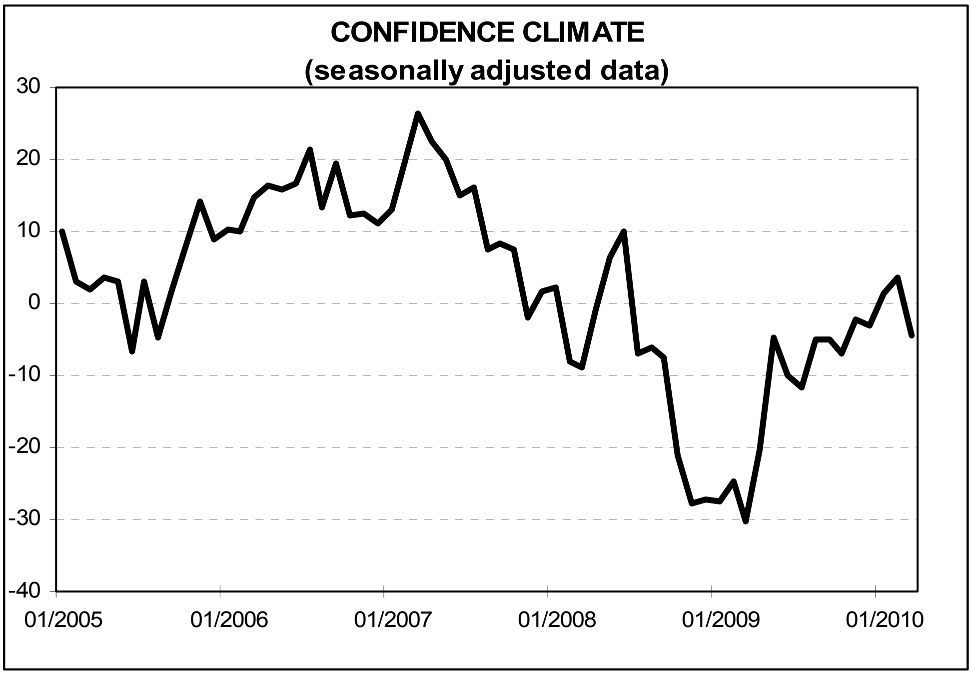
Date: **March 25, 2010**

CONFIDENCE AMONG MARKET SERVICES DECREASES IN MARCH

- **The seasonally adjusted confidence indicator lowered to -4 (from 4 in February), due to a fall in all its underlying components**
- **The breakdown by macro-sectors showed some slight differences: the confidence climate diminished to -7 (from 5) in household services and to -10 (from 1) in financial ones. In contrast, the index rose to 6 (from 5) in business services, thanks to more favourable expectations for orders**
- **At regional level, the index decreased to 2 (from 15) in the North West, to -3 (from -1) in the Centre, and to -12 (from -8) in the South. The confidence climate recovered rather weakly instead in the North East, reaching -2 (from -3)**
- **Finally, with regard to the variables excluded from the calculation of the indicator, both assessments and forecasts for employment remained stable in negative territory, in a situation characterized by the resurgence of some moderate inflationary pressures**



Data on April shall be released on April 28, 2010

The next ISAE surveys are scheduled as follows:

April 27, 2010: *ISAE Monthly Consumer Survey (reference period: April)*

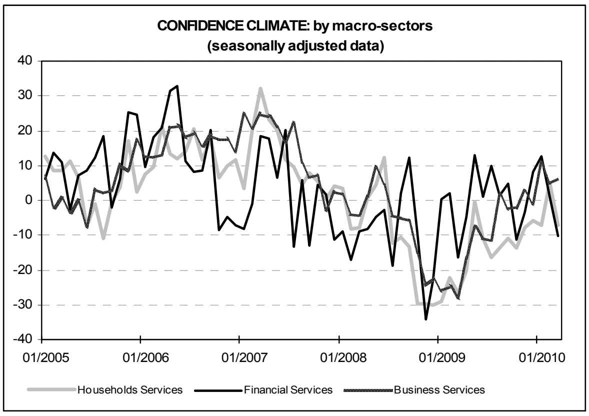
The full text of ISAE Surveys (either hardcopy or electronic format) is available for sale (for further information see the web site www.isae.it)

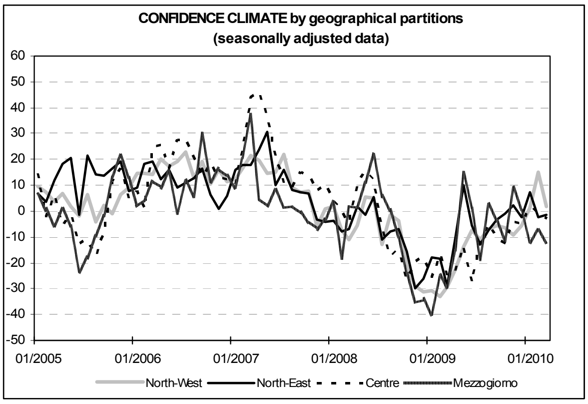
General results

The ISAE Survey, carried out on a panel of about 2,000 firms between March 1 and March 20, showed that market services firms' confidence worsened in March. The seasonally adjusted indicator actually lowered to -4 (from 4 in February), due to a fall in all its underlying components.

The breakdown by macro-sectors showed some slight differences: the confidence climate diminished to -7 (from 5) in household services and to -10 (from 1) in financial ones. In contrast, the index rose to 6 (from 5) in business services, thanks to more favourable expectations for orders.

At regional level, the index decreased to 2 (from 15) in the North West, to -3 (from -1) in the Centre, and to -12 (from -8) in the South. The confidence climate recovered rather weakly instead in the North East, reaching -2 (from -3).

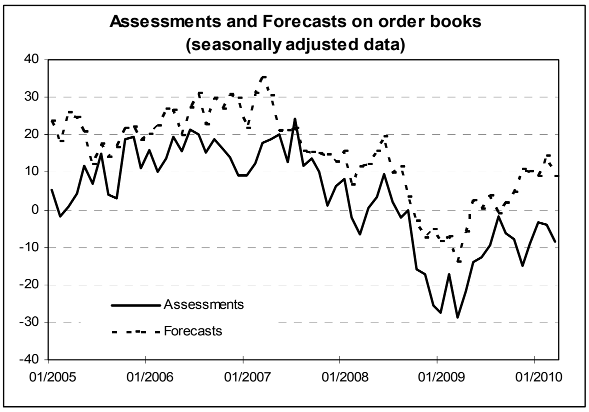


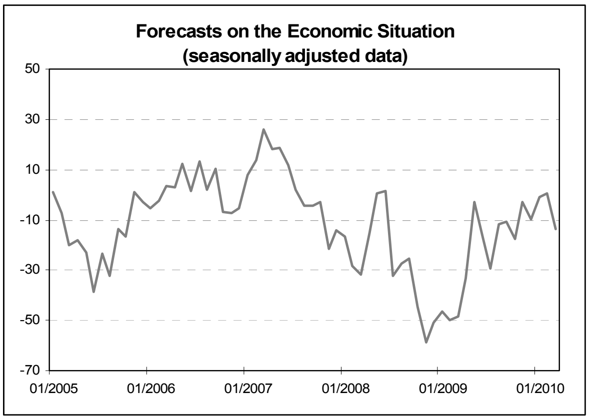


Situation in the reference period

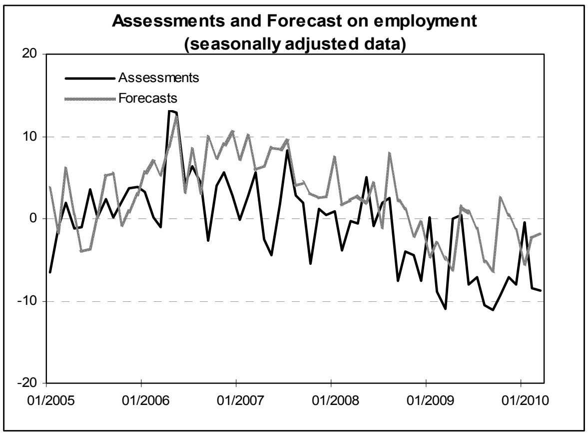
Market services' opinions on current conditions deteriorated in March. In detail, the seasonally adjusted balance for orders decreased to -8 (from -4) and the one for employment remained stable, in negative territory (at -9).

At sector level, some differences emerged. The balance for the opinions on orders diminished to -13 (from -6) in household services and to -12 (from -4) in financial services, but remained unchanged, in positive territory, for business services (at 5, its previous month level). In contrast, the balance for employment deteriorated for household services (to -15 from -9), whereas it improved for financial and business ones (to 5 from 0 and to -2 from -8, respectively).





At the regional level, the opinions on current orders and employment worsened in the North West (the seasonally adjusted balances moved to -2 and -10 from 9 and -4, respectively) and in the Centre (to -4 and -14 from -1 and -10). Recovery characterized instead the North East (to -7 and -2, from -11 and -10) and the South (to -21 and -5, from -27 and -12).



Outlook for the next three months

In March, deterioration distinguished expectations for both company variables and the country's economic conditions. In detail, the balance for orders decreased to 9 (from 14) and the one for the overall economy diminished to -14 (from 0). The balance for employment remained stable at negative value (-2). As for prices, slight inflationary pressures resumed and the balance came in at 0 (from -2).

Also with regard to expectations, the breakdown of data by macro-sectors and regions showed some differences. In household services, operators were more pessimistic than in February about both orders and the overall economy (the related balances moved to 13 from 16 and to -21 from 5, respectively). Employment sent instead favourable signals (the balance increased to 2 from -6). In financial services, the balance for orders recovered (to 0 from -3), but the one for both employment and the economic trend declined (to 14 from 20 and to -19 from 10, respectively). In business services, in contrast with the aggregate figure, expectations for orders bettered (rising to 17 from 15) and the ones for the Italian economy recovered (to -4 from -6). On the contrary, the balance for employment diminished (to -2 from 5).

At the regional level, in the North West operators were more pessimistic than in the previous month about all surveyed variables. In detail, the balances for orders, employment, and the economic trend lowered, in the order, to 12 from 18, to -1 from 0, and to -4 from 18. In the North East, the balances for orders and employment deteriorated (to 5 from 17 and to -2 from 7). The balance for the economy recovered instead (to -3 from -13). In the Centre, the balance for orders remained stable in positive territory (at 9), the one for employment recovered (to -12 from -13), while the balance for the overall economy diminished instead (to -14 from -12). Finally, in the South, in contrast with the national data, the balances for both orders and employment went up (to 25 from 8 and to 23 from 5, respectively), whereas the balance for the economic trend plunged instead (to -40 from -4).