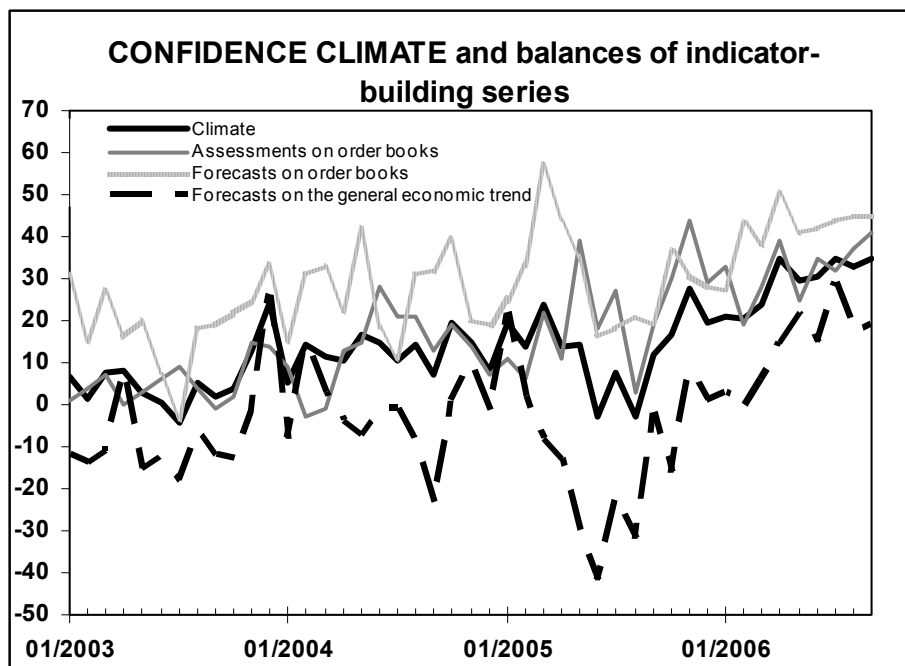




Date: September 28, 2006
TEL.: 06/444821

IN SEPTEMBER CONFIDENCE AMONG MARKET SERVICES FIRMS RISES TO THE HIGHEST LEVEL IN THE LAST YEARS

- The confidence climate reached 35 (from 33), thanks to better opinions on orders and to the improvement in expectations for the general economic situation. The year-on-year change in confidence – which is not affected by seasonal factors – confirmed its highly positive trend (in September 2005, the indicator stood at 12)
- Gains were dispersed broadly across all surveyed sectors: the raw indicator grew to 30 (from 28) for household services (in line with the results of the ISAE consumer survey), to 18 (from 3) for financial services, and to 39 (from 37) for business services (consistently, in this case, with the ISAE survey on manufacturing firms). In September 2005, the confidence climate for household, financial and business services came in at 11, -15 and 14, respectively
- The regional breakdown, instead, pointed, to some differences: confidence rose in the North West (to 38 from 34), the South (to 58 from 30), but declined in the North East (to 22 from 23) and the Centre (to 27 from 35). In September 2005, the confidence climate in the North West, the North East, the Centre and the South stood, in the order, at 15, 17, 11 and 2
- With regard to the variables excluded from the confidence climate indicator, expectations on turnover and employment sent favourable signals. In contrast, also in September the opinions on employment worsened



Data on October shall be released on October 30, 2006

The next ISAE surveys are scheduled as follows:

October 5: ISAE International Comparison of Consumer and Business Surveys (reference period: September)

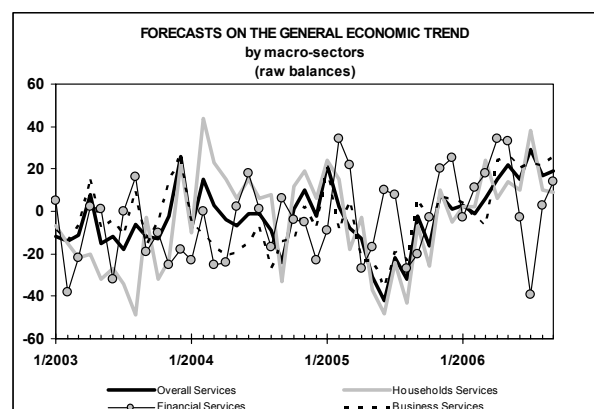
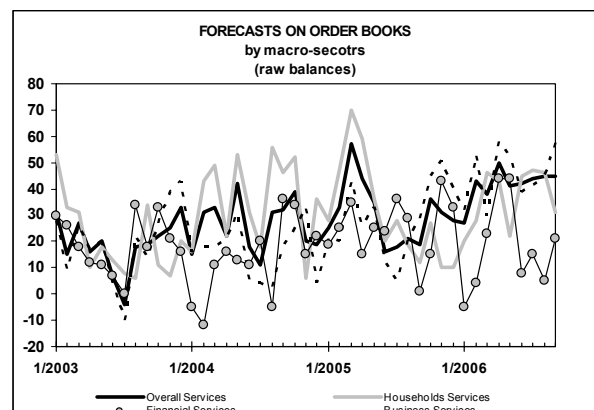
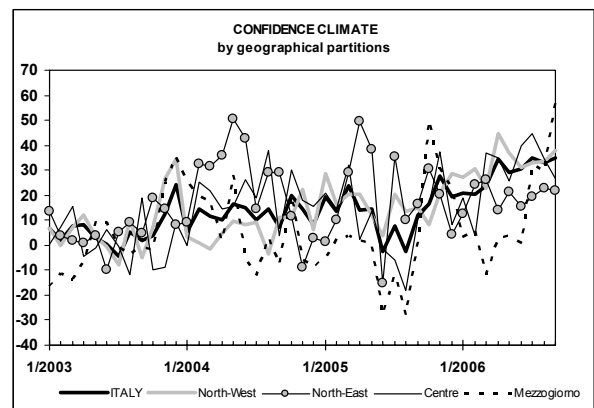
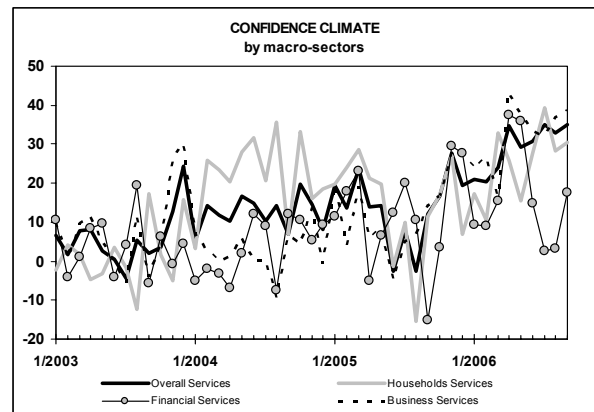
The full text of ISAE Surveys (either hardcopy or electronic format) is available for sale (for further information see the web site www.isae.it)

General results

The ISAE Survey, carried out on a panel of around 2,000 firms between September 1 and September 20, pointed to an improvement in confidence for the market services sector in September. The balance grew from 33 to 35, attaining the highest value recorded over the last years and returning to the level already reached in July. The progress was backed by positive opinions on orders and by the improvement in the general economic trend. The balance for order expectations remained, instead, stable at a high value. The year-on-year change in sentiment – which is not affected by seasonal factors – confirmed its highly positive trend (in September 2005, the indicator stood at 12).

The improvement in confidence was evenly spread across sectors: the raw indicator rose to 30 (from 28) for household services (in line with the results of the ISAE consumer survey), to 18 (from 3) for financial services, and to 39 (from 37) for business services (consistently, in this case, with the ISAE survey on manufacturing firms). In September 2005, the confidence climate for household, financial and business services came in at 11, -15 and 14, respectively.

The regional breakdown pointed, nevertheless, to some differences: confidence rose in the North West (to 38 from 34) and the South (to 58 from 30), and declined, instead, in the North East (to 22 from 23) and the Centre (to 27 from 35). In September 2005, the confidence climate in the North West, the North East, the Centre and the South stood, in the order, at 15, 17, 11 and 2.



Situation in the reference period

In September, market services operators gave a decidedly more optimistic appraisal of the level of orders (the related raw balance grew to 41, from 37 in August). Also the assessment on turnover showed positive signals: the raw balance remained at the high value posted in the previous month (37). The balance for employment showed, instead, a sharp decline (to -7 from 9).

At the industry level, in the household services sector the balances for orders and turnover clearly improved – mainly with regard to ground transportation and telecommunications – while the one for employment sharply deteriorated. Financial services operators were more optimistic, with respect to the previous month, about orders and employment, while the balance for turnover further worsened. In the business services sector, moderately negative opinions on all surveyed variables prevailed.

On a regional basis, in the North West the balance for the assessment on orders slightly improved, while those on turnover and employment worsened. In the North East, the balances for orders and employment declined, whereas that for turnover rose. In the Centre, operators expressed rather negative evaluations of all surveyed variables. In the South, instead, the assessments on orders, turnover and employment were clearly favourable.

Outlook for the next three months

Expectations for the following quarter were optimistic. The balance for orders remained at the high level recorded in August (45), and those for turnover, employment and the country's overall economic situation improved (rising, in the order, to 52 from 43, to 13 from 8 and to 19 from 17). As for prices, inflationary pressures, which emerged in July and August, slightly eased in September, and the related balance went back in negative territory (moving from 5 to -3).

Nevertheless, some differences appeared at the industry level. In the household services sector, the balances for turnover and employment improved, whereas those for orders and the economic situation deteriorated. In financial and business services, the balance for orders, turnover and the economy sent favourable signals. On the contrary, the balance for employment posted a slight decline.

The picture was mixed also at the regional level. In the northern regions (North West and North East), the balances for orders and turnover markedly increased, while those for employment and the economy worsened. In the Centre, operators were more pessimistic, with respect to August, about orders and turnover; employment and the general economic trend gave, instead, positive indications. Finally, in the South the balances for orders and turnover slightly lowered, but those for employment and the economy improved.