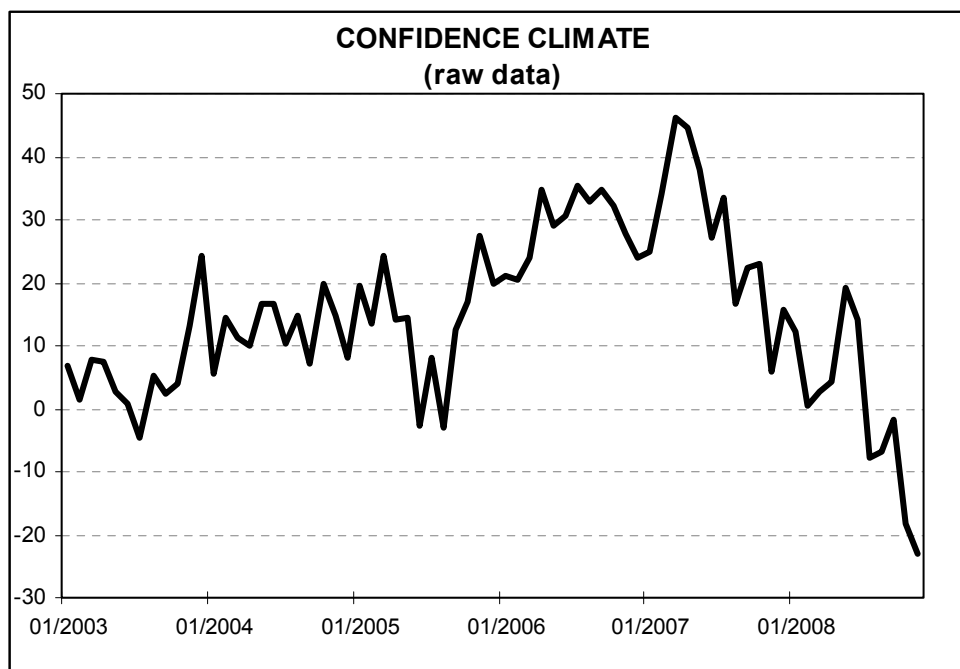




Date: November 27, 2008
TEL.: 06/444821

CONFIDENCE AMONG MARKET SERVICES WORSENS ALSO IN NOVEMBER

- The confidence indicator dropped to -23 from -18 in October, reaching the lowest value since the survey was extended to cover the entire market services sector (January 2003)
- The worsening was due to further deterioration in current orders and in forecasts for the overall economy
- The change in confidence showed some slight differences at sectoral and regional levels. The index declined to -52 (from -27) in financial services and to -19 (from -4) in business services. Confidence sluggishly recovered instead in household services (to -27 from -33), where the balances for current and expected orders improved, though remaining negative
- At the regional level, confidence recuperated in the Centre (to -2 from -21) and declined, by contrast, in the North West (to -23 from -9), the North East (to -24 from -18), and the South (to -85 from -54). The sharp fall posted in the South stemmed from the marked increase in the percentage of firms reporting a decline in current orders (84%)
- Employment expectations sent more favourable indications. The balance recovered thanks to an increase in the share of firms – mainly in financial and business services – that indicated their intention to hire new staff in the following three months



Data on December shall be released on December 30, 2008

The next ISAE surveys are scheduled as follows:

December 5, 2008: 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)

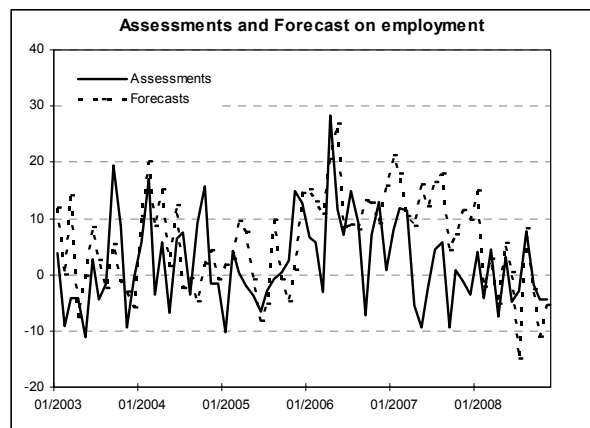
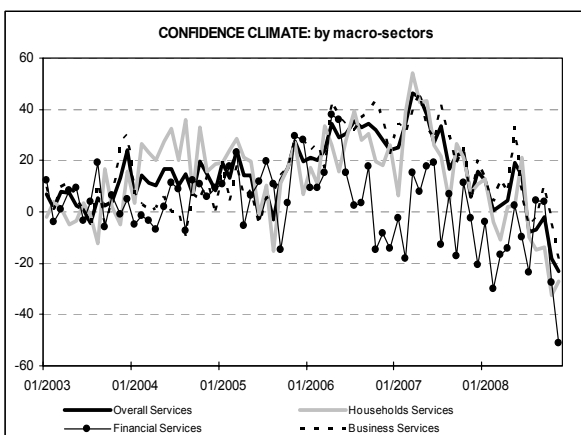
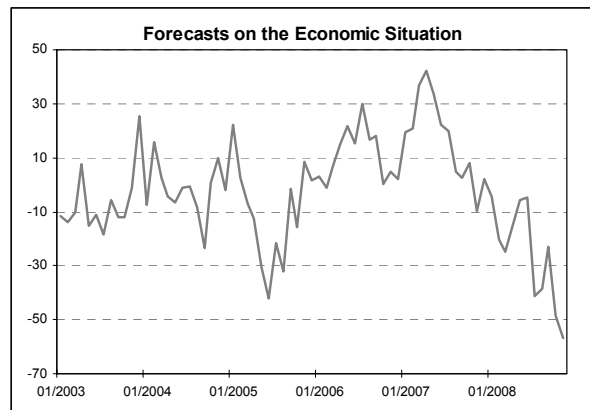
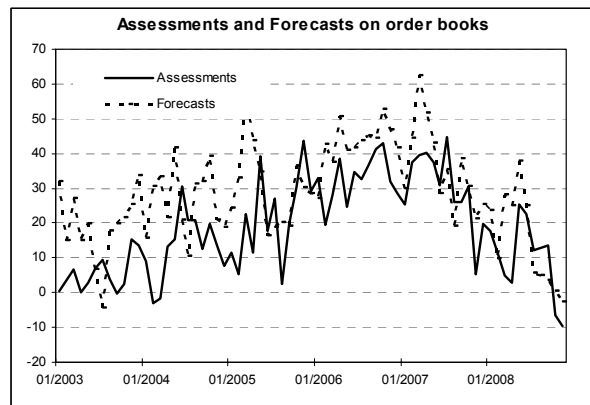
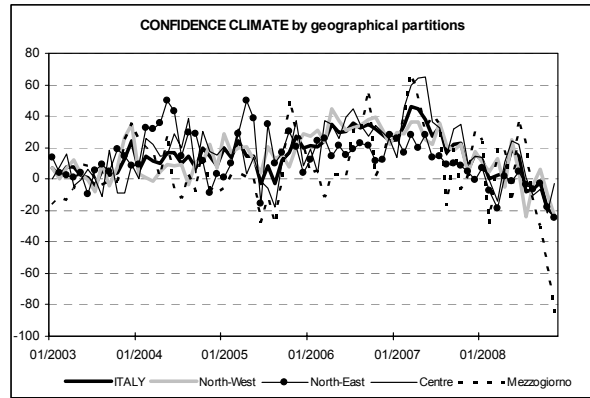
General results

The ISAE Survey, carried out on a panel of about 2,000 firms between November 3 and November 19, showed that confidence among market services firms worsened in November as well. The confidence indicator decreased to -23 from -18 in October, coming in, also this month, at the lowest level since January 2003.

The worsening in the confidence indicator stemmed from the deterioration in all its underlying components. In particular, the share of firms which indicated a drop in current orders and predicted a new deterioration in the overall economy moderately increased.

The change in confidence showed some slight differences at sectoral and regional levels. The index declined to -52 (from -27) in financial services and to -19 (from -4) in business services. Confidence sluggishly recovered instead in household services (to -27 from -33), where the balances for current and expected orders improved, though remaining negative.

At the regional level, confidence recuperated in the Centre (to -2 from -21) and diminished, by contrast, in the North West (to -23 from -9), the North East (to -24 from -18), and the South (to -85 from -54). The sharp fall posted in the South stemmed from the marked increase in the share of firms reporting a decline in current orders (84%).



Situation in the reference period

In November, opinions on orders further deteriorated (the balance hit -9, compared to -7 in October). The balance for employment remained instead unchanged, at -4. A three percentage point increase characterized both the proportion of firms that stated they increased enrolment above normal values and the share of those that cut jobs.

However, with regard to the current situation, important discrepancies emerged at sector level. In household services, the balance for orders recovered, though remaining in negative territory, and the one for employment diminished. In contrast, in financial and business services, the opinions on orders deteriorated, whereas employment's current situation clearly improved.

The regional breakdown also showed some slight differences. In the North West, operators were pessimistic about orders, but the balance for employment increased, remaining positive. In the Centre, the balance for orders surged, but the one for employment declined further. Operators in the North East and the South were, on the contrary, pessimistic about both orders and current employment.

Outlook for the next three months

Forecasts of market services operators for the next three months also sent negative signals. The balances for orders and the general economic trend worsened (to -3 from 0 and to -57 from -48), in a situation characterized by firms' intention to further reduce selling prices (to -21 from -11). The balance for expected employment recovered instead (to -5 from -11).

The sectoral situation was heterogeneous also with regard to expectation for the following quarter. In household services, the balances for company variables recovered, staying negative. Forecasts for the Italian economy, instead, worsened further. On the other hand, in financial and business services prospects for

employment gave positive indications. However, the balances for orders and the overall economy lowered.

At the regional level, expectations for orders diminished in both the northern regions (North West and North East) and the South. In the Centre, in contrast with the national data, operators were highly optimistic about future orders. Forecasts for employment were more favourable than in October in the North, while they worsened again in the Centre and remained stable, on negative values, in the South. Lastly, the balance for the economy as a whole continued to deteriorate in the North West and the South, recovered in the North East and held steady in the Centre.