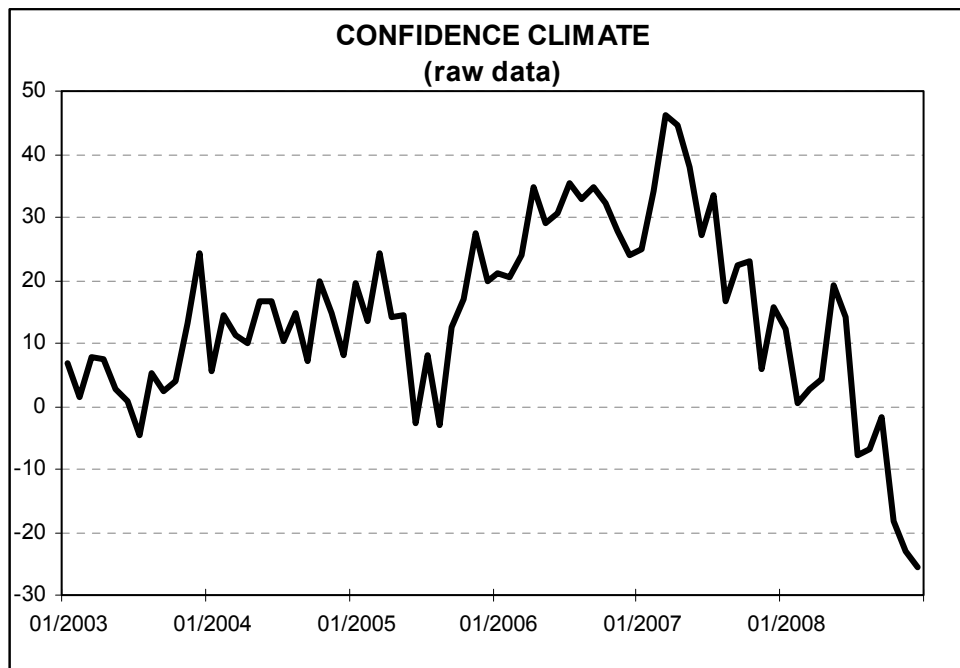




Date: December 30, 2008
TEL.: 06/444821

CONFIDENCE AMONG MARKET SERVICES FIRMS CONTINUES TO WORSEN IN DECEMBER

- The confidence climate dropped to -26 from -23 in November, due to sharp deterioration in the opinions on current orders. The balances related to forecasts for orders and the Italian economic trend recovered instead, remaining however in negative territory
- The indicator was negative for both main macro sectors and geographic areas. Nevertheless, change in confidence showed some slight differences at sectoral and regional levels. The index increased to -25 (from -27) in household services and to -49 (from -52) in financial services. Confidence worsened instead in business services, moving to -26 (from -19 in November)
- At the regional level, confidence recuperated in the North East (to -23 from -24) and the South (to -71 from -85) and declined, instead, in the North West and the Centre (to -27 from -23 and to -8 from -2, respectively)
- Opinions and expectations for employment also sent overall discouraging signals



Data on January shall be released on January 29, 2009

The next ISAE surveys are scheduled as follows:

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

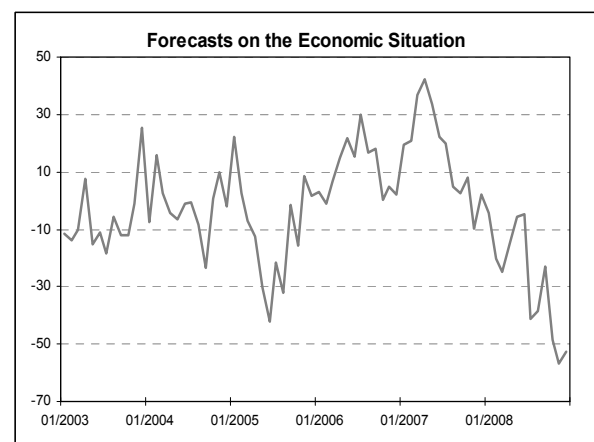
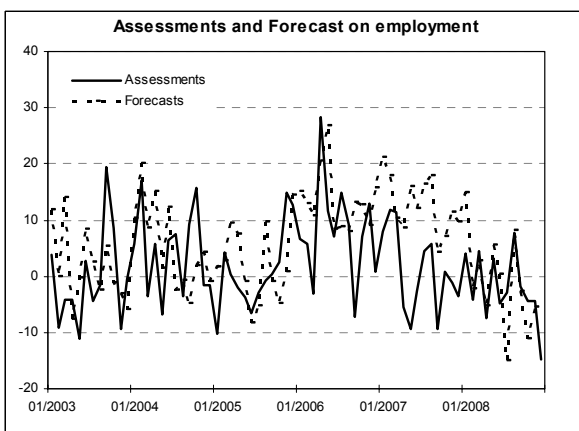
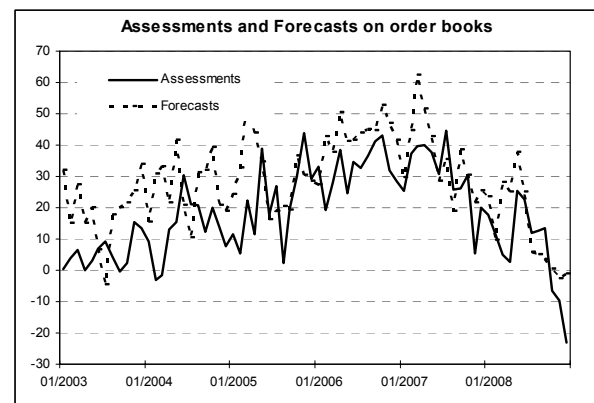
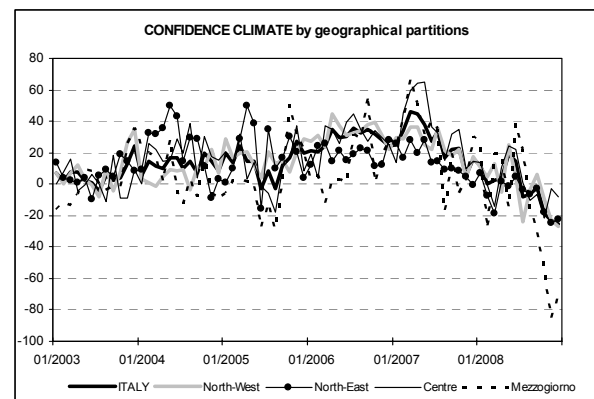
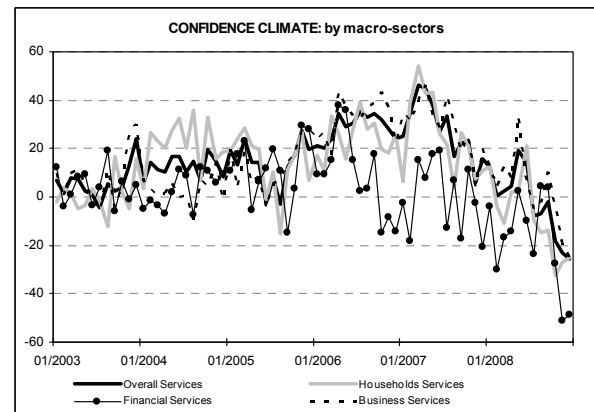
The full text of ISAE Surveys (either hardcopy or electronic format) is available for sale (for further information see the web site www.isae.it)

General results

The ISAE Survey, carried out on a panel of about 2,000 firms between December 1 and December 19, showed that confidence among market services firms continued to worsen in December. The confidence indicator decreased to -26 from -23 in November, due to sharp deterioration in the opinions on current orders. The balances related to forecasts for orders and the Italian economic trend recovered instead, remaining however in negative territory.

The indicator was negative for both main macro sectors and geographic areas. Nevertheless, change in confidence showed some slight differences at sectoral and regional levels. The index increased to -25 (from -27) in household services and to -49 (from -52) in financial services. Confidence worsened instead in business services, moving to -26 (from -19 in November).

At the regional level, confidence recuperated in the North East (to -23 from -24), driven by improved expectations on orders. The indicator increased also in the South (to -71 from -85), but declined, by contrast, in the North West and the Centre (to -27 from -23 and to -8 from -2, respectively).



Situation in the reference period

In December, opinions on orders and employment noticeably deteriorated. The related raw balances hit lows unseen since January 2003. In detail, the balance for orders dropped to -23 (from -9) and the one for employment fell to -15 (from -4).

However, also in December some discrepancies emerged at sector level. In household services, the balance for orders worsened and the one for employment recovered slightly. In contrast, in financial services opinions on current orders improved, mainly thanks to the rise in the share of firms which recorded an increase in orders in the last month. The balance for employment remained instead stable on a positive value. Finally, business services operators were pessimistic about all surveyed variables.

The regional breakdown also showed a mixed situation. In the North West, operators gave pessimistic assessments on both orders and employment. In the North East and the Centre, the balance for orders clearly dropped, but the one for employment recovered. Lastly, operators in the South were slightly more optimistic than in November about all surveyed variables.

Outlook for the next three months

In December, respondents predicted recovery for orders and the economic trend. The related balances, however, remained negative at -1 and -53, respectively (compared to -3 and -57 in November). Employment expectations sent instead unfavourable signals (the balance dropped to -11 from -5).

As recorded for assessments on current conditions, the sectoral situation was heterogeneous also with regard to forecasts. In household services, the balances for orders and the Italian economy recovered, whereas the one for employment worsened. In financial services, operators were more pessimistic than in November about all surveyed variables. Lastly, in business services the balance for orders recovered

slightly, while in contrast the ones for employment and the overall economy declined.

At the regional level, in the North West order expectations remained stable on a negative value. The balance for the economy recovered, but the one for employment markedly deteriorated. In the North East, operators became more optimistic with respect to the previous month about both orders and employment, but the balance for the overall economic trend clearly dropped. In the Centre, expectations for orders worsened, whereas the balances for employment and the economy recovered, remaining negative. Lastly, in the *Mezzogiorno*, the balance for employment held steady and the forecasts for orders and the economic trend slightly improved. However, all balances remained in negative territory.