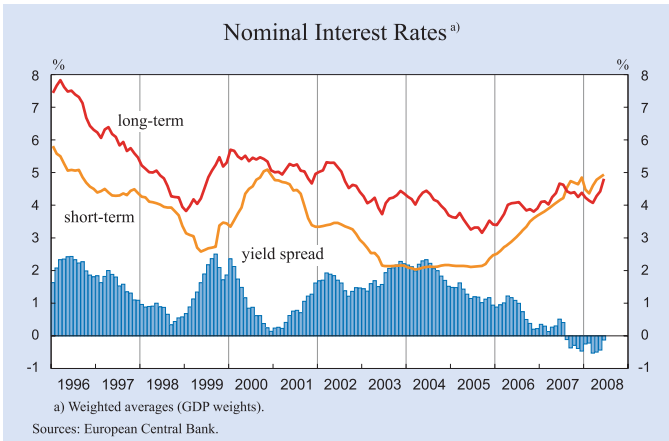
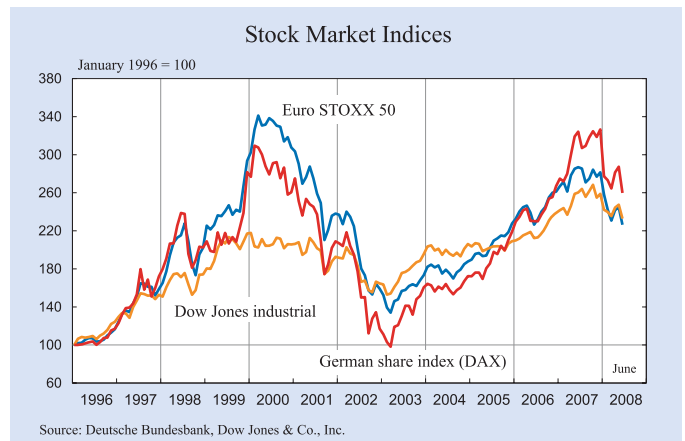


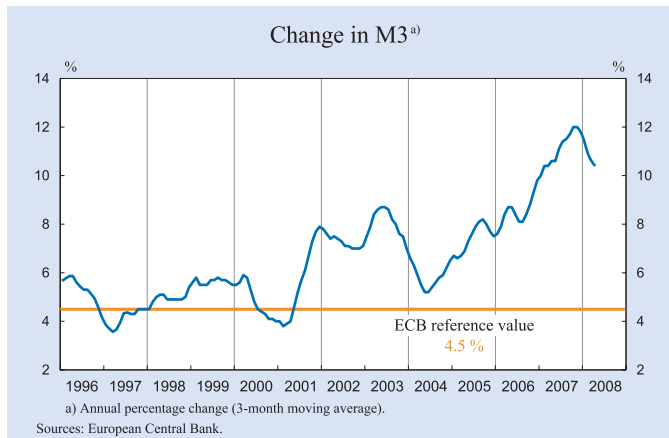
FINANCIAL CONDITIONS IN THE EURO AREA



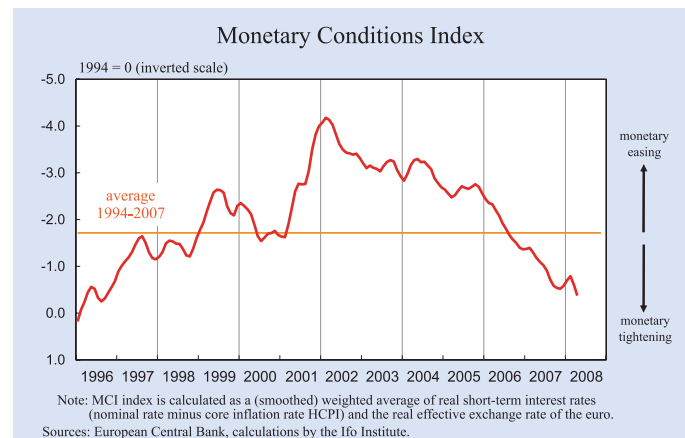
In the three-month period from April to June 2008 short-term interest rates rose. The three-month EURIBOR rate increased from an average 4.78% in April to 4.94% in June. The ten-year bond yields also increased from 4.28% in April to 4.81% in June. In the same period of time the yield spread grew from -0.50% (April) to -0.13% (June).



The German stock index DAX declined in June 2008, averaging 6,418 points compared to 6,949 points in April and 7,097 points in May. The Euro STOXX also fell from 3,768 in April to 3,528 in June. The Dow Jones International also declined, averaging 12,057 points in June compared to 12,657 points in January and 12,812 points in May.

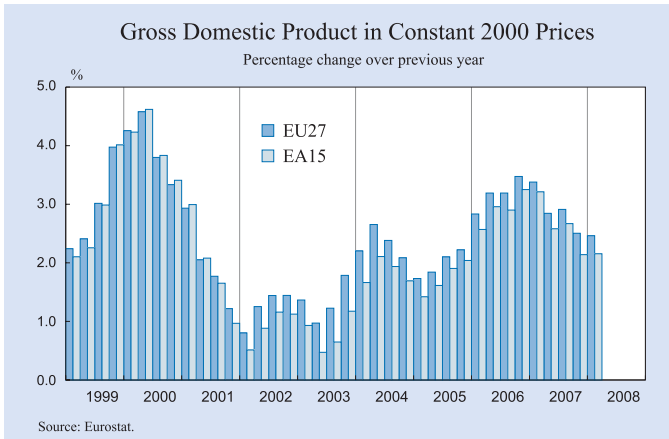


The annual rate of growth of M3 stood at 10.5% in May 2008, unchanged from April. The three-month average of the annual growth rate of M3 over the period from March to May 2008 declined to 10.4%, from 10.6% in the period February to April 2008.

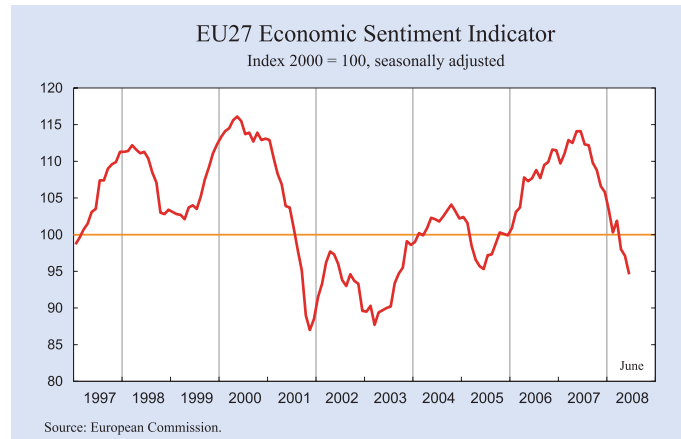


In April 2008 the monetary conditions index continued its general decline that had started in late 2001, signalling greater monetary tightening. This is the result of rising real short-term interest rates and a rising real effective exchange rate of the euro.

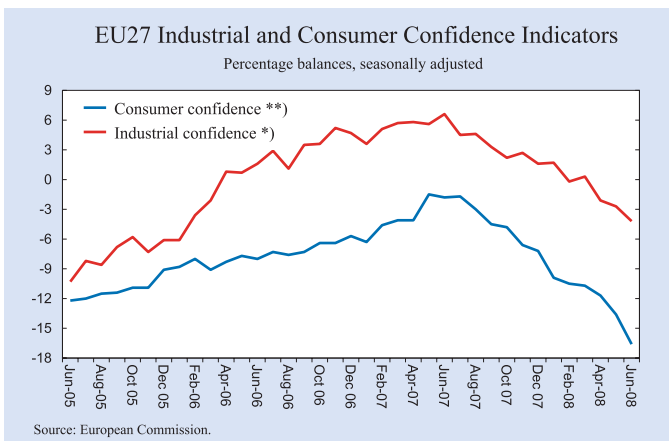
EU SURVEY RESULTS



According to the first Eurostat estimates, euro area (EU15) and EU27 GDP grew by 0.8% in the first quarter of 2008 compared to the previous quarter. In the fourth quarter of 2007 the growth rate had amounted to 0.3% for the euro area and 0.5% for the EU27. Compared to the first quarter of 2007, i.e. year over year, seasonally adjusted GDP rose by 2.2% in the euro area and by 2.5% in the EU27.



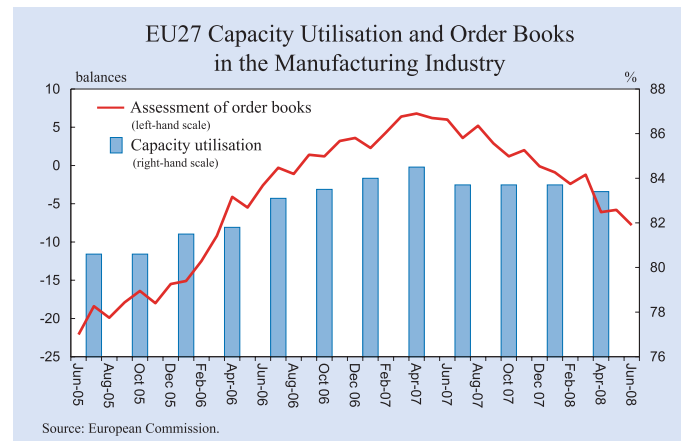
In June 2008, the EU Economic Sentiment Indicator (ESI) fell by 2.5 points in the EU27 and decreased by 2.7 points in the euro area, to 94.6 and 94.9 respectively. In both regions the ESI remains below its long-term average. Spain registered a significant drop (- 6.2), while declines were moderate in France (- 2.7), Germany (- 1.5) and Italy (- 0.1). Overall economic confidence improved in the UK (+ 2.1).



* The industrial confidence indicator is an average of responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

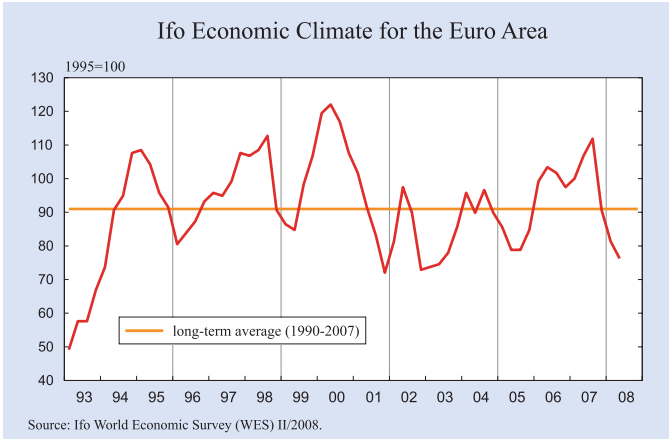
** New consumer confidence indicators, calculated as an arithmetic average of the following questions: financial and general economic situation (over the next 12 months), unemployment expectations (over the next 12 months) and savings (over the next 12 months). Seasonally adjusted data.

In June 2008, the *industrial confidence indicator* fell in both the EU27 and the euro area. The decline was more marked in the euro area than in the EU27. Despite the downward trend observed since mid-2007, the level of the indicator still stands above its long-term average. *Consumer confidence* also declined in the EU27 and the euro area in June 2008. The indicator has been on a downward path since its peak in May 2007 and currently stands below its long-term average in both areas.

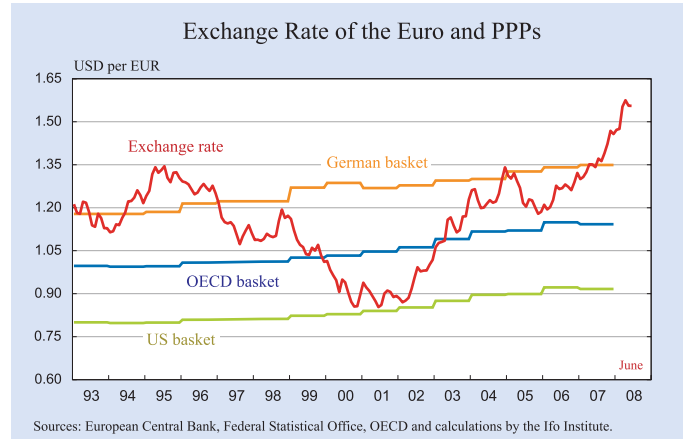


Managers' assessment of *order books* deteriorated from - 6.1 in April to - 7.8 in June 2008. In March the indicator had reached - 1.2. *Capacity utilisation* slightly declined to 83.4 in the second quarter of 2008 from 83.7 in the previous quarter.

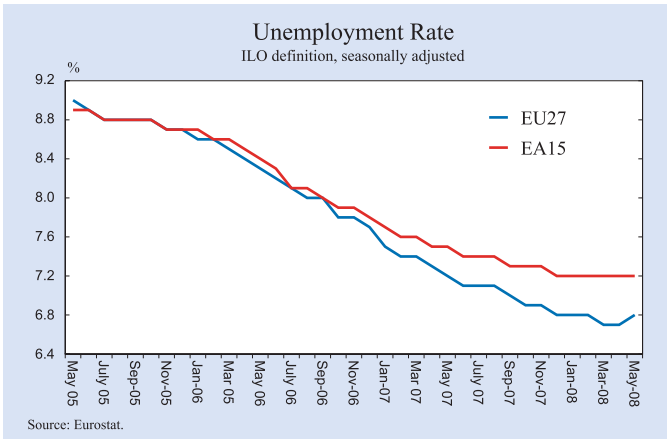
EURO AREA INDICATORS



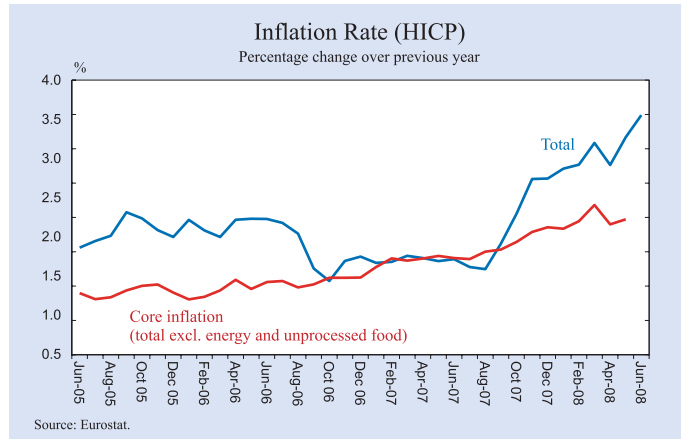
The Ifo indicator of the economic climate in the euro area (EU15) has worsened again in the second quarter of 2008 for the third time in succession, falling to its lowest level in five years. Its decline is the sole result of less positive assessments of the current economic situation. The economic expectations for the coming six months, although still in negative territory, have not worsened further.



The exchange rate of the euro against the US dollar averaged 1.56 \$/€ in June 2008, a slight decrease from 1.57 \$/€ in April. (In March the rate had amounted to 1.55 \$/€.)



Euro area (EU15) unemployment (seasonally adjusted) stood at 7.2% in May 2008, unchanged from April. EU27 unemployment amounted to 6.4% in May 2008 compared to 6.7% in April. This is quite a decline from the 7.2% of a year earlier. Among the EU Member States the lowest rates were registered in Denmark (2.7%) and the Netherlands (2.9%). Unemployment rates were highest in Slovakia (10.5%) and Spain (9.9%).



Euro area annual inflation (HICP) was 3.7% in May 2008 after 3.3% in April. This is quite an increase from a year earlier, when the rate had been 1.9%. The EU27 annual inflation rate reached 3.9% in May. An EU-wide HICP comparison shows that in May 2008 the lowest annual rates were observed in the Netherlands (1.7%), Portugal (2.8%) and Germany (3.1%), and the highest rates in Latvia (17.7%), Bulgaria (10.9%) and Estonia (9.3%). Year-on-year EU15 core inflation (excluding energy and unprocessed foods) rose to 2.47% in May, from 2.40% in April.