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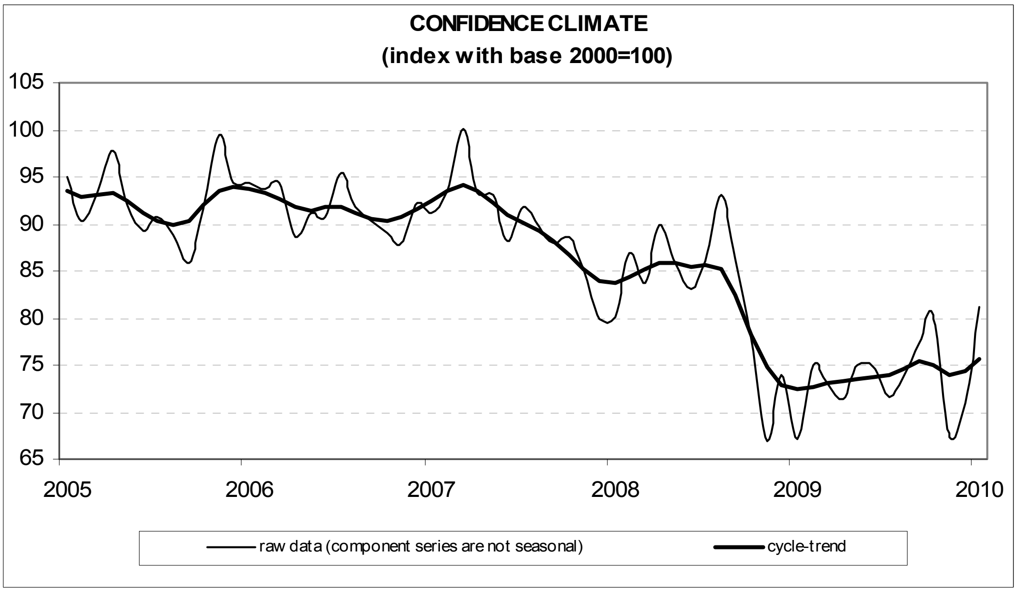
Date: **February 25, 2010**

CONSTRUCTION FIRMS' CONFIDENCE CLIMATE RECOVERS IN JANUARY

- **According to the ISAE Survey carried out on a panel of approximately 500 firms, in January the seasonally adjusted confidence index (2000=100) clearly bounced back, moving from 71 to 81.1 and reaching the highest value since September 2008**
- **Among the variables included in the calculation of the confidence climate, lower pessimism characterized both assessments on construction plans and employment prospects**
- **The opinions on construction activity and forecasts for construction plans recovered markedly. The balance for expected prices charged in the sector increased slightly, remaining nevertheless at historical low level**
- **The number of firms which did find constraints limiting their construction activity inched down (though the related percentage remained clearly above the one for those that stated they did not find obstacles). Among declared obstacles, insufficient demand was considered the main limitation, followed by financial constraints**
- **The improvement in the overall confidence indicator was homogenous across sectors. Confidence recovered significantly in both residential and non residential building, as well as in civil engineering**



Data on February shall be released on March 25, 2010

The next ISAE surveys are scheduled as follows:
March 24, 2010: *ISAE Monthly Consumer Survey (reference period: March)*

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

According to the ISAE Survey carried out on a panel of approximately 500 firms, in January the seasonally adjusted confidence index (2000=100) clearly bounced back, moving from 71 to 81.1 and reaching the highest value since September 2008.

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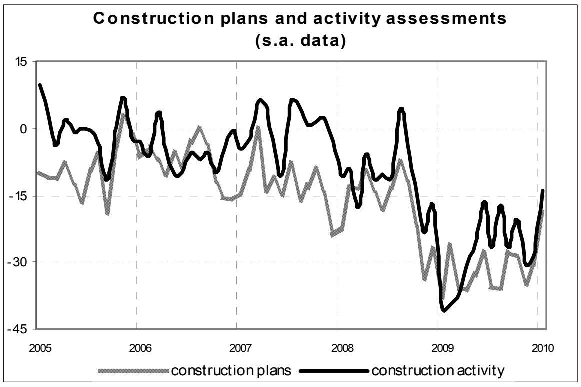
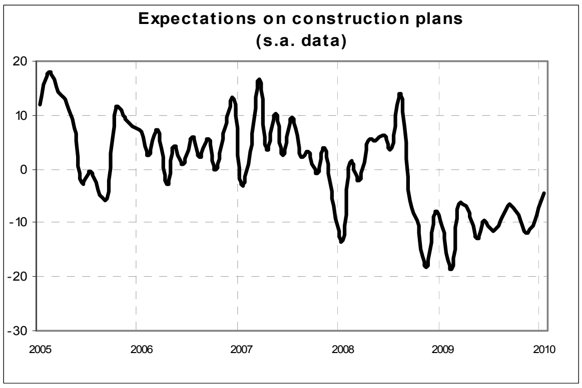
Situation in the reference period (January 2010)

In January the opinions on construction plans continued to improve for the second straight month: the related balance hit -19, compared to -31 in the previous month, reaching the highest value since September 2008. Also assessments on construction activity showed an upward trend: the seasonally adjusted balance moved from -29 to -14, attaining, in this case, a high last reached in October 2008. Most surveyed entrepreneurs continued to find obstacles limiting their construction activity, even though in January the percentage of those who did not find constraints moderately increased (from 34% to 37%). Moreover, among declared obstacles, insufficient demand was

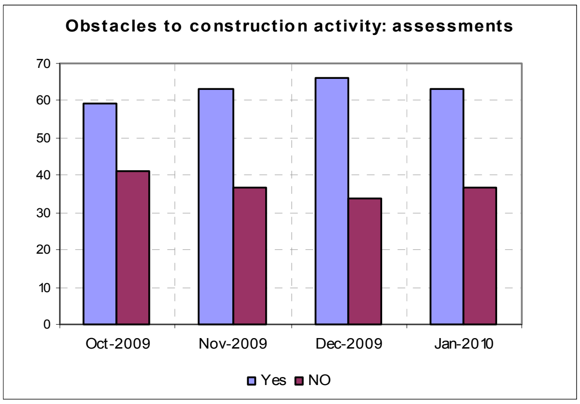


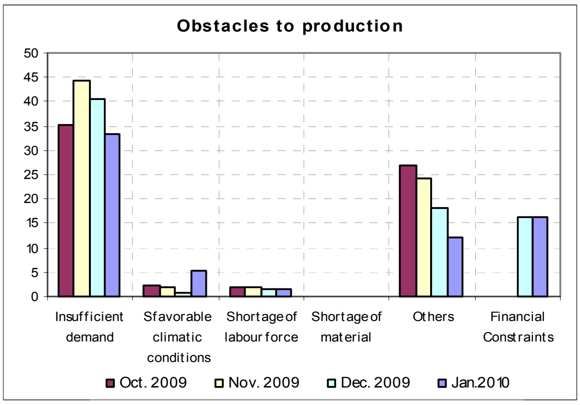


considered the main limitation, followed by financial constraints and adverse weather conditions.

Forecasts for the following three months

Short-term forecasts for construction plans gave less negative indications than in the previous month: after the sharp deterioration recorded in November and the recovery posted in December, the balance climbed also in January (to -5 from -10 in the previous month), remaining however negative, but reaching the best result since August 2008. Moreover, the number of entrepreneurs expecting a rise in prices charged in the sector slightly increased compared to the previous month (the balance moved from -15 to -8, staying nonetheless negative, at record low level). In the total sample, the related percentage continued however to remain lower than the share of those who judged that prices were going to diminish. The trend for employment, a variable included in the calculation of the confidence climate, recovered in January: the related balance rose from -21 to -11, attaining its March 2009 value.





Confidence climate and balances of the component series index (s.a. data)

	Confidence climate (2000=100 basis)	Assessments on construction plans	Expectations on employment
Oct.. 2009	80.4	-29	-3
Nov. 2009	67.4	-35	-24
Dec. 2009	71.0	-31	-21
Jan. 2010	81.1	-19	-11