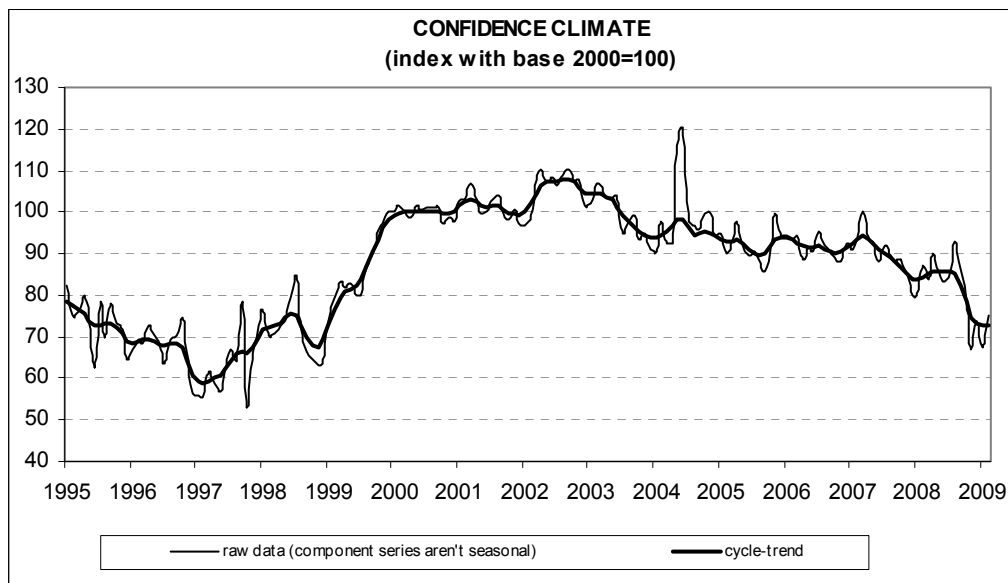




Date: March 27, 2009

CONSTRUCTION FIRMS' CONFIDENCE RECOVERS IN FEBRUARY

- According to the ISAE Survey carried out on a panel of approximately 500 firms, in February the seasonally adjusted confidence index (2000=100) increased from 67.2 to 75, returning above its fourth quarter 2008 average
- Among the variables included in the calculation of the confidence indicator, assessments on construction plans posted a market improvement and employment prospects recovered as well
- Slight pessimism characterized both the opinions on construction activity and predictions for construction plans. The balance related to the future trend in prices charged in the sector diminished for the second consecutive month, reaching its lowest level since 1995
- The number of entrepreneurs stating they found obstacles limiting their construction activity declined moderately (though the percentage remained above the one for those who declared they did not find any limitation). Among stated obstacles, insufficient demand was again considered the main constraint, followed by adverse weather conditions and shortage of labour force
- At sector level, confidence noticeably improved in residential and non-residential building, whereas it shrunk in civil engineering



Data on March shall be released on April 28, 2009

The next ISAE surveys are scheduled as follows:

April 7: ISAE International Comparison of Consumer and Business Surveys (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 February the seasonally adjusted confidence index (2000=100) increased from 67.2 to 75, returning above its fourth quarter 2008 average.

Among the variables included in the calculation of the confidence indicator, assessments on construction plans posted a market improvement and employment prospects recovered as well.

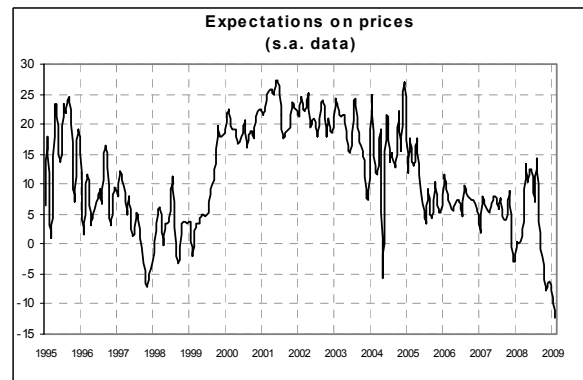
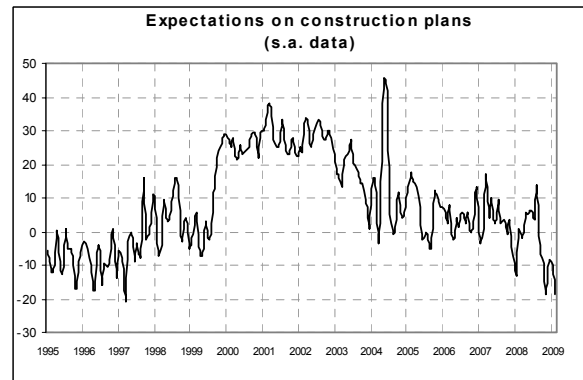
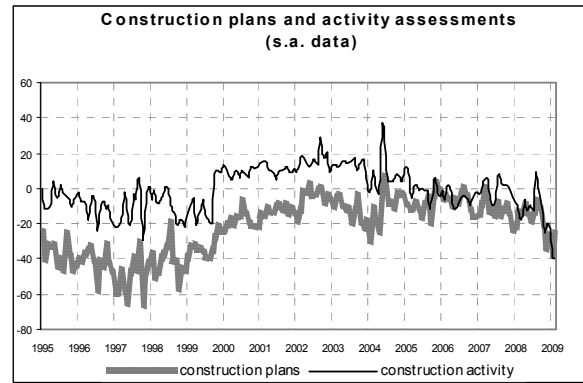
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At sector level, confidence noticeably improved in residential and non-residential building, whereas it shrunk in civil engineering.

Situation in the reference period (February 2009)

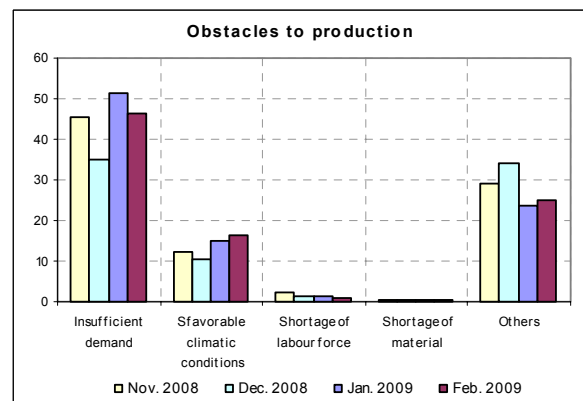
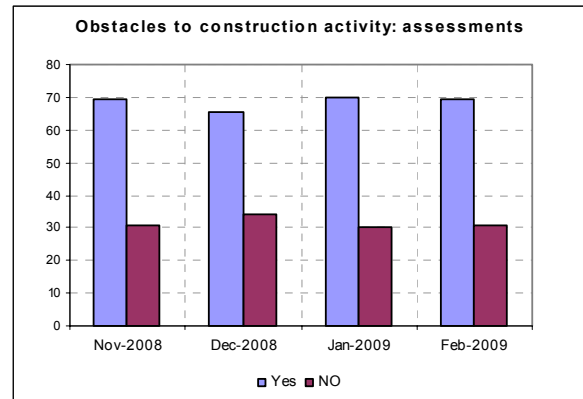
In February, the opinions on construction plans gave less negative indications with respect to the previous month. Following the sharp fall posted in January, the balance increased to -26 from -38, reaching its December 2008 value. Assessments on construction activity worsened instead for the second month running: the seasonally adjusted balance lowered to -40 (-38 in January), thus hitting a low last reached in 1995.



In February, the number of entrepreneurs who stated they found obstacles limiting their construction activity declined slightly. The related percentage lowered from 70% to 69%, though remaining clearly above the one for those who declared they did not find any constraint. Moreover, most surveyed entrepreneurs considered insufficient demand the main obstacle to construction activity, followed by adverse weather conditions and shortage of labour force.

Forecasts for the following three months

For the second straight month, short-term forecasts for construction plans gave unfavourable indications. The related balance moved from -11 to -19, hitting the level posted last November. As for prices charged in the sector, the number of entrepreneurs forecasting a decline increased. The balance lowered to -12, reaching a low unseen since 1995. Lastly, following the sharp fall posted in January, prospects for employment, a variable included in the calculation of the confidence climate, started to improve once more. The related balance moved from -21 to -17, hovering nevertheless around the low average posted at the end of 1998.



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

	Confidence climate (index base 2000=100)	Assessments on construction plans	Expectations on employment
Nov. 2008	67.0	-34	-26
Dec. 2008	73.9	-27	-18
Jan. 2009	67.2	-38	-21
Feb. 2009	75.0	-26	-17