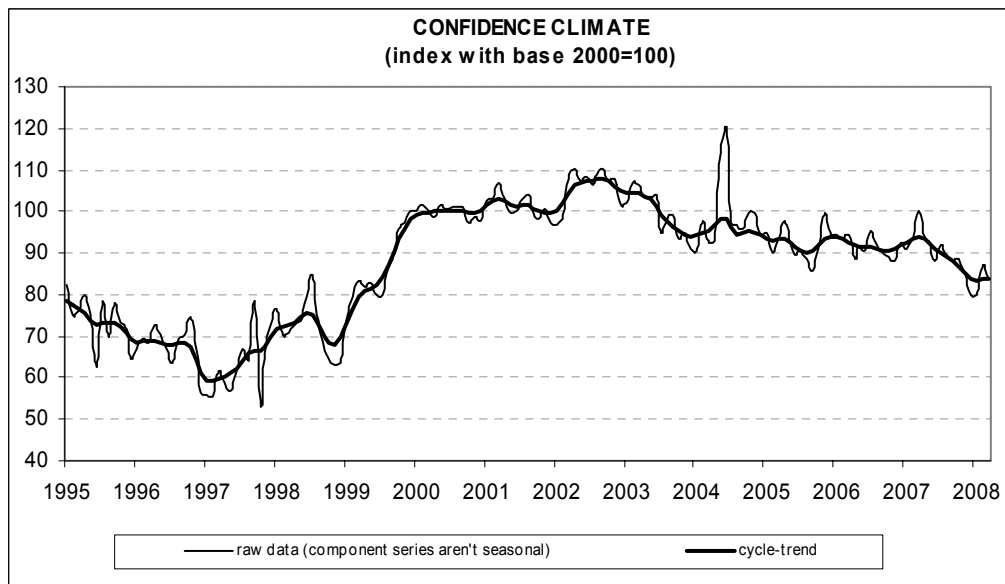




Date: April 29, 2008
TEL.: 06/444821

IN MARCH, CONSTRUCTION FIRMS' CONFIDENCE DECLINES FURTHER

- According to the ISAE Survey carried out on a panel of around 500 firms, in March the seasonally adjusted confidence index (2000=100) lowered from 86.9 to 83.7, the lowest level since 1999
- Confidence deteriorated in residential and non-residential building and, mostly, in civil engineering
- Among the variables included in the definition of the confidence climate, both the opinions on construction plans and, mainly, employment prospects worsened
- Also the appraisal of construction activity and forecasts for construction plans deteriorated. Prices charged in the sector increased
- The number of entrepreneurs who stated they did not find obstacles limiting their construction activity rose slightly. Among the considered obstacles, insufficient demand was the main constraint
- Lastly, in the first quarter of 2008, forecasts for the length of assured activity (a seasonally adjusted variable, surveyed quarterly) improved moderately compared to the previous quarter



Data on April shall be released on May 28, 2008

The next ISAE surveys are scheduled as follows:

May 6, 2008: *ISAE International Comparison of Consumer and Business Surveys (reference period: April)*

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

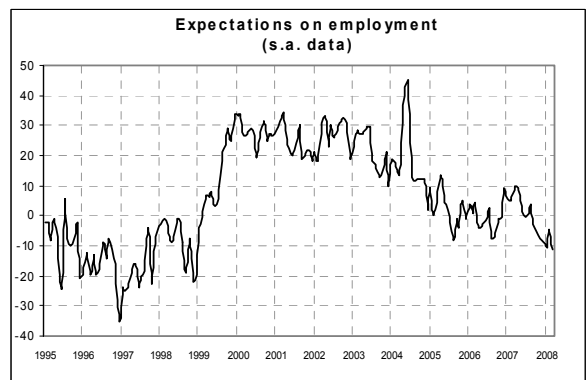
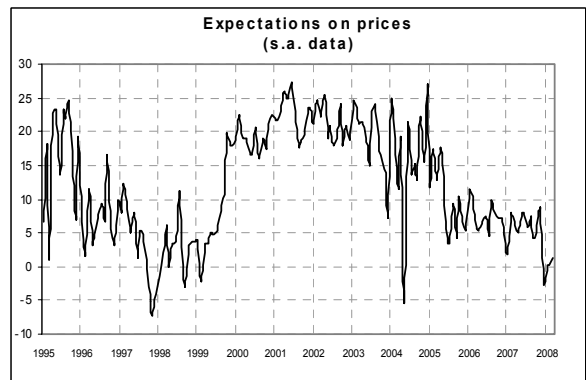
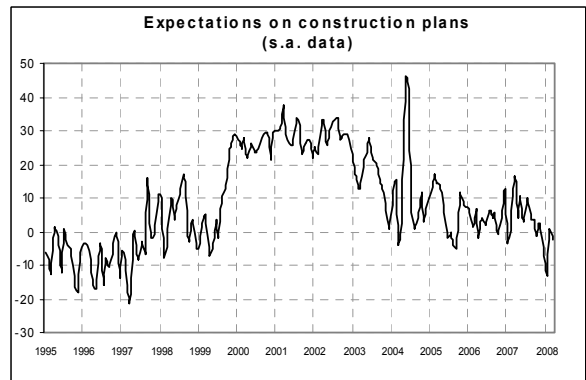
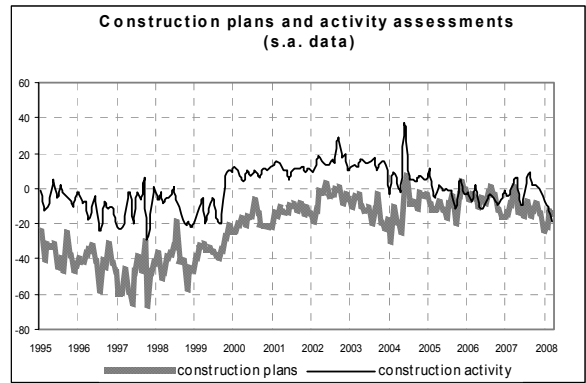
According to the ISAE Survey carried out on a panel of around 500 firms, in March the seasonally adjusted confidence index (2000=100) declined from 86.9 to 83.7, reaching the lowest level since 1999. Among the variables included in the definition of the confidence climate, deterioration characterized both the opinions on construction plans and, mostly, employment prospects.

Firms' appraisal of construction activity, worsened: the balance, which was declining since November 2007, hit its lowest reading since 1999. Prospects on construction plans also confirmed respondents' negative views on the current situation: the related balance went back in negative territory, remaining, however, above the average level posted in December 2007 - February 2008.

The balance for the opinions on prices charged in the sector increased slightly, turning positive for the first time since last December. Forecasts for the length of assured activity (a seasonally adjusted variable, surveyed quarterly) improved moderately in the first quarter of 2008, compared to the previous quarter. The number of entrepreneurs who stated they did not find obstacles limiting their construction activity increased slightly. Among the considered obstacles, insufficient demand was the main constraint. The worsening in the overall confidence index was widespread across sectors: the indicator fell in residential and non-residential building and, mostly, in civil engineering.

Situation in the reference period (March 2008)

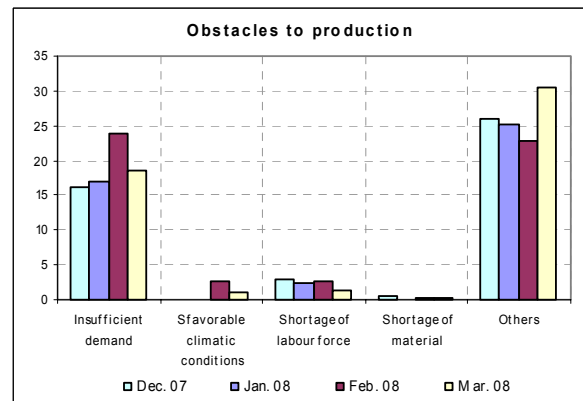
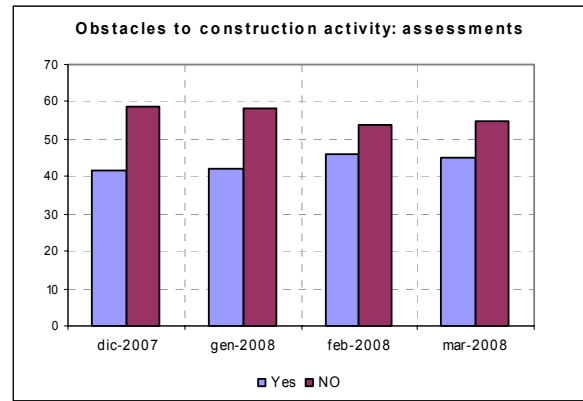
In March, following the recovery posted in the previous month, assessments on construction plans started to worsen once more: the related balance came in at -14, compared to -13 in February, returning however to the average level recorded last November.



The evaluation of construction activity also sent negative signals: the seasonally adjusted balance declined from -11 to -19, the lowest value since 1999. The number of entrepreneurs declaring they did not find obstacles limiting their construction activity increased slightly (the percentage rose from 54% to 55%). Furthermore, for those perceiving obstacles (in this case, the share moved from 46% to 45%), insufficient demand was still considered the major constraint.

Forecasts for the following three months

Prospects confirmed the negative indications which came from entrepreneurs' appraisal of current activity: in March, forecasts for construction plans clearly worsened (the balance lowered from 0 to -3). Also the balance for employment prospects deteriorated (from -5 to -11, returning to the level recorded in January 2008). With regard to the forecasts for prices charged in the sector, the number of entrepreneurs expecting a rise increased: the related balance moved from 0 to 1, regaining positive territory for the first time since last December. Lastly, the length of assured activity (a seasonally adjusted variable, surveyed quarterly and measured in months) edged up, moving to 15.7 in the first quarter, from 14.7 in the fourth quarter of 2007.



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
Dec 2007	79.9	-24	-9
Jan 2008	80.1	-22	-10
Feb 2008	86.9	-13	-5
Mar 2008	83.7	-14	-11