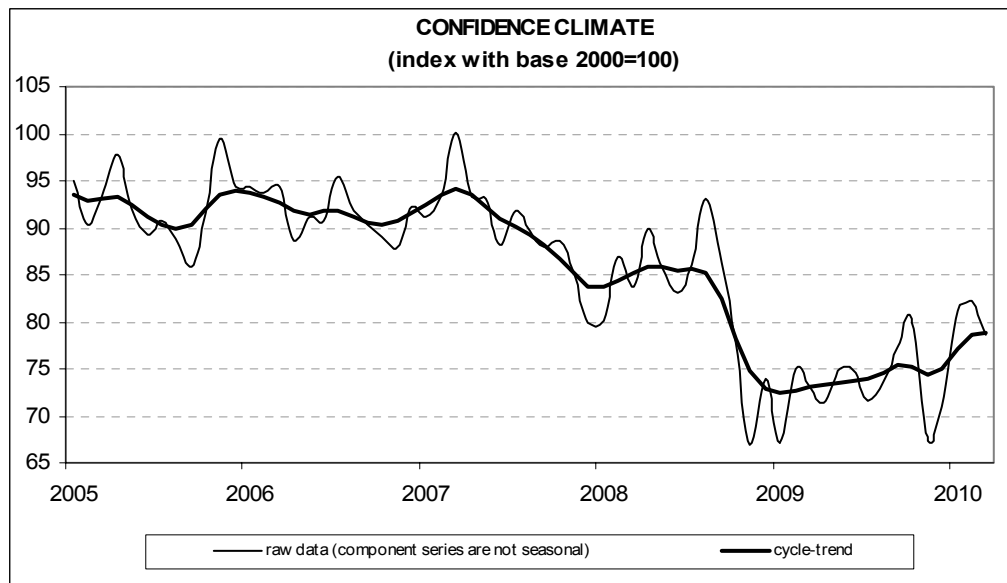




Date: April 28, 2010

CONSTRUCTION FIRMS' CONFIDENCE CLIMATE WORSENS IN MARCH

- According to the ISAE Survey carried out on a panel of approximately 500 firms, in March the seasonally adjusted confidence index (2000=100) went down from 82.1 to 78.6, remaining however above its 2009 average
- Entrepreneurs were decidedly more pessimistic about the trend in construction plans, while employment prospects showed signs of improvement
- Also assessments on construction activity started to deteriorate: following the progress posted in the first two months of 2010, in March the balance went into a decline, though staying above its 2009 average. The negative picture recorded by assessments was not confirmed by prospects for construction plans: the related balance bounced up, turning positive for the first time since August 2008. Also the balance for expected prices to be charged in the sector increased, though continuing to remain negative, as occurred constantly since September 2008
- Most surveyed entrepreneurs stated they found constraints limiting their construction activity and, among declared obstacles, insufficient demand was considered one of the main difficulties, followed by financial constraints
- In the first quarter of 2010, forecasts for the length of assured activity (a seasonally adjusted variable, surveyed quarterly) were slightly optimistic compared to the previous quarter
- At sector level, the deterioration in confidence was widely spread: confidence worsened in both residential and non residential building and, mostly, in civil engineering



Data on April shall be released on May 27, 2010

The next ISAE surveys are scheduled as follows:

May 25, 2010: *ISAE Monthly Consumer Survey (reference period: May)*

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)

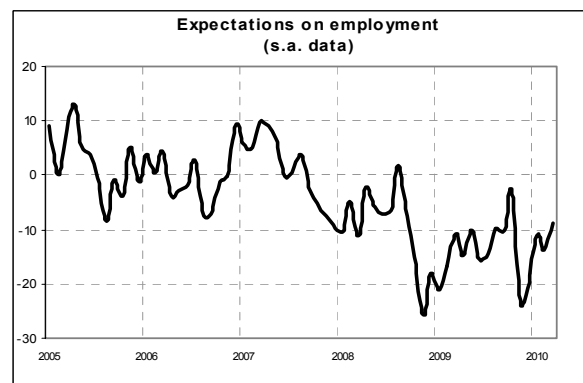
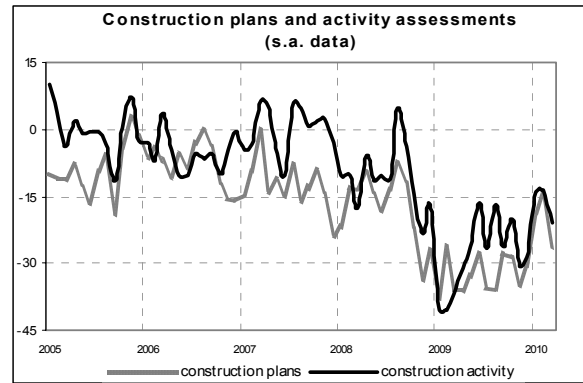
General results

According to the ISAE Survey carried out on a panel of approximately 500 firms, in March the seasonally adjusted confidence index (2000=100) went down from 82.1 to 78.6. The decline was only moderate since confidence remained above its 2009 average. As for the variables included in the calculation of the confidence climate, entrepreneurs were decidedly pessimistic about the trend in demand, while employment prospects for the sector showed signs of improvement.

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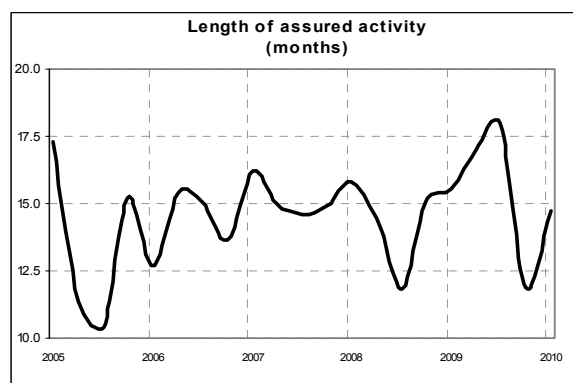
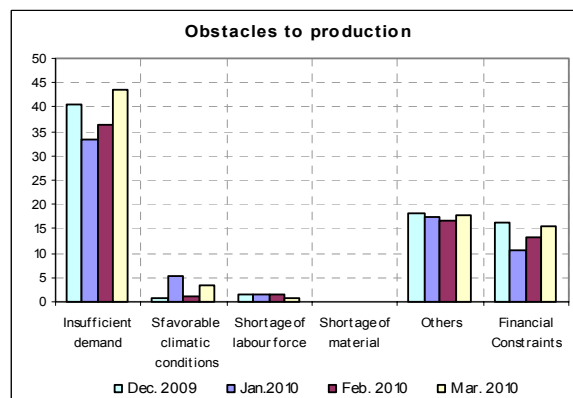
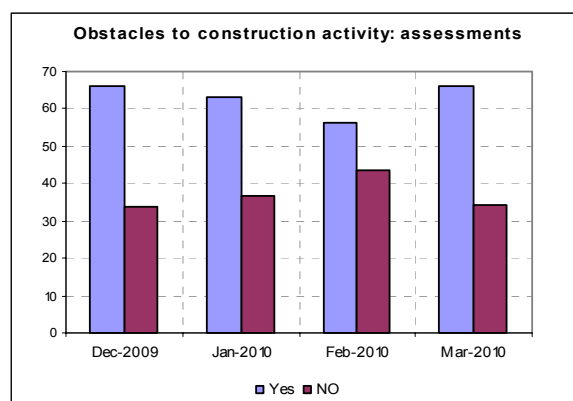


Situation in the reference period (March 2010)

In March, firms' opinions on construction plans clearly worsened: the related balance hit -27 (compared to -14 in the previous month), going back to its September-October 2009 average. Also assessments on construction activity gave negative indications: following the positive trend recorded in the November 2009-February 2010 period, the seasonally adjusted balance deteriorated once more, lowering to -21 from -14 in the previous month. Consistently with the negative assessments formulated by entrepreneurs, also the number of firms that stated they did not find obstacles limiting their construction activity declined (the share lowered from 43% to 34%). Moreover, firms that did find obstacles (in this case the percentage increased from 57% to 66%) considered that insufficient demand and financial constraints were the main limitations.

Forecasts for the following three months

Predictions for the trend in main company variables showed clear recovery over the previous month. In March, expectations for construction plans markedly improved (the balance increased from -7 to 3, going back in positive territory for the first time since August 2008); also the balance for employment prospects bettered (from -14 to -9). As for prices charged in the sector, the number of entrepreneurs who forecast a rise in prices increased slightly: the related balance moved from -10 to -9, reaching the level posted in August 2009. Lastly, the length of assured activity (a seasonally adjusted variable, surveyed quarterly and measured in months) moderately improved in the first quarter of 2010, moving to 14.7 from 11.9 in the previous quarter.



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

	Confidence climate (2000=100 basis)	Assessments on construction plans	Expectations on employment
Dec. 2009	71.0	-31	-21
Jan. 2010	81.1	-19	-11
Feb. 2010	82.1	-14	-14
Mar. 2010	78.6	-27	-9