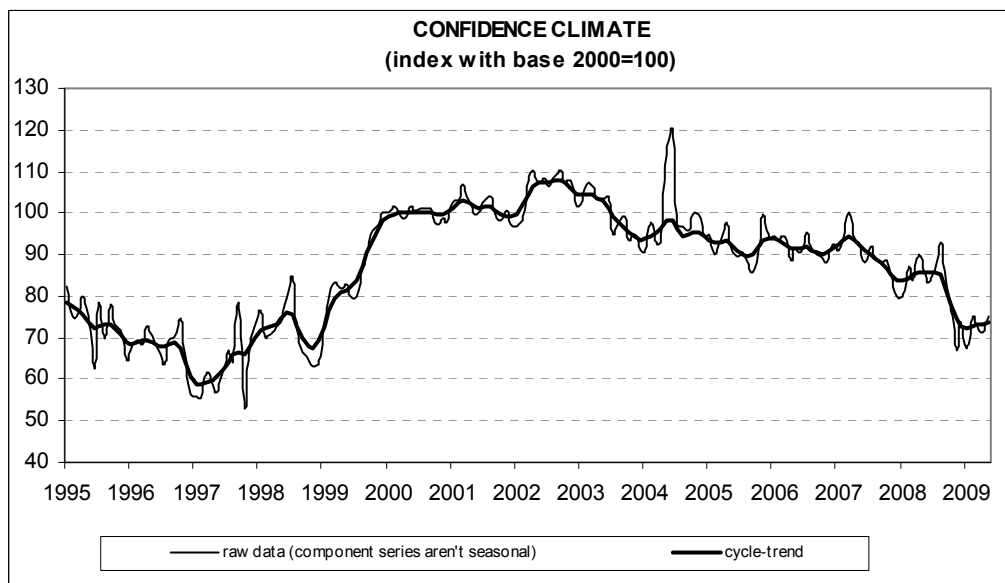




Date: June 25, 2009

CONSTRUCTION FIRMS' CONFIDENCE CLIMATE RECOVERS IN MAY

- According to the ISAE Survey carried out on a panel of approximately 500 firms, in May the seasonally adjusted confidence index (2000=100) increased from 71.3 to 74.9, reverting to the value recorded last February
- Among the variables included in the calculation of the confidence climate, both the opinions on construction plans and employment prospects recuperated
- Also assessments on construction activity moderately bettered, whereas pessimism characterized predictions for construction plans. The balance related to the forecasts for prices charged in the sector declined for the second month running, reaching its December 2008 level
- The number of entrepreneurs stating they did find obstacles limiting their construction activity increased further (the related percentage reached the highest level since 1995). Among declared obstacles, insufficient demand was considered the main constraint, followed by adverse weather conditions and shortage of labour force
- At sector level, confidence markedly improved in residential and non residential building, whereas it worsened in civil engineering



Data on June shall be released on July 29, 2009

The next ISAE surveys are scheduled as follows:

July 28, 2009: ISAE Monthly Consumer Survey (reference period: July)

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

Following the fall recorded in March and April, in May construction firms' confidence started to show some signs of recovery. The seasonally adjusted confidence index (2000=100) rose from 71.3 to 74.9, reverting to the value recorded last February. Among the variables included in the calculation of the confidence climate, both the opinions on construction plans and employment prospects recuperated.

Also assessments on construction activity moderately bettered, whereas caution characterized predictions for construction plans. The balance related to the forecasts for prices charged in the sector declined for the second straight month, reaching its December 2008 level.

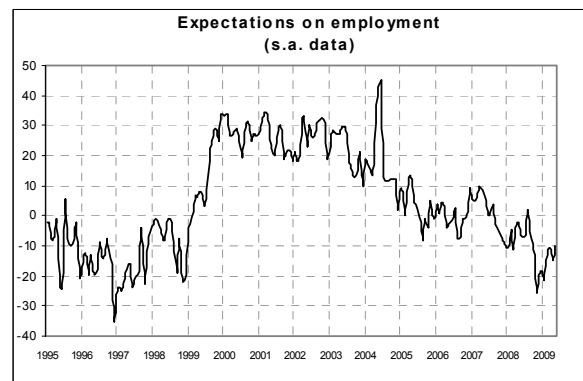
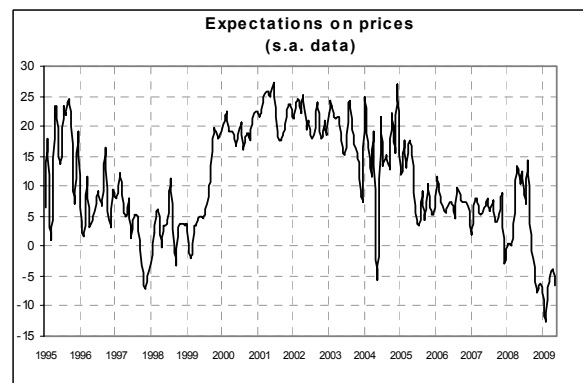
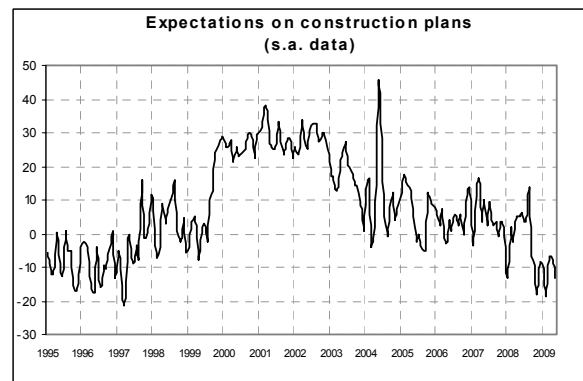
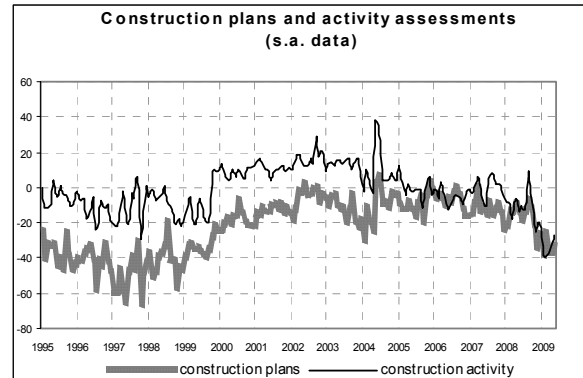
Moreover, the number of entrepreneurs stating they did find obstacles limiting their construction activity increased further (the related share reached the highest level since 1995). Among declared obstacles, insufficient demand was considered the main constraint, followed by adverse weather conditions and shortage of labour force.

At sector level, confidence markedly improved in residential and non residential building, whereas it worsened in civil engineering.

Situation in the reference period (May 2009)

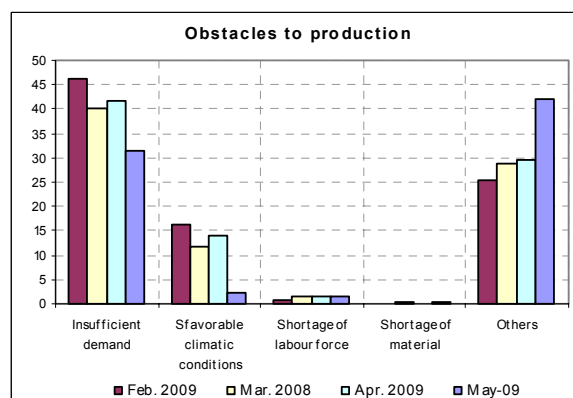
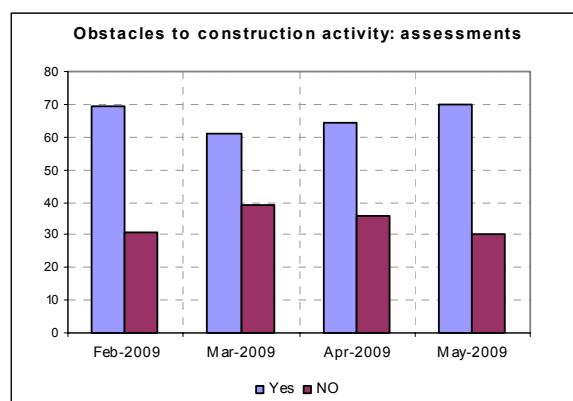
After the virtual stability posted in April, in May opinions on construction plans started to slightly improve once more: the related balance reached -33, compared to -36 in the previous month, clearly remaining however in negative territory. The moderate improvement in opinions on construction plans came along with a recovery in construction activity: the balance remained negative, but moved above the low average level recorded during the period January-April 2009. Notwithstanding the signs of moderate optimism which came from firms' opinions on the current situation, the number of entrepreneurs who found obstacles limiting their construction activity increased (the percentage moved from 64% to 70%, hitting a

record high since 1995). Moreover, among declared obstacles, insufficient demand was considered the main constraint, followed by the shortage of labour force and adverse weather conditions.



Forecasts for the following three months

Short-term prospects did not confirm the fairly favourable picture emerged from surveyed entrepreneurs' opinions on the current situation. In May, forecasts for construction plans gave unfavourable indications: the balance declined for the second consecutive month, reaching -13, its January 2008 value. Moreover, the balance related to the forecasts for prices charged in the sector lowered (from -4 to -6, going back to its December 2008 level). The trend for employment, a variable included in the calculation of the confidence climate, started to improve once more: the related balance moved from -15 to -10, remaining negative for the ninth month running and reaching its January 2008 average level.



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
Feb. 2009	75.0	-26	-17
Mar. 2009	73.1	-36	-11
Apr. 2009	71.3	-36	-15
May 2009	74.9	-33	-10