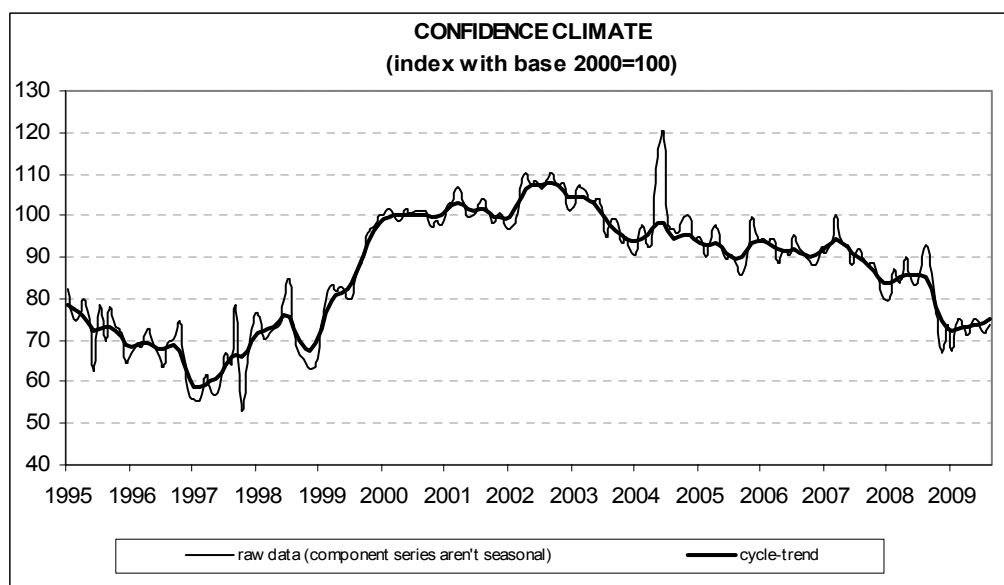




CONFIDENCE REBOUNDS IN THE CONSTRUCTION SECTOR IN AUGUST

- According to the ISAE survey of roughly 500 businesses, the confidence climate improved in August, with the index rising from 71.5 to 73.7, positioned at the average for the February-May 2009 period. The figure is computed net of seasonal factors, with the base year of 2000 = 100
- Among the variables representing the confidence climate, the perceptions about construction plans remained essentially stable (the balance continues to remain negative, and is at one of its lowest levels since 2000); the outlook for employment is instead better, with the related balance moving back to the value seen in May 2009
- Some optimism is denoted in both the perceptions about construction activity and the expectations about construction plans; the balance of the forecasts about prices applied in the sector has continued to grow worse, reaffirming the decreasing trend seen since May
- A slight decrease was posted in the number of firms discerning obstacles to limit construction activity (although the percentage is still higher than the percentage of firms not claiming to have perceived any such obstacles). Insufficient demand is cited as the main obstacle, followed by unfavourable climate conditions and difficulties in finding manual labour
- The improvement in the general index was broad-based across the sector: the climate got better both in building (which includes residential and non-residential building) and in civil engineering



The data in relation to the month of September are to be published on 28 October 2009

The next planned ISAE surveys are::

27 October: *ISAE monthly survey of consumers (month of reference: October)*

The complete text of the ISAE surveys (in paper and electronic form) is available for sale, at the conditions indicated on the site: www.isae.it

General results

According to the ISAE survey of roughly 500 businesses, the confidence climate improved in August, with the index rising from 71.5 to 73.7, positioned at the average for the February-May 2009 period. The figure is computed net of seasonal factors, with the base year of 2000 = 100

Among the variables representing the confidence climate, the perceptions about construction plans remained essentially stable (the balance continues to remain negative, and is at one of its lowest levels since 2000); the outlook for employment is instead better, with the related balance moving back to the value seen in May 2009.

Some optimism is denoted in both the perceptions about construction activity and the expectations about construction plans; the balance of the forecasts about prices applied in the sector has continued to grow worse, reaffirming the decreasing trend seen since May.

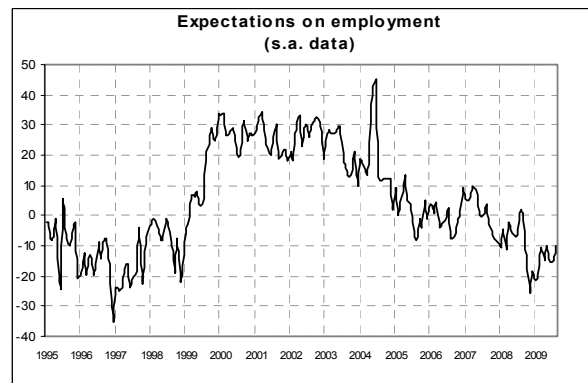
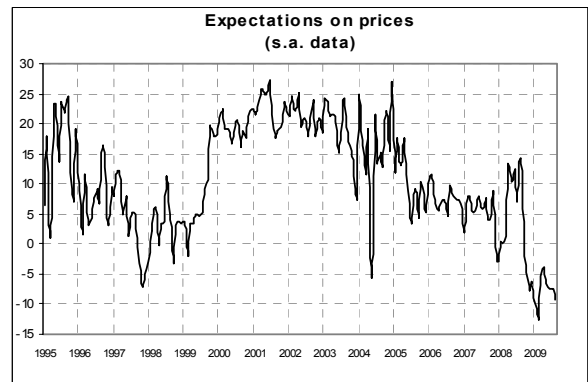
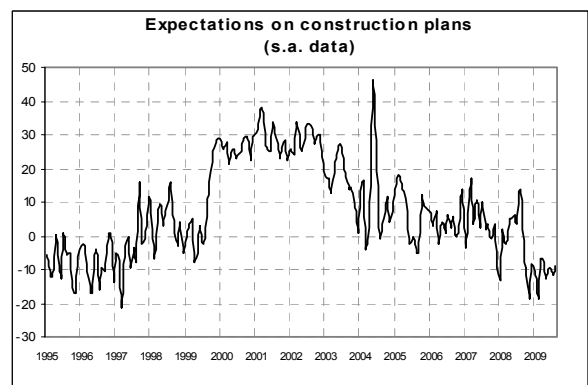
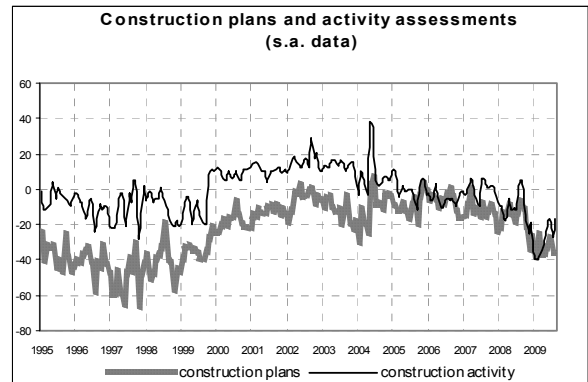
A slight decrease was posted in the number of firms discerning obstacles to limit construction activity (although the percentage is still higher than the percentage of firms not claiming to have perceived any such obstacles). Insufficient demand is cited as the main obstacle, followed by unfavourable climate conditions and difficulties in finding manual labour.

The improvement in the general index was broad-based across the sector: the climate has improved both in building (which includes residential and non-residential building) and in civil engineering.

Situation during month of reference (August 2009)

The perceptions about construction plans remained essentially stable in August, with the related balance holding at -36, around the values reported for the March-April 2009 period. Instead, the opinions about construction activity look decidedly optimistic, with the seasonally adjusted balance shifting from -27 to -17, close to the level reported in June. Consistent with the

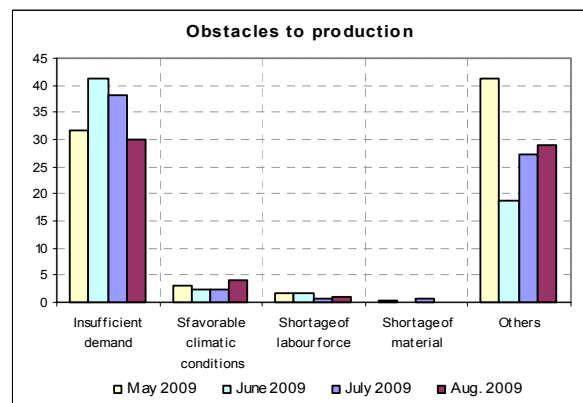
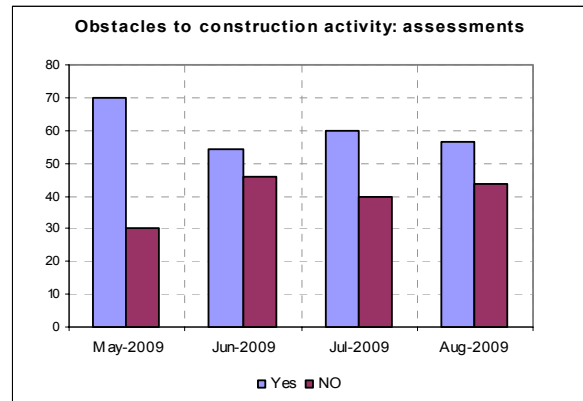
modest optimism indicated by the perceptions about demand and business activity, a slight increase



was posted in the number of firms not discerning obstacles to construction activity (the percentage went from 40% to 43%, even though the latter value is still below the percentage of firms that indicate they see such obstacles). Among such obstacles, insufficient demand is perceived as the greatest in limiting construction activity.

Outlook for next three months

The near-term forecasts of construction plans yield favourable indications; the balance moved up to -9 from -12, moving back to the average for the December-January 2009 period. A decrease was recorded in the number of business owners expecting growth of prices within the sector (the balance went from -8 to -9, standing at one of its lowest values since January 2009). Finally, dramatic improvement is seen in the trend of employment, another variable included in the calculation of the confidence climate; in this case, the balance went from -15 to -10, also moving back close to the level seen in May 2009.



Confidence climate and balances of the series making up the index (seasonally adjusted data)

	Confidence Climate (base 2000=100)	Perceptions about construction plans	Trend of manual labour
05/ 2009	74.9	-33	-10
06/2009	74.8	-28	-16
07/2009	71.5	-36	-15
08/2009	73.7	-36	-10