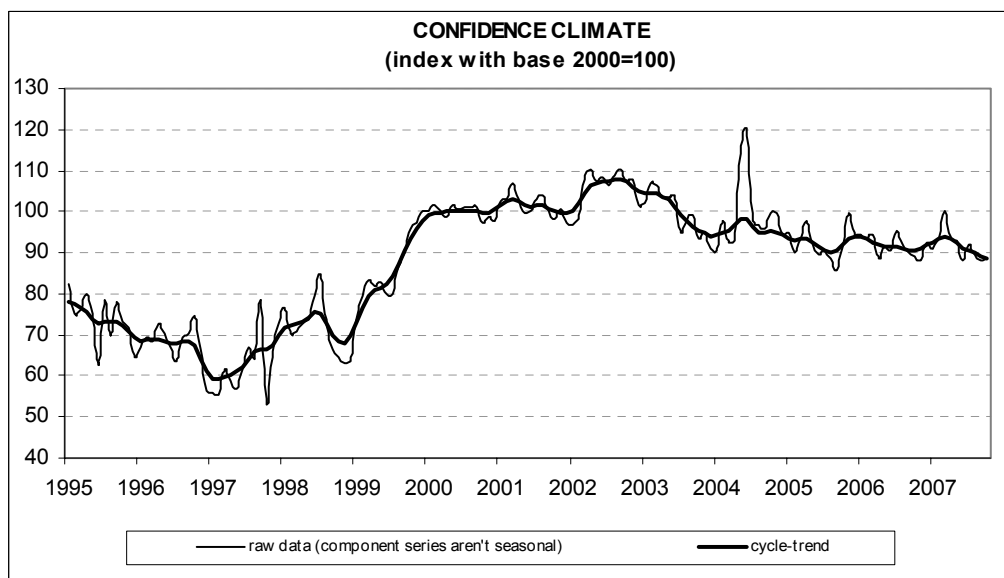




Date: November 28, 2007
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CONSTRUCTION FIRMS' CONFIDENCE RECOVERS SLIGHTLY IN OCTOBER

- In October, the construction firms' seasonally adjusted confidence index (2000=100) edged up from 88 to 88.5, though still remaining among the lowest values posted in the last year
- Among the variables included in the definition of the confidence climate, the opinions on construction plans improved, while employment prospects for the sector slightly deteriorated instead
- Surveyed entrepreneurs were pessimistic about forecasts for construction plans (the balance went back in negative territory for the first time since January 2007), whereas the opinions on construction activity held virtually stable
- The number of respondents who forecast a rise in prices charged in the sector increased: the balance remained positive, hovering around the value posted last April
- For the second month running, the share of entrepreneurs who did not find obstacles limiting their construction activity increased. Moreover, the majority of those who stated they did find obstacles again mentioned insufficient demand as the main constraint
- The recovery in the overall confidence index was heterogeneously spread across sectors: confidence deteriorated in residential and non-residential building, but showed a firm rise in civil engineering



Data on November shall be released on December 27, 2007

The next ISAE surveys are scheduled as follows:

December 6, 2007: ISAE International Comparison of Consumer and Business Surveys (reference period: November)

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 October the seasonally adjusted confidence index (2000=100) improved slightly, edging up from 88 to 88.5, though still remaining among the lowest values posted in the last year.

Among the variables included in the definition of the confidence climate, the opinions on construction plans improved, while employment prospects for the sector slightly deteriorated instead.

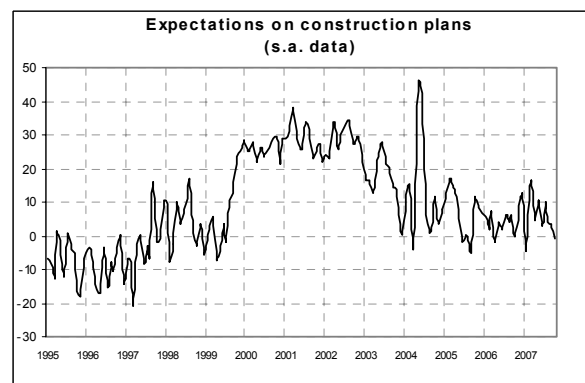
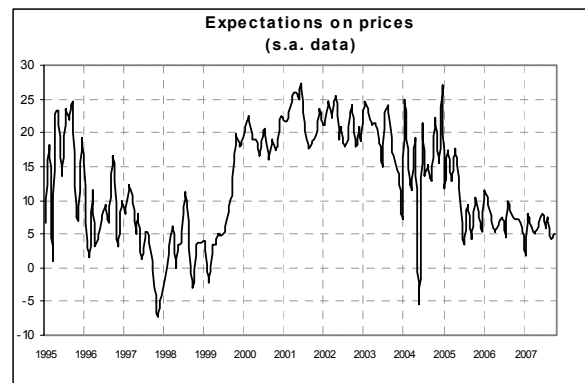
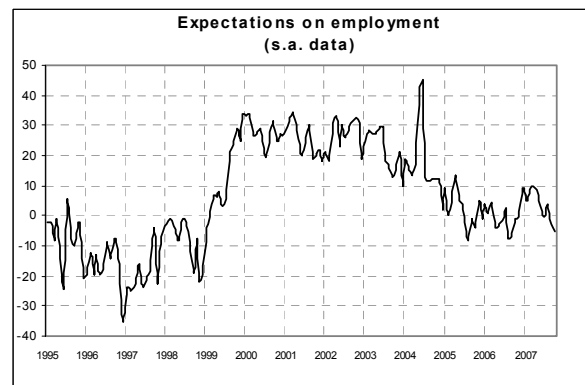
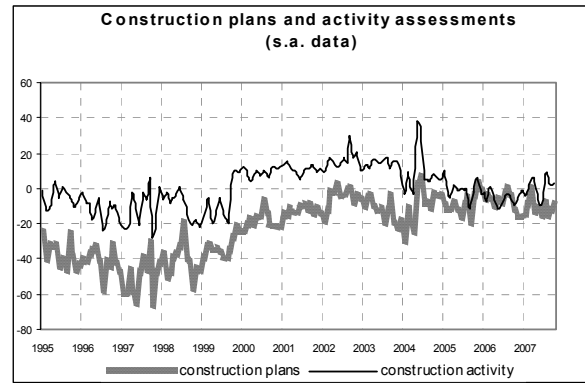
Surveyed entrepreneurs were pessimistic about forecasts for construction plans (the balance went back in negative territory for the first time since January 2007), whereas the opinions on construction activity held virtually stable. The number of respondents who forecast a rise in prices charged in the sector increased: the balance remained positive, hovering around the value posted last April.

For the second month running, the share of entrepreneurs who did not find obstacles limiting their construction activity increased. Moreover, the majority of those who stated they did find obstacles again mentioned insufficient demand as the main constraint.

The recovery in the overall confidence index was heterogeneously spread across sectors: confidence deteriorated in residential and non-residential building, but showed a firm rise in civil engineering.

Situation in the reference period (October 2007)

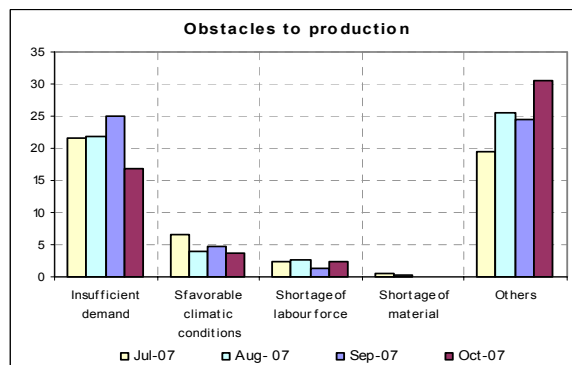
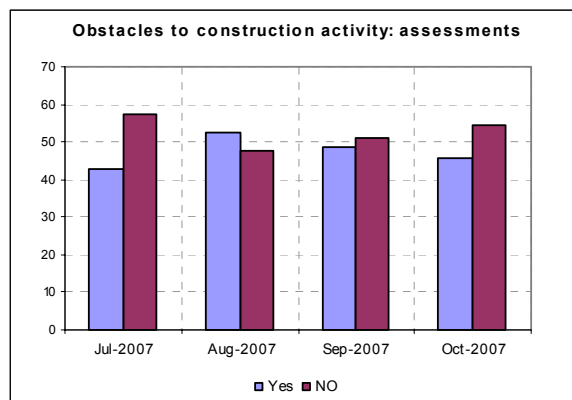
In October entrepreneurs' opinions sent on the whole positive signals: assessments on construction plans improved (the balance rose from -13 to -10, remaining however around its last months average), while the opinions on construction activity held virtually stable (the related balance stayed at -2). For the second straight month, the share of surveyed entrepreneurs who declared that they did not find obstacles limiting their construction activity increased: the related percentage moved from 51% to 54%, reaching the level posted in October 2006.



Furthermore, the majority of those who stated they did find obstacles (in this case the percentage declined from 49% to 46%) again mentioned insufficient demand as the main constraint.

Forecasts for the following three months

Prospects for main company variables only partly confirmed the overall optimistic picture painted by respondents' opinions on the current situation. In fact, expectations for construction plans started to worsen again (the balance lowered from 4 to -1, going back in negative territory for the first time since January 2007). Also employment prospects deteriorated (the related balance moved from -3 to -5, thus remaining negative for the second consecutive month). Moreover, the balance related to the forecasts for prices charged in the sector increased one point, moving from 4 to 5.



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
July	91.8	-8	0
August	89.7	-16	4
September	88.0	-13	-3
October	88.5	-10	-5