

PRESS RELEASE
Monthly Observatory
NOVEMBER 2007

Negative prescriptive effects on the Project Financing Market

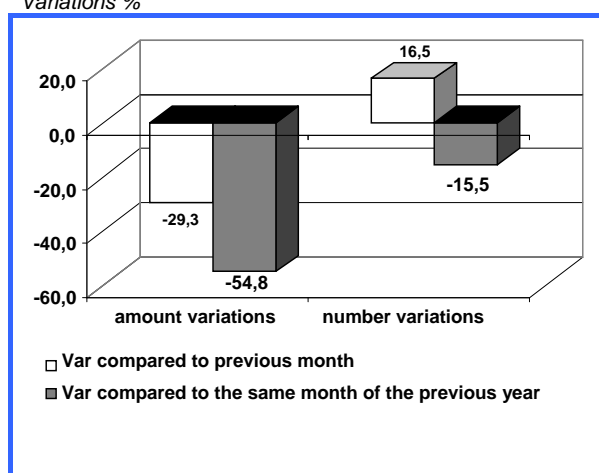
The potential market of the Public Private Partnership, activated during November, is represented by 120 projects with a volume of business worth 300 million. Compared to October, there has been an increase of 16.5% in the quantity on tenders (17 tenders more) and a shrinkage in amounts of 125 million, i.e. 29.3%. The economical decline is particularly marked if compared to the results of November 2006: - 55%, and a negative balance in the amount of opportunities, i.e. - 16%.

The negative trend registered in the PPP potential market compared with November 2006 is due to the halt of calls for proposals (- 71% in quantity and - 89% in amount) subsequent mainly to the coming into force of the rule that cancels the right of pre-emption. In fact, as far as tenders are considered, the balance is definitely positive, i.e. + 4.8% in quantity and + 49% in investments value. This aspect is clearly described in the monthly report of The National Observatory of the Public Private Partnership - promoted by the Ministry of Finance, Technical Department for Project Financing- CIPE, "Unioncamere" and the Chamber of Commerce of Rome (Camera di Commercio di Roma) and implemented and managed by AeT - Environment and Territory, Special Agency of the Chamber of Commerce of Rome in collaboration with CRESME.

. P.P.P.: PROCEDURE NOTICES – NOVEMBER 2007

	NUMBER*	AMOUNT
Calls for proposals	11	55.730.322
Building and Management (BM) contracts as suggested by the promoter	10	114.270.101
Building and Management (BM) contracts as suggested by the contracting station	19	96.487.977
Service contracts	74	33.922.236
Other PPP contracts	6	
TOTAL	120	300.410.646

P.P.P.: MONTH PERFORMANCES - NOVEMBER 2007- Variations %



Source: National Observatory of the Public Private Partnership – elaboration by Cresme for AeT – Environment and Territory, Special Agency of the Chamber of Commerce of Rome(www.infopieffe.it)
* includes notices without specified amount

The strong increase regarding the value of the amounts registered during November is mainly due to the rise of public construction and management contracts; the total investment value is four times higher than last year's value (+ 363.3%). As far as October 2007 results are concerned, there has been a general negative balance; the decrease rates vary from – 18% for the investments related to Building and Management (BM) contracts as suggested by the promoter and – 49% of investments in search of a promoter.

An overall view of the January- November 2007 period shows that the PPP potential market is represented by 1389 calls for proposals and a business volume close to 15 billion. The comparison with the same period during last year highlights a shrinkage in the business volume (- 12%) and in the average size of the projects (- 24%) against a positive trend of number of projects (+ 13.5%).

Referring to the turnover of PPP tenders, net of notices of calls for proposals, its weight on the general market of tenders for public works registered by the Cresme-Edilbox Observatory, achieved 20%, i.e. 1% less than the January- September 2007 period (21%) and 10% less than the same period of last year (30%). 467 calls for proposals have been assessed during the January -November period, out of which 433 worth 9.3 billion. The comparison with the same period in 2006 shows +7% of openings, a halved growth as to the January-October period (+14%) and a +15% increase in investments (the growth in October was 21%).

In November, there were no great works above 50 million; however, compared to last year, there was a strong increase in works whose value is comprised between 5 and 50 million euros (+73%); smaller typologies have had a lighter increase and projects without specific investment details have strongly decreased (from 70 to 28). "Parkings" has been the most important interest area in relation to the dimension of investments while street furniture and public parks and gardens in relation to figures.

Project Financing slows down, while public contracts increase

In November, 21 Project Financing contracts were launched, out of which 11 were calls for proposals and 10 were Building and Management contracts as suggested by the promoter. The volume of business has reached 170 million.

The month budget has been positive (+11%) as to numbers but negative (-18% compared to October 2007 and -10% compared to November 2006) as to investments. During the first eleven months of 2007, there has been 131 projects that have passed the first selection with a general business volume worth more than 4 billion. The comparison with the same period in 2006 shows a healthy market: + 5.6% of tenders and + 9.2% of investments.

Among the local administrations, the largest investment belongs to the municipality of San Francesco al Campo (TO) that has set a tender for the proposal of Ati ICOVAL Srl e Zanin Costruzioni Srl for the renovation and the redevelopment of the Municipal Sports Centre, with the construction of an indoor velodrome as well as for the ordinary and extraordinary maintenance and the economical and functional management of both existing and future works. The value of the investment sums up to 26.8 million euros out of which 24.5 for works.

As to the other two tenders set by local bodies, the most important in terms of investment value belongs to "Regione Campania" (Campania region) with a project worth 44.346.887 euros for the implementation of the Tourist Harbour of Salerno, situated on the shore facing the "Arechi" stadium.

50% of the activities assessed refer to investment projects rated between 5 to 10 million euros. Six sectors are involved out of which 4 tenders concern nets. Also this month, the most important investments regard tourist docking; 44 million assigned to the Tourist Port of Salerno.

As far as **Building and Management contracts as suggested by the contracting station** are concerned, November 2007 data show a general positive trend as to last year. 11 projects, worth 41 million invested, are promoted by municipalities while the remaining 8 projects, worth 55 million, are promoted by other assignors. Among the various municipalities, we underline the important participation of the municipality of Villa Literno (CE) to the tender for the implementation of several works related to the implementation of the Pilot Program for the Urban and Environmental Redevelopment of the area situated in Via Vicinale delle Figliuole. The program is oriented at the recovery and the reclamation of the area, at the realization of a new Public House Building Project using modern bio-architecture procedures in accordance with the European Convention of the Landscape. The total investment is valued 14.523.000,000 euros, out of which 11.666.458,10 for works and will be paid in advance through the licensee's own funds, unless he's granted a regional financing (foreseen in the Agreement Protocol of the Regione Campania as per resolution n° 1345 – 21/10/2005) worth 3.500.000,00 euros. A tender advertised by the commissioner in charge of the traffic and mobility sector of the city of Naples, ex O.P.C.M 3566 – 5/3/2007 for the construction and the management of the D7 Tangenziale-Cilea Parking. The project provides the realization of an outdoor mixed (permanent-variable) multi-storey parking with 810 parking places out of which 410 permanent and 390 variable, for a total investment equal to 25.501.247,00 euros, out of which 21.125.520,00 euros for works.

P.P.P.: MONTHLY SUMMARY – NOVEMBER 2007

	Calls for proposals		Building and Management (BM) contracts as suggested by the promoter		Building and Management (BM) contracts as suggested by the contracting station		Service contracts		Other PPP contracts		Total	
	N.*	Amount	N.*	Amount	N.*	Amount	N.*	Amount	N.*	Amount	N.*	Amount
January	9	42.176.345	15	268.715.203	23	147.665.086	29	12.069.990	6	750.860	82	471.377.484
February	13	272.078.489	9	32.625.692	20	49.684.010	25	113.813.022	5	-	72	468.201.213
March	32	319.583.083	12	195.858.773	22	36.856.486	37	18.643.664	7	-	110	570.942.006
April	85	480.795.533	14	888.786.956	20	41.637.404	28	30.565.412	4	2.104.000	151	1.443.889.304
May	109	2.812.639.143	7	66.215.124	24	127.134.250	46	18.743.701	2	-	188	3.024.732.217
June	74	330.786.395	11	163.683.603	10	20.595.588	65	20.237.035	19	36.483.000	179	571.785.621
July	71	4.548.331.070	13	1.876.202.102	19	91.036.606	44	32.924.981	20	9.454.000	167	6.557.948.759
August	39	339.667.619	23	247.100.555	17	114.932.802	39	34.060.492	3	66.712.242	121	802.473.709
September	5	9.570.000	8	44.626.290	21	100.433.150	39	36.341.581	23	10.610.331	96	201.581.352
October	19	108.867.112	9	139.974.198	16	134.374.811	52	41.976.080	7	-	103	425.192.200
November	11	55.730.332	10	114.270.101	19	96.487.977	74	33.922.236	6	-	120	300.410.646
Jan–Nov. 2007	467	9.320.225.119	131	4.038.058.596	211	960.838.169	478	393.298.194	102	126.114.433	1.389	14.838.534.511
	54	633.837.917	36	497.199.668	65	234.205.581	91	144.526.676	18	750.860	264	1.510.520.702
1st quarter	268	3.624.221.070	32	1.118.685.682	54	189.367.242	139	69.546.148	25	38.587.000	518	5.040.407.142
2nd quarter	115	4.897.568.688	44	2.167.928.947	57	306.402.557	122	103.327.055	46	86.776.573	384	7.562.003.820
3rd quarter	467	9.320.225.119	131	4.038.058.596	211	960.838.169	478	393.298.194	102	126.114.433	1.389	14.838.534.511

Source: National Observatory of the Public Private Partnership – elaboration by Cresme for AeT – Environment and Territory, Special Agency of the Chamber of Commerce of Rome (www.infopieffe.it)
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