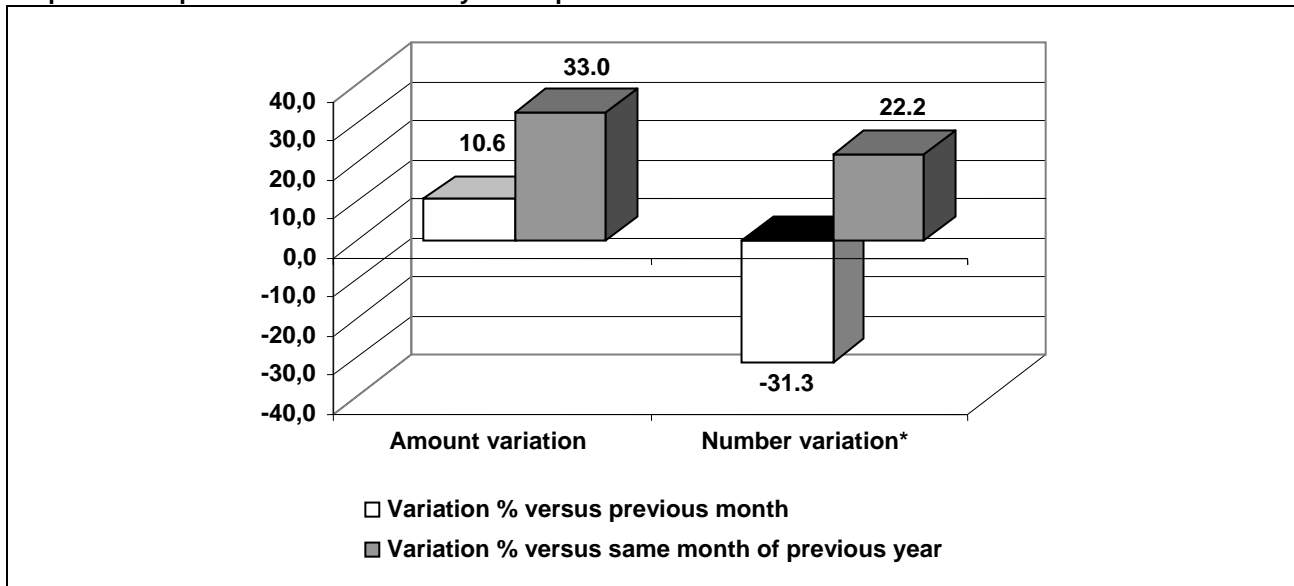


PRESS RELEASE
Monthly observatory
FEBRUARY 2008

Building and Management contracts boost PPPs

The month of February for PPPs was marked by a decisively positive trend versus a year ago. According to the periodical monthly report issued by the National Observatory of the Public Private Partnership, promoted by CIPE's Unità Tecnica Finanza di Progetto – Presidency of the Council of Ministers, Ministry of Economy and Finance, Unioncamere and Chamber of Commerce of Rome, and drawn up and managed by AeT – Environment and Territory, Special Agency of the Chamber of Commerce of Rome in collaboration with Cresme, the 88 project initiatives using public-private funds registered in the entire national territory, for a total sales volume of over € 620 million, represent a 22% increase in the number of projects and a 33% increase in value versus February 2007.

Graph 1 – PPP potential market: monthly developments – FEBRUARY 2008 - Variation %



Source: National Observatory of the Public Private Partnership – processed by CRESME for AeT – Environment and Territory, Special Agency of the Chamber of Commerce of Rome (www.infopieffe.it)
* including notices with unspecified amount

These results were achieved thanks in particular to the expansion phase of building and management contracts, in both the public and private sectors, which grew by 41% in number and 200.8% in investments

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(from € 195 to € 587 million) against the completely negative performance of calls for proposals, which lost 8 initiatives and 238 million with respect to a year ago. Service contracts grew in number (+85%) but shrank in investment (-64%).

With respect to the month of January 2008, the number of initiatives decreased (-31.3%) while the related amount increased by 10.6%.

According to the Cresme-Edilbox Observatory, the total sales volume of PPP contracts, net, therefore, of the notices of calls for proposals, occupied a 21% share of the public works contracts market, representing a 6% increase versus January-February 2007 (15%).

The first two-month period of 2008 closed with an overall positive trend: with 216 interventions and an investment of nearly € 1.2 billion, the result is an extra 63 interventions (+41%) and € 245 million (+26%) versus January-February 2007. Obviously, without the maxi contract of the month the final economic result would have been negative (-17%).

In the second month of the present year, the Municipalities implemented 68 initiatives, that is, 77% of the total, for a value of € 163 million, equal to 26% of the PPP potential market. The largest concentration of initiatives was registered in Southern Italy, with 53 projects worth € 515 million versus the 35 for € 106 million in Northern and Central Italy.

A picture of the PPP market by project amount shows that 56% of the month's initiatives refers to projects having a value of less than € 1 million. With respect to a year ago, the number of projects exceeding the value of € 5 million has decreased from 15 to 11 (-27%), whilst those of a lesser value have more than doubled (from 30 to 61 projects).

Whether publicly or privately financed, large or small, building contracts continue to grow

In the month of February, 12 building and management contracts as suggested by the promoter were implemented for a total investment of € 91.4 million. With respect to a year ago, the overall results are positive. The number of contracts has increased by one third (3 projects), whilst investment has nearly tripled (+ € 59 million).

Over the entire period, the number of successful projects in the first tender round rose to 27, for a total sales volume of € 143 million. With respect to the same two-month period of January and February 2007, the number increased by 3 projects (+12.5%) whilst investments dropped by more than half (less € 159 million, -52,5%).

In the first two-month period of 2008, the Municipalities implemented a total of 24 contracts for an overall investment of € 123 million, whilst the other local bodies account for 3 contracts and € 20 million worth of investments. Among the Municipal administrations, the Municipality of Salsomaggiore Terme (Pr) promoted the largest investment, namely, the proposal of promoter My Hotel Srl of Monza in partnership with My Hotel partecipazioni Srl of Parma and My Hotel Sarl of Nice, for the design and execution of redevelopment works and

for the management of “reception-thermal” activities to be conducted at the Municipal premises denominated as Istituto Termale Tommasini. The total value of the works specified in the tender amounts to €25 million.

As regards the building and management contracts as suggested by the contracting station, the data of the last month shows a general positive trend with respect to both February 2007 and January 2008, with a more than 10% growth rate in number and an expanding growth in investments. In particular, the economic boom was largely due to the maxi tender, worth €400 million, for the construction of the thermal destruction plant of Salerno. Without such contract, the final result would have been in any case positive versus a year ago (+12%), but not with respect to the month of January 2008 (-74%).

This particular formula was adopted in the first two months of 2008 for contracting out 42 projects, worth €666 million, relating to 30 interventions of known amount. With respect to the same period of 2007, an equal number of projects was implemented, and investments rose from 196 million to 666 million (an extra 469 million, +239%). The Municipalities promoted 12 initiatives for an investment worth €20 million, whilst the other principals accounted for the remaining 10 initiatives, worth an investment of €435 million. Finally, it is thanks to the public finance initiative of the building and management contract, worth €400 million, promoted by the Managing Commissioner for the localization, design and construction of the thermal destruction plant of the Province of Salerno that these excellent results were achieved in the month of February 2008.

P.P.P.: MONTHLY SUMMARY – FEBRUARY 2008

	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	46	283,319,091	15	51,776,201	20	211,012,683	43	12,890,909	4	3,000,000	128	561,998,884
February	5	33,943,520	12	91,364,852	22	454,847,291	48	41,212,861	1	-	88	621,368,523
Jan-Feb '08	51	317,262,611	27	143,141,053	42	665,859,974	91	54,103,769	5	3,000,000	216	1,183,367,407

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

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