

**PRESS RELEASE
Monthly Observatory
OCTOBER 2007**

Large works influence PPP's market

In the whole, the potential market of the Public Private Partnership, activated in the last month, is represented by 97 projects with a volume of business worth 382 million; as indicated by 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 and implemented and managed by AeT - Environment and Territory, Special Agency of the Chamber of Commerce of Rome in collaboration with Cresme.

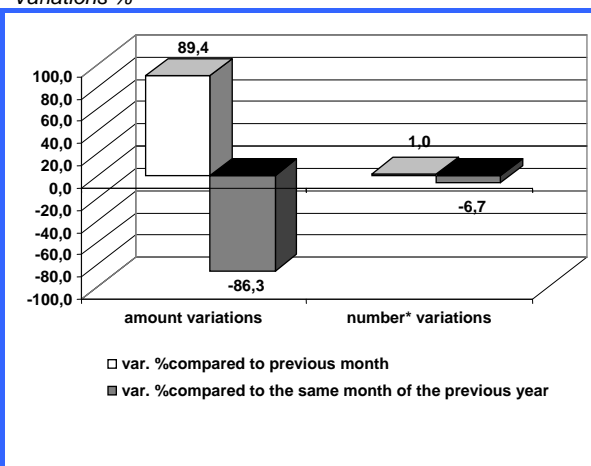
It is a result difficult to evaluate, in particular if we compare it to what happened in the same month last year 2006 when the call for bidding for the implementation of the Pedemontana Veneta toll-highway took place: the project was worth 2.2 billion. The contraction equivalent to 86% is therefore quite surprising. What we can observe is a minor amount of works (- 6.7%).

The trend, compared to the previous month (September), is definitely positive; the numbers have a 1% increase and the investments have almost doubled. The major difference was made by the realization of the infrastructure for mass rapid transportation for the "people mover" style linkage between G.Marconi Airport and the Central Station FF.SS of Bologna; the investment amount worth 89.3 million represents 30% of the monthly market of PPP's tenders.

P.P.P.: PROCEDURE NOTICES – OCTOBER 2007

	NUMBER*	AMOUNT
Calls for proposals	18	87.278.545
Building and Management (BM) contracts as suggested by the promoter	9	139.974.198
Building and Management (BM) contracts as suggested by the contracting station	15	122.974.198
Service contracts	47	16.427.830
Other PPP contracts	8	15.000.000
TOTAL	97	381.655.383

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



During January - October period, PPP's potential market is represented by 1.265 calls for tenders and a business volume worth almost 15 billion. The matching with the same period of last year shows a negative trend in the volume of business (-10%) and in projects' average size (-21%) and a positive trend for initiated projects (+ 17%). In consideration of 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, went up to 21%, 3 points more compared to the period January- September 2007, i.e. 18% and 10 points less than a year ago, i.e. 31%.

The market recovery, compared to last month, is mainly connected to the calls for proposals that have been resuming after they had almost reached zero in September due to the coming into force of the Law Decree nr. 113/2007 that cancels the pre-emption right, but also to the increase of tenders, as well as to the increase of public proposals and of other PPP contracts, while service contracts halved investments in connection to an increase of opportunities higher than 20%.

The geographical setting underlines in the Country equality between North and South as far as started projects are concerned (43 proposals against 42), while 52% of investments is located in the North. It is important to take notice that as to last September, large works worth more than 50 million have resumed, that medium and micro projects have increased and that all the other size typologies have decreased. Street and green areas furniture remains the main sector of interest as far as numbers are concerned while transport sector has regained its leadership as far as invested amounts are concerned thanks to the 89 million assigned to the "People Mover" in Bologna.

Project Financing resumes

The fear, due to the cancellation of the pre-emption right, seems to be surmounted. After the sudden stop occurred in September, Project Financing now resumes. The undertakings underway since October have been 27, out of which 18 were calls for proposals and 9 were Building and Management contracts as suggested by the promoter. The business volume reached 227 million, out of which 87 million equal to 38% of Project financing, belonged to phase 1 of the procedure and 140 million to phase 2.

Calls for proposals during last month went up from 5 to 8 projects, from 9.6 million to more than 87 million.

In October, 16 undertakings out of 18 have been started up by Southern local authorities while 51 million out of 87 million relate to 2 projects started up by North-Western local authorities. It is worth mentioning the undertaking of the "Politecnico of Milano" aimed at the implementation and the management of lodging structures for university and post-graduate students, on areas granted by Milano Town Council, for an amount worth 50 million.

Building and Management contracts as suggested by the promoter have been 9 for a total amount of 140 million. The monthly budget is positive as far as numbers are concerned and at double speed for investments: compared to September 2007 there are +12.5% positive trend and tripled investments (+214%). Among the local authorities the major investment was carried out by Scandicci town council that has sent to tender the proposal of "Ati Baldassini Tognozzi-Pontello Costruzioni Spa", for the realization of the new Station for the fast tramway between Florence Santa Maria Novella and Scandicci, in accordance with the Pilot Project of Architect R.Rogers. The total amount of the proposal sums up to 38.39.918,26 euros.

P.P.P.: MONTHLY SUMMARY – OCTOBER 2007

	Calls for proposals		(BM) contracts as suggested by the promoter		(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	24	148.865.086	29	12.069.990	6	750.860	83	472.577.484
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	6	-	109	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	25	134.430.443	46	18.743.701	2	-	189	3.032.028.409
June	75	421.786.395	12	183.356.775	10	20.595.588	64	18.898.035	19	36.483.000	180	681.119.794
July	71	4.548.331.070	13	1.876.202.102	19	91.036.606	45	33.970.045	20	9.454.000	168	6.558.993.823
August	39	339.667.619	23	247.100.555	18	120.072.802	38	33.433.492	2	66.712.242	120	806.986.709
September	5	9.570.000	8	44.626.290	21	100.433.811	39	36.319.081	23	10.610.331	96	201.558.852
October	18	87.278.545	9	139.974.198	15	122.974.811	47	16.427.830	8	15.000.000	97	381.655.383
Jan– Oct. 2007	456	9.333.906.220	122	3.943.461.668	194	866.586.384	398	332.884.272	95	141.114.443	1.265	14.617.952.977
1st quarter	54	633.837.917	36	497.199.668	66	235.405.581	91	144.526.676	17	750.860	264	1.511.720.702
2nd quarter	269	3.715.221.070	33	1.138.358.854	55	196.663.435	138	68.207.148	25	38.587.000	520	5.157.037.507
3rd quarter	115	4.897.568.688	44	2.167.928.947	58	311.542.557	122	103.722.619	45	86.776.573	384	7.567.539.384

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