THE CONFERENCE BOARD

The Conference Board®
France Business Cycle Indicators℠
THE CONFERENCE BOARD LEADING ECONOMIC INDEX™ (LEI) FOR FRANCE
AND RELATED COMPOSITE ECONOMIC INDEXES FOR APRIL 2009

Brussels, June 23, 2009…The Conference Board Leading Economic Index™ (LEI) for France increased 0.6 percent and **The Conference Board Coincident Economic Index™** (CEI) decreased 0.2 percent in April.

- The Conference Board LEI for France posted its first monthly increase in a year and a half in April. Stock prices, the yield spread, and production expectations contributed positively to the index more than offsetting negative contributions from new unemployment claims (inverted) and the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing. Between October 2008 and April 2009, the leading economic index declined 3.2 percent (a -6.3 percent annual rate), an improvement from a decline of 4.4 percent (a -8.5 percent annual rate) during the previous six-month period. However, the weaknesses among the leading indicators have remained widespread in recent months.

- The Conference Board CEI for France, a measure of current economic activity, continued to decline in April as a result of negative contributions from employment and industrial production. However, the strengths and weaknesses among the coincident indicators have been balanced in recent months. The six-month change in the coincident economic index stands at -1.6 percent (a -3.2 percent annual rate), down from -0.9 percent (a -1.9 percent annual rate) between April and October 2008. Meanwhile, real GDP fell at a 4.7 percent annual rate during the first quarter of 2009, following a contraction of 5.7 percent annual rate in the fourth quarter of 2008.

- Although The Conference Board LEI for France increased in April, it has been falling since its most recent peak in October 2007 with widespread weaknesses among its components. However, the rate of its decline has moderated in recent months. Meanwhile, The Conference Board CEI for France has been on a downtrend since its most recent peak in February 2008, and its six-month decline is at its deepest since the 1992-93 downturn. Taken together, the recent behavior of the composite economic indexes suggests that the economic downturn is likely to continue in the near term, although the pace of the contraction may moderate slightly.

LEADING INDICATORS. Five of the seven components of the leading economic index increased in April. The positive contributors to the index— in order from the largest positive contributor to the smallest— are the stock price index, the yield spread, production expectations, industrial new orders, and building permits (residential)*. The negative contributors to the index— beginning with the largest negative contributor— are the inverted new unemployment claims, and the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing*.

With the increase of 0.6 percent in April, the leading economic index now stands at 99.7 (2004=100). Based on revised data, the index declined 0.5 percent in March and declined 0.7 percent in February. During the six-month span through April, the leading index decreased 3.2 percent, and one of the seven components increased (diffusion index, six-month span equals 14.3 percent).

Please visit our website at http://www.conference-board.org/economics/bci
Also visit the web site of our research associate in France: http://www.rexecode.fr/index.jsv
The next release is scheduled for Wednesday, July 22, 2009 at 4:00 A.M. ET (10:00 A.M. CET)

COINCIDENT INDICATORS. Two of the four components of the coincident economic index increased in April. The positive contributors to the index were personal consumption and wage and salaries* component. Employment* and industrial production declined in April.

With the decrease of 0.2 percent in April, the coincident economic index now stands at 103.5 (2004=100). Based on revised data, this index decreased 0.3 percent in March and decreased 0.4 percent in February. During the six-month period through April, the coincident index decreased -1.6 percent, with two of the four series making a positive contribution (diffusion index, six-month span equals 50.0 percent).
* *See notes under data availability.*

FOR TABLES AND CHARTS, SEE BELOW

DATA AVAILABILITY. The data series used by **The Conference Board to compute The Conference Board Leading Economic Index™** (LEI) for France and **The Conference Board Coincident Economic Index™** (CEI) reported in this release are those available "as of" 10 A.M. ET on June 18, 2009. Some series are estimated as noted below.

*Series in The Conference Board LEI for France that are based on our estimates are ratio deflator of manufacturing value added to unit labor cost in manufacturing and building permits. Series in The Conference Board CEI for France that are based on our estimates are number of employees and wage and salaries.

The building permits component of **The Conference Board Leading Economic Index™** (LEI) for France was forecasted for the months of March and April. This is due to partial data availability for the component from the source agency. Once all data has been made available, the series will be updated at that time.

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THE CYCLICAL INDICATOR APPROACH. The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading and coincident economic indexes are essentially composite averages of several leading or coincident indicators. (See page 3 for details.) They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component—primarily because they smooth out some of the volatility of individual components.

Historically, the cyclical turning points in The Conference Board LEI for France have occurred before those in aggregate economic activity, while the cyclical turning points in The Conference Board CEI for France have occurred at about the same time as those in aggregate economic activity.

Further explanations of the cyclical indicator approach and the composite index methodology appear in The Conference Board's *Business Cycle Indicators* report and Web site:
http://www.conference-board.org/economics/bci/

France Composite Economic Indexes: Components and Standardization Factors

Leading Economic Index	Factor
1. Yield Spread, 10 year minus Day-Day Loan	.1018
2. Stock Price SBF 250 Index	.0311
3. Building Permits, residential	.0380
4. New Unemployment Claims	.1283
5. Industrial New Orders	.0457
6. Production Expectations	.0356
7. Ratio Deflator of Manuf. Value Added to Unit Labor Cost	.6195

Coincident Economic Index	
1. Industrial Production	.0600
2. Personal Consumptions	.0517
3. Number of Employees	.5886
4. Wage and Salaries	.2997

Notes:
The component factors are inversely related to the standard deviation of the month-to-month changes in each component. They are used to equalize the volatility of the contribution from each component and are "normalized" to sum to 1.

These factors were revised effective on the release for January 2009, and all historical values for the two composite indexes were revised at this time to reflect the changes. Under normal circumstances, updates to the leading and coincident indexes only incorporate revisions to data over the past six months.
The factors above for The Conference Board LEI for France were calculated using 1983-2007 as the sample period for measuring volatility. Separate sets of factors for the 1976-1982 period and 1970-1976 period are available upon request. The factors above for The Conference Board CEI for France were calculated using 1978-2007 as the sample period. Separate sets of factors for the 1972-1978 period and 1970-1972 period are available upon request. When one or more components are missing, the other factors are adjusted proportionately to ensure that the total continues to sum to 1. For additional information on the standardization factors and the index methodology visit our Web site: http://www.conference-board.org/economics/bci.

The trend adjustment factor for The Conference Board LEI for France is 0.0149 (calculated from January 1970 to December 2007).

To address the problem of lags in available data, those leading and coincident indicators that are not available at the time of publication are estimated using statistical imputation. An autoregressive model is used to estimate each component. The resulting indexes are constructed using real and estimated data, and will be revised as the data unavailable at the time of publication become available. Such revisions are part of the monthly data revisions, now a regular part of the U.S. Business Cycle Indicators program. The main advantage of this procedure is to utilize in the leading index the data, such as stock prices, that are available sooner than other data on "real" aspects of the economy, such as new orders and changes in inventory. Empirical research by The Conference Board suggests there are real gains in adopting this procedure to make all the indicator series as up-to-date as possible.

NOTICES

The schedule for 2009 for the France "Leading Economic Indicators" news release is:

May 2009 Data……….Wednesday, July 22, 2009
June 2009 Data……….Wednesday, August 19, 2009
July 2009 Data……….Tuesday, September 22, 2009
August 2009 Data……….Wednesday, October 21, 2009
September 2009 Data……….Tuesday, November 17, 2009
October 2009 Data……….Wednesday, December 16, 2009

All releases are at 4:00 A.M. ET (10:00 A.M. CET).

ABOUT THE CONFERENCE BOARD

The Conference Board is a global, independent business-membership and research association working in the public interest. Our mission is unique: To provide the world's leading organizations with the practical knowledge they need to improve their performance AND better serve society. The Conference Board is a non-advocacy, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States.

AVAILABLE FROM THE CONFERENCE BOARD:

France Business Cycle Indicators Internet Subscription $ 635 per year (1 user)
(Includes monthly release, data, charts and commentary)
Individual Data Series $ 35 per series downloaded
Monthly BCI Report $ 275 per year
(Sample available at http://www.conference-board.org/publications/describeBCI.cfm)
BCI Handbook (published 2001) $ 20
Corporate Site License   contact Indicators Program at (212) 339-0330

Business Cycle Indicators for France, Germany, Japan, Korea, Mexico, Spain and the U.K. are available at $635 per country per year (1 user). Discounts are available to Associates of The Conference Board and accredited academic institutions.

The Conference Board France Business Cycle Indicators

Table 1.--Summary of France Composite Economic Indexes

	2008			2009			
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Leading index	103.0	101.4	100.4 p	100.3 p	99.6 p	99.1 p	99.7 p
Percent change	-1.8	-1.6	-1.0 p	-0.1 p	-0.7 p	-0.5 p	0.6 p
Diffusion index	14.3	14.3	14.3	35.7	28.6	42.9	71.4
Coincident index	105.2	105.0	104.8	104.4 r	104.0 r	103.7 p	103.5 p
Percent change	-0.4	-0.2	-0.2	-0.4 r	-0.4 r	-0.3 p	-0.2 p
Diffusion index	12.5	25.0	37.5	50.0	12.5	50.0	50.0
	Apr. to Oct	May to Nov	Jun. to Dec	Jul. to Jan	Aug. to Feb	Sep. to Mar	Oct. to Apr
Leading index							
Percent change	-4.4	-5.3	-6.0 p	-5.6 p	-5.9 p	-5.5 p	-3.2 p
Diffusion index	14.3	14.3	14.3	14.3	14.3	14.3	14.3
Coincident index							
Percent change	-0.9	-0.9	-0.9	-1.3 r	-1.7 r	-1.8 p	-1.6 p
Diffusion index	.0	25.0	25.0	50.0	25.0	25.0	50.0

p Preliminary.   r Revised (noted only for index levels and one-month percent changes).

CALCULATION NOTE: The diffusion indexes measure the proportion of the components that are rising. Components that rise more than 0.05 percent are given a value of 1.0, components that change less than 0.05 percent are given a value of 0.5, and components that fall more than 0.05 percent are given a value of 0.0.

For more information, visit our Web site at http://w w w .conference-board.org/economics/bci

Source: The Conference Board

The Conference Board France Business Cycle Indicators

Table 2.--Data and Net Contributions for Components of the France Leading Economic Index

Component	2008			2009			
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	France Leading Economic Index Component Data						
Yield Spread, 10 years minus Day-Day Loan Rate--	0.36	0.78	1.07 r	1.79	2.43 r	2.59	2.82
Stock Price SBF250 Index, index 1000=12/31/1990,--------------------------------	2457.92	2295.16	2227.74	2182.19	2051.78	1919.76	2124.95
Building Permits Residential, thousands, (3 month moving average), S.A.-----------	28.87	28.00	27.66	26.97	26.28	26.31 **	26.50 **
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	453.33	461.47	461.80	469.70	480.03	495.47	504.53
Industrial New Orders opinion balance,---	-31.00	-43.00	-56.00	-52.00	-61.00	-64.00	-63.00
Production Expectations for Months Ahead Diffusion Index---	-16.30	-25.90	-31.80	-31.80	-30.50	-28.90	-23.40
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q---	101.55	101.23	101.01 **	100.86 **	100.75 **	100.67 **	100.61 **
LEADING INDEX (2004=100)..	**103.0**	**101.4**	**100.4 p**	**100.3 p**	**99.6 p**	**99.1 p**	**99.7 p**
Percent change from preceding month................................	-1.8	-1.6	-1.0 p	-0.1 p	-0.7 p	-0.5 p	0.6 p
	France Leading Economic Index net contributions						
Yield Spread, 10 years minus Day-Day Loan Rate--	....	0.08	0.11	0.18	0.25	0.26	0.29
Stock Price SBF250 Index, index 1000=12/31/1990,--------------------------------	....	-0.21	-0.09	-0.06	-0.19	-0.21	0.32
Building Permits Residential, thousands, (3 month moving average), S.A.-----------	....	-0.12	-0.05	-0.10	-0.10	0.00 **	0.03 **
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	....	-0.23	-0.01	-0.22	-0.28	-0.41	-0.23
Industrial New Orders opinion balance,---	....	-0.55	-0.59	0.18	-0.41	-0.14	0.05
Production Expectations for Months Ahead Diffusion Index---	....	-0.34	-0.21	0.00	0.05	0.06	0.20
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q---	....	-0.20	-0.13 **	-0.09 **	-0.07 **	-0.05 **	-0.04 **

p Preliminary.   r Revised.   s.a. Seasonally Adjusted

*   Inverted series; a negative change in this component makes a positive contribution to the index.

** Statistical Imputation (See page 2 for more details)

Q   Quarterly series; these series are converted to monthly through a linear interpolation.

Data Sources: COE-Rexecode, Thomson Financial, INSEE

CALCULATION NOTE--The percent change in the index does not always equal the sum of the net contributions

of the individual components (because of rounding effects and base value differences).

The Conference Board France Business Cycle Indicators

Table 3.--Data and Net Contributions for Components of the France Coincident Economic Index

Component	2008			2009			
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	France Coincident Economic Index Component Data						
Industrial Production, Volume (2000=100). S.A...	96.1	93.4	92.0 r	88.1 r	87.3 r	85.8 r	84.6
Personal Consumption of Manuf. Goods Billions of Euros, S.A..	21.6 r	21.6 r	21.6 r	21.9 r	21.5 r	21.6 r	21.8
Numbers of Employees in the Private Sector Thous. Of Employees, S.A. Q..................................	15928.5	15889.4	15825.2 r	15761.1 r	15696.9 **	15636.9 **	15580.9 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q...	109624.4 r	109911.6 r	110406.2 r	110658.1 r	110654.6 r	110736.9 #	110863.8 **
COINCIDENT INDEX (2004=100)......................	**105.2**	**105.0**	**104.8**	**104.4 r**	**104.0 r**	**103.7 p**	**103.5 p**
Percent change from preceding month............	-0.4	-0.2	-0.2	-0.4 r	-0.4 r	-0.3 p	-0.2 p
	France Coincident Economic Index net contributions						
Industrial Production, Volume (2000=100). S.A...	....	-.17	-.09 r	-.26 r	-.05	-.10 r	-.08
Personal Consumption of Manuf. Goods Billions of Euros, S.A..	....	.00	.00 r	.07 r	-.09	.03 r	.04
Numbers of Employees in the Private Sector Thous. Of Employees, S.A. Q............................	....	-.14	-.24 r	-.24 r	-.24 **	-.23 **	-.21 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q..................................	....	.08	.13 r	.07	.00	.02 #	.03 **

p Preliminary.   r Revised.   s.a. Seasonally adjusted

*   Inverted series; a negative change in this component makes a positive contribution to the index.
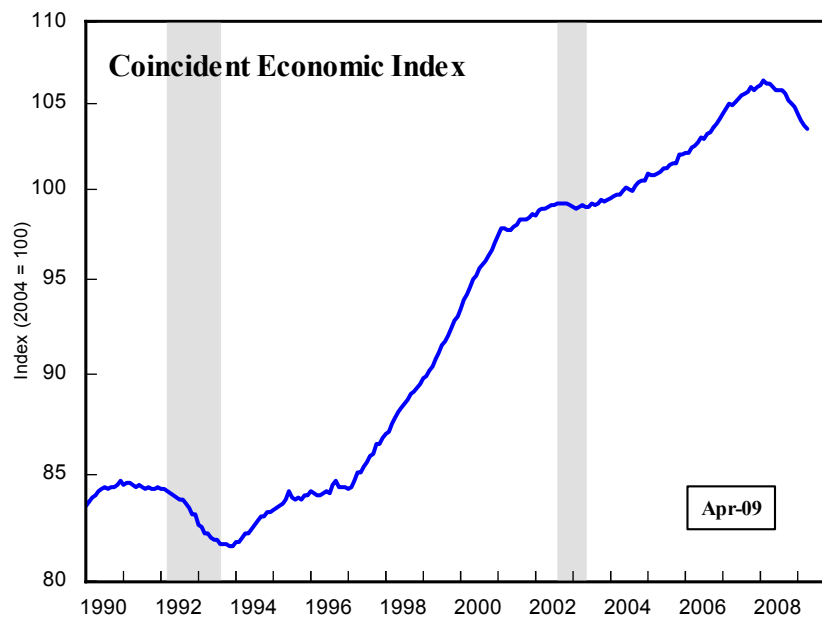
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of the individual components (because of rounding effects and base value differences).

France

Leading Economic Index

Index (2004 = 100)

3/92   8/93   08/02   05/03

Apr-09

Coincident Economic Index

Index (2004 = 100)

Apr-09

Note: The shaded areas represent business cycle recessions.
The peaks and troughs are designated by The Conference Board
based on the coincident index and real GDP.

Source: The Conference Board