



THE CONFERENCE BOARD

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The Conference Board®
France Business Cycle IndicatorsSM

**THE CONFERENCE BOARD LEADING ECONOMIC INDEX (LEI)
FOR FRANCE
AND RELATED COMPOSITE ECONOMIC INDEXES FOR DECEMBER 2008**

Brussels, Feb. 17, 2009...The Conference Board Leading Economic Index (LEI) for France declined 1.0 percent and The Conference Board Coincident Economic Index (CEI) decreased 0.1 percent in December.

- The LEI for France declined sharply again in December. Industrial new orders fell sharply in December, followed by smaller declines in production expectations, unemployment claims (inverted), stock prices and building permits. Interest rate spread was the only component which continued to rise in December. In the second half of 2008, the LEI declined by 5.5 percent (a -10.7 percent annual rate), down further from the 1.9 percent rate of decline (a -3.8 percent annual rate) during the first half of the year. Additionally, weaknesses among the leading indicators have remained very widespread in recent months.
- The CEI for France also declined in December, due to a large drop in industrial production, its third consecutive sharp decline. Between June and December 2008, the CEI fell 0.4 percent (a -0.7 percent annual rate), faster than the 0.2 percent rate of decline (-0.4 percent annualized rate) during the previous six months. In addition, weaknesses among the coincident indicators have remained widespread. Meanwhile, real GDP declined at a 4.6 percent annual rate in the fourth quarter of 2008, down sharply from the -0.4 percent average annual rate for the second and third quarters of 2008. This is the sharpest decline in real GDP since the 1992-93 downturn.
- As a result of persistent and widespread weakness, the LEI for France has been declining for more than a year. Furthermore, the pace of decline has increased rapidly in recent months. The CEI for France reached its most recent peak in February 2008, and its six-month change has remained negative since June. The deepening contraction in the composite economic indexes suggests that economic weakness is likely to continue into the first half of 2009 and that economic conditions could deteriorate further in the near term.

LEADING INDICATORS. One of the seven components of The Conference Board Leading Economic Index (LEI) for France increased in December. The positive contributor to the index was the yield spread. The negative contributors to the index— beginning with the largest negative contributor— are industrial new orders, production expectations, inverted new unemployment claims, the stock price index, building permits (residential) and the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing*.

With the decrease of 1.0 percent in December, the LEI for France now stands at 100.9 (2004=100). Based on revised data, the index declined 1.5 percent in November and declined 1.8 percent in October. During the six-month span through December, the leading economic index decreased 5.5 percent, and one of the seven components increased (diffusion index, six-month span equals 21.4 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 Tuesday, March 17, 2009 at 10:00 A.M. CET (04:00 A.M. ET)

COINCIDENT INDICATORS. One of the four components of The Conference Board Coincident Economic Index (CEI) for France increased in December. The positive contributor to the index was the wage and salaries* component. The negative contributors to the index— beginning with the largest negative contributor— are industrial production, personal consumption, and employment*.

With the decrease of 0.1 percent in December, the CEI for France now stands at 105.4 (2004=100). Based on revised data, this index remained unchanged in November and decreased 0.3 percent in October. During the six-month period through December, the coincident index decreased - 0.4 percent, with one of the four series making a positive contribution (diffusion index, six-month span equals 25.0 percent).

About The Conference Board

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Summary Table of Composite Indexes

		2008		6-month
	Oct	Nov	Dec	Jun. to Dec
Leading index	103.4 p	101.9 p	100.9 p	
Percent Change	-1.8 p	-1.5 p	-1.0 p	-5.5 p
Diffusion	21.4	21.4	21.4	21.4
 Coincident Index	 105.5 p	 105.5 p	 105.4 p	
Percent Change	-0.3 p	0.0 p	-0.1 p	-0.4 p
Diffusion	25.0	50.0	25.0	25.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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