



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 JUNE 2009

Brussels, August 19, 2009... The Conference Board Leading Economic Index™ (LEI) for France increased 0.9 percent and The Conference Board Coincident Economic Index™ (CEI) decreased 0.1 percent in June.

- The Conference LEI for France increased for the third consecutive month in June as new unemployment claims, the yield spread and production expectations made the largest positive contributions. Between December 2008 and June 2009, the leading economic index increased by 1.0 percent (about a 2.0 percent annual rate), a large improvement over the 5.3 percent decline (about a -10.4 percent annual rate) between September 2008 and March 2009. In addition, the strengths among the leading indicators have grown more widespread lately, though the weaknesses exceeded them slightly over the last six months.
- The Conference Board CEI for France, a measure of current economic activity, declined in June after remaining unchanged in May. The six-month decline in the coincident economic index now stands at 1.6 percent (about a -3.2 percent annual rate), slower than the 2.3 percent decline (about a -4.5 percent annual rate) between September 2008 and March 2009. However, the weaknesses among the coincident indicators have remained widespread over the past six months. At the same time, real GDP increased at a 1.4 percent annual rate during the second quarter of 2009, its first quarterly increase since the beginning of 2008, following a contraction of 5.3 percent annual rate during the first quarter.
- After falling from November 2007 through March 2009, The Conference Board LEI for France has strengthened throughout the past quarter. As a result, its six-month growth rate has become positive for the first time since November 2007. Meanwhile, The Conference Board CEI for France has been contracting since reaching its peak in February 2008, but the pace of this decline has eased in recent months. Taken together, the recent behavior of the composite economic indexes suggests that the contraction in economic activity should continue to ease in the near term, and that the economy may be moving closer to a recovery.

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

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, September 22, 2009 at 4:00 A.M. ET (10:00 A.M. Paris Time)

With the increase of 0.9 percent in June, the leading economic index now stands at 101.5 (2004=100). Based on revised data, the index increased 0.7 percent in May and increased 0.6 percent in April. During the six-month span through June, the index increased 1.0 percent, and three of the seven components increased (diffusion index, six-month span equals 42.9 percent).

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

With the decrease of 0.1 percent in June, the coincident economic index now stands at 102.9 (2004=100). Based on revised data, this index remained unchanged in May and decreased 0.2 percent in April. During the six-month period through June, the index decreased -1.6 percent, with one of the four series making a positive contribution (diffusion index, six-month span equals 25.0 percent).

* See notes under data availability.

ABOUT THE CONFERENCE BOARD

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Summary Table of Composite Indexes

	Apr	2009 May	Jun	6-month Dec. to Jun
Leading Economic Index (LEI)	99.9 p	100.6 p	101.5 p	
Percent Change	0.6 p	0.7 p	0.9 p	1.0 p
Diffusion	71.4	78.6	78.6	42.9
Coincident Economic Index (CEI)	103.0 p	103.0 p	102.9 p	
Percent Change	-0.2 p	0.0 p	-0.1 p	-1.6 p
Diffusion	50.0	50.0	75.0	25.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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