



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 AUGUST 2009

Brussels, October 21, 2009...The Conference Board Leading Economic Index™ (LEI) for France increased 0.9 percent and The Conference Board Coincident Economic Index™ (CEI) remained unchanged in August.

- The Conference Board LEI for France increased for the fifth consecutive month in August, with the yield spread and stock prices making the largest positive contributions. Between February and August 2009, the leading economic index increased by 3.5 percent (about a 7.1 percent annual rate), a reversal from the 5.8 percent decline (about a -11.2 percent annual rate) between August 2008 and February 2009. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for France, a measure of current economic activity, remained unchanged in August after declining slightly in July. Between February and August 2009, the coincident economic index decreased 0.5 percent (about a -1.0 percent annual rate), slower than the 2.3 percent decline (about a -4.5 percent annual rate) during the previous six months. Additionally, the strengths among the coincident indicators have become more widespread than the weaknesses in recent months. At the same time, real GDP increased at a 1.1 percent annual rate during the second quarter of 2009, its first quarterly increase since the beginning of 2008, following a contraction of 5.4 percent annual rate during the first quarter.
- After falling from November 2007 through March 2009, The Conference Board LEI for France has risen sharply during the past five months. As a result, its six-month growth rate has reached its highest level since 2000. Meanwhile, The Conference Board CEI for France has been essentially flat since the end of the first quarter after trending downward for a year following its peak in February 2008. Taken together, the recent behavior of the composite economic indexes suggests that the downturn in economic activity is bottoming out, and that economic conditions will continue to improve in the months ahead.

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

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, November 17, 2009 at 4:00 A.M. ET (10:00 A.M. Paris Time)

With the increase of 0.9 percent in August, the leading economic index now stands at 103.2 (2004=100). Based on revised data, the index increased 0.5 percent in July and increased 0.9 percent in June. During the six-month span through August, the leading index increased 3.5 percent, and six of the seven components increased (diffusion index, six-month span equals 85.7 percent).

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

After remaining unchanged in August, the coincident economic index now stands at 102.9 (2004=100). Based on revised data, this index decreased 0.1 percent in July and remained unchanged in June. During the six-month period through August, the coincident index decreased 0.5 percent, with three of the four series making a positive contribution (diffusion index, six-month span equals 75.0 percent).

* See notes under data availability.

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Summary Table of Composite Indexes

		2009			6-month
	Jun	Jul	Aug		Feb. to Aug
Leading Economic Index (LEI)	101.8 p	102.3 p	103.2 p		
Percent Change	0.9 p	0.5 p	0.9 p		3.5 p
Diffusion	85.7	64.3	71.4		85.7
Coincident Economic Index (CEI)	103.0 p	102.9 p	102.9 p		
Percent Change	0.0 p	-0.1 p	0.0 p		-0.5 p
Diffusion	75.0	50.0	50.0		75.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

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