This month’s release incorporates annual benchmark revisions to the composite economic indexes, which bring them up-to-date with revisions in the source data. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes will not be comparable to those issued prior to the benchmark revision.

For more information, please visit our website at http://www.conference-board.org/economics/bci/ or contact us at indicators@conference-board.org.

BRUSSELS, January 22, 2010… The Conference Board Leading Economic Index™ (LEI) for Germany declined 0.1 percent and The Conference Board Coincident Economic Index™ (CEI) decreased 0.1 percent in November.

- The Conference Board LEI for Germany decreased slightly in November for the first time since March, as negative contributions from consumer confidence and new orders in investment goods industries more than offset a large positive contribution from the yield spread. Between May and November 2009, the leading economic index increased by 7.7 percent (about a 16.0 percent annual rate), a sharp reversal from the 6.9 percent decline (about a -13.3 percent annual rate) for the previous six months. In addition, the strengths among the leading indicators have remained very widespread as all of the components have improved during the last six months.

- The Conference Board CEI for Germany, a measure of current economic activity, declined in November for a second consecutive month. Between May and November 2009, the coincident economic index remained unchanged after declining by 2.3 percent (about a -4.5 percent annual rate) during the previous six months. Additionally, the strengths and weaknesses among the coincident indicators have remained balanced in recent months. At the same time, real GDP increased at a 2.9 percent annual rate during the third quarter of 2009, after rising at a 1.8 percent annual rate during the second quarter.

- After growing rapidly from March through September, The Conference Board LEI for Germany began to slow in October and declined in November. As a result, the rate of its six-month increase has moderated somewhat from its high reached in September. The Conference Board CEI for Germany declined slightly during the past two months after increasing modestly between April and September. Taken together, the recent behavior of the composite indexes suggests that although economic conditions are improving, economic activity is likely to grow at a slow pace in the near term.

LEADING INDICATORS. Four of the seven components in The Conference Board LEI for Germany increased in November. The positive contributors — in order from the largest positive contributor to the smallest— are the yield spread, gross enterprises and properties income*, inventory change series* and new residential construction orders*. Negative contributors—in order from largest to smallest— are consumer confidence, new orders in investment goods industries and stock prices.
With the 0.1 percent decrease in November, The Conference Board LEI for Germany now stands at 97.9 (2004=100). Based on revised data, this index increased 0.9 percent in October and increased 1.5 percent in September. During the six-month span through November, the index increased 7.7 percent, with all seven components increasing (diffusion index, six-month span equals 100.0 percent).

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for Germany increased in November. The positive contributors were manufacturing sales and industrial production. Retail trade and employed persons declined in November.

With the 0.1 percent decrease in November, The Conference Board CEI for Germany now stands at 101.9 (2004=100). Based on revised data, this index decreased 0.1 percent in October and increased 0.3 percent in September. During the six-month period through November, the index remained unchanged, with two of the four components increasing (diffusion index, six-month span equals 50.0 percent).

* See notes under data availability.

NOTE: A technical database error caused the incorrect deflator to be used in the gross enterprises and properties income series. As a result, the levels and monthly changes for this series have changed between 1999 and 2009. However, the recent and historical cyclical behavior of the leading economic index was not significantly affected by the database error or its correction.

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Summary Table of Composite Indexes

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2009</th>
<th>6-month</th>
<th>6-month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sep</td>
<td>Oct</td>
<td>Nov</td>
<td>May to Nov</td>
</tr>
<tr>
<td>Leading Economic Index (LEI)</td>
<td>97.1 p</td>
<td>98.0 p</td>
<td>97.9 p</td>
<td>7.7 p</td>
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<tr>
<td>Percent Change</td>
<td>1.5 p</td>
<td>0.9 p</td>
<td>-0.1 p</td>
<td>0.0 p</td>
</tr>
<tr>
<td>Diffusion</td>
<td>92.9</td>
<td>78.6</td>
<td>50.0</td>
<td>100.0</td>
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<tr>
<td>Coincident Economic Index (CEI)</td>
<td>102.1</td>
<td>102.0</td>
<td>101.9 p</td>
<td>62.5</td>
</tr>
<tr>
<td>Percent Change</td>
<td>0.3</td>
<td>-0.1</td>
<td>-0.1 p</td>
<td>50.0</td>
</tr>
<tr>
<td>Diffusion</td>
<td>75.0</td>
<td>25.0</td>
<td>50.0</td>
<td></td>
</tr>
</tbody>
</table>

n.a. Not available    p Preliminary    r Revised
Indexes equal 100 in 2004
Source: The Conference Board All Rights Reserved

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The next release is scheduled for Wednesday, February 24, 2010 at 10:00 A.M. Berlin Time (4:00 A.M. ET)