The Conference Board
Spain Business Cycle Indicators®
THE CONFERENCE BOARD LEADING ECONOMIC INDEX® (LEI)
AND RELATED COMPOSITE INDEXES FOR MARCH 2010

BRUSSELS, May 18, 2010... The Conference Board Leading Economic Index® (LEI) for Spain remained unchanged and The Conference Board Coincident Economic Index® (CEI) increased 0.1 percent in March.

- The Conference Board LEI for Spain remained unchanged in March, following two consecutive declines. Positive contributions from stock prices and the inverted long-term government bond yield were offset by a decline in the Spanish contribution to Euro M2. Between September 2009 and March 2010, the leading economic index declined by 1.1 percent (about a -2.2 percent annual rate), a reversal from the 3.8 percent increase (about a 7.7 percent annual rate) between March and September 2009. In addition, the weaknesses among the leading indicators have been widespread in recent months.

- The Conference Board CEI for Spain, a measure of current economic activity, increased in March for the first time in six months. Between September 2009 and March 2010, the coincident economic index decreased by 0.2 percent (about a -0.4 percent annual rate), slower than the 1.4 percent decline (about a -2.7 percent annual rate) during the previous six months. Additionally, the strengths among the coincident indicators have become slightly more widespread than the weaknesses in recent months. At the same time, real GDP contracted at a 0.6 percent annual rate during the fourth quarter of 2009, following a decline of 1.1 percent annual rate during the third quarter.

- Before this month, The Conference Board LEI for Spain had resumed declining, after rising from April to September of last year. In addition, its six-month growth rate has remained negative. Meanwhile, The Conference Board CEI has been relatively flat since the middle of 2009, following a long and steep period of decline. Taken together, the recent behavior of the composite indexes suggests that the economy is likely to remain weak in the near term.
LEADING INDICATORS. Three of the six components that make up The Conference Board LEI for Spain increased in March. The positive contributors—in order from the largest positive contributor to the smallest—are the Spanish equity price index, the inverted long-term government bond yield and order books survey. The negative contributors—in order from the largest negative contributor to the smallest—are the Spanish contribution to Euro M2 and job placings. The capital equipment component of industrial production remained unchanged in March.

After remaining unchanged in March, The Conference Board LEI for Spain now stands at 108.8 (2004=100). Based on revised data, this index declined 0.5 percent in February and declined 0.2 percent in January. During the six-month span through March, the index decreased 1.1 percent, and one of the six components advanced (diffusion index, six-month span equals 25.0 percent).

COINCIDENT INDICATORS. Four of the five components that make up The Conference Board CEI for Spain increased in March. The positive contributors—in order from the largest positive contributor to the smallest—are retail sales survey, final household consumption*, real imports* and industrial production excluding construction. Employment* declined in March.

With the increase of 0.1 percent in March, The Conference Board CEI for Spain now stands at 99.9 (2004=100). Based on revised data, this index remained unchanged in February and decreased 0.1 percent in January. During the six-month span through March, the index decreased 0.2 percent, and three of the five components advanced (diffusion index, six-month span equals 60.0 percent).

NOTES: Series in The Conference Board CEI for Spain based on our estimates include final household consumption, employment and real imports.

Summary Table of Composite Indexes

<table>
<thead>
<tr>
<th></th>
<th>2010 Jan</th>
<th>2010 Feb</th>
<th>2010 Mar</th>
<th>6-month Sep to Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading Economic Index (LEI)</td>
<td>109.4 r</td>
<td>108.8 r</td>
<td>108.8 p</td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>-0.2 r</td>
<td>-0.5</td>
<td>0.0 p</td>
<td>-1.1 p</td>
</tr>
<tr>
<td>Diffusion</td>
<td>33.3</td>
<td>8.3</td>
<td>58.3</td>
<td>25.0</td>
</tr>
<tr>
<td>Coincident Economic Index (CEI)</td>
<td>99.8 p</td>
<td>99.8 p</td>
<td>99.9 p</td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>-0.1 p</td>
<td>0.0 p</td>
<td>0.1 p</td>
<td>-0.2 p</td>
</tr>
<tr>
<td>Diffusion</td>
<td>40.0</td>
<td>50.0</td>
<td>70.0</td>
<td>60.0</td>
</tr>
</tbody>
</table>

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

The next release is scheduled for Wednesday, June 16, 2010 at 10:00 A.M. (Madrid Time)

*In the U.S. – June 16, 2010 at 4:00 A.M. (ET)*