



THE CONFERENCE BOARD

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The Conference Board Leading Economic Index™ (LEI) for the Euro Area

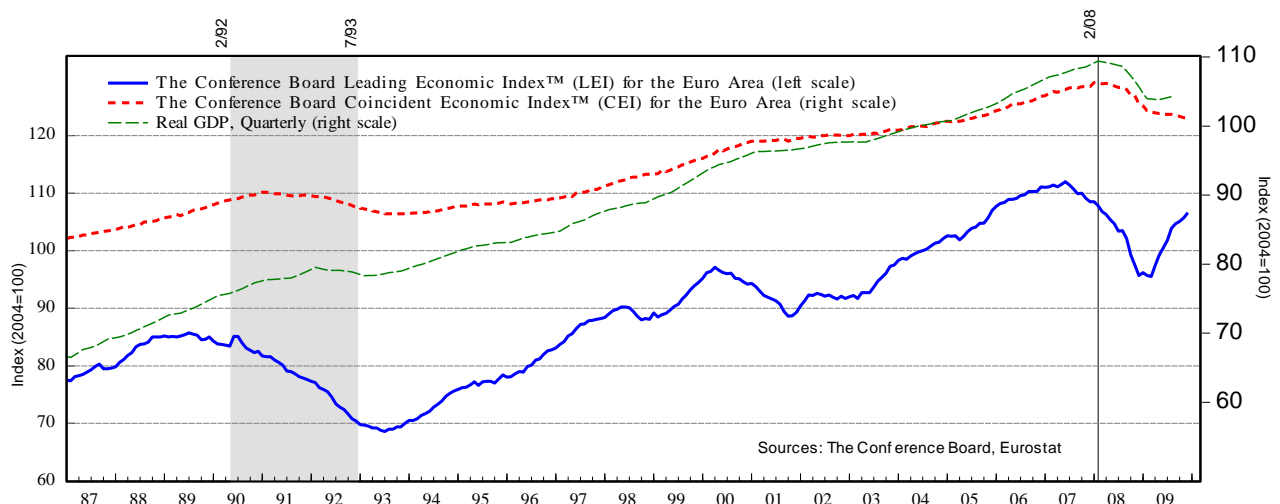
Increases Again in December

BRUSSELS, January 27, 2010... The Conference Board Leading Economic Index™ (LEI) for the Euro Area increased 0.9 percent in December to 106.6 (2004 = 100), following a 0.6 percent increase in November and a 0.4 percent increase in October. Six of the eight components contributed positively to the index this month. However, its six-month growth rate has been slowing since September.

Said Ataman Ozyildirim, Economist at The Conference Board: “The Conference Board LEI for the Euro Area has rebounded strongly since March, but its pace has been slowing somewhat. Although economic conditions are likely to improve in the near term, the employment and consumer outlook may make the recovery weaker and more protracted.”

The Conference Board LEI for the Euro Area increased by 11.4 percent during 2009, after falling by 14.6 percent between June 2007 and December 2008. Meanwhile, **The Conference Board Coincident Economic Index™ (CEI)** for the Euro Area, a measure of current economic activity, was unchanged in December, remaining at 101.2 (2004 = 100) according to preliminary estimates*. It decreased by 0.2 percent in November and 0.1 percent in October. The rate of decline for The Conference Board CEI for the Euro Area has slowed substantially since the first half of 2009.

The Upward Trend in the Leading Economic Index has Grown More Slowly in Recent Months



Note: Shaded areas represent recessions in the Euro Area as determined by The Conference Board

LEI Peak: June 2007

CEI Peak: Feb 2008

Real GDP Peak: Q1 2008

The Conference Board LEI for the Euro Area aggregates eight economic indicators that measure activity in the Euro Area as a whole (rather than indicators of individual member countries), each of which has proven accurate on its own. Aggregating individual indicators into a composite index filters out so-called “noise” to show underlying trends more clearly.

About The Conference Board Leading Economic Index™ (LEI) for the Euro Area

The Conference Board Leading Economic Index™ for the Euro Area was launched in January 2009. Plotted back to 1987, this index has successfully signaled turning points in the business cycle of the bloc of countries that now constitute the Euro Area, defined by the common currency zone.

The Conference Board currently produces leading economic indexes for nine other individual countries, including the U.S., the U.K., Germany, France, Spain, Japan, Australia, Korea and Mexico.

The eight components of **The Conference Board Leading Economic Index™** for the Euro Area include:

Economic Sentiment Index (source: European Commission DG-ECFIN)
Index of Residential Building Permits Granted (source: Eurostat)
Index of Capital Goods New Orders (source: Eurostat)
Dow Jones EURO STOXX® Index (source: STOXX Limited)
Money Supply (M2) (source: European Central Bank)
Interest Rate Spread (source: ECB)
Eurozone Manufacturing Purchasing Managers’ Index (source: Markit Economics)
Eurozone Service Sector Future Business Activity Expectations Index (source: Markit Economics)

To view The Conference Board calendar of 2010 indicator releases:

<http://www.conference-board.org/economics/indicators.cfm>

* Series in The Conference Board LEI for the Euro Area that are based on The Conference Board estimates are real money supply, residential building permits and new orders of capital goods. All series in The Conference Board CEI for the Euro Area are based on The Conference Board estimates (employment, industrial production, retail trade and manufacturing turnover).

About The Conference Board

The Conference Board is a global, independent business membership and research association working in the public interest. Our mission is unique: To provide the world’s leading organizations with the practical knowledge they need to improve their performance *and* better serve society. The Conference Board is a non-advocacy, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States.

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.

Summary Table of Composite Indexes

	Oct	2009 Nov	Dec	6-month Jun to Dec
Leading Economic Index (LEI)	105.1 p	105.7 p	106.6 p	
Percent Change	0.4 p	0.6 p	0.9 p	6.1 p
Diffusion	43.8	43.8	81.3	75.0
Coincident Economic Index (CEI)	101.4 p	101.2 p	101.2 p	
Percent Change	-0.1 p	-0.2 p	0.0 p	-0.5 p
Diffusion	50.0	50.0	75.0	50.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

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