The Conference Board Leading Economic Index (LEI) for Germany

BRUSSELS, APR. 21, 2009... The Conference Board Leading Economic Index (LEI) for Germany declined 1.8 percent and the Conference Board Coincident Economic Index (CEI) for Germany decreased 0.6 percent in February.

- The Conference Board LEI for Germany declined again in February as negative contributions by new orders in investment goods industries, stock prices and consumer confidence more than offset a positive contribution from the yield spread. Between August 2008 and February 2009, the leading economic index declined by 12.4 percent (about a -23.2 percent annual rate), well below the 4.2 percent decline (about a -8.2 percent annual rate) between February and August 2008. In addition, the weaknesses among the leading indicators have remained widespread in recent months.

- The Conference Board CEI for Germany, a measure of current economic activity, declined for a sixth consecutive month in February driven by very large negative contributions from industrial production and manufacturing sales. Between August 2008 and February 2009, the coincident economic index decreased by 3.6 percent (about a -7.1 percent annual rate), after remaining unchanged during the previous six months. In addition, the weaknesses among the coincident indicators have become very widespread, with all four components decreasing during the last six months. At the same time, real GDP declined at an average annual rate of 5.2 percent during the second half of 2008 (including a decrease of 8.2 percent annual rate during the fourth quarter), its largest two-quarter contraction since 1963.

- The Conference Board LEI for Germany has been generally falling since July 2007 and the pace of this decline has continued to accelerate in recent months, with the six-month change in the index dropping to the lowest level in its 44-year history. Likewise, The Conference Board CEI for Germany is currently experiencing its steepest contraction ever. Taken together, the persistent and deep declines in the composite economic indexes suggest that the downturn is unlikely to end soon and that the contraction in economic activity may remain deep in the near term.

LEADING INDICATORS. Two of the seven components in The Conference Board LEI for Germany increased in February. The positive contributors — in order from the largest positive contributor to the smallest— are the yield spread and inventory change series*. Negative contributors—in order from largest to smallest— are new orders in investment goods industries, stock prices, new residential construction orders*, consumer confidence and gross enterprises and properties income*.

With the 1.8 percent decrease in February, The Conference Board LEI for Germany now stands at 87.9 (2004=100). Based on revised data, this index declined 2.3 percent in January and declined 2.8 percent in December. During the six-month span through February, the index decreased 12.4 percent, with two of the seven components increasing (diffusion index, six-month span equals 28.6 percent).

*See notes under data availability
COINCIDENT INDICATORS. None of the four components that make up The Conference Board CEI for Germany increased in February. Industrial production, manufacturing sales, employed persons and retail trade declined in February.

With the 0.6 percent decrease in February, The Conference Board CEI for Germany now stands at 101.9 (2004=100). Based on revised data, this index decreased 1.3 percent in January and decreased 0.7 percent in December. During the six-month period through February, the index decreased 3.6 percent, with none of the four components increasing (diffusion index, six-month span equals 0.0 percent).

* See notes under data availability.

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Summary Table of Composite Indexes

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2009</th>
<th>6-month</th>
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<tbody>
<tr>
<td></td>
<td>Dec</td>
<td>Jan</td>
<td>Feb</td>
<td>Aug to Feb</td>
</tr>
<tr>
<td>Leading Economic Index (LEI)</td>
<td>91.6 p</td>
<td>89.5 p</td>
<td>87.9 p</td>
<td></td>
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<tr>
<td>Percent Change</td>
<td>-2.8 p</td>
<td>-2.3 p</td>
<td>-1.8 p</td>
<td>-12.4 p</td>
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<tr>
<td>Diffusion</td>
<td>28.6</td>
<td>28.6</td>
<td>28.6</td>
<td>28.6</td>
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<tr>
<td>Coincident Economic Index (CEI)</td>
<td>103.8 r</td>
<td>102.5 r</td>
<td>101.9 p</td>
<td></td>
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<tr>
<td>Percent Change</td>
<td>-0.7 r</td>
<td>-1.3 r</td>
<td>-0.6 p</td>
<td>-3.6 p</td>
</tr>
<tr>
<td>Diffusion</td>
<td>25.0</td>
<td>0.0</td>
<td>12.5</td>
<td>0.0</td>
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</table>

n.a. Not available  p Preliminary  r Revised
Indexes equal 100 in 2004
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The next release is scheduled for Tuesday, May 19, 2009 at 10:00 A.M. CET (4:00 A.M. ET)