

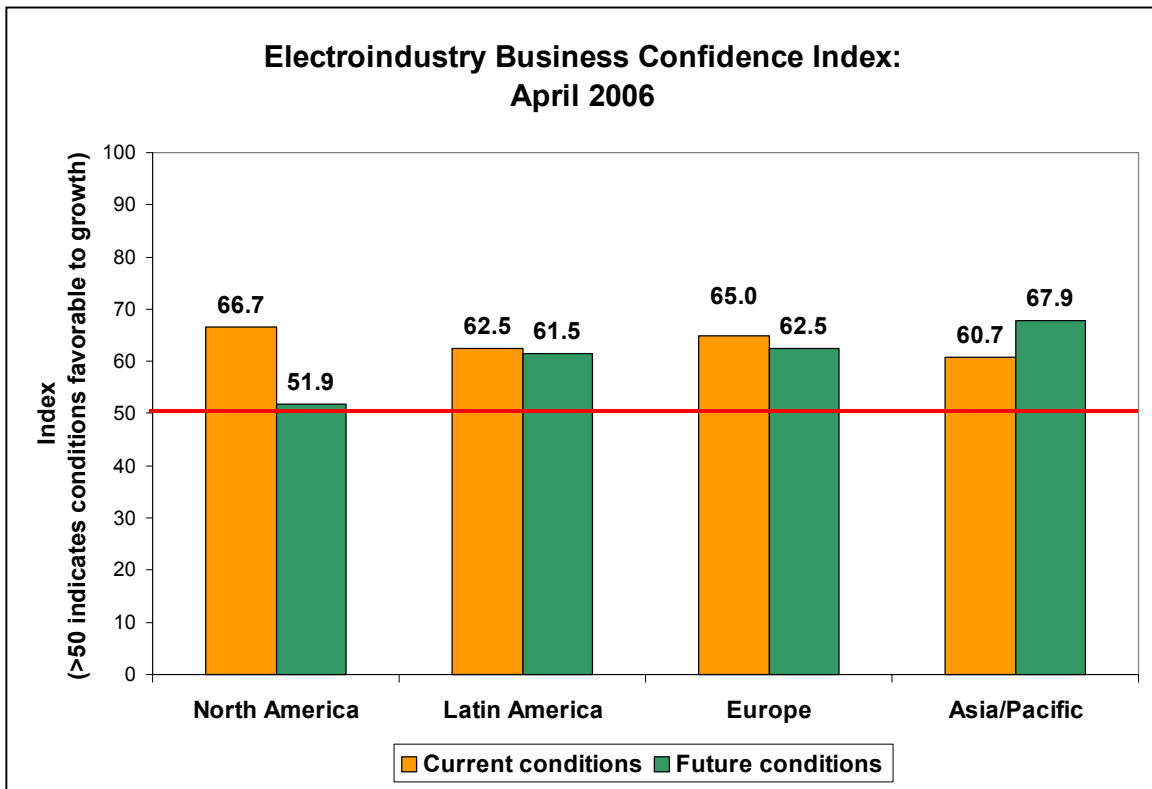
**April 2006 NEMA
Electroindustry Business Confidence Index**

April 27, 2006

SUMMARY:

NEMA's Electroindustry Business Confidence Index (EBCI) for current North American business conditions measured in the high 60s for the third straight month in April, indicating that industry sentiment has remained at a robust level for much of the first third of the year. Indeed, with April's reading of 66.7 points, the monthly index has now topped the 50-point threshold without exception for three full years, a prolonged period of favorable conditions. The index for future North American conditions receded to 51.9 points, still a positive reading, but a significant decline from March's 58.1.

Business conditions in each of the other three world regions included in the survey also surpassed 50-points once again, though current conditions indices were down from a month ago in Europe and the Asia/Pacific region. Current Latin American conditions were essentially unchanged. Future sentiment readings across the three regions were also very close to the levels reported in March.



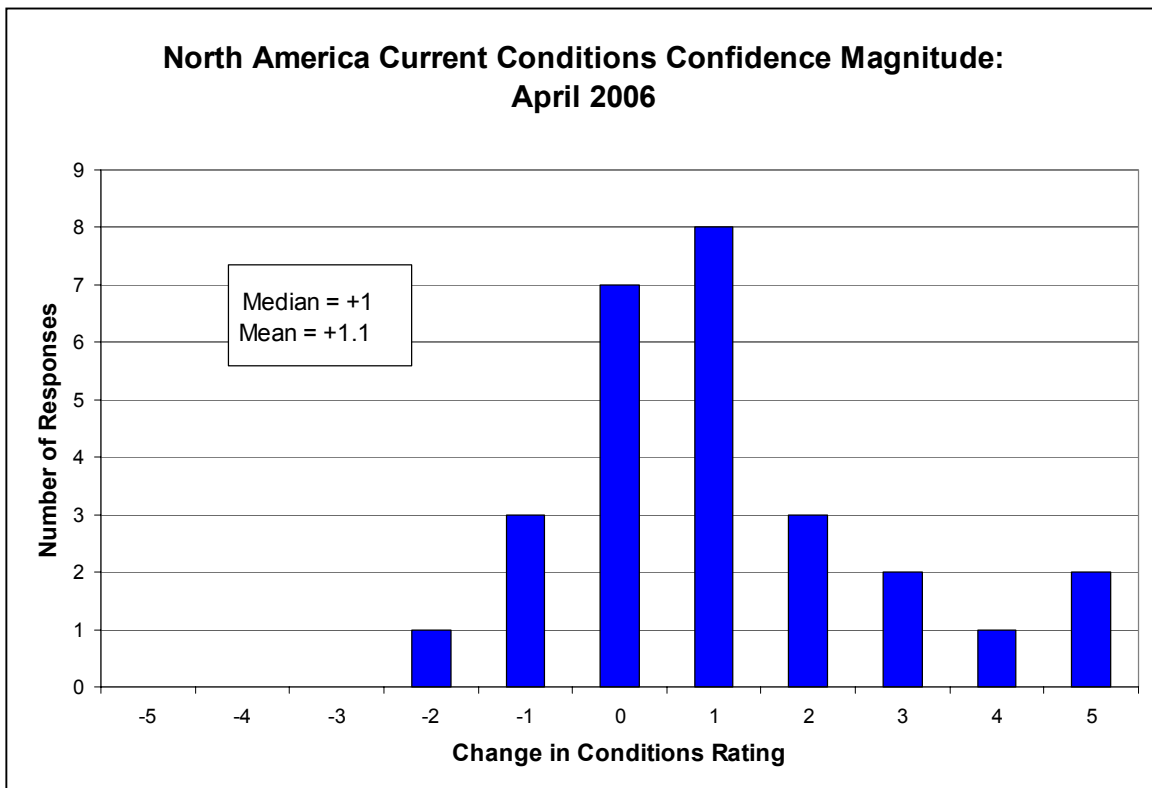
NOTE: North America includes Canada and the United States. Latin America includes Mexico, Central America, and South America.

Commentary

Electroindustry executives once again deemed current business conditions very healthy in April, with indexes for all world regions at or above 60 points. At the same time, the intensity of change in North American conditions [on a scale from -5 (improved significantly) through 0 (stayed the same) to +5 (improved significantly)] increased to a median value of +1 from 0 a month ago, and to a mean value of +1.1 from +0.7 in April. Panelists comments on the current state of the industry, while fewer in number than last month were largely similar in tone. Some example included: “Business is unchanged at an extremely high level”, “Bookings are going gangbusters...”, and “Surprisingly, business continues at a strong level...”

The major difference in April’s survey results compared to March’s was the degree of caution expressed regarding future conditions in North America. While measures of Latin American, European, and Asian future sentiment remained close to their month-ago levels (also at or above 60 points), the North American index dropped to 51.9 points from 58.1. One explanation is a property inherent in diffusion-type indexes: if a large share of survey respondents perceive or expect even a slight deterioration in conditions, the index will see a sharp decrease (and vice-versa). This is probably more likely to be expected following an extended period of high performance.

One panelist’s remark “I don’t think this level of activity can be sustained,” implies that, while some degree of slowing may be forthcoming, it would not necessarily be due to significant weaknesses in underlying industry fundamentals. Other comments, though, do reflect concerns that a genuine deterioration in the economy will hamper the industry. The steady drumbeat of interest rate hikes, energy and metals cost inflation, an uncertain housing market, and geopolitical tensions were all cited as potential impediments to future growth.



SURVEY RESULTS:

Region	Current Conditions (Compared to Previous Month)	Conditions Six Months From Now (Compared to Current Conditions)
North America	66.7	51.9
Latin America	62.5	61.5
Europe	65.0	62.5
Asia/Pacific	60.7	67.9

Number of Respondents =27

Values reflect the percentage of respondents expecting "Better" conditions, plus one-half of the percentage of respondents expecting "Unchanged" conditions.

A score of 50 or higher suggests conditions appropriate to expansion of the electroindustry sector.

COMMENTS:

Current Conditions

1. Business is unchanged at an extremely high level.
2. Surprisingly, business continues at a strong level in spite of some negative (relatively) news about housing.
3. Buyer attitude has become more cautious with increased interest rates (in most cases probably has nothing to do with their actual business).
4. Bookings are going gangbusters. I'd like to hope they can continue for the balance of the year but I have my doubts given the continuing Fed actions on interest rates. Cost increases for commodity metals [are] again putting pressure on margins...
5. Conditions (orders) are actually down from last month's levels; but they are still so good that I can't bring myself to check "worse"

Conditions Six Months From Now

1. I don't think this level of activity can be sustained.
2. Current strength expected to hold through most of the year.
3. We hope there is no second half slowdown due to macroeconomic issues.
4. Predictions of another strong hurricane season this fall suggest that utility spending for infrastructure rebuilding will again be very strong.
5. It's hard to believe that one can do a linear extrapolation off of first quarter results to generate a believable 2006 forecast. The numbers just look too large. But with interest rates rising, oil and copper prices through the roof, and Iran going nuclear things will likely slow down some before fall.

MANUFACTURERS INVITED TO PARTICIPATE
(COMPANIES LISTED IN **BOLD** PARTICIPATED IN THIS MONTH'S SURVEY):

ABB Inc.
Acuity Lighting Group
Alcan Cable
AmerCable
American Insulated Wire Corp.
Connector Manufacturing Company
Cooper Industries, Inc
Eaton Corporation
Elektrisola
Emerson Electric Company
Emerson/EGS Electrical Group
FCI
G&W Electric Co.
GE Consumer & Industrial
General Cable
Genlyte Thomas Group LLC
Hoffman Enclosures Inc.
Homac
Hubbell Incorporated
Hypertherm Incorporated
ILSCO Corporation
Juno Lighting, Inc.
Lamson & Sessions
Legrand N.A.
Leviton Manufacturing Co., Inc.
Lincoln Electric
Lutron Electronics Company, Inc
MacLean Power Systems
OSRAM SYLVANIA
Phelps Dodge Corporation
Radix Wire Company
Rayovac Corporation
Regal-Beloit Corporation
Rittal Corporation
Robroy Industries, Inc.
Rockwell Automation
Rockwell Motors
S & C Electric Company
Schneider Electric
Siemens Energy & Automation, Inc.
Siemens Medical Solutions USA, Inc.
Southwire Company
Thomas & Betts Corporation
United Copper Industries
Universal Lighting Technologies

EBCI CONSTRUCTION DESCRIPTION:

The EBCI indexes are based on the results of a monthly survey of senior managers at NEMA member companies, which together represent more than 80 percent of the electroindustry. They are designed to gauge the business confidence of the electroindustry in key world regions.

The survey contains the following questions:

1. How would you rate current economic conditions in the following regions, as they affect your business, compared to the previous month?
 - a. Using the following scale, please describe the magnitude of change in economic conditions in North America this month compared to economic conditions last month? [Scale structured as follows: 5 (improved significantly), 4, 3, 2, 1, 0 (stayed the same), -1, -2, -3, -4, -5 (deteriorated significantly)]
2. How do you expect economic conditions in the following regions, as they affect your business, to have changed six months from now?

Respondents are asked to indicate whether conditions are better, worse or unchanged (or not available if their respective company does not do business in a particular region). The four regions are North America (Canada and the United States), Latin America (Mexico, Central America, and South America), Europe, and Asia/Pacific. The survey also provides space for respondents to comment on current conditions. These comments are included below the table containing the index levels.

The index value is the percentage of respondents expecting “Better” conditions, plus one-half of the percentage of respondents expecting “Unchanged” conditions, which follows the methodology used by the Institute for Supply Management (formerly the National Association of Purchasing Management) in the construction of their manufacturing index.

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Appendix: Time Series Charts

