

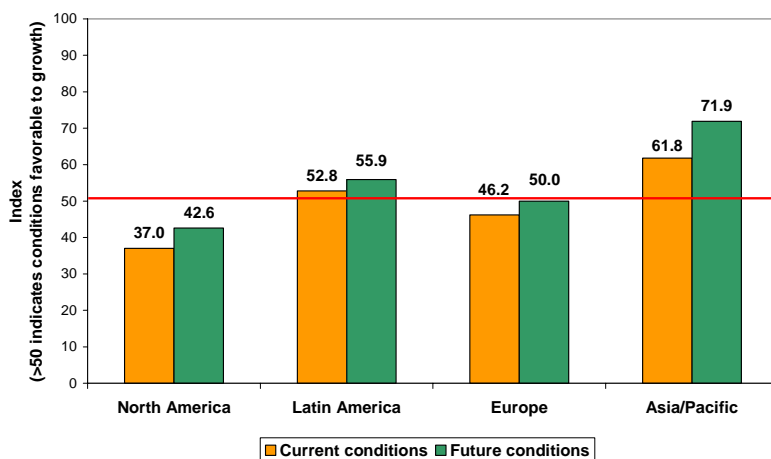


October 2007 NEMA Electroindustry Business Confidence Index

October 31, 2007

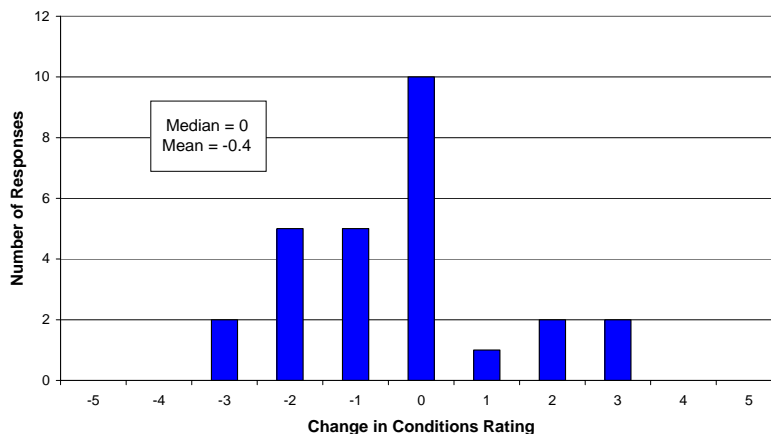
CURRENT CONDITIONS EBCI SLIDES IN OCTOBER, WHILE FUTURE INDICATOR REBOUNDS MODESTLY

Electroindustry Business Confidence Index:
October 2007



NEMA's Electroindustry Business Confidence Index (EBCI) lost ground in October, dropping by nearly 11 points to 37 from 47.9 a month ago. October was the fourth consecutive month, and the fifth in the last six, in which the index has failed to reach 50 points. These results indicate that external conditions facing electrical equipment manufacturers have deteriorated steadily in recent months.

North American Current Conditions Magnitude:
October 2007



At the same time, the mean *degree* of change in North American business conditions deteriorated in October, falling to -0.4 from -0.1 in September (on a scale ranging from -5 [deteriorated significantly] through 0 [stayed the same] to +5 [improved significantly]).

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

By contrast, the future conditions reading for North America gained ground on the month, albeit modestly, climbing 3 points to 42.6. Notwithstanding October's increase, the index registered below 50 for a second consecutive month, again presaging a weakening of industry conditions over the next six months.

Other results from October's business conditions survey:

- Current and future conditions readings for Latin America declined to 52.8 and 55.9, respectively.
- Current European conditions fell to 46.2, while future conditions remained unchanged at 50.
- Current and future conditions for the Asia/Pacific region climbed to 61.8 and 71.9, respectively.

SURVEY RESULTS:

Region	Current Conditions (Compared to Previous Month)	Conditions Six Months From Now (Compared to Current Conditions)
North America	37.0	42.6
Latin America	52.8	55.9
Europe	46.2	50.0
Asia/Pacific	61.8	71.9

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.

EBCI CONSTRUCTION DESCRIPTION:

The EBCI indexes are based on the results of a monthly survey of senior managers at NEMA member companies and 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.

Now Available from NEMA/BIS – The *Electroindustry Economic Outlook*

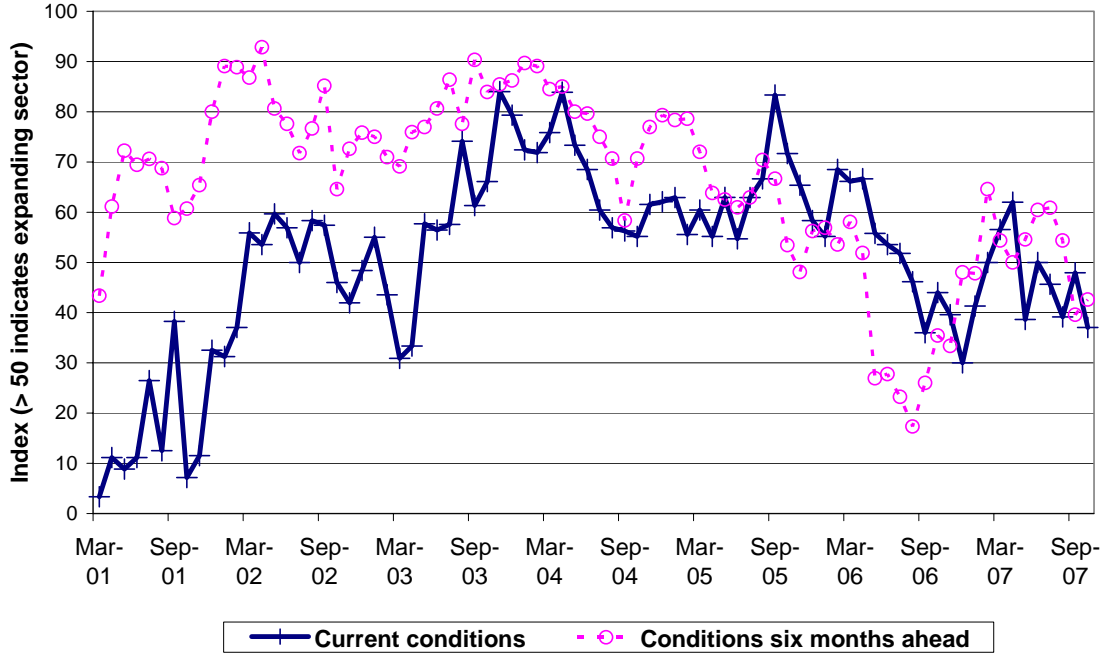
Based on popular demand for up-to-date data and forward-looking analysis of the electroindustry and the economic fundamentals that drive it, NEMA/BIS offers a subscription-based, regularly updated compendium of the information that industry professionals and executives most often request. The *Electroindustry Economic Outlook* is the preferred source for timely, comprehensive coverage of the economic trends and events shaping the U.S. electroindustry.

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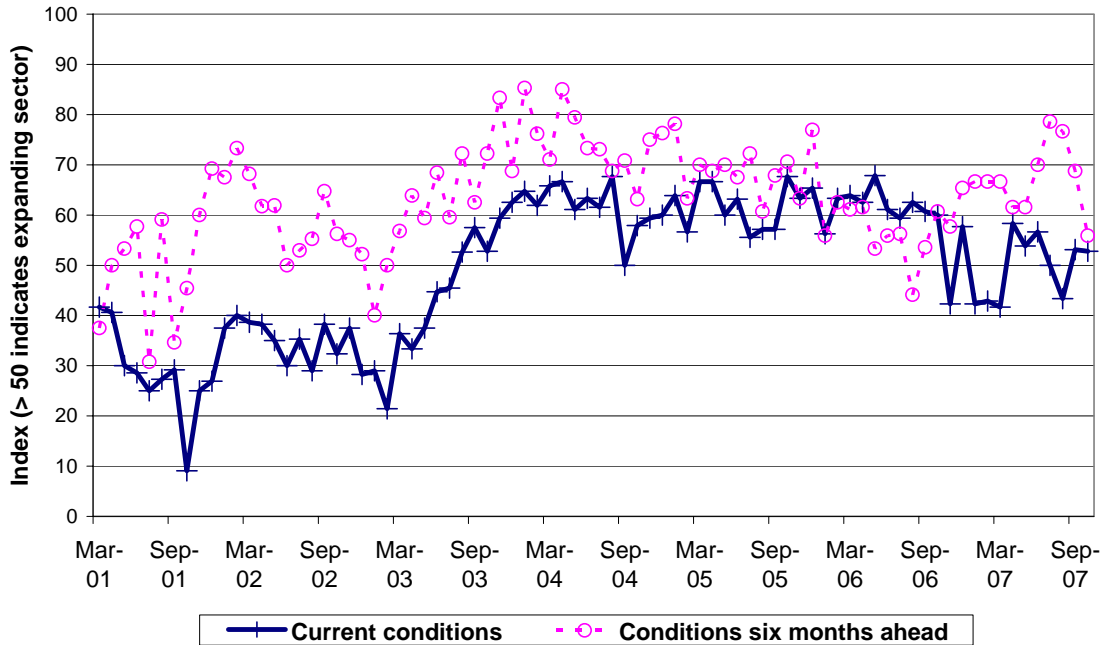
To find out how NEMA/BIS’ *Electroindustry Economic Outlook* can help your business, contact Tim Gill at (703) 841-3298, or tim_gill@nema.org.

Appendix: Time Series Charts

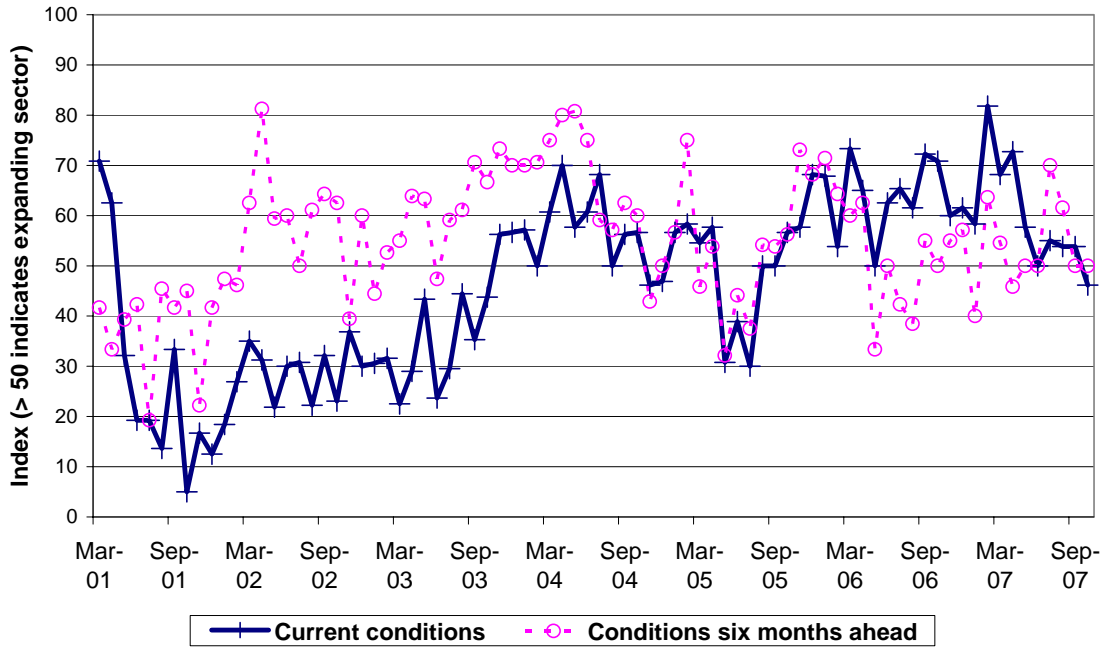
Business Conditions: North America



Business Conditions: Latin America



Business Confidence: Europe



Business Confidence: Asia/Pacific

