

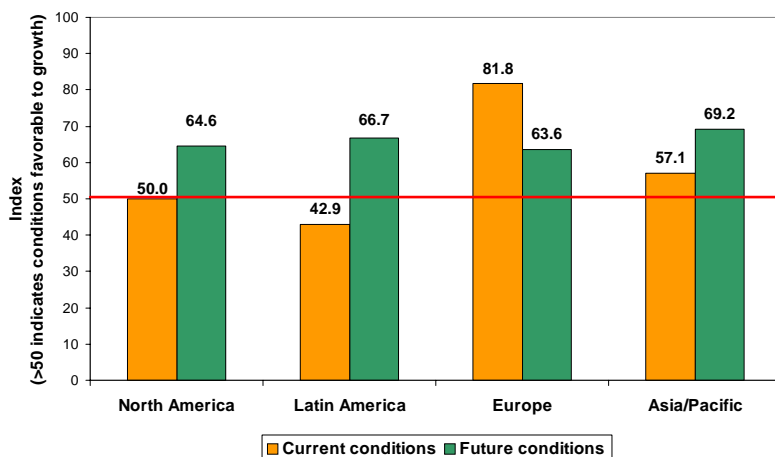


## February 2007 NEMA Electroindustry Business Confidence Index

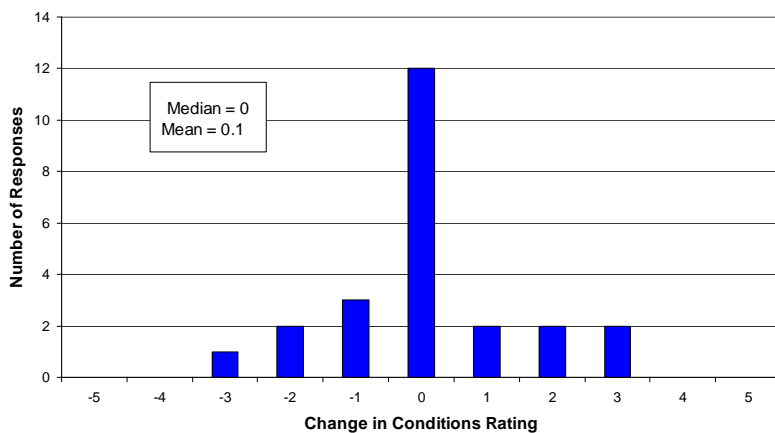
February 28, 2007

### POSITIVE RESULTS FOR EBCI INDEXES IN FEBRUARY

Electroindustry Business Confidence Index:  
February 2007



North America Current Conditions Confidence Magnitude:  
February 2007



February was a healthy month for the electroindustry, and the future appears bright as well, according to senior industry executives responding to NEMA's monthly Electroindustry Business Confidence Survey. Seven of the eight EBCI indexes improved from January (and the eighth was unchanged), while six of the eight, including all four future conditions gauges, flashed readings in excess of 50 points, the threshold level indicative of growth in the industry.

The flagship EBCI index, for current North American conditions, came to rest just at the 50-point mark, meaning the same number of respondents saw conditions improve as

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

saw them decline in February. It was the second straight monthly gain for the index, which had fallen as low as 30 in December. The survey's measure of the mean *degree* of change in business conditions returned to positive territory for the first time in seven months, rising to +0.1 from -0.2 a month ago, and from -0.6 in December (on a scale from -5 [deteriorated significantly] through 0 [stayed the same] to +5 [improved significantly]).

Meanwhile the EBCI for future North American conditions surpassed 50 points for the first time since April of last year. The index climbed sharply to 64.6 from 47.8 in January, suggesting favorable conditions six months forward.

Other results from the February survey:

- Current conditions for Latin America rose slightly to 42.9, while future conditions were unchanged at 66.7.
- Current and future European conditions rebounded strongly from last month, to 81.8 and 63.6, respectively.
- Current conditions for the Asia/Pacific region climbed 3.7 points to 57.1, while future conditions rose 6.7 points to 69.2.

## **SURVEY RESULTS:**

<b>Region</b>	<b>Current Conditions</b> (Compared to Previous Month)	<b>Conditions Six Months From Now</b> (Compared to Current Conditions)
North America	50.0	64.6
Latin America	42.9	66.7
Europe	81.8	63.6
Asia/Pacific	57.1	69.2

Number of Respondents =24

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***

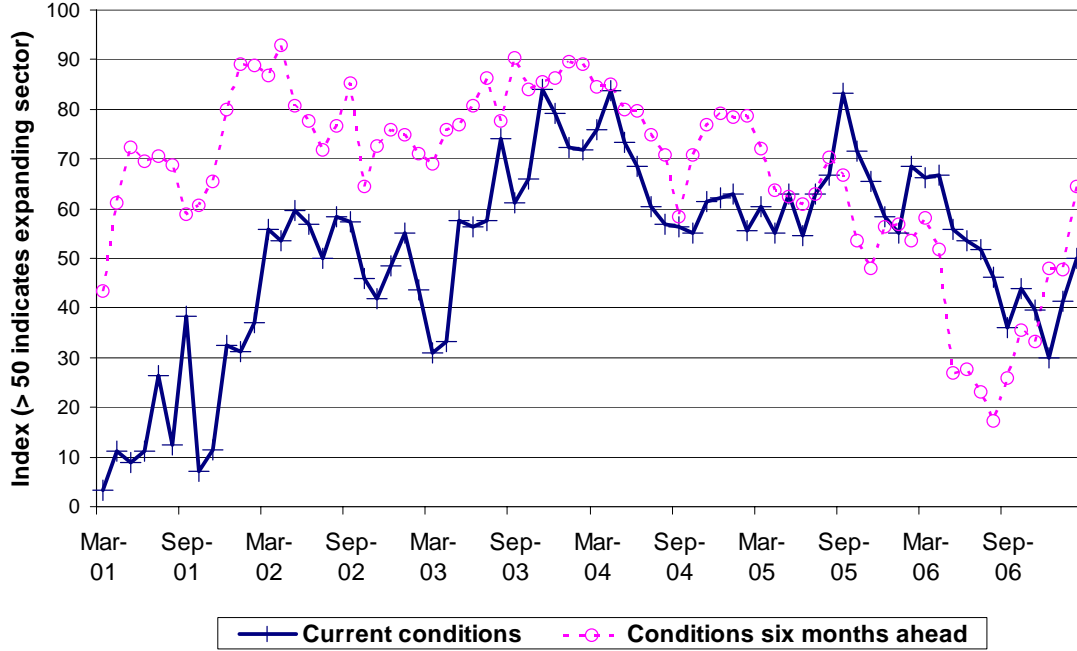
Based on popular demand for up-to-date data and forward-looking analysis of the electroindustry and the economic fundamentals that drive it, NEMA/BIS has developed a subscription-based, regularly updated compendium of the information that industry professionals and executives most often request. The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

- **Extensive Coverage**
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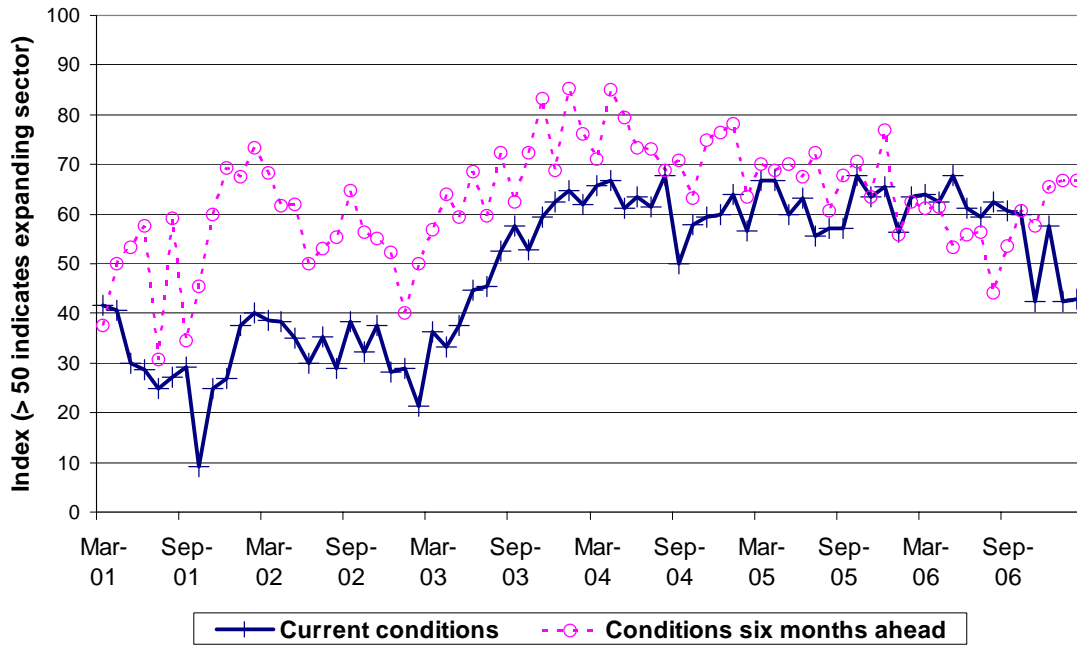
To find out how NEMA/BIS’ *Electroindustry Economic Outlook* can help your business, contact Tim Gill at (703) 841-3298, or [tim\\_gill@nema.org](mailto:tim_gill@nema.org).

## Appendix: Time Series Charts

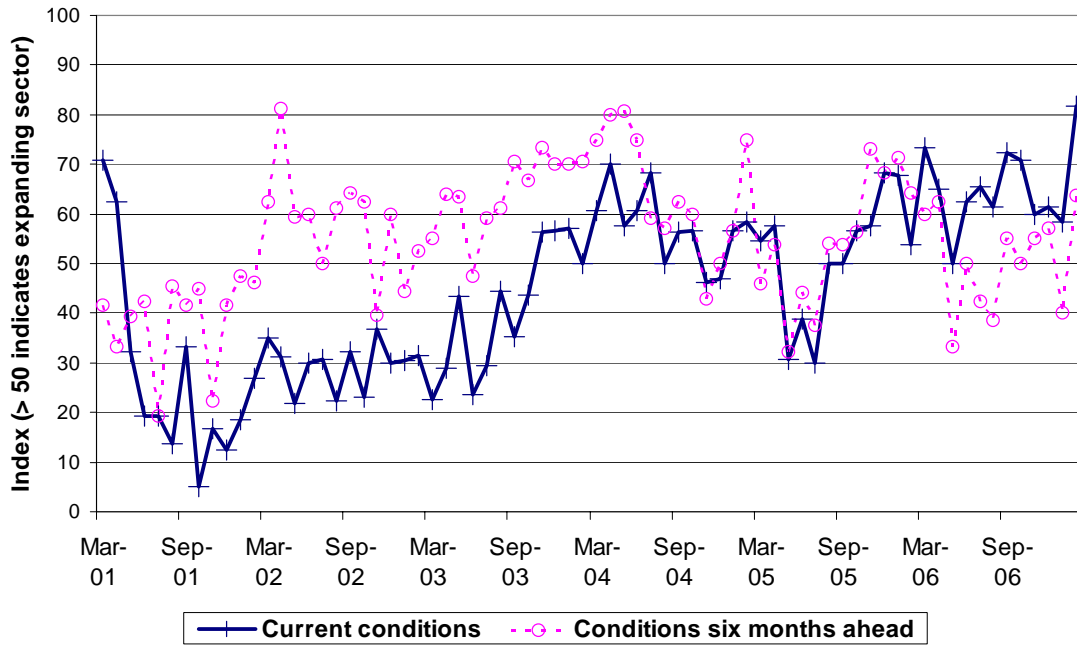
### Business Conditions: North America



### Business Conditions: Latin America



### Business Confidence: Europe



### Business Confidence: Asia/Pacific

