



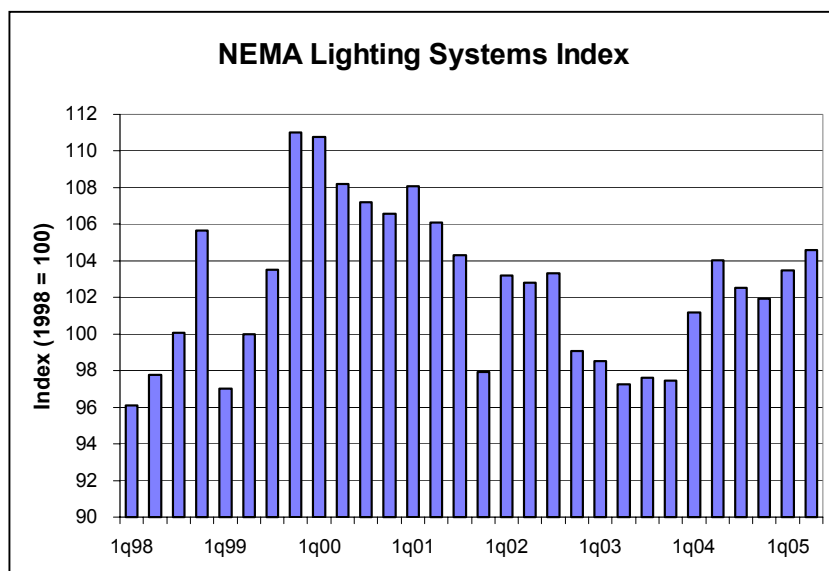
Business Information Services

NEMA Lighting Systems Index

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NEMA Lighting Systems Index Posts Steady Gains in First Half of 2005

The NEMA Lighting Systems Index increased 1.1 percent in the second quarter of 2005, marking the index's highest reading in four years. Although the index continues to lag the peak level it set in the closing days of the late 1990s economic boom, it has recovered nearly 8 percent from the trough in early 2003.



The residential construction sector remains the single-largest source of underlying demand growth for lighting equipment. Driven by still-low mortgage rates, the pace of single-family home construction continues to set new records virtually every month. Moreover, the housing market will boost lighting equipment demand for at least the next several quarters. Even though mortgage rates are expected to rise, they will remain low

enough such that stronger income growth, resulting from a tightening U.S. labor market, offsets the higher costs of financing, thus keeping the housing boom alive a little longer.

Private nonresidential construction activity is starting to make measurable contributions to demand for lighting equipment, but the sector's recovery is still in its early stages. Nonetheless, the expected future expansion in nonresidential construction bodes well for the outlook, by counteracting any drop in homebuilding that might occur going forward.

Contact

Brian Lego
Director, Economic Analysis
(703) 841-3295
bri_lego@nema.org

The NEMA Lighting Systems Index is a composite measure of NEMA-member companies' U.S. shipments of a variety of lighting products, including lamps, luminaire, ballasts, emergency lighting, and exit signs. Product shipments data are drawn from NEMA statistical surveys and are adjusted for inflation and seasonal fluctuations.