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December 31, 2007

NEW YORK CITY REPORT ON BUSINESS

Closing 2007 on a Winning Streak

Business activity expanded for a third month in a row in December, but not as rapidly as in November, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index was at 58.3 in December.

Firms paid more for their goods and services, but did not buy as much as last month. The Prices Paid index revealed more cost pressure, while the Quantity of Purchases index came off November's five-month high. Supplier Delivery Time eased for a second month.

Future optimism continued, albeit at a slightly lower level than in November. The Six-Month Outlook index came in at 58.7 in December.

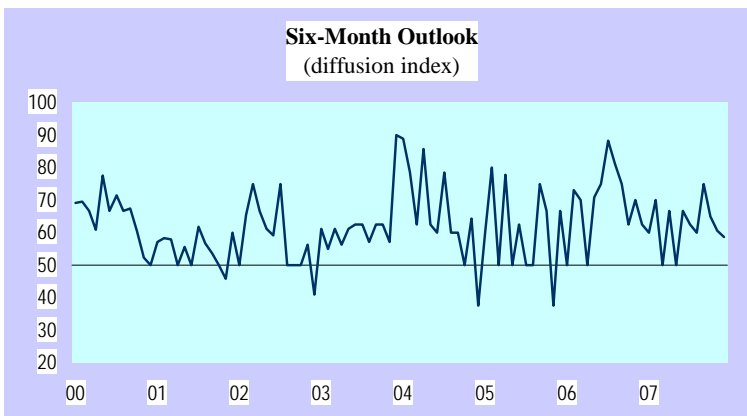
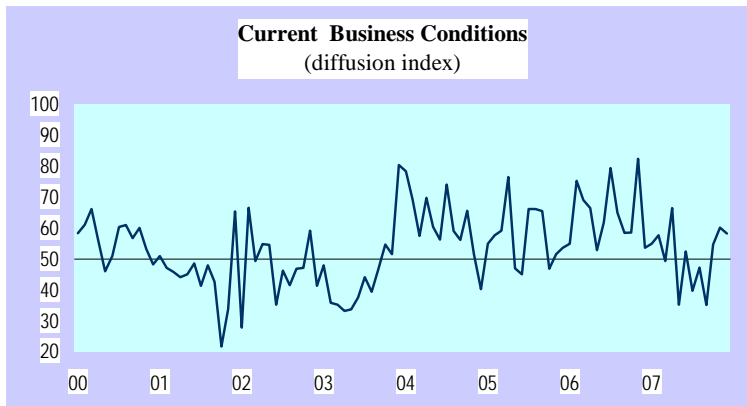
Business Impediments: More companies cited skilled labor shortages than any other concern. Working capital shortages picked up noticeably in the face of liquidity issues in credit markets. Some notable "other" difficulties from respondents were the economy, soft demand, subprime mortgages and, for a second month, office space.

	Dec	Nov
Skilled labor shortage:	30%	21%
Unskilled labor shortage:	0%	11%
Working capital shortage:	13%	6%
Raw material shortage:	9%	6%
Security concerns:	13%	16%
Abnormal weather:	9%	16%
"Other" difficulties:	22%	26%
No difficulties:	22%	37%

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2008 NAPM-NY *Report on Business* release dates:

Jan 31	May 30	Sep 30
Feb 29	Jun 30	Oct 31
Mar 31	Jul 31	Nov 26
Apr 30	Aug 29	Dec 31



Business Conditions in New York City

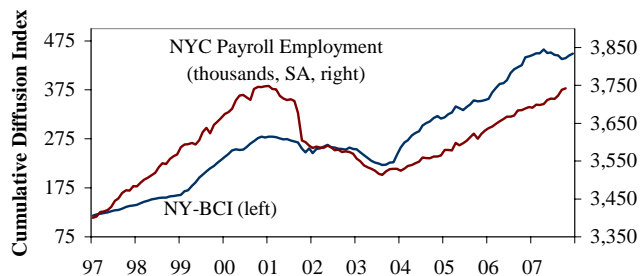
(Seasonally Adjusted, Except Where Noted)

	Current Business Conditions	Six-Month Outlook (NSA)	NY-BCI*
December 2006	53.6	62.5	443.4
January 2007	54.9	60.0	445.9
February	57.6	70.0	449.7
March	49.3	50.0	449.4
April	66.5	66.7	457.6
May	35.2	50.0	450.2
June	52.5	66.7	451.5
July	39.7	62.5	446.4
August	47.3	60.0	445.0
September	35.1	75.0	437.6
October	54.7	65.0	439.9
November	60.2	60.5	445.0
December	58.3	58.7	449.1

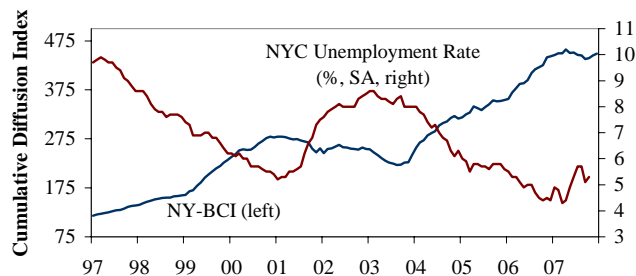
NSA = not seasonally adjusted. *The NY-BCI is a cumulative diffusion index constructed from the diffusion index of Current Business Conditions for non-manufacturing businesses in the New York City area.

New York Business Conditions Index and the New York City Labor Market

NY-BCI vs. NYC Employment



NY-BCI vs. NYC Unemployment



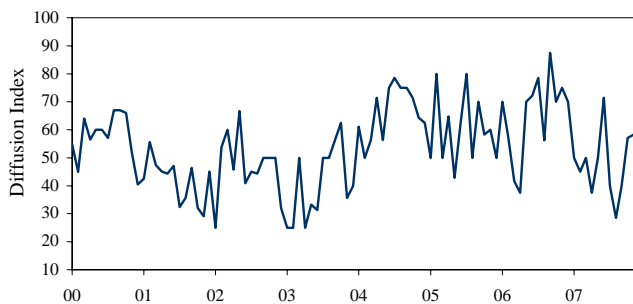
NYC Employment/Unemployment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI often precedes local employment trends. Moreover, the NY-BCI offers advance information about forthcoming local labor market conditions because the count of local jobs is not available for one or two months.

Quantity of Purchases

The overall quantity (units, not dollars) of purchases, including raw materials, MRO, components, intermediates, and services compared to the previous month.

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	56.5	58.3	57.1	40.0	28.6	70.0

Quantity of Purchases

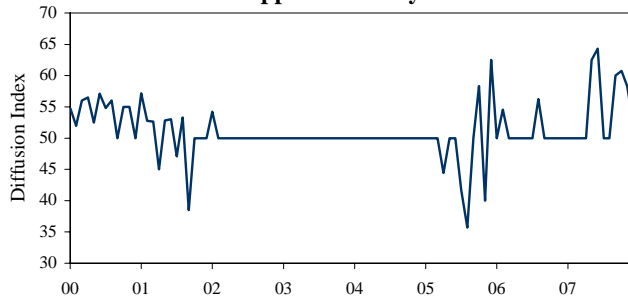


Supplier Delivery Time

An aggregate evaluation of the current month's delivery performance (lead time) compared to the prior month.

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	52.3	58.3	60.7	60.0	50.0	50.0

Supplier Delivery Time

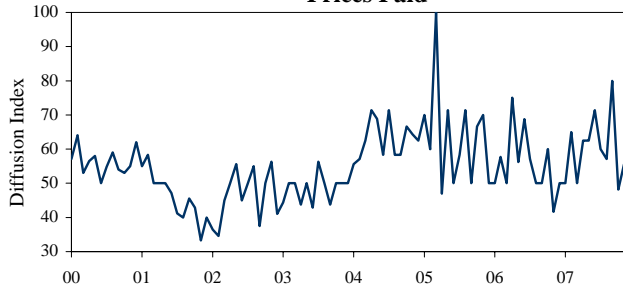


Prices Paid

The change from the prior month in prices paid for goods and services.

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	58.7	55.6	48.2	80.0	57.1	50.0

Prices Paid



About the Survey

The purpose of the survey is to quickly assess business conditions among non-manufacturing firms/organizations in the New York City area. The survey results are compiled as diffusion indices - the percent of positive responses plus one-half of those responding the same (considered positive). A reading of 50% means no change from the prior month, greater than 50% indicates a faster pace of activity, and less than 50% a slower rate. The Current Conditions Index and NY-BCI are both seasonally adjusted. All other measures are not seasonally adjusted.