

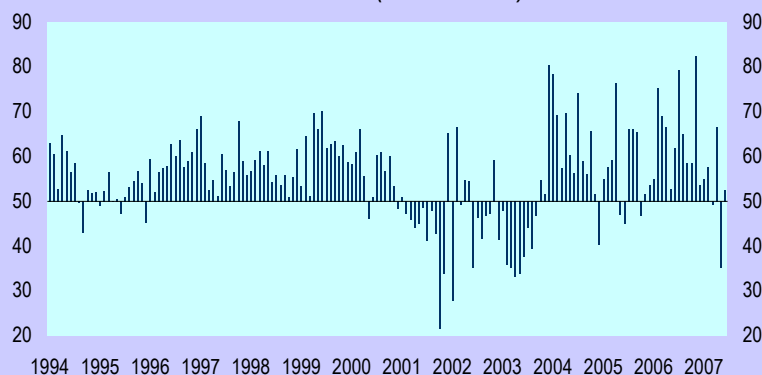


NEW YORK CITY REPORT ON BUSINESS
Still On Track

The June survey of New York City's businesses bounced back and the tone of the business respondents remains upbeat, according to the latest survey conducted by the National Association of Purchasing Management-New York (NAPM-NY). The June current conditions index bounced back above the in-the-growth-zone of over 50. And perceptions about the outlook strengthened as well. Respondents have been optimistic about the outlook for some time, and events have validated that optimism.

The business conditions index (BCI)—a measure of the cumulative change in the current conditions index—is thought to be a good leading indicator of future employment trends in the Big Apple and this index resumed its upward march in June.

Current Conditions (Diffusion Index#) ~



Business Conditions In New York City
(Seasonally Adjusted, Except Where Noted)

	Overall	Current		NY-BCI *
		Mfg. conditions #,~	Outlook #,^,*	
April 2005	74.2	53.5	76.5	341.2
May	42.3	0.0	47.0	337.3
June	42.8	23.2	45.0	333.7
July	61.7	21.6	66.2	339.6
August	61.6	20.4	66.2	345.4
September	58.7	60.1	65.5	353.2
October			46.9	351.6
November			51.6	352.4
December			53.6	354.2
January 2006			54.9	356.7
February			75.4	369.4
March			69.1	378.9
April			66.5	387.2
May			52.9	388.6
June			61.9	394.5
July			79.4	409.3
August			65.0	416.8
September			58.5	421.0
October			58.6	425.3
November			82.5	441.6
December			53.6	443.4
January 2007			54.9	445.9
February			57.6	449.7
March			49.3	449.4
April			66.5	457.6
May			35.2	450.2
June			52.5	451.5

Half the percentage reporting unchanged conditions plus the percentage reporting improving activity.

~ Activity at nonmanufacturing businesses.

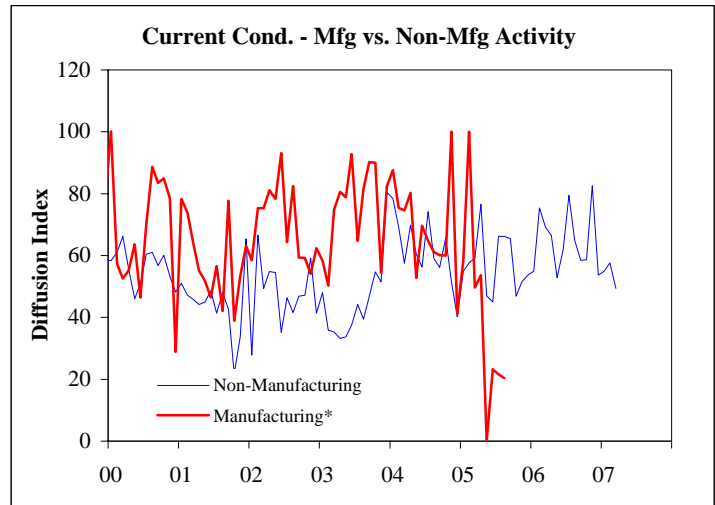
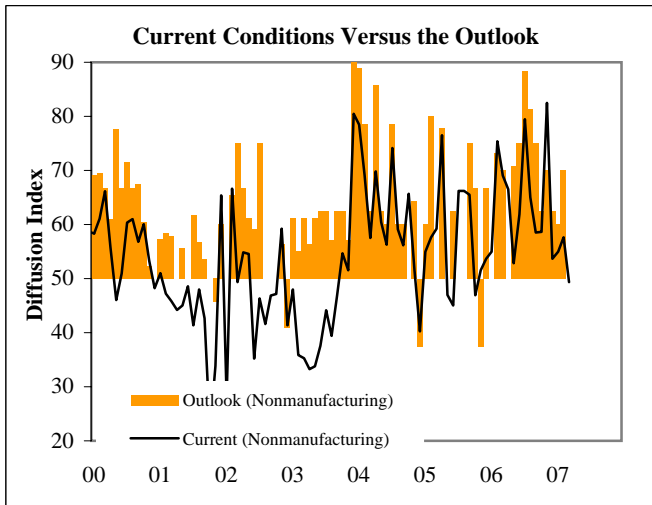
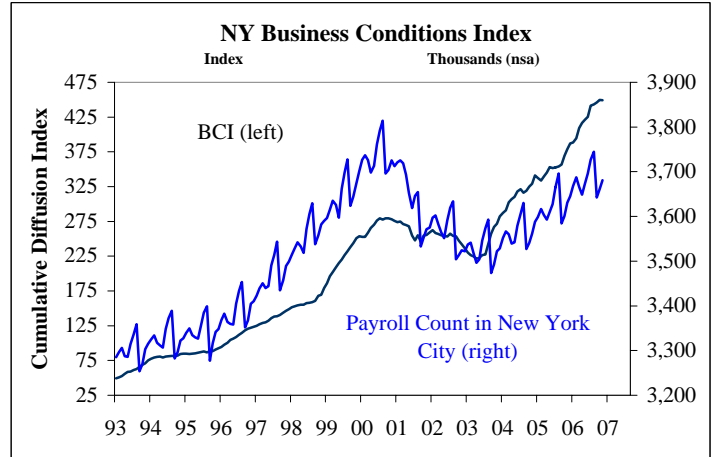
^ Not seasonally adjusted.

* After August 2005, the "Outlook" index reflects activity at nonmanufacturing businesses.

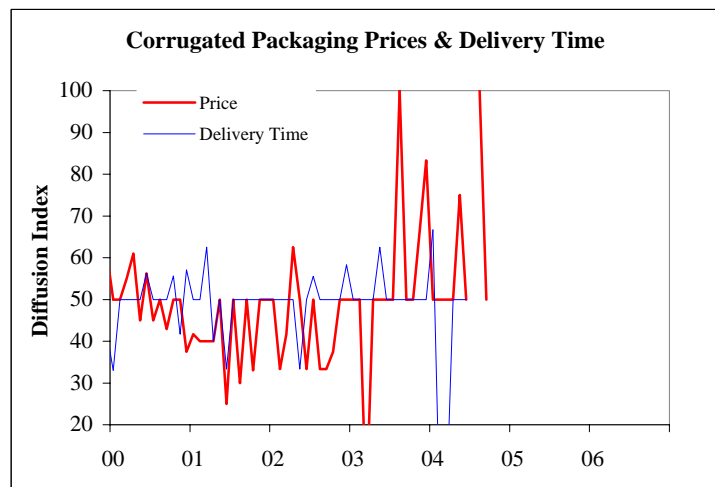
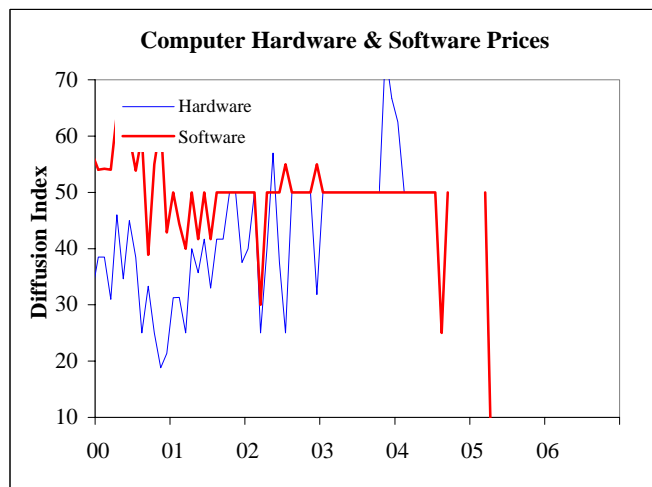
New York Business Conditions Index (NY-BCI)

The New York NAPM business conditions index (BCI) is a cumulative diffusion index constructed from the diffusion index of current conditions for nonmanufacturing businesses in the New York City area. The BCI often precedes local employment trends. Furthermore, because the count of local jobs is not available for one or two months, the BCI offers advance information about forthcoming local labor market conditions. Until recently, City payrolls have lagged the recovery in the NY-NAPM's BCI (figure to the right). Lately, however, job growth appears to be picking up.

Note: After August 2005, the NY-NAPM BCI reflects responses of nonmanufacturers.



* Discontinued after August 2005

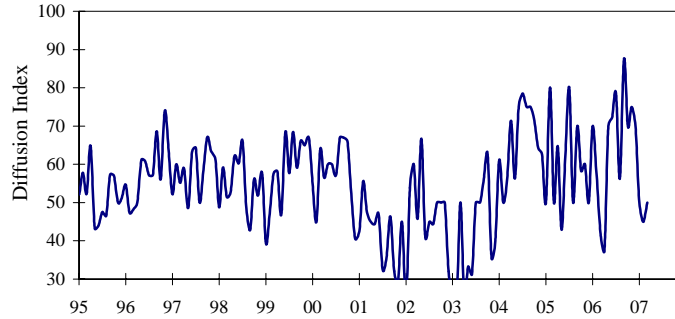


Quantity of Purchases

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

	June	May	Apr	Mar	Feb	Year ago June
Composite	71.43	50	37.5	50	45	72.2
Manufacturing	50	0	0	50	50	NA
Non-Mfg.	75	50	50	50	40	81

Quantity of Purchases

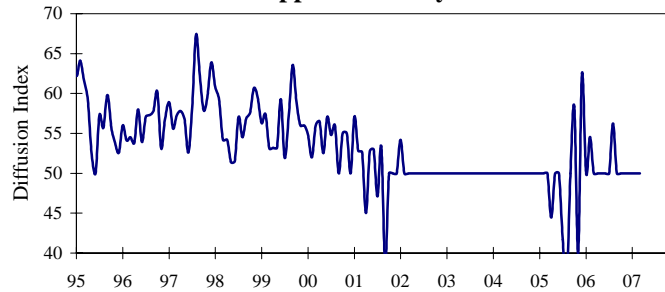


Supplier Delivery Time

An aggregate evaluation of the current month's delivery performance (lead time) compared to the prior month. This index is the percent reporting slower deliveries plus one-half reporting same.

	June	May	Apr	Mar	Feb	Year ago June
Composite	64	63	50	50	50	50
Manufacturing	50	0	50	50	50	50
Non-Mfg.	67	63	50	50	50	50

Supplier Delivery Time

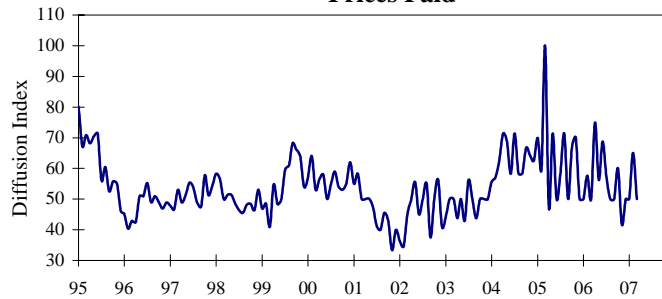


Prices Paid

The change from the prior month in prices of items -- goods and services, purchased. This is an overall evaluation weighted by quantity of purchase.

	June	May	Apr	Mar	Feb	Year ago June
Composite	71	63	63	50	65	69
Manufacturing	100	0	50	0	50	100
Non-Mfg.	67	63	67	0	80	64

Prices Paid

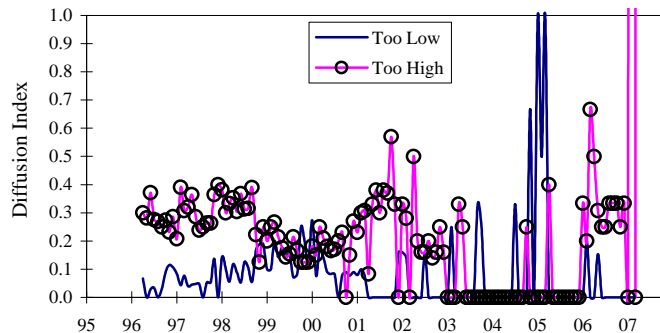


Finished Goods Inventory Relative to Use

The overall inventory level (units, not dollars) of products held for sale (finished goods) relative to expected use.

	June	May	Apr	Mar	Feb	Year ago June
Composite	63	50	67	67	43	0.625
% too high	0	0	67	0	57	0
Manufacturing	50	0	50	0	0	###
Non-Mfg.	66.7	0	75	0	71.4	62.5

Finished Goods Inventory vs. Expected Use

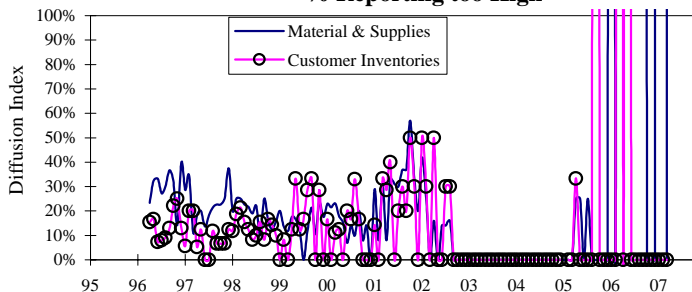


Raw Materials & Customer Inventory

The overall inventory level (units, not dollars) of products held for sale (finished goods) relative to expected use.

	Year ago					
	June	May	Apr	Mar	Feb	June
Materials & Supplies	33	0	67	0	57	40
Customer Inventories	50	50	50	0	0	0

Material & Customer Stocks vs. Expected Use % Reporting too High



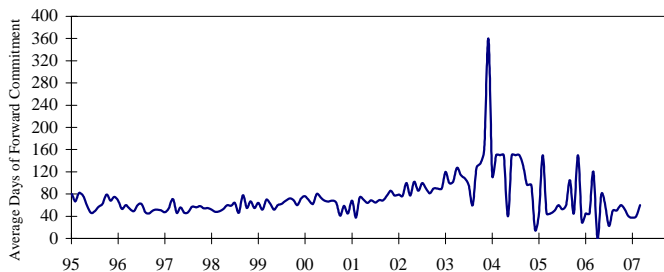
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	June	May	Apr	Mar	Feb	June
Average Days	36	60	40	60	40	60

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
36	0%	80%	20%	0%	0%	0%

Production Materials



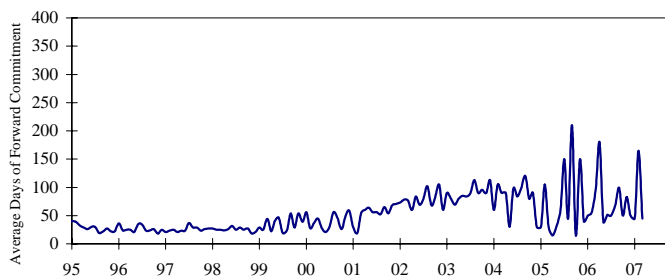
Buying Policy for MRO Supplies

The period of forward commitment for maintenance, repair, and operation supplies.

	Year ago					
	June	May	Apr	Mar	Feb	June
Average Days	48	360	60	45	165	51

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
48	0%	40%	60%	0%	0%	0%

MRO Supplies



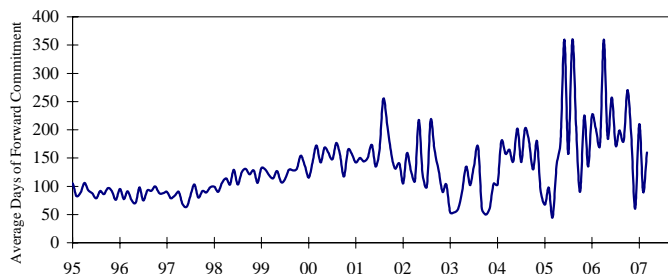
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	June	May	Apr	Mar	Feb	June
Average Days	210	360	90	160	90	257.142

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
210	0%	0%	0%	33%	33%	33%

Capital Equipment



Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

COMMODITIES

		June	May	April	June	May	April
Castings							
Chemicals							
Computer Hardware	+++	150.00		150.00	-50.00		-50.00
Computer Software	+++	-100.00		-100.00	200.00		200.00
Corrugated Packaging							
Electrical Components							
Energy							
Ferrous Metals							
Food Products							
Glass							
Hydraulic Components							
Medical Supplies							
Nonferrous Metals	+++						
Office Equipment (non-computer)	+++	-100.00		-100.00	200.00		200.00
Office Supplies	+++	-100.00		-100.00	200.00		200.00
Piping & Tubing							
Plastics							
Plating							
Printing Paper	+++	-100.00		-100.00	200.00		200.00
Rubber Products							
Textile Products							
Wood & Pulp							
Services (Contracted)							
Cleaning		Index		Index	Index		
Construction		60.00		60.00	N/A		
Painting		50.00		50.00	N/A		
Engineering	+++	50.00		50.00	N/A		
Architectural	+++	66.67		66.67	N/A		
Temporary Personnel	+++	50.00		50.00	N/A		
Computer Consultants	+++	50.0		50.0	N/A		

+++ = Commodity or service price diffusion index above 50.00 N/A

Items in Short Supply N/A

Purchaser Comments

About the Survey

The purpose of the survey is to quickly assess business conditions among manufacturers and non-manufacturing firms/organizations doing business in the New York area. The survey results are compiled into three summary measures for: (1) all industries, (2) manufacturing firms, and (3) non-manufacturing establishments. The manufacturing component can be compared to the ISM Purchasing Manager's Index for the nation. The survey results are compiled as diffusion indexes, which are calculated by taking the percentage of the respondents answering higher plus one-half of the percentage of respondents who answer same or no change. Hence, a reading of 50% means no change from the prior month; greater than 50% indicates a faster pace of activity while a reading of less than 50% indicates a slowing in the pace of activity.