



Jonathan Basile, Business Survey Chair, NAPM-New York and Vice President/Economist, Credit Suisse, (212) 538-1436, jonathan.basile@credit-suisse.com

Peter Oppenheimer, C.P.M., Executive Director, NAPM-New York, (516) 466-9822

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NEW YORK CITY REPORT ON BUSINESS
Contraction Continued

Business activity has declined in each month of 2008, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). Challenging financial market conditions have become a common theme. The Current Business Conditions index came in at 46.3 in March.

Pessimism about the future did not get any worse. However, it is unclear if purchasing managers' optimism is returning more broadly. The Six-Month Outlook index rose to the breakeven 50 line in March, after a record two straight months below that mark.

Firms continued to buy less, but pay more. The Quantity of Purchases index remained low (albeit not as bad as the sub-40 readings of the prior two months). The Prices Paid index stayed at an elevated level.

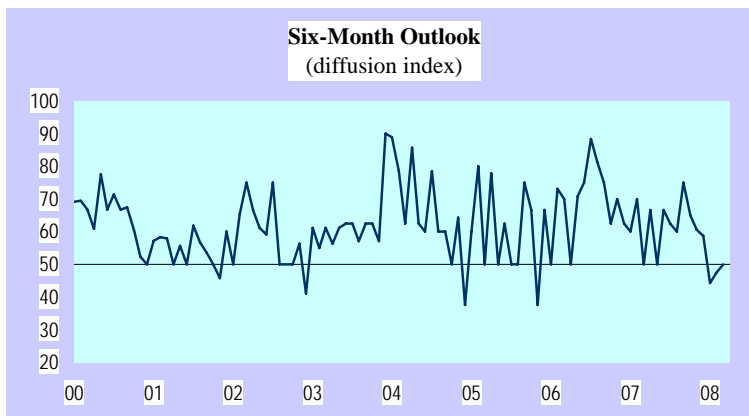
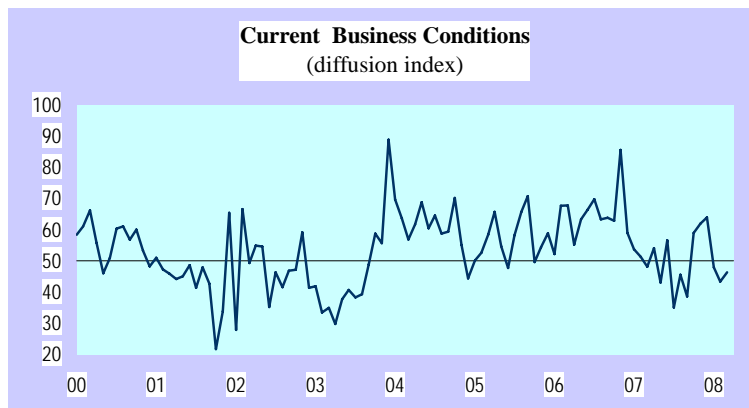
Business Impediments: Working capital shortages have been more pervasive compared to the turn of the year. Skilled labor shortages are a consistent issue. Security concerns picked up in March.

	Mar	Feb	Jan
Skilled labor shortage:	16%	15%	19%
Unskilled labor shortage:	3%	0%	0%
Working capital shortage:	19%	20%	4%
Raw material shortage:	3%	5%	0%
Security concerns:	10%	5%	4%
Abnormal weather:	3%	5%	4%
"Other" difficulties:	16%	15%	23%
No difficulties:	26%	40%	31%

* * *

March's special question: Which specific input costs - for goods and/or services - are the biggest concern for your organization?

More than half of those that responded mentioned energy/oil-related costs. Paper was the next most popular answer, followed by labor. Individual mentions included: lower exchange rate, real estate, market data services and installation costs.



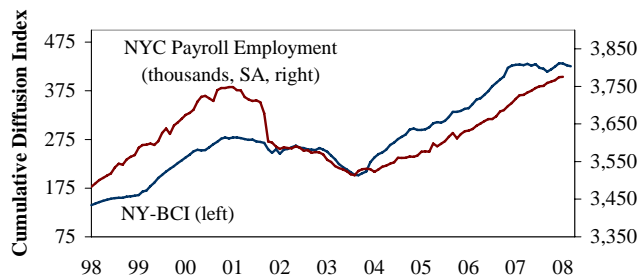
Business Conditions in New York City
(Seasonally Adjusted, Except Where Noted)

	Current Business Conditions	Six-Month Outlook (NSA)	NY-BCI*
March 2007	48.1	50.0	428.3
April	54.1	66.7	430.3
May	43.0	50.0	426.8
June	56.5	66.7	430.1
July	35.0	62.5	422.6
August	45.6	60.0	420.4
September	38.6	75.0	414.7
October	59.0	65.0	419.1
November	61.9	60.5	425.1
December	63.9	58.7	432.1
January 2008	47.9	44.2	431.0
February	43.4	47.5	427.7
March	46.3	50.0	425.8

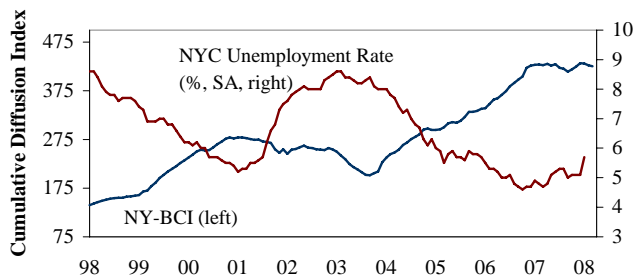
NSA = not seasonally adjusted. *The NY-BCI is a cumulative diffusion index constructed from the diffusion index of Current Business Conditions for non-manufacturing businesses in the New York City area.

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

NY-BCI vs. NYC Employment



NY-BCI vs. NYC Unemployment



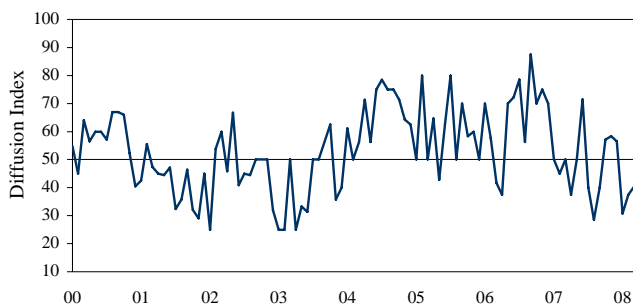
NYC Employment/Unemployment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI often precedes local employment trends. Moreover, the NY-BCI offers advance information about forthcoming local labor market conditions because the count of local jobs is not available for one or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

	Mar	Feb	Jan	Dec	Nov	Year ago Mar
Diffusion Index	40.3	37.5	30.8	56.5	58.3	50.0

Quantity of Purchases

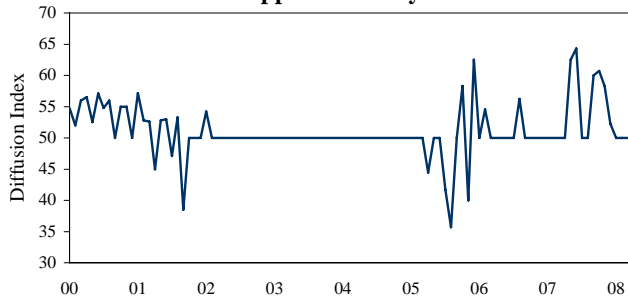


Supplier Delivery Time

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

	Mar	Feb	Jan	Dec	Nov	Year ago Mar
Diffusion Index	50.0	50.0	50.0	52.3	58.3	50.0

Supplier Delivery Time

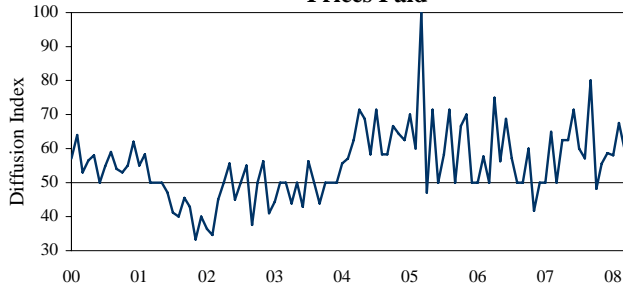


Prices Paid

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

	Mar	Feb	Jan	Dec	Nov	Year ago Mar
Diffusion Index	60.0	67.5	58.0	58.7	55.6	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.