

News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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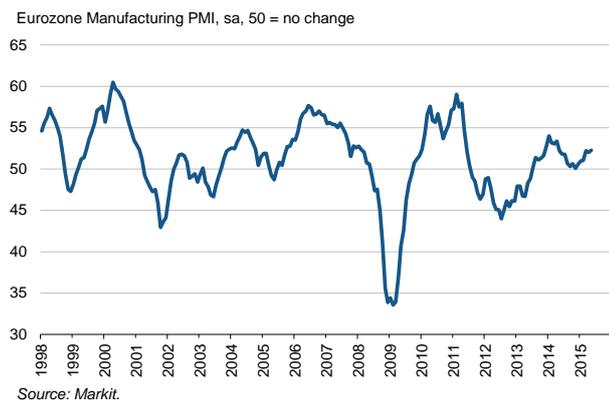
Markit Eurozone Manufacturing PMI® – final data

Eurozone manufacturing recovery continues in May

Data collected 12-21 May

- Final Eurozone Manufacturing PMI at 52.2 in May (Flash: 52.3, April Final: 52.0)
- Spain, the Netherlands and Italy are strongest performers; downturn in France continues
- Input cost inflation accelerates

Manufacturing PMI® (overall business conditions)



May data signalled a modest acceleration in the rate of expansion of the eurozone manufacturing sector. The final seasonally adjusted **Eurozone Manufacturing PMI®** posted 52.2, matching March's ten-month high but coming in just below the earlier flash estimate of 52.3.

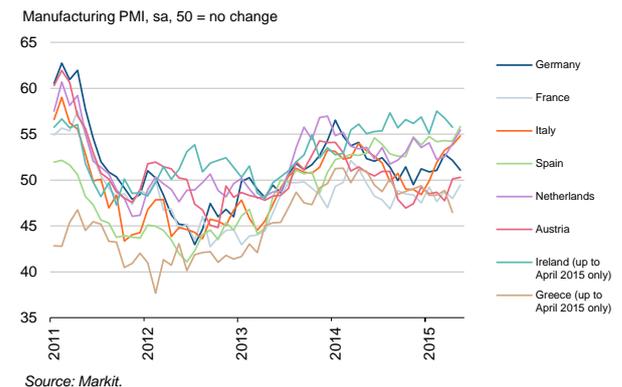
Manufacturing production expanded again in May, extending the current sequence of growth to 23 months. Although the rate of increase ticked lower, it was still among the fastest seen over the past year. The trends in both total new orders and new export* business both improved, suggesting output growth should be sustained in the coming months.

New business and new export orders both rose at the fastest rates in just over a year. The improved level of demand encouraged firms to take on additional staff, leading employment to rise for the

Countries ranked by Manufacturing PMI®: May*

Spain	55.8	97-month high
Netherlands	55.5	17-month high
Italy	54.8	49-month high
Germany	51.1 (flash: 51.4)	3-month low
Austria	50.3	9-month high
France	49.4 (flash: 49.3)	12-month high

* May data for Ireland and Greece are released 2 June



ninth month running. Part of the increase in jobs reflected rising levels of outstanding business.

National data for Ireland and Greece are published on 2nd June. Of the remaining countries for which data were available, Spain, the Netherlands and Italy were the leading lights. Germany and Austria saw modest expansions and France a further

contraction.

Output and new orders in Spain rose at the quickest pace since 2007, underpinned by the strongest gain in new export business for 15 years. Production and new order growth in Italy was the fastest in over four years, while accelerations were also signalled for the Netherlands. All three of these nations registered solid job creation.

Output growth in Germany slowed sharply to a five-month low in May. The rates of increase in both total new business and new export orders also remained muted, in turn slowing the pace of job creation. Austria saw a modest acceleration in output growth, despite a slight decrease in new orders, and further headcount reductions.

The downturn in production at French manufacturers was extended to 12 months in May. New orders and employment also both fell, but there was a mild pick up in new export orders received.

Cost pressures remained on the upside in May, as input prices rose for the third month running and to the greatest extent since April 2012. The euro exchange rate and recent oil price increases both contributed to the latest rise in costs.

Input price inflation was recorded in all of the nations except Austria, with accelerations signalled in each of the 'big-five' countries (Germany, Italy, France, Spain and the Netherlands).

Meanwhile, average output charges were unchanged since April. Increases were signalled in Germany, Italy and Spain, while French, Dutch and Austrian manufacturers all reduced their average selling prices.

**Including intra-eurozone trade.*

Comment:

Chris Williamson, Chief Economist at Markit said:

"The final PMI data came in slightly below the earlier flash estimate but nevertheless signalled that euro area manufacturers are enjoying their best spell of growth for a year.

"The survey data point to a quarterly rate of industrial growth of approximately 0.5%. This should help drive GDP higher in the second quarter, perhaps matching the 0.4% rise seen in the first three months of the year.

"The rate of growth is modest rather than spectacular, however, and there are clearly countries which continue to struggle. Weakness is centred in the region's core, with France's manufacturing sector still in decline and Germany only seeing very meagre growth.

"On the other hand, Spain and Italy appear to be staging strong recoveries, benefitting in particular from impressive export performances. Such export gains point to improved competitiveness which bodes well for longer-term economic prospects. Manufacturers in France and Germany need to be mindful of such competition."

-Ends-

For further information, please contact:

Chris Williamson, Chief Economist
 Telephone +44-20-7260-2329
 Mobile +44-779-5555-061
 Email chris.williamson@markit.com

Rob Dobson, Senior Economist
 Telephone +44-1491-461-095
 Mobile +44-7826-913-863
 Email rob.dobson@markit.com

Joanna Vickers, Corporate Communications
 Telephone +44 207 260 2234
 Email joanna.vickers@markit.com

Note to Editors:

The Eurozone Manufacturing *PMI*[®] (*Purchasing Managers' Index*[®]) is produced by Markit and is based on original survey data collected from a representative panel of around 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. These countries together account for an estimated 89% of Eurozone manufacturing activity.

The final Eurozone Manufacturing *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 85%–90% of total *PMI* survey responses each month. The May 2015 flash was based on 93% of the replies used in the final data.

The average differences between the flash and final *PMI* index values (final minus flash) since comparisons were first available in January 2006 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

Index	Average difference	Average difference in absolute terms
Eurozone Manufacturing <i>PMI</i> [®]	0.0	0.2

The *Purchasing Managers' Index (PMI)* survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. *PMI* surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and revised data are available to subscribers from Markit. Please contact economics@markit.com.

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About PMI

Purchasing Managers' Index[®] (*PMI*[®]) surveys are now available for over 30 countries and also for key regions including the Eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to www.markit.com/economics.

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