

News Release

Purchasing Managers' Index® MARKET SENSITIVE INFORMATION

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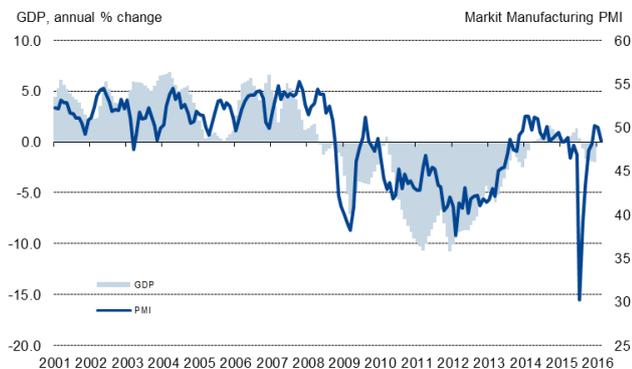
Markit Greece Manufacturing PMI®

PMI signals slight deterioration in manufacturers' operating conditions

Key points:

- Headline PMI posts below 50.0 for the first time in three months
- Job cuts evident amid further decline in production
- Input prices drop at fastest pace since January 2009

Historical overview:



Sources: Markit, National Statistical Service of Greece.

Summary:

Greek goods producers reported a deterioration in operating conditions for the first time in three months during February. A contraction in output and incoming new orders was reported by firms, leading to a slight decline in employee numbers. Meanwhile, price pressures continued to weaken as both input costs and average tariffs fell further.

The seasonally adjusted Markit Greece Manufacturing *Purchasing Managers' Index*® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – registered 48.4 in February. Down from January's reading of 50.0, the latest figure indicated a downturn in the manufacturing sector of Greece.

Production volumes at Greek goods producers contracted for the second successive month during

February. However, the rate of decline was relatively modest. Panel members that reported a fall in output linked this to economic and political uncertainty in the economy.

Latest survey data signalled a further drop in incoming new business, and at the fastest pace since last September. New export orders contracted. Panellists blamed the fall in new business from abroad on transport difficulties caused by farmers' strikes. Moreover, faced with a lower volume of new work, Greek manufacturers continued to deplete their outstanding business.

The manufacturing sector of Greece cut back on employee numbers during February for the first time in three months, although the rate of job shedding was marginal. Anecdotal evidence suggested declining employee numbers reflected redundancies in the sector.

Manufacturers in Greece continued to lower their purchasing activity during February. Panel members associated the fall in input buying to a lack of demand in the sector. This drop was reflected in a decline in the volume of pre-production inventories.

Average lead times experienced by goods producers in Greece lengthened for the fifteenth successive month. Moreover, survey data for February indicated the most marked deterioration in vendor performance since September 2015 amid transport disruptions caused by farmers' protests.

Output prices set by the manufacturing sector of Greece decreased again in February. The rate of deflation was solid and extended the current trend of price discounting to 60 consecutive months. There was some evidence that falling average tariffs reflected a decline in input prices, which fell at the sharpest pace since January 2009.

Finally, stocks of finished goods decreased in February, albeit at the softest pace in eight months.

Comment:

Samuel Agass, Economist at Markit which compiles the Greece Manufacturing PMI[®] survey, said:

“Greek goods producers will be feeling all too familiar with their current economic environment, after PMI data signalled a further deterioration in operating conditions. The headline figure posted below the crucial 50.0 no-change mark in February, with the recent promise shown over the past two survey periods appearing to have faded.

“The key areas covered by the survey provided alarming indicators on the current health of the Greek manufacturing sector. Output contracted further amid a solid decline in incoming new work, while job cuts were evident after another substantial deterioration in outstanding business levels was reported.

“Coupling PMI data with latest GDP figures also paints a gloomy image of the current state of the economy. The 0.6% contraction for the fourth quarter of 2015 was the worst amongst eurozone members and added to the growing uncertainty around Greece’s future. With proposed pension and tax reforms already creating economic headwinds, the prospect of moving out of this technical recession appears distant at present.”

-Ends-

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Notes to Editors:

The Greece Manufacturing PMI[®] (*Purchasing Managers' Index*[®]) is produced by Markit Economics. The report features original survey data collected from a representative panel of over 300 companies based in the Greek manufacturing sector. The panel is stratified by GDP and company workforce size.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

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 subsequently revised data are available to subscribers from Markit. Please contact economics@markit.com.

The Manufacturing Purchasing Managers' Index (PMI) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

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.

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About PMI

Purchasing Managers' Index[®] (PMI[®]) surveys are now available 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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