

News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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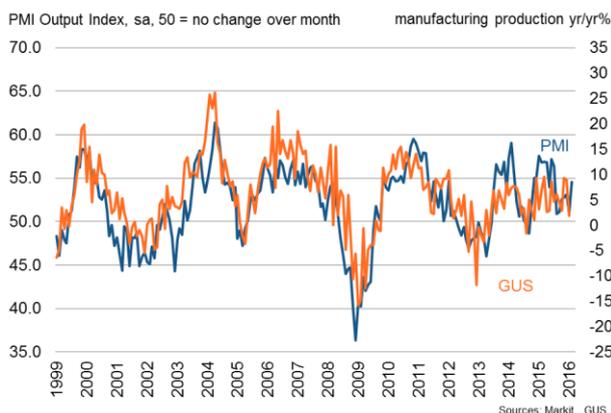
Markit Poland Manufacturing PMI®

Manufacturing growth rebounds in February

Key points:

- PMI improves to seven-month high
- Stronger growth of output, new orders and exports
- Purchasing increases for first time since last July

Historical overview:



Summary:

Polish manufacturers reported strengthening business conditions in February, according to *PMI®* survey data from Markit. Having slowed to a weak pace in January, the overall rate of growth accelerated to a seven-month high in the latest period. This was driven by stronger expansions in output and new orders. Firms also continued to boost workforces and expanded purchasing activity for the first time since last July. Meanwhile, both input and output prices continued to fall.

The headline Markit Poland Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater

than 50.0 indicates overall improvement of the sector.

The PMI signalled improving manufacturing business conditions for the seventeenth successive month in February. Having weakened to 50.9 in January, the joint-lowest in 16 months, the headline figure rebounded in the latest period to 52.8. This indicated the strongest overall growth of the sector since last July. It was also broadly in line with the average over the current sequence of positive readings (52.9).

Central to the overall strengthening in manufacturing performance in February was a faster rate of growth in new orders. The volume of new business received increased for the seventeenth month running, and at the sharpest rate since last July. Growth of new export orders also hit a seven-month high in the latest period.

In line with the trend for new work, production rose at the fastest pace since last July in February. Backlogs of work continued to fall, but the rate of contraction slowed to a marginal pace.

In a sign of returning business confidence, manufacturers raised the volume of inputs purchased for the first time in seven months in February. Though only slight, the expansion was sufficient to generate a rise in input stocks at goods producers. Suppliers' delivery times improved slightly for the second month running.

Manufacturing employment increased for a survey-record thirty-first successive month in February. The rate of job creation remained stable and solid, in line with the trend shown over recent months.

February survey data continued to indicate a deflationary environment in the Polish manufacturing sector. Average purchase prices fell for the sixth month in a row, linked to declining prices for metals and oil-related inputs.

Consequently, prices charged for manufactured goods were cut for the seventh month running.

Comment:

Commenting on the Poland Manufacturing PMI survey data, Trevor Balchin, senior economist at Markit and author of the report, said:

“February’s rise in the Polish PMI provides some reassurance following January’s weak start to the year, which was borne out by the official growth rate of manufacturing production slowing to 1.8%

yr/yr. Output and new orders both rose at the strongest rate in seven months in February according to the survey data, signalling that the official growth rate will pick up. But with eurozone and global growth showing signs of slowing, the longer term outlook for Poland’s goods producers remains uncertain.”

-Ends-

For further information, please contact:

Markit

Trevor Balchin, Senior Economist
Telephone +44-1491-461-065
Email trevor.balchin@markit.com

Joanna Vickers, Corporate Communications
Telephone +44207-260-2234
Email joanna.vickers@markit.com

Notes to Editors:

The Poland Manufacturing *PMI*[®] (*Purchasing Managers’ Index*[®]) is produced by Markit Economics. The report features original survey data collected from a representative panel of around 200 companies based in the Polish manufacturing sector. The panel is stratified by GDP and 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.

About Markit

Markit is a leading global diversified provider of financial information services. We provide products that enhance transparency, reduce risk and improve operational efficiency. Our customers include banks, hedge funds, asset managers, central banks, regulators, auditors, fund administrators and insurance companies. Founded in 2003, we employ approximately 4,000 people in 11 countries. Markit shares are listed on Nasdaq under the symbol MRKT. For more information, please see www.markit.com.

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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