

News Release

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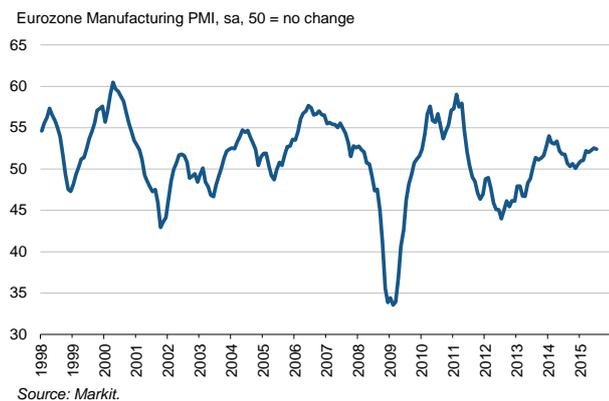
Markit Eurozone Manufacturing PMI® – final data

Eurozone manufacturing expands solidly despite Greek slump

Data collected 13-24 July

- Final Eurozone Manufacturing PMI at 52.4 in July (Flash: 52.2, June Final: 52.5)
- Greek PMI slumps to all-time low, but growth continues in all other nations bar France
- Weakened euro pushes input costs higher

Manufacturing PMI® (overall business conditions)



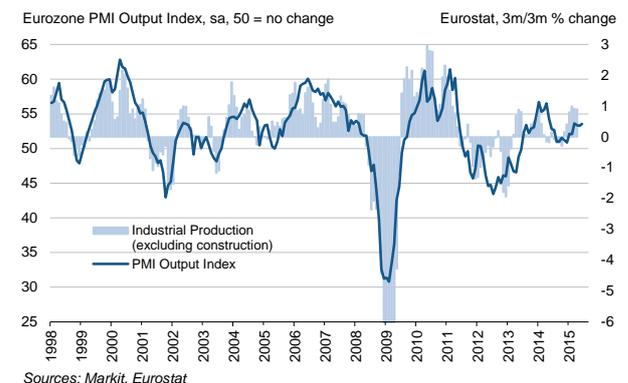
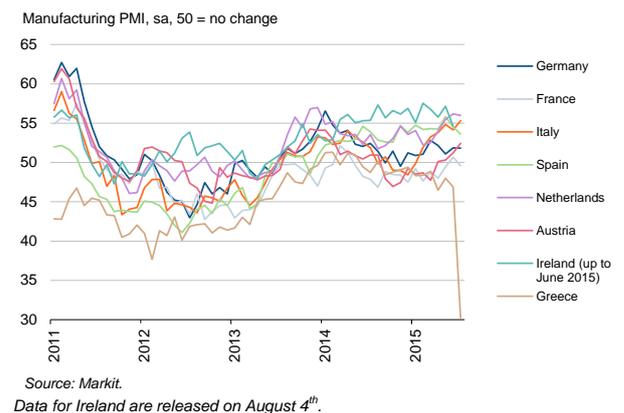
The eurozone manufacturing sector continued to expand at a solid steady pace at the start of the third quarter, as continued growth in the Netherlands, Italy, Spain, Austria and Germany offset the deepest contraction of the Greek manufacturing sector in the survey history.

At 52.4 in July, above the earlier flash estimate of 52.2, the final seasonally adjusted **Eurozone Manufacturing PMI®** held close to June's 14-month high. The PMI has remained in expansion territory since July 2013.

The growth rate of eurozone manufacturing output matched that registered in June, which was itself in line with March's ten-month peak. Output was spurred higher by improved inflows of new business from domestic and export clients, despite the rates of increase in total new orders and new export

Countries ranked by Manufacturing PMI®: July

Netherlands	56.0	2-month low
Italy	55.3	51-month high
Spain	53.6	9-month low
Austria	52.4	17-month high
Germany	51.8 (flash: 51.5)	2-month low
France	49.6 (flash: 49.6)	2-month low
Greece	30.2	Record low



business* easing to the slowest since April and January respectively. Employment rose for the eleventh straight month, reflecting the continued expansion of output in the sector and a slight accumulation of backlogs of work.

Growth of output, new orders and employment was

registered across the consumer, intermediate and investment goods sectors in July. Rates of improvement were comparatively strong at consumer and investment goods producers, whereas only modest rises were seen in the intermediate goods sector.

Cost pressures remained on the upside in July. Input prices rose for the fifth month running, albeit to the weakest extent since April. A number of manufacturers reported that the weakened euro was pushing associated costs higher. Meanwhile, selling price inflation remained muted, with only a slight increase in charges reported.

National PMI data highlighted the impact of the Greek crisis on its domestic economy. Production, new orders, new export orders, employment and purchasing activity all suffered sharp slumps, dropping at the fastest rates since the Greek survey began in May 1999. The Greek PMI reading of 30.2 was substantially worse than its previous record low (37.7 in February 2012).

However, there was no conclusive evidence from survey respondents of events in Greece directly impacting operating performance elsewhere in the currency union's manufacturing sector.

The Netherlands and Italy both recorded strong expansions of both production and new business during July. Spain also remained a solid performer, despite seeing its rate of expansion cool further, while Austria continued to climb back up the PMI growth league table.

Conditions remained comparatively subdued in Germany. The German PMI ticked lower to 51.8, from 51.9 in June, as rates of increase in new orders and output slowed slightly. This partly reflected the first drop in new export business at German manufacturers since January. In contrast, job creation accelerated to a three-month peak.

The French PMI slipped back below the 50.0 mark separating expansion from contraction in July, seeing output, new business and employment all decline during the latest survey month.

Although France was the only nation apart from Greece to report a decline in any of these variables, rates of contraction were only mild and substantially less marked in comparison.

Comment:

Chris Williamson, Chief Economist at Markit said:

"The eurozone manufacturing economy showed encouraging resilience in the face of the Greek debt crisis in July. The PMI held close to its June level, which had been the highest for over a year, coming in ahead of the earlier flash estimate largely on the back of stronger than previously recorded growth in Germany.

"The impact of the Greek crisis, and in particular the bank closures, had a striking though not surprising impact on that country's economy, with the Greek PMI signalling the steepest downturn ever seen in the survey's 16-year history. It is clear that Greece's recession deepened significantly in the second quarter.

"Despite holding up well on prior months, the overall rate of growth in the region as a whole remains only modest, pointing to industrial production growing at an annualised rate of around 2%. France slipped back into contraction – the only country besides Greece to see worsening business conditions in July – and lacklustre growth in Germany continues to act as a brake on the overall region.

"The most impressive growth rates are being seen in the Netherlands, Spain and Italy, the latter being notable in enjoying its strongest growth for over four years in July.

"Policymakers will be reassured by the robust growth rates seen in these countries and the resilience of the manufacturing sector as a whole, especially as growth is likely to pick up again now that Greece has jumped its latest hurdle in the ongoing debt crisis."

*Including intra-eurozone trade.

-Ends-

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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 July 2015 flash was based on 94% 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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