News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 09:00 (UK Time), 1 December 2014

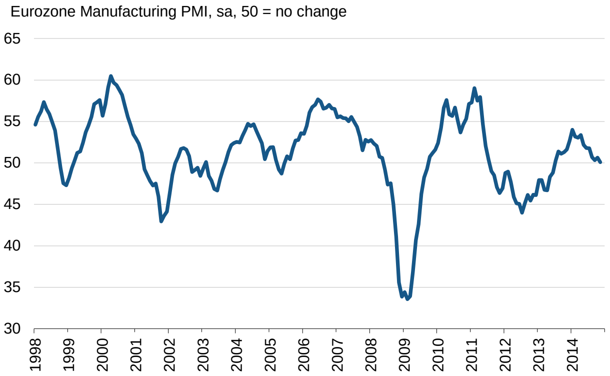
Markit Eurozone Manufacturing PMI® – final data

Eurozone manufacturing stagnates as big-three nations contract

Data collected 12-21 November.

- Final Eurozone Manufacturing PMI at 50.1 in November (October: 50.6)
- Growth in Spain, Ireland and the Netherlands offset by contractions in the big-three nations
- Input and output prices fall slightly

Manufacturing PMI® (overall business conditions)



Source: Markit.

The slowdown in the eurozone manufacturing sector continued into November, according to the latest PMI surveys from Markit. At 50.1, the final seasonally adjusted **Eurozone Manufacturing PMI®** was only slightly above the no-change level of 50.0 and below its earlier flash estimate of 50.4.

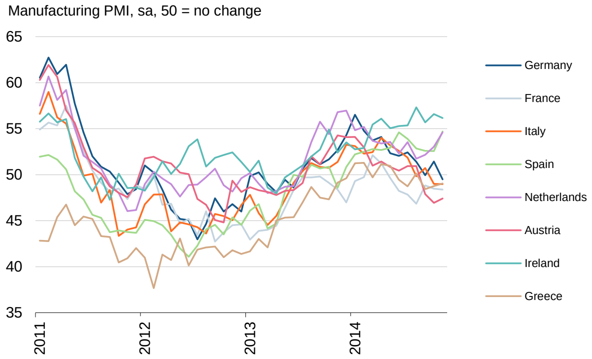
Five out of the eight nations for which data are collected reported contractions in November, the highest proportion since the current recovery in euro area manufacturing began in July last year.

Underlying the drift to near-stagnation were slower growth of output and falling levels of new business. The contraction in new work inflows was the steepest since April 2013, while the increase in new export orders* remained lacklustre.

The level of employment was also broadly flat and

Countries ranked by Manufacturing PMI®: Nov.

Ireland	56.2	2-month low
Spain	54.7	89-month high
Netherlands	54.6	9-month high
Germany	49.5 (flash 50.0)	17-month low
Greece	49.1	3-month high
Italy	49.0	Unchanged
France	48.4 (flash 47.6)	3-month low
Austria	47.4	2-month high



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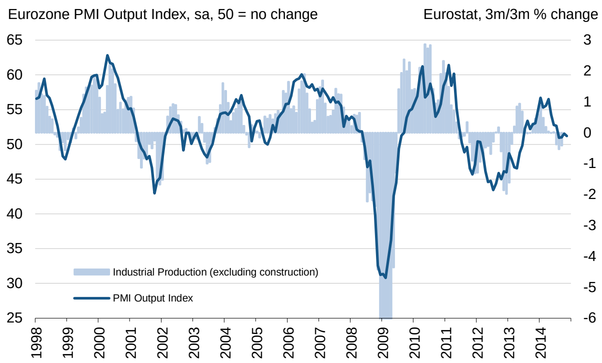

Sources: Markit, Eurostat

too weak to assist efforts to reduce the double-digit rate of unemployment in the region.

Austria and France remained at the foot of the PMI rankings in November, while Italy was third-bottom overall. All three of these nations reported lower levels of production, new orders and employment.

The Greek PMI also signalled contraction.

The German PMI slipped back below the 50.0 dividing line, albeit only marginally, to post a 17-month low. Output growth was the weakest since June 2013, as new orders fell for the third month running and to the greatest extent in almost two years. The German export engine also moved into reverse gear, with new export orders falling for the first time since July 2013.

Pockets of solid expansion were nonetheless still seen in Ireland, Spain and the Netherlands, with these nations all benefitting from marked gains in output, new business and new export orders.

The overall trend in new export orders at eurozone manufacturers remained subdued, amid signs of slower global economic expansion. Germany, France, Austria and Greece all reported reduced inflows of new export business. In contrast, Ireland, the Netherlands, Spain and Italy continued to report solid growth in new export orders.

Eurozone manufacturing employment was broadly unchanged in November, as job losses in Italy, France, Austria and Greece were offset by expanded payroll numbers in Germany, the Netherlands, Spain and Ireland. Weak demand, strong competition and spare capacity – as highlighted by declining backlogs of work – were the main factors restricting jobs growth.

Price pressures remained on the downside during November, as output charges and input costs both fell moderately for the third successive month. Only Italy reported an increase in selling prices.

Input costs fell in Germany, Spain, Austria and the Netherlands. Companies in these nations linked the latest reduction to lower prices for oil, energy, petrol, plastics, cotton, dairy products and some raw materials.

**Including intra-eurozone trade.*

Comment:

Chris Williamson, Chief Economist at Markit said:

"With the final PMI coming in below the flash reading, the situation in euro area manufacturing is worse than previously thought. Not only is the performance of the sector the worst seen since mid-2013, there is a risk that renewed rot is spreading across the region from the core. The sector has more or less stagnated since August, but we are now seeing, for the first time in nearly one-and-a-half years, the three largest economies all suffering manufacturing downturns.

"Germany's export engine has stalled, causing the steepest deterioration of new orders in the country since December 2012, and new business is also falling in both France and Italy, boding ill for production in coming months.

"Spain, Ireland and the Netherlands remain bright spots, but the worry is that these countries will, like Greece and Austria, struggle to continue to expand unless demand picks up in the region's largest member states."

-Endsmarkit®

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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 November 2014 flash was based on 82% 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 *PMI*®	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 32 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.