News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 09:00 (UK Time), 2 March 2015

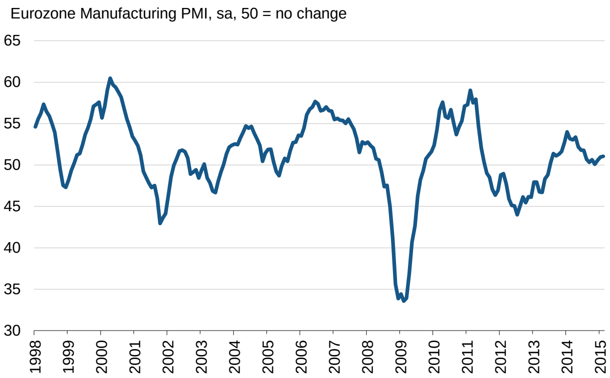
Markit Eurozone Manufacturing PMI® – final data

Eurozone manufacturing maintains modest growth in February

Data collected 12-20 February

- Final Eurozone Manufacturing PMI at 51.0 in February (Flash: 51.1, January Final:51.0)
- France falls back to bottom of euro PMI league table
- Jobs growth led by Ireland, Italy and Spain, but further cuts seen in France and Austria

Manufacturing PMI® (overall business conditions)



Source: Markit.

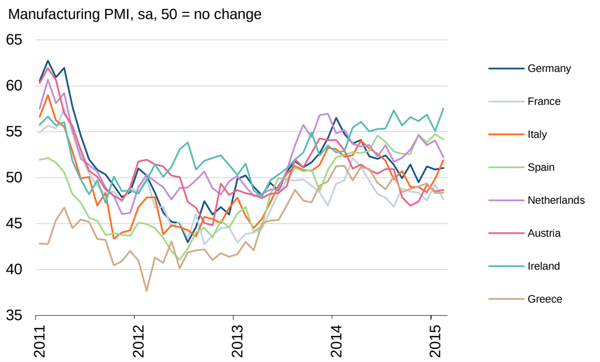
The growth rate of the eurozone manufacturing sector remained lacklustre in February. At 51.0, the final seasonally adjusted **Eurozone Manufacturing PMI®** was unchanged from January's six-month high and below the earlier flash estimate of 51.1.

The rate of expansion in manufacturing production was also the same as in the prior month, despite a slight uptick in growth of new order inflows to a seven-month high. However, the rate of increase in total new business remained only moderate, as subdued domestic market conditions offset accelerated growth in new export orders*.

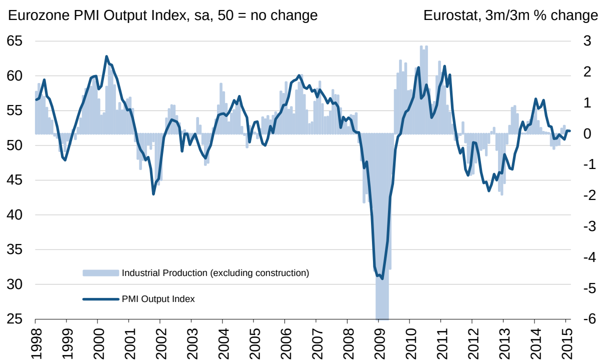
Manufacturing employment edged higher for the sixth straight month in February, with the rate of jobs growth the best during that sequence. Subsequently, backlogs of work were broadly

Countries ranked by Manufacturing PMI®: Feb.

Ireland	57.5	182-month high
Spain	54.2	2-month low
Netherlands	52.2	5-month low
Italy	51.9	7-month high
Germany	51.1 (flash 50.9)	2-month high
Austria	48.7	2-month high
Greece	48.4	2-month high
France	47.6 (flash 47.7)	2-month low



Source: Markit.



Sources: Markit, Eurostat

unchanged over the month.

Price pressures remained on the downside during February. Lower oil prices continued to filter through to costs, leading average purchase prices to decline sharply again. Indeed, the rate of deflation in average input costs was only moderately less steep than January's five-and-a-half-year record. Meanwhile, average selling prices decreased for the sixth straight month, mainly due to lower costs, subdued market conditions and rising competition.

By nation, Ireland and Spain remained the strongest performers. The Irish PMI rose to its highest in over 15 years, underpinned by accelerated growth of both new orders and production and the joint-fastest rate of job creation in the series history (matched only by May 1998 when the survey was first conducted).

Output growth in Spain slowed slightly over the month but, with new order inflows improving, companies were still encouraged to raise employment for the fourteenth straight month.

The other nations to signal improved manufacturing performances in February were Italy, Germany and the Netherlands.

All three countries reported modest growth of production. Rates of output expansion slowed in Germany and the Netherlands, although Germany registered a slight acceleration in new order growth. Output rose at the fastest pace for eight months in Italy, as new order inflows returned to growth principally led by a strong export performance.

Manufacturing employment rose only marginally in Germany and fell in the Netherlands, but grew in Italy at the quickest pace since last April.

PMI readings for France, Greece and Austria all signalled contractions in February, with France sinking back to the bottom of the eurozone PMI ranking table. These nations also reported concurrent declines in production and new orders, leading to further job losses in France and Austria.

The news on the employment front was slightly better for Greece, with workforce numbers rising for the third successive month.

**Including intra-eurozone trade.*

Comment:

Chris Williamson, Chief Economist at Markit said:

"The eurozone manufacturing sector barely expanded in February, highlighting the malaise that still hangs over the region's goods-producing economy as a whole. However, beneath the disappointing headline figure, different parts of the manufacturing economy are clearly moving at very different speeds, ranging from a Celtic boom to a Gallic slump.

"Coming months will hopefully see all countries' manufacturing sectors pick up speed, as business and consumer confidence is buoyed by ECB stimulus. The recent fall in the euro should also provide a noticeable stimulant to export sales.

"Way out in the fast lane is Ireland, where the strongest growth in 15 years is generating near-record job creation and suggests the economy continues to boom. Spain is also enjoying impressive export-led manufacturing gains, boding well for another quarter of robust economic growth in the first quarter.

"Germany, the Netherlands and Italy are meanwhile only managing to eke out mediocre rates of expansion, though in the case of Italy it is encouraging to see that growth is at least picking up, fuelled by rising exports. The sluggishness of manufacturing in Germany remains a particular concern.

"France, Greece and Austria are the slow lane stragglers, with all three seeing their manufacturing economies contract again February. France is the most worrying, not just because it trails behind all other countries, but it is also the only country seeing a steepening downturn."

-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 February 2015 flash was based on 91% 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.

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 over 3,000 people in 10 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 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.