

News Release

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 09:00 (UK Time), 29 September 2014

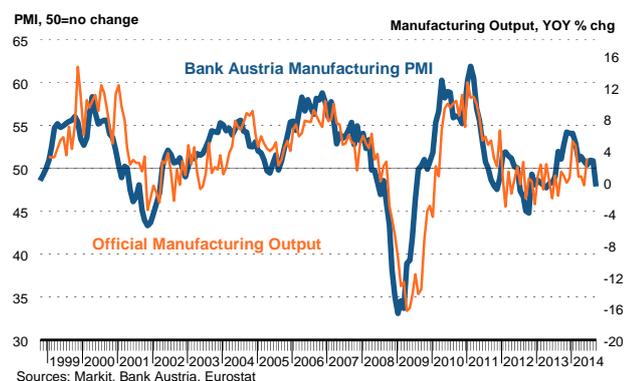
Bank Austria Manufacturing PMI[®]

Austria's manufacturing sector falls into contraction

Key points:

- Output falls for first time in 15 months amid sharp decline in new orders
- Strongest rate of job cuts in 2014 so far
- Charges fall despite further rise in input costs

Historical overview:



Summary:

Austria's goods-producing sector fell into contraction territory in September, with output and new orders both declining. Companies consequently reduced their employment levels and lowered their buying activity. Moreover, competitive pressures led to a fall in output charges despite a further rise in input costs.

September data signalled a deterioration in operating conditions at Austrian manufacturers, with the seasonally adjusted Bank Austria Manufacturing PMI[®] – a composite indicator designed to provide a single-figure snapshot of manufacturing performance – dropping below the neutral 50.0 threshold. Falling from 50.9 in August to 47.9, the latest reading was the lowest in nearly one-and-a-half years and indicative of a moderate contraction in Austria's good-producing sector.

The lower headline reading in part reflected

declines in output and new orders. Production contracted for the first time since June 2013 and new orders fell at the sharpest rate in nearly two years. Anecdotal evidence suggested that a weakening economic environment and lower demand from both domestic and export markets resulted in the declines in output and new work.

Client demand from foreign markets also weakened in September, following two months of growth. The rate of decline was the strongest in one-and-a-half years.

With output and new orders falling, there was little appetite for companies to take on additional workers. Consequently, employment declined in September, with the rate of job shedding the sharpest in 2014 so far. Meanwhile, lower new order intakes relieved some pressure on operating capacity, resulting in a drop in backlogs of work.

Input costs continued to increase in September amid reports of higher raw material prices. The rate of cost inflation eased, however, and was marginal overall.

Despite rising input costs, companies lowered their charges in response to increased price pressures and overcapacity in the market. The rate at which selling prices were reduced was the sharpest in more than four-and-a-half years.

In line with the trend for new orders, Austrian manufacturers lowered their purchasing activity in September. The rate of contraction accelerated and was the sharpest in nearly two years. A lack of new business was also the main reason for the latest drop in stocks of purchases. Meanwhile, stocks of finished goods rose for a fifth month running.

As has been the case since August 2013, vendor performance deteriorated during September. The rate at which suppliers' delivery times lengthened slowed, however, and was the weakest in 11 months.

For further information, please contact:**Markit**

Oliver Kolodseike, Economist
Telephone +44-1491-461-003
Email oliver.kolodseike@markit.com

Joanna Vickers, Corporate Communications
Telephone: +44 207-260-2234
Email: joanna.vickers@markit.com

Notes to Editors:

The Bank Austria Manufacturing *PMI*[®] is based on data compiled from monthly replies to questionnaires sent to purchasing executives in 300 industrial companies. The panel is stratified geographically and by Standard Industrial Classification (SIC) group, based on industry contribution to GDP.

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. All data are seasonally adjusted.

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 Bank Austria Manufacturing *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 *PMI* is designed to show a convenient single-figure summary of the health of the manufacturing sector.

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.

The intellectual property rights to the Bank Austria Manufacturing *PMI* provided herein are owned by or licensed to Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index*[®] and *PMI*[®] are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Bank Austria use the above marks under license. Markit is a registered trade mark of Markit Group Limited.