

News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 08:00 (UK Time), August 3 2015

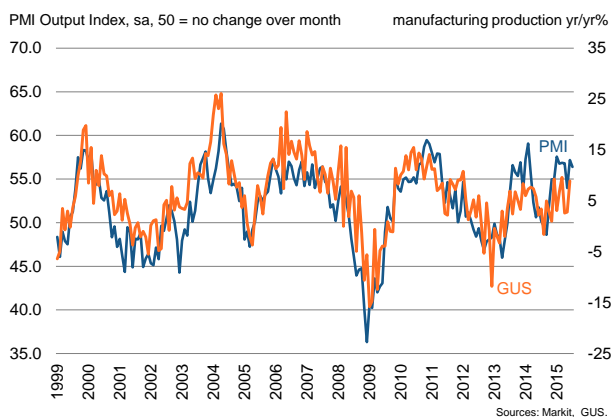
Markit Poland Manufacturing PMI®

Polish manufacturing conditions continue to improve strongly

Key points:

- Headline PMI rises to four-month high of 54.5
- Output prices increase for first time since June 2012
- Fastest growth in new export orders since February 2014

Historical overview:



Summary:

Growth momentum in the Polish manufacturing economy continued to strengthen following a soft patch in May, according to *PMI®* survey data from Markit. New order growth accelerated to a five-month high, generating further marked increases in both output and employment. New export business rose at the fastest rate in nearly a year-and-a-half, and firms increased their prices for the first time since June 2012.

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 rose for the second month running in July, reaching 54.5, from 54.3 in June. That was the highest since March and greater than the average over the current ten-month sequence of positive readings (53.8). The latest figure indicated a further strong overall improvement in manufacturing business conditions in Poland, with all five components of the PMI having positive contributions to the headline figure. In comparison, since the survey began in June 1998 the PMI has averaged 50.3.

Manufacturing new orders in Poland rose for the tenth consecutive month in July. The rate of expansion accelerated to a five-month high, and remained stronger than the long-run survey average. Growth was supported by both domestic and export demand, with the latter rising at the fastest pace since February 2014.

Production also rose for the tenth successive month in July. In contrast to new order expansion, the rate of output growth eased slightly from June's recent peak, but nevertheless remained marked overall and sufficiently strong to generate a fall in backlogs of work for the fifth consecutive month.

Polish goods producers expanded their workforces in July, extending the current sequence of job creation to two years. Moreover, the rate of growth strengthened since June, and was the fourth-fastest in the survey history.

Both pre- and post-production inventories expanded during July. The rise in input stocks was the fifth in 2015 so far, and occurred despite a slower increase in purchasing activity.

Prices charged for manufactured goods rose for the first time since June 2012. That said, the rate of inflation was only marginal and overall price pressures remained subdued, as signalled by a weaker increase in input prices.

Comment:

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

“The Polish manufacturing sector continued to rebound in July from a soft patch in May, with the PMI signaling the best overall improvement since March. A slightly weaker rise in output during the month was countered by stronger increases in both new orders and employment. The PMI data suggest

that June’s official 8.9% year-on-year rise in manufacturing output will be broadly sustained at the start of Q3. The survey also pointed to the first rise in manufacturers’ prices since mid-2012, albeit at a weak rate.”

-Ends-

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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 Standard Industrial Classification (SIC) group, based on the 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.

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

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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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