

News Release

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
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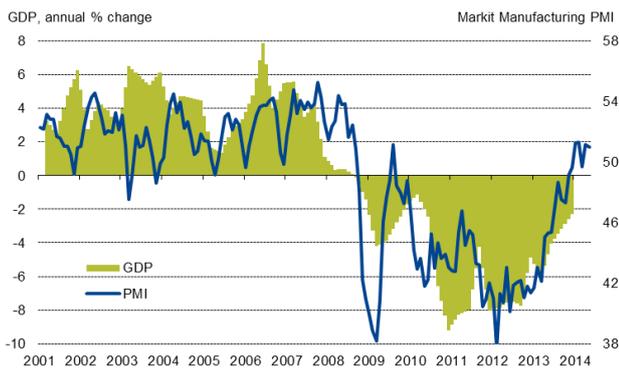
Markit Greece Manufacturing PMI[®]

PMI in growth territory for second straight month

Key points:

- PMI above 50.0 as output and new orders continue to expand
- Slight increase in new export orders
- Input prices rise for first time in four months

Historical overview:



Sources: Markit, National Statistical Service of Greece.

Summary:

Output at Greek factories continued to expand in May, as new order growth drove production levels higher for a seventh straight month. There were also slight increases in employment and purchasing activity on the back of the upturn in workloads. Charges fell further amid strong competitive pressures, while input prices rose slightly and for the first time since January.

Signalling a further improvement in overall business conditions within the Greek manufacturing sector, the seasonally adjusted Markit Greece Manufacturing *Purchasing Managers' Index[®]* (PMI[®]) registered at 51.0 in May, little-changed from April's reading of 51.1.

Production levels at Greek manufacturers rose again in May, expanding at a rate that was slightly slower than in April but solid nonetheless. Growth was recorded for both consumer and intermediate goods output, though investment goods production decreased further on the month.

Underlying the overall increase in factory output was another solid rise in the level of new orders placed with manufacturers. May's increase in incoming new work was the sixth in successive months and supported by a return to growth in exports sales, which rose slightly after two consecutive months of decline.

Output levels increased at a slightly faster rate than inflows of new orders, the disparity partly a reflection of continued progress on outstanding business which decreased to the greatest extent since last October.

Manufacturers were encouraged to raise their buying levels on the back of sustained growth in production and new orders. The increase in the quantity of items purchased, albeit only slight, was just the second in the past 57 months after a brief uptick in February. Stocks of purchases nevertheless fell as output growth outstripped that of buying.

May meanwhile saw a fractional increase in employment at manufacturers, marking the first back-to-back net staff gains since the end of 2007. The rate of job creation was slower than in April, however.

Where firms did continue to streamline was on the post-production inventories front. Finished goods stocks fell at the slowest pace since January, but one that was nevertheless marked in the context of historical survey data.

May data showed a modest rise in manufacturers' average purchase prices, the first record of cost inflation in four months. Raw materials, such as glass and plastic, were reported as up in price by panel members. The time taken for suppliers to deliver purchased items meanwhile increased slightly.

Strong competitive pressures forced goods producers to absorb the burden of higher input prices. In fact, average charges decreased at a solid rate that was only slightly slower than that registered in April.

Comment:

Phil Smith, Economist at Markit which compiles the Greece Manufacturing PMI[®] survey, said:

“The PMI remained on the right side of the 50.0 mark in May, signalling steady albeit unspectacular growth at factories. A better performance on the export front aided increased sales in the domestic market, with the resulting overall pick-up in new orders leading firms to raise production levels as well as employment. For the current pace of output growth to be maintained, however, the data suggest the need for a further strengthening of underlying demand, as production in May was to some degree supported by progress on backlogs of work and discounting was still being widely used to retain business.”

-Ends-

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Notes to Editors:

The Greece Manufacturing PMI[®] (*Purchasing Managers' Index*[®]) is produced by Markit Economics. The report features original survey data collected from a representative panel of around 350 companies based in the Greek 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.

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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.

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