

News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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Markit Eurozone Manufacturing PMI® – final data

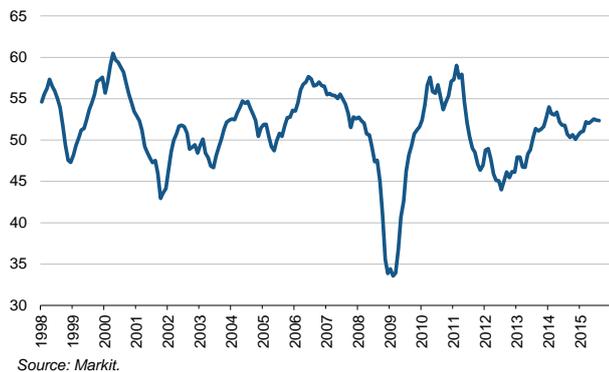
Manufacturing employment rises at fastest pace in four years

Data collected 12-21 August

- Final Eurozone Manufacturing PMI at 52.3 in August (Flash: 52.4, July Final: 52.4)
- Output growth accelerates in Germany and Spain; France and Greece contract further
- Input costs fall for first time in six months

Manufacturing PMI® (overall business conditions)

Eurozone Manufacturing PMI, sa, 50 = no change



August data signalled a further expansion of the eurozone manufacturing sector, as continued growth in Germany, Italy, Spain, the Netherlands, Austria and Ireland offset the ongoing contractions in France and Greece.

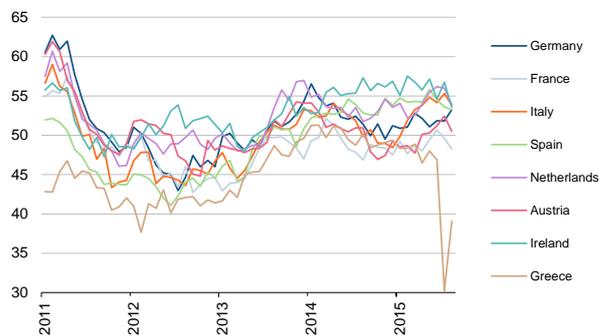
At 52.3 in August, the final seasonally adjusted **Eurozone Manufacturing PMI®** was only a shade below its earlier flash estimate and July's final posting (both 52.4). The average PMI reading so far in the third quarter (52.4) is, however, slightly above that for quarter two (52.3).

Eurozone manufacturers reported further solid expansions of production and new business, with rates of increase improving to the quickest since May 2014 and April 2014 respectively. Demand improved in both domestic and export markets*, as highlighted by a solid and accelerated increase

Countries ranked by Manufacturing PMI®: August

Netherlands	53.9	5-month low
Italy	53.8	4-month low
Ireland	53.6	18-month low
Germany	53.3 (flash: 53.2)	16-month high
Spain	53.2	10-month low
Austria	50.5	3-month low
France	48.3 (flash: 48.6)	4-month low
Greece	39.1	2-month high

Manufacturing PMI, sa, 50 = no change



Eurozone PMI Output Index, sa, 50 = no change



in new export business.

This supported further job creation, as companies raised employment at the quickest pace in four years. Increases in staffing also reflected rising pressure on capacity. Backlogs of work rose for the

fourth month running, and to the greatest extent since April of last year.

National survey data signalled that only one nation, Germany, saw improved rates of expansion for both production and new orders. This was underpinned by the fastest expansion of new export business in one-and-a-half years and the steepest job creation since January 2012.

Output growth also improved in Spain, despite slower increases in both new orders and new export business. Italy, the Netherlands, Austria and Ireland also all registered higher levels of production and new orders, although rates of expansion were slower across the board. Employment rose in Italy, Spain, the Netherlands and Ireland, but fell slightly in Austria.

The weakest performer remained Greece. Greek manufacturers continued to report steep reductions in output, new orders, new export business and employment, but the rates of contraction all slowed sharply from the multi-year and record rates signalled in July. France reported accelerated falls in output, new orders and employment.

Average output prices at eurozone manufacturers rose slightly for the fourth time in the past five months in August. Selling prices increased in Germany, Italy and the Netherlands, but were lowered in the other nations covered by the survey.

In contrast, average input costs fell for the first time in six months, mainly centred on Germany and Italy – with Germany in particular reporting lower energy prices. Although all of the other nations covered by the survey reported increased purchasing costs, rates of inflation were slower than in July.

**Including intra-eurozone trade.*

Comment:

Rob Dobson, Senior Economist at Markit said:

“The eurozone manufacturing sector showed continued resilience in August, with output growth and inflows of new business both strengthening. Based on the historical relationship, the PMI is tracking at somewhere close to a 2% annualised increase in industrial production so far in the third quarter, a modest gain but still representing a positive step forward.”

“The job numbers are also looking more positive, with employment rising at the fastest pace in four years. On the inflation front, lower oil prices led to the first dip in input costs since February, while selling prices remained close to stagnation.

“By nation, the Netherlands, Italy and Ireland remained the most impressive performers. Although there were signs of manufacturing growth cooling in these countries, this was largely offset by a solid acceleration in Germany, suggesting that the region’s industrial powerhouse is taking on more of the growth strain.

“Given the ongoing situation in Greece it was not surprising to see that nation’s manufacturing sector register a further sharp downturn, although a sharp slowing in the rate of contraction raises hopes that the lowest point has been passed. The French industrial sector also remains in the doldrums and is likely to continue to act as a drag on the broader French economy.

“While there remain pockets of strength in a number of national domestic markets, August also saw signs of that being matched by a step up in export demand. Export order inflows rose at a faster pace, although we will have to wait and see if recent concerns regarding a slowdown in China filter through to the figures in coming months.”

-Ends-

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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 August 2015 flash was based on 93% 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 <i>PMI</i> [®]	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 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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