

News Release

MARKET SENSITIVE INFORMATION
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Markit Eurozone Manufacturing PMI™ – final data

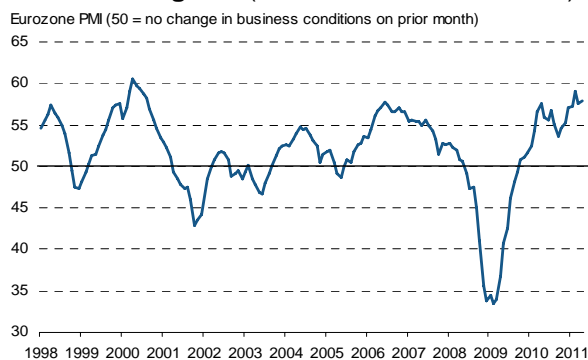
Germany leads Eurozone manufacturing’s best start to the year since 2000, but Greece contracts and Spain slides towards stagnation

- Final Manufacturing PMI beats flash estimate to show second-highest reading since mid-2000.
- Core and periphery divergence widens.
- Output price inflation at near-record high.

Manufacturing on course for best year of growth since 2000

The final **Markit Eurozone Manufacturing PMI™** for April showed the second-strongest pace of expansion since August 2000, the latest reading surpassed only by February’s near-record high. The PMI rose to 58.0, up from 57.5 in March and above the flash estimate of 57.7. The April reading was also marginally above the Q1 average of 57.9, signalling the best start to a year since 2000.

Manufacturing PMI (overall business conditions)

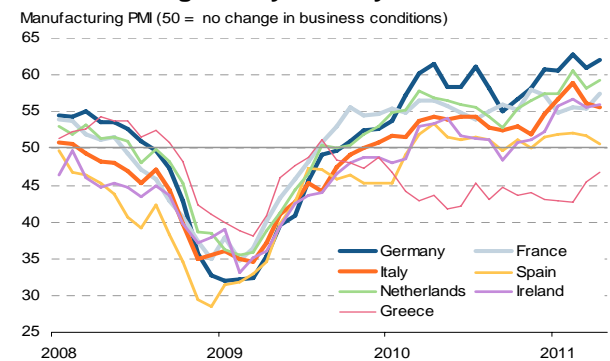


Growth led by Germany...while Spain slides closer to stagnation and Greece contracts

Looking at the PMI data by country, Germany, the Netherlands and France led the national rankings, with indices rising in all three cases. Greece was the only nation to report a sub-50 reading, which signals contraction, although the PMI for Spain slipped closer to the 50 no-change level. Ireland, Austria and Italy, on the other hand, continued to expand at

robust rates.

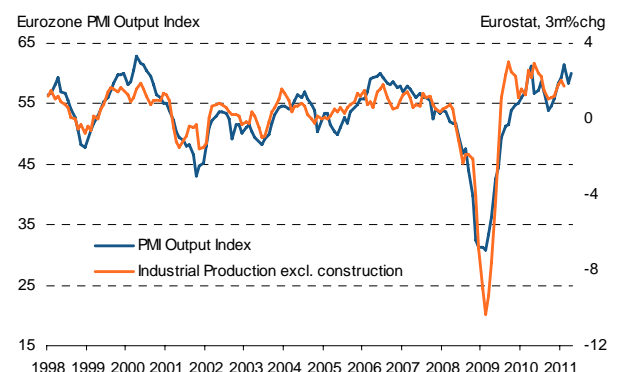
Manufacturing PMI by country



Output surges

The euro area PMI was boosted by output and new orders both rising slightly faster than indicated by the flash estimates. An acceleration in the rate of increase of output – to one of the fastest seen during the past ten years – contrasted, however, with a slight easing in growth of new orders. Although still strong by historical standards, orders rose at the weakest pace since November, suggesting that production growth may slow in coming months. A further strong increase in new export orders was also seen, though down on the flash reading.

Manufacturing output



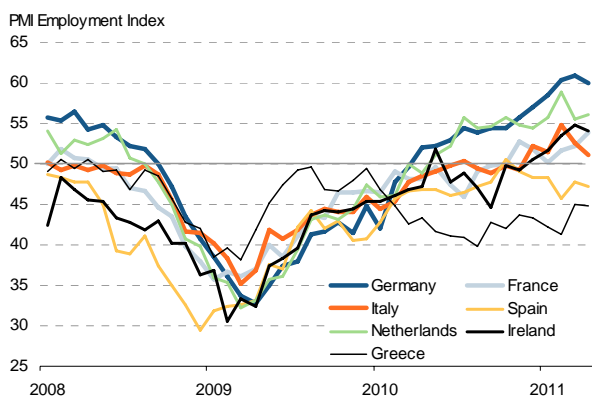
The order book data also suggest that the divergent national performances were to a large extent driven by domestic demand conditions as, with the exception of Greece, all countries saw robust growth of new export orders.

Job creation close to decade-high

The buoyancy of the PMI in April also reflected the rate of job creation picking up to a pace close to February's ten-and-a-half year high, as firms sought to deal with rising backlogs of work.

Job creation was led by Germany, followed by Austria, the Netherlands, Ireland and France. But further job losses were seen in Spain and Greece, and job creation slowed to a near standstill in Italy.

Employment by country



Input stock building nears record-high

The PMI was also boosted by inventory building. Stocks of inputs showed the joint-largest monthly rise for thirteen years, attributable to both rising production requirements and, in some cases, the purchasing of safety stocks as a precaution against potential supply shortages or price hikes. The incidence of supply chain delays rose to close to a survey record high, linked to strong global demand for inputs as well as the disruption to supply chains caused by the earthquake in Japan. Germany saw the highest incidence of delays, with delivery times showing the greatest lengthening since the survey began in 1997.

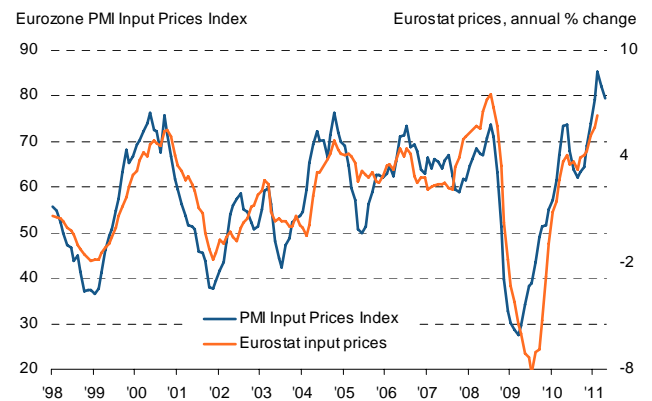
The increase in stock holdings was most evident in the Netherlands, which saw a record increase, followed by near-record rises in Germany and France.

Output price inflation remained close to series peak, despite slower input cost rises

Average charges rose for the thirteenth month running in April, and at a rate close to March's survey record high. Greece was the only nation to report lower average selling prices, though rates of inflation eased in all other countries with the notable exception of Germany. The steepest rates of increase were seen in France and the Netherlands.

The near-record increase in selling prices occurred despite input price inflation easing for the second month running. Although still elevated, reflecting high oil prices in particular, the rise was the weakest so far this year. Rates of increase eased across all countries.

Manufacturing input prices



Comment:

Chris Williamson, Chief Economist at Markit said:

"Eurozone manufacturers reported that the growth surge continued into April, meaning 2011 has so far seen the best start to a year since the dot-com boom of 2000. April also saw the third-highest rate of job creation over the past decade, which should hopefully filter through to improved consumer confidence and spending in coming months.

"The two disappointments were the near-record increase in manufacturers' selling prices, which will fuel inflationary concerns among policymakers, and the growing divergence between the performances of the core and periphery. The slide towards stagnation in Spain is particularly worrying, as slow growth will add to worries about the government's budget deficit reduction plan."

-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 90% 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 April flash was based on 89% 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.

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About PMIs

Now available for 26 countries and key regions including the Eurozone and BRIC, Purchasing Managers' Indexes™ (PMIs™) have become 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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