News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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Markit Flash U.S. Manufacturing PMI™

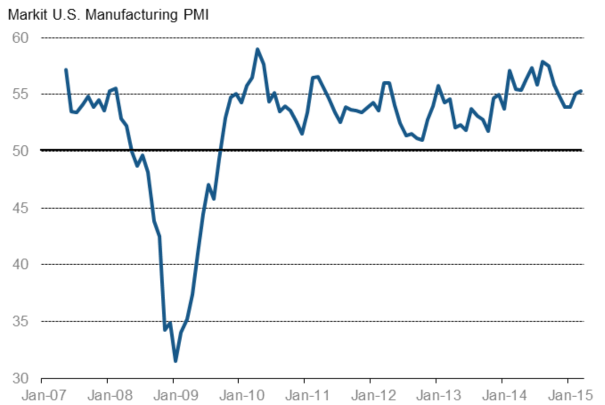
U.S. Manufacturing PMI hits five-month high in March

Key points:

- Sharpest rise in output since September 2014
- New orders increase at fastest pace for five months, despite modest fall in export sales
- Manufacturing job creation accelerates in March
- Input costs decrease for third month in a row

Data collected 12 – 23 March 2015.

Markit U.S. Manufacturing PMI (seasonally adjusted)



Source: Markit.

U.S. manufacturers indicated a strong end to the first quarter of 2015, with output, new business and employment all rising at an accelerated pace in March. As a result, the seasonally adjusted **Markit Flash U.S. Manufacturing *Purchasing Managers' Index*™ (*PMI*™)**[1] picked up to 55.3 in March, up from 55.1 in February and well above the neutral 50.0 threshold. The latest reading signalled the strongest overall improvement in manufacturing business conditions since October 2014.

March data pointed to a steep expansion of manufacturing production volumes, with the latest upturn the fastest for six months. Anecdotal evidence cited improving demand from domestic clients, successful new product launches and, in some cases, a catch-up effect following disruptions related to adverse weather earlier in the year.

Manufacturing new order levels increased at a robust and accelerated pace in March, driven by improving economic conditions and positive overall spending patterns among clients. The latest rise in incoming new work was the fastest for five months, but still less marked than the average for 2014 as a whole. Some manufacturers commented that weak demand from clients in the oil industry remained a factor weighing on new business gains, while a number of firms also pointed to softer export sales.

The latest survey indicated a decline in new work from abroad for the first time in four months, which survey respondents mainly linked to competitive pressures and the impact of the strong dollar/euro exchange rate.

Resurgent output and new business growth contributed to a further upturn in manufacturing payroll numbers during March. Higher levels of employment have now been recorded for 21 months in a row, and the latest increase was the fastest since last November. Additional staff hiring also reflected renewed pressures on operating capacity, as highlighted by the sharpest rise in backlogs of work for six months in March.

Average cost burdens decreased for the third month running in March, to signal the longest continuous period of falling input prices since mid-2009. As a result, factory gate charges increased at the joint-slowest rate since August 2012.

Manufacturers indicated another lengthening of suppliers' lead-times. However, the latest deterioration in vendor performance was less marked than the 12-month low recorded in February. Some manufacturers noted that disruptions related to adverse weather and U.S. west coast port strikes had started to diminish.

Meanwhile, manufacturers continued to boost their input buying and inventory levels in March, which

[1] Please note that Markit's PMI data, flash and final, are derived from information collected by Markit from a different panel of companies to those that participate in the ISM Report on Business. No information from the ISM survey is used in the production of Markit's PMI.

survey respondents linked to rising production schedules and a positive outlook for overall client demand.

Comment:

Commenting on the flash PMI data, **Chris Williamson, Chief Economist at Markit** said:

"Manufacturing regained further momentum from the slowdown seen at the turn of the year, with output, new orders and employment growth all accelerating in March.

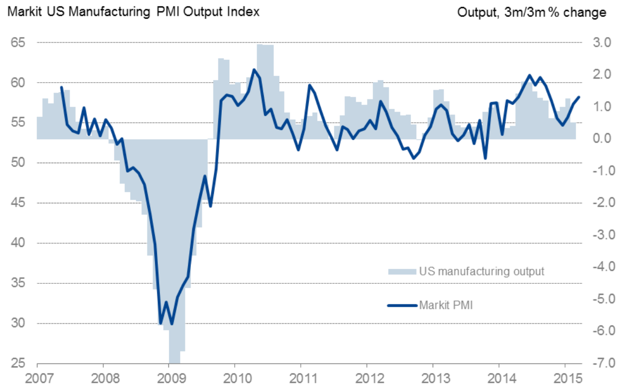
"While economic growth looks set to disappoint again in the first quarter, with GDP set to rise by a rate perhaps slightly below the 2.2% expansion seen in the fourth quarter of last year, the upturn in order books in particular gives some reassurance that the pace of economic growth is likely to pick up as we move towards the summer.

"However, the rate of expansion in manufacturing clearly remains well below the peaks seen last year, which is largely the result of exporters struggling in the face of a strong dollar. The March survey showed exports dropping for the first since November.

"But the appreciation of the dollar is not all bad news. The greenback's strength is lowering import prices, which in turned helped drive down manufacturing costs at one of the fastest rates since mid-2012. Lower inflationary pressures should help keep interest rates low for longer."

-Ends-

Manufacturing output



Sources: Markit, U.S. Federal Reserve.

Manufacturing employment

Sources: Markit, Bureau of Labor Statistics.

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Note to Editors:

Final March data are published on 1 April 2015.

Markit originally began collecting monthly *Purchasing Managers' Index*™ *(PMI*™) data in the U.S. in April 2004, initially from a panel of manufacturers in the U.S. electronics goods producing sector. In May 2007, Markit's U.S. PMI research was extended out to cover producers of metal goods. In October 2009, Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. Back data for Markit's U.S. Manufacturing PMI between May 2007 and September 2009 are an aggregation of data collected from producers of electronic goods and metal goods producers, while data from October 2009 are based on data collected from a panel representing the entire U.S. manufacturing economy. Markit's total U.S. Manufacturing PMI survey panel comprises over 600 companies.

The flash estimate is typically based on approximately 85%–90% of total *PMI* survey responses each month and is designed to provide an accurate advance indication of the final *PMI* data.

The panel is stratified by North American Industrial Classification System (NAICS) group and company size, based on industry contribution to U.S. 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 indictors 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'.

The *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, Stocks of Items Purchased – 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

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.

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 3,500 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.