News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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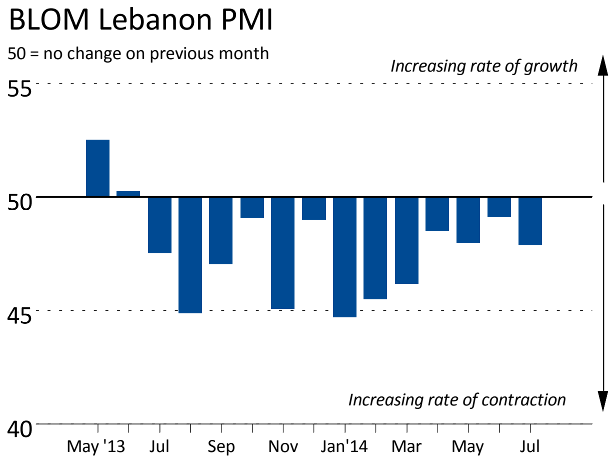
BLOM Lebanon PMI™

PMI at four-month low, signals faster contraction in private sector economy

Data collected 11-25 July

- ***Sharper declines in output and new orders recorded***
- ***Staffing levels broadly unchanged***
- ***Renewed decline in output prices***



This report contains the tenth public release of data collected from the new monthly survey of business conditions in the Lebanese private sector. The survey, sponsored by Blominvest Bank and compiled by Markit, has been conducted since May 2013 and provides an early indication of operating conditions in Lebanon. The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI™).

The PMI is a composite index, calculated as a weighted average of five individual sub-components: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

July saw the headline seasonally adjusted BLOM Lebanon PMI™ fall to a four-month low 47.9 from 49.1 in June, signalling a sharper deterioration in overall business conditions in Lebanon's private sector economy. The headline index has now posted below the neutral 50.0 mark for 13 months in a row.

Commenting July's results, Mr Marwan Mikhael, Head of Research at Blominvest Bank, said:

"The worsening of the PMI in July, an indication of an increasing rate of economic contraction, was the result of the security incidents that took place in the second half of June, in addition to the political deadlock regarding the presidential elections. Output and new orders were the main drivers of the PMI decline. Despite that some economic indicators improved compared to last year and to the previous month such as real estate transactions and capital inflows, the economic performance seems to remain tilted to the downside."

The main findings of the July survey were as follows:

Political uncertainty and security issues continued to dampen market demand during July, contributing to further contractions in the amount of new work placed with businesses and overall output levels. Furthermore, rates of contraction accelerated on both fronts, with the latest decrease in new orders the most marked since March. There was also a decrease in new export orders in the Lebanese private sector, the third in as many months.

Employment levels were broadly unchanged in July following a rise during the previous month when the downturn had showed signs of easing. A decrease in outstanding business suggested that staffing levels were more than sufficient to cope with the current levels of demand faced by businesses.

While payrolls were kept largely unchanged, businesses reduced their purchasing in accordance with lower workloads. The degree to which buying levels dropped was only slight, however, leading to a rise in inventories as sales fell at a comparatively faster rate. The decrease in purchasing activity, albeit only slight, meanwhile contributed to a marginal improvement in suppliers' delivery times.

July's survey showed a decrease in output prices for the sixth time in the past seven months, with the latest fall the sharpest since April and offsetting a modest rise in June. Firms reported having lowered charges in order to encourage sales.

Providing businesses with the scope to reduce their selling prices were low cost pressures. Overall input price inflation ticked up since June but remained muted, with lower staffing costs negating some the impact of modestly higher purchase prices.

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Note to Editors:

The BLOM Lebanon Purchasing Managers' Index™ is based on data compiled from monthly replies to questionnaires sent to purchasing executives in approximately 400 private sector companies, which have been carefully selected to accurately represent the true structure of the Lebanese economy, including manufacturing, services, construction and retail. The panel is stratified by Standard Industrial Classification (SIC) group, based on 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'.

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, Stock 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 BLOMINVEST BANK

BLOMINVEST BANK, established in 1994, is the investment arm of BLOM Bank SAL, one of the largest banks in Lebanon. As part of its expansionary vision towards the MENA region, the bank has established one investment arm in Saudi Arabia, "BLOMINVEST KSA" and launched three brokerage and trading firms in Egypt, Syria, and Jordan, namely "BLOM Bank Egypt Securities", "Syria and Overseas for Financial Services", and "Financial Services Experts Company". BLOMINVEST BANK is one of few institutions within the greater Levant region that offer Private banking, Investment banking, Asset Management, Brokerage, and Research services under one roof. Based on its track record, BLOMINVEST BANK to date remains the most awarded local investment bank. For more information, see www.blominvestbank.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 3,000 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.