News Release

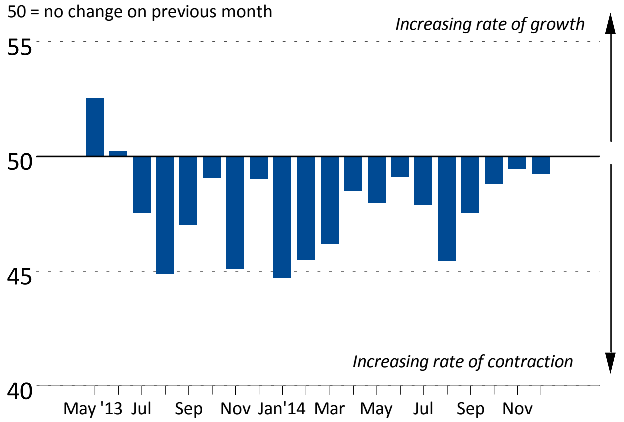
Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 11:00 (BEIRUT), 7th January 2015

BLOM Lebanon PMI™

Private sector economy continues to contract at modest rate

Data collected 4-17 December

- ***Further slight falls in output and new orders***
- ***Employment returns to contraction, falling marginally***
- ***Some relief for businesses on costs front***



This report contains the fifteenth public release of data collected from the 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.

The headline BLOM Lebanon PMI slid slightly lower to 49.3 in December, from November's 17-month high 49.5, signalling a further modest deterioration of business conditions in Lebanon's private sector economy. Nevertheless, at 49.2, the average for the final quarter as a whole was the best since Q2 2013*.

** Data only available for May and June 2013.*

Commenting on December's results, Dr Ali Bolbol, Economic Advisor at BLOMINVEST BANK, said:

"The year 2014 did not end on a happy note for the Lebanese economy, for the PMI fell slightly to 49.3 in December, driven by marginal falls in output, new orders, and employment. Trend-wise, however, the news is more encouraging. The average PMI for the last quarter of 2014 stood at 49.2, the highest since the second quarter of 2013. This could bode well for the coming year, setting the stage hopefully for a long-delayed economic recovery underpinned by political reconciliation and stability."

The main findings of December's survey were as follows:

Private sector output fell at a modest rate that was similar to that recorded in November. The trend in total new work at businesses echoed this. On the export front, new order inflows were stable after having grown slightly in November.

The recent upturn in employment as signalled by PMI data ended in December, with companies reducing their staffing numbers marginally on average for the first time in four months.

December's survey meanwhile signalled broadly no change in companies' purchasing activity, leading stocks of purchases to accumulate as a result of the concurrent fall in output. The rise in pre-production inventories was the fourth in successive months, albeit marginal.

Reflective of little change in buying levels among businesses, delivery times of purchased items were broadly stable during December. This ended a three-month sequence of lengthening lead times. Prices paid for purchases meanwhile decreased slightly.

Elsewhere on the cost side, average labour costs also fell fractionally in December following two months of modest inflation. Combined with the reduction in purchasing costs, this led overall input prices to decrease for the first time since August.

This lack of cost pressure, alongside faltering sales, encouraged businesses to further reduce their output prices during December, thereby extending the current sequence of decline to six months. The rate at which charges fell was only modest, however.

-Ends-

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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.