

News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 11:00 (BEIRUT), JULY 3rd 2015

BLOM Lebanon PMI™

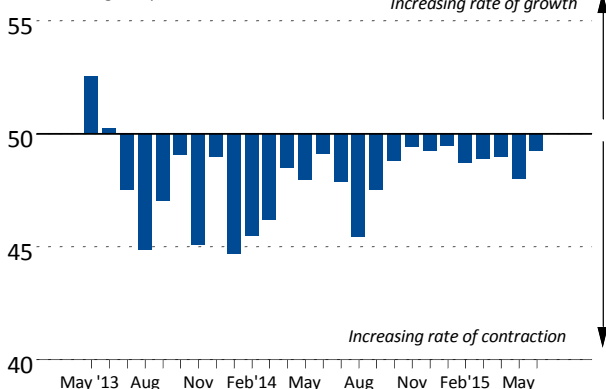
Downturn in private sector economy slows in June

Data collected 12-24 June

- **Headline PMI rises to five-month high, but remains in contraction territory**
- **Total new business falls at slower rate as new exports orders edge higher**
- **Output charges down for third month running**

BLOM Lebanon PMI

50 = no change on previous month



This report contains the twenty-first 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.

At 49.3 in June, up from 48.0 in May, the headline seasonally adjusted BLOM Lebanon PMI posted its highest reading for five months, pointing to a modest and slower deterioration in overall business conditions.

Commenting on June's PMI results, Maya Mantach, Head of Equities at BLOMINVEST Bank, said:

"The performance of most Lebanese sectors seems to be oscillating within a narrow range. In that small corridor, export orders remained on the rise in June for the second consecutive month and job creation picked up. It appears that the lower costs borne by the private sector following the decrease in their purchasing prices have benefited employment both in terms of level and salaries. The increases shown by the PMI data may be minimal, but their sustainability has become crucial in determining the viability of the private sector's adaptive practices."

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

The rise in the headline index was partly a reflection of a slower fall in business activity in June. Easing from a solid pace of decline in May, output decreased only modestly and at a much slower rate than the average recorded over the current 25-month sequence of contraction.

The downturn in new orders received by companies in Lebanon's private sector economy also eased in June. A second straight monthly rise in new export orders (albeit only marginal) indeed helped support work inflows.

June's survey also showed an increase in employment for the second time in as many months. The rate of job creation picked up to the fastest since September last year, though remained modest.

In line with lower requirements on the output front, businesses' purchases of inputs decreased for the fourth time in five months in June. The extent of the reduction in buying levels was only marginal, however, and stocks of purchases rose slightly.

The average time taken for suppliers to deliver purchased items shortened in June, with the degree of improvement in vendor performance the most marked since August 2014. That reversed the slight increase in lead times seen in the prior month.

On the price front, June saw a third consecutive monthly fall in average charges set by businesses. The rate of decline in output prices was only marginal, however, and the weakest in this sequence.

Average costs meanwhile dropped slightly for the first time since March, partly reflecting lower average prices paid for purchases. Staff pay, on the other hand, rose marginally on the month.

-Ends-

For further information, please contact:

BLOMINVEST Bank:

Marwan Mikhael, Head of Research
 Telephone +961-173-7247
 Fax +961-175-1953
 Email marwan.mikhael@blominvestbank.com

Markit:

Phil Smith, Economist
 Telephone +44-1491-461-009
 Email phil.smith@markit.com

Joanna Vickers, Corporate Communications
 Telephone +44-207-260-2234
 Email joanna.vickers@markit.com

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 3,500 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 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.

The intellectual property rights to the BLOM Lebanon PMI™ provided herein are owned by or licensed to Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trademarks of Markit Economics Limited or licensed to Markit Economics Limited. BLOMINVEST Bank use the above marks under licence. Markit is a registered trademark of Markit Group Limited.