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ANALYSING THE ANALYSTS

- CM-CIC SECURITIES AND NATEXIS SHARE THE HONOURS IN AQ RESEARCH FRANCE YEARBOOK-

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London, 16 July, 2006 — AQ Research, the independent research analysis firm, today publishes its first ever review of the accuracy of recommendations in relation to companies in Korea. The AQ Korea Research Yearbook 2006 evaluates the performance of Buy/Hold/Sell recommendations on absolute and relative bases in the 12 months ending March 31, 2006. The report examines research from 26 houses covering at least one of the 390 Korean companies tracked in the AQ Research database. The report is published in cooperation with Korea Information Service Inc.

“The Korean market was one of the success stories of 2005 and nearly every house in our analysis ended with a positive score,” says AQ Research Asia managing director Iain Reed. “The growing popularity of the market means that there is more demand for research from foreign investors as well as domestic investors. The best research houses will be those which can satisfy the needs of both groups. We chose Korea as the subject for our first detailed look at Asia precisely because of the highly competitive research market”.

Highlights of the analysis are as follows:-

- The overall winner for recommendations performance was **CJ Securities**, which had the best average score for recommendations and also the highest “hit rate” amongst houses qualifying for the overall results (by virtue of covering a minimum of 15% of the stocks in the report). CJ Securities also had the best average score for recommendations on the KOSDAQ and in the autos, banks, chemicals, technology and telecoms sectors. CJ Securities and **Daewoo Securities** were each top on 36 individual companies.
- The best average score for recommendations on the KOSPI went to **GoodMorning Shinhan**, which was also the best in the Industrial Goods sector (the largest in the report) and in the Health sector. GoodMorning Shinhan was also second overall for average recommendations performance and was top on 28 individual stocks.
- The best individual analyst in the report was **Colin Davis**, from the Seoul office of **ABN AMRO**, who picked insurance stocks which gained significantly during 2005. ABN AMRO also had a high hit rate with its recommendations (71.74%). The runner-up among individual analysts was **Min Hee Lee** of CJ Securities, who was top on market heavyweight Samsung Electronics.

- The highest placed of the global houses in the report was **Macquarie Equities**, which finished second on the hit rate measure and fourth on average recommendations performance. **Meritz Securities** finished third on the overall average recommendations score and also came top in the basic resources, financial services and personal & household sectors.
- The most rewarding stock in the report was **Uju Electronics**, which analysts rated unanimously as a buy and which performed strongly.
- The most widely analysed stocks in the report were **SK Telecom** and **Samsung Electronics**, both of which were analysed by 22 analysts.

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Korea Research Yearbook 2006:

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Notes to Editor:

About AQ Research

AQ Research provides quantitative analysis of analysts' recommendations and eps forecasts, using data obtained from the broking houses involved. AQ has been analysing the accuracy of eps forecasts since 1998 and began publishing its RQ series of reports in 2003. In addition, it provides detailed analysis of the accuracy of research in specific national markets in a series of dedicated country reports. Its first Asian report appeared in 2004 and its first US report is due later this year.

'RQ' Methodology

AQ scores each research houses differently, depending on whether they have absolute or relative recommendations. The period over which we are examining recommendations in this report is the 12 months to 28 April, 2006. Each recommendation made during this period is assessed over its "lifetime" (i.e. until it is changed).

Analysts are scored on the basis of the percentage share price movement (+ or -) during the lifetime of a particular recommendation. Those with absolute recommendations are measured on the basis of the percentage change in the share price during the lifetime of the recommendation, while those with relative recommendations are measured on the price movement relative to the price of the relevant index. This the SBF 120 index for those houses which make recommendations on an index relative basis. Or it is a sector index (the market sectors within the Dow Jones 600) for those which make sector relative recommendations.

Scores have been calculated as follows:

- **A Strong Buy recommendation receives the percentage share price movement x 1.25.**
- **A Buy recommendation receives the percentage share price movement times x 1.**
- **A Hold has no score.**
- **A Reduce recommendation receives the percentage share price movement x -1.**
- **A Sell recommendation receives the percentage share price movement x -1.25.**

(Where a share price has fallen (absolutely or relatively), this means that an analyst with a Sell or Reduce recommendation will score positively).

The "hit rate" measures the proportion of calls which have added value (ie on which analysts have scored above zero).