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ANALYSING THE ANALYSTS

ANALYSTS SHOW CAUTIOUS OPTIMISM IN EUROPEAN MID CAP CALLS

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London, 17 September, 2007 – AQ Research, the independent research analysis firm, today publishes its 4th annual review of the accuracy of recommendations in relation to mid cap companies across Europe. The Pan-European Midcaps Research Yearbook 2007 evaluates the performance of Buy/Hold/Sell recommendations on absolute and relative bases between 1 July 2006 and 30 June 2007 (RQ scores). The report examines research from over 135 houses in relation to 790 listed companies with a market capitalisation of between \$500 million and \$2 billion on which research is published.

Highlights of the analysis are as follows:-

- Winners in individual countries were **Erste Bank** (Austria/Central Europe), **Kempen & Co** (Belgium), **CM-CIC(ESN)** (France), **MM Warburg** (Germany), **Proton Securities** (Greece), **Citigroup Invest Res** (Iberia), **Citigroup Invest Res** (Italy), **SEB Enskilda** (Scandinavia), **Berenburg Bank** (Switzerland), and **ABN AMRO** (UK/Ireland).
- The **European Securities Network ESN** was top of regional “Hit Rate” table – which measures the percentage of recommendations on which successfully predicted the price movement of the stock (i.e. buy recommendations going up, sells going down). Its hit rate across the companies in this report was 72%. **Dresdner Kleinwort** followed by **DZ Bank** rounded off the top 3 performers.
- **Erste Bank** is now a triple winner, having come top of the league in Austria and Central Europe for the third successive year. The winners in Greece (**Proton Securities**) and Switzerland (**Berenburg Bank**) succeeded for the second year in succession.
- The most rewarding stock in the report was **Climate Exchange plc**, the AIM listed company which owns the European Climate Exchange (ECX) and the Chicago Climate Exchange (CCX). **Numis Securities**’ buy recommendation was well rewarded by the stock that rose almost 600% in the year.

“With global financial markets currently in flux, the opportunity for the sell-side analyst community to support and garner value-adding investment ideas appears greater than it has done for a number of years” says report editor David O’Hara. “Combined with the broad consensus that stocks in the midcap arena are now fully-valued, the scene is set for a very interesting twelve months.”

CONTACTS for detailed tables and copies of the European Midcaps Research Yearbook 2007:

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Notes to Editors:

About AQ Research

AQ Research (www.aqresearch.com) 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. Its analysis covers more than 10,000 companies and 230 brokers worldwide.

'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 1 July 2006 to 30 June 2007. 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 either an index (e.g. DAX for Germany) 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).