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ANALYSING THE ANALYSTS

ANALYSTS DEMONSTRATE VERSATILITY WITH SUCCESSFUL MID CAP CALLS

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London, 8 September, 2006 — AQ Research, the independent research analysis firm, today publishes its annual review of the accuracy of recommendations in relation to mid cap companies in 17 European markets. The Pan-European Midcaps Research Yearbook 2006 evaluates the performance of Buy/Hold/Sell recommendations on absolute and relative bases between 1 July 2005 and 30 June 2006 (RQ scores). The report examines research from over 120 houses in relation to 727 companies with a market capitalisation of between \$500 million and \$2 billion on which research is published.

This is AQ's third annual review of recommendations on mid cap stocks. "There are still opportunities to add value in the mid cap arena, though analysts have to be versatile to take advantage of them." says AQ Research managing director Graham Field. "The Scandinavian houses have done particularly well this year and overall a high proportion of calls added value, despite the volatility towards the end of the review period".

Highlights of the analysis are as follows:-

- Winners in individual countries were **Erste Bank** (Austria), **ING Financial Markets** (Belgium), **SEB Enskilda** (Denmark), **Carnegie** (Finland), **ID Midcaps** (France), **Dresdner Kleinwort** (Germany), **Proton Securities** (Greece), **Goodbody Stockbrokers** (Ireland), **Banca Akros (ESN)** (Italy), **Fortis Bank** (Netherlands), **SEB Enskilda** (Norway), **CA-IB** (Poland), **Ibersecurities** (Spain), **Swedbank Securities** (Sweden), **Berenberg Bank** (Switzerland), **EFG Istanbul** (Turkey) and **Dresdner Kleinwort** (UK). Among these, only the winners in Austria and the UK were successful for the second year in succession.
- **First Securities** of Norway was top of the "Hit Rates" table – which measures the percentage of recommendations on which the house scored above zero. Its hit rate was 78%, reflecting correct calls on local index relative fallers in Oslo as well as gainers in the oil sector. The second highest scoring house on this measure was **Dresdner Kleinwort**, followed by **SEB Enskilda**.
- The best individual analyst overall was **Robert Rethy** of CA-IB in Budapest, who picked European emerging market winners in the oil sector. Several Greek and Nordic analysts featured among the best individuals, with **Manos Stathoudakis** at Alpha Finance rating number 2 out of the 402 eligible analysts.

- The most rewarding stock in Europe was Italy's **Trevi Finanziaria**. The least rewarding was Germany's **Nordex**, which rose sharply although analysts were bearish on the stock.

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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 July 1, 2005 to June 30, 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 either a national index (eg FTSE All Share or Madrid General) or the Dow Jones Stoxx 600 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.

To qualify for a country table, a house needed to be analysed on at least 25% of the stocks analysed in that country. To qualify for analyst tables, an analyst need to cover at least three individual stocks.

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).