



AQ Research Ltd
40 Bowling Green Lane
London EC1R 0NE
Tel: +44 (0) 20 7689 8765
Fax: +44 (0) 20 7425 7058
www.aqresearch.com

A N A L Y S I N G T H E A N A L Y S T S

**- DZ BANK AGAIN BEST FOR AVERAGE
RECOMMENDATIONS SCORE; GOOD ALL ROUND ESN
PERFORMANCE -**

(Embargoed: 12 May 2006)

London, 12 May, 2006 — AQ Research, the independent rankings firm, today publishes the results of its latest analysis of European stockbrokers' recommendations. RQ Euro 300 evaluates the performance of **Buy/Hold/Sell** recommendations in the 12 months ending March 31, 2006. The report covers Europe's largest 300 companies and analyses recommendations from more than 120 research houses and investment banks.

"Takeovers – and rumours of them - pushed scores higher for analysts who had buys on bid targets," says Graham Field, Managing Director of AQ Research. "But unbundling – which was discussed at length at the AQ conference in April - will have a much bigger influence on the whole research market over the next two to three years. That is the real talking point at the moment in the research industry".

Key highlights of the RQ Euro 300 analysis are as follows:-

- The best performing house with absolute recommendations was **DZ Bank**, which had the highest average score. As well as calling stocks correctly on its home patch in Germany, DZ Bank's analysts also finished second in Switzerland. **Rainer Muench** was number four (out of 618) among individual analysts and **Matthias Duerr** was sixth.
- The highest hit rate – the percentage of recommendations scoring above zero – was achieved by Sweden's **Ohman Fondkommission** – which was correct on 87% of its calls. Second place on the hit rate measure went to Antwerp-based **Delta Lloyd Securities**.
- The best house with relative recommendations this quarter was **Bear Stearns**, which gained from good calls on ABB and Atlas Copco. **Cazenove** is included in the analysis for the first time this quarter, and finished third overall among relative houses (as well as being the best of the relative houses in the UK).
- The European Securities Network (ESN) produced a very good all-round performance, with members securing the highest rankings in France (**CM-CIC Securities**), Greece (**Egnatia Finance**), Ireland (**NCB Stockbrokers**) and Italy (**Banca Akros**). The ESN also finished top in four sectors: banks, food & beverage, media and travel & leisure.

- The best individual analyst this quarter was **Simon Toyne** of Dresdner Kleinwort Wasserstein, who called resources stocks correctly as buys. His contribution helped **DrKW** retain its position as the best house for recommendations on UK stocks.
- Among the other country winners were local houses in **Austria (Raiffeisen Centrobank)**, **Benelux (SNS Securities)**, **Iberia (Espirito Santo Research)**, **Scandinavia (Evli Bank)** and **Switzerland (Helvea)**.

CONTACT:

Graham Field, AQ Research Managing Director

Tel: 00 44 (0)20 7278 7998

Mob: 00 44 (0)7973 228980

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 Research 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 Research Yearbooks reports and publishes RQ analysis on Asian markets.

'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 March 31, 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 is either a country index (e.g. FTSE All Share) for those houses which make recommendations on a local index basis or a pan-European index. For those which make sector relative recommendations, it is a sector index (the market sectors within the Dow Jones 600).

Scores have been calculated as follows:

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