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ANALYSING THE ANALYSTS

LOCAL HOUSES TOP MID CAP RANKINGS AS INVESTOR INTEREST GROWS

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London, 8 August, 2005 — 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 European Midcaps Research Yearbook 2005 evaluates the performance of Buy/Hold/Sell recommendations on absolute and relative bases between 2 July 2004 and 1 July 2005 (RQ scores). The report examines research from 120 houses in relation to 602 companies with a market capitalisation of between \$500 million and \$2 billion on which research is published.

This is AQ's second annual review of recommendations on mid cap stocks. "There is clearly still intense competition in the mid cap arena, coupled with growing investor interest." says AQ Research managing director Graham Field. "But we have seen some signs of a scaling back in coverage by larger houses. Most of the best scores were obtained by houses which backed the winners in generally stronger markets".

Highlights of the analysis are as follows:-

- Winners in individual countries were **Erste Bank** (Austria), **Petercam** (Belgium), **Danske Equities** (Denmark), **Evli Bank** (Finland), **CM-CIC Securities** (France), **Oppenheim Research** (Germany), **Egnatia Finance** (Greece), **NCB Stockbrokers** (Ireland), **Cheuvreux** (Italy), **SNS Securities** (Netherlands), **Pareto Securities** (Norway), **Caixa Banco de Investimento** (Portugal), **Goldman Sachs** (Spain), **Enskilda Securities** (Sweden), **Helvea** (Switzerland), **Ata Invest** (Turkey) and **Dresdner Kleinwort Wasserstein** (UK). CM-CIC Securities, Egnatia Finance, NCB Stockbrokers and Caixa Banco de Investimento are all members of the 10-member **European Securities Network** (ESN).
- **Erste Bank** was also top of the "Hit Rates" table – which measures the percentage of recommendations on which the house scored above zero. Erste's hit rate was over 82% - the best in Europe. The second highest scoring house on this measure was **Merck Finck & Co** in Munich, followed by France's **IXIS Securities**.
- The best individual analyst overall was **Michael West Hybholt** of Danske Equities in Copenhagen, who picked the winners in the Danish market. Four of the top five analysts

on this measure were Nordic. Second place went to **Terje Mauer** of DnB NOR Markets in Oslo and third was **Hans Gregersen** of Enskilda Securities in Denmark.

- The most rewarding stock in Europe was Austria's **Betandwin.com Interactive**. The least rewarding was Spain's **Jazztel**.

CONTACTS for detailed tables and copies of the European Midcaps Research Yearbook 2005:

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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's online database product has been developed in conjunction with Bureau van Dijk Electronic Publishing, the specialist electronic financial information provider (see www.bvdep.com). 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 2, 2004 to July 1, 2005. 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.

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).