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P R O M O T I N G G O O D R E S E A R C H

WESTLB AND DZ BANK SHINE ON DAX IN DIFFICULT YEAR FOR EQUITY ANALYSTS

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London, 10 November 2008 — AQ Research, the independent research analysis firm, today publishes its annual review of the accuracy of recommendations in relation to listed German companies in Europe. The Germany Research Yearbook 2008 evaluates the performance of Buy/Hold/Sell recommendations from 40 brokers on absolute and relative bases for almost 300 companies between October 2007 and end of September 2008 (RQ scores). It also examines the accuracy of earnings per share forecasts (AQ scores). The results include analysis of DAX, MDAX, TecDAX and SDAX stocks and companies outside these indices.

“The profitability of recommendations has fallen substantially” says the Yearbook’s editor, David O’Hara. “Across the whole German market to September 2008, only 1 out of 15 brokers with substantial coverage managed to make recommendations that added value to investors. Of the major German indices, analysts had the most success with their TecDAX recommendations where almost half the 19 qualifying brokers made overall valuable recommendations.”

Highlights of the analysis are as follows:-

- **WestLB** delivered the best forecasts on Germany's blue-chip DAX index. Of the absolute houses, **DZ Bank** produced the most rewarding recommendations on the DAX. **Cheuvreux** was the most successful house for relative recommendations on DAX stocks.
- On the German market overall, **DZ Bank** produced the most reliable forecasts and **Cheuvreux** the best recommendations
- **Norbert Barth** of **WestLB** produced the best forecasts and the team of **Christophe Ricetti, Pascal Decque, Alex Koagne and Sebastien Virton** at **Natixis Securities** produced the best recommendations.
- **Berenberg Bank** produced the most rewarding recommendations issued on an absolute basis for the fourth year running in the MDAX, while **M.M. Warburg/SES Research** delivered the best

- forecasts on the midcap index.
- **DZ Bank** won for forecasts on the TecDAX while **Metzler Seel. Sohn & Co.** delivered the best recommendations on the index.
 - **LBBW** made the most accurate forecasts on companies in the SDAX, while the **European Securities Network (ESN)** and **Cheuvreux** were the top ranked houses for absolute and relative recommendations respectively.

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Notes to Editor:

About AQ Research

AQ Research (www.aqresearch.com) provides quantitative analysis of analysts' recommendations and eps forecasts, using data obtained from the research houses involved. AQ has been analysing investment research since 1998. AQ Online covers more than 3,000 companies and 110 brokers and independent research providers across Europe.

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 October 1st, 2007 to September 30th, 2008. 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 (DAX) 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 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.

AQ Methodology

The AQ measure is designed to measure the accuracy of an analyst's financial forecast. We use the eps as the benchmark measure because that is what is used by the investment research industry. Eps itself is an awkward figure, as there can be different opinions at what level to take the earnings, and how many shares to consider. To get around this problem, we take the so-called headline eps, the figure that by convention the company reports and the figure that is used in compiling the consensus.

The new AQ methodology for determining the accuracy of earnings estimates was launched at the beginning of 2007, following consultations with the industry. The significant change is that it looks at the "error" of the analyst, as expressed by the shaded area on the eps chart below to identify the best forecasting analysts. The default values are used in the publications. When used in AQ Online, the customer can set their own values not only for the annual weightings but also for any estimate, e.g. to highlight analysts who have better early forecasting accuracy during any particular period.

AQ scores are in the range 0-100. They can be interpreted as follows:

- >60: Small deviations in actual eps vs. the spread of forecasts (generally below 5%) for the past 2 years
- 40-60: Forecasts falling into this range indicate either deviations of actual eps vs. forecasts up to 10% over past 2 years
- 20-40: Deviations of actual vs. forecast eps typically between 10% and 15%, possibly for one of past 2 years. Analysts who have initiated within past 2 years can also have low scores
- <20: AQ's are often not registered where deviations from actual eps numbers exceed 15%.