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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

LOCAL CONSISTENCY TRIUMPHS IN GREEK RESEARCH

(Embargoed: 07:00am 14th January 2009)

London, **14th January 2009** — AQ Research, the independent research analysis firm, today publishes its annual review of the accuracy of recommendations and forecasts in relation to listed companies in Greece. This evaluates the performance of Buy/Hold/Sell recommendations on absolute and relative bases from 1st January 2008 and end of December 2008 (RQ scores). It also examines the accuracy of earnings per share forecasts in relation to reported profits (AQ scores).

“Local houses have demonstrated their edge the regionals” says AQ Research Projects Director, David O’Hara. “Brokers issuing recommendations on an absolute basis struggled while the index relative houses demonstrated quality well-chosen insights.”

Highlights of the analysis are as follows:-

- **National P&K Securities** managed a runner-up spot in both the recommendation and forecast analyses.
- **European Securities Network** member the **Investment Bank of Greece** delivered the most reliable forecasts on company profits in the Greek market.
- **Alpha Finance** made better recommendations than other houses in 2008, producing the very best research on ten of thirty-two companies analysed.
- **Ignacio Ulargui** of **ING Financial Markets** published the most accurate forecasts on Greek companies in the year.
- **Dimitris Haralabopoulos** of **HSBC** produced the best recommendations on the Greek market, outscoring competition on the banks.

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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 broking 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 January 1st 2008 to December 31st 2008. Each recommendation made during this period is assessed over its “lifetime” (i.e. until it is changed). Analysts are scored



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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. OMX30) 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 $\times 1.25$.
- A Buy recommendation receives the percentage share price movement times $\times 1$.
- A Hold has no score.
- A Reduce recommendation receives the percentage share price movement $\times -1$.
- A Sell recommendation receives the percentage share price movement $\times -1.25$.
- 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 the 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%.

Note that individual analyst track records have only been building up since the start of 2007.