



ANALYSING THE ANALYSTS

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## - ERSTE BANK BEST FOR RECOMMENDATIONS ON AUSTRIA AND CENTRAL EUROPE -

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London, 17 February, 2006 — AQ Research, the independent research analysis firm, today publishes its first annual review of the accuracy of recommendations in relation to companies in Austria and four Central European markets (Croatia, Czech Republic, Hungary and Poland). The RQ Austria and Central Europe Research Yearbook 2006 evaluates the performance of Buy/Hold/Sell recommendations on absolute and relative bases during calendar 2005. The report examines research from 38 houses in relation to 158 companies.

“The dynamic performance of Central European markets helped to generate good results for a number of houses which picked winners,” says AQ Research managing director Graham Field. “This applied in Austria as well as in the Central European markets themselves, as earnings from CE markets have become an important driver for the performance of Austrian stocks. Erste Bank was the clear all-round winner”.

Highlights of the analysis are as follows:-

- **Erste Bank** had the highest overall “hit rate” of recommendations which delivered value for investors. Over 72% of its recommendations scored above zero in the RQ analysis. Erste also had the highest overall average score among the eight research houses which cover more than 20% of the companies in the report.
- The overall average score which **Erste** achieved was driven partly by the success of Betandwin.com, which surged higher during 2005. This gave **Gudrun Eggar**, the Erste analyst following Betandwin.com, the highest above average score among individual analysts.
- It also helped to make **Erste Bank** the best performing research house on **Austrian** stocks. Second place in Austria on the average score basis went to **Raiffeisen Centrobank**, while **UBS** was second on the hit rate measure. Raiffeisen backed OMV as a winner, whereas a lot of analysts were too cautious on this strong performer.
- Telekom Austria and Erste Bank are the most widely-researched Austrian stocks in the analysis with 15-16 analysts being analysed on each.
- Erste Bank also had the highest average score on **Croatian** and **Czech** companies.

- **Bank Austria** had the highest average scores on **Poland** and **Hungary**. The two top individual analysts in Hungary – Katalin Dani and Robert Rethy – were both from Bank Austria. Poland had the largest number of companies in the report – 88 – and the top Polish analyst is Marcin Jablczynski at Bank Austria who was the clear leader on Polish banking stocks.
- **ING Financial Markets** finished second in Poland and was also the best pan-European firm in the report, with a hit rate of nearly 60% and fourth place in the overall average table.

CONTACTS for detailed tables and copies of the  
Austria and Central Europe Research Yearbook 2006:

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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 to 30 December, 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 WIG 20 or ATX Vienna) 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).