

AQ €URO 100

ANALYSING THE ANALYSTS

Results and restructurings reshape the rankings

This issue of AQ appears at a time of transition. The restructuring of corporate Europe – which is being led by German banks and companies – has played havoc with some forecasts. Parts of Europe are also in the process of changing accounting practices and this can present a baffling array of forecasts and results.

The complex changes at work in Europe have been mirrored in some notable changes in the AQ overall table this quarter. The most impressive change is the surge up the table by Schroder Salomon Smith Barney. We are analysing the accuracy of SSSB analysts in relation to 58 companies in this quarter, as opposed to 59 in Quarter 1, and the improvement reflects a consistently better forecasting per-

formance across a clutch of markets and companies.

Salomons has returned to the top of the rankings in Benelux, has achieved the highest average score in Switzerland and finishes fourth in the notoriously difficult German market. Had it done better in Spain, Salomons could well have dislodged Fortis Bank from top spot. However, the Fortis team led by Thibault de Guerre in Amsterdam remains top for the third quarter in succession, a position which reflects the concentration of its research in Benelux, Spain and France. The test for the Fortis analysts will come next year when we include a lot more of their forecasts for other European companies.

ABN AMRO has meanwhile produced its best result yet in the Euro 100 analysis. We have been able to analyse rather more of the research by ABN AMRO analysts, although the higher score also results from an improved performance in both Benelux and Germany, where ABN AMRO finishes third. It appears that ABN AMRO is feeling the benefits of the overhaul of its research effort which followed Howard Seymour's appointment as head of European research last year.

The other big gainer relative to Quarter 1 is Natexis Capital, which also claims its highest position yet in the rankings, helped by the analysis of some of its research in the Netherlands, where Natexis ana-

lysts have been grappling successfully with Heineken and Ahold. BNP Paribas has also seen its position improve substantially, with its average score rising from 30.59 in Quarter 1 to 34.18. Lehman Brothers, too, has improved its score and its standing in the table thanks to a particularly good showing in France.

There have been some instances of analysts doing better as a result of the exclusion of 1997 data from our analysis. At any one time, AQ focuses on a five year period and analyses three years of historic data and two years of forward data. As the 2000 results have fed through,

EUROPEAN OVERALL RESULTS

Firm	Overall AQ	N° of Predictions
Fortis Bank	38.92	32
Schroder SSB	38.61	58
ABN AMRO	35.95	41
JP Morgan	35.90	65
Natexis Capital	35.65	32
Merrill Lynch	35.54	65
BNP Paribas	34.18	39
UBS Warburg	33.62	42
Lehman Brothers	33.57	57
ING Barings	33.42	38
Deutsche Bank	33.30	47
Dresdner Kleinwort W'stein	32.97	44
Bayerische Hypo-und Vereins	32.44	28
Exane	31.16	37
HSBC	30.80	66
Morgan Stanley	30.31	65
SG Securities	30.23	44
Bayerische Landesbank	29.45	45
CSFB	27.29	61
CAI Cheuvreux	26.80	25
CDC-IXIS	23.17	24
EIFB	21.94	24
Merck Finck	20.64	26

HOW AQ WORKS

The overall results table shows which analysts have, on average, produced the most accurate forecasts over the past three years. AQ (Accuracy Quotient) looks at the accuracy of brokers' eps forecasts and also takes account of how many times an analyst's forecast is changed, and by how much. Make one forecast, stick to it and match the company's actual eps number and you score 100; change your forecast frequently or by a large amount and miss the number and scores are closer to zero. High scores tell you which companies are most predictable as well as which analysts are good at forecasting. AQ has been tracking accuracy since 1998: for details of back issues call +44 (20) 7278 7998.

FAVOURITE TARGETS: HIGHEST AVERAGE AQS

Aegon	71.18
L'Oreal	68.30
Ahold	67.77
Heineken	65.02
Air Liquide	60.92
BBVA	60.25
Akzo Nobel	57.94
Electrabel	57.70
ING	53.79
Roche	53.54

MOST ELUSIVE: LOWEST AVERAGE AQS

Philips	5.75
Renault	4.94
Bayerische Hypo-und Vereinsbank	4.90
ABB	4.65
BMW	4.24
Deutsche Telekom	1.37
Volkswagen	0.09
Bouygues	0.00
Fiat	0.00
Sonera	0.00

we have dropped 1997 from the analysis and included revisions and changes to 2002 forecasts for the first time. Where companies and analysts had a lot of problems in 1997 and a good record in 2000, this has naturally tended to boost scores. However, 2000 has the highest weighting among the historic data, so slips in accuracy in relation to the 2000 numbers will have a serious negative impact on an analyst's score.

While there are still plenty of tricky companies, there are also signs of an emerging European super-league of companies with an enviable track record of delivering results. Aegon, which is now the most predictable company in Europe on our analysis, is clearly part of this. Three years of highly accurate forecasts have ensured that it takes poll position. L'Oreal is not far behind. Analysts have, for the most part, been within 2% of the L'Oreal numbers for three years in a row. Ahold of the Netherlands and Heineken have also been among the top 10 in

What Aqs mean

- 60+ Small deviations in actual eps versus forecasts (generally below 2%) and limited number and size of revisions.
- 40-60 Forecasts falling into this range indicate either deviations of actual eps versus forecasts up to 5% or significant revisions to forecasts (either in number or in scale).
- 20-40 Deviations of actual versus forecast eps typically between 5% and 10%. Revisions of forecasts tend to be significant both in number and magnitude.
- 0-20 Aqs are often not registered where deviations from actual eps numbers exceed 10-12%. It is also possible to score below 20 with an eps forecast which is accurate, but which has been revised a large number of times, on average by a substantial amount.

Aqs are calculated on the basis of a weighted formula that looks at accuracy, the number of revisions which analysts make and the size of changes to estimates. The formula looks at a rolling 5-year programme of eps estimates. In this issue it compares historic eps estimates for 1998, 1999 and 2000 with actual eps numbers. It then takes account of the number and size of revisions for estimates for 1998, 1999, 2000, 2001 and 2002. The scoring system was designed in consultation with fund managers to provide an effective performance indicator. The largest weighting goes on accuracy of estimates of the most recently reported figure with reduced weight on historical numbers.

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Europe since we initiated our analysis a year ago.

It is no coincidence that these highly predictable companies tend to have highly professional investor relations and IR managers who keep analysts' forecasts at their fingertips – in contrast to those companies where there often appears to be little knowledge of the range of forecasts or of the issues which analysts face. Companies such as Philips still wrong foot the analysts. Sonera is among those which have fallen from grace and is now among the most elusive, following 2000 results which bore little resemblance to the forecasts. Italy's Banca Fideuram is also no longer one of the most predictable.

In grappling with European companies, there remains a big divide between pan-European analysis from London and local expertise. The two are not necessarily mutually exclusive: investment managers should want to combine pan-European sectoral insights with the detailed local

knowledge that can only be supplied by someone on the ground. Even in a sophisticated market such as the Netherlands, there are nuances that only a local analyst can grasp – whether in relation to regulatory or tax quirks, in interpreting the informal guidance of investor relations managers, or in spotting how many car parking spaces are vacant.

Some local houses can be expected to survive – perhaps by adopting the Fox-Pitt Kelton strategy of sector and niche specialisation, or by ensuring that they achieve the status of number one or two in the local market. But there is an inexorable trend towards more pan-European research, with a number of houses looking to use “peer group comparisons” for domestic stocks as a springboard to covering that peer group.

Whether this will lead to alliances, cooperation or mergers is still not clear. In the Netherlands, *continued on page 23...*

Germany: little relief in sight

Germany remains the most difficult market for the analysts. The average AQ for analysts working in Germany is now 18.29 and this reflects the continuing difficulties in making sense of company reporting. Deutsche Telekom is one example of the difficulties facing analysts – and indeed AQ – in making sense of company earnings. The analysts' forecasts for Deutsche Telekom earnings for 2000 ranged from € -0.2 per share to €2.68 per share while the company provides official eps numbers of €1.96 and €3.05. With analysts evidently making forecasts on a variety of different bases, the consensus for Deutsche Telekom is fairly meaningless and it becomes very difficult to judge who has been forecasting accurately. At the same time, Deutsche Telekom has been involved in a clutch of corporate activity that forces analysts to revise forecasts frequently. As a result, Deutsche Telekom has seen its score drop to an AQ of just 1.37.

The issue of reporting standards which we have highlighted before in Germany continues to be compounded by the ongoing corporate restructuring and tax changes. In several cases, investor relations executives will admit that the unpredictable nature of disposals of industrial holdings makes it very difficult for analysts to forecast the business. A number of banks and companies have seen their average scores fall as analysts produced forecasts that were wide of the mark on the 2000 results. If 2000 was a difficult year, the signs are that the next few years will be equally difficult, once tax-free disposals get under way at the start of next year.

Nevertheless, there are signs that the investor relations environment is changing, with some of Germany's blue chip businesses looking to give more explicit guidance. Deutsche Bank has, for instance, set an earnings growth target and analysts fol-

lowing the bank achieved, on average, a significantly higher degree of accuracy in forecasting its earnings in 2000 than they did in 1998 or 1999. Deutsche Bank is still nearer the bottom end of the table but, unlike the other banks, its score has improved in the quarter 2 report.

Commerzbank, with a target that is expressed only in RoE, has not been so easy for the analysts to track and there is a smaller IR function than at Deutsche Bank, where Wolfram Schmitt has built a department that is plugged in at the highest level in the bank. Commerzbank has, nevertheless, been putting presentations to analysts on the Internet and gives analysts plenty of opportunities to check up on its progress through regular briefings. At the same time, with 50% of its profits coming from overseas and investment banking set to make a bigger contribution to earnings in future, Commerzbank is becoming a more complex animal to track.

Among the brokers, this quarter's report sees a number of changes to the German tables. ABN AMRO emerges as the winner in the most recent quarter, having notched up first place in analysing Dresdner Bank and above average scores on a number of other companies, including BASF, Bayer, Metro and RWE. ABN AMRO has had some departures from its Frankfurt team, but these have been replaced and, says London-based deputy head of European research Karen Collins, there are advantages in keeping people closer to the action in covering some German stocks. Reporting practices are, she adds, "getting slightly better" and it is becoming easier to understand German companies as a result. At the same time, ABN AMRO itself has had a management overhaul in the equity research department and, says Collins, product quality has improved, with close attention being given to accuracy in forecasting.

COMPANIES

Firm	Overall AQ
Schering	48.81
Allianz	37.37
RWE	31.87
DaimlerChrysler	30.12
E.ON	27.27
Metro	27.02
Munchener Ruck	22.78
Bayer	20.82
BASF	17.99
Siemens	15.57
SAP	12.60
Commerzbank	9.45
Deutsche Bank	8.99
Dresdner Bank	8.04
Bayerische Hypo-und Vereinsbank	4.90
BMW	4.24
Deutsche Telekom	1.37
Volkswagen	0.09

BROKERS

18.29

Firm	Overall AQ	N° of Predictions	N° of Highest AQ
ABN AMRO	27.03	10	1
MM Warburg	22.34	17	1
Baden-Wuertt. Bank	20.95	12	
Schroder SSB	20.91	14	1
JP Morgan	20.64	14	1
Bayerische Hypo-und V	20.50	17	1
SEB	19.95	15	1
DG Bank	18.89	16	1
BHF Bank	18.63	15	1
Commerzbank	18.14	9	
Metzler Seel & Sohn	17.77	13	1
Merrill Lynch	17.70	16	2
Deutsche Bank	17.46	15	
Lehman Brothers	15.82	13	2
WestLB Panmure	15.44	12	
Merck Finck	15.08	15	1
Julius Baer	14.40	10	
HSBC	13.43	12	1
Sal Oppenheim	11.51	17	1
Bayerische Landesbank	9.42	15	
CSFB	9.18	10	
Morgan Stanley	8.01	12	

MM Warburg takes second place in the rankings, having come top on SAP and achieved scores that were above average on a number of companies, including Siemens, Schering, Munich Re and Metro. Head of research Sven Dopke believes local German institutions have an advantage in being closer to the companies

and being in a better position to pick up insights into the timing and pricing of disposals and acquisitions. "Living in this environment means we understand the thinking and the business culture better" he says.

MM Warburg is – along with Sal Oppenheim and Metzler Seel & Sohn – one of the few privately-owned, independent institutionally-oriented research houses. With 15 analysts – up from nine two years ago – Dopke believes he has a team that can offer independent opinions that will sometimes produce a different perspective to that offered by large London-based houses. Recruitment has centred on analysts with industry experience as well as a good knowledge of economics and, says Dopke, "we have seen the quality of product increase".

Baden-Wuerttemberg Bank, SEB and Bayerische Hypo-und Vereins Bank continue to feature among the higher ranked local institutions, while Schroder Salomon Smith Barney has broken into the top end of the table.

SSSB is one of those houses that continues to achieve a good score on Daimler Chrysler, which has again slipped down the table of company scores. At the bottom of the rankings, we are able to include Bayerische Landesbank for the first time.

Although the Munich house does very well in other markets – particularly France where it finishes fourth – its performance in Germany has not been so convincing and has prevented it obtaining a higher ranking in the overall table on page 1.

The problems with forecasting in Germany come against a background of brisk turnover within the analyst community. One of the most recent moves has been Norbert Barth's departure from BHF Bank to join his old boss Thibault de Guerre at the AQ top-ranked Fortis Bank. Germany is a highly competitive market for equity research in which every house seems to have a slightly different twist on the analysis story.

Metzler Seel & Sohn, which moves

up the table this quarter, takes a consciously aggressive attitude towards changing its forecasts whenever there is a significant alteration in the environment affecting a particular company. Metzler's head of equity research, Dr Johannes Reich, also emphasises the expertise his analysts have in understanding the German taxation system. The AQ scoring system is designed to penalise excessive revisions to forecasts, so this may have accounted for Metzler's poor past showing. However, if those aggressive changes to forecasts are now being copied by other houses, this may help to account for its rise in the rankings.

Other houses see an advantage in being able to cover the Neue Markt in depth, as DG Bank does, though the research team under Lothar Weniger – formerly with Warburgs – has also moved up in the AQ rankings this time. DG's Patricia Novak is now top-ranked on Munich Re, the first time that DG Bank has had a top analyst in the AQ rankings. ●

France: Merrill reclaims crown

Merrill Lynch is back on top in France. Its score is now higher than it was when Merrills last led the table in Quarter 4, 2000 and is also higher than that achieved by Fortis Securities in Quarter 1, 2001. Merrill has the highest AQ on three of the biggest, internationally-oriented French companies – Suez, Total and Renault. Merrill analysts have established a gap between themselves and Lehmann, which has moved strongly up the rankings from mid-table in Quarter 1, helped by top scores on both BNP Paribas and Danone.

Bayerische Landesbank makes a strong showing on its first inclusion in the AQ rankings for France, as does ING Barings. SG Securities has improved its score on its home patch thanks to top score on L'Oreal.

Among the companies, Pinault-Printemps has moved into third place after analysts produced highly accurate forecasts of the company's 2000 results. L'Oreal's position at the top

COMPANIES

Firm	Overall AQ
L'Oreal	68.30
Air Liquide	60.92
Pinault-Printemps	49.02
Sanofi-Synthelabo	48.78
Carrefour	47.43
AGF	46.35
ST Microelectronics	38.26
BNP Paribas	34.43
Total Fina Elf	31.71
France Telecom	29.03
Vivendi	27.78
Axa	27.49
Danone	25.07
Soc Gen	22.53
Aventis	21.96
Schneider	20.35
Lvmh	19.73
Saint Gobain	17.20
Suez	16.83
Alcatel	15.11
Cap Gemini	13.72
Renault	4.94
Bouygues	0.00

of the French country table has meanwhile been reinforced by

BROKERS

29.87

Firm	Overall AQ	Nº of Predictions	Nº of Highest AQ
Merrill Lynch	41.84	16	1
Lehman Brothers	39.93	14	2
UBS Warburg	38.68	15	1
Bayerische Landesbank	36.43	15	2
Odco Pinatton	35.39	14	1
ING Barings	35.36	12	
Deutsche Bank	34.62	13	1
SG Securities	34.39	20	1
Schroder SSB	34.21	14	
Natexis Capital	33.74	22	
JP Morgan	32.87	21	1
Exane	32.76	19	
Dresdner KW	32.22	15	
Fortis Securities France	32.16	15	2
KBC Securities	30.27	16	
CSFB	29.89	14	1
Morgan Stanley	29.60	17	
BNP Paribas	28.93	17	
HSBC	27.55	19	2
CDC-IXIS	22.33	21	1
Wargny	20.49	14	2
EIFB	19.43	22	
CAI Cheuvreux	18.82	17	

another year of highly predictable earnings in 2000 ●

Benelux: Getting better all the time

Analysts looking at companies in Benelux are back on top as the highest scoring in the Euro 100. Whereas Spanish analysts had the highest average scores in quarter 1, 2001, Benelux attracts the highest scores this quarter. Aegon replaces TNT as the most predictable company in AQ Euro 100 and analysts notched up a string of high scores on Royal Ahold, Heineken, Akzo Nobel, Electrabel and ING, all of which are now among the ten most predictable companies in the Euro 100.

The scores come against a background of expansion at all levels in the Dutch equity research business. SNS Securities has, for instance, gone from four to nine analysts in the space of the last year, while Rabo Securities has expanded from 19 to 28 over the same period. Jan Brouwer, director of research at SNS insists that good analysts can be found and that they are willing to join what is a “growing company”. However, he says, it will be difficult for the very smallest houses to retain analysts in an increasingly competitive marketplace.

There is a suggestion that the Netherlands is overbrokered – and certainly we will be adding a large number of other houses to our analysis next year. Given the numbers of brokers competing for business, a variety of strategies are emerging among the brokers to distinguish their research effort.

At SNS there is an emphasis on rapid response to events and on making research freely available on the firm’s website. At Amstgeld, head of research Lambert Oorthuizen believes there is room for more brokers to follow the kind of strategy pursued by the UK’s Fox-Pitt Kelton in the banking sector and to concentrate on specialist niches. And, he says, there is scope for brokers to serve particular clients: Amstgeld has, for example, built up a strong

base among German, Swiss and Austrian investors.

Others have developed sector strengths: Rabo Securities has an expertise in the oil services sector in which very few of the pan-European houses have any depth of knowledge and it has used its Dutch experience to develop its position in analysing medium cap European chemicals companies. Kempen & Co has been building a pan-European research effort in real estate, IT services, business services, food and food retailing – again sectors where there is a strong Dutch corporate presence.

There is also an emphasis on independence of recommendations. Rabo Securities has 15% of its recommendations as “sells” and, says van den Broek, “we have had a lot more contact with companies as a result”. Thibaud de Guerre, head of European equity research at Fortis Bank, has a similar estimate of the proportion of “sell” recommendations which his analysts put out.

But the biggest advantage that the locals claim is in being able to understand the Dutch market better than the London-based research houses. As Oorthuizen says, a significant part of Dutch companies’ revenues still comes from the Netherlands and, for instance, financial stocks are heavily geared to the Dutch pension market. Jan Brouwer at SNS Securities sees other benefits in being able to discuss with companies – formally and informally – in the Dutch language. And, says Bert van den Broek, head of equity research at Rabo Securities, there are opportunities for local field research – even at the level of counting the number of temporary workers’ cars in parking lots – that are not available to London analysts.

Despite the imminent arrival of trading on Euronext, there will still be room for some purely local expertise in European markets, according to Sybren Brouwer, head of research

COMPANIES

Firm	Overall AQ
Aegon	71.18
Ahold	67.77
Heineken	65.02
Akzo Nobel	57.94
Electrabel	57.70
ING	53.79
TNT	52.39
ABNAMRO	51.00
Fortis	36.52
VNU	36.05
KPN	20.86
Phillips	5.75

BROKERS 48.00

Firm	Overall AQ	N° of Predictions	N° of Highest AQ
Schroder SSB	67.14	7	2
Deutsche Bank	61.26	6	1
HSBC	59.05	9	1
F van Lanschot	57.08	8	
Dresdner KW	54.22	7	
BNP Paribas	53.59	6	1
UBS Warburg	53.41	6	
ING Barings	52.95	10	1
JP Morgan	52.79	10	
Kempen & Co	52.12	10	1
Merrill Lynch	50.97	9	
ABN AMRO	48.70	9	
Bayerische Landesbank	47.87	7	1
SNS Securities	47.10	8	
Rabo Securities	46.85	8	
Amstgeld	46.12	10	
Fortis Bank	45.72	11	
Morgan Stanley	42.28	11	1
Lehman Brothers	41.84	8	
CSFB	41.79	11	
SG Securities	41.14	7	

at Kempen & Co. But this depends on “being number one, two or three locally – and we intend to be number one”. With around 30 analysts, Kempen is certainly making a play for being the largest.

Nevertheless, Schroder Salomon Smith Barney returns to the top of the Benelux table, helped by its continuing strong performance in forecasting VNU. Other pan-European houses also register good scores, with both Deutsche Bank and HSBC Securities finishing in the top three. F van Lanschot is the highest placed local house. ●

Iberia: return of the pan-Europeans

HSBC takes top spot in the Iberian rankings for the first time. HSBC has been a strong contender in the region since the start of AQ Euro 100, but its position this time has been shored up by Alexandra Perricone emerging as the top analyst on Iberdrola. Although average scores on the energy company have dropped – so that it is no longer one of the ten most predictable companies in Europe – Perricone produced an accurate forecast to boost her score. Roger Gough of HSBC also holds onto top place in the rankings for BSCH.

JP Morgan is now a force to be reckoned with in Iberia. With forecasts across all seven companies analysed in the region, its analysts have produced consistently good scores to take second place overall

COMPANIES	
Firm	Overall AQ
BBVA	60.25
Iberdrola	51.83
BSCH	51.23
Endesa	48.95
Telefonica	46.40
Elec. de Portugal	35.56
Repsol	34.93

and pole position on Repsol.

Beta Capital – the Fortis Bank arm in Iberia – has seen its average score improve noticeably. Schroder Salomon Smith Barney registered a rather more dramatic increase in its score, which goes some way towards explaining its surge up the overall European table. Its analysts scored much better on BSCH, Repsol (where SSSB was bottom in Quarter 1) and Electricidade de Portugal, while SSSB's global strengths came into play in helping Christian Kern to claim top spot on Telefonica.

BROKERS		47.02	
Firm	Overall AQ	N° of Predictions	N° of Highest AQ
HSBC	66.56	5	2
JP Morgan	60.63	7	1
BBVA	60.40	4	
Merrill Lynch	57.65	5	
CAI Cheuvreux	57.51	5	
Banesto Bolsa	54.90	4	
Morgan Stanley	52.73	6	
Ahorro	52.11	6	1
AB Asesores	51.96	4	1
Beta Capital	51.66	4	
Schroder SSB	50.15	7	
Lehman Brothers	40.59	5	
SG Securities	40.04	4	
Deutsche Bank	37.56	6	
ABN AMRO	34.18	4	
CSFB	22.39	7	

Among the companies, BBVA emerges as the most predictable of the Spanish blue chips – and also as the most predictable major bank for forecasters in Europe. ●

Italy: mixed performance

A lot has changed in the Italian rankings this time around, but JP Morgan has remained in a consistent second place. BNP Paribas – which includes the Pasfin analysts – now emerges as the highest scoring house in Italy, helped by a top score on the most predictable large company in the market, which is still Mediaset.

Local houses and pan-Europeans jostle for position all the way down the rankings, with no clear pattern. Among the Italian banks and companies, there are similarly few clearly defined trends at work. Banca Fideuram – once one of the most predictable companies in the Euro 100 – has dropped down the rankings, though locally-based Euromobiliare did better than the rest in forecasting its 2000 earnings. Banca Intesa proved very much less of a forecasters' bugbear this time around, with a clutch of analysts – including Centro SIM and Euromobiliare – coming up with

COMPANIES	
Firm	Overall AQ
Mediaset	51.36
Assic. Generali	44.49
ENI	36.33
Banca Fideuram	36.15
TIM	32.78
Telecom Italia	29.64
San Paolo	25.65
Banca Intesa	15.31
Unicredito Italiano	9.75
Fiat	0.00

some very accurate forecasts. However, Unicredito Italiano proved more difficult, with Lehman Brothers recording the highest score.

London-based Actinvest has improved its score and its position in the rankings. Davide Oddono claims top position on Telecom Italia and also on San Paolo IMI, where Actinvest had a good forecasting record in 1999. Centro SIM drops to fourth place, although the Milan-based house is now has the top analyst forecasting Banca Intesa.

Fiat remains rooted to the bottom

BROKERS		28.15	
Firm	Overall AQ	N° of Predictions	N° of Highest AQ
BNP Paribas	52.37	5	1
JP Morgan	42.32	7	
Credito Italiano	41.12	5	
Centro SIM	40.29	7	1
Lehman Brothers	40.10	5	1
Schroder SSB	37.03	6	
Epta SIM	34.37	7	1
Euromobiliare	32.36	9	1
Actinvest	30.95	10	2
Merrill Lynch	28.26	7	
Banca Akros	27.35	5	1
Morgan Stanley	26.48	9	
UBS Warburg	23.59	5	
CSFB	22.13	8	
Banca IMI	22.00	7	
HSBC	20.14	8	
Caboto SIM	19.97	9	

of the company table after another year in which forecasts bore little relation to the actual numbers produced by the company. Intersim has been removed from the analysis after its absorption into Banca IMI. ●

Scandinavia: more headaches

Scandinavia is now second only to Germany for unpredictability. A lot of the trouble stems from Sonera, which has gone from a score of 48 to one of zero in the wake of 2000 eps numbers. Sonera insists on treating its revenue from disposals as operating income and this produced an earnings per share number which was off the scale as far as analysts' forecasts are concerned. In the absence of a reliable figure excluding exceptionals, we have had to use the official figure and this has, undoubtedly, distorted the numbers for this quarter.

Nokia, on the other hand, has shown that it is possible for analysts to keep track of a company operating in a highly volatile sector. Average scores on Nokia are somewhat higher this quarter than they were in quarter 1, thanks to eps forecasts that

COMPANIES	
Firm	Overall AQ
Novo-Nordisk	42.07
H&M	40.39
Nokia	33.61
Tele-Danmark	30.25
Ericsson	15.80
Sonera	0.00

were, in some cases, very accurate indeed. Deutsche Bank owes a good part of its top position in the country table to an accurate forecast on Nokia, on which second placed Schroder Salomon Smith Barney also racked up a good score. While accuracy may be improving, the turbulent nature of the mobile telecoms business means that analysts are likely to continue to have below average scores on Nokia. Ericsson meanwhile continues to present problems for a lot of analysts. Merrill Lynch emerges as the top ranked house striving to understand the problem-laden

BROKERS		27.02	
Firm	Overall AQ	N° of Predictions	N° of Highest AQ
Deutsche Bank	44.14	3	
Schroder SSB	39.41	4	1
CSFB	38.62	4	
Dresdner KW	32.05	3	
Lehman Brothers	29.73	4	
Merrill Lynch	25.88	6	1
Morgan Stanley	25.34	3	
HSBC	23.52	6	1
JP Morgan	6.55	3	
DNB Markets	5.15	4	

Swedish telecoms group.

As in several other markets, Schroder Salomon Smith Barney has improved its score noticeably. Besides Nokia, SSSB also registered a good score on Hennes & Mauritz, moving up from third to first place. CSFB meanwhile remains in third place in Scandinavia as a whole. The low scores at the bottom of the rankings reflect telecoms problems. ●

Switzerland: big rise for ZKB

Results from Switzerland this quarter show a number of changes at all levels in the brokers' table. Schroders Salomon Smith Barney – which has improved across the board – and Merrill Lynch swap first and third places. But it is Zurcher Kantonalbank which has made the biggest impression on the table by going from eighth to second. ZKB had a much improved score on Roche after a highly accurate forecast of the company's 2000 eps number and its continued good showing on both of the big insurance companies earned it second place.

Honours in terms of individual top scores were widely shared, with no house having more than one top analyst. Francesco Catanzaro, the analyst covering Credit Suisse for Bank Sarasin was the only analyst to remain top rated from quarter 1, 2001, although both UBS Warburg and Bank Leu improved their scores on Credit Suisse after some accurate

COMPANIES	
Firm	Overall AQ
Roche	53.54
Swiss Re	49.17
Nestle	48.50
Novartis	34.51
Zurich	26.74
UBS	22.06
Credit Suisse	21.44
Adecco	18.28
Swisscom	13.25
ABB	4.65

forecasts of 2000 earnings. Plinio Zanetti was narrowly beaten into second place on Novartis by CSFB's experienced UK-based Steve Plag, who has long been one of the top rated analysts in the sector.

Schroder Salomon Smith Barney owes its top position to a consistently good forecasting performance across all six of the companies where we have analysed its research. SSSB has regularly been placed third up until now, but Switzerland is a relatively difficult market in which to work. Earnings for both Adecco and ABB were tricky to forecast in 2000 and

BROKERS		28.95	
Firm	Overall AQ	N° of Predictions	N° of Highest AQ
Schroder SSB	44.44	6	
Zurcher Kantonalbank	43.51	6	1
Merrill Lynch	42.87	6	1
Morgan Stanley	39.32	7	
Bank Sarasin	38.37	8	1
ABN AMRO	37.07	5	
Lehman Brothers	36.48	8	1
Lombard Odier	32.90	8	1
Bank Vontobel	32.87	6	
Bank Leu	32.61	7	1
CSFB	29.48	7	1
Dresdner KW	29.36	6	1
HSBC	25.98	7	1
Exane	23.64	5	
Pictet	17.74	8	

Pierre Olivier Gabris at Lombard Odier was the only analyst to get a firm handle on the ABB numbers.

Roche now emerges as the most predictable company in Switzerland this quarter, with a lot of the analysts getting with 2% of the actual eps number for 2000. Second ranked Swiss Re will have its results analysed in the Quarter 3 report. ●

Salomons shines

The overall improvement in Schroder Salomon Smith Barney's score has been reflected in a very strong sector showing.

The SSSB analysts came top in four sectors, including the largest – banking – which continues to show very varied results across the different institutions. In addition, Salomons features in the top five rankings in another four sector tables and has produced a convincing all round performance.

Merrill Lynch meanwhile remains in the top five in eight sectors and is

clearly a major force in pan-European research. ING Barings has broken into the top flight in two sectors – chemicals and retail – where the Netherlands has a significant weight in the sector, while HSBC takes the honours in two of the most predictable sectors – electricity and food manufacturing.

Among the smaller brokers, SEB (formerly BfG Bank) is one of the few to achieve a good sector showing. SEB's Martin Haug is the top-ranked analyst on Daimler Chrysler and this helps give the small Frankfurt house second ranking in the sector. ●

ELECTRICITY 48.51

HSBC	73.82
SCH	72.19
Bayerische Hypo-und Vereins	70.50
BBVA	67.49
CAI Cheuvreux	64.09

The big Spanish input to the sector is the most important factor shaping the sector rankings. HSBC's Alexandra Perricone has helped propel HSBC to the top of the rankings with accurate forecasts on Iberdrola, while Santander Central Hispano holds on to second place. Former sector winners BBVA drop to third place and CAI Cheuvreux is back in the top five for the first time since Q3, 2000.

AUTOMOBILES 7.88

Schroder Salomon Smith Barney	25.37
SEB	24.51
Bayerische Hypo-und Vereins	22.27
Metzler Seel & Sohn	20.71
HSBC	17.00

By quite a wide margin, the least predictable sector in AQ Euro 100. The decline in the AQ for analysts looking at Daimler Chrysler helps explain the overall drop in the sector averages, as does the zero on Fiat in this quarter's analysis. German houses dominate the sector rankings as a result of the predominance of German companies in the sector, though Schroder Salomon Smith Barney's team has returned to the top spot which it occupied in Quarter 4, 2000.

CHEMICALS 39.42

ING Barings	72.54
Dresdner Kleinwort Wasserstein	54.23
ABN AMRO	53.23
Merrill Lynch	45.95
Metzler Seel & Sohn	45.64

Dresdner Kleinwort Wasserstein is pushed into second place by a resurgent ING Barings. The ING analysts owe their place to good forecasts on the two most predictable companies in the sector – Akzo Nobel and Air Liquide – while DrKW remains the best all rounder in the sector. ABN AMRO enters the top five with a convincing performance on all four companies in the sector.

ELECTRONICS 11.58

JP Morgan	43.96
Schroder Salomon Smith Barney	25.08
CSFB	24.61
Merrill Lynch	24.60
Lehman Brothers	21.65

The sector has become tougher for the analysts, with low scores on both ABB and Philips pulling scores down. JP Morgan has set its stamp on the sector while analysing three of the four companies and with Santje Conrad taking first place on Siemens. SSSB was the only house with a good showing on Philips and this accounts for its improved position, while Merrills remains in the top five.

BANKS 26.11

Schroder Salomon Smith Barney	34.79
Merrill Lynch	29.35
Morgan Stanley	28.00
ABN AMRO	26.48
Lehman Brothers	25.42

Merrill Lynch surrenders the top spot which it has held since Quarter 3, 2000 despite a very strong performance by Adrian Pilz, who ranks as top analyst on three banks: UBS, Deutsche Bank and Bayerische Hypo-und Vereins. Schroder Salomon Smith Barney – long the heir in waiting to Merrill's crown – has clinched first place after being second for three quarters in a row. The sector average drops slightly as Morgan Stanley enter the top five for the first time.

DIVERSIFIED INDUSTRIALS 25.94

Merck Finck	56.57
Baden-Wuertt. Bank	52.16
Fortis Securities France	49.83
SEB	41.34
Exane	40.39

Merck Finck has gone to the top of the rankings in what was previously a Merrill Lynch fiefdom. Merck Finck registered the top score on E.On and also did well on RWE. Baden-Wuerttemberg Bank, similarly, does well on the two German diversified industrials.

FOOD 46.20

HSBC	66.44
Lehman Brothers	61.08
Schroder Salomon Smith Barney	56.98
Morgan Stanley	55.59
ABN AMRO	55.43

HSBC moves up from third to first place with a significantly improved score and very good scores on both Heineken and Nestle, where Anne Alexandre is now the top analyst. Lehman Brothers is the best of the bunch on Danone, but did not do so well on Nestle. The sector is now the third most predictable in AQ Euro 100.

INSURANCE 42.15

Schroder Salomon Smith Barney	54.43
Dresdner Kleinwort Wasserstein	51.15
Bayerische Landesbank	50.68
BNP Paribas	46.25
JP Morgan	44.97

Schroder Salomon Smith Barney has always been a force in the insurance sector and is now back in the top slot which it occupied back in Quarter 3, 2000. Average scores have increased in the sector and SSSB has good scores on eight of the nine companies in the sector. Dresdner Kleinwort Wasserstein moves back up from fourth to second place.

OIL AND GAS 34.32

Lehman Brothers	51.38
Merrill Lynch	49.25
Dresdner Kleinwort Wasserstein	45.07
Natexis Capital	43.70
JP Morgan	38.46

The overall average has dropped for the sector and Lehman Brothers enters the rankings in top position with consistently good scores across all three companies being analysed. JP Morgan's position in the sector rankings results from a top score for Gordon Gray on Repsol.

SOFTWARE 13.16

Morgan Stanley	19.82
Merrill Lynch	10.61

A small sector and one in which we are only able to analyse two brokers who forecast both companies. Both Cap Gemini and SAP have average scores of below 15 and this echoes the difficulties which analysts have had with some parts of the UK software sector in the wake of Y2K volatility and general fluctuations in predictability as a result of the upheavals in the TMT sector. Accuracy was not particularly good on SAP in 2000, though both Merrill Lynch and Morgan Stanley did well on the German company.

IT HARDWARE 25.69

Bayerische Landesbank	48.75
Commerzbank	36.25
CSFB	31.17
Schroder Salomon Smith Barney	27.77
Merrill Lynch	25.55

A generally low scoring sector, though one has been invigorated by the inclusion of Bayerische Landesbank in our analysis. The German analysts do well on both Alcatel and Ericsson, while Schroder Salomon Smith Barney has the best score of a house with analysis included on all four companies in the sector. While Ericsson has got more difficult, analysts are doing better on Alcatel.

PHARMACEUTICALS 41.16

CSFB	66.73
Natexis Capital	57.94
Lehman Brothers	54.68
Morgan Stanley	52.60
Merrill Lynch	51.87

The big international houses dominate the sector, with CSFB's Steve Plag helping the London based team into first place by achieving a top score on Novartis. The sector average has not changed significantly, as improvements in the scores on both Aventis and Roche have been cancelled out by lower scores on Schering. European pharma companies remain trickier to forecast than those in the UK.

SUPPORT SERVICES 35.33

Merrill Lynch	36.50
Deutsche Bank	27.60
BNP Paribas	27.57
ABN AMRO	26.20

Again only a small sector with just two companies represented in the Euro 100. The sharp drop in the sector average – in sharp contrast now to the UK – results from a reduction in the average score on TNT. Despite this, Merrill Lynch remains top of the sector rankings as one of a relatively few broking houses to be analysed in relation to both companies.

MEDIA 43.71

Schroder Salomon Smith Barney	68.71
Lehman Brothers	55.04
JP Morgan	50.95
UBS Warburg	45.04
HSBC	42.43

Another very strong showing for Schroders Salomon Smith Barney, which has led the sector for a year. SSSB retains its pole position on VNU and continues to score well on Mediaset, while Lehman Brothers finishes second in the table after registering good scores on both companies – the first time that Lehman has been in the top five in the sector. Media remains a much smaller part of the Euro 100 compared with the FTSE 100.

RETAIL 46.33

ING Barings	61.71
SG Securities	59.35
UBS Warburg	56.83
ABN AMRO	56.80
HSBC	54.82

A noticeable rise in overall predictability in the sector which means that retail is now second only to electricity for ease of forecasting. The improvement is due in part to a jump in scores in relation to Pinault-Printemps, which is now the second most predictable company in the sector, and the high degree of accuracy achieved on Ahold. ING Barings is catapulted into top spot by good score on Ahold and the French retailers.

TELECOMS 20.36

Lehman Brothers	34.85
JP Morgan	31.43
Schroder Salomon Smith Barney	29.68
CSFB	27.56
BNP Paribas	25.01

Lehman Brothers – which ranked second in Quarter 1, 2001 – has moved up to first place in the rankings this quarter. Lehman owes its position to a top ranked score on Swisscom and above average scores on both Telecom Italia and Telefonica (now the most predictable company in the sector). Merrill Lynch drops down the rankings after a low score on Tele Danmark. The overall average for the sector remains low in light of zeroes for both Bouygues and Sonera.

ABB 4.65

Lombard Odier	18.61
Bank Leu	0.00
Darier Hentsch	0.00
Pictet	0.00

Top analyst: Pierre-Olivier Gabris

ABN AMRO 51.00

ING Barings	68.61
F van Lanschot	67.09
Dresdner Kleinwort Wasserstein	62.65
Schroder Salomon Smith Barney	61.36
SG Securities	59.67
Kempen & Co	57.16
Amstgeld	55.38
Merrill Lynch	52.67
HSBC	52.48
CSFB	49.95
JP Morgan	45.54
Morgan Stanley	40.32
Bayerische Landesbank	31.52
Lehman Brothers	9.53

ABN AMRO emerges again as one of the more predictable banks in Europe with analysts notching up good accuracy in relation to the 2000 eps. Locally based broking houses score well and, says ABN AMRO investor relations vice president Robin Jansen, there are advantages in having a detailed understanding of the dynamics of the local banking market. Jansen says the bank is constantly improving communications with investors and analysts.

Top analyst: Marjot van der Velden

ADECCO 18.28

Bank Leu	48.14
Merrill Lynch	33.98
Bank Sarasin	27.57
ABN AMRO	0.00
BNP Paribas	0.00
Deutsche Bank	0.00

Top analyst: Ronald Wildmann

AEGON 71.18

HSBC	83.53
Bayerische Landesbank	83.14
JP Morgan	80.60
Bayerische Hypo-und Vereins	76.70
Rabo Securities	76.61
Schroder Salomon Smith Barney	75.94
Kempen & Co	75.72
F van Lanschot	75.29
Merrill Lynch	73.65

ING Barings	73.52
CSFB	72.73
Fortis Bank	71.42
Amstgeld	70.66
Dresdner Kleinwort Wasserstein	70.38
Exane	68.31
Morgan Stanley	60.66
BNP Paribas	58.18
SNS Securities	34.29

Aegon emerges as the most predictable company in this quarter's report. Analysts were – almost without exception – within a very close range of the actual eps number and many of them were within 1% of the final figure. This is the third year in a row that analysts have achieved a high degree of accuracy on the Dutch insurer and, with the 1997 numbers dropping out of the analysis, the average AQ has risen above 70. HSBC Securities moves up the rankings to take first place, and scores have improved generally, although SNS Securities remains slightly adrift of the pack as a result of a wayward forecast of 2000 eps.

The brokers' achievement in forecasting Aegon reflects in part the high quality of investor relations at its Den Haag headquarters. Gerard Paap has spent 26 years at Aegon and has been heading up the investor relations effort since 1983. Very close monitoring of analysts helps keep estimates in line as does rigorous scrutiny of analysts' reports before publication. Aegon has what Paap describes as "a very high disclosure level" with quarterly reporting in place for 15 years. He also provides sensitivity analysis guidance to help analysts understand the impact of currency changes now that Aegon has a large portion of its earnings generated in the US and no longer has a hedging policy. For the last 10 years Aegon has delivered at least 10% earnings growth, although Paap is not convinced that analysts should rely on models to understand the company.

Top analyst: Ton Gietman

AGF 46.35

Deutsche Bank	80.21
SG Securities	74.87
Schroder Salomon Smith Barney	61.06
BNP Paribas	59.32
F van Lanschot	57.57
JP Morgan	56.96
WestLB Panmure	56.92
Bayerische Landesbank	53.61
Merrill Lynch	45.52
Dresdner Kleinwort Wasserstein	42.80
CSFB	39.84
HSBC	35.09
Morgan Stanley	26.38
UBS Warburg	5.09
Lehman Brothers	0.00

AHOLD 67.77

EIFB	85.76
Bayerische Landesbank	80.81
Lehman Brothers	80.59
Natexis Capital	75.70
Dresdner Kleinwort Wasserstein	74.26
BNP Paribas	73.42
ABN AMRO	73.16
F van Lanschot	72.80
HSBC	71.52
Deutsche Bank	71.43
JP Morgan	67.88
SG Securities	67.43
UBS Warburg	65.19
CDC-IXIS	64.51
Amstgeld	63.75
Kempen & Co	63.27
Merrill Lynch	63.14
SNS Securities	62.06
Rabo Securities	61.39
Morgan Stanley	59.97
Bayerische Hypo-und Vereins	58.68
ING Barings	58.28
Fortis Bank	56.59
CSFB	54.99

Another of the high scoring Dutch companies which now ranks third highest overall for brokers' accuracy. Accuracy was again of a high order in relation to 2000 eps, with several analysts getting within 1% of the actual number and others within a 2-3% range. EIFB retains its lead after a spot on forecast of 2000 earnings, though BNP Paribas and SG Securities have both slipped down the rankings after making rather less accurate estimates. Analysts have been consistently happy with the quality of the Ahold investor relations effort.

Top analyst: S Soulie

AIR LIQUIDE 60.92

HSBC	78.16
Dresdner Kleinwort Wasserstein	76.09
Merrill Lynch	75.29
ING Barings	75.02
Exane	74.99
ABN AMRO	72.80
Natexis Capital	70.39
UBS Warburg	70.38
Bayerische Landesbank	66.60
Schroder Salomon Smith Barney	65.98
Fortis Securities France	65.48
JP Morgan	65.18
Morgan Stanley	64.96
SG Securities	61.44
Rabo Securities	57.78
Bayerische Hypo-und Vereins	55.89
Lehman Brothers	55.83
CSFB	54.19

CDC-IXIS	53.53
Oddo Pinatton	53.04
EIFB	51.50
KBC Securities	49.02
CAI Cheuvreux	46.62
Deutsche Bank	41.40
BNP Paribas	21.46

HSBC takes the honours with a very impressive score that includes a highly accurate estimate for 2000. Across the board, average AOs for Air Liquide have further improved reflecting both the helpful attitude of the IR team, and the steady long-term nature of the contracts the company has entered into. The world's largest maker of industrial gases has established itself as one of the most consistently predictable of French companies. The increases in average AQ scores now puts the company among the ten most predictable companies in Europe.

Top analyst: Michael Stone

AKZO NOBEL 57.94

Deutsche Bank	77.54
UBS Warburg	72.50
Merrill Lynch	71.90
Dresdner Kleinwort Wasserstein	70.65
ING Barings	70.06
Lehman Brothers	69.34
Fortis Bank	66.93
Rabo Securities	65.92
BNP Paribas	62.40
JP Morgan	62.27
Amstgld	60.15
Schroder Salomon Smith Barney	60.00
F van Lanschot	59.84
Kempen & Co	55.10
Morgan Stanley	54.63
SG Securities	49.17
HSBC	46.53
ABN AMRO	43.08
Merck Finck	39.54
CSFB	29.97
SNS Securities	29.24

The pharmaceutical, paints and chemicals group reported record earnings growth in 2000, but 2001 looks like it may be less rosy. The economic downturn is expected to depress earnings growth while the company is being investigated in the EU and North America for cartel infringements relating to chemical products.

Campbell Gillies at Deutsche Bank reclaims the first place in the rankings which he last held in Quarter 3, 2000 with a high score resulting from an accurate prediction for 2000 results. The company's average AQ is improving, and this is a signal of the fact that Akzo Nobel is getting its message across to analysts.

Top analyst: Campbell Gillies

ALCATEL 15.11

Bayerische Landesbank	49.76
JP Morgan	39.04
HSBC	32.52
EIFB	30.90
SG Securities	20.01
Lehman Brothers	14.26
Exane	9.93
CDC-IXIS	0.00
Dresdner Kleinwort Wasserstein	0.00
Merck Finck	0.00
Morgan Stanley	0.00
Natexis Capital	0.00
Schroder Salomon Smith Barney	0.00

Things were looking good for Alcatel in 2000. The company reported 36% top line growth, including 41% growth in telecommunications. Bayerische Landesbank zooms straight in to the top of the table, after three years of consistently good forecasting. Across the board, scores have generally improved, although a substantial number of houses still record zeroes as a result of difficulties in forecasting Alcatel in both 1998 and 1999. With Alcatel's relatively low exposure to the troubled mobiles sector, average AOs may continue to improve throughout 2001. The company has already been forced to issue a warning as to the state of its mobile operations in March – but if anything that may help average AOs. It gives analysts a clear idea about the state of the company's accounts, and the low exposure implies the company will not be less seriously affected by the mobile phone sector's uncertainties. Certainly, Alcatel appears to be holding up better than Ericsson, although the low average score reflects the general difficulties in forecasting in this sector.

Top analyst: Martin Nitsch

ALLIANZ 37.37

HSBC	67.96
Morgan Stanley	42.51
BHF Bank	42.01
Deutsche Bank	36.29
Bayerische Landesbank	25.82
CSFB	23.57
Schroder Salomon Smith Barney	23.41

Top analyst: Nick Bunker

ASSIC. GENERALI 44.49

Banca Akros	74.71
JP Morgan	69.11
Schroder Salomon Smith Barney	66.81
Centro SIM	61.52
Morgan Stanley	55.66
BNP Paribas	55.46

Sella Asset Mgt	51.03
Credito Italiano	50.96
Banca IMI	46.57
Exane	45.90
Actinvest	45.46
HSBC	41.58
Euromobiliare	36.54
CAI Cheuvreux	29.91
Epta SIM	25.14
Caboto SIM	0.00
CSFB	0.00
Aventis	21.96
JP Morgan	55.35
Natexis Capital	49.73
Dresdner Kleinwort Wasserstein	25.18
CAI Cheuvreux	12.79
EIFB	10.70
BNP Paribas	0.00
Exane	0.00

1997 data are removed from the calculations and this has boosted the standing of a number of broking houses, particularly BNP Paribas and Actinvest Group. Banca Akros narrowly edges JP Morgan out of the top slot.

AVENTIS 21.96

JP Morgan	55.35
Natexis Capital	49.73
Dresdner Kleinwort Wasserstein	25.18
CAI Cheuvreux	12.79
EIFB	10.70
BNP Paribas	0.00
Exane	0.00

Top analyst: Jeffrey Stevens

AXA 27.49

CDC-IXIS	63.96
Lehman Brothers	59.41
Exane	48.40
Merrill Lynch	47.72
Bayerische Hypo-und Vereins	43.88
Fortis Securities France	41.73
KBC Securities	36.83
Oddo Pinatton	35.86
Merck Finck	33.95
SG Securities	31.91
Schroder Salomon Smith Barney	27.43
ING Barings	26.12
JP Morgan	20.28
Bayerische Landesbank	19.26
EIFB	17.04
Natexis Capital	16.82
Dresdner Kleinwort Wasserstein	16.79
HSBC	10.60
Wargny	6.80
BNP Paribas	0.00

CAI Cheuvreux	0.00
CSFB	0.00

A sizeable drop in average AQs for Axa that in fact reflects the poor scores at the bottom of the table more than the largely unchanged range of marks at the top. Those struggling with the company, which is one of the world's biggest insurers, underestimated its performance in 2000. The company achieved very good results in a challenging environment, with earnings up 24% to €2.54bn.

CDC jumps up the table to take the top spot with a very good score after a highly accurate forecast of 2000 earnings. Exane is also much improved, up from sixteenth place last quarter.

Top analyst: Francois-Xavier Rousseau

BANCA FIDEURAM 36.15

Euromobiliare	59.01
Morgan Stanley	57.59
ABN AMRO	32.92
Actinvest	27.92
Caboto SIM	3.31

Top analyst: Matteo Ghilotti

BANCA INTESA 15.31

Centro SIM	45.54
UBS Warburg	33.89
CSFB	30.22
Banca IMI	23.12
Euromobiliare	20.35
Actinvest	0.00
Banca Akros	0.00
HSBC	0.00
Merrill Lynch	0.00
Morgan Stanley	0.00

Top analyst: Sergio Ciaramella

BASF 17.99

Metzler Seel & Sohn	59.83
ABN AMRO	53.88
JP Morgan	47.63
SEB	41.76
Dresdner Kleinwort Wasserstein	40.74
Bayerische Hypo-und Vereins	38.37
DG Bank	32.84
Rabo Securities	29.68
CSFB	15.80
Deutsche Bank	14.97
Fortis Bank	13.82
SG Securities	13.26
UBS Warburg	11.77
Merrill Lynch	8.30

HSBC	5.11
Baden-Wuertt. Bank	2.28
Schroder Salomon Smith Barney	1.85
Bayerische Landesbank	0.00
BNP Paribas	0.00
Lehman Brothers	0.00
Merck Finck	0.00
MM Warburg	0.00
Morgan Stanley	0.00
Sal Oppenheim	0.00

Metzler Seel & Sohn confirms its position at the top with an improving AQ score that has kept it at the top of the BASF table for four successive quarters. AQs in this quarter take account of BASF's 2000 results. The world's largest chemical company is sticking by all its targets despite the deteriorating economic climate. Operating profit rose 15.3% to €3.4bn in 2000, with sales up 22%. Average AQs for the company are down though as analysts grapple with both the downturn and BASF's continued success. ABN Amro has risen rapidly up the table after an accurate forecast of 2000 earnings and seems to have a good understanding of the company. It could be challenging Metzler's dominance in the coming year.

Top analyst: Paul Singer

BAYER 20.82

Lehman Brothers	45.93
ABN AMRO	43.17
Sal Oppenheim	42.65
Fortis Bank	39.56
Deutsche Bank	38.53
DG Bank	37.38
Baden-Wuertt. Bank	36.62
Commerzbank	34.50
Metzler Seel & Sohn	31.45
Dresdner Kleinwort Wasserstein	29.43
Merrill Lynch	28.29
Merck Finck	25.44
UBS Warburg	21.89
Schroder Salomon Smith Barney	21.10
Bayerische Hypo-und Vereins	17.24
MM Warburg	9.34
Rabo Securities	9.23
HSBC	6.89
JP Morgan	3.30
Bayerische Landesbank	0.00
SEB	0.00
BNP Paribas	0.00
Morgan Stanley	0.00
SG Securities	0.00

The healthcare and chemicals group has not been having the best of times of late, and is now only ranked fifteenth among global pharmaceutical companies. The company is battling to avoid being split and is determinedly ploughing on with

plans for €8bn worth of acquisitions. Analysts are having a harder time with the company now than the German stalwart might expect – average AQs dropped significantly since quarter 1 as many houses misread the signs for the 2000 figures.

Lehman Bros and Sal Oppenheim leap to the top of the table with much improved AQs, and ABN Amro maintains its solid record with the company by holding on to second place.

Top analysts: Joe Walton and Oliver Fear

BAYERISCHE HYPO BANK 15.10

Merrill Lynch	59.22
Schroder Salomon Smith Barney	57.60
UBS Warburg	55.72
Julius Baer	52.28
Commerzbank	30.75
MM Warburg	30.50
Bayerische Hypo-und Vereins	27.50
CSFB	25.15
Merck Finck	14.26
Deutsche Bank	9.50
Bankhaus Reuschel	0.00
Bayerische Landesbank	0.00
SEB	0.00
BHF Bank	0.00
BNP Paribas	0.00
Delbrueck & Co	0.00
DG Bank	0.00
HSBC	0.00
JP Morgan	0.00
Lehman Brothers	0.00
Metzler Seel & Sohn	0.00
Morgan Stanley	0.00
Sal Oppenheim	0.00
WestLB Panmure	0.00

Bayerische Hypo-und Vereinsbank produced only two official eps numbers – 2.71 and 2.5 Euros – and a number of analysts were wide of the mark. With the exception of Schroder Salomon Smith Barney, the leading houses from Quarter 1's results were those that seemed to have the biggest problems in forecasting the 2000 earnings. Some of those houses with accurate forecasts of the 2000 results – such as CSFB and Sal Oppenheim – were handicapped by past inaccuracies and still failed to register positive scores.

Top analyst: Adrian Pilz

BBVA 60.25

Ahorro	75.80
Merck Finck	72.74
Morgan Stanley	71.78
CAI Cheuvreux	69.91
Beta Capital	67.50
JP Morgan	66.43
Schroder Salomon Smith Barney	66.04
Ibersecurities	63.41

Banesto Bolsa	62.43
Merrill Lynch	62.33
HSBC	60.37
Deutsche Bank	44.52
CSFB	0.00

BBVA remains Europe's most predictable bank after a string of accurate forecasts in relation to the 2000 numbers. Locally-based Ahorro leads the table, with Beta Capital and Morgan Stanley registering improved scores.

Top analyst: Juan Montero

BMW 4.24

Schroder Salomon Smith Barney	35.23
F van Lanschot	33.51
Metzler Seel & Sohn	24.70
Baden-Wuertt. Bank	8.37
Bayerische Hypo-und Vereins	3.76
SG Securities	0.33
Bayerische Landesbank	0.00
SEB	0.00
BHF Bank	0.00
BNP Paribas	0.00
Commerzbank	0.00
Delbrueck & Co	0.00
Deutsche Bank	0.00
DG Bank	0.00
Exane	0.00
HSBC	0.00
Julius Baer	0.00
Lehman Brothers	0.00
Merck Finck	0.00
Merrill Lynch	0.00
MM Warburg	0.00
Morgan Stanley	0.00
Sal Oppenheim	0.00
UBS Warburg	0.00
WestLB Panmure	0.00

Top analyst: Adam Collins

BNP PARIBAS 34.43

Lehman Brothers	61.51
CDC-IXIS	57.44
SG Securities	55.73
Natexis Capital	50.65
Exane	49.38
EIFB	48.83
KBC Securities	46.50
Deutsche Bank	45.08
Dresdner Kleinwort Wasserstein	44.75
Fortis Securities France	44.53
Oddo Pinatton	38.39
CAI Cheuvreux	34.99
Morgan Stanley	34.12
UBS Warburg	33.70

ABN AMRO	33.47
Bayerische Landesbank	31.83
Schroder Salomon Smith Barney	31.16
Merck Finck	22.19
ING Barings	12.77
HSBC	10.95
Wargny	3.90
Bayerische Hypo-und Vereins	0.00
JP Morgan	0.00

BNP saw a sharp rise in profits in 2000 as the integration of Paribas following the 1999 merger went better than expected. Net profit before restructuring charges rose 26% to €4.12bn. At the same time the predictability of the company is improving with 17 brokers now getting AOs above 30 and average accuracy was higher than in either 1998 or 1999. Lehman Bros jumps into the top spot with a margin that keeps them ahead of the field, thanks to accurate estimates for 2000.

Wargny has a poor score after a wayward forecast of 2000 earnings and JP Morgan is held back by sizeable revisions to estimates in previous years.

BNP Paribas plans further co-operation with Dresdner Bank following the introduction of a credit card joint venture in Germany. How analysts will cope with that remains to be seen – cross-border banking operations are still tricky to call in Europe.

Top analyst: Jacques-Henri Gaularz

BOUYGUES 0.00

BNP Paribas	0.00
CAI Cheuvreux	0.00
CDC-IXIS	0.00
EIFB	0.00
Exane	0.00
Fortis Securities France	0.00
HSBC	0.00
KBC Securities	0.00
Natexis Capital	0.00
SG Securities	0.00
UBS Warburg	0.00
Wargny	0.00

BSCH 51.23

HSBC	71.70
JP Morgan	67.72
Morgan Stanley	67.65
ABN AMRO	61.51
Deutsche Bank	60.83
Ahorro	59.77
Schroder Salomon Smith Barney	55.94
SG Securities	37.86
Lehman Brothers	29.37
CSFB	0.00

Average AOs rise in Q2 as analysts' success with the accuracy of their 2000 estimates is reflected in the results. JP Morgan rises to the top spot,

although Morgan Stanley come a very close second and the top five all score well. Ahorro becomes the top placed local broker as the big pan-Europeans show their worth in this highly competitive sector.

Top analyst: Roger Gough

CAP GEMINI 13.72

Fortis Securities France	41.23
Natexis Capital	38.41
SG Securities	35.40
Oddo Pinatton	29.56
KBC Securities	21.64
Exane	17.40
Wargny	17.27
BNP Paribas	13.28
CDC-IXIS	9.52
CSFB	6.02
Morgan Stanley	3.51
CAI Cheuvreux	0.00
Dresdner Kleinwort Wasserstein	0.00
EIFB	0.00
HSBC	0.00
Merrill Lynch	0.00
UBS Warburg	0.00

Top analysts: Frank Roosen, Edwin Flick

CARREFOUR 47.43

Bayerische Landesbank	76.13
Oddo Pinatton	68.27
ING Barings	64.19
SG Securities	61.81
Bayerische Hypo-und Vereins	61.42
Fortis Securities France	61.14
Deutsche Bank	56.67
EIFB	56.42
KBC Securities	53.06
JP Morgan	52.36
UBS Warburg	52.23
Morgan Stanley	51.54
CDC-IXIS	51.40
ABN AMRO	49.45
HSBC	49.03
BNP Paribas	45.04
Schroder Salomon Smith Barney	43.25
Merrill Lynch	41.66
Exane	40.06
CAI Cheuvreux	39.08
Lehman Brothers	38.92
Dresdner Kleinwort Wasserstein	32.79
Natexis Capital	30.21
CSFB	9.74
Wargny	0.00

Europe's largest retailer, globally the second largest food retailer, experienced continuing problems in 2000 resulting from its merger with

French rival Promodès, and announced it expected the difficulties to continue till the third quarter 2001. Analysts are generally frustrated at the lack of strategy in place to deal with the problems, and some of them appear to have little faith in the new growth targets which the company has set for itself. Having said that, the consensus view remains that Carrefour is a reasonably predictable company, with the vast bulk of the AQ table being solidly respectable scores and analysts improving the accuracy of their scores relative to 1999. Two smaller houses perform best with Bayerische Landesbank coming first with a very good score, boosted by the accuracy of its predictions for 2000 results. Dresdner Kleinwort Wasserstein and Natexis Capital both lost ground after relatively bad forecasts of 2000 earnings, while Wargny dropped to the bottom of the table after making a forecast that was wide of the mark.

Top analyst: *Mattias Gmeinweiser*

COMMERZBANK 9.45

Natexis Capital	46.57
Julius Baer	40.00
Schroder Salomon Smith Barney	35.97
DG Bank	35.95
Merrill Lynch	26.78
Metzler Seel & Sohn	3.63
Bayerische Hypo-und Vereins	0.07
ABN AMRO	0.00
Bayerische Landesbank	0.00
SEB	0.00
BHF Bank	0.00
CSFB	0.00
Deutsche Bank	0.00
HSBC	0.00
JP Morgan	0.00
Lehman Brothers	0.00
Merck Finck	0.00
MM Warburg	0.00
Sal Oppenheim	0.00
WestLB Panmure	0.00

Another messy set of forecasts, with analysts' estimates over a wide range. Official eps figures did not correlate with many of the forecasts and the average for Commerzbank has dropped noticeably. Natexis Capital managed to hold on to first place in forecasting Commerzbank with a forecast that was not too far wide of the mark. DG Bank saw its position improve as a result of producing the most accurate estimate. Merrill Lynch and Schroder Salomon Smith Barney also retained respectable scores on a difficult bank.

Top analyst: *Frederic Bourgeois*

CREDIT SUISSE 21.44

Bank Sarasin	53.69
Deutsche Bank	44.94

Bank Leu	37.48
UBS Warburg	35.82
Schroder Salomon Smith Barney	30.73
Pictet	29.97
Lombard Odier	27.40
Bank Vontobel	25.29
HSBC	22.06
Exane	21.07
ABN AMRO	19.08
Cordius Asset Mgt	17.29
Dresdner Kleinwort Wasserstein	8.98
KBC Securities	8.75
Zurcher Kantonalbank	3.39
Lehman Brothers	0.00
Natexis Capital	0.00
SG Securities	0.00

An improving AQ average score for Credit Suisse and a marked improvement in accuracy compared with 1998. The score is still relatively low in comparison to the more predictable banks in the sector – such as ABN AMRO. Switzerland's second biggest bank reported rising income (up 11%) and a much better than expected fourth quarter in 2000 despite having \$12.4bn of restructuring costs relating to the acquisition of US brokers DLJ.

Francesco Catanzaro at Bank Sarasin confirms his position as the most accurate researcher looking at Credit Suisse. The Bank Sarasin score rises sharply with a big jump in its top ranking AQ score thanks to a highly accurate eps estimate for 2000. Deutsche Bank slips in between the Swiss brokers into second place, although Bank Leu is steadily moving up the table with a regularly improving AQ.

Top analyst: *Francesco Catanzaro*

DAIMLER CHRYSLER 30.12

SEB	73.54
HSBC	68.02
Schroder Salomon Smith Barney	66.23
Bayerische Hypo-und Vereins	63.04
JP Morgan	60.27
Deutsche Bank	50.43
Metzler Seel & Sohn	37.44
BHF Bank	33.60
Baden-Wuertt. Bank	31.56
WestLB Panmure	20.53
Sal Oppenheim	16.40
DG Bank	16.13
MM Warburg	15.17
CSFB	12.68
Julius Baer	5.13
Merck Finck	2.07
Merrill Lynch	0.00
Morgan Stanley	0.00
SG Securities	0.00

No end in sight to the problems at Daimler Chrysler, with big changes to forecasts for 2000 and 2001 and analysts struggling to get near the published eps number. Daimler has become a much more difficult animal to forecast as a result of the chronic problems in the US. Forecasts were scattered over a wide range and only a handful of houses were close to any of the three published eps numbers. SEB, HSBC, JP Morgan, Bayerische Hypo-und Vereins, Schroder Salomon Smith Barney were closer than the others and that is reflected in their scores at the top end of the table.

Top analyst: *Martin Haug*

DANONE 25.07

Lehman Brothers	68.38
Dresdner Kleinwort Wasserstein	59.51
HSBC	58.55
Morgan Stanley	48.47
Schroder Salomon Smith Barney	40.90
CDC-IXIS	0.00
CSFB	0.00
EIFB	0.00
JP Morgan	0.00
Natexis Capital	0.00
SG Securities	0.00

Top analyst: *Nic Sochovsky, Jo Speed*

DEUTSCHE BANK 8.99

Merrill Lynch	40.02
Commerzbank	39.51
Lehman Brothers	35.31
MM Warburg	14.97
Metzler Seel & Sohn	14.86
Julius Baer	13.06
Bayerische Landesbank	7.47
Schroder Salomon Smith Barney	5.55
ABN AMRO	0.00
Bayerische Hypo-und Vereins	0.00
SEB	0.00
BHF Bank	0.00
CSFB	0.00
DG Bank	0.00
HSBC	0.00
JP Morgan	0.00
Merck Finck	0.00
Sal Oppenheim	0.00
WestLB Panmure	0.00

Accuracy has improved in relation to the 2000 eps estimates, with a number of brokers getting within 5% of the actual numbers and a couple coming very close. But the legacy of low scores from 1998 and 1999 means that the overall average has not moved up that significantly. Investor relations head Dr Wolfram Schmitt admits that a number of special situations in relation to

Deutsche Bank have contributed to low scores and that analysts have had a hard task keeping track of the bank, especially in relation to events such as the disposal of its major holdings. But with earnings per share growth targets of more than 15% (excluding special capital gains) – the first time that the bank has set itself this kind of goal – Deutsche should be easier to track going forward. Merrill Lynch improves its score notably, while Commerzbank again has a good score.

Top analyst: Adrian Pilz

DEUTSCHE TELEKOM 1.37

Lehman Brothers	24.31
JP Morgan	5.90
ABN AMRO	0.00
Baden-Wuertt. Bank	0.00
Metzler Seel & Sohn	0.00
Bayerische Hypo-und Vereins	0.00
BFG Bank	0.00
BHF Bank	0.00
BNP Paribas	0.00
Deutsche Bank	0.00
DG Bank	0.00
Dresdner Kleinwort Wasserstein	0.00
Exane	0.00
HSBC	0.00
MM Warburg	0.00
Merck Finck	0.00
Merrill Lynch	0.00
Morgan Stanley	0.00
Natexis Capital	0.00
Sal Oppenheim	0.00
Schroder Salomon Smith Barney	0.00
UBS Warburg	0.00

Deutsche Telekom is having a difficult time at the moment, with shares falling to new lows. DT has been disposing of some €20 billion non-core activities amid repeated credit warnings from Standard and Poors. Average AQs are not improving, and Lehman Bros come top with a very good score considering the sector. There was a very wide range of eps forecasts for 2000 and few of them came anywhere near the company's reported figure. Deutsche Telekom seems to exemplify the analysts' problems in forecasting a company which is not only in a highly volatile sector – prompting sizeable revisions to forecasts – but which is also a difficult beast to engage with on the accounting side.

Top analyst: Paul Norris

DRESDNER BANK 8.04

ABN AMRO	50.12
SG Securities	48.33
Merrill Lynch	36.84
Lehman Brothers	13.69
BNP Paribas	11.89

Bayerische Hypo-und Vereins	0.00
Bayerische Landesbank	0.00
SEB	0.00
BHF Bank	0.00
Deutsche Bank	0.00
DG Bank	0.00
HSBC	0.00
JP Morgan	0.00
Merck Finck	0.00
Metzler Seel & Sohn	0.00
MM Warburg	0.00
Sal Oppenheim	0.00
Schroder Salomon Smith Barney	0.00
UBS Warburg	0.00
WestLB Panmure	0.00

ABN AMRO was one of only a handful of houses to notch up accurate forecasts on Dresdner Bank and Merrill Lynch and SG Securities also benefitted from good eps predictions.

Top analyst: Marijn Smit

E.ON 27.27

Merck Finck	59.19
Bankhaus Lampe	57.22
Baden-Wuertt. Bank	51.23
BNP Paribas	47.73
JP Morgan	42.88
WestLB Panmure	40.66
Delbrueck & Co	40.59
Bayerische Hypo-und Vereins	38.92
MM Warburg	38.74
Metzler Seel & Sohn	35.58
Deutsche Bank	35.24
SEB	35.10
Bayerische Landesbank	34.74
DG Bank	30.60
UBS Warburg	26.17
Merrill Lynch	21.48
Schroder Salomon Smith Barney	15.21
HSBC	13.21
Morgan Stanley	12.97
Commerzbank	4.18
BHF Bank	0.00
CSFB	0.00
Julius Baer	0.00
Sal Oppenheim	0.00
SG Securities	0.00

The pace of change at E.On shows no sign of letting up with the bid for the UK's Powergen. E.On is at the heart of the transformation of Germany's industrial and utilities sector but, despite the upheavals, the investor relations team led by Kiran Bhojani has succeeded in getting the company's message across and keeping the analysts informed. Merck Finck's Michael Butscher is back on top of the rankings.

Top analyst: Michael Butscher

ELECTRABEL 57.70

Morgan Stanley	80.05
HSBC	79.44
Bayerische Hypo-und Vereins	78.39
Merrill Lynch	77.88
KBC Securities	64.21
Fortis Bank	62.73
ABN AMRO	60.40
JP Morgan	56.73
ING Barings	51.60
SG Securities	48.39
Exane	41.80
UBS Warburg	25.77
CDC-IXIS	22.68

UBS Warburg and CDC IXIS were unusual in being wide of the mark with their forecasts of 2000 eps. Several – including Morgan Stanley, Merrill Lynch and Bayerische Hypo-und Vereins Bank were very close to the actual number – and have had a solid forecasting record.

Top analyst: Emanuel Turpin

ELEC. DE PORTUGAL 35.56

AB Asesores	60.54
JP Morgan	60.13
BBVA	55.32
Merrill Lynch	51.02
Morgan Stanley	47.03
CSFB	45.23
Schroder Salomon Smith Barney	26.43
UBS Warburg	9.91
Ahorro	0.00
Dresdner Kleinwort Wasserstein	0.00

Top analyst: Juan Garcia

ENDESA 48.95

Bayerische Landesbank	79.30
BBVA	73.87
SCH	70.40
Ahorro	66.96
HSBC	65.79
CAI Cheuvreux	65.52
Bayerische Hypo-und Vereins	62.61
Merck Finck	62.61
Schroder Salomon Smith Barney	62.06
JP Morgan	60.37
Urquijo Bolsa y Valores	56.99
Merrill Lynch	56.32
AB Asesores	55.18
Banesto Bolsa	52.34
Beta Capital	49.39
Morgan Stanley	38.46
ABN AMRO	37.93
CSFB	26.38

Exane	17.79
Lehman Brothers	16.60
CDC-IXIS	0.00
Deutsche Bank	0.00

Spain's biggest power group reported profits growth of 10.2%, thanks largely to the success of its Latin American operations while domestic performance was pretty flat. The problems in Spain were blamed upon high fuel costs, reduced subsidies, and cuts in the regulated tariffs, but the company's expansion plans were upset by the regulators' objections to its merger with Iberdrola.

Stefan Greifeneder at Bayerische Landesbank put the Spanish locals and the big pan-Europeans to shame with an excellent AQ that takes the German house to the top spot. All the top half of the table score well because of accurate 2000 eps estimates, with a number of houses producing spot on forecasts. Bayerische Landesbank emerges as the top ranked house after another accurate estimate in 2000 to follow up on good forecasts in both 1998 and 1999. As with ENI, the German analysts seem to do better outside their home patch than they do on domestic German companies. Overall, the score on Endesa has dropped slightly, however, as other analysts were wider of the mark than they were in 1999. Evidently, the internationalisation of the Spanish electricity sector is beginning to erode the hitherto predictable status which it has enjoyed.

Top analyst: Stefan Greifeneder

ENI 36.33

Bayerische Landesbank	70.59
Exane	69.88
Commerzbank	54.89
Natexis Capital	53.94
BNP Paribas	48.27
Epta SIM	48.24
Lehman Brothers	46.77
Dresdner Kleinwort Wasserstein	45.73
HSBC	45.65
SG Securities	44.01
Centro SIM	36.50
Credito Italiano	34.37
JP Morgan	33.66
Morgan Stanley	31.65
Merrill Lynch	29.79
Banca Akros	28.47
CSFB	25.94
Caboto SIM	25.64
Schroder Salomon Smith Barney	23.73
Banca IMI	22.67
UBS Warburg	20.63
Actinvest	18.42
Sella Asset Mgt	12.27
Euromobiliare	0.19

Top analyst: Stefan Greifeneder

ERICSSON 15.80

Merrill Lynch	51.10
Bayerische Landesbank	47.74
CSFB	46.34
Dresdner Kleinwort Wasserstein	31.49
Deutsche Bank	10.01
HSBC	2.50
Lehman Brothers	0.48
Commerzbank	0.00
DNB Markets	0.00
JP Morgan	0.00
Morgan Stanley	0.00
Schroder Salomon Smith Barney	0.00

Ericsson's first rate infrastructure business has been hit badly by the US downturn, and with European subscriber growth also slowing the company was forced to issue a profits warning for the first quarter not long after the results for 2000 were out. Despite all the detailed financial data coming from the company, average AQs still fell this quarter. Merrill Lynch moves right up to the top of the table with a score well above the average.

Top analyst: Anita Farrell

FIAT 0.00

ABN AMRO	0.00
Actinvest	0.00
Bayerische Landesbank	0.00
Caboto SIM	0.00
Epta SIM	0.00
HSBC	0.00
JP Morgan	0.00

Europe's largest manufacturing group reported an 88% rise in net earnings and a return to profit for the core car division in 2000. But analysts continue to find estimating eps accurately an impossible task for Fiat, and this quarter sees zeros all round.

FORTIS 36.52

BNP Paribas	60.63
WestLB Panmure	52.64
CSFB	43.84
HSBC	42.65
Bayerische Landesbank	40.66
Morgan Stanley	38.25
Exane	38.24
Commerzbank	33.86
JP Morgan	32.27
Merrill Lynch	30.77
Fortis Bank	29.39
Lehman Brothers	23.03
SG Securities	8.57

Top analyst: Tom Bennett

FRANCE TELECOM 29.03

Oddo Pinatton	64.64
UBS Warburg	56.72
Julius Baer	52.77
Natexis Capital	52.55
Commerzbank	50.56
BNP Paribas	48.44
Morgan Stanley	41.61
CSFB	37.42
Wargny	37.00
JP Morgan	36.84
Dresdner Kleinwort Wasserstein	32.81
Exane	31.17
KBC Securities	24.23
Bayerische Landesbank	21.49
Merck Finck	17.59
SG Securities	17.35
Lehman Brothers	14.58
CAI Cheuvreux	0.96
CDC-IXIS	0.00
EIFB	0.00
Fortis Securities France	0.00
HSBC	0.00

Top analyst: J Delpach

HEINEKEN 65.02

Deutsche Bank	82.05
Amstgeld	74.80
CSFB	74.10
Schroder Salomon Smith Barney	73.05
HSBC	70.21
Lehman Brothers	70.12
Fortis Bank	70.04
UBS Warburg	65.48
ING Barings	65.45
Natexis Capital	65.41
Kempen & Co	64.23
SNS Securities	64.11
Rabo Securities	62.02
ABN AMRO	61.13
F van Lanschot	60.45
JP Morgan	57.98
SG Securities	54.76
Morgan Stanley	54.61
Dresdner Kleinwort Wasserstein	45.45

Another year of highly predictable performance from the Dutch brewer, with analysts on average getting within 2% of the actual eps numbers. Dresdner Kleinwort Wasserstein is a little adrift of the pack because of its 1998 forecasts, while Deutsche Bank remains top after a third successive year of accurate forecasts. Nick Bevan has been the top analyst since the first AQ Euro report in Quarter 3, 2000.

Top analyst: Nick Bevan

HENNES & MAURITZ 40.39

Schroder Salomon Smith Barney	60.41
CSFB	59.76
Deutsche Bank	56.52
Merrill Lynch	39.96
HSBC	25.72
JP Morgan	0.00

Top analyst: Richard Edwards

IBERDROLA 51.83

HSBC	76.24
SCH	73.98
BBVA	73.29
CAI Cheuvreux	62.66
Merrill Lynch	61.79
Banesto Bolsa	60.78
Deutsche Bank	57.01
Beta Capital	56.26
SG Securities	54.32
AB Asesores	53.46
Lehman Brothers	49.69
JP Morgan	49.24
Ahorro	44.08
Schroder Salomon Smith Barney	41.78
UBS Warburg	37.79
CSFB	28.77
ABN AMRO	0.00

Alexandra Perricone rises to the top of the rankings on the back of an accurate 2000 eps number. BBVA stay close to the top with a similarly accurate forecast, but the average score has fallen as other analysts were wider of the mark.

Top analyst: Alexandra Perricone

ING 53.79

Bayerische Landesbank	70.22
Amstgeld	70.12
Schroder Salomon Smith Barney	67.60
ABN AMRO	65.25
Merck Finck	61.90
CSFB	60.46
Dresdner Kleinwort Wasserstein	56.13
Fortis Bank	54.64
F van Lanschot	52.17
Rabo Securities	51.87
SNS Securities	51.83
Merrill Lynch	49.71
Kempen & Co	48.53
Morgan Stanley	48.21
HSBC	47.32
Exane	40.26
Lehman Brothers	18.23

Top analyst: Christian Huber

KONINKLIJKE PHILIPS 5.75

Schroder Salomon Smith Barney	50.16
JP Morgan	30.98
Bayerische Landesbank	10.92
ABN AMRO	0.00
Amstgeld	0.00
Commerzbank	0.00
CSFB	0.00
Dresdner Kleinwort Wasserstein	0.00
Fortis Bank	0.00
ING Barings	0.00
Kempen & Co	0.00
Lehman Brothers	0.00
Merck Finck	0.00
Merrill Lynch	0.00
Morgan Stanley	0.00
SG Securities	0.00

Philips remains the rotten apple in the barrel as far as the Netherlands is concerned. It is the one Dutch company to receive an average AQ in the bottom ten. Analysts point the finger at what one calls the "very strange way" in which the company presents its figures. Part of its extraordinary items can get booked as income and that leads analysts into some unusual calculations about how to treat these items. Philips' press and investor relations department has an uphill task in explaining the company's results.

Top analyst: Nabib Sheera

KPN 20.86

Bayerische Hypo-und Vereins	52.20
ABN AMRO	51.35
Bankhaus Lampe	45.90
BHF Bank	37.20
Fortis Bank	30.68
Amstgeld	26.23
KBW Wesselius	22.38
Kempen & Co	22.00
CSFB	21.36
Deutsche Bank	20.67
Bayerische Landesbank	17.84
SNS Securities	17.41
ING Barings	15.88
BNP Paribas	11.79
Commerzbank	3.45
Baden-Wuertt. Bank	0.00
SEB	0.00
CAI Cheuvreux	0.00
Rabo Securities	0.00

Top analyst: Franz Rudolf

L'OREAL 68.30

SG Securities	80.48
UBS Warburg	80.12

CDC-IXIS	79.18
Exane	78.41
Merrill Lynch	78.32
Oddo Pinatton	76.67
EIFB	72.11
KBC Securities	70.32
JP Morgan	69.94
ABN AMRO	68.72
BNP Paribas	67.05
Bayerische Hypo-und Vereins	66.50
Wargny	66.47
ING Barings	66.10
Deutsche Bank	65.77
Fortis Securities France	63.44
HSBC	59.14
Bayerische Landesbank	53.79
CAI Cheuvreux	52.18
Natexis Capital	51.36

France's most predictable company, the global leader in cosmetics, saw profits grow at their fastest rate for 20 years in 2000 and break €1bn net. The performance is based upon concentration on a core portfolio of 10 brands – making up for 88% of sales. Underpinning the figures were successful product launches in the US and Japan while acquisitions lifted sales by 17.9% and the 20% stake in Sanofi is paying off handsomely, contributing €187.1m to profits. Arnot Delepine at SG Securities takes the top spot with a remarkably high AQ, having got the 2000 numbers spot on and come within 1% in 1999. UBS Warburg gave SG a very close run. In fact, the top five are all tightly bunched and analysts generally like the predictability and clarity of the company's approach which has propelled it into second place overall in the table of company AOs – see page 2. Natexis and Bayerische Landesbank were unusual in being slightly adrift on their 2000 forecasts.

Top analyst: Arnot Delepine

LVMH 19.73

DG Bank	49.43
Morgan Stanley	48.31
Merrill Lynch	42.53
ING Barings	41.49
HSBC	32.30
Natexis Capital	31.35
KBC Securities	29.46
Lehman Brothers	26.94
Bayerische Landesbank	25.80
EIFB	23.30
Oddo Pinatton	21.84
UBS Warburg	20.57
Exane	16.03
BNP Paribas	14.58
SG Securities	13.09
ABN AMRO	9.84
CAI Cheuvreux	3.78

JP Morgan	3.16
Schroder Salomon Smith Barney	0.07
CDC-IXIS	0.00
Deutsche Bank	0.00
Fortis Securities France	0.00
Wargny	0.00

The world's largest luxury goods group announced results for 2000 that were generally weaker than expected. Operating profits still rose 27% but amid widespread concern about the company's exposure to the Japanese and American economies, the company's legal problems related to its 20% stake in Gucci, and the post-millennium hang-over that has hit LVMH brand champagnes Dom Perignon and Moët Chandon. All in all, there are a lot of unpredictable elements analysts have to contend with at the moment with LVMH, and the top two houses do well to notch up AQs in the high 40s. DG Bank takes the honours with an accurate 2000 estimate, but Morgan Stanley is moving up the table fast.

Top analyst: Carina Bruns

MEDIASET 51.36

BNP Paribas	68.28
JP Morgan	67.55
Euromobiliare	65.08
UBS Warburg	59.67
Sella Asset Mgt	59.62
Centro SIM	57.16
Schroder Salomon Smith Barney	55.53
Actinvest	51.84
Caboto SIM	49.51
Credito Italiano	48.69
Morgan Stanley	47.90
HSBC	47.13
Merrill Lynch	46.72
Lehman Brothers	46.22
CSFB	37.19
CAI Cheuvreux	32.62
Banca IMI	32.47

Top analyst: Filippo Lo Franco

METRO 27.02

Sal Oppenheim	51.91
ABN AMRO	49.20
Delbrueck & Co	49.12
BHF Bank	44.48
Bayerische Hypo-und Vereins	43.16
MM Warburg	41.67
WestLB Panmure	40.59
CSFB	39.79
Merrill Lynch	38.44
Natexis Capital	36.49
Dresdner Kleinwort Wasserstein	32.05
Commerzbank	26.98

Bankhaus Reuschel	23.25
Merck Finck	20.96
Deutsche Bank	20.42
EIFB	13.33
DG Bank	12.73
SEB	12.35
Metzler Seel & Sohn	9.95
Baden-Wuertt. Bank	7.36
JP Morgan	7.20
Bayerische Landesbank	0.00
BNP Paribas	0.00

Top analyst: Mark Josefson

MUNCHENER RUCK 48.98

DG Bank	79.18
Bayerische Landesbank	78.17
MM Warburg	70.23
Bankhaus Lampe	68.70
WestLB Panmure	68.08
Bayerische Hypo-und Vereins	66.41
Metzler Seel & Sohn	55.60
JP Morgan	52.16
Sal Oppenheim	48.29
CSFB	47.06
Exane	45.07
BHF Bank	28.20
Lehman Brothers	27.54
Commerzbank	0.00
Merrill Lynch	0.00

Top analyst: Patricia Novak

NESTLE 48.50

HSBC	70.57
Darier Hentsch	66.01
Morgan Stanley	63.70
JP Morgan	60.37
SG Securities	56.74
Lombard Odier	56.16
Bank Sarasin	50.54
ABN AMRO	49.73
Lehman Brothers	44.72
CSFB	31.60
Dresdner Kleinwort Wasserstein	21.32
Pictet	10.49

Brokers' accuracy is improving for Nestlé, and the company is also doing well. Accelerated sales growth in 2000 was helped by Nestlé's diversification into bottled water, pet food and ice cream. The resulting eps was up 22% to SFr 149.1. Analysts remain cautious however about the company. HSBC move up from fourth to the top spot because of their accurate estimate for 2000 eps. Nestle now ranks as the third most predictable company in Switzerland and average accuracy has been improving over the past three

years. This means that the overall average for analysts looking at Nestle is considerably higher than for those looking at Danone.

Top analyst: Anne Alexandre

NOKIA 33.61

Commerzbank	72.50
Deutsche Bank	65.88
Schroder Salomon Smith Barney	55.51
Lehman Brothers	42.69
Morgan Stanley	42.38
HSBC	33.10
DNB Markets	20.61
Dresdner Kleinwort Wasserstein	20.46
Aros Securities	16.56
CSFB	0.00
Merrill Lynch	0.00

Nokia continues to gain market share even though the sector is experiencing well-publicised difficulties. Average AQs are improving as the company gets a handle on how to communicate with investors and analysts. Commerzbank confirm their number one status with the company by significantly improving on their previous top scoring position. The house scores very highly for what is a difficult to predict sector and Deutsche Bank also registers a good score.

Top analyst: Peter Knox

NOVARTIS 34.51

CSFB	66.06
Bank Leu	53.94
Darier Hentsch	53.35
Morgan Stanley	50.47
Lehman Brothers	44.99
Zurcher Kantonalbank	43.54
Merrill Lynch	35.44
Schroder Salomon Smith Barney	23.79
Pictet	21.24
Dresdner Kleinwort Wasserstein	20.60
HSBC	15.75
SG Securities	9.82
Lombard Odier	9.60

Top analyst: Steve Plag

NOVO-NORDISK 42.07

UBS Warburg	69.32
BNP Paribas	59.55
Merrill Lynch	58.01
Lehman Brothers	54.87
Dresdner Kleinwort Wasserstein	44.21
Morgan Stanley	33.66
Danske Securities	22.97
SG Securities	21.63
HSBC	14.41

Top analyst: Stuart Harris

PINAULT-PRINTEMPS 49.02

HSBC	73.03
JP Morgan	66.93
ING Barings	62.67
BNP Paribas	58.91
Deutsche Bank	57.76
ABN AMRO	55.39
UBS Warburg	53.06
CSFB	51.62
Oddo Pinatton	50.90
Bayerische Landesbank	50.05
EIFB	49.92
SG Securities	48.81
CDC-IXIS	47.34
Merrill Lynch	46.26
Natexis Capital	44.03
KBC Securities	43.76
Wargny	40.71
Exane	36.34
CAI Cheuvreux	24.86
Dresdner Kleinwort Wasserstein	18.00

A good level of accuracy in relation to the French retailer's 2000 results with the majority of analysts getting within 3% of the actual number and several getting within a 1% margin of error. This was a considerable improvement on accuracy in 1999 and the overall average for Pinault-Printemps has risen accordingly. It now ranks as the third most predictable company in France and has an AQ that has overtaken Carrefour's and is considerably higher than that for Metro in Germany. Mal Patel at HSBC moves into first place after an accurate estimate of 2000 eps.

Top analyst: Mal Patel

RENAULT 4.94

Merrill Lynch	26.69
Exane	24.15
Morgan Stanley	18.37
Bayerische Landesbank	0.00
BNP Paribas	0.00
CDC-IXIS	0.00
Dresdner Kleinwort Wasserstein	0.00
EIFB	0.00
HSBC	0.00
JP Morgan	0.00
Lehman Brothers	0.00
Natexis Capital	0.00
Schroder Salomon Smith Barney	0.00
SG Securities	0.00

Merrill Lynch leapfrogs the French locals with an AQ significantly above average and secures the top spot. Results for 2000 were lifted by Nissan: net profits came in at just over €1bn, and the eps more than doubled to €4.50. Renault remains an extremely difficult company to predict however and many analysts still score zero.

Top analyst: Stephen Reitman

REPSOL 34.93

JP Morgan	60.28
Lehman Brothers	57.88
Merrill Lynch	56.78
Deutsche Bank	54.62
CAI Cheuvreux	39.36
Morgan Stanley	32.60
Schroder Salomon Smith Barney	31.19
Dresdner Kleinwort Wasserstein	29.81
SG Securities	27.43
Natexis Capital	21.08
CSFB	8.17
Bayerische Landesbank	0.00

Top analyst: Gordon Gray

ROCHE 53.54

BNP Paribas	80.14
Morgan Stanley	75.15
Deutsche Bank	72.46
Bank Sarasin	70.39
ABN AMRO	70.12
Zurcher Kantonalbank	69.72
CSFB	68.88
Lombard Odier	68.25
Merrill Lynch	65.54
UBS Warburg	63.54
Lehman Brothers	59.54
Natexis Capital	56.35
Pictet	52.74
Bank Vontobel	51.12
Schroder Salomon Smith Barney	48.51
Bank Leu	31.42
Exane	8.84
Dresdner Kleinwort Wasserstein	4.47
HSBC	0.00

Urgent steps are being taken to shore up the company's position in the US where problems with Xenical, the anti-obesity drug, resulted in sales falling by 4%. Genentech prevented an overall decline in sales. Accuracy was generally of a high order, though formerly top-ranked Plinio Zanetti has slipped down the rankings. BNP Paribas and Morgan Stanley score well after two years of accurate forecasting.

Top analyst: Mark Clark

RWE 31.87

BHF Bank	67.38
Merck Finck	53.95
Baden-Wuertt. Bank	53.09
DG Bank	48.87
Schroder Salomon Smith Barney	48.57
JP Morgan	48.35
SEB	47.57
Sal Oppenheim	36.33

Deutsche Bank	33.61
MM Warburg	32.16
Julius Baer	26.75
Bayerische Landesbank	21.26
Bayerische Hypo-und Vereins	12.08
Merrill Lynch	11.85
CSFB	0.00
Dresdner Kleinwort Wasserstein	0.00
Morgan Stanley	0.00

Top analyst: Francois Poulet

SAINT GOBAIN 17.20

UBS Warburg	65.40
BNP Paribas	53.78
Schroder Salomon Smith Barney	43.26
JP Morgan	37.35
ABN AMRO	32.86
Merrill Lynch	26.58
Natexis Capital	23.70
KBC Securities	18.27
Morgan Stanley	15.50
HSBC	10.06
CAI Cheuvreux	0.00
CDC-IXIS	0.00
Deutsche Bank	0.00
EIFB	0.00
Exane	0.00
Fortis Securities France	0.00
ING Barings	0.00
Oddo Pinatton	0.00
SG Securities	0.00

Top analyst: Olivier Leflon

SAN PAOLO IMI 25.65

Actinvest	50.84
CSFB	46.12
Epta SIM	40.96
Schroder Salomon Smith Barney	37.03
Merrill Lynch	27.68
HSBC	26.73
Dresdner Kleinwort Wasserstein	23.54
Morgan Stanley	15.74
Lehman Brothers	13.56
Caboto SIM	0.00
Euromobiliare	0.00

Top analyst: Davide Oddono

SANOFI-SYNTHELABO 48.78

Commerzbank	73.84
Lehman Brothers	73.84
Natexis Capital	67.73
SG Securities	65.47
CSFB	65.25

JP Morgan	61.94
Merrill Lynch	57.91
Schroder Salomon Smith Barney	56.11
Dresdner Kleinwort Wasserstein	51.92
Morgan Stanley	51.10
Bayerische Landesbank	32.89
HSBC	18.70
CDC-IXIS	6.23
EIFB	0.00

Top analyst: Mark Clark

SAP 12.60

MM Warburg	49.41
Morgan Stanley	36.13
Merrill Lynch	21.21
Julius Baer	9.69
Lehman Brothers	8.06
WestLB Panmure	1.51
Baden-Wuertt. Bank	0.00
Bayerische Hypo-und Vereins	0.00
Commerzbank	0.00
Sal Oppenheim	0.00

Top analyst: Michael Bahlmann

SCHERING 48.81

Bayerische Hypo-und Vereins	77.44
MM Warburg	75.44
BHF Bank	69.56
Dresdner Kleinwort Wasserstein	69.44
Merck Finck	64.53
Baden-Wuertt. Bank	60.87
Commerzbank	58.13
ABN AMRO	54.48
SEB	53.60
Merrill Lynch	42.46
Lehman Brothers	40.15
DG Bank	33.56
Deutsche Bank	32.44
Bayerische Landesbank	0.00
Sal Oppenheim	0.00

Top analyst: Isabella Zinck

SCHNEIDER 20.35

CSFB	49.23
Merrill Lynch	49.21
JP Morgan	44.69
Deutsche Bank	34.97
Morgan Stanley	30.80
KBC Securities	30.15
Lehman Brothers	26.68
ABN AMRO	24.66
Exane	23.23
Dresdner Kleinwort Wasserstein	23.03

CDC-IXIS	19.38
SG Securities	17.88
HSBC	15.01
Natexis Capital	12.19
CAI Cheuvreux	10.99
ING Barings	4.42
Wargny	3.98
Fortis Securities France	3.72
Bayerische Landesbank	3.23
EIFB	0.00
Oddo Pinatton	0.00

Top analyst: Dan Manor

SIEMENS 15.57

JP Morgan	56.22
Julius Baer	49.35
WestLB Panmure	40.32
Lehman Brothers	38.26
MM Warburg	36.53
SEB	35.38
Dresdner Kleinwort Wasserstein	24.74
BHF Bank	22.47
Bayerische Hypo-und Vereins	6.35
Morgan Stanley	1.86
Baden-Wuertt. Bank	0.00
Bayerische Landesbank	0.00
Commerzbank	0.00
Deutsche Bank	0.00
DG Bank	0.00
HSBC	0.00
Merck Finck	0.00
Metzler Seel & Sohn	0.00
Sal Oppenheim	0.00
Schroder Salomon Smith Barney	0.00

Top analyst: Santje Conrad

SOCIETE GENERALE 22.53

Wargny	45.04
UBS Warburg	43.66
BNP Paribas	42.18
SG Securities	38.50
HSBC	36.89
Fortis Securities France	29.25
ABN AMRO	28.80
Oddo Pinatton	26.54
EIFB	21.83
Deutsche Bank	21.00
CAI Cheuvreux	16.06
Merrill Lynch	8.71
Schroder Salomon Smith Barney	3.67
Bayerische Hypo-und Vereins	3.46
JP Morgan	2.63
CDC-IXIS	2.41
Bayerische Landesbank	0.00
ING Barings	0.00

KBC Securities	0.00
Merck Finck	0.00
Morgan Stanley	0.00

Profits were up 36% in 2000 but the picture is still very mixed with retail banking showing an overall 17% increase in earnings to €986m, offset by a 20% drop in Q4. An 11% rise in operating costs, the French 35 hour week and employee profit sharing schemes were blamed by the bank. Despite all that, average AQs improved slightly this quarter even though the previous top three all dropped scores and slipped down the table. Locally-based Wargny – now part of the Italian Banca Fideuram group – rises from fifteenth in Quarter 1, 2001 to claim the top spot with an accurate estimate for 2000.

Top analyst: H Doumenc

SONERA 0.00

Aros Securities	0.00
DNB Markets	0.00
HSBC	0.00
Merrill Lynch	0.00

The score for Sonera drops to zero all round. Under the terms of Finnish accounting regulations, the company treats exceptionals as income and this produces an eps number which is seriously at odds with broker forecasts. Understandably, if the company insists on including its disposals in income – on the grounds that its trading of a portfolio of businesses should be treated as income – then analysts face an extremely arduous task in making forecasts.

ST MICROELECTRONICS 38.26

Wargny	59.04
CAI Cheuvreux	58.79
BNP Paribas	57.86
Morgan Stanley	57.07
Schroder Salomon Smith Barney	55.58
KBC Securities	51.22
Natexis Capital	50.54
CSFB	47.18
ING Barings	41.69
UBS Warburg	38.74
Exane	38.31
Fortis Securities France	32.22
CDC-IXIS	30.33
EIFB	16.89
ABN AMRO	14.94
Deutsche Bank	0.00
JP Morgan	0.00

Top analyst: Liberge Dondoux

SUEZ 16.83

Merrill Lynch	61.82
Natexis Capital	49.53
UBS Warburg	41.77
SG Securities	37.27
Exane	35.36
Fortis Securities France	30.20
BNP Paribas	9.98
Oddo Pinatton	5.29
EIFB	4.81
CAI Cheuvreux	4.21
HSBC	3.32
JP Morgan	2.53
CDC-IXIS	0.00
CSFB	0.00
KBC Securities	0.00
Morgan Stanley	0.00
Wargny	0.00

*Top analyst: Chris Rogers***SWISS RE 49.17**

Dresdner Kleinwort Wasserstein	76.99
Commerzbank	65.48
Zurcher Kantonalbank	64.23
Bank Vontobel	60.06
Schroder Salomon Smith Barney	58.97
HSBC	58.78
BNP Paribas	58.28
Merrill Lynch	57.00
Exane	56.54
Lombard Odier	54.92
Morgan Stanley	50.59
Darier Hentsch	48.81
Lehman Brothers	47.36
WestLB Panmure	47.14
ABN AMRO	46.44
Bank Sarasin	35.38
Pictet	27.45
JP Morgan	25.65
CSFB	23.98
Julius Baer	19.38

*Top analyst: Richard Hewitt***SWISSCOM 13.25**

Lehman Brothers	53.79
Bank Vontobel	36.91
UBS Warburg	28.98
Lombard Odier	28.22
Bank Sarasin	11.37
Bank Leu	10.48
Zurcher Kantonalbank	8.79
Commerzbank	6.88
CSFB	0.00
Darier Hentsch	0.00

Exane	0.00
JP Morgan	0.00
Morgan Stanley	0.00
Pictet	0.00

*Top analyst: Karen Egan***TELECOM ITALIA MOBILE 32.78**

Epta SIM	70.49
Euromobiliare	58.24
Caboto SIM	54.94
JP Morgan	54.43
Merrill Lynch	49.35
Actinvest	44.59
Centro SIM	41.36
Schroder Salomon Smith Barney	39.05
BNP Paribas	38.48
CSFB	37.60
Banca Akros	33.35
Morgan Stanley	29.78
Credito Italiano	21.94
Banca IMI	12.67
UBS Warburg	3.78
Exane	0.00
HSBC	0.00
SG Securities	0.00

*Top analyst: Stefania Forti***TELECOM ITALIA 29.64**

Actinvest	55.62
Euromobiliare	51.78
BNP Paribas	51.34
Credito Italiano	49.62
Caboto SIM	46.31
Lehman Brothers	46.15
Merrill Lynch	44.25
JP Morgan	42.93
Exane	40.50
Centro SIM	39.94
Bayerische Landesbank	38.99
Dresdner Kleinwort Wasserstein	18.34
Banca IMI	16.51
Epta SIM	10.98
Sella Asset Mgt	9.62
Banca Akros	0.20
CSFB	0.00
Morgan Stanley	0.00
Schroder Salomon Smith Barney	0.00

*Top analyst: Davide Oddono***TELE-DANMARK 30.25**

HSBC	65.42
CSFB	48.36
Schroder Salomon Smith Barney	41.75

Danske Securities	36.72
UBS Warburg	33.25
Lehman Brothers	20.87
JP Morgan	19.64
Merrill Lynch	6.23
DNB Markets	0.00

*Top analyst: Viking Kjellstrom***TELEFONICA 46.40**

Schroder Salomon Smith Barney	67.60
Ahorro	66.03
Bayerische Landesbank	65.84
JP Morgan	60.27
Morgan Stanley	58.82
HSBC	58.70
SCH	52.57
CAI Cheuvreux	50.11
Lehman Brothers	49.41
CSFB	48.19
Banesto Bolsa	44.03
Natexis Capital	42.95
SG Securities	40.54
BBVA	39.13
AB Asesores	38.66
UBS Warburg	37.36
ABN AMRO	37.29
Beta Capital	33.47
Oddo Pinatton	28.52
Deutsche Bank	8.41

Record growth in profits in 2000, up 28.8% at €2.5 bn, to some extent resulting from the flotation of Telefonica Moviles. Without exceptional items, growth was 15.7%, reflecting increased competition in Spain but still a 2% rise in fixed line profits. Schroder SSB move up from fifth to first place with a much improved AQ. Average AOs increased in this quarter, as the bulk of analysts successfully predicted the 2000 results.

*Top analyst: Christian Kern***TNT 52.39**

Kempen & Co	68.73
F van Lanschot	68.28
UBS Warburg	61.10
Fortis Bank	60.52
JP Morgan	59.33
ING Barings	56.43
Deutsche Bank	55.20
BNP Paribas	55.14
SNS Securities	54.35
ABN AMRO	52.40
Rabo Securities	48.97
Amstgeld	40.08
Merrill Lynch	39.01
CSFB	37.88
Morgan Stanley	28.36

Average AQs have dropped significantly in this quarter, as analysts failed to predict the 2000 results accurately. As a company with a relatively low absolute eps number (€1.1), even deviations in the region of €0.05 can cause a significant deterioration in accuracy. TNT has correspondingly lost its position as the company with the highest AQ in the Euro 100. The company is, however, enjoying strong business growth with links to the UK's Royal Mail approved by the EU and the Dutch Government launching an equity offer for a tranche of the company.

Kempen takes the top spot, rising from eleventh with an improving AQ score as the previous top ten see their scores go down. F van Lanschot hold onto second place though and are closely challenging Kempen for the honours.

Top analyst: Wouter de Ridder

TOTAL FINA ELF 31.71

Merrill Lynch	61.18
Dresdner Kleinwort Wasserstein	59.68
Natexis Capital	56.09
Schroder Salomon Smith Barney	50.44
Lehman Brothers	49.50
CDC-IXIS	39.06
JP Morgan	21.42
Morgan Stanley	11.44
CSFB	0.00
Deutsche Bank	0.00
EIFB	0.00

A number of brokers underestimated earnings for the big French oil company, which has an AQ little changed from last quarter.

Top analyst: Susan Graham

UBS 22.06

Merrill Lynch	58.81
Schroder Salomon Smith Barney	50.43
Lehman Brothers	27.59
Bank Vontobel	23.84
HSBC	14.67
Bank Sarasin	13.27
Morgan Stanley	7.88
CSFB	2.05
Julius Baer	0.00

Top analyst: Adrian Pilz

UNICREDITO ITALIANO 9.75

Lehman Brothers	47.79
Epta SIM	44.76
JP Morgan	28.55
ABN AMRO	19.47

Actinvest	14.78
Deutsche Bank	10.45
Banca IMI	0.00
Bayerische Landesbank	0.00
Caboto SIM	0.00
Centro SIM	0.00
CSFB	0.00
Euromobiliare	0.00
HSBC	0.00
Merck Finck	0.00
Merrill Lynch	0.00
Morgan Stanley	0.00
UBS Warburg	0.00

Top analyst: Alan Broughton

VIVENDI 27.78

Fortis Securities France	69.46
Bayerische Landesbank	62.03
CSFB	57.89
JP Morgan	53.60
Deutsche Bank	47.18
Exane	45.41
ING Barings	29.93
SG Securities	27.82
Oddo Pinatton	24.48
EIFB	23.18
UBS Warburg	18.79
CAI Cheuvreux	14.68
KBC Securities	9.89
CDC-IXIS	9.10
Wargny	6.67
BNP Paribas	0.00
Merrill Lynch	0.00
Natexis Capital	0.00

A slight drop in the average AQ score reflects the difficulties some analysts had with the 2000 figures. The full range of scores – from Fortis's very impressive AQ down to Wargny and some of the zeros – shows Vivendi's message is getting across, but perhaps not to all. The company claims to be on track, now having fully integrated Seagram.

Top analyst: Sylvie Sejournet

VNU 36.05

Schroder Salomon Smith Barney	81.89
ING Barings	69.65
Kempen & Co	66.51
Lehman Brothers	63.86
SNS Securities	63.51
Deutsche Bank	60.66
Exane	49.55
HSBC	37.74
JP Morgan	34.35
ABN AMRO	31.55
UBS Warburg	30.40

CSFB	14.69
Rabo Securities	7.99
F van Lanschot	0.74
Amstgeld	0.00
Fortis Bank	0.00
Morgan Stanley	0.00

Edward Hill-Wood at Schroders Salomon Smith Barney stays top of the rankings after another accurate forecast of the 2000 earnings and has now been within 2% of the actual number for three years in succession. But VNU does attract a mixed bag of scores, with several analysts failing to get close to actual numbers. The period of transformation which the company has been undergoing and the uncertain timing of disposals has, according to investor relations director Rob de Meel, made it difficult for analysts to give good predictions.

Top analyst: Edward Hill-Wood

VOLKSWAGEN 0.09

Dresdner Kleinwort Wasserstein	1.84
ABN AMRO	0.00
Baden-Wuertt. Bank	0.00
Bayerische Hypo-und Vereins	0.00
Bayerische Landesbank	0.00
SEB	0.00
BHF Bank	0.00
Deutsche Bank	0.00
DG Bank	0.00
JP Morgan	0.00
Julius Baer	0.00
Lehman Brothers	0.00
Merck Finck	0.00
Merrill Lynch	0.00
Metzler Seel & Sohn	0.00
MM Warburg	0.00
Morgan Stanley	0.00
Sal Oppenheim	0.00
Schroder Salomon Smith Barney	0.00
SG Securities	0.00
WestLB Panmure	0.00

VW remains the bane of the analysts, with both German houses and pan-Europeans struggling with their estimates. Profits were up 37.5% in 2000 and the company saw record growth in eps (up by 60%). But the accounts as usual had some surprises: Volkswagen slipped in €400m worth of provisions to take account of EU directives on recycling for end-of-life vehicles.

Dresdner KW has the distinction of being the only house scoring for Volkswagen at all, as average AQs fall in this quarter including the company's results.

Top analyst: Andrew Collins

ZURICH FIN SVCS 26.74

Zurcher Kantonalbank	71.40
Commerzbank	55.32
Schroder Salomon Smith Barney	54.20
Bank Leu	46.80
Darier Hentsch	44.95
Bank Sarasin	44.78
Dresdner Kleinwort Wasserstein	43.81
Exane	31.75
Morgan Stanley	27.45
Lehman Brothers	13.82
CSFB	13.77
Merrill Lynch	6.44
Bank Vontobel	0.00
HSBC	0.00
Lombard Odier	0.00
Pictet	0.00
UBS Warburg	0.00

Top analyst: George Marti

...continued from page 2

there is a cautious mood in this respect. Against a background of market volatility and the rush to go pan-European, some research heads prefer to sit back and wait for the smoke to clear before deciding what to do. Some, such as Jan Brouwer, director of research at SNS Securities, are sceptical about the value of cooperation agreements. Certainly, there can be problems when a partner in another market is taken over – as happened to F van Lanschot when Fortis Bank bought Beta Capital in Spain.

Stitching alliances together – and keeping them together – can be difficult and it remains to be seen whether the complex structure that ING Barings has evolved will prove viable. In theory, it should be the best of both worlds – insights from local analysts embedded in each market but enjoying the benefits of sectoral coordination across different markets. In practice, that seems likely to lead to a plethora of report-

ing lines and a multitude of video conferences. BHF Bank has been struggling to retain staff and lost its head of research earlier this year, although both BHF Bank and ING Barings in the Netherlands have achieved respectable scores in this quarter's tables.

Bayerische Landesbank is included in the analysis for the first time and, although the Munich based house finishes nearer the bottom of the rankings, this is the result of its performance in Germany. Elsewhere, Bayerische Landesbank has produced a good performance, with top scores on companies such as ENI and Endesa and fourth place in the French rankings. A relatively small number of changes to forecasts has meant that its scores have, typically, been good outside of the German market.

This quarter, following the Thomson Financial-Primark merger, AQ is including I/B/E/S data as well as that from Thomson Financial FIRST CALL in our analysis. We look forward to including many more brokers in the future. ●

AQ

ANALYSING THE ANALYSTS

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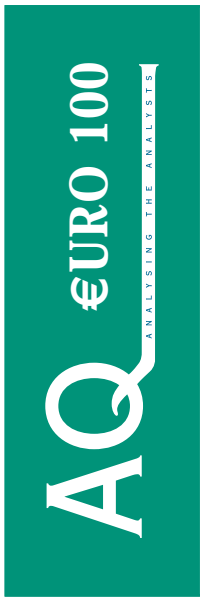
MOST CONSISTENT: analysts who have been most accurate for longest

Name	Firm	Company covered	Quarters as top analyst (since Q4 00 – maximum 3)
Tom Bennett	BNP Paribas	Fortis	3
Nick Bevan	Deutsche Bank	Heineken	3
Frederic Bourgeois	Natexis Capital	Commerzbank	3
Francesco Catanzaro	Bank Sarasin	Credit Suisse	3
J Delpech	Oddo Pinatton	France Telecom	3
Liberge Dondoux	Wargny	ST Microelectronics	3
Stefania Forti	Epta SIM	Telecom Italia Mobile	3
Roger Gough	HSBC	BSCH	3
Edward Hill-Wood	Schr Salomon Smith Barney	VNU	3
Peter Knox	Commerzbank	Nokia	3
Sylvie Sejournet	Fortis Securities France	Vivendi	3
Nabil Sheera	Schr Salomon Smith Barney	Philips	3
Paul Singer	Metzler Seel & Sohn	BASF	3
S Soulie	EIFB	Ahold	3
Fillippo Lo Franco	BNP Paribas	Mediaset	2
Isabella Zinck	Bayerische Hypo-und Vereins	Schering	2

Extel Survey 2001

Voting is currently taking place in the Extel Survey 2001 at the website www.extelsurvey.com. This year, AQ is happy to be one of the partners of Extel and we will be posting our first pan-European sector results on the website when the Extel results are published on June 11. The AQ pan-European sector rankings will be based on a combination of

our UK rankings (published in AQ FTSE 100) with our European rankings – the first time we have done this. This will make it possible to compare the brokers who are most highly regarded by the fund management industry with those who produce the most accurate forecasts, and also with those whose research is consulted most frequently. ●



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