



## Erste Group analysts ranked Nr. 1 in investment recommendations for Central and Eastern Europe

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Erste Group's Research Team succeeded to take the top spot for the third year running: they took Number one position for share recommendations in the entire Central and Eastern European (CEE) region as well as in the Austrian, Czech and Hungarian markets according to the "Austria and Central Europe Research Yearbook 2008" recently published by the independent research analysis firm "AQ Research" based in London.

This renowned survey of

AQ Research was carried out for the third time this year on Austria and Central European markets, examining the investment recommendations (Buy/Hold/Sell) of 31 analysis houses/investment banks in relation to 173 reviewed listed companies. The increasing number of covered companies in the region demonstrates the rising significance of Central and Eastern Europe as an investment and growth region.

This is the third successive year that Erste Group has been named overall winner for recommendations in the region, with the strongest scores coming from a variety of analysts across the region. This result has demonstrated again the strength of Erste Group as an established local player versus its global counterparts still building a foothold in the region.

### Erste Group ranked best in CEE

Fritz Mostboeck, Head of research at Erste Bank is well aware of the differences in client requirements investing in this region. "Investing in Central and Eastern Europe is different, our blue chips are mid- and smallcaps in an international comparison. Hence liquidity and free floats are not comparable with major stocks. More importantly however, the bulk of these CEE stocks provide above-average growth", says Mostboeck. It is this growth forecast that underpins the investment case for the region, though index and stock movements cannot be expected to be dislocated from other markets. Mostboeck is clear on the opportunity in the region: "Of course CEE markets are influenced by global markets in short term, but in the long run they should further benefit from the outstanding growth opportunities. We expect above-average economic growth in the coming years (around 5% in CEE for 2008 and 2009). This growth should stimulate stock markets."

In the last years Erste Group Research was recognised several times in the "Austria and Central Europe Report" compiled by AQ Research the first place for Austria (repeatedly), CEE (3x) and for the whole Europe (1x).

This year the Erste Group Research was ranked Number 1 in the entire Central Eastern Europe region as well as Number 1 in Austria, Czech Republic and Hungary.

### Erste Bank makes it three years running as best broker for recommendations in Austria:

Erste's highest score on an individual stock was produced by Vladimira Urbankova on Intercell, who had the confidence to stick with a strong buy on the stock throughout the review period.

**Daniel Lion** made an impressive return for clients following his recommendations on S&T System Integration, a strong buy at the start of 2007 capturing all the upside as the stock surged in Q1.

**Martina Valenta** of Erste Bank took top RQs on Flughafen Wien and Austrian Airlines.

In both cases this was thanks to a more cautious approach on the companies as bulls were caught out by some large dives, particularly in the case of the national flag carrier.

**Czech Republic was another country winner for Erste Bank.** Erste Bank's biggest analyst score was from **Jakub Zidon** on Unipetrol.

CEZ was the most successful stock for analysts issuing recommendations. Over the year, the company's share price rose strongly to outstrip both the index and sector. Analysts were rewarded for their conviction, sticking with their recommendation while CEZ languished through Q1.

Zentiva was the least successful stock for the analysts in the year.

**Erste Bank took another top RQ score in Hungary.** Investors following Erste Bank's recommendations in the country would have made a greater return than those following any other broker's research.

Erste Bank's research on Pannonplast and Danubius Hotels was top-ranked on both. A strong buy on Pannonplast issued in May was extremely profitable, within weeks the company's shares had begun the steep ascent that saw the company share price end the year 125% up.

Erste Group Analyst **Jozsef Miro** reached the highest RQ score (recommendation score) with the Panonplast analysis.

**RQ scores held up well in Croatia.** Erste Bank managed very high average RQs in the smallest research market in the AQ report.

**Vladimira Urbankova** of Erste Bank features prominently again with top RQs on Pliva and Podravka Prehrambena. With Pliva, Urbankova edged ahead of more bearish analysts while similarly on Podravka, Urbankova was the only bullish analyst with competitors remaining neutral.

Vienna, 1 April 2008

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#### TOP RQ BROKERS: 8 ELIGIBLE

Broker	Overall Average RQ	No of Recs	No of Highest RQs	Rec Type
Erste Bank	19.39	70	15	Ab
UniCredit	12.54	43	9	Ab
AmerBrokers	11.45	52	22	Ab
Raiffeisen Centrobank	9.19	67	20	Ab
ING Financial Markets	6.76	51	12	Ab
Citigroup	2.01	55	12	Ab

<sup>1</sup> The RQ analysis scores research houses differently, depending on whether they have absolute or relative recommendations. Recommendations are examined over the 12-month period to December 31, 2007. Analysts are scored on the basis of the percentage share price movement (up or down) during the lifetime of a particular recommendation.

Scores are calculated as follows:

- Strong Buy recommendation receives the percentage share price movement times 1.25
- Buy recommendation receives the percentage share price movement times 1
- Hold has no score
- Reduce recommendation receives the percentage share price movement times -1
- Sell recommendation receives the percentage share price movement times -1.25

There is no theoretical limit – positive or negative – to the score which an analyst could achieve. Where share prices have risen by 100%, an analyst with a strong buy throughout the period could score 125 (or conversely –125 if the analyst had a strong sell on this stock). When markets and sector indices are trending upwards this tends to favour absolute analysts and when they are trending lower, relative analysts tend to do better. The score measures the extent to which analysts have beaten their own benchmark with their recommendations and "added value". The "hit rate" table indicates the proportion of recommendations on which houses have scored above zero.

## COUNTRY WINNERS

Best houses for recommendations in major European markets

Austria	Erste Bank
Croatia	Raiffeisen Centrobank
Czech Republic	Erste Bank
Hungary	Erste Bank
Poland	UniCredit

### Austria

#### TOP RQ BROKERS: 7 ELIGIBLE

Broker	Overall Average RQ	No of Recs	No of Highest RQs	Rec Type
Erste Bank	26.82	26	6	Ab
Berenberg Bank	25.98	14	4	Ab
Oppenheim Research	16.76	19	5	Ab
UniCredit	15.69	31	6	Ab
Goldman Sachs	10.14	12	1	Ab

### Czech Republic

#### TOP RQ BROKERS: 8 ELIGIBLE

Broker	Overall Average RQ	No of Recs	No of Highest RQs	Rec Type
Erste Bank	21.95	5	1	Ab
UBS	13.95	4	1	Ab
Raiffeisen Centrobank	13.53	6	2	Ab
UniCredit	6.74	5	0	Ab
Citigroup	6.54	4	0	Ab

### Hungary

#### TOP RQ BROKERS: 10 ELIGIBLE

Broker	Overall Average RQ	No of Recs	No of Highest RQs	Rec Type
Erste Bank	31.42	7	2	Ab
Buda Cash	25.50	8	3	Ab
Citigroup	18.74	5	0	Ab
UBS	16.88	5	0	Ab
Raiffeisen Centrobank	12.04	6	1	Ab

### Croatia

#### TOP RQ BROKERS: 2 ELIGIBLE

Broker	Overall Average RQ	No of Recs	No of Highest RQs	Rec Type
Raiffeisen Centrobank	33.45	3	2	Ab
Erste Bank	29.21	3	2	Ab

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# RESEARCH RELEASE



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**Erste Bank Group** is with its almost 52,500 employees one of the leading financial providers in CEE, serving over 16 million clients in almost 3,000 branches in 8 countries (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia, Ukraine). As of 31 December 2007 Erste Bank has reached 200.5 billion EUR total assets, net profit of EUR 1.174,7 million and ROE of 14.6 %.

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