

News

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MERRILL LYNCH NAMED BEST BROKER FOR RESEARCH AND EQUITY DERIVATIVES IN 2001 REUTERS/TEMPEST UK LARGER COMPANY SURVEY

LONDON, 20 February - Merrill Lynch (NYSE: **MER**) was today named the top broker for research by corporations and fund managers for the third consecutive year, and best firm for equity derivatives in the *2001 Reuters/Tempest Survey of UK Larger Companies*. The survey of research, sales and trading, and investment banking tracks the responses of 72 fund management groups, representing £952bn of funds under management, and 254 corporations throughout the UK.

“The firm’s first place research ranking by both fund managers and companies, for the third consecutive year, is proof of our ongoing commitment to provide the best quality independent analysis and insight for our clients.” said Alastair Irvine, deputy director of pan-European equity research at Merrill Lynch. “The results show that we have achieved a balance in our determination to preserve local expertise whilst developing global research that our clients seek.”

In addition to achieving the number one ranking in this UK survey, the Merrill Lynch equity derivatives group also placed first in the recently published 2001 Reuters/Tempest survey of European Larger Companies.

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“Our top position in UK equity derivatives, combined with our leading ranking in European derivatives, underscores our focus on developing innovative investment solutions for our clients throughout the region,” said Michael Hammond, Merrill Lynch co-head of equity and derivatives sales for Europe, Middle East and Africa. “Our aim is to provide the best equity derivatives products and service, from structuring and sales to trading and research.”

Merrill Lynch ranked highly throughout the survey; here are some additional highlights:

- The survey found that “the ability to dominate across relevant qualities in execution is a unique skill that is the domain of only a handful of globally-oriented firms.” According to the survey Merrill Lynch, along with only one other brokerage, “have only added to their supremacy in the UK equity market” and “appears almost in a league of its own.” Also the survey reported that the efficiency of SETS execution is one of the most important qualitative aspects defining excellence in UK execution, following the ability to commit capital and/or provide liquidity. Merrill Lynch was voted number one in execution of FTSE 100 equities - SETS, second overall for broker execution and first for settlement and back-office efficiency.
- Merrill Lynch was ranked number one for brokers’ product and service by fund management groups, up from third last year.
- Merrill Lynch was voted the best firm by fund management groups on the effectiveness of broker account reviews, in retaining it’s leading position the firm remains dedicated to focussing on its clients.
- Merrill Lynch Investment Managers was placed second in company rankings of top 20 fund management groups, up from third last year.
- In fund management groups’ perception of broker communication skills, Merrill Lynch ranked either first or second in all five categories including written communication, Internet access to research and analyst contact.

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The survey also found that most fund managers see a shift away from domestic research, towards a global industry approach within the couple of years. Merrill Lynch already produces research on 29 global industries to service clients needs. “We aim to deliver what the client wants and we determined some time ago there was a demand for global research,” said Charles Lambert, co-head of global fundamental equity research, based in London. “Even UK companies in the FTSE 100 like GlaxoSmithKline, BP Amoco and Vodafone are no longer just British companies, but are global players and they need a global backdrop.”

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Notes to Editors

1. Merrill Lynch is one of the world’s leading financial management and advisory companies with offices in 44 countries and total client assets of approximately \$1.7 trillion. As an investment bank, it is the top global underwriter and market maker of debt and equity securities and a leading strategic advisor to corporations, governments, institutions and individuals worldwide. Through Merrill Lynch Investment Managers, the company is one of the world’s largest managers of financial assets. For more information on Merrill Lynch, go to www.ml.com
2. Merrill Lynch is the top-rated financial research firm in the world, with over 900 analysts in 26 countries covering the performance of more than 3,700 companies worldwide. In Europe, the Middle East and Africa, Merrill Lynch has more than 250 analysts covering over 1,500 companies.

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