

For immediate release

Mid Cap Stocks Firmly Established As An Asset Class

'Capturing the growth prospects from a low growth low inflation UK stockmarket'

London, 13 October 2003 – Credit Suisse Asset Management (CSAM) announces the repositioning of the Credit Suisse UK Small Cap Opportunities Fund into the Credit Suisse UK Mid 250 Fund, subject to shareholder approval.

Commenting on the changes Ian Chimes, Managing Director of CSAM Funds (UK) Limited says:

"In our opinion, mid cap stocks have now firmly established themselves as an asset class in their own right. Demand for mid cap funds has increased significantly but, to date, intermediaries and investors have been restricted to only a few funds to choose from. We feel that by repositioning our small cap to a mid 250 fund we will be increasing choice for the long term investor. Interest in the sector has also been highlighted by the IMA's recent decision to consider launching a sector dedicated to mid cap funds."

Commenting on the outlook for UK mid caps, Crispin Finn, manager of the Credit Suisse UK Mid 250 Fund said: "We've had a strong recovery since March in cyclical mid cap stocks which we believe are now due for a pause. In our view, the baton will probably now be passed to growth stocks and within the mid cap arena, we think there are many growth mid cap investment opportunities to be found."

1. Why we think the time may be right for mid cap stocks:

Entrepreneurial management: Mid cap companies tend to have entrepreneurial management whose actions have greater impact as they tend to be more concentrated than their larger counterparts who often suffer from longer reporting lines and greater bureaucracy.

Tough training ground: The smaller companies index is a hard training ground; companies that graduate from it to the FTSE 250 Index need to have a strong business model and a real ability to succeed.

Nimble: Having passed through the difficult adolescent phase, mid caps are generally still flexible enough businesses to grow market share and take advantage of new opportunities to boost growth.

Unique: A number of the companies in the FTSE 250 universe are unique. They have either cornered the market with a niche product or are the sole provider of a service or product. Often their technology is too specialised or too expensive for competitors to enter the market easily.

Domestic exposure: Mid cap stocks are benefiting from being more exposed to the domestic economy rather than being exposed to the lower growth of the global economy.

Under researched: Although they make up around 15% of the UK stockmarket by size, companies within the FTSE 250 Index have largely been ignored by investment analysts. This is particularly true at the smaller end of the Index. In consequence, we believe that CSAM's world class specialist team of 18 equity analysts has an edge that enables it to find growth and value where others may not be looking.

Diversification: Understandably, the FTSE 250 Index is more diversified than the FTSE 100 not just by sector but also by stocks. The largest stock in the 250 makes up about 1% of this Index vs the largest stock in the FTSE 100 which accounts for around 9% of the Index. The top four sectors of the FTSE 250 Index make up 41% vs the FTSE 100 with over 60% in banks, oils, pharmaceuticals and telecoms. The scope for adding value through active stockpicking is therefore much greater.

2. Current themes and opportunities:

UK Government spending

- The mid cap sector could benefit from the Government's increased spending on health, education and the infrastructure. As well as the benefits that building new hospitals, schools and roads bring to construction companies, support services companies might benefit from the operational contracts that go with these whilst software stocks gain from massive investment in NHS and local authority computer systems.

Increasing regulation

- Tighter environmental concerns drive demand at many levels – from consultancy services for landowners to thicker insulation for housing – not to mention constraining the supply of housing land.

Decreasing regulation

- Moves to free up legislation controlling betting could allow leisure operators and bookmakers scope to increase their growth rates.

Outsourcing

- As both the public and private sectors concentrate on their core competencies, we believe the scope for growth in outsourcing continues whether it is cleaning offices, inspecting schools, mending TVs or managing congestion charging.

Acquisitions

- Corporate activity is set to increase in mid caps: firstly with overseas companies looking for positions in the UK or European arena and secondly the mid cap stocks themselves will become more active in acquisitions where impact is more greatly felt on bottom line/eps growth.

New Issues

- As the market picks up, the path could be cleared for the many growth companies that have been unable to float over the last two years. This should increase the number and variety of mid cap investment opportunities.

3. Track record and background

The Fund will be managed by Crispin Finn as part of CSAM's highly experienced 27 strong UK equity team including a proprietary team of 18 equity analysts whose experience covers all industries, market caps etc.

In addition Crispin manages the 'AA' rated Credit Suisse Smaller Companies Fund which selects stocks from the Hoare Govett Smaller Companies Index which includes a number of mid 250 companies.

The price of shares and income from them may fall as well as rise and is not guaranteed. You may not get back the amount of your original investment.

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Notes to editors:

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As of 30 June 2003, Credit Suisse Asset Management employed 2,021 people worldwide and had global assets under management of approximately £188.8 billion. Please note that this is not an offer for advisory services by Credit Suisse Asset Management. For more information on Credit Suisse Asset Management, please visit our website at <http://www.csameurope.com>.

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Press Contacts

Credit Suisse Asset Management Limited
www.csameurope.com

Ian Chimes, Managing Director
Lisa Goddard, Head of Marketing Communications UK

020 7426 2626
020 7426 2992

Penrose Financial
Louise Hatch / Tilly von Twickel / Natalie Rogers, Penrose Financial

+44 20 7786 4885