

Quest For Growth

Belgium/Financial Services

Analysers



Accumulate

vs Hold

Share price: EUR 4.17

closing price as of 20/05/2010

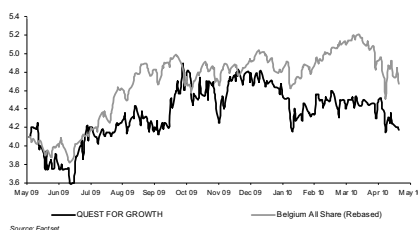
Reuters/Bloomberg

QUFG.BR/QFG.BB

Market capitalisation (EURm)	49
Current N° of shares (m)	12
Free float	74%
Daily avg. no. trad. sh. 12 mth	4,642
Daily avg. trad. vol. 12 mth (m)	0
Price high 12 mth (EUR)	4.89
Price low 12 mth (EUR)	3.60
Abs. perf. 1 mth	-6.29%
Abs. perf. 3 mth	-6.50%
Abs. perf. 12 mth	7.47%

Estimated NAV breakdown (EURm)

Listed shares - ICT	18.8	22%
Listed shares - Pharma & biotech	11.5	13%
Listed shares - Other	20.4	23%
Direct private equity stakes	18.5	21%
Venture Capital funds	8.3	10%
Convertible loan notes & warrants	1.0	1%
Other assets	2.2	3%
Net cash/(debt) position	6.3	7%
Total Net Asset Value	87.0	100%
NAVPS (EUR)	7.384	
Share price*: EUR	4.17	
Discount/(Premium) to NAV	43.5%	



Analyst(s):

Hans D'Haese, Bank Degroof
 hans.dhaese@degroof.be
 +32 (0) 2 287 9223

Divestment of CoreOptics – Rating upped to Accumulate

The facts: Yesterday Quest for Growth (QfG) announced that it is selling CoreOptics Inc to Nasdaq listed Cisco Systems, the worldwide leader in networking for the Internet, which will completely acquire CoreOptics.

Our analysis: QfG has invested in CoreOptics since 2006 and participated in various financing rounds. The company develops and manufactures subsystems for ultra high-speed optical networking applications in the telecommunications and information technology industries. The company was founded in January 2001 and received funding from leading international venture capital firms such as Gimv, TVM Capital, Crescendo Ventures and QfG.

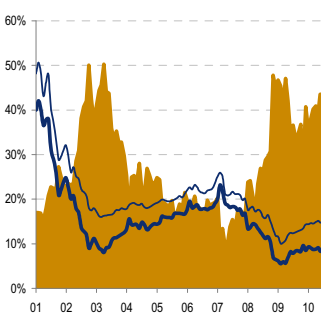
According to QfG's most recent portfolio update, CoreOptics was worth EUR 1.3m. The transaction creates an uplift to up to EUR 3.8m or positive impact of EUR 2.5m on QfG's last published NAV at 30 April 2010 (EUR 0.21/share or 3.0% on present NAV) at final closing of the transaction.

No further financial details on this transaction are disclosed.

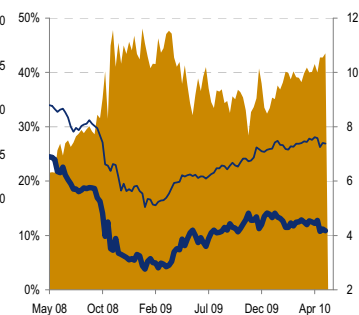
Conclusion & Action: *The CoreOptics transactions shows that M&A activity seems to pick up (though slowly), amongst others thanks to the redesign of certain technology sectors that are triggering some trade sales.*

Our adjusted equity value estimate amounts to EUR 7.38/share, of which EUR 4.30/share in listed shares. The discount currently amounts to 43.5%. We believe this level to be unjustifiably high, although the company had to book a broad number of write downs in the Private Equity portfolio last year. At the present share price QfG's net cash position and unlisted assets, worth EUR 3.08/share, are for free. Applying a discount level in line with other Belgian peer portfolio companies (average of 30%), leads to an upside potential of 23% (implied TP of EUR 5.15). We therefore upgrade to Accumulate from Hold.

10 years valuation graph (EUR)



24 months valuation graph



■ : discount to intrinsic value (left scale)
 — : stock price (in EUR, right scale)
 — : intrinsic value (in EUR, right scale)