

Quest For Growth

Belgium/Financial Services

Analyser



Accumulate

Recommendation unchanged

Share price: EUR 4.55

closing price as of 03/08/2010

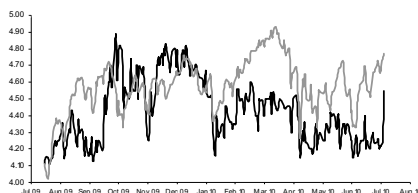
Reuters/Bloomberg

QUFG.BR/QFG.BB

Market capitalisation (EURm)	54
Current N° of shares (m)	12
Free float	74%
Daily avg. no. trad. sh. 12 mth	5,066
Daily avg. trad. vol. 12 mth (m)	0
Price high 12 mth (EUR)	4.89
Price low 12 mth (EUR)	4.02
Abs. perf. 1 mth	9.64%
Abs. perf. 3 mth	0.66%
Abs. perf. 12 mth	10.71%

Estimated NAV breakdown (EURm)

Listed shares - ICT	19.2	20%
Listed shares - Pharma & biotech	17.0	18%
Listed shares - Other	23.4	25%
Direct private equity stakes	21.0	22%
Venture Capital funds	8.5	9%
Convertible loan notes & warrants	1.6	2%
Other assets	1.5	2%
Net cash/(debt) position	2.3	2%
Total Net Asset Value	94.5	100%
NAVPS (EUR)	8.018	
Share price*: EUR	4.55	
Discount/(Premium) to NAV	43.3%	



Source: FactSet

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Public offer on QfG portfolio company Movetis

The facts: U.K. drug maker Shire yesterday announced it agreed to acquire Movetis, a Quest for Growth (QfG) portfolio company, for EUR 428m in cash. Shire agreed to pay EUR 19/share to acquire Movetis, a premium of 74% to its closing price Monday.

Shire added that shareholders representing 38.9% of Movetis's share capital agreed to back the deal.

Our analysis: Movetis which was spun out of Johnson & Johnson, raised EUR 100m in an IPO late last year. Following the IPO at EUR 12.25/share, existing shareholders, among which QfG, engaged themselves not to sell any of their shares for at least 12 calendar months. QfG management yesterday confirmed that the pending lock-up agreement on its stake (until 04-Dec-10) will be adjourned by the announced offer.

At end of 1H10 QfG owned 523,601 Movetis shares. Following the Shire offer QfG will cash in EUR 9.95m for its stake. On top of its existing net cash position of EUR 2.3m and taking into account the cash to be collected from the exit of CoreOptics, QfG will have a total cash pile of EUR 16.2m. This is to be compared to a portfolio of listed shares of EUR 50.8m (ex-Movetis) and an "unquoted" portfolio (directly held private stakes and venture capital funds, ex-CoreOptics) of EUR 27.3m.

Conclusion & Action: The public offer on Movetis and the recently announced CoreOptics transaction illustrate the improved M&A environment, which has a positive impact on NAV.

At yesterday's close the discount to NAV amounted to 43%. We recently reviewed our recommendation upwards from Hold to Accumulate in anticipation of a better M&A market and today reiterate our positive view on the company.