

Not rated

from Accumulate

Share price: EUR 5.34

closing price as of 14/09/2012

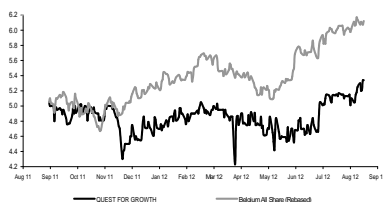
Reuters/Bloomberg

QUFG.BR/QFG.BB

Daily avg. no. trad. sh. 12 mth	7,329
Daily avg. trad. vol. 12 mth (m)	0.04
Price high 12 mth (EUR)	5.34
Price low 12 mth (EUR)	4.23
Abs. perf. 1 mth	3.7%
Abs. perf. 3 mth	16.1%
Abs. perf. 12 mth	6.8%
Market capitalisation (EURm)	62
Current N° of shares (m)	12
Free float	71%

Estimated NAV breakdown (EURm)

Listed shares - ICT	19.3	19%
Listed shares - Pharma & biotech	12.5	12%
Listed shares - Other	24.5	24%
Direct private equity stakes	20.2	20%
Venture Capital funds	15.9	15%
Convertible loan notes & warrants	0.0	0%
Other assets	3.8	4%
Net cash/(debt) position	6.9	7%
Total Net Asset Value	103.2	100%
NAVPS (EUR)	8.949	
Share price*: EUR	5.34	
Discount/(Premium) to NAV	-40.3%	



Shareholders: FIM Group 14%; Dexia insurance Belgium 12%;

Quest for growth

Quest for Growth (QfG) is a closed-end investment company (PRIVAK) which focuses on European technology-based growth companies in sectors such as biotechnology, health care, information technology, software, electronics, new materials and special situations in other growth sectors. It invests in both public and private equity.

QfG takes investment decisions based upon fundamental research, though it is not excluded that occasionally speculative positions are taken. QfG's investment managers are free to apply their own ideas without the constraints of a benchmarked fund.

The largest part of the portfolio is invested in growth companies listed on European stock exchanges. Assets can also be invested in venture or private equity funds having an investment policy compatible with that of QfG. Furthermore QfG invests in unquoted companies with the intention to seek an exit within 36 months. Investments in start-ups or early stage companies are allowed, but are rather exceptional.

Under the PRIVAK regulations (see below), the company enjoys tax privileges against its commitment of a high pay-out ratio.

✓ Privak regulations

The Privak statute provides investment vehicles a framework for investments in private equity and in growth companies. A Privak is a closed-end fund under the regulation of the Belgian financial regulator and subject to specific investment and dividend pay out rules. Investment rules: minimum 50% of the portfolio must be invested in equity and a minimum of 70% of the portfolio (qualified investments) must be invested in: unquoted companies; companies quoted on a growth market or VC funds with an investment policy similar to the Privak. Investments in companies quoted on a growth market can never exceed 50% of the qualified investments. Hence, 35% has to be invested in unquoted debt/equity and/or venture funds. The company is neither permitted to invest over 20 % of the portfolio in one company, nor to invest over € 6.2 million in one company, over one year.

✓ Tax advantages

The Privak benefits from important tax advantages as long as the investment rules are met and all investments are made in companies, subject to a normal tax regime. The part of the dividend resulting from capital gains is exempt from withholding tax. The remaining part of the dividend is subject to a withholding tax of 15%.

✓ Dividend policy

The volatile nature of the growth stocks in which QfG invests inevitably means that investment returns (and hence dividends) are volatile. This results in exceptional dividends in good years and small or no dividends in bad years. QfG is required by law (Belgian Privak regulation) to pay-out at least 80% and by its by-laws to pay out even at least 90% of its net realised gains each year.

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Detailed NAV breakdown

Participations	Current value (EUR)	% NAV	% GAV	Value per share (EUR)	Sector
Econocom	3,681,436	3.6%	3.8%	0.32	Software & Services
Init Innovation	2,250,000	2.2%	2.3%	0.20	
Nemetschek AG	3,544,810	3.4%	3.7%	0.31	
SAP	2,607,750	2.5%	2.7%	0.23	
EVS	4,274,000	4.1%	4.4%	0.37	Tech. Hardw.
LEM Holding SA	1,931,712	1.9%	2.0%	0.17	
LPKF Laser & Electronics	1,033,550	1.0%	1.1%	0.09	
Teva Pharmaceutical	1,859,750	1.8%	1.9%	0.16	Farma & Biotech
Gerresheimer	2,180,475	2.1%	2.3%	0.19	
Nexus	1,914,750	1.9%	2.0%	0.17	
Pharmagest Interactive	2,142,000	2.1%	2.2%	0.19	
Sphere Medical	537,606	0.5%	0.6%	0.05	
United Drug	3,913,702	3.8%	4.1%	0.34	
Andritz Ag	4,745,238	4.6%	4.9%	0.41	Electrical & Engineering
Arcadis	3,685,000	3.6%	3.8%	0.32	
Centrotec	864,500	0.8%	0.9%	0.07	
Faiveley	1,293,050	1.3%	1.3%	0.11	
Kendrion	1,714,048	1.7%	1.8%	0.15	
Imtech	4,091,096	4.0%	4.3%	0.35	
Saft Groupe	1,187,700	1.2%	1.2%	0.10	
Schaltbau Holding	1,411,344	1.4%	1.5%	0.12	
Melexis	2,023,914	2.0%	2.1%	0.18	
Umicore	3,484,340	3.4%	3.6%	0.30	Energy & Materials
Quoted	56,371,770	54.6%	58.7%	4.89	
Unquoted	23,769,495	23.0%	24.7%	2.06	
Venture Fund	15,928,603	15.4%	16.6%	1.38	
Cash	6,853,691	6.6%	7.1%	0.59	
Treasury shares	0	0.0%	0.0%	-	
Other net assets (2)	253,540	0.2%	0.3%	0.02	
Total NAV	103,177,100	100.0%	107.4%	8.95	
Price/share				5.34	
Discount to NAV		-40.3%			

Source: Company data, Bloomberg, ESN – Bank Degroof Research

Notes: Adjusted for acceptance of public takeover bid on Transics by Tavares. QfG was holding 250,000 shares of Transics or approx. 3% of shares outstanding



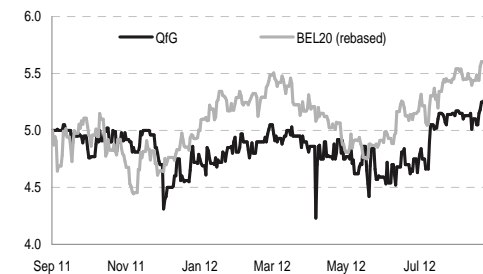
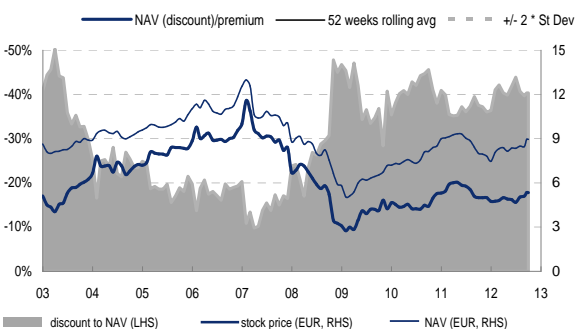
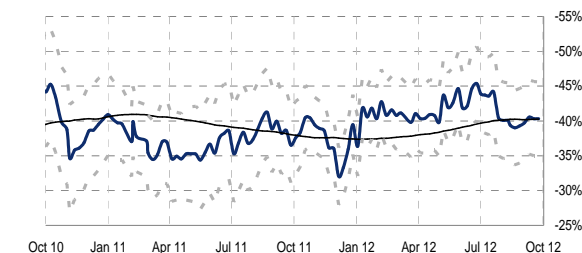
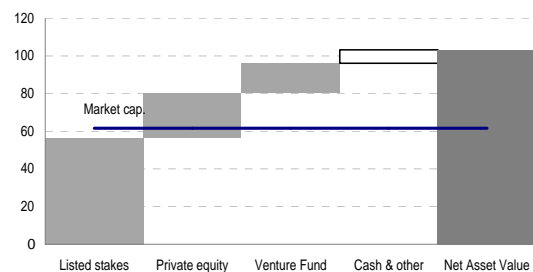
NAV and valuation evolution at a glance

d.d. 14/09/2012	Price (EUR)	NAVps est. (EUR)	Discount	Latest published NAV (EUR m)	Date
Quest for Growth	5.34	8.95	-40.3%	100	31-Aug-12

NAV breakdown (EUR)	NAV, m	NAV	GAV	Adj. NAV, m	NAV
Listed stakes	56	55%	59%	62	57%
Private equity	24	23%	25%	24	22%
Venture Fund	16	15%	17%	16	15%
Gross Asset Value	96	93%	100%	102	93%
Cash & other	7	7%		7	7%
Taxes					
Net Asset Value	103	100%		109	100%

Note: Adj. NAV is based on ESN Research target prices for underlying assets if available

Key data			
Market cap, EUR m	62	Local index	BEL20
Free float	71%	BEL20 member	No
Free float Mcap, EUR m	43	Next AGM	Mar-13
Daily avg. no. trad. sh. 12 mth	6,683	Velocity	21.2%
Daily avg. trad. vol. 12 mth, EUR m	0.0	5yr avg economic return	-4.3%
Performance 5d	1.7%	Dividend yld (trailing 12m)	NR
Performance 1w	3.3%	5yr avg historic discount	-36.1%
Performance 1m	16.3%	12m avg historical discount	-39.7%



Shareholders top-5	Capital	Votes
Dexia Insurance Belgium	12%	12%
Financial & Investment Mgmt GroupFinan	14%	14%
Treasury shares	0%	

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Summary table

PROFIT & LOSS (EURm)	2009	2011	2011	2012e
Revenues	18.1	20.6	-13.3	
Non Recurrent Items	0.0	0.0	0.0	
Net Profit (reported)	18.1	20.6	-13.3	
BALANCE SHEET (EURm)				
Shareholders Equity	85.4	106.0	91.1	
Minorities equity	0.0	0.0	0.0	
Net Debt	-1.8	-3.7	-4.1	
NAV Constituents & Total NAV (EURm)				
Listed shares - ICT	41.8	46.6	37.3	19.1
Listed shares - Pharma & biotech	10.5	10.4	7.7	12.5
Listed shares - Other	4.6	9.0	4.3	24.5
Direct private equity stakes	16.1	16.3	15.7	20.1
Venture Capital funds	8.2	13.2	14.4	15.9
Convertible loan notes & warrants	1.0	1.2	0.5	0.0
Other assets	1.5	5.5	7.0	3.8
Net cash/(debt) position	1.8	3.7	4.1	6.9
Total Net Asset Value	85.4	106.0	91.1	103.2
Discount/(Premium) to NAV	-35.8%	-40.9%	-39.9%	-40.3%
Listed shareholdings on NAV	63.9%	59.9%	54.2%	54.6%
OTHER ITEMS (EURm)				
Total Market Cap	54.8	62.6	54.8	61.6
Debt / Equity	-2.1%	-3.5%	-4.5%	
Payout Ratio	0.0%	0.0%	0.0%	
P/BV	0.6	0.6	0.6	
Dividend Yield (Gross)	0.0%	0.0%	0.0%	0.0%
PER SHARE DATA (EUR)				
EPS (reported)	1.533	1.741	-1.155	
NAVPS	7.247	8.991	7.901	8.949
BVPS	7.247	8.991	7.901	
DPS	0.000	0.000	0.000	0.000

Source: Company, Bank Degroof estimates

Company description

Sector: Financial Services/Holding

Company Description: Quest for Growth (QfG) invests in growth companies with the objective of converting capital gains into tax-free income through the Privak structure. The largest part of the portfolio is invested in growth companies listed on European stock exchanges (Euronext, London SE, Deutsche Börse, etc.) and other regulated markets. The balance is invested in unquoted companies working towards an introduction to a stock exchange or trade sale within 36 months. Investments in start-ups or early stage companies are allowed but remain rather exceptional.

Statement of Risk

Portfolio companies, private equity players and venture capitalists typically are very exposed to the volatility of the stock market and changes of the market sentiment. Visibility on underlying operations of the private equity portfolio is limited, while some are exposed to the economic cycle in Western-Europe. Furthermore, the company is depending on the funding conditions for buy-out investments, the performance of third-party funds, trends of M&A multiples and volatility of the holding companies discount.

Valuation Methodology

Our valuation model is based on a sum of the parts as most recently disclosed by the company. We consequently updated for market evolutions, present share prices and target prices for listed shareholdings. Furthermore we are taking into account forex evolutions and estimated impacts of post balance sheet investments & divestments. Fin. details of unquoted companies are not disclosed. Hence, we base our valuation on QfG's reported NAV.