

4 August 2010

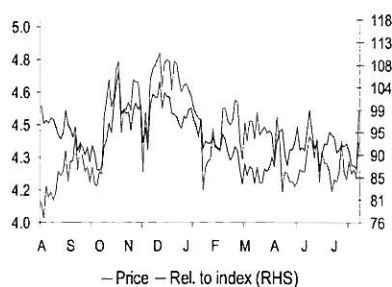
QUEST FOR GROWTH

Movetis bid adds € 0.38 p.s., TP upped to € 5.75

EQUITY INVESTMENT INSTRUMENTS
BELGIUM

CURRENT PRICE € 4.55
TARGET PRICE € 5.75

BUY
RATING UNCHANGED



— Price — Rel. to index (RHS)

Source: Thomson Financial Datastream

Bloomberg QFG BB
Reuters QUFG.BR

www.questforgrowth.com

Market Cap	€ 53.6m
Shares outst.	11.8m
Volume (daily)	€ 23,041
Free float	90.6%

Next corporate event

NAV update 10: 6 August 2010

(€ m)	2007	2008	2009
Net result	0.6	-48.4	18.1
Adj. net result	0.6	-48.4	18.1
Basic EPS (€)	0.05	-4.11	1.53
ROE	0.6%	-41.8%	26.8%
Adj. eq. value	9.87	9.87	7.25
Premium/disc.	14.9%	14.9%	35.9%
DPS (€)	0.05	0.00	0.00
Dividend yield	0.6%	0.0%	0.0%

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News:

Shire's € 19 per share bid on Movetis is very important for Quest for Growth, which held 2.51% of the biotech company as per 30 June 2010.

Our View:

Valuing Movetis at the bid price boosts Quest's NAV by € 4.48m, or € 0.38 per share. This corresponds with a 5% NAV increase since the close of Monday and explains the positive share price reaction yesterday. We decided to increase our TP from € 5.50 to € 5.75, which implies a discount of approx 27.5% versus adjusted equity value (which is in line with the average holding discount).

Conclusion:

Based on yesterday's closing prices, we estimate adjusted equity value per share at € 8.03 with a 43.3% discount. Despite the stock yesterday reacted positively to the Movetis news, the current discount level is still too high, going by comparable companies' valuations, the transparency of its listed investment portfolio, the lack of debt on its balance sheet and its ability to defend its equity base with success. Going forward and following divestment of key PE assets, Quest has but a few options to create value via exits (IPO or trade sale) in the near- and medium term. The upside potential from current trading levels amounts to 26.4%, even when our TP already implies a 28.4% to adjusted equity value.

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INVESTMENT COMPANIES

Movetis bid positive for VC investors

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News:

Shire's bid of € 19/share in cash for Movetis valued the company's equity, on a fully diluted basis, at € 428m and is an important item for the valuation of some of the holding & investment companies that we cover. For more details, we refer to the Movetis section in today's morning note.

The biggest investors in the recently floated biotech company are Quest for Growth, KBC Biotech (Privak), BIP Investment Partners and Gimv. Before the bid, Movetis accounted for 5.01%, 27.13%, 0.50% and 0.24% of their respective NAV's. Upon closing of Shire's bid, if and when successful, these four investment companies will be able to book a sizeable capital gain. We have included an overview below.

		shs held	cap gain	pre-bid NAV	% upside	per share
Gimv	1.30%	270,747	2,344,193	993,300,000	0.24%	0.10
Quest	2.51%	523,601	4,478,419	89,400,000	5.01%	0.38
KBC Biotech	2.01%	418,881	3,588,739	13,230,000	27.13%	1.05
BIP Inv. Partners	1%	209,441	1,789,379	358,170,000	0.50%	0.37

Conclusion:

We have only upped our TP for Quest for Growth (for more details, see the Quest section in this morning note), while we stick to our TP's for BIP and Gimv.