

4 October 2010

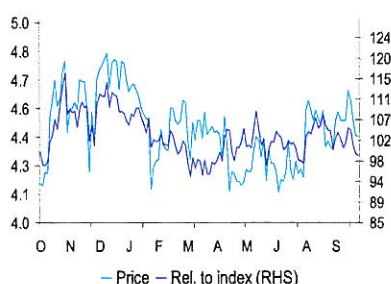
## QUEST FOR GROWTH

### NAV ascent continues in September

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE € 4.52  
TARGET PRICE € 5.75

**BUY**  
RATING UNCHANGED



Source: Thomson Financial Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
<a href="http://www.questforgrowth.com">www.questforgrowth.com</a>	
Market Cap	€ 53.3m
Shares outst.	11.8m
Volume (daily)	€ 27,653
Free float	90.6%

Next corporate event

Results 3Q10: 28 October 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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#### Summary:

Quest's end-of-September NAV update unveiled that NAV soared to its highest level since May 2008, while the stock continues to seriously lag.

#### News:

NAV at end-September increased to € 8.37 per share, versus € 7.98 at end-August (+4.9% m/m, +15.4% YTD). The stock increased a tad to € 4.42 (+1.1% m/m, -4.9% YTD), due to which the discount increased to 47.2% (end-July: 45.2%).

Quest made mostly bullish changes to its listed portfolio, upping stakes in existing portfolio companies Corning, LEM Holding, HP, Ablynx, Phoenix Solar, SMA Solar and Accell Group. Positions in Unit4Agresso, WireCard, and Pfeiffer Vacuum Technology were lowered. Combined, the listed portfolio at current prices totals € 62.05m and accounts for 63.2% of NAV. Listed assets break down in Software & Services (12.3%), Technology & Hardware (9.8%), Pharma & Biotech (15.6%), Healthcare Equipment (3.1%), Electrical & Engineering (17.3%) and Materials & Others (7.6%). Quoted/unquoted assets (i.e. Movetis) account for 10.3% of NAV.

The aggregated value of the direct Private Equity stakes increased a tad as the carrying value of Syntaxin increased to € 2.1m (vs. € 1.8m at end-August). Quest's press release once again left us in the dark as to "why" of the revaluation; however, upon inquiring, management informed us that an additional investment was done and that the valuation of the existing stake was revised slightly upward as well. The valuation of the 3rd Party funds increased as well in September, driven by a strong performance of Carlyle Europe Technology Partners (CETP) I & II. Both funds are now carried at end-of-June valuations (vs. end-of-March previously), adding approx. € 1m to Quest's NAV (this figure includes a € 0.5m upward revaluation of the CEPT co-investment fund). The direct and indirect PE portfolios are currently valued at a respective € 16.7m and € 10.02m. Combined, PE stakes account for € 26.7m, or 27.2% of adjusted equity value.

We estimate net cash at € 6.1m (6.2% of NAV), which includes the valuation of options and other items on the balance sheet.

#### Conclusion:

Based on Friday's closing prices, we estimate adjusted equity value p.s. at € 8.33. We note that despite a broad number of writedowns in the PE portfolio in the past and the fact that Quest has few options to create value via exits (IPO or trade sale), the stock's valuation remains very, very undemanding: Quest's NAV performance relative to its stock price has been strong in FY10 (+15.4%), but the discount nevertheless continues to hover around 45%. The upside potential from current trading levels amounts to 27%, even when our TP already implies a 30% to adjusted equity value. Buy rating and € 5.75 TP maintained.