

8 November 2011

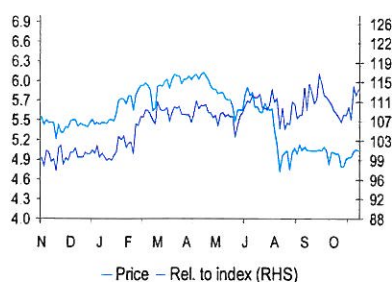
QUEST FOR GROWTH

NAV moves sideways in October

EQUITY INVESTMENT INSTRUMENTS
BELGIUM

CURRENT PRICE € 5.00
TARGET PRICE € 6.00

ACCUMULATE
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg QFG BB
Reuters QUFG.BR
www.questforgrowth.com

Market Cap € 58.9m
Shares outst. 11.8m
Volume (daily) € 45,854
Free float 90.6%

Next corporate event

NAV update 11: 2 December 2011

(€ m)	2008	2009	2010
Net result	-48.4	18.1	20.6
Adj. net result	-48.4	18.1	20.6
Basic EPS (€)	-4.11	1.53	1.74
ROE	-41.8%	26.8%	24.1%
Adj. eq. value	9.87	7.25	8.99
Premium/disc.	14.9%	35.9%	42.9%
DPS (€)	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%

Tom Simonts

+32 2 429 37 22

tom.simonts@kbcsecurities.be

Summary:

End-of-October NAV increased 1.3% to € 8.09 p.s., while the stock hovered steady € 4.99 (38.3% discount). No changes to rating and/or TP

News:

NAV increased a tad to € 8.09 p.s., versus € 7.99 at end-September (+1.3% m/m, -10.0% YTD). The stock moved sideways and ended the month at € 4.99 (-0.2% m/m, -6.0% YTD), due to which the discount increased marginally to 38.32% (end-December 2010: 40.93%).

Quest's activity in the listed portfolio segment resulted in the adjustment of a number of the portfolio's constituents, but mainly situated in the Electrical & Engineering segment. The company upped stakes in Init Innovation, EVS, Andritz, Faiveley, Melexis and Umicore, while stakes in Unit4, Arcadis and Wacker Chemie were lowered. Quest fully sold its stake in Accell Group and added Kendrion as a new investment to the ranks. Combined, the listed portfolio at current prices totals € 48.6m and accounts for 52.7% of NAV. Listed assets break down in Software & Services (17.9%), Technology & Hardware (7.1%), Pharma & Biotech (2.8%), Healthcare Equipment (3.5%), Electrical & Engineering (15.1%) and Materials & Others (5.4%).

The aggregated value of the direct Private Equity stakes remained largely unchanged vis-à-vis the end-of-September NAV update. Invested capital into various 3rd party investment funds changed as a result of quarterly revaluations. The direct and indirect PE portfolios are valued at resp. € 18.8m and € 13.8 m and – combined - account for € 32.6m (or 35.4% of NAV).

We estimate net cash at € 5.3m (5.7% of NAV), which includes the valuation of options and other items on the balance sheet. This figure also includes € 1.4m of provisions related to unrealised (potential) losses in the direct PE portfolio.

Our View:

Despite the persistently volatile and depressed character of equity markets, Quest's stock price increased on a M/M basis, which is a clear outperformance vis-à-vis major international indices and Quest's direct benchmarks. NAV on a YTD bases dropped "only" 10%. But NAV is implicitly bound to the evolution of stock market valuations, so that there are few to no triggers for unlocking value out of the Private Equity portfolio. We stick to our Accumulate rating and € 6 TP, which leaves 20% upside potential.