

6 February 2012

QUEST FOR GROWTH

January NAV climbs 3.4% YTD

EQUITY INVESTMENT INSTRUMENTS

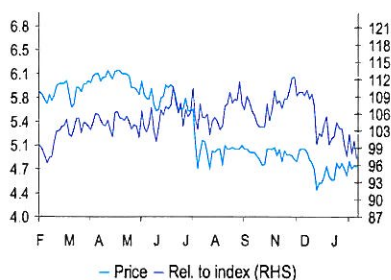
BELGIUM

CURRENT PRICE € 4.72

TARGET PRICE € 6.00

BUY

RATING UNCHANGED



— Price — Rel. to index (RHS)

Source: Thomson Reuters Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
www.questforgrowth.com	
Market Cap	€ 55.6m
Shares outst.	11.8m
Volume (daily)	€ 49,540
Free float	90.6%

Next corporate event

(€ m)	2009	2010	2011
Net result	18.1	20.6	-13.3
Adj. net result	18.1	20.6	-13.3
Basic EPS (€)	1.53	1.74	-1.15
ROE	26.8%	24.1%	-12.6%
Adj. eq. value	7.25	8.99	7.88
Premium/disc.	35.9%	42.9%	39.7%
DPS (€)	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%

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Summary:

End-of-January NAV per share increased to € 8.17, vs. a € 7.90 reading at YE11. January produced ample portfolio changes but unveiled no big changes to the valuation of non-listed investments. We stick to Buy.

News:

January NAV increased to € 8.17 p.s., versus € 7.90 at end-December (+3.4% m/m, +3.4% YTD). The stock moved sideways and ended the month at € 4.76 (+0.2% m/m, +0.2% YTD), due to which the discount increased to 41.7% (end-December 2011: 39.87%).

Quest's activity in the listed portfolio segment was robust with changes situated across the board. Stakes were upped in Econocom, INIT Innovation, Gerresheimer, Nexus, Kendrion and Schaltbau Holding, while stakes in Nemetschek, Unit4, Andritz, Faiveley, Imtech and Umicore were lowered. Quest again added Wacker Chemie to the ranks in the Materials segment of the portfolio, while selling its full SMA Solar stake. Combined, the listed portfolio at current prices totals € 52.95m and accounts for 54.7% of NAV. Listed assets break down in Software & Services (16.3%), Technology & Hardware (6.5%), Pharma & Biotech (1.2%), Healthcare Equipment (6.9%), Semiconductors (1.5%), Electrical & Engineering (15.5%) and Materials & Others (5.8%). Quoted/unquoted assets (Sphere Medical) weight 0.9%.

The aggregated value of the direct Private Equity stakes remained level vis-à-vis end-of-December: while capital invested into various 3rd party investment funds moved sideways as no quarterly revaluations were implemented. Awaiting the remaining € 2.5m provision to be allocated to the direct Private Equity portfolio, the latter underwent no changes. The direct and indirect PE portfolios are valued at € 18.1m and € 14.3m and total for € 32.4m (accounting for 33.5 % of NAV).

We estimate net cash at € 1.6 m (3.2% of NAV), which includes the valuation of options and other items on the balance sheet as well as € 2.5m of the said provisions. Commitments total € 15.5m.

Our View:

Despite the clear positive performance of equity markets, Quest's stock price moved only sideways, so that the stock's valuation remains very undemanding; the discount amounts to 43.7% and the upside potential to reach our € 6.0 TP amount to 27%. Items that are holding back the stock are the lack of dividend visibility as well as a recent bout of provisions that make there are but few triggers for unlocking value out of the Quest portfolio. Though this limits the stock's potential to gnaw off part of the 43.7% discount, we stick to our Buy rating and € 6 TP.