

17 September 2012

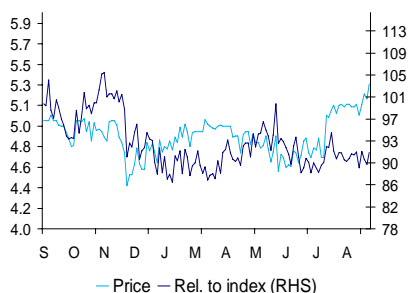
## Quest for Growth

### Will tender stake in Transics

Equity Investment Instruments  
Belgium

Current price €5.34  
Target price €6.00

**Buy**  
Rating Unchanged



Source: Thomson Financial Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
www.questforgrowth.com	
Market Cap	€63.0m
Shares outst.	11.8m
Volume (daily)	€39,586
Free float	90.6%

Next corporate event

NAV update 12: 5 October 2012

(€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%

**Tom Simonts**

+32 2 429 37 22

tom.simonts@kbcsecurities.be

**Summary:**

Quest for Growth decided to tender the Transics shares in its portfolio (250,000 shares of approx. 3% of shares outstanding) to Tavares. Negligible impact on NAV. We stick to our TP and rating.

**News:**

As a reminder, on 12 June 2012 Tavares announced a revision of the voluntary public offer on Transics. The offer price per share was increased from €7.10 to €7.50. The acceptance threshold, one of the offer conditions, was also lowered from 90% and amended to 75.1% of the securities conferring voting rights.

After having carefully balanced all aspects regarding the takeover bid on Transics by Tavares, Quest considers the price offered to be at the low-end of what is acceptable and feels it does not contain a takeover premium. It still finds some elements in the investment case very attractive, such as the recurring sales level and the strong cash generation. On the other hand, the company has not delivered on expectations regarding different elements (for example margins and profitability) and there are clear uncertainties about the further strategic development of the company. Quest believes that it has clearly have attractive alternative investment ideas to further grow the value of the portfolio of Quest for Growth.

**Our View:**

Transics accounts for 1.8% of Quest's portfolio, hence the deal has the potential to free up €1.8m in cash. However, the tender offer's success isn't yet secured, since large shareholders ING and Generali earlier declared not to respond positively.

**Conclusion:**

The stock price of Transics last Friday closed at €7.2, so the impact on NAV (which we estimate at €99.9m, or €8.66 p.s.) is negligible. We stick to our Buy rating, even though the stock price has performed quite well over the past couple weeks and now amounts to €5.34 p.s.

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## SOTP MODEL – BASED ON CLOSING PRICES OF XX XXXXXXXXXXXX XXXX

Description	Sector/market	BB	Shares held	Recent change	Last price	Crncy	% of NAV	Valuation (€m)
<b>Quoted companies</b>							<b>13.74%</b>	<b>13.88</b>
<b>Software &amp; Services</b>								
ECONOCOM	Euronext Brussels	ECONB BB	196,763	0	18.7	€	3.64%	3.68
INIT	Deutsche Börse	IXX GY	100,000	0	22.5	€	2.22%	2.25
NEMETSCHKE	Deutsche Börse	NEM GR	113,000	0	31.4	€	3.51%	3.54
SAP	Deutsche Börse	SAP GR	47,500	0	54.8	€	2.57%	2.60
TRANSICS	Euronext Brussels	TRAN BB	250,000	0	7.2	€	1.79%	1.81
<b>Technology Hardware</b>								
EVS BROADCAST	Euronext Brussels	EVS BB	100,000	0	42.7	€	4.23%	4.27
LEM HOLDING	Zwitsersland	LEHN SW	4,869	0	482.3	CHF	1.91%	1.93
LPKF LASER & ELECTRONICS	Deutsche Börse	LPK GR	70,000	30,000	14.8	€	0.14%	0.14
<b>Pharma &amp; Biotech</b>								
TEVA PHARMACEUTICAL	Nasdaq	TEVA US	60,000	0	40.7	USD	1.84%	1.86
<b>Health Care Equipmen</b>								
GERRESHEIMER	Deutsche Börse	GXI GR	55,000	0	39.6	€	2.15%	2.18
NEXUS	Deutsche Börse		225,000	0	8.5	€	1.89%	1.91
PHARMAGEST INTERACTIVE	Euronext Paris		40,000	0	53.6	€	2.12%	2.14
SPHERE MEDICAL HOLDING	AIM		815,031	-115,000	0.8	£	0.81%	0.82
UNITED DRUG	Dublin		1,391,786	-150,000	2.8	€	3.87%	3.91
<b>Electrical &amp; Engineering</b>								
ANDRITZ	Vienna		102,500	2,500	46.3	€	4.69%	4.75
ARCADIS	Euronext Amsterdam		220,000	10,000	16.8	€	3.65%	3.69
FAIVELEY	Euronext Paris		27,500	0	47.0	€	1.28%	1.29
IMTECH	Euronext Amsterdam	IM NA	189,666	0	21.6	€	4.05%	4.09
KENDRION	Euronext Amsterdam	KENDR NA	107,128	-5,000	16.0	€	1.70%	1.71
SAFT GROUPE	Euronext Paris	SAFT FP	60,000	0	19.8	€	1.18%	1.19
SCHALTBAU HOLDING	Deutsche Börse		52,800		26.7	€	1.39%	1.41
<b>Semiconductors</b>								
MELEXIS	Euronext Brussels	MELE BB	152,633	2,500	13.3	€	2.00%	2.02
<b>Materials</b>								
UMICORE	Euronext Brussels		83,000	500	42.0	€	3.45%	3.48
<b>Other sectors</b>								
<b>Direct Private Equity Investments</b>							<b>18.38%</b>	<b>18.58</b>
<b>Asset type</b>								
ANTERYON	Semiconductors	equity		1.50		€	1.48%	1.50
CARTAGENIA	Software & Services	equity		0.63		€	0.62%	0.63
CLEAR2PAY	Software & Services	equity		5.57		€	5.51%	5.57
IDEA	Pharma & Biotech	equity		0.16		€	0.16%	0.16
KIADIS	Pharma & Biotech	equity		2.37		€	2.35%	2.37
MAGWELL	Software & Services	equity		0.43		€	0.43%	0.43
PROSONIX	Pharma & Biotech	equity		2.68		£	2.65%	2.68
SYNTAXIN	Pharma & Biotech	equity		2.47		£	2.45%	2.47
TCLAND	Pharma & Biotech	equity		2.76		€	2.73%	2.76
<b>Capricorn Private Equity Funds &amp; ...</b>								
CAPRICORN CLEANTECH FUND	Funds & Div. Cpies	equity		1.20	13.25	€	5.45%	5.51
CAPRICORN HEALTH-TECH FUNI	Funds & Div. Cpies	equity		3.23	11.25	€	3.20%	3.23
CAPRICORN CLEANTECH CO-INV	Technology hardware	equity		1.07	1.50	€	1.06%	1.07
<b>3rd Party Private Equity Funds</b>				<b>11.50</b>	<b>3.73</b>	€	<b>11.38%</b>	<b>11.50</b>
<b>Portfolio</b>							<b>91.29%</b>	<b>92.28</b>
Net cash (incl. others & options)							8.71%	8.80
<b>Adjusted equity value</b>							<b>100.00%</b>	<b>101.08</b>
Number of shares (outstanding)								
Treasury shares (for remuneration purposes, resale, collateral,...)							0.00%	0
Treasury shares (available for cancellation)							0.00%	0
Number of shares (for per share calculation)								11,529,950
Quest for Growth last price								
<b>Adjusted equity value p.s.</b>								<b>5.34</b>
<b>Current discount</b>								<b>8.77</b>
								<b>39.09%</b>
Target prices								
Target equity value								101.08
<b>Target equity value p.s.</b>								<b>8.77</b>
<b>Discount to target equity value</b>								<b>39.09%</b>

KBCS has a BUY recommendation and a €6 target price.

The upside potential versus a stock price of €5.34 equals 12.36%.

The implied discount of our €6 target price vs. the target equity value is 31.56%.

Source: KBC Securities

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**FINANCIAL DATA**

<b>Income statement (€m)</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Sales & operating income	0.0	0.0	0.0	0.0	0.0
Result from operating activities	0.0	0.0	0.0	0.0	0.0
Result from financing activities	0.0	0.0	0.0	0.0	0.0
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0
Share of result from associates	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	1.0	2.0
Minorities	0.0	0.0	0.0	1.0	2.0
Net result	0.6	-48.4	18.1	20.6	-13.3
Adj. net result	0.6	-48.4	18.1	20.6	-13.3
<b>Balance sheet (€m)</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Intangible assets & goodwill	0.0	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	0.0	0.0	0.0
Participations acc. for under equity method	0.0	0.0	0.0	0.0	0.0
Other financial assets	0.0	0.0	0.0	0.0	0.0
Cash & cash equivalents	0.0	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0	0.0
Total assets	116.5	67.7	85.6	106.1	91.2
Equity attributable to holders of the parent	115.8	67.4	85.4	106.0	91.1
Minorities	0.0	0.0	0.0	0.0	0.0
Financial debt	0.0	0.0	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0	0.0	0.0
Total liabilities	116.5	67.7	85.6	106.1	91.2
Net debt	0.0	0.0	0.0	0.0	0.0
<b>Cash flow statement (€m)</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Cash flow from operating activities	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.0	0.0	0.0	0.0	0.0
Dividends paid (consolidated)	0.0	0.0	0.0	0.0	0.0
Other cash flow from financing	0.0	0.0	0.0	0.0	0.0
Fx and changes to the consolidation scope	0.0	0.0	0.0	0.0	0.0
Change in cash & cash equivalents	0.0	0.0	0.0	0.0	0.0
<b>Per share data (€)</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Year-end share price (€)	8.40	3.15	4.65	5.31	4.75
Year-end market cap (€m)	99.0	37.1	54.8	62.6	56.0
weighted average # shares	11,789,255	11,789,255	11,789,255	11,789,255	11,529,950
weighted average # shares, diluted	11,789,255	11,789,255	11,789,255	11,789,255	11,529,950
Basic EPS (€)	0.05	-4.11	1.53	1.74	-1.15
Diluted EPS (€)	0.05	-4.11	1.53	1.74	-1.15
NBV (€)	9.8	5.7	7.2	9.0	7.7
Adj. eq. value	9.9	9.9	7.3	9.0	7.9
Premium/disc.	14.89%	14.89%	35.86%	42.94%	39.72%
DPS (€)	0.05	0.00	0.00	0.00	0.00
Dividend yield	0.60%	0.00%	0.00%	0.00%	0.00%
<b>Ratios</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
ROE	0.65%	-41.81%	26.83%	24.07%	-12.56%
Total return	3.4%	-61.9%	47.6%	14.2%	-10.5%
Pay-out ratio (adjusted net result)	93.4%	0.0%	0.0%	0.0%	0.0%
P/E	159.57	-	3.03	3.04	-
P/NBV	0.86	0.55	0.64	0.59	0.61
<b>Statutory data</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Result from operating activities	0.3	-48.6	16.9	19.4	-15.2
Result from financing activities	0.3	0.2	1.2	1.2	1.9
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0
Profit/loss before tax	0.6	-48.4	18.1	20.6	-13.3
Dividend paid (statutory)	-0.6	0.0	0.0	0.0	0.0
Financial assets	116.1	67.1	85.1	104.9	90.0
Other assets	0.4	0.6	0.5	0.3	1.2
Total assets	116.5	67.7	85.6	107.1	93.2
Capital and reserves	115.8	67.4	85.4	106.0	91.1
Provisions and deferred taxation	0.0	0.0	0.0	1.0	2.0
Liabilities	0.7	0.3	0.1	0.1	0.1
Total assets	116.5	67.7	85.6	107.1	93.2

Source: KBC Securities

\*Historic valuation data are based on historic prices

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	Definition
BUY	Expected total return (including dividends) of 10% or more over a 6-month period
ACCUMULATE	Expected total return (including dividends) between 0% and 15% over a 6-month period
HOLD	Expected total return (including dividends) between -5% and 5% over a 6-month period
REDUCE	Expected total return (including dividends) between -15% and 0% over a 6-month period
SELL	Expected total return (including dividends) of -10% or worse over a 6-month period

Due to external factors and in exceptional cases, KBC Securities allows the use of ratings such as Accept the Offer, Black Out, No Recommendation or Suspended.

Our analysts assign one of those ratings based on their investment outlook and valuation for the concerned stock. The valuation can be based on different methodologies such as DCF (discounted cash flow), absolute multiples, peer group multiples, sum-of-parts or NAV (Net Asset Value). The valuation is reflected in a 6-month target price. Occasionally, the expected total return may fall outside of these ranges because of price movement and/or volatility. Such deviations will be permitted but will be closely monitored. Investors should carefully read the definitions of all ratings used in each research report. In addition, since the report contains more complete information concerning the analyst's view, investors should carefully read the entire report and not infer its contents from the rating alone. KBC Securities discloses the recommendations of its reports to the issuers before their dissemination. In case the recommendation has been amended following this disclosure, such amendments will be indicated in the concerned report.

Stock rating	% of covered universe	% of covered universe with investment banking relationship during last year
BUY	29.40%	0.00%
ACCUMULATE	36.50%	100.00%
HOLD	31.00%	0.00%
REDUCE	1.60%	0.00%
SELL	1.60%	0.00%

Quest for Growth is a Belgian investment company focused on listed and unlisted growth companies with the objective of converting capital gains into tax-free income through the Privak-structure.

The price target for Quest for Growth is based on following parameters: Estimated Equity Value (NAV)

The risks which may impede the achievement of our price target are: high correlation with technology markets and sensitive to stock market fluctuations, no recurring profit, need to successfully exit unlisted investments, growth is hampered by regularity payout of realised capital gains

Below is an overview of the stock ratings and target price history in the last 12 months for the stock described in this report.

Date	Rating	Target price
27-JAN-12	Buy	€ 6.00
06-OCT-11	Accumulate	€ 6.00

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KBC Securities NV  
Havenlaan 12  
Avenue du Port  
1080 Brussels  
Belgium  
+32 2 417 44 04  
Regulated by CBFA

KBC Securities UK  
111 Old Broad Street  
London EC2N 1PH  
UK  
+44 20 7418 8900  
Regulated by FSA

KBC Securities US  
140 East 45th Street  
2 Grand Central Tower - 42nd Floor  
NY 10017-3144 New York  
US  
+1 212 845 2200  
Regulated by NASD

KBC Securities NV Polish Branch  
ul. Chmielna 85/87  
00-805 Warsaw  
Poland  
+48 22 581 08 00  
Regulated by PFSA

KBC Securities Patra  
Jungmannova 745/24  
110 00 Prague 1  
Czech Republic  
+420 221 424 111  
Regulated by CNB

KBC Securities NV Hungarian Branch  
7/8 Roosevelt square  
1051 Budapest  
Hungary  
+361 483 4005  
Regulated by PSZAF

KBC Securities NV Bulgarian Branch  
22 Gotze Delchev Blvd, Entr. 2  
1404 Sofia  
Bulgaria  
Tel: +359 2 858 33 11  
Regulated by FSC

KBC Securities Romania  
11-15 Tipografilor Street  
S-Park A2 Building  
Bucharest-1  
Romania  
+40 21 40 84 200  
Regulated by CNVM

BDD KBC Securities a.d.  
Cincar Jankova 3  
11000 Belgrade  
Serbia  
+381 11 21 80 856  
Regulated by SSEC

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