

Quest For Growth

Belgium/Financial Services

Analysers



Accumulate

Recommendation unchanged

Share price: EUR 6.04

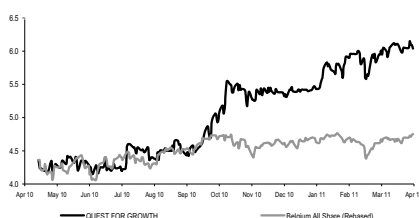
closing price as of 29/04/2011

Reuters/Bloomberg

QUFG.BR/CFG BB

Market capitalisation (EURm)	71
Current N° of shares (m)	12
Free float	76%
Daily avg. no. trad. sh. 12 mth	13,254
Daily avg. trad. vol. 12 mth (m)	0
Price high 12 mth (EUR)	6.15
Price low 12 mth (EUR)	4.15
Abs. perf. 1 mth	1.51%
Abs. perf. 3 mth	11.23%
Abs. perf. 12 mth	40.47%

Estimated	NAV	breakdown	12/11	12/11
Listed shares	-		27.	25%
Listed shares	-	Pharma &	9.	9%
Listed shares	-		29.	27%
Direct private equity			16.	16%
Venture Capital			15.	14%
Convertible loan notes &			0.	0%
Other assets			7.	7%
Net cash/(debt) position			1.	1%
Total Net Asset			107.	100%
NAVPS (EUR)			9.33	nm
Share price*			6.0	
Discount to NAV				-35.3%



Feedback from analyst meeting

The facts: Following the 1Q11 release of last week, Quest for Growth (QfG) hosted an analysts' meeting on Friday. Management provided some insight on the performance of the portfolio, its continued focus on the *Cleantech* investments theme (in listed stocks, as well as in private equity) and the latest private equity venture Ducatt, a Belgian solar glass start-up that was co-invested next to Capricorn Cleantech Fund.

Our analysis: After a strong FY09 and FY10, QfG continued to perform well YTD. In 1Q11 however, the sole contributor to the net result was its quoted portfolio with as main contributing sectors *Software & Services* (Nemetschek, Unit 4, In-nit Innovation...), *Materials* (Umicore...) and *Semiconductors* (SMA Solar). The sectors *Technology hardware* (EVS, LEM Holding...), *Pharma & Biotech* (Teva Pharmaceutical...) and *Healthcare Equipment & Services* (United Drug...) performed negatively. Currency & equity hedges and the financial result had a small positive impact on NAV.

Over all, in the current market environment the renewable energy/cleantech performed rather well (positively impacted by the Fukushima disaster). In the listed part of the portfolio, QfG holds on to its preferred main investment themes (small caps in IT, health care and cleantech) and it continues to apply structural forex risk hedging, but no equity hedging. Amongst others the new positions in Wacker Chemie (polysilicon production) and Ducatt (solar glass - buy-out) fit in the cleantech frame work.

The 1Q11 net result of EUR 0.8m, in addition to the FY10 and FY09 result (together EUR 38.6m) still do not compensate the FY08 loss (EUR -48.4m). The balance sheet after appropriation of the result shows a *Loss carried forward* of EUR 6.0m on 30-Mar-11, next to EUR 0.9m *Result of the period* and EUR 0.7m *Reserves available for distribution*. A positive FY11 (net result in excess of EUR 4.5m) would however give perspective to a possible dividend pay-out early 2012, which could lead to a lower discount in the course of the remainder of the year.

Conclusion & Action: Over 1Q11, we only remind QfG's successful stock-picking in the quoted portfolio.

We estimate the current NAV at EUR 107.6m or EUR 9.33/share. This means that at yesterday's close, the corresponding discount amounts to -35%. We still lack visibility on any exits (and consequently possible capital gains) in QfG's private equity portfolio. However the improving M&A activity overall and thanks to the above average discount to NAV, we maintain our Accumulate rating and EUR 6.80 TP.

Analyst(s):

Hans D'Haese, Bank Degroof

hans.dhaese@degroof.be

+32 (0) 2 287 9223