

Quest For Growth

Belgium/Financial Services

Analysers



Accumulate

Recommendation unchanged

Share price: EUR 5.60

closing price as of 28/07/2011

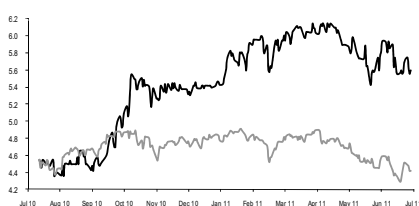
Target price: EUR 6.60

Reuters/Bloomberg

QUFG.BR/CFG BB

| | |
|----------------------------------|--------|
| Market capitalisation (EURm) | 65 |
| Current N° of shares (m) | 12 |
| Free float | 76% |
| Daily avg. no. trad. sh. 12 mth | 13,299 |
| Daily avg. trad. vol. 12 mth (m) | 0 |
| Price high 12 mth (EUR) | 6.15 |
| Price low 12 mth (EUR) | 4.20 |
| Abs. perf. 1 mth | 0.00% |
| Abs. perf. 3 mth | -8.05% |
| Abs. perf. 12 mth | 31.46% |

| Estimated | NAV | breakdown | | |
|--------------------------|------------|-----------|--------|------|
| Listed shares | - | | 26.5 | 26% |
| Listed shares | - Pharma & | | 9.5 | 9% |
| Listed shares | - | | 25.5 | 25% |
| Direct private equity | | | 16.9 | 16% |
| Venture Capital | | | 14.9 | 14% |
| Convertible loan notes & | | | 0.2 | 0% |
| Other assets | | | 4.4 | 4% |
| Net cash/(debt) position | | | 4.8 | 5% |
| Total | Net Asset | | 102.8 | 100% |
| NAVPS (EUR) | | | 8.914 | |
| Share price* | | | 5.60 | |
| Discount to NAV | | | -37.2% | |



Source: Factset

Analyst(s):

Hans D'Haese, Bank Degroof

hans.dhaese@degroof.be

+32 (0) 2 287 9223

A positive 1H11 result and satisfying NAV evolution thanks to good performance of the quoted portfolio

The facts: Quest for Growth (QfG) realised a 1H11 net profit of EUR 1.9m or EUR 0.16/share vs. a net result of EUR 1.5m or EUR 0.12/share in 1H10.

NAV at 30-Jun-11 of EUR 106.3m or EUR 9.22/share had already been released before.

Our analysis: Although the market environment in 1H11 was not supportive QfG managed to show a (slightly) positive NAV evolution, mainly in the listed portfolio. Earlier this month QfG has already released a detailed portfolio breakdown showing that NAVps was up +1.7% from EUR 9.06 at the end of 1Q11 to EUR 9.22 at end 2Q11. The NAV evolution should be compared to the 2Q11 performance of its main benchmarks, namely the Nasdaq Composite (in EUR), which was down -2.0%, while the BENMAX50 Index dropped with -2.5%. In that same timeframe the European market (DJ STOXX600) was down -1.1%.

Main highlights during 1H11 were:

- the investment of EUR 1m in Ducatt (unquoted company - production facility for specialty glass for the photovoltaic industry),
- the subscription for EUR 0.5m to the capital increase of Prosonix (unquoted - particle engineering technology for the benefit of the pharmaceutical industry), and
- the cancellation of 259,305 treasury shares, resulting in a EUR 0.07 increase to NAVps.

Taking into account the lacklustre environment for the quoted portfolio and except for an important capital gain after the possible disposal of one or more of the larger unquoted stakes in the course of 2H11, we expect QfG not to pay a dividend with respect to FY11.

Conclusion & Action: In the course of 2Q11, QfG managed to create value in a difficult market environment thanks to successful stock-picking in the quoted portfolio. We are witnessing a better exit environment for the unquoted portfolio, which we expect to show some uplift on equity value in the coming months.

Given the present rather high discount to adjusted NAV of -37% (vs. a 12-months average of -39% and -31% on average over 5 years), we maintain our Accumulate rating. Our EUR 6.60 TP is based on discount to NAV mean averaging and ESN Research TPs for underlying assets of the quoted portfolio.

QfG hosts an analyst meeting today at 11:00 am CET.