

27 January 2012

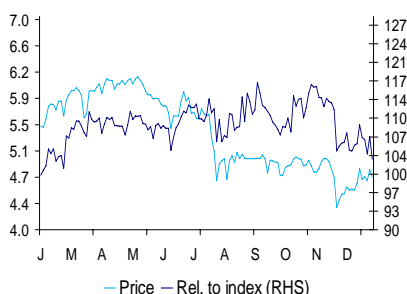
Quest for Growth

€13.3m FY11 loss puts FY12 dividend in doubt

Equity Investment Instruments
Belgium

Current price €4.75
Target price €6.00

Buy
Rating Upgraded



Source: Thomson Financial Datastream

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

Market Cap €56.0m
Shares outst. 11.8m
Volume (daily) €52,946
Free float 90.6%

Next corporate event

Analyst Meeting 11: 27 January 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:

Due to a very weak 3Q11, FY11 result ended at a loss of €13.31m (ROE: -13%) and boosted carried-over losses to €19.3m. The figures don't surprise, nor does not paying a dividend. The stock, however, is still cheaply valued. We raise our rating from Accumulate to Buy and stick to €6 TP.

News:

The €13.3m FY11 loss compares with FY10 income of €21.4m (FY09: €19.1m), reflecting a very weak performance of overall stock markets and impairment in the private equity portfolio. The figure doesn't surprise, since a 12.1% y/y NAV decrease was reported earlier in January (€7.90 p.s. vs. €8.99 p.s. at YE10). ROE was negative at 12.6%, marking the second worst performance since FY08's -41.8% reading. On the bright side, ROE was nevertheless better than Quest's benchmark indices (Bloomberg New Markets 50 and the euro-denominated Nasdaq). The balance sheet at YE11 boasts carried-over losses of €19.3m (21.2% of total assets), up vs. a YE10 level of €5.99m (5.6% of total assets). Quest as such is prevented from paying out a dividend, something which investors after a very weak 3Q11 hadn't been counting on anyway. And chances for a FY12 dividend are heavily skewed to the slim side, as Quest would need to realise ROE of 21.2% just to wipe all carried-over losses. So we haven't pencilled anything into our model. We do, however, await the closing of the merger between Quest Management and Capricorn Venture Partners (CVP). The former is the asset management company that manages Quest for Growth and the Quest Cleantech fund, i.e. private and public investments in European technology and life sciences companies, while CVP is the managing director of pan-European venture capital funds. The combined company should enhance the synergies between both teams by giving QfG investors access to a larger deal flow and a stronger overall investment team for non-quoted companies, while CVP can build on Quest's quoted asset management activities. Closing is foreseen for early 2012.

Our View:

FY11 earnings are not the de facto stock price driver for Quest (since the monthly NAV reports already provide ample insight into the underlying valuation), but the potential for a dividend payment certainly is. Lacking visibility thereof, as well as seeing few to no options for realising exits out of the PE portfolio, today's 41% discount in light of the fact that Quest already provisioned €2m for anticipated downside adjustments to valuations in the Private Equity portfolio is too excessive nevertheless. We decided to stick to our €6 TP, which implies a rough 25% discount to NAV, but to raise our rating from Accumulate to Buy. The upside potential from current levels amounts to 26.3%.

27 January 2012

SOTP MODEL – BASED ON CLOSING PRICES OF 26 JANUARY 2012

Description	Sector/market	BB	Shares held	Recent change	Last price	Crcncy	% of NAV	Valuation (€m)
Quoted companies								
Software & Services								
DOCDATA	Euronext Amsterdam	DOCD NA	-65,000	-10,000	13.3	€	15.25%	14.15
ECONOCOM	Euronext Brussels	ECONB BB	153,663	0	14.7	€	-0.93%	-0.87
INIT	Deutsche Börse	IXX GY	99,178	0	14.6	€	2.43%	2.26
LEGUIDE.COM	Euronext Paris	ALGUI FP	80,000	0	15.3	€	1.56%	1.45
NEMETSCHKEK	Deutsche Börse	NEM GR	140,000	0	27.9	€	1.32%	1.22
PHARMAGEST INTERACTIVE	Euronext Paris	PHA FP	40,000	0	43.7	€	4.21%	3.91
TRANSICS	Euronext Brussels	TRAN BB	250,000	0	6.2	€	1.88%	1.75
UNIT4	Euronext Amsterdam	UNIT4 NA	157,830	7,500	18.2	€	1.67%	1.55
Technology Hardware								
EVS BROADCAST	Euronext Brussels	EVS BB	90,000	-4,000	38.3	€	3.10%	2.88
LEM HOLDING	Zwitsersland	LEHN SW	5,210	-100	400.0	CHF	6.51%	6.04
MOBOTIX	Deutsche Börse	MBQ GR	34,968	0	24.8	€	3.71%	3.44
Pharma & Biotech								
TEVA PHARMACEUTICAL	Nasdaq	TEVA US	60,000	-10,000	45.5	USD	1.86%	1.73
Health Care Equipment & Svs								
GERRESHEIMER	Deutsche Börse		35,000	10,000	36.8	€	0.93%	0.87
NEXUS	Deutsche Börse		118,000	118,000	7.5	€	2.24%	2.08
SPHERE MEDICAL HOLDING	AIM		930,031	0	0.8	£	6.48%	6.01
UNITED DRUG	Dublin		1,451,286	0	2.0	€	1.39%	1.29
Electrical & Engineering								
ANDRITZ	Vienna		62,500	5,000	71.4	€	0.96%	0.89
ARCADIS	Euronext Amsterdam	ARCAD NA	225,000	0	15.0	€	1.01%	0.93
FAIVELEY	Euronext Paris	LEY FP	30,000	0	56.4	€	3.13%	2.90
IMTECH	Euronext Amsterdam	IM NA	190,055	0	23.5	€	17.04%	15.81
KENDRION	Euronext Amsterdam		55,000	0	18.7	€	4.81%	4.46
SCHALTBAU HOLDING	Deutsche Börse	SLT GY	10,500	0	75.0	€	3.63%	3.37
Semiconductors								
MELEXIS	Euronext Brussels	MELE BB	120,133	0	11.7	€	1.82%	1.69
SMA SOLAR	Deutsche Börse		17,500	0	45.0	€	4.81%	4.47
Materials								
CENTROTEC	Deutsche Börse	CEV GY	73,000	8,000	12.2	€	1.11%	1.03
UMICORE	Euronext Brussels	UMI BB	110,000	0	36.7	€	0.85%	0.79
Other sectors								
							2.36%	2.19
							1.51%	1.40
							0.85%	0.79
							5.31%	4.93
							0.96%	0.89
							4.35%	4.04
							0.00%	0.00
Loan notes & CP							8.08%	7.50
Private Equity investments			Asset type	Invested	Committed		35.03%	32.50
ACTIVE CIRCLE	Software & Services		equity	0.00		€	0.00%	0.00
ANTERYON	Semiconductors		equity	1.50		€	1.62%	1.50
CAPRICORN CLEANTECH CO.	Technology hardware		equity	1.07		€	1.16%	1.07
CARTAGENIA	Software & Services		equity	0.63		€	0.67%	0.63
CLEAR2PAY	Software & Services		equity	5.57		€	6.00%	5.57
IDEA	Pharma & Biotech		equity	0.16		€	0.18%	0.16
KIADIS	Pharma & Biotech		equity	2.24		€	2.41%	2.24
MAGWELL	Software & Services		equity	0.43		€	0.46%	0.43
PROSONIX	Pharma & Biotech		equity	2.59		£	2.79%	2.59
SYNTAXIN	Pharma & Biotech		equity	2.39		£	2.58%	2.39
TCLAND	Pharma & Biotech		equity	1.50		€	1.62%	1.50
THIRD PARTY INV FUNDS	Various		Funds	14.41	15.49	€	15.53%	14.41
Portfolio							98.29%	91.20
Net cash (incl. others & options)							1.71%	1.59
Adjusted equity value							100.00%	92.79
Number of shares (outstanding)								11,529,950
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								4.75
Adjusted equity value p.s.								8.05
Current discount								40.98%
Target prices								
Target equity value								92.79
Target equity value p.s.								8.05
Discount to target equity value								40.98%

KBCS has an ACCUMULATE recommendation and a €6 target price.

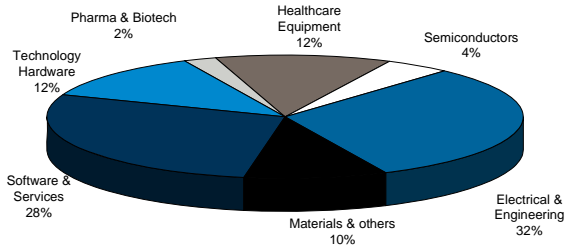
The upside potential versus a stock price of €4.75 equals 26.32%.

The implied discount of our €6 target price vs. the target equity value is 25.44%.

Source: KBC Securities

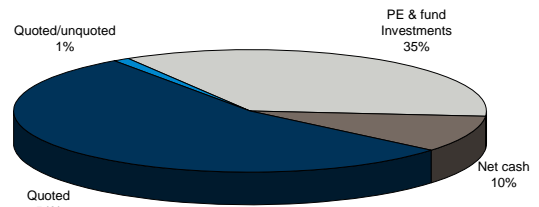
27 January 2012

PORTFOLIO BREAKDOWN (BY SECTOR)



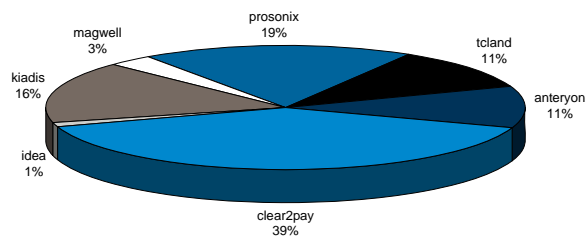
Source: KBC Securities

PORTFOLIO BREAKDOWN (BY ASSET CLASS)



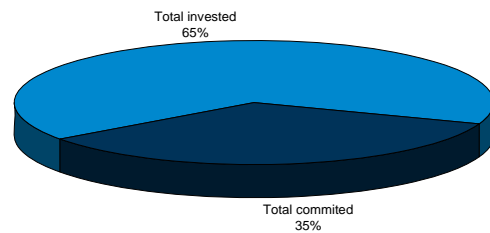
Source: KBC Securities

PORTFOLIO BREAKDOWN (BY ASSETS)



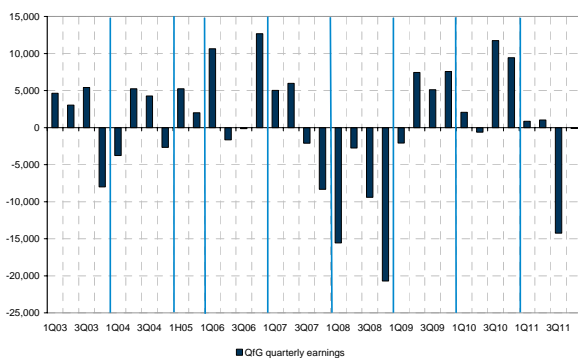
Source: KBC Securities

PORTFOLIO BREAKDOWN (BY COMMITMENTS)



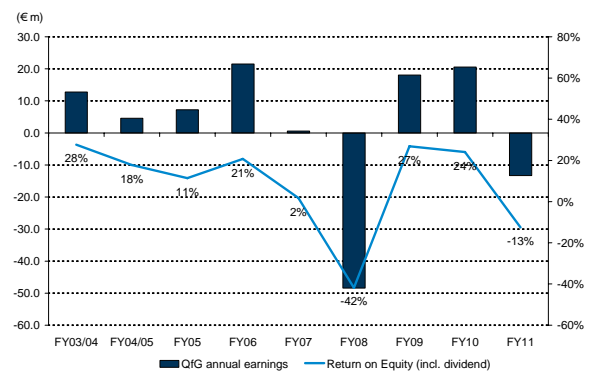
Source: KBC Securities

HISTORIC RESULT OVERVIEW (Q/Q)



Source: KBC Securities

HISTORIC RESULT OVERVIEW (Y/Y)



Source: KBC Securities

27 January 2012

FINANCIAL DATA

Income statement (€m)	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from operating activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from financing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from extraordinary activities	0.0	0.0	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	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0	1.0	2.0
Minorities	0.0	0.0	0.0	0.0	0.0	1.0	2.0
Net result	7.3	21.5	0.6	-48.4	18.1	20.6	-13.3
Adj. net result	7.3	21.5	0.6	-48.4	18.1	20.6	-13.3
Balance sheet (€m)	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	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	0.0	0.0
Other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash & cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	103.7	117.6	116.5	67.7	85.6	106.1	91.2
Equity attributable to holders of the parent	103.2	95.9	115.8	67.4	85.4	106.0	91.1
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	110.6	117.6	116.5	67.7	85.6	106.1	91.2
Net debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow statement (€m)	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	0.0	0.0	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	0.0	0.0
Dividends paid (consolidated)	0.0	0.0	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	0.0	0.0
Fx and changes to the consolidation scope	0.0	0.0	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	0.0	0.0
Per share data (€)	2005	2006	2007	2008	2009	2010	2011
Year-end share price (€)	8.88	10.00	8.40	3.15	4.65	5.31	4.75
Year-end market cap (€m)	84.0	94.6	99.0	37.1	54.8	62.6	56.0
weighted average # shares	9,459,073	9,459,073	11,789,25	11,789,25	11,789,25	11,789,25	11,529,95
weighted average # shares, diluted	9,459,073	9,459,073	11,789,25	11,789,25	11,789,25	11,789,25	11,529,95
Basic EPS (€)	0.77	2.28	0.05	-4.11	1.53	1.74	-1.15
Diluted EPS (€)	0.77	2.28	0.05	-4.11	1.53	1.74	-1.15
NBV (€)	10.9	10.1	9.8	5.7	7.2	9.0	7.7
Adj. eq. value	10.9	12.4	9.9	9.9	7.3	9.0	7.9
Premium/disc.	18.61%	19.49%	14.89%	14.89%	35.86%	42.94%	39.72%
DPS (€)	0.69	1.94	0.05	0.00	0.00	0.00	0.00
Dividend yield	7.77%	19.40%	0.60%	0.00%	0.00%	0.00%	0.00%
Ratios	2005	2006	2007	2008	2009	2010	2011
ROE	11.40%	20.87%	0.65%	-41.81%	26.83%	24.07%	-12.56%
Total return	12.4%	20.4%	3.4%	-61.9%	47.6%	14.2%	-10.5%
Pay-out ratio (adjusted net result)	99.9%	100.0%	93.4%	0.0%	0.0%	0.0%	0.0%
P/E	11.58	4.39	159.57	-	3.03	3.04	-
P/NBV	0.81	0.99	0.86	0.55	0.64	0.59	0.61
Statutory data	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	7.2	20.7	0.3	-48.6	16.9	19.4	-15.2
Result from financing activities	0.1	0.9	0.3	0.2	1.2	1.2	1.9
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss before tax	7.3	21.5	0.6	-48.4	18.1	20.6	-13.3
Dividend paid (statutory)	-7.2	-21.5	-0.6	0.0	0.0	0.0	0.0
Financial assets	103.2	117.3	116.1	67.1	85.1	104.9	90.0
Other assets	0.5	0.3	0.4	0.6	0.5	0.3	1.2
Total assets	110.6	117.6	116.5	67.7	85.6	107.1	93.2
Capital and reserves	103.2	95.9	115.8	67.4	85.4	106.0	91.1
Provisions and deferred taxation	0.0	0.0	0.0	0.0	0.0	1.0	2.0
Liabilities	7.4	21.6	0.7	0.3	0.1	0.1	0.1
Total assets	110.6	117.6	116.5	67.7	85.6	107.1	93.2

Source: KBC Securities

*Historic valuation data are based on historic prices

27 January 2012

DISCLOSURE & DISCLAIMER SECTION

The company disclosures can also be consulted on our website <http://www.kbcsecurities.com/disclosures>.

KBC Securities uses an absolute rating system including terms such as Buy, Accumulate, Hold, Reduce and Sell (see definitions below).

	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	33.60%	37.50%
ACCUMULATE	38.50%	50.00%
HOLD	26.20%	12.50%
REDUCE	1.60%	0.00%
SELL	0.00%	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
22-JUN-11	Buy	€ 6.70
29-APR-11	Accumulate	€ 6.70
07-MAR-11	Accumulate	€ 6.30

KBC Securities will provide periodic updates on companies/industries based on company-specific developments or announcements, market conditions or any other publicly available information.

27 January 2012

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 Patria
 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

Analyst certification: The analysts identified in this report each certify, with respect to the companies or securities that the individual analyses that (i) the views expressed in this publication reflect his or her personal views about the subject companies and securities, and (ii) he or she receives compensation that is based upon various factors, including his or her employer's total revenues, a portion of which are generated by his or her employer's investment banking activities, but not in exchange for expressing the specific recommendation(s) in this report.

This publication has been prepared by KBC Securities NV which is regulated by CBFA (Banking, Finance and Insurance Commission) or one of its European subsidiaries (together "KBC Securities"). This publication is provided for informational purposes only and is not intended to be an offer, or the solicitation of any offer, to buy or sell the securities referred to herein. No part of this publication may be reproduced in any manner without the prior written consent of KBC Securities.

The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but neither KBC Securities nor its affiliates represent that it is accurate or complete, and it should not be relied upon as such. All opinions, forecasts, and estimates herein reflect our judgement on the date of this publication and are subject to change without notice.

From time to time, KBC Securities, its principals or employees may have a position in the securities referred to herein or hold options, warrants or rights with respect thereto or other securities of such issuers and may make a market or otherwise act as principal in transactions in any of these securities. Any such persons may have purchased securities referred to herein for their own account in advance of the release of this publication. KBC Securities and principals or employees of KBC Securities may from time to time provide investment banking or consulting services to, or serve as a director of a company being reported on herein.

This publication is provided solely for the information and use of professional investors who are expected to make their own investment decisions without undue reliance on this publication. Investors must make their own determination of the appropriateness of an investment in any securities referred to herein based on the merits and risks involved, their own investment strategy and their legal, fiscal and financial position. Past performance is no guarantee for future results. By virtue of this publication, none of KBC Securities or any of its employees shall be responsible for any investment decision.

KBC Securities has implemented certain in-house procedures known as Chinese walls that aim to prevent the inappropriate dissemination of inside information. E.g. a Chinese wall surrounds the corporate finance department within KBC Securities. Further measures have been taken with regard to the separation of certain activities that could lead to conflicts of interest with other activities within KBC Securities.

In the United States this publication is being distributed to U.S. Persons by KBC Financial Products USA, Inc., which accepts responsibility for its contents. Orders in any securities referred to herein by any U.S. investor should be placed with KBC Financial Products USA, Inc. and not with any of its foreign affiliates. KBC FP USA Inc. and/or its affiliates may own 1% or more of the subject company's common equity securities. KBCFP USA Inc. or its affiliates may have managed or co-managed a public offering of the subject company's securities in the past 12 months, or received compensation for investment banking services from the subject company in the past 12 months, or expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Any U.S. recipient of this report that is not a bank or broker-dealer and that wishes to receive further information regarding, or to effect any transaction in, any security discussed in this report, should contact and place orders with KBC Financial Products USA Inc. This report is being distributed in the United States solely to investors that are (i) "major U.S. institutional investors" (within the meaning of SEC Rule 15a-6 and applicable interpretations relating thereto) that are also "qualified institutional buyers" (QIBs) within the meaning of SEC Rule 144A promulgated by the United States Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act") or (ii) investors that are not "U.S. Persons" within the meaning of Regulation S under the Securities Act and applicable interpretations relating thereto. The offer or sale of certain securities in the United States may be made to QIBs in reliance on Rule 144A. Such securities may include those offered and sold outside the United States in transactions intended to be exempt from registration pursuant to Regulation S. This report does not constitute in any way an offer or a solicitation of interest in any securities to be offered or sold pursuant to Regulation S. Any such securities may not be offered or sold to U.S. Persons at this time and may be resold to U.S. Persons only if such securities are registered under the Securities Act of 1933, as amended, and applicable state securities laws, or pursuant to an exemption from registration. The products sold by KBC Financial Products USA, Inc or any affiliate thereof, including KBC Securities or KBC Financial Products UK Limited, are not insured by the FDIC, are not obligations of or guaranteed by KBC Bank NV or its affiliates, and are subject to investment risks, including possible loss of the entire amount invested.

This publication is for distribution in or from the United Kingdom only to persons who are authorised persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom or any order made thereunder or to investment professionals as defined in Section 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and is not intended to be distributed or passed on, directly or indirectly, to any other class of persons.

This publication is for distribution in Canada only to pension funds, mutual funds, banks, asset managers and insurance companies.

The distribution of this publication in other jurisdictions may be restricted by law, and persons into whose possession this publication comes should inform themselves about, and observe, any such restrictions. In particular this publication may not be sent into or distributed, directly or indirectly, in Japan or to any resident thereof.