



## PRESS RELEASE *Leuven / 26 January 2012 / 5.40 PM*

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# QUEST FOR GROWTH

Privak, fixed capital investment company established under Belgian Law

### SCHEDULE FOR PUBLICATION

on 26 January 2012:

5.40 PM press release available at [www.questforgrowth.com](http://www.questforgrowth.com)

on 27 January 2012:

11.00 AM press & analyst meeting, Quest Management NV, Lei 19, 3000 Leuven

## ANNUAL RESULTS QUEST FOR GROWTH

### Key figures:

- Return on equity per share: - 12 % since 31 December 2010
- Net Asset Value per share at December 31st 2011: € 7.90 (December 31st 2010: € 8.99).
- Net loss for the fiscal year: - € 13,313,623 (- € 1.15 per share) against a profit of € 20,568,083 (+ € 1.74 per share) for the previous fiscal year
- Share price at December 31st 2011: € 4.75 (December 31st 2010: € 5.31) or a decrease of 10.55 %
- Discount of the share price versus Net Asset Value: 39.90 % at December 31st 2011 (40.95 % at December 31st 2010).
- One new investment in an unquoted company in 2011: Cartagena (+ € 625,000) and two co-investments in unquoted companies (Ducatt and EpiGaN) for a total amount of € 1,074,527
- IPO Sphere Medical Ltd. on 17 November 2011

A series of unexpected events had a negative impact on the economy and on the financial markets in 2011. The earthquake in Japan and especially the subsequent nuclear disaster in Fukushima – which could hardly be controlled - weighed heavily on the worldwide confidence. The Arab Spring, where a number of totalitarian regimes toppled down like dominos, came as a second surprise. The ongoing conflict in Libya, which caused a sudden increase of the oil price, crippled the economic growth, especially in Europe. Apart from geopolitical elements there was also the impact of the debt crisis going off the rails in Europe. The decision process within Euroland was so exasperatingly slow that it could not prevent that, after Greece, Portugal and Ireland were also forced to seek external help for their refinancing needs. In the meantime the confidence in Europe is lost to such an extent that the whole world is focussing on the problem of Euroland, often forgetting that the debt problems of other big countries like the United States, Japan and the UK have similar proportions but are getting far less attention. Even today the confidence in European countries as well as in European financial institutions remains extremely shaky.

In this awkward financial economic climate, several of our portfolio companies performed less well. The quoted companies suffered from the deterioration of the European stock markets. Rapidly growing small & midcaps – those companies on which Quest for Growth primarily focuses – were hit even harder. In the unquoted portfolio the impact was at least as big: new companies had to thoroughly review their business plan because a fast development in a stagnating world proved unfeasible. The companies in need of capital were confronted with a strongly shrinking venture capital market and a considerable deterioration of valuations.

In the past fiscal year Quest for Growth invested in three new unquoted companies:

Through last year's co-investment agreement with the Capricorn Cleantech Fund an investment was made in February in Ducatt NV, a new company in the Capricorn Cleantech Fund portfolio. Ducatt is a Belgian company and a spin out of Emgo NV, a 50/50 joint venture between Osram and Philips Lighting. From the existing company specialised in the production of glass balloons for light bulbs and for glass tubes, the balloon factory is being

split off and converted to a high-quality production facility for speciality glass for photovoltaic applications.

Through the same co-investment agreement an investment was made in June in EpiGaN, a spin-off of Imec, aiming to start up the production of GaN-on-silicon. GaN-on-Si (in full: gallium nitride-on-silicon) is considered to be a key technology in the sector of renewable energy. Think about more efficient power supplies or inverters for solar energy and greener transportation technologies with a smaller ecological footprint.

Finally € 1.25 million was invested in Cartagena in September. Cartagena is a spin off company from K.U.L., the University of Leuven, developing and marketing software for the worldwide market of genetic labs. This investment was split in two equal tranches of which one was paid immediately.

In one existing portfolio company, Prosonix Ltd., Quest for Growth made a follow-investment of £ 652,563 (€ 728,342), participating in a new financing round. In view of the higher valuation used for this financing round, Quest for Growth booked an unrealised capital gain. Prosonix Ltd is the world leader in the domain of particle engineering for the benefit of the pharmaceutical industry.

One company from the unquoted portfolio successfully completed an IPO in the course of the year. Sphere Medical has been trading on AIM (Alternative Investment Market) since 17 November. On the day of the IPO the company was valued at 34 million. The shares of Quest for Growth in Sphere Medical are subjected to a soft lock-up agreement of 6 months. Following the IPO Quest for Growth applied, in accordance with its valuation rules, a 9 % discount to the stock price in its books. From the first month following the IPO, the discount will decrease by 1.5 % per month and will have disappeared completely after the end of the soft lock-up agreement.

Three companies from the unquoted portfolio were written off completely during the past fiscal year: Active Circle, Nantofen and Mapper Lithography. In one case a company did not find new funding. For another company it was decided not to take part in a new investment round, as a result of which our position diluted to such an extent that the amounts invested in the company were lost.

In the unquoted portfolio value adjustments for a total of - € 2.3 million were booked in a separate line. These value adjustments were booked mainly out of fear that certain portfolio companies, almost in need of refinancing, will have to go to the market at a lower valuation because of the deteriorating economic situation and the more difficult funding climate that goes with it.

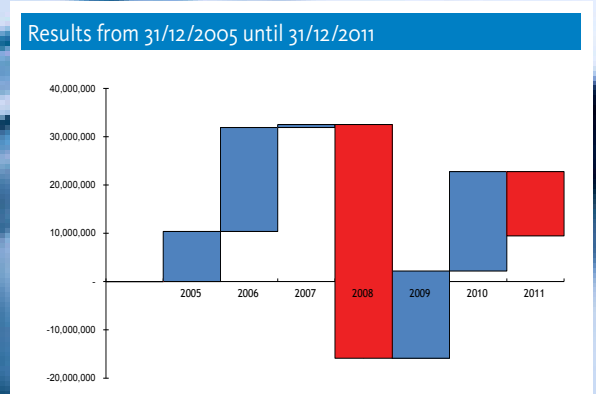
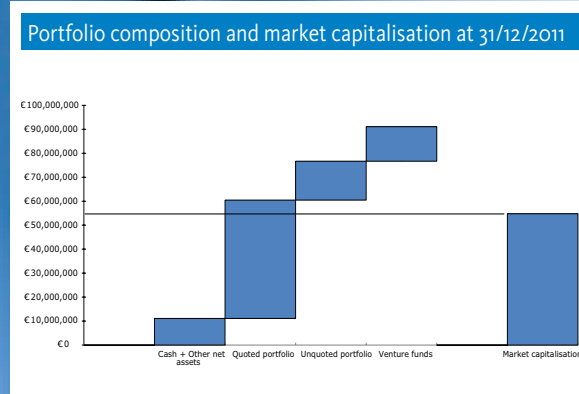
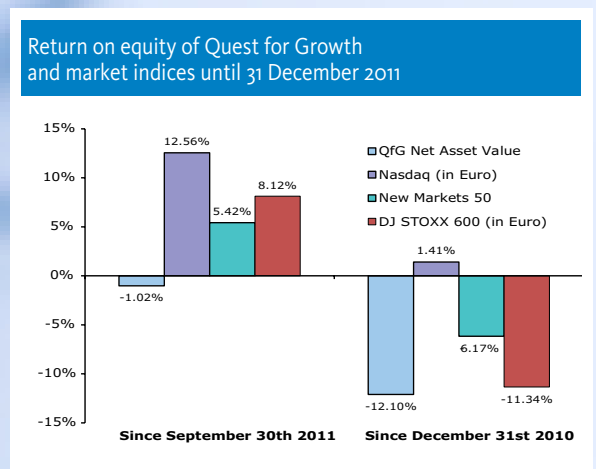
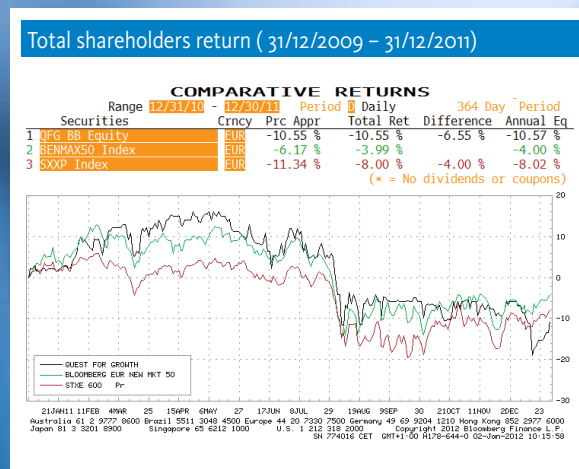
In the portfolio of the venture capital funds a number of exits were made as well. From the portfolio of Carlyle Europe Technology Partners I and the linked co-investment Fund for instance the participation in “the Mill” was sold to Barclays Private Equity at three times the investment cost. Kiwi Ventura Serviços, Quest for Growth’s first investment in a venture capital fund, has been wound up completely and disappeared from the portfolio with a positive result over the whole term of the fund.

The Extraordinary General Meeting of March 17<sup>th</sup> 2011 unanimously approved the two proposals: firstly, the reintroduction of “authorised capital” and secondly, a mandate in favour of the Board of Directors to annul the own shares the Company has repurchased. On June 29 259,305 ordinary shares and the corresponding non-distributable reserves amounting to € 1,594,725.25 were annulled. By reducing the number of shares, the net asset value per share increased by approximately € 0.06.

During the General Assembly four independent directors were appointed. We welcomed Regine Slagmulder (via Regine Slagmulder BVBA), Antoon de Proft (via ADP Vision BVBA), Philippe de Vicq de Cumptich (via Axxis BVBA) and Baron Bernard de Gerlache de Gomery, in replacement of Koenraad Debackere, Johan Tack (via Tacan BVBA) and Count Diego du Monceau de Bergendal (via Bergendal & Co SPRL).

In the fiscal year ending on December 31<sup>st</sup> 2011, the company booked a loss of € 13,313,623 or € 1.15 per share. At the end of 2011 the Net Asset Value per share amounted to € 7.90 compared to € 8.99 on December 31<sup>st</sup> 2010. The share price amounted to € 4.75 on 31<sup>st</sup> December 2011, to compare with € 5.31 at the end of the previous fiscal year.

The Annual General Assembly will be held on 15 March 2012 at 11.00 AM in Leuven.



## 1. Balance sheet

	2011 31 December	2010 31 December	2009 31 December	2008 31 December	2007 31 December
<b>ASSETS</b>					
<b>Fixed assets</b>	<b>86,989,456</b>	<b>99,778,377</b>	<b>79,850,099</b>	<b>61,137,896</b>	<b>108,892,469</b>
Formation expenses	0	0	0	0	0
Financial assets	86,898,456	99,778,377	79,850,099	61,137,896	108,892,469
<i>Shares</i>	<i>79,492,057</i>	<i>93,078,608</i>	<i>78,033,562</i>	<i>59,198,500</i>	<i>108,028,068</i>
<i>Amounts receivable</i>	<i>7,497,399</i>	<i>6,699,769</i>	<i>1,816,537</i>	<i>1,939,396</i>	<i>864,401</i>
<b>Current assets</b>	<b>4,203,529</b>	<b>6,298,058</b>	<b>5,713,801</b>	<b>6,535,923</b>	<b>7,606,626</b>
Amounts receivable in more than one year	0	885,932	0	0	0
<i>Trade receivables</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Other receivables</i>	<i>0</i>	<i>885,932</i>	<i>0</i>	<i>0</i>	<i>0</i>
Amounts receivable within one year	1,165,102	98,934	399,726	235,277	298,014
<i>Trade receivables</i>	<i>0</i>	<i>0</i>	<i>237,256</i>	<i>177</i>	<i>0</i>
<i>Other receivables</i>	<i>1,165,102</i>	<i>98,934</i>	<i>162,470</i>	<i>235,100</i>	<i>298,014</i>
Short term investments	0	1,376,910	3,455,768	816,811	6,870,357
<i>Own shares</i>	<i>0</i>	<i>1,376,910</i>	<i>1,205,768</i>	<i>816,811</i>	<i>1,702,806</i>
<i>Term deposits</i>	<i>0</i>	<i>0</i>	<i>2,250,000</i>	<i>0</i>	<i>5,167,551</i>
Cash at bank and in hand	3,038,427	3,724,105	1,797,803	5,165,410	297,132
Deferred charges and accrued income	31,501	212,177	60,504	318,425	141,123
<b>TOTAL ASSETS</b>	<b>91,224,485</b>	<b>106,076,435</b>	<b>85,563,899</b>	<b>67,673,819</b>	<b>116,499,095</b>
<b>LIABILITIES</b>					
<b>Capital and reserves</b>	<b>91,101,307</b>	<b>106,009,655</b>	<b>85,441,572</b>	<b>67,365,307</b>	<b>115,769,735</b>
Issued capital	109,748,742	109,748,742	109,748,742	109,748,742	109,748,742
Reserves	656,423	2,251,148	2,251,148	2,251,148	6,000,000
Reserves not available for distribution	0	1,376,910	1,205,768	816,811	1,702,806
<i>Reserves available for distribution</i>	<i>656,423</i>	<i>874,239</i>	<i>1,045,380</i>	<i>1,434,337</i>	<i>4,297,194</i>
<i>Profit carried forward</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>20,993</i>
Loss carried forward	(19,303,859)	(5,990,236)	(26,558,319)	(44,634,583)	0
<b>Amount payable</b>	<b>123,179</b>	<b>66,779</b>	<b>122,328</b>	<b>308,512</b>	<b>729,359</b>
Amounts payable within one year	105,882	66,291	69,648	80,253	729,359
<i>Financial debts</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Trade debts</i>	<i>55,358</i>	<i>7,865</i>	<i>42</i>	<i>0</i>	<i>0</i>
<i>Taxes</i>	<i>432</i>	<i>70</i>	<i>72</i>	<i>178</i>	<i>420</i>
<i>Dividends to be paid for the fiscal year</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>600,394</i>
<i>Other amounts payable</i>	<i>50,092</i>	<i>58,356</i>	<i>69,534</i>	<i>80,075</i>	<i>128,546</i>
Accrued charges and deferred income	17,297	488	52,679	228,259	0
<b>TOTAL LIABILITIES</b>	<b>91,224,485</b>	<b>106,076,435</b>	<b>85,563,899</b>	<b>67,673,819</b>	<b>116,499,095</b>



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## 2. Income statement

	Fiscal year 2011	Fiscal year 2010	Fiscal year 2009	Fiscal year 2008	Fiscal year 2007
<b>Operating income and charges</b>					
<b>Gross operating income</b>	<b>(13,327,578)</b>	<b>21,373,611</b>	<b>19,136,134</b>	<b>(45,903,202)</b>	<b>3,096,848</b>
<i>Realised gains/losses on shares</i>	1,975,022	14,229,612	(9,073,057)	(7,910,960)	3,489,436
<i>Unrealised gains/losses on shares</i>	(15,131,517)	7,108,393	28,305,578	(38,451,622)	(1,333,413)
<i>Result from option transactions</i>	60,200	254,920	54,090	68,553	(16,463)
<i>Realised results from Forward currency rate agreements</i>	(37,391)	(457,777)	(326,057)	752,579	824,850
<i>Unrealised results from Forward currency rate agreements</i>	(193,893)	238,462	175,579	(361,752)	132,438
<b>Depreciation and other amounts written off</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other operating charges</b>	<b>(1,904,226)</b>	<b>(1,973,725)</b>	<b>(2,281,376)</b>	<b>(2,688,514)</b>	<b>(2,616,901)</b>
<i>Management fee</i>	(1,500,000)	(1,610,959)	(1,950,000)	(2,276,684)	(2,156,217)
<i>Custodian fee</i>	(45,323)	(43,940)	(29,871)	(43,820)	(67,015)
<i>Statutory Auditors fee</i>	(11,680)	(9,183)	(12,047)	(9,680)	(20,933)
<i>Printing and publication costs</i>	(76,974)	(64,155)	(68,663)	(122,038)	(148,219)
<i>Annual tax on Collective Investment schemes</i>	(84,808)	(67,763)	(53,892)	(92,616)	(76,754)
<i>Directors fees</i>	(93,730)	(72,398)	(68,719)	(53,350)	(53,140)
<i>Advisory fees</i>	(17,852)	(34,683)	(22,219)	(14,731)	(22,024)
<i>Accountancy</i>	(0)	(0)	(0)	(0)	(16,200)
<i>Others</i>	(73,859)	(70,602)	(75,966)	(75,595)	(56,399)
<b>Operating Profit/Loss</b>	<b>(15,231,804)</b>	<b>19,399,928</b>	<b>16,854,758</b>	<b>(48,591,716)</b>	<b>479,947</b>
Financial income	1,770,100	1,394,583	1,025,963	1,621,451	1,527,626
Financial charges	148,442	(226,358)	195,616	(1,434,317)	(1,386,901)
<i>Amounts written off own shares*</i>	217,816	171,141	388,957	(1,280,790)	(153,548)
<i>Capital increase costs</i>	(0)	(0)	(0)	(0)	(698,722)
<i>Others</i>	(69,373)	(397,350)	(193,341)	(153,527)	(534,631)
<b>Profit/Loss on ordinary activities, before taxes</b>	<b>(13,313,262)</b>	<b>20,568,153</b>	<b>18,076,337</b>	<b>(48,404,582)</b>	<b>620,672</b>
Income taxes	(362)	(70)	(72)	154	(97)
<b>Profit/Loss for the period</b>	<b>(13,313,623)</b>	<b>20,568,083</b>	<b>18,076,265</b>	<b>(48,404,428)</b>	<b>620,575</b>

\* withdrawals

## 3. Profit distribution

	Fiscal year 2011	Fiscal year 2010	Fiscal year 2009	Fiscal year 2008	Fiscal year 2007
<b>Profit to be appropriated</b>					<b>621.387</b>
<b>Loss to be appropriated</b>	<b>(19,303,859)</b>	<b>(5,990,236)</b>	<b>(26,558,319)</b>	<b>(48,383,435)</b>	
Profit to be appropriated for the period		20,568,083	18,076,265		620,575
Loss to be appropriated for the period	(13,313,623)			(48,404,428)	
Profit/loss brought forward	(5,990,236)	(26,558,319)	(44,634,583)	20,993	812
<b>Transfers from capital and reserves</b>				<b>3,748,852</b>	
From reserves				3,748,852	
<b>Transfers to capital and reserves</b>					
To other reserves					
<b>Profit/loss to be carried forward</b>	<b>(19,303,859)</b>	<b>(5,990,236)</b>	<b>(26,558,319)</b>	<b>44,634,584</b>	<b>(20,993)</b>
Profit to be carried forward					(20,993)
Loss to be carried forward	(19,303,859)	(5,990,236)	(26,558,319)	44,634,584	
<b>Distribution of profit</b>					<b>(600,394)</b>
Dividends					600,394



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## 4. Off balance sheet positions

### 4.1. Commitments

	Commitments in currency	Currency	Commitments in € 31/12/2011	Commitments in € 31/12/2010
Capricorn Cleantech Co-investments	1,500,000	€	1,500,000	0
Capricorn Cleantech Fund	675,000	€	675,000	1,125,000
Capricorn Health-tech Fund	11,250,000	€	11,250,000	11,250,000
Carlyle Europe Technology Partners I	377,944	€	377,944	373,086
Carlyle Europe Technology Partners II	1,339,098	€	1,339,098	2,535,665
Cartagenia	625,001	€	625,001	0
Life Sciences Partners III	114,219	€	114,219	196,548
Life Sciences Partners IV	1,213,575	€	1,213,575	1,717,779
Schroder Ventures International Life Sciences Fund II	19,953	\$	15,421	14,933
Ventech Capital 2	305,571	€	305,571	305,571
Vertex III	166,475	\$	128,661	320,448
<b>Total:</b>			<b>17,544,490</b>	<b>17,839,030</b>

### 4.2. Forward Currency Rate Agreements

Value date	Counterparty	Quest for Growth buys	Quest for Growth sells
31/01/2012	Dexia Bank	€ 2,983,293.56	£ 2,500,000
31/01/2012	KBC Bank	€ 2,983,222.36	£ 2,500,000
31/01/2012	Dexia Bank	€ 1,780,874.95	\$ 2,300,000
31/01/2012	KBC Bank	€ 2,711,444.23	\$ 3,500,000

## 5. Report of the statutory auditor

The statutory auditor, Klynveld Peat Marwick Goerdeler Bedrijfsrevisoren – Réviseurs d'Entreprises, represented by Mr. Erik Clinck, has issued an unqualified audit opinion on the financial statements of the fiscal year 2011, with explicative paragraph (confirming that the financial statements have been drawn up in the assumption of going concern) and has confirmed that the accounting data included in this annual announcement does not include any apparent inconsistencies with the financial statements.

The annual financial report including the audited annual accounts, the annual report, the statement on the true and fair view of the annual accounts and the fair overview in the annual report by the responsible persons and the report of the Statutory Auditor shall be available as from February 14<sup>th</sup> 2012, on request at the registered office: Lei 19 box 3, 3000 Leuven, Belgium.

### QUEST FOR GROWTH NV

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