



### IN THIS EDITION

#### 1 **President's Letter**

Dirk Boogmans

#### 2 **New BVA Members**

BVA Agenda  
Benelux Venture Summit  
BVA – Seminars

#### 3 **Keys to efficient and performing Investor Relations**

By Didier Guennoc

#### 5 **News from our members**

## President's Letter

Dear friends

The past couple of months have been exciting times for our sector. We witnessed the confirmation of a number of positive trends, which makes us hopeful that better times are here again.

Not only has the exit climate continued to improve, but new money is being made available for investment. The different government initiatives that have been decided over the past years start to be operational. In Flanders, the ARKimedees Fund was launched and was able to raise an unexpected amount of EUR 110 million to be invested in venture capital over the next couple of years. Eleven teams have been selected and will be operational during the next months. Other initiatives such as the Vlaams Innovatie Fonds, are being elaborated.

The Wallonian government accelerated its efforts by introducing the Marshall-plan, which has an important section on stimulating innovative and growing companies, as well as stimulating entrepreneurship through the acquisition of a company. EUR 160 million are committed to these efforts. And last but not least, the Brussels Region is also working on stepping up its investment in young and growing companies in a significant way with the B2E initiative.

Not surprisingly, a new optimism is taking shape within our member community. The increasing number of participants in our workshops proves their belief in the long term future of our sector. It is a strong stimulus for the BVA to continue to offer this type of service, and I would like to thank everybody involved in the organization – past, present and future – for their contribution.

BVA.news is the Belgian Venturing Association's newsletter; it appears three times a year.

Your suggestions, remarks and questions are more than welcome: please email them to [info@bva.be](mailto:info@bva.be)

Coordination: Origo Management

Graphic design: Frank Andries Design

Responsible Editor: Peter Van den Brande, Havenlaan 86C/419, B-1000 Brussels, Tel. +32 (0)2 761 25 40, Fax +32 (0)2 761 25 41

Sponsored by



#### **Origo Management**

Consultants to the Private Equity Industry  
Zenith Business Park  
Zandvoortstraat C47/21 • 2800 Mechelen • Belgium  
Tel. + 32 (0)15 29 70 00 • Fax + 32 (0)15 29 70 19  
Email: [info@origomanagement.be](mailto:info@origomanagement.be)  
[www.origomanagement.be](http://www.origomanagement.be)

But as a sector federation, the BVA has to remain vigilant. While the new law on the 'Notional Interest' is in general a positive one, the accompanying decision to make acquisition costs not tax deductible anymore is particularly harmful for our sector. It is a clear sign that we have to work harder at getting the BVA and its points of view better known to all decision makers. That is why the Board has decided to reorganize and install several Committees, targeting specific issues. We are very happy that so many people have signed up for getting involved in these Committees. The BVA is ready to support its members in the challenging times that are ahead.

Dirk Boogmans

## **New BVA Members**

The BVA is pleased to welcome a new full member and a new associate member:

**Altius** Havenlaan 86  
1000 Brussels  
Contact: Mr. Philippe Jadoul  
Tel. +32-2-426 14 14  
Fax +32-2-426 20 30

## **Partners@Venture**

Heilig Hartplein 10  
8400 Oostende  
Contact: Mr. Luc Synaeghel  
Tel. +32-59-51 30 32  
Fax +32-59-51 30 32

## **BVA Agenda**

- November** Wednesday, November 30  
Workshop on the various government initiatives to stimulate Venture Capital investment in Belgium
- December** Wednesday, 7 December  
BM + PM (10.00 @ De Warande)
- February** Wednesday, 22 February 2006  
Benelux Venture Summit  
(@ KBC Brussels)

## **Benelux Venture Summit**

**REMINDER:** the 5th Benelux Venture Summit will be held On **February 22, 2006**, in the KBC Offices, Havenlaan 2, 1000 Brussels.

## **BVA – Seminars**

On **November 30, 2005** this year's last workshop will be held in the offices of Capricorn Venture Partners, Lei 19, 3000 Leuven. It will deal with the various government initiatives that are being prepared and launched in order to stimulate Venture Capital investment in Belgium. A debate with the different actors will be held, moderated by Prof. Koen Debackere from KU Leuven. The workshop will start at 18h00.

# Keys to efficient and performing Investor Relations

**Didier Guennoc**

*is a Senior Consultant with Origo Management*

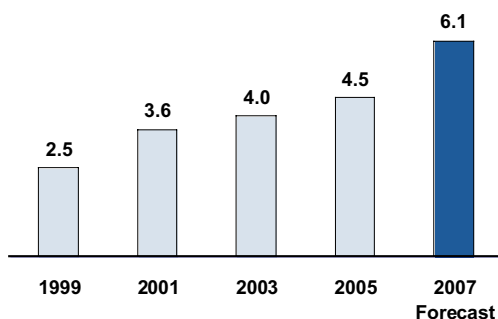
**To win the competition for funds from Limited Partners (LP), General Partners (GP) should establish efficient and performing Investor Relations. A common misunderstanding is to consider Investor Relations to be limited to the reports sent to Limited Partners on a quarterly basis. In order to fully capture the extent of this function, its objectives should first be identified, and then the keys to efficient and performing Investor Relations can be presented.**

According to a recent study of European investors in the asset class, it seems that current LPs are willing on average to increase their allocation to private equity to 6.1% of their total assets in 2007, up from a ratio nowadays estimated at 4.5% (Exhibit 1). However, this favorable context does not obliterate the hurdles that prevent non-investors to invest in the asset class.

## Exhibit 1

### EUROPEAN INVESTORS' ASSET ALLOCATION TO PRIVATE EQUITY

**Mean strategic allocation to private equity**  
Percentage of total fund assets



Source: "Russell Survey on Alternative Investing – 2005". Survey conducted on 65 industry, public and corporate pension schemes and other tax exempt organizations.

When asking non-investors why they do not invest in private equity, the reasons commonly mentioned are: the perception of the risk, the insufficient liquidity, a lack of understanding of the asset class and the tax/legal/operational difficulties<sup>1</sup>.

Moreover, although current investors seem to increase their allocation to private equity, GPs compete with each other to secure their sources of funding. Therefore, a well-

performing Investor Relations-function should also result in an offering that is clearly differentiated from the competition's offering. Achieving this differentiation depends upon a good definition of the function's objectives followed by an excellent execution of the tasks required to achieve these objectives.

## I- Investor Relations' Objectives

Investor Relations can be defined as the strategic management of the relationship between the GP and his current LPs. As such Investor Relations should achieve the two following ultimate objectives:

- *Minimizing the costs borne by the GP when raising his new fund.* This is mainly achieved by a high degree of re-commitment of current investors, but the GP should also consider the cost of acquisition of new investors.
- *Providing current Limited Partners with the adequate tools to monitor their investment.* Because forecasting future performance in private equity cannot only be based on past performance, investors do not commit on the sole track record of a GP. Investors look at a constellation of variables that will demonstrate with an acceptable degree of confidence that the team will duplicate or exceed its past performance (e.g. the team stability). During the life of the fund, adequate monitoring tools should provide Limited Partners with information that will allow them to monitor these variables; information that is not always made available through the common quarterly reports.

In order to achieve these two ultimate objectives, the GP should set concrete operational objectives to his Investor Relations function, e.g.:

- Current investors should be provided with monitoring tools for the different variables that motivated their investment decision. These variables should be classified among the three following categories:
  - Variables related to the portfolio companies;
  - Variables related to the fund or investment vehicle;
  - Variables related to the management team.
- Communication targeting potential investors should explain the risk/return profile of the fund and contain clear indications that risks will be maintained at an acceptable level.
- Finally, a GP should master the standard Investor Relations' tools in order to be able to innovate in this

<sup>1</sup> See for example: "Alternative Investment Strategies – report into investment in non-traditional investment classes among the top 350 UK pension schemes", JP Morgan Fleming 2004

field as a way of differentiating his offering from the competition.

## II- Keys to efficient and performing Investor Relations

Like any other function, Investor Relations require a sound management of the quality of the output and of the appropriate organization leading to an efficient process with minimal costs.

### A- Quality of the output

The output of Investor Relations consists of:

- The information provided to LPs;
- The alignment of interests between GPs and LPs.

Good quality information is transparent, relevant, consistent and timely. This takes into account two important features of private equity: a high level of asymmetric information and a high illiquidity.

Regarding the alignment of interests, the high quality will be achieved when a good balance between GP's and LP's interests is achieved from the beginning of the relationship and maintained during the life time of the fund.

### B- The appropriate organization

The components of the Investor Relations' organization are:

- The contractual agreements between GPs and LPs;
- The communication strategy;
- Corporate governance bodies;
- The internal and external resources allocated to the function.

#### 1. The contractual agreements between GPs and LPs

The first document to consider is the private placement memorandum (PPM). It announces to potential investors the main terms and conditions that will be applied to the future partnership. GPs should make an objective assessment of both the uniqueness of their offering and their bargaining power. Unless their track record is exceptional, the PPM should not deviate too much from current market standards.

Cornerstone document of the GP-LP relationship, the limited partnership agreement (LPA) provides the contractual framework for elements such as the investment strategy, management fees, the carried interest, the key

man provision, the divorce clause and the attribution of costs and income fees. As previously mentioned, the GP should assess objectively his bargaining power when negotiating the terms of the LPA. Moreover, the document should avoid some of the usual pitfalls like for example a key man provision with no clear mechanisms regarding its implementation.

#### 2. The communication strategy

In their communication, GPs target current and potential LPs but also influential stakeholders (trade press, advisers, etc).

GPs inform these three audiences differently. As a result, in order to avoid conflicting information, it is recommended to establish a clear communication strategy that will aim at coordinating the information flows distributed through the different channels like the recurring reports sent to current LPs, periodic investor meetings, ad-hoc communications, public speeches, press articles, etc.

#### 3. Corporate governance bodies: the example of the advisory/investor committee

The investor committee usually discusses topics like the strategy, conflicts of interests and valuation. Very often, only the biggest investors are members of the investor committee. Although this approach constitutes an important selling argument, GPs should also see the investor committee as a means to solve potential issues with their LP community as a whole.

#### 4. The internal and external resources allocated to the function

In relation to the resources that should be allocated to Investor Relations, the questions to be addressed are the following:

- Should a full time Investor Relations manager be hired or should all partners or one partner be part-time in charge of Investor Relations?
- Should the Investor Relations function be partly outsourced?
- Should advisers be used regarding Investors Relations?

The answer to the first question depends very much on the size of the funds under management. It seems that the degree of specialization of the internal team starts to

Continued on page 14

**News from our members**

17 February 2005

**Quest for Growth invests an additional £ 400,000 (EUR 579,710) in Plethora Solutions, a U.K. based pharmaceutical company focused on Urology**

In February 2005, QUEST FOR GROWTH agreed to invest an additional £ 400,000 (EUR 579,710) in Plethora Solutions limited, a company created by Merlin Biosciences.

In March 2004 QUEST FOR GROWTH already invested £ 1,000,000 (EUR 1,480,000) in the company.

This investment was to allow the company to in-licence an extremely promising late clinical stage drug from a major Pharmaceutical company. This further strengthens the development pipeline of Plethora Solutions.

**For further information:**

QUEST MANAGEMENT NV,  
Mr. René Avonts, Managing Director  
Dr. William Brooks, Senior Investment Manager  
Life Sciences  
Katrin Geyskens, Investment Manager  
Tel. +32 (0)16 28 41 28

22 March 2005

**Plethora Solutions plc, A Quest for Growth portfolio company has completed a successful admission to AIM. 10 Million Raised at 135p per share Market Capitalisation of £ 30 Million**

Plethora Solutions plc a UK-based speciality pharmaceutical company focused on the development of products for the treatment of urological disease, has today published a prospectus for admission to trading on AIM, a market operated by the London Stock Exchange plc ("AIM") of its Ordinary Shares of 1p each ("Ordinary Shares") ("Admission").

In this offering of new shares, Plethora has raised £ 8.9 million (net of expenses) to fund the further development of its pipeline.

Ordinary shares will start trading at 135p per share. It is expected that dealings in the Company's Ordinary Shares will commence on AIM on 24 March 2005.

In March 2004 QUEST FOR GROWTH already invested £ 1,000,000 in the company. In February 2005, QUEST FOR GROWTH agreed to invest an additional £ 400,000.

After the IPO, Quest for Growth will own 1,451,406 shares of Plethora Solutions. These shares are subject to a Lock-up agreement for 12 months. Quest for Growth will, in accordance with its valuation rules, apply a 25% discount to the stock price in its books. From the end of the 8th month following the IPO, the discount applied will decrease by 5% per month.

30 March 2005

**Quest for Growth invests EUR 700,000 in IDEA AG, a Munich based Dermatology Company**

On Friday 18 February 2005 QUEST FOR GROWTH agreed to invest EUR 695,629 in IDEA AG, a dermatology company based in Munich, Germany as part of the Company's Series D financing round. Other investors include 3i Group, MPM Capital and Life Sciences Partners. Quest may invest another EUR 1,305,371 into the company later this year.

IDEA is a product company that develops therapeutics using self-optimising carriers for targeted and non-invasive delivery of drugs, including proteins.

The Company aims to establish itself as a specialty pharma company in dermatology, supported by milestones and royalties from its pain product development and commercialisation.

Each of IDEA's product candidates is targeting a large pharmaceutical market with > 35m patients, using established, low risk drugs and innovative delivery technology platforms.

14 April 2005

## **Quest for Growth invests EUR 1 million in Metris, a Leuven (Belgium) based private technology company**

On April 14, 2005 QUEST FOR GROWTH announced the investment of EUR 1,000,000 in Metris NV/SA, a Leuven (Belgium) based private technology company providing integrated solutions for 3D laser scanning, dimensional quality control and reverse engineering.

18 April 2005

## **Quest for Growth invests £ 500,000 in Concept Group Holdings, a U.K. based private company specialising in automotive design and development services**

On April 18, 2005 QUEST FOR GROWTH announced the investment of £ 500,000 into Concept Group Holdings, a private company based in Coventry, U.K. that is active in automotive design and development services and technology. The investment was made through a convertible loan note.

21 April 2005

## **Quest for Growth: EUR 4.28 million net profit for third quarter**

Key facts:

- Net profit for the quarter: EUR 4.28 million (EUR 0.79 per share) compared to EUR 5.42 million (EUR 1.00 EUR per share) for the third quarter of the previous fiscal year.
- Net Asset at the end of March 2005: EUR 11.96 per share (June 30 2004: EUR 10.89 or +9.78% after 9 months).
- Stock price: EUR 8.05 (June 30 2004: EUR 7.40 or + 8.78% after 9 months).



### **Origo Management**

Consultants to the Private Equity Industry

- Strategy and organisation
- Due diligence
- Investment management
- Fund raising
- Board representation

Zenith Business Park • Zandvoortstraat C47/21 • 2800 Mechelen  
Belgium • Tel. + 32 (0)15 29 70 00 • Fax + 32 (0)15 29 70 19  
Email: info@origomanagement.be • www.origomanagement.be

- Two new investments (Idea AG - EUR 0.7 m and Concept Group - EUR 0.7 m) in unquoted companies.
- Two follow on investments (Plethora - EUR 0.6 m and NetFund Europe) in unquoted portfolio.
- One IPO in unquoted portfolio: Plethora Solutions.
- Quest for Growth is fully compliant with the private investment regulations.

3 May 2005

## **Quest for Growth invests EUR 485,000 in Welcome, a French smart card software company**

On May 3rd, 2005 QUEST FOR GROWTH announced the investment of EUR 485,000 in Welcome, a private software company based in Aix-en-Provence and specializing in enhanced EMV smart card software.

11 May 2005

## **Quest for Growth invests EUR 2,000,000 in Wilex AG, a Munich based Oncology Company**

On Tuesday 26th April 2005, QUEST FOR GROWTH agreed to invest EUR 2,000,000 in Wilex AG, an oncology company based in Munich, Germany as part of a EUR 30 million series C investment round. Led by Merlin Biosciences (London, UK), the round was subscribed by several other new investors including Karolinska Investment Fund (Stockholm, Sweden), Quintiles (Berkshire, UK) as well as existing shareholders including Apax Partners (London, UK), TVM Techno Venture Management (Munich, Germany), Earlybird Venture Capital (Hamburg, Germany) and other institutional and private investors.

14 May 2005

## **GIMV and LRM launch public bid for Scana Noliko**

Scana Noliko International (SNI) is the overall holding company, which owns Scana Noliko, Limburg's leading producer of bottled and canned vegetables and fruits, pasta and sauces. Together with Scana Noliko's management, GIMV and LRM have set up a new company, Scana Noliko Holding (SNH). SNH has acquired the SNI shares previously held by Nesbic for an

amount of 17.3 million euros. Following this acquisition and the ensuing change of control, the public takeover bid procedure was initiated with the Banking, Finance and Assurance Commission (CBFA). The remaining shareholders in SNI can choose to either sell or exchange their shares in the company. The global transaction value amounts to over 78 million euros.

**For further information:**

GIMV  
Mr. Frank De Leenheer  
Tel. +32-3-290.22.90  
LRM  
Mr. Guido Quanten  
Tel. +32-11-24.68.01

17 May 2005

**LOCATEL EUROPE GROUP  
ACQUIRES 2M ELECTRONIC A/S  
Firm Is Now Europe's Leading  
Provider of Entertainment  
Hospitality Systems**

Locatel Europe Group ([www.locatel.com](http://www.locatel.com)) has entered an agreement to acquire 2M Electronic A/S ([www.2m.dk](http://www.2m.dk)) of Denmark which is the leading provider of interactive hotel guest room technology in Europe. The acquisition positions Locatel Europe Group as Europe's prime integrated provider of entertainment systems for the hospitality industry.

2M Electronic, established in 1982, has supplied more than 2,500 installations worldwide, representing more than 450,000 rooms. The firm's founder, Benny Mieritz, who will become a substantial shareholder of Locatel Europe Group, will remain as 2M Electronic's chief executive officer and will also chair a technology committee for Locatel Europe Group.

As part of the deal, Locatel Europe Group now controls 45 percent of Roombase Networks GmbH ([www.roombase.de](http://www.roombase.de)), founded in 2002 as Grundig Entertainment Network GmbH. Located in Furth, Germany, Roombase provides cable and satellite hotel communications services. Consideration was part cash and part shares. Platina Partnership provided additional equity to Locatel Europe Group to help fund the cash part.

**For further information:**

Platina Finance Ltd.  
Karim Dhanani  
Tel. +44 20 7467 3190

24 May 2005

**GIMV invests in Westerlund  
Group family buy-out**

The family shareholding in Westerlund Group, the European specialist for handling and logistics of forest products (paper, pulp and wood), underwent a profound change. The immediate family of Managing Director Jean-Jacques Westerlund has maintained its position but GIMV took over the shares held by other family shareholders. With an eye on future growth, a capital increase and a convertible loan were also part of the deal. Both were subscribed by GIMV and the other shareholders. The first new growth initiative was completed with the acquisition of Cimep-Mondia in the Port of Rouen.

**For further information:**

GIMV  
Mr. Frank De Leenheer  
Tel. +32-3-290 22 90

26 May 2005

**GIMV realises EUR 76.0 million  
of exits and invests  
EUR 48.8 million in  
first 5 months of 2005**

At today's Annual Shareholders' Meeting, GIMV will report among others on its exits and its new investments over the first months of 2005. During the first five months GIMV has already sold shareholdings for an amount totalling EUR 76.0 million and made EUR 48.8 million of new investments (including investments by the Halder-GIMV Germany fund).

9 June 2005

**GIMV sells its stake in  
Omnistor to Swedish Thule**

GIMV announces that it has sold its stake in Omnistor to Thule (Sweden), the world's leading manufacturer of load carriers for cars. The sale of its direct participation in Omnistor will raise GIMV's net asset value by 8.4 million euro, compared to the net asset value of December 31st 2004.

10 June 2005

## Waterland participates in Health City Fitness

BUSSUM – Waterland Private Equity Fund II B.V. has provided growth financing to Health City International B.V. The capital injection facilitates an ambitious expansion programme. Health City intends to grow from 14 to 40 sports and fitness centres within eighteen months. This will make it by far the largest operator of sports and fitness centres in the Netherlands. The company currently has six centres under development. In this transaction, Health City's share capital was increased by 30%.

22 June 2005

## ProStrakan Group Plc, a Quest for Growth portfolio company, made a stock market debut after raising 40 million pounds (EUR 60 million) in a placing at 100 pence per share

ProStrakan Group Plc, a Quest for Growth portfolio company, made a stock market debut on Tuesday 14th of June, after raising 40 million pounds (EUR 60 million) in a placing at 100 pence per share. Yesterday, the stock closed at 102.75 pence per share.

ProStrakan was created last year through the merger of Scotland's Strakan and French biotechnology Group ProSkelia. It has a heavy scope on osteoporosis, or brittle bone disease, a common condition that often afflicts older woman.

In October 2004 QUEST FOR GROWTH invested £ 2,000,000 in the company in a pre-IPO funding round. Other investors in that funding round included LMS, 3i, Innoven Partenaires, Warburg Pincus and Aventis.

At the introduction price, the Company is valued around 180 million pounds, sharply down from the level the firm had hoped to achieve a month ago, reflecting a tough European market for initial public offerings, especially biotechs. Early stage drug companies and their venture backers have been hoping for a revival in IPO demand in 2005 after a disappointing 2004 but the market's reception for flotations has been cool.

After the IPO, Quest for Growth owns 1,200,000 shares of ProStrakan Group Plc. These shares are subject to a lock-up agreement for 9 months. Quest for Growth will, in accordance with its valuation rules, apply a 25% discount to the stock price in its books. From the end

of the 3rd month following the IPO, the discount applied will decrease by 5% per month.

27 June 2005

## GIMV sells its stake in Ecu-Line to the management

GIMV meldt dat het zijn participatie in Ecu-Line ([www.eculine.be](http://www.eculine.be)) verkocht heeft aan het management en Allcargo ([www.allcargoindia.com](http://www.allcargoindia.com)). Groepage via zowel lucht-, land als zeetransport vormt de kernactiviteit van de groep. Ecu-Line treedt hierbij op als NVOCC (Non Vessel Operated Common Carrier), wat betekent dat het opereert als een gewoon vervoerder, evenwel zonder de beperkingen en vaste kosten van een eigen vloot. De Ecu-Line Groep werd opgericht in 1987 door Raymond Van Achteren en groeide snel uit tot een internationale speler, aanwezig in meer dan 60 landen en met een geconsolideerde omzet van meer dan 180 miljoen euro in 2004. GIMV participeerde in Ecu-Line sinds 2000. Na de recente transactie bezit het management van de Ecu-Line Groep samen met Allcargo alle aandelen van de Groep. Met de verkoop van zijn participatie in Ecu-Line verhoogt de intrinsieke waarde van GIMV met 2,9 miljoen euro (of 0,13 euro per aandeel) ten opzichte van de op 31 december 2004 gepubliceerde intrinsieke waarde. Er worden geen verdere financiële details over deze transactie bekendgemaakt.

6 July 2005

## GIMV negotiates the sale to Moog Inc. of its stake in FCS Control Systems

GIMV announces that it has signed an agreement that could lead to the sale of its stake in FCS Control Systems (the Netherlands), held by GIMV's Dutch subsidiary Halder, to NYSE-listed Moog Inc. (USA).

28 July 2005

## Quest for Growth: EUR 4,6 miljoen winst in jaar 2004-2005

Kerncijfers:

- Stijging intrinsieke waarde: + 7,8% sinds 30 juni 2004
- Intrinsieke waarde per aandeel op 30 juni 2005: EUR 11,74 (30 juni 2004: EUR 10,89)
- Winst van het boekjaar: EUR 4,6 miljoen (EUR 0,85 per aandeel) tegenover een winst van EUR 12,8 miljoen (EUR 2,36 per aandeel) vorig boekjaar

- Beurskoers op 30 juni 2005: EUR 7,90 (30 juni 2004: EUR 7,40)
- Geen dividenduitkering voor het boekjaar eindigend op 30 juni 2005 omwille van overgedragen verliezen vorige boekjaren

12 August 2005

## **GIMV acquires PDC BRUSH together with management**

GIMV announces that it has acquired an 85% participation in the Flemish PDC Brush in the context of a management buy-out. The management, led by Raphael Theuwissen, acquires the remaining 15% of the company. The selling party in this transaction is Aquilo Holding, the company of former Managing Director Carl Decoopman. No financial details about this transaction are being disclosed.

15 August 2005

## **GIMV sells stake in FCS Control Systems to Moog Inc.**

GIMV announces that its Halder subsidiary in the Netherlands has sold its stake in FCS Control Systems to NYSE-listed Moog Inc. On July 6th GIMV already announced that it had signed an agreement that could possibly lead to a realization of its investment in FCS Control Systems.

25 August 2005

## **Quest for Growth commits to invest EUR 2.5 million into Carlyle Europe Technology Partners L**

On August 25th, 2005 QUEST FOR GROWTH announced it made a commitment to invest EUR 2,500,000 into Carlyle Europe Technology Partners LP ("CETP").

CETP will be managed by affiliates of the Carlyle Group, which is one of the largest and most experienced global private equity firms. The CETP Fund intends to acquire portfolio companies in Europe, primarily in technology, media and telecommunications. The Fund will focus both on buyouts, where the potential portfolio companies have demonstrated an ability to service debt; and on opportunities for providing equity capital to companies with existing revenue, that are on their way to profitability or are already profitable ('later stage venture'). The Fund manager will be actively involved with the portfolio companies to increase shareholder

value. The committed amount will be drawn down on a deal per deal basis.

The commitment to CETP is Quest for Growth's fifth fund investment, after previous investments into the funds Kiwi Ventura Servicos I, NetFund Europe, Ventech Capital II and Schroder Ventures International Life Sciences Fund II.

12 September 2005

## **E-Capital verwerft een meerderheidsbelang in GLOBE NV**

Brussel, 8 september 2005 – E-Capital investeert via een "leverage buy-out/buy-in" transactie in het kapitaal van GLOBE NV (Zandhoven) en verwerft een belangrijk meerderheidsbelang. Eén van de oprichters van de vennootschap, Kris Mintjens, blijft aandeelhouder en co-gedelegeerd bestuurder van GLOBE. Verder wordt het management versterkt met de komst van Martin Hankar als co-gedelegeerd bestuurder. Martin Hankar heeft eveneens een participatie verworven in GLOBE. De doelstelling van E-Capital en het management team is de historische groei van GLOBE te bestendigen en in te spelen op de markt-opportunities als gespecialiseerde dienstverlener voor chemisch en petrochemische bedrijven en voor de pijpleidingsmaatschappijen.

### **For further information:**

E-Capital  
Mr. Yves Trouveroy  
Tel. +32-2-642 20 00

15 September 2005

## **KBC Private Equity broadens its investment horizon**

KBC Private Equity, the private equity company of KBC Group, is expanding its geographical operating area and investment strategy. This will open up significant new market opportunities for the company, allowing it to fully exploit the breadth and depth of KBC Group.

### **Merger leads to name change**

On 29 July 2005, KBC Investco and Ortelius, which had managed the majority of Gevaert's private equity activities, merged to form 'KBC Private Equity'. As its name implies, KBC Private Equity is the KBC Group's sole private equity financier.

The amalgamation of these activities which, until recently, had been carried out in parallel with each other, is a logical follow-on from the merger between Almanij and KBC Bank and Insurance Holding Company and has led to the re-examination of KBC's private equity strategy and objectives.

### Expanding its geographical operating area

Although KBC Private Equity operates primarily in Belgium, it is actively expanding its presence in Central Europe, KBC Group's second 'home market'. Small local teams are due to start operating under the KBC Private Equity banner in Poland, Hungary and the Czech Republic. Projects in other European countries are not ruled out.

The portfolio currently holds more than 75 active investments with a market value in excess of EUR 350 million. Over the past two years, KBC Private Equity has financed 22 new investment projects worth a total of EUR 115 million, illustrating its aim to become a leading private equity financier in Belgium and, in due course, in Central Europe too.

### Broader investment strategy

KBC Private Equity provides development capital to and finances buy-outs of medium-sized, unlisted companies for amounts between EUR 2 million and EUR 50 million. By investing in specialized funds in which it can take an active management role, KBC Private Equity is able to serve the venture capital segment. As such, KBC Private Equity takes up a position in a very large niche market. KBC Private Equity can take both majority and minority stakes in companies, but attaches great importance to working closely with the other shareholders and management.

An active and stable shareholder with a long-term perspective, KBC Private Equity is involved in taking strategic decisions and providing support to management in the further development of their company. From this point of view, KBC Private Equity also remains amenable to making follow-up investments. Besides providing financing, KBC Private Equity aims to create value in a number of areas, including the evaluation of growth opportunities, the optimization of financial structures, the introduction of relevant corporate relationships and the improvement of reporting systems, but without involving itself in the day-to-day operational policy of the company in which it has a shareholding.

KBC Private Equity contributes financial resources in the form of equity (through capital increases or the acquisition of existing shares) and/or in the form of mezzanine finance (usually a subordinated loan which can - either totally or partially - be converted into share capital). Often both products are combined in order to provide a tailored financing solution.

KBC Private Equity has an experienced team of 23 people, and has established a compact Investment Committee in order to act quickly and decisively on investment projects. The day-to-day running of the company is the responsibility of Floris Vansina and Philippe de Vicq who, in their capacity as managing

directors, together make up the Executive Committee. As part of KBC Group, KBC Private Equity can rely on the Group's extensive network and knowledge.

### More information on KBC Private Equity:

[www.kbcpe.be](http://www.kbcpe.be) or mail to [info@kbcpe.be](mailto:info@kbcpe.be)

15 September 2005

## Shareholders Quest for Growth vote in favour of proposed capital decrease and grant Board a proxy for a share buy back program

At the extraordinary General Assembly of the listed company Quest for Growth, the shareholders present unanimously accepted the proposed capital decrease to eliminate former losses. The current fiscal year was shortened till December 31st, 2005. These decisions will enable Quest for Growth (in case of a positive result for the current fiscal year) to pay out a dividend to its shareholders immediately after approval of the annual results by the General Assembly.

The General Assembly also empowered the Board to start up a share Buy back program.

The Assembly approved the annual accounts for the fiscal year ending June 30th, 2005 and decided to carry forward the profit for the period of EUR 4.599.561 to the next fiscal year.

The net asset value of Quest for Growth has grown to EUR 12.30 per share at August 31st, 2005. (EUR 11.74 per share at June 30th, 2005 or an increase of 4.8%). Yesterday, the share price closed at EUR 8.25 per share.

20 September 2005

## Sofinim (Ackermans & van Haaren) sells stake in Aviapartner to 3i and management

Sofinim NV, the private equity subsidiary (74%) of the Ackermans & van Haaren (AvH) group has completed the sale of its 25% stake in Aviapartner to Aviapartner LH3 SARL. Aviapartner LH3 SARL is a vehicle backed by 3i, Europe's leading private equity investor, and in which certain managers of the Aviapartner group have invested.

Sofinim has realised a capital gain on the sale of about EUR 33 million, which represents approximately EUR 24 million at the AvH level (part of the group).

Sofinim has realised an 'IRR' of 16.5% on this investment (1995-2005).

22 September 2005

## **GIMV achieves EUR 49.2 million profit in first half**

The first half 2005 results are the first to be published by GIMV under the IFRS valuation rules. More details on the impact of these changes can be found later in this release.

### **Results**

Net result (limited consolidation - group's share) for the first half of 2005 of EUR 49.2 million  
 Net realised capital gains: EUR 12.2 million  
 Net unrealised capital gains: EUR 24.7 million, including EUR 14.7 million positive exchange rate effects  
 Return on equity of 4.87% in the first half (9.74% on an annual basis)

### **Investments**

Total investments in first half of EUR 67.3 million, including EUR 51.8 million on own balance sheet EUR 45.9 million in Corporate Investment (including EUR 15.5 million as third party investments in the Halder-GIMV Germany fund), EUR 11.5 million in ICT and EUR 9.9 million in Life Sciences 36% in Belgium, 54% elsewhere in Western Europe and 7% in the United States 8 investments account for 71% of the total invested amount of EUR 67.3 million

### **Divestments**

Total divestments of EUR 88.8 million, excluding the proceeds of the sale of Omnistor 68% Corporate Investment, 31% ICT and 1% Life Sciences 30% loans, 3% listed shareholdings and 67% private equity shareholdings Proceeds from divestments in first half 12.3% above their value in equity at 31 December 2004 and 22.8% above their original acquisition cost 7 divestments represent 79% of total divestments

### **Balance sheet**

Balance sheet total of EUR 1,048 million at 30 June 2005  
 Equity of EUR 1,019 million at 30 June 2005  
 Financial assets of EUR 737.4 million at 30 June 2005

### **Equity (IFRS value)**

The value of GIMV's equity under IFRS at 30 June 2005 amounted to EUR 1.02 billion or EUR 43.98 per share (this figure replaces the former net asset value figure). EUR 5.01 per share of this amount is represented by the shareholding in Telenet.  
 The value of Telenet in equity under IFRS on 30 June 2005 has been kept at EUR 9 per Telenet share (after the planned stock split of 3 new shares for one existing

share), valuing GIMV's entire Telenet package at EUR 116.2 million.

### **Limited versus statutory consolidation**

Main differences between the limited and statutory consolidations at 30 June 2005: in the statutory consolidation Konrad Handschuch AG is fully consolidated, whilst in the limited consolidated the investment in Konrad Handschuch is valued at market value.

6 October 2005

## **GIMV negotiates the acquisition of a stake in Dutch De Groot International**

GIMV announces that it is negotiating, through its Dutch subsidiary Halder, with the De Groot family to acquire a stake in De Groot International. De Groot International ([www.degroot-int.nl](http://www.degroot-int.nl)) is an international company, which imports, distributes and exports fruit and vegetables.

5 October 2005

## **Quest for Growth invests EUR 2,000,000 in Trigen Holdings AG, the cardiovascular drug discovery and development company**

On Wednesday 5 October 2005 QUEST FOR GROWTH agreed to invest EUR 2,000,000 in Trigen Holdings AG, a biopharmaceutical company focused upon cardiovascular disease based in London, UK and Munich, Germany as part of a private financing round for the Company. The investment will be spread over 6 months. Other investors include Healthcap, 3i, Wellington Partners, BIT and Merifin plus two US based funds – SR One (the venture investment subsidiary of GSK) and Quintiles PharmaBio Development.

10 October 2005

## **SOFINIM (ACKERMANS & van HAAREN) realizes a capital gain of EUR 17.5 million as a result of the IPO of Telenet**

In the framework of the IPO of Telenet Group Holding NV which will take place tomorrow October 11th 2005, Sofinim NV, the private equity subsidiary of Ackermans & van Haaren NV, will sell, subject to the complete exercise of the "green shoe", all its "free" shares (1,459,869 on a total of 2,077,545) in Telenet

Group Holding NV, i.e. all shares which are not subject to a call option of the American co-shareholder Liberty.

Sofinim NV realizes a capital gain of approximately EUR 17.5 million on this transaction, which represents a capital gain of approximately EUR 13 million at the level of Ackermans & van Haaren NV.

12 October 2005

## **GIMV sells up to a maximum of 9,109,473 shares on the occasion of Telenet IPO**

GIMV announces that it will sell a minimum of 8,910,129 and a maximum of 9,109,473 Telenet shares on the occasion of the IPO. The combination of the shares sold and the shares kept by GIMV as well as the share options means a total increase in value of 155.9 million euro, of which 106.9 million euro are realised and 49.0 million euro are unrealised, compared to the last published value of June 30th 2005 and based on the closing price of the Telenet share on October 11th of 19.10 euro per share. The sale has an immediate cash impact for GIMV of 187.1 million euro.

17 October 2005

## **ARKAFUND erkend door het ARKImedes Management nv**

Op 17/10/2005 werd ARKAFUND, een nieuw privaat/publiekrechtelijk durfkapitaalfonds op initiatief van Dexia Bank nv en Sydes nv, door ARKImedes Management nv erkend als "ARKIV".

ARKAFUND zal over EUR 20 miljoen middelen beschikken, hiervan wordt 50,01% ingebracht door Dexia Bank nv en Sydes nv en 49,99% door het ARKImedes-fonds. Het managementteam van Sydes nv werd tevens aangesteld als beheerder van het ARKAFUND.

ARKAFUND zal zich vooral richten op het verstrekken van expansiekapitaal aan vernieuwende KMO-initiatieven in Vlaanderen binnen de media-, informatie-, communicatie- en telecomsector. De middelen worden gebruikt om vers geld in KMO's te injecteren via kapitaalverhoging, converteerbare leningen, enz. tot maximum EUR 1 miljoen per dossier per jaar. Vervolginvesteringen zijn evenwel mogelijk

ARKAFUND zal volledig operationeel zijn tegen 01/01/2006 en wordt opgericht met een duurtijd van 10 jaar.

## **Voor meer informatie, gelieve contact op te nemen met:**

Dexia Bank nv  
Ulrike Pommée  
Persattaché Dexia Bank  
Tel. +32 (0)2 222 44 01  
E-mail: [pressdexia@dexia.be](mailto:pressdexia@dexia.be)

Sydes nv  
Marc Appel  
Gedelegeerd Bestuurder Sydes nv  
Tel. +32 (0)2 467 49 12  
E-mail: [marc.appel@sydes.be](mailto:marc.appel@sydes.be)

28 October 2005

## **Sale of participation in Omnistor to Swedish Thule approved by anti-trust authorities**

GIMV and Buy-Out Fund (BOF) announce that the German anti-trust authorities have given their approval on the sale of their stake in Omnistor to the Swedish company Thule, which allowed to complete the transaction.

28 October 2005

## **Quest for Growth invests EUR 500,000 in Kimotion, an EDA software spin-off of the K.U.Leuven**

On October 28th, 2005 QUEST FOR GROWTH announced the investment of EUR 500,000 in Kimotion, a private EDA software company based near Leuven, Belgium.

Kimotion Technologies develops front-to-back EDA software (Electronic Design Automation) for analog and mixed signal ICs. The firm's software helps circuit designers quickly size complex designs containing thousands of transistors without compromising design performance and while maximizing yield.

Kimotion Technologies is a technology spin-off of the Katholieke Universiteit Leuven. The founders are a team of four, Walter Daems, Bart De smedt, Erik Lauwers and Wim Verhaegen, alumni from the Microelectronics and Sensors (MICAS) laboratory of K.U.Leuven and the serial entrepreneur Oscar Buset.

The firm was founded in May of 2003 with technology based on over 15 years of research and development headed by Prof. Georges Gielen and Prof. Willy Sansen

at the ESAT-MICAS laboratory of K.U. Leuven, a world-leading laboratory in the study and development of integrated circuits and sensors with analog content. In 2003, Kimotion received first round venture funding from Index Ventures and Innovacom who became shareholders next to K.U.Leuven Research & Development.

After its investment into Metris in April 2005, Quest for Growth is excited to become a shareholder in another promising company in the Leuven area.

7 November 2005

### **GIMV strengthens its position in l'Européenne de la Mer (EDLM)**

GIMV announces that it is strengthening its stake in the French Européenne de la Mer (EDLM). This follows the complete take-over by the EDLM/Charles Amand group of Les Produits Franco-Helléniques (LPFH)/Tassos. Through this take-over, the EDLM/ Charles Amand group is seeking to create a single strategic cluster based on the two market leaders' complementarities. The management of Charles Amand, EPF and Initiative & Finance have also taken shareholdings, alongside GIMV, in the new group.

7 November 2005

### **Quest for Growth - Kapitaalverhoging van EUR 32,3 miljoen**

Tengevolge van de uitoefening van de warrants en de scrips, zijn **4.043.073** nieuwe gewone aandelen Quest for Growth, coupon n° 5 en volgende aangehecht, ingeschreven.

8 November 2005

### **GIMV acquires stake in Dutch De Groot International**

Following the earlier announcement of October 6th, GIMV announces that it has acquired, through its Dutch subsidiary Halder, a stake in De Groot International ([www.degroot-int.nl](http://www.degroot-int.nl)). Negotiations have been successfully completed, with GIMV and the existing management team acquiring an interest in the enterprise alongside the De Groot family. The background for this transaction is the forthcoming retirement of former manager and major shareholder Marius De Groot. The transaction has being undertaken together with the present management team of De Groot International (including sons Ben and William De Groot). The new and existing shareholders will be continuing the current successful strategy.

Continued from page 4

## Keys to efficient and performing Investor Relations

**Didier Guennoc**

*is a Senior Consultant with Origo Management*

increase above € 750 m. For structures below this threshold, Investor Relations is either conducted by all partners or alternatively by one of them (very often the CFO) who allocates a specific amount of time to the function.

Outsourcing Investor Relations does not depend on the size of the fund. Some very large funds outsource the administration of the funds (data collection, reporting and to a certain extent answers to ad-hoc questions). However, small funds can also find this solution attractive. A short survey during a recent EVCA Investor Relations workshop<sup>2</sup> revealed that around 20% of the management teams are currently using such administration services providers.

One important aspect is the observed trend of a wider use of outside advisers to optimize Investor Relations. These advisers help management teams to meet current market standards. Moreover, because LPs very often decide not to express their concerns in order not to jeopardize their access to the next fund, GPs might discover problems within their current investor community only during their next fundraising process. To identify potential issues very

early on, advisers can act as independent intermediaries between GPs and LPs with the constructive objective of increasing the quality of their relationship.

### Conclusion

Investor Relations are more than sending reports on a quarterly basis. If the GP wants to achieve the ultimate objectives of Investor Relations, i.e. minimizing fundraising costs and providing current LPs with adequate monitoring tools, the GP should strategically manage the different components of this function, i.e.:

- Internal and external resources allocated to the function;
- Terms and conditions agreed with LPs;
- Corporate governance bodies of the fund;
- The internal but also external communication.

A good management of the **Do's** and **Don'ts** of Investor Relations (see Exhibit 2) should result in good quality information delivered to the LPs and to an alignment of interests between the GP and his LPs. The GP can meet the ultimate objectives of investor relations only under these conditions.

<sup>2</sup> Held in Brussels in October 2005

### Exhibit 2: INVESTOR RELATIONS – DO'S AND DON'TS

#### DO'S

- Fundraising is an ongoing effort based on an efficient Investor Relations
- Follow the evolution of the future asset allocation of all your current investors
- Report good and bad news
- Provide investors with risk management tools
- Establish an internal and external communication strategy
- Understand the needs of the investors

#### DON'TS

- Forget about your investors till the pre-marketing phase of your next fund
- Focus your efforts only on the current biggest investors
- Investors learn bad news in the press
- Delay intentionally write-downs in value Do not mention potential risks within the management company or the fund itself.
- Have no controlled internal and external communication
- Assume that Investors' needs are constant and focused solely on returns

Source: Origo Management