QUEST-HOLDINGS

QUEST GA

Price: € 0,865 | Market Cap: €42,1M

Target: € 2,60 | Target Market Cap: €126,7M

Previous: € 3,00 | Potential 201% | Recommendation: BUY

Industry: Conglomerate **November 07, 2011**

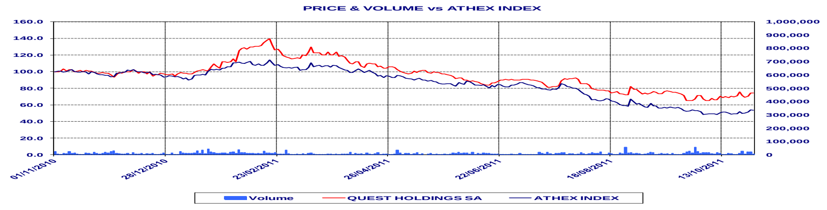
QUEST HOLDINGS SA

QUEST GA /IQTr.AT

Current Price (07/11):€0,865

Target Price:€2,60

Upside potential: 200,6%



Info-Quest S.a. Imports, assembles and distributes computer systems. Through subsidiaries, the company offers systems integration solutions, courier services and has recently expanded its activities to the RES sector.

SHARE DATA

Shares: 48,705,220 (Common Registered)

Market Cap: €42,1 M

200d Mov.Avrg.Price(€): 1.11

200d Mov.Avrg Volume :9650

Price change since 31/12/2010: -22.70%

52 wk high: 1.65 (18/02/2011)

52 wk low: 0.73 (28/09/2011)

Major Shareholders: 74.90%

Treasury Stock:1%

Free Float: 24.10%

VALUATION (Working Hypotheses)

Risk Free Interest Rate (Rf): 5.75%

5-Year CAGR of Turnover: 6.04%

5-Year CAGR of EBT: 39.5%

Effective Tax Rate10: 128,15%

FINANCIAL DATA

€ M	2010A	2011 E	2012 F	2013F
SALES	331	316	335	370
EBITDA	8.9	14.2	15.0	23.1
EATAM	-0.8	2.6	4.0	5.9

We update the coverage of **QUEST HOLDINGS**, keeping a **BUY** recommendation while decreasing the target price to **€2,60 per share**. Our two-stage DCF model yields a target market value of **€126,7M** and implies an upside potential of 201% from current price levels. Quest Holdings is nowadays a diversified group of leading companies of their sector with presence in South East Europe. The group is active in IT products distribution (wholesale and retail), IT solutions, courier services market and in the rapidly growing Renewable Energy Sources sector.

AT A GLANCE:

Since its establishment in 1981, Info-Quest has been **a leading player in the Greek IT market**, making good steady progress thanks to well-timed and innovative business moves. In the period 1984-1992, Info-Quest developed an extensive distribution and support network, providing integrated solutions and technical services of the highest standard. In 1993, the company was quick to seize opportunities in areas of new technology such as Mobile Telephony, Internet and Satellite Services. In 2001, having optimized its business structure in the IT sector, with a wide range of solutions and applications, Info-Quest made a strong debut in the field of Telecom Services via Q-Telecom. The following year saw the launch of Q-Telecom's mobile telephony network, the first private Greek provider of integrated mobile and fixed telephony services within the framework of the liberalization of the telecom market. Listed in the Athens Exchange since 1998, Info-Quest has grown rapidly to become the parent company of one of the foremost high-tech groups in Greece, currently employing 1320 people. Nowadays, the group consists mainly of the former mother company (nowadays Quest Technologies), ACS, Unisystems, I-Square and Quest Energy. Info-Quest also holds minority interests to the following companies (TEKA SA, Cosmos Business Systems, Effect SA, Iason SA and American Computers Engineering SA). The mother company also owns property, plant and equipment of a book value of **€41M** whose market value was estimated at **€80M** in June 2009**.** The group was recently renamed as **Quest Holdings.** Return of capital of €0,1 per share is expected soon.

H1:11 RESULTS: RETURN TO MODERATE PROFITABILITY.

▪ Sales of €148,57M decreased by 10,2% in comparison to H1:10 The decrease is mainly attributed to the poor performance of Quest Technologies whose sales decreased by a double digit percentage, hit by recession in the sector. Sales of Unisystems also decreased by a double digit number, and these of ACS by a 9,4% hit by the recession in their sectors, although both companies keep a leading position in their sectors.

▪On the contrary, sales of i-Square increased by a double digit number.

▪Gross Margin increased to 17,6% from 16,15% in prior period.

▪EBITDA at €6,37M increased by 22,98% due to the above and to effective cost-cutting.

▪EBIT at €3,66M increased by 39,4%.

▪EBT at €2,85M increased by 2,2% in comparison to €2,78M of H1:10.

▪EATAM at €0,98M versus losses of €0,64M in H1:10. Tax expenses were reduced but still at high levels.

▪EATAM of Unisystems at €0,39M,of ACS at €1,33M,of i-Square at €0,76M and of Quest Solar at €0,74M.

▪On the contrary, EATAM of Quest Energy at €-0,53M and EATAM of Info-Quest Technologies at €-0,4M.

▪Net cash of the group at €3,17M. Debt will increase furthermore in the current year due to high CapEx of the energy company. As a result, Property Plants and Equipment will increase substantially in the following years.

▪Marginally positive operational cash flows.

▪CapEx of H1:11 at €8,06M mainly due to energy sector.

Y-o-Y changes		2010 A	2011 E	2012F	2013F
Total Turnover	%	-17,60%	-4,74%	6,17%	10,46%
EBITDA	%	-39,23%	52,27%	6,27%	53,48%
EBT	%	-41,17%	50,48%	7,54%	42,65%
EAT & Minorities	%	T/L	T/A	55,97%	48,24%

MERIT SECURITIES

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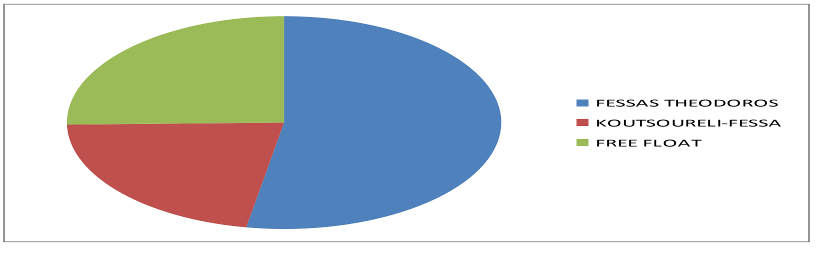
SWOT ANALYSIS

Strengths	Weaknesses
-Great diversification of its activities. -Very low net debt. -Leader in the market of courier services. -Exclusive distributor of the Apple products.	-Little potential of the distribution of IT products segment. -Low margins in the IT products distribution segment. -Limited expansion abroad.
Opportunities	**Threats**
-Great growth in the Renewable Energy Sector. -Liberalization of the post office market. -Further penetration to the courier services market of Bulgaria, Cyprus and Albania. -Further penetration to the IT solutions market of Bulgaria, Romania and Belgium.	-Bureaucracy, slow license procedures and lack of financing may slow down the growth of Energy Sector. -Long-term financial problems in the Greek public sector and in the banking sector may affect sales of Unisystems in the long-term.

INVESTMENT RISKS

-**LIQUIDITY RISK**: Low due to high current ratios.
-**INTEREST RATE RISK**: This risk is low due to the high net cash position of the company. It may increase for the subsidiary Quest Energy which will get loans in the future.
-**CREDIT RISK**: Low risk because of a high dispersion of its customers and because of their strict receivables policy.
-**CURRENCY RISK** :Low risk: Further penetration in foreign markets may increase this risk.
-**WEATHER RISK**: Negligible.
-**PRICE RISK**: Most of the companies of the group manage to keep prices stable.

SHAREHOLDER'S STRUCTURE



MAJOR SHAREHOLDERS	
FESSAS THEODOROS	52,95%
KOUTSOURELI-FESSA E.	21,93%
OWN STOCKS	1 %

Source: Ase, The Company

2011: Info-Quest was transformed to a holdings company with the new name Quest-Holdings. The activities of the former mother company were transferred to the newly established company Info-Quest Technologies. The first P/V park of the company in operation.

2010: i-Storm is established and operates as the first Apple Authorized Premium Reseller in the center of Athens.

2009: i-Square is established and, following the acquisition of Rainbow SA, becomes Apple Authorized Distributor for Greece and Cyprus. Info-Quest, through U, resells Apple products and becomes Apple Authorized Service Provider.

2008 : Completion of the "Solutions & Business Applications" Spin-off and contribution of "Decision SA" and "Solutions & Business Applications" to the company "UNISYSTEMS S.A."

2007: Quest Solar SA is established, active in trading equipment for RES stations, technical support and integrated services provision Mandatory Public Tender Offer Submission to the Shareholders of Unisystems SA.

2006 "U", Info-Quest's multi-channel retail concept, starts its operation through Pan-Hellenic resellers' network, call-center support and e-shop .
-Info-Quest, celebrates 25 years at the top of its field, while continuing its dynamic course in the future and the consistent development of its activities.
-Info-Quest acquires a 32,976% equity state of Unisystems.
-Quest Energy S.A. is established and framework agreement between Info-Quest S.A., Quest Energy S.A. and EDF Energies Nouvelles for the joint development of wind parks in Greece.

2005: Info-Quest expands the range of IT Solutions provided to large organizations of private and public sector. The company substantially increases its market share in the IT market.
-Info-Quest announces the sale of Q-Telecom to the private equity funds APAX and TPG.
2004: Commencement of operation of the Q-TELECOM fixed telephony network and development of wireless access services for businesses (voice, data and Internet) .
2003: Commencement of operation of the Q-TELECOM mobile telephony network.
In just one year of operation Q-TELECOM's fixed and mobile telephony services attract over 420,000 subscribers.
2002: Info-Quest launches mobile and fixed telephony services under the brand name Q-TELECOM.
Info-Quest absorbs Quest Wireless.
2001: Info-Quest is granted a mobile telephony license and begins to develop its telecommunications network.
The company acquires new installations (9,000 m2) in N. Greece (Kalamaria, Thessaloniki).
Info-Quest absorbs ERGODATA.
DECISION absorbs INTELLTECH and ABACUS.
Info-Quest listed on the main market of the Athens Exchange.
2000: Establishment of QUEST WIRELESS.
Fixed Wireless Telephony License obtained - Reorganization of the QUEST Group - Decisions taken on amalgamation of activities .
-New distribution center (8,000 m2) on Kifissou Ave., Rendi.

1999: Commencement of the OASIS Electronic Trading System, designed and implemented by Info-Quest and DECISION for the Athens Exchange and Athens Derivatives Market .
Info-Quest acquires stakes in ERGODATA, ACS, UNITEL plus a further 15 companies in Greece and abroad.
UNIFON listed on the Athens Exchange .

1998: Info-Quest admitted to the Athens Exchange.
Establishment of UNIFON (merger of Q-PHONE & PALMAFONE) and creation of the biggest mobile telephony network in Greece.
1996: Acquisition of Hellas On Line (Internet Service Provider).
Info-Quest is ISO 9001 certified for its procedures in production and commercial services as well as for the design and development of IT networks.
1995: Info-Quest takes a stake in DECISION (Integrated IT Solutions & Applications).
For the first time Info-Quest acquires its own installations (7,000 m2) in Kallithea, Athens.
1993: Establishment of Q-PHONE (Mobile Telephony Service Provider).
1992: Commencement of activities outside Greece.
1991: QUEST PC: The first organized assembly line for computers in Greece 1990 Info-Quest expands its activities and establishes firm position as a leading player in the IT market.
1984: Implementation of an effective operating model for the representation and distribution of IT products. Development of services relating to the design, development and support of IT systems .
1981: Info-Quest was established.

Source: The Company

This company is newly-established in order to take over the activities of the former mother company. All the past numbers (up to 2010) of the company that are presented in this report are actually the numbers of the former mother company.

Info-Quest Technologies is currently the largest H/W and S/W supplier product in Greece by sales value. The company is a certified Greek partner of most of the largest IT product manufacturers. It is an accredited ASP for the major manufacturers (HP, IBM, Lenovo, etc) while it also provides integrated value-added IT solutions (H/W) to medium-sized companies as well as individuals through an extensive network of dealers all over Greece. Infoquest's own brand is Quest which was established in 1991. Quest computers were a massive success from the moment they hit the Greek market and currently support the day-to-day operation of hundreds of companies and organizations, whilst serving the work and leisure needs of thousands of individual users. The brand offers both desktops and laptops and is distributed through **You** stores and through the major electronic stores of the country. The company also distributes a large number of products related to computers and electronics (peripherals, software, motherboards, printers scanners ,multimedia etc).

In detail, Info-Quest Technologies is the main gateway for the import and distribution of high-tech products in the Greek market:

a) It cooperates with over 60 of the world's most respected manufacturers, marketing and supporting their products in Greece.
b) Comprehensive range of products and solutions which fully meet the needs of both the business and consumer market.
c) Extensive network of certified Quest Service Centers providing technical support throughout Greece.
Info-Quest's cooperation with companies such as HP, IBM, Lenovo, Sun Microsystems, Acer, Wyse, Intel, Microsoft, Citrix, Symantec, CA, Autodesk, Cisco Systems, Avaya, 3Com, Polycom, Hitachi, NEC, Merlin Gerin, APC ensures a wide choice for customers, plus the quality and reliability required by today's demanding user.

At the same time, in cooperation with international firms, Info-Quest has been manufacturing Quest Personal Computers and Servers since 1991.

The fact that the company is not the exclusive distributor of any of the above brands does not enable it to achieve high margins. Thus, gross margin of the activity is a single-digit number. As of FY:2009 around 48% of the sales of this company was directed to other resellers, around 34% of sales directed to retailers, around 9% is directed to the network of You stores, while around 7% refers to direct sales. The management is determined to keep a strict receivables collection policy, albeit sacrificing a part of its sales. This sector has reached a peak in the past years and nowadays it is seriously affected by the recession. It is estimated that **retail sales of computers declined by 27,5% for Q3:11** YoY, reaching 157000 items, following a 19,1% decrease in Q2:11 YoY reaching 144000 items, number which indicates levels of Q2:2006. Sales of desktop computers decreased by 7% while these of portable decreased by 32,5%. This fact has seriously affected Info Quest Technologies' sales which declined by 33% in 2010 and by 19,7% in H1:11 .

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in M €

COMPANY	SALES 2010	SALES 2009	SALES 2008	EBT 2010	EBT 2009	EBT 2008	BRANDS
INFOQUEST	141,18	210,66	259,87	-4,29	-1,53	-34,85	MOST MAJOR BRANDS
HP HELLAS	54,49	70,38	76,42	1,87	6,48	10,34	HP
DELL HELLAS	54,09	51,51	55,85	0,71	0,36	0,46	DELL
XEROX HELLAS	44,44	41,19	36,97	4,68	3,85	2,91	XEROX
I-SQUARE*	36,33	26,51	26,42	1,06	1,02	1,35	APPLE
CPI **	21,32	21,42	23,19	-0,47	0,04	0,3	OKI, ELO,MUSTEK, BEN Q

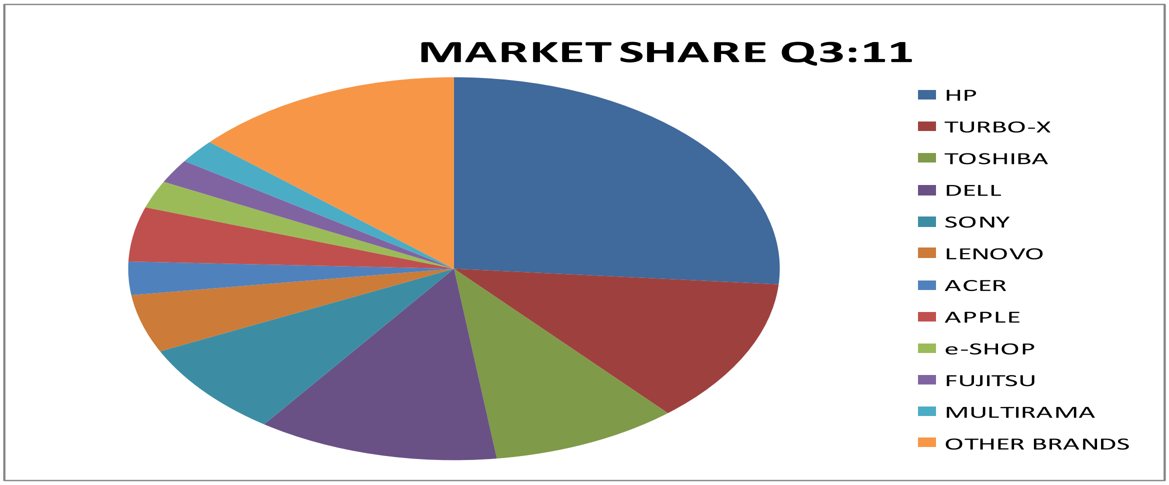
* Numbers for 2009 include also Rainbow SA which has been merged with i-Square.
** Numbers refer to financial year 7-10/6-11.

The most popular brands in the Greek market according to sales during Q3:11 are HP, Acer, Toshiba, Dell, Turbo X, Lenovo, Sony, Apple, e Shop, Fujitsu and Multirama. (Source: Sepe.gr, IDC). Quest brand's market share at around 1%. Despite the recession of the sector, some brands increased their market share: Dell, Apple which is distributed by the other subsidiary of the group i-Square and Lenovo, distributed mainly by Info Quest and Byte Computers.

The following table depicts Sales and EBT of some of the major companies of the sector of IT products in Greece (computers, screens, peripherals etc) import and distribution.

MARKET SHARES IN PERSONAL COMPUTER MARKETS

BRAND	MARKET SHARE Q3:11
HP	26,30%
TURBO-X	12,30%
DELL	12,00%
TOSHIBA	9,30%
SONY	8,00%
LENOVO	4,90%
APPLE	4,60%
ACER	2,80%
e-SHOP	2,30%
FUJITSU	2,00%
MULTIRAMA	2,00%
OTHER BRANDS	13,50%



Source: Sepe.gr, IDC

QUEST BRAND FAMILY

Quest brand family consists of the following:
- QUEST X
- QUEST X PAND
- QUEST MINI PC
- QUEST SERVER

The following table depicts most of the branches that Info-Quest distributes.

PERSONAL COMPUTERS
HEWLETT PACKARD
IBM
QUEST (OWN BRAND)
ACER
SONY
FUJITSU SIEMENS
LENOVO
DELL
TOSHIBA
LG

MULTIMEDIA-PERIPHERALS
PHILIPS
HITACHI
SAPPHIRE
TOSHIBA
RECOM
SONY
KODAK
MICROSOFT
3D CONNEXION
GENIUS
CHRONOS
LOGITECH
NVIDEA
PLEXTOR
NEC
GALAXY
CREATIVE
PNY
TARGUS
OLYMPUS

TV SETS
LG
SAMSUNG
HITACHI
SONY
PHILIPS

PRINTERS
HEWLETT PACKARD
LEXMARK
XEROX
SAMSUNG
EPSON
STAR
SEIKO

PROJECTORS
EPSON
NEC
SONY
SAMSUNG
HITACHI
BENQ

SCREENS
LG
SAMSUNG
SONY
PHILIPS
ACER
NEC
HUYNDAI

STORAGE
VERBATIM
TOSHIBA
HP
WESTERN DIGITAL
SAMSUNG
KINGSTON
HITATCHI
PATRIOT
EMC [2]
SONY

Additionally, it distributes Scanners (Epson, HP), Software (Microsoft, Symantec, Citrix, Panda), Motherboards (Intel, Gigabyte, Asus), PDAs (HP, HTC, MIO) etc.

Source: The company

YOU STORES

You is a complete-triple service-offer that includes stores, internet and phone services. You chain is represented across Greece through 66 shops. The chain is developed through the franchising method and Info-Quest does not own any U stores. The stores provide most of the products related to computers at competitive prices such as gadgets, peripherals, mobile phones and internet connections representing most of the Greek telecommunications companies: Cyta, Hol, Tellas, HTO (OTE) and On Telecoms. For 2011 the company will focus on the development of the electronic platform U through the site you.gr.

Sales through the U network amounted to €16M for FY:09 but are expected to have decreased in FY:10 due to the recession. Computer stores in Greece face competition from electric devices stores and independent stores. The major chains of the sector together (Plaisio, Multirama, E-Shop and Public) capture a very big market share. Economic crisis has seriously affected retail sales of electronic products and is indeed affecting sales of You stores. The intense competition and the adverse market conditions pushed another chain (Fnac) out of business while Microland stores have been out of business for a few years.

COMPANY	SALES 2010	SALES 2009	SALES 2008	EBT 2010	EBT 2009	EBT 2008
PLAISIO	358,18	389,67	411,91	5,09	7,64	4,26
MULTIRAMA	180,97	201,61	173,59	-11,41	7,93	-4,73
E-SHOP	104,58	128,36	112,39	-2,77	1,31	1,44
PUBLIC	57,64	41,35	33,78	-14,24	-8,51	-9,43

in M €

Source: Merit Research

Sales of this subsidiary (keep in mind that up to 9M:10 the numbers are actually the numbers of the former mother company) decreased by 18,9% in 2009 in comparison to 2008 and shrank further in 2010, due to the difficult environment in the economy and the sector and due to the company's policy to exclude financially insecure customers. Moreover, sales in FY:10 decreased by 33%, following a 35,2% decrease in Q4:10. Gross margin of FY:10 decreased slightly to 8,22% from 8,33% in FY:09, leading to a 33,9% decrease in Gross Profit. EATAM of FY:10 remained also negative at €-4,29M from €-1,21M in FY:09. The significant increase in losses of FY:10 is attributed to lower sales and to non-recurring expenses.

An improvement in profitability is apparent in the last quarters and thus Q1:11 and Q2:11 were marginally negative in the bottom line. Specifically, sales of **H1:11** reached €56,2M decreased by 19,7% in comparison to H1:10 following the negative trend in the sector. It should be noticed that a part of the administrative expenses that this company used to carry in its balance sheet are carried now by the current mother company. As a result, we expect the company to return to marginal profitability for FY:12. In H1:11 EATAM reached €-0,4M.

Moreover, the company reports Fixed and Intangible assets of a Value of €1,76M from €43,1M on 31/12/2009 since the rest are now reported by the new mother company. As a result, depreciation costs will be rather low in the future, as well as CapEx. Debt of the company is at rather low levels and is not expected to increase in the future.

in 000 €

INCOME STATEMENT (€ ,000	2008 A	2009 A	2010 A	2011E	2012F	2013F	2014F	2015 F
Total Turnover	259.877	210.666	141.182	118.593	124.523	133.239	142.566	153.971
COGS	238.082	193.100	129.572	107.445	112.693	120.581	128.880	139.036
Gross Profit	21.795	17.566	11.610	11.148	11.830	12.658	13.686	14.935
SG&A Expenses	59.014	23.340	N/A	11.504	11.207	10.659	11.120	11.548
EBIT	(31.440)	(56)	N/A	(356)	623	1.999	2.566	3.387
Depreciation	4.439	4.972	N/A	654	253	245	236	229
EBITDA	(27.001)	4.916	N/A	298	875	2.243	2.803	3.616
Interest Expense	(3.411)	(1.478)	N/A	(100)	(100)	(100)	(100)	(100)
EBT	(34.851)	(1.534)	N/A	(256)	623	1.999	2.566	3.387
Taxes	-4.411	-322	N/A	100	125	400	513	677
EAT & Minorities	-30.440	-1.212	-4.289	-356	498	1.599	2.053	2.710
BALANCE SHEET (€ ,000)	**2008 A**	**2009 A**	**2010 A**	**2011E**	**2012F**	**2013F**	**2014F**	**2015 F**
Total Non-Current Assets	158.189	135.071	3.389	2.965	2.977	2.946	2.916	2.884
Inventory	19.992	15.695	15.135	12.571	12.701	13.857	14.969	15.551
Other Current Assets for Sale	181	225						
Total Cash	1.042	877	112	4.406	3.596	3.636	3.643	4.646
Total Current Assets	136.118	126.859	71.772	67.988	68.614	70.806	73.517	77.184
Total Assets	294.306	261.928	75.050	70.953	71.591	73.752	76.433	80.068
Long Term Bank Loans								
Non Current Liabilities	997	992	1.092	1.000	1.000	1.000	1.000	1.000
Short Term Banks	53.271	21.572		5.900	5.200	4.500	3.800	3.100
Current Liabilities	95.633	62.514	26.282	23.101	23.241	23.803	24.431	25.356
Equity	197.674	198.422	47.675	46.852	47.350	48.949	51.002	53.712
Total Equity & Liabilities	294.306	261.928	75.050	70.953	71.591	73.752	76.433	80.068
MARGIN ANALYSIS %	**2008 A**	**2009 A**	**2010 A**	**2011E**	**2012F**	**2013F**	**2014F**	**2015 F**
Gross Profit	8,4%	8,3%	8,2%	9,4%	9,5%	9,5%	9,6%	9,7%
SG&A Expenses	22,7%	11,1%	N/A	9,7%	9,0%	8,0%	7,8%	7,5%
EBITDA	-10,4%	2,3%	N/A	0,3%	0,7%	1,7%	2,0%	2,3%
EBT	-13,4%	-0,7%	N/A	-0,2%	0,5%	1,5%	1,8%	2,2%
EAT&Minorites	-11,7%	-0,6%	-3,0%	-0,3%	0,4%	1,2%	1,4%	1,8%
Effective Tax rate	N/M	N/M	N/M	N/M	20,0%	20,0%	20,0%	20,0%

Source: MERIT SECURITIES, Company Financial Data

Note: Numbers of 2010 are pro-forma.

VALUATION

In order to estimate the fair value of Info-Quest Technologies we carry a DCF valuation for the following five years. Long term growth rate is estimated at 1%, we estimate beta at 1,2, assume a long-term risk free rate of 5,75% and expect the debt portion to stabilize finally at 10% of total capital structure in order to derive a long term WACC of 12,5%. Fair value of the company is estimated at €14,48M. The following tables present the FCFF we discount in our model, the calculation of the value of the equity and a sensitivity analysis towards the Equity Value of Info-Quest Technologies.

in 000 €

CASH FLOW STATEMENT	2011 E	2012F	2013F	2014F	2015 F
Turnover	118.593	124.523	133.239	142.566	153.971
EBIT (Adjusted)	-356	623	1.999	2.566	3.387
Less: Adjusted Tax	100	125	400	513	677
NOPAT	-456	498	1.599	2.053	2.710
Plus: Depreciation	654	253	245	236	229
Less: Change in Working Capital	-3.692	595	890	1.377	1.038
Less: Capex	429	218	211	204	197
Cash Flow to the Firm (FCFF)	3.462	-63	743	709	1.704

Present Value of Future Cash Flows	4.812
Present Value of Residual Value	8.056
Enterprise Value of firm	12.868
Less: Current Net Debt	-1.613
Value of Equity	**14.481**

in 000 €

SENSITIVITY ANALYSIS					
LT WACC	PERPETUITY SALES GROWTH				
	0,50%	0,75%	1,00%	1,25%	1,50%
12%	14863	15080	15308	15547	15798
12,00%	14456	14655	14863	15080	15308
12,47%	14106	14290	14481	14681	14890
13,00%	13740	13908	14083	14266	14456
13,50%	13424	13579	13740	13908	14083

Source : Merit Estimations

Unisystems is one of the largest providers of integrated IT and Communication solutions in Greece and one of the most important system integrators in Southeastern Europe. The company was established in 1964 and took its current shape in 2008 after the merger of the Business solutions and the Integrated solutions unit of Info-quest, of the former Unisystems and of Decision SA. The company offers a combination of functional and technological know-how and is able to undertake complex and large scale ICT projects. The portfolio of provided solutions includes: Infrastructure solutions and Business applications such as Document Management, CRM, Enterprise Portals, Business Intelligence, Human Resources Systems etc. Unisystems's clients include big Greek private companies and the Greek public sector.

The major areas of activity for the company are:
-**Public Sector**: Focus on the sub-sectors of Justice, Economics, Internal Affairs and Social Security.
-**Banking and Financial Services Sector:** Core Banking, Risk and Compliance, Treasury, Payment, Business Process Optimization and Insurance.
-**Telecommunications Services:** Solutions to providers of Telecommunication Services.

The company's target is to expand its activities to the wider Southeastern Europe and Mediterranean through subsidiaries in Romania and Bulgaria. The S.E. European IT market should be addressed as a "regional" market of about 50 million population and a market size of more than €5 billion (Services around €1,5 billion). In 2009 Unisystems Belgium was established for a future penetration in that market. Unisystem's group nowadays consists of the following companies:

COMPANIES	% OWNED
UNISYSTEMS BELGIUM	99,84%
INFO QUEST CYPRUS	100%
UNISYSTEMS IT SYSTEMS SLR (ROMANIA)	100%
UNISYSTEMS BULGARIA	100%

Source: The company

BUSINESS APPLICATIONS

Info-Quest's **Business Applications** are founded on the three pillars of customer base, business know-how and human resources. These are the modern tools which are adapted to the particularities of each enterprise, offer operating flexibility and provide a competitive advantage for the attainment of a company's business strategy goals. In the category of **Customer Relationship Management**, it offers systems for the management of a company's relationship with its customer base. Implementation of Operational & Analytical CRM, IVR, CTI & Call Center systems. In the category of **Human Resources management,** the company offers Human Resources and Payroll management systems, for the integrated organization and full utilization of a company's human resources. Info-Quest has developed its own Payroll & Personnel Management application ('ATOMO'), which currently supports the personnel department operations of over 60 groups of companies. In the category of **Enterprise Content and Collaboration Management** it offers electronic management of unstructured data, automation of operating procedures and support for intra-company collaboration. **Business intelligence solutions** are also offered for the processing and utilization of a company's data, so that available information is presented in the most appropriate form in support of decision-making. The solutions implemented by Info-Quest include Data Assessment, Data Cleansing, ETL, DWH, DataMart, OLAP, Data Mining and Smart Reporting. In the category of **e-Business** Info-Quest offers enterprise portals and specialized e-business applications, including e-Banking applications and e-CRS for the rapid credit assessment of new customers, plus the time critical SMS Connect application for the immediate transmission of SMS messages to a selected group of recipients. Finally, it provides **Business Process Management** and **Enterprise Application Integration** solutions for the support of complex business activities, the enhancement of connectivity and communication between applications and databases, plus improved automation of processes for the conversion and movement of information irrespective of the platform from which it originates.

BUSINESS APPLICATIONS
Customer Relationship Management (CRM)
Human Resources Management
Enterprise Content & Collaboration Management
Business Intelligence
e-Business
Enterprise Application Integration & Business Process Management

Source: The company

In addition to technological infrastructure and application solutions, which address the common needs of large and medium-sized enterprises, Info-Quest is also active in **vertical markets**, offering solutions geared to meet specific operating needs. In the **Financial Sector** the company offers Risk Management Solutions to facilitate compliance with Basle II and International Accounting Standards, Regulatory Compliance Solutions (Markets in Financial Instruments Directive & Market Abuse Directive), specialized Front, Middle and Back Office solutions for the Athens Exchange and Athens Derivatives Exchange, as well as for brokerage firms, Portfolio and Mutual Fund management companies, for trading and the clearing of equities and derivatives. In the sector of **Telecommunications** solutions for Number Portability, Lawful Interception and Critical Data transmission systems are provided. Furthermore, Specialized e-Government and Financial Management applications that cover the entire spectrum of **Public Administration** procedures, enhancing internal administration and improving the speed and reliability of services provided to citizens. In the sector of **Libraries** solutions to facilitate the efficient organization and automation of private and public libraries, as well as for the creation of digital collections are provided. The specialized solutions provided by Info-Quest incorporate the latest technology products of companies such as Oracle, Real Time Systems (RTS), Fermat, Mantas, Narus and SirsiDynix. Info-Quest has also implemented the Q-PRIME integrated technology platform on which a number of applications have been developed (ERP, electronic protocol, e-Citizen, etc.) which effectively meet the needs of Public Administration, particularly Local Government services and Legal Persons governed by Public Law.

In 2002, Info-Quest expanded its activities in the **Defence Sector,** keeping up with international market trends. The company's activities in this sector focus on the supply and support of products, systems and services directly to the Armed Forces and the Greek government or through co-operations with international Aerospace and Defence manufacturers. Furthermore, Info-Quest offers project management services for the implementation of large Defence and Security solutions, also supplying cutting-edge technology products, training and services. The company has developed strong relations with NATO and National know-how on C4I and Reconnaissance Systems. Its synergy and commercial representation of state-of the-art development platforms has caused the rate of development to drop from man-years to man-months. Info-Quest has participated in various projects including military message handling, country-wide communication systems for peace and crises time, e-business solutions for the Armed Forces, system analysis, design, implementation and support in the broader area of the Balkans with on-site presence. Each solution implemented is aimed at achieving the overall modernization of the Armed Forces' operations and at responding to their tactical needs with advanced technology products. Through its strategic alliances with other Greek and International companies, the company is able to develop integrated system components that meet military specifications, including also the development of system simulators for these components.

SECTOR

The three major Greek companies of the sector of IT solutions are: Singular Logic (subsidiary of MIG), Intracom IT (subsidiary of Intracom) and Unisystems. There is also a great number of smaller companies, most of which specialize in a small number of Business solutions. The following tables prove that recession has affected the financial numbers of the sector's companies up to an important extent. The numbers from the companies that have reported numbers for FY:10 show that almost all of them have suffered an important decrease in their sales while half of them are not profitable. Unisystems ranks three among the domestic companies of the sector, as far as sales are concerned.

in M €

	SALES 2010	SALES 2009	SALES 2008	EBT 2010	EBT 2009	EBT 2008	MAJOR AREAS OF ACTIVITY
INTRACOM IT	148,18	139,39	161,88	-2,99	3,48	6,55	PUBLIC, BANKS, TRAVEL
IBM HELLAS	99,09	112,74	154,13	-0,47	16,85	19,31	BUSINESS ,PUBLIC ETC.
SINGULAR LOGIC	77,1	103,88	107,03	2,93	13,38	11,45	PUBLIC SECTOR, BANKS
UNISYSTEMS	75,38	97,33	126,86	5,27	4,3	-13,4	BUSINESS, PUBLIC SECTOR, DEFENCE
ORACLE HELLAS	55,37	46,61	50,75	-3,21	3,42	7,86	DATABASE MANAGEMENT etc.
SPACE	50,11	49,69	49,92	0,41	0,32	1,85	BUSINESS, PUBLIC, BANKING
MICROSOFT HELLAS*	32,17	33,63	32,27	5	7,22	7,05	BUSINESS
BYTE	28,17	39,04	51,42	-1,79	1	3,14	BUSINESS.BANKING
PROFILE	11,04	13,28	16,54	0,15	-0,99	1,68	FINANCIAL SECTOR, BANKING, PUBLIC
PERFORMANCE	9,77	9,76	11,79	-0,03	0,15	0,01	BANKS.TELECOM., PUBLIC SECTOR
PC SYSTEMS	9,09	17,19	19,82	-2,08	-2,04	0,82	BIOTELEMETRY, SYSTEMS SECURITY
INFORMER	5,72	6,76	14,63	-0,26	5,46	9,65	PUBLIC SECTOR, BANKS
ILYDA	5,45	4,51	7,32	-0,24	-2,12	1,34	BUSINESS,HR
Q&R	3,59	8,48	13,45	-1,59	-0,13	0,03	BUSINESS, PUBLIC SECTOR
COMPUCON	3,01	3,47	4,92	-1,54	-1,65	-1,99	EMBROIDERY, TELEMETRICS, LASER
LOGISMOS	2,4	3,02	4,11	0,09	0,11	0,29	BUSINESS

*Numbers for 2010 refer to financial year 7-09/6-10

Source: Merit Research

Sales of Unisystems are affected by the current economic crisis up to an important extent. Sales decreased by 23,3% in 2009 in comparison to 2008. In 2010 sales decreased furthermore affected by the lack of public sector projects (-22,5%). Moreover, EBITDA decreased by 26,1% due to a lower gross margin, to the lower sales and despite attempts to lower costs. Thus, EBITDA decreased to €5,57M from €7,53M in FY:09 while EATAM increased impressively to €3,25M (+61%). The lower financial costs were an important factor for the increase of EATAM which were burdened by a social responsibility tax of €435.000.

Sales in **H1:11** decreased by **18,5%** and settled at €32,4M while EBIT stood at €1,35M and EATAM at €0,39M. The current year is expected a difficult year for Unisystems and as a result, EATAM are expected at much lower levels than last year. The lack of public sector projects and banking and telecommunication projects inevitably affects sales and margins of the company.

Net cash is currently at €5,3M much increased since the moment that the company paid off its debt. CapEx during 2010 stood at low levels but they may increase in the following quarters due to new facilities that will be constructed. For this reason, a €6M loan has been recently received from National Bank of Greece with a floating interest rate.

Sales are expected to stabilize in the following quarters and a small growth is expected in the following years. One of the major reasons that can prohibit Unisystems from achieving a high growth is the few public projects that are expected to be announced by the public sector in the foreseeable future. Banks and telecommunications companies have also cancelled projects related to integrated IT projects due to cost cutting reasons.

The restructuring of local authorities in 2010 is an opportunity for Unisystems who has developed the solution ''Kallikratis Ready to Run'' along with its partners Citrix, HP and Microsoft. Expansion abroad is also a 'bet' for Unisystems whose sales abroad still contribute less than 10% of total sales. The company currently intends to enhance its presence in Bulgaria and Cyprus while it will probably get a share in the state program Syzeyxis whose value is estimated at €230M for IT solution companies.

in 000 €

INCOME STATEMENT (€ ,000)	2008 A	2009 A	2010 A	2011 E	2012F	2013F	2014F	2015 F
Total Turnover	126.862	97.332	75.383	67.091	70.445	77.490	85.239	93.763
COGS	121.150	75.186	58.572	51.392	54.243	59.280	65.208	71.729
Gross Profit	5.712	22.146	16.811	15.699	16.202	18.210	20.031	22.034
Other Operating Income	2.410							
SG&A Expenses	19.837	16.790	12.090	12.479	12.680	13.173	13.638	14.768
EBIT	(11.715)	5.356	4.721	3.220	3.522	5.037	6.393	7.267
Depreciation	1.227	1.011	845	1.119	1.493	1.520	1.497	1.475
EBITDA	(10.488)	6.367	5.566	4.339	5.015	6.557	7.890	8.741
Interest Expense	(1.681)	(1.059)	553	(400)	(230)	(181)	(128)	(63)
EBT	(13.396)	4.297	5.274	2.820	3.292	4.856	6.265	7.204
Taxes	-2.487	2.275	2.018	1.551	757	1.068	1.316	1.441
Minorities	(10)	(109)		100	100	100	100	
EAT & Minorities	-10.899	2.131	3.256	1.269	2.535	3.787	4.950	5.763
BALANCE SHEET (€ ,000)	2008 A	2009 A	2010 A	2011 E	2012F	2013F	2014F	2015F
Total Non-Current Assets	18.318	18.167	17.472	18.051	22.652	22.902	22.692	22.485
Inventory	7.439	6.136	5.078	4.696	4.790	5.231	5.541	5.813
Other Current Assets for Sale								
Total Cash	3.353	7.767	5.425	10.422	8.286	9.039	10.738	13.850
Total Current Assets	101.169	63.773	76.266	77.689	75.265	78.758	84.103	90.951
Total Assets	119.487	81.940	88.288	95.740	97.917	101.660	106.795	113.437
Long Term Bank Loans				6.000	5.000	4.000	3.000	2.000
Non Current Liabilities	7.027	3.128	2.473	8.736	7.736	6.736	5.736	4.736
Short Term Banks	20.097	4						
Current Liabilities	56.191	42.847	49.116	46.563	47.205	48.160	49.346	51.512
Equity	56.269	35.965	39.172	40.441	42.976	46.764	51.713	57.188
Total Equity & Liabilities	119.487	81.940	88.288	95.740	97.917	101.660	106.795	113.437
MARGIN ANALYSIS %	2008 A	2009 A	2010 A	2011 E	2012F	2013F	2014F	2015F
Gross Profit	4,5%	22,8%	22,3%	23,4%	23,0%	23,5%	23,5%	23,5%
SG&A Expenses	15,6%	17,3%	16,0%	18,6%	18,0%	17,0%	16,0%	15,8%
EBITDA	NEGATIVE	6,5%	7,4%	6,5%	7,1%	8,5%	9,3%	9,3%
EBT	NEGATIVE	4,4%	7,0%	4,2%	4,7%	6,3%	7,4%	7,7%
EAT&Minorites	NEGATIVE	2,2%	4,3%	1,9%	3,6%	4,9%	5,8%	6,1%
Effective Tax rate	N/M	52,9%	N/M	55,0%	23,0%	22,0%	21,0%	20,0%

Source: MERIT SECURITIES, Company Financial Data

VALUATION

In order to estimate the fair value of Unisystems we carry a DCF valuation. Long term growth rate is estimated at 1%, we estimate beta at 1,30 assume a long-term risk free rate of 5,75% and expect the debt portion to decline finally to 0% of total capital structure in order to derive a long term WACC of 13,3%. CapEx needs which were rather low till 2010 will be higher for this and the following year while the strict receivables collection policy will continue in the near future. Fair Value is finally estimated at €27,1M. The following tables present the FCFF we discount in our model, the calculation of the value of the equity and a sensitivity analysis towards the equity value of the company.

in 000 €

CASH FLOW STATEMENT	2011 E	2012F	2013F	2014F	2015F
Turnover	**67.091**	**70.445**	**77.490**	**85.239**	**93.763**
EBIT	3.220	3.522	5.037	6.393	7.267
Less: Tax	1.797	2.037	1.557	1.596	1.694
NOPAT	**1.423**	**1.485**	**3.480**	**4.797**	**5.573**
Plus: Depreciation	1.119	1.493	1.520	1.497	1.475
Less: Change in Working Capital	-629	-930	1.785	2.460	1.570
Less: Capex	2.240	6.094	1.735	1.252	1.168
Cash Flow to the Firm (FCFF)	**931**	**-2.186**	**1.480**	**2.582**	**4.309**

in 000 €

Present Value of Future Cash Flows	3.970
Present Value of Residual Value	18.726
Enterprise Value of Firm	22.696
Less: Net Debt (31/12/2011)	-4.422
Minorities	0
Value of Equity	**27.118**

SENSITIVITY ANALYSIS					
LT WACC	**PERPETUITY SALES GROWTH**				
	0,50%	**0,75%**	**1,00%**	**1,25%**	**1,50%**
12,50%	27677	28136	28615	29115	29638
13,00%	26814	27237	27677	28136	28615
13,32%	26298	26700	27118	27553	28007
14,00%	25281	25642	26018	26408	26814
14,50%	24596	24932	25281	25642	26018

Source : Merit Estimations

I-Square was established in 2008 in order to be an authorized distributor of Apple Inc. in Greece. It distributes its products through its own premium re-seller store (I-storm at Kolonaki, Athens), through an on-line store (since November 2010) and through resellers. I-storm successfully opened its doors in September 2010. Apple products are also distributed by three premium resellers in Athens (Document, Systemgraph and Golden –i) , through authorized resellers and through authorized retailers (Multirama, Plaisio, You, Electroworld, Media Markt etc.). I-Square also distributes Apple's products in Cyprus through a premium reseller (Greycom Ltd), through authorized resellers and through authorized retailers. In 2009 the company acquired through ASE and in non-exchange transactions the then listed in ASE company Rainbow. In 2010 Rainbow, a company with sales of €32,24M and EATAM of €0,98M in its final year of activity, was merged with its mother company. The positive effects of the merger have already been seen in the profitability of the company and enhanced its competitiveness.

I-Square distributes all the Apple products, except for i-phones which are distributed by the major Greek mobile companies but are also sold by the i-Storm shop. **Apple Inc.** is an American multinational corporation that designs and markets consumer electronics, computer software, and personal computers. The company's best-known hardware products include the Macintosh line of computers, the iPod, the iPhone and the iPad. Apple software includes the Mac OS X operating system; the iTunes media browser; the iLife suite of multimedia and creativity software; the iWork suite of productivity software; Aperture, a professional photography package; Final Cut Studio, a suite of professional audio and film-industry software products; Logic Studio, a suite of music production tools and its iOS Mobile Operating System. As of October 2010, the company operates 317 retail stores in ten countries, and an online store where hardware and software products are sold (**Source: Wikipedia**). Apple managed to stay immune during the current crisis through the launch of innovative products such as i-Phone, i-Pad and i-Pod. Specifically, sales of Apple's group increased by 52% during FY:10 and Net Income by 70,1%. Apple's financial numbers increased substantially during FY:10 and continue to increase further despite the increased competition by other tablet PC manufacturers such as Samsung (Galaxy),Toshiba, HP (Touchpad), BlackBerry (Play Book), LG (Optimus), HTC (Flyer) etc. It is estimated that Apple's current tablet PC market share is around 70% world wide, a number expected to decrease to 47% by 2015.

Apple computers' market share in Greece is estimated at **around 4,6% for Q3:11**, much increased enhanced by the exceptional performance of the tablet Pcs. I-Square's sales reached €10,98M in its first fiscal year (9-08/12-09). Moreover, sales of i-Square reached €36,33M in FY:10 increased by 24,8% in comparison to FY:09 while EBITDA and EATAM multiplied in comparison to last year. The merger of Rainbow with i-Square affected substantially the above results, as well as the operation of the exclusive Apple store in the centre of Athens. Gross profit increased by 45% while gross margin stabilized around 17%. This margin is expected to remain at these relatively high levels since prices are regulated by Apple Inc.

The company received a bond loan of €11M in 10/09 which will be paid off in 9 installments until 2015. Net Debt currently (30/6/2011) stands at €8,1M. After the opening of i-Storm store and the operation of the on-line store, whose sales do not act competitively to sales through other distribution channels, along with the success of i-Pad 2 and the introduction of i-pad 3 to the Greek market, market share of Apple products is expected to increase further in the following months.

FY:11 began rather well for the company with sales of H1:11 increasing to €21,5M from €16,2M in H1:10 (+33,3%). Gross Margin decreased due to larger percentage of iPad sales in total sales whereas costs as a percentage of sales decreased substantially. Thus EBITDA increased to €1,22M (+5,6%) while EATAM settled at €0,76M (+47,4%). The company's plans to open new exclusive Apple stores according to the model Apple Premium Reseller have been modified due to the conditions in the Greek market but a new Apple Store will open soon at River West Mall. The company owns the right of exclusive distribution of Apple products for Greece and Cyprus up to 2013.

APPLE PRODUCTS- I SQUARE

in 000 €

INCOME STATEMENT (€ ,000)	2010 A	2011 E	2012F	2013F	2014F	2015 F
Total Turnover	36.333	47.977	54.214	58.551	61.479	64.553
COGS	30.207	41.020	46.082	49.476	51.642	53.385
Gross Profit	6.126	6.957	8.132	9.075	9.837	11.168
Other Operating Income	152		150	150	150	150
SG&A Expenses	3.857	4.462	5.042	5.445	5.718	6.003
EBIT	2.269	2.495	3.090	3.630	4.119	5.164
Depreciation	145	108	121	130	139	146
EBITDA	2.341	2.603	3.211	3.760	4.258	5.310
Interest Expense	(411)	(370)	(311)	(256)	(201)	(156)
EBT	1.858	2.125	2.779	3.374	3.918	5.009
Taxes	806	744	611	709	784	1.002
Minorities						
EAT & Minorities	1.058	1.382	2.168	2.666	3.134	4.007
BALANCE SHEET (€ ,000)	**2010 A**	**2011 E**	**2012F**	**2013F**	**2014F**	**2015 F**
Total Non-Current Assets	6.289	6.333	6.420	6.468	6.518	6.571
Inventory	1.540	1.679	1.897	2.049	2.152	2.292
Receivables	6.970	9.116	10.030	10.715	11.158	11.716
Total Cash	2.189	1.432	1.585	1.393	1.445	2.329
Total Current Assets	11.240	12.377	13.662	14.307	14.905	16.487
Total Assets	17.530	18.710	20.081	20.775	21.422	23.057
Long Term Bank Loans	8.525	6.875	5.225	4.400	2.200	
Non Current Liabilities	8.574	6.930	5.285	4.465	2.270	75
Short Term Banks	1.650	2.650	2.650	1.825	2.200	3.000
Current Liabilities	6.098	8.512	9.361	8.968	9.609	10.589
Equity	1.885	3.267	5.435	7.342	9.543	12.393
Total Equity & Liabilities	17.530	18.710	20.081	20.775	21.422	23.057
MARGIN ANALYSIS %	**2010 A**	**2011 E**	**2012F**	**2013F**	**2014F**	**2015 F**
Gross Profit	16,9%	14,5%	15,0%	15,5%	16,0%	17,3%
SG&A Expenses	10,6%	9,3%	9,3%	9,3%	9,3%	9,3%
EBITDA	6,4%	5,4%	5,9%	6,4%	6,9%	8,2%
EBT	5,1%	4,4%	5,1%	5,8%	6,4%	7,8%
EAT&Minorites	2,9%	2,9%	4,0%	4,6%	5,1%	6,2%
Effective Tax rate	43,4%	35,0%	22,0%	21,0%	20,0%	20,0%

Source: MERIT SECURITIES, Company Financial Data

VALUATION

In order to estimate the fair value of i-Square we carry a DCF valuation. Long term growth rate is estimated at 0,5%, we estimate beta at 1,30 assume a long-term risk free rate of 5,75% and expect the debt portion to decline finally to 20% of total capital structure in order to derive a long term WACC of 11,7%. CapEx are estimated at low levels for 2011 while Working Capital Needs are also estimated at low levels despite the increase in Sales. Enterprise value of the firm is estimated at €29,9M and Fair Value of the Equity is estimated at €21,8M. The following tables present the FCFF we discount in our model for the years 2011-2015 and the calculation of the value of the equity.

in 000 €

CASH FLOW STATEMENT	2011 E	2012F	2013F	2014F	2015 F
Turnover	**47.977**	**54.214**	**58.551**	**61.479**	**64.553**
EBIT	2.495	3.090	3.630	4.119	5.164
Less: Tax	744	611	709	784	1.002
NOPAT	**1.751**	**2.479**	**2.922**	**3.335**	**4.162**
Plus: Depreciation	108	121	130	139	146
Less: Change in Working Capital	870	284	406	280	518
Less: Capex	90	208	178	189	199
Cash Flow to the Firm (FCFF)	**899**	**2.108**	**2.468**	**3.006**	**3.592**

in 000 €

Present Value of Future Cash Flows	9.105
Present Value of Residual Value	20.826
Enterprise Value of firm	29.931
Less: Net Debt	8.101
Value of Equity	**21.830**

in 000 €

SENSITIVITY ANALYSIS					
LT WACC	PERPETUITY SALES GROWTH				
	0%	0,25%	0,50%	0,75%	1,00%
10,50%	23258	23857	24486	25148	25844
11,00%	22141	22687	23258	23857	24486
11,65%	20837	21323	21830	22361	22917
12,00%	20187	20645	21122	21620	22141
12,50%	19328	19749	20187	20645	21122

Source : Merit Estimations

ACS is the leading private company in parcel delivery services in Greece and the leader private courier company. ACS network includes 295 courier stores throughout Greece and other 35 abroad (Cyprus, Bulgaria, Albania) while the surface of its installations exceeds 30000m2. The company handles around 15M shipments per year in more than 70 daily combined transportation routes and through exclusive cargo flights while its workforce consists of 3000 specialized personnel.

The sector of courier services in Greece is dominated by six companies –four Greek and two subsidiaries of multinationals (the German DHL and the Dutch TNT). Among them, Speedex is a subsidiary of both Fourlis and Sfakianakis Group and Hellenic Post Courier is a subsidiary of the state-owned Hellenic Post. Competition is intense and made some smaller companies leave the sector (e.g. Interattica) during the current recession. Potential liberalization of the sector may enable ACS to capture a larger share in the market. Sales of Hellenic Post, which is the exclusive distributor of letters and very small parcels, reached €543M in 2010. Hellenic Post is likely to be privatized up to an extent within 2012 while the liberalization of the segment of very small parcels and letters is expected to take place up to 2013. This can be rather beneficial for ACS. Only 1% of this sectors revenue is currently realized by private companies under a special license regime.

An important issue of the sector is the lack of a modern regulation scheme. A new regulation scheme may give the opportunity to courier services companies to expand their activities to logistics and may prohibit bus services companies from providing courier services. It is estimated that revenue of the postal services sector of Greece as a whole decreased by 5% in 2010.

ACS managed to keep its sales more or less stable during the current crisis. Sales of 2009 reached €89M increased by 1,7% in comparison to 2008 while EBIT increased by 23,57% and EBT increased by 20,26%. However, EAT decreased by 25,4% due to higher taxes (social responsibility tax of €0,36M).

Moreover, sales decreased by 4,1% in FY:10 in comparison to FY:09. EBITDA decreased by 18,54% mainly due to increased provisions despite the significant increase in Gross Profit by 150 basis points. EATAM, affected by the social responsibility tax of around €0,65M and other taxes, decreased by 44,8% to €1,61M. Its current Capital Expenditures needs are low but ACS plans to move to new premises and to obtain a new automatic sorting machine in 2012, which may increase CapEx needs in the future and decrease its net cash position. The management plans to decrease further company's costs as a response to the recession in the sector in Greece which worsened during **H1:11**. Penetration in Bulgaria, Cyprus and Albania seems successful although there is potential for capturing a bigger market share. Sales abroad during 2009 reached €1,27M from €1,16M in 2008.

Sales decreased by 9,4% during **H1:11** and reached **€38,89M**. However, an improvement has been seen in the second quarter and decrease is expected at lower levels for FY:11. Gross margin, on the other hand, increased to 22% from 21,5% last year while an attempt to decrease costs is also apparent. EBITDA reached €2,52M, decreased by 10,4%, while Net Profit settled at €1,33M, increased by 89%, mainly due to lower taxation. Taxes are still at high levels during the current year though at lower levels than last year. Liquidity of the company is currently at exceptional high levels with a net cash position **of €17M.**

MAJOR COMPANIES OF THE POSTAGE-COURIER SERVICES SECTOR

in M €

	SALES 2010	SALES 2009	SALES 2008	EBT 2010	EBT 2009	EBT 2008	EQUITY 2010
HELLENIC POST GROUP	543,31	594,55	600,26	3,39	-39,79	4,41	161,68
ACS	85,36	89,06	87,57	4,65	5,35	5,25	15,59
DHL	N/A	61,36	75,66	N/A	1,64	2,23	7,18*
GENIKI	51,3	50,55	52,03	0,21	0,02	0,12	1,24
SPEEDEX	32,98	33,16	33,22	0,12	-0,41	0,51	0,11
HEL.POST COURIER	26,72	29,25	30,22	0,19	-1,18	0,68	9,46
TNT	22,38	23	23,79	-2,23	-2,72	-0,73	3,11

*Equity in the end of 2009 is depicted due to lack of data.

Source: Merit Research

MAJOR NUMBERS

in 000 €

INCOME STATEMENT (€ ,000)	2008 A	2009 A	2010 A	2011 E	2012F	2013F	2014F	2015 F
Total Turnover	87.579	89.064	85.365	78.536	80.892	85.745	90.890	96.344
COGS	70.799	70.601	66.367	61.651	63.096	66.710	70.622	75.148
Gross Profit	16.780	18.463	18.998	16.885	17.796	19.035	20.268	21.196
Other Operating Income	8	10	12	10	10	10	10	10
SG&A Expenses	12.813	13.561	15.058	13.440	12.548	12.700	13.007	13.787
EBIT	3.975	4.912	3.951	3.446	5.258	6.345	7.271	7.418
Depreciation	1.203	1.184	1.100	811	815	899	941	947
EBITDA	5.178	6.096	4.965	4.256	6.073	7.244	8.212	8.366
Interest Expense	475	440	699	324	443	509	601	695
EBT	4.450	5.352	4.650	3.769	5.701	6.854	7.872	8.114
Taxes	2.128	2.439	3.044	1.395	1.710	2.056	2.362	2.434
Minorities								
EAT & Minorities	2.322	2.913	1.606	2.375	3.991	4.798	5.510	5.679
BALANCE SHEET (€ ,000)	**2008 A**	**2009 A**	**2010 A**	**2011 E**	**2012F**	**2013F**	**2014F**	**2015 F**
Total Non-Current Assets	3.743	3.345	2.665	2.844	3.300	3.849	4.012	4.158
Inventory	593	486	429	393	404	429	454	482
Receivables	22.539	22.852	18.511	17.278	19.010	21.265	22.723	24.327
Total Cash	4.140	8.140	11.978	16.566	17.509	19.101	19.971	20.680
Total Current Assets	3.743	3.345	2.665	2.844	3.300	3.849	4.012	4.158
Total Assets	31.015	34.823	33.548	37.080	40.223	44.644	47.160	49.647
Long Term Bank Loans								
Non Current Liabilities	1.236	1.328	1.632	1.860	1.860	1.860	1.860	1.860
Short Term Banks								
Current Liabilities	16.705	17.509	14.324	15.254	14.881	15.302	15.267	15.177
Equity	13.073	15.986	17.592	19.967	23.483	27.482	30.033	32.611
Total Equity & Liabilities	31.015	34.823	33.548	37.080	40.223	44.644	47.160	49.647
MARGIN ANALYSIS %	**2008 A**	**2009 A**	**2010 A**	**2011 E**	**2012F**	**2013F**	**2014F**	**2015 F**
Gross Profit	19,2%	20,7%	22,3%	21,5%	22,0%	22,2%	22,3%	22,0%
SG&A Expenses	14,6%	15,2%	17,6%	17,1%	15,5%	14,8%	14,3%	14,3%
EBITDA	5,9%	6,8%	5,8%	5,4%	7,5%	8,4%	9,0%	8,7%
EBT	5,1%	6,0%	5,4%	4,8%	7,0%	8,0%	8,7%	8,4%
EAT&Minorites	2,7%	3,3%	1,9%	3,0%	4,9%	5,6%	6,1%	5,9%
Effective Tax rate	47,8%	45,6%	65,5%	37,0%	30,0%	30,0%	30,0%	30,0%

Source: MERIT SECURITIES, Company Financial Data

VALUATION

In order to estimate the fair value of ACS we carry a DCF valuation. Long term growth rate is estimated at 0,5%, we estimate beta at 1,3, assume a long-term risk free rate of 5,75% and expect the debt portion to decline finally to 0% of total capital structure in order to derive a long term WACC of 13,55%. CapEx needs (currently at rather low levels) are expected to increase in the following years after the purchase of new facilities. Finally, fair value of ACS is estimated at €37,3M. The following tables present the FCFF we discount in our model for the years 2011-2015 and the calculation of the value of the equity.

in 000 €

CASH FLOW STATEMENT	2011 E	2012F	2013F	2014F	2015 F
Turnover	**78.536**	**80.892**	**85.745**	**90.890**	**96.344**
EBIT	3.446	5.258	6.345	7.271	7.418
Less: Tax	1.395	1.710	2.056	2.362	2.434
NOPAT	**2.051**	**3.548**	**4.289**	**4.910**	**4.984**
Plus: Depreciation	811	815	899	941	947
Less: Change in Working Capital	-1.826	2.117	1.859	1.518	1.722
Less: Capex	991	1.270	1.447	1.102	1.116
Cash Flow to the Firm (FCFF)	**3.697**	**976**	**1.883**	**3.231**	**3.093**

in 000 €

Present Value of Future Cash Flows	8.452
Present Value of Residual Value	11.803
Enterprise Value of firm	20.255
Less: Current Net Debt	-17.030
Value of Equity	**37.285**

SENSITIVITY ANALYSIS					
LT WACC	**PERPETUITY SALES GROWTH**				
	0%	**0,25%**	**0,50%**	**0,75%**	**1,00%**
12,50%	37872	38156	38452	38760	39082
13,00%	37336	37599	37872	38156	38452
13,55%	36793	37034	37285	37545	37816
14,00%	36380	36606	36840	37084	37336
14,50%	35951	36162	36380	36606	36840

Source : Merit Estimations

Quest Energy is a 55% subsidiary of Quest-Holdings. The company was established in 2006 in partnership with the group David-Leventis. Quest Energy's pipeline consists of 215MW of own wind projects and of 16,2MW of solar PV projects. It also co-operates with the RES subsidiary of EDF (EEN) for the construction of a few wind parks. Thus, Anemopyli SA, a Joint Venture between Quest Energy and EDF Energies Nouvelles was established in June 2008 with projects in pipeline that reach 234 MW. Quest Energy is responsible for projects of a capacity of 164 MW under application status while EDF is responsible for projects of a capacity of 70 MW under application status.

So far, a P/V of **7,5MW** capacity park at Revenia, Viotia has been installed and is already in operation. Yearly revenue from this park are expected at €4,5M. A second P/V park of **500kW** at Chalkidiki has been given license and is being constructed while constructions for the P/V projects in Magnisia are expected to have begun by summer 2012 (at least for part of the project). In total, 18 more MW have been given production license and are expecting installation license while other 67 MW are under application procedure.

As for wind parks, works for the first park at Distomo, Viotia (capacity 20,7MW) have been delayed due to lack of financing for the moment. Five more production licenses and connection terms have been given to Quest Energy in the recent past: one for a 38 MW at Desfina, Fokida, two for a combined 40MW project at Livadi, Larisa, one for a 9,2MW project at Megalo Plai and one for 20MW Servia, Kozani. Finally, licenses for three wind parks of a capacity of 87,4MW at Sidirokastro, Serres are expected in H2:11. As for the Anemopyli projects, production licenses for projects of **164MW** in Southern Evia are expected soon.

Energy activities are still at a loss side but they are expected to provide the company with high revenue and profits in the future. For 2010 these activities were responsible for losses of more than €1M while a smaller number is expected for 2011, after the operation of the P/V park. The activities are expected to return to turn to profitability in the bottom line from 2013 and then. In H1:11 the subsidiary Quest Solar to which the P/V park in operation belongs to reported Revenue of €1,53M and EATAM of €0,74M. On the other hand, Quest reports losses before taxes of €0,3M from the activity as a whole due to expenses for the under construction or under license application procedure parks.

WIND PARKS

WIND PARKS	CAPACITY
AMALIA (VIOTIA)	20,7 MW
FLABOURO (LARISA)	30,0 MW
KALAMARIA (LARISA)	10.0 MW
MEGALO PLAI (VIOTIA)	9,2 MW
KARKAROS (FOKIDA)	38,0 MW
KRYONERI (KOZANI)	20,0 MW
SIDIROKASTRO (3 PROJ)	87,0 MW

PV PARKS

P/V PARKS	CAPACITY
THIVA (VIOTIA)	7,5 MW
ARGILOHORI (MAGNISIA)	5,5 MW
ALMYROS (MAGNISIA)	10 MW
CHALKIDIKI (2 PROJ)	2,0 MW
FLORINA	1,0 MW
RENTIS & ANTYPA	0,2 MW

WIND PARKS OF THE JOINT VENTURE ANEMOPYLI

WIND PARKS	CAPACITY
PERISTERI MARMARI (EVIA)	27,6 MW
LIAPOURTHI MARMARI (EVIA)	8,0 MW
AGIOI APOSTOLOI	9,2 MW
RIZA	36,8 MW
TRIKORFO	20,7 MW
RIGANI	36,8 MW
HELONA	27,6 MW
PLATANOS	11,5 MW
PYRGOS	23,0 MW
DISTRATA	13,8 MW
AGIOI TAXIARHES	18,4 MW
AGATHI	25,3 MW
EDF PROJECTS (THRACE)	70 MW

Source : The Company

ENERGY -SECTOR ANALYSIS

Greek Energy market's liberalization began in 1999 but it is still an oligopoly with one major player, the Public Power Company. The largest part of the produced energy comes from thermal power plants, mainly from coal (lignite) units which are not friendly to the environment while only a small part is produced through renewable sources plants. Greece currently covers around 4-5% of its gross electricity consumption by RES but these numbers will definitely increase substantially in the following years. Up to end 2010 Greece holds the **11th** place among the European Union countries and 17th in the World. However, there will be soon radical changes in the market in favor of the use of Renewable Sources and of Natural Gas. According to a EU directive, RES must cover 20% of total energy consumption by 2014 and 40 % by 2020. 1736 MW of RES were installed in Greece up to the end of 2010 while it is estimated that €1,35B will be spent in 2011 for the installation of 518 MW of RES projects. This is an improvement in comparison to 2010 during which only 290 MW of RES were installed. Prices per MW/h are among the highest in EU although a recent change in the leadership of the relevant Ministry may lead to changes. Moreover, it is doubtful whether companies will continue to receive state subsidies while there is a provision for a higher price by 20%, if no subsidy is given. In H1:11 average System Marginal Price increased to 65,2€/MWh (+29% y-o-y due to increased natural gas prices) while energy demand decreased to 24,6 Twh (-1,9% Y-o-Y) due to the recession.

Greek Government set targets last year for the installment of Renewable Sources for the following years. The sector has seen little improvement since the announcement of government for rapid ''Green Development'' two years ago. However, new decisions that refer to ''fast track procedures'' in the license procedures have given new hopes to the companies of the sector. Government has also set upper limits per category of renewable sources which may be re-examined in 2012. The news are no positive for small hydroelectric projects whose proposed capacity has been already covered by licenses and applications. Some projects of a value of €2BN have already been unblocked as far as the production license is concerned, projects that had been waiting for a license for 3-4 years. Public Power Company has also been particularly interested in the recent past for RES due to cost reasons and it signed an agreement with EDF for co-operation in a series of projects while it cooperates with Terna Energy, too.

Wind projects are still the most popular projects in Greece with installed capacity in the interconnected system at 1211 MW in August 2011 while according to EWEA total installed wind power in Greece in the end of 2010 reached 1208 MW. According to Desmie 176MW of wind energy were installed in the first eight months of 2011. Moreover, 2010 was a significant year for P/V projects whose installed capacity increased from 53MW in the end of 2009 to 198MW in the end of 2010. Moreover, capacity in the inter-connected system increased from 153MW in December 2010 to 301 MW in August 2011. On the other hand, small hydroelectric projects and biomass projects showed little growth in 2010 and in the first eight months of 2011.

Parallely, the relevant ministry of Environment, Energy and Climate Change announced that installment licenses reached 1670 MW in the end of 2010 from 1360 MW in the end of 2009. Finally, production licenses increased from 8360MW in the end of 2009 to 18.819 MW in the end of 2010.

It seems that this sector will be attractive for many years and this is the reason why most of the big Greek groups have invested in RES (Ellaktor, GEK Terna, Michaniki, Mytilinaios, Kopelouzos, Elpe, FG Europe, Quest Holdings, Intrakat etc). Greek RES market is attractive not only for Greek companies but also for large foreign companies. Thus EDF, Acciona, Iberdrola, Sunpower, GDF Suez, Edison, Endesa, Veolia, Enel, Enercon, Jasper etc have invested and are going to invest further funds in projects in Greece. Financing of the projects has been recently an issue for the sector since Greek banks have been rather conservative due to liquidity problems, even as far as the high growth sector of RES is concerned. The first of the following tables depicts the limits set by the Ministry and the so far installed capacity while the second depicts the major companies of the sector and their capacity in operation.

CATEGORY	TARGET FOR 2014 MW	TARGET FOR 2020 MW	INSTALLED MW*
SMALL HYDROELECTRIC	300	350	205
P/V	800	1100	301
WIND PARKS	4000	7500	1211
BIO MASS	200	350	47
GEOTHERMAL	20	120	0

*These numbers refer to the latest (August 2011) DESMIE reports about the interconnected system. Adding to the above the capacity of non-interconnected system (Aegean islands, Crete) leads to a total RES capacity of around 2100MW.

Source : Desmie, Merit Research

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MAJOR COMPANIES OF GREEK RES SECTOR

COMPANY	WIND PARKS (MW)	SOLAR PARK (MW)	HYDRO PARKS (MW)	BIOMASS (MW)
EDF ENER.NOUVELLES	278	6	0	0
ROKAS	257,5	2,2	0	0
TERNA ENERGY	182	0	15	0
ENEL	177	4,9	14	0
EL.TECHNODOMIKI-VIOSAR	131	2	0	0
PPC RENEWABLES	61,4	0,2	60,7	0
EUNICE	60	0	0	0
PROTERGIA	35,6	0	6,1	0
ACCIONA	35	0	0	0
ENERCON	27,5	0	5,05	0
FG EUROPE	25	0	3,6	0
IKTINOS	22	0	0	0
BCI PARTNERS	22	0	0	0
ENVITEC	16,4	0	0	0
POLYPOTAMOS	12	0	0	0
PLASTIKA KRITIS	11,9	0	0	0
HLEKTOR	0	0	0	28,5
EPILEKTOS	0	9	0	0
ATHENS INT.AIRPORT	0	8	0	0
QUEST SOLAR	0	7,5	0	0
ENERGA	0	5	0	0
KLOUKINAS-LAPPAS	0	0	2,25	0

Source : Desmie, Merit Research,

VALUATION

In order to estimate the fair value of Quest Energy we carry a DCF valuation for the following 10 years in order to capture the high growth that the company is expected to achieve in the following decade. A five year-period was not considered appropriate because the company can achieve large growth even after 2015 due to its kind of activity. Long term growth rate is estimated at 0,25%, we estimate beta at 1,30, assume a long-term risk free rate of 5,5% and expect the debt portion to decline finally to 50% of total capital structure in order to derive a long term WACC of 8,9%. CapEx needs are expected to increase in the following years according to the progress of the installed projects. CapEx of 2011 are expected at €9M. The company expects no subsidies from the state which means that the company will get for the wind energy parks a 20% higher price than if it would be given a subsidy, according to the latest announcements of the State.
Finally, Fair value that corresponds to Quest Holdings' share is finally estimated at €20,62M, much decreased than our previous report due to delays in certain projects. The following tables present the FCFF we discount in our model and the calculation of the value of the equity. We assume that all the projects of Quest Energy will be completed by 2020 while Anemopyli, the affiliated company of Quest Energy will have in full operation 300 MW by the end of 2020.

Valuation of Quest Energy was based on the following hypotheses:

MW OF WIND PARKS INSTALLED UP TO 2020	189
MW OF PV PARKS INSTALLED UP TO 2020	30
MW OF WIND PARKS UP TO 2020 (ANEMOPYLI)	300
GUARANTEED PRICE PER MW/h FOR WIND PARKS	€101+INFLATION
GUARANTEED PRICE PER MW/h FOR PV PARKS	392-248 €
NO SUBSIDY GIVEN	

Source : Merit Estimations

in 000 €

CASH FLOW STATEMENT	2011 E	2012F	2013F	2014F	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
Turnover	3.557	5.174	15.302	27.635	35.723	40.721	48.508	55.599	61.462	68.543
EBIT	97	842	4.252	10.980	15.669	18.957	23.524	27.921	32.094	36.324
Less: Tax	220	200	55	1.013	1.687	2.191	2.893	3.737	4.587	5.265
NOPAT	-123	642	4.196	9.967	13.982	16.766	20.632	24.184	27.507	31.059
Plus: Depreciation	900	1.308	3.737	6.663	7.758	9.466	10.371	10.986	12.465	13.256
Less: Change in Working Capital	-5.622	-1.191	7.739	5.379	2.022	2.084	918	382	684	127
Less: Capex	9.000	21.850	65.500	49.250	23.250	32.000	20.000	26.000	28.000	21.500
Cash Flow to the Firm (FCFF)	-2.601	-18.709	-65.306	-37.998	-3.532	-7.852	10.084	8.788	11.287	22.689

Present Value of Future Cash Flows	-75.945
Present Value of Residual Value	124.049
Value of firm	48.104
Less: Net Debt (Quest Energy)	10.603
Value of Equity	**37.500**
Value of Infoquest's share	**20.625**

INCOME STATEMENT (€ ,000)	2010 A	2011 E	2012F	2013F	2014F	2015 F
Total Turnover	167	3.557	5.174	15.302	27.635	35.723
COGS	259	1.494	2.380	7.651	13.817	17.861
Gross Profit	(92)	2.063	2.794	7.651	13.817	17.861
Other Operating Income						
SG&A Expenses	454	1.816	1.852	3.825	5.527	6.430
EBIT	(546)	97	842	4.252	10.980	15.669
Depreciation	40	900	1.308	3.737	6.663	7.758
EBITDA	(506)	997	2.150	7.989	17.643	23.427
Interest Expense	34	(600)	(1.444)	(4.000)	(6.375)	(8.000)
EBT	(512)	(503)	(602)	252	4.605	7.669
Taxes	6	220	200	55	1.013	1.687
Minorities						
EAT & Minorities	-518	-723	-802	196	3.592	5.982
BALANCE SHEET (€ ,000)	**2010 A**	**2011 E**	**2012F**	**2013F**	**2014F**	**2015 F**
Total Non-Current Assets	11.091	31.087	46.218	108.506	153.356	170.397
Total Cash	1.086	6.897	9.655	9.823	8.186	15.106
Total Current Assets	8.835	11.888	15.357	20.544	24.777	34.764
Total Assets	19.926	42.975	61.575	129.050	178.134	205.160
Long Term Bank Loans		17.500	25.000	80.000	105.000	120.000
Non Current Liabilities	22	17.610	25.110	80.110	105.110	120.110
Short Term Banks			10.000	25.000	45.000	50.000
Current Liabilities	4.895	10.070	21.971	34.251	54.742	60.787
Equity	15.009	15.295	14.493	14.689	18.281	24.263
Total Equity & Liabilities	19.926	42.975	61.575	129.050	178.134	205.160
MARGIN ANALYSIS %	**2010 A**	**2011 E**	**2012F**	**2013F**	**2014F**	**2015 F**
Gross Profit	N/A	58,0%	54,0%	50,0%	50,0%	50,0%
SG&A Expenses	N/A	51,1%	35,8%	25,0%	20,0%	18,0%
EBITDA	NEGATIVE	NEGATIVE	41,6%	52,2%	63,8%	65,6%
EBT	NEGATIVE	NEGATIVE	NEGATIVE	1,6%	16,7%	21,5%
EAT&Minorites	NEGATIVE	NEGATIVE	NEGATIVE	1,3%	13,0%	16,7%
Effective Tax rate	N/A	N/A	N/A	22,0%	22,0%	22,0%

Source: MERIT SECURITIES, Company Financial Data

Note: Actual numbers of 2010 refer to numbers of the company Quest Energy and do not include its subsidiaries which are included in the 2011-2015 numbers.

MERIT SECURITIES

MAJOR NUMBERS OF THE GROUP

in 000 €

INCOME STATEMENT (€ ,000)	2008 A	2009 A	2010 A	2011 E	2012F	2013F	2014F	2015 F
Total Turnover	458.568	402.252	331.463	315.754	335.248	370.327	407.809	444.353
COGS	413.023	340.919	276.736	263.888	283.764	309.864	334.212	360.065
Gross Profit	45.545	61.333	54.727	51.866	51.484	60.463	73.596	84.288
SG&A Expenses	76.170	53.467	52.749	44.700	43.330	45.803	49.010	52.536
EBIT	(27.875)	10.327	4.296	8.166	9.154	14.660	24.586	31.752
Depreciation	4.439	4.972	4.600	5.991	5.891	8.431	12.214	12.454
EBITDA	(23.436)	15.299	8.896	14.157	15.045	23.091	36.800	44.206
Interest Expense	(4.328)	(2.272)	223	(1.366)	(1.841)	(4.228)	(6.403)	(7.823)
EBT	(32.547)	7.681	4.519	6.800	7.313	10.432	18.183	23.929
Taxes	-5.592	4.428	5.791	4.580	3.404	4.288	5.987	7.241
Minorities	(603)	(485)	(426)	(350)	(100)	200	700	1.000
EAT & Minorities	-26.352	3.738	-846	2.571	4.009	5.944	11.496	15.687
BALANCE SHEET (€ ,000)	**2008 A**	**2009 A**	**2010 A**	**2011 E**	**2012F**	**2013F**	**2014F**	**2015 F**
Total Non-Current Assets	114.211	119.502	127.974	130.938	149.584	209.899	250.656	264.330
Inventory	27.970	22.699	22.538	19.339	19.794	21.565	23.116	24.138
Receivables	220.546	186.709	157.311	137.804	141.083	151.339	163.038	173.448
Total Cash	14.081	21.212	22.882	45.775	27.487	23.386	24.441	33.140
Total Current Assets	262.778	230.906	202.910	203.078	202.450	208.471	220.502	240.632
Total Assets	377.742	350.406	330.885	334.016	352.035	418.370	471.158	504.962
Long Term Bank Loans		8.140	8.525	30.375	35.225	88.400	108.000	122.000
Non Current Liabilities	17.748	21.617	21.092	43.461	48.316	101.496	121.101	135.106
Short Term Banks	73.377	24.418	8.700	12.707	21.007	33.482	54.357	56.257
Current Liabilities	166.704	130.122	109.312	87.092	99.250	111.162	135.149	140.961
Equity	193.290	198.666	200.479	203.464	204.468	205.712	214.908	228.895
Total Equity & Liabilities	377.742	350.406	330.885	334.016	352.035	418.370	471.158	504.962
MARGIN ANALYSIS %	**2008 A**	**2009 A**	**2010 A**	**2011 E**	**2012F**	**2013F**	**2014F**	**2015 F**
Gross Profit	9,9%	15,2%	16,5%	16,4%	15,4%	16,3%	18,0%	19,0%
SG&A Expenses	16,6%	13,3%	15,9%	14,2%	12,9%	12,4%	12,0%	11,8%
EBITDA	-5,1%	3,8%	2,7%	4,5%	4,5%	6,2%	9,0%	9,9%
EBT	-7,1%	1,9%	1,4%	2,2%	2,2%	2,8%	4,5%	5,4%
EAT&Minorites	-5,7%	0,9%	-0,3%	0,8%	1,2%	1,6%	2,8%	3,5%
Effective Tax rate	17,2%	57,6%	128,1%	67,3%	46,5%	41,1%	32,9%	30,3%

Source: MERIT SECURITIES, Company Financial Data

VALUATION OF THE GROUP

We apply the Sum of the Parts method in order to estimate the fair value of the group of Quest. Quest's group consists of ACS, Unisystems, Quest Energy, i-Square, Infoquest Tevhnologies and their subsidiaries along with participations in IT companies such as Jason, Effect, American Computers and Engineers Hellas and Teka Systems, which are reported in the Balance Sheet as items Available for Sale. We chose to be conservative during the valuation of these subsidiaries and decided to valuate them at the 80% of their Book Value which gives a Fair Value of €8,06M. The following table sums up the estimations for all the above. Fair value of Info-Quest is finally estimated at €126,7M. This corresponds to a value of €2,60 per share.

COMPANY	VALUE in M€
ACS	37,29
UNISYSTEMS	27,11
I-SQUARE	21,83
QUEST ENERGY (55%)	20,63
QUEST TECHNOLOGIES	14,48
PLUS: PARTICIPATIONS	8,06
MINUS NET DEBT MOTHER COMP.	-2,736
SUM	126,66
VALUE PER SHARE	2,60 €

Source : Merit Estimations

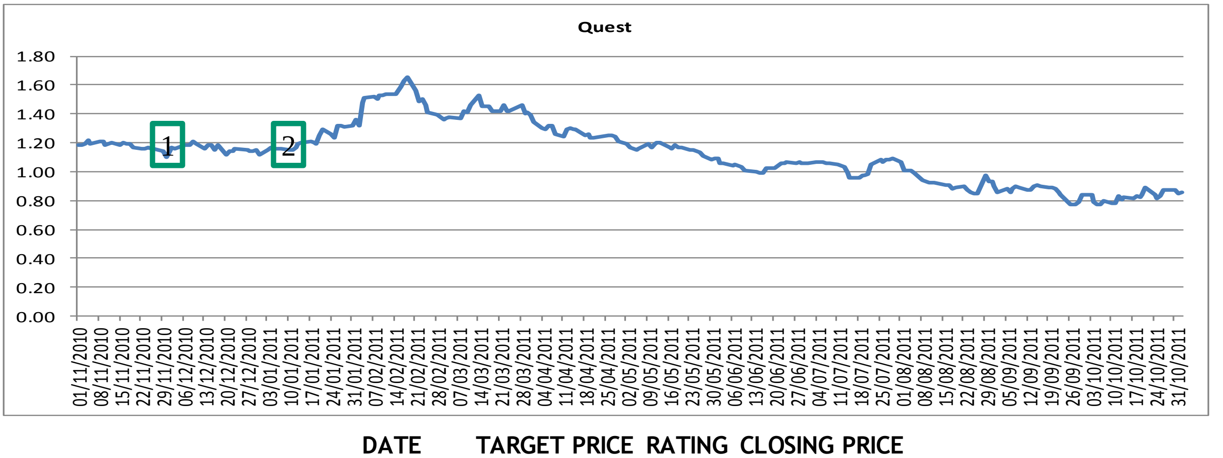
MERIT SECURITIES

Glossary

Abbreviatons

AGM: Annual General Meeting
CAGR: Compound Annual Growth Rate
CFPS: Cash Flow per Share
COGS: Costs of Goods Sold
DPS: Dividends per Share
EAT: Earnings after Taxes
EATAM: Earnings after Taxes and Minorities rights
EBIT: Earnings before Interest and Taxes
EBITDA: Earnings before Interest and Taxes, Depreciation, and Amortization
EBT: Earnings before Taxes
EPS: Earnings per Share
EV: Enterprise Value
FCFF: Free Cash Flows to the Firm
fx: Foreign Exchange
LT-WACC: Long-term Weighted Average Cost of Capital
NOPAT: Net Operating Profits After Taxes
P/BV: Price to Book Value
P/E, PE: Price to Earnings ratio
PEG: Price/Earnings to Growth ratio
ROE: Return on Equity
SG&A: Selling, General and Administrative
ttm: Trailing Twelve Months
WACC: Weighted Average Cost of Capital
ΔNWC: Change in Net Working Capital

HISTORY OF RATINGS



	DATE	TARGET PRICE	RATING	CLOSING PRICE
1	25/11/2010	3.00 €	BUY	1.16 €
2	11/01/2011	3.00 €	BUY	1.15 €

Investment Ratings

BUY (5/5): The difference between the stock's estimated target price and its current price is ≥ +30%
ACCUMULATE (4/5): The difference between the stock's estimated target price and its current price is between (+10% and +30%)
HOLD (3/5): The difference between the stock's estimated target price and its current price is between (-10% and +10%)
REDUCE (2/5): The difference between the stock's estimated target price and its current price is between (-10% and -30%)
SELL (1/5): The difference between the stock's estimated target price and its current price is ≤ -30%

Analyst Certification

The analyst responsible for the content of this research report (in whole or in part), certifies that a) all the views about the companies and securities contained in this report accurately reflect the personal views of the respective author and b) no part of our compensation was or will be directly or indirectly related to the specific recommendations or view of this report. The author of this report may have held or hold in the future shares of the company covered in its research reports. The analyst or at least one of the analysts mentioned in this report are Certified as "Analyst of Equities and the Market" by the Hellenic Capital Market Commission.