

Dunedin Enterprise Investment Trust PLC
Results for 8 month period to 31 December 2007

Dunedin 



Dunedin Enterprise – Highlights

- Net assets of £159.9m at 31 December 2007
- NAV per share down by 2.3% to 529.5p
- Dividend of 7.5p per share
- Investments during the period of £35.6m
- Realisations of £22.7m in the period
- Increased exposure to Continental European buyouts



Dunedin Enterprise – Main Value Changes

	£m
Net asset value at 1 May 2007	163.7
Unrealised valuation increases	13.4
Unrealised valuation decreases	(18.8)
Realised profit over opening valuation	2.5
Other revenue and capital movements	1.7
Dividends paid to shareholders	(2.6)
Net asset value at 31 December 2007	<u>159.9</u>



Dunedin Enterprise – Key Drivers

- Value increases of £13.4m through:
 - First time uplift of Capula
 - Improved trading performance at OSS Environmental and Gardner Group
- Value decreases of £5.0m due to reduced profitability at a number of portfolio companies including:
 - New Horizons
 - RSL Steeper
- Value decreases of £9.3m due to reduced price earnings multiples
 - CGI
 - Practice Plan
- Other valuation decreases are accounted for by share price movements of £2.0m and exchange rate movements of £1.8m



Dunedin Enterprise – Portfolio Valuation

	£m	%
Cost / written down	35.2	22
Earnings	33.2	21
Imminent sale	3.1	1
Bid price (listed)	33.1	21
Cash	55.4	35
Debtors/(Creditors)	(0.1)	-
Net Asset Value	<u>159.9</u>	<u>100.0</u>



Dunedin Enterprise – New Investments

- New investment of £35.7m
- £2.6m investment in Fernau
 - £16m MBO led by Dunedin
 - Designer and manufacturer of ground based navigational aids
- £3.3m investment in Gissings
 - £18m MBO led by Dunedin
 - Provider of a range of employee benefits services
- £3.1m investment in Formaplex
 - £9m investment led by Dunedin
 - Manufacturer of rapid prototyping moulds and tools for the automotive, white goods, machine, telecoms and medical sectors



Dunedin Enterprise – New Investments

- £5.0m investment in Dinamia Capital Privado
 - Spanish listed private equity company
 - MBO/MBI/development capital investments in Iberian peninsula
- £10.6m investment in CapMan, DBAG and GIMV
 - Finnish, German & Belgian listed private equity companies
 - Total of £19.8m invested in quoted European private equity stocks
- £9.3m invested Practice Plan following the recapitalisation of the business
- £0.4m invested in follow-on investments and limited partnership drawdowns



Dunedin Enterprise – Realisations

- Total realisations of £22.7m
- Direct disposals of £19.0m
- Disposals through third party managed funds of £3.4m
- Profit of £2.5m over valuation at 30 April 2007, an uplift of 12%
- Redemptions of loan stock and preference shares of £0.3m



Dunedin Enterprise – Major Realisations

	Cost £m	April '07 Val'n £m	Proceeds £m	Uplift over April '07 val'n £m
Central Scotland	0.5	0.6	1.4	0.8
Zenith	7.0	10.4	11.0	0.6
Practice Plan	4.0	6.3	6.6	0.3
LGV Funds	1.8	2.6	3.4	0.8
Misc	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	-
Total	<u>13.6</u>	<u>20.2</u>	<u>22.7</u>	<u>2.5</u>



Dunedin Enterprise – Ten Largest Investments

	Dunedin Enterprise Equity %	Cost of Investment £m	Directors' valuation £m	% of net assets %
SWIP Private Equity Fund of Funds II Plc	4.3	15.0	17.1	10.7
Practice Plan Group (Holdings) Limited	26.2	9.5	11.7	7.3
Capula Group Limited	35.5	8.3	9.5	5.9
CGI Group Limited	37.9	5.9	8.6	5.4
WFEL Holdings Limited	24.2	6.4	6.4	4.0
GIMV	0.6	5.0	4.8	3.0
CapMan plc	2.5	4.9	4.8	3.0
OSS Environmental Holdings Limited	49.0	6.2	4.8	3.0
Deutsche Beteiligungs AG	1.9	5.0	4.4	2.7
Gardner Group Limited	23.7	5.6	4.0	2.5
		<u>71.8</u>	<u>76.1</u>	<u>47.5</u>



Dunedin Enterprise – Valuation Methodology

Dec 2007



Apr 2007



- A Cost/written down
- B Earnings multiple
- C Sales price
- D Bid price

Dec 2007	Apr 2007
%	%
34	34
31	32
3	13
32	21
<u>100</u>	<u>100</u>



Dunedin Enterprise – Geographic Location

Dec 2007



Apr 2007



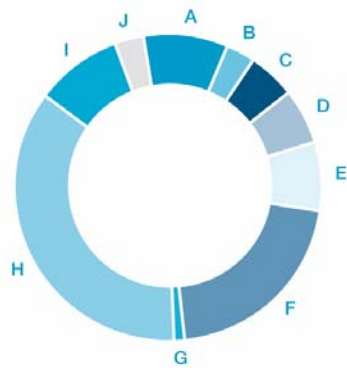
- A UK
- B Rest of Europe
- C USA
- D Rest of World

Dec 2007	Apr 2007
%	%
79	87
15	8
5	4
1	1
<u>100</u>	<u>100</u>

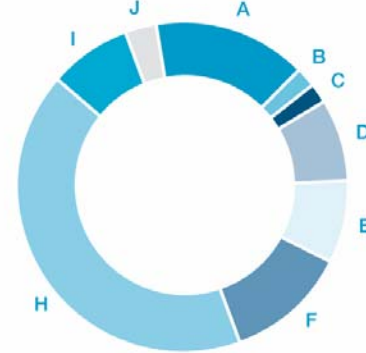


Dunedin Enterprise – Sector

Dec 2007



Apr 2007



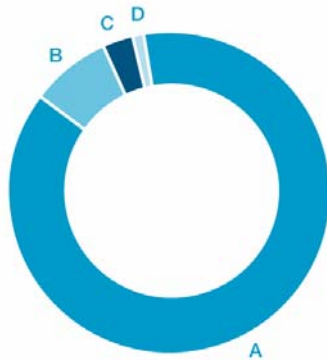
- A Construction & building materials
- B Consumer products & services
- C Financial services
- D Healthcare
- E Leisure & hotels
- F Industrials
- G Real estate
- H Support services
- I Technology
- J Pharmaceutical, medical, biotech

	Dec 2007	Apr 2007
	%	%
A	9	15
B	3	2
C	5	2
D	6	8
E	7	8
F	21	12
G	1	-
H	36	42
I	9	8
J	3	3
	<u>100</u>	<u>100</u>



Dunedin Enterprise – Deal type

Dec 2007



Apr 2007



- A Management buyouts/buyins
- B Technology*
- C Life Sciences*
- D Real estate*

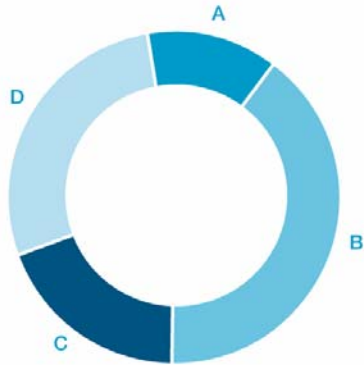
Dec 2007	Apr 2007
%	%
88	89
8	8
3	3
1	-
<u>100</u>	<u>100</u>

* Via third party managed funds



Dunedin Enterprise – Age of investment

Dec 2007



Apr 2007



- A <1 year
- B 1-3 years
- C 3-5 years
- D >5 years

Dec 2007	Apr 2007
%	%
13	21
40	40
19	11
28	28
<u>100</u>	<u>100</u>



Dunedin Enterprise – Outlook

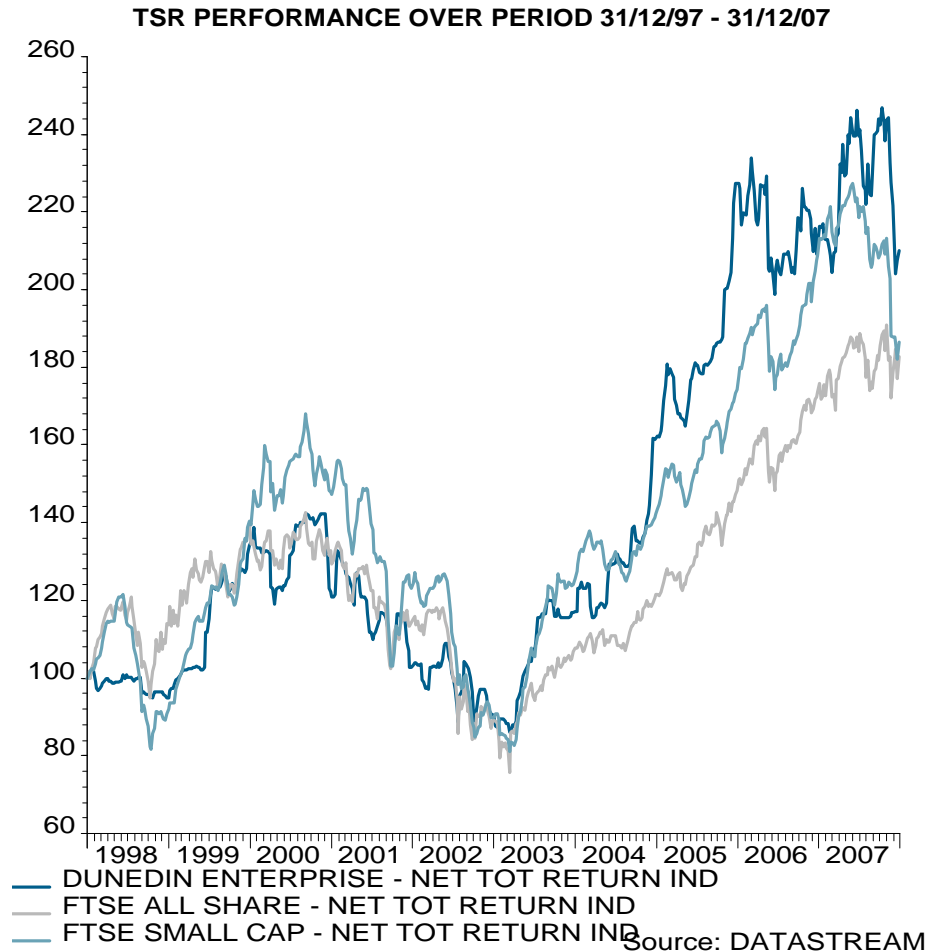
- UK market still active; dealflow holding up; deals completing
- Distortion caused by proposed CGT changes in April 2008
- Bank debt currently still available
- Diversification through investment in listed European private equity companies and SWIP fund of funds
- No exits imminent



Appendix 1



Dunedin Enterprise – Total Share Price Return over 10 Years to 31 Dec 2007





Dunedin Capital Partners – Investment Characteristics

- Strong management team
- Growth opportunities
 - Sector consolidation opportunities
 - Buy and build
 - Roll-out strategies
- Strong market position
- Strong cash flow
- Good visibility on forward order book
- Legislative drivers



Dunedin Enterprise – Valuation Policy

Direct

- In accordance with International Private Equity and Venture Capital Valuation Guidelines
- At cost until first audited accounts are received
- Thereafter on an earnings basis
 - Discount to comparable quoted p/e ratios
 - Taxed PBITA
 - Less senior debt, loan stock and preference shares
 - Further marketability discount
 - Historic audited profit
 - Forecast profit if lower
- Provisions made when company's underperformance identified

Third Party Managed Funds

- At managers' valuations
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