

Dunedin 

Dunedin Enterprise Investment Trust PLC
Interim Results to 31 October 2007



Dunedin Enterprise - Background

- Floated in 1987 as Melville Street Investments
- Private Equity Investment Trust – principal focus on mid-market buyouts
- Awarded Money Observer Magazine’s Best Private Equity Trust 2006
- Managed by Dunedin Capital Partners (“Dunedin”) – independent private equity firm
- Dunedin awarded
 - BVCA/Real Deals Private Equity House of the Year 2007
 - Unquote Small Buyout House of the Year 2006



Dunedin Enterprise – Financial Highlights

- Net assets of £167.9 million at 31 October 2007
- NAV per share up by 2.6% to 555.9p
- Total Return per share of 4.2%
- Interim dividend of 1.5p per share
- Investments during the half year of £28.4 million
- Realisations of £21.4 million in the year



Dunedin Enterprise – Main Value Changes

	£m
Net asset value at 30 April 2007	163.7
Unrealised valuation increases	11.2
Unrealised valuation decreases	(7.2)
Realised profit over opening valuation	1.8
Other movements	<u>(1.6)</u>
Net asset value at 31 October 2007	<u>167.9</u>



Dunedin Enterprise – Key Drivers

- Value increases of £11.2 million through:
 - First time uplift of Capula
 - Improved trading performance at OSS Environmental and Gardner Group
- Value decreases of £7.2 million due to reduced profitability at a number of portfolio companies including:
 - CGI
 - New Horizons
 - RSL Steeper



Dunedin Enterprise – Portfolio Valuation

	£m	%
Cost / written down	30.4	18.1
Earnings	41.7	24.8
Imminent sale	1.2	0.8
Bid price (listed)	33.9	20.2
Cash	60.4	36.0
Debtors/(Creditors)	0.3	0.1
Net Asset Value	<u>167.9</u>	<u>100.0</u>



Dunedin Enterprise – New Investments

- New investment of £28.4 million
- £2.6 million investment in Fernau
 - £16 million MBO led by Dunedin
 - Designer and manufacturer of ground based navigational aids
- £5.0 million investment in Dinamia Capital Privado
 - Spanish listed private equity company
 - MBO/MBI/development capital investments in Iberian peninsula
- Further £10.5 million investment in CapMan, DBAG and GIMV
 - Finnish, German & Belgian listed private equity companies
 - Total of £19.8 million invested in quoted European private equity stocks



Dunedin Enterprise – New Investments

- £9.3 million invested Practice Plan following the recapitalisation of the business
- £1.0 million invested in follow-on investments and limited partnership drawdowns



Dunedin Enterprise – Realisations

- Total realisations of £21.4 million
- Direct disposals of £19.0 million
- Disposals through LGV and other funds of £2.2 million
- Profit of £1.8 million over valuation at 30 April 2007, an uplift of 9%
- Redemptions of loan stock and preference shares of £0.2 million



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
LGV4	1.2	2.1	2.2	0.1
Misc	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	-
Total	<u>12.9</u>	<u>19.6</u>	<u>21.4</u>	<u>1.8</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	5.9	15.0	15.7	9.3
Practice Plan Group (Holdings) Limited	26.2	9.5	15.2	9.1
CGI Group Limited	37.9	5.9	11.8	7.0
Capula Group Limited	35.5	8.3	9.5	5.7
WFEL Holdings Limited	24.2	6.4	6.4	3.8
CapMan plc	2.5	4.9	4.9	2.9
OSS Environmental Holdings Limited	49.0	6.2	4.8	2.8
GIMV	0.6	5.0	4.7	2.8
Deutsche Beteiligungs AG	1.8	5.0	4.6	2.8
ABI (UK) Group Limited	21.1	0.2	4.3	2.5
		<u>66.4</u>	<u>81.9</u>	<u>48.7</u>



Dunedin Enterprise – Net Assets by Category of Investment

Oct 2007



Apr 2007



- A Direct
- B Via Dunedin managed funds
- C Via third party managed funds
- D Cash

Oct 2007	Apr 2007
%	%
29	31
10	9
25	17
36	43
<u>100</u>	<u>100</u>



Dunedin Enterprise – Valuation Methodology

Oct 2007



Apr 2007



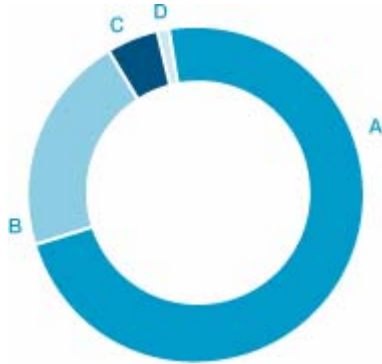
- A Cost
- B Earnings multiple
- C Imminent sale
- D Bid price

Oct 2007	Apr 2007
%	%
28	34
39	32
1	13
32	21
<u>100</u>	<u>100</u>



Dunedin Enterprise – Geographic Location

Oct 2007



Apr 2007



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

Oct 2007	Apr 2007
%	%
78	87
16	8
5	4
1	1
<u>100</u>	<u>100</u>



Dunedin Enterprise – Sector

Oct 2007



Apr 2007



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

	Oct 2007	Apr 2007
	%	%
A	12	15
B	3	2
C	1	2
D	5	8
E	9	8
F	19	12
G	3	3
H	1	-
I	39	42
J	8	8
	<u>100</u>	<u>100</u>



Dunedin Enterprise – Deal type

Oct 2007



Apr 2007



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

Oct 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

Oct 2007



Apr 2007



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

Oct 2007	Apr 2007
%	%
12	21
39	40
18	11
31	28
<u>100</u>	<u>100</u>



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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Dunedin Enterprise – Outlook

- Market still active; dealflow holding up; deals completing
- UK market very competitive
- Bank debt currently still available
- Diversification through investment in listed European private equity companies and SWIP fund of funds
- A new investment imminent
- No exits imminent
- Company year end changing to 31 December



Appendix 1



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