



Dunedin Enterprise Investment Trust PLC

Annual General Meeting, 13 May 2015

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Introduction

New investments

- EV Offshore
- Blackrock PM

Performance

MBO market

- Outlook
- Exits



Investment rationale

- A global leader in its field
- Technological competitive advantage around imaging (only camera that can produce full colour images inside of an oil well) and operating conditions (can operate under the extremes of heat, pressure and visibility)
- Good reputation with its customers

Transaction summary

- Activity:** Provider of high performance, ruggedised video cameras and engineers that are used to analyse problems in oil and gas wells
- Date:** June 2014
- Type:** Secondary buyout
- Sector:** Business Services
- Deal size:** £65m

Transaction structure

- £5.9m investment from Dunedin Enterprise
- Dunedin shareholding 54.5%



EV offers a highly specialist service, providing skilled engineers to operate its cameras in the harshest of down-hole conditions. The high quality video and still images produced by EV's cameras allow oil and gas well operators to quickly identify problems and design appropriate solutions. This rapid identification of problems saves operators many millions of dollars a year.

EV has a strong exporting record: it started to export just three years ago and some 85% of its revenues are currently generated overseas.

Financials

- Year to 31 March 2014:- Turnover £19.6m
EBITDA £6.8m
- Valuation 9.5x EBITDA and 11.2x EBITA



Investment rationale

- Blackrock PM is the global market leading construction independent expert witness business with an exceptionally strong management team
- Blackrock PM has a high level of repeat appointment

Transaction summary

- Activity:** A professional services firm that provides independent expert witness and construction consulting services for large, international construction projects
- Date:** March 2015
- Type:** Primary buyout
- Sector:** Business Services
- Deal size:** n/d

Transaction structure

- £5m investment from Dunedin Enterprise
- Dunedin shareholding 36%



Blackrock PM has a strong pipeline of high profile contracts and is currently advising on over \$4 billion of construction disputes. The company has advised on many high profile projects in London and globally including Burj Khalifa (the world's tallest building), the Shard, Blackfriar's Bridge, Heathrow Airport and the East London Line.

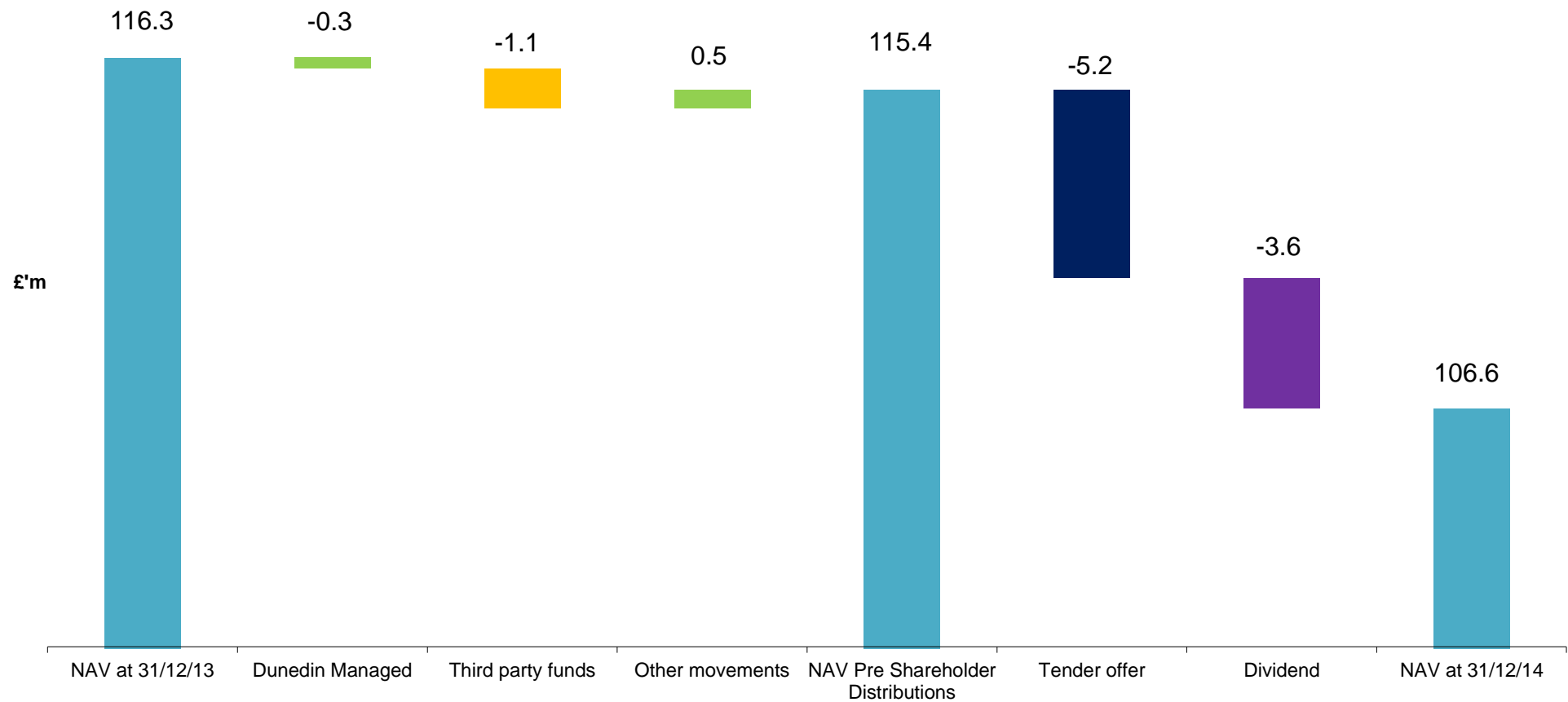
World construction continues to grow and the complexity of the projects will lead to greater propensity for issues to arise and litigation to follow

Financials

- Year to 31 October 2013:- Turnover £7.4m
EBITDA £4.0m
- Valuation: based on cost

Performance

NAV performance attribution



Performance

Portfolio valuation movements

Company	Reason for movement	£m change
Weldex	Strong maintainable earnings growth	4.0
CitySprint	Organic earnings growth and acquisitions	3.0
Enrich	Recovery of funds from vendor	1.7
EV	Earnings based valuation	1.4
Kee Safety	Earnings based valuation	1.1
Hawksford	Reduced earnings / multiple and increased senior debt	(0.5)
European funds	Underperformance at electrical engineering contractor	(1.1)
U-POL	Reduced earnings and multiple	(1.4)
Trustmarque	Accounting issues leading to realisation	(2.7)
Red	Lower Consultancy and Permanent division earnings	(5.9)
Other		(1.0)
		(1.4)

Performance

Assets by type and cash

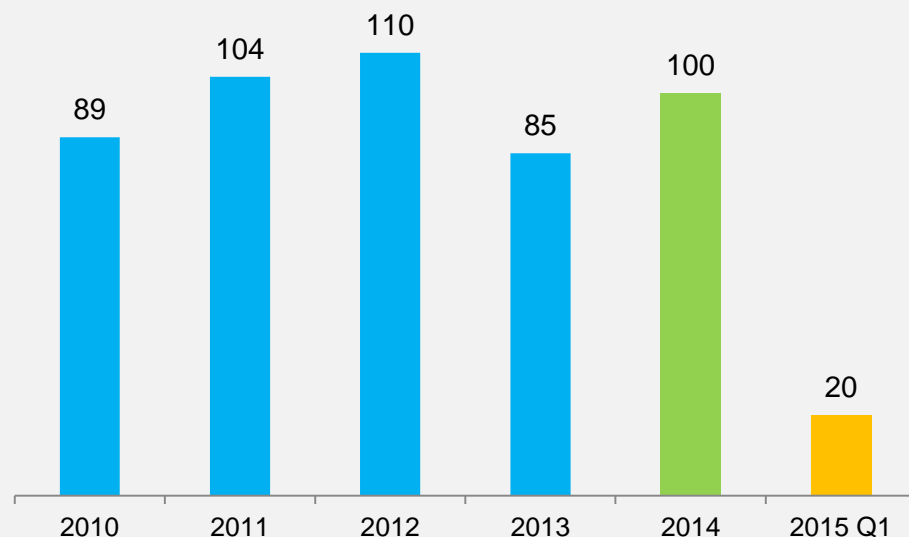
31 December	2011	2012	2013	2014
	£m	£m	£m	£m
Dunedin managed	103.9	76.5	75.1	84.0
Europe	34.3	24.9	12.9*	12.7
Other	1.5	0.8	0.7	0.5
Cash	23.5	33.9	27.9	9.4
	163.2	136.1	116.6	106.6

* FSN and Egeria sold for £17.3m in 2013

A tender offer was approved by shareholders in May 2014 for 5% of the issued share capital at a price of 475p per share, representing a 10.3% discount to the net asset value per share as at the 31 December 2013. Under the tender offer, £5.2m was returned to shareholders.

A total of £44.3m has now been returned to shareholders since the introduction of the distribution policy in November 2011.

UK buyouts by volume (Deals £10m to £100m)



Outlook:

- Strong end to the year in 2014, 2015 has started slightly slower
- New investments are tough but Dunedin is focussed on origination - good pipeline of self originated opportunities
- Pricing on larger and better quality assets is rising
- DBF III is well invested

Exits:

- Good climate for exits
- 2014 was record year for exits
- Trade sales and secondary exits strong

Two exciting new investments in the past year

Some frustrations in 2014

Market for exits is strong

Interesting pipeline of origination targets for H2 2015

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