

Interim Management Statement

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Dunedin Enterprise Inv Trust PLC

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Dunedin Enterprise Investment Trust PLC (Company No SC52844) - Interim Management Statement

Dunedin Enterprise Investment Trust PLC ("Dunedin Enterprise") presents its Interim Management Statement for the period ended 30 September 2013. This is the Company's second interim management statement for the financial year to 31 December 2013, as required by the FCA Disclosure and Transparency Rule 4.3.

1. Unaudited net asset value per share

The unaudited net asset value per share at 30 September 2013 was 531.9p. This represents a decrease of 0.6% from the level at 30 June 2013.

2. Share price and discount

The share price has increased by 0.5% from 418p to 420p in the quarter to 30 September 2013. This compares to an increase in the FTSE Small Cap Index of 15.5% over the same period.

Based upon the net asset value per share of 531.9p, the discount of the share price to the net asset value per share has decreased from 21.9% to 21.0% in the quarter. When cash is excluded from net assets then the discount increases to 26.8%.

The share price as at 7 November 2013 was 416p which represents a discount to net asset value per share at 30 September 2013 of 21.8%.

3. Balance Sheet

The unaudited balance sheet as at 30 September 2013 is noted below:-

	£'m
Investments:-	
Dunedin managed	84.0
Third party managed	11.9
Legacy technology funds	0.7
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	96.6
Cash and near cash	26.3
Other assets and liabilities	0.1
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Total net assets	123.0
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Net asset value per share (p)	531.9

4. Net asset value movements

The portfolio of investments has been re-valued at 30 September 2013. The decrease in net asset value in the quarter can be attributed to:-

- an increase in the value of Dunedin managed investments totalling £0.6m. Valuation uplifts at CitySprint (£0.5m) UPOL (£0.4m), Red Commerce (£0.4m) and Hawksford (£0.3m) are as a result of increases in maintainable earnings and a reduction in net external debt. These have been offset by higher net external debt impacting the valuation of Formaplex (£0.3m) and a lower level of maintainable earnings impacting the valuation of Premier Hytemp (£0.1m). Other portfolio valuation movements and management fees payable to Dunedin managed funds accounted for a further reduction of £0.6m,
- a decrease in the valuation of European fund investments totalling £1.0m. The majority of the reduction in valuation is attributed to a portfolio company within Innova 5 where the manager has applied a lower valuation multiple, and
- other movements giving rise to a reduction of £0.3m.

5. Cash and Commitments

The Trust had cash and near cash balances of £26.3m at 30 September 2013. Following the completion of the Practice Plan sale the Trust received proceeds of £14.9m. After taking account of the return of £5.5m to shareholders on 22 October 2013 via a Tender Offer the Trust's cash and near cash balances stood at £35.7m. The Trust has a revolving credit facility of £20m available until 31 August 2014.

As at 30 September 2013 the Company has outstanding capital commitments to limited partnership funds of £84.0m of which it is forecast that approximately £60m will be drawn over the next four years.

6. Tender Offer

On 24 September 2013 the Trust announced a Tender Offer for 1,156,153 shares at 475p per share (a discount of 11.2% to the net asset value at 30 June 2013). This equates to £5.5m being returned to shareholders and brings the total returned to shareholders via tender offers

since the new distribution policy was introduced by the Company to £39.1m. Shareholders approved the Tender Offer on 17 October 2013 and proceeds were paid to shareholders.

7. Outlook

There are indications that the UK economy is improving which is expected to lead to greater M&A activity and could be helpful to the trading activity of our portfolio companies.

For further information on Dunedin Enterprise please go to www.dunedinenterprise.com

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