

Wednesday 14 May 2014

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 31 March 2014. This is the Company's first interim management statement for the financial year to 31 December 2014, 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 31 March 2014 was 532.3p. This represents an increase of 0.6% from the level at 31 December 2013.

2. Share price

The share price has decreased by 5.0% from 436p to 414p in the quarter to 31 March 2014. This compares to an increase in the FTSE Small Cap Index of 1.7% over the same period.

3. Balance Sheet

The unaudited balance sheet as at 31 March 2014 is noted below:-

	£'m
Investments:-	
Dunedin managed	77.5
Third party managed	<u>13.2</u>
	90.7
Cash and near cash	26.4
Other assets and liabilities	<u>(0.2)</u>
Total net assets	<u><u>116.9</u></u>
Net asset value per share (p)	<u><u>532.3</u></u>

4. Net asset value movements

The portfolio of investments has been re-valued at 31 March 2014. The increase in net asset value in the quarter can be attributed to:

- an increase in the value of Dunedin managed investments totalling £0.6m. There have been valuation uplifts at Enrich (£1.8m) due to the recognition of exit proceeds and at CitySprint (£0.5m) following a reduction in net external debt. These have been offset by a reduction in the valuation of Red Commerce due to a lower level of fee income and net margins,

- there have been no other material movements.

5. Cash and Commitments

The Company had cash and near cash balances of £26.4m at 31 March 2014. After taking account of the return of £5.2m to shareholders due to be undertaken in May 2014 and a final dividend of £3.6m, both subject to approval by shareholders at the Annual General Meeting on 13 May 2013, cash balances will stand at £17.6m. The Trust has a revolving credit facility of £20m available until 27 February 2017.

As at 31 March 2014 the Company has outstanding capital commitments to limited partnership funds of £75.2m of which it is forecast that approximately £54m will be drawn over the next four years.

6. Tender Offer & Dividends

Shareholders will vote on resolutions for a tender offer and final dividend at the Annual General Meeting today.

If approved by shareholders, the tender offer is for 5% of the Company's issued share capital at a price of 475p per share. This equates to a return of £5.2m to shareholders and will be paid on 20 May 2014.

A final dividend of 16.5p per share is proposed for payment on 23 May 2014.

Together with £39.1m previously distributed via tender offers plus dividends of £7.4m paid since the Company introduced a Distribution Policy in November 2011, the Trust will have distributed a total of £55.3m to shareholders.

7. Adjusted Unaudited net asset value per share, share price and discount

Adjusting only for the payment of the dividend and the tender offer the net asset value per share would be 517.5p. Based upon this adjusted net asset value per share of 517.5p the discount of the share price of 420.75p at 13 May 2014 to the adjusted net asset value per share is 18.7%. When cash is excluded from net assets then the discount increases to 22.3%.

8. Outlook

There are signs that the UK economic environment is continuing to improve with GDP growth in the first quarter of 2014 at 0.8%. This will reinforce the prospects for growth at portfolio companies. The prospects for new investment in 2014 are stronger in the second half of the year.

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