

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 2011. This is the Company's second interim management statement for the financial year to 31 December 2011, as required by the FSA Disclosure and Transparency Rule 4.3.

1. Unaudited net asset value per share

The unaudited net asset value per share at 30 September 2011 was 531.7p. This represents an increase of 1.3% from the level at 30 June 2011.

2. Share price and discount

The share price has decreased by 23.6% from 363p to 277.3p in the quarter to 30 September 2011. This compares to a decrease in the FTSE Small Cap Index of 14.9% over the same period.

Based upon the net asset value per share of 531.7p, the discount of the share price to the net asset value per share has increased from 30.9% to 47.9% in the quarter. This increase reflects a widening of discounts across the private equity investment trust sector. When cash is excluded from net assets then the discount increases to 55.2%.

3. Proposals from the Board

On 1 November 2011, the Board issued proposals for a change in the Company's investment policy, the introduction of a distribution policy and cancellation of the Company's share premium account. These proposals reflect the Board's concern regarding the discount at which the shares in the Company have been trading relative to their net asset value and the poor liquidity in the market for the shares. The Board undertook a strategic review of the Company and, as part of that review, consulted a number of the largest shareholders. The Board believe the proposals to be in the best interests of the Company and the shareholders as a whole and unanimously recommend that shareholders vote in favour of the Resolutions at the General Meeting to be held on Monday 28 November 2011 at 12 noon at the offices of Dunedin Capital Partners Limited at Dukes Court, 32 Dukes Court, St James's, London SW1Y 6DF.

4. Balance Sheet

The balance sheet as at 30 September 2011 is noted below:-

	£'m
Investments:-	
Dunedin managed	103.6
Third party managed	18.2
Listed private equity	16.1
Legacy technology funds	<u>1.8</u>
	139.7
Cash and near cash	21.2
Other assets and liabilities	<u>(0.5)</u>
Total net assets	<u>160.4</u>
Net asset value per share (p)	531.7

5. Net asset value movements

The portfolio of investments has been re-valued at 30 September 2011. The increase in net asset value in the quarter can be attributed to:-

- an increase in the value of Dunedin managed investments of £2.1m. This was principally due to valuation uplifts at Capula, WFEL and Practice Plan where a combination of stronger maintainable earnings and reduced net debt have led to valuation increases,
- within the European funds there was a net reduction in value of £0.4m principally due to exchange movements,
- an increase in the value of the SWIP Private Equity Fund of Funds II PLC from €0.82 per share to €0.84 per share was offset by exchange movements leading to a reduction in value of £0.2m,
- in the quarter the Trust recovered £1.3m of VAT and interest charged on management fees from HMRC, and
- other movements of -£0.8m.

Included within the net assets value movements noted above are exchange movements totalling -£1.2m.

6. Banking Facilities

The Company entered into a one year £10m revolving credit facility on 1 September 2011 with Lloyds Bank.

7. Commitments

As at 30 September 2011 the Company has outstanding capital commitments to limited partnership funds of £63.2m, of which £20m is unlikely to be called down. The Trust has cash and near cash balances of £21.2m at 30 September 2011.

8. Financial Adviser and Corporate Broker

With effect from 1 November 2011, Canaccord Genuity Limited was appointed the Company's financial adviser and corporate broker.

9. Outlook

The market remains very competitive but the outlook for portfolio add-ons is encouraging.

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

This information is provided by RNS
The company news service from the London Stock Exchange

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