

Dunedin Capital Partners

Funds Programme - Survey
May 2010

Dunedin 

Thankyou to all who participated



Dunedin

The Survey - 2010



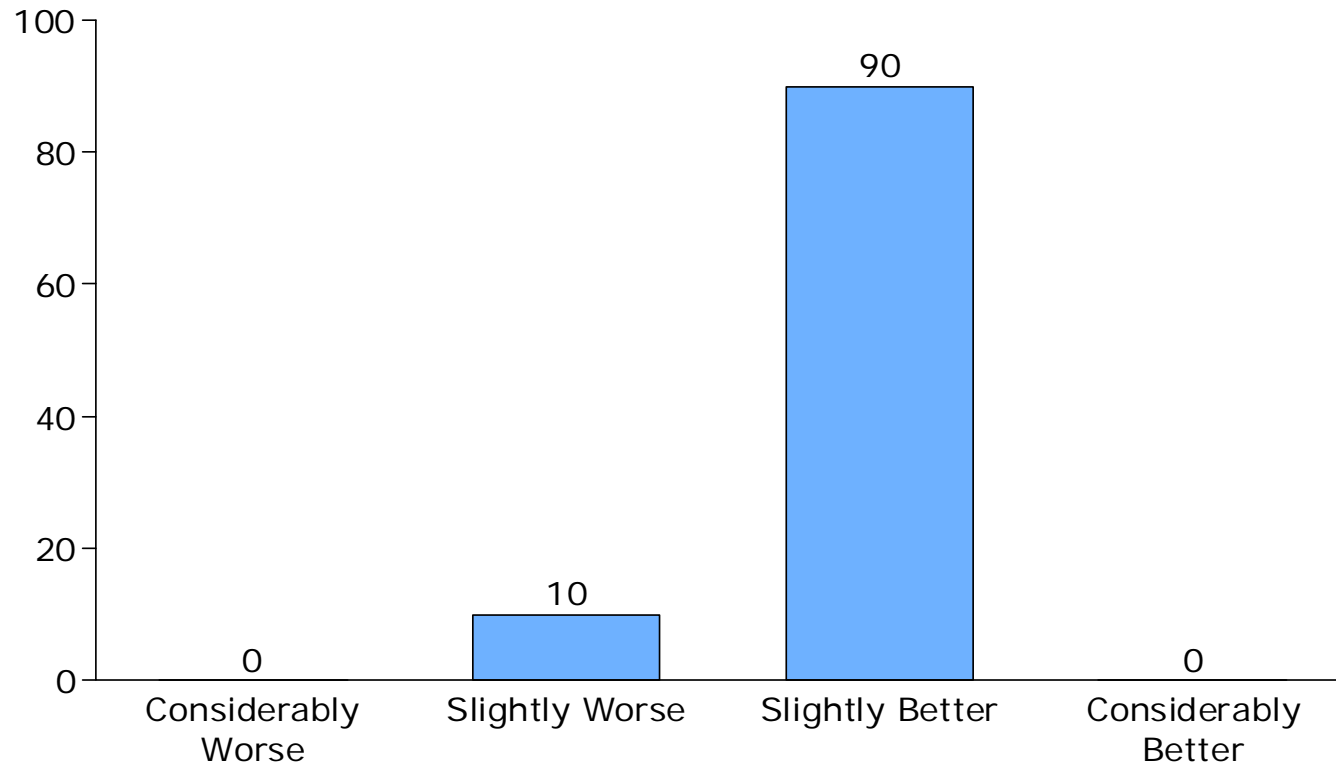
- We surveyed 9 funds ranging in size from ~€175m to ~€400m
- We asked each of the participants to complete a short survey covering: -
 - Economic Conditions
 - Competitive Environment
 - Dealflow
 - Debt Markets
 - Portfolio
 - LPs and Fundraising

Dunedin Fund Programme: Economic Conditions



“How would you assess the economic environment in your country currently as compared to at the end of 2009?”

% of respondents

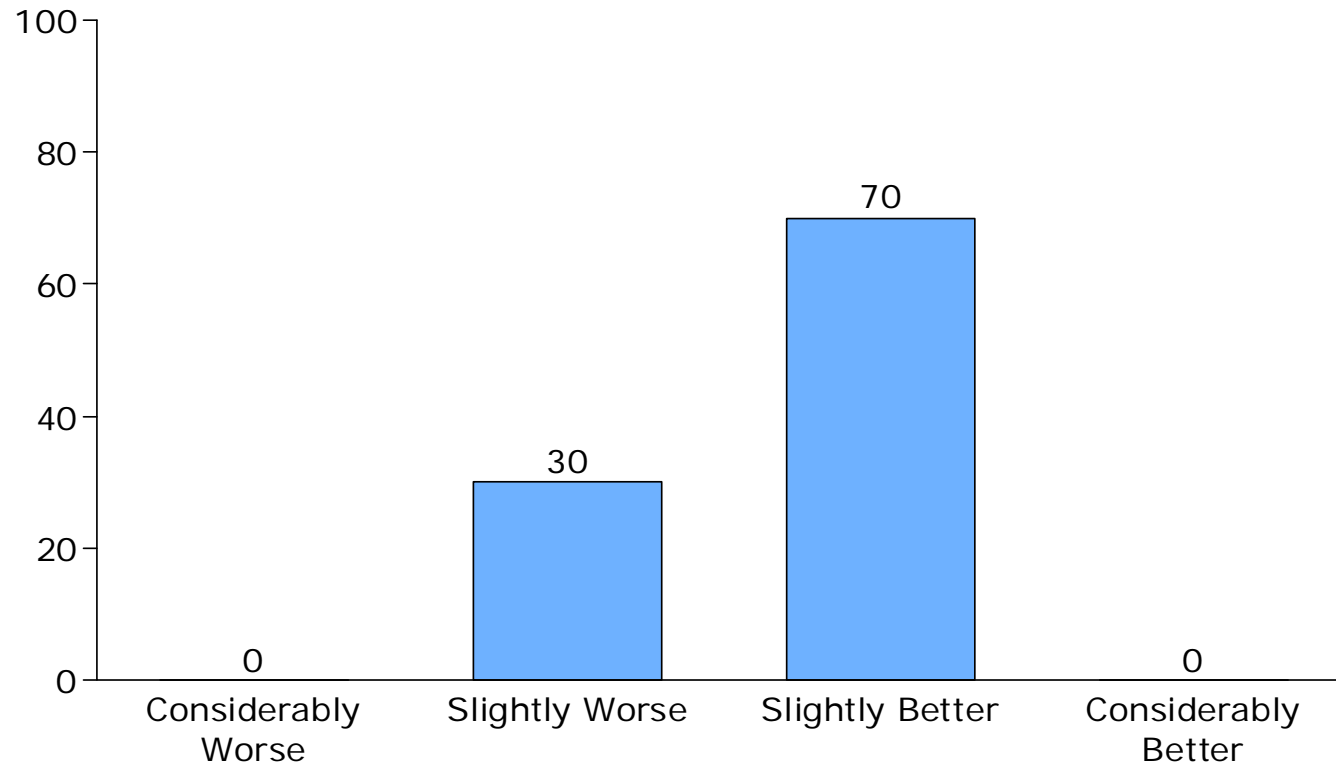


Dunedin Fund Programme: Economic Conditions



“In your opinion, how do you expect economic conditions to be at the end of 2010 as compared to how you see them today?”

% of respondents

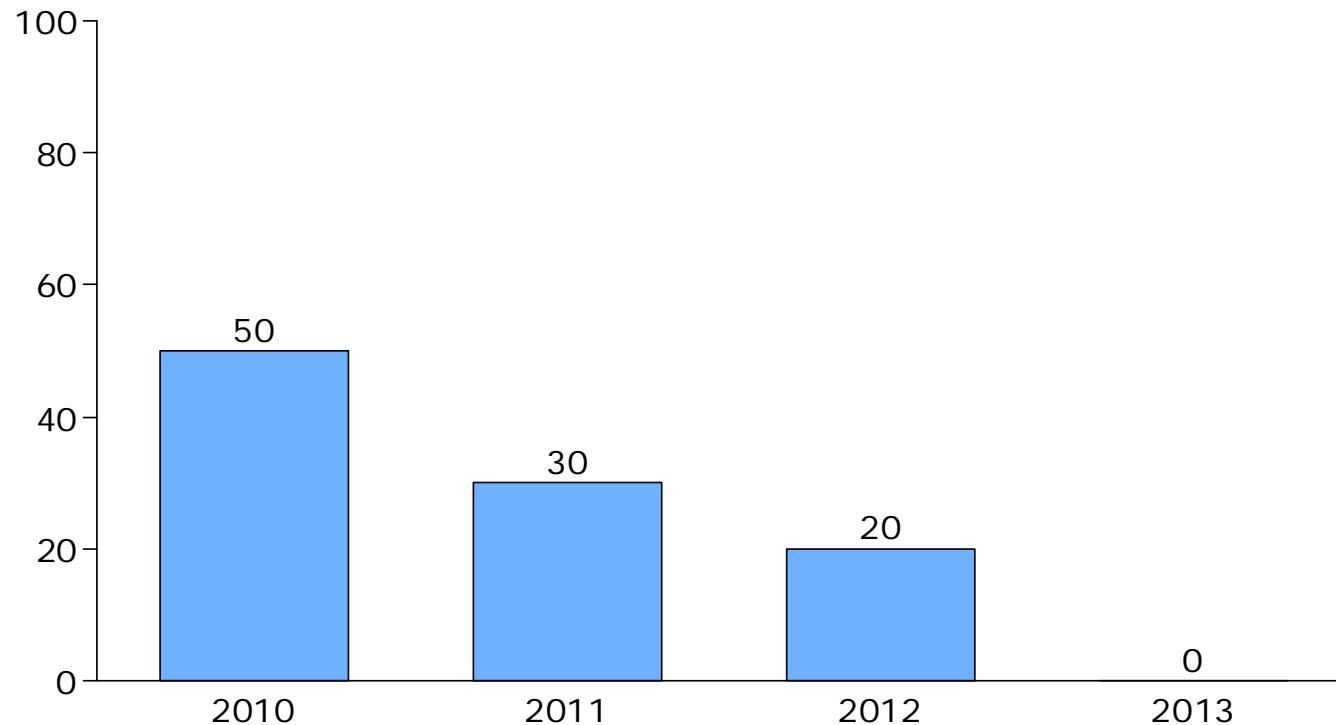


Dunedin Fund Programme: Economic Conditions



“In which year do you expect the economy in your main area of focus to return to positive growth?”

% of respondents

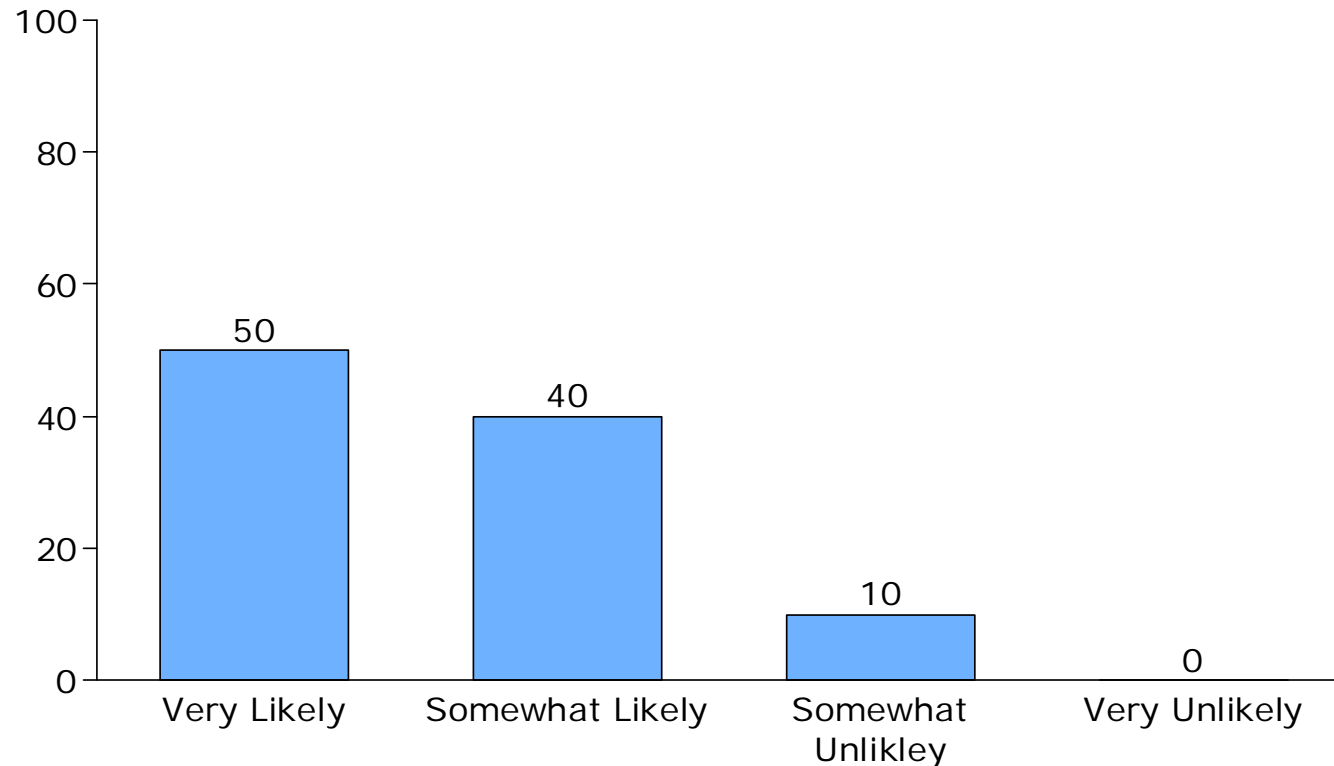


Dunedin Fund Programme: Competitive Environment



”Do you think there will be major changes to the Private Equity landscape in your home market as a result of the current crisis (e.g.,

some GPs winding up / larger GPs trying to complete smaller deals)?”

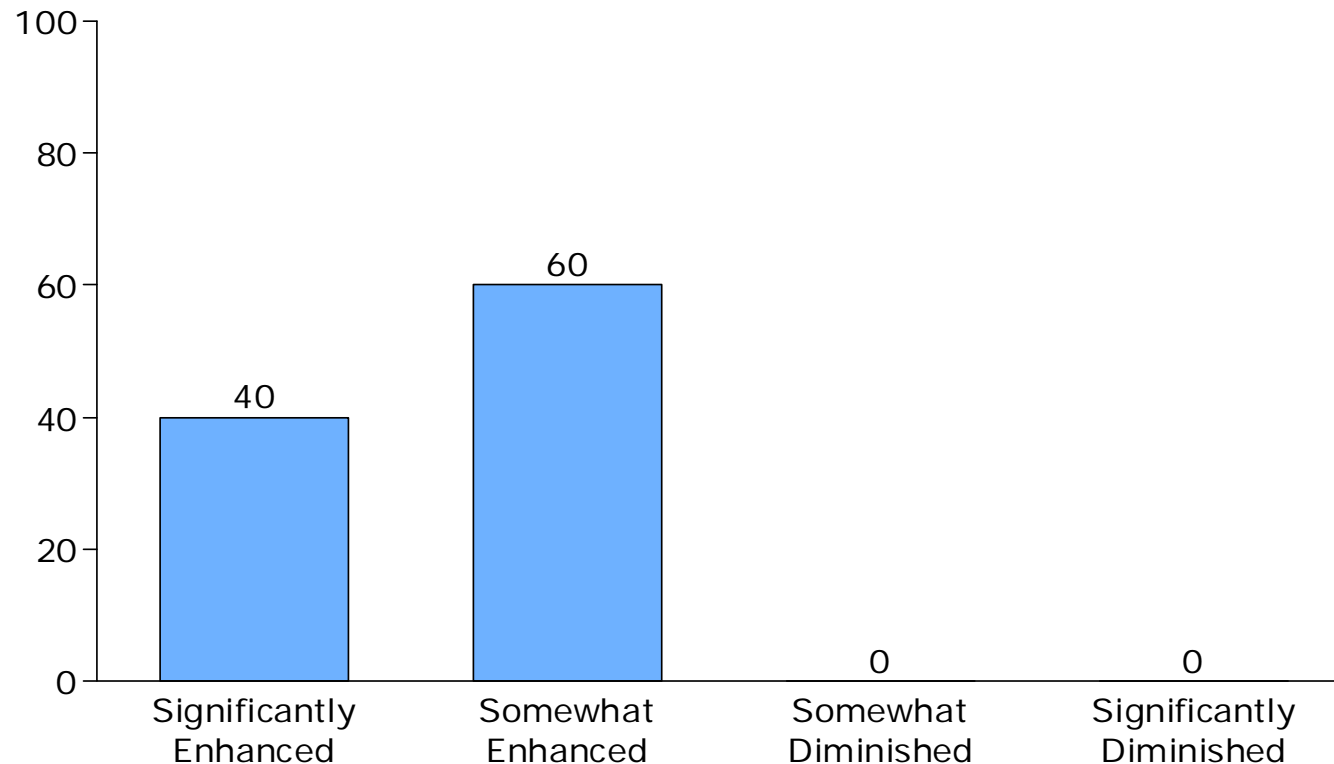


Dunedin Fund Programme: Competitive Environment



” Competitive Environment: How do you think the competitive franchise of your own business (your GP) will fare as a result of the current crisis?”

% of respondents

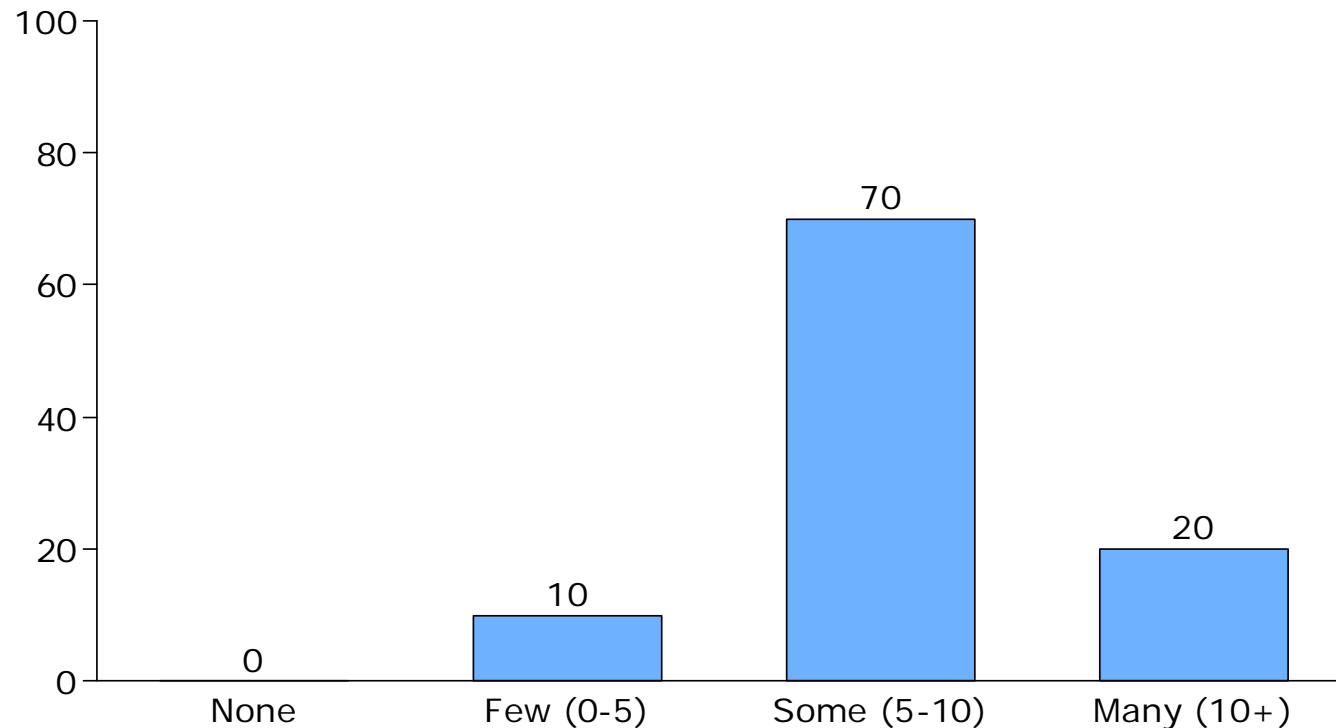


Dunedin Fund Programme: Dealflow



“How would you describe the volume of transaction opportunities you are currently seeing in your home market?”

% of respondents

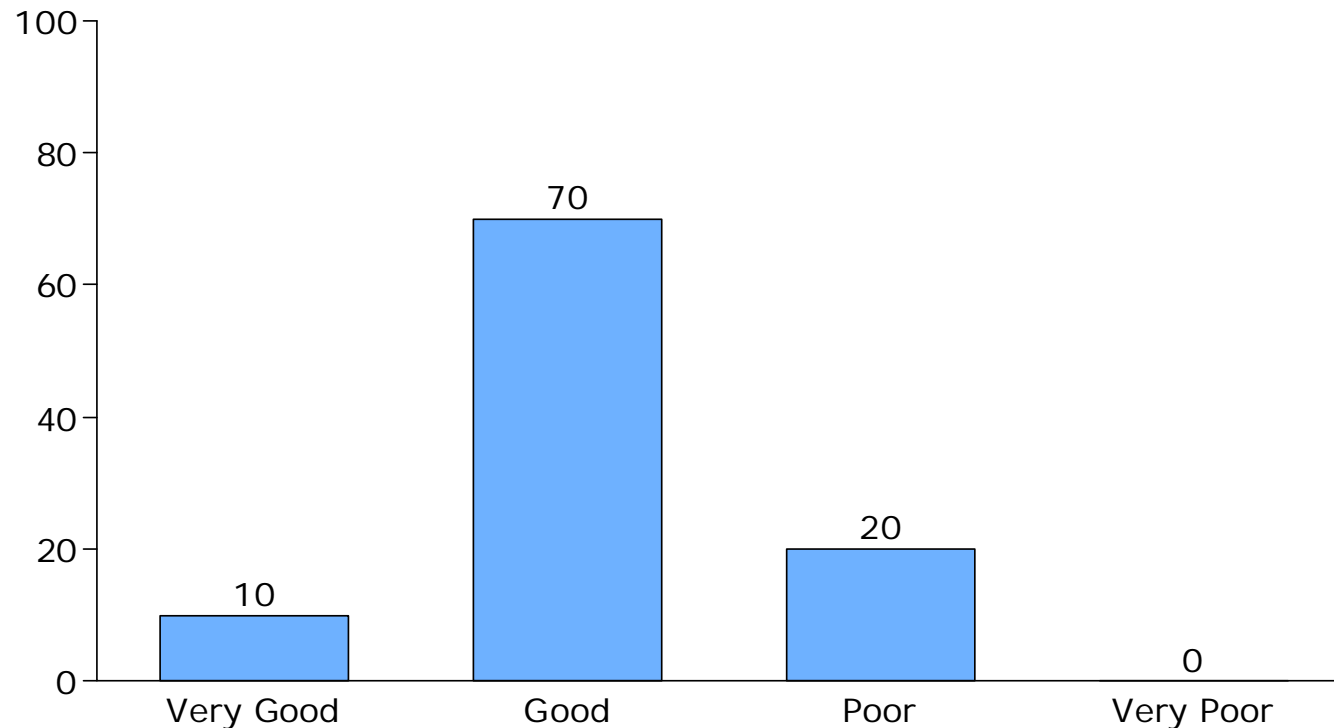


Dunedin Fund Programme: Dealflow



“How would you describe the quality of the assets you currently see for sale in your home market?”

% of respondents



Dunedin Fund Programme: Dealflow



“Given the market conditions that persist in your home market today, how would you characterise your market?”

% of respondents

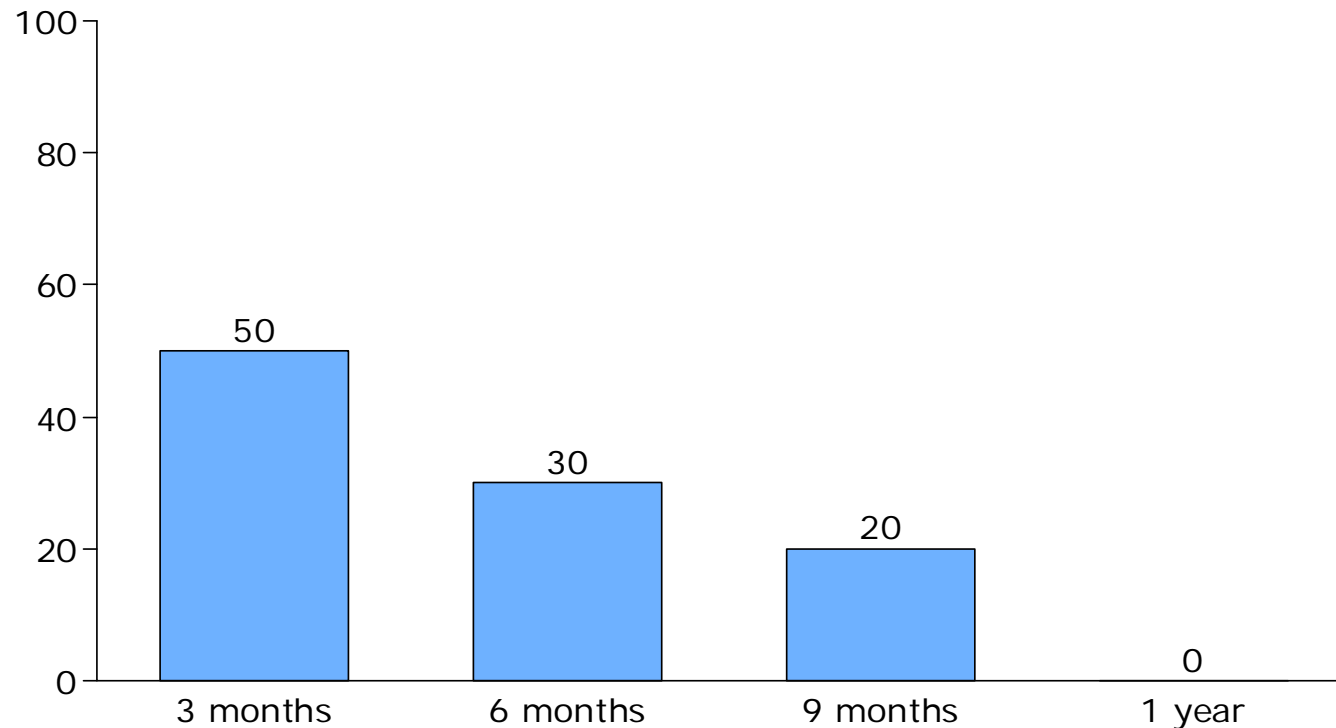


Dunedin Fund Programme: Dealflow



“When do you think you will do your next deal?”

% of respondents

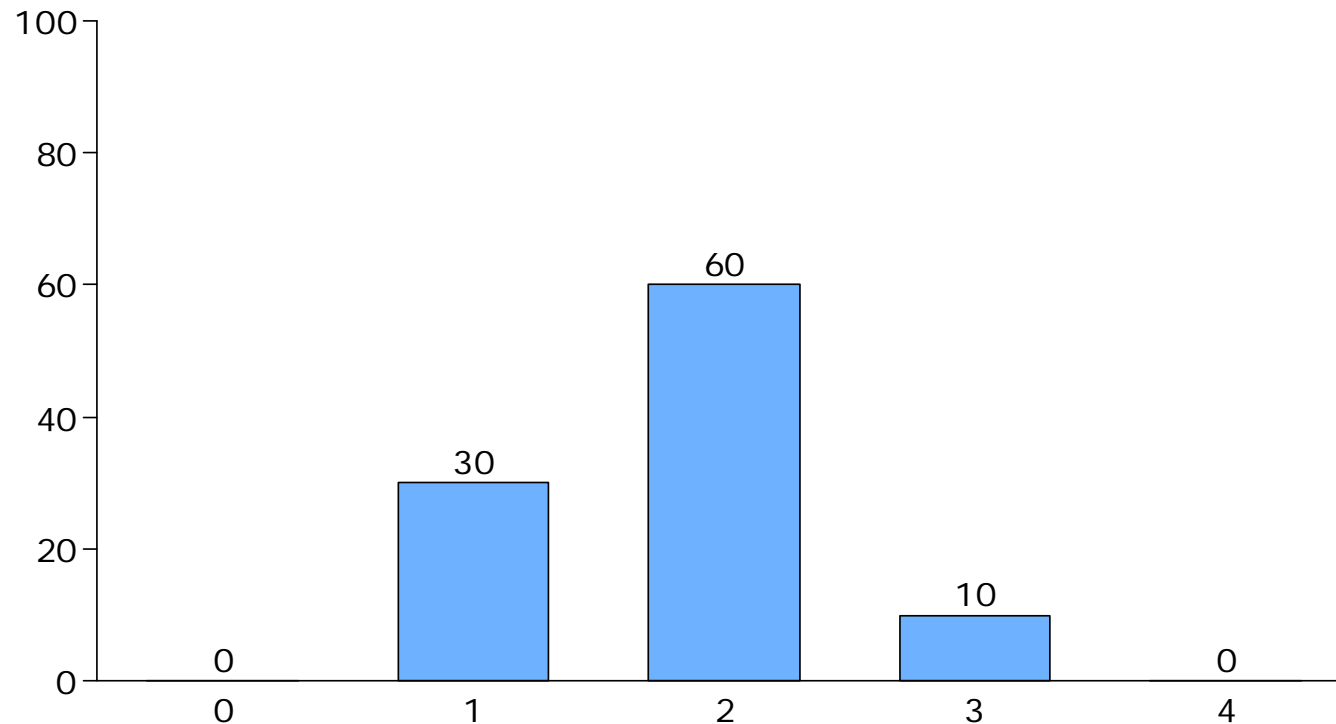


Dunedin Fund Programme: Dealflow



“How many deals do you think you will complete in the next 12 months?”

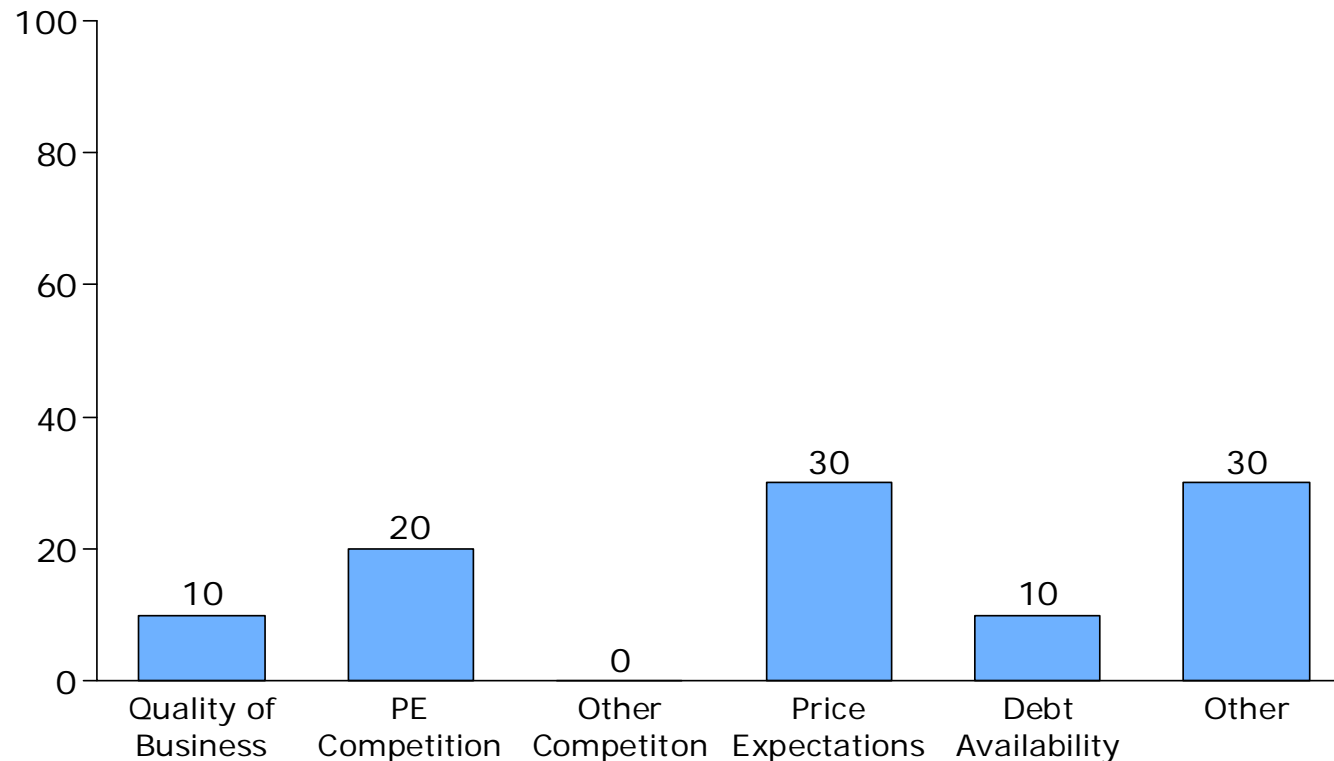
% of respondents



Dunedin Fund Programme: Dealflow



“What is the biggest challenge you feel you face in completing deals at this time?”
% of respondents

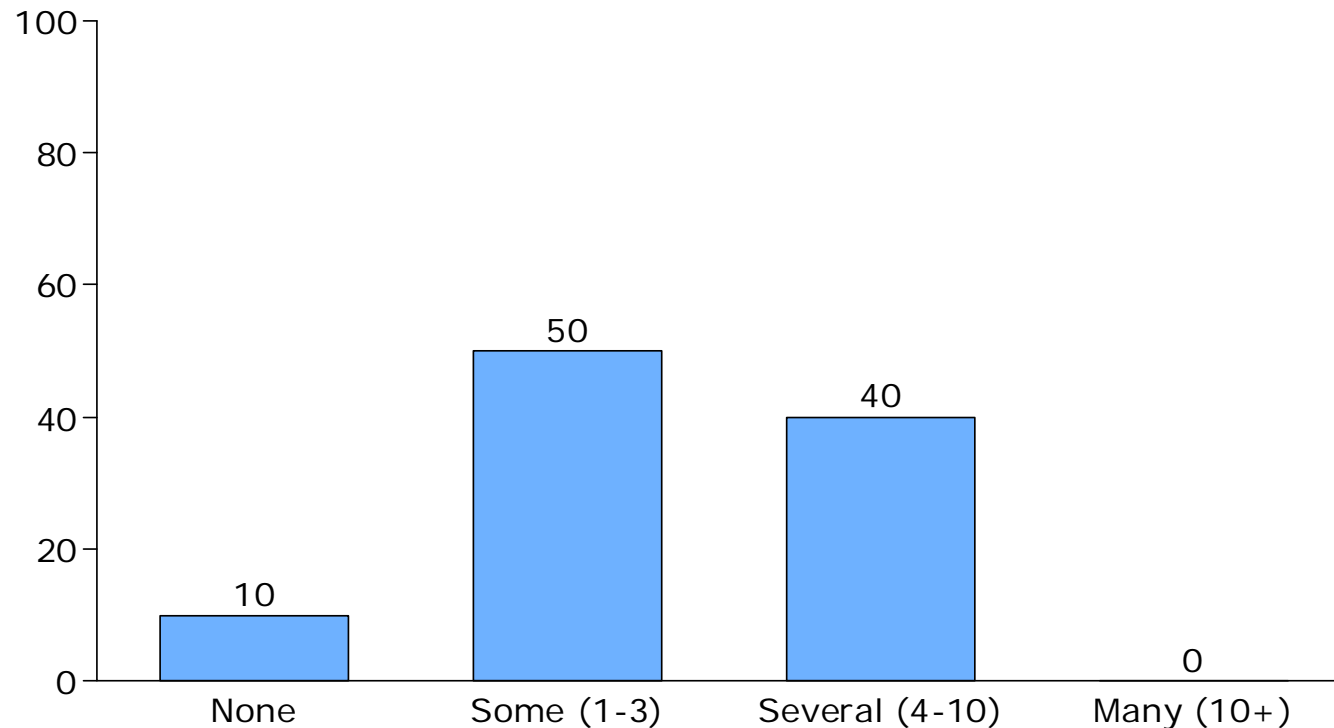


Dunedin Fund Programme: Debt Markets



“How many Banks are genuinely open for business in your home market at this time?”

% of respondents



Dunedin Fund Programme: Debt Markets



“What's the maximum amount of leverage (in a vanilla structure) you think you can get from any specific bank in your home market at this time?”

% of respondents

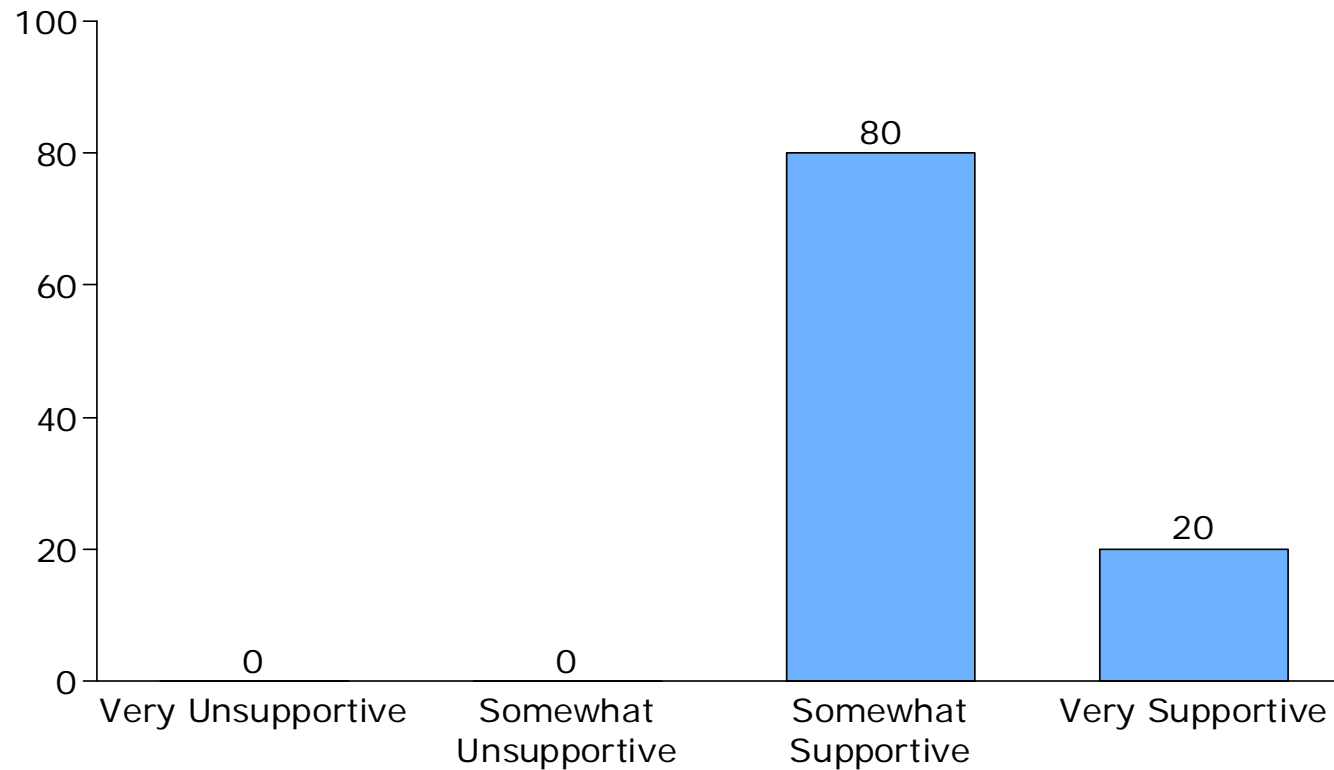


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“How would you describe the attitude of the Banks you currently work with to problems within portfolio companies?”

% of respondents

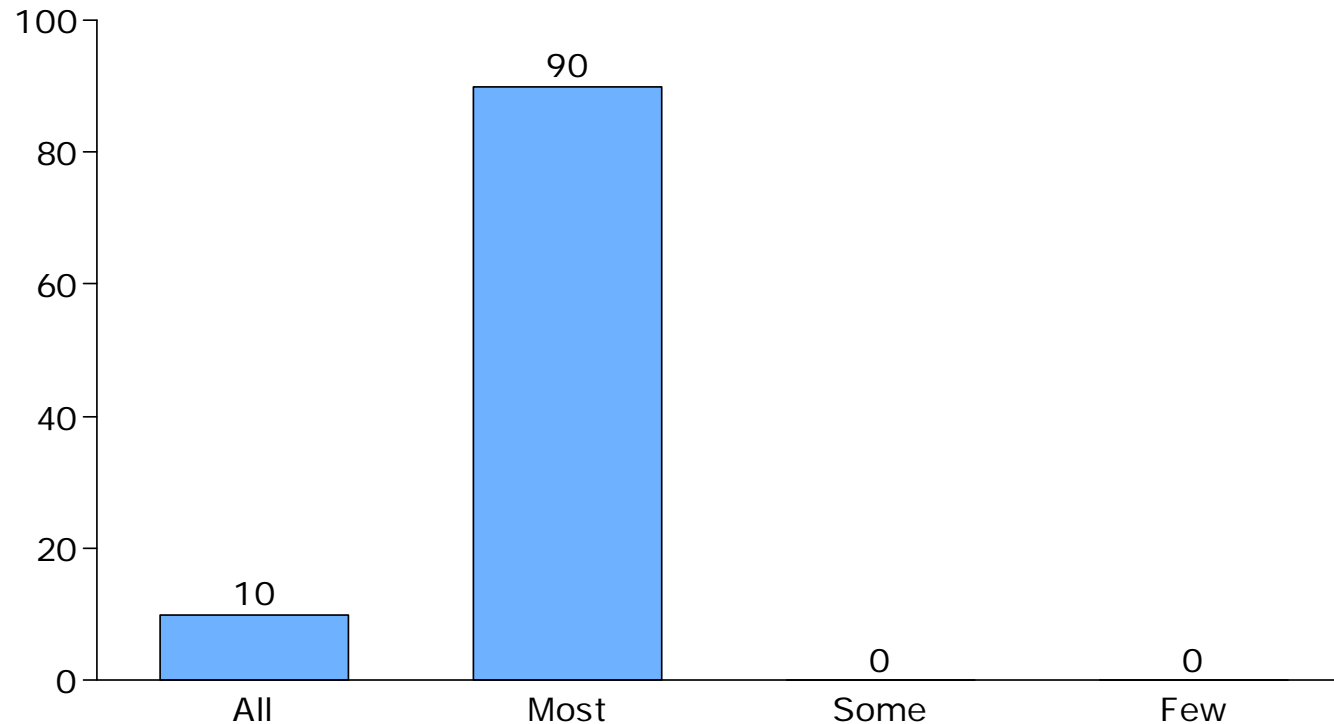


Dunedin Fund Programme: Portfolio



“How many of your current portfolio companies do you think will actually make their ‘10 EBITDA budget?’”

% of respondents

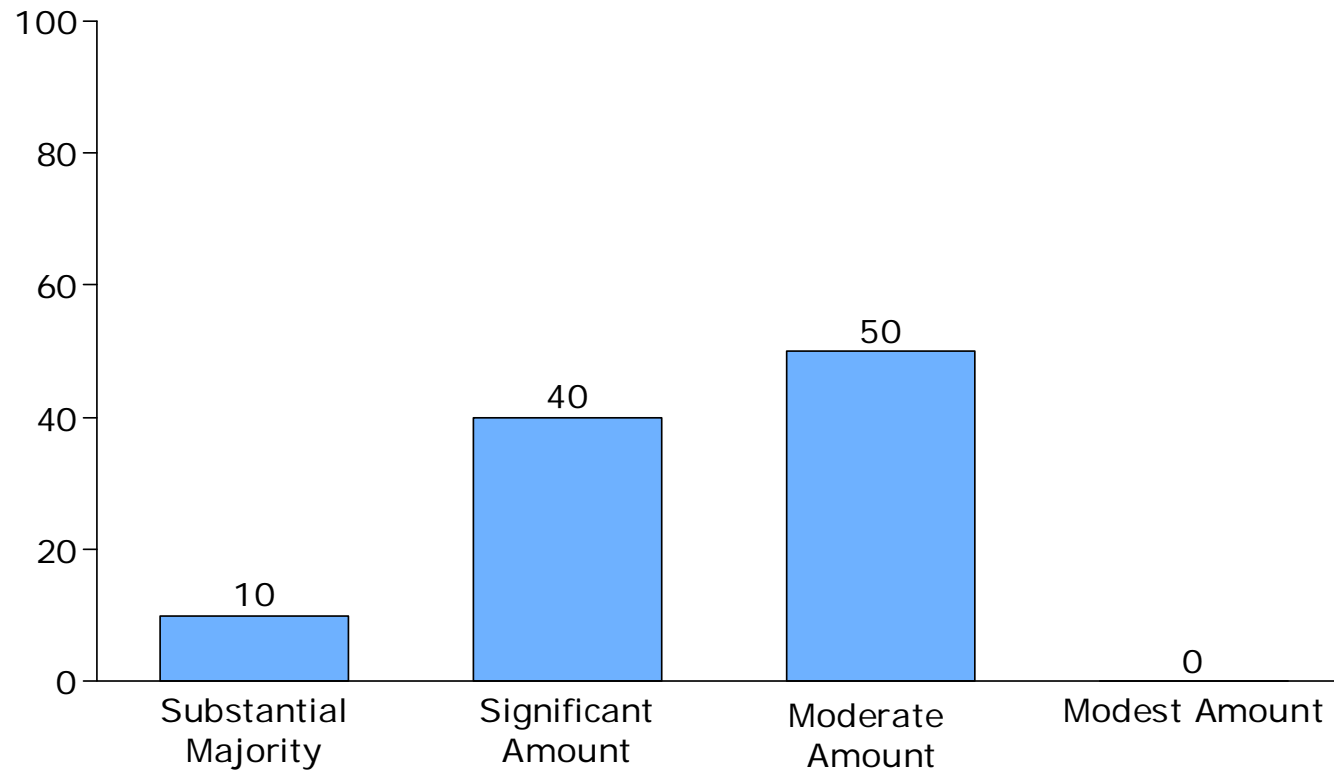


Dunedin Fund Programme: Portfolio



“How much of your team's total available bandwidth do you think will be dedicated to portfolio management over the next year?”

% of respondents

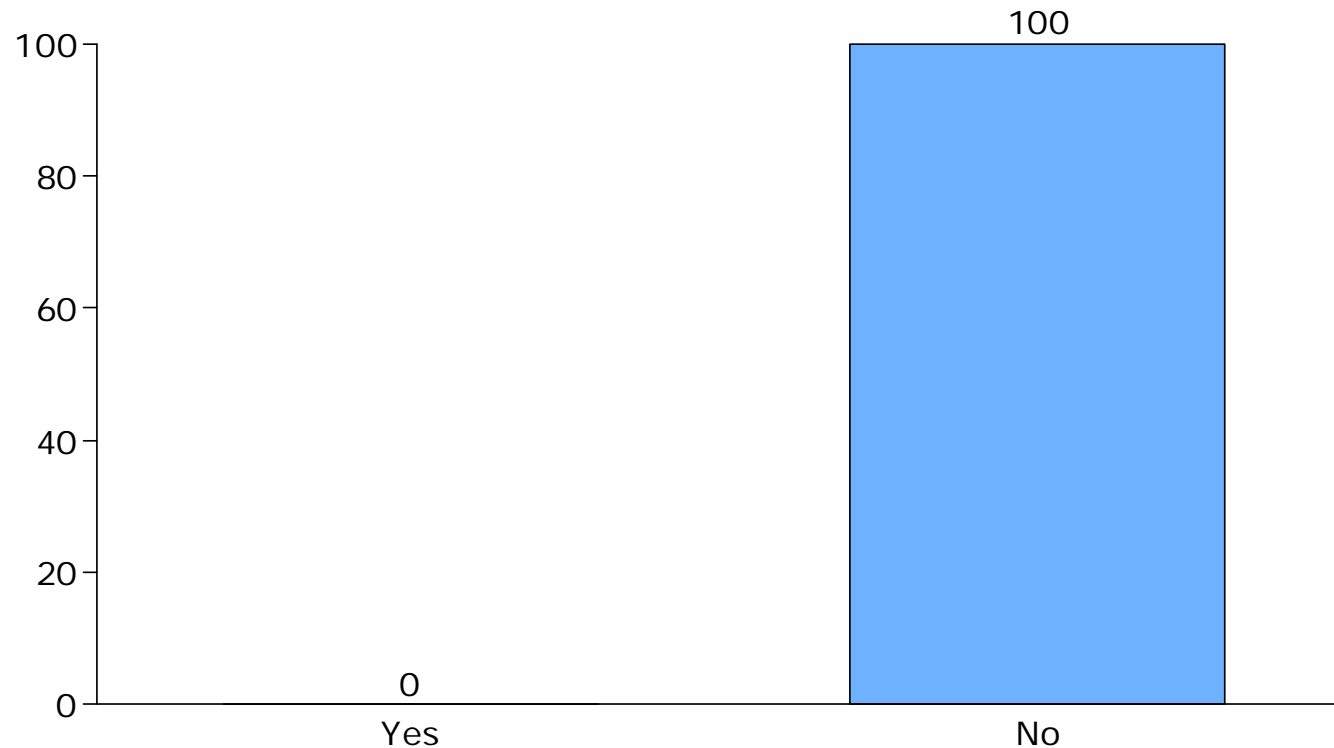


Dunedin Fund Programme: LPs / Fundraising



“Have you had any problems so far with LP's failing to meet their commitments?”

% of respondents

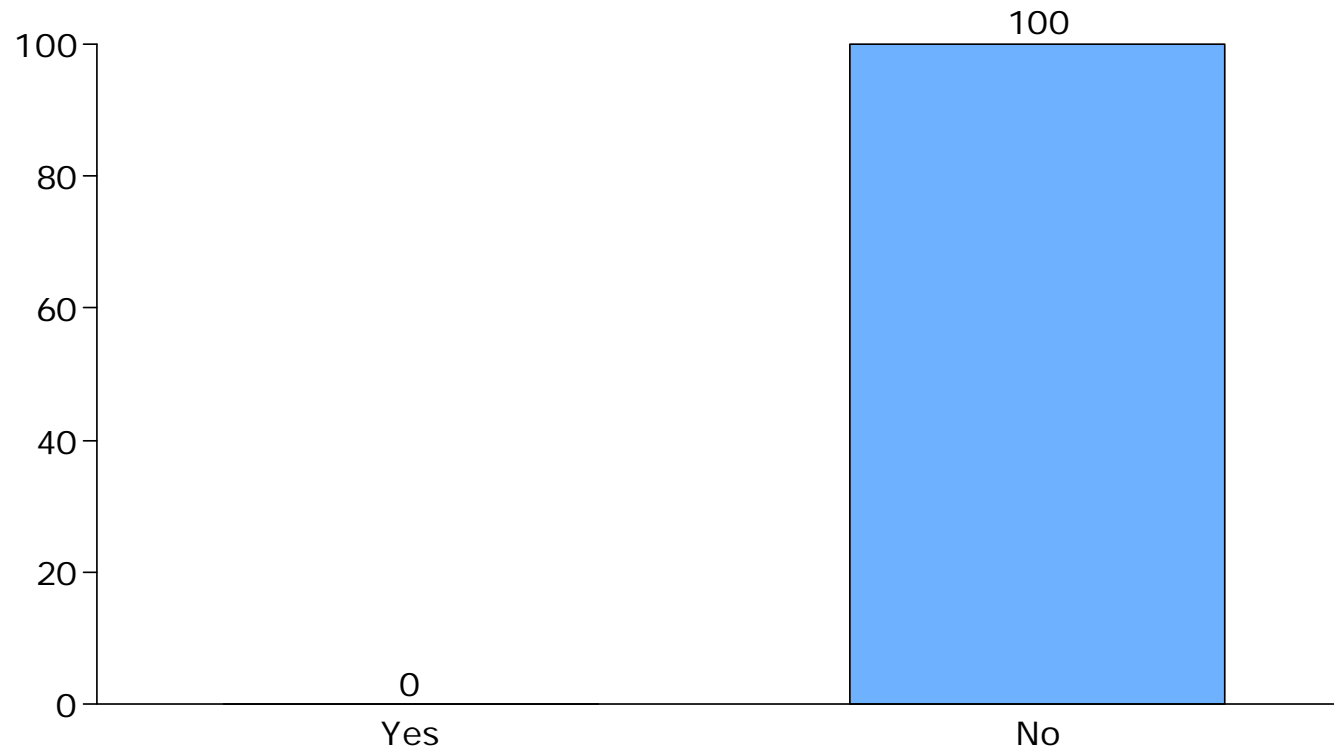


Dunedin Fund Programme: LPs / Fundraising



“Do you expect / think you might have problems with LP's failing to meet their commitments over the next year?”

% of respondents

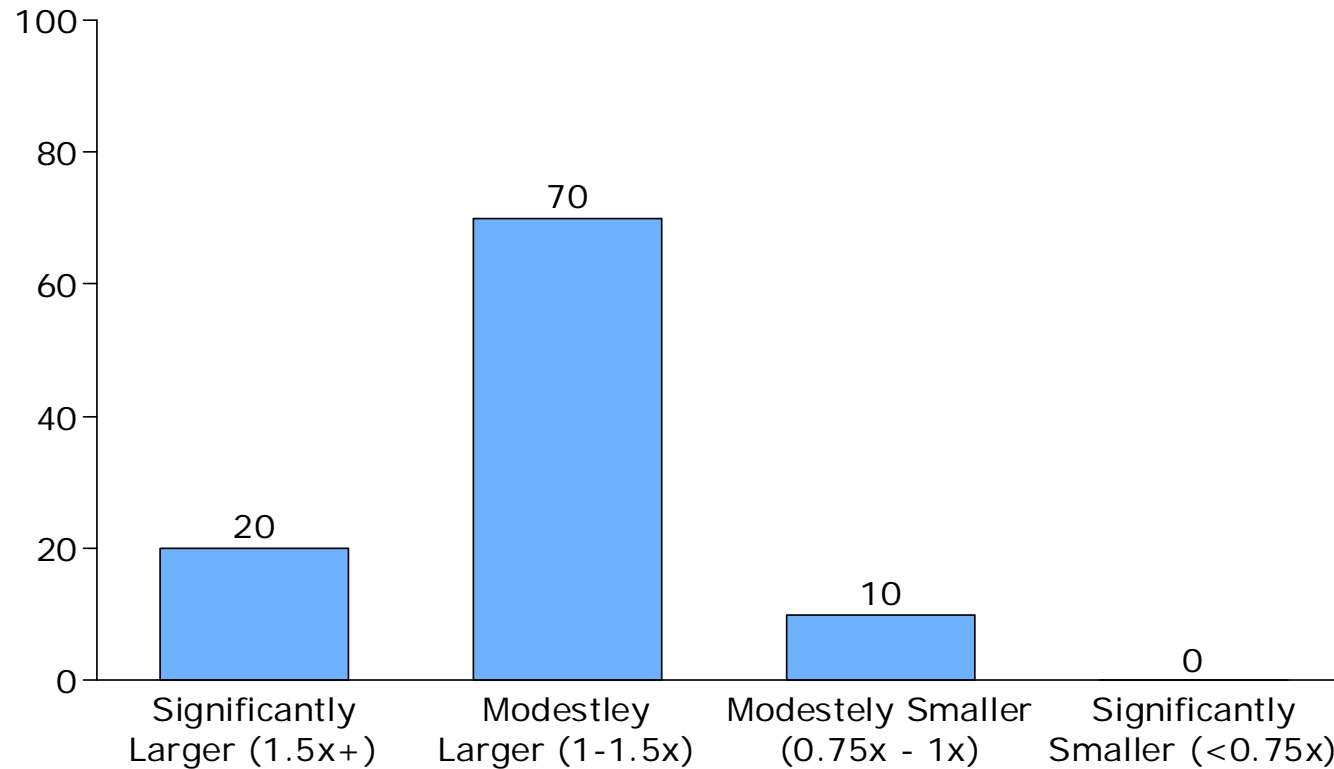


Dunedin Fund Programme: LPs / Fundraising



“What do you think your next fund will look like size wise compared to the current fund?”

% of respondents



The Survey – Summary (1/3)



- Most believe domestic economic conditions have improved since the end of last year and that conditions will continue to improve over the coming year
- Interestingly 50% of respondents still don't expect positive GDP growth until 2011
- There is high conviction both that there will be a 'shake-out' among local competition (GPs) and that respondents franchises will grow stronger as a result
- Most respondees are seeing reasonable dealflow while asset quality is viewed as good. Most think they are currently in a 'buyers' market

The Survey – Summary (2/3)



- 80% of respondents expect to do a deal in the next 6 months while 70% expect to complete 2 deals or more in the next year
 - Price expectations appear to be the single largest identified challenge to deal completions
 - The Banking markets for new deals appear open in the eyes of almost all participants with a significant minority reporting several Banks willing to lend
 - Most think securing €15m or more of leverage from a Bank is achievable
 - Banks also appear to be supportive of portfolio companies in difficulty
 - Most respondents expect to be busy working with their portfolio this year but expectations are high that nearly all portfolio companies will meet their budgets for the year
-

The Survey – Summary (3/3)



- No respondent has had or expects to have a problem with their LPs funding commitments
- Nearly every respondent expects to raise a larger fund next time with 20% expecting to raise a considerably larger fund

The Survey – What's changed since last year?



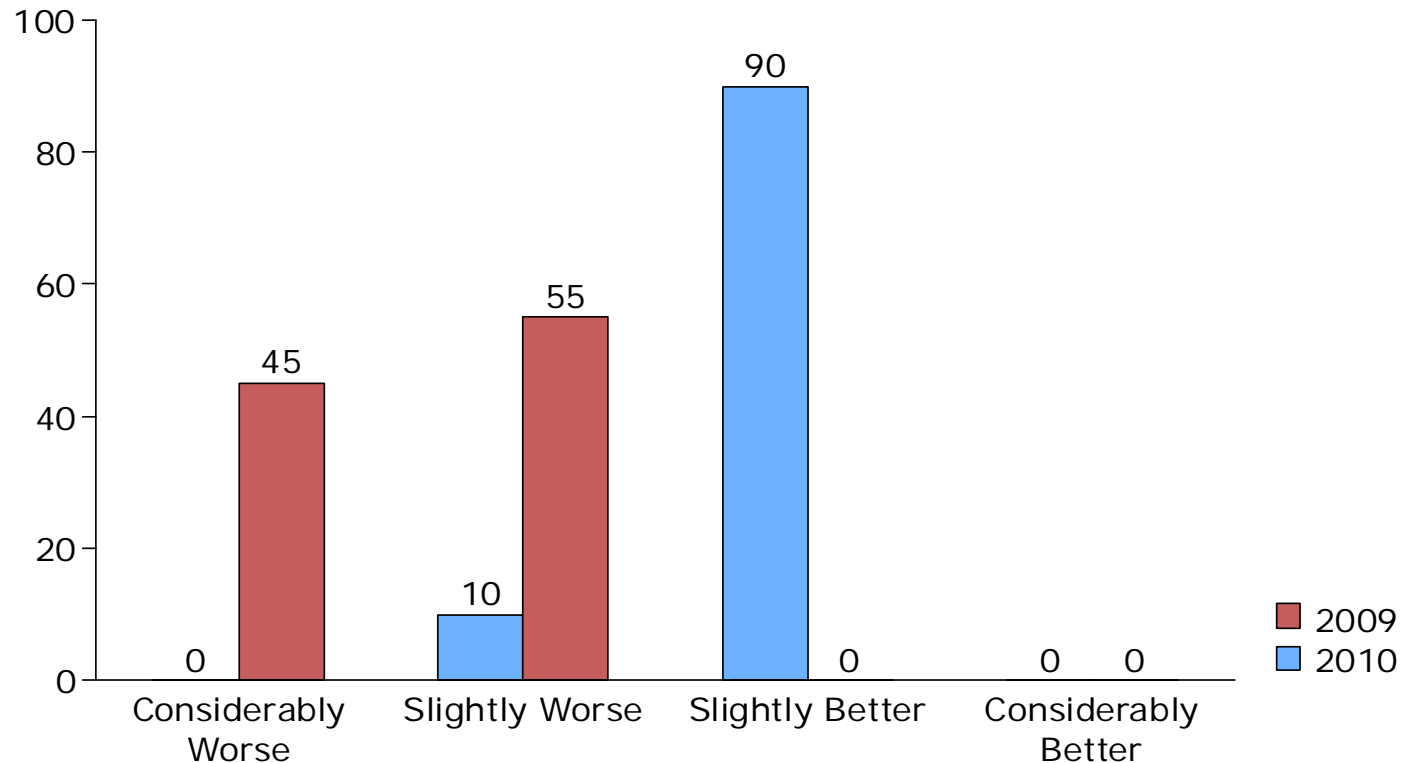
- The following slides show a comparison of responses from last year's survey with those collected this year

Dunedin Fund Programme: Economic Conditions



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% of respondents

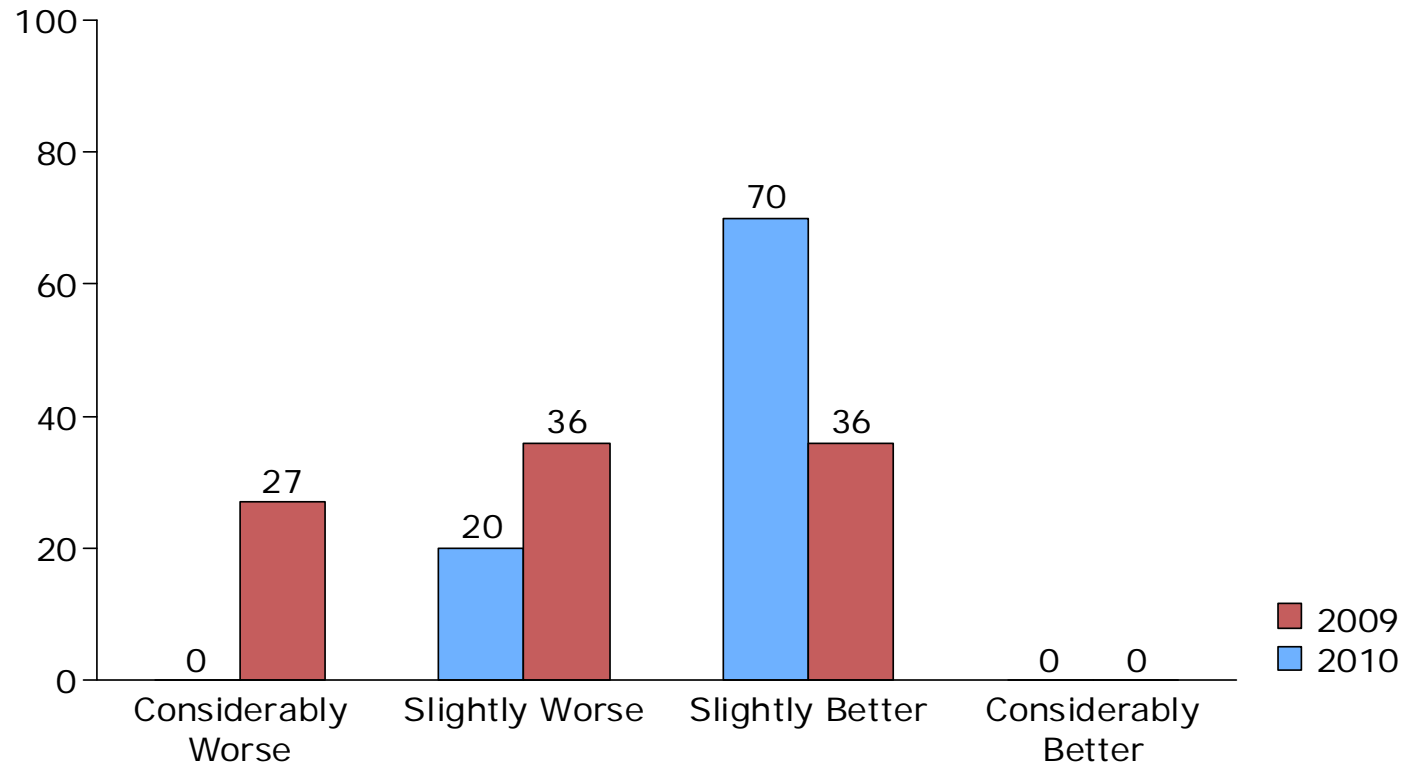


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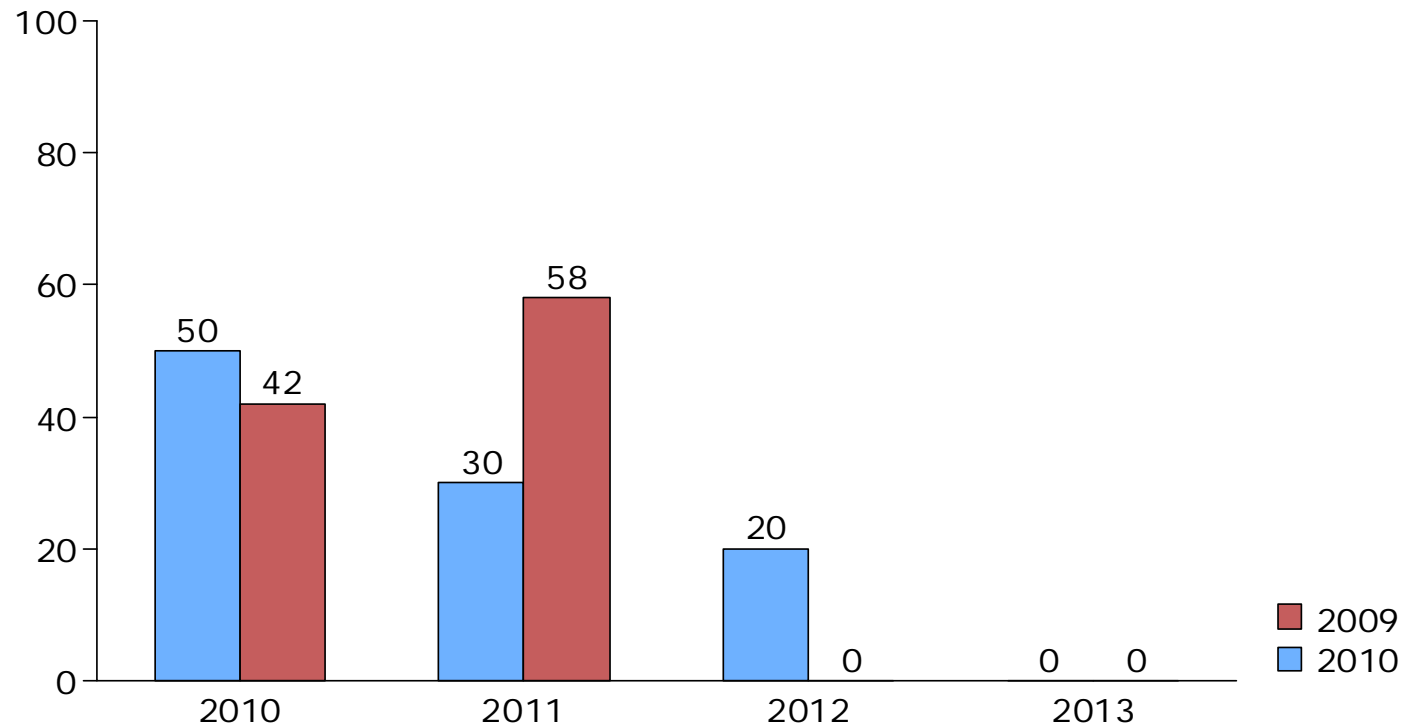


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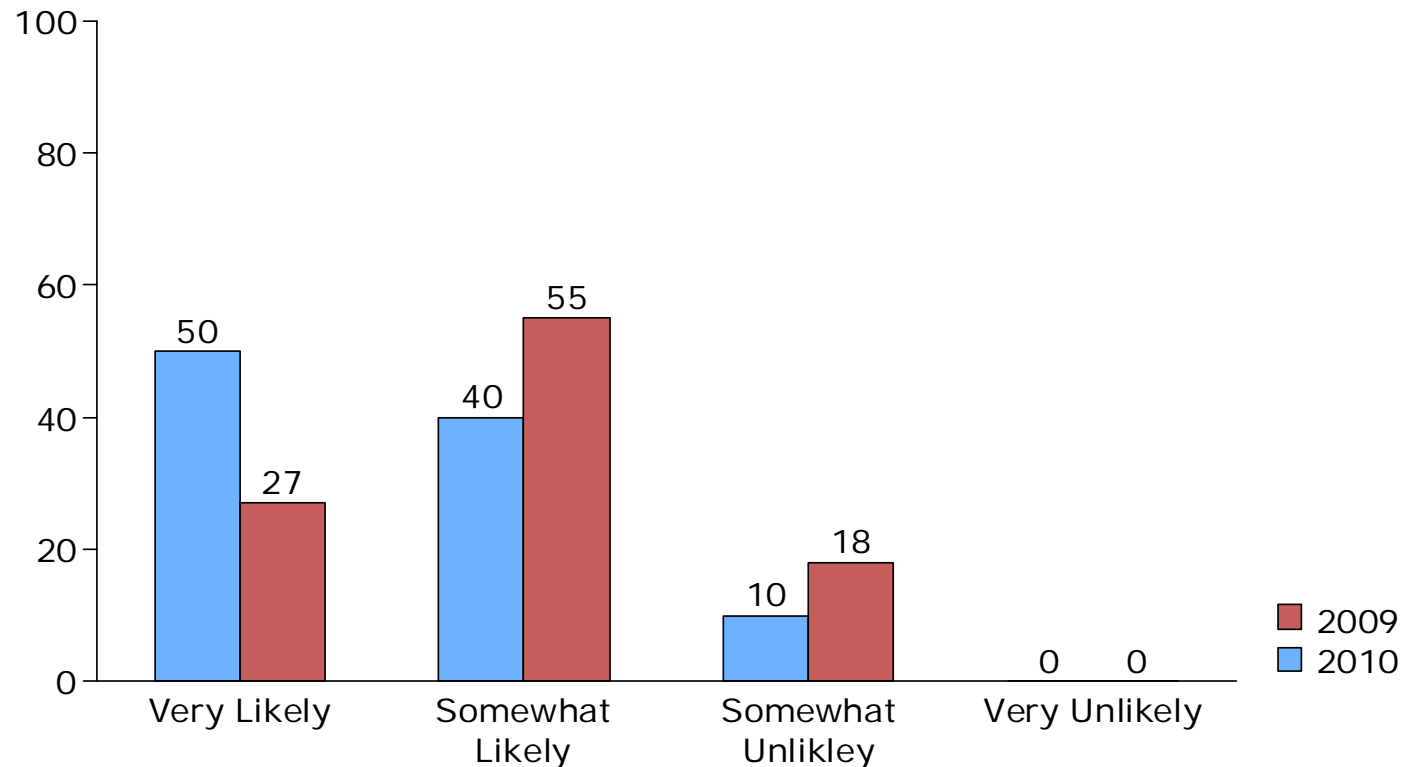


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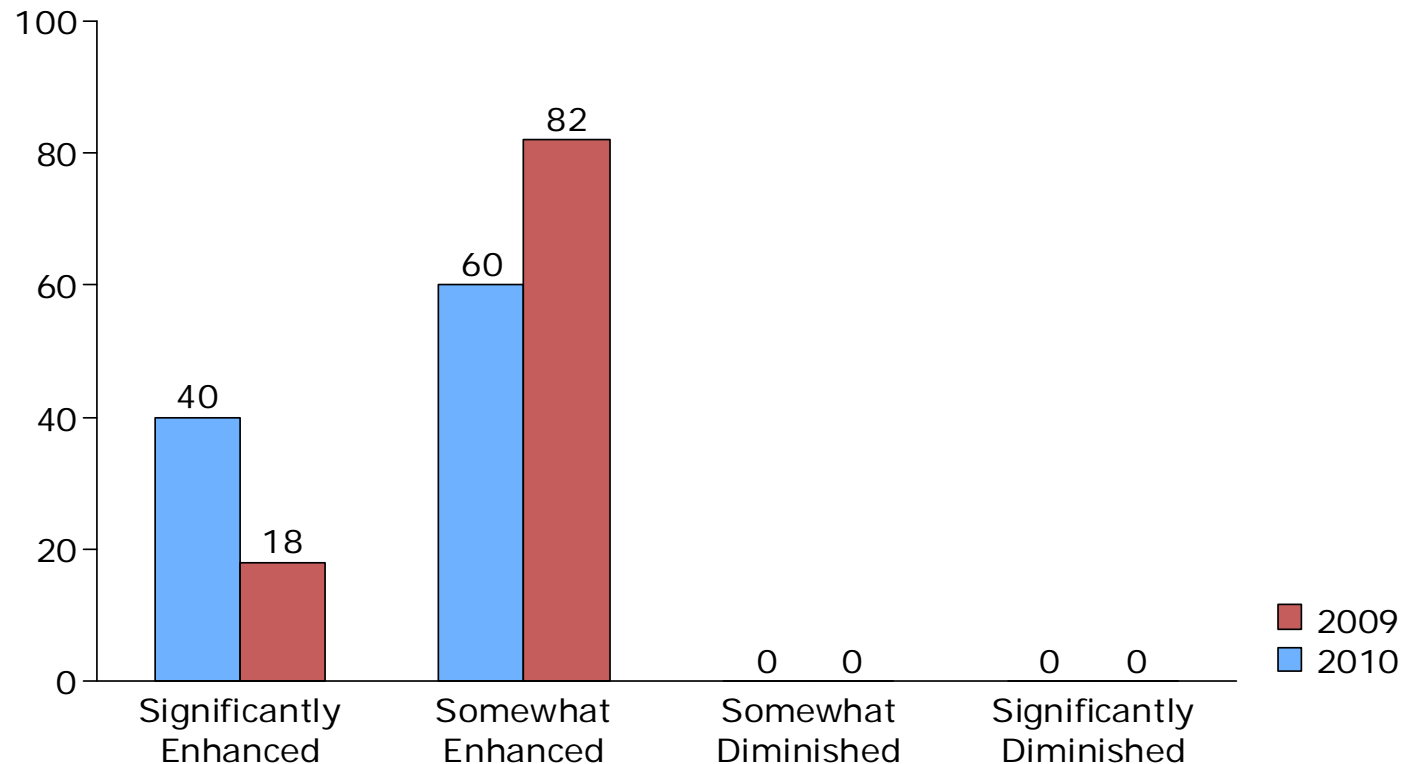


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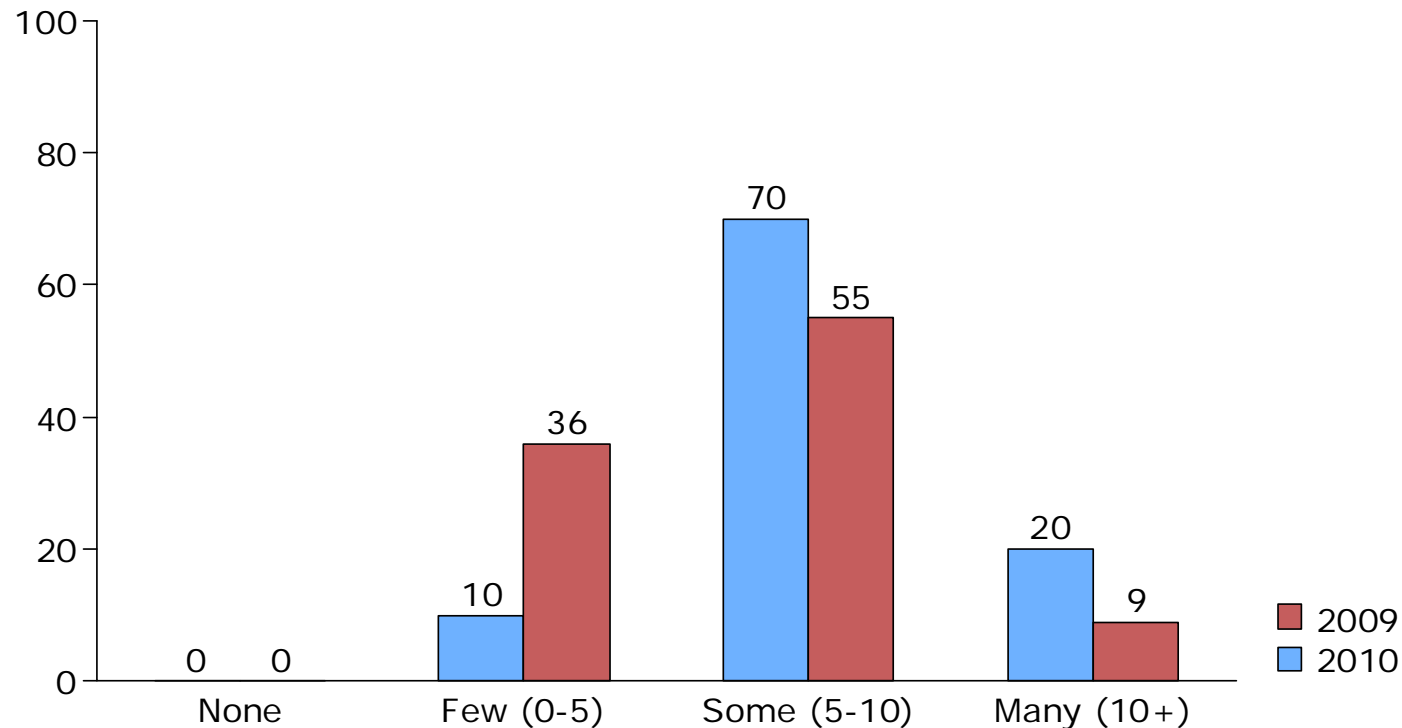


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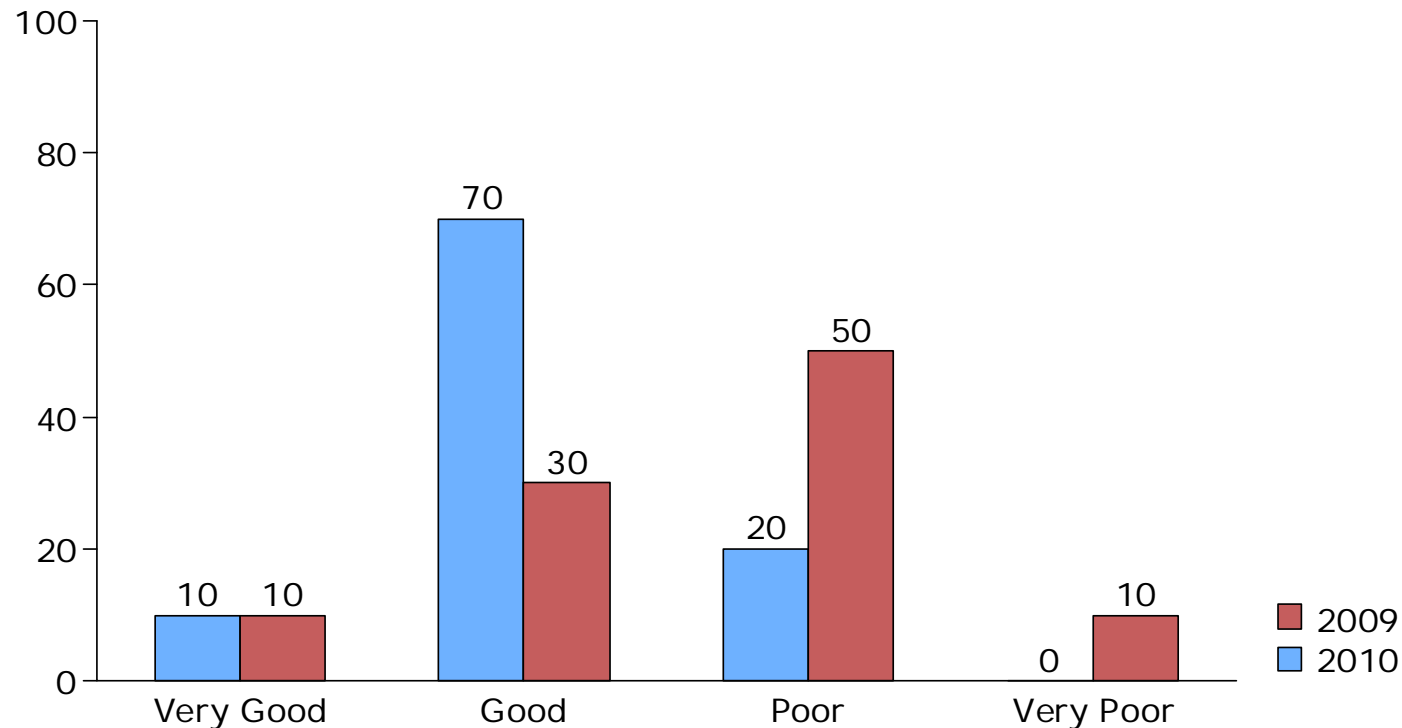


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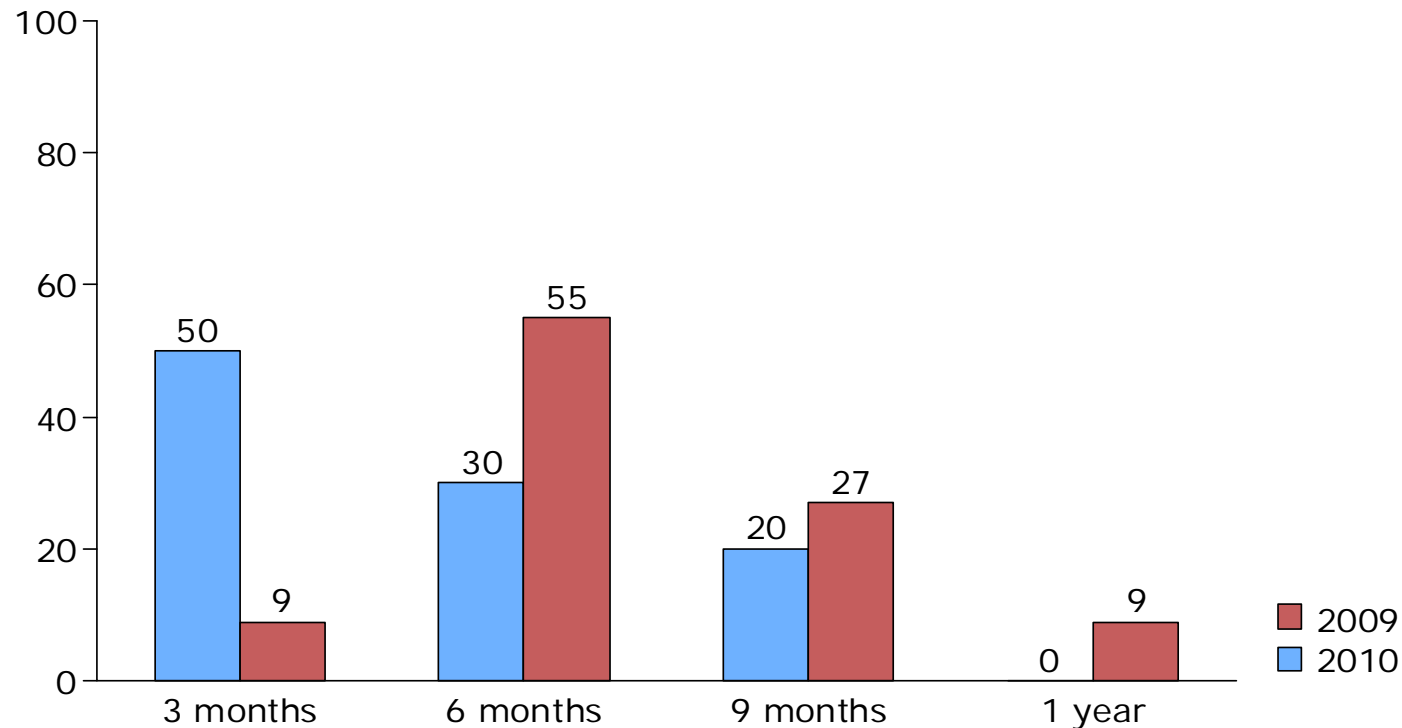


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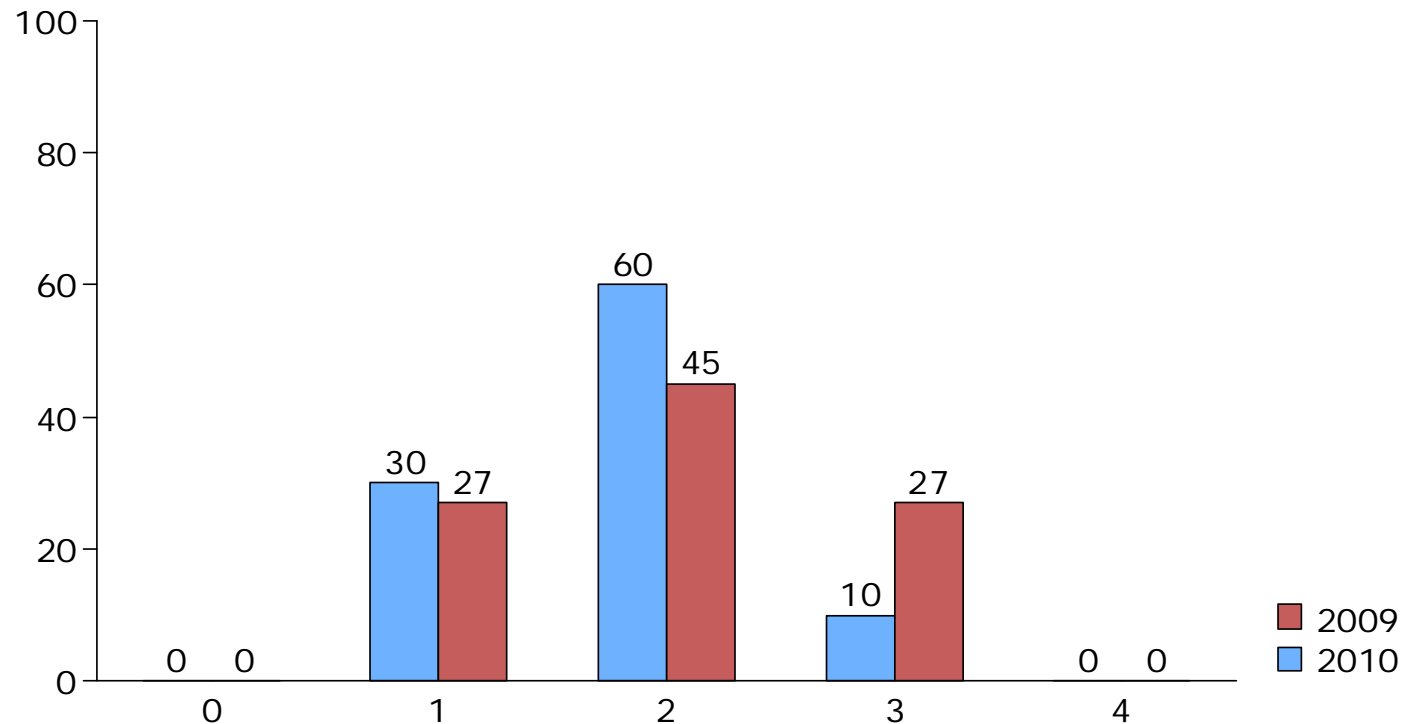


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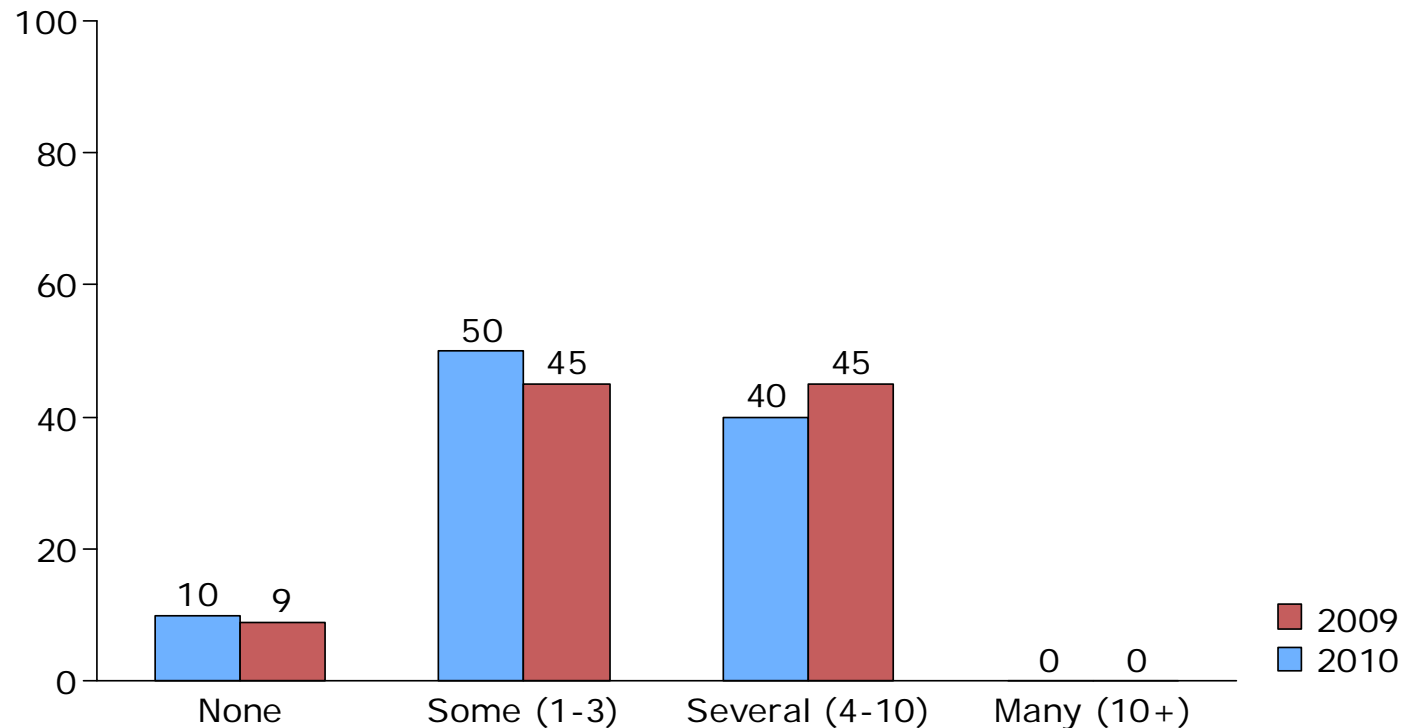


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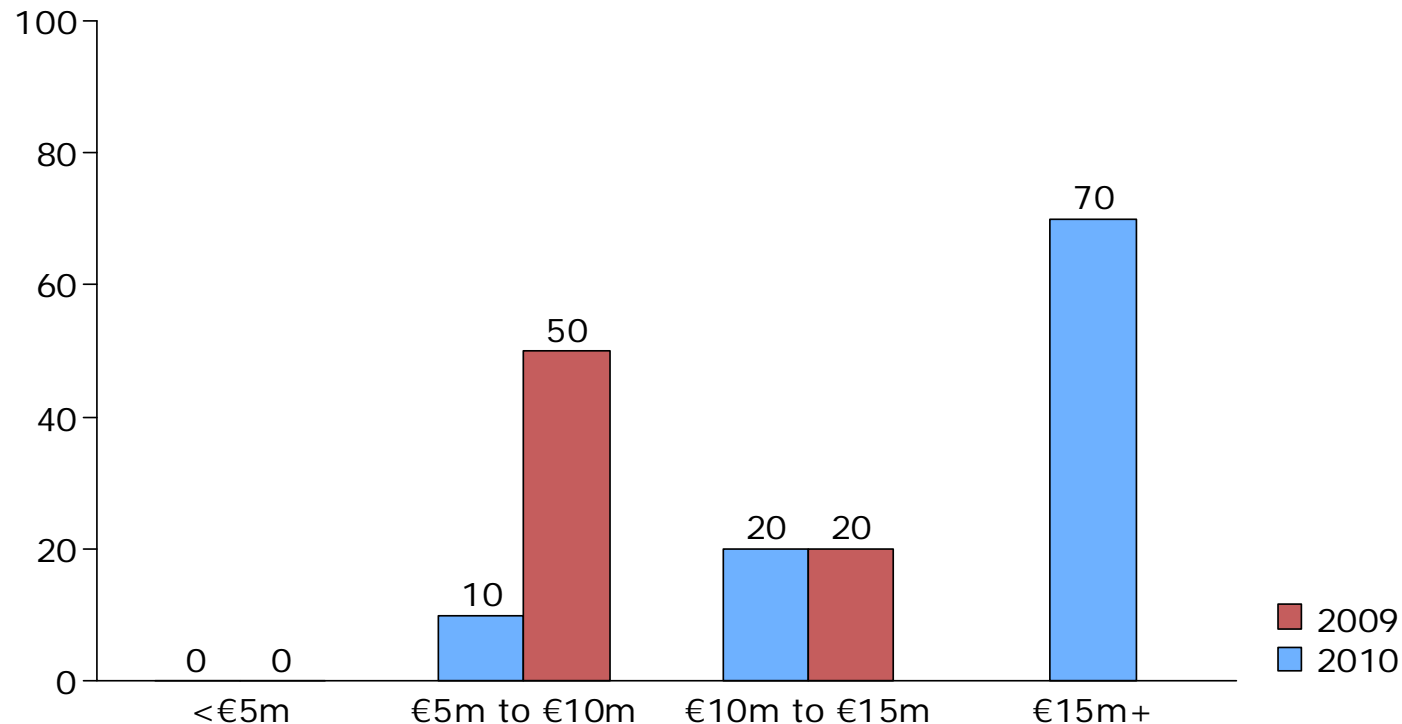


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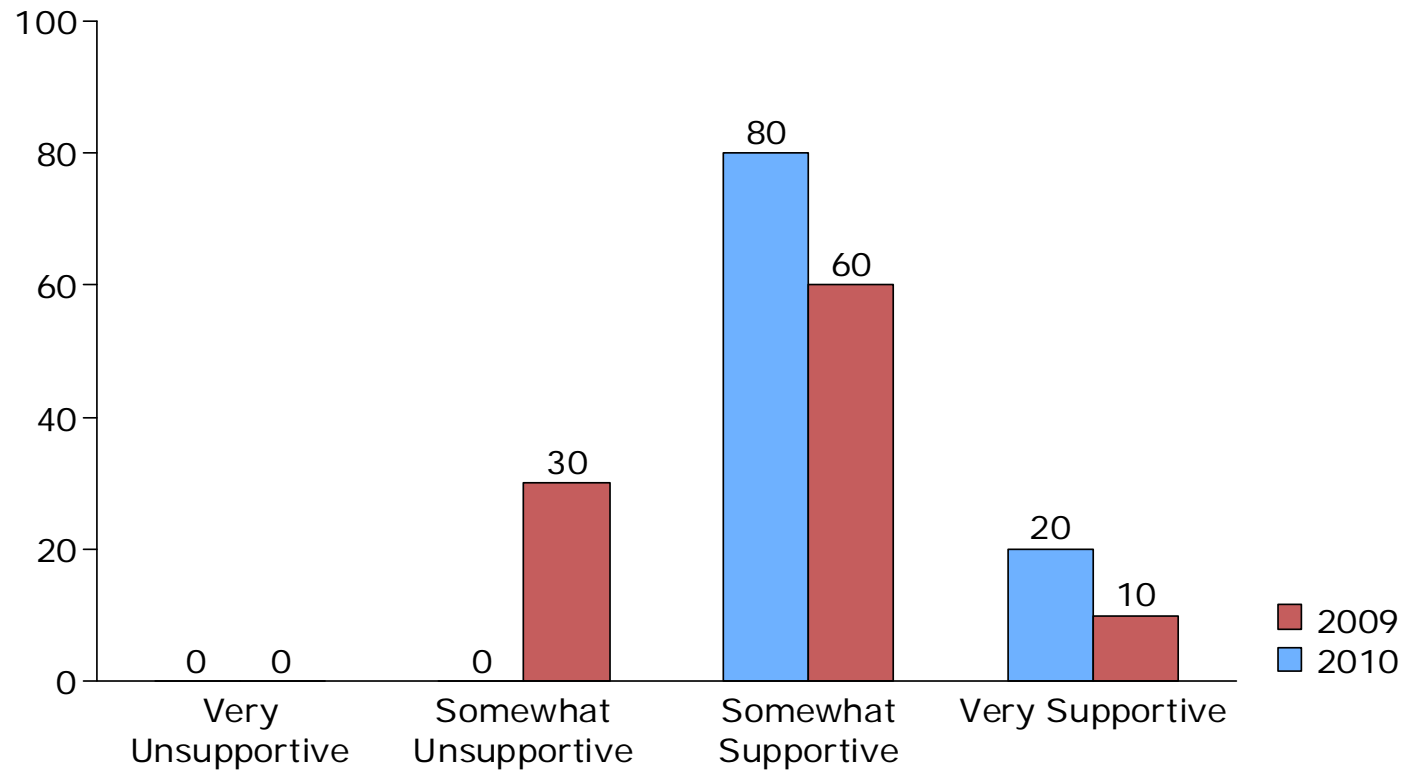


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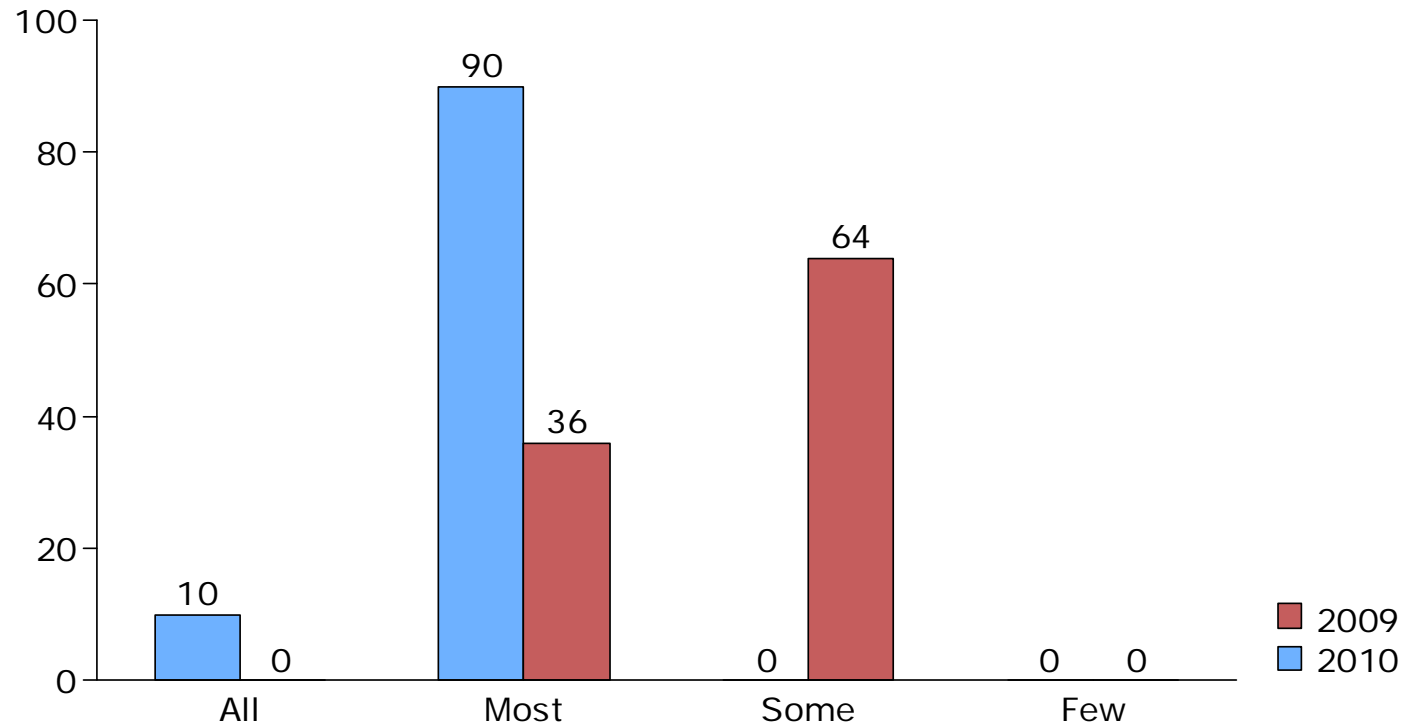


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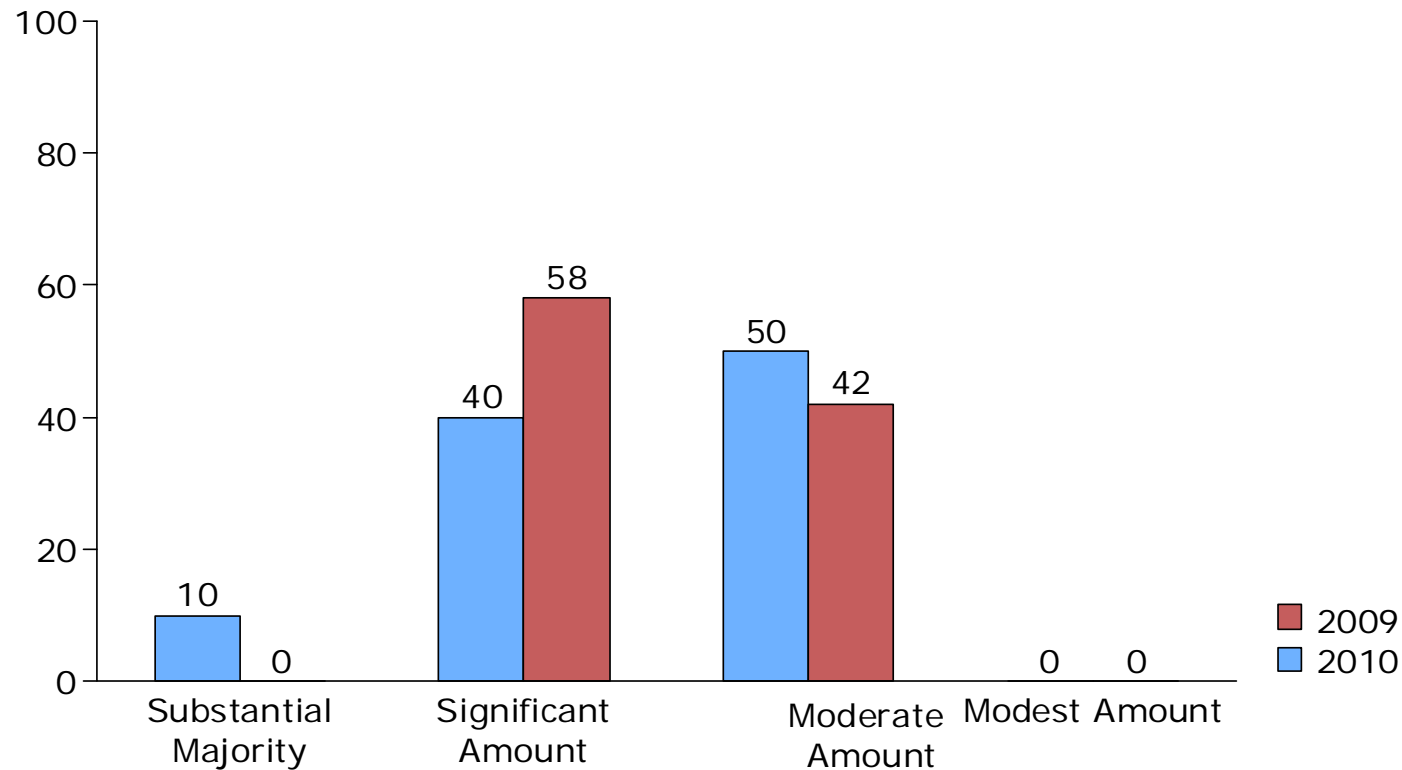


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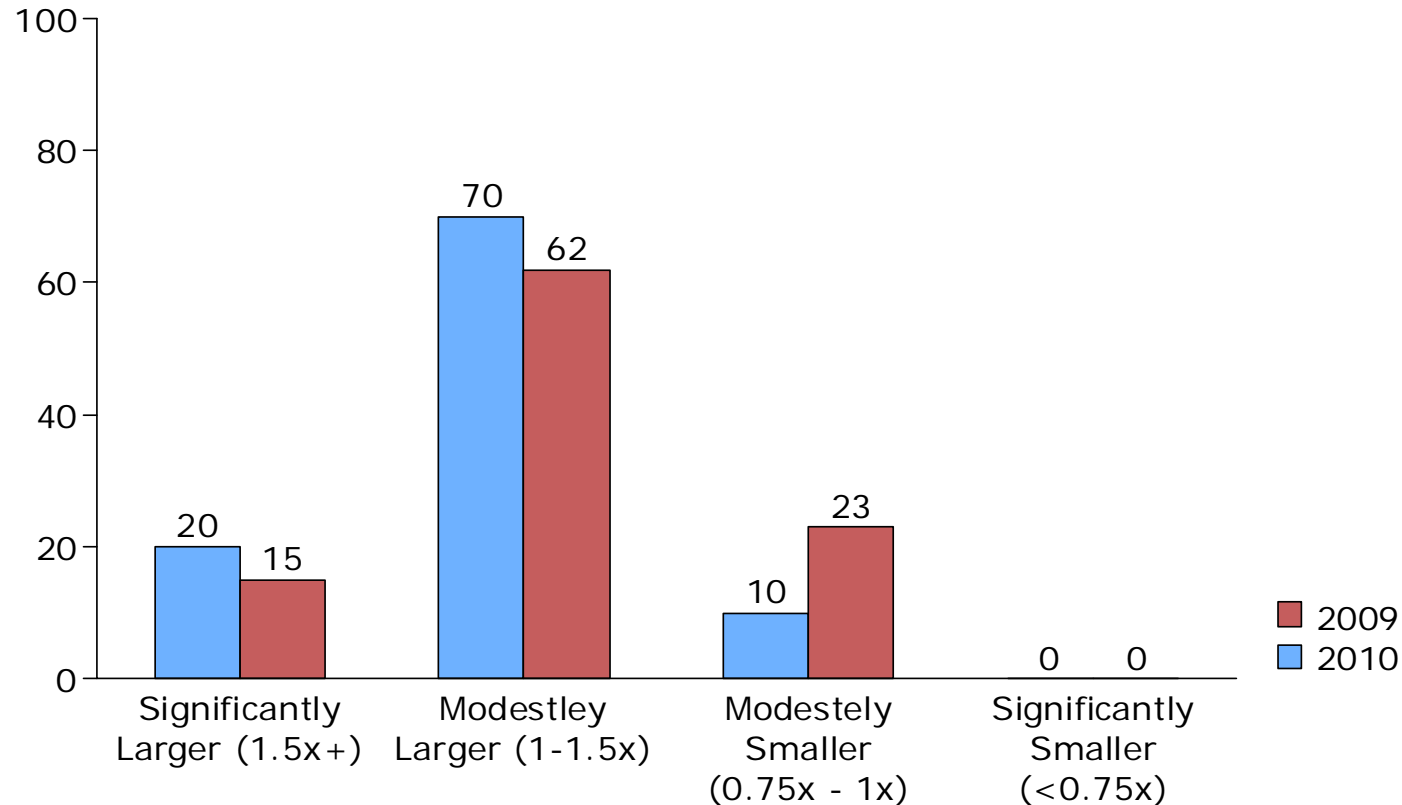


Dunedin Fund Programme: LPs / Fundraising



“What do you think your next fund will look like size wise compared to the current fund?”

% of respondents



The Survey – What's changed since '09



(1/2)

- Participants view that economic conditions have definitely improved and short term expectations are definitely more positive
However, the return to growth appears to be expected to take longer than anticipated last year
- Participants appear even more convinced that a 'shake-out' will occur amongst GPs and that the strength of their own respective franchises has increased even further
- Dealflow appears to be stronger while deal quality appears to have picked up
- Respondents appear to believe their next deal is more imminent than when surveyed last year and that they will, on balance, be a little more active in the coming months

The Survey – What's changed since '09



(2/2)

- The number of active Banks in respective markets appears to be around the same as last year, however the quantum that they are willing to lend appears to have materially increased
- Respondents expect to spend less time working on a portfolio whose health has improved materially as compared to last year
- Respondents have become a little more positive on the prospects for fundraising since last year