

**Dunedin Enterprise Investment Trust PLC**  
Final results for the year to 31 December  
2009





## Dunedin Enterprise – Performance

- NAV per share down by 6.1% to 407.1p
  - FTSE Small Cap up 52.7%
  - FTSE All Share up 24.7%
- NAV movement, excluding dividends, down 0.6%
- Share price up by 26.3% from 211p to 266.5p at 31 December 2009
- Share price 316.25p at 23 February 2010
- Discount narrowed from 51.3% at 31 December 2008 to 22.3% at 23 February 2010.



## Dunedin Enterprise – Dividends

- Dividend

Interim            0.5p

Final Interim    2.0p

2.5p

2008 : 25.85p

- 2008 dividends were driven by exceptional income receipts
- 2009 dividends lower due to increased use of rolled up yield, lower return from cash balances and difficult trading in some portfolio companies
- Final interim based on compliance with UK investment trust tax legislation, which will be future policy
- Final interim to be paid on 31 March 2010, to shareholders on the register at 5 March 2010



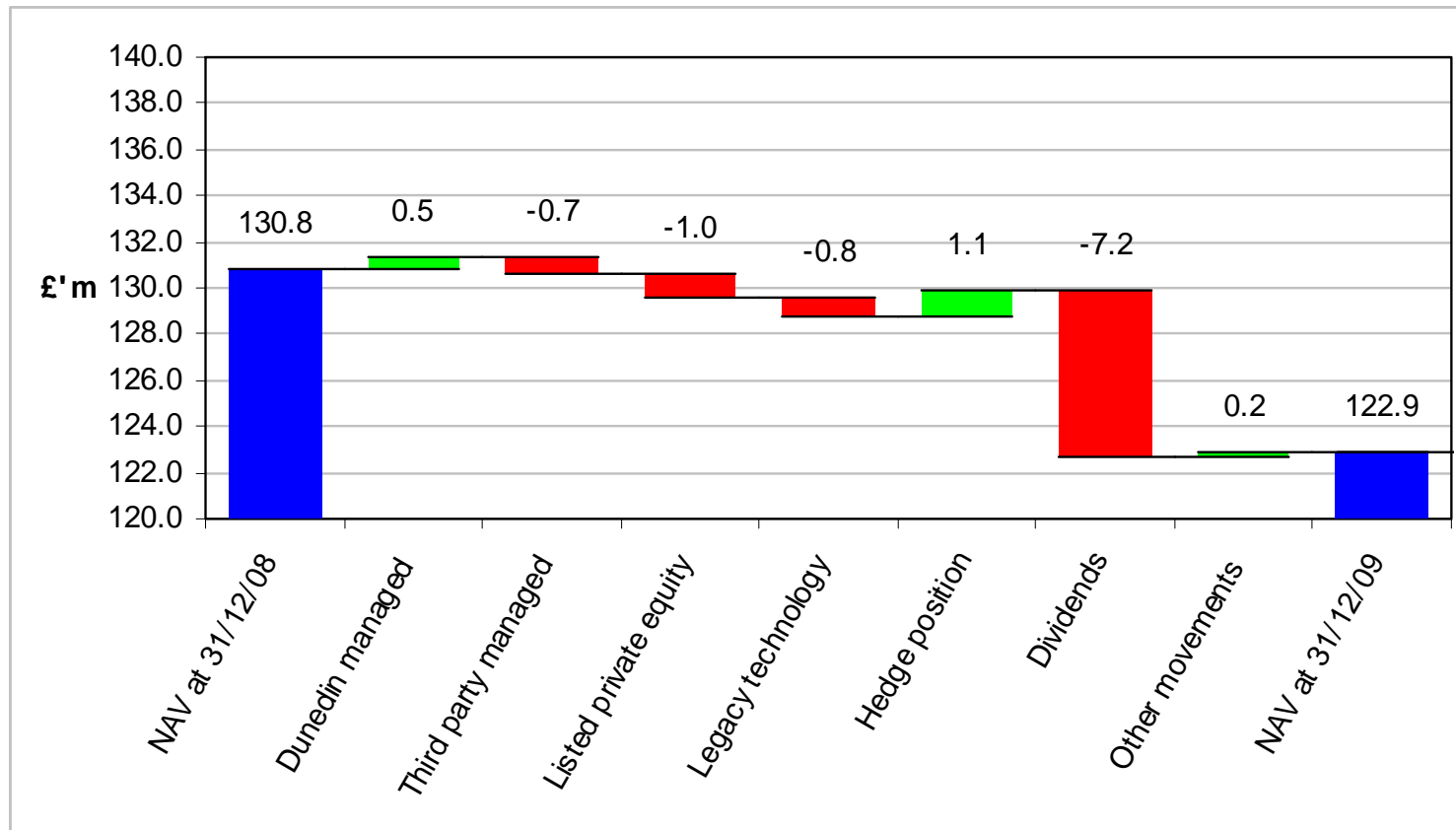
## Dunedin Enterprise – NAV Movements

- NAV per share:-

– 31 December 2008	433.4p	
– 31 March 2009	409.9p	(- 5.4%)
– 30 June 2009	408.3p	(- 0.4%)
– 30 September 2009	404.6p	(- 0.9%)
– 31 December 2009	407.1p	(+ 0.6%)



## Dunedin Enterprise – NAV Performance Attribution





## Dunedin Enterprise – Portfolio Valuation Movements

	<u>£m</u>
• Fernau - uplift achieved on exit	3.3
• WFEL - profit growth and earnings multiple increase	3.6
• etc.venues - increase in earnings multiple	1.9
• Formaplex - profit growth and earnings multiple increase	1.4
• Capula - downturn in trading	(5.3)
• OSS - trading issues, since recovered	
(1.9)	
• RSL Steeper - decrease in earnings multiple	(0.5)
• Misc other	(3.4)
• Quoted securities	
– SWIP	(3.1)
– Other	<u>2.0</u>
	<hr/> <u>(2.0)</u>



## Dunedin Enterprise – Currency Factors

- Euro exchange rate
  - 31 December 2008 €1.034 to £1
  - 31 March 2009 €1.074 to £1
  - 30 June 2009 €1.177 to £1
  - 30 September 2009 €1.095 to £1
  - 31 December 2009 €1.119 to £1
- Euro hedge
  - €29m @ €1.41 to £1 Expired 9 October 2009
  - €22m @ €1.27 to £1 Expired 9 October 2009
  - NAV impact of hedge +£1.1m over the year
  - Cash cost of settlement £8.6m
- Portfolio analysis
  - at 31 December 2009 £: 53% €: 47%
  - at 31 December 2008 £: 56% €: 44%



## Dunedin Enterprise – European Quoted Holdings

Valuation ('m)	31 Dec 2009		31 Dec 2008		Movement	
	€	£	€	£	€	£
SWIP	14.1	12.6	16.2	15.7	-13.0%	-19.6%
GIMV	5.1	4.6	4.3	4.2	+17.8%	+8.9%
DBAG	4.7	4.2	3.4	3.3	+37.2%	+26.8%
CapMan	2.7	2.4	1.9	1.8	+41.1%	+30.3%
Dinamia	<u>2.5</u>	<u>2.3</u>	<u>2.3</u>	<u>2.2</u>	<u>+10.3%</u>	<u>+2.0%</u>
Total		<u>29.1</u>	<u>26.1</u>	<u>28.1</u>	<u>27.2</u>	<u>+3.3%</u>
	<u>-4.5%</u>					

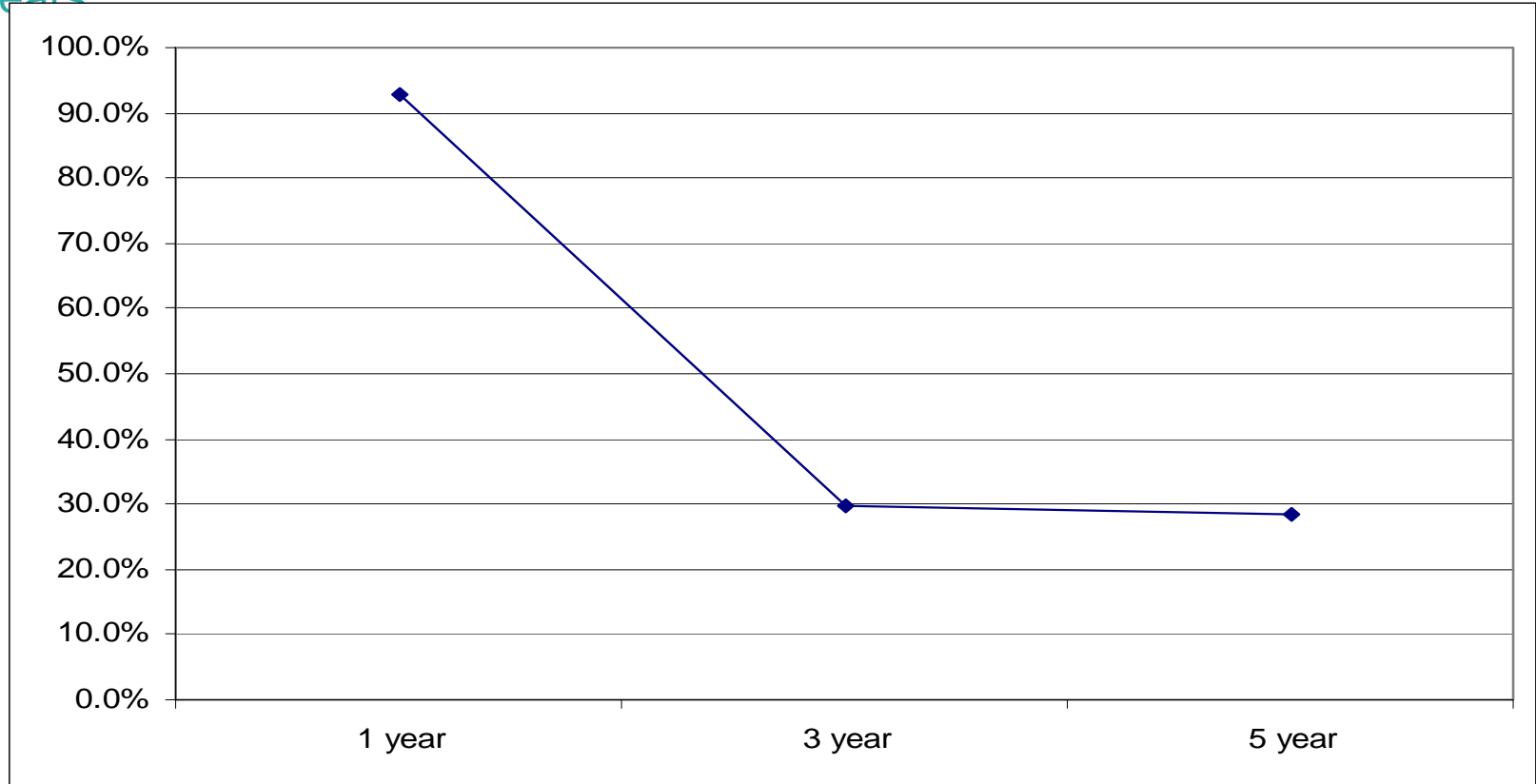
31 December 2009 €1.119 to £1

31 December 2008 €1.034 to £1





## Dunedin Enterprise – Average Realised Uplift over Valuation for Last 5 Years



\* - from 31 October for 3 and 5 year



## Earnings- Based Valuation

- Lower of historic or forecast earnings
- Use December 2009 management accounts for December year ends
- Use 2010 forecast for mid calendar year ends if lower than prior year
- 6 out of 11 companies budgeting increased profits in 2010
- Lag in earnings impact on valuation



## Average Valuation Multiples – Direct Investments

	31 December 2009	30 June 2009	31 December 2008
Weighted Average			
EBITA	5.8x	5.1x	4.2x
EBITDA	4.7x	4.3x	3.6x



## Average Valuation Multiples – Direct Investments

Key sector comparison

	31 December 2009	30 June 2009	31 December 2008
Support Services	17.0x	13.7x	11.6x

Represents 37% of the aggregate portfolio value

(2008 – 39%)



## Portfolio Gearing – Direct Investments

Debt multiples at:-

	31 December 2009	30 June 2009	31 December 2008
EBITA multiple	2.8x	3.1x	2.6x
EBITDA multiple	2.2x	2.3x	2.6x

Note - Debt defined as banking facilities draw less cash at 31 December 2009

- EBITA and EBITDA per investment valuation



## Portfolio Gearing – Direct Investments

Gearing as multiple of EBITDA

			<u>% of aggregate enterprise value</u>
EBITDA	multiple	< 1	22%
	multiple	1 to 2	21%
	multiple	2 to 3	24%
	multiple	> 3	33%



## Dunedin Enterprise – Strategy and Commitments

- Dunedin managed funds

DBF II : £75m commitment of which 30% drawn - o/s commitment £52.6m

Other Dunedin managed funds – o/s commitment £1.3m

- Third Party European funds

4 commitments made in 2008

1 new commitment in 2009

Capiton (Germany) €15m

Commitments to date €67.7m, being £61m out of £100m plan

Drawdowns to date £8.2m – o/s commitment £52.8m

- Listed private equity

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## Commitment Strategy

	£m
Cash & near cash	53.7
Listed securities	26.0
Committed banking facilities	39.0
Total	<u>118.7</u>
Undrawn commitments	<u>106.7</u>

- Revolving credit facility expires end April 2010. Last used January 2005.
  - Projections show no borrowing requirement for the foreseeable future.
  - Current banking markets are unattractive and we will not renew the current facility.
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## Dunedin Enterprise – Third Party Fund Commitments

- FSN Capital III
  - €12.7m commitment in €375m fund
  - Small and medium buyouts in the Nordic region
  - Five investments made to date
  - €3.8m net drawdown
  - €3.4m at manager's valuation
- Realza Capital FCR
  - €15m commitment in €167m fund
  - Small and medium buyouts in Spain
  - Two investments made to date
  - €3.2m drawdown to date
  - €2.4m at cost



## Dunedin Enterprise – Third Party Fund Commitments

- Egeria Private Equity III
  - €10m commitment in €290m fund
  - Small and medium buyouts in Netherlands
  - No investments to date
  - €0.4m drawdown
- Innova/5 LP
  - €15m commitment in €388m fund
  - Mid market buyouts in Central and Eastern Europe
  - No investments to date
  - €0.1m drawdown



## Dunedin Enterprise – Third Party Fund Commitments

- Capiton VI LP
  - €15m commitment in €350m fund (€300m target)
  - Small and medium buyouts in German speaking countries
  - No investments to date
  - €0.2m drawdown



## Dunedin Enterprise – Third Party Fund Strategy

- New opportunities
- Rate of commitment
- Close relationships



## Dunedin Enterprise – New Investment Activity

- New investment of £7.1m

### **Direct investments - £2.9m**

- £0.5m in support of new banking at WFEL
- £0.5m for product development at RSL Steeper ([www.bebionic.com](http://www.bebionic.com))
- Drawdowns for Dunedin Funds

### **Third party private equity funds**

- £4.0m in third party European funds
- £0.2m in legacy technology funds



## Dunedin Enterprise – Realisations

- Total realisations of £9.4m
- Direct disposals
  - £7.2m realised on the sale of Fernau. Uplift of £3.3m (86%) over 31 December 2008 valuation
  - £0.1m realised on the sale on ABI (nil value at 31 December 2008)
  - £0.7m loan stock repaid from Formaplex and Hawksford
- Disposals through third party and legacy technology funds of £1.4m



## Dunedin Enterprise – Ten Largest Investments

	Dunedin Enterprise Equity %	Total Dunedin Equity %	Cost of Investment £m	Directors' valuation £m	% of net assets %
SWIP Private Equity Fund of Funds II Plc	4.0	4.0	15.0	12.6	10.2
Practice Plan Group Holdings Limited	26.1	49.6	10.4	10.1	8.3
WFEL Holdings Limited	23.2	74.1	6.9	7.1	5.8
etc.venues Group Limited	27.9	55.0	3.3	5.2	4.2
OSS Environmental Holdings Limited	41.8	41.8	6.2	4.8	3.9
GIMV	0.6	0.6	5.0	4.6	3.7
Deutsche Beteiligungs AG	2.0	2.0	5.0	4.2	3.4
Hawksford International Limited	16.0	49.0	3.7	3.3	2.7
FSN Capital III LP	3.3	3.3	3.1	3.0	2.5
CapMan Oy	2.4	2.4	4.9	2.4	1.9
			<u>63.5</u>	<u>57.3</u>	<u>46.6</u>




## Dunedin Enterprise – Outlook

- The economic recovery will be slow, long, and uneven
- We have yet to see real evidence of banking appetite returning. New facilities are smaller, more expensive, and for a shorter period
- Prices remain high for good quality assets
- Private equity returns will rely increasingly on operational improvements
- The portfolio is modestly geared, but will continue to need careful management
- There are early signs of an upturn in new business opportunities, but caution is the watchword
- The Trust is well funded, with a conservatively valued portfolio





## Dunedin Enterprise Investment Trust PLC



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**Dunedin Enterprise Investment Trust PLC** specialises in the provision of private equity finance. Private equity is medium to long term finance provided in return for an equity stake in established, potentially high growth private companies.


**Share Price : 316.25 p**

Today's movement : + 0.08 %

**NAV per share : 404.6p**  
30/09/09

[Share Price Tools >>](#)


[Home](#) > [Index](#)

**Information on how to invest in the Trust** 

### TRUST OBJECTIVES


The Trust's investment objective is to achieve substantial long term capital growth in its assets through capital gains from its investments.

The Trust aims to achieve its investment objective by investing in a portfolio of unquoted companies either directly in the UK, or in Europe through third party funds.




**Brian Scouler**  
Principal Fund Manager


### NEWS



Dunedin Voted Small Buyout House of the year 2009 - Fourth award win so far this year




Dunedin Backed etc.venues Awarded for its Corporate and Environmental Practices




Dunedin Backed WFEL Awarded for its International Impact


### INFORMATION




[Fact Sheet](#)



[Interactive Annual Report 2008](#)



[Interim Report 2009](#)



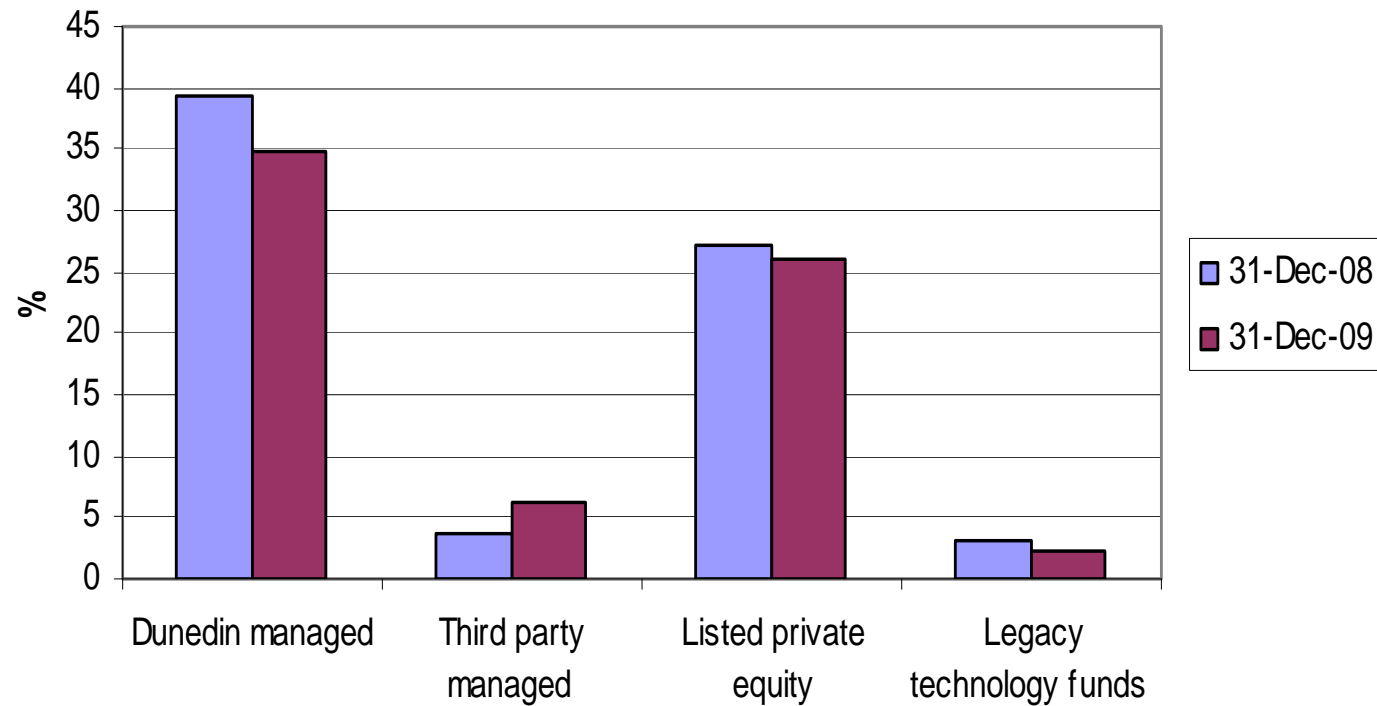
[Interim Management Statement](#)



## Appendix

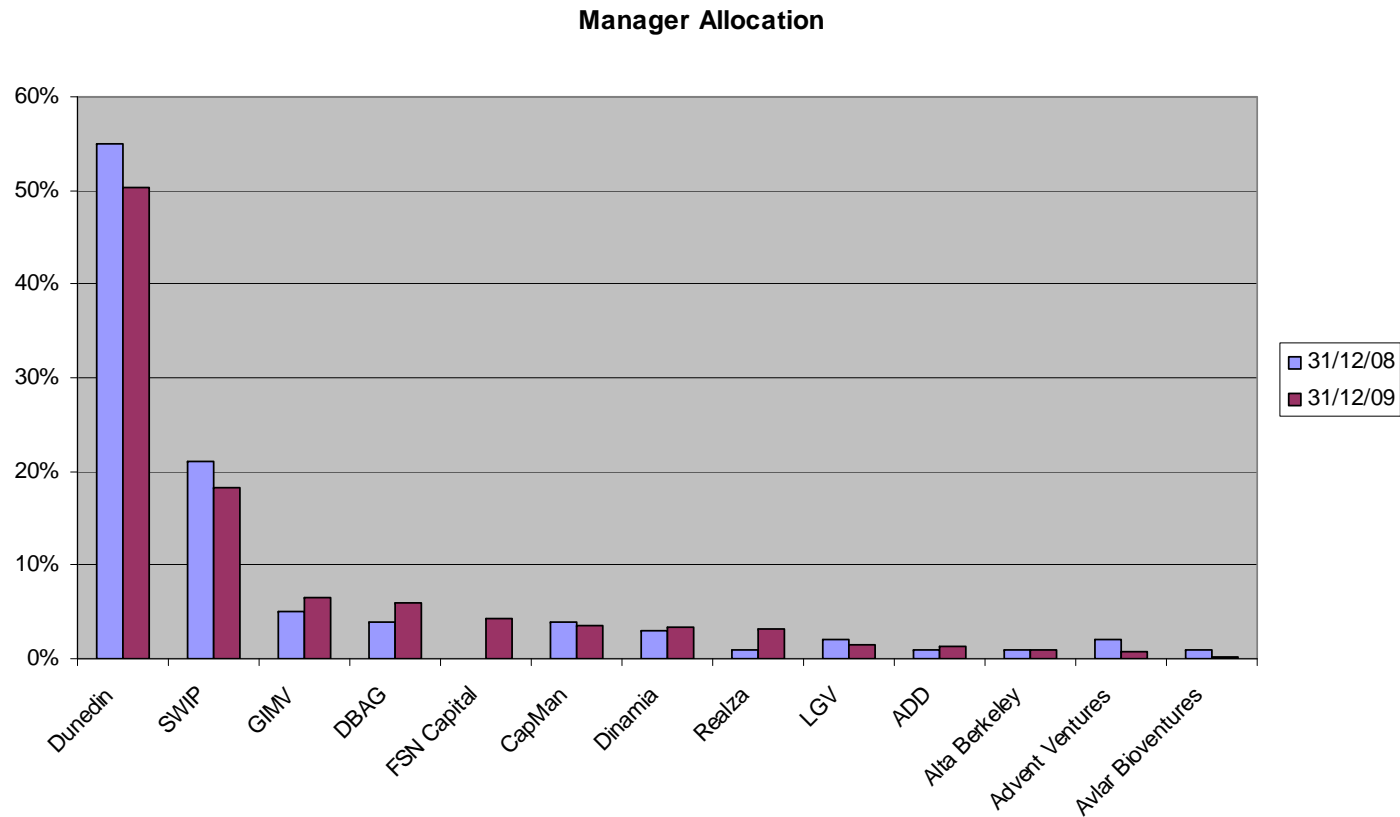


## Dunedin Enterprise – Investment Structure



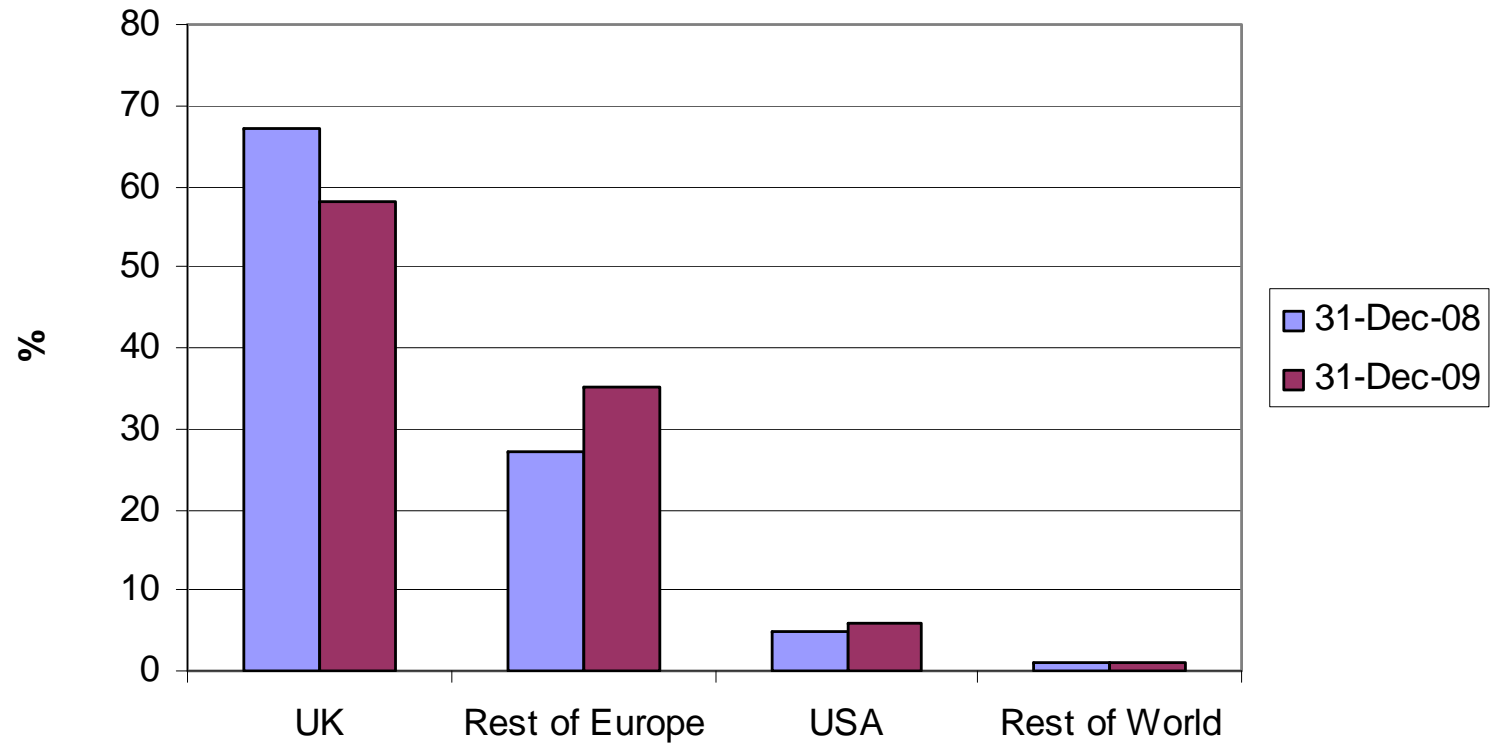


## Dunedin Enterprise – Manager Allocation



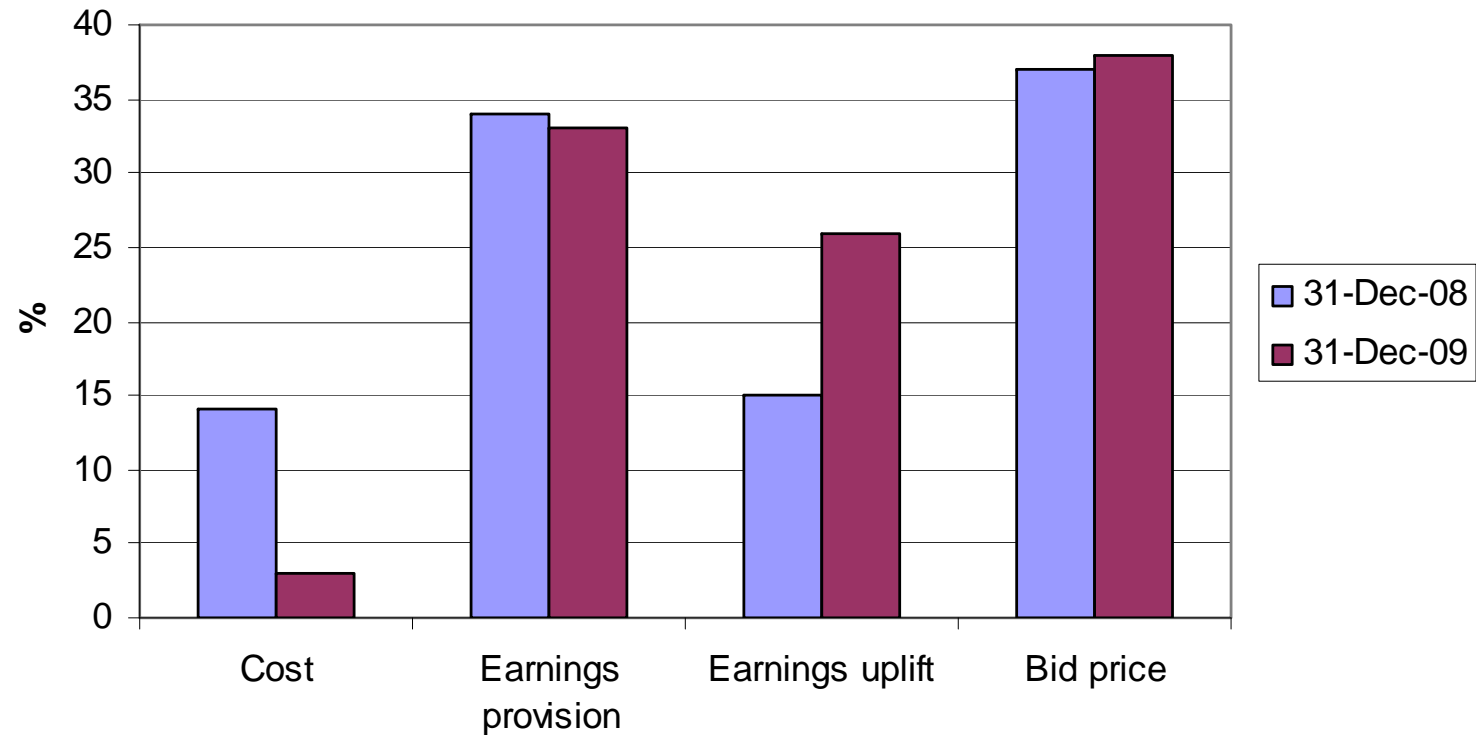


## Dunedin Enterprise – Geographic Allocation



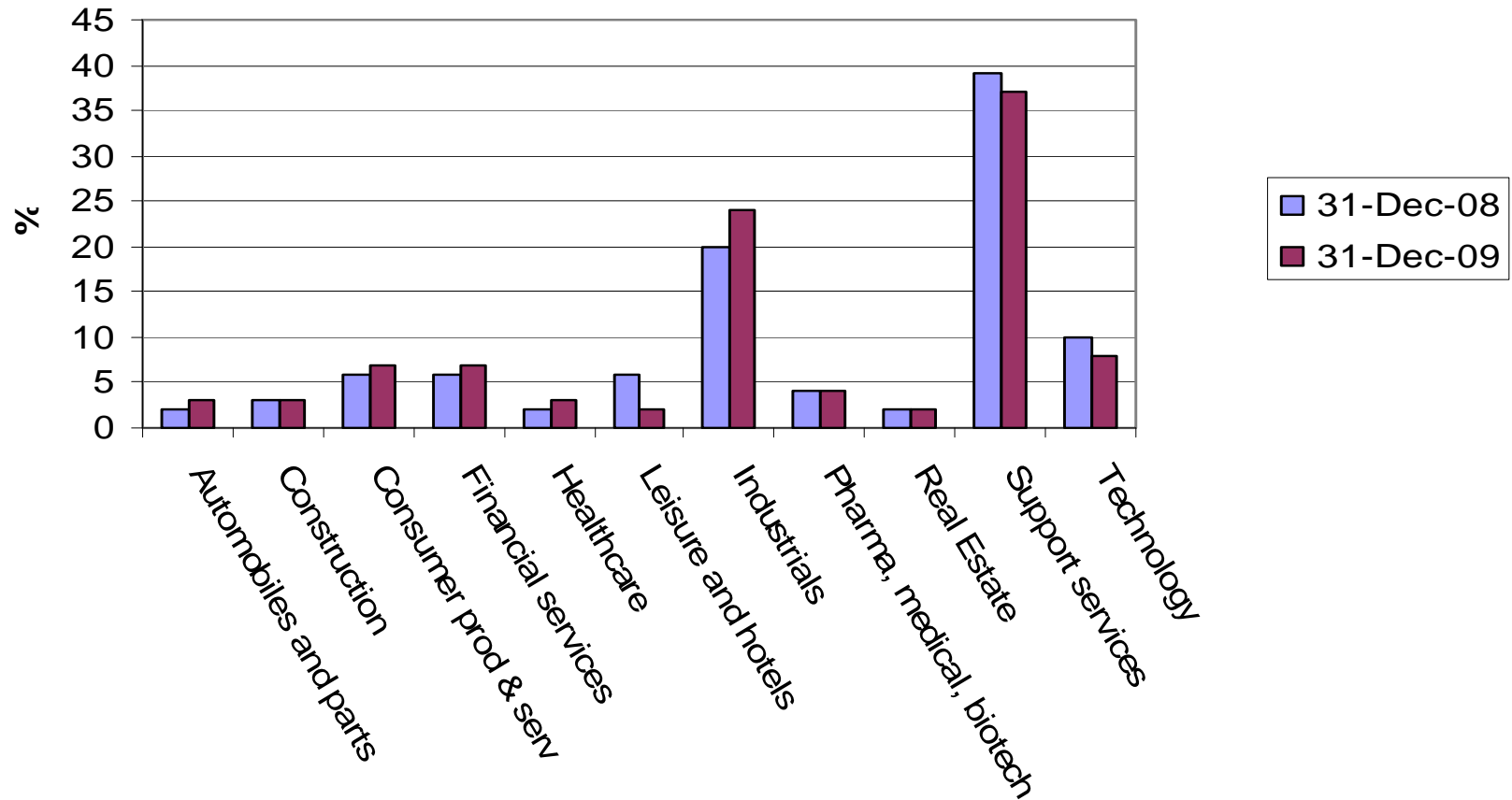


## Dunedin Enterprise – Valuation Method



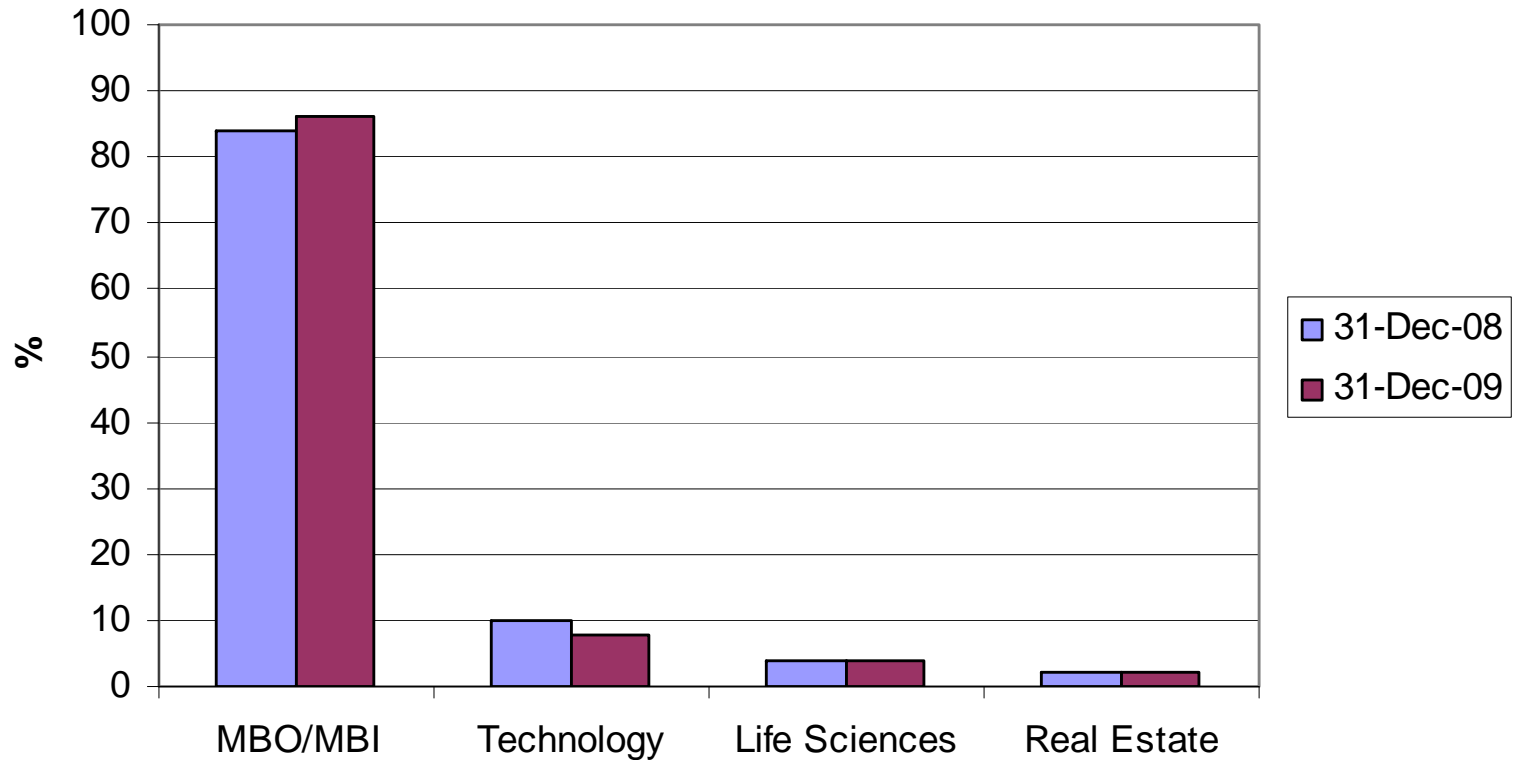


## Dunedin Enterprise – Sector





## Dunedin Enterprise – Deal Type





## Dunedin Enterprise – Total Share Price Return over 10 Years to 31.12.09

