



# Dunedin Enterprise Investment Trust PLC

Interim Results for the six months to 30 June 2013

**NAV per share up by 0.5% to 535.1p**

- FTSE Small Cap up 13.5%

**Share price up by 1.4% from 412.38p to 418.0p at 30 June 2013**

**Share price 408.0p at 27 August 2013**

**Discount 22.6% at 31 December 2012 and 21.9% at 30 June 2013**

**Discount at 27 August 2013 of 23.8% compared to 21.9% at 30 June 2013**

**Realisations of £18.1m in the half year**

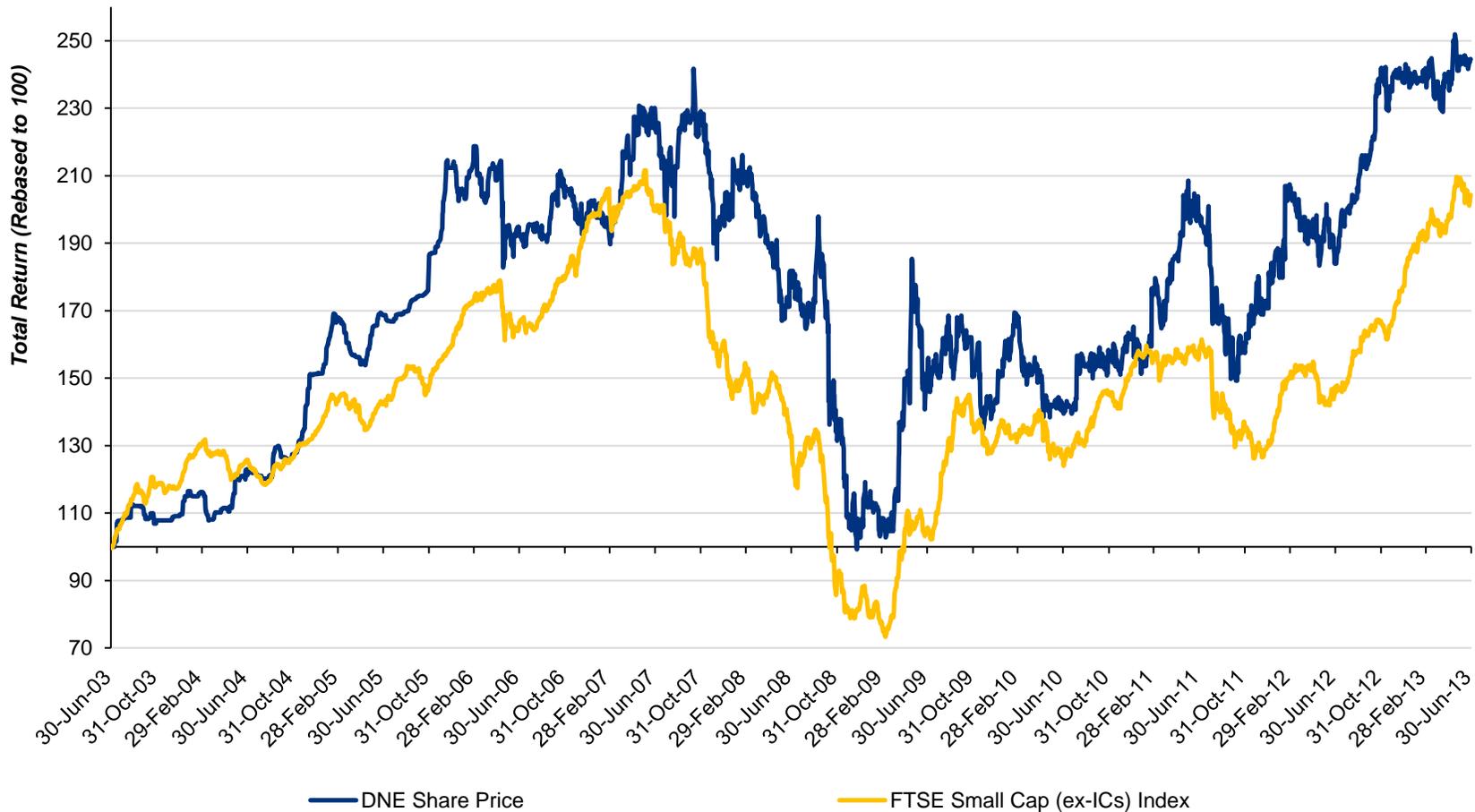
**New investment of £10.2m in the half year**

**Further £10m commitment to Dunedin's next fund, bringing total commitment to £60m – 20% of the fund**

**Dividend of 6.5p paid May 2013**

**Tender offer undertaken for £12.5m (total of £33.6m now returned via tender)**

**Further tender offer of £5.5m proposed**



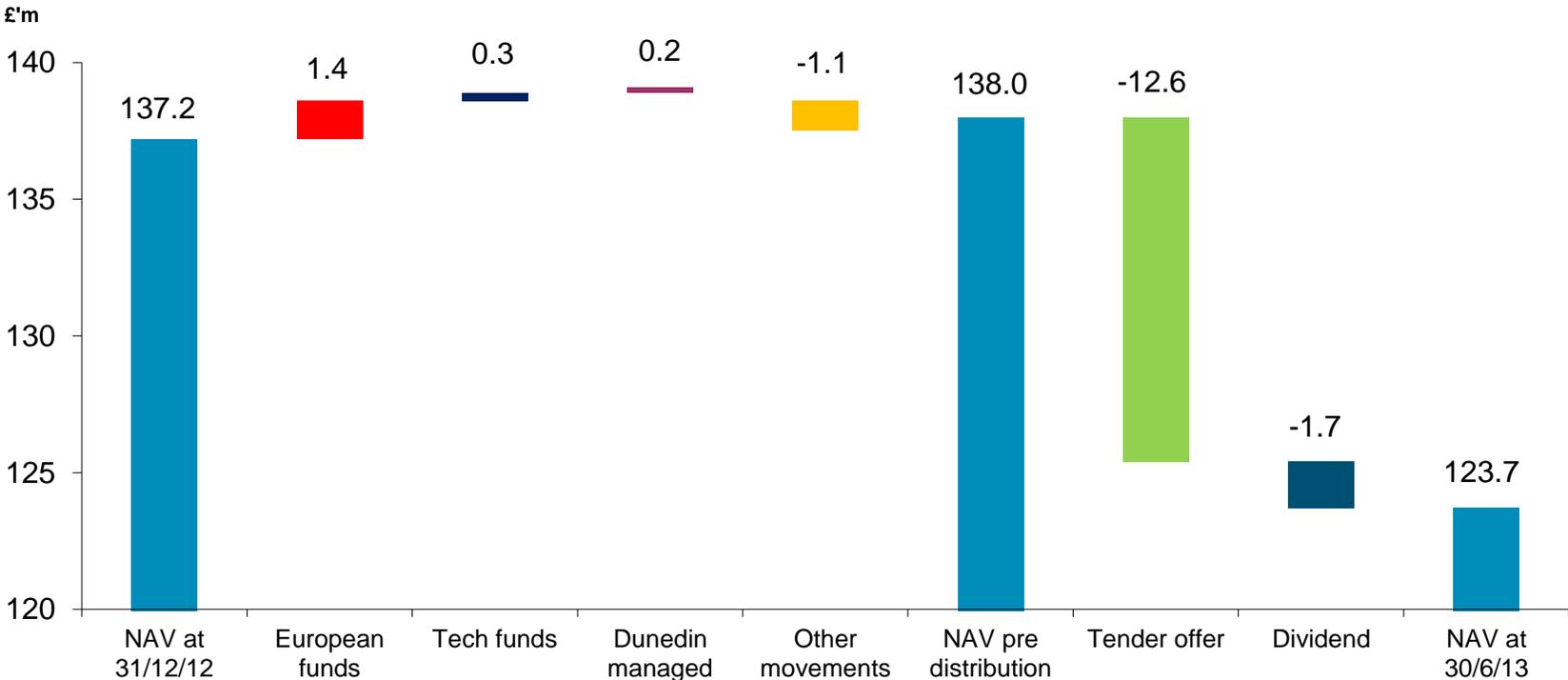


£m

	Valuation at 31-12-12 £'m	Additions in half year £'m	Disposals in half year £'m	Realised movement £'m	Unrealised movement £'m	Valuation at 30-06-13 £'m
Dunedin managed	76.5	6.1	(0.1)	(1.4)	1.6	82.7
Third party managed	25.7	4.1	(18.0)	1.0	0.7	13.5
	<b>102.2</b>	<b>10.2</b>	<b>(18.1)</b>	<b>(0.4)</b>	<b>2.3</b>	<b>96.2</b>

# Dunedin Enterprise

## NAV performance attribution



Company	Reason for movement	£m change
Practice Plan	Re-valued to the agreed sale price	2.7
CitySprint	Continued growth in maintainable earnings as a result of both organic growth and acquisitions combined with a reduction in net debt	1.6
CGI	Reduced net debt and earnings growth	1.0
Hawksford	Rolled interest	0.5
Red Commerce	Challenging trading conditions	(0.7)
Premier Hytemp	Challenging trading conditions	(1.0)
OSS	Trading has continued to decline and a full provision has been made against the investment.	(1.0)
Weldex	Valuation has been reduced in line with earnings	(1.7)
Other movements		0.9
		<b>2.3</b>

### Comply with IPEV guidelines

- Last 12 months maintainable EBITDA
- Use forecast EBITDA if lower than the last 12 months

### Maintainable earnings

Accrued interest of £12.1m (31/12/12: £10.8m)

<b>Weighted Average</b>	<b>30 June 2012</b>	<b>31 December 2012</b>	<b>30 June 2013</b>
EBITA	8.4	8.5	8.3
EBITDA	6.9	7.0	6.8

At 30 June 2013

EBITA multiples range from 6.1 to 14.5\*

EBITDA multiples range from 5.0 to 8.0

<b>Key Sector Comparison</b>	<b>30 June 2012</b>	<b>31 December 2012</b>	<b>30 June 2013</b>
Support Services	16.7	17.6	20.8

\* Weldex

<b>Debt multiples</b>	<b>30 June 2012</b>	<b>31 December 2012</b>	<b>30 June 2013</b>
EBITA multiple	2.8x	2.7x	2.8x
EBITDA multiple	2.3x	2.2x	2.3x

Note Debt defined as banking facilities drawn less cash at 30 June 2013  
EBITA and EBITDA per investment valuation

Gearing as multiple of EBITDA	No. of companies	% of total valuation
Multiple < 1	2	20%
Multiple 1 to 2	4	48%
Multiple 2 to 3	3	23%
Multiple > 3	1	9%

Maturity of Portfolio Company Debt	
Repayable in 2013	6%
Repayable in 2014	16%
Repayable in 2015	17%
Repayable in 2016	18%
Repayable thereafter	43%
	<b>100%</b>

	Commitment	Drawn to date (No. of investments)	Outstanding commitment	Valuation at 30 June 2013	
	€m	€m	€m	€m	£m
Realza (Iberia - €170m)	15.0	7.0 (4)	8.0	8.8	7.5
Innova (Eastern Europe - €450m)	15.0	6.3 (5)	8.7	6.2	5.3
	<b>30.0</b>	<b>13.3</b>	<b>16.7</b>	<b>15.0</b>	<b>12.8</b>

	2010	2011	2012	June 2013
	£m	£m	£m	£m
Dunedin managed - UK	87.2	103.9	76.5	82.7
Europe	38.5	34.3	24.9	12.8
Other	1.7	1.5	0.8	0.7
Cash	29.1	23.5	33.9	32.5
	<b>156.5</b>	<b>163.2</b>	<b>136.1</b>	<b>128.7</b>

As a % of assets, exposure to Europe has decreased from 25% in 2010 to 10% in June 2013

	2010	2011	2012	June 2013
	£m	£m	£m	£m
Dunedin managed - UK	38.0	22.9	65.8	75.9
Europe *	44.6	37.4	20.4	14.3
	<b>82.6</b>	<b>60.3</b>	<b>86.2</b>	<b>90.2</b>

\* - converted at year end exchange rate

## Dunedin managed funds

- DBF I & EHF: investment periods expired, £0.9m remains undrawn and available
- DBF II: investment period expired, £15m remains undrawn and available
- DBFIII: £60m commitment, 5 year investment period to November 2018

## European funds

- Five commitments made in 2008 and 2009, totalling €67.7m
- Egeria realised in February 2013 for €9.7m, releasing €1.5m undrawn commitment
- FSN realised in May 2013 for €10.7m, releasing €1.5m undrawn commitment
- No new commitments will be made
- Post the Egeria and FSN sales the total commitment was €30m
- Subsequent drawdowns to date €13.3m – o/s commitment €16.7m

	30 June 2013 £m
Cash and near cash	32.5
Revolving credit facility	20.0
Undrawn commitments - Dunedin*	(75.9)
Undrawn commitments – Europe	(14.3)
<b>Unfunded commitments</b>	<b>(37.7)</b>

\* Includes a total commitment to Dunedin’s next fund of £60m

### **New investment of £10.2m to 30 June 2013**

- £6.1m in Dunedin managed funds
- £4.1m in Third Party European funds

### **£4.1m investment in Trustmarque on 7 June 2013**

#### **Within European Funds**

- £2.6m drawn by FSN Capital prior to the realisation of the investment
- £1.5m drawn by Innova

- £43m primary management buyout
- A market leading provider of technology services and solutions to private and public sector organisations across the UK
- Strong organic growth prospects
- Year to 31 August 2012 - net income £15.7m EBITDA £5.2m
- Valuation 6.2x EBITDA
- [www.trustmarquesolutions.com](http://www.trustmarquesolutions.com)



**£9.0m realised from sale of FSN Capital**

**£8.4m realised from sale of Egeria**

**Realisation for planned exit of Practice Plan was signed on 13 August 2013 with completion subject to regulatory approval. On completion of the sale, the investment will generate capital proceeds of £8.9m and income of £5.9m, with 50% of the capital gain representing £1.6m**

**Proceeds from the sale of Egeria and the remaining distributable proceeds from previous realisations were returned to shareholders via a tender offer in May 2013 at 475p per Share**

**Further tender offer of £5.5m proposed by the Board at 475p . Balance of capital currently available £3.5m, together with further £1.6m available from sale of Practice Plan may be used to fund share buy-backs in coming months or otherwise returned to shareholders in due course**

	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment £m	Directors valuation £m	% of net assets %
CitySprint Group Limited	40.0	11.9	9.8	14.8	12.0
Practice Plan Group Holdings Limited	49.6	26.2	5.7	14.8	12.0
Realza Capital FCR	8.9	8.9	6.0	7.5	6.1
CGI Group Limited	41.4	41.4	9.4	7.4	6.0
Hawksford International Limited	49.0	16.0	4.3	7.3	5.9
Premier Hytemp Bidco Limited	77.3	23.0	8.0	7.1	5.7
Formaplex Group Limited	53.1	17.7	1.7	6.7	5.4
Red Commerce Limited	63.1	18.7	7.9	6.0	4.8
Weldex (International) Offshore Limited	51.0	15.1	9.5	5.9	4.7
U-POL Group Limited	5.2	5.2	5.7	5.7	4.6
<b>Total</b>			<b>68.0</b>	<b>83.2</b>	<b>67.2</b>

### Experienced investment team

- Unrivalled depth of experience
- Seven of the Partners have worked together for over ten years
- Regional strength – 73% of investments are outside London and South East
- Proven origination capability

### Core Sectors

- Industrials, Financial Services and Business Services

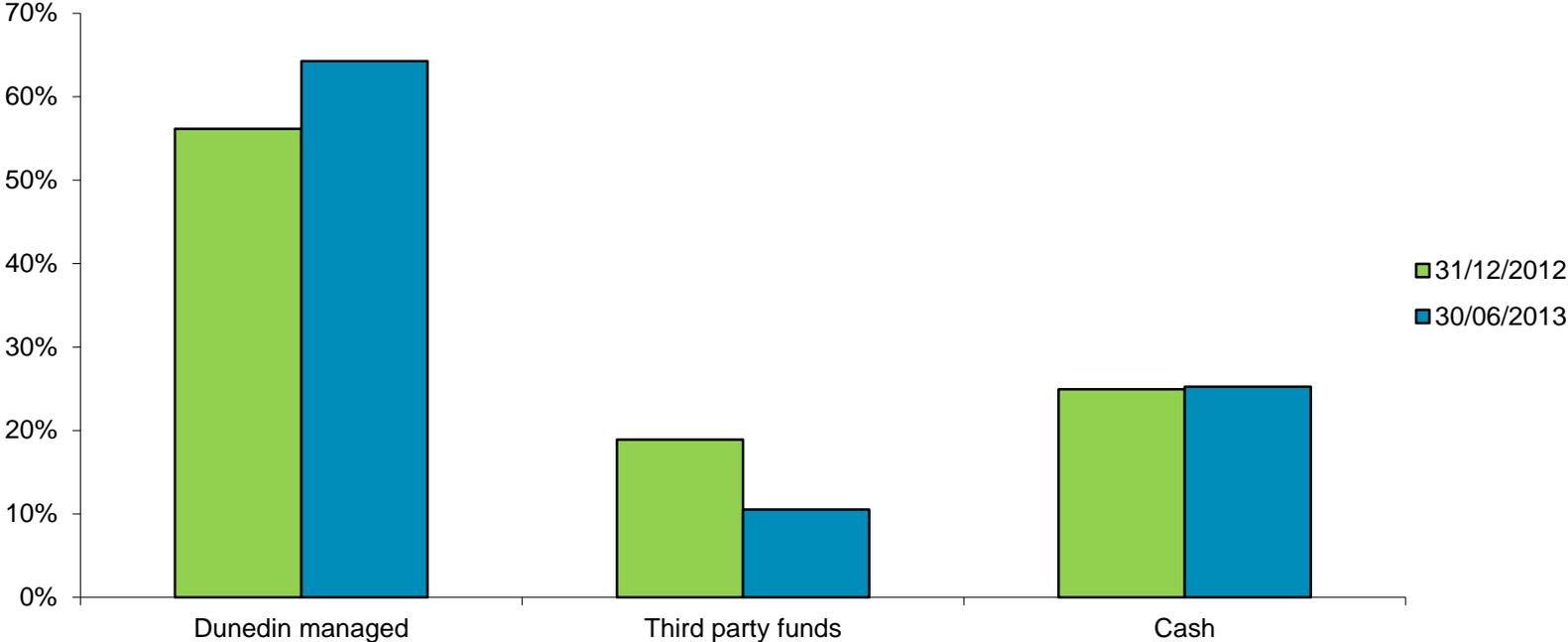
### Investment strategy

- Market leading “Hidden Champions”
- Growth strategies uncorrelated to UK economy; including internationalisation and acquisitive growth
- Create value through Full Potential Planning and Operational Toolkit
- Track record of capital preservation and risk management

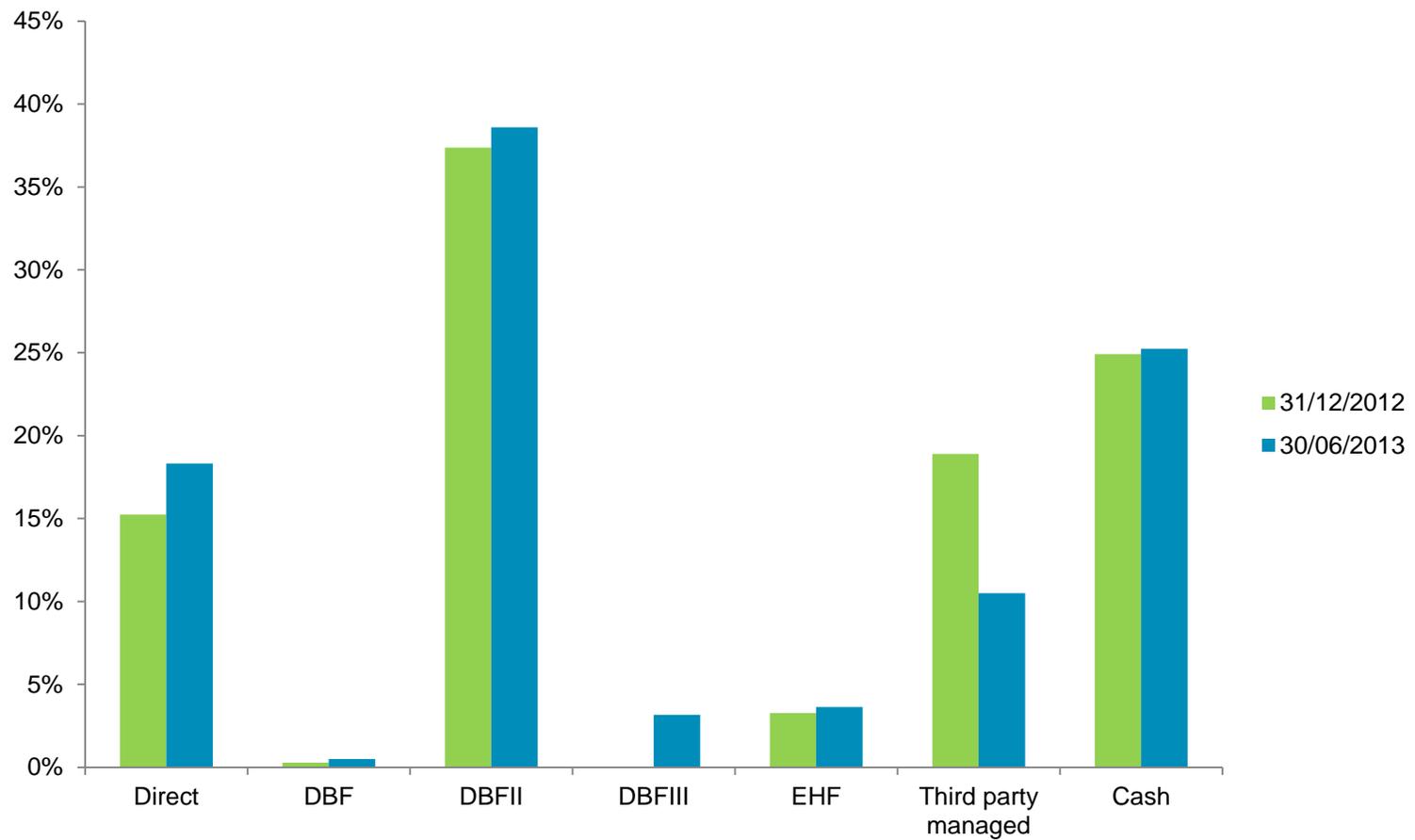
## Appendix 1

# Dunedin Enterprise

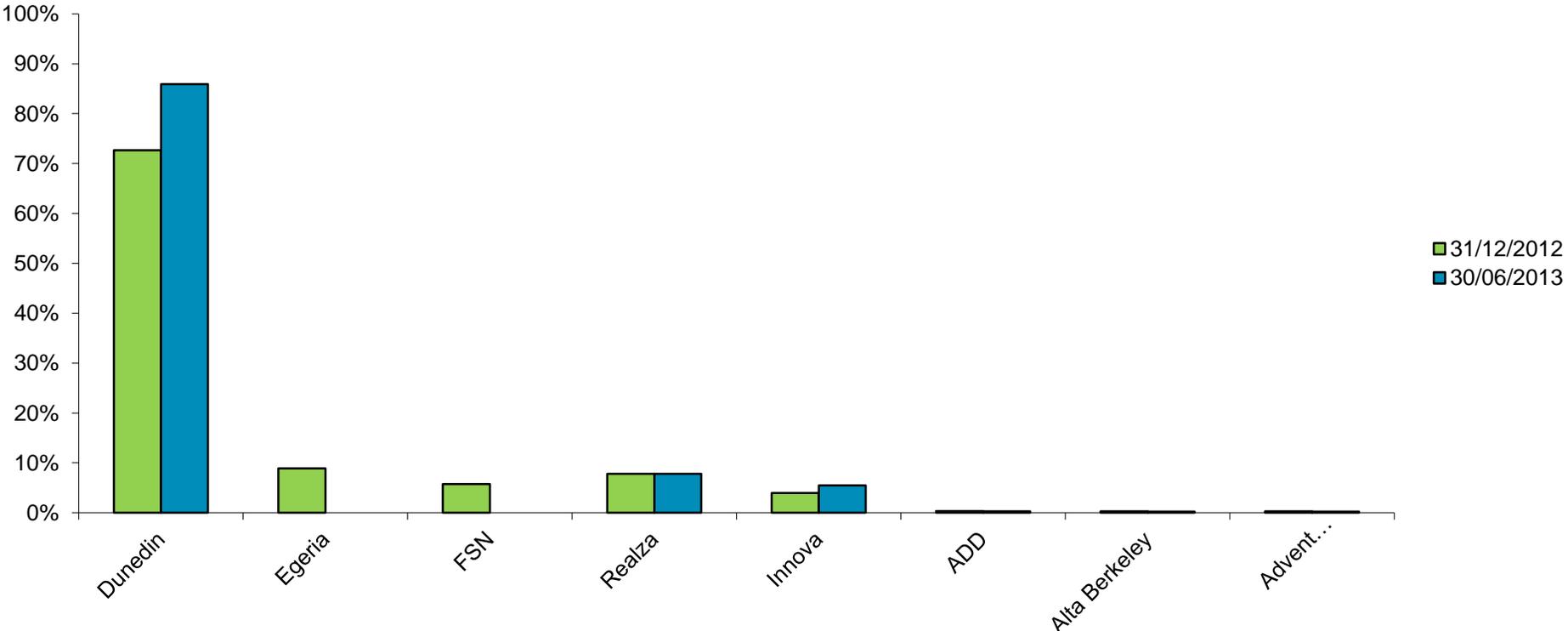
## Investment structure



# Dunedin Enterprise Fund split

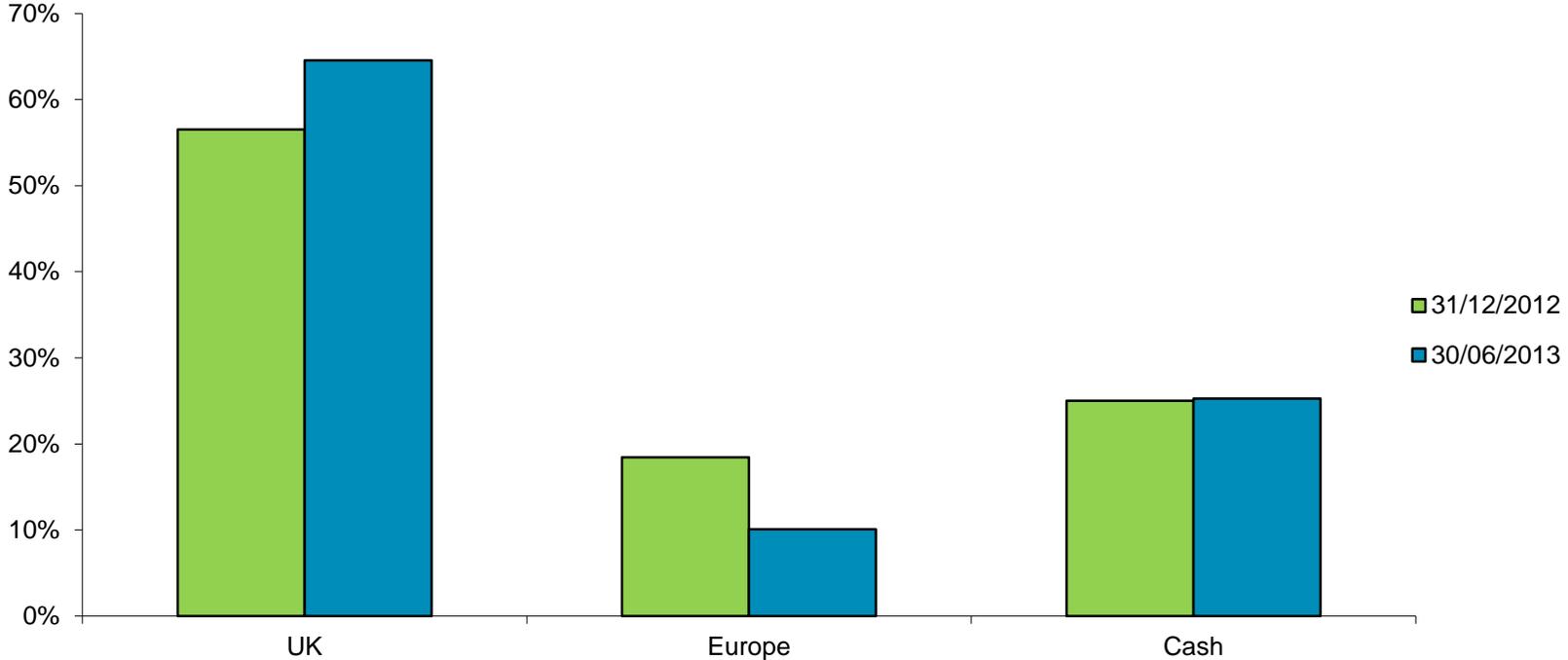


# Dunedin Enterprise Manager allocation



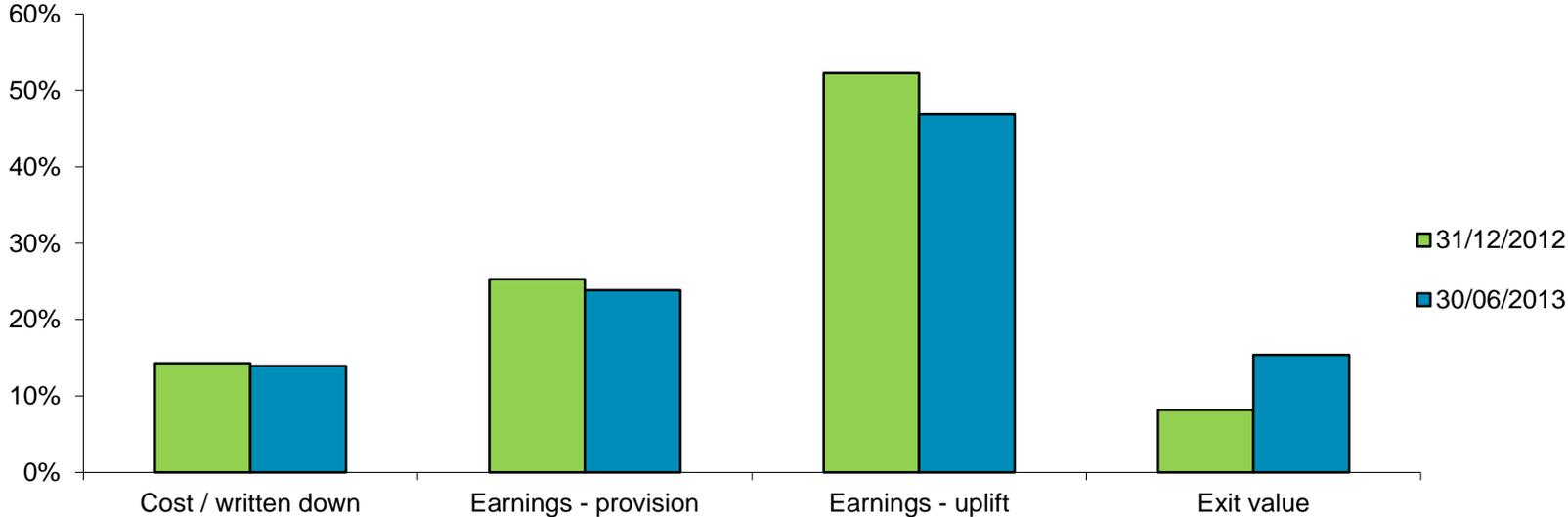
# Dunedin Enterprise

## Geographic allocation

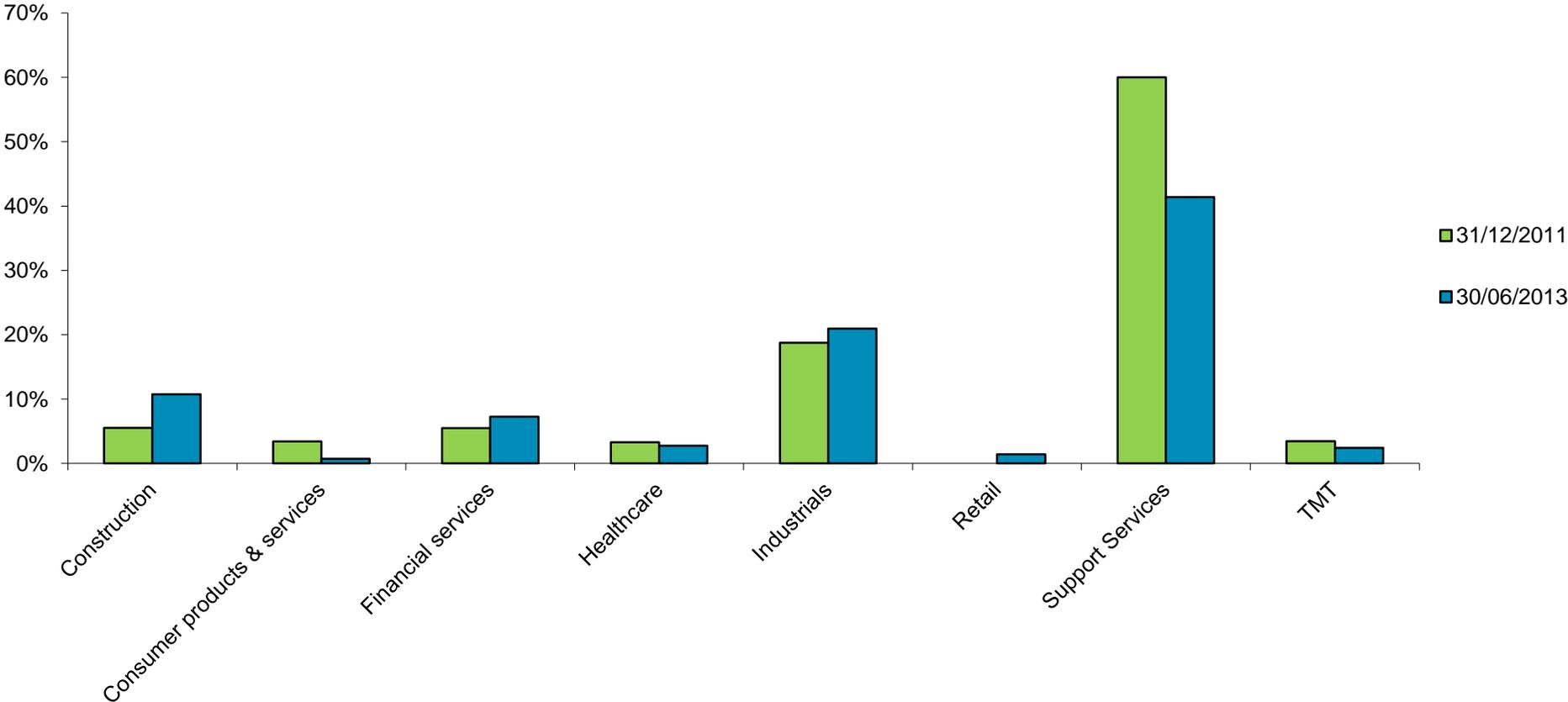


# Dunedin Enterprise

## Valuation method



# Dunedin Enterprise Sector



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