



Dunedin Enterprise Investment Trust PLC

Half Year Results to 30 June 2012

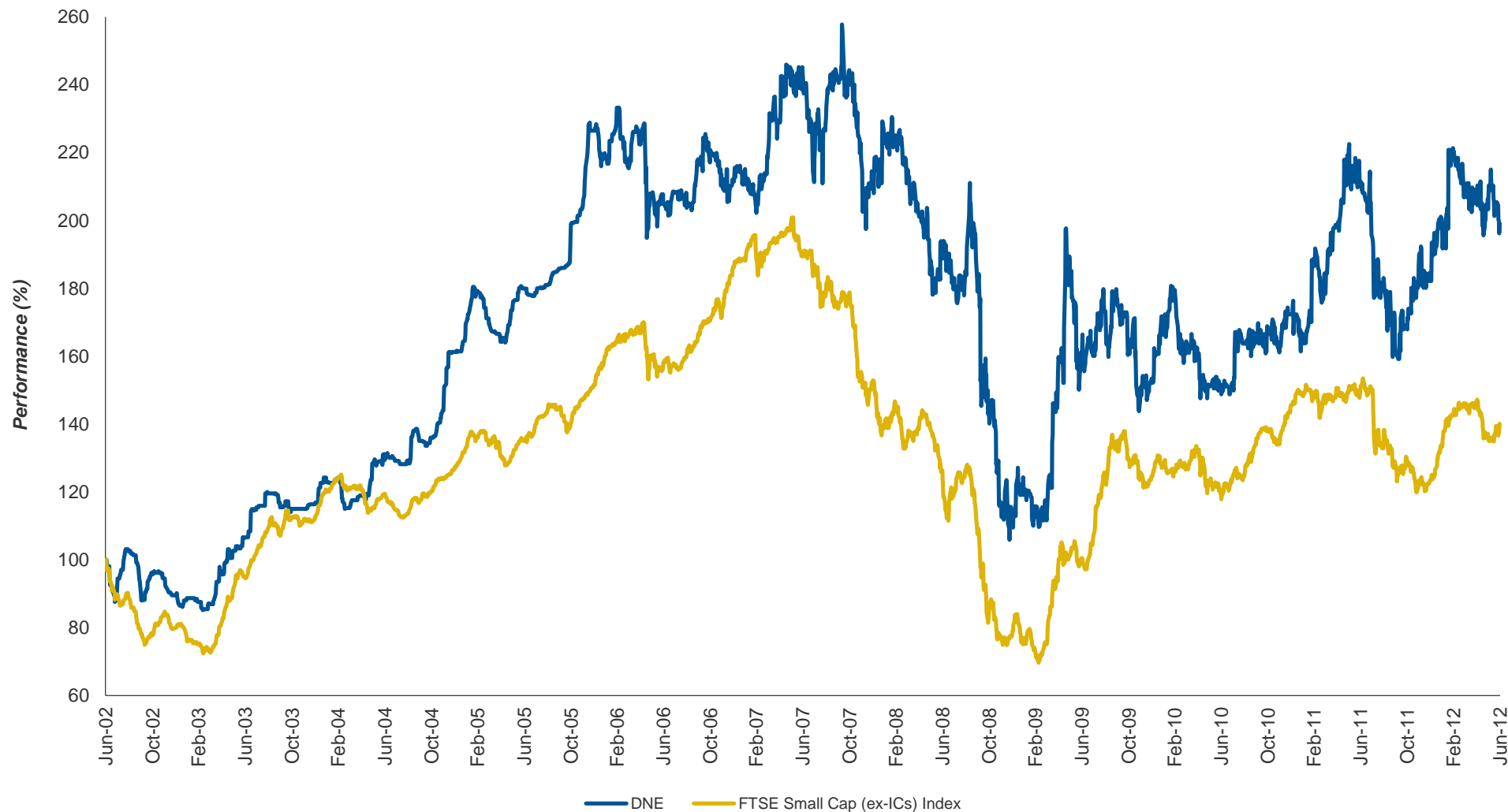
Dunedin Enterprise: performance

- NAV per share up by 7.6% to 582.2p
 - FTSE Small Cap up 11.5%
- Share price up by 7.8% from 313.5p to 338.0p at 30 June 2012
- Share price 371.75p at 29 August 2012
- Discount 42.1% at 31 December 2011 and 41.9% at 30 June 2012
- Discount at 29 August 2012 of 36.1 % compared to 41.9% at 30 June 2012
- Realisations of £40.9m in the half year
- New investment of £3.0m in the half year

Dunedin Enterprise: performance continued

- £25m commitment to Dunedin's next fund
- Intention to commit up to a further £25m
- Tender offer undertaken for £14.3m
- Tender offer proposed for £6.8m
- Special dividend of 16p
- £1.6m allocated for future share buy-backs

Dunedin Enterprise: share price total return over ten years to 30.06.12



Dunedin Enterprise: NAV and share price

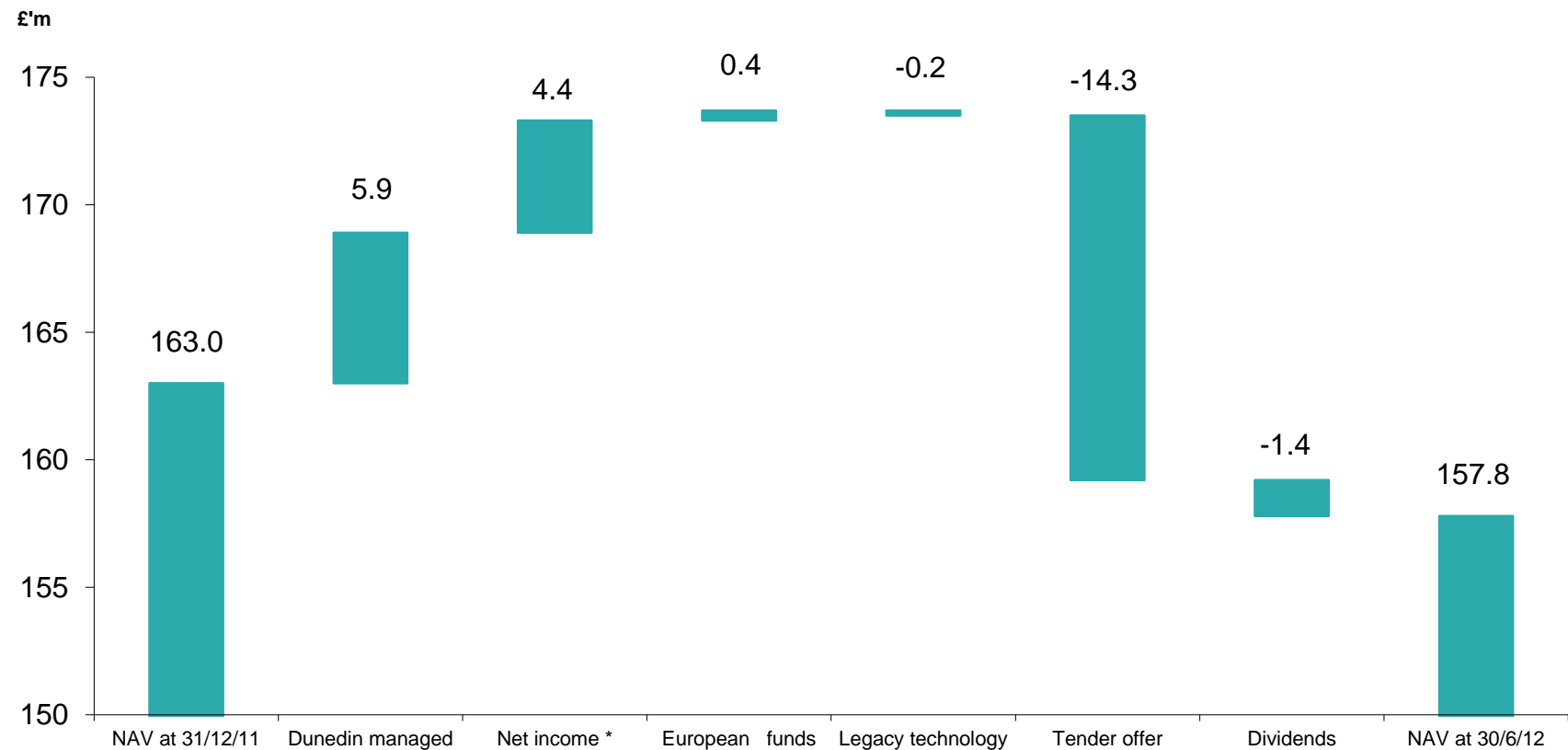


Dunedin Enterprise: investment portfolio

	Valuation at 31-12-11 £'m	Additions in half year £'m	Disposals in half year £'m	Realised movement £'m	Unrealised movement £'m	Valuation at 30-06-12 £'m
Dunedin managed	103.9	1.6	(25.6)	1.9	4.0	85.8
Third party managed*	19.8	1.4	(0.5)	-	0.4	21.1
SWIP	14.5	-	(14.5)	(0.1)	0.1	-
Legacy technology funds	1.5	-	(0.3)	-	(0.2)	1.0
	139.7	3.0	(40.9)	1.8	4.3	107.9

* Sales of £3.3m post 30 June 2012

Dunedin Enterprise: NAV performance attribution



* Principally rolled up interest on exit of Capula and WFEL

Dunedin Enterprise: portfolio valuation movements

Company	Reason for movement	£m change
Formaplex	Strong demand in its Import Tooling and Composites divisions as well as for the new Foxhound vehicle	2.7
WFEL	WFEL was realised for a total of £17.2m	1.8
CGI	Reduced debt, increased multiple	1.4
etc.venues	Maintainable earnings have increased by 13% due to a successful new venue openings and strong trading	0.8
Hawksford	Acquisition strategy has led to an increase in maintainable earnings of 41%	0.6
European funds	Valuation increases in FSN and Innova and the Capiton exit offset by provisions made by Realza	0.3
Red Commerce	Maintainable earnings have been impacted by a softening in the market and expansion costs	(0.5)
Enrich	Trading continues to be difficult but the Trust remains supportive	(1.0)
		6.1

Earnings-based valuation

- Comply with IPEV guidelines
- Maintainable earnings
- Accrued interest of £11.5m (31/12/11: £13.9m)
- 10 out of 12 companies budgeting for increased profits
- 2 companies budgeting lower profits

Average valuation multiples: Dunedin managed direct investments

Weighted Average	30 June 2012	31 December 2011	30 June 2011
EBITA	8.4	8.1	8.6
EBITDA	6.9	6.8	7.1

At 30 June 2012 EBITA multiples range from 5.9 to 11.6
EBITDA multiples range from 5.0 to 8.9

Average valuation multiples: Dunedin managed direct investments

Key Sector Comparison	30 June 2012	31 December 2011	30 June 2011
Support Services	16.7	16.3	20.7

Represents 57% of the aggregate portfolio value (60% at 31 December 2011)

Average valuation multiples: Dunedin managed direct investments

Debt multiples	30 June 2012	31 December 2011	30 June 2011
EBITA multiple	2.8x	2.5x	2.7x
EBITDA multiple	2.3x	2.1x	2.2x

Note

Debt defined as banking facilities drawn less cash at 30 June 2012

EBITA and EBITDA per investment valuation

Portfolio Gearing: Dunedin managed direct investments

Gearing as multiple of EBITDA	No. of companies	% of total valuation
Multiple < 1	3	29
Multiple 1 to 2	2	15
Multiple 2 to 3	4	40
Multiple > 3	2	16

Portfolio Gearing: Dunedin managed direct investments

Maturity of Portfolio Company Debt	
Repayable in 2012	13%
Repayable in 2013	12%
Repayable in 2014	14%
Repayable in 2015	12%
Repayable thereafter	49%
	100%

All companies are covenant compliant and all are expecting to repay debt as scheduled

Dunedin Enterprise: third party European fund movements

	Commitment	Drawn to date (No. of investment)	Outstanding commitment	Valuation at 30 June 2012	
	€m	€m	€m	€m	£m
FSN Capital (Nordic - €375m)	12.7	7.4 (8)	5.3	6.7	5.5
Realza (Iberia - €170m)	15.0	4.1 (2)	10.9	5.2	4.2
Egeria (Netherlands - €500m)	10.0	5.7 (5)	4.3	7.0	5.7
Innova (Eastern Europe - €450m)	15.0	3.0 (3)	12.0	3.0	2.4
Excluding Capiton	52.7	20.2 (18)	32.5	21.9	17.8
Capiton	15.0	4.2 (3)	10.8	4.2	3.3
As at 30/6/12	67.7	24.4 (21)	43.3	26.1	21.1

Exchange rate £ : € = 1.236

Dunedin Enterprise: strategy and commitments

- Dunedin managed funds
 - DBF I & EHF: investment periods expired, £0.8m remains undrawn and available
 - DBF II: £75m commitment of which 73% drawn - o/s commitment £24.0m
 - £25m commitment to Dunedin's next fund
 - Intention to commit up to a further £25m
- Third party European funds
 - 5 commitments made in 2008 and 2009
 - Capiton realised in August 2012 for €4.2m, releasing €10.8m undrawn commitment
 - No new commitments will be made
 - Commitments to date (excluding Capiton) €52.7m, being £42.6m (at 30.06.12 exchange rate)
 - Drawdowns to date €20.2m – o/s commitment €32.5m
- Following shareholder approval, the Court approved the cancellation of the Share Premium Account on 15 March 2012. The balance has been transferred to a special reserve.

Commitment strategy

	30 June 2012 £m
Cash and near cash	49.1
Revolving credit facility	20.0
Undrawn commitments - Dunedin	(49.8)
Undrawn commitments - Europe	<u>(26.2)</u>
Unfunded commitments	<u>(6.9)</u>

Revolving credit facility of £10m increased to £20m until 31 August 2013

Up to a further £25m intended to be committed to the UK lower mid market through Dunedin

Dunedin Enterprise: new investment activity

- New investment of £3.0m in the half year to 30 June 2012
 - £1.6m in Dunedin managed funds
 - £1.4m in Third party European funds

Dunedin Enterprise: realisations

- Total realisations of £40.9m
- £14.5m realised from sale of SWIP
 - Proceeds were returned to shareholders via a tender offer in April 2012
- £14.0m realised from the sale of WFEL
 - Sold to KMW, a German land defence system provider
 - Additionally £3.2m of income received
- £11.5m realised from the sale of Capula
 - Sold to Imtech, a Dutch listed company
 - Additionally £2.3m of income received

Dunedin Enterprise: ten largest investments

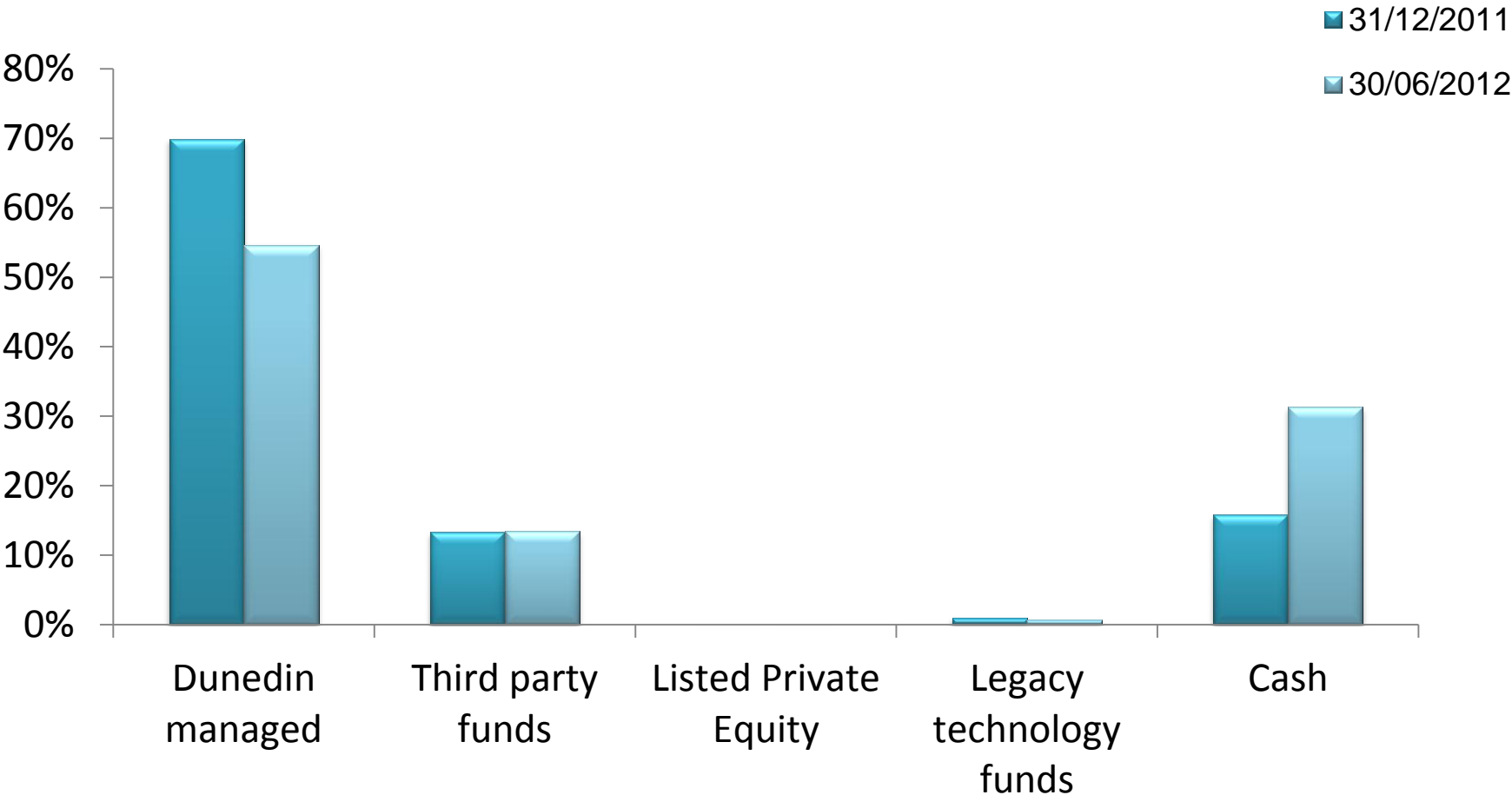
	Total Dunedin equity %	Dunedin Enterprise equity %	Cost of investment £m	Directors valuation £m	% of net assets %
CitySprint Group Limited	40.0	11.9	9.8	11.3	7.2
Practice Plan Group Holdings Limited	49.6	26.2	5.6	11.3	7.1
OSS Environmental Holdings Limited	40.2	40.2	6.0	10.0	6.4
Red Commerce Limited	63.2	18.7	7.9	9.0	5.7
etc.venues Group Limited	55.0	27.9	3.4	8.8	5.6
Weldex (International) Offshore Limited	51.0	15.1	9.5	8.0	5.1
CGI Group Limited	41.4	41.4	8.5	7.0	4.4
Formaplex Group Limited	53.1	17.7	1.7	6.2	3.9
Hawksford International Limited	49.0	16.0	3.8	5.9	3.7
Egeria Private Equity Fund III LP	3.4	3.4	4.5	5.7	3.6
			60.7	83.2	52.7

Dunedin Enterprise: outlook

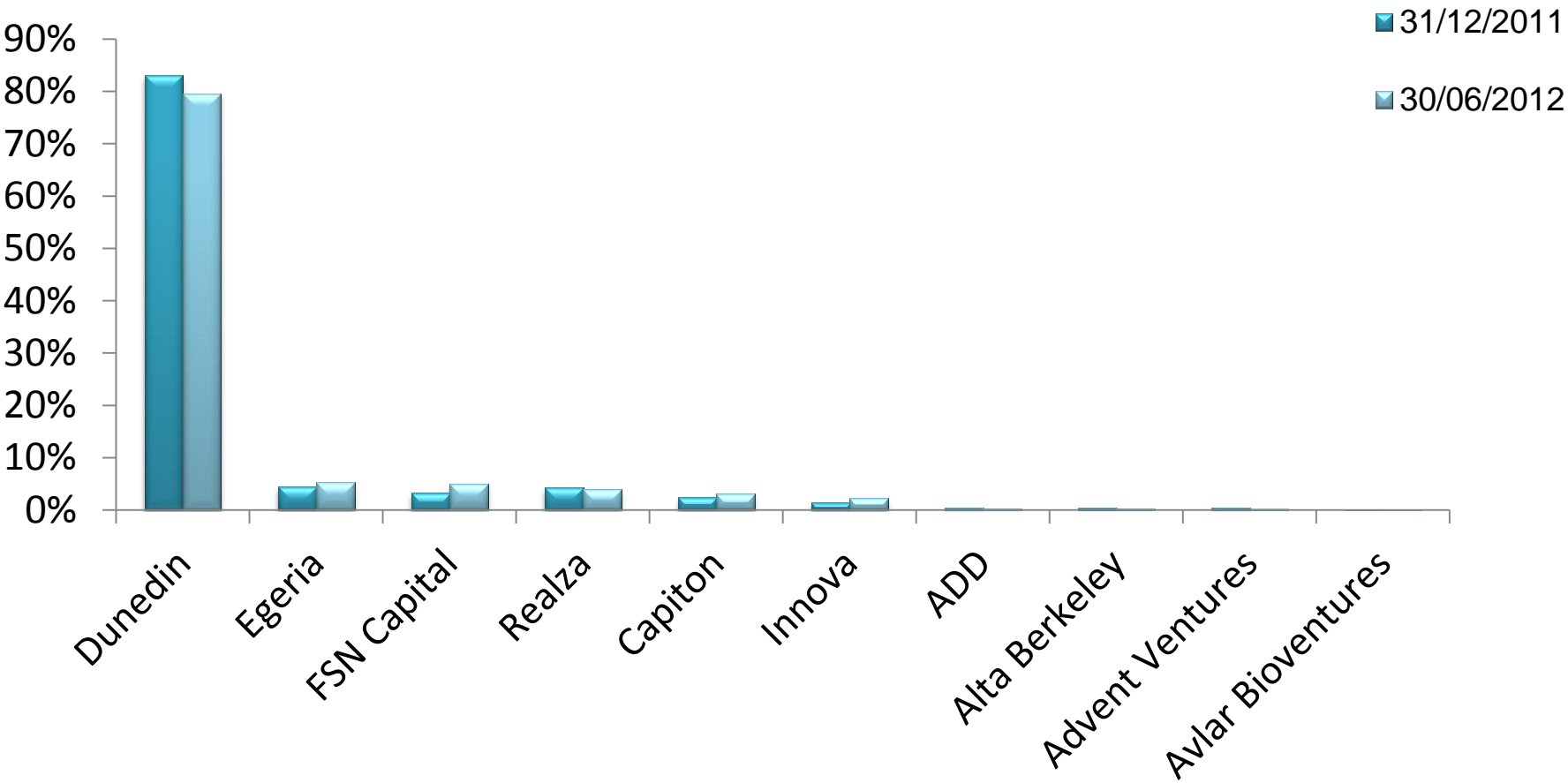
- Portfolio is in good shape
- Upturn in realisations set to continue
- DBFII and European funds active in the new investment market
- Sufficient funds to meet forecast drawdowns

Appendix 1

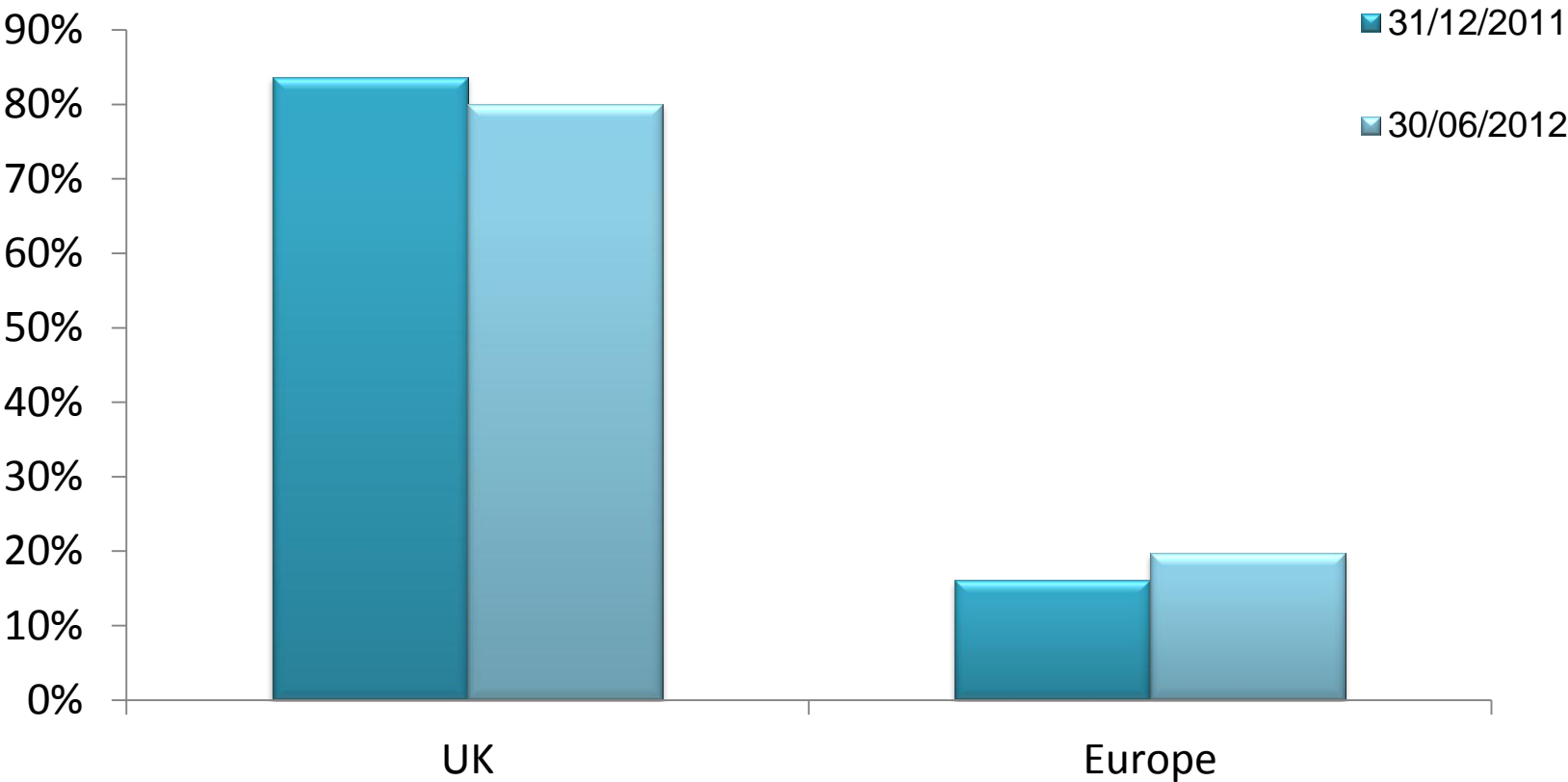
Dunedin Enterprise: investment structure



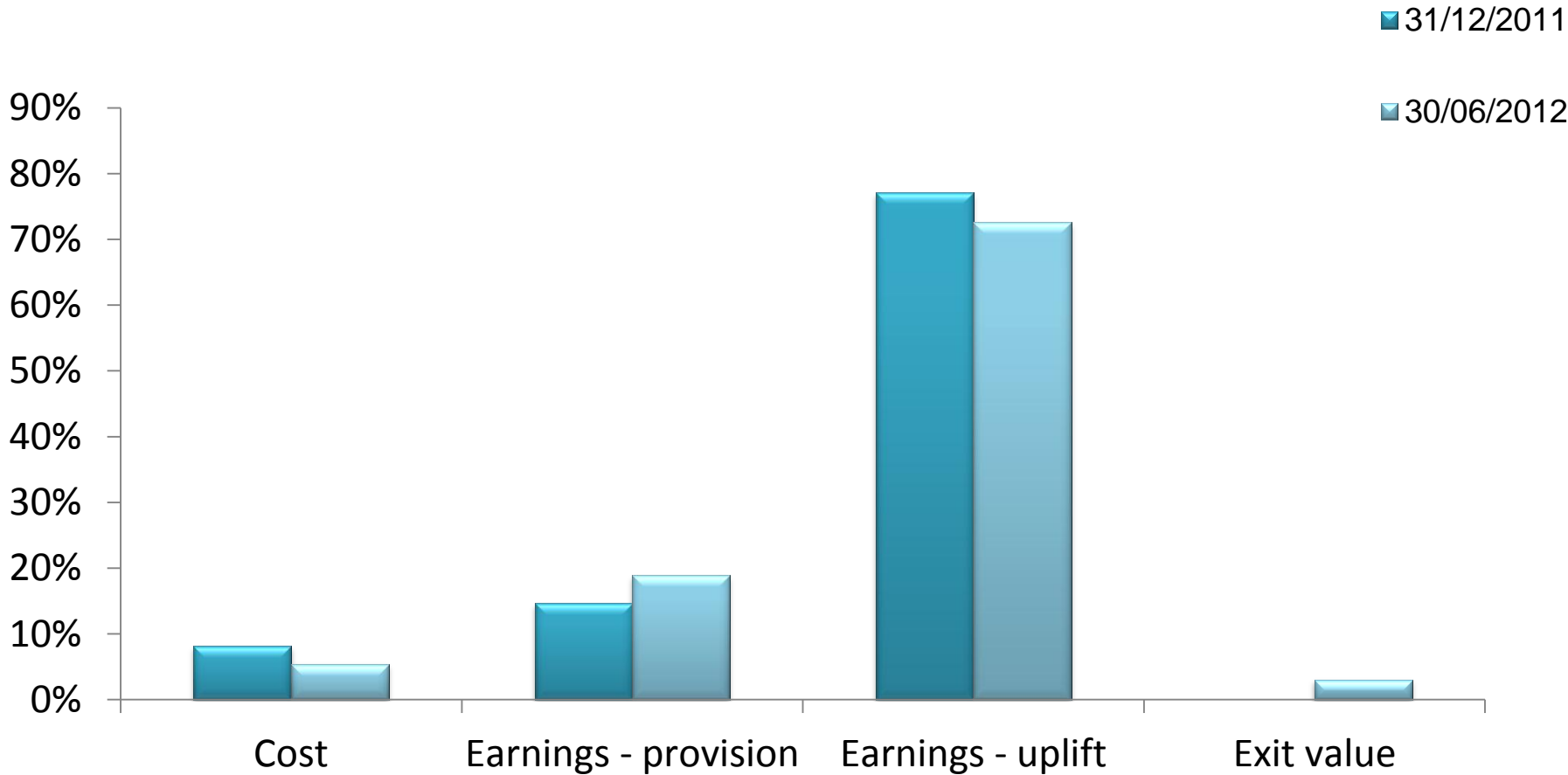
Dunedin Enterprise: manager allocation



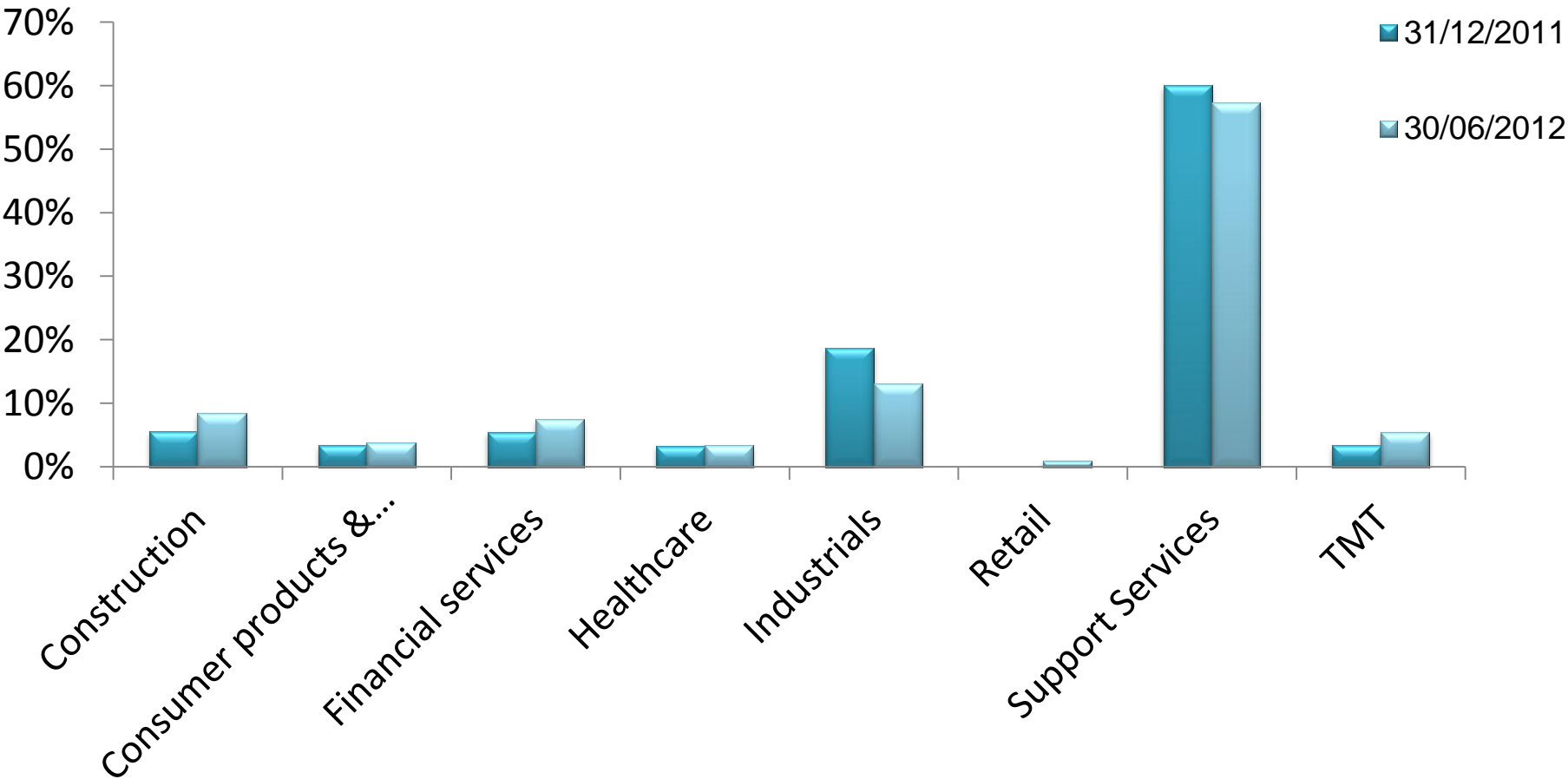
Dunedin Enterprise: geographic allocation



Dunedin Enterprise: valuation method



Dunedin Enterprise: sector



Dunedin Enterprise: deal type

