Dunedin Enterprise Investment Trust PLC

Annual General Meeting, 14 May 2014

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Introduction

New investments and realisations

Update on refocusing the portfolio and tender offers

MBO market and outlook

New investment and realisation activity - 2013

Two new investments

- Trustmarque
- Kee Safety

Three realisations

- Practice Plan
- Egeria
- FSN Capital

Trustmarque

Investment summary

Transaction summary

Activity: A market leading provider of technology services and solutions to private and public sector organisations

Date: June 2013

Type: Secondary buyout

Sector: Business Services

Deal size: £43m

Investment rationale

- A market leader in its niche
- A clearly positioned brand with an exceptional reputation within both the commercial and public sectors
- Opportunity to expand the services offering and increase customer penetration

Transaction structure

- Total Dunedin funding of £22.2m, £4.3m from Dunedin Enterprise
- Dunedin shareholding 62%, management 38%

Trustmarque

Business overview

- The business manages customers' computer software and licensing from a wide range of developers including Microsoft, VMware, and McAfee
- Its professional and consultative services enable organisations to optimise their IT resource, improve efficiencies and reduce costs
- It currently serves over 1,200 clients including RBS, Lloyds Banking Group, Sainsbury's, the NHS, Ministry of Defence and a broad spectrum of local authorities and central government agencies
- Acquired Opin Systems in December 2013

Transaction summary

Activity: The global market leading provider of fall protection systems and solutions

Date: December 2013

Type: Secondary buyout

Sector: Industrials

Deal size: £90m

Investment rationale

- A market leader in its niche
- Strong and proven management team
- Large, growing market that is driven by developing health and safety standards around the world
- Domestic and international growth prospects

Transaction structure

- Total Dunedin funding of £32.0m, £6.3m from Dunedin Enterprise
- Dunedin shareholding 36.9%, management 39.7%, LDC 23.4%

– Kee Safety products ensure people are separated from hazards in the areas of:

- Collective and Personal Fall Protection
- Roof Edge Protection
- Barrier and Guard Rail Systems
- ‘Work at Height’ and Safe Access Solutions

– A global business with sales in 50+ countries

– The business enjoys a wide spread of customers by type, geography and product

– Future growth is built around regional development (particularly in the US) in markets where the demand, approach to market and capacity has been proven already

Practice Plan	
Date of Exit	August 2013
Value Add	• Support of acquisitions • Refinancing • Strengthened management team
Acquirer	Wesleyan Assurance Society
Overall Return	**2.7x**
IRR	**42%**
Overall cash received	£14.8m
Uplift on exit from March 2013	£2.2m

Dunedin Enterprise

Assets by type and cash

31 December	2010	2011	2012	2013
	£m	£m	£m	£m
Dunedin managed	87.2	103.9	76.5	75.1
Europe	38.5	34.3	24.9	12.9*
Other	1.7	1.5	0.8	0.7
Cash	29.1	23.5	33.9	27.9
	156.5	163.2	136.1	116.6

* FSN and Egeria sold for £17.3m in the year

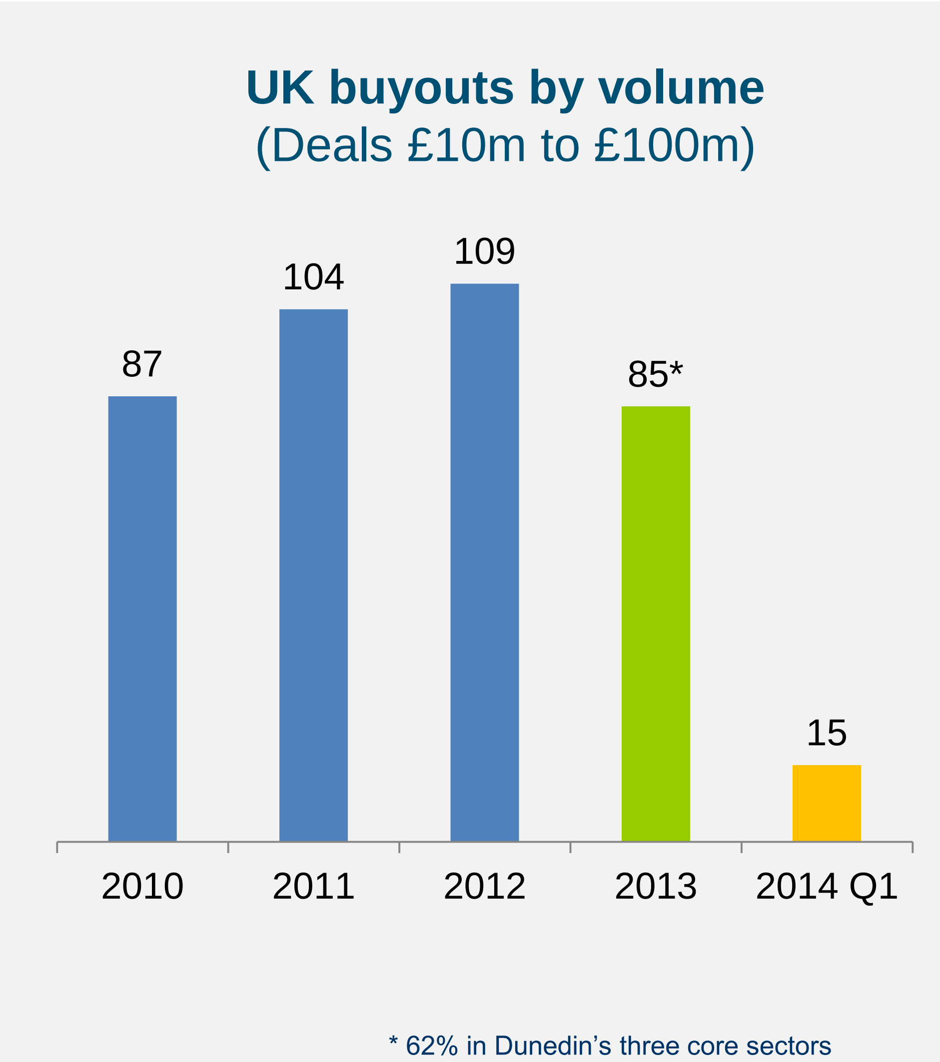
Proceeds from realisations

Proceeds from the sale of etc.venues and Egeria and the remaining distributable proceeds from previous realisations, amounting to £12.5m, were returned to shareholders via a tender offer in May 2013 at 475p per share

Proceeds from the sale of FSN, amounting to £5.5m, were returned to shareholders via a tender offer in October 2013 at 475p per share

It is proposed that proceeds from the sale of Practice Plan and the remaining balance from FSN, amounting to £5.2m, be returned to shareholders via a tender offer in May 2014 at 475p per share

Market and outlook



Commentary:

- Slowing in market last year but improvement expected in H2 2014
- Dunedin is focussed on origination - good pipeline of self originated opportunities
- Debt much more available
- Pricing on larger and better quality assets is rising

Source: CMBOR (April '14)