

Valuation Report on Dinamia Capital Privado, S.C.R., S.A.

30 June 2007

<u>NAV per share</u>	28.52 €
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<u>Ex-dividend NAV per share</u>	27.12 €
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<u>Adjusted NAV per share¹</u>	26.70 €
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<u>Ex-dividend adjusted NAV per share</u>	25.30 €
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Prepared by Nmás1 Capital Privado, S.G.E.C.R., S.A.

¹ Adjusted for the theoretical performance fee payable to the management company in the hypothetical event that all the investee companies were sold at the date of this report at a price equal to the values stated in this report (see section "Performance fee of the management company Nmás1 Capital Privado").

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Introduction

The purpose of this report is to obtain an approximate value for Dinamia Capital Privado S.C.R., S.A.'s equity as at 30 June 2007. The report has been prepared by the management company Nmás1 Capital Privado, S.G.E.C.R., S.A.

The following criteria have been applied:

- 1) The unlisted company investment portfolio has been valued at cost, except for investments that have been restated or provisioned in accordance with the internationally accepted guidelines issued by EVCA (European Venture Capital Association) for the valuation of investment portfolios of venture capital companies.
- 2) Shares in listed companies are stated at market value at the valuation date.

Net Asset Value as at 30 June 2007

The valuation performed as stated above has resulted in a **Net Asset Value per Share of €28.52.**

Net Asset Value per Share at 30 June 2007

	NAV at 31.12.2004	NAV at 31.12.2005	NAV at 31.12.2006	Portfolio per book value 30.06.2007	NAV at 30.06.2007
<i>*Figures in thousands of euros, except per-share data.</i>					
Shares	93,169	145,936	107,192	75,460	121,257
Loans to investee companies	4,072	37,648	54,545	74,849	74,849
Total unlisted portfolio and loans to investee companies	97,240	183,583	161,737	150,309	196,106
Listed portfolio (GNC)	0	0	50,075	6,045	10,128
Cash and cash equivalents	63,506	51,928	97,565	134,649	134,649
Other assets	2,902	2,189	6,968	1,081	1,081
TOTAL ASSETS	163,648	237,701	316,345	292,084	341,964
Liabilities	(3,218)	(984)	(527)	(567)	(567)
TOTAL NET ASSETS	160,430	236,717	315,818	291,517	341,397
Adjustment for dividends and share premium July 2004					
Adjustment for share premium July 2005	(6,284)				
Adjustment for dividends July 2006	(8,379)	(8,379)			
Adjustment for dividends July 2007	(16,758)	(16,758)	(16,758)		
TOTAL ADJUSTED NET ASSETS	129,009	211,580	299,060	291,517	341,397
Adjusted number of shares (*)	8,977,500	11,970,000	11,970,000	11,970,000	11,970,000
NAV per share	14.37 €	17.68 €	24.98 €	24.35 €	28.52 €
Increase in NAV per share	-0.3%	23.0%	38.3%		14.2%
lbex 35 price	9,080.8	10,733.9	14,146.5		14,641.7
lbex 35 growth	17.4%	18.2%	31.8%		3.5%
Stock market price (adjusted for dividend)	10.94 €	16.40 €	22.09 €	28.57 €	28.57 €
Discount/(Premium) on NAV	23.9%	7.2%	11.0%	(17.3%)	(0.2%)

(*) Number of shares adjusted for effect of capital increases

Summary of the unlisted portfolio valuation

General valuation methods used. Two valuation methods have been applied to the companies in the portfolio in order to prepare this report:

- Valuation based on multiples of comparable listed companies², applying discounts for illiquidity (30%).
- Application of the multiples at which Dinamia acquired the companies to their estimated results for 2007.

These general methods may vary in the event that the individual characteristics of the company or the nature of the data gathered lead to significant distortions in the valuations.

A summary of the valuation of unlisted and listed companies at 30 June 2007 is set out below:

Portfolio Valuation at 30.06.2007										
<i>figures in thousands of euros</i>										
				TOTAL PORTFOLIO VALUE AT 30.06.2007						
				Book value	Comparable multiples	Acquisition multiples	Value 30.06.2007			
TOTAL PORTFOLIO (A+B+C)				150,309	225,689	181,167	206,234			
				VALUE OF SHARES AT 30.06.2007						
		Adjusted for own shares		Book value	Comparable multiples	Acquisition multiples (1)	Value 30.06.2007	Value 31.12.06	Value 30.06.06	
% Dinamia	% Dinamia	Diluted								
Deutsche Woolworth (2)	6.61%	6.61%	6.61%	-	-	-	-	-	-	
Forthpanel Limited	5.00%	5.00%	5.00%	1,000	1,000	1,000	1,000	1,000	1,000	
Arco Bodegas Unidas, S.A.	8.00%	8.36%	8.36%	13,376	18,040	18,040	18,040	18,040	18,040	
Soc. Gest. de Televisión NetTV, S.A.	2.29%	2.29%	2.29%	356	356	356	356	280	209	
Ydilo Advanced Solutions, S.A.	7.06%	7.06%	7.06%	881	1,470	1,470	1,470	1,470	1,470	
High Tech Hotels & Resorts, S.A.	45.11%	45.11%	35.77%	13,000	34,371	34,371	34,371	31,149	24,553	
Grupo Segur Ibérica	17.86%	17.86%	17.86%	10,267	14,812	9,113	10,267	9,724	9,500	
Bodybell (4)	26.77%	26.77%	26.77%	20	11,926	8,950	8,950	7,520	5,375	
Émfasis (5)	45.30%	45.30%	45.30%	3,881	10,711	4,027	4,027	3,881	3,881	
Atecsa (6)	50.00%	50.00%	50.00%	7,125	16,703	11,669	11,669	7,125	7,125	
Holmes Place (7)	20.61%	20.61%	20.61%	1,814	11,575	4,078	4,078	1,814	1,814	
Grupo Cristher (8)	44.47%	44.47%	44.47%	4,209	24,130	7,498	7,498	7,470	4,209	
Serventa (9)	46.66%	46.66%	46.66%	2,095	2,095	2,095	2,095	2,095	2,095	
Laude (10)	45.07%	45.07%	45.07%	3,651	3,651	3,651	3,651	2,251	2,251	
Alcad (11)	37.68%	37.68%	37.68%	9,847	9,847	9,847	9,847	n.d.	n.d.	
ZIV (12)	37.50%	37.50%	37.50%	3,938	3,938	3,938	3,938	n.d.	n.d.	
TOTAL UNLISTED SHARES (A)				75,460	150,840	106,318	121,257	93,818	81,522	
Grupo Nicolás Correa Anayak (3)				15.35%	15.35%	15.35%	6,045	10,128	7,199	7,622
TOTAL ACCIONES COTIZADAS (B)				6,045	10,128	10,128	10,128	7,199	7,622	

(1) In the event that a method is not applicable, the same value is stated here for both methods

(2) Dinamia holds an interest in this company through two holding companies used as vehicles to acquire the Deutsche Woolworth Group. Their full names are DWW Deutsche Woolworth Holding GmbH and DWW Beteiligungs GmbH

(3) Value obtained by applying a 20% discount to the market value at 30.06.2007 of Dinamia's interest in the listed company Nicolás Correa, S.A.

(4) Dinamia holds an interest in Bodybell through the vehicle The Beauty Bell Chain, S.L.

(5) Dinamia holds an interest in Émfasis through the vehicle Émfasis Billing & Marketing Services, S.L.

(6) Dinamia holds an interest in Atecsa through the vehicle Aseguramiento Atecsa, S.L.

(7) Dinamia holds an interest in Holmes Place through the vehicle Colegiata Invest, S.L.

(8) Dinamia holds an interest in Grupo Cristher through the vehicle Deimoral Inversiones 2005, S.L.

(9) Dinamia holds an interest in Serventa through the vehicle Saint Germain Grupo de Inversiones, S.L.

(10) Dinamia holds an interest in Laude through the vehicle Colegios Laude, S.L.

(11) Dinamia holds an interest in Alcad through the vehicle Limestone, S.L.

(12) Dinamia holds an interest in ZIV through the vehicle Miser, S.L.

LOANS TO INVESTEE COMPANIES			
	Principal	Interest accrued	TOTAL
Segur Ibérica	404	-	404
Bodybell (4)	19,019	1,797	20,817
Émfasis (5)	4,181	928	5,109
Holmes Place (7)	7,256	2,238	9,494
Grupo Cristher (8)	7,816	1,458	9,274
Serventa (9)	5,093	932	6,024
Laude (10)	15,153	1,094	16,247
ZIV (12)	7,313	168	7,480
TOTAL LOANS TO INVESTEE COMPANIES (B)	66,234	8,615	74,849 (C)

² Source of multiples used: Bloomberg

Business evolution in 2007

- On 8 January 2007, the Company paid up K€76 to increase the capital of the television management company Net TV, S.A., increasing its investment to K€356 or 2.29% of Net TV, S.A.
- On 23 January 2007, Dinamia Capital Privado sold all its shares in General de Alquiler de Maquinaria S.A., entailing the placement of 10.38% of the investee company's capital, which generated a gain of K€46,490 for Dinamia.
- On 9 March 2007, Dinamia invested K€9,847 in the company Limestone Spain, S.L. to obtain a 37.68% interest through a capital increase. Limestone Spain, S.L. has acquired the industrial group Alcad S.A. using the funds obtained from its shareholders and bank borrowings.
- On 17 April 2007, Dinamia invested K€11,250 in the company Miser, S.L. to obtain a 37.5% interest through a capital increase. Miser, S.L. has acquired the industrial group ZIV Aplicaciones y Tecnología, S.A. using the funds obtained from its shareholders and bank borrowings.
- On 2 May 2007, Dinamia agreed to sell its entire 8.16% interest in Capital Safety Group. The Company collected USD 28,113 (K€20,933), generating a gain of K€18,476.
- During the first half of 2007, Dinamia increased its investment in Colegios Laude in the form of equity and a participating loan totalling K€18,804.
- On 11 May 2007, Unión Deriván S.A. (UNDESA), a Dinamia investee company, reduced capital by acquiring its own shares for redemption. This did not affect Dinamia's interest in the company and Dinamia collected K€6,100, of which K€300 was a deferred payment falling due on 31 December 2007.
- On 5 June 2007, Dinamia and the other shareholders of UNDESA agreed to sell the company to Snia, S.p.A. (Snia) for K€24,500, of which K€11,247 pertains to Dinamia. The sale was conditional on the absence of objecting creditors above a certain amount in the above-mentioned capital reduction. The sale agreement stipulated a cash payment of K€19,000 (K€8,738 for Dinamia) and a payment of K€5,500 deferred to 17 July 2007 (K€2,509 for Dinamia). Additionally, Dinamia and the other sellers granted a guarantee to Snia for potential contingencies or latent liabilities in the amount of K€1,500 (Dinamia: K€690). They also granted a loan of K€2,500 (Dinamia: K€1,269) to Undesa falling due in December 2008, secured by an account receivable relating to the sale by Undesa of certain real estate assets.
- On 19 June 2007, the shareholders of Segur Ibérica granted a participating loan to the company Hortus Mundi, S.L., maintaining Segur Ibérica's shareholder structure. Dinamia's share of the loan totals K€404.
- At June 2007, Dinamia and the other shareholders of High Tech were studying the possible flotation of the company.

Events subsequent to 30 June 2007

- On 28 June 2007, Dinamia's General Shareholders' Meeting agreed to pay out a dividend of K€16,758 or €1.4 per share. The payment was made to shareholders in July 2007.
- The deferred payment of K€5,500 due from Snia on 17 July was not made. However, the payment terms were renegotiated, a new payment schedule was established and the guarantees granted to the sellers of Undesa were increased. At the date of this report, the new payment schedule is being fulfilled as agreed and the amount of K€3,605 is pending payment to the sellers of Undesa (Dinamia: €1,631). The buyer has agreed to settle all payments by 31 October 2007.

After discounting the dividend, NAV per share stands at €27.12:

Net Asset Value per Share at 30 June 2007					
	NAV at 31.12.2004	NAV at 31.12.2005	NAV at 31.12.2006	Portfolio per book value 30.06.2007	NAV at 30.06.2007
<i>*Figures in thousands of euros, except per-share data.</i>					
TOTAL NET ASSETS	160,430	236,717	315,818	291,517	341,397
Adjustment for dividends and share premium July 2004					
Adjustment for share premium July 2005	(6,284)				
Adjustment for dividends July 2006	(8,379)	(8,379)			
Adjustment for dividends July 2007	(16,758)	(16,758)	(16,758)	(16,758)	(16,758)
TOTAL ADJUSTED NET ASSETS	129,009	211,580	299,060	274,759	324,639
Adjusted number of shares (*)	8,977,500	11,970,000	11,970,000	11,970,000	11,970,000
NAV per share	14.37 €	17.68 €	24.98 €	22.95 €	27.12 €
Increase in NAV per share	-0.3%	23.0%	38.3%		14.2%
Ibex 35 price	9,080.8	10,733.9	14,146.5		14,641.7
Ibex 35 growth	17.4%	18.2%	31.8%		3.5%
Stock market price (adjusted for dividend)	10.94 €	16.40 €	22.09 €	27.17 €	27.17 €
Discount/(Premium) on NAV	23.9%	7.2%	11.0%	(18.4%)	(0.2%)

Performance fee of the management company Nmás1 Capital Privado

The management company's performance fee depends solely on capital gains actually obtained on the sale of companies held in the portfolio. On each sale, Nmás1 Capital Privado receives a performance fee equal to 20% of the capital gain obtained, which is only paid once acquisition costs for all businesses acquired in the year the relevant company is sold have been covered (including transaction costs and management fees) and is subject to a minimum yield equal to the average IRR on Spanish three-year bonds in December of the year in question.

Set out below is a simulation of Dinamia's cash value in the event that all the companies had been sold at 30 June 2007 at a price equal to the values calculated by Nmás1 Capital and presented in this report:

Calculation of the theoretical performance fee at 30.06.2007

NAV at 30.06.2007	341,397
Theoretical performance fee	(21,777)
Cash value at 30.06.2007	319,620

	Per share	26.70 €
	Ex-dividend adjusted NAV	25.30 €

ZIV



Services and Products for the Electricity Market

Initial investment date:	April 2007
Financial year end:	31 December
Acquisition cost:	K€11,250
Interest held by Dinamia Capital Privado, S.C.R.:	37.50%
Value at 30 June 2007 (K€):	11,418
(including the participating loan)	

Summary of the transaction

On 17 April 2007, Dinamia invested K€11,250 in ZIV. As a result, Dinamia obtained a 37.50% interest in the company. Nmás1 PEF co-invested the same amount on the same terms as Dinamia. The financial partners invested a total of K€22,500 in ordinary shares and a participating loan. The rest of the share capital is held by the executive team.

Description of the company

ZIV is one of the Spanish market leaders in the manufacture, distribution and fitting of protection and control, metering and telecommunications products. Its products and services are necessary for electricity substations and networks to function correctly and turnover is therefore closely linked to investment by electricity companies in transport, distribution and telecommunications equipment.

Company management

The company's General Manager is Mr Norberto Santiago. Mr Santiago became General Manager after leading General Electric's Protection and Control Division to 1993. Ms Covadonga Coca is the Deputy General Manager and has worked for the company since it was formed. Ms Nekane Vijandi has been Finance Director since 1994.

Income statement

Income statement

**Figures in thousands of euros*

	Actual 30.06.2007	Audit 31.12.2006
Operating income	29,114	43,033
EBITDA	5,483	9,365
EBIT	4,568	7,269
EBT	4,144	6,843
Profit for the year	4,144	5,763

Figures adjusted for goodwill amortisation, transaction costs and non-recurring costs

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	9,396	9,851	Shareholders' equity	14,626	19,422
Deferred expenses	927	38	Deferred income	378	406
Goodwill on acquisition	37,522	220	Long-term creditors	58,725	4,495
Current assets	34,792	35,798	Short-term debt	622	8,190
Cash and banks	7,065	672	Current liabilities	15,351	14,066
TOTAL ASSETS	89,702	46,579	TOTAL LIABILITIES	89,702	46,579

Business evolution in 2007

The company posted turnover of €43 million in 2006. During the first half of 2007, turnover amounted to €26.9 million, 50% up on the first half of 2006. The highest growth relates to metering products, due to the increase in sales of type-4 meters, followed by protection and control products.

Prospects for the second half are excellent and ZIV could therefore close the year above budget.

Description of the market

The electricity supply system encompasses all the resources and assets used to generate, transport and distribute electricity. These resources and assets are equipped with control, security and protection devices. It is an integrated system with distributed control systems and a centralised control system that guarantees the rational exploitation of general resources and a quality of service in line with users' demands in order to compensate for any incidents and failures that may arise. With this objective, both the transport network and its associated substations may be wholly or partially owned and, in any event, operated and managed by an entity that is independent from the companies that own the power plants and from the electricity distributors or sellers.

Electricity consumption has increased considerably in recent decades from 20 billion kwh in 1963 to 220 billion in 2003. In view of future investments planned in the electricity industry, in different business areas (generation, distribution, renewables, etc.), major infrastructure investments are expected to continue (including investment in substations), there being a close correlation between these investments and demand for ZIV's products.

Valuation

In accordance with EVCA guidelines, and as one year has not elapsed since the business was included in Dinamia's portfolio, the investment is valued at acquisition cost, i.e. K€3,938, plus the participating loan and related interest accrued during the period (K€7,480), making a total value of **K€11,418**.

Alcad



High Frequency

Initial investment date:	March 2007
Financial year end:	31 December
Acquisition cost:	K€9,847
Interest held by Dinamia Capital Privado, S.C.R.:	37.68%
Value at 30 June 2007 (K€):	9,847

Summary of the transaction

On 9 March 2007, Dinamia agreed to investment K€9,847 in the company Alcad, S.A. (Alcad). As a result, Dinamia holds 37.68% of the company. Nmás1 PEF co-invested the same amount on the same terms as Dinamia. The financial partners invested a total of K€19,694 in ordinary shares and preference shares. The other shareholders are one of the former owners and the executive team.

Description of the company

Alcad is a medium-sized company founded in 1988. It is engaged in the research, design, manufacture and marketing of products used to receive and distribute digital and analogue television signals in residential buildings. These products include amplifiers, processors, switching devices and antennas for terrestrial TV (digital or analogue), satellite TV and broadband TV.

In 2001, business increased when the company began to develop entryphones, video entryphones and intercom products. Alcad decided to enter this market by leveraging marketing synergies and its position in the Spanish market.

The company has an efficient R&D Department that continuously develops new products (communication, domotics, etc.). It also has considerable foreign business.

Company management

Mr Galarza became General Manager when the company was formed, having previously held the position of Sales Director at IKUSI. The company's Industry and Finance Directors are Mr Francisco Navarro and Mr Severiano Elberdin, respectively, both of whom have held their posts for many years.

Income statement

*Figures in thousands of euros

	Actual 30.06.2007	Audit 31.12.2006
Operating income	16,585	37,791
EBITDA	2,990	9,601
EBIT	2,492	8,459
EBT	2,156	8,558
Profit for the year	2,156	5,563

Figures adjusted for goodwill amortisation, transaction costs and non-recurring costs

Balance sheet

*Figures in thousands of euros

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	64,153	8,795	Shareholders' equity	47,305	22,855
Deferred expenses	(45)	-	Long-term creditors	34,447	5,362
Current assets	21,627	19,042	Provisions for liabilities and charges	392	-
Cash and banks	3,119	9,233	Short-term debt	-	3,456
TOTAL ASSETS	88,854	37,070	Current liabilities	6,710	5,397
			TOTAL LIABILITIES	88,854	37,070

Description of the market

Alcad basically operates two business lines (high frequency and access control).

At present, the Spanish market for TV reception and distribution is rather concentrated and approximately 75% of the market is controlled by four companies (including Alcad). A different company leads the market for each of the products that make up a facility, Alcad being the leader in amplifiers.

Under the new digital terrestrial television (DTT) regulations, as from March 2010 only digital signals will be broadcast (mainly analogue at present), entailing the total replacement of analogue facilities (*analogue blackout*).

Business evolution in 2007

In 2006 the company posted turnover of €37.7 million, including DTT-related sales. Considering the performance of this business line in 2006, DTT-related sales in 2007 have declined, indicating that demand is likely to become concentrated in coming years.

The company has continued to expand internationally and has consolidated business in new markets.

As regards future growth, the company is also analysing new business lines and new markets that are expected to be opened before the end of 2007.

Valuation

In accordance with EVCA guidelines, and given that the interest has been held by Dinamia for less than one year, it is recorded at its acquisition cost of **K€9,847**.

Laude

LAUDE
COLEGIOS

Private Education

Initial investment date:	June 2006
Financial year end:	31 August
Acquisition cost:	K€18,804
Interest held by Dinamia Capital Privado, S.C.R.:	45.07%
Value at 30 June 2007 (K€):	19,898
	(including the participating loan)

Summary of the transaction

On 30 June 2006, Dinamia invested K€9,004 in the acquisition of the schools Educación General y Artes, S.L., Colegio Británico de Vilareal, S.A., Newton College, S.L. and Centro Internacional El Altillo School, S.A., through a capital increase of K€2,251 in and a participating loan of K€6,753 granted to the vehicle company Colegios Laude, S.L. Subsequently, in April 2007, Laude acquired the school Trinity Trust, S.L. in Alicante.

The shareholders of Colegios Laude are Dinamia and Nmás1 PEF, each of which holds a 45.07% interest, and the executive team, holding the remaining 9.86%.

Description of the company

Since it was formed, Colegios Laude has been the largest chain of private, profit-making schools in Spain. Pupils are aged between two and 18. The chain currently comprises a total of seven schools located in different parts of Spain: Madrid (2), Alicante (3), Castellón (1) and Cádiz (1).

The objective is to create a chain of between 25 and 30 schools within five years, for management and development by the management team.

Company management

The executive team is formed by the partners of Avantya, a Spanish consultancy founded in 1994 that operates in the education sector. The executive team will manage Colegios Laude through Avantya for the duration of the project.

Avantya has long experience in the education sector acquired by advising on M&A operations completed by chains in other countries and by managing a number of Spanish and foreign schools (e.g. Yago School). Recently, Avantya has fully restructured one of the schools initially acquired (El Altillo, in Cádiz), with excellent results.

Income statement

*Figures in thousands of euros

	Actual 30.06.2007	Pro forma 31.08.2006
Operating income	17,123	14,639
EBITDA	2,376	3,129
EBIT	1,954	2,527
EBT	(709)	2,053
Profit for the year	(709)	313

Figures adjusted for transaction costs and non-recurring costs

Balance sheet

*Figures in thousands of euros

<u>ASSETS</u>	Pro forma 30.06.2007	Audit 31.08.2006	<u>LIABILITIES</u>	Pro forma 30.06.2007	Audit 31.08.2006
Fixed assets	28,698	24,621	Shareholders' equity	(447)	(4,027)
Goodwill	16,932	10,389	Participating loan	26,612	13,776
Deferred expenses	-	687	Provision for liabilities and charges	-	276
Current assets	3,161	835	Long-term creditors	18,371	18,635
Cash and banks	1,881	3,432	Short-term debt	27	8,276
TOTAL ASSETS	50,672	39,964	Current liabilities	6,109	3,028
			TOTAL LIABILITIES	50,672	39,964

Description of the market

The pre-university education system in Spain represented a market of seven million pupils in 2005. This number has remained stable since 1998. There are three types of educational establishments, based on the way they are financed and operate:

- *State schools*: totally financed and managed by the State.
- *Private subsidised schools*: partially financed by the public sector but managed by private institutions (mostly religious institutions).
- *Private schools*: financed by private funds and managed by private institutions.

Private schools are the only type that offer sufficient autonomy to manage the business without interference from the public authorities. Issues such as the freedom to select pupils, autonomous management by teaching staff, capacity to implement tighter discipline and fast decision-taking in relation to educational and financial matters entail that private schools provide a higher quality service and are therefore the preferred alternative for parents.

This quality also leads to improve academic performance. An analysis of the results obtained in the Spanish university entrance examination in 2003 reveals a difference of up to one point, depending on the subjects, between the grades achieved by pupils from private and state schools.

The total value of the private school market is estimated at €3 billion and is growing by 5% per annum, due mainly to price rises.

The main features of the sector are as follows:

- Immature sector.
- Low level of professionalism.
- Fragmented market. Absence of chains of a relevant size.
- Demand exceeds supply. Many private schools have long waiting lists.

Forecasts point to higher growth in private schools as compared with the rest of the market, mainly for the following reasons:

- **Growing demand** for subsidised and private schools, which are increasing in relative significance compared with state schools.
- **Financial and technical difficulties experienced by the public authorities** in order to resolve the saturation issue in the education sector (restricted budgets and lack of knowledge required to manage the public education system).
- **Growing concern for the quality of education**, leading medium and high income families to seek a more exclusive education for their children.

The private school market is expected to grow by 2.6% in volume and by 5.7% in value to 2012, accounting for 24% of the forecast growth in the total number of pupils from 2004 to 2012.

Business evolution in 2007

Since the project was launched, the company has continued to identify potential acquisitions while managing the existing portfolio.

Following the acquisition in the first half of 2006 of four companies engaged in operating five private schools, Colegios Laude has acquired a new company that operates two schools in the province of Alicante. As a result, Colegios Laude's position as Spain's leading chain of private schools has been reaffirmed.

Colegios Laude has also consolidated the situation of the schools acquired at the start of the project, achieving significant educational, operational and financial improvements. In accordance with the chain's strategy, emphasis is placed on bilingual education, out-of-school activities and the quality of education. Since the schools were acquired by Colegios Laude, the total number of pupils has increased by around 400 for the next academic year.

New acquisitions are planned before the financial year ends in August 2007.

Valuation

More than one year having elapsed since this investment was made by Dinamia, it remains valued at acquisition cost, for reasons of prudence. Consequently, the investment is valued at K€3,651, plus the participating loan and interest accrued during the period (K€16,247), entailing a total value of **K€19,898**.

Serventa



Vending Services

Initial investment date:	April 2006
Financial year end:	31 December
Acquisition cost:	K€7,188
Interest held by Dinamia Capital Privado, S.C.R.:	46.66%
Value at 30 June 2007 (K€):	8,119
	(including the participating loan)

Summary of the transaction

On 24 April 2006, Dinamia invested K€7,188 in Serventa (including the participating loan). As a result, Dinamia obtained a 46.66% interest in the company. Nmás1 PEF co-invested the same amount on the same terms as Dinamia. The financial partners invested a total of K€14,375 in ordinary shares and a participating loan. The rest of the share capital is held by the executive team.

Description of the company

Serventa is a leader in the food and beverages distribution sector through vending machines. Serventa operates in 10 regions of Spain and has a fleet of over 12,000 food and drink vending machines that serve more than 2,500 companies. Serventa's customers are mainly private companies or public bodies that require hot drinks, soft drinks and food for their employees.

Company management

The company's General Manager is Mr Carlos Odériz. Mr Odériz became General Manager after two years as Serventa's Commercial Director. The company has appointed Mr Francisco López-Reina, who previously worked in Deloitte's Audit Division, as Finance Director.

Mr Jose Manuel Bermejo has become the company's Non-executive Chairman. He was previously the CEO of Parques Reunidos.

Income statement

**Figures in thousands of euros*

	Actual 30.06.2007	Audit* 31.12.2006	Actual 30.06.2006
Sales	17,711	24,653	16,581
EBITDA	3,084	3,532	2,678
EBIT	1,447	295	372
EBT	20	-1,610	225
Profit for the year	20	-1,610	225

Figures adjusted for goodwill amortisation, transaction costs and non-recurring costs

** Audited data for the period 20.04.06 to 31.12.06*

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Actual	Pro forma	<u>LIABILITIES</u>	Actual	Pro forma
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	19,807	19,764	Shareholders' equity	(2,777)	(1,334)
Deferred expenses	163	182	Participating loan	12,084	11,294
Goodwill on acquisition	10,141	10,371	Provision for liabilities and charges	486	486
Current assets	3,779	3,958	Long-term creditors	15,905	16,488
Cash and banks	2,676	1,355	Short-term debt	2,165	1,080
TOTAL ASSETS	36,566	35,630	Current liabilities	8,703	7,616
			TOTAL LIABILITIES	36,566	35,630

Performance during the first half of 2007

During this period, after having restructured the workforce and tightened cost control in 2006, the company has focused on controlling current assets, reducing inventories and optimising payment and collection periods. This has allowed the integration of the group companies and unification of processes to convert Serventa into a decision-taking unit and a business unit.

As a result of the turnaround plan implemented by management, Serventa is prepared to undertake expansion both organically and through selective acquisitions.

The company has obtained a new bank loan to finance acquisitions.

Valuation

More than one year having elapsed since this investment was made by Dinamia, it remains valued at acquisition cost, for reasons of prudence. Consequently, the investment is valued at K€2,095, plus the participating loan and interest accrued during the period (K€6,024), entailing a total value of **K€8,119**.

Cristher



Exterior Lighting

Initial investment date:	September 2005
Financial year end:	31 December
Acquisition cost:	K€12,025
Interest held by Dinamia Capital Privado, S.C.R.:	44.47%
Value at 30 June 2007 (K€): (including the participating loan)	16,773

Summary of the transaction

On 22 September 2005, Dinamia invested K€12,025 in Cristher SL and Dopo SL (Cristher). As a result, Dinamia obtained a 45.62% interest in the company. Nmás1 PEF co-invested the same amount on the same terms as Dinamia. The financial partners invested a total of K€24,050 in ordinary shares and a participating loan. The rest of the share capital is held by private investors.

During 2007, capital has been increased by K€240 in order to increase the executive team's share of the business in accordance with incentive plans. Dinamia interest has therefore been diluted to 44.47%.

The purchase price represents the following acquisition multiples (based on 2005 figures):

EBITDA	EBIT
6.1x	6.3x

*EBITDA is defined as EBIT plus depreciation and amortisation, where EBIT is equal to the operating profit. EBITDA and EBIT multiples are based on the "enterprise value", defined as equity value + debt – cash and banks.

Description of the company

Cristher is the Spanish market leader in private exterior lighting. Cristher has a market share of approximately 20%, having channelled growth through installers owing to its positioning in the electricity material stores, distinguishing its products (in terms of quality, technical features, price and installation complexity) from those of its competitors. Cristher has the largest catalogue of own-brand products and articles in the market, which has earned it a solid brand and quality image. This, together with prompt delivery, places Cristher in a strong position in the channel through which it operates.

Company management

The company's General Manager is Mr Alfredo Díaz. Mr Díaz joined in January 2006 following over seven years in the hardware sector as the General Manager of a leading company. Mr Alfredo Díaz successfully led an integration process in the hardware sector.

Mr Alfredo Díaz has therefore taken over from the former shareholder and General Manager Mr Ramón Rocasalbas, who will continue to work for the company in relation to products,

suppliers and other corporate issues. There have been no changes in the rest of the executive posts.

Income statement

**Figures in thousands of euros*

	Actual 30.06.2007	Audit 31.12.2006	Actual 30.06.2006
Operating income	17,458	31,350	16,072
EBITDA	5,086	9,248	5,174
EBIT	4,966	9,114	5,056
EBT	3,223	7,938	3,353
Profit for the year	3,223	6,762	2,182

Figures adjusted for extraordinary items and transaction costs

Balance sheet

**Figures in thousands of euros*

ASSETS	Actual	Audit	LIABILITIES	Actual	Audit
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	24,129	24,917	Shareholders' equity	9,746	8,462
Goodwill	10,982	13,040	Participating loan	19,667	18,747
Current assets	19,717	15,486	Long-term creditors	22,615	26,115
Cash and banks	4,376	7,044	Short-term debt	1,547	2,771
TOTAL ASSETS	59,204	60,487	Current liabilities	5,629	4,393
			TOTAL LIABILITIES	59,204	60,487

Description of the market

Private exterior lighting is a niche market estimated at €128 million which has grown by nearly 9% per annum in the past four years.

The lighting market is divided into two large families, interior and exterior lighting. In turn, exterior lighting is divided into public and private lighting. There are many differences between the interior, public exterior and private exterior lighting markets:

- The **interior lighting** market shows less growth (4.6%), higher competition and increasing pressure on prices. Design is a fundamental aspect and product turnover and obsolescence are significant.
- Sales in the **public exterior lighting** segment are made under government tender at low margins and large volumes. This segment is dominated by multinationals.
- **Private exterior lighting** products are regarded as highly technical, requiring support from an installer, who recommends products to the final customer.

Construction is a major factor in market development. The relative growth in the number of houses with patios and gardens and therefore exterior lighting needs has benefited Crister's business, although the company's revenues are still generated mainly by product replenishment.

Performance during the first half of 2007

Crister continued to perform well in the first half of 2007, sales and EBITDA having risen by 9% on the previous year. This is due to the success of the new 2007 catalogue, containing models that meet market needs.

The company has also continued to implement its strategic commercial and management plan.

Service remains a distinguishing factor and both Cristher and Dopo are capable of same-day delivery, guaranteeing that the customer will receive the product on the following day at any location in Spain

Valuation

The Cristher Group has been valued using the following methods:

- On the basis of the company's acquisition multiples, equity is valued at K€16,863, entailing a value of K€7,498 for Dinamia's investment.
- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in an equity value of K€54,266 and therefore a value of K€24,130 for Dinamia's shareholding.

For reasons of prudence, the company has been valued on the basis of acquisition multiples at K€7,498 plus the participating loan and interest accrued during the period (K€9,274), entailing **a value of K€16,773 for Dinamia's investment**

Cristher

figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit*	C/F	Net debt**
Data estimated at 31.12.2007	31,968	9,279	8,880	5,038	5,437	39,455

**Includes participating loan

1) VALUATION USING ACQUISITION MULTIPLES

-

	EBITDAx	EBITx	Average	Dinamia's interest
Acquisition multiples	6.1x	6.3x		44.47%
Value	17,239	16,488	16,863	7,498

2) VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	EV/EBIT	P/E	P/CF	Average	Adjusted for illiquidity	Interest held
Value as per comparable multiples	59,417	69,680	100,232	80,762	77,523	54,266	Dinamia 44.47%
						Illiquidity discount	30%
Averages	10.7x	12.3x	19.9x	14.9x			
HAGEMEYER NV	10.8x	13.1x	18.4x	11.7x			
WESCO INTERNATIONAL INC	9.7x	10.8x	18.0x	10.8x			
SOLAR HOLDING A/S-B SHS	10.3x	12.4x	18.6x	12.6x			
ELECTROCOMPONENTS PLC	9.6x	12.1x	19.7x	12.7x			
PREMIER FARNELL PLC	9.4x	11.5x	21.8x	11.2x			
WW GRAINGER INC	9.5x	11.0x	17.9x	14.8x			
HOUSTON WIRE & CABLE CO	10.7x	10.6x	17.9x	18.1x			
FASTENAL CO	15.1x	16.8x	26.9x	22.9x			

Holmes Place Iberia



Chain of Gymnasiums

Initial investment date:	August 2005
Financial year end:	31 December
Acquisition cost:	K€9,070
Interest held by Dinamia Capital Privado, S.C.R.:	20.61%
Value at 30 June 2007 (K€):	13,572
	(including the participating loan)

Summary of the transaction

On 5 August 2005, Dinamia invested a total of K€9,070, consisting of share capital, a share premium and a participating loan, in Colegiata Invest, S.A., a vehicle formed to acquire the entire capital of the companies Holmes Place Holding España S.L. and subsidiaries and Holmes Place Fitness - Gestão e Consultoria em Fitness Lda and subsidiaries. Nmás1 PEF invested the same amount on the same terms as Dinamia. The resulting shareholder structure is as follows:

- Dinamia Capital Privado	20.6%
- Nmás1 Private Equity Fund	20.6%
- Funds advised by Mercapital	41.2%
- Explorer Investments	6.2%
- Executive team	11.4%

The purchase price represents the following acquisition multiple (based on 2005 figures):

EBITDA
<hr/>
7.1x

*EBITDA is defined as EBIT plus depreciation and amortisation, where EBIT is equal to the operating profit. EBITDA and EBIT multiples are based on the "enterprise value", defined as equity value + debt – cash and banks.

Description of the company

Holmes Place Iberia ("HPI") is the leading gymnasium operator in the Iberian Peninsula. The company manages 23 establishments in Spain and Portugal, 20 under the "Holmes Place" brand name and three under the "Európolis" brand name. A large part of the gymnasiums formed part of the British chain Holmes Place prior to the acquisition at the end of the previous year by the company Virgin Active. Holmes Place Health Clubs has operated in Spain and Portugal since 1997 and also operates three franchised gymnasiums under the FitnessWorX brand name in Portugal.

Company management

HPI's executive team is led by Nick Coutts, who has been appointed Chief Executive Officer. Mr Coutts has over 14 years' experience in the company and has managed "Holmes Place" in Spain and Portugal since 1998.

The team also includes Andre Groen as Development Director and Roque Sagniere and Rita Alexandra Mano as Finance Directors for Spain and Portugal, respectively. Larissa Araujo, Paulo Soares and Josep Viladot are regional directors of the Holmes Place clubs in Spain and Portugal and of the Európolis clubs, respectively. Julio Pedro Carvalho is the Sales and Marketing Director. The team's combined experience in the industry exceeds 70 years.

Income statement

*Figures in thousands of euros

	Actual 30.06.2007	Audit 31.12.2006	Actual 30.06.2006
Sales	33,051	59,513	30,566
EBITDA	7,470	15,014	7,860
EBIT	4,195	8,340	5,375
EBT	(988)	(1,677)	n.av.
Profit for the year	(988)	(1,677)	n.av.

The accounts do not include goodwill, transaction costs or extraordinary items

Balance sheet

*Figures in thousands of euros

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	68,042	69,873	Shareholders' equity	7,941	10,436
Deferred expenses	1,411	1,548	Participating loan	40,893	38,383
Goodwill	48,070	49,399	Provision for liabilities and charges	601	601
Current assets	2,477	3,607	Long-term creditors	63,870	63,372
Cash and banks	5,614	3,463	Short-term debt	3,946	6,603
TOTAL ASSETS	125,614	127,890	Current liabilities	8,363	8,495
			TOTAL LIABILITIES	125,614	127,890

Description of the market

According to Deloitte (IHRSA), in 2006 the Spanish market totalled more than 4,500 sports clubs, 14.8% penetration and an average consumption per customer of approximately 37 euros. The market is estimated at €2.5 billion. Demand is also expected to increase in medium-sized cities, allowing business expansion. The number of clubs and the number of services offered have increased in recent years.

According to Deloitte (IHRSA), in 2006 the Portuguese market totalled close to 1,100 sports clubs, 4.7% penetration and an average consumption per customer of approximately 48 euros. The market is estimated at €288 million. This industry has also demonstrated resistance during an economic slowdown.

The sector is enjoying a boom due to increased participation in sports by above-average earners and a growing awareness of the importance of physical fitness and problems caused by obesity.

The gymnasium market in Spain and Portugal remains highly fragmented, with a large number of small operators or independent clubs, entailing an opportunity to consolidate the sector.

Business evolution in 2007

Holmes Place Iberia evolved as expected in the first quarter of 2007. This is attributable to two main strategies: increase in value added services and geographic expansion. The sustained growth in value added services such as personal trainers and “Zensations Spa” has reduced the relative significance of membership fees in relation to total revenues, allowing a rise in revenue per member. Geographic expansion continues and a purchase option is to be executed next month on a gymnasium already operated by Holmes Place Iberia under a management contract.

A new gymnasium is to be opened in Zaragoza within two months and a further three Holmes Place clubs and seven franchised establishments are due to open in the coming 12 months.

The company’s results reflect the success of the strategy of focusing on high-value added customers, sales having risen by 8% while maintaining the number of more profitable members.

Valuation

Holmes Place has been valued using the following methods:

- On the basis of the company’s acquisition multiples, equity is valued at K€19,781, entailing a value of K€4,078 for Dinamia’s investment.
- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in an equity value of K€56,151 and therefore a value of K€11,575 for Dinamia’s shareholding.

For reasons of prudence, the company has been valued on the basis of acquisition multiples at K€4,078 plus the participating loan and interest accrued during the period (K€9,494), entailing **a value of K€13,572 for Dinamia’s investment**

Holmes Place

Figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt*
Data estimated at 31.12.2007	71,028	17,391	11,493	764	17,391	103,697

*Includes participating loan

1) VALUATION USING ACQUISITION MULTIPLES

-

	EBITDAx	Average	Dinamia's interest
Acquisition multiples	7.1x		20.61%
Value	19,781	19,781	4,078

2) VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	EV/EBIT	P/E	Average	Adjusted for illiquidity		Interest held	
					Average	for illiquidity	Dinamia	20.61%
Value as per comparable multiples	110,962	102,001	27,684	80,216	56,151	11,575		
					Illiquidity discount			30%
Averages	12.3x	17.9x	36.2x					
LIFE TIME FITNESS INC	12.3x	17.9x	36.2x					
GLACIER WATER SERVICES INC								

Aseguramiento Atecsa



Technical Inspection of Vehicles

Initial investment date:	July 2005
Financial year end:	31 December
Acquisition cost:	K€7,125
Interest held by Dinamia Capital Privado, S.C.R.:	50.00%
Value at 30 June 2007 (K€):	11,669

Summary of the transaction

On 5 July 2005, Dinamia acquired the entire capital of Aseguramiento Técnico de Calidad, S.A. (Atecsa). The investment was made by contributing a total of K€7,125, consisting of share capital and a share premium. The company is now owned by Dinamia and Nmás1 PEF, each having a 50% interest.

Description of the company

Atecsa is one of the concession holders that operate the vehicle technical inspection service, or roadworthiness tests, in the Valencia Region. Specifically, the company operates lot number IV, which includes the inspection facilities in Gandía, Játiva, Alzira, Onteniente, Ondara and Alcoy.

In terms of the number of inspections performed in 2005, Atecsa is the largest concession holder in the Valencia region and carried out more than 275,000 roadworthiness tests at six fixed facilities and two mobile facilities.

Company management

The company's General Manager is Mr Manuel Trigo. Mr Trigo has held this post since Dinamia invested in the company. Mr Trigo had previously worked in several different sectors.

Mr Iván Alegre joined the company as Finance Director, on the same date as Mr Trigo. Nonetheless, the company's operations are managed by the same persons as before the transaction.

Income statement

*Figures in thousands of euros

	Actual 30.06.2007	Audit 31.10.2006	Actual 30.06.2006
Sales	5,886	11,038	5,568
EBITDA	3,140	5,771	2,982
EBIT	2,770	5,357	2,605
EBT	1,658	3,136	1,498
Profit for the year	1,658	3,136	1,385

Figures adjusted for extraordinary and non-recurring expenses and transaction costs

Balance sheet

*Figures in thousands of euros

ASSETS	Actual	Audit	LIABILITIES	Actual	Audit
	30.06.2007	31.10.2006		30.06.2007	31.10.2006
Fixed assets	8,324	4,805	Shareholders' equity	10,982	11,216
Deferred expenses	-	5	Deferred income	-	4
Goodwill	48,971	54,904	Provision for liabilities and charges	331	297
Current assets	269	237	Long-term creditors	45,498	46,963
Cash and banks	3,770	2,594	Short-term debt	3,712	3,146
TOTAL ASSETS	61,334	62,545	Current liabilities	811	919
			TOTAL LIABILITIES	61,334	62,545

Description of the market

In Spain, technical inspections of public and private vehicles are carried out under long-term administrative concessions awarded by each Regional Government to private companies. The sector is characterised by sustained and highly predictable growth and by a low-risk profile due to the applicable legal framework.

The market has a total volume of approximately €300 million and a total infrastructure of 264 fixed facilities throughout Spain.

The main growth factors are as follows:

- ✓ Progressive increase in the number of vehicles registered in Spain.
- ✓ Increase in the inspection compliance ratio by vehicle owners, due mainly to increased awareness of security and the tightening of regulations (points-based driving licence). In Spain, the compliance ratio is 68% as compared with 78% in France or 85% in Germany.
- ✓ Introduction of additional mandatory inspections. Examples of this are noise testing (recently brought in by the Valencia Region), electronics testing and safety testing.
- ✓ Probable alignment of the frequency of the obligation to undergo a road worthiness test in Spain and the European average (three years after registration as compared with the current four years).

The Valencia Region has awarded seven concessions under which the service is provided throughout the region. The market volume is estimated at €40 million (1.4 million inspections per annum).

Evolution during 2007

Atecsa performed extremely well in the first half of 2007, in line with the previous year, the company's turnover having risen by 5.7% on the same period of 2006.

Valuation

Atecsa has been valued using the following methods:

- On the basis of the company's acquisition multiples, equity is valued at K€23,341, entailing a value of K€11,669 for Dinamia's investment.
- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in an equity value of K€33,405 and therefore a value of K€16,703 for Dinamia's shareholding.

For prudence, the company has been valued on the basis of acquisition multiples, entailing a **value of K€11,669 for Dinamia's investment**

Atecsa

Figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt*
Data estimated at 31.12.2007	11,689	6,105	5,315	3,049	3,839	45,771

*Includes participating loan

1) VALUATION USING ACQUISITION MULTIPLES

-

	EBITDAx	EBITx	Average	Dinamia's interest
Acquisition multiples	11.3x	n.a.		50.00%
Value	23,341		23,341	11,669

2) VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	EV/EBIT	P/E	P/CF	Average	Adjusted for illiquidity	Interest held Dinamia	50.00%
Value as per comparable multiples	27,608	36,168	68,219	58,893	47,722	33,405	16,703	
						Illiquidity discount		30%
Averages	12.0x	15.4x	22.4x	15.3x				
SGS SA-REG	12.4x	15.8x	22.1x	16.2x				
INTERTEK GROUP PLC	11.6x	15.0x	22.6x	14.4x				

émfasis



Mailing and Billing Services

Initial investment date:	April 2005
Financial year end:	31 December
Acquisition cost:	K€8,063
Interest held by Dinamia Capital Privado, S.C.R.:	45.30%
Value at 30 June 2007 (K€):	9,136
	(including the participating loan)

Summary of the transaction

On 20 April 2005, Dinamia reached an agreement to invest K€8,062.5 in the company “Émfasis Billing & Marketing Services, S.L.”, a vehicle used to acquire the entire capital of the companies Nueva Publimail, S.L., Mecapost, S.A. and Informática Proceso y Cálculo, S.L. The investment consisted of subscribing for a capital increase of K€3,881 and a participating loan of K€4,181.

On 27 April 2006, éMfasis acquired the entire capital of the company Securpost, S.L. using bank financing.

The shareholders of éMfasis are Dinamia and Nmás1 PEF, each of which holds a 45.3% interest, and the executive team, holding the remaining 9.31%.

The purchase price, adjusted for deferred payments subject to 2005 results and the subsequent acquisition of Securpost, S.L. in 2006, represents the following acquisition multiples (based on 2005 figures):

EBITDA*	EBIT
6.1x	9.6x

*EBITDA is defined as EBIT plus depreciation and amortisation, where EBIT is equal to the operating profit. EBITDA and EBIT multiples are based on the “enterprise value”, defined as equity value + debt – cash and banks.

Description of the company

The éMfasis Group leads the fragmented mailing and billing sector. The sector’s reference company was created by acquiring two of the leading companies and its position has since been bolstered by acquiring Securpost in April 2006.

The company’s strategy is focused on consolidating business in the sector by acquiring small companies and on generating economies of scale and synergies by forming a group of the size that does not currently exist in the market.

Company management

The company’s executive team is led by Mr Eusebio Martínez de la Casa. Mr Martínez de la Casa has broad experience in the sector and in related sectors.

In addition, the top executive posts have been strengthened (Finance, Sales and Production Directors).

Income statement

*Figures in thousands of euros

	Actual 30.06.2007	Audit 31.12.2006	Actual 30.06.2006
Sales	16,392	29,900	16,582
EBITDA	2,978	5,045	3,000
EBIT	1,752	2,615	1,569
EBT	505	205	(1,457)
Profit for the year	505	205	(1,555)

Figures adjusted for goodwill amortisation, transaction costs and non-recurring costs

Balance sheet

*Figures in thousands of euros

ASSETS	Actual	Audit	LIABILITIES	Actual	Audit
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	6,588	6,221	Shareholders' equity	3,926	5,683
Deferred expenses	105	142	Deferred income	21	24
Goodwill	25,859	27,414	Participating loan	11,716	9,863
Current assets	15,157	17,881	Provision for liabilities and charges	25	25
Cash and banks	1,451	2,667	Long-term creditors	22,529	21,001
			Short-term debt	460	3,168
			Current liabilities	10,483	14,561
TOTAL ASSETS	49,160	54,325	TOTAL LIABILITIES	49,160	54,325

Description of the market

Mailing segment

Description:

Mailing companies are engaged in handling, enveloping, printing, managing databases and refranking during mass mailing campaigns launched by major companies.

Main features of the segment:

- The main customers are marketing agencies, banks, energy and telecommunications companies and public administrations;
- Business is concentrated on three campaigns per year: March, June and November;
- The finance, telecommunications and energy industries increasingly use invoicing as a marketing method.

Billing segment

Description:

Billing companies send personalised invoices for banks, electricity companies, gas companies, etc.

Main features:

- Customers: Finance, energy and telecommunications companies, and loyalty clubs;
- Concentrated at a specific moment of each month;
- Data confidentiality is a relevant factor;
- Service is increasingly outsourced;
- Possibility of producing at customers' premises;
- Visibility of revenues: generally medium- and long-term contracts.

Evolution during 2007

In the first half, the company performed below budget due to a decline in sales of marketing services. However, the billing services line performed well, having grown by 12% on the same period of 2006.

Additionally, the company integration process is virtually complete and margins are therefore expected to improve in 2007.

The build-up process continues and the billing services line is expected to continue to perform well in view of the company's leading position in this market.

Valuation

Émfasis has been valued using the following methods:

- On the basis of the company's acquisition multiples, equity is valued at K€8,890, entailing a value of K€4,027 for Dinamia's investment.
- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in an equity value of K€23,645 and therefore a value of K€10,711 for Dinamia's shareholding.

For reasons of prudence, the company has been valued on the basis of acquisition multiples at K€4,027 plus the participating loan and interest accrued during the period (K€5,109), entailing **a value of K€9,136 for Dinamia's investment**

Given the difficulty of finding comparable multiples, a sample of businesses engaged in outsourcing services for companies and of printing companies has been considered.

éMfasis

Figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt*
Data estimated at 31.12.2007	33,477	6,883	4,395	1,812	4,300	33,278

*Includes participating loan

1) VALUATION USING ACQUISITION MULTIPLES

	EBITDAx	EBITx	Average	Dinamia's interest
Acquisition multiples	6.1x	9.6x		45.30%
Value	8,849	8,932	8,890	4,027

2) VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	EV/EBIT	P/E	P/CF	Average	Adjusted for illiquidity	Interest held Dinamia	45.30%
Value as per comparable multiples	25,999	26,124	39,881	43,112	33,779	23,645	10,711	
						Illiquidity discount		30%
Averages	8.6x	13.5x	22.0x	10.0x				
DAI NIPPON PRINTING CO LTD	6.3x	14.5x	25.2x	8.3x				
TOPPAN PRINTING CO LTD	6.4x	14.6x	28.5x	7.1x				
QUEBECOR WORLD INC	7.5x	19.9x	ns	3.9x				
RR DONNELLEY & SONS CO	7.5x	11.2x	21.3x	8.0x				
AGGREKO PLC	7.8x	13.2x	22.4x	9.0x				
BUNZL PLC	10.6x	11.6x	19.2x	13.8x				
DAVIS SERVICE GROUP PLC	5.4x	12.5x	22.7x	5.5x				
MITIE GROUP PLC	10.0x	12.1x	18.6x	13.8x				
RENTOKIL INITIAL PLC	9.3x	14.8x	24.3x	8.8x				
SECURITAS AB-B SHS	10.4x	15.1x	26.1x	11.4x				
VEDIOR NV-CVA	9.9x	10.8x	18.0x	13.7x				
PROSEGUR COMP SEGURIDAD-REGD	9.8x	13.1x	21.3x	12.0x				
RANDSTAD HOLDING NV	11.0x	12.2x	16.6x	14.8x				

Bodybell



Chain of Perfumery Stores

Initial investment date:	April 2005
Financial year end:	31 December
Acquisition cost:	K€21,500
Interest held by Dinamia Capital Privado, S.C.R.:	26.77%
Value at 30 June 2007 (K€):	29,767
(including the participating loan)	

Summary of the transaction

On 18 March, Dinamia reached an agreement to invest K€21,500 in the company The Beauty Bell Chain, S.L., a vehicle used to acquire a majority shareholding in the companies Ibérica de Droguería y Perfumería, S.A. and Compañía de Almacenaje, Distribución y Servicios, S.A. (hereinafter Bodybell). The agreement referred to a capital increase and a participating loan. Dinamia's shareholding in The Beauty Bell Chain, S.L. finally stood at 27.64%. The Spanish Restrictive Practices Department was notified of this operation and approval was obtained on 18 April 2005.

On 29 December, the Group completed a corporate and financial restructuring process and arranged a new financial debt structure with a new syndicate of banks, repaying the original debt. As a result, Dinamia and the rest of the shareholders recovered 105% of their original investment. Each shareholder's interest was slightly diluted in order to allow an increase in the number of shares held by the executive team. Following this dilution, Dinamia holds a 26.77% interest in the company.

The rest of the capital is held by Nmás1 PEF (26.77%), other financial investors, the selling families and the executive team.

The purchase price of Juteco in May 2007 (see explanation in "Evolution during 2007") represents the following acquisition multiples (based on 2006 figures):

EBITDA
9.5x

*EBITDA is defined as EBIT plus depreciation and amortisation, where EBIT is equal to the operating profit. EBITDA and EBIT multiples are based on the "enterprise value", defined as equity value + debt – cash and banks.

Description of the company

As a result of the acquisition of the Juteco Group (see explanation in "Evolution during 2007") in May 2007, the Bodybell Group leads the household cleaning products and modern perfumery channel, with over 230 stores, and is the second-ranked group in the distribution of high-end perfumery products, in the domestic market.

The group's activities include the retailing of high-end perfumes, low-end perfumes, household cleaning materials and products, etc., and the wholesaling of low-end perfumes and household cleaning materials and products.

The group's strategy consists of intensifying business growth on the basis of the model that has been successful in the past.

Company management

Mr Francisco Martín Consuegra has been appointed Managing Director. Mr Martin Consuegra has long experience in the distribution sector. Prior to joining the group he was an executive in the Leche Pascual Group.

The company also employs two of the sector's most experienced and reputed executives, Mr Juan José Carballo and Mr José Cabanas. Mr Carballo, the General Manager, has been with the company for more than 30 years. The company's success and the development of a business concept that has made Bodybell the channel's flagship are largely attributable to him. Mr Cabanas, the group's Finance Director, has been with the company for more than 20 years. He is also the Vice-Chairman and CEO of GPD and the General Secretary of Adaps, the sector's two main associations.

Income statement

*Figures in thousands of euros

	Actual ⁽²⁾ 30.06.2007	Audited 31.12.2006	Actual ⁽¹⁾ 30.06.2006
Operating income	140,166	193,460	95,267
EBITDA	18,611	20,729	13,927
EBIT	15,110	14,669	11,548
EBT	2,493	5,774	5,668
Profit for the year	2,493	5,774	5,668

Figures adjusted for goodwill amortisation,
transaction costs and non-recurring costs

(1) Interest on the participating loan relates to amounts accrued
since the start of the operation (April 2005)

(2) Includes the integration of Juteco

Balance sheet

*Figures in thousands of euros

ASSETS	Actual	Audited	LIABILITIES	Actual	Audited
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	40,646	28,357	Shareholders' equity	(80,440)	(75,298)
Deferred expenses		3,395	Participating loan	280,615	204,003
Goodwill	204,222	125,217	Provisions for liabilities and charges		687
Current assets	91,587	63,217	Long-term creditors	91,158	74,476
Cash and banks	18,281	33,577	Short-term debt	10,000	10,979
TOTAL ASSETS	354,736	253,763	Current liabilities	53,403	38,916
			TOTAL LIABILITIES	354,736	253,763

Description of the market

According to market specialists, the main worldwide trends indicate that historical growth in the perfumery and cosmetics market will be maintained in coming years, fed by increasing demand for beauty and high-end products, the maintenance of the historical trend in women's perfumes and cosmetics, and the more recent interest throughout the sector in men's cosmetics and skincare products.

The Spanish market for perfumery and household cleaning products is highly fragmented, there being more than 19,000 outlets and dozens of small local chains.

Business evolution in the first half of 2007

As in recent years, in the first half of 2007 Bodybell grew above the market average in its main business segment (retail distribution in specialised stores).

The growth in turnover and EBITDA on 2006 is due to both organic growth through the opening of new sales outlets (five to 30 June) and the above-mentioned acquisition of the Juteco Group during May 2007.

On 10 May 2007, the Bodybell Group, through the company Ibérica de Droguería y Perfumería, S.A.U., reached an agreement to buy all the shares in the companies of the Juteco Group. This acquisition strengthened the Bodybell Group's position in the Madrid region, where Juteco has 84 stores which, together with two in Catalonia and one in Alicante, makes a total of 87 sales outlets.

The acquisition of Juteco was financed by external borrowings and by a part of the cash resources obtained by recapitalising the business in December 2006.

After acquiring Juteco, an integration plan was immediately implemented in all business areas and is expected to be completed by the end of 2007.

Valuation

The Bodybell Group has been valued using the following methods:

- On the basis of Juteco's acquisition multiples, equity is valued at K€33,438, entailing a value of K€8,950 for Dinamia's investment.
- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in an equity value of K€44,554 and therefore a value of K€11,926 for Dinamia's shareholding.

For reasons of prudence, the company has been valued on the basis of Juteco's acquisition multiples at K€8,950 plus the participating loan and interest accrued during the period (K€20,817), entailing a **value of K€29,767 for Dinamia's investment**

Bodybell

Figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt*
Data estimated at 31.12.2007	294,463	41,782	35,601	3,389	9,570	363,491

*Includes participating loan

1) VALUATION USING JUTECO's ACQUISITION MULTIPLES

	EBITDAx	EBITx	Average	Dinamia's interest
Acquisition multiples	9.5x	n.s.		26.77%
Value	33,438		33,438	8,950

2) VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	EV/EBIT	P/E	P/CF	Average	Adjusted for illiquidity	Interest held Dinamia
Value as per comparable multiples	(1,494)	64,237	63,757	128,095	63,649	44,554	11,926
						Illiquidity discount	30%
Averages	8.7x	12.0x	18.8x	13.4x			
BARNES & NOBLE INC	6.4x	12.2x	18.8x	ns			
BED BATH & BEYOND INC	8.7x	9.7x	15.3x	13.9x			
GUITAR CENTER INC	10.5x	13.6x	24.8x	14.9x			
HMV GROUP PLC	5.4x	8.6x	18.5x	ns			
MICHAEL HILL INTL LTD	9.7x	11.9x	19.1x	12.2x			
OFFICE DEPOT INC	8.2x	11.2x	15.4x	9.8x			
PARIS MIKI INC	8.5x	10.2x	17.4x	17.9x			
WH SMITH PLC	6.5x	10.6x	13.8x	ns			
STAPLES INC	8.2x	10.1x	15.7x	12.1x			
CVS CAREMARK CORP	10.8x	13.3x	24.3x	15.4x			
LIMITED BRANDS INC	9.0x	11.9x	20.8x	11.5x			
LONGS DRUG STORES CORP	7.8x	12.2x	20.6x	10.0x			
RITE AID CORP	10.6x	19.5x	ns	14.1x			
WALGREEN CO	10.8x	13.0x	20.2x	15.6x			

Segur Ibérica Group



Security Services

Initial investment date:	March 2004
Financial year end:	31 December
Acquisition cost:	K€10,670
Interest held by Dinamia Capital Privado, S.C.R.:	17.86%
Value at 30 June 2007 (K€):	10,670

Summary of the transaction

On 23 March 2004 Dinamia completed an investment totalling K€9,500 in the company Coranzuli S.L., a vehicle created for the acquisition of the entire capital of the holding company pertaining to the Segur Ibérica Group (Segur Ibérica). This investment, which entailed subscribing for a share capital increase in the stated amounts, resulted in an 18.1% shareholding in Segur Ibérica. Subsequently, once the executive had acquired shares in the company, Dinamia's interest in Segur Ibérica stood at 17.86%.

At the end of 2004, the merger process whereby Segur Ibérica, S.A. became the group's holding company was completed by absorbing Coranzuli S.L. At the acquisition date, Segur Ibérica S.A. had two subsidiaries: Segur Control, S.A. and Consorcio de Servicios S.A.; it now has a further two subsidiaries: Exendor, S.L. and Segur Fuego 2005, S.L.

In September 2006, Mr Tomás Agrelo sold his shares to the other shareholders of Coranzuli, S.L. Each shareholder obtained shares in proportion to the existing shareholder structure. The investment entailed an additional aggregate payment of €0.47 million by Dinamia and N+1.

Additionally, the Segur Ibérica Group's shareholders, including Dinamia Capital Privado, acquired the EAS Group at the end of 2006 in order to boost the surveillance business lines.

In June 2007, the shareholders of Segur Ibérica granted a participating loan to the company Hortus Mundi, S.L., maintaining Segur Ibérica's shareholder structure.

Segur Ibérica, S.A. has the following shareholder structure:

Shareholders:

Dinamia	17.8%
Nmás1 PEF LP	17.8%
Corfin Capital	35.7%
MCH Private Equity	13.2%
Espiga Capital	11.3%
Executive team	4.2%
Total	100.0%

The purchase price represents the following acquisition multiples (based on 2003 figures):

EBITDA*	EBIT
7.1x	7.8x

*EBITDA is defined as EBIT plus depreciation and amortisation, where EBIT is equal to the operating profit. EBITDA and EBIT multiples are based on the "enterprise value", defined as equity value + debt – cash and banks.

Description of the company

The Segur Ibérica Group is one of the leading security service providers in Spain, engaging in four areas of business: surveillance services, installation and management of alarm systems, installation of security systems and fire protection.

The company's strategy is designed to take advantage of the growth taking place in the security sector to consolidate its position as the number three company in the Spanish market, after Prosegur and Securitas.

Company management

In 2004 changes were made affecting the group's management. The office of Chairman, previously held by Mr Antonio Mateos, is now held by Mr Ramón Gil, who was previously the group's General Manager. Both have been group executives since the beginning of the nineteen eighties. During this time they have focused on the security business.

In October 2004, Mr José Luis Novales, the former General Manager of Vinsa (ONCE Group's security company), was taken on as General Manager of Segur Ibérica. Mr Ángel Ruiz and Mr Eduardo Gutiérrez were also hired as Commercial Director and Technical Director, respectively. They both previously worked with Mr Novales at Vinsa and have broad experience in the private security sector. Mr Aritz Larrea has also joined the company as the Group's Finance Director.

Income statement

*Figures in thousands of euros

	Actual* 30.06.2007	Audit 31.12.2006	Actual 30.06.2006
Sales	105,746	197,818	94,071
EBITDA	8,011	11,864	6,581
EBIT	5,794	10,397	5,914
EBT ⁽¹⁾	3,974	1,812	4,225
Profit for the year ⁽¹⁾	2,583	1,178	2,747

(1) EBT and Profit for the year adjusted for goodwill and extraordinary items

and to exclude transaction costs

* Includes EAS

Balance sheet

*Figures in thousands of euros

ASSETS	Actual	Audit	LIABILITIES	Actual	Audit
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	8,406	9,739	Shareholders' equity	55,734	53,176
Deferred expenses	1,474	1,220	Long-term creditors	43,734	44,512
Goodwill	80,165	81,965	Provision for liabilities and charges	10,406	10,571
Current assets	73,053	69,050	Short-term debt	10,623	17,021
Cash and banks	(3,585)	1,637	Current liabilities	39,016	38,331
TOTAL ASSETS	159,513	163,611	TOTAL LIABILITIES	159,513	163,611

Description of the market

The security sector in Spain shows the following features:

Security services:

- Increased outsourcing of security services by both the public and private sectors.
- Major entry barriers owing to the influence of size and brand name when pursuing large contracts.

Alarm installation and management:

- Low market penetration in Spain. High growth prospects.
- Considerable economies of scale.

Installation of security systems:

- Growth linked to the integration of security services, alarms and installation services.
- Innovation: a key to the development of this business.

Fire protection

- A business showing high growth potential.

Performance during the first half of 2007

The Segur Ibérica posted 12% growth in turnover at the end of the first half compared with the previous year. This growth was driven by the surveillance business, which accounted for close to 85% of revenues, including EAS. The EBITDA margin increased by 22% due mainly to the improvement in the systems area.

The large security system installation business has been restructured as it had an adverse impact on results and EBITDA. This was largely due to the completion of work in Banco Santander's Ciudad Financiera and in Morocco in the previous year. In the first half, despite the structural optimisation and adaptation process, EBITDA is twice the figure for the previous year.

In the second half, the Segur Ibérica Group expects its core business (surveillance) to grow through alternative products. Increased commercial activities are also envisaged in the other business lines, such as the control segment, where the distribution network will be improved, and in fire detection, segments that have performed well.

Valuation

In view of the company's business evolution, the acquisition cost value of the investment is maintained for reasons of prudence. Consequently, the investment is valued at K€10,267, plus the participating loan and interest accrued during the period (K€404), entailing a total value of **K€10,670**.

Nonetheless, an illustrative valuation of Segur Ibérica Group has been prepared using the following methods:

- On the basis of the company's acquisition multiples, equity is valued at K€51,024, entailing a value of K€9,113 for Dinamia's investment.

- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in an equity value of K€82,935 and therefore a value of K€14,812 for Dinamia's shareholding.

Segur Ibérica Group

figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt*
Data estimated at 31.12.2007	227,836	17,713	14,854	7,078	9,937	69,812

1) VALUATION USING ACQUISITION MULTIPLES

-

	EBITDAx	EBITx	Average	Dinamia's interest
Acquisition multiples	7.1x	7.8x		17.86%
Value	56,424	45,625	51,024	9,113

2) VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	EV/EBIT	P/E	P/CF	Average	Adjusted for illiquidity	Interest held
Value as per comparable multiples	91,703	117,945	146,061	118,207	118,479	82,935	14,812
						Illiquidity discount	30%
Averages	9.1x	12.6x	20.6x	11.9x			
ADECCO SA-REG	10.1x	11.3x	16.5x	13.6x			
AGGREKO PLC	8.0x	14.1x	24.5x	9.2x			
BUNZL PLC	10.6x	11.8x	19.0x	13.5x			
DAVIS SERVICE GROUP PLC	5.5x	12.8x	22.7x	ns			
MITIE GROUP PLC	10.0x	12.1x	18.5x	13.7x			
RENTOKIL INITIAL PLC	9.4x	14.9x	24.6x	8.9x			
SECURITAS AB-B SHS	10.5x	15.2x	26.5x	11.5x			
PROSEGUR COMP SEGURIDAD-REGD	9.7x	12.7x	20.8x	12.1x			
RANDSTAD HOLDING NV	11.0x	12.2x	16.4x	14.6x			
GROUP 4 SECURICOR PLC	6.6x	9.3x	17.0x	10.1x			

High Tech Hoteles



Hotel Chain Management

Investment date:	January 2003 / January 2004 / October 2005
Sum invested:	K€13,000
Financial year end:	31 December
Interest held by Dinamia Capital Privado, S.C.R.:	45.11%
Value at 30 June 2007 (K€):	34,371

Summary of the transaction

In January 2003, Dinamia invested K€9,500 in the hotel chain High Tech through a transaction combining a share purchase and subscription for a share capital increase. The company's capital was structured on the basis of ordinary and preference shares. In February 2004 and October 2005, Dinamia invested K€1,750 and K€750, respectively, in addition to the initial investment, as part of the commitment made with the executive team when the initial investment was agreed.

The ordinary shares are structured such that Dinamia and Nmás1 Private Equity Fund LP hold 60% and the executive team holds 40%.

As regards the funds invested, Nmás1 Private Equity Fund LP and Dinamia also invested in preference shares, entailing that their funds account for 89% of the total. The executive team holds a total of 10.92% of the funds invested.

Investments made by the company before Dinamia first invested amounted to approximately €12 million (€9 million contributed by the former financial partner and around €3 million invested by the executive team³).

On 27 January 2006, the Universal General Meeting of High Tech Hotels & Resorts, S.A. resolved to increase capital by K€2,000 by issuing preference shares. Dinamia subscribed and paid up K€1,000 of that amount.

Following the operation, Dinamia's investment totals K€13,000, representing a 45.11% shareholding in High Tech Hotels & Resorts, S.A.

³ The contribution made by the executive team consisted of cash contributions (€1.9 million) and estimated non-cash contributions (€ 1.2 million).

Description of the company

High Tech Hotels & Resorts, S.A. is a hotel chain operating in the three-star and three-star+ segment for business customers and city tourists. It currently has 40 hotels, mainly located in Madrid (26 hotels) and in the larger provincial capitals. Twenty-five are operational and the rest will be opened as their remodelling work is completed. When the company was acquired, High Tech had 10 contracted hotels, of which four were operational⁴.

The company plans to create a leading chain in its segment by doubling the number of hotels in a segment that is not yet consolidated, is highly fragmented and characterized by family management with little brand recognition.

Company management

The Company is managed by five executives who formerly worked for the Tryp chain, which they left after the purchase of Tryp by Sol Meliá in order to open their own chain of hotels. They are very experienced in the sector and closely involved in this project. These five executives have made a significant investment in the company and hold 40% of its share capital. They are Mr Antonio Fdez Casado (General Commercial Director), Mr Javier Candela (General Finance Director), Mr Tomás Bazarrica (Human Resources Director), Mr Antonio Frutos (Technical Director) and Mr Francisco Sánchez (IT Director).

Income statement

Income statement

**Figures in thousands of euros*

	Actual 30.06.2007	Audit 31.12.2006	Actual 30.06.2006
Sales	28,171	45,400	21,278
EBITDA	7,925	12,615	6,085
EBIT	2,279	1,802	539
EBT	1,211	(1,174)	(40)
Profit	1,211	(1,331)	(40)

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Actual 30.06.2007	Audit 31.12.2006	<u>LIABILITIES</u>	Actual 30.06.2007	Audit 31.12.2006
Fixed assets	81,487	69,602	Shareholders' equity	16,353	15,706
Deferred expenses	1,136	987	Deferred income	369	32
Current assets	8,788	10,213	Provisions for liabilities and charges	727	658
Cash and banks	1,349	1,070	Long-term creditors	34,021	24,604
TOTAL ASSETS	92,760	81,871	Short-term creditors	1,626	1,488
			Current liabilities	39,664	39,383
			TOTAL LIABILITIES	92,760	81,871

⁴ Number of hotels net of those that did not suit the chain's strategy and were closed shortly after acquisition.

Description of the market

The hotel market in Spain, and specifically in Madrid, shows figures that make prospects highly favourable, according to HVS/IMF:

- Compound annual growth of 6.3% (03-06).
- Fragmented market in which 41% of hotels are independent and 42% form part of small chains.

The three-star and three-star+ hotel segment shows the following features:

- These hotels are the backbone of the hotel sector in Spain, accounting for more than 33% of all establishments and 45% of bed capacity.
- Since 1987, occupancy of three-star hotels has been the highest in the hotel sector.
- The three-star segment is the least affected by the current recession in the Spanish hotel sector and has maintained the previous year's levels.
- The segment is dominated by relatively unprofessional family management and is therefore highly fragmented, there being no clear leading brand.
- There are several well-defined entry barriers. The large international chains (Accor, Six Continents, Starwood, Hyatt, etc.), which have shown great interest in the Spanish market, have experienced entry difficulties caused by the lack of transparency in small established chains and the absence of chains of a certain size that would allow them to enter the Spanish market on a solid footing.
- Furthermore, the presence of a domestic promoter has been seen to be a key to the success of chains in Spain.

Business evolution in 2007

High Tech Hotels closed the first half of 2007 posting highly positive turnover and EBITDA, due to the performance of the operational hotels and high occupancy in all the hotels, at around 80%, well above the hotel sector average. All the hotels made a positive contribution to EBITDA.

During the second half, the company plans to open four hotels, two in Barcelona (Art Museum y Barcelona), one in Malaga (Plaza) and one in Seville (Canalejas).

Turnover and EBITDA rose by around 30% on the first half of 2006 thanks to the results of the operating hotels. New hotels are expected to be opened in the second half, in line with the company's strategic objectives.

At June 2007, Dinamia and the other shareholders of High Tech were studying the possible flotation of the company.

Valuation

The High Tech Group has been valued using the following method:

- A comparison with the multiples of other European and US sector companies, applying a 30% illiquidity discount, results in a value of K€96,088 for equity, entailing a value of K€34,371 for Dinamia's investment.

Consequently, on the basis of the market multiples, the company is valued at K€96,088, entailing **a value of K€34,371 for Dinamia's interest**

High Tech Group

figures in thousands of euros

	Sales	EBITDA	Net debt*
Data estimated at 31.12.2007	57,345	16,565	57,697

*Includes fixed asset suppliers

VALUATION USING MULTIPLES OF COMPARABLE COMPANIES				
	EV/EBITDA	Average	Adjusted for illiquidity	Interest held Dinamia 35.77%
Value as per comparable multiples	137,269	137,269	96,088	34,371
			Illiquidity discount	30%
	EV/EBITDA			
Averages	11.8x			
ACCOR SA	11.2x			
SOL MELIA SA	10.7x			
NH HOTELES SA	11.2x			
WHITBREAD PLC	11.9x			
HILTON HOTELS CORP	12.1x			
STARWOOD HOTELS & RESORTS	12.5x			
FELCOR LODGING TRUST INC	12.9x			

Ydilo Advanced Voice Solutions, S.A.



Advanced Voice Services

Initial investment date:	April 2001/June 2001
Financial year end:	31 December
Acquisition cost:	K€1,470
Interest held by Dinamia Capital Privado, S.C.R.:	7.06%
Value at 30 June 2007 (K€):	1,470

Summary of the transaction

The investment was made in April and June 2001, when Ydilo carried out two share capital increases forming a single round of financing in which all its shareholders (non-executive) participated and Dinamia was the only outside investor invited directly by the company's managers and founders.

In January 2003, Dinamia, together with the other financial investors and in accordance with shareholder agreements, acquired K€27 in shares in Ydilo from one of the company's founders, who exited the project. As a result, Dinamia's interest rose to 6.52% from 5.98%. Subsequently, in February 2005, Dinamia invested a further K€50 in Ydilo's capital to increase its interest from 6.52% to 7.06%. The remaining shareholders are listed below:

➤ Executive team and option plan	31.52%
➤ Corporación IBV	19.57%
➤ Mercapital	24.46%
➤ Ericsson Innova	17.39%

Description of the company

Ydilo specialises in developing applications and providing services based on natural voice recognition and text-to-speech technologies. In recent years, these technologies have developed considerably, particularly in the United States, due to the wide range of opportunities offered by automated telephone services.

Ydilo provides advanced voice services in ASP formats, vertical solutions and ticketing applications.

In the ticketing area, Ydilo has implemented Europe's first automatic show ticket selling services using natural voice recognition applications. As regards sports events, Ydilo has pioneered the sale of football match tickets for customers such as Real Madrid and the Spanish Football Federation. In ASP services, the company offers partial or complete automation of operator-assisted call centres. The company operates some of Europe's largest automated call centres, processing tens of millions of calls each year, many of which are accompanied by transactional services. Finally, for customers that cannot contract Ydilo's services in ASP format for data and content confidentiality reasons, the Company offers vertical solutions that combine its own technology with the solutions of third parties with which it has reached value-added reseller agreements.

Since the middle of 2005, Ydilo has pioneered the world's first technological platform that seeks to integrate voice technologies with audiovisual formats. The completion of this platform has led to the marketing of the first multimedia application for mobile telephony that combines voice and image in the same customer services, for a telco customer. In 2006 the company has begun to adapt this multimedia platform to the Internet. The aim is to extend Ydilo's potential customer base into the Internet, where telephony services (voice on IP) are growing rapidly.

Its customers include Vodafone, ING, El Corte Inglés, Retevisión, Air Miles, Grupo Logístico Santos, Real Madrid and the Spanish Traffic Authority (DGT).

Company management

The company is led by Mr Javier Álvarez Vara (Chairman) and Mr Domingo López Montesdeoca (General Manager). It employed around 100 persons in 2006.

Income statement

**Figures in thousands of euros*

	Actual 30.06.2007	Actual 31.12.2006	Actual 30.06.2006
Operating income	4,437	9,936	4,777
EBITDA	1,004	2,043	971
EBIT	550	1,370	515
EBT	581	1,299	475
Profit for the year	581	1,299	475

** Excluding extraordinary losses*

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	2,850	3,219	Shareholders' equity	6,464	5,831
Current assets	4,580	5,185	Long-term creditors	560	559
Cash and banks	1,622	1,076	Short-term debt	603	1,951
			Current liabilities	1,425	1,139
TOTAL ASSETS	9,052	9,481	TOTAL LIABILITIES	9,052	9,481

Description of the market

The use of phoneme, voice synthesis and acoustic model recognition technologies has undergone extensive development over the past few years. This trend is expected to be unstoppable in the coming decade, since the human voice is the communications interface “par excellence”. The main suppliers of these base technologies, such as Scansoft/Nuance, Microsoft and IBM, are working on new recognition systems based on statistical models that allow them to offer more open, intuitive, flexible and direct solutions than those currently available. The technologies are also being adapted to new languages in order to increase the potential for end-user applications and services.

Ydilo carries on business in accordance with a substitution model. The business model consists basically of replacing a labour-intensive activity (call centre operators) with technology-intensive solutions that allow the partial or complete automation of voice transactions between users and call centres. Automation and the incorporation of these technologies also allows the potential range of services to be increased and the number of application users to be scaled. Additionally, Ydilo provides customers with all kinds of analytical, statistical and data mining information on the use of its applications.

The company continues to stay ahead of competitors in its natural market in terms of both the proven quality of the technological platform and the level of specialisation and complexity of its voice applications. However, the growing demand for applications based on such technologies (practically all new tenders for call-centre-based CRM services require partial automation) is attracting large multinationals specialised in outsourcing. In general, the latest cycle in the telecommunications and technology market has been more dynamic and has brought an increase in technology investments by companies operating large call centres in Spain.

Valuation

Although the company ceased to be an early-stage investment at the end of 2005, the acquisition cost of **K€1,470** is maintained.

A provision has been recorded strictly in accordance with accounting methods and management expects to be able to sell the company for the amount invested, at minimum, as there are no circumstances suggesting a lower amount. The investee company has not been revalued because there are no data yet available. In any event, the cost is expected to be recoverable, at minimum, and the provision need not therefore be considered for valuation purposes.

Net TV



Unencrypted Digital Terrestrial Television

Investment date:	June 2000
Financial year end:	31 December
Acquisition cost:	K€356
Interest held by Dinamia Capital Privado, S.C.R.:	2.29%
Value at 30 June 2007 (K€):	356

Summary of the transaction

In June 2000, Dinamia acquired a 1.5% interest in the Net TV consortium. When TF-1 ceased to be a shareholder in July 2002, Dinamia increased its stake slightly to 1.64%. In July 2004, Dinamia participated in the capital increase carried out by Dinamia Telemática, S.L., having paid in K€110. The funds were employed to participate in the capital increase in Net TV completed in December 2004, increasing the interest in Net TV from 1.64% to 1.71%. In December 2005, Dinamia acquired all Dinamia Telemática's shares in Net TV, as part of the liquidation of Dinamia Telemática, thereby obtaining a direct holding of 2.29% in Net TV at an acquisition cost of K€140. Subsequently, the necessary contributions have been made to ensure the proper functioning of the company, up to a total cost of K€356.

The remaining shareholders are listed below:

➤ Pantalla Digital ⁵	60.44%
➤ Europroducciones	9.84%
➤ Other	27.43%

Description of the company

The Net TV consortium was created in June 2000 by several of the major media groups operating in Spain and in Europe. In November 2001 the consortium obtained one of two licenses for unencrypted digital terrestrial television broadcasting.

Net TV is a general-interest digital television channel that commenced 24-hour open TV broadcasting in November 2005. The aim is to be a young, interactive, plural, appealing and innovative television channel. In 2006, coverage increased to reach 80% of the population (25% in 2005).

To date, the initial investments have been made to launch the channel and maintain the company. Activities have been limited, however, and a platform is expected to be created in coming years when the analogue blackout takes place in 2010.

Net TV is one of six operators holding a national digital terrestrial television licence. The entire DTT spectrum has been allocated, creating a strong entry barrier for new competitors, as the spectrum would have to be reallocated and a new tender process arranged.

⁵ Majority owned by the Vocento Group.

Valuation

In view of the company's start-up status and since operations have not yet commenced, in accordance with EVCA guidelines this investment is valued at acquisition cost **and therefore Dinamia's holding is valued at K€356**

Nicolás Correa Anayak Group



Design, Manufacture and Marketing of Machine Tools

Investment date:	September 1999
Sum invested:	K€6,045
Financial year end:	31 December
Interest held by Dinamia Capital Privado, S.C.R.:	15.35%
Value at 30 June 2007 (K€):	10,128

Summary of the transaction

In September 1999, Dinamia led the MBO of this company and acquired a 56.87% interest in its share capital. It held an option to acquire an additional 6.19% at the same price, which it exercised in December 2000.

On 26 July 2005, the Boards of Directors of Anayak and Nicolás Correa, S.A. signed a protocol for the merger of the two companies. The operation entailed first spinning off certain non-strategic assets from Nicolás Correa (real estate activities and high-pressure machinery used in food preservation), which were excluded from the transaction due to their immaturity, resource consumption and lack of synergies with the machine tool business. This business combination is justified by the significant commercial, R&D and streamlining synergies generated. The share exchange ratio applied attributes a value for Nicolás Correa (post-spin-off) equal to 2.5x the value of Anayak. Dinamia therefore holds 15.35% of the resulting company.

Description of the company

The Nicolás Correa Anayak Group is engaged in the design, manufacture and marketing of medium to large-sized machine tools (milling and machining equipment). The size of the mills is directly related to their complexity: the larger the machine the more complex it is, the higher its added value and, logically, the higher the margin. In fact, the smaller machines manufactured in Asia have taken over a part of the European market. Asian manufacturers focus on smaller, less sophisticated machines that can be mass produced using machinery at a low cost. For this reason, in Europe mostly larger machines are manufactured. As they are more complex, they generate higher added value and technical assistance is essential. They are also difficult to integrate into a mass production line.

Business evolution in 2007

As regards the company's performance In the first half of 2007, the company's periodic public information may be consulted, which is in turn published by the regulator (CNMV).

Valuation

Following the merger of Anayak and Nicolás Correa, Dinamia held 1,926,000 shares representing 15.35% of total capital. In accordance with EVCA guidelines, the group's value must be reduced by 20% due to the illiquidity deriving from the lock-up clause accepted by Dinamia. Consequently, **Dinamia's stake is valued at K€10,128**.

NEA share price at 30.06.2007	6.57 €
Number of NEA shares held by Dinamia (thousand)	1,926
Value of shares held (K€)	12,660
Illiquidity discount	20%
Market value of Dinamia's investment (K€)	10,128

Arco Bodegas Unidas



Bodegas Unidas

Winery

Investment date:	March 1999
Sum initially invested:	K€17,051
Financial year end:	30 September
Interest held by Dinamia Capital Privado, S.C.R.:	8.36%
Value at 30 June 2007 (K€):	18,040

Summary of the transaction

In March 1999, Arco Bodegas Unidas (formerly Berberana Group) reorganised its shareholder structure when 56% of the company was purchased from NH Hoteles (formerly Cofir) by several shareholders, including Dinamia. In March 2000, share capital was increased by €30 million, of which Dinamia subscribed for €12 million, raising its holding to 8.00%. After adjusting for own shares, Dinamia's interest in Arco stands at 8.36%. The remaining shareholdings, unadjusted for own shares, are as follows:

➤ Corporación Financiera Arco	58.78%
➤ Other	28.95%
➤ Own shares held	4.27%

The initial purchase price represents the following acquisition multiples (based on 1999 results):

EBITDA*	EBIT	Net profit
10.9x	12.3x	16.0x

*EBITDA is defined as EBIT plus depreciation and amortisation, where EBIT is equal to the operating profit. EBITDA and EBIT multiples are based on the "enterprise value", defined as equity value + debt – cash and banks.

Description of the company

Arco is an independent winery group that leads the market for quality wines. The group is formed by Bodegas Berberana, Marqués de Griñón, Cavas Marqués de Monistrol, Bodegas Lagunilla and Bodegas Hispano Argentinas. It also produces and markets wines under the "Vinos Mediterráneos" and other "Vinos de la Tierra" labels. Its main competitors are Freixenet, Codorníu and Bodegas y Bebidas, in addition to many other smaller wineries.

Business strategy is focused basically on strengthening the group's international presence, offering a quality line of products, diversifying the business to produce wines outside the La Rioja region, ensuring a supply of grapes and promoting direct and e-commerce sales.

Company management

The executive team, led by Mr Víctor Redondo, holds a significant portion of the company's capital. The executives have broad experience in the sector and are highly motivated (in view of their shareholder status).

Business evolution in the first half of 2007

Arco's business has performed well in 2007 due to the considerable commercial activities carried out. The company has consolidated its commercial system, combining a growing domestic market with international business, particularly in Latin America, following the integration of Pacheco Pereda, recently acquired in Argentina.

In 2007 the company will focus on improving margins by cutting costs and increasing the flexibility of its production system in order to respond to domestic demand and international business needs.

Valuation

As the company has not provided a consolidated forecast of year-end 2007 results, Arco has been valued based on year-end 2006 data, for reasons of prudence. In view of business performance, the year-end 2006 valuation is maintained and **Dinamia's interest is therefore valued at K€18,040**. This is justified by the company's leading position as the largest independent winery group in Spain and one of the largest in the world, together with the high multiples paid in the latest sector transactions.

Deutsche Woolworth



Chain of Department Stores in Germany and Austria

Deutsche Woolworth:

Investment date:	December 1998
Sum invested:	K€4,309
Financial year end:	31 December
Interest held by Dinamia Capital Privado, S.C.R.:	6.61%
➤ DWW Deutsche Woolworth Holdings GmbH	6.52%
➤ DWW Beteiligungs GMBH	7.35%
Value at 30 June 2007 (K€): -	

Forthpanel Limited:

Investment date:	May 2003
Sum invested:	K€1,000
Financial year end:	31 December
Interest held by Dinamia Capital Privado, S.C.R.:	5.00%
Value at 30 June 2007 (K€): 1,000	

Summary of the transaction

In December 1998, Dinamia acquired a 5% interest in Deutsche Woolworth as a result of the MBO led by Electra through two special-purpose holding companies: DWW Deutsche Woolworth Holdings GmbH and DWW Beteiligungs GmbH. The other shareholders are as follows:

- Funds managed by Electra and other parties 82.9%
- Executives and own shares 10.5%

The purchase price totalled €562 million, representing the following acquisition multiples (on 1998 figures):

EBITDA*	EBIT
7.41x	12.20x

*EBITDA is defined as EBIT plus depreciation and amortisation, where EBIT is equal to the operating profit. EBITDA and EBIT multiples are based on the "enterprise value", defined as equity value + debt – cash and banks.

In May 2003, Dinamia invested €1 million in the company Forthpanel Ltd to obtain a 5% shareholding.

This operation was part of the plan to re-launch the investee Deutsche Woolworth, which commenced in the previous year with the replacement of the executive team, a strategic refocusing of its business and a shareholder restructuring that entailed the cost-free exit of the shareholders that did not share the strategic vision of the new executive team and the other shareholders. Forthpanel Ltd acquired certain real estate assets from Deutsche Woolworth for €19 million in order to increase the company's resources and also to secure the investment made by the Forthpanel's shareholders through the ownership of the assets, which were leased back to Deutsche Woolworth. As a result, and at no additional cost, Dinamia increased its holding in Deutsche Woolworth to 6.61% from 5.00%. The shareholder restructuring arrangement established a preferential return equal to four times the investment made in Forthpanel in the event that Deutsche Woolworth is sold. The other shareholders of Forthpanel are Electra, which holds 92%, and another two private investors that hold 3%.

Description of the company

The German Group Woolworth is formed by a chain of approximately 350 large department stores targeting the middle class population segment and offering low prices. The establishments are mainly located in Germany and in part of Austria.

The group has significant real estate assets since, at the acquisition date, 118 of the 357 establishments were owned by the group and valued at €614 million. These assets served to secure the leveraging applied to the group on acquisition.

Company management

Following the delay in the company's restructuring, in 2001 the decision was taken to replace the executive team. It was replaced by a management group that had proven effective in previous restructuring processes (Puma, Escada, Bally). The principal executives are currently Hans Woitschätske (Chairman) and Bernd Szymanski (Managing Director).

Income statement

**Figures in thousands of euros*

	Actual 30.06.2007	Actual 31.12.2006	Actual 30.06.2006
Operating income	348,457	824,392	372,822
EBITDA	(13,049)	(3,488)	(11,769)
EBIT	(24,599)	(33,679)	(26,486)
EBT	(33,294)	(52,662)	(36,498)
Profit for the year	(33,423)	(47,222)	(36,504)

Balance sheet

**Figures in thousands of euros*

ASSETS	Actual*	Actual*	LIABILITIES	Actual*	Actual*
	30.06.2007	31.12.2006		30.06.2007	31.12.2006
Fixed assets	34,600	37,509	Shareholders' equity	32,568	42,798
Current assets	402,401	406,388	Pension fund	206,739	206,798
Cash and banks	43,173	60,936	Bank debt	162,086	161,433
TOTAL ASSETS	480,174	504,832	Current liabilities	78,781	93,803
			TOTAL LIABILITIES	480,174	504,832

* Figures under IFRS

Business evolution in the first half of 2007

Woolworth continues to feel the effects of the recession in the German retail market that has now lasted for several years and shows no signs of a recovery. Demand remains stagnant and is even declining, as reflected by the fall in the company's turnover.

The company has considerably reduced its leverage prior to turning around the business.

Valuation

As the Company still records losses, coupled with the uncertain prospects for the German economy, the provision covering Dinamia's entire investment in Woolworth is maintained until the company shows a clear recovery.

Appendix

Review of the valuation prepared by the management company