

DINAMIA CAPITAL PRIVADO,
SOCIEDAD DE CAPITAL RIESGO, S.A.

Annual Accounts and Directors' Report

31 December 2007

DINAMIA CAPITAL PRIVADO,
SOCIEDAD DE CAPITAL RIESGO, S.A.

Balance Sheets

31 December 2007 and 2006

(Thousand euros)

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
Tangible fixed assets		
Formation expenses (Note 5)	-	291
Current assets		
Debtors (note 6)	108.171	60.959
Investment portfolio (Note 7)	153.057	170.610
Cash (Note 8)	18.955	8.713
Prepayments and accrued income	81	36
	280.264	240.318
	280.264	240.609
<u>Liability</u>		
Capital and reserves (Note 9)		
Share capital	35.910	35.910
Share premium account	88.549	105.307
Reserves	65.535	28.489
Profit for the year	52.930	37.046
	242.924	206.752
Deferred income (Note 7)	17.220	21.837
Provisions for liabilities and charges (Note 10)	1.136	523
Creditors: amounts falling due after more than one year (Note 11)	12.751	10.590
Creditors: amounts falling due within one year (Note 12)	6.233	907
	280.264	240.609
Other Memorandum accounts (Note 16)	9.731	44.075

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Profit and loss accounts for the years ended
31 December 2007 and 2006

(Expressed in thousand euros)

	2007	2006
Amortization of share capital increase expenses (Note 5)	(291)	(74)
Change in provision for bad debts (Note 6)	(2.803)	453
Operating expenses (Note 14)	(20.239)	(12.089)
Operating loss	(23.333)	(11.710)
Financial income		
Changes in provisions for investments (Note 7)	(3.950)	2.016
Other financial income (Note 15)	13.418	6.884
Gains on exchange	-	-
Gains on the sale and write-off of investments (Note 7)	67.028	39.533
Total financial income	76.496	48.433
Financial expense		
Other financial expenses	(1)	-
Losses on exchange	-	(2)
Losses on the sale and write-off of investments (Note 7)	(3)	-
Total financial expense	(4)	(2)
Financial income	76.492	48.431
Profit from ordinary activities	53.159	36.721
Extraordinary expense	(258)	(8)
Extraordinary income	29	333
Extraordinary profit/(loss)	(228)	325
Profit before income tax	52.930	37.046
Corporate income tax (Note 13)	-	-
Profit for the year	52.930	37.046

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Notes to the Annual Accounts

31 December 2007

1 - Nature of the business and activities

Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A. (hereinafter the Company or Dinamia) was incorporated as a public limited liability company on 11 November 1997 for an indefinite period. Its registered address is located in Madrid.

The Company is governed by the provisions of Law 25/2005 (24 November), which regulates venture capital companies and their management companies and Law 44/2002 (22 November), on Measures to Reform the Financial System, and otherwise by the Spanish Companies Act.

The Company was entered under number 21 in the Administrative Registry of Venture capital Companies kept by the Spanish National Stock Market Commission.

Its corporate purpose and main activity consists of acquiring temporary stakes in non-financial companies which, at the time shareholdings are acquired, are not listed in the primary market within the Stock Market. In order to further its corporate purpose, the Company may provide participating loans or other forms of financing to the companies in which it holds shareholdings. In addition, the Company may carry out advisory service activities.

The management and administration duties falling to the Company are contracted to N Más 1 Capital Privado, Sociedad Gestora de Entidades de Capital Riesgo, S.A.U. (formally called N Más Uno Electra Capital Privado, Sociedad Gestora de Entidades de Capital Riesgo, S.A.), hereinafter the Management Company. The Management Company forms part of the N Más 1 Group, which is led by N Más Uno IBG, S.A.

On 19 December 2006 the Company and the Management Company agreed to partially amend the management agreement raising the limit of the investments that the Management Company may make on a discretionary basis to €30,000k or 15% of the Company's assets. Above that limit the Management Company must obtain prior authorization from the Company's Board of Directors to make an investment.

On 6 August 2002 the Management Company concluded a co-investment agreement (hereinafter the Co-investment Agreement) with N Más 1 Private Equity International Limited (formerly called N Más 1 Private Equity Jersey Limited), as the General Partner of N Más 1 Private Equity Fund, L.P. (hereinafter the Fund), which advises N Más Uno Advisor, S.A., (a company pertaining to Grupo N Más 1), which governs the joint investments made by the Company and the Fund. The Co-investment Agreement establishes the Company's and the Fund's intention to make equal investments in companies. The Company and the Fund reserve the possibility of changing the percentages of investments, and it is possible for both percentages to not be equal and the Company and the Fund may decide not to participate in some investments, if any of the following cases arise:

- The existence of any applicable rule, law or regulation that impedes any of the parties from making the investment or gives rise to any significant negative effect for the Company or the Fund.

The existence of clauses in the investment agreement that impede the Company or the Fund from making the investment.

The Company or the Fund does not have sufficient liquidity to make the investment.

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Existence of any other circumstances that makes the investment undesirable for the Fund or the Company.

The Company and the Fund will ensure that any investment to be made in the future is governed by the Co-investment Agreement, except for those that originate from the continuation of investments made by the Company prior to the date on which the Co-investment Agreement was concluded and any investments that may be made by the Company in the future that lie outside the Fund's corporate purpose.

The Company and the Fund will endeavor, in accordance with the provisions of the Co-investment Agreement, to:

- The investments made jointly by the Fund and the Company will be done in such a manner that both have the same rights, obligations, interests and restrictions, making investments simultaneously. The agreement stipulates that it is not necessary for the investments made by the Company and the Fund have the same structure.

- All of the costs deriving from investments in companies made by the Company and the Fund will be distributed in proportion to their shareholdings.

- Divestments from any investments made jointly by the Company and the Fund will also be done jointly, simultaneously and under the same conditions for both, except in those cases in which there is an agreement signed by the Company and the Fund that authorizes non-compliance with this point and when for the Company or the Fund it is desirable to carry out the divestment, without giving rise to significant harm for the other party.

2 - **Basis of presentation**

a) True and fair view

The annual accounts are obtained from the Company's accounting records, in accordance with the classification criteria established under National Stock Market Commission Circular 5/2000 (19 September) and have been prepared by the Company's Board of Directors following generally accepted accounting principles established by current legislation in order to show a true and fair view of its net worth, financial situation and the results of its operations. Although the annual accounts at 31 December 2007 have yet to be approved by shareholders at a General Meeting but no changes are expected to be necessary to obtain this approval.

b) Accounting principles

When preparing the annual accounts for Dinamia Capital Privado, Sociedad de capital Riesgo, S.A., generally accepted accounting principles and the valuation rules described under Note 4 have been applied. There is no mandatory accounting principle having a significant effect on the annual accounts that has not been applied.

c) Comparability

The figures contained in the accompanying annual accounts are expressed in euros.

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d) Consolidation

At 31 December 2007, the Company is not required to prepare consolidated annual accounts for 2007 in accordance with the provisions of Royal Three 1815/1991 (20 December) and the amendment of the Commercial Code Articles established by Law 62/2003 (30 December) on Tax and Administrative Measures.

3 - Distribution of profits

The distribution of 2007 profit that will be proposed by the Board of Directors at the Annual General Meeting is set out below:

	Thousand euros
Available for distribution	
Profit/ (loss) for the year	52.930
 Distribution	
Voluntary reserves	52.930
	52.930

4 - Accounting policies and valuation rules applied

These annual accounts have been prepared in accordance with the accounting principles and valuation and classification rules established by National Stock Market Commission Circular 5/2000 (19 September) and the General Accounting Plan. The principles applied finishes are described below:

(a) Formation expenses

Formation expenses are stated at cost and are presented net of relevant accumulated amortization.

(b) Debtors

These items are stated at the amount of the transaction or the amount provided to debtors and all value adjustments deemed necessary are made to make provisions for insolvency risk, which is evaluated through an individual analysis of each debtor's capacity to make payment based on available information.

Loans granted by the Company to investee companies, even if falling due in the long-term, are classified under current assets, as they are associated to short-term financial investments (See Note 4.c).

Interest revenue obtained from loans granted is recognized in the income statement based on financial criteria.

(c) Financial investment portfolio

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Shareholdings and fixed-income securities are stated in the accounts at their acquisition price, which is understood to be all monetary payments made or promised, excluding interest or dividends that have accrued but are not due at the time of acquisition, as these items are recorded separately.

Notwithstanding the above, the acquisition cost of securities is compared with their estimated realizable value, thereby obtaining a theoretical capital gain or loss on the portfolio, which is recorded as is explained below.

The Company calculates the estimated realizable value of its portfolio in accordance with the following criteria:

- Any assets acquired under repurchase agreements that have a residual maturity equal to or less than 6 months as from the valuation date, mainly consisting of government bonds, are considered to have an estimated realizable value equal to their acquisition price plus accrued interest not collected, calculated in accordance with the internal yield rate of the investment and which is recorded as financial income over the period elapsing between the acquisition date and the maturity date.
- Listed equities are stated at the lower of their acquisition cost or estimated realizable value. The estimated realizable value is considered to be market value, which is understood to be the value that results from applying the official exchange rate on the last day of the year.
- Unlisted equities:
 - Investments in "Start-up capital"

Start-up investments are understood to be those made in unlisted companies that have been in existence for less than three years or which, if existing for more than three years, have not obtained profits for two consecutive years over the past five years and these results have been verified by an independent expert.

In accordance with current legislation, as a general rule these investments are not subject to value adjustments, and are stated at acquisition cost unless events or circumstances of sufficient importance and clear impact arise after the date on which the investment is made and which reliably indicate a lower value. At 31 December 2007 the Company recorded provisions for all shareholdings in Emfasis Billing & Marketing Services, S.L.

Memorandum accounts may record the capital gains obtained on unlisted equities issued by start-up companies when an independent third party carries out transactions involving its shares which give rise to a value that is higher than the acquisition price paid by Dinamia. At 31 December 2007 the Company did not record any capital gains relating to start-up companies in memorandum accounts.

- Investments in "Development capital"

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Investments in development capital are understood to be those that do not comply with the requirements described in the preceding section.

The relevant provision for the depreciation of unlisted companies is recorded when the acquisition price of the investment is higher than the estimated realizable value, calculated in accordance with proportional book value adjusted by the lower of any tacit capital gains existing at the time of acquisition, and which continue to exist at the time of evaluation, or market value.

The capital losses resulting from comparing the acquisition cost and the estimated realizable value of the securities, excluding investments in "start-up capital", are fully covered by the Provision for declines in value of investment securities.

Latent capital gains resulting from comparing the acquisition cost and the realizable value of the securities is recorded under the heading "Other memorandum accounts" on the balance sheet.

Despite the fact that, in accordance with the provisions of Circular 5/2000 mentioned above, the financial investment portfolio is fully recorded under current assets, there may be investments that are maintained for more than one year.

(d) Transactions denominated in foreign currency

Transactions denominated in foreign currency are stated at their equivalent value in euros, using the exchange rates in force at the date the transaction is carried out. Gains or losses on exchange resulting from the cancellation of the balances denominated in foreign currency are recorded in the profit and loss account at the time they arise.

Accounts payable and receivable in foreign currency at the yearend are stated in euros at the exchange rates in force at 31 December and unrealized net losses on exchange are recognized as an expense, as calculated for groups of currencies with similar maturity dates and market performance, while all unrealized net gains calculated in the same manner are deferred until they mature, at which point they are recorded under Deferred income on the liability side of the balance sheet.

(e) Short / long-term

All assets and liabilities falling due, or with expected realization dates, within 12 months or less are classified as short-term items on the balance sheet and all other items are classified as long-term. The financial investment portfolio is exempted from this treatment in accordance with the provisions of the aforementioned Circular 5/2000 (see note 4 (c)) as are the loans associated with investments classified under the short-term (see note 4 (b)).

(f) Recognition of income and expenses

Income and expenses are accounted for using the accrual method.

However, applying the prudence principle, the Company only records realized profits. Foreseeable risks and any losses are recorded as soon as they are known.

(g) Corporate Income Tax

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Corporate income tax for each year is recognized based on the sum of the reported income before taxes, as adjusted by any permanent differences between reported and taxable income, understood to be those arising before taxes which do not reverse in subsequent periods.

Due to peculiarities of corporate income tax (see note 13), and in accordance with the prudence principle, the tax effect of tax-loss carryforwards and pre-paid taxes is recorded as a reduction in the tax expense for the year in which these items are offset or realized in the relevant tax return.

The Company has not recognized the tax credit deriving from double taxation deductions or investments credited in prior years but pending application. In order to take effect, these credits must meet the requirements established under relevant legislation.

(h) Other memorandum accounts

This heading only records unrealized portfolio capital gains that arise due to differences between the estimated realizable value of the securities, calculated in accordance with the content of section c) of this Note and their acquisition cost.

(i) Environment activities

Given the activities in which the Company engages, there are no environmental liabilities, expenses, assets, provisions or contingencies that could be significant with respect to its net worth, financial situation and results. For this reason no specific breakdowns are provided in these Notes to the annual accounts regarding environmental information.

5 - Formation expenses

The balance in this heading breaks down as follows:

	Thousand euros		
	<u>31.12.06</u>	<u>Additions</u>	<u>31.12.07</u>
Capital increase expenses	371	-	-
Less, accumulated amortization	<u>(80)</u>	<u>(291)</u>	<u>(371)</u>
Net value	<u>291</u>	<u>(291)</u>	<u>-</u>

At 31 December 2006 capital increase expenses included the costs incurred for independent professional services relating to the share capital increases that the Company carried out in 2005. During 2007 the Company amortized all of these expenses.

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6 - Debtors

The heading Debtors breaks down as follows at 31 December 2007:

	Thousand euros
Loans granted to investee companies	107.841
Receivables from investee companies	8
Withholdings refundable	598
Other debtors	2.743
	111.190
Less provisions for bad debts	(3.019)
	108.171

The breakdown of loans granted to investee companies and movements in this account in 2007 are as follows:

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	Thousand euros					
	Loan principal	31.12.06	Additio ns	Disposal s	Interest not collected during the year	31.12.07
The Beauty Bell Chain, S.L.	19.019	19.105	-	-	3.423	22.528
Emfasis Billing & Marketing Services, S.L.	4.967	4.898	786	-	572	6.256
HP Health Clubs Iberia, S.A.	7.256	8.910	-	-	1.177	10.087
Grupo Gestión Integral Novolux Internacional, S.L.	7.816	8.840	-	-	897	9.737
Deutsche Woolworth, GmbH	-	653	-	(653)	-	-
Saint Germain Grupo de Inversiones, S.L.	5.092	5.634	-	-	788	6.422
Colegios Laude, S.L.	12.048	7.158	9.495	(4.200)	1.351	13.804
Hortus Mundi S.L.	202	-	202	(53)	4	153
Leucordia S.L.	30.700	-	30.700	-	177	30.877
Miser S.L.	7.313	-	7.313	-	664	7.977
Total	<u>94.413</u>	<u>55.198</u>	<u>48.496</u>	<u>(4.906)</u>	<u>9.053</u>	<u>107.841</u>

On 18 March 2005 the Company and the remaining shareholders of The Beauty Bell Chain, S.L. agreed to finance his company through the granting of a participating loan in which the Company subscribed to €16,125k. This loan, which matured in March 2013, accrued interest at a fixed rate of 10% per year and a variable rate equivalent to 5%, provided that the consolidated EBITDA recorded by the group led by The Beauty Bell Chain, S.L. exceeded 35% of revenues.

On 28 December 2006 an agreement was concluded to novate the characteristics of the aforementioned financing, which included the capitalization of accrued interest totaling €2,894k into the loan principal, and establish a new maturity date of 29 January 2017. This loan accrues fixed interest at an annual rate of 18% and a variable rate of 8%, provided that the Group's consolidated EBITDA exceeds 35% of revenues. At 31 December 2007 the loan principal totaled €19,019k, and the accrued interest at that date totaled €3,509k, of which €3,423k was generated in 2007.

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On 20 April 2005 the Company, together with the shareholders of Emfasis Billing & Marketing Services, S.L. concluded a participating loan agreement under which the Company subscribed 50%, or €4,181k. This loan, which matured in April 2013, accrued interest at a fixed rate of 10% per year and a variable rate equivalent to 5% or the loan principal outstanding, provided that the consolidated net profit obtained by the group led by Emfasis Billing & Marketing Services, S.L. exceeded 25% of revenues. On 14 June 2007, in compliance with the agreement concluded with the remaining shareholders of Emfasis Billing & Marketing Services, S.L., part of its share capital was converted into a participating loan, for a total of €786k (see Note 7). At 31 December 2007 the loan had generated interest totaling €1,288k, of which €572 related to 2007.

On 5 August 2005 the shareholders of HP Health Clubs Iberia, S.A. agreed to finance the company through the granting of a participating loan in which the Company subscribed a nominal amount of €7,256k, representing 23.26% of the total. This loan matures in August 2025 and accrues interest at an annual rate of 5% if the EBITDA of the group led by HP Health Clubs Iberia, S.A. is less than €3 million, 10% if it is between €3 and €5 million and 16% if it is higher than €5 million. It also accrues a variable rate equivalent to 3% of the Group's net consolidated profit, provided that the profit exceeds 15% of revenues. At 31 December 2007 the loan had generated interest totaling €2,831k, of which €1,177k related to 2007.

On 22 September 2005 the shareholders of Grupo Gestión Integral Novolux Internacional, S.L. (formerly called Deimoral Inversiones 2005, S.L.) agreed to finance the company through the granting of a participating loan in which the Company subscribed to a nominal amount of €7,816k. This loan matures in September 2015 and accrues a fixed rate of interest of 10% per year and a variable rate equivalent to 5% of the principal amount, provided that the net operating profit obtained by the consolidated group led by Deimoral Inversiones 2005, S.L. exceeds 20% of revenues. At 31 December 2007 this loan had generated interest totaling €1,921k, of which €897k accrued in 2007.

In 2001 Deutsche Woolworth GmbH repaid a participating loan granted by the Company, by converting it into shares in the company. At 31 December 2006, interest accrued, due and payable for this loan amounted to €653k, and the Company has recorded a provision for bad debts to cover all of this interest. As a result of the sale of this shareholding in 2007, and given that the interest was not collected, the Company applied this provision.

On 24 April 2006 the Company agreed to finance Saint Germain Grupo de Inversiones, S.L. by granting a participating loan for a nominal amount of €5,092k. This loan matures in April 2026 and accrues a fixed rate of interest of 15.25% per year and a variable rate equivalent to 5% of the principal amount, provided that the net profit obtained from the ordinary activities carried out by the consolidated group led by Saint Germain Grupo de Inversiones, S.L. exceeds 20% of revenues. At 31 December 2007 the loan had generated interest totaling €1,329k, of which €788k related to 2007.

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On 29 September 2006 the shareholders of Colegios Laude, S.L. agreed to finance his company by granting a participating loan in which the Companies subscribe a nominal amount of €6,753k. This loan matures in June 2020 and accrues a fixed rate of interest of 12% per year and a variable rate equivalent to 5% of the principal amount, provided that the EBITDA obtained by the consolidated group led by Colegios Laude, S.L. exceeds 65% of revenues. On 12 July 2007 €4,200k of this loan was repaid early and the Company collected €143k in interest associated with the repaid amount, as was established in the relevant agreement.

Furthermore, on 26 March and 23 July 2007 the Company agreed to increase the financing of Colegios Laude, S.L. by granting two participating loans totaling €8,400k and €1,095k, respectively, with maturity dates and interest rates similar to the loan granted on 29 September 2006.

At 31 December 2007 the financing granted to Colegios Laude, S.L. had generated interest totaling €1,756k, of which €1351k related to 2007.

On 19 June 2007 the Company granted a €202k loan to Hortus Mundi S.L. which matures on 19 June 2012. This loan accrues interest at EURIBOR – 0.50 bp. During the year €53k of principal was repaid and the interest accrued during 2007 with respect to this loan totaled €4.

On 17 April 2007 the Company agreed to finance Miser, S.L. by granting a participating loan for a nominal amount of €7,313k. This loan matures in three years, although it may be extended by mutual agreement of the parties. This loan accrues variable interest at an annual rate of 3.75% of the net amount of the borrower's consolidated revenues, bearing in mind that the accrued interest within a single period may not exceed 13% of the amount owed on the loan. At 31 December 2007 this loan accrued interest totaling €664k. A

On 13 December 2007 the Company agreed to finance Leucorodia S.L. by granting two participating loans for a nominal amount of €20,400k, which mature on 13 December 2012. These loans accrue variable interest at a rate of 5% of the outstanding loan principal if the EBITDA of the borrower at the consolidated level exceeds 65% of consolidated revenues and a fixed interest rate calculated at end of the loan. At the same date, the Company granted Leucorodia S.L. a convertible loan for €10,300 maturing on 31 May 2008. At that date the Company may choose to either receive full repayment from Leucorodia S.L. or convert the loan into shares in this company. The loan accrues interest at Euribor + 2 bp.

At 31 December 2007 the loans granted to Leucorodia S.L. have accrued interest totaling €177k.

At 31 December 2007 the heading Other debtors records €1,083k for the receivable arising from the sale of the shareholding in Educa Borrás, S.L. in 2005. The buyer of the shareholding has pledged the shares it acquired to the Company to secure the payment of this debt. The breakdown of this debt by year of maturity is as follows:

	Thousand euros
2008	1.083
	1.083

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In addition, the heading Other debtors records a balance totaling €1269 due from Unión Deriván, S.A. (see Note 7).

Movements in the provision for bad debts during 2007 were as follows:

	Thousand euros
Balance at January 1	1.559
Allocation	2.566
Reversal	<u>(1.106)</u>
Balance at 31 December	<u><u>3.019</u></u>

In 2005 the Company recorded a provision for bad debts in the same amount as the capital gain obtained on the sale of the shareholding in Educa Borrás, S.L. In accordance with the agreement covering the sale of this shareholding, the Company eliminated this provision in proportion to the total amount of the debt collected in 2005, 2006 and 2007. The amount covered by the provision at the end of 2007 totals €453k (€907k at the end of 2006).

Furthermore, the Company has eliminated the provision created on 31 December 2006 relating to the interests associated with the €653k loan granted to Deutsche Woolworth, GMBH.

At 31 December 2007 the Company records provisions for balances totaling €1,278k with Unión Deriván, S.A., as well as for all interest accrued but not yet due from the participating loan granted to Emfasis Billing & Marketing Services, S.L. (€1,288k).

7 - Financial investment portfolio

The breakdown and movements in this balance sheet heading at 31 December 2007 are as follows:

	Thousand euros				
	31.12.06	Additions	Disposals	Transfers	31.12.07
Unlisted securities	80.766	21.976	(21.206)	-	81.536
Listed securities:					
Equities	9.002	-	(2.957)	-	6.045
Other financial investments	-	690	-	-	690
Assets acquired under repurchase agreements	<u>89.375</u>	<u>3.746.040</u>	<u>(3.762.415)</u>	<u>-</u>	<u>73.000</u>
	179.143	3.768.706	(3.786.578)	-	161.271

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Provision for decline in value	(8.533)	(3.951)	4.270	-	(8.214)
	170.610				153.057

The breakdown and movements in the listed and unlisted securities portfolio in 2007, as well as the provision for declines in value associated with those securities, are set out below:

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	Thousand euros				
	31.12.06	Additions	Disposals	Transfers	31.12.07
Listed securities					
Equities					
Nicolás Correa, S.A.	6.045	-	-	-	6.045
General de Alquiler de Maquinaria, S.A.	2.957	-	(2.957)	-	-
	<u>9.002</u>	<u>-</u>	<u>(2.957)</u>	<u>-</u>	<u>6.045</u>
Unlisted securities					
Start-up capital					
Forthpanel Limited	1.000	-	-	-	1.000
High Tech Hotels & Resorts, S.A.	13.000	-	(4.121)	-	8.879
The Beauty Bell Chain, S.L.	20	-	-	-	20
Aseguramiento ATECSA, S.L.	7.125	-	-	-	7.125
Emfasis Billing & Marketing Services, S.L.	3.881	50	(785)	-	3.146
HP Health Clubs Iberia, S.A	1.814	-	-	-	1.814
Grupo Gestión Integral Novolux Internacional, S.L.	4.209	-	-	-	4.209
Sociedad Gestora de Televisión Net TV, S.A.	280	76	-	-	356
Saint Germain Grupo de Inversiones, S.L.	2.095	-	-	-	2.095
Colegios Laude, S.L.	2.251	1.765	-	-	4.016
Gowltrail Limited (Capital Safety Group)	2.457	-	(2.457)	-	-
TIVI 2006 Inversiones, S.L.	3	-	(3)	-	-
Hortus Mundi, S.L.	543	-	-	-	543
TBBC Dinámica, S.L.	3	-	(3)	-	-
Limestone Spain S.L	-	9.847	-	-	9.847
Miser S.L	-	3.938	-	-	3.938
Leucordia S.L	-	6.300	-	-	6.300
TBBC Helena Investments, S.L.	1	-	-	-	1
Helena Debtco	3	-	-	-	3
	<u>38.685</u>	<u>21.976</u>	<u>(7.369)</u>	<u>-</u>	<u>53.292</u>
Development capital					
Ydilo Advanced Voice Solutions, S.A.	1.470	-	-	-	1.470
Segur Ibérica, S.A.	9.723	-	-	-	9.723
Deutsche Woolworth, GmbH	4.270	-	(4.270)	-	-
Arco Bodegas Reunidas, S.A.	17.051	-	-	-	17.051
Unión Deriván, S.A.	9.567	-	(9.567)	-	-
	<u>42.081</u>	<u>-</u>	<u>(13.837)</u>	<u>-</u>	<u>28.244</u>
	<u>80.766</u>	<u>21.976</u>	<u>(21.206)</u>	<u>-</u>	<u>81.536</u>
Provision for declines in value					
Deutsche Woolworth, GmbH	(4.270)	-	4.270	-	-
Arco Bodegas Reunidas, S.A.	(3.674)	(805)	-	-	(4.479)
Emphasis Billing	-	(3.146)	-	-	(3.146)
Ydilo Advanced Voice Solutions, S.A.	(589)	-	-	-	(589)
	<u>(8.533)</u>	<u>(3.951)</u>	<u>4.270</u>	<u>-</u>	<u>(8.214)</u>
	<u>81.235</u>	<u>18.025</u>	<u>(19.893)</u>	<u>-</u>	<u>79.367</u>

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Appendix I attached hereto includes a breakdown of the registered address, activity and auditor of investee companies at 31 December 2007.

Appendix II attached hereto includes a breakdown of the shareholding and capital of investee companies at 31 December 2007, in accordance with their audited annual accounts.

On 23 January 2007 the Company proceeded to sell all of its shareholding in General de Alquiler de Maquinaria S.A. (GAM), which amounted to 10.15% of its share capital, through a sale to a group of investors. The Company obtained a profit totaling €39,266k on this transaction.

On 19 March 2007 the Company acquired 37.8% of the vehicle Limestone Spain, S.L. in order to fully acquire the share capital of Alcad, S.A. This acquisition took place through the Company subscribing to a share capital increase carried out by the vehicle totaling €9,847k.

Through the vehicle Miser, S.L., in which it holds a 37.5% stake, the Company carried out an MBO operation on 17 April 2007 involving all of the share capital of ZIV Aplicaciones y Tecnología, S.A. The amount of the transaction totaled €3,938k.

On to May 2007 the Company agreed to sell its entire 8.16% shareholding in the company Capital Safety Group. The Company obtained a profit totaling €18,476k on this transaction.

On 11 May 2007 the Company sold a portion of its shareholding in Unión Deriván S.A. (Undesa) within the framework of a share capital reduction carried out by that company involving the acquisition of treasury shares to be written off. The Company's shareholding in Undesa did not change as a result of this transaction.

On 5 June 2007 Dinamia and the other shareholders of Unión Deriván, S.A. agreed to sell that company and the Company's shareholding amounted to €11,247k. This transaction was subject to the condition that there be no opposition by creditors above a certain amount with respect to the share capital reduction referred to in the preceding paragraph. In addition, the Company and the other sellers granted a guarantee totaling €1,500k to the buyer covering potential contingencies or hidden liabilities, of which €690k related to the Company. This guarantee materialized through a deposit recorded under the heading Other Financial Investments.

Within the framework of the aforementioned transaction, the Company granted Unión Deriván, S.A. a loan totaling €1,269k (recorded under the heading Other Debtors) which is secured by a receivable by Unión Deriván, S.A. deriving from the sale of certain real estate assets.

At the time of the sale of its shareholding in Unión Deriván, S.A. the Company applied the prudence principle and created a provision for all receivables and at the yearend provisions cover all amounts relating to the aforementioned loan (in the amount of €1,269k) and the guarantee for potential contingent fees mentioned previously (in the amount of €690k, covered by the Provision for liabilities and charges at 31 December 2007)

The transactions carried out in 2007 with respect to this shareholding have given rise to a profit totaling €7,443k for the Company.

On 20 December 2007 the company High Tech Hotels & Resorts, S.A. increased share capital by €55,000k. This share capital increase was intended to write off preferred shares and finance

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future projects. As a result of this transaction the Company amortized all of its preferred shares and subscribed to ordinary shares with a value of €9,225k and disposed of all other shares for €5,963k, which gave rise to a capital gain totaling €1,843k.

On 7 June 2007 and 30 July 2007 the Extraordinary General Meeting held by Shareholders of Colegios Laude, S.L., adopted a resolution to carry out two share capital increases. The Company participated in these operations and paid €1,765k

On 8 January 2007 the Company participated in a share capital increase carried out by Sociedad Gestora de Televisión Net TV, S.A. and paid a total of €76k corresponding to its 2.29% stake in the share capital of this company.

On 14 June 2007, in compliance with the agreement concluded with the remaining shareholders of Emfasis Billing & Marketing Services, S.L., part of its share capital was converted into a participating loan (see Note 6).

Through the Company's 48.6% interest in the vehicle Leucorodia S.L on 13 December 2007 it carried out an LBO on all of the share capital in the companies Centro Hospitalario San Rafael de Benalmádena SL and Hospital de Benalmádena Xanit S.L.

Furthermore, Dinamia has agreed to allow other investment funds to enter into the company's share capital, thereby reducing its final stake, and this process will take place over the coming months.

During 2007 the Company sold its shareholding in Deutsche Woolworth, GMBH, which had been completely covered by a provision at the end of 2006.

In December 2006 the corporate and financial restructuring of the investee company The Beauty Bell Chain, S.L. was completed and resulted in a final capital gain totaling €17,220k for the Company, which was recorded under the heading "Deferred Income" on the liability side of the balance sheet at 31 December 2006. This amount will be taken to the income statement when the shareholding in TBBC is sold to third parties, at which time the capital gain will be considered to have been realized.

The provision for the decline in value of financial investments has been calculated in accordance with the description provided under Note 4.c.

Assets acquired under repurchase agreements, which consist of Government Bonds, accrue interest at 31 December 2007 at 3.80% and 3.85% per year and they mature in January 2008. During the year ended 31 December 2007 the income deriving from this type of acquisition amounted to €3,645k, which is recorded in the Company's 2007 profit and loss account under the heading Financial Income (see Note 15).

8 - Cash

The balance recorded under this balance sheet heading at 31 December 2007 relates in full to on-demand deposits at credit institutions which bear market interest. The interest accrued in 2007 by these accounts amounted to €552k and is recorded under the heading Financial Income in the 2007 profit and loss account (see Note 15).

9 - Equity

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Movement under Equity in 2007 was as follows:

	Thousand euros					Result for the year	Total
	Share capital	Share premium account	Legal reserve	Other reserves	Voluntary reserves		
Balance at 31.12.06	35.910	105.307	7.182	2.598	18.709	37.046	206.752
Application of 2006 results:							
To reserves	-	-	-	-	37.046	(37.046)	
Dividends	-	(16.758)	-	-	-	-	(16.758)
2007 results	-	-	-	-	-	52.930	52.930
Balance at 31.12.07	35.910	88.549	7.182	2.598	55.755	52.930	242.924

(a) Equity

At 31 December 2007 share capital consists of 11,970,000 fully subscribed and paid shares with a par value of €3 each. These shares are listed on the Continuous Market at Spanish Stock Markets.

The breakdown of the Company's most significant shareholders at 31 December 2007 is as follows:

	%
Electra Fleming Private Equity	10,44
Agrupación Mutua del Comercio y de la Industria	8,00
Chase Nominees Limited	7,30
Entur-99, S.L	5,04
Sodecar, S.A.	5,01
Eletres, S.L.	5,00
Keeper Inversiones SICAV	4,99
Ventos S.A.	4,65
E.C. Nominees Ltd	3,17

(b) Share premium account

The Spanish Companies Act expressly allows the use of the share premium account to increase share capital and there are no specific restrictions with respect to the availability of this balance.

At a meeting held on 28 June 2007 Shareholders adopted a resolution approving the distribution of a dividend totaling €1.40 per share, charged against the share premium account. The amount of the dividend distributed during the year therefore totaled €16,758k.

(c) Legal reserve

Companies are required to transfer a minimum of 10% of profit each year to the legal reserve until it represents at least 20% of share capital. At 31 December 2007 the Company reached this minimum limit.

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(d) Voluntary reserves

Voluntary reserves are freely available at 31 December 2007.

(e) Other reserves

This item records the reserve for amortized share capital relating to the nominal value of the shares that were acquired by the Company and subsequently written off against available reserves. This reserve is available with the same formal requirements as those established for reducing share capital.

10 - Provision for liabilities and charges

At 31 December 2007 this heading totaled €446k and related to the portion of the price for Educa Borrás, S.A. that was subject to certain adjustments, as well as €690k relating to the sale of Unión Deriván S.A. (see Note 7).

11 - Creditors: amounts falling due after more than one year

This balance sheet heading breaks down as follows:

	Thousand euros
Management Company, payable	12.750
	12.750

At 31 December 2007 this heading records the amount pending payment at 31 December 2007 for the success commission accrued during 2007 and prior years as a result of the sale of shareholdings (see Note 14).

12 - Creditors: amounts falling due in less than one year

As at 31 December 2007 this heading breaks down as follows:

	Thousand euros
Personal income tax withholdings payable	27
Other short-term creditors	5.880
Accruals and deferred income	326
	6.233

Other short-term creditors includes €5,296k deriving from the obligations assumed by the Company as a result of listing General de Alquiler de Maquinaria. S.A. on the stock market in 2006. This commitment will become effective no later than 31 December 2008. In addition, this heading also includes a balance with the Management Company totaling €435k.

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13 - Tax situation

The Company has availed itself of the tax benefits established by Article 55 of Legislative-Royal Decree 4/2004 (5 March) which approves the new wording of the Corporate Income Tax Act governing the tax system applicable to venture capital companies and funds which, in summary, are the following:

- Partial exemption for the income obtained on the transfer of shares in the capital of companies based on the year in which the transfer takes place calculated as from the time of acquisition. This exemption is 99% as from the start of the second year until the 15th year, inclusive. In the first year and as from the 15th year no exemption is applicable, notwithstanding the exceptions established in current tax legislation. In the event that the investee company is listed on a securities market regulated by Council Directive 93/22/CEE (10 May 1993), the application of this exemption will be subject to the condition that the shareholding be transferred within three years as from the date on which the company was listed.
- Deduction of 100% of dividends and, in general, shares in profits received from companies that venture capital companies and funds promote or develop, regardless of the shareholding held and the time for which the shares are held.

The corporate income tax rate applicable to the Company in 2007 is 32.5%.

Owing to the difference treatment of certain operations for tax and reporting purposes, the book results for 2007 differ from taxable income. The return that the Company expects to file after the approval of the annual accounts is set out below:

	Thousand euros
Profit/(loss) before taxes	52.930
Permanent differences	<u>(66.358)</u>
Adjusted book profit	(13.428)
Timing differences	<u>2.726</u>
Taxable income	<u><u>(10.702)</u></u>

Permanent differences record the 99% exemption of qualifying income obtained on the transfer of shares.

Timing differences mainly record the difference between the tax and book criteria applied when creating the provision for declines in the value of the portfolio and the provision for bad debts created during the year.

The Company's tax returns for all the years that have not become statute-barred are open to inspection by the tax authorities. The Company's Directors do not expect any significant additional liabilities to arise.

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In accordance with the Corporate Income Tax Act, if by virtue of the rules applied to calculate the tax base is negative, it may be offset over the immediately subsequent 15 years following that in which the loss was recorded, distributing the amount in the proportion deemed advisable. The amounts concerned are offset at the time the corporate income tax return is prepared, notwithstanding the right to verification held by the tax authorities.

In accordance with the file Corporate Income Tax returns, the Company has the following tax-loss carryforwards yet to be offset against future taxable profits:

Originating in	Available until	Thousand euros
2001	2016	1.466
2002	2017	7.072
2005	2020	1.301
2006	2021	4.836
2007 (estimated)	2022	10.702
		25.377

At 31 December 2007 the Company has deductions for corporate income tax double taxation yet to be offset, as follows:

Originating in	Thousand euros
2001	1.129
2002	431
2003	381
2004	724
2005	1.665
2006	82
2007	-
	4.412

According to current legislation, these productions may be applied in the corporate income tax returns filed within the 10 tax periods following the year in which they were generated, provided that there is a positive tax base.

14 - Operating expenses

Set out below is an analysis of this item in the 2007 profit and loss account:

	Thousand euros
External services	368
Sundry expenses	

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Management commission	5.746
Success commission	13.917
Other expenses	208
	20.239

The compensation system agreed with the Management Company (see Note 1) has two components, consisting of:

- A fixed annual management commission totaling 1.75% of the value of the "assets" of the Company (in order to calculate the value of this "asset" the Management Company prepares a quarterly appraisal in accordance with internationally recognized criteria, which is revised on a half yearly basis by an independent third party). The amounts accrued in this respect in 2007 totals €5,746k.

- A 20% success commission applied to the net capital gain that the Company obtains on the transfer of all of the shares in a company in the same financial year, as well as the yields that these shareholdings provide, less the annual fixed management commission, provided that the capital gain exceeds a minimum yield rate equal to the average TIR on Spanish Government Bonds (3 years) in effect in December prior to the start of each calendar year. This commission is payable to the Management Company to the extent that all the investments made in the same year by the Company have been realized. The amount accrued in this respect in 2007 totals €13,917k.

15 - Financial income

This heading in the 2007 profit and loss account records the following amounts:

	Thousand euros
Interest	
On assets acquired under repurchase agreements (Note 7)	3.645
On current accounts (Note 8)	552
On loans to investee companies (Note 6)	9.221
	13.418

16 - Other memorandum accounts

Memorandum account balances at 31 December 2007 recorded the amount of capital gains that have not materialized in the portfolio as a result of comparing acquisition cost against estimated realizable value (see Note 4(c)).

The breakdown of the capital gains that have not materialized in the portfolio at 31 December 2007 is as follows:

	Thousand euros
Nicolás Correa, S.A.	9.731

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9.731

17 - Compensation, balances and other information regarding the members of the Board of Directors

During the year ended 31 December 2007 the members of the Company's Board of Directors accrued €178k in compensation.

The breakdown of compensation paid in 2007 to each of the members of the Company's Board of Directors, is set out below:

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	Thousand euros	
	Compensation for holding a seat on the Board of Directors	Compensation for holding a seat on the Audit and Nomination Committee
Mr. Santiago Bergareche Busquet	27	-
Mr. Juan Domingo Ortega Martínez	18	6
Mr. José Fernando Sánchez-Junco Mans	20	8
Mr. Juan José Sánchez Canovas	19	8
Mr. Jordi Conejos Sancho	20	-
Mr. Alfred Merton Vinton	17	-
Mr. Gonzalo Hinojosa Fernández de Ángulo	19	-
Mr. Juan Arena	8	2
Mr. Emilio de Carvajal	6	-
	154	24

During 2007 the members of the Board of Directors have not received any other compensation of any kind.

At 31 December 2007 no pre-payments or loans had been granted, and no pension or life insurance commitments had been assumed with respect to the members of the Board of Directors.

In accordance with the provisions of Article 127 ter.4 of the Spanish Companies Act, introduced by Law 26/2004 (17 July), which amends Law 24/1988 (28 July) on the Stock Market and the Spanish Companies Act, in order to reinforce the transparency of public limited liability companies, the companies that have the same, similar or complementary corporate purpose as that of the Company and in which the members of the Board of Directors hold an interest, as well as any duties they perform, are listed below:

Owner	Company	Activity	Positions held or duties performed at the company concerned
Alfred Merton Vinton	Nmas1 Private Equity Internacional Ltd. Jersey	Private equity	Director
	GP Investments Ltd. Brasil	Private equity	Director
Juan Domingo Ortega	Ortemar Capital SCR, RS, S.A.	Private equity	Chairman

Furthermore, and in accordance with the aforementioned text, the companies with the same, similar or complementary corporate purpose as that of the Company and in whose share capital the members of the Board of Directors participate, are indicated below together with any duties that they carry out at those companies.

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Owner	Investee company	Interest	Positions held or duties performed at the company concerned
Jordi Conejos Sancho	Inverpyme, S.A., S.C.R.	0,049%	Chairman
Gonzalo Hinojosa	Darel, S.L.	50%	Chairman

18 - Issues deriving from the transition to new accounting standards

In its 2007-2008 Activity Plan the Spanish National Stock Market Commission (CNMV) has assumed the commitment of making public the approach and deadlines for making the necessary adaptations to accounting legislation applicable to the Company in the New General Accounting Plan (NPGC), approved by Royal Decree 1514/2007 (20 November). Accordingly the CNMV has reported that:

The approach that will be followed when adapting accounting rules applicable to the Company to the NPGC will consist of the development of specific accounting rules and financial reporting models that adapt to the nature of the Company's business, operating peculiarities and the information that is necessary for supervisory purposes.

The CNMV, provided that it has the required authority, intends to publish the relevant rules in the third quarter of 2008.

As it is foreseeable that the first annual accounts to which the new accounting legislation will be applicable will be those prepared for 2008, the Company's intention is to carry out a transition plan to adapt to the new accounting legislation. This will include, among other things, an analysis of the different accounting rules and criteria, the selection of the accounting rules and criteria to be applied during the transition and the evaluation of all necessary modifications to procedures and information systems and therefore, at the date these annual accounts are prepared, it is not possible to fully and reliably estimate the potential impact of the transition.

18 - Other information

The fees charged by the external auditor for the audit of the annual accounts of Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A. four 2007 totaled €30k, excluding VAT. The fees paid to the audit firm or to other associated companies for other projects totaled €3k, excluding VAT.

19 - Commitments with third parties

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All of the shares in High Tech Hotels&Resorts, S.A., Aseguramiento ATECSA, S.L., Emfasis Billing&Marketing Services, S.L., HP Health Clubs Iberia, S.A., Deimoral Inversiones 2005, S.L., Gowltrail Limited, Saint Germain Grupo de Inversiones, S.L., Colegios Laude, S.L., Limestone Spain S.L. and Miser S.L, owned by the Company are pledged at 31 December 2007 to secure loans granted to these companies by certain financial institutions.

In addition, all of the outstanding receivable from the sale of the shareholding that the Company held in Educa Borrás, S.A. at 31 December 2005 are secured by a real guarantee issued to the Company for the shares that were sold and this pledge is eliminated in proportion to the amount collected (see Note 6).

20 - Impact of the International Financial Reporting Standards adopted by the European Union

The main changes that will arise upon application of the International Financial Reporting Standards adopted by the European Union (IFRS-EU) will affect equity at 31 December 2007 and profits for 2007 obtained by the Company, which are as follows:

	Thousand euros
Equity presented in accordance with accounting standards accepted in Spain (see Note 4)	242.924
Difference in the evaluation made during the year of investee companies considered to be assets available for sale	(24.043)
Adjustments made to equity in prior years	51.659
Adjustments to profit before taxes	4.242
Tax effect	186
Total adjustments	32.044
Equity applying IFRS-EU	274.968

	Thousand euros
Profit for the year presented in accordance with accounting standards accepted in Spain (see Note 4)	52.930
Movements in the provision for the decline in value of financial investments	3.951
Cancellation of the amortization of capitalized share capital increase expenses	291
Tax effect	(107)
Total adjustments	4.135
Profit for the year applying IFRS-EU	57.065

21 - Post-balance sheet events

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On 18 December 2007 shareholders held a General Meeting of Sociedad Gestora de Televisión Net TV, S.A., and adopted a resolution to restore its financial position by reducing share capital and subsequently increasing share capital by €6,030k, plus a share premium of €5,351k. On 15 January 2008 the Company contributed €261k to this increase and maintained its shareholding at 2.29%.

On 22 January 2008 shareholders held a General meeting of Saint Germain Grupo de Inversiones S.L., the parent company of the Serventa group, and adopted a resolution to increase equity by €5,000 by issuing new shares and increasing the participating loan. During the course of this transaction, the Company subscribed to and paid in €705k in capital and €1,715k as a participating loan, and maintained its shareholding in that company.

On 12 February 2008 the Company reached an agreement regarding the sale of all of its 2.29% shareholding in Sociedad Gestora de Televisión Net TV S.A., generating a capital gain totaling €2,475k. This transaction is subject to receiving the pertinent administrative authorization.

On 18 March 2008 the Company reached agreement regarding sale of all of its shareholding in Forthpanel Limited, generating a capital gain totaling €500k.

22 - Statement of source and application of funds

The statements of source and application of funds for the years ended 31 December 2007 and 2006 are presented in Appendix III attached hereto, which forms an integral part of this Note.

As is explained in Notes 4 (c), given that in accordance with the provisions of Circular 5/2000 the financial investment portfolio is fully recorded under current assets all changes arising in these investments are included in the accompanying statements of sources and applications of funds, under changes in working capital.

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Breakdown of the Financial investment portfolio

31 December 2007

Investee company	Type of shareholding	Domicile	Activity	Auditor
Aseguramiento ATECSA, S.L.	Start-up capital	Madrid	Vehicle	Ernst & Young
Grupo Gestión Integral Novolux Internacional, S.L. (antes Deimoral Inversiones 2005, S.L.)	Start-up capital	Madrid	Vehicle	KPMG
Forthpanel Limited	Start-up capital	United Kingdom	Real estate	PwC
The Beauty Bell Chain, S.L.	Start-up capital	Madrid	Vehicle	Ernst & Young
High Tech Hotels & Resorts, S.A.	Start-up capital	Madrid	Hotel	Deloitte & Touche
HP Health Clubs Iberia, S.A.	Start-up capital	Madrid	Vehicle	Deloitte & Touche
Emfasis Billing & Marketing Services, S.L.	Start-up capital	Madrid	Vehicle	Deloitte & Touche
Sociedad Gestora de Televisión Net TV, S.A.	Start-up capital	Madrid	Digital TV	KPMG
Saint Germain Grupo de Inversiones, S.L.	Start-up capital	Madrid	Vehicle	Deloitte & Touche
Colegios Laude, S.L.	Start-up capital	Madrid	Education	KPMG
Hortus Mundi, S.L.	Start-up capital	Madrid	Vehicle	Not audited
TBBC Helena Investments, S.L.	Start-up capital	Madrid	Vehicle	Not audited
Helena Debtco	Start-up capital	Luxembourg	Vehicle	Not audited
Limestone Spain, S.L.	Start-up capital	Madrid	Vehicle	PwC
Miser S.L.	Start-up capital	Madrid	Vehicle	PwC
Leucorodia S.L.	Start-up capital	Madrid	Vehicle	PwC
Segur Ibérica, S.A.	Development capital	Madrid	Security services	Deloitte & Touche
Ydilo Advanced Voice Solutions, S.A.	Development capital	Madrid	Voice identification services	KPMG
Arco Bodegas Reunidas, S.A.	Development capital	Madrid	Winery	Ernst & Young
Nicolas Correa, S.A.	Development capital, listed	Burgos	Metal	KPMG

This appendix forms an integral part of Note 7 of the Notes to the Annual Accounts for 2007, together with which it must be read.

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Breakdown of the Financial investment portfolio

31 December 2007

(Expressed in thousand euros)

Investee company	Shareholding (e)	Equity (a)			
		Capital	Reserves	Profit / (loss) for the year	Total
Aseguramiento ATECSA, S.L.	50,00%	9	11.022	558	11.589
Grupo Gestión Integral Novolux Internacional, S.L. (antes Deimoral Inversiones 2005, S.L.)	44,47%	947	7.755	992	9.694
Forthpanel Limited (b)	5,00%	159	n.d.	440	559
The Beauty Bell Chain, S.L. (f)	26,77%	3	(75.301)	(11.046)	(86.344)
High Techs Hotels & Resorts, S.A.	26,00%	6.736	33.516	955	41.207
HP Health Clubs Iberia, S.A.	20,61%	900	9.517	(4.228)	6.189
Emfásis Billing & Marketing Services, S.L.	46,41%	700	3.637	(2.381)	1.956
Sociedad Gestora de Televisión Net TV, S.A.	2,29%	6.098	(3.093)	(9.584)	(6.579)
Saint Germain Grupo de Inversiones, S.L.	46,66%	449	(1.783)	(4.223)	(5.557)
Colegios Laude, S.L. (b)	45,07%	860	3.714	(7.162)	2.588
Hortus Mundi, S.L. (c)	18,10%	n.a	n.a	n.a.	n.a.
Segur Ibérica, S.A.	17,86%	1.852	51.273	(3.356)	49.769
TBBC Helena Investments, S.L.	24,98%	3	-	-	3
Helena Debtco	26,76%	3	-	-	3
Limestone Spain, S.L. (f)	37,68%	2.303	21.698	691	24.692
Miser S.L. (f)	37,50%	1.050	9.450	6.398	16.899
Leucorodia S.L. (f)	48,60%	12.975	-	(4.965)	8.010
Ydilo Advanced Voice Solutions, S.A.	7,06%	714	5.118	1.565	7.397
Arco Bodegas Reunidas, S.A. (d)	8,36%	17.799	110.740	803	129.342
Nicolás Correa, S.A. (f)	15,35%	10.044	27.810	2.895	40.749

(a) Information obtained from the annual accounts at 31 December 2007 (consolidated in the event of groups of companies), audited, if appropriate.

(b) Financial year ended 30 September 2007. The information indicated relates to that date.

(c) This company pertains to the Segur Ibérica Group, and therefore its information is included together with that for this company.

(d) Financial year ended 30 September 2007. The information indicated relates to that date.

(e) Self-portfolio effect is included, if appropriate.

(f) Unaudited information at the date these accounts were prepared

This appendix forms an integral part of Note 7 of the Notes to the Annual Accounts for 2007, together with which it must be read.

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Statements of the Application and the Sources of funds for the years ended
31 December 2007 and 2006
(Expressed in thousand euros)

<u>Applications</u>	<u>2007</u>	<u>2006</u>	<u>Sources</u>	<u>2007</u>	<u>2006</u>
			Funds generated by operations		
			Profit for the year	52.930	37.046
Dividends	16.758	8.379	Amortization of formation expenses	291	74
Applications to the provisions for liabilities and charges	-	48	Allocation to the provision for liabilities and charges	613	(323)
Deferred income	4.617	-			
	<u>21.375</u>	<u>8.427</u>	Increase in long-term creditors	2.161	7.323
Total applications			Deferred income	-	21.837
			Total sources	55.995	65.957
Increase in working capital	<u>34.620</u>	<u>57.530</u>			
	<u>55.995</u>	<u>65.957</u>		<u>55.995</u>	<u>65.957</u>

	<u>Change in working capital</u>			
	<u>2007</u>		<u>2006</u>	
	<u>Increases</u>	<u>Decreases</u>	<u>Increases</u>	<u>Decreases</u>
Debtors	47.212	-	20.806	-
Creditors	-	5.326	77	-
Financial investment portfolio	-	17.553	30.407	-
Cash	10.242	-	6.214	-
Accruals and deferred income	45	-	26	-
	<u>57.499</u>	<u>22.879</u>	<u>57.530</u>	
Change in working capital		<u>34.620</u>	<u>-</u>	<u>57.530</u>
	<u>57.499</u>	<u>57.499</u>	<u>57.530</u>	<u>57.530</u>

DILIGENCIA DE FIRMA

The undersigned, in their capacity as Directors of Dinamia Capital Privado S.C.R., S.A., hereby state:

- I. That in accordance with the provisions of Article 171 of the Spanish Companies Act, they have prepared the preceding Annual Accounts and the accompanying Directors' Report for the year ended 31 December 2007.

The aforementioned annual accounts are made up by the balance sheet, profit and loss account and the notes for the year ended 31 December 2007.

- II. That the preceding Annual Accounts and accompanying Directors' report are those that were presented to PricewaterhouseCoopers Auditores, S.L. for examination and review by the audit firm.

SIGNED:

Mr Santiago Bergareche Busquet

Mr. Juan Domingo Ortega Martínez

Mr. José Fernando Sánchez-Junco Mans

Mr. Juan José Sánchez Canovas

Mr. Jordi Conejos Sancho

Mr. Alfred Merton Vinton

Mr. Gonzalo Hinojosa Fernández de Ángulo

Mr. Juan Arena

Mr. Emilio de Carvajal

I, Luis de Carlos Bertrán, Secretary to the Board of Directors certify the authenticity of the preceding signatures, whose names are written above each one, and that all are members of the Company's Board of Directors.

Madrid, 27 March 2008

DINAMIA CAPITAL PRIVADO,
SOCIEDAD DE CAPITAL RIESGO, S.A.

Directors' Report

2007

I. Development during the year

FINANCIAL INVESTMENT PORTFOLIO

A1) Opening situation

The Company's investment portfolio at the start of the year consisted of 18 investments for a net total amount of €81,235k, which are recognized under the Company's current assets (in accordance with the provisions of CNMV Circular 5/2000) plus €54,545k in participating loans granted to investee companies, classified under Debtors on the balance sheet under current assets and the accrued interest pending collection and net of provisions, which results in a total of €135,780k.

A2) Investments

During the year the Company made the following investments:

On 9 March 2007 the Company participated in the €9,847k share capital increase carried out by the company Limestone Spain, S.L. through which it financed the acquisition of Alcad, S.A., which engages in research, design and manufacture of products for receiving and distributing digital and analog television signals. The amount contributed by the Company represents 37.8% of the share capital of Limestone Spain, S.L.

On 17 April 2007 the Company invested €11,250k in the company Miser Servicios Empresariales, S.L. to acquire 37.5% of the share capital of ZIV Aplicaciones y Tecnología, S.A. Of this amount €3,938k relates to the share capital increase and €7,312k relates to a participating loan.

On 30 November 2007 the Company completed a €42 million investment in the companies Centro Hospitalario San Rafael de Benalmádena, S.L. and Hospital Benalmádena Xanit, S.L. through the vehicle Leucorodia, S.L., of which €6,300k related to capital, €20,400k to a participating loan and €15,300k to a subordinated loan, of which €5,000k fell due before 31 December 2007.

In 2007 the Company participated in share capital increases (thousand euros):

- Sociedad Gestora de Televisión Net TV, S.A.	76
- Colegios Laude, S.A. (net increases)	1.765

It also participated in the share capital increase carried out by High Tech Hotels & Resorts on 20 December 2007, in which the Company subscribed share capital totaling €9,225k by offsetting loans by the sale of its preferred shares and obtained €5,963k on this transaction.

A3) Divestments

The Company carried out four divestments in 2007 which generated capital gains totaling €67,028k.

During January 2007 the Company sold its entire shareholding in General de Alquiler de Maquinaria, S.A., which gave rise to the placement of 10.38% of the share capital in the investee company and generated a capital gain totaling €39,266k.

In May the Company sold its entire 8.16% shareholding in the company Capital Safety Group. The Company received \$28,113k which represents €20,933k, and generated a capital gain totaling €18,476k.

On 11 May 2007 Dinamia's investee company Unión Deriván S.A. reduced share capital by acquiring treasury shares to be written off. As a result Dinamia did not modify its stake in the company and received €6,100k. In addition, on 5 June 2007, Dinamia and the other shareholders of Undesa adopted a resolution to sell the company for €24,500k, of which €11,247k was received by Dinamia. The Company obtained a profit totaling €7,443k on this transaction.

As a result of the share capital increase carried out by High Tech Hotels & Resorts, mentioned in the section regarding share capital increases, the Company generated a capital gain totaling €1,843k.

A4) Closing situation

After these movements at 31 December 2007 the Company's listed and unlisted equity portfolio totals €193,253k, net of provisions, of which €6,045k relates to listed companies, €79,367k relates to unlisted companies and €107,841 relates to loans granted to investee company's net of provisions and interest accrued since the loans were granted.

B) OTHER INVESTMENTS

The Company's cash position at the start of the year amounted to €98,088k.

At the end of 2007 the net cash position amounted to €91,955k, of which €73,000k were invested in assets acquired under repurchase agreements.

Furthermore, the revenues generated for the Company by cash amounted to €4,197k, of which €552k consisted of interest on current accounts and €3,644k to revenues from assets acquired under repurchase agreements.

II. Foreseeable development

In the future the Company intends to continue with its policy of investing in unlisted companies that lead their sector or are in a defendable niche market with growth potential.

III. Post-balance sheet events

On 18 December 2007 shareholders held a General Meeting of Sociedad Gestora de Televisión Net TV, S.A., and adopted a resolution to restore its financial position by reducing share capital and subsequently increasing share capital by €6,030k, plus a share premium of €5,351k. On 15 January 2008 the Company contributed €261k to this increase and maintained its shareholding at 2.29%.

On 22 January 2008 shareholders held a General meeting of Saint Germain Grupo de Inversiones S.L., the parent company of the Serventa group, and adopted a resolution to increase equity by €5,000 by issuing new shares and increasing the participating loan. During

the course of this transaction, the Company subscribed to and paid in €705k in capital and €1,715k as a participating loan, and maintained its shareholding in that company.

On 12 February 2008 the Company reached an agreement regarding the sale of all of its 2.29% shareholding in Sociedad Gestora de Televisión Net TV S.A., generating a capital gain totaling €2,383k. This transaction is subject to receiving the pertinent administrative authorization.

On 18 March 2008 the Company reached agreement regarding sale of all of its shareholding in Forthpanel Limited, generating a capital gain totaling €500k.

IV. Research and development expenses

The Company has not carried out any research or development activities.

V. Purchases of treasury shares

The Company has not carried out any operations with its own shares during the year.

VI. Risk management policies and objectives for the Company

With respect to the control of the risk arising from investments in unlisted companies, efforts mainly materialize through diversification and the continuous monitoring of the primary economic variables that affect the companies included in the unlisted company portfolio. However, controls are applied before making any investments in listed companies, such as obtaining reports and opinions from independent experts regarding companies that may be the subject of a potential investment and its environment.

Given the Company's committee, the use of financial instruments in the listed security investment portfolio has been limited to the acquisition of government bonds under repurchase agreements, and the management of price, credit, liquidity and cash flow risk policies and objectives have been adjusted in each agreement, fundamentally to meet the limits and coefficients established by current legislation.

VII. Other additional information

Dinamia's share capital of €35,910,000 is divided into 11,970,000 fully subscribed and paid registered shares with a par value of €3 each. All shares are ordinary, pertain to a single class and series and are represented by book entries.

Shares are indivisible and make owners shareholders, with the corresponding rights, authorities and legal and statutory powers, among which is the right to participate in the distribution of company profits as well as the equity resulting from liquidation. They have a preferred right to subscribe to the issue of any new shares or convertible bonds, to attend General Meetings in the terms established by the bylaws, and have one vote for each vote bearing share and they may challenge resolutions adopted by the governing bodies and obtain information from them.

- No restriction whatsoever has been established in the bylaws with respect to the free transfer of shares.

Neither the Company nor the National Stock Market Commission (CNMV) have been informed of any private agreement that restricts the transfer of shares.

Information regarding significant direct or indirect shareholdings in the Company at 31 December 2007, according to the content of the significant investment records kept by the CNMV, is set out below:

Shareholder name	% direct voting rights	% indirect voting rights	% of total voting rights
AGRUPACIO MUTUA DEL COMERC I DE LA INDUSTRIA, MUTUA DnASSEGURANCES I.R.P.F.	8,614	2,195	10,809
CHASE NOMINEES LTD.	6,748	0	6,748
DE CARVAJAL Y PÉREZ, EMILIO	0	5,013	5,013
ELECTRA INVESTMENT TRUST, PLC.	0	5,442	5,442
ELECTRA PARTNERS EUROPE LIMITED	0	10,442	10,442
ELECTRA PRIVATE EQUITY PARTNERS 1995	10,442	0	10,442
ELETRES, S.L.	5,000	0	5,000
ENTUR-99, S.L.	5,003	0	5,003
KEEPER INVERSIONES, SICAV, S.A.	4,990	0	4,990
PACTIO GESTION, SGIIC, S.A.	0	5,591	5,591
PARK PLACE CAPITAL, LIMITED	0	10,230	10,230
PARK PLACE INTERNATIONAL	5,380	0	5,380
SODECAR, S.A.	5,013	0	5,013
VENTOS, S.A.	5,011	0	5,011

There is no restriction to shareholder voting rights.

Neither the Company nor the CNMV have been informed of any restrictions to voting rights established by private agreements.

Neither the Company nor the CNMV have been informed of any agreement, renewal or modification to any agreement regarding the Company's shares.

The appointment and removal of members of the Board of Directors is regulated, as is summarized below, by Title VI of the Bylaws and Chapter VI of the Dinamia Board of Directors Regulations.

- **Appointments**

Directors will be appointed by the General Meeting or by the Board of Directors in accordance with the provisions of the Spanish Companies Act and after having received a report from the Audit and Nominations Committee.

The Board of Directors will elect from among its members a Chairman and one or more Vice-Chairmen. A Secretary and, if appropriate, a Vice-Secretary will also be appointed from within or outside the Board of Directors.

After receiving a report from the Audit and Nominations Committee, the Board of Directors will ensure that the selection of candidates involves persons of recognized solvency, competence and experience.

- **Term of appointments and reelection**

Directors will hold their position for a maximum of five years and may be reelected one or more times for equal terms.

Directors designated to fill vacancies will hold their posts until the first General Meeting is held.

- **Removal of Directors**

Directors will cease to hold their positions when the term for which they were appointed has elapsed and when so decided by shareholders at a General Meeting.

Directors hold their positions at the pleasure of the Board of Directors and, if deemed appropriate, must present their resignations in the following cases:

- When they are involved in any case of incompatibility or prohibition established by law.
- When they receive any serious admonishment from the Board of Directors for failing to have upheld their obligations as Directors.
- When remaining on the Board of Directors may place the Company's interests at risk.
- In the case of Directors appointed by large shareholders, when the shareholder proposing the appointment to the Board of Directors fully sells its shareholding or when that shareholder reduces its shareholding to a level that requires a reduction of the number of representative Directors.

The Board of Directors may only propose the removal of an independent Director before the end of the term of appointment when there is just cause. In particular, just cause will be deemed to exist in the following cases: (i) A failure to comply with the duties that are inherent to the position or (ii) when a circumstance arises that impedes a Director from being classified as an independent Director. This proposal for removal may arise as a result of public acquisition offers, mergers or other similar corporate transactions that give rise to a significant change in the Company's capital structure.

In turn, the Board Regulations provide that Directors affected by proposals for appointment, reelection or removal must abstain from intervening in any debates and votes involving them and all votes taken by the Board of Directors that involve the appointment, reelection or removal of Directors will be secret.

Given that Dinamia is a venture capital company, certain bylaw amendments must obtain prior authorization from the CNMV, in accordance with the provisions of Article 12 of Law 25/2005 (24 November) governing the activities of venture capital companies and their management companies.

Article 19 of the Board Regulations governs the amendment of the bylaws and, in this respect, it stipulates that in order to adopt a resolution, in general, to modify the bylaws it will be necessary for two thirds of the share capital present or represented on the Board to vote in favor when shareholders representing less than 50% of voting rights are present or represented.

In accordance with Article 19 of the Bylaws, the Company is represented by the Board of Directors in judicial and extra-judicial procedures and this authority extends to all matters relating to the management of the Company's business.

These representation powers must be understood to be, in all cases, as broad as possible and covering all classes of action or business without any other limitations than those established expressly by the Bylaws and by the Law.

The management of the Company's assets has been delegated to a management company, *Nmás1 Capital Privado S.G.E.C.R., S.A.*, with which a management agreement has been concluded.

Shareholders at a General Meeting held on 29 June 2006 adopted a Resolution, under Point Seven of the Agenda, to delegate the authority to increase share capital within the limits and in accordance with the requirements established by the Spanish Companies Act, to the Board of Directors for a maximum period of 5 years as from the date on which the Resolution was adopted.

Shareholders at a General Meeting held on 28 June 2007 unanimously adopted a Resolution, under Point Eight of the Agenda, to authorize the Board of Directors to acquire treasury shares within the limits and in accordance with the requirements established by the Spanish Companies Act for a maximum period of 18 months as from the date on which the Resolution was adopted.

The Company has not concluded any agreements that enter into force, are amended or are terminated as a result of any change in control of the Company as a result of any public acquisition offer.

There are no agreements between the Company and its Directors that give rise to indemnities in the events of resignation or any public acquisition offer. *Dinamia* has no employees or executives and therefore there are no agreements between the Company and any such persons in this respect.