

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

31 December 2005

<u>NAV per share</u>	19.78 €
-----------------------------	----------------

<u>Adjusted NAV per share¹</u>	18.62 €
--	----------------

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").

Contents

	<u>Page</u>
Introduction.....	3
Net Asset Value at 31 December 2005.....	4
Summary of the unlisted portfolio valuation.....	5
Business evolution in 2005.....	6
Events subsequent to 31 December 2005.....	8
Performance fee of the management company Nmás1 Capital Privado....	8

Companies forming the unlisted portfolio:

Cristher.....	9
Holmes Place.....	12
Atecsa.....	15
émfasis.....	18
Bodybell.....	22
Grupo Segur Ibérica.....	26
GAM.....	30
High Tech Hoteles.....	34
Ydilo.....	38
Grupo Undesa.....	41
Net TV.....	45
Industrias Anayak.....	46
Arco Bodegas Unidas.....	49
Capital Safety Group.....	52
Deutsche Woolworth.....	55

Appendix:

Review of valuation by the management company (KPMG Report).....	58
--	----

Introduction

The purpose of this report is to obtain an approximate value of Dinamia Capital Privado S.C.R., S.A.'s equity as at 31 December 2005. 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 31 December 2005

The valuation performed as stated above has resulted in a **Net Asset Value per Share of €19.78**

Net Asset Value per share at 31 December 2005

	NAV at	NAV at	NAV at	NAV at	Portfolio per	NAV at
	31.12.2001	31.12.2002	31.12.2003	31.12.2004	book value 31.12.2005	31.12.2005
<i>*Figures in thousands of euros, except per-share data.</i>						
Shares	132,159	74,244	98,903	93,169	90,196	145,936
Loans to investee companies	4,472	4,138	3,894	4,072	37,648	37,648
Unlisted investments (1)	136,631	78,383	102,797	97,240	127,844	183,583
Listed shares (lbex) (*)	2,177	1,573	0	0	0	0
Cash and banks	34,908	74,066	47,115	63,506	51,928	51,928
Total Liquid Assets (2)	37,085	75,639	47,115	63,506	51,928	51,928
Other assets (3)	1,743	775	169	2,902	2,189	2,189
TOTAL ASSETS (4) = (1+2+3)	175,458	154,796	150,081	163,648	181,961	237,701
Liabilities (5)	(182)	(344)	(64)	(3,218)	(984)	(984)
TOTAL NET ASSETS (6) = (4+5)	175,276	154,452	150,018	160,430	180,977	236,717
Adjustment for dividends and share premium July 2002 (7)	(5,985)					
Adjustment for dividends July 2003 (8)	(5,985)	(5,985)				
Adjustment for dividends and share premium July 2004 (9)	(5,985)	(5,985)	(5,985)			
Adjustment for share premium July 2005 (10)	(6,284)	(6,284)	(6,284)	(6,284)		
ADJUSTED TOTAL NET ASSETS (11) = (6+7+8+9+10)	151,037	136,198	137,748	154,146	180,977	236,717
Adjusted number of shares (12) (**)	8,977,500	8,977,500	8,977,500	8,977,500	11,970,000	11,970,000
NAV per share =	16.82 €	15.17 €	15.34 €	17.17 €	15.12 €	19.78 €
Increase in NAV per share	46.0%	-9.8%	1.1%	11.9%		15.2%
lbex 35 price	8,397.6	6,036.9	7,737.2	9,080.8		10,733.9
lbex 35 growth	-7.8%	-28.1%	28.2%	17.4%		18.2%
Stock market price (adjusted for dividend)	8.49 €	9.42 €	11.22 €	13.74 €	18.50 €	18.50 €
Discount/(Premium) on NAV	49.5%	37.9%	26.9%	20.0%	(22.4%)	6.5%

(*) Market value based on the listed price on the valuation date

(**) Number of shares adjusted for data at the fully-paid 1x20 capital increase in March 2005

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 results for 2005.

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 companies at 31 December 2005 is set out below:

Value of the unlisted portfolio at 31.12.2005										
<i>figures in thousands of euros</i>										
				TOTAL PORTFOLIO VALUE at 31.12.2005						
Shares: (A)				Book value	Comparable multiples	Acquisition multiples	Value			
Plus Loans to investees: (B)							31.12.2005			
TOTAL PORTFOLIO (A+B)				127,844	227,891	132,361	183,583			
			Adjusted for own shares		VALUE OF SHARES AT 31.12.2005					
	% Dinamia	% Dinamia	Diluted	Book value	Comparable multiples	Acquisition multip. (1)	Value	Value	Value	
							31.12.2005	30.06.2005	31.12.2004	
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	17,458	17,563	18,040	18,040	18,040	
Industrias Anayak, S.A.	63.06%	63.06%	63.06%	5,018	5,018	5,018	7,033	7,033	3,517	
Soc. Gest. de Televisión NetTV, S.A.	2.29%	2.29%	2.29%	140	140	140	140	225	225	
Unión Deriván S.A. (Grupo Undesa)	45.53%	49.09%	47.02%	9,567	11,530	8,289	10,903	10,903	11,187	
Ydilo Advanced Solutions, S.A. (3)	7.06%	7.06%	7.06%	881	881	881	1,470	1,470	1,420	
High Tech Hotels & Resorts, S.A.	44.54%	44.54%	40.93%	12,000	16,764	12,000	16,764	11,250	11,250	
General de Alquiler de Maquinaria, S.L. (4)	40.13%	40.13%	38.77%	13,854	54,616	13,854	54,616	25,258	25,211	
Grupo Segur Ibérica	17.82%	17.82%	17.82%	9,500	18,442	11,108	11,108	9,500	9,500	
The Beauty Bell Chain, S.L. (Bodybell)	27.64%	27.64%	27.64%	5,375	20,895	5,375	5,375	5,375	-	
Emfasis Billing & Marketing Services, S.L.	46.41%	46.41%	46.41%	3,881	7,828	3,881	3,881	3,881	-	
Atecsa (5)	50.00%	50.00%	50.00%	7,125	7,125	7,125	7,125	3	-	
Holmes Place (6)	20.61%	20.61%	20.61%	1,814	1,814	1,814	1,814	-	-	
Grupo Cristher (7)	47.16%	47.16%	47.16%	4,209	19,014	4,209	4,209	-	-	
Capital Safety Group Limited (8)	8.16%	8.16%	8.16%	2,457	7,718	2,457	2,457	-	-	
TOTAL SHARES (A)				90,196	190,243	94,713	145,936	93,939	81,350	

(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) Formerly People Communications, S.A.

(4) The valuation of GAM using acquisition multiples is equal to the acquisition value since the company now prepares financial statements under IFRS, preventing any historical comparison

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

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

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

(8) Dinamia holds an interest in Capital Safety Group through Glowtrail Limited

LOANS TO INVESTEE COMPANIES				
	Principal	Interest accrued		TOTAL
The Beauty Bell Chain, S.L. (Bodybell)	16,125	1,290		17,415
Emfasis Billing & Marketing Services, S.L.	4,181	292		4,473
Holmes Place (6)	7,256	477		7,733
Grupo Cristher (7)	7,816	210		8,026
TOTAL LOANS TO INVESTEE COMPANIES (B)	35,379	2,269		37,648

² Source of multiples used: Bloomberg.

Business evolution in 2005

- On 1 February 2005, Dinamia sold all its shares in Educa Borrás, S.A. to the executive team. Dinamia will collect K€4,649 (plus interest) for the sale, in a number of instalments. The sale generated gross capital gains totalling K€1,644. The divestment entails a multiple of 1.7x on Dinamia's initial investment, including dividends and capital gains. Dinamia recorded a provision for the entire capital gain that will be reversed as the price is collected.
- In February 2005, Dinamia invested K€50 in Ydilo by purchasing shares from an executive who left the group. The shares have been allocated to the group's non-executive shareholders. Dinamia's investment has increased from 6.52% to 7.06%.
- On 23 February 2005, Dinamia carried out a fully-paid capital increase by issuing 427,500 shares for a par value of K€1,282.5, charged entirely to the share premium reserve.
- 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 the name Bodybell encompasses all these companies). The investment was made by subscribing for a capital increase and arranging a participating loan. Dinamia's final investment in The Beauty Bell Chain, S.L. stands at 27.64% (in December 2005 the selling families exercised their purchase option). The Spanish Restrictive Practices Department was notified of this operation and approval was obtained on 18 April 2005. The operation was completed on 27 April 2005.
- On 20 April 2005, Dinamia invested K€8,062.5 in the company "Émfasis Billing & Marketing Services, S.L." (éMfasis), 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. Dinamia holds 46.41% of the new company's capital.
- On 5 July 2005, Dinamia Capital Privado acquired a 50% shareholding in 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.
- On 26 July, the Boards of Directors of Industrias Anayak, S.A. and Nicolás Correa, S.A. (together with their reference shareholders: Dinamia Capital Privado, S.C.R., S.A. and the Nicolás Correa family, respectively, unanimously approved and signed a business integration protocol, the spin-off plan for Nicolás Correa, S.A. and the plan for the absorption of Industrias Anayak, S.A. by Nicolás Correa, S.A. The Nicolás Correa family and Dinamia Capital Privado, S.C.R. have formally agreed to maintain their investment for a period of 30 months.
- On 5 August 2005, Dinamia acquired a 20.6% interest in the company Holmes Place Iberia. The investment was made by contributing a total of K€9,070, consisting of share capital, a share premium and a participating loan. Dinamia invested together with other financial investors and the executive team through a vehicle company named Colegiata Invest, S.L.
- On 5 August 2005, Dinamia sold all its shares in Marie Claire S.A. This divestment, together with related expenses, generated losses for Dinamia in 2005 totalling K€5,087.
- On 29 June 2005, Dinamia's General Shareholders' Meeting agreed to pay out a dividend of K€6,284 or €0.7 per share in the form of a share premium. The payment was made to shareholders in July 2005.
- On 22 September 2005, Dinamia invested K€12,025 in the acquisition of a 47.16% interest in the companies Cristher S.L. and Dopo S.L. (Cristher Group). The investment was made

through the vehicle company “Deimoral Inversiones 2005 SL”, in the form of a combined capital increase and participating loan operation.

- On 3 October 2005, Dinamia increased the capital of High Tech Hotels & Resorts, S.A. by K€750 through the issue of preference shares. The capital increase was fully subscribed and paid up by the shareholders of High Tech Hotels & Resorts, S.A. This operation forms part of the commitment acquired by the investors with the executive team of High Tech Hotels & Resorts S.A. when they became shareholders in 2003.

Following the operation, Dinamia’s investment totals K€12,000 and its holding stands at 44.54%.

- On 5 October 2005, Dinamia sold to Glowtrail Limited its entire investment in Capital Safety Group Limited (“CSG”) for K€11,478. Dinamia’s initial investment amounted to K€5,837 and therefore the capital gain on the investment totalled K€5,960, including revenues received from the investee company. Dinamia therefore doubled the amount initially invested.

Simultaneously, Dinamia subscribed for a capital increase, together with the rest of CSG’s investors, in the buyer Glowtrail Limited, for a total of KUSD2,937 (K€2,457), to hold 8.16% of the company.

- Dinamia increased capital on 22 November. The preferential subscription period ran from November 1st to November 15th and the allocation of excess shares was completed on November 22nd. The capital increase was fully subscribed and paid up.

This capital increase entailed the issue of 2,992,500 shares, increasing total outstanding shares to 11,970,000, at a subscription price of €15 per share. As a result, Dinamia obtained K€44,887.

- On 23 December 2005, Dinamia acquired a total of 40,017 shares in Net TV at a price of €3.5 per share, entailing a total investment of K€140. Dinamia therefore holds a 2.29% direct interest in Net TV.

Events subsequent to 31 December 2005

- On 18 January, the Annual General Meeting of Sociedad Gestora de Televisión Net TV, S.A., a Dinamia investee company, approved a capital increase of K€3,018. The capital increase was subscribed and paid up by Dinamia in the amount of K€69, in proportion to its 2.29% interest in Sociedad Gestora de Televisión Net TV, S.A.
- 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% shareholding in High Tech Hotels & Resorts, S.A.

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 expenses 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 31 December 2005 at a price equal to the values calculated by Nmás1 Capital and presented in this report:

NAV at 31.12.2005	236,717
Theoretical performance fee	(13,791)
Cash value at 31.12.05	222,925

Per share	18.62 €
------------------	----------------

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.:	47.16%
Value at 31 December 2005 (K€): (Including the participating loan)	12,235

Summary of the transaction

On 22 September 2005, Dinamia invested K€12,025 in Cristher SL and Dopo SL (Cristher). As a result, Dinamia held a 47.16% interest in Cristher. 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. A part of the executive team is to acquire shares in Cristher in the near future.

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 20% market share, 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, after spending over seven years in the hardware sector as General Manager of a major 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 statement³

*Figures in thousands of euros

	Pro forma 31.12.2004	Actual 31.12.2005
Operating income	25,655	26,901
EBITDA	8,221	8,478
EBIT	8,009	8,222
EBT	8,359	7,041
Profit for the year	5,518	4,084

Figures adjusted for extraordinary items and transaction costs
Adjusted Actual and Budgeted figures for 2005 including interest on the acquisition debt and excluding transaction costs

Balance sheet

*Figures in thousands of euros

<u>ASSETS</u>	Actual 31.12.2005	Pro forma 31.12.2004	<u>LIABILITIES</u>	Actual 31.12.2005	Pro forma 31.12.2004
Fixed assets	801	12,044	Shareholders' equity	7,199	19,565
Goodwill	38,330	0	Participating loan	17,020	0
Current assets	13,026	9,612	Long-term creditors	28,425	4
Cash and banks	4,724	522	Short-term debt	1,575	0
TOTAL ASSETS	56,880	22,178	Current liabilities	2,661	2,609
			TOTAL LIABILITIES	56,880	22,178

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.

Business evolution in 2005

Crister ended the year in line with the annual budget, having achieved 4% growth in sales and 3% growth in EBITDA with respect to 2004. The slowdown in growth is due mainly to the age of the catalogues used by Crister and Dupo. As the catalogues are printed every four

³ Both in these financial statements and in those of the other companies, "Actual" and "Pro forma" relate to financial statements closed by the company and not audited.

years and extended slightly every two years, sales are adversely affected in a catalogue's final year, when the products do not reflect new market trends and prices have not been reviewed since the last extension.

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 and need not therefore invest in Cristher's products.

At the beginning of 2006, the two brands have published or will publish their new catalogue and therefore sales are forecast to rise in line with historical growth. Dopo's catalogue was launched in January, significant growth having been achieved on the previous year. Cristher is expected to publish its catalogue in March 2006, just before the summer season.

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€4,209, plus the participating loan and related interest accrued during the period (K€8,026), making a total value of **K€12,235**.

Nonetheless, an illustrative valuation of Cristher has been prepared on the following basis:

- Comparison with the multiples of other listed companies operating in the European construction materials distribution sector, applying a 30% illiquidity discount, resulting in a value of K€40,322 for the company's equity and K€19,014 for Dinamia's shareholding, plus the participating loan and interest for the period totalling K€8,026, which makes a total value of K€27,040 for Dinamia's investment.

Cristher

Figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit*	Net debt**
Results at 31/12/05	26.901	8.478	8.222	2.459	42.296

* Pro forma to reflect 12 months' interest **Includes participating loan

VALUATION USING MULTIPLES OF COMPARABLE COMPANIES						
Value as per comparable multiples	EV/EBITDA	EV/EBIT	P/E	Average	Adjusted for illiquidity	Dinamia's interest 47.16%
		70,131	55,422	47,254	57,602	40,322
					Illiquidity discount	30%
Averages	EV/EBITDA	EV/EBIT	P/E			
	13.3x	11.9x	19.2x			
HAGEMEYER NV	14.7x					
WESCO INTERNATIONAL INC	16.0x	12.8x	20.8x			
WW GRAINGER INC	9.1x	10.9x	17.6x			

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 31 December 2005 (K€): (including the participating loan)	9,547

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:

- 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 multiples (based on 2005 figures):

EBITDA	EBIT
7.1x	N.A.

*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 owns 15 health clubs in Spain and Portugal, 12 under the brand "Holmes Place" and three under the brand "Európolis", which formed part of the British chain Holmes Place, a company that owns more than 80 health clubs throughout Europe. Holmes Place Health Clubs began operating in the Iberian Peninsula in 1997.

It also operates two franchised Holmes Place health clubs in Portugal. Three franchised clubs and one Holmes Place club are currently under construction and will be opened within 18 months.

Company management

HPI's executive team is led by Nick Coutts, who has been appointed Chief Executive Officer. Mr Coutts has over 13 years' experience in the company and has managed "Holmes Place" in Spain and Portugal since 1998.

The executive team is formed by Larissa Araujo, Paulo Soares and Josep Viladot as regional directors of the Holmes Place clubs in Spain and Portugal and the Európolis clubs, respectively, while Roque Sagniere and Rita Alexandra Mano are Finance Directors in Spain and Portugal, respectively, Julio Pedro Carvalho is Commercial and Marketing Director and Andre Groen is Development Director, making a total of 68 years' experience in the sector.

Income statement

**Figures in thousands of euros*

	Actual 31.12.2004	Actual 31.12.2005
Operating income	51,859	57,718
EBITDA	12,175	15,304
EBIT	5,401	10,065
EBT	(1,835)	n.av.
Profit for the year	(2,403)	n.av.

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

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	<u>Actual</u> <u>31.12.2005</u>	<u>LIABILITIES</u>	<u>Actual</u> <u>31.12.2005</u>
Fixed assets	58,727	Shareholders' equity	6,628
Goodwill	53,165	Participating loan	33,322
Current assets	5,084	Long-term creditors	69,263
Cash and banks	5,523	Short-term debt	1,624
TOTAL ASSETS	122,499	Current liabilities	11,662
		TOTAL LIABILITIES	122,499

Description of the market

There are approximately 6,000 gymnasiums in Spain, according to the FNEID (National Federation of Sports Facility Entrepreneurs). According to KPMG, in 2004 turnover in the sector totalled approximately €1,722 million and cumulative annual growth has exceeded 15% since 2000.

According to the Portuguese Gymnasium Association AGAP, the number of gyms in Portugal has grown significantly from 750 in 2002 to 1,000 today. Although there are no statistics, the Portuguese market may be estimated at €309 million, assuming an average monthly price per member of €50 and an average of 515 members per gymnasium.

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, problems caused by obesity and social life aspects of gymnasiums.

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 2005

Holmes Place Iberia's performance was satisfactory in 2005. The company successfully completed the transition following the change of shareholders, which had no significant adverse impact on the company's business or finances.

Holmes Place Iberia's revenues have risen by 10% on 2004. The 35% growth in revenues from personal training services is particularly relevant.

Margins also improved, EBITDA having grown by 27%, slightly above the budgeted figure.

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€1,814, plus the participating loan and related interest accrued during the period (K€7,733), making a total value of **K€9,547**.

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 31 December 2005 (K€):	7,125

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

	Audit 31.12.2004	Actual 31.12.2005
Operating income	8,336	10,402
EBITDA	2,416	4,668
EBIT	2,137	4,012
EBT	1,945	3,804
Profit for the year	1,379	2,944

Financial statements of Aseguramiento Técnico de Calidad, S.A.

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

Balance sheet

*Figures in thousands of euros

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	31.12.2005	31.12.2004		31.12.2005	31.12.2004
Fixed assets	8,944	12,686	Shareholders' equity	2,882	2,670
Current assets	626	67	Long-term creditors	4,983	6,948
Cash and banks	1,355	0	Short-term debt	73	315
TOTAL ASSETS	10,924	12,753	Current liabilities	2,987	2,820
			TOTAL LIABILITIES	10,924	12,753

Figures relating to Aseguramiento Técnico de Calidad, S.A.

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).

Business evolution in 2005

In 2005, Atecsa performed as was expected at the acquisition date. Business growth is mainly attributable to the rise in tariffs following the inclusion of noise testing in the Valencia Region.

The number of inspections performed by the company has risen in line with the number of cars registered in the region.

Atecsa has continued to grow and to minimise the impact of the change of shareholders in July 2005.

In 2006, the actions adopted by the new management team and the improvements arising from the new activities introduced are expected to result in slightly higher margins than were achieved in 2005.

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€14,250 for the entire investment, making a total value of **K€7,125** for Dinamia's interest.

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.:	46.41%
Value at 31 December 2005 (K€): (including the participating loan)	8,355

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.

The shareholders of éMfasis are Dinamia and Nmás1 PEF, each of which holds a 46.4% interest, and the executive team, holding the remaining 7.2%.

The purchase price, adjusted for deferred payments subject to 2005 results, represents the following acquisition multiples (based on 2005 figures):

EBITDA*	EBIT
5.9x	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

The éMfasis Group leads the fragmented mailing and billing sector. The sector’s reference company was created by acquiring two of the leading companies.

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

	Pro forma 31.12.2004	Pro forma 31.12.2005
Operating income	23,560	21,887
EBITDA	5,958	5,182
EBIT	4,457	3,226
EBT	3,182	1,888
Profit for the year	2,132	1,066

The accounts do not include goodwill or transaction costs

Balance sheet

*Figures in thousands of euros

<u>ASSETS</u>	Pro forma	Pro forma	<u>LIABILITIES</u>	Pro forma	Pro forma
	31.12.2005	31.12.2004		31.12.2005	31.12.2004
Fixed assets	4,444	13,666	Shareholders' equity	7,804	11,516
Goodwill	20,963	591	Participating loan	8,955	0
Current assets	9,663	8,616	Long-term creditors	14,209	7,257
Cash and banks	2,355	2,072	Short-term debt	601	935
TOTAL ASSETS	37,426	24,945	Current liabilities	5,857	5,237
			TOTAL LIABILITIES	37,426	24,945

(1) Not including the deferred payment to the sellers (€2.85M)

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.

Business evolution in 2005

The slight fall in éMfasis' turnover on the previous year was forecast in the business plan for the first year. The slowdown in sales relates only to one of the companies acquired, Mecapost, and the cause is clear. In the first quarter of 2004, turnover was affected by two extraordinary circumstances: the general elections and a campaign launched by the traffic authorities. Setting aside this factor, turnover has grown by around 9%. As a part of the price paid for the company was linked to the obtainment of similar results to the previous year, that additional payment will not be necessary.

Publmail has performed extremely well, having achieved 5% growth in sales and a 27% increase in EBITDA. This is explained mainly by the expansion resulting from the new commercial activities and the increased efficiency of the new production plant.

From an operational perspective, the companies are in the process of integration, which has been satisfactory to date. The build-up process continues and a new acquisition is expected in 2006.

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€3,881, plus the participating loan and related interest accrued during the period (K€4,473), making a total value of **K€8,355**.

Nonetheless, an illustrative valuation of the éMfasis Group has been prepared on the following basis:

- Comparison with the multiples of other European listed sector companies, applying a 30% illiquidity discount, resulting in a value of K€16,866 for the company's equity and K€7,828 for Dinamia's shareholding, plus the participating loan and interest for the period totalling K€4,473, which makes a total value of K€12,301 for Dinamia's investment.

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

éMfasis

Figures in thousands of euros

	Sales	EBITDA	EBIT	C/F*	Net debt**
Results at 31/12/05	21,887	5,182	3,226	2,180	21,409

* Calculated based on pro forma profits

** Includes participating loan

VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	EV/EBIT	P/CF	Adjusted		Dinamia's	
				Average	for illiquidity	Interest	46.41%
Value as per comparable multiples	26,290	18,891	27,101	24,094	16,866	7,828	

Illiquidity discount

30%

	EV/EBITDA	EV/EBIT	P/CF
Averages	9.2x	12.5x	12.4x
ADECCO SA-REG	10.5x	12.8x	19.5x
AGGREKO PLC	6.4x	12.6x	
BUNZL PLC	9.6x	10.7x	10.8x
MITIE GROUP PLC	8.7x	11.4x	15.9x
RENTOKIL INITIAL PLC	7.6x	12.2x	
SECURITAS AB-B SHS	9.7x	14.0x	9.8x
VEDIOR NV-CVA			10.7x
PROSEGUR COMP SEGURIDAD-REGD	10,1x		8.4x
RANDSTAD HOLDING NV	12.3x	14.1x	14.5x
GROUP 4 SECURICOR PLC	8.0x	12.1x	9.9x

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.:	27.64%
Value at 31 December 2005 (K€): (including the participating loan)	22,790

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 stands at 27.64%. The Spanish Restrictive Practices Department was notified of this operation and approval was obtained on 18 April 2005.

The rest of the capital is held by Nmás1 PEF (27.64%), other financial investors (30.2%), and the selling families and executive team (14.5%).

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

EBITDA	EBIT
7.1x	8.6x

*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

Bodybell has more than 120 stores in the channel referred to in Spain as "Droguería y Perfumería Moderna". 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 Managing Director of GPD and the General Secretary of Adaps, the sector's two main associations.

Income statement

**Figures in thousands of euros*

	Actual 31.12.2004	Actual 31.12.2005
Operating income	177,420	182,883
EBITDA	24,605	25,970
EBIT	20,771	21,488
EBT	20,969	13,717
Profit for the year	13,737	9,829

*Combined Financial Statements from the audits (2004) of Iberdroler S.A. and Cadyssa
The accounts do not include goodwill or transaction costs*

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Actual	Actual	<u>LIABILITIES</u>	Actual	Actual
	31.12.2005	31.12.2004		31.12.2005	31.12.2004
Fixed assets	22,296	17,374	Shareholders' equity	18,604	66,112
Goodwill	132,105	0	Participating loan	59,339	0
Current assets	55,137	54,899	Long-term debt	113,018	2
Cash and banks	7,996	21,087	Short-term debt	1,088	999
TOTAL ASSETS	217,534	93,360	Current liabilities	25,484	26,246
			TOTAL LIABILITIES	217,534	93,360

Description of the market

The market for perfumery products and cosmetics has grown steadily in Europe (4%) and in Spain (7%) and is estimated to total €54 billion in Europe and €7.6 billion in Spain.

According to market specialists, the main worldwide trends indicate that this growth 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. Bodybell's market share is estimated at 7%.

Business evolution in 2005

Bodybell ended 2005 with above-market growth in its main segment (retail distribution through specialised stores).

In sales terms, the segment has grown by 9%, store sales of selective products having increased significantly, while the new openings during the year (8) have also contributed. This market trend in which the consumption of selective products is rising favours the company's EBITDA due to the higher margin generated by these products and their increasing relevance. The wholesale business, which accounts for less than 10% of EBITDA, is declining because the market is shrinking. Sales margins have remained steady, however.

Market prospects for 2006 are similar to those of 2005. Bodybell expects to maintain store growth rates in line with 2005 (close to 4%, above the market average) and to grow at a faster pace by increasing the rate of store openings while maintaining the concept and identity of the chain's stores.

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€5,375, plus the participating loan and related interest accrued during the period (K€17,415), making a total value of **K€22,790**.

Nonetheless, an illustrative valuation of Bodybell has been prepared on the following basis:

- Comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, resulting in a value of K€75,609 for the company's equity and K€20,895 for Dinamia's shareholding, plus the participating loan and interest for the period totalling K€17,415, which makes a total value of K€38,310 for Dinamia's investment.

Bodybell

Figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit*	C/F	Net debt**
Results at 31/12/05	182,883	25,970	21,488	8,145	12,628	165,450

* Pro forma to reflect 12 months' interest

** Includes participating loans

VALUATION USING MULTIPLES OF COMPARABLE COMPANIES					Adjusted for illiquidity		Dinamia's interest
	EV/EBITDA	EV/EBIT	P/E	P/CF	Average		27.64%
Value as per comparable multiples	58,887	85,221	142,038	145,907	108,013	75,609	20,895
						Illiquidity discount	30%
Averages	8.6x	11.7x	17.4x	11.6x			
BARNES & NOBLE INC	6.6x	11.5x	19.2x	8.6x			
BOOTS GROUP PLC	6.1x	7.5x		9.6x			
DOUGLAS HOLDING AG			18.8x	7.8x			
MICHAEL HILL INTL LTD	10.5x	12.8x	18.4x	13.6x			
MICHAELS STORES INC	9.2x	11.7x					
OFFICE DEPOT INC	12.7x	19.8x		17.9x			
PARIS MIKI INC	7.5x	8.1x	15.8x				
WH SMITH PLC	7.1x	10.3x	12.8x	8.8x			
STAPLES INC	9.4x	11.5x	19.7x	14.6x			

Segur Ibérica Group



Security Services

Initial investment date:	March 2004
Financial year end:	31 December
Acquisition cost:	K€9,500
Interest held by Dinamia Capital Privado, S.C.R.:	17.82%
Value at 31 December 2005 (K€):	11,108

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 17.8%.

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. Segur Ibérica S.A. now has two subsidiaries: Segur Control, S.A. and Consorcio de Servicios S.A.

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

Shareholders:

Dinamia	17.8%
Nmás1 PEF LP	17.8%
Corfin Capital	35.6%
MCH Private Equity	13.1%
Espiga Capital	11.3%
Management	4.4%
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 three areas of business: surveillance services, installation and management of alarm systems and installation of security systems.

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.

The company's alarms and systems businesses are managed by Mr Tomás Agrelo, who joined in 2000.

Income statement

*Figures in thousands of euros

	Pro forma 31.12.2003	Pro forma 31.12.2004	Actual 31.12.2005
Operating income	160,052	166,991	186,140
EBITDA	17,575	17,895	17,303
EBIT	16,235	16,543	15,614
EBT ^{(1) (2)}	14,532	14,109	13,746
Profit for the year ⁽¹⁾	10,207	10,858	10,273

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

(2) 2004 adjusted, including interest on the Coranzuli S.L. debt and excluding transaction costs

Balance sheet

*Figures in thousands of euros

<u>ASSETS</u>	Actual	Pro forma	<u>LIABILITIES</u>	Actual	Pro forma
	31.12.2005	31.12.2004		31.12.2005	31.12.2004
Fixed assets	12,403	8,582	Shareholders' equity	60,432	56,545
Goodwill	85,277	90,253	Long-term creditors	51,938	46,672
Current assets	65,510	48,686	Prov. for liabilities and charges	2,467	
Cash and banks	1,243	6,006	Short-term debt	9,315	3,729
TOTAL ASSETS	164,433	153,527	Current liabilities	40,281	46,581
			TOTAL LIABILITIES	164,433	153,527

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.

Business evolution in 2005

The Segur Ibérica Group's revenues rose by close to 12%, driven mainly by security services.

The company consolidated its position in the alarms and systems segment, in which business remained at similar levels to 2004, and began operating in the fire control and detection segment, having acquired a company through which to develop this new line, which complements the rest of its activities. The entire acquisition was financed by debt.

As expected, the executive team was replaced during the year by a new team led by Mr Jose Luis Novales, who was previously the CEO of VINSA and one of persons ultimately responsible for security at Telefónica. During the transition to the new executive team, there was a period in which both teams were employed by the company, which therefore generated extra costs that have not been adjusted for valuation purposes.

Valuation

Segur Ibérica has been valued using the following methods:

- On the basis of the company's acquisition multiples, equity is valued at K€62,321, entailing a value of K€11,108 for Dinamia's investment.
- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in equity of K€103,468 and a value of K€18,442 for Dinamia's investment.

In view of the company's performance, particularly in relation to the repayment of the acquisition debt, the value of Dinamia's investment in the Segur Ibérica Group has been increased in line with the company's acquisition multiples and **Dinamia's interest is therefore valued at K€11,108**

Segur Ibérica Group

Figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt
Results at 31/12/05	186,140	17,303	15,614	10,273	11,962	60,009

1) VALUATION USING ACQUISITION MULTIPLES

-

	EBITDAx	EBITx	Average	Dinamia's interest
Acquisition multiples	7.1x	7.8x		17.82%
Value	63,305	61,337	62,321	11,108

2) VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	EV/EBIT	P/E	P/CF	Average	Adjusted for illiquidity	Dinamia's Interest	17.82%
Value as per comparable multiples	99,246	135,051	208,220	148,729	147,812	103,468	18,442	
						Illiquidity discount		30%
Averages	9.2x	12.5x	20.3x	12.4x				
ADECCO SA-REG	10.5x	12.8x	24.5x	19.5x				
AGGREKO PLC	6.4x	12.6x	17.3x					
BUNZL PLC	9.6x	10.7x		10.8x				
MITIE GROUP PLC	8.7x	11.4x	26.4x	15.9x				
RENTOKIL INITIAL PLC	7.6x	12.2x						
SECURITAS AB-B SHS	9.7x	14.0x	16.3x	9.8x				
VEDIOR NV-CVA				10.7x				
PROSEGUR COMP SEGURIDAD-REGD	10.1x		17.8x	8.4x				
RANDSTAD HOLDING NV	12.3x	14.1x	17.1x	14.5x				
GROUP 4 SECURICOR PLC	8.0x	12.1x	22.5x	9.9x				

General de Alquiler de Maquinaria (GAM)



Machinery Rental

Investment date:	July 2003/July 2004
Sum invested:	K€13,854
Financial year end:	31 December
Interest held by Dinamia Capital Privado, S.C.R.:	40.13%
Value at 31 December 2005 (K€):	54,616

Summary of the transaction

In July 2003 Dinamia completed this build-up project in the machinery rental sector. The project consisted of acquiring three leading companies in the machinery and crane rental sector, which served as a platform to consolidate the sector. The transaction included the acquisition of the entire capital of Alquioviedo (Asturias) and Cabrera (Andalusia), and the entire capital, in two stages, of Aldaiturriaga (Basque Country, Madrid and southeast Spain). A further three companies were subsequently acquired.

The transaction was structured on the basis of ordinary and preference shares. Dinamia took a 40.3% stake on acquisition. At the end of 2004, new members of the executive team were invited to become group shareholders, causing a slight dilution of Dinamia's holding to 40.13%. The other shareholders are Nmás1 PEF (40.13%), Cajastur (9.72%) and the executive team (10.02%).

The entry price is equal to an acquisition multiple of 3.7x EV/EBITDA and 9.0x EV/EBIT as per the group's pro forma figures at December 2002.

Description of the company

GAM is the result of the integration of three relevant companies operating in a highly fragmented sector (Alquioviedo, Aldaiturriaga and Cabrera). Subsequently, the companies TC Renta Más (remaining 50%) and SAFE 2000 were acquired in 2004 and J. Crespo in 2005. The initial aim was to create a platform large enough to provide the original group with full geographic coverage of the Iberian Peninsula, comprising operating bases in all main areas and a broad and deep product range to offer customers a comprehensive service.

GAM is now the undisputed leader in the Iberian Peninsula's machinery rental market, with more than 26,000 assets available for rent and 40 operating bases (December 2005).

As regards customers, besides continuing to serve local builders previously served by the acquired companies, GAM has become a reference provider of comprehensive services for the large national construction companies throughout Spain.

Company management

Mr Pedro Luis Fernández has been selected to lead the project. Mr Fernández has significant experience in the sector, in which he has been involved for more than 15 years. In the past he ran his own company (Caprisa).

The current executive team is based in Oviedo and, in addition to Mr Fernández, comprises a Finance Director, a Purchasing Director and a Human Resources Director, who have recently joined the group. Each geographic area has its own structure and an employee responsible for the area office.

Income statement

**Figures in thousands of euros*

	Actual* 31.12.2004	Actual* 31.12.2005
Net operating income	82,975	126,427
EBITDA	34,823	53,008
EBIT	15,289	23,732
EBT	11,046	18,525
Profit for the year	9,620	13,145

** Figures under IFRS, not audited and therefore subject to minor changes*

Balance sheet

**Figures in thousands of euros*

ASSETS	Actual*	Actual*	LIABILITIES	Actual*	Actual*
	31.12.2005	31.12.2004		31.12.2005	31.12.2004
Fixed assets	199,217	136,295	Shareholders' equity	63,065	50,123
Intangible assets	26,479	20,409	Long-term creditors	137,571	90,265
Other L/T assets	12,738	12,673	Trade creditors	20,081	15,494
Current assets	84,340	53,896	Other S/T liabilities	107,146	71,686
Cash and banks	5,089	4,295			
TOTAL ASSETS	327,863	227,568	TOTAL LIABILITIES	327,863	227,568

** Figures under IFRS, not audited and therefore subject to minor changes*

Description of the market

The machinery rental sector in Spain is highly fragmented, comprising more than 1,000 companies in a market totalling over €1.5 billion.

The sector is characterized by a low degree of professionalism, small companies and local geographic coverage.

Strong growth rates have been attained in recent years. The market is driven by two main factors: the construction industry and the outsourcing trend (construction companies rent equipment rather than buying it).

Spain's construction industry grew at a significant pace of above 5% on average for 2000-2004. Machinery rental penetration in Spain is much lower than in other European countries (in the UK it is 80%) and therefore a part of the market's estimated growth is attributed to machinery rental.

Business evolution in 2005

In 2005, GAM exceeded the executive team's mid-year sales forecast.

This growth is mainly attributable to the following factors:

- High occupancy at around 75%.
- Increase in the machinery fleet from approximately 16,000 units at the end of 2004 to over 26,000 units in December 2005.
- Opening of 10 new area offices.
- Acquisition of J. Crespo (the financial statements include J. Crespo's operations for an eight-month period).

A plan has also been implemented to diversify revenues by reducing the relative significance of construction in total sales (construction currently accounts for two thirds of total turnover) in favour of other sectors: industry, energy, events and agriculture.

GAM now operates throughout Spain and Portugal under a single, solid brand name which customers perceive to be reliable, making GAM the reference supplier in the sector.

Although the consolidation process whereby the project was carried out is largely complete, selective acquisitions may be made to complement or intensify the company's presence in certain geographic areas.

Valuation

The GAM Group has been valued using the following methods:

- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in equity of K€140,875 and a value of K€54,616 for Dinamia's investment.

As a result of the company's excellent performance in 2005, the value of Dinamia's investment in GAM has been increased. On the basis of the market multiples, the company is valued at K€140,875, entailing **a value of K€54,616 for Dinamia's interest**

GAM Group

figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt*
Results at 31/12/05	126,427	53,008	23,732	13,145	42,421	156,365

* Calculated as the average of the debts at December 2004 and December 05, excluding factoring from the balance sheet and including interim tax of € 1.75 million

VALUATION USING MULTIPLES OF COMPARABLE COMPANIES							
	EV/EBITDA	EV/EBIT	P/E	P/CF	Average	Adjusted for illiquidity	Dinamia's interest
Value as per comparable multiples	173,012	162,971	195,762	273,254	201,250	140,875	38.77%
						Illiquidity discount	30%
Averages	6.2x	13.5x	14.9x	6.4x			
VP PLC	5.7x	12.6x	15.1x	6.0x			
SPEEDY HIRE PLC	6.6x	12.9x	13.6x	6.1x			
LAVENDON GROUP PLC	4.9x						
ASHTREAD GROUP PLC	7.5x			6.4x			
UNITED RENTALS INC	6.6x	14.9x					
RAMIRENT	7.6x	14.4x	16.7x	7.3x			
NORTHGATE	4.5x	12.5x	14.1x				

High Tech Hoteles



Management of a Hotel Chain

Investment date:	January 2003 / January 2004 / October 2005
Sum invested:	K€12,000
Financial year end:	31 December
Interest held by Dinamia Capital Privado, S.C.R.:	44.54%
Value at 31 December 2005 (K€):	16,764

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. Dinamia's interest in High Tech's capital now stands at 44.54%.

Nmás1 Private Equity Fund LP has invested the same sum on the same terms as Dinamia. The executive team also holds a 10.92% interest.

The company's investments before Dinamia became a shareholder totalled around €12 million (€9 million contributed by the former financial partner and around €3 million by the executive team⁴).

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 29 hotels, mainly located in Madrid (19 hotels) and in the larger provincial capitals. Twenty 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 operational⁵.

The company plans to create a leading chain in its segment comprising approximately 40 clearly distinguishable, reputable hotels in a segment that is now 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.

⁴ The contribution made by the executive team consisted of cash contributions (€1.9 million) and estimated non-cash contributions (€ 1.2 million).

⁵ Number of hotels net of those that did not suit the chain's strategy and were closed shortly after acquisition.

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 Baztarrica (Human Resources Director), Mr Antonio Frutos (Technical Director) and Mr Francisco Sánchez (IT Director).

Income statement

*Figures in thousands of euros

	Audit 31.12.2003	Audit ¹ 31.12.2004	Actual 31.12.2005	Pro forma ² 31.12.2005
Operating income	11,026	16,676	26,525	33,943
EBITDA	716	2,372	6,805	8,664
EBIT	(1,796)	(1,492)	(1,655)	N.AV.
EBT	(1,949)	(1,787)	(2,422)	N.AV.
Profit for the year	(1,949)	(1,783)	(2,422)	N.AV.

(1) Excluding a provision of K€761 recorded for the fixed asset disposal arising from the exit from High Tech France

(2) Pro forma 2005 figure calculated by Deloitte assuming that all the hotels have been open to the public since the first day of the year

Balance sheet

*Figures in thousands of euros

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	31.12.2005	31.12.2004		31.12.2005	31.12.2004
Fixed assets	53,873	29,394	Shareholders' equity	15,039	15,996
Current assets	11,302	6,310	Provisions	405	181
Cash and banks	794	1,869	Long-term creditors	14,320	4,132
TOTAL ASSETS	65,969	37,572	Current liabilities	36,204	17,263
			TOTAL LIABILITIES	65,969	37,572

Description of the market

The three-star hotel segment shows the following features:

- Three-star 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 2005

In 2005 eight new contracts were concluded in Madrid (Jorge Juan, Posada del Peine, Alfonso XII, Tres Cruces, Plaza del Carmen, San Bernardo, Caracas and Alcalá Torre) and one in Malaga (Calle Larios), bringing the portfolio to 29 hotels, in line with the initial business plan.

The operational hotels are above budget, despite the fact that the market has not yet clearly recovered. The chain's average occupancy for the year is close to 75%, which is above the levels achieved by the majority of its competitors.

The budget for the year has been clearly exceeded due to the company's performance and the opening of hotels that were not included in the budget. The majority of hotels are maturing as initially projected by the company.

Valuation

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

- The valuation has been based on the pro forma figures calculated by Deloitte, which assume that all the hotels operating at 31 December 2005 were open to the public all year. Additionally, fixed asset suppliers have been treated as financial debts for valuation purposes.
- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in equity of K€40,960 and a value of K€16,764 for Dinamia's investment.

As a result of the company's excellent performance in 2005, the value of Dinamia's investment in High Tech has been increased. On the basis of the market multiples, the company is valued at K€40,960, entailing **a value of K€16,764 for Dinamia's interest**

High Tech Group

figures in thousands of euros

	Sales	EBITDA	Net debt
Pro forma results at 31.12.2005	33,943	8,664	37,895

VALUATION USING MULTIPLES OF COMPARABLE COMPANIES				
Value as per comparable multiples	EV/EBITDA	Adjusted		Dinamia's
		Average	for illiquidity	interest 40.93%
	58,515	58,515	40,960	16,764
			Illiquidity discount	30%
Averages				
	EV/EBITDA			
Averages	11.1x			
ACCOR SA	9.7x			
SOL MELIA SA	14.3x			
NH HOTELES SA	13.0x			
WHITBREAD PLC	6.6x			
DE VERE GROUP PLC	7.4x			
HILTON HOTELS CORP	11.5x			
STARWOOD HOTELS & RESORTS	15.6x			
FELCOR LODGING TRUST INC	11.0x			

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 31 December 2005 (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 2005.

Income statement

**Figures in thousands of euros*

	Audit 31.12.2004	Actual* 31.12.2005
Operating income	8,988	9,481
EBITDA	2,055	3,041
EBIT	714	2,146
EBT	702	2,063
Profit for the year	702	2,063

** 2005 excluding extraordinary losses of K€ 493*

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	31.12.2005	31.12.2004		31.12.2005	31.12.2004
Fixed assets	3,512	3,946	Shareholders' equity	4,468	2,899
Current assets	4,290	3,570	Long-term creditors	1,653	3,018
Cash and banks	1,289	1,290	Short-term debt	1,758	448
TOTAL ASSETS	9,090	8,806	Current liabilities	1,211	2,441
			TOTAL LIABILITIES	9,090	8,806

Description of the market

The use of phoneme, voice synthesis and acoustic model recognition technologies has undergone extensive development over the past few years. Development 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.

Business evolution in 2005

In 2005 the company's business performance was satisfactory. On the sales side, the budget was exceeded with respect to revenues from ASP application services and development (more recurring services with higher margins), which offset the lower-than-budgeted licence sales. Budgeted EBITDA was achieved, showing a 50% increase on 2004. The profit for 2005 grew more than twice the 2004 rate.

In 2005, the business was marked by significant commercial activities, particularly involving telecommunications industry customers. Demand from existing customers for new developments and applications also grew considerably. The company is receiving requests for services in other European countries from new customers and existing telco customers.

However, the main investments were made in multimedia convergence. In order to anticipate the new generation of applications in which voice and audiovisual technologies will converge, the company has adapted its People Base platform and has commenced developing new multimedia applications for mobile telephones. At the end of 2005, the first of these applications was successfully marketed and contracts have been received to develop new services.

Prospects for 2006 are favourable and EBITDA is forecast at around €4 million.

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.

Undesa Group



Development, Production and Marketing of Oleo-chemical Products

Investment date:	July 2000
Financial year end:	31 December
Acquisition cost:	K€10,217
Interest held by Dinamia Capital Privado, S.C.R.⁶:	49.09%
Value at 31 December 2005 (K€):	10,903

Summary of the transaction

In July 2000, Dinamia led an LMBO (leveraged management buyout) of the Undesa Group, formed by Unión Deriván, S.A. and Undesa Italia, S.r.L (formerly Mirachem, S.r.L.), both subsidiaries of Reckitt-Benckiser. The transaction was leveraged by means of a bank loan of €26 million from BNP Paribás.

Dinamia holds a 49.09% interest (undiluted and adjusted for own shares). The other shareholders are as follows:

- Funds managed by Corpin 27.7%
- Funds managed by Espiga 18.8%
- Executive team 4.4%

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

EBITDA*	EBIT
4.2x	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

The Undesa Group is formed by Unión Deriván, S.A. and Undesa Italia S.r.L. (formerly Mirachem, S.r.L). It is an industrial group specialised in chemicals that develops, manufactures and sells oleo-chemical products (fatty acids, glycerines and derivatives). The two companies formed part of the Fatty Acids Division of Reckitt Benckiser, one of the largest manufacturers of detergents and household cleaning products.

Undesa produces a wide range of fatty acids and derivative products (stearine, olein, esters, stearates, ester-quats, stabilizers, etc.) that are manufactured to meet the requirements of a wide and traditional base of industrial customers. The main customers pertain to the detergent, cosmetics, tyre, paint, chemical and pharmaceutical sectors. The Company exports close to 40% of its products.

⁶ Adjusted for own shares.

The Group is the fourth largest producer of fatty acids in Europe, is the leader in Spain and is ranked second in Italy. Its three factories located in Barcelona, Zaragoza and Bologna have a total annual production capacity of more than 100,000 tonnes.

Company management

The company's CEO is Mr Santiago Bagueño, who has held this post for over 10 years and is based in Barcelona. In 2002 a new General Manager was hired in Italy to drive the development of the Bologna factory which, in the opinion of management, could improve significantly.

Income statement

	Audit 31.12.2003	Audit 31.12.2004	Audit 31.12.2005
Operating income	83,029	82,039	78,426
EBITDA	9,629	4,560	5,283
EBIT	6,035	832	1,448
EBT	5,384	696	1,129
Profit for the year	3,290	434	728

The accounts do not include goodwill amortisation or extraordinary items

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Audit 31.12.2005	Audit 31.12.2004	<u>LIABILITIES</u>	Audit 31.12.2005	Audit 31.12.2004
Own shares	1,485	1,485	Shareholders' equity	25,186	30,149
Fixed assets	21,502	23,945	Pension fund	1,295	1,482
Current assets	27,578	29,771	Long-term creditors	246	246
Cash and banks	338	604	Short-term debt	4,832	2,930
TOTAL ASSETS	50,902	55,804	Current liabilities	19,344	20,997
			TOTAL LIABILITIES	50,902	55,804

Description of the market

Oleo-chemical products are obtained from natural animal and vegetable fats and oils such as tallow, palm oil, rapeseed oil, sunflower oil, coconut oil, fish oils, etc. Generally, they may be classified into the following three categories: fatty acids, glycerine and fatty acid derivatives such as esters, amides, stearates, lubricants, etc. Undesa produces all three categories.

These products are used in a wide range of applications. In many cases they replace petrochemical products. The main final uses relate to the detergent and cleaning industries (35%), plastics (14%), paint and adhesives (12%), lubricants (12%), paper and textile (6%) and food (6%). The main use by volume relates to the manufacture of surfactants to be used in the production of detergents. However, other areas such as additives for polymers, additives for cosmetics and even food additives are growing in significance and allow broad diversification of final demand, which benefits the business.

The estimated annual global consumption of fatty acids totals 4.8 million tons, Europe being the largest consumer. The annual consumption of glycerine totals approximately 700,000 tons, including 150,000 tons of synthetic glycerine. Europe accounts for close to 30% of worldwide glycerine consumption. In Europe, Germany is the largest market for oleo-chemical products,

with close to 31% of total consumption, followed by France (20%), England and Italy (15%) Benelux (9%) and Spain (8%). It is a mature market that tends to grow in line with the general economy.

Business evolution in 2005

Market conditions were extremely complicated in 2005. Demand remained weak, causing a decline in the total volume of tonnes sold with respect to the previous year. The pressure on glycerine prices eliminated margins from these products. Overall, the company's business performed as expected in 2005.

Gross margins improved during the year. Although this trend was first noted in April, the clearest improvement took place in the second half.

Margin growth is explained by the favourable evolution of raw material prices, which remained steady and even fell slightly in some cases, by the enhancement of production processes, reducing shrinkage, and by a more effective sales mix. The company continued to improve efficiency and also cut fixed costs.

In this context, annual sales totalled €78.5 million and EBITDA amounted to €5.5 million.

In 2005, Dinamia received a dividend of K€2,872 from the Undesa Group.

Valuation

The Undesa Group has been valued using the following methods:

- On the basis of the company's acquisition multiples, equity is valued at K€17,402, entailing a value of K€8,289 for Dinamia's investment.
- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in equity of K€24,481 and a value of K€11,512 for Dinamia's investment.

The average figure for the two methods employed is close to the previous year's figure, entailing **a value of K€10,903 for Dinamia's investment**

Undesa Group

figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt
Results at 31.12.05	78,426	5,283	1,448	728	4,563	4,740

1) VALUATION USING ACQUISITION MULTIPLES

	EBITDAx	Average	Dinamia's interest
Acquisition multiples	4.2x		47.63%
Value	17,402	17,402	8,289

2) VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	P/CF	Average	Adjusted for illiquidity	Dinamia's interest	47.02%
Value as per comparable multiples	34,245	35,816	35,031	24,521	11,530	
				Illiquidity discount		30%
Averages	7.4x	7.8x				
DEGUSSA AG	6.4x					
CIBA SPECIALTY CHEMICALS-REG	8.0x					
CLARIANT AG-REG	6.8x	8.2x				
CRODA INTERNATIONAL PLC	8.3x	10.6x				
SOLVAY SA	7.6x	6.1x				
KONINKLIJKE DSM NV	7.1x	6.5x				

Net TV



Unencrypted Digital Terrestrial Television

Investment date:	June 2000
Financial year end:	31 December
Acquisition cost:	K€225
Interest held by Dinamia Capital Privado, S.C.R.:	2.29%
Value at 31 December 2005 (K€):	140

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.

The remaining shareholders are listed below:

➤ Pantalla Digital ⁷	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. The consortium has been preparing the new channel's launch strategy and the launch investments will soon be made. The payments made by shareholders have been minor amounts to cover the expenses deriving from license tender and the company's limited activities to date.

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€140.**

⁷ Majority owned by the Vocento Group.

Industrias Anayak, S.A.



Design, Manufacture and Marketing of Machine Tools

Investment date:	September 1999
Sum invested:	K€7,033
Financial year end:	31 December
Interest held by Dinamia Capital Privado, S.C.R.:	63.06%
Value at 31 December 2005 (K€):	7,033

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.

The other shareholders are as follows:

- Executive team 36.94%

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

EBITDA*	EBIT	Net profit
4.4x	6.3x	7.5x

*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.

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 17.86% of the resulting company. At the issue date of this report, the transaction is complete and Dinamia therefore owns listed shares in Nicolás Correa.

Description of the company

Anayak 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.

The machines are adapted to the specifications of each customer and even machines sold in the past undergo modifications to meet the specific needs of each buyer. Anayak machines incorporate the latest mill-bit technology, allowing work to be performed on five axles. The machines are therefore able to produce spheroid shapes and other complex geometric forms. There are two essential features that differentiate Anayak machines from those of its competitors: a rigid bit and five tracks (instead of three) on which it rests and slides. These two features minimize vibrations, in addition to guaranteeing a longer life for the machine, substantially reducing the risk of vibration damage to the object being milled and allowing high-speed milling.

Company management

The company's executive team, led by Mr José Ignacio Sáez, is extremely professional, highly motivated and forms a tight unit with broad experience in the machine tools sector. All the company's key executives hold shares in the company.

Income statement

**Figures in thousands of euros*

	Audit 31.12.2003	Audit 31.12.2004	Actual 31.12.2005
Operating income	16,554	17,576	26,702
EBITDA	(1,366)	(1,535)	274
EBIT	(2,226)	(2,323)	(475)
EBT	(2,287)	(2,162)	(700)
Profit for the year	(1,395)	(1,307)	(700)

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	31.12.2005	31.12.2004		31.12.2005	31.12.2004
Fixed assets	6,706	6,696	Shareholders' equity	6,572	7,265
Current assets	13,064	11,452	Long-term creditors	2,207	2,139
Cash and banks	891	607	Short-term debt	2,830	1,372
TOTAL ASSETS	20,661	18,755	Current liabilities	9,052	7,979
			TOTAL LIABILITIES	20,661	18,755

Business evolution in 2005

Demand in the machine tools sector showed signs of a recovery in 2005. As a result of Anayak's solid competitive position, the company has benefited from the slight recovery, as evidenced by above-market order intake and sales growth. Turnover grew by 42.6% and the company returned to positive EBITDA.

Valuation

Following the merger of Anayak and Nicolás Correa, Dinamia held 2,241,913 shares representing 17.86% of total capital. At 31 December 2005, Nicolás Correa's stock was listed at €4.63. It then fell by 20% on 28 February as a result of the spin-off of non-strategic assets. The post spin-off value of Nicolás Correa's stock was therefore €3.70. Consequently, Dinamia's resulting interest was valued at K€8,304. In accordance with EVCA guidelines, this value must be reduced by a further 20% for illiquidity. Following this adjustment, Dinamia's investment is valued at K€6,643.

NEA share price at 31.12.05	€4.63
Discount due to spin-off of non-strategic assets	-20%
<u>NEA share price at 31.12.05 adjusted for spin-off</u>	<u>€3.70</u>
Number of NEA shares held by Dinamia	2,241,913
<u>Market value of Dinamia's interest (K€)</u>	<u>8,304</u>
Illiquidity discount	-20%
Value of Dinamia's interest (K€)	6,643

This represents a decrease of K€390 with respect to the acquisition cost (K€7,033). The acquisition cost value is maintained, however, due mainly to the fact that the difference is insignificant and that the share price has risen at the issue date of this report.

The value of Dinamia's interest **is therefore maintained at the acquisition cost of K€7,033**

Arco Bodegas Unidas



Bodegas Unidas

Winery

Investment date:	March 1999
Sum initially invested:	K€5,457
Share capital increase in March 2001:	K€12,020
Financial year end:	31 December
Interest held by Dinamia Capital Privado, S.C.R.:	8.36%
Value at 31 December 2005 (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).

Income statement

**Figures in thousands of euros*

	Audit 31.12.2003	Audit 31.12.2004	Actual 31.12.2005
Operating income	183,705	189,250	175,590
EBITDA	19,546	22,558	21,137
EBIT	16,238	18,590	16,882
EBT	15,807	17,963	16,297
Profit for the year	12,671	13,384	13,539

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	31.12.2005	31.12.2004		31.12.2005	31.12.2004
Fixed assets	83,223	76,352	Capital and reserves	107,969	92,997
Goodwill	1,436	0	Minority interests	510	10,554
Current assets	98,670	97,302	Long-term creditors	38,195	19,613
Cash and banks	2,963	2,332	Short-term debt	9,406	19,752
TOTAL ASSETS	186,292	175,986	Current liabilities	30,214	33,070
			TOTAL LIABILITIES	186,292	175,986

Business evolution in 2005

In 2005, Arco's business performance was satisfactory, the fall in sales having been mitigated by operating margins, which were maintained due to the marketing of higher value-added brands.

As a result of this factor, combined with a cost containment strategy, net profit for the year was maintained in absolute terms and increased as a percentage of sales.

The investments made in production and marketing are expected to bear fruit in 2006, when the company will also seek to consolidate its international business.

Valuation

Arco has been valued using the following methods:

- On the basis of the company's acquisition multiples, equity is valued at K€210,063, entailing a value of K€17,563 for Dinamia's investment.
- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in equity of K€208,803 and a value of K€17,458 for Dinamia's investment.

The values obtained using both methods are close to the company's value at the acquisition date, after adjusting the initial shareholding to the value applied to the share capital increase in March 2000. **Dinamia's investment 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.

Arco Bodegas Unidas, S.A.

figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt*
Results at 31.12.2005	175,590	21,137	16,882	13,539	17,794	27,241
						*Includes L/T debt with executives and employees

1) VALUATION USING ACQUISITION MULTIPLES

	EBITDAx	EBITx	P/E	P/CF	Average	Dinamia's interest*
Acquisition multiples	10.9x	12.3x	16.0x	13.5x		8.36%
Valuation	202,623	180,964	216,761	239,901	210,063	17,563

*Adjusted for own shares held

2) VALUATION USING MULTIPLES OF COMPARABLE COMPANIES

	EV/EBITDA	EV/EBIT	P/E	P/CF	Average	Adjusted for illiquidity	Dinamia's interest
Value as per comparable multiples	312,774	285,543	284,638	310,204	298,290	208,803	17,458
						Illiquidity discount	30%
Averages	16.1x	18.5x	21.0x	17.4x			
BARON DE LEY		12.8x	14.8x	10.4x			
BELVEDERE SA	17.2x	24.8x		29.8x			
BROWN-FORMAN CORP -CL A	16.7x	18.8x	27.0x	22.8x			
BODEGAS RIOJANAS SA	21.3x		13.9x	10.6x			
VINA CONCHA Y TORO S.A.	14.4x	17.9x	22.6x	16.7x			
CIA VINICOLA DEL NORTE DE ES	14.7x	22.4x	26.9x	15.9x			
VINCOR INTERNATIONAL INC	12.3x	14.5x	21.0x	15.8x			

*Adjusted for own shares held

Glowtrail Limited



CAPITAL SAFETY GROUP LIMITED

Occupational Safety Equipment Manufacture

Initial investment date:	January 1999
Reinvestment date:	October 2005
Sum invested:	K€2,457
Financial year end:	31 March
Interest held by Dinamia Capital Privado, S.C.R.:	8.16%
Value at 31 December 2005 (K€): 2,457	

Summary of the transaction

In January 1999 Dinamia, together with funds managed by Electra, carried out an MBO on Capital Safety Group. The total value of the transaction was GBP96.7 million (approximately €140 million).

In October 2005, Dinamia sold to Glowtrail Limited its entire investment in Capital Safety Group Limited ("CSG") for a total of K€11,478. Dinamia's initial investment amounted to K€5,837 and therefore the capital gain on the investment totalled K€5,960, including revenues received from the investee company.

Simultaneously, Dinamia subscribed for a capital increase, together with the majority of CSG's other investors, in the buyer Glowtrail Limited, for a total of K€2,457 in ordinary and preference shares denominated in US dollars, to hold 8.16% of the company. The other shareholders are as follows:

- Funds managed by Electra and other parties 91.40%
- Executives 0.44%

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

EBITDA*	EBIT
8.11x	8.73x

*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

CSG is the world's leading manufacturer and seller of security equipment used to prevent occupational accidents. CSG markets a wide range of products intended to ensure the safety of workers: harnesses, belts, lanyards, netting and other designs, including custom security systems. Its strategy includes the development of new products internally or by acquiring sector companies, particularly in European countries (Sweden, Germany, Switzerland).

The company is the world leader, with a 27% market share. It has a 34% share of the US market (where production represents 70% of profits) and a 24% share of the European market (the main operations being in France and the UK). CGS markets its products under two brand names: Sala and Protecta. Its main competitors are Christian Dalloz and MSA, which have a 15% and 14% share of the market, respectively.

Company management

The executive team was one of the main reasons for this MBO, given the executives' experience, motivation and capital involvement in the company and the excellent evolution of the company's results over the past few years. These factors have made CSG the market leader.

Income statement

*Figures in thousands of euros

	9 months Actual* 31.12.2004	9 months Actual* 31.12.2005	9 months Budget* 31.12.2005	12 months Audit 31.03.2004	12 months Audit 31.03.2005	12 months Forecast 31.03.2006
Operating income	78,938	87,394	85,151	100,347	111,668	115,606
EBITDA	14,464	17,975	17,513	19,279	21,401	24,843
EBIT	13,321	16,625	16,130	17,719	19,889	22,821
EBT	8,465	10,204	9,456	11,121	13,756	16,051
Profit for the year	4,464	6,298	5,563	7,035	7,627	11,649

*Excluding goodwill and non-recurrent restructuring costs

Balance sheet

*Figures in thousands of euros

<u>ASSETS</u>	Actual	Audit	<u>LIABILITIES</u>	Actual	Audit
	31.12.2005	31.03.2005		31.12.2005	31.03.2005
Fixed assets	34,080	25,749	Shareholders' equity	29,286	85,012
Goodwill	121,287	121,240	Shareholder loan	0	53,393
Current assets	41,236	39,441	Long-term creditors	147,362	28,351
Cash and banks	4,944	3,838	Short-term debt	0	16
TOTAL ASSETS	201,547	190,268	Current liabilities	24,899	23,496
			TOTAL LIABILITIES	201,547	190,268

Description of the market

The global market for security equipment is estimated at more than USD400 million and cumulative annual growth stands at approximately 15%. The company's largest customers are construction companies (new construction and refurbishment), which account for approximately 25-30% of business, oil companies, telecommunications companies, electricity companies, etc. Tighter governmental regulations regarding occupational hazards and safety are creating new needs. Significant growth is expected in the south of Europe as these regulations become stricter and workers become more aware of their own security needs.

Business evolution in 2005

The restructuring process undertaken in the previous year, entailing the closure of two production plants and redesign of the commercial structure in the USA, generated a significant increase in turnover and operating profits in the financial year ended 31 March 2005. Turnover and operating profits grew more than 20% and 12%, respectively.

Following nine months' business, December figures are promising and the demanding budgeted figures are achievable. Operating profits at December 2005 were 23% up on the previous year and 3% above budget.

Valuation

Glowtrail Limited has been valued using the following method:

- A comparison with the multiples of other European sector companies, applying a 30% illiquidity discount, results in a value of K€94,587 for equity, entailing a value of K€7,718 for Dinamia's shareholding.

In accordance with EVCA guidelines, and as one year has not elapsed since the investment was made in Glowtrail Limited, its cost value is maintained and **Dinamia's interest is therefore valued at K€2,457.**

Capital Safety Group

Figures in thousands of euros

	Sales	EBITDA	EBIT	Net profit	C/F	Net debt
Estimated results at 31.03.2006	115,606	24,843	22,821	11,649	13,671	142,418

VALUATION USING MULTIPLES OF COMPARABLE COMPANIES								
Value as per comparable multiples	EV/EBITDA	EV/EBIT	P/E	P/CF	Average	Adjusted for illiquidity	Dinamia's interest 8.16%	
		75,990	169,459	157,385	137,661	135,124	94,587	7,718
	Illiquidity discount						30%	
Averages	EV/EBITDA	EV/EBIT	P/E	P/CF				
	8.8x	13.7x	13.5x	10.1x				
WMH WALTER MEIER AG-REG A	6.5x	14.4x						
CARDO AB	10.8x	19.3x		13.6x				
UPONOR OYJ	8.8x	14.2x	16.2x	9.5x				
ULTRAFRAME PLC		15.0x						
DECEUNINCK NV	10.3x			9.8x				
SIG PLC	6.6x	7.9x	9.8x	7.7x				
LATCHWAYS PLC	10.4x	11.9x	16.4x	13.6x				
BACOU DALLOZ	8.1x	13.0x	11.7x	6.3x				

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 31 December 2005 (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 31 December 2005 (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* 31.12.2004	Actual* 31.12.2005
Operating income	884,506	838,361
EBITDA	26,801	(2,000)
EBIT	(7,087)	(32,775)
EBT	(29,914)	(53,281)
Profit for the year	(16,120)	(52,407)

* Figures under IFRS

Balance sheet

**Figures in thousands of euros*

<u>ASSETS</u>	Actual* 31.12.2005	Actual* 31.12.2004	<u>LIABILITIES</u>	Actual* 31.12.2005	Actual* 31.12.2004
Fixed assets	452,646	475,288	Shareholders' equity	77,421	130,108
Current assets	116,037	158,535	Pension fund	206,871	204,729
Cash and banks	53,463	90,201	Bank debt	204,907	246,156
TOTAL ASSETS	622,146	724,023	Current liabilities	132,946	143,030
			TOTAL LIABILITIES	622,146	724,023

* Figures under IFRS

Business evolution in 2005

The retail market in Germany is still in a recession and shows no signs of improving in the near future. The cost cutting and working capital reduction measures appear to have reached their limit and the company has not managed to fulfil the budget, having posted huge losses.

In this context, the company is restructuring its operations while awaiting a recovery in demand. It is redesigning the entire procurement and supply policy, as well as its product range and sales outlets.

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