DINAMIA

ANNUAL REPORT 2013

Summary

(*) The Annual Corporate Governance Report is available on the CNMV and the company´s website (www.dinamia.es)

Presentation

1. Company overview

Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A. ("Dinamia" or the "Company") is the first and only listed private equity firm in Spain (IPO - December 1997).

Dinamia's core mission is to provide its shareholders with a tax-efficient vehicle for investing in a diversified portfolio of unlisted companies with the ultimate goal of generating medium to long-term returns upon exit from its investees. This activity is known as private equity and constitutes an alternative investment asset class of interest to many institutional investors.

Dinamia, by virtue of being listed, provides the advantages intrinsic to the stock markets in terms of access to a diversified investor base, financial reporting transparency and liquidity, insofar as its shares are traded on the secondary market.

Dinamia's core strategy is to invest in unlisted Spanish companies with enterprise values ranging between €50mn and €250mn (defined as the mid-market segment). It is specialised in growth funding transactions, historically in Spain and Portugal although with an increasing focus on international growth stories. Dinamia's main remit, in contrast to that of a holding company, is to periodically turn over its investment portfolio. On average it invests in its portfolio companies for approximately five years.

Since it was incorporated in 1997, and having lived through various cyclical ups and downs, Dinamia's track record has been noteworthy. It started out with investments in 10 unlisted companies; since then it has made an additional 35 investments. Over the same timeframe it has fully exited 31 companies (the 10 initial investments plus 21 more), generating a gross annual return on realised deals of over 20%. At year-end 2013, the Company's portfolio comprised investments in 14 unlisted companies and one private equity fund (Electra Partners Club 2007 LP) and its net asset value stood at close to €150 million.

Dinamia's investment portfolio is managed exclusively by N+1 Capital Privado, S.G.E.C.R., S.A. ("N+1 Capital Privado"), one of the leading private equity players with an investment focus on Spain and Portugal.

In addition to Dinamia, N+1 Capital Privado manages the investments of N+1 Private Equity Fund LP (a closed-end British Limited Partnership fund) and N+1 Private Equity Fund II (a closed-end fund headquartered in Spain which has been active since 1Q08). Dinamia co-invests with both of these funds in all their transactions so that the platform as a whole can take majority interests and participate in the mid-market segment.

N+1 Capital Privado is a wholly-owned subsidiary of N+1 Mercapital, S.L. ("N+1 Mercapital"), (www.nmas1mercapital.com), the company created by the merger between N+1 Capital Privado and Mercapital in early 2013. Both firms pioneered the creation of the private equity market in Spain and between them boast unique experience and know-how investing and divesting in the mid-market.

Combined, the two firms have invested almost €2.7 billion in 108 companies since they got started. They have made 84 add-on investments and concluded 87 exits.

These figures evidence their extensive acumen making temporary investments in companies in a diversified range of sectors, generally taking lead and controlling investments and an 'active management' approach. They seek to invest in solid and profitable companies, leaders in their respective sectors or niches, with management teams capable of executing growth plans and creating shareholder value over the medium term. In recent years, the platform's support for Spanish companies' international expansion strategies, one of the key sources of value creation across the portfolio, stands out.

Lastly, N+1 Mercapital is part of the N+1 Group (www.nmas1.com), an independent entity specialised the provision of value-added financial products and services in the middle market. Its activities can be grouped into three core business lines: direct investment in alternative assets (private equity, specialist equities, renewable energy, real estate, debt and distressed assets), investment banking and private banking. The N+1 Group currently has over €3.5 billion of assets under management and employs 295 professionals across its offices in Spain (Madrid, Barcelona and Bilbao), the UK, Germany, France, Italy, Luxembourg, Switzerland and Turkey.

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[1] This section was prepared using the information published by www.webcapitalriesgo.com on May 5th 2014

2. Sector[1]

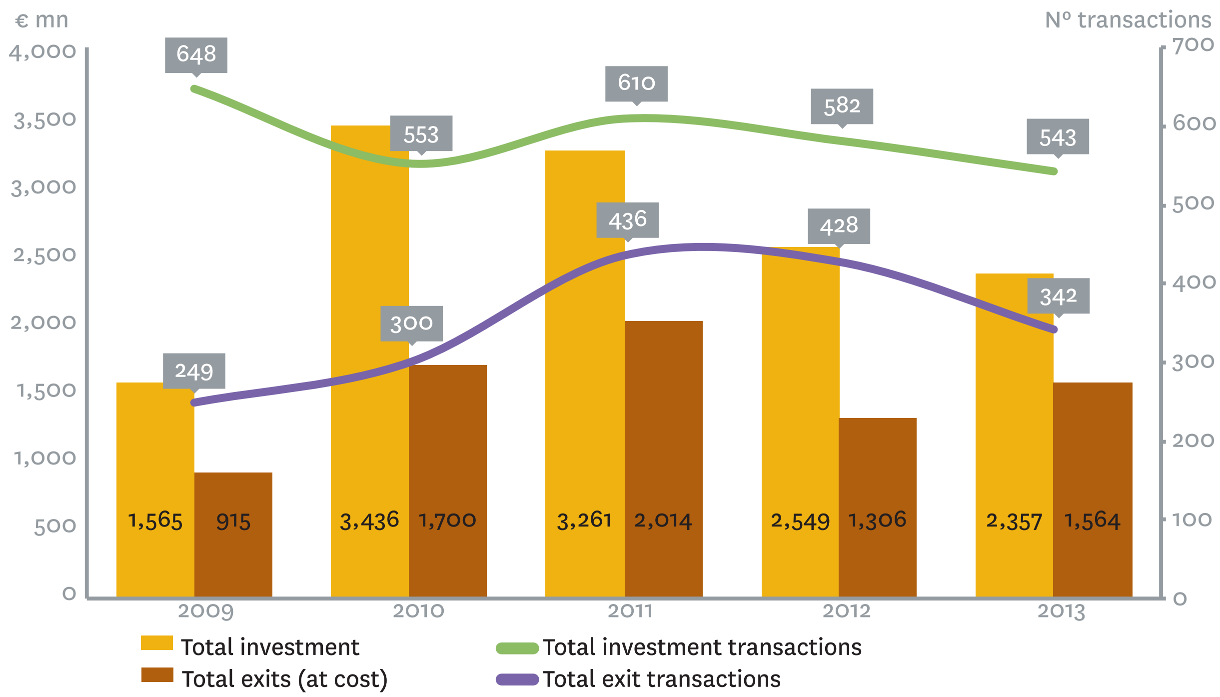
An analysis of the Spanish private equity market's performance in 2013 requires distinguishing between two contrasting periods and trends. Whereas first-half business volumes were low, the second half of the year was marked by a sharp rebound, triggered by a widespread improvement in economic indicators and renewed international investor interest in Spanish assets.

Investments by non-public Spanish and international private equity firms (i.e., excluding those made by CDTI and Enisa) declined by 7.5% in 2013 to €2.36 billion. Despite this year-on-year contraction, investment volumes were nevertheless 51% higher than 2009 levels (€1.56 billion). Eighty per cent of investment volumes were concentrated in the second half of the year.

As a percentage of gross domestic product, 2013 investing activity accounted for 0.23% of Spanish GDP, down slightly from 2012. This figure is still below the European average (0.27%) and this gap is even greater when compared with the core European economies.

International funds accounted for the bulk of total investment in 2013: around 70%, which is higher than the average in recent years.

INVESTMENT AND EXIT VOLUMES BY VALUE AND TRANSACTIONS (1)



(1) Investing and exit volumes of non-public private equity funds (Spanish and international). Does not reflect the business volumes of CDTI or Enisa
Source: webcapitalriesgo / ASCRI

Leveraged buyouts contracted considerably, accounting for 34% of investment in 2013 compared to 51% in 2012.

It is worth highlighting the momentum gained in exits last year, with disposal volumes up 20% on 2012 levels at €1.56 billion (in terms of cost). This recovery was driven by growth in sales to third parties and a reduction in write-downs. Both factors evidence renewed appetite on the part of international trade and financial investors in private Spanish companies and stronger earnings performances on the part of the asset managers' investees.

As for fund-raising, 2013 was a better year than 2012: at €478 million, total funds raised were 90% higher than in 2012 (€291 million), albeit still well below the levels of 2007 and 2008.

2.1 INVESTMENT VOLUMES

The private equity sector invested €2.36 billion in Spain in 2013, down 7.5% on 2012 (€2.55 billion), marking the third consecutive year of investment contraction. This investing activity materialised in 543 transactions (2012: 582). 2013 investment volumes were nevertheless 51% higher than those of 2009. In general, the investment side of the market remains curtailed by reduced financial firepower on the part of Spanish private equity firms coupled with the continued dearth of bank debt for funding acquisitions.

2013 can be divided into two differentiated periods: during the first half the key concerns regarding the outlook for the Spanish economy continued to weigh on the sector; however, in the second half, a pronounced improvement in economic indicators and renewed investor confidence in Spain drove substantial growth in private equity business volumes. This attitude shift meant that 80% of total investment volumes were concentrated in the second half, which was marked by feverish interest on the part of international funds in all alternative asset classes.

International funds accounted for 70% of total private equity investments last year (€1.64 billion), a higher percentage than in recent years. International funds are primarily focused on the large-cap segment (transactions in excess of €100 million), which is why their share of the total number of deals is relatively low. In this segment the acquisitions of Befesa by Triton Partners, Teknon by Doughty Hanson, Dorna Sports by Bridgepoint and Santander Asset Management by Genera Atlantic and Warburg Pincus stand out.

Almost 80% of the total invested by the sector was accounted for by nine transactions (€1.88 billion). The remaining 20% (€480 million) was accounted for by add-on investments in existing investees.

As for the breakdown by transaction structure, it is worth highlighting the substantial decline in leveraged buyouts (34% of the total) with respect to prior years. This drop reflects the small number of large transactions undertaken by the major international funds. Investments were evenly spread out between growth capital, replacement capital and the aforementioned leveraged buyouts last year.

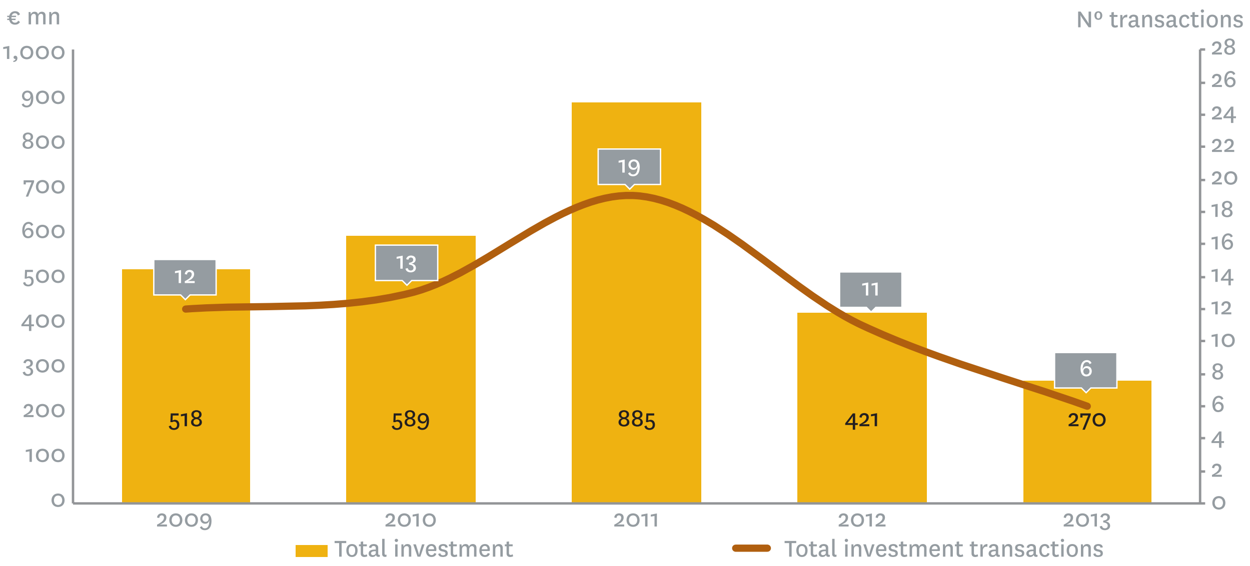
Investments by public bodies such as CDTI and Enisa have been excluded from this analysis so as not to distort the statistics. These two entities invested a total of €98 million last year in 656 transactions which were structured as loans to small and medium sized companies. The role played by these bodies as alternative lenders has been growing since 2005, with these institutions plugging the hole created by the scarcity of bank financing.

Lastly, analysing the investments made by target company sector, the biggest recipient of private equity investment was the products and services sector (32% of the total), thanks to deals such as the Befesa, Probos, Gestamp and Salto Systems acquisitions. The second biggest recipient sector was financial services (25%), mainly due to the Santander Asset Management transaction. IT and medicine & healthcare accounted for 8.9% and 8.5% of total investment, respectively, shaped by transactions such as Softonic and Alien Vault in the former and the Teknon and Croasa in the latter.

Investment in the mid-market

In Dinamia's target segment, the mid-market segment, particularly the upper end, which encompasses investments ranging between €25 and €100 million, investments totalled €270 million, down 36% from 2012 levels (€421 million). The acquisitions of Probos and Salto Systems by Dinamia and N+1 Mercapital stand out among the deals brokered in this segment during 2013.

INVESTMENT VOLUMES IN THE MID-MARKET (€25-100 MILLION) BY VALUE AND TRANSACTIONS



Source: Webcapitalriesgo / Ascri

Investment in Europe

According to the most recent data published by the European Venture Capital Association (EVCA), investment volumes totalled €35.7 billion in 2013, down slightly from the €36.8 billion recorded in 2012.

The number of transactions edged slightly higher year-on-year to just over 5 million deals.

By transaction category, buyouts accounted for 77% of total investment volumes, albeit representing just 17% of all transactions.

2.2 FUNDS RAISED

The Spanish private equity firms raised €478 million in 2013, 90% more than in 2012 (€251 million), although still far short of 2007 and 2008 fund-raising levels.

Adding in the funds injected by public entities[2] (€155 million in 2013) and the use of funds by international players investing in Spain (€1.64 billion), the volume of funds raised in 2013 rises to €2.27 billion, implying growth of 11% over 2012 levels.

The launch of the first public fund of funds, FOND–ICO Global, to be endowed with €1.2 billion over four years, is expected to stimulate fund-raising activity on the part of private fund managers. The first round of investments took place at the end of 2013, with the fund investing €189 million in six companies.

In terms of the sources of the funds raised in 2013, 25% of the €478 million raised was put up by financial institutions. Non-financial corporates contributed 20%, public investors and funds of funds each put up 13%, while pension funds accounted for 8% of total funds raised.

2.3 EXITS

The volume of exits at cost was €1.56 billion in 2013 (up 20% on 2012), encompassing 342 divestments (down 20% year-on-year).

Trade sales were the most common exit mechanism used (39%), followed by buybacks by the original shareholders (21%). Write-down volumes fell a significant 58% to €129 million (8% of the total); the bulk of these investments were written down by certain public investors who decided to abandon the private equity business in 2013.

The most significant sales closed last year include the exits from Arsys by N+1 Mercapital and Carlyle and Iberchem by Capital Alianza and the disposal of Teknon by Magnum.

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[2] With the exception of the funds raised by Enisa and CDTI, which amounted to an additional €98 million

2.4 OUTLOOK FOR 2014

The sector recovery staged in the second half of 2013 and the brightening economic outlook bode well for a stronger private equity market performance in 2014 and beyond.

The improvement in the economic outlook, with GDP growth forecast at 1% in 2014 and 2% in 2015, is based on the following factors, among others: a recovery in domestic consumer spending, competitiveness and productivity gains in the corporate segment, growth in exports, the reduction in the country risk premium and lower borrowing costs. Although the economic recovery looks set to be slow, the improvement is bound to have a positive impact on the sector's business metrics.

Among the challenges facing the Spanish economy, two stand out: the high rate of unemployment and the need to get credit flowing again. To the extent that the government's structural reforms continue in the right direction, these challenges should not have an adverse impact on the sector's incipient recovery.

Given the panorama outlined above, the sector looks set to benefit from the following developments in the years to come:

1. A slow but steady recovery in investment and exit volumes and in deal numbers.

2. Investee revaluations driven by economic recovery, competitiveness gains and international expansion.

3. Increased fund-raising on the part of private institutional investors, underpinned by the injections made by FOND–ICO Global, which should act as a quasi-anchor investor.

In short, the private equity sector is well positioned to play a meaningful role in the provision of capital to small and medium sized companies and entrepreneurs in the current environment of scarce bank financing. The private equity funds are emerging as an ideal solution for companies that, for example, need funds and backing to design and execute international expansion plans, strengthen their presence in home markets or spearhead M&A-led growth strategies.

3. Dinamia

In 2013 Dinamia forged ahead with the ongoing portfolio turnover and rejuvenation strategy initiated in 2010, framed by exits from companies highly geared to the Spanish economic cycle coupled with investments in companies presenting international growth stories via more pronounced international footprints and/or 'exportable' competitive advantages.

Against this backdrop, Dinamia focused on industrial sectors in which the technology aspect lends itself to the creation of an exportable competitive advantage. Last year Dinamia acquired two new investees: plastic edge maker for the furniture industry Probos and electronic lock maker Salto Systems.

The Company also made add-on investments in certain existing portfolio companies. Specifically, it invested €1.89 million in British private equity fund Electra Partners Club 2007 and injected €610 thousand into private hospital Xanit to help fund this investee's acquisition of the oncology specialist, Croasa.

On the disposal front, Dinamia announced the sale of its indirect investment in Mivisa to multinational Crown Holdings. (At year-end 2013, this transaction was still pending approval by the European anti-trust authorities). Elsewhere, the Company sold the shares it continued to hold in Nicolás Correa, its only listed investee, on the secondary market. Lastly, Dinamia sold its investments in two companies which formed part of its overall investment in the High Tech hotel chain.

Once again Dinamia was one of the most active players in the market last year, accounting for more than 30% of all investments in its core target segment.

3.1 INVESTMENTS

Dinamia, together with other private equity firms managed by N+1 Capital Privado, closed the acquisition of 100% of Probos on 31 January 2013. The Probos group, headquartered in Mindelo (Portugal), is the world's third-largest

MAIN INVESTMENTS IN THE MID-MARKET SEGMENT (€25 - 100MN) IN THE LAST 18 MONTHS

PRIVATE EQUITY MANAGER	INVESTEE	CORE BUSINESS
N+1 / Dinamia	**Salto Systems**	**Electronic access**
Doughty Hanson / Cordón family	Teknon	Hospital
ProA Capital	Ibermática	Consultancy
Magnum	Iberchem	Fragrances
N+1 / Dinamia	**Probos**	**Plastic edge maker**
Mercapital	**Betapack**	**Plastic lid maker**
HIG	Vértice 360	Audiovisual services
N+1 / Dinamia	**Secuoya**	**Audiovisual services**
Mercapital	**Rubaiyat**	**Restaurants**
Magnum	Geriatros	Geriatric services

maker of plastic band edges for the furniture industry, selling its products in over 50 countries. It has two manufacturing facilities in Portugal and Brazil as well as a direct sales presence in Mexico, the UK and Germany. Dinamia initially acquired a 24.29% shareholding for an investment of €10.65 million. On 3 April 2013, Dinamia invested an additional €850 thousand, lifting its shareholding in Probos to 24.34% and bringing its total investment in the company to €11.5 million.

On 27 March 2013, Dinamia contributed €1.89 million to Electra to fund its share of the acquisition of the data services businesses of UBM (AXIO Data Group) and cover the fund's expenses.

On 27 June 2013, Dinamia, along with the other shareholders in Xanit, made an additional equity injection into the latter in the form of an equity loan in order to finance the acquisition of 100% of Croasa, a leading private oncology clinic that commands a privileged market position in the city of Malaga. The amount paid in by Dinamia was €610 thousand. This transaction positions Xanit as an oncology benchmark at the national level and the leading provider of radiation therapy services in the province of Malaga, while expanding the pool of potential patients for its other specialties to the city of Malaga.

Dinamia acquired 5.50% of Salto on 30 December 2013 for an investment of €8.9 million. This transaction was structured as the purchase of Salto treasury shares, with the management team (and founders of Salto) staying on as controlling shareholders. Salto, headquartered in Oyarzun (Basque region), is the world's fifth-largest manufacturer of access control systems, specialising in electronic locks. Over 90% of its revenue is accounted for by exports to more than 90 different countries.

3.2 EXITS

Lata Lux Holding Parent S.à r.l., the holding company through which Dinamia took a 2.6% indirect shareholding in Mivisa, signed the agreement for the sale of 100% of Mivisa to Crown Holdings on 30 October 2013. The close was conditional upon European anti-trust approval. In April 2013, Dinamia had received a special payout of €5.4 million as a result of the partial repayment of shareholder loans and the settlement of the interest accrued as of the loan repayment date.

The Company sold the 1,566,583 shares it continued to hold in Nicolás Correa on the secondary market between the months of September and October 2013. The proceeds, net of fees and commissions, totalled €2.23 million.

During the last quarter of 2013, Dinamia sold its investments in Hoteles Tecnológicos 2010 and Mysibek Investments, which formed part of its overall investment in High Tech, for €869 thousand (original investment in 2010 of €885 thousand).

SNAPSHOT OF DINAMIA'S BUSINESS ACTIVITY IN 2013

INVESTMENTS

INVESTEE	BUSINESS	DINAMIA'S SHAREHOLDING	AMOUNT (€MN)
NEW INVESTMENTS			
Salto Systems	Electronic access	5.50%	8.87
Probos	Plastic edge maker	24.34%	11.50
ADD-ON INVESTMENTS			
Electra	Private equity fund	11.76%	1.89
Xanit	Private hospital	33.71%	0.61
			22.87

EXITS

INVESTEE	BUSINESS	DINAMIA'S SHAREHOLDING	AMOUNT (€ MN)
FULL EXIT			
Nicolás Correa	Heavy machinery manufacturer	12.57%	2.23
PARTIAL EXIT			
Mivisa	Tin food packaging maker	2.60%	5.40
High Tech	City hotels	26.00%	0.87
			8.50

3.3 SIGNIFICANT INFORMATION IN 2014

On 17 January 2014, Dinamia, along with the other shareholders in Xanit, made an additional equity injection into the latter in order to finance the second stage of the acquisition of 100% of Croasa. The amount paid in by Dinamia was €406 thousand.

On 27 January 2014, upon delivery of the terms and conditions stipulated in the ZIV purchase agreement, the buyer released an amount of €790 thousand, out of the total €972 thousand held in an escrow account to cover potential contingencies, to Dinamia. This had the effect of increasing the return on the exit from ZIV, which had already generated a gain for Dinamia of €27,889 thousand.

On 14 February 2014, Dinamia received its first distribution from the Electra fund as a result of the repayment of a loan in the wake of the refinancing of the latter's investee, Nuaire. Nuaire was acquired by Electra in December 2007 and is a leading maker and distributor of ventilation systems for offices and residences in the UK. The fund received £7.5 million, thereby recovering 63% of the cost of its investment in Nuaire. For Dinamia this event means the repayment of £1,035 thousand (around €1,250 thousand) of capital contributions, which is equivalent to 10% of the amount contributed to the fund to date.

On 27 March 2014, Dinamia injected equity into its investee Secuoya to fund the company with a view to: (i) paying the contingent acquisition price, in keeping with the terms and conditions of the purchase agreement; and (ii) funding the Group's acquisition-led growth strategy. Dinamia's investment amounted to €1,192 thousand.

The European Commission approved the sale of Mivisa to trade buyer Crown Holdings on 14 March 2014, upon delivery of certain Commission-imposed commitments and conditions, including a binding agreement for the sale of certain Crown factories in Spain and Mivisa's facility in Horst (Netherlands) to one or more sanctioned buyers. The transaction closed on 23 April 2014. Dinamia received €14.6 million of proceeds from the sale of its investment in Mivisa. To derive the total return obtained on the investment in Mivisa, these sale proceeds need to be grossed up by the €5.4 million shareholder loan repayment received in early 2013. In total, the transaction yielded income for Dinamia (net of transaction expenses and exit-related bonus payments) of €20.0 million, which implies an internal rate of return (IRR) of 37.9% and an exit multiple of 2.4x the sum invested.

In term of value creation, the return on this investment was generated proportionately by: (i) growth in the company's EBITDA since its acquisition in 2010; (ii) multiple rerating in terms of the sale versus acquisition multiples; and (iii) deleveraging. This achievement demonstrates the team's ability to select good companies, leaders in their respective markets, with top-class management teams and international expansion plans and to create value for its shareholders in a relatively short period of time (three years), despite a challenging economic environment.

On 30 May 2014 Dinamia agreed and closed the outright sale of its investment in Colegios Laude, S.L. ("Laude") to Schools Partnership (ISP), an international investment fund which specialises in the education sector, on 30 May 2014. Dinamia has sold all of the shares it owned in Laude, representing 49.3% of this investee's share capital, along with the profit-participating loans it had extended to this company, for €2.89 million. Collection of €875,000 of the acquisition price will be deferred. The deal terms also envisage an additional bonus payment of up to €875,000 conditional upon certain events, receipt of which would increase the price fetched by Dinamia on this sale.

The investment in Colegios Laude, S.L. was valued at €1.97 million in Dinamia's most recent NAV report. The price agreed (without including the bonus payment) is €919,000 above its carrying amount. The investee sold owned the schools based in Spain. Accordingly, the school operated in the UK (Bredon School) falls outside the scope of the transaction. Dinamia is staying on as this school's shareholder through its investment in Colegios Laude II, S.L. Dinamia's interest in the latter holding company was valued at €1.54 million in the most recent NAV report.

3.4 OUTLOOK FOR 2014

The investment period of N+1 Private Equity Fund II, the closed-end fund with which Dinamia has a co-investment agreement, ended on 31 December 2013. In 2014, Dinamia will seek to lead co-investments in medium-sized companies in Spain and Portugal, solid, profitable companies that boast leading positions in their respective sectors, companies with ambitious exporting impetus or international expansion plans, companies managed by first-class management teams. It will also analyse different ways to increase portfolio diversification while leveraging the opportunities that arise in the market. In addition, the strong performance of some of the portfolio companies, coupled with growing appetite for mid-sized Spanish and Portuguese companies, notably on the part of trade buyers, may well result in the disposal and an eventual increase in cash in 2014. At year-end 2013, cash totalled €22 million.

3.5 SHAREHOLDERS: TRANSPARENCY, SOCIAL RESPONSIBILITY AND COMMUNICATION

Dinamia has been a member of LPEQ (www.lpeq.com), a group of 18 listed European private equity vehicles with an aggregate market cap at year-end 2013 of €7.62 billion, since the beginning of 2009. LPEQ was formed in 2006 to raise awareness and increase understanding of private equity as an asset class among the investment and analyst communities and in the trade press. Membership is increasing familiarity with Dinamia, enabling it to enhance its international positioning.

LPEQ
LISTED PRIVATE EQUITY

N+1 Capital Privado signed the Principles for Responsible Investment (PRI) endorsed by United Nations [www.unpri.org] in early 2010. N+1 Mercapital, the entity created by the merger of N+1 Capital Privado and Mercapital, has also signed these principles in order to expressly acknowledge the importance of factoring non-financial considerations, such as environmental, social and corporate governance criteria, into all its investment decisions.

N+1 Mercapital is convinced that socially responsible investing is a vital component of decision-making and management at its investees and that this form of decision-making aligns these companies' interests with those of their shareholders and society at large. One of N+1 Mercapital's investment vehicles, Dinamia, in its capacity as a listed company supervised by the Spanish securities market watchdog, is obliged to report on the extent to which it complies with corporate governance recommendations in an annual report [2013 Annual Corporate Governance Report]. When analysing each investment opportunity, and prior to taking the final investment decision, specific due diligence is performance with respect to environmental, social and human rights matters in order to ensure the correct standards are upheld.

Dinamia joined AERI (acronym for the Spanish IR association) in 2011 [www.aeri.es]. This association was founded in 1991 with a view to identifying and disseminating best practice in the field of IR. AERI currently has close to 50 listed members. The association serves as a training tool and source of learning in the IR field and helps to foster agreements with suppliers on favourable terms (e.g., the agreement reached with Header, the online shareholder forum platform provider, for the third year in a row in 2013).

The Company believes that communication and transparency vis-à-vis the market are crucial to correct price formation and to ensuring adequate shareholder liquidity. In 2013, the Company embarked on a comprehensive plan designed to raise Dinamia's profile in the market with the ultimate goal of boosting liquidity and facilitating turnover in its shares. This plan is framed by three key lines of initiative:

1. Increasing research coverage. At present three research analysts cover the stock on a regular basis while another five international analysts provide limited coverage. The goal is to achieve a higher level of regular, full coverage over the course of the year.

2. Boosting share marketing efforts by means of participation in national and international events. Against this backdrop, Dinamia participated in broker-organised roadshows in Paris and Madrid as well as several one-on-one meetings and conference calls with existing and potential investors.

3. Fostering a more active presence in the media to increase press coverage of the performance of Dinamia's investees.

Elsewhere, Dinamia continues to update and upgrade the design and contents of its webpage, www.dinamia.es, and bolster its communication strategy using this electronic medium by offering subscription to its newsletter.

As a result of these concerted efforts, in 2013 Dinamia demonstrated its ability to turn over its shareholder base, facilitating liquidity events for Spanish institutions such as CaixaBank and Agrupació Mutua and bringing Australian institutional investor Barwon into its shareholder ranks. Moreover, average daily trading volumes jumped by 83% to 24,607 shares (compared to an average of 13,464 in 2012) while the turnover ratio (as a percentage of the free float) increased to close to 97% from just 59% in 2012.

3.6 NAV, SHARE PRICE PERFORMANCE, DIVIDEND AND EARNINGS

Dinamia closed 2013 with a net asset value (NAV) of €148.7 million, up 5% year-on-year. The NAV of the company's investment portfolio amounted to €128.7 million (+39% vs. 2012), while net liquid assets decreased to €20.0 million.

NAV per share at 31 December 2013 stood at €9.13, growth of 5% (this growth rises to 14% adjusting for the dividends paid in 2013). The trend in the NAV per share metric is noteworthy because it marks the consolidation of the turnaround initiated in 2012. Since the end of 2011, the Company's per-share NAV has increased by 20%. Adjusting for the dividends paid in the last two years (DPS: €1.80), this growth rises to 57%.

The growth in NAV was underpinned by:

1. Net investee revaluations, driven mainly by their healthy earnings performances during the year. Revaluations were concentrated among the companies acquired between 2008 and 2013 (Xanit, MBA, Tryo, Eysa, Probos, Salto Systems); the better-performing investees boast greater international exposure and/or have benefitted from more active working capital management and have a healthy financial position;
2. Exits concluded at valuations above NAV;
3. Offset by the reduction in cash due to the dividend payment (€0.70/share), portfolio investments and operating expenses.

Dinamia's share price gained 28% in 2013 (total shareholder return of 41% adjusting for dividends), outperforming the Ibex35 (+21%) and the main comparable listed private equity indices, the LPX50 and the LPX Direct (which gained 31% and 21%, respectively). This strong share price performance had the effect of further narrowing the gap opened up between the Company and its listed private equity comps since mid-2010.

As a result of the healthy share price performance in 2013, with the share price gain outpacing NAV growth, the trading discount to NAV narrowed significantly, from 32,2% at year-end 2012 to 23% at year-end 2013. There is still room for further tightening in the discount to NAV to the extent that Dinamia converges towards the average discount of its comparable indices. The LPX50 and LPX Direct, which ended 2013 trading at discounts to NAV of 10% and 8%, respectively.

At the upcoming Annual General Meeting scheduled for 11 June 2014, the Board will propose the payment of a €0.70 per share dividend against the share premium account, which is in line with the average dividend paid by the Company since 1999. The proposed dividend would imply a dividend yield of 8.9% on the basis of Dinamia's share price as of 30 April 2014 (€7.90/share).

Board of Directors and Management Company

BOARD OF DIRECTORS OF DINAMIA CAPITAL PRIVADO, S.C.R., S.A. at 31 December 2013

Name	Position	Class of director
Santiago Bergareche Busquet	Chairman	Independent
Joaquín García-Quirós Rodríguez	Deputy Chairman	Proprietary
Alfred Merton Vinton	Member	Other external
Emilio de Carvajal y Ballester	Member	Proprietary
Rafael Jiménez López	Member	Proprietary
José Javier Carretero Manzano	Member	Independent
Nicolás Villén Jiménez [1]	Member	Independent
Fernando D'Ornellas Silva [1]	Member	Independent
Marta Rios Estrella	Board Secretary, non-member	-
Ignacio Zarzalejos Toledano	Deputy Secretary, non-member	-

(1) On 19 February 2013, the Board exercised its cooption powers to appoint Nicolás Villén Jiménez and Fernando D'Ornellas Silva as directors. Their appointments were ratified at the AGM held on 13 June 2013.

AUDIT AND APPOINTMENTS COMMITTEE OF DINAMIA CAPITAL PRIVADO, S.C.R., S.A. at 31 December 2013

Name	Position	Class of director
Nicolás Villén Jiménez [1]	Chairman	Independent
Fernando D'Ornellas Silva [1]	Member	Independent
José Javier Carretero Manzano	Member	Independent
Rafael Jiménez López	Member	Proprietary
Marta Rios Estrella	Secretary	-
Ignacio Zarzalejos Toledano	Deputy Secretary	-

(1) Dinamia's Audit and Appointments Committee agreed to appoint Fernando D'Ornellas Silva as its chairman with effect from 9 May 2014 (the date on which the outgoing chair's tenure elapsed). Nicolás Villén remains a member of this Committee.

NMÁS1 CAPITAL PRIVADO, S.G.E.C.R., S.A.

Management Company of Dinamia Capital Privado, S.C.R., S.A.	at 31 December 2013
Name	Position
Federico Pastor	Chairman
Gonzalo de Rivera	Chief Executive Officer
David Santos	Partner
Javier Arana	Partner
Mariano Moreno	Partner
Sergio Jerónimo	Chief Financial Officer
José Alberto Parejo	Principal (Investor Relations)
Fernando Sanz-Pastor	Principal
Fernando Ortega	Principal
Manuel Alamillo	Principal
Jaime Codorníu	Associate
Juan Luis Torres	Associate
Sonsoles Bordiu	Secretary

Key Figures and Charts

1. Key data

General data

IPO date	15/12/97
Year-end (YE)	31/12/13
Stock exchanges	Madrid / Barcelona
Indices	IBEX Small Cap / LPX50 / LPXEurope / LPXComposite / LPX Direct
Ticker (Bloomberg) / RIC (Reuters)	DIN SM / DIN.MC
ISIN code	ES0126501131
2013 AGM	11/06/14
NAV reporting frequency*	Quarterly
Ordinary dividend frequency	Annual
No. of shares outstanding (YE)	16,279,200

* Reviewed half-yearly by an independent expert

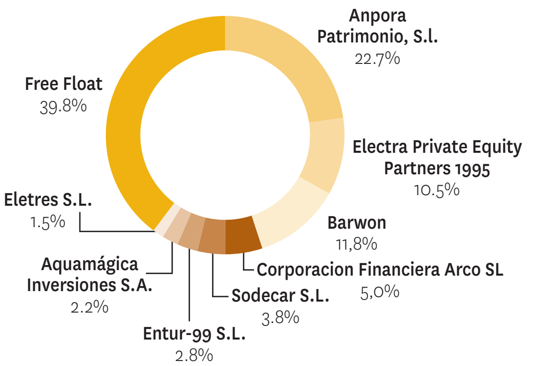
Share, NAV and dividend data

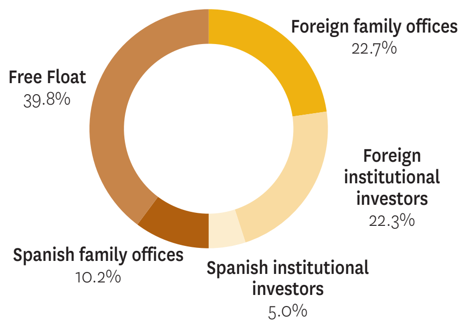
Market cap (YE)	€114mn
Total net assets (YE)	€149mn
NAV per share (YE)	€9.13
Price per share (YE)	€7.00
2013 high (13 November)	€7.26
2013 low (2 April, 18 April and 19 April)	€4.97
Discount to NAV (YE)	23.3%
Discount to NAV excl. cash (YE)	27.0%
DPS paid out in 2013	€0.70
2013 dividend yield (YE share price)	10.0%
Proposed dividend, July 2014	€0.70
2014 dividend yield (share price as of 30/04/2014)	8.9%
No. of shares traded, 2013	6,274,716 shares
Average daily trading volume, 2013	24,407 shares
Average daily trading volume by value, 2013	€142,306.20
Turnover of free float, 2013	96.9%
Share price gain, 2013	28.4%
Total shareholder return (adj. dividend), 2013	41.3%
Share price gain YTD 2014 (30/04/2014)	12.9%

Source: Dinamia's NAV report as of 31/12/2013 and Capital IQ

2. Dinamia's shareholder structure

The main change in Dinamia's shareholder structure in 2013 was the investment made by Barwon (11.8%) in May. Barwon acquired the shareholdings of Agrupació Mutua (4.1%) and CaixaBank (7.5%), providing a liquidity event for these shareholders.





Direct and indirect shareholdings of 3% or more reported to the CNMV as of 30 April 2014

3. Analyst coverage

The majority of the analysts that cover Dinamia regularly hold buy recommendations; the other foreign research analysts that follow Dinamia without providing full coverage do not issue specific recommendations on the stock.

RESEARCH HOUSE	ANALYST	RECOMMENDATION	DATE
La Caixa	Antonio Castell	Overweight	
Banco Sabadell	María Cebollero	Sell	
Kepler Cheuvreux	Iñigo Egusquiza	Buy	
BES	Nuno Estacio	These analysts monitor Dinamia without providing full research coverage	
Cazenove	Chris Brown	These analysts monitor Dinamia without providing full research coverage	
Dexion Capital	Tom Skinner	These analysts monitor Dinamia without providing full research coverage	
Numis Securities	James Glass	These analysts monitor Dinamia without providing full research coverage	
Jefferies Investments	Mark Ambrose	These analysts monitor Dinamia without providing full research coverage	

Source: Capital IQ and the most recent research reports published by each brokerage

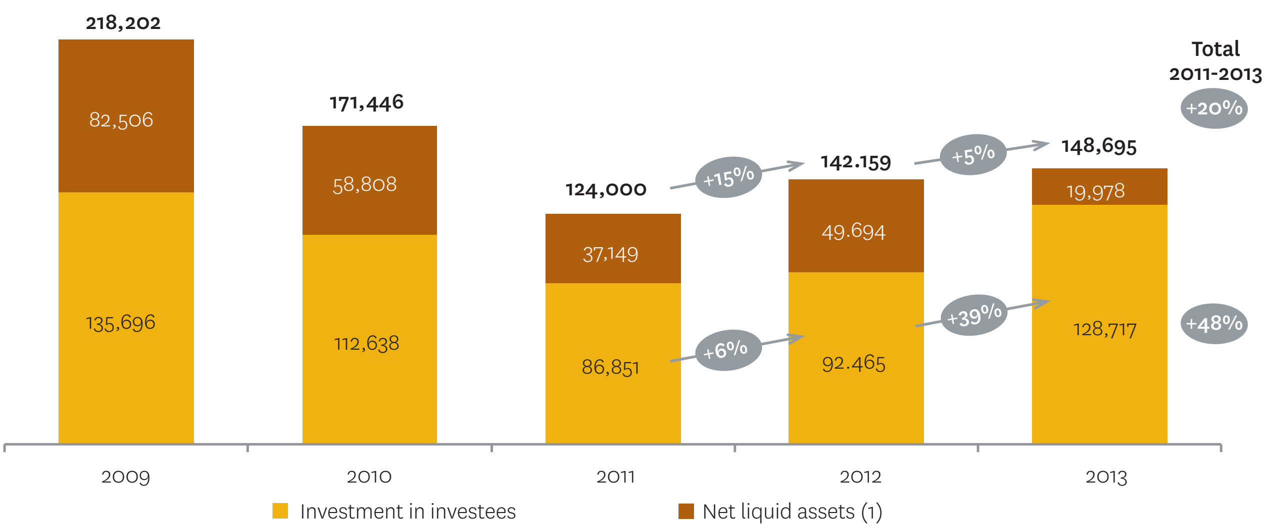
4. Trend in NAV, 2009 - 2013

Dinamia's net asset value (NAV), after factoring in the payment of a €0.70 per share dividend, increased by 5% in 2013.

This growth was driven by a significant 39% increase in the value of the Company's investee portfolio, from €92.5 million at year-end 2012 to €128.7 million at year-end 2013. The portfolio revaluation in turn breaks down into: (i) the two new investments closed during the year (Probos and Salto Systems), which account for almost 60% of this gain; and (ii) the revaluation of the investments made in recent years (2008-2012), which represent a little over 40% of the portfolio revaluation.

The Company's net liquid assets declined to €20 million due to: (i) the abovementioned new investments (€20.7 million); (ii) the payment of a €0.70 DPS (€11.4 million); offset by (iii) the recovery of 65% of the original investment in Mivisa as a result of the repayment of certain loans granted to this investee by its shareholders.

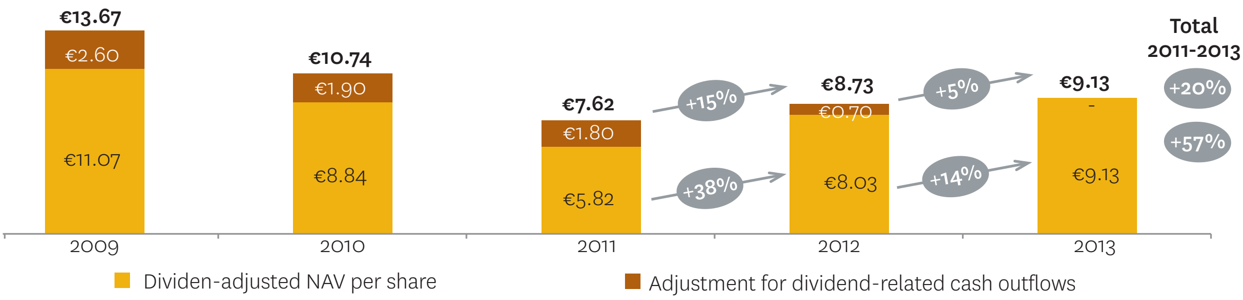
The valuations ascribed to the Company's investees remain conservative as a result of the cautious valuation methodologies used. There is additional portfolio valuation upside to the extent that the recently-acquired investees begin to deliver on their business plans.



(1) Cash + other current assets - other current liabilities

5. Trend in Dinamia's NAV per share, 2009 - 2013

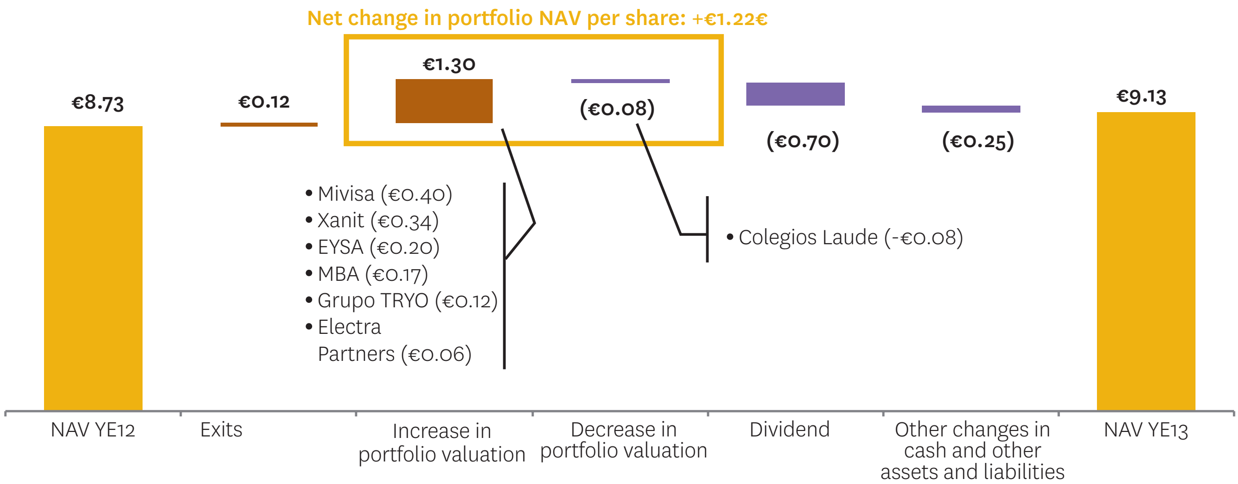
NAV per share rose 5% in 2013. Adjusting NAV per share for the cash outflow implied by the dividend payment, this reading would have registered annual growth of 14%. NAV per share has increased by a cumulative 20% since 2011 (+57% adjusting for dividend payments), evidencing the initial results of the reorientation of Dinamia's investment strategy since 2011, which is predicated on the rotation of the assets in its portfolio the longest coupled with investments in sector leaders with international footprints.



6. Trend in Dinamia's NAV per share, 2012 - 2013

The growth in NAV was underpinned by:

1. Exits concluded at valuations above NAV.
2. Net investee revaluations, driven mainly by the investees acquired between 2008 and 2012 as a result of their healthy earnings performances during the year. The better-performing investees boast greater international exposure and/or have benefitted from more active working capital management and have a healthy financial position.
3. The reduction in cash due to the dividend payment (€0.70/share) and operating and other expenses.



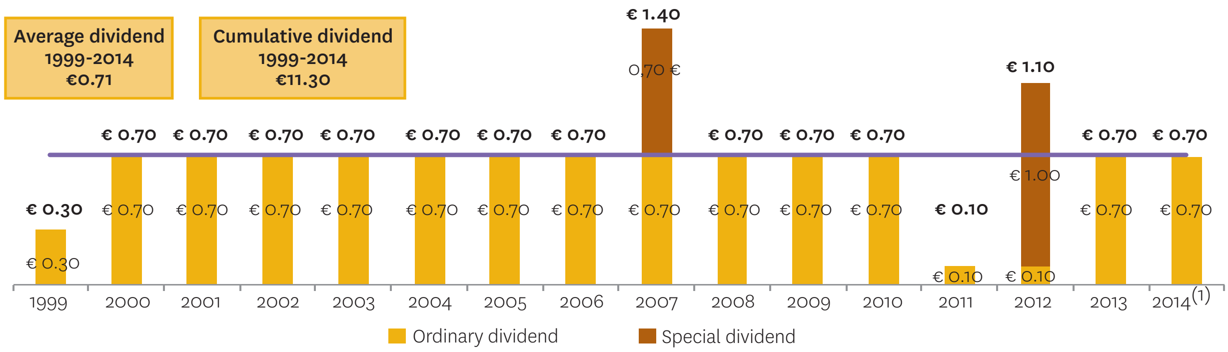
7. Shareholder remuneration policy

At the upcoming Annual General Meeting scheduled for 11 June 2014, the Board will propose the payment of a €0.70 per share dividend against the share premium account. This dividend proposal is in line with the long-run average since 1999 and implies a dividend yield on the basis of the share price as of the close of trading on 30 April 2014 (€7.90) of 8.9%, substantially above the dividend yield of comparable listed European private equity companies and the small-cap indices in Spain.

		Date at YE							Change in	
Year	No. of shares	Share price	Share price (adj. div.)	NAV/ share	Premium/ (discount) vs.NAv	Dividend (€ 000)	DPS	Dividend yield	Share price	Share price (adj. div.)
1997	9,000,000	€14.63	€14.63	€13.28	10.2%	-	-	-	-	-
1998	8,550,000	€9.74	€9.74	€15.49	(37.2%)	-	-	-	(33.5%)	-
1999	8,550,000	€8.65	€8.95	€16.18	(46.5%)	2,569	€0.30	3.5%	(11.2%)	(8.1%)
2000	8,550,000	€10.35	€11.05	€19.66	(47.4%)	5,985	€0.70	6.8%	19.7%	27.7%
2001	8,550,000	€11.19	€11.89	€20.50	(45.4%)	5,985	€0.70	6.3%	8.1%	14.9%
2002	8,550,000	€11.45	€12.15	€18.06	(36.6%)	5,985	€0.70	6.1%	2.3%	8.6%
2003	8,550,000	€12.59	€13.29	€17.55	(28.2%)	5,985	€0.70	5.6%	10.0%	16.1%
2004	8,550,000	€14.44	€15.14	€18.76	(23.1%)	5,985	€0.70	4.8%	14.7%	20.2%
2005	11,970,000	€18.50	€19.20	€19.78	(6.5%)	6,284	€0.70	3.8%	28.1%	33.0%
2006	11,970,000	€23.49	€24.19	€26.38	(11.0%)	8,379	€0.70	3.0%	27.0%	30.8%
2007	11,970,000	€20.98	€22.38	€27.65	(24.1%)	16,758	€1.40	6.7%	(10.7%)	(4.7%)
2008	11,970,000	€13.35	€14.05	€18.86	(29.2%)	8,379	€0.70	5.2%	(36.4%)	(33.0%)
2009	15,960,000	€10.10	€10.80	€13.67	(26.1%)	8,379	€0.70	6.9%	(24.3%)	(19.1%)
2010	15,960,000	€8.78	€9.48	€10.74	(18.3%)	11,172	€0.70	8.0%	(13.1%)	(6.1%)
2011	16,279,200	€3.95	€4.05	€7.62	(48.1%)	1,596	€0.10	2.5%	(55.0%)	(53.9%)
2012	16,279,200	€5.45	€6.55	€8.73	(37.6%)	17,865	€1.10	20.2%	38.0%	65.8%
2013	16,279,200	€7.00	€7.70	€9.13	(23.4%)	11,358	€0.70	10.0%	28.4%	41.3%
2014 (1) (2)	16,279,200	€7.90	€7.90	€9.24	(14.5%)	11,395	€0.70	8.9%	12.9%	12.9%
Total/average					**(27.4%)**	**134,060**	**11.30 €**	**6.0%**		

Source: Capital IQ, Dinamia valuation reports and annual financial statements
(1) Closing price as of 30/04/2014 and the most recently published NAV (as of the close of 1Q14)
(2) Dividend pending shareholder approval at the AGM scheduled for 11 June 2014.

TREND IN DIVIDEND PER SHARE (1999-2014)



Source: Capital IQ, Dinamia valuation reports and annual financial statements
(1) Dividend pending shareholder approval at the AGM scheduled for 11 June 2014.

8. Investee portfolio at 31/12/2013

The investment strategy step change embarked on in prior years gained momentum in 2013, crystallising in greater portfolio diversification.

On the investment front, Dinamia invested €11.5 million in two stages to acquire a 24.34% interest in Probos, the world's third-largest maker of plastic band edges for the furniture industry, and €8.87 million to acquire 5.5% of Salto, an electronic lock maker based in Oyarzun. In addition, the Company injected equity into several of its investees, most notably: (i) contributing a further €1.89 million to Electra Partners Club to fund the acquisition of UBM's data services businesses (AXIO Data Group) and cover its share of the fund's operating expenses; and (ii) investing €610 thousand in Xanit as part of the latter's acquisition of Croasa.

On the disposal front, Dinamia completed its exit from Grupo Nicolás Correa Anayak between September and October, generating €2.23 million in proceeds. During the last quarter of 2013, the Company also

			YE13	
Investee name	**Sector**	**Year of investment**	**% Dinamia**	**Net investment**
COMPARABLE PORTFOLIO AT 31/12/2013				
MBA	Distribution of implants	2008	36.9%	32,266
EYSA	Car parks	2011	25.0%	13,451
Mivisa	Tin packaging for food	2011	2.6%	2,965
TRYO Group	Electronic equipment	2011	24.8%	9,960
Electra Partners Club 2007 LP	Private equity fund	2008	11.8%	11,964
Xanit	Private hospital	2007	33.7%	25,963
Secuoya	Audiovisual services	2012	13.8%	3,604
Colegios Laude	Private education	2006	49.3%	18,542
High Tech Hotels	Hotel chain	2003	26.0%	8,787
Bodybell	Perfume and cosmetics chain	2005	14.4%	3,908
Grupo Novolux	Exterior lighting	2005	48.5%	12,025
Alcad	High frequency systems	2007	37.7%	9,847
Arco Bodegas Unidas	Wineries	1999	8.0%	15,458
Total NAV of comparable portfolio				**168,740**
New investments in 2013				
Probos	Manufacture of plastic edges	2013	24.3%	11,500
Salto	Electronic locks	2013	5.5%	8,872
Total value of new investments				**20,372**
Exits closed in 2013				
Grupo Nicolás Correa Anayak	Manufacture of heavy machinery	1999	12.6%	2.599
Total value of investees exited				**2.599**
Total portfolio valuation				

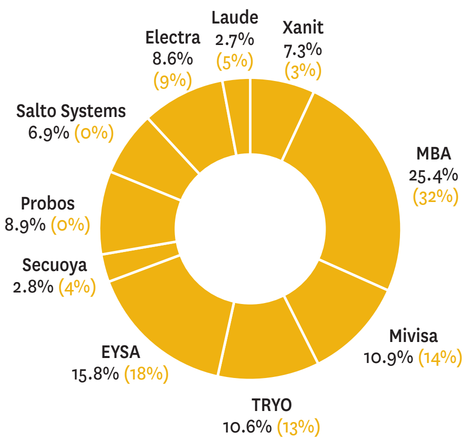
sold its investments in Mysibek Investments and Hoteles Tecnológicos 2010, which formed part of its overall investment in High Tech, for €869 thousand.

In March 2013, Dinamia recovered 65% of its original investment in Mivisa following the repayment of certain loans extended to this investee by its shareholders. The sale of this company to Crown Holdings, Inc. was announced in October. At year-end, this transaction was pending approval by the European anti-trust authorities; the sale closed on 23 April 2014.

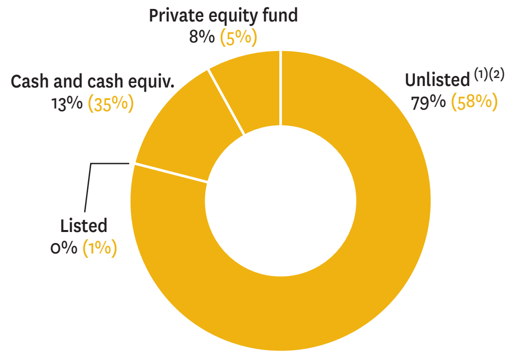
Lastly, it is worth highlighting the revaluation of the like-for-like portfolio (+19% vs. 2012) throughout the course of last year. The strong performance by the investees acquired more recently, specifically between 2008 and 2011, is particularly noteworthy; these companies boast relatively greater international exposure and have been able to deleverage relatively quickly thanks to active working capital management.

YE13		**YE12**		**Change 2013 vs.2012**	
NAV	**NAV/ share**	**NAV**	**NAV/ share**	**NAV**	**NAV/ share**
32,678	€2.01	29,851	€1.83	2,827	€0.17
20,374	€1.25	17,080	€1.05	3,294	€0.20
14,040	€0.86	12,930	€0.79	1,110	€0.07
13,700	€0.84	11,791	€0.72	1,909	€0.12
11,114	€0.68	8,230	€0.51	2,884	€0.18
9,329	€0.57	3,149	€0.19	6,180	€0.38
3,604	€0.22	3,604	€0.22	-	-
3,507	€0.22	4,733	€0.29	(1,227)	(€0.08)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,345	**€6.66**	**91,368**	**€5.61**	**16,977**	**€1.04**
11,500	€0.71	-		11,500	€0.71
8,872	€0.54	-	-	8,872	€0.54
20,372	**€1.25**	**-**	**-**	**20,372**	**€1.25**
-	-	1,097	€0.07	(1,097)	(€0.07)
-	**-**	**1,097**	**€0.07**	**(1,097)**	**(€0.07)**
128,717	**€7.91**	**92,465**	**€5.68**	**36,252**	**€2.23**

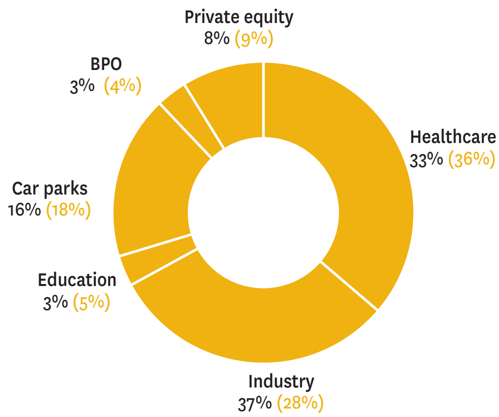
BREAKDOWN OF PORTFOLIO NAV BY INVESTEE (1) (2)



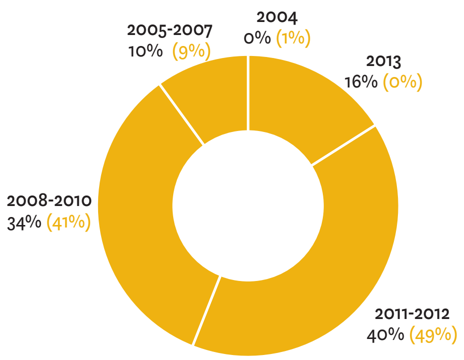
BREAKDOWN OF NAV (1)



BREAKDOWN OF PORTFOLIO NAV BY SECTOR (1) (2)

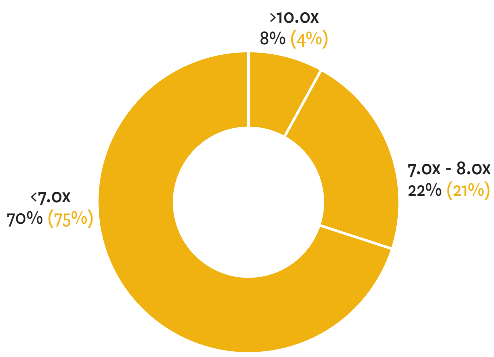


BREAKDOWN BY INVESTMENT CYCLE (1) (2)



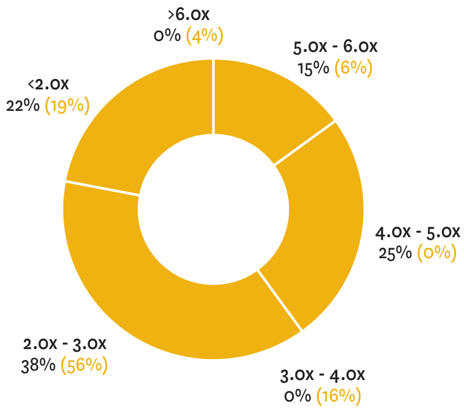
BREAKDOWN OF PORTFOLIO NAV BY VALUATION MULTIPLE (1) (2)

Average valuation multiple: 7.2x (7.0x)



BREAKDOWN OF PORTFOLIO NAV BY LEVERAGE RATIO (3)

Average leverage ratio: 3.1x (3.0x)



(1) Based on the NAV of the investees as of 31/12/2013
(Using NAV as of 31/12/2012)

(2) Dinamia exited Nicolás Correa, which accounted for 1% of NAV as of 31/12/2012, in the course of 2013

(3) Based on the investees' published NAVs as of 31/12/2013 with the exception of Electra (and Nicolás Correa in 2012)
(Using NAV as of 31/12/2012)

9. Split NAV

BREAKDOWN OF NAV/SHARE AT 31/12/2013

		€/share
1	Cash and cash equivalents	**€1.23**
2	Latest investments	**€6.44**
	Secuoya €0.22; EYSA €1.25; OTRYO €0.84; MIVISA €0.86; MBA €2,01; SALTO €0.54; PROBOS €0.71	
3	Rest of portfolio (valuation > 0)	**€1.47**
	Xanit Hospital Internacional €0.57; electra partners €0.68; LAUDE Colegios €0.22	
4	Rest of portfolio (valuation = 0)	**€0**
	High Tech Hotels; Bodybell Perfumerías; ALCAD; Grupo Novolux Lighting; ARCO Bodegas Unidas	
	TOTAL NAV 4Q13	**€9.13**

Cash balance and most recent investments account for €7.67/share

Solid companies with international growth stories acquired at the bottom of the cycle at moderate prices

Investees with positive NAVs and good prospects

Scope for valuation upside at some of these companies

The investments acquired between 2008 and 2013 performed well last year mainly thanks to their international footprints

10. Portfolio perfomance

	Revenue growth	% of revenue generated abroad (out of total 2013 revenue)	EBITDA growth	Leverage 2013 (2012) ND/EBITDA
Xanit Internacional	+31%	41%	+70%	3.3x (4.7x)
MBA	+3%	24%	+3%	2.8x (2.7x)
OTRYO Technologies	+21%	88%	+20%	1.2x (1.0x)
EYSA	+0%	0%	+5%	n.a (n.a)
Secuoya Grupo de Comunicación	+29%	0%	+23%	1.1x (1.6x)
PROBOS	+9%	91%	+10%	2.2x (3.2x)
SALTO inspiredaccess	+40%	95%	+40%	(0.6x) (n.a)
TOTAL	**+17%**	**52%**	**+15%**	**1.6X (2.0x)**

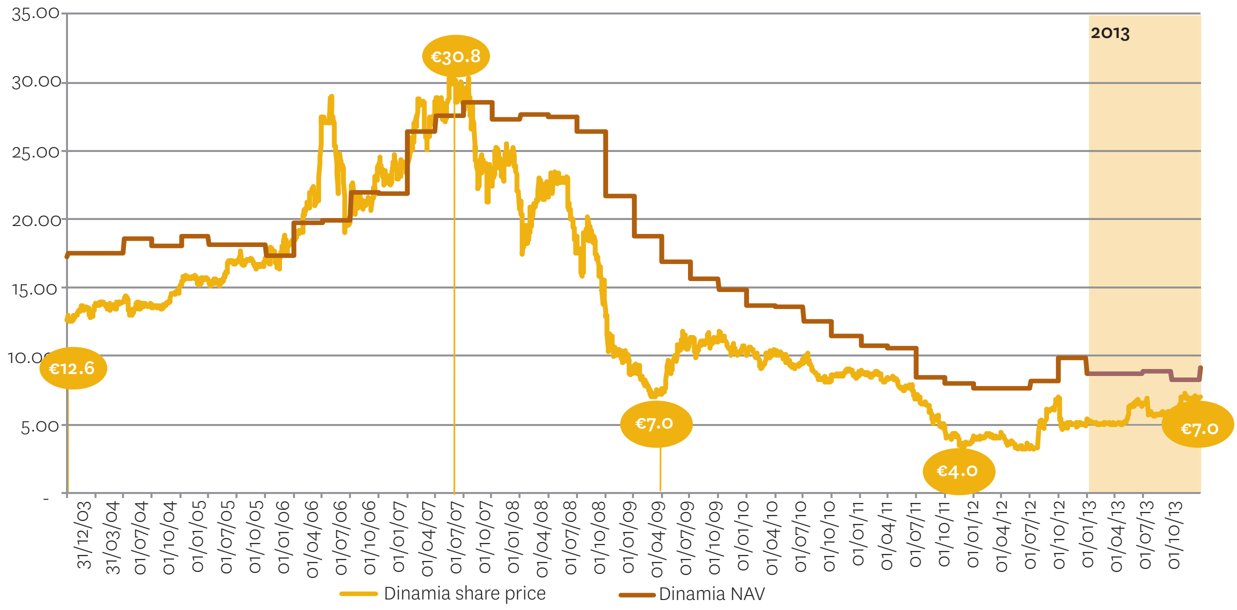
Note: (i) Xanit's international revenue refers to sales to international customers; (ii) Probos's earnings performance was adversely affected by the depreciation of the Brazilian real; in constant currency terms, revenue and EBITDA growth would stand at 11 and 10%, respectively; (iii) The totals represent the aggregate figures for recent investees except for Mivisa (which was sold in April 2014)

11. Price vs. NAV

Dinamia's strong share price performance in 2012 and 2013 reflects gathering momentum in the investment strategy initiated in 2010. The company has gone to lengths to shift its portfolio away from cyclical companies exposed to the home market towards more solid companies with greater international exposure. The exits concluded since mid-2012 and the revaluation of portfolio NAV evidence the results of this strategy, driving a reduction in the trading discount to NAV to 23%.

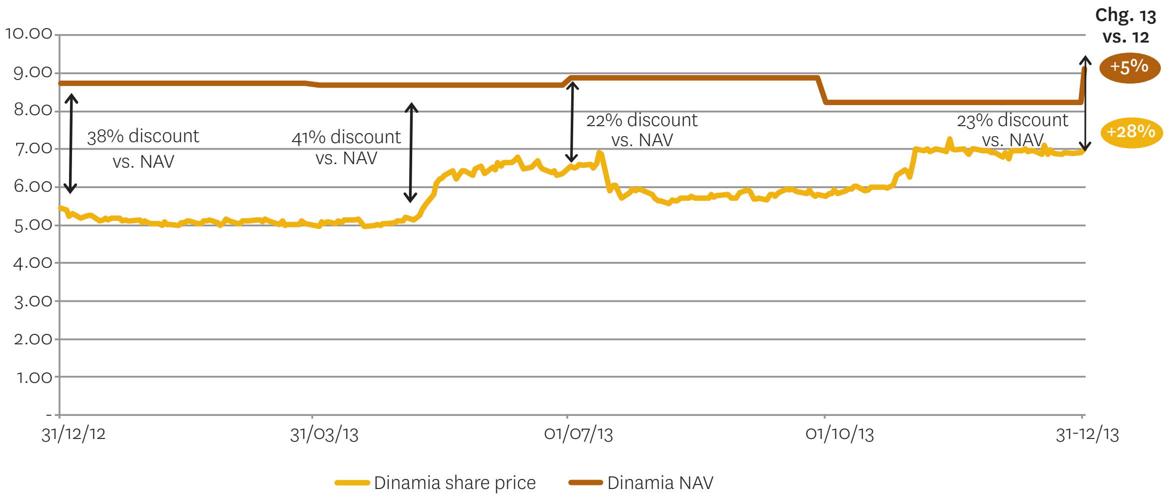
DINAMIA'S SHARE PRICE PERFORMANCE VS. NAV, LAST 10 YEARS (DEC. 2003 - DEC. 2013)

Figures in € per share



DIMAMIA'S SHARE PRICE PERFORMANCE VS. NAV, LTM (DEC.2012 -DEC.2013)

Figures in € per share

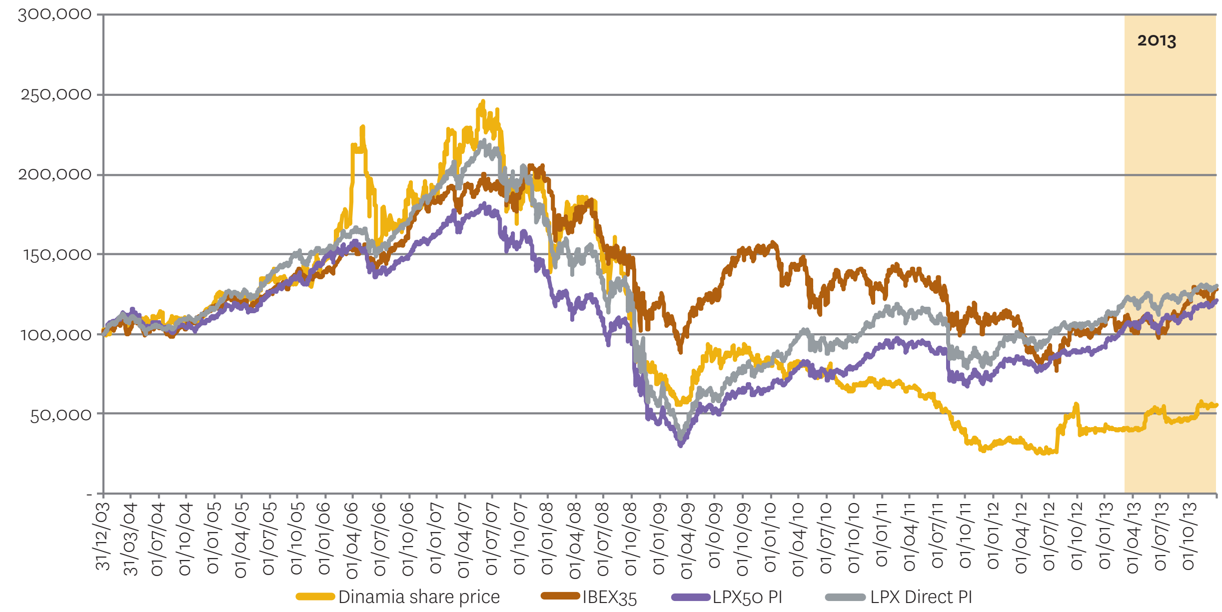


12. Share price vs comparable indices

Dinamia's share price gained 28% in 2013 (total shareholder return of 41% adjusting for dividends), outperforming the Ibex-35 (+21%) and the leading comparable listed private equity indices, the LPX50 and the LPX Direct (which gained 31% and 21%, respectively). This strong share price performance had the effect of narrowing the gap opened up with respect to its listed private equity comps since mid-2010.

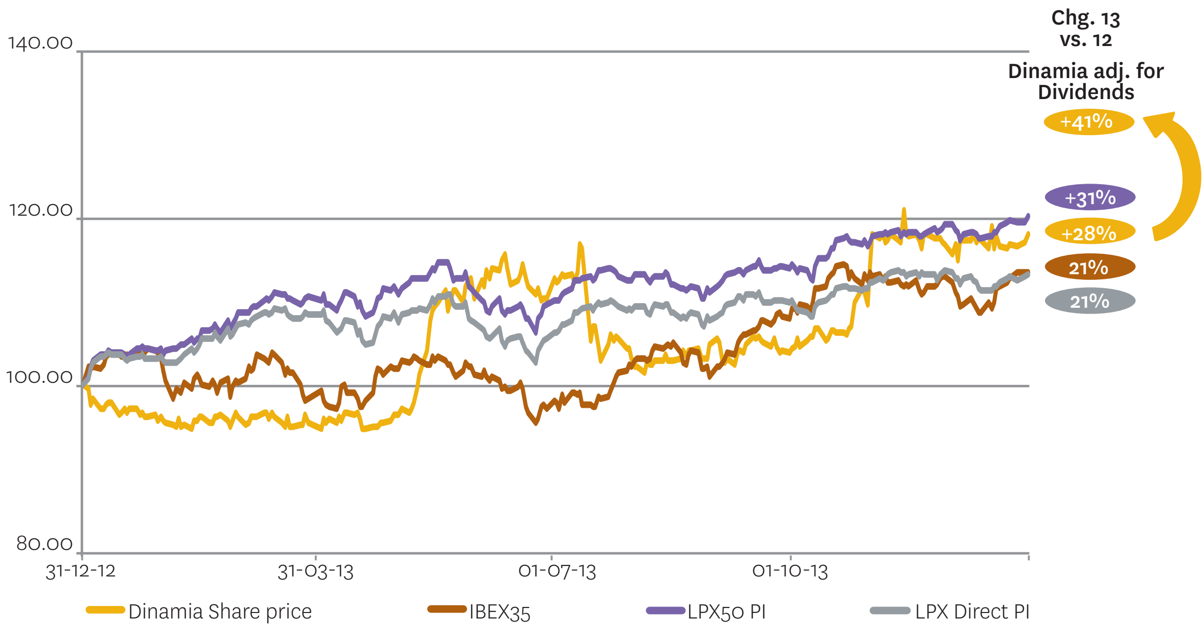
DINAMIA'S SHARE PRICE PERFORMANCE VS. THE IBEX-35 AND OTHER COMPARABLE INDICES, LAST 10 YEARS (DEC. 2003 - DEC. 2013)

Rebased to 100 (Dic 2003)



DINAMIA'S SHARE PRICE PERFORMANCE VS. THE IBEX-35 AND OTHER COMPARABLE INDICES, LTM (DEC. 2012 - DEC. 2013

Rebased to 100 (Dic 2012)

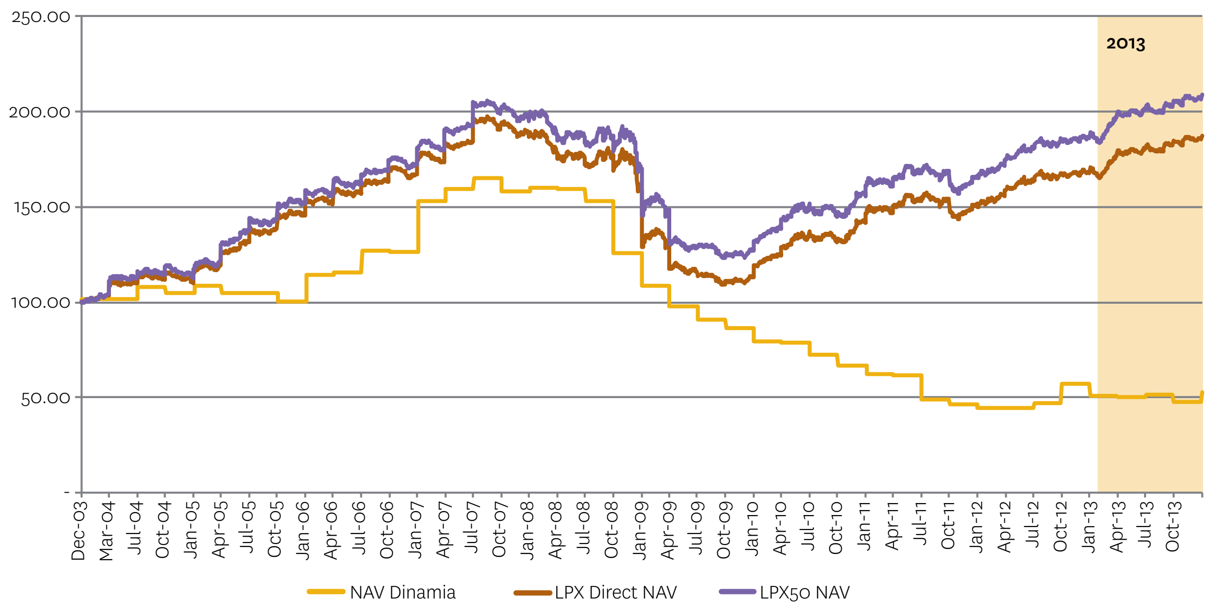


13. NAV vs comparable indices

The portfolio revaluation initiated in 2012 continued in 2013, with NAV rising 5% (+14% adjusting for dividends); over the last two years, the Company's NAV has increased by 20% (+57% adjusting for dividends). Dinamia's comparable indices staged a very similar performance, registering portfolio revaluations in the order of 10% - 11%.

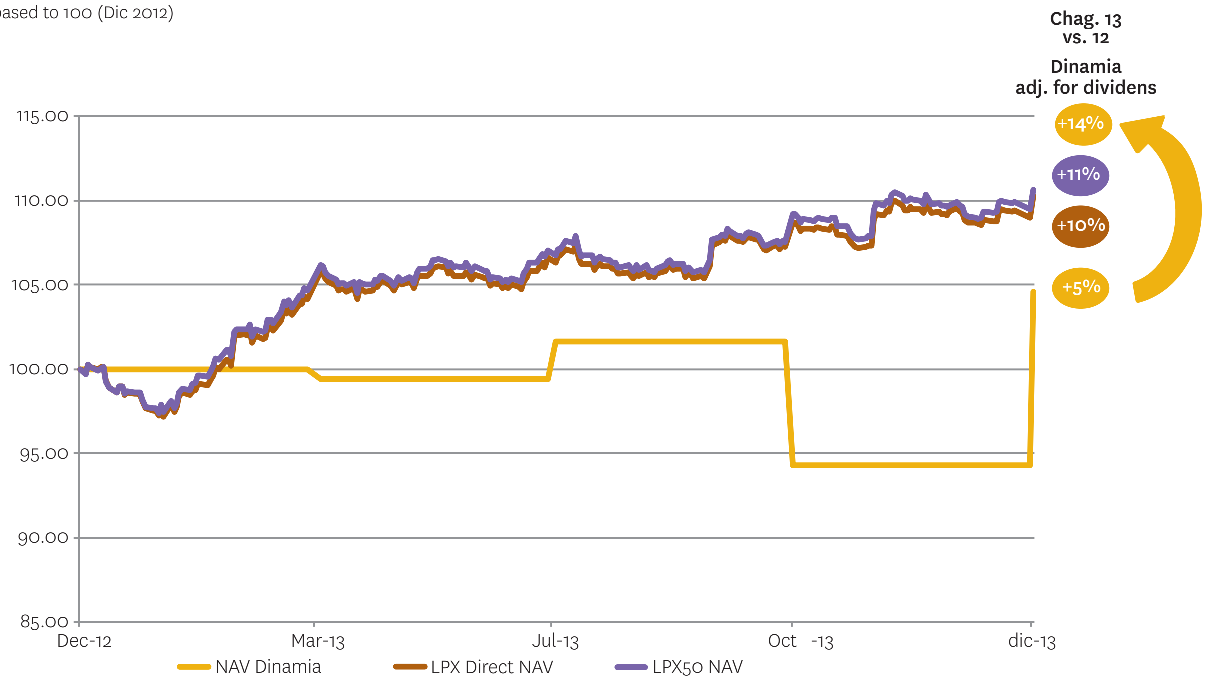
TREND IN DINAMIA'S NAV VS. THE NAV OF OTHER COMPARABLE INDICES, LAST 10 YEARS (DEC. 2003 - DEC. 2013

Rebased to (Dic 2003)



TREND IN DINAMIA'S NAV VS. THE NAV OF OTHER COMPARABLE INDICES, LTM (DEC. 2012 - DEC. 2013)

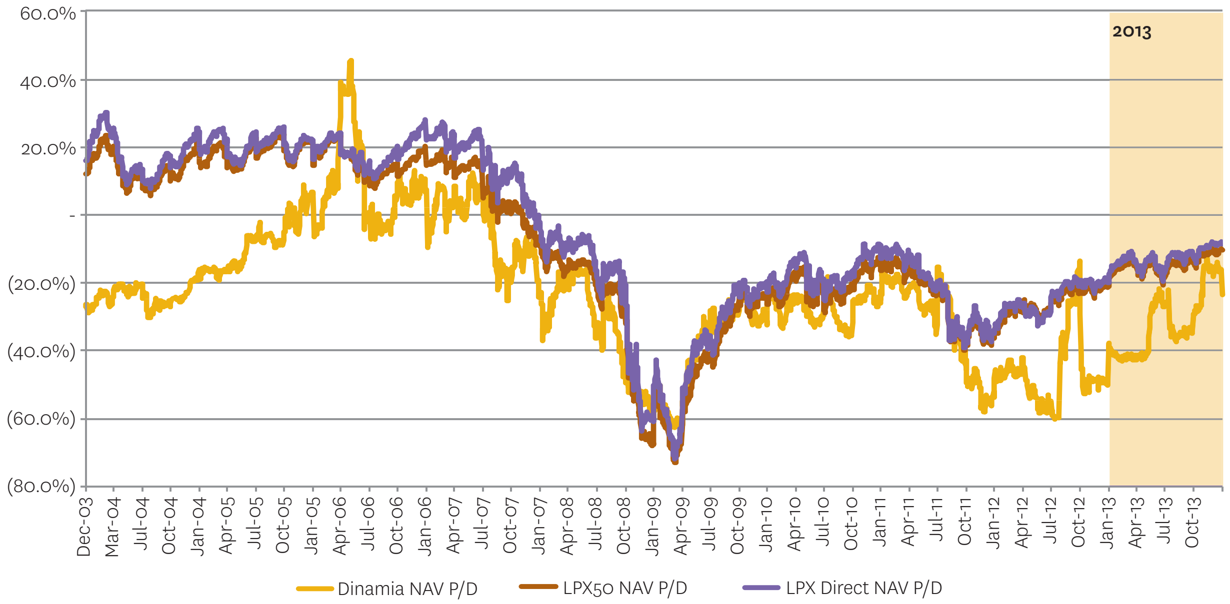
Rebased to 100 (Dic 2012)



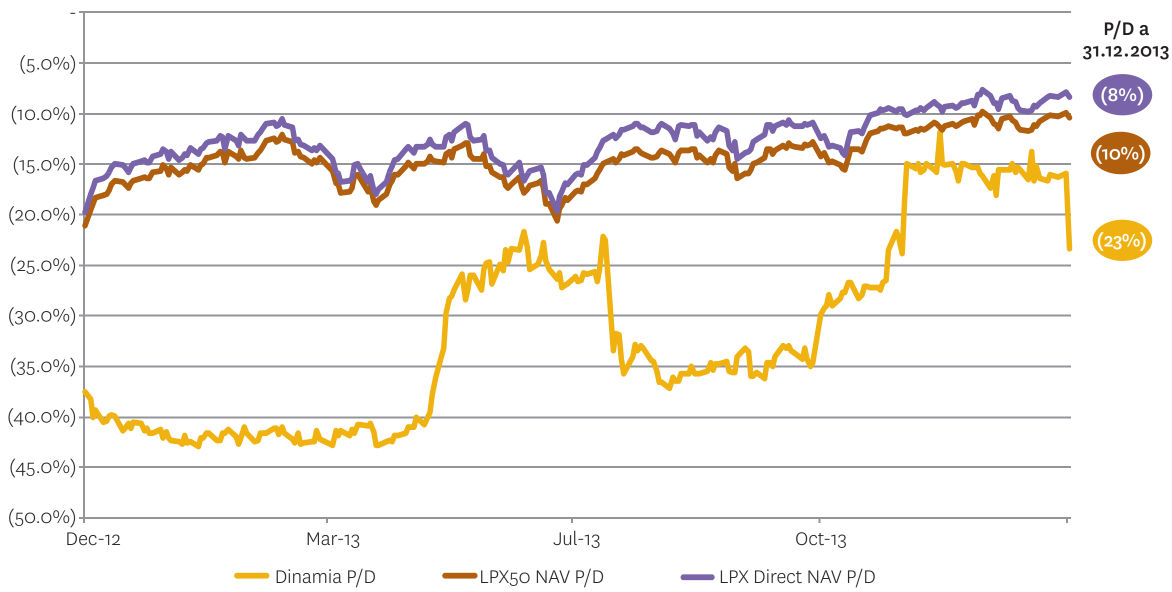
As a result of a healthy share price performance and portfolio revaluation in 2013, the trading discount to NAV continued to narrow, from 38% at year-end 2012 to 23% at year-end 2013. In the years to come, Dinamia plans to work to further close the gap opened up relative to its listed peers.

14. NAV discount vs. comparable indices

TREND IN DINAMIA'S TRADING DISCOUNT TO NAV VS. DISCOUNT TO NAV OF COMPARABLE INDICES, LAST 10 YEARS (DEC. 2003 - DEC. 2013)



TREND IN DINAMIA'S TRADING DISCOUNT TO NAV VS. DISCOUNT TO NAV OF COMPARABLE INDICES, LTM (DEC. 2012 - DEC. 2013)



Note: P/D means Premium/Discount

SALTO SYSTEMS

www.saltosystems.com

2013 was a good year for Salto: it was marked by earnings growth and the consolidation of the US as the company's most important market

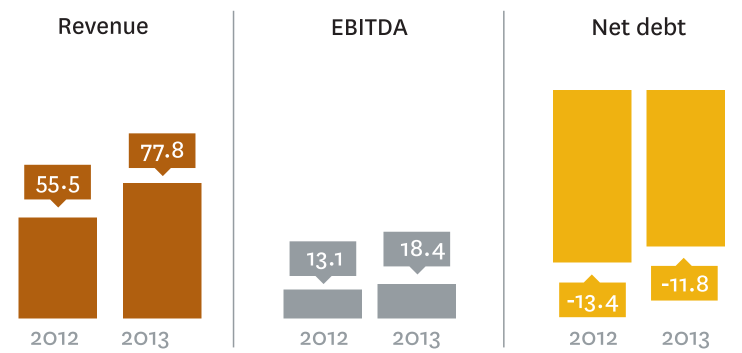
INVESTMENT DATA	Thousand euro
Sector	Electronic locks
Investment type	Buyout
Acquisition date	December 2013
Investment to date	8,872

INVESTEE SHAREHOLDERS	
Dinamia Capital Privado	5.5%
Nmas1 Private Equity Fund II	16.5%
Management team / Family offices	78.0%

FINANCIAL INFORMATION — Thousand euro

	Audited YE13	Audited YE12
Income statement		
Revenue	77,831	55,536
EBITDA	18,402	13,105
Balance sheet		
Total assets	65,013	48,227
Equity	34,417	28,271
Net debt	(11,764)	(13,440)

FINANCIAL HIGHLIGHT — Million euro



COMPANY OVERVIEW

Founded in 1999, Salto designs and manufactures products for the access control market and is deeply specialised in the electronic locks segment. The company boasts an extensive catalogue of products and solutions. It has installed battery powered locks in over 1,500,000 doors, having notched up its highest credentials in the education niche (notably Princeton, Cambridge and Sydney universities) and the transport segment (Heathrow and Munich).

The company is firmly entrenched in the European and US markets, which have driven growth in recent years. Its worldwide footprint extends to 90 different markets. In 2012, over 90% of revenue was accounted for by exports; this figure is expected to rise to 95% in 2013.

Salto has 300 employees. Salto is headquartered in Oiartzun, in Spain's Basque region, where the firm's management, R&D and marketing efforts are based. The sales and technical support functions are decentralised, with over half of the headcount based outside Spain.

MARKET OVERVIEW

The size of the worldwide electronic locks marked is estimated at €721 million. The main product-using sectors are: (i) hotels (26%); (ii) the residential sector (19%); and (iii) the retail sector (15%).

Penetration of electronic locks across the various markets remains limited, underpinning the sector's strong growth prospects (CAGR 13-17e: 12.2%).

The electronic locks sector is highly fragmented. The top 7 sector players account for 65% of the market. Salto ranks fifth, although it is the number player if the hotel segment is taken out of the equation.

Existing barriers to entry derive from:

- Technology: command of hardware and software.
- Lack of global standardisation requiring significant capital expenditure to penetrate specific markets.

INVESTMENT RATIONALE

- Strong international footprint (> 90% of revenue generated outside Spain).
- Excellent and vested management team (founders and leading shareholders).
- Ability to adapt to the various markets.
- Market-acknowledged cutting-edge technology.
- First-class sales network and excellent after-sales service.
- Salto has modern, recently refurbished facilities.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

In 2013, Salto registered revenue (+40%) and EBITDA (40%) growth. Growth was sustained across the board, with the US standing out, having emerged as the company's most important market.

Last year Salto also expanded its factory, increasing its production, storage, office space and common areas from 3,000m² to 4,500m²; the reconfiguration will improve incoming and outgoing merchandise flows in order to enable the company to cater to growing demand.

Given the company's competitive positioning and the outlook for the market, this investee's revenue and EBITDA are expected to register further growth in 2014.

PROBOS

www.probos.pt

Stripping out the exogenous impact of the adverse trend in the EUR/BRL exchange rate, EBITDA would have been substantially above 2012 levels and budget

INVESTMENT DATA	Thousand euro
Sector	Manufacture of plastic edges
Investment type	MBO
Acquisition date	January 2013
Investment to date	11,500

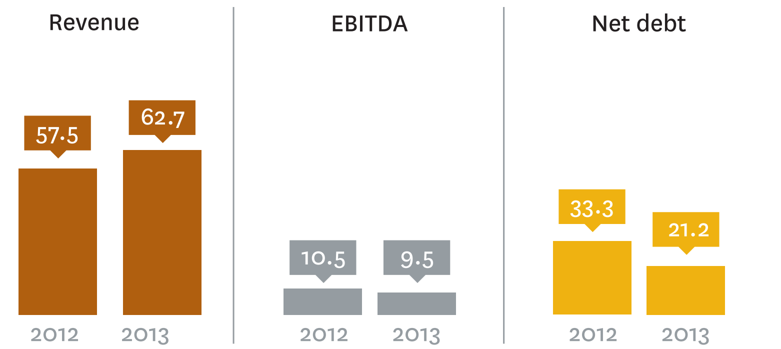
INVESTEE SHAREHOLDERS	
Dinamia Capital Privado	24.3%
Nmas1 Private Equity Fund II	73.0%
Management team	2.7%

FINANCIAL INFORMATION		Thousand euro
	Pro-Forma (1) 31.12.2013	Pro-Forma (2) 31.12.2012
Income statement		
Revenue	62,719	57,481
EBITDA (3)	9,457	10,485
Balance sheet		
Total assets	78,300	80,641
Equity	47,250	17,369
Net debt	21,167	33,343

(1) Estimated close based on the company's management accounts
(2) 2012 figures disclosed before the acquisition of Probos, which closed in January 2013
(3) Pro forma EBITDA figures adjusted for non-recurring items

FINANCIAL HIGHLIGHTS

Million euro



COMPANY OVERVIEW

Probos, founded in 1977, is the world's third-largest maker of plastic band edges for the furniture industry. Its products are produced from PVC, ABS and other polymers, which, following extrusion using proprietary technology, are shaped into plastic edges.

The group distributes its products under the Proadec brand in more than 50 countries through a proprietary distribution network and sales agreements with third parties. Almost 90% of 2013 revenue was generated outside the Iberian Peninsula.

The company boasts a strong position in emerging markets such as Brazil, Mexico, Colombia and Russia, with these markets providing the growth engine in recent years. Forty-seven per cent of 2013 revenue was generated in Latin America.

Its factories are located in Mindelo (Portugal) and Curitiba (Brazil). Probos also has a direct sales presence in Mexico (having acquired its Mexican distributor, Chapacinta), the UK and Germany.

MARKET OVERVIEW

The global plastic edge market is a highly concentrated niche with annual turnover of close to €630 million (excluding China). The four leading players (Rehau, Surteco, Probos and Roma) garner almost 76% of the market.

The market's performance is intricately tied with the board manufacturing market and implicitly linked to GDP growth. Probos's strong positioning in emerging economies and the increasing substitution of melamine edges with plastic edges in recent years paint a positive outlook for the industry in these markets, foreseeably more than offsetting the slowdown in more mature regions such as Europe.

INVESTMENT RATIONALE

- Sector configuration marked by stable competitive environment and attractive margins.
- High entry barriers (proprietary technology, switchover costs for customers and distributors, need for extensive product catalogues, etc.).
- Company with a very significant export bias and leadership positions in emerging, high-growth markets such as Brazil, Mexico, Colombia and Russia.
- Two highly-productive factories equipped with proprietary technology.
- Robust value proposition based on the company's: (i) ability to tailor its products to manufacturers' designs; (ii) high service standards thanks to its productive flexibility; and (iii) long-standing relationships with core customers (direct and distributors).
- Experienced management team with deep company and sector knowledge.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

Probos's revenue rose 9.1% in 2013 to €62.7 million. This growth was driven mainly by a strong performance in emerging markets in which the company commands a leading position, Brazil being particularly significant.

The company's profitability was undermined by the depreciation of the Brazilian currency against the euro, which had the effect of detracting €2.2 million from consolidated earnings. Stripping out this exogenous factor, EBITDA would have been substantially above 2012 levels and budget. In parallel, the company demonstrated its ability to generate cash, deleveraging faster than anticipated.

During this first year of investment, the teams worked intensively on reviewing the company's business plan with a view to identifying additional value-creation drivers. In 2014, the management team will focus its efforts on: (i) delivering growth in line with that registered in 2013; (ii) boosting cost-efficiency and local production in Brazil; and (iii) continuing the eke out efficiency gains in order to increase overall profitability and reduce working capital requirements.

More specifically, the ability to increase production in Brazil (the new capacity is expected to come on stream in April 2014), thanks to investments undertaken in new production lines in 2013, will pave the way for enhanced service levels while partially mitigating the adverse impact of trends in the Brazilian currency relative to the euro.

GRUPO SECUOYA

www. gruposecuoya.es

Secuoya registered substantial growth in 2013 and expects to continue to consolidate the sector and establish a foothold in the international markets in the course of 2014

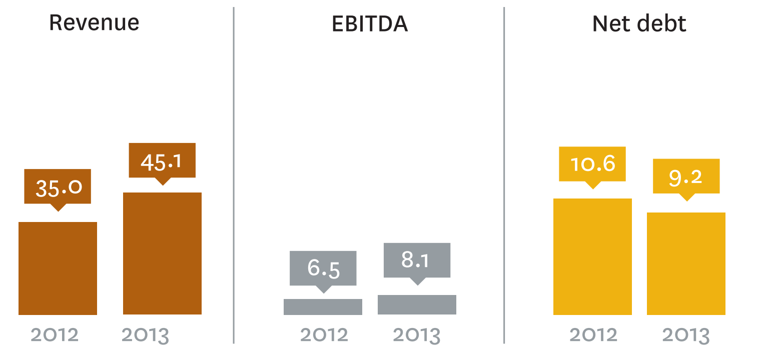
INVESTMENT DATA	Thousand euro
Sector	Audiovisual services
Investment type	Growth
Acquisition date	October 2012
Investment to date	3,604

INVESTEE SHAREHOLDERS	
Dinamia Capital Privado	13.75%
Nmas1 Private Equity Fund II	41.25%
Management team / Founders	40.6%
Free float	4.40%

FINANCIAL INFORMATION		Thousand euro
	Audited 31.12.2013	Audited 31.12.2012
Income statement (1)		
Revenue	45,089	34,985
EBITDA	8,056	6,540
Balance sheet		
Total assets	32,287	21,237
Equity	3,025	2,648
Net debt	9,205	10,641

(1) Figures diclosed by Grupo Secuoya to the Alternative Equity Market

FINANCIAL HIGHLIGHTS Million euro



COMPANY OVERVIEW

The Secuoya Group is a communication company with an end-to-end presence in the audiovisual value chain. It comprises companies that are entrenched in their respective segments and has a nationwide presence thanks to production studios in the main Spanish cities. The group's main lines of business are:

- **Audiovisual services**. The provision of end-to-end outsourcing services for news programmes and the ad-hoc provision of technical resources and professionals.
- **Content**. Production of all content formats, notably current affairs programming, docu-shows, low-cost programming targeted at the DTT market, branded content, prime time series and documentaries.
- **Marketing**. End-to-end communication for companies and increasing customers' presence and visibility in the audiovisual media.

MARKET OVERVIEW

Audiovisual services. The size of the independent audiovisual services market in Spain (meaning services not provided in-house by the TV broadcasters or producers) is estimated at €150 million and is expected to triple in the years to come. There are four leading players, including Secuoya, which between them command a market share of 86%.

Content. The size of the Spanish content market is estimated at around €1.2 billion, with around half of all content produced by companies other than the TV networks. The overall market is not expected to grow although there is a growing trend towards increased content outsourcing. Highly fragmented market, albeit dominated by a small group of leading companies which account for 75% of the market.

INVESTMENT RATIONALE

- Outlook for sharp market growth.
- Earnings visibility and high percentage of repeat earnings.
- Excellent management team which has been shored up with additional first-class executive hires.
- Scope for organic and M&A-led growth as Secuoya is the ideal platform for consolidating the market.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

The Secuoya Group registered significant growth in revenue and EBITDA in 2013. It focused on three main lines of initiative last year:

1.- Organic growth

(i) Audiovisual services: last year the company grew in both ad-hoc services (e.g. the broadcast of the snowboard world championship) and in long-term outsourcing contracts (e.g. Asturias and Murcia). It also negotiated the addition of a first-class management team to bolster this segment.

(II) Content: the company continues to be highly regarded by the television networks and expects to end the year as one of the top 5 Spanish producers.

2.- M&A-led growth

The Secuoya Group recently closed the acquisition of ACC Producciones, an audiovisual services provider with a presence in Extremadura, and continues to analyse other M&A opportunities.

3.- International expansion

Secuoya has reinforced its international business and continues to tackle both organic and M&A growth opportunities for consolidating and reinforcing its international presence.

Based on all the measures rolled out in 2013, the Secuoya Group is upbeat about its prospects for 2014, a year in which it expects to deliver significant additional revenue and EBITDA growth.

EYSA

www.eysaservicios.com

The business model lends itself to international expansion and there is scope for organic growth and potential M&A activity in the car parking segment as well as in other urban mobility services.

INVESTMENT DATA	Thousand euro
Sector	Car parks
Investment type	LBO
Acquisition date	December 2011
Gross investment to date [1]	13,451

(1) Includes profit-participating loan

INVESTEE SHAREHOLDERS	
Dinamia Capital Privado	25.0%
Nmas1 Private Equity Fund II	75.0%

FINANCIAL INFORMATION Thousand euro

	Audited 31.12.2013	Audited 31.12.2012
Income statement		
Revenue	63,193	63,063
On-street parking spaces under management	128,266	123,570
Balance sheet		
Total assets	155,130	158,856
Equity [1]	62,190	55,656
Net debt	38,951	50,478

(1) Includes profit-participating loan

FINANCIAL HIGHLIGHTS Million euro

COMPANY OVERVIEW

EYSA, acquired in 2011 from the FCC group, is one of Spain's leading car park operators. With annual revenue in excess of €60 million, EYSA currently manages over 128,000 parking places in more than 60 cities.

Its core business is the management, operation and maintenance of regulated on-street parking places; this business line accounts for over 80% of total revenue. The company also manages off-street car parks, municipal vehicle clamp and tow services and other urban mobility solutions.

With a market share of around 25%, EYSA is the leading on-street parking operator in Spain.

MARKET OVERVIEW

The Spanish car parking market can be subdivided into two well differentiated segments: (i) off-street parking (car parks by the hour, resident car parks and space leased by the month); and (ii) on-street parking, a regulated concession.

According to consultancy DBK, aggregate sector turnover contracted by 1.2% in 2012 to €810 million.

The off-street segment registered turnover of €575 million in 2012, according to this report, a year-on-year decline of 3.4%, while the on-street parking segment registered growth of 4.4% in 2012, extending a decade as the sector's growth engine thanks to price resets and the creation of new spaces in small and medium sized towns.

INVESTMENT RATIONALE

- Defensive sector with strong earnings visibility and growth prospects for the years ahead.
- EYSA commands benchmark positioning in the regulated street parking segment and is one of just two players with a nationwide presence.
- Scope for organic and M&A-led growth in the street parking, off-street parking and urban mobility service segments in Spain and abroad.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

EYSA generated revenue of €63.5 million in 2013 (+1% vs. 2012), somewhat below budget due to lower than anticipated tendering activity.

On a like-for-like basis, the business continues to perform as expected, delivering moderate year-on-year growth, in line with the broader market trend.

In 2012 the company managed to increase the number of parking spaces under management by c.4,700 to over 128,000, thanks to the adjudication of nine new contracts in cities such as Ibiza, Ciudad Real and Calvià, which added a little over 8,600 new places to the portfolio managed by EYSA. This more than offset the contracts elapsing during the year which EYSA did not manage to renew, implying the loss of 3,908 spaces.

In terms of contract renewals, the recent adjudication of the contract for sections III and IV of Madrid's street parking system to the consortium led by EYSA stands out. This renewal consolidates the company's market leadership position and extends the average life of its contract portfolio.

In terms of off-street parking, EYSA won contracts to manage the car parks at the Levante Quay in Almeria and another in San Gervasi in Barcelona.

In 2014, EYSA plans to continue to present bids for any contracts coming up for tender. The team is also analysing the scope for expanding the business abroad and it is studying several acquisition opportunities that would deliver growth in both the car parking segment as well as in other urban mobility services.

New executives have been added to the management team in 2013 and early 2014, completing the management overhaul initiated in September 2012 when the new general manager was hired.

GRUPO TRYO

www.teltronic.es / www.rymsa.com

2013 was a good year for Grupo TRYO, shaped by earnings growth and two catalogue-boosting acquisitions

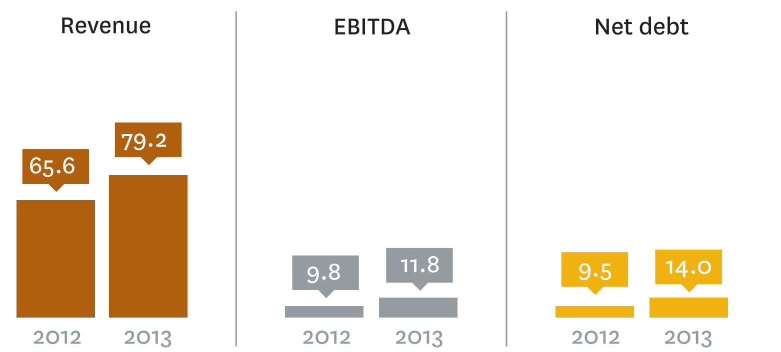
INVESTMENT DATA	Thousand euro
Sector	Electronic equipment
Investment type	Buyout
Acquisition date	July 2011
Investment to date	9,960

INVESTEE SHAREHOLDERS	
Dinamia Capital Privado	24.8%
Nmas1 Private Equity Fund II	73.7%
Management team	1.5%

FINANCIAL INFORMATION		Thousand euro
	Audited 31.12.2013	Audited 31.12.2012
Income statement (1)		
Revenue	79,187	65,602
EBITDA	11,796	9,817
Balance sheet		
Total assets	109,065	89,520
Equity	49,572	44,246
Net debt	14,040	9,522

(i) Includes 100% of Scati Labs

FINANCIAL HIGHLIGHTS — Million euro



PROJECT OVERVIEW

This project was structured as the acquisition from Corporación IBV of two companies devoted to the manufacture of electronic parts and equipment with the ultimate goal of integrating three business lines into a single company (Grupo TRYO) to configure a group specialised in the design and manufacture of high-tech electronic systems and parts which is capable of commanding a leadership position in professional, global, niche and growth markets.

The companies so acquired were:

Teltronic (radio communication): devoted to the manufacture of electronic equipment and systems for professional radio systems (e.g., for fire and police forces).

Rymsa (antennae and telecommunications parts): devoted to the design, manufacture and distribution of antennae for the telecommunications industry. This company in turn operates in two lines of business:

- Broadcast-Defence & Radar: the manufacture of aerial systems and passive equipment for the transmission of radio and TV signals (broadcasting) and of radar air traffic control antennae and other systems (defence & radar).
- Satellite equipment: the design, manufacture and supply of on-board, high-tech satellite antennae and passive equipment.

MARKET OVERVIEW

The group operates in three different markets:

1) The radio communication market, with an estimated size of €700m for the TETRA standard and of €600 million for the American APCO P-25 standard.

2) Broadcast-Defence & Radar:
   2.1) Broadcasting: global market of an estimated €250 million in which. demand is stable, albeit varying by country.
   2.2) Defence & radar: the main market is the flight navigation radar and pedestal market.

3) Satellite equipment: the European satellite market is estimated at between €900 million and €1bn and the global market at around €5.3 billion.

INVESTMENT RATIONALE

- Strong international presence.
- Stellar management team.
- Unique technology and flexible production structure enabling product customisation and erecting high entry barriers.
- Brand recognition, which is highly valued by customers who prize reliability over price.
- Customers of substantial scale with strong institutional base.
- Leading company in its niches at the worldwide level.
- Scope for organic and M&A-led growth.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

In 2013, Grupo TRYO posted revenue (+21%) and EBITDA growth (+20%), despite delays in order intakes in certain group businesses. In 2013, this investee focused intensely on its M&A strategy, acquiring a majority shareholding (65%) in Scati Labs, reinforcing and complementing its position in the radio communication systems market.

Last year the group focused on three main lines of initiative: (i) consolidation of its presence in existing markets and the reinforcement of its sales structure with the hire of senior sales executives tasked with strengthening the group's international presence in growth markets; (ii) organic development of new products and solutions; and (iii) M&A-led growth.

Based on the current outlook and orderbook, the group expects to deliver on a budget which implies significant growth in revenue and EBITDA and a reduction in net debt in 2014.

In February 2014, Grupo TRYO closed the acquisition of Mier Comunicaciones, a company that complements its product catalogue in the space and broadcasting division.

MIVISA

www.mivisa.com

The sale agreement reached with strategic buyer Crown Holdings and the investee's healthy performance since the acquisition will enable its shareholders to generate an IRR of 38% and a cash-on-cash exit multiple of 2.4x

INVESTMENT DATA

Thousand euro

Sector	Tin packaging for food
Investment type	MBO
Acquisition date	April 2011
Investment to date (1)	8,388

(1) Includes profit-participating loan

INVESTEE SHAREHOLDERS

Dinamia Capital Privado	2.8%
Nmas1 Private Equity Fund II	8.6%
Other	88.6%

FINANCIAL INFORMATION

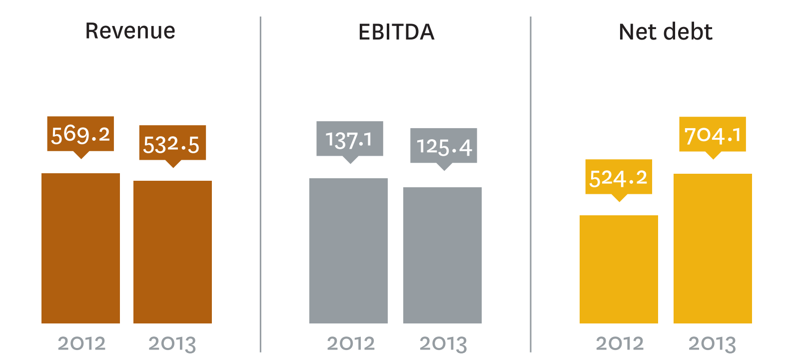
Thousand euro

	Audited 31.12.2013	Audited 31.12.2012
Income statement		
Revenue	533	569
EBITDA	125	137
Balance sheet		
Total assets	1,030	1,056
Equity (1)	162	333
Net debt	704	524

(1) Includes profit-participating loan

FINANCIAL HIGHLIGHTS

Million euro



COMPANY OVERVIEW

Mivisa is the number one maker of tin food packaging in Spain and the third largest player in Europe. With a headcount of 2,100, the company's geographic footprint extends to over 70 countries, including 10 factories across Spain, Netherlands, Hungary, Morocco and, more recently, Peru.

MARKET OVERVIEW

Mivisa's market is characterised by high entry barriers due to the need for significant capital expenditure in factories, economies of scale and the importance of establishing relationships with the tinned food producers.

Lastly, the global tin packaging market is dominated by three major players (Crown, Impress and Mivisa), who are spearheading sector consolidation.

The tin food packaging manufacturing sector in Mivisa's operating markets was sized at around €2.3 billion in 2009 and has historically proven highly defensive (having expanded 2.9% per annum between 2005 and 2009).

INVESTMENT RATIONALE

- Extraordinary management team: the existing team has been at the helm of Mivisa for 27 years, having consistently delivered impressive organic sales growth and profit margins well above those of its rivals.
- Defensive sector: Mivisa's end market (tinned food) is not correlated with GDP cycles and has proven resistant throughout the current economic crisis.
- Manufacturing model: the company's hub-and-spoke manufacturing model (centralised manufacturing and local assembly) which Mivisa has built organically over the past few decades reduces logistics expense and unlocks sizeable economies of scale.
- Cash generation: the company's operating efficiency and capex-light model mean that Mivisa converts high percentages of its EBITDA into cash.
- Growth opportunities: growth opportunities have been identified in new markets which can be tapped from existing factories via export and by opening small assembly plants.

RECENT PERFORMANCE

Mivisa's revenue and EBITDA narrowed by 6% and 9%, respectively, in 2013 due to the challenging economic environment in Spain and France and a relatively weaker performance by certain products (corn, sardines, etc.). Note, however, that Mivisa is outperforming its competitors, who saw their EBITDA contract to the tune of 16-20%. The company continued to defend its long-run margins and generate significant amounts of cash flow.

Mivisa increased its debt in 2013 in the wake of early repayment of its profit-participating loan. The buyback was funded by a mix of new bank debt and cash.

AFTER YEAR-END

During the second half of 2013, Dinamia announced the sale of this investment to strategic buyer Crown Holdings, Inc. for €1.2 billion.

The European Commission approved the sale transaction on 14 March 2014 and it was closed on 23 April 2014. The sale implied an IRR for Dinamia of approximately 37.9% and a cash-on-cash multiple of 2.4x

MBA

www.mba.eu

MBA´s performance in 2014 wil be shaped by stabilising prices and volumes in the domestic markets, the international growth and more normal working capital requirements

INVESTMENT DATA

Thousand euro

Sector	Distribution of implants
Investment type	MBO
Acquisition date	July 2008
Gross investment to date (1)	32,266

(1) Includes profit-participating loan

INVESTEE SHAREHOLDERS

Dinamia Capital Privado	36.9%
Nmas1 Private Equity Fund II	36.9%
Management team	23.5%
Other	2.7%

FINANCIAL INFORMATION

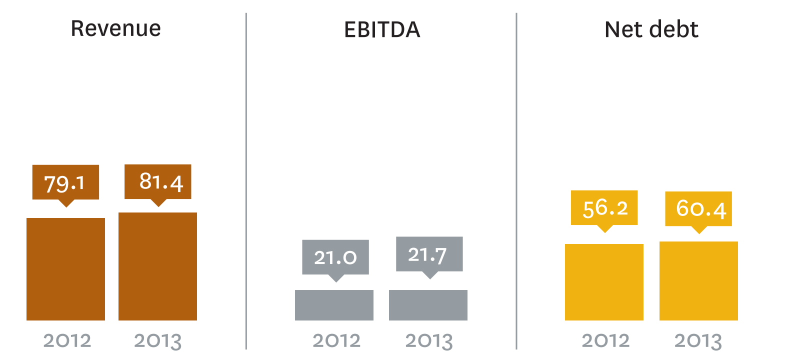
Thousand euro

	Pro-Forma 31.12.2013	Pro-Forma 31.12.2012
Income statement		
Revenue	81,386	79,142
EBITDA (1)	21,662	21,002
Balance sheet		
Total assets	194,491	194,589
Equity (2)	117,169	111,958
Net debt (3)	60,354	56,188

(1) Pro forma data provided to provide the reader with comparable information (excluding non-recurring expenses)
(2) Includes profit-participating loan
(3) Includes €10,000 of non-recourse factoring with a charge against the supplier payment plan

FINANCIAL HIGHLIGHTS

Million euro



COMPANY OVERVIEW

MBA is Spain's fourth largest distributor of orthopaedic products with a market share of 15%. It is also the only independent operator with a meaningful footprint in Europe, with a presence in Spain, Belgium, Italy, Portugal and the UK.

The group specialises in own-brand knee, hip and spinal implants and internal and external fixation devices. MBA also has a specialist business line in the biological products niche, operating under the BIOSER brand. The group's customers are mainly public hospitals although it also distributes its products to private insurers and individuals.

MARKET OVERVIEW

MBA's business market is dominated by multinational manufacturers with a sales presence in Spain such as Stryker, Zimmer, Depuy (J&J) and Biomet, which boast an aggregate market share of 68%.

Towards the end of 2013, the Spanish orthopaedic surgery market began to show signs of a slight recovery; however this late-year spurt was not sufficient to offset the slump sustained during the rest of the year. As a result, waiting lists continued to grow in 2013, in line with the trend observed in 2011 and 2012.

The main orthopaedic market drivers are: (i) the ageing population; (ii) increasing know-how and surgery success rates thanks to technology development; and (iii) growing demand for replacement parts.

INVESTMENT RATIONALE

- Business model based on recurring investment in instruments and ongoing additions of innovative, premium products to the company's catalogue (clear-cut R&D focus).
- Strong brand recognition, in Spain and abroad.
- Value-added customer service thanks to close relationships with surgeons, the provision of ongoing doctor training and in-house sales reps.
- Scope for international expansion by means of organic growth and M&A opportunities.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

MBA registered year-on-year revenue growth of 2.8% in 2013, driven above all by a healthy performance outside Spain and stabilising sales in the home market.

The home market continues to be affected by the downtrend in surgery volumes underway since the second half of 2010 and the resulting growth in waiting lists. However, this business indicator staged a slight recovery in the latter months of 2013, a trend expected to continue throughout 2014. Despite the adverse business environment, the company is increasing its business volumes and market share.

Elsewhere, price pressure continued last year due to the cost-cutting efforts in which the public hospitals are immersed, although this pressure has been easing in recent months.

As a result of these volume and price trends, MBA's home-market revenue registered growth of 2% over 2012.

The international business continues to perform well, largely thanks to the Belgian market, and currently accounts for 24% of group revenue. The strong take-up for the new products introduced in Belgium underpinned growth at this subsidiary throughout the year. In 2014, MBA plans to consolidate its presence in the Belgian market and to introduce new products in the UK.

As for the measures introduced by the Spanish government with a view to eliminating late payments by the public sector, the group expects to benefit from the new legal framework. As a result, MBA believes it will be able to reduce leverage in the months to come.

www.electrapartners.com

ELECTRA PARTNERS CLUB 2007 LP

Electra recently made its first distribution and has six investees with valuation upside

INVESTMENT DATA	Thousand euro
Sector	Private equity fund
Investment type	Generalist
Acquisition date	June 2008
Investment to date	11,964

FUND SHAREHOLDERSA	
Dinamia Capital Privado	11.8%
Other	88.2%

DESCRIPTION

In the wake of its IPO in November 1997, and with the goal of diversifying its investments, Dinamia decided to build limited exposure (<10%) to the European private equity sector. Against this backdrop, between 1997 and 2007 it co-invested alongside Electra and other private equity companies in two transactions in Europe.

Towards the end of 2007, Dinamia decided to extend this strategy in a more structured and diversified manner, taking a 10% interest in a £100 million private equity fund called Electra Partners Club 2007 which closed on 7 May 2008 upon achieving its full commitment target; Dinamia accordingly committed to invest up to £10 million in the fund over a five-year horizon.

Electra Partners Club 2007's investment strategy dovetails with Dinamia's philosophy and is characterised as follows:

- Geographic target: the UK. The fund invests in UK companies and international companies that are headquartered or have a significant presence in the UK. An approach has also been made to look for investment opportunities in other parts of Western Europe.
- Target segment: mid-market. The fund targets companies with an enterprise value of £70-£250 million, although the upper limit can be raised under extenuating circumstances.
- Controlling stakes. Electra Partners Club 2007 takes controlling stakes alongside Electra Private Equity Plc to ensure delivery of its strategy for its portfolio investees.
- Flexible exit horizon. Business strategy designed to culminate in exit strategies that optimise investor returns.

The management team (Electra Partners LLP) has a track record in the UK mid-market stretching back over 20 years.

One of the fund's investors defaulted on a drawdown commitment on 15 March 2011, as a result of which the fund's size was reduced to £85 million and Dinamia's interest rose from 10% to 11.76%.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

The last drawdown took place on 27 March 2013 in an amount of £1.57 million (equivalent to €1.89 million) in order to fund the acquisition of the data services businesses of UBM (AXIO Data Group) and cover the fund's expenses.

Dinamia has paid in a total of £9.81 million (€11.96 million) to date. The fund has drawn down 98% of total commitments and the investment period for new investments has ended. The rest of committed capital will be used to fund existing investees and cover operating expenses.

The fund's investees are:

- **AXIO Data Group** (Apr. 13), which encompasses the data services businesses of UBM acquired by Electra. These businesses provide data and information products which professionals use to support their decision-making and day-to-day business activities. It operates in 28 countries and a range of sectors including healthcare, technology, aviation and global trade. This investee is performing well, with earnings tracking above budget in its first nine months in the fund's portfolio.

- **Peverel Group** (Mar. 12) is a property management service provider specialised in retirement homes. The group's earnings since acquisition have been healthy, with growth tracking above budget.

- **Davies Group** (Oct. 11) provides claims management solutions and services to some of the most successful insurance brands in the UK. The management team has been changed and a restructuring plan is underway in the wake of disappointing initial earnings.

- **Daler-Rowney** (Mar. 11) is the world's third largest supplier of fine arts materials (watercolours, artists' paints, etc.). The investment strategy is to pursue organic growth (in the US and Europe, including the UK market) and acquisition opportunities (UK and Dominican Republic). This investee's earnings performance was strong last year, delivering year-on-year and above-budget growth, with the US market making a particularly significant contribution. The company also closed the acquisition of a German competitor.

- **Sentinel Performance Solutions Limited** (Feb. 11) is the European market leader in the supply of treatment products to improve the performance and efficiency of residential heating and hot water systems. Sentinel is a well-established brand. It has a high margin business. The investment strategy is to develop new products outside the UK market (Germany and US) by means of select acquisitions. In parallel, the home market is improving and the company is expanding its range of new products.

- **Nuaire** (Dec. 07) is a leading manufacturer and distributor of ventilation systems for the UK commercial and residential markets. It distributes directly to consumers in the heating, ventilation and air conditioning segments. This investee's performance improved in recent months, enabling it to end the year virtually flat year-on-year, thanks to a stronger performance in the commercial segment.

On 14 February 2014, Dinamia received its first distribution from Electra Partners Club 2007 LP (the Fund) as a result of the repayment of a loan in the wake of the refinancing of this Fund's investee, Nuaire. The Fund received £7.5 million, thereby recovering 63% of the cost of its investment in Nuaire. For Dinamia this event means the repayment of £1,035 thousand (around €1,250 thousand) of capital contributions, which is equivalent to 10% of the amount contributed to the Fund to date.

XANIT

www.xanit.net

Grupo Xanit delivered record earnings in 2013 thanks to a stellar performance by Hospital Xanit and the positive contribution by the Croasa oncology centre, acquired mid-year

INVESTMENT DATA	Thousand euro
Sector	Hospitals
Investment type	MBI/Build-up
Acquisition date	December 2007
Investment to date (1)	25,963

(1) Includes profit-participating loan and ordinary loan

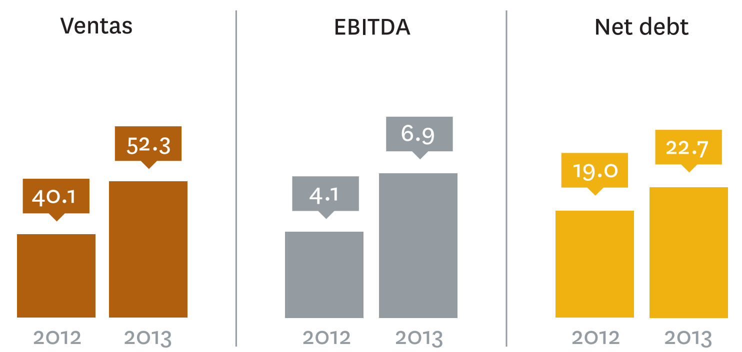
INVESTEE SHAREHOLDERS	
Dinamia Capital Privado	33.7%
Nmas1 Private Equity Fund II	33.7%
Other	32.6%

FINANCIAL INFORMATION	Audited (3) 31.12.2013	Audited 31.12.2012
Income statement		
Revenue	52,334	40,069
EBITDA (1)	6,875	4,056
Balance sheet		
Total assets	87,620	75,485
Equity (2)	42,798	42,066
Net debt	22,663	19,017

Thousand euro

(1) EBITDA adjusted for non-recurring charges
(2) Includes profit-participating loan
(3) Includes the annualised impact of Croasa, acquired in July 2013

FINANCIAL HIGHLIGHTS — Million euro



COMPANY OVERVIEW

Hospital Xanit, which started up in 2006, is the preeminent private hospital on Spain's Costa del Sol. Located in Benalmádena (Malaga), the hospital stretches 13,000m² and has 111 individual rooms spread out over three floors, all of which equipped with the latest technology. Xanit also has a peripheral medical clinic in the town of Fuengirola and a preventative medicine and well-being clinic in Malaga.

Xanit offers a full range of medical specialties with particularly noteworthy oncology and cardiology departments. It has agreements with the main Spanish and international health insurance providers. One of the hospital's distinguishing features is the fact that over 40% of its revenue comes from private and foreign patients.

In July 2013, Xanit acquired Croasa (since renamed Xanit Limonar), the leading private oncology unit in the city of Malaga which offers its patients the most innovative radiation therapy and medical oncology techniques and protocols. This transaction makes Xanit an oncology benchmark at the national level and the leading provider of radiation therapy services in the province of Malaga. In addition, it adds a natural pool of potential patients in the city of Malaga for the rest of its specialties.

The Xanit team comprises over 680 professionals, of which 250 are doctors led by prestigious department heads with strong reputations within and beyond Spain.

Xanit's business model is based on a strong strategic commitment to innovation, science and technology, the excellence of its medical teams and collaboration with third-party doctors.

INVESTMENT RATIONALE

- Fragmented sector with consolidation opportunities.
- Defensive but fast-growing.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

Grupo Xanit recorded its best ever set of earnings in 2013, delivering consolidated revenue of €52.3 million and EBITDA of €6.9 million:

- Hospital Xanit posted revenue of €46.1 million in 2013, marking growth of 13% year-on-year. All patient categories sustained growth, most notably foreign patients (thanks to the extension of the agreement with the government of Gibraltar) and private patients. Similarly, all of the facility's business metrics (no. of in-patients, hospital stays, surgeries, emergency room visits, outpatient visits, diagnostic tests, etc.) registered double-digit growth with respect to 2012.

  The growth in private patients is partly the result of new business lines developed in 2013, particularly those targeted at driving growth in foreign patients and groups.

- Xanit Limonar, acquired mid-year, posted revenue of €6.2 million, 8% above budget. The integration was completed to the company's satisfaction and business indicators have been tracking above expectation.

On the profit front, Hospital Xanit generated EBITDA of €5.6 million (up €1.6 million year-on-year), while margins expanded to 12%. This growth in profitability was unlocked by topline growth and economies of scale, as fixed costs were largely flat. Hospital Xanit also delivered EBITDA margin expansion thanks to a more favourable sales mix and its supplies rationalisation plan.

EBITDA at Xanit Limonar, meanwhile, was €1.3 million, 6% above budget. This facility's margin was steady at 20%, in line with historical levels.

Consolidated net debt increased on the back of the acquisition of Xanit Limonar. However, the strong earnings performances posted by the two facilities drove cash flow generation that was significantly above expectations, so that the group ended the year with a very comfortable liquidity position.

The outlook for 2014 is bright given the upward trend in business indicators evidenced during the last three years and the full-year impact of the acquisition of Xanit Limonar (and the materialisation of estimated synergies). Surplus capacity at the existing facilities is sufficient to accommodate anticipated growth.

The major objectives for 2014 are to consolidate the new lines of business started in 2013 (particularly those related to the business's international expansion) and to reinforce Xanit Limonar's business by offering new specialties at this hospital.

ALCAD

www.alcad.net

The performance by the international business was not sufficient to offset the continued decline in the home market

INVESTMENT DATA

Thousand euroo

Sector	Telecommunications
Investment type	MBO
Acquisition date	March 2007
Investment to date	9,847

INVESTEE SHAREHOLDERS

Dinamia Capital Privado	37.7%
Nmas1 Private Equity Fund I	37.7%
Management team	8.3%
Other	16.3%

FINANCIAL INFORMATION

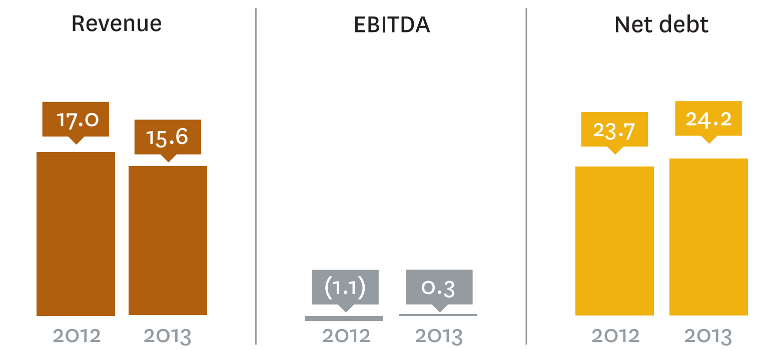
Thousand euro

	Non-Audited 31.12.2013	Audited 31.12.2012
Income statement		
Revenue	15,555	16,963
EBITDA	273	(1,057)
Balance sheet		
Total assets	n.a.	36,221
Equity	n.a.	5,101
Net debt	24,197	23,692

(1) Incluye el 100% de la filial Turca

FINANCIAL HIGHLIGHTS

Million euro



COMPANY OVERVIEW

Founded in 1988, Alcad's business spans the research, design, manufacture and marketing of high-frequency digital and analogue television signal reception and distribution products for residential buildings (high frequency). In 2001, the company entered the entryphones, videophones and intercommunication systems business (entry control), leveraging its sales structure and nationwide reach.

The company has a sizeable R&D department which continually develops new products (communication, domotics, etc.). This effort led to the entry into another new business in 2008 related to the healthcare and hotel sectors (solutions), evidencing the company's ongoing R&D firepower.

MARKET OVERVIEW

The company's market has been shaped by two key factors in recent years:

- Firstly, the culmination of the analogue switch-off and transition to digital television, having generated less business than anticipated.
- Secondly, the business associated with the residential market has also contracted due to the property market crash.

The market is expected to grow in 2014 driven by the re-allocation of spectrum currently used by the television broadcasters to telecommunication operators (the so-called digital dividend), to the extent ultimately approved by the government.

INVESTMENT RATIONALE

- Alcad is a leader in the high frequency business, a position underpinned by its R&D effort and product quality.
- Broad distribution reach, thanks to a large number of sales reps, guaranteeing rapid service.
- Entrenched international footprint supported by strong brand recognition.
- High entry barriers in the high-frequency market: the established product range, sales network (customer service) and product quality are the three main entry barriers for new competitors.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

In 2013, the adverse situation in the home market due to (i) the end of the analogue switch-off in 2010, marking full transition to digital technology in the residential segment, and (ii) the continued slump in home building extended the downtrend in Alcad's Spanish revenue which hit a low point; however, the company believes that the national market has floored. The international business was broadly flat year-on-year.

Against this market backdrop, the company continues to focus on: (i) defending its national and international sales and boosting the solutions business line; (ii) adding to its current catalogue by means of innovative product development; and (iii) enhancing cost efficiency in order to enable earnings sustainability in the face of weak home-market sales and dim visibility.

In 2013, the company broke even at the operating profit level once again, having posted a significant loss in 2012.

In 2014, the company is looking for slight topline and EBITDA growth thanks to the effort made in prior years to develop new markets and products. Alcad is currently in talks with its banks with a view to refinancing and/or restructuring its bank debt.

LAUDE

www.colegioslaude.com

In the wake of the business restructuring exercise undertaken three years ago, the chain continued to post a very healthy business performance.
The Spanish business was recently sold to a fund specialised in the education sector, International School Partnership (ISP)

INVESTMENT DATA

Thousand euro

Sector	Private education
Investment type	MBI/Build-up
Acquisition date	June 2006
Investment to date [1]	18,542

(1) Includes profit-participating loan

INVESTEE SHAREHOLDERS

Dinamia Capital Privado	49.3%
Nmas1 Private Equity Fund I	49.3%
Management team	0.6%
Other	0.8%

FINANCIAL INFORMATION

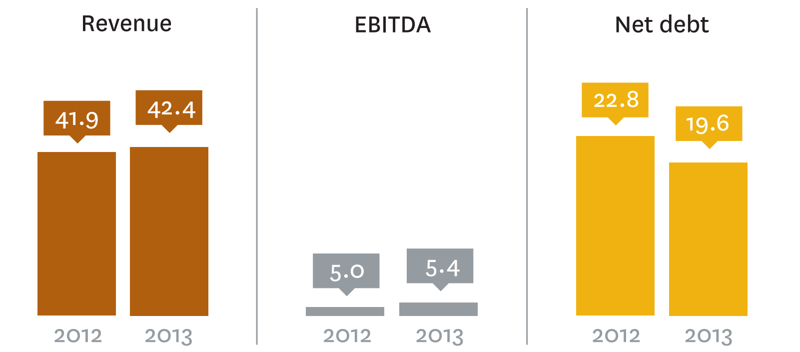
Thousand euro

	Mgt. accounts 31.08.2013	Mgt. accounts 31.08.2012
Income statement		
Revenue	42,364	41,919
EBITDA	5,378	4,971
Balance sheet		
Total assets	65.050	69.154
Equity [1]	22.056	24.217
Net debt	19.558	22.768

(1) Includes profit-participating loan

FINANCIAL HIGHLIGHTS

Million euro



COMPANY OVERVIEW

Colegios Laude has established itself, from the outset, as one of the largest private bilingual school chains in Spain, schooling children aged between 2 and 18. The chain currently operates seven schools and nine centres in different Spanish cities and one school in the UK.

MARKET OVERVIEW

The recent economic climate has had the effect of temporarily inverting the general trend of pupil transfers from public schools to semi-private (*concertados*) centres and from the latter to private schools. In addition, the attractiveness of the semi-private school model has been gradually undermined by the need for parents to make voluntary contributions to supplement dwindling public financing. Generally speaking, private school enrolment figures are expected to recover in line with economic stabilisation in Spain.

Fully private schools (no state intervention/subsidisation) guarantee independence from the government on policy as they are free to set their internal rules, admissions and pupil evaluation procedures and fees.

INVESTMENT RATIONALE

- Demand outstrips supply. Demand for private schooling is growing due to:
    - Growing concern about education which is driving middle-upper class families to seek higher quality schooling for their children.
    - The public and semi-private schools are saturated at the kindergarten/infant class levels.
- Consolidation play. The sector is very underdeveloped, not professionally run as a rule and highly fragmented.
- Growth sector. The number of pre-university age students has risen in recent years, particularly in the under 5 segment.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

Laude delivered year-on-year EBITDA of 8% in 2012/13, driven by modest revenue growth (+1%), in turn shaped by growth in student numbers, especially in the higher fee paying schools, and control over costs.

The low working capital requirements which characterise this business, coupled with select capital expenditure, translate into high cash flow generation. Thanks to this cash flow generation and EBITDA growth, leverage fell to 0.9x EBITDA.

The 2013/14 course is also off to a positive start, marked by slight growth in enrolled pupils, foreshadowing continued profit growth this year.

However, in December 2013 the Spanish authorities published regulatory reforms (Royal Decree-Law 16/2013) which affect the calculation of social security contributions. As a result, certain in-kind benefits received by employees in keeping with the sector's collective agreement are no longer exempt for social security contribution calculation purposes. The various private school associations are mobilising in an attempt to show the government that the measure will have a devastating effect on the private education sector in Spain. The hope is that this lobby will result in the maintenance of certain exemptions. As currently worded and in effect, however, the social security contributions paid by Colegios Laude would increase significantly and the company would not be able to cushion the impact with a corresponding increase in operating profit.

AFTER YEAR-END

Dinamia agreed and closed the outright sale of its investment in Colegios Laude, S.L. ("Laude") to Schools Partnership (ISP), an international investment fund which specialises in the education sector, on 30 May 2014. Dinamia has sold all of the shares it owned in Laude, representing 49.3% of this investee's share capital, along with the profit-participating loans it had extended to this company, for €2.89 million. Collection of €875,000 of the acquisition price will be deferred. The deal terms also envisage an additional bonus payment of up to €875,000 conditional upon certain events, receipt of which would increase the price fetched by Dinamia on this sale.

The investment in Colegios Laude, S.L. was valued at €1.97 million in Dinamia's most recent NAV report. The price agreed (without including the bonus payment) is €919,000 above its carrying amount. The investee sold owned the schools based in Spain. Accordingly, the school operated in the UK (Bredon School) falls outside the scope of the transaction. Dinamia is staying on as this school's shareholder through its investment in Colegios Laude II, S.L. Dinamia's interest in the latter holding company was valued at €1.54 million in the most recent NAV report.

GRUPO NOVOLUX

www.gruponovolux.com

Although Grupo Novolux's business performance continues to be shaped by home-market weakness, it managed to shore up EBITDA last year

INVESTMENT DATA	Thousand euro
Sector	Exterior lighting
Investment type	MBI
Acquisition date	September 2005
Investment to date [1]	12,025

(1) Includes profit-participating loan

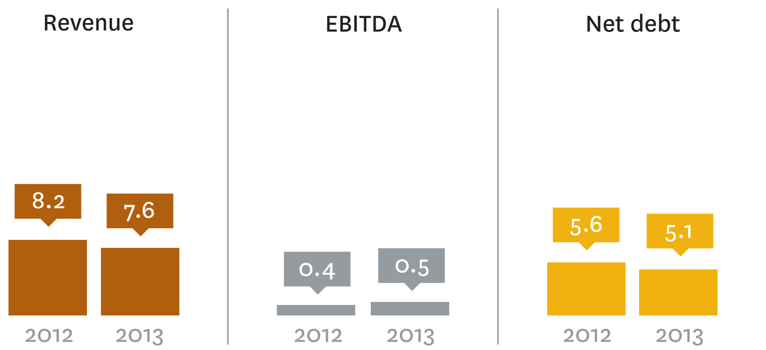
INVESTEE SHAREHOLDERS	
Dinamia Capital Privado	48.5%
Nmas1 Private Equity Fund I	45.9%
Other	5.6%

FINANCIAL INFORMATION	Audited 31.12.2013	Audited 31.12.2012
Income statement		
Revenue	7,580	8,215
EBITDA [1]	525	435
Balance sheet		
Total assets	26.810	30.043
Equity [2]	16.995	20.092
Net debt	5.081	5.602

Thousand euro

(1) EBITDA adjusted for non-recurring charges
(2) Includes profit-participating loan

FINANCIAL HIGHLIGHTSA Million euro



COMPANY OVERVIEW

Grupo Novolux offers an extensive range of technical and decorative solutions in the lighting field. It leads the Spanish and Portuguese outdoor lighting market and since 2010 has been active in the interior lighting solutions segment.

Novolux's leading outdoor lighting brands (Cristher and Dopo) boast unwavering recognition in the market on account of their quality, functionality and design and are benchmark products for electricians and electric material merchants, which constitute the company's traditional sales channels.

Novolux also offers the most extensive range on the market in terms of materials, installation alternatives and finishes, while providing unbeatable customer logistics fulfilment.

Grupo Novolux brought its manufacturing, logistics, administrative, technical and sales & marketing activities under a single roof in September 2012, namely a facility of over 8,000m^2 in Santa Perpetua de Mogoda (Barcelona).

MARKET OVERVIEW

The private exterior lighting segment is a niche within the overall lighting market. It represents the more technical end of the market, requiring greater input from tradesmen, thereby engaging these professionals in the process of advising the end customer.

The lighting market has been affected since mid-2008 by the crisis in the construction sector (ongoing downtrend in work tenders and permits) and the overall slump in consumer spending, with the decorative exterior lighting segment in which Novolux operates hit hardest of all.

INVESTMENT RATIONALE

- Strong positioning among tradesmen. Tradesmen actively recommend Cristher and Dopo products.
- Entry barriers: two established brands that forestall potential entry by other competitors, a good sales network and a high degree of automation among customers and suppliers.
- High delivery service standards and breadth of product catalogue.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

Grupo Novolux posted revenue of €7.6 million in 2013, down 8% year-on-year. The decorative outdoor lighting market remained stagnant in 2013 due to the lack of new builds and projects and generally lethargic consumer spending, which is what invigorates the lighting replenishment segment.

The company's efforts to geographically diversify its sales paid off in 2013 with exports growing to account for 7% of total sales; however, this was more than offset by the continued contraction of the home market.

Despite the topline contraction, Novolux posted EBITDA of æ €525 thousand in 2013 (up €90 thousand vs. 2012), thanks to the cost-cutting measures taken in the second half of 2012, notably: (i) the move to the new facility, which has lowered lease expense substantially; and (ii) the streamlining of the sales and other departments to match the current market paradigm.

Another important milestone reached in 2013 was the refinancing agreement arranged by the company with its banks under which this investee will not have to make any principal repayments until 2016.

As for the business outlook for 2014, the company is cautious with respect to the incipient recovery in the home market and is looking for similar earnings to those of 2013. The traditional Cristher and Dopo catalogues will be published and sent out earlier than in other years and will feature significant novelties in LED lighting; in tandem, the company will launch a new interior product catalogue targeted at projects in the 'contract, hotels and restaurant' segment.

As for its efforts to expand internationally, in 2014 the company will earmark a significant budget to trade fairs, catalogues, travel and sales teams with the aim of accelerating the positioning of the Novolux brands in international markets and achieving a more recurring presence (by means of inclusion in the stocks of local distributors).

BODYBELL

www.bodybell.com

Despite gaining market share in 2013, Bodybell's profits suffered from competitive forces exerting downward pressure on margins

INVESTMENT DATA

Thousand euro

Sector	Perfume and cosmetics chain
Investment type	BIMBO
Acquisition date	April 2005
Gross investment to date1	26,483
Net investment to date2	3,908

(1) Includes profit-participating loan
(2) The company recovered €22,575k of its initial investment as part of a recapitalisation exercise undertaken in December 2006

INVESTEE SHAREHOLDERS

Dinamia Capital Privado	14.4%
Nmas1 Private Equity Fund I	14.2%
Management team	2.0%
Other	69.4%

FINANCIAL INFORMATION

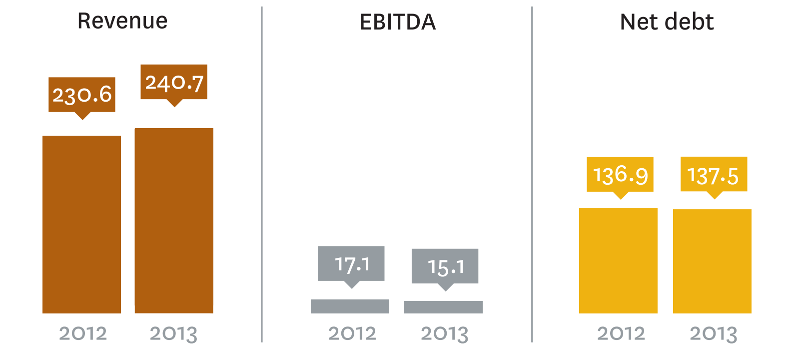
Thousand euro

	Actual (*) 31.12.2013	Actual 31.12.2012
Income statement		
Revenue	240,728	230,615
EBITDA (1)	15,107	17,061
Balance sheet		
Total assets	325,084	307,177
Equity (2)	104,547	112,458
Net debt	137,498	136,875

* Based on the company's management accounts
(1) EBITDA adjusted for non-recurring items
(2) Includes profit-participating loans

FINANCIAL HIGHLIGHTS

Million euro



COMPANY OVERVIEW

With over 300 stores all over Spain (under the Bodybell and Juteco trademarks), Bodybell is one of the leading perfume and cosmetics retail chains in Spain. The group retails perfumes, cosmetics and health and beauty products and wholesales consumer health and beauty products.

MARKET OVERVIEW

The health and beauty segment, along with the rest of the retail industry, has been adversely affected by the Spanish economic downturn and the slump in consumer spending.

In terms of market structure, the universe of health and beauty establishments continues to shrink as the number of traditional outlets falls, some of which are being absorbed by the modern, self-service stores and chains.

INVESTMENT RATIONALE

- The sector presents solid fundamentals and strong growth potential (particularly in emerging segments such as men's cosmetics and non-prescription pharmacy products) without the fashion/obsolescence risks of other retail segments. High operational gearing.
- Bodybell boasts strong brand recognition in Spain: dominant market position in central Spain and excellent locations.
- Consolidation play. The market remains highly fragmented, made up of numerous family-run, regional players.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

Bodybell is predominantly a retail business, whose performance is highly geared to consumer spending. Accordingly, the prevailing recession has inevitably eroded this group's revenue.

In recent months, Bodybell has forged ahead with its store upgrade and refurbishment policy. The store network remains a solid and profitable base, despite the adverse economic backdrop, and constitutes the foundation for a gradual return to historic revenue and profit levels once the economy begins to stage a solid recovery. In addition, the group increased its store network, taking advantage of opportunities arising in the market in recent months. Notably, it acquired the Spanish store network of Perfumerías Gala (40 establishments), which was integrated in the second half of the year. In parallel, the company continues to analyse several M&A alternatives that would substantially boost Bodybell's competitive positioning.

The market showed little sign of improvement in the first half of 2013, as the economic environment remained very weak. However, the improvement in economic prospects observed throughout the second half of the year, coupled with an astute store opening and acquisition policy, paved the way for growth which largely offset the adverse first-half performance. Against this backdrop, Bodybell continues to increase its share of the self-service segment pending a more resolute recovery in consumer spending to pave the way for a return to long-run business volumes.

HIGH TECH

Although High Tech is outperforming its comps in terms of its key business indicators and margins, the lingering recession coupled with intense price competition in Madrid drove an earnings contraction in 2013

INVESTMENT DATA	Thousand euro
Sector	Hotel
Investment type	Growths
Acquisition date	January 2003
Gross investment to date	15,452
Net investment to date [1]	8,787

(1) As part of the December 2007 rights issue, Dinamia recovered €5,796k as a result of the redemption of preferred shares. In 4Q13, Dinamia sold its investments in Hoteles Tecnológicos 2010 and Mysibek Investments for a total of €869k

INVESTEE SHAREHOLDERS	
Dinamia Capital Privado	26.0%
Nmas1 Private Equity Fund I	26.0%
Management team	26.2%
Other	21.8%

FINANCIAL INFORMATION		Thousand euro
	Pro forma 31.12.2013	Pro forma 31.12.2012
Income statements		
Revenue	45.912	51.015
EBITDA [1]	5.195	6.687
Balance sheet		
Total assets	66.738	108.409
Equity	(35.299)	6.557
Net debt [1]	75.414	73.027

(1) EBITDA and net debt are calculated under Spanish GAAP 1990 standards in order to correct the adjustment for the straight-line recognition of lease expense introduced by the new standards (no impact on cash)

FINANCIAL HIGHLIGHTS Million euro

COMPANY OVERVIEW

High Tech is a hotel chain focused on the 3- and 4-star segment in the urban business travel and tourism segments. The company opened one new hotel in Madrid in 2012. It currently has 34 hotels in operation, located primarily in Madrid (22 of the total) and in the main regional capitals. When Dinamia acquired its investment, High Tech was operating just four hotels.

The company's strategy is to create a leading chain in a highly-fragmented segment ripe for consolidation, comprising many family-run properties with little brand recognition.

MARKET OVERVIEW

The 3- and 4-star segments represent the backbone of the Spanish hotel industry, accounting for over 78% of capacity in terms of beds. Occupancy in this segment has trended above the sector average since 1987.

This segment, not professionally run as a rule and extremely fragmented, is dominated by family-run establishments. There are high entry barriers for major international chains looking to build a meaningful position:

- Lack of chains of sufficient scale to give them a significant foothold by means of acquisitions;
- Lack of transparency on the part of existing small-scale chains; and
- The presence of a national developer has proven a key success factor in the Spanish hotel chain sector.

The 3- and 4-star urban segment, which can be sub-divided into the business and tourist segments, is outperforming the rest of the hotel market in the current environment of slumping consumer spending. Moreover, city hotels are more stable throughout the year thanks to reduced seasonality.

INVESTMENT RATIONALE

- Proven business model. A business concept that is underpinned by good relationships with the travel agencies, tour operators and end customers.
- A sustainable niche that can be defended and in which the multinational players are not present.
- Experienced, engaged and vested management team with a proven track record managing a successful chain in the same segment.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

Revenue and EBITDA amounted to €45.9 and €5.2 million, respectively, in 2013 (YoY declines of 10% and 22%, respectively). The prevailing contraction in consumer spending in 2013, coupled with intense price competition (especially in the Madrid hotel market), is undermining this investee's revenue performance and business metrics. However, HTH continues to outperform its peers in terms of occupancy and average daily rates.

In October 2013, Dinamia agreed the sale of its 26% interest in Hoteles Tecnológicos 2010 ("HT2"), a company incorporated in 2010 to start up and operate three hotels in Madrid. The sale was concluded at a valuation that largely approximates the investment cost (€869 thousand sale value vs. €884 thousand entry cost).

In 2014, the company will continue to work towards recovering historical price and occupancy levels and developing formulae to enable it to further its growth plans by means of select new hotel openings and the closure of structurally loss-making establishments. High Tech is currently in talks with its banks with a view to refinancing and/or restructuring its bank debt.

UNITED WINERIES HOLDINGS

INVESTMENT DATA	Thousand euro
Sector	Wineries
Investment type	MBO
Acquisition date	March 1999
Gross investment to date	17,477
Net investment to date [1]	15,458

1 Since investing in the company, Dinamia has received €2,019k in the form of dividends.

INVESTEE SHAREHOLDERS	
Dinamia Capital Privado	8.0%
Corporación Financiera Arco	73.5%
Other	18.5%

COMPANY OVERVIEW

Dinamia Capital Privado, SCR, SA is a shareholder of United Wineries Holdings ("Arco"), the holding company for the investments and business interests of the ARCO group, whose parent company since 2007 is Corporación Financiera ARCO S.L.

Since 2007, ARCO has focused on acting as the holding company for its business interests; in 2008 it concluded the transfer to its subsidiaries of the purchase, sale, marketing and distribution of wines, while transferring to the parent company those tasks related to the group's administration and financial control; these decisions were motivated by organisational and management efficiency reasons.

Arco is strategically focused on companies and projects in two of the Spanish economy's key sectors: the food industry, with an emphasis on value-added food and wines, and the specialist hospitality sector (non-conventional hotels, specialist tourist services, culinary hospitality and tourism, etc.), at all times taking majority or at least significant interests in its investees. The company views the wine industry as one of its preferred investment sectors.

It invests in Spanish companies whose products and services lend themselves to exporting and international companies that enable the distribution and marketing of these products worldwide.

Arco holds interest in the following wineries, among others:

- Berberana (Spain)
- Lagunilla (Spain)
- Marqués de Griñón (Spain)
- Marqués de la Concordia (Spain)
- Marqués de Monistrol (Spain)
- Lavis (Spain)
- Canaletto (Spain)
- Cesarini Sforza (Spain)

Through The Haciendas Company, Arco also holds an interest in Hacienda Zorita. When it opened in 2004, it was the first Wine Hotel & Spa in Spain.

RECENT PERFORMANCE AND OUTLOOK FOR 2014

ARCO is the company that has been in Dinamia's portfolio the longest, as the initial investment dates back to 1999. Dinamia has a minority interest in this company.

Dinamia has no recent information on United Wineries Holdings' financial performance.

Audit Report

pwc

(A free translation of the original in Spanish. In the event of any discrepancy, the Spanish language version shall prevail)

REPORT OF THE AUDITORS

To the shareholders of Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A.

We have audited the annual accounts of Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A., consisting of the balance sheet at 31 December 2013, the income statement, the statement of changes in equity, the cash flow statement and related notes to the accounts for the year then ended. The Company's directors are responsible for the preparation of these annual accounts in accordance with the financial reporting framework applicable to the Company (identified in Note 2 to the accounts) and, in particular, with the accounting principles and criteria included therein. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on the work performed in accordance with legislation governing the audit practice in Spain, which requires the examination, on a test basis, of evidence supporting the annual accounts and an evaluation of whether their overall presentation, the accounting principles and criteria applied and the estimates made are in accordance with the applicable financial reporting framework.

In our opinion, the accompanying annual accounts for 2013 present fairly, in all material respects, the financial position of Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A. at 31 December 2013 and the results of its operations and cash flows for the year then ended in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.

The accompanying Directors' Report for 2013 contains the explanations that the Company's directors consider appropriate regarding the Company's situation, the development of its business and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the Directors' Report is in agreement with that of the annual accounts for 2013. Our work as auditors is limited to checking the Directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the Company's accounting records.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Pedro Richi
Audit Partner

29 April 2014

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Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A.

Financial Statements and Management Report for the year ended 31 December 2013

BALANCE SHEET AT 31 DECEMBER 2013 AND 2012

Euros

ASSETS	31/12/2013	31/12/2012 (*)
A) CURRENT ASSETS	**21,817,386.63**	**50,943,074.58**
I. Cash and cash equivalents	21,648,808.28	49,072,210.21
II. Prepayments and accrued income	20,611.90	20,611.90
III. Current financial assets	-	-
1. Equity instruments	-	-
2. Loans to companies	-	-
3. Debt securities	-	-
4. Derivatives	-	-
5. Other financial assets	-	-
IV. Current investments in group companies and associates	-	-
V. Receivables	147,966.45	1,850,252.47
VI. Other current assets	-	-
B) NON-CURRENT ASSETS	**110,643,252.18**	**84,595,788.85**
I. Deferred tax assets	2,563.30	5,499.08
II. Non-current financial assets	11,673,169.25	9,885,766.49
1. Equity instruments	11,114,361.28	9,326,958.52
1.1. Private equity investees	-	1,096,627.68
1.2. Other entities	11,114,361.28	8,230,330.84
2. Loans to companies	558,807.87	558,807.97
3. Debt securities	-	-
4. Derivatives	-	-
5. Other financial assets	-	-
III. Non-current investments in group companies and associates	98,967,519.62	74,704,523.28
1. Equity instruments	43,971,834.30	24,523,459.12
1.1. Private equity investees	43,971,834.30	24,523,459.12
1.2. Other entities	-	-
2. Loans to companies	54,995,685.32	50,181,064.16
3. Debt securities	-	-
4. Derivatives	-	-
5. Other financial assets	-	-
IV. Property and equipment	-	-
V. Intangible assets	-	-
VI. Other non-current assets	-	-
TOTAL ASSETS (A + B)	**132,460,638.81**	**135,538,863.43**

(*) Balance sheet reclassified, as detailed in note 2.g)

BALANCE SHEET AT 31 DECEMBER 2013 AND 2012

Euros

LIABILITIES AND EQUITY	31/12/2013	31/12/2012 (*)
A) CURRENT LIABILITIES	**1,480,023.76**	**470,775.82**
I. Accruals and deferred income	-	-
II. Trade and other payables	1,351,055.85	370,512.40
III. Current payables, group companies and associates	-	-
IV. Current payables	-	-
V. Current provisions	-	-
VI. Other current liabilities	128,967.91	100,263.42
B) NON-CURRENT LIABILITIES	**13,814,490.44**	**14,257,145.01**
I. Accruals and deferred income	-	-
II. Deferred tax liabilities	-	-
III. Non-current payables, group companies and associates	-	-
IV. Non-current payables	12,670,545.34	13,184,400.32
V. Non-current provisions	1,143,945.10	1,342,744.69
VI. Other non-current liabilities	-	-
TOTAL LIABILITIES (A+B)	**15,294,514.20**	**14,997,920.83**
C) EQUITY	**117,166,124.61**	**120,540,942.60**
C-1 OWN FUNDS	**118,013,379.01**	**122,363,853.88**
I. Capital	48,837,600.00	48,837,600.00
II. Unitholdings	-	-
III. Share premium	56,289,906.60	67,648,374.00
IV. Reserves	35,800,426.70	35,800,426.70
V. Own equity instruments (-)	(223,330.43)	(214,135.78)
VI. Retained earnings (prior-year losses) (+/-)	(29,708,411.04)	(55,881,355.65)
VII. Other owner contributions	-	-
VIII. Profit (loss) for the year	7,017,187.18	26,172,944.61
IX. Interim dividends (-)	-	-
X. Other equity instruments	-	-
C-2 MEASUREMENT ADJUSTMENTS IN EQUITY	**(847,254.40)**	**(1,822,911.28)**
I. Available-for-sale financial assets	(847,254.40)	(1,822,911.28)
II. Hedging transactions	-	-
III. Other	-	-
C-3 Grants, donations and bequests received	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**132,460,638.81**	**135,538,863.43**

(*) Balance sheet reclassified, as detailed in note 2.g)

BALANCE SHEET AT 31 DECEMBER 2013 AND 2012

Euros

MEMORANDUM ACCOUNTS	31/12/2013	31/12/2012
1. CONTINGENCY AND COMMITMENT ACCOUNTS	**234,068.12**	**3,044,629.10**
1. Collateral and guarantees conferred	-	-
2. Collateral and guarantees received	-	750,000.00
3. Securities purchase commitments	234,068.12	2,294,629.10
3.1 Private equity investees	-	-
3.2. Other entities	234,068.12	2,294,629.10
4. Securities sale commitments	-	-
4.1 Private equity firms	-	-
4.2. Other entities	-	-
5. Other derivatives	-	-
6. Commitments with shareholders or unitholders	-	-
7. Other contingencies and commitments	-	-
2. OTHER MEMORANDUM ACCOUNTS	**95,617,317.64**	**79,732,461.24**
1. Total committed equity	-	-
2. Uncalled equity commitments	-	-
3. Assets written-off	-	-
4. Unused tax losses	77,891,913.70	79,179,005.47
5. Unrealised gains (losses) (net of tax effect)	17,725,403.94	553,455.77
6. Impairment of start-up capital	-	-
7. Other memorandum accounts	-	-
TOTAL MEMORANDUM ACCOUNTS (1+2)	**95,851,385.76**	**82,777,090.34**

INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

Euros

	2013	2012
1. Finance income (+)	**8,464,070.98**	**7,954,118.96**
1.1 Interest, dividend and similar income	8,464,070.98	7,954,118.96
1.2 Other finance income	-	-
2. Finance costs (-)	**-**	**(226.35)**
2.1 Interest and similar charges	-	(226.35)
2.2 Other finance costs	-	-
3. Net gain/loss on and changes in fair value of financial investment portfolio (+/-)	**2,058,753.54**	**19,887,959.66**
3.1 Net gain/(loss) on disposals (+/-)	(3,101,005.03)	32,266,073.39
3.1.1 Equity instruments	(3,101,005.03)	32,409,782.63
3.1.2 Debt securities	-	(130,697.25)
3.1.3 Other financial assets	-	(13,011.99)
3.2 Change in fair value of financial assets (+/-)	5,159,758.57	(12,378,113.73)
3.3 Impairment and losses on financial assets (-/+)	5,159,758.57	(12,378,113.73)
3.4 Net exchange differences (+/-)	-	-
4. Other operating income/(expense) (+/-)	**(2,350,563.86)**	**(1,709,147.55)**
4.1 Fees and other income received (+)	-	-
4.1.1 From advising private equity investees	-	-
4.1.2 Other fees, commissions and income	-	-
4.2 Fee and commission expense (-)	(2,350,563.86)	(1,709,147.55)
4.2.1 Management fee	(2,350,563.86)	(1,709,147.55)
4.2.2 Other fees and expenses	-	-
GROSS MARGIN	**8,172,260.66**	**26,132,704.72**
5. Personnel expenses (-)	**-**	**-**
6. Other operating expenses (-)	**(1,353,873.07)**	**(938,037.90)**
7. Depreciation and amortisation (-)	**-**	**-**
8. Overprovisions (+)	**198,799.59**	**978,277.79**
OPERATING PROFIT	**7,017,187.18**	**26,172,944.61**
9. Impairment of and gains (losses) on fixed asset disposals (+/-)	**-**	**-**
10. Impairment losses on other assets (net) (+/-)	**-**	**-**
11. Other (+/-)	**-**	**-**
PROFIT BEFORE TAX	**7,017,187.18**	**26,172,944.61**
12. Income tax (-)	**-**	**-**
PROFIT FOR THE YEAR	**7,017,187.18**	**26,172,944.61**

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

Euros

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

	2013	2012
A) PROFIT FOR THE YEAR	**7,017,187.18**	**26,172,944.61**
B) INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**975,656.88**	**4,087,668.91**
I. Measurement of financial instruments	978,592.65	4,067,713.37
1. Available-for-sale financial assets	978,592.65	4,067,713.37
2. Other income/expense	-	-
II. Cash flow hedges	-	-
III. Grants, donations and bequests received	-	-
IV. Actuarial gains and losses and other adjustments	-	-
V. Tax effect	(2,935.77)	19,955.54
C) AMOUNTS TRANSFERRED TO INCOME STATEMENT	**-**	**-**
VI. Measurement of financial instruments	-	-
1. Available-for-sale financial assets	-	-
2. Other income/expense	-	-
VII. Cash flow hedges	-	-
VIII. Grants, donations and bequests received	-	-
IX. Tax effect	-	-
TOTAL RECOGNISED INCOME AND EXPENSE	**7,992,844.06**	**30,260,613.52**

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

Euros

B) TOTAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	EQUITY						
	OWN FUNDS						
	Capital	Share premium and reserves	Own shares and own equity investments	Profit (loss) for the year	Own equity instruments	Measuremen adjustments	Total equity
BALANCE AT YEAR-END 2012	48,837,600.00	47,567,445.05	-	26,172,944.61,	(214,135.78)	(1,822,911.28)	120,540,942.60
Restatements for changes in accounting criteria							
Reclassifications	-	-	(214,135.78)	-	214,135.78	-	-
RESTATED OPENING BALANCE, 2013	48,837,600.00	47,567,445.05	(214,135.78)	26,172,944.61,	-	(1,822,911.28)	120,540,942.60
I. Total recognised income and expense	-	-	-	7,017,187.18	-	975,656.88	7,992,844.06
II. Transactions with shareholders and owners	-	(11,358,467.40)	(9,194.65)	-	-	-	(11,367,662.05)
1. Equity issues	-	-	-	-	-	-	-
2. Shares cancelled	-	-	-	-	-	-	-
3. Conversion of financial liabilities into equity	-	-	-	-	-	-	-
4. Dividend distribution	-	(11,358,467.40)	-	-	-	-	(11,358,467.40)
5. Transactions with own shares and equity holdings (net)	-	-	(9,194.65)	-	-	-	(9,194.65)
6. Increase (reduction) in equity resulting from a business combination	-	-	-	-	-	-	-
7. Other transactions with shareholders and owners	-	-	-	-	-	-	-
III. Other changes in equity	-	26,172,944.61	-	(26,172,944.61)	-	-	-
1. Share-based payments	-	-	-	-	-	-	-
2. Share-based payments	-	-	-	-	-	-	-
3. Other changes	-	26,172,944.61	-	(26,172,944.61)	-	-	-
BALANCE AT YEAR-END 2013	48,837,600.00	62,381,922.26	(223,330.43)	7,017,187.18	-	(847,254.40)	117,166,124.61

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

Euros

B) TOTAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

	EQUITY						
	OWN FUNDS						
	Capital	Share premium and reserves	Own shares and own equity investments	Profit (loss) for the year	Own equity instruments	Measurement adjustments	Total Total equity
BALANCE AT YEAR-END 2011	48,837,600.00	121,314,569.50	-	(55,881,355.65)	(16,637.33)	(5,910,580.19)	108,343,596.30
Restatements for changes in accounting criteria							
Restatement for prior-year errors	-	-	-	-	-	-	-
RESTATED OPENING BALANCE, 2012	48,837,600.00	121,314,569.50	-	(55,881,355.65)	(16,637.33)	(5,910,580.19)	108,343,596.30
I. Total recognised income and expense	-	-	-	26,172,944.61	-	4,087,668.91	30,260,613.52
II. Transactions with shareholders and owners	-	(17,865,768.80)	-	-	(197,498.45)	-	(18,063,267.25)
1. Equity issues	-	-	-	-	-	-	-
2. Shares cancelled	-	-	-	-	-	-	-
3. Conversion of financial liabilities into equity	-	-	-	-	-	-	-
4. Dividend distribution	-	(17,865,768.80)	-	-	-	-	(17,865,768.80)
5. Transactions with own shares and equity holdings (net)	-	-	-	-	(197,498.45)	-	(197,498.45)
6. Increase (reduction) in equity resulting from a business combination	-	-	-	-	-	-	-
7. Other transactions with shareholders and owners	-	-	-	-	-	-	-
III. Other changes in equity	-	(55,881,355.65)	-	55,881,355.65	-	-	-
1. Share-based payments	-	-	-	-	-	-	-
2. Share-based payments	-	-	-	-	-	-	-
3. Other changes	-	(55,881,355.65)	-	55,881,355.65	-	-	-
BALANCE AT YEAR-END 2012	48,837,600.00	47,567,445.05	-	26,172,944.61	(214,135.78)	(1,822,911.28)	120,540,942.88

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

Euros

	2013	2012
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**(1,793,740.43)**	**(749,775.59)**
Profit before tax	7,017,187.18	26,172,944.61
Adjustments for non-cash income and expenses	(10,721,624.10)	(28,414,166.64)
Other adjustments	(10,721,624.10)	(28,414,166.64)
Changes in working capital	2,197,678.98	1,370,067.68
Other cash flows from (used in) operating activities	(286,982.48)	121,378.76
Interest paid	-	-
Dividends received	-	-
Interest received	116,818.74	121,378.76
Income tax receipts (payments)	-	-
Other cash received from (paid on) operating activities	(403,801.22)	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**(14,271,194.10)**	**33,928,872.53**
Payments for investments	(22,810,159.30)	(6,260,042.92)
Group companies, associates and business units	(20,919,387.60)	(6,260,042.92)
Property and equipment, intangible assets and investment property	-	-
Other financial assets	-	-
Other assets	(1,890,771.70)	-
Proceeds from disposals	8,808,674.65	40,188,915.45
Group companies, associates and business units	8,808,674.65	39,546,936.91
Property and equipment, intangible assets and investment property	-	-
Other financial assets	-	641,978.54
Other assets	-	-
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**(11,358,467.40)**	**(18,063,267.25)**
Proceeds from and payments for equity instruments	-	(197,498.45)
Issuance	-	-
Cancellation	-	-
Acquisition	-	(197,498.45)
Disposal	-	-
Grants, donations and bequests received	-	-
Proceeds from and repayment of financial liabilities	-	-
Issuance	-	-
Repayment and amortisation	-	-
Dividends and payments on other equity instruments	(11,358,467.40)	(17,865,768.80)
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**-**	**-**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(27,423,401.93)**	**15,115,829.70**
Cash and cash equivalents, opening balance	49,072,210.21	33,956,380.51
Cash and cash equivalents, closing balance	21,648,808.28	49,072,210.21

Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A.

Notes to the financial statements for the year ended 31 december 2013

(Figures in euros)

1. Company information

Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A. (hereinafter, the Company or Dinamia) was incorporated as an open-ended public limited company (*sociedad anónima*) on 11 November 1997. Its registered offices are located in Madrid.

The Company is governed by the provisions of Spanish Law 25/2005 (24 November 2005), regulating private equity entities and their management firms, and CNMV Circular 11/2008 (30 December 2008) regarding accounting rules, annual financial statements and confidential reporting requirements for private equity firms, among other laws.

The Company was registered in the Administrative Register of Private Equity Firms kept by Spain's securities market regulator, the CNMV for its acronym in Spanish, under entry no. 21.

Dinamia's primary corporate object is to take temporary equity interests in companies other than financial institutions or real estate companies that, at the time of investment, are not listed on any of the primary equity markets run by Bolsas de Valores, or on an equivalent regulated market of the European Union or other member nations of the Organisation for Economic Cooperation and Development (OECD). In addition, the Company may invest in the securities of companies over 50% of whose assets are accounted for by properties, so long as at least 85% of the total carrying amount of the investee's properties is held for the purpose of carrying out an economic activity.

Notwithstanding the above, Dinamia may extend its primary corporate object to the holding of temporary equity interests in non-financial companies that are listed on a primary equity market in Spain, or on an equivalent regulated market of the European Union or another member nation of the OECD, so long as those companies are delisted during the twelve-month period following the investment. Similarly, the Company may invest in other private equity firms in accordance with the provisions laid down in prevailing legislation governing this form of entity.

In order to pursue its corporate purpose, Dinamia may grant profit-participating loans and other forms of financing, in the latter instance solely to investees that form part of the compulsory investment ratio. Lastly, the Company may perform advisory services in keeping with prevailing legislation governing private equity firms.

The company's management and administration is tasked, under contract, to Nmás1 Capital Privado, Sociedad Gestora de Entidades de Capital Riesgo, S.A.U. (the Management Company). The Management Company is part of the Nmás1 Group, whose parent company is N Más Uno IBG, S.A.

The Company and the Management Company agreed to partially amend their existing management agreement on 19 December 2006 and 20 May 2008, limiting the investments that the Management Company can make on a discretionary basis at €30,000,000 or 15% of the Company's net asset value. Beyond those limits, the Management Company is obliged to ask the Company's Board of Directors to authorise the investment.

On 6 August 2002, the Management Company entered into a co-investment agreement with Nmás1 Private Equity International Limited (formerly called Nmás1 Private Equity Jersey Limited), as General Partner of Nmás1 Private Equity Fund, L.P. (hereinafter, the Fund), which advises N Más Uno Advisor, S.A. (an Nmás1 Group entity), regulating the joint investment regime between the Company and the Fund. This co-investment agreement stipulated the intention of the Company and the Fund to invest in the equity of target investees in equal percentages. The Company and the Fund reserved the right to modify these investment percentages such that they did not invest in identical amounts and the agreement even allowed for the possibility that the Company or Fund could decline to participate in a specific investment.

On 30 May 2008, a new co-investment agreement was entered into by the Company and the various vehicles comprising the investment complex known as N+1 Private Equity Fund II (hereinafter, the N+1 II Fund), comprising the following private equity firms: (i) Nmás1 Private Equity Fund II, Erisa F.C.R de Régimen Simplificado; (ii) Nmás1 Equity Fund II, Non Erisa F.C.R de Régimen Simplificado; and (iii) Nmás1 Equity Fund II, Families S.C.R de Régimen Simplificado, S.A.

The co-investment agreement provides that Dinamia and the N+1 II Fund will take equal shareholdings when investing. The Management Company reserves the right to modify both parties' investment percentages such that they do not invest in identical amounts. The agreement even allows for the possibility that either of the two parties may decline to participate in a specific investment in any of the following circumstances:

- The existence of any applicable rule, law or regulation that prevents the investment by either of the parties or implies a material adverse consequence for Dinamia or the N+1 II Fund;

- The existence of clauses in the investment agreement that prevent Dinamia or the N+1 II Fund from making the investment;

- The lack of sufficient liquidity on the part of Dinamia or the N+1 II Fund to fund the investment; and

- Any other circumstances making the investment unadvisable for Dinamia or the N+1 II Fund.

Under the scope of this agreement, Dinamia and the N+1 II Fund undertake to submit all future investments to its regulation, except for add-on investments in companies invested in by Dinamia prior to execution of the agreement and investments that Dinamia could undertake in the future that do not fall within the scope of the corporate object of the N+1 II Fund.

As stipulated in the co-investment agreement, both parties undertake that:

- The investments made jointly will be arranged so that both parties are subject to the same rights, obligations, interests and restrictions and the investments are made simultaneously. The agreement specifically stipulates that Dinamia's and the N+1 II Fund's investments need not be identically structured.

- All of the costs deriving from such joint investments will be allocated in proportion to each party's respective investment interest.

- The sale of any investments made jointly shall also be undertaken jointly and on the same terms and conditions for both parties, unless both Dinamia and the N+1 II Fund sign an agreement waiving compliance with this stipulation, insofar as the exit is advisable for one of the parties and does not significantly harm the other.

Elsewhere, article 18 of Spanish Law 25/2005 (24 November 2005) stipulates that private equity firms and funds must invest at least 60% of their eligible assets in shares of entities which form part of their corporate object. In order to reach the above threshold, these entities may devote up to 30 percentage points of their eligible assets to the provision of profit-participating loans to companies falling within their corporate object and up to 20 percentage points of total eligible assets to the acquisition of shares in private equity firms, in keeping with the provisions of this piece of sector legislation. Article 22 of this same law stipulates that a private equity firm may not invest more than 25% of its eligible assets in a given company or more than 35% in companies belonging to the same group of companies.

The Company complied with these requirements at both year-ends as it had assigned a portion of its profit-participating loans to its eligible percentage of discretionary investments, as permitted under article 21 of Law 25/2005.

A) SIGNIFICANT EVENTS OCCURRING DURING THE REPORTING PERIOD

The most significant developments during the year were the investments made and the exits concluded by the Company.

B) DATE OF AUTHORISATION FOR ISSUE

The Company's Board of Directors authorised the issuance of the financial statements and directors' report for the year ended 31 December 2013 at a meeting held on 20 March 2014.

2. Basis of presentation of the financial statements

A) FAIR PRESENTATION

The accompanying annual financial statements, authorised for issue by the Company's directors, were prepared from the Company's accounting records and are presented in accordance with prevailing company law and the accounting rules laid down in CNMV Circular 11/2008 (30 December 2008), in order to present fairly the Company's equity, financial position and financial performance and to present accurately the amounts shown in the statement of cash flows.

The figures included in the financial documents comprising these annual accounts are expressed in euros, unless otherwise stated.

The financial statements for the year ended 31 December 2013 will be presented to the Company's shareholders for approval at the upcoming Annual General Meeting, at which they are expected to be approved without modification.

B) NON-MANDATORY ACCOUNTING POLICIES APPLIED

The Company has not applied any non-compulsory accounting principles in the 2013 and 2012 reporting periods.

C) KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the annual financial statements requires the Company to make certain estimates and judgements concerning the future. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

The resulting accounting estimates will, by definition, seldom equal the related actual results. Virtually all of the investees included within investments in group companies and associates (note 7) correspond to equity investments in unlisted companies. The criteria used by the Company to value these investments are outlined in note 4.

D) CHANGES IN ACCOUNTING POLICIES

There were no changes in the accounting criteria applied in 2013.

E) CHANGES IN ACCOUNTING ESTIMATES

Although the accounting estimates used were made on the basis of the best information available at year-end 2013, future events could make it necessary to revise these estimates (upwards or downwards) in coming years. Changes in accounting estimates, if any, would be applied prospectively.

F) CONSOLIDATION

The Company is not obliged under prevailing regulations to issue consolidated annual financial statements for 2013.

G) COMPARATIVE INFORMATION

In 2006, the Bodybell Group completed an organisational and financial restructuring process which entailed the cancellation of the financing available to this investee up until then and the execution of a new financing agreement. As a result of this transaction, Dinamia recovered an after-tax amount on its upfront investment of €17,220,429.90 through an intragroup transaction.

Since then, the Company had been presenting the amount received under this transaction within liabilities, specifically 'Other non-current liabilities', as deferred income pending recognition when this transaction is realised with third parties.

Note in this respect the following trend in this investment, which has been valued at close to zero since 2008:

Carrying amount at 28/12/2006 (equity investment and PP loans)	**24,402,755.09**
Amounts collected as part of the 2006 refinancing	(22,575,000.00)
Additions to profit-participating loans (*)	5,074,352.00
Additions to accrued interest on profit-participating loans	15,195,634.12
Impairment charge recognised	(22,074,168.54)
Balance at 31 December 2013	**23,572.67**

(*) Net of capitalised amounts

With a view to making the disclosures regarding the Company's investment in this investee easier to understand, the amount of the related deferred income was reclassified with effect from 1 January 2012, enabling a comparison between 2012 and 2013. The effects of this reclassification exercise are shown below:

	Balance at 31/12/2012 (*)	**Reclassifications**	**New balance 31/12/2012**
			Euros
ASSETS			
B) NON-CURRENT ASSETS	101,816,218.75	(17,220,429.90)	84,595,788.85
III. Non-current investments in group companies and associates	91,924,953.18	(17,220,429.90)	74,704,523.28
2. Loans to companies	67,401,494.06	(17,220,429.90)	50,181,064.16
TOTAL ASSETS	**152,759,293.33**	**(17,220,429.90)**	**135,538,863.43**
LIABILITIES AND EQUITY			
B) NON-CURRENT LIABILITIES	31,747,574.91	(17,220,429.90)	14,527,145.01
VI. Other non-current liabilities	17,220,429.90	(17,220,429.90)	-
TOTAL LIABILITIES	32,218,350.73	(17,220,429.90)	14,997,920.83
TOTAL EQUITY AND LIABILITIES	152,759,293.33	(17,220,429.90)	135,538,863.43

	Balance at 31/12/2012 (*)	Reclassifications	New balanceo 31/12/2012
			Euros
CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS			
Profit-participating loans to investees (note 7)	67,401,494.06	(17,220,429.90)	50,181,064.16
Face value of profit-participating loans (note 7)	84,296,332.60	(17,220,429.90)	67,075,902.70

	Balance at 31/12/2012 (*)	Reclassifications	New balance 31/12/2012
			Euros
Profit-participating loans (note 7)	63,082,067.17	(17,220,429.90)	45,861,637.27

(*) Balances included in the 2012 financial statements

H) IMPACT OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED BY THE EUROPEAN UNION

The application of the International Financial Reporting Standards adopted by the European Union (IFRS-EU) does not result in material differences in the Company's earnings or year-end equity in 2013 or 2012.

3. Proposed appropriation of profit

The proposed appropriation of 2013 profit to be submitted by the Board of Directors at the Annual General Meeting for approval and the ratified appropriation of 2012 profit is set forth below:

	2013	2012
		Euros
Available for distribution		
Profit for the period	7,017,187.18	26,172,944.61
Appropriation:		
Offset of prior-year results	7,017,187.18	26,172,944.61

4. Accounting policies and measurement criteria applied

A) FINANCIAL ASSETS

i) Current and non-current financial assets

The Company's current and non-current financial investments are classified in the balance sheet using the following criteria:

- Equity instruments

  This heading includes the Company's rights over the equity of entities not considered related parties and includes listed and unlisted shares and other securities such as equity interests in private equity firms, similar foreign entities, collective investment undertakings and limited-liability companies.

- Loans to companies

  This heading includes loans and other non-trade credit extended to third parties.

ii) Current and non-current investments in group companies and associates

These headings include current and non-current equity investments in and loans to group companies and associates.

B) RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS

Financial assets are, in general, initially recognised at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs.

They are subsequently measured at each reporting date in keeping with the following criteria, depending on their nature:

i) Loans and receivables

This category includes: (i) trade receivables; and (ii) non-trade receivables that are neither equity instruments nor derivatives, have fixed or determinable payments and are not traded in an active market. They are measured at amortised cost, which is the amount at which the financial asset was initially recognised less any principal repayments collected, plus or minus, as warranted, the cumulative amortisation in the income statement, using the effective interest method, of any difference between the amount at initial recognition and the maturity amount, less any impairment losses recognised.

The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the carrying amount of the financial asset considering all contractual terms of the instrument but without considering future credit losses. The calculation includes the fees incurred upfront. For financial instruments carrying a fixed rate of interest, the effective interest rate is that estimated at the time of upfront recognition, while for floating rate instruments it is the estimated yield until the next benchmark rate revision date.

Nevertheless, trade receivables due within less than twelve months from the reporting date are measured at nominal value upon initial recognition and for subsequent measurement purposes, so long as the effect of not discounting the cash flows is not material.

ii) Available-for-sale financial assets

The financial assets included in this category, which includes the financial assets that cannot be classified in any other category, are measured at fair value without deducting any transaction costs which may be incurred to sell them. Changes in fair value are recognised directly in equity until the financial asset is derecognised or determined to be impaired, at which time the cumulative gain or loss recognised in equity is reclassified to profit or loss. The following criteria are used to determine fair value:

- Unlisted equity investments

  If there are no recent arm's length transactions between knowledgeable, willing parties in the security being valued, and barring evidence to the contrary, fair value is determined using the criteria and methods outlined in section 4.b.iii) below.

  Dividends received, the repayment of capital contributions and other shareholder distributions and the amounts obtained from the sale of preemptive subscription rights or their decoupling for the purpose of exercising them reduce the fair value of equity investments in unlisted companies from the date on which the corresponding right is established or the related transactions close.

- Investments in start-up capital

  Investments in start-up capital are equity investments in unlisted companies that have been in existence for less than three years. This category also includes investments in entities in existence for more than three years which meet the following conditions: less than three years have elapsed from the initial investment, the investee has not posted a profit for two consecutive years during the last five years and these earnings have been verified by an independent expert.

  If there are no recent arm's length transactions between knowledgeable, willing parties, they are measured at cost. Under no circumstances are unrealised gains on investments in start-up capital recognised in the absence of arm's length transactions in the security in question.

- Shares of other private equity firms

  These investments are measured at the last net asset value published or the valuation metric disclosed by the investee at the measurement date. If no such valuation metrics are available, the valuations calculated using the criteria indicated above for equity investments in unlisted companies are used.

- Listed equity investments

  These investments are measured at fair value, which is their market value as per the most relevant exchange in terms of trading volumes, determined by applying the official close price on the day of measurement, if available, or the immediately preceding working day, or the weighted average value if no official close price is available.

- Shares of collective investment undertakings

  These investments are measured using the most recent net asset value available.

iii) Equity investments in group companies, jointly-controlled entities and associates

A group company is one that constitutes a decision-making unit over which the Company has the power, directly or indirectly, to exercise control. The power to exercise control is evidenced, generally albeit not exclusively, by direct or indirect interests of 50% or more in an investee's voting rights. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control may be exercised at shareholdings below the abovementioned threshold.

A jointly-controlled entity is an entity which, not being a group entity, is jointly controlled by the Company and one or more unrelated companies. This heading includes joint ventures. Joint ventures are contractual agreements under which two or more parties or venturers undertake operations or hold assets in an entity under an arrangement in which strategic, financial and business decisions affecting the joint venture require the unanimous consent of all of the venturers, without such operations or assets being integrated into financial structures distinct from those of the venturers.

Associates are entities over which the Company has significant influence by means of an interest that creates a long-lasting relationship such that the latter makes a contribution to the business of the former. Significant influence is deemed to exist, barring evidence to the contrary, when the Company holds a direct or indirect interest of 20% or more in the investee's voting rights.

The Company has classified all of its private equity investments as investments in associates as in all instances Dinamia participates in and has the power to influence their financial and operating policies, without exercising control. The existence of this significant influence is evidenced by its representation on these entities' board of directors or its participation in their procedures for setting their financial and operating policies.

Investments in group companies, jointly-controlled entities and associates are measured at cost less any accumulated impairment losses.

Investments in group companies, jointly-controlled entities and associates which are considered investments in start-up capital (under the criteria used to measure available-for-sale financial assets, outlined in section b.ii) above) are measured at cost. In the event of recent arm's length transactions between knowledgeable, willing parties at amounts above these investments' carrying amounts, the resulting differences are included within 'Unrealised gains (losses) (net of tax effect)' in the balance sheet memorandum accounts.

'Unrealised gains (losses) (net of tax effect)' in the balance sheet memorandum accounts include the unrealised gains and/or losses, net of taxes, calculated by comparing the cost of the investment and its fair value. These unrealised gains derive from the valuation of the Company's investments in the investees listed in note 7 using the criteria outlined next.

The Company has decided to measure its investments at the fair values resulting from the application of the valuation criteria recommended by the European Venture Capital Association (EVCA), which are widely accepted in the European private equity industry. Against this backdrop, the Company measures its investments at the lower of the values resulting from the following two methods:

- Valuation using comparable listed company multiples.
- Valuation resulting from the application of the multiples at which the Company acquired its shareholdings to the investees' earnings metrics.

However, these general criteria may vary for the odd investee when it is believed that their application would trigger significant distortions in fair value on account of the investee's specific circumstances (e.g. entities held in the Company's portfolio for less than one year, entities that have yet to reach the traction needed to make the use of comparable multiples meaningful and loss-making entities).

Alternative methods used for certain investees include underlying book value and the value of binding bids received, to the extent considered to provide the best estimates of fair value at the time of measurement.

Every quarter, Dinamia's Management Company prepares a valuation report encompassing all of the Company's assets and using the above valuation criteria; moreover, the criteria used to perform this valuation exercise are reviewed by an independent expert twice a year. The underlying book values of the various unlisted investments comprising the Company's portfolio are itemised in Appendix 2.

C) IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Receivables and investments (whether investments or accruals) are considered doubtful when their collection is considered problematic.

Whenever there is objective evidence that a financial asset is impaired, the asset is written down, generally with a charge in the income statement.

The criteria used for testing financial assets for impairment are outlined below by category:

i) Loans and receivables

Loans and receivables are deemed impaired when there is a reduction or delay in estimated future cash flows, possibly due to debtor insolvency.

Impairment losses and any subsequent reversals are recognised as an expense or income, respectively, in the income statement.

ii) Available-for-sale financial assets

An available-for-sale financial asset is deemed impaired as a result of one or more events (loss events) occurring after the initial recognition of the asset and which, in the case of equity instruments, trigger the inability to recover the asset's carrying amount, evidenced by a prolonged or significant decline in its fair value. Regardless, a financial instrument is deemed impaired, barring evidence to the contrary, under the following circumstances:

* A decline of 40% with respect to the initial valuation during 18 months, if unlisted.
* A decline of 40% in the share price during 18 months, if listed.

The impairment loss recognised is the difference between the asset's cost, less any impairment loss previously recognised in the income statement, and its fair value on the measurement date.

Any cumulative fair value losses recognised in equity are reclassified to profit or loss whenever there is objective evidence of financial asset impairment.

If fair value increases in subsequent years, the impairment loss(es) recognised in prior years are reversed with a credit in the income statement. In the event of an increase in the fair value of an equity instrument, prior-year impairment losses are not reversed through profit and loss but rather directly in equity.

iii) Equity investments in group companies, jointly-controlled entities and associates

Equity investments in group companies, jointly-controlled entities and associates are deemed impaired when there is objective evidence that the carrying amount of an investment is no longer recoverable. The resulting impairment loss is the difference between the investment's carrying amount and recoverable amount, based on the fair value calculated in keeping with the financial asset recognition and measurement criteria outlined above, barring evidence to the contrary.

Impairment losses and any subsequent reversals are recognised as an expense or income, respectively, in the income statement. The reversal is limited to the carrying amount of the investment that would have been recognised at the reversal date had no impairment loss been recognised.

Impairment losses on investments in group companies, jointly-controlled entities and associates that are investments in start-up capital are presented under 'Impairment of start-up capital' in the balance sheet memorandum account to the extent that these investees are delivering on their business plans, as certified by the Board of Directors of the Company or its Management Company. All other impairment losses and any subsequent reversals thereof are recognised as an expense or income, respectively, in the income statement.

D) SALE-PURCHASE OF INTERESTS IN OTHER PRIVATE EQUITY FIRMS

The investment commitment in other private equity firms is recognised at the amount effectively committed to in the balance sheet memorandum accounts under ‘Securities purchase commitments – Private equity firms’ or ‘Securities purchase commitments – Other entities’, depending on whether the investee entity meets the requirements laid down i n article 19 of Spanish Law 25/2005 (of 24 November 2005) governing private equity firms and their management companies.

They are recognised on the asset side of the balance sheet within current or non-current equity instruments, depending on how long the Company intends to hold them, when the securities are acquired or subscribed for.

Uncalled drawdowns are recognised as an adjustment to the corresponding asset account until the date that these drawdowns are sought or demanded, at which time the outstanding drawdowns are recognised as a liability.

Any commitments to sell these investments are recognised within ‘Securities sales commitments’ in the balance sheet memorandum accounts at the agreed-upon sale price, using the same breakdown as described above for purchase commitments.

E) INTEREST INCOME AND DIVIDENDS GENERATED BY FINANCIAL ASSETS

Interest and dividend income accrued on financial assets after their date of acquisition is recognised as revenue. Interest is recognised using the effective interest rate method; dividends are recognised when the right to receive them is established.

Financial assets are recognised separately upon initial measurement based on maturity, accrued explicit interest receivable at that date, and the dividends approved by the competent governing body up to the date the assets are acquired. Explicit interest refers to the contractual interest rate applicable to the financial instrument.

F) DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised in full or in part when the contractual rights to the related cash flows have expired or been transferred, meaning the substantial transfer of the risks and rewards incidental to ownership of the asset. At any rate, the following transactions give rise to derecognition, among others:

- Financial assets sold outright or unconditionally.
- Financial assets sold under repurchase agreements at fair value on the repurchase date.
- Assets materially impaired for which the investment is deemed irrecoverable, with a write-off charge to the income statement.

When financial assets are derecognised due to either of the first two circumstances given above, the difference between the sum of consideration received net of attributable transaction costs, including any new financial asset obtained less any liability assumed, and the carrying amount of the financial asset transferred, determines the gain or loss generated upon derecognition, and is included in profit or loss.

If the Company has neither substantially transferred nor retained the risks and rewards, the financial asset is derecognised when control has been relinquished, control being determined on the basis of the Company’s power to sell the asset in question.

G) FINANCIAL LIABILITIES

The Company recognises a financial liability when it becomes party to the contractual provisions of the instrument.

Financial instruments issued, incurred or assumed by the Company are classified as financial liabilities in part or in full so long as the economic substance of the transaction directly or indirectly contractually obliges the Company to deliver cash or another financial asset or to exchange financial assets or liabilities with third parties on potentially unfavourable terms.

For measurement purposes, financial liabilities are mainly classified as debts and payables.

H) Debts and payables (financial liabilities at amortised cost)

This category includes financial liabilities on account of trade and non-trade payables. These liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months from the balance sheet date.

These liabilities are initially recognised at their acquisition price which, barring evidence to the contrary, is equivalent to the fair value of the consideration received plus directly attributable transaction costs. They are subsequently measured at amortised cost. Accrued interest is recognised in the income statement using the effective interest rate method.

However, balances expected to be paid within one year from the reporting date are measured at their nominal value, insofar as the effect of not discounting them is not significant.

I) DERECOGNITION OF FINANCIAL LIABILITIES

The Company derecognises a financial liability when the obligation under the liability is extinguished. The difference between the carrying amount of the derecognised financial liability (or part thereof) and the consideration paid, including any attributable transaction costs, which extends to any asset transferred other than cash and/or any liability assumed, is recognised in the income statement currently.

J) PROVISIONS AND CONTINGENT LIABILITIES

Provisions represent the Company's present obligations, arising from past events, whose nature is clearly specified as of the reporting date but of uncertain timing or amount, the settlement of which is expected to result in an outflow of resources embodying economic benefits. These obligations may arise as a result of:

- A legal or contractual obligation;

- A constructive obligation deriving from the creation by a Company of a valid expectation on the part of third parties with regard to its discharge of certain responsibilities. These expectations are created when the Company publicly accepts certain responsibilities or by means of an established pattern of past behaviour or published policies.

- The virtually certain trend in regulation in certain aspects, specifically draft legislation which the Company will certainly be bound by.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities include present obligations whose settlement is not considered likely to result in an outflow of resources embodying economic benefits or, extremely rarely, whose amount cannot be estimated with sufficient reliability.

Provisions and contingent liabilities are classified as probable when they are considered more likely than not to materialise, possible when it is considered more likely that it will not materialise and remote when their materialisation is considered extremely unlikely.

The financial statements recognise all material provisions in respect of which it is considered more likely than not that a present obligation exists. Contingent liabilities are not recognised in the financial statements, but they are disclosed in the accompanying notes, unless the possibility of an outflow of resources embodying economic benefits is remote.

Provisions are quantified using the best information available regarding the consequences of the obligating event and are re-estimated at each reporting date. Provisions are only used for the specific expenditures for which they were originally recognised and they are reversed, in part or in full, when the originating obligations cease to exist or diminish.

K) EQUITY

Own equity instruments are the shares representing the Company's capital.

Own share acquisitions by the Company are recognised as a decrease in equity at the fair value of the consideration delivered. The cancellation of own shares triggers a reduction in capital in the amount of the par value of the shares cancelled. Any gain or loss resulting from the difference between the fair value and par value of the shares is recognised directly in equity.

Gains and losses deriving from the sale of own shares are recognised directly in equity.

All transaction costs intrinsic to transactions in own equity instruments are deducted directly from equity, unless the transaction was not completed or abandoned, in which case they are recognised in profit or loss. The tax effect of these expenses reduces or increases current tax liabilities or assets.

L) INCOME AND EXPENSE RECOGNITION

The expenses incurred in respect of the management, administration and representation services rendered by the Management Company are recognised in the income statement as they accrue in keeping with the terms of the Management Agreement in force.

M) INCOME TAX

Tax expense includes current and deferred tax expense (income) and is recognised in the income statement. However, the tax effects of items recognised directly with a credit or charge to equity are also recognised in equity.

Current tax is the amount of tax payable by the Company on the basis of its income tax returns after taking into consideration any unused tax credits and tax losses carried forward, and without factoring in withholdings or payments on account.

Deferred tax expense or income corresponds to the recognition and derecognition of deferred tax assets and liabilities arising from temporary differences between the carrying amounts of the assets and liabilities and their tax bases. Taxable temporary differences (which give rise to higher taxes payable or lower taxes refundable in future years) generate deferred tax liabilities. Deductible temporary differences (which give rise to lower taxes payable or higher taxes refundable in future years) and unused tax credits carried forward are recognised as deferred tax assets. Differences arising from changes in the value of available-for-sale financial assets recognised in equity are considered temporary differences.

Deferred tax expense or income corresponds to the recognition and derecognition of deferred tax assets and liabilities. These include taxable and deductible temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, and the carryforward of unused tax credits and unused tax losses. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets are only recognised to the extent that it is probable that the Company will have sufficient future taxable profit against which these assets may be utilised. These criteria similarly apply to the recognition of deferred tax assets in respect of unused tax losses.

Article 55.1 of the consolidated text of Spain's Corporate Income Tax Act provides an income tax exemption on 99% of the income deriving from the sale of the equity securities of companies or the entities itemised in article 2 of Spanish Law 25/2005 (of 24 November 2005) governing private equity firms and their management companies.

N) FOREIGN CURRENCY TRANSACTIONS

The Company's financial statements are presented in euro, which is both its functional and presentation currency.

5. Risk management

The Company’s core business activity exposes it to certain financial risks in respect of its investments in listed and unlisted companies.

It manages these financial risk factors by means of concentration limits, ongoing monitoring of the companies comprising its investment portfolio and, prior to investments, the commissioning of independent expert reports on the companies under analysis for possible investment.

Financial risk factor mitigation is conducted under policies set at the highest decision-making level and in keeping with established rules, policies and procedures.

Because of the nature of the Company's business activities and the financial risks to which it is exposed, it does not engage in hedging.

The possible risks relating to the financial instruments used by the Company and the related disclosures are as follows:

A) FAIR VALUE OF FINANCIAL INSTRUMENTS

In general the Company invests in unlisted equity instruments so that there are no market prices for the financial assets recognised on its balance sheet. Management of risk in relation to unlisted investees is achieved primarily through portfolio diversification and ongoing monitoring of the main business and financial drivers affecting the unlisted companies in the investment portfolio. However, a series of checks are performed prior to investing in unlisted companies, including the commissioning of independent expert prepare reports and opinions on the companies under analysis and their business environments.

As a general rule, the fair value of the Company’s financial instruments (investments in companies and profit-participating loans) is determined using the criteria recommended by the European Venture Capital Association (EVCA) for valuing the companies comprising a private equity portfolio. These are summarised in note 4.b.iii).

Given the uncertainty intrinsic to estimating fair value for private equity investments, the EVCA urges in its valuation principles that valuers exercise due caution.

B) CREDIT RISK

Credit risk is a possible loss as a result of the total or partial breach by the Company’s debtors or counterparties of their financial obligations to it. Given the nature of the Company’s core business, credit risk is primarily accounted for by the credit claims recognised on the asset side of its balance sheet in respect of profit-participating loans extended to investees, whose fair value is estimated using the above criteria. Individual credit limits are set by the Company's Board of Directors.

C) LIQUIDITY RISK

In order to ensure ongoing liquidity and the ability to service all the payment commitments arising from its business operations, the Company holds the cash and cash equivalent balances shown on the balance sheet, as detailed in note 8.

D) INTEREST RATE RISK

Interest rate risk derives mainly from the profit-participating loans extended by the Company to its equity investees. The maturity schedule of these loans is disclosed in note 7.

E) OPERATIONAL RISK

Given its business activity and internal organisational structure, the Company is not exposed to material risks as a result of unexpected events or errors related to its internal operations.

6. Non-current financial assets

The breakdown of non-current financial assets is as follows:

	2013	2012
		Euros
Equity instruments	11,114,361.28	9,326,958.52
Private equity investees	-	1,096,627.68
Other entities	11,114,361.28	8,230,330.84
Loans to companies	558,807.97	558,807.97
Other financial assets	-	-
	11,673,169.25	**9,885,766.49**

All of the financial assets included in this heading are classified as available-for-sale financial assets. The fair value of these assets was determined as outlined in note 4.

Additional disclosures at year-end:

	31 December 2013			
	Financia assets	**Measurement adjustments**	**Impairment charges**	**Total**
				Euros
Unlisted shares	-	-	-	-
Private equity investees	-	-	-	-
Other	-	-	-	-
Listed shares	-	-	-	-
Private equity investees	-	-	-	-
Other	-	-	-	-
Loans to companies	558,807.97	-	-	558,807.97
Collective investment undertakings	-	-	-	-
Private equity firms	10,120,102.52	994,258.76	-	11,114,361.28
Spanish	-	-	-	-
International	10,120,102.52	994,258.76	-	11,114,361.28
	10,678,910.49	**994,258.76**	**-**	**11,673,169.25**

			31 December 2012 Euros	
	Financial assets	**Measurement adjustments**	**Impairment charges**	**Total**
Unlisted shares	4,069,406.07	-	(4,069,406.07)	-
Private equity investees	4,069,406.07	-	(4,069,406.07)	-
Other	-	-	-	-
Listed shares	1,621,442.38	3,309,053.07	(3,833,867.77)	1,096,627.68
Private equity investees	1,621,442.38	3,309,053.07	(3,833,867.77)	1,096,627.68
Other	-	-	-	-
Loans to companies	558,807.97	-	-	558,807.97
Collective investment undertakings	-	-	-	-
Private equity firms	7,471,670.54	758,660.30	-	8,230,330.84
Spanish	-	-		-
International	7,471,670.54	758,660.30	-	8,230,330.84
	13,721,326.96	**4,067,713.37**	**(7,903,273.84)**	**9,885,766.49**

The breakdown by the individual investments comprising this heading and the movements in this account in 2013 and 2012 are shown below:

	31/12/2012	**Additions**	**Derecognitions**	**Change in fair value**	**Impairment charges**	**31/12/2013**
						Euros
Unlisted shares						
United Wineries Holdings, S.A.	-	-	-	-	-	-
Listed shares						
Nicolás Correa, S.A.	1,096,627.68	-	(4,914,829.33)	(15,666.11)	3,833,867.76	-
Collective investment undertakings						
Gescoop. Monetario Dinámico., F.I.	-	-	-	-	-	-
Loans to companies						
Segur Ibérica S.A.	558,807.97	-	-	-	-	558,807.97
Private equity firms						
Electra Partners Club 2007, LP	8,230,330.84	1,889,771.68	-	994,258.76	-	11,114,361.28
	9,885,766.49	**1,889,771.68**	**(4,914,829.33)**	**978,592.65**	**3,833,867.76**	**11,673,169.25**

	31/12/2011	Additions	Derecognitions	Change in fair value	Impairment charges	31/12/2012
						Euros
Unlisted shares						
United Wineries Holdings, S.A.	4,069,406.07	-	-	-	(4,069,406.07)	-
Listed shares						
Nicolás Correa, S.A.	1,621,442.38	-	-	3,309,053.07	(3,833,867.77)	1,096,627.68
Collective investment undertakings						
Gescoop. Monetario Dinámico., F.I.	646,951.92	-	(646.951.92)	-	-	-
Loans to companies						
Segur Ibérica S.A.	558,807.97	-	-	-	-	558,807.97
Private equity firms						
Electra Partners Club 2007, LP	5,679,979.65	1,791,690.89	-	758,660.30	-	8,230,330.84
	12,576,587.99	**1,791,690.89**	**(646.951.92)**	**4,067,713.37**	**(7,903,273.84)**	**9 885 766.49**

The difference between the amount presented under 'Measurement adjustments in equity – Available-for-sale financial assets' and that shown in the table above as 'Change in fair value' corresponds to the tax effect of the capital loss implied by the valuation dated 31 December 2013, in the amount of €2,563.30 (€5,499.08 at 31 December 2012). This difference has been recognised in 'Deferred tax assets'.

UNITED WINERIES HOLDINGS, S.A.

The Company holds a minority investment in United Wineries Holdings, S.A. (8% of share capital). This, coupled with differences with this investee's management, the existence of dividend payment resolutions that have been challenged by Dinamia and other shareholders and the lack of updated information on the business performance of United Wineries Holdings, S.A. deemed sufficiently reliable, has prompted the Company's directors to conclude that there is a high degree of uncertainty regarding its ability to recover the amount invested to date, to which end it recognised an impairment charge on this investment of €4,069,406.07 in its 2012 income statement.

NICOLÁS CORREA, S.A.

The Company sold the 1,566,583 shares it continued to hold in Nicolás Correa on the secondary market between the months of September and October 2013. The proceeds, net of fees and commissions, totalled €2,231,520.65. As a result of the outright sale of this investment, the Company recognised a realised loss of €2,683,308.68 in its income statement and income in respect of the surplus impairment provision of €3,833,867.76. The table below summarises the accounting treatment of this transaction:

Exit	Number of shares	Proceeds	Acquisition cost	Capital loss	Surplus provision	Net accounting gain
						Thousand euros
Nicolás Correa	1,566,583	2,232	4,915	(2,683)	3,834	1,151
TOTAL						**1,151**

In 2012 the Company had deemed this investment impaired, accordingly recognising the cumulative change in the fair value of its investment in Nicolás Correa, S.A. plus an additional impairment charge in its 2012 income statement totalling €3,833,867.77.

GESCOOPERATIVO DINÁMICO, F.I.

The Company sold its investment in the Gescooperativo Dinámico, F.I. fund on 16 April 2012. At the time of the sale the Company had recognised measurement adjustments of €42,908.61 reflecting the valuation correction accumulated on this investment since the acquisition date. The Company's interest in the fund was sold for €641,978.54. The Company therefore recognised a loss in its income statement at the difference between the carrying amount of the investment in this fund and its effective redemption value in the amount of €47,881.99. In parallel, the Company derecognised the €652,528.22 provision it had recognised within non-current provisions given that this investment had been pledged as collateral.

SEGUR IBÉRICA S.A.

As a result of the agreements under which the Company sold its investments in Segur Ibérica S.A. and Hortus Mundi S.L., dated 7 September 2011, Dinamia has been a lender to Grupo Segur since that date. The loan amounts to €558,807.97.

ELECTRA PARTNERS CLUB 2007, LP

- In 2013, Dinamia made contributions to the Electra Partners Club 2007, LP fund totalling GBP1,589,104.41 to finance the acquisition of an interest in UBM Data Services and cover its share of the fund's expenses. The euro equivalent of this contribution was €1,889,771.68.

- In 2012, Dinamia made contributions to the Electra Partners Club 2007, LP fund totalling GBP1,439,072.82. The euro equivalent of this contribution was €1,791,690.89.

- On 23 March 2012, Dinamia contributed €1,686 thousand to Electra Partners Club 2007, LP in order to finance the acquisition of an interest in Peverel Group, a provider of property-related services in the UK. In addition to general property management services (e.g. rent collection, maintenance management and refurbishment projects), the group companies operate other businesses such as social care or tele-assistance services (which allow residents to call for emergency help by means of the use of specialist equipment that puts them in contact with Peverel's call centre), the installation and maintenance of security systems and insurance services. Headquartered in New Milton, Hampshire, Peverel has offices in London, Luton, Birmingham, Kent and Glasgow and employs more than 4,200 people.

- On 28 September 2012, Dinamia contributed €86 thousand to Electra Partners Club 2007, LP in order to cover its share of the fund's management fee and other operating expenses.

- On 24 October 2012, Dinamia contributed €20 thousand to Electra Partners Club 2007, LP in order to cover its share of the fund's management fee and other operating expenses.

The Company has committed to invest GBP10 million in Electra Partners Club 2007, LP. At 31 December 2013, 98% of this commitment had been met (year-end 2012: 82%). This is the Company's only investment denominated in foreign currency. Electra Partners Club 2007 LP is a private equity fund managed by Electra Partners LLP. One of Dinamia's significant shareholders is Electra Private Equity Partners 1995, the private equity firm managed, in turn, by Electra Partners LLP, the same company which manages Electra Partners Club 2007, LP.

The breakdown by entity of the initial amount recognised and the corresponding accumulated measurement changes in the investments comprising available-for-sale financial assets at year-end is as follows:

	2013	2012
		Euros
Listed shares		
Nicolás Correa, S.A.	**-**	**1,096,627.65**
Initial amount	-	4,914,829.30
Measurement adjustments & impairment	-	(3,818,201.65)
Private equity firms		
Electra Partners Club 2007, LP	**11,114,361.28**	**8,230,330.84**
Initial amount	11,964,178.99	10,074,407.31
Measurement adjustments	(849,817.71)	(1,844,076.47)
Unlisted shares		
United Wineries Holdings, S.A.	**-**	**-**
Initial amount	4,069,406.07	4,069,406.07
Measurement adjustments & impairment	(4,069,406.07)	(4,069,406.07)
	11,114,361.28	**9,326,958.49**

7. Non-current investments in group companies and associates

The breakdown of non-current investments in group companies and associates is provided below:

	2013	2012
		Euros
Equity instruments	**43,971,834.30**	**24,523,459.12**
Private equity investees	43,971,834.30	24,523,459.12
Other entities		-
Loans to companies	54,995,685.32	67,401,494.06
	98,967,519.62	**91,924,953.18**

All of the financial assets included in this heading are denominated in euros.

The loans extended to associates mature between 2014 and 2041.

A) EQUITY INSTRUMENTS

The portfolio of long-term investments in associates comprised investments in 17 unlisted companies at year-end 2013 (13 unlisted investments at year-end 2012). In keeping with standard nine of CNMV Circular 11/2008, the Company distinguishes between start-up and development capital when classifying these investments. The corresponding breakdown is provided in Appendix 1.

The criteria used to value these unlisted investments are summarised in note 4.

The reconciliation of the opening and year-end balances comprising this heading is as follows:

	31/12/2012	Additions	Derecognitions	31/12/2013
				Euros
Unlisted securities	88,229,016.19	20,310,710.61	(884,517.12)	107,655,209.68
Provision for impairment	(63,705,557.07)	(862,335.43)	884,517.12	(63,683,375.38)
	24,523,459.12	**19,448,375.18**	**-**	**43,971,834.30**

	31/12/2011	Additions	Derecognitions	31/12/2012
Unlisted securities	90,903,929.50	3,604,336.69	(6,279,250.00)	88,229,016.19
Provision for impairment	(63,728,923.39)	(6,255,883.68)	6,279,250.00	(63,705,557.07)
	27,175,006.11	**(2,651,546.99)**	**-**	**24,523,459.12**

This same reconciliation is provided at the individual investment level for 2013 in the table below:

	31/12/2012	Additions	Derecognitions	31/12/2013
				Euros
Alcad Spain, S.L	9,847,496.00	-	-	9,847,496.00
Colegios Laude, S.L.	4,015,960.00	-	-	4,015,960.00
Colegios Laude II, S.L.	369,471.00	-	-	369,471.00
The Beauty Bell Chain, S.L.	13,409,789.70	113,387.35	-	13,523,177.05
Xanit Health Care Management, S.L	8,153,688.18	-	-	8,153,688.18
High Tech Hotels & Resorts, S.A.	11,331,349.08	-	(884,517.12)	10,446,831.96
Grupo Gestión Integral Novolux Internacional, S.L.	4,208,750.00	-	-	4,208,750.00
MBA Incorporado, SL	15,533,124.22	-	-	15,533,124.22
Lata Lux Parent Holding S.a.r.L.	77,092.64	-	-	77,092.64
Tryo Communication Technologies, S.L.	5,648,740.00	-	-	5,648,740.00
Rymsa, S.L.	4,310,826.18	-	-	4,310,826.18
Tamsi Spain, S.L.	7,718,392.50	-	-	7,718,392.50
Cardomana Servicios y Gestiones, S.L.	3,604,336.69	-	-	3,604,336.69
Global Abbasi, S.L.	-	11,500,202.56	-	11,500,202.56
Tryo Aerospace, S.L.	-	742.50	-	742.50
Rymsa RF, S.L.	-	742.50	-	742.50
Salto Systems, S.A.	-	8,695,635.70	-	8,695,635.70
Total investment	**88,229,016.19**	**20,310,710.61**	**(884,517.12)**	**107,655,209.68**

	31/12/2012	Additions	Derecognitions	31/12/2013
				Euros
Alcad Spain, S.L	(9,847,496.00)	-	-	(9,847,496.00)
Colegios Laude, SL	(4,015,960.00)	-	-	(4,015,960.00)
Colegios Laude II, SL	(369,471.00)	-	-	(369,471.00)
High Tech Hotels & Resorts, S.L.	(11,331,349.08)	-	884,517.12	(10,446,831.96)
The Beauty Bell Chain, SL	(13,409,789.70)	(113,387.35)	-	(13,523,177.05)
Xanit Health Care Management, S.L	(8,153,688.18)	-	-	(8,153,688.18)
Grupo Gestión Integral Novolux Internacional, S.L.	(4,208,750.00)	-	-	(4,208,750.00)
MBA Incorporado, S.L.	(12,369,053.11)	(748,948.08)	-	(12,369,053.11)
Total impairment charges	**(63,705,557.07)**	**(862,335.43)**	**884,517.12**	**(63,683,375.38)**
Total equity instruments - Private equity investees	**24,523,459.12**	**19,448,375.18**	**-**	**43,971,834.30**

The equivalent 2012 reconciliation is provided below:

	31/12/2011	Additions	Derecognitions	31/12/2012
				Euros
High Tech Hotels & Resorts, S.A.	11,331,349.08	-	-	11,331,349.08
The Beauty Bell Chain, S.L.	13,409,789.70	-	-	13,409,789.70
HP Health Clubs Iberia, S.A	1,883,750.00	-	(1,883,750.00)	-
Grupo Gestión Integral Novolux Internacional, S.L.	4,208,750.00	-	-	4 208 750.00
Colegios Laude, S.L.	4,015,960.00	-	-	4 015 960.00
Alcad, S.L	9,847,496.00	-	-	9 847 496.00
ZIV Aplicaciones y Tecnología, S.L	4,395,500.00	-	(4,395,500.00)	-
Xanit Health Care Management, S.L	8,153,688.18	-	-	8 153 688.18
MBA Incorporado, SL	15,533,124.22	-	-	15 533 124.22
Colegios Laude II, S.L.	369,471.00	-	-	369 471.00
Lata Lux Parent Holding S.a.r.L.	77,092.64	-	-	77 092.64
Tryo Communication Technologies, S.L.	5,648,740.00	-	-	5 648 740.00
Rymsa, S.L.	4,310,826.18	-	-	4 310 826.18
Tamsi Spain, S.L.	7,718,392.50	-	-	7 718 392.50
Cardomana Servicios y Gestiones, S.L.	-	3,604,336.69	-	3 604 336.69
Total investment	**90,903,929.50**	**3,604,336.69**	**(6,279,250.00)**	**88,229,016.19**

	31/12/2011	Additions	Derecognitions	31/12/2012
				Euros
Alcad, S.L	(9,847,496.00)	-	-	(9,847,496.00)
Colegios Laude, SL	(4,015,960.00)	-	-	(4 015 960.00)
Colegios Laude II, SL	(369,471.00)	-	-	(369 471.00)
HP Health Clubs Iberia, S.A	(1,883,750.00)	-	1,883,750.00	-
High Tech Hotels & Resorts, S.L.	(5,075,465.40)	(6,255,883.68)	-	(11 331 349.08)
The Beauty Bell Chain, SL	(13,409,789.70)	-	-	(13 409 789.70)
Xanit Health Care Management, S.L	(,8,153,688.18)	-	-	(8 153 688.18)
ZIV Aplicaciones y Tecnología, S.L	(4,395,500.00)	-	4,395,500.00	-
Gestión Integral Novolux Internacional, S.L.	(4,208,750.00)	-	-	(4 208 750.00)
MBA Incorporado, S.L.	(12,369,053.11)	-	-	(12 369 053.11)
Total impairment charges	**(63 728 923.39)**	**(6 255 883.68)**	**6,279,250.00**	**(63,705,557.07)**
Total equity instruments - Private equity investees	**27,175,006.11**	**(2,651,546.99)**	**-**	**24,523,459.12**

Appendix 1 itemises the registered office, core business and auditor of each of the investees at year-end.

Appendix 2 itemises the ownership interest in and equity of each of the investees at year-end.

The movements in investments in group companies and associates in 2013 were the following:

- Dinamia Capital Privado S.C.R., S.A., together with other private equity firms managed by Nmás1 Capital Privado

S.G.E.C.R., S.A., closed the acquisition of 100% of Global Abbasi, S.L., the special-purpose vehicle used to structure its investment in Probos – Plásticos, S.A. (the "Probos Group"), on 31 January 2013. Dinamia accordingly acquired an indirect 24.29% shareholding in the Probos Group for an investment of €10,650,202.56. The Probos Group, headquartered in Mindelo (Portugal), is the world's third-largest maker of plastic band edges for the furniture industry, selling its products in over 50 countries. It has two manufacturing facilities in Portugal and Brazil as well as a direct sales presence in Mexico, the UK and Germany.

- Dinamia injected an additional €850,000 of equity into Global Abbasi, S.L. on 3 April 2013 in order to increase its shareholding in Probos – Plásticos, S.A. This additional investment lifted Dinamia's indirect equity interest in Probos – Plásticos, S.A. to 24.34%.

- On 30 September 2013, Dinamia made a payment of €113,387.35 as part of the settlement of contingency payments warrantied to the investors who bought shares in The Beauty Bell Chain, S.L. in 2008.

  Simultaneously, Dinamia recognised an impairment loss on its investment in The Beauty Bell Chain, S.L. of €113,387.35 in order to restate the carrying amount to the valuation estimated by the Company as of that date.

- During the last quarter of 2013, Dinamia sold its investments in Hoteles Tecnológicos 2010 and Mysibek Investments, which formed part of its overall investment in High Tech, for €868,693.02. The investment in Hoteles Tecnológicos 2010 amounted to €884,517.12.

- On 30 December 2013, Dinamia Capital Privado S.C.R., S.A. acquired 5.50% of Salto Systems, S.L. for an investment of €8,695 thousand (excluding transaction costs). This transaction was structured as the purchase of Salto treasury shares, with the management team (and founders of Salto) staying on as controlling shareholders. Salto, headquartered in Oiartzun (Basque region), is the world's fifth-largest manufacturer of access control systems and is specialised in electronic locks. Over 90% of its revenue is accounted for by exports to more than 90 different countries.

- In 2013, the Company recognised an impairment charge on its investment in MBA in order to restate the carrying amount of this investment to the net asset value estimated at each reporting date.

- During the fourth quarter of 2013, the Company partially derecognised the impairment charges recognised on its investment in High Tech (in the amount of €884,517.20), as a result of the sale of its interests in Hoteles Tecnológicos 2010 and Mysibek Investments.

The main transactions involving the Company's investees in 2012 are summarised below:

- On 4 January 2012, Dinamia sold its 21.3% shareholding in HP Health Clubs Iberia, S.A, a company devoted to the operation of high-end health clubs in Spain and Portugal, to the companies that manage the Holmes Place trademark in several countries in Europe for €34,870.00. This investment had been fully written down so that the Company recognised the proceeds received as a gain on disposals in its 2012 income statement.

- On 27 July 2012, Dinamia Capital Privado S.C.R. S.A. sold its 37.25% shareholding in ZIV Aplicaciones y Tecnología, S.L., along with the related profit-participating loan, to India's Crompton Greaves, which acquired the company through CG International B.V. Dinamia Capital Privado S.C.R. S.A.'s proceeds from the sale approximated €40,679,704.25, so that it multiplied its initial investment by a factor of 3.5x. The sales price is subject to potential haircuts which have been provisioned, creating the right to potentially claim payment of another €972 thousand. The proceeds net of these provisions totalled €38,413,678.87.

- On 27 September 2012, the Company, together with other private equity firms managed by Nmás1 Capital Privado S.G.E.C.R., reached an agreement for the acquisition of up to 55% of Secuoya, Grupo de Comunicación, S.A., whose shares are traded on Spain's alternative stock market, the MAB. This investment implied an initial outlay for Dinamia of €3,604,336.69. The transaction closed on 25 October 2012 at the end of the period for accepting the offer targeted at all of Secuoya's shareholders.

B) LOANS TO COMPANIES

This heading includes the profit-participating loans extended to the associates included in the previous heading:

+	2013	2012 Euros
Profit-participating loans		
To private equity investees		
Face value	68,469,794.06	67,075,902.70
Accrued interest	42,415,151.47	40,298,130.80
Impairment charges	(55,889,260.22)	(57,192,969.34)
	54,995,685.31	**50,181,064.16**

The reconciliation of the opening and year-end balance of 'Non-current investments in group companies and associates - Loans to companies' is shown below:

	2013	2012 Euros
Balance at 1 January	**50,181,064.16**	**45,861,637.27**
Additions to face value of profit-participating loans	609,677.00	1,250,000.00
Decreases in face value of profit-participating loans	(3,705,740.66)	(14,570,000.50)
Additions to accrued interest on profit-participating loans	8,616,961.70	7,832,740.20
Decreases in accrued interest on profit-participating loans	(2,009,986.00)	(8,199,502.36)
Impairment charges recognised	(4,266,953.34)	(6,245,797.75)
Impairment charges derecognised	5,570,662.46	24,251,987.30
Balance at 31 December	**54,995,685.31**	**50,181,064.16**

The movements in profit-participating loans in 2013 were as follows:

- On 9 April 2013, Lata Lux Parent Holding S.a.r.l., the company that owns 100% of the shares of Mivisa Group, partially repaid the loans extended by its shareholders (Dinamia, N+1 Private Equity Fund II, The Blackstone Group and the management team), as well as settling the interest accrued to date. Dinamia received a total of €5,692,154.00.

- On 27 June 2013, Dinamia, along with the other shareholders in Xanit, made an additional equity injection into the latter in the form of an equity loan in order to finance the acquisition of 100% of Croasa, a leading private oncology clinic that commands a privileged market position in the city of Malaga. The amount paid in by Dinamia was €609,667.00.

The investments made in investees in 2012 that were structured as profit-participating loans were as follows:

- On 4 January 2012, the Company cancelled the profit-participating loan it had extended to HP Health Clubs Iberia, S.A., in the amount of €11,324,879.62, as part of Dinamia's exit from this investment.

- On 24 February 2012, as part of the refinancing agreement reached with this investee's lender banks, Dinamia extended a €1,250,000 profit-participating loan to MBA Incorporado, S.L. Subsequently, on 27 February 2012, the Company transferred part of the face value of this loan (a total of €50,250.50 thousand) to third parties.

- On 27 July 2012, the Company cancelled the profit-participating loan it had extended to ZIV Aplicaciones y Tecnología, S.L., in the amount of €10,975,903.65, as part of Dinamia's exit from this investment.

All the loans extended to companies have been arranged in euros.

The breakdown of the loans extended to investees by company and the movements therein during 2013 and 2013 are shown in the tables below:

	31/12/2012	Additions	Derecognitions	Accrued interest receivable	31/12/2013
					Euros
The Beauty Bell Chain, S.L.	5,557,690.49	-	(23,572.66)	3,040,446.34	8,574,564.17
Grupo Gestión Integral Novolux Internacional, S.L.	13,986,696.78	-	-	-	13,986,696.78
Colegios Laude, S.L.	21,552,922.02	-	-	-	21,552,922.02
Xanit Health Care Management S.L	22,412,172.44	609,677.00	-	-	23,021,849.44
MBA Incorporado, S.L.	26,131,768.77	-	-	3,476,196.61	29,607,965.38
Colegios Laude II, S.L.	1,588,626.81	-	-	-	1,588,626.81
Lata Lux Parent Holding S.a.r.L.	9,711,101.93	-	(5,422,444.54)	682,820.75	4,971,478.14
Tamsi Spain, S.L.	6,433,054.26	-	-	1,147,788.54	7,580,842.80
Total profit-participating loans	**107,374,033.50**	**609,677.00**	**(5,446,017.20)**	**8,347,252.24**	**110,884,945.54**

	31/12/2012	Additions	Derecognitions	Provision for impairment of accrued interest receivable	31/12/2013
					Euros
The Beauty Bell Chain, S.L.	(5,534,117.82)	-	-	(3,040,446.34)	(8,574,564.16)
Colegios Laude, S.L.	(16,819,862.78)	(1,226,507.00)	-	-	(18,046,369.78)
Colegios Laude II, S.L.	(1,588,626.81)	-	-	-	(1,588,626.81)
Grupo Gestión Integral Novolux Internacional, S.L.	(13,986,696.78)	-	-	-	(13,986,696.78)
Xanit Health Care Management S.L	(19,263,665.15)	-	5,570,662.46	-	(13,693,002.69)
Total impairment provisions	**(57,192,969.34)**	**(1,226,507.00)**	**5,570,662.46**	**(3,040,446.34)**	**(55,889,260.22)**
Total loans to companies	**50,181,064.16**	**(616,830.00)**	**(145,064.20)**	**5,576,515.36**	**54,995,685.32**

	31/12/2011	Additions	Derecognitions	Accrued interest receivables	31/12/2012
					Euros
The Beauty Bell Chain, S.L.	2,833,241.60	-	-	2,724,448.88	5,557,690.48
HP Health Clubs Iberia, S.A.	11,324,879.62	-	(11,324,879.62)	-	-
Grupo Gestión Integral Novolux Internacional, S.L.	13,986,696.78	-	-	-	13,986,696.78
Colegios Laude, S.L.	20,782,429.15	-	-	770,492.87	21,552,922.02
Xanit Health Care Management S.L	22,412,172.44	-	-	-	22,412,172.44
MBA Incorporado, S.L.	22,623,403.16	1,250,000.00	(468,719.59)	2,727,085.20	26,131,768.77
Colegios Laude II, S.L.	1,455,945.35	-	-	132,681.46	1,588,626.81
ZIV Aplicaciones y Tecnología S.L	10,903,266.15	-	(10,975,903.65)	72,637.50	-
Lata Lux Parent Holding S.a.r.L.	8,804,283.46	-	-	906,818.47	9,711,101.93
Tamsi Spain, S.L.	5,934,478.44	-	-	498,575.82	6,433,054.26
Total profit-participating loans	**121,060,796.15**	**1,250,000.00**	**(22,769,502.86)**	**7,832,740.20**	**107,374,033.50**

	31/12/2011	Additions	Derecognitions	Provision for impairment of accrued interest receivable	31/12/2012
					Euros
The Beauty Bell Chain, S.L.	(2,809,668.94)	-	-	(2,724,448.88)	(5,534,117.82)
HP Health Clubs Iberia, S.A.	(11,324,879.62)	-	11,324,879.62	-	-
Grupo Gestión Integral Novolux Internacional, S.L.	(11,513,797.24)	(2,472,899.54)	-	-	(13,986,696.78)
Colegios Laude, S.L.	(20,782,429.15)	-	4,733,059.24	(770,492.87)	(16,819,862.78)
Xanit Health Care Management S.L	(22,412,172.44)	-	3,148,507.29	-	(19,263,665.15)
Colegios Laude II, S.L.	(1,455,945.35)	-	-	(132,681.46)	(1,588,626.81)
ZIV Aplicaciones y Tecnología S.L	(4,900,266.15)	(145,275.00)	5,045,541.15	-	-
Total impairment provisions	**(75,199,158.89)**	**(2,618,174.54)**	**24,251,987.30**	**(3,627,623.21)**	**(57,192,969.34)**
Total loans to companies	**45,861,637.26**	**(1,368,174.54)**	**1,482,484.44**	**4,205,116.99**	**50,181,064.16**

The movement in the provision for the impairment of ‘Non-current investments in group companies and associates - Loans to companies’ is shown below:

	2013	2012
		Euros
Balance at 1 January	**(57,192,969.34)**	**(75,199,158.89)**
Provision for impairment	(4,266,953.34)	(6,245,797.75)
Amounts derecognised	5,570,662.46	24,251,987.30
Transfers	-	-
Other	-	-
	(55,889,260.22)	**(57,192,969.34)**

The breakdown by entity of the carrying amounts of non-current investments in group companies and associates at year-end 2013 and 2012 is provided below:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
High Tech Hotels & Resorts, S.A.	-	-	-	-
Investment	10,446,831.96	11,331,349.08	-	-
Provision for impairment of investment	(10,446,831.96)	(11,331,349.08)	-	-
Accumulated accrued interest			-	-
Accumulated accrued interest impairment provision			-	-
The Beauty Bell Chain, S.L.	-	-	-	**23,572.67**
Investment	13,523,177.05	13,409,789.70	1,592,512.76	2,833,241.60
Provision for impairment of investment	(13,523,177.05)	(13,409,789.70)	(1,592,512.76)	(2,809,668.93)
Accumulated accrued interest			6,982,051.40	2,724,448.88
Accumulated accrued interest impairment provision			(6,982,051.40)	(2,724,448.88)
Grupo Gestión Integral Novolux Internacional, S.L.	-	-	-	-
Investment	4,208,750.00	4,208,750.00	7,816,250.00	7,816,250.00
Provision for impairment of investment	(4,208,750.00)	(4,208,750.00)	(7,816,250.00)	(7,816,250.00)
Accumulated accrued interest			6,170,446.78	6,170,446.78
Accumulated accrued interest impairment provision			(6,170,446.78)	(6,170,446.78)
Colegios Laude, S.L.	-	-	**3,232,003.69**	**4,362,480.26**
Investment	4,015,960.00	4,015,960.00	13,047,863.40	13,047,863.40
Provision for impairment of investment	(4,015,960.00)	(4,015,960.00)	-9,815,859.71	(8,685,383.14)
Accumulated accrued interest			8,505,058.62	8,505,058.62
Accumulated accrued interest impairment provision			-8,505,058.62	(8,505,058.62)
Xanit Health Care Management, S.L.	-	-	**9,328,846.75**	**3,148,507.29**
Investment	8,153,688.18	8,153,688.18	17,809,515.96	17,199,838.96
Provision for impairment of investment	(8,153,688.18)	(8,153,688.18)	(8,480,669.21)	(14,051,331.67)
Accumulated accrued interest			5,212,333.48	5,212,333.48
Accumulated accrued interest impairment provision			(5,212,333.48)	(5,212,333.48)
Alcad Spain, S.L.	-	-	-	-
Investment	9,847,496.00	9,847,496.00	-	-
Provision for impairment of investment	(9,847,496.00)	(9,847,496.00)	-	-
Accumulated accrued interest			-	-
Accumulated accrued interest impairment provision			-	-
Colegios Laude II	-	-	**274,548.55**	**370,578.98**
Investment	369,471.00	369,471.00	1,108,374.98	1,108,374.98
Provision for impairment of investment	(369,471.00)	(369,471.00)	(833,826.43)	(737,796.00)
Accumulated accrued interest			480,251.83	480,251.83
Accumulated accrued interest impairment provision			(480,251.83)	(480,251.83)
MBA Incorporado, S.L.	**2,415,123.03**	**3,164,071.11**	**29,607,965.38**	**26,131,768.77**
Investment	15,533,124.22	15,533,124.22	16,732,873.72	16,732,873.72
Provision for impairment of investment	(13,118,001.19)	(12,369,053.11)	-	-
Accumulated accrued interest			12,875,091.66	9,398,895.05
Accumulated accrued interest impairment provision			-	-

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
Rymsa, S.L.	**4,310,826.18**	**4,310,826.18**	**-**	**-**
Investment	4,310,826.18	4,310,826.18	-	-
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			-	-
Accumulated accrued interest impairment provision			-	-
Lata Lux Parent Holding S.a.r.L.	**77,092.64**	**77,092.64**	**4,971,478.14**	**9,711,101.93**
Investment	77,092.64	77,092.64	4,628,508.02	8,310,676.02
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			342,970.12	1,400,425.91
Accumulated accrued interest impairment provision			-	-
Tryo Communication Technologies, S.L.	**5,648,740.00**	**5,648,740.40**	**-**	**-**
Investment	5,648,740.00	5,648,740.40	-	-
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			-	-
Accumulated accrued interest impairment provision			-	-
Tamsi Spain, S.L.	**7,718,392.50**	**7,718,392.50**	**7,580,842.80**	**6,433,054.26**
Investment	7,718,392.50	7,718,392.50	5,733,895.22	5,733,895.22
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			1,846,947.58	699,159.04
Accumulated accrued interest impairment provision			-	-
Cardomana Servicios y Gestiones, S.L.	**3,604,336.69**	**3,604,336.69**	**-**	**-**
Investment	3,604,336.69	3,604,336.69	-	-
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			-	-
Accumulated accrued interest impairment provision			-	-
Global Abbasi, S.L.	**11,500,202.56**	**-**	**-**	**-**
Investment	11,500,202.56	-	-	-
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			-	-
Accumulated accrued interest impairment provision			-	-
Tryo Aerospace, S.L.	**742.50**	**-**	**-**	**-**
Investment	742.50	-	-	-
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			-	-
Accumulated accrued interest impairment provision			-	-
Rymsa RF, S.L.	**742.50**	**-**	**-**	**-**
Investment	742.50	-	-	-
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			-	-
Accumulated accrued interest impairment provision			-	-

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
Salto Systems, S.A.	**8,695,635.70**	**-**	**-**	**-**
Investment	8,695,635.70	-	-	-
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			-	-
Accumulated accrued interest impairment provision			-	-
TOTAL	**43,971,834.30**	**24,523,459.52**	**54,995,685.31**	**50,181,064.16**

The maturity schedule for 'Non-current investments in group companies and associates - Loans to companies' having fixed or determinable maturities (face values) is as follows:

	MATURITY					
	2014	2015	2016	2017	Subsequent years	Total
						Euros
Loans to companies	122,242.61	7,816,250.00	16,732,873.72	14,346,560.30	42,205,902.97	81,223,829.60
Debt securities	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
	122,242.61	**7,816,250.00**	**16,732,873.72**	**14,346,560.30**	**42,205,902.97**	**81,223,829.60**

The unrealised gains and losses corresponding to the Company's investments break down as follows:

	2013	2012
		Euros
Tamsi Spain, S.L.	5,074,766.59	
Tryo Group	3,713,003.52	
MBA Incorporado, S.L.	-	555,126.16
Lata Lux Parent Holding S.a.r.L.	8,990,970.06	-
Total unrealised gains (losses) before tax	17,778,740.16	555,126.16
Tax effect	(53,336.22)	(1,670.39)
Total unrealised gains (losses) after tax	**17,725,403.94**	**553,455.77**

The criteria used by the Company to test its investments in unlisted shares and profit-participating loans in 2013 and 2012 are detailed in note 4, which should be read in conjunction with the following paragraphs. Note that for impairment testing purposes, the Company values each investment as of the reporting date, generally using multiples methodology, taking the lower of readings obtained using acquisition or average comparable trading multiples.

The table below shows the quantitative difference resulting from the application of the various valuation methods used by the Company with respect to their underlying book value at 31 December 2013 and 2012:

2013
Thousands of euros

Investee	Ownership interest	Equity	Underlying book value	Equity value	Difference	Value of PPL
High Tech Hotels & Resorts, S.A.	26.00%	(35,299)	(9,178)	-	(9,178)	-
The Beauty Bell Chain, S.L.	14.35%	(164,581)	(23,617)	-	(23,617)	-
Grupo Gestión Integral Novolux Internacional S.L.	48.54%	(12,006)	(5,828)	-	(5,828)	-
Colegios Laude, S.L.	49.27%	(25,194)	(12,413)	-	(12,413)	3,232
Colegios Laude II, S.L.	49.27%	(410)	(202)	-	(202)	275
Alcad, S.L.	37.68%	(10,820)	(4,077)	-	(4,077)	-
Xanit Health Care Management, S.L.	33.71%	(25,144)	(8,476)	-	(8,476)	9,329
MBA Incorporado, S.L.	36.91%	74,787	27,604	2,529	25,074	30,148
Lata Lux Parent Holding S.a.r.l.	2.60%	147,558	3,837	8,902	(5,066)	5,137
Grupo TRYO	24.57%	51,508	12,656	13,700	(1,044)	-
Tamsi Spain, S.A.	25.00%	32,189	8,047	12,785	(4,738)	7,589
Cardomana Servicios y Gestiones, S.L.	13.75%	NA	n/d	3,604	NA	-
Global Abbasi, S.L.	24.34%	36,017	8,767	11,500	(2,734)	-
Salto Systems, S.A.	5.50%	34,417	1,893	8,872	(6,979)	-

2012
Miles de euros

Investee	Ownership interest	Equity	Underlying book value	Equity value	Difference	Value of PPL
High Tech Hotels & Resorts, S.A.	26.00%	8,995	2,339	-	2,339	-
The Beauty Bell Chain, S.L.	14.35%	(137,030)	(19,664)	-	(19,664)	-
Grupo Gestión Integral Novolux Internacional S.L.	48.54%	(2,034)	(987)	-	(987)	-
Colegios Laude, S.L.	49.27%	(22,636)	(11,153)	-	(11,153)	4,733
Alcad, S.L.	37.68%	9,503	3,580	-	3,580	-
Xanit Health Care Management, S.L.	33.71%	(24,767)	(8,349)	-	(8,349)	3,149
MBA Incorporado, S.L.	36.91%	74,328	27,434	2,973	24,461	26,878
Lata Lux Parent Holding S.a.r.l.	2.60%	195,479	5,082	3,117	1,965	9,813
Grupo TRYO	24.76%	44,246	10,955	11,791	(836)	-
Tamsi Spain, S.L.	25.00%	28,984	7,246	10,314	(3,068)	6,766
Cardomana Servicios y Gestiones, S.L.	13.75%	NA	NA	3,604	NA	-

HIGH TECH HOTELS & RESORTS, S.L.

a) Company overview

High Tech Hoteles & Resorts, SA is a hotel chain focused on the 3- and 4-star segment in the urban business travel and tourism segments. It currently operates 31 establishments. Its presence is concentrated in Madrid (20 properties) but it also has properties in the main Spanish provincial capitals. When Dinamia acquired its investment, High Tech only had four operational hotels.

The company's strategy is to create a leading chain in a highly-fragmented segment ripe for consolidation, comprising many family-run properties with little brand recognition.

b) Company situation

The prevailing contraction in consumer spending, coupled with intense price competition (especially in Madrid), is undermining this investee's revenue performance and business metrics. However, HTH continues to outperform its peers in terms of occupancy and average daily rates.

The number of tourists visiting Madrid fell by 5.3% in 2013 (in stark contrast with overall growth in the number of incoming tourists to Spain of 5.6%), which had an adverse impact on the company's performance, as 20 of its 31 hotels are located in Madrid.

As a result, revenue contracted by 10% from 2012 levels. Given the high operational gearing intrinsic to the hotel business model drove, the topline contraction drove a 22% year-on-year decline in EBITDA. High Tech continues to take measures to eke out cost-efficiency gains and fine-tune its sales and marketing policies.

In October, Dinamia agreed the sale of its 26% interest in Hoteles Tecnológicos 2010 ("HT2"), a company incorporated in 2010 to start up and operate three hotels in Madrid. The sale was concluded at a valuation that was very close to the investment cost (€869 thousand sale value vs. €884 thousand investment cost).

In 2014, the company will continue to work towards recovering historical price and occupancy levels and develop formulae to enable it to further its growth plans by means of select new hotel openings and the closure of structurally loss-making establishments. High Tech is currently in talks with its banks with a view to refinancing and/or restructuring its bank debt.

c) Company valuation

The Company has classified this investment as an interest in an associate given that it believes it has significant interest over the investee by virtue of its shareholding in excess of 20%. The investment has been valued by applying acquisition multiples, which yields a lower valuation than the use of comparable trading multiples, to the investee's financial metrics at each year end. This exercise results in the following valuation:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
High Tech Hotels & Resorts, S.A.	-	-	-	-
Investment	10,446,831.96	11,331,349.08	-	-
Provision for impairment of investment	(10,446,831.96)	(11,331,349.08)	-	-
Accumulated accrued interest			-	-
Accum. accrued interest impairment			-	-

THE BEAUTY BELL CHAIN, S.L.

a) Company overview

With over 300 stores all over Spain (under the Bodybell and Juteco trademarks), Bodybell is one of the leading perfume and cosmetics retail chains in Spain. The group retails perfumes, cosmetics and health and beauty products and wholesales consumer health and beauty products.

b) Company situation

Bodybell is predominantly a retail business, whose performance is highly geared to consumer spending. Accordingly, the prevailing recession has inevitably eroded this group's revenue.

In recent months, Bodybell has forged ahead with its store upgrade and refurbishment policy. The store network remains a solid and profitable base, despite the adverse economic backdrop, and constitutes the foundations for a gradual return to historic revenue and profit levels once the economy begins to stage a solid recovery. In addition, the group increased its store network, taking advantage of opportunities arising in the market in recent months. Notably, it acquired the Spanish store network of Perfumerías Gala (40 establishments), which was integrated in the second half of the year. In parallel, the company continues to analyse several M&A alternatives that would substantially boost Bodybell's competitive positioning.

The market showed little sign of improvement in the first half of 2013, as the economic environment remained very weak. However, the improvement in economic prospects observed throughout the second half of the year, coupled with an astute store opening and acquisition policy, paved the way for growth which largely offset the adverse first-half performance. Against this backdrop, Bodybell continues to increase its share of the self-service segment pending more resolute economic recovery.

c) Company valuation

The Company has classified this investment as an interest in an associate given that it has a long-term relationship with this investee and a shareholding designed to contribute to its business performance. The investment has been valued by applying acquisition multiples, which yields a lower valuation than the use of comparable trading multiples, to the investee's financial metrics at each year end. This exercise results in the following valuation:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
The Beauty Bell Chain, S.L.	-	-	-	23.572,67
Investment	13,523,177.05	13,409,789.70	1,592,512.76	1,592,512.76
Provision for impairment of investment	(13,523,177.05)	(13,409,789.70)	(1,592,512.76)	(1,592,512.76)
Accumulated accrued interest			6,982,051.40	3,941,605.06
Accum. accrued interest impairment			(6,982,051.40)	(3,918,032.40)

See also note 2.g)

GRUPO GESTIÓN INTEGRAL NOVOLUX INTERNACIONAL, S.L.

a) Company overview

Grupo Novolux offers an extensive range of technical and decorative solutions in the lighting field. It leads the Spanish and Portuguese outdoor lighting market and since 2010 has been active in the interior lighting solutions segment.

Novolux's leading outdoor lighting brands (Cristher and Dopo) boast unwavering recognition in the market on account of their quality, functionality and design and are benchmark products for electricians and electric material warehouses, which constitute the company's traditional sales channels. Novolux also offers the most extensive range on the market in terms of materials, installation alternatives and finishes, while providing unbeatable customer logistics fulfilment.

Grupo Novolux brought its manufacturing, logistics, administrative, technical and sales & marketing activities under a single roof in 2012, namely a facility of over 8,000m^2 in Santa Perpetua de Mogoda (Barcelona).

b) Company situation

Grupo Novolux posted revenue of €7.6 million in 2013, down 8% year-on-year. The decorative outdoor lighting market remained stagnant in 2013 due to the lack of new builds and projects and generally lethargic consumer spending, which is what invigorates the lighting replenishment segment.

The company's efforts to geographically diversify its sales paid off in 2013 with exports growing to account for 7% of total sales; however, this was more than offset by the continued contraction of the home market. Despite the topline contraction, Novolux posted EBITDA of €576 thousand in 2013 (up €142 thousand vs. 2012), thanks to the cost-cutting measures taken in the second half of 2012, notably: (i) the move to the new facility, which has lowered lease expense substantially; and (ii) the streamlining of the sales and other departments to match the current market paradigm.

Another important milestone reached in 2013 was the refinancing agreement arranged by the company with its banks under which this investee will not have to make any principal repayments until 2016.

As for the business outlook for 2014, the company is cautious with respect to the incipient recovery in the home market and is looking for similar earnings to those of 2013. The traditional Cristher and Dopo catalogues will be published and sent out earlier than in other years and will feature significant novelties in LED lighting; in tandem, the company will launch a new interior product catalogue targeted at projects in the 'contract, hotels and restaurant' segment. As for its efforts to expand internationally, in 2014 the company will earmark a significant budget to trade fairs, catalogues, travel and sales teams with the aim of accelerating the positioning of the Novolux brands in international markets and achieving a more recurring presence (by means of inclusion in the stocks of local distributors).

c) Company valuation

The Company has classified this investment as an interest in an associate given that it believes it has significant interest over the investee by virtue of its shareholding in excess of 20%. The investment has been valued by applying acquisition multiples, which yields a lower valuation than the use of comparable trading multiples, to the investee's financial metrics at each year end. This exercise results in the following valuation:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
Grupo Gestión Integral Novolux Internacional, S.L.	-	-	-	-
Investment	4,208,750.00	4,208,750.00	7,816,250.00	7,816,250.00
Provision for impairment of investment	(4,208,750.00)	(4,208,750.00)	(7,816,250.00)	(7,816,250.00)
Accumulated accrued interest			6,170,446.78	6,170,446.78
Accum. accrued interest impairment			(6,170,446.78)	(6,170,446.78)

COLEGIOS LAUDE S.L. AND COLEGIOS LAUDE II, S.L

a) Company overview

Colegios Laude has established itself, from the outset, as one of the largest private bilingual school chains in Spain, schooling children aged between 2 and 18. The chain currently operates seven schools and nine centres in different Spanish cities and one school in the UK.

b) Company situation

Laude delivered year-on-year EBITDA of 15% in 2012/13, driven by modest revenue growth (+1%), in turn shaped by growth in student numbers, especially in the higher fee paying schools, and control over costs.

The low working capital requirements which characterise this business, coupled with select capital expenditure, translate into high cash flow generation. Thanks to this cash flow generation and EBITDA growth, leverage fell to 0.8x EBITDA.

The 2013/14 course is also off to a positive start, marked by slight growth in enrolled pupils, foreshadowing continued profit growth this year.

However, in December 2013 the Spanish authorities published regulatory reforms (Royal Decree-Law 16/2013) which affect the calculation of social security contributions. As a result, certain in-kind benefits received by employees in keeping with the sector collective agreement are no longer exempt for social security contribution calculation purposes. The various private school associations are mobilising in an attempt to show the government that the measure will have a devastating effect on the private education sector in Spain. The hope is that this lobby will result in the maintenance of certain exemptions. As currently worded and in effect, however, the social security contributions paid by Colegios Laude would increase significantly and the company would not be able to cushion the impact with a corresponding increase in operating profit.

c) Company valuation

The Company has classified this investment as an interest in an associate given that it believes it has significant interest over the investee by virtue of its shareholding in excess of 20%. The investment has been valued by applying comparable trading multiples, which yields a lower valuation than the use of acquisition multiples, to the investee's financial metrics at each year end. The resulting valuation is as follows:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
Colegios Laude, S.L.	-	-	**3.232.003,69**	**4.362.480,26**
Investment	4,015,960.00	4,015,960.00	13,047,863.40	13,047,863.40
Provision for impairment of investment	(4,015,960.00)	(4,015,960.00)	(9,815,859.71)	(8,685,383.14)
Accumulated accrued interest			8,505,058.62	8,505,058.62
Accum. accrued interest impairment			(8,505,058.62)	(8,505,058.62)
Colegios Laude II, S.L.	-	-	**274,548.55**	**370,578.98**
Investment	369,471.00	369,471.00	1,108,374.98	1,108,374.98
Provision for impairment of investment	(369,471.00)	(369,471.00)	(833,826.43)	(737,796.00)
Accumulated accrued interest			480,251.83	480,251.83
Accum. accrued interest impairment			(480,251.83)	(480,251.83)

XANIT HEALTH CARE MANAGEMENT, S.L.

a) Company overview

Hospital Xanit, which started up in 2006, is the preeminent private hospital on Spain's Costa del Sol. Located in Benalmádena (Malaga), the hospital stretches 13,000m² and has 111 individual rooms spread out over three floors, all of which equipped with the latest technology. Xanit also has a peripheral medical clinic in the town of Fuengirola and a preventative medicine and well-being clinic in Malaga.

Xanit offers a full range of medical specialties with particularly noteworthy oncology and cardiology departments. It has agreements with the main Spanish and international health insurance providers. One of the hospital's distinguishing features is the fact that over 40% of its revenue comes from private and foreign patients.

In July 2013, Xanit acquired Croasa (since renamed Xanit Limonar), the leading private oncology unit in the city of Malaga which offers its patients the most innovative radiation therapy and medical oncology techniques and protocols. This transaction makes Xanit an oncology benchmark at the national level and the leading provider of radiation therapy services in the province of Malaga. In addition, it adds a natural pool of potential patients in the city of Malaga for the rest of its specialties.

The Xanit team comprises over 680 professionals, of which 250 are doctors led by prestigious department heads with strong reputations within and beyond Spain.

Xanit's business model is based on a strong strategic commitment to innovation, science and technology, the excellence of its medical teams and collaboration with third-party doctors.

b) Company situation

The Xanit Group recorded its best ever set of earnings in 2013, delivering consolidated revenue of €52.4 million and EBITDA of €6.9 million:

- Hospital Xanit posted revenue of €46.1 million, year-on-year growth of 13% compared to 2012. All patient categories sustained growth, most notably foreign patients (thanks to the extension of the agreement with the government of Gibraltar) and private patients. Similarly, all of the facility's business metrics (no. of in-patients, hospital stays, surgeries, emergency room visits, outpatient visits, diagnostic tests, etc.) registered double-digit growth with respect to 2012. The growth in private patients is partly the result of new business lines developed in 2013, particularly those targeted at driving growth in foreign patients and groups.

- Xanit Limonar, acquired mid-year, posted revenue of €6.2 million, 8% above budget.

The integration was completed to the company's satisfaction and business indicators have been tracking above expectation.

On the profit front, Hospital Xanit generated EBITDA of €5.6 million (up €1.6 million year-on-year), while margins increased to 12%. This growth in profitability was unlocked by topline growth and economies of scale, as fixed costs were largely flat. Hospital Xanit also delivered EBITDA margin expansion thanks to a more favourable sales mix and its supplies rationalisation plan. EBITDA at Xanit Limonar, meanwhile, was €1.3 million, 6% above budget. The margin was steady at 20%, in line with historical levels.

Consolidated net debt increased on the back of the acquisition of Xanit Limonar. However, the strong earnings performances posted by the two facilities drove cash flow generation that was significantly above expectations, so that the group ended the year with a very comfortable liquidity position.

The outlook for 2014 is bright given the upward trend in business indicators ongoing for the last three years and the full-year impact of the acquisition of Xanit Limonar (and the materialisation of estimated synergies). Surplus capacity at the existing facilities is sufficient to accommodate anticipated growth. The major objectives for 2014 are to consolidate the new lines of business started in 2013 (particularly those related to the business's international expansion) and to reinforce Xanit Limonar's business by offering new specialties at this hospital.

c) Company valuation

The Company has classified this investment as an interest in an associate given that it believes it has significant interest over the investee by virtue of its shareholding in excess of 20%. The investment has been valued by applying acquisition multiples, which yields a lower valuation than the use of comparable trading multiples, to the investee's financial metrics at each year end. The resulting valuation is as follows:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
Xanit Health Care Management, S.L.	-	-	**9,328,846.75**	**3,148,507.29**
Investment	8,153,688.18	8,153,688.18	17,809,515.96	17,809,515.96
Provision for impairment of investment	(8,153,688.18)	(8,153,688.18)	(8,480,669,21)	(14,051,331.67)
Accumulated accrued interest			5,212,333.48	5,212,333.48
Accum. accrued interest impairment			(5,212,333.48)	(5,212,333.48)

ALCAD, S.L.

a) a) Company overview

Founded in 1988, Alcad's business spans the research, design, manufacture and marketing of high-frequency digital and analogue television signal reception and distribution products for residential buildings (high frequency). In 2001, the company entered the entryphones, videophones and intercommunication systems business (entry control), leveraging its sales structure and nationwide reach.

The company has a sizeable R&D department which continually develops new products (communication, domotics, etc.). This effort led to the entry into another new business in 2008 related to the healthcare and hotel sectors (solutions), evidencing the company's ongoing R&D prowess.

b) Company situation

In 2013, the adverse situation in the home market due to (i) the end of the analogue switch-off in 2010 with an impact on the overall residential segment, and (ii) the continued slump in home building extended the downtrend in Alcad's Spanish revenue to hit a low point; however, the company believes that the national market has floored. The international business was broadly flat year-on-year.

Against this market backdrop, the company continues to focus on: (i) defending its national and international sales and boosting the solutions business line; (ii) adding to its current catalogue by means of innovative product development; and (iii) enhancing cost efficiency in order to enable earnings sustainability in the face of weak home-market sales and dim visibility.

In 2013, the company broke even at the operating profit level once again, having posted a significant loss in 2012. In 2014, the company is looking for slight topline and EBITDA growth thanks to the effort made in prior years to develop new markets and products.

c) Company valuation

The Company has classified this investment as an interest in an associate given that it believes it has significant interest over the investee by virtue of its shareholding in excess of 20%. The investment has been valued by applying acquisition multiples, which yields a lower valuation than the use of comparable trading multiples, to the investee's financial metrics at each year end. This exercise results in the following valuation:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
Alcad Spain, S.L.	-	-	-	-
Investment	9,847,496.00	9,847,496.00	-	-
Provision for impairment of investment	(9,847,496.00)	(9,847,496.00)	-	-
Accumulated accrued interest			-	-
Accum. accrued interest impairment			-	-

MBA INCORPORADO, S.L.

a) Company overview

MBA is Spain's fourth largest distributor of orthopaedic products with a market share of 15%. It is also the only independent operator with a meaningful footprint in Europe, with a presence in Spain, Belgium, Italy, Portugal and the UK.

The group specialises in own-brand knee, hip and spinal implants and internal and external fixation devices. MBA also has a specialist business line in the biological products niche, operating under the BIOSER brand. The group's customers are mainly public hospitals although it also distributes its products to private insurers and individuals.

b) Company situation

MBA registered year-on-year revenue growth of 2.9% in 2013, driven above all by a healthy performance outside Spain and stabilising sales in the home market. The Spanish market continues to be affected by the downtrend in surgery volumes underway since the second half of 2010 and the resulting growth in waiting lists. However, this business indicator staged a slight recovery in the latter months of 2013, a trend expected to continue throughout 2014. Despite the adverse business environment, the company is increasing its business volumes and market share.

Elsewhere, price pressure continued last year due to the cost-cutting efforts in which the public hospitals are immersed, although this pressure has been easing in recent months.

As a result of these volume and price trends, MBA's home-market revenue registered growth of 2% over 2012.

The international business continues to perform well, largely thanks to the Belgian market, and currently accounts for 24% of group revenue. The strong take-up for the new products introduced in Belgium underpinned growth at this subsidiary throughout the year. In 2014, MBA plans to consolidate its presence in the Belgian market and to introduce new products in the UK.

As for the measures introduced by the Spanish government with a view to eliminating late payments by the public sector, the group expects to benefit from the new legal framework. As a result, MBA believes it will be able to reduce leverage in the months to come.

c) Company valuation

The Company has classified this investment as an interest in an associate given that it believes it has significant interest over the investee by virtue of its shareholding in excess of 20%. The investment has been valued by applying acquisition multiples, which yields a lower valuation than the use of comparable trading multiples, to the investee's financial metrics at each year end. This exercise results in the following valuation:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
MBA Incorporado, S.L.	**2,415,123.03**	**3,164,071.11**	**29,607,965.38**	**26,131,768.77**
Investment	15,533,124.22	15,533,124.22	16,732,873.72	16,732,873.72
Provision for impairment of investment	(13,118,001.19)	(12,369,053.11)	-	-
Accumulated accrued interest			12,875,091.66	9,398,895.05
Accum. accrued interest impairment			-	-

RADIACIÓN Y MICROONDAS, S.A. & TRYO TECHNOLOGIES, S.L. – GRUPO TRYO

a) Company overview

This project was structured as the acquisition from Corporación IBV of two companies devoted to the manufacture of electronic parts and equipment with the ultimate goal of integrating three business lines into a single company to configure a group specialised in the design and manufacture of high-tech electronic systems and parts which is capable of commanding a leadership position in professional, global, niche and growth markets. The companies so acquired were:

1. Teltronic (radio communication): devoted to the manufacture of electronic equipment and systems for professional radio systems (e.g., for fire and police forces). Dinamia invested in Teltronic, S.A. through Tryo Technologies, S.L.

2. Rymsa (antennae and telecommunications parts): devoted to the design, manufacture and distribution of antennae for the telecommunications industry.

b) Company situation

In 2013, Grupo TRYO posted revenue (+21%) and EBITDA growth (+20%), despite delays in order intakes in certain group businesses. In 2013, focused intensely on its M&A strategy, acquiring a majority shareholding (65%) in Scati Labs, reinforcing and complementing its position in the radio communication systems market.

Last year the group focused on three main lines of initiative: (i) consolidation of its presence in existing markets and the reinforcement of its sales structure with the hire of senior sales executives tasked with strengthening the group's international presence in growth markets; (ii) organic development of new products and solutions; and (iii) M&A-led growth.

Based on the current outlook and orderbook, the group expects to deliver on a budget which implies significant growth in revenue and EBITDA and a reduction in net debt in 2014.

In the months to come, Grupo TRYO expects to close an acquisition that will complement its product catalogue.

c) Company valuation

LThe Company has classified this investment as an interest in an associate (start-up capital) given that it believes it has significant interest over the investee. The investment has been valued by applying acquisition multiples, which yields a lower valuation than the use of comparable trading multiples, to the investee's financial metrics at each year end. This exercise results in the following valuation:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
Rymsa, S.L.	**4,310,826.18**	**4,310,826.18**	**-**	**-**
Investment	4,310,826.18	4,310,826.18	-	-
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			-	-
Accum. accrued interest impairment			-	-
Tryo Communication Technologies, S.L.	**5,648,740.40**	**5,648,740.40**	**-**	**-**
Investment	5,648,740.40	5,648,740.40	-	-
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			-	-
Accum. accrued interest impairment			-	-

LATA LUX PARENT HOLDING S.A.R.L.

a) Company overview

Dinamia invested in Mivisa through Lata Lux Parent Holding S.a.r.L. Mivisa is the number one maker of tin food packaging in Spain and the third largest player in Europe. With a headcount of 2,100, the company's geographic footprint extends to over 70 countries, including 10 factories across Spain, Netherlands, Hungary, Morocco and, more recently, Peru.

b) Company situation

Mivisa's revenue and EBITDA narrowed by 7% and 8%, respectively, in 2013 due to the challenging economic environment in Spain and France and a relatively weaker performance by certain products (corn, sardines, etc.). Note, however, that Mivisa is outperforming its competitors, who saw their EBITDA contract to the tune of 16-20%. The company continued to defend its long-run margins and generate significant amounts of cash flow.

During the first half of the year, Mivisa increased its debt in the wake of early repayment of its profit-participating. The buyback was funded by a mix of new bank debt and cash.

Sale

During the second half of 2013, the Company announced the sale of this investment to strategic buyer Crown Holdings, Inc. for €1.2 billion. This amount is fixed by a 'locked box' mechanism and is not subject to adjustment for business performance. The valuation obtained implies an IRR for Dinamia of approximately 35% and multiplies the original investment by a factor of 2.3. The close is subject to European anti-trust approval. The approval process is advancing as expected and the definitive authorisation is anticipated during the first half of 2014.

c) Company valuation

The Company has classified this investment as an interest in an associate (start-up capital) given that it believes it has significant interest over the investee. The investment has been valued by applying acquisition multiples, which yields a lower valuation than the use of comparable trading multiples, to the investee's financial metrics at each year end. This exercise results in the following valuation:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
Lata Lux Parent Holding S.a.r.L.	**77,092.64**	**77,092.64**	**4,971,478.14**	**9,711,101.93**
Investment	77,092.64	77,092.64	4,628,508.02	8,310,676.02
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			342,970.12	1,400,425.91
Accum. accrued interest impairment			-	-

TAMSI SPAIN, S.L.

a) Company overview

Dinamia invested in EYSA through Tamsi Spain, S.A. EYSA, acquired in 2011 from the FCC group, is one of Spain's leading car park operators. With annual revenue in excess of €60 million, EYSA currently manages over 128,000 parking places in more than 60 cities.

Its core business is the management, operation and maintenance of regulated on-street parking places; this business line accounts for over 80% of total revenue. The company also manages off-street car parks, municipal vehicle clamp and tow services and other urban mobility solutions.

With a market share of around 25%, EYSA is the leading on-street parking operator in Spain.

b) Company situation

EYSA generated revenue of €63.5 million in 2013 (+1% vs. 2012), somewhat below budget due to lower than anticipated tendering activity.

On a like-for-like basis, the business continues to perform as expected, delivering moderate year-on-year growth, in line with the broader market trend.

In 2013 the company managed to increase the number of parking spaces under management by 4,700 to over 128,000, thanks to the adjudication of nine new contracts in cities such as Ibiza, Ciudad Real and Calvià, which added a little over 8,600 new places to the portfolio managed by EYSA. This more than offset the contracts elapsing during the year which EYSA did not manage to renew, implying the loss of 3,908 spaces.

In terms of contract renewals, the recent adjudication of the contract for sections III and IV of Madrid's street parking system to the consortium led by EYSA stands out. This renewal consolidates the company's market leadership position and extends the average life of its contract portfolio.

In terms of underground parking, EYSA won contracts to manage the car parks at the Levante Quay in Almeria and another in San Gervasi in Barcelona.

In 2014, EYSA plans to continue to present bids for any contracts coming up for tender. The team is also analysing the scope for expanding the business abroad and it is studying several acquisition opportunities that would deliver growth in both the car parking segment as well as in other urban mobility services.

New executives have been added to the management team in 2013 and early 2014, completing the management overhaul initiated in September 2012 when the new general manager was hired.

c) Company valuation

The Company has classified this investment as an interest in an associate (start-up capital) given that it believes it has significant interest over the investee. The investment has been valued by applying acquisition multiples, which yields a lower valuation than the use of comparable trading multiples, to the investee's financial metrics at each year end. This exercise results in the following valuation:

	Equity instruments		Loans to companies	
	2013	2012	2013	2012
				Euros
Tamsi Spain, S.L.	**7,718,392.50**	**7,718,392.50**	**7,580,842.80**	**6,433,054.26**
Investment	7,718,392.50	7,718,392.50	5,733,895.22	5,733,895.22
Provision for impairment of investment	-	-	-	-
Accumulated accrued interest			1,846,947.58	699,159.04
Accum. accrued interest impairment			-	-

CARDOMANA SERVICIOS Y GESTIONES, S.L.

a) Company overview

Dinamia invested in Secuoya through Cardomana Servicios y Gestiones, S.L. The Secuoya Group is a communication company with an end-to-end presence in the audiovisual value chain. It comprises companies that are entrenched in their respective segments and has a nationwide presence thanks to production studios in the main Spanish cities. The group's main lines of business are:

- Audiovisual services. The provision of end-to-end outsourcing services for news programmes and the ad-hoc provision of technical media and professionals to television broadcasters and producers.
- Content. Production of all content formats, notably current affairs programming, docu-shows, low-cost programming targeted at the DTT market, branded content, prime time series and documentaries.
- Marketing. End-to-end communication for companies and management of customers' presence and visibility in the audiovisual media.

b) Company situation

The Secuoya Group registered significant growth in revenue and EBITDA in 2013. It focused on three main lines of initiative last year:

Organic growth

i. Audiovisual services: last year the company grew in both ad-hoc services (e.g. the broadcast of the snowboard world championship) and in long-term outsourcing contracts (e.g. Asturias and Murcia). It also negotiated the addition of a first-class management team to bolster the audiovisual services area.

ii. Content: the company continues to be highly regarded by the television networks and expects to end the year as one of the top 5 Spanish producers.

M&A-led growth.

The Secuoya Group closed the acquisition of ACC Producciones, an audiovisual services provider with a presence in Extremadura, and continues to analyse other M&A opportunities.

International expansion.

The Secuoya Group reinforced its international business and continues to tackle both organic and M&A growth opportunities for consolidating and reinforcing its international presence. The company landed its first international sales agreement in 2013 in what constituted last year's most important milestone.

Based on all the measures rolled out in 2013, the Secuoya Group is upbeat about its prospects for 2014, a year in which it expects to deliver significant additional revenue and EBITDA growth.

c) Company valuation

The Company has classified this investment as an interest in an associate (start-up capital) given that it believes it has significant interest over the investee. In light of this investee's healthy performance, this investment continues to be carried at cost: €3,604,336.69 at year-end 2013 and 2012.

GLOBAL ABBASI, S.L.

a) Company overview

Dinamia invested in Probos Plásticos through Global Abbasi, S.L. Probos, founded in 1977, is the world's third-largest maker of plastic band edges for the furniture industry. Its products are produced from PVC, ABS and other polymers, which, following extrusion using proprietary technology, are shaped into plastic edges.

The group distributes its products under the Proadec brand in more than 50 countries through a proprietary distribution network and sales agreements with third parties. Almost 90% of 2013 revenue was generated outside the Iberian Peninsula.

The company boasts a strong position in emerging markets such as Brazil, Mexico, Colombia and Russia, with these markets providing the growth engine in recent years. Forty-seven per cent of 2013 revenue was generated in Latin America.

Its factories are located in Mindelo (Portugal) and Curitiba (Brazil). Probos also has a direct sales presence in Mexico (having acquired its Mexican distributor, Chapacinta), the UK and Germany.

b) Company situation

Probos delivered revenue growth of 9.1% in 2013 to €62.7 million. This growth was driven mainly by a strong performance in emerging markets in which the company commands a leading position, Brazil being particularly significant.

The company's profitability was undermined by the depreciation of the Brazilian currency against the euro, which had the effect of detracting €2.2 million from consolidated earnings. Stripping out this exogenous factor, EBITDA would have been substantially above 2012 levels and budget. In parallel, the company demonstrated its ability to generate cash, deleveraging faster than anticipated.

During this first year of investment, the teams worked intensively on reviewing the company's business plan with a view to identifying additional value-creation drivers. In 2014, the management team will focus its efforts on: (i) delivering growth in line with that registered in 2013; (ii) boosting cost-efficiency and local production in Brazil; and (iii) continuing the eke out efficiency gains in order to increase overall profitability and reduce working capital requirements.

More specifically, the ability to increase production in Brazil (the new capacity is expected to come on stream in April 2014), thanks to investments undertaken in new production lines in 2013, will pave the way for enhanced service levels while partially mitigating the adverse impact of trends in the Brazilian currency relative to the euro.

c) Company valuation

The Company has classified this investment as an interest in an associate (start-up capital) given that it believes it has significant interest over the investee. This investment is valued at cost: €11,500,202.56 at year-end 2013 and 2012.

SALTO SYSTEMS, S.A.

a) Company overview

Founded in 1999, Salto designs and manufactures products for the access control market and is deeply specialised in the electronic locks segment. The company boasts an extensive catalogue of products and solutions. It has installed battery powered locks in over 1,500,000 doors, having notched up its highest credentials in the education niche (notably Princeton, Cambridge and Sydney universities) and the transport segment (Heathrow and Munich).

The company is firmly entrenched in the European and US markets, which have driven growth in recent years. Its worldwide footprint extends to 90 different markets. In 2012, over 90% of revenue was accounted for by exports; this figure is expected to rise to 95% in 2013.

Salto has 300 employees. Salto is headquartered in Oiartzun, in Spain's Basque region, where the firm's management, R&D and marketing efforts are based. The sales and technical support functions are decentralised, with over half of the headcount based outside Spain.

b) Company situation

In 2013, Salto registered revenue (+40%) and EBITDA (+43%) growth. Growth was sustained across the board, with the US standing out, having emerged as the company's most important market.

Last year Salto also increased its factory, expanding its production, storage, office space and common areas from 3,000m^2 to 4,500m^2; the reconfiguration will improve incoming and outgoing merchandise flows in order to enable the company to cater to growing demand.

Given the company's competitive positioning and the outlook for the market, this investee's revenue and EBITDA are expected to register further growth in 2014.

c) Company valuation

The Company has classified this investment as an interest in an associate (start-up capital) given that it believes it has significant interest over the investee. This investment is valued at cost: €8,695,635.70 at year-end 2013.

8. Cash and cash equivalents

The breakdown of this heading in the accompanying balance sheet at year-end 2013 and 2012 is as follows:

	2013	2012
		Euros
Cash	16,640,022.30	8,071,445.06
Cash equivalents	5,008,785.98	41,000,765.15
	21,648,808.28	**49,072,210.21**

At 31 December 2013, the repurchase agreements comprised an asset maturing in January 2014 (two assets maturing in January 2013 at year-end 2012).

The movement in cash equivalents (government debt repos) in 2013 and 2012 was as follows:

	Cash equivalents	
	2013	2012
		Euros
Opening balance	**41,000,765.58**	**26,000,348.48**
Acquisitions	248,508,020.83	1,043,500,000.01
Sales	(284,500,000.00)	(1,028,499,583.34)
Closing balance	**5,008,785.98**	**41,000,765.58**

The interest accrued on repos amounted to €60,819.13 in 2013 (€98,559.15 in 2012) and on cash balances, €55,999.61 (€22,819.61 in 2012); this interest is recognised under finance income in the income statement (note 21).

9. Prepayments and accrued income

This heading breaks down as follows:

	2013	2012
		Euros
Prepaid fees and sundry charges	14,879.58	14,879.58
Other	5,732.32	5,732.32
	20,611.90	**20,611.90**

10. Receivables

Receivables break down as follows:

	2013	2012
		Euros
Receivable from public authorities	135,879.23	1,838,165.25
Other receivables	12,087.22	12,087.22
	147,966.45	**1,850,252.47**

The majority of the year-end 2012 balance receivable from the public authorities related to income tax receivable in respect of prior years which was collected in 2013.

11. Trade and other payables

Trade payables break down as follows:

	2013	2012
		Euros
Payable for services received	1,351,051.86	370,512.40
	1,351,051.86	**370,512.40**

This heading mainly reflects the balances payable by the Company to its Management Company.

On 5 July 2010, Spain published Law 15/2010, amending Law 3/2004 of 29 December 2004, establishing measures to tackle supplier non-payment.

Among other measures, the new legislation eliminates the scope for 'agreements among the parties' with respect to extending supplier payment terms. The legislation came in response to the financial ramifications of the economic crisis on all sectors which was translating into an increase in non-payment and delays in settling past due invoices, with particularly serious consequences for small and medium sized companies owing to their high dependence on short-term credit, all of which compounded by the prevailing liquidity crunch. In addition, in order to tackle these issues, the law sets a general maximum term for payment among companies of 60 calendar days from the date of delivery of the merchandise or performance of the service, which took effect on 1 January 2013.

Additional provision three of the new legislation further stipulates that companies must publicly and expressly disclose information on supplier payment terms in the notes accompanying their individual and consolidated financial statements.

The Company, applying transitory provision two of the Resolution issued on 29 December 2010 by the Spanish Audit and Accounting Institute (ICAC) regarding annual account disclosures on the deferral of payment to trade suppliers, provides information regarding balances pending payment to its suppliers which at year-end are outstanding by more than the legal term established in Spanish Law 15/2010, i.e., more than 85 days from the receipt of the good or service.

The breakdown of trade payables settled during the year and those pending payment at year-end in relation to the legally-permitted payment terms stipulated in Spanish Law 15/2010 is as follows:

Payments made to suppliers and outstanding at the end of the reporting period

	2013		2012	
	Euros	%	Euros	%
Payments made during the year within the maximum legal limit	2,669,767.80	98.41	2,158,418.92	93.52
Other	43,214.99	1.59	149,499.09	6.48
Total payments during the year	**2,712,982.79**	**100**	**2,307,918.01**	**100**
Average period by which payments were past due (days)	**124**		**135**	
Trade payables outstanding at year end that are past due by more than the legally-mandated maximum term	**44,725.54**		**107,340.58**	

12. Other current payables liabilities

Other current liabilities break down as follows:

	2013	2012
		Euros
Personal income withholdings	128,967.91	100,263.42
	128,967.91	**100,263.42**

13. Non-current provisions

The breakdown of non-current provisions is as follows:

	2012	Additions	Derecognitions	2013
				Euros
Non-current provisions	1,342,744.69	-	(198,799.59)	1,143,945.10
	1,342,744.69	**-**	**(198,799.59)**	**1,143,945.10**

	2011	Additions	Derecognitions	2012
				Euros
Non-current provisions	864,564.88	1,133,708.03	(652,528.12)	1,342,744.79
	864,564.88	**1,133,708.03**	**(652,528.12)**	**1,342,744.79**

This heading includes the provision estimated in respect of the warranties extended by the Company as part of the ZIV and Única sale agreements.

14. Non-current payables

At both year-ends this heading encompasses the provision for the performance fee accruing to the Management Company to date. This provision is recognised in order to earmark the resources needed to cover the payment of the performance fee in the future if the triggering circumstances agreed between the Company and Management Company are met. The gains generated on exits from its investments may oblige Dinamia to pay the Management Company a performance fee in the future on the terms established in the management agreement. To this end, the Company maintains a provision on the liability side of its balance sheet in respect of the possible performance fee it would be obliged to pay the Management Company if the terms and conditions stipulated in the management agreement are met. This liability is therefore not enforceable until the abovementioned conditions are met. In estimating this provision, management factors in the gains realised on disposals and the valuations at the time of such disposals of the rest of the investments in companies acquired in the same fiscal year as that sold. In addition, in adjusting this amount, the Company takes into consideration any valuations based on recent benchmark transactions of sufficient importance to establish price precedence and any losses that are unlikely to revert, e.g., if an investee has declared bankruptcy and is very likely to be liquidated.

A success or performance fee is accrued every time the Company sells an investment or receives a return from any of its investees; the fee is equivalent to 20% of the net gains realised by the Company on the disposal of all investments acquired in companies that fall under its corporate object in a given year and any returns on these investments, net of the annual management fee and so long as the implied return exceeds the average yield on 3-year Spanish government bonds during the month of December prior to the start of the calendar year (note 20).

The accrual of a performance fee may also be triggered in respect of a specific investment without the Company having to sell the investment in the event that the returns received by the Company on its investment in question are higher than the investment cost plus the investment management costs paid by Dinamia in respect of the same investment. In these instances, the amount obtained by the Company will be equal to the returns paid to the Company by the investee in question less the expenses needed to cover payments made by the Company.

Accrual of the performance fee in respect of each investment does imply its immediate settlement. Settlement is only triggered when Dinamia reaches, by means of the sale of its investments or via the payment of returns by its investees, the Acquisition Price of the Annual Portfolio plus Hurdle, this being the acquisition price of all the investees acquired in a given year multiplied by the abovementioned minimum return threshold. Accordingly, the Company will only have to pay the performance fee when it obtains net returns on all the investments made in a given year.

The balances payable are restated at the end of every Annual Investment Portfolio.

The change in this heading during the year was as follows:

	2012	Transfer to current	2013
			Euros
Performance fee	13,184,400.32	(513,854.98)	12,670,545.34
	13,184,400.32	**(513,854.98)**	**12,670,545.34**

Following the sale of shares of Nicolás Correa (note 4), the performance fee payable in respect of the portfolio acquired in 1999 was transferred to current liabilities.

The breakdown, on the basis of the number of underlying investments, of the performance fee pending payment at 31 December 2013 and 2012 is as follows:

	2013			2012		
Year	No. of investments made that year	No. of investments exited	Performance fee pending payment	No. of investments exited	No. of investments made that year	Performance fee pending payment
						Euros
1999	7	6	1,558,080.35	7	5	2,071,935.33
2000	6	5	2,423,568.60	6	4	2,423,568.60
2001	3	3	-	3	3	-
2003	4	3	1,457,717.10	4	3	1,457,717.10
2004	5	4	2,380,038.83	5	4	2,380,038.83
2005	8	5	4,341,786.10	8	5	4,341,786.10
2006	4	2	148,545.37	4	2	148,545.37
2007	6	3	75,604.54	6	3	75,604.54
2008	7	3	285,204.45	7	3	285,204.45
2009	4	-	-	4	-	-
2010	5	2	-	5	2	-
2011	6	1	-	6	1	-
2012	3	-	-	3	-	-
			12,670,545.34			**13,184,400.32**

There were no movements in this account in 2012.

15. Equity

(a) Share capital

The Company's shareholders approved the distribution of a €0.70 per share dividend with a charge against the share premium account at the Annual General Meeting of 13 June 2013. This dividend was paid on 15 July 2013 and implied a total outlay of €11,358,467.40.

Share capital stood at €48,837,600.00 at both year-ends, divided into 16,279,200 shares with a unit par value of €3.

All shares belong to the same class and carry identical voting and dividend rights.

The shares are traded on the Madrid and Barcelona stock exchanges.

The list of shareholders holding an interest of 5% or more at 31 December 2013 is as follows:

Name or company name of shareholder	% of direct voting rights	% of indirect voting rights	% of total voting rights
ANPORA PATRIMONIO, S.L.	22.6	-	22.60
RICARDO PORTABELLA PERALTA	-	22.60	22.60
ELECTRA PRIVATE EQUITY PARTNERS 1995	10.44	-	10.44
ELECTRA PARTNERS LLP	-	10.44	10.44
CORPORACION FINANCIERA ARCO, S.L.	5.00	-	5.00
EW EQUITY PARTNERS, S.L.	-	5.00	5.00
BARWON INVESTMENT PARTNERS PTY LTD	11.78	-	11.78

The list of shareholders holding an interest of 5% or more at 31 December 2012:

Name or company name of shareholder	% of direct voting rights	% of indirect voting rights	% of total voting rights
VENTOS, S.A.	16.66	-	16.66
ANPORA PATRIMONIO, S.L.	6.52	-	6.52
RICARDO PORTABELLA PERALTA	-	23.18	23.18
ELECTRA PRIVATE EQUITY PARTNERS 1995	10.44	-	10.44
ELECTRA PARTNERS LLP.	-	10.44	10.44
AGRUPACIO AMCI DE SEGUROS Y REASEGUROS, S.A.	7.52	-	7.52
CAJASOL INVERSIONES DE CAPITAL, S.C.R., S.A.U.	7.52	-	7.52
CAIXABANK, S.A.	-	7.52	7.52
CORPORACION FINANCIERA ARCO, S.L.	5.00	-	5.00
EW EQUITY PARTNERS, S.L.	-	5.00	5.00

b) Share premium

The consolidated text of the Spanish Corporate Enterprises Act expressly permits the use of the share premium account balance to increase capital and provides no specific limitation with respect to the availability of that balance.

The Company's shareholders approved the distribution of a €0.10 per share dividend with a charge against the share premium account at the Annual General Meeting of 6 June 2012. This dividend was paid on 15 July 2012 and implied a total outlay of €1,624,160.80.

On 3 October 2012, executing the resolution ratified at the Extraordinary General Meeting of 17 September 2012, the Company distributed €1 per share from the share premium account. In total it paid out €16,241,608.00.

c) Legal reserve

Spanish companies must transfer at least 10% of profits for the year to a legal reserve until this reserve is equivalent to at least 20% of share capital. The Company had fully endowed its legal reserve at both year-ends.

d) Voluntary reserves

Voluntary reserves are freely distributable at both reporting dates.

e) Own equity instruments

This heading reflects the reserve for the capital cancelled in the amount of the par value of the shares bought back by the Company and later cancelled with a charge against unrestricted reserves. This reserve can be availed of subject to the same formalities as are required to reduce share capital.

In 2013 the Company acquired 200 own shares for a total of €1,019.20. In 2012, it acquired 48,302 own shares for a total of €205,400.37.

16. Measurement adjustments in equity

The breakdown of 'Measurement adjustments in equity' is as follows:

	2013	2012
		Euros
Listed shares	-	15,619.11
Collective investment undertakings	-	-
Private equity firms	(847,254.40)	(1,838,530.39)
Unlisted shares	-	-
Measurement adjustments in equity		
- Available-for-sale financial assets	**(847,254.40)**	**(1,822,911.28)**

El saldo incluido en el epígrafe de Ajustes por valoración en patrimonio neto - Activos financieros disponibles para la venta corresponde al importe neto del correspondiente efecto impositivo de aquellas variaciones del valor razonable de dichos instrumentos financieros que deben clasificarse como parte integrante del Patrimonio neto de la Sociedad. Los activos por impuestos diferidos reconocidos en este epígrafe al 31 de diciembre de 2013 y 2012 ascienden a 2.563,30 y 5.499,08 euros respectivamente. Cuando se produce la venta de los activos financieros, las variaciones se registran en la cuenta de pérdidas y ganancias.

17. Memorandum accounts

The memorandum accounts break down as follows:

	2013	2012
		Euros
Contingency and commitment accounts	**234,068.12**	**3,044,629.10**
Collateral and guarantees conferred	-	-
Collateral and guarantees received	-	750,000.00
Securities purchase commitments	234,068.122,294,629.10	
Private equity firms	-	-
Other entities	234,068.12	2,294,629.10
Other memorandum accounts	**95,617,317.64**	**79,732,461.24**
Assets written-off	-	-
Unused tax losses	77,891,913.70	79,179,005.47
Unrealised gains (losses) (net of tax effect)	16,198,422.39	553,455.77
Total memorandum accounts	**95,851,385.76**	**82,777,090.34**

The main components of the memorandum accounts are the following:

a) On 20 December 2007, Dinamia committed to invest up to GBP10 million (€11.26 million at the 31/12/2009 exchange rate) in Electra Partners Club 2007 LP, a private equity firm, over a five-year period. The drawdown schedule for the period is not fixed. At year-end 2012, the Company had invested €8.28 million. Electra Partners Club 2007 LP is a private equity fund managed by Electra Partners LLP. One of Dinamia's significant shareholders is Electra Private Equity Partners 1995, the private equity firm managed, in turn, by Electra Partners LLP, the same company which manages Electra Partners Club 2007, LP (note 6).

b) The balance of unused tax losses carried forward on the basis of the Company's income tax returns (note 23).

c) The unrealised gains (losses) (net of the corresponding tax effect) resulting from the valuations deriving from the use of the criteria outlined in note 7.

18. Finance income

Finance income breaks down as follows:

	2013	2012 Euros
From cash and cash equivalents (note 8)	116,818.74	121,378.76
From loans to companies		
Profit-participating loans		
To private equity investees	8,347,252.24	7,832,740.20
Interest, dividend and similar income	**8,464,070.98**	**7,954,118.96**

19. Net gain/loss on and changes in fair value of financial investment portfolio

The breakdown of 'Net gain/loss on and changes in fair value of financial investment portfolio' is provided below:

	2013	2012
		Euros
Net gain/loss on disposals	(3,101,005.03)	32,266,073.39
Equity instruments	(3,101,005.03)	32,409,782.63
Listed shares		-
Unlisted shares	(3,101,005.03)	32,409,782.63
Private equity investees	(3,101,005.03)	32,409,782.63
Other entities	-	-
Collective investment undertakings	-	-
Debt securities	-	(130,697.25)
Other financial assets	-	(13,011.99)
Impairment and losses on financial assets	5,159,758.57	(12,378,113.73)
Cash and cash equivalents	-	-
Equity instruments	3,856,049.45	(14,159,157.51)
Debt securities	-	-
Loans to companies	1,303,709.12	1,781,043.78
Derivatives	-	-
Other financial assets	-	-
Net exchange differences	-	-
	2,058,753.54	**19,887,959.66**

The breakdown of 'Net gain/(loss) on disposals' in the accompanying 2013 and 2012 income statements is as follows:

	2013	2012
		Euros
Net gain/loss on disposals		
Aseguramiento Técnico de Calidad, S.A.	-	(58,506.00)
HP Health Clubs Iberia, S.A.	-	34,870.00
Gescooperativo Dinámico, F.I.	-	47,881.99
ZIV Aplicaciones y Tecnología, S.L.	-	32,241,827.40
High Tech Hotels & Resorts, S.A.	(15,824.10)	-
Emfasis	(179,500.00)	-
Unica	(198,799.59)	-
The Beauty Bell Chain, S.L.	(23,572.66)	-
Nicolás Correa	(2,683,308.68)	-
	(3,101,005.03)	**32,266,073.39**

The breakdown of 'Impairment and losses on financial assets' in the accompanying 2013 and 2012 income statements is as follows:

	2013	2012
		Euros
The Beauty Bell Chain, S.L.	(3,040,446.34)	(2,724,448.88)
Colegios Laude, S.L.	-	(903,174.33)
Impairment of interest accrued on profit-participating loans	**(3,040,446.34)**	**(3,627,623.21)**
Colegios Laude	(1,226,507.00)	4,733,059.24
Xanit Health Care Management, S.L.	5,570,662.46	3,148,507.29
Grupo Gestión Integral Novolux Internacional, S.L.	-	(2,472,899.54)
Impairment of profit-participating loans	**4,343,155.46**	**5,408,666.99**
The Beauty Bell Chain, S.L.	(113,387.35)	-
MBA Incorporado, S.L.	(748,948.08)	-
Nicolás Correa	3,833,867.76	(3,833,867.76)
Hoteles Tecnológicos 2010	650,000.00	-
Mysibek Investments, S.L.	234,517.12	-
High Tech Hotels & Resorts, S.A.	-	(6,255,883.68)
United Wineries Holdings, S.A.	-	(4,069,406.07)
Impairment of equity instruments	**3,856,049.45**	**(14,159,157.51)**
Total impairment and losses on financial assets	**5,159,758.57**	**(12,378,113.73)**

20. Other operating income/(expense)

This heading includes the management fee in the amount of €2,350,563.86 in 2013 (€1,709,147.55 in 2012).

The remuneration regime agreed with the Management Company has two components:

- A fixed annual management fee of 1.75% of the amount of the Company's 'valued assets' (this metric is determined by the Management Company based on a quarterly valuation report using generally accepted international industry criteria; in turn this report is reviewed by an independent expert twice-yearly). The amount accrued in 2013 this respect was €2,350,563.86 (2012: €1,709,147.55).

- A performance fee (nota 14). No sum was recognised in this respect in either 2013 or 2012.

21. Other operating expenses

The breakdown of the items comprising ‘Other operating expenses’ in 2013 and 2012 is provided below:

	2013	2012
		Euros
Bank fees	(10,669.60)	(17,000.00)
Independent professional services	(728,789.38)	(638,675.57)
Outsourced administrative services	(591,343.87)	(251,862.33)
Other expenses	(23,070.22)	(30,500.00)
	(1,353,873.07)	**(983,037.90)**

22. Foreign currency transactions

The only transaction performed by the Company in foreign currency in 2013 was the acquisition of shares of private equity fund Electra Partners Club 2007, LP for €1,889,771.68 (€1,791,690.89 in 2012).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions.

23. Income tax and tax matters

The Company applies the tax benefits provided for in article 55 of Spanish Royal Decree-Law 4/2004 (5 March 2004) enacting the consolidated text of the Spanish Income Tax Act, which regulates the tax regime governing private equity firms and funds and which can been summarised as follows:

- Partial tax exemption on income generated by the sale of shares of companies depending on the number of years elapsing between the acquisition and sale. This exemption is 99% from the beginning of year two of the investment until year 15, inclusive. This exemption does not apply in year one or after year 15 of the investment, barring the exceptions laid down in prevailing tax legislation. If an investee is listed on a securities market regulated under Council Directive 93/22/EEC of 10 May 1993, applicability of this exemption is conditional upon the sale of the listed investment within no more than three years from the listing date.

- Tax deduction of 100% of dividends and, in general, shares of profits received from investees, regardless of the Company's ownership interest or the investment holding period.

The Company has its tax returns open to inspection for the last four years in respect of all key applicable taxes at year-end 2013.

Given the various possible interpretations of the tax regulations applicable to the Company's business transactions, tax contingencies which cannot be objectively quantified could arise with respect to the years open to inspection. However, the Company's directors believe that the likelihood that any such contingencies could arise from a potential tax inspection is remote and that, at any rate, any resultant tax liability would not have a material impact on the accompanying financial statements.

The reconciliation of accounting profit to taxable income (tax loss) in 2013 and 2012 is set forth below:

	2013	**2012**
		Euros
Accounting profit (profit before tax)	7,017,187.18	26,172,944.61
Permanent differences	3,301.16	(34,798,042.84)
Decreases	-	(34,799,922.54)
Increases	3,301.16	1,879.70
Adjusted accounting profit	7,020,488.34	(8 625,098.23)
Temporary differences	(4,923,765.99)	(6,268,631.67)
Negative	(10,289,047.34)	(28,430,815.93)
Positive	5,365,281.35	22,162,184.26
Taxable income (tax loss)	2,096,722.36	(14,893,729.90)
Offset of unused tax losses	(2,096,722.36)	-
Tax expense (at statutory 30% rate)	-	-
Tax credits and tax relief	-	-
Withholdings and payments on account	-	3,815.80
Other	-	-
Tax payable	-	-

The permanent differences primarily reflect the exemption of 99% of eligible income from the sale of investments.

The temporary differences mainly reflect the difference between the criteria used to treat impairment provisions for accounting and tax purposes.

The breakdown of unused tax losses carried forward at year-end is as follows:

Year of origin	Last year for offset	2013	2012 Euros
2001	2016	0.00	1,466,148.17
2002	2017	6,441,396.03	7,071,970.22
2005	2020	1,301,197.23	1,301,197.23
2006	2021	4,836,063.95	4,836,063.95
2007	2022	10,701,386.91	10,701,386.91
2008	2023	4,733,267.71	4,733,267.71
2009	2024	14,751,974.41	14,751,974.41
2010	2025	13,738,171.31	13,738,171.31
2011	2026	5,685,095.66	5,685,095.66
2012	2027	14,893,729.90	14,893,729.90
2013	2028	0.00	-
		79,988,636.06	**79,179,005.47**

The breakdown of unused tax credits carried forward at year-end is as follows:

Year of origin	Last year for offset	2013	2012 Euros
2005	2012	-	1,427,220.71
2006	2013	70,147.65	70,147.65
		70,147.65	**1,497,368.36**

‘Deferred tax assets’ in the accompanying balance sheet recognise the tax impact of the measurement at fair value of the financial assets classified as available for sale.

24. Commitments

All of the Company’s shares in High Tech Hotels & Resorts, S.A., Grupo Gestión Integral Novolux Internacional, S.L., Colegios Laude, S.L., Alcad S.L., Tamsi Spain, S.L. and MBA Incorporado, S.A. have been pledged at both year-ends to secure the loans extended to these investees by certain financial institutions.

25. Remuneration and amounts with the membership of the Board of Directors

The remuneration received by the Company's directors as a whole in their capacity as members of the Board of Directors during the year ended 31 December 2013 totalled €331,420.28 (€385,710.00 in 2012) and corresponded entirely to the bylaw-stipulated amounts which vary as a function of attendance at the board's meetings.

Dinamia's directors did not receive any other benefits during the years ended 31 December 2013 or 2012.

The breakdown of the remuneration paid in 2013 and 2012 by the individual members of the Company's Board of Directors is disclosed below:

		2013
	Remuneration for membership of the Board of Directors	**Remuneration for membership of the Audit Committee**
		Euros
Santiago Bergareche Busquet	51,587.43	-
Javier Carretero Manzano	35,675.90	15,608.21
Alfred Merton Vinton	26,756.93	-
Rafael Jiménez López	33,446.16	15,608.21
Juan Arena de la Mora**	8,918.98	4,459.49
Emilio Carvajal y Ballester	31,216.41	-
Joaquín García-Quirós Rodríguez	24,527.18	-
Fernando D'Ornellas Silva*	31,216.41	10,033.85
Nicolás Villén Jiménez*	31,216.41	11,148.72
	274,561.81	**56,858.47**

* Fernando D'Ornellas Silva and Nicolás Villén Jiménez were appointed by co-option on 19 February 2013. Their appointments were ratified at the Annual General Meeting of 13 June 2013, at which they were also re-elected as members of the Board of Directors.

** Juan Arena de la Mora resigned from the board on 21 March 2013.

		2012
	Remuneration for membership of the Board of Directors	**Remuneration for membership of the Audit Committee**
		Euros
Santiago Bergareche Busquet	62,129.58	-
José Fernando Sánchez-Junco Mans*	8,918.98	4,459.49
Javier Carretero Manzano**	31,216.41	11,148.72
Alfred Merton Vinton	26,756.93	-
Agrupació Mutua de la Industria i del Comerci***	40,469.85	-
Rafael Jiménez López	35,675.90	2,229.74
Juan Arena de la Mora	37,905.64	14,493.33
Emilio Carvajal y Ballester	40,135.39	-
Joaquín García-Quirós Rodríguez****	37,905.64	13,378.46
Grupo Corporativo Empresarial Caja Navarra*****	18,885.93	-
	340,000.25	**45,709.75**

* José Fernando Sánchez-Junco Mans resigned from the Board of Directors on 20 March 2012.

** Javier Carretero Manzano was appointed by co-option on 20 March 2012. His appointment was ratified at the Annual General Meeting of 7 June 2012, at which he was also re-elected as board member.

*** Agrupació Mútua del Comerç i la Indústria, Mútua d'Assegurances i Reassegurances a Prima Fixa was absorbed by Agrupació AMCI de Seguros y Reaseguros, S.A. as a result of the merger by absorption between the two companies with effect from 17 December 2012, as a result of which Dinamia's legal entity director was dissolved.

**** Joaquín García-Quirós Rodríguez was appointed Vice-Chairman of the Board of Directors on 20 March 2012 to replace José Fernando Sánchez-Junco Mans.

***** Grupo Corporativo Empresarial de la Caja de Ahorros y Monte de Piedad de Navarra, S.A.U., represented by Juan Odériz San Martín, resigned from Dinamia's Board of Directors on 22 October 2012.

No advances or loans have been extended to any members of the Board of Directors at either year-end, nor did the Company have any pension or life insurance commitments to its directors.

26. Directors' fiduciary duties

According to the information in the hands of the members of the Board of Directors, which was obtained using the utmost due diligence, the persons related to the members of the board, as defined in article 231 of Spain's Corporate Enterprises Act, hold the following direct or indirect shareholdings in companies with the same, similar or complementary corporate purpose as that of the Company and discharged the following positions and duties at those companies:

• Joaquín García Quirós

	DIRECT INTEREST		INDIRECT INTEREST	
Entity	**Shares**	**%**	**Shares**	**%**
Aquamágica Inversiones, S.A.	359,100	0%	-	-

The members of the Board of Directors have reported that they hold the following positions and/or discharge the following duties at companies with the same, similar or complementary corporate purpose as that of the Company at year-end.

Director	Company	Business activity	Positions held or duties discharged at the indicated companies
Alfred Merton Vinton	Nmas1 Private Equity International Ltd.	Private equity	Director
Alfred Merton Vinton	GP Investments Ltd.	Private equity	Director and minority shareholder

Other than the foregoing, no member of the Board of Directors has interests in companies with the same, similar or complementary corporate purpose as that of the Company.

Note that Alfred Merton Vinton is a member of the Board of Directors of Nmás1 Private Equity International Limited, the entity that acts as the general partner of Nmás1 Private Equity Fund L.P. There is an agreement between Nmás1 Private Equity International Limited and Nmás1 Capital Privado S.G.E.C.R., S.A., Dinamia's Management Company, by virtue of which both entities commit to offer all prospective investments to Nmás1 Private Equity Fund and the Company on equal terms. In addition, Alfred Merton Vinton is a director and minority shareholder (with a shareholding of less than 0.1%) of GP Investments Ltd., a private equity company listed in Brazil (on the Bovespa); note however that this firm's investment focus is Latin America.

Elsewhere, in the past Alfred Merton Vinton represented Electra Private Equity Partners 1995 (a significant shareholder of Dinamia) on the Board of Directors of Dinamia, serving at the time as proprietary director. However, having left Electra Private Equity Partners 1995, the shareholders of Dinamia approved the Board of Director's proposal to reappoint Mr. Vinton as external director at the Annual General Meeting of 28 June 2007. The relationship between Mr. Vinton and Grupo Electra is currently limited to the following:

- Mr. Vinton is a consultant and external advisor to Electra Partners LLP in relation to its investments in several companies in the UK, Spain and Latin America (including Dinamia); however he has no decision-making power and is not a member of any of Electra Partners, LLP's committees or decision-making bodies.

27. Environmental disclosures

The Company's operations respect applicable environmental protection and workplace health and safety laws. The Company's directors believe that it complies substantially with these laws to which end it has designed and implemented procedures for encouraging and guaranteeing due compliance.

The Company has adopted the opportune measures in relation to protecting the environment, improving its environmental record and minimising any environmental fallout from its business activities, in compliance with prevailing regulations. The Company did not deem it necessary to recognise any provisions for liabilities or charges of an environmental nature during the year as it has no environmental protection related contingencies or responsibilities.

28. Events after the reporting period

On 17 January 2014, Dinamia, along with the other shareholders in Xanit, made an additional injection into the latter in the form of an equity loan in order to finance the second stage of the acquisition of 100% of Croasa. The amount paid in by Dinamia was €406 thousand.

On 27 January 2014, upon delivery of the terms and conditions stipulated in the ZIV Aplicaciones y Tecnología, S.L. purchase agreement, the buyer released an amount of €790 thousand, out of the total €972 thousand held in an escrow account to cover potential contingencies arising after the transaction's close, to Dinamia. This has the effect of increasing the return on the lucrative exit from ZIV Aplicaciones y Tecnología, which had already generated a gain for Dinamia of €27,889 thousand. The Company is currently in talks with the buyer to determine how much of the remaining escrow account balance will be released.

On 14 February 2014, Dinamia received its first distribution from Electra Partners Club 2007 LP (the Fund) as a result of the repayment of a loan in the wake of the refinancing of this Fund's investee, Nuaire. Nuaire was acquired in December 2007 and is a leading maker and distributor of ventilation systems for offices and residences in the UK. The Fund received £7.5 million, thereby recovering 63% of the cost of its investment in Nuaire. For Dinamia this event meant the repayment of GBP1,035 thousand (around €1,260 thousand) of capital contributions, which is equivalent to 10% of the amount contributed to the Fund to date.

On 14 March 2014, the European Commission announced its approval of the sale of Dinamia investee Mivisa Envases, S.A.U., held through Lata Lux Holding Parent S.à r.l., to strategic buyer Crown Holdings, Inc. The Commission's approval is subject to certain terms and conditions, including the execution of agreements to sell certain Crown factories in Spain and certain Mivisa facilities in Horst (Netherlands) to one or more Commission-sanctioned buyers. The sale, and by extension Dinamia's exit from this investment, is expected to close in the second or third quarter of 2014. The terms of the deal are unchanged and are disclosed in note 7.b).

29. Auditor fees

The fees accrued during the year by PricewaterhouseCoopers Auditores, S.L. for audit services (including the review of the half-year financial statements) amounted to €47,296.00 (2012: €50,070.00) before VAT. The fees paid to the audit firm and related parties for other complementary services (translations and advisory services) amounted to €64,706 in 2013 (€10,321.43 in 2012), also excluding VAT.

Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A.

Directors' Report

1 Performance in 2013

2013 marked a turning point for Europe's key economic indicators, putting an end to the recession endured in 2012. Eurozone GDP growth was 0.3% in the third quarter of 2013, consolidating the momentum gathering during the previous two quarters. Unemployment across the eurozone also stabilised, ending the year at 12% (up just 0.1% year-on-year). The slight uptick in activity in Europe was accompanied by economic stabilisation in the so-called peripheral economies, Spain and Italy in particular, where the austerity measures and structural reforms taken began to pay off.

As for the Spanish economy, according to the preliminary estimate provided by the national statistics bureau (INE), GDP contracted by 0.1% in 2013, albeit registering growth of 0.1% and 0.3%, respectively, in the third and fourth quarters. According to the INE, this trend was driven by a positive contribution by foreign trade and a less negative contribution by national demand.

Spain's stock market indices rallied sharply last year. The Ibex-35 gained 21.4%, while the Ibex Small Caps, an index which includes Dinamia, surged 44.3%. Against this backdrop, Dinamia's share price rose 28.4% to €7.00, underperforming its benchmark index but outperforming the Ibex 35 index of blue chip stocks. Factoring in the dividend paid in July (€0.70 per share) increases the Company's total shareholder return to 41.3%.

The Spanish private equity sector's performance largely mirrored that of the overall economy, with business volumes ticking higher during the second half of the year. On the investment side, the Spanish private equity association (ASCRI) estimates that the sector invested a total of €1.70 billion, down 31% from 2012 (€2.53 billion) and far from the levels of €3-4 billion of the pre-crisis years. Note that nearly 91% of all transactions entailed investments of less than €5 million. The biggest transactions of the year were the investments in Befesa by Triton Partners, Grupo Quirón by Doughty Hanson and Dorna Sports by Bridgepoint.

In Dinamia's target market, the mid-market segment, which encompasses transactions ranging from €10 to €100 million, there were 18 deals (3.9% of the total), entailing aggregate investment of €440 million (24.6% of total investment). The most important transactions in this segment included the acquisitions of Softonic by Partners Group and Iberchem by Magnum and the investments in Probos and Salto Systems by Dinamia and the funds managed by N+1.

By development stage, 60% of all transactions entailed growth capital, while 36% involved investments in start-ups.

From a sector perspective, the most active recipient segments were IT (36%), industrial products and services (13%) and biotech and other services (8%).

The exit side of the market constituted one of the highlights of the year. Disposal values in terms of cost totalled €1.45 billion, implying year-on-year growth of 21%. 'Trade sales' were the most common exit mechanism used (41%), followed by 'other mechanisms' (22%) and 'buybacks by majority shareholders' (20%), to coin ASCRI nomenclature. The most noteworthy sales included the exits from Avanza Group by Doughty Hanson, Indas by Vista and Portobelo and Arsys by Carlyle and N+1 Mercapital.

As for the Company's business activity during the year, on 31 December 2013, Dinamia Capital Privado S.C.R., S.A., together with other private equity firms managed by Nmás1 Capital Privado S.G.E.C.R., S.A., closed the acquisition of 100% of Probos – Plásticos, S.A. (the "Probos Group"). Dinamia acquired a 24.29% shareholding for an investment of €10,650 thousand. The Probos Group, headquartered in Mindelo (Portugal), is the world's third-largest maker of plastic band edges for the furniture industry, selling its products in over 50 countries. It has two manufacturing facilities in Portugal and Brazil as well as a direct sales presence in Mexico, the UK and Germany.

On 27 March 2013, Dinamia contributed €1,890 thousand to Electra Partners Club 2007 to fund its share of the acquisition of the data services businesses of UBM (AXIO Data Group) and cover the fund's operating expenses.

Dinamia injected another €850 thousand of equity into Probos – Plásticos, S.A. on 3 April 2013, lifting its ownership interest to 24.34%.

On 9 April 2013, Lata Lux Parent Holding S.a.r.l., the company that owns 100% of the shares of Mivisa Group, partially repaid the loans extended by its shareholders (Dinamia, N+1 Private Equity Fund II, The Blackstone Group and the management team), as well as settling the interest accrued to date. As a result of this transaction, Dinamia received total proceeds of €5,422 thousand, thereby recouping 65% of the amount earmarked for investment in the Mivisa Group just two years on from the initial outlay.

On 27 June 2013, Dinamia, along with the other shareholders in Xanit, made an additional injection into the latter in the form of an equity loan in order to partially finance the acquisition of 100% of Croasa, a leading private oncology clinic that commands a privileged market position in the city of Malaga. The amount paid in by Dinamia was €610 thousand. This transaction positions Xanit as an oncology benchmark at the national level and the leading provider of radiation therapy services in the province of Malaga, while expanding the pool of potential patients for its other specialties to the city of Malaga.

On 15 July 2013, executing the resolution ratified at the Annual General Meeting of 13 June 2013, the Company distributed a dividend of €0.70 per share, for a total payout of €11,358 thousand.

The Company sold the 1,566,583 shares it continued to hold in Nicolás Correa on the secondary market between the months of September and October 2013. The proceeds, net of fees and commissions, totalled €2,231,520.65. As a result of the outright sale of this investment, the Company recognised a realised loss of €2,683,308.68 in its income statement and income in respect of the surplus impairment provision of €3,833,867.76.

On 30 December 2013, Dinamia Capital Privado S.C.R., S.A. acquired 5.50% of Salto Systems, S.L. for an investment of €8,695 thousand (excluding transaction costs). This transaction was structured as the purchase of Salto treasury shares, with the management team (and founders of Salto) staying on as controlling shareholders. Salto, headquartered in Oiartzun (Basque region), is the world's fifth-largest manufacturer of access control systems, specialising in electronic locks. Over 90% of its revenue is accounted for by exports to more than 90 different countries.

2 Business outlook

The Spanish government is forecasting GDP growth of 1.0% in 2013. Funcas, the savings banks' think tank, puts growth at an estimated 0.9%. Estimates have been being upgraded on the back of brighter prospects for household and public spending and capital goods investment.

Private consumption is expected to register year-on-year growth thanks the improvement in the unemployment rate sustained in the last quarter of 2013, which is expected to continue in 2014. Other factors expected to contribute to the economic recovery include the net trade surplus, falling unit labour costs - paving the way for continued competitiveness gains -, and moderate growth in industrial output.

The measures taken by the Spanish government to reduce the public deficit and the ongoing structural reforms are expected to continue to have a positive impact on investor and business confidence. This is the scenario which the Spanish market appears to be pricing in, judging by the heady start to 2014.

The private equity sector is expected to stage a slow but steady recovery. The outlook for the sector is positive for 2014 – 2016, although business volumes will continue to be conditioned by trends in access to credit. It is worth highlighting the growing interest in the Spanish market displayed by international funds in 2013; this appetite is expected to set the tone of the market also in 2014 and, foreseeably, 2015. Note that the private equity firms that have the funds to finance their investees' growth (which is mainly materialising in international expansion) will emerge as active players in the economic recovery.

On the disposal front, limited partners have been increasingly putting pressure on funds to accelerate the exit process and return capital to investors; the gathering momentum is likely to facilitate growth in the number of exits, particularly from companies that have been in portfolios the longest and those that have managed to expand their businesses abroad. As for the outlook for the investees themselves, the prospect of a recovery in internal consumption and the broader Spanish economy is expected to have a positive impact.

Lastly, fund-raising is likely to be significantly influenced by the news of the creation of a public fund of funds, FOND-ICO Global. This new fund will inject liquidity into the sector, although its contribution remains conditional upon the fund managers' ability to raise the private funding needed. This new measure has prompted many managers to move forward and announce plans to raise new money this year.

The company has €21.6 million of cash for continuing to fund its diversified investment strategy (geographically and by sector), marked by a bias towards manufacturers and high-tech companies with exporting impetus.

3 Research and development expenditure

The Company did not earmark any money to research or development in 2013.

4 Buyback of own shares

In 2013 the Company acquired 200 own shares for a total of €1,019.20. At year-end 2013 it held 52,818 own shares, which were acquired for a total of €223,330.43.

5 Events after the balance sheet date

On 17 January 2014, Dinamia, along with the other shareholders in Xanit, made an additional injection into the latter in the form of an equity loan in order to finance the second stage of the acquisition of 100% of Croasa. The amount paid in by Dinamia was €406 thousand.

On 27 January 2014, upon delivery of the terms and conditions stipulated in the ZIV Aplicaciones y Tecnología, S.L. purchase agreement, the buyer released an amount of €790 thousand, out of the total €972 thousand held in an escrow account to cover potential contingencies arising after the transaction's close, to Dinamia. This has the effect of increasing the return on the lucrative exit from ZIV Aplicaciones y Tecnología, which had already generated a gain for Dinamia of €27,889 thousand. The Company is currently in talks with the buyer to determine how much of the remaining escrow account balance will be released.

On 14 February 2014, Dinamia received its first distribution from Electra Partners Club 2007 LP (the Fund) as a result of the repayment of a loan in the wake of the refinancing of this Fund's investee, Nuaire. Nuaire was acquired in December 2007 and is a leading maker and distributor of ventilation systems for offices and residences in the UK. The Fund received £7.5 million, thereby recovering 63% of the cost of its investment in Nuaire. For Dinamia this event meant the repayment of GBP1,035 thousand (around €1,260 thousand) of capital contributions, which is equivalent to 10% of the amount contributed to the Fund to date.

On 14 March 2014, the European Commission announced its approval of the sale of Dinamia investee Mivisa Envases, S.A.U., held through Lata Lux Holding Parent S.à r.l., to strategic buyer Crown Holdings, Inc. The Commission's approval is subject to certain terms and conditions, including the execution of agreements to sell certain Crown factories in Spain and certain Mivisa facilities in Horst (Netherlands) to one or more Commission-sanctioned buyers. The sale, and by extension Dinamia's exit from this investment, is expected to close in the second or third quarter of 2014. The terms of the deal are unchanged and are disclosed in note 7.b).

6 Financial risk management targets and policies

The Company's risk exposure is concentrated in its investment portfolio. To mitigate its risk factors, a series of checks are performed prior to investing. Dinamia diversifies its investments by sector and engages independent experts to prepare reports and opinions on the companies under analysis and their business environments. Once they are part of the Company's portfolio, risk control is achieved primarily through ongoing monitoring of the main business and financial drivers affecting the investees.

Given the Company's business activity, the use of financial instruments with listed securities as underlyings has been limited to the use of public debt repurchase agreements, to which end price, credit, liquidity and cash flow risk management policies and targets are aligned with the limits and ratios laid down in prevailing legislation.

Appendix 1

BREAKDOWN OF THE PORTFOLIO OF FINANCIAL INVESTMENTS AT 31 DECEMBER 2013

Investee	Type of investment	Registered office	Business sector	Auditor
Grupo Gestión Integral Novolux Internacional, S.L.	Development capital	Madrid	SPV	KPMG
The Beauty Bell Chain, S.L.	Development capital	Madrid	SPV	Ernst & Young
High Tech Hotels & Resorts, S.A.	Development capital	Madrid	Hotels	Deloitte
Colegios Laude, S.L.	Development capital	Madrid	Education	KPMG
Colegios Laude II, S.L.	Development capital	Madrid	Education	KPMG
TBBC Helena Investments, S.L.	Development capital	Madrid	SPV	Unaudited
Alcad, S.L.	Development capital	Madrid	SPV	PwC
Helena Debtco	Development capital	Luxembourg	SPV	Unaudited
Xanit Health Care Management, S.L.	Development capital	Madrid	Healthcare	PwC
United Wineries Holdings, S.A.	Development capital	Madrid	Wineries	Abante Audit Auditores, S.L.P.
MBA Incorporado, S.L.	Development capital	Gijón	Prosthetics	PwC
Rymsa, S.A.	Development capital	Madrid	Telecommunications	Deloitte
Tryo Communication Technologies, S.L.	Development capital	Bilbao	SPV	Deloitte
Tryo Aerospace, S.L.	Development capital	Madrid	SPV	Deloitte
Rymsa RF, S.L.	Development capital	Madrid	SPV	Deloitte
Tamsi Spain, S.L.	Development capital	Madrid	SPV	PwC
Cardomana Servicios y Gestiones, S.L.	Start-up capital	Madrid	SPV	Deloitte
Global Abbasi, S.L.	Start-up capital	Madrid	SPV	Unaudited
Salto Systems, S.A.	Development capital	Guipuzcoa	Security	KPMG
Lata Lux Holding Parent S.a.r.l.	Development capital	Luxembourg	SPV	Deloitte

Appendix 1

BREAKDOWN OF THE PORTFOLIO OF FINANCIAL INVESTMENTS AT 31 DECEMBER 201

Investee	Type of investment	Registered office	Business sector	Auditor
Grupo Gestión Integral Novolux Internacional, S.L.	Development capital	Madrid	SPV	KPMG
The Beauty Bell Chain, S.L.	Development capital	Madrid	SPV	Ernst & Young
High Tech Hotels & Resorts, S.A.	Development capital	Madrid	Hotels	Deloitte
Colegios Laude, S.L.	Development capital	Madrid	Education	KPMG
Colegios Laude II, S.L.	Development capital	Madrid	Education	KPMG
TBBC Helena Investments, S.L.	Development capital	Madrid	SPV	Unaudited
Alcad, S.L.	Development capital	Madrid	SPV	PwC
Helena Debtco	Development capital	Luxembourg	SPV	Unaudited
Xanit Health Care Management, S.L.	Development capital	Madrid	Healthcare	PwC
United Wineries Holdings, S.A.	Development capital	Madrid	Wineries	Abante Audit Auditores, S.L.P.
Nicolas Correa, S.A.	Development capital (listed)	Burgos	Iron and steel	KPMG
MBA Incorporado, S.L.	Development capital	Gijón	Prosthetics	PwC
Rymsa, S.L.	Development capital	Madrid	Telecommunications	Deloitte
Lata Lux Holding Parent S.a.r.l.	Start-up capital	Luxembourg	SPV	Deloitte
Tryo Technologies, S.L.	Start-up capital	Zaragoza	SPV	Deloitte
Tamsi Spain, S.L.	Start-up capital	Madrid	SPV	PwC
Cardomana Servicios y Gestiones, S.L.	Start-up capital	Madrid	SPV	Deloitte

Appendix 2

BREAKDOWN OF THE PORTFOLIO OF FINANCIAL INVESTMENTS AT 31 DECEMBER 2013

Thousands of euros

		EQUITY					
Investee	Shareholding	Capital	Reserves	Profit (loss) for the year	Other	Total	Adj. underlying book value
Grupo Gestión Integral Novolux Internacional, S.L.	48.54%	917	(9,826)	(3,097)	-	(12,006)	-
The Beauty Bell Chain, S.L.	14.35%	986	(138,016)	(30,551)	3,000	(164,581)	-
High Tech Hotels & Resorts, S.A.	26.00%	60	6,603	(42,223)	261	(35,299)	-
Colegios Laude, S.L.	49.27%	894	(23,233)	(2,894)	38	(25,195)	-
Colegios Laude II, S.L.	49.27%	82	(419)	(73)	-	(410)	-
TBBC Helena Investments, S.L.	24.98%	-	-	-	-	-	-
Helena Debtco	26.76%	-	-	-	-	-	-
Alcad, S.L.	37.68%	2,302	3,388	(17,188)	678	(10,820)	-
Xanit Health Care Management, S.L.	33.71%	3,713	(28,239)	(380)	(238)	(25,144)	-
United Wineries Holdings, S.A.	8.00%	N/A	N/A	N/A	N/A	N/A	N/A
MBA Incorporado, S.L.	36.91%	4,770	69,621	435	(39)	74,787	27,604
Rymsa, S.A.	24.57%	1,252	5,011	1,384	133	7,780	1,912
Tryo Communication Technologies, S.L.	24.57%	3,029	25,655	4,244	811	33,739	8,290
Tryo Aerospace, S.L.	24.57%	3	-	(1)		2	-
Rymsa RF, S.L.	24.57%	4,315	7,184	(1,208)	(136)	10,155	2,495
Tamsi Spain, S.L.	25.00%	3,090	27,905	2,428	(1,234)	32,189	8,047
Cardomana Servicios y Gestiones, S.L.	13.75%	94	2,170	484	277	3,025	416
Global Abbasi, S.L.	24.34%	1,000	37,998	(2,836)	(145)	36,017	8,767
Salto Systems, S.A.	5.50%	153	21,856	12,146	262	34,417	1,893
Lata Lux Holding Parent S.a.r.l.	2.60%	118,795	7,274	21,346	143	147,558	3,837

Appendix 2

BREAKDOWN OF THE PORTFOLIO OF FINANCIAL INVESTMENTS AT 31 DECEMBER 202

Thousands of euros

		EQUITY					
Investee	Shareholding	Capital	Reserves	Profit (loss) for the year	Other	Total	Adj. underlying book value
Grupo Gestión Integral Novolux Internacional, S.L.	48.57%	947	77	(3,494)	396	(2,074)	-
The Beauty Bell Chain, S.L.	14.35%	986	(114,661)	(23,355)	-	(137,030)	-
High Tech Hotels & Resorts, S.A.	26.00%	11,835	1,639	(4,940)	462	8,996	2,339
Colegios Laude, S.L.	49.27%	894	(20,564)	(2,668)	38	(22,300)	-
Colegios Laude II, S.L.	49.27%	82	(547)	129	-	(336)	-
TBBC Helena Investments, S.L.	24.98%	-	-	-	-	-	-
Helena Debtco	26.76%	-	-	-	-	-	-
Alcad, S.L.	37.68%	2,696	10,298	(3,030)	(461)	9,503	3,581
Xanit Health Care Management, S.L.	32.85%	3,713	(26,395)	(1,844)	(311)	(24,837)	-
United Wineries Holdings, S.A.	8.00%	17,987	104,726	2,306	(1,151)	123,868	9,909
Nicolas Correa, S.A.	12.57%	-	-	-	-	-	-
MBA Incorporado, S.L.	36.91%	4,770	75,156	(4,682)	(915)	74,329	27,435
Rymsa, S.L.	24.76%	5,008	11,186	2,273	(762)	17,705	4,384
Lata Lux Holding Parent S.a.r.l.	2.60%	177,894	2,031	14,901	653	195,479	5,082
Tryo Technologies, S.L.	24.76%	247	25,654	2,158	(349)	27,710	6,861
Tamsi Spain, S.L.	25.00%	3,090	25,651	2,261	(2,018)	28,984	7,246
Cardomana Servicios y Gestiones, S.L.	25.00%	27,990	31,249	7,611	-	66,850	16,713

Approval of financial statements

The undersigned, in their capacity as directors of Dinamia Capital Privado, S.C.R., S.A., hereby represent that:

I. In keeping with the provisions of article 253 of Spain's Corporate Enterprises Act, they have authorised the accompanying financial statements and directors' report for the year ended 31 December 2013 for issue.

The abovementioned financial statements comprise the balance sheet, income statement, statement of changes in equity, statement of cash flows and explanatory notes for the year ended 31 December 2013.

The abovementioned directors' report includes Dinamia Capital Privado S.C.R., S.A.'s corporate governance report for 2013.

II. The abovementioned accompanying financial statements and directors' report are those presented to PricewaterhouseCoopers Auditores, S.L. for the purpose of verification and review by the latter account audit firm..

UNDERSIGNED:

________________________________	________________________________
Santiago Bergareche Busquet	Joaquín García-Quirós Rodríguez
________________________________	________________________________
José Javier Carretero Manzano	Emilio de Carvajal y Ballester
________________________________	________________________________
Rafael Jiménez López	D. Fernando D'Ornellas Silva
________________________________	________________________________
D. Nicolás Villén Jiménez	D. Alfred Merton Vinton

I, Marta Rios Estrella, Secretary of the Board of Directors, hereby certify the authenticity of the signatures entered above the names of the gentlemen listed above, all of which are members of the Company's Board of the Directors.

Madrid, 20 March 2014

To the best of our knowledge, the annual financial statements presented (the unconsolidated 2013 financial statements of Dinamia Capital Privado, S.C.R., S.A.), prepared under prevailing accounting principles, provide a true and fair view of the equity, financial position and financial performance of Dinamia Capital Privado, S.C.R., S.A. taken as a whole, while the directors' report includes a true and fair analysis of the business performance and results and financial situation of Dinamia Capital Privado, S.C.R., S.A., when read together with the description of the main risks and uncertainties faced.

________________________________	________________________________
Santiago Bergareche Busquet	Joaquín García-Quirós Rodríguez
________________________________	________________________________
José Javier Carretero Manzano	Emilio de Carvajal y Ballester
________________________________	________________________________
Rafael Jiménez López	Fernando D'Ornellas Silva
________________________________	________________________________
Nicolás Villén Jiménez	Alfred Merton Vinton

Declaration

As provided in article 253.2 of Spain's Corporate Enterprises Act, it is hereby stated that Company director Emilio de Carvajal y Ballester has not signed the accompanying annual financial statements (balance sheet, income statement, statement of changes in equity and accompanying notes) or the directors' report of Dinamia Capital Privado, Sociedad de Capital Riesgo, Sociedad Anónima ("Dinamia") for 2013, having abstained from approving them for issue due to discrepancies with respect to the method used to calculate the Management Company's performance fee and the recognition of certain expenses by the Company which, in his opinion, should be borne by the Management Company of Dinamia, Nmás1 Capital Privado, SGECR, S.A.

The members of the Company's Board of Directors, with the exception of Mr. Carvajal, believe that the reasons put forward by the aforementioned director are not substantiated as the performance fee has been estimated in keeping with the prevailing management agreement entered into with the Management Company and the expenses allocated to the Management Company also comply with that envisaged in the aforementioned management agreement. They further believe that the notes to the annual financial statements, on which the Company's auditor has issued a clean opinion, provide sufficient explanatory disclosures with respect to the performance fee, how it is calculated and provided for and the Company's operating expenses.

The reasons put forward by Emilio de Carvajal for not witnessing the accounts were already analysed and clarified by the Company, as is certified in the additional information provided at the behest of Spain's securities market commission, the CNMV for its acronym in Spanish, in writing on 28 May 2013, which document has been uploaded onto the CNMV's website.

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Ms. Marta Rios Estrella
Secretary of the Board of Directors of
Dinamia Capital Privado, S.C.R., S.A.

Auditor's report refered to FIICS

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

REPORT OF THE AUDITORS ON "INFORMATION RELATING TO THE FINANCIAL INFORMATION INTERNAL CONTROL SYSTEM (FIICS)" OF DINAMIA CAPITAL PRIVADO, S.C.R., S.A. FOR 2013

To the Shareholders of Dinamia Capital Privado, S.C.R., S.A.:

At the request of the Board of Directors of Dinamia Capital Privado, S.C.R., S.A. and pursuant to our letter of proposal dated 20 January 2014, we have applied certain procedures on the "Information relating to the Financial Information Internal Control Systems" ("FIICS") attached, included in Section F. Internal control systems and risk management concerning the process of issuing financial reports (FIICS) of the Annual Corporate Governance Report for listed companies of Dinamia Capital Privado, S.C.R., S.A. for 2013, which includes a summary the internal control procedures of Dinamia Capital Privado, S.C.R., S.A. relating to the annual financial report.

The Board of Directors of Dinamia Capital Privado, S.C.R., S.A. is responsible for taking the measures that are necessary to reasonably assure the implementation, maintenance and supervision of an appropriate internal control system, and for developing improvements to said system and preparing and establishing the content of the accompanying Information relating to the FIICS.

In this connection it must be borne in mind that, irrespective of the design quality and efficiency of the financial information internal control system used by Dinamia Capital Privado, S.C.R., S.A., it can only allow a reasonable - not absolute - degree of assurance in relation to the objectives it seeks to achieve due to the limitations inherent to any internal control system.

In the course of our audit work on the annual accounts in accordance with Technical Audit Standards, the sole purpose of our evaluation of the internal control system of Dinamia Capital Privado, S.C.R., S.A. is to enable us to establish the scope, nature and timing of the audit procedures on the annual accounts of Dinamia Capital Privado, S.C.R., S.A. Accordingly, our internal control evaluation performed for the purposes of our audit is not sufficient in scope to enable us to issue a specific opinion on the efficiency of the financial information internal control system.

For the purposes of the present report, we have only applied the specific procedures described below and indicated in the Guidelines concerning the auditor's report referring to the information concerning the Financial Information Internal Control System for listed entities published by the National Securities Market Commission on its web site, which lays down the work to be performed, the scope of the work and the content of this Report. In view of the fact that, in any event, the scope of the work resulting from these procedures is reduced and substantially less than the scope of an audit or an internal control system review, we do not express an opinion on the effectiveness thereof, its design or operational efficiency, in relation to the annual financial reporting for 2013 of Dinamia Capital Privado, S.C.R., S.A. described in the accompanying FIICS information (the "Information"). Therefore, had we applied additional procedures to those determined by said Guidelines or had we performed an audit or internal control system review in relation to the regulated financial information, other matters could have come to light of which you would have been informed.

Additionally, as this special work is not an audit of the accounts and is not subject to the revised Audit Act introduced under Royal Decree-Law 1/2011, we do not express an audit opinion in the terms of those regulations.

The procedures applied are as follows:

1. Reading and understanding the information prepared by Dinamia Capital Privado, S.C.R., S.A. in relation to the FIICS – breakdown included in the Directors' report – and evaluation of whether said information covers all the data required as per the minimum content described in Section F of the description of the FIICS, in the model of Annual Corporate Governance Report in Circular nº 5/2013 dated 12 June 2013.

2. Making enquiries with personnel in charge of preparing the information mentioned in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that enables us to assess whether the terminology used is in line with the framework of reference; (iii) obtain information as to whether the control procedures described are implemented and functioning in the Company.

3. Review of supporting documentation explaining the information described in point 1 above in which mainly comprises the information made directly available to the persons responsible for preparing the information on the FIICS. In this respect, said documentation includes reports prepared by the Internal Audit function, Senior Management and other internal and external specialists in their support duties towards the Audit and Control Committee.

4. Comparison of the information described in point 1 above with knowledge of Dinamia Capital Privado, S.C.R., S.A. of the FIICS obtained from the application of the procedures performed within the framework of the audit work on the annual accounts.

5. Reading of the minutes of meetings of the Board of Directors, Audit Committee and other Committee of Dinamia Capital Privado, S.C.R., S.A. for the purpose of evaluating consistency between the matters dealt with therein in relation to the FIICS and the information described in point 1 above.

6. Obtaining of the letter of representation concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in point 1 above.

As a result of the procedures applied to the information concerning the FIICS, no inconsistencies or incidents have come to light which could affect it.

This report has been prepared exclusively within the framework of the requirements of Law 24/1988 of 28 July on the Securities Market, amended by Law 2/2011 of 4 March on Sustainable Economy and by Circular nº 5/2013 of the National Securities Market Commission dated 12 June 2013 for purposes of the description of the FIICS in Annual Corporate Governance Reports.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by
Pedro Richi Alberti
Partner
29 April 2014

Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A.

Appropriation of profit for 2013

In accordance with the provisions of article 273.1 of the Spanish Corporate Enterprises Act, and in light of the profit of €7,017,187.18 earned in 2013, it is agreed to apply this profit in full to the following heading:

- PRIOR-YEAR RESULTS....................... €7,017,187.18

Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A.

Report drawn up by the Audit and Appointments Committee of Dinamia Capital Privado, S.C.R., S.A. giving account of its activities in 2013

I. Introduction

The Bylaws and Board Rules of Dinamia Capital Privado, S.C.R., S.A. ("**Dinamia**" or the "**Company**"), in reference to the Audit and Appointments Committee, stipulate that the Committee itself draw up an annual report on its activities, highlighting the main incidents arising, if any, in relation to the duties vested in it. In light of the foregoing, the Committee has prepared this report, in which there is scope, as deemed appropriate, for proposals for improving the Company's governance rules, in keeping with article 22.2 of the Bylaws and article 13 of the Board Rules.

This report, giving account of the activities undertaken by the Audit and Appointments Committee in 2013, can be downloaded by the Company's shareholders and investors from the corporate website (www.dinamia.es).

II. Composition of the Committee

Article 22.2 of the Bylaws and article 13 of the Board Rules stipulate that the Audit and Appointments Committee comprise at least three external directors appointed by the Board of Directors for a term of three years.

In 2013, the Audit and Appointments Committee was made up of the following three external directors:

- Nicolás Villén Jiménez (chairman since he was appointed to this position on 8 May 2013) was appointed independent director on 19 February 2013, an appointment which was ratified at the General Meeting of 13 June 2013, when he was re-elected for the statutory term of office of five years.
- Javier Carretero Manzano (member) was appointed independent director on 20 March 2012, an appointment which was ratified at the General Meeting of 7 June 2012, when he was re-elected for the statutory term of office of five years.
- Fernando D'Ornellas Silva (member) was appointed

independent director on 19 February 2013, an appointment which was ratified at the General Meeting of 13 June 2013, when he was re-elected for the statutory term of office of five years.

- Rafael Jiménez López (member) was appointed proprietary director by co-option on 22 March 2011; his appointment was ratified at the General Meeting of 7 June 2011.

Mr. Juan Arena de la Mora was a member of the Committee until the meeting of 21 March 2013, inclusive. Mr. Arena had been appointed independent director on 28 June 2007. His appointment was last renewed on 7 June 2012. Mr. Arena presented his resignation as director and member of the Audit and Appointments Committee of Dinamia on 21 March 2013.

As for the various posts held within the Committee, Javier Carretero Manzano (independent director) chaired the Audit and Appointments Committee for some of 2013, specifically until the meeting of 8 May 2013, inclusive, which is when he was replaced by Nicolás Villén Jiménez, based on the annual chairmanship rota agreed by the Committee itself, as provided for in the Company's Bylaws and Board Rules.

Marta Rios Estrella, who is not a director, has been the Secretary of the Audit and Appointments Committee since 23 October 2012. Ms. Rios is a lawyer at Uría Menéndez and also serves as Secretary of the Company's Board of Directors (similarly since 23 October 2012). Until 23 October 2013, Ms. Rios served as Vice-Secretary of the Board of Directors and of the Audit and Appointments Committee.

Ignacio Zarzalejos Toledano, similarly not a director, is currently the Vice-Secretary of the Company's Audit and Appointments Committee and Board of Directors (since 23 October 2012). Ignacio Zarzalejos is a lawyer at Uría Menéndez.

As a result, at 31 December 2013, the Audit and Appointments Committee was made up of the following members:

- Nicolás Villén Jiménez (chairman, independent director)
- Javier Carretero Manzano (member, independent director)
- Fernando D'Ornellas Silva (member, independent director)
- Rafael Jiménez López (member, proprietary director)

III. Activities performed in 2013

The Audit and Appointments Committee met and adopted resolutions on seven occasions in 2013.

The Audit and Appointments Committee, in keeping with the duties vested in it under article 13 of the Board Rules, centred its session agendas on the following activities:

- **REVIEW OF THE PERIODIC FINANCIAL DISCLOSURES**

As it does every year, the Committee supervised the process of preparing and disclosing the Company's quarterly, half-yearly and annual financial information, verifying the accuracy and completeness thereof. The Board of Directors disclosed this information to the market and submitted it to the Spanish securities market regulator (the "CNMV") in keeping with the periodic reporting requirements incumbent upon Dinamia in its capacity as listed company.

In this respect, the Committee reviewed, prior to submission to the CNMV by the Board, compliance with applicable regulatory requirements and the correct application of prevailing accounting criteria to the periodic financial information.

REVIEW OF THE ANNUAL FINANCIAL STATEMENTS

The Committee, with a view to ensuring that the annual financial statements authorised by the Board of Directors for submission at the General Meeting do not contain audit report qualifications, performed the following duties, among others, before submitting them to the Board for authorisation:

- Reviewing the Company's financial statements;
- Monitoring compliance with applicable legal requirements and the correct application of generally accepted accounting policies;
- Supervising the process of preparing and presenting the financial information, the effectiveness of the Company's internal controls, internal audit, and risk management systems, including a discussion of significant weaknesses detected in the internal control system in the course of the audit, if any, with the external auditor; and
- Reviewing the periodic financial information which the Board of Directors must provide to the markets and their regulators.

In relation to the foregoing, the Audit and Appointments Committee has taken upon itself not only to review the presentation of Dinamia's financial information but also the financial reporting processes themselves.

Before the Board authorised the issuance of the financial statements, the Audit and Appointments Committee issued a report recommending said authorisation.

It is hereby noted that the Audit Report attached to Dinamia's individual financial statements did not contain any qualifications in 2012.

INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) SYSTEMS

In relation to ICFR matters and in keeping with articles 22.2.2.e) of the Bylaws and 13.2 of the Board Rules, the Audit Committee supervised the preparation and presentation of the financial information of the Company in order to oversee its comprehensiveness, ensure compliance with legal requirements and the correct application of generally accepted accounting policies, to which end it was directly supported by the internal audit service and the Company's external auditor.

EXTERNAL AUDIT

The Audit and Appointments Committee supervised compliance with the audit engagement contract, endeavouring that the audit opinion attaching to the annual financial statements and the main contents of the audit report were clearly and precisely drafted.

The Committee recommended that the Board of Directors submit the reappointment of PricewaterhouseCoopers Auditores, S.L. as external auditor of the 2013 financial statements to the General Meeting for approval.

The Committee also reviewed the fees invoiced in 2013 by the Company's external auditor for all services rendered, including non-audit services, with the aim of preserving its independence.

In 2013 the Audit and Compliance Committee verified in respect of 2012 that the work contracted with the external auditor engaged to audit that year's financial statements complied with the independence requirements provided for under Royal Decree-Law 1/2011 (of 1 July 2011), enacting the consolidated text of the Audit Act (the "**Audit Act**").

The Audit Act requires the Audit and Appointments Committee to issue, prior to issuance of the audit report, an annual report expressing an opinion on the independence of the auditor(s). Based on this requirement and the confirmation of independence provided by the auditor, the Audit and Appointments Committee issued a report in respect of 2012 expressing its opinion on the independence of its auditor, PricewaterhouseCoopers Auditores, S.L., in which it concluded that there were no objective reasons to question its independence in 2012.

- **INTERNAL AUDIT FUNCTION**

Nmás1 Capital Privado, SGECR, S.A., Dinamia's management company, has outsourced the internal audit function to another company.

As part of its supervision of the internal audit service, the Audit and Appointments Committee received a report from Internal Audit and Financial Control, S.L. ("**Interafi**") in its capacity as Dinamia's Internal Audit Unit. The main purposes of this report are to verify the extent of compliance with and the effectiveness of the written procedures designed by the management company, identify potential sources of risk and/or deviation with respect to the authorised procedures and to monitor the recommendations or areas for improvement flagged in prior reports. Interafi presented its report to the Audit and Appointments Committee in 2013.

- **VERIFICATION OF COMPLIANCE WITH CORPORATE GOVERNANCE REGULATIONS**

In 2013 the Audit and Appointments Committee also verified compliance with and implementation of Dinamia's in-house rules.

In addition, as it does every year, the Audit and Appointments Committee ensured compliance with the Internal Securities Markets Code of Conduct and the Company's governance rules in 2013, not detecting any material breach in this respect.

- **APPOINTMENT OF DIRECTORS AND OF DIRECTORS TO BOARD POSITIONS**

The Audit and Appointments Committee, in keeping with the terms of article 13.2 of the Board Rules, is tasked, among other duties, with the duty of reporting to the Board of Directors on the appointment, ratification and dismissal of directors, as well as on their pay and other conditions required to enable them to properly fulfil their commitments.

In 2013, the Audit and Appointments Committee resolved to propose to the Board of Directors the appointment by co-option of Nicolás Villén Jiménez and Fernando D'Ornellas Silva as independent directors.

It also issued a report to the Board of Directors recommending the appointment of Nicolás Villén Jiménez and Fernando D'Ornellas Silva, both independent directors, as new members of the Audit and Appointments Committee.

Lastly, the Audit and Appointments Committee recommended the appointment of Nicolás Villén as Chairman of Dinamia's Audit and Appointments Committee with effect from 9 May 2013. Also at the meeting of 8 May 2013, the Audit and Appointments Committee resolved to recommend that the Board of Directors submit a motion to (i) re-elect Santiago Bergareche Busquet as independent director for the statutory term of office at the next General Meeting, and (ii) ratify the appointment by co-option of independent directors Nicolás Villén Jiménez and Fernando D'Ornellas Silva, and their re-election for the statutory term of office, at the next General Meeting.

- **DIRECTOR REMUNERATION POLICY**

As stipulated in article 13.2 of the Board Regulations, the Audit and Appointments Committee is tasked with ensuring transparency with respect to director pay, including the legally-required director remuneration disclosures in the report on director remuneration and the annual corporate governance report.

To this end, in 2013 the members of the Audit and Appointments Committee agreed unanimously to recommend that the Board of Directors formally approve the Report on director remuneration, which was drawn up in keeping with the provisions of article 61.3 of the Spanish Securities Market Act (Law 24/1988, of 28 July 1998) for submission to the advisory vote of the Company's shareholders (as a separate agenda item) at the Annual General Meeting.

IV. Proposals for improving the Company's corporate governance

The Audit and Appointments Committee examined compliance with and implementation of the Company's in-house corporate governance rules in 2013, in keeping with article 22.2 of the Bylaws and article 13 of the Board Rules.

It also analysed the regulatory changes with respect to corporate governance at listed companies that could have an impact on the Company's governance or other internal rules.

The Committee did not propose amendments to the Company's governance rules in 2013 as they had been updated and fine-tuned in 2012.

In 2014, the Audit and Compliance Committee plans to analyse the new corporate governance rules being contemplated in Spain to determine the need for and contents of a potential amendment to Dinamia's body of in-house rules for the purpose of adapting them to applicable legislation and enhancing and updating them as required.

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