



INTERIM STATEMENT

THIRD QUARTER 2014

I. Interim statement

The most significant developments affecting Dinamia Capital Privado, S.C.R. S.A. ("Dinamia") during the third quarter of 2014 are summarised below:

Dinamia closed the sale of its investment in Xanit Health Care Management S.L. ("Xanit Group") to Spanish healthcare group Vithas on 9 July 2014. Dinamia sold its entire 33.7% shareholding in Xanit Group along with the profit participating loans it had extended to the company.

Dinamia received a total of €24.08 million from the sale of its investment in Xanit Group. This price could rise by as much as €0.6 million depending on delivery of certain milestones laid down in the purchase agreement.

On 28 July 2014, Tamsi Spain, S.L. ("Tamsi"), the company that owns 100% of the shares of Estacionamientos y Servicios, S.A.U. ("EYSA") and in which Dinamia Capital Privado, S.C.R., S.A. in turn holds a 25% equity interest, paid out a dividend against its share premium account. As a result of this transaction, Dinamia received a total of €6.76 million, thereby recouping 50% of its initial investment in EYSA.

This distribution was made possible by EYSA's recently closed €75 million bond issue, the biggest placement on MARF, Spain's alternative bond market, to date.

Lastly, Salto Systems, S.L. ("Salto") paid out a dividend on 29 July 2014, generating income for Dinamia of €266 thousand.

Events after the reporting period

No significant events have occurred between 30 September 2014 and the date of approving the accompanying financial information.

III. Quarterly financial report

Balance sheet

ASSETS	€	€	€
	30/09/2014	30/06/2014	31/12/2013
A) CURRENT ASSETS	53,776,050.76	36,323,293.91	21,817,386.63
I. Cash and cash equivalents	53,107,908.51	35,389,631.08	21,648,808.28
II. Prepayments and accrued income	20,611.90	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	647,530.35	913,050.93	147,966.45
VI. Other current assets	-	-	-
B) NON-CURRENT ASSETS	95,383,766.98	124,696,950.90	110,643,252.18
I. Deferred tax assets	-	0.00	2,563.30
II. Non-current financial assets	12,695,203.31	12,320,359.84	11,673,169.25
1 Equity instruments	12,084,157.98	11,716,566.44	11,114,361.28
1.1. Private equity investees	-	-	-
1.2. Other entities	12,084,157.98	11,716,566.44	11,114,361.28
2 Loans to companies	611,045.33	603,793.40	558,807.97
3 Debt securities	-	-	-
4 Derivatives	-	-	-
5 Other financial assets	-	-	-
III. Non-current investments in group companies and associates	81,438,563.67	111,126,591.06	98,967,519.62
1 Equity instruments	39,076,808.48	46,485,511.32	43,971,834.30
1.1. Private equity investees	39,076,808.48	46,485,511.32	43,971,834.30
1.2. Other entities	-	-	-
2 Loans to companies	42,361,755.19	64,641,079.74	54,995,685.32
3 Debt securities	-	-	-
4 Derivatives	-	-	-
5 Other financial assets	-	-	-
IV. Property and equipment	-	-	-
V. Intangible assets	-	-	-
VI. Other non-current assets	1,250,000.00	1,250,000	-
TOTAL ASSETS (A + B)	149,159,817.74	161,020,244.81	132,460,638.81

	€	€	€
	<u>30/09/2014</u>	<u>30/06/2014</u>	<u>31/12/2013</u>
LIABILITIES AND EQUITY			
A) CURRENT LIABILITIES	1,105,138.34	12,370,739.76	1,480,023.76
I. Accruals and deferred income	-	-	-
II. Trade and other payables	604,364.19	440,954.16	1,351,055.85
III. Current payables, group companies and associates	-	-	-
IV. Current payables	-	11,358,412.10	-
V. Current provisions	500,000.00	500,000	-
VI. Other current liabilities	774.15	71,373.50	128,967.91
B) NON-CURRENT LIABILITIES	11,900,937.57	13,192,731.92	13,814,490.44
I. Accruals and deferred income	-	-	-
II. Deferred tax liabilities	4,126.83	3,024	-
III. Non-current payables, group companies and associates	-	-	-
IV. Non-current payables	10,844,137.74	12,814,707.86	12,670,545.34
V. Non-current provisions	1,052,673.00	375,000.00	1,143,945.10
VI. Other non-current liabilities	-	-	-
TOTAL LIABILITIES (A+B)	13,006,075.91	25,563,471.68	15,294,514.20
C) EQUITY	136,153,741.83	135,456,773.12	117,166,124.61
C-1 OWN FUNDS	134,777,641.20	134,447,161.27	118,013,379.01
I. Share	48,837,600.00	48,837,600.00	48,837,600.00
II. Unitholdings	-	-	-
III. Share premium	44,931,494.50	44,931,494.50	56,289,906.60
IV. Reserves	35,800,426.70	35,800,426.70	35,800,426.70
V. Own equity instruments (-)	(223,330.43)	(223,330.43)	(223,330.43)
VI. Retained earnings (prior-year losses) (+/-)	(22,691,223.86)	(22,691,223.86)	(29,708,411.04)
VII. Other owner contributions	-	-	-
VIII. Profit (loss) for the period	28,122,674.29	27,792,194.36	7,017,187.18
IX. Interim dividends (-)	-	-	-
X. Other equity instruments	-	-	-
C-2 MEASUREMENT ADJUSTMENTS IN EQUITY	1,376,100.63	1,009,611.85	(847,254.40)
I. Available-for-sale financial assets	1,376,100.63	1,009,611.85	(847,254.40)
II. Hedging transactions	-	-	-
III. Other	-	-	-
C-3 Grants, donations and bequests received	-	-	-
TOTAL EQUITY AND LIABILITIES	149,159,817.74	161,020,244.81	132,460,638.81

INCOME STATEMENT	€ 30/09/2014	€ 30/09/2013	€ 31/12/2013
1 Finance income	6,903,803.67	6,414,920.73	8,464,070.98
1.1. Interest, dividend and similar income	6,903,803.67	6,414,920.73	8,464,070.98
1.2. Other finance income	-	-	-
2 Finance costs	-	-	-
2.1. Interest and similar charges	-	-	-
2.2. Other finance costs	-	-	-
3 Net gain/(loss) on and change in fair value of financial investment portfolio (+/-)	25,517,621.60	(3,737,162.73)	2,058,753.54
3.1. Net gain/(loss) on disposals (+/-)	13,935,510.58	(600,740.04)	(3,101,005.03)
3.1.1. Equity instruments	13,935,510.58	(600,740.04)	(3,101,005.03)
3.1.2. Debt securities	-	-	-
3.1.3. Other financial assets	-	-	-
3.2. Change in fair value of financial assets (+/-)	-	-	-
3.3. Impairment and losses on financial assets (+/-)	11,582,111.02	(3,136,422.69)	5,159,758.57
3.4. Net exchange differences (+/-)	-	-	-
4 Other operating income/(expense) (+/-)	(1,889,188.89)	(1,802,056.40)	(2,350,563.86)
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 (-)	(1,889,188.89)	(1,802,056.40)	(2,350,563.86)
4.2.1. Management fee	(1,889,188.89)	(1,802,056.40)	(2,350,563.86)
4.2.2. Other fees and expenses	-	-	-
GROSS MARGIN	30,532,236.38	875,701.60	8,172,260.66
5 Personnel expenses	-	-	-
6 Other operating expenses	(856,889.09)	(922,270.22)	(1,353,873.07)
7 Depreciation and amortisation	-	-	-
8 Overprovisions (+)	-	763,308.55	198,799.59
OPERATING PROFIT	29,675,347.29	716,739.93	7,017,187.18
9 Impairment of and gains/(losses) on fixed asset disposals (+/-)	-	-	-
10 Impairment losses on other assets (net) (+/-)	(1,552,673.00)	-	-
11 Other (+/-)	-	-	-
PROFIT BEFORE TAX	28,122,674.29	716,739.93	7,017,187.18
12 Income tax (-)	-	-	-
PROFIT FOR THE PERIOD	28,122,674.29	716,739.93	7,017,187.18

In drawing up the financial statements presented in this interim report, management used the same accounting criteria as it used to prepare the 2013 annual financial statements, so that the information is comparable.

Dinamia's business performance and its impact on its financial statements during the third quarter of 2014 is summarised below:

A) Current assets

Dinamia had liquid assets (assets acquired under repurchase agreements and demand deposits at financial institutions) at 30 September 2014 of €53,108 thousand, marking an increase of €17,717 thousand from the balance at 30 June 2014 of €35,390 thousand. This increase is attributable to:

1. Cash outflows:

- i) Payment of the €11,358 thousand dividend ratified at the 2014 Annual General Meeting.
- ii) Payment of the fixed management fee in respect of June and July in the amount of €424 thousand.
- iii) Payment of a €1,971 thousand performance fee accrued in respect of the 2007 vintage upon the sale in July of the investment in Xanit Group (second exit from this vintage in the wake of the sale of the investment in ZIV Aplicaciones y Tecnología, S.L. ("ZIV") in July 2013).
- iv) Company operating expenses of €131 thousand.
- v) Payment of tax withholdings with respect to directors and professionals of €72 thousand.
- vi) Payment of €100 thousand of director remuneration earned in 1H14.

2. Cash inflows:

- i) Proceeds from the sale of the investment in Xanit Group of €24,755 thousand, a figure which includes the amount held in an escrow account (€678 thousand).
- ii) Collection of a dividend paid out by Tamsi totalling €6,759 thousand.
- iii) Collection of a €259 thousand dividend paid out by Salto.

Receivables stood at €648 thousand at 30 September 2014; €500 thousand correspond to the deferred portion of the price agreed for the sale of Colegios Laude, S.L. ("Laude"), €136 thousand relate to income tax due from the tax authorities while the remaining €12 thousand is due from sundry debtors.

B) Non-current assets

i) Non-current financial assets

“Equity instruments – Other entities” includes the company’s investment in Electra Partners Club, which is measured at €12,084 thousand, compared to €11,717 thousand at the June close. The valuation gain in turn reflects valuation gains at this fund’s investees and favourable exchange rate trends.

“Loans to companies” reflects the loan to Seguribérica in the amount of €611 thousand.

ii) Non-current investments in group companies and associates

This heading includes the Company’s core private equity investments. Investments in these companies’ equity net of impairment charges stood at €39,077 thousand at the close, marking a decline of €7,407 thousand due to a distribution against the share premium account by Tamsi (EYSA) and the sale of the investment in Xanit Group (see section I). Profit-participating loans and accrued interest totalled €42,362 thousand, a decrease of €22,279 thousand from the June close, due mainly to the exit from Xanit Group. The interest accrued on performing loans to investees totalled €1,219 thousand (MBA: €915 thousand; Colegios Laude II: €70 thousand; and EYSA: €233 thousand).

C) Current liabilities

“Trade and other payables” and “Other current liabilities” reflect balances pending payment to service providers totalling €605 thousand on aggregate. Most of this balance is accounted for by invoices for the management fee in respect of August (€253 thousand) and September (€231 thousand) and services provided by other independent professionals. This aggregate balance increased by €93 thousand from the June close.

D) Non-current liabilities

i) Deferred tax liabilities are generated by the measurement of the Company’s available-for-sale financial assets. This heading increased by €1 thousand during the quarter due to the tax effect of the revaluation of the Company’s investment in Electra Partners Club 2007.

ii) Non-current payables include an estimated provision for the performance fee due to Dinamia’s management company (€10,844 thousand). This heading declined by €1,971 thousand as a result of payment of the performance fee in respect of the 2007 vintage.

iii) Non-current provisions (€1,053 thousand) reflect the provision for liabilities and charges associated with the sale of the Company’s investments in Laude and Xanit Group.

E) Equity – Measurement adjustments

The changes in the value of the company’s investment in Electra Partners Club, which is classified as an available-for-sale asset as required under prevailing accounting rules, are recognised in “Measurement adjustments in equity – Available-for-sale financial assets”. At 30 September 2014, this balance stood at €1,376 thousand, an increase of €367 thousand with respect to the 30 June 2014 figure, due to the abovementioned increase in the value of the investment in Electra Partners Club.

F) Equity – Own funds

The profit generated during the quarter had the effect of increasing own funds by €1,008 thousand between June and September.

The amount of capital is unchanged so far this year at €48,838 thousand.

The share premium account was unchanged with respect to the June balance at €44,931 thousand.

G) Income statement

“Interest, dividend and similar income” amounted to €6,904 thousand in the first nine months and was accounted for by interest on loans to investees and the dividend received from Salto.

The €13,061 thousand net gain on disposals reflects the gain triggered by the release of funds held in escrow under the ZIV sale agreements and the gains generated, net of provisions, on the exits from Mivisa, Laude and Xanit Group.

“Impairment and losses on financial assets”, in the amount of €11,580 thousand, reflects the impairment losses materialised as a result of the sale of Xanit (€14,342 thousand) net of the reversal of impairment losses on interest accrued on profit-participating loans in the amount of €2,760 thousand during the nine months ended 30 September 2014. The remaining balance of impairment losses corresponds to interest accrued during the year on the loans extended to Bodybell and Colegios Laude II, S.L.

“Other operating income/(expense)”, which amounted to an expense of €1,889 thousand during the first nine months of the year, reflects the management fee accrued during the quarter in keeping with the management agreement.

“Other operating expenses”, in the amount of €857 thousand, correspond to management expenses derived from the engagement of independent professionals (auditors, financial advisors, etc.), director remuneration, insurance policies and other business expenses.

Lastly, the Company has recognised an impairment loss on other assets in the amount of €1,553 thousand in respect of the portions of the proceeds from the sales of Laude and Xanit Group held to cover future contingencies, if any.

As a result of the foregoing, the Company generated a profit of €28,123 thousand during the nine-month period ended 30 September 2014.