

3 February 2010
Equity Research

MORNING NOTE

Buy 52p
(Remains Unchanged) (Priced at close 2/2/10)

Target Price: 100p

Stock Codes: DOLC.L / DCI LN

Panmure Gordon NAV Estimates

Dec 2008 A 242p

Dec 2009 E 200p

Dec 2010 E (210p) 206p

Market Cap: £328m

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Dolphin Capital Investors

IMS - February 2010

Dolphin has released a trading statement. The company continues to make progress on permitting and branding, and sales continue to show good improvements against soft comparisons at Aristo. Our 2010E forecasts edge-off on currency translation (weaker Euro versus £) but we maintain our Buy recommendation and 100p target price.

- **Confirmation of Preliminary Results date.** Dolphin confirmed that its Preliminary Results for the year ended 31 December 2009 will be announced on 11th March 2010.
- **Trading update.** Since its last trading update (December 2009), Dolphin has continued to make progress, particularly on design, permitting and branding. Excavation and construction continues on some more mature sites and the company alludes to the fact that it continues with project finance negotiations, potential jv's and other realizations. In addition, DCI is finding that it is currently negotiating more favourable construction costs where work has been tendered or retendered.
- **Aristo.** The total gross home sales booked by Aristo for December 2009 and January 2010 were €4.5m, a 69% increase from the corresponding period in the previous year and therefore it is apparent that the positive momentum recorded over the past six months has continued, although the comparisons are soft at present.
- **Currency and forecasts.** The Euro has moved against Dolphin (who report in £) from a translation perspective. Therefore, our 210p NAV forecast for 2010E edges off to 206p.
- **Target price and recommendation.** We maintain our 100p target price and Buy recommendation.

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62% (26%)	24% (8%)	14% (0%)

* Indicates the percentage of each category in the overall distribution that were banking and/or corporate broking clients

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Buy	Expected to produce a total return of 15% or better in the next 12 months
Hold	Fairly valued: total return in the next 12 months expected to be ±10%
Sell	Stock is expected to decline by 10% or more in the next 12 months