

8 June 2011

**DOLPHIN CAPITAL INVESTORS LIMITED**

(“DCI” or “Dolphin” or “the Company” and together with its subsidiaries “the Group”)

**Q1 2011 NAV Announcement and Trading Update**

Dolphin Capital Investors Limited, a leading global investor in the residential resort sector in emerging markets and the largest real estate investment company listed on AIM by Net Asset Value (“NAV”), is pleased to announce its NAV as at 31 March 2011 and provide an update on operational progress.

**Operating Highlights since the last Trading Update issued on 22 March 2011:**

ADVANCED PROJECTS:

- The Porto Heli Collection (“PHC” – [www.portohelicollection.com](http://www.portohelicollection.com))

*The Aman at Porto Heli*

- Construction works are continuing to progress on schedule at the Aman at Porto Heli resort, with the opening of the Aman hotel expected in spring 2012.
- The construction of the first four villas began in February 2011, and they are expected to be delivered concurrently with the opening of the hotel.
- To date, the Company has drawn down €12 million from the €33 million construction loan for the Aman hotel.
- Preliminary approval received from the relevant governmental committee for subsidies amounting to €7.8 million for the construction of the Aman at Porto Heli. The subsidy funds will be released as the construction works progress.
- The Company has received a further payment of €2.9 million from the sale of shares in the project to Archimedia (the owner of 14.29% of the Aman at Porto Heli and the holder of an option to exchange its project share participation for three Aman Villas). The sales consideration was increased due to the enlargement of one of the Aman Villas and is expected to reach €13 million, while the remaining payment of €9.1 million can be deferred wholly or partially until the Aman hotel opening, with a 7% interest p.a.

*The Nikki Beach Resort at Porto Heli*

- A term sheet was signed on 20 May 2011 with a major European bank for a €10.5 million long term asset backed construction facility for the development of the Nikki Beach Resort at Porto Heli.
- Preliminary approval received from the relevant governmental committee for subsidies amounting to €4.25 million for the construction of the Nikki Beach Resort at Porto Heli.
- Following the finalisation of the bank financing and the subsidies, the Nikki Beach Resort at Porto Heli will be fully funded and the project will enter construction phase with no further equity requirements from the Company.

- Venus Rock Golf Resort (“Venus Rock” – [www.venusrock.com](http://www.venusrock.com))
  - Works for the construction of the 36-hole double golf course to replace the existing 18-hole course commenced in April 2011, with the relocation of utility networks, clearance of vegetation and excavation works around the area of the new golf course. The works are progressing on schedule and will be carried out in a phased manner, allowing an 18-hole golf course to remain open for use at all times, in order to accommodate the existing Secret Valley golf club members and home owners.
  - An application has been made to the relevant authorities regarding the lotting and building permit for the residential developments.
  - To date, €7.6 million have been drawn from the €50 million construction loan for the project.
  
- Playa Grande Club & Reserve (“Playa Grande” – [www.playagrande.com](http://www.playagrande.com))
  - Designs for the first phase of infrastructure works and the golf course renovation have been completed and the contractor tender process has been initiated, with the intention of starting the golf course renovation construction works by September.
  - The US\$40 million Playa Grande convertible bonds were issued and listed on the Open Market of the Frankfurt Stock Exchange on 31 March 2011 and the Company has received the full loan proceeds.
  
- Pearl Island ([www.pearlisland.com](http://www.pearlisland.com))
  - A mandate letter was signed on 20 May 2011 with Inter-American Development Bank (“IADB”), for the financing of an 80-suite Ritz Carlton Reserve hotel, which is part of the project’s second phase. IADB has agreed to lead the hotel financing with an amount of approximately \$18.5 million and to syndicate an additional \$3.6 million.
  - The PR and marketing activities for the first Founders’ phase of the project are continuing and four new reservation agreements for the sale of lots have been signed during the period, bringing the total sales to 12 lots or US\$7.5 million and representing approximately 35% of the first 34 lots released.

#### OTHER PROJECTS

- The Douneika project, a 27-hectare seafront site located in the north-west coast of Peloponnese, part of the Greek Aristo portfolio, received preliminary Environmental Approval on 1 April 2011.
- The Company has received a term sheet from a major local bank for a new €4 million loan facility for LaVanta in Turkey (Mediterra Resorts, [www.mediterraresorts.com](http://www.mediterraresorts.com)). The new loan facility will be used for the completion of construction of the remaining ten units in the first phase of the project and to launch the development and sale of the first 12 villas of the project’s second phase. The second phase comprises 56 villas in total, covering 6,527 buildable m<sup>2</sup> with an estimated total sales value of €14.8 million. In addition to these first two phases, the project also has zoning approval for another 7 units comprising 1,691m<sup>2</sup>.
- The web site of Livka Bay Resort [www.livkabay.com](http://www.livkabay.com) was launched in May 2011, following the permitting developments achieved in Q4 2010.

### **Sales and divestments update since the last trading update on 22 March 2011:**

- An agreement has been signed for the sale of 100% of the Company's 50% shareholding stake in the Kings Avenue Mall project in Central Paphos at an enterprise value of €39.5 million to a group of local investors on 7 June 2011. The purchasers will assume the Company's €24.5 million of bank loans and other liabilities relating to this project and pay the Company a cash consideration of €15 million by 18 June 2011. The net consideration of €15 million represents a premium of 13% to the project's net asset value (as derived from the independent valuation by Colliers of €75.5 million for 100%) and a premium of 31% to the Company's allocated investment cost of €11.5 million. Due to the fact that one of the purchasers of the Company's stake in Kings Avenue Mall is Mr. Theodoros Aristodemou who holds more than 10% of the Company's issued share capital, the transaction represents a related party transaction for the purposes of the AIM Rules for Companies (the "**AIM Rules**"). In accordance with the AIM Rules, the Board, having consulted with the Company's nominated adviser, Grant Thornton UK LLP, believes that the terms and conditions of the transaction in question are fair and reasonable insofar as the Company's Shareholders are concerned.
- €7.7 million from the sale of 38 homes and plots by Aristo from 15 March 2011 to date, which represent an increase of 9% and decrease 7% respectively, compared to the same period last year. These include:
  - the sale of a 1,394m<sup>2</sup> plot at Venus Rock for €0.5 million;
  - the sale of a 7,491 m<sup>2</sup> plot at Peyia for €0.75 million; and
  - the sale of the first five Aristo Plots in Paphos for €2 million, a project launched in Q3 2010.
- US\$2.4 million from the sale of four lots in the first Founders phase of Pearl Island.
- One additional unit was sold for €0.4 million at LaVanta (Mediterra Resorts).

### **Financial Highlights:**

- Total NAV of €1.244 billion and €1.124 billion before and after deferred income tax liabilities ('DITL') respectively, representing a decrease of €19.3 million (1.5%) and €19.1 million (1.7%) respectively from 31 December 2010. The decrease is mainly due to the value reduction of the Americas properties in Euro terms due to the devaluation of the US dollar against the Euro and to regular project and corporate expenses.
- NAV per share as at 31 March 2011 before DITL of 171p and after DITL of 155p. This represents a decrease of 0.7% and 0.9% respectively versus 173p and 156p, as at 31 December 2010, due to all the above reasons, but further accentuated by the issuance of 11,435,267 new DCI shares to settle Grupo Eleta's deferred consideration for the Pearl Island transaction and counterbalanced by the 2.7% appreciation of the Euro versus the Sterling during the period.
- The 31 March 2011 NAV is primarily based on 31 December 2010 property valuations, with the exception of Kea Resort, some components of the PHC, and Aristo to reflect zoning changes and permitting advances during the period. The next full independent portfolio valuation will be performed as at 30 June 2011.
- Balance sheet remains robust:
  - Gross Assets of €1.76 billion.
  - Group cash balance of approximately €37 million as at 7 June 2011.

- No bank debt at the Company level, apart from the guarantees on the PG Bonds and the construction loan for the Aman at Porto Heli. The Group debt to total asset value ratio remains low at 22%.
- €346 million or approximately 89% of all Group debt is held within Aristo and comprises primarily long-term asset-backed loans.

**Other:**

- As announced on 6 June 2011, Dolphin appointed Professor Christopher Pissarides to its Board as an independent non-executive director of the Company with immediate effect. Mr. Pissarides, aged 63, is a Professor of Economics at the London School of Economics and received the 2010 Nobel Prize for Economics, jointly with Peter A. Diamond and Dale Mortensen, for the analysis of markets with search frictions. In addition, on the same date, Nicholas Moy, independent non-executive director of Dolphin, resigned from the Board. The Company would like to thank Mr. Moy for his valuable contribution to its Board of Directors over the past 5 years.

**Miltos Kambourides, Managing Partner of Dolphin Capital Partners, commented:**

“Since last trading update, two and a half months ago, there has been increased trading activity resulting to sourcing €91 million of gross deals for the Company, broken down into €49 million of gross sales executed above NAV, €30 million of new debt financing proposals and €12 million of subsidies. The ongoing construction progress made at our Advanced Projects is expected to generate further trading activity, reinforce the value of the Company’s diversified portfolio and generate significant returns to Shareholders.”

**Conference call for analysts and investors**

There will be a conference call at **09:00 a.m. (UK time)** on 8 June 2011, which can be accessed using the following dial-in numbers:

International dial-in: +44 (0)20 7806 1966  
Password: 3596348

***For further information, please contact:***

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**Notes to Editors**

Dolphin ([www.dolphinci.com](http://www.dolphinci.com)) is a leading global investor in the residential resort sector in emerging markets and the largest real estate investment company quoted on AIM in terms of net assets. Dolphin seeks to generate strong capital growth for its shareholders by acquiring large seafront sites of striking natural beauty in the eastern Mediterranean, Caribbean and Latin America and establishing sophisticated leisure-integrated residential resorts.

Since its inception in 2005, Dolphin has raised €890 million of equity, has become one of the largest private seafront landowners in Greece and Cyprus and has partnered with some of the world's most recognised architects, golf course designers and hotel operators.

In April 2007, Dolphin acquired Aristo Developers Plc, one of the largest holiday home developers in south-east Europe. This enabled Dolphin to combine its real estate investment expertise with Aristo's leading development experience and local market knowledge.

Dolphin's portfolio is currently spread over approximately 63 million m<sup>2</sup> of prime coastal developable land and comprises 14 large-scale, leisure-integrated residential resorts under development in Greece, Cyprus, Croatia, Turkey, Dominican Republic and Panama and more than 60 smaller holiday home projects through Aristo in Cyprus and Greece.

Dolphin is managed by Dolphin Capital Partners, an independent real estate private equity firm.

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