3 June 2015

DOLPHIN CAPITAL INVESTORS LIMITED
(“**DCI**” or “**Dolphin**” or the “**Company**”
and together with its subsidiaries the “**Group**”)

Annual Financial Results for the year ended 31 December 2014
Trading Update and completion of Strategy Review

Dolphin, a leading investor in high end residential resorts in the Eastern Mediterranean, Caribbean and Central America, is pleased to announce its audited financial results for the year ended 31 December 2014.

A. Financial highlights:

- Total Group Net Asset Value ("NAV") as at 31 December 2014 was €644 million and €557 million before and after Deferred Income Tax Liabilities (“DITL”) respectively. This represents a 2.1% increase of €13 million and €12 million respectively, on the third quarter figures.

- This moderate NAV uplift is mainly due to valuation gains in Amanzoe, Aristo, Playa Grande Club & Reserve, Pearl Island and growth in the value of the American properties in Euro terms due to the appreciation of the U.S. Dollar against the Euro by c.3.6% during the period. This was slightly offset by a valuation decrease in Sitia Bay Golf Resort, Apollo Heights, Livka Bay Resort, the Nikki Beach Resort and the effect of regular operational and corporate expenses.

- In accordance with the Company’s valuation policy, a full independent property valuation was undertaken on the Company’s property portfolio as at 31 December 2014.

- Sterling NAV per share as at 31 December 2014 increased by 2.3%, compared to the 30 September 2014 figures, and was 78p before DITL and 68p after DITL.

- The Company continues to have a strong asset base:

  – Gross Assets of €1,006 million (including Dolphin’s share of Aristo DITL).

  – Total Debt of €240 million (€215 million as at 30 September 2014) with a Group total debt to total assets value ratio of 25%.

  – €50 million and US$9.17 million of convertible bonds, due in 2018, are held at the Company level. The Company has provided corporate guarantees on the US$31 million outstanding Playa Grande Convertible Bonds due in March 2016 and the US$19 million Playa Grande construction loan.

- Profit for the year was €22 million and implied earnings per share was €0.03. This is the first time since 2007 that the Company has reported annual profits.

- Cash at 31 December 2014 was €30.9 million (2013: €7.1 million), of which €23.9 million was cash restricted for certain developments.

B. Review of Strategy

Following the announcement of 25 February 2015, the newly constituted Board conducted a review of the Company's existing strategy in conjunction with Dolphin Capital Partners (the "Investment Manager" or "DCP"), taking into account representations made by certain Shareholders.

The Board announces that it has completed its review of the Company's strategy and is pleased to lay out a package of measures that it believes will provide a clear focus in terms of the achievement of the refocused strategy, which aims to: deliver faster returns to Shareholders; reduce the discount to NAV at which the Shares trade; further align the interests of the Shareholders and DCP; and strengthen the governance and reporting regime of the Company.

The conclusion of the review was that the Company's investments should be categorised as "Core Projects" or "Non-Core Assets". The Core Projects are the Company's existing developments known as Amanzoe, Kilada Hills and the Kea Resort (in Greece), Playa Grande Club & Reserve (Dominican Republic) and Pearl Island (Panama) and represent the most mature and advanced developments of the Company. The remainder of the Company's investments are categorised as "Non-Core Assets".

In respect of the Core Projects, the Board and DCP have concluded that it would be in the best interests of Shareholders to continue to develop these assets and complete the main infrastructure and leisure facilities (where not already complete). Thus, the Core Projects would become large scale leisure integrated residential resorts which it is hoped will generate significant returns to Shareholders.

In respect of those Non-Core Assets that are represented by real estate assets, the Board and DCP have concluded that, given their respective stages of development, it would be in the best interests of Shareholders to seek to realise them as part of an orderly sales process. In the meantime, and subject to the Board approval on any additional investment, the Company will continue to advance their development potential in terms of zoning, branding, designing and permitting in order to maximise realisable proceeds or accelerate the time frame for their realisation. In respect of the Non-Core Assets that are represented by investments in the equity of investee companies, principally the investment in Aristo, the Board and DCP have concluded that such investments are no longer core to the Company's strategy going forward, and that it would be in the best interests of Shareholders to seek to realise them.

In terms of the divestment of the Non-Core Assets, the Board will explore with DCP the best manner in which this can be achieved, in the light of prevailing market conditions and circumstances, in order to maximise returns to Shareholders. Moreover, the Board and DCP will explore all available alternatives for the realisation of the Company's investment in Aristo, either through an outright sale of its investment or through the listing of Aristo's shares on a stock exchange, and assist the Aristo management in the divestment of Aristo's two major projects (Venus Rock and Eagle Pine), which is expected to significantly deleverage, and provide the necessary working capital to Aristo.

The Board will work closely with and monitor the performance of DCP (which, as investment manager, has a detailed knowledge of each of the Core Projects and Non-Core Assets) in terms of executing the refocused strategy. A budget is required to be prepared by the Investment Manager for approval by the Board prior to each calendar year, as well as monthly cash spending reporting and quarterly actual versus budget reviews, with Board approval required for amendments/material deviations. Further, the allocation and timing of further capital investment into the Core Projects will be at the sole discretion of the Board and will only be made if and to the extent that the Board is satisfied it is in the best interests of Shareholders. Monies raised from the sale of Non-Core Assets will firstly be invested in those Core Projects that require funding, namely Pearl Island (Ritz Carlton phase) and Kilada Hills Golf Resort, subject to the Company's working capital needs, at the Board's discretion.

In terms of returns generated from the Core Projects and from the disposal of Non-Core Assets, in accordance with the Company's distribution policy (as set out in the original Admission Document) and subject to the Company's working capital requirements, the equity funding needs of the Core Projects and to providing for the other financial commitments of the Company, these will be utilised to pay dividends or other distributions to Shareholders (including by way of share buy backs) at the discretion of the Board.

The Board anticipates that the refocused strategy, as described above, will assist the Company in the achievement of its Investing Policy and in reducing the discount at which the Shares trade to their underlying Net Asset Value per Share.

These measures are being implemented in conjunction with a placing and direct subscription of new shares (together the "Fundraising"), the proceeds of which will be used to finance the implementation of the above strategy and provide working capital to the Company as it seeks to implement the above strategy, further details of which have been announced separately today (the "Placing Announcement").

B.1. Amendment to the Investment Management Agreement

In order to further align the interests of Shareholders and DCP in terms of the achievement of the Investing Policy, the Directors (other than Miltos Kambourides due to his role with DCP) have reached a mutual consensus with DCP to amend the terms of the Investment Management Agreement.

Currently DCP receives an annual management fee equal to 2% of the total equity funds (€681.4 million as at 2 June 2015, resulting to an annual fee of €13.6 million). Subject to shareholder approval, with effect from 1 January 2017, this annual management fee will be changed to the lower of, (i) a flat fee of €8.5 million, or (ii) 1.25% of the Gross Asset Value of the Company. To transition from the current management fee to the revised management fee, with effect from 1 July 2015, the management fee will be €6 million for the second half of 2015 and €8.5 million for the 2016 calendar year.

The Board believes that the new management fee will represent a considerable cost saving to the Company, with the reduction in the annual management fee estimated at c. €23.5 million over the remaining term of the Investment Management Agreement being to August 2020.

Subject to shareholder approval, with effect from completion of the Fundraising, the revised performance fees payable to DCP will comprise three elements:

- In respect of Non-Core Assets, provided any sale consideration equals 65% of the NAV attributable to that investment as at 1 January 2015 ("Base Investment NAV), a performance fee equal to 12.5% of the profit up to 80% of the Base Investment NAV attributable to the investment, increasing to 17.5% of the profit up to 100% of the NAV attributable to the investment and thereafter at the rate of 25% of any profit over the NAV attributable to the investment, subject to a 50% one year look-back period;

- In respect of the Core Projects, they will be treated as a single portfolio with a base cost of €169.6 million (the "Base Cost") which represents the total aggregate Relevant Investment Amount in respect of these projects under the terms of the existing Investment Management Agreement. Once the Company has received a distribution from the Core Projects (or the disposal thereof) equal to the Base Cost plus a percentage of the annual corporate overhead expenses (to include a proportionate share of the management fee payable to DCP) and other non-project allocated costs and a hurdle at the rate of Euribor plus 500 basis points (not to exceed 6%) the excess is divided

60% to DCP and 40% to the Company until DCP has received an amount equal to 20% of such excess and thereafter 80% to the Company and 20% to DCP.

- Notwithstanding that this element of the performance fee is ultimately calculated and paid by reference to the Core Projects as one portfolio, on each individual sale of a Core Project (or a part thereof), DCP will be entitled to receive (as an advance) an amount equal to one-third of the fee that it would have received if, on the sale, the entitlement to a performance fee were calculated on the excess received by the Company over and above the Base Cost attributable to that core Project as increased by the corporate overheads attributable to that core Project and the hurdle outlined above.

Under the Share Incentive Plan, the Company has granted two nil-cost share option awards to DCP (the "DCP Awards") as follows:

	Number of Shares to which the DCP Award relates
DCP Award 1:	such number of Shares as equals 3.5% of the Shares in issue following Admission; and
DCP Award 2:	such number of Shares as equals 2.5% of the Shares in issue following Admission.

The full vesting of the DCP Awards are subject to the satisfaction of both performance vesting targets (ranging from stock prices of 35p to 80p) and time vesting conditions. The proposed changes to the Investment Management Agreement outlined above are subject to the approval of Shareholders and further details are included in the Placing Announcement.

B.2. Corporate Governance

As reported by the Company on 25 February 2015, following consultation with the majority of the Company's shareholders, the Investment Manager and its Nominated Adviser, the Company's Board of Directors was strengthened with the appointment of five new Board members, bringing the total number of members to eight.

The new Board comprises the following members, who include a number of seasoned luxury resort, real estate, lodging and investment professionals who bring valuable experience and insights to the Company:

- Laurence Geller, Non-executive Chairman and chairman of the Strategy and Oversight Committee. Founder of Strategic Hotels & Resorts Inc., an industry leading owner and asset manager of high-end hotels and resorts;

- Robert Heller, Non-executive Director and chairman of the Finance Committee. CEO of Spectrum Gaming Capital, Former managing director at UBS Investment Bank, former President of Baha Mar Development Co;

- Graham Warner, Non-executive Director and chairman of the Audit Committee. Former finance director at JO Hambro Capital Management Group;

- Roger Lane-Smith, Senior Independent Non-Executive Director and chairman of the Nomination and Governance Committee, Senior Partner and Former Executive Chairman of DLA Piper LLP. Roger Lane-Smith has expressed his intention to retire from the Board by the end of 2015 and will lead the effort by the Company to identify a suitable Senior Independent director with UK public company board experience;

- David Heller, Non-executive Director, former Co-Head of Goldman Sachs Global Securities Division;

- Mark Townsend, Non-executive Director. Investment Consultant to Asset Value Investors Limited;

- Justin Rimel, Non-executive Director. Managing director of Third Point's real estate division; and

- Miltos Kambourides, Non-executive Director. Founder of the Company and managing partner of DCP.

In addition, the following Board committees have been established:

- Audit Committee: to provide oversight of the financial reporting process, the audit process, the system of internal controls, overall compliance with laws and regulations and review the budgetary process. The Audit Committee is chaired by Graham Warner and its other members are Rob Heller and Mark Townsend;

- Finance Committee: to provide oversight in matters relating to the capital structure of the Company and matters of financial strategy. The Finance Committee is chaired by Rob Heller and its others members are Justin Rimel and Mark Townsend;

- Nomination and Corporate Governance Committee: to evaluate the Company's corporate governance policies and programmes and principles and recommend changes to the Board, identify, evaluate and recommend to the Board qualified nominees for Board election and review and evaluate the Board's performance. The Corporate Governance Committee is chaired by Roger Lane-Smith and its other members are David Heller and Laurence Geller; and

- Strategy and Oversight Committee: to work with and monitor DCP in the execution of the Investing Policy. The Strategy and Oversight Committee is chaired by Laurence Geller and its other members are Graham Warner and Robert Heller.

Moreover, a formal budgeting and control process has been put in place by the Board with a view to improving capital allocation, investment and spending. The key elements of this process include:

- Budget to be prepared by the Investment Manager for approval by the Board prior to each calendar year;

- Monthly cash spending reporting and quarterly actual vs. budget reviews, with Board approval required for amendments/material deviations; and

- All capital allocations to be decided by the Board.

In order to reflect the fact that Laurence Geller, Robert Heller and Graham Warner will be spending more time on the affairs of the Company, they will be participating in the Share Incentive Plan under the terms of which they will receive Dolphin shares awards (subject to three year vesting) equal to 1.25% of the Dolphin share capital post-offering awarded equally (25%) at 35p, 40p, 45p and 50p and annual director fees of £200,000, £150,000 and £150,000 respectively.

The proposed adoption of the Share Incentive Plan is subject to the approval of Shareholders and accordingly further details are included in the Placing Announcement.

C. Operating Highlights since last Trading Update of 4 December 2014:

C.1. CORE PROJECTS

- Amanzoe, Greece (www.amanzoe.com)

  - Amanzoe opened for the 2015 season on 1 April 2015. Current confirmed reservations for the 2015 season are higher on a year-on-year basis. The Beach Club reopened for the season on 1 May 2015 with upgraded facilities.

  - The construction of three villas enters the final stages with delivery expected to the owners within the months of June and July 2015. With these villas the total number of completed villas will be increased to seven and thus an additional 39 rooms will be added to the resort. Earthworks for an additional previously sold villa commenced in May 2015.

  - Works continue on the construction of additional leisure amenities, including two spa treatment rooms, a gym and extensive back-of-house facilities at the Amanzoe beach club, and are expected to be operational by the end of June 2015.

  - Amanzoe continues to receive positive reviews and was named, amongst others, as one of the best spas of the year by Tatler magazine and Best European Resort by Gallivanters' Guide.

- Playa Grande Club & Reserve ("Playa Grande" – www.playagrande.com), Dominican Republic

  - The construction of the Aman Hotel at Playa Grande Club & Reserve (now officially named "Amanera") continues on schedule, with the anticipated opening in December 2015, expected to coincide with the completion of the golf course redevelopment.

  - Construction of the hotel pavilions and the lodge is underway, with overall progress approximately 80% complete. The service buildings have been completed whilst the construction of the beach club commenced in Q2 2015. The demolition of the old golf clubhouse has been initiated with golf clubhouse / spa / fitness scheduled facilities to begin construction thereafter.

  - Progress on the renovation of the Robert Trent Jones Sr. golf course is also continuing at full pace. Following the completion of the back nine holes, the renovation of the front nine holes is well underway. The golf course is set for completion to coincide with the commencement of operations at Amanera.

  - Sales have gained momentum driven by strong market conditions in the North American markets. A fourth Aman Founder Villa has been sold and a reservation was taken on the first two-bedroom villa. We have seen a significant increase in site visits and communication from prospective homeowners with discussions ongoing with potential purchasers to buy the remaining three Aman Founder Villas.

  - As previously announced on 12 November 2014, Dolphin has closed on a $30.5 million mezzanine debt facility (the "Facility") with Melody Business Finance. This funding enabled Dolphin to accelerate the completion of all complementary leisure facilities to the Aman Hotel (including the Aman beach club, golf clubhouse, spa, gym, tennis, kids' club, hiking and equestrian trails), and to seek to cover all general project overhead costs and debt service until the project becomes cashflow positive without relying on further pre-sales.

- Kilada Hills Golf Resort, Greece

  - Subsequent to the Central Administrative Council's approval of the Strategic Investment proposal on 5 November 2014, the decision, as a draft Presidential Decree, was also approved by the ministerial council, and the Council of State issued a positive consultation on 29 April 2015. The "Strategic Development" final permits are pending and depend on the issuance of a Presidential Decree which, after its recent approval by the Council of State, is expected within 2015.

  - The Company remains in negotiations with a major regional bank for a long term senior construction loan facility and a VAT bridge facility, and is also in discussions with third party investors to source the additional funds required for the project development, and/or to provide the equity funding from DCI resources.

- Kea Resort, Greece

  - On 6 April 2015, Kea Resort received its final construction permit, following the issuance of a Construction Approval (the first of a two stage Construction Permit process which was recently enacted in Greece on 12 February 2015).

  - On 3 December 2014, the Company's subsidiaries (holding the shareholding in Kea Resort) signed a mandate letter for the arrangement and underwriting of financing with a major regional bank for a €22 million long term senior construction loan facility, a c. €7 million VAT bridge facility for the construction cost input VAT and a €5.4 million Letter of Guarantee (the "LG") for the pre-financing of the state subsidies, subject to, amongst other things, an equity investment of a minimum of €10

million. The documentation for the latter LG was executed on 31 December 2014 while the Bank has also recently completed the legal due diligence on the project and is currently under negotiation with the Company regarding the definitive loan documentation.

- On 18 March 2015, the Company signed a Memorandum of Understanding with a renowned international resort investor relating to a potential €20 million equity investment in the project, in return for a 50% shareholding stake in the Kea Resort. Should this investment reach a binding agreement, the Company's interest in the project would be reduced to c.34%. Further details with regard to this potential transaction will be announced in due course depending on progress made.

- As previously reported, the hotel's construction can begin as soon as the construction execution drawings are completed as the final construction permit has now been received, but remains subject to finalising the funding package which, in addition to the bank financing, would require an equity contribution either by the Company or in the form of the third party investment discussed above.

- Pearl Island ("**Pearl Island**" - www.pearlisland.com), Panama

  - The Zoniro Panama development team has been enhanced with the appointment of a new director of Development. The new appointee will spearhead the design, value-engineering and construction and development efforts of the Ritz Carlton Reserve phase.

  - The Ritz Carlton Reserve project obtained final approval from a regional bank to increase the debt facility from $21 million to $33 million and is now in the process of completing the binding loan documents, while reviewing options to invest the c. $32 million of additional equity required. The team is currently preparing for the commencement of infrastructure works and the construction of the first mockup hotel room in the third and fourth quarters of 2015.

  - The regional investor group that acquired the Founders' Phase has almost completed construction of the first group of turn-key villas and condos which are scheduled to be delivered in the first half of 2015. The beach club, airport, service pier and first phase of the marina have been largely completed with full completion of the common amenities and infrastructure of the Founders' Phase expected to be concluded in full by mid-2015.

  - The sale of lots and turn-key properties in the Founders' Phase continued to gain momentum in 2014. Residential sales from the Founders' Phase to date amount to c.$70 million from units sold, reflecting strong demand, a stable economy and limited supply of luxury residential opportunities in Panama.

C.2. NON-CORE ASSETS

- The Nikki Beach Resort & Spa at Porto Heli ("Nikki Beach" - www.nikkibeachhotels.com)

  - The Nikki Beach Resort at Porto Heli remained closed for the off-season period, during which minor improvement works were made, and reopened on 1 May 2015.

  - Nikki Beach has continued to receive positive reviews in the international press. In Greece it was awarded the Best All Day Restaurant Award at the 100% Hotel Design Awards, the Gold award as a Strategic Investment and Silver Award in the Hotel Renovation & Restoration Category in the Annual Tourism Awards.

- Sitia Bay Resort

  - Following the urban planning approval for the development of 20 hectares which form the residential element of the first phase of the project, received on 29 September 2014, Sitia Bay is expecting the issuance of the relevant Presidential Decree, which is under review by the Council of State, and which will allow the commencement of the necessary infrastructure works and the sale of approximately 83 residential lots.

- Aristo Developers Ltd (a 49.8% affiliate of DCI)

  - 85 homes and plots were sold by Aristo in 2014, representing total sales of €23 million, a slight improvement on 2013.

	12 months to 31/12/2014	**12 months to 31/12/2013**
RETAIL SALES RESULTS		
New sales booked	€22,667,600	€19,998,429
% change	13%	
Units sold	85	62
% change	37%	
CLIENT ORIGIN		
Russia	42.51%	16.35%
China	34.68%	73.66%
Cyprus	15.73%	3.18%
Other overseas	4.95%	4.43%
UK	2.13%	2.39%

  - Despite the fact that the Aristo sales performance in 2014 was slightly improved compared to 2013, it was still poor in terms of Aristo’s size and product inventory and created a strain on Aristo’s operational cash flow.

  - In an effort to enhance its sales performance, Aristo focused its efforts on the actions relating to the strategic review of its sales team, the reshuffling of its organisation and the launch of a new sales office in Beijing, China to allow direct access to the Chinese market.

  - In addition, Aristo actively pursues sales in connection to the respective “visa/residence” and “passport” incentive legislation enacted in Cyprus and has taken actions to revive and strengthen both its relationships with its network of agents and real estate brokers as well as its executive team with the addition of a number of new senior executives.

- These combined efforts have started delivering tangible results with a 63% increase in retail sales being achieved in the first five months of 2015 on a year-on-year basis:

	Five months to 26/05/2015	**Five months to 26/05/2014**
SALES RESULTS		
New sales booked	€16,121,000	€9,883,000
% change	*63%*	
Units sold	30	19
% change	*58%*	

- Additionally, Aristo's management has focused on monetising certain core and non-core land holdings along with seeking to finalise the ongoing bank restructuring discussions with Bank of Cyprus ("BoC") by end of Q2 2015. BoC is the largest Aristo group lender with c. €260 million of outstanding debt, of Aristo's total €386 million outstanding debt as at 31 December 2014.

- As previously announced, following an investigation carried out by the Cypriot authorities pertaining to the subdivision of 177 land plots in a 160,000 m^2 site, owned by Aristo in the Paphos area, charges were filed by the Cypriot Authorities against Mr. Aristodemou (Aristo's CEO). The respective trial began in January 2015 and is expected to conclude and the judgment to be handed out by the end of June 2015.

- Update on Venus Rock disposal

  - The Company appointed Citigroup Global Markets Limited ("Citi") as financial adviser to engage investors in a competitive process for the sale of the Venus Rock project in Cyprus.

  - To date, Citi has contacted a preliminary list of potential investors that was approved by the Company. Certain of these investors have requested to enter into discussions with the Company with a view to further exploring the potential for their cooperation with Aristo in Venus Rock through a joint venture or similar transaction. The Company, in consultation with Aristo, is currently considering its overall options to extract value from its investment in Venus Rock.

- Sale of Syros, Greece

  - As previously reported a binding pre-agreement with a foreign investor group for the sale of 10 land plots on the island of Syros was concluded. Subsequent to the pre-agreement, final agreements for seven of the land plots were signed up through 29 January 2015, and final agreements for the remaining three are expected to be signed within the next quarter. The land was part of the Aristo Greek portfolio which was 100% retained by DCI following the divestment of 50.2% of Aristo in 2012.

  - The transaction net consideration payable to Zoniro amounts to €1.94 million of which the Company has received €1.12 million to date. €0.9 million from the proceeds have been used for the repayment of debt which was secured against the plots.

Commenting, Laurence Geller, Chairman of Dolphin's Board of Directors, said:

"Over recent months, the management and the Board have worked hard together to complete an in-depth strategic review of the Company and the business. I am confident that the resulting package of measures

will provide a solid basis to enable the acceleration of returns to shareholders and that the implementation of the refocused strategy will deliver a more robust business. The Company is making good progress, as evidenced by the uplift in NAV, and market dynamics in the tourism sector are in the Company's favour. On that basis, the outlook for 2015 and beyond is encouraging."

Miltos Kambourides, Founder of Dolphin and Managing Partner of Dolphin Capital Partners, added:

"We are very pleased to be announcing a number of strategic measures which will help support the business going forward. Significant progress has been made in this regard and, alongside this, we have taken great strides forward with our Core Projects and Non-Core Assets in the last twelve months.

"I would like to thank the newly configured Board for all their input to date and we look forward to working closely with them to realise the ultimate aim of unlocking value and accelerating returns to shareholders."

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Notes to Editors

Dolphin (www.dolphinci.com) is a leading global investor in the residential resort sector in emerging markets. Dolphin seeks to generate strong capital growth for its shareholders through the development of its Core Projects of assets in to sophisticated leisure-integrated residential resorts and the orderly disposal of its Non-Core Assets.

Since its inception in 2005, Dolphin 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.

Dolphin's portfolio is currently spread over approximately 58 million m^2 of prime coastal developable land and comprises five Core leisure-integrated residential resorts under development and 10 Non-Core Assets in Greece, Cyprus, Croatia, Turkey, the Dominican Republic and Panama and a 49.8% strategic shareholding in Aristo Developers Ltd, the largest developer and private land owner in Cyprus.

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

D. Chairman's Statement

I am pleased to report Dolphin's preliminary annual results for the year ended 31 December 2014, together with a trading update since the period end and the outcome of the review of the Company's strategy.

Over the past few months we have undertaken an in-depth strategic review of the business, during which the Board has worked alongside the Company's investment manager. We believe this important piece of work will go a long way to helping narrow the discount at which Dolphin's shares trade relative to underlying NAV and, importantly, to unlocking the Company's value and accelerating returns to shareholders.

The package of measures we have announced today will deliver a more robust business, with a greater focus combined with further alignment of interests, cost efficiencies and corporate governance. Altogether, this will provide a structure through which the refocused strategy can be implemented, streamlining development plans for the Company's more mature Core Projects and working to realise the non-core assets, all to the benefit of our investors.

To this end, the Company has outlined its intention to undertake a placing of new shares with the aim of raising capital for the Company to finance the implementation of the refocused strategy. More details on this are provided in the Placing Announcement issued today.

Beyond this work at a strategic level, it has also been a year of significant progress for the Dolphin portfolio, which is reflected in the results announced today. Profit for the year was €22 million, implying earnings per share of €0.03 and marking the first time since 2007 that the Company has reported an annual profit.

Total Group Net Asset Value ("NAV") as at 31 December 2014 is set at €644 million before Deferred Income Tax Liabilities ("DITL") and €557 million after DITL. This represents a 6.6% and 6.4% increase of €40 million and €34 million respectively, on the 31 December 2013 figures. Sterling NAV per share before DITL as at 31 December 2014 remained almost unchanged to 78p, compared to 31 December 2013 figures.

The moderate NAV uplift is largely due to valuation gains in Amanzoe, Aristo, Playa Grande Club & Reserve, Pearl Island and a growth in the value of the American properties in Euro terms due to the appreciation of the U.S. Dollar against the Euro during the period. Although this was slightly offset by a valuation decrease in Sitia Bay Golf Resort, Apollo Heights, Livka Bay Resort, the Nikki Beach and the effect of regular operational and corporate expenses.

Overall, 2014 has been a year of recalibration and progress for Dolphin. I am pleased with what has been achieved and believe that we have a solid base on which to implement the business strategy to ensure that shareholder value is maximised in 2015 and beyond.

Laurence Geller
Chairman
Dolphin Capital Investors Limited
3 June 2015

E. Investment Manager's Report

Significant progress has been made across the portfolio during 2014 and in the months since the Company's last trading update of 4 December 2014.

We have focused efforts on progressing the development pipeline, in particular at Playa Grande Club & Reserve, which has been rebranded to "Amanera" and which we were able to accelerate at the end of 2014 with the closure of a $30.5 million mezzanine debt investment. Amanera is on schedule to open by the end of Q4 2015.

A number of permit approvals have been secured, including the final construction permit for Kea Resort, Greece and planning approval for the development of 20 hectares at Sitia Bay Resort which puts us in a good position to move forward on these projects.

Alongside this, Amanzoe was cash positive for a second year in succession and current confirmed reservations are up on last year, boding well for 2015. Like Amanzoe, Nikki Beach continues to attract critical praise and has recently reopened for the season ahead of its first full year of trading.

With the economic and industry backdrop improving, we are broadly optimistic for the year ahead.

E.1 Market Dynamics

- The latest UNWTO World Tourism Barometer shows that international tourist arrivals reached 1,138 million arrivals in 2014, representing a 4.7% increase over the previous year. The figure is 51 million greater than in 2013 and marks a fifth successive year of above average growth for global tourism. 2015, promises to continue this trend.
- According to the same report, in 2014, the European tourism market grew by 4%, an increase of 22 million arrivals, reaching a total of 588 million. Northern Europe and Southern and Mediterranean Europe led the growth (both +7%). In 2014, the Americas (+7%) registered the strongest growth, welcoming an additional 13 million international tourists. Arrivals to the Caribbean grew by 7% and arrivals to Central and South America both grew at 6%, double the rate recorded in 2013 and well above the world average.
- For 2015, UNWRO forecasts international tourist arrivals to growth between 3% and 4%. Growth is expected to be stronger in Asia and the Pacific (+4% to 5%) and the Americas (+4% to 5%), followed by Europe (+3% to 4%). We believe Europe's tourism performance should be very solid in 2015 with the Euro currently trading at $1.12.
- The key points for Dolphin's markets are as follows:
  - In Greece, international tourist arrivals, according to the Tourism Research Institute, set a new historical record for 2014 by reaching 21.5 million, a 20% increase compared to 2013. Despite the political and economic climate, 2015 is expected to set a new record.
  - In Cyprus, tourist arrivals during 2014 amounted to 2.4 million and were stable when compared to 2013, as reported by the Statistical Service of the Republic of Cyprus. Nevertheless, it is encouraging to note that, despite the banking crisis that occurred in early 2013, the tourism industry remained unharmed and expectations for 2015 are positive.

- Improving infrastructure and promoting tourism, as well as strong economic fundamentals in the North American market, allowed the Dominican Republic to achieve some of the most significant level of growth in the Caribbean in 2014. 2014 saw 9.1% growth in tourist arrivals, reaching over 5.5 million visitors according to the Dominican Republic's Central Bank.

- Panama has grown increasingly important in the business tourism industry as a result of the country's central location, accessibility, facilities and safety which serve to attract meetings and conventions. Over the course of 2014 the total number of visitors was approximately 2.14 million, indicating a 2.0% increase compared to 2013, based on the data provided by the National Institute of Statistic and Census. Moreover, Panama City in particular is characterised as city of the future for the world's billionaires, by the Wealth Report as published by Knight Frank.

- In Croatia, foreign tourist arrivals for 2014 had an annual growth of 5% and reached 11.7 million according to the Croatian Bureau of Statistics. With most of the major feeder markets within Europe improving their economic conditions, this number is expected to grow further in 2015.

- In Turkey, the country's Statistical Institute reported that the number of foreign visitors rose by 5.5% from a year earlier to 36.8 million in 2014. According to World Tourism Organisation data, Turkey is ranked as the sixth most visited country in the world. Provided that recent domestic tension fully settles, 2015 expectations are optimistic.

- The accumulation of wealth and the growing high net worth population provide strong fundamentals for our business. The Wealth-X and Sotheby's International Realty Global Luxury Residential Real Estate Report forecasts that the ongoing wealth creation cycle will have significant positive consequences on the luxury residential real estate market - with a noted emphasis on new developments and a change in investment grade cities. The ease of travel, the prevalence of private jets amongst the high net worth individuals and the attractiveness of holiday destinations is compelling them to travel and invest in properties in vacation locations. The reports have published the following findings, supporting this trend:

  - In 2014 the growth in the number of high and ultra-high net worth individuals across the globe reached all-time highs in terms of their wealth and population. Over the next five years, the number of millionaires is projected to rise by 53%, from 35 million as of 2014 to 53 million by 2019. Between 2008 and mid-2014 the number of millionaires increased by 54% and the number with wealth above US$ 100 million increased by 106%.

  - On average, high net worth individuals own 2.7 properties and hold over 8% of their net worth in real estate assets. 79% of the world's ultra high net worth individuals own more than two residences.

  - The average high net worth individual spends US$1.1 million a year on luxury goods and services, ranging from expenditure on travel to food. The total high net worth population spends an estimated US$45 billion annually on travel and hospitality and account for a total 22.5% of the total luxury travel market.

E.1. Updated Portfolio Characteristics

A summary of Dolphin's current investments is presented below. As at 31 December 2014, the net invested amount is €586* million.

	PROJECT	Land site (hectares)	DCI's stake	Investment cost* (€m)	Debt (€m)	Real estate value (€m)	Loan to real estate asset value (%)
	CORE PROJECTS						
1	Amanzoe	93	100%**	41	74		
2	Playa Grande Club & Reserve	839	100%	86	43		
3	Pearl Island	1,323	60%	28	-		
4	Kilada Hills Golf Resort	235	100%	93	-		
5	Kea Resort	65	67%	9	-		
	TOTAL	**2,555**		**257**	**117**	**452**	**26%**
	NON-CORE PROJECTS						
6	The Nikki Beach Resort & Spa	1	25%	5	-		
7	Sitia Bay Golf Resort	270	78%	16	-		
8	Scorpio Bay Resort	172	100%	14	-		
9	Lavender Bay Resort	310	100%	25	-		
10	Plaka Bay Resort	442	100%	12	-		
11	Triopetra	11	100%	4	-		
12	Eagle Pine Golf Resort – Aristo	319	50%	18	-		
13	Apollo Heights Polo Resort	461	100%	17	20		
14	Venus Rock – Aristo	737	50%	84	-		
15	Livka Bay Resort	63	100%	26	10		
16	La Vanta – Mediterra Resorts	8	100%	16	1		
	Zoniro Greece	27	100%	3	10		
	TOTAL	**2,821**		**240**	**40**	**350**	**12%**
	ARISTO CYPRUS*	392	50%	87	-	**113**	
	Itacaré Investment	n/a	10%	2	-	5	
	DCI Corporate Bonds	n/a	n/a	n/a	83	-	
	GRAND TOTAL	**5,768**		**586**	**240**	**920**	**26%**

*Residual investment cost, including amounts paid in shares.
**Pro-forma shareholding, current DCI interest 92%

A breakdown of Dolphin's portfolio for certain key metrics is provided below.

	COUNTRY	Land size (hectares)	Investment Cost * (€ million)	Debt (€ million)	Real Estate Value (€ million)	% Loan to real estate asset value	Net Asset Value
1	Greece	1,626	223	83	400	21%	35%
2	Cyprus	1,909	205	20	273	7%	40%
3	Croatia & Turkey	71	42	11	44	25%	5%
4	Americas	2,162	116	43	203	21%	20%
	Grand Total	**5,768**	**586**	**157**	**920**	**17%**	**100%**

		Land size (hectares)	Investment Cost * (€ million)	Debt (€ million)	Real Estate Value (€ million)	% Loan to real estate asset value	Net Asset Value
1	CORE PROJECTS	2,555	257	117	452	26%	42%
2	NON CORE ASSETS	3,213	329	40	468	9%	58%
	Grand Total	**5,768**	**586**	**157**	**920**	**17%**	**100%**

**Residual investment cost, including amounts paid in shares.*

Project exits completed by Dolphin to date are summarised below.

PROJECT	Land site (hectares)	Dolphin stake sold	Dolphin original investment (€m)	Dolphin exit proceeds (€m)	Dolphin return on investment (times)
Tsilivi – Aristo	11	100%	2	7	3.50x
Amanmila	210	100%	2.8	5.4	1.90x
Kea	65	33%	4	4.1	1.00x
Seafront Villas	3.6	100%	9	14	1.52x
Kings' Avenue Mall	4	100%	11	15	1.36x
Aristo Developers Ltd	1,351	50%	208	375.5	1.80x
The Nikki Beach Resort & Spa at Porto Heli	1	75%	4	6.9	1.83x
Pearl Island Founders phase	106	100%	6	10.6	1.73x
Pt. Kundu	4	100%	16	10	0.63x
TOTAL	**1,756**		**263**	**448**	**1.71x**

E.2. Non- Core Assets

i. Aristo Developers (www.aristodevelopers.com)

The Company owns a 49.8% shareholding in Aristo, one of the largest residential real estate developer in Cyprus, and a member of the FIABCI International Real Estate Federation & the EU Eco-Management & Audit Scheme ("EMAS"). With 29 years of development expertise and market knowledge, Aristo has sold more than 3,000 holiday homes since 2004, and has over 250 projects, island wide, and 50 projects currently in the market and an extensive sales network in the UK, Russia, and China. Aristo is also the owner of the Venus Rock and Eagle Pine projects in Cyprus. As at 31 December 2014 Aristo has assets of €903 million and liabilities of €391 million (both excluding Intercompany balances) and a loan to value of 33.8%, with total debt outstanding of €386 million.

The Board and DCP aim to assist the Aristo management team in the recovery of its business in a sustainable manner by undertaking initiatives to strengthen its sales and marketing team, pursue sales in connection to the respective "visa/residence" and "passport" incentive legislation enacted in Cyprus and taking actions to revive and enhance both its relationships with its network of agents and real estate brokers, as well as its executive team with the addition of a number of new senior executives.

Additionally, the Board and DCP will assist Aristo's management on certain core and non-core land holdings (including Venus Rock and Eagle Pine) along with seeking to finalise the ongoing bank restructuring discussions with Bank of Cyprus ("BoC") and Aristo's other lenders. A restructuring agreement with BoC, the largest lender of the Aristo Group with €260 million of outstanding debt, is targeted to be concluded by end of Q2 2015.

As noted above, the Company intends to explore all available alternatives for the realisation of its investment in Aristo, either through an outright sale of shares or through the listing of Aristo's shares on a stock exchange, following the completion of the above initiatives and, principally, the divestment of Aristo's two major projects (Venus Rock and Eagle Pine), which is expected to significantly deleverage, and provide the necessary working capital to, Aristo and subject to availability of funds, make distributions to Aristo shareholders.

ii. Other Non-Core Assets

The other Non-Core Assets include 10 leisure-integrated residential resort projects, spread over 1,756 hectares of land. These assets are expected to further increase in value, if the Board authorises the additional investment required to complete their permitting and design phase and become fully permitted projects. In accordance with the Investing Policy, the Company intends to market them in an expeditious, but orderly fashion, taking into account market conditions, while advancing their development maturity in terms of zoning, branding, designing and permitting.

Miltos Kambourides	**Pierre Charalambides**
Managing Partner	**Founding Partner**
Dolphin Capital Partners	**Dolphin Capital Partners**
3 June 2015	**3 June 2015**

F. Finance Director's Report

Net Asset Value ('NAV')

The audited NAV as at 31 December 2014 is presented below:

	As at 31 December 2014		Variation since 31 December 2013		Variation since 30 June 2014	
	€	**£**	**€**	**£**	**€**	**£**
Total NAV before DITL (millions)	644	504	6.6%	(0.1%)	0.9%	(1.4%)
Total NAV after DITL (millions)	557	436	6.4%	(0.2%)	0.9%	(1.3%)
NAV per share before DITL	1.00	0.78	6.6%	(0.1%)	0.9%	(1.4%)
NAV per share after DITL	0.87	0.68	6.4%	(0.2%)	0.9%	(1.3%)

Notes:

1. *Euro/GBP rate 0.78247 as at 31 December 2014, 0.83478 as at 31 December 2013 and 0.8005 as at 30 June 2014.*
2. *Euro/USD rate 1.2141 as at 31 December 2014, 1.37660 as at 31 December 2013 and 1.36452 as at 30 June 2014.*
3. *NAV per share has been calculated on the basis of 642,440,167 issued shares as at 31 December 2014, 31 December 2013 and as at 30 June 2014.*
4. *NAV before DITL includes the 49.8% shareholding in Aristo before DITL.*

Consistent with the Company's valuation policy, the entire portfolio was revalued as at 31 December 2014, which resulted in a net increase in the overall portfolio valuation. Colliers International provided valuations for Playa Grande Club & Reserve, Pearl Island, La Vanta Resort and Livka Bay Resort, and the valuations on the Company's portfolio in Greece and Cyprus were conducted by American Appraisal.

More specifically there were revaluation gains mainly in Amanzoe (due to the permits received for three more Villas and the hotel performance), Playa Grande Club & Reserve (based on final permits received for the hotel and comparables used for the remaining land), Pearl Island (based on to comparable property valuations), Kea (due to permitting advancements) and Aristo (due to the increase in Venus Rock latest independent valuation, following the termination of the sale contract with the China Glory Investment Group).

Another factor that contributed to NAV growth was the revaluation gain following from the acquisition of an additional 9% stake in Plaka Bay Resort and the appreciation of the Americas properties in Euro terms due to the appreciation of the United States Dollar against the Euro by c. 13.6% during the period. NAV decline during 2014 was broadly driven by a valuation markdown mainly in Sitia Bay Golf Resort, Apollo Heights Polo Resort, Nikki Beach and Livka Bay Resort, as well as the effect of the regular operational and corporate expenses.

Sterling NAV per share before DITL as at 31 December 2014 remained almost unchanged to 78p, compared to 31 December 2013, as the effect of the above factors was counterbalanced by c. 6.3% Sterling appreciation versus the Euro, during the period.

The increase in the NAV after DITL resulted in an accounting gain of €22 million, for the year ended 31 December 2014, implying earnings per share of €0.03.

Financial position

Condensed consolidated statement of financial position

	31 December 2014 €' 000	31 December 2013 €' 000
Assets		
Real estate assets (investment and trading properties)	680,968	631,920
Equity accounted investees	265,203*	204,346*
Other assets	28,480	38,908
Cash and cash equivalents	30,978**	7,100
Total Assets	**1,005,629**	**882,274**
Equity		
Equity attributable to Dolphin shareholders before DITL	643,608*	603,765*
Non-controlling interests	30,364	24,504
Total equity	**673,972**	**628,269**
Liabilities		
Interest-bearing loans and finance lease obligations	248,185	177,245
Other liabilities	83,472	76,760
Total liabilities	**331,657**	**254,005**
Total equity and liabilities	**1,005,629**	**882,274**

**Amounts include the 49.8% DITL of Aristo*
*** Includes restricted cash of* €23.9 million

The Company's NAV before DITL, after deducting from total consolidated assets, non-controlling interests of €30 million, other liabilities of €84 million and total debt of €248 million, is set at €644 million as at 31 December 2014.

The Company's consolidated assets (including €975 million total assets plus €31 million of 49.8% DITL of Aristo) total €1,006 million and include €681 million of real estate assets, €265 million of investments in equity accounted investees, €60 million of other assets and cash. The €681 million figure represents the fair market valuation of Dolphin's real estate portfolio (both freehold and leasehold interests) as at 31 December 2014, assuming 100% ownership. The €265 million figure represents the 49.8% investment in Aristo and the 25% stake in Nikki Beach. The €29 million of other assets comprise mainly €6 million of VAT receivable, €3 million of deferred income tax assets, and €4 million of government grants.

The Company's consolidated liabilities total €332 million and comprise €84 million of other liabilities as well as €248 million of interest-bearing loans and finance lease obligations, out of which €50 million and US$9.17 million are convertible bonds that are held at Company level.

The remaining loans are held by Group subsidiaries and are non-recourse to Dolphin (except for the US$31 million Playa Grande convertible Bond and the US$19 million Playa Grande construction loan which are guaranteed by the Company).

The €84 million of other payables comprise mainly €25 million of option contracts to acquire land, €7.5 million deferred income from government grants and €17 million advances from villa sales.

Panos Katsavos
Finance Director
Dolphin Capital Partners
3 June 2015

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2014

	Note	31 December 2014 €'000	31 December 2013 €'000
CONTINUING OPERATIONS			
Valuation gain on investment property	12	18,576	22,605
Impairment loss on trading properties	14	(6,216)	(970)
Reversal of impairment loss on trading properties	14	-	778
Net operating profits	7	18,516	12,746
Total operating profits		**30,876**	**35,159**
Investment Manager fees	25.2	(13,671)	(13,780)
Personnel expenses	8	(8,305)	(6,974)
Depreciation charge	13	(3,239)	(2,447)
Professional fees		(10,547)	(8,746)
Administrative and other expenses		(10,205)	(10,114)
Total operating and other expenses		**(45,967)**	**(42,061)**
Results from operating activities		**(15,091)**	**(6,902)**
Finance income	9	325	417
Finance costs	9	(15,959)	(17,669)
Net finance costs		**(15,634)**	**(17,252)**
Gain on disposal of investment in subsidiaries	26	2,497	-
Profit on dilution in equity accounted investees	16	149	-
Share of profits/(losses) on equity accounted investees, net of tax	16	50,146	(77,239)
Impairment loss on property, plant and equipment	13	(13)	(342)
Reversal of impairment loss on property, plant and equipment	13	670	117
Total non-operating profits/(losses)		**53,449**	**(77,464)**
Profit/(loss) before taxation		**22,724**	**(101,618)**
Taxation	10	1,588	(11,256)
Profit/(loss) for the year		**24,312**	**(112,874)**
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassified to profit or loss			
Revaluation of property, plant and equipment	13	6,322	(4,283)
Related tax	10	(555)	1,118
		5,767	(3,165)
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences	9	15,330	(939)
Translation differences to profit or loss due to disposal of subsidiary		(2,709)	-
Share of revaluation on equity accounted investees	16	(22)	205
Fair value adjustment on available-for-sale financial assets	15	(64)	321
		12,535	(413)
Other comprehensive income for the year, net of tax		**18,302**	**(3,578)**
Total comprehensive income for the year		**42,614**	**(116,452)**
Profit/(loss) attributable to:			
Owners of the Company		21,639	(111,910)
Non-controlling interests		2,673	(964)
Profit/(loss) for the year		**24,312**	**(112,874)**
Total comprehensive income attributable to:			
Owners of the Company		36,731	(113,700)
Non-controlling interests		5,883	(2,752)
Total comprehensive income for the year		**42,614**	**(116,452)**
EARNINGS/(LOSS) PER SHARE			
Basic and diluted earnings/(loss) per share (€)	11	**0.03**	**(0.17)**

Consolidated statement of financial position

As at 31 December 2014

	Note	31 December 2014 €'000	31 December 2013 €'000
ASSETS			
Investment property	12	451,880	423,791
Property, plant and equipment	13	176,765	143,604
Equity accounted investees	16	234,223	180,862
Available-for-sale financial assets	15	2,201	2,265
Deferred tax assets	21	2,557	4,230
Other non-current assets		2,584	3,458
Non-current assets		**870,210**	**758,210**
Trading properties	14	52,323	64,524
Receivables and other assets	17	21,138	28,956
Cash and cash equivalents	18	30,978	7,100
Current assets		**104,439**	**100,580**
Total assets		**974,649**	**858,790**
EQUITY			
Share capital	19	6,424	6,424
Share premium	19	498,933	498,933
Retained earnings		28,821	10,056
Other reserves		23,270	8,259
Equity attributable to owners of the Company		**557,448**	**523,672**
Non-controlling interests		30,364	24,504
Total equity		**587,812**	**548,176**
LIABILITIES			
Loans and borrowings	20	213,923	153,044
Finance lease obligations	22	7,628	8,018
Deferred tax liabilities	21	55,180	56,610
Other non-current liabilities		21,393	23,536
Non-current liabilities		**298,124**	**241,208**
Loans and borrowings	20	26,166	15,760
Finance lease obligations	22	467	423
Trade and other payables	23	62,059	53,115
Current tax liabilities		21	108
Current liabilities		**88,713**	**69,406**
Total liabilities		**386,837**	**310,614**
Total equity and liabilities		**974,649**	**858,790**
Net asset value ('NAV') per share (€)	24	**0.87**	**0.82**

Consolidated statement of changes in equity

For the year ended 31 December 2014

	Attributable to owners of the Company							
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
Balance at 1 January 2013	6,424	498,933	1,483	8,533	120,108	635,481	32,293	667,774
TOTAL COMPREHENSIVE INCOME FOR THE YEAR								
Loss for the year	-	-	-	-	(111,910)	(111,910)	(964)	(112,874)
Other comprehensive income for the year								
Revaluation of property, plant and equipment, net of tax	-	-	-	(2,324)	-	(2,324)	(841)	(3,165)
Foreign currency translation differences	-	-	8	-	-	8	(947)	(939)
Share of revaluation on equity accounted investees	-	-	-	205	-	205	-	205
Fair value adjustment on available-for-sale financial asset	-	-	-	321	-	321	-	321
Depreciation transfer due to revaluation	-	-	-	33	(33)	-	-	-
Total other comprehensive income for the year	-	-	8	(1,765)	(33)	(1,790)	(1,788)	(3,578)
Total comprehensive income for the year	**-**	**-**	**8**	**(1,765)**	**(111,943)**	**(113,700)**	**(2,752)**	**(116,452)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Contributions and distributions								
Non-controlling interests on capital increases of subsidiaries	-	-	-	-	-	-	254	254
Total contributions and distributions	-	-	-	-	-	-	254	254
Changes in ownership interests								
Acquisition of non-controlling interests without a change in control	-	-	-	-	1,891	1,891	(5,291)	(3,400)
Total changes in ownership interests	-	-	-	-	1,891	1,891	(5,291)	(3,400)
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**1,891**	**1,891**	**(5,037)**	**(3,146)**
Balance at 31 December 2013	**6,424**	**498,933**	**1,491**	**6,768**	**10,056**	**523,672**	**24,504**	**548,176**
Balance at 1 January 2014	6,424	498,933	1,491	6,768	10,056	523,672	24,504	548,176
TOTAL COMPREHENSIVE INCOME FOR THE YEAR								
Profit for the year	-	-	-	-	21,639	21,639	2,673	24,312
Other comprehensive income for the year								
Revaluation of property, plant and equipment, net of tax	-	-	-	5,661	-	5,661	106	5,767
Foreign currency translation differences	-	-	11,913	385	(72)	12,226	3,104	15,330
Translation differences to profit or loss due to disposal of subsidiary	-	-	(2,709)	-	-	(2,709)	-	(2,709)
Share of revaluation on equity accounted investees	-	-	-	(22)	-	(22)	-	(22)
Fair value adjustment on available-for-sale financial asset	-	-	-	(64)	-	(64)	-	(64)
Depreciation transfer due to revaluation	-	-	-	(153)	153	-	-	-
Total other comprehensive income for the year	-	-	9,204	5,807	81	15,092	3,210	18,302
Total comprehensive income for the year	**-**	**-**	**9,204**	**5,807**	**21,720**	**36,731**	**5,883**	**42,614**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Changes in ownership interests								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(2,955)	(2,955)	(23)	(2,978)
Total changes in ownership interests	**-**	**-**	**-**	**-**	**(2,955)**	**(2,955)**	**(23)**	**(2,978)**
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**(2,955)**	**(2,955)**	**(23)**	**(2,978)**
Balance at 31 December 2014	**6,424**	**498,933**	**10,695**	**12,575**	**28,821**	**557,448**	**30,364**	**587,812**

Consolidated statement of cash flows

For the year ended 31 December 2014

	31 December 2014 €'000	31 December 2013 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the year	24,312	(112,874)
Adjustments for:		
Valuation gain on investment property	(18,576)	(22,605)
Impairment loss on trading properties	6,216	970
Reversal of impairment loss on trading properties	-	(778)
Impairment loss on property, plant and equipment	13	342
Reversal of impairment loss on property, plant and equipment	(670)	(117)
Depreciation charge	3,239	2,447
Interest income	(325)	(417)
Interest expense	15,228	12,308
Exchange difference	(4,303)	5,278
Gain on disposal of investment in subsidiaries	(2,497)	-
Profit on dilution in equity accounted investees	(149)	-
Share of (profits)/losses on equity accounted investees, net of tax	(50,146)	77,239
Taxation	(1,588)	11,256
	(29,246)	(26,951)
Changes in:		
Receivables	3,400	14,247
Payables	6,853	20,595
Cash (used in)/from operating activities	(18,993)	7,891
Tax paid	(207)	(276)
Net cash (used in)/from operating activities	**(19,200)**	**7,615**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries, net of cash disposed of	10,047	-
Net acquisitions of investment property	(1,406)	(343)
Net acquisitions of property, plant and equipment	(23,412)	(25,598)
Acquisitions of available-for-sale financial assets	-	(1,944)
Net change in trading properties	4,510	(16,869)
Net change in equity accounted investees	(1,116)	-
Interest received	325	417
Net cash used in investing activities	**(11,052)**	**(44,337)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received from non-controlling interests	-	254
Acquisition of non-controlling interests without a change in control	(2,978)	(3,400)
Change in loans and borrowings	72,708	36,955
Change in finance lease obligations	(346)	(113)
Interest paid	(15,228)	(12,308)
Net cash from financing activities	**54,156**	**21,388**
Net increase/(decrease) in cash and cash equivalents	**23,904**	**(15,334)**
Cash and cash equivalents at the beginning of the year	4,861	19,993
Effect of exchange rate fluctuations on cash held	(26)	202
Cash and cash equivalents at the end of the year	**28,739**	**4,861**
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of the following:		
Cash in hand and at bank (see note 18)	30,978	7,100
Bank overdrafts (see note 20)	(2,239)	(2,239)
Cash and cash equivalents at the end of the year	**28,739**	**4,861**

1. REPORTING ENTITY

Dolphin Capital Investors Limited (the 'Company') was incorporated and registered in the British Virgin Islands ('BVIs') on 7 June 2005. The Company is a real estate investment company focused on the early-stage, large-scale leisure-integrated residential resorts in south-east Europe and the Americas, and managed by Dolphin Capital Partners Limited (the 'Investment Manager'), an independent private equity management firm that specialises in real estate investments, primarily in south-east Europe. The shares of the Company were admitted to trading on the AIM market of the London Stock Exchange ('AIM') on 8 December 2005.

The consolidated financial statements of the Company as at 31 December 2014 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and jointly controlled entities.

2. BASIS OF PREPARATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

The consolidated financial statements were authorised for issue by the Board of Directors on 2 June 2015.

b. Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, with the exception of property (investment property, property, plant and equipment) and available-for-sale financial assets, which are stated at their fair values and investments in associates and jointly controlled entities, which are accounted for in accordance with the equity method of accounting.

c. Adoption of new and revised standards and interpretations

As from 1 January 2014, the Group adopted all changes to IFRS which are relevant to its operations. This adoption did not have a material effect on the consolidated financial statements of the Company other than the disclosure effect explained below:

(a) **IFRS 12 Disclosure of interest in other entities**

As a result of IFRS 12, the Group has expanded its disclosures about its interests in subsidiaries (see note 27) and equity accounted investees (see note 16).

The following standards, amendments to standards and interpretations have been issued but are not yet effective for annual periods beginning on 1 January 2014. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. Although the Group continues to assess the potential impact on its consolidated financial statements resulting from the application of the following standards, it currently expects that their adoption in future periods will not have a significant effect on the consolidated financial statements of the Company.

(i) Standards and interpretations adopted by the EU

- IAS 19 (Amendments) 'Defined Benefit Plans: Employee Contributions' (effective for annual periods beginning on or after 1 July 2014).
- Improvements to IFRSs 2010-2012 (effective for annual periods beginning on or after 1 July 2014).
- Improvements to IFRSs 2011-2013 (effective for annual periods beginning on or after 1 July 2014).

(ii) Standards and interpretations not adopted by the EU

- IFRS 14 'Regulatory Deferral Accounts' (effective for annual periods beginning on or after 1 January 2016).
- IFRS 10, IFRS 12 and IAS 28 (Amendments): Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016).
- IFRS 11 'Accounting for acquisitions of interests in Joint Operations' (Amendments) (effective for annual periods beginning on or after 1 January 2016
- IAS 1 (Amendments): Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).
- IFRS 10 and IAS 28 (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016).
- IAS 27 (Amendments) 'Equity method in separate financial statements' (effective for annual periods beginning on or after 1 January 2016).
- IAS 16 and IAS 41 (Amendments): 'Bearer plants' (effective for annual periods beginning on or after 1 January 2016).
- IAS 16 and IAS 38 (Amendments) 'Clarification of acceptable methods of depreciation and amortisation' (effective for annual periods beginning on or after 1 January 2016).
- Annual Improvements to IFRSs 2012–2014 Cycle (effective the latest as from the commencement date of its first annual period beginning on or after 1 January 2016).
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2017).
- IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018).

d. Use of estimates and judgements

The preparation of consolidated financial statements in accordance with IFRS requires from Management the exercise of judgement, to make estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described below:

Work in progress

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date.

Revenue recognition

The Group applies the provisions of IAS18 for accounting for revenue from sale of developed property, under which income and cost of sales are recognised upon delivery and when substantially all risks have been transferred to the buyer.

Provision for bad and doubtful debts

The Group reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through the consolidated statement of comprehensive income. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

Income taxes

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Significant unobservable inputs and valuation adjustments are regularly reviewed and changes in fair value measurements from period to period are analysed.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

When applicable, further information about the assumptions made in measuring fair values is included in the notes specific to that asset or liability.

e. Functional and presentation currency

The consolidated financial statements are presented in euro (€), which is the functional currency of the Company, rounded to the nearest thousand.

3. DETERMINATION OF FAIR VALUES

Properties

The fair value of investment property and land and buildings classified as property, plant and equipment is determined at the end of each reporting period. External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, value the Group's properties at the end of each year and where necessary, semi-annually and quarterly.

The Directors have appointed Colliers International and American Appraisal (Hellas), two internationally recognised firms of surveyors, to conduct valuations of the Group's acquired properties to determine their fair value. These valuations are prepared in accordance with generally accepted appraisal standards, as set out by the American Society of Appraisers (the 'ASA'), and in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the ASA and the Royal Institute of Chartered Surveyors ('RICS'). Furthermore, the valuations are conducted on an 'as is condition' and on an open market comparative basis.

The valuation analysis of properties is based on all the pertinent market factors that relate both to the real estate market and, more specifically, to the subject properties. The valuation analysis of a property typically uses four approaches: the cost approach, the direct sales comparison approach, the income approach and the residual value approach. The cost approach measures value by estimating the Replacement Cost New or the Reproduction Cost New of property and then determining the deductions for accrued depreciation that should be made to reflect the age, condition and situation of the asset during its past and proposed future economic working life. The direct sales comparison approach is based on the premise that persons in the marketplace buy by comparison. It involves acquiring market sales/offerings data on properties similar to the subject property. The prices of the comparables are then adjusted for any dissimilar characteristics as compared to the subject's characteristics. Once the sales prices are adjusted, they can be reconciled to estimate the fair value for the subject property. Based on the income approach, an estimate is made of prospective economic benefits of ownership. These amounts are discounted and/or capitalised at appropriate rates of return in order to provide an indication of value. The residual value approach is used for the valuation of the land and depends on two basic factors: the location and the total value of the buildings developed on a site. Under this approach, the residual value of the land is calculated by subtracting from the estimated sales value of the completed development, the development cost.

Each of the above-mentioned valuation techniques results in a separate valuation indication for the subject property. Then a reconciliation process is performed to weigh the merits and limiting conditions of each approach. Once this is accomplished, a value conclusion is reached by placing primary weight on the technique, or techniques, that are considered to be the most reliable, given all factors.

Financial assets

The fair value of financial assets that are listed on a stock exchange is determined by reference to their quoted bid price at the reporting date. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Trade and other receivables

The fair value of trade and other receivables, excluding construction work in process, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

4. SIGNIFICANT SUBSIDIARIES

As at 31 December 2014, the Group's most significant subsidiaries were the following:

Name	Country of incorporation	Shareholding interest
Scorpio Bay Holdings Limited	Cyprus	100%
Scorpio Bay Resorts S.A.	Greece	100%
Latirus Enterprises Limited	Cyprus	80%
Iktinos Techniki Touristiki S.A. ('Iktinos')	Greece	78%
Xscape Limited	Cyprus	100%
Golfing Developments S.A.	Greece	100%
MindCompass Overseas Limited	Cyprus	100%
MindCompass Overseas S.A.	Greece	100%
MindCompass Overseas Two S.A.	Greece	100%
MindCompass Parks S.A.	Greece	100%
Dolphin Capital Greek Collection Limited	Cyprus	100%
DCI Holdings One Limited	BVIs	100%
Aristo Developers S.A.	Greece	100%
D.C. Apollo Heights Polo and Country Resort Limited	Cyprus	100%
Symboula Estates Limited	Cyprus	100%
DolphinCI Fourteen Limited ('DCI 14')	Cyprus	92%
Eidikou Skopou Dekatessera S.A. ('ES 14')	Greece	92%
Eidikou Skopou Dekaokto S.A. ('ES 18')	Greece	92%
Eidikou Skopou Eikosi Ena S.A.	Greece	80%
Azurna Uvala D.o.o. ('Azurna')	Croatia	100%
Eastern Crete Development Company S.A.	Greece	100%
DolphinLux 2 S.a.r.l.	Luxembourg	100%
Kalkan Yapi ve Turizm A.S.	Turkey	100%
Dolphin Capital Americas Limited	BVIs	100%
DCA Pearl Holdings Limited	BVIs	100%
DCA Holdings Six Limited	BVIs	100%
DCA Holdings Seven Limited	BVIs	100%
DCI Holdings Seven Limited ('DCI H7')	BVIs	100%
Playa Grande Holdings Inc. ('PGH')	Dominican Republic	100%
Single Purpose Vehicle Eight Limited	Cyprus	100%
Eidikou Skopou Dekapente S.A.	Greece	100%
Single Purpose Vehicle Ten Limited ('SPV 10')	Cyprus	67%
Eidikou Skopou Eikosi Tessera S.A.	Greece	67%
Pearl Island Limited S.A.	Panama Republic	60%
Zoniro (Panama) S.A.	Panama Republic	60%

The above shareholding interest percentages are rounded to the nearest integer.
As at 31 December 2014, all or part of the shares held by the Company in some of its subsidiaries are pledged as a security for loans (see note 20).

5. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented in these consolidated financial statements unless otherwise stated.

5.1 Subsidiaries

Subsidiaries are those entities, including special purpose entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

5.2 Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

5.3 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as the fair value of the consideration transferred, plus the recognised amount of any non-controlling interests in the acquiree, plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

5.4 Associates and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

5.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or for administration purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in accounting policy 5.9.

5.6 Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to fair value reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are recognised in profit or loss.

The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and appropriate proportion of production overheads.

Depreciation charge is recognised in profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment, unless it constitutes part of the cost of another asset in which case is included in this asset's carrying amount. Freehold land is not depreciated.
The annual rates of depreciation are as follows:

Buildings	3%
Machinery and equipment	10% - 33.33%
Motor vehicles and other	10% - 20%

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as incurred.

5.7 Trading properties

Trading properties (inventory) are shown at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost of trading properties is determined on the basis of specific identification of their individual costs and represents the fair value paid at the date that the land was acquired by the Group.

5.8 Work in progress

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity.

5.9 Leased assets

Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property held under operating leases that would otherwise meet the definition of investment property may be classified as investment property on a property-by-property basis. Such property is accounted for as if it were a finance lease and the fair value model is used for the asset recognised. Minimum lease payments on finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

5.10 Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy 5.21).

5.11 Financial assets

The classification of the Group's investments in equity securities depends on the purpose for which the investments were acquired. Management determines the classification of investments at initial recognition and re-evaluates this designation at every statement of financial position date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in the held for trading category if acquired principally for the purpose of generating a profit from short-term fluctuations in price. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date. Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the profit or loss in the period in which they arise.

(ii) Available-for-sale financial assets

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available for sale. These are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and then in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss. In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of fair value reserve.

5.12 Cash and cash equivalents

Cash and cash equivalents comprise cash deposited with banks and bank overdrafts repayable on demand. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

5.13 Share capital and premium

Share capital represents the issued amount of shares outstanding at their par value. Any excess amount of capital raised is included in share premium. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction, net of tax, in share premium from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

5.14 Own shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, in net of any tax effects, is recognised as a reduction from equity. Repurchased shares are classified as own shares and are presented as a reduction from total equity. When own shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to share premium.

5.15 Dividends

Dividends are recognised as a liability in the period in which they are declared and approved and are subtracted directly from retained earnings.

5.16 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

5.17 Trade and other payables

Trade and other payables are stated at their cost.

5.18 Prepayments from clients

Payments received in advance on development contracts for which no revenue has been recognised yet, are recorded as prepayments from clients as at the statement of financial position date and carried under creditors. Payments received in advance on development contracts for which revenue has been recognised, are recorded as prepayments from clients to the extent that they exceed revenue that was recognised in profit or loss as at the statement of financial position date.

5.19 Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

5.20 Expenses
Investment manager fees, management incentive fees, professional fees, selling, administration and other expenses are accounted for on an accrual basis. Expenses are charged to profit or loss, except for expenses incurred on the acquisition of an investment property, which are included within the cost of that investment. Expenses arising on the disposal of an investment property are deducted from the disposal proceeds.

5.21 Impairment
The carrying amounts of the Group's assets, other than investment property (see accounting policy 5.5) and deferred tax assets (see accounting policy 5.29), are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. The recoverable amount is the greater of the net selling price and value in use of an asset. In assessing value in use of an asset, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis.

5.22 Revenue recognition
Revenue comprises the invoiced amount for the sale of goods and services net of value added tax, rebates and discounts. Revenues earned by the Group are recognised on the following bases:

Income from land and buildings under development
The Group applies IAS 18 'Revenue' for income from land and buildings under development, according to which revenue and the related costs are recognised in profit or loss when the building has been completed and delivered and all associated risks have been transferred to the buyer.

Construction contracts
Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the statement of financial position date, as measured by the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

5.23 Finance income and costs
Finance income comprises interest income on funds invested, dividend income and gains on the disposal of and increase in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.
Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and losses on the disposal of and reduction in the fair value of financial assets at fair value through profit or loss.

The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

5.24 Foreign currency translation
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

5.25 Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to euro at exchange rates at the dates of the transactions.

The income and expenses of foreign operations in hyperinflationary economies are translated to euro at the exchange rate at the reporting date. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

Foreign currency differences are recognised directly in equity in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

5.26 Segment reporting
A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment results that are reported to Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5.27 Earnings per share
The Group presents basic and diluted (if applicable) earnings per share ('EPS') data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential shares.

5.28 NAV per share
The Group presents NAV per share by dividing the total equity attributable to owners of the Company by the number of shares outstanding as at the statement of financial position date.

5.29 Income tax
Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to the tax liabilities will impact tax expense in the period that such a determination is made.

5.30 Government grants
Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants related to non-current assets are recognised as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset. Government grants that relate to expenses are recognised in profit or loss as revenue.

5.31 Comparatives
Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

6. SEGMENT REPORTING

The Group has one operation, investing in real estate, and three reportable segments as shown below, which represent the geographical regions in which the Group operates.

	Americas[1] €'000	South-East Europe[2] €'000	Other[3] €'000	Reportable segment totals €'000	Adjustments4 €'000	Consolidated totals €'000
31 December 2014						
Investment property	120,285	331,595	-	451,880	-	451,880
Property, plant and equipment	75,996	100,769	-	176,765	-	176,765
Trading properties	1,837	50,486	-	52,323	-	52,323
Equity accounted investees	-	231,996	2,227	234,223	-	234,223
Available-for-sale financial assets	2,201	-	-	2,201	-	2,201
Cash and cash equivalents	20,514	7,662	2,802	30,978	-	30,978
Intra-group debit balances	13,274	285,185	507,763	806,222	(806,222)	-
Other assets	2,673	19,729	3,877	26,279	-	26,279
Total assets	**236,780**	**1,027,422**	**516,669**	**1,780,871**	**(806,222)**	**974,649**
Loans and borrowings	43,128	113,801	83,160	240,089	-	240,089
Finance lease obligations	134	7,961	-	8,095	-	8,095
Deferred tax liabilities	2,139	53,041	-	55,180	-	55,180
Intra-group credit balances	125,522	393,200	287,500	806,222	(806,222)	-
Other liabilities	9,045	73,495	933	83,473	-	83,473
Total liabilities	**179,968**	**641,498**	**371,593**	**1,193,059**	**(806,222)**	**386,837**
Valuation gain on investment property	12,311	6,265	-	18,576	-	18,576
Impairment losses	-	(6,229)	-	(6,229)	-	(6,229)
Reversal of impairment losses	-	670	-	670	-	670
Share of profits on equity accounted investees, net of tax	-	50,040	106	50,146	-	50,146
Gain/(loss) on disposal of investment in subsidiaries	-	2,709	(212)	2,497	-	2,497
Profit on dilution in equity accounted investees	-	-	149	149	-	149
Other operating profits	6,254	12,181	81	18,516	-	18,516
Investment Manager fees	-	-	(13,671)	(13,671)	-	(13,671)
Net finance costs	(1,414)	(9,409)	(4,811)	(15,634)	-	(15,634)
Other expenses	(8,176)	(20,456)	(3,664)	(32,296)	-	(32,296)
Profit/(loss) before taxation	**8,975**	**35,771**	**(22,022)**	**22,724**	**-**	**22,724**
Taxation	(172)	1,760	-	1,588	-	1,588
Profit/(loss) for the year	**8,803**	**37,531**	**(22,022)**	**24,312**	**-**	**24,312**

	Americas[1] €'000	South-East Europe[2] €'000	Other[3] €'000	Reportable segment totals €'000	Adjustments4 €'000	Consolidated totals €'000
31 December 2013						
Investment property	93,120	330,671	-	423,791	-	423,791
Property, plant and equipment	44,728	98,876	-	143,604	-	143,604
Trading properties	1,576	62,948	-	64,524	-	64,524
Equity accounted investees	-	180,862	-	180,862	-	180,862
Available-for-sale financial assets	2,265	-	-	2,265	-	2,265
Cash and cash equivalents	3,953	1,835	1,312	7,100	-	7,100
Intra-group debit balances	14,205	281,246	510,417	805,868	(805,868)	-
Other assets	4,625	22,054	9,965	36,644	-	36,644
Total assets	**164,472**	**978,492**	**521,694**	**1,664,658**	**(805,868)**	**858,790**
Loans and borrowings	10,982	78,629	79,193	168,804	-	168,804
Finance lease obligations	157	8,284	-	8,441	-	8,441
Deferred tax liabilities	1,742	54,868	-	56,610	-	56,610
Intra-group credit balances	103,774	411,823	290,271	805,868	(805,868)	-
Other liabilities	8,000	62,911	5,848	76,759	-	76,759
Total liabilities	**124,655**	**616,515**	**375,312**	**1,116,482**	**(805,868)**	**310,614**
Valuation gain on investment property	5,229	17,376	-	22,605	-	22,605
Impairment losses	-	(1,312)	-	(1,312)	-	(1,312)
Reversal of impairment losses	-	895	-	895	-	895
Share of losses on equity accounted investees, net of tax	-	(77,239)	-	(77,239)	-	(77,239)
Other operating profits	2,594	10,152	-	12,746	-	12,746
Investment Manager fees	-	-	(13,780)	(13,780)	-	(13,780)
Net finance costs	(372)	(8,985)	(7,895)	(17,252)	-	(17,252)
Other expenses	(6,191)	(19,475)	(2,615)	(28,281)	-	(28,281)
Profit/(loss) before taxation	**1,260**	**(78,588)**	**(24,290)**	**(101,618)**	**-**	**(101,618)**
Taxation	(147)	(11,109)	-	(11,256)	-	(11,256)
Profit/(loss) for the year	**1,113**	**(89,697)**	**(24,290)**	**(112,874)**	**-**	**(112,874)**

1 Americas comprises the Group's activities in the Dominican Republic and the Republic of Panama. Also, includes the investment in Itacare Capital Investments Ltd ('Itacare') (see note 15).
2 South-East Europe comprises the Group's activities in Cyprus, Greece, Croatia and Turkey.
3 Other comprises the parent company, Dolphin Capital Investors Limited.
4 Adjustments consist of intra-group eliminations.

Country risk developments

The general economic environment prevailing in the south-east Europe area and internationally may affect the Group's operations. Concepts such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and variation in these and the economic environment in general might affect the Group to a certain extent.

The global fundamentals of the sector remained strong during 2014, with both international tourism and wealth continuing to grow, even though economic activity in two of the Group's primary markets, Greece and Cyprus, continued to face significant challenges. The business climate is slowly, but steadily improving in Cyprus assisted by the legislative reforms implemented during the past year by the Cypriot government.

After the escalation of the sovereign debt crisis in Greece in mid-2012 and the international media speculation involving scenarios of default and/or Greece's exit from the Eurozone, the country's economic conditions significantly stabilised until the end of 2014 when a general election was called in Greece for January 2015. Following six years of deep recession, growth was positive in 2014. In 2014 international tourist arrivals, according to Tourism Research Institute, set a new historical record by reaching 21.5 million, a 20% increase compared to 2013 and is expected to remain strong in 2015. The debt crisis has also been a catalyst in adopting a faster entitlement process for development projects in Greece. In particular, the introduction of the Strategic Investment incentive legislation in Greece, which should be applicable to most of the Group's local projects due to their quality, size and potential impact on the local economy, speeds up and improves zoning entitlements and building permits for Group residential resort projects in the country. The current political and economic climate in Greece remains challenging and unstable, as the new Greek administration is seeking to reach a compromise accord with its EU partners and the IMF which would both enable it to avoid a sovereign default while still implementing its basic policies. The banking system stability remains fragile, with the most notable effect on the Group's businesses being the scarcity of senior bank debt to finance the construction of its development portfolio.

The crisis of sovereign debt affected the Cypriot economy with a time lag, causing negative effects not only on public finances but also in the banking system. Despite the fact that the Government tried to react promptly and effectively by preparing a fiscal consolidation programme, the country captured the world' s attention earlier in 2013 as it fought hard to bounce back from the brink of bankruptcy through intense negotiations with international lenders. The so called 'bail in' decision of the Eurozone included imposing losses on depositors with amounts exceeding €100,000, a closed banking system for two weeks and extensive capital controls. Since then Cyprus has been remarkably resilient following the financial crisis and in implementing tough austerity measures to restructure its economy. Although a challenging time for one of the smallest EU member states, the economic adjustment programme remains on track, with progress made in all key objectives set out by the country's international lenders. The banking sector is also on a steady path to stabilisation with all domestic capital controls lifted in early April 2015. Tourist arrivals during 2014 amounted to 2.4 million and stayed at the same level when compared to 2013, as reported by the Statistical Service of the Republic of Cyprus. Nevertheless, it is encouraging to note that, despite the banking crisis that occurred in early 2013, the tourism industry remained unharmed and expectations for 2015 are positive. The decision by the Ministerial Council to reduce the investment amount requirements and accelerate Cypriot citizenship awards to buyers of real estate is expected to significantly increase sales momentum and margins at Aristo Developers Limited ('Aristo') and increase the value and saleability of its larger projects. Significant value is also estimated to be unlocked through the expected zoning of the Apollo Heights Resort, following the agreement reached by the Cypriot and UK governments to permit for development such projects falling within the Sovereign British Areas.

7. NET OPERATING PROFITS

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
Sale of trading and investment properties	3,631	219
Income from hotel operation	8,494	6,571
Income from operation of golf courses	91	112
Income from construction contracts	8,806	6,474
Rental income	389	367
Other profits	6,914	2,382
Cost of sales	(9,809)	(3,379)
Total	**18,516**	**12,746**

8. PERSONNEL EXPENSES

	From 1 January 2014 to 31 December 2014		From 1 January 2013 to 31 December 2013	
	Operating expenses €'000	Construction in progress €'000	Operating expenses €'000	Construction in progress €'000
Wages and salaries	6,004	267	5,204	99
Compulsory social security contributions	1,598	26	1,292	13
Contributions to defined contribution plans	43	35	1	-
Other personnel costs	660	19	477	13
Total	**8,305**	**347**	**6,974**	**125**

Personnel expenses in relation to operating expenses are expensed as incurred in profit or loss. Personnel expenses in relation to construction in progress are capitalised on the specific projects and transferred to profit or loss through cost of sales when the specific property is disposed of.
The average number of employees employed by the Group during the year was 366 (2013: 339 employees).

9. FINANCE INCOME AND FINANCE COSTS

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
RECOGNISED IN PROFIT OR LOSS		
Interest income	325	417
Finance income	**325**	**417**
Interest expense	(15,228)	(12,308)
Bank charges	(401)	(461)
Exchange difference	(330)	(4,900)
Finance costs	**(15,959)**	**(17,669)**
Net finance costs recognised in profit or loss	**(15,634)**	**(17,252)**
RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Foreign currency translation differences	15,330	(939)
Finance costs recognised in other comprehensive income	**15,330**	**(939)**

10. TAXATION

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
RECOGNISED IN PROFIT OR LOSS		
Income tax	120	290
Net deferred tax (see note 21)	(1,708)	10,966
Taxation recognised in profit or loss	**(1,588)**	**11,256**
RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Revaluation of property, plant and equipment (see note 21)	555	(1,118)
Taxation recognised in other comprehensive income	**555**	**(1,118)**

Reconciliation of taxation based on taxable profit/(loss) and taxation based on Group's accounting profit/(loss)

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
Profit/(loss) before taxation	22,724	(101,618)
Taxation using domestic tax rates	(2,018)	(600)
Non-deductible expenses and tax-exempt income	1,861	(442)
Effect of tax losses utilised	313	155
Effect of tax rate changes	-	5,592
Other	(1,744)	6,551
Total	**(1,588)**	**11,256**

As a company incorporated under the BVI International Business Companies Act (Cap. 291), the Company is exempt from taxes on profits, income or dividends. Each company incorporated in BVI is required to pay an annual government fee, which is determined by reference to the amount of the Company's authorised share capital.

The profits of the Cypriot companies of the Group are subject to a corporation tax rate of 12.50% on their total taxable profits. Tax losses of Cypriot companies are carried forward to reduce future profits for a period of five years. In addition, the Cypriot companies of the Group are subject to a 3% special contribution on rental income. Under certain conditions, interest income may be subject to special contribution at the rate of 30% (15% to 28 April 2013). In such cases, this interest is exempt from corporation tax.

In Greece, the corporation tax rate applicable to profits is 26%. Tax losses of Greek companies are carried forward to reduce future profits for a period of five years. In Turkey, the corporation tax rate is 20%. Tax losses of Turkish companies are carried forward to reduce future profits for a period of five years. In Croatia, the corporation tax rate is 20%. Tax losses of Croatian companies are carried forward to reduce future profits for a period of five years. The Group's subsidiary in the Dominican Republic has been granted a 100% exemption on local and municipal taxes by the Dominican Republic's CONFOTUR (Tourism Promotion Council), as at 31 December 2014, for a period of fifteen years, effective from the finalisation of the construction of the project, whereas as at 31 December 2013, the exemption period was ten years. In the Republic of Panama, the corporation tax rate is 25% and the capital gains tax rate is 10%. The Panamanian tax legislation further contemplates a method of taxation which involves a 3% advance on the tax, which is not calculated on the actual gain, but on the total value of the transfer or on the registered value of the property (whichever may be higher). In some instances, this 3% may be considered by the taxpayer as the final tax payable. Tax losses of companies in the Republic of Panama are carried forward to reduce future profits for a period of five years.

11. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of common shares outstanding during the year.

	From 1 January 2014 to 31 December 2014 '000	From 1 January 2013 to 31 December 2013 '000
Profit/(loss) attributable to owners of the Company (€)	21,639	(111,910)
Number of weighted average common shares outstanding	642,440	642,440
Basic earnings/(loss) per share (€)	**0.03**	**(0.17)**

Weighted average number of common shares outstanding

	From 1 January 2014 to 31 December 2014 '000	From 1 January 2013 to 31 December 2013 '000
Outstanding common shares at the beginning and end of the year	642,440	642,440
Weighted average number of common shares outstanding	**642,440**	**642,440**

DILUTED EARNINGS/(LOSS) PER SHARE

Diluted earnings/(loss) per share is calculated by adjusting the profit/(loss) attributable to owners and the number of common shares outstanding to assume conversion of all dilutive potential shares. During the year, the Company has one category of dilutive potential common shares: warrants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the warrants.

	From 1 January 2014 to 31 December 2014 '000	From 1 January 2013 to 31 December 2013 '000
Profit/(loss) attributable to owners of the Company (€)	21,639	(111,910)
Weighted average number of common shares outstanding	642,440	642,440
Effect of potential conversion of warrants	5,585	5,585
Weighted average number of common shares outstanding for diluted earnings/(loss) per share	648,025	648,025
Diluted earnings/(loss) per share (€)	**0.03**	**(0.17)**

The convertible bonds issued by the Company, are excluded from the calculation of diluted earnings/(loss) per share for the years ended 31 December 2014 and 2013 because they were not exercisable.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of warrants and convertible loans was based on quoted market prices.

12. INVESTMENT PROPERTY

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	423,791	422,204
Direct acquisitions	3,515	351
Transfers to property, plant and equipment (see note 13)	-	(7,232)
Transfers to trading properties (see note 14)	(5,568)	(9,115)
Direct disposals	(2,109)	(8)
Exchange difference	13,675	(5,014)
	433,304	401,186
Fair value adjustment	18,576	22,605
At end of year	**451,880**	**423,791**

As at 31 December 2014 and 31 December 2013, part of the Group's immovable property is held as security for bank loans (see note 20).

Fair value hierarchy

The fair value of investment property, amounted to €451,880 thousand has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows a reconciliation from opening to closing balances of Level 3 fair value.

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	423,791	422,204
Direct acquisitions	3,515	351
Direct disposals	(2,109)	(8)
Transfers to other assets	(5,568)	(16,347)
Gains/losses recognised in profit or loss		
Unrealised fair value adjustment in 'Valuation gain on investment property'	18,576	22,605
Gains/losses recognised in comprehensive income		
Unrealised exchange difference in "Foreign currency translation differences'	13,675	(5,014)
At end of year	451,880	423,791

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Property location	**Valuation technique (see note 3)**	**Significant unobservable inputs**		**Inter-relationship between key unobservable inputs and fair value measurement**
Property in Greece – Commercial Buildings	Income approach	Expected market rental growth: Void period (months): Occupancy rate: Risk-adjusted discount rate:	2014: 1.5% (2013: 1.5%) 2014: 3 (2013: 3) 2014: 95% (2013: 95%) 2014: 8% (2013: 8%)	The estimated fair value would increase/(decrease) if: 1. Expected market rental growth was higher/(lower); 2. Void period was shorter/(longer); 3. Occupancy rate was higher/(lower); 4. Risk-adjusted discount rate was lower/(higher).
Property in Greece	Combined approach (Market and Income)	Market approach (50%/60% weight) Premiums/(discounts) on the following: 1. Location: 2. Site size: 3. Asking vs transaction: 4. Frontage sea view: 5. Maturity/development potential: 6. Uniqueness 7. Weight allocation: 8. Buildings value per m2 *Income approach (50%/40% weight)* Room occupancy rate: Average daily rate per occupied room: Gross operating margin rate: Terminal capitalisation rate: Quantity of villas: Selling price per m2: Expected annual growth in selling price: Cash flow velocity (years): Risk-adjusted discount rate:	 2014: from -20% to +50% (2013: from -20% to +30%) 2014: from -40% to 0% (2013: from -20% to +10%) 2014: from -25% to 0% (2013: from -25% to 0%) 2014: from 0% to +40% (2013: from -5% to +40%) 2014: from -10% to +90% (2013: from -35% to +75%) 2014: +20% (2013: nil) 2014: from +5% to +25% (2013: from +5% to +25%) 2014: €903 (2013: €960) 2014: from 46% to 59% (weighted average: 54%) (2013: nil) 2014: from €880 to €1,720 (weighted average: €1,460) (2013: nil) 2014: from 27% to 34% (weighted average: 32%) (2013: nil) 2014: 10% (2013: nil) 2014: 35-446 (2013: 102-536) 2014: from €2,600 to €6,000 (2013: from €2,600 to €3,000) 2014: 0% to 5% (2013: 3%) 2014: 6 to 7 (2013: 7) 2014:13% to 16% (2013: 14% to 16%)	The estimated fair value would increase/(decrease) if: 1. Premiums were higher/(lower); 2. Discounts were lower/(higher); 3. Weights on comparables with premiums were higher/(lower); 4. Weights on comparables with discounts were lower/(higher); 5. Room occupancy rate was higher/(lower); 6. Average daily rate per occupied room was higher/(lower); 7. Gross operating margin was higher/(lower); 8. Terminal capitalisation rate was higher/(lower); 9. Quantity of villas was higher/(lower); 10. Selling price per m2 was higher/(lower); 11. Expected annual growth in selling price was higher/(lower); 12. Cash flow velocity was shorter/(longer); 13. Risk-adjusted discount rate was lower/(higher).

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Location:	2014: from -50% to +40%	1. Premiums were higher/(lower);
			(2013: from -50% to +50%)	2. Discounts were lower/(higher);
		2. Site size:	2014: from -40% to +10%	3. Weights on comparables with premiums were higher/(lower);
			(2013: from -40% to +40%)	4. Weights on comparables with discounts were lower/(higher).
		3. Asking vs transaction:	2014: from -30% to 0%	
			(2013: from -30% to 0%)	
		4. Frontage sea view:	2014: from -20% to +40%	
			(2013: from -20% to +40%)	
		5. Maturity/development potential:	2014: from -40% to +50%	
			(2013: from -40% to +50%)	
		6. Zoning uniqueness:	2014: from -38% to +40%	
			(2013: from -50% to +40%)	
		7. Other:	2014: -10% (2013: -10%)	
		8. Strategic investment approval:	2014: +15% (2013: +15%)	
		9. Weight allocation:	2014: from 0% to +60%	
			(2013: from +5% to +40%)	
Property in Cyprus	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Location:	2014: from -10% to +20%	1. Premiums were higher/(lower);
			(2013: from -10% to +20%)	2. Discounts were lower/(higher);
		2. Site size:	2014: from -30% to -20%	3. Weights on comparables with premiums were higher/(lower);
			(2013: from -30% to 0%)	4. Weights on comparables with discounts were lower/(higher).
		3. Asking vs transaction:	2014: from -20% to 0%	
			(2013: from -25% to 0%)	
		4. Frontage sea view:	2014: from 0% to +30%	
			(2013: from -20% to +30%)	
		5. Maturity/development potential:	2014: from -30% to -20%	
			(2013: from -30% to -20%)	
		6. Weight allocation:	2014: from +10% to +25%	
			(2013: from +5% to +25%)	
Property in Croatia	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Asking vs transaction:	2014: from -5% to 0%	1. Premiums were higher/(lower);
			(2013: from -10% to 0%)	2. Discounts were lower/(higher);
		2. Development potential:	2014: from -10% to -5%	3. Weights on comparables with premiums were higher/(lower);
			(2013: from -10% to +15%)	4. Weights on comparables with discounts were lower/(higher).
		3. Location/visibility:	2014: from -25% to 0%	
			(2013: 0%)	
		4. Zoning status:	2014: from -20% to +10%	
			(2013: from 0% to +10%)	
		5. Weight allocation:	2014: from +10% to +50%	
			2013: from +13% to +33%	

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Americas	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Location:	2014: from -35% to +45%	1. Premiums were higher/(lower);
			(2013: from -35% to +45%)	2. Discounts were lower/(higher);
		2. Site size:	2014: from -60% to +60%	3. Weights on comparables with premiums were higher/(lower);
			(2013: from -60% to +75%)	4. Weights on comparables with discounts were lower/(higher).
		3. Asking vs transaction:	2014: from -75% to +10%	
			(2013: from -75% to +25%)	
		4. Frontage sea view:	2014: from -35% to +55%	
			(2013: from -30% to +35%)	
		5. Development potential:	2014: from -95% to +65%	
			(2013: from -95% to +60%)	
		6. Condition quality:	2014: from -20% to +45%	
			(2013: from -20% to +45%)	
		7. Weight allocation:	2014: from +5% to +90%	
			(2013: from +10% to +70%)	
	Combined approach (Market and Income)	*Market approach (50% weight)*		
		Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Location:	2014: from -35% to +10% (2013: nil)	1. Premiums were higher/(lower);
		2. Site size:	2014: from -30% to -10% (2013: nil)	2. Discounts were lower/(higher);
		3. Asking vs transaction:	2014: from -65% to -10% (2013: nil)	3. Weights on comparables with premiums were higher/(lower);
		4. Frontage sea view:	2014: from -30% to +35% (2013: nil)	4. Weights on comparables with discounts were lower/(higher);
		5. Development potential:	2014: from +25% to +45% (2013: nil)	5. Room occupancy rate was higher/(lower);
		6. Condition quality:	2014: from 0% to +5% (2013: nil)	6. Average daily rate per occupied room was higher/(lower);
		7. Weight allocation:	2014: from +40% to +60% (2013: nil)	7. Gross operating margin was higher/(lower);
		Income approach (50% weight)		8. Terminal capitalisation rate was higher/(lower);
		Room occupancy rate:	2014: from +40% to +55%	9. Quantity of villas was higher/ (lower);
			(weighted average: 52%) (2013: nil)	10. Selling price per m^2 was higher/(lower);
		Average daily rate per occupied room:	2014: from US$1,200 to US$1,890	11. Expected annual growth in selling price was higher/(lower);
			(weighted average: US$1,570)	12. Cash flow velocity was shorter/(longer);
			(2013: nil)	13. Risk-adjusted discount rate was lower/(higher).
		Gross operating margin rate:	2014: from 36% to 52%	
			(weighted average: 49%) (2013: nil)	
		Terminal capitalisation rate:	2014: 9% (2013: nil)	
		Quantity of villas:	2014: 36 (2013: nil)	
		Selling price per m^2:	2014: from US$5,000 to US$9,000	
			(2013: nil)	
		Expected annual growth in selling price:	2014: 0% (2013: nil)	
		Cash flow velocity (years):	2014: 7 (2013: nil)	
		Risk-adjusted discount rate:	2014: 15% (2013: nil)	

13. PROPERTY, PLANT AND EQUIPMENT

	Under construction €'000	Land & buildings €'000	Machinery & equipment €'000	Other €'000	Total €'000
2014					
Cost or revalued amount					
At beginning of year	8,180	147,340	6,626	2,148	164,294
Direct acquisitions of property, plant and equipment	19,232	3,458	673	99	23,462
Capitalised depreciation	133	-	-	-	133
Direct disposal of property, plant and equipment	-	-	(8)	(105)	(113)
Transfer from/(to) other assets	2,303	(14,140)	5,404	191	(6,242)
Revaluation adjustment	-	6,322	-	-	6,322
Exchange difference	1,425	3,846	992	173	6,436
At end of year	31,273	146,826	13,687	2,506	194,292
Depreciation and impairment losses					
At beginning of year	-	17,221	2,452	1,017	20,690
Direct disposal of property, plant and equipment	-	-	(9)	(54)	(63)
Transfer from/(to) other assets	-	(6,676)	438	(4)	(6,242)
Depreciation charge for the year	-	2,084	904	251	3,239
Capitalised depreciation	-	56	-	77	133
Impairment loss	-	13	-	-	13
Reversal of impairment loss	-	(670)	-	-	(670)
Exchange difference	-	74	256	97	427
At end of year	-	12,102	4,041	1,384	17,527
Carrying amounts	**31,273**	**134,724**	**9,646**	**1,122**	**176,765**

	Under construction €'000	Land & buildings €'000	Machinery & equipment €'000	Other €'000	Total €'000
2013					
Cost or revalued amount					
At beginning of year	389	131,175	5,604	2,015	139,183
Direct acquisitions of property, plant and equipment	7,808	16,508	1,089	200	25,605
Transfers from investment property (see note 12)	-	7,232	-	-	7,232
Capitalised depreciation	-	258	-	-	258
Direct disposal of property, plant and equipment	-	(7)	-	-	(7)
Revaluation adjustment	-	(6,911)	-	-	(6,911)
Exchange difference	(17)	(915)	(67)	(67)	(1,066)
At end of year	8,180	147,340	6,626	2,148	164,294
Depreciation and impairment losses					
At beginning of year	-	18,085	1,699	727	20,511
Revaluation adjustment	-	(2,628)	-	-	(2,628)
Depreciation charge for the year	-	1,591	729	127	2,447
Capitalised depreciation	-	-	70	188	258
Impairment loss	-	342	-	-	342
Reversal of impairment loss	-	(117)	-	-	(117)
Exchange difference	-	(52)	(46)	(25)	(123)
At end of year	-	17,221	2,452	1,017	20,690
Carrying amounts	**8,180**	**130,119**	**4,174**	**1,131**	**143,604**

The carrying amount at year end of land and buildings, if the cost model was used, would have been €108 million (2013: €104 million).

As at 31 December 2014 and 31 December 2013, part of the Group's immovable property is held as security for bank loans (see note 20).

Fair value hierarchy

The fair value of land and buildings, amounted to €134,724 thousand (2013: €130,119 thousand) has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows a reconciliation from opening to closing balances of Level 3 fair value.

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	130,119	113,090
Direct acquisitions, including capitalised depreciation	3,402	16,766
Direct disposals	-	(7)
Transfers (to)/from other assets	(7,464)	7,232
Losses recognised in profit or loss		
Impairment loss in 'Impairment loss on property, plant and equipment'	(13)	(342)
Reversal of impairment loss in 'Reversal of impairment loss on property, plant and equipment'	670	117
Depreciation in 'Depreciation charge'	(2,084)	(1,591)
Losses recognised in comprehensive income		
Revaluation adjustment in 'Revaluation on property, plant and equipment'	6,322	(4,283)
Unrealised exchange difference in 'Foreign currency translation differences'	3,772	(863)
At end of year	134,724	130,119

The following table shows the valuation techniques used in measuring the fair value of property, plant and equipment, as well as the significant unobservable inputs used.

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece – Commercial Buildings	Income approach	Risk-adjusted discount rate: Expected market rental growth:	2014: 8% (2013: 8%) 2014: 1.5% (2013: 1.5%)	The estimated fair value would increase/(decrease) if: 1. Risk-adjusted discount rate was lower/(higher); 2. Expected market rental growth was higher/(lower).
Property in Greece	Income approach	Room occupancy rate:	2014: from 26% to 57% (weighted average: 38%-56%) (2013: from 31% to 57% (weighted average: 40%-56%)	The estimated fair value would increase/(decrease) if: 1. Room occupancy rate was higher/(lower); 2. Average daily rate per occupied room was higher/(lower); 3. Gross operating margin was higher/(lower); 4. Risk-adjusted discount rate was lower/(higher); 5. Terminal capitalisation rate was higher/(lower).
		Average daily rate per occupied room:	2014: from €397 to €1,750 (weighted average: €470-€1,500) (2013: from €397 to €1,826 (weighted average: €474-€1,663)	
		Gross operating margin rate:	2014: from 25% to 47% (weighted average: 35%-44%) (2013: from 26% to 47% (weighted average: 30%-44%)	
		Risk-adjusted discount rate:	2014: from 11% to 13% (2013: from 11% to 14%)	
		Terminal capitalisation rate:	2014: from 8% to 9% (2013: from 9% to 10%)	
	Combined approach (Market and Cost)	Market approach (for land components) Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if: 1. Premiums were higher/(lower); 2. Discounts were lower/(higher); 3. Weights on comparables with premiums were higher/(lower); 4. Weights on comparables with discounts were lower/(higher); 5. Replacement cost (new) per m2 was higher/(lower); 6. Enterpreneurial profit rate was higher/(lower); 7. Depreciation rate was lower/(higher).
		1. Location:	2014: from -20% to +30% (2013:from -20% to +30%)	
		2. Site size:	2014: from -20% to +20% (2013: from -20% to +20%)	
		3. Asking vs transaction:	2014: from -20% to 0% (2013: from -20% to 0%)	
		4. Frontage sea view:	2014: from -20% to +20% (2013: from -20% to +20%)	
		5. Maturity/development potential:	2014: from -40% to +25% (2013: from -50% to +25%)	
		6. Strategic investment approval:	2014:15% (2013:15%)	
		7. Weight allocation:	2014: from +10% to +25% (2013: from +10% to +25%)	
		Cost approach (for building components)		
		Replacement cost (new) per m2:	2014: €500 - €1,710 (2013: €500 - €2,023)	
		Enterpreneurial profit rate:	2014: 20% (2013: 20%)	
		Depreciation rate:	2014: 2.5%-28% (2013: 2.5%-27%)	
		Useful life (years):	2014: 40-60 (2013: 40-60)	

Property location	Valuation technique (see note 3)	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Property in Americas	Market approach	Premiums/(discounts) on the following: 1. Location: 2014: from -35% to +10% (2013: from -35% to +10%) 2. Site size: 2014: from -30% to +60% (2013: from -30% to +60%) 3. Asking vs transaction: 2014: from -65% to -10% (2013: from -65% to -10%) 4. Frontage sea view: 2014: from -30% to +55% (2013: from -30% to +55%) 5.Development potential: 2014: from -70% to +35% (2013: from -75% to +30%) 6. Condition quality: 2014: from 0% to +10% (2013: from 0% to +10%) 7. Weight allocation: 2014: from +15% to +65% (2013: from +15% to +65%)	The estimated fair value would increase/(decrease) if: 1. Premiums were higher/(lower); 2. Discounts were lower/(higher); 3. Weights on comparables with premiums were higher/(lower); 4. Weights on comparables with discounts were lower/(higher).
	Combined approach (Market and Income)	Market approach (50% weight) Premiums/(discounts) on the following: 1. Location: 2014: from -35% to +10% (2013: nil) 2. Site size: 2014: from -30% to -10% (2013: nil) 3. Asking vs transaction: 2014: from -65% to -10% (2013: nil) 4. Frontage sea view: 2014: from -30% to +35% (2013: nil) 5. Development potential: 2014:from +25% to +45% (2013: nil) 6. Condition quality: 2014: from 0% to +5% (2013: nil) 7. Weight allocation: 2014: from +40% to +60% (2013: nil) Income approach (50% weight) Room occupancy rate: 2014: from 40% to 55% (weighted average: 52%) (2013: nil) Average daily rate per occupied room: 2014: from US$1,200 to US$1,890 (weighted average US$1.570) (2013: nil) Gross operating margin rate: 2014: from 36% to 52% (weighted average 49%) (2013: nil) Terminal capitalisation rate: 2014: 9% (2013: nil) Quantity of villas: 2014: 36 (2013: nil) Selling price per m2: 2014: from US$5,000 to US$9,000 (2013: nil) Expected annual growth in selling price: 2014: 0% (2013: nil) Cash flow velocity (years): 2014: 7 (2013: nil) Risk-adjusted discount rate: 2014: 15% (2013: nil)	The estimated fair value would increase/(decrease) if: 1. Premiums were higher/(lower); 2. Discounts were lower/(higher); 3. Weights on comparables with premiums were higher/(lower); 4. Weights on comparables with discounts were lower/(higher); 5. R occupancy rate was higher/(lower); 6. Average daily rate per occupied room was higher/(lower); 7. Gross operating margin was higher/(lower); 8. Terminal capitalisation rate was higher/(lower); 9. Quantity of villas was higher/ (lower); 10. Selling price per m^2 was higher/(lower); 11. Expected annual growth in selling price was higher/(lower); 12. Cash flow velocity was shorter/(longer); 13. Risk-adjusted discount rate was lower/(higher).

14. TRADING PROPERTIES

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	64,524	38,732
Net direct (disposals)/additions	(4,510)	16,869
Net transfers from investment property (see note 12)	5,568	9,115
Disposals through disposal of subsidiary company (see note 26)	(7,252)	-
Impairment loss	(6,216)	(970)
Reversal of impairment loss	-	778
Exchange difference	209	-
At end of year	**52,323**	**64,524**

As at 31 December 2014 and 31 December 2013, part of the Group's immovable property is held as security for bank loans (see note 20).

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

On 15 July 2013, the Company acquired 9.6 million shares, equivalent to 10% of Itacare's share capital, for the amount of €1.9 million. Itacare is a real estate investment company that was listed on AIM until 16 May 2014, when the admission of its ordinary shares to trading on AIM was cancelled following a decision of its shareholders at the Extraordinary General Meeting that took place on 6 May 2014.

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	2,265	-
Additions	-	1,944
Net change in fair value	(64)	321
At end of year	**2,201**	**2,265**

Fair value hierarchy

The fair value of available-for-sale financial assets, on Itacare's de-listing date, was transferred from Level 1 to Level 3 at the fair value hierarchy.

16. EQUITY ACCOUNTED INVESTEES

	DCI Holdings Two Limited ('DCI H2') €'000	Single Purpose Vehicle Five Limited ('SPV5') €'000	Progressive Business Advisors S.A. €'000	DCI Holdings Fifty Limited ('DCI H50') €'000	Total €'000
Balance as at 1 January 2014	179,420	1,418	24	-	180,862
Initial cost of investment (see note 26)	-	-	-	1,972	1,972
Additions	-	1,116	-	-	1,116
Profit on dilution	-	-	-	149	149
Share of profits/(losses), net of tax	52,574	(2,534)	-	106	50,146
Share of revaluation deficit	(22)	-	-	-	(22)
Balance as at 31 December 2014	**231,972**	**-**	**24**	**2,227**	**234,223**
Balance as at 1 January 2013	256,150	1,722	24	-	257,896
Share of losses, net of tax	(76,935)	(304)	-	-	(77,239)
Share of revaluation surplus	205	-	-	-	205
Balance as at 31 December 2013	**179,420**	**1,418**	**24**	**-**	**180,862**

The details of the above investments are as follows:

Name	Principal place of business/Country of incorporation	Principal activities	Shareholding interest 2014	Shareholding interest 2013
DCI H2	BVIs	Acquisition and holding of investments in Cyprus	50%	50%
SPV5	Cyprus	Acquisition and holding of investments in Greece	25%	25%
Progressive Business Advisors S.A.	Greece	Provision of professional services to Group companies	20%	20%
DCI H50	BVIs	Provision of loan to Group's associate	25%	-

The above shareholding interest percentages are rounded to the nearest integer.

During the year, the Company's investment in its equity accounted investee, DCI H2, increased by €52,552 thousand, compared to the decrease of €76,730 thousand during the year 2013. DCI H2's equity fluctuations for both periods relate to revaluation gains and losses on its property land bank. The decrease recognised in 2013 was principally driven by the reduction in value of the Venus Rock project, whose fair value had been adjusted to reflect the purchase price agreed with China Glory Investment Group ('CGIG'). Considering the fact that the agreement with CGIG was eventually terminated on 10 June 2014, the property of Venus Rock was revalued during the year based on a valuation by independent professional valuers carried out with an effective date 31 December 2014.

The valuation techniques and significant unobservable inputs used are shown below:

Property description	**Valuation technique**	**Significant unobservable inputs**		**Inter-relationship between key unobservable inputs and fair value measurement**
Golf courses and development land, Paphos, Cyprus	Income approach	Selling price per m²: Expected annual growth in selling price: Cash flow velocity (years): Risk-adjusted discount rate:	from €2,800 to €3,500 1% to 3% 12 and 13 12.5% to 12.9%	The estimated fair value would increase/(decrease) if: • Selling price per m² was higher/(lower); • Expected annual growth in selling price was higher/(lower); • Cash flow velocity was shorter/(longer); • Risk-adjusted discount rate was lower/(higher).
Beachfront land, Paphos, Cyprus	Market Approach	Premiums/(discounts) on the following: Location: Site size: Asking vs transaction: Frontage sea view: Maturity/development potential: Building permit: Weight allocation:	 from -30% to 0% from -20% to 0% from -15% to 0% from -30% to 0% from 0% to +30% from 0% to +30% from +20% to +30%	The estimated fair value would increase/(decrease) if: • Premiums were higher/(lower); • Discounts were lower/(higher); • Weights on comparables with premiums were higher/(lower); • Weights on comparables with discounts were lower/(higher).
Agricultural land, Paphos, Cyprus	Market Approach	Premiums/(discounts) on the following: Location: Site size: Asking vs transaction: Frontage sea view: Maturity/development potential: Weight allocation:	 from 0% to +20% -50% from -25% to -10% from 0% to +20% from -20% to 0% from +25% to +40%	The estimated fair value would increase/(decrease) if: • Premiums were higher/(lower); • Discounts were lower/(higher); • Weights on comparables with premiums were higher/(lower); • Weights on comparables with discounts were lower/(higher).
Residential land, Paphos, Cyprus	Combined approach (Market and Income)	*Market approach (50% weight)* Premiums/(discounts) on the following: Long availability in the market: *Income approach (50% weight)* Selling price per m²: Expected annual growth in selling price: Cash flow velocity (years): Risk-adjusted discount rate: *Premiums/(discounts) on combined approach value:* Location, maturity, size:	 -5% €3,000 0% and 3% 8 12.1% from -50% to -10%	The estimated fair value would increase/(decrease) if: • Premiums were higher/(lower); • Discounts were lower/(higher); • Selling price per m² was higher/(lower); • Expected annual growth in selling price was higher/(lower); • Cash flow velocity was shorter/(longer); • Risk-adjusted discount rate was lower/(higher).
Other Venus Rock land, Paphos, Cyprus	Combined approach (Market and Income)	*Market approach (50% weight)* Premiums/(discounts) on the following: Long availability in the market: *Income approach (50% weight)* Selling price per m²: Expected annual growth in selling price: Cash flow velocity (years): Risk-adjusted discount rate:	 -5% €3,000 0% to 3% 8 12.1%	The estimated fair value would increase/(decrease) if: • Discounts were lower/(higher); • Selling price per m² was higher/(lower); • Expected annual growth in selling price was higher/(lower); • Cash flow velocity was shorter/(longer); • Risk-adjusted discount rate was lower/(higher).

The extended recession in Cyprus and the CGIC agreement terms not allowing the company to market its Venus Rock property have necessitated the restructuring of DCI H2 bank loans. Namely, DCI H2, has recently completed some bank loan restructurings, rescheduling its loan repayments over a longer period and reducing its debt service obligations for 2015 and 2016, whereas it is under negotiations with three more banks. Also it is in final stage discussions aiming to reach an agreement to restructure its respective loan facilities with its major bank lender. DCI H2's bank loans are fully secured, primarily with mortgages against immovable property of its subsidiaries. There are no floating charges relating to these bank loans.

Following the termination of the agreement with CGIC, DCI H2 continues taking actions for the disposal of Venus Rock project. If the plans of divestiture of the Venus Rock project do not materialise, and DCI H2 does not secure funds from its subsidiaries or other sources to service its banking debt, the lending institutions would be entitled to exercise the securities they hold against the relevant properties. In such situation, the timing of these disposals and the eventual disposal proceeds cannot be forecasted and could have a significant impact on the Company's investment in DCI H2. However, such a situation is considered remote by DCI H2 and the Company's management.

As of 31 December 2014, Aristo, DCI H2's largest subsidiary, had a total of €2.4 million (2013: €2.4 million) contractual capital commitments on property, plant and equipment and a total of €44 million (2013: €45 million) bank guarantees arising in the ordinary course of its business. Aristo's management does not anticipate any material liability to arise from these contingent liabilities. In addition, 1,500 shares out of 4,975 shares that the Company holds in DCI H2 are pledged as a security against Group's bank loans (see note 20).

SPV5 had a total of €778 thousand (2013: €5.1 million) contractual capital commitments on property, plant and equipment. In addition, all 2,500 shares hold by the Company in SPV5 are pledged as a security against a loan of SPV5 (see note 20).

Summary of financial information for equity accounted investees as at and for the years ended 31 December 2014 and 31 December 2013, not adjusted for the percentage ownership held by the Group:

	DCI H2 €'000	SPV5 €'000	Progressive Business Advisors S.A. €'000	DCI H50 €'000	Total €'000
2014					
Current assets	235,352	7,340	212	6	242,910
Non-current assets	747,722	12,090	2	8,900	768,714
Total assets	**983,074**	**19,430**	**214**	**8,906**	**1,011,624**
Current liabilities	210,121	8,467	96	-	218,684
Non-current liabilities	306,678	13,023	-	-	319,701
Total liabilities	**516,799**	**21,490**	**96**	**-**	**538,385**
Net assets/(liabilities)	**466,275**	**(2,060)**	**118**	**8,906**	**473,239**
Carrying amount of interest in associate	**231,972**	**-**	**24**	**2,227**	**234,223**
Revenues	175,137	810	-	500	176,447
Profit/(loss)	105,676	(12,194)	-	500	93,982
Other comprehensive income	(44)	-	-	-	(44)
Total comprehensive income	**105,632**	**(12,194)**	**-**	**500**	**93,938**
Group's share of profit/(loss) and total comprehensive income	**52,552**	**(2,534)**	**-**	**106**	**50,124**
2013					
Current assets	221,469	10,099	212	-	231,780
Non-current assets	630,273	11,400	2	-	641,675
Total assets	**851,742**	**21,499**	**214**	**-**	**873,455**
Current liabilities	186,022	10,571	96	-	196,689
Non-current liabilities	305,076	5,258	-	-	310,334
Total liabilities	**491,098**	**15,829**	**96**	**-**	**507,023**
Net assets	**360,644**	**5,670**	**118**	**-**	**366,432**
Carrying amount of interest in associate	**179,420**	**1,418**	**24**	**-**	**180,862**
Revenues	29,786	-	455	-	30,241
(Loss)/profit	(154,643)	(1,217)	1	-	(155,859)
Other comprehensive income	411	-	-	-	411
Total comprehensive income	**(154,232)**	**(1,217)**	**1**	**-**	**(155,448)**
Group's share of loss and total comprehensive income	**(76,730)**	**(304)**	**-**	**-**	**(77,034)**

17. RECEIVABLES AND OTHER ASSETS

	31 December 2014 €'000	31 December 2013 €'000
Trade receivables	283	339
Amount receivable from Archimedia Holdings Corp. ('Archimedia')(see note 25.4)	415	1,509
VAT receivables	6,206	7,676
Other receivables	10,807	11,032
Total trade and other receivables (see note 28)	17,711	20,556
Prepayments and other assets	3,427	8,400
Total	**21,138**	**28,956**

18. CASH AND CASH EQUIVALENTS

	31 December 2014 €'000	31 December 2013 €'000
Bank balances (see note 28)	30,952	7,075
Cash in hand	26	25
Total	**30,978**	**7,100**

The Group during the period had no fixed deposits. The average interest rate on the fixed deposit balances for the year ended 31 December 2013 was 0.495%.

As at 31 December 2014, the amount of €5 million and €18.9 million (US$22.9 million) received through Colony Luxembourg S.a.r.l and Melody Business Finance LLC loan facilities are restricted for use only towards the development of Amanzoe and Playa Grande projects, respectively. In addition, funds in bank accounts of certain Group companies are pledged as a security for loans (see note 20).

19. CAPITAL AND RESERVES

Capital

Authorised share capital

	31 December 2014		31 December 2013	
	'000 of shares	€'000	'000 of shares	€'000
Common shares of €0.01 each	2,000,000	20,000	2,000,000	20,000

Movement in share capital and premium

	Shares in '000	Share capital €'000	Share premium €'000
Capital at 1 January 2013 and 31 December 2014	**642,440**	**6,424**	**498,933**

Warrants

In December 2011, the Company raised €8.5 million through the issue of new shares at GBP 0.27 per share (with warrants attached to subscribe for additional Company shares equal to 25% of the aggregate value of the new shares at the price of GBP 0.317 per share, subject to anti-dilution adjustments pursuant to the warrant's terms and conditions – initial price of GBP 0.35 per share). The warrant holders can exercise their subscription rights within five years from the admission date. The number of shares to be issued on exercise of their rights will be determined based on the subscription price on the exercise date.

Reserves

Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in fair value of available-for-sale financial assets until the assets are derecognised or impaired, and the revaluation of property, plant and equipment from both subsidiaries and equity accounted investees, net of any deferred tax.

20. LOANS AND BORROWINGS

	Total		Within one year		Within two to five years		More than five years	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Loans in euro	111,562	76,390	20,943	11,619	23,986	32,550	66,633	32,221
Loans in United States dollars	43,128	10,982	2,984	1,902	10,009	7,760	30,135	1,320
Bank overdrafts in euro	2,239	2,239	2,239	2,239	-	-	-	-
Convertible bonds payable	83,160	79,193	-	-	83,160	79,193	-	-
Total	**240,089**	**168,804**	**26,166**	**15,760**	**117,155**	**119,503**	**96,768**	**33,541**

Terms and Conditions

The terms and conditions of outstanding loans were as follows:

Description	Currency	Interest rate	Maturity dates	31 December 2014 €'000	31 December 2013 €'000
Secured loans	Euro	Euribor plus margins ranging from 5% to 6.5%	From 2015 to 2026	49,474	52,936
Secured loans	Euro	Basic rate plus margins ranging from 1.5% to 2.25%	From 2015 to 2022	19,897	19,849
Secured loans	Euro	Fixed rates ranging from 7.9% to 11%	From 2016 to 2020	42,191	3,605
Secured loans	United States Dollars	Libor plus margins ranging from 2% to 8%	From 2017 to 2020	43,128	10,982
Unsecured bank overdraft	Euro	9.05%	On demand	2,239	2,239
Convertible bonds payable	Euro	5.50%	2018	50,000	50,000
Convertible bonds payable	United States Dollars	7%	From 2016 to 2018	33,160	29,193
Total interest-bearing liabilities				**240,089**	**168,804**

Securities

As at 31 December 2014, the Group's loans and borrowings were secured as follows:

- Mortgage against immovable property of the subsidiary in Dominican Republic, PGH, with a carrying amount of €36.2 million (2013: €27.3 million).
- Mortgage against the immovable property of the Croatian subsidiary, Azurna, with a carrying amount of €32.2 million (2013: €34 million), two promissory notes and a debenture note.
- Mortgage against immovable property of the Turkish subsidiary, Kalkan Yapi ve Turizm A.S., with a carrying amount of €8.7 million (2013: €8.7 million). As at 31 December 2013, there was also a mortgage against immovable property of Pasakoy Yapi ve Turism A.S., a Turkish subsidiary disposed of, with a carrying amount of €11.4 million.
- Mortgage against the immovable property of the Cypriot subsidiary, Symboula Estates Limited, with a carrying amount of €41.2 million (2013: €43.6 million).
- Mortgage against immovable property of the Cypriot associate, Aristo, amounting to €2.8 million (2013: €2.8 million).
- First and second prenotations of mortgage against immovable property of the Greek subsidiary, Aristo Developers S.A., with a carrying amount of €1.4 million (2013: €1.5 million), and a prenotation of mortgage against immovable property of the same entity, with a carrying amount of €7.9 million (2013: €7.8 million).
- Lien up to €41.6 million on immovable properties of the Greek subsidiaries of The Porto Heli project with a carrying amount of €178 million (2013: €176 million).
- Pledge of 1,500 shares of DCI H2 for Symboula Estates Limited bank loans and all shares of SPV 5 for SPV 5 loan facility received from DCI H50 (2013: pledge of 1, 500 shares of DCI H2) (see note 16).
- Pledge of 4,495 shares of the Cypriot subsidiary, DCI 14, and all shares of six Cypriot and Greek subsidiaries of Amanzoe project for DCI 14 loan received from Colony Luxembourg S.a.r.l. acting on behalf of managed funds.
- Pledge of all shares of PGH, its subsidiary, Playa Grande Golf Resort Inc., and its parent, DCA Holdings Seven Limited for the loan received by DCA Holdings Seven Limited's parent, DCA Holdings Six Limited, from Melody Business Finance LLC, acting as administrative agent of a group of lenders.
- Fixed and floating charges over the rights, titles and interests of DCI 14 and three Cypriot subsidiaries of Amanzoe project, charge over their bank accounts and assignment of their intra-group receivables for the loan from Colony Luxembourg S.a.r.l.
- Pledge over the net loan proceeds related to the loan through Melody Business Finance LLC.
- Pledge over funds in bank accounts of PGH and its subsidiary, Playa Grande Golf Resort Inc., pledge over rights under insurance policies, conditioned assignment over operation and promissory notes for disbursements in connection with Playa Grande Golf Resort Inc. bank loan.
- Corporate guarantees by DCI Holdings One Limited for the serving of the bank loans of Cypriot subsidiary, Symboula Estates Limited, amounting to €21.3 million (2013: €21.3 million).
- Corporate guarantee by the Company on PGH group bank loan and convertible bonds issued in 2011, as at 31 December 2014 and 31 December 2013.
- Guarantee by Dolphin Capital Americas Limited, the parent of DCA Holdings Six Limited, on the payment and performance of guaranteed obligations in connection with the loan from Melody Business Finance LLC.

Convertible bonds payable

On 5 April 2013, the Company issued 5,000 bonds (the 'Euro Bonds') at €10 thousand each, bearing interest of 5.5% per annum, payable semi-annually, and maturing on 5 April 2018.

On 23 April 2013, the Company issued 917 bonds (the 'US$ Bonds') at US$10 thousand each, bearing interest of 7% per annum, payable semi-annually, and maturing on 23 April 2018.

The Euro Bonds and the US$ Bonds may be converted prior to maturity (unless earlier redeemed or repurchased) at the option of the holder into common shares of €0.01 each. The initial conversion price is €0.5737 (representing GBP 0.50 per share converted into euro at the fixed exchange rate of GBP 1.00:€1.1474) and US$0.6717 (representing GBP 0.45 per share converted into United States dollars at the fixed exchange rate of GBP 1.00:US$1.4928) per share for the Euro Bonds and the US$ Bonds, respectively.

The Euro Bonds and the US$ Bonds are not publicly traded.

Part of the bonds, amounting to €41,004 thousand, was subscribed by Third Point LLC, a significant shareholder of the Company (see note 25.5).

On 29 March 2011, DCI H7 issued 4,000 bonds at US$10 thousand each, bearing interest of 7% per annum, payable semi-annually, and maturing on 29 March 2016. The bonds are trading on the Open Market of the Frankfurt Stock Exchange (the freiverkehr market) under the symbol 12DD. On 23 April 2013, the Company purchased 891 bonds at a consideration of US$10 thousand each (representing their par value) plus corresponding accrued interest of approximately US$200 thousand using the funds received from the issue of the US$ Bonds.

Bonds may be converted prior to maturity (unless earlier redeemed or repurchased) at the option of the holder into Company's common shares of €0.01 each for a conversion price of US$0.7239, equivalent of GBP 0.453, subject to anti-dilution adjustments pursuant to the bond's terms and conditions (initial conversion price GBP 0.50). The number of shares to be issued on exercise of a conversion right shall be determined by dividing the principal amount of the bonds to be converted by the conversion price in effect on the relevant conversion date.

At the option of bondholders:

(i) some or all of the principal amount of the bonds held by a bondholder may be repurchased by the issuer; and

(ii) the consideration for such repurchase shall be the transfer by the Company to the bondholder of land plot(s) at the issuer's Playa Grande Aman development in the Dominican Republic.

21. DEFERRED TAX ASSETS AND LIABILITIES

	31 December 2014		31 December 2013	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Balance at the beginning of the year	4,230	(56,610)	3,384	(45,454)
From disposal of subsidiary (see note 26)	(1,162)	-	-	-
Recognised in profit or loss (see note 10)	(510)	2,218	1,427	(12,393)
Recognised in other comprehensive income (see note 10)	-	(555)	-	1,118
Exchange difference and other	(1)	(233)	(581)	119
Balance at the end of the year	**2,557**	**(55,180)**	**4,230**	**(56,610)**

Deferred tax assets and liabilities are attributable to the following:

	31 December 2014		31 December 2013	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Revaluation of investment property	-	(45,160)	-	(45,452)
Revaluation of trading properties	-	(2,394)	-	(4,723)
Revaluation of property, plant and equipment	-	(8,374)	-	(6,180)
Other temporary differences	-	748	-	(255)
Tax losses	2,557	-	4,230	-
Total	**2,557**	**(55,180)**	**4,230**	**(56,610)**

22. FINANCE LEASE OBLIGATIONS

	31 December 2014			31 December 2013		
	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000
Less than one year	529	62	467	502	79	423
Between two and five years	1,738	227	1,511	1,773	293	1,480
More than five years	9,168	3,051	6,117	11,665	5,127	6,538
Total	**11,435**	**3,340**	**8,095**	**13,940**	**5,499**	**8,441**

The major finance lease obligations comprise leases in Greece with 99-year lease terms.

23. TRADE AND OTHER PAYABLES

	31 December 2014 €'000	31 December 2013 €'000
Trade payables	349	514
Land creditors	24,989	24,251
Prepayments from clients	17,893	7,178
Investment Manager fees payable (see note 25.2)	467	467
Payable to the former controlling shareholder of PGH project (see note 25.4)	565	498
Other payables and accrued expenses	17,796	20,207
Total	**62,059**	**53,115**

24. NAV PER SHARE

	31 December 2014 '000	31 December 2013 '000
Total equity attributable to owners of the Company (€)	557,448	523,672
Number of common shares outstanding at end of year	642,440	642,440
NAV per share (€)	**0.87**	**0.82**

25. RELATED PARTY TRANSACTIONS

25.1 Directors of the Company

Miltos Kambourides is the founder and managing partner of the Investment Manager.
The interests of the Directors, all of which are beneficial, in the issued share capital of the Company as at 31 December 2014 were as follows:

	Shares '000
Miltos Kambourides (indirect holding)	65,081
Roger Lane-Smith	60
Andreas Papageorghiou	5

Save as disclosed, none of the Directors had any interest during the period in any material contract for the provision of services which was significant to the business of the Group.

On 30 May 2013, David B. Heller acquired convertible Euro Bonds of €2,050 thousand par value that may be converted prior to maturity into 3,573,296 common Company shares of €0.01 each.

25.2 Investment Manager fees

Annual fees

The Investment Manager is entitled to an annual management fee of 2% of the equity funds defined as follows:

- €890 million; plus
- The gross proceeds of further equity issues, other than the funds raised in respect of the proceeds of the equity issues as at 25 October 2012 and 30 December 2011; plus
- Realised net profits less any amounts distributed to shareholders.

The equity funds as at 31 December 2014 comprised €681 million.
In addition, the Company shall reimburse the Investment Manager for any professional fees or other costs incurred on behalf of the Company for the provision of services or advice.
Management fees for the years ended 31 December 2014 and 31 December 2013 amounted to €13,671 thousand and €13,780 thousand, respectively.

Performance fees

The Investment Manager is entitled to a performance fee based on the net profits made by the Company, subject to the Company receiving the 'Relevant Investment Amount' which is defined as an amount equal to:

i The total cost of the investment reduced on a pro rated basis by an amount of €160.1 million*; plus

ii a hurdle amount equal to an annualised percentage return equal to the average one-month Euribor rate applicable in the period commencing from the month when the relevant cost is incurred compounded for each year or fraction of a year during which such investment is held (the 'Hurdle'); plus

iii a sum equal to the amount of any realised losses and/or write-downs in respect of any other investment which has not already been taken into account in determining the Investment Manager's entitlement to a performance fee.

In the event that the Company has received distributions from an investment equal to the Relevant Investment Amount, any subsequent net profits arising shall be distributed in the following order or priority:

i 60% to the Investment Manager and 40% to the Company until the Investment Manager shall have received an amount equal to 20% of such profits; and

ii 80% to the Company and 20% to the Investment Manager, such that the Investment Manager shall receive a total performance fee equivalent to 20% of the net profits.

* The total cost of investment was reduced in April 2014 by €7.6 million, as compared to the base reduction of €167.7 million, to reflect the loss incurred by the Company through the Pasakoy Yapi ve Turizm A.S. ('Pasakoy') sale transaction, as calculated in accordance with the Investment Management Agreement provisions and definitions.

The performance fee payment is subject to the following escrow and clawback provisions: **Escrow**

The following table displays the current escrow arrangements:

Escrow	Terms
Up to €109 million returned	50% of overall performance fee held in escrow
Up to €109 million plus the cumulative hurdle returned	25% of any performance fee held in escrow
After the return of €409 million post-hurdle, plus the return of €225 million post-hurdle	All performance fees released from escrow

Clawback

If on the earlier of (i) disposal of the Company's interest in a relevant investment or (ii) 1 August 2020, the proceeds realised from that investment are less than the Relevant Investment Amount, the Investment Manager shall pay to the Company an amount equivalent to the difference between the proceeds realised and the Relevant Investment Amount. The payment of the clawback is subject to the maximum amount payable by the Investment Manager not exceeding the aggregate performance fees (net of tax) previously received by the Investment Manager in relation to other investments.

No performance fees were charged to the Company for the years ended 31 December 2014 and 31 December 2013. As at 31 December 2014 and 31 December 2013, funds held in escrow, including accrued interest, amounted to €467 thousand.

25.3 DIRECTORS' REMUNERATION

The Directors' remuneration for the years ended 31 December 2014 and 31 December 2013 were as follows:

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
Andreas Papageorghiou	15.0	15.0
Cem Duna	15.0	15.0
Roger Lane-Smith	45.0	45.0
Antonios Achilleoudis	15.0	15.0
Christopher Pissarides	50.0	50.0
David B.Heller	18.8	14.2
Total	**158.8**	**154.2**

Mr. Miltos Kambourides has waived his fees.

On 14 March 2013, Mr. David B. Heller was appointed as non-executive Director, having been nominated for appointment by Third Point LLC. On 10 June 2014, he was elected to be Chairman of the Board of the Company. The previous Chairman, Mr. Andreas Papageorgiou, will continue to act as a non-executive director.

On 25 February 2015, the Company announced the following Directorate changes: five new members joined the Board, Mr. Laurence Geller who will also serve as Chairman, Mr. Robert Heller, Mr. Graham Warner, Mr. Mark Townsend and Mr. Justin Rimel. Mr. Miltos Kambourides, Mr. David Heller and Mr. Roger Lane Smith remain on the new Board, which now comprises of eight members.

25.4 Shareholder and development agreements

Shareholder agreements

DolphinCI Twenty Two Limited, a subsidiary of the Group, had signed a shareholder agreement with the non-controlling shareholder of Eastern Crete Development Company S.A., under which it had acquired 60% of the shares of Plaka Bay project by paying the former majority shareholder a sum upon closing and a conditional amount in the event the non-controlling shareholder was successful in, among others, acquiring additional specific plots and obtaining construction permits. On 23 August 2013, the parties signed a new agreement for the purchase of the remaining 40% stake of the entity. The base consideration for the purchase was €4.4 million payable in three installments: €2.4 million by 10 September 2013, €1 million by 30 September 2013 and €1 million by 31 October 2013. The last installment of €1 million was transferred in February 2014. Consideration might be increased by the transfer of plots of land in the project, to the seller, of total market value equal to €4 million, subject to the project receiving permits for building 40,000 m², of freehold residential properties. The conditional deferred consideration will be adjusted pro rata in case the buildable properties are less than 40,000 m² but is also subject to a 5% annual increase commencing from the second anniversary from the signing of the agreement and until implementation from the Company.

On 20 September 2010, the Group signed an agreement with Archimedia, controlled by John Hunt, for the sale of a 14.29% stake in Amanzoe for a consideration of €11 million. The agreement also granted Archimedia the right to partially or wholly convert this shareholding stake into up to three predefined Aman Villas (the 'Conversion Villas') for a predetermined value and percentage per Villa. The first €1 million of the consideration was received at signing, while the completion of the transaction and the payment of the €10 million balance was subject to customary due diligence on the project and the issuance of the construction permits for the Conversion Villas prior to a longstop date set at 1 April 2011. On 28 March 2011, the Company reached an agreement with Archimedia to vary the original terms of the sale agreement, which was followed by the Company and Archimedia entering into an amended sale agreement on 13 March 2012. The Company received US$12,422 thousand and €1,300 thousand, while US$978 thousand and €800 thousand due as at 31 December 2013, plus any additional consideration that could be due depending on the exact size and features of the Conversion Villas, would be received upon completion of the Conversion Villas. On 2 July 2014, Archimedia remitted €904 thousand (€263 thousand and US$878 thousand) to the Company towards this end. The total receivable amount of €415 thousand (31 December 2013: €1,509 thousand) is included in receivables and other assets (see note 17). On 3 August 2012, the Company received a Conversion Notice from Archimedia to convert 6.43% of its shares in Amanzoe in exchange for an Aman Villa and on 27 December 2012 a further Notice for the conversion of the remaining 7.86% of its shares for two other Aman Villas. On 17 September 2014, the conversion of 6.43% of Archimedia's 14.29% stake into one of the designated Conversion Villas was completed while the finalization of the relevant documentation for the conversion of the remaining 7.86% is expected shortly. Following these conversions, Archimedia will not hold any shareholding interest in Amanzoe.

On 6 August 2012, the Company signed an agreement for the sale of eight out of the nine remaining Seafront Villas, part of the Mindcompass Overseas Limited group of entities. The total base net consideration agreed for this sale was €10 million, with the Company also entitled to 50% profit participation in the sale of five Villas. It was also agreed that the Company would undertake the construction contract for the completion of the Villas and a €1 million deposit was paid upon signing. During 2013, the Company received an additional amount of €990 thousand. The construction of the two Villas is currently underway.

On 5 September 2012, the Company signed a sales agreement with a regional investor group led by Mr. Alberto Vallarino for the sale of its 60% shareholding in Peninsula Resort Holdings Limited, the entity that indirectly holds the land for Pearl Island's Founders' phase of the Pearl Island Project. The consideration for the sale was a cash payment of US$6 million (50% paid at closing on 14 September 2012 and 50% one year from closing, collected on 17 September 2013) and a commitment to invest an additional circa US$35 million of development capital within a maximum period of two years in order to complete the aforementioned phase of the project. Out of those funds, approximately US$13 million shall be incurred on development of components owned by Pearl Island Limited S.A., with US$12,553 thousand already invested by 31 December 2014 (31 December 2013: US$7,171 thousand).

On 24 September 2012, the Company signed an agreement with an affiliate of the Swiss Development Group for the sale of a 75% stake in the Nikki Beach Resort & Spa at Porto Heli together with a contract for the management and construction of the project for a minimum consideration of €3.15 million, that will increase depending on the size of the loan facility obtained, the returns realised and the final construction cost. An amount of €1.23 million had been received by the Company as of 31 December 2012, and the remaining balance of the minimum consideration was received in early 2013.

Development agreements

Pursuant to the original Sale and Purchase Agreement of 10 December 2007, DCI H7 was obliged to make payments for the construction of infrastructure on the land retained by DR Beachfront Real Estate LLC ('DRB'), the former majority shareholder of PGH. Pursuant to a restructuring agreement dated 5 November 2012, those obligations have been restructured with the material provisions of that agreement already fulfilled. As at 31 December 2014, following cash payments of US$7.6 million and transfers of land parcels valued at approximately US$11 million, the total provision outstanding is US$0.7 million (€565 thousand) (31 December 2013: US$0.7 million or €498 thousand) which is included in trade and other payables (see note 23).

Pedro Gonzalez Holdings II Limited, a subsidiary of the Group in which the Company holds a 60% stake, has signed a Development Management agreement with DCI Holdings Twelve Limited ('DCI H12') in which the Group has a stake of 60%. Under its terms, DCI H12 undertakes, among others, the management of permitting, construction, sale and marketing of the Pearl Island project.

25.5 Other related parties

During the years ended 31 December 2014 and 31 December 2013, the Group incurred the following related party transactions with the following parties:

2014 Related party name	€'000	Nature of transaction
Iktinos Hellas S.A.	48	Project management services in relation to Sitia project and rent payment
John Heah, non-controlling shareholder of SPV 10	486	Design fees in relation to Kea Resort project and Playa Grande project
Progressive Business Advisors S.A.	314	Accounting fees
Aristo	1,445	Sale of property to Group company
Portoheli Ksenodoxio Kai Marina S.A.	7,655	Construction cost and project management services in relation to Nikki Beach project
Third Point LLC, shareholder of the Company	2,326	Bond interest for the year

2013 Related party name	€'000	Nature of transaction
Iktinos Hellas S.A.	48	Project management services in relation to Sitia project and rent payment
John Heah, non-controlling shareholder of SPV 10	73	Design fees in relation to Kea Resort project and Playa Grande project
Portoheli Ksenodoxio Kai Marina S.A.	4,345	Construction cost and project management services in relation to Nikki Beach project
Progressive Business Advisors S.A.	292	Accounting fees
Third Point LLC, shareholder of the Company	41,004	Subscription to bonds (see note 20)
Third Point LLC, shareholder of the Company	1,695	Bond interest for the year

26. BUSINESS COMBINATIONS

During the year ended 31 December 2014, the Group increased its ownership interest in Bourne Holdings (Cyprus) Limited (holding company of Eastern Crete Development Company S.A.) by 9.09% to 100% and in DCI 14 by 6.43% to 92.14% as follows:

	Eastern Crete Development Company S.A. €'000	DCI 14 €'000	Total €'000
Non-controlling interests acquired	1,535	(1,512)	23
Consideration transferred	(1,000)	(4,914)	(5,914)
Less: receivables assignment	-	2,936	2,936
Net consideration transferred	(1,000)	(1,978)	(2,978)
Acquisition effect recognised in equity	**535**	**(3,490)**	**(2,955)**

The consideration transferred for the acquisition of the 6.43% stake in DCI 14 relates to a conversion villa, per relevant agreement (see note 25.4).

During the year ended 31 December 2014, the Group disposed of its entire stake in Pasakoy and reduced its participation in DCI H50 from 100% to 50%, as follows:

	Pasakoy €'000	DCI H50 €'000	Total €'000
Deferred tax assets (see note 21)	(1,162)	-	(1,162)
Non-current assets	(955)	-	(955)
Trading properties (see note 14)	(7,252)	-	(7,252)
Receivables and other assets	(394)	(3,943)	(4,337)
Cash and cash equivalents	(1)	(1)	(2)
Loans and borrowings	1,423	-	1,423
Trade and other payables	52	-	52
Net assets on which control was lost	(8,289)	(3,944)	(12,233)
Equity accounted investees (see note 16)	-	1,972	1,972
Net assets disposed of	(8,289)	(1,972)	(10,261)
Proceeds on disposal	8,289	1,760	10,049
Translation reserve	2,709	-	2,709
Gain on disposal recognised in profit or loss	**2,709**	**(212)**	**2,497**
Cash effect on disposal:			
Proceeds on disposal	8,289	1,760	10,049
Cash and cash equivalents	(1)	(1)	(2)
Net cash inflow on disposal	**8,288**	**1,759**	**10,047**

During the year ended 31 December 2013, the Group increased its ownership interest without any change in control in Bourne Holdings (Cyprus) Limited (holding company of Eastern Crete Development Company S.A.) by 30.91% to 90.91% as follows:

	Eastern Crete Development Company S.A. €'000
Non-controlling interests acquired	5,291
Consideration transferred	(3,400)
Acquisition effect recognised in equity	1,891

27. NON-CONTROLLING INTERESTS

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

31 December 2014	DCI Holdings Eleven Limited €'000	Pedro Gonzalez Holdings I Limited €'000	Iktinos €'000	DCI 14 €'000	SPV 10 €'000
Non-controlling interests percentage	**40%**	**40%**	**22.18%**	**7.86%***	**33.33%**
Non-current assets	989	78,012	30,217	97,528	19,713
Current assets	2,220	6,750	100	38,437	230
Non-current liabilities	(47)	(2,179)	(3,517)	(146,678)	(20,232)
Current liabilities	(3,422)	(14,318)	(308)	(17,244)	(1,064)
Net assets	(260)	68,265	26,492	(27,957)	(1,353)
Carrying amount of non-controlling interests	**(104)**	**27,306**	**5,876**	**(2,197)**	**(451)**
Revenue	4,600	583	-	5,776	-
Profit/(loss)	2,022	4,294	(1,415)	(13,697)	6,207
Other comprehensive income	-	-	-	1,347	-
Total comprehensive income	2,022	4,294	(1,415)	(12,350)	6,207
Profit/(loss) allocated to non-controlling interests	**809**	**1,718**	**(314)**	**(1,597)**	**2,069**
Other comprehensive income allocated to non-controlling interests	**-**	**-**	**-**	**106**	**-**
Cash flow from/(used in) operating activities	5	5,078	24	(19,408)	401
Cash flow (used in)/from investing activities	(36)	(5,076)	(25)	4,324	(429)
Cash flow (used in) from financing activities	-	(45)	-	20,185	(2)
Net (decrease)/increase in cash and cash equivalents	**(31)**	**(43)**	**(1)**	**5,101**	**(30)**

31 December 2013	DCI Holdings Eleven Limited €'000	Pedro Gonzalez Holdings I Limited €'000	Iktinos €'000	DCI 14 €'000	SPV 10 €'000
Non-controlling interests percentage	**40%**	**40%**	**22.18%**	**14.29%***	**33.33%**
Non-current assets	993	59,882	31,736	99,207	11,329
Current assets	2,001	5,903	271	32,821	454
Non-current liabilities	(28)	(1,839)	(3,818)	(120,901)	(18,439)
Current liabilities	(5,143)	(7,985)	(282)	(26,648)	(904)
Net assets	(2,177)	55,961	27,907	(15,521)	(7,560)
Carrying amount of non-controlling interests	**(871)**	**22,384**	**6,190**	**(2,218)**	**(2,520)**
Revenue	4,220	1,839	-	6,630	-
(Loss)/ profit	(40)	3,663	(2,756)	(8,351)	(878)
Other comprehensive income	-	-	-	(5,887)	-
Total comprehensive income	(40)	3,663	(2,756)	(14,238)	(878)
(Loss)/profit allocated to non-controlling interests	**(16)**	**1,465**	**(611)**	**(1,193)**	**(293)**
Other comprehensive income allocated to non-controlling interests	**-**	**-**	**-**	**(841)**	**-**
Cash flow from/(used in) operating activities	533	6,026	37	15,365	(34)
Cash flow used in investing activities	(533)	(6,298)	(6)	(16,046)	(19)
Cash flow from/(used in) financing activities	-	566	(1)	637	149
Net increase/(decrease) in cash and cash equivalents	**-**	**294**	**30**	**(44)**	**96**

*As mentioned in note 26, the Group during 2014 increased its shareholding interest in DCI 14 by 6.43% to 92.14%, as a result the non-controlling interest decreased from 14.29% to 7.86%.

28. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group is exposed to credit risk, liquidity risk and market risk from its use of financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's overall strategy remains unchanged from last year.

(i) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. The Group's trade receivables are secured with the property sold. Cash balances are mainly held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting year was as follows:

	Carrying amount	
	31 December 2014 €'000	31 December 2013 €'000
Trade and other receivables (see note 17)	17,711	20,556
Cash and cash equivalents (see note 18)	30,952	7,075
Total	**48,663**	**27,631**

Trade and other receivables
Exposure to credit risk
The maximum exposure to credit risk for trade and other receivables at the end of the reporting year by geographic region was as follows:

	Carrying amount	
	31 December 2014 €'000	31 December 2013 €'000
Europe	15,363	16,087
Turkey	703	703
Americas	1,645	3,766
Total trade and other receivables	**17,711**	**20,556**

Credit quality of trade and other receivables

The Group's trade and other receivables that relate to business combinations and to VAT receivables are neither past nor due. The amount of VAT receivables is primarily receivable from the Greek government.

Cash and cash equivalents
Exposure to credit risk
The table below shows an analysis of the Group's bank deposits by the credit rating of the bank in which they are held:

	No. of Banks	31 December 2014 €'000	31 December 2013 €'000
Bank group based on credit ratings by Moody's			
Rating Aaa to A	3	385	1,866
Rating Baa to B	6	78	641
Rating Caa to C	5	7,427	1,173
Bank group based on credit ratings by Fitch's			
Rating AAA to A-	1	22,285	399
Rating BBB to B-	4	777	2,996
Total bank balances		**30,952**	**7,075**

(ii) Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.
The following tables present the contractual maturities of financial liabilities. The tables have been prepared on the basis of contractual undiscounted cash flows of financial liabilities, and on the basis of the earliest date on which the Group might be forced to pay.

	Carrying amounts €'000	Contractual cash flows €'000	Within one year €'000	One to two years €'000	Three to five years €'000	Over five years €'000
31 DECEMBER 2014						
Loans and borrowings	240,089	(332,197)	(39,005)	(48,540)	(116,124)	(128,528)
Finance lease obligations	8,095	(11,435)	(529)	(435)	(1,304)	(9,167)
Land creditors	24,989	(24,989)	(24,989)	-	-	-
Trade and other payables	55,204	(55,204)	(33,811)	(3,440)	(368)	(17,585)
	328,377	**(423,825)**	**(98,334)**	**(52,415)**	**(117,796)**	**(155,280)**
31 DECEMBER 2013						
Loans and borrowings	168,804	(213,604)	(25,392)	(27,177)	(119,804)	(41,231)
Finance lease obligations	8,441	(13,940)	(502)	(443)	(1,329)	(11,666)
Land creditors	24,251	(24,251)	(24,251)	-	-	-
Trade and other payables	49,253	(49,253)	(25,717)	(1,850)	(123)	(21,563)
	250,749	**(301,048)**	**(75,862)**	**(29,470)**	**(121,256)**	**(74,460)**

The Group, as at the date of financial position, had secured individual financing facilities for its individual active projects, which are monitored on an on-going basis.

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December would have decreased equity and profit or loss by €2,044 thousand (2013: €1,503 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States dollar. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Group's exposure to foreign currency risk for its use of financial instruments was as follows:

	31 December 2014					31 December 2013				
	Euro	USD	TRY	HRK	GBP	Euro	USD	TRY	HRK	GBP
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Trade and other receivables	15,467	1,915	1,885	14	-	16,018	6,123	288	-	-
Cash and cash equivalents	10,103	25,132	153	924	-	2,240	5,541	41	4,563	192
Loans and borrowings	(163,801)	(92,621)	-	-	-	(128,629)	(55,406)	-	-	-
Finance lease obligations	(7,961)	(163)	-	-	-	(8,284)	(217)	-	-	-
Land creditors	(24,217)	(938)	-	-	-	(23,571)	(938)	-	-	-
Trade and other payables	(48,578)	(10,009)	(1,944)	(7,309)	-	(43,923)	(9,310)	(2,241)	(7,394)	-
Net statement of financial position exposure	**(218,987)**	**(76,684)**	**94**	**(6,371)**	**-**	**(186,149)**	**(54,207)**	**(1,912)**	**(2,831)**	**192**

The following exchange rates applied at the date of financial position:

Euro 1 equals to:	31 December 2014	31 December 2013
USD	1.21	1.38
TRY	2.83	2.96
HRK	7.66	7.63
GBP	0.78	0.83

Sensitivity analysis

A 10% strengthening of the euro against the following currencies at 31 December would affected the measurement of financial instruments denominated in a foreign currency and increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Equity		Profit or loss	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
USD	5,742	3,573	5,742	3,573
TRY	(3)	59	(3)	59
HRK	77	34	77	34
GBP	-	(21)	-	(21)

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while improving the return to shareholders. The Board of Directors is committed to implementing a package of measures that are expected to focus on the achievement of the Group's investment objectives, achieve cost efficiencies and strengthen its corporate governance. The Board of Directors has decided on 2 June 2015 to proceed with a capital increase of up to €75 million through the placing of new shares through an accelerated book building procedure. The proceeds of the fund raise will be used to finance the implementation of the above-mentioned objectives and provide working capital to the Group.

29. COMMITMENTS

As of 31 December 2014, the Group had a total of €19,446 thousand contractual capital commitments on property, plant and equipment (2013: €16,499 thousand).

Non-cancellable operating lease rentals are payable as follows:

	31 December 2014 €'000	31 December 2013 €'000
Less than one year	19	19
Between two and five years	29	50
Total	**48**	**69**

30. CONTINGENT LIABILITIES

Companies of the Group are involved in pending litigations. Such litigations principally relate to day-to-day operations as a developer of second-home residences and largely derive from certain clients and suppliers. Based on the Group's legal advisers, the Investment Manager believes that there is sufficient defence against any claim and they do not expect that the Group will suffer any material loss. All provisions in relation to this matter which are considered necessary have been recorded in these consolidated financial statements.

If investment properties, trading properties and property, plant and equipment were sold at their fair market value, this would have given rise to a payable performance fee to the Investment Manager of approximately €63 million (2013: €48 million), subject always to the escrow and clawback provisions mentioned in note 25.2.

In addition to the tax liabilities that have already been provided for in the consolidated financial statements based on existing evidence, there is a possibility that additional tax liabilities may arise after the examination of the tax and other matters of the companies of the Group in the relevant tax jurisdictions.

The Group, under its normal course of business, guaranteed the development of properties in line with agreed specifications and time limits in favor of other parties.

31. SUBSEQUENT EVENTS

On 2 June 2015, the Board of Directors has decided (a) to proceed with a capital increase of up to €75 million through the placing of new shares through an accelerated book building procedure, (b) amendments to the Investment Management agreement between the Company and Investment Manager (including changes to the management fees and performance fees payable by the Company to the Investment Manager) and (c) the adoption of a management stock incentive plan in respect of which certain Directors and Investment Manager would be entitled to participate. The implementation of the above would be conditional upon approval by shareholders.

There were no other material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements as at 31 December 2014.