30 July 2015

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

Q2 2015 Trading Update

Dolphin, a leading investor and developer of high end residential resorts in the Eastern Mediterranean, Caribbean and Central America, is pleased to provide a Trading Update on its operations for the second quarter of 2015, in advance of its half year results to 30 June 2015, which are expected to be released within September.

A. Operating Highlights:

A.1. CORE PROJECTS

- Amanzoe, Greece (www.amanzoe.com)

  – Amanzoe’s operational performance for the second quarter of 2015 improved over the comparable period last year, with occupancy higher on a year-on-year basis (51% in Q2 2015 versus 43% for the respective period of 2014). The targeted NOI for the period was also exceeded.

  – While day-to-day operations have not been affected by the recent developments in relation to the Greek economic crisis which escalated during the past few weeks, new reservations for the third quarter of 2015 have been slower than expected during this period.

  – Additional works at the Amanzoe Beach Club have been completed. These include a new children’s pool, additional lounging areas, together with a new reception building to allow the use of the four beach cabanas as overnight room accommodation.

  – Three more villas have been completed and are being delivered to their owners in August. To date seven villas have been completed and are all participating in the Amanzoe Villa rental program, which contributes to the profitability of the resort, especially during the high season when demand peaks.

  – Among the new three villas completed, villa 20 represents the largest Aman villa in the entire global Aman portfolio. Comprising 4,992 of covered m^2, villa 20 includes 10 bedrooms and, amongst other facilities, a 30 metre and a 20 metre swimming pool, five smaller pools, a full spa and gym inclusive of an indoor pool, a library, and multiple sitting areas all with stunning sea views. This exceptional villa may be one of the largest newly built holiday homes in the Mediterranean. Due to its uniqueness it is expected to generate significant rental and other revenue for Amanzoe.

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

  – The construction of the Amanera resort at Playa Grande Club & Reserve continues on schedule, with the anticipated opening in December 2015 expected to coincide with the completion of the golf course redevelopment.

  – Two more villas were reserved during the period, bringing the total sold or reserved villas to six.

- The first of these six Aman villas is scheduled to be delivered to coincide with the Amanera hotel opening. Construction of the remaining sold or reserved villas is planned to start in September 2015.

- On 30 June 2015, Aman formally announced to the press and its dedicated Aman clients the opening of Amanera in the Dominican Republic. The Amanera website (www.amanera.com) also went live and the resort will shortly commence taking reservations for the 2015 high season, which starts from December.

- Dolphin has been boosting its PR activities to promote the real estate available for sale and is already in discussions with a number of additional interested potential villa buyers.

- <u>Pearl Island ("**Pearl Island**" - www.pearlisland.com), Panama</u>

  - The Zoniro Panama development team is completing the Ritz Carlton Reserve detailed design phase and performing value engineering to ensure that the set development budget is maintained.

  - Following final approval received from a regional bank to increase the debt facility from US$21 million to US$33 million for the Ritz Carlton Reserve phase, the team is progressing the binding loan documents. In parallel, Dolphin continues to review options for the additional c. $32 million equity investment required.

  - The sale of lots and turn-key properties in the Founders' Phase continued to gain momentum in 2015 with 83 units sold to date.

  - The Founders' phase has already delivered 40 lots connected to all utilities, and will be delivering 36 completed villas/condos together with 48 marina berths/slips between September and December 2015.

- <u>Kilada Hills Golf Resort, Greece</u>

  - 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 are under re-approval by the newly appointed ministerial council, to be followed by the issuance of a Presidential Decree which is expected within 2015.

  - The Company remains in negotiations with a major Greek bank for a long term senior construction loan facility and a VAT bridge facility. Due to the recent developments in the Greek banking system, the discussions have been subject to delay.

  - Dolphin is reviewing additional funding options and remains in discussions with third party investors for the additional funds required for the project development. This is expected to be achieved through either JV transactions and/or debt financing. This is required in order to develop the planned 18-hole Jack Nicklaus Signature Golf Course with its golf club house, beach club and respective infrastructure, which will unlock the potential to develop and sell over 200 golf residences for sale and subsequent development.

<u>Kea Resort, Greece</u>

- Following the mandate letter signed on 3 December 2014, the Company has been progressing negotiations towards definitive documentation with a major Greek 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 for the pre-financing of the state subsidies. This is subject to, amongst other things, a minimum equity investment of €10 million. The process is currently being delayed due to the recent banking crisis in Greece. The Company will resume discussions with the bank after the banking situation stabilises and re-assess the potential and timing for the conclusion of such a loan given the current circumstances.

- As announced on 3 June 2015, the Company entered into a Memorandum of Understanding on 18 March 2015 with an 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. In view of the latest developments relating to Greece, the conclusion of this transaction now appears unlikely and the Company has initiated discussions with alternative investment partners.

A.2. NON-CORE ASSETS

Noteworthy updates regarding the Non-Core Assets include the following:

i. Monetisation initiatives

- Savills (UK) Ltd together with Savills Greece, were engaged on a non-exclusive basis to provide professional advisory, marketing and sales services in respect of the following Non-Core Assets:

    1. Nikki Beach Resort, Porto Heli, Greece
    2. Sitia Bay, Crete, Greece
    3. Triopetra, Crete, Greece
    4. Douneika, Peloponnese, Greece
    5. Scorpio Bay, Greece
    6. Livka Bay, Croatia
    7. Lavanta, Turkey

- In parallel, Dolphin is exploring additional channels to promote the monetization of the above listed assets with both other local brokerage/advisory firms, as well as direct contacts with selected investors.

ii. Livka Bay Resort

- The loan for the Livka Bay Resort project has been restructured during the period, with its maturity extended by three years to 30 June 2018. The interest rate has been decreased from a fixed rate of 7.25% per annum to 4.25% per annum over the 3-month Euribor rate (currently set at -0.021%). An amount of €1.5 million of principal was repaid on 30 June 2015, reducing the current balance to €8 million, which is now repayable in the following tranches: €0.5 million on 31 December 2017, €0.5 million on 31 March 2018 and the remaining balance of €7 million on 30 June 2018.

iii. Aristo Developers Ltd (a 49.8% affiliate of DCI)

- Aristo has continued to strengthen its sales performance, including the strategic review of its sales team and its organisation and the creation of new direct agency relationships for the Chinese market.

- These efforts have begun to deliver results, with Aristo having sold 43 homes and plots during the first half of 2015, representing total sales of €22.6 million, 71% higher than the respective period in 2014. The average sales price per unit has been higher on a y-o-y basis, as a result of Aristo's pursuit of sales in connection to the respective "visa/residence" and "passport" incentive legislation enacted in Cyprus.

	six months to 30/06/2015	**six months to 30/06/2014**
RETAIL SALES RESULTS		
New sales booked	€ 22.6m	€ 13.2m
% change	71%	
Units sold	43	41
% change	5%	
CLIENT ORIGIN		
China	77.03%	37.76%
Cyprus	5.41%	0.00%
Other overseas	17.55%	5.88%
Russia	--	56.36%
Central & North Europe	--	4.02%

- In relation to the trial against Mr. Aristodemou (Aristo's CEO) pertaining to the subdivision of 177 land plots in a 160,000 m^2 site, owned by Aristo in the Paphos area, on 28th July 2015 the Criminal Court issued its final judgement, acquitting all defendants of all charges. This positive outcome is expected to benefit Aristo's corporate image and, thereby, assist its sales efforts and other marketing activities.

- The discussions between the Aristo management and the Bank of Cyprus ("BoC") in relation to the restructuring of Aristo's c. €260 million of outstanding debt have been delayed due to certain recent changes in the BoC professional team which was handling the case and in expectation of the final judgement on Mr. Aristodemou's case. As these discussions are now resuming, the provisional restructuring agreement reached with BoC is expected to be concluded within Q3 2015.

- The competitive process carried out by Citigroup Global Markets Limited in relation to the sale of the Venus Rock project in Cyprus is ongoing. The Company is in contact with certain investors who have requested to enter into bilateral discussions with a view to exploring further their potential cooperation with Aristo in Venus Rock through a joint venture or similar transaction.

B. Financial Highlights:

- Cash as of 30 June 2015 was approximately €74 million (31 December 2014: €31 million), of which €19 million (31 December 2014: €24 million), was cash restricted for use only towards the development of Amanzoe and Playa Grande projects.

- As reported on 30 June 2015, the cash held by the Company with Greek banks amounted to €1.5 million on 26 June 2015. Since then, Dolphin's Greek subsidiaries (and principally Amanzoe) have been collecting hotel revenues in local bank accounts, in accordance with the applicable capital controls legislation, and have been using the local deposits to pay tax and social security liabilities, other operational expenses, construction costs and other local suppliers, which has led to the decrease of the deposits held in Greece to €1.2 million as at 24 July 2015.

- Interest-bearing loans as at 30 June 2015 were €240 million (31 March 2015: €254 million). The decrease was due to the US$14.4 million conversion to equity of 2016 DCI Holdings 7 Ltd bonds and the repayment of €1.5 million of principal on the Livka Bay loan.

C. Market Outlook:

- <u>Greece:</u>

- After the agreement of the EU Summit of 12 of July 2015, a new third bailout has been agreed between the Greek government and its European Union ("EU") counterparties. The conclusion of this agreement is expected, once the respective measures are implemented, to restore the sustainability of the Greek economy on a long term basis.

- The effects of the above measures on Dolphin are as follows:

    - VAT on hotel services will increase, effective from 1 October 2015, from 6.5% to 13%. Although higher, this is not far out of line with the respective rates in other southern EU countries such as Spain (10%), Italy (10%), Portugal (6%) and Cyprus (9%). There was also an increase in the F&B VAT rate from 13% to 23% effective from 20 July 2015.

    - The corporate tax rate has been raised from 26% to 29%, but this is not expected to have an imminent impact on the Company's Greek subsidiaries as they have significant tax losses carried forward mainly due to interest expenses incurred and depreciation. The real estate ownership tax rates have remained stable, hence the respective annual tax costs of the Greek properties are not expected to increase.

    - The cash balances of the Group's subsidiaries deposited with banks operating in Greece relate to working capital used in the operations of the Group's Amanzoe and Nikki Beach resorts and have been largely used in the ordinary course of furtherance of their business activities as noted above.

    - The imposition of capital controls has rendered more difficult the payment of international suppliers who provide imported materials needed for construction, however the local subsidiaries have been addressing these practical restrictions in cooperation with their suppliers.

- Since the announcement of the referendum on 5 July 2015, the effect of the crisis on Greek tourism has been the cancelation of existing reservations and the slowdown of new reservations. Since the announcement of the provisional agreement for a third bail out, reservations are picking up again and, according to the Association of Greek Tourism Enterprises, the end result for tourist arrivals in 2015 is expected to be the same as 2014, which was a record year for Greece.

- Eastern Mediterranean

– Cyprus: It has been a strong start to the tourist season with arrivals to Cyprus from Britain, Israel, Germany, Holland, France, and Austria rising in the first five months of 2015. According to the Cyprus Tourism Organisation, arrivals from the UK in the period of January – May 2015 were up by 16.4% compared to the same period in 2014.

– Croatia: Croatia's revenue from tourism is expected to exceed €7 billion in 2015, which represents a similar level to 2014. Bookings for the season are on the rise, and maybe due to a perception of security issues in countries such as Egypt and Turkey.

– Turkey: Turkey's tourism industry faces declines in tourist arrivals and hotel occupancy rates this year. According to sector representatives, the holy month of Ramadan and continuing cold weather conditions are also the reasons for the slowdown. Moreover, due to recent attacks, the UK Foreign Office has been warning UK tourists of "a significant threat of terrorism in Turkey". This has a negative effect on our LaVanta project in Kalkan, as that has been traditionally dependent on UK residents for the majority of its sales.

- The Americas

– Panama: For the first four months of 2015 tourist arrivals were 2.4 million and tourist expenditure was US$1.29 billion, representing respective increases of 8% and 15%, compared to the same period last year.

– Dominican Republic: For the first four months of 2015 tourist arrivals showed an increase of 6%.

D. Other Corporate Updates

– During the second quarter of 2015, the Company successfully completed a capital raise of €75 million through an accelerated bookbuild process which was launched on 3 June 2015. Further details on the capital raise details can be found in the Company's announcements issued on 3 and 11 June 2015.

– In line with the Company's announcement on 26 June 2015, the Company's Board has decided to amend the timing and content of the Company's quarterly trading updates, so that they are issued within the next month from the end of each calendar quarter. NAV will be reported to the market on a semi-annual basis in accordance with the AIM Rules. The Company's NAV and half year results to 30 June 2015, will be released within September.

– The Company has engaged Webster Partners Limited to identify, alongside the relevant Board sub-committee, a suitable new Senior Independent Director with UK public company board experience, to replace Roger Lane-Smith who has expressed his intention to retire from the Board by the end of 2015.

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

“Following the successful recapitalisation of the Company, the team has been implementing the refocused Company strategy in a disciplined and methodical manner. At the same time we have been taking actions to mitigate any adverse effects of the Greek banking crisis on the operations and prospects of our Greek projects. We are encouraged by the continuing strong growth of the underlying fundamentals of our business as the global luxury travel and lodging market is recording new highs and we will continue our efforts to unlock value for our shareholders."

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<u>Notes to Editors</u>

Dolphin (www.dolphinci.com) is a leading global investor and developer of residential resorts in emerging markets.

Dolphin seeks to generate strong capital growth and cash returns for its shareholders through the development of sophisticated leisure-integrated residential resorts in partnership with some of the world’s most recognised architects, golf course designers and hotel operators, and through the orderly disposal of its Non-Core Assets.

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.