30 September 2016

DOLPHIN CAPITAL INVESTORS LIMITED

(“**DCI**” or “**Dolphin**” or the “**Company**”

and together with its subsidiaries the “**Group**”)

Disposal of 49.75% stake in Aristo Developers
Half Year Results for the six months ended 30 June 2016
Trading Update

Highlights:

- On 29 September 2016 the Company signed a binding agreement to sell its 49.75% stake in Aristo Developers Ltd (“Aristo”) to Mr. Theodoros Aristodemou for a €45 million cash consideration. This represents a 70% discount to the carrying value as at 31 December 2015 on a pro-forma basis reflecting Aristo’s debt restructuring agreed with Bank of Cyprus. The €45 million cash consideration is payable in quarterly instalments over three years and bearing annual interest of 4% in the first year, increasing to 5% and 6% respectively for each of the ensuing two years.

- Arranged a new €7.5 million 18 month credit facility with a major financial institution, subject to definitive documentation, which on signing will create additional liquidity for general corporate purposes.

- Amanzoe performance is significantly ahead on a year-on-year basis, especially with respect to villa rental income.

- Total Group Net Asset Value ("NAV") as at 30 June 2016, as adjusted for the disposal of Aristo, was €355 million and €317 million before and after Deferred Tax Liabilities (“DTL”) respectively. This represents a decrease of €190 million and €164 million, or 34.8% and 34.1%, respectively, against the year end 2015 figures.

- NAV reduction is mainly due to:

    - the reduction in the carrying value of Aristo by €35 million from the debt restructuring agreement reached with Bank of Cyprus in June 2016 and half year operating losses, as well as a further €109 million write-down on Aristo’s carrying amount to reflect the agreed €45 million sales price; and,

    - Dolphin’s regular operational, corporate, finance and management expenses, as well as the devaluation of the Americas properties in Euro terms due to the appreciation of the Euro against the US Dollar by c. 2%.

- No portfolio revaluation was undertaken during this period; the next full portfolio valuation will be conducted at 31 December 2016.

- Sterling NAV per share as at 30 June 2016 stood at 32p before DTL and 29p after DTL, a 26.8% and 26% decrease before and after DTL respectively compared to the 31 December 2015 figures. The decrease was mainly driven by the factors mentioned above, offset by a 12.3% appreciation of the Euro versus Sterling.

- The Company continues to have a significant asset base, after the sale of its shareholding in Aristo:
  - Gross Assets of €700 million
  - Total Debt of €215 million (€232 million as at 31 December 2015) with a Group total debt to total assets value ratio of 31% respectively. The remaining US$16.7 million of the 2016 Convertible Bonds, which matured on 31 March 2016, were repaid in full.
- Sue Farr joined the Board of Directors on 19 July 2016.

Commenting, Andrew Coppel, Non-Executive Chairman of Dolphin's Board of Directors said:

"*We are delighted to have completed the disposal of our holding in Aristo Developers. The sale will significantly enhance the Group's liquidity and allow the Company the flexibility to deliver value for shareholders through the monetization of assets on a timely basis."*

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

"The sale of Aristo Developers is the first major step towards further asset realizations and focusing on the Company's core assets. We look forward to accelerating this process."

For further information, please contact:

Dolphin Capital Investors Andrew M. Coppel, CBE	+44 (0) 7785 577023
Dolphin Capital Partners Miltos E. Kambourides	miltos@dolphincp.com
Panmure Gordon **(Broker)** Richard Gray/Dominic Morley/Andrew Potts	+44 (0) 20 7886 2500
Grant Thornton UK LLP **(Nominated Adviser)** Philip Secrett	+44 (0) 20 7383 5100
Instinctif **(PR Communications Adviser)** Mark Garraway	+44 20 7457 2007

A. Chairman's Statement

I am pleased to report Dolphin's interim financial results for the period ended 30 June 2016 and provide a trading update for the period.

The revenue for the six month period rose from €8.1 million to €15.9 million and the operating losses were reduced from €20.8 million to €11.3 million.

Following the Board's decision earlier this year to accelerate asset divestments and improve liquidity, the Company was able to achieve tangible results through the disposal of our 49.75% investment in Aristo.

The Aristo divestment, further details of which are set out in paragraph B.2.2. of the Investment Manager's Report below, will result in significant cash inflows for the Company over the next three years thereby allowing the Group to proceed with its value realization policy for the remaining portfolio from a position of financial strength. However, this disposal has also resulted in an impairment charge in these financial statements of €109 million, in addition to the €35 million charge following Aristo's debt restructuring agreement reached with Bank of Cyprus and Aristo's half year operating losses to 30 June 2016.

Whilst the agreed sale proceeds are significantly below the adjusted net asset value of DCI's interest in Aristo as at 30 June 2016, it should be emphasised that this figure essentially reflects the appraised value of the aggregate of Aristo assets, net of liabilities, in accordance with IFRS requirements. This carrying amount takes no account of the fact that Aristo has not adopted an asset disposal strategy that could generate dividends for DCI in the near future, nor of Aristo's annual overheads, financing expenses and potential further NAV reductions due to additional bank restructurings. Furthermore, it takes no account of the commercial reality that our shareholding represented an illiquid substantial minority position in Aristo.

On 19 July 2016, Sue Farr joined the Board, which now consists of six members. Sue is also a non-executive director at ACCSYS Technologies plc, British American Tobacco plc, Dairy Crest plc and Millennium & Copthorne plc, and has won wide recognition in the marketing sector and a number of awards.

The Board is aware of its commitment to convene a shareholders' meeting before 31 December 2016, so that shareholders have an opportunity to review the life of the Company and consider a resolution for its continuation and future strategy. The Board is in the process of formulating its proposal to Dolphin's shareholders and this will be announced in the near future.

We have made good progress to secure the Group's financial position and begin to realise value for shareholders. The Board and the Investment Manager will continue their efforts to increase working capital and accelerate shareholders' returns through the monetization of assets. We believe that further tangible results can be achieved in the short term.

Andrew M. Coppel CBE
Non-Executive Chairman
Dolphin Capital Investors
30 September 2016

B. Investment Manager's Report

B.1. Business Overview

During the first half of 2016 we continued the development of our Core Projects (ranging from villa sales initiatives and construction of sold villas to advancing zoning and permitting) and progressed a number of discussions to monetise the Group's portfolio assets and explore joint venture options. These have so far resulted in the sale of DCI's minority stake in Aristo while a number of other discussions remain ongoing.

Our recent actions can be summarised as follows:

- Sold Dolphin's 49.75% minority position in Aristo for a cash consideration of €45 million, full details of which are set out below, which will make a significant contribution to meeting the Group's overheads and operational expenses (including non-operating project interest costs) over the next three years.

- Realised continuously improving revenue and Net Operating Income ("NOI") in Amanzoe which is expected to exceed our 2015 results.

- Successfully managed the first year of Amanera operations through the Zika outbreak in the Caribbean, achieving higher Average Daily Rate ("ADR"), albeit at lower occupancy rates, than targeted.

- Signed additional sales and/or reservation agreements for the sale of Seafront villas in Kilada Hills and at La Vanta.

- Arranged a €7.5 million 18 month revolving credit facility with a major regional financing institution, subject to documentation, which, on signing, would enhance Dolphin's liquidity.

We continue to focus on the implementation of the Company's strategy to realise the value of our diverse asset portfolio in order to maximise cash returns for our shareholders, which include the sourcing of disposal or JV opportunities for our projects, and the further refinement of our sales and marketing strategy to increase the pace of villa sales.

We are confident that these efforts should result in the conclusion of further transactions in the near term.

B.2. Portfolio Review

B.2.1. CORE PROJECTS

- Amanzoe, Greece (www.amanzoe.com)

– Amanzoe initiated operations for the 2016 season on 1 April 2016, as scheduled, with seven villas in the rental programme. Hotel performance is currently ahead of last year, with occupancy reaching 61.4% and an Average Daily Rate ("ADR") of €1,122 versus 56.5% and €1,116 recorded on the books in 2015, ie 9% and 1% higher respectively on a year-on-year basis.

– The Villa rental daily rates ranged from €4,800 to €25,000 and generated revenues that are 39% above budget for the period up to and including August 2016.

– During the summer season, several site visits took place with potential villa buyers, and a number of them are currently in negotiations which are expected to be concluded by the end of the year. Sothebys Real Estate was hired as a marketing and sales agent for the Amanzoe Villas on 1 April 2016 and has already contributed some sales leads.

– All construction works were suspended during the summer period so as not to disturb the smooth operations of the resort. Works are expected to resume in the fourth quarter of 2016, with the commencement of construction of three villas.

– Amanzoe continues to receive outstanding reviews. Victoria Hislop included the resort and its Villa 20 in her recent article in the Daily Mail and praised Amanzoe's beauty once again. The resort's architecture was also mentioned in The Evening Standard while the resort was voted as The Most Expensive Resort in Europe in the Mr & Mrs. Smith list. The resort's Villa 20 was also extensively featured in The Daily Telegraph's quarterly luxury supplement, Ultra travel, as well as in its Travel section of the Year. At the same time, the resort was featured in the UK Harper's Bazaar, the Russian online magazine Buro247.ru, the Brazilian Vogue, the Italian Glamour magazine, the Turkish In Style, the Horizon & Beyond publication of the Middle East and in the UK Country & Town House magazine.

- Amanera, Dominican Republic (www.amanera.com)

– The Amanera Golf Resort at Playa Grande was delivered as scheduled and formally opened for paying guests on 23 November 2015. The Amanera hotel achieved occupancy and average daily rates of 43.5% and US$1,549 respectively during the first eight months of 2016. ADR was above expectations but occupancy was lower than budget, primarily due to the Zika outbreak which affected the Caribbean region. Measures are being implemented, in conjunction with Aman, to improve occupancy and underlying profitability.

– The hotel closed on 26 August 2016 and will remain closed until 31 October 2016, the low season in the Caribbean, in order to implement a number of improvements that have been identified since opening.

– In order to increase the sales velocity of Amanera Villas, a key factor to the project's financial sustainability, the Company has adopted a more focused sales, marketing and PR plan. In March 2016, Bespoke Real Estate, a real estate brokerage and consulting boutique, was hired as a marketing and sales agent for the Amanera Villas and has generated a number of interested potential buyer leads who are expected to visit the resort from November 2016 onwards.

– The Amanera hotel continues to receive accolades from the world's top travel publications. It was featured on the cover of the March 2016 issue of Travel + Leisure Magazine as well as Vogue, Financial Times "How to Spend it", Wallpaper, Robb Report, New York Times and Conde Nast Traveller, with the last-mentioned featuring the resort at the top of their "Hot list" for the Caribbean. The golf course also continues to receive exceptional reviews from industry commentators and extensive coverage including articles in Golf Week, Golf Digest and Discover Golf.

- Kilada Hills Golf Resort, Greece

  – Subsequent to the issuance of the presidential decree granting special zoning to the Kilada Hills Project in December 2015, the residential master plan remains under review as planned in the relevant ministries, with an expected approval prior to the end of 2016. Once approved, the freehold sale of lots will be permissible.

  – A residential offering proposal for a set of 40 Founder Golf Lots has been prepared. It is expected that the interest generated from the founding programme will facilitate securing the external funding of the first phase of the project, including the Jack Nicklaus Signature Golf Course, the golf clubhouse, the beach club and relevant infrastructure works.

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

  – The project team is in the process of completing the Ritz Carlton Reserve detailed designs and value engineering. Commencement of construction is subject to securing US$33 million of third party equity capital. Debt financing of US$33 million has been arranged but not yet drawn down.

  – In the meantime, development expenses and project overheads have been kept at a minimum necessary for the project to continue its operations.

  – The first group of turn-key villas and condos in the Founder's Phase (which is owned by a regional investor group which is our local partner in the island) were delivered in December 2015, together with the already completed beach club, airstrip, service pier, and main island infrastructure, first phase of the marina and other common amenities in the Founder's Phase.

  – The Founder's Phase, which has been sold by Dolphin on 5 September 2012, has already sold or reserved 109 residential units consisting of high-end lots, villas and condo apartments. Out of these units sold, the project has already delivered 36 lots connected to all utilities, together with a further 20 completed villas and condos and 28 marina berths / slips.

- Kea Resort, Greece

  – The Company is advancing discussions with an international resort and real estate investor for a joint venture transaction involving an equity investment, required for the construction of the Kea resort, for a 50% shareholding stake in the project.

B.2.2. NON-CORE ASSETS

- Aristo (a 49.8% affiliate)

  – The Company reached agreement on 29 September 2016 to divest its 49.75% shareholding in Aristo to an legal entity owned by Mr. Theodore Aristodemou and his family.

  – The divestment will be effected by way of a sale of 49.75% of the shares in DCI Holdings Two Ltd by DCI Holdings One Ltd (a wholly owned subsidiary of DCI) for a total cash consideration of €45 million, payable in quarterly instalments over three years and bearing annual interest of 4% in the first year, increasing to 5% and 6% respectively for each of the ensuing two years. A €2 million discount to the total consideration will be granted if the full consideration is settled by 29 December 2016.

  – The sold shares in DCI Holdings Two Ltd will be kept in escrow and transferred to Mr. Aristodemou in line with the collection of the consideration by the Company, apart from a percentage of c. 20% which will remain escrowed until 50% of the payment is received by the Company and c. 10% until the final settlement of the consideration. Potential dividend distributions corresponding to the shares kept on escrow will also remain escrowed. In the event that any payment becomes overdue for more than three months either party has the right to terminate the sales agreement, in which case all the shares kept in escrow together with any corresponding dividend distributions will be retained by Dolphin.

- Dolphin will also be entitled to a 25% share of any gross proceeds in excess of an implied company equity valuation of €100 million from the sale of any shares of Aristo by the Acquirer until the earlier of six months from the settlement of the full consideration (to the extent such settlement occurs by 29 December 2016) and the second anniversary from the transaction.

- DCI will continue to be entitled to one seat on the Board of Aristo as long as a minimum of a 10% holding is retained, as well as keeping certain minority protection rights.

- As at 31 December 2015, DCI's interest in Aristo was carried in DCI’s accounts at €189 million. Following the completion of the restructuring arrangement with Bank of Cyprus earlier this year and Aristo’s half year losses, this was reduced to €154 million. The divestment resulted in a further impairment charge of €109 million in DCI’s financial statements for 30 June 2016, with Aristo now recorded at its recoverable amount of €45 million.

- Aristo’s sales significantly increased during the six month period compared to the respective period in 2015, however the Company incurred operating losses.

- <u>Nikki Beach, Porto Heli (a 25% DCI affiliate)</u>

  - The operations improved significantly during 2016 compared to 2015. The expected occupancy for the 2016 operational period is 55% (163 days) compared to 48% for 2015 (169 days), with a net ADR up more than 35% expected at €250 vs €183 last season.

  - At the same time there was a major improvement on the cost side with total expenses down c. 25%.

- <u>Sitia Bay</u>

  - As announced on 30 June 2016, Dolphin has signed an MoU for the sale of its 78% stake in Sitia Bay for €17.2 million, which was subject to receipt of an initial deposit from the purchaser. The initial deposit was not received, and Dolphin is therefore progressing discussions with other potential purchasers.

- <u>LaVanta</u>

  - Two additional villas were sold, and one reservation agreement was signed. Upon conversion of the reservation agreement into final contract form, the first phase of LaVanta will be fully sold.

C. Market Dynamics

The key points with regard to the tourism industry evolution in Dolphin's basic markets are as follows:

- In Greece, for the period between January and July 2016, international arrivals rose by 6.4% compared to the same period last year. The Greek Tourism Confederation noted that the surge in last-minute bookings means that there is a strong likelihood that the target set at the start of the year, for an increase of 6% in arrivals over the course of the whole year, can be achieved.

- In Cyprus, for the period January – July 2016 tourist arrivals totalled 1.74 million compared to 1.45 million in the corresponding period of 2015, recording an increase of 20% as reported by the country's Statistical Service. The most recent estimate for 2016 tourist arrivals is 3.1 million compared with 2.65 million in 2015 and 2.7 million in 2001 which was the last record year.

- The Dominican Republic continues to be the Caribbean's largest tourist destination. The economy grew robustly in the first half of 2016 and the tourism sector had a strong performance. The period from January to July 2016 saw 6.9% growth in tourist arrivals compared to 2015, reaching over 3.6 million visitors according to the Dominican Republic's Central Bank. The country is projected to reach 6 million total visitors in 2016, thus meeting the targeted 7% growth.

- Despite the release of the Panama Papers and other challenges, the Panamanian economy is gaining traction and GDP is expected to increase by 5.9% in 2016, the highest rate in the region. The opening of the Canal expansion in late June and the income it will generate will provide further strength to the economy. Over the course of January through June 2016, the total number of visitors was approximately 1.17 million, indicating a 1% increase compared to 2015, based on the data provided by the National Institute of Statistic and Census. Tourist expenditure was US$2.4 billion, representing an increase of 4.4%, compared to the same period of 2015.

D. Group Assets

A summary of Dolphin's current investments is presented below. As at 30 June 2016, the net invested amount, excluding DCI's interest in Aristo, stood at €412* 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%**	38	77		
2	Playa Grande Club & Reserve	839	100%	94	55		
3	Pearl Island	1323	60%	29	-		
4	Kilada Hills Golf Resort	235	100%	94	-		
5	Kea Resort	65	67%	9	-		
	TOTAL	**2,555**		**264**	**132**	**458**	**29%**
	NON-CORE PROJECTS						
6	The Nikki Beach Resort & Spa	1	25%	6	-		
7	Sitia Bay Golf Resort	270	78%	17	-		
8	Scorpio Bay Resort	172	100%	15	-		
9	Lavender Bay Resort	310	100%	25	-		
10	Plaka Bay Resort	442	100%	13	-		
11	Triopetra	11	100%	4	-		
12	Apollo Heights Polo Resort	461	100%	22	16		
13	Livka Bay Resort	63	100%	28	9		
14	La Vanta – Mediterra Resorts	8	100%	16	< 1		
	TOTAL	**1,738**		**146**	**26**	**165**	**15%**
	Itacaré Investment	n/a	10%	2	-		
	DCI Corporate Bonds	n/a	n/a	n/a	58	-	
	GRAND TOTAL	**4,293**		**412**	**216**	**623**	**35%********

**Residual investment cost, including amounts paid in shares but excluding Dolphin's 49.75% shareholding in Aristo which has been sold on 29 September 2016.*
*** Further details on debt maturities are set out under note 23 of the financial statements.*
**** Excluding the €45 million Aristo disposal receivable.*
***** Group total debt to total gross asset value ratio is 26%.*

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	1,599	220	77	304	25%	44%
2	Cyprus**	461	22	16	35	47%	12%
3	Croatia & Turkey	71	46	9	43	22%	9%
4	Americas	2,162	124	55	241	23%	35%
	Grand Total	**4,293**	**412**	**157**	**623**	**25%**	**100%**

** Residual investment cost, including amounts paid in shares.*
*** Excluding Dolphin's 49.75% shareholding in Aristo which has been sold.*

		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	264	132	458	29%	70%
2	NON CORE ASSETS**	1,738	148	25	165	15%	30%
	Grand Total	**4,293**	**412**	**157**	**623**	**25%**	**100%**

** Residual investment cost, including amounts paid in shares. ** Excluding Dolphin's 49.75% shareholding in Aristo which has been sold.*

E. Future Objectives

The Company's main objectives for the remainder of 2016 are to:

1. Continue the monetization of additional Core and Non-Core portfolio assets;

2. Secure third-party funding for the development of the remaining Core Assets through sales, joint venture and financing transactions in order to increase their realization potential and value;

3. Increase sales velocity of villas;

4. Oversee the implementation of the Aristo transaction;

5. Complete the €7.5 million 18 month revolving loan facility to ensure that the Group has continued liquidity to meet its ongoing obligations over the medium term; and,

6. Where appropriate, advance the zoning, permitting, design and branding of Core and Non-Core Assets to improve their sales potential and actively pursue their divestment.

Miltos Kambourides
Managing Partner
Dolphin Capital Partners
30 September 2016

Pierre Charalambides
Founding Partner
Dolphin Capital Partners
30 September 2016

F. Financial Position for the first half of 2016

F.1. Condensed consolidated interim statement of profit or loss and other comprehensive income for the H1 2016

- Financial Results

Loss after tax for the period ended 30 June 2016 attributable to owners of the Company amounted to €162 million compared to €36 million loss for the six-month period ended 30 June 2015. Loss per share was €0.18 and €0.05 for the six-month period ended 30 June 2016 and 30 June 2015 respectively.

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
CONTINUING OPERATIONS		
Revenue	15,877	8,073
Net change in fair value of investment property	(11)	(96)
Total operating profits	**15,866**	**7,977**
Operating expenses	(14,122)	(13,007)
Investment Manager remuneration	(4,511)	(6,814)
Directors' remuneration	(1,071)	(304)
Depreciation charge	(1,401)	(1,506)
Professional fees	(4,054)	(3,728)
Administrative and other expenses	(1,965)	(3,481)
Total operating and other expenses	**(27,124)**	**(28,840)**
Results from operating activities	**(11,258)**	**(20,863)**
Finance income	22	240
Finance costs	(9,412)	(9,724)
Net finance costs	**(9,390)**	**(9,484)**
Gain on disposal of investment in subsidiaries	1,197	-
Share of loss on equity accounted investees, net of tax	(34,389)	(7,077)
Impairment loss on equity accounted investees	(109,265)	-
Impairment loss on remeasurement of disposal groups	(205)	-
Total non-operating losses	**(142,662)**	**(7,077)**
Loss before taxation	**(163,310)**	**(37,424)**
Taxation	319	(17)
Loss for the period	**(162,991)**	**(37,441)**
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Share of revaluation on equity accounted investees	17	17
	17	17
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences	(2,769)	12,137
	(2,769)	12,137
Other comprehensive income for the period, net of tax	**(2,752)**	**12,154**
Total comprehensive income for the period	**(165,743)**	**(25,287)**
Loss attributable to:		
Owners of the Company	(162,417)	(36,057)
Non-controlling interests	(574)	(1,384)
Loss for the period	**(162,991)**	**(37,441)**
Total comprehensive income attributable to:		
Owners of the Company	(164,589)	(26,218)
Non-controlling interests	(1,154)	931
Total comprehensive income for the period	**(165,743)**	**(25,287)**
LOSS PER SHARE		
Basic and diluted loss per share (€)	**(0.18)**	**(0.05)**

The variation in NAV was mainly due to the reduction in the carrying value of Aristo by €35 million from the debt restructuring agreement reached with Bank of Cyprus in June 2016 and half year operating losses, as well as a further €109 million write-down of Aristo's carrying amount to reflect the agreed €45 million sales price. Further analysis of individual revenue and expense items is provided below.

- Revenue

Revenues of €15.9 million (H1 2015: €8.1 million), were derived from the following sources:

	H1 2016 € million	H1 2015 € million
Income from hotel operations	7.9	3.2
Income from operation of golf courses	0.1	0.0
Income from construction contracts	0.0	2.3
Sale of trading & investment properties	6.1	0.4
Rental income	0.1	0.2
Other income	1.7	2.0
TOTAL	**15.9**	**8.1**

- Operating expenses

Operating expenses were €14.1 million (H1 2015: €13.0 million). The respective operating expenses are analysed in the following table:

	H1 2016 € million	H1 2015 € million
Cost of sales related to:		
Hotel operations	*3.7*	*1.4*
Golf course operations	*0.1*	*0.2*
Construction contracts	*0.0*	*2.9*
Sales of trading and investment properties	*3.8*	*0.2*
Commission to agents and other	0.1	0.1
Concession/write off of land	0.0	2.0
Personnel expenses	4.7	3.7
Hotel management and branding fees	1.4	2.3
Other operating expenses	0.3	0.2
TOTAL	**14.1**	**13.0**

The increase in Hotel Operations and Personnel expenses over the period is due to the opening of Amanera at the end of 2015. The expense relating to the sales of trading and investment properties, is attributable to the delivery of one Amanera villa and one Amanzoe plot to their respective buyers, which triggered the recognition of the corresponding revenue and expense (the carrying value of these properties) in DCI's financial statements.

- Professional Fees

The majority of professional fees related to the design, appraisal, project management and development costs incurred by the Company on its property interests, which are expensed to profit or loss as incurred and not capitalized. The charge for the period was €4.1million (H1 2015: €3.7 million) and comprises the following:

	H1 2016 € million	H1 2015 € million
Legal fees	0.5	0.4
Auditors' remuneration	0.2	0.2
Accounting expenses	0.1	0.1
Project design and development fees	2.3	1.9
Consultancy fees	0.4	0.3
Administrator fees	0.1	0.2
Other professional fees	0.5	0.6
TOTAL	**4.1**	**3.7**

- Administrative and other expenses

The administrative and other expenses amounted to €2.0 million (H1 2015: €3.5 million) and are analysed as follows:

	H1 2016 € million	H1 2015 € million
Travelling	0.3	0.2
Insurance	0.1	0.1
Repairs and maintenance	0.1	0.1
Marketing and advertising expenses	0.4	0.4
Litigation liability provisions*	0.0	1.9
Rents	0.2	0.2
Other	0.9	0.6
TOTAL	**2.0**	**3.5**

*€1.9 million relates to Zoniro (Greece) S.A. which was divested during 2015.

F.2. Condensed consolidated interim statement of financial position as at 30 June 2016

	30 June 2016 €'000	31 December 2015 €'000
ASSETS		
Property, plant and equipment	183,198	187,015
Investment property	338,105	340,853
Equity accounted investees	45,000	188,637
Available-for-sale financial assets	2,201	2,201
Deferred tax assets	996	997
Trade and other receivables	910	1,178
Non-current assets	**570,410**	**720,881**
Trading properties	35,070	37,387
Trade and other receivables	13,736	15,002
Cash and cash equivalents	11,238	41,990
Assets held for sale	69,379	70,240
Current assets	**129,423**	**164,619**
Total assets	**699,833**	**885,500**
EQUITY		
Share capital	9,046	9,046
Share premium	569,847	569,847
Retained deficit	(283,813)	(121,706)
Other reserves	22,230	24,402
Equity attributable to owners of the Company	**317,310**	**481,589**
Non-controlling interests	33,931	34,939
Total equity	**351,241**	**516,528**
LIABILITIES		
Loans and borrowings	190,567	191,152
Finance lease liabilities	2,945	2,956
Deferred tax liabilities	29,834	30,129
Trade and other payables	6,861	6,698
Deferred revenue	17,538	17,846
Non-current liabilities	**247,745**	**248,781**
Loans and borrowings	15,909	32,528
Finance lease liabilities	78	77
Trade and other payables	53,698	58,241
Deferred revenue	13,710	11,220
Liabilities held for sale	17,452	18,125
Current liabilities	**100,847**	**120,191**
Total liabilities	**348,592**	**368,972**
Total equity and liabilities	**699,833**	**885,500**
Net asset value ('NAV') per share (€)	**0.35**	**0.53**

The reported NAV as at 30 June 2016 is presented below:

	As at 30 June 2016		Variation since 31 December 2015	
	€	**£**	**€**	**£**
Total NAV before DTL (million)	355	294	(34.8%)	(26.8%)
Total NAV after DTL (million)	317	262	(34.1%)	(26.0%)
NAV per share before DTL	0.39	0.32	(34.8%)	(26.8%)
NAV per share after DTL	0.35	0.29	(34.1%)	(26.0%)

Notes:
1. *Euro/GBP rate* 0.82718 *as at 30 June 2016 and* 0.73693 *as at 31 December 2015.*
2. *Euro/USD rate* 1.1102 *as at 30 June 2016 and* 1.0887 *as at 31 December 2015.*
3. *NAV per share has been calculated on the basis of 904,626,856 issued shares as at 30 June 2016 and as at 31 December 2015.*

Total Group NAV as at 30 June 2016 was €355 million and €317 million before and after DTL respectively. This represents a decrease of €190 million (34.8%) and €164 million (34.1%), respectively, from the respective 31 December 2015 figures. As no valuation of the Company's portfolio took place as at 30 June 2016, the NAV reduction is mainly due to the reduction in value of Aristo whose fair value has been adjusted to reflect the agreed €45 million sales price, Dolphin's regular operational, corporate, finance and management expenses, as well as the devaluation of the Americas properties in Euro terms due to the appreciation of the Euro against the US Dollar by c. 2%.

Sterling NAV per share as at 30 June 2016 was 32p before DTL and 29p after DTL and decreased by 26.8 % and 26.0 %, before and after DTL respectively compared to the 31 December 2015 figures. In addition to the factors mentioned above, the NAV per share was affected by a 12.3% appreciation of Euro versus the Sterling.

The Company's consolidated assets include €621 million of real estate assets (of which, €66 million are classified as assets held for sale), €45 million of investments in equity accounted investees (to reflect the agreed sale price of the Company's 49.8% interest in Aristo), €18 million of other assets (namely trade and other receivables and available for sale financial assets) and €11 million in cash.

The €621 million figure represents the fair market valuation of Dolphin's real estate portfolio for both freehold and long leasehold interests out of which the €66 million figure represents the appraised value of Sitia Bay, Livka Bay, LaVanta and Nikki Beach Resort which are currently classified as assets available for sale. The €15 million of trade and other receivables comprise mainly €3.4 million due from villa buyers and €3.3 million of VAT receivables. Available- for- sale financial assets represents the Company's investment in Itacare Investors Ltd.

The Company's consolidated liabilities (excluding DTL and €8 million DTL classified as liabilities held for sale) total €311 million and mainly comprise €218 million of interest-bearing loans and finance lease liabilities (of which, €8 million are classified as liabilities held for sale), out of which €50 million and US$9.17 million Convertible Bonds are held at Company level. The remaining loans are held by Group subsidiaries and are non-recourse to Dolphin (except for the Playa Grande construction loan which is guaranteed by the Company). The €92 million of trade and other payables and deferred revenue comprise mainly €26 million of option contracts to acquire land in the Company's Lavender Bay project, €7 million deferred income from government grants and €24 million of client advances from villa sales.

F.3. Condensed consolidated interim statement of changes in equity for the period ended 30 June 2016

	Attributable to owners of the Company							
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained deficit €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
Balance at 1 January 2015	6,424	498,933	10,695	12,575	28,821	557,448	30,364	587,812
TOTAL COMPREHENSIVE INCOME								
Loss	-	-	-	-	(36,057)	(36,057)	(1,384)	(37,441)
Other comprehensive income								
Foreign currency translation differences	-	-	9,822	-	-	9,822	2,315	12,137
Share of revaluation on equity accounted investees	-	-	-	17	-	17	-	17
Total other comprehensive income	-	-	9,822	17	-	9,839	2,315	12,154
Total comprehensive income	**-**	**-**	**9,822**	**17**	**(36,057)**	**(26,218)**	**931**	**(25,287)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Contributions by and distributions								
Issue of ordinary shares	2,193	60,527	-	-	-	62,720	-	62,720
Placement costs	-	(1,390)	-	-	-	(1,390)	-	(1,390)
Bond conversions	429	11,851	-	-	-	12,280	-	12,280
Non-controlling interests on capital increases of subsidiaries	-	-	-	-	(545)	(545)	545	-
Total contributions by and distributions	2,622	70,988	-	-	(545)	73,065	545	73,610
Total transactions with owners of the Company	**2,622**	**70,988**	**-**	**-**	**(545)**	**73,065**	**545**	**73,610**
Balance at 30 June 2015	**9,046**	**569,921**	**20,517**	**12,592**	**(7,781)**	**604,295**	**31,840**	**636,135**
Balance at 1 January 2016	9,046	569,847	23,939	463	(121,706)	481,589	34,939	516,528
TOTAL COMPREHENSIVE INCOME								
Loss	-	-	-	-	(162,417)	(162,417)	(574)	(162,991)
Other comprehensive income								
Foreign currency translation differences	-	-	(2,189)	-	-	(2,189)	(580)	(2,769)
Share of revaluation on equity accounted investees	-	-	-	17	-	17	-	17
Total other comprehensive income	-	-	(2,189)	17	-	(2,172)	(580)	(2,752)
Total comprehensive income	-	-	**(2,189)**	**17**	**(162,417)**	**(164,589)**	**(1,154)**	**(165,743)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Contributions and distributions								
Equity-settled share-based payment arrangements	-	-	-	-	310	310	-	310
Total contributions and distributions	**-**	**-**	**-**	**-**	**310**	**310**	**-**	**310**
Changes in ownership interests								
Movement in non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	146	146
Total changes in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**146**	**146**
Total transactions with owners of the Company	-	-	**-**	**-**	**310**	**310**	**146**	**456**
Balance at 30 June 2016	**9,046**	**569,847**	**21,750**	**480**	**(283,813)**	**317,310**	**33,931**	**351,241**

F.4. Consolidated statement of cash flows for the period ended 30 June 2016

	From 1 January 2016 to 30 June 2016	From 1 January 2015 to 30 June 2015
	€'000	€'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss	(162,991)	(37,441)
Share of loss on equity accounted investees, net of tax	34,389	7,077
Impairment loss on equity accounted investees	109,265	-
Net change in fair value of investment property	11	96
Impairment loss on remeasurement of disposal groups	205	-
Gain on disposal of investment in subsidiaries	(1.197)	-
Other adjustments	11,390	12,634
	(8,928)	(17,634)
Changes in:		
Receivables	1,533	1,571
Payables	(30)	20,942
Cash (used in)/from operating activities	(7,425)	4,879
Tax received	66	77
Net cash (used in)/from operating activities	**(7,359)**	**4,956**
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (acquisitions)/disposals of investment property	(11)	2,621
Net acquisitions of property, plant and equipment	(1,684)	(13,900)
Change in trading properties	2,707	(6,704)
Change in net assets held for sale	29	-
Change in equity accounted investees	-	(376)
Interest received	22	242
Net cash from/(used in) investing activities	**1,063**	**(18,117)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital, net of placement costs	-	61,330
Change in loans and borrowings	(18,273)	2,460
Change in finance lease liabilities	(10)	(256)
Interest paid	(5,693)	(5,960)
Net cash (used in)/from financing activities	**(23,976)**	**57,574**
Net (decrease)/increase in cash and cash equivalents	**(30,272)**	**44,413**
Cash and cash equivalents at the beginning of the period	41,990	28,739
Effect of exchange rate fluctuations on cash held	(480)	(619)
Cash and cash equivalents at the end of the period	**11,238**	**72,533**

Condensed consolidated interim statement of profit or loss and other comprehensive income

For the six-month period ended 30 June 2016

	Note	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
CONTINUING OPERATIONS			
Revenue	6	15,877	8,073
Net change in fair value of investment property	14	(11)	(96)
Total operating profits		**15,866**	**7,977**
Operating expenses	7	(14,122)	(13,007)
Investment Manager remuneration	28.2	(4,511)	(6,814)
Directors' remuneration	28.1	(1,071)	(304)
Depreciation charge	13	(1,401)	(1,506)
Professional fees	9	(4,054)	(3,728)
Administrative and other expenses	10	(1,965)	(3,481)
Total operating and other expenses		**(27,124)**	**(28,840)**
Results from operating activities		**(11,258)**	**(20,863)**
Finance income		22	240
Finance costs		(9,412)	(9,724)
Net finance costs		**(9,390)**	**(9,484)**
Gain on disposal of investment in subsidiaries	29	1,197	-
Share of loss on equity accounted investees, net of tax	18	(34,389)	(7,077)
Impairment loss on equity accounted investees	18	(109,265)	-
Impairment loss on remeasurement of disposal groups	15	(205)	-
Total non-operating losses		**(142,662)**	**(7,077)**
Loss before taxation		**(163,310)**	**(37,424)**
Taxation	11	319	(17)
Loss for the period		**(162,991)**	**(37,441)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Share of revaluation on equity accounted investees	18	17	17
		17	17
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		(2,769)	12,137
		(2,769)	12,137
Other comprehensive income for the period, net of tax		**(2,752)**	**12,154**
Total comprehensive income for the period		**(165,743)**	**(25,287)**
Loss attributable to:			
Owners of the Company		(162,417)	(36,057)
Non-controlling interests		(574)	(1,384)
Loss for the period		**(162,991)**	**(37,441)**
Total comprehensive income attributable to:			
Owners of the Company		(164,589)	(26,218)
Non-controlling interests		(1,154)	931
Total comprehensive income for the period		**(165,743)**	**(25,287)**
LOSS PER SHARE			
Basic and diluted loss per share (€)	12	**(0.18)**	**(0.05)**

Condensed consolidated interim statement of financial position

As at 30 June 2016

	Note	30 June 2016 €'000	31 December 2015 €'000
ASSETS			
Property, plant and equipment	13	183,198	187,015
Investment property	14	338,105	340,853
Equity accounted investees	18	45,000	188,637
Available-for-sale financial assets	17	2,201	2,201
Deferred tax assets	24	996	997
Trade and other receivables	19	910	1,178
Non-current assets		**570,410**	**720,881**
Trading properties	16	35,070	37,387
Trade and other receivables	19	13,736	15,002
Cash and cash equivalents	20	11,238	41,990
Assets held for sale	15	69,379	70,240
Current assets		**129,423**	**164,619**
Total assets		**699,833**	**885,500**
EQUITY			
Share capital	21	9,046	9,046
Share premium	21	569,847	569,847
Retained deficit		(283,813)	(121,706)
Other reserves		22,230	24,402
Equity attributable to owners of the Company		**317,310**	**481,589**
Non-controlling interests		33,931	34,939
Total equity		**351,241**	**516,528**
LIABILITIES			
Loans and borrowings	22	190,567	191,152
Finance lease liabilities	23	2,945	2,956
Deferred tax liabilities	24	29,834	30,129
Trade and other payables	26	6,861	6,698
Deferred revenue	25	17,538	17,846
Non-current liabilities		**247,745**	**248,781**
Loans and borrowings	22	15,909	32,528
Finance lease liabilities	23	78	77
Trade and other payables	26	53,698	58,241
Deferred revenue	25	13,710	11,220
Liabilities held for sale	15	17,452	18,125
Current liabilities		**100,847**	**120,191**
Total liabilities		**348,592**	**368,972**
Total equity and liabilities		**699,833**	**885,500**
Net asset value ('NAV') per share (€)	27	**0.35**	**0.53**

Condensed consolidated interim statement of changes in equity

For the six-month period ended 30 June 2016

	Attributable to owners of the Company							
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained deficit €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
Balance at 1 January 2015	**6,424**	**498,933**	**10,695**	**12,575**	**28,821**	**557,448**	**30,364**	**587,812**
TOTAL COMPREHENSIVE INCOME								
Loss	-	-	-	-	(36,057)	(36,057)	(1,384)	(37,441)
Other comprehensive income								
Foreign currency translation differences	-	-	9,822	-	-	9,822	2,315	12,137
Share of revaluation on equity accounted investees	-	-	-	17	-	17	-	17
Total other comprehensive income	-	-	9,822	17	-	9,839	2,315	12,154
Total comprehensive income	**-**	**-**	**9,822**	**17**	**(36,057)**	**(26,218)**	**931**	**(25,287)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Contributions by and distributions								
Issue of ordinary shares	2,193	60,527	-	-	-	62,720	-	62,720
Placement costs	-	(1,390)	-	-	-	(1,390)	-	(1,390)
Bond conversions	429	11,851	-	-	-	12,280	-	12,280
Non-controlling interests on capital increases of subsidiaries	-	-	-	-	(545)	(545)	545	-
Total contributions by and distributions	2,622	70,988	-	-	(545)	73,065	545	73,610
Total transactions with owners of the Company	**2,622**	**70,988**	**-**	**-**	**(545)**	**73,065**	**545**	**73,610**
Balance at 30 June 2015	**9,046**	**569,921**	**20,517**	**12,592**	**(7,781)**	**604,295**	**31,840**	**636,135**
Balance at 1 January 2016	**9,046**	**569,847**	**23,939**	**463**	**(121,706)**	**481,589**	**34,939**	**516,528**
TOTAL COMPREHENSIVE INCOME								
Loss	-	-	-	-	(162,417)	(162,417)	(574)	(162,991)
Other comprehensive income								
Foreign currency translation differences	-	-	(2,189)	-	-	(2,189)	(580)	(2,769)
Share of revaluation on equity accounted investees	-	-	-	17	-	17	-	17
Total other comprehensive income	-	-	(2,189)	17	-	(2,172)	(580)	(2,752)
Total comprehensive income	-	-	**(2,189)**	**17**	**(162,417)**	**(164,589)**	**(1,154)**	**(165,743)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Contributions and distributions								
Equity-settled share-based payment arrangements	-	-	-	-	310	310	-	310
Total contributions and distributions	-	-	-	-	310	310	-	310
Changes in ownership interests								
Movement in non-controlling interests	-	-	-	-	-	-	146	146
Total changes in ownership interests	-	-	-	-	-	-	146	146
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**310**	**310**	**146**	**456**
Balance at 30 June 2016	**9,046**	**569,847**	**21,750**	**480**	**(283,813)**	**317,310**	**33,931**	**351,241**

Condensed consolidated interim statement of cash flows

For the six-month period ended 30 June 2016

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss	(162,991)	(37,441)
Share of loss on equity accounted investees, net of tax	34,389	7,077
Impairment loss on equity accounted investees	109,265	-
Net change in fair value of investment property	11	96
Impairment loss on remeasurement of disposal groups	205	-
Gain on disposal of investment in subsidiaries	(1,197)	-
Other adjustments	11,390	12,634
	(8,928)	(17,634)
Changes in:		
Receivables	1,533	1,571
Payables	(30)	20,942
Cash (used in)/from operating activities	(7,425)	4,879
Tax received	66	77
Net cash (used in)/from operating activities	**(7,359)**	**4,956**
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (acquisitions)/disposals of investment property	(11)	2,621
Net acquisitions of property, plant and equipment	(1,684)	(13,900)
Change in trading properties	2,707	(6,704)
Change in net assets held for sale	29	-
Change in equity accounted investees	-	(376)
Interest received	22	242
Net cash from/(used in) investing activities	**1,063**	**(18,117)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital, net of placement costs	-	61,330
Change in loans and borrowings	(18,273)	2,460
Change in finance lease liabilities	(10)	(256)
Interest paid	(5,693)	(5,960)
Net cash (used in)/from financing activities	**(23,976)**	**57,574**
Net (decrease)/increase in cash and cash equivalents	**(30,272)**	**44,413**
Cash and cash equivalents at the beginning of the period	41,990	28,739
Effect of exchange rate fluctuations on cash held	(480)	(619)
Cash and cash equivalents at the end of the period	**11,238**	**72,533**

For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents consist of the following:		
Cash in hand and at bank (see note 20)	11,238	74,820
Bank overdrafts	-	(2,287)
Cash and cash equivalents at the end of the period	11,238	**72,533**

Notes to the condensed consolidated interim financial statements

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 condensed consolidated interim financial statements of the Company as at and for the six-month period ended 30 June 2016 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates.

The condensed consolidated interim financial statements of the Group as at and for the six-month period ended 30 June 2016 are available at www.dolphinci.com.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015. They are presented in euro (€), rounded to the nearest thousand.

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 29 September 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

4. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2015.

5. PRINCIPAL SUBSIDIARIES

As at 30 June 2016, the Group's most significant subsidiaries were the following:

Name	Project	Country of incorporation	Shareholding interest
Scorpio Bay Holdings Limited	Scorpio Bay Resort	Cyprus	100%
Scorpio Bay Resorts S.A.	Scorpio Bay Resort	Greece	100%
Latirus Enterprises Limited	Sitia Bay Golf Resort	Cyprus	80%
Iktinos Techniki Touristiki S.A. ('Iktinos')	Sitia Bay Golf Resort	Greece	78%
Xscape Limited	Lavender Bay Resort	Cyprus	100%
Golfing Developments S.A.	Lavender Bay Resort	Greece	100%
MindCompass Overseas Limited	Kilada Hills Golf Resort	Cyprus	100%
MindCompass Overseas S.A.	Kilada Hills Golf Resort	Greece	100%
MindCompass Overseas Two S.A.	Kilada Hills Golf Resort	Greece	100%
MindCompass Parks S.A.	Kilada Hills Golf Resort	Greece	100%
Dolphin Capital Greek Collection Limited	Kilada Hills Golf Resort	Cyprus	100%
DCI Holdings One Limited ('DCI H1')	Aristo Developers	BVIs	100%
D.C. Apollo Heights Polo and Country Resort Limited	Apollo Heights Resort	Cyprus	100%
Symboula Estates Limited	Apollo Heights Resort	Cyprus	100%
DolphinCI Fourteen Limited ('DCI 14')	Amanzoe	Cyprus	100%
Eidikou Skopou Dekatessera S.A. ('ES 14')	Amanzoe	Greece	100%
Eidikou Skopou Dekaokto S.A. ('ES 18')	Amanzoe	Greece	100%
Single Purpose Vehicle Two Limited ('SPV 2')	Amanzoe	Cyprus	64%
Eidikou Skopou Eikosi Ena S.A.	Amanzoe	Greece	64%
Azurna Uvala D.o.o. ('Azurna')	Livka Bay Resort	Croatia	100%
Eastern Crete Development Company S.A.	Plaka Bay Resort	Greece	100%
DolphinLux 2 S.a.r.l.	La Vanta- Mediterra Resorts	Luxembourg	100%
Kalkan Yapi ve Turizm A.S. ('Kalkan')	La Vanta- Mediterra Resorts	Turkey	100%
Dolphin Capital Americas Limited	Pearl Island and Playa Grande Club & Reserve	BVIs	100%
DCA Pearl Holdings Limited	Pearl Island	BVIs	100%
DCA Holdings Six Limited	Playa Grande Club & Reserve	BVIs	100%
DCA Holdings Seven Limited	Playa Grande Club & Reserve	BVIs	100%
Playa Grande Holdings Inc. ('PGH')	Playa Grande Club & Reserve	BVIs	100%
Single Purpose Vehicle Eight Limited	Triopetra	Cyprus	100%
Eidikou Skopou Dekapente S.A.	Triopetra	Greece	100%
Single Purpose Vehicle Ten Limited ('SPV 10')	Kea Resort	Cyprus	67%
Eidikou Skopou Eikosi Tessera S.A.	Kea Resort	Greece	67%
Pearl Island Limited S.A.	Pearl Island	Panama Republic	60%
Zoniro (Panama) S.A.	Pearl Island	Panama Republic	60%

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

As at 30 June 2016 and 31 December 2015, all or part of the shares held by the Company in some of its subsidiaries are pledged as a security for loans.

6. REVENUE

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
Income from hotel operations	7,901	3,187
Income from operation of golf courses	125	12
Income from construction contracts	-	2,273
Sale of trading and investment properties	6,095	427
Rental income	52	247
Other income	1,704	1,927
Total	**15,877**	**8,073**

7. OPERATING EXPENSES

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
Cost of sales related to:		
Hotel operations	3,743	1,402
Golf course operations	143	179
Construction contracts	-	2,851
Sales of trading and investment properties	3,755	217
Commission to agents and other	57	64
Concession/write off of land	-	2,066
Personnel expenses (see below)	4,738	3,660
Hotel operator fees	181	162
Branding management fees	1,189	2,108
Other operating expenses	316	298
Total	**14,122**	**13,007**

Personnel expenses

	From 1 January 2016 to 30 June 2016			
	Hotel & leisure operations €'000	Project maintenance & development €'000	Total €'000	Construction in progress €'000
Wages and salaries	2,243	1,312	3,555	-
Compulsory social security contributions	436	216	652	-
Contributions to defined contribution plans	-	24	24	-
Other personnel costs	437	70	507	-
Total	**3,116**	**1,622**	**4,738**	**-**
The average number of employees employed by the Group during the period was	**397**	**140**	**537**	**-**

	From 1 January 2015 to 30 June 2015			
	Hotel & leisure operations €'000	Project maintenance & development €'000	Total €'000	Construction in progress €'000
Wages and salaries	1,430	1,376	2,806	74
Compulsory social security contributions	339	258	597	3
Contributions to defined contribution plans	-	20	20	-
Other personnel costs	127	110	237	-
Total	**1,896**	**1,764**	**3,660**	**77**
The average number of employees employed by the Group during the period was	**204**	**161**	**365**	**2**

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.

8. SEGMENT REPORTING

Operating segments

The Group has two reportable operating segments, the 'Hotel & leisure operations' and 'Construction & development' segments. Information related to each operational reportable segment is set out below. Segment profit/(loss) before tax is used to measure performance as management believes such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Hotel & leisure operations €'000	Construction & development €'000	Other €'000	Reportable segments' totals €'000
30 June 2016				
Revenue	8,027	6,102	1,748	15,877
Net change in fair value of investment property	-	-	(11)	(11)
Operating expenses	(8,433)	(5,298)	(391)	(14,122)
Investment Manager remuneration	-	-	(4,511)	(4,511)
Directors' remuneration	-	-	(1,071)	(1,071)
Depreciation charge	(1,218)	(183)	-	(1,401)
Professional fees	-	(1,236)	(2,818)	(4,054)
Administrative and other expenses	-	(285)	(1,680)	(1,965)
Results from operating activities	**(1,624)**	**(900)**	**(8,734)**	**(11,258)**
Finance income	-	-	22	22
Finance costs	(3,673)	(246)	(5,493)	(9,412)
Net finance costs	**(3,673)**	**(246)**	**(5,471)**	**(9,390)**
Share of loss on equity-accounted investees, net of tax	-	(34,389)	-	(34,389)
Gain on disposal of investment in subsidiaries	-	1,197	-	1,197
Impairment loss on equity accounted investees	-	(109,265)	-	(109,265)
Impairment loss on remeasurement of disposal groups	-	(205)	-	(205)
Loss before tax	**(5,297)**	**(143,808)**	**(14,205)**	**(163,310)**
Taxation	-	46	273	319
Loss	**(5,297)**	**(143,762)**	**(13,932)**	**(162,991)**

	Hotel & leisure operations €'000	Construction & development €'000	Other €'000	Reportable segments' totals €'000
30 June 2015				
Revenue	3,199	2,928	1,946	8,073
Net change in fair value of investment property	-	-	(96)	(96)
Operating expenses	(3,724)	(7,507)	(1,776)	(13,007)
Investment Manager remuneration	-	-	(6,814)	(6,814)
Directors' remuneration	-	-	(304)	(304)
Depreciation charge	(1,173)	(239)	(94)	(1,506)
Professional fees	-	(1,970)	(1,758)	(3,728)
Administrative and other expenses	-	(2,911)	(570)	(3,481)
Results from operating activities	**(1,698)**	**(9,699)**	**(9,466)**	**(20,863)**
Finance income	-	238	2	240
Finance costs	(1,822)	(1,790)	(6,112)	(9,724)
Net finance costs	**(1,822)**	**(1,552)**	**(6,110)**	**(9,484)**
Share of loss on equity-accounted investees, net of tax	(1,007)	(6,070)	-	(7,077)
Loss before tax	**(4,527)**	**(17,321)**	**(15,576)**	**(37,424)**
Taxation	-	(111)	94	(17)
Loss	**(4,527)**	**(17,432)**	**(15,482)**	**(37,441)**

Geographical segments

Information in relation to the geographical regions in which the Group operates, is set below:

	Americas[1] €'000	South-East Europe[2] €'000	Other[3] €'000	Reportable segment totals €'000	Adjustments[4] €'000	Consolidated totals €'000
30 June 2016						
Property, plant and equipment	100,195	83,003	-	183,198	-	183,198
Investment property	139,158	198,947	-	338,105	-	338,105
Trading properties	3,086	31,984	-	35,070	-	35,070
Equity accounted investees	-	45,000	-	45,000	-	45,000
Available-for-sale financial assets	2,201	-	-	2,201	-	2,201
Cash and cash equivalents	2,305	6,792	2,141	11,238	-	11,238
Assets held for sale	-	69,379	-	69,379	-	69,379
Intra-group debit balances	14,513	51,888	578,810	645,211	(645,211)	-
Other assets	5,068	10,382	192	15,642	-	15,642
Total assets	**266,526**	**497,375**	**581,143**	**1,345,044**	**(645,211)**	**699,833**
Loans and borrowings	54,926	93,290	58,260	206,476	-	206,476
Finance lease liabilities	5	3,018	-	3,023	-	3,023
Deferred tax liabilities	2,385	27,449	-	29,834	-	29,834
Liabilities held for sale	-	17,452	-	17,452	-	17,452
Intra-group credit balances	163,996	421,339	59,876	645,211	(645,211)	-
Other liabilities	26,901	64,122	784	91,807	-	91,807
Total liabilities	**248,213**	**626,670**	**118,920**	**993,803**	**(645,211)**	**348,592**
Revenue	9,554	6,323	-	15,877	-	15,877
Net change in fair value of investment property	(11)	-	-	(11)	-	(11)
Share of loss on equity accounted investees, net of tax	-	(34,389)	-	(34,389)	-	(34,389)
Impairment loss on equity accounted investees	-	(109,265)		(109,265)		(109,265)
Other non-operating profits	-	992	-	992	-	992
Investment Manager remuneration	-	(640)	(3,871)	(4,511)	-	(4,511)
Net finance costs	(2,397)	(5,006)	(1,987)	(9,390)	-	(9,390)
Other expenses	(9,479)	(10,113)	(3,021)	(22,613)	-	(22,613)
Loss before taxation	**(2,333)**	**(152,098)**	**(8,879)**	**(163,310)**	**-**	**(163,310)**
Taxation	-	319	-	319	-	319
Loss	**(2,333)**	**(151,779)**	**(8,879)**	**(162,991)**	**-**	**(162,991)**

	Americas[1] €'000	South-East Europe[2] €'000	Other[3] €'000	Reportable segment totals €'000	Adjustments[4] €'000	Consolidated totals €'000
31 December 2015						
Property, plant and equipment	102,920	84,095	-	187,015	-	187,015
Investment property	141,906	198,947	-	340,853	-	340,853
Trading properties	2,052	35,335	-	37,387	-	37,387
Equity accounted investees	-	188,637	-	188,637	-	188,637
Available-for-sale financial assets	2,201	-	-	2,201	-	2,201
Cash and cash equivalents	2,117	6,218	33,655	41,990	-	41,990
Assets held for sale	-	70,240	-	70,240	-	70,240
Intra-group debit balances	14,195	291,448	555,516	861,159	(861,159)	-
Other assets	3,141	13,195	841	17,177	-	17,177
Total assets	**268,532**	**888,115**	**590,012**	**1,746,659**	**(861,159)**	**885,500**
Loans and borrowings	57,550	92,395	73,735	223,680	-	223,680
Finance lease liabilities	28	3,005	-	3,033	-	3,033
Deferred tax liabilities	2,432	27,697	-	30,129	-	30,129
Liabilities held for sale	-	18,125	-	18,125	-	18,125
Intra-group credit balances	144,154	417,371	299,634	861,159	(861,159)	-
Other liabilities	27,865	65,260	880	94,005	-	94,005
Total liabilities	**232,029**	**623,853**	**374,249**	**1,230,131**	**(861,159)**	**368,972**
30 June 2015						
Revenue	1,622	6,367	84	8,073		8,073
Net change in fair value of investment property	(80)	(16)	-	(96)	-	(96)
Share of loss on equity accounted investees, net of tax	-	(6,070)	(1,007)	(7,077)	-	(7,077)
Investment Manager remuneration	-	-	(6,814)	(6,814)	-	(6,814)
Net finance costs	(1,494)	(5,109)	(2,881)	(9,484)	-	(9,484)
Other expenses	(4,562)	(16,727)	(737)	(22,026)	-	(22,026)
Loss before taxation	**(4,514)**	**(21,555)**	**(11,355)**	**(37,424)**	**-**	**(37,424)**
Taxation	14	(31)	-	(17)	-	(17)
Loss	**(4,500)**	**(21,586)**	**(11,355)**	**(37,441)**	**-**	**(37,441)**

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 17).

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. Factors such as inflation, unemployment, public health crises, international trade and development of the gross domestic product directly impact the economy of each country and variation in these and the economic environment in general affect the Group's performance to a certain extent.

The global fundamentals of the sector remained strong during 2015 and the first half 2016, 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 steadily improving in Cyprus assisted by the legislative reforms implemented during the last two years by the Cypriot government.

Greece

After the escalation of the sovereign debt crisis in Greece in mid-2012 and further in late June 2015, when capital controls were imposed and the banking system was closed for more than two weeks, on 15 July 2015, the Greek parliament passed a law including a list of reforms that the Greek Government needed to implement in order to unlock a fresh €82 billion to €86 billion bail-out. The conclusion of this agreement and its implementation by the Greek Government so far, is expected to restore the sustainability of the Greek economy on a long term basis. Since the announcement of the provisional agreement for the third bail out, reservations picked up again and official data released by the Bank of Greece confirmed that 2015 was an all-time record year for Greek tourism. The number of tourism arrivals in Greece expanded 7.1% in 2015 compared to 2014, reaching an all-time high of 23.6 million.

In 2016, for the period between January and July, international arrivals rose by 6.4% against the same period last year. The Greek Tourism Confederation noted that the surge in last-minute bookings means that there is a strong likelihood that the target which the Confederation set at the start of the year, for an increase of 6% in arrivals over the course of the whole year, can be achieved.

Cyprus

Cyprus successfully concluded its three-year European Stability Mechanism ("ESM") financial assistance programme on 31 March 2016. The ESM disbursed €6.3 billion, in addition to around €1 billion in loans from the IMF, out of a loan package of up to €10 billion. The Cypriot authorities did not need the remaining €2.7 billion.

In 2016, for the period January – July 2016, arrivals of tourists totalled 1.74 million compared to 1.45 million in the corresponding period of 2015, recording an increase of 20% as reported by the country's Statistical Service. The last estimate for the 2016 tourist arrivals is 3.1 million compared with 2.65 million in 2015 and 2.7 million in 2001 which was the last record year.

Significant value is also estimated to be unlocked through the expected zoning of DCI's Apollo Heights Resort, following the agreement reached by the Cypriot and UK governments to permit development of such projects falling within the Sovereign British Areas.

9. PROFESSIONAL FEES

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
Legal fees	496	360
Auditors' remuneration (see below)	212	226
Accounting expenses	142	136
Project design and development fees	2,270	1,962
Consultancy fees	400	284
Administrator fees	120	157
Other professional fees	414	603
Total	**4,054**	**3,728**

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
Auditors' remuneration comprises the following fees:		
Audit and other audit related services	180	226
Tax and advisory	32	-
Total	**212**	**226**

10. ADMINISTRATIVE AND OTHER EXPENSES

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
Travelling	274	165
Insurance	58	66
Repairs and maintenance	128	93
Marketing and advertising expenses	381	434
Litigation liability provisions	-	1,922
Rents	175	188
Other	949	613
Total	**1,965**	**3,481**

11. TAXATION

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
Income tax	(43)	26
Deferred tax	(230)	(9)
Deferred tax relating to disposal groups held for sale	(46)	-
Total	**(319)**	**17**

12. LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of common shares outstanding during the period.

	From 1 January 2016 to 30 June 2016 '000	From 1 January 2015 to 30 June 2015 '000
Loss attributable to owners of the Company (€)	(162,417)	(36,057)
Number of weighted average common shares outstanding	904,627	671,174
Basic loss per share (€)	**(0.18)**	**(0.05)**

Weighted average number of common shares outstanding

	From 1 January 2016 to 30 June 2016 '000	From 1 January 2015 to 30 June 2015 '000
Outstanding common shares at beginning of period	904,627	642,440
Effect of shares issued during the period	-	24,227
Effect of Bond Conversion shares	-	4,507
Weighted average number of common shares outstanding	**904,627**	**671,174**

Diluted loss per share

Diluted loss per share is calculated by adjusting the loss attributable to owners and the number of common shares outstanding to assume conversion of all dilutive potential shares. As of 30 June 2016 and 31 December 2015, the diluted loss per share is the same as the basic loss per share, due to the fact that no dilutive potential ordinary shares were outstanding during these periods.

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

13. PROPERTY, PLANT AND EQUIPMENT

	Under construction €'000	Land, buildings and other €'000	Total €'000
30 June 2016			
Cost or revalued amount			
At beginning of period	12,227	206,935	219,162
Direct acquisitions	708	1,095	1,803
Direct disposals	-	(133)	(133)
Transfers to trading property (see note 16)	-	(2,029)	(2,029)
Exchange difference	(222)	(1,941)	(2,163)
At end of period	12,713	203,927	216,640
Depreciation and impairment losses			
At beginning of period	-	32,147	32,147
Direct disposals	-	(14)	(14)
Depreciation charge for the period	-	1,401	1,401
Exchange difference	-	(92)	(92)
At end of period	-	33,442	33,442
Carrying amounts	**12,713**	**170,485**	**183,198**

	Under construction €'000	Land, buildings and other €'000	Total €'000
31 December 2015			
Cost or revalued amount			
At beginning of year	31,273	163,019	194,292
Direct acquisitions	35,483	7,090	42,573
Direct disposals	-	(1,063)	(1,063)
Disposals through disposal of subsidiary company	-	(1,581)	(1,581)
Reclassification to assets held for sale	-	(5,505)	(5,505)
Transfers to trading property (see note 16)	-	(198)	(198)
Transfers (to)/from other assets	(58,131)	58,131	-
Revaluation adjustment	-	(15,181)	(15,181)
Write offs	-	(1,513)	(1,513)
Exchange difference	3,602	3,736	7,338
At end of year	12,227	206,935	219,162
Depreciation and impairment losses			
At beginning of year	-	17,527	17,527
Direct disposals	-	(750)	(750)
Disposals through disposal of subsidiary company	-	(159)	(159)
Reclassification to assets held for sale	-	(75)	(75)
Transfers to trading property (see note 16)	-	(104)	(104)
Depreciation charge for the year	-	2,919	2,919
Impairment loss	-	14,167	14,167
Write offs	-	(433)	(433)
Exchange difference	-	(945)	(945)
At end of year	-	32,147	32,147
Carrying amounts	**12,227**	**174,788**	**187,015**

Fair value hierarchy

The fair value of land and buildings, has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

Valuation techniques and significant unobservable inputs

The valuation techniques used in measuring the fair value of land and buildings, as well as the significant unobservable inputs used are the same as those used as at 31 December 2015.

14. INVESTMENT PROPERTY

	30 June 2016 €'000	31 December 2015 €'000
At beginning of period/year	340,853	451,880
Direct acquisitions	11	1,064
Concession/write off of land	-	(2,607)
Reclassification to assets held for sale (see note 15)	-	(52,507)
Transfers to trading properties (see note 16)	-	(14,290)
Disposals through disposal of subsidiary company	-	(10,979)
Direct disposals	-	(756)
Exchange difference	(2,748)	14,095
	338,116	385,900
Fair value adjustment	(11)	(45,047)
At end of period/year	**338,105**	**340,853**

Fair value hierarchy

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

Valuation techniques and significant unobservable inputs

The valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used are the same as those used as at 31 December 2015.

15. DISPOSAL GROUPS HELD FOR SALE

Management committed to a plan to sell four properties and associated liabilities, through the sale of their holding companies. Accordingly, the assets and liabilities of each of these holding companies are presented as separate disposal groups held for sale. The disposal groups are: Iktinos (owner of 'Sitia Bay') and Porto Heli (owner of 'Nikki Beach') in Greece, Azurna (owner of 'Livka Bay') in Croatia and Kalkan (owner of 'La Vanta') in Turkey. All of the disposal groups are included in the geographical segment of 'South-East Europe' and in the operating segments of 'Hotel & Leisure operations' (Porto Heli), 'Construction & Development' (Kalkan) and 'Other' (Iktinos and Azurna). Efforts to sell the disposal groups continued aiming to complete their sale within the next twelve months.

Impairment losses relating to the disposal group

Impairment losses of €205 thousand (30 June 2015: nil) for write-downs of the disposal groups to the lower of their carrying amount and their fair value less costs to sell have been recognised. The impairment losses have been applied to reduce the carrying amount of property, plant and equipment and equity accounted investee.

Assets and liabilities of disposal groups held for sale

As at 30 June 2016, the disposal groups comprised the following assets and liabilities:

	Iktinos disposal group €'000	Azurna disposal group €'000	Kalkan disposal group €'000	Porto Heli disposal group €'000	Total €'000
Property, plant and equipment	4,439	-	21	-	4,460
Investment property	17,901	34,643	-	-	52,544
Equity-accounted investee	-	-	-	1,245	1,245
Deferred tax assets	-	-	1,667	-	1,667
Trading properties	-	-	7,769	-	7,769
Trade and other receivables	-	7	1,401	-	1,408
Cash and cash equivalents	47	234	5	-	286
Assets held for sale	**22,387**	**34,884**	**10,863**	**1,245**	**69,379**
Loans and borrowings	-	8,147	137	-	8,284
Deferred tax liabilities	3,382	4,469	25	-	7,876
Trade and other payables	254	956	82	-	1,292
Liabilities held for sale	**3,636**	**13,572**	**244**	**-**	**17,452**

As at 31 December 2015, the disposal groups comprised the following assets and liabilities:

	Iktinos disposal group €'000	Azurna disposal group €'000	Kalkan disposal group €'000	Porto Heli disposal group €'000	Total €'000
Property, plant and equipment	4,439	-	23	-	4,462
Investment property (see note 14)	17,901	34,606	-	-	52,507
Equity-accounted investee	-	-	-	1,450	1,450
Deferred tax assets	-	-	1,628	-	1,628
Trading properties (see note 16)	-	-	7,960	-	7,960
Trade and other receivables	-	9	1,459	-	1,468
Cash and cash equivalents	86	282	397	-	765
Assets held for sale	**22,426**	**34,897**	**11,467**	**1,450**	**70,240**
Loans and borrowings	-	8,162	538	-	8,700
Deferred tax liabilities	3,380	4,405	25	-	7,810
Trade and other payables	252	970	393	-	1,615
Liabilities held for sale	**3,632**	**13,537**	**956**	**-**	**18,125**

Cumulative income or expenses included in other comprehensive income

No cumulative income or expenses relating to the disposal groups, is included in other comprehensive income.

Measurement of fair values

i. Fair value hierarchy

The fair value measurement for the disposal groups before costs to sell has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

ii. Valuation techniques and significant unobservable inputs

The fair value of each disposal group is significantly based on the valuation of the immovable property in each group. The valuation techniques and significant unobservable inputs used in measuring the fair values of these properties are the same as those used as at 31 December 2015.

16. TRADING PROPERTIES

	30 June 2016 €'000	31 December 2015 €'000
At beginning of period/year	37,387	52,323
Net direct disposals	(2,707)	(16,189)
Net transfers from investment property (see note 14)	-	14,290
Net transfers from property, plant and equipment (see note 13)	2,029	94
Disposals through disposal of subsidiary companies (see note 29)	(1,599)	(1,952)
Impairment loss	-	(3,431)
Reclassification to assets held for sale (see note 15)	-	(7,960)
Exchange difference	(40)	212
At end of period/year	**35,070**	**37,387**

17. 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.

	30 June 2016 €'000	31 December 2015 €'000
At beginning and end of period/year	**2,201**	**2,201**

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.

18. EQUITY ACCOUNTED INVESTEES

	DCI Holdings Two Limited ('DCI H2') €'000	Porto Heli €'000	Progressive Business Advisors S.A. €'000	Total €'000
Balance as at 1 January 2016	188,637	-	-	188,637
Share of loss, net of tax	(34,389)	-	-	(34,389)
Impairment loss	(109,265)	-	-	(109,265)
Share of revaluation reserve	17	-	-	17
Balance as at 30 June 2016	**45,000**	**-**	**-**	**45,000**
Balance as at 1 January 2015	231,972	2,227	24	234,223
Reclassification to assets held for sale	-	(1,526)	-	(1,526)
Additions	-	310	-	310
Disposals	-	-	(24)	(24)
Share of translation reserve	180	-	-	180
Share of loss, net of tax	(43,542)	(1,011)	-	(44,553)
Share of revaluation reserve	27	-	-	27
Balance as at 31 December 2015	**188,637**	**-**	**-**	**188,637**

The details of the above investments are as follows:

Name	Principal place of business/ Country of incorporation	Principal activities	Shareholding interest 30 June 2016	Shareholding interest 31 December 2015
DCI H2	BVIs	Acquisition and holding of investments in Cyprus	50%	50%
Porto Heli	BVIs	Acquisition and holding of investments in Greece	25%	25%

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

During the period, the Company's investment in DCI H2, owner of Aristo Developers Limited ('Aristo'), decreased significantly, as a result of a share of loss and an impairment amounting to €34,389 thousand and €109,265 thousand, respectively. The share of loss comprises the result of the loan restructuring arrangement between Aristo and Bank of Cyprus, whereby a loss from the extinguishment of such bank loans emerged through their settlement with property swapped. The impairment loss has been recognized to bring the DCI H2 investment to its recoverable amount of €45 million, which represents the agreed proceeds of the Company from the disposal of its investment on 29 September 2016, as described in note 33, *Events after the reporting period*.

During 2015, the Company disposed of its participation in Progressive Business Advisors S.A. Also, its management committed to a plan to sell Porto Heli, owner of 'Nikki Beach', in Greece; and the investment in Porto Heli was reclassified to assets held for sale.

As of 30 June 2016, Aristo, had a total of €354 thousand (31 December 2015: €1.8 million) contractual capital commitments on property, plant and equipment and a total of €38 million (31 December 2015: €39 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 the Group's bank loans.

Summary of financial information for equity accounted investees as at 30 June 2016 and 31 December 2015, not adjusted for the percentage of ownership held by the Group:

	DCI H2 €'000	Porto Heli €'000	Total €'000
30 June 2016			
Current assets	140,728	-	140,728
Non-current assets	361,226	-	361,226
Total assets	**501,954**	**-**	**501,954**
Current liabilities	95,888	-	95,888
Non-current liabilities	95,986	-	95,986
Total liabilities	**191,874**	**-**	**191,874**
Net assets	**310,080**	**-**	**310,080**
Group's share of net assets	154,265	-	154,265
Impairment loss	(109,265)	-	(109,265)
Carrying amount of interest in investee	**45,000**	**-**	**45,000**
Revenue	34,234	-	34,234
Loss for the period	(69,124)	-	(69,124)
Other comprehensive income	33	-	33
Total comprehensive income	**(69,091)**	**-**	**(69,091)**
Group's share of loss and total comprehensive income	**(34,372)**	**-**	**(34,372)**
31 December 2015			
Current assets	193,448	5,630	199,078
Non-current assets	680,085	11,380	691,465
Total assets	**873,533**	**17,010**	**890,543**
Current liabilities	312,628	6,355	318,983
Non-current liabilities	181,734	4,551	186,285
Total liabilities	**494,362**	**10,906**	**505,268**
Net assets	**379,171**	**6,104**	**385,275**
Carrying amount of interest in investee	**188,637**	**-**	**188,637**
Revenue	21,024	2,170	23,194
Loss for the year	(87,522)	(4,042)	(91,564)
Other comprehensive income	417	-	417
Total comprehensive income	**(87,105)**	**(4,042)**	**(91,147)**
Group's share of loss and total comprehensive income	**(43,335)**	**(1,011)**	**(44,346)**

19. TRADE AND OTHER RECEIVABLES

	30 June 2016 €'000	31 December 2015 €'000
Trade receivables	5,083	7,482
VAT receivables	3,284	3,560
Other receivables	3,106	4,154
Total trade and other receivables	11,473	15,196
Prepayments and other assets	3,173	984
Total	**14,646**	**16,180**

	30 June 2016 €'000	31 December 2015 €'000
Non-current	910	1,178
Current	13,736	15,002
Total	**14,646**	**16,180**

20. CASH AND CASH EQUIVALENTS

	30 June 2016 €'000	31 December 2015 €'000
Bank balances	11,203	41,948
Cash in hand	35	42
Total	**11,238**	**41,990**

During the period, the Group had no fixed deposits.

As at 30 June 2016, the amount of €4.1 million (2015: €4.1 million) received through the Colony Luxembourg S.a.r.l loan facility is restricted for use only towards the development of Amanzoe project.

21. CAPITAL AND RESERVES

Capital

Authorised share capital

	30 June 2016		31 December 2015	
	'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 2015	642,440	6,424	498,933
Shares issued on 9 June 2015	219,257	2,193	60,527
Placement costs	-	-	(1,464)
Bond conversion shares on 11 June 2015	42,930	429	11,851
Capital at 31 December 2015	**904,627**	**9,046**	**569,847**
Capital at 1 January 2016 and 30 June 2016	**904,627**	**9,046**	**569,847**

On 9 June 2015 and 11 June 2015, the Company issued 219,256,609 new common shares and 42,930,080 bond conversion shares, respectively, at GBP 0.21 per share, for a total value of €75 million. The new shares rank pari passu with the existing common shares of the Company.

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 0.3105 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 interim financial statements of foreign operations.

Fair value reserve
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.

22. LOANS AND BORROWINGS

	Total		Within one year		Within two to five years		More than five years	
	30 June 2016 €'000	31 December 2015 €'000	30 June 2016 €'000	31 December 2015 €'000	30 June 2016 €'000	31 December 2015 €'000	30 June 2016 €'000	31 December 2015 €'000
Loans in Euro	93,290	92,395	10,394	10,578	69,146	61,707	13,750	20,110
Loans in United States Dollars	54,926	57,550	5,515	6,638	49,411	50,912	-	-
Convertible bonds payable	58,260	73,735	-	15,312	58,260	58,423	-	-
	206,476	**223,680**	**15,909**	**32,528**	**176,817**	**171,042**	**13,750**	**20,110**
Loans in Euro within disposal groups held for sale	8,284	8,700	290	709	7,994	7,991	-	-
Total	**214,760**	**232,380**	**16,199**	**33,237**	**184,811**	**179,033**	**13,750**	**20,110**

As of 30 June 2016, there were no significant changes in terms and conditions of the outstanding loans, compared to 31 December 2015.

	1 January 2016 €'000	New issues €'000	Capital repayments €'000	Interest paid €'000	Other movements €'000	30 June 2016 €'000
Loans in Euro	92,395	-	(250)	(3,023)	4,168	93,290
Loans in United States Dollars	57,550	-	(3,131)	(756)	1,263	54,926
Convertible bonds in Euro	50,000	-	-	(1,375)	1,375	50,000
Convertible bonds in United States Dollars	23,735	-	(14,892)	(539)	(44)	8,260
	223,680	**-**	**(18,273)**	**(5,693)**	**6,762**	**206,476**
Loans in Euro within disposal groups held for sale	8,700	-	(385)	(171)	140	8,284
Total	**232,380**	**-**	**(18,658)**	**(5,864)**	**6,902**	**214,760**

Securities

As of 30 June 2016, there were no significant changes in the Group's loan securities compared to 31 December 2015.

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 conversion price is €0.5623, equivalent of GBP 0.49 (initial conversion price GBP 0.50) and US$0.6583, equivalent of GPB 0.4410 (initial conversion price GBP 0.45) per share for the Euro Bonds and the US$ 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.

On 29 March 2011, DCI Holdings Seven Limited ('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. 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. On 10 June 2015, certain bondholders, including the Investment Manager, opted to convert bonds of total value US$14,420 thousand into 42,930,080 shares that were admitted on AIM on 11 June 2015. The Investment Manager converted bonds of total value US$420 thousand into 1,250,390 shares. The remaining amount of DCI H7 bonds including any accrued interest was repaid on scheduled maturity date in March 2016.

The bonds were trading on the Open Market of the Frankfurt Stock Exchange (the freiverkehr market) under the symbol 12DD.

23. FINANCE LEASE LIABILITIES

	30 June 2016			31 December 2015		
	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	79	1	78	78	1	77
Between two and five years	197	9	188	197	8	189
More than five years	4,148	1,391	2,757	4,186	1,419	2,767
Total	**4,424**	**1,401**	**3,023**	**4,461**	**1,428**	**3,033**

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

24. DEFERRED TAX ASSETS AND LIABILITIES

	30 June 2016		31 December 2015	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Balance at beginning of period/year	997	(30,129)	2,557	(55,180)
From disposal of subsidiary	-	-	-	314
Recognised in profit or loss	(1)	231	256	15,112
Recognised in other comprehensive income	-	-	-	1,791
Exchange difference and other	-	64	(188)	(257)
Reclassification to (assets)/liabilities held for sale	-	-	(1,628)	8,091
Balance at end of period/year	**996**	**(29,834)**	**997**	**(30,129)**

Deferred tax assets and liabilities are attributable to the following:

	30 June 2016		31 December 2015	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Revaluation of investment property	-	(23,777)	-	(23,819)
Revaluation of trading properties	-	(1,622)	-	(1,926)
Revaluation of property, plant and equipment	-	(6,064)	-	(6,007)
Other temporary differences	-	1,629	-	1,623
Tax losses	996	-	997	-
Total	**996**	**(29,834)**	**997**	**(30,129)**

25. DEFERRED REVENUE

	30 June 2016 €'000	31 December 2015 €'000
Prepayment from clients	24,013	21,713
Government grant	7,235	7,353
Total	**31,248**	**29,066**

	30 June 2016 €'000	31 December 2015 €'000
Non-current	17,538	17,846
Current	13,710	11,220
Total	**31,248**	**29,066**

26. TRADE AND OTHER PAYABLES

	30 June 2016 €'000	31 December 2015 €'000
Trade payables	3,787	4,019
Land creditors	25,874	25,609
Investment Manager fees payable (see note 28.2)	500	467
Other payables and accrued expenses	30,398	34,844
Total	**60,559**	**64,939**

	30 June 2016 €'000	31 December 2015 €'000
Non-current	6,861	6,698
Current	53,698	58,241
Total	**60,559**	**64,939**

27. NAV PER SHARE

	30 June 2016 '000	31 December 2015 '000
Total equity attributable to owners of the Company (€)	317,310	481,589
Number of common shares outstanding at end of period/year	904,627	904,627
NAV per share (€)	**0.35**	**0.53**

28. RELATED PARTY TRANSACTIONS

28.1 Directors' interest and remuneration

Directors' interest

Miltos Kambourides is the founder and managing partner of the Investment Manager.

The interests of the Directors as at 30 June 2016, all of which are beneficial, in the issued share capital of the Company as at this date were as follows:

	Shares '000
Miltos Kambourides (indirect holding)	66,019
Mark Townsend	132

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 5 July 2016, Mark Townsend purchased 150,000 shares of the Company, bringing his total interest to 282,000 shares.

On 15 July 2016, Andrew Coppel, purchased 150,000 shares of the Company.

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
Remuneration	1,022	304
Equity-settled share-based payment arrangements	49	-
Total remuneration	**1,071**	**304**

The Directors' remuneration details for the six-month periods ended 30 June 2016 and 30 June 2015 were as follows:

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
Laurence Geller	*678	97
Robert Heller	103	73
Graham Warner	93	73
Mark Townsend	31	7
Justin Rimel	2	7
Andrew Coppel	112	-
David B. Heller	3	10
Roger Lane-Smith	-	23
Andreas Papageorghiou	-	2
Cem Duna	-	2
Antonios Achilleoudis	-	2
Christopher Pissarides	-	8
Total	**1,022**	**304**

*Comprises €636 thousand compensation for loss of office and €42 thousand compensation for expenses.

Mr. Miltos Kambourides has waived his fees.

On 25 February 2015, the Company announced the following Directorate changes. Andreas Papageorghiou, Cem Duna, Antonios Achilleoudis and Christopher Pissarides stepped down from the Board. Five new members joined the Board - Laurence Geller, who also served as Chairman, Robert Heller, Graham Warner, Mark Townsend and Justin Rimel. Miltos Kambourides and David B**.** Heller remained on the new Board, as did Roger Lane Smith until his retirement on 31 December 2015. On 6 October 2015, Andrew Coppel also joined the Board.

On 1 March 2016, Laurence Geller, David B. Heller and Justin Rimel resigned from the Company's Board with Andrew Coppel being appointed as the Independent Non-Executive Chairman.

Laurence Geller no longer retains an interest in the stock options issued pursuant to the Company's Stock Option Programme whilst Andrew Coppel does not participate in the Stock Option Programme.

On 19 July 2016, Sue Farr joined the Board as a non-executive Director.

28.2 Investment Manager remuneration

	From 1 January 2016 to 30 June 2016 €'000	From 1 January 2015 to 30 June 2015 €'000
Annual fees	4,250	6,814
Equity-settled share-based payment arrangements	261	-
Total remuneration	**4,511**	**6,814**

28. RELATED PARTY TRANSACTIONS

In line with the Amended and Restated Investment Management Agreement, signed in June 2015 and effective from 1 July 2015, the following arrangements came into effect:

Annual fees
The Investment Manager is entitled to an annual management fee defined as follows:
- for the period from 1 July 2015 to and including 31 December 2015, the annual management fee shall be €1 million per calendar month payable quarterly in advance; and
- with effect from and including 1 January 2016, the annual management fee shall be €8.5 million payable quarterly in advance.
- commencing on and with effect from 1 January 2017, the annual management fee payable for the following annual periods will be permanently reduced on 1 January in each year to an amount equal to the lower of:

  (i) 1.25% of the gross asset value of the Company calculated as at the last preceding 31 December calculation date; and
  (ii) €8.5 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.

Performance fees

Core asset incentive fee
The Investment Manager will be entitled to the core asset incentive fee based on the net profits received by the Company from the core assets or the disposal thereof.

Core assets comprise of the following projects: Amanzoe, Kilada Hills, Kea, Pearl Island and Playa Grande. All other assets of the Company are characterised as non-core for the purpose of incentive fee calculations.

The net proceeds will be divided between the Investment Manager and the Company on the following basis:
- first, 100% to the Company until the Company has received an amount equal to €169.6 million (the 'Aggregate Core Asset Base Value');
- second, 100% to the Company until the Company has received an amount equal to the core asset capital and costs;
- third, 100% to the Company until the Company has received an amount equal to the base cost compounded quarterly at the average one-month Euribor rate plus 500 basis points (but capped at a maximum interest rate of 6% per annum);
- fourth, 60% to the Investment Manager and 40% to the Company until the Investment Manager has received an amount equal to 20% of the net profits then distributed; and
- thereafter, 20% to the Investment Manager and 80% to the Company such that the Investment Manager shall receive a total core asset incentive fee equivalent to 20% of the net profits.

On the disposal of a core asset, the Investment Manager shall be entitled to receive an advance of the core asset incentive fee on the following basis:
- where the disposal takes place prior to the date on which the Company shall have first received an amount of net profits from the disposal of core assets equal to, or in excess of, €113,055,360 (the 'Trigger Date'), an amount equal to 6.666% of the net profits received by the Company on the disposal of such core asset; or
- where the disposal takes place after the Trigger Date, an amount equal to 10% of the net profits received by the Company on the disposal of such core asset, (in each case a 'Core Asset Incentive Fee Advance Payment').

The aggregate value of any core asset incentive fee advance payments will at any time be set off against, and thereby reduce to not less than zero, any liability of the Company to pay core asset incentive fees.

Non-core asset incentive fee

The Investment Manager will be entitled to the non-core asset incentive fee based on the net profits received by the Company from the disposal of any non-core asset. No non-core asset incentive fee will be payable in respect of a non-core asset unless the aggregate disposal proceeds actually received by the Company in respect of such non-core asset exceeds the base value (the 'Payment Condition'). The base value is defined as 65% of the non-core asset value as at 31 December 2014. Subject to satisfaction of the Payment Condition in respect of any non-core asset, the net proceeds actually received by the Company from the disposal of such non-core asset will be divided between the Investment Manager and the Company on the following basis:
- first, 100% to the Company until the Company has received an amount equal to the base value;
- second, 12.5% to the Investment Manager and 87.5% to the Company until the net proceeds equal 80% of the base value;
- third, 17.5% to the Investment Manager and 82.5% to the Company until the net proceeds equal 100% of the base value; and
- thereafter, 25% to the Investment Manager and 75% to the Company.

50% of each non-core asset incentive fee will be placed in an interest bearing escrow account to be operated by the Company's administrator. Any funds held in this escrow account will be dealt with as follows; commencing on 31 December 2015, in the event that, as at 31 December in each year, the aggregate net proceeds received by the Company in relation to all non-core assets disposed of during the previous 12 month period (the 'Look-back Period'):

- do not equal or exceed the aggregate of the base values of any non-core assets disposed of during an applicable Look-back Period (the 'Aggregate Base Value') then the Company's administrator will be authorised to repay any escrowed funds to the Company until such time as the Company has received an amount equal to the Aggregate Base Value and thereafter any remaining escrowed funds (if any) will be paid to the Investment Manager; or
- equal or exceed the Aggregate Base Value then the Company's administrator will be authorised to pay to the Investment Manager the escrowed funds.

Incentive shares
Investment Manager Awards have been granted.

Clawback
Following the Amended and Restated Investment Management Agreement, if, on the clawback assessment date, the Company has not received an amount from the disposal of the core assets equal or in excess of the Aggregate Core Asset Base Value, the Investment Manager will pay to the Company an amount to cover the difference, not to exceed the aggregate amount of any Core Asset Incentive Fee Advance Payments received by the

Investment Manager. The clawback assessment date is the earlier of, (i) disposal of the Company's interest in the last core asset concerned; or (ii) 1 August 2020. In the event that a fees clawback applies the Company shall be entitled to set off at any time the amount of any fees clawback payment due against, (i) any liability of the Company to pay non-core asset incentive fees and/or (ii) any other fees due and payable by the Company to the Investment Manager, but excluding the annual management fee. In addition, the Company will have a security interest over any unvested shares awarded to the Investment Manager under the Share Incentive Plan.

No performance fees were charged to the Company for the six-month periods ended 30 June 2016 and 30 June 2015. As at 30 June 2016, funds held in escrow, including accrued interest, were released (31 December 2015: €467 thousand).

Previous arrangements, in force until 30 June 2015, were as follows:

Annual fees
The Investment Manager was 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 30 June 2015 comprised €681 million.

In addition, the Company reimbursed the Investment Manager for any professional fees or other costs incurred on behalf of the Company for the provision of services or advice.

Performance fees
The Investment Manager was 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 was incurred compounded for each year or fraction of a year during which such investment was 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 had received distributions from an investment equal to the Relevant Investment Amount, any subsequent net profits arising should have been distributed in the following order or priority:

i 60% to the Investment Manager and 40% to the Company until the Investment Manager should had 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 should had received 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 was subject to the following escrow and clawback provisions:
Escrow
The following table displays the previous 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 should have paid to the Company an amount equivalent to the difference between the proceeds realised and the Relevant Investment Amount. The payment of the clawback was 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.

28.3 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 the 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 by 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. As of 31 December 2015 no receivable amount was outstanding. 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. As of 31 December 2015, all Villas Conversions had been completed and Archimedia did 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 would be incurred on development of components owned by Pearl Island Limited S.A., with the entire amount already invested by 31 December 2015.

28.3 Shareholder and development agreements

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 2015, following cash payments of US$7.6 million and transfers of land parcels valued at approximately US$11.7 million, no amount is outstanding.

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.

28.4 Other related parties

During the periods ended 30 June 2016 and 30 June 2015, the Group incurred the following related party transactions with the following parties:

30 June 2016

Related party name	€'000	Nature of transaction
Iktinos Hellas S.A.	24	Project management services in relation to Sitia project and rent payment
Third Point LLC, shareholder of the Company	1,200	Bond interest for the period

30 June 2015

Related party name	€'000	Nature of transaction
Iktinos Hellas S.A.	20	Project management services in relation to Sitia project and rent payment
John Heah, non-controlling shareholder of SPV 10	408	Design fees in relation to Playa Grande project
Progressive Business Advisors S.A.	254	Accounting fees
Portoheli Ksenodoxio Kai Marina S.A.	16	Construction cost and project management services in relation to Nikki Beach project
Third Point LLC, shareholder of the Company	1,162	Bond interest for the period

29. BUSINESS COMBINATIONS

During the period ended 30 June 2016, the group disposed of its entire holding in DolphinCI Eleven Limited ('DCI 11'), as follows:

	€'000
Trading properties (see note 16)	(1,599)
Other liabilities	16
Net assets disposed of	(1,583)
Disposal consideration via settlement of liability	2,780
Gain on disposal recognised in profit or loss	**1,197**
Net cash inflow on disposal	**-**

30. FINANCIAL RISK MANAGEMENT

The Group's financial risks and risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

Fair values

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the statement of financial position date.

31. COMMITMENTS

As of 30 June 2016, the Group had a total of €2,245 thousand contractual capital commitments on property, plant and equipment (31 December 2015: €3,229 thousand).

Non-cancellable operating lease rentals are payable as follows:

	30 June 2016 €'000	31 December 2015 €'000
Less than one year	19	19
Between two and five years	2	11
Total	**21**	**30**

32. 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 these matters which are considered necessary have been recorded in these consolidated financial statements.

In addition to the tax liabilities that have already been provided for in the condensed consolidated interim 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 favour of other parties.

33. EVENTS AFTER THE REPORTING PERIOD

On 29 September 2016, the Company reached a definitive agreement to dispose of its 49.75% shareholding in DCI H2 to Theodoros Aristodemou ('TA'), DCI H2' s current controlling shareholder. The disposal will be effected by way of a sale to TA of 49.75% of the shares in DCI H2 held by DCI Holdings One Ltd, a wholly-owned subsidiary of the Company, for a total cash consideration of €45 million, payable in quarterly instalments over three years and bearing annual interest of 4% in the first year, increasing to 5% and 6%, respectively, for each of the subsequent years. A €2 million discount to the total consideration will be granted if the full consideration is settled by 29 December 2016. The Company will also be entitled to a 25% share of any gross proceeds in excess of an implied company equity valuation of €100 million from the sale of any shares of DCI H2 (or of its subsidiaries) sold by the acquirer until the earlier of six months from the settlement of the full consideration (to the extent such settlement occurs by 29 December 2016 and the second anniversary from the transaction. The acquisition shares will be kept in escrow and transferred to the acquirer in line with the collection of the consideration by the Company, apart from a percentage which will remain escrowed until the final settlement of the consideration. In the event that any payment becomes overdue for more than three months either party has the right to terminate the sales agreement, in which case all the shares kept in escrow together with any corresponding dividend distributions will be retained by the Company.

There were no other material events after the reporting period which have a bearing on the understanding of the condensed consolidated interim financial statements as at 30 June 2016.