17 January 2017

THIS DOCUMENT CONTAINS INSIDE INFORMATION

DOLPHIN CAPITAL INVESTORS LIMITED
("DCI" or "Dolphin" or the "Company",
together with its subsidiaries, the "Group")

Disposal of Pearl Island

DCI, a leading investor in high-end residential resorts in the eastern Mediterranean, is pleased to announce that it has entered into an agreement for the disposal (the "Disposal") of its 60% interest in Pearl Island, the Group's private island development off the coast of Panama, to Grivalia Hospitality S.A. (the "Acquirer").

The Acquirer will purchase DCI's entire 60% stake in Pearl Island and all entities related with the above project currently owned by DCI and its subsidiaries. Completion of the Disposal is conditional on the completion of a corporate restructuring in Pearl Island to enable the Acquirer to own shares directly in the asset owning Panamanian subsidiaries, the consent of Ritz Carlton (the project's hotel operator and a subsidiary of Marriott International, Inc.) and Banistmo S.A. (the project's senior lender) to the change of control and certain other conditions relating to the modification of certain terms of the hotel management agreement. The Group expects that these conditions will be met, or waived by the Acquirer, by 31 March 2017.

The Disposal is in line with the Board's decision to accelerate asset divestments, improve liquidity and return capital to shareholders, following approval of the new asset strategy by shareholders on 19 December 2016. It also follows the recent announcements of the Group's sale of its interest in Aristo Developers Limited, based in Cyprus, and the sale of its Playa Grande Golf and Resort project in the Dominican Republic.

The Disposal cash consideration (before related tax and fees) payable to Dolphin is €27 million and represents a discount of 7% on the Company's €29 million cost of investment in Pearl Island. The implied transaction enterprise value of €63 million represents a 32% discount to DCI's gross asset carrying value as at 30 June 2016 and will result in a loss on sale of €27 million.

Of the total €27 million cash consideration, €1 million has been already paid by the Acquirer in the form of a non-returnable deposit, €24 million will be paid upon completion of the sale and the balance of €2 million will be retained in an escrow account for a period of 12 months post completion to cover any potential breach of DCI's warranties or undisclosed indebtedness.

Following completion, the Board will make a further announcement on the application of the Disposal proceeds as per the commitment made in the Circular to shareholders dated 2 December 2016.

Commenting on the Disposal, Andrew Coppel CBE, Chairman of the DCI Board, said:

"The disposal of Pearl Island, in addition to those made of Aristo Developers and Playa Grande, further underpins our commitment to delivering value for shareholders."

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

"This sale will enable Pearl Island to become one of the first exclusive integrated ecological island residential resorts in the Central American region. We are proud to have developed the resort to its current status."

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