

## Dolphin Capital Investors Limited (“DCI” or the “Company”)

### Q3 NAV and Trading Update

Dolphin Capital Investors Limited, the real estate investment company focused on the residential resort sector in Southeast Europe and managed by Dolphin Capital Partners Limited, is pleased to announce a further uplift in its unaudited Net Asset Value (“NAV”) and further investments in three existing projects, two in Greece and one in Cyprus.

#### Highlights

- Unaudited NAV per share as of 30 September 2006 stated both before and after Deferred Income Tax Liabilities (“DITL”) at 122p and 103p respectively (excluding the new share issuance of October 2006).
- 16% uplift over the 30 June 2006 NAV per share before DITL (13% after DITL).
- NAV figures are based on the 30 June 2006 Colliers International property valuation and on the valuation of new investments executed during Q3 2006; specifically additional land acquisitions at Kilada Hills Golf Resort and the leasehold part of Lavender Hills Golf Resort.
- Since the end of Q3 2006, DCI:
  - completed a secondary placing of €300m (£202.7m), becoming the second largest AIM-listed property fund by market capitalization;
  - acquired the minority stake of 41% in Apollo Heights Polo Resort in Cyprus for a consideration of €4 million and now owns 100% of the project;
  - signed a pre-contract to convert part of the leasehold land of Lavender Hills Golf Resort in Greece into freehold and in addition acquire adjacent land to the existing site by committing an additional amount of €30.5 million;
  - committed €20 million to Kilada Hills Golf Resort to acquire additional land and expand the permit applications.

Said Miltos Kambourides, Managing Partner, Dolphin Capital Partners: *“We are pleased that the acquisitions executed in Q3 2006 contributed positively to the Company’s NAV. After the successful secondary placing in early Q4 2006, the Company is rapidly*

*implementing its investment strategy by enhancing its existing projects and entering into new investments that we expect to be able to announce shortly.”*

## **Further Details**

The Company’s first reported NAV (unaudited) was calculated as of 30 June 2006. Colliers International undertook a valuation of the acquired sites, namely Kilada Hills Golf Resort and Scorpio Bay Resort in Greece and Apollo Heights Polo Resort in Cyprus. Assuming a 100% ownership basis, these investments and trading properties were valued at €184.4 million.

Over the course of the third quarter, Colliers International recorded an approximate €40.0 million increase in the overall fair market value of the Company’s investments and trading properties to a total of €224.3 million. Valuations as at 30 September 2006 were conducted only for additional land acquired for Kilada Hills Golf Resort and for the leasehold part of Lavender Hills Golf Resort.

After deducting minority interests, the Company’s real estate assets were €74.8 million versus €138.8 million as of 30 June 2006. Accordingly, DCI’s NAV as of 30 September 2006 (calculated under IFRS by adding the cash balance and any other assets less all remaining liabilities) totaled €18.1 million before DITL and €184.4 million after DITL. This compares to the respective NAV figures as of 30 June 2006 of €188.1 million before DITL and €163.0 million after DITL.

The NAV per Common Share as at 30 September 2006 was calculated after dividing the above mentioned NAVs by 121.5 million of common shares in issue as of 30 September 2006 which resulted to an NAV per share of 122p (€1.80) before DITL and 103p (€1.52) after DITL. The number of outstanding shares as of 30 September 2006 includes the 109 million of common shares admitted to trading in December 2005 and the 12.5 million new common shares awarded by the Founding Shareholder Warrants pursuant to the uplift in the value of DCI’s investment portfolio as of 30 June 2006.

	30 Sept 2006 *	30 June 2006 *	Uplift
Total NAV Before DITL (millions)	218.1	188.1	16%
Total NAV After DITL (millions)	184.4	163.0	13%
NAV/Share before DITL ** (Euros)	€1.80	€1.55	16%
NAV/Share before DITL** (Sterling)	122p	107p	14%
NAV/Share after DITL** (Euros)	€1.52	€1.34	13%
NAV/Share after DITL ** (Sterling)	103p	93p	11%

\* GBP/Euro exchange rate as of 30 September 2006 of 0.6775; as of 30 June 2006 0.692

\*\* Number of shares 121.5m (excludes new share issuance on 4 October 2006)

## **Post Q3 events**

### **Capital Increase**

On 4 October 2006, DCI became the second largest AIM-listed property fund by market capitalisation after a successful €300 million (£202.7 million) placing of new shares. DCI is now in the process of deploying the new capital raised by enhancing its existing investments and executing its pipeline of new projects in the Southeast European region.

### **Apollo Heights Polo Resort**

DCI completed a successful buy-out of the minority shareholders in Apollo Heights Polo Resort, the development of a premier master-planned polo-integrated residential resort on a 460-hectare site situated near the cities of Paphos and Limassol, Cyprus.

The buy-out of the 41% minority stake was completed by paying a consideration of €4 million, which represents a deep discount to the site's market value and which is expected to enhance the Company's NAV. Following this transaction, DCI has obtained 100% ownership of Apollo Heights Polo Resort and is now in a more flexible position to explore strategic partnerships with large developers and investors to further improve the Project's profit potential.

### **Lavender Hills Golf Resort**

DCI successfully renegotiated and expanded its commitment to Lavender Hills Golf Resort, the development of a sea-front master-planned leisure integrated residential resort located on the east shoreline of central Greece.

As per the Company's announcement dated 1 August 2006, DCI had originally committed a total of €15.5 million in return for an 85% stake in the Project which was to be developed over a 292-hectare site.

DCI's new commitment amounts to a total of €46 million, representing an additional commitment of €30.5 million over and above the original €15.5 million. The additional funds are intended to cover the conversion of part of the leasehold land into freehold, the acquisition of adjacent land to the existing site and the expansion of the permit applications. This will further increase the Project's development potential.

Gary Player Design has been appointed to design a signature championship golf course and the Company is in final discussions with leading resort operators for the management of the resort. DCI intends to disclose further details on this Project expansion in its forthcoming annual report.

## **Kilada Hills Golf Resort**

DCI has committed and is in the process of investing an additional €20 million to expand the proposed development area of Kilada Hills Golf Resort, which is expected to become one of Greece's first golf-integrated residential resorts. The total investment thus far has been €45 million and the current size of the site is 202 hectares.

Jack Nicklaus has been appointed to design a Signature Golf Course and the Company is in final discussions with a leading resort operator for the management of the resort. Further details will be disclosed in the Company's forthcoming annual report.

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

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## **Notes to Editors**

### **Dolphin Capital Investors Limited**

Dolphin Capital Investors Limited was founded in the summer of 2005 with €5 million of seed capital from Dolphin Capital Partners Limited, the Investment Manager, and other investors including Fortress Investment Group. In December 2005, the Company floated on AIM of the London Stock Exchange, successfully placing 104 million new ordinary shares at 68 pence per share and raising approximately £70.7 million or €104 million before expenses. DCI has since grown to become the second largest AIM-listed real estate investment company by market capitalisation after a successful £202.7 million or €300 million follow-on offering at a price of 93 pence per share in October 2006.

Since its admission to trading on AIM, DCI has committed the funds raised at its IPO ahead of its original plans and has significantly grown its NAV. DCI is now set to

continue its rate of growth by investing the new capital raised in a pipeline of attractive opportunities.

### **Dolphin Capital Partners Limited**

Dolphin Capital Partners Limited (“DCP”) is an independent investment management business founded in 2004 by Miltos Kambourides and Pierre Charalambides after leaving Soros Real Estate Partners.

The DCP professionals combine extensive local knowledge and contacts with expertise gained at some of the world’s leading financial institutions. They specialise in providing capital to rigorously selected real estate developments in Southeast Europe by joint venturing with local developers. For every development, DCP employs world leading brands from an international and sophisticated network of operators, designers, master-planners, and marketing agents.

### **Q3 Valuation**

In line with the Company’s NAV reporting guidelines as stated in the news announcement issued by the Company on 4 October 2006, revised quarterly valuations have not been undertaken for the existing investments and trading properties as of 30 June 2006. The basis of DCI’s third quarter NAV is instead based primarily on the:

- (i) half yearly valuations of the existing projects, amended only to the extent there has been additional land acquisitions, as has been the case with Kilada Hills Golf Resort; and
- (ii) the valuation of any new investment signed post the half-year end, as has been undertaken for Lavender Hills Golf Resort.