23 September 2008

Dolphin Capital Investors Limited

Interim results for the period ended 30 June 2008

Dolphin Capital Investors ("Dolphin" or the "Company"), the leading investor in the residential resort sector in south-east Europe, announces its results for the period ended 30 June 2008.

Highlights

- Total Net Asset Value ("NAV") of the Company of €1,690 million and €1,520 million before and after deferred income tax liabilities ("DITL") remaining largely unchanged since 2007 year end

- NAV per share of 244p and 219p before and after DITL, up 7% and 7% respectively from 31 December 2007 primarily owing to the depreciation of Sterling versus Euro

- Pro forma NAV per share adjusted for share buybacks post 30 June 2008 of 260p and 233p before and after DITL, up 15% and 14% respectively from 31 December 2007

- Significant progress made across the portfolio in design, branding, permitting, land expansion and buy-out of minority interests

- Kilada Hills and Seascape Hills now entering construction phase of their leisure components

- Significant focus on existing projects and highly selective investment criteria has resulted in a deceleration of investment activity and maintenance of strong cash balances

- Total home sales booked by Aristo as at 31 August 2008 of €79 million, 37% lower than the corresponding record breaking period of 2007 mainly due to a slowdown in demand by UK buyers. Average sales prices per m^2 are up by 25%

- Opportunistic early exit programme underway:

  - Dolphin's entire stake in Tsilivi, Greece sold for €8.4 million at a 23% premium to NAV as at 30 June 2008 resulting in a. 3.5 times return on acquisition value

  - Additional opportunities for partial or entire realizations of certain projects and maturing land assets being progressed

- Very robust balance sheet:

  - €180 million of cash reserves as at 19 September 2008 (after deducting €62.4 million of total funds invested in share buybacks)
  - no debt at Company level
  - €2.35 billion of total assets with only 14% non-recourse gearing

Commenting, Andreas N Papageorghiou, Chairman of Dolphin Capital Investors, said:

"The creation of shareholder value remains the centrepiece of Dolphin's investment strategy. The Company is well positioned to exploit all opportunities both to maximise and demonstrate the value of its portfolio of premium land assets, with continued progress across all facets of its existing business and advances made with project realisation opportunities.

The Company's decision to proceed with share buybacks, over and above the stake building programme executed by the Investment Manager over the past few months, is also a solid reflection of the Board's and management's strong confidence in the Company's fundamentals and business model and their conviction that the discount levels at which the Dolphin share price is currently trading are not justified."

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

"Over the recent months, Dolphin has significantly progressed its investment and development plans and its conservative approach to leverage has largely insulated the Company from the increasing challenges facing the real estate sector around the world. We have deliberately chosen to slow our investment pace and focus instead on maximizing value across our existing portfolio.

Looking ahead, we expect to see both continued NAV growth as we achieve further permitting milestones and NAV crystallisation as we work towards achieving asset realisations and joint ventures with strategic partners."

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Notes to editors

Dolphin is the leading investor in the residential resort sector in south-east Europe and currently the largest real estate investment company listed on AIM.

Dolphin seeks to generate strong capital growth for its shareholders by acquiring large seafront sites of striking natural beauty primarily in the eastern Mediterranean and establishing sophisticated leisure-integrated residential resorts.

Since its inception in 2005, Dolphin has raised €859 million, has become one of the largest private seafront landowners in Greece and Cyprus and has partnered with some of the world's most recognised architects, golf course designers and hotel operators.

In April 2007, Dolphin acquired Aristo, one of the largest holiday home developers in south-east Europe. This enabled the enlarged Company to combine real estate private equity investment expertise with leading development experience and local market knowledge.

Dolphin's portfolio is currently spread over 65 million m² of prime coastal developable land and comprises 15 large-scale, leisure-integrated residential resorts under development in Greece, Cyprus, Croatia, Turkey, Panama and the Dominican Republic and more than 60 smaller holiday home projects through Aristo Developers in Cyprus.

Dolphin is managed by Dolphin Capital Partners ("DCP" or the "Investment Manager"), an independent private equity management firm that specialises in real estate investments in south-east Europe.

Chairman's statement

I am pleased to report strong progress in Dolphin's business for the first six months of its third year of operations.

During this period, the Company expanded into new geographies, consolidated its ownership in a number of existing projects, secured agreements with new partners and most importantly achieved significant permitting milestones that will enable the commencement of construction for some of its key projects. Opportunities for partial or entire realizations of certain projects and land assets have also been advanced, with one such realisation already executed and others under negotiation.

Against a backdrop of global economic uncertainty, which has affected a number of real estate markets, the Company has been highly selective in its approach to potential investment opportunities and has largely focused its activities on advancing its existing projects.

Dolphin maintains a strong balance sheet, with €180 million of cash reserves as at 19 September 2008, no debt at the Company level and €2.35 billion of total assets with limited gearing of 14%, primarily owing to the Aristo operations and only two of the Company's key land holdings, namely Livka Bay and Playa Grande.

Following the cautious approach to new investments, the 30 June 2008 NAV has remained at similar levels to 31 December 2007. The NAV before DITL as at 30 June 2008 was €1,690 million (31 December 2007: €1,691 million). The NAV per share before and after DITL stand at €3.08 and €2.77 respectively versus €3.08 and €2.78 as at 31 December 2007. Due to the appreciation of the Euro against Sterling, NAV per share before and after DITL increased from 227p and 205p to 244p and 219p during the same period.

Finally, the Company's decision to proceed with share buybacks, as well as the Investment Manager's significant share purchases, are a solid reflection of the Board's and the Investment Manager's confidence in the Company's fundamentals and their belief that the discount to NAV at which the share price is currently trading is not justified. The share buyback programme has also presented an opportunity to increase NAV per share, as evidenced by the enhanced pro forma NAV per share* of 260p and 233p before and after DITL respectively.

The creation of long-term shareholder value remains the centrepiece of Dolphin's investment strategy and the Company is well positioned to exploit all opportunities to both maximise and deliver that value.

* Pro forma NAV per share has been calculated on the basis of 494,596,141 issued shares (excluding treasury shares *purchased subsequent to 30 June 2008*) as at 30 June 2008.

Andreas N Papageorghiou
Chairman
Dolphin Capital Investors

23 September 2008

Investment Manager's report

Another strong half-yearly performance

Over the past six months, Dolphin has significantly progressed its investment and development plans while its business model has proven to be strong in the face of the increasing challenges facing the real estate sector around the world.

We have remained cautious and highly selective in making new investments and the primary focus has been on taking forward the existing portfolio and, in particular, the most advanced projects which are now entering the construction phase. As such, as of 31 August 2008, invested and committed funds stand at €569 million and €708 million respectively, intentionally leaving the Company with €180 million of cash reserves net of cash spent for share buybacks, deviating from the originally stated Company's plans which called for full capital deployment by the first half of 2008. We do nonetheless continue to monitor market conditions in our target regions and have advanced a very attractive pipeline of favourably priced investment opportunities which we look forward to executing as we begin to generate cash returns from our existing portfolio.

As a first step towards generating additional liquidity for the Company, Aristo distributed €30.5 million to the Company using available cash from the proceeds of its €85 million refinancing. Secondly, we are in the process of securing non-recourse project specific construction subsidies and development loan facilities which, together, are expected to finance more that 70% of the construction costs for the Aman and GHM hotels at Seascape Hills and Kilada Hills respectively. Thirdly, the Company has proceeded with the negotiation of various project realisation opportunities with encouraging results. We have signed a binding agreement to dispose of Aristo's 50% interest in the Tsilivi site in Zakynthos, Greece, at a 23% premium to NAV as at 30 June 2008, in turn releasing proceeds of €8.4 million, resulting in a net profit of €5.1 million and a 3.5 times return on allocated cost of investment. We have also continued to progress the negotiation of other strategic asset sales which, if concluded, would result in significant value realisation.

Aristo's total booked sales of €79 million for the period ending 31 August 2008 were 37% lower than the respective period of 2007 mainly due to the slowdown in demand from the UK. Nonetheless, we are hopeful that the rebranding initiatives and new project launches over the next few months will serve to increase the Aristo sales volumes. In addition, unlike previous years, Aristo is now also looking to realise land assets which are expected to accelerate revenue generation.

Dolphin's 30 June 2008 NAV is at a similar level to NAV as at 31 December 2007. The NAV before DITL as at 30 June 2008 was €1,690 million (31 December 2007: €1,691 million). The pro forma NAV per share before and after DITL at 30 June 2008 was 260p and 233p respectively (31 December 2007: 227p and 205p)

Due to limited new investments during the first six months of 2008, the moderate growth from land appreciation generated by permit advances was offset by pre-development expenses, increased financing and overhead costs from Aristo and a temporary difference in the Euro/Dollar exchange rate as at 30 June 2008 which has already been reversed. Nonetheless, Dolphin's NAV per share quoted in Sterling has increased by 7% due to the devaluation of the UK currency. For further details, please refer to the Finance Director's report.

Since 30 June 2008, and following Board approvals, Dolphin has proceeded with share buybacks, in line with our stated concerns over the current trading discount to NAV which we believe is not reflective of the underlying value of the Company's assets. To date, a total of €62.4 million (including transaction costs) has been invested for the purchase of 54.44 million treasury shares at an average share price of 91p.

The intention is for these shares to be cancelled by year end, unless utilised in potential corporate transactions as an alternative to cash payment and at levels above those at which the shares were first bought into treasury.

To further align interests with shareholders, the Investment Manager has also to date invested €42.5 million to purchase 24 million shares at an average share price of 131p and is now one of the largest shareholders in the Company, owning 12% of the Company's issued share capital (excluding treasury shares).

Our Trading Highlights

Over the recent months, we have remained highly selective in our investment criteria and have focused on the delivery of value enhancing milestones across our existing portfolio. Increased buy-out activity and permitting advances across the entire portfolio has also seen the Company take control of some of its most important landholdings, which is expected to create additional NAV uplift as these move into their next phase of development. We have also engaged in detailed discussions regarding options for construction financing with local banks which remain less affected by the wider credit crisis. More specifically:

Investment highlights

- We invested c. €14 million to expand the land sites in Kilada Hills, Lavender Bay, Seascape Hills, Sitia Bay, Livka Bay, Eagle Pine and Playa Grande.

- After a long delay due in part to administrative issues, we concluded the land transfer for the Amanmila Resort project.

- We purchased a 134,315 m^2 site along one of southern Crete's most spectacular sandy beaches in Triopetra. The €3.5 million site acquisition, which represents Dolphin's third investment in Crete, adds to Dolphin's unique seafront landbank in Greece.

- We acquired a 60% stake in Pearl Island, a private island of 1,468 hectares (14,680,000 m^2) in Panama, partnering with one of the most influential families in Panama with significant interests in the country's local media sector and a strong presence in the energy and other industrial sectors. Plans are ongoing for the development of at least 160,000 buildable m^2 of residential real estate, three luxury 5-star hotels, a 250-berth marina and other supporting recreational, sports and retail facilities. The site is located in the Archipielago de las Perlas, approximately 45 nautical miles south of Panama City. Dolphin initially invested $9 million (€6 million) and will pay a further $27 million (€17 million) upon obtaining full master-plan and environmental permits.

- As at 31 August 2008 Aristo invested a total of €83.5 million to acquire future development sites in Cyprus including the "KEO site", a joint venture with the reputed commercial real estate developer Athienitis Developers Plc, that is located in the heart of the tourist/commercial part of down town Paphos. Dolphin has not injected any further capital into Aristo as all the new acquisitions have been primarily funded with bank debt.

Minority buy-outs and new permit highlights

- Venus Rock, Cyprus: Aristo has completed the acquisition of the remaining minority holdings in Venus Rock Estates Ltd, Dolphin's largest project, and as at 8 September 2008 Aristo owns 100% of the project company that owns the project.

- Livka Bay, Croatia: We completed the 10% minority buy-out with a cash consideration of €6.5 million and a conditional payment of €7.4 million, subject to permitting and developing the remaining landbank. The Urban Plan of the project's first phase (defining building coefficients and regulations for the specific phase) was received in H1 2008 and the approval of the Environmental Impact Study for the first phase was also granted on 18 September 2008.

- Kilada Hills, Greece: We received construction permits for Kilada Hills' leisure component, which includes the final designs and location of the main GHM hotel buildings, restaurants, club suites and spa.

- Seascape Hills, Greece: We received construction permits for Seascape Hills' Aman hotel.

- Yiouli, Rebranded Hotels, Greece: We completed a 20% minority buy-out.

- Playa Grande: Following the acquisition of Aman Resorts' holding company by the Indian real estate conglomerate DLF, the 25% stake initially reserved for acquisition by Aman Resorts was retained by Dolphin, and Dolphin's shareholding is now 95%. Aman Resorts and the affiliate company GHM Hotels remain as the project's operating partners.

- Turkey: We increased our shareholding in both the Kundu and Lavanta Resort projects to 99% and 79% respectively through a combination of capital increases and further minority buy-outs totaling €2.6 million following the recent permitting advances as these projects mature into their development and sales plans.

Partnerships

- We continue to advance our operator brand differentiation efforts, with Kempinski Hotels and Resorts now signed up for Lavender Bay. A Memorandun of Understanding ("MoU") has also been agreed with Oberoi Hotels for Scorpio Bay whilst for Sitia Bay a decision is expected to be made shortly.

- We signed a MoU with Nikki Beach EMEA Hotels & Resorts for the management of a Nikki Beach Hotel and Residences at Venus Rock. Pursuant to the MoU, the Company was also granted the exclusive rights to jointly develop with Nikki Beach the "Nikki Beach" brand in Greece & Cyprus, subject to certain predetermined conditions.

- We have opened up discussions with world acclaimed marketing and sales companies as we seek to reinforce the branding of our projects.

Exits

- Aristo signed a binding agreement to sell its 50% interest in the Tsilivi site, Zakynthos, Greece to the other 50% shareholder. The consideration received for the sale of our 50% interest was €8.4 million, implying a total value for the site of €20.7 million. The sales price implies a value of c. €188 per land m^2, reflects a 23% premium to NAV as at 30 June 2008 and a c. 3.5 times multiple to the allocated acquisition value of €2.3 million, resulting in a gain equal to €5.1 million for Dolphin (as 85% shareholder of Aristo) net of tax. The sale also generated close to €1 million in incentive fees for the Investment Manager, 50% of which shall remain in escrow, as per the terms of the Company's Investment Management Agreement.

- We are advancing discussions with potential strategic investors for a participation in some of our larger projects which, if concluded, would result in significant value realisation.

A summary of Dolphin's current project investments, commitments and exits is presented in the tables below:

Investments/Commitments

	Land site (hectares)	DCI (% stake)	DCI investment 31/08/2008 (€, millions)	DCI commitment 31/08/2008 (€, millions)
Greece *	**1,837**		**192**	**284**
Kilada Hills	250	100%	83	85
Seascape Hills	96	100%	37	50
Lavender Bay	309	100%	16	46
Scorpio Bay	172	100%	11	16
Amanmila	200	25%-50%	2	5
Sitia Bay	262	77%	14	24
Rebranded Hotels	1	100%	4	5
Plaka Bay	440	60%	7	26
Kea Resort	65	100%	11	15
Triopetra	13	100%	4	9
Tsilivi – Aristo *	11	85%	2	2
Douneika - Aristo	27	85%	<1	<1
Other – Aristo	2	85%	1	1
Cyprus	**2,209**		**302**	**306**
Apollo Heights	469	100%	17	21
Venus Rock - Aristo	1,000	85%	130	130
Eagle Pine - Aristo	319	85%	34	34
Magioko - Aristo	11	85%	5	5
Other – Aristo	410	85%	116	116
Croatia	**62**		**19**	**30**
Livka Bay	62	100%	19	30
Turkey	**12**		**23**	**34**
Kundu	4	99%	12	23
LaVanta	8	79%	11	11
Americas	**2,418**		**33**	**54**
Playa Grande	950	95%	27	30
Pearl Island	1,468	60%	6	24
Total	**6,538***		**569**	**708**

**** Dolphin land portfolio adjusted for Tsilivi exit.***

Exits

	Land site (hectares)	DCI (% stake)	DCI investment 31/08/2008 (€, millions)	DCI return 31/08/2008 (€, millions)
Greece	**11**			
Tsilivi – Aristo	11	85%	2	7
Total	**11**		**2**	**7**

Aristo Developers

In the first eight months of the year, Aristo has undergone significant organizational and structural changes. As an unlisted company, following the squeeze out and delisting from the Cyprus Stock Exchange on 15 May 2008, Aristo has focused on repositioning itself, both in terms of its product offering and in its targeting of key customer markets to offset the decreasing demand from the UK.

As a result of these efforts, Aristo has reinforced its Moscow office and set up a new one in Kiev. A new Aristo corporate logo has also been created along with the establishment of three distinct product lines:

- “Aristo Classic”, which will encompass Aristo’s traditional, mid-market product offering to date;
- “Aristo Signature”, focused on upscale signature design projects positioned at the higher end of the real estate market. These include developments such as the Melanta, Panorama and St. George which are expected to generate in excess of €400 million of revenues; and
- “Golf Residential Resorts”, which includes Aristo’s larger golf integrated residential resort projects such as Venus Rock and Eagle Pine that will have their own branding identity and will be marketed as separate destinations. It should also be noted that in addition to the Aristo sales force, external marketing and branding agents will also be utilised for these projects.

In parallel, we have proceeded with the hiring of additional project management, technical and marketing staff. The goal is to reinforce the development teams, integrate and streamline the development process and procedures across projects. We are also currently working on leveraging the Aristo development platform, by creating a newly branded master-development platform exclusively focused on the development of Dolphin’s large-scale luxury residential resorts, including Aristo’s Golf Residential Resorts. This will enable Dolphin to (i) establish a signature development brand across all of its large high-end residential resort projects now spread over six countries, (ii) build and retain within Dolphin valuable and unique residential resort development expertise and (iii) capture synergies and transfer expertise across all the development stages of Dolphin’s portfolio (such as design and permitting, branding, construction management, environmental preservation, marketing and sales).

A soft launch for flagship projects of both the Signature and Golf Residential Resort lines, namely the first phases of Panorama and Venus Rock, is expected in the next quarter which we anticipate will generate considerable excitement in the market.

More importantly, the permitting process for the three golf related real estate phases of the company (two in Venus Rock and the one in Eagle Pine) is advancing, albeit slower than expected, with indications that the first permits of this kind on the island should be announced by the end of this year and Venus Rock should be among the first applicants with Eagle Pine following closely.

Aristo’s financial performance

New sales booked by Aristo for the first eight months of 2008 were €79 million, 37% down from corresponding 2007 figures, as depicted in the table below. This is largely as a result of the slowdown in sales from the UK market, which in absolute terms has seen a drop in demand of c. 70% compared to the first eight months of 2007. Russia is now emerging as the primary source of Aristo clientele and represents the principal target market for the company until the UK market recovers. It is also worth mentioning that the first half of 2007 was the best in the Company’s history by far.

Units delivered are also down primarily due to the fact that approximately half of 2007 sales have had a post 2008 delivery, which has clearly impacted the H1 2008 reported company turnover. This outcome is attributed to the high demand in late 2006 and 2007 which resulted in exhausting the stock and created the need for a high number of future product sales spanning a period of two years or more until completion.

As a result of this, however, we are extremely encouraged that projected deliveries in 2009 only of properties sold to date already amount to c. €90 million, indicating that 2009 will have higher reported profits than 2008.

	Eight months to 31/08/2008	Eight months to 31/08/2007
	€	€
SALES RESULTS		
New sales booked *	79,312,590	126,768,630
% change	*-37%*	*na*
Units delivered *	250	485
% change	*-48%*	*na*
Average selling prices per unit, % change	*21%*	*na*
Average selling prices per m^2, % change	*25%*	*na*
CLIENTS ORIGINS		
UK	21.92%	46.31%
Russia	45.34%	29.12%
Central & North Europe	1.64%	3.05%
Other overseas	7.11%	7.37%
Cyprus	23.99%	14.14%

** "New sales booked" differ from the company's reported turnover under IFRS in that the latter are recognised only once units are delivered.*

Aristo's summary financial results for the first half of the year are as follows:

	Six months to 30/06/2008 €	**Six months to 30/06/2007 €**
Turnover (Units delivered)	39,704,072	68,203,431
Cost of Sales	(23,287,975)	(35,469,006)
Gross Profit	16,416,097	32,734,425
Other Income	5,209,176	998,408
Administration expenses	(14,710,851)	(8,968,312)
Selling expenses	(5,126,852)	(5,987,464)
Profit from operating activities	1,787,570	18,777,057
Net financing expenses	(6,895,779)	(4,250,011)
Profit from investing activities	35,362,246	277,564

Share of loss from associated companies	(8,595)	(11,521)
Profit before tax	30,245,442	14,793,089
Tax	(3,637,462)	(1,977,586)
Profit after tax	26,607,980	12,815,503

Despite the fact that profit after tax is up in comparison to H1 2007, the combination of reduced unit deliveries, increased financing expenses reflecting the acquisition of new investment properties and higher administrative expenses incurred as a result of restructuring and recruiting efforts have negatively affected profits. The €35.3 million profit from investing activities relates to revaluations on smaller Aristo projects, unrelated to Dolphin's core business. Most of these property revaluations are not reflected in Dolphin's current NAV as they had already been accounted for upon the Company's acquisition of Aristo and have thus been eliminated through consolidation in the Dolphin balance sheet as at 30 June 2008.

Market Dynamics

Dolphin's target region continues to exhibit positive economic fundamentals, despite deteriorating macroeconomic conditions around the world. Greece and Cyprus, which account for the vast majority of our portfolio exposure in south-east Europe, have seen continued strong GDP growth and increased tourist arrivals. The Greek new national zoning plan was voted in Parliament on 24 June 2008, paving the way for the more relevant Tourist Zoning plan which is expected to improve the residential zoning potential of Dolphin's Greek projects. In Cyprus, the final approval of the golf-related real estate permits has been slower than what had been hoped for. As a result of the change in the Cyprus government in the first quarter of 2008, the new key ministers will naturally need some time to familiarize themselves with the provisions and the final steps that need to be executed for the practical implementation of the relevant policy.

Structural changes to Greece's corporate tax system are also at the forefront of government agenda and are expected to be beneficial for Dolphin in the long term. Namely, the Greek large property tax overhaul in the latter part of 2007 is now being supplemented by further corporate tax changes, as progressive annual 1% corporate tax rate reductions from the current 25% to 20% by 2014 have just been enacted. Recent legislation imposing a 10% withholding tax on capital gains realized from the sale of Greek companies and dividend pay-outs by Greek corporations to their shareholders, should not materially impact Dolphin's activities as the corporate structures for investing in Greek projects companies allows Dolphin to mitigate these charges as Dolphin is a foreign entity. The availability of bank loans in both Greece and Cyprus, albeit at higher spreads than before, has also not been severely impacted by the difficult credit markets around the world.

Our expansion into Central America is also very much in line with our strategic initiatives and comes at an admittedly opportune time. As the market rides through an overdue pricing correction in that market, we are increasingly coming across high quality land and project investment opportunities that are priced at particularly favourable terms. The Pearl Island transaction in Panama, for which the land assets were bought at €3 per land m^2 with the majority of the payment linked to the receipt of permits, is a prime example of the above. Panama has witnessed growth in its income from international tourism that is 1.5 times faster than the national GDP over the past 15 years and appears committed to developing its tourist industry through legislative initiatives that, amongst other goals, attract increasing numbers of second home buyers.

Project development updates by country since 2007 Annual Report

Greece

Kilada Hills Golf Resort, Argolida, Peloponnese

Dolphin stake: 100%
Location: Peleponnesus, Porto Heli area (one of the most up-market, second home residential areas in Greece)
Special features: One of the first golf-integrated, residential resorts to come to market in Greece
Access: Within a 2 hour drive from Athens and 2 hours by ferry from Pireaus Port
Type of resort: High-end, master-planned, golf-integrated residential resort
Area size: 250 hectares
Composition:

- GHM-operated (www.ghmhotels.com) Chedi luxury hotel (71 rooms and 40 Club Suites)
- 45 Chedi Signature Villas
- More than 250 additional residential units
- 18-hole Jack Nicklaus design (www.nicklaus.com) golf course
- Beach club and other leisure activities

Design: Master-planned and designed by Jean Michel Gathy (Denniston International, www.denniston.com.my)
Update since 2007 Annual Report:
Construction permits for the first phase, which is to include a GHM hotel along with club suites and spa, were recently received paving the way for construction commencement in Q4 2008. Detailed designs are therefore being finalized in parallel with the construction contract tender documents. Site clearing, earth and landscaping works have also already commenced and are currently being progressed.

A construction and development facility is currently being discussed with local banks and an application for subsidies under the Greek Investment Incentive legislation is being prepared.

Progress has also been made with regards to the design and permitting of the project's second phase. The coordinated master-plan, whose additional elements include the 18-hole championship golf course and the remaining residential resort, has been completed and will be submitted in order to replace the 2006 approved golf and residential permits.

Seascape Hills Resort, Argolida, Peloponnese

Dolphin stake: 100%
Location: The region of Argolida, near Porto Heli (an established second-home holiday destination for affluent Greeks)
Special features:

- Europe's first villa-integrated Aman Resort (www.amanresorts.com)
- Almost 360 degrees panoramic sea views and a serene environment, ideal for an exclusive, private getaway
- A 10-minute drive from Kilada Hills Golf Resort, one of the first golf-integrated residential resorts expected to come to market in Greece

Access: Within 2 hours driving distance from Athens and 2 hours by ferry from Pireaus Port
Type of resort: A master-planned leisure-integrated residential development, intended to become an exclusive villa community
Area size: Nearly 96 hectares, of which approximately 50 hectares will be taken up by the Aman Resort and the rest will serve as land bank for additional phases.
Composition: A luxury 38-pavillion Aman hotel integrated with 40 Aman villas and spa
Design: Hotel and Villa design by Ed Tuttle
Update since 2007 Annual Report:
Construction permits for the first phase of the project, which is to comprise a hilltop Aman hotel with 38 guest pavilions and spa have recently been received, paving the way for construction

commencement in Q4 2008. The concept and schematic design of the hotel and spa portion of the project are complete and the final construction drawings are being refined in consultation with the operator and cost engineers to streamline project costs and finalize the tender documents.

A term sheet for the construction and development facility was recently agreed through a major local bank with favourable market terms and an application for subsidies under the Greek Investment Incentive legislation is being prepared.

Phase II of the project, which is to include close to 40 hillfront and six beachfront Aman villas, is also progressing with design and permits.

Lavender Bay Golf Resort, Nies, Magnesia

Dolphin stake: 100%
Location: Near the town of Volos, in the region of Thessalia, at the mouth of Pagasitikos Gulf
Special features: Unspoilt, undulating hills fronted by a 2 km beach and surrounded by forest. Expected to host the golf tournament of the 2013 Mediterranean Games
Access: Approximately 2.5 hours' drive from both Athens and Thessaloniki International Airports
Type of resort: A golf-integrated residential resort
Area size: 309 hectares
Composition:

- A 250 room Kempinski operated hotel (www.kempinski.com)
- More than 120 branded residential units
- More than 200 non- branded residential units
- An 18-hole Gary Player design (www.garyplayerdesign.com) golf course Beach club and other leisure activities

Design: Master-plan by EDSA (www.edsaplan.com) and design by Oppenheim (www.oppenoffice.com)
Update since 2007 Annual Report:
Advances have been made with regards to the first phase of the project, which is to include a c.250-room hotel as well as approximately 65,000 m^2 of branded residential units. The Environmental Impact Study ("EIS") for the project hotel component has been already filed with the relevant authorities and is currently under approval whilst Kempinski Hotels recently signed up for the management operation.

Master-planner, EDSA and golf architect, Gary Player Design have been further refining the golf integrated master-plan to maximize the freehold potential of the project following the award of a government certificate relating to a 38-hectare area of the site, whilst Miami based Chad Oppenheim was also appointed as the project's architect.

Scorpio Bay Resort, Scorponeri, Voiotia

Dolphin stake: 100%
Location: Skorponeri, making this probably be the closest luxury seaside residential resort to Athens
Special Features: A mountainous peninsula of unspoilt natural beauty overlooking a secluded bay and the island of Evoia, a one hour drive to the ski resort of Mount Parnassus
Access: One hour's drive from Athens International Airport
Type of resort: A master-planned leisure-integrated residential development
Area size: 172 hectares with approximately 2 km of sea frontage
Composition: Luxury Oberoi-operated (www.oberoihotels.com) hotel integrated with a residential development and sea-related leisure activities
Design: Hotel and Villa design by John Heah
Update since 2007 Annual Report:
John Heah has created his first concept plans for Scorpio Bay. The initial plan envisages the development of an 80 resort suites boutique hotel along with 40 branded villas and additional resort residences. The first phase of development is expected to total approximately 80,000 buildable m^2.

A MoU was also recently signed with luxury operator Oberoi Hotels and Resorts to manage the resort and the branded villas. The initial design brief has been slightly altered to accommodate Oberoi's suggestions and a revised Environmental Impact Study application is currently being drafted and will be submitted shortly.

Amanmila Resort, Milos, Cyclades
Dolphin stake: 25% of Aman hotel site, 50% of landbank
Location: The island of Milos, in the Cyclades
Special features: The site is located on an unspoilt peninsula of approximately 200 hectares and has 5 km of shoreline and with its own natural harbour
Type of resort: Top-end residential resort
Area size: 200 hectares. Aman Resort to be developed over approximately 65 hectares.
Composition: A 40-room Aman hotel together with 40 Aman villas
Design: Hotel and Villa design by John Heah
Update since 2007 Annual Report:
After long delays, the procedure for the transfer of most of the first phase land to the Project company has been completed. The administrative hurdles have been now surpassed and the Preliminary Environmental Impact Study ("EIS") is pending submission whilst the master-plan and architectural designs for the project have been completed.

Kea Resort, Tzia, Cyclades
Dolphin stake: 100%
Location: The island of Tzia (Kea)
Special features: Dramatic sea views and a spectacular sandy beach offering a natural harbour, safe from the strong Aegean winds
Access: 25 nautical miles from Lavrio Harbour, in turn only a 15-minute drive from Athens International Airport. Regular ferry service from Lavrio, year round
Area size: 65 hectares
Composition:

- Boutique hotel of up to 80 rooms
- More than 100 residential units
- Beach club

Update since 2007 Annual Report:
The development concept is currently being finalised and the preliminary documents have been collated for impending environmental pre-approval submission. The selection process for the hotel operator has also commenced and advanced discussions are currently in place with leading international luxury hotel operators.

Sitia Bay Golf Resort, Sitia, Crete
Dolphin stake: 77%
Location: The island of Crete
Special features: A secluded peninsula of unspoilt natural beauty on the largest of the Greek islands and the most popular Greek tourist destination with 2.3 million visitors in 2007.
Access: A 10 minute-drive from Sitia Airport, a 1.5 hour drive east from Heraklion International Airport and a 15 minute drive from Sitia Harbour
Type of resort: A master-planned, leisure-integrated, sea-front residential development
Area size: 262 hectares
Composition:

- Over 80,000 m^2 of buildable residential units
- A circa 200-room luxury hotel
- A convention centre
- An 18-hole Jack Nicklaus championship golf course
- A golf clubhouse
- A beach & country club and other leisure facilities

Design: Master-plan by WATG (www.watg.com)
Update since 2007 Annual Report:
Advances with the project's first phase have been made, which is to include a five star luxury hotel, spa and marina. The hotel design is currently being adapted to local regulation in order to be submitted to the Greek National Tourism Organization (GNTO) for final approval, and subsequently for Building Permit, with commencement of construction anticipated in the first half of 2009.

The permitting for the first residential zone which encompasses a land area of about 30 hectares is also progressing, whilst Nicklaus Design is seeing the golf course routing through to completion.

Plaka Bay Resort, Sitia, Crete
Dolphin stake: 60%
Location: The island of Crete
Special features: Eastern most point of Crete
Access: A 30 minute drive east from Sitia International Airport, a 2.5 hour drive east from Heraklion International Airport, and in close proximity to Sitia Harbour
Type of resort: A master-planned, leisure-integrated, seafront residential development
Area size: 440 hectares
Composition:

- A residential development of over 100,000 m^2
- Two five-star hotels
- Other supporting recreational facilities and potentially an 18-hole golf course

Update since 2007 Annual Report:
The project is currently at an early stage of the design and permit approval process (forestry and archaeological clearances already obtained), and will be developed jointly with J&P Development (www.jpdevelopment.gr), the development subsidiary of one of the largest construction groups in the region.

Cyprus

Venus Rock
Dolphin stake: 85%
Location: Next to Aphrodite Hills, south-east Europe's first golf-integrated residential resort, between the towns of Limassol and Paphos
Special features: Dolphin's most valuable asset and one of the largest seafront residential resort development sites in Europe
Type of resort: A truly integrated residential resort
Area size: 1,000-hectares
Composition:

- At least two golf courses
- More than 3,000 residential units
- A 5-star hotel with spa. An MoU has been signed with Nikki Beach for the operation of the hotel and beach club facilities
- Extensive beachfront entertainment
- Retail and commercial facilities
- Marina and other sport facilities

Design: A premier resort, master-planned by EDSA (www.edsaplan.com), with the first phase of the residential design assured by Robert A. Stern (www.ramsa.com).
Update since 2007 Annual Report:
The project has current tourist or residential zoning of 269 hectares and continues to hold a preliminary approval for the development of two golf-integrated resorts, with a residential development component of up to 100,000 m^2 each bringing the total buildable capacity potential to more than 600,000 m^2.

British golf legend Tony Jacklin (www.jacklindesigngroup.com) was appointed to lead the golf course designs, the master-plan and landscape design have been revised by EDSA and Robert AM Stern was appointed for the design of the beachfront commercial facilities, the golf club house and the first phase of the residential development.

The infrastructure and landscape construction works are in progress and branding initiatives are ongoing to ensure the project's high-end positioning.

A MoU with Nikki Beach Hotels (www.nikkibeach.com) has been signed for the management of the hotel and beach club and the branding of approximately 20,000 m^2 of residential real estate.

Final negotiations are also taking place with leading international developers for the branding of various phases of residential real estate.

Eagle Pine
Dolphin stake: 85%
Location: On the highlands, overlooking the sea around the Episkopi and Acrotiri areas near Limassol
Special features: A few kilometres from Apollo Heights Polo Resort, Dolphin's first investment in Cyprus, and a 15-minute drive from Venus Rock
Resort type: A golf-integrated resort
Area size: 319 hectares
Composition: Golf facilities with a residential development component of up to 100,000 m^2
Design: A premier resort master-planned and designed by Porphyrios Associates.
Update since 2007 Annual Report:
The project holds preliminary approval for the development of a golf-integrated resort, with a residential development component of up to 100,000 m^2 and has a 120-hectare land bank destined for future expansion of the resort. Issuance of construction permits are pending from the authorities.

The project was master-planned by EDSA, while the golf design was assured by Graham Marsh in association with Hans-Georg Erhardt. The renowned architectural firm, Porphyrios and Associates, was appointed as the project's architect.

Apollo Heights
Dolphin stake: 100%
Location: Near the town of Limassol
Special features: With excellent views of the sea, the mountains and neighbouring villages, the site also lies adjacent to a number of polo fields and an 18-hole golf course
Access: Less than an hour's drive from both of the island's international airports
Resort type: The first polo-integrated residential resort in Cyprus
Area size: Approximately 469 hectares
Composition:

- Hotel facilities
- Residential units
- Polo fields
- 18-hole golf course

Design: Master-plan by EDSA (www.edsaplan.com) and golf course design by Tony Jacklin Design (www.jacklindesigngroup.com)
Update since 2007 Annual Report:
The zoning discussions with the Cypriot and the British Base authorities continue in an effort to accelerate the permitting process.

Croatia

Livka Bay
Dolphin stake: 100%
Location: The bay of Livka on the south end of the island of Solta, off the Dalmatian Coast
Special features: Dolphin's first investment in Croatia, intended to become one of the first exclusive residential resorts on the Dalmatian coast
Access: Only 20 km away from Split International Airport
Resort type: An exclusive beachfront residential resort
Area size: 62 hectares
Composition: A Chedi hotel (GHM), a 160-berth marina and other supporting recreational, sports and retail facilities
Design: Master-planned and designed by Jean-Michel Gathy (Denniston International)
Update since 2007 Annual Report:
The zoning and urban plan for the project which will include a GHM Hotel and Residences was approved. The Environmental Impact Study was also recently approved

Turkey (www.mediterraresorts.com)

Port Kundu Resort, Antalya
Dolphin stake: 99%
Location: The Antalya region of southern Turkey, next to the renowned Belek golf area
Special features: Properties will be surrounded by water canals along the banks of the Aksu River. Private marina for home owners with direct access to the sea
Resort type: A master-planned water-front residential resort
Access: 20 km away from Antalya city centre and 15km from Antalya International Airport
Area size: 4 hectares after zoning already secured with building permit. Project could be expanded to a 23-hectare site, after zoning
Composition: Phase I of this multi-phased development will comprise 64 detached, semi-detached and townhouse units spread over 40,000 m^2, after zoning.
Update since 2007 Annual Report:
Zoning approval as well as final construction permits for the first phase have already been granted to Port Kundu, with detailed designs being finalized so as to launch the pre-sales and construction phases of the project.

La Vanta Resort, Antalya
DCI stake: 79**%**
Location: 2 km from the town centre of Kalkan, overlooking the Aegean Sea and the Greek island of Kastelorizo (Megisti)
Special features: Very close to the well-know beaches of Kaputas and Patara, and within walking distance from Kalkan beach
Resort type: A leisure-integrated residential development
Access: A 1.5-hour drive from Dalaman International Airport
Area size: 8 hectares (net of zoning)
Composition: A development of over 25,000 m^2, it will comprise close to 200 villas and townhouses
Update since 2007 Annual Report:
The second Turkish project, LaVanta is fully permitted, and the first phase of the shell works has recently been completed. Pre-sales of the first phase have progressed and the first units are expected to be delivered to owners within 2009.

Dominican Republic

Playa Grande Resort, Playa Grande (www.playagrande.com)
Dolphin stake: 95%

Location: The northern coast of the Dominican Republic, situated between the towns of Cabrera and Rio San Juan, each approximately 8 km away from the site

Special features:

- The golf course, known as the “Pebble Beach of the Caribbean”, which is already in operation, was designed by Robert Trent Jones Senior and, with ten of its holes running alongside twenty-metre high cliffs bordering the Atlantic Ocean, is considered to be among the most spectacular in the western hemisphere.
- Playa Grande Beach rated as one of the top-ten most beautiful beaches in the world by Conde Nast Travel magazine.

Resort type: A high-end, master-planned, low density, residential resort, including hotels (the first Aman in the Dominican Republic), golf course & villas, as well as beachfront, hill-top and cliff villas

Access: Approximately an hour’s drive from Puerto Plata International Airport

Area size: Approximately 11 km of seafront, spread over 950 hectares of land

Composition:

- A 40 room Aman hotel with 40 Aman villas, a golf hotel with about 100 rooms and club suites and a third hill-top boutique hotel
- Approximately 400 additional residential units
- An 18-hole golf course
- Spa, beach club and other leisure activities

Design: Master-plans and designs by Denniston and Hart Howerton

Update since 2007 Annual Report:

The Master-plan prepared in coordination between Hart Howerton (www.harthowerton.com) and Jean-Michel Gathy of Denniston has been finalized. In addition, Denniston is progressing the architecural design of the Aman hotel and villas. Rees Jones has also finalized the rerouting of the golf course further enhancing the golf experience of the project.

Panama

Pearl Island Resort, Isla Pedro Gonzalez

Dolphin stake: 60%

Location: In the Archipelago de las Perlas, approximately 45 nautical miles south of Panama City

Special features:

- A private island set to become one of the first exclusive integrated ecological island residential resorts in the region
- DCI's first investment in Panama, and the Company's second investment in the Central America / Caribbean region

Area size: Approximately 1,500 hectares

Composition: Development potential for at least 160,000 m^2 of buildable residential space, at least three luxury 5-star hotels, a 250-berth marina and other supporting recreational, sports and retail facilities.

Status:

Dolphin is currently in discussions for the appointment of luxury hotel and spa operators, while master-plan and environmental impact approval applications are underway.

Outlook

Whilst we remain cautious, we believe that the long-term outlook for Dolphin's distinctive land and residential resort investments remains unchanged, owing both to the vast supply/demand imbalance in the eastern Mediterranean and to the Company's strong financial attributes which have not been tempered by the current economic uncertainty.

The resilience and adaptability of Dolphin's model during these tougher trading conditions is also a key attribute that is spurring the Company to its next phase of evolution. As we move into the construction phase for a number of our key projects, we do not expect to be materially harmed by the uncertainty that is currently masking the housing market thanks to a rigid investment model that is not predicated on speculative home-building but on a low-risk, pre-sell and build approach that can ensure minimum leverage and liquidity problems for the whole duration of a project's construction phase. Undoubtedly, the risk of reduced demand relative to last year for our own projects over the short term is real but we are hopeful for a restoration in market confidence over the course of the next two years when the bulk of the sales product of our major projects will be coming to market.

The leisure and infrastructure components of our projects will be financed by ring-fenced bank loans, subsidies and equity which we have already set aside for. The fact that none of our major projects is currently leveraged also means that there are no covenant constraints in securing the first leisure components and as such we are in the enviable position of negotiating for the best terms possible.

Looking ahead, we expect to see both continued NAV growth as we achieve further permitting milestones and NAV crystallisation as we work towards achieving asset realisations and joint ventures with strategic partners.

Miltos Kambourides
Managing Partner
Dolphin Capital Partners
23 September 2008

Pierre Charalambides
Partner
Dolphin Capital Partners
23 September 2008

Finance Director's Report

NAV

Over the past six months, the Company has been highly selective in pursuing additional investment opportunities and has largely focused on advancing its existing projects. As such, the Company's reported NAV position has not materially changed since 2007 year end (€1,690 million before DITL versus €1,691 million as of 31 December 2007), while the 7% increase noted in the quoted NAV per share figures is due to the devaluation of Sterling versus Euro..

The Aristo's portofolio, Dolphin's largest Net Asset position, was neutral as the moderate asset growth was offset by corporate expenses in expanding the product offering and increased interest costs from higher debt levels. For the rest of the Dolphin portfolio, overall NAV growth was broadly driven by:

- Revaluation gains in Kilada Hills, driven by the receipt of the first phase construction permits;
- New land acquisitions in Sitia Bay, Kilada Hills and Playa Grande;
- The retention of an additional 25% stake in Playa Grande; and
- Interest income.

The value uplifts were largely offset by:

- Temporary foreign exchange losses from the Euro/Dollar as at 30 June 2008 which have since been reversed;
- Write-off of goodwill occurred from Livka minority buy out, also expected to be temporary; and
- The fixed Dolphin corporate and management fees, as these typically accrue.

In addition, the following events occurred after 30 June 2008 which are not reflected in the reported NAV:

- The receipt of final construction permits for Seascape Hill's first phase;
- The Environmental Impact Study approval for Livka;
- The Company's acquisition of a 60% shareholding in Pearl Island in Panama, its second investment in the Latin America region; and
- The land transfer completion in Amanmila Resort.

In view of the current trading discount to NAV, the Company has also taken steps to boost its NAV per share. A total of 54.4 million shares have been repurchased subsequent to 30 June 2008 and up to 19 September 2008. This share buyback activity has created an accretion to the NAV per share before and after DITL of approximately 16p and 14p respectively, as further indicated in the following table:

	€	**£**	**Uplift Since 31 December 2007**	**Accretion owing to share buyback**
Total NAV before DITL (millions)	**1,690**	**1,337**	**7%**	**n/a**
Total NAV after DITL (millions)	**1,520**	**1,203**	**7%**	**n/a**
NAV per share before DITL	**3.08**	**244p**	**7%**	**n/a**
NAV per share after DITL	**2.77**	**219p**	**7%**	**n/a**
Pro forma NAV per share before DITL	**3.29**	**260p**	**n/a**	**16p**
Pro forma NAV per share after DITL	**2.95**	**233p**	**n/a**	**14p**

Notes: 1. GBP/Euro rate of 0.79113 as at 30 June 2008.

2. Pro forma NAV per share has been calculated on the basis of 494,596,141 issued shares *(excluding treasury shares purchased subsequent to 30 June 2008) as at 30 June 2008.*

As always, the NAV figures do not take into account the potential payment of the Investment Manager's performance fee, calculated as 20% of the net realised cash profits from each project only after achieving a hurdle of 8% annual compounded return. Based on the 30 June 2008 NAV, the performance fee that would be payable (assuming that the whole portfolio was sold at NAV) was €135 million. Finally, the reported DITL of €170 million were calculated based on the current fair market value of the land acquired as reported by Colliers, and are applicable only in the event of a direct sale of land or assets. The sale of land is anticipated to take effect through the sale of shares of the holding SPVs and, as such, most of the DITL are not expected to materialize or become payable. The NAV before DITL is therefore considered by Investment Manager as the more representative figure.

A solid asset base despite tough trading conditions
The Company's total asset base amounts to approximately €2.35 billion with minimal gearing of only €341 million, all of which is non-recourse at the Company level.

The fair market value of Dolphin's entire real estate portfolio (both freehold and leasehold interests) as at 30 June 2008 was valued by Colliers at €2,038 million, assuming 100% ownership. After deducting minority interests of €168 million and other net liabilities of €420 million, the fair market value of Dolphin's real estate assets amounts to €1,450 million.

Current assets are €647 million. Excluding Trading Properties of €344 million which are included in the real estate portfolio, the balance is made up of €274 million of cash and €29 million of other receivables.

Liabilities total €658 million, including €170 million of DITL (which as already explained above the Investment Manager believes are unlikely to materialise), €341 million of Interest-bearing loans and Finance lease obligations. Out of this amount, 19%, 53% and 28% is repayable within one year, between two and five years and more than five years respectively. There are also €147 million of other payables, comprising advances from customers relating to Aristo's contractual construction works in progress and deferred Dolphin land payments.

As reflected in the minor drop of the NAV after DITL, the net loss of €3 million for the six-month period ended 30 June 2008 resulted in a loss per share figure of €0.0055.

The interim consolidated financial statements have been reviewed by KPMG.

Cash management
We have placed approximately €130 million of our €180 million cash reserves into short-term fixed deposit accounts across a large number of financial institutions in order to proactively diversify the bank credit risk, and at the same time expand our banking relationships whilst taking advantage of high deposit rate packages. The remaining €50 million remains with our custodian, Anglo Irish Bank.

Panos Katsavos
Finance Director
Dolphin Capital Partners
23 September 2008

Independent report on review of interim financial information

To the Members of

Dolphin Capital Investors Limited

Introduction
We have reviewed the interim consolidated financial statements of Dolphin Capital Investors Limited (the "Company"), which comprise the interim consolidated balance sheet as at 30 June 2008, and the related interim consolidated statements of income, changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes (the interim financial information). This interim financial information is the responsibility of the Company's Board of Directors. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Company as at 30 June 2008, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34, "Interim Financial Reporting". This report, including the conclusion, has been prepared for and only for the Company's members as a body. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

KPMG

Chartered Accountants
22 September 2008
Nicosia, Cyprus

Interim consolidated income statement
For the six-month period ended 30 June 2008

	Note	30 June 2008	30 June 2007
		€'000	€'000
Gain on disposal of investment in subsidiary	20	2,921	-
Valuation gain/(loss) on investment property	7	21,274	(2,472)
Share of profit on equity accounted investees	10	2,944	-
Other operating profits		7,638	60
Total operating profits/(losses)		**34,777**	**(2,412)**
Investment manager fees	19.2	(8,590)	(4,312)
Management incentive fees	19.4	-	(28,753)
Professional fees		(3,630)	(4,231)
Other expenses		(25,359)	(3,461)
Total operating and other expenses		**(37,579)**	**(40,757)**
Net operating result		**(2,802)**	**(43,169)**
Financial income		7,529	2,429
Financial expense		(15,844)	(1,239)
Net finance (cost)/income		**(8,315)**	**1,190**
Goodwill written off	20	(5,407)	-
Excess of fair value over cost arising on acquisitions	20	19,519	253,245
Impairment of investment in equity accounted investees	10	(1,186)	-
Total net non-operating profits		**12,926**	**253,245**
Profit before taxation		**1,809**	**211,266**
Taxation	5	(3,797)	740
(Loss)/profit for the period		**(1,988)**	**212,006**
Attributable to:			
Equity holders of the Company		(2,939)	212,176
Minority interest		951	(170)
(Loss)/profit for the period		**(1,988)**	**212,006**
Basic (loss)/earnings per share (€)	6	**(0.0055)**	**0.62**
Fully diluted (loss)/earnings per share (€)	6	**(0.0055)**	**0.61**

Interim consolidated balance sheet
As at 30 June 2008

	Note	30 June 2008 €'000	31 December 2007 €'000
Assets			
Investment property	7	1,609,791	1,549,034
Property, plant & equipment	8	60,565	52,233
Investment in equity accounted investees	10	23,148	9,594
Goodwill		771	600
Deferred tax asset	16	2,667	2,157
Other non-current assets		2,251	1,255
Total non-current assets		**1,699,193**	**1,614,873**
Trading properties	9	344,379	356,219
Loans receivable	11	780	550
Receivables and other assets		27,738	35,164
Cash and cash equivalents	12	273,678	396,910
Total current assets		**646,575**	**788,843**
Total assets		**2,345,768**	**2,403,716**
Equity			
Share capital	13	5,490	5,175
Share premium	13	833,359	833,359
Retained earnings		681,868	684,807
Other reserves		(764)	630
Total equity attributable to equity holders of the Company		**1,519,953**	**1,523,971**
Minority interest		167,523	200,112
Total equity		**1,687,476**	**1,724,083**
Liabilities			
Interest-bearing loans	14	266,720	224,553
Finance lease obligation	15	9,358	8,875
Deferred tax liability	16	169,930	167,241
Other non-current liabilities		17,544	12,318
Total non-current liabilities		**463,552**	**412,987**
Interest-bearing loans	14	64,541	63,028
Finance lease obligation	15	169	259
Trade and other payables	17	128,853	201,913
Tax payable		1,177	1,446
Total current liabilities		**194,740**	**266,646**
Total liabilities		**658,292**	**679,633**
Total equity & liabilities		**2,345,768**	**2,403,716**
Net asset value per share (€per share)	18	**2.77**	**2.94**
Diluted net asset value per share (€per share)	18	**2.77**	**2.78**

Interim consolidated statement of changes in equity
For the six-month period ended 30 June 2008

	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained earnings €'000	Total €'000	Minority interest €'000	Total equity €'000
Balance at 1 January 2007	3,395	395,335	-	-	110,324	509,054	31,898	540,952
Shares issued	1,780	448,220	-	-	-	450,000	-	450,000
Placing costs	-	(10,494)	-	-	-	(10,494)	-	(10,494)
Profit for the period	-	-	-	-	212,176	212,176	(170)	212,006
Minority interest on acquisitions	-	-	-	-	-	-	117,197	117,197
Foreign currency translation difference	-	-	234	-	-	234	25	259
Revaluation of property, plant and equipment, net of tax	-	-	-	306	-	306	-	306
Balance at 30 June 2007	**5,175**	**833,061**	**234**	**306**	**322,500**	**1.161,276**	**148,950**	**1,310,226**
Balance at 1 January 2008	5,175	833,359	630	-	684,807	1,523,971	200,112	1,724,083
Shares issued	315	-	-	-	-	315	-	315
Loss for the period	-	-	-	-	(2,939)	(2,939)	951	(1,988)
Minority interest decrease on acquisitions	-	-	-	-	-	-	(31,644)	(31,644)
Minority interest on capital increases of subsidiaries	-	-	-	-	-	-	160	160
Minority interest decrease on disposal of subsidiary	-	-	-	-	-	-	(1,446)	(1,446)
Foreign currency translation difference	-	-	(1,394)	-	-	(1,394)	(610)	(2,004)
Balance at 30 June 2008	**5,490**	**833,359**	**(764)**	**-**	**681,868**	**1,519,953**	**167,523**	**1,687,476**

Interim consolidated statement of cash flows
For the six-month period ended 30 June 2008

	Note	30 June 2008 €'000	30 June 2007 €'000
Operating activities			
(Loss)/profit for the period		(1,988)	212,006
Adjustments		(34,103)	(252,518)
Operating loss before changes in working capital		**(36,091)**	**(40,512)**
Decrease/(increase) in receivables and other assets		6,228	(15,709)
(Decrease)/increase in trade and other payables		(64,284)	87,935
Increase in loans receivable		(230)	(253)
Cash flows (used in)/generated from operations		**(94,377)**	**31,461**
Interest paid		(8,609)	(1,150)
Taxes paid		(1,117)	(135)
Net cash flows (used in)/generated from operations		**(104,103)**	**30,176**
Investing activities			
Cash paid on acquisition of subsidiaries, net of cash acquired	20	(17,703)	(247,769)
Proceeds from disposal of subsidiary, net of cash disposed of	20	4,052	-
Investment in equity accounted investees		(12,124)	-
Cash paid on acquisition of investment property		(44,674)	(21,458)
Proceeds from disposal of investment property		1,100	-
Cash paid on acquisition of property, plant and equipment	8	(3,925)	(4,939)
Proceeds from disposal of property, plant and equipment		449	-
Cash paid on acquisition of trading properties	9	(2,658)	(325)
Interest received		6,542	2,429
Cash flows used in investing activities		**(68,941)**	**(272,062)**
Financing activities			
Proceeds from the issue of share capital	13	315	450,000
Payment of placing costs		-	(10,494)
Finance lease obligation		393	(4,100)
Net increase/(repayment) of interest-bearing loans		50,332	(4,212)
Cash flows from financing activities		**51,040**	**431,194**
Net (decrease)/increase in cash and cash equivalents		(122,004)	189,308
Cash and cash equivalents at the beginning of the period	12	396,910	292,929
Effect of exchange rate fluctuations on cash held		(1,228)	-
Cash and cash equivalents at the end of the period	12	**273,678**	**482,237**

Notes to the interim consolidated financial statements

1. General information

Dolphin Capital Investors Limited (the “Company”) was incorporated and registered in the British Virgin Islands 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 managed by Dolphin Capital Partners Limited (the “Investment Manager”), an independent private equity management firm that specialises in real estate investments 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 interim consolidated financial statements were authorised for issue by the Directors on 22 September 2008.

2. Accounting policies

The interim consolidated financial statements comprise the Company and its subsidiaries, together referred to as the “Group”.

The interim consolidated financial statements of the Group have been prepared in accordance with all International Financial Reporting Standards (IFRSs) that have been adopted for application in the European Union, including International Accounting Standard No. 34 “Interim Financial Reporting” and must be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2007. The accounting policies applied are the same as those used in the audited consolidated financial statements referred to above.

The interim consolidated financial statements are presented in euro (€), rounded to the nearest thousand.

3. Significant company holdings

The Company’s most significant company holdings as at 30 June 2008 are the following:

Name	Country of incorporation	Shareholding Interest
Scorpio Bay Holdings Limited	Cyprus	100.00%
Scorpio Bay Resorts S.A.	Greece	100.00%
Latirus Enterprises Limited	Cyprus	79.66%
Iktinos Techniki Touristiki S.A.	Greece	77.28%
Xscape Limited	Cyprus	100.00%
Golfing Developments S.A.	Greece	100.00%
MindCompass Overseas Limited	Cyprus	100.00%
MindCompass Overseas S.A.	Greece	100.00%
MindCompass Overseas Two S.A.	Greece	100.00%
MindCompass Parks S.A.	Greece	100.00%
Ergotex Services Co. Limited	Cyprus	100.00%
D.C. Apollo Heights Polo and Country Resort Limited	Cyprus	100.00%
Symboula Estates Limited	Cyprus	100.00%
Dolphinci Fourteen Limited	Cyprus	100.00%
Eidikou Skopou Dekatessera S.A.	Greece	100.00%
Eidikou Skopou Dekaokto S.A.	Greece	100.00%
Portoheli Hotel and Marina S.A.	Greece	80.00%
DCI Holdings Two Limited	BVIs	85.00%
Dolphin Capital Atlantis Limited	Cyprus	85.00%
Aristo Developers plc	Cyprus	85.00%
Alexandra Beach Tourist Enterprises S.A.	Greece	42.50%
Single Purpose Vehicle Twelve Limited	Cyprus	85.00%
Single Purpose Vehicle Eighteen Limited	Cyprus	85.00%
Single Purpose Vehicle Nineteen Limited	Cyprus	85.00%
Athiari Commercial (Paphos) Limited	Cyprus	42.50%
Athiari Residential (Paphos) Limited	Cyprus	42.50%
Azurna Uvala D.o.o.	Croatia	100.00%
Eastern Crete Development Company (Greece) S.A.	Greece	60.00%
DolphinLux One S.a.r.l.	Luxemburg	100.00%
DolphinLux Two S.a.r.l.	Luxemburg	100.00%
Pasakoy Yapi ve Turizm A.S.	Turkey	98.87%
Kalkan Yapi ve Turizm A.S.	Turkey	78.79%
DCI Holdings Five Limited	BVIs	100.00%

3. Significant company holdings (cont.)

Name	Country of incorporation	Shareholding Interest
DCI Holdings Four Limited	BVIs	95.00%
DCI Holdings Seven Limited	BVIs	95.00%
Playa Grande Holdings Inc.	Dominican Republic	95.00%
Single Purpose Vehicle Eight Limited	Cyprus	100.00%
Eidikou Skopou Dekapente S.A.	Greece	100.00%
Single Purpose Vehicle Ten Limited	Cyprus	100.00%
Eidikou Skopou Eikosi Tessera S.A.	Greece	100.00%

4. Segment reporting

The Company has one business and geographical segment focusing on achieving capital growth through investing in residential resort developments primarily in south-east Europe.

5. Taxation

	30 June 2008 €'000	30 June 2007 €'000
Corporate income tax	751	(23)
Share of tax on equity accounted investees	328	-
Defence tax	97	20
Deferred tax	2,621	(737)
Total	**3,797**	**(740)**

6. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common shares in issue during the period.

	30 June 2008 €'000	30 June 2007 €'000
(Loss)/profit attributable to equity holders of the Company (€)	(2,939)	212,176
Number of weighted average common shares in issue	534,655	343,395
Basic (loss)/earnings per share (€per share)	**(0.0055)**	**0.62**

Weighted average number of common shares

	30 June 2008 '000	30 June 2007 '000
Issued common shares at the beginning of the period	517,501	339,460
Effect of shares issued during the period	17,154	3,935
Weighted average number of common shares at the end of the period	**534,655**	**343,395**

6. Earnings per share (cont.)

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the number of common shares outstanding to assume conversion of all dilutive potential shares. The Company has one category of dilutive potential common shares: warrants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the warrants.

	30 June 2008	30 June 2007
(Loss)/profit attributable to equity holders of the Company (€'000)	(2,939)	212,176
Weighted average number of common shares in issue ('000)	534,655	343,395
Effect of potential conversion of warrants ('000)	-	4,468
Weighted average number of common shares for diluted earnings per share ('000)	534,655	347,863
Fully diluted (loss)/earnings per shares (€per share)	**(0.0055)**	**0.61**

7. Investment property

	30 June 2008 €'000	31 December 2007 €'000
At beginning of period	1,549,034	278,017
Additions through:		
Direct acquisitions	45,977	159,748
Acquisition of subsidiary companies	-	634,791
Transfers from property, plant and equipment	-	30,170
Transfers to property, plant and equipment	(15,913)	-
Transfers from trading properties	28,858	-
Transfers to trading properties	(14,360)	-
Disposals	(1,646)	(567)
Exchange difference	(3,433)	-
	1,588,517	1,102,159
Fair value adjustment	21,274	446,875
At end of period/year	**1,609,791**	**1,549,034**

8. Property, plant and equipment

	30 June 2008 €'000	31 December 2007 €'000
Cost or revaluation		
At beginning of period	64,028	268
Additions through:		
Direct acquisition of property, plant and equipment	3,925	15,085
Acquisition of subsidiary companies	-	78,845
Transfers to investment property	-	(30,170)
Transfers from investment property	15,913	-
Disposal through:		
Direct disposal of property, plant and equipment	(387)	-
Disposal of subsidiary companies (see note 20)	(11,771)	-
Exchange difference	(880)	-
At end of period/year	70,828	64,028
Accumulated depreciation		
At beginning of period	11,795	103
Additions through:		
Acquisition of subsidiary companies	-	10,678
Disposal through:		
Direct disposal of property, plant and equipment	(192)	-
Disposal of subsidiary companies (see note 20)	(2,222)	-
Exchange difference	(67)	-
Charge for the period	949	1,014
At end of period/year	10,263	11,795
Carrying amount	**60,565**	**52,233**

9. Trading properties

	30 June 2008 €'000	31 December 2007 €'000
At beginning of period/year	356,219	19,900
Transfers from investment properties	14,360	-
Transfers to investment properties	(28,858)	-
Additions through acquisition of subsidiaries	-	351,037
Net additions/(disposals)	2,658	(14,718)
At end of period/year	**344,379**	**356,219**

10. Investment in equity accounted investees

	Alexandra Beach Tourist Enterprises S.A. €'000	Athiari Commercial (Paphos) Limited €'000	Athiari Residential (Paphos) Limited €'000	Total €'000
Balance as at 1 January 2008	9,594	-	-	9,594
Initial cost of investment	-	1	1	2
Share of (loss)/profit before tax	(8)	1,461	1,491	2,944
Share of tax	-	(170)	(158)	(328)
Long-term loans	-	9,067	3,055	12,122
Impairment of value	(1,186)	-	-	(1,186)
Balance as at 30 June 2008	**8,400**	**10,359**	**4,389**	**23,148**
Balance as at 1 January 2007	-	-	-	-
Additions through acquisition of subsidiary	4,358	-	-	4,358
Share of profit before tax	6,966	-	-	6,966
Share of tax	(1,745)	-	-	(1,745)
Exchange difference	15	-	-	15
Balance as at 31 December 2007	**9,594**	**-**	**-**	**9,594**

The details of the above investments are as follows:

Name	Country of incorporation	Principal activities	Shareholding interest
Alexandra Beach Tourist Enterprises S.A.	Greece	Ownership of land	42.50%
Athiari Commercial (Paphos) Limited	Cyprus	Ownership and development of land	42.50%
Athiari Residential (Paphos) Limited	Cyprus	Ownership and development of land	42.50%

11. Loans receivable

In 2007, the Group entered into a loan agreement with Virtus Investments B.V. ("Virtus"), the minority shareholder of Azurna Uvala D.o.o. ("Azurna") of Livka Bay project, to provide Virtus with a €550 thousand loan at an annual interest rate of 8%. The purpose of the loan was the acquisition by Virtus of the 10% of the new share capital of Azurna. The loan was repayable in full not later than 5 February 2010 and was secured against Virtus' 10% shareholding interest in Azurna. In the event that it would have not been repaid by the due date, the Group would have the right to withhold the amount of the loan against the purchase price of the consideration of Azurna's share capital. In February 2008, the Group acquired the remaining 10% stake of Virtus in Azurna and the loan receivable was fully repaid.

In 2008, the Group entered into a loan agreement with Kemer Yapi ve Turizm A.S. ("Kemer"), the minority shareholder of Kalkan Yapi ve Turizm A.S., to provide Kemer with a US$1.2 million loan. The purpose of the loan is to provide financing to Kemer until the deal to dispose of its 100% ownership in Kemer Golf ve Turizm A.S. is completed. The loan carries interest at 5% p.a., is repayable in full not later than 28 February 2009 and is secured against Kemer's 20% shareholding interest in Kemer Golf ve Turizm A.S.. In the event that the loan is not repaid by the due date, the Group will have the right to obtain the 20% shareholding in Kemer Golf ve Turizm A.S.. As of 30 June 2008, the balance of the loan amounted to €780 thousand.

12. Cash and cash equivalents

	30 June 2008 €'000	31 December 2007 €'000
Bank balances	131,986	191,173
Money market funds	46,494	45,746
One-week deposits	-	96,642
One-month fixed deposits	5,000	33,236
Two-month fixed deposits	65,198	30,113
Three-month fixed deposits	25,000	**-**
Cash and cash equivalents	**273,678**	**396,910**

The average interest rate on the above bank balances for the six-month period ended 30 June 2008 was 4.06% (as at 31 December 2007: 4.00%).

13. Share capital and premium

Authorised share capital

	30 June 2008		31 December 2007	
	'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 2007	339,460	3,395	395,335
Shares issued from AIM third placement on 27 June 2007	178,041	1,780	448,220
Placement costs on AIM third placement	-	-	(10,196)
Capital at 31 December 2007	**517,501**	**5,175**	**833,359**
Capital at 1 January 2008	517,501	**5,175**	833,359
Shares issued from exercise of warrants on 24 March 2008	31,535	315	-
Capital at 30 June 2008	**549,036**	**5,490**	**833,359**

Warrants

In conjunction with the secondary placing on 7 October 2006, the Investment Manager was granted an additional over performance incentive designed to reward the Investment Manager if the Group achieves exceptional growth in its net asset value during the period from the date of the placing to 31 December 2007. The achievement of this additional incentive is predicated upon the Group's net asset value growth over this period out-performing a hurdle rate of 30% (the 'Super Hurdle'). In the event of this over performance, the Investment Manager will be granted the right to subscribe (at par value of €0.01) for such number of further common shares as equals 10% of the value of the net asset value growth over the Super Hurdle divided by €1.34. The Investment Manager has agreed that any common shares subscribed for pursuant to the Warrant Proposal will be subject to a lock-up requirement for a period of two years from the date of subscription. The Company and the Investment Manager have agreed to vary the Over-performance Warrant Deed by increasing the Super Hurdle to include the gross proceeds of the third fund raising multiplied by 1.11, which results in the equivalent of the 30% original Super Hurdle for the remaining period.

Pursuant to the above-mentioned Warrant Deed, the Investment Manager has exercised its rights to 31,535,149 new common shares of €0.01 each in the capital of the Company with effect from 24 March 2008. The new common shares rank pari passu with the existing common shares of the Company.

13. Share capital and premium (cont.)

Warrants (cont.)

In addition, the Company and the Investment Manager have agreed a further variation to the Over-Performance Warrant Deed under which, for the period from 1 January 2008 to 31 December 2008, the Investment Manager is to be granted a further one-off over-performance warrant entitlement to reward exceptional growth. The hurdle for the 2008 Warrant Deed is the net asset value per common share on 31 December 2007 multiplied by 1.3 (the "Second Super Hurdle"). In the event that this Second Super Hurdle is met, the Investment Manager would be granted the right to subscribe (at par value of €0.01) for such number of further common shares as equals 10% of the excess net asset value achieved by the Group by the end of 2008 divided by net asset value per common share on 31 December 2007 multiplied by 1.3. These new common shares subscribed for would be subject to the same lock-up requirement as for the common shares subscribed for under the initial Warrant Grant.

14. Interest-bearing loans

	Total		Within one year		Within two to five years		More than five years	
	30 June 2008 €'000	31 December 2007 €'000	30 June 2008 €'000	31 December 2007 €'000	30 June 2008 €'000	31 December 2007 €'000	30 June 2008 €'000	31 December 2007 €'000
Loans in euro	280,272	115,062	36,270	14,806	177,664	6,657	66,338	93,599
Loans in Cyprus pounds	-	126,191	-	24,817	-	75,155	-	26,219
Loans in USA dollars	22,718	22,923	-	-	869	-	21,849	22,923
Bank overdrafts	28,271	23,405	28,271	23,405	-	-	-	-
Total	**331,261**	**287,581**	**64,541**	**63,028**	**178,533**	**81,812**	**88,187**	**142,741**

15. Finance lease obligation

	30 June 2008			31 December 2007		
	Principal €'000	Interest €'000	Future minimum lease payments €'000	Principal €'000	Interest €'000	Future minimum lease payments €'000
Less than one year	169	476	645	259	523	782
Between two and five years	913	1,808	2,721	1,094	2,257	3,351
More than five years	8,445	5,479	13,924	7,781	5,318	13,099
Total	**9,527**	**7,763**	**17,290**	**9,134**	**8,098**	**17,232**

16. Deferred tax assets and liabilities

	30 June 2008		31 December 2007	
	Deferred tax asset €'000	Deferred tax liability €'000	Deferred tax asset €'000	Deferred tax liability €'000
Balance at the beginning of the period/year	2,157	(167,241)	520	(43,372)
From acquisition of subsidiaries	-	-	568	(93,937)
Charge/(credit) in the consolidated income statement	579	(3,200)	1,100	(29,932)
Disposal of subsidiary	-	391	-	-
Exchange difference and other	(69)	120	(31)	-
Balance at the end of the period/year	**2,667**	**(169,930)**	**2,157**	**(167,241)**

16. Deferred tax assets and liabilities (cont.)

Deferred tax assets and liabilities are attributable to the following:

	30 June 2008		31 December 2007	
	Deferred tax asset €'000	Deferred tax liability €'000	Deferred tax asset €'000	Deferred tax liability €'000
Revaluation of investment property	-	(138,904)	-	(137,475)
Revaluation of trading property (on acquisition of subsidiaries)	-	(22,830)	-	(22,830)
Revaluation of property, plant and equipment	-	(6,936)	-	(6,936)
Other temporary differences	-	(1,260)	-	-
Tax losses	2,667	-	2,157	-
Total	**2,667**	**(169,930)**	**2,157**	**(167,241)**

The deferred tax provision for the Cyprus subsidiaries is based on the capital gains tax rate and the corporate tax rate, which are 20% and 10%, respectively. The deferred tax provision for the Greek subsidiaries is based on a 25% tax rate, which is the rate applicable for the year 2007 and thereafter. The deferred tax provision for the Croatian subsidiary is based on a 20% tax rate. The deferred tax provision for the Turkish subsidiaries is based on a 20% tax rate.

17. Trade and other payables

	30 June 2008 €'000	31 December 2007 €'000
Trade payables	9,631	30,583
Land creditors	3,218	15,032
Incentive fee payable	-	73,468
Amount due to customers for contract work	81,177	65,131
Other payables and accrued expenses	34,827	17,699
Total	**128,853**	**201,913**

18. Net asset value per share

	30 June 2008 '000	31 December 2007 '000
Total equity attributable to equity holders of the Company (€)	1,519,953	1,523,971
Number of common shares in issue at end of period/year	549,036	517,501
Net asset value per share (€per share)	**2.77**	**2.94**
Number of common shares in issue at end of period/year	549,036	517,501
Effect of potential conversion of warrants	-	31,535
	549,036	549,036
Diluted net asset value per share (€per share)	**2.77**	**2.78**

19. Related party transactions

19.1 Directors of the Company

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

The interests of the Directors, all of which are beneficial, in the issued share capital of the Company as at 30 June 2008 were as follows:

	Shares '000
Miltos Kambourides (indirect holding)	44,073
Nicholas Moy	50
Roger Lane - Smith	60
Andreas Papageorghiou	5

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

19.2 Investment Manager fees

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

- €109 million; plus
- The gross proceeds of further equity issues; plus
- Realised net profits less any amounts distributed to shareholders.

In addition, the Company shall reimburse the Investment Manager for any professional fees or other costs incurred on behalf of the Company at its request for services or advice. Management fees for the six-month period ended 30 June 2008 and on 30 June 2007, amounted to €8,590 thousand and €4,312 thousands respectively..

Performance fees
The Investment Manager is entitled to a performance fee based on the net realised cash 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; plus
(ii) A hurdle amount equal to an annualised percentage return of 8% compounded for each year or fraction of a year during which such investment is held (the "Hurdle"); plus
(iii) A sum equal to the amount of any realised losses and/or write-downs in respect of any other investment which has not already been taken into account in determining the Investment Manager's entitlement to a performance fee.

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

(i) First, 60% to the Investment Manager and 40% to the Company until the Investment Manager shall have received an amount equal to 20% of such profits; and
(ii) Second, 80% to the Company and 20% to the Investment Manager,

such that the Investment Manager shall receive a total performance fee equivalent to 20% of the net realised cash profits.

19. Related party transactions (cont.)

19.2 Investment Manager fees (cont.)

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

Escrow
The escrow arrangements for the payment of performance fees payable to the Investment Manager have been amended to take into account the proceeds of the AIM third placement. The following table displays the current escrow arrangements.

Escrow	Amended 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 50% of €450 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 2015, the proceeds realised from that investment are less than the Relevant Investment Amount, the Investment Manager shall pay to the Company an amount equivalent to the difference between the proceeds realised and the Relevant Investment Amount. The payment of the clawback is subject to the maximum amount payable by the Investment Manager not exceeding the aggregate performance fees (net of tax) previously received by the Investment Manager in relation to other investments.

19.3 Shareholder and development agreements

Shareholder agreements

DolphinLux One S.a.r.l., a subsidiary of the Group, has signed a shareholder agreement with the minority shareholders of Pasakoy Yapi ve Turizm A.S. Under its current terms, DolphinLux One S.a.r.l. has acquired 80% of the shares of the project Port Kundu, by paying the former majority shareholder the purchase price proportionally, given that the minority shareholder will be successful in, among others, acquiring additional specific plots. The agreement assumes drag along rights for the DolphinLux entity and tag along rights for the minority shareholder in the event of an offer for acquisition of the shares of the company. The agreement also included a put option for the other minority shareholder, under which he could exercise the right to sell his stake at a predefined price until the end of February 2008. This put option was exercised.

DolphinLux Two S.a.r.l., a subsidiary of the Group, has signed a shareholder agreement with the minority shareholders of Kalkan Yapi ve Turizm A.S. Under its current terms, DolphinLux Two S.a.r.l. has acquired 60% of the shares of the project La Vanta, through participating in a share capital increase. The agreement assumes drag along rights for the DolphinLux entity and tag along rights for the minority shareholder in the event of an offer for acquisition of the shares of the company. The agreement also included a put option for one of the minority shareholders, under which he could exercise the right to sell his stake at a predefined price until the end of February 2008. This put option was exercised.

Dolphinci Twenty Two Limited, a subsidiary of the Group, has signed a shareholder agreement with the minority shareholder of Eastern Crete Development Company S.A. Dolphinci Twenty Two Limited has acquired 60% of the shares of project Plaka Bay by paying the former majority shareholder the part of the purchase price upon closing and the remainder will be paid in the event the minority shareholder is successful in, among others, acquiring additional specific plots and obtaining construction permits.

Dolphinci Thirteen Limited, a subsidiary of the Group, has signed a shareholder agreement with the minority shareholder of Iktinos Techniki Touristiki S.A. (“Iktinos”). Under its current terms, Dolphinci Thirteen Limited has acquired 80% of the shares of Latirus Enterprises Limited by paying the minority shareholder the purchase price proportionally, given that the minority shareholder will be successful in, among others, acquiring additional specific plots and obtaining construction permits.

DCI Holdings One Limited (“DCI One”), a subsidiary of the Group, has signed a shareholders agreement with the minority shareholder of DCI Holdings Two Limited (“DCI Two”), Mr. Theodoros Aristodemou (“TA”), CEO of Aristo Developers plc (“Aristo”).

19. Related party transactions (cont.)

19.3 Shareholder and development agreements (cont.)

Under its current terms:

a) DCI Two will not issue any new shares without first offering to each of the other parties hereto pro rata and in the event a party fails to participate its shareholding will be diluted accordingly based on a valuation at least equal to the latest annually reported NAV per Aristo share as reported in the consolidated accounts.
b) DCI One retains first refusal rights should the minority shareholder decide to sell his shares
c) DCI Two has drag along rights into a partial or full sale, while TA has tag along rights in the event of a sale by DCI One.
d) After the two-year period from the execution of the agreement, the minority shareholder has the right to sell its shares to DCI One (put option) while DCI One retains the right to buy the shares (call option), at prices specified in the agreement.

Development agreements

Eastern Crete Development Company S.A., a subsidiary of the Group, has signed a development management agreement with a company related to the minority shareholder of Plaka Bay under the terms of which this company undertakes to assist Eastern Crete Development Company S.A. to obtain all permits required to enable the development of the project as well as to select advisors, consultants, etc., during the pre-construction phases. The development manager receives an annual fee.

Subject to obtaining the necessary permits, DCI Holdings Seven Limited is obliged to construct the infrastructure on the land retained by DR Beachfront Real Estate LLC and to deliver to the Seller four villas designed by Aman Resorts, one of the minority shareholders of the Playa Grande project.

19.4 Service agreement

Following the acquisition of Aristo, a service agreement was signed by DCI One, DCI Two and TA (either directly or through a TA-owned legal entity). The latter is entitled to receive annually a net after taxes amount equal to 20% of the NAV Uplift (the “Management Incentive Fee”), which shall be created from Aristo’s four potential golf-integrated residential developments (the “Relevant Projects”) within Venus Rock and Eagle Pine and which shall be calculated during the Pre-development Phase of each Relevant Project, defined to start from 5 April 2007 and end on the day that the Relevant Project receives planning permission for a golf course with integrated freehold residential real-estate of 100,000 m^2.

The Management Incentive Fee is calculated annually starting from 31 December 2007 and is based on the Relevant Projects’ valuation as at the 31st day of December of each year which is determined, each year, by an independent third party valuer and is payable to TA at the latest by the 30th of April of the following year. The Management Incentive Fee is payable for each Relevant Project as long as the project is within its Pre-development Phase and the last relevant valuation for the NAV Uplift will be the one following the end of the projects’ Pre-development Phase. The Management Incentive Fee is provided for a maximum period of four years, unless an extension applies for a Relevant Project.

The NAV Uplift is the sum of the individual NAV uplifts generated from the Relevant Projects during each project’s Pre-development Phase versus their Current Book Value or versus their NAV of the previous year. NAV is defined as the gross asset value less any financial debt allocated or charged to the Relevant Projects less the corresponding deferred tax liabilities, calculated separately for each Relevant Project as at the 31st day of December of each year. Any financial debt allocated or charged on the Relevant Projects whose proceeds were not invested or used for the benefit of the Relevant Projects is not deducted from this calculation.

The Current Book Value of the Relevant Projects is agreed to be the net book value as included in the audited consolidated financial statements of Aristo as at 31 December 2007.

As of 30 June 2008, the Management Incentive Fee paid amounted to €73,468 thousand. As of 30 June 2007 and 31 December 2007, the Management Incentive Fee accrued amounted to €28,753 thousand and €73,468 thousand, respectively.

19. Related party transactions (cont.)

19.5 Other related parties

During the period, the Group incurred the following related party transactions with the following entities:

Entity name	€'000	Nature of transaction
Kemer	822	Project management services in relation to Port Kundu project
Kaytas Kemer Akdeniz Yapi ve Turizm A.S.	4	Project management services in relation to Port Kundu project
J&P Development S.A.	60	Project management services in relation to Cape Plaka project
Kemer Golf ve Turizm Isletmeciligi A.S.	13	Project management services in relation to Port Kundu project
Blue Capital Limited	166	Provision of financing to the minority shareholder of Playa Grande project
Kemer Golf ve Turizm Isletmeciligi A.S.	48	Project management services in relation to Port Kundu project

The above transactions are based on written agreements that were entered into on an arm's length basis.

20. Business combinations

During the six-month period ended 30 June 2008, the Group increased its ownership interest in the following entities:

	Pasakoy Yapi ve Turizm A.S. €'000 (a)	Kalkan Yapi ve Turizm A.S. €'000 (b)	Playa Grande Holdings Inc. €'000 (c)	Azurna Uvala D.o.o. €'000 (d)	Iktinos €'000 (e)	Aristo €'000 (f)	Total €'000
Minority interest acquired	405	568	11,703	2,257	381	16,330	31,644
Purchase consideration	(154)	(739)	(4,020)	(7,664)	-	(5,126)	(17,703)
Excess of fair value over cost	**251**	**-**	**7,683**	**-**	**381**	**11,204**	**19,519**
Goodwill	**-**	**(171)**	**-**	**(5,407)**	**-**	**-**	**(5,578)**
Cash outflow on acquisitions	(154)	(739)	(4,020)	(7,664)	-	(5,126)	(17,703)

(a) Pasakoy Yapi ve Turizm A.S.
The minority shareholders of Pasakoy Yapi ve Turizm A.S. exercised their put option and sold their 4% stake in the entity to DolphinLux One S.a.r.l.

(b) Kalkan Yapi ve Turizm A.S.
The minority shareholder of Kalkan Yapi ve Turizm A.S. exercised his put option and sold his 19% stake in the entity to DolphinLux Two S.a.r.l.

(c) Playa Grande Holdings Inc.
The Group increased its shareholding interest in Playa Grande Holdings Inc. by 25% through the acquisition of the shareholding interest of one of the two minority shareholders.

(d) Azurna Uvala D.o.o.
The remaining 10% in Azurna Uvala D.o.o. was acquired, increasing the Group's shareholding interest from 90% to 100%.

(e) Iktinos
The Group has increased its shareholding interest in Iktinos as a result of an increase in the share capital of the company.

(f) Aristo
The Group acquired an additional shareholding interest of 0.94% of its subsidiary, Venus Rock Estates Limited. In addition, the Group acquired an additional shareholding interest of 0.77% of its subsidiary, Aristo.

20. Business combinations (cont.)

During the six-month period ended 30 June 2008, the Group disposed of its 51% stake in A&A Super Aphrodite Park Limited, an Aristo subsidiary:

	€000
Property, plant and equipment	(9,549)
Cash and cash equivalents	(1,124)
Interest-bearing loans	6,652
Deferred tax liability	391
Other net current assets	(71)
Net assets	(3,701)
Minority interest	1,446
Net assets disposed of	(2,255)
Proceeds on disposal	5,176
Gain on disposal	**2,921**
Cash effect on disposal:	
Proceeds on disposal	5,176
Cash and cash equivalents	(1,124)
Net cash inflow on disposal of subsidiary	**4,052**

20. Business combinations (cont.)

During the six-month period ended 30 June 2007, the Group acquired ownership interest in the following entities:

	Portoheli Hotel and Marina S.A. €'000 (a)	Azurna Uvala D.o.o. €'000 (b)	Aristo €'000 (c)	Total €'000	Acquisitions of minority interests: Additional acquisition In Scorpio Bay Holdings Limited €'000 (d)	Acquisitions of minority interests: Additional acquisition in Mindcompass Overseas Limited €'000 (e)	Acquisitions of minority interests: Additional acquisition in Iktinos €'000 (f)	Additional acquisition in XScape Limited €'000 (g)	Total acquisitions €'000
Investment property	7,500	39,200	509,996	556,696	-	-	-	-	556,696
Property, plant and equipment	-	-	55,997	55,997	-	-	-	-	55,997
Trading properties	-	-	330,294	330,294	-	-	-	-	330,294
Investment in associate	-	-	9,147	9,147	-	-	-	-	9,147
Intangible assets	-	-	250	250	-	-	-	-	250
Deferred tax asset	3	-	-	3	-	-	-	-	3
Cash and cash equivalents	45	345	8,764	9,154	-	-	-	-	9,154
Deferred tax liability	(1,432)	(5,643)	(83,877)	(90,952)	-	-	-	-	(90,952)
Interest-bearing loans	(510)	(13,238)	(165,585)	(179,333)	-	-	-	-	(179,333)
Other net current liabilities	(33)	(573)	(63,285)	(63,891)	-	-	-	-	(63,891)
Net assets	5,573	20,091	601,701	627,365	-	-	-	-	627,365
Minority interest	(1,115)	(2,009)	(126,890)	(130,014)	11,583	760	307	167	(117,197)
Net assets acquired	4,458	18,082	474,811	497,351	11,583	760	307	167	510,168
Purchase consideration	(2,707)	(5,160)	(242,556)	(250,423)	(6,500)	-	-	-	(256,923)
Excess of fair value over cost arising on acquisitions	**1,751**	**12,922**	**232,255**	**246,928**	**5,083**	**760**	**307**	**167**	**253,245**
Analysis of net cash flow and cash equivalents:									
Purchase consideration	(2,707)	(5,160)	(242,556)	(250,423)	(6,500)	-	-	-	(256,923)
Cash and cash equivalents of acquired companies	45	345	8,764	9,154	-	-	-	-	9,154
Cash outflow on acquisitions	**(2,662)**	**(4,815)**	**(233,792)**	**(241,269)**	**(6,500)**	**-**	**-**	**-**	**(247,769)**

20. Business combinations (cont.)

(a) Portoheli Hotel and Marina S.A.
On 14 February 2007, the Group entered into an agreement to acquire from Mr. George Vernikos, a Greek citizen, the 80% of the share capital of the Greek company, Portoheli Hotel and Marina S.A., the owner of Yiouli Hotel at Portoheli, for the amount of €2.7 million. Mr. George Vernikos is the father-in-law of Mr. Miltos Kambourides, a non-Executive and non-Independent Director of the Company. Mr. Kambourides abstained from voting in the Investment Committee meeting where the final decision to acquire the above company was taken.

(b) Azurna Uvala D.o.o.
The Group acquired a 90% shareholding interest in Livka Bay Resort, situated in the island of Solta, Croatia. Livka Bay Resort is intended to become one of the first exclusive residential resorts on the Dalmatian coast with a luxury hotel, a 160-berth marina and other supporting recreational, sports and retail facilities. The Group is committing a total of €35 million in the project company to fund the resort's initial development expenses. The remaining shares are owned by Virtus Investments BV, a developer of high-end resorts.

(c) Aristo
On 5 April 2007, the Company announced the acquisition of an 80% shareholding in Aristo, the largest holiday home development company in Cyprus and listed on the Cyprus Stock Exchange. The Company has secured a 60% shareholding from TA, in exchange for €128.7 million and a 15% interest in the Dolphin vehicle acquiring Aristo, and 20% from Aristo's second largest shareholder for €57.9 million in cash. The purchase price equates to €2.15 per share.

Aristo owns a number of strategic assets that are complementary to the Company's strategy of acquiring large land sites and establishing premium branded residential resorts. Aristo is today believed to be the largest private land owner in Cyprus and the largest holiday home developer, both in terms of annual turnover and number of units sold. Aristo owns three out of the twelve new preliminary licences for golf-integrated residential resorts granted by the Cypriot government. Aristo's flagship asset is Venus Rock, a 1,000 hectare site that is one of the largest sea front residential resort development sites in Europe, and which is expected to comprise up to three golf courses, more than 3,000 residential units, a 5-star hotel with spa, extensive beach-front entertainment, retail and commercial facilities, marina and other sport facilities. Aristo also owns Eagle Pine, a 220 hectare site (increased to 300+ hectares in August 2007) expected to become a golf integrated resort, situated a few kilometres away from the Company's Apollo Heights Polo Resort.

As at 30 June 2007, the effective shareholding interest of the Company in Aristo was 84.04%.

(d) Scorpio Bay Holdings Limited
Le Monde and Egnatia, the two minority shareholders of Scorpio Bay Holdings Limited, have entered into liquidation proceedings, and, as a result, the loan that Egnatia received from the Group of €6,5 million remained unpaid. The Group activated the security provisions of the loan agreement and acquired their shareholding interest of 49% on Scorpio Bay Holdings Limited. As from 22 February 2007, the Group owns 100% of Scorpio Bay Holdings Limited.

(e) MindCompass Overseas Limited
The Company has increased its shareholding interest in Mindcompass Overseas Limited from 87.00% to 88.70%, increasing its share on this company's net assets by €760 thousand.

(f) Iktinos
The Company has increased its shareholding interest in Iktinos from 75.00% to 76.50%, increasing its share on this company's net assets by €307 thousand.

(g) Xscape Limited
The Company has increased its shareholding interest in Xscape Limited from 95.00% to 96.30%, increasing its share on this company's net assets by €167 thousand.

21. Commitments

On 30 June 2008, the Group had commitments on the following projects:

	Country	Commitment €'000.000	Investment as at 30 June 2008 €'000.000	Remaining commitments as at 30 June 2008 €'000.000
Kilada Hills	Greece	85.0	80.9	4.1
Scorpio Bay	Greece	16.0	10.8	5.2
Apollo Heights	Cyprus	21.4	16.8	4.6
Amanmila	Greece	5.0	1.9	3.1
Lavender Bay	Greece	46.0	15.5	30.5
Sitia Bay	Greece	24.0	13.7	10.3
Plaka Bay	Greece	26.0	6.6	19.4
Kea Resort	Greece	14.5	11.5	3.0
Seascape Hills	Greece	50.0	35.9	14.1
Livka Bay	Croatia	30.0	19.0	11.0
Rebranded Hotels	Greece	5.0	3.1	1.9
Port Kundu	Turkey	23.2	11.6	11.6
La Vanta	Turkey	10.8	10.8	-
Triopetra	Greece	8.5	3.5	5.0
Playa Grande	Dominican Republic	30.1	21.0	9.1
Atlantis	Cyprus	288.3	288.3	-
Total		**683.8**	**550.9**	**132.9**

22. Contingent liabilities

In connection with the acquisition of Playa Grande Holdings Inc., US$1 million has been withheld from the cash consideration, and will not be paid to the Sellers (DR Beachfront Real Estate LLC) unless a US$2 million discount to the repayment of a loan with the local Central Bank is obtained. If the discount is lower, the amount will be adjusted downwards based on a set formula defined in the relevant Sale and Purchase Agreement.

Pasakoy Yapi ve Turizm A.S. purchased the land for project Port Kundu from the minority shareholder Kemer. There is a pledge amounting to €17.7 million for the land purchased from Kemer by Tekfenbank in exchange for the loan granted to Kemer for the acquisition of the land for project Port Kundu.

Aristo had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which management does not anticipate that material liability will arise. These guarantees amount to €20.0 million.

If investment properties, inventories and property, plant and equipment were sold at their fair market value, this would have given rise to a payable performance fee to the Investment Manager of approximately €135 million.

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

23. Post balance sheet events

The Group had the following post balance sheet events:

Subsequent to 30 June 2008, the Company acquired 54,440,000 of its common shares through share buy back, thereby reducing shares in issue to 494,596,141. From the above mentioned purchases, 28,790,000 were purchased from Panmure Gordon (UK) Limited pursuant to a pre-set mandate to buy shares in the market during the close period prior to release of the Company's interim results for the six-month period ended 30 June 2008. These arrangements are in accordance with the Company's general authority to repurchase shares.

On 9 July 2008, the Group acquired a 60% stake in a private island totalling 1,468 hectares, with development potential of at least 160,000 m2 of buildable residential space, three luxury 5-star hotels, a 250-berth marina and other supporting recreational, sports and retail facilities. The site is located in the Archipelago de las Perlas, approximately 45 nautical miles south of Panama City. This project represents the Group's first investment in Panama, and second investment in the Central America / Caribbean region. It is set to become one of the first exclusive integrated ecological island resorts in the region.

On 25 July 2008, the Group acquired an additional shareholding in Portoheli Hotel and Marina S.A., increasing the Group's shareholding interest from 80% to 100%.

On 19 August 2008, the Group disposed of its investment in Alexandra Beach Tourist Enterprises S.A., located in Tsilivi, Greece, for a consideration of €8.4 million.

On 8 September 2008, Aristo, an 85% subsidiary of the Group, acquired the remaining 0,10% of the shareholding interest in Venus Rock Estates Limited bringing its shareholding interest to 100%.

Final construction permits have been received for the first phase of development of Seascape Hills in Greece, which includes the main Aman hotel buildings, spa and hotel pavilions.

A new Greek tax law has been recently enacted whereby the Greek corporate tax rates will be progressively reduced annually by 1%, reducing the corporate tax rate from 25% to 20% by 2014.