20 September 2011

DOLPHIN CAPITAL INVESTORS LIMITED

("**DCI**" or "**Dolphin**" or the "**Company**"

and together with its subsidiaries the "**Group**")

Trading Update and Half Year Results for the period ended 30 June 2011

Dolphin, a leading global investor in the residential resort sector in emerging markets and the largest real estate company on AIM in terms of net assets, is pleased to announce its unaudited half year results for the six months ended 30 June 2011 and provide an update on operational progress.

Operating highlights since last Trading Update of 8 June 2011:

ADVANCED PROJECTS:

- The Porto Heli Collection ("**PHC**" – www.portohelicollection.com), Greece

  The Aman at Porto Heli

  – Construction works continue to progress on schedule and on budget with the opening of the Aman hotel expected in spring 2012, along with the completion of the first four Aman Villas which are also under construction.
  – The building permit for the Aman beach club was issued on 29 June 2011. Works for the construction of the beach club commenced on 19 August 2011.
  – To date, the Company has drawn down €15.7 million from the €33 million construction loan for the Aman hotel.
  – The final approval of subsidies amounting to €7.8 million for the construction of the Aman at Porto Heli was received on 27 June 2011. On 9 September 2011, the Company applied for the draw-down of the first 50% of these subsidies.
  – As the resort takes shape and awareness of the project is spread by word of mouth, there has been a high level of interest in the Aman Villas. So far this summer, more than 30 potential buyers have visited the construction site, resulting in one further sale of an Aman Villa for a base sale price of €5.3 million, and advanced sales discussions on a number of others.

  The Nikki Beach Resort at Porto Heli

  – The final approval of subsidies amounting to €4.25 million for the construction of the Nikki Beach Resort at Porto Heli was received on 16 June 2011.

- Venus Rock Golf Resort ("**Venus Rock**" – www.venusrock.com), Cyprus

  – Tenders for the construction of the first phase of the 36-hole golf course to replace the existing 18-hole course have been received from six leading international golf contractors, and are in the process of final negotiation. It is expected that a contractor will be selected by the end of September with the aim to mobilise immediately.

- Planning permission was granted on 25 August 2011 for the project's commercial centre, allowing for the development of 14,551 m^2 of buildable area on the beachfront section of the project and the redevelopment of the coastal road. Works are scheduled to commence in the first quarter of 2012.
- The sales programme for the new residential units relating to the golf sections of the project is expected to be launched in spring 2012.
- To date, €9.5 million has been drawn from the €50 million construction loan for the project.

- Playa Grande Club & Reserve ("**Playa Grande**" – www.playagrande.com), Dominican Republic
  - Infrastructure works for the first phase of the Aman Golf Resort have commenced with the demolition of the existing dilapidated Occidental Hotel and the clearing of the old hotel site to enable the start of the golf course renovation.
  - Designs for the golf course renovation have been completed and permitted and the project team is in the final phase of a tender process with six regional contractors.
  - Term sheets have been received from major regional financing institutions, to provide additional funding for the construction of the 30-suite Aman hotel. The project team is in discussions with these regional institutions in order to finalise the loan facility terms.
  - The Aman hotel designs, prepared by the world renowned architect John Heah, are in their final stages and currently undergoing value engineering to achieve the most competitive budget possible prior to beginning the hotel's construction.
  - A Los Angeles based marketing firm is finalising the marketing and sales collateral for the select release of a limited number of Aman Villas for sale.

- Pearl Island (www.pearlisland.com), Panama
  - Infrastructure and road works on the island are ongoing. Following a tender process, the construction of the first phase of the airstrip to initially accommodate small propeller planes connecting the island with Panama's International Airport has begun and works are expected to be completed during the first quarter of 2012.
  - The designs for the beach club, the marina and the first show villas of the Founders' Phase are in their final stages with a view to starting their construction in the first quarter of 2012, together with the remaining infrastructure works.
  - The project continues to receive strong interest from potential purchasers completing site visits and two new sales reservations were made, bringing total sales to 14 lots or US$9 million. Once presales progress, the project will finalise financing terms and draw funds from a US$15 million credit facility negotiated with regional banks in order to accelerate the pace of development.
  - The project continues to progress discussions with reputable regional developers interested in developing hotels on the island and speeding up the establishment of Pearl Island as an attractive Central America resort destination.
  - A comprehensive public relations ("PR") and marketing campaign for Pearl Island was launched in September, promoting Pearl Island as a destination and lifestyle location. As part of this, a new microsite and online portal, www.pearlislandliving.com, was recently launched to provide owners, potential buyers and journalists with constant updates on the project together with imagery, videos and information on the area.

OTHER PROJECTS

- The Company has executed and fully drawn down a €4 million loan facility with a major local bank for LaVanta in Turkey (Mediterra Resorts, www.mediterraresorts.com). The facility will mainly be invested in completing the construction of the remaining 10 units of the first phase of the project which is expected to take place within the second quarter of 2012.
- Following a public hearing held on 7 July 2011, Eagle Pine received preliminary approval of its Environmental Impact Study ("**EIS**"). This paves the way for the award of the planning permit for the golf course and nearly 100,000 buildable m^2 of residential space. The formal approval is expected by the end of 2011. Thereafter the submission of the relevant construction and plotting permit applications will follow.
- Preliminary approval was received from the relevant governmental committee for subsidies amounting to €11.2 million and €0.7 million for the construction of the Waldorf Astoria at Sitia Bay and its marina respectively. The formal approval for these subsidies is expected by the end of 2011 and the respective funds will be released according to the project's construction progress.
- Aristo has generated €9.8 million from the sale of 40 homes and plots in June, July and August 2011, which represent a decrease of 24% in sales value and 25% in number of sales, compared to the same period last year, reflecting the current economic climate.
- The sale of 100% of the Company's 50% shareholding stake in the Kings Avenue Mall project in Central Paphos at an enterprise value of €39.5 million to a group of local investors, signed on 7 June 2011, was completed and a net cash consideration of €15 million was received, representing a premium of 13% to the project's net asset value (as derived from the independent valuation by Colliers of €75.5 million for 100%) and a premium of 31% to the Company's allocated investment cost of €11.5 million.

Cash Generation Potential of the DCI portfolio:

The Company's current business plan for the Advanced Projects, which represent only four out of the Company's 14 major leisure-integrated residential resort projects, envisages the development and sale of:

1. circa 750,000 residential buildable m^2 in total, of which circa 264,000 buildable m^2 are planned for their first phases; and
2. over 3.5 million m^2 of net sellable land in the form of land plots for sale, of which circa 650,000 m^2 are planned for their first phases.

The Aman at Porto Heli (from the Porto Heli Collection) has already begun sales and should be completed by spring 2012. Thereafter the project is expected to become cashflow positive from the Aman Villa sales.

Venus Rock plans to launch sales of its new development segments in spring 2012; Playa Grande plans to release a select number of Aman Villas for sale also in early 2012; Pearl Island has already started Founder Lot sales. All three of these projects have already begun construction and the main infrastructure and leisure facilities of their first phases are expected to be completed by the end of 2013, by which time they are also expected to become cashflow positive from the sales of residences.

As analysed in the "Portfolio characteristics and cash generation potential" section below, the Investment Manager estimates that the first phases of the Advanced Projects have the potential to generate aggregate net cash returns exceeding €550 million over the next six years, through the development and sale of residential units and land plots. This excludes the potential profitability that could be generated from the operations and sale of their leisure components.

All the phases of the four Advanced Projects collectively could generate circa €1.8 billion of net pre-tax cash returns or circa 244p per share, through the development and sale of all their planned residential units and retail land plots over an estimated period of 10 years (2012-2021). These numbers do not take into account any profits from the sale or operations of the leisure components (hotels, golf courses, marinas etc).

The Company's remaining portfolio that could be developed over the next 10-15 years includes the portfolio of Aristo Developers, the largest developer and private land owner in Cyprus, and Dolphin's remaining 10 major leisure-integrated residential resort projects, which are expected to further increase in book value as they complete their permitting and design phases and reach Advanced Project status.

The Investment Manager estimates Dolphin's total portfolio net cash generation potential to be in excess of €4.4 billion over the next 10-15 years.

Financial highlights:

- Total Group Net Asset Value ("**NAV**") as at 30 June 2011 was €1.21 billion and €1.09 billion before and after deferred income tax liabilities ("**DITL**"), respectively. This represents a decrease of €38 million (3.06%) and €35 million (3.11%), respectively, from the first quarter of 2011 driven mainly by a decrease in the valuation of Aristo assets.

- Sterling NAV per share as at 30 June 2011 before DITL of 170p and after DITL of 153p. This represents a decrease of 0.97% and 1.02% versus 171p and 155p respectively as at 31 March 2011 mainly due to the decrease in the valuation of the Aristo assets, although this was counterbalanced by the 2.1% appreciation of the Euro versus Sterling during the period.

- Balance sheet remains robust:
  - Gross Assets of €1.76 billion.
  - Group cash balance of approximately €35 million as at 19 September 2011.
  - No bank debt at the Company level, apart from its corporate guarantees on the PG Bonds, the construction loan for the Aman at Porto Heli and the servicing of Banco Leon loan interest. The Group debt to total asset value ratio remains low at 24%.
  - €344 million or approximately 82% of all Group debt is held within Aristo and comprises primarily long-term asset-backed loans.

Strategic Focus

The strategic priorities of the Company remain the same:

1. Invest in the marketing and completion of the construction of the first phases of its four Advanced Projects: The Porto Heli Collection (Greece), Venus Rock Golf Resort (Cyprus), Playa Grande Club & Reserve (Dominican Republic) and Pearl Island (Panama).

   The first phases of these projects - which include the completion of their first hotels, golf courses or other leisure facilities, as well as their main infrastructure - will establish them as luxury resort destinations and act as a catalyst for both sales of homes, and project joint ventures or exits. The development of the key facilities of these first phases is estimated to be completed within 2012 and 2013, a period which could coincide with market recovery following the prolonged global economic slowdown of 2007-2011. This should be the beginning of the next phase in Dolphin's evolution as these projects would be in a position to generate net positive cashflows from the sales of residential units and the operation of the projects' leisure components.

2. Complete the zoning and permitting of Dolphin's other Major Projects, which will see them upgraded to Advanced Project status. This will enable Dolphin to either exit those projects at a significant multiple to cost, or to develop them and realise their full cash return potential.

3. Expand Aristo's retail and land sales, which are closely correlated to market recovery, to existing and new markets. The short to medium term objective is for Aristo to start generating cash surpluses again in order to reduce leverage and distribute dividends to Dolphin.

4. Realise project joint ventures and exits to increase the Company's liquidity and further demonstrate the true value of its real estate portfolio.

5. Maintain a healthy cash balance and, subject to having excess cash liquidity from project exits and/ or development cashflows in the short to medium term, opportunistically buy back DCI shares in an effort to narrow the trading discount to NAV.

Commenting, Andreas N. Papageorghiou, Chairman of Dolphin Capital Investors, said:
"Against one of the most challenging economic environments ever seen in Greece and Cyprus, Dolphin's portfolio has shown great resilience, thanks to its low leverage and its appeal to international investors. Dolphin's flagship projects should soon provide tangible evidence of the strong returns that shareholders can expect when the infrastructure and leisure elements are in place."

Miltos Kambourides, Founder and Managing Partner of Dolphin Capital Partners, added:
"During the first eight months of 2011 we continued to progress the construction, permitting and financing of the Advanced Projects, with the goal to complete their first phases, establish them as luxury resort destinations and generate positive project cashflows from retail sales, joint ventures or exits."

Conference call for analysts and investors

There will be a conference call at **09:30 a.m. (UK time)** on Tuesday 20 September 2011, which can be accessed using the following dial-in numbers:

International dial-in:	+44 (0)20 7136 6283
Password:	3241405

For further information, please contact:

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Notes to Editors

Dolphin (www.dolphinci.com) is a leading global investor in the residential resort sector in emerging markets and the largest real estate investment company quoted on AIM in terms of net assets. Dolphin seeks to generate strong capital growth for its shareholders by acquiring large seafront sites of striking natural beauty in the eastern Mediterranean, Caribbean and Latin America and establishing sophisticated leisure-integrated residential resorts.

Since its inception in 2005, Dolphin has raised €890 million of equity, 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 Developers Plc, one of the largest holiday home developers in south-east Europe. This enabled Dolphin to combine its real estate investment expertise with Aristo's leading development experience and local market knowledge.

Dolphin's portfolio is currently spread over approximately 63 million m^2 of prime coastal developable land and comprises 14 large-scale, leisure-integrated residential resorts under development in Greece, Cyprus, Croatia, Turkey, the Dominican Republic and Panama and more than 60 smaller holiday home projects through Aristo in Cyprus and Greece.

Dolphin is managed by Dolphin Capital Partners, an independent real estate private equity firm.

Chairman's Statement

During the first half of 2011, Dolphin continued to demonstrate strong operational progress.

The Aman at Porto Heli in Greece, in particular, achieved excellent progress and is on track and budget for its planned opening in spring 2012, when it will become one of the most exclusive, luxury destinations in the Mediterranean.

In these uncertain times, the Board and the Investment Manager have continued to actively manage Dolphin's financing needs to ensure that all requirements are met. The Aman at Porto Heli in Greece and the first phase of Venus Rock in Cyprus are fully funded by regional bank facilities for the completion of their first phases, which is a considerable achievement taking into account the recent economic downturn in these markets. In addition, the Company completed the placing of US$40 million of convertible bonds, to partially finance the development of the Playa Grande Club & Reserve (in the Dominican Republic), and Pearl Island (in Panama), as well as other projects.

During the period we also announced the appointment of Professor Christopher Pissarides to the Board as an independent, non-executive Director. Professor Pissarides is a highly renowned economist and Nobel Prize laureate. It is a great honour to have such an eminent and insightful academic on the Dolphin Board as we embark upon the next exciting stage in the Company's evolution. We are already benefiting from his involvement and I very much look forward to continuing to work alongside him.

The Board, together with the Investment Manager, remains committed to successfully navigate the current economic turmoil, and to position Dolphin strongly to crystallise good returns for shareholders upon an anticipated future market recovery.

Andreas N. Papageorghiou
Chairman
Dolphin Capital Investors Limited
20 September 2011

Investment Manager's Report

The effects of the various sequential crises that took place over the past few years – namely the 2008 global financial downturn, the ensuing resort industry contraction and the more recent European peripheral countries' sovereign debt crisis – have, by default, made it more difficult for Dolphin to raise development financing for its projects, generate sales, conclude opportunistic early asset exits and ultimately realise cash returns for its shareholders.

The widespread optimism experienced at the beginning of 2011 has been essentially reversed, due to challenges faced by the European economies and other continued global uncertainties, including the pace of the US economic recovery.

Against this backdrop, the team focused on ensuring Dolphin continues to make progress in the current market conditions and is also in an optimum position to realise strong cash returns when the markets recover by:

- Maintaining a strong balance sheet and low leverage ratio;
- Progressing the construction of the four Advanced Projects, namely The Porto Heli Collection, Venus Rock Golf Resort, Playa Grande Club & Reserve and Pearl Island, to bring those projects to cashflow positive status;
- Progressing the permitting and design of the entire portfolio to bring it to Advanced status and speed up its saleability or development potential;
- Working to improve the operating efficiency and profitability of Aristo Developers through continued cost reductions and innovative marketing and sales, to increase market share and penetrate new markets.

We are particularly pleased with the progress achieved at The Aman at Porto Heli. The Aman hotel, which should be completed within spring 2012, is expected to become not only the most exclusive resort in Greece, but a landmark for the next generation of luxury resorts in the Mediterranean. Furthermore, it will serve as a showcase of the Dolphin business model. Five Aman Villas have already been pre-sold at price levels validating the Company's expectations on the project's profitability. We expect to achieve more sales over the coming months as the resort nears completion and Aman Resorts' management team becomes more involved.

Construction is also progressing well on all three remaining Advanced Projects and we are confident that, upon the completion of the first phases of the four Advanced Projects over the coming two years, the Company will be able to offer upscale residential units in some of the most attractive resort destinations in its respective markets and thereby realise significant residential sales and cash returns during the expected market recovery.

Portfolio characteristics and cash generation potential

The Advanced Projects spread over 3,737 hectares of land, out of which 656 hectares represent the first phases of these developments. The total residential capacity of these projects is approximately 750,000 buildable m^2, of which circa 264,000 m^2 are planned for their first phases.

In addition to the built product and leisure facilities, the four Advanced Projects have the ability to sell over 3.5 million m^2 of land in the form of retail land plots; circa 650,000 m^2 of which are included in the first phases of Venus Rock Golf Resort and Pearl Island.

The Advanced Projects are planned to also include 12 luxury hotels, four 18-hole championship golf courses and two marinas, of which the following will be completed in their first phases:

– the first Aman residential resort in Europe (The Aman at Porto Heli), the first Aman golf-integrated resort worldwide (Playa Grande) and the first Nikki Beach resort in eastern Mediterranean (The Nikki at Porto Heli);
– two golf courses in Venus Rock Golf Resort designed by Tony Jacklin and one in Playa Grande Club & Reserve renovated by Robert Rees Jr.; and
– a marina at Pearl Island which is planned to be expanded upon development of the further phases of the project.

The Aman at Porto Heli (from the Porto Heli Collection) has already begun sales and should be completed by spring 2012. Thereafter the project is expected to become cashflow positive through the Aman Villa sales.

Venus Rock plans to launch sales of its new development segments in spring 2012; Playa Grande plans to release a select number of Aman Villas for sale also in early 2012; Pearl Island has already started Founders' Lot sales. All these three projects have already commenced construction and the main infrastructure and leisure facilities of their first phases are expected to be completed by the end of 2013, by which time these projects are also expected to become cashflow positive from the sales of residences.

As summarised in the table below, the Investment Manager estimates that the Advanced Projects alone, have the potential to generate:

- more than €550 million of net cash returns or circa 76p per share, from the development and sale of their first phases alone (which represents circa only 33% of their estimated total profitability) over a period of approximately six years (2012-2017).
- circa €1.8 billion of net cash returns, or circa 244p per share, through the development and sale of all their planned residential units and retail land plots over an estimated period of 10 years (2012-2021).

These numbers do not take into account any profits from the sale or operation of the leisure components (hotels, golf courses, marinas etc).

	Porto Heli Collection	Venus Rock	Playa Grande	Pearl Island	Total
FIRST PHASE	**58 hectares**	**358 hectares**	**134 hectares**	**106 hectares**	**656 hectares**
Residential					
Buildable m^2	25,666	211,515	19,320	7,248	263,749
Sales (€ million)	213	613	161	24	1,011
Costs (€ million)	81	372	75	14	541
Cash returns (€ million)	**132**	**242**	**87**	**10**	**470**
Land Plots					
Area (m^2)	-	257,617	-	389,700	647,316
Sales (€ million)	-	67	-	64	132
Costs (€ million)	-	4	-	23	27
Cash returns (€ million)	**-**	**63**	**-**	**42**	**105**
Leisure					
Components	2 Hotels	2 Golf Courses, 1 Marina	1 Hotel, 1 Golf Course	1 Marina	
FIRST PHASE CASH RETURNS (€ M)	**132**	**305**	**87**	**51**	**575**
OTHER PHASES	**289 hectares**	**642 hectares**	**816 hectares**	**1334 hectares**	**3081 hectares**
Residential Units					
Buildable m^2	99,725	121,336	73,000	191,300	485,361
Sales (€ million)	548	425	369	735	2,077
Costs (€ million)	272	203	203	427	1,105
Cash returns (€ million)	**276**	**221**	**167**	**308**	**972**
Land Plots					
Area (m^2)	-	-	1,080,000	1,838,466	2,918,466
Sales (€ million)	-	-	211	310	521
Costs (€ million)	-	-	70	96	165
Cash returns (€ million)	**-**	**-**	**141**	**214**	**355**
Leisure					
Components	2 Hotels	1 Hotel	1 Hotel	5 Hotels, Marina expansion	
Land Bank					
Area (m^2)	702,087	3,347,744	1,296,638	4,427,000	9,773,469
Residual Value (€ million)	26	89	-	-	115
Cash returns (€ million)	**26**	**89**	**-**	**-**	**115**
OHER PHASES CASH RETURNS (€ million)	**302**	**311**	**308**	**522**	**1,443**
TOTAL CASH RETURNS (€ million)	**434**	**616**	**394**	**574**	**2,018**
Shareholding	100%	100%	99%	60%	
Cash to DCI	**434**	**616**	**390**	**344**	**1,784**

Basic Assumptions:

- *All cost assumptions cover future development, marketing, sales, branding, agency and financial costs and do not include already incurred expenses for land acquisition and development.*
- *No inflation adjustments have been made.*
- *Cash returns are calculated on a before corporate income tax basis. Actual taxes would depend on the jurisdiction of each project and the structure of each specific sale transaction.*
- *All leisure facilities are assumed to be built upfront, and sold at cost (minus any non-refundable subsidies granted) upon exiting the project. No returns are assumed from the operation and sales of the projects' leisure components.*
- *Residential units are assumed to be developed on a "sell and build basis", apart from minor investments in "show" units.*
- *No interim project exits have been assumed.*
- *The residual values for the landbank in all projects reflect the latest independent valuations of the respective land by Colliers.*
- *All statements are based on future expectations rather than on historical facts and are forward looking statements that involve a number of assumptions, risks and uncertainties. The Company and the Investment Manager cannot give any assurance that such statements will prove to be correct. Any forward looking statements made by or on behalf of the Company are made only on a best estimate basis as of the date they are made and they do not constitute future earnings, revenues or profits forecasts or guidance. Neither the Company nor the Investment Manager undertake to update forward looking statements to reflect any changes in expectations, events, conditions or circumstances upon which such statements are made.*

Dolphin's remaining portfolio includes:

- Its other 10 major leisure-integrated residential resort projects, spread over 2,133 hectares of land and conservatively expected to build and sell at least 665,000 residential buildable m^2 i.e. representing only a circa 3% building coefficient. These projects are expected to further increase in book value as they complete their permitting and design phase and reach Advanced Project status. The Investment Manager estimates their net cash generation potential to be in excess of €1.6 billion spread over the next 15 years.

- Aristo Developers, the largest developer and private land owner in Cyprus, with currently more than 150,000 buildable m^2 of residential product in stock or under construction and circa 280,000 m^2 in the form of readily available land plots with a total listed sales potential of over €290 million. In addition, Aristo holds a vast portfolio of land assets with the potential to sell over 630,000 residential buildable m^2 once fully developed. The Investment Manager estimates the total net cash generation potential of Aristo (excluding Venus Rock and Eagle Pine) to be in excess of €1 billion spread over the next 15 years.

Based on the above, the Investment Manager estimates Dolphin's total portfolio net cash generation potential to be in excess of €4.4 billion spread over the next 15 years.

Development update

1. The Porto Heli Collection ("PHC"), Greece

Website: www.portohelicollection.com

Area Size: 347 hectares

Composition: First Phase

- The Aman at Porto Heli, a 38-pavilion hotel and spa designed by Ed Tuttle, currently under construction
- The Aman Beach Club
- The Aman Villas, serviced by the Aman hotel, with four currently under construction
- The Nikki Beach Hotel, which will include hotel suites as well as apartments for sale
- The Seafront Villas, the shells of which have already been constructed

Other Phases (including, but not limited to)

- The Chedi with 102 hotel rooms, spa, 40 club suites and 40 residences
- Jack Nicklaus Signature Golf Course
- Golf boutique hotel, golf clubhouse and 225 golf residences
- Equestrian centre, tennis academy, kids' club, beach club

Progress within 2011:

Construction works at The Aman at Porto Heli resort are continuing to progress on schedule. The General Manager and other key staff are expected to be appointed prior to the end of 2011, ahead of the opening which is scheduled for spring 2012. The construction of the first four Aman Villas is underway and their completion is anticipated concurrently with the opening of the hotel. The design of the fifth Aman Villa sold during the summer is also progressing.

Works also started on the Aman beach club on 19 August 2011, after the project received the required building permit on 29 June 2011. The beach club will include a restaurant, changing rooms, covered lounging areas and a large swimming pool along the beach.

To date, the Company has drawn down €15.7 million from the €33 million construction loan for the Aman hotel. In parallel, a final approval was received on 27 June 2011 for subsidies amounting to €7.8 million for the construction of the Aman at Porto Heli. On 9 September 2011 the Company applied on for the draw-down of the first 50% of the subsidy funds to be released upon an audit of the construction progress by the relevant governmental committee which is expected to be finalized by the end of 2011.

The Company has received a further payment of €2.9 million from the sale of shares in The Aman at Porto Heli to Archimedia (the owner of 14.29% of the Aman at Porto Heli and the holder of an option to exchange its project share participation for three Aman Villas). The sales consideration was increased due to the expansion of one of the Aman Villas, while the remaining payment of €9.1 million – which could be further increased depending on the final size and features of the three exchangeable Aman Villas – was deferred at a 7% coupon until the opening of the Aman hotel.

As the construction works progress and the resort is taking shape, strong interest for the Aman Villas was demonstrated as news on the project spread by word of mouth. So far this summer season more than 30 potential buyers visited the construction site, resulting to one more Aman Villa sale for a base sales price of €5.3 million and to a number of other advanced sales discussions.

The financing of the Nikki Beach Resort at Porto Heli has also progressed, with a term sheet signed on 20 May 2011 with a major European bank for a €10.5 million long term asset backed construction facility. In parallel, the project received on 16 June 2011 a final approval for subsidies amounting to €4.25 million. Following the finalisation of the bank financing, the Nikki Beach Resort at Porto Heli will be fully funded and the project will enter the construction stage with no further equity requirements from the Company.

2. Venus Rock Golf Resort, Cyprus

Website: www.venusrock.com

Area size: 1,000 hectares with 850m of beachfront

Composition: First Phase

- Two 18-hole Golf Courses designed by Tony Jacklin
- Two Golf Club Houses
- A Nikki Beach Club
- Approximately 1,000 Villas and 261 Plots

Other Phases (including, but not limited to)

- More than 2,000 residential units
- Retail, commercial and leisure facilities
- A 5-star hotel with spa and branded villas operated by Nikki Beach
- Marina and other sport facilities

Progress within 2011:

Works for the construction of the 36-hole golf course to replace the existing 18-hole course commenced in April 2011, with the relocation of utility networks, clearance of vegetation and excavation works around the area of the new golf course.

The works will be carried out in a phased manner, allowing an 18-hole golf course to remain open for use at all times in order to accommodate the existing Secret Valley golf club members, and the residents of the 300 homes already sold.

Tenders have been received from leading international golf contractors, and are in the process of final negotiation. It is expected that a contractor will be selected by the end of September with the aim of starting construction immediately.

On 25 August 2011, Venus Rock received the anticipated planning permission for the beachfront development to include a 14,551m^2 commercial centre and the redevelopment of the coastal road. Works are expected to be initiated within Q1 2012.

An application has been made to the relevant authorities regarding the lotting and building permit for the new golf residential developments on 9 February 2011. This application, along with the application for the construction permit for the desalination plant, is expected to be approved by the first quarter of 2012.

Formal launch of the sales programme for the project is targeted for spring 2012, after receiving the final lotting and building permits and significantly advancing the construction of the golf course and other key infrastructure elements.

To date €9.5 million has been drawn from the €50 million construction loan for the project.

3. Playa Grande Club & Reserve, Dominican Republic

Website: www.playagrande.com

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

Composition: First Phase

- A 30-room Aman Hotel designed by John Heah (the first Aman Resort in the Dominican Republic and the first Aman golf-integrated resort in the world)
- The Playa Grande Aman Beach Club
- A new Aman Golf Club House, fitness, spa and tennis facilities
- 38 Aman Villas serviced by the Aman Hotel
- The renovation of the existing, legendary Robert Trent Jones, Snr. Golf Course based on new designs by his son Rees Jones

Other Phases (including, but not limited to)

- Approximately 400 additional residential units (beachfront, hill-top and cliff villas)
- Tennis, spa, beach and equestrian clubs

Progress within 2011:

John Heah has been appointed as new lead architect of the Playa Grande Aman Golf Resort, the first golf-integrated Aman resort in the world. The masterplan and the concept architectural design for the key project components have already been prepared and approved by Aman Resorts

Infrastructure works for the first phase of the Aman Golf Resort have commenced with the demolition of the existing dilapidated Occidental Hotel and the clearing of the old hotel site to enable the start of the golf course renovation. Designs for the golf course renovation have been completed and permitted and the project is in the final phase of a tender process with six regional contractors. The renovation works will begin shortly after a selection has been made.

The Aman hotel designs are currently being finalized and, in parallel, undergoing value engineering to achieve the most competitive budget possible prior to beginning the hotel's construction.

A Los Angeles based marketing firm is finalizing the marketing and sales collateral for the select initial release of a limited number of Aman Villas for sale.

The US$40 million Playa Grande convertible bonds were issued and listed on the Open Market of the Frankfurt Stock Exchange on 31 March 2011, and Dolphin has received the full loan proceeds.

In addition to part of the convertible bonds proceeds, the Company is looking to finance the Aman Golf Resort with a combination of local bank debt, equity and very limited pre-sales. In that regard, term sheets were received from major regional financing institutions for funding part of the 30-suite Aman hotel. The project team is in discussions with the banks to finalise the loan facility terms.

4. Pearl Island, Panama

Website: www.pearlisland.com

Area size: 1,440 hectares with a total seafront of 30km and 14 private sandy beaches

Composition: First Phase

- A Zoniro Lodge with beach club, spa and other leisure facilities
- A 40-berth and 30 dry-dock marina
- Approximately 120 residential units (villas and plots)
- Private landing strip

Other Phases (including, but not limited to)

- Development potential for over 350,000m^2 of buildable residential space or approximately 1,100 residential units and lots for sale
- Up to four additional luxury 5-star hotels
- Marina with up to 500 berths and retail facilities
- Recreational and sports facilities, including scuba diving, whale watching, fishing, over 40 kilometres of natural biking and hiking trails, equestrian centre
- International airport

Progress within 2011:

Following a tender process, the construction of the first phase of the airstrip to initially accommodate small propeller planes connecting the island with Panama's International Airport has begun and the works are expected to be completed during the first quarter of 2012.

The designs for the beach club, the marina and the first show villas of the Founders Phase are in their final stages with a view to starting their construction in the first quarter of 2012 together with the remaining infrastructure works.

The PR and marketing activities for the first Founders' phase of the project are continuing. A full scale PR and marketing campaign for Pearl Island was launched in September, focusing on promoting Pearl Island as a high-end destination and lifestyle location. A new microsite and online portal, www.pearlislandliving.com, was recently launched to provide owners, potential buyers and journalists with constant updates on the project, together with imagery, videos and information on the area.

Two new sales reservations were made, bringing the total sales to 14 lots or US$9 million and representing approximately 41% of the first 34 lots released. Once pre-sales progress further, the project will finalise financing terms and draw funds from a $15 million credit facility negotiated with regional banks which, in combination with additional equity and pre-sales, will accelerate the pace of development.

On 20 May 2011, the Company signed a mandate letter with Inter-American Development Bank ("**IADB**"), for the financing of an 80-suite Ritz Carlton Reserve hotel, which is part of the project's second phase. IADB has agreed to lead the hotel financing with an amount of approximately US$18.5 million and to syndicate an additional US$3.6 million. IADB has commenced its due diligence process, before submitting the project for Board and credit-committee approval. The Company is also in discussions with regional developers interested to fund the equity requirements of that project to speed up the establishment of Pearl Island as an attractive Central America resort destination.

Investment / Divestments within 2011

In line with our stated strategy, no new investments were made in 2011, and €75 million of sales were achieved:

- A strategic sale of the Group's 50% shareholding stake in the Kings Avenue Mall project in Central Paphos at an enterprise value of €39.5 million was signed on 7 June 2011 with a group of local investors. The purchasers have paid the Company a cash consideration of €15 million and have assumed the Company's €24.5 million of bank loans and other liabilities relating to this project. The net consideration of €15 million represented a premium of 13% to the project's net asset value (as derived from the independent valuation by Colliers of €75.5 million for 100%) and a premium of 31% to the Company's allocated investment cost of €11.5 million.
- €22 million from the sale of 99 homes and plots by Aristo for the first eight months of 2011, which represents a decrease of 23% and 26% respectively, compared to the same period last year.
- US$9 million from the sale of 14 lots in the first Founders' phase of Pearl Island.
- An Aman Villa at the Aman at Porto Heli was sold for a base sale price of €5.3 million.
- €0.4 million from the sale of two homes at LaVanta, Turkey.

With the above sales, the total asset sales achieved by Dolphin so far have exceeded €390 million, a figure that is higher than the reported NAV of the respective assets sold.

Aristo (www.aristodevelopers.com)

During the first eight months of 2011, Aristo leveraged its strong asset base, stock of units and expertise to mitigate the poor market conditions by offering attractively priced completed or semi-completed units and land plots for sale in various areas in Cyprus.

Additionally, the series of mainly exclusive, agreements signed with a number of overseas leading agents and major tour operators aim to capitalize on the increased flow of Russian tourists who visited Cyprus this summer because of the turmoil in alternative destinations such as Egypt, Tunisia, Libya and Syria.

The company enhanced its presence in Russia by increasing the size of the local team and expanding the range of marketing activities and customer targeting. Additionally, following the signs of expected recovery of buying appetite from the UK, Aristo has increased its presence by participating in exhibitions and specially targeted events across the country.

In addition to expanding its sales efforts, Aristo continued to minimise costs by restructuring or lengthening the debt service profile of its financial obligations, downsizing certain departments, and narrowing the focus onto a smaller number of projects.

Sales performance

In the first eight months of 2011, due to the recent downturn, Aristo generated €22 million of gross retail sales, which was 23% lower than 2010. This figure corresponds to 99 units (homes and lots), a 26% decrease from the respective period of 2010. We hope to counterbalance any further potential slowdown in retail sales through larger asset sales such as the recently completed Kings Avenue Mall transaction.

Even though the aggregate of the sales achieved during the first eight months of 2011 is lower than the respective period of 2010, the average selling price per m^2 was increased by 11%, while demand from Russian clients is growing relative to others.

	Eight months to 31/08/2011	**Eight months to 31/08/2010**
SALES RESULTS		
New sales booked	21,758,270	28,089,063
% change	*-23%*	
Average selling price per m^2 (% change)	*11%*	
Units sold	99	133
% change	*-26%*	
CLIENT ORIGIN		
UK	10.88%	11.35%
Russia	46.70%	35.13%
Central & North Europe	2.41%	4.06%
Other overseas	10.70%	7.82%
Cyprus	29.31%	41.63%

Market Dynamics

The recent escalation of the sovereign debt crisis in Greece, where Dolphin has 22% of its portfolio in terms of latest real estate values, has fuelled discussions in the international media of a possible default and/or Greece's exit from the Eurozone. Even though the impact of such eventualities on the domestic economy would be admittedly detrimental, it is not anticipated that they will necessarily impact Dolphin's business model in a negative way since, like other export-driven sectors, our pricing and sales essentially rely on external, and not domestic, demand. On the contrary, despite the country's poor public finances, Greek tourism has witnessed impressive growth in 2011. Meanwhile, the Greek debt crisis has been a catalyst in the adoption of a faster entitlement process for development projects, reduced construction costs for the projects that Dolphin has under development and is expected to lower the operational expenses for our Greek resorts.

As far as Cyprus is concerned, while the existing correlation with the Greek economy might raise concerns, it should be noted that the former has a healthier and relatively small-scaled economy capable of containing the spill-over effects of the Greek crisis.

In general, the most important observations for our industry are as follows:

- Tourist arrivals in Greece from January to August 2011 recorded more than a 10% increase compared to the corresponding period of 2010. The year end figures for 2011 are expected to be in excess of 16 million, reaching or surpassing the historic record year of 2007. This performance reinforces the view that the inherent competitive advantages that make Greece one of the world's top tourist destinations remain unaffected, despite the negative publicity. It is also worth noting that in 2011 the Greek islands were voted by the readers of Conde Nast Traveller magazine as the World's Best Islands and the third most popular destination in all categories.

- Cyprus has also seen an impressive increase in tourist arrivals of 13% for the period January 2011 to July 2011 and tourism to Dolphin's other Mediterranean markets (Croatia and Turkey) has also showed significant growth. Factors contributing to this growth include an increase in the percentage of the Russian and Chinese population joining the international travel market, an overall increase in world tourism, and events such as the recent political turbulence in Egypt, Libya, Syria and Tunisia shifting tourism over to our markets.

- According to Global Blue Perspectives Q2 reports, focusing on Russia, the number of Russians that had a holiday in foreign resorts during the summer of 2011 is estimated to have increased by 30% to 40% compared to last summer. Greece and Cyprus are expected to continue to be among the main destinations benefiting from this trend due to their flight connections, low prices and proximity to Russia, compared to Spain and Portugal.

- Strong growth in tourism was also witnessed in Dolphin's Central American/Caribbean markets. Tourist arrivals in Panama for the first six months of 2011 reached 965,213, an increase of 11.1% from the same period of 2010. Panama's economy expanded 9.7% during the first three months of 2011 from a year earlier, based on data published by the government statistics agency, after growing 7.5% in 2010. Panama is one of Latin America's top-performing economies and the focus remains on sectors in which the government believes it has competitive advantages including tourism – which is currently the single largest contributor to the country's GDP – construction and banking.

- On similar lines, tourist arrivals in the Dominican Republic increased by 3.5% to three million for the first seven months of the year, reaffirming its position as the top tourist destination in the Caribbean. GDP is expected to expand by 5.5% in 2011 boosted in part by expansion in tourism and the real estate sector.

Outlook

Dolphin's primary focus remains on completing the construction of the first phases of the four Advanced Projects. These include their first hotels, golf courses or other leisure facilities, as well as their main infrastructure. The completion of these elements will establish them as luxury resort destinations and act as a catalyst for both retail sales of homes, and potential project joint ventures or exits. The development of the key facilities of these first phases is estimated to be completed within 2012 and 2013, a period which could coincide with a market recovery following the prolonged slowdown of 2007 - 2011 associated with the global economic crisis. This should be the beginning of a new period for Dolphin's evolution as these projects would then be in a position to generate net positive cashflows from the sales of residential units and the operation of the projects' leisure components.

Miltos Kambourides
Managing Partner

Dolphin Capital Partners
20 September 2011

Pierre Charalambides
Partner

Dolphin Capital Partners
20 September 2011

The Portfolio

A summary of Dolphin's current investments is presented below. As of 19 September 2011, the net invested amount is €730 million.

	Project	Land size (hectares)	DCI's stake	Investment Cost * (€ million)	Debt (€ million)	Real Estate Value (€ million)	% Loan to real estate asset value
	Advanced Projects						
1	The Porto Heli Collection	347		144	17		
	The Aman at Porto Heli	*96*	*86%*	*50*	*16*		
	The Nikki Beach Resort at Porto Heli	*1*	*100%*	*5*	*<1*		
	The Seafront Villas	*4*	*100%*	*8*	*1*		
	The Chedi and Jack Nicklaus Signature Golf Course	*246*	*100%*	*81*	*-*		
2	Venus Rock – Aristo	1,000	100%	155	10		
3	Playa Grande	950	99%	23	45		
4	Pearl Island	1,440	60%	28	-		
	Total	**3,737**		**350**	**72**	**791**	**9%**
	Major Projects						
5	Sitia Bay	280	78%	16	-		
6	Kea Resort	65	67%	9	-		
7	Scorpio Bay	172	100%	13	-		
8	Lavender Bay	310	100%	23	-		
9	Plaka Bay	440	60%	7	-		
10	Triopetra	11	100%	4	-		
11	Eagle Pine – Aristo	319	100%	31	-		
12	Apollo Heights	461	100%	17	-		
13	Livka Bay	63	100%	23	10		
14	Mediterra Resorts	12	100%	29	8		
	Kundu	*4*	*100%*	*14*	*3*		
	LaVanta	*8*	*100%*	*15*	*5*		
	Total	**2,133**		**172**	**18**	**324**	**6%**
	Other Aristo						
	Magioko	*11*	*100%*	*6*	*-*		
	Douneika	*26*	*100%*	*3*	*6*		
	Paphos Centre Plot	*10*	*100%*	*18*	*25*		
	Panorama Residences	*11*	*100%*	*6*	*1*		
	Other	*367*	*100%*	*175*	*302*		
	Total	**425**		**208**	**334**	**548**	**61%**
	Grand Total	**6,295**		**730**	**424**	**1,663**	**25%**

	Project	Land size (hectares)	Investment Cost * (€ million)	Debt (€ million)	Real Estate Value (€ million)	% Loan to real estate asset value
1	Greece	1,651	219	23	362	6%
2	Cyprus	2,179	408	338	1,110	30%
3	Croatia & Turkey	75	52	18	62	29%
4	Americas	2,390	51	45	130	35%
	Grand Total	**6,295**	**730**	**424**	**1,663**	**25%**

**Including amounts paid in shares.*

<u>Exits</u>

	Land site (hectares)	Dolphin stake sold	Dolphin original investment (€m)	Dolphin return on investment (€m)	Dolphin return on investment (times)
Tsilivi – Aristo	11	100%	2	7	3.5 x
Amanmila	210	100%	2.8	5.4	1.9 x
Kea	65	33%	4	4.1	1 x
Seafront Villas	0.4	10%	1	2.3	2.3 x
Kings' Avenue Mall	4	100%	11	15	1.36 x
TOTAL	290		21	34	1.63 x

Finance Director's Report

Net Asset Value ('NAV')

The reported NAV as at 30 June 2011 is presented below:

			Variation since 31 December 2010		Variation since 30 June 2010	
	€	**£**	**€**	**£**	**€**	**£**
Total NAV before DITL (millions)	1,206	1,084	(4.5)%	0.1%	(9.5)%	0.4%
Total NAV after DITL (millions)	1,090	979	(4.7)%	(0.1)%	(9.9)%	(0.1)%
NAV per share before DITL	1.89	170p	(6.3)%	(1.7)%	(11.1)%	(1.4)%
NAV per share after DITL	1.71	153p	(6.4)%	(1.9)%	(11.5)%	(1.9)%

Notes:

1. Euro/GBP rate 0.89823 as at 30 June 2011.

2. NAV per share has been calculated on the basis of 638,837,814 issued shares as at 30 June 2011.

The 30 June 2011 reported NAV is primarily based on new valuations conducted by Colliers International on the Porto Heli Collection, Pearl Island, Plaka Bay, Kea Resort and the Aristo portfolio, which were revalued to reflect either permitting advances or valuation changes due to market conditions.

Underlying NAV predominantly increased due to permitting advances at Pearl Island and Kea Resort. These increases were, however, offset by reductions in other asset valuations, principally within the Aristo portfolio, which reflect the on-going challenging market conditions and, to a lesser extent, the depreciation of the Americas properties in Euro terms due to the devaluation of the US dollar against the Euro during the period and regular Company operational, corporate and management expenses.

Sterling NAV per share decreased in the six month period ended 30 June 2011 by 1.7% driven in addition to the reasons mentioned above, by the issuance of 11,128,586 new DCI shares and the transfer of 306,681 own shares, held in treasury, to settle Grupo Eleta's deferred consideration for the Pearl Island transaction. The decrease was counterbalanced by the 4.8% appreciation of Sterling versus the Euro, during the period.

The next full portfolio valuation will be as at 31 December 2011.

A solid financial position

Condensed Interim consolidated statement of financial position

(as at 30 June 2011)

	31 June 2011 €' 000	31 December 2010 €' 000
Assets		
Real estate assets (investment and trading properties)	1,662,754	1,716,222
Other assets	62,535	43,653
Cash and cash equivalents	39,243	29,782
Total Assets	**1,764,532**	**1,789,657**
Equity		
Equity attributable to Dolphin shareholders	1,089,501	1,143,524
Non-controlling interest	38,932	40,853
Total equity	1,128,433	1,184,377
Liabilities		
Interest-bearing loans and finance lease obligations	430,325	396,704
Other liabilities	89,014	88,383
Deferred tax liability	116,760	120,193
Total liabilities	636,099	605,280
Total equity and liabilities	**1,764,532**	**1,789,657**

The Company's NAV before DITL, after deducting from total consolidated assets, non-controlling interests of €39 million, other liabilities of €89 million and total debt of €430 million is set at €1,206 million as at 30 June 2011.

The reduction in the NAV after DITL resulted to an accounting loss of €56 million for the six month period ended 30 June 2011 implying a loss per share of €0.09.

The consolidated financial statements have been reviewed by KPMG.

The Company's consolidated assets total €1.76 billion and include €1.66 billion of real estate assets and €63 million of other assets. The €1.66 billion figure represents Colliers' fair market valuation of Dolphin's real estate portfolio (both freehold and leasehold interests) as at 30 June 2011, assuming 100% ownership. The €63 million of other assets comprise mainly €28 million of Aristo trade receivables, €11 million of VAT receivable, €7.7 million receivable from Archimedia and €4 million of deferred income tax assets.

The Company's consolidated liabilities total €636 million and include €117 million of DITL, €89 million of other liabilities as well as €430 million of interest-bearing loans and finance lease obligations all of which are held by Group subsidiaries and are non-recourse to Dolphin (except for the Aman at Porto Heli construction facility, the Playa Grande convertible Bond and the servicing of Banco Leon loan interest which are guaranteed by the Company). The total Group debt of €421 million is 82% accounted for by Aristo. The total expected debt service obligations of Aristo for the remainder of 2011 are estimated at €18 million and are expected to be covered by Aristo's operational cash flow. The €89 million of other payables comprise mainly €19 million of advances from customers relating to contractual construction works in progress by Aristo and €23 million of deferred land payments, €21 million of which could materialise at the end of 2013.

Aristo pro forma financials

Aristo's pro forma consolidated statement of comprehensive income (adjusted to exclude gains/losses from revaluation and negative goodwill from acquisitions) for the six-month period ended 30 June 2011 and 30 June 2010 is as follows:

	Six months to 30/06/2011 in (€'000)	**Six months to 30/06/2010** in (€'000)
Turnover (based on units delivered)	19,756	40,387
Cost of sales	(14,668)	(26,195)
Gross profit	**5,088**	**14,192**
Other income	5,452	1,856
Administrative expenses	(5,618)	(6,730)
Selling expenses	(963)	(1,639)
Profit from operating activities	**3,959**	**7,679**
Net financing expenses	(11,133)	(10,081)
Profit from investing activities	1,584	1,078
(Loss)/profit before taxation	**(5,590)**	**(1,324)**
Taxation	266	(1,279)
(Loss)/profit after taxation	**(5,324)**	**(2,603)**

In terms of accounting results, excluding asset revaluations, Aristo reported an operating after tax loss of €5.3 million versus a loss of €2.6 million in the six-month period ended 30 June 2010. Operating results have been affected by the significant drop in sales in 2009/2010 which resulted in a decrease in units delivered in 2011. This was partially offset by the lower administrative/selling expenses incurred as a consequence of restructuring efforts undertaken to reduce the company's operational overheads.

Greece & Cyprus

As part of the austerity measures implemented by the Greek and Cypriot governments in an effort to increase their annual tax revenues and reduce their primary budget deficits, a large number of amendments have been introduced in their national tax frameworks. The more significant changes for the Company relate to the annual real estate taxes that are levied on property owners in both Greece and Cyprus.

In Greece, although the relevant legislation has been amended a couple of times from 2008 to date, the tax rates applicable to corporations have remained stable and only the basis (the taxable value) on which the annual real estate tax is charged has been increased. The annual real estate tax incurred by the Company for its Greek real estate holdings since 2008 remains stable at around €440,000.

In Cyprus, the local administration has also amended the annual real estate tax framework on August 2011 (effective from 2012), by doubling the applicable marginal tax rate from 0.4% to 0.8%, but leaving the tax basis, which is calculated on the basis of the value of the respective real estate assets in 1980, unchanged. The Company expects that this recent increase will result to an additional circa €600,000 real estate tax charge for Aristo in 2012, bringing its total annual real estate tax bill to circa €1.2 million.

Panos Katsavos

Finance Director

Dolphin Capital Partners

20 September 2011

Condensed consolidated interim statement of comprehensive income

For the six-month period ended 30 June 2011

	Note	From 1 January 2011 to 30 June 2011 €'000	From 1 January 2010 to 30 June 2010 €'000
CONTINUING OPERATIONS			
Valuation (loss)/gain on investment property	9	(20,057)	1,044
Share of profit on equity accounted investees	12	3,882	1,575
Gain on disposal of investment in subsidiaries	23	1,958	-
Other operating profits		1,350	9,230
Total operating (losses)/profits		**(12,867)**	**11,849**
Investment Manager fees	22.2	(8,945)	(8,914)
Professional fees		(2,770)	(3,283)
Other expenses		(10,757)	(13,009)
Total operating and other expenses		**(22,472)**	**(25,206)**
Results from operating activities		**(35,339)**	**(13,357)**
Finance income		1,593	14,297
Finance costs		(16,819)	(12,013)
Net finance (costs)/income		**(15,226)**	**2,284**
Impairment of trading properties	11	(11,082)	-
Impairment of property, plant and equipment	10	(39)	(91)
Reversal of impairment of property, plant and equipment	10	1,048	-
Total net non-operating losses		**(10,073)**	**(91)**
Loss before taxation		**(60,638)**	**(11,164)**
Taxation	7	4,306	3,902
Loss for the period		**(56,332)**	**(7,262)**
OTHER COMPREHENSIVE INCOME			
Foreign currency translation differences		(8,072)	6,071
Revaluation of property, plant and equipment		34	-
Other comprehensive income for the period, net of income tax		**(8,038)**	**6,071**
Total comprehensive income for the period		**(64,370)**	**(1,191)**
Loss attributable to:			
Owners of the Company		(55,636)	(8,434)
Non-controlling interests		(696)	1,172
Loss for the period		**(56,332)**	**(7,262)**
Total comprehensive income attributable to:			
Owners of the Company		(61,831)	(5,876)
Non-controlling interests		(2,539)	4,685
Total comprehensive income for the period		**(64,370)**	**(1,191)**
LOSS PER SHARE			
Basic and diluted loss per share (€)	8	**(0.09)**	**(0.01)**

Condensed consolidated interim statement of financial position

As at 30 June 2011

	Note	30 June 2011 €'000	31 December 2010 €'000
ASSETS			
Investment property	9	1,245,530	1,275,974
Property, plant and equipment	10	86,571	80,054
Investments in equity accounted investees	12	11,512	20,733
Deferred tax assets	18	4,001	3,066
Other non-current assets		6,211	7,175
Total non-current assets		**1,353,825**	**1,387,002**
Trading properties	11	319,141	339,461
Receivables and other assets	13	52,323	33,412
Cash and cash equivalents	14	39,243	29,782
Total current assets		**410,707**	**402,655**
Total assets		**1,764,532**	**1,789,657**
EQUITY			
Share capital	15	6,388	6,277
Share premium	15	817,433	812,520
Reserves		(3,391)	2,660
Retained earnings		269,071	322,067
Total equity attributable to equity holders of the Company		**1,089,501**	**1,143,524**
Non-controlling interests		38,932	40,853
Total equity		**1,128,433**	**1,184,377**
LIABILITIES			
Loans and borrowings	16	333,861	293,444
Finance lease obligations	17	8,915	8,924
Deferred tax liabilities	18	116,760	120,193
Other non-current liabilities	19	34,916	25,306
Total non-current liabilities		**494,452**	**447,867**
Loans and borrowings	16	87,151	93,935
Finance lease obligations	17	398	401
Trade and other payables	20	53,659	62,333
Current tax liabilities		439	744
Total current liabilities		**141,647**	**157,413**
Total liabilities		**636,099**	**605,280**
Total equity and liabilities		**1,764,532**	**1,789,657**
Net asset value per share (€)	21	**1.71**	**1.82**

Condensed consolidated interim statement of changes in equity

For the six-month period ended 30 June 2011

	Attributable to equity holders of the Company								
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Reserve for own shares €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
Balance at 1 January 2010	**6,277**	**812,520**	**1,823**	**316**	**(144)**	**394,664**	**1,215,456**	**38,008**	**1,253,464**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Loss for the period	-	-	-	-	-	(8,434)	(8,434)	1,172	(7,262)
Other comprehensive income									
Foreign currency translation differences	-	-	2,550	8	-	-	2,558	3,513	6,071
Total other comprehensive income	-	-	2,550	8	-	-	2,558	3,513	6,071
Total comprehensive income for the period	**-**	**-**	**2,550**	**8**	**-**	**(8,434)**	**(5,876)**	**4,685**	**(1,191)**
TRANSACTIONS WITH OWNERS OF THE COMPANY, RECOGNISED DIRECTLY IN EQUITY									
Contributions by and distributions to owners of the Company									
Non-controlling interests on capital increases of subsidiaries	-	-	-	-	-	-	-	498	498
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	498	498
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**498**	**498**
Balance at 30 June 2010	**6,277**	**812,520**	**4,373**	**324**	**(144)**	**386,230**	**1,209,580**	**43,191**	**1,252,771**
Balance at 1 January 2011	**6,277**	**812,520**	**2,426**	**378**	**(144)**	**322,067**	**1,143,524**	**40,853**	**1,184,377**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Loss for the period	-	-	-	-	-	(55,636)	(55,636)	(696)	(56,332)
Other comprehensive income									
Foreign currency translation differences	-	-	(6,229)	-	-	-	(6,229)	(1,843)	(8,072)
Revaluation of property, plant and equipment, net of tax	-	-	-	34	-	-	34	-	34
Total other comprehensive income	-	-	(6,229)	34	-	-	(6,195)	(1,843)	(8,038)
Total comprehensive income for the period	**-**	**-**	**(6,229)**	**34**	**-**	**(55,636)**	**(61,831)**	**(2,539)**	**(64,370)**
TRANSACTIONS WITH OWNERS OF THE COMPANY, RECOGNISED DIRECTLY IN EQUITY									
Contributions by and distributions to owners of the Company									
Issue of ordinary shares related to business combinations	111	4,918	-	-	-	-	5,029	-	5,029
Own shares exchanged in relation to business combinations	-	(5)	-	-	144	-	139	-	139
Non-controlling interests on capital increases of subsidiaries	-	-	-	-	-	-	-	725	725
Total contributions by and distributions to owners of the Company	111	4,913	-	-	144	-	5,168	725	5,893
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	86	86	(86)	-
Disposal of interests without a change in control	-	-	-	-	-	2,554	2,554	(21)	2,533
Total changes in ownership interests in subsidiaries	-	-	-	-	-	2,640	2,640	(107)	2,533
Total transactions with owners of the Company	**111**	**4,913**	**-**	**-**	**144**	**2,640**	**7,808**	**618**	**8,426**
Balance at 30 June 2011	**6,388**	**817,433**	**(3,803)**	**412**	**-**	**269,071**	**1,089,501**	**38,932**	**1,128,433**

Condensed consolidated interim statement of cash flows

For the six-month period ended 30 June 2011

	From 1 January 2011 to 30 June 2011 €'000	From 1 January 2010 to 30 June 2010 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(56,332)	(7,262)
Adjustments	37,043	(13,364)
	(19,289)	(20,626)
Change in receivables	(18,129)	4,486
Change in payables	6,125	(7,980)
	(31,293)	(24,120)
Tax paid	(439)	(488)
Net cash used in operating activities	**(31,732)**	**(24,608)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from disposal of subsidiaries	17,533	-
Net (acquisitions) /disposals of investment property	(240)	268
Net acquisitions of property, plant and equipment	(8,010)	(2,240)
Net change in investments in equity accounted investees	170	1,352
Net change in trading properties	8,742	12,822
Interest received	795	946
Net cash from investing activities	**18,990**	**13,148**
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received from non-controlling shareholders	725	498
Change in loans and borrowings	33,251	(3,194)
Change in finance lease obligations	(12)	(128)
Interest paid	(12,259)	(11,013)
Net cash from/(used in) financing activities	**21,705**	**(13,837)**
Net increase/(decrease) in cash and cash equivalents	**8,963**	**(25,297)**
Cash and cash equivalents at the beginning of the period	(1,078)	27,029
Effect of exchange rate fluctuations on cash held	116	315
Cash and cash equivalents at the end of the period	**8,001**	**2,047**
For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents consist of the following:		
Cash in hand and at bank (see note 14)	39,243	40,686
Bank overdrafts (see note 16)	(31,242)	(38,639)
Cash and cash equivalents	**8,001**	**2,047**

Notes to the condensed consolidated interim financial statements

1. REPORTING ENTITY

Dolphin Capital Investors Limited (the 'Company') was incorporated and registered in the British Virgin Islands on 7 June 2005. The Company is a real estate investment company focused on the early-stage, large-scale leisure-integrated residential resorts primarily 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 primarily in south-east Europe. The shares of the Company were admitted to trading on the AIM market of the London Stock Exchange ('AIM') on 8 December 2005.

The condensed consolidated interim financial statements of the Company as at and for the six-month period ended 30 June 2011 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2010 are available at www.dolphinci.com.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010. They are presented in Euro (€), rounded to the nearest thousand.

These condensed consolidated interim financial statements were approved by the Board of Directors on 19 September 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2010.

4. ESTIMATES

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2010.

5. SIGNIFICANT SUBSIDIARIES

As at 30 June 2011, the Group's most significant company holdings were the following:

Name	Country of incorporation	Shareholding interest
Scorpio Bay Holdings Limited	Cyprus	100%
Scorpio Bay Resorts S.A.	Greece	100%
Latirus Enterprises Limited	Cyprus	80%
Iktinos Techniki Touristiki S.A.	Greece	78%
Xscape Limited	Cyprus	100%
Golfing Developments S.A.	Greece	100%
MindCompass Overseas Limited	Cyprus	100%
MindCompass Overseas S.A.	Greece	100%
MindCompass Overseas Two S.A.	Greece	100%
MindCompass Parks S.A.	Greece	100%
Ergotex Services Co. Limited	Cyprus	100%
D.C. Apollo Heights Polo and Country Resort Limited	Cyprus	100%
Symboula Estates Limited	Cyprus	100%
DolphinCI Fourteen Limited	Cyprus	86%
Eidikou Skopou Dekatessera S.A.	Greece	86%
Eidikou Skopou Dekaokto S.A.	Greece	86%
Portoheli Hotel and Marina S.A.	Greece	100%
DCI Holdings Two Limited	BVIs	100%
Dolphin Capital Atlantis Limited	Cyprus	100%
Aristo Developers Limited ('Aristo')	Cyprus	100%
Single Purpose Vehicle Twelve Limited	Cyprus	100%
Azurna Uvala D.o.o.	Croatia	100%
Eastern Crete Development Company S.A.	Greece	60%
DolphinLux 1 S.a.r.l.	Luxembourg	100%
DolphinLux 2 S.a.r.l.	Luxembourg	100%
Pasakoy Yapi ve Turizm A.S.	Turkey	100%
Kalkan Yapi ve Turizm A.S.	Turkey	100%
DCI Holdings Five Limited	BVIs	100%
DCI Holdings Four Limited	BVIs	98%
DCI Holdings Seven Limited	BVIs	98%
Playa Grande Holdings Inc. ('PGH')	Dominican Republic	98%
Single Purpose Vehicle Eight Limited	Cyprus	100%
Eidikou Skopou Dekapente S.A.	Greece	100%
Single Purpose Vehicle Ten Limited	Cyprus	67%
Eidikou Skopou Eikosi Tessera S.A.	Greece	67%
Pearl Island Limited S.A.	Panama Republic	60%
Zoniro (Panama) S.A.	Panama Republic	60%

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

6. SEGMENT REPORTING

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

7. TAXATION

	From 1 January 2011 to 30 June 2011 €'000	From 1 January 2010 to 30 June 2010 €'000
Corporate income tax	99	1,290
Share of tax on equity accounted investees	-	157
Defence tax	35	16
Deferred tax	(4,440)	(5,365)
Total	**(4,306)**	**(3,902)**

8. LOSS PER SHARE

Basic loss per share

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

	From 1 January 2011 to 30 June 2011 '000	From 1 January 2010 to 30 June 2010 '000
Loss attributable to owners of the Company (€)	(55,636)	(8,434)
Number of weighted average common shares outstanding	633,152	627,403
Basic loss per share (€)	**(0.09)**	**(0.01)**

Weighted average number of common shares outstanding

	From 1 January 2011 to 30 June 2011 '000	From 1 January 2010 to 30 June 2010 '000
Outstanding common shares at the beginning of the period	627,403	627,403
Effect of shares issued during the period	5,595	-
Effect of re-issuance of own shares during the period	154	-
Weighted average number of common shares outstanding	**633,152**	**627,403**

Diluted loss per share

Diluted loss per share is calculated by adjusting the number of common shares outstanding to assume conversion of all dilutive potential shares. As at 30 June 2011 and 30 June 2010, the diluted loss per share is the same as the basic loss per share, due to the fact that neither warrants nor other convertible shares, with a conversion right to be exercised during the period, existed.

9. INVESTMENT PROPERTY

	30 June 2011 €'000	31 December 2010 €'000
At beginning of period/year	1,275,974	1,380,457
Direct acquisitions	963	8,756
Transfers to property, plant and equipment	-	(7,923)
Transfers to trading properties	(1,399)	(87,843)
Transfers from other non-current assets	-	17
Direct disposals	(723)	(8,372)
Exchange difference	(9,228)	8,272
	1,265,587	1,293,364
Fair value adjustment	(20,057)	(17,390)
At end of period/year	**1,245,530**	**1,275,974**

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2011 €'000	31 December 2010 €'000
Cost or deemed cost		
At beginning of period/year	97,426	82,158
Direct acquisitions	8,018	7,943
Direct disposals	(28)	(563)
Transfers from investment property	-	7,923
Transfers to trading properties	-	(1,668)
Revaluation adjustment	-	36
Exchange difference	(1,738)	1,597
At end of period/year	103,678	97,426
Depreciation and impairment losses		
At beginning of period/year	17,372	11,449
Direct disposals	(20)	(271)
Revaluation adjustment	(34)	(69)
Impairment	39	4,238
Reversal of impairment	(1,048)	-
Exchange difference	(117)	81
Charge for the period/year	915	1,944
At end of period/year	17,107	17,372
Carrying amounts	**86,571**	**80,054**

11. TRADING PROPERTIES

	30 June 2011 €'000	31 December 2010 €'000
At beginning of period/year	339,461	284,107
Net direct disposals	(8,742)	(29,578)
Net transfers from investment property	1,399	87,843
Net transfers from property, plant and equipment	-	1,668
Disposals through disposal of subsidiary company	-	(2,033)
Impairment	(11,082)	(3,290)
Exchange difference	(1,895)	744
At end of period/year	**319,141**	**339,461**

12. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

	Athiari Commercial (Paphos) Limited €'000	Athiari Residential (Paphos) Limited €'000	Aristo Accounting S.A. €'000	Joint venture between Aristo and Alea Limassol Star Limited €'000	Joint venture between Aristo and St. Chara Developers Limited €'000	Joint venture between Aristo and Poseidon €'000	Joint venture between Aristo and Tsada/Randi Cyprus Golf Resorts €'000	Total €'000
Balance at 1 January 2011	9,659	3,849	29	7,016	-	63	117	20,733
Share of (loss)/profit before tax	(753)	(248)	13	4,870	-	-	-	3,882
Share of tax	-	-	-	-	-	-	-	-
Long-term loans	322	104	-	-	-	-	-	426
Disposals (see note 23)	(9,228)	(3,705)	-	-	-	-	-	(12,933)
Profits received	-	-	-	(640)	-	-	-	(640)
Contribution from shareholders	-	-	-	-	-	20	24	44
Balance at 30 June 2011	**-**	**-**	**42**	**11,246**	**-**	**83**	**141**	**11,512**
Balance at 1 January 2010	10,487	3,649	28	-	(16)	63	101	14,312
Share of (loss)/profit before tax	(2,305)	(82)	1	5,505	(9)	-	-	3,110
Share of tax	150	(85)	-	-	-	-	-	65
Long-term loans	1,327	367	-	-	-	-	-	1,694
Contribution from shareholders	-	-	-	1,511	25	-	16	1,552
Balance at 31 December 2010	**9,659**	**3,849**	**29**	**7,016**	**-**	**63**	**117**	**20,733**

As of 30 June 2011, the Group has a payable of €11,470 thousand (31.12.2010: €10,590 thousand) to Aristo joint ventures with Alea Limassol Star Limited and St. Chara Developers Limited (see note 20).

The details of the above investments are as follows:

Name	Country of incorporation	Principal activities	Shareholding interest 30 June 2011	Shareholding interest 31 December 2010
Athiari Commercial (Paphos) Limited	Cyprus	Ownership and development of land	-	50%
Athiari Residential (Paphos) Limited	Cyprus	Ownership and development of land	-	50%
Aristo Accounting S.A.	Greece	Provision of professional services	49%	49%
Joint venture between Aristo and Alea Limassol Star Limited	Cyprus	Ownership and development of land	50%*	50%*
Joint venture between Aristo and St. Chara Developers Limited	Cyprus	Ownership and development of land	50%	50%
Joint venture between Aristo and Poseidon	Cyprus	Construction of marina	25%	25%
Joint venture between Aristo and Tsada/Randi Cyprus Golf Resorts	Cyprus	Management and operation of golf resort	50%	50%

* *The profit sharing fluctuates and is based on the actual contributions of the venturers.*

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

Summary of financial information for equity accounted investees as at 30 June 2011 and 31 December 2010, not adjusted for the percentage of ownership held by the Group:

	Aristo Accounting S.A. €'000	Joint venture between Aristo and Alea Limassol Star Limited €'000	Joint venture between Aristo and St.Chara Developers Limited €'000	Joint venture between Aristo and Poseidon €'000	Join venture between Aristo and Tsada/ Randi Cyprus Golf Resorts €'000	Total €'000
30 June 2011						
Current assets	127	4,434	317	333	372	5,583
Non-current assets	7	-	-	-	13	20
Total assets	134	4,434	317	333	385	5,603
Current liabilities	55	254	1	-	56	366
Non-current liabilities	-	-	-	-	-	-
Total liabilities	55	254	1	-	56	366
Revenues	402	5,093	-	-	-	5,495
Expenses	(375)	(146)	-	-	-	(521)
Profit	27	4,947	-	-	-	4,974

31 December 2010	Athiari Commercial (Paphos) Limited €'000	Athiari Residential (Paphos) Limited €'000	Aristo Accounting S.A. €'000	Joint venture between Aristo and Alea Limassol Star Limited €'000	Joint venture between Aristo and St.Chara Developers Limited €'000	Joint venture between Aristo and Poseidon €'000	Joint venture between Aristo and Tsada/ Randi Cyprus Golf Resorts €'000	Total €'000
Current assets	286	-	113	3,330	317	251	324	4,621
Non-current assets	55,330	20,371	11	-	-	-	13	75,725
Total assets	55,616	20,371	124	3,330	317	251	337	80,346
Current liabilities	68	100	70	3,037	1	-	56	3,332
Non-current liabilities	58,615	19,853	-	-	-	-	-	78,468
Total liabilities	58,683	19,953	70	3,037	1	-	56	81,800
Revenues	-	853	477	15,197	13	-	1,029	17,569
Expenses	(4,307)	(1,188)	(479)	(7,489)	(66)	-	(1,029)	(14,558)
Profit/(loss)	(4,307)	(335)	(2)	7,708	(53)	-	-	3,011

13. RECEIVABLES AND OTHER ASSETS

	30 June 2011 €'000	31 December 2010 €'000
Trade receivables	19,894	21,465
Investment Manager fee prepayments	4,485	-
Accrued interest receivable	22	45
Investments at fair value through profit or loss	138	190
Amount receivable from Houari Investments Limited ('Houari') (see note 22.5)	3,700	-
Amount receivable from Archimedia Holding Corp. (see note 22.4)	7,750	-
Other receivables and prepayments	16,334	11,712
Total	**52,323**	**33,412**

14. CASH AND CASH EQUIVALENTS

	30 June 2011 €'000	31 December 2010 €'000
Bank balances	28,485	18,773
One-week deposits	6,718	1,017
One-month fixed deposits	-	4,345
Three-month fixed deposits	4,040	5,647
Total	**39,243**	**29,782**

The average interest rate on the above fixed deposit balances for the six-month period ended 30 June 2011 was 2.471% (31.12.2010: 1.384%).

15. CAPITAL AND RESERVES

CAPITAL

Authorised share capital

	30 June 2011		31 December 2010	
	'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 2010 and 31 December 2010	627,709	6,277	812,520
Shares issued in relation to business combination on 31 March 2011 (see note 22.4)	11,129	111	4,918
Re-issuance of own shares in relation to business combination on 31 March 2011	-	-	(5)
Capital at 30 June 2011	**638,838**	**6,388**	**817,433**

RESERVE

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group.

On 31 March 2011, the Company re-issued all of its 307 thousand common shares to Grupo Eleta as part of the deferred consideration for the Group's Pearl Island transaction.

Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the interim financial statements of foreign operations.

Revaluation reserve

Revaluation reserve relates to the revaluation of property, plant and equipment net of any deferred tax.

16. LOANS AND BORROWINGS

	Total		Within one year		Within two to five years		More than five years	
	30 June 2011 €'000	31 December 2010 €'000	30 June 2011 €'000	31 December 2010 €'000	30 June 2011 €'000	31 December 2010 €'000	30 June 2011 €'000	31 December 2010 €'000
Loans in Euro	343,538	333,641	52,443	56,821	247,654	244,304	43,441	32,516
Loans in United States Dollars	18,437	22,878	3,466	6,254	11,358	12,700	3,613	3,924
Bank overdrafts in Euro	31,242	30,860	31,242	30,860	-	-	-	-
Convertible bonds payable	27,795	-	-	-	27,795	-	-	-
Total	**421,012**	**387,379**	**87,151**	**93,935**	**286,807**	**257,004**	**47,054**	**36,440**

Convertible bonds payable

On 29 March 2011, DCI Holdings Seven Limited ('DCI H7') issued 4,000 bonds at US$10,000 each, bearing an interest of 7% p.a., payable semi-annually, and maturing on 29 March 2016.

Bonds may be converted prior to maturity (unless earlier redeemed or repurchased) at the option of the holder into Company's common shares of €0.01 each for an initial conversion price of US$0.7998 (equivalent of GBP 0.50 on issuance date), subject to anti-dilution adjustments pursuant to the bond's terms and conditions. The number of shares to be issued on exercise of a conversion right shall be determined by dividing the principal amount of the bonds to be converted by the conversion price in effect on the relevant conversion date.

At the option of bondholders, some or all of the principal amount of the bonds held by a bondholder may:

(i) be repurchased by the Issuer; and

(ii) the consideration for such repurchase shall be the transfer by the Company to the bondholder of land plot(s) at the Issuer's Playa Grande Aman development in the Dominican Republic.

17. FINANCE LEASE OBLIGATIONS

	30 June 2011			31 December 2010		
	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000
Less than one year	563	165	398	537	136	401
Between two and five years	2,130	613	1,517	1,913	505	1,408
More than five years	30,016	22,618	7,398	29,942	22,426	7,516
Total	**32,709**	**23,396**	**9,313**	**32,392**	**23,067**	**9,325**

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

18. DEFERRED TAX ASSETS AND LIABILITIES

	30 June 2011		31 December 2010	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Balance at beginning of period/year	3,066	(120,193)	2,185	(127,126)
From disposal of subsidiary	-	-	-	110
Credit in the condensed consolidated interim statement of comprehensive income	1,125	3,315	804	7,204
Exchange difference and other	(190)	118	77	(381)
Balance at end of period/year	**4,001**	**(116,760)**	**3,066**	**(120,193)**

Deferred tax assets and liabilities are attributable to the following:

	30 June 2011		31 December 2010	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Revaluation of investment property	-	(99,424)	-	(101,136)
Revaluation of trading properties (on acquisition of subsidiaries)	-	(11,998)	-	(13,428)
Revaluation of property, plant and equipment	-	(5,493)	-	(5,185)
Other temporary differences	-	155	-	(444)
Tax losses	4,001	-	3,066	-
Total	**4,001**	**(116,760)**	**3,066**	**(120,193)**

19. OTHER NON-CURRENT LIABILITIES

	30 June 2011 €'000	31 December 2010 €'000
Land creditors	21,358	21,214
Amount due to customers for contract work	-	80
Payable to the former controlling shareholder of PGH project (see note 22.4)	2,780	3,018
Other non-current liabilities	10,778	994
Total	**34,916**	**25,306**

20. TRADE AND OTHER PAYABLES

	30 June 2011 €'000	31 December 2010 €'000
Trade payables	6,612	7,282
Amount due to customers for contract work	19,423	20,540
Land creditors	1,055	1,035
Investment Manager fees payable	927	921
Incentive fees payable to the non-controlling shareholder of Pearl Island project (see note 22.4)	-	5,810
Payable to the former controlling shareholder of PGH project (see note 22.4)	4,864	5,282
Payables to Aristo joint ventures (see note 12)	11,470	10,590
Other payables and accrued expenses	9,308	10,873
Total	**53,659**	**62,333**

21. NET ASSET VALUE PER SHARE

	30 June 2011 '000	31 December 2010 '000
Total equity attributable to equity holders of the Company (€)	1,089,501	1,143,524
Number of common shares outstanding at end of period/year	638,838	627,403
Net asset value per share (€)	**1.71**	**1.82**

22. RELATED PARTY TRANSACTIONS

22.1 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 2011 were as follows:

	Shares '000
Miltos Kambourides (indirect holding)	49,749
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.

22.2 Investment Manager fees

Annual fees

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

- €884 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 periods ended 30 June 2011 and 2010, amounted to €8,945 thousand and €8,914 thousand, 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 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 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.

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

Escrow

The following table displays the current escrow arrangements:

Escrow	Terms
Up to €109 million returned	50% of overall performance fee held in escrow
Up to €109 million plus the cumulative hurdle returned	25% of any performance fee held in escrow
After the return of €409 million post-hurdle, plus the return of 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 2020, 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.

No performance fees were charged to the Company for the six-month periods ended 30 June 2011 and 2010. As at 30 June 2011 and 31 December 2010, funds held in escrow, including accrued interest amounted to €927 thousand and €921 thousand, respectively.

22.3 Directors' remuneration

Total fees paid to the Directors for the six-month period ended 30 June 2011 and 30 June 2010 were as follows:

	From 1 January 2011 to 30 June 2011 €'000	From 1 January 2010 to 30 June 2010 €'000
Andreas Papageorghiou	7.5	7.5
Cem Duna	7.5	7.5
Nicholas Moy*	7.5	7.5
Roger Lane-Smith	22.5	22.5
Antonios Achilleoudis	7.5	7.5
Christopher Pissarides*	3.4	-
Total	**55.9**	**52.5**

*On 6 June 2011, Mr. Nicholas Moy resigned from the Board and Mr. Christopher Pissarides was appointed as non-executive Director.

Mr. Kambourides has waived his fees.

22.4 Shareholder and development agreements

Shareholder agreements

DCI Holdings Twenty One Limited ('DCI 21'), a subsidiary of the Group, has signed a shareholder agreement with the non-controlling shareholder of Pedro Gonzalez Holdings I Limited, Grupo Eleta, the company's local 40% partner. DCI 21 has acquired 60% of the shares of Pearl Island project by paying Grupo Eleta a sum upon closing and a conditional payment to be paid in the event Grupo Eleta is successful in obtaining full masterplan and environmental permits. Following receipt of the EIS approval, the renegotiated amount due of US$25.7 million was payable as follows: US$10 million in cash; US$6 million payable in the form of 9,061,266 Company own shares (issued at GBP0.40); and US$9.7 million (plus Libor-based interest plus 400 basis points) payable one calendar year from the execution of the Revised Agreements. The cash payment of US$10 million to Grupo Eleta, was made on 30 September 2009, and the transfer of 9,061,266 own shares worth US$6 million was made on 5 October 2009, pursuant to the renegotiated terms of the transaction. On 28 September 2010 the parties signed a second amended and restated agreement, under which DCI 21 made a payment of US$2.5 million, with the remaining amount of US$7.6m to be transferred six months later including interest accruing from the date of the renegotiation, either in the form of cash or Company's shares according to the sole discretion of DCI 21. On 30 March 2011, the Company paid US$389 thousand in cash, and on 31 March 2011 issued 11,128,586 new common shares (issued at GBP0.40) million and transferred 306,681 own shares (issued at GBP0.40) to Grupo Eleta as a full settlement of the deferred consideration.

DolphinCI Twenty Two Limited, a subsidiary of the Group, has signed a shareholder agreement with the non-controlling shareholder of Eastern Crete Development Company S.A. DolphinCI Twenty Two Limited has acquired 60% of the shares of Plaka Bay project by paying the former majority shareholder a sum upon closing and a conditional amount in the event the non-controlling 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 non-controlling shareholder of Iktinos Techniki Touristiki S.A. ('Iktinos'). Under its current terms, DolphinCI Thirteen Limited has acquired approximately 80% of the shares of Latirus Enterprises Limited (Sitia Bay project) by paying the non-controlling shareholder an initial sum upon closing and a conditional amount in the event the non-controlling shareholder will be successful in, among others, acquiring additional specific plots and obtaining construction permits.

On 24 December 2009, the Group signed an agreement with Exactarea International Limited ('Exactarea') for the sale of a 33.33% stake in Single Purpose Vehicle Ten Limited ('SPV10') (Kea resort project) for a consideration of €4.1 million. The transfer of the shares was completed in February of 2011, following the full payment of the agreed price and in accordance with the shares sale agreement.

On 20 September 2010, the Group signed an agreement with Archimedia Holding Corp. ('Archimedia') controlled by John Hunt, for the sale of a 14.29% stake in the Aman at Porto Heli for a consideration of €11 million. The agreement was also granting Archimedia the right to partially or wholly convert this shareholding stake into up to three predefined Aman Villas (the 'Conversion Villas') for a predetermined value and percentage per Villa. The first €1 million of the consideration was received at signing, while the completion of the transaction and the payment of the €10 million balance was subject to customary due diligence on the project and the issuance of the construction permits for the Conversion Villas prior to a longstop date set at 1 April 2011. On 28 March 2011, the Company reached an agreement with Archimedia to vary the original terms of the sale agreement. The renegotiated consideration is payable as follows: US$4,052 thousand received on 1 April 2011; US$10 million (plus interest 7% p.a.) receivable on Hotel opening date; US$978 thousand, plus any additional consideration that may be due depending on the final m2 and feautures of the Conversion Villas, to be received upon completion of the Conversion Villas. The total receivable amount of US$10,978 thousand (€7,750 thousand) is included in receivables and other assets (see note 13).

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 non-controlling 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 advisers, 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 ('DRB'), the former majority shareholder of PGH and to deliver to DRB four villas designed by Aman Resorts. The total provision for the above, which was formed in 2009, is US$ 11 million (€7,644 thousand) with the long-term portion included in other non-current liabilities (see note 19) and the short-term included in trade and other payables (see note 20).

Pedro Gonzalez Holdings II Limited, a subsidiary of the Group, has signed a Development Management agreement with DCI Holdings Twelve Limited ('Developer') in which the Group has a stake of 60%. Under its terms, the Developer undertakes, among others, the management of permitting, construction, sale and marketing of the Pearl Island Project.

22.5 Other related parties

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

Related party name	€'000	Nature of transaction
Aristo Accounting S.A.	213	Accounting fees
John Heah	257	Design fees in relation to Kea Resort project and Playa Grande project
Iktinos Hellas S.A.	53	Project management service in relation to Sitia project and rent payment
J&P Development S.A.	30	Project management services in relation to Cape Plaka project
Theodoros Aristodemou	7,500	Disposal of 50% stakeholding in Kings Avenue Mall project in central Paphos, Cyprus

During the six-month period ended 30 June 2011, the Group disposed of its 50% stake in Athiari Commercial (Paphos) Limited and Athiari Residential (Paphos) Limited via the disposal of its 100% stake in Single Purpose Vehicle Eighteen Limited and Single Purpose Vehicle Ninenteen Limited to Houari. Mr. Theodoros Aristodemou, who holds more than 10% of the Company's issued share capital, is a 50% shareholder of Houari.

23. BUSINESS COMBINATIONS

During the six-month period ended 30 June 2011, the Group increased its ownership interest without any change in control in the following entity:

	Playa Grande Holdings Inc.
	€'000
Non-controlling interest acquired	86
Consideration transferred	-
Gain on disposal	**86**

The Group has increased its shareholding interest in PGH by 0.21% as a result of a dilution in non-controlling interests.

During the six-month period ended 30 June 2011, the Group disposed of its 100% stake in the following Cyprus subsidiaries:

	Single Purpose Vehicle Eighteen Limited €'000	Single Purpose Vehicle Ninenteen Limited €'000	Total €'000
Investment in equity accounted investees (see note 12)	(9,228)	(3,705)	(12,933)
Other net (assets)/liabilities	(130)	21	(109)
Net assets disposed of	(9,358)	(3,684)	(13,042)
Proceeds on disposals	11,250	3,750	15,000
Gain on disposal	**1,892**	**66**	**1,958**
Cash effect on disposal:			
Proceeds on disposal	11,250	3,750	15,000
Cash and cash equivalents	-	-	-
Net cash inflow on disposal of subsidiaries	**11,250**	**3,750**	**15,000**

During the six-month period ended 30 June 2011, the Group reduced its ownership interest without losing control in the following Cyprus subsidiaries:

	DolphinCI Fourteen Limited €'000	Single Purpose Vehicle Ten Limited €'000	Total €'000
Non-controlling interest disposed of	(958)	979	21
Proceeds on disposal	11,328	4,139	15,467
Less: receivables assignment to new shareholders	(8,020)	(4,914)	(12,934)
Net proceeds on disposal	3,308	(775)	2,533
Gain on disposal	**2,350**	**204**	**2,554**
Cash effect on disposal:			
Net proceeds on disposal	3,308	(775)	2,533
Cash and cash equivalents	-	-	-
Net cash inflow on disposal of subsidiaries	**3,308**	**(775)**	**2,533**

24. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2010.

Risk from economic crisis

The recent escalation of the sovereign debt crisis in Greece (and at a smaller scale in Cyprus) has ignited discussions in the international media involving scenarios of default and/or Greece's exit from the Eurozone. Even though the impact of such eventualities on the domestic economy would be admittedly detrimental, it is not anticipated that they will necessarily impact Dolphin's business model in a negative way which, like other export-driven sectors, essentially relies on external (and not domestic) demand. On the contrary, Greek and Cypriot tourism has witnessed impressive growth in 2011 whilst the Greek debt crisis has reduced construction costs for the projects that Dolphin has under development and is expected to lower the operational expenses for our resorts in both countries. Also, it has been a catalyst in adopting a faster entitlement process for development projects in Greece.

25. COMMITMENTS

As of 30 June 2011, the Group had a total of €21,648 thousand contractual capital commitments on property, plant and equipment (31.12.2010: €31,474 thousand).

Non-cancellable operating lease rentals are payable as follows:

	30 June 2011 €'000	31 December 2010 €'000
Less than one year	19	75
Between two and five years	79	47
More than five years	23	-
Total	**121**	**122**

26. CONTINGENT LIABILITIES

Aristo had contingent liabilities in respect of bank guarantees arising in the ordinary course of business, from which management does not anticipate any material liability to arise. These guarantees amount to €43.8 million (31.12.2010: €39.6 million).

Companies of the Group are involved in pending litigations. Such litigations principally relate to day-to-day operations as a developer of second-home residences and largely derive from certain clients and suppliers. Based on the Group's legal advisers, the Investment Manager believes that there is sufficient defence against any claim and they do not expect that the Group will suffer any material loss. As a result, no provision has been recorded in relation to this matter in these condensed consolidated interim financial statements.

If investment properties, trading properties 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 €59 million (31.12.2010: €70 million).

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

27. SUBSEQUENT EVENTS

There were no material events after the reporting period which affects the condensed consolidated interim financial statements as at 30 June 2011.