

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM THE UNITED STATES OF AMERICA OR ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION

This announcement is not an offer for sale of any securities of Dolphin Capital Investors Limited. Securities of Dolphin Capital Investors Limited, including any offering of its convertible bonds and the shares into which they may be converted, may not be offered or sold in the United States absent registration under United States securities laws or unless exempt from registration under such laws. The offering of Dolphin Capital Investors Limited's securities described in this announcement has not been and will not be registered under United States securities laws, and accordingly, any offer or sale of these securities may be made only in a transaction exempt from registration.

14 March 2013

DOLPHIN CAPITAL INVESTORS LIMITED

("DCI" or "Dolphin" or the "Company"
and together with its subsidiaries the "Group")

Proposed Issuance of Convertible Bonds, Tender offer for Playa Grande Bonds, Amendment in the Investing Policy and Directorate Appointment

Dolphin Capital Investors Limited, a leading global investor in the residential resort sector in emerging markets and one of the largest real estate investment companies on AIM in terms of net assets, is pleased to announce a proposed issuance of Convertible Bonds, a proposed amendment to its investing policy and the appointment of a new non-executive director to its Board of Directors.

A. Proposed Issuance of Convertible Bonds

Introduction

The Company is proposing to issue €50 million of new 5-year, 5.5% coupon unsecured Euro Convertible Bonds (the "**Euro Bond Issue**") convertible into DCI common shares at an initial conversion price of €0.5737 per Share (representing £0.50 per Share converted into Euros at the fixed exchange rate of £1.00: €1.1474), and up to US\$30 million of new 5-year, 7% coupon unsecured US\$ Convertible Bonds (the "**US\$ Bond Issue**") convertible into DCI common shares at an initial conversion price of US\$0.6717 per Share (representing £0.45 per Share converted into US\$ at the fixed exchange rate of £1.00:US\$1.4928) (together the "**Issue**"). The Euro Bond Issue and up to US\$ 28 million of the US\$ Bond Issue are being backstopped in agreed proportions by, (i) funds (the "**Third Point Funds**") under the discretionary management of Third Point LLC, ("**Third Point**"), and (ii) funds (the "**Monarch Funds**") under the discretionary management of Monarch Alternative Capital LP ("**Monarch**"). The Board of Directors has the discretion to allocate up to €23 million of the Euro Bond Issue and US\$14 million of the

US\$ Bond Issue to existing shareholders and new investors (other than the Third Point Funds and the Monarch Funds).

Use of Proceeds

The proceeds of the Euro Bond Issue will be principally used, (i) to provide the Company with further funds to make opportunistic investments in attractive distressed assets or other projects that may be Net Asset Value ("**NAV**") accretive for the Company, and which are intended to generate a significant return multiple on investment, and (ii) to establish and seed a new investment platform to become the holding entity for the Company's existing Americas projects – Playa Grande Club & Reserve, Dominican Republic (www.playagrande.com, "**Playa Grande**") and Pearl Island Resort, Panama (www.pearlisland.com, "**Pearl Island**").

Given the current economic environment, particularly in Greece and Cyprus, there are several opportunities available to acquire land and resort assets in prime locations at a significant discount to both their replacement costs and fair values, whilst there are currently almost no local or international institutional investors active in the market.

In addition, the Company intends to transfer its Americas projects, Playa Grande and Pearl Island, into a wholly-owned common holding platform ("**Dolphin Capital Americas**"). Dolphin Capital Americas will be funded, (i) to continue the development of Playa Grande and Pearl Island with the aim of realising significant returns for shareholders, and (ii) to pursue further NAV accretive, attractively-priced or distressed acquisitions in the Americas. Following the formation of Dolphin Capital Americas, the Company will look at optimum alternatives to further capitalise, grow and realise value from the platform.

Given that the proposed initial conversion prices of the Euro Convertible Bonds and US\$ Convertible Bonds are less than the prevailing net asset value per share, the Company will convene an extraordinary general meeting of Shareholders to approve the proposed Issue (the "**EGM**"). The Company has already received non-binding expressions of support for the Issue from existing Shareholders with a combined shareholding in the Company of over 50%. Further details of the Issue will be included in the EGM circular (the "**Circular**"), which is expected to be sent to Shareholders during the week of 11 March 2013.

Basic Terms of the Issue

The basic terms of the Euro Bond Issue are:

- Coupon – 5.50% per annum, payable semi-annually in arrears in equal instalments on 30 June and 31 December in each year, beginning 30 June 2013 with a short first and final coupon.
- Maturity date – fifth anniversary of the issue date.

- Initial conversion price - €0.5737 per Share (representing £0.50 per Share converted into Euros at the fixed exchange rate of £1.00: €1.1474).

The basic terms of the US\$ Bond Issue are:

- Coupon – 7.00% per annum, payable semi-annually in arrears in equal instalments on 30 June and 31 December in each year, beginning 30 June 2013 with a short first and final coupon.
- Maturity date –fifth anniversary of the issue date.
- Initial conversion price – US\$0.6717 per Share (representing £0.45 per Share converted into US\$ at the fixed exchange rate of £1.00:US\$1.4928).

Backstop Arrangements

On 14 March 2013, the Company entered into conditional subscription agreements with, (i) the Third Point Funds, and (ii) the Monarch Funds, to backstop the Euro Bond Issue and up to US\$28 million of the US\$ Bond Issue in agreed proportions. Completion of these subscriptions is subject to the satisfaction of a number of material pre-conditions including, amongst others, the approval of the Issue and the amendment of the Company's investing policy (described further below) at the EGM.

Third Point is an SEC-registered investment adviser based in New York, with over US\$11.8 billion in assets under management. Pursuant to the Company's share issuance in October 2012, funds under the discretionary management of Third Point currently hold approximately 20.08 per cent of the Company's issued share capital.

Monarch is an SEC-registered private investment firm with nearly US\$5.5 billion in assets under management.

Pursuant to these backstopping arrangements, the Company has the discretion to accept, (i) up to €23 million of subscriptions in relation to the Euro Bond Issue, and (ii) up to US\$14 million of subscriptions in relation to the US\$ Bond Issue from certain, limited categories of existing DCI shareholders and new investors by scaling down the allocations of the Third Point Funds and the Monarch Funds. The Circular will set out the terms on which eligible DCI shareholders and new investors may participate in the Issue.

Related party transaction

As funds under the discretionary management of Third Point currently hold 20.08% of the Company's issued share capital, the entry into of the conditional subscription agreement with, the issue of any Convertible Bonds to, and the associated backstopping arrangements with the Third Point Funds, noted above, constitute a "related party transaction" for the purposes of the AIM Rules. In accordance with the AIM Rules, the Board, having consulted with the Nominated Adviser, believes the entry into of the conditional subscription agreement with, the issue of any Convertible Bonds to, and the associated

backstopping arrangements with, the Third Point Funds are fair and reasonable insofar as the Shareholders are concerned.

B. Tender offer for the Playa Grande Bonds

In the process of the establishment of the Dolphin Capital Americas platform, the Playa Grande project will be transferred to a new wholly-owned holding company, and will no longer form part of the assets of DCI Holdings Seven Ltd, the Company's subsidiary, which is the current owner of the Playa Grande project and the issuer of the US\$40 million convertible Playa Grande bonds (the "**Playa Grande Bonds**").

The refinancing of the existing Playa Grande Bonds will improve the platform's prospects for attracting new investors or joint venture partners and for further expanding in the region. Moreover the proposed partial refinancing of the existing Playa Grande Bonds is expected to free-up a number of Aman lots in the Playa Grande project which would have been exchangeable against the Playa Grande Bonds retired at a discount to their retail value, and will now become available for sale, thus adding to the project's expected cash flows and profitability.

In light of this, DCI Holdings Seven Ltd will launch a conditional tender offer (the "**Tender Offer**") to holders of the Playa Grande Bonds to purchase all of their bonds at an amount equal to their par value plus accrued interest. Fortress Investment Group LLC, which through an affiliate holds US\$12 million of the issued Playa Grande Bonds, has indicated to the Company that it does not intend to tender any bonds pursuant to the Tender Offer. The proceeds of the US\$ Bond Issue will be used to fund the consideration (if any) payable pursuant to the Tender Offer. Further details of the Tender Offer, including the conditions to the Tender Offer, will be sent to the holders of the Playa Grande Bonds shortly and will be further summarised in the Circular.

Amendment to the Company's Investing Policy

The Company's AIM admission document dated 5 December 2005 provided that Greece, Cyprus, Turkey and Croatia, together with their neighbouring countries, would comprise the Company's "Primary Investment Region". As announced by the Company on 14 June 2008, this policy was varied to enable the Company to invest capital into other geographies outside the Primary Investment Region that demonstrate similar value upside characteristics provided, however, that such investments would not exceed 5% of the Company's last reported NAV at the time of investment.

Given that the proposed formation and further seeding of the Dolphin Capital Americas platform is expected to significantly add to the future growth and returns of the Company, the Board has, subject to Shareholder approval, resolved that the Americas should constitute the Company's "Secondary Investment Region" and that, provided that investments in the Secondary Investment Region will not exceed one third of the Company's last reported NAV at the time an investment is made, there should

be no further restrictions on the funds invested in the Secondary Investment Region. A resolution will be proposed at the Company's EGM to approve this proposed amendment to the Investing Policy.

C. Directorate Appointment

The Board of Dolphin is pleased to announce the appointment of Mr David B. Heller to the Board as a non-executive director with immediate effect. Mr. Heller was nominated for appointment by Third Point LLC pursuant to the terms of clause 8 of the subscription agreement dated 25 September 2012 entered into between the Company and various funds managed by Third Point LLC.

Mr Heller is a private investor whose holdings include stakes in the Philadelphia 76ers and the Standard East Village hotel. He is a former Co-Head of the Goldman Sachs Global Securities Division where he sat on the firm's Management Committee, Risk Committee, Business Practices Committee and Finance Committee. David joined Goldman in 1989 in New York as an equity derivatives trader. He worked for Goldman in Japan from 1993-1998, initially as an equity derivatives trader and latterly as the co-head of Goldman's Japanese equity business. David transferred to London in 1999 to become the global head of equity derivatives trading and returned to New York in 2002. In 2006 he was named global head of equity trading. He retired from Goldman in March, 2012.

After the appointment of David B. Heller the members of the Board will be increased to seven.

It is also worth noting that existing Board member Christopher Pissarides, Nobel Prize laureate of Economics in 2010, was recently appointed by the newly elected President of the Republic of Cyprus as the Chairman of the country's Economic Policy Council which will oversee the Cypriot economy and issue proposals to the President regarding macroeconomic issues.

Commenting, Miltos Kambourides, Managing Partner of Dolphin Capital Partners, said:

"The issue of the convertible bonds and the creation of our Dolphin Capital Americas platform represent exciting developments in the company's evolution. The additional liquidity will allow Dolphin to take advantage of very attractive opportunities that we see in our markets to enhance NAV and potential absolute returns.

I would also like to take this opportunity to welcome David B. Heller to the Dolphin board. David is an enormously experienced and successful professional, and I am certain that his contribution to the company will prove invaluable as we move forward."

For further information, please contact:

Dolphin Capital Partners

Miltos E. Kambourides
Pierre A. Charalambides
Katerina G. Katopis
Eleni Florou

miltos@dolphincp.com
pierre@dolphincp.com
katerina@dolphincp.com
ef@dolphincp.com

Panmure Gordon

(Broker)
Richard Gray / Dominic Morley / Andrew Potts

+44 (0) 20 7886 2500

Grant Thornton Corporate Finance

(Nominated Adviser)
Philip Secrett

+44 (0) 20 7383 5100

FTI Consulting, London

Stephanie Highett
Will Henderson
Daniel O'Donnell

+44 (0)20 7831 3113
stephanie.highett@fticonsulting.com
will.henderson@fticonsulting.com
daniel.o'donnell@fticonsulting.com

Notes to Editors

Dolphin (www.dolphinci.com) is a leading global investor in the residential resort sector in emerging markets and one of the largest real estate investment companies 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 developing sophisticated leisure-integrated residential resorts.

Since its inception in 2005, Dolphin has raised €948 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.

Dolphin's portfolio is currently spread over approximately 63 million m² 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 a 49.8% strategic participation in Aristo Developers Ltd, which is one of the largest holiday home developers in south east Europe with more than 60 smaller holiday home projects in Cyprus.

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

Further information

The following further information is disclosed pursuant to Schedule 2 (g) of the AIM rules.

Mr David Bennet Heller, aged 46, currently holds, and has held (including all appointments during the five years preceding the date of this announcement), the following directorships and partnerships, other than of the Company.

Current Directorships/Partnerships	Past Directorships/Partnerships (in the last 5 years)
ASE Alpha Properties	
Berry Plastics Group Inc.	
HeliFlite LLC	
Peloton Interactive LLC	
TruEffect Inc.	None
Acumen Fund	
The New Museum of Contemporary Art	
Project Morry	
Third Way	
Philadelphia 76ers	

-END-