

20 May 2013

DOLPHIN CAPITAL INVESTORS LIMITED
("Dolphin" or the "Company")

Sale of the Venus Rock Golf Resort in Cyprus

Dolphin, 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 is pleased to report that, on 17 May 2013 (the "**Closing Date**"), the Company's 49.8% subsidiaries Aristo Developers Ltd ("**Aristo**") and Venus Rock Estates Ltd (together, the "**Sellers**") executed a binding Contract of Sale (the "**Agreement**") for their interest in the Venus Rock Golf Resort ("**Venus Rock**").

The Venus Rock transaction

- The Agreement has been entered into with a Hong-Kong based international conglomerate and real estate investment group (the "**Purchaser**") for the sale of shares and assets in the Venus Rock project, comprising all the plots and land, all permits and licenses granted, all related machinery and stock, and all the contracts and other agreements relating to the Project's development (the "**Transaction**").
- The agreed purchase price for the sale of the Sellers' interest in Venus Rock amounts in aggregate to €290 million (the "**Purchase Price**") and comprises a fixed consideration of €241.5 million and a conditional deferred consideration of €48.5 million.
- An amount of €15 million from the deferred consideration is conditional upon the increase of the existing residential building capacity of the two golf phases of the Venus Rock project, expected to materialize soon as this measure has already been announced by the Cypriot government (as reported in the Company's 22 April announcement). The €33.5 million balance is conditional upon the finalisation of the on-going rezoning of certain agricultural land plots included in the project within 12 months from the Closing Date, which may be expected with more than 50% certainty.
- The Sellers have already received a non-refundable deposit of €2 million against the Purchase Price, while another €10 million is payable anytime before 30 June 2013. The remaining €229.5 million fixed consideration will be paid in part within three months from the Closing Date and the balance within six months, depending on the release of the existing mortgages over the Venus Rock project. The mortgage free titles of the Venus Rock properties will be transferred to the Purchaser (or affiliated companies designated by the Purchaser) proportionately upon the payment of the respective fixed consideration instalments.
- The €48.5 million conditional deferred consideration is payable within six months from the Closing Date, provided that the relevant conditions are met, or within 12 months from the Closing Date, in the case where the relevant conditions are met after six months from the Closing Date (proportionate payment is provided in case the conditions are only partly completed).
- The aggregate tax liabilities, agency commission expenses and other costs arising from the Transaction for the Sellers are expected to be in the region of 9% - 13% of the Purchase Price.

Financial impact on Dolphin and Aristo

The €290 million Purchase Price for the Venus Rock project represents a c.22% discount to its latest valuation of €370 million as at 31 December 2012 (a c. 31% discount if the conditions for the €33.5 million part of the conditional deferred consideration are not met).

The transaction is expected to result in a decrease in Dolphin's Net Asset Value ("**NAV**") per share by 7.7% (from 90p to 83p) and 5.6% (from 81p to 76p) before and after deferred income tax liabilities ("**DITL**") respectively based on the 31 December 2012 reported NAV.

The reduction of NAV per share is estimated to reach 9.9% (from 90p to 81p) and 8.1% (from 81p to 74p) before and after DITL respectively in the case where the conditions for the €33.5 million part of the conditional deferred consideration are not met.

It should be noted that the exact reduction in Dolphin's NAV will depend, among others, on the crystallisation of the tax liabilities, agency commission expenses and other transactional costs.

Dolphin's 49.8% of the net Purchase Price (after deducting the €25 million project loans, any related taxes and other transactional costs to be incurred) would amount to c. €117 million and would represent a 1.41x return on the Company's allocated €83 investment cost (c. €102 million and a 1.22x return on investment cost in the case where the conditions for the €33.5 million part of the conditional deferred consideration are not met).

From the Purchase Price proceeds received by Venus Rock through this Transaction:

1. an amount of €25 million will be used to repay the existing project loans.
2. an amount ranging between €25 million and €39 million (or 9% to 13% of the Purchase Price) will be used to pay related tax liabilities, agency commission expenses and other costs arising from the Transaction, depending on whether the conditions for the deferred conditional payments are met.
3. an amount of up to €103 million will be used for the release of existing mortgages on the Venus Rock properties (related to other Aristo projects) in the context of the Transaction with the benefit of deleveraging Aristo.
4. an additional amount might be used in the further deleveraging of Aristo in order to free-up new land assets for sale, as well as for working capital purposes.
5. the remaining balance of the Purchase Price will be distributed by the Sellers to their shareholders (Mr. Aristodemou and Dolphin) on a prorated basis. Depending on the deferred conditional consideration finally collected and the final amounts used under points 3 and 4 above, potential distributions to Dolphin would most likely range between €25 million to €40 million and could be utilised for working capital, project development, further acquisitions and share buy backs.

This transaction will result in the deleveraging of Aristo's overall debt liabilities by approximately 50% and will consequently:

- (i) improve Aristo's sales capability and velocity by freeing up additional land and residential projects for sale;
- (ii) significantly reduce debt service expenses and improve Aristo's on-going profitability; and
- (iii) enable the company to continue to build its market leadership in Cyprus.

Miltos Kambourides, Managing Partner of Dolphin Capital Partners Limited, commented:

“In line with our strategic objectives for 2013, we are pleased to execute this landmark transaction, which has enormous benefits not only for Dolphin but also for the Cypriot economy in general. In a period of very challenging market and operational conditions in Cyprus due to the current banking crisis, the sale of Venus Rock for a significant cash consideration, demonstrates the quality of Dolphin’s real estate portfolio and proves the resilience of the Cyprus property market. We look forward to establishing a strategic partnership with the Purchaser of the Venus Rock project and expanding the relationship to other Dolphin assets”.

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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 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.

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