

23 September 2014

DOLPHIN CAPITAL INVESTORS LIMITED

(“DCI” or “Dolphin” or the “Company”

and together with its subsidiaries the “Group”)

Trading Update and Preliminary Half Year Results for the period ended 30 June 2014

Dolphin, a leading global investor in the residential resort sector in emerging markets, is pleased to release its unaudited half year results for the six months ended 30 June 2014 and provide an update on operational progress since its last trading update.

A. Operating Highlights since last Trading Update of 11 June 2014:

ADVANCED PROJECTS

- The Porto Heli Collection (www.portohelicollection.com), Greece
Amanzoe (www.amanzoe.com)
 - The operational performance of Amanzoe hotel in the year to date has been in line with our budget, with occupancy reaching 100% on many days during the peak season and average daily room rates in excess of €1,400.
 - Four new hotel beach pavilions adjacent to the Amanzoe Beach Club, and with direct beach access, were added to Amanzoe’s offering, further enhancing its luxury credentials.
 - During the period one more Villa sale reservation has been signed, bringing the total number of Aman villas already sold or reserved to date to 13. Moreover, there are ongoing advanced discussions for the sale of additional villas at Amanzoe, which are expected to complete soon.
 - A further two Amanzoe villas were added to Amanzoe’s rental programme in July 2014, bringing the total to four. Construction is progressing well on three further Villas, which are due to complete within 2015. Construction for one additional villa is expected to begin in Q4 2014.

The Jack Nicklaus Golf Course and Villas at Kilada Hills

- The Company is in negotiations with a major regional bank for a €16 million long term senior construction loan facility and a c. €6.5 million VAT bridge facility for the construction cost input VAT, and for the development of the Jack Nicklaus Signature Golf Course and Club House and the project’s Beach Club. Through the development of these leisure components, the Company expects to be able to sell over 110,000 m² of golf residences and c. 20,000 m² of hilltop villas in this first phase.
- As reported in the Company’s annual report released on 26 March 2014, the improved Strategic Investment permit for the entire project including the hotel component is advancing. The approval of the Strategic Environmental Impact Study from the regional council received on 10 June 2014 and the approval by the Ministry of Culture received on 30 July 2014 pave the way for the dispatch of the draft Presidential Decree, for review by the Greek Council of State, the completion of which will effectively seal the Strategic Incentive permitting process.

- In parallel, the existing building permits for the golf course remain in force and construction can start imminently, subject to finalising the funding package which, in addition to the bank finance, would require an equity contribution or third party investment of approximately €14 million.

The Nikki Beach Resort & Spa at Porto Heli (“Nikki Beach” - www.nikkibeachhotels.com)

- Nikki Beach welcomed its first guests on 28 July 2014 with notable coverage across the international and regional press.
- In August, the hotel enjoyed consistently high occupancy which reached 100% on a number of days. The feedback received so far confirms that Nikki Beach complements the Amanzoe offering, further enhancing The Porto Heli Collection experience.
- PR and marketing activities are underway and a PR agency has been appointed to promote the hotel operations and launch the project’s residential offering internationally, with 49 units being put forward for sale.

- Venus Rock Golf Resort (“Venus Rock” – www.venusrock.com), Cyprus

- Following the termination of the Venus Rock Sale Agreement with China Glory Investment Group (“CGIG”) as reported in the Company’s latest trading update, DCI Holdings Two Ltd (the parent company of Aristo) has decided to run a competitive process for the divestment of the Venus Rock project.
- Alongside this activity, Aristo has been developing new sales collateral for the re-launch of the Venus Rock plots and home sales, a major component of Aristo’s sales inventory, which had been on hold for the past year due to the transaction with CGIG.

- Playa Grande Club & Reserve (“Playa Grande” – www.playagrande.com), Dominican Republic

- Construction of the Aman Hotel is on schedule, with all 30 pavilions and the main lodge currently being built. The mock up pavilion of the Aman Hotel was completed, reviewed and approved by Aman Resorts in June 2014. Completion and opening is expected in the third quarter of 2015.
- The renovation of the front nine holes of the Robert Trent Jones Sr. golf course is scheduled to commence shortly, following the recent completion of the full renovation of the back nine holes by Rees Jones. We anticipate that the completion of the entire golf course will coincide with the commencement of operations at the Aman Hotel.
- On 21 August 2014, Dolphin signed a non-binding term sheet with a US institutional investor for a proposed investment in Playa Grande through the issue of a six year \$30 million mezzanine debt facility to DCA Holdings 7 Ltd, the holding company of the Playa Grande project. Since the signing of this term sheet, the investor has been undertaking legal, financial and technical due diligence, and the parties are working towards the closing of the transaction, which is expected in October 2014, at which time further details will be announced.
- This funding will enable Dolphin to accelerate the completion of all complementary leisure facilities to the Aman Hotel (including the Aman beach club, golf clubhouse, spa, gym, tennis, kids’ club, hiking and equestrian trails), to cover all general project overhead costs and debt service until the project becomes cashflow positive without relying on further pre-sales, and to complete the design of the project’s Playa Navio phase (second phase).

- Pearl Island (www.pearlisland.com), Panama
 - The team is value-engineering the designs for the planned Ritz Carlton Reserve hotel and construction is expected to begin in the first quarter of 2015, subject to the successful conclusion of ongoing discussions with regional banks to increase the approved debt facility of \$21 million to \$33 million, and sourcing the \$30 million of additional equity required.
 - The regional investor group that acquired the Founders' Phase is advancing construction works and the first group of turn-key villas and condos is scheduled to be delivered by the end of 2014/early 2015. Infrastructure works are progressing on schedule and various components of the Founders' Phase peninsula such as the airport, beach club, service pier, marina and breakwater have been completed.
 - The sale of lots and turn-key properties in the Founders' Phase is progressing, with values reflecting the strong demand and limited supply of luxury residential opportunities in Panama.
 - Dolphin remains in discussions with various strategic groups that have indicated an interest in investing and participating in one of the many development phases of the island, including the Ritz Carlton Reserve, the Marina and another luxury branded resort phase.

MAJOR PROJECTS

- Amankea Greece
 - On 28 July 2014, Amankea officially qualified to receive state subsidies, amounting to c. €4.9 million, for the construction of the project's leisure components.
 - Amankea is also in the final stage of negotiations with a major regional bank for a €22 million long term senior construction loan facility, a c. €7 million VAT bridge facility for the construction cost input VAT and a €5.4 million Letter of Guarantee for the pre-financing of the above mentioned state subsidies. The completion of this loan facility is expected within Q4 2014 and depends on the finalization of the bank's due diligence on the project, the conclusion of definitive documentation and final bank approval.
 - The Amankea construction can begin as soon as the construction drawings are completed and the final construction permit is received, but remains subject to finalizing the funding package which, in addition to the bank financing, would require an equity contribution or third party investment of approximately €16 million.
- LaVanta, Turkey
 - Two villas were sold during the period, for a total consideration of €0.5 million.
- Syros, Greece
 - On 19 September 2014, Zoniro entered into a binding pre-agreement with a foreign investor group for the sale of 10 land plots on the island of Syros. The land was part of the Aristo Greek portfolio which was 100% retained by DCI following the divestment of 50.2% of Aristo in 2012.
 - The transaction net consideration payable to Zoniro amounts to €1.94 million, of which the Company has already received a non-refundable advance of €0.22 million. The transaction consideration will be received in staged payments over the next 10 months and €1.15 million from the proceeds will be used for the repayment of debt which was secured against the plots.
 - The transaction represents a 26% premium to the asset's book value.

- Dolphin Capital Americas (“DCA”)

- Following the Letter of Intent signed by DCA to acquire one of the largest privately owned islands in the Bahamas through a corporate merger transaction on 24 March 2014, the Company conducted extensive due diligence and decided not to proceed at this point, as it was not comfortable with the project’s expected rate of return versus Dolphin’s existing projects.

ARISTO

- 52 homes and plots were sold by Aristo in the eight month period ending 31 August 2014, representing sales of €16 million. Both figures are in line with the performance over the corresponding period in 2013. 51% of the clientele originated from Russia and 40% from China.
- As indicated by the level of sales over the period, Aristo’s sales performance remains poor, putting a strain on the company’s cashflows. As a result, Aristo has prioritized its payments so as to ensure that its development programme continues on course, while it is making good progress in restructuring its bank obligations in a long term and sustainable way which will benefit both the company’s shareholders and its lenders – since such obligations are fully secured against land mortgages exceeding the respective loan values. To that regard, Aristo has already agreed the restructuring of its loan obligations with all of its lenders, except one – its major lender – with whom the company is in advanced discussions to agree a significant deleveraging of the Aristo group through a project level debt-to-preferred-equity conversion together with the re-profiling of the Aristo Group’s loan maturities and reductions in the interest rates incurred.
- In parallel, the company is taking actions both at the wholesale level (for example, by selling Venus Rock Golf Resort) as well as at the retail level by launching new projects to enhance the diversification of product offering and support its sales potential.
- In addition to the ongoing challenging market conditions, recent sales performance has been adversely affected by negative publicity relating to an investigation carried out by the authorities with regard to the subdivision of 177 land plots in a 160,000 m² site owned by Aristo in the Paphos area. Mr. Aristodemou and his wife were detained for questioning in the context of this investigation. The size of the disputed green area is 2,730 m² which, although not material, has drawn disproportional attention by the local investigators and media, due to the previous appointment of Mr. Aristodemou as the Chairman of Board of the Bank of Cyprus.
- The Aristo management is fully cooperating with the local authorities on all aspects of the investigation, and remains confident that its result will demonstrate that there has been no inappropriate action or intended omission by Aristo.

B. €40.4 million investment by Colony Capital into Amanzoe

- As announced on 8 August 2014, Colony Capital Acquisitions LLC (“Colony”) entered into final agreements with DolphinCI14 Ltd (the Company’s Cyprus subsidiary which holds the Group’s shareholding in Amanzoe) for a €40.4 million second priority loan facility (the “Facility”) into Amanzoe.
- The full loan facility proceeds have been drawn down as follows:
 - a. an amount of €10 million was used to refund a deposit that Archimedia Holdings Corp. (“Archimedia”) had advanced to the Company in the context of the corresponding Profit Sharing Agreement as reported by the Company on 26 March 2014, thus terminating the agreement in question;

- b. an amount of €21 million was returned to DCI; while
 - c. an amount of €9 million was retained by Amanzoe for future expansion and development costs.
- The transaction establishes a strategic relationship with Colony, one of the world's leading and most respected real estate investors with significant experience in large scale luxury integrated resorts and accelerates the return on capital to DCI in the Amanzoe investment.

C. Financial highlights:

- Total Group NAV as at 30 June 2014 was €638 million and €552 million before and after Deferred Income Tax Liabilities ("DITL") respectively. This represents a decrease of €9.73 million (1.5%) and €8.19 million (1.5%), respectively, from 31 March 2014. The decrease is mainly due to a small valuation loss in the Aristo portfolio, as well as to regular operating expenses, offset by revaluation gains in Amankea.
- Sterling NAV per share as at 30 June 2014 was 80p before DITL and 69p after DITL. This represents a decrease of 4.6% and 4.5% compared to the 31 March 2014 figures, due to the reasons stated above and to the 3.1% appreciation of Sterling versus Euro over the period.
- The Company continues to have a strong asset base coupled with low leverage:
 - Gross Assets of €905 million.
 - Total Debt of €169 million with a Group total debt to total assets value ratio of only 19%.
 - €50 million and US\$9.17 million of convertible bonds are held at the Company level. The Company has provided corporate guarantees for the US\$31 million outstanding Playa Grande Convertible Bonds, and the US\$19 million Playa Grande construction loan.

D. Strategic Focus

The strategic priorities of the Company are to:

1. Complete agreed sales of residential units and enhance the operational performance of the resorts.
2. Complete the development of the Aman Golf Resort and sell all the remaining Founder Aman Villas at Playa Grande.
3. Proceed with securing senior bank loans, equity financing and final permits for the commencement of Amankea, Pearl Island's second phase and Jack Nicklaus Signature Golf Resort projects during 2015, which will result in Dolphin having five completed, operational and cashflow producing projects.
4. Assist Aristo's management in increasing retail sales during the current challenging period and conclude the Venus Rock Golf Resort sale through the competitive process now underway, using the sales proceeds to reduce Aristo's leverage and distribute dividends to Dolphin.
5. Advance the zoning and permitting of Dolphin's other Major Projects, enabling the Company to sell these assets – either partially or wholly – at a profit, or develop them and realise their full cash return potential.

Commenting, David B. Heller, Chairman of Dolphin's Board of Directors, said:

"Although our markets remain challenging, we have seen improvements at all levels, which we intend to exploit further by completing the funding of additional projects and crystallising value where appropriate. In 2014 to date, we have made notable advancements with our key developments, and a number of major projects are set to come on line for construction during next year, which will ensure that we continue to deliver value for shareholders."

Miltos Kambourides, Founder of Dolphin and Managing Partner of Dolphin Capital Partners, added:

"We are pleased that Nikki Beach has become our active second operating resort complementing Amanzoe which continues to perform above expectations.

"We are firmly focused on completing Playa Grande and launching Kilada Golf Resort, Amankea and the second phase of Pearl Island. We also remain optimistic that Aristo will overcome its current challenges and will reinforce its status as the leading developer in Cyprus."

E. Conference call for analysts and investors

There will be a conference call at 09:00 a.m. UK time on 23 September 2014, which can be accessed using the following dial-in numbers:

UK dial in number:	+44(0)20 3427 1914
Greece dial in number:	00800 128 800
Pass code:	7698563

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Notes to Editors

Dolphin (www.dolphinci.com) is a leading global investor in the residential resort sector in emerging markets. 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 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 shareholding in Aristo Developers Ltd, the largest developer and private land owner in Cyprus.

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

F. Chairman's Statement

I am pleased to report Dolphin's results for the first half of 2014.

During the period, we made continued progress towards achieving our strategic priorities within a challenging, but constantly improving market.

The opening of The Nikki Beach Resort & Spa at Porto Heli on 28 July 2014 demonstrated once again the Company's ability to create high end luxury resorts on time and on budget, even within demanding economic conditions. The resort further enhanced The Porto Heli Collection offering, and we have received extremely positive feedback from our guests.

The operations of Amanzoe, the first villa-integrated Aman resort in Europe and one of the most exclusive destinations in the Mediterranean, continue their excellent performance, with occupancy again reaching almost 100% on many days during the peak holiday season. Amanzoe is increasingly regarded as one of the top leisure-integrated residential resorts in the world, with consistently outstanding reviews in the top tier international press. It is also encouraging to note that one more Aman Villa has been reserved since the Company's last Trading Update, while there are several Aman villa sales at advanced discussions with completion expected soon.

The completion of Colony's €40.4 million investment into Amanzoe established Dolphin's strategic relationship with one of the world's leading real estate investors, and we are looking into other areas of cooperation.

I am particularly pleased that we have made significant progress with regard to both the bank financing and the receipt of final permits at Kilada Hills Golf Resort and Amankea. Kilada Hills Golf Resort is the third phase of The Porto Heli Collection and it will enhance the existing offering with a prestigious Jack Nicklaus Signature 18-hole golf course. Amankea will be the second Aman branded resort in Greece and the first one developed on a European island.

The Company has initiated a competitive sale process for Venus Rock Golf Resort, with a view to achieving the (whole or partial) sale of the asset, and which should help offset the sales performance of Aristo, which continues lagging management's expectations. In parallel, the Dolphin team is looking at opportunities for small or large scale exits of non-core assets such as Porto Kundu sold earlier this year.

The Greek and other governments remain committed to attracting and facilitating inward investment, and we welcome the recent legislative reforms, which are expected to benefit tourism development and large scale projects.

The Company's NAV, before and after DITL, as at 30 June 2014 is reported at €638 million and €552 million, respectively, and the NAV per share before and after DITL in Euro terms was €0.99 and €0.86 respectively, representing a 5.7% and 5.5% increase from 31 December 2013.

David B. Heller
Chairman
Dolphin Capital Investors Limited
23 September 2014

G. Investment Manager's Report

The main focus of our team for 2014 continues to be securing solid progress and funding in all stages of development of our portfolio (ranging from securing permitting to construction and sales) and realising exits that further validate the value of the portfolio and crystallise value for shareholders.

The opening of The Nikki Beach Resort & Spa this summer was, as expected, a very gratifying and important milestone in the Company's development, representing the second of our luxury resorts to come to market and the completion of the second phase of The Porto Heli Collection.

Amanzoe's second year of operations is further improved, while the resort continues to serve as a showcase of Dolphin's development capabilities, profit potential and vision.

Sales activity has continued to gain momentum in recent months, with a number of potential transactions under negotiation. Positive signs are seen in the senior debt local financing environment as well as in the availability for mezzanine facilities. We feel that the timing is right for completing the construction of infrastructure and leisure facilities of some additional key projects, such as Kilada Hills, Pearl Island and Amankea, in order to produce more luxury residential supply to satisfy the increasing demand and realize value for the Company.

Market Dynamics

International tourist arrivals grew by 4.6% in the first half of 2014 according to the latest UNWTO World Tourism Barometer. Destinations worldwide received some 517 million international tourists between January and June 2014, 22 million more than in the same period of 2013.

Growth was strong across the board, with the Americas recording a 6% increase, followed by Asia and the Pacific and Europe (both at +5%). By sub-region, South Asia and Northern Europe (both +8%) were the best performers, together with North-East Asia and Southern Mediterranean Europe (both +7%).

In general, the most important observations, for the countries we are invested in, are as follows:

- Tourist arrivals in Greece from January to August 2014 increased by almost 16% compared to the same period of 2013, based on preliminary results issued by the country's main airports. This remarkable performance has led to the upward revision of the estimated international arrivals for 2014 from an initial 19 million to an all-time record of 19.5 million (despite the loss of additional tourist arrivals from Russia and Ukraine due to the political instability).
- Tourist arrivals in Cyprus for the period January-August 2014 totalled approximately 1.7 million, representing a 6% increase from the corresponding period in 2013.
- For the same eight month period, Croatia experienced a 5% rise in tourist arrivals compared to 2013, as around 10.6 million arrivals were registered according to statistics collected by local tourism boards
- The number of visitors arriving in Turkey from January to June 2014 increased by 2.8% compared to the same period in the previous year according to the provisional data acquired from the General Directorate of Security and the Turkish Statistical Institute, reaching approximately 17.5 million.
- Tourist arrivals in Panama for the period January to June 2014 totalled over 1.8 million, an increase of approximately 5.5% relative to the same period of 2013.
- The number of tourists visiting the Dominican Republic for the period January to June 2014 totalled 3.16 million and was up by c.8.3% relative to the same period of 2013.

In addition, and relevant to DCI's focus on HNWI's, the Wealth-X and UBS Billionaire Census 2014 demonstrated that the wealthy population continues to grow significantly.

H. Updated Portfolio characteristics and cash generation potential

The Portfolio

A summary of Dolphin's current investments is presented below. As at 31 August 2014, the net invested amount is €580* million.

Project	Land site (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		138	74		
	<i>Amanzoe</i>	86%	41	74		
	<i>The Nikki Beach Resort & Spa</i>	25%	5	-		
	<i>The Chedi and Jack Nicklaus Signature Golf Course</i>	100%	92	-		
2	Venus Rock	50%	83	-		-
3	Playa Grande Club & Reserve	100%	85	13		
4	Pearl Island	60%	27	-		
TOTAL			333	87	478	18%
MAJOR PROJECTS						
5	Sitia Bay Golf Resort	78%	17	-		
6	Amankea	67%	9	-		
7	Scorpio Bay Resort	100%	14	-		
8	Lavender Bay Resort	100%	24	-		
9	Plaka Bay Resort	100%	12	-		
10	Triopetra	100%	4	-		
13	Eagle Pine Golf Resort-Aristo	50%	18	-		
12	Apollo Heights Polo Resort	100%	17	21		
11	Livka Bay Resort	100%	26	10		
14	LaVanta - Mediterra Resorts	100%	15	1		
15	Zoniro Greece	100%	3	11		
TOTAL			159	43	271	16%
ARISTO CYPRUS		50%	86	-	110	
Itacare Investment		n/a	2	-	7	
DCI Corporate Bonds		n/a	n/a	79	-	
GRAND TOTAL			580	209	866	24%

*Residual investment cost, including amounts paid in shares.

Geographic breakdown

Project	Land size (hectares)	Investment Cost * (€ million)	Debt** (€ million)	Real Estate Value (€ million)	% Loan to real estate asset value	Net Asset Value
1 Greece	1,648	222	85	397	21%	40%
2 Cyprus	2,172	203	21	265	8%	38%
3 Croatia & Turkey	71	41	11	47	24%	5%
4 Americas	2,390	114	13	157	8%	17%
Grand Total	6,281	580	130	866	15%	100%

* Residual investment cost, including amounts paid in shares.

**Excluding DCI corporate bonds.

Exits

	Land site (hectares)	Dolphin stake sold	Dolphin original investment (€m)	Dolphin exit proceeds (€m)	Dolphin return on investment (times)
Tsilivi – Aristo	11	100%	2	7	3.50x
Amanmila	210	100%	2.8	5.4	1.90x
Kea	65	33%	4	4.1	1.00x
Seafront Villas	3.6	100%	9	14	1.52x
Kings' Avenue Mall	4	100%	11	15	1.36x
Aristo Developers Ltd	1,351	50%	208	375.5	1.80x
The Nikki Beach Resort & Spa at Porto Heli	1	75%	4	6.9	1.83x
Pearl Island Founders phase	106	100%	6	10.6	1.73x
Pt. Kundu	4	100%	16	10	0.63x
TOTAL	1,756		262	488	1.71x

Cash Generation Potential of the Dolphin portfolio:

The Advanced Projects are spread over 3,733 hectares of land, of which 1,508 hectares represent the current phases of these developments. The total unsold residential capacity of these projects is approximately 470,000 buildable m², of which circa 240,000 m² are planned for their current phases.

Plans for the current phases of the Advanced Projects include the development of four luxury hotels comprising the first Aman residential resort in Europe (Amanzoe – operating), the first Aman golf-integrated resort worldwide (Playa Grande – planned to open in Q3 2015), the first Nikki Beach resort in the Mediterranean (operating), and the first Ritz Carlton Reserve resort in Central America (Pearl Island – expected to start construction in Q1 2015 subject to the conclusion of debt financing and the availability of equity funds); as well as the recently renovated golf course in Playa Grande designed by Robert Trent Jones, Senior and renovated by his son Rees Jones, the two 18-hole golf courses in Venus Rock Golf Resort (the first of which is currently operating) and the Jack Nicklaus Signature Golf Course at Kilada.

Dolphin's remaining portfolio includes:

- Two additional fully permitted leisure-integrated residential resort projects, Amankea and Sitia Bay Resort, which are ready to assume Advanced Project status and are spread over 345 hectares of land with a potential capacity of c. 140,000 residential buildable m².
- Eight major leisure-integrated residential resort projects spread over 1,811 hectares of land on seven of which we conservatively expect to build and sell c. 430,000 residential buildable m², representing a very low c. 3% building coefficient, while one is expected to be exited on a wholesale basis. These projects are expected to further increase in value as they complete their permitting and design phase and reach Advanced Project status.
- Residual developable land or coefficient since, under the current plans, not all the land or building capacity of the Major Projects will be utilised.
- Aristo Developers, the largest developer and private land owner in Cyprus, which currently has c. 60,000 buildable m² of residential product in stock or under construction and c. 314,000 land m² in the form of readily available land plots with a total listed sales potential of over €124 million. In addition, Aristo holds an additional vast portfolio of land assets with the potential to sell over 900,000 residential buildable m² once fully developed. Dolphin retains a strategic 49.8% shareholding in Aristo.

Based on the above, the Investment Manager estimates Dolphin's total project portfolio cash return potential to be approximately €3.9 billion, or c. 477p per share. This includes only c. €30 million of dividends expected from the sale of Venus Rock and excludes any dividends or other divestment revenues from Aristo – a development company with on-going operations and a diverse portfolio of real estate projects.

The gross cash returns potential of each project is summarised in the following table:

(€ million)	DCI Stake	Residential Buildable m ²	Leisure buildable m ²	Land plots (m ²)	Total cash generation potential
Advanced Projects					
The Porto Heli Collection	100%	208,752	51,601	-	768
Playa Grande	100%	66,805	27,647	1,210,013	540
Pearl Island	60%	190,680	48,119	1,838,466	613
TOTAL		466,237	127,367	3,048,479	1,921
Permitted Projects					
AmanKea	67%	19,328	10,177	-	113
Sitia Bay	78%	120,435	21,516	1,346,431	231
TOTAL		139,763	31,693	1,346,431	344
Major Projects & Aristo					
Greece		241,587	93,006	-	560
Scorpio Bay Resort	100%	50,800	14,600	-	160
Lavender Bay Resort	100%	96,280	24,526	-	196
Plaka Bay Resort	100%	70,087	32,000	-	157
Triopetra	100%	8,870	10,430	-	21
Douneika	100%	15,550	11,450	-	27
Cyprus		141,996	7,924	4,610,000	248
Apollo Heights Polo Resort	100%	-	-	4,610,000	200
Eagle Pine Golf Resort	50%	141,996	7,924	-	48
Turkey		10,734	-	-	11
Mediterra	100%	10,734	-	-	11

Croatia		32,944	29,287	-	48
Livka	100%	32,944	29,287	-	48
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TOTAL		431,261	130,217	4,610,000	867
Venus Rock	50%				30
Residual Land / Coefficient		-	-	13,100,000	734
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GRAND TOTAL		1,033,261	289,277	22,104,910	3,896

- *The cash generation potential assumes the full development of each project and its exit through retail sales of the residential portfolio and land plots, as well as the sale of its leisure components at a multiple to their expected terminal NOI and does not include inflation assumptions or interim project exits, with the exception of the Company's Apollo project which is assumed to be exited on a wholesale basis at the time when it receives final zoning and permitting. Cost assumptions cover future development, marketing, sales, branding and agency expenses and do not include already incurred expenses for land acquisition and development as well as respective financing costs, management and performance fees, or corporate income taxes.*
- *Venus Rock is expected to be sold, following completion of the competitive process initiated by the Company, and generate dividends amounting to c. €30 million to the Company. Although the deleveraging of Aristo is expected to allow more dividends for Dolphin going forward, these were not included in the projections.*
- *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 at 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.*

Miltos Kambourides
Managing Partner

Dolphin Capital Partners
23 September 2014

Pierre Charalambides
Founding Partner

Dolphin Capital Partners
23 September 2014

I. Finance Director's Report

Net Asset Value ('NAV')

The reported NAV as at 30 June 2014 is presented below:

	€	£	Variation since 31 December 2013	
	€	£	€	£
Total NAV before DITL (millions)	638	511	5.7%	1.3%
Total NAV after DITL (millions)	552	442	5.5%	1.1%
NAV per share before DITL	0.99	0.80	5.7%	1.3%
NAV per share after DITL	0.86	0.69	5.5%	1.1%

Notes:

1. Euro/GBP rate 0.80050 as at 30 June 2014 and 0.83478 as at 31 December 2013.
2. Euro/USD rate 1.36452 as at 30 June 2014 and 1.37660 as at 31 December 2013.
3. NAV per share has been calculated on the basis of 642,440,167 issued shares as at 30 June 2014 and as at 31 December 2013. .
4. NAV before DITL include the 49.8% DITL of Aristo.

Total Group NAV as at 30 June 2014 was €638 million and €552 million before and after DITL respectively. This represents an increase of €34 million (5.7%) and €29 million (5.5%), respectively, from 31 December 2013. The increase is mainly due to DCI's share of the increase in the Venus Rock valuation, in accordance with the latest independent valuation, following the termination of the sale contract with the China Glory Investment Group, and revaluation gains in Amankea counterbalanced by the effect of regular Dolphin operational and corporate expenses.

The 30 June 2014 reported NAV is primarily based on new valuations conducted by American Appraisal for the Aristo portfolio and Amankea.

Sterling NAV per share before DITL increased in the six month period ended 30 June 2014 by 1.3%, as the effect of the reasons mentioned above was partially counterbalanced by c.4.1% appreciation of Sterling versus the Euro during the period.

The reduction in the NAV after DITL resulted in an accounting gain of €30 million for the six-month period ended 30 June 2014 implying €0.05 earnings per share.

The next full portfolio valuation will be as at 31 December 2014.

Condensed Interim consolidated statement of financial position

	30 June 2014	31 December 2013
	€' 000	€' 000
Assets		
Real estate assets (investment and trading properties)	634,968	631,920
Equity accounted investees	254,610*	204,346*
Other assets	36,903	38,908
Cash and cash equivalents	8,145	7,100
Total Assets	934,626	882,274
Equity		
Equity attributable to Dolphin shareholders before DITL	638,052*	603,765*
Non-controlling interest	24,708	24,504
Total equity	662,760	628,269
Liabilities		
Interest-bearing loans and finance lease obligations	176,983	177,245
Other liabilities	94,883	76,760
Total liabilities	271,866	254,005
Total equity and liabilities	934,626	882,274

**Amounts include the 49.8% DITL of Aristo*

The Company's NAV before DITL, after deducting from total consolidated assets, non-controlling interests of €25 million, other liabilities of €95 million and total debt of €177 million, is set at €638 million as at 30 June 2014.

The Company's consolidated assets total €935 million and include €635 million of real estate assets, €255 million of investments in equity accounted investees, €45 million of other assets and cash. The €635 million figure represents the fair market valuation of Dolphin's real estate portfolio (both freehold and leasehold interests) as at 30 June 2014, assuming 100% ownership. The €255 million figure represents the 49.8% investment in Aristo and the 25% stake in Nikki Beach. The €37 million of other assets comprise mainly €8 million of VAT receivable, €2 million of deferred tax assets and €10 million other receivables from customers and JV partners.

The Company's consolidated liabilities total €272 million and comprise €95 million of other liabilities as well as €177 million of interest-bearing loans and finance lease obligations, out of which €50 million and US\$9.17 million convertible bonds are held at Company level. The remaining loans are held by Group subsidiaries and are non-recourse to Dolphin (except for the Playa Grande convertible Bond and the US\$19 million Playa Grande construction loan which are guaranteed by the Company). The €95 million of other liabilities comprise mainly €25 million of option contracts to acquire land, €10 million loan from Archimedia, €7.6 million deferred income from government grants and €12 million advances from villa sales.

The consolidated interim financial statements have been reviewed by KPMG.

Panos Katsavos
Finance Director
Dolphin Capital Partners
23 September 2014

Condensed consolidated interim statement of profit or loss and other comprehensive income
For the six-month period ended 30 June 2014

	Note	From 1 January 2014 to 30 June 2014 €'000	From 1 January 2013 to 30 June 2013 €'000
CONTINUING OPERATIONS			
Valuation gain on investment property	9	8,766	7,722
Impairment loss on trading properties	11	(4,249)	(790)
Other operating profits		8,569	4,365
Total operating profits		13,086	11,297
Investment Manager fees	22.2	(6,858)	(6,890)
Professional fees		(3,484)	(6,475)
Administrative and other expenses		(10,757)	(7,172)
Total operating and other expenses		(21,099)	(20,537)
Results from operating activities		(8,013)	(9,240)
Finance income		499	521
Finance costs		(6,125)	(7,419)
Net finance costs		(5,626)	(6,898)
Share of profits/(losses) on equity accounted investees	13	42,887	(79,290)
Gain on disposal of investment in subsidiaries	23	2,709	-
Total non-operating profits/(losses)		45,596	(79,290)
Profit/(loss) before taxation		31,957	(95,428)
Taxation	7	(40)	(7,909)
Profit/(loss) for the period		31,917	(103,337)
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassified to profit or loss			
Revaluation of property, plant and equipment		-	1,965
Related tax		-	(207)
		-	1,758
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		686	1,741
Translation differences to profit or loss due to disposal of subsidiary		(2,709)	-
Share of revaluation on equity accounted investees	13	17	(112)
Fair value adjustment on available-for-sale financial assets	12	(64)	-
		(2,070)	1,629
Other comprehensive income for the period, net of tax		(2,070)	3,387
Total comprehensive income for the period		29,847	(99,950)
Profit/(loss) attributable to:			
Owners of the Company		30,359	(103,450)
Non-controlling interests		1,558	113
Profit/(loss) for the period		31,917	(103,337)
Total comprehensive income attributable to:			
Owners of the Company		28,110	(100,078)
Non-controlling interests		1,737	128
Total comprehensive income for the period		29,847	(99,950)
EARNINGS/(LOSS) PER SHARE			
Basic and diluted earnings/(loss) per share (€)	8	0.05	(0.16)

Condensed consolidated interim statement of financial position

As at 30 June 2014

	Note	30 June 2014 €'000	31 December 2013 €'000
ASSETS			
Investment property	9	430,897	423,791
Property, plant and equipment	10	155,811	143,604
Equity accounted investees	13	224,882	180,862
Available-for-sale financial assets	12	2,201	2,265
Deferred tax assets	19	2,386	4,230
Other non-current assets		2,733	3,458
Non-current assets		818,910	758,210
Trading properties	11	48,260	64,524
Receivables and other assets	14	29,582	28,956
Cash and cash equivalents	15	8,145	7,100
Current assets		85,987	100,580
Total assets		904,897	858,790
EQUITY			
Share capital	16	6,424	6,424
Share premium	16	498,933	498,933
Reserves		6,010	8,259
Retained earnings		40,950	10,056
Equity attributable to owners of the Company		552,317	523,672
Non-controlling interests		24,706	24,504
Total equity		577,023	548,176
LIABILITIES			
Loans and borrowings	17	151,243	153,044
Finance lease obligations	18	7,806	8,018
Deferred tax liabilities	19	56,008	56,610
Other non-current liabilities		33,797	23,536
Non-current liabilities		248,854	241,208
Loans and borrowings	17	17,510	15,760
Finance lease obligations	18	426	423
Trade and other payables	20	60,949	53,115
Current tax liabilities		135	108
Current liabilities		79,020	69,406
Total liabilities		327,874	310,614
Total equity and liabilities		904,897	858,790
Net asset value ('NAV') per share (€)	21	0.86	0.82

Condensed consolidated interim statement of changes in equity

For the six-month period ended 30 June 2014

	Attributable to owners of the Company						Non-controlling interests €'000	Total equity €'000
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained earnings €'000	Total €'000		
Balance at 1 January 2013	6,424	498,933	1,483	8,533	120,108	635,481	32,293	667,774
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								
Loss for the period	-	-	-	-	(103,450)	(103,450)	113	(103,337)
Other comprehensive income for the period								
Foreign currency translation differences	-	-	1,550	-	-	1,550	191	1,741
Revaluation of property, plant and equipment, net of tax	-	-	-	1,934	-	1,934	(176)	1,758
Share of revaluation on equity accounted investees	-	-	-	(112)	-	(112)	-	(112)
Total other comprehensive income for the period	-	-	1,550	1,822	-	3,372	15	3,387
Total comprehensive income for the period	-	-	1,550	1,822	(103,450)	(100,078)	128	(99,950)
Balance at 30 June 2013	6,424	498,933	3,033	10,355	16,658	535,403	32,421	567,824
Balance at 1 January 2014	6,424	498,933	1,491	6,768	10,056	523,672	24,504	548,176
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								
Profit for the period	-	-	-	-	30,359	30,359	1,558	31,917
Other comprehensive income for the period								
Foreign currency translation differences	-	-	507	-	-	507	179	686
Translation differences to profit or loss due to disposal of subsidiary	-	-	(2,709)	-	-	(2,709)	-	(2,709)
Share of revaluation on equity accounted investees	-	-	-	17	-	17	-	17
Fair value adjustment on available-for-sale financial asset	-	-	-	(64)	-	(64)	-	(64)
Total other comprehensive income for the period	-	-	(2,202)	(47)	-	(2,249)	179	(2,070)
Total comprehensive income for the period	-	-	(2,202)	(47)	30,359	28,110	1,737	29,847
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Changes in ownership interests								
Acquisition of non-controlling interests without a change in control	-	-	-	-	535	535	(1,535)	(1,000)
Total changes in ownership interests	-	-	-	-	535	535	(1,535)	(1,000)
Total transactions with owners of the Company	-	-	-	-	535	535	(1,535)	(1,000)
Balance at 30 June 2014	6,424	498,933	(711)	6,721	40,950	552,317	24,706	577,023

Condensed consolidated interim statement of cash flows

For the six-month period ended 30 June 2014

	From 1 January 2014 to 30 June 2014 €'000	From 1 January 2013 to 30 June 2013 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the period	31,917	(103,337)
Unrealised (gain)/loss on property	(47,404)	72,358
Other adjustments	3,788	15,950
	(11,699)	(15,029)
Changes in:		
Receivables	(1,250)	2,982
Payables	18,147	3,883
Cash from /(used in) operating activities	5,198	(8,164)
Tax paid	(17)	(76)
Net cash from/(used in) operating activities	5,181	(8,240)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries, net of cash disposed of	8,288	-
Net acquisitions of investment property	151	(691)
Net acquisitions of property, plant and equipment	(10,751)	(8,590)
Net change in equity accounted investees	(1,116)	-
Net change in trading properties	4,773	(2,746)
Interest received	265	521
Net cash from/(used in) investing activities	1,610	(11,506)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of non-controlling interests without a change in control	(1,000)	-
Change in loans and borrowings	186	46,299
Change in finance lease obligations	(209)	(226)
Interest paid	(4,782)	(5,717)
Net cash (used in)/from financing activities	(5,805)	40,356
Net increase in cash and cash equivalents	986	20,610
Cash and cash equivalents at the beginning of the period	4,861	19,993
Effect of exchange rate fluctuations on cash held	(2)	(138)
Cash and cash equivalents at the end of the period	5,845	40,465
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 15)	8,145	42,709
Bank overdrafts (see note 17)	(2,300)	(2,244)
Cash and cash equivalents at the end of the period	5,845	40,465

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 in south-east Europe and the Americas, 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 2014 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates.

The consolidated financial statements of the Group as at and for the year ended 31 December 2013 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 2013. They are presented in euro (€), rounded to the nearest thousand.

These condensed consolidated interim financial statements were approved by the Board of Directors on 22 September 2014.

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 2013.

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 and uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2013.

5. SIGNIFICANT SUBSIDIARIES

As at 30 June 2014, the Group's most significant subsidiaries 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. ('Iktinos')	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 ('DCI 14')	Cyprus	86%
Eidikou Skopou Dekatessera S.A.	Greece	86%
Eidikou Skopou Dekakto S.A.	Greece	86%
Eidikou Skopou Eikosi Ena S.A.	Greece	80%
Portoheli Hotel and Marina S.A.	Greece	25%
DCI Holdings Two Limited ('DCI H2')	BVIs	50%
Dolphin Capital Atlantis Limited	Cyprus	50%
Aristo Developers Limited ('Aristo')	Cyprus	50%
Single Purpose Vehicle Twelve Limited	Cyprus	50%
Azurna Uvala D.o.o. ('Azurna')	Croatia	100%
Eastern Crete Development Company S.A.	Greece	100%
DolphinLux 2 S.a.r.l.	Luxembourg	100%
Kalkan Yapi ve Turizm A.S.	Turkey	100%
Dolphin Capital Americas Limited	BVIs	100%

DCI Holdings Seven Limited ('DCI H7')	BVIs	100%
Playa Grande Holdings Inc. ('PGH')	Dominican Republic	100%
Single Purpose Vehicle Eight Limited	Cyprus	100%
Eidikou Skopou Dekapente S.A.	Greece	100%
Single Purpose Vehicle Ten Limited ('SPV 10')	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 operation, investing in real estate, and three reportable segments as shown below, which represent the geographical regions in which the Group operates.

	Americas ¹ €'000	South-East Europe ² €'000	Other ³ €'000	Reportable segment totals €'000	Adjustments ⁴ €'000	Consolidated totals €'000
30 June 2014						
Investment property	91,604	339,293	-	430,897	-	430,897
Property, plant and equipment	56,788	99,023	-	155,811	-	155,811
Trading properties	1,629	46,631	-	48,260	-	48,260
Equity accounted investees	-	224,882	-	224,882	-	224,882
Available-for-sale financial assets	2,201	-	-	2,201	-	2,201
Cash and cash equivalents	3,566	3,983	596	8,145	-	8,145
Intra-group debit balances	11,790	291,273	511,069	814,132	(814,132)	-
Other assets	3,062	24,472	7,167	34,701	-	34,701
Total assets	170,640	1,029,557	518,832	1,719,029	(814,132)	904,897
Loans and borrowings	13,119	76,157	79,477	168,753	-	168,753
Finance lease obligations	129	8,103	-	8,232	-	8,232
Deferred tax liabilities	1,758	54,250	-	56,008	-	56,008
Intra-group credit balances	108,302	408,328	297,502	814,132	(814,132)	-
Other liabilities	9,581	80,244	5,056	94,881	-	94,881
Total liabilities	132,889	627,082	382,035	1,142,006	(814,132)	327,874
Valuation gain on investment property	-	8,766	-	8,766	-	8,766
Impairment losses	-	(4,249)	-	(4,249)	-	(4,249)
Share of losses on equity accounted investees, net of tax	-	42,887	-	42,887	-	42,887
Gain on disposal of investment in subsidiaries	-	2,709	-	2,709	-	2,709
Other operating profits	2,660	5,909	-	8,569	-	8,569
Investment Manager fees	-	-	(6,858)	(6,858)	-	(6,858)
Net finance costs	(16)	(4,031)	(1,579)	(5,626)	-	(5,626)
Other expenses	(4,129)	(9,146)	(966)	(14,241)	-	(14,241)
(Loss)/profit before taxation	(1,485)	42,845	(9,403)	31,957	-	31,957
Taxation	(25)	(15)	-	(40)	-	(40)
(Loss)/profit for the period	(1,510)	42,830	(9,403)	31,917	-	31,917

	Americas ¹ €'000	South-East Europe ² €'000	Other ³ €'000	Reportable segment totals €'000	Adjustments ⁴ €'000	Consolidated totals €'000
31 December 2013						
Investment property	93,120	330,671	-	423,791	-	423,791
Property, plant and equipment	44,728	98,876	-	143,604	-	143,604
Trading properties	1,576	62,948	-	64,524	-	64,524
Equity accounted investees	-	180,862	-	180,862	-	180,862
Available-for-sale financial assets	2,265	-	-	2,265	-	2,265
Cash and cash equivalents	3,953	1,835	1,312	7,100	-	7,100
Intra-group debit balances	14,205	281,246	510,417	805,868	(805,868)	-
Other assets	4,625	22,054	9,965	36,644	-	36,644
Total assets	164,472	978,492	521,694	1,664,658	(805,868)	858,790
Loans and borrowings	10,982	78,629	79,193	168,804	-	168,804
Finance lease obligations	157	8,284	-	8,441	-	8,441
Deferred tax liabilities	1,742	54,868	-	56,610	-	56,610
Intra-group credit balances	103,774	411,823	290,271	805,868	(805,868)	-
Other liabilities	8,000	62,911	5,848	76,759	-	76,759
Total liabilities	124,655	616,515	375,312	1,116,482	(805,868)	310,614
30 June 2013						
Valuation gain on investment property	5,933	1,789	-	7,722	-	7,722
Impairment losses	-	(790)	-	(790)	-	(790)
Share of losses on equity accounted investees, net of tax	-	(79,290)	-	(79,290)	-	(79,290)
Other operating profits	1,917	2,448	-	4,365	-	4,365
Investment Manager fees	-	-	(6,890)	(6,890)	-	(6,890)
Net finance costs	(291)	(6,406)	(201)	(6,898)	-	(6,898)
Other expenses	(3,055)	(8,216)	(2,376)	(13,647)	-	(13,647)
Profit/(loss) before taxation	4,504	(90,465)	(9,467)	(95,428)	-	(95,428)
Taxation	(148)	(7,761)	-	(7,909)	-	(7,909)
Profit/(loss) for the period	4,356	(98,226)	(9,467)	(103,337)	-	(103,337)

1 Americas comprises the Group's activities in the Dominican Republic and the Republic of Panama. Also includes the investment in Itacare Capital Investments Ltd ('Itacare') (see note 12).

2 South-East Europe comprises the Group's activities in Cyprus, Greece, Croatia and Turkey.

3 Other comprises the parent company, Dolphin Capital Investors Limited.

4 Adjustments consist of intra-group eliminations.

Country developments

The general economic environment prevailing in the south-east Europe area and internationally may affect the Group's operations. Concepts such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and variation in these and the economic environment in general might affect the Group to a certain extent.

The global fundamentals of the sector remained strong during 2014, with both international tourism and wealth continuing to grow, even though economic activity in two of Group's primary markets, Greece and Cyprus, continued to face significant challenges, with the most notable effect on the Group's businesses being the scarcity of senior bank debt to finance the construction of the development portfolio. However, the business climate is slowly, but steadily improving in both regions, assisted by the legislative reforms implemented during the past year by both the Greek and the Cypriot governments.

After the escalation of the sovereign debt crisis in Greece in mid-2012 and the international media speculation involving scenarios of default and/or Greece's exit from the Eurozone, the country's economic conditions have significantly stabilised. Greek tourism has witnessed impressive growth during the first eight months of 2014. Tourist arrivals in Greece from January to August 2014 increased by almost 16% compared to the same period of 2013, based on preliminary results issued by the country's main airports. This remarkable performance has led to the upward revision of the estimated international arrivals for 2014 from an initial 19 million to an all-time record of 19.5 million (despite the loss of additional tourist arrivals from Russia and Ukraine due to the political instability). The debt crisis has also been a catalyst in adopting a faster entitlement process for development projects in Greece. In particular, the introduction of the Strategic Investment incentive legislation in Greece, which should be applicable to most of the Group's local projects due to their quality, size and potential impact on the local economy, speeds up and improves zoning entitlements and building permits for Group residential resort projects in the country.

The crisis of sovereign debt affected the Cypriot economy with a time lag, causing negative effects not only on public finances but also in the banking system. Despite the fact that the Government tried to react promptly and effectively by preparing a fiscal consolidation programme, the country captured the world's attention in 2013 as it fought hard to bounce back from the brink of bankruptcy through intense negotiations with international lenders. The so called 'bail in' decision of the Eurozone included imposing losses on depositors with amounts extending €100,000, a closed banking system for two weeks and extensive capital controls. The decision by the Ministerial Council to reduce the investment amount requirements and accelerate Cypriot citizenship awards to buyers of real estate is expected to significantly increase sales momentum and margins at Aristo and increase the value and saleability of its larger projects. Significant value will also be unlocked through the expected zoning of the Apollo Heights Resort, following the agreement reached by the Cypriot and UK governments to permit for development such projects falling within the Sovereign British Areas. Tourist arrivals in Cyprus for the period January-August 2014 totalled approximately 1.7 million, representing a 6% increase from the corresponding period in 2013.

7. TAXATION

	From 1 January 2014 to 30 June 2014 €'000	From 1 January 2013 to 30 June 2013 €'000
Corporate income tax	44	13
Deferred tax	(4)	7,896
Total	40	7,909

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

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

	From 1 January 2014 to 30 June 2014 '000	From 1 January 2013 to 30 June 2013 '000
Profit/(loss) attributable to owners of the Company (€)	30,359	(103,450)
Number of weighted average common shares outstanding	642,440	642,440
Basic earnings/(loss) per share (€)	0.05	(0.16)

Weighted average number of common shares outstanding

	From 1 January 2014 to 30 June 2014	From 1 January 2013 to 30 June 2013
	'000	'000
Outstanding common shares at beginning and end of period	642,440	642,440
Weighted average number of common shares outstanding	642,440	642,440

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the profit/(loss) attributable to owners and the number of common shares outstanding to assume conversion of all dilutive potential shares. During the period, the Company has one category of dilutive potential common shares: warrants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the warrants.

	From 1 January 2014 to 30 June 2014 '000	From 1 January 2013 to 30 June 2013 '000
Profit/(loss) attributable to owners of the Company (€)	30,359	(103,450)
Weighted average number of common shares outstanding	642,440	642,440
Effect of potential conversion of warrants	5,585	5,585
Weighted average number of common shares outstanding for diluted earnings/(loss) per share	648,025	648,025
Diluted earnings/(loss) per share (€)	0.05	(0.16)

The convertible bonds issued by the Company, are excluded from the calculation of diluted earnings/(loss) per share for the periods ended 30 June 2014 and 2013 because of their anti-dilutive effect.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of warrants and convertible loans was based on quoted market prices.

9. INVESTMENT PROPERTY

	30 June 2014 €'000	31 December 2013 €'000
At beginning of period/year	423,791	422,204
Direct acquisitions	736	351
Transfers to property, plant and equipment (see note 10)	(2,423)	(7,232)
Transfers to trading properties (see note 11)	-	(9,115)
Direct disposals	(887)	(8)
Exchange difference	914	(5,014)
	422,131	401,186
Fair value adjustment	8,766	22,605
At end of period/year	430,897	423,791

10. PROPERTY, PLANT AND EQUIPMENT

30 June 2014	Under construction €'000	Land, buildings and other €'000	Total €'000
Cost or revalued amount			
At beginning of period	8,180	156,114	164,294
Direct acquisitions of property, plant and equipment	8,892	1,901	10,793
Transfers from investment property (see note 9)	-	2,423	2,423
Capitalised depreciation	-	95	95
Direct disposal of property, plant and equipment	-	(67)	(67)
Exchange difference	123	342	465
At end of period	17,195	160,808	178,003
Depreciation and impairment losses			
At beginning of period	-	20,690	20,690
Depreciation charge for the period	-	1,405	1,405
Capitalised depreciation	-	95	95
Direct disposal of property, plant and equipment	-	(25)	(25)
Exchange difference	-	27	27
At end of period	-	22,192	22,192
Carrying amounts	17,195	138,616	155,811

	Under construction €'000	Land, buildings and other €'000	Total €'000
31 December 2013			
Cost or revalued cost			
At beginning of year	389	138,794	139,183
Direct acquisitions of property, plant and equipment	7,808	17,797	25,605
Transfers from investment property (see note 9)	-	7,232	7,232
Capitalised depreciation	-	258	258
Direct disposal of property, plant and equipment	-	(7)	(7)
Revaluation adjustment	-	(6,911)	(6,911)
Exchange difference	(17)	(1,049)	(1,066)
At end of year	8,180	156,114	164,294
Depreciation and impairment losses			
At beginning of year	-	20,511	20,511
Revaluation adjustment	-	(2,628)	(2,628)
Depreciation charge for the year	-	2,447	2,447
Capitalised depreciation	-	258	258
Impairment loss	-	342	342
Reversal of impairment loss	-	(117)	(117)
Exchange difference	-	(123)	(123)
At end of year	-	20,690	20,690
Carrying amounts	8,180	135,424	143,604

11. TRADING PROPERTIES

	30 June 2014 €'000	31 December 2013 €'000
At beginning of period/year	64,524	38,732
Net direct (disposals)/additions	(4,773)	16,869
Net transfers from investment property (see note 9)	-	9,115
Disposals through disposal of subsidiary companies (see note 23)	(7,252)	-
Impairment loss	(4,249)	(970)
Reversal of impairment loss	-	778
Exchange difference	10	-
At end of period/year	48,260	64,524

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

On 15 July 2013, the Company acquired 9.6 million shares, equivalent to 10% of Itacare's share capital, for the amount of €1.9 million. Itacare is a real estate investment company that was listed on AIM until 16 May 2014, when the admission of its ordinary shares to trading on AIM was cancelled.

	30 June 2014 €'000	31 December 2013 €'000
At beginning of year	2,265	-
Additions	-	1,944
Net change in fair value	(64)	321
At end of period/year	2,201	2,265

Fair value hierarchy

The fair value of available-for-sale financial assets, on Itacare's de-listing date was transferred from Level 1 to Level 3 of the fair value hierarchy.

13. EQUITY ACCOUNTED INVESTEEES

	DCI H2 Limited €'000	Single Purpose Vehicle Five ('SPV 5') €'000	Progressive Business Advisors S.A. €'000	Total €'000
Balance at 1 January 2014	179,420	1,418	24	180,862
Additions	-	1,116	-	1,116
Share of profits/(losses)	43,234	(347)	-	42,887
Share of revaluation surplus	17	-	-	17
Balance as at 30 June 2014	222,671	2,187		24 224,882
Balance at 1 January 2013	256,150	1,722	24	257,896
Share of losses	(76,935)	(304)	-	(77,239)
Share of revaluation surplus	205	-	-	205
Balance as at 31 December 2013	179,420	1,418		24 180,862

The details of the above investments are as follows:

Name	Country of incorporation	Principal activities	Shareholding interest	
			30 June 2014	31 December 2013
DCI H2	BVIs	Acquisition and holding of investments	50%	50%
SPV 5	Cyprus	Construction and management of resort	25%	25%
Progressive Business Advisors S.A.	Greece	Provision of professional services	20%	20%

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

During the period, the Company's investment in its equity accounted investee, DCI H2, increased by €43,251 thousand, compared to the decrease of €76,730 thousand during the year 2013. DCI H2's equity fluctuations for both periods relate to revaluation gains and losses on its property land bank. The decrease recognized in 2013 was principally driven by the reduction in value of the Venus Rock project, whose fair value has been adjusted to reflect the purchase price agreed with China Glory Investment Group ('CGIG'). Considering the fact that the agreement with CGIG was eventually terminated on 10 June 2014, the property of Venus Rock was revalued during the current period based on a valuation of independent professional valuers carried out with an effective date 31 March 2014.

The extended recession in Cyprus and the CGIC agreement terms not allowing the company to market its Venus Rock property, have rendered DCI H2 unable to service its bank loans. The company, however, has recently completed most bank loan restructurings, rescheduling its loan repayments over a longer period and significantly reducing its debt service obligations for 2015 and 2016. The company is also in final stage discussions aiming to reach an agreement to restructure its respective loan facilities with its major bank lender. DCI H2's bank loans are fully secured primarily with mortgages against immovable property of its subsidiaries. There are no floating charges or pledges of shares relating to these bank loans.

If the plans of divestiture of the Venus Rock project do not materialize, and DCI H2 does not secure funds from its subsidiaries and other sources to service its banking debt, the lending institutions would be entitled to exercise the securities they hold against the relevant properties. In such situation, the timing of these disposals and the eventual disposal proceeds cannot be forecasted and could have an impact on the Company's investment in DCI H2.

As of 30 June 2014, Aristo, DCI H2's largest subsidiary, had a total of €2.4 million (31 December 2013: €2.4 million) contractual capital commitments on property, plant and equipment and a total of €46 million (31 December 2013: €45 million) bank guarantees arising in the ordinary course of business. Aristo's management does not anticipate any material liability to arise from these contingent liabilities. In addition, 1,500 shares out of 4,975 shares that the Company holds in DCI H2 are pledged as a security against Group's bank loans.

SPV 5 had a total of €3 million (31 December 2013: €5.1 million) contractual capital commitments on property, plant and equipment.

Summary of financial information for equity accounted investees as at 30 June 2014 and 31 December 2013, not adjusted for the percentage of ownership held by the Group:

	DCI H2 €'000	SPV 5 €'000	Progressive Business Advisors S.A. €'000	Total €'000
30 June 2014				
Current assets	221,821	8,812	192	230,825
Non-current assets	734,897	18,873	2	753,772
Total assets	956,718	27,685	194	984,597
Current liabilities	197,558	9,855	96	207,509
Non-current liabilities	310,878	9,084	-	319,962
Total liabilities	508,436	18,939	96	527,471
Revenues	123,164	-	-	123,164
Expenses	(36,261)	(1,387)	-	(37,648)
Profit/(loss)	86,903	(1,387)	-	85,516
31 December 2013				
Current assets	222,170	10,099	192	232,461
Non-current assets	630,273	11,400	2	641,675
Total assets	852,443	21,499	194	874,136
Current liabilities	186,022	10,571	96	196,689
Non-current liabilities	305,076	1,007	-	306,083
Total liabilities	491,098	11,578	96	502,772
Revenues	29,786	-	455	30,241
Expenses	(184,429)	(1,217)	(454)	(186,100)
(Loss)/profit	(154,643)	(1,217)	1	(155,859)

14. RECEIVABLES AND OTHER ASSETS

	30 June 2014 €'000	31 December 2013 €'000
Trade receivables	237	339
Amount receivable from Archimedia Holdings Corp. ('Archimedia')(see note 22.4)	1,516	1,509
VAT receivables	7,105	7,676
Other receivables	15,372	11,032
Total trade and other receivables	24,230	20,556
Prepayments and other assets	5,352	8,400
Total	29,582	28,956

15. CASH AND CASH EQUIVALENTS

	30 June 2014 €'000	31 December 2013 €'000
Bank balances	8,119	7,075
Cash in hand	26	25
Total	8,145	7,100

The Group during the period had no fixed deposits. The average interest rate on the fixed deposit balances for the year ended 31 December 2013 was 0.495%.

16. CAPITAL AND RESERVES

Capital

Authorised share capital

	30 June 2014		31 December 2013	
	'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 2013 and 30 June 2014	642,440	6,424	498,933

Warrants

In December 2011, the Company raised €8,500,000 through the issue of new shares at GBP 0.27 per share (with warrants attached to subscribe for additional Company shares equal to 25% of the aggregate value of the new shares at the price of GBP 0.317 per share, subject to anti-dilution adjustments pursuant to the warrant's terms and conditions-initial price of GBP0.35 per share). The warrant holders can exercise their subscription rights within five years from the admission date. The number of shares to be issued on exercise of their rights will be determined based on the subscription price on the exercise date.

Reserves

Translation reserve

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

Fair value reserve

Fair value reserve comprises the cumulative net change in fair value of available-for-sale financial assets until the assets are derecognized or impaired and the revaluation of property, plant and equipment from both subsidiaries and equity accounted investees, net of any deferred tax.

17. LOANS AND BORROWINGS

	Total		Within one year		Within two to five years		More than five years	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Loans in euro	73,919	76,390	12,816	11,619	33,257	32,550	27,846	32,221
Loans in United States dollars	13,057	10,982	2,394	1,902	9,036	7,760	1,627	1,320
Bank overdrafts in euro	2,239	2,239	2,239	2,239	-	-	-	-
Bank overdrafts in United States dollars	61	-	61	-	-	-	-	-
Convertible bonds payable in euro	50,000	50,000	-	-	50,000	50,000	-	-
Convertible bonds payable in United States dollars	29,477	29,193	-	-	29,477	29,193	-	-
Total	168,753	168,804	17,510	15,760	121,770	119,503	29,473	33,541

	New		Capital repayments	Interest paid	Other movements	30 June 2014
	1 January 2014	issues				
	€'000	€'000	€'000	€'000	€'000	€'000
Loans in euro	76,390	-	(2,974)	(2,087)	2,590	73,919
Loans in United States dollars	10,982	1,853	-	(193)	415	13,057
Bank overdrafts in euro	2,239	-	-	(101)	101	2,239
Bank overdrafts in United States dollars	-	61	-	-	-	61
Convertible bonds payable in euro	50,000	-	-	(1,375)	1,375	50,000
Convertible bonds payable in United States dollars	29,193	-	-	(1,026)	1,310	29,477
Total	168,804	1,914	(2,974)	(4,782)	5,791	168,753

Convertible bonds payable

On 5 April 2013, the Company issued 5,000 bonds (the 'Euro Bonds') at €10 thousand each, bearing interest of 5.5% per annum, payable semi-annually, and maturing on 5 April 2018.

On 23 April 2013, the Company issued 917 bonds (the 'US\$ Bonds') at US\$10 thousand each, bearing interest of 7% per annum, payable semi-annually, and maturing on 23 April 2018.

The Euro Bonds and the US\$ Bonds may be converted prior to maturity (unless earlier redeemed or repurchased) at the option of the holder into common shares of €0.01 each. The initial conversion price is €0.5737 (representing GBP 0.50 per share converted into euro at the fixed exchange rate of GBP1.00:€1.1474) and US\$0.6717 (representing GBP 0.45 per share converted into United States dollars at the fixed exchange rate of GBP 1.00:US\$1.4928) per share for the Euro Bonds and the US\$ Bonds, respectively.

The Euro Bonds and the US\$ Bonds are not publicly traded.

Part of the bonds, amounting to €41,004 thousand, was subscribed by Third Point LLC, a significant shareholder of the Company (see note 22.5).

On 29 March 2011, DCI H7 issued 4,000 bonds at US\$10 thousand each, bearing an interest of 7% per annum, payable semi-annually, and maturing on 29 March 2016. The bonds are trading on the Open Market of the Frankfurt Stock Exchange (the freiverkehr market) under the symbol 12DD. On 23 April 2013, the Company purchased 891 bonds at a consideration of US\$10 thousand each (representing their par value) plus corresponding accrued interest of approximately US\$200 thousand using the funds received from the issue of the US\$ Bonds.

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 a conversion price of US\$0.7239, equivalent of GBP 0.453, subject to anti-dilution adjustments pursuant to the bond's terms and conditions (initial conversion price GBP 0.50). 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:

- (i) some or all of the principal amount of the bonds held by a bondholder maybe 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.

18. FINANCE LEASE OBLIGATIONS

	30 June 2014				31 December 2013			
	Future minimum lease payments		Interest	Present value of minimum lease payments	Future minimum lease payments		Interest	Present value of minimum lease payments
	€'000	€'000			€'000	€'000		
Less than one year	505	79		426	502	79		423
Between two and five years	1,773	293		1,480	1,773	293		1,480
More than five years	11,414	5,088		6,326	11,665	5,127		6,538
Total	13,692	5,460		8,232	13,940	5,499		8,441

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

19. DEFERRED TAX ASSETS AND LIABILITIES

	30 June 2014		31 December 2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€'000	€'000	€'000	€'000
Balance at beginning of period/year	4,230	(56,610)	3,384	(45,454)
From disposal of subsidiary (see note 23)	(1,162)	-	-	-
Recognised in profit or loss	(644)	648	1,427	(12,393)
Recognised in other comprehensive income	-	-	-	1,118
Exchange difference and other	(38)	(46)	(581)	119
Balance at end of period/year	2,386	(56,008)	4,230	(56,610)

Deferred tax assets and liabilities are attributable to the following:

	30 June 2014		31 December 2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	€'000	€'000	€'000	€'000
Revaluation of investment property	-	(46,308)	-	(45,452)
Revaluation of trading properties	-	(3,093)	-	(4,723)
Revaluation of property, plant and equipment	-	(7,611)	-	(6,180)
Other temporary differences	-	1,004	-	(255)
Tax losses	2,386	-	4,230	-
Total	2,386	(56,008)	4,230	(56,610)

20. TRADE AND OTHER PAYABLES

	30 June 2014	31 December 2013
	€'000	€'000
Trade payables	445	514
Land creditors	24,603	24,251
Investment Manager fees payable (see note 22.2)	467	467
Payable to the former controlling shareholder of PGH project (see note 22.4)	503	498
Other payables and accrued expenses	34,931	27,385
Total	60,949	53,115

21. NAV PER SHARE

	30 June 2014	31 December 2013
	'000	'000
Total equity attributable to owners of the Company (€)	552,317	523,672
Number of common shares outstanding at end of period/year	642,440	642,440
NAV per share (€)	0.86	0.82

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 2014 were as follows:

	Shares '000
Miltos Kambourides (indirect holding)	65,081
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.

On 30 May 2013, David B. Heller acquired convertible Euro Bonds of €2,050 thousand par value that may be converted prior to maturity into 3,573,296 common Company shares of €0.01 each.

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:

- €890 million; plus
- The gross proceeds of further equity issues, other than the funds raised in respect of the proceeds of the equity issues as at 25 October 2012 and 30 December 2011; plus
- Realised net profits less any amounts distributed to shareholders.

The equity funds as at 30 June 2014 comprised of €681 million.

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 2014 and 30 June 2013, amounted to €6,858 thousand and €6,890 thousand, respectively.

Performance fees

The Investment Manager is entitled to a performance fee based on the net profits made by the Company, subject to the Company receiving the 'Relevant Investment Amount' which is defined as an amount equal to:

- The total cost of the investment reduced on a pro rated basis by an amount of €160.1 million*; plus
- A hurdle amount equal to an annualised percentage return equal to the average one-month Euribor rate applicable in the period commencing from the month when the relevant cost is incurred compounded for each year or fraction of a year during which such investment is held (the 'Hurdle'); plus
- 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 profits arising shall be distributed in the following order or priority:

- 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
- 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 profits.

* The reduction in the total cost of investment was adjusted in April 2014 by €7.6 million, as compared to the base reduction of €167 million, to reflect the loss incurred by the Company through Pasakoy Yapi ve Turizm A.S. ('Pasakoy') sale transaction, as calculated in accordance with the Investment Management Agreement provisions and definitions.

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 €225 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 2014 and 30 June 2013. As at 30 June 2014 and 31 December 2013, funds held in escrow, including accrued interest, amounted to €467 thousand.

22.3 Directors' remuneration

The Directors' remuneration for the six-month periods ended 30 June 2014 and 30 June 2013 were as follows:

	From 1 January 2014 to 30 June 2014	From 1 January 2013 to 30 June 2013
	€'000	€'000
Andreas Papageorgiou	7.5	7.5
Cem Duna	7.5	7.5
Roger Lane-Smith	22.5	22.5
Antonios Achilleoudis	7.5	7.5
Christopher Pissarides	25.0	25.0
David B. Heller*	9.1	5.2
Total	79.1	75.2

* On 14 March 2013, Mr. David B. Heller was appointed as non-executive Director, having been nominated for appointment by Third Point LLC. On 10 June 2014, he was elected to be Chairman of the Board of the Company. The previous Chairman, Mr. Andreas Papageorgiou, will continue to act as a non-executive director.

Mr. Miltos Kambourides has waived his fees.

22.4 Shareholder and development agreements

Shareholder agreements

DolphinCI Twenty Two Limited, a subsidiary of the Group, had signed a shareholder agreement with the non-controlling shareholder of Eastern Crete Development Company S.A., under which it had 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 was successful in, among others, acquiring additional specific plots and obtaining construction permits. On 23 August 2013, the parties signed a new agreement for the purchase of the remaining 40% stake of the entity. The base consideration for the purchase was €4.4 million payable in three installments: €2.4 million by 10th of September 2013, €1 million by 30th of September 2013 and €1 million by 31st of October 2013. The last installment of €1 million was transferred within February of 2014. Consideration might be increased by the transfer of plots of land in the project, to the seller, of total market value equal to €4 million, subject to the project receiving permits for building 40,000 m², of freehold residential properties. The conditional deferred consideration will be adjusted pro rata in case the buildable properties are less than 40,000 m² but is also subject to a 5% annual increase commencing from the second anniversary from the signing of the agreement and until implementation from the Company.

DolphinCI Thirteen Limited, a subsidiary of the Group, has signed a shareholder agreement with the non-controlling shareholder of 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 20 September 2010, the Group signed an agreement with Archimedia controlled by John Hunt, for the sale of a 14.29% stake in Amanzoe for a consideration of €11 million. The agreement also granted 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, which was followed by the Company and Archimedia entering into an amended sale agreement on 13 March 2012. The Company has already received US\$12,422 thousand and €1,300 thousand, while US\$978 thousand and €800 thousand, plus any additional consideration that may be due depending on the exact size and features of the Conversion Villas, will be received upon completion of the Conversion Villas. The total receivable amount of €1,516 thousand (31 December 2013: €1,509 thousand) is included in receivables and other assets (see note 14). On 3 August 2012, the Company received a Conversion Notice from Archimedia to convert 6.43% of its shares in Amanzoe in exchange for an Aman Villa and on 27 December 2012 a further Notice for the conversion of the remaining 7.86% of its shares for two other Aman Villas. On 2 July 2014, Archimedia remitted €904 thousand (€263 thousand and US\$878 thousand) to the Company and on 17 September 2014 the conversion of 6.43% of Archimedia's 14.29% stake into one of the designated Conversion Villas was completed. The finalization of the relevant documentation for the conversion of the remaining 7.86% is expected shortly. Following these conversions, Archimedia will not hold any shareholding interest in Amanzoe.

On 6 August 2012, the Company signed an agreement for the sale of eight out of the nine remaining Seafront Villas, part of the Mindcompass Overseas Limited group of entities. The total base net consideration agreed for this sale was €10 million with the Company also entitled to 50% profit participation in the sale of five Villas. It was also agreed that the Company would undertake the construction contract for the completion of the Villas and a €1 million deposit was paid upon signing. During 2013, the Company received an additional amount of €990 thousand. The construction of the two Villas is currently underway.

On 5 September 2012, the Company signed a sales agreement with a regional investor group led by Mr. Alberto Vallarino for the sale of its 60% shareholding in Peninsula Resort Holdings Limited, the entity that indirectly holds the land for Pearl Island's Founders' phase of the Pearl Island Project. The consideration for the sale was a cash payment of US\$6 million (50% paid at closing on 14 September 2012 and 50% one year from closing, collected on 17 September 2013) and a commitment to invest an additional circa US\$35 million of development capital within a maximum period of two years in order to complete the aforementioned phase of the project. Out of those funds, approximately US\$13 million shall be incurred on development of components owned by Pearl Island Limited S.A., with US\$11,530 thousand already invested by 30 June 2014 (31 December 2013: US\$7,171 thousand).

On 24 September 2012, the Company signed an agreement with an affiliate of the Swiss Development Group for the sale of a 75% stake in the Nikki Beach Resort & Spa at Porto Heli together with a contract for the management and construction of the project for a minimum consideration of €3.15 million, that will increase depending on the size of the loan facility obtained, the returns realised and the final construction cost. An amount of €1.23 million had been received by the Company as of 31 December 2012, and the remaining balance of the minimum consideration was received in early 2013.

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 Resort 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.

Pursuant to the original Sale and Purchase Agreement of 10 December 2007, DCI H7 was obliged to make payments for the construction of infrastructure on the land retained by DR Beachfront Real Estate LLC ('DRB'), the former majority shareholder of PGH. Pursuant to a restructuring agreement dated 5 November 2012, those obligations have been restructured with the material provisions of that agreement already fulfilled. As at 31 December 2013, following cash payments of US\$7.6 million and transfers of land parcels valued at approximately US\$11 million, the total provision outstanding is US\$0.7 million (€503 thousand) (31 December 2013: US\$0.7 million or €498 thousand) which is included in trade and other payables (see note 20).

Pedro Gonzalez Holdings II Limited, a subsidiary of the Group in which the Company holds a 60% stake, has signed a Development Management agreement with DCI Holdings Twelve Limited ('DCI H12') in which the Group has a stake of 60%. Under its terms, DCI H12 undertakes, among others, the management of permitting, construction, sale and marketing of the Pearl Island project.

22.5 Other related parties

During the periods ended 30 June 2014 and 30 June 2013, the Group incurred the following related party transactions with the following parties:

30 June 2014

Related party name	€'000	Nature of transaction
Progressive Business Advisors S.A.	165	Accounting fees
John Heah, non-controlling shareholder of SPV 10	201	Design fees in relation to Playa Grande project
Iktinos Hellas S.A.	24	Project management services in relation to Sitia project and rent payment
Archimedia JH Holding Corp.	79	Loss on finance lease of immovable property
Third Point LLC, shareholder of the Company	41,004	Bond holder (see note 17)
Third Point LLC, shareholder of the Company	1,158	Bond interest for the period

30 June 2013

Related party name	€'000	Nature of transaction
Progressive Business Advisors S.A.	145	Accounting fees
John Heah, non-controlling shareholder of SPV 10	30	Design fees in relation to Playa Grande project
Iktinos Hellas S.A.	25	Project management services in relation to Sitia project and rent payment
J&P Development S.A.	30	Project management services in relation to Cape Plaka project
Third Point LLC, shareholder of the Company	41,004	Subscription to bonds (see note 17)
Third Point LLC, shareholder of the Company	532	Bond interest for the period

23. BUSINESS COMBINATIONS

During the period ended 30 June 2014, the Group increased its ownership interest without any change in control in Bourne Holdings (Cyprus) Limited (holding company of Eastern Crete Development Company S.A.) by 9.09% to 100% as follows:

	Eastern Crete Development Company S.A.
	€'000
Non-controlling interests acquired	1,535
Consideration transferred	(1,000)
Acquisition effect recognised in equity	535

During the period ended 30 June 2014, the Group disposed of its entire stake in Pasakoy as follows:

	Pasakoy €'000
Deferred tax assets (see note 19)	(1,162)
Non-current assets	(955)
Trading properties (see note 11)	(7,252)
Receivables and other assets	(394)
Cash and cash equivalents	(1)
Loans and borrowings	1,423
Trade and other payables	52
Net assets disposed of	(8,289)

Proceeds on disposal	8,289
Translation reserve	2,709
Gain on disposal recognised in profit or loss	2,709
Cash effect on disposal:	
Proceeds on disposal	8,289
Cash and cash equivalents	(1)
Net cash inflow on disposal	8,288

24. FINANCIAL RISK MANAGEMENT

The Group's financial risks and risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2013.

Fair values

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the statement of financial position date.

25. COMMITMENTS

As of 30 June 2014, the Group had a total of €13,076 thousand contractual capital commitments on property, plant and equipment (31 December 2013: €16,499 thousand).

Non-cancellable operating lease rentals are payable as follows:

	30 June 2014 €'000	31 December 2013 €'000
Less than one year	19	19
Between two and five years	40	50
Total	59	69

26. CONTINGENT LIABILITIES

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. All provisions in relation to this matter which are considered necessary have been recorded 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 €60 million (31 December 2013: €48 million), subject always to the escrow and clawback provisions mentioned in note 22.2.

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.

The Group, under its normal course of business, guaranteed the development of properties in line with agreed specifications and time limits in favour of other parties.

27. EVENTS AFTER THE REPORTING PERIOD

On 6 August 2014, DCI 14 (the Company's Cyprus subsidiary holding the Group's shareholding in Amanzoe), entered into a €40,400,000 loan facility agreement with Colony Capital Acquisitions LLC acting on behalf of managed funds ('Colony'). The facility has a six year term and a fixed 11% annual interest paid semi-annually. The facility is structured on a mezzanine basis, having no recourse to or guarantee from the Company. The security package comprises of pledges over the shares of DCI 14 and the shares of certain of its Cyprus subsidiaries and their assets. In addition, Colony will receive a share of the net distributable cash flows of Amanzoe as follows: 100% of all net cash flows until the annual interest is paid, then 64% until the facility is repaid, and finally 25% until the aggregate of all repayment amounts received by Colony under the facility equate to an internal rate of return of 16%. Dolphin will be entitled to repay the facility at any time by repaying to Colony an amount that would represent the greater of a) a 1.35x multiple or b) a 16% internal rate of return, on the facility.

On 28 January 2014, the Company signed an agreement which granted Archimedia an option to acquire a 50% profit share from future sales of Amanzoe Villas. Under the terms of the agreement, by making a refundable deposit of €10 million (amount included in Other non-current liabilities) Archimedia was given the option to acquire a 50% entitlement in the net profits to be realised from the sales of the unsold and unreserved Amanzoe Villas, which will be constructed in the current and future development phases of the project, for a total upfront consideration of €26 million in cash. The Company retained a call option to redeem Archimedia's investment during the first two years from closing which was exercised on August 8, 2014, by remitting €10.486 million (including interest) to Archimedia.