

**Dolphin Capital Investors Limited (DCIL)**

**Acquisition of an 80% shareholding in Aristo Developers Plc and Public  
Offer to acquire the remaining shares  
Total investment of €245m marks the largest transaction of Dolphin to date**

Dolphin Capital Investors (“Dolphin”), the leading investors in the residential resort sector in south-east Europe, is pleased to announce the acquisition of an 80% shareholding in Aristo Developers Plc.

**Highlights**

- Dolphin has today announced the acquisition of an 80% shareholding in Aristo Developers Plc (“Aristo”), the largest holiday home development company in Cyprus and listed on the Cyprus Stock Exchange
- Dolphin has secured a 60% shareholding from Mr. Theodoros Aristodimou, the principal shareholder and founder of Aristo, in exchange for €128.7m and a 15% interest in the Dolphin vehicle acquiring Aristo, and 20% from Aristo’s second largest shareholder for €57.9m in cash
- The purchase price equates to €2.15 per share, a premium of 8.5% to the last traded price
- Dolphin will shortly launch a public tender offer to acquire the outstanding 20% of shares in Aristo also at a price of €2.15 per share which implies a total cash consideration of €57.9m
- The total value of the equity of Aristo is therefore valued at €289m, and together with debt of €149m (as at 31 December 2006), represents an acquisition value of Aristo of €438m
- Aristo owns a number of strategic assets that are complementary to Dolphin’s strategy of acquiring large land sites and establishing premium branded residential resorts
- Aristo is today believed to be the largest private land owner in Cyprus and the largest holiday home developer both in terms of annual turnover and number of units sold
- Aristo owns three out of the twelve new preliminary licences for golf-integrated residential resorts granted by the Cypriot government and is considering applying for a fourth one
- Aristo’s flagship asset is Venus Rock, a 1,000 hectare site that is one of the largest sea-front residential resort development sites in Europe, and which is expected to comprise up to 3 golf courses, more than 3,000 residential units, a 5-star hotel with spa, extensive beach-front entertainment, retail and commercial facilities, marina and other sport facilities
- Aristo also owns Eagle Pine, a 220 hectare site expected to become a golf integrated resort, situated a few kilometres away from Dolphin’s Apollo Heights Polo Resort

- Following the Aristo acquisition, Dolphin's investment commitments will total €17m and exceed the €99m net equity funds raised; given the strong Aristo cash flows (the 2006 unaudited post-tax profits were c. €4m) and the expected upward revaluation of the land bank of Aristo, Dolphin will be exploring enhancing its capital structure through the introduction of additional financial leverage.
- Dolphin's acquisition of Aristo represents a significant acceleration of Dolphin's investment strategy by:
  - ✓ enhancing the DCI portfolio with a number of significantly advanced development projects in Cyprus and Greece, spread over an aggregate of 13 million m<sup>2</sup> of land, with a capacity to generate approximately 1.5 million buildable m<sup>2</sup> equivalent to approximately 10,000 freehold residential units
  - ✓ creating the potential for significant NAV uplift upon revaluation and ultimately producing strong returns to DCI shareholders
  - ✓ enabling Dolphin to double its land bank in a single transaction, investing substantially all of its remaining capital of €250 million
  - ✓ generating current income largely from sales of existing residential units and from other operating assets
  - ✓ enabling Dolphin to leverage Aristo's in-depth management and development expertise for the progression of Dolphin's current projects in Greece and Cyprus
  - ✓ establishing Dolphin as the largest private land-owner and residential resort developer in Cyprus and cement its leadership position in the sector in Southeast Europe

Miltos Kambourides, Managing Partner of DCP said: *“The acquisition of Aristo Developers marks the most important milestone to date in our investment program. We are excited to be partnering up with the founder of the company Theodoros Aristodemou and integrating into the DCI portfolio a vast and attractive pipeline of significantly advanced development projects together with unrivalled technical know-how, serving to solidify Dolphin's leadership position in the residential resort sector in Southeast Europe.”*

Pierre Charalambides, Partner of DCP added: *“This acquisition enables Dolphin to leapfrog in a single transaction (i) by doubling its current land-bank through the acquisition of over 13 million m<sup>2</sup> of strategic land, the majority of which is suited for the development of exclusive residential resorts and (ii) by firmly establishing Dolphin as the leading residential resort investor in Cyprus and the rest of Southeast Europe.”*

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## **OVERVIEW**

Dolphin Capital Investors Limited, a real estate investment company focused on the Master-planned Residential Resort sector in Southeast Europe and managed by Dolphin Capital Partners Limited (“DCP” or the “Investment Manager”), is pleased to announce the securing of an 80% shareholding in Aristo Developers Plc (“Aristo”), the largest holiday home development company in Cyprus (the “Acquisition”). Aristo is listed on the Cyprus Stock Exchange.

Dolphin has secured 60% from Theodoros Aristodimou, the principal shareholder and founder of Aristo, and related parties, in exchange for €129 million and a 15% interest in the Dolphin special purpose vehicle established for the purpose of acquiring Aristo, and a further 20% from Aristo’s second largest shareholder Mihalakis Ioannides for €57.9 million in cash implying a price of €2.15 (CYP 1.25) per share.

The special purpose acquisition vehicle is a newly incorporated BVI company (“BVI Holdco”) which will ultimately be owned 85% by Dolphin and 15% by TA. As a consequence of DCI securing an interest in excess of 30% in the issued share capital of Aristo, DCI is required to make a public offer for the remaining 20% of Aristo at a price of €2.15 (CYP 1.25) for an aggregate consideration of €58.9 million. Subject to the public offer reaching the 90% squeeze-out threshold, Aristo will be de-listed and become a private company. The Acquisition is subject to the approval of the Cyprus Stock Exchange commission and the Commission for the Protection of Competition of Cyprus.

Aristo, founded in 1983, is today believed to be the largest private land owner in Cyprus and the largest holiday home developer both in terms of annual turnover and number of units sold. With more than 13 million m<sup>2</sup> of development land under ownership, over 3,000 holiday home sales over the past five years and a pipeline of approximately 10,000 residential units under planning, Aristo has a strong presence within the real estate development sector in Southeast Europe. The Aristo group holds three out of the country’s 12 new preliminary licenses for golf-integrated residential resorts that have recently been granted by the Cypriot government and is considering applying for a fourth license.

Aristo’s flagship asset is Venus Rock, one of the largest sea-front residential resort development sites in Europe. It is situated on next to Aphrodite Hills (Southeast Europe’s first golf-integrated residential resort) between the towns of Limassol and Paphos. The 1,000 hectare site of Venus Rock is expected to be a truly integrated destination comprising 3 golf courses, more than 3,000 residential units, a 5-star hotel with spa, extensive beach-front entertainment, retail and commercial facilities, marina and other sport facilities. The fourth golf-integrated permit relates to Eagle Pines, a 220 hectare site a few kilometres away from DCI’s Apollo Heights Polo Resort and a 15 minute drive from Venus Rock.

In addition to the golf-integrated developments described above, Aristo is currently involved in the development of additional large scale residential projects, which together represent the substantial majority of Aristo’s total land holdings.

Aristo has grown significantly in recent years, and turnover and net profit grew by an annual rate of 34% and 27% respectively from 2005 to 2006. Total sales and net profit before tax for 2006 were €137.2m and €28.8m respectively.

TA’s 15% shareholding in BVI Holdco is subject to a 2-year lockup period. After the lock-up period, and for an additional period of two years, put and call options have been agreed for TA’s shareholding in the Aristo. Dolphin has also entered into a management agreement with TA for at least two years, with an option to renew for two more years for as long as he maintains at least two thirds of his shareholding in BVI Holdco, with incentives tied to the NAV growth of the Aristo. TA has provided Dolphin with personal warranties regarding titles

and land ownership, the book value of the Aristo's net asset position and undisclosed or contingent liabilities.

Subject to the successful execution of the public offer and reaching a 90% squeeze-out threshold which will enable the compulsory acquisition of the minority shareholders under Cyprus takeover regulations, Aristo will be de-listed and become a private company.

The Investment Manager and the Board of DCI believe that the consideration paid, despite being approximately at an 80% premium to the estimated 31 December 2006 net book value of Aristo and at a 9% premium to the closing share price as of 4 April 2007, represents a significant discount to what DCP believes Aristo's net asset value to be.

The Investment Manager and the Board of DCI believe that the transaction is of paramount strategic importance to Dolphin, and is expected to:

1. Enhance the DCI portfolio with a number of significantly advanced development projects in Cyprus and Greece, spread over an aggregate of 13 million m<sup>2</sup> of land, comprising 4 potential golf-integrated residential developments and approximately 1.5 million buildable m<sup>2</sup> equivalent to approximately 10,000 freehold residential units. The Investment Manager believes that the land portfolio and pipeline, and particularly the golf integrated developments, would be almost impossible for a third party to replicate due to the lack of available large land sites in South Cyprus.
2. Create the potential for significant NAV uplift upon closing and ultimately generate strong returns to DCI shareholders. When fully developed, the assets are expected to generate returns in line with Dolphin's strategy of not investing in projects unless they are expected to generate an IRR of at least 25%. DCP believes that there could be additional benefits from the higher quality branding and design concept that Dolphin can bring into Aristo's large scale projects.
3. Enable Dolphin to double its land bank in a single transaction, investing substantially all of its remaining capital of €250 million, bringing its total investments to date to €368 million and total commitments to €17 million.
4. Generate future profits largely from sales of existing residential units and from other operating assets that can create opportunities for further organic growth and reinvestment.
5. Enable Dolphin to utilise Aristo's management expertise for the progression of Dolphin's current projects in Greece and Cyprus, as well as for the sourcing and execution of more land acquisitions in Cyprus. In addition, Aristo has an established marketing platform which can also be leveraged upon.
6. Bring in-house a number of key operational functions that would have otherwise been outsourced, ensuring greater control over quality and costs
7. Accelerate the development of the Dolphin strategy by acquiring a portfolio of projects at an advanced development stage, a residential development business that is expected to generate future profits, and management expertise to further assist in the development of Dolphin's existing projects
8. Establish Dolphin as the largest private land-owner and residential resort developer in Cyprus and cement its leadership position in the sector in Southeast Europe.

## **FURTHER DETAILS**

### ***Company Background***

Aristo is the largest holiday home development company in Cyprus and probably Southeast Europe ([www.aristodevelopers.com](http://www.aristodevelopers.com)). Aristo was established in 1983 by Mr Theodoros Aristodemou who continues to be the Aristo's Managing Director and who was before the Acquisition the majority shareholder with approximately 60%.

Aristo grew organically from a one-man, one apartment building company to the largest private land-owner and holiday/second home developer in Cyprus. Over the past decade, the Aristo has developed and sold approximately 4,500 residential units from more than 100 residential, commercial and tourism-related projects around Cyprus, the majority of which have been completed in the past five years. Aristo has also been a pioneering force behind investments in golf-integrated developments and has developed the first two golf courses in Cyprus, the "Secret Valley Golf Course" (within Venus Rock, which Aristo owns) and the "Tsada Golf Course" (which Aristo operates) near Paphos.

Aristo is believed to be today the largest private land-owner in Cyprus with a total land ownership totalling 13 million m<sup>2</sup>. The Aristo group has received three out of the twelve preliminary golf-integrated project approvals recently granted by the Cyprus Government and has the potential to apply for a fourth one in the medium term. Aristo also operates two out of the three existing commercial 18-hole golf courses in Cyprus and has an approximate 15% market share of the Cyprus holiday home market.

In addition to the golf-integrated developments, Aristo is currently involved in the development of additional large scale projects, predominantly residential developments for overseas buyers. Aristo's top ten developments or land holdings in Cyprus and Greece represent a substantial majority of its total land holdings and the estimated net asset value of Aristo.

Aristo's strategy of acquiring land in key locations at attractive prices to develop holiday homes for foreign buyers is consistent and complementary to that of Dolphin. Aristo performs in-house the functions of land acquisition, design, project management, marketing and sales. The construction is primarily contracted to third parties.

Aristo focuses mainly on the regions of Paphos and Limassol and currently has over 70 residential developments of various sizes under construction and 150 under planning on the island, operated and managed currently by an in-house team of approximately 406 staff. Since 1999, Aristo has also established a presence in Greece with seven residential developments completed and delivered, two residential developments under construction and three beachside projects under planning.

Aristo's headquarters are in Paphos, Cyprus, with satellite offices principally in Nicosia, Limassol, Athens and Moscow. It is listed on the Cyprus Stock Exchange with a current market capitalisation of approximately €289 million (as of April 4, 2007).

### ***Cyprus Market Environment***

Cyprus entered the EU on May 1<sup>st</sup> 2004 and offers one of the most competitive taxation environments in Europe (corporate income tax at 10%). The country further benefits from an excellent climate with long seasonality and is already a very popular 2<sup>nd</sup> home/retirement destination for British citizens. Over the past three years demand for second homes is estimated to have increased by an average 15 to 20 per cent annually.

Smaller mid-market residential projects with 30 to 60 houses have been quite common in Cyprus over the past 20 years. Those were mostly built in and around Paphos, a picturesque town in the Southwest corner of the island.

There is only one master-planned leisure integrated residential development on the island, Aphrodite Hills ([www.aphroditehills.com](http://www.aphroditehills.com)), which has experienced tremendous success. Aphrodite Hills has been developed and managed by Lanitis Development Ltd over 231 hectares. The development started golf course operations on October 1<sup>st</sup> 2002 and to date has sold over 400 villas and 200 apartments. 90% of sales have been made to foreigners, of which approximately 60% were to the United Kingdom. The largest other foreign markets have been Russia, Scandinavia and Germany.

The Cyprus Tourism Organization has recently prepared a new 10-year strategic plan for the tourism industry aimed at attracting wealthier tourists and residential buyers. This involves incentives to attract private financing to build additional marinas and golf courses. There are currently only three commercially operated 18-hole golf courses on the island and a further twelve golf course developments have recently received pre-approvals from the Cyprus government. To encourage investment in golf resorts, the Cyprus government has allowed for up to 100,000 m<sup>2</sup> of residential real estate that could be integrated with the development of golf courses and sold as freehold, subject to developers meeting certain investment criteria.

Aristo is one of the leaders in the development of golf-integrated residential resorts in Cyprus, having received three out of the twelve preliminary golf-integrated project pre-approvals to date.

### ***Market positioning and sales***

Aristo currently owns a land portfolio of approximately 13 million m<sup>2</sup> of attractive land sites in Cyprus and Greece. In 2006, Aristo derived approximately 97% of its revenues from the development of its land holdings and subsequent sale of residential units. Non-core assets, namely the operation of recreational and other leisure facilities, only accounted for approximately 3% of Aristo's revenues for the year ended 31 December 2006.

Aristo sold a total of approximately 623 units in Cyprus for the year ended 31 December 2006, which, as estimated by Aristo's management, corresponds to a market share of around 11% in terms of units sold (out of 5,800 estimated total residential units sold in Cyprus during 2006) or a market share of approximately 15% in Cyprus and 30% in Paphos in terms of total sales.

Aristo targets foreign buyers, mostly northern Europeans and Russians in search of a retirement home and, more opportunistically, wealthy Cypriots or Greeks. Historically, the client base has been 60% British, 15% Russians, 10% Cypriots and 15% other (mainly Europeans). Aristo currently operates 25 information and sales offices in Cyprus and Russia and also co-operates with an extensive network of agents and real estate professionals. Its sales team provides extensive support services and guidance relating to legal and tax issues for acquiring a property in Cyprus, as well as facilities management and re-sale services. During 2006, 93% of sales were made to foreigners with demand anticipated to remain strong.

### ***Large-scale Real Estate Development***

Aristo's largest ten projects in Cyprus and Greece represent the substantial majority of its total land holdings by size and estimated value. These development projects comprise ten residential communities, four of which are intended to be large upscale golf-integrated residential resorts, as further summarized below.

#### **Cyprus**

**1. Venus Rock:** Land site of approximately 10 million m<sup>2</sup>, 18 km east of Paphos, one of the largest sea-front residential resort development sites in Europe, adjacent to Aphrodite Hills (Southeast Europe's first golf-integrated residential resort experiencing large success). Venus Rock is expected to be a truly integrated destination comprising three golf courses, 3,000

residential units, a five-star hotel with spa, extensive beach-front entertainment, retail and commercial facilities, marina and other sport facilities.

The site currently has an existing 18-hole golf course in place (Secret Valley Golf Course) and existing zoning for 290 villas that are currently for sale and which are in addition to those expected to be developed as part of the golf-integrated permits. 242 villas have already been sold to date.

**2. Eagle Pine:** Land site of approximately 2.2 million m<sup>2</sup>, a few kilometres away from Apollo Heights Polo Resort (Dolphin's first investment in Cyprus), and a 15 minutes drive from Venus Rock. Situated at the highlands, the Eagle Pine site overlooks the sea around the Episkopi and Acrotiri areas near Limassol. It has received preliminary approval for a golf integrated resort, with a residential development component of up to 100,000 m<sup>2</sup>.

**3. Paphos centre plot:** Land site of approximately 150,000 m<sup>2</sup> in the centre of Paphos and within walking distance from the beach-front hotel Riviera of the town. The site falls under two high density building zones with building coefficients of 80% and 60%, where the estimated residential development for the site is anticipated to cover over 73,000 buildable m<sup>2</sup>.

**4. Pissouri Panorama:** Land site of 120,000 m<sup>2</sup> in the upcoming area of Pissouri, east of Paphos, with an estimated residential development area of 20,000 buildable m<sup>2</sup>. Several other land sites are within a radius of 2km of the site that may eventually create a large scale development program.

**5. Magioko:** Beach-front site of approximately 102,000 m<sup>2</sup> situated within a tourism zone a few kilometres away from Paphos International airport. The site has a building coefficient of 30% for tourism developments or 20% for residential developments. The site is intended to be developed into an exclusive beachfront residential resort with an estimated 17,000 m<sup>2</sup> of residences.

**Other major sites:** Aristo owns a large number of residential non-leisure integrated developments and villas under construction which are nevertheless very close to the beach or other leisure activities. Notable examples include:

**6. Zephyros:** a development of approximately 40,000 residential buildable m<sup>2</sup> spread across a 94,000 m<sup>2</sup> land site, situated 400 meters from the beach and the Magioko site.

**7. Limassol Star:** a development comprising luxury beachfront properties and leisure facilities, only 10 minutes from Limassol town centre and 30 minutes from Nicosia and Larnaca International Airport. The development is also within a minute's walk from the Limassol Yachting Marina and enjoys the water sport facilities offered by the neighbouring blue flag beach.

## Greece

In 1999, Aristo established its Greek operations to focus on property development in Greece and is now actively involved in that market. Aristo has developed and marketed large blocks of flats and offices in selective areas of Athens and has acquired attractive coastal properties in areas such as Zakynthos, Syros and the western Peloponnese, where it plans to develop exclusive residential developments. These include:

**8. Tsilivi project:** A two-phased development with an estimated 56,000 m<sup>2</sup> of residential buildable expected to be sold over 80,000 m<sup>2</sup> of land in the small village of Tsilivi, approximately 4 km from the town of Zakynthos, near the area of Planos. Efforts are being made to reclaim an additional 20,000 m<sup>2</sup> of land.

**9. Douneika project:** A beachfront property of 265,000 m<sup>2</sup> at Douneika in Peloponnese, adjacent to the Aldemar hotel. The tourism development of the property will take advantage of a building coefficient of 20%, allowing for the development of a hotel and c. 18,000 m<sup>2</sup> of residential real estate.

**10. Syros project:** Residential development designed in Cycladic architecture style, 12 km from Ermoupolis on the island of Syros, spread over a 22,000 m<sup>2</sup> site, where approximately 4,500 m<sup>2</sup> of residential real estate can be developed.

#### *Small to medium Scale Real Estate Development*

Aristo has additionally 60 residential projects of various sizes under construction, with remaining available for sale units of approximately 80,000 buildable m<sup>2</sup> spread over an estimated 274,000m<sup>2</sup> of land. It further holds a land inventory of 2,600,000 m<sup>2</sup> for several potential projects under planning which are expected to be developed over the medium term. These small to medium scale developments are expected to be permitted for more than 670,000 buildable m<sup>2</sup> in total.

Almost all of these existing and potential new residential projects are located in strategic points of the island, by or close to the sea, easily accessible by airports and next to well-developed infrastructure. Notable examples include Golden Beach and Riviera Beach Villas in Paphos.

#### *Other Activities*

Aristo also generates approximately 3% of its revenues (approximately €4 million in 2006) from the operation of recreational/leisure facilities and other miscellaneous travel and insurance services. The two main ones are:

- Randi Golfers Limited: Jointly runs the Secret Valley Golf Club (Venus Rock) and Tsada Golf Club, Cyprus' first 18-hole grass course, only 20 minutes from Paphos, on an elevated position of 550 metres above sea level.
- A&A Super Aphrodite Waterpark Limited: Owner of a waterpark located amidst 30,000 m<sup>2</sup> of landscaped grounds across from the hotels on the seafront of the tourist area. This represents the main source of revenues for Aristo's non-core activities, attracts more than 100,000 visitors and generates a net cash profit of approximately €1 million per annum.

#### ***Business Plan & Future Strategy***

Following this acquisition, Dolphin intends to (i) undertake a revaluation of Aristo's assets to market value (ii) further build on Aristo's success as the largest holiday home developer in Cyprus, and (iii) retain and further improve the efficiency of Aristo's existing key management and operations. In order to maximise Aristo's NAV and profitability, Dolphin will have a separate approach for Aristo's following three project categories:

#### *Leisure Integrated Residential Resort Developments*

Represents the majority of Aristo's land portfolio and shall include:

- a. Large sites suitable for the development of branded golf-integrated residential resorts with up to 100,000 m<sup>2</sup> of freehold residential real estate per project, namely the 3 Venus Rock projects and the Eagle Pine project.
- b. Smaller sites suitable for the development of more exclusive residential developments due to the site's attractiveness, views and beach access, to include for example the Pissouri Panorama site and Magioko.

To maximise the returns on these developments and to seek to grow Aristo's NAV, Dolphin intends to engage some of the world's most renowned master-planners, architects, golf designers, operators and marketers and target the most affluent part of the Northern European and Russian markets.

#### *Other Residential Developments*

Represents the remainder of Aristo's land portfolio and includes the mid-market residential holiday home developments Aristo is well known for.

Aristo is the leading developer in the residential sector in Cyprus, having sold 3,000 units over the past 5 years. The average selling prices for the year ended 31 December 2006 was approximately €270,000 per unit and the estimated net profit margin per unit was approximately 20%.

Dolphin intends to maximise the efficiency of this division and continue to sell its existing developments to generate strong cash flows and profits. Dolphin will be cautious with this part of the business, as it is believed that this segment of the market is becoming very competitive in Cyprus – with a potential slowdown expected over the medium to long term – and better margins can be achieved for more upper-scale developments which are also more in line with Dolphin's core strategy. Dolphin may also seek to sell developments to other investors if this provides a suitable return.

#### *Other Leisure Activities*

This includes non-core projects such as the Super Aphrodite Waterpark in Paphos, which generated sales in the year ended 31 December 2006 of approximately €3 million and is profitable, Skylark Insurance which is an insurance broker providing insurance for purchasers of Aristo's residential developments, and other small non-core assets.

Dolphin will consider a possible disposal of some or all of these assets and reinvest the proceeds into the existing activities of Aristo.

#### ***Financing and Capital Commitments***

Dolphin will use €245m of its cash balances to fund the indirect acquisition of 85% of the shares in Aristo. As reported in its year end results, as at 28 February 2007, Dolphin had committed €272m (and of that made investments of €123m) of the €399m equity funds (net of expenses) raised at the time of Dolphin's admission to AIM and subsequent secondary fundraising in October 2006. Following the acquisition of Aristo, Dolphin's committed and invested funds can be summarised as follows:

€m	Committed funds	Invested funds
As at 28 February 2007	272	123
Aristo acquisition	245	245
Total	517	368

Consequently, Dolphin is almost fully invested and has committed €18m funds in excess of the equity funds raised of €399m (net). It should be noted that the timing of the satisfaction of these commitments is over the next couple of years.

The acquisition of Aristo provides Dolphin with the business of an established developer generating sales and profits from its existing developments. DCP believes that given the advanced stage of development of certain of Aristo's developments, an upward revaluation of the property portfolio, and cash flows from existing operations, provide an opportunity to obtain additional debt finance. As at 31 December 2006, Aristo had debt finance of €148.5m. DCP believes that additional debt finance can be obtained to ensure that Dolphin can satisfactorily meet its future investment commitments.

## Financial Information

Aristo has grown significantly in recent years with turnover and net profit growing by an annual rate of 29% and 38% respectively between 2005 and 2006.

The table below summarizes the total number of units sold for the period 2004-2006.

	2004	2005	2006
Number of Units Sold	587	517	623
Average Selling Price per unit (€)	173,250	190,700	266,500

Extracts of Aristo's published historical financial information for the financial years 2004, 2005 and 2006 is presented below. The financial information for the years ended 31 December 2004 and 2005 has been audited by Stephanos Stephanou & Co. The unaudited financial information for the year ended 31 December 2006 has been announced on the Cyprus Stock Exchange as indicative results examined and approved by the board of Aristo.

PROFIT & LOSS ACCOUNT (amounts in €)	Audited 31-Dec-04	Audited 31-Dec-05	Unaudited 31-Dec-06
Sales	82,919,143	101,596,313	137,246,437
Cost of Sales	(45,528,695)	(57,626,930)	(79,272,457)
<b>Gross Profit</b>	<b>37,390,449</b>	<b>43,969,383</b>	<b>57,973,980</b>
<i>as a % of Sales</i>	<i>45.1%</i>	<i>43.3%</i>	<i>42.2%</i>
Other Income	729,432	347,470	537,861
Selling & Administrative Expenses	(16,408,283)	(19,194,295)	(25,246,359)
<b>Operating Profit</b>	<b>21,711,597</b>	<b>25,122,558</b>	<b>33,265,482</b>
<i>as a % of Sales</i>	<i>26.2%</i>	<i>24.7%</i>	<i>24.2%</i>
Profit / (Loss) from Revaluation of Assets	(116,633)	-	-
Profit from Investment Activities	-	292,464	142,269
Financing Income	-	808,057	788,329
Financing Expenses	(6,576,641)	(6,388,329)	(8,206,042)
Profit / (Loss) from sale of affiliated company	(31,280)	(10,337)	(12,418)
Profit / (Loss) from Joint Ventures	1,249,936	2,417,507	2,859,036
<b>Earnings Before Tax</b>	<b>16,236,980</b>	<b>22,241,920</b>	<b>28,836,656</b>
<i>as a % of Sales</i>	<i>19.6%</i>	<i>21.9%</i>	<i>21.0%</i>
Corporate Tax	(3,450,948)	(3,201,059)	(4,584,145)
<i>Effective Tax Rate</i>	<i>21.3%</i>	<i>14.4%</i>	<i>15.9%</i>
<b>Earnings After Tax</b>	<b>12,786,031</b>	<b>19,040,861</b>	<b>24,252,511</b>
<i>as a % of Sales</i>	<i>15.4%</i>	<i>18.7%</i>	<i>17.7%</i>

Aristo's 2006 Balance Sheet has not yet been published. The 2006 Balance Sheet results are expected to be announced by the end of April 2007.

BALANCE SHEET (amounts in €)	Audited 31-Dec-04	Audited 31-Dec-05
Fixed Assets	136,651,115	138,340,512
Intangible Assets	-	152,682
Investments in Joint Ventures	1,378,778	1,837,010
Investments in Affiliated Companies	4,497,557	4,517,592

<b>Total Fixed Assets</b>	<b>142,527,449</b>	<b>144,847,796</b>
Inventory and Work in Progress	156,510,954	199,132,301
Investments	310,357	379,961
Debtors and Prepayments	8,887,527	8,178,286
Receivables from affiliated companies	133,508	-
Cash & Banks	715,318	991,073
<b>Total Current Assets</b>	<b>166,557,664</b>	<b>208,681,622</b>
<b>TOTAL ASSETS</b>	<b>309,085,113</b>	<b>353,529,418</b>
Share Capital	44,991,540	45,470,207
Reserves	77,793,204	41,705,737
Retained Earnings	-	54,261,503
Minority Interest	14,038,444	14,324,385
<b>Shareholders' Equity</b>	<b>136,823,188</b>	<b>155,761,832</b>
Long-Term Debt	42,949,491	72,357,831
Land Creditors	9,772,414	-
Deferred Taxation	9,968,337	9,862,862
<b>Long Term Liabilities</b>	<b>62,690,242</b>	<b>82,220,694</b>
Creditors	70,341,704	61,008,294
Short-Term Debt	17,589,371	52,203,813
Long term liabilities payable	19,352,756	-
Amounts payable to affiliated companies	-	-
Tax & Duties Payable	2,287,853	2,334,785
<b>Short Term Liabilities</b>	<b>109,571,684</b>	<b>115,546,891</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>309,085,113</b>	<b>353,529,418</b>

### ***Public Offer Process***

Under the “Cyprus Take-Over Legislation”, Dolphin intends to file a Public Offer (“PO”) for the remaining 20% public free-float of Aristo. The PO will be filed within 12 working days from the date of this announcement and shall remain open for acceptance for a period of 30-55 days, as contained in the PO document. The PO shall be subject to the approval of the Cyprus Stock Exchange Committee (CySEC) and the Cyprus Anti-monopoly Commission (“AMC”).

Subject to the approval of the CySEC and AMC, the PO document shall be published and sent to all Aristo shareholders, within 7 days from such approvals. If at the end of the PO period, DCA acquires in total 90% or more of the Aristo shares, DCA may activate the “squeeze-out” provision to acquire the rest of the free float at the PO price, within a period of 3 months. The shareholders, who have not accepted the PO, have the right to “sell out” their shares to DCA at the same price, within the same period and DCA is obliged to acquire them.

Once DCA completes the acquisition of 100% of Aristo’s shares, Aristo shall become a private company and will be de-listed from the Cyprus Stock Exchange. If at the end of the PO period, DCA acquires in total less than 90% of Aristo’s shares, then Aristo shall remain a public company listed in the Cyprus Stock Exchange, trading under a special category, since less than 25% free float shall exist.

## **Notes to Editors**

### **Dolphin Capital Partners**

DCP is an independent private equity firm founded in 2004 by Miltos Kambourides and Pierre Charalambides after leaving Soros Real Estate Partners.

The DCP professionals combine extensive local knowledge and contacts with expertise gained at some of the world's leading financial institutions. They specialise in providing capital to rigorously selected real estate developments in Southeast Europe by joint venturing with local developers. For every development, DCP partners with an international and sophisticated network of operators, designers, master-planners, marketing agents and financial institutions.

### **Dolphin Capital Investors**

DCI has closed investments in nine projects, namely Kilada Hills Golf Resort, Scorpio Bay Resort, Apollo Heights Polo Resort, Amanmila Resort, Lavender Bay Golf Resort, Sitia Bay Golf Resort, Seascape Hills Resort, Livka Bay Resort and Rebranded Hotels, committing a total of €272 million in 15 months since its Admission to AIM in December 2005. This transaction brings Dolphin's total investments to date to €368 million and total commitments to €17 million.

DCI's investment objective is to provide shareholders with strong capital growth combined with a low risk profile through investing in early-stage sophisticated leisure-integrated residential resort developments in Southeast Europe in partnership with leading developers and operators.