Dolphin Capital Investors Limited (DCI.L)

Interim Results for the period ended June 30th 2006

Dolphin Capital Investors, the first company investing in residential resort developments in south east Europe (principally Greece, Cyprus, Turkey & Croatia), announces its maiden results for the period ended June 30th 2006.

Highlights

- The company was admitted to AIM in Dec 2005 as the first investment fund dedicated to residential resorts in the south east Mediterranean at a price of €1.00 (68p) raising €104m
- Profit before tax since incorporation on June 7th 2005 was €60.9m
- In six months to June 30th 2006, it completed the acquisition of three investments committing a total of €70.2m of which €67.0m was invested.
- After deducting minorities, the company's share of these developments represents a value of €138.8m, substantially ahead of expectations at the time of Admission.
- A further two investments were completed in July thus committing a total of €91m of the €109m raised (€5m seed capital pre listing and €104m from AIM listing).
- The company has identified a substantial pipeline of further potential investment opportunities, and is currently at advanced negotiation stages for new investments which would require over €200 million of additional capital. The company's rate of sourcing and executing investments has been considerably ahead of initial forecasts.
- A valuation produced by Colliers International at June 30th indicated an NAV of €1.73 (119p) before founding shareholder warrants and deferred income tax liabilities, of €1.55 (107p) after founding shareholder warrants and before deferred income tax liabilities, and of €1.34 (93p) after founding shareholder warrants and deferred income tax liabilities.
- As of June 30th 2006, the share price had risen 32% since Admission.

Outlook

- As the region continues to demonstrate strong economic growth and a steadily increasing appeal to tourism, the demand for leisure integrated second or holiday homes is increasing whilst the supply remains limited.
- Dolphin's demonstrated record and first mover's advantage offer the potential of continuing strong growth and capital appreciation.

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Interim Period Milestones

> Summer 2005 – Dolphin Capital Investors (“Dolphin”) is capitalised with €5m of seed capital

> 8 December 2005 – Dolphin completes its admission to trading on AIM raising an additional €104 million via a placing with institutional investors. The issue price at admission was 68p

> 23 January 2006 – Dolphin commits €23 million to Kilada Hills Golf Resort, probably the first golf-integrated residential resort to be developed in Greece

> 11 April 2006 – Dolphin commits €9.5 million to Scorpio Bay Resort, a master-planned leisure-integrated residential resort near Athens and an additional amount of €22 million for the expansion of Kilada Hills Golf Resort

> 19 May 2006 – Dolphin commits €15.7 million to Apollo Heights Polo Resort, the first polo-integrated residential resort to be developed in Cyprus

> 19 July 2006 – Dolphin commits €5 million to Amanmila Resort, most likely the first villa-integrated Aman resort to be developed in Europe

> 31 July 2006 – Dolphin commits €15.9 million to Lavender Hills Resort, a golf-integrated resort to be developed in the area of Volos, Greece

> 31 July 2006 – Dolphin’s commitments to Projects reach an aggregate of €91.1 million of which €68.8 million has already been invested. In addition, over €200 million of new investments are in advanced negotiations.

> As of 30 June 2006, the NAV per share of the Company was:

- **119p (€1.73)** before founding shareholder warrants and deferred income tax liabilities*
- **107p (€1.55)** after founding shareholder warrants and before deferred income tax liabilities*
- **93p (€1.34)** after founding shareholder warrants and deferred income tax liabilities*

** For the NAV calculation as of 30 June 2006, only Kilada Hills Golf Resort, Scorpio Bay Resort and Apollo Heights Polo Resort have been taken into account. The GBP/Euro exchange rate as of that date was 0.692. Accounting for deferred income tax liability is an IFRS reporting requirement.*

Chairman's Statement

Introduction
I am pleased to report an extremely satisfactory performance for the first reporting period.

Since its admission to trading on AIM on 8 December 2005, Dolphin Capital Investors ("Dolphin" or the "Company") has performed well ahead of its investment plan. Being the pioneer investment fund in the residential resort sector in south-east Europe, Dolphin has acquired some outstanding sites in the region at very attractive prices and is planning to develop high-end exclusive residential resorts to meet the rapidly growing demand. The total funds raised of €109 million are now almost fully committed following the closing of three investments as of 30 June 2006 and the signing of two additional investments during the month of July 2006. Furthermore, a highly attractive project pipeline has been identified and progressed.

As of 30 June 2006, Dolphin's share price has recorded a 32% uplift since its admission to trading on AIM, considerably above the Company's peer group. Dolphin's NAV after founding shareholder warrants and before deferred income tax liabilities as of 30 June 2006 was 107p (€1.55) per share while the NAV after founding shareholder warrants and deferred income tax liabilities as of 30 June 2006 was 93p (€1.34) per share (versus the 68p or €1 issue price in December 2005) demonstrating Dolphin's ability to create immediate value for shareholders.

The natural beauty of south-east Europe combined with the limited supply of premium-quality second-home developments in the region, create a very compelling investment environment for the Company.

Furthermore, the strong execution skills of Dolphin Capital Partners ("DCP" or the "Investment Manager"), who have proven to be a most efficient and dynamic team, provide a very positive background to the future prosperity of the Company.

Andreas N Papageorghiou
Chairman
Dolphin Capital Investors

Investment Manager Report

Introduction
Dolphin Capital Investors ("Dolphin" or the "Company") is the first investment company to focus exclusively in residential resort developments in south-east Europe. The Company takes advantage of:

- the growing tourism industry in the region;
- the limited supply that currently exists in the market; and
- its first mover advantage in the region coupled with the high barriers to entry for other foreign investors.

Since its admission to trading on AIM on 8 December 2005, Dolphin has proven to be successful in sourcing, signing and closing exclusive transactions and has positioned itself in the market as the leading investor for residential resort developments in south-east Europe. The Company has almost fully committed the total funds raised at admission, has closed three major deals as of 30 June 2006 and has signed two more during the month of July 2006. As a result, as of the end of July 2006 Dolphin has committed €91 million to projects of which €69 million has been invested. Furthermore, a pipeline of very attractive prospective opportunities has been identified, with a number of them already at advanced negotiation stages whereby over €200 million of additional capital could be committed to projects in the near term.

Regional Tourism Market
The tourism industry in south-east Europe continues to show strong growth prospects supported by improvements in infrastructure, changes in legislation to facilitate large-scale investments in the tourism sector and increased economic stability in the region.

The recent strong macroeconomic performance of Dolphin's targeted countries, combined with their positive economic outlook, reinforces the prospects of further market growth.

Greece maintained its leadership position within the Eurozone as the fastest-growing economy for the past 11 years in terms of GDP growth and boasts a strong tourism market and modern infrastructure after the Athens 2004 Olympics. Tourist arrivals grew to 16 million in 2005 (13% increase over 2004) and further increases are expected for 2006. New legislation is expected to further facilitate the creation of large-scale golf-integrated residential resorts. Dolphin is already well positioned in this market having already closed a total of four investments in Greece and having progressed a very attractive investment pipeline covering all strategic locations for development within the country.

Cyprus has continued the fiscal discipline necessary to meet its goal of adopting the euro currency on 1 January 2008 and has the most mature second home market in the south-east European region. The country has already witnessed the successful development of Aphrodite Hills, the region's first completed golf-integrated residential resort. In addition, recent changes in legislation are expected to enable the development of an additional 11 golf-integrated residential resorts in the country. This new legislation provides a building coefficient of up to 100,000 buildable m^2 of real estate to potential golf developments over land sites exceeding 100 hectares that meet certain predetermined development criteria. Dolphin has already closed its first investment in Cyprus, Apollo Heights Polo Resort, and is negotiating investments in a selected number of new golf-integrated residential resorts expected to come to market over the next two years.

Turkey advances its negotiations with the EU initiating a reform process that is expected to drive economic growth going forward. The country remains an affordable and attractive tourism destination with a number of golf course resorts already developed. The country's tourism industry has recently experienced unprecedented growth, with tourist arrivals for 2005 reaching 21 million, a 22% increase over 2004. There are currently more than 20 golf courses in southern Turkey alone and many more have been announced. The government has been a strong supporter of golf courses and residential developments and has established favourable zoning laws. Dolphin is reviewing a number of projects that are being planned in this country.

Croatia is in the mature stages of its path to full accession into EU and its tourism sector has seen considerable growth in the past few years, especially since the country's candidacy for the European Union. Tourist arrivals in 2005 reached 10 million representing an increase of 8% over 2004. The incoming fiscal and legislative reforms are expected to improve the investment market and to attract further foreign investors. Dolphin is evaluating a number of opportunities in the country, which remains untapped in terms of upscale residential resorts.

Current Investments
To date, Dolphin has closed investments in a total of five projects. Four of these projects, namely Kilada Hills Golf Resort, Scorpio Bay Resort, Apollo Heights Polo Resort and Amanmila Resort, are part of the six investments presented within the Prospective Investment Portfolio section of the Company's admission document published in December 2005. The one additional investment, namely Lavender Hills Golf Resort, was sourced post-admission.

The two other investments from the Prospective Investment Portfolio remain under review but have not been brought to closure for separate reasons: the site for Kyparissia Bay Resort falls under the Natura 2000 regime and consequently the planning risk remains relatively high, while, regarding Artemis Hills Resort, Dolphin is not comfortable with the minority position and the terms of the investment.

All five closed investments aspire to be the first residential resorts of their kind in their respective markets. Dolphin's capital commitments to and investments in each project are summarised below.

Project	Size (hectares)	DCI Shareholding	Capital Committed (€ m)	Capital Invested (€ m)
Kilada Hills Golf Resort, Greece	200	85%	45.0	45.0
Scorpio Bay Resort, Greece	172	51%	9.5	9.5
Apollo Heights Polo Resort, Cyprus	462	64%	15.7	12.5
Amanmila Resort, Greece	200	25%-50%	5.0	-
Lavender Hills Golf Resort, Greece	292	85%	15.9	1.8
Total	**1,326**		**91.1**	**68.8**

Kilada Hills Golf Resort
Dolphin has committed and invested a total of €45 million for an 85% stake in Kilada Hills Golf Resort, a high-end master-planned golf-integrated residential resort to be developed in Peloponnesus, Greece.

The Kilada Hills Golf Resort is located within two hours' driving distance from Athens in the area of Porto Heli, one of the most upmarket second home residential areas in Greece. The resort is planned to comprise a brand-name luxury hotel, more than 400 residential units, an 18 hole golf course, marina, beach club and other leisure activities spread over more than 200 hectares of land. With most of the key development permits already in place for the first phase of the resort including the golf course and the hotel, construction is expected to begin in the first half of 2007, positioning Kilada Hills as the first golf-integrated residential resort to come to market in Greece.

With the €45 million invested, the local project company has acquired total land of approximately 200 hectares: 80 hectares on which construction permits are about to be finalised; approximately 120 hectares adjacent land to be permitted; and an on-going development of 10 premium sea front villas under construction.

Since the closing of the transaction, in addition to the permit progress, the project company has advanced its negotiations with world-class signature golf designers and resort operators and expects to make appointments before the end of the year.

Dolphin's 15% partner in Kilada Hills Golf Resort is G.R. Golfing, a development company led by Mark Potiriadis who has extensive international development experience and in-depth Greek market knowledge.

Scorpio Bay Resort
Dolphin has committed and invested a net amount of €9.5 million for a 51% stake in Scorpio Bay Resort, a master-planned leisure-integrated residential development in the region of Skroponeri, Greece. Scorpio Bay Resort is situated one hour's drive from Athens International Airport and when developed, will probably be the closest seaside residential resort to the Greek capital.

The resort's site represents a mountainous peninsula of unspoilt natural beauty with approximately 2 km of sea frontage overlooking a secluded bay and the island of Evoia. The resort is expected to comprise a luxury hotel integrated with a residential development and sea related leisure activities. The master-planning process has been initiated and the permitting process is expected to last two to three years.

Dolphin's 49% partner in the resort is Egnatia Insurance, a Greek insurance company. The investment terms for Dolphin have been improved since the deal was announced on 22 April 2006 and Dolphin has restructured the purchase of the land in order to now own a controlling 51% of the project instead of 50%. Specifically, in back-to-back transactions, on 30 June 2006 Dolphin: (i) acquired the site for a total cost of €20.5 million, (ii) funded the project company with €0.5 million, (iii) sold 49% of the project company to Egnatia Insurance for €18 million and (iv) entered into a loan agreement to provide Egnatia Insurance with a €6.5 million loan at an 8% interest cost for a maximum period of 1 year. The loan is secured against Egnatia Insurance's 49% shareholding in the project, and in the event that it is not repaid within 12 months, the Company has the right to obtain 100% of the project. Once the loan has been repaid, Dolphin has a commitment to contribute €6.5 million to the project company to fund the initial phase of the project's development. The new structure resulted in a total cash outlay of €27.5 million and cash receipts of €18 million, resulting in a net investment for Dolphin so far of €9.5 million.

Apollo Heights Polo Resort

Dolphin has committed a total of €15.7 million for a 64.3% stake in Apollo Heights Polo Resort (€12.5 million of which has already been invested to acquire the land), the first polo-integrated residential resort in Cyprus.

Apollo Heights Polo Resort is located between the cities of Paphos and Limassol and is accessible in less than an hour from both of the island's international airports. The resort is intended to develop into a premier master-planned residential resort integrated with polo, equestrian and potentially golf facilities on a wholly owned site of approximately 462 hectares.

The resort's site offers excellent views of the sea, the mountains and neighbouring villages and is adjacent to a number of polo fields and an 18-hole golf course. These fields are the only polo grounds on the island and home to the Cyprus Polo Club. The master-planning process has been initiated to enable the project company to submit for planning permission, which is expected to be granted within the next three years.

Dolphin is investing €15.7 million of capital to fund the land acquisition and the permitting process as follows:

- €12.2 million was paid upon completion of the transaction,
- €3.5 million will be paid gradually to fund the permit and design process of the project (of which €350,000 has already been paid).

As of 30 June 2006, Dolphin had acquired a 59% shareholding in Apollo Heights Polo Resort. Following the full investment of €15.7 million, Dolphin's share in Apollo Heights Polo Resort will be increased to 64.3%.

The local partners of Dolphin have pioneered the game of polo in Cyprus and possess significant experience relating to leisure-integrated real estate developments on the island.

Amanmila Resort

On 19 July 2006 Dolphin committed a total of €5 million for a 25% stake in Amanmila Resort, most likely Europe's first villa-integrated Aman Resort, on the island of Milos, in the Cyclades, Greece. Amanmila Resort will be located on an unspoilt peninsula of approximately 200 hectares with 5 km of shoreline and with its own natural harbour. The resort, to be developed over a 65 hectare site, will comprise a 40-room Aman hotel together with 40 Aman villas and will be positioned at the top end of the hotel and real estate market. The remaining sea front land of the peninsula (approximately 135 hectares) will be owned by a joint venture between Dolphin and S&B Industrial Minerals (Greece's largest mining company), thereby allowing Dolphin to own a larger land site than originally presented in the Dolphin admission document published in December 2005.

Dolphin is jointly developing the resort with three other equal partners: Aman Resorts – the world's most exclusive resort operator; John Heah – award winning architect; and S&B Industrial Minerals. The €5 million commitment is intended to fund Dolphin's share of the land acquisition and the first phase of the resort's development. The permitting process has been initiated and construction is expected to begin in two years.

Lavender Hills Golf Resort

On 31 July 2006 Dolphin committed a total of €15.9 million and invested €2 million to date to obtain an 85% stake in Lavender Hills Golf Resort, a golf-integrated residential resort to be developed near the town of Volos, Greece.

The Lavender Hills site, situated in the region of Thessalia, at the mouth of Pagasitikos Gulf, represents 292 hectares of unspoilt, undulating hills fronted by a 2 km beach and surrounded by forest. It is accessible in approximately two hours' drive from both Athens International and Thessaloniki International airports. The resort is planned to comprise a hotel, more than 300 residential units, an 18-hole golf course, marina, beach club and other leisure activities.

The site was acquired from the Church of Greece. Out of the 292 hectares of the site, 41 hectares are freehold and 251 hectares are leased for 99 years. Only €1.8 million out of Dolphin's €15.9 million commitment has been paid upfront. An additional €2 million will be allocated to progress the resort's design and permit process with the remaining €12.1 million being paid in 5 years subject to all required permits having been obtained.

Dolphin's total commitment of €15.9 million for the 85% stake in Lavender Hills Golf Resort will cover the cost of the freehold land, the leasehold payments for the first 5 years, the permit and design expenses and all related closing costs.

The planning application has already been filed and construction is expected to begin in 24 months.

Dolphin's 15% partner is G.R. Golfing, who is also the Company's partner in Kilada Hills Golf Resort, Dolphin's most advanced project to date.

Additional Project Pipeline

The potential in the targeted regions remains very strong. Dolphin has created an extensive pipeline of very attractive and sizeable investment opportunities. In line with the Company's investment strategy, the focus remains on Greece and Cyprus; penetration into Croatia and Turkey is planned for within the next 12 months where Dolphin has already progressed discussions with a number of projects.

From the project pipeline, Dolphin is currently at advanced negotiation stages for additional investment opportunities which would require over €200 million of additional capital.

Financial Overview

Dolphin's financial performance since admission to trading on AIM reflects the Company's ability to execute ahead of its investment plan and the continuing emergence of the south-east European residential resort market.

As of 30 June 2006, the uplift in the value of Dolphin's investments from the Prospective Investment Portfolio section of the Company's admission document published in December 2005 was €71.8 million (for further explanations please see Valuation section below), which resulted in the full award of the Founding Shareholder Warrants and the issuing of 12.5 million new common shares, subject to the founding shareholders exercising their warrants. The Founding Shareholder Warrants entitle Dolphin's Founding Shareholders to subscribe, at €0.01 per Common Share, for such number of Common Shares (capped at 12.5 million Common Shares) which when multiplied by the placing price of 68 pence (€1.00) equals 50 per cent. of the difference between the market value of the Company's legal interests in the Prospective Investment Portfolio at acquisition and its cost of investment. 20% of the Founding Shareholder Warrants have been awarded to the Investment Manager.

The Company's first Net Asset Valuation ("NAV") was calculated as of 30 June 2006 and the results are summarised below after and before Founding Shareholder Warrants and Deferred Income Tax Liabilities ("DITL").

NAV metric	**€**	**GB£**
Total NAV before DITL (millions)	188.2	130.1
Total NAV after DITL (millions)	163.0	112.7
NAV/Share Before Founding Shareholder Warrants and DITL	€1.73	119p
NAV/Share After Founding Shareholder Warrants and before DITL	€1.55	107p
NAV/Share After Founding Shareholder Warrants and DITL	€1.34	93p

Using GBP/Euro exchange rate of 0.692 as of 30 June 2006

It should be noted that the NAV calculation only includes investments made as of 30 June 2006, namely Kilada Hills Golf Resort and Scorpio Bay Resort in Greece and Apollo Heights Polo Resort in Cyprus. We expect the trend in NAV growth to continue, as a result of the following factors:

- The inclusion of Amanmila Resort and Lavender Hills Golf Resort in Dolphin's NAV;
- The closing of additional attractive investment opportunities from the pipeline that are currently being negotiated;
- The progress with the planning and permitting process for each site;
- The increase in the shareholding of Apollo Heights Polo Resort as Dolphin funds its remaining commitment;
- The conclusion of additional land notarial pre-contracts that have been signed by the Kilada Hills Golf Resort project company.

It should also be noted that the reported deferred income tax liability of €25.1 million is based on the current fair market value of the land acquired and will only materialise if the land is sold "as is" by the project companies. In the event of a land sale, however, Dolphin intends to sell the shares of the holding SPVs and not the land itself in which case the deferred income tax liability will not materialise. As such, the Investment Manager considers the NAV before deferred income tax liability to be a more representative figure.

Valuation

Colliers International undertook a valuation of the acquired sites to determine their Fair Asset Value and in turn the Net Asset Value of the Company as at 30 June 2006. This valuation was prepared in accordance with generally accepted appraisal standards, as set out by the American Society of Appraisers (the "ASA"), and in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the ASA and RICS (the "Royal Institute of Chartered Surveyors"). Furthermore, the valuation was conducted on an "as is condition" and on an open market comparative basis.

In determining the fair market value of the Company's investments (namely Kilada Hills Golf Resort, Apollo Heights Polo Resort and Scorpio Bay Resort), the direct sales comparison approach for non-permitted ("as is") land was used in isolation. Only with respect to the part of the land within Kilada Hills Golf Resort for which a number of permits have already been granted, the income and cost approaches were employed to provide validation support to the direct sales comparison approach. The direct sales comparison, income and cost valuation approaches are summarised in Appendix A.

The fair market value of these investments as of 30 June 2006, assuming a 100% ownership basis, has been valued by Colliers International at €184.5 million. After deducting Minority Interests of €45.7 million, Dolphin's share of that represents a valuation of €138.8 million versus an investment of €67 million. This represents an uplift of €71.8 million which is higher than anticipated by the Investment Manager at the time of admission to trading on AIM and has resulted in the full realisation of the Founding Shareholders Warrants.

Based on the consolidated financial statements of the Company as of 30 June 2006 prepared under IFRS, Dolphin's:

- Current assets are €55.6 million (excluding inventories of €19.9 million which have been included in the investments fair market values). This includes a cash balance of €45.9 million, of which approximately €9 million has already been invested in project companies, leaving €36.9 million for further investment at the Company level.
- Total Liabilities are €31.4 million, of which €25.1 million refer to deferred income tax liabilities (which, as mentioned above, is believed to be unlikely to materialise as the exit of investments is expected to be realised by selling the shares of the holding SPVs and not the land itself).

Accordingly, Dolphin's Net Asset Value on a fully diluted basis and after deferred income tax liabilities as of 30 June 2006 was €163.0 million, which implies a Net Asset Value before deferred income tax liabilities of €188.2 million versus the €109 million total funds raised at admission to trading on AIM in December 2005.

The entire consolidation and reporting process has been reviewed and approved by KPMG, the Company's auditors.

Looking Ahead

Since its admission to trading on AIM in December 2005, Dolphin has successfully established itself as the leading investment company for the residential resort sector in south-east Europe and has almost fully committed its existing funds.

Following a very productive first half of the year, Dolphin expects to further capitalise on its first mover advantage and continue to build its investment portfolio. Dolphin's existing project pipeline consists of highly attractive investment opportunities that the Investment Manager believes could generate strong development and capital returns.

Report on Review of Interim Financial Information

To the Shareholders of Dolphin Capital Investors Limited

We have reviewed the accompanying consolidated balance sheet of Dolphin Capital Investors Limited (the "Company") as of 30 June 2006 and the related consolidated statements of income, changes in equity and cash flows for the period from 7 June 2005 to 30 June 2006 and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 June 2006, and of its financial performance and its cash flows for the period from 7 June 2005 to 30 June 2006 in accordance with International Financial Reporting Standards.

KPMG
Nicosia, 18 August 2006

Consolidated Income Statement

	Note	For the period from 7 June 2005 (date of incorporation) to 30 June 2006
		€'000
Gain on disposal of investment	22.3	7,955
Valuation gains on investment property	9	4,175
Total operating profits		12,130
Investment manager fees	7.2	(1,263)
Audit and professional fees		(22)
Other expenses	8,19	(425)
Administrative expenses		(1,710)
Net operating profit before net financing costs		10,420
Financial income	5	2,083
Financial expenses	5	(9)
Net financial income		2,074
Excess of fair value over cost arising on acquisitions	22	48,386
Profit before tax		60,880
Deferred tax expense	17	(1,070)
Profit for the period		59,810
Attributable to:		
Equity holders of the Company		58,296
Minority interest		1,514
Profit for the period		59,810
Basic earnings per share (€)	15	**0.53**
Fully diluted earnings per share (€)	15	**0.48**

The notes below are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

	Note	At 30 June 2006
		€'000
Investment property	9	164,553
Property, plant & equipment	10	61
Total non-current assets		**164,614**
Trading properties	11	19,900
Loans receivable	12	6,500
Trade and other receivables		3,151
Cash and cash equivalents	13	45,916
Total current assets		**75,467**
Total assets		**240,081**
Issued share capital	14	1,090
Share premium	14	103,606
Retained earnings	14	58,296
		162,992
Minority interest		45,683
Total equity		**208,675**
Interest-bearing loans	16	4,000
Deferred income tax	17	25,143
Total non-current liabilities		**29,143**
Trade and other payables	18	2,263
Total current liabilities		**2,263**
Total liabilities		**31,406**
Total equity & liabilities		**240,081**
Net asset value per share	6	**€1.495**
Net asset value per share (fully diluted)	6	**€1.343**

The notes below are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Share capital €'000	Share premium €'000	Retained earnings €'000	Minority interest €'000	Total €'000
Balance at beginning of period	-	-	-	-	-
Minority interest on acquisition	-	-	-	44,169	44,169
Shares issued in the period	1,090	107,910	-		109,000
Placing costs		(4,304)			(4,304)
Retained profit for the period	-	-	58,296	1,514	59,810
Balance at end of period	1,090	103,606	58,296	45,683	208,675

The notes below are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	for the period from 7 June 2005 (date of incorporation) to 30 June 2006
		€'000
Operating activities		
Profit before tax		60,880
Adjustments for:		
Excess of fair value over cost arising on acquisitions	22	(48,386)
Gain on disposal of investment	22.3	(7,955)
Valuation gains on investment property	9	(4,175)
Net financial income		(2,074)
Operating profit before changes in working capital		**(1,710)**
Increase in trade and other receivables		(3,151)
Increase in trade and other payables		2,215
Cash used in operations		**(2,646)**
Interest paid		(9)
Realised gains on foreign exchange		892
Interest received		1,191
Cash flows used in operating activities		**(572)**
Investing activities		
Acquisition of subsidiaries net of cash acquired	22	(48,883)
Loans receivable	12	(6,500)
Purchase of investment property	9	(20.825)
Proceeds from disposal of investment in subsidiary	22.3	18,000
Cash flows used in investing activities		**(58,208)**
Financing activities		
Proceeds from the issue of common share capital		104,696
Cash flows from financing activities		**104,696**
Net increase in cash and cash equivalents		**45,916**
Cash and cash equivalents at 7 June 2005		**-**
Cash and cash equivalents at 30 June 2006	13	**45,916**

The notes below are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 The Company

Dolphin Capital Investors Limited was incorporated and registered in the British Virgin Islands on 7 June 2005.

The initial capital of €5 million was subscribed by the Founding Shareholders including the Investment Manager.

The Shares of the Company were admitted to trading on the AIM market of the London Stock Exchange following a placing on 8 December 2005. An additional €104 million was raised as a result of the placing, giving total common shares in issue of 109,000,000.

2 The subsidiaries

The company has an interest of more than 20% in the following companies:

	Country of incorporation	Percentage of Shares held
Dolphin Holdings One Ltd	BVI	100
Dolphin Holdings Two Ltd	BVI	100
DolphinCI One Ltd	Cyprus	100
DolphinCI Two Ltd	Cyprus	100
DolphinCI Three Ltd	Cyprus	100
DolphinCI Four Ltd	Cyprus	100
DolphinCI Five Ltd	Cyprus	100
DolphinCI Six Ltd	Cyprus	100
DolphinCI Seven Ltd	Cyprus	100
DolphinCI Eight Ltd	Cyprus	100
DolphinCI Nine Ltd	Cyprus	100
DolphinCI Ten Ltd	Cyprus	100
DolphinCI Eleven Ltd	Cyprus	100
DolphinCI Twelve Ltd	Cyprus	100
DolphinCI Thirteen Ltd	Cyprus	100
DolphinCI Fourteen Ltd	Cyprus	100
DolphinCI Fifteen Ltd	Cyprus	100
DolphinCI S&B Holdings Ltd	Cyprus	50
Alasia Polo and Country Resort Ltd	Cyprus	59
Mind Compass Overseas Ltd	Cyprus	85
ScorpioBay Holdings Ltd	Cyprus	51
Ionian Hills Development Holdings Ltd	Cyprus	95
Mind Compass Parks Ltd	Cyprus	100
Cape Trahilas Holdings Ltd	Cyprus	50
Cape Trahilas 1 Ltd	Cyprus	50
CGH Holdings Ltd	Cyprus	59
Symboula Estates Ltd	Cyprus	59
MindCompass Overseas One Ltd	Cyprus	85
MindCompass Overseas Two Ltd	Cyprus	85
Ergotex Services Company Ltd	Cyprus	85
Infratran Co Ltd	Cyprus	85
Inmerton Co Ltd	Cyprus	85

Ntekar Co Ltd	Cyprus	85
Normatron Co Ltd	Cyprus	85
Detatex Co Ltd	Cyprus	85
Trekma Co Ltd	Cyprus	85
Mykonian Co Ltd	Cyprus	85
Smartek Co Ltd	Cyprus	85
Leftran Co Ltd	Cyprus	85
Vexodom Co Ltd	Cyprus	85
Ionian Hills Resort Ltd	Cyprus	95
Scorpio Bay Resorts SA	Greece	51
Isle Demilia SA	Greece	100
Therissos Hills SA	Greece	100
MindCompass Overseas SA	Greece	85
MindCompass Overseas Two SA	Greece	85
MindCompass Parks SA	Greece	100
Cape Trahilas 1 SA	Greece	50
Cape Trahilas 2 SA	Greece	50
Ionian Hills Resort SA	Greece	95

3 Significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below.

The interim report of the Company for the period from 7 June 2005 to 30 June 2006 comprises the Company and its subsidiaries (together referred to as the "Group").

The interim report was compiled by the Administrator and authorised for issue by the Directors on 18 August 2006.

3.1 Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Management has concluded that the report fairly represents the entity’s financial position, financial performance and cash flows. The Company’s financial statements are denominated in Euros (€).

3.2 Property Valuation and Reporting Policy

The Directors have appointed Colliers International, an internationally recognised firm of surveyors to conduct a valuation of the Company’s acquired sites to determine their Fair Asset Value and in turn the Net Asset Value of the Company as at 30 June 2006. This valuation was prepared in accordance with generally accepted appraisal standards, as set out by the American Society of Appraisers (the “ASA”), and in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the ASA and RICS (the “Royal Institute of Chartered Surveyors”). Furthermore, the valuation was conducted on an “as is condition” and on an open market comparative basis.

Following the completion of Collier International’s valuation, all Dolphin’s subsidiary accounts have been consolidated at the BVI level (where the Company is incorporated) according to IFRS. On the basis of this consolidation, Anglo Irish Fund Services Limited, the administrator has prepared the interim financial statements, which have been approved by the Board, and has calculated the Company’s net asset value.

3.3 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies as at the date of these financial statements are translated to € at exchange rates prevailing on that date. Realised and unrealised gains and losses on foreign currency transactions are charged or credited to the income statement as foreign currency gains and losses. Expenses are translated into € based on exchange rates on the date of the transaction.

3.4 Investment property

Investment properties are those which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at fair value. Any gain or loss arising from a change in fair value is recognised in the income statement.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

3.5 Property, plant & equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Freehold land is not depreciated. The annual rates of depreciation are as follows:

Buildings	4%
Motor vehicles	20%

3.6 Trading properties

Trading properties (inventory) are shown at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of trading properties is determined on the basis of specific identification of their individual costs and represents the fair value paid by the Group at the date that the land was acquired by the Group.

3.7 Deposit interest

Deposit interest is accounted for on an accruals basis.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash deposited with banks and bank overdrafts repayable on demand.

3.9 Revenue and expense recognition

Interest income is recognised in the financial statements on an accrual basis.

Expenses are accounted for on an accrual basis. Expenses are charged to the income statement except for expenses incurred on the acquisition of an investment property which are included within the cost of that investment. Expenses arising on the disposal of an investment property are deducted from the disposal proceeds.

3.10 Basis of consolidation

Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists where the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.11 Dividends

Dividends are recognised as a liability in the period in which they are declared and approved. There was no dividend declared as at 30 June 2006.

3.12 Other receivables

Trade and other receivables are stated at their cost.

3.13 Trade and other payables

Trade and other payables are stated at their cost.

3.14 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

3.15 Deferred income tax

In accordance with IAS 12, deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

4 Segment reporting

The Company has one segment focusing on achieving capital growth through investing in residential resort developments in south-eastern Europe. No additional disclosure is included in relation to segment reporting, as the Company's activities are limited to one business and geographic segment.

5 Net financial income

	30 June 2006 €'000
Interest income	1,191
Foreign exchange gain	892
Financial income	2,083
Gross interest expense	-
Bank charges	(9)
Financial expenses	(9)
Net financial income	2,074

6 Net asset value per share

The net asset value per share as at 30 June 2006 is €1.495 per common share based on 109,000,000 common shares in issue as at that date. Following the exercise of the Founding Shareholder Warrants, which are exercisable within 30 days of the issue of this report, a further issue of 12,500,000 common shares will be in issue generating total consideration of €125,000. As a result, the fully diluted net asset value per common share as at 30 June 2006 is €1.343 per common share based on 121,500,000 common shares in issue.

7 Related party transactions

7.1 Directors of the Company

Miltos Kambourides is the co-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 are as follows:

	Common shares 30 June 2006	% of issued share capital 30 June 2006
Miltos Kambourides (via the Investment Manager)	233,100	0.21%
Nicholas Moy	50,000	0.05%
Andreas Papageorghiou	5,000	0.00%

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 Company.

7.2 Investment Manager fees

Annual fees

The Investment Manager is entitled to an annual management fee of 2% of the total funds raised by the Company, payable quarterly in advance.

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.

Annual management fees paid during the period from 7 June 2005 to 30 June 2006 amounted to €1,262,736.

Performance fees

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

(i) the total cost of the investment; plus
(ii) a hurdle amount equal to an annualized percentage return of 8% compounded for each year or fraction of a year during which such investment is held (the “Hurdle”); plus
(iii) a sum equal to the amount of any realised losses and/or write-downs in respect of any other investment which has not already been taken into account in determining the Investment Manager’s entitlement to a performance fee.

In the event that the Company has received distributions from an investment equal to the Relevant Investment Amount any subsequent net realised cash profits arising shall be distributed in the following order or priority:

(i) first, 60% to the Investment Manager and 40% to the Company until the Investment Manager shall have received an amount equal to 20% of such profits; and
(ii) second, 80% to the Company and 20% to the Investment Manager,

such that the Investment Manager shall receive a total performance fee equivalent to 20% of the net realised cash profits.

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

Escrow

Half of any performance fee payable to the Investment Manager shall be placed in an escrow account operated by the Administrator (the “Escrow Account”) until the date on which the cumulative distributions made by the Company to its Shareholders first equals or exceeds the total funds raised by the Company as at Admission (being €109 million) (the “Distributions Equalisation Date”). On the Distributions Equalisation Date, 50 per cent. of any escrowed funds will be released to the Investment Manager (meaning that in aggregate the Investment Manager will have received 75 per cent. of the performance fees payable). Upon the Company making cumulative distributions equal to the total funds raised by the Company plus the Hurdle, any remaining funds in the Escrow Account will also be released to the Investment Manager.

Clawback

If on the earlier of (i) disposal of the Company's interest in a relevant investment or (ii) 1 August 2015, 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.

Performance fees paid or accrued during the period from 7 June 2005 to 30 June 2006 amounted to €nil. If investment properties and inventory were sold at their fair market value, this would give rise to a performance fee payable of €10.1 million.

8 Charges and fees

8.1 Nominated Adviser

Pursuant to the Placing, the Nominated Adviser received a fee in connection with the admission of the Company to AIM and is entitled to receive an annual fee of £25,000 payable quarterly in advance.

Advisory fees paid to the Nominated Adviser for the period from 7 June 2005 to 30 June 2006 amounted to €20,732.

8.2 Broker fees

The Broker is entitled to receive a fee of £40,000 per annum payable in advance. Fees paid for the period from 7 June 2005 to 30 June 2006 amounted to €29,652.

8.3 Custodian fees

The Custodian is entitled to receive fees calculated as 3 basis point per annum of the value of the non-real estate assets held on behalf of the Company, subject to a minimum monthly fee of €1,000, payable quarterly in arrears together with other agreed transaction settlement charges.

Custodian fees paid for the period from 7 June 2005 to 30 June 2006 amounted to €6,741.

8.4 Administrator fees

The Administrator is entitled to receive a fee of 6 basis points of the net assets of the Company plus borrowings, subject to a minimum monthly fee of €4,000, payable quarterly in arrears.

The Administrator shall assist in the preparation of the financial statements of the Company for which it shall receive a fee of €2,500 per set.

The Administrator shall provide general secretarial services to the Company for which it shall receive a minimum annual fee of €2,500.

Administration fees paid for the period from 7 June 2005 to 30 June 2006 amounted to €35,614 and secretarial fees were €1,405.

8.5 Registrar fees

The Registrar is entitled to receive a fee of £4,500 per annum plus out of pocket expenses. Fees paid for the period from 7 June 2005 to 30 June 2006 amounted to €2,091.

8.6 Depositary fees

The Depositary is entitled to receive a management fee of £6,000 per annum plus out of pocket expenses. Fees paid for the period from 7 June 2005 to 30 June 2006 amounted to €7,907.

8.7 Preliminary (formation) expenses

The estimated total costs and expenses payable by the Company in connection with the Placing and Admission (including professional fees, the costs of printing and the other fees payable including commission payable to the Placing Agent) was approximated to equal 4% of the gross amount raised. The actual total amount of preliminary expenses paid was €4,303,852 representing 4.14% of the gross amount raised. This has been charged to the share premium account.

9 Investment property

	Land €'000
At beginning of period	-
Additions through:	
direct acquisitions of property	20,825
acquisition of subsidiary companies (see note 22)	139,553
	160,378
Fair value adjustment	4,175
At end of period	164,553

The additions through direct acquisitions of property include leases in the amount of €940,800.

Security

At 30 June 2006, properties with a carrying amount of €4,000,000 were pledged to secure bank loans (see note 16).

10 Property, plant & equipment

	Land & buildings €'000	Motor vehicles €'000	Total €'000
Opening net book amount	-	-	-
Additions through acquisitions of subsidiaries	21	40	61
Closing net book amount	21	40	61

There were no impairment charges during the period.

11 Trading properties

	30 June 2006 €'000
At beginning of period	-
Additions through acquisition of subsidiaries (see note 22.2)	19,900
At end of period	19,900

12 Loans receivable

The Company entered into a loan agreement with Egnatia Anonimi Asfalistiki Etaireia (“Egnatia”) on 30 June 2006 regarding Scorpio Bay Resort to provide Egnatia with a €6.5 million loan at an 8% interest cost for a maximum period of 1 year. The loan is secured against Egnatia’s 49% shareholding of Scorpio Bay Holdings Ltd and, in the event that it is not repaid within 12 months, the Company has the right to obtain 100% of Scorpio Bay Holdings Ltd.

13 Cash and cash equivalents

	30 June 2006 €'000
Bank balances	45,916
Bank overdrafts	-
Cash and cash equivalents in the statement of cash flows	45,916

The average interest rate on the above bank balances for the period from 7 June 2005 to 30 June 2006 was 2.29%.

14 Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital €'000	Share premium €'000	Retained earnings €'000	Total €'000
At beginning of period	-	-	-	-
Profit for the period	-	-	58,296	58,296
Shares issued	1,090	103,606	-	104,696
At end of period	1,090	103,606	58,296	162,992

Share capital

Common Shares of €0.01 each	Number	€'000
In issue at the start of the period	-	-
Issued during the period	109,000,000	1,090
In issue at 30 June 2006	109,000,000	1,090

Warrants

The Founding Shareholder Warrants entitle the Founding Shareholders to subscribe, at par value per common share of €0.01, for such number of common shares (capped at 12.5 million common shares) which when multiplied by the Placing Price of 68p (€1.00) equals 50% of the difference between the market value of the Company's legal interests in the Prospective Investment Portfolio and its cost of investment. The valuation of the Company's legal interests in the Prospective Investment Portfolio was carried out by the Company's property valuer, Colliers International S.A. as at 30 June 2006. Based on the valuation, the Founding Shareholders are entitled to receive the full warrant allocation of 12.5 million common shares which shall be issued within 30 days from the issue of this report.

15 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the number of common shares in issue during the period.

	30 June 2006
Profit attributable to equity holders of the Company (€000)	58,296
Number of common shares in issue (thousands)	109,000
Basic earnings per share (€ per share)	0.53

Diluted

Diluted earnings per share is calculated adjusting the number of common shares outstanding to assume conversion of all dilutive potential shares. 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.

	30 June 2006
Profit attributable to equity holders of the Company (€000)	58,296
Number of common shares in issue (thousands)	109,000
Adjustment for Founding Shareholder Warrants (thousands)	12,500
Number of common shares for diluted earnings per share (thousands)	121,500
Fully diluted earnings per common share (€ per share)	0.48

16 Interest-bearing loans

This note provides information about the contractual terms of the interest-bearing loans. For more information about the Group's exposure to interest rate and currency risk see note 21.

Non-current liabilities

	30 June 2006 €'000
Loans	
Secured bank loans	4,000

Terms and debt repayment schedule

The Group has obtained a loan of €4 million from EFG Eurobank Ergasias in Athens. The loan bears interest at Euribor plus 2.20% and it is repayable in sixteen equal quarterly instalments, commencing 27 months from the date the initial funds were disbursed to the Group.

17 Deferred income tax

Deferred income tax is based on temporary differences between the revalued amounts of investment property and trading property in the books of the Company's Greek and Cyprus subsidiaries and their respective tax bases. The deferred tax provision for the Cyprus subsidiaries is based on the capital gains tax rate, which is 20%. The deferred tax provision for the Greek subsidiaries is based on a 25% tax rate.

18 Trade and other payables

	30 June 2006 €'000
Taxation (see note 20)	48
Trade payables	1,646
Accruals	569
Total	2,263

19 Directors' remuneration

From admission of the Company to trading on AIM each director is paid €15,000 p.a., except Messrs Achilleoudis and Kambourides who have waived their fees. Total fees and expenses paid to the Directors for the period from 7 June 2005 to 30 June 2006 amounted to €38,935.

20 Taxation

As a company incorporated under the BVI International Business Companies Act (Cap. 291), the Company is exempt from taxes on profit, income or dividends. Each company incorporated in BVI is required to pay an annual government fee which is determined by reference to the amount of the Company's authorised share capital.

The subsidiaries of the Company in Greece and Cyprus are taxed in accordance with the applicable tax laws in those countries.

21 Financial instruments

The Group's activities expose it to a variety of financial risks: market price risk, credit risk, liquidity risk and interest rate risk.

Market price risk

The Group is exposed to property price and market rental risks.

Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Management does not expect any counterparty to fail to meet its obligations.

Liquidity risk

The Company maintains sufficient cash balances for working capital requirements.

Interest rate risk

The Company is exposed to risks associated with the effects of fluctuations in prevailing market interest rates on its cash balances and long-term borrowings. Cash is invested at short-term market interest rates.

22 Business combinations

22.1 During the period the Group acquired 59.02% of the Alasia Polo and Country Resort Limited Group, a development of a polo integrated residential community near Limassol, Cyprus.

The assets and liabilities arising from the acquisition are as follows:

	Fair value €'000
Investment property - land	63,315
Property plant & equipment	57
Cash & cash equivalents	355

Deferred taxation	(12,573)
Net current assets	218
Net assets	51,372
Minority interest (40.98%)	(21,053)
Net assets acquired	30,319

Purchase consideration, settled in cash	12,539
Cash & cash equivalents in subsidiary acquired	(355)
Cash outflow on acquisition	12,184
Excess of fair value over cost arising on acquisition	17,780

22.2 During the period, the Group acquired 85.3% of the MindCompass Overseas Limited group, a development of a golf integrated resort at Kilada Hills, Peloponissos, Greece.

The assets and liabilities arising from the acquisition are as follows:

	Fair value €'000
Investment property - land	76,238
Property plant & equipment	4
Trading properties	19,900
Cash & cash equivalents	8,534
Deferred taxation	(11,493)
Interest bearing loans	(4,000)
Net current assets	(275)
Net assets	88,908
Minority interest (14.7%)	(13,069)
Net assets acquired	75,839

Purchase consideration, settled in cash	45,233
Cash & cash equivalents in subsidiary acquired	(8,534)
Cash outflow on acquisition	36,699
Excess of fair value over cost arising on acquisition	30,606

22.3 During the period, the Group sold a minority 49% holding initially acquired in Scorpio Bay Holdings Limited for total consideration of €18 million. The original purchase consideration for acquiring all of the issued share capital of Scorpio Bay Holdings Limited was €20.5 million. This gave rise to a realised gain to the Group of €8 million and a minority interest of €10,045,000.

23 Post balance sheet events

On 19 July 2006, the Company entered into a commitment for the investment of €5 million into the Amanmila project. This project involves the future joint ownership with S&B Industrial Minerals S.A. of approximately 140 hectares of land on the island of Milos (Cyclades) in Greece and the development, through a joint venture with Aman Resorts and John Heah, of probably Europe's first villa-integrated Aman Resort.

On 31 July 2006, the Company entered into a commitment for the investment of €15.9 million into the Lavender Hills project. The project represents the development of a sea-front master-planned leisure integrated resort with residential units, a hotel and a golf course located in the area of Nies, Thessalia, Greece. The Company has already invested €1.8 million in July 2006.

Appendix A

Direct Sales Comparison Approach

This technique is based on the premise that persons in the marketplace buy by comparison. It involves acquiring market sales/offerings data on properties similar to the subject property. The prices of the comparables are then adjusted for any dissimilar characteristics as compared to the subject's characteristics. Once the sales prices are adjusted, they can be reconciled to estimate the market value for the subject property.

Income Approach

An estimate is made of prospective economic benefits of ownership. These amounts are discounted and/or capitalised at appropriate rates of return in order to provide an indication of value.

Cost Approach

Value is measured by estimating the Replacement Cost New or the Reproduction Cost New of property and then determining the deductions for accrued depreciation that should be made to reflect the age, condition and situation of the asset during its past and proposed future economic working life.