

Interview: Miltos Kambourides

Miltos Kambourides is Founder and Managing Partner of Dolphin Capital Partners (DCP), a private equity firm founded in 2004 specialising in real estate investments. DCP's main investment vehicle is Dolphin Capital Investors (DCI), the largest real estate investment company by net asset value listed on AIM of the London Stock Exchange. Since inception in 2005, DCI has raised almost €900 million of equity funds and has grown to become a leading global investor in the residential sector in emerging markets.

Miltos graduated from the Massachusetts Institute of Technology with a BS and MS in Mechanical Engineering and a BS in Mathematics. He has received several academic honours and participated twice in the International Math Olympiad. His professional career started with Goldman Sachs where he spent two years prior to joining Soros Real Estate Partners as a founding partner where he spent another 5 years.

Miltos is also a member of the World Travel & Tourism Council. Since 2008 he sponsors the Kambourides Graduate Fellowship in the newly formed Center for Computational Engineering at MIT.

Mr Kambourides, you are an extremely successful entrepreneur. Did you ever dream that you would be so successful at such an early age?

I have always been very ambitious, so yes until the last year at University, I was more oriented towards an academic career. Only at that time did I realise that the business world offers more challenges and opportunities, and went down that route.

You have previously worked at Goldman Sachs and with George Soros. What have you learned from these experiences?

Undoubtedly, I have gained know-how, exposure and insight to the real estate business but most importantly I have learned to work hard and have adopted the Anglo-Saxon mentality. In particular, my



tenure at Soros has inspired me to have a team whereby hierarchy does not stand in the way of communication.

You now are the Managing Partner of DCP, shareholders and managers of the biggest real estate investment company listed on AIM of the London Stock Exchange. What is DCP's strategy for the future?

Dolphin is fortunate to be one of the only real estate investors to have a strong asset base of approximately € 1.71 billion, with low corresponding financial debt. To adjust

to the recent economic climate however, Dolphin slowed down its investment activity and concentrated its efforts on taking forward the existing portfolio, focusing primarily on its most advanced projects, some of which have already entered the construction phase.

With the current economic crisis everything seems to change. How do you see the future of the private equity industry?

The private equity industry recovered faster than I expected. The funds under

management now are probably more than what they were used to be prior to the crisis. Low interest rates have helped the deal activity. As expected though, the private equity managers are a lot more conservative now and shy away from non-core sectors or geographies. This will last for another 12-18 months I believe.

Your focus is on the real estate industry. Do you think this market will recover soon?

It depends what market we are talking about. Some have already recovered and some are still struggling. This is a cyclical business and the key is to be able to survive the downturn.

Have you considered investing in different industries as well?

For the time being I am entirely committed to the investment strategy of Dolphin; however, as an active and restless individual I would not exclude this eventuality in the future.

Greece is now facing huge difficulties with its massive debt deficit despite the help it received from the IMF and its European counterparts. Do you think that Greece will finally make it?

Financial help per se is not sufficient for any country, let alone Greece, to survive such a financial meltdown. It is imperative that there is also a change in mentality, on how business is done, on how governments react to new conditions and how society adjusts to the changes.

You recently stated that Greece has to break the taboo on selling land to slash its debt. Is this enough?

While land sales are an important element in the process of stabilising the debt level, it is highly unlikely that it would suffice in itself. Fundamental changes are needed so that Greece becomes an attractive place for foreign investors.

What else needs to be done to get the country out of this situation?

Alongside other measures, that are more for the finance experts to opine on, it is important to further establish viable legislation relating to "integrated resort developments" that include holiday homes for sale, as this would be a significant source for GDP growth. Also, it would be of great value, to have a stable legislative

framework with respect to planning, permitting and constructing, so that investors are fully aware of all parameters rather than have to constantly revise their project-planning. There are barriers to entry for most investments, and real estate happens to be just one of them.

In Cyprus you operate mainly through Aristo Developers. How do you assess the Cypriot economy?

The small size of the Cyprus economy make it vulnerable to external factors such as Greek crisis and slowdown of international spending but also makes it easy to fix if the will is there. The Government should take more measures now to avoid the pitfalls of Greece.

I am confident that the Cypriot banks will remain healthy and will finance productive sectors such as tourism and real estate, which will allow the Cypriot economy to prosper and attract new investors and create growth. That is also the reason why, despite the current crisis and slowdown in real estate sales we continue our investment and development program in the country, taking forward projects like Venus Rock which will offer a new product and will allow Cyprus to face its competitors from a higher ground.

What problems have you faced here?

The problems we are facing are mostly delays related to the permitting effort of our big projects such as Venus Rock. Most of them are due to the complexity of the process and we hope that the pending issues will be resolved very soon.

Apart from your plans for Venus Rock, do you have any other big projects in the pipeline?

Venus Rock is one of the advanced projects in our portfolio, other major projects in Cyprus include Eagle Pine Golf resort (a short drive from Venus Rock) comprising golf facilities and a residential development component and Apollo Heights Polo Resort consisting of hotel facilities, residential units, polo fields and a 18-hole golf course.

In general, how do you treat risk in your business? Do you have an appetite for risk or do you try to play safe?

Dolphin has so far meticulously proceeded with land acquisition prices at a big discount to south-west Europe and North America, conservative phasing of the

projects, no speculative building of homes but rather financing of the residential construction through pre-sales while financing of the leisure components is mainly through ring-fenced non-recourse bank debt on a project by project basis resulting to no or limited borrowings at the corporate level.

What do you consider to be your biggest success so far?

I consider my career path so far to be successful and I am proud of Dolphin Capital and what was achieved throughout the years. On the other hand, I also consider my family a "success story", as I have a lovely wife and I am blessed with three children.

What would you advise a young entrepreneur just starting a venture?

There are two simple things that have been of great help to me; firstly, to work with people that I can look up to, get inspired and motivated.

Secondly, something my parents taught me, rely on my own powers, without waiting for something to be handed to me or happen opportunistically.

Thank you very much for your time. All the best to you and your family ■

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