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Dolphin

Few would fancy dabbling in Greece or Cyprus at present but Dolphin Capital Investors is doing exactly that. The AIM-listed resort developer, the biggest property developer by net assets on the junior stock market, is undertaking four big hotel and leisure projects in Greece, Cyprus, the Dominican Republic and Panama. None are cashflow-positive as yet.

In its first-half results yesterday, Dolphin's pre-tax loss widened to €60.6 million (£53 million) from a loss of €11.2 million at the same time a year ago. Its net asset value in the first half also dropped 3.1 per cent from the first quarter, down to €1.21 billion.

Yet Miltos Kambourides, Dolphin's founder and managing partner, is far from glum. Mr Kambourides said that all four projects were on budget and on time, with two of the four fully funded. He added that present valuations were based on depressed market sentiment but the true value of the company lay in the future revenue and value to be generated from the completed developments.

Considering the backdrop, he believes that the company is doing swimmingly: the four projects are nearing completion with the balance sheet intact and debts at a manageable level.

The first to finish will be the Porto Heli Collection in Greece and demand from international investors means that pre-sales of villas and apartments should not be affected by volatility in the debt-ridden country.

Indeed, the company insists that Greece and Cyprus are having a record year and the crisis in the economy had helped the group, which has €35 million of cash, to reduce its operating costs.

Analysts at Panmure Gordon said that there was significant upside in Dolphin's high-quality developments that was not reflected in its share price. They argue that Dolphin is doing all the right things in a tough situation.

Investors could do worse than to seek advantage from trouble in the Med. Buy.