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AIM's SEE investor Dolphin launches assets-for-shares program

SEE residential resort investor Dolphin Capital Investors, listed on London's AIM, is planning to offer shareholders the right to exchange shares for certain real estate assets that are valued at end-2008 at double the applicable market price of the stock. The program is expected to run for four months from 1 May, and full details will be published on 15 April.

The purpose is to provide an exit for shareholders, generate interest from new shareholders and boost net asset value per share. The program has no cash cost to the company and only relates to non-core building plots, homes inventory and land. Dolphin is the leading SEE residential resort sector investor and the largest property investment company listed on AIM. Since inception in 2005, it has raised €859m and become one of the largest private seafront landowners in Greece and Cyprus. Its portfolio is spread over 65m sq.m. of coastal developable land includes 15 large leisure-integrated residential resorts under development in Greece, Cyprus, Croatia, Turkey, Panama and the Dominican Republic and over 60 smaller holiday home projects through Aristo Developers in Cyprus.

Founder and MD Miltos Kambourides said the program aims to capitalise on Dolphin's ownership of one of the largest property portfolios in its region, giving participants indirect access to trading assets at half their market value while the company receives its own shares that have a NAV which is a multiple of the asset exchange price.

In preliminary 2008 results, Dolphin reported net asset per share after deferred income tax liabilities rose 29% to 263p at end-December from a year earlier. In euro terms, net asset value dropped by €180m, mainly reflecting land devaluation and share buyback invested amounts, resulting in a per-share loss of €0.23 compared with the 2007 profit of €1.24.

Dolphin said its balance sheet remains robust, with NAV before DITL of €1.5bn and a cash balance of €166m at end-2008. It has investments of €594m, no bank debt at company level and limited or no bank debt on 12 out of 15 projects. Group loan to value ratio is 19%.

Chairman Andreas Papageorghiou said the investment strategy to create long-term shareholder value by acquiring undervalued seafront sites with no or limited leverage and transform them into premium development projects remains resilient in the economic crisis. Its financial position allows it to set its own investment and development pace. Since September, Dolphin has ceased new investment and concentrated on current projects, delayed construction planned for end-2008 and sought to reduce future construction costs. pfe