DOLPHIN COVE LIMITED

AUDITED OPERATING RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2010

The Directors wish to present the audited results of the Group for the year ended December 31, 2010:

Summary

	Year ended December31		
	2010	2009	Change
	J$000	J$000	
Dolphin attraction revenue	619,844	556,309	11%
Ancillary services revenue	259,795	276,329	-6%
Total revenue	879,639	832,638	6%
Gross profit	731,157	688,561	6%
Profit before tax	106,778	110,192	-3%
Profit after tax	69,170	104,726	-34%
Earnings per stock unit (cents)	21.68	33.52	-35%

Profit for the year

Despite a revaluation of the Jamaican dollar by some 4.5% during 2010, the group saw a 6% increase in revenues expressed in Jamaican dollars, although sales are made in United States dollars.

Revenue from the new Hanover marine park operated by our wholly-owned subsidiary, Dolphin Cove (Negril) Limited, which started trading in August 2010, was $22.2 million to December 31 2010. This period is the slowest time of the year for the tourism industry and the loss incurred in that startup four-month period of $12.5 million (after finance charges of $8.6 million and imputed deferred taxation of $4.6 million)) was in keeping with expectations. This new facility was not included in the tours offered by cruise shipping lines during that period. The opening of this new facility did not result in a reduction of guest numbers at the Ocho Rios Park.

The most significant impact on the group's profitability in 2010 compared to 2009 was the income tax expense of $37.6 million, representing an effective tax rate of 35.2%. For the next 10 years, the company will benefit from tax remissions as a result of being listed on the Junior Market of the Jamaica Stock Exchange for the prescribed period.

The group has produced satisfactory profits, with a pre-tax return on equity of 12.5% (2009: 13.3%) and a pre-tax profit margin of 12.1% of sales (2009: 13.2%), considering the start-up of the new park.

Consolidated financial position as at December 31, 2010

Our group balance sheet at year end shows net current assets of $203 million and strong capitalization as reflected by stockholders' equity of $856 million compared to total loans of $334 million, a ratio of 2.6:1. Our stockholders' equity also represented 66.5% of the group's total assets at year end.

We have managed to maintain good operational use of our assets, with trade receivables net of impairment being equivalent to 45 days (2009: 40 days) of sales, while the group continues to have strong liquidity with a current assets of 2.2 times current liabilities.

We have also continued to invest in our non-current assets, which at year end represented $911 million or 70.8% of total assets. A significant element of our additions to property, plant and equipment relates to the preparation of the new marine park in Hanover.

Preliminary indicators for 2011

The Group's revenue for January and February totaled $180.5 million, an increase of 26% over 2010 with $151 million (a 6% increase) coming from the Ocho Rios park and $29.5 million from the new facility in Hanover.

Phase 1 of the Hanover marine park is complete and sales have been increasing. Sales for December 2010 were $11.8 million whilst sales for January and February 2011 were $14.2 million and $15.3 million respectively, levels achieved without cruise ship support. Construction of Phase 2 has commenced and should be completed for the next winter season.

Proposals have been made to Carnival Cruise Lines to sell the Hanover Park's tours and we plan to receive our first guests from that source in May 2011.

The Falmouth Pier, although not finished, started to receive cruise ships in 2011 and the support from them for our Ocho Rios Park has been satisfactory. On March 22, 2011 the "Oasis of the Seas", the largest cruise ship in the world, docked at the pier.

Stafford Burrowes, OD

Chairman and Chief Executive officer

March 29, 2011