

PRESS RELEASE

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Indigo Pacific to provide finance for BAC deal

Indigo Pacific Capital Ltd on Wednesday said it would assist in financing the refurbishment of Brisbane Administration Centre being acquired by developer Indigo Group for \$57 million, with the deal expected to contribute to the company's profit in fiscal 2006.

The BAC building is a 22 level office tower in the Brisbane CBD which has 26,600 sq m of lettable commercial space, a 1100 sq m retail facility at ground level known as City Plaza and basement car parking.

Managing director Mitch Nielsen said Indigo Group would acquire the site, refurbish and re-lease the commercial office tower and car park facility.

He said there was also an opportunity to build a new 30-40 level tower on the City Plaza site which has an existing basement car park, piles, footings and lift core, adding significantly to the value of the project.

"Brisbane CBD has low vacancies, upward pressure on square metre leasing rates and limited space for new office towers," he said.

"It is difficult to find 3000 square metres of contiguous space in the city and so we see the BAC redevelopment as a logical opportunity."

Mr Nielsen said the financing deal for the BAC project was expected to underpin profit in fiscal 2006.

"Indigo Pacific Capital receives its profits when projects have proceeded to a position where they are able to be financed by mainstream development funding," he said.

Mr Nielsen also reiterated the company's profit outlook for fiscal 2005 and said Indigo Pacific Capital was on track to achieve \$10 million net profit after tax on revenue of \$15 million.

He said Indigo Pacific had all of the \$35 million raised in the initial public offering invested in various development deals which put the company on track to achieve its forecast revenue.

"\$18 million was invested into the Kelvin Grove Village Centre project and now that we have a large portion of the risk removed, we are moving to replace Indigo Pacific Capital with development funds from other institutions," he said.

"We have secured presales for about 50 percent of the units and we are signing a major supermarket tenant, with significant expressions of interest from retail tenants.

"The signing of a fixed price construction contract and with ground works complete means the majority of risk has been removed from the project."

Mr Nielsen said Indigo Pacific would also receive revenue from its investments in the Palm Cove residential developments, with refinancing deals underway and expected to be completed by the end of June.

“The Little Edward Street project has already been finalized,” he said.

“Indigo Pacific started financing these deals last May after we listed and in less than 12 months we have been able to source some exceptional investment opportunities.

“I am very comfortable in reiterating the company’s outlook for fiscal 2005 of achieving \$10 million NPAT, as refinancing of all investment deals will be completed by the end of the financial year.”

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