



ASX/MEDIA RELEASE

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Indigo Pacific lifts NPAT 16%, expands residential investments

Property development financier Indigo Pacific Capital Limited on Wednesday announced a net profit after tax of \$4.6 million on revenue of \$17.3 million for the 2006/07 financial year, with new residential investments set to boost a strong growth outlook.

Managing Director Steve Mackay said, "Indigo has achieved NPAT growth of 16 per cent on the previous year's \$4.0 million, backed by our successful investment in Brisbane's Northbank Plaza project in the CBD.

"The principal from all of our initial investments has now been repaid and our new investments are expected to make a strong contribution this year. We expect similar growth in NPAT in fiscal 2008," he said.

In May, Indigo Pacific paid a fully franked interim dividend of 5 cents per share, with the final dividend to be decided in October and paid the following month.

Net assets have grown to \$46.5 million from \$33.92 million since Indigo's listing on the ASX in May 2004, a rise of more than 37 per cent.

Mr Mackay said the company had diverse investment opportunities across the commercial, residential, retail, subdivision and industrial property sectors.

"The company has no debt and no exposure to the US sub-prime mortgage market," Mr Mackay said.

The principal current investments are the Martha Cove Harbour Precinct on Victoria's Mornington Peninsula; the Logan Mixed Industry and Business Area (MIBA) in Queensland; the Elevation residential development at Lennox Head on the New South Wales north coast; and a new 4,300 lot subdivision planned for south-east Queensland's fast growing western corridor.

The Logan MIBA investment sees Indigo diversify into the industrial sector and is expected to return in excess of 25 per cent a year over the next two years. The project is strategically located between Wembley Road and the Logan Motorway just 15 kilometres south of Brisbane, which is expected to continue producing strong growth in industrial rents and land values.

Mr Mackay said, "Indigo Pacific differentiates itself by our geographical spread and type of developments, reducing overall risk by diversification and allowing us to tap into market opportunities at the start of cycles.

"We now see significant opportunities in the fast growing north coast of New South Wales following the improvement of transport links with south-east Queensland, while Brisbane's western corridor is set to benefit from the over \$11 billion of state government infrastructure spending planned over the next 20 years."

Located within two hours' drive of Brisbane, the Elevation development at Lennox Head will comprise 116 residential lots on 46 hectares.

"Our partner Indigo Group has designed an exclusive residential community in an area only 15 minutes from Byron Bay that is expected to realise significant capital growth," Mr Mackay said.

"Marketing of the first stage of 25 lots has already commenced and we are confident of securing strong returns."

Also in the residential sector, a residential subdivision in Brisbane's western corridor is currently in the early phases of planning and subject to state and local government approvals, Mr Mackay said.

"This project is conservatively expected to be developed over the next 25 years," he said.

"Once the project enters the initial sales phase, it will provide Indigo Pacific with an annuity-type income component which will complement other interest and profit streams from shorter term projects."

Mr Mackay said Indigo Pacific will continue to invest in new projects in the year ahead, diversified both geographically and across property sectors.

"Proposals currently under consideration include a commercial office opportunity in Melbourne and a mixed retail/residential development at Palm Beach in south-east Queensland," Mr Mackay said.

"Indigo continues to benefit from our great deal flow and with the strong pipeline of projects in place we look forward to another successful year in fiscal 2008."

About Indigo Pacific

Indigo Pacific Capital Limited (ASX code: IPA) was founded in 2004 by City Pacific Limited (ASX code: CIY) and the privately owned Indigo Group to provide debt and/or equity funding to Indigo Group property development projects. IPA invests in residential, retail, commercial, subdivision and industrial developments.

About the Indigo Group

The Indigo Group has significant interests in property, hotel management, funds management and technology. The group was formed in 1995 combining the skills of project management, architectural design and marketing and is one of the top 10 privately owned companies in Queensland.

Indigo Group and City Pacific each hold 26.78% of Indigo Pacific Capital Limited.

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