



ASX/MEDIA RELEASE

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Indigo Pacific sees 50% jump in half year profit

Buoyed by a new earnings strategy, Indigo Pacific Capital Limited announced today it expects net profit after tax of approximately \$3.3 million for the half year to December 31, up 50 per cent compared with a year earlier.

Managing Director Steve Mackay said the expected result, when compared with the NPAT of \$2.2 million reported for the six months to December 2006, demonstrated the success of the company's new approach flagged at the November 2 Annual General Meeting.

"Under our new strategy, we are seeking to lock in future returns by providing a loan of \$46.4 million secured by the full range of our partner Indigo Group's projects, instead of being tied to the performance of individual projects," he said.

"This change in the structure of our property investments was implemented on December 1, and is expected to have a considerable financial benefit for Indigo Pacific in the 2008 financial year."

He said the new approach gave the company greater certainty over future earnings, and offered reassurance to investors amid the current US-driven market volatility.

"Indigo Pacific has no debt and zero exposure to the US sub-prime lending market," he said.

"We are aiming to achieve a long-term balance in our earnings, with around half generated from property development and the remainder from recurring income from retail, commercial and industrial property."

Indigo Pacific has forecast a fully franked dividend of seven cents per share for the 2008 financial year, as it moves to increase retained earnings and produce consistent profit growth.

Mr Mackay said the company continued to benefit from funding a diverse range of property sectors and a strong pipeline of future opportunities.

Current Indigo Group projects include Oceans Edge, a \$300 million resort community at Palm Cove in north Queensland; Elevation, a 42-hectare residential development at Lennox Head, New South Wales; the Logan Mixed Industry and Business Area industrial land subdivision; a 57 apartment residential development at Palm Beach, south-east Queensland; and 620 Bourke Street, a commercial office building in the Melbourne CBD.

"We are on course for another strong result in the year to June 30 as we pursue our goal of delivering continued growth in shareholder wealth," Mr Mackay said.

About Indigo Pacific Capital Limited

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. Based in Brisbane, Indigo Pacific provides a funding facility for residential, retail, commercial, industrial and subdivision developments.

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For more information:

Steve Mackay
Managing Director
Indigo Pacific Capital
07 3018 4888

For media inquiries:

Anthony Fensom
Starlink Media
07 3367 1488
anthony@starlinkmedia.com.au