

PRESS RELEASE

25 February 2005

CP1 guidance \$38 million NPBT for fiscal 2005

CP1 Limited on Friday booked net profit after tax of \$450,000 on revenue of \$2 million for the first half of 2005, with the company set to deliver a massive leap in profit in the second half as settlements on its Martha Cove project flow in.

Chief executive Phil Sullivan offered guidance to shareholders of achieving around \$38 million net profit before tax for the full year, with house, land and berth packages as its \$650 million waterfront development project on the Mornington Peninsula settling fast.

Mr Sullivan said Martha Cove had already recorded over \$96.85 million in sales, with 77 percent of homes in the first stage now under contract.

He said the waterfront precinct homes located along the entrance to the new harbour from Port Phillip included a freehold berth and pontoon, with prices averaging around \$1.5 million.

"Sales are progressing well at Martha Cove, with unconditional contracts recorded on 61 of the 79 architecturally designed homes available, which are priced between \$1.4 million and \$1.8 million," he said.

"These properties are set to settle by May this year, with the whole project expected to return profit of \$180 million between 2005 and 2007."

Mr Sullivan said the waterfront precinct of Stage 1 would also include 60 apartments priced from \$750,000 which will be available for sale from April, with deposits taken on almost half of these.

"The first stage of the development is due to be completed in April. Listed development company Sunland Group Limited will then construct the residential component of Stage one," he said.

"The main harbour which is part of Stage two is already under construction and due to be completed later this year."

Covering 92 hectares with 17 hectares of waterways, Martha Cove will provide the Peninsula with world-class marina facilities, including a new hi-tech harbour, luxury waterfront living and a resort destination.

The overall master plan for Martha Cove includes a total of 1150 residential dwellings, 600 marina berths, 200 dry berths, commercial and retail precincts, and tourist accommodation, developed through five stages.

CP1 is involved in two projects including its wholly owned Martha Cove developed and the \$1 billion Budds Beach development, in which it has a 50 percent stake.

Diversified financial services company City Pacific Ltd owns 53 percent of CP1 Limited.

CP1 has 19 million shares on issue and a market capitalization of \$106 million.

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