

## CP1 ENTERS STRATEGIC ALLIANCE WITH GROCON

The Board of Directors of CP1 Limited (CP1) today announced that Grocon Pty Ltd (Grocon) will enter into a strategic alliance with CP1 involving a construction services agreement and a substantial shareholding.

A Grocon related entity will acquire a 17.9% interest in CP1 from City Pacific Limited, in a transaction worth approximately \$34 million.

CP1 Chairman Ian Donaldson said the acquisition by Grocon would further enhance the strength of CP1 as a maturing property group.

“This is a great outcome for all parties. Grocon, with its proven construction delivery expertise, is a natural fit with CP1’s existing business and will assist in accelerating the growth of CP1.”

Mr Donaldson said that CP1 will invite two nominees from Grocon to join the Board. City Pacific Directors Peter Trathen and Tom Swan will step down.

As previously announced Mr Ian Donaldson AM will step down as Chairman with a new independent Chairman to be appointed in the near future.

City Pacific will retain a 30.6% share of CP1.

“CP1 will continue to work closely with City Pacific in relation to packaging future property development opportunities. Through our alliance with Grocon we will be able to identify and unlock further opportunities in a range of property sectors,” Mr Donaldson said.

A Construction Services Agreement between Grocon and CP1 will allow the delivery of development opportunities which suit Grocon’s expertise in complex mixed use building projects and high rise construction.

The ability to deliver these projects will provide CP1 with greater scope for growth.

Grocon CEO Daniel Grollo said the alliance would bring together high quality property opportunities sourced by CP1 with the construction delivery expertise of Grocon. “This alliance will boost our construction pipeline and deliver additional development opportunities that will greatly benefit both organisations, “ he said.

“We have recently started two new projects in Queensland – Soul on the Gold Coast and the Vision Tower in Brisbane – and we are now looking for more opportunities.”

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### **About CP1 Limited**

CP1 Limited is a property development company incorporated in March 2002 and listed on the Australian Stock Exchange in January 2003 (ASX: CPK).

CP1 has exposure to a combination of industrial, commercial and residential property developments in geographical areas that are set to experience above average growth rates.

Current operations include the Martha Cove waterfront residential and marina project on Victoria's Mornington Peninsula.

CP1 owns the Paradise Resort complex including adjacent development land and, in a joint venture arrangement with Raptis Group, owns the Gold Coast International Hotel together with further development land on Queensland's Gold Coast. CP1 also has a 50% ownership of the Lake Views industrial and residential estate in Victoria. Website: [www.cp1.com.au](http://www.cp1.com.au)

### **About City Pacific Limited**

City Pacific Limited commenced operations in 1997 and listed on the ASX in July 2001 (ASX: CIY), gaining entry into the ASX 200 in June 2005. City Pacific is a diversified financial services group with core business units in financial services, managed funds and property.

City Pacific is one of the largest non-bank lenders in Australia and has over \$1 billion of funds under management. In addition to this it has a residential loan book of \$3 billion and commercial mortgage assets under management of approximately \$1 billion.

City Pacific offers products that range from equipment finance and leasing to home loans, personal finance, loan securitization and property finance.

City Pacific also has a range of significant property joint ventures with established industry property groups that include Mirvac Group, Raptis Group and the Indigo Group.

City Pacific is also a major shareholder in two publicly listed property companies, CP1 (ASX: CPK) and Indigo Pacific Capital (ASX: IPA). Website: [www.citypac.com.au](http://www.citypac.com.au)

### **About Grocon Pty Ltd**

Grocon Pty Ltd is a leading Australian, privately owned property development and construction company founded in Melbourne.

Grocon has built a reputation of construction excellence over 50 years with quality buildings delivered on time and budget.

Grocon is regarded as one of the most experienced builders of iconic high rise projects in Australia, including Melbourne's tallest residential landmark, Eureka Tower and Sydney's tallest, the World Tower.

Other landmark projects include Melbourne's Crown Casino, the Rialto Towers, the redevelopment of the MCG for the 2006 Commonwealth Games and Sydney's No 1 Martin Place. Website: [www.grocon.com.au](http://www.grocon.com.au)

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## **COPIES OF RELEASES**

Copies of previous media and ASX announcements issued by CP1 Limited are available at CP1's website at [www.cp1.com.au](http://www.cp1.com.au)