

ASX / MEDIA RELEASE

8 January 2008

**CITY PACIFIC CONFIRMS HALF YEAR PROFIT
FORECAST TO RISE UP TO 15%**

Diversified financial services group City Pacific (CIY) confirms its half year profit is expected to rise from between 10-15% on the corresponding period ended December 31, 2006.

City Pacific's CEO and Managing Director Phil Sullivan said confirmation of the profit outlook in December 2007 followed a strong first half.

"We expected then to deliver a rise of at least 10% and we can now confirm an expected half year profit increase of between 10 and 15 %."

"We maintain our positive outlook for the year and will be releasing our results on February 21, 2008," he said.

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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 \$3.3 billion and commercial mortgage assets under management of approximately \$800 million. City Pacific offers products that range from equipment finance and leasing to home loans, personal finance, loan securitization and property finance.

City Pacific 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), and is the recipient of dividend streams from each of the companies. Website: www.citypac.com.au

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