
CYPRESS LAKES GROUP LIMITED

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CYPRESS LAKES RESORT IN HUNTER VALLEY TO BE SOLD

After 15 years of development and operation, NSW's largest five star resort - Cypress Lakes Resort and Cypress Lakes Golf & Country Club located in the Hunter Valley - has been listed for sale.

The directors of their owner and operator, Cypress Lakes Group Limited, have appointed CB Richard Ellis as exclusive agent to sell the property and development land by Expression of Interest.

Founder and Managing Director of Cypress Lakes Group Limited Dr Peter Neustadt said, "Our decision to divest the assets is based on the fact that there is increasing disparity between the company's two main business divisions – Cypress Lakes and The Golden Door spas and retreats operation."

Cypress Lakes Resort is arguably the most successful resort story in NSW. The 232 five star villa resort, whose construction finished three years ago, currently has more than \$20 million in turnover and employs more than 250 people, with 31,000 rounds played on our championship golf course each year.

Dr Neustadt said, "It is a very significant tourism and hospitality operation with great potential to further increase occupancy by expanding the target market (overseas) and enhancing product distribution capabilities through a potential alignment with one or more distribution partners,

"When we acquired The Golden Door health retreat in Queensland in 1998 we thought that this is a very compatible and synergetic business with our existing businesses at Cypress Lakes.

"The Golden Door has become a very successful acquisition in its own right and we have expanded The Golden Door from a single outlet business in Queensland to a diversified national operation with two health retreats, two resort spas and Golden Door products. Three more Golden Door outlets are scheduled to open in 2005 and projects are being offered to us on a consistent basis in Australia and overseas.

"Directors came to the conclusion that our listed company would not be in a position to build the two very strong businesses to their full potential over the next few years", added Dr Neustadt.

Cypress Lakes Resort will also consider offers for several parcels of land separately or in addition to the Resort and Golf & Country Club. The first parcel has development approvals for the construction of a three storey hilltop complex with 120 rooms or suites. The second parcel consists of 10 hectares with approvals to build a village with 150 villas, central facilities and a village centre with a pub (Cypress Lakes Group Limited owns a full hotel license and operates 15 gaming machines), wine garden, restaurant and shops.

The third parcel being 135 acres of expansion land adjacent to the resort, which has lodged rezoning application to allow the construction of a second golf course and 80 villas.

CB Richard Ellis anticipates strong interest for the resort, especially from outside Australia.



OWNERS AND OPERATORS OF CYPRESS LAKES RESORT AND THE GOLDEN DOOR SPAS AND RETREATS

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- 2 -

Mr Rob Blain, Chairman & CEO of CB Richard Ellis Asia Pacific, said "Cypress Lakes is one of the leading five star resorts in the country. Its golf course is rated in the top resort courses in Australia and it still has enormous growth potential for a new owner.

"Nearly all of the business at Cypress Lakes is currently being generated in Australia, with most of it coming from Sydney. There is virtually no inbound business, which presents great potential for an incoming owner to grow revenues and profits substantially", he added.

Cypress Lakes Resort is operated as an independent resort. "There was always interest from the major hotel chains to brand Cypress Lakes as an international spa and golf resort. Such a step would expand the exposure of the resort to interstate and international markets", added Mr Blain.

The development land offered is by way of freehold community titles located within the Cypress Lakes Resort. The development projects are approved by Cessnock City Council and have been designed by Australian prestige architect Phillip Cox.

The approved three-storey hilltop complex above Cypress Lakes Resort features outstanding panoramic views from the highest point in the lower Hunter Valley for all proposed 120 rooms or suites. Cypress Lakes village will be build surrounded by golf fairways and two lakes.

"Cypress Lakes Village is in the absolute centre of the Pokolbin wine district. All 150 villas will have golf course or lake frontage and enjoy views of the Brokenback Mountains, the valley and the recently completed Hunter Valley Gardens", said Mr Rob Cross, Regional Director Hotel & Leisure of CB Richard Ellis in Sydney.

The completion value of the Cypress Resort Hilltop complex and the Cypress Lakes Village project are estimated at around \$130 million to \$140 million.

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