



# CEC GROUP

## ASX ANNOUNCEMENT

6 May 2008

### **CEC ACHIEVES UNCONDITIONAL NON-CORE ASSET SALES OF \$32 MILLION**

#### **Non-Core Asset Sales:**

The Board of the CEC Group (ASX: CEG) announces it has entered into unconditional contracts for the sale of land totaling around \$32 million with settlement dates prior to 31 May 2008. Further, CEC is in negotiations with other parties for the sale of additional land totaling approximately \$12.7 million which CEC expects will complete prior to 31 May 2008.

In addition to the abovementioned asset realisations of approximately \$44.7 million, contracts have been negotiated for other non-core property sales of approximately \$32 million. CEC expects these contracts to become unconditional by 31 May 2008, leading to settlements in or around June 2008 enabling further reductions in outstanding debt.

The above portfolio of non-core asset sales totaling approximately \$76.7 million comprises commercial properties which have not formed part of the core residential land bank of the Group.

When the above sales are added to the sale of its non-core 50% interest in the SITA-CEC Environmental Solutions Joint venture for \$13.5 million announced in early April, total non-core asset sales of around \$90.2 million have been, or are currently in the process of being consummated.

#### **Non-Core Asset Sales Background:**

The Board of CEC Group Limited (ASX: CEG) has implemented the strategy outlined in the financial statements of the Company lodged for the half year ended December 2007 by carrying out an organisational review and a refocusing of its business activities. Owing to the collapse of the US sub-prime mortgage market in late 2007, leading to adverse global and domestic credit market conditions, the consequent adverse impact on property and finance markets in Australia and general slowdown in the Australian economy, the Board of CEC Group had resolved to significantly reduce its debt position.

