
PROSPECTUS

IFC CAPITAL LIMITED

ABN 14 087 737 068

Non-Renounceable Rights Issue

A non-renounceable pro-rata rights issue of approximately 13,988,751 New Shares on the basis of two (2) New Shares for every five (5) Shares held at an issue price of \$0.25 per New Share. In addition the Company will issue one (1) Option attaching to every two New Shares which will expire on 30 September 2008 and which will be exercisable at \$0.30 each.

The Offer closes at 5.00pm AEST on 13 June 2007, unless extended or brought forward.

Important Information

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the New Shares being offered pursuant to this Prospectus or any other matter, then you should consult your professional adviser.

An investment in the New Shares offered by this Prospectus should be considered speculative.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

John M Langley (Non-Executive Chairman)
David P Hobart (Managing Director)
Peggy P C Yeoh (Non-Executive Director)

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

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COMPANY SECRETARY

Ian E Bangs

LAWYERS FOR THE COMPANY

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REGISTERED OFFICE

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WEBSITE: www.ifccapital.com.au

ASX CODE: IFC



IFC Capital Limited
ACN 087 737 068
Suite 1003 O'Connell House
Level 10, 15-19 Bent Street, Sydney NSW 2000

10 May 2007

Dear Shareholder

IFC Capital Limited ("IFC Capital" or "the Company") is pleased to offer you the opportunity to subscribe for the number of New Shares specified in the accompanying personalised Entitlement and Acceptance Form for \$0.25 per New Share.

The Offer is by way of a two for five (2 for 5) non-renounceable rights issue to Eligible Shareholders. Proceeds of the issue of New Shares made under this Prospectus will be up to approximately A\$3,497,188. In addition the Company will issue one (1) New Option attaching to every two New Shares, which will expire on 30 September 2008 and which will be exercisable at \$0.30 each. If all the New Options are exercised this would raise \$2,098,313.

The Closing Date for acceptances and payment is 5.00pm AEST on 13 June 2007.

The full terms of the Offer are set out in Section 1 of this Prospectus. The Prospectus also explains the purpose and effect on IFC Capital of the Offer in Section 2. The purpose of the Offer is to provide funding to be applied towards final stages of the rezoning process of the land at Cranebrook, for ongoing working capital and for seed equity for potential investments for IFC Capital.

A number of substantial shareholders have indicated their support for the Offer and their intention, at the present time, to take up their full entitlement to 5,050,719 New Shares.

Please read the Prospectus carefully and consult your professional adviser before deciding whether or not to subscribe for New Shares.

The Offer is non-renounceable. That is, your right to subscribe for New Shares under this Prospectus is not transferable.

If you wish to subscribe for New Shares, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in Section 1 of this Prospectus, and forward the completed Entitlement and Acceptance Form to Computershare Investor Services Pty Limited together with a cheque or bank draft for the subscription money drawn from an Australian bank and made payable to 'IFC Capital Limited Rights Offer Account' and crossed 'not negotiable'.

Yours sincerely

John M Langley
Chairman

David P Hobart
Managing Director

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Capitalised terms in this Prospectus are defined in the Glossary in section 10.

Important Notice

Investment in the New Shares that are offered under this Prospectus should be considered speculative. Applicants should read this Prospectus in its entirety before deciding to apply for the New Shares. If, after reading this Prospectus, you have any questions as to how to deal with this Prospectus, you should contact your stockbroker, solicitor, accountant or professional adviser.

Important Information

1. This Prospectus is dated 18 May 2007. The expiry date of this Prospectus is 13 months after the date of issue of this Prospectus. No New Shares will be allotted or issued on the basis of this Prospectus after the expiry date of this Prospectus.
2. A copy of this Prospectus was lodged with ASIC on 18 May 2007.
3. This Prospectus was prepared and issued by IFC Capital Limited ("IFC Capital" or "the Company"). The Company is responsible for the contents of this Prospectus. Neither ASIC nor the ASX takes any responsibility for the contents of this Prospectus.
4. This Prospectus does not constitute an offer in any place where, or to any person to whom, it would not be lawful to make an offer. The distribution of this prospectus in jurisdictions outside the Commonwealth of Australia may be restricted by law, and Shareholders in those jurisdictions should seek advice on and observe all applicable restrictions. Any failure to comply with applicable restrictions may constitute a violation of applicable securities laws.
5. Application for quotation of the New Shares and New Options on the ASX will be made within 7 days after the date of this Prospectus.

1. THE OFFER

INTRODUCTION

This Prospectus contains an offer under a non-renounceable pro-rata rights issue to holders of ordinary Shares in the Company who are resident in Australia, New Zealand and Hong Kong to take up New Shares in the Company at a subscription price of \$0.25 per New Share, payable in full upon application. The Offer applies to shareholdings as at the Record Date, being 5.00pm (AEST) on 28 May 2007. Holders of Existing Options cannot participate in this offer unless they have exercised their options on or before the Record Date.

The primary purpose of the Offer is to provide funding to be applied towards final stages of the rezoning process of the land at Cranebrook, for ongoing working capital and for seed equity for potential investments for IFC Capital (see section 2 for further details).

If you are a shareholder, this document is important and requires your immediate attention. It should be read in its entirety. Please read carefully the instructions on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement. If you are in doubt as to the course you should follow, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

DETAILS OF THE OFFER

The Company currently has 34,971,877 fully paid ordinary shares on issue. The Company is offering for subscription, under a non-renounceable pro-rata rights issue, 13,988,751 New Shares in the Company on the basis of two (2) New Shares for every five (5) Shares held with fractional entitlements rounded up to the nearest whole New Share. The subscription price for each New Share is \$0.25. The last market sale price for the Company's shares on the last trading day before the date of this Prospectus was \$0.22 cents. The aggregate subscription price for the 13,988,751 New Shares is \$3,497,188. In addition the Company will issue one (1) New Option attaching to every two New Shares, which will expire on 30 September 2008 and which will be exercisable at \$0.30 each. If all the New Options are exercised this would raise \$2,098,313.

There are 1,200,000 Existing Options on issue that are exercisable at \$0.80 each on or before 21 December 2008. There are also 1,250,000 founders' options on issue that Directors have determined will not be capable of exercise by any person. The number of New Shares could be increased on the basis that the Existing Options (not including the founders options) currently on issue might be exercised prior to the Record Date. The maximum number of New Shares that could be issued if all Existing Options are exercised is 480,000 with an aggregate subscription price of \$120,000. The Directors of IFC Capital believe that it is unlikely that the holders of Existing Options will exercise their options due to the exercise price of \$0.80 and the current market price of IFC shares at \$0.22.

Timetable for the Offer

Announcement of Offer	18 May 2007
Lodgement of Prospectus	18 May 2007
Record Date to determine entitlements to the New Shares	28 May 2007
Prospectus and Entitlement and Acceptance Forms Despatched	1 June 2007
Closing date for acceptance and payment of subscription price	13 June 2007
Allotment of New Shares expected to be no later than	21 June 2007

The Directors may alter the closing date, and any subsequent date, in their discretion.

Subscription Price

Each New Share is offered at a subscription price of \$0.25 each payable in full upon acceptance.

The last market sale price for the Company's Shares on the last trading day before the date of this Prospectus was \$0.22.

Each New Option attaching to every two New Shares, which will expire on 30 September 2008 will be exercisable at \$0.30 each.

Your Entitlement

The Company is making a non-renounceable pro-rata rights issue of New Shares in the Company on the basis of two (2) New Shares for every five (5) Shares held.

In addition the Company will issue one (1) New Option attaching to every two New Shares, which will expire on 30 September 2008 and which will be exercisable at \$0.30 each.

The number of New Shares and New Options to which you are entitled is calculated as at the Record Date shown above, and is shown on the Entitlement and Acceptance Form, which accompanies this Prospectus. Fractional entitlements to New Shares will be rounded up to the nearest whole New Share.

Issue Amount

The total number of New Shares that may be issued pursuant to the Offer will be approximately 13,988,751 New Shares, to raise up to approximately \$3,497,188 before issue costs. The number of New Shares could be increased on the basis that the Existing Options currently on issue might be exercised prior to the Record Date.

The total number of New Options to be issued pursuant to the Offer will be approximately 6,994,375 New Options, to raise up to approximately \$2,098,313. The number of New Options could be increased on the basis that the Existing Options currently on issue might be exercised prior to the Record Date.

The Directors of IFC believe that it is unlikely that the holders of Existing Options will exercise their options due to the exercise price of \$0.80 and the current market price of IFC shares at \$0.22.

Entitlements and Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date. There is no minimum subscription level. The Directors reserve the right to vary the timetable for the Offer, subject to the Listing Rules, including extending the offer period. You can only accept this Offer by completing the Entitlement and Acceptance Form, which accompanies this Prospectus.

ACTION REQUIRED BY SHAREHOLDERS

Shareholders may:

- **Take up their entitlement in full**

If you wish to take up all of your entitlement, please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your form, in the reply paid envelope to reach the Company's share registry, Computershare Investor Services Pty Limited, at Level 3, 60 Carrington Street Sydney NSW 2000 by 5.00pm AEST on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in Australian currency should be made payable to "IFC Capital Limited Rights Issue Account" and crossed "not negotiable".

- **Take up part of their entitlement**

If you wish to take up part only of your entitlement, please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Offer under this Prospectus (being less than your entitlement as specified on the Entitlement and Acceptance Form) and forward the completed form together with your cheque or bank draft for the total amount payable to reach the Company's share registry, Computershare Investor Services Pty Limited at Level 3, 60 Carrington Street Sydney NSW 2000 by 5.00pm AEST on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in Australian currency should be made payable to "IFC Capital Limited Rights Issue Account" and crossed "not negotiable".

- **Take up their entitlement in full and apply to take up additional New Shares**

If you have taken up all of your entitlement, you may take up, at the same price per New Share, additional New Shares available through unexercised rights. These shares will be allocated at the discretion of the Directors of the Company.

If you wish to take up additional New Shares please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Offer under this Prospectus (being more than your entitlement as specified on the Entitlement and Acceptance Form) and forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable to reach the Company's share registry, Computershare Investor Services Pty Limited, at Level 3, 60 Carrington Street Sydney NSW 2000 by 5.00pm AEST on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts should be made payable to "IFC Capital Limited Rights Issue Account" and crossed "not negotiable".

- **Ignore the Offer**

If you do not wish to take up any part of your entitlement to New Shares, you are not required to take any action, in which case you will receive no New Shares and your rights will lapse.

If you have any queries concerning your entitlement, please contact IFC Capital's Company Secretary, Ian Bangs on (02) 9994 8804 or contact your stockbroker or professional adviser.

Entitlement and Acceptance Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Applications received after the Closing Date will not be accepted. The Company will not be responsible for postal or delivery delays.

SHAREHOLDERS RESIDENT IN HONG KONG

WARNING

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

SHAREHOLDERS RESIDENT OUTSIDE AUSTRALIA, NEW ZEALAND AND HONG KONG

The Company will only extend the Offer to shareholders with registered addresses in Australia, New Zealand and Hong Kong. The Company considers it would be unreasonable to extend the Offer to shareholders with registered addresses in other jurisdictions ("Excluded Shareholders") having regard to the small number of such shareholders, the small number and value of securities that would be offered in such jurisdictions and the costs of complying with legal and regulatory requirements in those jurisdictions.

Based on the Shares held by Excluded Shareholders at the date of this Prospectus, Excluded Shareholders would have been entitled to take up approximately 73,000 New Shares if they were entitled to participate in the Offer. The entitlement that would otherwise have been offered to the Excluded Shareholders will become part of the shortfall available for subscription by eligible shareholders who wish to subscribe for shares in addition to their full entitlement.

It is the responsibility of any person who comes into possession of this Prospectus outside Australia, New Zealand or Hong Kong to ensure compliance with all laws of any country relevant to their application. Any person not in Australia, New Zealand or Hong Kong considering taking up rights and shareholders who are resident outside of those countries should consult their professional advisers as to whether or not any governmental or other consents are required, or if other formalities need to be observed, to enable them to accept shares under this Prospectus.

This Prospectus does not constitute an offer in the USA or in any place in which, or to any person to whom, it would not be lawful to make such an offer.

PEOPLE IN AUSTRALIA WHO WISH TO SUBSCRIBE FOR THE SHORTFALL

If you are in Australia and not a shareholder in IFC Capital, but wish to subscribe for the Shortfall, please complete the Public Offer Application Form included in this Prospectus, by inserting the number of New Shares for which you wish to subscribe for under this Prospectus and forward the completed form together with your cheque or bank draft for the total amount payable to reach the Company's share registry, Computershare Investor Services Pty Limited, at Level 3, 60 Carrington Street Sydney NSW 2000 by 5.00pm EST on the Closing Date or such later date as the Directors determine.

Applications must be for a minimum of 8,000 New Shares (\$2,000). Applications for greater than 8,000 New Shares must be in multiples of 4,000 New Shares.

Cheques and bank drafts, in Australian currency should be made payable to "IFC Capital Limited Rights Issue Account" and crossed "not negotiable".

There is no guarantee that you will be issued any of the New Shares comprising the Shortfall.

ALLOCATION POLICY

If applications are received for a greater number of New Shares than available under the Shortfall, the following allocation policy will apply:

- Shareholders who apply for all or part of their entitlement will receive the number of New Shares applied for.
- Subject to the restrictions in the Corporations Act against shareholders increasing their voting power in an ASX listed company from below 20% to above 20%, the Shortfall will be issued at the discretion of the Directors.

Where the number of additional New Shares allotted is less than the number applied for, the surplus application monies will be returned by cheque within 21 days after the Closing Date. Where no allotment of the Shortfall is made, the amount tendered on application with the relevant Entitlement and Acceptance Form will be returned in full by cheque within 21 days after the Closing Date. Interest will not be paid on monies refunded.

MARKET PRICES OF SHARES ON THE ASX

The highest and lowest market sale price of the Shares during the 3 months immediately proceeding 18 May 2007 (being the date of the announcement of the Offer) and the last market sale price on that date is set out below.

3 month high A\$0.35	3 month low A\$0.22	Last market sale price A\$0.22
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OPENING AND CLOSING DATES

The Prospectus will be despatched by no later than 1 June 2007 and the Offer will close on 13 June 2007.

ALLOTMENT

The New Shares and New Options are expected to be allotted by not later than 21 June 2007.

No New Shares or New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

ASX LISTING

Application will be made no later than 7 days after the date of this Prospectus for the New Shares and the New Options offered under this Prospectus to be granted official quotation by ASX. If such New Shares and the New Options are not admitted to official quotation within 3 months after the date of this Prospectus, all application monies received will be returned in accordance with the Corporations Act.

ASX takes not responsibility for the contents of this Prospectus.

TERMS OF THE NEW SHARES

The terms of the New Shares are set out in section 4. The New Shares will rank equally with the existing fully paid Shares of the Company and the rights and liabilities attaching to the New Shares are summarised in section 4.

When New Options are exercised, the Shares will rank equally with the existing fully paid Shares of the Company and the rights and liabilities attaching to the New Shares are summarised in section 4.

TERMS OF THE NEW OPTIONS

The terms of the New Options are set out in section 4. The Company will issue one (1) New Option attaching to every two New Shares, which will expire on 30 September 2008 and which will be exercisable at \$0.30 each.

2. PURPOSE OF THE OFFER

The principal activities of IFC Capital are opportunistic investment in land holdings and Property Development and Development Management.

The purpose of the Rights Offer is to provide funding to be applied towards the final stages of the rezoning of the Land at Cranebrook, for ongoing working capital and for seed equity for potential investments for IFC Capital. The Company's current financial resources are not sufficient to provide the liquidity required to meet these obligations.

Cranebrook Land

In October 2004 IFC Cranebrook Limited, a wholly owned subsidiary of IFC Capital and also Trustee for the IFC Development Trust completed the purchase of 181 hectares of land, zoned special uses, at 829-843 The Northern Road, Cranebrook, New South Wales for a purchase price of \$15,000,000 plus GST and other costs. Since that date IFC Capital has consulted with the local community and worked closely with all relevant authorities in progressing the rezoning process for the land. During the past three and a half years the Company has undertaken, completed and submitted to Penrith Council, the Department of Planning and other authorities, extensive and detailed studies which have been required to support the rezoning application. These include a Contamination Site Management Plan, Bushfire Threat Assessment Report, Aboriginal Cultural and Archaeological Heritage Assessment, Heritage Assessment and Conservation Recommendations Report, Indigenous Heritage Overview, Flora and Fauna Assessment Report, Conservation Management Report, Studies and Data Collection for Biobanking Assessment, Proposed Sediment Retention Basin Report, Road and Access Report, Conservation Management Analysis, Market Analysis Report, Survey Report, Town Planning Submission, Geotechnical Report, Rezoning Report and Sustainability Assessment Report. The Company continues to work co-operatively with the Penrith Council and other government authorities in relation to our Cranebrook project, and we have no reason to believe that rezoning will not be achieved.

The Company has been dealing with relevant State Government agencies, being the Department of Planning (DoP) and Department of Environment and Conservation (DEC now DECC) to progress the proposed rezoning of its site at Cranebrook NSW. IFC Capital has been working with DEC to assess alternative approaches to preserving the conservation component of the Cranebrook site. One of these approaches is the Biobanking concept which involves certification of credits for conserving native wildlife. The Company was formally informed in November 2006 by DECC that the State Government's Biobanking Bill successfully passed through The Legislative Council. DEC has agreed to use IFC Capital's proposal for Cranebrook as a pilot site for Biobanking. The concept aims to promote the trading of credits for conservation, for cash, between landowners and developers. The pilot period has commenced. IFC has already provided DECC with the scientific data required for the assessment.

The current book value of the Cranebrook land is \$18.4 million. The Directors believe that the land is valued at \$21.0 million net of GST, which reflects IFC Capital's effort in minimising and quantifying risks associated with the site. We anticipate that a rezoning will result in further significant value growth.

The Directors believe that further funding of approximately \$2.0 million will be required in seeking these final planning approvals and paying appropriate developer levies and taxes payable for the rezoning which will add greater value for the use of the land. Studies required to now progress the rezoning to completion include, but are not limited to, an Assessment for Biobanking, Revised Sustainability Report, Assessment for Growth Centres Development Code, Development Application Design Resolution and associated studies and reports, Water and Sewer treatment report, Infrastructure Assessment, Economic and Employment Assessment and Studies for inclusion in Rural Lands LEP. Further intensive discussions will be required with the DECC, DoP, Penrith City Council officers and councillors, Local Residents and Relevant State Ministers

The Directors and management are confident that the rezoning of this significant core asset will form a strong foundation for the Company to grow its revenues and the value of its balance sheet in the medium to long term.

Development Management

In July 2005, IFC Funds Management Limited (IFC Funds Management), a wholly owned subsidiary of IFC Capital was granted an Australian Financial Services Licence (AFS Licence) by Australian Securities and Investment Commissions (ASIC). IFC Capital is licensed to carry on a financial services business to wholesale clients. IFC Capital is using the AFS Licence to promote and invite external investment into wholesale unit trusts,

which will be structured around profitable asset acquisition in infrastructure and property and managed by IFC Capital.

IFC Capital regularly reviews other potential investment opportunities in the domestic property investment market. The model adopted by the Company for its investment activities is to create unlisted wholesale trust vehicles which will either singularly or collectively hold investing development and infrastructure ventures on behalf of IFC Capital as a seed equity investor and other professional investors seeking targeted returns. The Company will identify, funds manage, development manage and market each venture in the trust and will receive fees in line with industry standards.

The Company has raised a wholesale fund which is co-investing with McLaughlins Financial Services Limited (MFS) via a joint venture financing arrangement in a \$40 million development in St Ives and, as developer, has obtained approval from Ku-ring-gai Council to develop 52 high quality owner-occupier apartments on the site. The site enjoys a prime location in St Ives being only a few minutes walk from St Ives shopping centre and surrounding amenities. Off the plan marketing of the apartments has just commenced.

The above statements of intent are based upon the current status of the relevant potential investment projects. As these potential opportunities develop, the anticipated investment proposals may change.

It is currently anticipated that up to \$1,000,000 of the proceeds of the Offer will be contributed as working capital to the operating requirements of IFC Capital over the following 12 months.

3. RISKS

RISK FACTORS

The New Shares and New Options offered under this Prospectus are considered speculative because of the nature of the business of the Company. Before applying for New Shares, you should consider whether the New Shares and New Options are suitable securities for you to acquire, having regard to your own investment objectives and financial circumstances.

In addition, the Directors consider that the following summary, which is not exhaustive, represents major risk factors of which potential investors need to be aware:

- **Market Risks**

The market price of IFC Capital's Shares are subject to many unpredictable factors which affect share investments in general, the property industry and the Company. The share price is subject to numerous influences, including the broad trend in the share market and the share price of individual companies. Local and world economic conditions may affect the performance of the Company.

- **Operational Risks**

If the Company does not receive approval from the relevant authorities by December 2008 for the rezoning of the land at Cranebrook this may impact on the share price of IFC Capital.

The Company has a loan facility from Bank of Western Australia for the purchase of the land at Cranebrook and this is required to be rolled over in October 2007. The Company has no reason to believe that this will not happen, however if ongoing funding cannot be obtained, this may impact on the share price of IFC Capital.

- **General economic conditions**

Any prolonged economic slowdown of global economies may impact on the operations of the Company.

- **Increased or new competition**

With low barriers to entry competition may arise from a number of sources and may include companies with greater capital resources and expertise. While the Company's directors believe that the company's depth of services and industry knowledge effectively reduce the impact of future competition, no assurances can be given that such competition will not adversely affect the performance of the Company.

- **Dependence on key personnel**

The success of the Company will depend on the continuing commitment of its key employees. The Company has in place employment contracts with key employees. The Company has an objective of providing attractive employment conditions to assist in retaining key employees.

- **Regulation and legal issues**

It is possible laws that may be introduced or amended in Australia or international jurisdictions relating to any aspect of its business, which may have a material adverse effect on the financial position and operating results of the Company. At the present time the Company is not aware of any such regulatory or legal issues in any of the jurisdictions in which the Company operates.

4. EFFECT OF THE OFFER ON THE COMPANY

EFFECT OF OFFER ON THE COMPANY

Assuming all New Shares are issued and no Shares are issued as a result of the exercise of the Existing Options, the principal effects of the issue will be:

- (i) cash reserves will initially increase by approximately \$3.5 million (before expenses of the issue) to enable the Company to pursue its objectives;
- (ii) the number of Shares on issue will increase to approximately 48,960,628; and
- (iii) the number of listed Options on issue will be approximately 6,994,376.

Further details of the possible effect of the issue are set out below.

Capital Structure

Issued Capital

Current issued capital	34,971,877 fully paid shares
Proposed to be issued	13,988,751 fully paid shares
Total issued capital following the Offer	48,960,628 fully paid shares

Existing Options

There are 1,200,000 Existing Options on issue to subscribe for ordinary shares in IFC Capital Limited, exercisable at \$0.80 each on or before 21 December 2008. In addition there are 1,250,000 founders option on issue the directors have determined will not be capable of exercise by any person. The number of New Shares could be increased on the basis that the Existing Options currently on issue might be exercised prior to the Record Date. The maximum number of New Shares that could be issued if all Existing Options are exercised is 480,000 with an aggregate subscription price of \$120,000. The Directors of IFC believe that it is unlikely that the holders of Existing Options will exercise their options due to the exercise price of \$0.80 and the current market price of IFC shares at \$0.22.

STATEMENTS OF FINANCIAL POSITION

The Consolidated Statement of Financial Position of the consolidated entity as at 31 December 2006 as included in the Company's half year report is provided for information purposes. The half year report was subject to a review by PricewaterhouseCoopers.

Set out below is a summary Pro-Forma Consolidated Statement of Financial Position assuming completion of the Offer (on the basis that no Existing Options have been exercised). The summary Pro-Forma Consolidated Statement of Financial Position is based on the Consolidated Statement of Financial Position of the consolidated entity as at 31 December 2006. There are no adjustments to reflect any material event after that date.

Whilst this unaudited Pro-Forma Consolidated Statement of Financial Position is included for illustrative purposes, the actual assets and liabilities of the consolidated entity after the issue of the New Shares are likely to vary according to the ongoing investing and operating activities of the consolidated entity over the period.

The unaudited Pro-Forma Consolidated Statement of Financial Position includes a loss estimation for the trading of the consolidated entity from 1 January 2007 to 30 April 2007.

ITEM	Actual \$'000 31/12/2006	Pro-Forma \$'000
Current Assets		
Cash	578	3,755 (note 1)
Trade & other receivables	91	91
Investments	126	126
Other Assets	64	64
Total Current Assets	859	4,036
Non-current Assets		
Investment accounted for using equity accounting	55	55
Other assets	236	236
Cranebrook Land	18,202	18,202
Property, plant & equipment	44	44
Total Non-current Assets	18,537	18,537
TOTAL ASSETS	19,396	22,573
Current Liabilities		
Trade & other payables	171	171
Provisions	33	33
Total Current Liabilities	204	204
Non-current liabilities		
Interest bearing liabilities	8,978	8,978
Total non-current liabilities	8,978	8,978
TOTAL LIABILITIES	9,182	9,182
NET ASSETS	10,214	13,391
Equity		
Share capital	21,360	24,797 (note 1)
Reserves	74	74
Retained earnings	(11,220)	(11,480) (note 2)
TOTAL EQUITY	10,214	13,391

Adjustments include

Note 1: Proceeds from the Rights Issue of \$3,497,000 less issue costs of \$60,000

Note 2: (a) Estimated operating loss of \$260,000 for the 4 months to 30 April 2007. This is in line with Company's historical results and Directors' expectations.

5. ADDITIONAL INFORMATION

TERMS OF THE NEW SHARES

The terms and conditions of issue of the New Shares are as follows:

- (a) the subscription price is \$0.25 each;
- (b) the New Shares may be subscribed for at any time before 5.00pm (AEST) on 13 June 2007;
- (c) New Shares issued pursuant to this Offer will rank pari passu with existing Shares of the Company in all respects.

RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to all Shares including New Shares, which will be issued pursuant to the Offer. Full details are contained in the Constitution of the Company, the Corporations Act and the Listing Rules:

Share Capital

All issued ordinary Shares rank equally in all respects.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares and to the Constitution of the Company, on a poll, each member present and in person has one vote for each fully paid share held by the member and each person present as proxy, attorney or representative of a member has one vote for each fully paid share held by the member that the person represents.

Dividend Rights

Subject to the Corporations Act, the Constitution of the Company and the rights of persons (if any) entitled to shares with special rights to dividend, the Directors may determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Member entitled thereto of that dividend.

Rights on Winding-Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members or different classes of Members.

The liquidator may, with the sanction of a special resolution of the Company, vest the whole or any part of any such property in trustees on such trusts for the benefit of the contributors as the liquidator thinks fit, but so that no Member is compelled to accept any shares or other securities in respect of which there is any liability.

This does not prejudice or affect the rights of Members holding shares issued on special terms and conditions.

Transfer of Shares

Subject to the Listing Rules and to the Constitution of the Company, shares in the Company are freely transferable and a Member may transfer all or any of the Member's shares:

- (a) in the case of CHESS Approved Securities, in accordance with the CHESS Rules;
- (b) by instrument in writing in any usual or common form or in any other form that the Directors approve; or
- (c) by any other method of transfer of marketable securities which is recognised by the Corporations Act, SCH and ASX and is approved by the Directors.

Further Increases in Capital

Subject to the Corporations Act, the Listing Rules, the Constitution of the Company and any special rights conferred on the holders of any shares or class of shares:

- (a) the issue of shares in the Company is under the control of the Directors and the Directors may issue or dispose of shares to such persons at such times and on such terms and conditions and having attached to them such preferred, deferred or other special rights or such restrictions, wither with regard to dividend, voting, return of capital or otherwise as the Directors think fit;
- (b) the Directors may grant to any person an option over shares or pre-emptive rights during such time and for such consideration as they think fit; and
- (c) the Directors have the right to settle the manner in which fractions of a share, however arising, are to be dealt with.

Variations of Rights Attaching to Shares

If the share capital is divided into different classes of shares, the rights attached to a class, unless otherwise provided by the terms of issue of the shares of that class, may be varied or cancelled in any way with:

- (a) the consent in writing of the holders of at least three-quarters of the issued shares of that class; or
- (b) the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

General Meeting

Each holder of Shares is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to shareholders under the Constitution, the Corporations Act and the Listing Rules.

A copy of the Constitution of the Company is available for inspection, free of charge, at the registered office of the Company.

RIGHTS AND LIABILITIES OF THE NEW OPTIONS

One New Option will be issued for every two New Shares issued under this Prospectus. The New Options will be issued on the following summarised terms and conditions. This summary is not intended to be exhaustive and must be read subject to the full terms and conditions of the New Options, which are available for inspection at the registered office of the Company until the Closing Date.

Exercise Period and Expiry Date

The options are exercisable at any time before 5.00pm (AEST) on 30 September 2008. Options not exercised by that date will lapse.

Exercise Price

Each option entitles the holder to acquire one fully paid ordinary share in the capital of the Company on payment of the sum of \$0.30 per option to the Company.

Notice of Exercise

Each option may be exercised by notice in writing to the Company at any time before their date of expiry. Any notice of exercise of an option received by the Company will be deemed to be a notice of the exercise of that option as at the date of receipt.

Shares Issued on Exercise of Options

Shares to be issued pursuant to the exercise of options will be issued following receipt of all the relevant documents and payments (in cleared funds) and will rank equally with the then issued Shares.

Quotation of Options and Shares on Exercise

Application will be made to the ASX for quotation of the options. Application will be made for quotation of the Shares issued upon exercise of options. The options are transferable as the holder thinks fit.

Participation Rights or Entitlements

There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of securities offered to shareholders during the currency of the options, except in their capacity as existing Shareholders.

However, the Company will ensure that, for the purpose of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced so as to give holders the opportunity to exercise their options before the date for determining entitlements to participate in any issue.

Bonus Issues

If, from time to time, before the expiry of the options, the Company makes a pro-rata issue of Shares to the shareholders for no consideration, the number of Shares over which an option is exercisable will be increased by the number of Shares which the holder would have received if the option had been exercised before the date for calculating entitlements to the pro-rate issue.

Reconstruction of Capital

In the event of a reconstruction (including consolidation, subdivision, reduction, or return) of the issued capital of the Company, the rights of the holder shall be changed to the extent necessary to comply with the Listing Rules.

DIVIDEND POLICY

The Company does not anticipate paying dividends for the forthcoming financial year.

CHESS

The New Shares will participate from the date of commencement of quotation in CHESS (the Clearing House Electronic Subregister System operated by the ASX Settlement & Transfer Corporation Pty Limited ACN 008 504 532. They may be held in uncertificated form (that is, no certificate is issued) on the CHESS subregister under sponsorship of a broker or on the issuer-sponsored subregister.

If a shareholder wishes to hold their Shares on the CHESS subregister under sponsorship of a broker, the shareholder should provide their HIN (Holder Identification Number) in the space provided in the Entitlement and Acceptance Form accompanying this Prospectus. If a shareholder does not provide a HIN, their Shares will be held on the issuer-sponsored subregister.

Arrangements can be made at any subsequent time to convert a shareholder's holding from the issuer-sponsored subregister to the CHESS subregister under sponsorship of a broker, or the reverse, by contacting the Company's Share Registrar and/or the shareholder's broker.

ASX LISTING, CONTINUOUS DISCLOSURE AND DOCUMENTS AVAILABLE FOR INSPECTION

This Prospectus is used by the Company in accordance with section 713 of the Corporations Act.

The New Shares to be issued pursuant to this Prospectus are in a class of securities that are continuously quoted securities. This means that the Company's fully paid ordinary shares in the same class as offered by this Prospectus are listed on a registered securities exchange, being the Australian Stock Exchange Limited, and were quoted continuously for the past 12 months. It also means that the Company has been subject to the continuous disclosure requirements for listed companies provided for under the Corporations Act and that the

Listing Rules require continuous disclosure to ASX of any information held by the Company which a reasonable person would expect to have a material effect on the price or value of the Company's shares.

As a disclosing entity, the Company has issued this Prospectus in accordance with the provisions of the Corporations Act applicable to prospectuses for continuously quoted securities.

The Company states that:

- (a) as a disclosing entity under the continuous disclosure regime, it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office; and
- (c) any person may request, and the Company will provide free of charge, a copy of each of the following documents during the application period of this Prospectus:
 - (i) the annual report and annual financial statements for the year ended 30 June 2006 ("2006 Annual Report"), being the most recent annual report lodged with ASIC by the Company;
 - (ii) the half-year report and financial statements for the six month period ended 31 December 2006, which was lodged with ASIC after the 2006 Annual Report and before lodgement of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company since the lodgement of the annual financial report referred to in (i) above and before the lodgement of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific disclosure requirements of the ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus. No information has been excluded from any continuous disclosure notice given by the Company in accordance with the Listing Rules which is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- (ii) the rights and liabilities attaching to the New Shares.

As this Prospectus is issued pursuant to section 713 of the Corporations Act, it is required to contain information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Shares.

As such, this Prospectus is not required to provide information regarding the assets and liabilities, financial position and performance, profits and losses and prospects of the Company on the basis that such information is available through continuous disclosure notices given by the Company in accordance with its obligations under the Listing Rules and the Corporations Act.

ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX during normal office hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any Regional Office of ASIC.

Since the date of the lodgement of the annual financial report on 23 October 2006 for the period ended 30 June 2006, the following announcements have been made, in reference to the Company to the ASX as described below:

Date	Description of Document
10/05/2007	Change in substantial holding
09/05/2007	Change of Director's Interest Notice
09/05/2007	Change of Director's Interest Notice
09/05/2007	Change of Director's Interest Notice
27/04/2007	Commitments Test Entity - Third Quarter Report
22/02/2007	Half Yearly Report & Half Year Accounts
31/01/2007	Commitments Test Entity - Second Quarter Report
21/12/2006	Change of Director's Interest Notice
21/12/2006	Change of Director's Interest Notice
23/11/2006	Biobanking Legislation
23/11/2006	Results of AGM
23/11/2006	Chairman's address to the 2006 AGM
30/10/2006	Commitments Test Entity - First Quarter Report
23/10/2006	Proxy Form
23/10/2006	Notice of Annual General Meeting

INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Prospectus, no director:

- has or had at any time in the last 2 years an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with the Offer or promotion of the Company, or the Offer; or
- has been paid or agreed to be paid an amount, or has been given or agreed to be given any other benefit, either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the formation or promotion of the Company or the Offer.

Interests in Securities

The Directors (and their associates) have the following interests in securities of the Company as at the date of this Prospectus:

Director	Fully Paid Shares	Options
John M Langley	50,000	-
David P Hobart	22,000	700,000
Peggy P C Yeoh	42,250	500,000

Remuneration

Each of the Directors receives directors' fees from the Company. David Hobart is engaged as the Managing Director of the Company under an employment contract.

INTERESTS OF ADVISERS

Other than as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus has or had at any time in the last 2 years an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with the Offer or the formation or promotion of the Company, or in the Offer; or has been paid or agreed to be paid any amount or agreed to be given any other benefit, either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the formation or promotion of the Company or the Offer.

The auditor will receive remuneration for the review of the summary referred to above. The fees are not expected to exceed \$10,000.

Deacons have acted as lawyers to IFC Capital in relation to the Offer and will receive approximately \$22,000 for legal services rendered to the Company in connection with the Offer.

EXPENSES OF THE OFFER

The total expenses of the Offer payable by the Company are estimated as approximately \$60,000. These expenses include listing fees, legal fees, printing and other miscellaneous expenses. They will be borne by the Company.

APPLICATION MONEYS AND INTEREST

Moneys received from an applicant on account of New Shares offered under this Prospectus will, until those New Shares are issued, be held by the Company in a bank account established and kept by the Company for the purpose of depositing application moneys.

If, after the New Shares are issued, the Company remains liable to repay those moneys under section 723 of the Corporations Act, the Company will keep all application moneys in a separate account.

To the fullest extent permitted by law, each applicant agrees that such moneys do not bear interest as against the Company and that any interest earned in respect of the application moneys paid into that account or kept in the separate account belongs to the Company, irrespective of whether or not all or any of the New Shares applied for by that applicant are issued to that applicant.

TAXATION IMPLICATIONS

The taxation implications and the effects of participating in the Offer can vary depending on the circumstances of each individual investor, the particular circumstances relating to his or her holdings of securities and the taxation laws applicable to investors as residents of different jurisdictions.

Investors who are in doubt as to their taxation position should seek professional advice. It is solely the responsibility of individual Applicants to inform themselves of their taxation position resulting from participation in the Offer.

PRIVACY

If you apply for New Shares you will provide personal information to the Company and its share registry. The Company and its share registry collect, hold and use your personal information in order to assess your application, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration. The Company and its share registry may disclose your personal information for purposes related to your investment to their agents and service providers or as otherwise authorised under the *Privacy Act 1988* from time to time.

Under the *Privacy Act 1988* you may request access to your personal information held by (or on behalf of) the Company and its share registry by telephoning or writing to the Company through its share registry using the contact details set out in the Corporate Directory.

6. CONSENTS

The auditors of the Company, PricewaterhouseCoopers, consent to the reference in section 4 of this Prospectus to their review of the Company's half year report, and to being named the auditors of the Company, in the form and context in which the references appear, and have not withdrawn their consent as at the date of lodgement of this Prospectus. PricewaterhouseCoopers has not authorised or caused the issue of the prospectus.

Deacons have consented to being named in this prospectus in the form and context in which they are named and have not withdrawn their consent as at the date of lodgement of this Prospectus.

Computershare Investor Services Pty Limited has given and, as a the date hereof, not withdrawn, its written consent to be named as the Company's share registry in the form and context in which it is named.

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as share registry of the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement of those parties, other than as specified in this section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

7. DIRECTORS' STATEMENT

Each Director has given, and has not withdrawn, before the date of this Prospectus, his consent to the lodgement of this Prospectus with the ASIC and to the issue of this Prospectus in accordance with section 720 of the Corporations Act.

Dated 18 May 2007

8. GLOSSARY

\$ or A	Australian Dollars unless otherwise stated
AEST	Australian Eastern Standard Time
ASIC	Australian Securities and Investments Commission
ASX or Australian Stock Exchange	ASX Limited ACN 008 624 691
Closing Date	The date on which the Offer closes being 13 June 2007 or such other earlier or later date as determined by the Company
Company	IFC Capital Limited ACN 087 737 068
Corporations Act	<i>Corporations Act 2001</i>
Directors	The directors of the Company
Eligible Shareholders	Shareholders with registered addresses in Australia, New Zealand and Hong Kong
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Prospectus
Excluded Shareholders	Shareholders with registered addresses outside Australia, New Zealand and Hong Kong
Existing Options	The Options in the Company on issue prior to the offer in this Prospectus other than the founders' options referred to in section 1
Existing Shares	The Shares in the Company on issue prior to the offer in this Prospectus
Listing Rules	The Australian Securities Exchange Listing Rules
New Option	The Options in the Company offered in this Prospectus
New Shares	The Shares in the Company offered in this Prospectus
Offer	The offer of New Shares pursuant to this Prospectus
Public Offer Application Form	The public offer application form at the back of this Prospectus.
Record Date	5.00pm (AEST) on 28 May 2007.
Share	A fully paid ordinary share in the capital of the Company
Shortfall	The New Shares offered under this Prospectus for which rights have not been exercised