

RBS MORGANS

Melbourne Residential Property Conference

Wednesday, 3 November 2010

Presentation Outline

- Williams Landing
- Residential market conditions
- Cedar Woods' overview and outlook



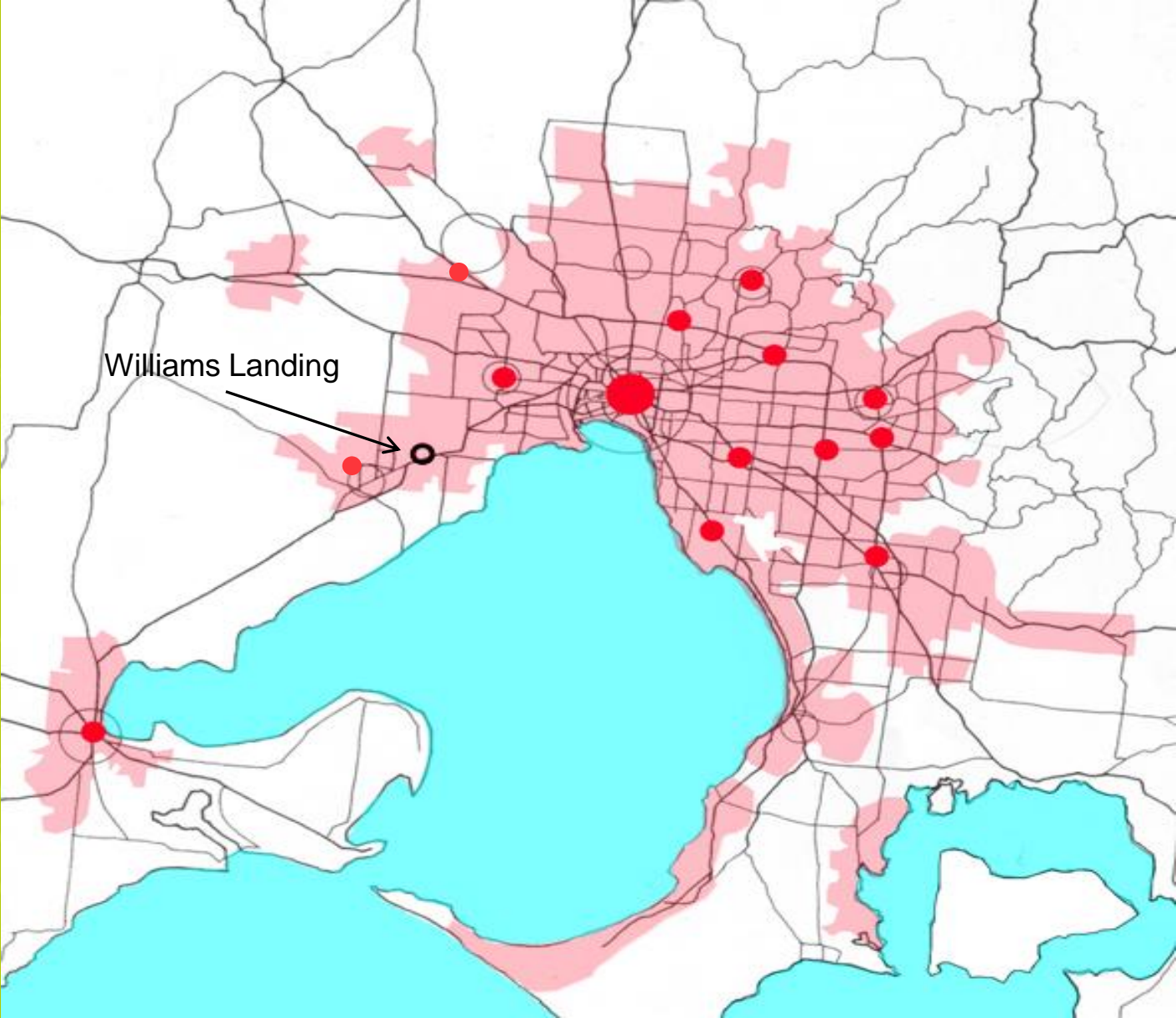
Introducing Melbourne's Premier New Masterplanned Community



Project Overview

- 275 ha & 19km from CBD – largest infill site in Melbourne.
- Master planned community - 2500 dwellings.
- 50 ha Town Centre - retail, bulky goods, office, commercial, residential.
- Activity Centre integrated with approx \$100m of State infrastructure (station, bus terminal & freeway interchange).
- Priority Development Zone & Major Activity Centre designation.
- Williams Landing approved as new suburb – postcode 3027.

Location Plan





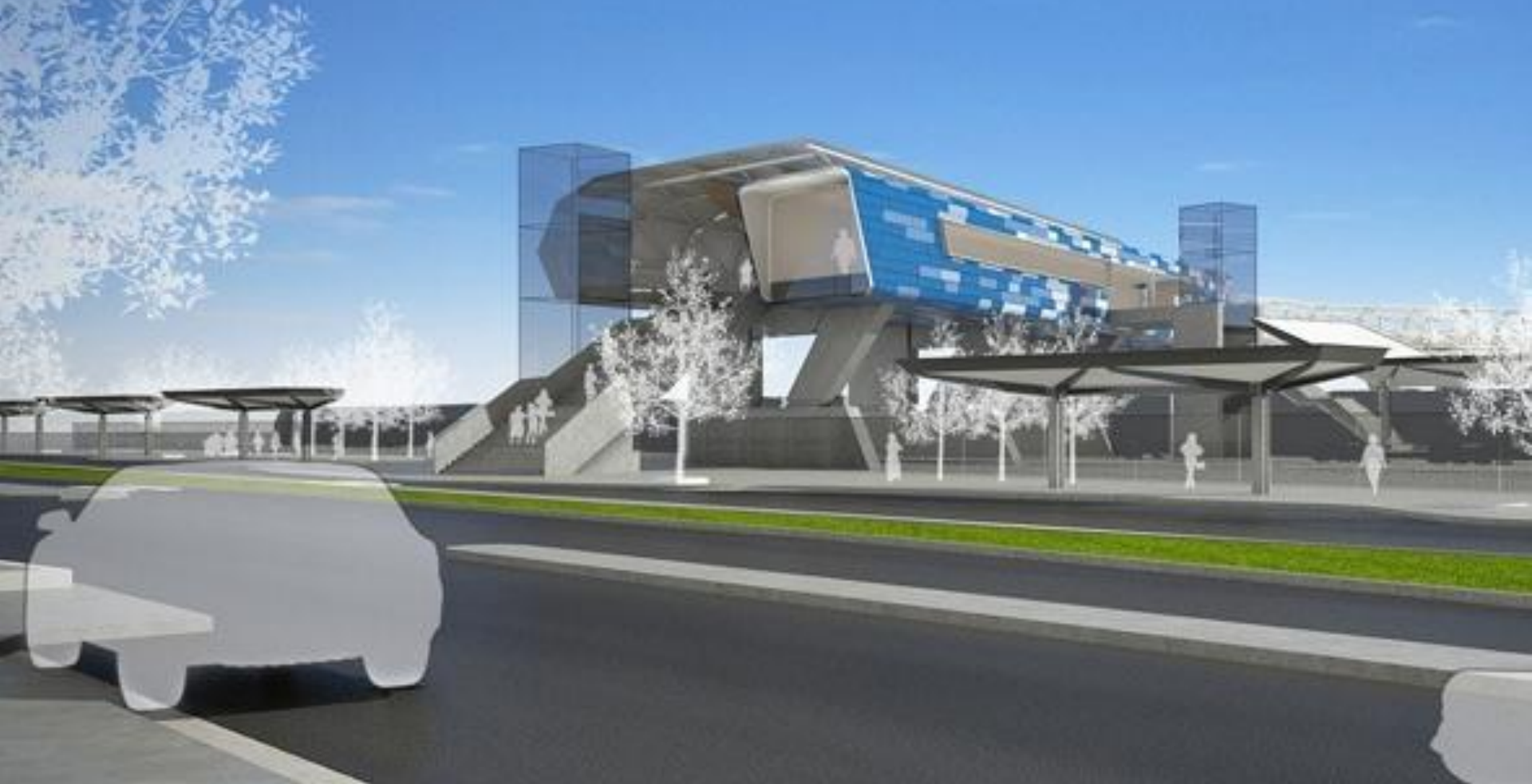
Williams Landing Master Plan



Suburb: Williams Landing
 Postcode: 3027
 Municipality: Wyndham



Rail station and busport



Town Centre Layout



Project Status

- 600+ lots sold, 500 lots settled
- 1800+ lots remaining
- Rail Station/Freeway interchange underway
- Stage releases consistently selling out
- Display village operating
- Current lot prices \$280,000- \$300,000.

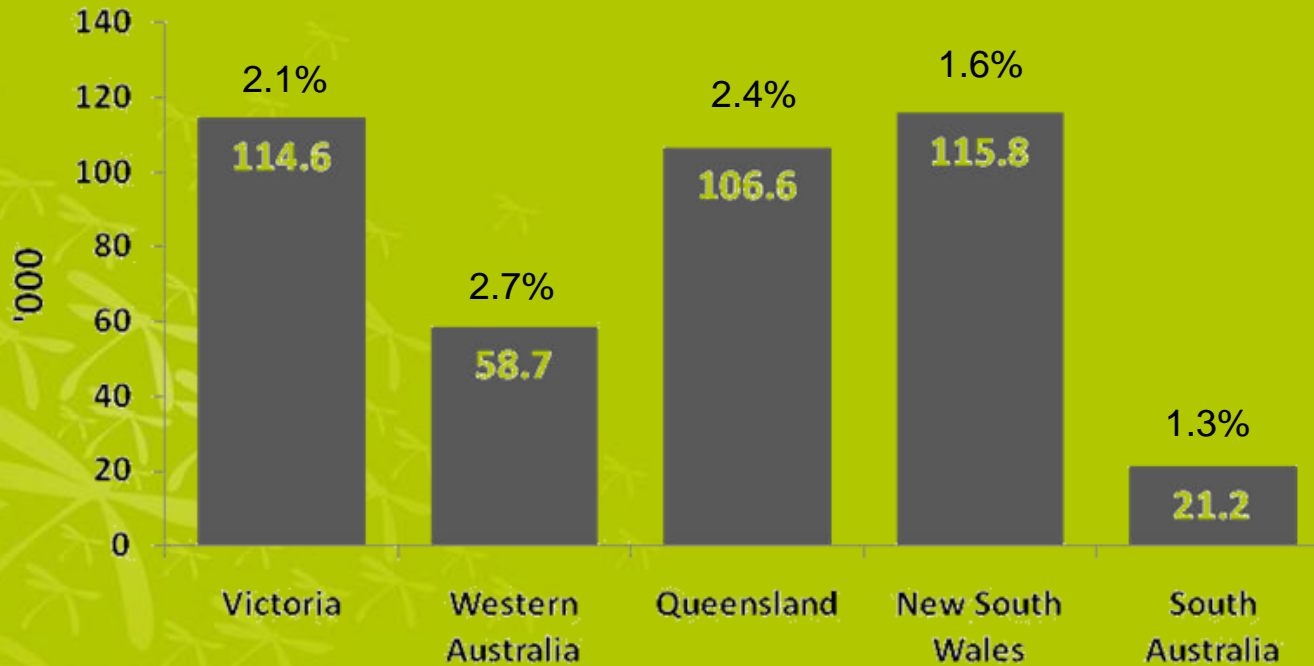
Town Centre Status

- Planning being finalised with Council / State Govt.
- Stage 1 – shopping centre & hardware store
- Process to select anchor tenants is well advanced
- Marketing to office and other sectors underway
- Town centre construction start planned for 2011
- Station/Freeway interchange completion expected 2012

Residential Market Conditions

- Population growth – long term driver
- Housing supply – under supply set to continue
- Consumer Confidence
- Employment
- Availability of finance
- Incentives
- Affordability (prices, interest rates)
- Rental alternative

Population Growth



State summaries

Victoria

- sound fundamentals, continued state stimulus
- strong first and second home buyer sales
- population growth/lack of rentals
- strong price growth, now easing

WA

- resource projects continuing – new Port Hedland project
- population growth to continue
- land supply remains an issue

Cedar Woods' overview & outlook

- Well established in WA & Vic
- Focus on residential land and dwellings
- Solid pipeline of projects to generate earnings growth
- Opportunistic approach to acquisitions
- Recently established 3 year \$110m bank facility
- Well positioned to exceed 10%pa EPS target

Key Targets / Objectives

- Earnings focused – targeting min 10% pa EPS growth
- Return on equity > 12%
- Gearing range 20-70%, based on shareholders equity (book values)
- Interest cover minimum of 5 times
- Dividend pay out ratio – policy unchanged through GFC – 50% of NPAT

Outlook

- Over \$115m pre sales for FY11
- Strong first half FY11
- \$24m NPAT forecast for FY11 (up 39%)
- Forecast FY11 EPS approximately 39 cents (up 35%)
- Forecast FY11 fully franked dividend approximately 19 cents based on current dividend policy (up 46%)
- Well positioned for further growth

Impact of GFC – Equity Raisings

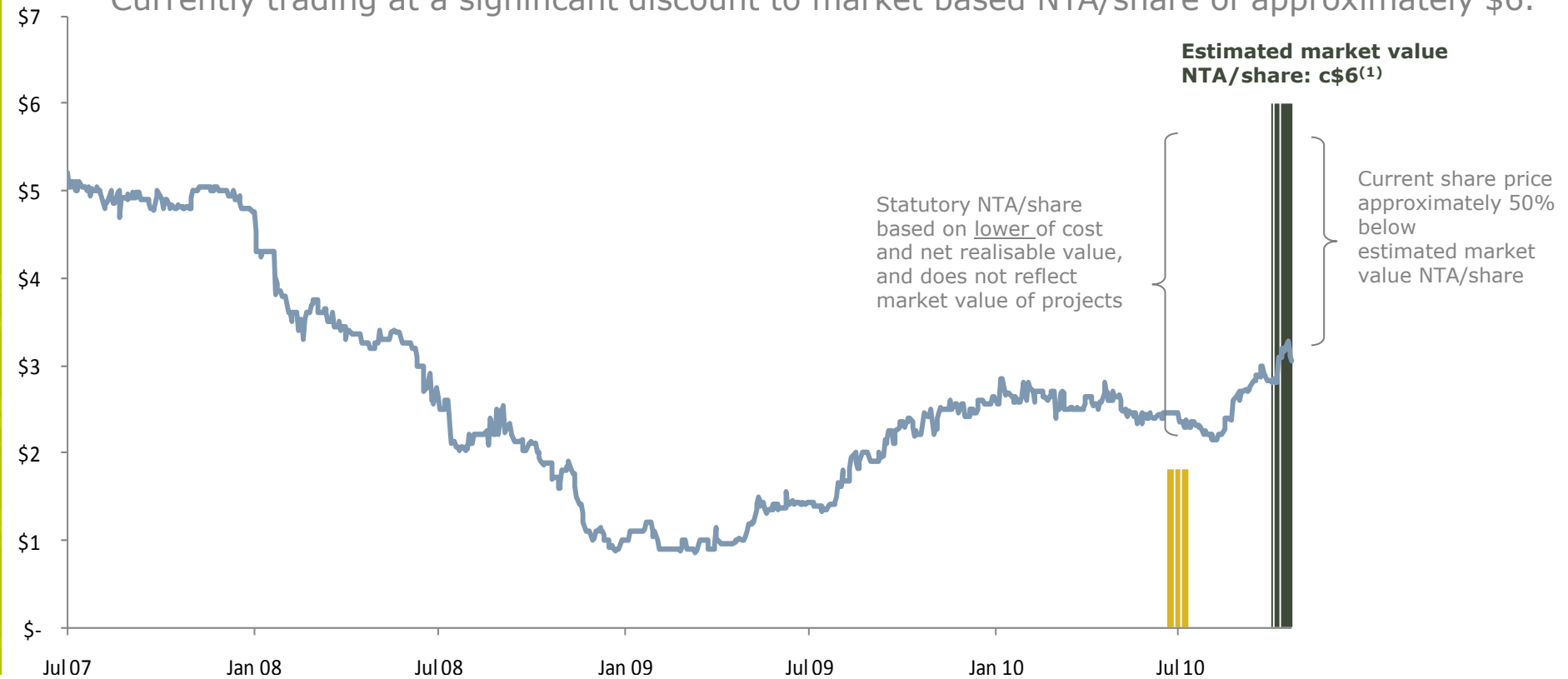
- Significant raisings in property sector during GFC
- Dilution of peer group companies from 35% to over 300%
- CWP's significant debt reduction through operating cash flow
- Minimal equity raised in the last 2 years by CWP
- Low dilution of future earnings

Asset Values

- Major assets acquired before property boom
- Projects de-risked, under development
- Share price significantly understates underlying value of portfolio
- Underlying value of around \$6 per share, pre-tax

Net Asset Value

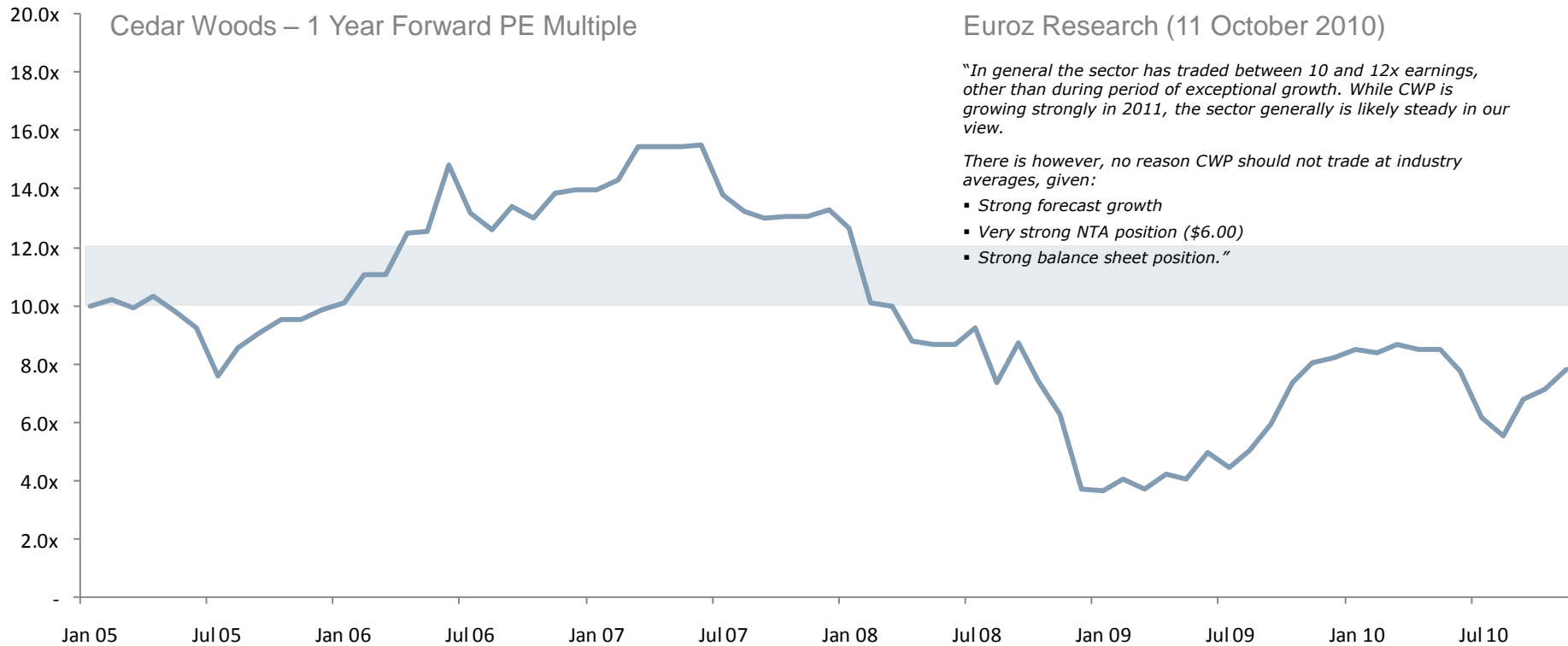
Currently trading at a significant discount to market based NTA/share of approximately \$6.



Notes:

- 1) Estimated market value NTA does not take into account corporate tax payable upon the sale of the properties, the value of any other projects under consideration or the value of the company's available franking credits.

Potential PE re-rating



Notes:

- PE multiple calculated using monthly data and reported NPAT for the relevant current financial year at each point in time.
- FY09 and FY10 earnings have been adjusted to exclude asset impairments.
- FY11 earnings assumes current NPAT guidance of \$24m.

Investment case for CWP

		CWP	AVERAGE FOR PEERS ⁴
PER	FY10 actual	8.5 ¹	10.5
	FY11 forecast	7.1 ²	9.9
Yield	FY10 actual	5.4% ¹	5.6%
	FY11 forecast	6.3% ^{2,3}	6.0%

NOTES

1. Based on share price of \$2.45 at 30 June 2010
2. Based on share price of \$3.00 at 28 October 2010
3. Based on current dividend policy of 50% payout ratio
4. Leading WA broker selection of property stocks covered, Nov 2010

In summary – the investment case for CWP

- Well established company, experienced board and management
- Clear focus on targets and proven transparent business model
- Strong profit growth forecast and solid balance sheet
- Future earnings largely undiluted during G.F.C.
- Well located and de-risked property portfolio
- Company growing and making acquisitions
- Strong economic fundamentals in WA and VIC
- Share price well below underlying net asset value

Details of Projects

	Location	Project Type	Status	Project Life								Total Lots	Lots Remaining	Pricing Guide (\$)	Valuation Basis ⁽¹⁾	
				FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18					
WA Projects																
Rivergums	Southern Corridor	Residential	Mature										1,200	650	170-185k	I
Cambridge Waters	SE Corridor - Canning Vale	Residential	Completed										135	8	200k	D
Mariners Cove	Mandurah	Canal	Mature										850	215	500-600k	I
Mandurah Country Club	Halls Head, Mandurah	Townhouses	Completed										25	2	450k	N/A
Kestrels	Tapping, Wanneroo	Residential	Completed										530	43	280k	I
Waterline	Halls Head, Mandurah	Apartments	Completed										19	9	1,000-1,500k	I
The Jetty	Rockingham	Apartments	Under Constr.										16	16	1,000-1,500k	I
Port Mandurah (Sutton)	Port Mandurah	Canal Apartments	Planning										90	90	Not yet released	I
Forrestdale	SE Corridor	Residential	Planning										150	150	250k	I
Carine	NW Corridor	Mixed Use	Planning										60-100	60-100	TBA	D
Harrisdale	SE Corridor	Mixed Use	Under Constr.										546	546	Not yet released	D
Bushmead	Perth Foothills	Residential	Planning										600-900	600-900	Not yet released	D
Pinjarra	Southern Corridor	Residential	Planning										920	920	Not yet released	I
WA Syndicate Project																
Cedar Woods Wellard	Southern Corridor	Residential	Mature										628	571	175-205k	I
Investment Properties																
Aria Apartments	Rockingham	Retail	Completed										1	-	N/A	I
Nautilus Apartments	Rockingham	Retail	Completed										7	-	N/A	I
Victorian Projects																
Carlingford	Northern Corridor	Residential	Mature										600	345	140-270k	I
Williams Landing	Western Suburbs	Mixed Use	Mature										2,200	1,875	200-280k	I
Banbury Village	Footscray	Residential	Mature										358	358	Avg 525k	I
Camberwell	Eastern Suburbs	Residential	Planning										70+	70+	Over \$1m	C
Estimated Market Value NTA / Share⁽²⁾													\$6			

Notes:

- 1) I = Independent Valuation; D = Directors' Valuation; C = Valuation at Cost
- 2) Estimated market value NTA does not take into account corporate tax payable upon the sale of the properties, the value of any other projects under consideration or the value of the company's available franking credits.