

Cedar Woods delivers strong first half and increases full year profit forecast to \$27 million

31 January 2011

Cedar Woods
Properties Limited

ASX Code: CWP

Cedar Woods half year report summary:

- First half unaudited record net profit of \$24m, with \$28m in presales at projects completing in the second half
- Forecasting a record FY2011 full year net profit of approximately \$27m, up 57% pcp
- Strong first half for FY2012 forecast with \$100m presales already in place
- Net debt to equity ratio of 16% at 31 December, ample capacity for further acquisitions
- Interim dividend to reflect strong half and confidence in year end result.

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Cedar Woods Properties Limited has a long history of creating award winning communities in Australia.



Australian property development company, Cedar Woods Properties Limited (ASX: CWP), today released its unaudited financial results for the first half of FY2011, increasing its profit guidance for the full year by 12.5 per cent to \$27 million.

The company provided guidance on 5 November 2010, indicating a strong first half result and a full year profit forecast of \$24 million. Cedar Woods is now pleased to report a record first half net profit of \$24 million and has increased guidance for the full year by \$3 million to a net profit after tax of approximately \$27 million.

The strong weighting of earnings towards the first half was previously foreshadowed, with several stages of projects completed and settled according to program.

Approximately \$28 million in presales are already in place for the second half of FY2011, which will underpin second half earnings. Seasonality and other factors typically result in uneven profit results from half-to-half, however management continues to focus on the achievement of earnings growth on a full year basis, noting forecast earnings for the full year will increase by 57 per cent from FY2010.

Margins improved at the company's Melbourne projects as a result of improved pricing of residential lots and to a lesser extent lower development costs.

Construction on projects continues apace and further releases are scheduled in the second half, with settlements anticipated early in the new financial year.

Cedar Woods' Managing Director Paul Sadleir commented: "The first half has again been strong due to contributions from a number of the company's projects and as a result we are highly confident in delivering our earnings forecast for the full year."

"Company debt came down significantly in the first half and with its \$100 million corporate facility, the company has ample capacity to acquire new projects and fund its development program."

"We have already turned our attention to the FY2012 year and have almost \$100 million presales in place for that year and are expecting a strong first half in FY2012."

"When declaring the interim dividend, the Board will be cognisant of the strong first half and the high level of pre sales for the second half, providing confidence in the FY2011 full year result."

"The interim dividend has generally been around 40 per cent of the total dividend for the year. However given the solid outlook, we expect to be able to pay an interim dividend closer to 50 per cent of the anticipated total dividend. The Board intends maintaining the current payout ratio of 50 per cent," Mr Sadleir concluded.
