

Cedar Woods Third Quarter Update



Presentation Outline



- Highlights & Strategy
- Results Update
- Property Portfolio
- Baldivis Acquisition
- Outlook

Highlights



- Record first half NPAT of \$24.2m (90% of full year forecast)
- \$30m presales to settle second half
- Significant reduction in gearing from 36% at the end of FY2010 to 16% at 31 December 2010
- Forecast FY2011 NPAT of approximately \$28m, up 63%
- Interim dividend of \$0.11, up 120%, reflects strong half
- \$120m presales in place for FY2012

Strategy



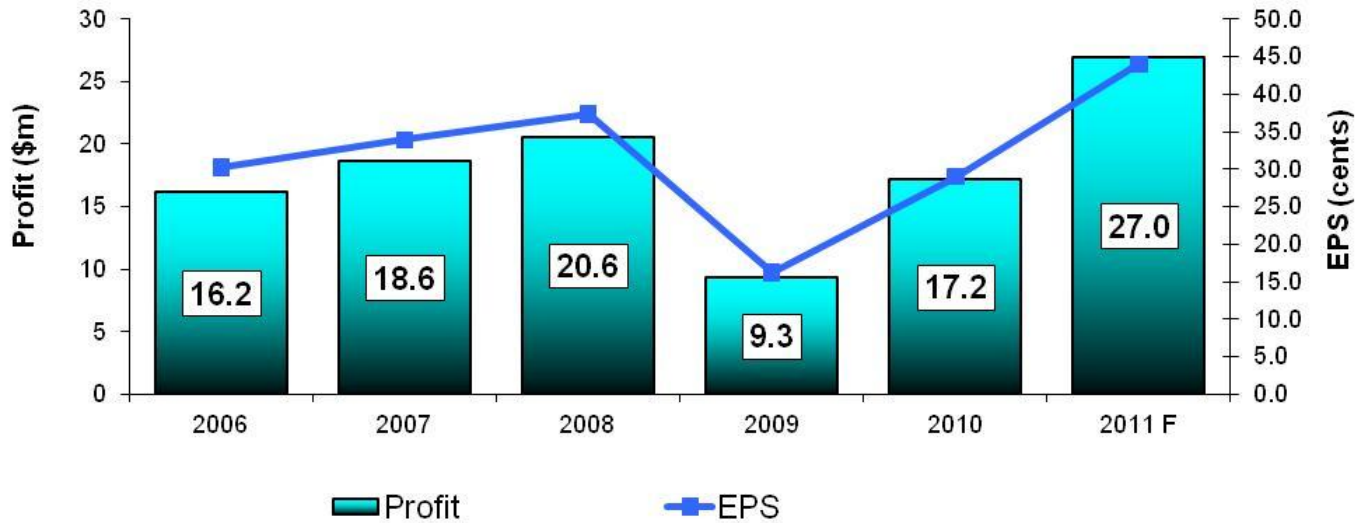
- Focus on residential land development
- Grow funds management and joint venture opportunities
- Medium term expansion into other mainland states
- Explore regional development opportunities
- Develop commercial and retail components in WLTC while maintaining prudent gearing and strong balance sheet
- Maintain strong project pipeline to drive future earnings
- Quality and location of land bank and/or projects

Operational Highlights



- Strong first half compared to prior year reflects increased settlement program
- Projects performing well in respective markets
- Improved operating margins from price growth in Melbourne, and lower costs than budgeted
- No material 'mark to market' adjustments or impairments
- 90% of full year forecast achieved
- Full year guidance upgraded from \$24m to \$28m

Operating Results



Exceeding Performance Targets



	Company target	FY 11 Full year forecast	FY 10 Actual
EPS growth	10%	52%	79%
Return on equity	12%	21%	16%
EBIT margin	20%	33%	25%
Net debt/equity	20-75%	50% at June 30	37%

Compelling Asset Values



- Major assets acquired before property boom
- Projects de-risked, under development
- Review of property portfolio, write down of \$0.8m inventory on Waterline project in Mandurah
- No other impairments
- Share price significantly understates underlying value of portfolio
- Market value approx \$6 per share (refer to appendix)

Property Portfolio

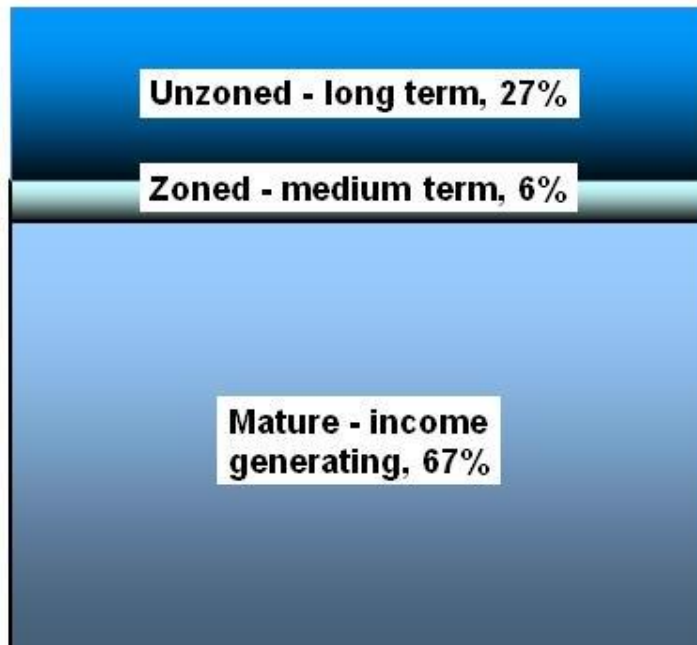


Strong, Mature Land Bank



- Portfolio of well located projects
- Majority of land bank acquired well before property boom and GFC, zoned with approvals
- Land bank in WA & VIC provides diversity
- Major projects mature and providing income
- Diverse product range
- Share price well below market value of approx \$6 per share (refer to appendix)

Majority of Land Bank in Income Generating Projects

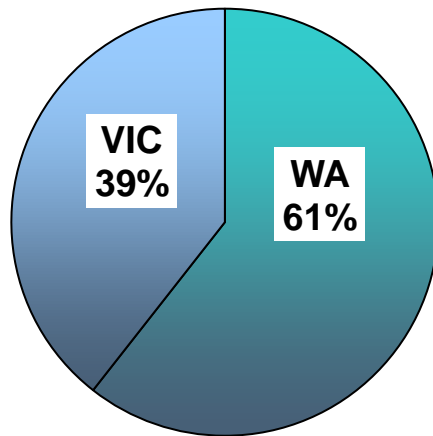


- Lots in land bank by project maturity at 1st July 2010
- total 7,000 lots approx

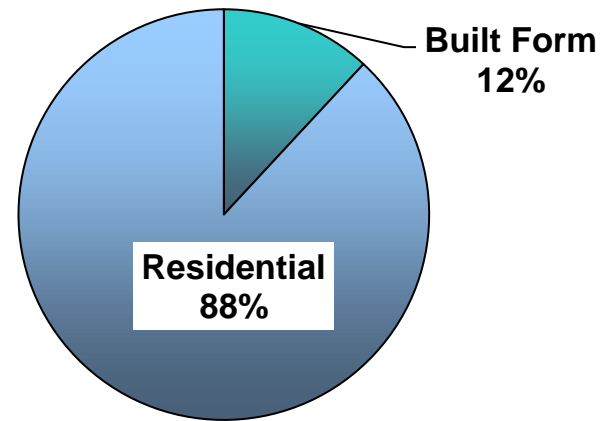
Land bank – Geographic & Market Analysis



By State

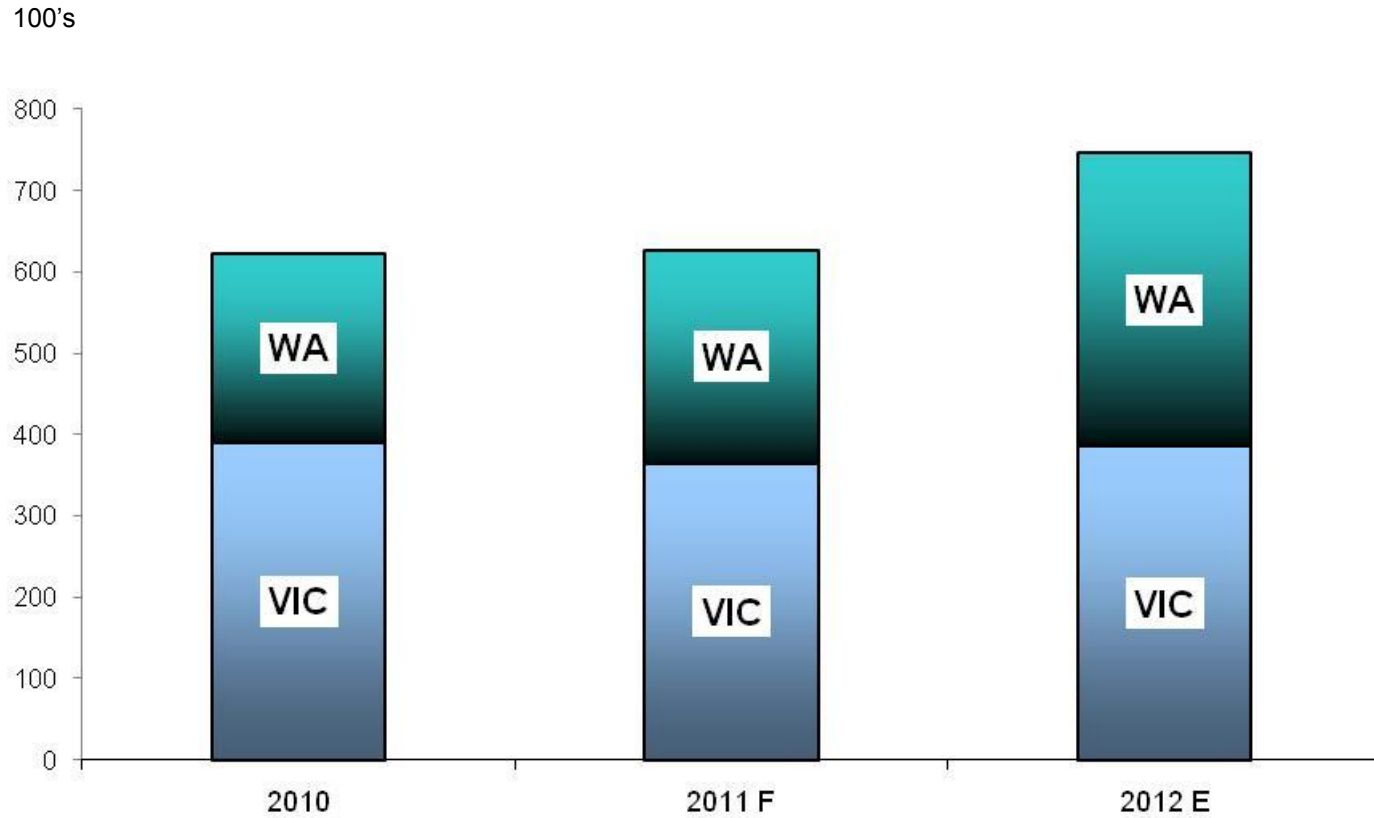


By Product



Weighted average age of land bank is 7 years

Lot Settlements by State



Market Conditions



Victoria

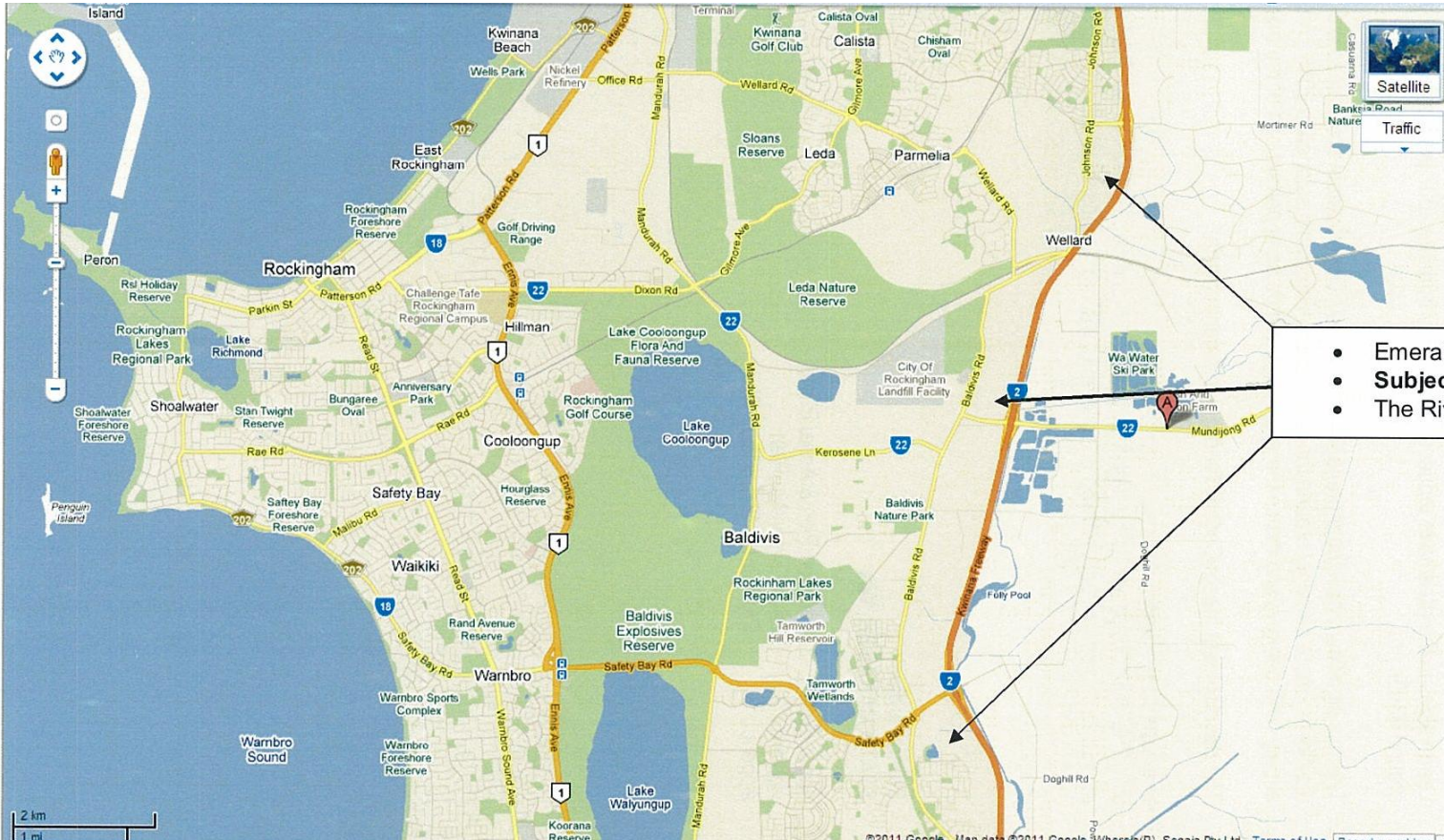
- Sound fundamentals, continued State Government stimulus
- Strong first and second home buyer sales
- Population growth/lack of rentals (supply/demand fundamentals)
- Strong price growth, now easing

WA

- Resource projects continuing – new Port Hedland project
- Population growth forecast to continue
- Land supply remains an issue
- Build up of established houses

New Acquisition

Lots 462 & 463 Baldvis Road, Baldvis

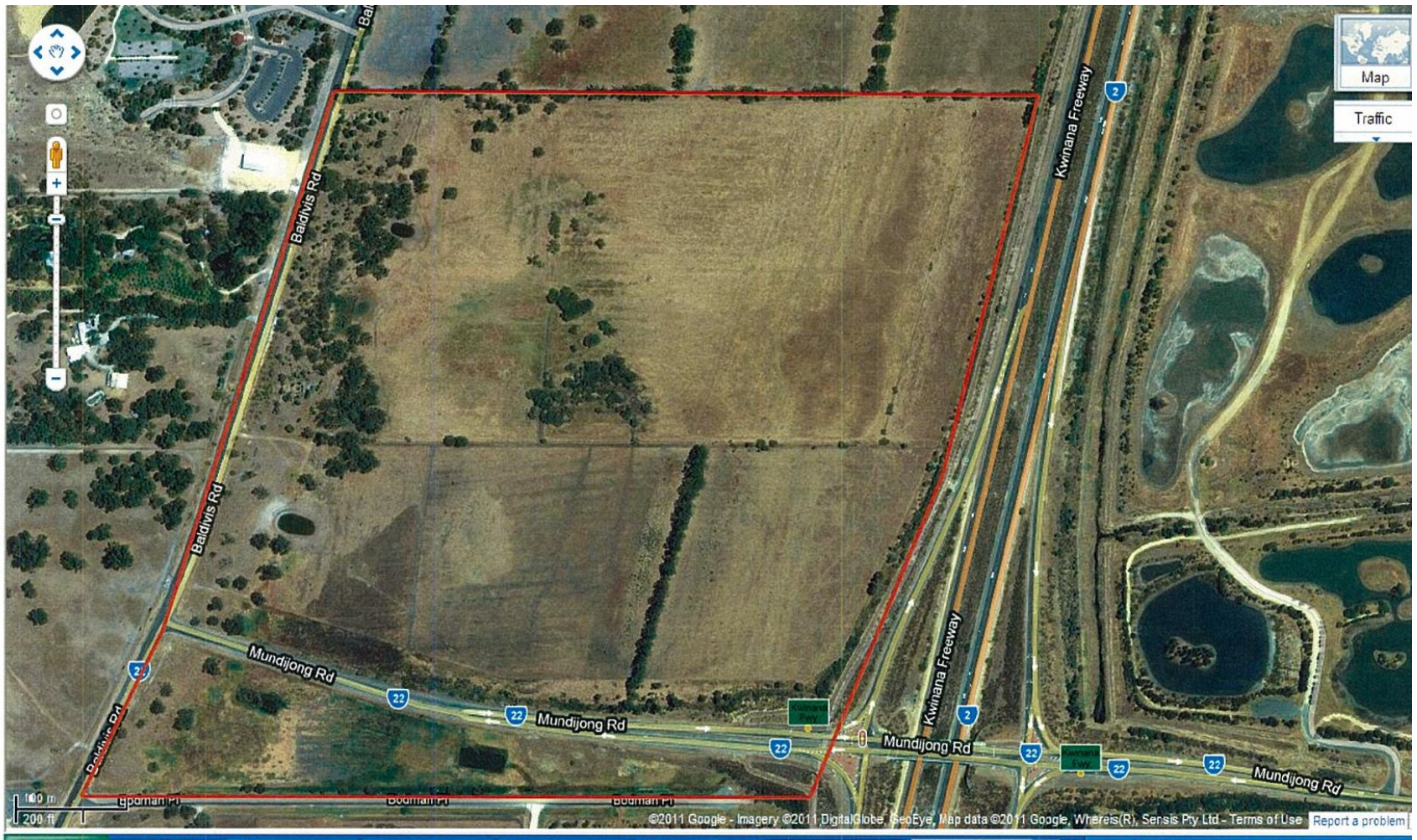


- Emerald Park
- **Subject Site**
- The Rivergums

New Acquisition

Lots 462 & 463 Baldvis Road, Baldvis

Cedar Woods



New Acquisition

Lots 462 & 463 Baldivis Road, Baldivis



Price: \$9.1m + GST (\$308K/ha)

Size: 29.5 ha

Attributes:

- Prominent location on Mundijong Road
- Rural zoning, cleared, small wetland
- ERWWTP in 2015 triggers urban
- Low lying, fill required
- Noise impacted (freeway)
- 330 lots
- Sales 2016-2020 / 20% pa IRR

Positive Outlook



- Record \$28m NPAT forecast for FY11 (up 63% on FY10)
- Strong outlook with \$120m presales in place for FY12
- Broad market appeal – geography, product, price point
- Bank facility in place to August 2013
- Inbuilt growth from current projects and fully funded
- Capacity to make further acquisitions
- Well placed to deliver more than 10% earnings growth

Investment case for CWP



- Well established company, experienced Board and Management
- Clear focus on targets and proven transparent business model
- Growing profits and strong balance sheet
- Low capital dilution during G.F.C.
- Well located and mature property portfolio, presently undervalued
- Strong economic fundamentals in WA and VIC
- Forecast land/new housing shortages
- Attractive, fully franked dividend yield - choice of distribution type
- Share price well below market value of assets

	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 at H1 2011 and 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.
- 3) Lots remaining stated at 1 July 2010