

# FY2011 RESULTS INVESTOR PRESENTATION

5th September 2011



Cedar  Woods

# AWARD WINNING PROPERTY DEVELOPER

- ▶ Focus on residential land development
- ▶ Grow funds management and joint venture opportunities
- ▶ Further regional development opportunities
- ▶ Medium term expansion into other mainland states
- ▶ Maintain strong project pipeline to drive future earnings
- ▶ Grow size and quality of strategically located projects

*The company's primary objective is to create value for shareholders through growth in earnings*

# INVESTMENT HIGHLIGHTS

- ▶ Strategically located and diverse property portfolio
  - Urban and regional growth areas in VIC and WA
  - Apartments, integrated housing, mixed use and large master planned communities
- ▶ Track record of meeting targets and guidance
  - Consistent delivery of 10%+ annual profit growth<sup>1</sup>
- ▶ Strong balance sheet and prudent gearing
- ▶ Share price materially below market value of assets
- ▶ Attractive, fully-franked dividend yield
- ▶ Dividend policy to distribute approximately 50% of full year net profit

<sup>1</sup>. From 2002 to 2011 CWP has delivered 10%+ profit growth every year except during the GFC in 2009

# AGENDA

- 1. Financial Overview**
- 2. Operational Overview**
- 3. Outlook**
- 4. Appendices**

# FINANCIAL OVERVIEW

WL3027

# FINANCIAL HIGHLIGHTS

	FY11 \$m	FY10 \$m	Change %
Revenue	131.8	108.4	↑ 21.6%
NPAT	28.0	17.2	↑ 62.8%
Earnings per share	45.8 cents	29 cents	↑ 57.9%
Full year dividend	23 cents	13 cents	↑ 76.9%
Gearing (net debt/equity)	43%	36%	↑ 7%

*Record Revenue, NPAT, EPS & Dividend*

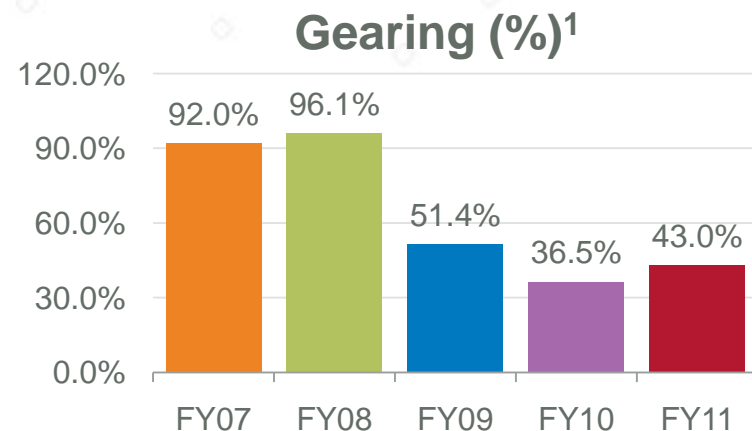
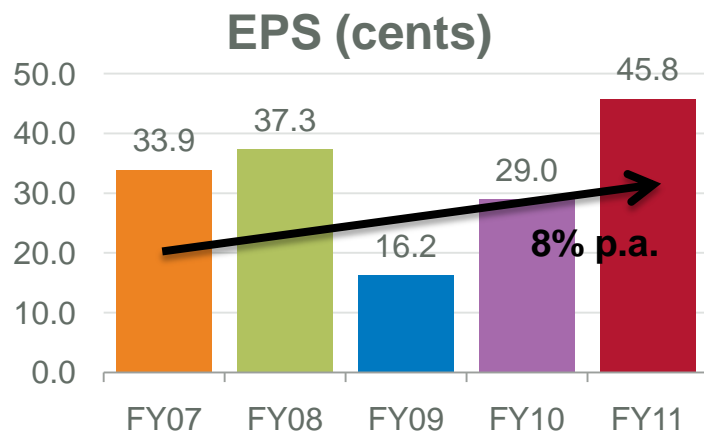
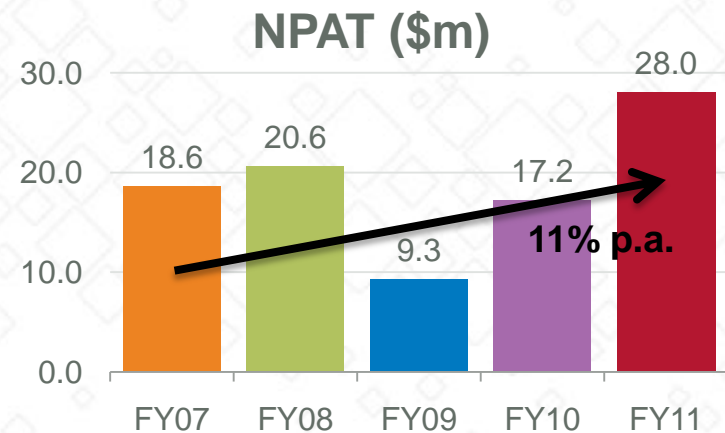
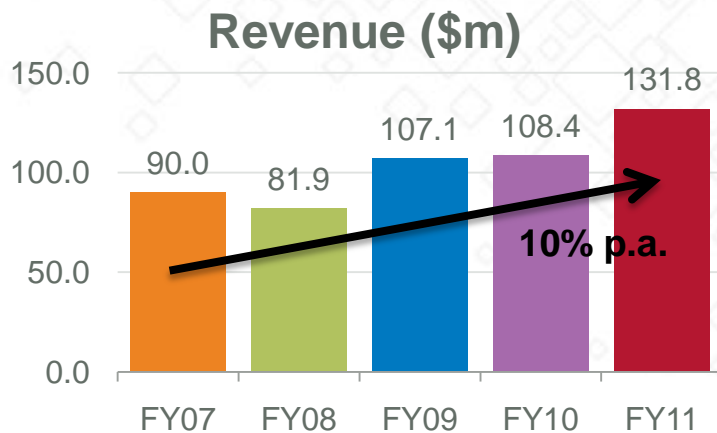
# FY2011 FINANCIAL PERFORMANCE AGAINST TARGETS

	Actual	Target	Last Year
EPS Growth	58%	10%	79%
Return On Equity	22%	12%	16%
EBIT Margin	31%	20%	25%
Net Debt / Equity *	43%	20-75%	36%

\* Note: net debt to equity based on book values which are substantially below market values.

*CWP continues to exceed its stated financial targets*

# TRACK RECORD OF GROWTH AND BALANCE SHEET STRENGTH



<sup>1</sup> Gearing defined as net bank debt / equity (book value)



# CASH FLOW SUMMARY

<b>Cash flows related to operating activities</b>	<b>FY11 \$m</b>	<b>FY10 \$m</b>
Receipts from customers	143.8	119.4
Interest received	0.5	0.4
Payments to suppliers and employees	(40.1)	(34.4)
Net borrowing costs	(4.7)	(4.1)
Income taxes paid	(5.6)	(7.2)
Payments for development	(54.7)	(48.6)
<b>Operating cash flow before acquisitions</b>	<b>39.2</b>	<b>25.5</b>
Payments for new land (acquisitions)	(47.7)	(7.7)
<b>Net operating cash flow</b>	<b>(8.5)</b>	<b>17.8</b>

*\$47.7m in new land acquisitions*

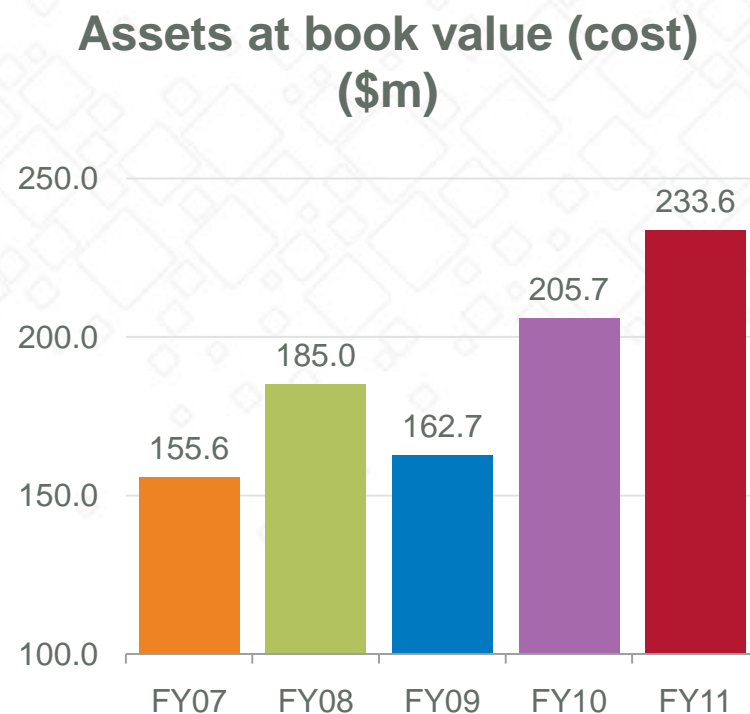
# ASSET VALUES

- ▶ Majority of land bank acquired well before property boom and GFC, zoned with approvals
- ▶ Major projects mature and providing income
- ▶ CWP assets are stated at the lower of cost and net realisable value (Inventory accounting standard applies)
- ▶ REITs generally state most assets at market value leading to higher NTA (Fair value accounting applies)
- ▶ CWP market value NTA well above current share price and book NTA

# BALANCE SHEET STRENGTH

	FY11 \$m	FY10 \$m
Total assets	233.6	205.7
Net bank debt	55.7	39.7
Net assets (equity)	129.5	108.8
Finance facility headroom	49.5	56.1
Net bank debt to equity	43.0%	36.5%
Interest cover	9.1x	6.4x
NTA/share * (book value)	\$2.10	\$1.80

\* Note: market value NTA/share is substantially above both book value and current share price



*Total assets increased to \$234m through acquisitions and gearing at 43.0%, within 20-75% target range*

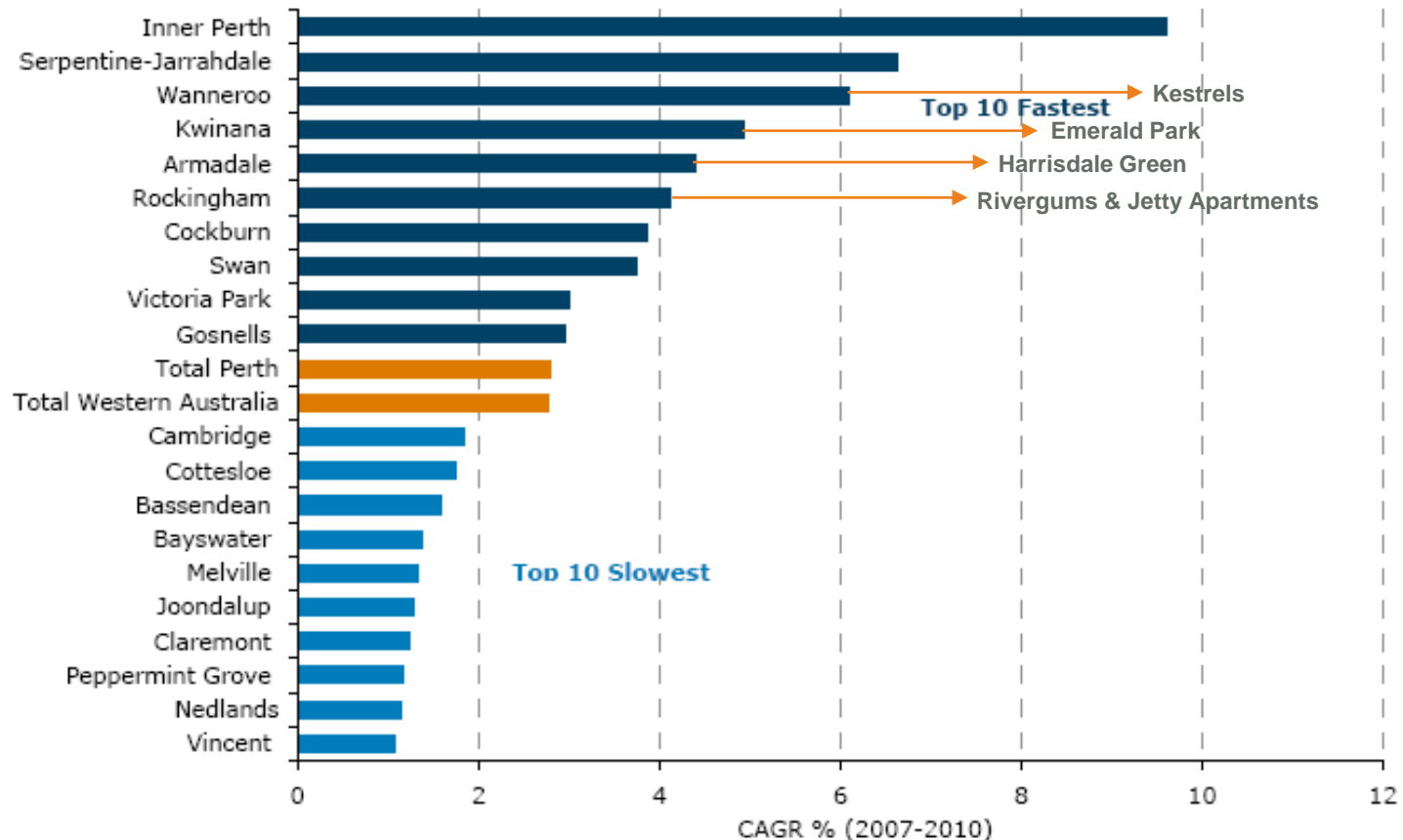
# OPERATIONAL OVERVIEW

# STRONG PROPERTY PORTFOLIO AND MATURE LAND BANK



# PERTH PROJECTS: IN GROWTH LOCATIONS

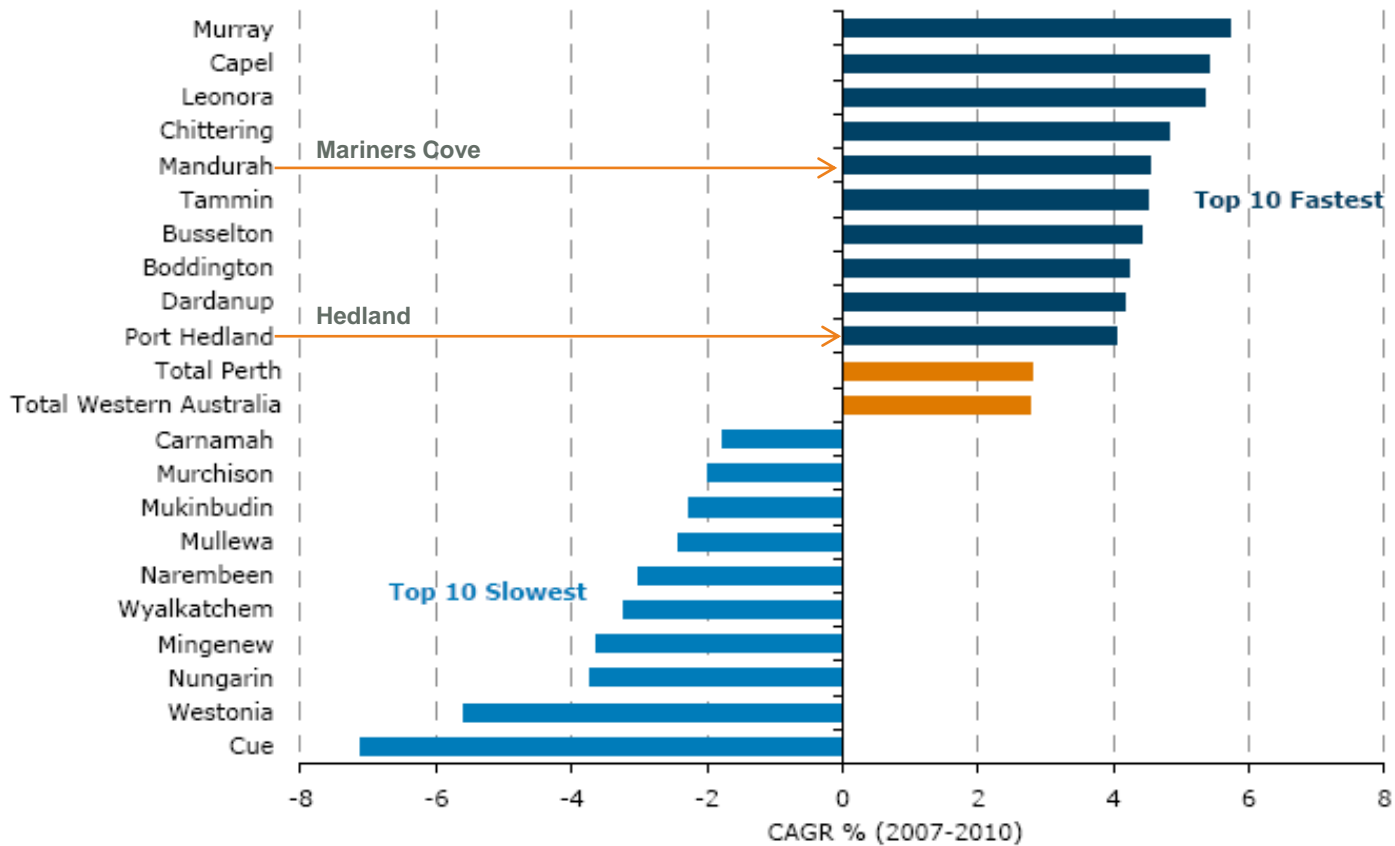
## Population growth in Perth



Source: ABS, ANZ

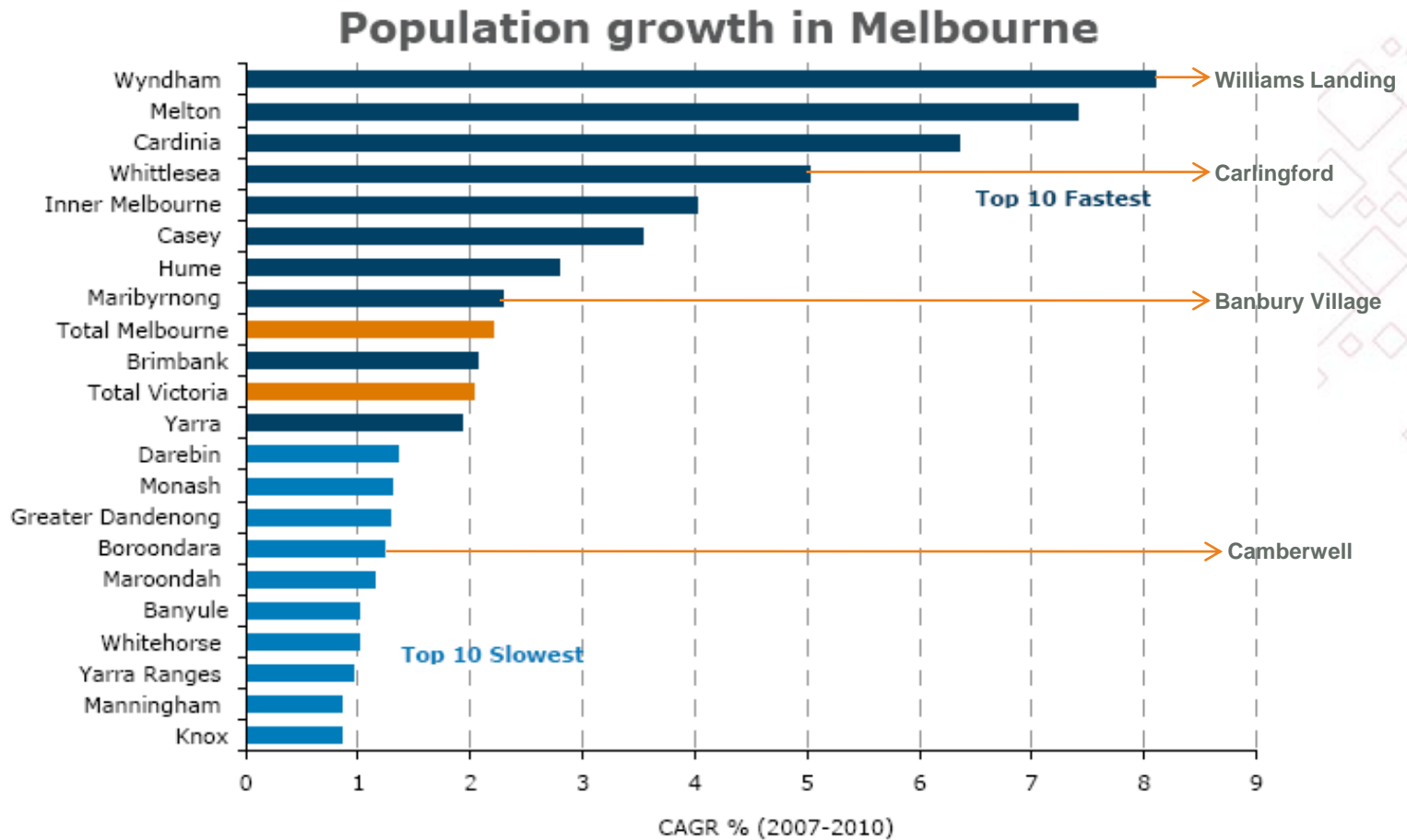
# REGIONAL PROJECTS: IN GROWTH LOCATIONS

## Population growth by regional/rural Areas



Source: ABS, ANZ

# VICTORIAN PROJECTS: IN GROWTH LOCATIONS



Source: ABS, ANZ



# WA HIGHLIGHTS

- ▶ Residential estates continued to sell steadily
- ▶ Strategic acquisitions in urban growth areas including two adjacent parcels of land in Baldivis (WA) totalling 68 hectares
- ▶ First development project with State Government now under way, Harrisdale Green (WA) project with the Department of Housing
- ▶ Construction at The Jetty apartments in Rockingham complete and settlements completed for presales
- ▶ Pleasing momentum at Emerald Park Private Estate – sales progressing steadily

The Rivergums  
BALDIVIS



The Islands

WATERLIDE  
apartments mandurah

The Jetty.

emerald park  
PRIVATE ESTATE

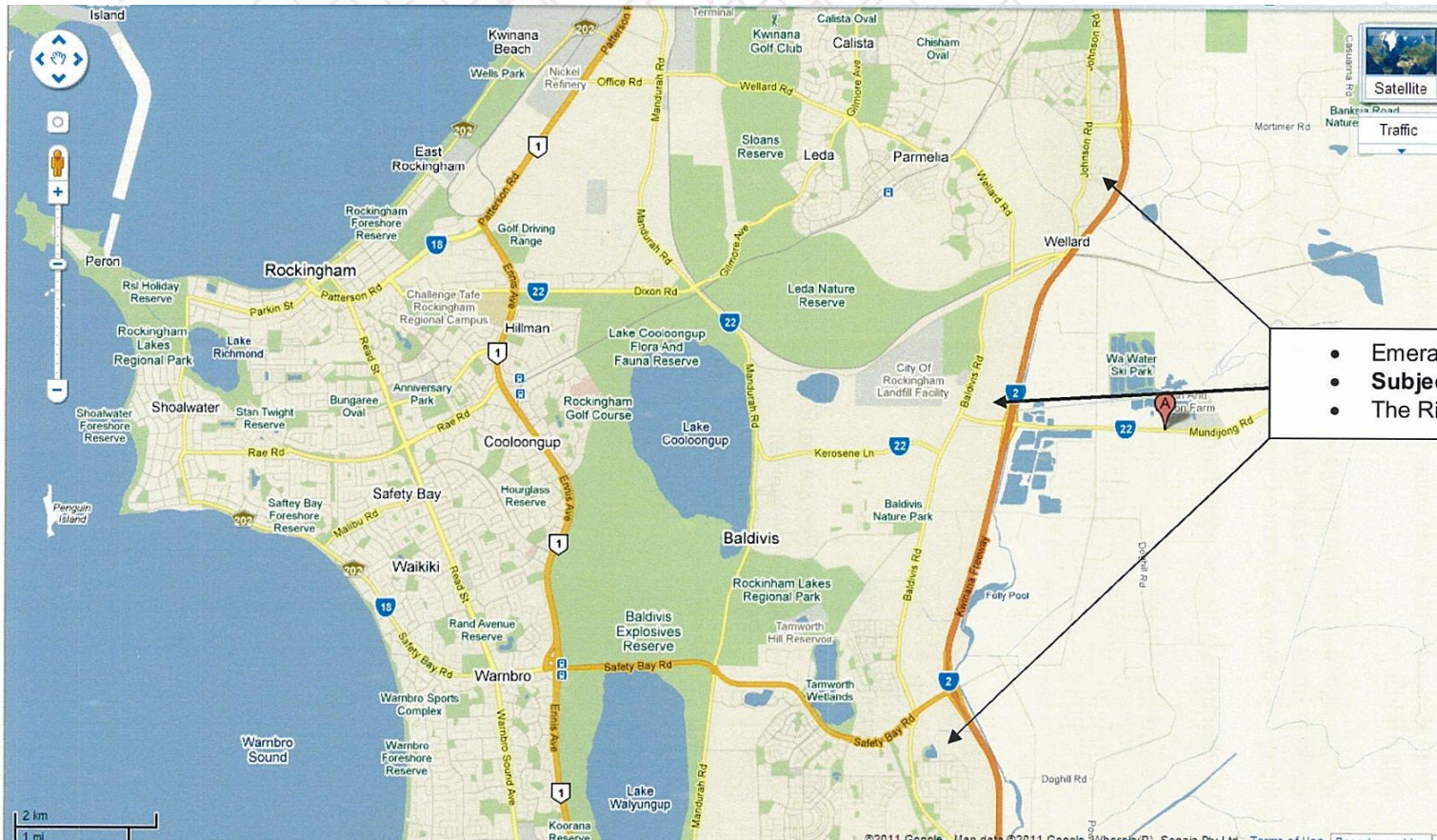


harrisdale  
green

The Kestrels  
Private Estate, Tapping

Cedar Woods  
PROPERTIES LIMITED

# BALDIVIS PROPERTIES (WA)



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

# VIC HIGHLIGHTS

- ▶ Continued strong presales across VIC projects for FY12
  - Williams Landing – 90% of budget
  - Banbury Village – 96% of budget
  - Carlingford – 65% of budget
- ▶ Major, 20-year leasing deal signed with Woolworths Limited to open a trio of anchor stores at flagship Williams Landing project
- ▶ State Government awarded contract for Williams Landing station and road overpass – work to start soon
- ▶ Early planning approval granted for Realm Camberwell project
- ▶ Initial stages of housing completed and settled at Banbury Village
- ▶ Several stages of land completed and settled at Carlingford



Carlingford



Banbury  
village

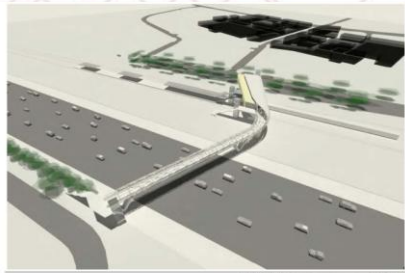
# WILLIAMS LANDING

- ▶ More than 200 settlements recorded in FY11, 800 lots sold since 2008
- ▶ Major, 20-year leasing deal signed with Woolworths Limited to anchor Town Centre with a trio of flagship stores totalling 25,400m<sup>2</sup>
- ▶ Agreement underpins development of the 50 hectare town centre expected to open in 2013/2014
- ▶ Premium builders committed to new 51 home display village
- ▶ A significant retail, commercial and transport hub for more than one million people between Melbourne and Geelong
- ▶ Williams Landing will host 5,000 jobs and 10,000 residents
- ▶ Fastest growing municipality in Australia

# WILLIAMS LANDING



# WILLIAMS LANDING



ARUP WorleyParsons COX



# OUTLOOK



# MARKET CONDITIONS

## WESTERN AUSTRALIA

- ✓ Demand in growth corridors where CWP projects located
- ✓ Continued demand underpinned by positive FY12 indicators:
  - ▶ Economic growth of 4.5%
  - ▶ Population growth of 2.2%
  - ▶ Unemployment of 4.5%
- ✗ Subdued consumer confidence – listings and average selling days up

## VICTORIA

- ✓ Solid residential housing market fundamentals underpinned by positive FY12 indicators:
  - ▶ Economic growth of 3.0%
  - ▶ Population growth of 1.5%
  - ▶ Unemployment of 5.0%
- ✓ Continued demand driven by lack of supply and low vacancy rates
- ✗ Subdued consumer confidence - enquiry and sales rates have slowed
- ✗ Lower clearance rates (55-60%)
- ✗ Price growth has eased and is expected to be flat for FY12



# COMPANY OUTLOOK

- ▶ Forecast FY12 record net profit of approximately \$34 million based on sales at current levels
- ▶ FY12 profit underpinned by \$130 million in presales already in place
- ▶ Positive outlook, bolstered by continued demand for CWP's projects, strategically located in WA and VIC's growth regions and improvement in housing affordability
- ▶ Future revenue stream supported by development of existing land bank
- ▶ Strong balance sheet

# APPENDICES



# SUSTAINABLE EARNINGS FROM LONG TERM PROJECTS

## 2011 PROJECT PIPELINE

Location	Project Type	Status	Project Life								Total Lots	Lots Remaining	Pricing Guide (\$)	
			FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18				
<b>WA projects</b>														
Rivergums Baldivis	Southern corridor	Residential	Mature									1200	600	170-240k
North Baldivis	Southern corridor	Residential	Planning									800	800	Not yet released
Mariners Cove	Mandurah	Canal	Mature									850	214	300-600k
Port Mandurah (Sutton)	Mandurah	Canal development	Planning									TBA	TBA	Not yet released
The Kestrels	Tapping, Wanneroo	Residential	Complete									530	8	245k
Piara Waters - lot 2	SE corridor	Residential	Planning									150	150	240-260k
Piara Waters - lot 6	SE corridor	Residential	Planning									135	135	240-260k
Waterline stage 1	Mandurah	Apartments	Complete									19	4	1000k
Waterline stage 2	Mandurah	Apartments	Planning									20	20	Not yet released
The Jetty, Palm Beach	Rockingham	Apartments	Complete - settlements FY12									16	16	650-1650k
Bushmead	Perth foothills	Residential	Planning									600-900	600-900	Not yet released
Pinjarra	Southern corridor	Residential	Planning									920	920	Not yet released
South Hedland	Pilbara	Residential	Planning									150	150	Not yet released
Harrisdale Green	SE Corridor	Mixed Use	Mature									462 lots / units 13 mixed use	404 lots / units 13 mixed use	\$200-250k
Carine	NW Corridor	Mixed Use	Planning									TBA	TBA	TBA
Mangles Bay	Rockingham	Mixed use	Planning									TBA	TBA	TBA
<b>WA syndicate project (CWP 25%)</b>														
Cedar Woods Wellard (Emerald Park)	Southern corridor	Residential	Mature									628	478	180-230k
<b>Melbourne projects</b>														
Williams Landing Residential	Western Suburbs	Residential	Mature									2500	1900	\$190k - \$340k
Williams Landing Town Centre	Western Suburbs	Retail, Mixed Use	Planning, Design, Leasing									N/A	N/A	N/A
Carlingford, Lalor	Northern corridor	Residential	Mature									600	237	\$140k - \$300k
Banbury Village	Footscray	Apartments & Houses	Mature									437	372	\$320-725k, av\$ 520k
Camberwell	Eastern suburbs	House & land packages	Design/Sales									78	78	\$800k - \$1.4m

Lots remaining stated at 1 July 2011



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