18th January 2012

ASX Announcement / Media release

Half Year Profit Update

Cedar Woods Properties Limited

ASX Code: CWP

Cedar Woods half year report summary:

- First half net profit of approximately $10m, with $85m in presales at projects completing in the second half
- Forecasting a record FY2012 full year net profit of approximately $34m, up 21% pcp
- $50m presales already in place for FY2013
- Net debt to equity ratio of 44% at 31 December
- Corporate bank facility extended to 30 November 2014

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Cedar Woods Properties Limited (ASX: CWP) today reports an unaudited net profit after tax of approximately $10m for the first half of FY2012 and confirms its profit forecast for the full year of $34 million.

Presales of $85 million already in place for the second half of FY2012 will underpin second half earnings.

The company provided guidance in August and on 1 November 2011, indicating that earnings for FY2012 would be substantially weighted to the second half.

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 profit for the full year will increase by 21 per cent over FY2011.

In the first half, the company successfully completed the settlements of significant stages in its Western Australian and Melbourne projects. Development of several stages continues apace and these are scheduled for settlement in the second half.

Cedar Woods' Managing Director Paul Sadleir commented: "We are pleased with progress to date and we are confident in delivering our earnings forecast for the full year.

"With FY2012 pre sales substantially in place, we have already turned our attention to the FY2013 year and have almost $50 million presales in place for that year, which is a strong achievement in the current market.

"Recent cuts to interest rates have improved housing affordability and we expect this to improve consumer confidence and provide a boost to sales in 2012.''

Recent land acquisitions and development activity has modestly increased company net debt in the first half to around $60m but this is expected to fall to a level similar to June 2011 by the end of the financial year as a result of the substantial second half settlement program. Net debt to equity was at a comfortable 44% at 31 December.

At the end of the first half the company's financiers confirmed the extension of the company's $110m corporate debt facility by a further 15 months to 30 November 2014, with a reduction in funding costs also achieved.

"The interim dividend has generally been around 40 per cent of the total dividend for the year and this is expected to apply for the interim dividend. The Board intends maintaining the current payout ratio of 50 per cent for the full year," Mr Sadleir concluded.

The company expects to release its audit-reviewed half year results and a more detailed update on company progress on 21 February 2012.

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