



# 1H FY2012 RESULTS PRESENTATION

21st February 2012

Cedar  Woods

# AWARD WINNING PROPERTY DEVELOPER

- ▶ Listed 1994, consistently profitable, always paid dividends
- ▶ Strategically located and diverse residential portfolio
  - Urban and regional growth areas in VIC and WA
  - Apartments, integrated housing, mixed use and large master planned communities
- ▶ Flagship Williams Landing project – Melbourne’s premier new master planned community
- ▶ Track record of meeting targets and guidance
  - Consistent delivery of 10%+ annual profit growth<sup>1</sup>
- ▶ Attractive, fully-franked dividend yield
- ▶ Growth opportunities – WA, VIC and other states

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

<sup>1</sup> From 2002 to 2011 CWP has delivered 10%+ profit growth every year except FY 2009 (GFC)

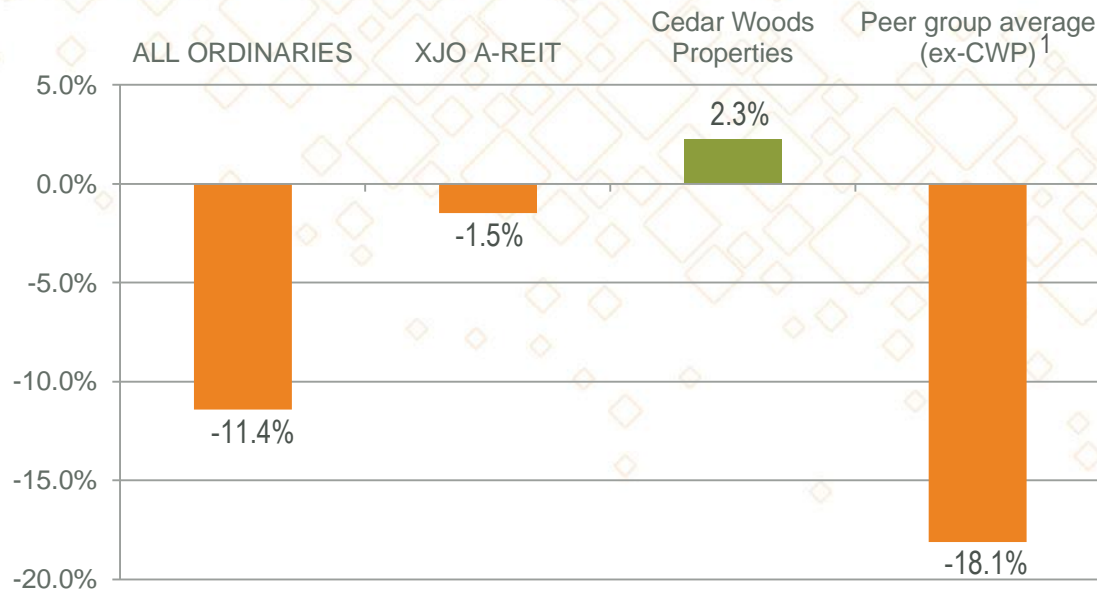
# CEDAR WOODS' STRATEGIES

Objectives/Targets	Strategies	Progress/Results
Earnings growth > 10% pa	Portfolio management – acquisition, approvals and delivery.	FY12 forecast NPAT growth of 21% Quick rebound from GFC. Well positioned for future.
Customer satisfaction	Maintain product quality. Customer surveys.	High satisfaction levels, consistent sales.
Shareholder engagement	Quarterly guidance. Regular newsletters, results briefings.	Loyal shareholder base. Share price outperformed relative to peers.
Community recognition	Community building activities.	Recognised as an award winning developer.
Employee engagement	Interesting and challenging projects. Clear company direction, growth and development opportunities.	Strong management team in place, full staff complement.

# INVESTMENT HIGHLIGHTS

- ▶ Forecasting record profit FY2012 of \$34m
- ▶ Strong balance sheet and prudent gearing
- ▶ Market value of assets materially above current share price
- ▶ Dividend policy to distribute approximately 50% of full year net profit

# TOTAL SHAREHOLDER RETURNS (CALENDAR 2011)



<sup>1</sup> Benchmark group of 12 ASX listed development companies  
Total shareholder return represents the change in share price plus distributions received

*CWP outperformed its peers and the broader market in total shareholder return between 31 Dec 10 – 31 Dec 11*

# AGENDA

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

# FINANCIAL OVERVIEW

WL 3027

# FINANCIAL HIGHLIGHTS

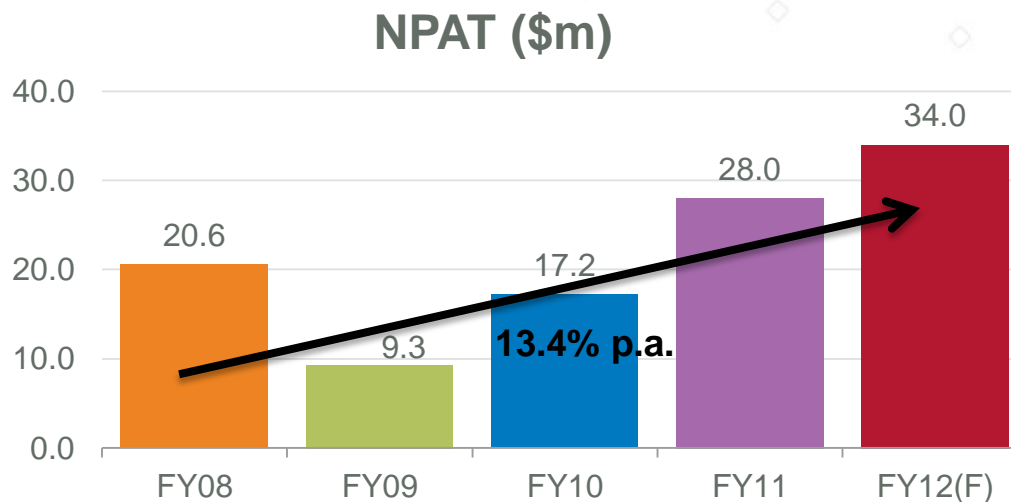
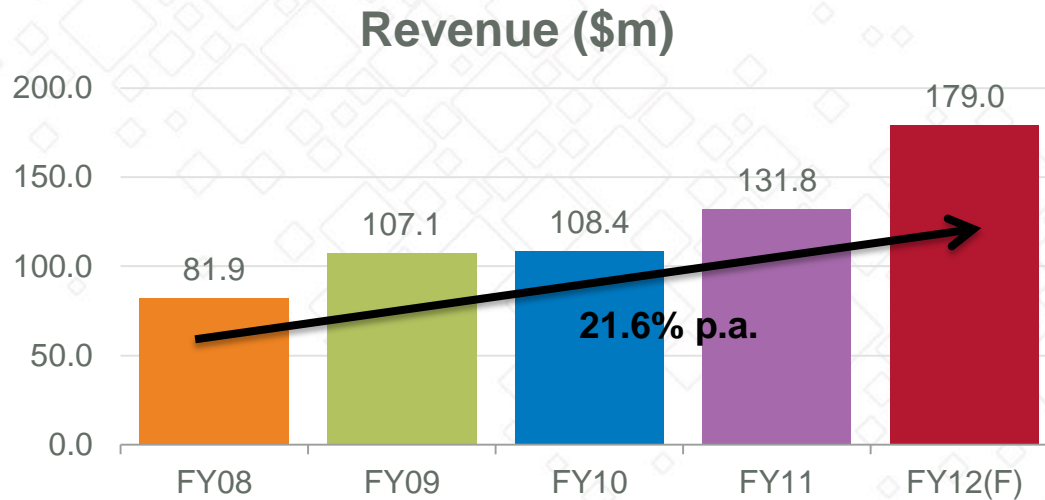
	H1FY12 (A) \$m	H1FY11 (A) \$m	FY12 (F) \$m	FY11 (A) \$m	Full Yr Change %
Revenue	77.7	96.0	179.0	131.8	↑ 36%
NPAT	10.9	24.2	34.0	28.0	↑ 21%

FY12 will be significantly weighted to 2H due to seasonality and project timing.

*Record Revenue & NPAT forecast for FY2012*



# TRACK RECORD OF GROWTH



# 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 standard applies)

*CWP market value NTA well above current share price and book NTA*

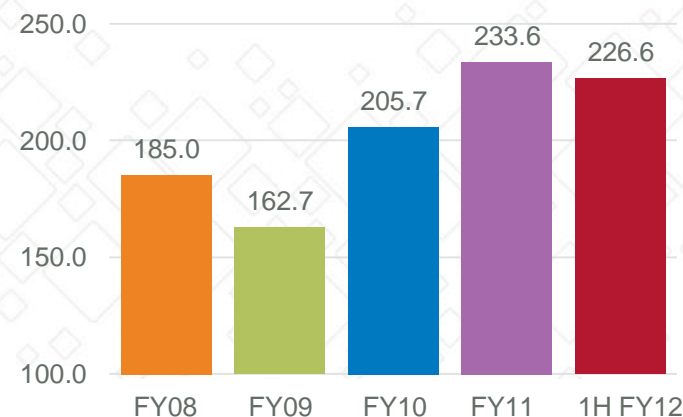
# BALANCE SHEET STRENGTH

	31 Dec 2011 \$m	30 June 2011 \$m
Total assets (book value)	226.6	233.6
Net bank debt	61.5	55.7
Net assets (equity)	136.7	129.5
Finance facility headroom	41.8	49.5
Net bank debt to equity	45%	43%
Interest cover	4.4x	9.1x
NTA/share * (book value)	\$2.17	\$2.10

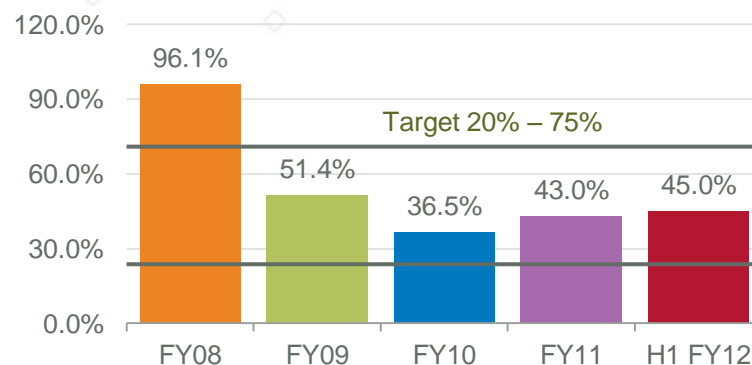
\* Note: market value NTA/share is substantially above both book value and current share price

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

Assets at book value (cost) (\$m)



Gearing (%) <sup>1</sup>



# CASH FLOW SUMMARY

<b>Cash flows related to operating activities</b>	<b>H1FY12 \$m</b>	<b>H1FY11 \$m</b>
Receipts from customers	83.6	103.5
Interest received	0.3	0.3
Payments to suppliers and employees	(18.5)	(23.0)
Net borrowing costs	(2.9)	(2.7)
Income taxes paid	(7.2)	(4.0)
Payments for development	(33.5)	(28.2)
<b>Operating cash flow before acquisitions</b>	<b>21.8</b>	<b>45.9</b>
Payments for new land (acquisitions) Baldivis FY12, Bushmead & Piara Waters FY11	(22.6)	(24.2)
<b>Net operating cash flow</b>	<b>(0.8)</b>	<b>21.7</b>

*\$22.6m in new land acquisitions*

# OPERATIONAL OVERVIEW



# STRONG PROPERTY PORTFOLIO AND MATURE LAND BANK



# WA HIGHLIGHTS

- ▶ New stages under development at major residential projects at Emerald Park, Rivergums & Harrisdale Green that will contribute to FY12 and FY13
- ▶ New project at Batavia Coast Marina Apartments (joint venture) - over 50% presold with first settlements in FY13
- ▶ New project launches coming at Piara Waters and South Hedland (both 150 lot projects) with first settlements in FY13
- ▶ Waterline Apartments and Mariners Cove townhouses in Mandurah - only 8 units remain in total

emerald park  
PRIVATE ESTATE

The Rivergums  
BALDIVIS



The Islands



harrisdale  
green



Piara  
Central  
New, you're living



The Jetty.

The Kestrels  
Private Estate. Tapping.

ecovision wanneroo  
affordable sustainable living

Cedar Woods  
PROPERTIES LIMITED

# BALDIVIS PROPERTIES (WA)

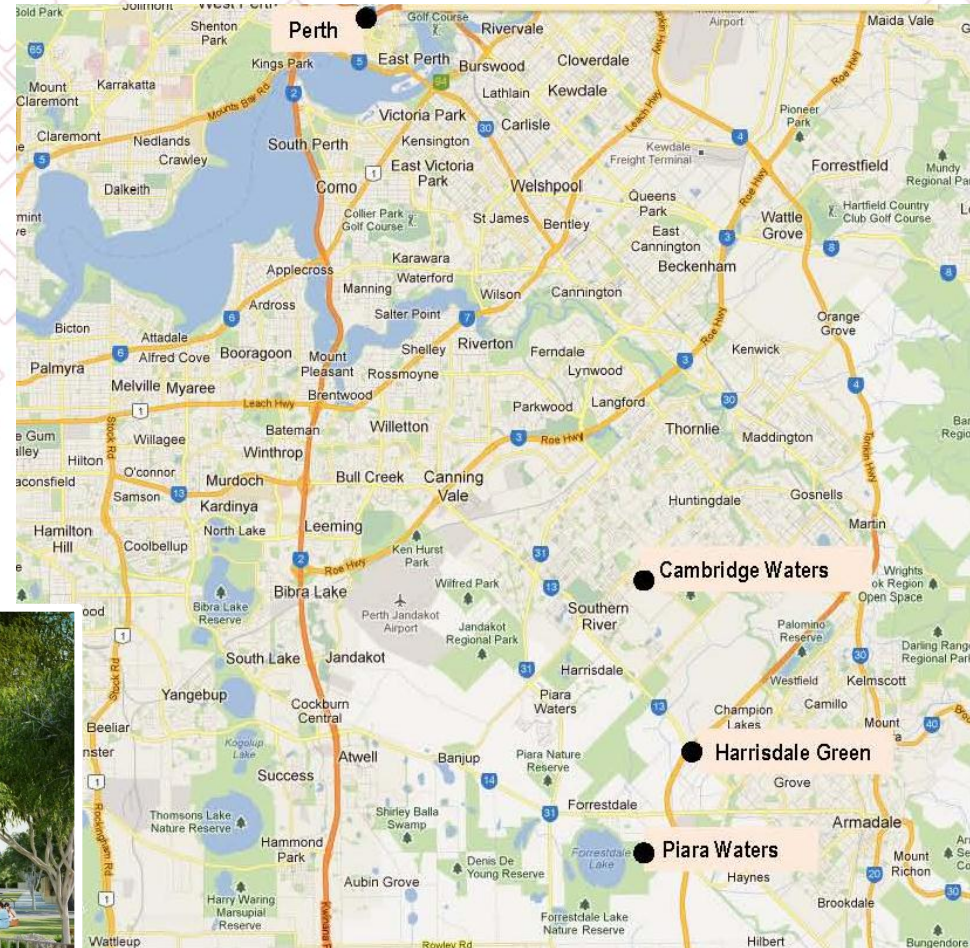




# BATAVIA COAST MARINA DEVELOPMENT, GERALDTON



# PIARA WATERS



# SOUTH HEDLAND



# VIC HIGHLIGHTS

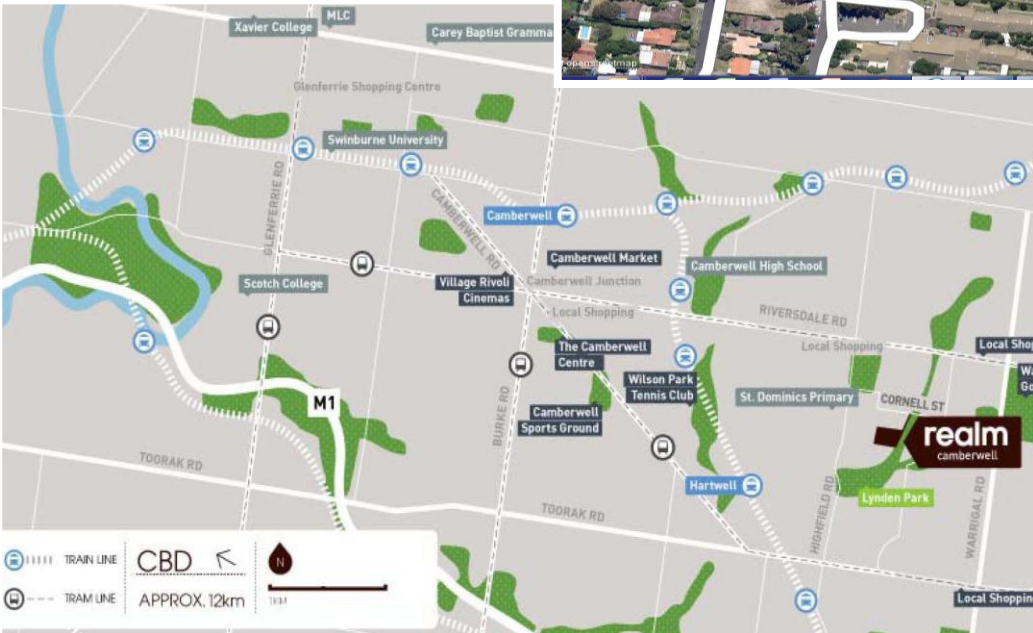
- ▶ 95% presales in place for FY12, across 3 projects
- ▶ Strong presales in place for FY13
  - Williams Landing – 50% of budget
  - Banbury Village – 40% of budget
  - Realm Camberwell – 57% of budget
- ▶ Realm Camberwell has sold 20 of 27 homes released and civil works are underway. Construction of Stages 1-3 to begin in 2HFY12, first settlements in FY13
- ▶ Several stages completed and settled at Banbury Village (Footscray), Carlingford (Lalor) and Williams Landing
- ▶ Planning approval for the Williams Landing Shopping Centre and Stage 1 of Williams Landing Town Centre on schedule



Carlingford



# REALM, CAMBERWELL



# WILLIAMS LANDING

- ▶ Flagship project 19km from CBD
  - largest infill site in Melbourne (275ha)
  - 2,500 lots
  - 50ha town centre (retail bulky goods, office, commercial, residential)
- ▶ Numerous presold stages under construction for settlement in 2H FY12
- ▶ State Government commenced construction of \$100m train station and freeway interchange at Williams Landing with completion due late CY2012
- ▶ Second display village soon to commence
- ▶ Anchor tenant agreements in place with Woolworths, Big W and Masters for Shopping Centre and Hardware store
- ▶ One of the fastest growing municipalities in Australia

# WILLIAMS LANDING



# WILLIAMS LANDING





# OUTLOOK



# MARKET CONDITIONS

## WESTERN AUSTRALIA

- ✓ Demand in growth corridors where CWP projects located
- ✓ Continued demand underpinned by positive 2013 indicators:
  - Economic growth of 3.8%
  - Pop growth of 2.4% (56K)
  - Unemployment of 4.2%
- ✓ Continued demand driven by lack of supply and low vacancy rates (~ 2.2%)
- ✗ Consumer confidence still weak

## VICTORIA

- ✓ Solid residential housing market fundamentals underpinned by 2013 indicators:
  - Economic growth of 2.8%
  - Pop growth of 1.5% (84K)
  - Unemployment of 5.1%
- ✓ Tight rental market with low vacancies: (~ 2.5%)
- ✗ Subdued consumer confidence – softer market conditions experienced in 1H

# COMPANY OUTLOOK

- ▶ Forecast FY12 record net profit of approximately \$34m, up 21% on 2011
- ▶ Currently \$140m in pre-sales vs \$130m last year
- ▶ 2HFY12 profit underpinned by \$89m in presales already in place
- ▶ \$51m in presales secured for FY13
- ▶ New projects already launched at Realm Camberwell and Batavia Coast Apartments, Geraldton to contribute to earnings in FY13
- ▶ New projects to be launched at Piara Waters and South Hedland to contribute to earnings in FY13
- ▶ Positive outlook, bolstered by continued demand for CWP's projects, strategically located in WA and VIC's growth regions and improvement in housing affordability
- ▶ Strong balance sheet, banking facilities extended until 30 November 2014



50 Colin Street  
West Perth WA 6005

**Phone:** (08) 9480 1500

**Email:** [email@cedarwoods.com.au](mailto:email@cedarwoods.com.au)

**[www.cedarwoods.com.au](http://www.cedarwoods.com.au)**

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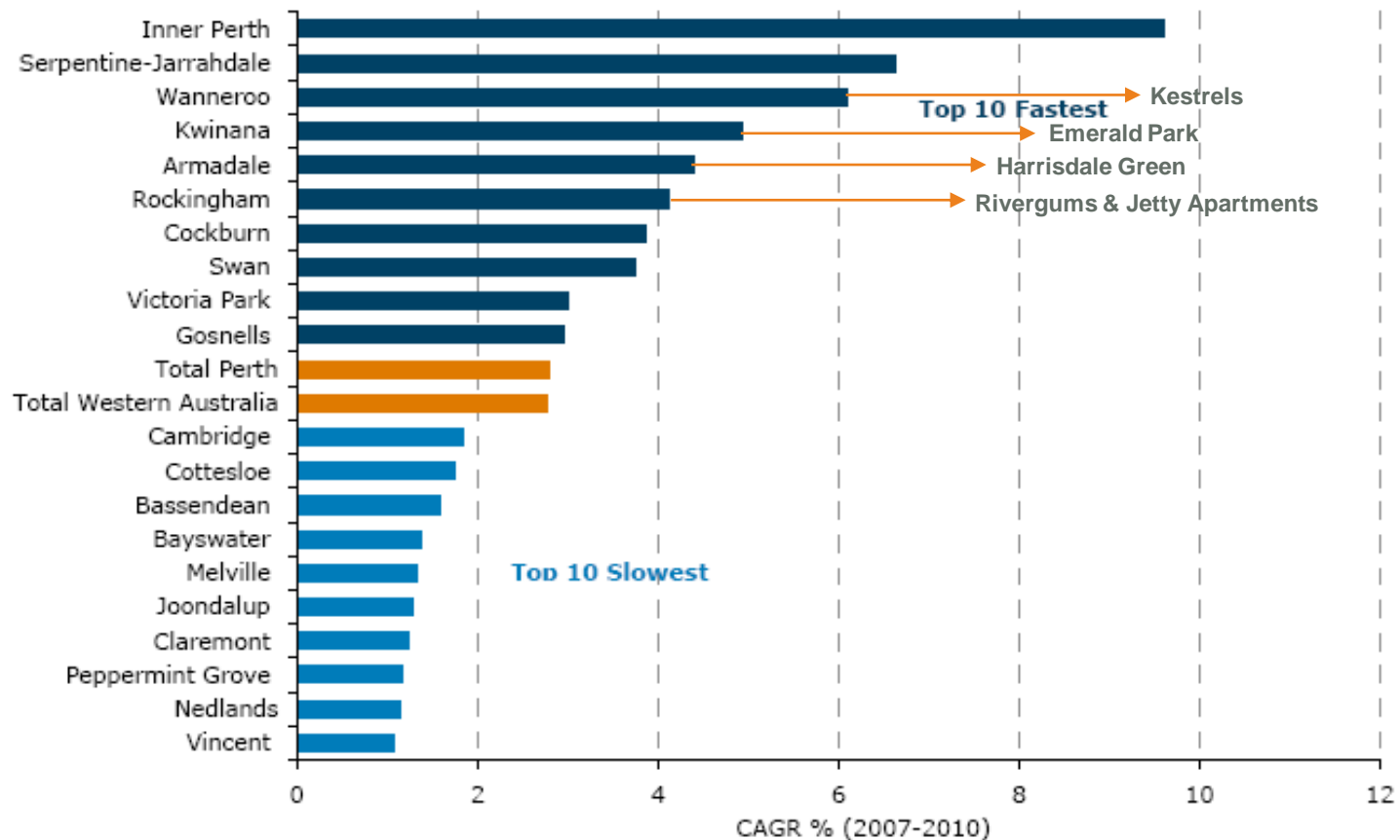
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# APPENDIX



# PERTH PROJECTS: IN GROWTH LOCATIONS

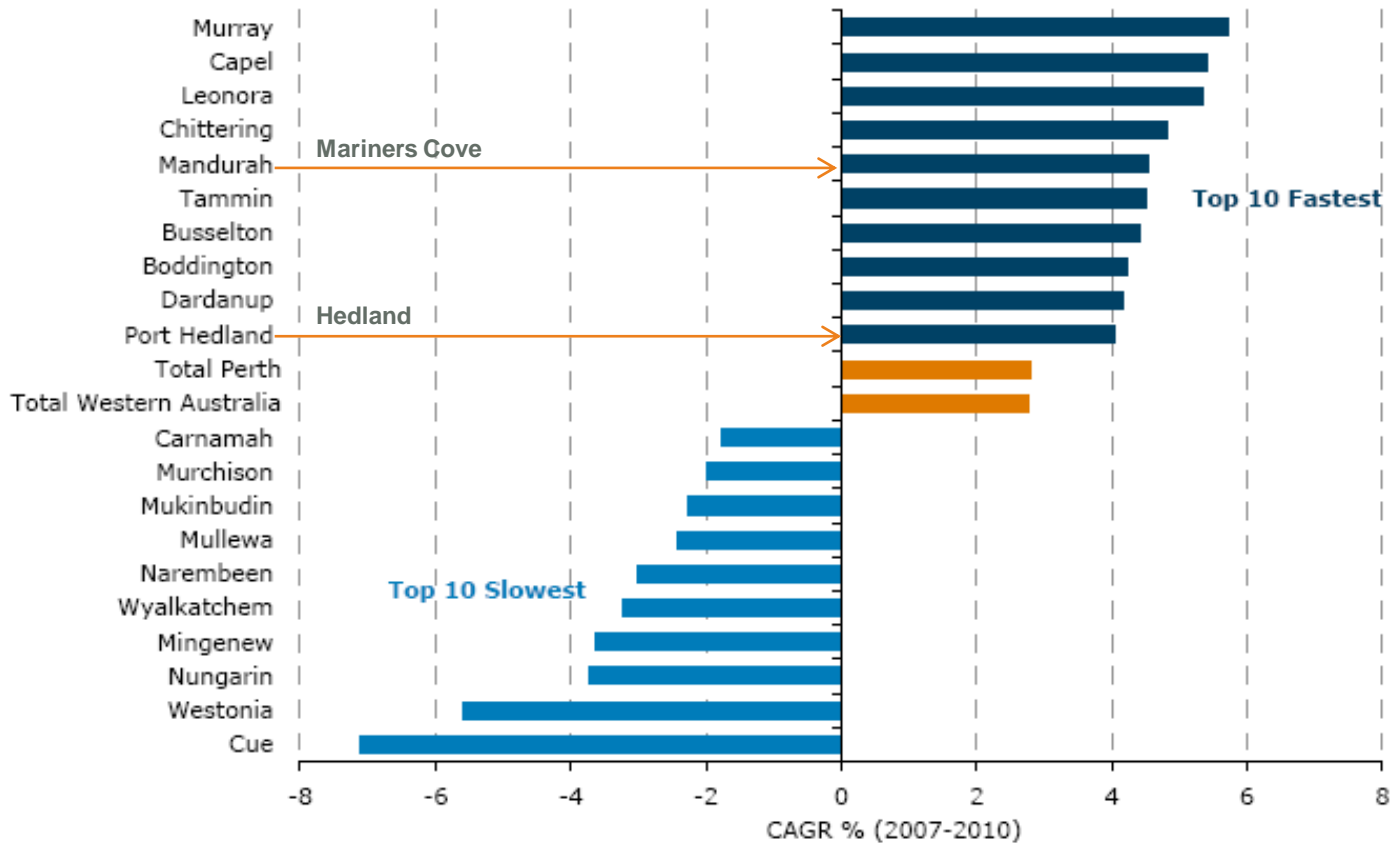
## Population growth in Perth



Source: ABS, ANZ

# REGIONAL PROJECTS: IN GROWTH LOCATIONS

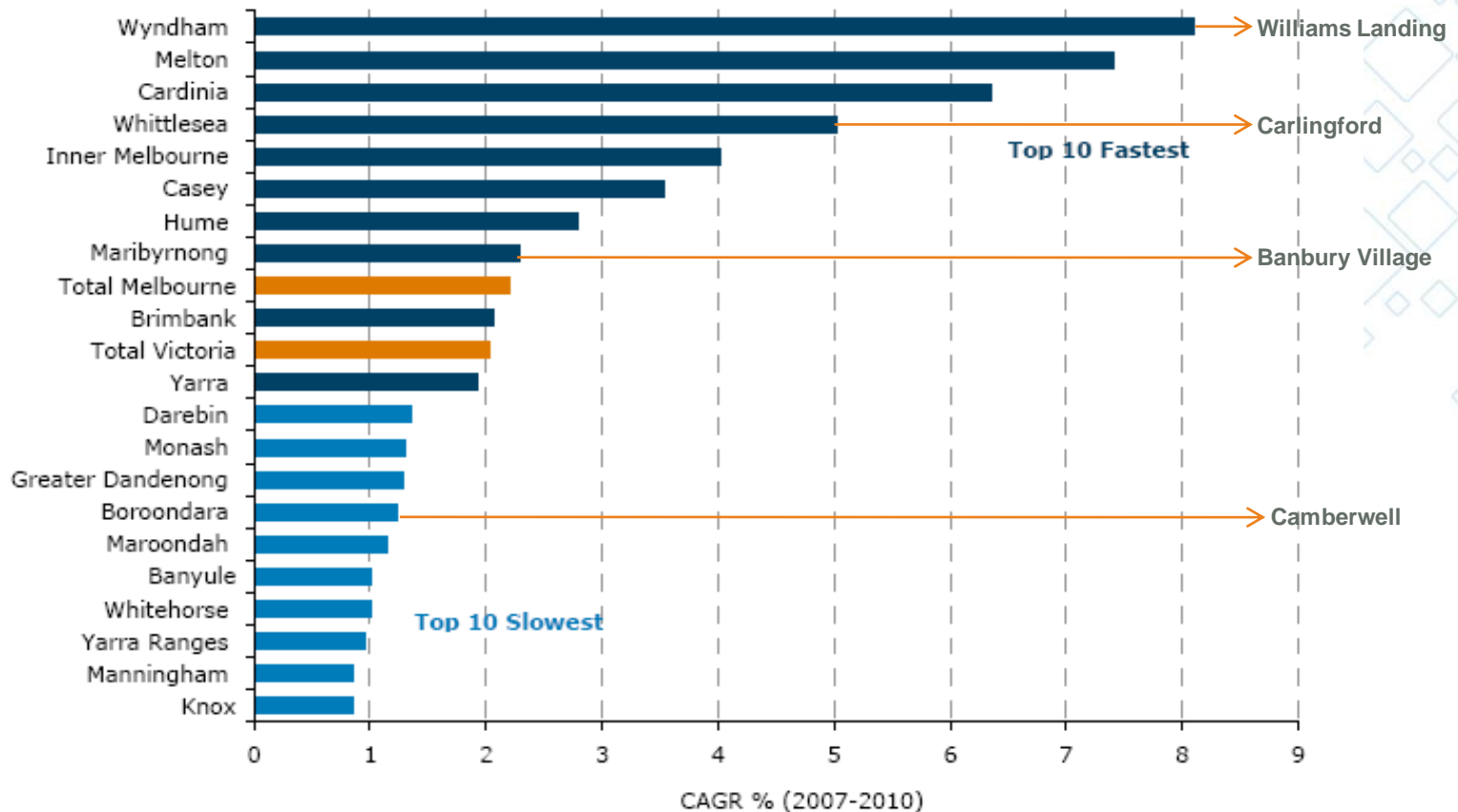
## Population growth by regional/rural Areas



Source: ABS, ANZ

# VICTORIAN PROJECTS: IN GROWTH LOCATIONS

## Population growth in Melbourne



Source: ABS, ANZ



# SUSTAINABLE EARNINGS FROM LONG TERM PROJECTS

## 2012 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	\$170k-\$240k	
North Baldivis	Southern corridor	Residential	Planning									800	800	Not yet released	
Mariners Cove	Mandurah	Canal	Mature									850	214	\$300k-\$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	\$215k-\$270k	
Piara Waters - lot 6	SE corridor	Residential	Planning									135	135	\$215k-\$270k	
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									16	16	\$650k-\$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	\$220k-\$270k	
Harrisdale Green	SE Corridor	Mixed Use	Mature									462 lots / units 13 mixed use	404 lots / units 13 mixed use	\$200k-\$250k	
Carine	NW Corridor	Mixed Use	Planning									TBA	TBA	TBA	
Mangles Bay	Rockingham	Mixed use	Planning									TBA	TBA	TBA	
<b>WA syndicate project</b>															
	(CWP 32.5%)														
Cedar Woods Wellard (Emerald Park)	Southern corridor	Residential	Mature									628	478	\$180k-\$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