

Cedar Woods raises \$25 million of Working Capital via Placement

4 April 2012



Cedar Woods Properties Limited

ASX Code: CWP

HIGHLIGHTS

- ▶ Placement to current and new institutional investors raises \$25 million at \$3.45 per share.
- ▶ Share Purchase Plan to raise up to a further \$5 million to be offered to eligible shareholders at \$3.45 per share.

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Cedar Woods Properties Limited (ASX: CWP) announces that it has successfully raised \$25 million via a share placement to institutional investors. The proceeds of the placement will be used for working capital and growth initiatives including:

- ▶ New projects soon to be launched in Western Australia and Victoria to deliver earnings in FY13 and future years;
- ▶ Development of the Williams Landing Town Centre in Victoria;
- ▶ Ongoing acquisition program to support future growth; and
- ▶ Maintaining a strong, conservatively-gearred balance sheet.

PLACEMENT

The company has successfully placed 7.25 million new shares to raise \$25 million before costs.

New shares will be issued at \$3.45 which represents a discount of:

- ▶ 8% to last traded price (ex dividend)
- ▶ 8% to 5 day VWAP, adjusted for 11 cent dividend

The raising was conducted within the discretionary capacity of the Board and was placed to institutional investors by joint managers RBS Morgans and Euroz Securities Limited. The placement, which was oversubscribed, was well supported by existing institutional shareholders and also provided for the introduction of a number of new institutional investors.

SHAREHOLDER PURCHASE PLAN (SPP)

The company is also pleased to provide an opportunity to its existing eligible shareholders to participate in the equity raising by undertaking a SPP at \$3.45 per share, being the same issue price as the placement.

The SPP will provide eligible shareholders with the opportunity to subscribe for up to \$15,000 of ordinary shares without incurring brokerage commission or other transaction costs. The SPP will not be underwritten and will be capped at \$5 million.

Eligible Cedar Woods shareholders will include those shareholders who were registered holders of shares at 5pm (WST) on 3 April 2012 (the SPP Record Date) with a registered address in Australia or New Zealand, and who are not acting for the account or benefit of U.S. persons.

Full details of the SPP and timetable will be set out in the SPP Offer Document which will be forwarded to members in due course. An indicative timetable is provided below:

SPP Record Date	3 April 2012
Announce SPP	4 April 2012
Dispatch SPP Offer Document to Shareholders	16 April 2012
SPP Offer Close Date	1 May 2012



DIVIDEND REINVESTMENT PLAN (DRP) AND BONUS SHARE PLAN (BSP)

Cedar Woods has confirmed that the DRP and BSP are in place for the interim dividend, payable on 30 April 2012. As the placement has been conducted during the 10 day pricing period for the DRP and BSP, (with the company in a trading halt for 2 days) and in view of the proximity of the final dates for receiving elections under the DRP and acceptances for the SPP, the Board has determined that the price under the DRP and BSP will be the same as under the SPP.

In this way, the pricing under the placement, the SPP, the DRP and the BSP will be the same, with the Board of the view that this provides the simplest and most equitable outcome to shareholders.

Shareholders are reminded that the election date under the DRP is 20 April 2012, with the BSP election date having already passed on 20 February 2012.

PURPOSE OF EQUITY RAISING

Cedar Woods recently confirmed guidance for a record net profit of approximately \$34 million for the current financial year. The placement and subsequent SPP significantly increases the company's financial capacity and ensures Cedar Woods is well positioned for further growth. Specifically, the funds raised will be used for:

1. Four new projects that will provide their first revenues and profits in FY2013. The Realm project, in Camberwell in Melbourne has already been released, with \$20 million in pre-sales. The Batavia Coast Apartments joint venture in Geraldton (WA) has also been released with approximately \$30 million in pre-sales already achieved.

South Hedland (WA) and the Piara Central project in Perth are both due for release in the fourth quarter (FY2012) and strong demand is anticipated for these projects.

2. At Williams Landing Town Centre in Victoria, the company has secured anchor tenants: Woolworths, Big W, and Masters Home Improvement stores for Stage 1 of the development. Further stages will include office, medium density residential dwellings, medical facilities and further retail.

During the first half of FY2012 the Victorian government started construction of the Williams Landing train station and freeway interchange. Due for completion this calendar year, they will improve access to the new suburb and enable Stage 1 to proceed.

The company is currently considering which components of the Williams Landing project to develop in its own right, versus those better developed via a joint venture and/or the sale of land parcels for others parties to develop.

3. The company continues to assess a number of acquisition opportunities, and by maintaining a strong, conservatively-gearred balance sheet, the company will be able to capitalise on the current and future opportunities as they emerge.