

ASX ANNOUNCEMENT / MEDIA RELEASE

16 April 2012



Cedar Woods Properties Limited

Highlights:

- Confirms guidance of record FY2012 net profit of approximately \$34m, up 21% on FY2011
- Positive outlook for FY2013 with approximately \$70m in presales secured
- FY2013 revenue supported by several new projects
- Successful completion of \$25m raising to institutional investors
- Capital to fund growth initiatives and maintain strong balance sheet
- Interim dividend to be paid on 30 April 2012

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Third Quarter Update: Cedar Woods in strong position to deliver record full year profit; new projects launching soon

Cedar Woods Properties Limited (ASX: CWP) confirms it is on track to deliver a record full year net profit after tax of approximately \$34 million, up 21 per cent on the previous year.

The outlook for the company remains positive with approximately \$70 million in presales currently secured and due to complete in FY2013.

Cedar Woods' Managing Director Paul Sadleir said: "Cedar Woods is in a strong position to achieve a record profit of around \$34 million for the full 2012 financial year, an increase of 21 per cent on last year's result.

"Management is optimistic about the company's outlook with approximately \$70 million in pre-sales secured for next financial year and major new projects launching shortly at Piara Waters and South Hedland in Western Australia, which will further contribute to company earnings.

"Our well-located and diverse portfolio of developments in urban and regional growth areas positions us well to continue to deliver on our earnings growth target of 10 per cent per annum."

\$25 million raised through placement

This month, the company successfully raised \$25 million via a share placement to new and existing institutional investors. Proceeds of the placement will be used for working capital and to finance initiatives including the development of the Town Centre at Williams Landing in Victoria.

The company will seek to raise up to a further \$5 million via a share purchase plan to existing retail shareholders.

"The capital raising further strengthens Cedar Woods' balance sheet and increases the company's financial capacity to fund the development of our portfolio, including new projects," said Mr Sadleir.

Interim Dividend payable on 30 April

A fully franked interim dividend of 11 cents per share, as previously announced, will be paid on 30 April 2012. The final dividend will be announced with the annual result in August with the Board maintaining the company's dividend policy of distributing approximately 50 per cent of full year net profit to shareholders.

Operational Update

During the quarter, Cedar Woods has continued to experience solid sales and enquiries at its projects, with sales activity improving in Western Australia. Progress at the company's current and future projects continues on schedule, to contribute to full year earnings and further presales for FY2013 and beyond.

Victorian Projects

During the third quarter the business remained focused on the construction and delivery of stages completing this year and new project stages to be launched in FY2013.

At Banbury Village in Footscray, stages of townhouses and apartments are progressively being completed and settled as forecast including at the heritage buildings which are being converted to apartments. Good sales have been achieved in new releases undertaken in the quarter.

At Carlingford in Lalor, a number of stages under construction are almost complete and on-track to settle in FY2012. Several stages are the subject of partnership arrangements with select builders and sales are being progressively made.

At Realm Camberwell the first release of 27 homes has been successful with 22 sold to date. Civil works progressed well during the quarter and are due to complete by mid-year and at which time the construction of the first stage of houses will commence. The second release of houses and townhouses has just commenced with a number already reserved.

Progress at Williams Landing has been significant with most presold stages completed and will settle progressively in the fourth quarter. Whilst enquiry is lower than in previous years, sales are steadily being achieved. The State Government is well advanced with the delivery of the Williams Landing railway station and freeway interchange with construction completion expected by the end of 2012.

The planning permit and anchor tenant agreements are in place for the Williams Landing Shopping Centre and construction tender documentation is nearing completion. Permit approval for the Masters Home Improvement store is expected soon with delivery of the store expected to commence late 2012.

\$12 million acquisition in Melbourne's NW corridor

The company has contracted to buy a 7 hectare infill site in Melbourne's north-western corridor for \$12 million on deferred payment terms. The site is well-located in relation to public transport infrastructure and provides significant build-out opportunities, fitting neatly with the company's strategy of acquiring quality sites for development in the medium-term.

Western Australian Projects

At Cedar Woods' Western Australian projects, the company experienced an uptick in buyer sentiment during the quarter with total sales up on the previous quarter.

The launch of Stage 8 of Lakeside at The Rivergums in January was strongly received with over half of the lots sold. The completion of construction of this stage has enhanced visibility and access to these premium lakeside lots. Further lots are due for release in the fourth quarter of FY2012 and continued solid demand is expected as this lakeside product is in relatively limited supply in the Baldivis area.

The launch of Stage 4 at Emerald Park in January was also strongly received with steady sales in the third quarter. The completion of construction for this stage is due in the fourth quarter of FY2012 along with the continued release of further lots.

Cedar Woods is now receiving registrations of interest for "Piara Central" at Piara Waters, 25 kilometres south of Perth's CBD in the city's rapidly growing south-east corridor. As expected, the early response has been strong with over 150 potential purchasers registering their interest at www.piaracentral.com.au. On completion, the new estate will comprise of 151 lots with an average size of 480 square metres.

Harrisdale Green is a joint venture with the Western Australian Department of Housing. The third release

launched in September 2011 is now nearly sold out. Construction of this release is complete and titles have issued enabling settlement of these presales in the fourth quarter of FY2012. A further release is planned for the first half of FY2013.

As reported in the half year release, the company's Batavia Coast Marina Apartments joint venture development in Geraldton has secured approximately \$30 million in presales or more than half of the total 54 apartments now presold. The joint venture partners' project funding for construction has now been contributed, with construction progressing on schedule and completion expected in mid calendar year 2013.

Also in regional Western Australia, Cedar Woods will launch its new development at South Hedland in the Pilbara region in the coming weeks. The project will comprise of approximately 150 lots for prices between \$220,000 and \$270,000, with first settlements expected in FY2013. Given the acute housing shortage in the area, demand for the lots is expected to be very strong and this is borne out by the level of informal enquiry already being received.

Outlook

The outlook for Cedar Woods remains positive with the company well positioned to achieve a record \$34 million profit for the full year. The recent capital raising significantly increases Cedar Woods' financial capacity and positions the company for further growth. The share placement was oversubscribed underscoring support for Cedar Woods' strategy and outlook.

The underlying fundamentals supporting the Australian residential property market remain positive including a shortage of new housing, low vacancy rates and improved affordability due to recent cuts in the official interest rate.

Recently released ABS population statistics confirmed the continued strong growth in Western Australia and Victoria. Western Australia recorded the fastest growth nationally at 2.6% per annum and Victoria at 1.5% per annum which was above the national average for the year to September 2011.

The company has a diversified and well located portfolio of properties in the nation's urban and regional growth corridors and maintains a strong financial position to fund future development.

In the short term, the company will soon launch new projects at Piara Waters and South Hedland in Western Australia, together with the recently released Realm Camberwell in Melbourne and Batavia Coast apartments in Geraldton, which will add to earnings growth in FY2013 and beyond, consistent with the company's objective of continued profit and dividend growth.

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