



FY2012 RESULTS PRESENTATION

21 August 2012

Cedar  Woods

INVESTMENT HIGHLIGHTS

- ▶ Proven track record of consistent earnings growth and meeting targets
- ▶ 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
- ▶ Strong balance sheet and prudent gearing
- ▶ Market value of assets materially above current share price
- ▶ Attractive, fully-franked dividend yield
- ▶ Experienced and proven management team

CEDAR WOODS' STRATEGIES

Property Development Expertise

Core competency: industry-leading design, delivery and marketing of development projects

Focus on Project Pipeline

Acquire and develop land holdings offering medium-to-long term development prospects with potential to add value through rezoning and approvals, enabling consistent delivery of earnings growth

Portfolio Diversity

Strategically located and diverse residential portfolio in urban and regional growth areas in VIC and WA, offering a spectrum of dwelling product and price points to consumers

Invest in Strategic Opportunities

Use joint ventures, syndicates and co-development opportunities to leverage CWP's skill base, diversify revenue streams and manage capital



AGENDA

- 1. Financial Overview**
- 2. Operational Overview**
- 3. Market Conditions**
- 4. Company Outlook**

FINANCIAL OVERVIEW

WL 3027

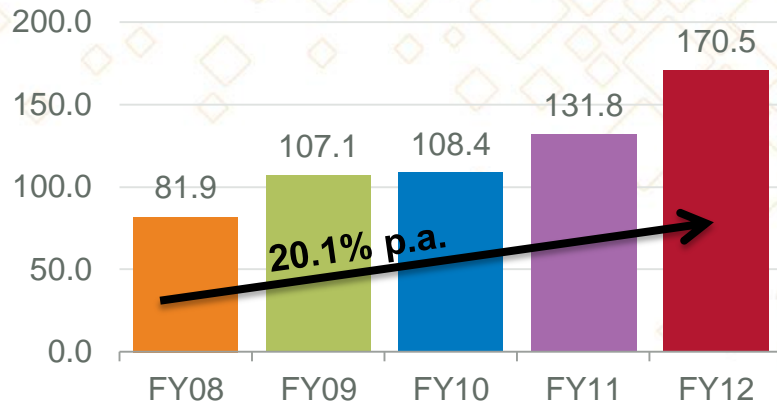
FINANCIAL HIGHLIGHTS

	FY12 (\$m)	FY11 (\$m)	Change (%)
Revenue	170.5	131.8	↑ 29%
Profit before income tax expense	49.3	40.2	↑ 22%
Net profit after tax	34.3	28.0	↑ 22%
Earnings per share	53.2 cents	45.8 cents	↑ 16%
Dividends per share	25.0 cents	23.0 cents	↑ 9%

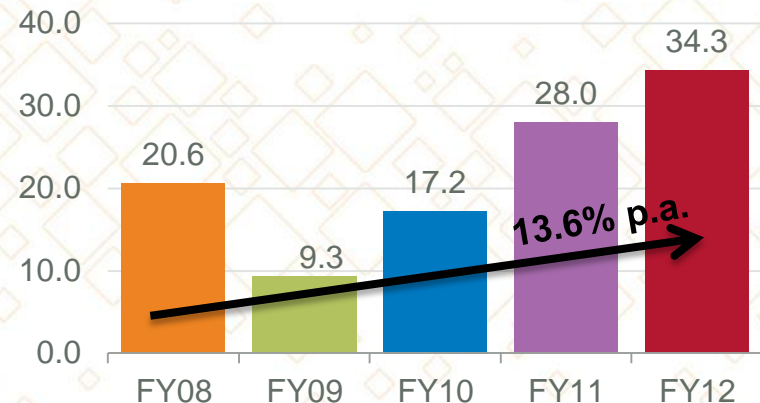
- ▶ Full year dividend payout ratio maintained at 50% of net profit
- ▶ Gearing of 2% as at 30 June 2012
- ▶ \$110 million facility to November 2014, \$98.9 million headroom

TRACK RECORD OF GROWTH AND BALANCE SHEET STRENGTH

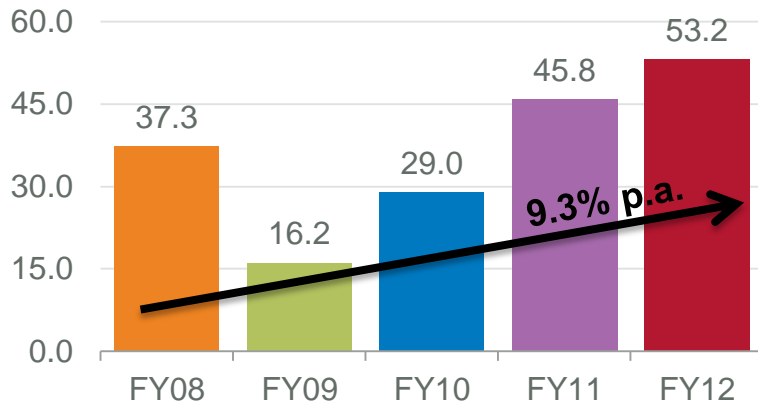
Revenue (\$m)



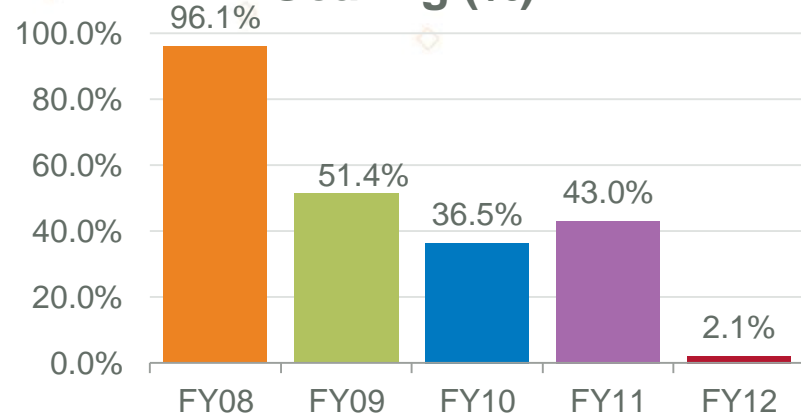
NPAT (\$m)



EPS (cents)



Gearing (%)¹



¹ Gearing defined as net bank debt / book equity

CASH FLOW SUMMARY

	FY12 \$m	FY11 \$m
Cash flows related to operating activities		
Receipts from customers	184.3	143.8
Interest received	0.8	0.5
Payments to suppliers and employees	(38.6)	(40.1)
Borrowing costs	(6.0)	(4.7)
Income taxes paid	(9.9)	(5.6)
Payments for development	(74.7)	(54.7)
Operating cash flow before acquisitions	55.9	39.2
Payments for new land acquisitions: North Baldivis FY12, Bushmead, Camberwell & Piara Waters FY11	(22.7)	(47.7)
Net operating cash flow	33.2	(8.5)

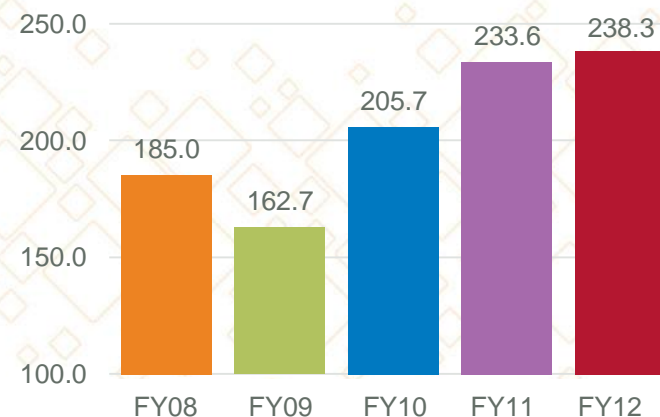
BALANCE SHEET STRENGTH

	30 June 2012 \$m	30 June 2011 \$m
Total assets (book value)	238.3	233.6
Net bank debt	3.8	55.1
Net assets (equity)	184.6	129.5
Finance facility headroom	98.9	49.5
Net bank debt to equity	2.1%	43%
Interest cover	8.8x	9.1x
NTA/share * (book value)	\$2.56	\$2.10

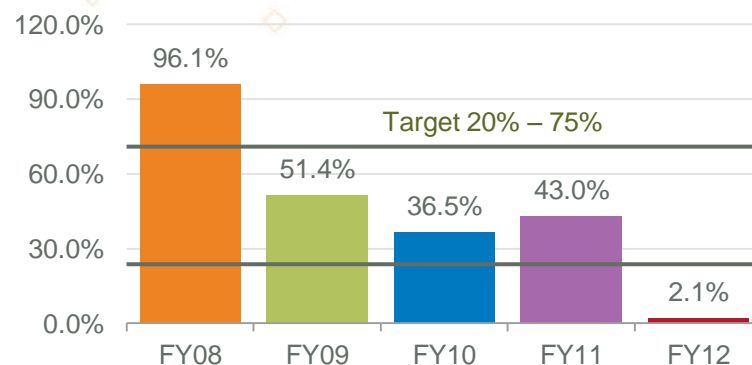
* Note: market value NTA/share is substantially above both book value and current share price

¹ Gearing defined as net bank debt / book equity

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



Gearing (%)¹



Low Gearing of 2.1% at year end

ASSET VALUES

- ▶ Market NTA/share of approximately \$5.35, based on independent and director valuations
- ▶ Significantly higher market vs book NTA value attributed to:
 - Strong performance of key projects
 - Acquisition of majority of land bank at much lower values than now prevailing
 - Accounting standard requires recording assets at the lower of cost and net realisable value on the balance sheet
- ▶ Major projects mature and providing income
- ▶ 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

* Note: market value NTA/share does not take into account corporate tax payable upon the sale of the properties, the value of any other projects under consideration or the value of the company's available franking credits which are currently approximately \$32m on a tax paid basis.

OPERATIONAL OVERVIEW



STRONG PROPERTY PORTFOLIO AND MATURE LAND BANK



WA HIGHLIGHTS

- ▶ 37% of the FY2013 WA target presold
- ▶ New stages under development at major residential projects at Emerald Park, Rivergums & Harrisdale Green that will contribute to FY2013
- ▶ New project at Batavia Coast Marina Apartments – over 50% presold with first settlements in mid 2013
- ▶ New projects successfully launched at Piara Waters and South Hedland (both 150 lot projects) with settlements in FY2013 and FY2014.

emerald park
PRIVATE ESTATE

The Rivergums
BALDIVIS



The Islands



harrisdale
green



Piara
Central
New, Smarter Living



BATAVIA
MARINA



elements
SOUTH HEDLAND



WATERLINE
apartments • mandurah

The Jetty.

The Kestrels
Private Estate, Tapping.

ecovision
wanneroo
affordable sustainable living

Cedar Woods
PROPERTIES LIMITED

BATAVIA COAST MARINA

- ▶ Collaboration with local private investors in Geraldton, WA
- ▶ Presales of more than 50% achieved
- ▶ Contributes to FY13 profit
- ▶ Project is fully-funded, including a senior debt facility with Westpac Banking Corporation
- ▶ Construction underway, completion expected in mid calendar year 2013



Apartments under construction at the Geraldton marina

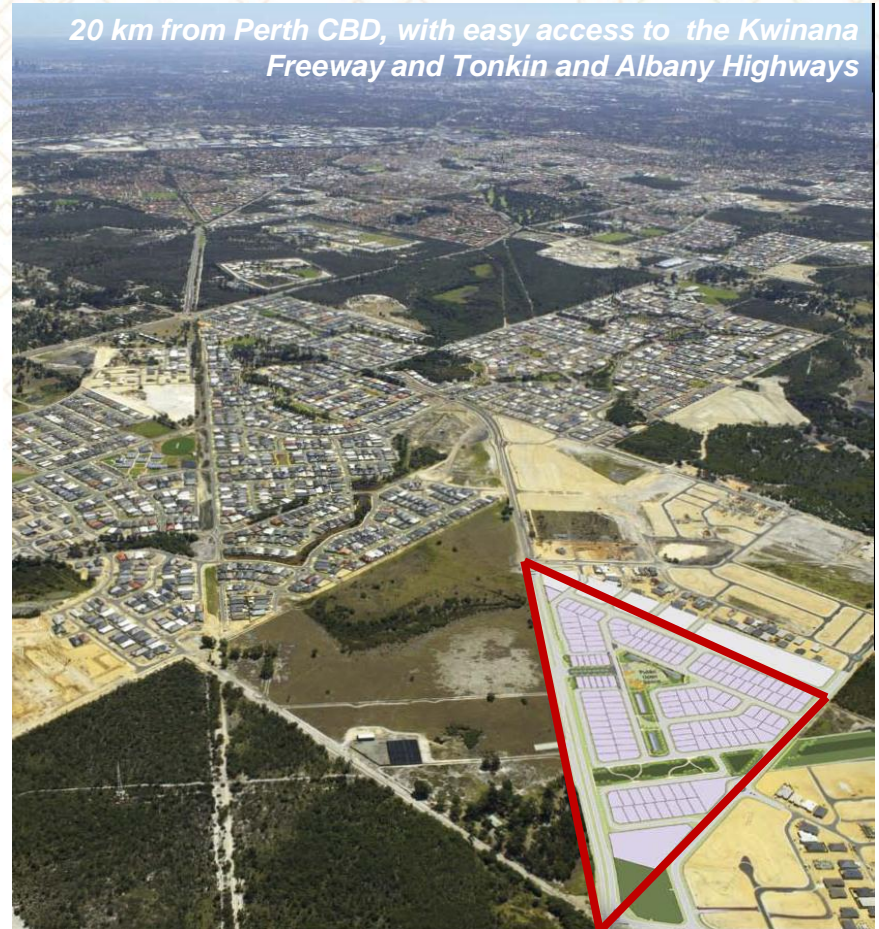


PIARA CENTRAL

- ▶ Strong demand following launch in May 2012
- ▶ More than 40 contracts signed
- ▶ Construction nearing completion for the first two stages, expected to settle in the first half of FY2013
- ▶ Second land holding in Piara Waters offers further opportunities



20 km from Perth CBD, with easy access to the Kwinana Freeway and Tonkin and Albany Highways



Parklands at Piara – artist's impression

ELEMENTS, SOUTH HEDLAND

- ▶ All planning approvals received for Cedar Woods' new Elements project, comprising 150 residential lots at South Hedland
- ▶ Public sales release to commence shortly
- ▶ High enquiry levels to date, strong demand expected
- ▶ Construction tender completed



Located at the gateway to the growing town centre of South Hedland



HARRISDALE GREEN

- ▶ Development agreement with WA Department of Housing
- ▶ Located in SE growth corridor
- ▶ Third release launched in September 2011 now fully sold; construction completed with first lots settled in 4QFY12
- ▶ A further release is planned for 1HFY13



Harrisdale Green – a community to comprise ~ 500 new homes


harrisdale
green

 Cedar Woods
PROPERTIES LIMITED

VIC HIGHLIGHTS

- ▶ Strong presales in place for FY13
 - Williams Landing – 56% of target
 - Banbury Village – 88% of target
 - Realm Camberwell – 88% of target
- ▶ Williams Landing train station/freeway interchange completion expected early CY13
- ▶ Realm Camberwell – 24 of 27 homes presold and civil works are complete. Construction of first homes commenced, with at least 1 stage of 7 homes expected to settle in FY13, balance in FY14
- ▶ St Albans – 6.8ha site acquired for \$12m with anticipated yield of 200 townhouses
- ▶ Melbourne office celebrates 10 years of property development operations in Victoria



Carlingford



WILLIAMS LANDING

- ▶ Flagship project 19km from CBD
 - largest infill site in Melbourne (275ha)
 - 2,500 plus residential lots/units
 - 50ha town centre (retail bulky goods, office, commercial, residential)



Williams Landing – one of Melbourne's premier master-planned communities

- ▶ State Government completion of \$100m train station and freeway interchange at Williams Landing due early CY13
- ▶ Second display village construction commenced – 51 homes
- ▶ One of the fastest growing municipalities in Australia

WILLIAMS LANDING



Palmers Road overpass under construction



***Railway line construction,
Williams Landing Railway Station site***

WILLIAMS LANDING

Williams Landing Masters Home Improvement store - artist's impression



REALM

- ▶ Located in Camberwell
- ▶ 24 of 27 homes sold in first phase
- ▶ 10 further sales in subsequent release
- ▶ Civil works are complete
- ▶ Builder appointed, construction of first three stages commenced
- ▶ Settlements 4Q FY2013 onwards



Construction of first phase to commence 1Q FY2013



Realm, a boutique premium home development – artist's impression



BANBURY VILLAGE

- ▶ Numerous stages completed in FY2012 including first stage of Heritage Apartments – more than 90 units settled
- ▶ Second stage Heritage Apartments complete and settling in 1HFY2013
- ▶ State Government has confirmed upgrade of adjacent railway station, expected to start late 2012



ST ALBANS

- ▶ Acquired 4Q FY2012 for \$12m on 2 year deferred terms
- ▶ Will yield 200 dwellings – apartments, townhouses and houses
- ▶ Rezoning from industrial to residential underway
- ▶ State government has announced a \$150m investment in upgrading St Albans train station and other local transport infrastructure

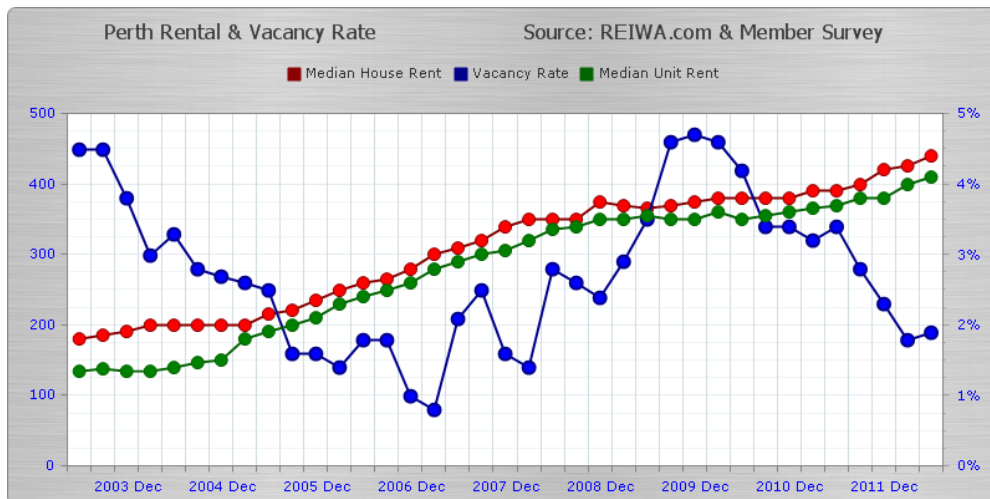
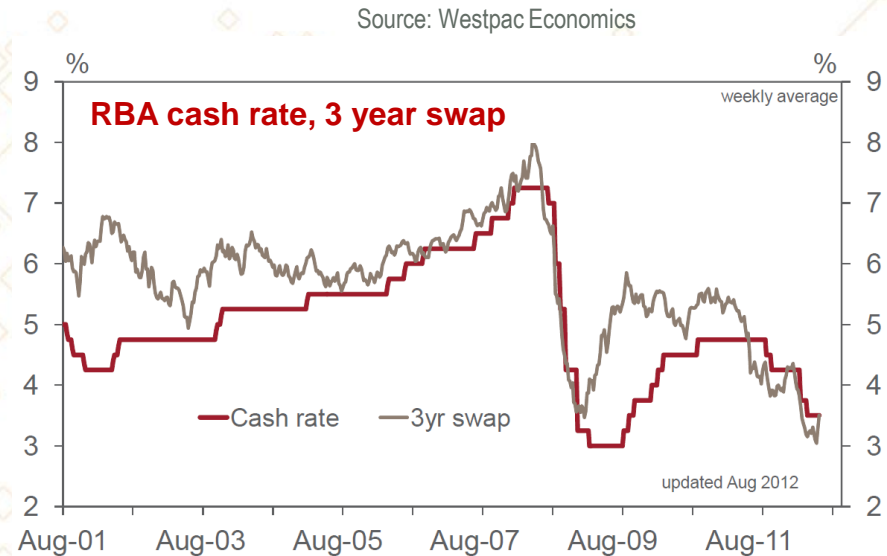


St Albans – 6.8ha urban infill site located 16km from Melbourne’s CBD

MARKET CONDITIONS & OUTLOOK

MARKET CONDITIONS – WHERE ARE WE NOW?

- ▶ Interest rates low
- ▶ Affordability has improved

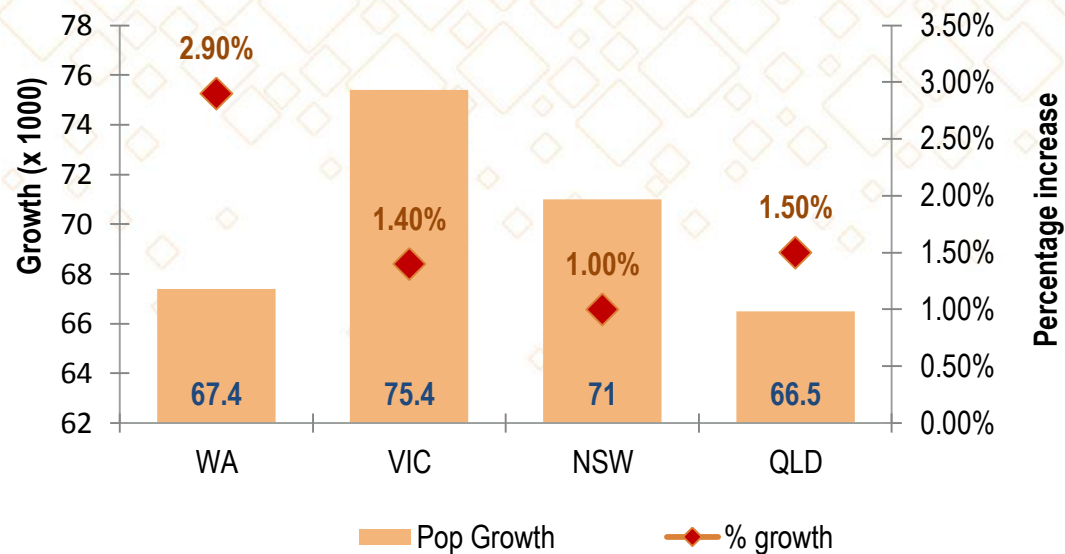


- ▶ Market undersupplied
 - low vacancy rates
 - strong rental growth

MARKET CONDITIONS – POPULATION GROWTH

- ▶ WA driven by resources sector
- ▶ Victoria captures large share of immigration
- ▶ Population growth set to continue

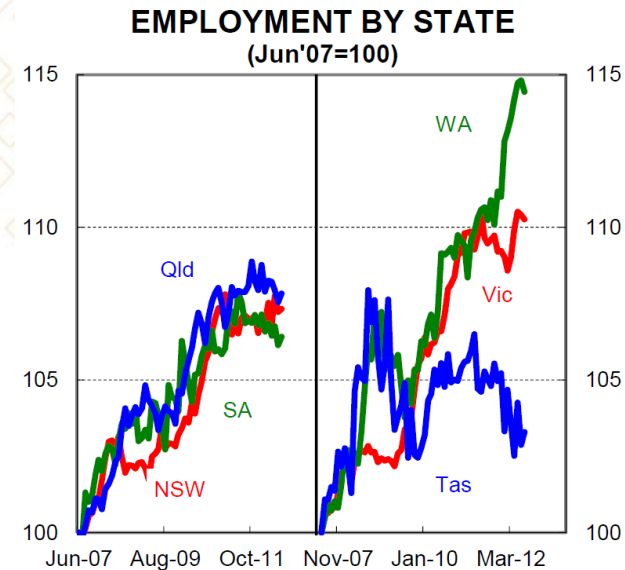
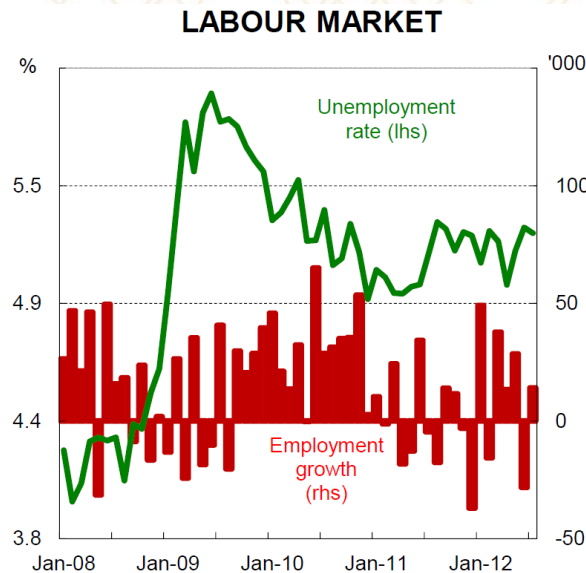
Population Growth - Calendar Year 2011



MARKET CONDITIONS – EMPLOYMENT

- ▶ National unemployment 5.2%
- ▶ WA 3.6%
- ▶ VIC 5.4%
- ▶ Wages growth
 - WA 4.8%
 - VIC 3.4%

Source: CBA

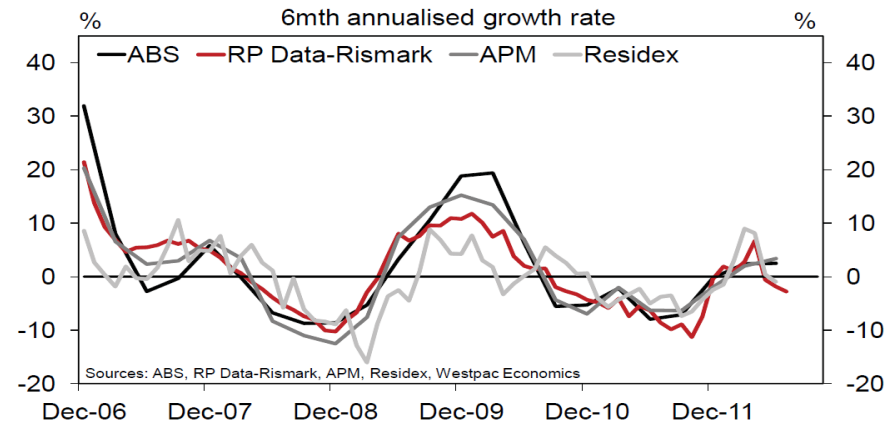


HOUSE PRICES

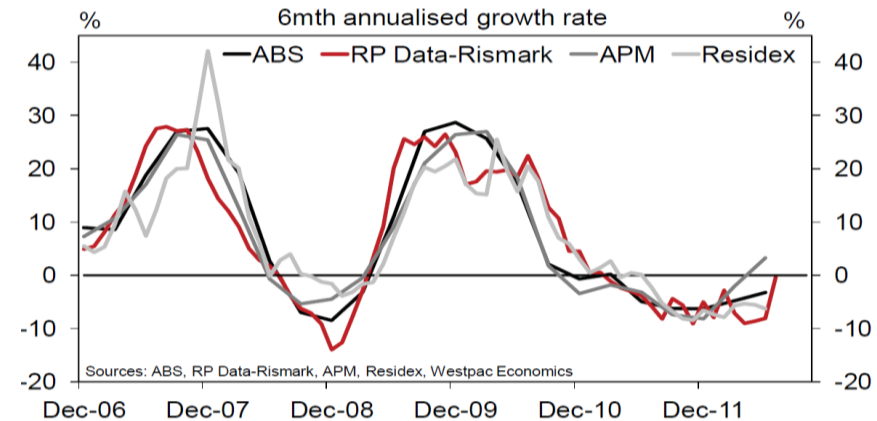
- ▶ Perth prices firming after two years of modest decline
- ▶ Melbourne prices
 - influenced by FHB effects
 - giving up some of the gains

PERTH

Source: Westpac



MELBOURNE

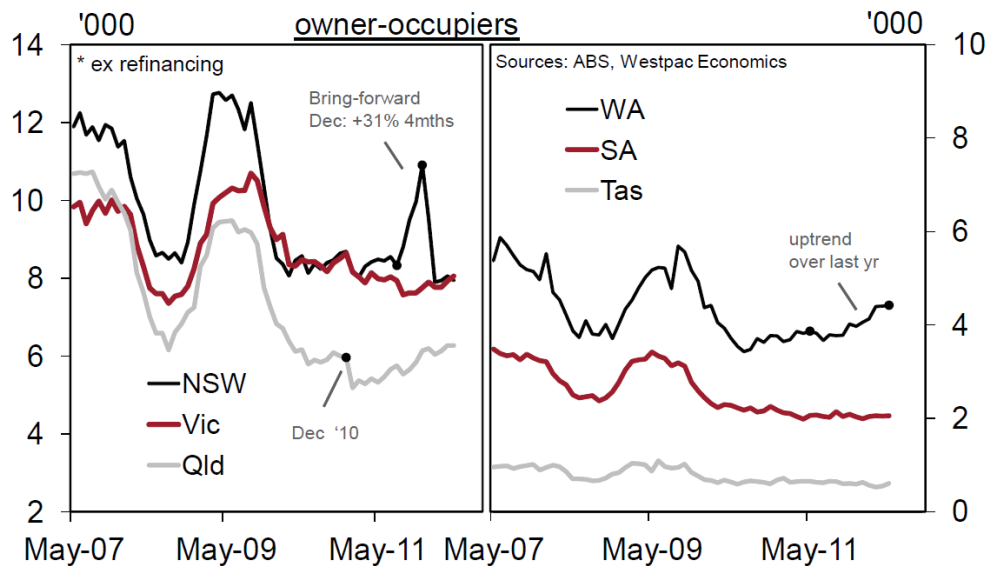


HOUSING FINANCE & DWELLING APPROVALS

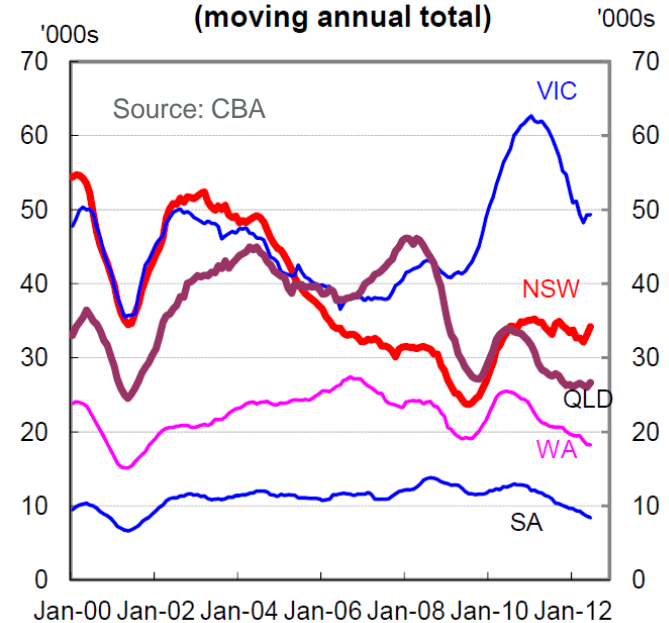
- ▶ WA housing finance has been improving for some time
- ▶ VIC continues at current levels
- ▶ Dwelling approvals finally turning

Housing finance

Source: Westpac



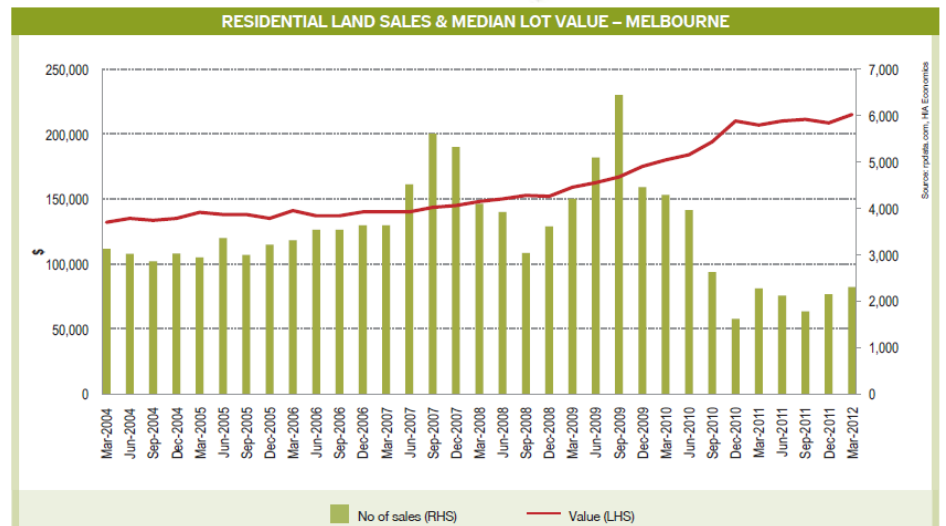
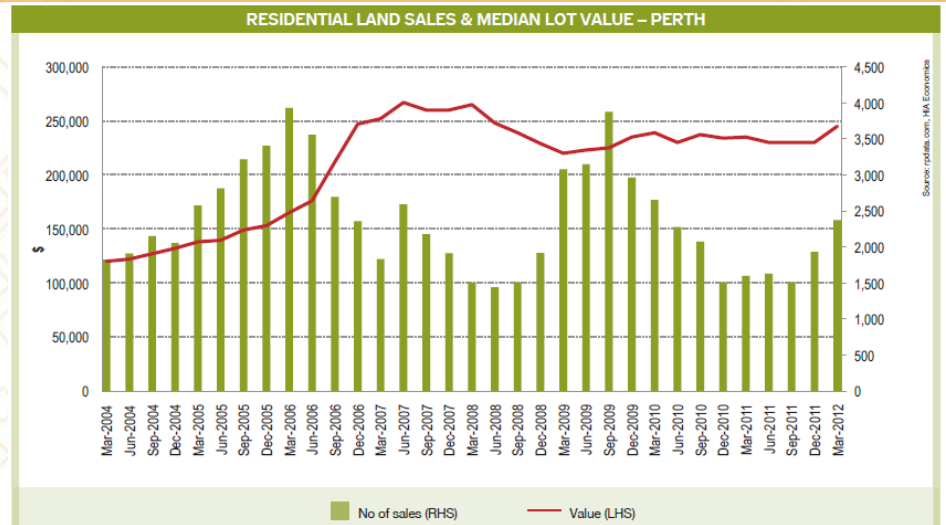
RESID. BLDG APPROVALS (moving annual total)



RESIDENTIAL LOT SALES

- ▶ WA land sales slowly improving; new homes sales in June 2012 quarter
- ▶ VIC lot sales declined since 2009 peak; new homes sales also at low levels

Source: HIA-rpdata.com



COMPANY OUTLOOK

- ▶ Currently \$140m in pre-sales in place vs \$130m last year, majority to settle in FY13
- ▶ Positive outlook, bolstered by continued demand for CWP's projects, strategically located in WA and VIC's growth regions
- ▶ Share price at substantial discount to market NTA value of approximately \$5.35 per share (pre-tax, before franking credits and new projects)
- ▶ On current sales levels, anticipate net profit in line with FY12 result of \$34.25m, with ample product to leverage off a stronger than anticipated market

APPENDIX



SUSTAINABLE EARNINGS FROM LONG TERM PROJECTS

Cedar Woods 2012 Project Pipeline

	Location	Project Type	Status	Year Acquired	Project Life								Total Lots	Lots Remaining	Pricing Guide (\$)	
					FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19				
Western Australia																
Rivergums Baldivis	Southern corridor	Residential	Mature	2001	■	■	■	■	■	■	■	■	■	1200	600	\$170k-\$240k
North Baldivis	Southern corridor	Residential	Planning	2011									800	800	Not yet released	
Mariners Cove	Mandurah	Canal	Mature	1993	■	■	■	■	■	■	■	■	850	200	\$250k-\$800k	
Port Mandurah (Sutton)	Mandurah	Canal development	Planning	1990				■	■				TBA	TBA	Not yet released	
The Kestrels	Tapping, Wanneroo	Residential	Complete	2003	■								530	2	\$245k	
Piara Central	SE corridor	Residential	Planning	2005		■	■						150	150	\$215k-\$270k	
Piara Waters	SE corridor	Residential	Planning	2010				■	■				135	135	\$215k-\$270k	
Waterline stage 1	Mandurah	Apartments	Complete	2005	■								19	1	\$1m	
Waterline stage 2	Mandurah	Apartments	Planning	2005				■	■				20	20	Not yet released	
The Jetty	Rockingham	Apartments	Complete	2005	■	■							16	3	\$650k-\$1650k	
Bushmead	Perth foothills	Residential	Planning	2010					■	■	■	■	600-900	600-900	Not yet released	
Pinjarra	Southern corridor	Residential	Planning	2005							■	■	920	920	Not yet released	
Other	SE corridor	Residential	Planning	2012							■	■	190	190	TBA	
South Hedland	Pilbara	Residential	Planning	2011		■	■						150	150	\$220k-\$270k	
													13 mixed use	13 mixed use		
<u>WA "JV" projects</u>																
Harrisdale Green	SE Corridor	Mixed Use	Mature	N/A	■	■	■	■	■	■	■	■	462 lots/units	310 lots/units	\$200k-\$250k	
Carine	NW Corridor	Mixed Use	Planning	N/A			■	■	■				TBA	TBA	TBA	
Mangles Bay	Rockingham	Mixed use	Planning	N/A									TBA	TBA	TBA	
Batavia Marina Apartments	Geraldton	Apartments	Commenced	N/A		■	■						54	54	\$1m	
<u>WA Syndicate projects (CWP 32.5%)</u>																
Cedar Woods Wellard	Southern corridor	Residential	Mature	2006	■	■	■	■	■	■	■	■	628	400	\$180k-\$230k	
Melbourne																
Williams Landing Residential	Western Suburbs	Residential	Mature	1998	■	■	■	■	■	■	■	■	2500	1700	\$190k - \$340k	
Williams Landing Town Centre	Western Suburbs	Retail, Mixed Use	Planning	1998									N/A	N/A	N/A	
Carlingford, Lalor	Northern corridor	Residential	Mature	2006	■	■	■	■	■	■	■	■	600	220	\$140k - \$300k	
Banbury Village	Footscray	Apartments & Houses	Mature	2005	■	■	■	■	■	■	■	■	437	300	\$320-\$725k, av\$ 520k	
Camberwell	Eastern suburbs	House & land packages	Design/Sales	2009		■	■						78	78	\$800k - \$1.4m	
St Albans	Northwest suburbs	House & land packages	Planning	2012						■	■	■	180	180	TBA	

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