

21 August 2013

FY2013

Financial Results
Presentation

Agenda

- 1. Cedar Woods Properties Overview**
- 2. FY2013 Highlights**
- 3. Financial Overview**
- 4. Operational Overview**
- 5. Market Conditions**
- 6. Company Outlook**

Strong property portfolio and mature land bank

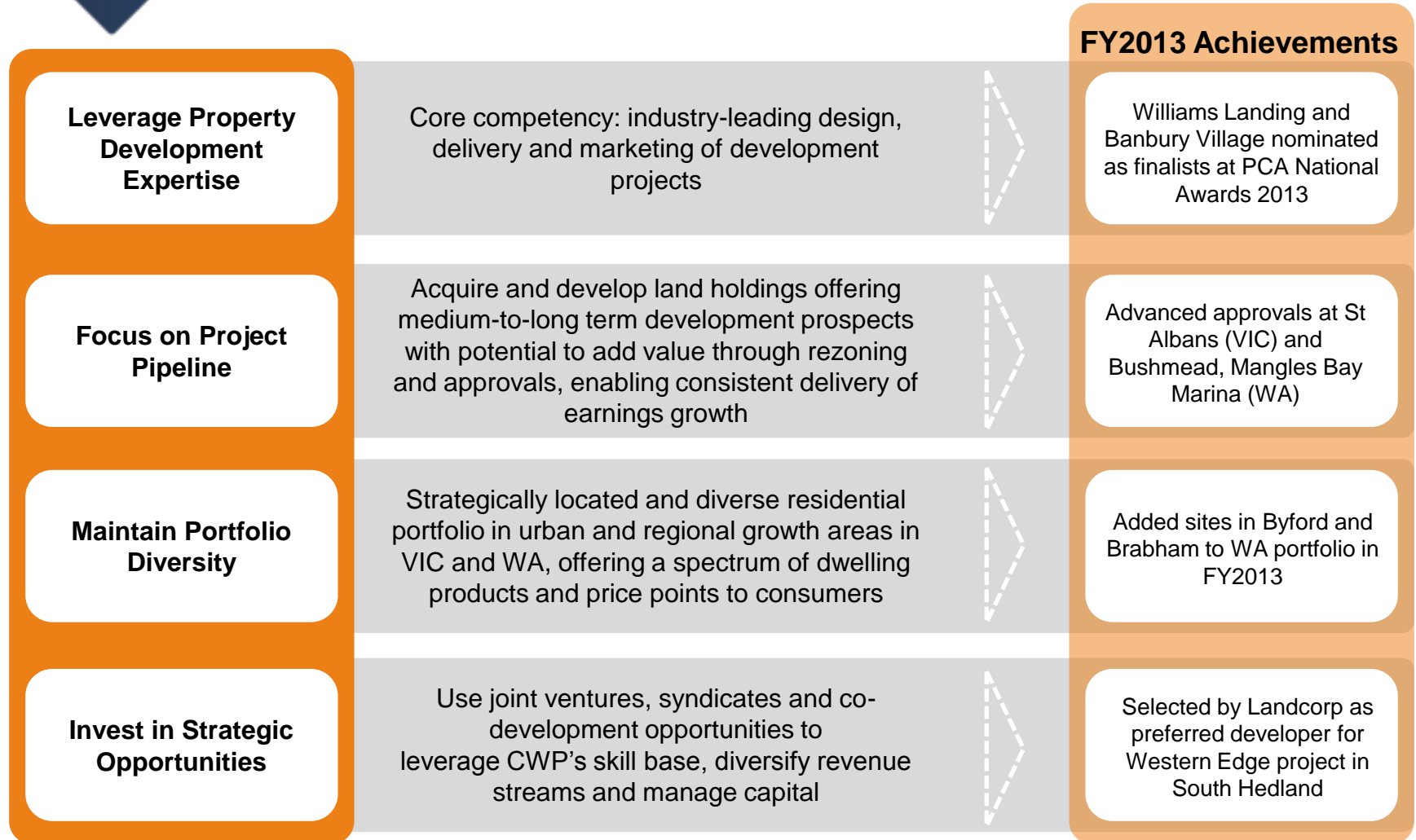


Investment highlights



- ▶ Proven track record of consistent earnings growth and meeting targets
 - 5-year Total Shareholder Return of 19.7% per annum
- ▶ 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
 - Close to transport infrastructure and other amenities
- ▶ Strong balance sheet and prudent gearing
- ▶ Capacity to fund acquisitions
- ▶ Attractive, fully-franked dividend yield
- ▶ Experienced and proven management team

Cedar Woods' strategy



Share price performance

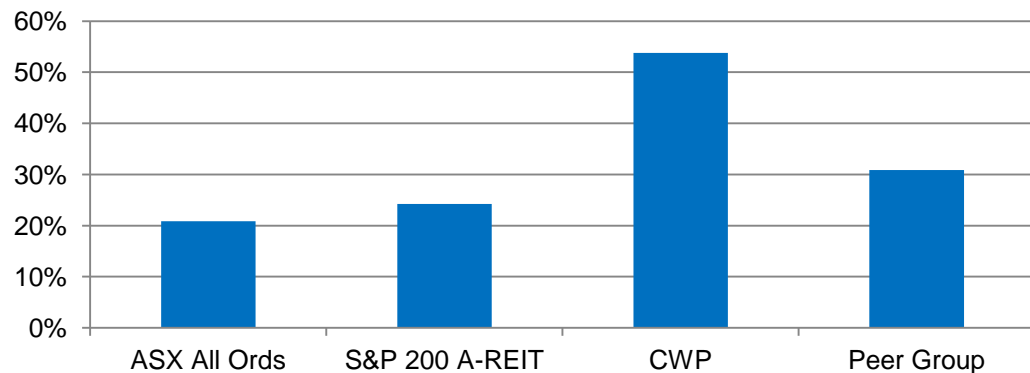
42% increase in share price during the financial year

54% FY13 total shareholder return

CWP Share price performance FY2013



FY2013 Total Shareholder Return








Financial overview



FY 2013 results highlights

- ▶ Record Net Profit After Tax of \$36.3 million
- ▶ Full year dividend payout ratio maintained at 50% of net profit: fully franked final dividend of 15 cents declared, taking full year payout to 26 cents fully franked
- ▶ Low gearing provides capacity to fund further acquisitions
- ▶ Total shareholder return of 54% in FY2013
- ▶ \$175 million in presales, predominantly due to settle in FY14
- ▶ Subject to current market conditions continuing, the company anticipates another record profit in FY2014

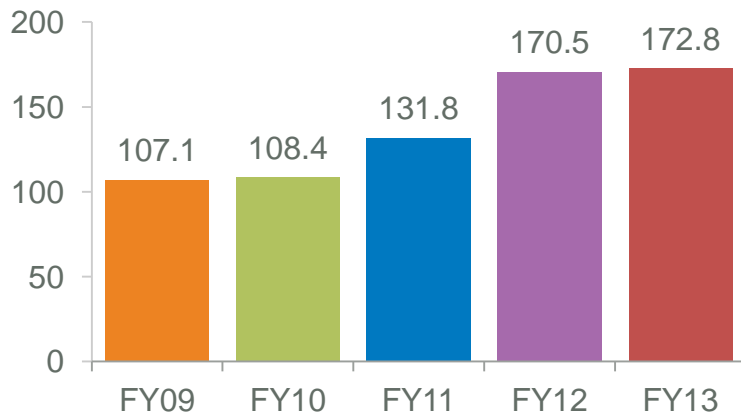
FY 2013 results summary

	FY13 (\$m)	FY12 (\$m)	Change (%)	
Revenue	172.8	170.5		1%
Profit before income tax expense	51.4	49.3		4%
Net profit after tax	36.3	34.3		6%
Earnings per share	49.9 cents	53.2 cents		6%
Dividends per share	26.0 cents	25.0 cents		4%

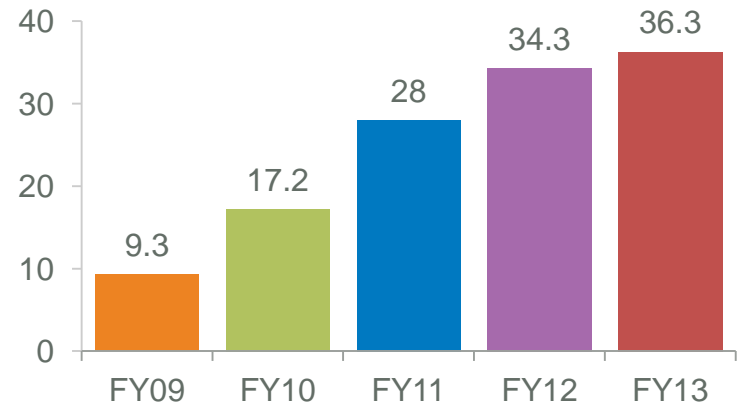
- ▶ Revenue slightly higher compared to FY2012 - different mix of contributing projects
- ▶ Overall gross margins consistent with FY2012
- ▶ NPBT up 4%. R&D tax concession reduced effective tax rate below 30%, lifts NPAT up 6%
- ▶ NPAT up 6% to a record of \$36.3m; EPS down 6% due to increased number of shares associated with May 2012 equity raising
- ▶ Final fully franked dividend of 15 cents takes full year payout to 26 cents

Track record of growth and balance sheet strength

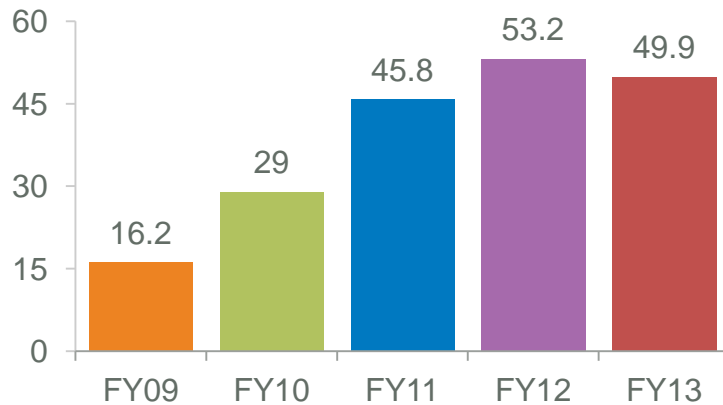
Revenue (\$m)



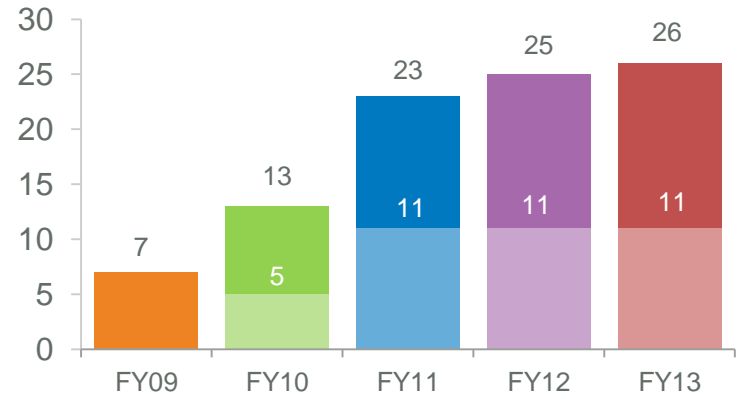
NPAT (\$m)



EPS (cents)

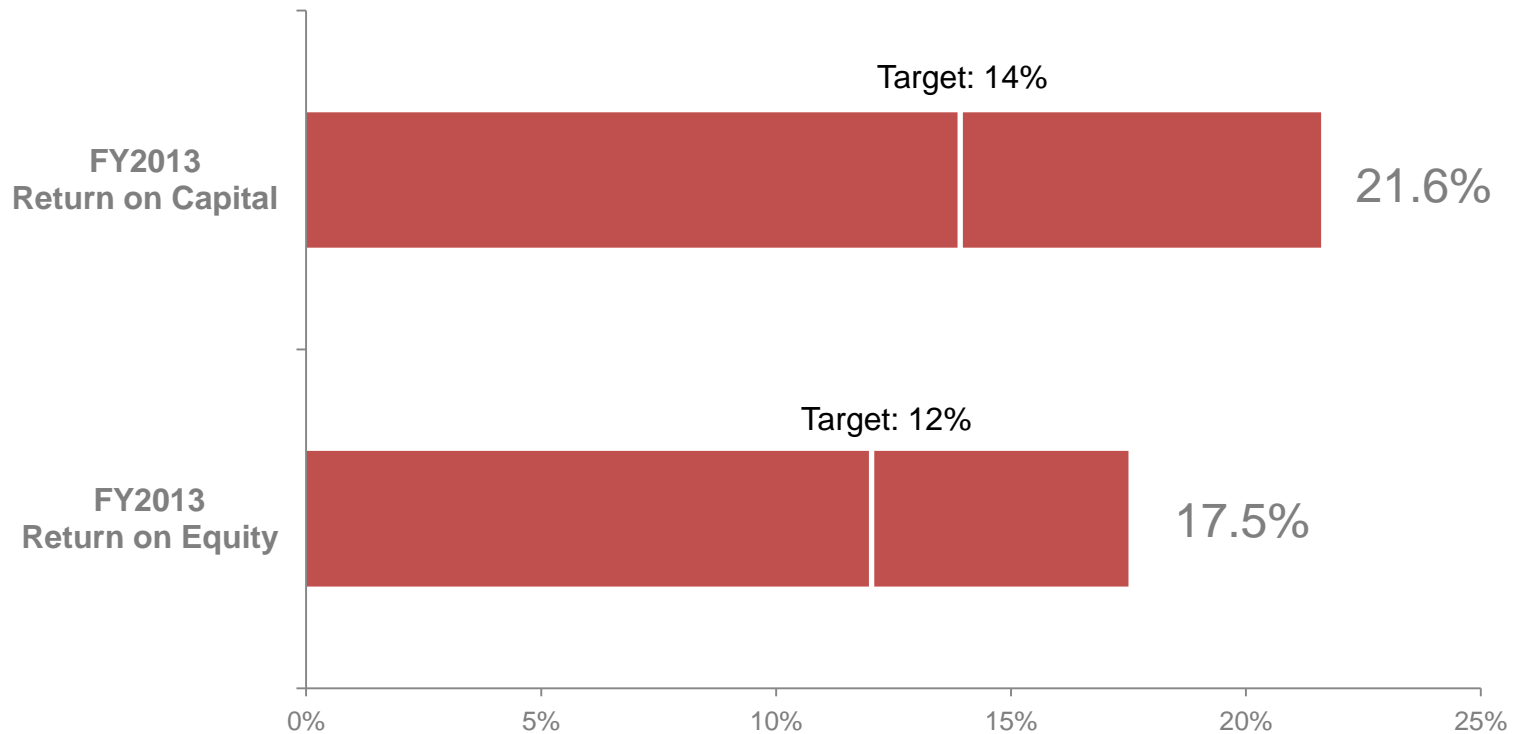


Total Dividend (cents)



*includes HY & FY total dividend

Return on Equity and Return on Capital

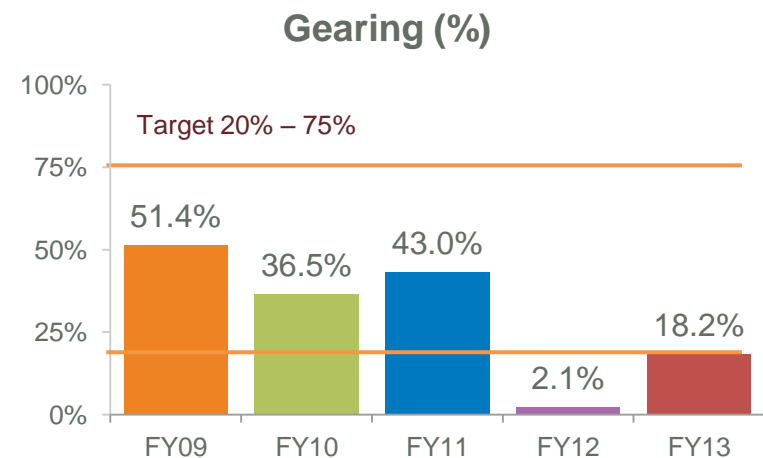
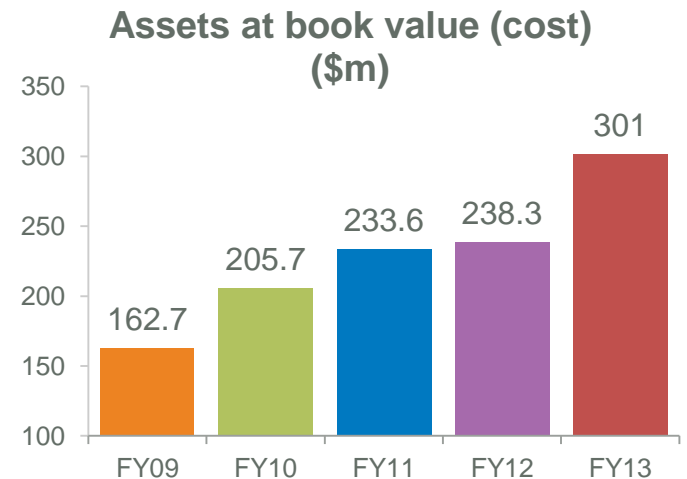


Balance sheet strength

	30 June 2013 \$m	30 Jun 2012 \$m
Total assets (book value)	301.0	238.3
Net bank debt	37.8	3.8
Net assets (equity)	207.8	184.6
Finance facility headroom	57.5	98.9
Net bank debt to equity	18.2%	2.1%
Interest cover	12.6x	8.8x
NTA/share *	\$2.83	\$2.56

*Note: NTA/share quoted is based on balance sheet carrying values of assets. Market value NTA/share substantially exceeds the carrying values.

¹ Gearing defined as net bank debt / book equity



Cash flow summary

Cash flows related to operating activities	FY13 \$m	FY12 \$m
Receipts from customers	186.1	184.3
Interest received	0.6	0.8
Payments to suppliers and employees	(43.5)	(38.6)
Borrowing costs – lower debt utilisation in FY13	(4.1)	(6.0)
Income taxes paid – higher instalment rate FY13	(18.6)	(9.9)
Payments for development – increase in WLTC, built form and new residential projects	(99.9)	(74.7)
Operating cash flow before acquisitions	20.6	55.9
Payments for new land acquisitions – Forrestdale, Brabham & Byford (FY12 – N. Baldivis)	(35.4)	(22.7)
Net operating cash flow	(14.8)	33.2

Operational overview



WA overview

- ▶ Strong sales at Emerald Park, Mariners Cove & Piara Central
- ▶ Construction of new stages underway at Elements, Emerald Park, Mariners Cove & The Rivergums to meet demand
- ▶ Regional projects performing well at South Hedland (Elements) and Geraldton (Batavia Marina Apartments)
- ▶ New projects at Byford and Brabham acquired in second half of FY2013 to supplement portfolio
- ▶ Appointed preferred developer of Landcorp's Western Edge project in South Hedland

WA project highlights

Existing Projects



Construction of stage 9 (76 lots) completed; strong sales experienced as Baldivis Secondary College now open



Construction of stage 5 (120 lots, mostly presold) progressing; estate has matured and established its market position



Construction of 2 stages on final island completed; sales have recovered as buyers trade up to lifestyle product



Construction of stages 1 (60 lots) and 2 (62 lots) completed and settling, further stage planned



Construction of 130 residential lots plus 6 group housing sites on program; settlements due in H2 FY2014



Construction of 54 apartments to complete in August; settlements commencing in H1 FY2014

Byford

32.3 hectare site in SE corridor acquired for \$6.5M; subdivision approval received for first 149 lots out of total of approximately 350 lots

Brabham

40 hectare site in NE corridor recently acquired for \$22.35M; potential for more than 350 lots; planning and approvals well advanced

New Projects

Acquisitions

Victorian overview

- ▶ Market improved in H2 FY2013, upgrade buyers active, strong sales in premium estates
- ▶ Significant progress at Williams Landing residential estate and Town Centre - new display village, train station and freeway interchange open
- ▶ Strong FY2013 sales at VIC projects
- ▶ Williams Landing and Banbury Village nominated as finalists at The Property Council of Australia 2013 National Awards
- ▶ Confidence continuing to improve across all market sectors, reducing incentives, incremental price growth

Victoria highlights

Existing
Projects



Construction of first stage of 7 homes completed, construction of Stages 2-6 underway; only one property remaining for sale in an estate of 78 homes.



Construction of final Heritage Apartment building and Stages 12,13 and 15 completed; enquiry and sales remain strong, new apartment product to be released offering a compelling value proposition.



Carlingford

Construction of Raingarden Reserve and Stage 7 completed; limited stock available, project is presenting very well.



New train station and freeway interchange open, key internal roads complete; Demand for residential lots has increased since completion of train station.

Masters Home Improvement store progressing well; due to open in FY2014. Plans being progressed to release further sites in town centre.

St. Albans

Rezoning progressing well, approval anticipated in H1 FY2014.

New
Project

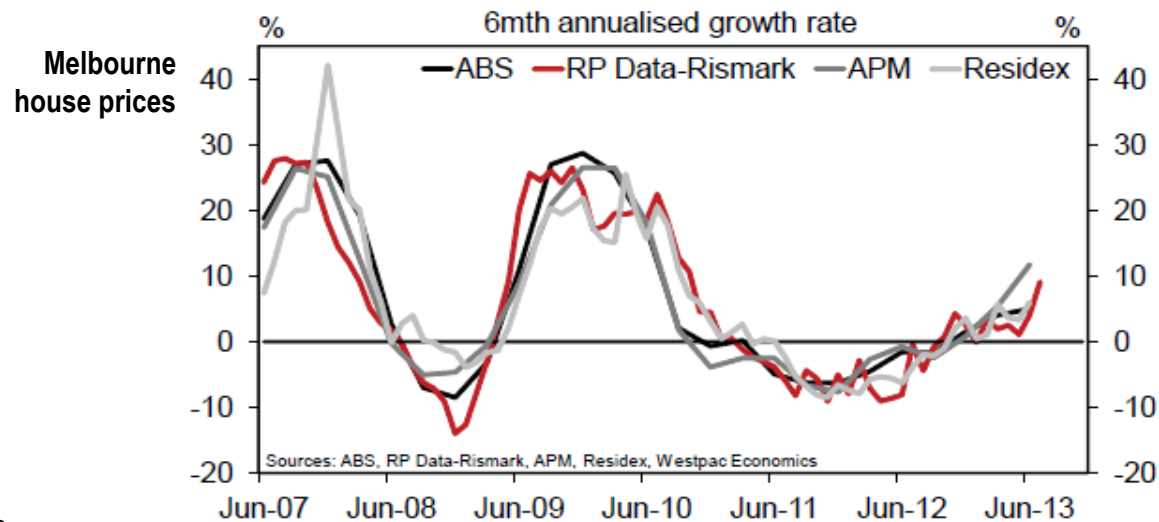
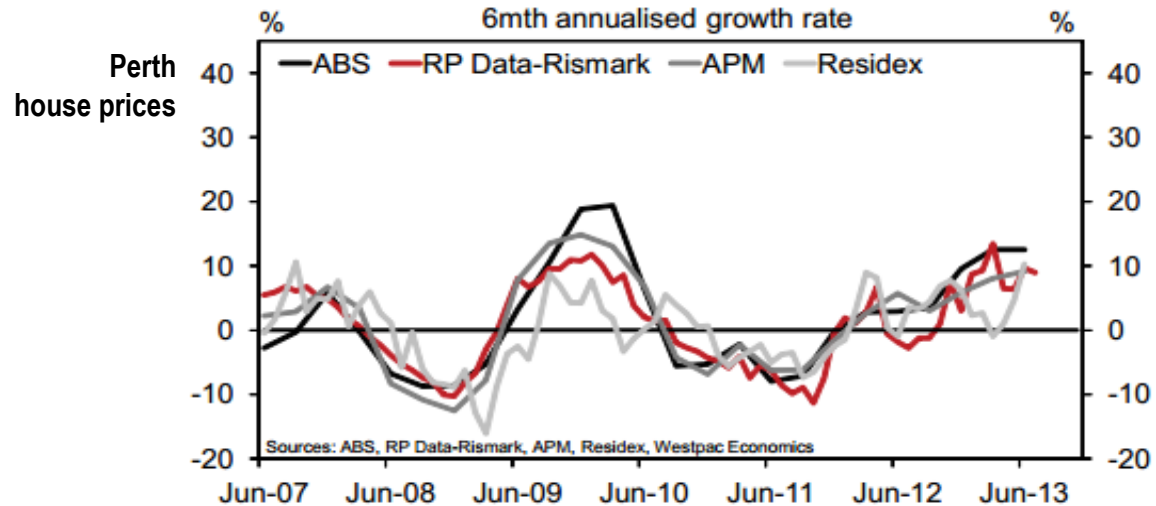
Market conditions and outlook



Market conditions

WA dwelling prices have increased by approximately 6% over the past 12 months

Prices in Melbourne increased approximately 5% in FY2013 as the market recovery continues

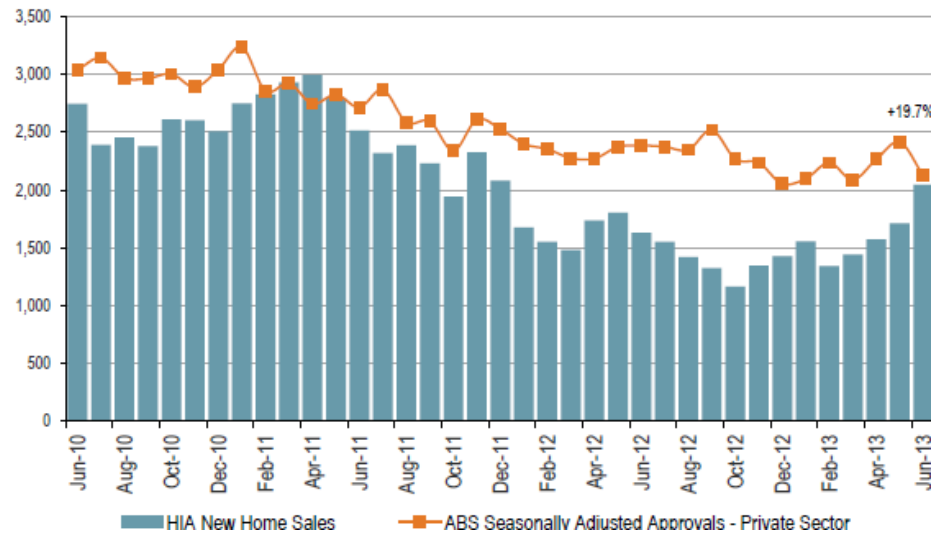


Market conditions

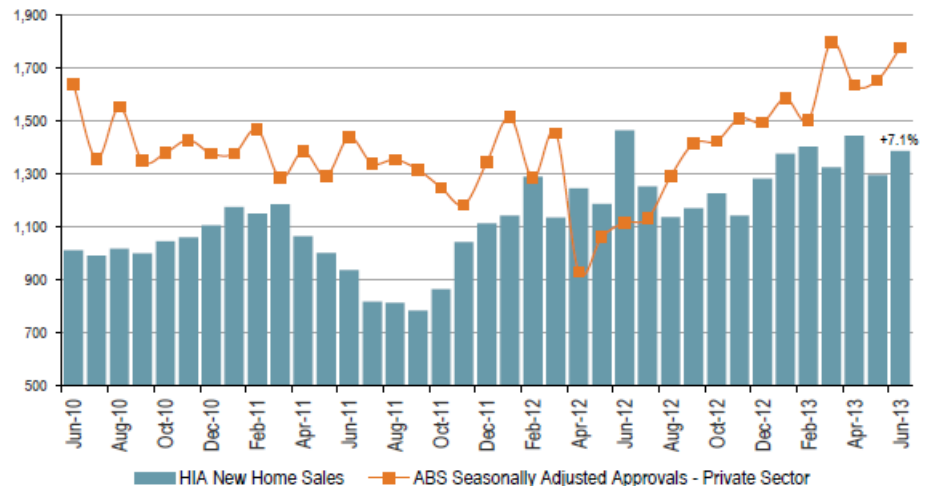
VIC market continues to recover, new home sales posting strong growth since low in Oct 2012

WA new home sales and approvals remain at healthy levels

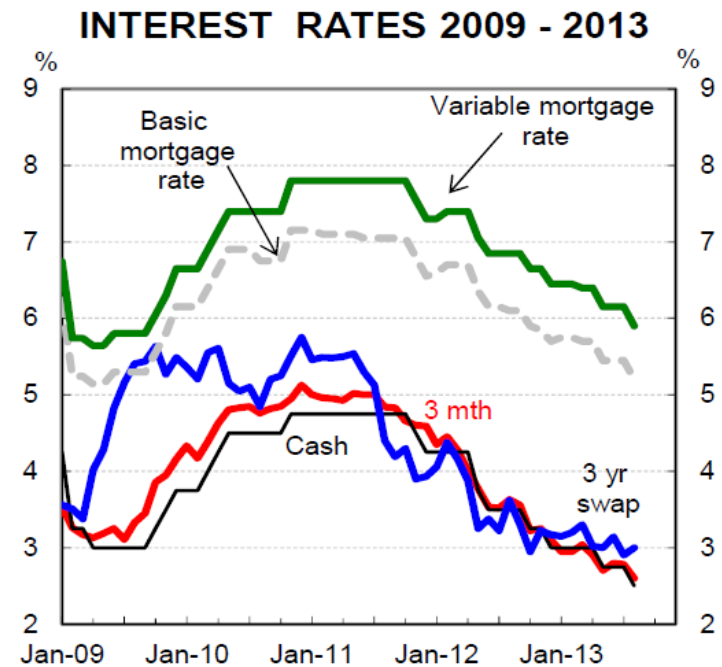
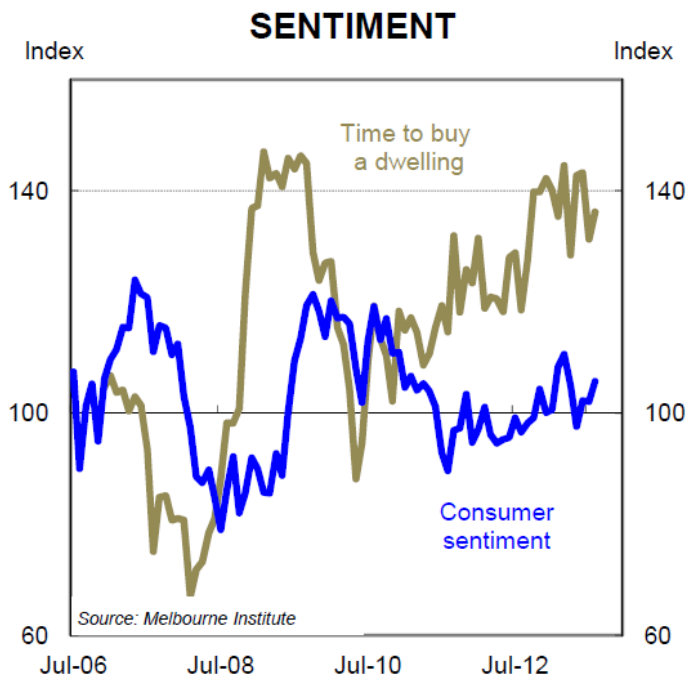
Private New Home Sales - VIC



Private New Home Sales - WA

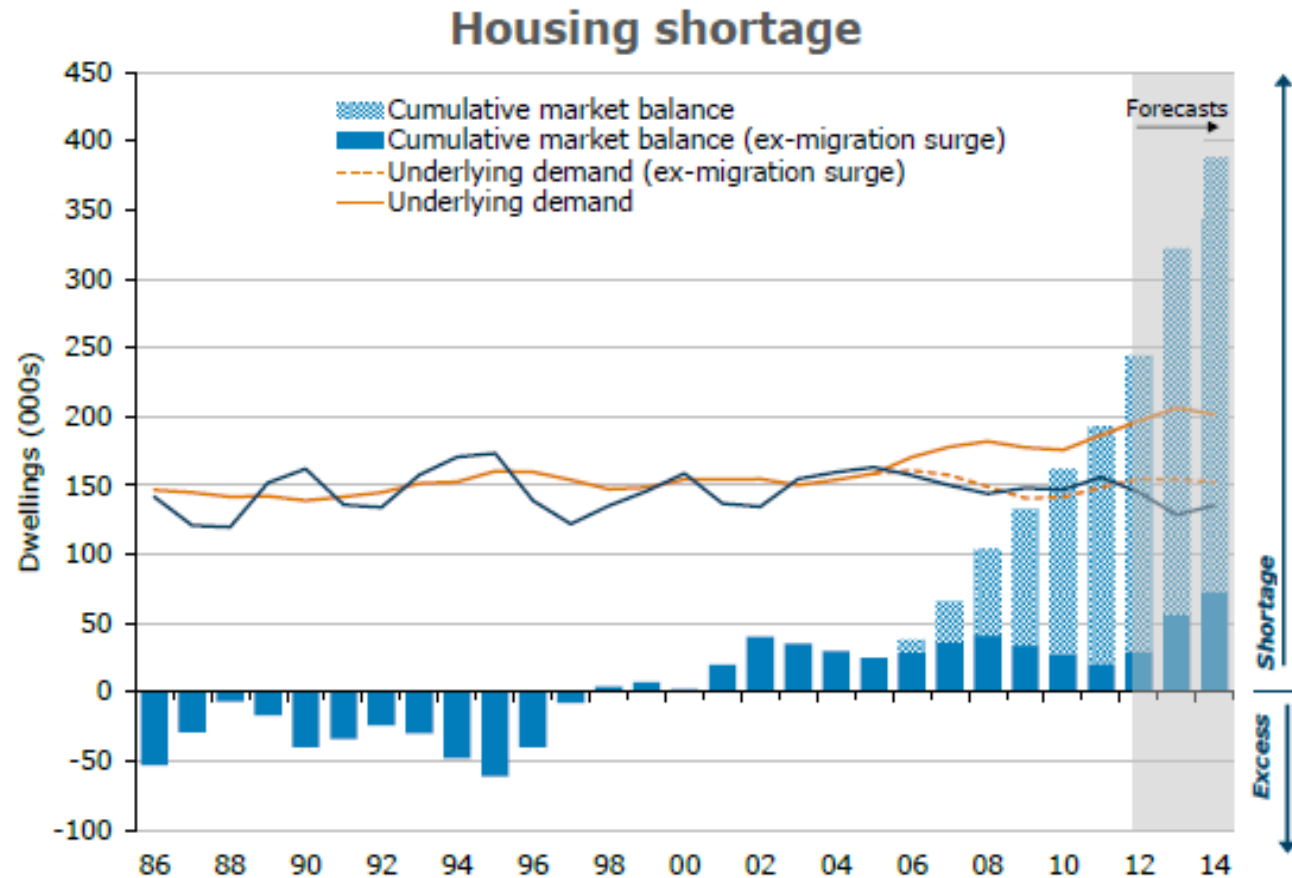


Market conditions



Market conditions

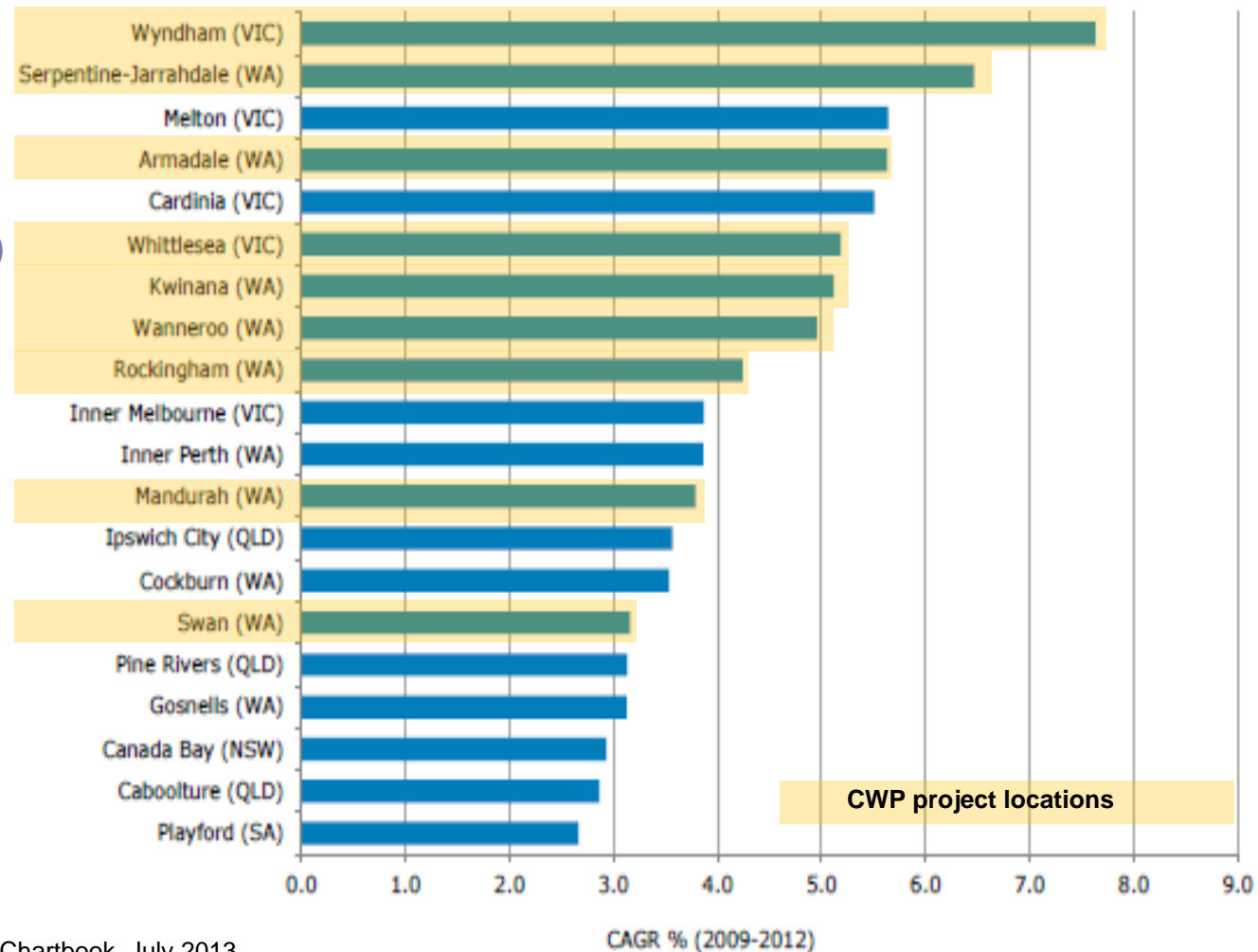
Ongoing shortage of new housing, forecast to increase significantly



Market conditions

Fastest growing city areas

Cedar Woods has projects in many of Australia's fastest growing urban areas



The year ahead

- ▶ Perth market is strong, Melbourne market is improving
- ▶ Ongoing progress at Williams Landing
 - Completion of Masters Home Improvement store and commencement of rental income during FY2014
 - Potential for developments to commence on other commercial and retail sites in town centre
- ▶ New projects contributing to FY2014 earnings – Elements, Carine and Sutton in WA; Camberwell in VIC
- ▶ New project acquisitions likely to bolster portfolio
- ▶ Progressing planning on recent acquisitions at Byford and Brabham to generate earnings for future years

FY2014 outlook

- ▶ \$175 million in presales underpinning a positive outlook for Cedar Woods; presales predominantly settling in FY2014
- ▶ Poised to unlock further value at Williams Landing Town Centre
- ▶ Subject to current market conditions continuing, Cedar Woods anticipates another record profit in FY2014

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APPENDIX



Sustainable Earnings from Long Term Projects

PROJECT NAME	CORRIDOR / LOCATION	PROJECT TYPE	LOTS / UNITS PROJECT	LOTS / UNITS REMAIN	PROJECT LIFE				
					FY14	FY15	FY16	FY17	FY18
WESTERN AUSTRALIA									
<i>Perth</i>									
The Jetty - Rockingham	South	Residential Land	16	2	█				
Sutton Farm - Mandurah	South	Canal	6	6	█				
Carine Rise - Carine	North West	Land, Houses, Apartments	43	43	█	█			
Emerald Park - Wellard	South West	Residential Land	627	286	█	█	█		
Piara Central - Piara Waters	South East	Residential Land	481	367	█	█	█		
The Brook - Byford	South East	Residential Land	350	350	█	█	█	█	█
Mariner Cove - Mandurah	South	Canal	900	150	█	█	█	█	█
The Rivergums - Baldivis	South West	Residential Land	1341	590	█	█	█	█	█
Harrisdale Green - Harrisdale	South East	Residential/Mixed Use	430	266	█	█	█	█	█
Brabham	North East	Residential Land	345	345	█	█	█	█	█
Waterline - Halls Head	South	Apartments	20	20	█	█	█	█	█
Mangles Bay - Rockingham	South	Marina/Mixed Use	TBC	TBC	█	█	█	█	█
North Baldivis	South West	Residential Land	850	850	█	█	█	█	█
Bushmead - Hazelmere	South East	Residential Land	750	750	█	█	█	█	█
Pinjarra	South	Residential Land	920	920	█	█	█	█	█
<i>Regional</i>									
Elements - South Hedland	Regional	Residential Land	150	150	█				
Batavia Coast - Geraldton	Regional	Apartments	54	54	█				
Western Edge - South Hedland	Regional	Residential Land	600	600	█	█	█	█	█
VICTORIA									
<i>Melbourne</i>									
Realm - Camberwell	South West	Residential Land	78	72	█	█	█	█	█
Banbury Village - Footscray	North West	Apartments & Houses	425	205	█	█	█	█	█
Carlingford	North East	Houses	641	182	█	█	█	█	█
Williams Landing	South West	Residential	3000	2022	█	█	█	█	█
St Albans	North West	Houses	180	180	█	█	█	█	█
Williams Landing Town Centre	Inner West	Retail/Mixed Use	NA	NA	█	█	█	█	█

Project yields are indicative and subject to change.

Cedar  Woods

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Award Winning Developer