

6 September 2013

Australian Securities Exchange Limited  
Exchange Centre  
Level 4  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

In advance of an East coast investor roadshow to be conducted from 9 to 11 September 2013, please find attached the investor presentation.

Yours faithfully



**Paul Freedman**  
**COMPANY SECRETARY**

9 September 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**

# 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

## Leverage Property Development Expertise

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



## FY2013 Achievements

Williams Landing and Banbury Village nominated as finalists at PCA National Awards 2013

## 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



Advanced approvals at St Albans (VIC) and Bushmead, Mangles Bay Marina (WA)

## Maintain Portfolio Diversity

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



Added sites in Byford and Brabham to WA portfolio in FY2013

## Invest in Strategic Opportunities

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



Selected by Landcorp as preferred developer for Western Edge project in South Hedland






# 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

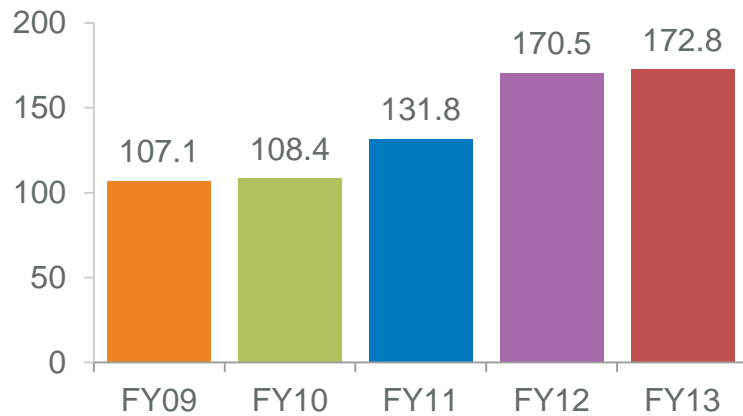
	FY13 (\$m)	FY12 (\$m)	Change (%)	
Revenue	172.8	170.5		1%
Profit before income tax expense	51.4	49.3		4%
Net profit after tax	36.3	34.3		6%
Earnings per share	49.9 cents	53.2 cents		6%
Dividends per share	26.0 cents	25.0 cents		4%

- ▶ 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

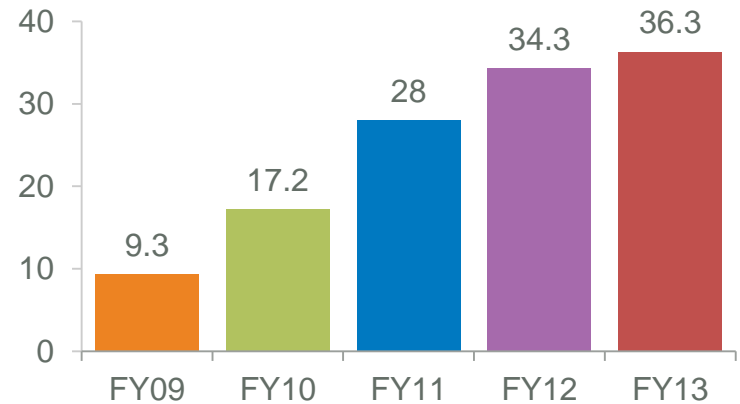


# Track record of growth and balance sheet strength

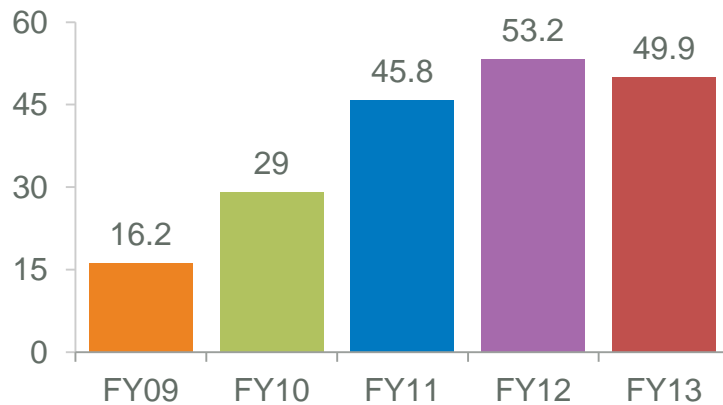
### Revenue (\$m)



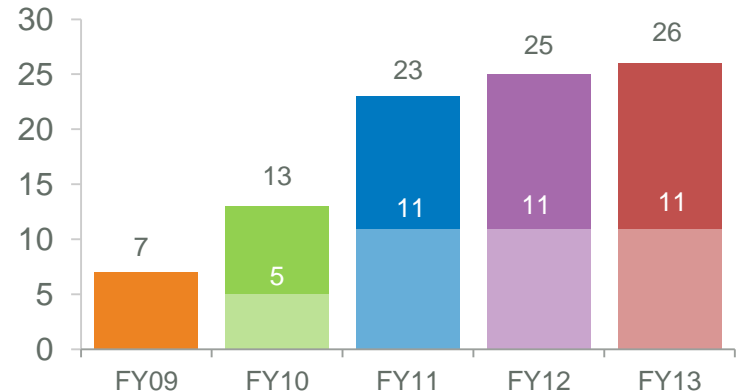
### NPAT (\$m)



### EPS (cents)



### Total Dividend (cents)



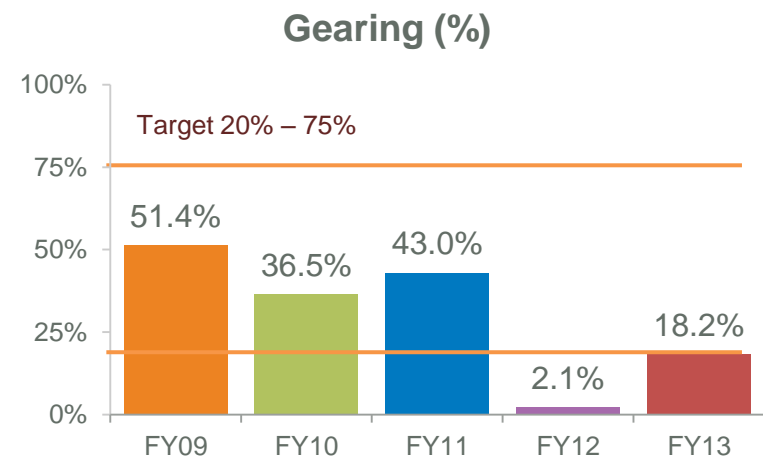
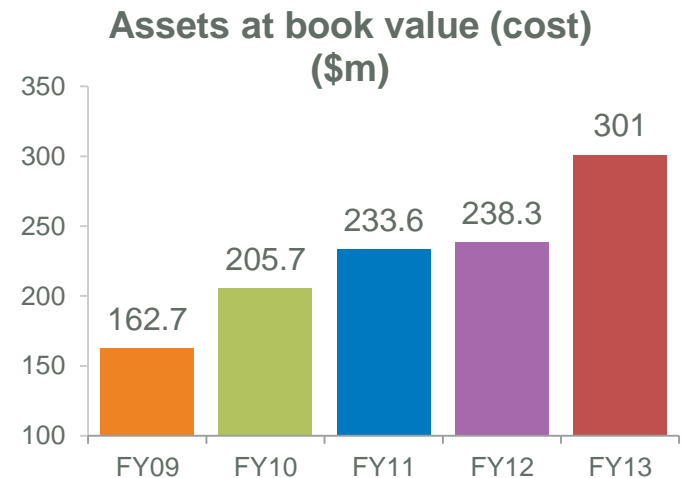
\*includes HY & FY total dividend

# 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.

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



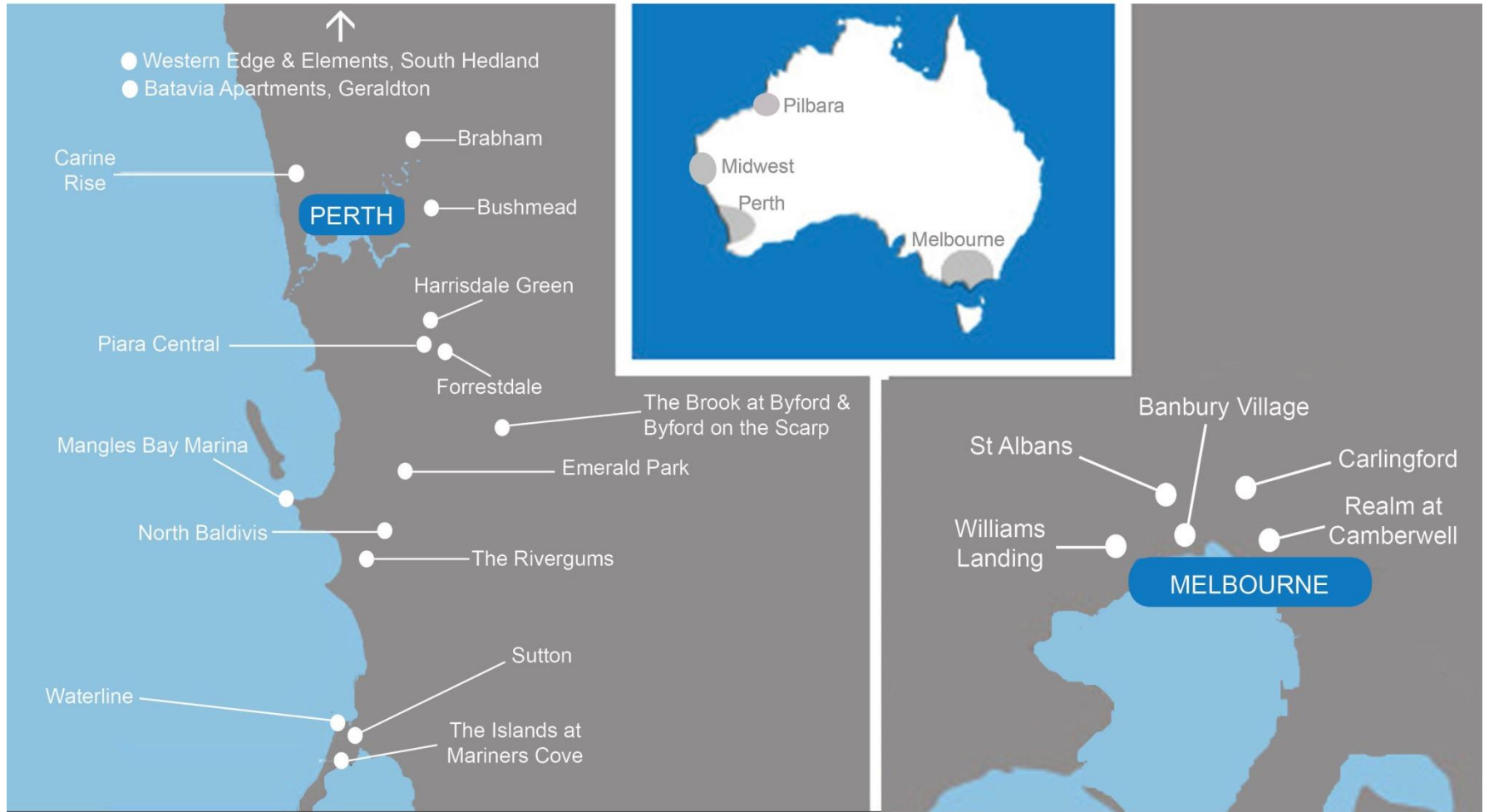
# Cash flow summary

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)
<b>Operating cash flow before acquisitions</b>	<b>20.6</b>	<b>55.9</b>
<b>Payments for new land acquisitions – Forrestdale, Brabham &amp; Byford (FY12 – N. Baldivis)</b>	<b>(35.4)</b>	<b>(22.7)</b>
<b>Net operating cash flow</b>	<b>(14.8)</b>	<b>33.2</b>

# Operational overview



# Strong property portfolio and mature land bank



# WA project highlights

## Existing Projects



Construction of stage 9B (61 lots) completed; strong sales experienced, Baldivis Secondary College now open



Construction of stage 5 (104 lots, mostly presold) complete; 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 commenced July 2013; settlements anticipated in H2 FY2014



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 completed in September; settlements commencing in H1 FY2014

## New Projects

# WA acquisitions – Byford

## Acquisitions

### The Brook at 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.  
Construction commencing November 2013, settlements commencing H2 FY2014.

### Byford on the Scarp

35.3 hectare site acquired for \$9.3M; subdivision approval received for 76 lots out of total of approximately 320 lots.  
Construction currently underway, settlements commencing H2 FY2014.

**The Brook at Byford**  
Target buyer segment:  
1st homebuyers,  
average price approx.  
\$170,000

**Byford on the Scarp**  
Target buyer segment:  
upgraders, average  
price approx. \$200,000



The Brook at Byford



Byford on the Scarp

# WA acquisitions – Brabham

## Acquisitions

Target buyer segment:  
1st / 2nd homebuyers,  
average price approx.  
\$250,000

Brabham

40 hectare site in NE corridor recently acquired for \$22.35M; potential for over 350 lots; planning and approvals well advanced, construction to commence late 2014, settlements to commence FY2015.



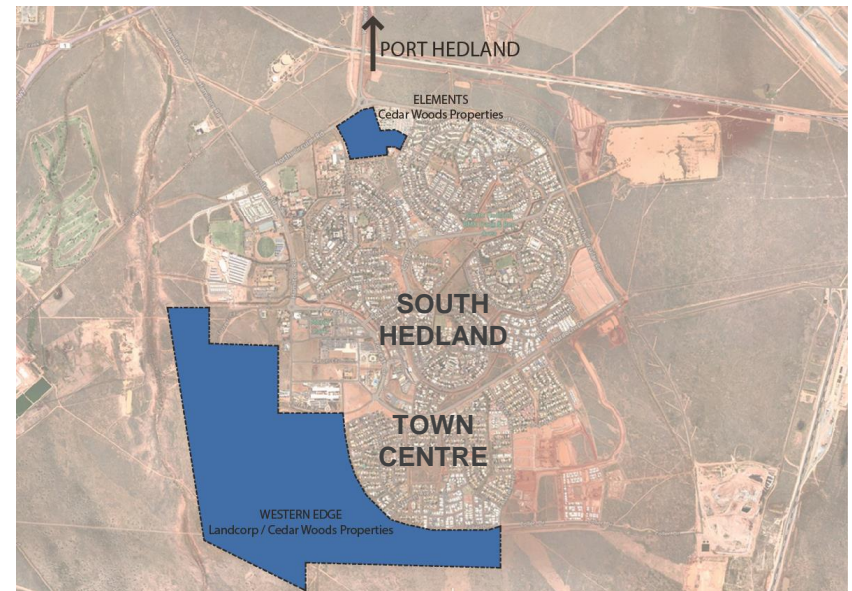


# WA – Western Edge

Development Agreement

Western Edge

Up to 226 ha to be developed in stages to meet market demand. Preferred developer with LandCorp. First phase of 600 lots requires 12 months for planning approvals.



# 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

# Victoria highlights

Williams Landing train station



Masters store construction



Realm at Camberwell



Banbury Village heritage apartments



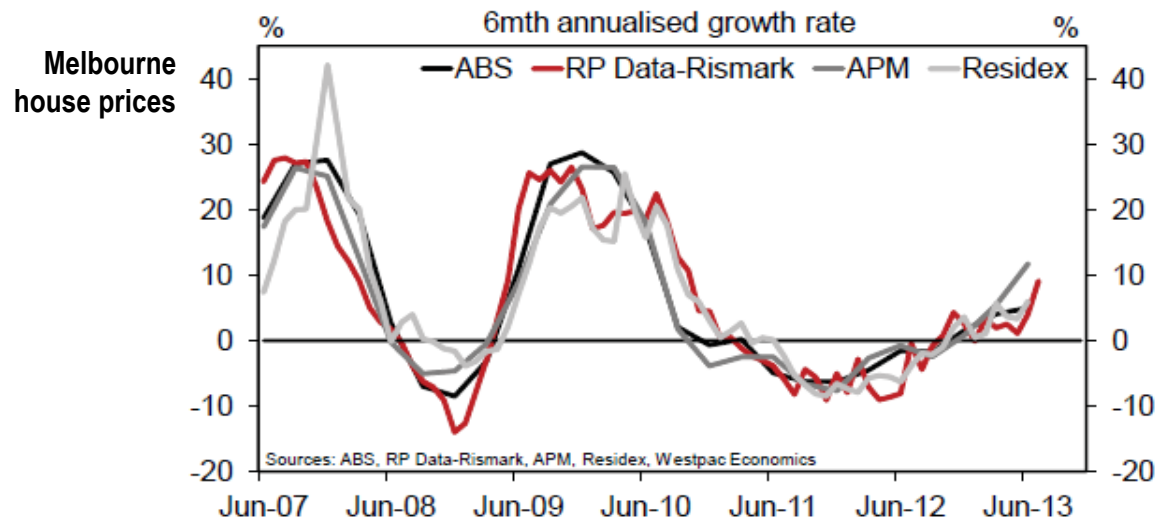
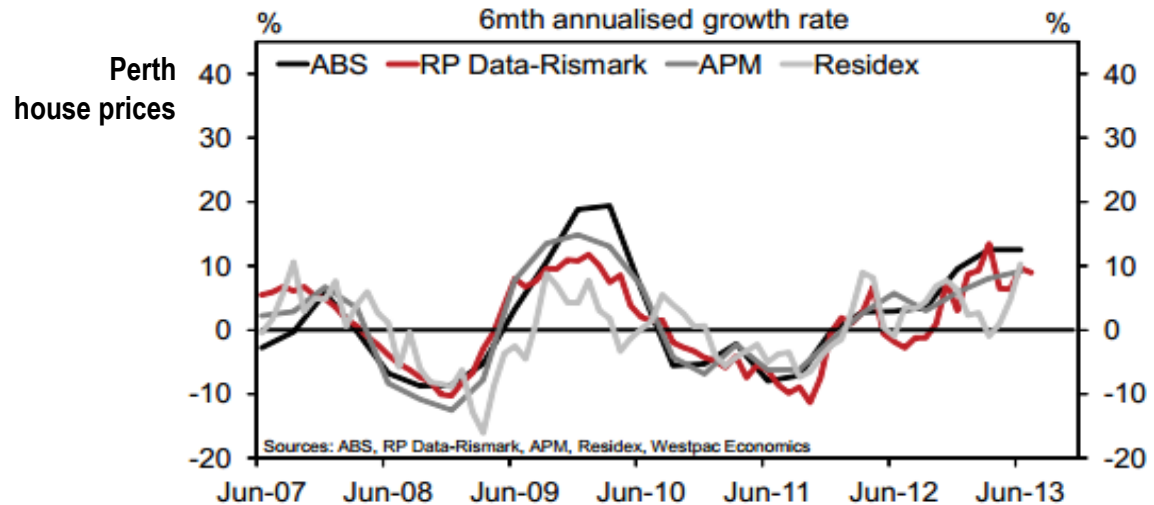
# Market conditions and outlook



# 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

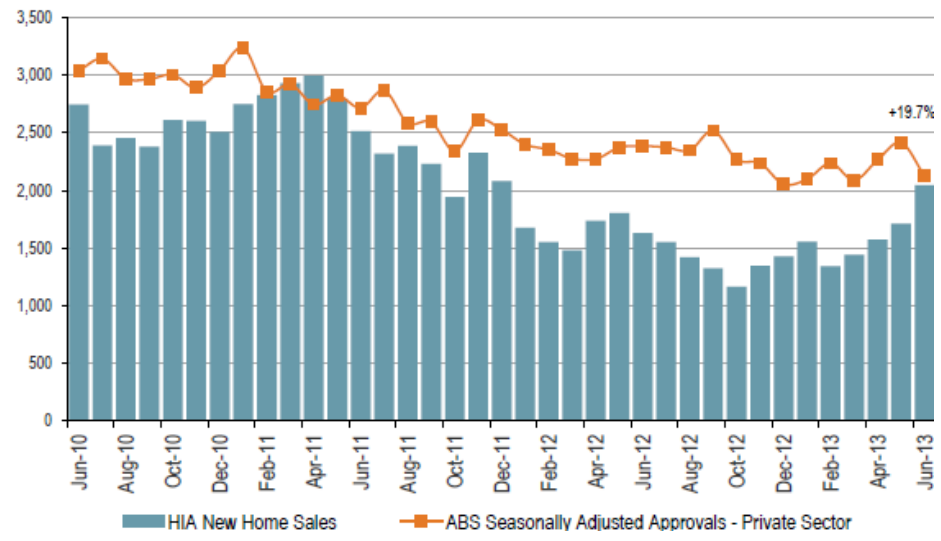


# Market conditions

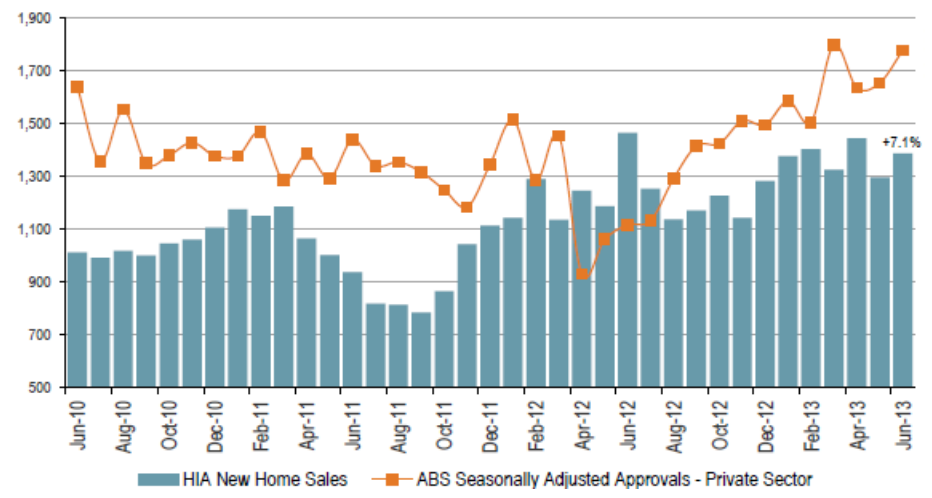
VIC market continues to recover, new home sales posting strong growth since low in Oct 2012

WA new home sales and approvals remain at healthy levels

**Private New Home Sales - VIC**

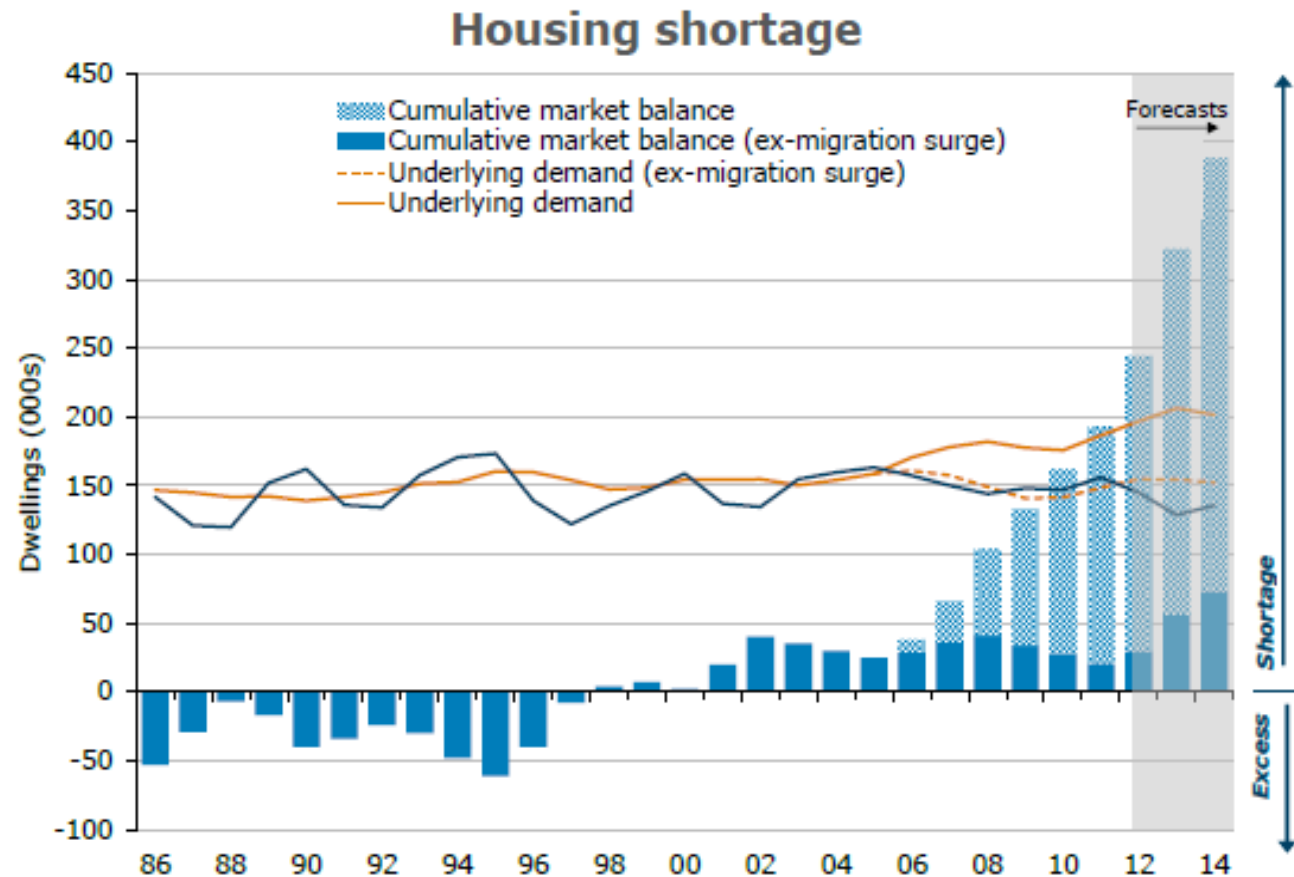


**Private New Home Sales - WA**



# Market conditions

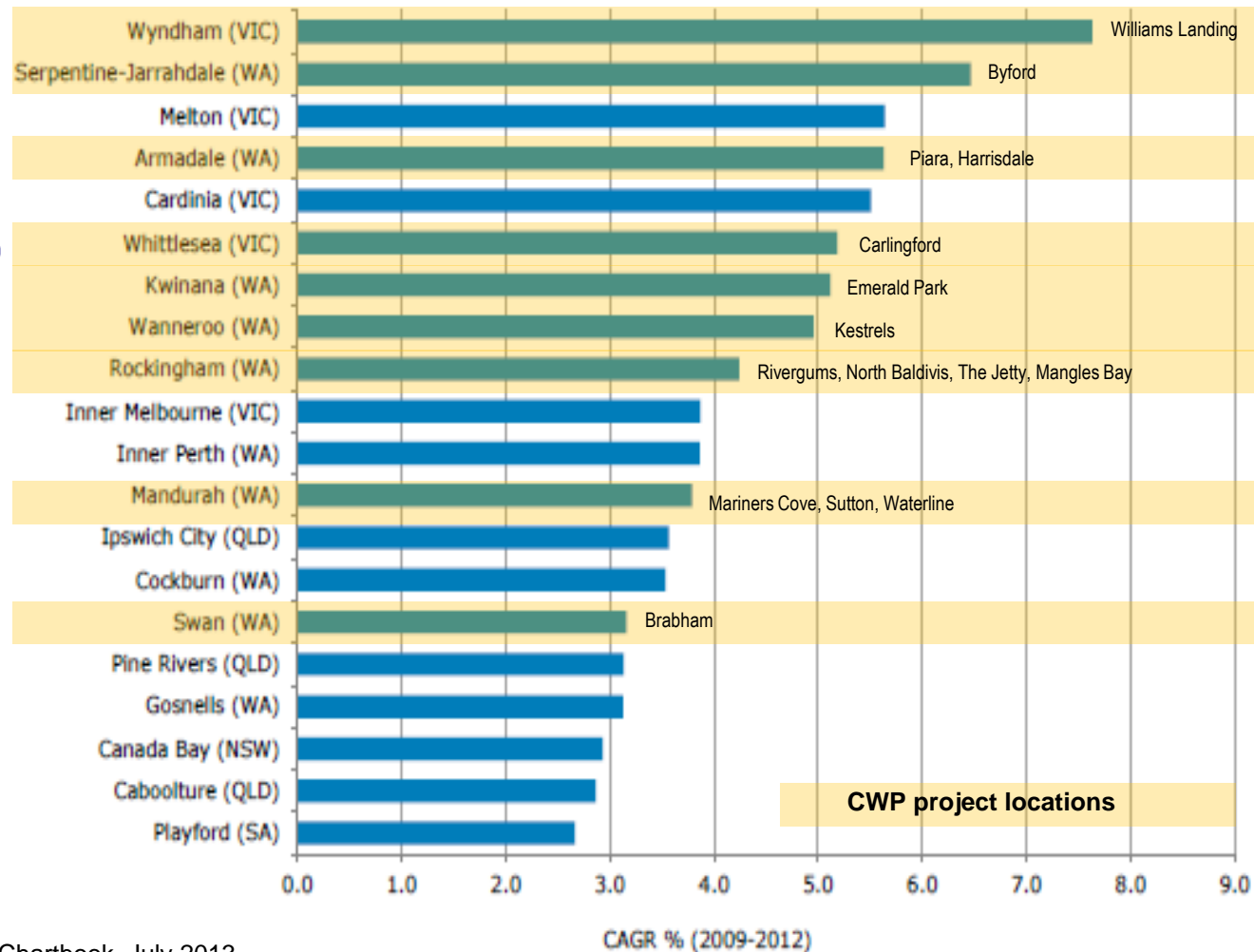
Ongoing shortage of new housing, forecast to increase significantly



# 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
- ▶ Progressing planning on recent acquisitions at Byford and Brabham to generate earnings for future years
- ▶ New project acquisitions likely to bolster portfolio

# 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

# Disclaimer

## Disclaimer of liability

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# APPENDICES



# Sustainable Earnings from Long Term Projects

DEVELOPMENT & SALES

PLANNING/DESIGN

LEASING, DEVELOPMENT, SALES

PROJECT NAME	CORRIDOR / LOCATION	PROJECT TYPE	LOT/UNITS PROJECT	LOTS/UNITS REMAIN	PROJECT LIFE				
					FY14	FY15	FY16	FY17	FY18
<b>WESTERN AUSTRALIA</b>									
<b>Perth</b>									
The Jetty - Rockingham	South	Apartments	16	2					
Sutton Farm - Mandurah	South	Canal	6	6					
Carine Rise - Carine	North West	Residential / Mixed Use	43	43					
Emerald Park - Wellard	South West	Residential Land	627	286					
Piara Central - Piara Waters	South East	Residential Land	481	367					
The Brook at Byford	South East	Residential Land	350	350					
Byford on the Scarp	South East	Residential Land	320	320					
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	Townhouses	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					
<b>Regional</b>									
Elements - South Hedland	Pilbara	Residential Land	150	150					
Batavia Coast - Geraldton	Mid-West	Apartments	54	54					
Western Edge - South Hedland	Pilbara	Residential Land	600	600					
<b>VICTORIA</b>									
<b>Melbourne</b>									
Realm at Camberwell	South West	Residential Land	78	72					
Banbury Village - Footscray	North West	Apartments & Houses	425	205					
Carlingford - Lalor	North East	Residential Land	641	182					
Williams Landing	South West	Residential Land	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

# Share price performance

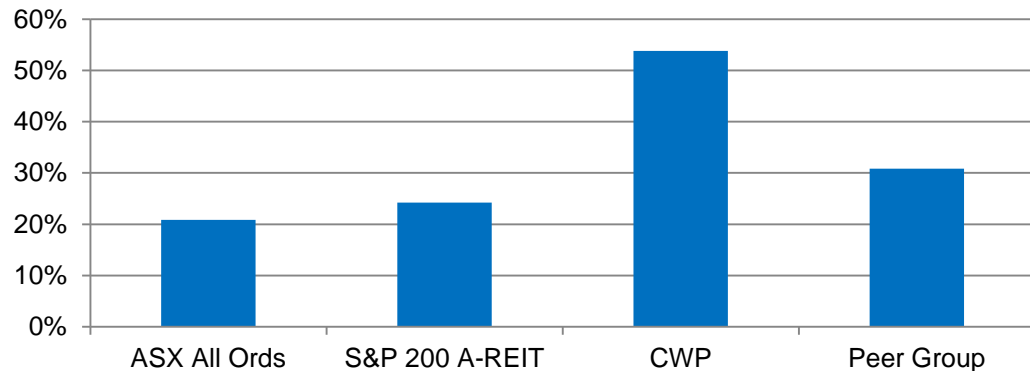
42% increase in share price during the financial year

54% FY13 total shareholder return

### CWP Share price performance FY2013



### FY2013 Total Shareholder Return



Cedar  Woods

PROPERTIES LIMITED

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**Award Winning Developer**