

# ASX Announcement and Media Release

6 May 2014



## Cedar Woods Properties Limited

### ASX Code: CWP

- Expansion into South East Queensland consistent with Cedar Woods' ongoing strategy.
- Large-scale master-planned community to be developed at Upper Kedron; to deliver more than 1,000 lots over approximately 10 years.
- Placement to institutional and sophisticated investors raises \$25 million at \$6.80 per share.
- Equity Raising to provide capital for acquisition of major Brisbane project, Upper Kedron, for \$68 million plus GST over four and a half years.
- Share Purchase Plan to raise up to a further \$5 million to be offered to eligible existing shareholders at \$6.80 per share.

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## Cedar Woods expands into South East Queensland with significant Brisbane acquisition

### Company successfully raises \$25 million via share placement and announces a \$5 million share purchase plan

Cedar Woods Properties Limited (ASX: CWP) has reached an agreement to purchase a major development site in Brisbane, Upper Kedron, and has successfully raised \$25 million via a share placement to institutional and sophisticated investors to provide capital for the acquisition and to maintain a strong balance sheet.

The Upper Kedron site comprises 227 hectares (ha), 13 kilometres west of Brisbane's CBD, and marks Cedar Woods' entry into the South East Queensland property market.

Cedar Woods will pay \$68 million plus GST over four and a half years for the project, which is under contract and due to settle on 28<sup>th</sup> May 2014.

Cedar Woods will develop a master-planned residential community on the site, providing more than 1,000 lots over 10 years. The acquisition will be funded by the share placement and Cedar Woods' current corporate debt facilities, maintaining the company's conservatively geared balance sheet.

#### Upper Kedron Acquisition

The acquisition of the Upper Kedron site is consistent with Cedar Woods' strategy of growing and developing its national portfolio, diversified by geography, product type and price point.

Cedar Woods' Managing Director, Paul Sadleir, said: "Upper Kedron offers Cedar Woods the ideal opportunity to enter South East Queensland, which is a major market and one which is forecast to grow strongly in the coming years.



We have applied a disciplined and patient approach to assessing opportunities in the Brisbane area and Upper Kedron has the key characteristics to fit into Cedar Woods' overall development pipeline and enhance our ability to deliver consistent earnings growth.

"The population of Brisbane is expected to grow strongly, the project is close to transport infrastructure and other amenities, and there are no other major master-planned development sites in the Brisbane City area – all factors which make Upper Kedron an attractive proposition and consistent with Cedar Woods' selection criteria."

Cedar Woods plans to develop a high-quality development at Upper Kedron to attract a mix of buyer segments, with particular focus on second and third home buyers. Planning for the site is underway and Cedar Woods expects to begin construction in 2015 with first settlements in 2016.

"This acquisition mirrors the approach Cedar Woods adopted when entering the Victorian market in 1998, when we purchased a significant project in Williams Landing to provide a beachhead into the state, and then grew the portfolio over the proceeding years. We will draw on this experience in South East Queensland, where we plan to grow our portfolio in a measured way over time," said Mr Sadleir.

Cedar Woods' State Manager for Victoria, Nathan Blackburne, will have an expanded role and lead the company's growth into South East Queensland, with a strong team of consultants already appointed and local staff which are to be added in the coming months.

Mr Blackburne, said: "Upper Kedron will be an outstanding master-planned community. As the only remaining large-scale development site in the Brisbane City area, we expect strong demand from a range of buyer segments, and particularly those upgrading to larger and higher-quality homes.

"Cedar Woods has a strong track-record of working in partnership with state and local authorities to deliver positive, sustainable project outcomes and we aim to do the same on the Upper Kedron site."

Cedar Woods' planning for the site includes provision for designated areas to be handed back to Brisbane City Council (BCC). The areas contain substantial bushland areas which will add to the quality and character of the master-plan.

Brisbane City Lord Mayor Graham Quirk said "Brisbane City Council welcomes the entry of major listed developer Cedar Woods to Brisbane with the purchase of the Upper Kedron site. The development will be a significant project for the City. It will provide well located housing supply with-in a short distance of the CBD and create substantial employment for Brisbane.

"Brisbane City Council looks forward to working with Cedar Woods in the next phase of the project and with the aim of creating a high quality master planned community for the City. This will include a significant portion of land being handed back to the people of Brisbane for conservation and recreational purposes."



## Share Placement

Cedar Woods has successfully placed 3.7 million new shares to raise \$25 million before costs. New shares will be issued at \$6.80 per share, which represents:

- 3 per cent discount to last traded price
- 3.8 per cent discount to the ten day volume weighted average price (VWAP)
- 8.2 per cent discount to the thirty day VWAP

The raising was conducted within the discretionary capacity of Cedar Woods' Board of Directors and was placed to institutional and sophisticated investors by Euroz Securities Limited, Morgans Financial Ltd and Blackswan Equities. The placement, which was heavily oversubscribed, was well supported by existing institutional shareholders and allowed the introduction of a number of new institutional shareholders onto the company's share register.

## Shareholder Purchase Plan

Cedar Woods has also opened a Shareholder Purchase Plan (SPP) for eligible existing shareholders to participate in the equity raising, with shares offered at \$6.80 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 who were registered holders of shares on 5 May 2014 (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 shareholders in due course. An indicative timetable is below:

SPP Record Date	5 May 2014
Announcement of SPP	6 May 2014
Dispatch SPP Offer Documents to Shareholders	14 May 2014
SPP Offer Close Date	11 June 2014

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