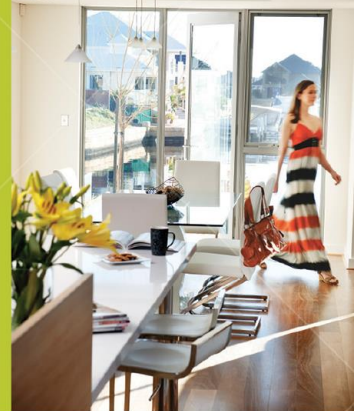


ASX Announcement and Media Release

14 October 2014

Cedar Woods



Cedar Woods Properties Limited

ASX Code: CWP

- Pre-sales (including lots settled in the first quarter) increased to \$170 million from \$139 million as reported at FY2014 results
- Demand and sales activity remains strong across WA and VIC portfolio
- Mangles Bay Marina Project receives final environmental approval, allowing it to proceed to the planning phase
- FY2015 earnings to be strongly weighted to the second half of the financial year, due to the timing of projects

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First Quarter FY2015 Operational Update

Cedar Woods Properties Limited (ASX: CWP) has experienced a positive start to the 2015 financial year (FY2015), recording strong sales across its portfolio of active projects and advancing construction and planning at a number of key development sites.

Sales and marketing activity in the first quarter has increased pre-sales (including lots settled in the first quarter) from \$139 million, as reported at the FY2014 full year financial results, to \$170 million to date, with the majority due to settle in the current financial year.

Based on current market conditions continuing, the company anticipates delivering a net profit after tax for FY2015 at least in line with FY2014's record profit of \$40.3 million.

West Australian Projects

The West Australian residential property market continues to be backed by strong fundamentals. According to the latest Australian Bureau of Statistics (ABS) figures, WA remains home to the country's fastest growing population. Demand for housing, particularly in the Perth metropolitan area, is robust.

Cedar Woods has projects in many of the state's fastest-growing corridors. During the first quarter the company recorded strong sales and enquiry levels across a number of its developments.

At the Rivergums in Baldivis, construction of Stage 10B commenced in the first quarter and sales activity progressed steadily.

The final lots at Carine Rise, a co-development between Cedar Woods, the St Ives Group and LandCorp in Perth's middle-northern suburb of Carine, were sold and settled during the first quarter.

Since the official opening of the Elements project in South Hedland, Cedar Woods has completed and settled almost all of the project's 140 lots, with just a few lots remaining, which are expected to be sold and settled over the balance of the financial year.



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Construction at The Brook at Byford continued during the first quarter, with civil works nearing completion for Stage 1 and landscaping set to begin. Settlements at The Brook at Byford Stage 1 are scheduled to commence by the end of the month.

Cedar Woods' Bushmead project in Hazlemere, 16 kilometres from Perth's CBD, secured Metropolitan Regional Scheme approval, rezoning the land for 'urban' use, a major project milestone. Work will now begin on further town planning at a local council level. Construction is set to commence in FY2016, with the site expected to deliver approximately 750 homes, depending on lot sizes and planning outcomes.

The Mangles Bay Marina project in Rockingham, a co-development with LandCorp, Western Australia's Land Development Agency, was granted Federal Department of Environment approval on 3 October 2014. This now concludes the environmental assessment process and it will now proceed to the planning phase. The Mangles Bay Marina development plans include up to 500 residential lots, a marina for up to 500 boats, and a tourism hub with restaurants, commercial uses, approximately 250 apartments and short-term accommodation.

Victorian Projects

Sales and enquiries across Cedar Woods' portfolio of active Victorian projects were strong over the first quarter. New releases at a number of projects have sold well, reflecting the state's positive residential market conditions. Sale prices continued to increase during the quarter, albeit at a slower rate than in the past 12 months.

Sales of residential lots at the company's landmark Williams Landing project progressed well and prices grew during the quarter, continuing the trend of the past year. Six stages are currently under construction which will complete and settle in FY2015 and FY2016, building the project's pipeline. Planning for the mixed-density Addison neighbourhood, which is adjacent to the Town Centre and will contain a blend of traditional lots, townhouses and apartments, also advanced during the first quarter.

The Williams Landing Town Centre continues to be a major driver for residential sales at the project. Management is working on plans to roll out other commercial sites within the Town Centre, to ensure the project delivers steady returns over time. This will entail a combination of developments by Cedar Woods and land sales to others for uses that will add activity to the Town Centre.

The leasing program for the specialty shops at Williams Landing shopping centre has progressed, with only a small number of tenancies yet to be leased. The construction program is on schedule and the opening for the centre, which is anchored by a Woolworths store, is set for early December 2014.

During the first quarter, Cedar Woods advanced planning at its St Albans and Clayton South projects, which have now entered a more-detailed planning phase. Both projects are close to railway stations which are set to benefit from significant State Government investment during the current financial year.





Queensland Project

Cedar Woods established its Brisbane office during the first quarter of FY2015. The office will be responsible for advancing the Upper Kedron project and also reviewing future acquisition opportunities in South East Queensland to steadily add to Cedar Woods' portfolio.

Cedar Woods lodged its planning application for the Upper Kedron site in June 2014. The application has since progressed through the public consultation phase. Cedar Woods will continue to work closely with Brisbane City Council and other stakeholders to advance the project.

Outlook

Cedar Woods has continued to enjoy positive buyer demand across its portfolio of strategically-located projects during the first quarter of FY2015.

Sales and pre-sales (including lots settled in the first quarter) have increased from \$139 million, as reported at the FY2014 full year financial results, to \$170 million to date, with the majority due to settle in the current financial year.

As advised at the company's FY2014 results announcement in August, Cedar Woods expects FY2015 profit to be weighted to the second half of the financial year, due to the scheduled timing of project stages and settlements. This is likely to result in a significantly lower first half profit result in FY2015 compared to FY2014 and the opposite result in the second half.

Cedar Woods often reports uneven half-on-half results due to the timing of project stage releases. Management remains focused on delivering year-on-year performance.

Assuming current sales levels continue, Cedar Woods reiterates its previously-stated guidance of delivering a net profit after tax for FY2015 at least in line with FY2014's record profit of \$40.3m.

The company will continue its practice of providing quarterly updates and guidance as the year progresses.

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