

ASX Announcement and Media Release

13 April 2015



Cedar Woods Properties Limited

ASX Code: CWP

Cedar Woods' 3Q FY2015 summary:

- Company confirms FY2015 NPAT guidance of \$41 million, a record for the company
- Masters store under contract for \$36m
- Outlook remains strong, backed by \$75 million in pre-sales for FY2016

For further information, please contact:

Paul Sadleir
Cedar Woods Properties
Managing Director
(08) 9480 1500

For media:

Peter Kermode
MAGNUS Corporate and Financial
Communication
(08) 6160 4906 / 0411 209 459

Cedar Woods Properties Limited Third Quarter FY2015 Operational Update

Cedar Woods Properties Limited (ASX: CWP) ('Cedar Woods' or 'the company') confirms FY2015 net profit after tax (NPAT) guidance of \$41 million, a record for the company, based on the consistent performance of the company's established residential estates in Perth and Melbourne during the third quarter of the 2015 financial year (3Q FY2015) and the sale of the Masters Home Improvement store at Williams Landing in Victoria.

Cedar Woods has exchanged contracts with a Melbourne based investor for the sale of the Masters store for \$36 million, representing a yield of 6%. The company received strong interest from a number of parties, which resulted in a shorter sale process than originally anticipated. Settlement is scheduled for June 2015, prior to the end of the financial year.

Cedar Woods Managing Director, Paul Sadleir, said: "We are very pleased with the result from the Masters store sale, which highlights the quality of the Williams Landing project and Cedar Woods' increasingly diversified earnings base.

"As a result of the earlier than expected sale, the timing of settlements from our residential projects has been adjusted, in keeping with our objective of delivering consistent annual growth in profits and dividends for shareholders. Accordingly, some settlements previously planned for 4Q FY2015 are now due to occur in July 2015.

"Pre-sales are currently at a healthy \$75 million, putting Cedar Woods in a strong position heading into FY2016."



Western Australia Project Highlights

The Western Australian residential property market remained steady during 3Q FY2015, particularly in the Perth metropolitan area, and this was reflected at Cedar Woods' projects where consistent sales activity was achieved.

Figures released at the end of March by the Australian Bureau of Statistics showed WA's population growth of 2.1% per annum remains the fastest growth of all the states and territories. Furthermore, Cedar Woods has major projects in Baldivis, Piara Waters, Harrisdale and Byford, which are all in the top five areas for growth in WA.

At The Rivergums in Baldivis, settlements are continuing at a steady pace and will continue into FY2016.

At Mariners Cove, the waterfront land project in Mandurah, sales rates remain strong as the project offers the last "island" stage at the project. Sales activity will continue into FY2016.

A new stage was released at Byford on the Scarp and has been well received, with strong interest from buyers. At the neighbouring The Brook at Byford development, sales have also been steady with the first stage almost sold out and Stage 2 of the project commencing. Marketing for Stage 2 will begin shortly.

The newly-named Ariella Private Estate at Brabham, a 40ha master-planned community expected to produce about 480 lots, is due to launch in June 2015 with first settlements from the project scheduled in FY2016.

In Geraldton on WA's Mid-West Coast, Cedar Woods is refocusing its marketing at the Batavia Coast Marina Apartments, a joint venture project, to rekindle interest in the beachfront development.

Sales at the final stage of Emerald Park, a master-planned community of 627 lots at Wellard, have commenced and will continue into FY2016.

Planning continues at the North Baldivis, Bushmead and Mangles Bay projects, which are all anticipated to contribute to earnings in FY2017.

Victorian Project Highlights

Positive market conditions for residential property developers continued in Victoria during the third quarter of FY2015.



At Williams Landing, interest in housing lots has remained high and further price growth was achieved. Presales for FY16 are very strong and continue to build.

At the Williams Landing Town Centre, stage 1 of the shopping centre, which contains a Woolworths supermarket, 24 specialty tenancies and two levels of commercial space, has opened and is trading well. Most of the specialty tenancies have been leased and are trading or completing fitouts.

The final stage of Banbury Village in Footscray, the 101-unit Botanica Apartments, generated good sales activity during third quarter of FY2015. Construction is expected to commence in the middle of the calendar year. First settlements at this project are expected in FY2017.

The approvals process continues at the St A development in St Albans and the Jackson Green development in Clayton South. At St A, the project's first stages will soon be lodged for approval. At Jackson Green, Cedar Woods has previously lodged an application for permit approval for the project's first stages and the project is scheduled to launch around the middle of the calendar year.

Queensland Project Highlights

As previously announced, the Upper Kedron project, 13km west of Brisbane's CBD, is in a review process by the new Queensland State Government. A decision by the Deputy Premier Ms Jackie Trad, is due to be announced by 29 April 2015. If the project is "called in", Ms Trad will review the planning approvals received by Cedar Woods for the project in December 2014. The Brisbane City Council approved a masterplan for the site with the capacity for 980 lots.

Corporate

Cedar Woods will continue to operate with a modestly geared balance sheet, and expects net debt to equity to remain at the low end of its target range of 20-75% through to the end of the financial year.

Outlook

Cedar Woods remains on track to deliver a full year net profit after tax in FY2015 of \$41 million.

Market conditions in Western Australia, Victoria and Queensland are supported by solid population growth and low interest rates. With many projects in Australia's fastest growing municipalities, Cedar Woods is well placed to benefit from these conditions.

The company continues to build strong FY2016 pre-sales, which are currently \$75 million and comprised largely of high margin product. Assuming current market conditions continue, Cedar Woods is well positioned to maintain earnings momentum into FY2016.

--- ENDS ---