

Cedar Woods Properties Limited

2015 Full Year Financial Results

26 August 2015



Agenda

1	FY2015 Financial Highlights
2	Operational Overview
3	Market Conditions
4	Company Outlook

FY2015 Highlights

- Record full year profit of \$42.6 million, up 5.6% on previous financial year
- Final fully franked dividend of 16.0 cents. Total FY2015 fully franked dividend a record 28.0 cents per share
- At 30 June 2015, net debt of \$27.9 million and net debt/equity at 9.8%
- Presales of \$153 million, up 10% on prior year, provide a sound platform for the current financial year

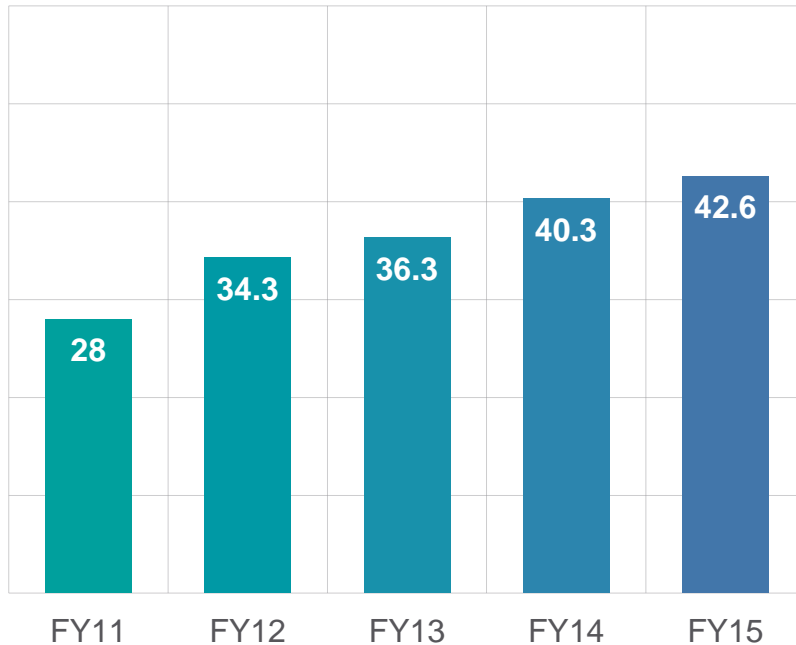
FY2015 Financial Performance Summary

	FY15 (\$m)	FY14(\$m)	Change (%)
Revenue	178.6	214.5	Down 16.7%
Proceeds from Masters Store sale	36.0	NA	-
Total proceeds from properties	214.6	214.5	-
Profit before income tax expense	57.8	55.6	Up 4.0%
Net profit after tax	42.6	40.3	Up 5.6%
Earnings per share	54.3 cents	54.4 cents	Down 0.1%
Dividends per share	28.0 cents	27.5 cents	Up 1.8%

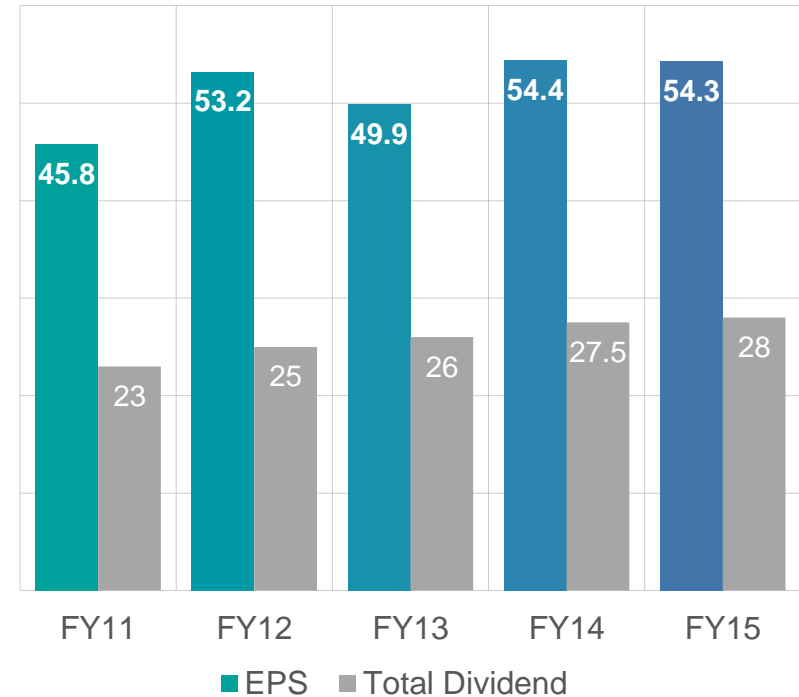
- Total property sales proceeds, including the Masters sale, is similar to the previous year
- Record net profit result of \$42.6 million
- Final dividend of 16.0 cents takes full year payout to a record 28.0 cents, fully franked
- Dividend policy unchanged – pay approximately 50% of annual NPAT

Track Record of Growth

NPAT (\$m)



EPS / Total Dividend (cents per share)



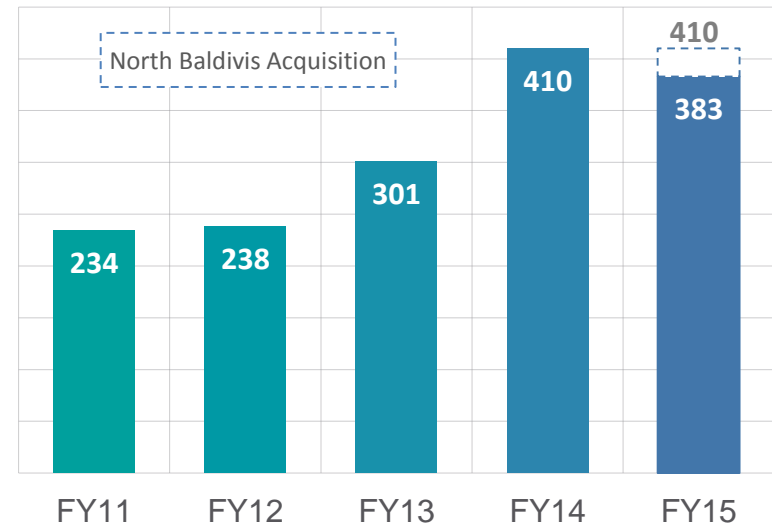
- Fifth successive record profit
- Fifth successive increase in fully franked total dividend payment
- FY2015 EPS impacted by 2014 equity raising

Balance Sheet Strength

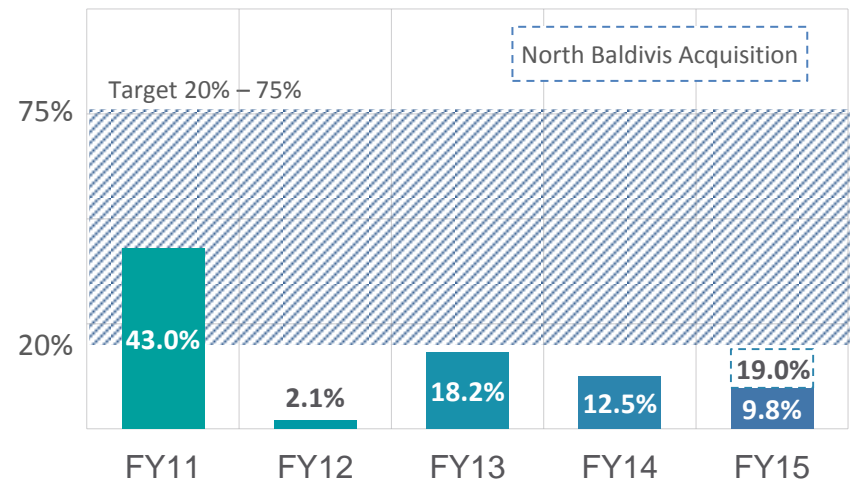
	30 June 2015 \$m	30 June 2014 \$m
Total assets (book value)	383.3	410.0
Net bank debt	27.9	32.6
Net assets (equity)	285.6	261.6
Finance facility limit	158.0	135.0
Finance facility headroom	114.2	80.7
Net bank debt to equity	9.8%	12.5%
Interest cover	9.9x	10.4x

- Total assets increase to \$410m when including North Baldivis land acquired in August 2015, and net bank debt to equity increases to 19.0%

Asset at book value (cost) (\$m)



Gearing (%)

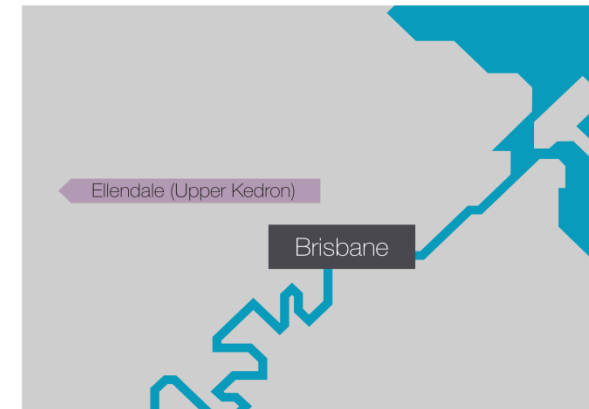


Cash Flow Statement Highlights

	FY15 (\$m)	FY14 (\$m)
Cash inflows from operating activities - customers	194.6	232.2
Payments to suppliers and employees	(46.8)	(52.2)
Payments for development	(85.1)	(105.1)
Borrowing costs and income taxes paid	(18.7)	(23.7)
Operating cash flow before acquisitions	44.0	51.2
Payments for new land acquisitions	(35.5)	(53.0)
Net cash flows from operating activities	8.5	(1.8)
Cash inflows from investing activities – sale of Masters Store	36.0	-
Payments for investment properties	(15.9)	(9.8)
Other net inflows (outflows) from investing activities	(5.4)	3.5
Net cash flows from investing activities	14.7	(6.3)
Total net cash flows from operating and investing activities	23.2	(8.1)

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Strong property portfolio and mature land bank



QLD – Upper Kedron (Ellendale) Project Update



- Ellendale – a 227 hectare master-planned community just 12km from Brisbane CBD
- State Government approval for first 480 lots received in July
- Acknowledgement by State Government that 160 hectare balance of the site is suitable for further residential development
- Earthworks to commence mid FY2016 with first settlements scheduled for FY2017, subject to approval of detailed plans
- Ten year staged project

WA Portfolio Overview

- Metropolitan new homes sales continue to be steady, although easing in line with population growth
- Sales activity continued at Mariners Cove, Piara Central, The Rivergums, Emerald Park, Elements (South Hedland), Byford on the Scarp and The Brook at Byford
- Low exposure in South Hedland – Western Edge dependent on demand
- Significant planning milestones achieved in FY2015
- Acquisition of new land at North Baldivis in August 2015

WA Projects Highlights

ARIELLA



- Master-planned community of 480 lots 22km from Perth CBD
- Construction commenced May 2015 with strong interest from builders
- First sales release in June 2015 well received with first settlements expected in FY2016

THE RIVERGUMS



- Master-planned community of over 1,400 lots, 46 kms from Perth CBD
- Good, steady demand through FY2015
- Stages 10A and 10B recently completed and will continue to settle in FY2016

BYFORD ON THE SCARP



- Already-established project acquired in August 2013
- Settlements continued in the year
- Strong presales on new stages being delivered in FY2016

THE BROOK AT BYFORD

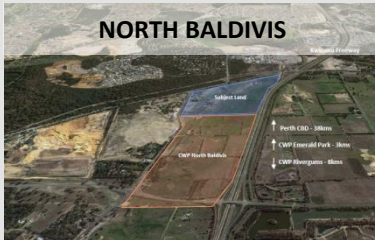


- Sold strongly during FY2015
- First stage of 145 lots completed and mostly sold
- Sales of second stage to commence September 2015

WA Projects Highlights



- Sales and settlements of last remaining stage of 40 lots commenced
- Landmark project nearing completion
- Good, steady sales though FY2015



- Purchase of 50.74 hectares at North Baldivis in early August 2015
- Site adjoins company's existing 68 hectare holding
- Combined property will allow master-planned development of approximately 1,500 lots



- 273ha site, 16km from Perth CBD, expected to yield approximately 870 lots
- Local Structure Plan lodged with City of Swan in 2014, anticipate approval 1H FY2016
- First settlements expected in FY2017



- At the end of FY2015, a total of 25 apartments had been sold and settled, with 29 remaining for sale
- \$6m original investment written down to a carrying value of \$1m at 30 June 2015
- The market in Geraldton has slowed but sales activity continues

Mangles Bay Marina



- 66ha Marina-Based tourist precinct 50kms from Perth CBD
- Federal Department of Environment approval achieved
- Completion of Statutory Planning due in FY2016
- Construction anticipated to commence in FY2017
- Expected life of 10+ years

VIC Portfolio Overview

- Housing sector experiencing good conditions with strong sales volumes and clearance rates and continued price growth
- Strong population growth of 1.75% per annum
- Median house price of \$620,000, up approx. 10% in past 12 months
- Housing construction to commence at Jackson Green after first stage approvals received
- Development Plan approval for St. A. (St. Albans) received, detailed plans for first housing stage lodged and construction expected to commence in FY2016
- Completion of stage 1 of the Williams Landing Shopping Centre and planning progress made for other commercial developments
- Strong result achieved for the sale of the Masters store at Williams Landing reflecting a yield of 6%

VIC Projects Highlights

JACKSON GREEN



- Approximately 300 dwellings on 6.5ha site in Melbourne's south-east
- Stage 1 approval received June 2015
- Tender process for housing construction commenced
- First settlements anticipated in FY2017

ST. A



- Approximately 250 dwellings on a 6.8ha site in Melbourne's north-west
- Rezoning and demolition complete
- Development Plan approval received
- Stage 1 approval anticipated 1HFY2016
- Sales launch expected soon after approvals with settlements in FY2017

VIC Projects Highlights

WILLIAMS LANDING SHOPPING CENTRE



- Shopping Centre opened for trading in 1HFY2015
- Shopping Centre has 6700sqm retail, 1800sqm office and 435 car bays
- Minor expansion planned 1HFY2016 to add 1200sqm of floorspace

WILLIAMS LANDING RESIDENTIAL



- Over 70% of targeted FY2016 presales achieved
- Strong price growth on residential lots achieved

WILLIAMS LANDING TOWN CENTRE



- Masters Home Improvement store sold and settled in FY2015 for \$36m plus GST
- Detailed planning for first apartment building in Town Centre underway, comprising 57 apartments, with a mix of 1 and 2 bedrooms. Launch expected H1 FY2016
- Planning progressed on future commercial and retail stages

Title

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Market Conditions

Western Australia

- WA land sales easing from cyclical highs
- Perth average lot price \$256,000, down 2.5% in past 12 months
- Sales results still strong in recognised growth corridors
- WA employment levels still strong despite mining slowdown

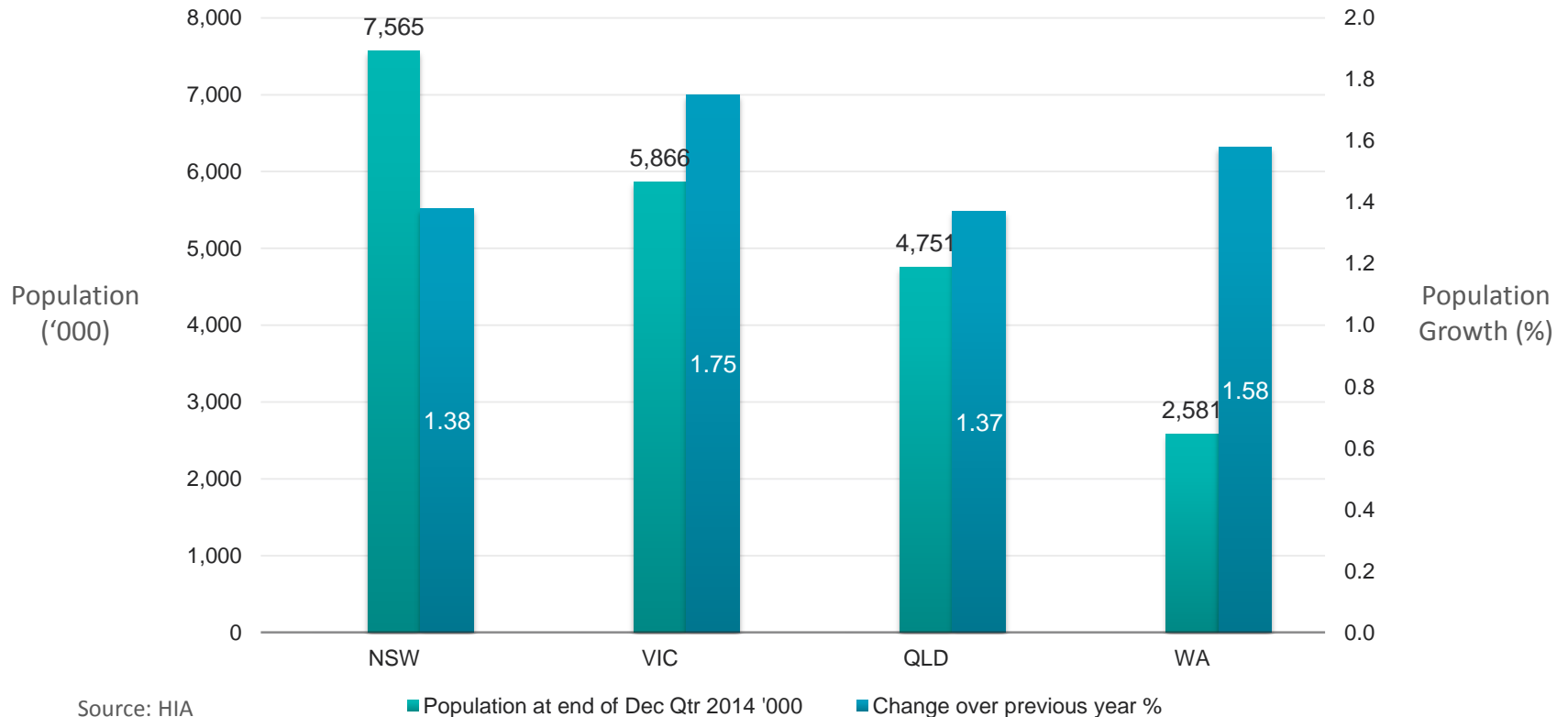
Victoria

- Victoria Gross State Product growth forecast to be 2.5% in FY2016 rising to 2.75% in FY2017
- Population growth of 1.75% compared with the national average of 1.4%
- Housing market remains bouyant

Queensland

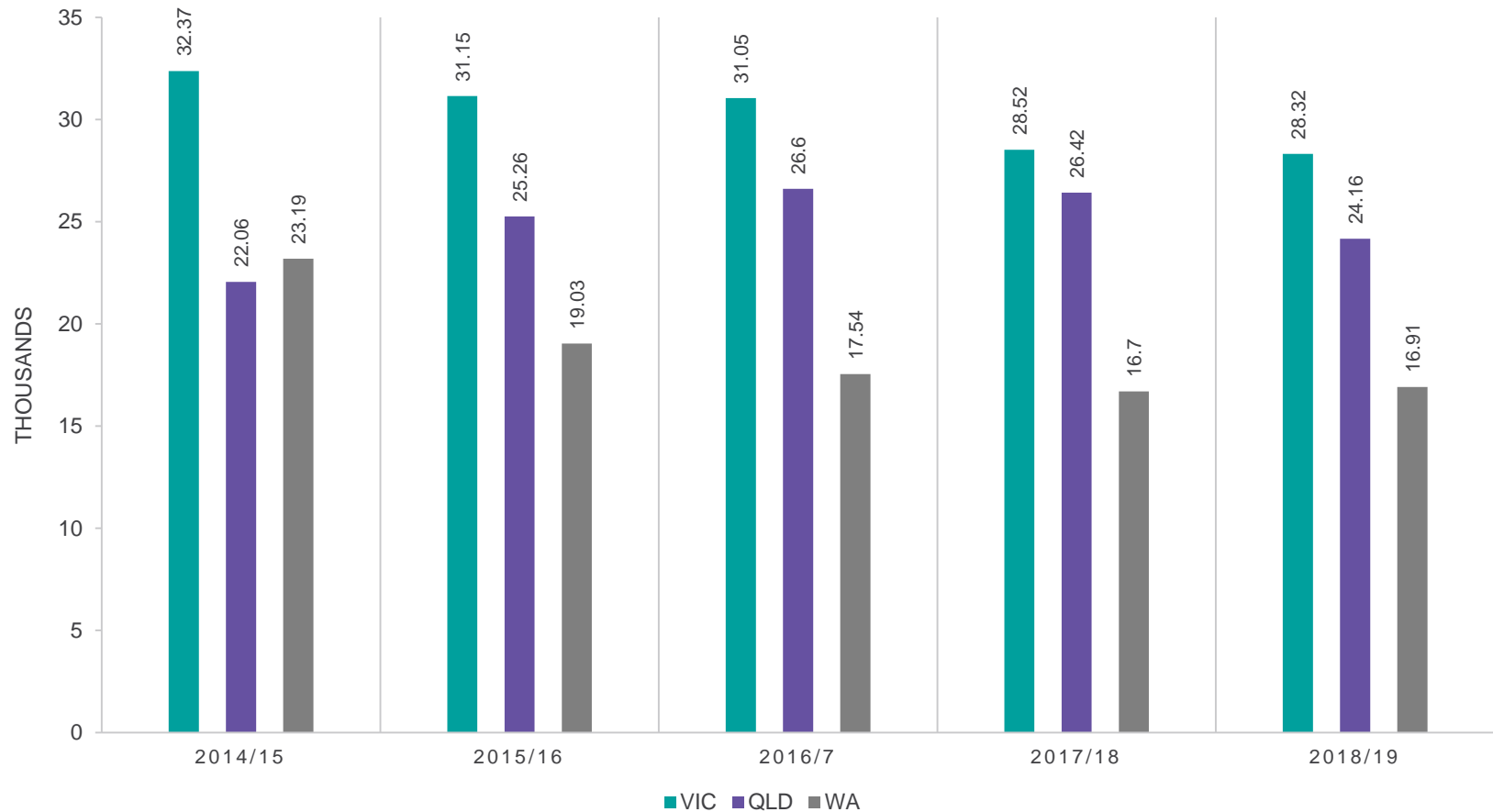
- Queensland's recent state budget predicts Gross State Product to increase from 2% to 4.5% in FY2016
- Employment growth forecast to increase from 0.5% to 1.25%
- Housing market leading the recovery of the broader economy

Population Growth



- Population growth in states with Cedar Woods projects remains at or above national average of 1.4%
- Population growth in corridors containing Cedar Woods' projects much higher than national average

Forecast Housing Starts

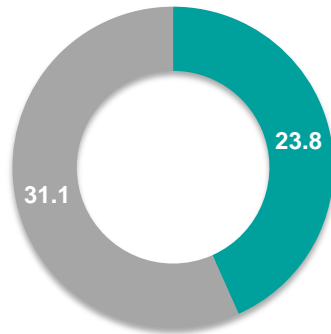


Source: HIA

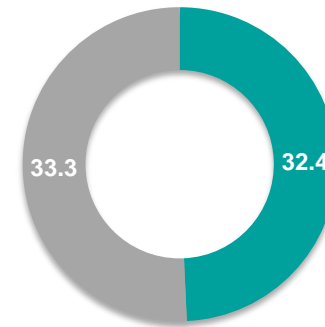
- Housing starts set to moderate from cyclical highs in WA and VIC
- QLD expected to increase in the short term

Houses vs Apartments FY2015

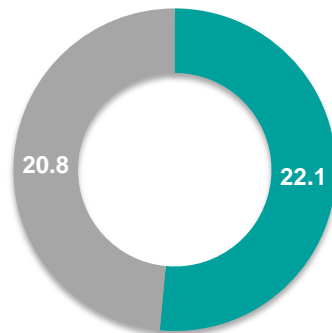
NSW



VIC



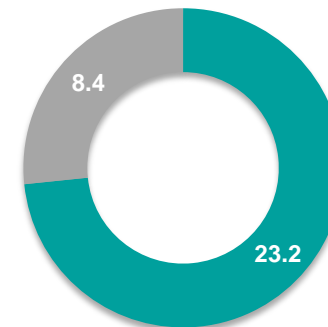
QLD



■ Apartments ('000)

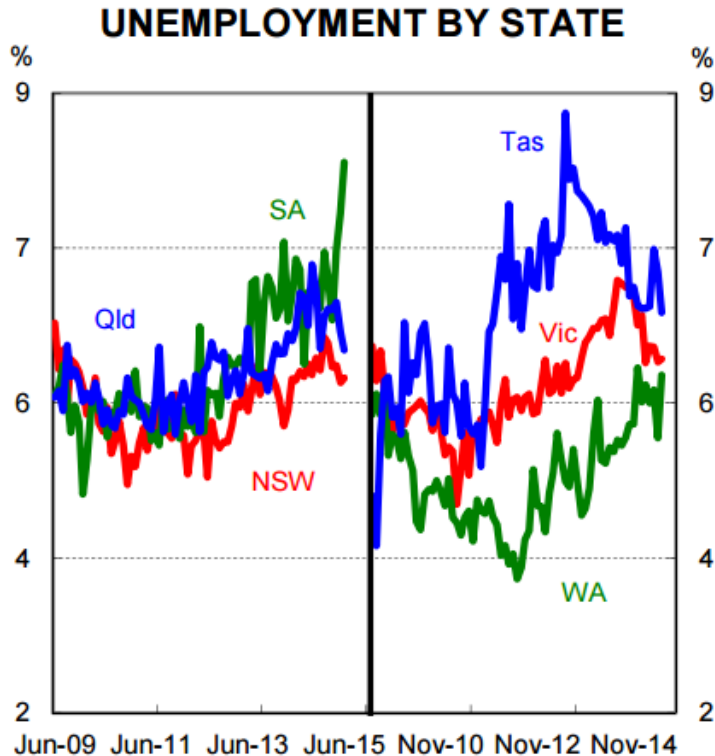
■ Houses ('000)

WA

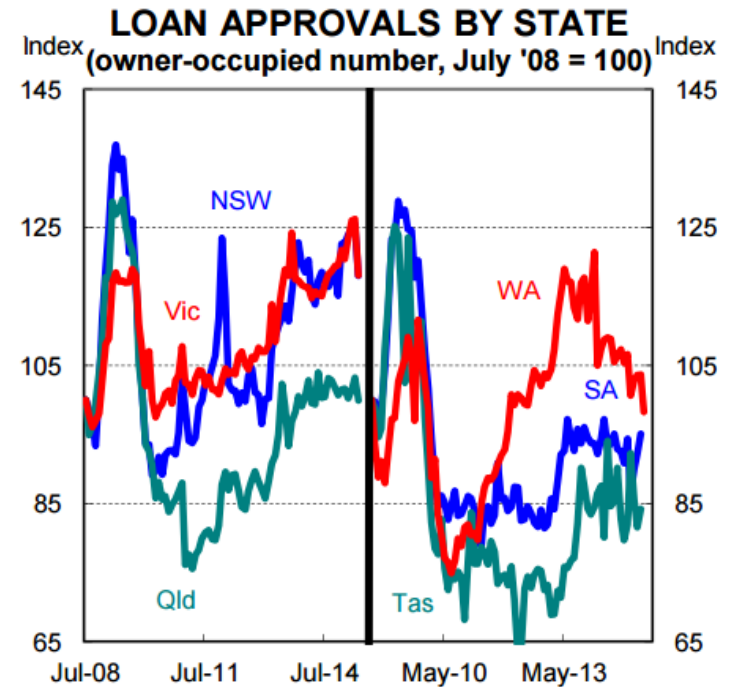


Source: HIA

Employment and Finance



Source: Commonwealth Bank of Australia



- Unemployment appears to have peaked in most states
- Loan approvals remain at high levels in Eastern States, WA has dropped

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Company outlook

- Presales of \$153 million (up 10% on prior year), mainly settling in FY2016
- Strong settlements in July and August sees debt remain at a low level providing funding capacity for selective portfolio growth opportunities
- The company remains well positioned to maintain profit momentum into FY2016 with a similar result expected to that achieved in FY2015
- Landmark projects in three states positioned to drive growth from FY2017:
 - Queensland - Ellendale
 - Victoria - Jackson Green and St. A
 - Western Australia - Bushmead, North Baldivis, Mangles Bay

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Business model

To grow and develop a national portfolio, diversified by geography, product type and price point, so that it continues to hold broad customer appeal and performs well in a range of market conditions.



Project Pipeline Chart

PROJECT NAME	CORRIDOR / LOCATION	PROJECT TYPE	LOT/UNITS	LOTS/UNITS	FY16	FY17	FY18	FY19	FY20
			PROJECT	REMAIN					
WESTERN AUSTRALIA			(As of 1/7/15)						
Perth									
Waterline - Halls Head	South	Lots	9	9					
Emerald Park - Wellard	South West	Residential Land	665	148					
Mariners Cove - Mandurah	South	Canal	970	62					
The Brook at Byford	South East	Residential Land	405	293					
Byford on the Scarp	South East	Residential Land	324	308					
Piara Central - Piara Waters	South East	Residential Land	540	389					
The Rivergums - Baldivis	South West	Residential Land	1416	493					
Harrisdale Green - Harrisdale	South East	Residential / Mixed Use	427	262					
Ariella - Brabham	North East	Residential Land	480	480					
Mangles Bay Marina - Rockingham	South	Marina / Tourist	TBC	TBC					
North Baldivis	South West	Residential Land	1580	1580					
Bushmead - Hazelmere	East	Residential Land	868	868					
Pinjarra	South	Residential Land	920	920					
Regional									
Batavia Coast - Geraldton	Mid-West	Apartments	54	29					
Elements - South Hedland	Pilbara	Residential Land	136	16					
Western Edge - South Hedland	Pilbara	Residential Land	600	600					
VICTORIA									
Melbourne									
Clara - Williams Landing	West	Residential Land	40	40					
Banbury Village - Footscray	West	Apartments & Housing	430	122					
Carlingford - Lalor	North	Residential Land	649	162					
Jackson Green - Clayton South	South East	Apartments & Houses	300	300					
St A - St Albans	North West	Housing	250	250					
Williams Landing	West	Residential Land & Housing	2385	972					
Williams Landing Town Centre	West	Retail / Mixed Use / Residential	600	600					
QUEENSLAND									
Brisbane									
Ellendale - Upper Kedron	North West	Residential	TBA	TBA					

This chart provides a 5 year outlook, but some projects will run for a longer period.

PLANNING / DESIGN

DEVELOPMENT & SALES

LEASING, DEVELOPMENT, SALES

Project yields are indicative and subject to change