

Cedar Woods Properties Limited

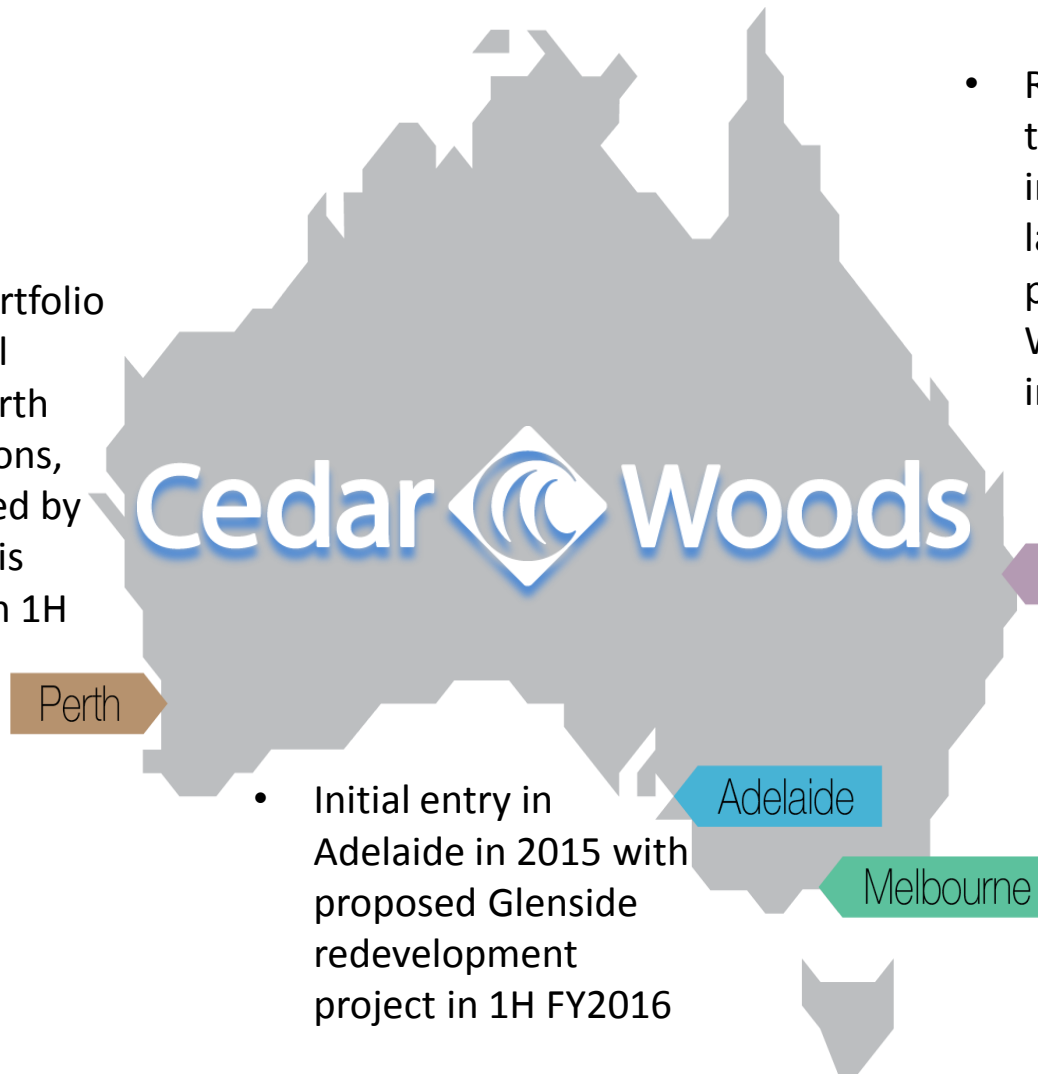
Euroz Rottnest Investor Briefing

15 March 2016



Snapshot of Achievements in FY2016

- Extensive portfolio of residential estates in Perth and WA regions, supplemented by North Baldivis acquisition in 1H FY2016



- Recent acquisition of two exciting projects in Brisbane including landmark Ellendale project in 2014 and Woollooin project in 1H FY2016

- Initial entry in Adelaide in 2015 with proposed Glenside redevelopment project in 1H FY2016

- Significant portfolio in Melbourne including flagship Williams Landing project with 50ha town centre and other key medium density projects

Cedar Woods' Business Model

Business Model

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

Company Strengths

- Disciplined approach to property acquisitions
- Proactive and methodical approach to project execution
- Broad product range
- Conservative balance sheet

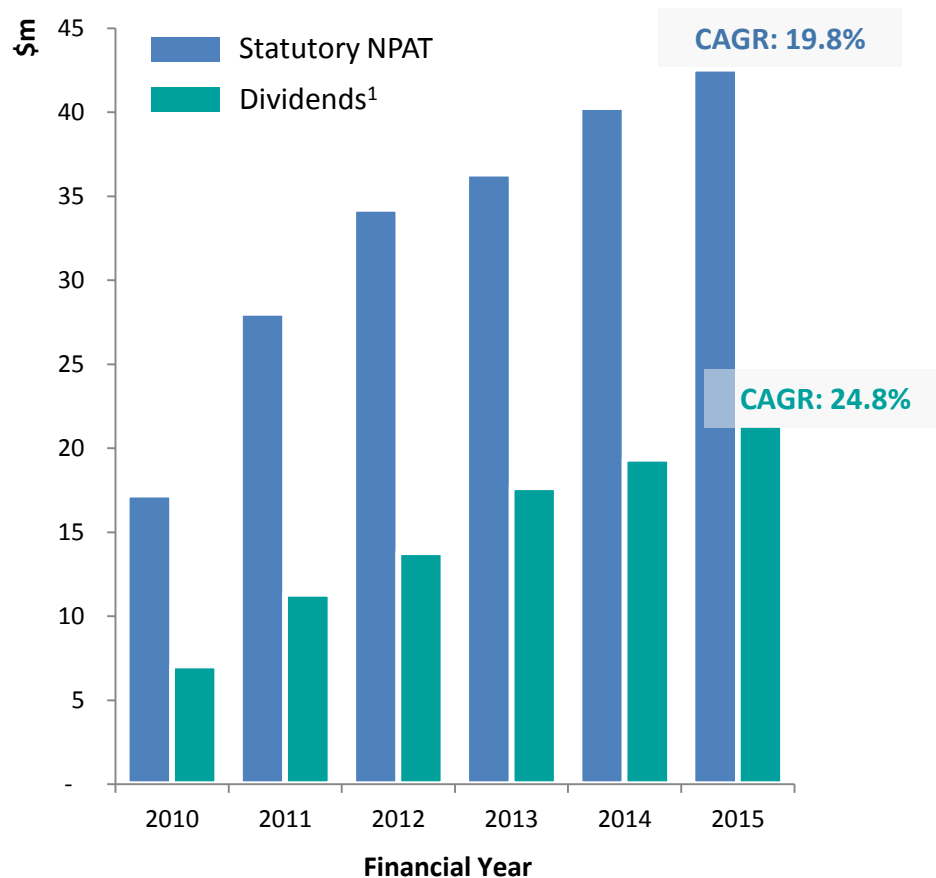


Agenda

1	Financial Highlights
2	Portfolio Overview
3	Market Conditions
4	Company Outlook and Investment Case

Historical Financial Performance

A strong track record of consistent profitability and growth



- Consistent growth in NPAT and dividends
 - Only ASX-listed developer to deliver year-on-year NPAT growth since FY2010
 - Expecting 6th consecutive record profit in FY2016
- Sector leading return on equity
- Investor focussed
 - Quarterly shareholder updates
 - Regularly provides earnings guidance
 - Track record of no major writedowns or significant items

1H FY2016 Financial Highlights

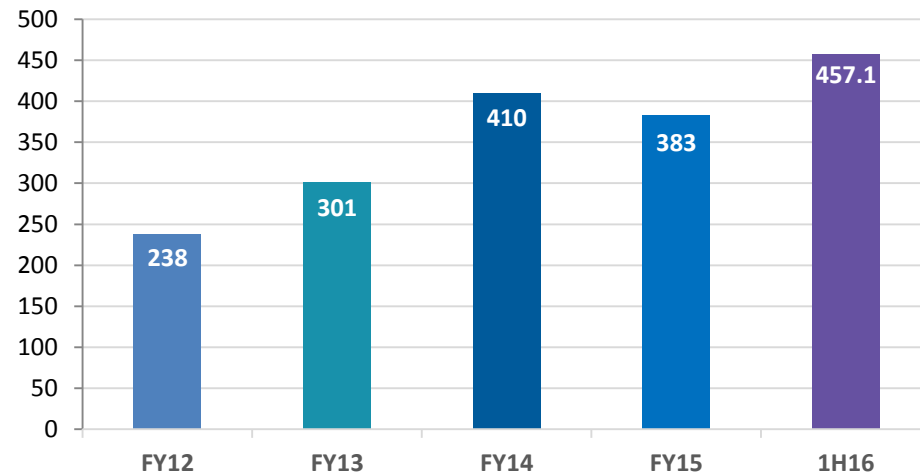
- 1H FY2016 Net Profit After Tax (NPAT) of \$18.1million
- Fully franked dividend of 12.0 cents declared, to be paid 29 April 2016
- Dividend Yield of approximately 7%⁽¹⁾
- Net debt of \$75.3 million and net debt/equity at 25.9%
- Presales of \$176 million with majority anticipated to settle in 2H FY2016
- The company anticipates delivering a record FY2016 NPAT of approximately \$43m

Balance Sheet Strength

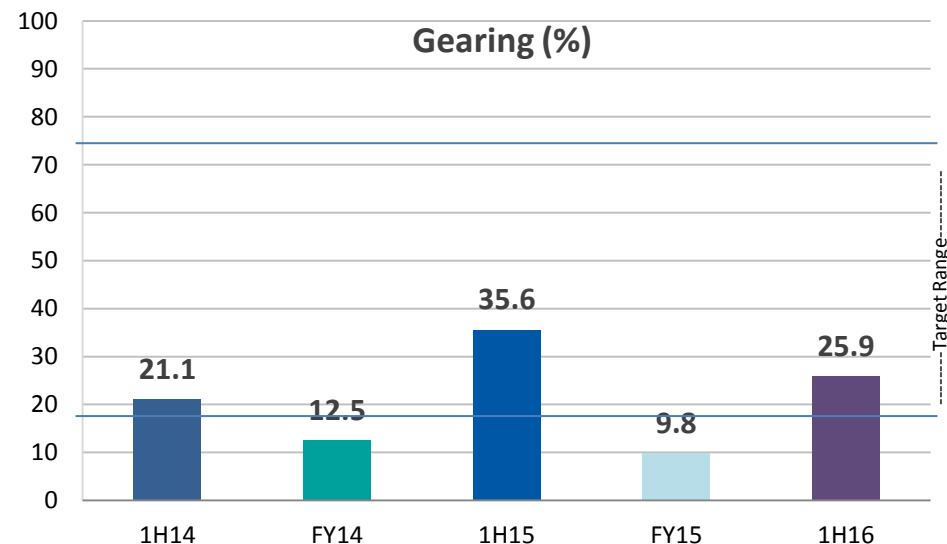
	31 Dec 2015 \$m	30 June 2015 \$m
Total assets (book value)	457.1	383.3
Net bank debt	75.3	27.9
Net assets (equity)	291.1	285.6
Net bank debt to equity	25.9%	9.8%
Finance facilities	158.0	158.0
Finance facility headroom	66.4	114.2
Interest cover	14.6 x	9.9x

- Total assets increase to \$457.1m due to new acquisitions
- Net bank debt to equity at 25.9% to remain at the lower end of target range in 2H
- Strong interest cover

Asset at book value (cost) (\$)



Gearing (%)



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National Portfolio and Land Bank



Portfolio Expansion

- Consistent with strategy, acquisition program has increased pipeline with well located, multi year projects
- \$156m investment in the portfolio since June 2013 across Queensland, Victoria and WA

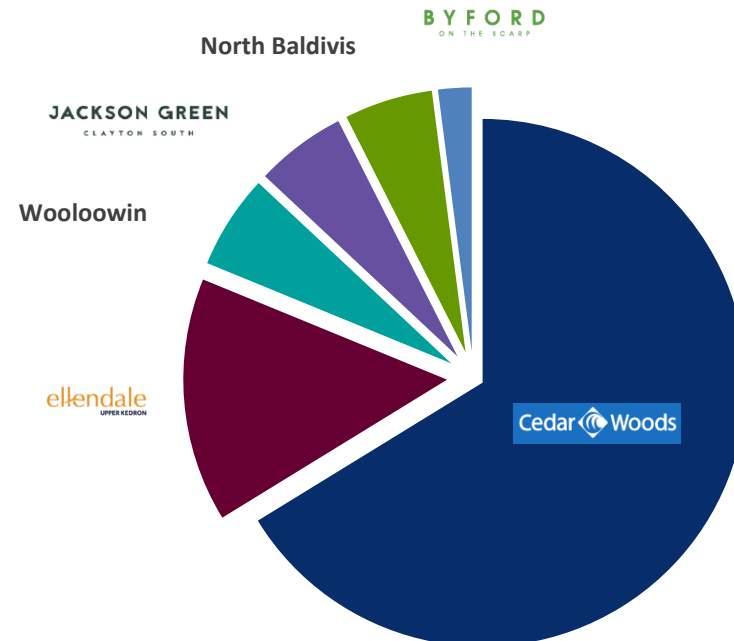
Total Assets - June 2013

\$301m



Total Assets - December 2015

\$457m



Positioned for Continued Growth

- Historical investments converting to earnings growth
- Sales continuing from current projects
- 9 new projects to start contributing in the next few years
- Well located projects in high growth/strong demographic areas
- Project duration typically 5-10 years, providing long term earnings

New Projects Contributing to Revenue in Coming Years

Project	State	Acquired	Acquisition Cost (\$m)	Lots	Project Life (Years)
Ellendale - Upper Kedron	QLD	2014	68.0	480 ⁽¹⁾	10
Woolloowin	QLD	2015	24.6	279	5
Jackson Green - Clayton South	VIC	2013	25.3	300	5
St A - St Albans	VIC	2012	12.0	250	5
Newton Apartments	VIC	1998	0.1	57	1
North Baldivis	WA	2011 & 2015	47.0	1,580	10+
Bushmead – Hazelmere	WA	2010	18.0	868	8
Mangles Bay Marina	WA	N/A	N/A	TBA	10
Glenside	SA	TBA	TBA	1,000	5-10

(1) Initial approval for 480 lots. It is anticipated that further stages will be approved in due course.

Project Time-line

PROJECT NAME	CORRIDOR / LOCATION	PROJECT TYPE	LOT/UNITS							
			PROJECT	REMAIN	FY16	FY17	FY18	FY19	FY20	
WESTERN AUSTRALIA					(at 1/7/15)					
Perth										
Waterline - Halls Head	South	Lots	9	9						
Mariners Cove - Mandurah	South	Canal	970	62						
Emerald Park -Wellard	South West	Residential Land	665	148						
Harrisdale Green - Harrisdale	South East	Residential / Mixed Use	427	262						
The Brook at Byford	South East	Residential Land	405	293						
Piara Central - Piara Waters	South East	Residential Land	540	389						
Byford on the Scarp	South East	Residential Land	324	308						
The Rivergums - Baldivis	South West	Residential Land	1416	493						→
Ariella - Brabham	North East	Residential Land	480	480						→
North Baldivis	South West	Residential Land	1580	1580						→
Bushmead - Hazelmere	East	Residential Land	868	868						→
Mangles Bay Marina - Rockingham	South	Marina /Tourist	TBC	TBC						→
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						
Williams Landing	West	Residential Land & Housing	2385	972						→
Williams Landing Town Centre	West	Retail / Mixed Use / Residential	600	600						→
Jackson Green - Clayton South	South East	Apartments & Houses	300	300						
St A - St Albans	North West	Housing	250	250						
QUEENSLAND										
Brisbane										
Ellendale - Upper Kedron	North West	Residential	480+	480+						→
Woolloowin	Inner North	Apartments & Housing	279	279						→
SOUTH AUSTRALIA										
Adelaide										
Glenside	Inner S.E.	Apartments & Housing	approx 1000	approx 1000						→

- DEVELOPMENT & SALES
- PLANNING / DESIGN / REZONING
- LEASING, DEVELOPMENT, SALES

Project yields are indicative and subject to change

VIC – new project releases

- Pleasing progress at Jackson Green, St. A and Newton Apartments projects

Jackson Green



- 350 dwellings planned on 6.5ha site in Melbourne's south-east
- Strong sales in 1H FY2016
- Established new price points well above suburb's median house price
- 5-year staged project

St.A



- Around 250 dwellings on a 6.8ha site in Melbourne's north-west
- Successful sales release with 12 townhouses sold in Q2 FY2016
- Average price achieved 20% higher than suburb's median house price
- 5-year staged project

Newton Apartments



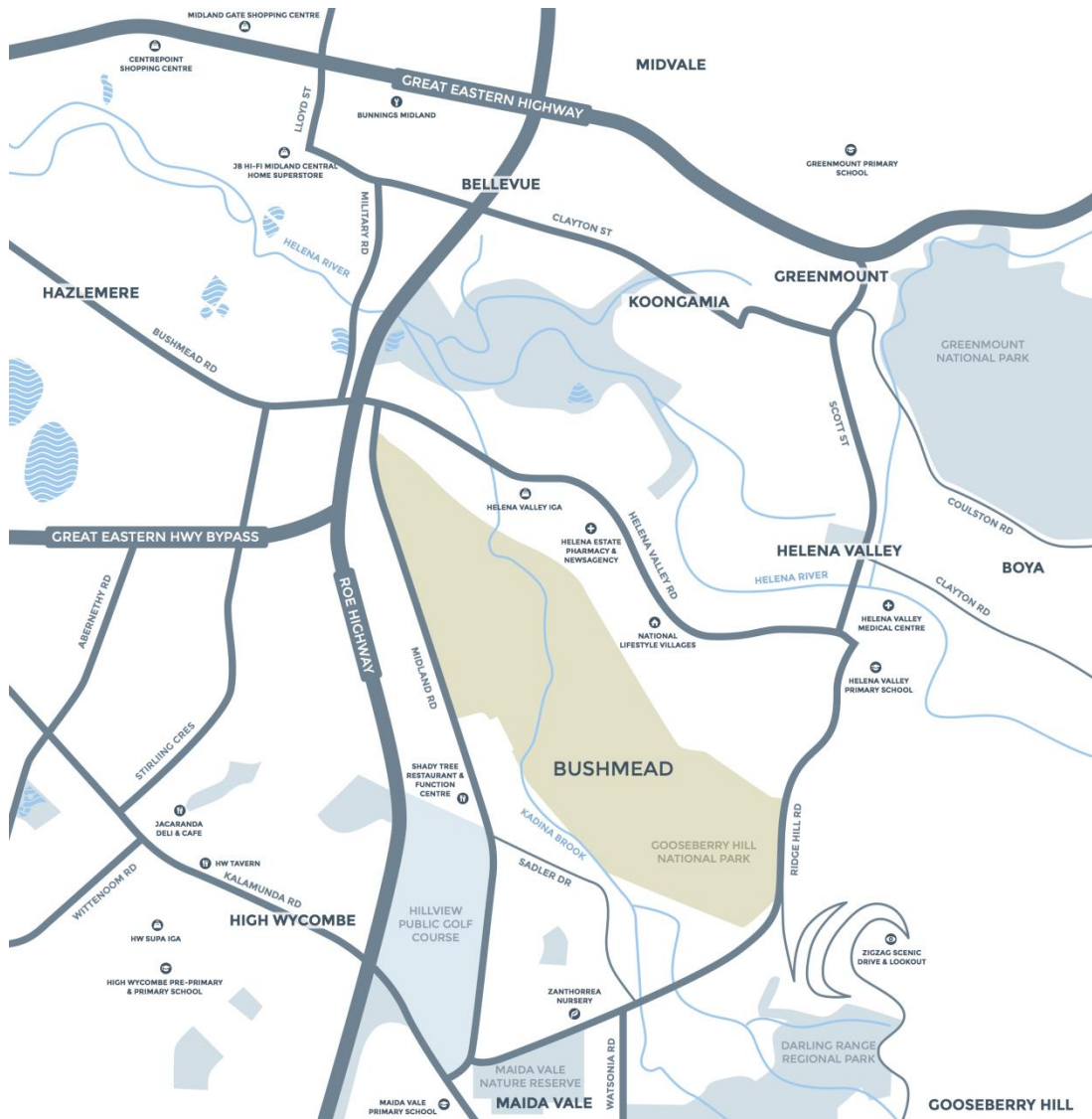
- Newton apartments in Town Centre, comprising 57 apartments, with a mix of 1 and 2 bedrooms
- Successful project launch with strong pre-sales of 80%

Williams Landing



- Strong price growth on residential lots achieved resulting in higher margin
- First stage of new neighbourhood Addison released in January with strong price points achieved

WA new project releases – Bushmead



- 273ha site, 16km from Perth CBD, expected to yield approx 860 lots
- Local Structure Plan approved by City of Swan
- Federal environmental assessment complete
- Detailed planning underway
- Construction in CY16

Bushmead



Points of Interest

Perth CBD	23km
Domestic Airport	11km
Midland Gate Shopping Centre	5km
City Beach	31km
Swan Valley	7.5km
Hillview Golf Course	1km

North Baldivis



- 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

Mangles Bay



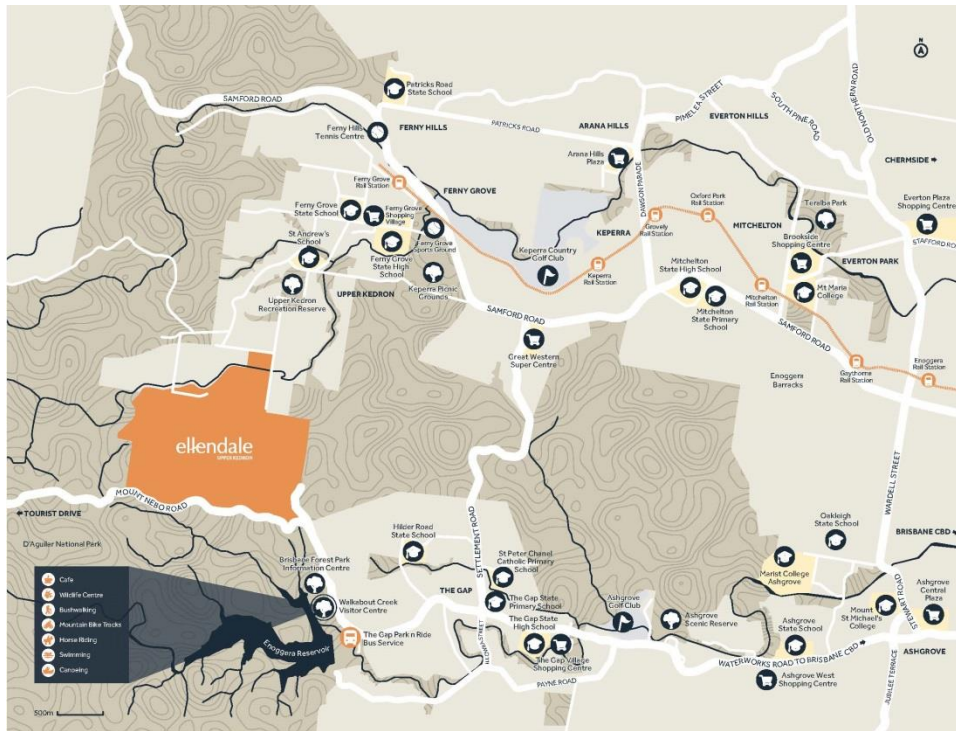
- 80ha Marina-Based tourist precinct 50km from Perth CBD
- Federal Department of Environment approval achieved
- Completion of Statutory Planning due in November 2016
- Construction anticipated to commence in FY2017

QLD update on projects

- QLD market is coming off period of relatively slow growth and Ellendale should benefit from improving conditions
- Particular signs of strength in the established housing sector and inner-city urban developments
- CWP has two well-located projects offering mix of land and built form product
- High level of registrations of interest for Ellendale – first settlements anticipated in FY2017

Ellendale

- 227 hectare master-planned community just 12km from Brisbane CBD



Legend



- Queensland Government has approved first 480 lots on 67ha of site
- First stage of 143 lots
- Marketing centre on site
- Ten year staged project

Ellendale



Woolloowin



- Contracted December 2015 for \$24.6 million
- 3.81 hectare infill site in Brisbane's inner north, 5km from CBD
- Approval for 279 residential dwellings
- Approval for building height of up to 8 levels
- Development to include a mix of townhouses, apartments and a small office and retail component

SA Project - Glenside



- 16.5 hectare site just 2km south-east of Adelaide CBD
- Masterplan prepared in cooperation with Renewal SA and presented to community
- First stage of community consultation completed
- Preferred proponent to acquire the site

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State Conditions

Victoria

Solid price increases and clearance rates continue. Market conditions expected to remain stable going into FY2017. Good buyer interest across all sectors of residential.

Western Australia

Market continues to ease off its cyclical highs. Employment remains steady as economy transitions away from resource sector. Unemployment rate fallen to 5.9%, below the national average.

Queensland

Coming off period of relatively slow growth and Ellendale should benefit from improving conditions.

South Australia

HIA forecasts housing starts to increase, indicating latent demand.

Macroeconomic Drivers

- Interest rates at historical lows
- Population growth continues
- Employment outlook stable
- Continued housing shortage
- GDP forecast to grow 2.5-3.5% pa in 2016 and 2017

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Company Outlook

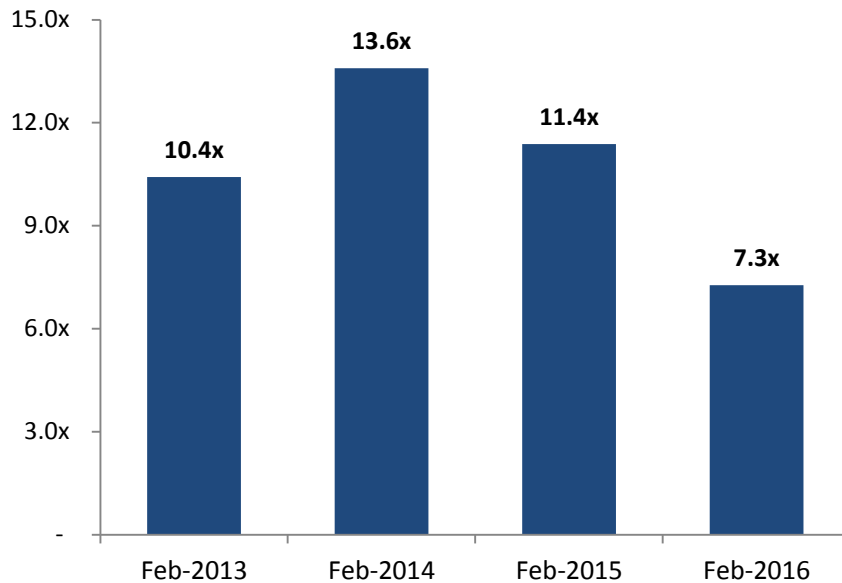
- Cedar Woods' full year profit guidance for FY2016 increased to approximately \$43m (FY2015 - \$42.6m), based on the company's strong delivery program for 2H FY2016 and on current market conditions continuing
- Positive outlook underpinned by strong pre-sales of \$176 million with the majority expected to settle in 2H FY2016
- Development program is on track, backed by continued strong pre-sales and disciplined project execution and delivery
- Landmark projects in Queensland, Victoria and Western Australia commencing in coming months, place the company in a strong position for FY2017

Investment Highlights

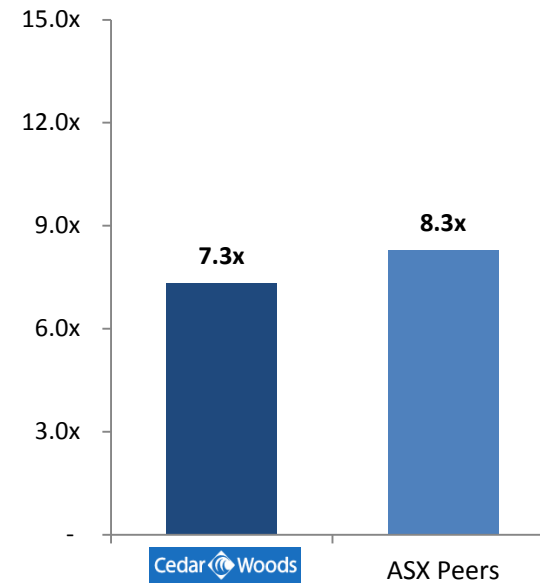
1. ASX 300 company with a proven track record of consistent earnings growth and meeting targets
 - Expecting 6th consecutive record full year profit in FY2016
 - Positioned for continued growth in FY2017
2. Strategically located and diverse portfolio
 - Urban and regional growth areas in VIC, WA, QLD and SA
 - Apartments, integrated housing, mixed use and large master planned communities
 - Close to transport infrastructure and other amenities
3. Strong balance sheet and prudent gearing
4. Capacity to fund acquisitions
5. Attractive valuation metrics
 - PE ratio currently at a discount to historical average and ASX peer group
6. Attractive, fully-franked dividend yield
7. Experienced and proven management team

Attractive Valuation

Cedar Woods forecast P/E over time¹



Cedar Woods current FY16 P/E vs ASX Peers²



- FY2016 below historical average
- Trading at a discount to key ASX-listed peers

Note:

(1) P/E over time based on share price at end of February in each relevant year and earnings for relevant financial year. February 2016 P/E based on profit guidance of \$43m.

(2) ASX Peers consist of PPC, FRI, VLW, AVJ & SDG. Multiple represents the average FY2016 P/E of the peer group, using analyst consensus estimates and share prices as at 29 February 2016.

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