

ASX Announcement and Media Release

4 MAY 2016

The Cedar Woods logo features the company name in a white sans-serif font on a blue background. A stylized white diamond shape with a curved line inside is positioned between the words 'Cedar' and 'Woods'.

Cedar Woods Properties Limited

ASX Code: CWP

3Q FY2016 summary:

- Company re-affirms FY2016 NPAT guidance at \$43 million
- Positive outlook for FY2017, backed by \$130 million in pre-sales and growing pipeline of development projects

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About Cedar Woods

Cedar Woods is a national residential property development company with a portfolio of high quality projects diversified by geography, product type and price point. The company has extensive experience in adding value to land holdings through the achievement of government and local authority approvals and the planning, design and delivery process. Cedar Woods was established in 1987, listed on the Australian Securities Exchange in 1994 and is a S&P/ASX 300 company.

Cedar Woods Properties Limited Third Quarter FY2016 Operational Update

Cedar Woods Properties Limited (ASX: CWP) ('Cedar Woods' or 'the company') has re-affirmed its FY2016 net profit after tax (NPAT) guidance of \$43 million, and is positioned for continued growth in FY17.

Cedar Woods' Managing Director, Paul Sadleir, said the FY2016 guidance was supported by settlements at the company's established residential estates in Perth and Melbourne during the third quarter of the 2016 financial year and anticipated settlements due to occur in the final quarter.

Mr Sadleir said the company's successful acquisition program and geographic diversification strategy had positioned Cedar Woods to continue its profit momentum into FY2017.

"With nine new projects expected to start contributing to earnings over the next 3 years we will continue to have a range of product available for sale across our national portfolio," Mr Sadleir said.

"Pre-sales for FY2017 and FY2018 are at \$130 million, providing a solid platform going forward into the next financial year."

Victorian Project Highlights

Positive market conditions for residential property developers continued in Victoria during the third quarter of FY2016.



At the Jackson Green project in Clayton South, the first two releases of 21 dwellings and 26 dwellings respectively, have been completely sold. Demolition and remediation of the site has been completed and a builder has been appointed for the construction of the first stages. A third stage has now been released to the market with strong initial results.

At the St. A. project in St. Albans, a builder has been appointed for the construction of Stage 1 – which is approximately 95 per cent pre-sold – to commence early in the 2017 financial year. The state government has construction works well underway for the new St. Albans train station and the removal of the nearby level crossing which will significantly benefit the project. Planning approval is in place for the first 108 dwellings at the project.

Construction of the final stage of the Banbury Village project in Footscray, the Botanica Apartments, is nearing completion with first settlements expected before 30 June 2016 and continuing into FY2017. All of the 101 apartments have been sold.

At the Williams Landing Town Centre, Cedar Woods has commenced a \$6.5 million extension to the 8,500 square metre Williams Landing Shopping Centre, which will comprise a childcare centre and 1,200 square metres of additional retail tenancies. A builder has been appointed and construction has commenced.

TriCare, a market - leading developer of aged care and retirement facilities, will build a new 120 - suite aged care development in the Williams Landing Town Centre. The development cost is estimated at \$35m, and planned to commence in mid-2017. Cedar Woods will settle the 1 hectare site for the facility for \$5.5m (GST inclusive) in FY16.

Plans for office and hotel/serviced apartment offerings in the town centre have also been progressed.

Construction of the Newton Apartments project is expected to commence in the current financial year with pre-sales of the 57 apartments now above 90 per cent.

In the residential neighbourhood component of Williams Landing, the first stage of the Addison Neighbourhood, released in January this year, will be under construction before the end of the financial year, with settlements anticipated in FY2017. Sales activity continues to be strong and significant price growth has been experienced in the latest releases.

Queensland Project Highlights

At the Ellendale project in Upper Kedron, 12km west of the Brisbane CBD, sales and construction activity is expected to commence before the end of FY2016. More than 1,000 registrations of interest have been received ahead of the release of 143 lots in the first stage, which is anticipated to be delivered in H2 FY2017.



Complementing the Ellendale project is a 3.8ha infill site in Woolloowin, 5km north of the Brisbane CBD. The site was acquired in December 2015 on deferred terms and subject to registration of titles. The site has approval for 279 residential dwellings, with buildings of up to eight levels.

South Australian Project Highlights

Cedar Woods has been selected as preferred proponent by Renewal SA to progress development of the Glenside project – a 16ha infill site approximately 2km south-east of the Adelaide CBD. Due diligence and planning activities continue with formal acquisition of the site expected to follow rezoning in mid FY2017.

Western Australian Project Highlights

Market conditions in Western Australia are coming off the resource driven peak and demand is settling closer to the long term average. Although its sales have declined from FY2015, Cedar Woods has continued to record steady sales particularly at its estates in high-growth areas where limited competing product is available.

The final stage of Mariners Cove in Mandurah has seen strong demand and there are only a small number of lots remaining. A waterfront site allowing medium density housing remains and plans for development are being progressed.

At Bushmead, Cedar Woods' 273ha site 16km from Perth's CBD, the local structure plan has been approved and Stage 1 subdivision approval is anticipated in Q4 FY2016. An initial sales and marketing campaign has now been launched. First stage construction commencement is expected to take place in mid 2016.

At Ariella Estate in Brabham, construction of the 94-lot second stage is scheduled to be completed by the end of April 2016. Settlements from this stage will commence soon thereafter.

Stage 2 at The Brook at Byford is under construction after the successful completion of the first stage. Recent completion of central landscaping and commencement of creation of a new park, have enhanced estate presentation and offering.

Byford on the Scarp is an established estate offering larger block sizes, providing a point of difference in the Byford market. Sales have been consistent during FY2016 and marketing of Stage 8 will commence shortly.



Plans are progressing for the company's major new masterplanned project in North Baldivis located 45kms south of the Perth CBD and expected to yield 1,580 lots. A local structure plan for the project has been lodged, with approval expected in the current financial year, to allow lot sales to commence in FY2017, with first settlements expected in FY2018. Site works are expected to commence before the end of the financial year.

At The Rivergums, in Baldivis, approval for stages 11 and 12 have been received. Stage 11A is under construction and sales continue to be steady at this mature development.

The Mangles Bay Marina Project in Rockingham, a co-development with LandCorp, continues to progress through the planning phase. The public information and community consultation will commence ahead of final approvals expected later this calendar year. Development is scheduled to commence in the first half of calendar 2017.

Corporate

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

The company recently arranged a new three year, \$30m finance facility with Bankwest for the Williams Landing Shopping Centre, expiring in February 2019. This followed the recent extension of the company's \$135m corporate facility expiry to November 2018, providing the company with access to significant long term facilities to fund its development program.

Outlook

Cedar Woods has re-affirmed its FY2016 net profit after tax forecast at \$43 million, compared with the record FY2015 result of \$42.6 million.

Mr Sadleir said: "The company has \$130 million in pre-sales for FY2017 and FY2018 and a growing national pipeline of development projects in Western Australia, Victoria and Queensland that will be generating revenue in FY2017.

"With the anticipated acquisition of the Glenside project providing entry into the South Australian market and with a number of new projects approaching development in the portfolio, this provides a platform for growth into FY2017 and beyond."

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