

Cedar Woods Properties
Limited
ASX Code: CWP

Forecast full year net profit of
\$15m

Significant stages completed
and settlements continuing

Strong presales in place for
FY2011

New projects commencing in
Perth and Melbourne in
FY2011

Bank debt remains at low level

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This report provides an update on the company's activities and performance since the release of the half-year report.

In line with previous earnings guidance, the company anticipates an after-tax profit for FY2010 of approximately \$15m, representing a 61% increase over the net profit reported for FY2009. An interim dividend of 5 cents per share was paid on 30 April 2010 and the final dividend will be announced with the annual result in August.

Western Australia

During the second half the company has completed further development stages at its residential projects at Cambridge Waters (Canning Vale), The Kestrels (Tapping) and The Rivergums (Baldivis), with settlements at these projects contributing to the second half result.

Recently the company commenced development of the first stage of the Harrisdale Green project which is a joint venture for the development and sale of land owned by the Department of Housing. The initial lots in this project will be offered for sale in FY2011 as the first stage approaches completion.

In addition, the second stage of lots from Emerald Park, the syndicated project at Wellard, south of Perth, are expected to be titled in early-mid FY2011. Stage 1 has nearly sold out and the company is encouraged by the ongoing buyer interest in this new estate. The display village is now under construction and is expected to be opened in late 2010. Recently the company increased its equity interest in the project from 25% to 32.5%.

During the first half the company launched a new apartment project on the foreshore at Palm Beach, just west of the Rockingham beachfront, known as 'The Jetty'. Comprising 15 luxury ocean view apartments and a ground floor retail tenancy, the project is over 60% sold. Construction commenced in the second half, with completion due early in FY2012.

Victoria

The residential property market in Melbourne has performed strongly over the last 12 months and the company has experienced high levels of buyer activity at its developments.

Development stages at Williams Landing and Carlingford (Lalor) are now complete and programmed settlements have commenced and will continue into June. Further stages have been commenced during the second half and settlements from these stages will contribute to first half earnings in FY2011.

The first seven stages of the company's Footscray development, 'Banbury Village' have now been successfully released, comprising 83 homes, now 96% sold. The first stages of these homes are expected to be delivered in the first half of FY2011 with subsequent stages to be delivered in the second half.

A significant number of presales are in place across the portfolio, programmed for settlement in FY2011, providing a platform for the company to achieve strong earnings growth in FY2011.

Capital management and bank debt

The Board was encouraged with the strong take up under the dividend reinvestment plan (DRP) at the interim dividend, with 40% of shareholders electing to take their dividend in the form of new shares in the company. The company issued 502,667 new shares, raising \$1.3m.

With funds raised through the DRP and the settlement program in the second half, the company will continue to operate with a low level of debt, with net bank debt/equity comfortably within the target range of 20 – 75%.

This provides the company ample capacity to progress its development schedule and make further acquisitions.

Profit forecast and outlook

The company reiterates former guidance and forecasts a full year net profit of approximately \$15m, based on anticipated settlements to the end of June 2010.

In the medium term, the increased contribution from the Melbourne projects, new projects entering the development phase and joint ventures will supplement earnings. The company has already put in place a significant number of presales which will underpin earnings in FY2011.

The diverse portfolio of projects, with approvals in place, positions the company to deliver earnings growth and value for shareholders in future years.