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Media Release

Cedar Woods reports strong first half and increases full year profit forecast

Cedar Woods Properties Limited (ASX: CWP) today released its unaudited result for the first half of FY2010.

The company provided guidance on 6 November 2009, expecting to report a strong first half result with a full year profit forecast of \$12.5m. Cedar Woods is now pleased to report a stronger than expected first half profit of \$9.9m and has increased guidance for the full year to a net profit of approximately \$15m.

The strong first half result reflects the improved conditions in the property market, with the company also achieving more settlements than anticipated in the month of December. The company is confident that \$50m in presales already in place for the second half will underpin second half earnings. A lower number of settlements are expected in the second half, hence the second half result will be lower than the first half.

Cedar Woods' Managing Director Paul Sadleir said that in contrast to the previous financial year, the first half had been strong due to contributions from a number of the company's projects and continues the upward trend experienced in the second half of the 2009 financial year.

"The Melbourne residential market continues to perform strongly and we have seen an upturn in the Perth market, both of which have contributed to our stronger performance this half."

"We have been pleased that, as the stimuli provided by the Federal Government to first home buyers has been phased out, a recovery is beginning to show in the broader market. We are optimistic that this broader recovery will continue into FY2011."

"It was pleasing to see our debt come down significantly in the first half. Our corporate facility was drawn to only \$39m at the end of December, providing a low net bank debt to equity ratio of 38%."

In light of the improved conditions, the Board has decided to declare an interim dividend. The interim dividend will be announced upon the release of the half year report.

Cedar Woods half year report summary

- First half unaudited net profit of \$9.9m, forecasting a full year net profit of approximately \$15m
- \$50m in presales at projects completing in the second half
- Net debt to equity ratio of 38%, well below the company's upper limit of 75%
- Interim dividend to be declared

The company will release its audit – reviewed first half report later this month.

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