



Ground Floor, 50 Colin Street, West Perth, WA 6005
PO Box 788, West Perth, WA 6872
T (08) 9480 1500 F (08) 9480 1599
www.cedarwoods.com.au
email@cedarwoods.com.au
ABN 47 009 259 081

4 November 2011

Australian Securities Exchange Limited
Exchange Centre
Level 4
20 Bridge St
Sydney NSW 2000

Dear Sir / Madam,

2011 AGM CHAIRMAN'S ADDRESS AND PRESENTATION SLIDES

Please find attached the Chairman's address and the presentation slides for today's Annual General Meeting.

Yours faithfully,

A handwritten signature in black ink that reads 'Paul Freedman'. The signature is written in a cursive, flowing style.

**Paul Freedman,
Company Secretary.**

Cedar Woods Properties
2011 Annual General Meeting
Chairman's Address

Cedar Woods has been creating dynamic residential communities for almost 25 years. Today, we have 25 projects completed or in progress across Western Australia and Victoria with a focus on quality, affordability and sustainability. Currently, 13 of these projects have product available for sale and there are over 7,000 lots or units in our landbank.

Corporate objective

Throughout 2011, Cedar Woods has remained committed to our primary objective: to create value for our shareholders through growth in earnings. Our Corporate Plan encompasses proven strategies to create value for shareholders through:

- Focusing on residential land development;
- Growing funds management and joint venture opportunities;
- Furthering regional development opportunities;
- Medium term expansion into other mainland states; and
- Maintaining a strong project pipeline to drive future earnings.

FY2011 Financial Performance

Consistently, over the last 10 years the company has built a solid track record of growth, delivering more than 10% per annum growth in net profit after tax every year, with the only exception being 2009 during the Global Financial Crisis.

Paul Sadleir will provide greater detail on the financial performance as well as operational highlights of the Company later in the Meeting. However, I am pleased to highlight that in 2011, Cedar Woods again delivered above this target, reporting a record net profit of \$28 million, an increase of 63 per cent on the previous corresponding period, and earnings per share of 45.8 cents, up 58 per cent on the previous year.

Due to Cedar Woods' strong financial performance, and in accordance with the company's dividend policy, the Board declared a fully franked final dividend of 12 cents per share which brought the full year payout to a record 23 cents per share, up 77 per cent on last year.

Your Board is committed to continuing our success through further implementation of our strategy.

The investment case for Cedar Woods

The investment case for Cedar Woods is compelling with:

- A strategically located and diverse property portfolio;
- An enviable track record of meeting targets and guidance;
- A strong balance sheet and prudent gearing;
- An experienced Board and senior management team;
- A share price materially below the market value of assets;
- An attractive, fully-franked dividend yield with a large bank of franking credits available to fully frank future dividends; and
- A dividend policy to distribute approximately 50% of full year net profit.

Take over approach

Given the investment case, it was no surprise that we gained the attention of another company keen to make a takeover bid for your company during the year, and as we have had a number of enquiries in relation to this matter since then, it is appropriate for me to comment further.

As many of you are aware, in March this year, the company announced it had received a conditional and indicative approach to acquire 100 per cent of Cedar Woods' issued ordinary shares.

The takeover proposal was made on a confidential basis and was subject to various conditions including a majority board recommendation and due diligence.

The Board immediately engaged legal and financial advisers, provided due diligence access and actively sought to negotiate a deal that could be recommended to shareholders.

However, ultimately a number of conditions remained incapable of being satisfied and as a result, the approach was withdrawn. Throughout the process the Board remained, and continues to remain, focused on maximising returns to shareholders.

In our March announcement, we noted the company's bright outlook, with the prospect of a record FY 11 result. I am pleased to note this was delivered and we are again on track for another record year in FY12.

I would emphasise that the approach we received was not an offer capable of being taken to shareholders due to the conditionality of that proposal, as framed by the other party.

I would also emphasise that any party can make an offer for the company at any time, indeed the party that approached us could have made an unconditional offer for the company. I would like to dispel any myth that we prevented the party or any party from making an unconditional offer.

A number of people have asked who it was that made the takeover approach. The provisions of the confidentiality agreement prevent me from disclosing who the party was.

I can advise that since the date that negotiations were terminated, there have been no further approaches with respect to a takeover of the company.

Conclusion

In conclusion, with a diverse portfolio in growth areas, ample funding and approvals in place, your Board is positive about the outlook for Cedar Woods.

This week the company provided the market with its first quarter update and I am pleased to say, we remain on track to meet earnings guidance of \$34 million in FY2012, underpinned by \$140 million of presales already in place.

A number of new projects will be launched this year, further contributing to the company's existing earnings base. Cedar Woods is well positioned to continue to achieve earnings per share growth above 10 per cent per annum, going forward.

Board, management and staff, shareholders

Cedar Woods successes are due to the hard work of our management team and staff. I would like to use this opportunity to sincerely thank them for their dedication and their role in Cedar Woods' achievements in 2011.

I also wish to thank my Board colleagues for their continued hard work and commitment throughout the year.

Finally and most importantly, I would like to conclude by thanking our many loyal shareholders for your ongoing support of Cedar Woods.

END

FY2011

ANNUAL
GENERAL MEETING

4th November 2011



CORPORATE OBJECTIVES

- ▶ Focus on residential land development
- ▶ Grow funds management and joint venture opportunities
- ▶ Further regional development opportunities
- ▶ Medium term expansion into other mainland states
- ▶ Maintain strong project pipeline to drive future earnings

The company's primary objective is to create value for shareholders through growth in earnings

FY2011 FINANCIAL PERFORMANCE

Record profit, earnings per share and dividend

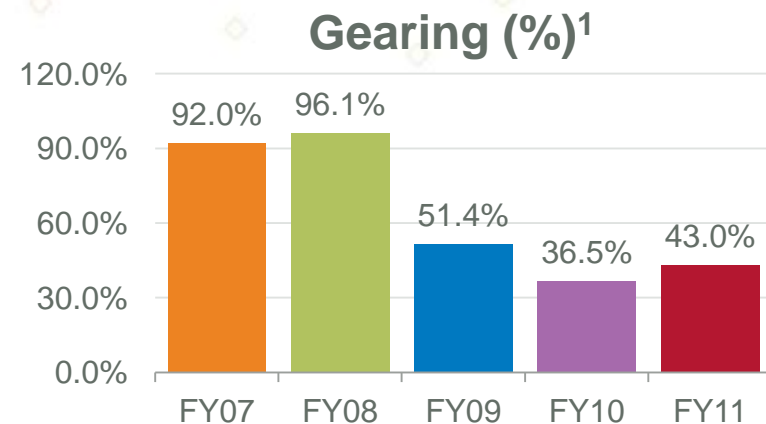
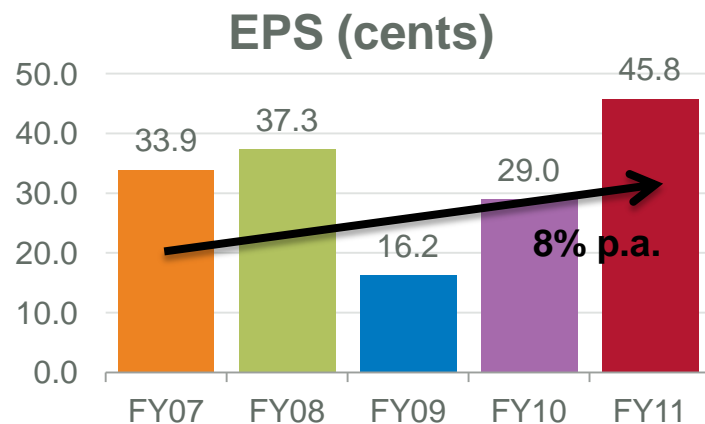
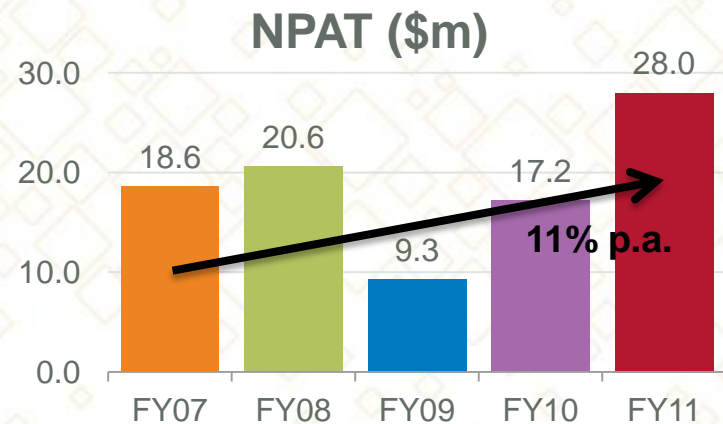
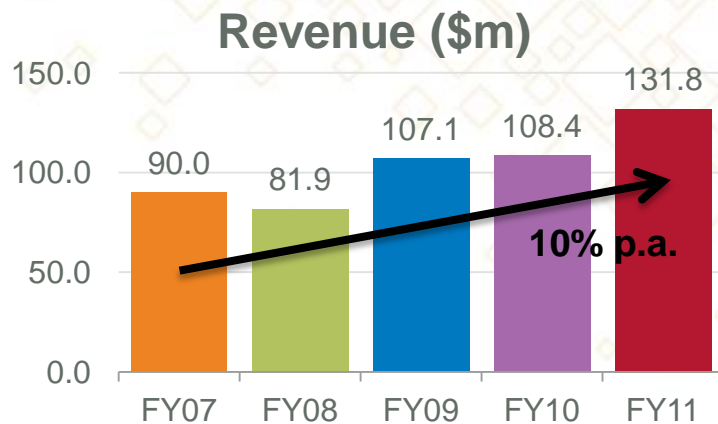
Net Profit	\$28.1m	↑ 63%
Earnings per share	45.8 cents	↑ 58%
Dividend per share	23.0 cents	↑ 77%

INVESTMENT CASE

- ▶ Strategically located and diverse property portfolio
 - Urban and regional growth areas in VIC and WA
 - Apartments, integrated housing, mixed use and large master planned communities
- ▶ Track record of meeting targets and guidance
 - Consistent delivery of 10%+ annual profit growth¹
- ▶ Strong balance sheet and prudent gearing
- ▶ Experienced Board and Senior Management
- ▶ Share price materially below market value of assets
- ▶ Attractive, fully-franked dividend yield
 - Substantial amount of franking credits to fully frank future dividends
- ▶ Dividend policy to distribute approximately 50% of full year net profit

¹. From 2002 to 2011 CWP has delivered 10%+ profit growth every year except during the GFC in 2009

TRACK RECORD OF GROWTH AND BALANCE SHEET STRENGTH

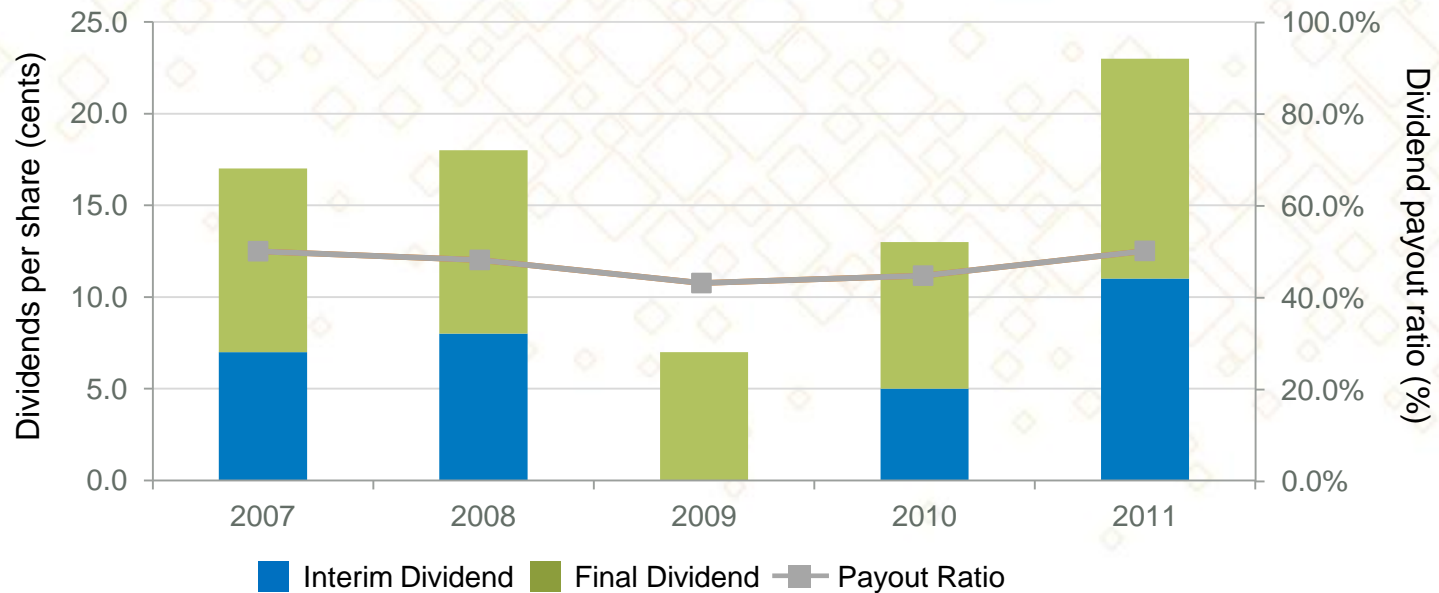


¹ Gearing defined as net bank debt / equity

FY2011 FINANCIAL PERFORMANCE VS FY2010

	FY11 \$m	FY10 \$m	Change %
Revenue	131.8	108.4	↑ 21.6%
Profit before income tax expense	40.2	24.7	↑ 62.7%
Net profit after tax	28.0	17.2	↑ 62.8%
Earnings per share	45.8 cents	29.0 cents	↑ 57.9%
Dividends per share	23 cents	13 cents	↑ 76.9%

DIVIDEND POLICY



- ▶ Fully franked interim dividend of 11 cents per share paid on 29th April 2011
- ▶ Fully franked final dividend of 12 cents per share paid on 31st October 2011
- ▶ Policy unchanged – approximately 50% of full year net profit
- ▶ Dividend Reinvestment Plan (DRP) and Bonus Share Plan are in operation
- ▶ Dividends to be fully franked going forward

PROJECTS LOCATIONS



PROJECT LIFE – WA & VIC

	Location	Project Type	Status	Project Life							
				FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
WA projects											
Rivergums Baldivis	Southern corridor	Residential	Mature								
North Baldivis	Southern corridor	Residential	Planning								
Mariners Cove	Mandurah	Canal	Mature								
Port Mandurah (Sutton)	Mandurah	Canal development	Planning								
The Kestrels	Tapping, Wanneroo	Residential	Complete								
Piara Waters - lot 2	SE corridor	Residential	Planning								
Piara Waters - lot 6	SE corridor	Residential	Planning								
Waterline stage 1	Mandurah	Apartments	Complete								
Waterline stage 2	Mandurah	Apartments	Planning								
The Jetty, Palm Beach	Rockingham	Apartments	Complete - settlements FY12								
Bushmead	Perth foothills	Residential	Planning								
Pinjarra	Southern corridor	Residential	Planning								
South Hedland	Pilbara	Residential	Planning								
Harrisdale Green	SE Corridor	Mixed Use	Mature								
Carine	NW Corridor	Mixed Use	Planning								
Mangles Bay	Rockingham	Mixed use	Planning								
WA syndicate project											
Cedar Woods Wellard (Emerald Park)	(CWP 25%) Southern corridor	Residential	Mature								
Melbourne projects											
Williams Landing Residential	Western Suburbs	Residential	Mature								
Williams Landing Town Centre	Western Suburbs	Retail, Mixed Use	Planning, Design, Leasing								
Carlingford, Lalor	Northern corridor	Residential	Mature								
Banbury Village	Footscray	Apartments & Houses	Mature								
Camberwell	Eastern suburbs	House & land packages	Design/Sales								

WA HIGHLIGHTS

- ▶ Residential estates continued to sell steadily
- ▶ Strategic acquisitions in urban growth areas including two adjacent parcels of land in Baldivis (WA) totalling 68 hectares
- ▶ First development project with State Government now under way, Harrisdale Green (WA) project with the Department of Housing
- ▶ Construction at The Jetty apartments in Rockingham complete and settlements completed for presales
- ▶ Pleasing momentum at Emerald Park Private Estate – sales progressing steadily

The Rivergums
BALDIVIS



The Islands

WATERLIDE
apartments · mandurah

The Jetty.

emerald park
PRIVATE ESTATE



harrisdale
green

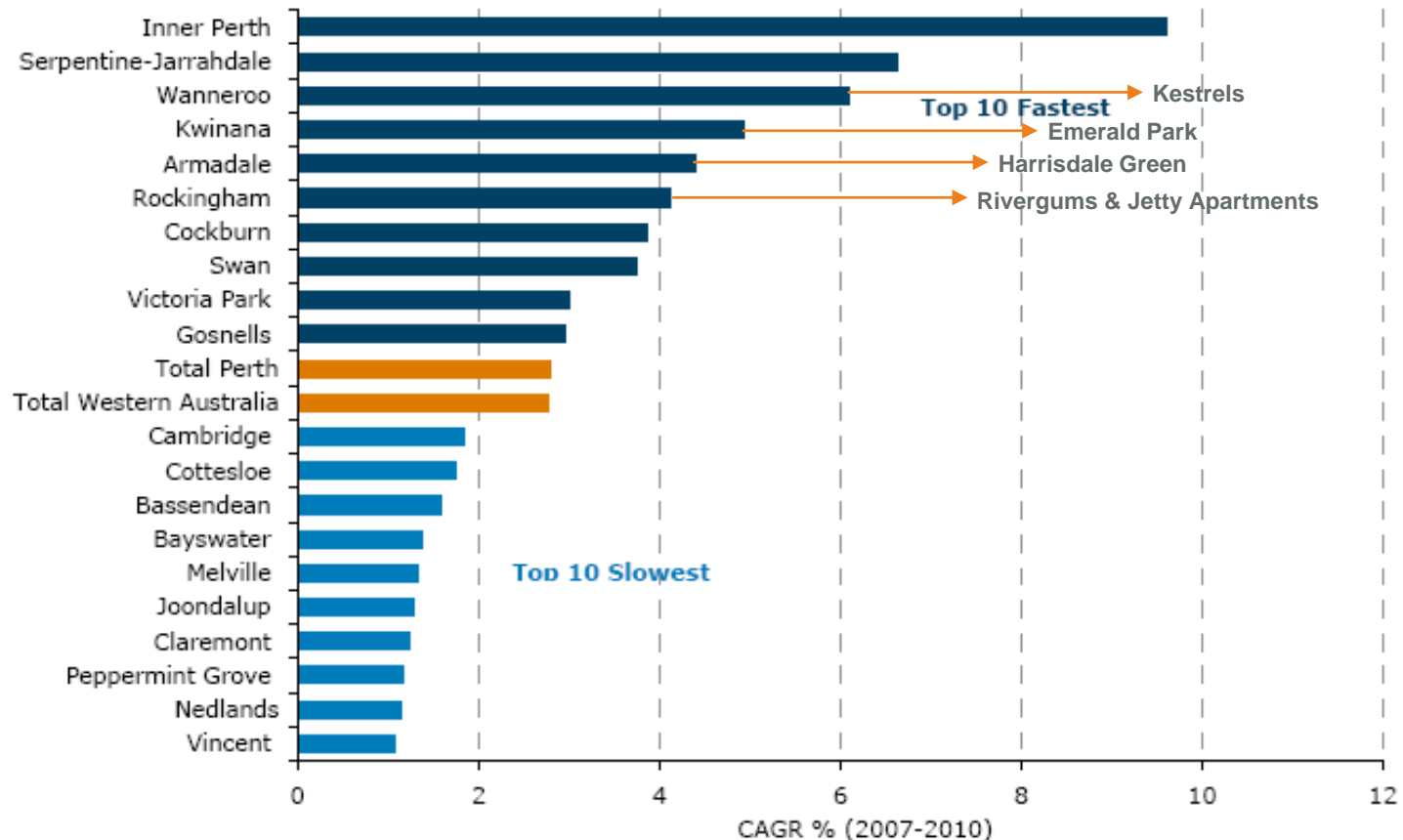


The Kestrels
Private Estate, Tapping

Cedar Woods
PROPERTIES LIMITED

PERTH PROJECTS IN GROWTH LOCATIONS

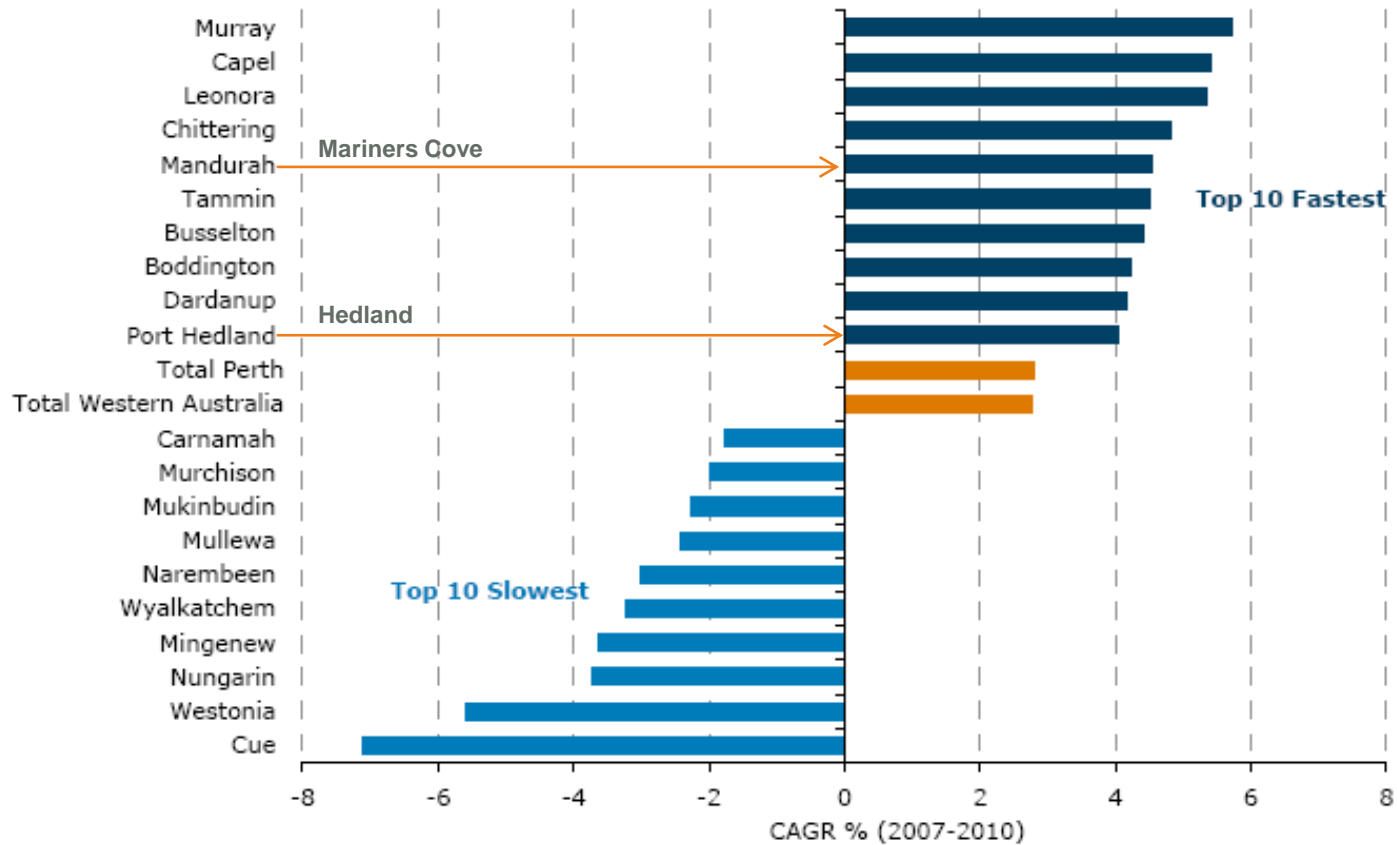
Population growth in Perth



Source: ABS, ANZ

REGIONAL WA PROJECTS IN GROWTH LOCATIONS

Population growth by regional/rural Areas



Source: ABS, ANZ

WA PROJECTS



VIC HIGHLIGHTS

- ▶ Continued strong presales across VIC projects for FY12
 - Williams Landing – 90% of budget
 - Banbury Village – 96% of budget
 - Carlingford – 65% of budget
- ▶ Major, 20-year leasing deal signed with Woolworths Limited to open a trio of anchor stores at flagship Williams Landing project
- ▶ State Government awarded contract for Williams Landing station and road overpass – work to start soon
- ▶ Early planning approval granted for Realm Camberwell project
- ▶ Initial stages of housing completed and settled at Banbury Village
- ▶ Several stages of land completed and settled at Carlingford

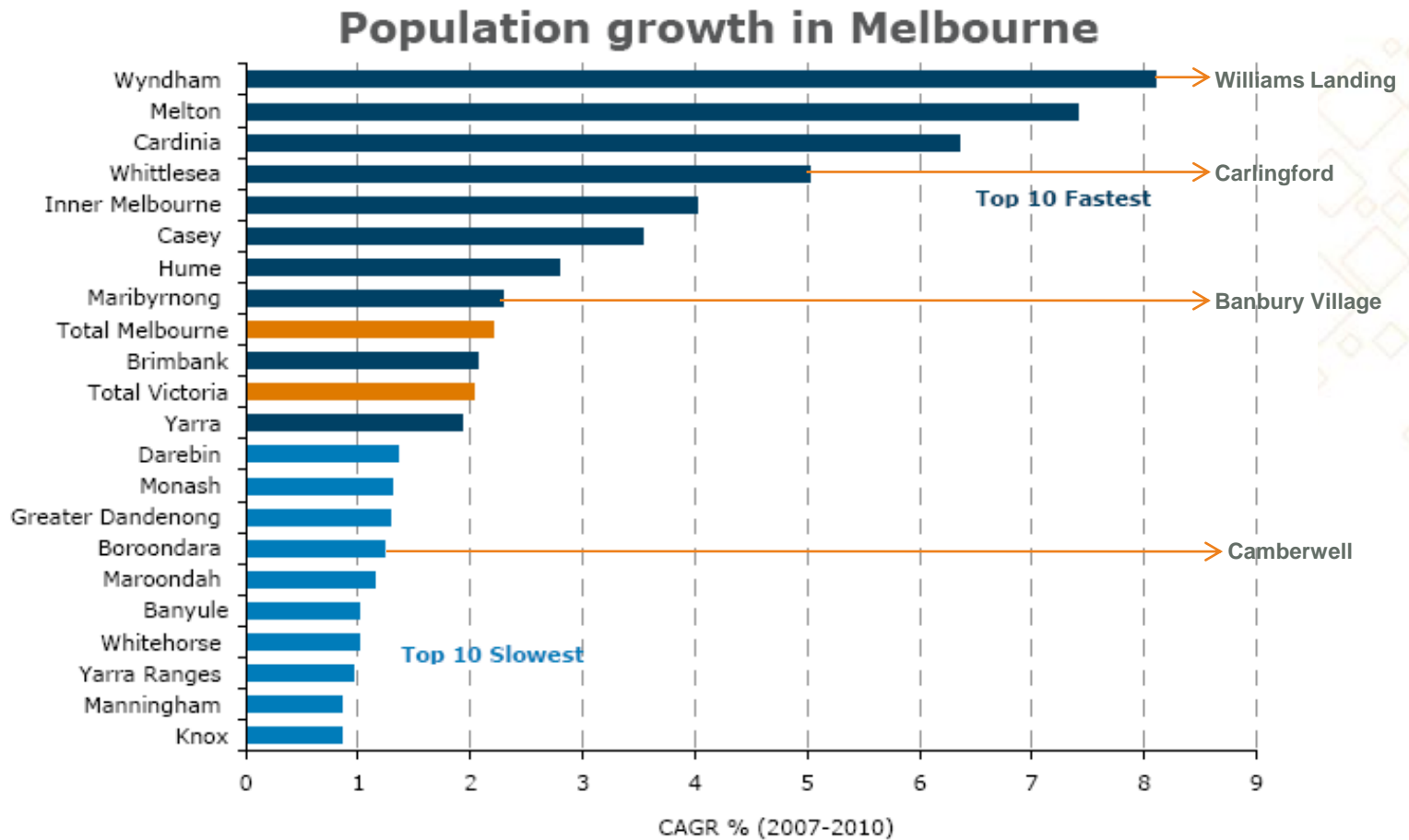


Carlingford



Banbury
village

VICTORIAN PROJECTS IN GROWTH LOCATIONS



Source: ABS, ANZ

WILLIAMS LANDING – TOWN CENTRE



MELBOURNE PROJECTS



RESIDENTIAL MARKET DRIVERS

- ▶ Population growth – long term driver
- ▶ Housing supply – under supply set to continue
- ▶ Confidence
- ▶ Employment
- ▶ Availability of finance
- ▶ Incentives
- ▶ Affordability (prices, interest rates)
- ▶ Rental alternative

MARKET CONDITIONS

WESTERN AUSTRALIA

- ✓ Demand in growth corridors where CWP projects located
- ✓ Continued demand underpinned by positive FY12 indicators:
 - ▶ Economic growth of 4.5%
 - ▶ Population growth of 2.2%
 - ▶ Unemployment of 4.5%
- ✗ Subdued consumer confidence – listings and average selling days up

VICTORIA

- ✓ Solid residential housing market fundamentals underpinned by positive FY12 indicators:
 - ▶ Economic growth of 3.0%
 - ▶ Population growth of 1.5%
 - ▶ Unemployment of 5.0%
- ✓ Continued demand driven by lack of supply and low vacancy rates
- ✗ Subdued consumer confidence - enquiry and sales rates have slowed
- ✗ Lower clearance rates (55-60%)
- ✗ Price growth has eased and is expected to be flat for FY12

COMPANY OUTLOOK

- ▶ Forecast FY12 record net profit of approximately \$34 million based on sales at current levels
- ▶ FY12 profit underpinned by \$140 million in presales in place (as at 1Q FY12)
- ▶ Positive outlook, bolstered by continued demand for CWP's projects, strategically located in WA and VIC's growth regions and improvement in housing affordability
- ▶ Future revenue stream supported by development of existing land bank
- ▶ Strong balance sheet

DISCLAIMER

While every effort is made to provide complete and accurate information, Cedar Woods Properties Limited does not warrant or represent that the information in this presentation is free from errors or omissions or is suitable for your intended use. Subject to any terms implied by law and which cannot be excluded, Cedar Woods Properties Limited accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in information in this presentation. All information in this presentation is subject to change without notice.

This presentation is not financial advice or a recommendation to acquire Cedar Woods Properties Limited securities and has been prepared without taking into account the objectives, financial situation or needs of individuals.

Cedar  Woods
P R O P E R T I E S L I M I T E D

50 Colin Street
West Perth WA 6005

Phone: (08) 9480 1500

Email: email@cedarwoods.com.au

www.cedarwoods.com.au