

2013


Cedar Woods

Annual Report





Cedar Woods



Cedar Woods – award winning property developer, producing residential communities in Western Australia and Victoria



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CEDAR WOODS' OBJECTIVE

Our primary objective is to create value for our shareholders through growth in earnings.

In meeting our primary objective we seek to:

- Communicate the company's progress to shareholders and the investment community;
- Satisfy customers' expectations through excellence in property development;
- Align the interests of the company and its employees and provide employees with the opportunity of growth and development in a safe working environment;
- Have our citizenship recognised by the communities in which we operate and be recognised as environmentally responsible; and
- Maintain the highest ethical standards.





About Cedar Woods.

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Cedar Woods Properties Limited is an Australian property development company. The company was established in 1987 and has been listed on the Australian Securities Exchange since 1994, trading under the security code 'CWP'. Its market capitalisation is approximately \$500m.

The company's principal interests are in urban land subdivision and built form development for residential, commercial and industrial purposes. Its portfolio of assets is located in Western Australia and Victoria. The board and management of Cedar Woods have extensive experience in the property industry, with particular expertise in adding value to land holdings through the achievement of government and local authority approvals and the planning and design process.

Cedar Woods has consistently generated profits and dividends for shareholders, whilst achieving excellence in product delivery, as recognised by several national awards and many state awards, including the categories "Best Residential Estate" and "Environmental Excellence" and most recently, "Best High Density Development". In the investor relations arena, the company is a past winner of 3 ARA silver awards for its Annual Report.

Cedar Woods' projects are sensitively developed with consideration for environmental and community interests and built to a high quality that is renowned in the marketplace.

Through the rapid expansion of its built form development portfolio, Cedar Woods has earned a reputation of delivering high quality apartments for both the owner-occupier and investor market.

The company has a strong focus on shareholder value and its record in delivering quality developments to the market has produced a strong earnings stream, providing consistently high returns to shareholders.

2013 HIGHLIGHTS

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Our primary objective is to create value for our shareholders through growth in earnings.

- Record full year profit of \$36.34m, up 6%
- Earnings per share of 49.9 cents, down 6%
- Full year dividend of 26 cents (fully franked), up 4%; full year payout ratio to remain at 50% of net profit
- \$175m in pre-sales at projects completing in FY2014 & FY2015
- Net debt to equity ratio of 18% at 30 June 2013
- \$110m bank facility in place until November 2015; \$57.5m headroom available at June 2013
- Commenced development in Williams Landing Town Centre
- Completed major new acquisitions in Western Australia



2013 FINANCIAL RESULTS SUMMARY

Year ended 30 June	2013 \$'000	2013 \$'000	Change %
Revenue	172,751	170,474	+ 1.3
Net profit after tax	36,337	34,250	+ 6.1
Total assets	301,024	238,314	+ 26.3
Net bank debt	37,762	3,822	+ 888.0
Shareholders' equity	207,744	184,626	+ 12.6

2013 KEY PERFORMANCE INDICATORS

Year ended 30 June		2013	2013	Change %
Basic earnings per share	¢	49.9	53.2	- 6.2%
Dividends per share – fully franked	¢	26.0	25.0	+4.0%
Total shareholder return (1 year)	%	53.8	-5.3	+59.1%
Net bank debt to equity – 30 June	%	18.2	2.1	+ 16.1%
Interest cover	x	12.6	8.8	+ 43.2%
Net asset backing per share – historical cost	\$	2.83	2.56	+ 10.5%
Shares on issue – end of year	'000	73,360	72,190	+1.6%
Stock market capitalisation at 30 June	\$'000	379,269	256,995	+47.6%
Share price at 30 June	\$	5.17	3.56	+45.2%
Return on equity	%	17.5	18.6	-1.1%
Return on capital	%	21.6	28.1	-6.5%

Reference should be made to the financial performance summary on page 20 of this Annual Report which tables the financial performance of the company over the last five financial years.



FINANCIAL AND OPERATING REVIEW

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In 2013, Cedar Woods' net profit increased 6% to a record \$36.34 million.

2013 Financial Result

In 2013, Cedar Woods' net profit increased 6% to a record \$36.34 million, and a total shareholder return of 54% was achieved.

Against the back drop of a weakening economy but improving residential property sector, Cedar Woods achieved another record profit for the year. The robust result reflects the increased profitability of the company's projects in Perth and Melbourne and the strength and diversity of Cedar Woods' property portfolio.

Cedar Woods remains in a strong financial position with a \$110 million debt facility in place until November 2015 and \$57.5m in available headroom. The company remains modestly geared with net bank debt to equity at 30 June 2013 at 18.2%. Interest cover is comfortable at 12.6 times, improving on FY2012 (8.8 times).

Strong operating cash flows derived from settlements were substantially reinvested into the property portfolio as we laid the foundations for future development at the Williams Landing Town Centre and commenced a number of new projects.

The company has also been selective in its acquisitions in FY2013, boosting its WA land bank with the \$6.5m purchase of land at Byford in Perth's SE corridor, and the \$22.3m investment in land at Brabham, in Perth's growing NE corridor. Shortly after the end of FY2013 the company also acquired the undeveloped balance landholding of 35.3ha in the 'Byford on the Scarp' residential estate for \$9.3m further boosting our presence in the corridor.

With the property sector generally returning to favour in the eyes of investors, the company's share price increased over the financial year from \$3.56 per share at 30 June 2012 to \$5.17 at 30 June 2013. Including fully franked full year dividends of 26 cents per share, the total return to shareholders over the year was 54%.

Capital Management and the 2013 Dividend

In light of Cedar Woods' strong financial result, and in accordance with the company's policy of paying approximately 50% of the full year profit in dividends, your board has declared a fully franked final dividend of 15 cents per share. This brings the full year payout to 26 cents per share, 4% up on FY2012, providing an attractive yield based on the current share price. The final dividend will be paid on 30 October 2013.

The dividend reinvestment plan (DRP) will be available for the final dividend and shares under the DRP and Bonus Share Plan (BSP) will be offered at a 2.5% discount to the weighted average market price for the 10 days to 11 October 2013.

Economy and the Property Market

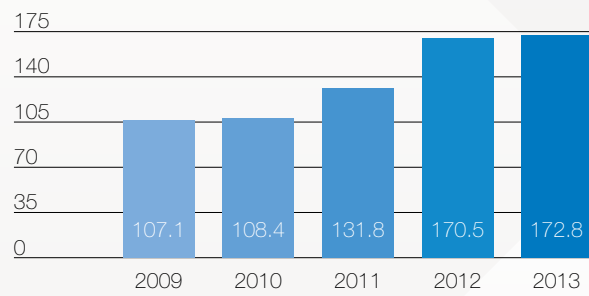
The Australian economy as a whole weakened during the year as the decline in investment activity associated with the resources sector dampened growth, with real GDP forecast to grow by 2.5% in FY2014 before recovering to 3.0% in FY2015 based on Treasury estimates in the Pre-election Economic and Fiscal Outlook.

The economic fundamentals remain supportive for the residential property sector, with inbound migration contributing to a national population growth rate of 1.8% in CY2012, with the largest growth by percentage in WA (3.5%) and the largest by number in Victoria (100,000) – Source ABS. The unemployment rate, though increasing, remains below 6% and the housing vacancy rate remains under 3% in all capital cities (SQM Research). The growth in wages has outstripped the growth in house prices nationally over the last year (ABS) and the Reserve Bank of Australia has continued to reduce interest rates during 2013, with most of the reductions passed on by banks to homebuyers. As a consequence, these factors have improved affordability for home buyers.

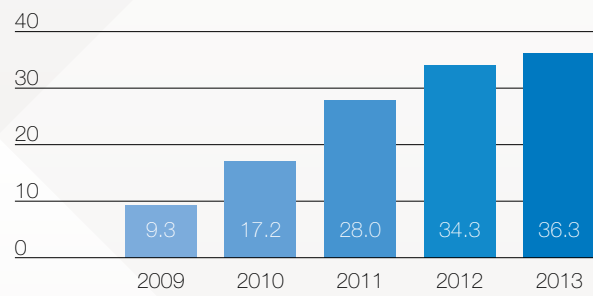


5 year results summary.

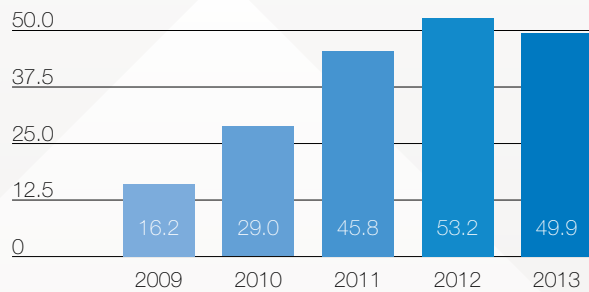
REVENUE (\$m)



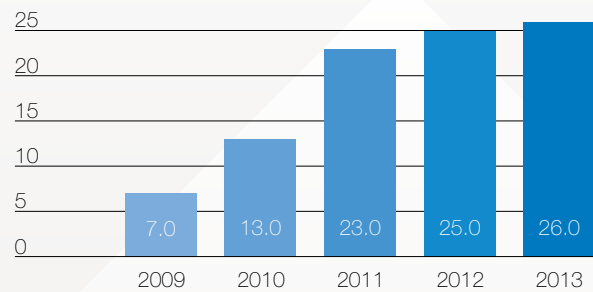
NET PROFIT (\$m)



EARNINGS PER SHARE (cents)



DIVIDEND PER SHARE (cents)





FINANCIAL AND OPERATING REVIEW

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Cedar Woods' strong financial result enabled a fully franked final dividend of 15 cents per share.

As business investment diminishes, dwelling investment is expected to improve nationally in FY2014, with a 5% increase forecast by Treasury. The increase in dwelling investment is already apparent in WA where loan approvals, building approvals and home starts have been increasing over the last year, with home start activity expected to remain at current levels through FY2014 (Housing Industry Forecasting Group). The strong inbound migration and a shortage of supply provide the underlying fundamentals to support growing demand for residential property in the future.

In Victoria, after a 2 year decline in activity in the residential property market, home loan and building approvals are now trending upwards and house prices have increased after two years of decline (ABS). Demand remains strong for well located property close to transport infrastructure and other amenities.

Operational Review of Developments

WESTERN AUSTRALIA

In FY2013, our company derived income from two new projects, at the Piara Central residential subdivision in Piara, and the Batavia Coast Marina Apartments in Geraldton, bringing the total revenue producing projects in Cedar Woods' portfolio to 16 across Western Australia and Victoria.

Activity levels improved significantly at the company's current Western Australian land estates, with price levels moderately increasing in the second half.

Piara Central, in the growing south east corridor of Perth, saw the completion of the first two stages of development and the settlement of more than 100 residential lots. The estate will be home to more than 150 families upon completion, with central parkland providing a community focal point. The third and final stage of this development is expected to be launched in FY2014 with settlements in FY2015.

At The Rivergums, Baldivis activity levels also increased as the estate witnessed the completion of the Baldivis Secondary College and the company released lots in adjoining stages. Similarly high levels of activity were recorded at Emerald Park in Wellard with all available lots selling out during the year.

At the end of last year the company invested in an exciting new development the Batavia Marina Apartments, on the waterfront in Geraldton in the state's mid-west. These luxury apartments are already more than 65% pre-sold with construction now complete and settlements under way.

Elements at South Hedland is the first Cedar Woods project in the burgeoning Pilbara region and will consist of over 130 lots on 11 hectares. Working with project partners, mining companies, builders and, importantly, local residents and businesses, Cedar Woods has commenced development and expects to deliver the first lots towards the end of 2013, to satisfy the strong housing demand in the area. A significant number of lots have been pre-sold to a resource company, local builders and community groups with the public release also having been substantially allocated by way of an expression of interest campaign.

Just after the end of the second half, Cedar Woods was selected as the preferred developer to work with LandCorp in establishing the Western Edge project in South Hedland. Under the terms of the development agreement Cedar Woods will secure planning approvals for the first phase of development of approximately 600 lots, subject to feasibility and market demand. Ultimately the Western Edge project is expected to deliver over 2,200 lots into the Hedland community.



VICTORIA

The company's major residential projects in Victoria performed well during the year, continuing to record strong pre-sales and good levels of enquiry. At Cedar Woods' flagship Williams Landing development in Melbourne's west, the estate received a major boost upon the completion of the Williams Landing railway station and freeway interchange works undertaken by State Government. During the year the company commenced construction of the new Masters Home Improvement store in the town centre, which is expected to be completed and open for business in late 2013. These developments, together with the opening of a new builder display village, have boosted demand for the company's residential lots and interest in the Williams Landing Town Centre.

During the year, stages at Banbury Village in Footscray and Carlingford at Lalor were completed and settled and the first six homes were completed at the Realm, Camberwell project with the remainder of the project now pre-sold for delivery in FY2014 and FY2015.

Details of progress at the projects commences on page 12.

Corporate Objectives, Strategy & Risks

Cedar Woods' Corporate Plan guides management's activities and provides a five year outlook for the company, projecting earnings and other key performance indicators.

Cedar Woods' primary objective is to create value for shareholders through earnings growth as it aims to deliver strong year on year growth in net profit and earnings per share and put the company in the top half of all listed industrial companies based on financial performance. This year, the company reported full year net profit growth of 6% and dividend growth of 4%. Earnings per share experienced negative growth of -6%, impacted by the issue of shares associated with last year's equity raising, although the company has achieved 20% annualised earnings growth over the last 3 years.

The Corporate Plan sets out a number of key action items and strategies focused on achieving delivery of earnings growth and addressing key risk factors. These key actions are implemented as performance targets by senior executives, sales managers and other employees.

In addition, twice each year our Audit and Risk Management Committee assesses risk factors that may affect the company including specific risks affecting individual projects and more general risks affecting our business sector.

The company's strategies, as set out in the Corporate Plan are:

- **Ongoing development of existing projects**

Cedar Woods' core competency is in property development and the company continues to achieve industry-leading design, delivery and marketing of projects to maximise returns.

- **Diversification of the property portfolio**

The company has a strategically located and diverse residential portfolio in urban and regional growth areas in Victoria and WA, offering a wide spectrum of dwelling product and price points to consumers. The company's offerings include small affordable housing lots at its residential estates through to high-end luxury apartments at boutique waterfront developments.

- **Focus on the project pipeline**

In the last year the company bolstered its land bank by completing key acquisitions in Western Australia. During the second half of the financial year the company made two strategic acquisitions, buying land parcels in Byford in Perth's burgeoning south-west growth corridor and at Brabham in the growing north-east corridor where the company was not previously represented. More recently the company acquired a second land holding in Byford, boosting its land bank to 670 lots in that vicinity.



FINANCIAL AND OPERATING REVIEW

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Entering FY2014, Cedar Woods has \$175 million of pre-sales in place and new projects commencing which will assist in driving earnings.

- **Using joint ventures, syndicates and co-development arrangements to leverage the company's skill base**

Cedar Woods utilises joint ventures, syndicates and co-development arrangements to diversify the company's revenue streams and efficiently manage its capital. This year, the company has continued the development of lots at the Harrisdale Green project, an important co-development with the Department of Housing and has progressed development by its syndicate company, Cedar Woods Wellard Limited, which generates ongoing revenue by way of management and selling fees. In addition, Cedar Woods was recently selected by LandCorp as the successful proponent to develop the landmark Western Edge project in South Hedland.

- **Retaining ownership of income producing assets**

The company will build a limited number of commercial and retail property assets at Williams Landing and at other estates, where the development of those buildings is consistent with estate master plan objectives. The long term ownership of those assets will be balanced against the company's capital management objectives and acquisition opportunities. Developments may be sold once they have achieved the amenity objectives and their valuations have matured, with disposals likely to become a regular component of the company's revenue stream.

The general risks to company performance include those relevant to the property market including government policy in relation to immigration and support for the housing industry generally, the environmental policy framework, monetary policy set by the Reserve Bank of Australia, the strength of the labour market and consumer confidence.

The company is also exposed to the property cycles in the markets in which it operates, i.e. Western Australia (Regional and Metropolitan) and Victoria (Metropolitan). The fluctuations in demand in these markets represent a risk to achieving the company's financial objectives. The company aims to mitigate this risk by operating in diverse geographical markets and offering a wide range of products and price points to consumers.

Sustainability Reporting

Our environmental and community development report and overview of research and innovation is available as a separate web-based Sustainability Report. The Report is available on our website, www.cedarwoods.com.au

People

Our management team continues to expand to support the growth in the business.

Cedar Woods' remains committed to an inclusive workplace that embraces and promotes diversity and during the year the company embellished its workplace policies to further those objectives. The diversity policy sets out a framework for the company's diversity-related initiatives, strategies and programs and commentary is provided in the Corporate Governance Statement in the Financial Report.

The company has continued to actively support a range of industry groups including the Property Education Foundation of WA which focuses on improving property professionals' skills. In 2013, Cedar Woods participated in promotional activities with the Foundation to help attract graduates to the development industry.



Board Matters

The board is conscious of its duty to ensure the company meets its performance objectives. During the year the board and its committees reviewed their respective charters and performance to ensure they were properly discharging their responsibilities. The charters were updated during the year and were published on the company's website.

Further details of Cedar Woods' corporate governance framework are available on the company's website and in the Corporate Governance Statement in the 2013 Financial Report.

Outlook

While the Australian economy has weakened as the construction phase of the resources boom winds down, the underlying fundamentals of the property market remain solid, particularly in Western Australia and Victoria where the company's portfolio is located. With strong levels of inbound migration, low levels of unemployment, historically low interest rates and improved affordability, the medium-to-long term prospects of Australia's residential property sector remain positive. The Western Australian economy is forecast to grow at 3.25% in FY2014 with unemployment, although rising, well below the national average. Victoria's economy is expected to grow at a steady 2.25% in FY2014, with population growth of 1.7% anticipated (State Treasury forecasts).

Cedar Woods enters FY2014 with low debt, a strong balance sheet and a diverse portfolio in major growth regions in Western Australia and Victoria. The company has \$175 million of pre-sales in place and new projects commencing which will assist in driving earnings, positioning the company to achieve profit growth in FY2014, assuming current market conditions continue. With ample funding and approvals in place, your board remains positive about the company's outlook.

In 2013, we have continued to actively engage with the investment and broking community to raise Cedar Woods' profile and build awareness of the strength of the company's portfolio. We are pleased with the support of our existing shareholders and welcome the new institutional investors onto our register.

We look forward to further building on the strength and diversity of our portfolio of projects and our land bank in the year ahead.

We would like to thank our fellow directors and staff for their dedication and hard work in 2013. Thanks also go to our shareholders for their ongoing support of Cedar Woods in 2013 and in the year ahead.

William Hames – Chairman

Paul Sadleir – Managing Director

OVERVIEW OF PROJECTS

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Bushmead

The former Bushmead Rifle Range site was sold by the Department of Defence on behalf of the Commonwealth of Australia. The land is located 16 kilometres north east of the Perth CBD and adjacent to Cedar Woods' Helena Valley Private Estate completed in 2008. Given its proximity to the Perth CBD, Perth airport, Midland regional centre and strong connectivity via regional road networks, the site is in a prime location for future redevelopment. The site is a long term project for the company and expected to yield between 600 and 900 residential lots, depending on lot sizes and planning outcomes. A rezoning amendment was lodged in 2013.



Carine Rise, Carine

The planned redevelopment of the former TAFE site in Perth's middle northern suburb of Carine was the company's first project to be conducted in cooperation with the Western Australian state government agency, LandCorp. Cedar Woods and the St Ives Group were selected through a highly competitive tender process as the preferred project partners. The redevelopment will include residential aged care, a retirement village, mixed use development and residential lots, townhouses and apartments. The St Ives Group is one of the state's leading providers of aged care and retirement housing. Civil construction commenced in July 2013 with sales to commence in early 2014.



Emerald Park, Wellard

Cedar Woods Wellard Limited, an investment syndicate managed by the company, owns this exciting residential estate to ultimately comprise over 620 home sites, a school site and sports ground. Its location in Perth's southern suburbs, some 33km from the CBD, adjacent to the Kwinana Freeway and close to the Perth - Mandurah rail line, bring convenient accessibility benefits to residents.



Mangles Bay, Rockingham

In April 2010, LandCorp appointed Cedar Woods to develop the Mangles Bay Marina-Based Tourist Precinct. The project area is nearly 80ha of beachfront land which will provide the local and visiting community with a quality and innovative development providing marine, tourist, recreational, commercial and residential components, while respecting and repairing the coastal environment. The project is currently undergoing environmental and planning approvals with construction commencement planned for 2015.



Harrisdale Green, Harrisdale

The Harrisdale Green project is located within Perth's south-eastern urban corridor and will comprise up to 500 homes and mixed use business opportunities. Won as a result of a competitive process, it was the company's focus on affordability and sustainability that set it apart from its competitors. The project is a co-development with The Department of Housing.



Mariners Cove, Mandurah

A unique waterfront development close to the Mandurah town centre, comprising a mix of canal lots, parkland lots and estuary view lots, Mariners Cove boasts a spectacular 98ha wildlife reserve complete with raised board walks, two bird hides and an interpretive centre. The reserve protects the Creery Wetlands, an internationally recognised waterbird habitat that is home to migratory birds from around the world. Mariners Cove won the State and National Urban Development Institute of Australia Environmental Excellence Awards in 2002 and 2003, respectively. It has also won the State and National UDIA awards for Best Residential Development (250 or more lots) in 2004 and 2005 respectively. The last 'Island' has now been constructed and adds product diversity to Cedar Woods' project portfolio.



North Baldvis

Cedar Woods' second major project alongside The Rivergums in the high growth south west corridor. Located just off the Kwinana Freeway and Mundijong Road which will afford the project transport links. Whilst the land is currently zoned Rural under the local planning scheme and Urban Deferred under the Metropolitan Region Scheme, the planned connection to waste and water services by the Water Corporation in 2016 will soon see the land rezoned as Urban. The project will yield some 800 lots and is a neat strategic fit with the expected completion of Cedar Woods' estates at Baldvis (The Rivergums) and Wellard (Emerald Park).



Piara Central, Piara Waters

The company's landholding in Piara Waters has the potential to yield over 300 residential lots. Located in Perth's south-eastern corridor, the company's two sites on Nicholson Road form part of a larger new urban precinct which includes new retail commercial centres and schools. This new urban area is close to the Armadale Regional Centre and with the extension of the nearby Tonkin Highway, benefits from good access to surrounding employment centres.

OVERVIEW OF PROJECTS

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The Rivergums, Baldivis

Located in Perth's southern suburbs and only minutes from the Perth - Mandurah rail line and the Rockingham beaches, The Rivergums residential estate continues to see strong demand as the key location in the southern corridor. The Estate will ultimately provide over 1,300 dwellings plus primary and secondary schools. The estate boasts a network of lakes, wetlands, and beautifully landscaped parks. Environmental initiatives included restoration of a degraded wetland, conservation of the local frog population and the revegetation of the adjoining Tramway reserve. The Rivergums was also one of the first Housing Industry Association (WA) 'Green Smart' developments, promoting efficient energy and water use.



Elements, South Hedland

Located within the growing Pilbara region, Cedar Woods was announced by the Department of Regional Development and Lands as the successful proponent in July 2010, and has collaborated with Foundation Housing, IBN Corporation and Gumala Aboriginal Corporation to provide a balanced mix of residential, affordable, key worker, social and indigenous housing options to the region. Construction commenced in 2013 and the estate has met with strong demand.



Western Edge, South Hedland

The Western Edge development is another project in conjunction with LandCorp. 226ha in area, the land has been identified as having the potential to deliver over 2,260 lots, a local commercial centre and other land uses. Cedar Woods is now planning to deliver the first 600 lots to help meet the continued demand for quality and affordable family housing in South Hedland.



Brabham

This 40.5ha site was acquired in April 2013 and is located just 22kms northeast of the Perth CBD. Brabham is a great geographical fit for Cedar Woods' WA portfolio, being close to the attractions of both Whiteman Park and the Swan Valley and within close proximity to both the Ellenbrook (4kms) and Midland (10kms) Town Centres. This estate is expected to deliver over 340 lots to this high growth north-eastern corridor of Perth.



The Brook at Byford

Centrally located adjacent to the town centre in Byford, a variety of block sizes will soon be available. Approximately 33 kilometres south east of Perth, the site is very well located at the base of the Darling Scarp, alongside Beenyup Brook. The Shire enjoys a strong population growth and is considered one of Perth's fastest growing urban growth corridors.

Byford on the Scarp

Located close to our new "The Brook" at Byford site, "Byford On The Scarp" is an existing residential estate acquired in 2013. Sales commenced at Byford on the Scarp in the mid 2000's with the estate quickly establishing its market position as the premium location in Byford, due to its generous block sizes and elevated location on the Darling Scarp. The land acquired has existing subdivision approval for 76 lots out of a total lot potential of some 320 lots.



The Jetty, Rockingham

This completed 4 storey beachfront development is located opposite the landmark Palm Beach Z Force Jetty in Rockingham. The Jetty comprises 15 luxury three bedroom, two bathroom, apartments, all with spectacular ocean views and the very best quality fit-out. It is now sold out.



Waterline Apartments, Mandurah

The Waterline Apartments occupy a prime beachfront location, directly opposite Doddi's Beach in Halls Head, Mandurah. Stage 1 of this beachside development comprised the construction and sale of 15 two and three bedroom luxury ocean view apartments and 3 luxury penthouses. Retail space on the ground floor incorporates a popular 'Dome' cafe. Stage 1 is now sold out.



Batavia Marina Apartments, Geraldton

The construction of this four and five storey luxury beachfront development, is now complete. The project comprises 50 luxury two and three bedroom, two bathroom apartments, mostly with spectacular marina and ocean views and a high quality fit-out. The ground floor includes 4 retail/commercial tenancies, including a cafe.

OVERVIEW OF PROJECTS

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Banbury Village, Footscray

Purchased in 2006, 9ha, remaining project life of 3 years. Banbury Village is a substantial urban renewal project comprising more than 420 houses, townhouses and apartments. The project is a premium housing development for the inner west suburb of Footscray, some 6km from the Melbourne CBD. The design outcome for completed stages has set a new benchmark for integrated housing developments.



Carlingford, Lalor

Purchased in 2006 and comprising 55ha. An infill project in Melbourne's northern suburb of Lalor, Carlingford is the first residential estate launched in the area in over a decade. Ultimately comprising over 600 housing lots, its location boasts excellent transport links to the Melbourne CBD and is within easy reach of shopping, schools and the train network.



Realm, Camberwell

Purchased in 2010, 2.55ha, remaining project life of 1.5 years. An infill project in one of Melbourne's prestigious eastern suburbs that will accommodate 78 premium homes. A mix of product has been designed for the site including terraces, duplexes and detached homes.



St Albans

A 6.8ha infill site purchased in 2012 and located close to the St Albans train station, which is soon expected to be upgraded by the State Government. The site will accommodate around 200 dwellings with a mix of terraces, duplexes and detached homes.



Williams Landing

Purchased in 1997 and comprising 275ha. A premium master planned community development is being delivered on the former RAAF Williams airfield, comprising 4 neighbourhoods with over 2,500 dwellings and a major town centre. Significant State Government infrastructure has now been constructed on the site including a new freeway interchange and rail station.



Williams Landing Town Centre

The Williams Landing Town Centre will be a dynamic commercial and retail hub in Melbourne's Western Region and is located adjacent to a new train station and freeway interchange. Upon completion, Williams Landing will include all features of a 21st century town centre offering civic, office, retail and residential spaces, plus cafes and various forms of entertainment.

The Town Centre will provide:

- A major centre for business, shopping and entertainment
- A prestigious gateway between the City of Wyndham and the inner suburbs of Melbourne
- A safe, convenient and fully integrated transport network for pedestrians, cyclists, motorists and public transport users
- Contemporary public spaces for leisure and recreation
- Town living with apartments and townhouses



COMMUNITY DEVELOPMENT AND SPONSORSHIP

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Since 2009, Cedar Woods' Neighbourhood Grants Program has awarded over \$100,000 to community groups.

Cedar Woods' key objectives in Community Development Strategy are to:

- **Focus on creating community wellbeing**
- **Nurture community building in new developments, and strengthen community building in existing developments**
- **Maximise social and environmental connectedness**

Cedar Woods recognizes that the success of this program is largely reliant on the strength of the partnerships we develop with both local and state government, the not-for-profit sector and the local/regional services and amenities present in each community.

Cedar Woods strives to be facilitative and collaborative in our approach to community development and sponsorship in order to achieve these goals.



Neighbourhood Grants

At the heart of the Cedar Woods' community development strategy is our Neighbourhood grants program.

Since launching the Neighbourhood Grants Program in 2009, Cedar Woods has helped many grass roots community organizations in and around our developments awarding over \$100,000 in grants to date.

This is a significant contribution that has been shared amongst over 70 various community groups who provide services directly to our communities and the surrounding area.

Grant recipients are chosen because:

- They each have diverse interests enabling us to help a wide section of the community
- They offer valuable services that Cedar Woods wants to help grow, to provide residents and the wider community a chance to get involved, get active and socialize.

Currently active in WA at Harrisdale Green, Emerald Park and The Rivergums and Williams Landing (VIC), the Neighbourhood Grants program will be introduced to Piara Central (WA) in FY14 as the first residents move in and the community starts to develop.



Sponsorship

Cedar Woods' sponsorship activity in FY13 saw us continue our long term involvement in a variety of community, industry and corporate sponsorships.

In addition, we also gave our support to a number of new and worthy causes such as the Murdoch University "Discover Your Potential Scholarship" and the Perth International Arts festival.

Other FY13 Sponsorships included the Warren Jones Youth Regatta, Perth International Arts Festival – Quartetthous and Cockburn Sound Regatta.

In financial year 2014 we will continue to support a range of worthwhile causes.



PERFORMANCE RECORD

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5 year financial performance summary.

All figures in \$'000 except where stated

FINANCIAL YEAR	2013	2012	2011	2010	2009
FINANCIAL PERFORMANCE					
Revenue from operations	172,751	170,474	131,839	108,415	107,076
Earnings before interest and tax	53,022	53,092	42,106	26,771	16,961
Finance costs	1,580	3,819	1,866	2,036	3,441
Operating profit before tax	51,442	49,273	40,240	24,735	13,520
Income tax expense	15,105	15,023	12,180	7,494	4,257
Net profit after tax	36,337	34,250	28,060	17,241	9,263
FINANCIAL POSITION					
Total assets	301,024	238,314	233,595	205,657	162,720
Total liabilities	93,280	53,688	104,046	96,867	69,442
Shareholders' equity	207,744	184,626	129,549	108,790	93,278
Number of shares on issue - end of year ('000)	73,360	72,190	61,818	60,565	58,163
KEY PERFORMANCE MEASURES					
Earnings per share (cents)	49.9	53.2	45.8	29.0	16.2
Dividend per share fully franked (cents)	26.0	25.0	23.0	13.0	7.0
EBIT margin	30.7%	31.1%	31.9%	24.7%	15.8%
Interest cover (times)	12.6	8.8	9.1	6.4	2.2
Return on equity	17.5%	18.6%	21.7%	15.8%	9.9%
Investment in inventory during year	145,474	97,401	102,348	56,338	45,312
Net tangible assets backing per share (\$)	2.83	2.56	2.10	1.80	1.60
Net bank debt	37,762	3,822	55,100	39,716	47,913
Net bank debt to equity	18.2%	2.1%	42.5%	36.5%	51.4%
Share price - end of year (\$)	5.17	3.56	4.00	2.45	1.42
Stock market capitalisation at 30 June	379,269	256,995	247,272	148,383	82,592
Number of employees at 30 June	54	48	41	35	30
RETURNS TO SHAREHOLDERS OVER 1, 3 & 5 YEARS			1 Year	3 Year	5 Year
Earnings growth %			-6.2	19.8	6.0
Share price growth %			45.2	28.3	13.5
Dividend growth % (paid dividend)			4.0	26.0	7.6
Total shareholder return %			53.8	35.6	19.7



CORPORATE DIRECTORY

Cedar Woods Properties Limited.

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DIRECTORS

William George Hames, BArch (Hons) MCU (Harvard) LFRAIA, MPIA, FAPI (Econ) – Chairman

Robert Stanley Brown, MAICD, AIFS – Deputy Chairman

Ronald Packer, BCom (UWA), FAICD, Solicitor Supreme Court of England & Wales

Paul Stephen Sadleir, BE, MBA, AAPI, FAICD – Managing Director

Timothy Robert Brown, BA, LLB, M.Fin, Post Grad Dip (Phil) (Alternate for R S Brown)

COMPANY SECRETARY

Paul Samuel Freedman, BSc, CA, GAICD

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 1, 50 Colin Street, WEST PERTH WA 6005

Postal address: P.O. Box 788, WEST PERTH WA 6872

Phone: (08) 9480 1500 Fax: (08) 9480 1599

Email: email@cedarwoods.com.au

Website: www.cedarwoods.com.au

SHARE REGISTRY

Computershare Investor Services Pty Ltd

Level 2, Reserve Bank Building

45 St George's Terrace, PERTH WA 6000

AUDITOR

PricewaterhouseCoopers

125 St George's Terrace, PERTH WA 6000

SECURITIES EXCHANGE LISTING

Cedar Woods Properties Limited shares are listed on the Australian Securities Exchange Limited.

ASX Code: CWP

ANNUAL GENERAL MEETING

Venue: Kings Park Function Centre, Fraser Avenue, West Perth

Time: 11.00am

Date: Friday, 1 November 2013

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