



**CEDAR WOODS PROPERTIES LIMITED**  
**2018 Annual General Meeting**  
**Chairman's Address**

William Hames

Good morning and thank you for joining us for Cedar Woods' 2018 Annual General Meeting. My name is William Hames and I am the Chairman of Cedar Woods.

As it is now after 10.00 am and as a quorum is present, I formally declare the meeting open.

Agenda

Turning to the agenda, I will provide a recap of our performance and highlight some of our other achievements in the 2018 financial year.

We will then hear from our Managing Director, Nathan Blackburne, who will review our property portfolio, provide some insight into the first quarter of FY2019 and touch on our outlook.

Finally, I will return to open the formal proceedings, as set out in the Notice of Meeting.

This session is being recorded and an audio webcast of today's presentation will be available via the ASX and our website later today.

The Notice convening this meeting has been issued to shareholders. If there are no objections, I propose the notice of meeting be taken as read.

The minutes of the previous General Meeting of members have been signed by the Chair in accordance with the Corporations Act, and have been placed in the Shareholders' Minute Book, which is available for inspection by any member.

Chairman's Address

Before we begin, I would like to introduce my fellow Directors:

- To my right, Nathan Blackburne our Managing Director
- Robert Brown, Deputy Chairman
- Ronald Packer, our lead independent director, who chairs all our board committees
- Valerie Davies, independent director
- And Paul Freedman our Company Secretary
- Jane Muirsmith, also an independent director, is unable to attend this meeting as she is interstate, and has provided an apology

Also present is Leon Hanrahan, our Chief Financial Officer, our Chief Operating Officer, Patrick Archer, and our WA State Manager, Ben Rosser.

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## Delivering FY2018 results

Let's briefly review the financial highlights for 2018. We were pleased to report a solid result that was driven by a consistent performance across the business:

- Revenue was up 7.8%, reflecting an improvement in sales, particularly at our apartment and townhouse projects
- We achieved a net profit after tax of \$42.6 million. Though down on last year's profit, it results in some strong return metrics with
  - a Return on Equity of 12.1%
  - a Full Year Dividend of 30c and Dividend Yield of 5%
  - a Total Shareholder return of 16.5%
- These metrics compare very well to the peer group and show that we are performing well
- Presales stood at \$320m, up 23% on the prior year. I am also delighted to report that we have begun the 2019 financial year strongly, increasing presales to \$376 million at the end of the first quarter. This compares to \$310m at the end of the first quarter of FY18 and provides a strong platform for the financial years ahead.
- And the company's balance sheet remained strong, with gearing at 30.9%, at the lower end of our target range of 20 – 75%

## FY 2018 share price performance

Each year I like to reflect on the company's share price performance over the previous year.

I am pleased to report that in FY18 the share price continued in an upwards trajectory, realising an increase of 10.6%.

Global and Australian stocks saw volatility in October and Cedar Woods was impacted by this. We now trade at \$5.42 and PE of 10 and represent a stronger value proposition than we did a few months ago.

Regardless of this volatility we continue to implement our growth strategy and are confident in our future.

For the first time, in FY19 we will generate revenue in all 4 states in which we operate and there is a growing awareness among our investors, potential investors and customers that we have developed a national business.

## Our new brand

During 2018 we reviewed our purpose, vision and values, and refreshed the company's brand.

We did this because we wanted to refresh our business and develop a brand that our staff, customers, investors and business partners could all relate to.

It had been some time since we had done this and the process has resulted in a bold brand that we think captures the energy and passion of our staff, and it presents us in a more contemporary light.

Our new tagline, “Developing Tomorrow Today” reflects our commitment to forward thinking designs and ability to enrich communities where our customers can flourish.

Across the business we have a clear and common understanding of our values and a recent staff survey demonstrated the strong alignment we have.

On behalf of the Board, I would like to congratulate Cedar Woods’ management team and all employees for another solid year in 2018 and for placing us in a strong position for 2019. The Board acknowledges their hard work and thanks them for their efforts.

I would personally like to thank my Board colleagues for their continued engagement and enthusiasm over the past year.

Finally, I would like to acknowledge the support of and contribution of our shareholders.

Thank you for your ongoing support.