



ANNUAL REPORT **2008**

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VICTORIA



WELL LOCATED PROJECTS IN GROWTH CENTRES



The Kestrels



Carlingford

Carine



HELENA VALLEY
PRIVATE ESTATE



Bonbury
village

williamslanding



CAMBRIDGE WATERS

Harrisdale

Forrestdale

NAUTILUS

THE JETTY

emeraldpark
PRIVATE ESTATE

The Rivergums

WATERLIDE



MARINERS COVE

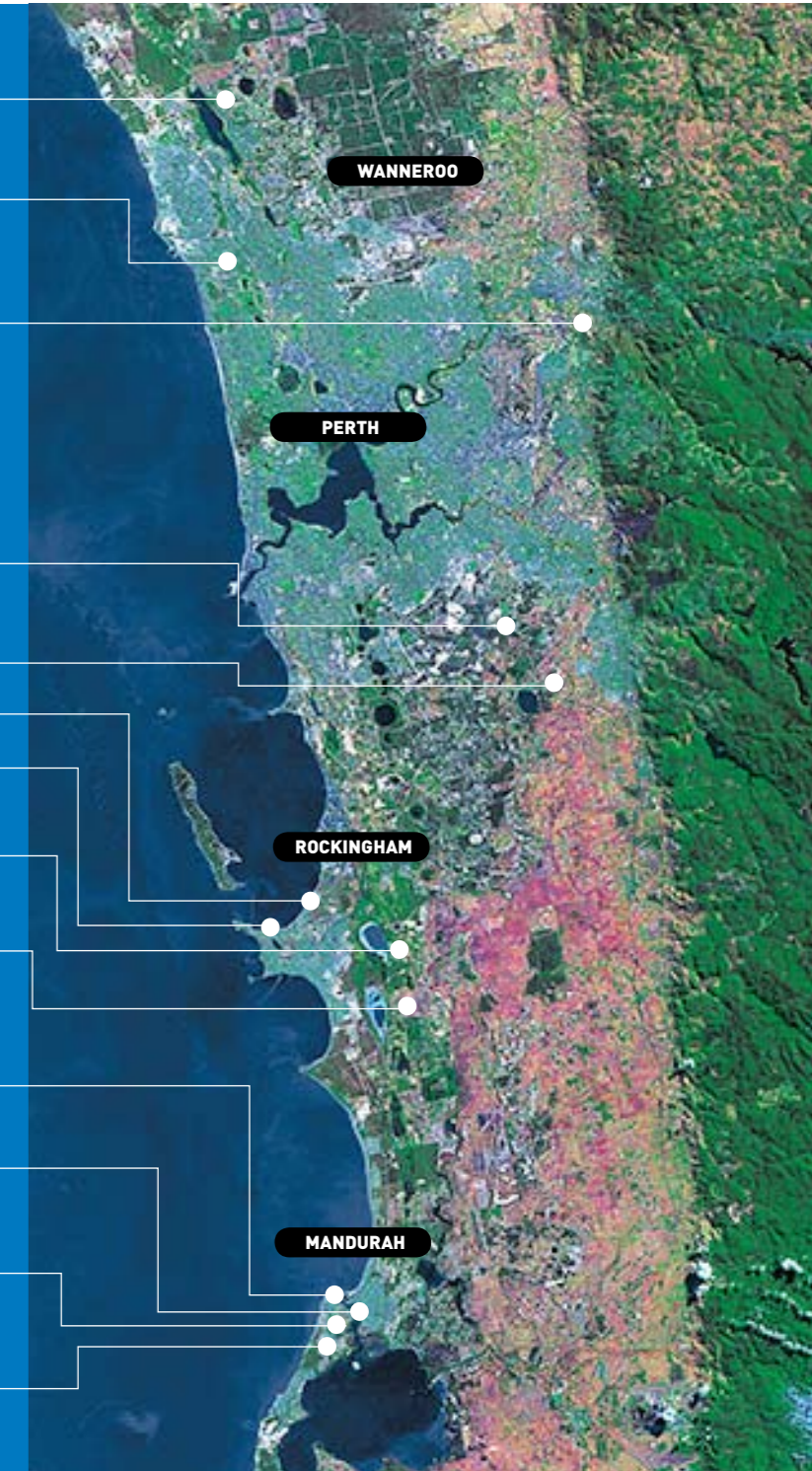
The Islands



PORT
MANDURAH

THE Fairways

WESTERN AUSTRALIA



CEDAR WOODS' OBJECTIVE



CEDAR WOODS' PRIMARY OBJECTIVE IS TO CREATE VALUE FOR 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 for growth and development;
- 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



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 \$150m.

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", "Environmental Excellence" and most recently, "Best High Density Development."

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. Purchasers of the company's land and developed products have often enjoyed strong capital appreciation in their investments.

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 high returns to shareholders.

2008 HIGHLIGHTS

- **A record profit of \$20.6m;**
- **earnings per share increased 10%;**
- **strong pre sales from Melbourne projects;**
- **the company wins two State Government tenders in WA; and**
- **funding secured for future growth.**

2008 FINANCIAL RESULTS SUMMARY

YEAR ENDED 30 JUNE		2008	2007	% CHANGE
Revenue	\$m	81.9	90.0	(9.0)
Net profit after tax	\$m	20.6	18.6	10.8
Total assets	\$m	185.0	155.6	18.9
Net bank debt	\$m	80.6	63.8	26.3
Net bank debt to equity - 30 June	%	96.1	89.0	7.1
Interest cover	x	4.2	5.8	(27.6)

KEY SHAREHOLDER INFORMATION

YEAR ENDED 30 JUNE		2008	2007	% CHANGE
Basic earnings per share	¢	37.3	33.9	10.0
Dividends per share – fully franked	¢	18.0	17.0	5.9
Total shareholder return (1 year)	%	(44)	20	(64)
Net asset backing per share	\$	1.52	1.31	16.0
Shares on issue – end of year	m	55.1	54.8	0.5
Shareholders' equity	\$m	83.9	71.6	17.2
Stock market capitalisation at 30 June	\$m	151.6	286.2	(47.0)
Share price	\$	2.75	5.22	(47.3)

Return on equity of 24% exceeded the minimum acceptable return of 12% and return on capital achieved of 19% exceeded the minimum benchmark of 14%.

Reference should be made to the financial performance summary on page 16 of this annual report which tables the financial performance of the company over the last 5 financial years. Commentary on the performance of the individual projects in the company's portfolio is set out on pages 10 to 15 of this report.



REPORT TO SHAREHOLDERS

2008 ANNUAL RESULT

In 2008 Cedar Woods delivered a record profit of \$20.6m.

In 2008 the company achieved another strong profit, resulting in further growth in dividends to shareholders.

Earnings per share growth met the company's target of 10% pa, increasing from 33.9 cents to 37.3 cents.

This was a particularly pleasing result given the difficult year experienced by financial and property markets. Unfortunately, despite the achievement of record earnings per share, the company share price experienced a significant decrease as events on financial markets negatively impacted the Australian stock market, in particular the property sector. Your board is confident that the underlying market value of the company's assets is significantly higher than the current share price reflects.

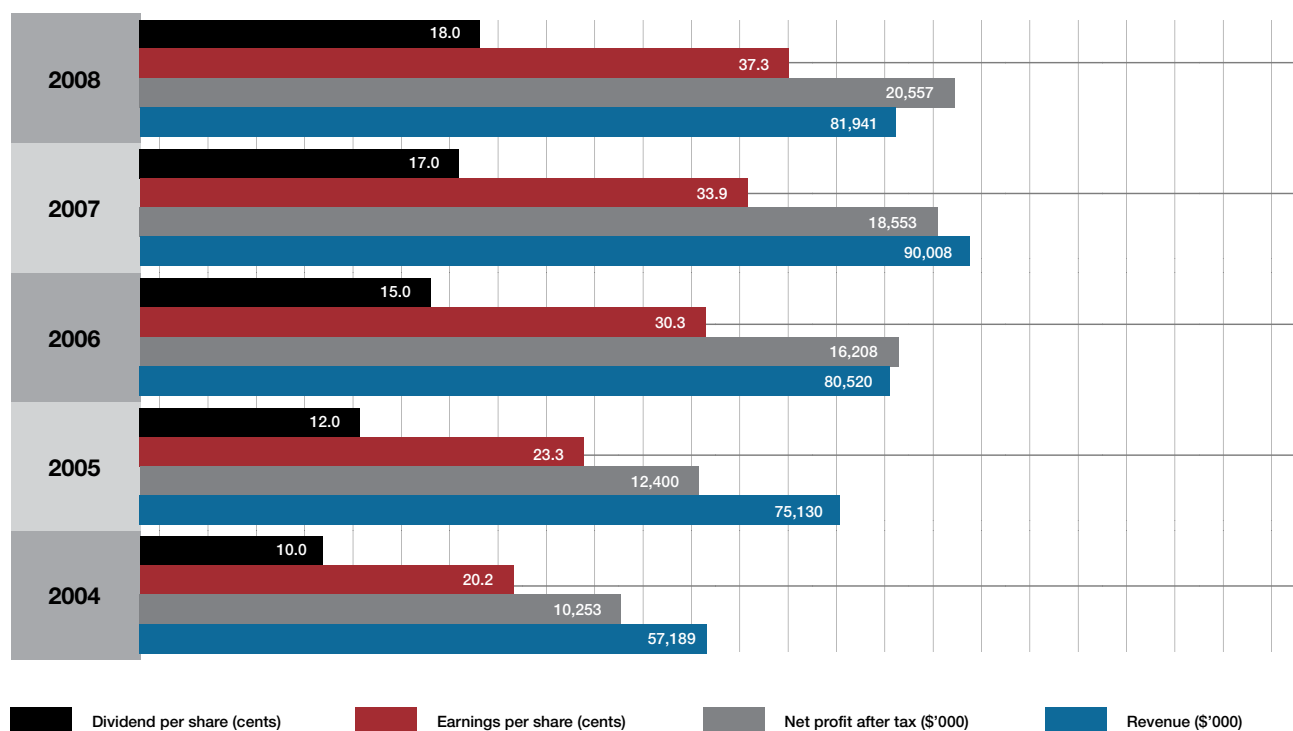
Gearing (net bank debt to equity) at 30 June 2008 was 96%, above the preferred range of 20 - 75% due to the impact of a number of built form projects and the company's investment in developments that will provide future earnings. Interest cover was 4.2, slightly below the minimum target of 5.

CAPITAL MANAGEMENT AND THE 2008 DIVIDEND

The directors have declared a fully franked final cash dividend of 10 cents, bringing the full year payout to 18 cents (17 cents in 2007). The final dividend will be paid on 31 October 2008.

The dividend reinvestment plan (DRP) will be available for the final dividend.

The DRP has been partially underwritten, with funds raised to be used for working capital purposes.



THE ECONOMY AND THE PROPERTY MARKET

The national economy is slowing, with the Federal Government forecasting Australian GDP growth of 2.75% for FY2009, significantly lower than the 4.3% achieved in FY2007 and 3.5% forecast for FY2008. Consumer and hence homebuyer confidence has been hit with the combined effects of interest rate increases, higher petrol prices and global financial market volatility. However, with the Reserve Bank recently reducing the cash rate by 0.25% it is apparent we are past the peak in the current interest rate cycle.

The Western Australian residential market has been in decline for the last 12 months, with both building starts and finance approvals trending downwards since mid 2007. With declining affordability, the rate of sales has slowed and building commencements have dropped.

The subdued conditions are likely to continue through FY2009. However, the medium to long term outlook is much brighter, as the state's economy continues to perform strongly and demand for housing created by inbound migration is expected to stimulate the property market in due course.

In Victoria there has been a steady increase in the population in the last 12 months, and pent up demand in the market is starting to build. Building approvals have been trending upwards over the last year and housing starts are increasing. Established house prices increased 23% in 2007 and levelled out in 2008. The residential vacancy rate remains at an historical low and is helping to support activity in the first home-buyer market. Demand for new housing lots is anticipated to remain robust over the next 12 months.



REPORT TO SHAREHOLDERS

PROJECTS

Despite subdued market conditions in WA, the company's residential projects performed well, experiencing a steady level of buyer activity through the financial year. The board was pleased to see the completion of two important apartment projects during the year, with the second stage of the Nautilus Apartments in Rockingham and the Waterline Apartments in Halls Head both completed.

In Melbourne, the company successfully launched two major new projects and these were keenly received by the market. In March 2008 the long awaited first two stages of Williams Landing were released and in June 2008 the first stage at Carlingford was launched. At both estates, a high level of presales has already been achieved with revenue and profit from these lots anticipated to be delivered in FY2009.

Details of progress at the projects commence on page 10.

CORPORATE OBJECTIVES AND STRATEGY

The Corporate Plan guides the management team's activities and provides a five year outlook for the company, projecting earnings growth and other key performance indicators under various scenarios.

Consistent delivery of 10% pa growth in earnings per share places a company in the upper half of listed industrial companies and this target has been retained as the company's primary objective.

In pursuit of this objective, there are a number of key action items in the Corporate Plan that are adopted as performance targets by senior executives, sales managers and other employees.

Twice yearly our audit and risk management committee assesses risk factors that may affect the company. In addition to specific risks affecting individual projects, there are general risks affecting our business sector:

- changes in the level of demand in the property market;
- increases in interest rates;
- change in government support for the housing sector;

- increased construction costs for both land subdivision and buildings; and

- increased competition and reducing affordability.

The company's strategies are directed at delivery of earnings growth and in particular addressing key risk factors as follows:

Ongoing development of existing projects

The company's core competency is in property development and the company continues to ensure design, delivery and marketing maximise the return the company receives.

Diversification of the property portfolio

The company has entered into options or similar agreements for several exciting new projects in Western Australia and continues to seek ways to diversify and grow its portfolio.

Identification and acquisition of new projects

In recent years the company has supplemented its land bank with key acquisitions in Western Australia and Victoria. These additions will contribute to earnings growth over the next five years.

The focus remains on longer term prospects that provide the potential to add greater value through rezoning and approvals than projects purchased for immediate development.

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

The company is undertaking a joint venture at the Mandurah Country Club and in 2006 established its first wholesale syndicate in Perth, Cedar Woods Wellard Limited, which is expected to commence development in FY2009. During FY2008 the company won two important government tenders to undertake development for two WA State Government entities, further details of which appear on page 12.

Retaining ownership of income producing assets

The company has started to build a portfolio of income producing assets that will provide a recurring income stream. This portfolio is likely to be expanded with assets that the company will develop at Williams Landing and at other estates where sites are designated for commercial or retail use.

SUSTAINABILITY REPORTING

This year we have transferred our environmental and community development report card and overview of research and innovation to a separate web based Sustainability Report. This has been posted on our website, www.cedarwoods.com.au.

PEOPLE

The company's management team continues to be expanded to provide a platform for future growth in the Perth and Melbourne offices.

We have complemented our management team in the area of town planning in order to provide the requisite skills to address this increasingly complex and important area of the business.

The company supports various industry groups, such as the Property Education Foundation of WA which focuses on improving the skill base of property professionals on which the company relies. The company helps the Foundation in attracting graduate level candidates to the development industry by participating in the annual internship program.

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.

For more details of the corporate governance framework please refer to the 'Investor relations' page of the company website and the corporate governance statement in the 2008 financial report.

OUTLOOK

FY2009 will be an exciting year for the company as it progresses its expansion in Melbourne and commences development and settlements at Williams Landing and Carlingford.

With the first wholesale syndicate project moving into development and new projects with State Government entities progressing, the company is well positioned to capitalise on a market recovery.

The company remains focused on its primary objective of growth in earnings and has managed the project portfolio to enable it to deliver consistent earnings growth. As a result, this enables the company to be highly selective in making further acquisitions.

The company maintains its target of achieving 10% annual growth in earnings per share. For FY2009 the majority of the revenue and earnings are expected to be delivered in the second half of the year and the company will provide guidance on FY2009 earnings later in the year, as developments progress.

We would like to thank our fellow directors, the management team and staff for their dedication over the past year, and all shareholders for their support.



W G HAMES
CHAIRMAN









P S SADLEIR
MANAGING DIRECTOR



OVERVIEW OF PROJECTS

WESTERN AUSTRALIA – LAND DEVELOPMENT

PROJECT DESCRIPTION	RECENT ACHIEVEMENTS AND STATUS
<p>MARINERS COVE, MANDURAH</p> <p>Purchased in 1993, 103ha, remaining project life of 5 years. A unique waterfront development close to the Mandurah town centre, comprising a mix of canal lots, waterfront townhouses, parkland lots and estuary view lots, Mariners Cove boasts a spectacular 230 hectare wildlife reserve complete with raised boardwalks, 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.</p>	<p>'The Landings' is a series of luxury canal townhouse stages being developed in the canal zone. Stage 1, comprising 8 townhouses, is almost sold out. Another 6 townhouses in Stage 2 will commence soon. All but a few of the parkland lots remain and these are expected to sell out in 2009.</p> 
<p>SUTTON HERITAGE SITE, MANDURAH</p> <p>Purchased in 1990, 2.1ha, remaining project life of 4 years. Part of the company's award winning Port Mandurah canal estate, the historic Sutton farm site is to be redeveloped for medium density waterfront apartments with private jetties. The heritage farm buildings have been restored with the cooperation of the Heritage Council of Western Australia and will be retained as part of the redevelopment in a parkland setting, together with a heritage listed Norfolk pine tree, which is a local landmark.</p>	<p>Development approval is currently being negotiated through a public consultation and assessment process. It is envisaged that a final approval will be granted at the end of 2008. The marketing of the first apartments is expected in 2009.</p> 
<p>THE RIVERGUMS, BALDIVIS</p> <p>Purchased in 2001, 114ha, remaining project life of 6 years. Located in Perth's southern suburbs and only minutes from the new Perth - Mandurah rail line and the Rockingham beaches, The Rivergums residential estate will ultimately provide over 1,000 dwellings. 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) 'GreenSmart' developments, promoting efficient energy and water use.</p>	<p>All urban zonings are now in place and approval is being sought for the final masterplan. This year also saw construction of a second access road, new entry statement and provision of land to the Department of Education and Training for a combined primary and high school.</p> 
<p>THE KESTRELS, TAPPING</p> <p>Purchased in 2003, 50ha, remaining project life of 3 years. As the name suggests, The Kestrels residential estate in Perth's northern suburbs has focused on maintaining habitat and attracting prominent local bird species by maximising parkland and tree planting, and undertaking other revegetation initiatives. The Kestrels is another Housing Industry Association (WA) GreenSmart estate and won the 2006 City of Wanneroo Environmental Excellence Award. The estate will ultimately comprise over 500 dwellings.</p>	<p>The Kestrels has continued to be popular with buyers. A new land release is currently being constructed, leaving only two more staged releases before the project is complete. A site adjacent to the south of the estate will be developed by the Department of Education and Training into a new high school.</p> 
<p>HELENA VALLEY PRIVATE ESTATE, HELENA VALLEY</p> <p>Purchased in 2005, 8ha, remaining project life of 2 years. The property is located in the Perth foothills next to the company's original Helena Valley Private Estate developed 10 years ago. This new stage, comprising 78 residential lots, has been designed to preserve bushland and maintain the local rural setting. Large residential lots reinforce the unique hills lifestyle. The location, close to the Midland Regional Centre, the Perth airport and just 20 minutes from the Perth CBD, ensures convenient access to work, education facilities, shopping and entertainment.</p>	<p>Construction of the new stage is to commence in late 2008. Marketing has already resulted in over 30% of lots being pre-sold and the balance of the lots are expected to be keenly sought by buyers from the local area.</p> 
<p>CAMBRIDGE WATERS, CANNING VALE</p> <p>Purchased in 2005, 15ha, remaining project life of 2 years. In an inner southern suburb only 20 minutes from the Perth CBD, this medium density residential project aims to provide a wide choice of housing and lifestyle options for the growing Canning Vale community. The development is opposite a regional shopping centre and is set amongst attractively landscaped parklands and lakes with stunning water features.</p>	<p>With the first two stages of residential lots almost sold out, the company will consider a further release of lots in this popular estate. Plans for high density development will be considered over the coming year, as an alternative to a final residential lot stage.</p> 

OVERVIEW OF PROJECTS

WESTERN AUSTRALIA – LAND DEVELOPMENT

PROJECT DESCRIPTION

RECENT ACHIEVEMENTS AND STATUS

EMERALD PARK, WELLARD

Syndicate established in 2006, 47ha, remaining project life of 6 years. Cedar Woods Wellard Limited, an investment syndicate managed by the company, owns this exciting residential estate to ultimately comprise over 600 homesites, 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 recently opened Perth - Mandurah rail line, will bring enormous accessibility benefits to future residents.

Masterplan approval for the estate is nearing completion and construction of the first stage land release is expected to commence in late 2008.



CARINE

Project agreement being finalised, 8ha, project life of 5 years. The planned redevelopment of a former TAFE site in Perth's middle northern suburb of Carine is the company's first project to be conducted in conjunction with the Western Australian state government (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 townhouses and apartments. The St Ives Group is one of the state's leading providers of aged care and retirement housing.

A project agreement with the state government (LandCorp) is being finalised. The rezoning and masterplanning has commenced and these processes are expected to be completed in 2009.



HARRISDALE

Agreement established in 2008, 30ha, project life of 5 years. Following on from Carine, Cedar Woods was awarded its second joint venture land development with the Western Australian state government, in this case to be conducted with the Department of Housing and Works. The Harrisdale project is a greenfield site within Perth's south-eastern urban corridor and will comprise 640 homes and 40 businesses. Won as a result of a tender, it was the company's focus on affordability and sustainability that set it apart from its competitors. The Department of Housing and Works has stipulated that a component of social housing be provided throughout the estate.

A project agreement with the state government (Department of Housing and Works) is being finalised and the company has commenced its review of the existing masterplan. It is envisaged that construction of the first stage land release will start in 2009.



FORRESTDALE

Purchased in 2005, 15ha, project life of 6 years. The company's landholding in Forrestdale is a medium term project with the potential to yield 146 residential lots, including 3 unit sites. Located in Perth's south-eastern corridor, the site forms 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.

This company's land is part of a larger urban precinct which is expected to be developed in the medium term. The company continues to progress plans in order to capitalise upon development opportunities.



WESTERN AUSTRALIA - BUILT FORM

NAUTILUS APARTMENTS, ROCKINGHAM

Purchased in 2003, 0.55ha, project now complete. Nautilus Apartments are positioned adjacent the beach, parks and cafes of the Rockingham foreshore area. The 62 apartments in Stage 1 enjoy spectacular ocean views. Nautilus Stage 2 consists of a further 24 apartments behind Nautilus Stage 1. Residents have access to a private pool, gym and undercover parking. Both stages include commercial tenancies on the ground floor. Nautilus Apartment buildings have played a key role in the rejuvenation of the Rockingham town centre.

All apartments in the development have been sold. The company has leased the majority of the retail space on the ground floor and holds these properties for long term investment. Nautilus won the 2008 Urban Development Institute of Australia (WA) 'Best High Density Development' award.



WATERLINE APARTMENTS, MANDURAH

Purchased in 2005, 0.45ha, remaining project life of 3 years. The Waterline Apartments occupy a prime beachfront location, directly opposite Doddi's Beach in Halls Head, Mandurah. Stage 1 of this beachside development comprises 15 two and three bedroom luxury ocean view apartments and 3 luxury penthouses. Retail space on the ground floor will incorporate a 'Dome' cafe. The balance of the site will comprise a Stage 2 development for which planning is underway.


Construction of the Stage 1 ocean front apartments and commercial tenancy was completed this year and the remaining apartments are currently being marketed. The company is now exploring development options for Stage 2.




OVERVIEW OF PROJECTS


WESTERN AUSTRALIA – BUILT FORM


PROJECT DESCRIPTION	RECENT ACHIEVEMENTS AND STATUS
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<p>THE FAIRWAYS, MANDURAH COUNTRY CLUB</p> <p>Joint venture established in 2004, 0.9ha, project now complete. In a joint venture with the Mandurah Country Club, the company has developed 25 prestigious townhouses with spectacular views overlooking the 8th green and 9th tee at The Mandurah Country Club golf course in Halls Head. These homes have been architecturally designed to blend in with the surrounding natural environment and to provide an exclusive address and unique lifestyle. Retention of significant trees and vegetation while optimising opportunities for views was of paramount importance in the design.</p>	<p>The townhouses at The Fairways have been highly sought after. Construction was completed this year and only a few of the townhouses remain for sale.</p> 
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<p>THE JETTY, PALM BEACH ROCKINGHAM</p> <p>Purchased in 2006, 0.2ha, project life of 3 years. The company is soon to commence this 4 storey beachfront development, opposite the landmark Palm Beach jetty in Rockingham. The Jetty will comprise 15 luxury three bedroom, two bathroom apartments, all with spectacular ocean views and the very best quality fit-out. A ground floor beachfront café is also planned.</p>	<p>Keen interest has already been shown for this prestigious apartment development, which is expected to be launched in 2009.</p> 
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VICTORIA – LAND DEVELOPMENT AND BUILT FORM

<p>WILLIAMS LANDING, LAVERTON</p> <p>Purchased in 1998, 220ha, remaining project life of 15 years. A premium masterplanned community development is being delivered on the former RAAF Williams airfield at Laverton, comprising 4 neighbourhoods with over 2000 dwellings and a major new town centre. Significant state government infrastructure is planned for the site including a new freeway interchange and rail station. The new town centre will integrate directly with these transit facilities to create a showcase transit-oriented development.</p>	<p>With zoning and masterplan approvals in place and substantial pre-sales achieved, estate construction has commenced on the first two residential stages. The company is exploring future opportunities to develop and retain ownership of commercial buildings anticipated in the town centre component.</p> 
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<p>BANBURY VILLAGE, FOOTSCRAY</p> <p>Purchased in 2006, 9ha, remaining project life of 5 years. Banbury Village is a substantial urban renewal project comprising 300 new home sites, townhouses and apartments. The project is a premium housing development for Melbourne's inner west suburb of Footscray, some 6km from the Melbourne CBD. Banbury Village will not only look to the future for energy efficiency and sustainability but also embraces the past through the adaptive re-use of the heritage buildings on site.</p>	<p>Zoning and masterplan approvals are in place and the former industrial land has been substantially remediated to make ready for new residential development. Estate construction is anticipated to commence in 2009.</p> 
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<p>CARLINGFORD, LALOR</p> <p>Purchased in 2006, 56ha, remaining project life of 7 years. 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 600 housing lots, its location boasts excellent transport links to Melbourne's CBD and it is within easy reach of shopping, schools and the train network.</p>	<p>The first stage of construction is due to commence in late 2008. Substantial pre-sales have been achieved following a keen response from buyers in the local area.</p> 
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INVESTOR SUMMARY

5 YEAR FINANCIAL PERFORMANCE SUMMARY – AS REPORTED

FINANCIAL YEAR	2008	2007	2006	2005	2004
All amounts in \$'000 except where stated					
Financial performance					
Revenue from ordinary activities	81,941	90,008	80,520	75,130	57,189
Earnings before interest and tax	31,245	31,304	25,864	19,191	15,988
Finance costs	2,230	4,515	2,750	1,549	1,314
Operating profit before tax	29,015	26,789	23,114	17,642	14,674
Income tax expense	8,458	8,236	6,906	5,242	4,421
Net profit after tax	20,557	18,553	16,208	12,400	10,253
Realised reserve	179	271	404	447	646
Net profit after tax plus realised reserve	20,736	18,824	16,612	12,847	10,899
Financial position					
Total assets	185,019	155,561	196,365	130,470	94,717
Total liabilities	101,073	83,918	127,917	75,513	46,885
Shareholders' equity	83,946	71,643	68,448	54,957	47,832
Number of shares on issue - end of year ('000)	55,138	54,824	54,536	53,253	53,228
Key performance measures					
Earnings per share (cents)	37.3	33.9	30.3	23.3	20.2
Dividend per share fully franked (cents)	18.0	17.0	15.0	12.0	10.0
EBIT margin (%)	38.1%	34.8%	32.1%	25.5%	28.0%
Interest cover (times)	4.2	5.8	7.9	6.0	7.5
Return on equity (%)	24.5%	25.9%	23.7%	22.6%	21.4%
Investment in inventory during year	46,002	73,799	52,952	48,866	56,026
Net tangible assets backing per share (\$)	1.52	1.31	1.11	1.03	0.90
Net bank debt	80,633	63,735	28,974	37,463	23,157
Net bank debt to equity (%)	96.1%	89.0%	42.3%	68.2%	48.4%
Share price - end of year (\$)	2.75	5.22	4.48	2.31	1.70
Stock market capitalisation at 30 June	151,630	286,181	244,321	123,014	90,488
Number of employees at 30 June	33	26	27	25	20

Financial performance, financial position and all key performance measures shown in the preceding table up to the year ended 30 June 2005 are shown as previously reported, based on financial accounting under Australian Generally Accepted Accounting Practice (AGAAP). Data for the years ended 30 June 2008, 2007 and 2006 is based on Australian equivalents to International Financial Reporting Standards (AIFRS).

Certain changes have been made to comparative amounts to reflect changes in classifications in the current year.

Returns to shareholders over 1, 3 and 5 years

FINANCIAL POSITION	1YR	3YR	5YR
Earnings per share growth %	10	17	21
Share price growth %	(47)	6	23
Dividend growth %	6	14	21
Total shareholder return %	(44)	11	29

DIVIDEND AND DIVIDEND POLICY

The current dividend policy is to distribute approximately 50% of the sum of the full year net profit after tax plus realised reserves. Having paid an interim dividend of 8 cents per share in April 2008, the final dividend for the 2008 financial year is 10.0 cents per share, fully franked. The dividend will be paid on 31 October 2008.

SHAREHOLDER DISCOUNT SCHEME

The company operates a shareholder discount scheme which entitles shareholders to a 5% discount off the listed purchase price of any residential lot at the company's developments. A summary of the main terms and conditions follows:

- shareholders must hold a minimum number of 5,000 shares for at least 12 months before purchasing a lot to qualify for the discount;
- there is no limit to the number of lots which a shareholder may purchase under the scheme, subject to any statutory restrictions; and
- the shareholder discount scheme does not apply to combined house and land packages.

The above is a summary of the main conditions and shareholders should apply to the company or visit the website for the full terms and conditions.



CORPORATE DIRECTORY

ABN 47 009 259 081

Directors

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

Robert Stanley Brown, MAICD, AIFS – Deputy Chairman

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

Paul Stephen Sadleir, BE, MBA, AAPI, FAICD, FRICS, MIE Aust – Managing Director

Timothy Robert Brown, BA, LLB, M.Fin (Alternate for R S Brown)

Company Secretary

Paul Samuel Freedman, BSc, CA, GAICD

Registered office and principal place of business

Level 4, 66 Kings Park Road
WEST PERTH WA 6005

Postal address : PO Box 788 WEST PERTH WA 6872

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Email: email@cedarwoods.com.au

Website: www.cedarwoods.com.au

Share registry

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Level 2, Reserve Bank Building

45 St Georges Terrace

PERTH WA 6000

Auditor

PricewaterhouseCoopers

QV1

250 St Georges 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

Time: 10.00am

Date: 7 November 2008

Cedar Woods Properties Limited

Level 4, 66 Kings Park Road West Perth WA 6005 P.O. Box 788 West Perth WA 6872

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