CEDAR WOODS

PROPERTIES LIMITED

Annual General Meeting 2003

Presentation Outline

- Company objectives
- Corporate Governance
- Financial highlights
- Key strategies
- Project Review
- Outlook and 2004 Forecast

[2]

In this presentation:

- We will recap on the objectives contained in our Corporate Plan.

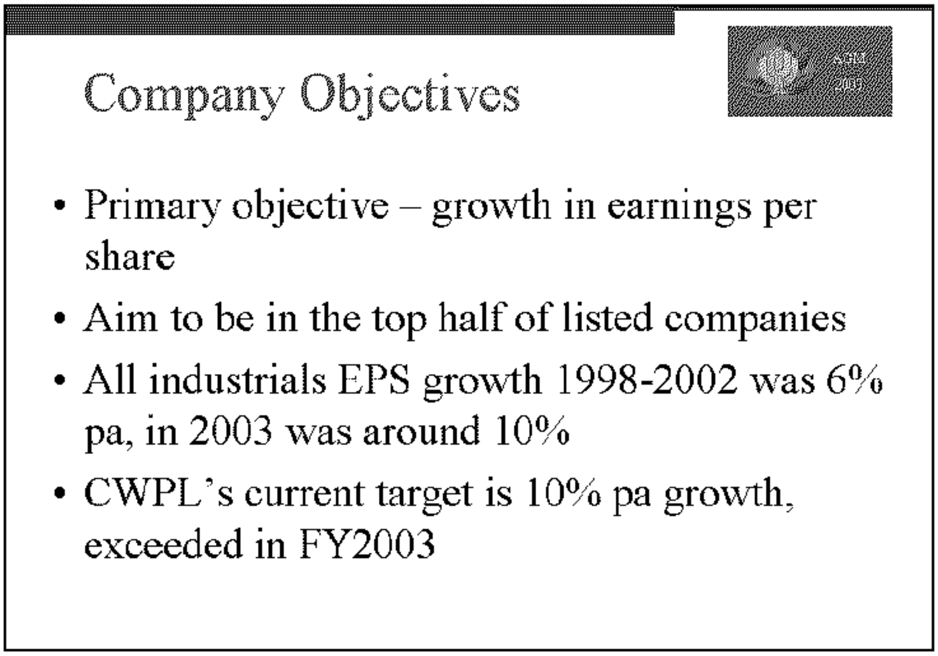
- We will discuss the work currently under way in the area of Corporate Governance.

- We will discuss briefly the Financial Highlights for 2003

- We will review our Key Strategies going forward

- We will provide updated Earnings Guidance for the 2004 financial year.

- We will provide an update of progress at our projects since we reported the annual results



[3]

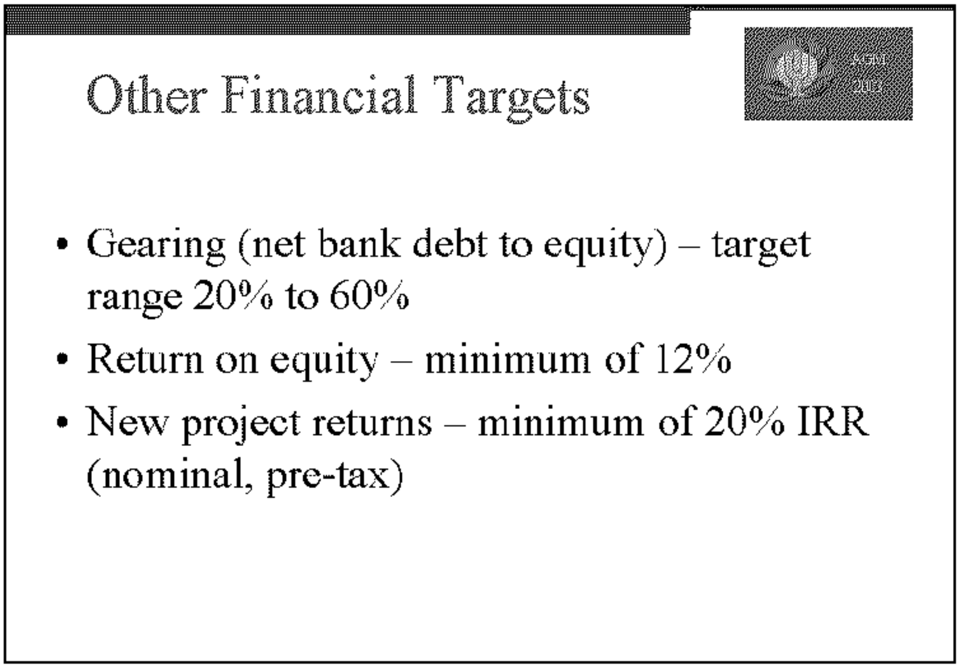
Once again, during the financial year, the Corporate Plan was updated by the management team and ratified by the Board.

The last financial year was a successful one, and in relation to the previous year's Plan, the Board considered that the objectives set out for the year had been met.

The focus of the Corporate Plan is to ensure that the Company continues to grow, that returns from the Company's assets are maximised, and to pursue the Company's primary objective, which is to create value for shareholders through growth in earnings.

Our success is measured in terms of earnings per share growth, and on this measure we seek to be in the top half of Australian listed companies, with a current target of 10% per annum growth in earnings per share.

To put things in perspective, in the past year the earnings per share across the top 500 companies rose by approximately 10%, and the consensus for this year is a similar performance, but with risk on the downside.



[4]

In pursuing our primary objective, we seek to maintain prudent gearing and maintain a high level of return on equity.

Strict investment criteria are applied to ensure that new acquisitions will enhance the Company's earnings profile, improve geographic and sectoral diversity and limit financial and business risks. Our current benchmark for new projects is a minimum internal rate of return of 20%.

Corporate Values

- Communicate the Company's progress to shareholders
- Satisfy customers expectations
- Align the interests of the Company and its employees
- Have our citizenship recognised
- Maintain the highest ethical standards

[5]

Lets recap on our Corporate Values which we seek to satisfy in pursuit of our Primary Objective, in the context of progress since last year.

- **To communicate the Company's progress to shareholders and the investment community;**
  During the year we increased our exposure by providing quarterly updates of our performance to the markets and the media. We further enhanced our program of broker and shareholder communications and we are now receiving coverage and interest from leading brokers in Perth and Melbourne. We have again upgraded our website and this will see further improvement in the investor relations area in the year ahead.

- **To satisfy customers' expectations through excellence in property development.**
  We continue to build the worth of our brand, in establishing quality in our new projects, and many of you will have noticed that the Cedar Woods logo is regularly appearing on development sites across the metropolitan area and in the press. We have once again been acknowledged by our peers, having in the past year

been awarded the State and National Awards for Environmental Excellence from the Urban Development Institute of Australia for our Mariners Cove project;

- **To align the interests of the Company and its employees and provide employees with the opportunity of growth and development;**
  Last year we introduced remuneration policies so that management's remuneration is linked to the performance of the Company. We also introduced an employee share plan which exposes selected employees to the fortunes of the Company in a way which is substantially the same as all other shareholders; We offer opportunities for growth and development for our employees by providing relevant training opportunities and tertiary or other education activities which are for the benefit of the company and employees alike.

- **To have our citizenship recognised by the communities in which we operate and be recognised as environmentally responsible.**
  During the year we have embraced the Housing Industry Association's GreenSmart initiative and the company has been accredited as an HIA GreenSmart partner. The accreditation has required training for senior management and implementation of Greensmart principles in the company's latest two projects, The Rivergums, Baldivis and The Kestrels, Tapping. Earlier this year, the HIA awarded Mariners Cove the inaugural HIA Greensmart Development of the Year.

- **To maintain the highest ethical standards and recognise that our reputation is our most valuable asset.**
  We do endeavour to maintain the highest ethical standards and with that in mind I will now say a few words about Corporate Governance.

Corporate Governance

- ASX Issued new guidelines in March 2003
- Review of Corporate Governance framework underway
- Outcomes to be published in 2004 Annual Report

[6]

As many of you will already be aware, the Corporate Governance Council set up by the Australian Stock. Exchange published a new set of Principles and Best Practice Recommendations in March 2003.

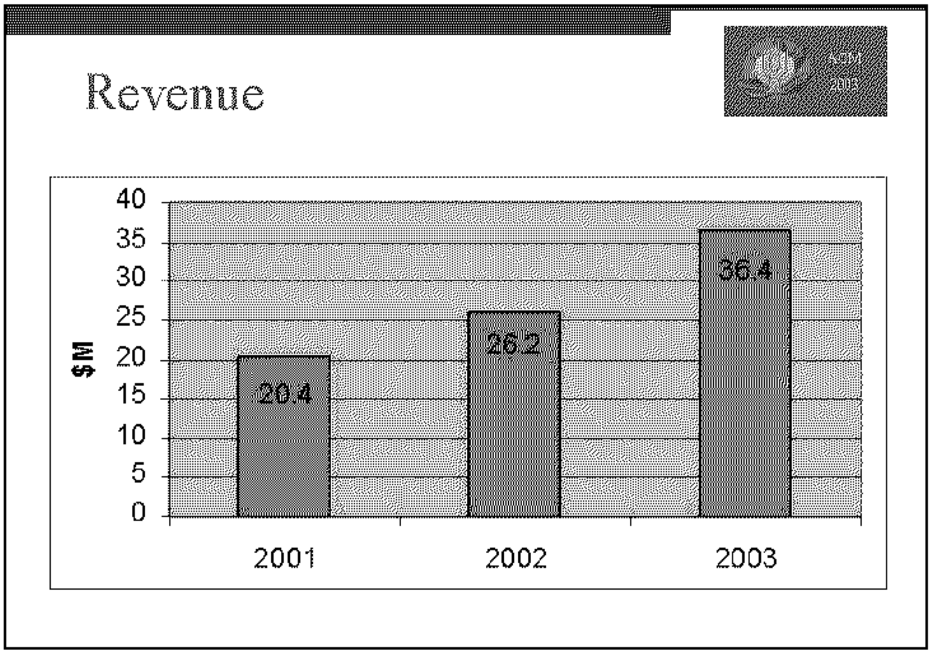
The Council has requested that all listed companies review their own Corporate Governance frameworks and report accordingly to shareholders on the outcome of the review and the extent of compliance with the Principles and Recommendations.

Your board has commenced a review which will encompass the Company's Corporate Governance framework as detailed in the Annual Report, and this will include a review of the composition of the Board and committees, our human resources and remuneration policies, our disclosure policies, how we conduct our relationships with all stakeholders and our internal policies and procedures.

The result of the review is likely to lead to a greater level of disclosure of such matters and there will be updates posted to the company's website during the year.

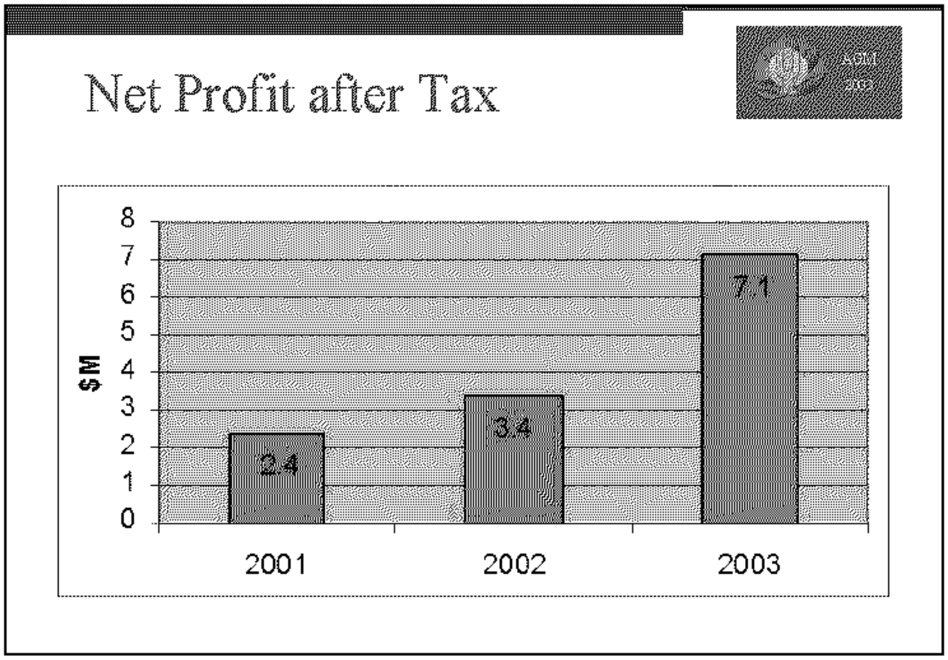
The Board will report on the completion of the review, with full details in the 2004 Annual Report as required by the ASX listing rules.

Now let's look briefly at the financial highlights for 2003:



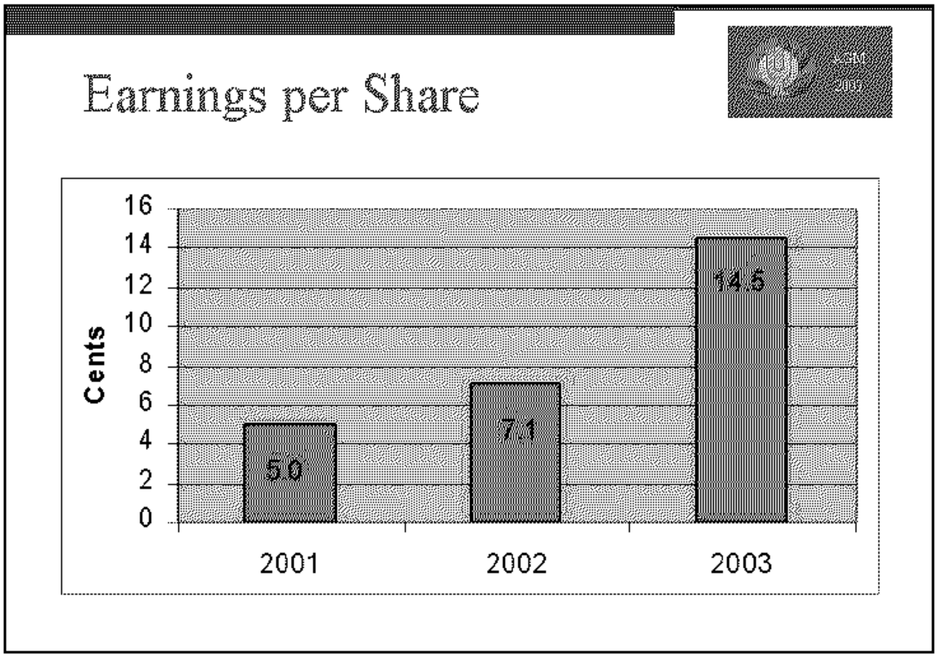
[7]

Our revenue in 2003 was $36m, up 39% on 2002, showing another year of strong growth. The increase in revenue reflects higher margins and a higher number of sales as we brought on new projects in the year. There has been a 78% growth in revenue since 2001.



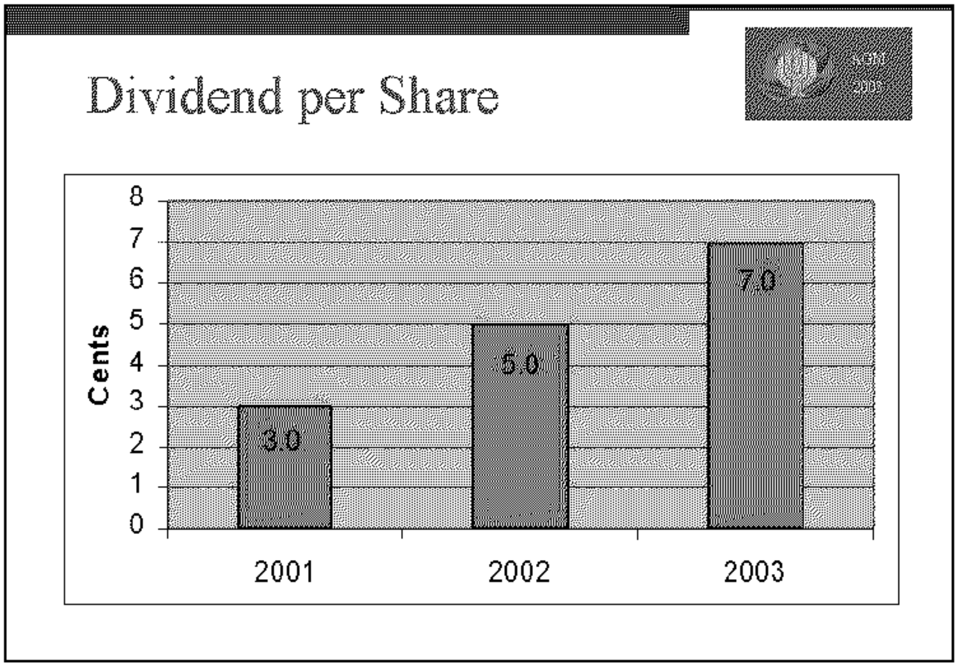
[8]

Consequently, we saw a large increase in profit as improved margins and higher sales translated to a 100% increase in profit after tax to $7.1m.



[9]

This led to a similar increase in earnings per share, which has also grown considerably over the last 2 years.



[10]

This growth in earnings allowed the Board to pay an increased dividend.

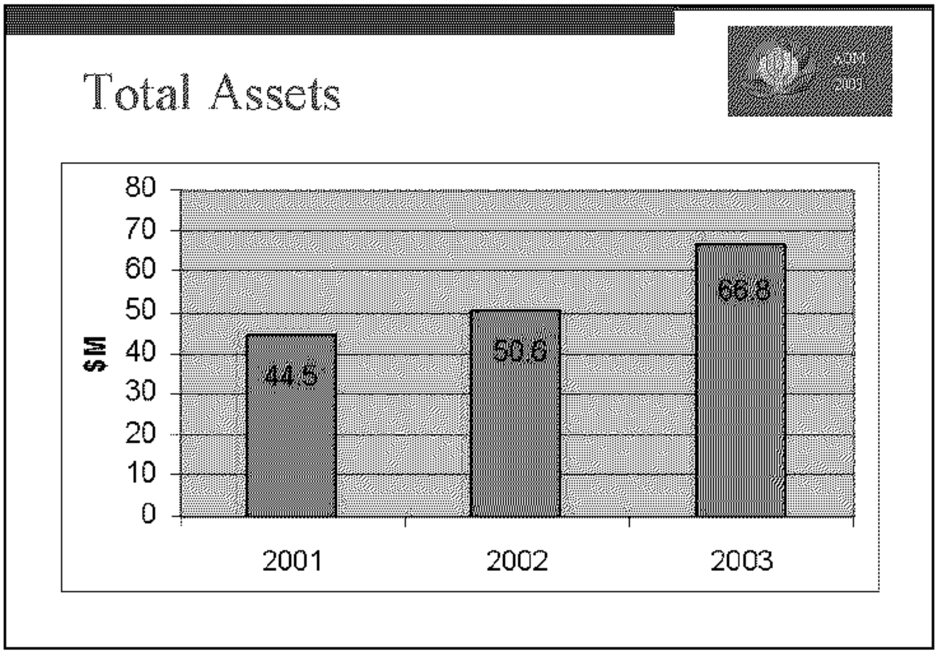
Dividend Policy

- Provide balance between return to Shareholders and growth of Company
- Approximately 50% of net profit after tax plus realised reserves
- 7c dividend for FY 2003 (FY 2002 – 5c)
- Dividend Reinvestment Plan may be re-introduced in future

[11]

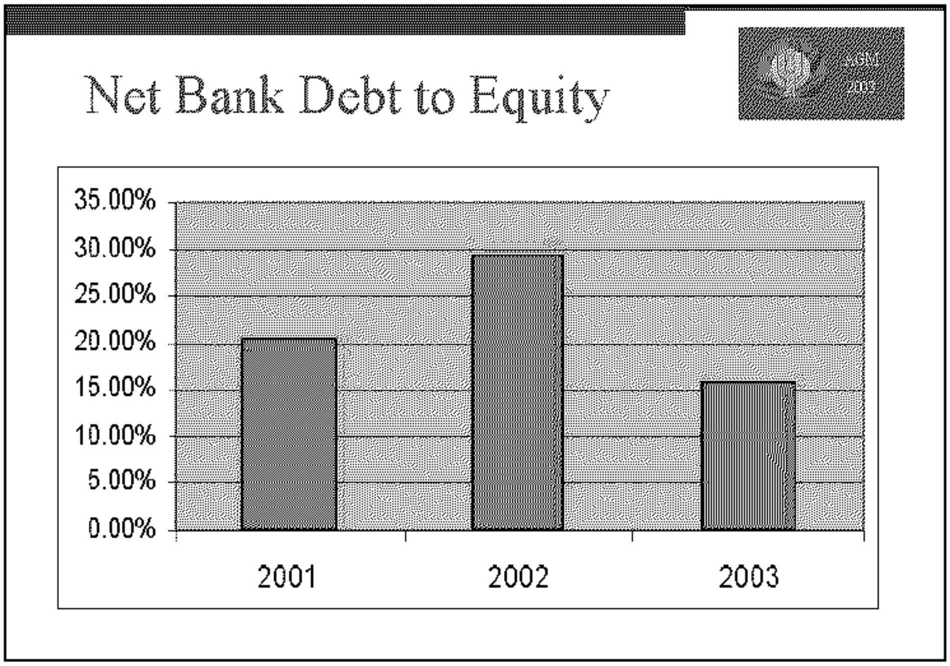
Our dividend policy is to provide a balance, between generating a return to our shareholders and retaining sufficient funds to grow the Company.

Hence, we pay approximately 50% of net profit and realised reserves as cash dividend to shareholders, and this will continue to be our policy going forward. Accordingly, the dividend paid of 7 cents per share represented a 40% increase in dividend over the previous year and shareholders received this on 24 October.



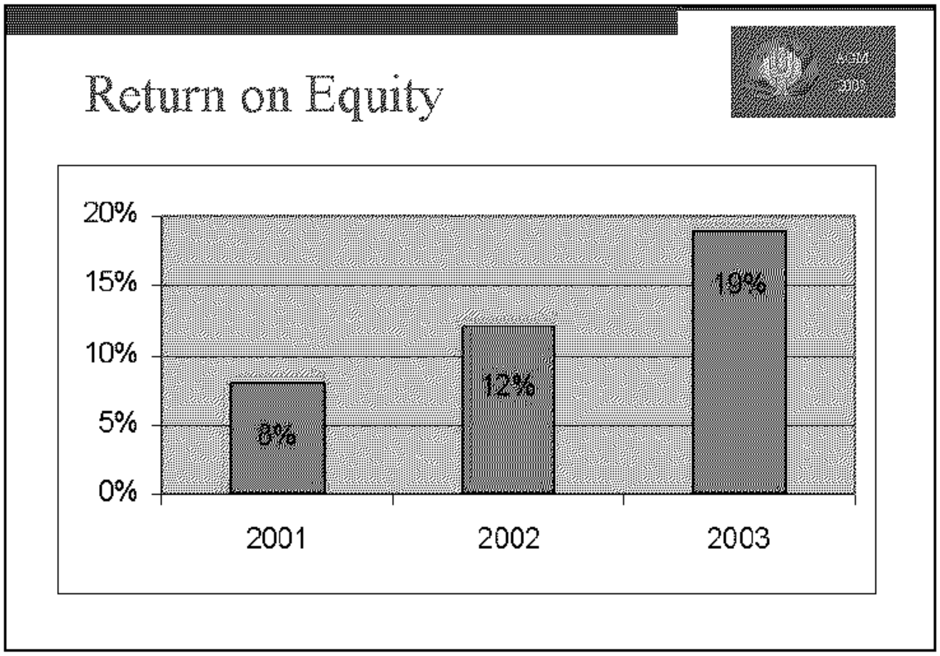
[12]

Our total assets have grown as the company has invested in a number of new projects over the last 2 years. Total assets are up 50% over 2001 - these assets will provide future earnings in the company.



[13]

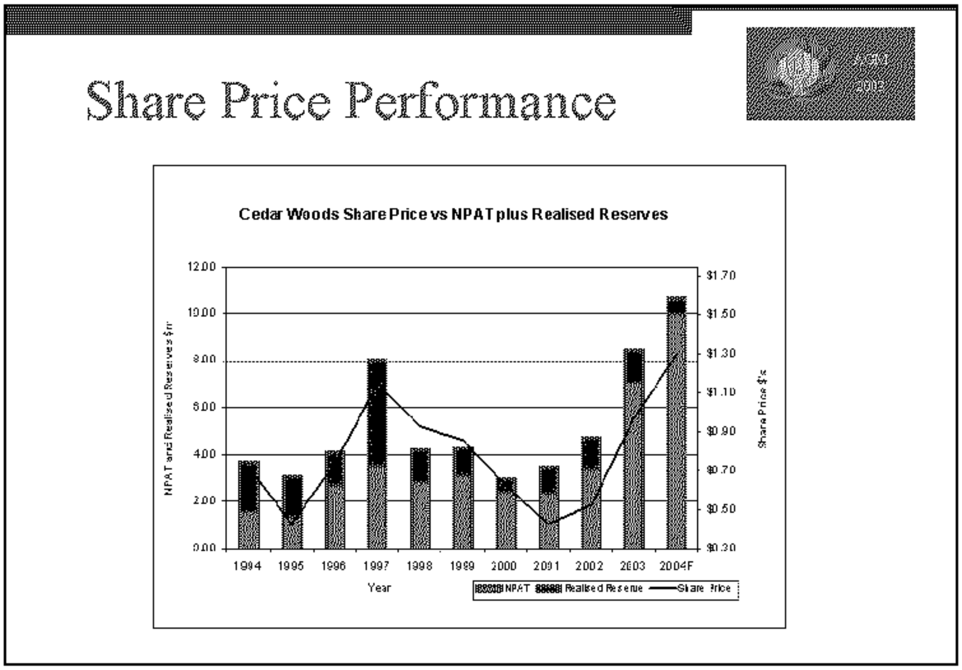
However, we have managed our debt responsibly over the same time frame keeping our debt to equity percentage to 16% as at June 2003 which is at the lower end of our target range.



[14]

Our return on equity was 19%, again growing strongly since 2001.

Now I’d like to talk about our share price.



[15]

During the last 12 months the company's share price has more than doubled, reflecting the improved profitability and outlook. We are pleased with the recent improvement in our share price and are working hard to maintain consistent profit growth, confident that this will further improve the share price in due course.

In summary, in 2003 we met the performance targets that we set and they will continue to guide our future endeavours.

Key Strategies

- Diversification of the property portfolio
  - new residential subdivisions
  - medium density residential and apartments
  - industrial and commercial land
- Identification and acquisition of new projects
- Retaining ownership of income producing assets
- Establishing joint venture initiatives to capitalise on our skill base

[16]

These are our key strategies:

We will manage the portfolio as a whole to generate growth in the Company's earnings, as individual projects will contribute varying profits in any one year, according to their life cycle.

Accordingly, much work has gone into developing a portfolio of projects that have different attributes, a diversity of products and market appeal, and varying life cycles.

As individual projects are developed and sold, so new projects are added to the portfolio, so that a pipeline is created and continuously maintained to provide future earnings.

Over the last 2 years the company has acquired a number of new projects at Wanneroo, Balcatta, Tapping, Canning Vale and Rockingham.

These projects offer diversification into residential, medium density and industrial/commercial markets, and we are now starting to see the result of those initiatives.

As you are aware, during the year the Company commenced development of the highly successful Promontory townhouses at Port Mandurah, its first foray into medium density residential product. The company has recently commenced construction of the Aria Apartments on the Rockingham beachfront. The company is introducing built form product within other projects.

We are also investigating the potential for retaining ownership of income producing assets which will allow the Company to establish lease income, which is more regular than development income.

We currently have bids being considered on a limited number of additional projects, and these projects potentially will continue our diversification objective.

The emphasis is now on the development of existing projects within the portfolio.

We are continuing to review opportunities to joint venture residential and industrial/commercial projects.

I will now hand over to Paul Sadleir, your Chief Executive Officer, to outline the progress with respect to our project portfolio.

[17]

<u>CEO</u>

Good morning!

QUALITY ASSETS FORMING A DIVERSIFIED PORTFOLIO

Waterfront Residential Land

	Purchased	Developable Area (ha)	Remaining Life (Years)	2003 Achievements	Growth Opportunities	Attributes
PORT MANDURAH	[illegible]	132.5	1	Strong sales	Medium density housing	Waterfront appeal
MARINERS COVE	[illegible]	[illegible]	4	UDIA National Environmental Award	Retirement housing	Limited availability
				UDIA State Environmental Award	Catered to "baby boomer"	
				HIA State GreenSmart Award	purchasers	

Residential Smart Growth

	Purchased	Developable Area (ha)	Remaining Life (Years)	2003 Achievements	Growth Opportunities	Attributes
[illegible]	2001	114.5	7	HIA GreenSmart Accreditation	Built form product	Growing customer demand
[illegible]	2003 (under option)	50	6	New project acquisition	Retirement and aged care	Regulatory drivers
					Energy efficient design	Long project lives
[illegible] GROVE	[illegible]	7	0.5	Strong sales		
[illegible] VALLEY	[illegible] (under option)	6	1	Rezoning progressed		

Mixed Use/Infill Density

	Purchased	Developable Area (ha)	Remaining Life (Years)	2003 Achievements	Growth Opportunities	Attributes
[illegible]	[illegible]	[illegible]	[illegible]	Repositioning underway	Leasehold opportunities	Multi segment appeal
[illegible] VALE	2002	6.3	5	Rezoned	Further Victorian projects	Strategic locations
[illegible]	2003	6.3	3	Rezoned	Built form product	Long project lives

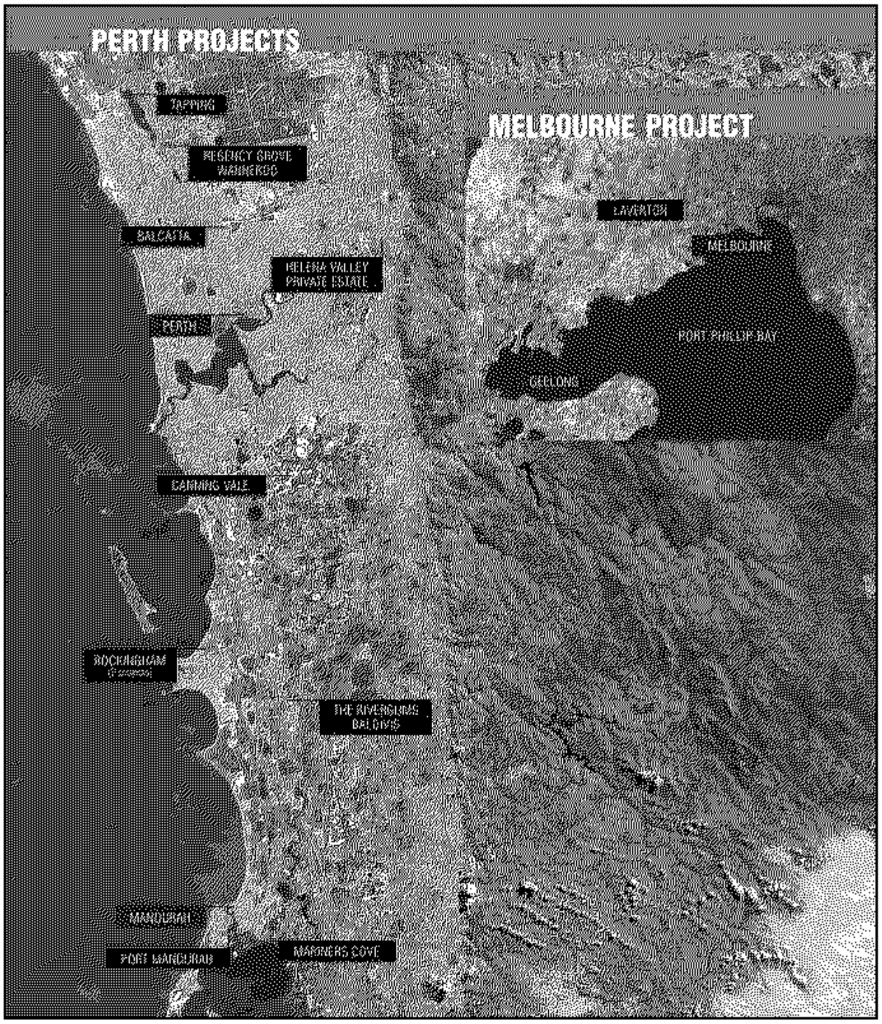
Built Form

	Purchased	Developable Area (ha)	Remaining Life (Years)	2003 Achievements	Growth Opportunities	Attributes
[illegible]	2002	4.2	1.5	50% pre-sold	Leasehold opportunities	Waterfront location
[illegible] PLAZA	2003	0.5	5	Council approval		Redevelopment precinct
						Catered to "baby boomer"

[18]

Pages 10 and 11 of the Annual Report contain a schedule which summarises the Company's portfolio.

Also, the maps on the inside cover of the annual report show the location of each project.



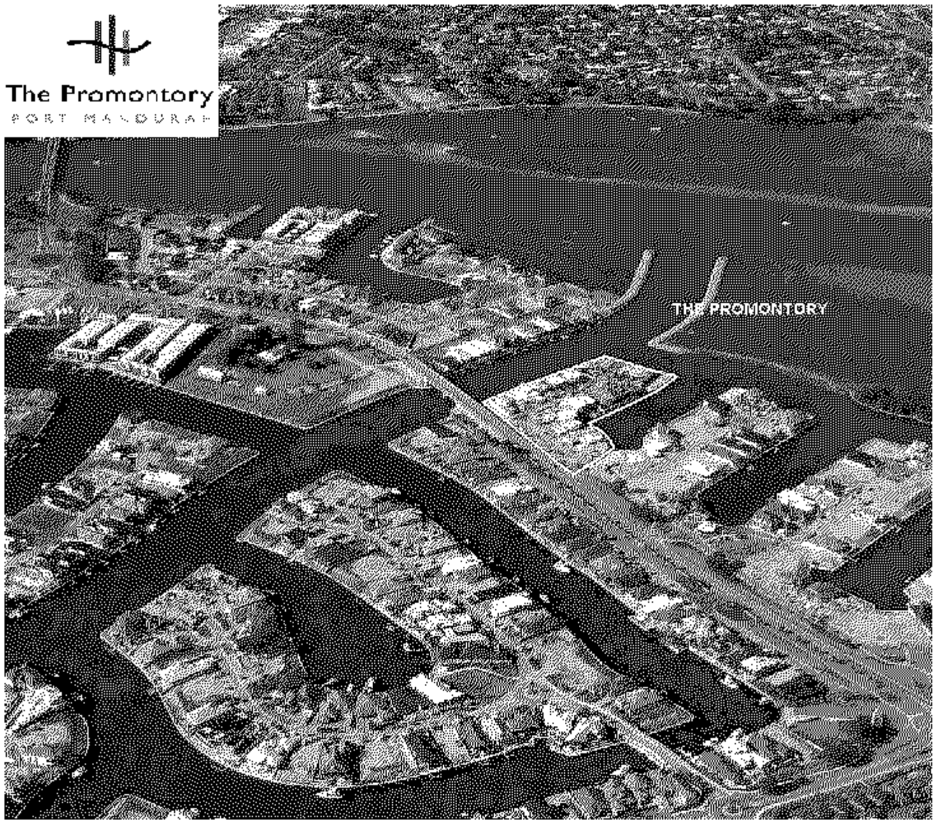
[19]

As you can see, the future of the company is underpinned by a range of different projects mainly around the Perth area, with a range of development timeframes and a variety of products.

I will now talk in more detail about the individual projects.

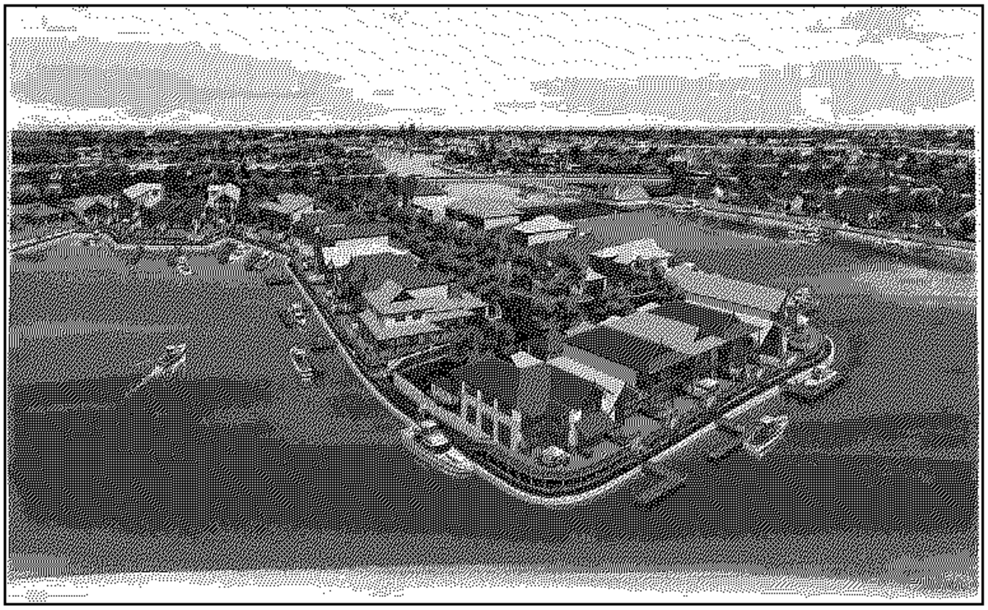
[20]

During the 2003 year we sold all but 10 of the lots in Leeward, Port Mandurah, so that after a decade of development, the Port Mandurah success story is drawing to a close.



[21]

This photograph shows Leeward Port Mandurah and the site of the 'Promontory' is indicate by the yellow boundary.



[22]

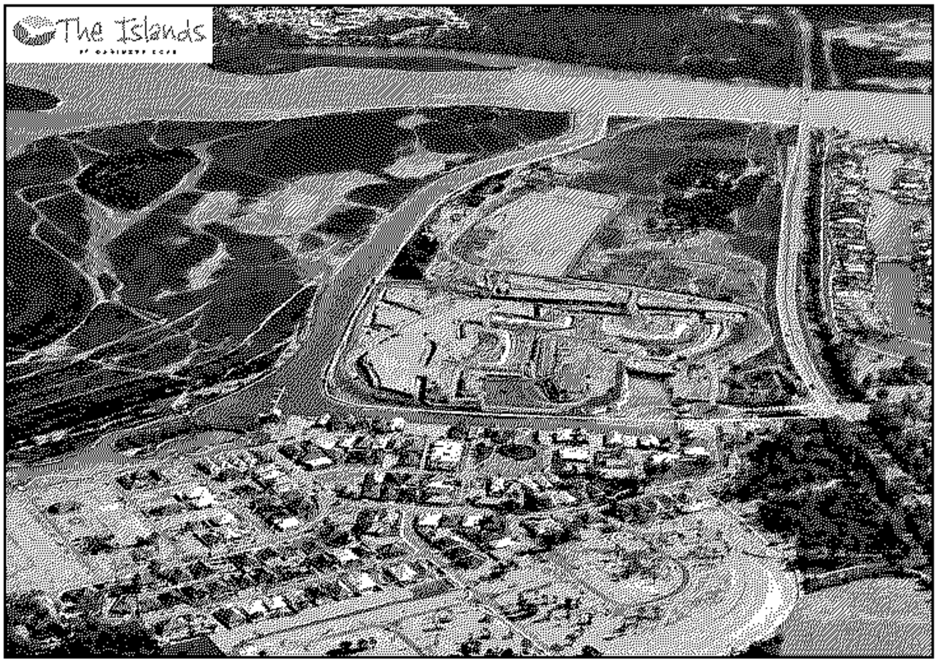
Our marketing of "The Promontory", a 32 townhouse waterfront development at Leeward was highly successful, and at this time all but 1 of the townhouses have been sold off the plan, and development is now well under way.

[23]

This slide shows development in progress. The first 16 townhouses are now completed, and many occupied.

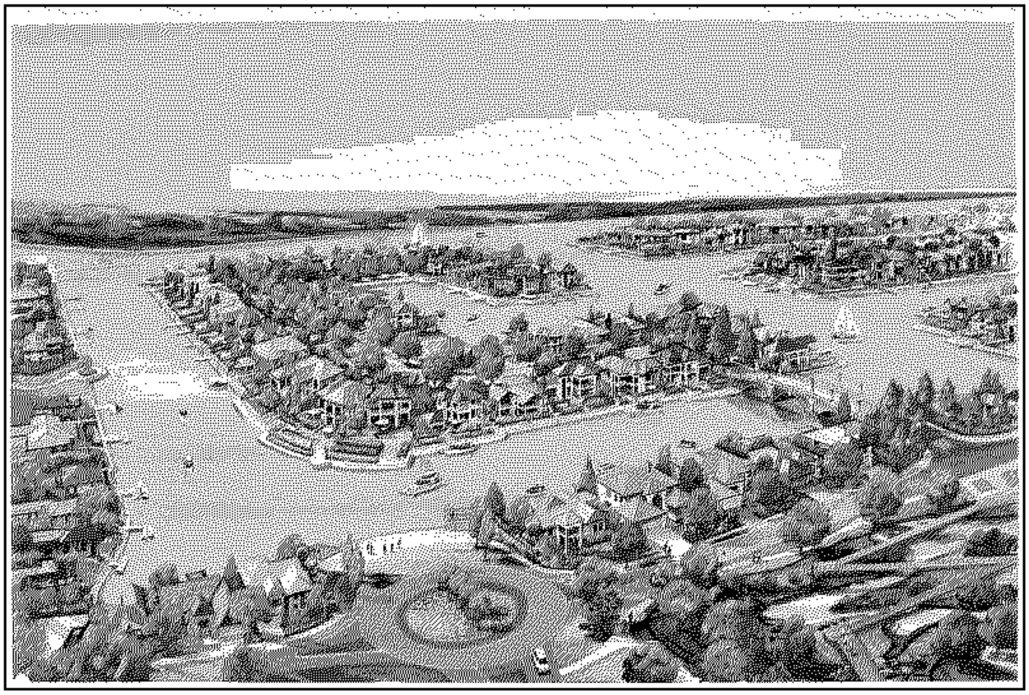
[24]

The Port Mandurah project has one remaining density site at the Sutton Heritage precinct, the site of the original Sutton Farm, which has the potential for further medium density development into 36 townhouses. Marketing of these townhouses is likely to commence in the new year, with construction in the 2005 financial year.



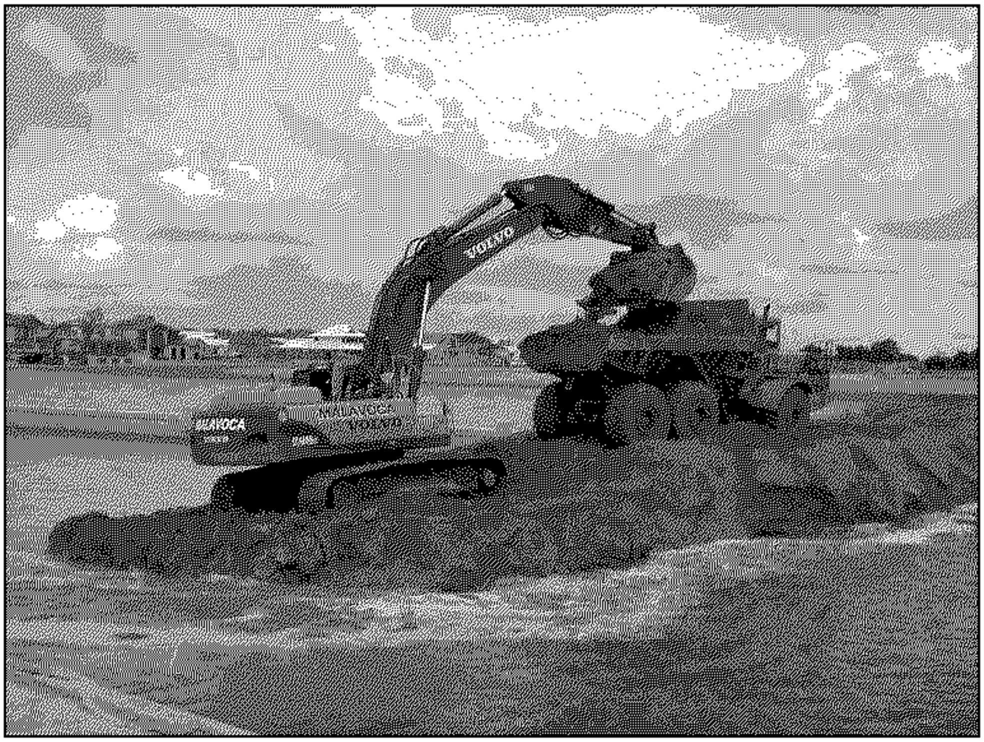
[25]

The Mariners Cove project had an excellent year in 2003. The release of a limited number of lots in the first canal stage at Mariners Cove enabled the Company to realise premium prices and set a benchmark for the whole of the future canal zone which comprises some 330 canal lots.



[26]

The first canal island comprising 67 lots is now approaching the completion of construction to the company's high standards.



[27]

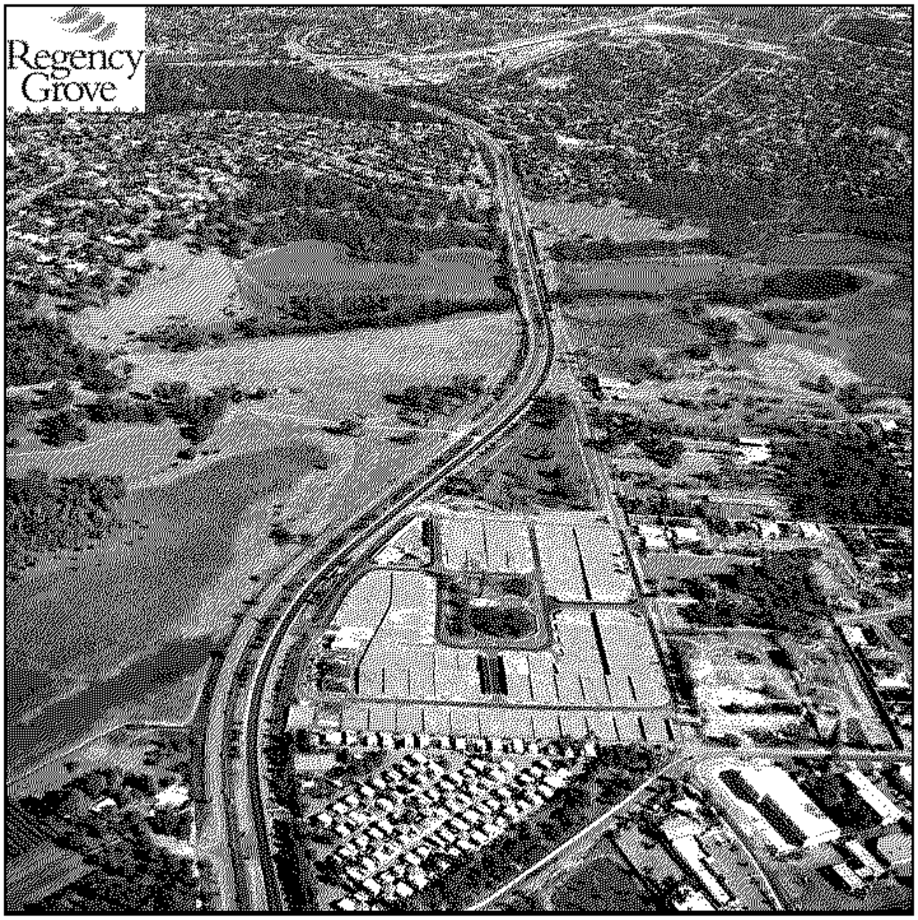
Construction will soon commence on the second island which is due for completion around mid-2004.

[28]

Sales within the parkland lot precinct continued strongly during the 2003 financial year, with 4 stages released and all available completed lots sold.

We are currently reviewing the potential for medium density development within future stages of Mariners Cove.

Let’s look at our new residential projects.



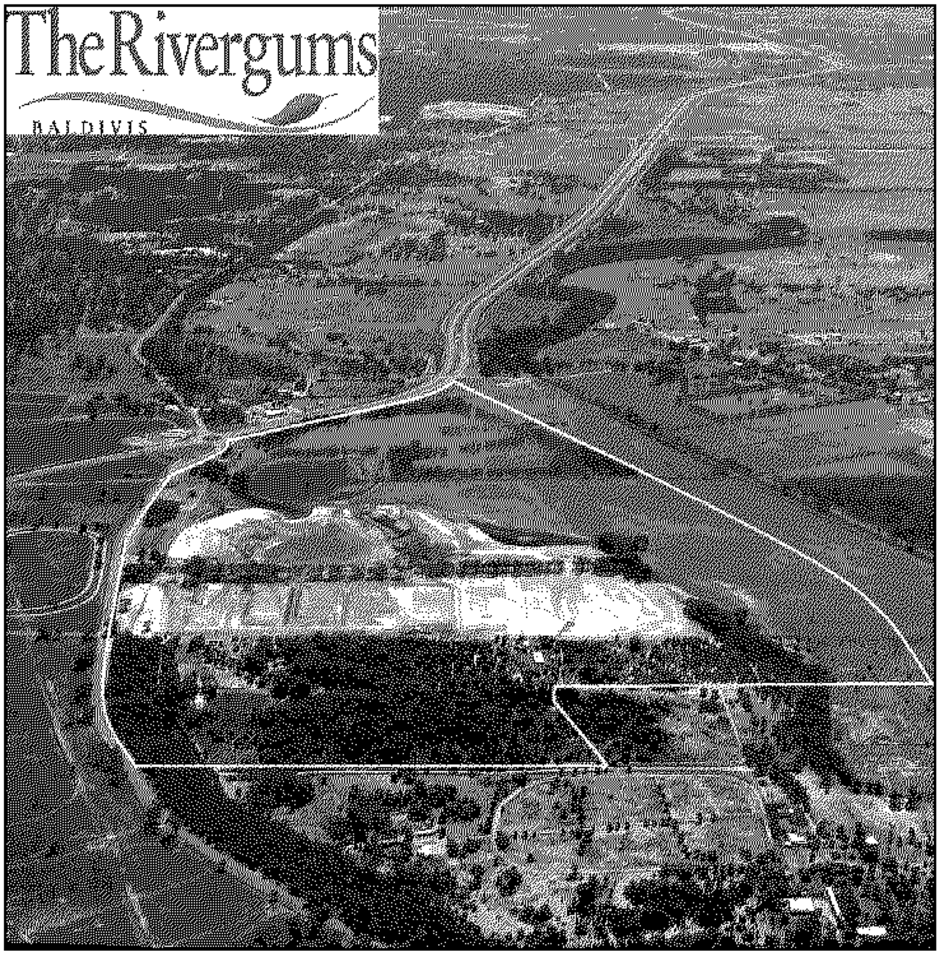
[29]

Last year we acquired a 7.6 ha land holding at the junction of Ocean Reef and Wanneroo Roads, and during the 2003 year we developed it into a boutique 83 lot project known as Regency Grove.

The project has been completed and all of the lots have now been sold.

[30]

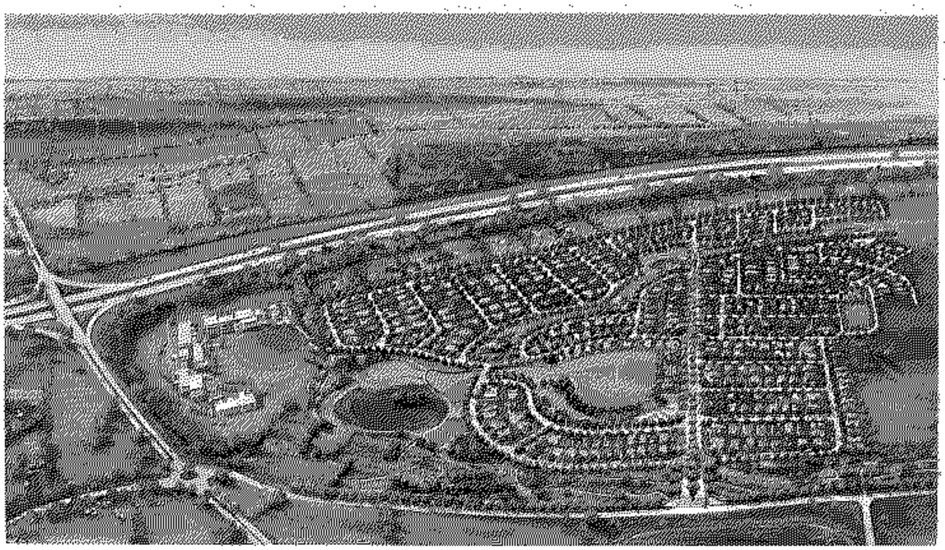
This was a very successful development which contributed to earnings last year with the balance falling in this year.



[31]

Towards the end of the 2003 financial year the Company commenced development of the first stage of The Rivergums at Baldivis.

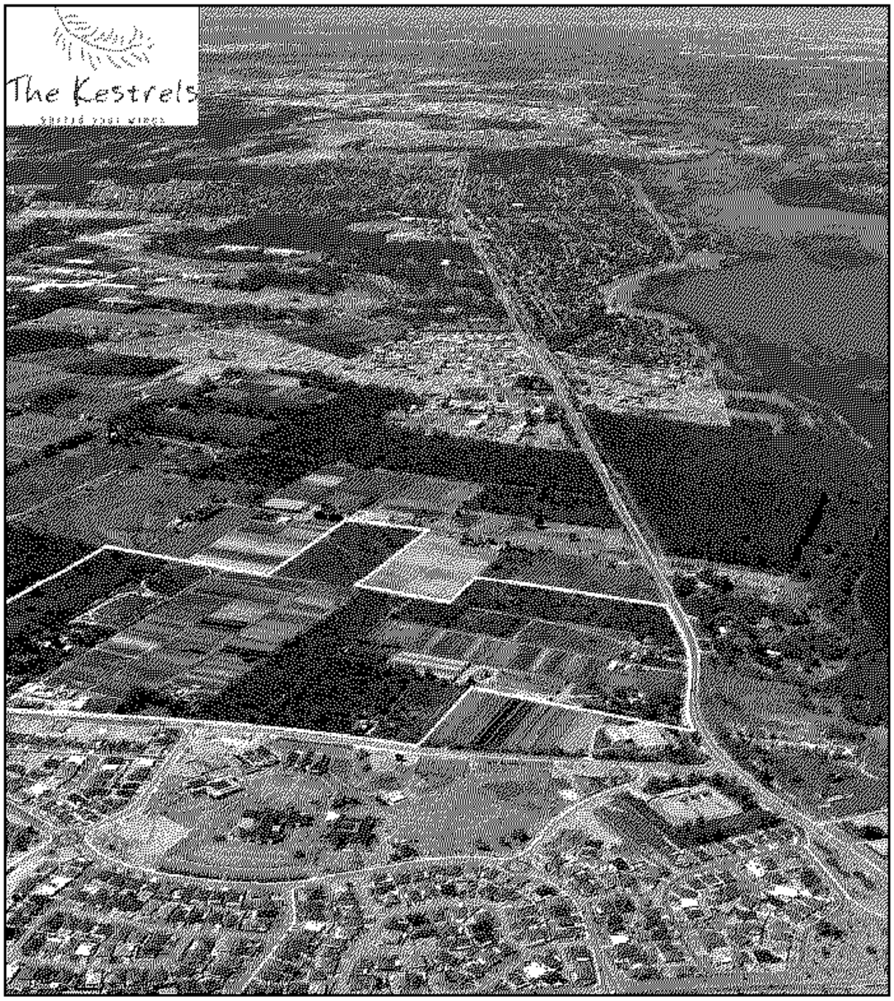
The land is well located with excellent exposure to traffic flowing from the end of the Kwinana Freeway onto Safety Bay Road.



[32]

The land will be developed over a 7-year period, and is expected to yield approximately 800 lots.
Construction of the first stage of 89 lots is underway and is close to completion, and due to demand for lots in stage 1, development of stage 2 has also commenced.

The potential exists to expand the size of the project by purchasing adjacent land parcels to the south of the property, and during the year 2 small adjacent parcels were purchased.



[33]
The Company's newest project at Tapping, represents the culmination of over 12 months' negotiations with a dozen land owners to bring together 50 hectares of land zoned for residential development.

Tapping is ideally located as a new residential suburb being located 3km north of the Wanneroo townsite, 2km north-east of Joondalup City Centre and 26km from the Perth CBD. The Wanneroo region in general has long enjoyed healthy growth in development and population.

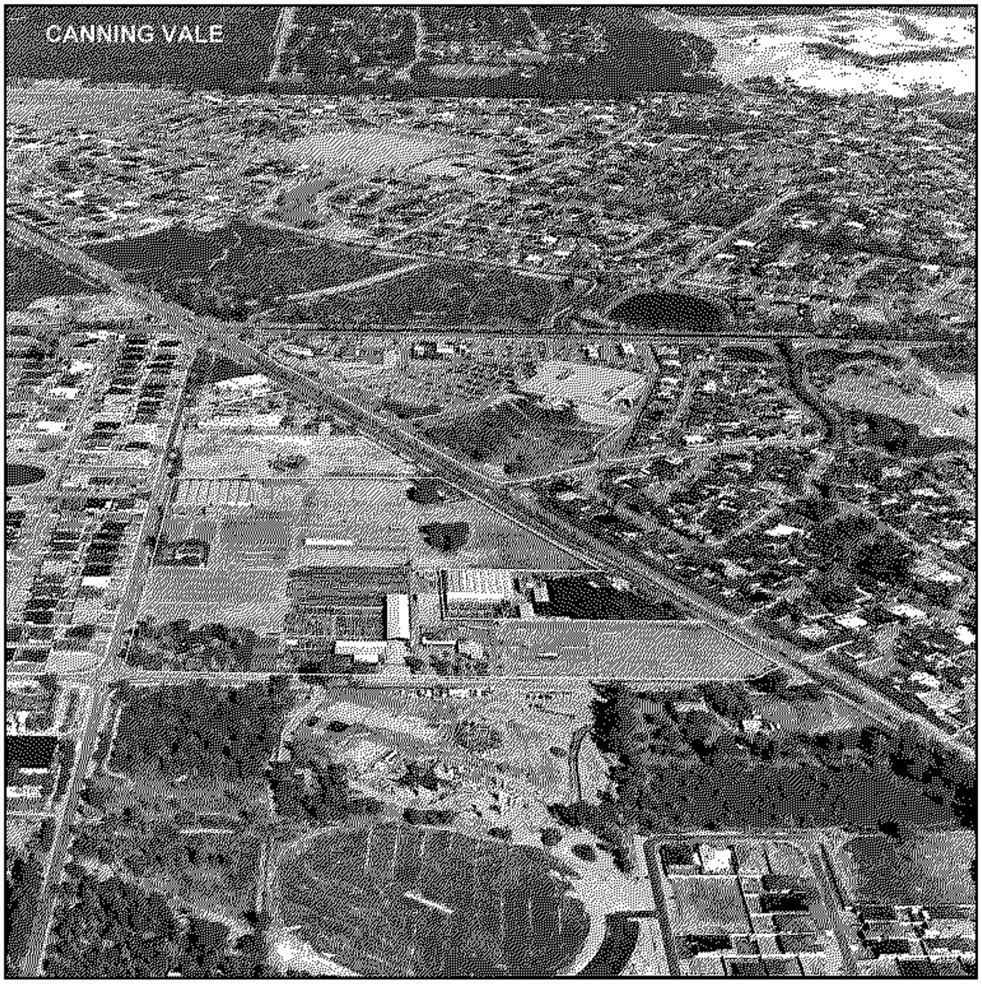
The Tapping land is expected to capture a segment of this established market and also attract new buyers to the area by offering a point of difference, based on the adoption of Greensmart and other energy efficient principles.

[34]

The company has prepared a subdivision plan for a 540 residential lot subdivision which has been planned based upon the latest design elements including the “HIA Greensmart principles”

Lots are scheduled to be pre-released to the market in November, with considerable interest already generated by an innovative “teaser” advertising campaign.

Development is expected to commence in December 2003, with the first housing lots completed early in 2004.



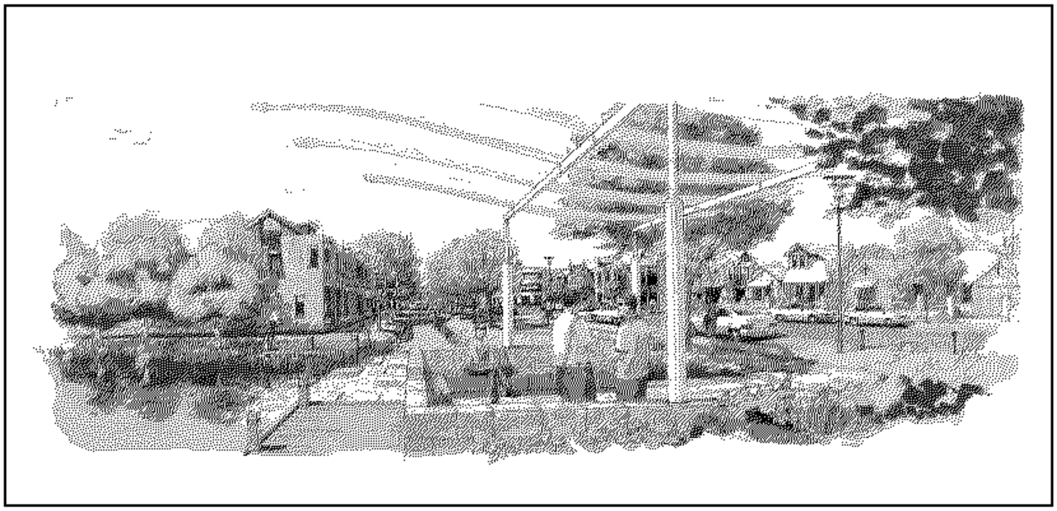
[35]

Our Canning Vale project will be a mixed density residential precinct within walking distance of the established Livingston Shopping Centre in popular Canning Vale.

The design is in response to a shift in the Canning Vale demographic and a lack of variety in housing types to suit an ageing population keen to stay within the locality.

[36]

The project offers a range of compact standard lots, cottage lots served by rear laneways, terrace housing and apartments and a substantial prospect list has been established.

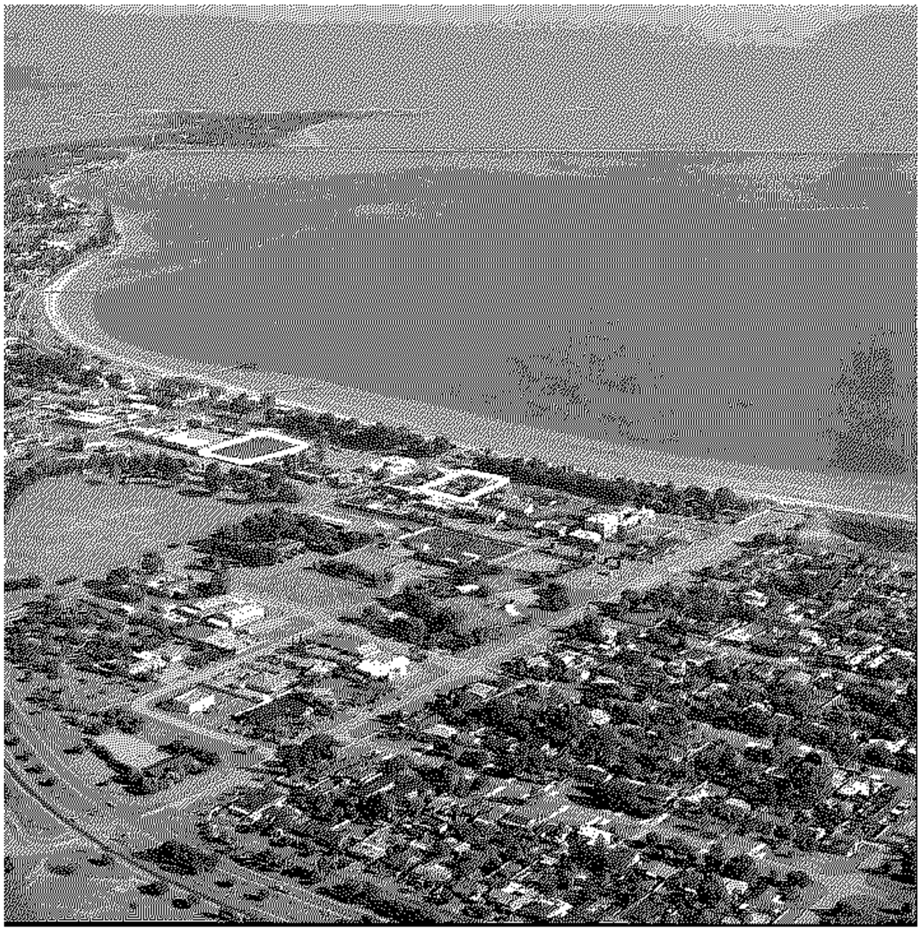


[37]

The development planning centres on an impressive urban open space featuring two lakes and a connecting waterbody and a comprehensive system of footpaths and public spaces is planned.

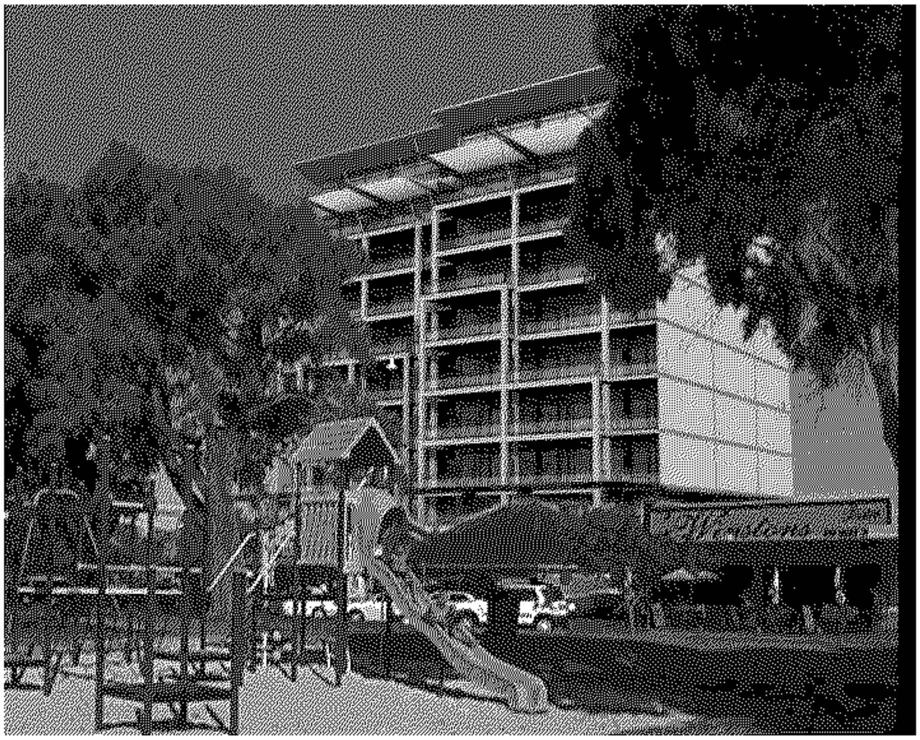
Having recently achieved subdivision approval, we are currently working on the design of the first apartment block.

The first residential sites are scheduled for prerelease in the new year. and it is anticipated that this project will now contribute to profits in the 2005 financial year.



[38]

The Company has purchased two development sites within the waterfront village precinct at Rockingham, WA which it is developing for apartments.

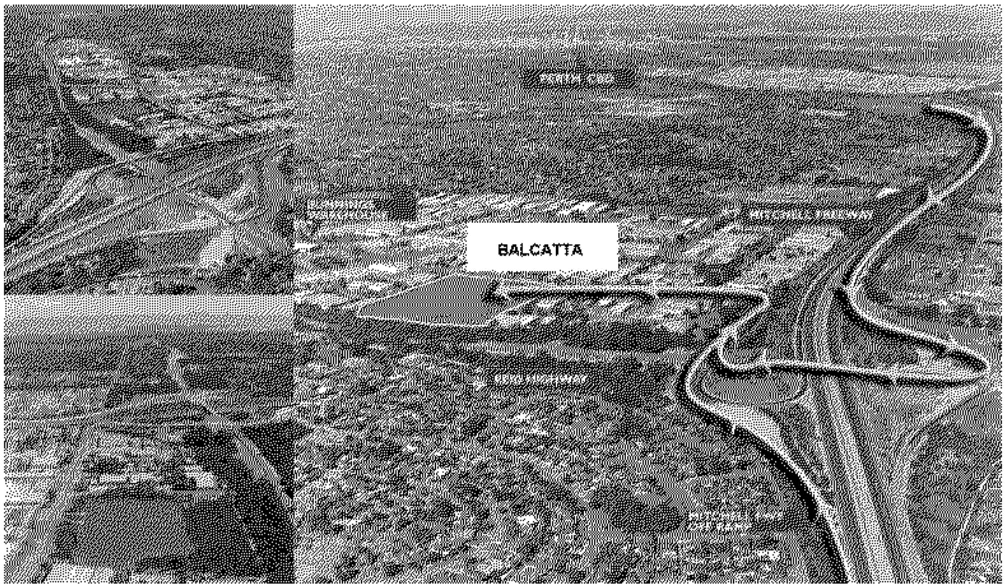


[39]

Following an excellent response from the public to a pre-marketing campaign early in the 2003 financial year, plans for Aria Apartments on Rockingham Beach Road were advanced, and achieved approval for 32 apartments, and ground floor commercial.

[42]

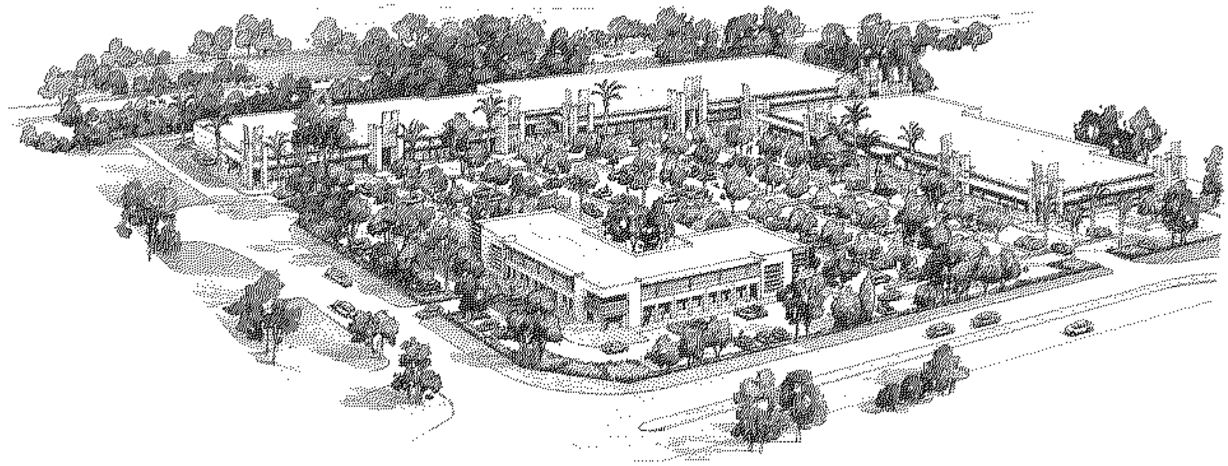
The Company has also secured a development approval for a further 80 beachfront apartments on an adjacent site, previously the site of a derelict shopping arcade, and the marketing of this project, which will be known as "Nautilus Apartments", is scheduled to commence in December on the strength of the successful presale of the Aria Apartments.



[43]

Planning for the development of the Company's site within the Balcatta garden industrial zone in Perth's inner northern suburbs, has also been progressed.

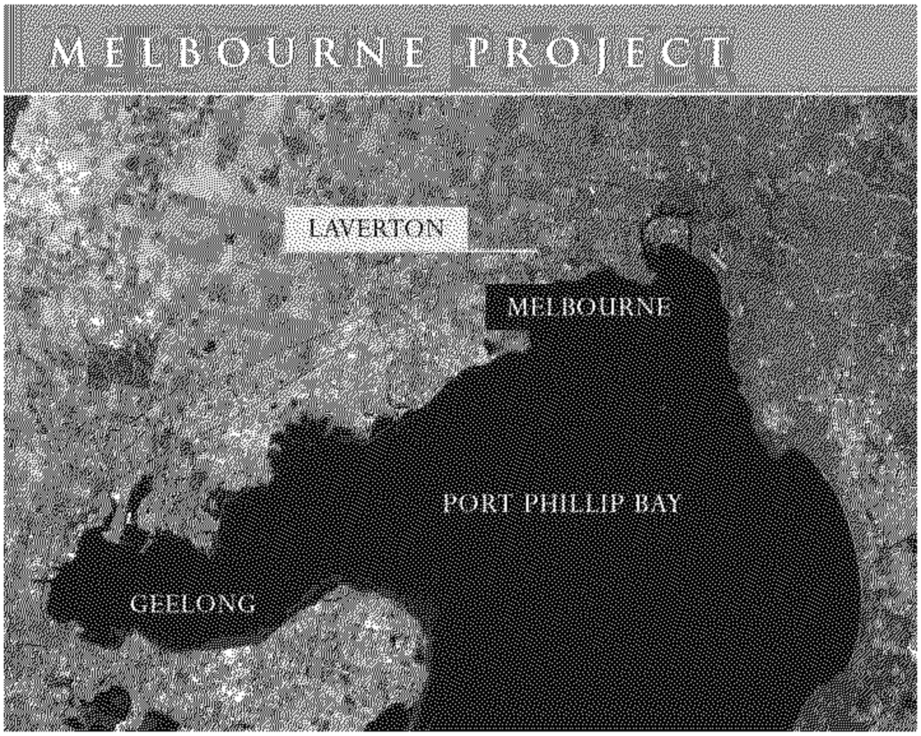
Strategically located adjacent the junction of Reid Highway and Mitchell Freeway just 12 km from Perth CBD, this property offers potential for showroom, commercial or bulky goods warehouse development.



[44]

The Company is exploring opportunities to develop and retain income producing property at this site in pursuit of one of the key strategies outlined earlier.

Based on current projections it is envisaged that the project will be staged to contribute earnings over a 5 -6 year period.

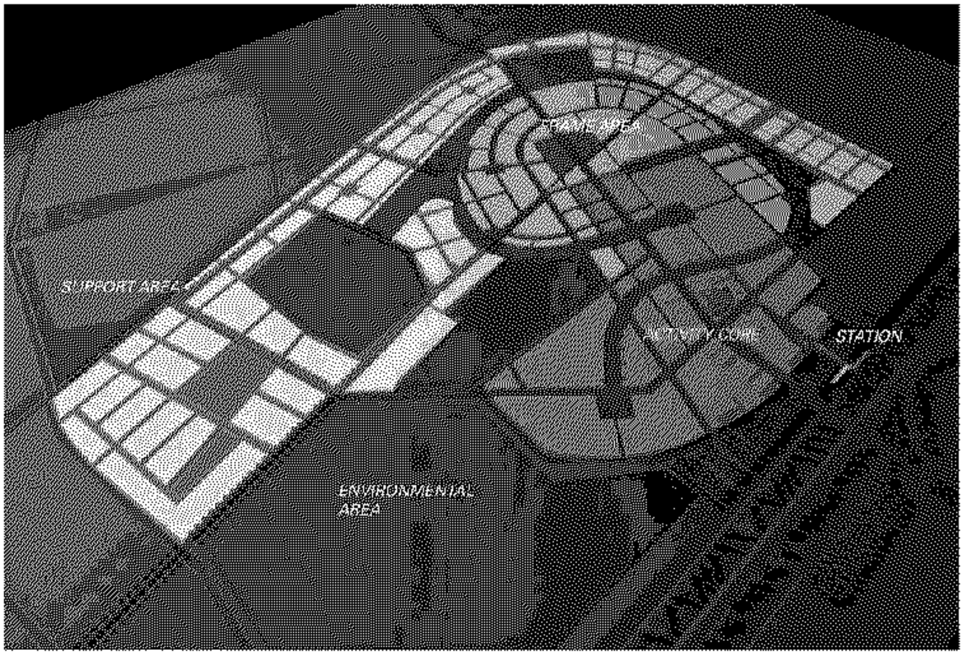


[45]

The establishment of a branch office in Melbourne has assisted the Company's presence and credibility in that City.

[46]

During the past year progress has been made in relation to the plans for a mixed use development on this strategic western Melbourne site.

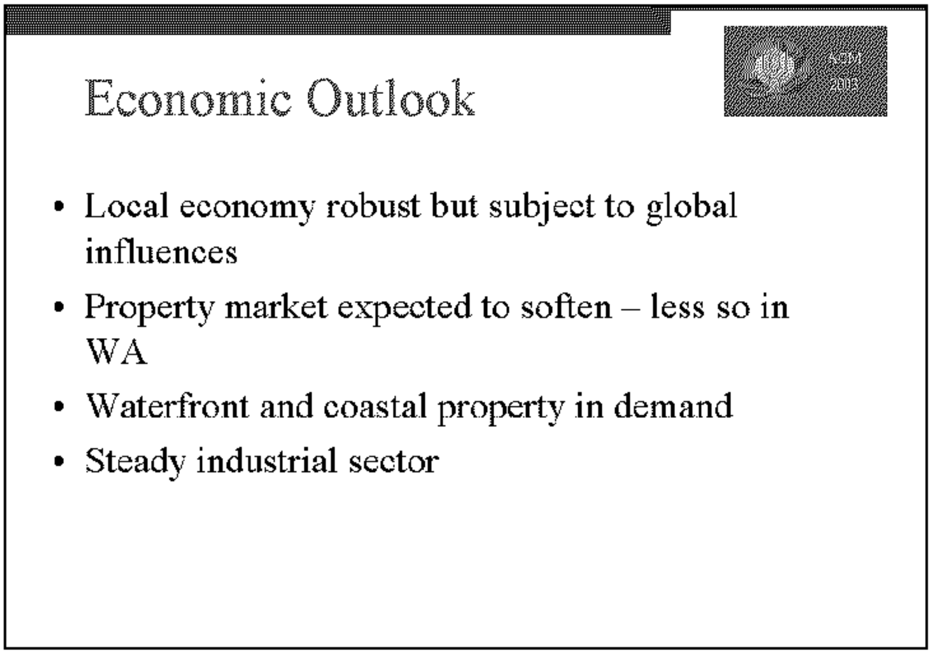


Indicative aerial view of potential Laverton transit city layout showing major precincts

[47]

Planning for an additional freeway connection and railway station is underway.

Lets finish off by looking at the economic outlook.



[48]

The overall economy continues to perform strongly, with WA's GDP growing at around 4%.

Against this, most economists are predicting a weakening in the housing sector, but any fall in WA should be less than in the eastern states which to some extent have become overheated. Price increases in Perth have been modest compared to the eastern capitals.

Business and consumer confidence is strong and interest rate settings are reasonably benign, although a small rise in rates is expected at the end of the year.

The industrial sectors in Melbourne and Perth face steady outlooks.

In summary, the economic outlook for the remainder of the 2004 financial year is positive, but the housing sector may slow as we move towards 30 June 2004.

Company Outlook

- Strong sales continuing at Mandurah projects
- Further growth provided by new projects
- New projects undergoing due diligence
- $40 m acquisition and development funding facility
- Forecasting $10 m net profit after tax in FY 2004, equating to 40% growth in earnings

[49]

Whilst most analysts expect the residential property market to slow during the current financial year, the expansion of the Company's portfolio allowing sales from a number of new estates is expected to enable the Company to significantly exceed the result achieved in the previous year.

The Company has enjoyed a strong boost from sales in the September quarter and anticipates a net profit for FY2004 of approximately $10 million, representing an increase of 40% over the result achieved in FY2003. In addition, approximately $0.7m in realised reserves is also expected.

Should the conditional contract with Brightwater be concluded during the year then this will provide further earnings above the forecast.
It should be noted that due to market conditions, our immediate growth in any one year may be above or below 10%, but we intend to meet the 10% target over the longer term. In the last two years, the ASX 500 has been very volatile and we have outperformed the index as a whole.

Our strong balance sheet has recently enabled us to extend our 3-year acquisition and development bank facility by a further year to 2006, and increase the limit to $40 m, which enables us to fund our growth strategy. This facility will be utilized for the acquisition and development of the Tapping land and hence our debt is expected to rise in the short term, with the net bank debt/equity percentage forecast to be at the upper end of our target range by June 2004.

Our underlying business is performing well and we are seeking to achieve a steady increase in profit through our growth strategies.

2003
Annual General Meeting