CEDAR WOODS PROPERTIES LIMITED
APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2004

1. Details of the reporting period.

This report details the consolidated results of Cedar Woods Properties Limited and its controlled entities for the year ended 30 June 2004. Comparatives are for the year ended 30 June 2003.

2. Results for announcement to the market.

		2004 $'000	**2003 $'000**	**Change**
2.1	Revenue from ordinary activities	57,189	37,088	Up 54%
2.2	Profit from ordinary activities after tax attributable to members	10,253	7,135	Up 44%
2.3	Net profit for the period attributable to members	10,253	7,135	Up 44%
2.4	Final dividend per share, fully franked	10 cents	7 cents	Up 43%
	Earnings per share	20.2 cents	14.5 cents	Up 39%

2.5 Record date for dividend

The dividend record date is 8 October 2004.

3. Statement of Financial Performance

	2004	2003
	$'000	$'000
Revenue from sale of land	56,991	36,864
Cost of sales	31,106	19,479
Gross Margin	25,885	17,385
Other revenues from ordinary activities	198	223
Other expenses from ordinary activities:		
Project operating costs	6,737	3,988
Occupancy	130	118
Administration	3,228	2,349
Borrowing costs expense	1,314	261
Profit from ordinary activities before related income tax expense	14,674	10,892
Income tax expense	4,421	3,757
Profit from ordinary activities after related income tax expense	**10,253**	**7,135**
Net profit attributable to members of Cedar Woods Properties Limited	**10,253**	**7,135**

Earnings per share

Basic earnings per share	20.2 cents	14.5 cents

Note
The difference between the income tax attributable to profit from ordinary activities and the prima facie tax expense is reconciled as follows:

	2004	2003
	$'000	$'000
Profit from ordinary activities before income tax expense	14,674	10,892
Prima facie income tax expense calculated at 30% (2003 – 30%)	4,402	3,267
Tax effect of permanent differences:		
- Asset revaluation reserve realised	-	483
- Other items	42	17
Income tax expense adjusted for permanent differences	4,444	3,767
Under (Over) provision in previous year	(23)	(10)
Income tax expense	4,421	3,757

4. Statement of Financial Position.

	2004	2003
	$'000	$'000
CURRENT ASSETS		
Cash assets	132	105
Receivables	19,687	13,298
Inventories	19,344	10,319
Other	383	134
Total Current Assets	39,546	23,856
NON - CURRENT ASSETS		
Receivables	978	686
Inventories	52,995	41,563
Other financial assets	5	5
Property, plant & equipment	342	285
Deferred Tax Asset	851	423
Total Non - Current Assets	55,171	42,962
TOTAL ASSETS	94,717	66,818
CURRENT LIABILITIES		
Payables	13,775	17,596
Interest bearing liabilities	14,989	5,923
Current tax liabilities	3,132	3,263
Provisions	2,054	855
Total Current Liabilities	33,950	27,637
NON-CURRENT LIABILITIES		
Payables	1,250	-
Deferred tax liabilities	3,023	2,018
Interest bearing liabilities	8,300	-
Provisions	362	337
Total Non-Current Liabilities	12,935	2,355
TOTAL LIABILITIES	46,885	29,992
NET ASSETS	**47,832**	**36,826**
EQUITY		
Contributed equity	21,890	16,498
Reserves	2,056	3,860
Retained Profits	23,886	16,468
TOTAL EQUITY	**47,832**	**36,826**

5. Statement of Cash Flows

	2004	2003
	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from: - Receipts from customers (including GST)	57,600	41,099
- Interest received	72	73
Cash was disbursed to: - Payments to suppliers and employees (including GST)	(13,068)	(8,643)
- Payments for inventory	(56,026)	(25,278)
- Borrowing costs	(2,265)	(261)
- Income taxes paid	(5,133)	(1,631)
Net cash inflows (outflows) from operating activities	(18,820)	5,359
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	6	3
Proceeds from repayment of employee share loan	39	-
Payments for property, plant and equipment	(144)	(226)
Net cash outflows from investing activities	(99)	(223)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	5,000	-
Share issue transaction costs	(38)	-
Proceeds from borrowings	23,289	5,923
Repayment of borrowings	(5,923)	(8,582)
Dividends paid	(3,382)	(2,416)
Net cash inflows (outflows) from financing activities	18,946	(5,075)
Net increase in cash held	27	61
Cash at the beginning of the financial year	105	44
Cash at the end of the financial year	**132**	**105**

NOTE TO THE STATEMENT OF CASH FLOWS

	2004 $'000	2003 $'000
Reconciliation of Profit from ordinary activities after Income Tax to Net Cash Inflows (Outflows) from Operating Activities		
Profit from ordinary activities after Income Tax	10,253	7,135
Depreciation	87	55
Loss (Profit) on sale of non - current asset	(6)	18
Changes in operating assets and liabilities:		
Increase (Decrease)in provision for employee entitlements	17	32
Increase (Decrease) in provisions	1,207	297
(Increase) Decrease in inventories	(20,457)	(16,073)
(Increase) Decrease in future income tax benefit	(428)	(158)
Increase (Decrease) in provision for income taxes payable	(131)	2,354
Increase (Decrease) in provision for deferred income tax	(153)	(69)
(Increase) Decrease in pre-payments	(249)	(119)
(Increase) Decrease in loan to director	-	38
(Increase) Decrease in debtors	(6,389)	647
Increase (Decrease) in creditors	(2,571)	11,202
Net Cash Inflows (Outflows) from Operating Activities	(18,820)	5,359

6. Details of dividends

	2004	2003
Dividend per share, fully franked	10 cents	7 cents
Total Dividends ($'000)	5,323	3,481
Dividend record date	8 October 2004	10 October 2003
Dividend payment date	22 October 2004	24 October 2003

7. Dividend Reinvestment Plan

The Dividend Reinvestment Plan is currently suspended.

8. Statement of retained profits.

	2004	2003
	$'000	$'000
Retained profits at the beginning of the financial year	16,468	7,953
Adjustment due to change in accounting policy for dividends	-	2,416
Net profit attributable to members of Cedar Woods Properties Limited	10,253	7,135
Transfers from reserves	646	1,435
Dividends provided for or paid	(3,481)	(2,471)
Retained profits at the end of the financial year	23,886	16,468

9. Net tangible assets per share.

	2004	2003
Net tangible assets per share	90 cents	75 cents

10. Details of entities over which control has been gained or lost during the period.

- Not applicable.

11. Details of associates and joint venture entities.

- Not applicable.

12. Other significant information.

- Not applicable

13. Foreign entities.

- Not applicable

14. Commentary on the results.

14.1 Earnings per share

	2004	2003
Earnings per share	20.2 cents	14.5 cents
Weighted average number of ordinary shares used as the denominator in the calculation of earnings per share	50,682,727	49,096,346

14.2 Returns to shareholders including distributions and buy backs.

- Refer to note 6 above (Dividends).

14.3 Significant features of operating performance

- Refer to media release and profit announcement for details

14.4 Results of segments

The consolidated entity operates in one business segment being property investment and development (the primary reportable segment) and one geographical segment being Australia (the secondary reportable segment).

14.5 Discussion of trends in performance

- Refer to media release and profit announcement for details

14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

Tax consolidation

Cedar Woods Properties Limited and its wholly owned subsidiaries have decided to implement the tax consolidation legislation as of 1 July 2003. The Australian Taxation Office has not yet been notified of this. The entities also entered into a tax sharing agreement.

As a consequence, Cedar Woods Properties Limited, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under the accounting tax sharing agreement with the tax-consolidated entities are recognised separately as tax-related amounts receivable or payable. Expenses and revenues arising under the tax sharing agreement are recognised as a component of income tax expense (revenue). The impact on the income tax expense and results of Cedar Woods Properties Limited is not material and is unlikely to be material in future years because of the tax sharing agreement.

The company has adopted the revised version of accounting standard AASB 1020 Income Taxes at the same time as implementing the tax consolidation legislation. As a result, the effect of entering to the consolidations regime included the recognition of an additional deferred tax liability in the consolidated entity of approximately $1.16m at 1 July 2003, with a corresponding reduction to the balance of the consolidated entity's revaluation reserve. Other than the above, no material impact occurred in relation to the consolidated entity's assets, liabilities and results.

The financial effect of the implementation of the legislation has been recognised in the financial statements for the year ended 30 June 2004.

The 2004 annual report will include a detailed note setting out the information that would have been disclosed had the new accounting policy always been applied in previous years.

International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity’s financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

Cedar Woods Properties Limited has conducted a high level review of the likely impact of transition to Australian equivalents to IFRS. The review was conducted by the Chief Financial Officer and reported to the Board of Directors. The Chief Financial Officer has taken on the responsibility to manage the transition to the Australian equivalent of IFRS, including training staff where required and any internal changes necessary to gather all the required financial information.

No major changes to the consolidated entity’s existing accounting policies have been identified as a result of the review, based on the existing corporate structure and business, and Australian equivalent standards in issue. Management will continue to monitor developments and the potential impact of the transition to IFRS.

15. Audit of financial statements

The report is based on financial statements which have been audited.

16. Disputes with auditors or qualifications

- None.