

19 February, 2006

Australian Stock Exchange Limited  
Exchange Centre,  
Level 4,  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**HALF YEAR REPORTING**

Please find attached our media release and announcement for delivery to the market.

Also attached are the Appendix 4D and Half Year Financial Statements.

Yours faithfully,



**Paul Freedman,**  
**Company Secretary**

## **CEDAR WOODS ANNOUNCES ANOTHER RECORD HALF-YEAR PROFIT**

- **Record net profit for the first half of \$13.8m (Up 39%)**
- **Interim dividend declared of 7.0 cents per share.**
- **Second major Rockingham project completed.**
- **Market capitalisation of \$275m achieved.**

Cedar Woods Properties Limited has reported a record net profit of \$13.8m for the half year to 31 December 2006, representing an increase of 39% over the result reported in the corresponding period of the previous year.

As a consequence the directors are pleased to declare a fully franked interim dividend of 7 cents per share, payable on 20 April 2007. The dividend reinvestment plan will remain in place for the forthcoming dividend allowing shareholders to take up shares at a 2.5% discount to the market price.

The company's record result is attributed to continuing strong sales at residential projects at Mariners Cove, Mandurah, The Rivergums at Baldivis and The Kestrels in Wanneroo, combined with the profit arising from the sales of the beach front Nautilus Apartments in Rockingham, the majority of which settled in December 2006.

Revenue of \$63.7m (2005 - \$52.7m) was achieved in the first half, also a new record, reflecting strong price growth and the increased contribution from recently introduced projects in the company's portfolio.

The company has delivered earnings per share of 25.3 cents for the half year, and expects to deliver full year earnings of around 33 cents per share which will also be a record for the Company, based on a forecast net profit for the full year of \$18m, representing an 11% increase over the prior year.

The strong first half is attributable to the large number of settlements which occurred during the period. Management's focus is primarily on the achievement of full year results, with second half earnings expected to be lower, as a lower number of settlements are programmed in the second half.

During the first half the company achieved a market capitalisation above \$275m.

With a diverse portfolio of projects the company is well positioned to continue to deliver earnings growth above 10% per annum for shareholders.

*For further information please contact:*

Paul Sadleir  
Managing Director  
CEDAR WOODS PROPERTIES LIMITED  
08 9480 1500

# **CEDAR WOODS PROPERTIES LIMITED**

## **ANNOUNCES ANOTHER RECORD FIRST HALF PROFIT DECLARES INTERIM DIVIDEND OF 7 CENTS PER SHARE**

### **HIGHLIGHTS**

Cedar Woods Properties Limited has reported a record net profit of \$13.8m for the half year to 31 December 2006 representing an increase of 39% over the result reported in the corresponding period of the previous year.

The company has delivered earnings per share of 25.3 cents for the half year, and expects to deliver full year earnings of around 33 cents per share which will also be a record for the Company.

Revenue rose strongly to \$63.7m, reflecting strong price growth at existing projects and the increased contribution from recently introduced projects in the company's portfolio. Strong sales have continued into the second half.

As a consequence the directors are pleased to declare a fully franked interim dividend of 7 cents per share, payable on 20 April 2007. The dividend reinvestment plan will remain in operation for the forthcoming dividend and will continue to operate for the foreseeable future. The plan allows shareholders to reinvest their dividends into shares at a 2.5% discount to the market price.

During the first half, share price growth pushed the company's market capitalisation above \$275m.

With the strong first half result the company has significantly underpinned the forecast net profit for the full year of \$18m.

### **OPERATING RESULTS**

#### **Residential Projects**

Strong sales performance was experienced at the company's major residential estates in the northern and southern growth corridors of the Perth metropolitan area.

Record prices were achieved for lot sales at all of these estates in the first half.

At 'Mariners Cove' in Mandurah, the company released the first of the lots in the final stage of parkland lots (Stage 10), offering a choice of standard lots and combined house and land packages. Strong sales have been achieved in this stage and about half of these lots sold in the first half.

Canal lots in the third stage of 'The Islands' continue to be made by way of select limited releases. Plans to market a prestige waterfront townhouse development on the second island stage have been progressed and it is anticipated that the first townhouses will now be released during the second half of FY2007. To be known as 'Trade Winds' these townhouses will be marketed and developed over FY2007 and FY2008.

Sales at 'The Rivergums', Baldivis have continued strongly. Over 400 lots have now been sold at The Rivergums. The remaining lots in stage 5 were sold by the end of the first half and development of Stage 6 has commenced with titles in this stage expected prior to the end of the financial year.

At 'The Kestrels' in the City of Wanneroo, the company has sold the remaining lots in stage 4 and released stage 5A during the first half. Most of the lots in this stage have now sold and titles issued early in the second half. A few prestige cottage lots remain in stage 1 adjacent the central parkland and these are expected to be sold by the end of the financial year.

The Company continues to progress planning for its 15 hectare site in Forrestdale, which will provide the company the opportunity to participate in the rapidly growing south-east corridor of Perth. The company plans to develop a 140-lot boutique residential estate when the development front reaches the property, anticipated in approximately 2 years time.

In Melbourne, the Company has advanced plans for the development of a 600 lot residential estate at Lalor in the city's northern suburbs. To be known as 'Carlingford', marketing of the first lots in this estate should commence in late 2007.

### **Built Form – 2<sup>nd</sup> major Rockingham project completed.**

The development of the 62-unit first stage of the 'Nautilus Apartments' was completed at the end of the first half. Only two apartments remain for sale in this development. Settlements of the apartments commenced just before the end of the half year. Development has also commenced on the 24 unit stage 2 and this is expected to be completed during FY2008. This stage is 100% sold.

Development of the company's Waterline Apartment project at Halls Head, in Mandurah commenced during the first half. This project will comprise 18 luxury apartments situated in a prime beach front location, and the company has now contracted to sell 6 of the apartments with the balance to be sold over the construction term. This project is due for completion in FY2008.

In FY2005 the company acquired a waterfront site at Palm Beach, Rockingham and plans for the development of a 15 apartment waterfront development to be known as 'The Jetty' have been progressed. It is anticipated that marketing will commence on this project later in the financial year.

Marketing of townhouses at 'The Fairways' at the Mandurah Country Club, in Halls Head, Mandurah has resulted in 16 of the 25 townhouses being sold off the plans and construction of the townhouses is expected to commence in the second half. This project is being conducted in a joint venture with the Country Club. The Company has elected to fund the construction of the remaining 9 unsold units and will sell these over the balance of the construction term or upon completion of development.

### **Mixed Use and Commercial**

During the first half, sales of lots continued in the residential subdivision component of the company's mixed density estate at Canning Vale, WA. Known as 'Cambridge Waters', the estate will comprise a range of compact standard lots, cottage lots, terrace housing and apartments. The balance of the 57 residential lots is expected to be sold by the end of the financial year. Plans to introduce terrace housing and apartments to the estate will be progressed during 2007.

Cedar Woods' Laverton airfield redevelopment project has been submitted for government planning approval for a town centre and residential project. The project is situated on the former RAAF airfield only 18 kilometres from the Melbourne CBD. Spread over 275 hectares, this urban infill project will be a major boost for Melbourne's west.

The town centre component of the project has Major Activity Centre designation under Melbourne 2030 and will accommodate a significant amount of retail, bulky goods and commercial floor space. It will also accommodate residential and community uses. Surrounding the town centre will be a major sustainable master planned residential development accommodating approximately 2000 dwellings and over 16 hectares of parks and sporting facilities.

The property is located directly on the Princess Freeway and Melbourne-Geelong railway line and is only 20 minutes from the Melbourne CBD.

Construction on the project is anticipated to commence in 2007 and contribute to profits for the company for a 15 year period.

During the first half the company finalised the acquisition of a 9 ha development site in Footscray, in Melbourne's inner-west, adjacent to Whitten Oval, home of the Western Bulldogs, and close to West Footscray railway station. The development concept for the \$10.5m site comprises over 200 dwellings in a range of densities, with the first development stage expected to be ready for sale in 2008.

## Property Funds Management

In July 2006 the company announced the commencement of a new property funds management business and the formation of its first land syndicate, Cedar Woods Wellard Limited (CWWL). CWWL acquired a 47 hectare parcel of land at Wellard, WA in July 2006. Cedar Woods holds a 25% interest in CWWL and will manage the development of the Wellard land, deriving significant long term management fees.

The Wellard land is being purchased under a deferred payment arrangement to coincide with the planned progression of approvals which will permit the development of a 500 residential lot subdivision in close proximity to the Kwinana Freeway and two commuter railway stations. The project has a projected selling life of 5 years.

The company has been evaluating other potential sites for development under its property funds management business and expects to add one or two projects annually to the portfolio.

## **FINANCIAL HIGHLIGHTS**

The result for the half-year was as follows.

	CONSOLIDATED	
	Six months ended 31 December 2006 \$'000	Previous Corresponding Period \$'000
Revenue	63,722	52,657
Profit before income tax expense	20,023	14,262
Income Tax expense	6,196	4,308
Net profit after tax attributable to members of Cedar Woods Properties Limited	13,827	9,954

Sales have continued in line with the company's targets since 31 December 2006, although the profit in the second half will not be as high as in the first half because the company has fewer settlements programmed during the second period. The company's earnings from period to period are dependent upon the timing of the settlements in each development. Management's focus is primarily on the achievement of full year results and the distribution of profits between half years may from time to time be uneven due to the timing of settlements of significant projects, such as the Nautilus project.

The half-year result provides a solid foundation for the company's full year forecast net profit of \$18m.

The company's net bank debt / equity ratio at 31 December 2006 was 72%. This ratio is at the upper end of management's preferred range of 20 - 75%, and is in accordance with previous guidance. Management expects that the ratio will continue at the upper end of its target range for the balance of the financial year as the company embarks on new apartment projects including the Waterline Apartments at Mandurah, the second stage of Nautilus at Rockingham and The Jetty at Palm Beach.

During the first half the company's financiers extended the corporate finance facility through to November 2009 and together with separate limited or non-recourse facilities for the apartment projects combined funding is in place to provide the company with ample capacity for future development and portfolio growth.

## **OUTLOOK**

The Western Australian economy continues to perform strongly. The property sector in Western Australia also continued to perform well in the first half although there are signs that growth has moderated, with most commentators expecting a modest performance for the balance of FY2007.

The company's portfolio has continued to grow in Western Australia and Victoria and the product offer has been widened with an increasing exposure towards built form products such as town houses and apartments.

Looking beyond FY2007, the increased contribution from current built form projects at Mandurah and Rockingham and new projects entering the development phase will supplement earnings from existing residential and commercial projects.

The company is well positioned to continue to deliver earnings growth above 10% per annum for shareholders.

*For further information please contact:*

Paul Sadleir  
Managing Director  
CEDAR WOODS PROPERTIES LIMITED  
08 9480 1500

**CEDAR WOODS PROPERTIES LIMITED**  
**APPENDIX 4D**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

**1. Details of the reporting period.**

This report details the consolidated results of Cedar Woods Properties Limited and its controlled entities for the half-year ended 31 December 2006.

Comparatives are for the half-year ended 31 December 2005. The results for both periods comply with Australian Equivalents to International Financial Reporting Standards (AIFRS).

**2. Results for announcement to the market.**

		<b>Dec 2006 Half \$'000</b>	<b>Dec 2005 Half \$'000</b>	<b>Change %</b>
2.1	Revenue from ordinary activities	63,722	52,657	Up 21%
2.2	Profit from ordinary activities after tax attributable to members	13,827	9,954	Up 39%
2.3	Net profit for the period attributable to members	13,827	9,954	Up 39%
2.4	Interim dividend per share, fully franked	7 cents	6 cents	Up 17%
	Earnings per share	25.3 cents	18.7 cents	Up 35%

2.5 Record date for dividend

6 April 2007.

2.6 Explanation.

Refer to Company Announcement.

**3. Net tangible assets per share.**

	<b>Dec 2006</b>	<b>Dec 2005</b>
Net tangible assets per share	\$1.28	99 cents

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

- Interest in Cedar Woods Wellard Limited reduced from 50% to 25% on 17 August 2006.

**5. Details of dividends.**

- The Board has declared an interim dividend of 7 cents per share payable on 20 April 2007.

## **6. Dividend Reinvestment Plan.**

- The dividend reinvestment plan is in operation for the forthcoming dividend.

## **7. Details of Associates or Joint ventures**

- Cedar Woods Wellard Limited became an associated entity on 17 August 2006. The company holds a 25% interest. (Refer to 4. above.)

## **8. Accounting for foreign entities**

- Not applicable.

## **9. Auditor's review report**

No dispute or qualification exists in the auditor's review report. Refer to the attached.



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C O N T R O L L E D E N T I T I E S

H A L F - Y E A R R E P O R T - 3 1 D E C E M B E R 2 0 0 6

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by Cedar Woods Properties Limited during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

**CEDAR WOODS PROPERTIES LIMITED**

**A.B.N. 47 009 259 081**

**Directors**

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

Robert Stanley Brown, MAICD, AIFS – Deputy Chairman

Dwane Patrick Buckland, BA (Econ), FAICD

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

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

Stanley James Brown (Alternate for RS Brown)

**Company Secretary**

Paul Freedman BSc, CA, GAICD

**Registered Office**

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WEST PERTH WA 6005

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Fax: (08) 9480 1599

Email: email@cedarwoods.com.au

**Share Registry**

Computershare Investor Services Pty Ltd

Level 2, 45 St Georges Terrace

PERTH WA 6000

**Auditor**

PricewaterhouseCoopers

QV1, 250 St Georges Terrace

PERTH WA 6000

**Solicitors**

Jeremy Shervington

52 Ord Street

WEST PERTH WA 6005

Warren Symington Ralph

Level 2, Norfolk House

3 Norfolk Street,

FREMANTLE WA 6160

**Stock Exchange Listing**

Cedar Woods Properties Limited shares are listed on  
the Australian Stock Exchange Limited

**ASX Code**

CWP

<b>CEDAR WOODS PROPERTIES LIMITED</b>
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## DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Cedar Woods Properties Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2006.

### **1. Directors**

The following persons held office as directors of Cedar Woods Properties Limited during the whole of the half-year and up to the date of this report, except where stated:

William George Hames (Chairman)  
 Robert Stanley Brown (Deputy Chairman)  
 Dwane Patrick Buckland  
 Ronald Packer  
 Paul Stephen Sadleir (Managing Director)  
 Loh Kee Kong (resigned 25 October 2006)  
 Stanley James Brown (Alternate for R S Brown)

### **2. Review of Operations**

The principal activity of the consolidated entity in the course of the half-year ended 31 December 2006 was that of property developer and no significant change in the nature of that activity has taken place during that period.

A summary of consolidated revenues and results for the half-year ended 31 December 2006 is set out below.

	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	63,722	52,657
Profit before income tax expense	20,023	14,262
Income tax expense	(6,196)	(4,308)
Net profit attributable to members of Cedar Woods Properties Limited	13,827	9,954

During the half-year the consolidated entity continued the sale of lots and units at its residential projects in Western Australia.

The consolidated entity extended the term of its finance facility with Suncorp Metway Bank to 2009, for the purpose of funding future acquisitions and its development program. The facility was increased from \$50m to \$60m.

In July 2006 the consolidated entity's interest in Cedar Woods Wellard Limited (CWWL) was sold down from 50% to 25% and accordingly CWWL is now accounted for as an associated entity.

The company's earnings from period to period are dependent upon the timing of the settlements in each development. Management's focus is primarily on the achievement of full

year results and the distribution of profits between half years may from time to time be uneven due to the timing of settlements of significant projects.

**3. Rounding of amounts to nearest thousand dollars.**

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the directors’ report and financial report. Amounts in the directors’ report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

**4. Auditor’s independence declaration.**

A copy of the auditor’s independence declaration as required by section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.



WG Hames  
Chairman

Perth, Western Australia

16 February, 2007

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PricewaterhouseCoopers  
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## Auditor's Independence Declaration

As lead auditor for the review of Cedar Woods Properties Limited for the half year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cedar Woods Properties Limited and the entities it controlled during the period.



David J Smith  
Partner  
PricewaterhouseCoopers

Perth  
16 February 2007

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**to the members of Cedar Woods Properties Limited**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Cedar Woods Properties Limited, which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Cedar Woods Properties Limited Group (the consolidated entity). The consolidated entity comprises both Cedar Woods Properties Limited (the company) and the entities it controlled during that half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cedar Woods Properties Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

*Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of Cedar Woods Properties Limited (the company) for the half-year ended 31 December 2006 included on Cedar Woods Properties Limited's web site. The company's directors are responsible for the integrity of the Cedar Woods Properties Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

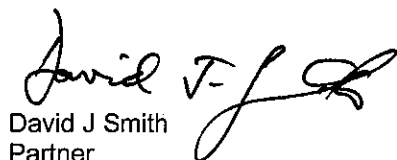
*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cedar Woods Properties Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

  
PricewaterhouseCoopers

  
David J Smith  
Partner

Perth  
16 February 2007

**CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES****DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 16 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half year ended on that date; and
- (b) there are reasonable grounds to believe that Cedar Woods Properties Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



WG Hames  
Chairman

Perth, Western Australia

16 February, 2007

<b>CEDAR WOODS PROPERTIES LIMITED &amp; CONTROLLED ENTITIES</b>
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**CONSOLIDATED INCOME STATEMENT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	<b>Consolidated</b>	
	<b>Half Year to</b>	<b>Half Year to</b>
	<b>Dec 2006</b>	<b>Dec 2005</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>	63,491	52,403
Cost of sales	(32,978)	(29,916)
Gross margin	30,513	22,487
Other revenue	231	254
Other expenses:		
Project operating costs	(5,435)	(4,809)
Occupancy	(99)	(98)
Administration	(2,593)	(2,404)
Finance costs	(2,397)	(1,168)
Share of net loss of associates accounted for using the equity method	6 (197)	-
<b>Profit before income tax</b>	20,023	14,262
Income tax expense	(6,196)	(4,308)
<b>Profit for the half year</b>	13,827	9,954
<b>Profit attributable to members of Cedar Woods Properties Limited</b>	13,827	9,954
	<b>Half-Year</b>	
	<b>2006</b>	<b>2005</b>
Earnings per share for profit attributable to the ordinary equity holders of the company	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	25.3	18.7

The above consolidated income statement should be read in conjunction  
with the accompanying notes.

<b>CEDAR WOODS PROPERTIES LIMITED &amp; CONTROLLED ENTITIES</b>
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**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2006**

	NOTE	Consolidated	
		31 December 2006 \$'000	30 June 2006 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,713	16,679
Trade and other receivables		1,067	1,961
Inventories		19,613	37,362
<b>Total Current Assets</b>		22,393	56,002
<b>Non-Current Assets</b>			
Receivables		646	658
Inventories		112,118	135,651
Investment accounted for using the equity method	6	3,803	-
Available for sale financial assets		35	28
Property, plant & equipment		215	248
Deferred tax assets		1,782	1,459
Other		2,320	2,320
<b>Total Non-Current Assets</b>		120,919	140,364
<b>Total Assets</b>		143,312	196,366
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		8,875	35,904
Borrowings		1,051	38,310
Current tax liabilities		5,485	1,906
Provisions		3,352	3,316
<b>Total Current Liabilities</b>		18,763	79,436
<b>Non-Current Liabilities</b>			
Borrowings		53,011	46,728
Deferred tax liabilities		1,342	1,459
Provisions		322	294
<b>Total Non-Current Liabilities</b>		54,675	48,481
<b>Total Liabilities</b>		73,438	127,917
<b>NET ASSETS</b>		69,874	68,449
<b>EQUITY</b>			
Contributed equity	3	27,168	26,667
Reserves		1,096	1,264
Retained Profits		41,610	32,518
Parent entity interest		69,874	60,449
Minority interest	6	-	8,000
<b>TOTAL EQUITY</b>		69,874	68,449

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

<b>CEDAR WOODS PROPERTIES LIMITED &amp; CONTROLLED ENTITIES</b>
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	NOTE	Consolidated Half Year to Dec 2006 \$'000	Half Year to Dec 2005 \$'000
Total equity at the beginning of the half-year		68,449	49,090
Adjustment on adoption of AASB 132 and AASB 139, net of tax, to reserves		-	6
Restated total equity at the beginning of the half year		68,449	49,096
Changes in the fair value of available-for-sale financial assets, net of tax		7	-
Profit for the half-year		13,827	9,954
Total recognised income and expense for the half-year		13,834	9,954
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs		501	180
Dividends provided for or paid	4	(4,910)	(6,398)
Minority interest on disposal of shares in subsidiary	6	(8,000)	-
Total equity at the end of the half-year		<b>69,874</b>	<b>52,832</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

<b>CEDAR WOODS PROPERTIES LIMITED &amp; CONTROLLED ENTITIES</b>
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**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	NOTE	Half Year to Dec 2006 \$'000	Half Year to Dec 2005 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		69,327	57,391
Payments to suppliers & employees (inclusive of GST)		(70,761)	(47,379)
Interest received		85	47
Borrowing costs		(2,397)	(1,644)
Income tax paid		(3,056)	(3,865)
<b>Net cash (outflow) inflow from operating activities</b>		<b>(6,802)</b>	<b>4,550</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from repayment of employee share loan		-	27
Net cash outflow on part sale of controlled entity resulting in loss of control	6	(10,518)	-
Proceeds from sale of property, plant and equipment		57	6
Payments for plant and equipment		(14)	(51)
<b>Net cash outflow from investing activities</b>		<b>(10,475)</b>	<b>(18)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		21,900	36,374
Repayment of borrowings		(15,192)	(35,919)
Dividends paid to shareholders	4	(4,397)	(6,231)
<b>Net cash inflow (outflow) from financing activities</b>		<b>2,311</b>	<b>(5,776)</b>
Net decrease in cash and cash equivalents		(14,966)	(1,244)
Cash and cash equivalents at the beginning of the half-year		16,679	1,413
<b>Cash and cash equivalents at the end of the half-year</b>		<b>1,713</b>	<b>169</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES****NOTES TO AND FORMING PART OF THE  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This general purpose financial report for the interim half-year reporting period ended 31 December 2006 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Annual Report for the year ended 30 June 2006 and any public announcements made by Cedar Woods Properties Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

<b>CEDAR WOODS PROPERTIES LIMITED &amp; CONTROLLED ENTITIES</b>
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**NOTES TO AND FORMING PART OF THE  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

**2. SEGMENT INFORMATION**

	<b>Half-Year</b>	
	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Primary reporting – business segment</u>		
Property investment and development:		
Segment revenue	63,491	52,403
Segment result	20,023	14,262

**3. CONTRIBUTED EQUITY**

The movements in the share capital account during the period were:

	<b>Half-Year</b>	
	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
Share capital at the beginning of the reporting period – 54,536,070 (2005 – 53,252,985) ordinary shares	26,667	21,940
Shares issued pursuant to dividend reinvestment plan – 92,100 ordinary shares issued at \$4.46 each	411	-
Shares issued pursuant to employee share plan – 19,351 ordinary shares issued at \$4.65 each	90	-
Shares issued pursuant to employee share plan – 62,500 ordinary shares issued at \$2.88 each	-	180
Share capital at the end of the reporting period – 54,647,521 (2005 – 53,315,485) ordinary shares	27,168	22,120

**4. DIVIDENDS**

	<b>Half-Year</b>	
	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Ordinary Shares</u>		
Dividends provided for or paid during the half-year:		
Paid in cash	4,397	6,231
Dividend reinvestment plan	411	-
Employee share plan	102	167
	4,910	6,398

**CEDAR WOODS PROPERTIES LIMITED & CONTROLLED ENTITIES****NOTES TO AND FORMING PART OF THE  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006****4. DIVIDENDS - continued****Dividends not recognised at the end of the half year**

In addition to the above dividends, since the end of the half year the directors have recommended the payment of an interim dividend of 7 cents per fully paid ordinary share (2005 – 6 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 20 April 2007 out of retained profits at 31 December 2006, but not recognised as a liability at the end of the half-year is \$3,825,326 (2005 - \$3,198,929).

**5. CONTINGENT LIABILITIES**

At 31 December 2006 bank guarantees totalling \$5,238,982 (2005 - \$6,983,344) had been provided to:

- various state and local authorities supporting development and maintenance commitments.
- vendors securing future payments for land acquisitions included in liabilities.
- lessors pursuant to the lease of premises.

**6. PART SALE OF CONTROLLED ENTITY**

On 17 August 2006 the company sold half of its 50% interest in Cedar Woods Wellard Limited (CWWL) for \$4m, retaining a 25% interest in CWWL. Hence the company effectively disposed of its interest in cash of \$3,629,000, inventory of \$8,419,000, payables of \$4,239,000, borrowings of \$3,800,000 and other net liabilities of \$9,000. No gain or loss arose on disposal.

As a result of this transaction, CWWL is no longer a subsidiary of the company but is accounted for as an associated entity.

<b>CEDAR WOODS PROPERTIES LIMITED &amp; CONTROLLED ENTITIES</b>
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**NOTES TO AND FORMING PART OF THE  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

**6. PART SALE OF CONTROLLED ENTITY - continued**

The company's net interest in CWWL is as follows:

	<b>Half-Year</b>	
	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment in CWWL	4,000	-
Share of net loss of associates accounted for using the equity method	(197)	-
Investment accounted for using the equity method	3,803	-

For the purposes of the consolidated cash flow statement, the outflow of cash arising from the disposal is reconciled as follows:

	<b>Half-Year</b>	
	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash held by CWWL	14,518	-
Cash received on sale of 25% share in CWWL	(4,000)	-
Net cash outflow on part sale of CWWL	(10,518)	-