

CORPORATE NEWSLETTER | AUTUMN 2008

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WHOLESALE
FUND SECURES
COASTAL GEM

INTERIM RESULTS
SHOW EAST COAST
STRENGTH

NEW TEAM
APPOINTMENTS

WIN 100 GRAND FOR LAND
COMPETITION

BREAKING
NEW GROUND AT
GREENVALE LAKES

STRONG INTEREST
IN NEW PEET
SYNDICATE

LIVE/WORK LAUNCHED
IN VICTORIA

PEET

“There was strong interest from the wholesale market. Investors were seeking a quality manager with a strong brand and delivery capability.”

Strong support for new Alkimos venture

Peet Limited has successfully launched its wholesale funds management business with the completion of a \$300 million wholesale land syndicate backed by cornerstone institutional investors including MTAA Super and the Myer Family Company.

The Peet Wholesale Land Syndicate represents a significant expansion of Peet's existing funds management platform and was established to acquire and develop a coastal residential zoned project at Alkimos with ocean frontage, 40 kilometres north of Perth. The property has a potential yield of some 2,800 dwellings.

“Establishing the Peet Wholesale Land Syndicate, and an institutional distribution capability, has been a key strategic goal for Peet over the past 12 months,” said Peet Limited's Managing Director, Brendan Gore. We are delighted to provide our investors, both new and existing, with exposure to such a strategic and rare opportunity.”

Peet Limited - which already has a long history and impressive track record in Perth's northern suburbs - will act as Development and Marketing Manager for the project.

The National Australia Bank has been behind Peet since its inception and the Institutional Banking Division, nabCapital, has arranged and underwritten a multi-tiered debt solution to assist with the acquisition of the Alkimos Eglinton project and the ongoing funding requirements for the Wholesale Syndicate.

“We were attracted to the opportunity by its location, planning and, of course, the potential returns to our members,” said MTAA Fund Principal Executive Officer, Michael Delaney.

“The Fund has been actively seeking quality opportunities to invest in Western Australian property and the

opportunity to participate in a project with a group having the experience and reputation of Peet Limited is consistent with the investment philosophy of the Fund and continues the diversification of the Fund's property portfolio.”

MTAA was advised by its mandated property consultants J G Service.

The Myer Family Company's Chief Investment Officer John Eliopoulos said “The company has had a long and successful relationship with Peet Limited and we are delighted to be again involved in another exciting project for the company and for clients of the Myer Family Company.”



More than half the property has the potential for ocean views.

Retail syndicate opportunity

Peet's syndicate investors will have their chance to participate in the Alkimos project through a retail syndicate to be launched jointly by Peet and nabCapital later this year.

It's proposed that around 50 million one dollar shares will be issued giving new and existing investors the chance to participate in the project.

The 243-hectare residential zoned Alkimos property has 1.7 kilometres of ocean frontage within the Alkimos Eglinton project, a planned growth area in Perth's northern coastal metropolitan corridor. Land in the corridor is tightly held and opportunities to acquire significant coastal parcels anywhere between Yancheep in the north and Mandurah in the south are rare.

To register your interest in the forthcoming retail syndicate opportunity, call (08) 9420 1111.

Alkimos highlights

- > Peet establishes institutional distribution capability
- > Acquisition of coastal residential zoned project at Alkimos - 40 kilometres north of Perth, Western Australia
- > Expected project duration of around 12 years with total land sales revenue estimated at approximately \$1.4 billion
- > Potential for some 2,800 lots and opportunities for innovative coastal development
- > Peet Limited to act as Development and Marketing Manager
- > Peet and nabCapital to launch retail syndicate later this year



The Alkimos was wrecked in the 1960s and now provides a popular dive site. Picture courtesy of Alan and Thelma Rowe.

Good news travels fast

The phone rang hot as news broke that Peet Limited had completed a \$300 million wholesale land syndicate to acquire and develop a rare parcel of coastal property at Alkimos.

Among calls from the national and local media, well-wishers and the finance sector, were “early birds” keen to register their interest in investing in the new property and others keen to establish various facilities including primary and high schools.

“Potential investors from as far away as South Africa and the United Kingdom have registered their interest,” said Peet Limited Managing Director Brendan Gore.

“And we've been really pleased to receive a number of calls from investors who'd like to expand their Peet portfolio.”

East coast strength drives future growth

Strong demand on the east coast has underpinned Peet Limited's pre-tax profit of \$15.3 million for the half year ended 31 December 2007 - and augurs well for future performance.

Peet Limited Chairman, Tony Lennon said the result is in line with expectations and, assuming settlements are achieved as scheduled and a continued reasonable level of consumer confidence, the Company maintains its full year earnings growth target of 10% in 2007/08.

"The performance of the Company's Victorian and Queensland operations was particularly pleasing, delivering 61% of EBIT and reflecting the strong property markets and improved volume and lot prices in those states," added Managing Director Brendan Gore. "We expect that trend to continue in the second half of the year."

The Company's results also show an increase in the average sale price of lots in Queensland and Victorian estates of 21% and 10% respectively, compared with the same period last year.

Meanwhile, Peet's land bank pipeline management and acquisition strategy has positioned it to effectively manage the easing in the Western Australian market.

The Company is currently managing in excess of 70 projects across Australia, well over half of which are on the east coast. In the next 18 months, sales at

a further 17 developments (with a total of 6,026 lots) in Victoria, Queensland and Western Australia are scheduled to commence.

"We have been very strategic in allocating capital and making key acquisitions during the first half of the year," said Mr Gore. More than 5,400 potential lots have been purchased, including five parcels of land in Queensland and another in New South Wales.

The second half of the 2007/08 financial year is expected to deliver the balance of the targeted growth for Peet Limited with a large number of lots already under contract.

The Company achieved sales of some 1,025 lots in the first half of 2007/08 and, as at the end of the period, there were 1,370 lots (an increase of 23% since 30 June 2007), with an estimated on completion value of \$281 million, sold and awaiting settlement.

Peet's focus moving forward is on delivering sustainable growth in earnings for shareholders by:

- Continuing to concentrate on our core business;
- Growing our existing funds management platform and capital partnering relationships;
- Continuing to generate further development opportunities from within our existing land bank; and
- Remaining prudent with our capital management by recycling capital and managing gearing levels.

Half year highlights

- > Interim dividend of 9 cents per share fully franked to be paid 18 April 2008 - maintaining the interim dividend paid at the same time last year
- > 61% of EBIT delivered from operations across Victoria and Queensland
- > 1,370 lots from owned and managed projects were under contract, at 31 December 2007 - an increase of 23% since 30 June 2007. These unsettled sales have a value of \$281 million, underpinning confidence in the second half of FY08's performance
- > Establishment of the \$300 million Peet Wholesale Land Syndicate and its purchase of a residentially zoned beachfront property at Alkimos, a northern suburb of Perth, with potential for a master planned community of some 2,800 lots
- > Gearing ratio at 41% (net bank debt/total assets - adjusted for market value)

> News in brief

- > The acquisition of some 2,800 dwellings at Alkimos brings Peet's land bank to a new high of around 38,000 dwellings with an estimated on-completion value of nearly \$7.6 billion (if sold at today's prices). That represents growth of around 4,000 dwellings in just six months and around 12,000 dwellings in less than two and a half years.
- > Peet's support of the West Australian Opera's PEET Young Artist Concert Series continues in 2008, with the first performance 'Sturm und Drang: The German Romantics' taking place on Wednesday, 7 May at Government House Ballroom. Tickets are available through BOCS Ticketing.
- > Peet has acquired another 64 hectares of strategically located land earmarked for industrial development in Melbourne's western industrial node of Truganina. The company now holds more than 110 hectares of prime land in the area which has ready access to ports, airports, railways and freeways.
- > Peet recently received unanimous local Council support for the development of a special rural land estate at Brigadoon, 30 kms north east of Perth's CBD. The proposed 214 lots - some with views to the city - will range from 1.5 hectares to 5.05 hectares, with an average size of 1.9 hectares.

Peet builds its bank of expertise

- > Peet Limited's senior executive team has been bolstered by the appointment of three talented and experienced professionals.

Managing Director Brendan Gore said Peet's ability to attract Chief Operating Officer, Darren Cooper, Chief Financial Officer, Mario Pisano, and the new Head of Funds Management, Peter Dumas, spoke volumes about the company and its reputation.

Darren Cooper has held senior roles at Mirvac Western Australia over the past 10 years and is the former president of the UDIA (WA). Mario Pisano has most recently been providing commercial and strategic advice, and facilitating the merger of Horwath Perth Chartered Accountants and BDO Business Advisors. His previous five years was with

Woodside Petroleum including two as General Manager - Finance on the North West Shelf Venture.

Peter Dumas has more than 15 years' experience working with some of Australia's leading property funds management businesses, including Multiplex and AMP.

"All three new members of Peet's senior management team are strong, strategic thinkers with reputations for delivering outstanding commitment and the results that go with it," said Mr Gore.

"We're looking forward to their contribution to our continued growth across every element of the business - and the solid returns that will deliver for investors and shareholders."



Peet Limited senior executives, Mario Pisano, Darren Cooper and Peter Dumas.

Tony Lennon a real champion

Peet Limited Chairman Tony Lennon has been honoured by the City of Perth at a special ceremony to recognise an elite group of "Local Champions".

Mr Lennon was among just 15 recipients (including builder Dale Alcock) honoured for their contribution to industry and commerce.

The commemorative WA Week booklet notes that "Tony Lennon is a gifted and articulate individual and a natural leader, as demonstrated by his successful chairmanship of Peet over 20 years, his rise to presidency of the Shire of Peppermint Grove and chairmanship of the Perth Inner City Task Force. He is committed to community endeavours."

Sustainable Home to open at Quattro

Peet Limited's first sustainable home will soon be opened in WA at Quattro: The New Queens Park.

Peet executives will join senior representatives of joint venture partner, the Department of Housing and Works and the City of Canning to mark the opening of the Quattro Sustainable Home, with sales scheduled for later this year.

The Quattro Sustainable Home is part of the innovative urban renewal project being undertaken at Quattro: The New Queens Park, 11 kilometres from the Perth CBD.

The Sustainable Home has a 7-star rating (under the Building Energy Rating System) and thoughtfully reflects the importance of sustainability and efficiency as well as options that are affordable, accessible and very liveable.

Designed by award-winning architects, Solar Dwellings and built by Red Ink Homes, the home features include passive solar design, a greywater system, water tanks plumbed to the bathroom and laundry, universal access and the use of low allergen, low toxicity and low maintenance materials.

Peet Limited Managing Director, Brendan Gore said

the Quattro Sustainable Home was a "first" for Peet and just one example of how the Company can show leadership in sustainability.

"The key features of the home will be well sign-posted so that visitors can take themselves on a tour and assess how their own homes might be adapted or built including environmentally-friendly features," he said.

"It demonstrates how sustainable practices can be incorporated into building design and construction in an affordable and practical way."

The Home will be used as the sales and information centre, and for community events.

The Home will showcase a whole range of design features and techniques which reduce the home's ecological footprint and can be incorporated into your home too.

Sustainability is about meeting the needs of current and future generations through a mix of environmental protection, social advancement and economic prosperity.

For further information about the Quattro Sustainable Home please visit www.quattroqueenspark.com.au

Peet pulses race for good causes

Peet peddlers added a new dimension to our 112-year relationship with the National Australia Bank team by joining them for the 2007 City of Perth Great Bike Ride.

The annual event, staged late last year, attracted around 5,000 riders who compete either one lap (53km) or two laps (106km) around the Swan River from Perth to Fremantle and back.

Always a successful combination, Peet and the NAB raised more than \$24,000 for three charities - the Heart Foundation, St John of God Foundation and Hope for Children.

Meanwhile, Peet team members from around

Australia put their fitness to the test and made an impressive showing in the Foxtel Lap Challenge.

Keith Cairns from Brisbane and James Wallace from Melbourne set the pace for the 20-strong team early, running 42 and 59 of the 100-metre Foxtel laps respectively. They were followed by courageous Managing Director, Brendan Gore (46 laps) and Victoria McDonald from Perth who set a blistering pace and team best, recording 60 laps.

More than 1,800 runners ran a total of almost 95,000 laps and raised around \$600,000 for the Murdoch Childrens Research Institute.



The Peet team ready to race in the 2007 City of Perth Great Bike Ride.

Christmas winners light up

Peet Estates residents in Victoria added extra sparkle and dazzle to the festive season with lights, figurines and displays designed to catch the attention of judges in Peet's Christmas Lights Competition.

Three different cash-prize winners were announced for each of the three participating estates at the Peet Christmas Lights Spectacular on 16 December at Tarneit Gardens, where residents and their families enjoyed a night of free festivities including a special outdoor screening of The Polar Express and barbeque.

The Carr family of Tarneit Gardens hosted a special Christmas celebration with their \$1,500 first prize while the Camilleri family of Brimbank Gardens plans to invest their winnings into more lights for 2008! The winning Kelly family, from Innisfail, is value-adding to their home with new backyard decking, thanks to Peet.

The opportunity to vote online for "the People's Choice" created even more interest in the competition with many residents already planning to light up again this year.



The winning Carr family light up.

Peet breaks new ground at Greenvale Lakes

The first stage of the much anticipated major transport route through Peet's Greenvale Lakes Estate in Victoria - Aitken Boulevard - is nearing completion.

Peet Limited Executive Director Anthony Lennon joined the State Member for Yuroke, Liz Beattie and Hume City Council Mayor, Gary Jungworth at a groundbreaking ceremony to celebrate the successful culmination of many years planning - and the start of works!

Formally known as the E14, Aitken Boulevard will be a key public transport route and the first section through Greenvale Lakes is scheduled for completion later this year.

The infrastructure development is part of stage seven of the Estate which will ultimately be home to more than 2,000 families.



(LR) Hume City Council Mayor Gary Jungworth, Peet Limited Executive Director Anthony Lennon and State Member for Yuroke Liz Beattie celebrate the start of works at Greenvale Lakes.



Veteran investor John Ley (far right) with his son Martin and daughter-in-law Nat on their special day.

Veteran investor passes on Peet prosperity

Forget champagne flutes, toasters and dinner sets, veteran Peet investor, John Ley, has the ideal wedding gift - shares in a Peet land syndicate.

Mr Ley invested in Peet Beachton Syndicate Limited as a surprise wedding present for his son, Martin, who celebrated his nuptials last October.

John, who lives in Stratton, Western Australia, said the investment seemed like the perfect wedding gift.

"I wanted to give something special that wouldn't depreciate," he said.

The 69-year-old is himself a long-time investor in Peet syndicates. John was an original investor in Burns Beach back in 1972 when the idea of homesites selling there for more than \$800,000 would have been unbelievable!

Having been impressed by Peet Limited's management style, John invested in the Mandurah syndicate now developing the award-winning Lakelands Private Estate. He then made further syndicate investments in Forrestdale and Byford before putting his hand up for Beachton on behalf of his son.

"I thought why not give him the sort of opportunity I've enjoyed over the last 20 years or so," explains the generous Mr Ley.

John says he has "absolute faith" in Peet. The Company, he says, has been unfailingly up front with investors over the years and "does what it says it is going to do" in terms of results.

Tri State attracts all states

Time is running out to stake a claim in Peet Limited's first land syndicate with projects in three states.

Investors from around the country have responded enthusiastically to the offer which provides the benefits of diversity through a portfolio of residential land development projects in regional coastal centres in Western Australia, Queensland and New South Wales.

Peet Tri State Syndicate Limited forecasts an average compound return to investors of 19.1% per annum on outstanding capital before tax based on the minimum subscription of \$30 million. The forecast pre-tax profit is \$2.55 per \$1.00 share, with \$0.92 of the \$1.00 share being returned to investors.

With all three projects scheduled to start relatively soon, dividends and capital returns are forecast to commence in December 2011.

Construction of the first stage of the 250-lot Flinders project, just south of Wollongong in New South Wales is due to start this financial year, bringing early cash flow for the syndicate. Flinders adjoins Shellharbour

which provides regional community amenities including commercial, retail, education, medical, entertainment, social and recreational facilities for the immediate population.

The Emu Park project on Queensland's Capricorn Coast will be the next project underway, with construction likely to commence later in 2008. The Emu Park project will yield around 650 lots. The nearby towns of Yeppoon and Rockhampton, add the kind of shopping, medical, entertainment, social and recreational facilities future residents will consider an important part of their lifestyle.

The Big Grove project in Western Australia proposes the development of a 500-lot residential estate adjoining the Princess Royal Harbour in Big Grove, a suburb of Albany on the south coast. A number of lots will enjoy water views and all lots will be within easy walking distance of the Princess Royal Harbour. Construction of the first stage is expected to commence in mid-2010.

Peet Limited Managing

All applications for shares in Peet Tri State Syndicate Limited are to be on application forms included in the prospectus.

For your copy of the prospectus visit www.peetsyndicates.com.au/tristate or call 1800 689 778

Director, Brendan Gore, said Peet's unparalleled experience in the management and marketing of land developments meant its syndicated projects are recognised by investors Australia-wide for providing value for money, with minimal overheads and consistently strong returns.

Last financial year (2006/07) Peet raised \$57 million via syndicate investments for the purchase and development of broadacre land in Western Australia, Victoria and Queensland. The Company is managing and marketing in excess of 70 projects across Australia, including 23 residential estates on behalf of syndicates.



Festivities mark foreshore park opening

Hundreds of Burns Beach Estate residents, future residents and neighbours joined Peet, Burns Beach Property Trust investors and the Mayor of the City of Joondalup, Troy Pickard, to officially open the \$1.8 million Foreshore Park on 9 December 2007. The excellent work at Burns Beach Estate, including the implementation of the Foreshore Management Plan, has seen it rewarded in the Outstanding Coastal Development, Innovation and/or Design category at the 2007 Western Australian Coastal Awards for Excellence.



Angelic entertainment at Burns Beach Estate.



100 Grand for Land

An innovative marketing campaign launched last month is introducing thousands of new potential land purchasers to Peet - and one of their "great Australian dreams" will be given a massive kick-start.

Young couples, people stuck in the rental trap, families keen to upgrade and enthusiastic would-be investors have all leapt at a unique opportunity to win \$100,000 towards the purchase of Peet land in Western Australia.

The "Win 100 Grand for Land" promotion is spreading the Peet word like never before and stimulating awareness among a new group of potential buyers interested in the quality and value of Peet estates.

Launched just last month, hundreds of entries have been received including many being placed in entry barrels at Peet estates. The winner will earn an extra \$10,000 if they enter at an estate and 19 other finalists will be rewarded with \$10,000 off the price of their land if they purchase from Peet estates.

In the meantime, news of the Peet Limited offer continues across Perth's airwaves and in major metropolitan media. Watch this space for news of the winner in our next edition!



Wellard residents turned out in force to celebrate the new train service.

Big Wellard welcome for railway

The Village at Wellard beat rivals up and down the new \$1.32 billion Perth Southern Suburbs Railway rail line in attracting the inaugural train from Mandurah to Perth - carrying the Minister for Planning and Infrastructure, Alannah MacTiernan and Town of Kwinana Mayor, Carol Adams - to make its only stop to celebrate with local residents.

The Minister and Mayor both poured accolades on the innovative development to an enthusiastic crowd of more than 1,000 locals who also enjoyed a day of free festivities.

"This is a magnificent day for southern suburbs residents," Ms MacTiernan

said. "Wellard is a terrific Transit Oriented Development and, with the Wellard Station at its heart, the new train line will help bring the community to life."

Peet Limited Managing Director Brendan Gore said the new rail line put Wellard residents within a half hour train journey of Perth city and opened up enormous employment and recreational opportunities.

"Through careful planning, nearly all of The Village at Wellard homes will be within a 10-minute walk of the train station, making it an attractive transport alternative whether commuting for work or visiting family and friends," Mr Gore said.

> News in brief

> Woolworths has been named as the major supermarket retailer at Peet Commercial's \$20 million Carramar Village shopping centre in Perth's northern suburbs. Construction of the centre commenced some weeks ago and it is scheduled to open in late 2008. It will include the 3,200 square metre supermarket, along with a further 1,800 square metres of retail space accommodating up to 16 specialty shops and 250 square metres designated for other uses such as medical. The development will also include 360 on-site car bays.

> The design guidelines for the proposed Village Centre at The Village at Wellard in Perth's southern suburbs have been approved by the Town of Kwinana Council paving the way for development of the site which is set to become a vibrant hub for the local community. To register your interest in Vantage Square please visit www.peetliving.com.au or call 08 9420 1111.

Innovative live/work options for Point Cook

> Peet Living has launched an innovative new concept into its mixed-use business precinct located in the heart of its Innisfail project in Point Cook, Victoria.

The Terraces, Point Cook are 46 stunning live/work house and land packages designed by the Buchan Group and to be built by one of Victoria's leading homebuilders. The Terraces is located at the junction of Tom Roberts Parade and Boardwalk Boulevard, which is soon to provide direct access to the Princes Freeway.

There are six different designs to choose from - five double storey and one single storey - with enormous flexibility for each buyer to choose just how much space to dedicate to work and residential purposes.

Four of the options are twin keyed with different entrances to each level and well defined parking for each, offering still more opportunity to lease out one level - or just keep your work and living arrangements nicely separated!

The Terraces, Point Cook are

zoned for non-retail mixed use and will ideally suit a range of professionals and others involved in low-traffic service industries.

Peet Limited Managing Director Brendan Gore said The Terraces are a fresh new opportunity for Point Cook and indicative of the live/work options that would be developed in a number of other Peet estates around Australia.

"The Terraces, Point Cook reflect an Australia-wide trend towards a new style of living and working that will help build stronger and livelier communities," he said.

The stylish house and land packages range from less than \$300,000 through to just over \$500,000.

Visit www.peetliving.com.au for more information.

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An artist's impression of
The Terraces, Point Cook.



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