

CORPORATE NEWSLETTER | SPRING 2008

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2007-2008 PROFIT HIGHLIGHTS

ALKIMOS
TAKING SHAPE

PEET TARGETS
GROWTH ZONE

QUEENSLAND
FORGES AHEAD

LATTITUDE
LAKELANDS ON
SHOW

BUILDERS
ON DISPLAY

MEET A SAVVY
INVESTOR

UDIA ACCOLADE
FOR WELLARD

WATERWISE
WINNERS

PEET

“This performance demonstrates the fundamental strength and quality of our business model – and the experience and skill of our entire team”

Peet delivers record profit in challenging market

Peet Limited has announced another record after-tax profit of \$47.9 million for the year ended 30 June 2008 – up 5.3% on the previous corresponding period, despite challenging and volatile market conditions.

Peet Limited Managing Director and Chief Executive Officer Brendan Gore said the record result was achieved in very mixed market conditions, driven particularly by solid earnings from the Company’s east coast operations.

“The earnings growth is due to the continuing strength of the Company’s land syndication business, strong residential land sales in Victoria and Queensland and a sound performance in a challenging WA market,” said Mr Gore.

“Despite difficult trading conditions, Peet’s underlying business has performed well, demonstrating the fundamental strength and quality of our business model – and the experience and skill of our entire team.”

Peet Limited Chairman Tony Lennon said the Company had achieved an increase in earnings per share to 21.6 cents per share for the year, and the Directors had declared a final fully franked dividend for the year of 10.75 cents per share.

“That brings the total dividend per share for the year to 19.75 cents – or 28.2 cents per share before tax allowing for 100% franking,” said Mr Lennon.

“Peet’s focus, in what will be another challenging residential property market in the year ahead, remains on delivering sustainable and steady growth in earnings for shareholders over the medium to long term,” added Mr Gore.

“The fundamentals of the residential property market remain sound.

“With Peet’s business platform, management

experience and the geographic diversity of its business position, it is well placed to target ongoing earnings growth.”

Peet will continue to:

- Focus on its core business of asset management, land syndication and funds management
- Seek opportunities to grow its existing funds management platform and capital partnering relationships
- Remain prudent with its capital management by recycling capital and managing gearing levels
- Address the affordability issue, ensuring a broad range of product offering
- Leverage its land bank – generating further development opportunities.

2007-08 operational highlights



Peet Limited Chairman Tony Lennon and Managing Director and CEO Brendan Gore.

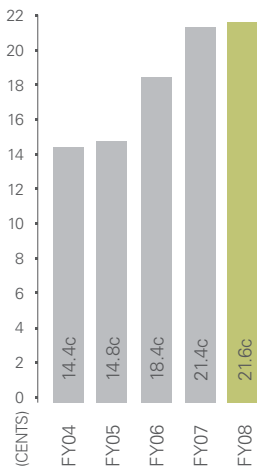
FY08 highlights

- Record after-tax profit of \$47.9 million – up 5.3%
- Record final dividend of 10.75 cents per share fully franked
- Record total FY08 dividend of 19.75 cents per share fully franked
- Earnings per share increased to 21.6 cents
- \$300 million wholesale land syndicate established
- Gearing ratio at 37% (net bank debt/total assets, adjusted for market value)
- Earnings per share increased to 21.6 cents
- Pre-tax earnings on Company-owned residential lot sales up 7.8% to \$34.8 million
- First retail syndicate with land in three states completed, attracting new investors from across Australia

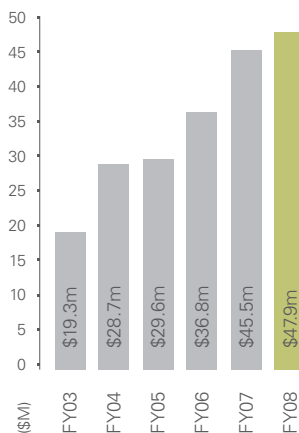
- More than 1,400 lots sold and 1,484 lots settled across the syndicated portfolio

- Pre-tax earnings from land syndication up 10.8% to \$34.9 million
- \$7 million increase in the value of Peet Income Property Fund's (PIPF) portfolio
- Increase in PIPF Net Tangible Assets (NTA) per unit of 19% to \$1.57, giving investors a total return for the year of 35 cents per unit

Earnings per share



Historical NPAT growth



>The national status of the Company positions it well to manage its performance through changing property cycles

Strong national profile in 2008 results

The strength of Peet's position as a national property group has once again been underlined with more than half of the Company's 2007-08 pre-tax earnings coming from its east coast operations.

Managing Director and Chief Executive Officer Brendan Gore said some 69% of EBIT came from operations in Victoria and Queensland, building on the recent trend.

"This is the fourth consecutive year in which more than half the Company's EBIT has come from east coast business activities and we are continuing to grow the business right across the country with strategic acquisitions and a well-mapped production pipeline," he said.

Mr Gore said the truly national status of the Company positioned it well to manage its performance through changing property cycles.

"The Company is currently marketing and managing some 80 developments across Australia, well over half

of which are on the east coast," he said. "In the year ahead, sales at a further eight developments, including seven on the east coast, are scheduled to commence.

"Peet Limited continues to operate under the same quality business model that has delivered consistent growth over many years with a high level of transparency and responsible gearing.

"And we will continue to make prudent and strategic decisions about the allocation of capital, acquisitions and partnership opportunities."

Land bank growth

That approach was borne out in the 2008 financial year when a total of some 5,600 lots was acquired across Australia and Peet's land bank grew to approximately 37,000 lots with its estimated on-completion value at \$7.4 billion, if sold at today's prices.

The acquisitions included 243-hectares of coastal land at Alkimos in Western Australia, expected to yield more than 2,800 dwellings, by Peet's first wholesale land syndicate.

Nationally	Number of projects	Lots	On-completion value
Managed*	33	19,778	\$4.54 billion
Owned	47	17,227	\$2.86 billion
Total	80	37,005	\$7.40 billion

* Includes syndicated and joint venture



Long-time syndicate investor, Joy Legge.

Financial security in Peet investments

Perth art consultant Joy Legge likes the financial security of knowing her Peet investments are paying off.

Joy Legge is a long-term investor, having bought into her first land syndicate 30 years ago. To date, she has participated in 20 land syndicates all over Australia and plans more investments in the future.

"I have always been financially aware and believe that you must have a spread of investments – not to have all your eggs in one basket, as they say," Ms Legge said.

"It makes me feel financially secure knowing my investments are growing and increasing with time."

Ms Legge is among those savvy but patient investors who bought into the Burns Beach syndicate that is now powering ahead with sizeable returns on lots with the sort of price tags coastal land can now command.

"I really like the returns I receive but I also appreciate the depth of information that Peet provides and they always respond promptly if I ask for more detail," Ms Legge said.

"I like to make sure I stay informed about what is happening with my investments and Peet Limited makes this easy by providing regular updates.

"In fact, I've encouraged my children to invest with Peet and I'm now considering making an investment in their next syndicate on behalf of my grandchildren – so that would make us three generations of Peet investors."

Peet targets strong growth zone

Melbourne's western industrial region is enjoying a powerful growth phase with strong interest from some of Australia's best known companies and infrastructure development that includes major road network construction.

Peet Limited currently has a significant landholding in the area, which has ready access to ports, airports, railways and freeways.

The properties are about 20 kilometres from the Melbourne CBD, strategically located between the Western Highway, Western Ring Road and the Deer Park Bypass, which is still under construction and due for completion next year.

Companies establishing a presence in the surrounding area include ALDI, Woolworths, Bridgestone, Fastline, Coles, Pioneer and CSR.

Peet Limited Managing Director and CEO Brendan Gore said the strategic acquisition of industrial land – or land to be rezoned for industrial use – was part of Peet's ongoing plans to build on its land bank in growth corridors around Australia.

> News in brief

- Peet Limited's Melbourne office has moved to larger premises at Level 3, 492 St Kilda Road in Melbourne. The office telephone number, (03) 9868 5900, and staff contact details remain unchanged.
- Colour, frills, patterns and crazy Op Shop fashions were the order of the night for more than 600 guests at the 2008 Peet Op Shop Ball for Anglicare WA earlier this year. The Australian Bee Gees show, *Stayin' Alive*, and The Hit Factory kept the dance floor busy and guests raised in excess of \$100,000 to support the hard work of Anglicare WA. Jayne Smeulders took out the Peet Limited raffle prize securing herself \$5,000 in shares in Peet's most recent retail syndicate offering, Peet Tri State Syndicate Limited.
- A shopping centre comprising 3,000sqm of retail floor space at Point Cook is another step closer with the recent sale of the site to Geelong-based developer VicLand.
- In only its second series, the popularity of the Peet Young Artist Concert Series prompted West Australian Opera to add a matinee to this year's performance calendar. The third and final concert of the series, *Viva Verdi e Puccini*, sold out four months in advance. For more information about the Peet Young Artist Concert Series visit the West Australian Opera website www.waopera.asn.au
- Peet Tri State Syndicate Limited closed earlier this year with investors from every state of Australia and the Australian Capital Territory. The Syndicate will develop land in Flinders in New South Wales, Emu Park on Queensland's Capricorn Coast and Big Grove in Albany, Western Australia, with the first project already underway.

Peet backs more shining performances

Peet is proud to announce its new season sponsorship with The Australian Ballet for the 2008 performance season of *Manon* in Melbourne.

Now in its 46th year, The Australian Ballet is presenting around 200 performances in 2008 ranging from the most classical to more contemporary works – in cities and regional areas around Australia, as well as regular international tours.

Peet Limited Managing Director and CEO Brendan Gore said they were extremely pleased to be a supporting sponsor of one of Australia's premier arts companies.

"Like Peet, The Australian Ballet has a strong history, cares about its tradition and has a firm focus on achieving success," said Mr Gore.

In September, the Arts Centre at the State Theatre in Melbourne is home to the season of *Manon*, a ballet not seen in Australia for almost 10 years.

Meanwhile audiences in Sydney will be able to enjoy this ballet in November and December, following a season of *Interplay*. This performance brings together three acclaimed choreographers and the giants of Australian composition to highlight the electric partnership between dance and music. For an engrossing and spectacular night at the theatre, book your tickets by calling 1300 136 166 or visit www.ticketmaster.com.au



The
Australian
Ballet

Kirsty Martin
in *Manon*.
Photography by
Justin Smith.



> Planning for a unique development at Alkimos is underway

'Collective wisdom' helps shape Alkimos plans

Some of the country's leading planners, engineering and environmental consultants joined Peet Limited's own team of in-house experts to start work on the vision for 243 hectares of rare coastal land on Perth's northern beaches.

The Alkimos property was acquired in December this year by Peet Wholesale Land Syndicate Limited and Peet is also working on a retail syndicate opportunity to be released later in 2008.

"The potential of this land is enormous," explains Peet Managing Director and CEO Brendan Gore, "and we're keen to make the very best of what it has to offer.

"This will be an exceptional project that delivers on its promises to investors, future residents and the wider community.

"There is still a lot of work to be done but it's clear we need to maximise the benefits of the location and its strong

relationship to the ocean, as well as the topography of the site which offers terrific ocean views.

"We will also be maximising sustainable development practices across the site and creating a unique place that's attractive to a broad demographic," said Mr Gore.

The State Government's LandCorp – which holds more than 1,400 hectares in the area – describes Alkimos as "a city of significance" that is expected to become "a vibrant regional centre that provides employment opportunities, lifestyle choices and education options for a diverse community of more

than 60,000 people"

While high interest rates have impacted on the property market, a strong economy and population growth underpin forecasts of robust demand for new lots over the next decade.

Peet Limited expects to start development of the first stages of the Alkimos development within the next two years with a project life span of approximately 12 years.

If you are not a regular Peet Syndicates investor and would like to register your interest in the forthcoming retail syndicate opportunity, call (08) 9420 1111.





Waterwise students from Good Samaritan Catholic Primary School, Roxburgh Park VIC.

Young 'green thumbs' get waterwise

Peet Limited has been spreading the waterwise message to a new generation through a competition designed to raise awareness of the importance of water conservation.

The Waterwise Gardens competition received an impressive response with nearly 2,000 Victorian students across 23 schools participating. Students from the six winning schools have been involved in the final stages of installing their prize – a waterwise garden makeover.

Peet Managing Director and CEO Brendan Gore said it provided a great opportunity to engage students in an issue that is becoming increasingly important.

"With water restrictions in place around the country, some simple design applications like those we use in all our estates can provide big savings," he said.

"It's been a very worthwhile process for the students to research, design and gain feedback on their own garden designs and then take that learning out of the classroom and apply it working with professional designers."

The top three entries from each school were put through their paces by the guest judges – Melissa King, of Channel Nine's Garden Gurus, and Darren Atkinson Immediate Past President of the Institute of Landscape Architects.

Quattro delivers model of sustainability

Peet Limited's first sustainable demonstration home is now open in WA at Quattro: The New Queens Park.

The official opening in June 2008 was celebrated by Peet executives, representatives of joint venture partner, WA's Department of Housing and Works and the City of Canning, as well as the Home's designer, builder and sponsors.

The Quattro Sustainable Home provides new information and ideas for creating a more environmentally-friendly home.

The Home is open to the public on Wednesdays from 1pm to 4pm and on Saturdays and Sundays from 1pm to 5pm, at 325 Wharf Street, Queens Park. To find out more visit www.quattroqueenspark.com.au



Solar Dwellings' Griff Morris, Peet Limited's Peter Lynch and Department of Housing and Works' John Coles at Quattro in WA.

Lattitude on show

> More than 150 visitors took advantage of spectacular weather to catch a glimpse of the style to come at Peet's first over 55s development in WA – Lattitude Lakelands – at the official opening of the striking new display home

The occasion was celebrated with afternoon tea and the chance to win a luxurious two-night stay at the beautiful beachfront resort Quay West Resort, Bunker Bay.

Visitors were impressed by the airy and spacious feel of the Carrick display home, which has more than 110sqm of living space.

There were plenty of "oohs" and "aahs" as purchasers moved through the three-bedrooms, two-bathrooms, a fabulous open-plan kitchen, dining and living area, which opens out to a private outdoor

courtyard and garden area, a separate laundry and double lock-up garage.

It's one of five different home designs on offer with a variety of materials, interior designs and front elevations from which to choose.

What the homes all have in common are features and fittings to cater for residents' future needs – including wider doorways and corridors, level entries and a single level throughout, higher-level power points, larger shower areas, security fly screens and spacious garages with a remote automatic door.

Well-planned and designed, but yet to be constructed, are the stunning, resort-style facilities residents will enjoy.

These include a clubhouse, swimming pool, library, café, workshop and more.

A dedicated parking area will also be available for residents who own boats or caravans.

Planning is also underway for further over 55s developments in Victoria and Queensland.

If you would like further information about Lattitude Lakelands, contact Cath Acton on **1800 678 683** or visit www.lattitude-lakelands.com.au

Janice and Denva Ainge enjoy a tour of the new Carrick display home and afternoon tea at Lattitude Lakelands WA.





Wayne and Susan Marriott celebrate their 100 Grand for Land win.

Peet makes the Marriott's day with 100 Grand for Land!

Susan and Wayne Marriott are celebrating 100,000 good reasons to move closer to their family at The Village at Wellard after winning 100 Grand for Land – thanks to Peet Limited, The West Australian and 96FM!

Joined by 19 other finalists, nerves soon gave way to excitement as Susan 'dug out' the winning case in a special sand-box and dusted off a cheque for an incredible \$100,000.

The Marriott's have now chosen their block at The Village at Wellard, a joint venture between Peet Limited and the Western Australian Government, and are planning their dream home.



The 'dress circle' display village and sales office at Burns Beach WA.

Builders on display at Peet estates

The latest trends in home design from some of Australia's best builders are now on display at new villages opened at Peet estates in Melbourne and Perth.

In Western Australia, the Burns Beach Builder's Display Village offers a new destination to view the very latest in prestige homes.

Ross Griffin Homes Director Ross Griffin said his company was delighted to be part of the display village at Burns Beach.

"Perth has needed a new 'dress circle' estate along the northern beaches for years and there is no doubt Burns Beach Estate is it," he said. "The classy, grand estate entry, the ambiance along Grand Ocean Entrance and the popular Foreshore Park set the tone."

In Victoria, two new display villages have opened at The Rise and Tarneit Gardens, both in Melbourne's popular western corridor.

The latest to open was the new 21-home display village at Tarneit Gardens, which was celebrated with a fun-filled day of activities.

Peet Limited Managing Director and CEO Brendan Gore said the opening had been a huge success. "There was a great sense of community spirit," he said. "Tarneit Gardens will ultimately be home to some 1,100 households and, with more residents moving in to their new homes at the estate, the community is really taking shape."

Another three display villages are set to open later this year – at Brimbank Gardens and Innisfail Estate in Victoria and Quattro: The New Queens Park in Western Australia.

Queensland forges ahead

> Construction is set to hit top gear at estates across Queensland.

At Peet's 800-lot Riverbank estate in Caboolture, the local council and Queensland Rail have cleared the way for onsite works to begin by endorsing a suitable access route onto the site.

Further north, construction is due to start next month at Vantage in Gladstone, and the following month at Treetops in the coastal suburb of Emu Park (part of the Peet Tri State Syndicate).

Meanwhile, works are already in full swing at Mitchell Grove near Brisbane where almost half the 48-lot estate has already sold. Completion of the construction of Stages 1 and 2 at Greenwood Grove in Cooroy is due this month and, at Trinity Waters, part of the Peet Beachton Syndicate, construction started in mid-July and is progressing well.

Peet Limited Managing Director and CEO Brendan Gore said the level of activity in Queensland highlighted another growth year for Peet's east coast operations.

"Our strategic acquisition of land in those states over the years now puts us in a good position to reap rewards as those markets continue to perform well."

The greenfield site at Mitchell Grove QLD.

Industry accolade for The Village at Wellard

More than 500 development industry professionals were on hand to witness The Village at Wellard receive the prestigious Judges' Award at the Urban Development Institute of Australia's WA Awards for Excellence on Saturday 30 August.

The Award, which is presented at the judges' discretion, recognised the innovative community enterprise that Peet and its partners have established in the Ngulla Community Nursery.

Peet Limited Managing Director and CEO Brendan Gore said the joint venture with the WA State Government was an exciting project, demonstrating how philosophy can translate to reality with very encouraging results.

"We are setting an example for future developments and particularly those in environmentally sensitive areas," he said.

The Ngulla Nursery provides much-needed plant stock for the growing estate, as well as horticulture, natural resource management and enterprise education training for local youth.



Peet award winners look to a greener future

> Winner of the 2008 Peet-sponsored Victorian Planning and Environment Law Association (VPELA) Young Professional Award, Jessica Cutting, is set help create a more sustainable future for Australia.

She joins the 2007 winner, Emma Wartski, in using the Award to focus on the critical issue of sustainability.

Jessica will travel to the USA and Canada this month to learn more about sustainable development and climate change.

She'll visit infill and greenfield developments and learn more about affordable housing, housing densities and transit-oriented developments.

"Sustainable development is becoming increasingly important as resources around the world reduce," Ms Cutting said. "As a town planner, it's important we consider the environment and continually look at new ways to improve sustainability."

The 2007 VPELA Young Professional Award winner is a lawyer with a similar passion.

During 2007 and 2008, Emma Wartski volunteered with two organisations involved in carbon trading and sustainability and undertook research in Australia and New Zealand.

Driven by her natural interest in emissions trading, and the vast number of unresolved

legal and policy issues at the time, Ms Wartski said she was honoured to have received the Peet-sponsored award to pursue her passion.

"When I prepared my submission for VPELA's 2007 Award there was a lot of uncertainty about the issue and it wasn't even clear whether Australia would ratify the Kyoto Protocol or implement emissions trading," Ms Wartski said.

"I'm grateful for the Peet sponsorship because there aren't many programs that acknowledge the achievements of younger people in the profession or which encourage independent research outside of formal corporate or university study.

"I focused my research on forestry, which is important to Australia's overall emissions profile, and the Award allowed me to explore that sector in detail."

Since winning the Award, Ms Wartski has moved to Sydney to work with Baker & McKenzie to specialise in carbon trading and other environmental markets.

**Published by
Peet Limited**

www.peet.com.au

Level 7,
200 St Georges Terrace,
Perth WA 6000
Tel (08) 9420 1111

Level 3,
492 St Kilda Road,
Melbourne VIC 3004
Tel (03) 9868 5900

Level 2,
167 Eagle Street,
Brisbane QLD 4000
Tel (07) 3137 2040

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