

CORPORATE NEWSLETTER | SPRING 2007

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2006-2007 PROFIT HIGHLIGHTS

LAND BANK
BREAKS
\$6 BILLION

PEET INCOME
PROPERTY FUND
RETURNS 37%

COMMERCIAL
GETS GREEN LIGHT

ESTATE
SHOWCASE

QUEENSLAND
PORTFOLIO
DOUBLED

NEW FUSION
PRODUCT
LAUNCHED

SENIOR LIVING
EXPANSION

PEET WINS
STATE AWARD

PEET

“Peet is ideally positioned to continue its track record of consistently delivering quality returns to shareholders”

East coast success boosts Peet profit

Peet Limited has announced another impressive after tax profit of \$45.5 million for the year ending 31 June 2007 - up 23.6% over the previous year.

Peet Limited Chairman Tony Lennon said earnings per share had increased by 16.3% to 21.4 cents per share for the year, and the final dividend for the year was 10.5 cents per share fully franked.

That brings the total dividend per share for the year to 19.5 cents - or 27.9 cents per share before tax allowing for 100% franking - an increase of 14.7% over the previous year.

“This excellent result reflects the success of Peet’s operationally and geographically diversified business model,” Mr Lennon said.

“This is the Company’s fourth consecutive report of NPAT growth since listing in 2004 and positions us well to achieve further growth in 2007/08.”

More than half of Peet’s earnings before tax for the year were delivered by Peet’s operations in

Victoria and Queensland, and the Company has positioned itself well to take advantage of improved market conditions in those states in the year ahead.

Managing Director Brendan Gore said the Western Australian operation has also performed well, despite a plateauing of the market in the latter half of the year.

“Growth in the future will continue to be supported by the strength and diversity of our working capital-efficient business model, and our ability to respond to changing market cycles,” said Managing Director Brendan Gore.

“We are ideally positioned to continue our track record of consistently delivering quality returns to shareholders.”

2007 highlights

- > Net profit after tax - up 23.6% to \$45.5 million
- > Earnings per share - up 16.3% to 21.4 cents per share
- > Declared final dividend - 10.5 cents per share fully franked
- > Full-year dividend 19.5 cents per share or 27.9 cents per share before tax allowing for the 100% franking

2006-07 operational highlights

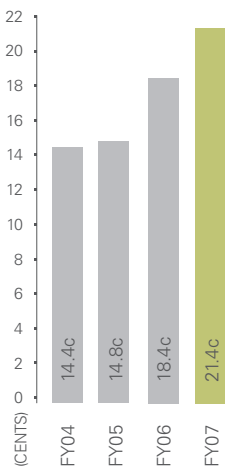


Chairman, Tony Lennon and Managing Director, Brendan Gore.

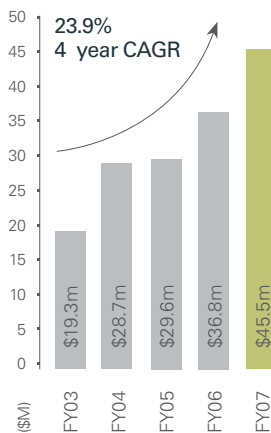
- > \$57 million raised from three syndications of land holdings in Victoria, Western Australia and Queensland during the year.
- > Increase in revenue from land syndication of 78% to \$42.6 million.
- > More than 2,000 lots sold for a total gross settlement value of more than \$421 million.
- > Expansion of the Peet Income Property Fund (PIPF) to more than 600 members and approximately \$50 million in funds under management.

- > Obtaining development approval for the \$20 million shopping centre at Carramar in Perth's northern suburbs.
- > Start of successful pre-sales in the \$70 million Peet Senior Living development, Latitude, at Lakelands in Western Australia.
- > Peet Living's first two apartment-style developments - Grand 56 and Sixteen Hammersmith in Joondalup (WA) selling off the plan.

Earnings per share



Historical NPAT Growth



>The size and strength of Peet’s land bank was fundamental to the Company’s success and its ability to take long-term decisions to minimise risk and optimise returns for investors.

Land bank breaks \$6 billion mark

The on-completion value of Peet Limited’s land bank has passed the \$6 billion mark for the first time, standing at approximately \$6.13 billion.

In less than two years, Peet’s land bank has grown from 26,249 lots with an estimated on completion value of \$3.79 billion (as at August 2005) to its 30 June 2007 level of 33,759 lots.

“Peet Limited acquired 8,200 residential and commercial lots during the 2006/07 financial year which resulted in a net increase to the land bank of around 6,200 lots”, Mr Gore said. “A further pipeline of 4,155 lots was under conditional contract at year end”.

Much of that growth has been in Victoria and Peet is also set for major expansion in Queensland where estates in Caboolture, Beachmere, Emu Park, Gladstone, Mitchelton and Cooroy are due to start construction within the next 6 months.

“We are always looking for strategically located parcels of land with strong potential,” said Executive Director and Head of Acquisitions, Anthony Lennon. “As well as growth in our key states of Western Australia, Victoria and Queensland, we have also been working towards

the purchase of another parcel of land in New South Wales.”

“The Wollongong purchase is our first significant acquisition in that state and development of our 250 lot project is scheduled to start within six months,” he added.



Aerial photo of Wollongong property.

Nationally	Number of projects	Lots	On Completion value
Managed*	28	16,355	\$3.45 billion
Owned	41	17,404	\$2.68 billion
Total	69	33,759	\$6.13 billion

* Includes syndicated and joint venture

Peet protection for long term investor



Peet long term investor, Jon Wenn.

Jon Wenn first decided to invest with Peet Limited in a bid to reduce his exposure to the rough and tumble of the share market.

He wanted to invest in broadacre land development but knew he couldn't do it on his own – so he bought into Peet's Kennedy Gardens syndicate in the mid-1990s. The returns were handsome.

During the life of the syndicate he received a 130% return plus his original investment – a good return in anyone's language and enough to convince Mr Wenn Peet syndicates were a sound investment in the long term.

"As Mark Twain once wrote: Buy land young man, they're not making it anymore" he said.

Today Mr Wenn is part of 11 Peet syndicates across Australia and while he still invests in the share market, he also continues to invest in land because it is a 'real' asset.

"The thing about Peet syndicate investments is that they produce a good solid and very acceptable return with relatively little risk," he said.

"When you invest in Peet Limited you are buying into their expertise - expertise on demographics and planning that just isn't available to the 'average Joe'."

"I really like the way the company is run – the people are straightforward, honest and have the interests of their investors at heart. Invariably Peet Directors and their families are investors as well."

"I'm very happy with Peet Limited's land syndicates – I just wish I had more money to invest!"

> News in Brief

- > The Village at Wellard in Western Australia has received planning permission for 120 townhouses/apartments and the master plan for the Wellard Shopping Centre is nearing completion.
- > Happy campers were living evidence of rising demand in Victoria when they slept out at Innisfail to secure a home site in the estate's 22nd release!
- > Primary school students in Victoria have been challenged by Peet Limited to design the ultimate drought resistant garden and win a garden makeover for their school.
- > Plans for a shopping centre comprising 3000m² of retail floor space at Point Cook is under way.
- > TAFE and school students turned out at the Village at Wellard to plant more than 2500 seedlings. Another 10,000 will be planted in the following weeks.
- > UDIA, the peak body representing the property industry in WA has elected former Peet Limited managing director and chief executive Warwick Hemsley as president of the WA division.

Award honours for Peet



Peet Limited Chairman Tony Lennon's long-term contribution to the property industry was recognised in June when he was awarded the Real Estate Institute of Western Australia's top honour, the Kevin Sullivan Memorial Award.



Jo Arthrell, National Marketing Manager, with the AMI award.

The Australian Marketing Institute (AMI) has presented Peet Limited with a prestigious award for its work in revitalising its brand in mid-2006.

The new brand strategy has given Peet a modern, contemporary image that better reflects the Company's diversified activities and its' competitive edge in the market.

Peet Limited will now join other organisations and marketers from around Australia vying for national glory in Sydney, later this year.

Portfolio grows in Queensland

> Peet Limited is in the very early stages of planning a mixed use, urban village on an 86-hectare site near the town of Beaudesert, south of Brisbane.

The acquisition of the prime land is a welcome addition to the Company's land bank and brings to 9 the number of projects Peet is managing and marketing in Queensland, with others still being explored.

"Queensland is enjoying strong economic growth with forecasts for continuing population growth and high demand for property," said Managing Director, Brendan Gore.

"We have doubled our land bank in Queensland in the past 12 months and will continue to strategically acquire land."

Peet Limited began operations in Queensland in 2002 when it purchased its first land estate at Warner (Warner Lakes) 21 kilometres north of Brisbane's CBD.

Warner Lakes is a syndicated development with 1200 residential lots. Peet's growing Old team will be busy over the next 6 months as development commences on its new projects at Caboolture, Emu Park, Beachmere, Gladstone, Mitchelton and Cooroy.

Peet has acquired most of these land estates since January 2006 and, with the most recent acquisition included, its developments now equate to more than 4,300 lots.

Peet's Income Property Fund also currently includes five fully-tenanted investment properties in Brisbane.

Peet Senior Living expands to the Sunshine State

Plans for Peet Senior Living's second development are moving ahead following the purchase of a site within its Warner Lakes estate in Queensland.

The Company is also exploring other additional opportunities following the successful commencement of pre-sales in its \$70 million development, named Lattitude, at Lakelands in Western Australia.

The Peet Senior Living proposal for Warner Lakes includes a resort-style clubhouse and 170 free-standing homes for people living independently, set on almost eight hectares of land within the estate.



Peet Funds fires in 06/07

PIPF at a glance

- > Total return of 37.08%
- > Distribution for full year - 9.16 cents per unit
- > Distribution – 100% tax deferred
- > Yield of 8.25% on issue price of \$1.11
- > Net Tangible Asset Backing (NTA) of the Fund increased to \$1.32 cents per unit
- > Property values increased by 25% upon independent revaluation as at 30 June 2007

In its second full year of operation the Peet Income Property Fund (PIPF) has expanded and achieved outstanding results.

At 30 June 2007, the Fund had more than 600 members and in excess of \$50 million in funds under management.

In a very competitive market, the Fund was also able to acquire two other strategically located commercial office and industrial properties in Darwin and Perth during the year.

PIPF's latest acquisition and its first in Victoria settled in August 2007.

Since year end, PIPF's properties were revalued with those properties held for the full year showing capital growth of some 25%.

Peet CEO and Managing Director, Brendan Gore, said the Fund's strong performance resulted from the successful identification, acquisition and management of strategically located properties in some of Australia's strongest performing markets.

"The Company is confident of the continuing performance of the Fund's existing portfolio and is carefully considering the forward strategy for the Fund following the closure of the last product disclosure statement in mid-June," he said.



Artists impression of PIPF's Tullamarine property, Melbourne, Victoria.

Burns Beach Estate Showcase

> Burns Beach Estate is powering towards the end of 2007 celebrating the sale of it's \$1,000,000 lot; the completion of the stunning foreshore park; the first residents moving in – and a nomination for a prestigious coastal management award.

The estate is owned by one of Peet Limited's oldest land trusts, now rewarding patient investors who bought the site in 1969.

Demand for lots remains strong with prices currently ranging between \$420,000 and \$850,000. The average price for existing coastal releases is \$710,000 and \$444,000 for non-coastal releases.

The estate has welcomed a flurry of construction activity over winter, including earthworks for the future primary school and sports oval site. Meanwhile,

work on the community's Grand Ocean Entrance, which will add a sophisticated greeting to Burns Beach visitors and residents alike, is due for completion by the end of this year.

Construction of the new sales office – to be located within the Display Village just off Grand Ocean Entrance – has begun off-site and will open around November, along with the first display homes.



New boardwalk, Burns Beach Estate.



New landscaping and park, Burns Beach Estate.

Local artists shine

Talented Western Australian artists, Coral Lowry and Andrew Kay, have been commissioned to produce a series of stunning public artworks for the Burns Beach Estate.

Ms Lowry, whose portfolio includes the public art at the new Mandurah Rail Station, will feature two steel or aluminium sculptures for the entry to the Estate and the foreshore park. The entry piece, in particular, will be lit at night and make a fabulous welcome for residents coming home.

While Andrew Kay has a bronze casting foundry in the hills, he is a keen diver and constantly inspired by the coastline.

The two artists were selected from a shortlist of five and the pieces, which will become real landmarks at the estate, are expected to be installed by year end.

Community commitment a ball of fun

Environment award

The Burns Beach Foreshore Management Plan, developed in consultation with the City of Joondalup, the Western Australian Planning Commission and local coast care groups, is the focal point of the Estate's nomination for the 2007 Western Australian Coastal Awards for Excellence.

Managed by environmental consultants Cardno BSD on behalf of Peet Limited, the work aims to protect and maintain the integrity and biological diversity of the foreshore reserve and is being implemented in four stages to coincide with the residential subdivision. Stage two has recently begun and includes monitoring, further dune stabilisation, weed control and infill planting, as well as the continuation of the dual use path and some lookout points within the foreshore reserve.

"We believe the investment we are making in the protection, maintenance and management of the foreshore at Burns is a critical part of achieving a sustainable coastal environment to be enjoyed by the community now, and for many generations to come" Peet Limited Managing Director, Brendan Gore said.

> Peet Limited is extending its commitment to the community in fine style with the announcement of its support for the 2008 Peet Op Shop Ball for Anglicare.

The Peet Op Shop Ball for Anglicare was staged for the first time in March this year and attracted more than 550 fabulously attired guests who raised more than \$100,000 for Anglicare.

"Planning for the 2008 Peet Op Shop Ball for Anglicare is well underway and shaping up to be even bigger and better," said Ball Chairman, Ian Craig.

"We're enormously excited to have Peet on board as our platinum sponsor," he added.

As the name of the Ball infers, the fun and frivolous evening is quite unlike most black-tie events! Attendees are encouraged to scour their local op shop for a head-to-toe look that's quirky, colourful, creative and even a little outrageous.

Peet Limited Managing Director, Brendan Gore, said he hoped Peet investors would be keen to support the Ball.

So mark
your diaries!

Event:

Peet Op Shop Ball
for Anglicare

Date:

Saturday
29 March 2008

Venue:

Grand Ballroom,
Burswood
Entertainment
Complex

Tickets:

Contact Georgina Sharp
at Anglicare WA on
(08) 9319 6402 or visit
www.opshopball.org.au

PEET
proudly presents



ANGLICARE
CHANGING LIVES

Fusion Resort Style Living

Peet's contemporary new branding for its gated villa complexes reflects the modern, resort-style living environments that are being created across Australia.

Fusion literally means the blending of different things into one – and that's what the Peet Living Fusion developments will do in creating an exclusive resort-style feel in a secure, boutique residential environment.

Fusion also represents the blend of modern demands being met by this new product that is affordable and low-maintenance, yet modern and sophisticated.

All Peet Living gated villa developments throughout Queensland, Victoria and Western Australia will now feature the new Fusion branding. The developments will incorporate a range of stylish two and three bedroom villas together with resort style facilities all set within a secure landscaped environment.

FUSION
RESORT STYLE LIVING



Fusion Ashton Heights outdoor entertainment area artists impression.

Keen interest in Fusion Ashton Heights

Hundreds of people have already registered their interest in Fusion Ashton Heights – a unique 27-villa Peet Living development within the Ashton Heights Private Estate.

Civil works, leisure facilities and landscaping started in September while first sales are scheduled for late this year.

The three bedroom, two bathroom villas will be set within a gated complex featuring a lap pool, sundeck, outdoor kitchen and barbecue, as well as beautifully landscaped common areas where all the maintenance is taken care of. Residents will also be able to enjoy direct access to the adjoining wetlands.

Fusion Ashton Heights is the first Fusion development for Peet Living with Fusion Point Cook in Victoria currently in the design phase, and further developments in the pipeline around the country.



Council green light for Carramar Tavern Restaurant

Development of a new \$3.5 million family tavern restaurant at Peet's Carramar Golf Course Estate in Perth's northern suburbs is one step closer after the Wanneroo City Council approved plans for the project.

The plans include four quality bar and alfresco areas developed on the 4,012sqm site on the corner of Joondalup Drive and Cheriton Drive.

Peet Managing Director Brendan Gore said the development was an important milestone for Peet Commercial.

"This project is an example of Peet Limited's commitment to creating integrated, total communities that add real value to the people who invest and live in them," he said.

The tavern restaurant will also provide local employment opportunities, with the development expected to generate more than 40 jobs.

Peet Limited is also developing the \$20 million Carramar Neighbourhood Shopping Centre, on behalf of Yatala Unit Trust, which will provide a 3,200 square metre supermarket and further 1,800 square metres of retail space for up to 16 specialty shops, as well as 250 square metres for other uses such as medical.

Tavern Facts

- > 4,012 sqm site
- > 1,034 sqm tavern building allocation
- > 360 patrons accommodated
- > 106 sqm boutique takeaway liquor shop with drive-through service
- > 71 bay on site car park

Peet takes centre stage at First Home Buyers Expo

> Peet Limited has become a star attraction at Melbourne's inaugural First Home Buyers Expo.

Featuring more than 100 exhibitors, the Expo was designed to educate and inform first home buyers on how to find, finance and buy their first home.

The event was a huge success attracting more than 8,000 people to the Melbourne Exhibition Centre during the last weekend in August.

Peet's impressive stand, located in the centre of the Exhibition Centre, received an excellent public response and provided a first-class opportunity to inform people about Peet and its estates.

The strong interest in Peet Estates was confirmed by significant web traffic recorded before and after the Expo.

More than a decade after establishing itself in the Victorian property market, Peet has now cemented itself as the nation's

leading land syndicator, and managers and marketers of quality estates. Peet Living, Peet Senior Living and the Peet Income Property Fund are also becoming very active on the east coast, and in Victoria in particular.

Peet's Managing Director Brendan Gore said Victoria was a very important market across Peet's operations. "Today, Peet has 29 projects in Victoria – more than 15,000 lots with a total of with an on-completion value of more than \$2 billion dollars," he said.

"The Peet Income Property Fund made its first Victorian purchase earlier this year and Peet Living and Peet Senior Living have both announced plans for their first developments there."

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Peet's exhibition stand at the First Home Buyers Expo.



PEET