

CORPORATE NEWSLETTER | AUTUMN 2009

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HALF YEAR HIGHLIGHTS

FIRST
HOMEOWNERS RUSH

ALKIMOS
LAND RELEASE

LATTITUDE
MILESTONE

HONOURS
FOR WELLARD

PEET'S STAR
PERFORMERS

SYNDICATE
SUCCESS

ART ADDS
VALUE

PEET

“Peet’s experience and decisive action in difficult trading conditions has underpinned sound results and a solid start to the second half of the 2009 financial year.”

Positive signs in Peet results

Peet Limited’s fundamental strength shines through sound half year results announced by the Company on 27 February 2009.

Peet Limited Managing Director and CEO Brendan Gore said the Group’s pre-tax half year profit of \$14.5 million, excluding write-down in carrying value of inventories, had been achieved in very challenging market conditions and was in line with expectations.

“The Company has taken decisive action to prudently manage capital and the result has been especially pleasing given the deferral of a number of Company-owned projects and any syndicate capital raisings,” Mr Gore said.

“And there has been a solid start to the second half of the year with an increase in activity from Peet’s core markets – first and second homebuyers.

“Falling interest rates and government incentives have also helped activate our core markets and this, along with our continuing focus on optimising performance, is reflected in our half year results with positive trends

to continue into the second half of the year.”

The statutory net profit after tax and the write-down in carrying value of inventories was \$10.5 million for the half year.

“Essentially, we have achieved a successful balance between earnings and margins, and higher revenue, allowing the Company to recycle capital,” Mr Gore added.

“Peet remains well positioned with 100% of total debt secured by its portfolio of high-quality assets and sound operating cash flows.”

The strength of the Company’s geographically diversified, high-quality asset base was again a key factor with 57% of half year earnings coming from east coast operations.

While the Queensland market softened considerably in the first half of the financial year, Victorian operations continued to do well and the performance of Peet’s Western Australian

operations improved, contributing 43% of the Group’s result.

Mr Gore also paid tribute to Peet investors saying their commitment and loyalty was again evidenced in the raising of \$27 million in final syndicate instalment payments in November and December 2008 – 99% of total amounts due.

“We remain confident in the fundamentals of the Australian residential property market,” he said.

“And we are successfully managing through the current economic downturn while positioning ourselves to take advantage of any improvement in the property sector.

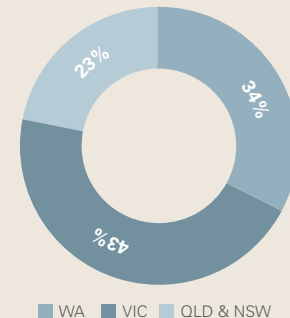
“That includes responsibly identifying and exploring growth opportunities and being prepared to invest – and seek capital – when the market conditions warrant it.”



Peet’s quality landbank underpinned a sound performance in difficult trading conditions.

Diverse development pipeline

The geographic diversity of Peet’s property portfolio positions the Company well to accommodate the changing property cycle. Peet’s landbank targets first and second homebuyers, in particular, with high exposure to the Victorian affordable homebuyer market.



Half year highlights

- > \$14.5 million in operating net profit after tax
- > Statutory net profit after tax of \$10.5 million
- > Interim dividend of 3.0 cents per share
- > Net Tangible Assets per share of \$1.40, adjusted for market value of inventory
- > Gearing ratio of 45.5%

Operational highlights

- > Group sales in excess of 890 lots for a gross value of \$154 million
- > In excess of 930 lots under contract at 31 December 2008 for a gross value of \$172 million
- > Strong start to second half of the year – in excess of 400 lot sales in January and February 2009
- > 1,110 lots under contract at the end of February 2009 for a gross value of \$203.7 million
- > Revenue from Company-owned projects up \$21 million to \$49 million
- > Pre-tax earnings from syndicated projects up 15% to \$13.2 million

First homebuyers rush Peet estates

> Peet has welcomed in 2009 with a rush of interest from homebuyers.

In the first two months of the year, more than 400 homesites were purchased at Peet estates nationally.

Solid general interest from buyers was bolstered by first homebuyers keen to access government first homeowners grants, available until 30 June 2009.

Peet Limited Managing Director and CEO Brendan Gore said incentives provided to first homeowners had been a strong factor driving land sales in the New Year and the range, quality and affordability of Peet's homesites had confirmed their interest.

A survey released by the Housing Industry Association and Commonwealth Bank in February 2009 showed housing was at the most affordable levels since 2003.

"There is a good choice of homesites currently available at very competitive prices and a good product range remains a key strength in Peet's approach to attracting this important market," Mr Gore said.

To meet demands from new homebuyers, Peet has launched more than 10 land releases at estates around Australia since the New Year.

All four releases in Victoria were met with good demand, particularly

at Brimbank Gardens in Derrimut, where eager homebuyers camped out for two nights to secure a homesite in a Valentine's Day release.

At Warner Lakes in Queensland, the final homesites in the popular Bridgewater precinct were released in February, while a second release was made at Greenwood Grove on the Sunshine Coast and the first lots were launched at Trinity Waters in Beachmere.

In WA, homesites in both northern and southern suburbs were popular, with buyers purchasing more than 40 homesites at Burns Beach Estate, and camping out for some of the last lots at Ashton Heights Private Estate and the first homesites released at Quattro: The New Queens Park.

At Lakelands Private Estate in the south, an average of more than one homesite a day was purchased during January alone.

"First homebuyers have certainly welcomed in the New Year by securing their preferred new address at a Peet estate while good land, builder incentives, grants and low interest rates are still available," Mr Gore said.

On the rise...

Australian Bureau of Statistics data from December 2008 shows:

- > More than 14,000 first home buyer contracts were signed in December, up 21.3% on the previous month and a huge 51.4% increase since September 2008, before the First Home Owners Boost was introduced
- > Finance approvals increased 10%
- > Loan commitments to construct new dwellings rose by almost 10%



Lattitude Lakelands celebrates first residents

Peet's first over-55s development, Lattitude Lakelands at Mandurah, south of Perth, has welcomed its first residents!

It was fitting that Mandurah couple James and Mary Bancroft were the first of several residents to move in earlier this year, given the couple was the very first to register their interest in Lattitude Lakelands.

"Absolutely thrilled" is the way they described the feeling of moving into their new home – and the red carpet treatment turned on by Peet to mark the occasion!

"James and I had been so looking forward to moving into our new home – even Sophie the dog is excited!" Mrs Bancroft said.

"We have lived in the Mandurah area for the past eight years and we really enjoy the area, but Lattitude is very much about a lifestyle for us.

"We are looking forward to becoming a part of the community here and we can't wait to use the new facilities like the clubhouse."

Located on the Perth-side of Mandurah, the 194-villa Lattitude Lakelands development offers

architecturally appealing and individual homes for people over 55.

The villas will share a range of stunning, resort-style facilities including a clubhouse, swimming pool, library, café, workshop and more. A dedicated parking area will also be available for residents who own boats or caravans.

Residents will enjoy total independence while being part of a thriving and secure community.

There is excellent access to shops, transport and amenities and Mandurah's renowned fishing, boating and recreational areas are all nearby.

Aside from the community facilities and relaxed lifestyle, the Bancrofts were also attracted to owning the strata title to their home at Lattitude rather than having a lease-for-life situation.

For more information about Lattitude Lakelands, contact Cath Acton on 1800 678 683 or visit www.lattitude-lakelands.com.au



First homebuyers Les and Catherine Ritchin were first in line to secure a homesite at Ashton Heights Private Estate, WA.

New homebuyers camp out at Brimbank Gardens, VIC.

> Peet's first national retail syndicate has launched its inaugural land release to the public.

Tri-State Syndicate launches first homesites

Less than a year after being established, Peet Tri-State Syndicate Limited has released and sold its first homesites at the New South Wales estate of Sea Crest.

Sales began with an exclusive release of five homesites at the 240-plus lot estate in November 2008, quickly followed by another two releases totalling 25 lots.

The homesites were priced from \$171,500 to \$230,000.

Sea Crest, which is in Flinders, offers homebuyers some of the largest homesites in the region of Illawarra.

With the NSW Government predicting Illawarra's population to increase by more than 15% in the next 15 years, generating the need for more than 30,000 jobs, it has been predicted there will be growing demand for homes in the area.

Independent research organisation, IRIS Research, has supported that expectation by reporting: "Few places in Australia can boast Illawarra's mix

of industry, location and lifestyle."

"Illawarra's close proximity to the massive Sydney market and Sydney's international airport are obvious advantages of its geographic position. Businesses within the Illawarra area have access to the national transport corridor linking Sydney, Canberra and Melbourne".

At the two other properties owned by the Peet Tri-State Syndicate Limited, work to finalise plans and achieve approvals continues.

Rezoning and sub-division applications were lodged for Big Grove in Albany, Western Australia in late-2008, while preparatory planning work continues at Emu Park on Queensland's Sunshine Coast.

Emu Park has been named 'Treetops' in preparation for future sales and marketing activities.

i Source: IRIS Research maintain regional statistics reports to assist business and investment planning. These are available online at www.iris.org.au

Victoria reviews urban growth

The Victorian Government has announced a review of the outer Melbourne Urban Growth Boundary (UGB) to potentially accommodate 134,000 more dwellings within the boundary over the next 20 years.

Investigations are currently underway to inform the position of the boundary and the State Government has invited interested parties to make submissions on proposed changes.

When established, land that falls within the perimeter will be developed under the revised UGB, providing significant savings in land development costs.

Peet has two properties which are still to be developed in the UGB investigation areas at Rockbank and Tarneit.

While any development on these sites would rely on the appropriate approvals being achieved, Peet Limited Managing Director and CEO Brendan Gore said any improvements to transport and infrastructure in growth corridors was important to developing well-serviced communities.

It is expected proposed boundary changes could be in place by September 2009.

For more information, visit www.dse.vic.gov.au



The Alkimos Project Team inspects the Alkimos coastal site, WA.



Alkimos vision takes shape

Peet's vision for its new flagship coastal development at Alkimos in Perth's northern suburbs is being finalised ready to deliver the first public land release in the 2009/10 financial year.

The residential development at Alkimos has the potential to provide around 3,000 dwellings, with the site's unique topography and 1.7 kilometre stretch of beachfront land meaning a large number of dwellings will achieve ocean views.

The development is planned on three broad fronts to ensure a mix of homesites to suit a variety of budgets.

The housing choices will include a walkable transit-oriented precinct, traditional homesites and lots with sweeping ocean views, as well as a beachside mixed-use village precinct.

Peet Limited Managing Director and CEO Brendan Gore said innovative design and development continued to drive every stage of the project.

"Peet has allocated a skilled team of professionals and drawn on the expertise of leading planners, engineers and consultants to create a development that will set new benchmarks in transport planning and urban design," Mr Gore said.

"We anticipate Alkimos will raise the bar in terms of residential development and we expect it will become an important activity hub and popular destination for the area."

Research shows good demand for homesites in Perth's northern coastal region.

Around 50,000 people are expected to be attracted to

> First land sales across three precincts of prime coastal land at Alkimos in Perth are scheduled for next financial year.

Alkimos-Eglinton over the next 25 years.

To streamline the process for homebuyers to purchase land and select a home, Peet is currently working with builders to create display villages across the 243-hectare property.

"The aim is to create different display villages that showcase the variety of home designs that can be built at Alkimos, each complementing the different precincts of the estate and specific homebuyer needs," Mr Gore added.

"Across Alkimos itself, Peet will be developing landscaped parks and stylish streetscapes, including public art from local artists."

To register interest in the first land release at Alkimos or in the future retail syndicate opportunity, visit www.peet.com.au



Work is progressing well to prepare the new homesites at Sea Crest in Flinders, NSW.

In brief

Supporting the community...

- > Peet's support of Western Australia's performing arts community, through the 2008 Peet Young Artist Concert Series, has been acknowledged by the Australia Business Arts Foundation (AbaF). Peet received 'Good Practice Recognition' in the 2008 AbaF Awards in two categories.
- > Cardinia Lakes in Victoria backed the Peet Pakenham Cup for a third year in March 2009. Thousands of people attended the premier race day to celebrate a community day of racing, activity and fun.
- > Eight local community groups benefited from the community grants program at Quattro: The New Queens Park, which was coordinated in conjunction with joint partner, the Department of Housing (WA).
- > Fabulous food, festive frocks and outrageous fun were all on the agenda at the Peet Op Shop Ball for Anglicare, held on 28 March 2009. Peet proudly sponsors the event in support of Anglicare's important charity work around WA. Look out for a wrap-up of the evening in the Winter edition of *Prosper*.
- > Peet has backed relief efforts for victims of the Victorian bushfires by sponsoring Habitat for Humanity to produce community 'tool libraries'. Shipping containers will be filled with power tools and DIY equipment, which registered community members can loan to help re-build their homes.

Peet staff lift hearts



Peet Development Manager Craig Graham (right) with the Mayor of Joondalup Troy Pickard presenting a \$5,000 prize to Sheena Richardson after the Relay for Life event.

Community clubs are winners



Peet Project Manager Simon Mallabone (centre) with Bunbury Surf Club members (from left) Blake Murray, Darren Excell, Shane Excell, Cane Freeman, Darcey Freeman and Steven Scotney.

Peet's Perth team has worked up a sweat to support children's health research in the annual Foxtel Lap event.

The fundraising initiative challenges participants to see how many 100 metre laps on a treadmill they can complete over 10 hours.

Peet joined 142 other teams to help the charity raise \$65,000 in WA alone, with all funds raised going to Australia's largest child health organisation, the Murdoch Children's Research Institute.

In Perth's northern suburbs, Peet lent a helping hand in another heart-raising event – the Cancer Council WA's Relay for Life.

Three estates – Burns Beach Estate, Ashton Heights Private Estate and Carramar Golf Course Estate – sponsored the annual 24-hour event held in the suburb of Joondalup.

The event raised more than \$200,000 in Joondalup and more than \$2 million State-wide.

Australind Heights–Twin Rivers in WA has provided much-needed funding to the City of Bunbury Surf Life Saving Club to purchase new under-14 senior racing boards. The boards will be used to help members develop vital rescue and life-saving skills and to compete in State-wide competitions.

Budding cricket stars at the Leschenault Cricket Club have also received sponsorship support in the form of new training shirts and funding toward a 100-kilometre trip to compete in the local cricket competition.

Queensland buyers quick to register

More than 100 people started the New Year by registering their interest in Peet's newest Queensland estate at Beachmere.

The inaugural homesites at Trinity Waters estate, located on the banks of the Caboolture River close to the stunning Sunshine Coast, were released in March.

All buyers had the chance to pre-register to win a family holiday to Tangalooma Island Resort valued at \$1,500.

The first five purchasers will also receive a landscaping package valued at more than \$3,000.

When complete, Trinity Waters will be a high-quality, boutique community that makes the most of the natural river environment and features man-made lakes, a boardwalk, picnic areas and open spaces for families, as well as access to the local boat ramps and fishing grounds.

Beachmere, located just over 40 kilometres north of Brisbane, is in the Caboolture region, which was recently identified as one of the fastest growing districts in Australia and a top 25 'hot' Queensland location by *Australian Property Investor* magazine¹.

For more information, visit www.trinitywatersestate.com.au

¹ Source: *Australian Property Investor*, November 2008



Quattro's first homebuyers Mihreteab Tesfamariam and Simret Habtemariam.

Quattro joint venture exceeds expectations

After years of collaborative work with the WA State Government, Peet's first release at Quattro: The New Queens Park was met with a flood of eager homebuyers.

Close to half of the first 38 lots released were snapped up in the first two days of release and the total Stage sold out within weeks.

Mihreteab Tesfamariam and Simret Habtemariam slept outside the sales office to make sure they secured their dream block, just 11 kilometres from the Perth CBD.

"We knew that we wanted a block at Quattro because it is located so close to everything," Mrs Habtemariam said. "It is much closer to work for both of us and, being located in an established area, we will be close to the city, close to transport – it is a big convenience factor."

Quattro: The New Queens Park is an innovative urban renewal initiative created through the redevelopment of a former public housing area.



Meg Magcalas was transformed into a tiger at the Brimbank Gardens Christmas party.



Santa's arrival created excitement and giggles at the Warner Lakes Christmas party.

Peet turns on fun and festivities

> Residents at Peet estates across Australia celebrated the festive season at a range of family-friendly events hosted by Peet Limited.

The events provided the perfect opportunity for residents to come together, relax and enjoy the activities, while also building connections with local community groups who provided services and entertainment.

At Warner Lakes in Queensland, close to 200 people gathered at one of the estate's recently completed parks to enjoy food served by the local Strathpine Rotary Club.

Children were entertained by Santa, a face painter, magician and jumping castle, while adults enjoyed jazz music as the sun set against a stunning blue sky.

At the first Christmas event for The Village at Wellard, more than 150 residents enjoyed the bouncy castle, animal farm and music from the

Gumnut Stompers, which kept everyone entertained until Santa arrived on a fire engine.

In Victoria, the wettest December day on record stymied celebrations at two estates but not before 200 residents at Brimbank Gardens enjoyed carols, food and fun the week before.

The Brimbank Multicultural Choir performed carols in five different languages, before Santa arrived, while the Seventh Sunshine Scouts served up a barbeque.

"Community involvement is a pivotal part of the success of these events and it was great to see locals getting involved and celebrating the community spirit of the estates and their surrounding neighbourhoods," said Peet Limited Managing Director and CEO Brendan Gore.

Wellard wins again

The winning streak of The Village at Wellard in Perth's southern suburbs has continued, bringing the total number of awards received by the project into double figures.

On Australia Day, the estate's Ngulla Community Nursery was awarded the WA Premier's Australia Day Active Citizenship Award for best community group or event.

The award was the second accolade in three months for the Ngulla Community Nursery, which received the Australian and New Zealand Not-for-Profit Network Award for Partnership of the Year Award in late 2008.

The Ngulla Community Project is a collaborative initiative by Peet, Bridging the Gap, Challenger TAFE, Medina Aboriginal Cultural Community, Town of Kwinana, the Department of Housing (WA) and BHP Billiton.

At Wellard, Peet also ushered in the New Year by inviting expressions of interest in a 2,724sqm child-care centre site, located adjacent to the Wellard Train Station within the estate's Village Centre. The Village at Wellard will eventually be home to around 8,600 residents and the future child-care centre will enjoy a huge catchment area.

Commercial ventures get ready for business

> The grand opening of the \$20 million Carramar Village shopping centre marks a significant milestone as Peet's first major commercial project.

Preparations are well underway for the official opening of the Carramar Village – an impressive commercial and retail centre at the Carramar Golf Course Estate, north of Perth.

The finishing touches have been put on shop fit-outs and the shopping centre is now open to the public.

A grand opening event is scheduled for April and is expected to draw senior political representatives, hundreds of Carramar Golf Course Estate residents and members of the broader community.

Peet Limited Managing Director and CEO Brendan Gore commended Peet Commercial's Graeme Allen on the major milestone and said the centre not only provided extra services for residents but supported the value of their properties.

The 5,000sqm shopping centre includes a large Woolworths supermarket and

well-known franchises including Priceline Pharmacy, Bakers Delight, Caffissimo and Subway, as well as a newsagent, gym, hairdresser, florist and a number of fast-food outlets.

A medical centre, complete with six doctors, a triage service and small theatre for minor surgery, will provide additional amenities for the local community.

While the finishing touches have been made at Carramar Golf Course Estate, preparations have commenced for the start of construction of a 3,200sqm retail site at Innisfail Estate in Victoria.

The site was sold to VicLand last year and is being developed as a convenience-style centre with a supermarket, newsagent, florist, liquor store, bakery, coffee kiosk, ATM facilities and 140 parking bays.

The centre, which is due for completion in late 2009, will form an important community hub and shopping area at Innisfail Estate.



The new Carramar Village shopping centre offers extra services for residents and supports property values.

New art builds community centres

> Artworks installed at Peet estates around Australia are adding to the visual appeal of the communities and energising public spaces.

At Burns Beach Estate in Western Australia, final artworks created by local artists Coral Lowry and Andrew Kay were added to the public parklands in late 2008 to reflect the estate's coastal lifestyle.

Mr Kay's bronze cast sculptures were inspired by the history of Burns Beach, where families escaped the city to enjoy the beach and summer heat. Ms Lowry's alloy sculptures represent large and small waves interacting as the tide flows in and out.

"The sculptures capture the kiss of a wave," said Ms Lowry.

"Lighting is also an integral part of the sculpture, highlighting the frozen moment that is symbolic of human relationships coming together and then parting."

At Innisfail Estate in Victoria, the finishing touch on the new Little Master Park was the installation of a bronze sculpture, which came to inspire the park's name.

The sculpture was created by Australian artist Alex Kolozsy and called 'Little Master' because it portrays the artist's son busily creating a sculpture in his hands.

At The Village at Wellard in Western Australia a new public art project will see three artists create five unique pieces, including a mosaic for the Wellard Train Station, a large landmark sculpture and three smaller sculptures for the Village Centre, which reflect environmental and social values of the estate.

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A bronze sculpture draws community interest sitting atop a limestone wall at Innisfail Estate, VIC.



Carol Lowry with her sculpture 'Kiss before parting' at Burns Beach Estate, WA.



Andrew Kay with one of his bronze cast sculptures at Burns Beach Estate, WA.

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