



2007

'Solid half year result for Peet'

CORPORATE NEWSLETTER | AUTUMN 2007

prosper

ISSUE HIGHLIGHTS

Half year results | Syndicate success
Opera tickets to win | Land bank high
Funds update | Award success

PEET

A blurred office scene with a woman standing and a man sitting at a conference table. The woman is on the left, wearing a dark blazer, and the man is on the right, wearing a white shirt and a dark tie. They are both looking towards each other. The background is a bright window with horizontal blinds. The foreground shows a conference table with papers and a pen.

*We remain confident of
achieving our EPS growth
target of 15% for the full year.*

Sound half-year result for Peet

Peet Limited has announced an after tax profit of \$19.4 million for the half year ended 31 December 2006 – up 13.6% on the same period last year.

Peet Limited Chairman Tony Lennon said an interim dividend of 9.0 cents per share fully franked will be paid in April – up 20% on last year's interim dividend.

"The solid result, achieved in a mixed trading environment, underlined the value of the Company's diverse operational and geographical business model and its ability to respond to changing market cycles," he said.

"The Company is well positioned to leverage off its existing platform to achieve growth across its increasingly diversified divisions," he said.

Commenting on the results, Peet Limited Managing Director and Chief Executive Officer, Warwick Hemsley, said more than half of this period's EBIT (56%) came from Victoria and Queensland while the resources sector and population growth underpinned the profit from Western Australia.

"Peet's funds management business, including land syndicates continued to perform well across the country with revenue increasing by a solid 26% to \$23.4 million compared to the same period last year," he said.

Meanwhile Peet Funds acquired two strategically located industrial properties in Perth and Darwin during the period and expanded to around 600 members, with approximately \$37 million in funds under management.

Peet Limited has continued to build on its impressive land bank during the six months, acquiring a total of 3,200 well located, potential residential and commercial lots in its key markets of Western Australia, Victoria and Queensland. The Company's managed and owned land bank of some 30,300 lots potential now has an estimated on completion value of \$5.5 billion if sold at today's prices.

During the half year, more than 1,100 lots from Peet's syndicated, joint venture and owned projects were sold, grossing more than

\$220 million. More than 1,340 lots across all projects had been sold at the end of the period, but were yet to settle for a value of \$253 million.

A successful \$82 million capital raising, via an underwritten institutional placement completed during the half year, has further strengthened the Company's balance sheet and will also enable the Company to accelerate growth of its funds management business, grow new profit streams by funding diversified development projects and capitalise on larger acquisition opportunities.

In addition to the placement, Peet Limited also raised \$1.95 million through a Share Purchase Plan which allowed existing shareholders to participate in the equity raising at the institutional placement price.

"Peet's key markets are enjoying solid economic growth, particularly WA and Queensland and the fundamentals of the property industry remain sound despite current issues with land supply," said Mr Hemsley.

The Company is continuing its track record of growth and quality returns for shareholders. "Backed by our experience, sound management and diverse operational approach, and despite a soft January, we remain confident of achieving our EPS growth target of 15% for the full year ending 30 June 2007," he said.

Financial Highlights

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|---------------------------|---------------------------------------------------------------|
| Net profit after tax | Up 13.6% to \$19.4 million |
| Earnings Per Share | Up 11.8% to 9.5 cents per share |
| Declared interim dividend | 9.0 cents per share fully franked |
| Gearing ratio | 31% (net bank debt/ total assets - adjusted for market value) |

Peet on-song with West Australian Opera in '07

In the West Australian Opera's 40th anniversary year, Peet Limited is proud to announce its support of the Peet Young Artist Concert Series 2007.

This series will feature some outstanding young and emerging performers in three separate concert events.

To celebrate the new partnership, Peet is offering Prosper readers the chance to win one of 10 double tickets to the first concert, 'Operatic Jewels of the Baroque and Classical Periods' to be staged on 28 March at the Government House Ballroom.

To enter, visit www.peet.com.au/competition where you'll need the competition code words, 'PYACS-Jewels'.

For more information about this special concert series, you can also visit the What's On section at www.waopera.asn.au

The latest from the largest retail land syndicator

Peet's latest two land syndicate offers have both closed oversubscribed having attracted more than 700 investors each. The company is now preparing to launch a new syndicate opportunity in the months ahead.

Peet Botanic Village Syndicate Limited drew strong interest from investors keen to be part of the development in Melbourne's City of Casey, the third fastest growing municipality in Australia. It is anticipated the residential estate will yield some 760 lots.

In Western Australia, the Peet Mundijong Syndicate Limited, which closed fully oversubscribed, has acquired 145 hectares of land in Perth's rapidly-growing south-eastern corridor, most of which is already zoned for residential development. In addition to residential lots, this property will also include group housing sites and a commercial/mixed use site.

Peet Limited Managing Director and CEO, Warwick Hemsley, said the continuing strength and ongoing strong performance of Peet syndicates was very encouraging.

"Peet Limited is Australia's largest retail land syndicator and, not surprisingly, our two most recent syndicates have again proved to be very popular," he said.

"Peet's syndicate offerings present investors with the opportunity to participate in property projects offering good location, underlying security and the prospect of strong profit performance and dividends under proven management from as little as \$5,000," said Mr Hemsley.

Peet Limited is now completing arrangements and documentation for the launch of its next syndicate opportunity in the first half of 2007. To register your interest, please visit www.peet.com.au



New high for Peet land bank

Increased land acquisition activity in Queensland and Victoria has pushed the on completion value of Peet Limited's managed land bank to the \$5.5 billion mark.

Queensland has been a key focus with four purchases made totalling more than \$45 million and several more currently under consideration.

The completed acquisitions, including areas close to the Brisbane CBD and Gladstone, are expected to yield some 945 residential lots worth up to \$155 million in sales.

In Victoria, Peet acquired four sites for a total of more than \$19 million in Cranbourne, Truganina, Melton and Gisborne in the six months to 31 December, 2006. Together, they are expected to provide 589 lots and sales in excess of \$77 million.

Western Australian acquisitions over the last half of 2006 included two in the

southern coastal town of Albany and three in metropolitan Perth, with plans for more than 1,650 lots in total and an estimated completion value of more than \$290 million.

Peet Limited Executive Director Anthony Lennon said the size of Peet's land bank and its ongoing strategic land acquisition program means it is well placed to take advantage of changing property cycles around the country.

"The Company takes a very strategic approach, considering factors such as population growth forecasts and scheduled infrastructure improvements," he said.

Nationally Peet has the third largest land bank of ASX listed property companies. Land acquisitions during the first half of the financial year increased the total number of lots managed and owned to some 30,300 with a further 1,600 lots under conditional contract as at 31 December, 2006.



Lakelands sets new benchmark

Peet Limited’s Lakelands Private Estate has set a new benchmark in sustainability – for both the company and the industry.

The company has a well-established track record of creating developments that are environmentally sensitive, energy efficient and socially engaging. It has now received another Urban Development Institute of Australia (UDIA) Award for Excellence for its Lakelands Private Estate in Mandurah – the 2006 Sustainable Urban Development Award (WA).

This 2,600 lot master-planned estate showcases the very latest innovations in sustainable urban design and is further evidence of the priority Peet Limited gives to meeting the triple bottom-line principles of sustainability (environmental, social and economic).

“This award is a great achievement for the project team and we are really pleased to have

the excellent work at Lakelands recognised in this way,” said Managing Director and CEO, Warwick Hemsley.

The entire estate surrounds the significant Black Swan and Paganoni Lakes and has been meticulously planned to ensure the natural environment and its community are integrated and sustainable in the long term.

The UDIA judging panel was particularly impressed by the many examples of sustainable design displayed at Lakelands and cited the retention of mature Tuart trees in public and private spaces, fauna retention programs, thoughtful development and maintenance of public open spaces, complemented by a myriad of social inclusions, as assisting in the achievement of a truly sustainable estate.

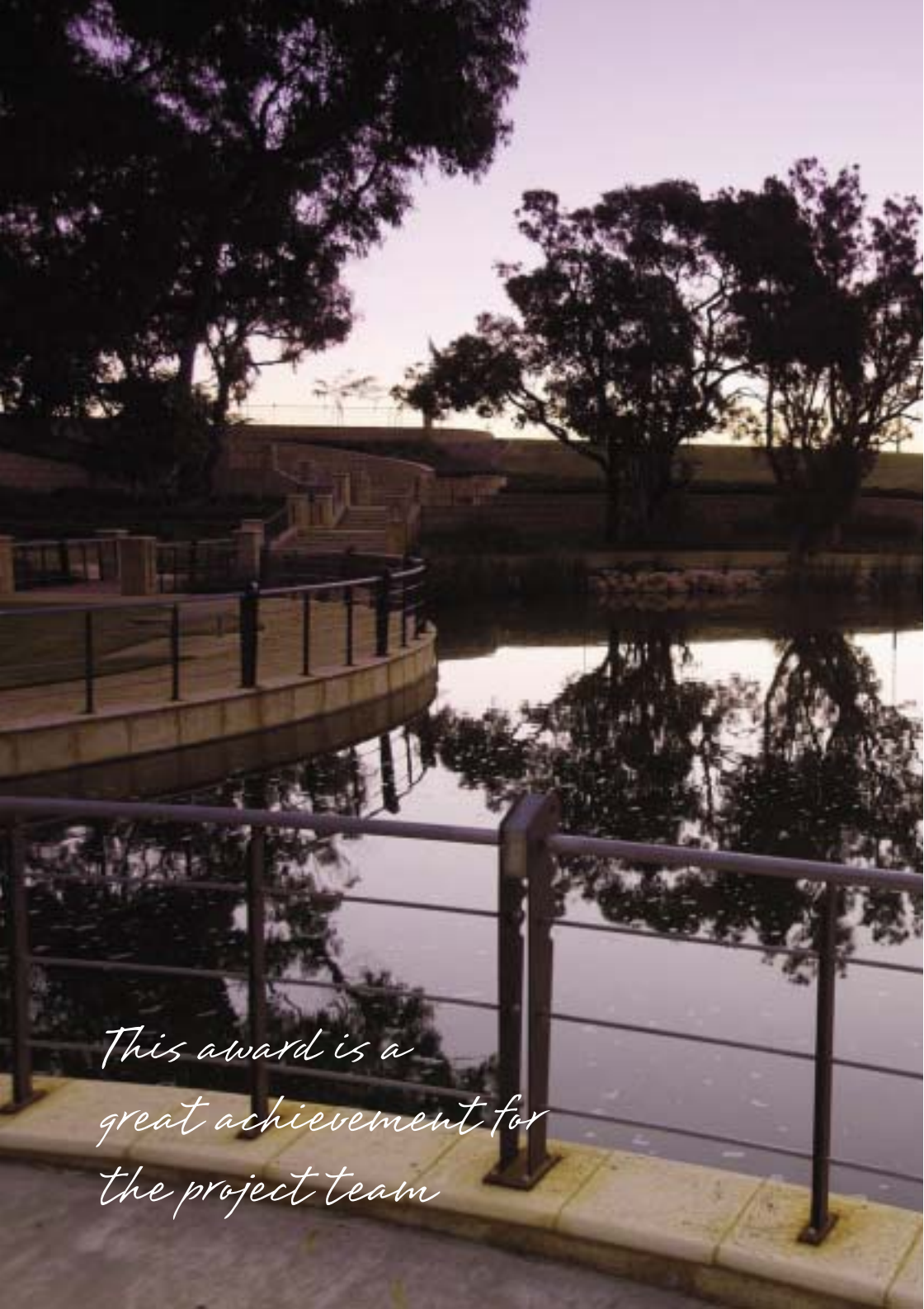
More Peet Limited awards success in 2006

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| The Village at Wellard | The Planning Institute of Australia (PIA) - Award for Excellence: Environmental Planning/Conservation (WA) |
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| The Village at Wellard | LIA (Landscaping Institute of Australia) Best Environmental/Rehabilitation/Conservation Project (WA) |
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| The Village at Wellard | Housing Institute of Australia (HIA) Greensmart WA Development of the Year |
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| Ryan Hunter, Senior Acquisition Analyst | Urban Development Institute of Australia (UDIA) Young Professional of the Year (WA) |
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*This award is a
great achievement for
the project team*

Builders back Warner Lakes

Warner Lakes will soon be home to the Queensland Master Builders Association's largest ever display village, with construction underway at the popular estate.

The display village will showcase 48 quality homes featuring the latest designs from the State's major builders, and is expected to be completed by May 2007.

The success of Warner Lakes, Peet's first established residential estate in Queensland, has seen sales results surpass Peet's own targets and set a new benchmark for estates in the area.

The release of Woodhaven stage two in early December 2006 was sold out in just three weeks and pushed sales for the year to over 220 homesites, worth more than \$30 million.

The pace of sales at Warner Lakes saw an average of four home sites sold every week during 2006. Since its launch in late 2004, a total of 370 lots have been sold with more than 200 families already living in the estate. Warner Lakes is located within the picturesque Pine Rivers region, around 20 kilometres north of Brisbane.



Peet helps Victoria sparkle

Homes in Peet Limited estates across Melbourne twinkled with Christmas spirit during the festive season as residents took up the Christmas lights competition challenge.

The competition, run by Peet Limited, saw residents in Pakenham's Cardinia Lakes, Derrimut's Brimbank Gardens, Point Cook's Innisfail Estate, Tarneit Gardens in Tarneit and Cranbourne's Brookland Greens show their creativity by decorating their houses and gardens with festive lights.

Innisfail Estate winner Long Tran, said he spent two days planning and setting up his Christmas lights, which drew an admiring crowd each night in the lead up to Christmas.

His motivation? Making his four boys aged one, three, five and seven happy.

Special Christmas 'Movies Under the Stars' celebrations were held at each estate on

December 16 and 17, and the lucky winners from each estate won a \$2,000 Coles Myer gift card for their efforts.

Families enjoyed a barbecue and when the sun went, sat back and enjoyed popcorn and a movie.

But the highlight of the evenings for children and parents alike was the arrival of the big man in red, with Santa spreading Christmas cheer throughout the estates.

Winners from each of the estates were: Derek Menz from Brookland Greens, Kevin & Tracey Morley from Brimbank Gardens, Long Tran from Innisfail Estate, Richard Chick from Tarneit Gardens and in Cardinia Lakes the prize was shared between joint winners Daniel Otley and Maria and Brian Beardon.



The winning address at Innisfail Estate.



*Creating an
environmental asset*

Young workers and Quattro benefit from environmental project

Green Corp's first all-indigenous group of young workers is contributing to the rehabilitation of bushland and wetlands adjoining Quattro – The New Queens Park.

The Maniana project was launched by Federal Senator Alan Eggleston at the City of Canning's Civic and Administration Centre on 11 January 2007.

The innovative environmental training project run by Greening Australia is part of the Federal Government's highly successful Green Corps program aimed at encouraging young people, between 17 and 20 years of age, into employment and training.

The team of keen workers will assist in the rehabilitation by removing environmental weeds, collecting native seed to propagate endemic native plants, assessing the bushland condition, particularly for the presence of Dieback Fungus, repairing and reconstructing fencing and working on walk paths in the area.

The Green Corps project is a partnership between the Federal Government and the City of Canning in cooperation with the Department of Housing and Works and Peet Limited, an HIA GreenSmart National Leader.

"This particular project is very important to the City as it is not only a Federal partnership with Green Corps and Greening Australia, it is also a local partnership with Quattro partners Department of Housing and Works and Peet Limited," said City of Canning Mayor Dr Mick Lekias AM at the launch.

"I believe it illustrates how a strong and committed working relationship between the three tiers of government and the corporate sector can have positive outcomes for both the environment and the youth of our community," Dr Lekias said.



(Left to Right) City of Canning Mayor Dr Mick Lekias AM with Peet Limited Managing Director and CEO Warwick Hemsley and Green Corp workers Dale Wilkes, Benjamin Hoyne and Alex Palmer at the launch event.

Resort style living for over 55s

Peet Limited's move into the development of over 55s communities is proving popular, with a strong reaction in Western Australia to the launch of plans for its first resort-style village.

Peet Limited Managing Director and CEO, Warwick Hemsley, said the project represented a new approach to over 55s living.

Located near Mandurah, south of Perth in Peet's award winning Lakelands Private Estate, the 194-villa community will have six different free-standing villa designs.

Each strata titled villa will offer two or three bedrooms plus study, a spacious open plan living area, two bathrooms, separate laundry, private courtyard/garden area and most will have a double garage with internal access.

Plus, in a further departure from traditional retirement villages, residents will be able to relax and enjoy their own resort style club house featuring a café, sports bar, cinema, library, indoor lap pool, gym, bowling green, restaurant, function room and residents' workshop.

"In addition to providing security, active lifestyle options and a real sense of community, the development will offer residents greater freedom, privacy and a wide range of spacious homes," Mr Hemsley said.

The planned Kwinana freeway extension and Lakelands future train station mean residents will be just 40 minutes from Perth. Residents will also be within walking distance of the Lakelands town centre shops and less than five minutes drive from the beach.

The first villas are scheduled for completion in December 2007 and the remainder will be built in stages over the next three to four years.

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

To register your interest in Peet Limited's Lakelands project or for more information, visit www.peet.com.au or call 1800 657 115.



Artist's Impression: The new clubhouse will be a focal point for the Lakelands development.

Green light for Carramar Shopping Centre

Work is expected to begin soon on a first-class retail facility for one of Perth's most popular residential estates with development approval expected to clear the way for construction of the Carramar Neighbourhood Shopping Centre.

The centrepiece of the new shopping centre at Carramar Golf Course Estate will be a 3,200 square metre supermarket, with a further 1,800 square metres of retail space set to accommodate up to 16 specialty shops and 250 square metres designated for medical use. Parking will be well catered for, with 360 on-site car bays planned.

In addition to the major supermarket, services and facilities at the completed centre are expected to include a café, liquor store, bakery, video store, bank and pharmacy.

The Carramar Neighbourhood Shopping Centre will incorporate a contemporary design with a high standard of finish, and will be located at the corner of Joondalup and Cheriton Drives.

The Carramar Neighbourhood Shopping Centre is expected to officially open its doors for shoppers around Easter 2008.



Grand new living options appeal

Overwhelming demand for apartments at Peet Limited's first residential development – Grand 56 – saw it sell out off the plans within hours of release.

More than 90 people entered the ballot hoping to secure one of the 25 apartments located in the heart of Joondalup, north of Perth, Western Australia.

One bedroom apartments sold for between \$270,000 and \$300,000 and two-bedroom apartments for between \$352,000 and \$400,000. The three bedroom penthouse sold on the day for a record price.

Considerable investment was put into the design and facilities at the complex, including spacious bedrooms and big balconies as well as an outdoor kitchen, swimming pool, spa and sauna.

Managing Director and CEO, Warwick Hemsley, said Peet had responded to a growing demand for quality, design-led developments in sought after locations.

"We have been delighted with the extremely strong response to Grand 56 and plan – through Peet Living – to continue to provide quality developments to a new generation of Australian homebuyers," he said.

One lucky buyer, 25 year old, Dana Kuzmanovich said Grand 56 appealed to her because it was within her price range and it was a secure, self-contained apartment which required low maintenance.

"The facilities they have planned for the complex such as the pool, sauna and spa are really attractive and having bought land in another of Peet's estates I believe they'll deliver a high quality product," she said.

Demand for this style of property continues, with the priority registration list closing for Peet Living's next release, Sixteen Hammersmith - a 16 apartment complex situated some 200 metres from Grand 56 (artist's impressions pictured right).

For more information, visit www.peet.com.au or call (08) 9420 1111.

Peet Living projects set for release in 2007

Sixteen Hammersmith

16-apartment complex, located in Joondalup, Western Australia is due to be released shortly to pre-registered customers.

Wellard Village

Two 60-unit developments, located within the award-winning Village at Wellard estate in Western Australia, will be released in the latter half of 2007.

Ashton Heights

Features 27 three bedroom villas overlooking wetlands at Ashton Heights, Western Australia and will be released in mid 2007.

Point Cook Junction

46 'live and work' townhouses located in Point Cook, Victoria, will be released mid 2007.



Sixteen Hammersmith: External Elevation



*Providing quality
developments to
a new generation*

Sixteen Hammersmith: Shared Pool Area

Peet Income Property Fund even more 'attractive' in 06/07

The first half of the 2006/07 financial year has seen the Peet Income Property Fund go from strength to strength, with both income distributions and subscriptions showing solid growth and a well-positioned portfolio set to benefit from exposure to Australia's strongest-performing economies.

Distributions from the Fund have climbed from 8.75 cents per unit at 30 June 2006 to 9.16 cents per unit, an increase of 4.6%, while subscriptions have grown 31% over the same period to a total of \$18.2 million. The Fund, which has earned an "Attractive" rating from independent research company Management Investment Assessments (MIA), now has approximately 640 unitholders.

All properties in the Fund's portfolio are fully tenanted and are well placed to reap the rewards of a sound economy in resources-driven States.

Latest forecasts have tipped WA's economy to achieve 5.75% growth in 2006/07, up from 5% in the previous financial year. The Northern Territory, which has a similar exposure to the resources sector, has revised its growth forecast upwards from 5.8% to 6.2%, while Queensland's economy has had its forecast put at a fast-growing 4.25% for 2006/07.

The Fund's properties in Brisbane Technology Park (QLD), Canning Vale (WA) and Darwin (NT)

are continuing to attract healthy levels of demand from tenants. The fund's latest purchase – a property at 6 Frances Mall, Palmerston, near Darwin – is fully leased and performing well with tenants including the Northern Territory Government and Mission Australia.

The Fund's portfolio will be re-valued at the end of June, with exposure to these strong economies expected to be reflected in the result.

Peet is also working on opportunities to improve and grow the fund's portfolio. These include negotiations to extend leases, examining opportunities to extend existing buildings and actively seeking suitable additional purchases. To view the Peet Income Property Fund PDS please visit www.peet.com.au or for more information free call 1800 673 222.



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