

CORPORATE NEWSLETTER | AUTUMN 2010

prosper

STRONG
HALF YEAR
OUTLOOK

POSITIVE MARKET
TRENDS

PROJECT PIPELINE
OVERVIEW

NEW ONLINE
INNOVATION

SHOREHAVEN
LAUNCH

INVESTOR
PROFILE

SPONSORSHIP
RESULTS

PEET

Peet's solid results a platform for future growth

- > Strong sales results during 1H10 were the result of improved performances in each of Peet's key geographical markets.

Peet Limited is moving towards the end of the financial year in good shape, having announced very solid results for the half year ending 31 December 2009.

In late February 2010, the Company announced an operating net profit after tax of \$21.7 million for the half year.

Peet Managing Director and CEO Brendan Gore said the Group achieved a solid performance driven by an active first homeowners market, improving market conditions and consumer sentiment – and Peet's capacity to leverage its portfolio to meet demand, particularly for affordable lots.

"The Company's first half performance continues to provide a stable platform for further growth," he said.

"Lot sales across the Group's owned and managed

estates increased by 57% to 1,407 lots delivering strong sales performance for the half, with revenue increasing by 38% on the previous corresponding period."

The key drivers for residential property remain positive, with price growth being evidenced during the first half.

At the end of the period, the Group had 1,172 lots under contract at a gross value of \$234.7 million, compared with 1,048 lots under contract at a gross value of \$195.7 million at the conclusion of FY09.

Contributions to revenue in 1H10 were made by 28 Company-owned and managed projects across the country, and three new projects are expected to contribute to revenue in 2H10.

"Peet has continued to successfully deliver key

components of its capital management plan and has moved into the second half with a strong balance sheet, good cash flows and a substantial number of contracts on hand," said Mr Gore.

"At 31 December 2009, Peet had interest bearing debt, net of cash, of \$184 million with gearing reduced to 33%," he added.

"Our debt continues to be well managed with 88% of the Group's debt remaining hedged, with a weighted average hedge maturity of 4.6 years."

Peet continued to comply with all of its debt covenants during the period.

Mr Gore said that, while there were ongoing challenges, he was confident of Peet's capacity to perform well in the second half of the year.

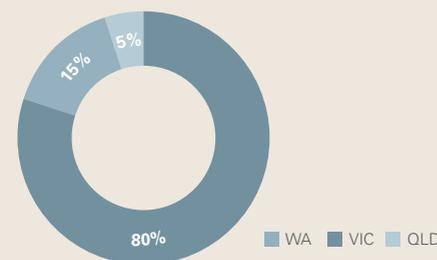


Peet Limited Managing Director and CEO Brendan Gore.

Key operating statistics

	1H10	1H09	Change
Lot sales	1,407	898	57%
Lot settlements	1,292	907	42%
Lots under contract as at 31 December 2009	1,172	934	25%
Syndicates / JVs contributing to earnings		18	17
Company-owned projects contributing to earnings		10	12

1H10 EBITDA composition by geography



Half year highlights

- > \$21.7 million in operating/statutory net profit after tax (no write-downs in 1H10)
- > Increase in revenue of 38% to \$98.4 million
- > Earnings per share of 7.3 cents
- > Interim dividend of 4.0 cents per share
- > Gearing ratio at 33%
- > Group sales of more than 1,400 lots sold – up 57% on 1H09
- > 1,172 lots under contract as at 31 December 2009 for a gross value of \$234.7 million
- > Three new projects expected to contribute to revenue in FY10
- > Successful retail syndicate capital raising of \$22 million completed in November 2009

Dividend Reinvestment Plan

On 25 February 2010, the Company announced a fully franked dividend in respect to the half year ended 31 December 2009 of 4.0 cents per share and the continuation of its Dividend Reinvestment Plan (DRP).

The record date for the dividend is Tuesday 30 March 2010, and the payment date is Friday 16 April 2010.

New shares issued under the DRP will be issued at a discount of 2.5% to the average of the daily volume weighted average prices of the Company's shares sold on the ASX during the 10 business days immediately following the record date, and are expected to be allotted on or around 16 April 2010.

Positive signs for property in 2010

>The Australian residential property sector's key drivers remain strong.



Home construction underway at Sea Crest in NSW.



The Display Village draws buyers to Burns Beach Estate, WA.

The property market is showing positive signs of recovery, despite the pressure of rising interest rates on affordability.

"The Australian residential property market's key drivers remain strong," said Peet Limited Managing Director and CEO Brendan Gore.

"Underlying housing demand is projected to remain above new supply for some time, with record population growth, low unemployment rates and low vacancy rates persisting.

"And above interest rates, which are still below neutral, employment is the key driver for our business – and our unemployment rates are below expectations and trending down," he added.

The success of the Federal Government's stimulus package and the Australian economy's resilience during the Global Financial Crisis is evidenced particularly in the strong market recovery in Victoria where Peet has a good supply of land in the affordable and medium price ranges.

The increasing activity in the resources sector has also underpinned Western Australia's economic recovery and Peet is well positioned to serve that market with a range of affordable, medium and premium priced homesites.

Mr Gore said the role of first homebuyers in the market was normalising after the phasing out of the Government's First Home Owners Boost (FHOB) in late 2009 but the reduction in their numbers was being offset by a return to more traditional levels of upgraders and investors.

More than 190,000 people accessed first homebuyer grants Australia-wide in 2009 as historically low interest rates and extra government incentives, like reduced stamp duty, provided the final boost needed to help first homebuyers enter the market.

While the FHOB has ended, significant government incentives remain and Peet's sales trends in the first weeks of 2H10 show first homebuyers are still active in the market.

"Peet has a strong supply of affordable lots in geographically diverse locations to meet the needs of this market and we expect solid levels of demand to continue," Mr Gore added.

"Continued stability in the Victorian market, a significantly improving Western Australian market, the number of lots under contract and sales in the second half to date, all contribute to Peet's positive outlook as it moves into the second half of the year."



Mark Staples and Carly Carriage at Sea Crest, NSW.



Natalie Fischer and partner Peter Krsticevich outside their home at Burns Beach Estate, WA.

First homebuyer demand

Among the first homebuyers flocking to Peet communities in 2009 were Natalie Fischer and her partner Peter Krsticevich who purchased land at Burns Beach Estate in WA.

They had planned to buy an established home but the extra incentive of the First Home Owners' Boost on newly constructed homes and a release of affordable lots at Burns Beach Estate, located further from the coast, made them reconsider. "We were delighted that we have been able to purchase at Burns Beach Estate. It's a lovely, peaceful environment and we found an affordable lot that suited our budget," explained Ms Fischer.

"The First Home Owners Boost provided the perfect opportunity to build our dream home – we could choose exactly what we wanted

and create something that meets our needs. With an established home, you can be limited by the choices the original builders made years ago."

In New South Wales, Mark Staples and his partner Carly Carriage decided to build their first home at Peet's Sea Crest estate.

Mr Staples said he wasn't actively looking for a home but when lots were released in stage one he decided to act.

"When building yourself, I believe you will get exactly what you want, at a better price," said Mr Staples. "The block we've chosen is in a great spot and it was well-priced."

Project pipeline meets demand

> A series of homesites at new and existing communities across Australia are being prepared for release to meet anticipated demand in 2010.

Strong demand from first homebuyers and the return of investors to the market triggered a succession of land releases in late 2009, with strong land sales at Peet's popular established communities driving several projects towards completion.

At the same time, planning and construction of new estates also forged ahead to meet increasing demand in high-growth areas across the country.

In Victoria, Brimbank Gardens, Tarneit Gardens and Innisfail are all poised to finalise land sales over the next six to 12 months. Four stages remain to be released at Brimbank Gardens and two at Tarneit Gardens, which were both launched in 2002.

At Innisfail in the growing area of Point Cook, the final lots have already been released to builders and the public, and are expected to be secured before Winter.

While the last land releases at Innisfail bring to an end a successful nine year project that delivered more than 1,200 lots, it also provides a springboard for the launch of land sales at Peet's new Kingsford community, located directly opposite Innisfail. The first lots at Kingsford are expected to be sold before the end of this financial year.

In the Cranbourne district south east of Melbourne, where Peet has a history

of successful residential development, the State Government has given the green light to the Cranbourne West Precinct Structure Plan – an important milestone for the first of another three Peet projects currently in planning in the area.

The master plan for the Cranbourne West community will be progressed during 2010 ready for first land sales towards the end of the year. Sales at the other two Cranbourne communities will follow in 2011 and 2012.

In the northern suburbs of Melbourne, Peet is also working towards the approvals required for the construction and launch of its Craigieburn community.

In Western Australia, the popular established communities of The Chase and The Ridge released the final lots in 2009, with less than a handful of lots now remaining across the two communities.

Carramar Golf Course Estate and Ashton Heights Private Estate are expected to release last homesites in 2010-11.

Kingsford comes online



Point Cook Town Centre near Peet's new Kingsford community in Vic.

> Construction is about to begin on Peet's newest community in Wyndham, Victoria.

The Kingsford project, managed on behalf of the Peet Point Cook Syndicate, will provide 560 new homes in the rapidly growing suburb, just 24 kilometres from Melbourne.

Positioned adjacent to Peet's popular Innisfail Estate, Kingsford has been master planned to offer the latest in technological features and sustainable design, to appeal

to the modern homebuyer.

The homesites will maximise energy efficiency through their solar orientation and every homesite will incorporate 'future-ready' fibre-to-the-home telecommunications infrastructure.

Peet has been working with Telstra to ensure residents will be part of Telstra's state-of-the-art

Velocity network.

The first homesites are scheduled for release to builders in the first half of 2010, with public land sales to begin later in the 2010 calendar year.

In preparation for sales, Peet has launched a website that has a raft of information about the new community at www.kingsford.com.au

The final stages at Carramar Golf Course Estate will mark the end of a 16 year project that yielded more than 3,000 lots and Peet's first commercial development – the Carramar Village shopping centre – and, when complete, Ashton Heights will have delivered 600 lots.

Meanwhile, there has been strong demand for the first homesites at Shorehaven at Alkimos, released in late 2009. And in February 2010, the State Government gave approval to the Outline

Development Plan covering Peet's special rural development at Brigadoon. First lots could be released in Spring 2010.

For Peet's Queensland operations, the sale of a unique and expansive 15-hectare lot marked the end of sales at the boutique community of Mitchell Grove, eight kilometres from the centre of Brisbane.

As that project drew to completion, Peet has embarked on a new project in Central Queensland near Gladstone, with the new Vantage estate launching sales in late 2009.



Greenfields site at Cranbourne, Vic.



Construction work underway at Vantage, Qld.



Established homes at Ashton Heights Private Estate, WA.



Park and lake precinct at The Ridge, WA.

WA Treasurer launches Shorehaven

> More than 100 industry, government and media representatives gathered for the launch of the Peet's new flagship community at Shorehaven at Alkimos in November 2009.

Western Australian Treasurer Troy Buswell officially launched Shorehaven, describing the estate as the first community in a new growth centre in Perth's northern suburbs.

Shorehaven will provide around 3,300 dwellings and become both a residential estate and coastal destination.

Speaking at the launch, Mr Buswell said Shorehaven was an exciting new development that reflected the forward-looking investment the WA Government was seeking from the private sector.

"Shorehaven is a modern, progressive land offering that will bring quality and choice for our 21st century population," Mr Buswell said.

"It represents more than 3,000 dwellings – it is the opening of Perth's northern front and a population node on Perth's northern beaches.

"I congratulate Peet and all involved in this visionary project."

Peet Limited Managing Director and CEO Brendan Gore said Shorehaven would offer land across three precincts, each tailored for different

segments of the market including first homebuyers, second or third homebuyers looking to upgrade, and those seeking a lifestyle change such as beachfront or apartment living.

"Shorehaven at Alkimos provides homebuyers with an opportunity to invest today in what will become an important, growing and vibrant activity centre in Perth's popular northern beachside suburbs," Mr Gore said.

"The community will be developed by Peet Limited to particularly high standards in terms of environmental management and sustainability, with native habitat preserved and key environmental and cultural features incorporated into our development vision."

Land sales at Shorehaven commenced in December 2009, with strong homebuyer interest resulting in more than 100 lots sold to date.



Peet Limited Managing Director and CEO Brendan Gore with WA Treasurer Troy Buswell at the launch of Shorehaven.



Media, industry and government representatives attended the launch.

Website find leads family to Lakelands

The Port-Louis family in Perth had been browsing the internet for display homes when they came across the Peet House and Land website.

Keen to purchase land in the Mandurah area, they looked into Peet's Lakelands Private Estate and found it had all the features they needed.

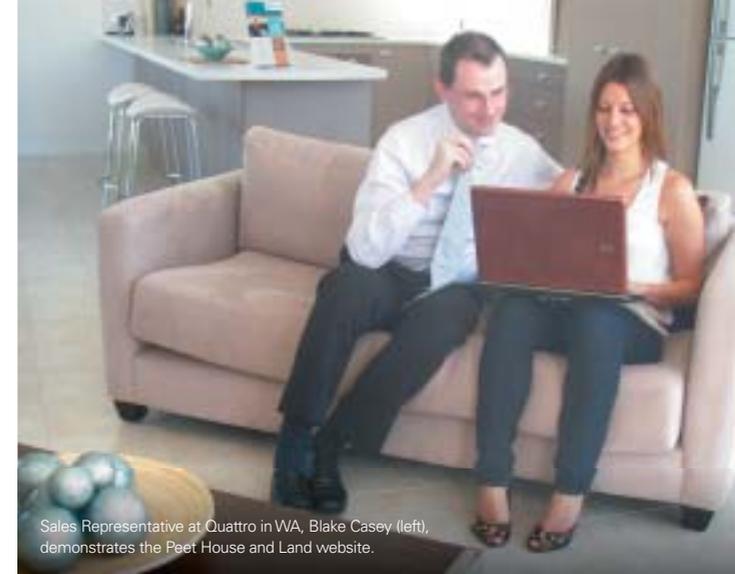
As a busy family of five, Mr Port-Louis said Peet's House and Land website was ideal to match his family's budget and home requirements to the land available at Lakelands.

The family viewed all the options online then narrowed down the new home that suited them.

Armed with home designs and their preferred lot details, Mr Port-Louis visited the Lakelands Private Estate sales office to secure the deal and he and his family are now expecting to join the Lakelands community later this year.

"The process, from finding a package through to working with the sales team at Lakelands, has been very easy," Mr Port-Louis said.

"We consider our home to be a real investment and are looking forward to living at Lakelands."



Sales Representative at Quattro in WA, Blake Casey (left), demonstrates the Peet House and Land website.

Online innovation for homebuyers

> Peet has worked with builders around the country to offer an industry-first initiative for homebuyers.

Set notches above a standard website, Peet has developed a new House and Land website that allows homebuyers to mix and match new home designs with land available at Peet estates.

The website uses the latest dynamic search technology to select house and land packages that meet homebuyers' specific needs and budget.

The WA website was launched in October 2009, with more than 30 builders contributing designs and plans to create the largest online range of house and land packages in the State.

Hundreds of homebuyers have since accessed the website, with several using the system to select a new house and land package.

The first Peet communities in Victoria and some of that State's best builders were added to the website in March 2010. Builders in Queensland have also responded enthusiastically and the site will be launched there shortly.

Homebuyers searching for a new home at a Peet community or simply looking for an easy way to match a new home design with land in popular areas around the country are expected to access the site, delivering a convenient service with strong results for Peet and its partner builders. To view the website, visit www.peethouseandland.com.au

Chance meeting sparks lasting relationship



Mr de Zoeko with his dog Jessie.

A chance meeting with Cyril Peet while holidaying in Thailand in the late 1970s began what would prove to be a long and profitable relationship for Stephen de Zoeko.

Mr Peet invited the then Remington Rand State Manager to join the Peet team and, when Mr de Zoeko retired at age 65 in 1983, that's what he did.

Never one to sit still for too long, Mr Zoeko became a salesman for Peet working mainly in the Applecross area but also in Nedlands, Willetton and head office.

He sold the first lots in the Booragoon/Garden City development and continued to enjoy the job so much he only retired from the Applecross office a few years ago – at age 90!

But Mr de Zoeko's relationship was not just a professional one,

he believed in what Peet was selling and soon put his own money down to become an investor.

Mr de Zoeko invested in the Burns Beach Estate and has been delighted to have received a return on his investment many times over, and continues to consider further investment opportunities with Peet.

"Investing in Peet has allowed me to earn extra money, which means I can afford to travel the world. I've been to Europe three times in the past three years," he said.

"I have really enjoyed my relationship with Peet over the years. That meeting with Cyril in Thailand opened a new chapter in my life – one which has proved to be quite profitable!"

Win a night at the opera

Enjoy an evening of operatic splendour with some of Perth's most exciting young artists!

Peet is offering readers the chance to win one of five double passes to see West Australian Opera's, *Sublime*; the first of three performances in the 2010 Peet Concert Series. The event will be held on

Friday 14 May 2010, starting at 7.30pm, at the Government House Ballroom.

To win one of the passes, please email your name, address and phone number to peetnewsletter@peet.com.au

The competition closes on 30 April 2010 and winners will be notified by 6 May 2010.



Carramar celebrates first year

Peet's first commercial centre, Carramar Village shopping centre, celebrated a first of its own on 14 March 2010, with a first birthday funfare organised by the centre operators.

Carramar residents and the local community were invited to the event, with Peet giveaways and merchandise visible among the colour and excitement of the day.

The centre was open for special Sunday trading from 10am until 4pm, with the retailers enjoying plenty of visitors as they made their way from the shops to the bouncing castle, animal farm, face painter and more!

All of the shops are fully leased at Carramar Village, with 15 specialty stores and a Woolworth's supermarket servicing the Peet community.

A fully equipped medical centre and a fitness centre are also located at the shopping village and, with more than 350 parking bays available, the centre services both residents within the estate and the broader local area.



Children and adults alike enjoyed the Carramar Village first birthday celebrations.



Warwick Hemsley

Paul Engeman

In brief

- > Peet Limited Non-executive Director Warwick Hemsley has been awarded life membership to the Urban Development Institute of Australia (WA) – the Institute's highest individual honour.
- > Paul Engeman has been appointed Peet Queensland's State Operations Manager, bringing more than 15 years property development experience to head up Peet's Queensland team.
- > The Peet Op Shop Ball for Anglicare once again added a bright splash of colour and spectacle to the ballroom at Burswood Entertainment Complex on 20 March 2010. Hundreds turned out to enjoy the entertainment and contribute to Anglicare's fundraising activities. A wrap up of the night will be in the next edition of *Prosper*.
- > The Village at Wellard has added to its growing awards tally by receiving two marketing accolades. An online marketing campaign used to raise awareness among buyers accessing the State's FirstStart Shared Equity Scheme was awarded both the Innovation Award at the REIWA Awards for Excellence and the Australian Marketing Institute WA Award for Marketing Excellence in the Consumer Insight category.
- > Victoria's *Growth Areas Infrastructure Contribution Bill*, linked to Urban Growth Boundary (UGB) changes, was voted down in the State's Parliament in February 2010. The defeat has halted Government plans to expand the UGB and proposed infrastructure charges placed on land development in the UGB.

Communities prosper with Peet support

> Close to 30 local community groups across the country are being given a helping hand as part of Peet's commitment to sustainable community development.

From Beachmere State School in Queensland to the Wyndham Little Buddies Toy Library in Victoria and Stray Cats Theatre in the West, Peet is providing vital funding support through its 2009-10 Community Sponsorship Program.

Fourteen organisations in Western Australia, nine in Victoria, one in New South Wales and four in Queensland have received funding through the program, which helps local organisations develop current activities or kick start new initiatives.

Each activity also serves to 'spread the news' about Peet communities and reflects the Company's values and the interests of residents and investors in Peet estates.

In 2009-10, community groups and sports-based organisations represent the majority of the

partnership initiatives, while education and youth development are also strongly supported and arts and environmental initiatives make up the balance of recipients.

Peet Limited Managing Director and CEO Brendan Gore said the partnerships with local organisations allowed Peet to actively engage with the communities in which it operates.

"Volunteer organisations, schools and groups are often the heart of a community and Peet funding helps the growth and development of these important services", Mr Gore said. "The sponsorship program also encourages residents to be involved in worthwhile activities, while informing those in the broader area about our estates and commitment to our communities."

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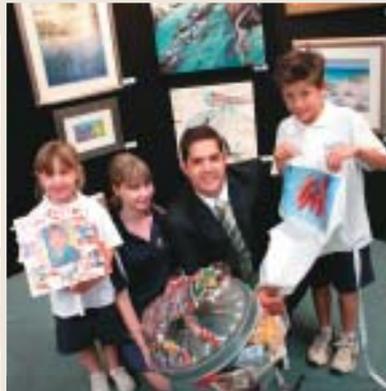
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Cardinia Lakes (Vic) Sales Representative Jason Bailes at the estate-sponsored 2010 Pakenham Plate presentation.



Strathpine Little Athletics Under 8 and 9 Girls squad, sponsored by Warner Lakes (Qld).



Burns Beach Estate (WA) Development Manager Craig Graham with students at the estate-sponsored Currumbine Joondalup Art and Craft Show.

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