

CORPORATE NEWSLETTER | SPRING 2009

# prosper

NEW SYNDICATE  
LAUNCHED

PEET POSITIONED  
FOR GROWTH

HONOURS FOR  
YOUNG PROFESSIONAL

OPERATICKETS  
ON OFFER

LAKES TAKE  
SHAPE

ROADS LEAD  
TO PEET

BUILDERS  
ON SHOW

**PEET**

- > Peet is Australia's largest and most experienced residential land syndicator and the Kingsford project will be the 29th syndicated project currently under its management

# Applications open for new Syndicate

**Peet invites investors from across Australia to participate in its newest residential land Syndicate opportunity.**

The \$22 million Peet Point Cook Kingsford Syndicate will be Peet's first retail land Syndicate in more than a year.

The Syndicate will purchase a 40.2-hectare property immediately opposite Peet's successful Innisfail Estate, approximately 25 kilometres from the Melbourne CBD.

Managing Director and Chief Executive Officer, Brendan Gore, said the new Syndicate was a prime opportunity for investors interested in this kind of product.

"This is the right time in the right market with high volumes and

strong population growth anticipated in the area in which the Syndicate property is located," he said.

Kingsford will be a master-planned community of around 567 homesites.

Early planning for the new community is well underway and development is expected to commence in 2010.

Point Cook is within one of the five growth areas identified by the Victorian Government for Melbourne and this new estate will serve a rapidly expanding local population.

The area of Wyndham

South, which includes Point Cook, is already home to approximately 22,000 residents and is forecast to grow by around 3,500 residents each year over the next five years to 2014.

The Melbourne property market is experiencing strong underlying demand for new homes, which is expected to continue, with more than 26,000 new households to be formed each year through to 2014.

This demand is expected to drive house price growth, with the Consulting Economist forecasting 5% per annum growth through to 2015.



Aerial view of the Peet Point Cook Kingsford Syndicate property.



The Peet Point Cook Kingsford Syndicate is underwritten by Peet and has a forecast return of 16% per annum. The minimum investment is \$5,000 – payable in two installments – one on application and another in November 2010.

The Product Disclosure

Statement is available in electronic format at [www.peetsyndicates.com.au/register](http://www.peetsyndicates.com.au/register) or in printed copy by calling 1800 726 522.

Investors are encouraged to take appropriate advice before completing and lodging an application by 30 October 2009\*.



## Offer timeline

|                                    |                           |
|------------------------------------|---------------------------|
| Offer open                         | 24 August 2009            |
| Offer closes                       | by 30 October 2009*       |
| Date of issue of units             | 6 November 2009           |
| Dispatch of unit certificates      | Within two weeks of issue |
| Settlement of property acquisition | 20 November 2009          |
| Final instalment (\$0.50 per unit) | 15 November 2010          |

\*This offer may close early if fully subscribed.

## National icon as namesake

The new community at Kingsford will have a unique link to a proud piece of Australian history, which gives it its name. Sir Charles Kingsford Smith departed from Point Cook to make the first successful non-stop flight across Australia from east to west in 1928.

Also known by his nickname Smithy, Charles Kingsford Smith made the first trans-Pacific flight from the United States to Australia, the first flights between Australia and New Zealand, and the first eastward Pacific crossing from Australia to the United States.

He also made a flight from Australia to London, and set a new record of 10.5 days!

# Forward focus for Peet

> Peet has moved into FY10 with 100% of total debt secured by its quality asset portfolio, solid operating cash flows and strong banking relationship

Peet Limited's management strategy continues to position it well for the year ahead and expected improved conditions beyond, particularly as demand continues to outstrip supply.

The Group has announced an operating profit after tax (excluding write-down in carrying value of inventories) of \$31.2 million for the year ended 30 June 2009.

Managing Director and Chief Executive Officer, Brendan Gore, said that while the full year operating result represented a 36.7% decrease on the previous corresponding period, it demonstrated a solid performance in what had been particularly difficult and challenging market conditions.

"The increase in revenue (up 5.3%) – from strong sales, a significant reduction in net debt and relatively low levels of gearing – evidence the underlying

strength included Peet's business and its management strategy," said Mr Gore.

"The Group's statutory profit after tax for the year ended 30 June 2009 was \$12 million, which included a write-down in the carrying value of inventories of \$19.2 million, net of tax. More than half of the write-downs were attributable to non-core assets including industrial land holdings," he said.

"There were more than 2,400 Company-owned and managed lots sold during the year with particularly strong sales in the second half of the year driven by a range of government incentives for first homebuyers, low interest rates and competitive pricing – all contributing to increased affordability."

More than 30 Company-owned and managed projects in Western Australia, Victoria and Queensland contributed to Peet's revenue.

As at 30 June 2009, Peet's landbank stood at 34,400 lots with an estimated on-completion value of \$6.9 billion. This represents more than 15 years' supply at the current rate of production. More than 18,640 of those lots make up the syndicated and joint venture (JV) development pipeline.

"The Group continues to benefit from its geographical diversity and range of titled stock available for its core markets," Mr Gore said. "New projects getting underway in the year ahead will continue to target first and second homebuyers with a variety of product in quality, master-planned communities."

At 30 June 2009, Peet had interest bearing debt, net of cash, of \$184 million, compared with \$224 million at 30 June 2008.

## Key operating statistics

|  | FY09  | FY08  | Var (%) |
|--|-------|-------|---------|
| Lot sales                                    | 2,409 | 2,274 | 6%      |
| Lot settlements                              | 2,282 | 2,445 | (7)%    |
| No. of lots under contract at 30 June 2009   | 1,048 | 942   | 11%     |
| No. of syndicates/JVs contributing to profit | 18    | 14    | 29%     |
| No. of owned projects contributing to profit | 14    | 10    | 40%     |



Gearing decreased during the period to 34%\* at year-end (FY08 37%). The decrease was principally due to the \$77.7 million equity raising, and despite a pre-tax write-down of inventories of \$27.4 million.

Since year-end, the Group has successfully negotiated the extension of the maturity of the Group's core \$250 million Multi Option Facility until October 2012, with all other facilities extended to July 2011. The Group's weighted average debt maturity profile now stands

at 2.8 years, compared with 2.2 years at the same time last year. Peet continued to comply with all of its debt covenants during the year.

"Peet has moved into FY10 with 100% of total debt secured by its quality asset portfolio, solid operating cash flows and strong banking relationship," said Mr Gore. "We are benefiting from a very disciplined approach to capital management, which will continue in the year ahead."

## Dividend Reinvestment Plan

On 20 August 2009, the Board declared a final dividend of 4.0 cents per share, fully franked, would be paid to shareholders on 8 October 2009.

The Board then activated the Company's Dividend Reinvestment Plan (DRP), giving shareholders the opportunity to take up an offer of Company shares discounted at 2.5% to the average trading price.

The offer has since closed and new shares are expected to be allotted around 8 October 2009.

## Full year highlights

- > Increase in revenue of 5.3% to \$176.8 million
- > Operating net profit after tax of \$31.2 million (excluding write-down in carrying value of inventories)
- > Operating earnings per share of 13.2 cents (pre write-down)
- > Final dividend of 4 cps, fully franked – 7 cps, fully franked, for the full year
- > Statutory profit after tax of \$12.0 million
- > Gearing at 34%\*
- > Group's core debt facility maturity date extended a further three years
- > Successful institutional and retail capital raising of \$77.7 million completed

\*Net debt/total assets adjusted for market value of inventory less land vendor liabilities and cash.

# New financial year off to a good start

## > First homebuyers, upgraders and investors have all contributed to encouraging land sales across Australia in the first weeks of the new financial year

Peet has made a promising start to the new financial year with more than 460 sales across the Group in the first eight weeks, out-performing the same period last year.

A large proportion of these sales have been to first home buyers keen to take advantage of the full First Home Owners Boost before it halves from October 2009, though there has also been evidence of upgraders and investors re-entering the market.

Announcing the Group's full year results in August, Managing Director and Chief Executive Officer, Brendan Gore, said there were signs that the impact of the Global Financial Crisis on the Australian economy may not be as severe as first thought.

"Peet is cautiously optimistic about the year ahead, though challenging conditions are expected to continue for at least the first half of FY10, requiring an ongoing, prudent approach to capital management," he said. "Conditions are expected to improve by the start of the 2011 financial year."

Favourable factors underpinning this position include:

- > population growth in all key markets;
- > resilience in business and consumer confidence;

- > continued downward revisions of the expected increase in unemployment;
- > a low interest rate environment;
- > the positive impact of government incentives for first homebuyers and improved housing affordability; and
- > increasing rental yields and low residential vacancy rates.

"With credit conditions expected to remain somewhat challenging in the short-term, Peet will continue to constrain development activities where appropriate and indicated by market conditions, and will manage the business prudently, maintaining adequate liquidity levels for the business," said Mr Gore.

Longer-term indicators underpin Peet's confidence given the sector's sound fundamentals and the Company's underlying strength, including a very experienced management team and significant land bank – more than half of which is made up of the Group's syndicated and joint venture pipeline.

"Peet looks forward to meeting the challenges of the year ahead and remaining flexible and responsive to market conditions as they improve towards the end of the financial year," added Mr Gore.



Neelamber and Meenu Verma made the most of the First Home Owners Boost to purchase their first home at Tarnet Gardens, VIC.

## New year, new projects!

The new coastal community at Alkimos, north of Perth, and a new community at Skye, south east of Melbourne, are among five new Peet projects commencing development in the 2010 financial year.

Others include the Peet Point Cook Kingsford Syndicate's property and a new community at Gladstone in resource-rich regional Queensland.

More than 500 people registered their interest for the first sales of just 20 lots at Skye Valley estate. It will be an exclusive community with 84 homesites centred around a large parkland, including a number of retained mature trees.

Many homesites will be just 500 metres from Skye Primary School, with six other public and private primary and secondary schools within four kilometres of the estate.

Vantage at Gladstone will eventually accommodate 600 new homes and help meet the housing needs of existing residents and the workers moving to Gladstone for the resources industry.

Gladstone has been independently benchmarked as one of the world's top investment locations for large scale minerals and metals processing industries and the population is tipped to rise by 15,000 to 20,000 over the next 20 years.



Construction work is well underway at Warner Lakes, Qld.

# Peet lakes full of innovation

Innovative works are underway at Warner Lakes in Queensland to deliver the community its iconic feature – the lakes!

The three lakes set among 20 hectares of spectacular, landscaped open space will be a focal point for the entire community and many visitors to Warner Lakes.

“This network of lakes has been years in the planning and has involved some very innovative engineering solutions,” said Peet Limited's Managing Director and Chief Executive Officer Brendan Gore.

“The very significant investment in these works will create a real asset for a growing community and will add value across the estate, and particularly in the streets surrounding the lakes and parkland area,” he added.

Clever and complex design and engineering will transform an

original farm dam into the largest of three separate lakes, holding a combined total of 52 million litres of water.

Work on phase one of the project started in June 2009 with the final Council approval achieved and phase two works started in August 2009.

The landscaped parklands will allow the community to make the most of the spectacular lakes with plans for two playgrounds including a custom-made dragon-fly playground reflecting some of the local water insects. Other facilities will include two kick-about spaces and barbecue areas, promoting healthy, outdoor activities and a sense of community.

Weather permitting, the lakes and playgrounds could be completed in time for residents to make the most of them before the end of summer.

- > Peet estates are among the beneficiaries of billions being invested in infrastructure to support communities and stimulate the economy

# All roads lead to Peet estates

Recent government investment on major roads is helping boost the appeal of Peet communities around the country.

Peet Limited Managing Director and CEO, Brendan Gore, said major road works were benefiting both existing residents and new homebuyers looking for land well-connected with the city and surrounding services.

"Improvements to transport and infrastructure are enhancing the value and development of our communities around the country," Mr Gore said.

In Queensland, the government is putting the finishing touches on a major upgrade to the Bruce Highway near Greenwood Grove.

The works are part of a \$613 million project, which will help move traffic further away from Greenwood Grove and ensure the lifestyle on offer remains undisturbed.

On 20 September 2009, the Perth to Bunbury Highway was officially opened, benefiting

several estates in Perth's southern suburbs and in the south-west of the State.

Highway traffic is being diverted away from Lakelands Private Estate near Mandurah, while major local roads still service the community.

The Highway is also providing a direct route to and from the south-west region for residents and homebuyers at Lakelands and other nearby communities – The Ridge and The Chase.

For residents at Twin Rivers-Australind Heights near Bunbury in the State's south-west, the road provides easy access to Perth.

The opening of the \$331 million Deer Park Bypass in Victoria earlier this year provided similar benefits to the Brimbank Gardens community.

The already popular community, which has sold out every land release this year, is now up to 15 minutes drive closer to the Melbourne CBD thanks to an easy connection onto the Bypass.

This close connection to the city is a major drawcard for homebuyers, with first homebuyer, Damien Calleja, saying the good transport links were a major reason for purchasing at Brimbank Gardens this year.

"We work in the city and a reasonable commute to work was a priority," Mr Calleja said. "It's hard to find land close to the CBD and Brimbank Gardens is one of the closest new developments to Melbourne."

At Innisfail in Point Cook, also in Melbourne's western suburbs, the City of Wyndham opened a major road running through the estate in August 2009.

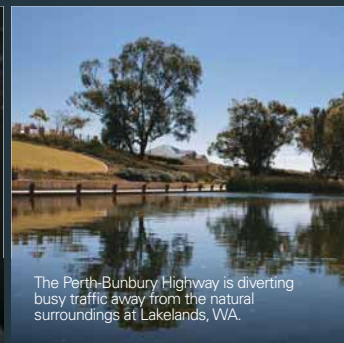
The boulevard provides a direct north-south connection from the community to the Freeway for residents and homebuyers visiting the estate.



Boardwalk Boulevard opened in August 2009 at Innisfail, VIC.



Residents at Greenwood Grove in Queensland will benefit from the Bruce Highway upgrade.



The Perth-Bunbury Highway is diverting busy traffic away from the natural surroundings at Lakelands, WA.



The display village at Innisfail, VIC.

## Display villages attract builders and buyers

> The ease and inspiration offered by display villages make them drawcards for buyers

Builders around the country have collaborated with Peet to develop new display villages that are drawing homebuyers to estates in search of the latest home designs and their ideal homesite.

In Victoria, a new display village featuring 14 homes from four builders has recently opened at Brimbank Gardens, while at Innisfail in Point Cook, the final homes of among 17 designs on show from seven builders opened earlier in 2009.

At Warner Lakes in Queensland, construction has commenced on the first houses in an 18-home display village in the popular Bridgewater precinct, opposite the new lakes area.

Nine different builders will construct homes to

suit different lifestyles and budgets for the display village, which is set to open in the new year.

To showcase the lifestyle on offer at Peet's over-55s development in Western Australia, Latitude Lakelands, two new homes built by Dale Alcock Homes have been put on show.

The Airlie and The Carrick allow homebuyers the chance to view the efficient but roomy designs offered within the community.

Peet is also working with builders in Western Australia to develop the first display village at Alkimos, in Perth's northern suburbs, with construction of the first homes due to start in 2010.



An excited crowd gathered for the ballot land sale at Quattro, WA.

## Ballot gives first homebuyers a fair go

More than 100 people packed the Quattro Sales and Information Centre for the first land release by ballot.

The ballot was a fair and popular way to manage strong demand from first homebuyers, keen to establish their home at this urban renewal project – a partnership between the Department of Housing, Peet and City of Canning.

It was a sell out success with all but one lot going to first homebuyers and an investor pleased to snap up the final lot available.

The crowd watched and applauded as the lucky numbers were drawn for 28 lots that ranged in size from 375sqm to 484sqm and were priced from \$205,000. The average price was \$227,200.

Those still keen to live at Quattro: The New Queens Park will have another opportunity with the next land release expected in late 2009.

## Tickets on offer for opening night

Enjoy the drama, grandeur and ceremony of opening night at the opera with complements of Peet.

Readers can win one of three free double passes to opening night of West Australian Opera's 'Girl of the Golden West' on Tuesday 27 October at 7.30pm.

The black tie event marks the start of the season, which runs until 7 November 2009.

The Italian opera – 'La Fanciulla del West' – was composed by Giacomo Puccini who considered it his greatest opera. Its première in 1910 involved some of the greatest artists and singers of the time.

To re-create the scale of the original, West Australian Opera has employed a cast of international and Australian singers under the guidance of Puccini scholar Aldo Salvagnom – a conductor with a distinguished career in Italy.

The story follows heroine Minnie, the owner of the Polka Saloon, and her love for the bandit Dick Johnson who she rescues from the gallows.

Anke Höppner makes a role debut with West Australian Opera as Minnie, while one of the world's most exciting tenors, Argentinean Dario Volont', debuts as the outlaw Dick Johnson.

They are supported by a cast of singers, including Legendary Australian baritone Jonathan Summers.

To win tickets to opening night, email your name, address and phone number to [peetnewsletter@peet.com.au](mailto:peetnewsletter@peet.com.au) and quote the competition code: GOGW09.

Competition closes 20 October and winners will be notified by 21 October 2009.



2010 West Australian Opera Artists (LR) Jon Tooby, Jennifer Barrington, Stuart Laing, Louise Fenbury, Chris Lewis and Roberto Abate.

## Peet in tune with talented artists

> Peet's support will help emerging artists contribute to the community's cultural experience

Peet Limited will continue to support for the West Australian Opera for a fourth year in 2010 by investing in talent and providing opportunities for WA artists.

The commitment follows the final performance of the 2009 Peet Young Artist Concert Series, which culminated in September 2009.

The popular series is an established vehicle for emerging artists and, in 2010, will be expanded to enable more future operatic stars to enhance their performance experience, expand their repertoire and develop their communication skills.

Peet Limited Managing Director and CEO, Brendan Gore, said the Company was pleased to support the Concert Series in 2010.

"Peet welcomes the opportunity to be associated with some of Australia's best emerging performers," Mr Gore said. "Many of our investors experienced the talent on show during the series last year and we look forward to making that possible again in the year ahead."

Peet's support of the West Australian Opera is part of a national program of community support that ranges from the arts to education, community safety, sport, health and the environment.

The sponsorship program reflects the priorities of Peet's investors and helps promote the sustainability of the communities Peet builds across Australia.

## In brief

- > The Strathpine Little Athletics Centre 2009/10 season is off to a flying start, thanks to the support of Warner Lakes' community sponsorship program. The Strathpine Little Athletics Centre is located a few minutes drive from the estate and young athletes will be proudly sporting the Warner Lakes logo on their kit during competitions.
- > Talented aerosol artists have been commissioned to infuse healthy lifestyle messages to the walls of the medical centre at the new Carramar Village in Perth. The Graphite Crew – well-known for their innovative urban art – injected vibrant colour and community messages targeting local youth in particular.
- > Hundreds of local volunteers have literally dug deep, planting 3,000 trees and shrubs at Lakelands Private Estate as part of Planet Ark's National Tree Planting Day in July. More than 450 primary school students helped plant nearly 1,800 shrubs, while volunteers including Lakelands residents and members of the surrounding community and local scouts helped establish another 1,200 plants.
- > Around 200 spectators, some from as far as Margaret River in WA's southwest, visited The Village at Wellard to watch road walkers race in the first Winter Road Walk of the Little Athletics season. Competitors made good use of the estate's brand new roads, proving the transit-oriented development is very pedestrian-friendly!
- > Make an early plan to attend the Peet Op Shop Ball for Anglicare on Saturday 20 March 2010. For inspiration and more information visit [www.theopshopball.com.au](http://www.theopshopball.com.au)

# Victoria's growth needs innovative solutions

- > Peet is pleased to support the development of young talent in the urban development industry

UDIA Victoria's 2009 Peet Outlook Young Professional Award winner Adam Terrill enjoys a challenge and is proud to be part of the industry working to accommodate Melbourne's rapidly-growing population.

And Peet is proud to support this innovative young professional whose ongoing contribution, commitment and achievement in the urban development industry earned him the spotlight at the awards ceremony in late July 2009.

Mr Terrill said catering for Melbourne's growth required innovative solutions.

"Victoria's urban planners face numerous challenges. In some established suburbs around Melbourne, for example, new development faces opposition from powerful groups resisting change," Mr Terrill said.

"In new areas, planners and developers have to carefully consider the environmental impact of developments. Finding a solution that suits both the environment and the community is critical.

"It's an exciting and challenging time for the industry, and I'm pleased to be a part of its future," he added.

Peet Managing Director and CEO, Brendan Gore, said Peet was pleased to support the urban development industry in Victoria – and the next generation of industry leaders – through its involvement with the Award.

"Young professionals like Adam provide enormous confidence in the future of our very dynamic industry," said Mr Gore.

"We look forward to watching Adam's ongoing contribution to the industry in the years ahead."



Peet Executive Director Anthony Lennon congratulates Young Professional Award winner Adam Terrill.

> The 10-year Cardinia Lakes environmental program involves the protection and revegetation of important areas of native bushland

## Long-term commitment pays off for the environment

Cardinia Lakes in Victoria is preparing to welcome residents of a different kind this Spring thanks to an extensive environmental project now underway.

The 10-year project includes the protection and revegetation of natural bushland at a number of sites in and around the estate, including areas of medium and high conservation significance.

The program, which is approved by the Victorian Department of Sustainability and Environment, will see more than 8,000 indigenous trees, shrubs and grasses planted over the next five years.

It will also involve maintenance and improvement activities, which could include grazing control, weed control and eradication, supplementary planting and ecological management techniques.

As part of the program, nest boxes for possums, bats and birds have been installed and the estate hopes to welcome new 'fluffier' residents

throughout the months ahead.

Meanwhile, Peet has also helped nurture some young "green thumbs" in Queensland and Western Australia.

More than 80 students from Peter Carnley Anglican School, south of Perth, tried their hands at gardening for the first time in a community tree planting program organised at The Village at Wellard's northern wetlands.

The students planted some 2,000 plants while learning different horticultural skills, including planting and mulching.

Students from Bray Park High School in Brisbane have also been busy transforming unused school grounds into an organic herb and vegetable garden with the support of Peet's Warner Lakes estate.

Peet helped Bray Park High School purchase essential gardening equipment to create the new garden, which is part of the school's Special Education Program.

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Students from Bray Park High School prepare garden beds with support from Warner Lakes, QLD.



Bird nest boxes have been installed near Cardinia Lakes, VIC.



Students planted more than 2,000 plants at the Village at Wellard, WA.

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