



2007

# 'Growth and new leadership for Peet'

CORPORATE NEWSLETTER | WINTER 2007

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**PEET**

## Peet pushes forward into the new financial year

National fund manager, asset manager and land syndicator Peet Limited remains committed to achieving its full year EPS growth target of 15% when it reveals its full-year results in August 2007.

While individual market conditions have varied, the overall environment has remained robust and continued economic growth in the company's key operational bases of Western Australia, Victoria and Queensland has again underlined the value of Peet's diverse operational and geographical business model.

Peet Limited Chairman Tony Lennon said the Company's core funds management and land syndication business had continued to perform well throughout the year, while newer businesses such as its Commercial and Senior Living divisions had already demonstrated significant promise.

"We are confident the financial results for the 2006/07 financial year will reflect the continuing rewards of the sound, long-term approach to growth for which Peet is well known," he said.

Particularly pleasing over the past financial year has been the growth of the Peet Income Property Fund whose unitholder application numbers broke through the 800 mark and funds under management had reached \$50 million at the time Prosper was going to press.

While PIPF continued to invest in quality commercial properties around the country, Peet's own Commercial and Living divisions have celebrated some important milestones.

Development approval was obtained in March for the \$20 million Carramar District Shopping Centre, the first project for Peet's Commercial division, while Peet Living's first and second developments - Grand 56 and Sixteen Hammersmith in Joondalup, Western Australia - both sold off the plan.


Peet has also kept its eye firmly on the future, with a record number of potential residential and commercial lots acquired during the 2006/07 year.

The total of 4,500 potential lots were acquired in Western Australia, Victoria and Queensland and bring the size of the Company's owned and managed landbank to some 31,000 lots with an estimated on-completion value of \$5.6 billion if sold at today's prices.

Mr Lennon said Peet shareholders and investors could expect to see a continuation of the Company's disciplined growth strategy in the 2007/08 financial year.

"We will continue to seek growth across our diverse business divisions through strategic acquisitions and syndicate raisings under the stewardship of our new Chief Executive Officer, Mr Brendan Gore," he said.

Peet will detail its 2006/07 full-year results to investors at the Annual General Meeting in Perth on Wednesday, 14 November.



*We will continue to seek growth across our diverse business divisions.*

## New leadership for Peet

Leadership of one of Australia's foremost diversified property groups will pass to a key member of the existing executive team when Brendan Gore takes up the role of Managing Director and Chief Executive Officer at Peet Limited on 6 August 2007.

Currently Chief Operating Officer for Peet, Mr Gore has accumulated more than 15 years experience in senior corporate and commercial roles, and brings a proven track record of corporate, financial, strategic and leadership skills to the position.

He succeeds Warwick Hemsley, who has been with the company for 22 years and will retire on 5 August.

Mr Hemsley said that he remained enormously committed to Peet but, due to personal circumstances, would be retiring to spend more time with his family.

In announcing Mr Gore as the company's new Managing Director and CEO, Peet Chairman Tony Lennon described the appointment as an example of well-considered succession planning.

"Mr Gore has been a member of the senior executive team since joining Peet, and has played a lead role in driving the continuing growth of its asset management, land syndication and funds management business," Mr Lennon said.

Mr Gore joined Peet in May 2005 as Chief Financial Officer, and played an instrumental role in the company's push to expand its scope of activities beyond its successful residential land syndication and into funds management.

In January this year, he was appointed Peet's inaugural Chief Operating Officer - a position created to allow the company to cope with its rapid expansion since listing, and to

continue to drive management momentum and strong growth.

Mr Hemsley, who took on the role of Managing Director of Peet in 1991, announced his retirement in May and will officially step down on 5 August. He leaves the role with the gratitude of the Board and company as a whole for his outstanding leadership and management over a significant period of time.

A 30-year veteran of the property industry, Mr Hemsley has been a Director and significant shareholder of Peet since 1985. He led the company through its successful listing on the Australian Stock Exchange, and oversaw Peet's growth into one of Australia's biggest and most successful diversified property groups.

That expertise will continue to benefit Peet going forward, with Mr Hemsley to remain on the company's Board in a non-executive capacity following his retirement as CEO and Managing Director.



Peet CEO successor Brendan Gore

## Queensland Update

The growth of Peet Limited's Queensland operations has kept pace with one of Australia's fastest-growing economies, with the State's squeeze on residential land supply ensuring demand for existing and upcoming projects is likely to remain strong.

Overwhelming demand for sites in Peet's \$330 million Warner Lakes estate, located 22 kilometres north of Brisbane in booming South East Queensland, has seen recent sales shift to a land ballot format.

Average land prices at Warner Lakes, Peet's first established residential estate in Queensland, have grown more than 35 per cent in under three years with that upward trend expected to continue.

More than 460 of the estate's 1,200 lots have now been sold, with total sales exceeding \$70 million.

Peet's commitment to Queensland is evidenced by the more than \$500 million worth of Peet developments planned in the State. A total of 10 residential projects are spread across Brisbane, the Sunshine Coast and regional Queensland - four of which are expected to hit the market in 2007.

Fully developed, Peet's Queensland projects will yield more than 3500 residential lots in addition to a number of potential retirement, commercial and medium density sites.

The Peet Income Property Fund also has five investment properties in Brisbane, representing 48% of the fund's distribution. All five properties are fully tenanted. Lease extensions and rent increase have been completed for three of the buildings, reflecting the state's strong commercial leasing market.



## Investors flock to another Peet first

Peet Limited's first land syndicate offering for 2007 has received an overwhelming response from investors, closing oversubscribed only eight working days from the issue of the prospectus.

Raising \$15 million, Peet Beachton Syndicate represented a first for Peet offering the unique opportunity of a dual-State investment covering land development projects in both Victoria and Queensland.

The Syndicate has acquired two parcels of land at Beachmere, Queensland, and Melton, Victoria. Together, the sites are expected to yield a total of more than 670 residential lots with an estimated end value of more than \$100 million.

The Queensland property adjoins the Caboolture River in the coastal community of Beachmere, approximately 40 kilometres north of Brisbane. The 18.6 hectare property is also just 10 kilometres from the Caboolture Town Centre, a significant regional centre servicing an existing population of some 130,000 people.

The Beachmere property has existing planning approvals for 152 residential lots, many with uninterrupted water views, and will also enjoy the benefits of more than \$940 million worth of public and private investment planned for the region over the coming years.

The Melton property comprises 43 hectares located approximately 36 kilometres north-west of Melbourne, which is expected to yield more than 520 residential lots and one integrated housing site.

Melton has been identified as the focus for Melbourne's north-west development, and over the next two decades is expected to become home to an entirely new city with a population of up to 100,000.

Peet Limited Managing Director Warwick Hemsley said the strong response to the Beachton Syndicate had been no surprise.

"This syndicate offered a rare opportunity for investors, allowing a diversified investment from a single syndicate while still providing the good location, underlying security and the prospect of sound profit performance that investors have come to expect from Peet," he said.

"As Australia's largest retail land syndicator, we have an excellent record in providing sound returns and strong management."

For the latest information on upcoming syndicate opportunities or to register your interest please visit [www.peet.com.au](http://www.peet.com.au)



## Syndicate investments set up comfortable retirement

Nigel Prescott is a veteran Peet syndicate investor - and a very happy one.

The 65-year-old retiree became a Peet syndicate holder for the first time in 1994 with an investment in the Peet Mandurah Syndicate Ltd, which is developing Lakelands Private Estate.

"I became involved right at the beginning of the Mandurah Syndicate, and I've endeavoured to be in every syndicate Peet has done since then," said Mr Prescott.

"I first got involved because it looked like a very sensible investment. I had had some dealings in the past with Peet and always found them to be extremely professional and good at what they do.

"I've worked on the principle of putting in a reasonable amount of money, not a vast amount of money, across a number of syndicates as a method of spreading any risk," he said.

Mr Prescott said he had invested in a total of 18 Peet syndicates over the years, and had enjoyed the benefits of staggered returns.

"The big advantage is that the longer it takes to get your money, the more money you get," he said.

"By putting money into every syndicate, some come up early and some come up later but every year there's a payout."

Thirteen years on from his first foray into syndicate investments, Mr Prescott said there was no question his initial decision had been a good one.

"The syndicate investments have certainly enabled me to retire comfortably at the age of 65. In fact they have had a major impact on our lives over the past 10 years, in that they have enabled a lot of travel and set us up for a confident and comfortable retirement," he said.



## Successful conclusion for Point Cook Syndicate Ltd

One of Peet Limited's first Victorian syndicates is set for a successful wind up following the sale of the last remaining lots at Point Cook Gardens Estate, near Melbourne.

The sale of a 'spec' house at auction on 19 May marked the end of an extremely successful investment for the project's 344 syndicate shareholders.

The 1,049 lot Point Cook Gardens Estate, registered its first sale in March 2000. It concludes with total sales in excess of \$124 million.

The Estate's man-made wetlands - built by Peet in conjunction with Melbourne Water - is one of the biggest examples of its kind in the Southern hemisphere, converting a former floodplain area to an array of wetlands providing water quality treatment and a haven for an array of birdlife.

This commitment to sound environmental management, a hallmark of Peet developments, was recognised in 2004 with the estate winning the Stormwater Innovation Award from the Stormwater Industry Association of Victoria.

Peet Point Cook Gardens Syndicate Ltd also marked the beginning of the successful and ongoing relationship between Peet and Melbourne's famous retailing Myer family. The family's investment arm selected the syndicate as its first investment with Peet. In the ensuing years, the alliance has continued to strengthen and culminated in the Myer family becoming a significant shareholder in Peet, and taking a seat on Peet's board.

In Western Australia, another of Peet's successful syndicates - Ocean Lagoon Estate near Yanchep - is also nearing completion, 12 years after the sale of the development's first lots.

The final three lots of the 396 lot estate will be released for sale by the end of this year and the syndicate is forecast to wind up by mid 2008. The project will conclude with sales in excess of \$41 million.

The investment in Ocean Lagoon has again proved extremely successful for syndicate unitholders, with feedback to Peet over the life of the syndicate indicating the returns received had proved life-changing for many participants.



Parks at Point Cook Estate.



*One of Peet Limited's first Victorian syndicates is set for a successful wind up.*

## New acquisition for Peet Fund at Tullamarine

The Peet Income Property Fund (PIPF) is poised to make a strong start to the 2007/08 fiscal year after the strategic acquisition of a new Melbourne property saw the Fund expand its reach into Victoria.

The property, in Tullamarine, near Melbourne Airport, was purchased by PIPF for \$9.1 million on a 7.2% yield and took the number of properties held by the Fund to 10, spread across Queensland, Western Australia, the Northern Territory and Victoria.

The property is located within Melbourne developer MAB Corporation's Global Business Park. Construction has begun on a 6,100m<sup>2</sup> office/warehouse complex on the 1.65 hectare site, with the property pre-let on a five-year lease with five year option to EGL Eagle Global Logistics - an international company with a NASDAQ-listed parent organisation.

Settlement of the sale is expected on completion of the complex, which is anticipated in late June. The building will serve as the new Victorian head office

and international freight forwarding facility for EGL.

The Fund's continued strong performance, which has seen it earn an "Attractive" rating from independent research company Managed Investment Assessments, has seen unitholder applications increase to over 800.

Distributions from the Fund have been maintained at 9.16 cents per unit for the 2006/07 financial year. They will be reviewed for the forthcoming 2007/08 financial year and unitholders will be advised of the new distribution when the 2006/07 accounts have been finalised.

PIPF properties continue to enjoy the benefits of their exposure to Australia's best-performing economies, with growth predicted to continue in 2007/08.

Peet continues to actively explore opportunities to improve and grow the Fund's portfolio, and investors will continue to be kept up to date on any changes as they happen.



## Planners pour praise on The Village at Wellard

A group of more than 80 planning industry professionals - from around Australia and the world - visited The Village at Wellard in May as part of a study tour showcasing sustainability and Transit Oriented Design principles.

The tour was part of the Planning Institute of Australia's 2007 National Congress, a three-day event held in Perth.

It was a highly successful tour according to Nicola Smith, a Senior Planner with WA firm Chappell Lambert Everett who chaired the social committee and organised the Study Tour for the national congress.

"The Village at Wellard was a real drawcard, providing a fairly unique opportunity to see how sustainability and transit oriented design can be applied in a greenfields environment."

A major highlight, and the first stop at the estate, was the Wellard Train Station where delegates were treated to an inside look at the recently completed, state-of-the-art station.

With the opening of the Southern Suburbs Railway expected later this year, the station is an integral part of the estate's design which aims to encourage greater use of public transport, cycling and walking.

A tour of the estate followed, with delegates shown a series of planning and design initiatives being implemented at the award-winning estate which is a joint venture with the Department of Housing and Works.

"It was a great afternoon, attracting the highest attendance of all the tours on offer during the congress," said Ms Smith.

"And the feedback we received was really positive with delegates commenting on the outstanding demonstration of sustainability at a number of levels. In particular, general access, walk-ability, the retention of existing

bushland and creation of areas of public open space," she said.

Peet Limited Managing Director Warwick Hemsley said it was a great opportunity to showcase an exciting project.

"The Village at Wellard is a real demonstration of how philosophy can translate to reality with very encouraging results. We know we are setting an example for future developments and particularly those in environmentally sensitive areas," said Mr Hemsley.



## Million dollar investment in Delamare Park

One of Perth's most popular residential developments received a million dollar boost in March with the official opening of the 2.8 hectare Delamare Park at Peet Limited's Carramar Golf Course Estate.

Located within the 450-lot Delamare Park precinct of the estate, the community park takes in natural woodland, landscaped parkland and modern recreational facilities, and has set a new benchmark for residential estates in the area.

In keeping with Peet's long-standing commitment to environmental management and conservation, a key feature of the new park is a large area of retained Banksia woodland - accounting for almost half of the total area.

Identified by Peet more than 10 years ago as being of significant environmental importance, the woodland has been protected throughout development of the estate and now incorporates walking trails through the area.

Officially opened on March 11 by Wanneroo MLA Dianne Guise and Peet's Brendan Gore (who takes up the role of Chief Executive Officer in August) Delamare Park also offers residents a fitness circuit, playground, barbeque facilities and a dual-use tennis and basketball court.

Since its commencement in 1995, Carramar Golf Course Estate has established itself as one of the most popular residential estates in Perth's northern corridor with the number of residents now approaching 3,000.

Bordered by a picturesque golf course, Neerabup National Park and Joondalup Lakes, the estate has won a prestigious Urban Development Institute of Australia (UDIA) planning award as well as an environmental award from the City of Wanneroo.

## Stylish 'live and work' plans unveiled for Victoria

A new style of living is on its way to Point Cook Junction, with the planning application underway for the first Peet Living project in Victoria.

Ideally located in Point Cook, just 20 minutes from Melbourne, the 46-dwelling development is the latest in contemporary urban living solutions from Peet's residential division.

The project is being marketed by Peet Living on behalf of the Point Cook Junction Syndicate Ltd.

Uniquely designed with dual use, the exciting new precinct will offer a variety of living options, all combined with an area of commercial space.

Buyers will be able to choose from six different design layouts - ranging from single storey, one-bedroom, single office units,

to two-storey, four bedroom with ground floor commercial space.

A potentially popular aspect of the design is the ability to separate the commercial elements from the living space, providing owners the flexibility to use both themselves or rent out either the residential or commercial space.

An added bonus is the proximity to the proposed neighbourhood village with shops, restaurants and tavern, as well as medical and childcare facilities. Residents will also be just a short stroll to the beautiful Sidney Nolan Reserve.

Peet Limited Managing Director Warwick Hemsley said he's been pleased with the success of Peet Living and believes there will be strong interest in this development.

"This style of development, with the dual use option provides an excellent investment opportunity for buyers," he said.

"Our first two Peet Living projects in Western Australia - Sixteen Hammersmith and Grand 56 - sold out off the plans and we're expecting high demand at Point Cook when we anticipate launching the product later this year," said Mr Hemsley.

Other Peet Living projects scheduled for release this year include two gated villa-developments. Ashton Mews will feature 27 three bedroom villas overlooking the wetlands at Ashton Heights Estate in Western Australia while a 50 unit villa development is being planned for the Innisfail Estate in Victoria.

For more information, visit [www.peet.com.au](http://www.peet.com.au) or call (08) 9420 1111.



## Reservations pour in for Lattitude Lakelands

Peet's first over 55s development is headed for success with the first stage of Lattitude Lakelands on the verge of a sell-out.

A wide range of active retirees has now reserved more than three quarters of the 31 homes in the first stage of the resort-style development and have started to complete the sales process.

Peet Limited Managing Director and CEO Warwick Hemsley said interest in the new venture had been very strong, particularly from retirees looking for a fresh approach to over 55s living - and a wise investment.

"As well as an extremely attractive setting, Lattitude Lakelands is a survey strata development which means purchasers will have their own title," he said. "Lifestyle is

obviously very important but our purchasers can be confident they're making a good investment decision as well."

Lattitude Lakelands will ultimately consist of 194 architect-designed, mainly free-standing double-brick homes on a spacious eight hectares landscaped site, right next door to Peet's award-winning Lakelands Private Estate.

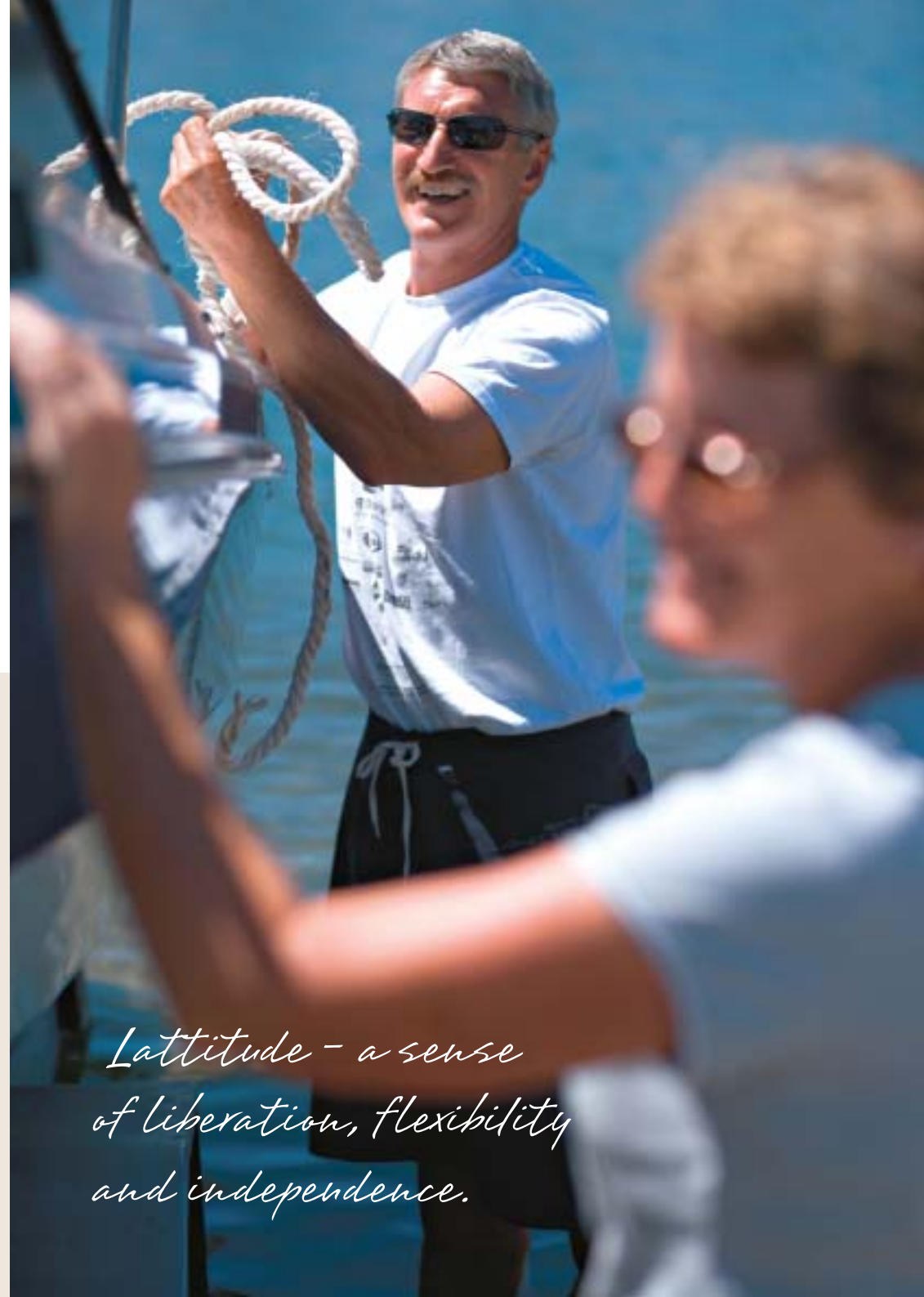
There are two or three bedroom homes with a study, garage and spacious open plan living area, two bathrooms and a private outdoor living and garden area.

To register your interest in Lattitude Lakelands or for more information, visit [www.peet.com.au](http://www.peet.com.au) or call 1800 678 683.

### Peet Senior Living's first project has been named Lattitude Lakelands.

The name captures the philosophy of the new resort-style development by combining the words "latitude" and "attitude".

Lattitude Lakelands is the right choice for over 55s who want some latitude - a sense of liberation, flexibility and independence, and who share a similar approach to life and all it has to offer. It's for over 55s with attitude, who've decided it's time to have it all - a sense of community and security, coupled with the space and privacy that brings on a fabulous feeling of freedom.



*Lattitude - a sense of liberation, flexibility and independence.*

## Interest high in first project for Peet Commercial Division

Peet Commercial has rapidly established itself as an area to watch in the company's expanded stable of business divisions.

Peet Commercial is preparing to break ground on its first project - the \$20 million Carramar District Shopping Centre in Western Australia - towards the end of the calendar year and has a number of other retail and industrial projects in the planning phase in WA and Victoria.

Peet Commercial is managing the project on behalf of Yatala Unit Trust. The number of enquiries from potential retail tenants for the Carramar Neighbourhood Shopping Centre has already exceeded expectations and shows no sign of slowing.

More than 150 potential lessees have already formally registered their interest in the new centre, which received development approval in March. Work has continued on finalising the centre's design and working drawings in recent weeks, with construction expected to commence later this year.

Peet Managing Director Warwick Hemsley said the level of interest already shown in the division's first project was a reflection of Peet's reputation for successful and carefully planned and managed developments.

"We are delighted with the strength of the early response to Carramar Neighbourhood Shopping Centre, and anticipate it will result in a list of high-calibre and secure tenants," said Mr Hemsley.

The latest figures from the Australian Property Institute have forecast growth in the Sydney, Melbourne and Brisbane commercial property markets to continue through 2007/08, setting a strong foundation for Peet's planned Victorian projects.

"With Peet's focus on identifying growth areas and consumer demand, Peet Commercial will be well placed to benefit from the strength of its selected markets as it moves forward," Mr Hemsley said.



### Published by Peet Limited

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