



2006

'Record profit
points to
bright future'

CORPORATE NEWSLETTER | SPRING 2006

prosper

ISSUE HIGHLIGHTS

Record profit result | New chapter for Peet
GreenSmart win | Syndicate news
Funds performance | Division updates

PEET



PEET

Peet launches a new chapter in its rich history

Welcome to the first Prosper newsletter since the introduction of Peet Limited's revived name and fresh, new corporate identity.

The Peet Limited name was launched on 7 July 2006, marking the start of a new chapter in Peet's rich 111-year history.

Peet Limited's Managing Director, Warwick Hemsley, says the new look expresses Peet's confidence and strength as the company moves forward in the 21st century – while reinforcing its solid management practices, financial reputation and proud heritage.

"This exciting new stage recognises our rapid development as a national organisation with a market capitalisation of around \$800 million and

offices in Western Australia, Queensland and Victoria," Mr Hemsley said.

The new corporate image is based around the concept of prosperity and the company vision to 'give all Australians the opportunity to build prosperity through property'.

For many Australians, that sense of prosperity has been achieved by different means – through Peet Limited's award-winning communities, its highly successful land syndicates, its managed funds and, of course, through investment in Peet itself since it listed on the ASX.

Peet delivers another record profit

Peet Limited is pleased to announce a record profit of \$36.8 million for the year ended 30 June 2006 – a 24% increase on the previous year and its third consecutive report of profit growth since listing on the ASX.

The Company announced a final dividend of 9.5 cents per share, to give 17 cents per share (fully franked) in respect of the 2005/06 financial year, or 24.3 cents cents per share before tax, allowing for the 100% franking.

Chairman Tony Lennon said the results were driven by solid profits from both funds management activity and company-owned asset management.

“Peet Limited’s land bank diversification has helped deliver our continued strong results, together with the consistent delivery of the Company’s strategy of continuing to leverage our land bank and expertise into an expanded range of property asset management and funds management services,” Mr Lennon said.

Commenting on the results, Peet’s Managing Director Warwick Hemsley said the solid results were achieved in a mixed trading environment, with the residential land market in Western Australia continuing to deliver sound sales while demand in Victoria and Queensland remained steady.

“This year, 53% of earnings before tax was delivered by our operations in Victoria and Queensland, and we are well positioned to continue to take advantage of the best of market conditions throughout Australia” Mr Hemsley said.

In our core business activity of land development, Peet posted record sales for the year of 2,427 lots for a total gross settlement value of more than \$355 million. In addition, the ongoing program of acquiring well-located land parcels throughout Australia saw the acquisition of more than 4,279 lots during the year. The estimated current market value of the Peet managed and owned land bank is now \$4.6 billion as fully developed lots.

Mr Hemsley confirmed that Peet Limited is targeting growth of 15% in net profit after tax for the financial year – assuming a continuation of prevailing market conditions.



Peet Limited Board Members (from left to right)
Graeme Sinclair (Non-Executive Director), Warwick Hemsley (Managing Director), Stephen Higgs (Non-Executive Director), Tony Lennon (Chairman) and Anthony Lennon (Executive Director).

GreenSmart Award makes it two in a row


The Village at Wellard, a joint venture between Peet Limited and the Department of Housing and Works, has been named **Development of the Year in WA** at the **2006 Housing Industry Association's GreenSmart Awards**.

This accolade not only notches up another award for Peet, but also for its joint venture partner – Department of Housing and Works.

The 2006 GreenSmart award is the second consecutive win for Peet, which received the same award in 2005 for its Lakelands Estate – and is further recognition of the Company's outstanding commitment to sustainable practices.

Peet is recognised as a major force in the HIA GreenSmart program. The Company is an accredited GreenSmart regional partner in WA and was the first company in Victoria to have a GreenSmart display village. Earlier this year, Peet was inducted as a National GreenSmart Leader.

Peet Managing Director Warwick Hemsley said the 2,700-lot estate at Wellard was recognised for its environmentally responsible and socially sustainable approach which combines modern facilities and conveniences with world's best environmental practices.



We are proud to have helped enrich the lives of Australians for over 177 years.

Prestigious award to Peet 'rising star'

One of Peet's 'rising stars', Property Analyst Ryan Hunter, has been recognised by the Urban Development Institute of Australia as an outstanding young professional - and awarded the Young Development Professional Scholarship.

Ryan holds a Bachelor of Commerce from Curtin University and realised his ambition to be part of the property industry when he joined Peet in October 2002.

Since then, he's relished the challenge of working on feasibility studies and planning for major Peet projects Australia-wide.

"I enjoy being part of a creative and innovative team where I can contribute by using analytical skills to help assess the potential acquisitions and capital raising opportunities so fundamental to successful property development," Ryan said.

The UDIA scholarship gives Ryan professional development opportunities, access to the Institute's functions and contacts, and a position on the UDIA Outlook Committee which furthers the interests of young professionals in Western Australia.

Keen investors close syndicate offers early

The latest land syndicate investment opportunities offered by Peet Limited in Western Australia and Victoria have proved immensely popular with investors – both were oversubscribed and closed early.

An \$8.5 million syndicate investment to develop 19.7 hectares at Byford, south of Perth, was taken up in less than two weeks and a \$20 million syndicate to develop 64 hectares of land at Cranbourne in Melbourne's southeast also closed early after overwhelming interest from investors.

Chairman Tony Lennon said investors continued to show their confidence in a company with a well-established record in providing excellent returns.

"Peet is one of Australia's largest broadacre property developers and the closure of these latest syndicates brings the total capital raised in recent years to in excess of \$225 million," said Mr Lennon.



14.35%pa return for Peet Income Property Fund

The Peet Income Property Fund (PIPF) has just released its first year of results – with an overall return of 14.35% for the Fund's 560 unitholders. The return reflects the change in Net Tangible Assets plus distributions for the 2005/06 financial year, based on the initial \$1.00 subscription price.

Peet has also introduced a redemption facility allowing unitholders to sell units at the end of each quarter. Peet recognises that investors' circumstances can change and they may suffer inconvenience if they cannot otherwise dispose of their unitholding.

The Fund's portfolio of non-CBD properties in Brisbane and Perth generated an increase in property values of 11% upon independent revaluation as at 30 June 2006. The net asset value increased by 6% over the past year from 93.7 cents per unit to 99.3 cents per unit.

As a result of the revaluations, the current unit price is \$1.11 and a new Product Disclosure Statement (PDS) – valid from 17 July 2006 until 30 June 2007 – offers a minimum investment of \$5,550 for the purchase of 5,000 units. The PDS is currently available on the Peet Limited website at www.peet.com.au

At the current unit price of \$1.11, the distribution for 2006/07 is forecast to be 9.16 cents per unit – a yield of 8.25%. The forecast distribution will be 100% tax deferred, exceeding initial expectations.

Two acquisitions of strategically located, well-leased industrial properties have been made since the last edition of Prosper, both with the potential to contribute strongly to the Fund's future performance.



10 Brandl Street, Eight Mile Plains, QLD



7 Hi-Tech Court, Eight Mile Plains, QLD

Peet Income Property Fund highlights

- First year total return of 14.35%
- 560 unitholders
- Unit price increased from \$1.00 to \$1.11
- Minimum investment now \$5,550
- Distributions paid quarterly
- Forecast distributions for 2006/07 – 9.16 cents per unit (8.25% p.a.)
- Distributions 100% tax deferred
- Two recent strategic acquisitions
- New quarterly redemption facility



*We have consistently
delivered high returns
to our investors.*

New options from Peet for over-55s

Peet Limited has commenced planning work to establish its first over-55s community at Lakelands in Western Australia.

"Peet's plans are to offer over 55s the opportunity to own their own spacious strata-titled home in an attractive, secure village environment that sits within one of Peet's most sought-after residential estates," said General Manager Retirement Housing, Stephen Kenney.

"This new development set on eight hectares at Lakelands also creates a real opportunity for families to live close to one another, while still maintaining their independence," he said.

Peet Limited's entry into the over-55s housing market is part of the Company's plans to leverage its land bank and expertise into an expanded range of property and fund management services.

Within its existing land bank, Peet has identified a number of sites suitable for over-55s housing developments including exciting possibilities presented by the latest syndicate purchases of land in Byford, WA and Cranbourne, Victoria.

The 198-villa Lakelands development will feature plenty of variety and the same quality design and landscaping as Peet's residential estates. The village will be constructed in eight stages over three to four years with the first villas scheduled for completion around November 2007.

Peet Living forges ahead in residential development

The philosophy of Peet Living is to create boutique residential developments infusing lifestyle into design.

Peet Living offers a range of contemporary urban living solutions, which include private resort-style facilities such as pool, spa, sauna and outdoor kitchen – all enclosed within secure, gated communities.

Peet Living has identified key purchaser desires in the villa, townhouse and apartment markets and has fashioned a comprehensive selection of living options.

Crafted by award winning architects Overman and Zuideveld, Grand 56 in Joondalup, WA has planning permission for 24 apartments and one commercial unit. All apartments were sold on the first day of release. The Village at Wellard in WA has also received planning permission for two developments of 60 dwellings each, incorporating apartments and townhouses. Both developments envelop a resort lifestyle including a spa, sauna, pool, outdoor kitchen and landscaped surrounds.

Design is also complete on the Ashton Mews Villas in Ashton Heights, WA. Ashton Mews offers a private gated community – including 27 three-bedroom, two-bathroom homes – on smaller low maintenance lots with uninterrupted wetland views, a communal lap pool and sundeck and progressive design style.

With the design of 30 'live and work' townhouses nearing completion in Point Cook, Victoria, and numerous other living solutions being created throughout Western Australia, Victoria and Queensland, Peet Living will deliver residential solutions for the discerning buyer.



Proposed apartments and townhouses, The Village at Wellard (artist's impression).



Grand 56, Joondalup (artist's impression).

Acquisitions enhance long-term development pipeline

With the third largest land bank of Australia's ASX-listed developers, Peet Limited continues to acquire well-located land parcels in Western Australia, Victoria and Queensland.

In the year ending 30 June 2006, Peet acquired approximately \$130 million of broadacre land, representing some 4,300 potential lots.

This land is either already appropriately zoned to allow for development in the short term or with residential zoning designation to allow for development within the next three to five years.

Some of this land has been earmarked for future industrial subdivision and will provide potential stock for the Peet Income Property Fund or other future Peet Fund.

Already in this financial year, Peet has secured over \$70m worth of broadacre land that will yield approximately a further 1,500 lots.

National Business Development Director, Anthony Lennon said, "Our impressive land bank – totalling over 27,500 lots – represents around 12 years' supply at current sales rates. This puts Peet in the enviable position amongst its competitors of being able to be very selective in its ongoing acquisition program."





*We have been
responsible for developing
award-winning, vibrant
communities nationally.*

Display village celebrations at Tarneit Gardens

A Family Fun Day at Peet's Tarneit Gardens residential estate in Melbourne's west has given a hint of the community life ahead – and the style in which residents will live in this new development.

The Fun Day celebrated the opening of the new display home village at the estate featuring 28 of the latest designs from Melbourne's top builders. More than 1,000 people enjoyed an action-packed day – the largest attendance yet at a Peet open day in Victoria.

A highlight of the day was the drawing of a \$1,000 Myer gift voucher, which was won by local Wyndham resident, William Biciar. Activities included junior football clinics run

by the Tarneit Gardens–sponsored Werribee Football Club and a tasty BBQ organised by Mix FM, who crossed live to the event throughout the day.



William Biciar holds his \$1,000 Myer gift voucher at the Tarneit Gardens Family Fun Day.

Commercial

Commercial broadens its horizons

Peet Commercial continues to underpin Peet Limited's diversification strategies, with a number of projects moving quickly ahead.

Planning work is well underway on several sites including projects in Perth's north and south, as well as Melbourne's west.

This rapid expansion has prompted the appointment of two Commercial Development Managers – one in Western Australia, and one covering Victoria and Queensland based in the Melbourne office. The new appointees are responsible for developing Peet's retail and commercial assets, including shopping centres, medical centres, child care facilities and industrial premises.

Laurie McGill, General Manager Commercial and Residential Built Form, said that while these assets are currently located on Peet's existing land holdings, in the future they will extend to land that is not necessarily part of a residential estate.

"Commercial and retail developments are of significant strategic importance to Peet Limited," said Laurie. "They support the value of a residential land offer while also providing desirable investment opportunities for Peet income funds."



Proposed Shopping Centre (artist's impression).

Government joint venture revitalises Queens Park

The Maniana precinct of Queens Park, south of Perth, is undergoing a radical facelift and confirming Peet Limited as a successful urban renewal project manager.

The success of Quattro – The New Queens Park is shared by project partners Peet Limited, Department of Housing and Works and the City of Canning.

The four year development of Quattro started in 2004 and hit another major milestone in June 2006 when the first

of around 25 refurbished Homeswest houses was sold for \$255,000.

Peet Limited's commitment to sustainability was one of the factors that earned it the high-profile Government project which promises to transform a tired suburb into a thriving, sought-after community.

"This is a major project that will deliver better quality, affordable housing in a community-friendly environment," said Peet Managing Director, Warwick Hemsley.



Published by Peet Limited

www.peet.com.au

Level 7, 200 St Georges Terrace, Perth
WESTERN AUSTRALIA 6000
Tel (08) 9420 1111

Level 1, 436 St Kilda Road
Melbourne, VICTORIA 3004
Tel (03) 9868 5900

Level 2, 167 Eagle Street,
Brisbane QUEENSLAND 4000
Tel (07) 3137 2040

While every care is taken by the publisher and authors, no person or corporations should act on the basis of the information supplied without considering and, if necessary, taking appropriate professional advice. No warranty of accuracy or reliability is given or implied and we disclaim all liability for any errors, omission, loss or other consequences which may arise from the published material.

* If you would prefer not to receive promotional information from Peet including special offers and customer magazines, please advise us by writing to: The Privacy Officer, Level 7, 200 St Georges Terrace, Perth WA 6000 or perth@peet.com.au