PEET

Peet Limited

ABN 56 008 665 834

Appendix 4E Preliminary Consolidated Financial Statements for the year ended 30 June 2011

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These preliminary financial statements cover the consolidated financial statements for the consolidated entity consisting of Peet Limited and its subsidiaries. The financial statements are presented in Australian currency.

Peet Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

7th Floor, 200 St Georges Terrace
Perth, Western Australia 6000

Appendix 4E - Preliminary Consolidated Financial Statements

For the year ended 30 June 2011

Results for Announcement to the Market

Entity:	Peet Limited and its controlled entities
Reporting Period:	30 June 2011
Previous Corresponding Period:	30 June 2010

				$'000
Revenue	up	6 %	to	188,725
Operating profit after tax (excluding write-down in carrying value of inventories and development costs)	up	3 %	to	44,023
Statutory profit after tax attributable to members of Peet Limited	down	47 %	to	22,147
Basic earnings per share (cents)	down	48 %	to	7.3 c
Diluted earnings per share (cents)	down	51 %	to	6.8 c

Dividends	**Cents per security**	**% Franked per security**
Current Year		
Final dividend 2011	4.50 cents	100 %
Interim dividend 2011	4.00 cents	100 %
	8.50 cents	
Previous Year		
Final dividend 2010	4.50 cents	100 %
Interim dividend 2010	4.00 cents	100 %
	8.50 cents	

Record date for determining entitlements to the final dividend	23 September 2011
Dividend payment date	18 October 2011

Results Commentary

Key Results

- Operating net profit of $44 million after tax[1], up 3%
- Operating earnings per share of 14.6 cents
- Statutory net profit of $22.1 million, down 47%
- NTA per share of $1.37[2], up 10.5%
- Gearing at 33.5%[3] as at 30 June 2011
- Final dividend of 4.5 cents per share, fully franked, bringing the full year dividend paid to 8.5 cents per share

Financial Commentary

Peet Limited's operating net profit after tax for the year ended 30 June 2011 was $44 million[1], representing an increase of 3% over the previous corresponding period.

The Group's sound performance in challenging market conditions across the country was underpinned by the performance of its Funds Management business and its ability to maintain operating margins.

The Group continued the successful implementation of its stated business strategy, in particular the growth and increased significance of its Funds Management portfolio. The Group recently announced two major wholesale partnerships, the Flagstone West acquisition in partnership with MTAA Super and the establishment of a partnership with the Future Fund, with a mandate to acquire and develop broad-acre residential land in growth areas across Australia.

FY11 has seen Peet invest in its future – balancing its land portfolio, implementing its capital management strategy and positioning the operating business for growth in the medium to long-term with new, larger-scale managed projects at Flagstone in South East Queensland and at Yanchep in Perth's northern coastal corridor; and the Company-owned Craigieburn and Greenvale projects in Melbourne's northern growth corridor.

The Group recorded a 7.1% increase in EBITDA[1], taking it to $81.2m for the year. The Group's EBITDA margin remained steady at 43%.

Operational Review

The Group achieved a sound performance in a year when sales concluded at a number of mature projects and significant investment commenced in new medium to long-term projects including a number of large-scale Company-owned assets.

Peet's Victorian operations were a key driver, performing particularly well in challenging market conditions and contributing 78% of the Group's profit for the year.

1 Pre write-downs

2 Net assets adjusted for market value of inventory

3 (Total interest bearing liabilities (including deferred payment obligations) less cash)/(Total assets adjusted for market value of inventory less cash less intangible assets)

While deteriorating consumer confidence impacted the number of sales and settlements (down 14% and 7% respectively), margins held firm and there was a 13% increase in the average selling price of residential lots settled.

During the year, Peet achieved its key strategic objective to grow its Funds Management business and continued the expansion of its wholesale platform – successfully re-weighting the asset mix with a greater emphasis on managed projects, transitioning to larger-scale projects, and balancing the portfolio geographically.

As part of its medium to long-term growth strategy, during the year Peet added another 17,300 lots with an on-completion value of $2.7 billion to its Funds Management business. This included a major acquisition at Flagstone in South East Queensland and others in Perth's northern and southern coastal corridors.

The major acquisition of a 50% interest in MTAA Super's 1,244-hectare Flagstone West landholding is situated next to MTAA Super's Flagstone East project which has existing services and infrastructure, and a community of around 3,500 residents. Peet will project manage the Flagstone West project and the delivery of the 300 lots remaining in Flagstone East. These appointments will also provide the Group with development management and performance related fees.

The Flagstone West project involves the delivery of an estimated 10,000 residential lots focused on the affordable market segment over the next 25 years, and a 200-hectare town centre for Greater Flagstone with provision for retail centres, neighbourhood activity centres, schools, healthcare, retirement housing, childcare and other community facilities.

With the addition of the Flagstone projects, Peet's land bank has increased to more than 50,600 lots with an estimated on-completion value of $9.1 billion (in today's dollars) of which 69% or $6.3 billion is held within the Group's Funds Management and Joint Venture businesses.

Funds Management

- EBITDA from Funds Management of $30.7 million - an increase of 21% on the previous corresponding period.
- 1,622 lots sold for a gross value of $357.0 million, compared with 1,729 sales for a gross value of $394.8 million in FY10.
- 1,463 lots settled, for a gross value of $350.3 million, compared with 1,651 lots for a gross value of $334.4 million in FY10.
- 852 contracts on hand as at 30 June 2011 for a gross value of $226.8 million, compared with 850 contracts on hand as at 30 June 2010 for a gross value of $204.9 million.

Development

- EBITDA[4] of $40.1 million from Company-owned projects, compared to $41.1 million in FY10.
- 423 lots sold for a gross value of $83.8 million, compared with 592 lots in the previous corresponding period, for a gross value of $158.1 million.
- 598 lots settled for a gross value of $109.5 million, compared with 449 lots in the previous corresponding period for a gross value of $125.1 million.
- 178 contracts on hand as at 30 June 2011 for a gross value of $40.7 million, compared with 352 contracts on hand as at 30 June 2010 for a gross value of $74.3 million.

Joint venture projects

- EBITDA from joint venture projects of $5.6 million, in line with the previous corresponding period.
- 164 lots sold for a gross value of $34.0 million, compared with 246 lots sold for $48.6 million in FY10.
- 137 lots settled for a gross value of $26.0 million compared with 266 lots settled for a gross value of $51.5 million in the previous corresponding period.
- 95 contracts on hand as at 30 June 2011 with a total value of $21.1 million, compared with 68 contracts on hand for a gross value of $13.1 million in the previous corresponding period.

4 Pre write-downs

Land Portfolio Metrics

		FY11	FY10	Change
Lot sales		2,209	2,567	(14%)
Lot settlements		2,198	2,366	(7%)
Contracts on hand as at 30 June	Number	1,125	1,270	(11%)
	Value	$288.6m	$292.3m	(1%)
# Syndicates / JVs contributing to earnings		25	23	
# Company-owned projects contributing to earnings		8	13	

Carrying Value of Inventories

Overall in FY11, the independent bank mortgage valuations of Company-owned assets showed an increase to $586 million, resulting in a 10.5% increase in NTA to $1.37 per share.

However, Peet recorded write-downs in the carrying value of inventories and development costs of $31.3 million (before tax) for the year. These related predominantly to longer-dated assets in its Queensland portfolio, where the market has declined due to the widespread economic impact of natural disasters and deteriorating business and consumer confidence.

The carrying value of inventories adjustment has no impact on the production pipeline over the next five years.

The newly acquired Flagstone West property was not affected by the write-downs.

Capital Management

Peet's capital management strategy continues to position the Company well for growth in the medium to long-term and reflects Peet's investment in its inventory during the year past.

In line with this strategy, Peet has commenced a process to divest a number of non-core assets. Proceeds received will be used to fund Peet's current development pipeline, reduce debt or pursue other capital management initiatives. Peet is committed to maintaining a strong balance sheet.

In June 2011, Peet announced three capital management initiatives which underpin its growth strategy providing working capital for strategic expansion of the land bank and investment in several new projects in the year ahead.

They comprised:

- $50 million of convertible notes for a term of 5 years to 2016;
- $20 million fully underwritten share purchase plan; and
- $300 million syndicated debt facility extension for three years to 2014.

These capital management initiatives were reflected in key metrics at year end including:

- A weighted average debt maturity profile of 3.3 years at 30 June 2011;
- Group interest cover of 3.7 times; and
- Gearing[5] as at 30 June 2011 of 33.5%.

5 (Total interest bearing liabilities (including deferred payment obligations) less cash)/Total assets adjusted for market value of inventory less cash less intangible assets)

At 30 June 2011, Peet had interest-bearing debt, net of cash, of $217 million. The weighted average cost of debt for the year ended 30 June 2011 was 8.6% (including margins), compared with 7.1% for the year ended 30 June 2010. At 30 June 2011, 91% of the Group's interest-bearing debt was hedged (compared with 93% at the end of FY10), resulting in an average hedge maturity profile of 3.5 years (compared with 4.1 years at 30 June 2010).

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

Group Strategy

In FY11, Peet has delivered on its strategy for medium to long-term growth, repositioning the Group as Australia's largest pure play residential developer, with a Funds Management platform comprising retail syndicates and wholesale funds and a focus on large scale projects in Australia's key markets.

Peet is focused on delivering the right projects in the right markets under a capital efficient model.

Strategic priorities for the Group continue to include:

- a clear focus on the businesses of residential land development and funds management;
- working with wholesale partners to acquire large-scale greenfield developments;
- the continued national expansion of the retail syndication and wholesale funds management platform;
- a focus on our customers, quality product and community to drive Peet's competitive advantage;
- prudent capital management; and
- a commitment to being environmentally responsible across its operations.

Housing affordability is a critical challenge right across Australia and will remain so in the short to medium term, due to a structural supply/demand imbalance. Peet will help address this challenge and meet market demand for affordability with its large and flexible land bank by expanding its product mix and offering a range of lot sizes in a variety of locations across the country.

Peet remains focused on the basics – product, price and customer service – under a capital efficient model.

Outlook

The Australian residential market is expected to continue to be impacted by weak consumer sentiment across the country as householders react to the deterioration in major global economies, rising living costs, speculation over interest rates and ongoing uncertainty and speculative debate over the impact, on business and consumers alike, of federal government policy including a carbon tax.

In FY11, consumer spending grew just 2.6%, the weakest growth in almost 50 years and, at the time of reporting, consumer sentiment was at its lowest level since May 2009 and business conditions were softening.

However, while the housing market continued to soften during the second half of FY11, supply/demand drivers show the trend is cyclical rather than structural and the long-term outlook remains positive. Household savings remain high, dwelling approvals are below the long-term average while population growth is above average at 1.8%, unemployment remains low and there remains a shortage of skilled labour, particularly in Western Australia and Queensland.

Despite the strength of the resources sector, the Western Australian and Queensland property markets remain two of the weakest in the country and building approvals are well below trend.

A key feature of the economic uncertainty and cautious consumer sentiment is an increase in household savings, which will be a positive for the residential land market. It is expected that savings will level out as confidence returns and consumer spending should revert to more normal levels.

While Peet remains confident in Australia's long-term economic outlook, the national residential property market is expected to remain weak through FY12.

The Group has a large, geographically balanced land bank and will continue to meet the demands of the market in terms of product, price and service, with a particular focus on the affordable segment. The Group is well-positioned and well prepared for a challenging year ahead, with earnings expected to be weighted towards the second half of FY12.

Dividends

The Directors have declared a final dividend of 4.5 cents per share, fully franked, to be paid on 18 October 2011, with a record date of 23 September 2011. This brings the total dividends paid in respect to the financial year ended 30 June 2011 to 8.5 cents per share, fully franked.

The Company's Dividend Reinvestment Plan (DRP), which provides shareholders with an opportunity to acquire shares in the Company, remains in place. Details of the final pricing and terms of the DRP will be communicated to shareholders in due course.

Audit Report

The preliminary consolidated financial statements are based on accounts, which are in the process of being audited.

Signed for, and on behalf of, the Board in accordance with a resolution of the Board of Directors.

BRENDAN GORE
MANAGING DIRECTOR
29 August 2011

Consolidated Income Statement
For the year ended 30 June 2011

	Notes	Consolidated 30 June 2011 $'000	30 June 2010 $'000
Revenue			
Revenue from ordinary activities	3	**181,484**	172,742
Other revenue	3	**7,241**	5,280
		188,725	178,022
Expenses			
Cost of inventories	4	**(74,737)**	(73,519)
Employee benefits expense		**(18,384)**	(16,604)
Depreciation		**(1,625)**	(1,466)
Project management, selling and other operating costs		**(11,795)**	(10,095)
Office costs		**(4,346)**	(3,793)
Other expenses		**(6,781)**	(5,868)
Write-down in carrying value of inventories and development costs		**(31,251)**	(989)
Finance costs	4	**(5,282)**	(4,347)
Share of net loss of associates accounted for using the equity method		**(1,773)**	(7)
Profit before income tax		**32,751**	61,334
Income tax expense	5	**(10,545)**	(19,223)
Profit after tax for the year		**22,206**	42,111
Profit is attributable to:			
Owners of Peet Limited		**22,147**	42,111
Non-controlling interests		**59**	-
		22,206	42,111
Earnings per share for profit attributable to the ordinary equity holders of the company:		**Cents**	Cents
Basic earnings per share	11	**7.3**	14.1
Diluted earnings per share	11	**6.8**	14.0

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2011

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
Profit for the year	**22,206**	42,111
Other comprehensive income		
Changes in the fair value of cash flow hedges	**1,083**	(1,565)
Share of other comprehensive income of associates	**(58)**	-
Income tax relating to components of other comprehensive income	**(307)**	470
Other comprehensive income for the year, net of tax	**718**	(1,095)
Total comprehensive income for the year	**22,924**	41,016
Total comprehensive income for the year is attributable to:		
Owners of Peet Limited	**22,927**	41,016
Non-controlling interests	**(3)**	-
	22,924	41,016

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2011

	Notes	Consolidated 30 June 2011 $'000	30 June 2010 $'000
Current assets			
Cash and cash equivalents	7	**57,201**	41,074
Receivables		**67,752**	51,220
Inventories		**120,444**	64,833
Derivative financial instruments		**263**	-
Assets classified as held for sale	8	**69,509**	-
Total current assets		**315,169**	157,127
Non-current assets			
Receivables		**14,578**	13,077
Inventories		**300,979**	353,559
Investments accounted for using the equity method	9	**36,124**	32,640
Available-for-sale financial assets		**462**	257
Derivative financial instruments		**851**	1,208
Property, plant and equipment		**10,575**	8,012
Intangible assets		**876**	-
Total non-current assets		**364,445**	408,753
Total assets		**679,614**	565,880
Current liabilities			
Payables		**30,371**	25,048
Land vendor liabilities		**20,573**	42,240
Borrowings		**1,080**	1,043
Current tax liabilities		**3,171**	1,110
Provisions		**1,969**	2,640
Liabilities directly associated with assets classified as held for sale	8	**29,439**	-
Total current liabilities		**86,603**	72,081
Non-current liabilities			
Land vendor liabilities		**25,793**	18,024
Borrowings		**273,096**	218,790
Deferred tax liabilities		**22,132**	23,983
Provisions		**153**	90
Total non-current liabilities		**321,174**	260,887
Total liabilities		**407,777**	332,968
Net assets		**271,837**	232,912
Equity			
Contributed equity	10	**201,291**	176,025
Reserves		**5,020**	1,367
Retained earnings		**52,018**	55,520
Capital and reserves attributable to owners of Peet Limited		**258,329**	232,912
Non-controlling interests		**13,508**	-
Total equity		**271,837**	232,912

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2011

2010 Consolidated	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to owners of Peet Limited					
Balance at 1 July 2009		**163,354**	**2,160**	**37,149**	**202,663**	-	**202,663**
Profit for the year		-	-	42,111	42,111	-	42,111
Other comprehensive income		-	(1,095)	-	(1,095)	-	(1,095)
Total comprehensive income for the year		**-**	**(1,095)**	**42,111**	**41,016**	**-**	**41,016**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	10	12,117	-	-	12,117	-	12,117
Dividends provided for or paid	6	-	-	(23,740)	(23,740)	-	(23,740)
Exercise of Employee share options	10	48	-	-	48	-	48
Transfer of exercised options	10	506	(506)	-	-	-	-
Employee share benefit		-	808	-	808	-	808
		12,671	302	(23,740)	(10,767)	-	(10,767)
Balance at 30 June 2010		**176,025**	**1,367**	**55,520**	**232,912**	-	**232,912**

2011 Consolidated	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to owners of Peet Limited					
Balance at 1 July 2010		**176,025**	**1,367**	**55,520**	**232,912**	-	**232,912**
Profit for the year		-	-	22,147	22,147	59	22,206
Other comprehensive income		-	780	-	780	(62)	718
Total comprehensive income for the year		**-**	**780**	**22,147**	**22,927**	**(3)**	**22,924**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	10	25,266	-	-	25,266	-	25,266
Value of conversion rights on convertible notes, net of transaction costs and tax		-	1,934	-	1,934	-	1,934
Non-controlling interests on part disposal of subsidiary	8	-	349	-	349	13,511	13,860
Transactions with non-controlling parties		-	(153)	-	(153)	-	(153)
Dividends provided for or paid	6	-	-	(25,649)	(25,649)	-	(25,649)
Employee share benefit		-	743	-	743	-	743
		25,266	2,873	(25,649)	2,490	13,511	16,001
Balance at 30 June 2011		**201,291**	**5,020**	**52,018**	**258,329**	**13,508**	**271,837**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 30 June 2011

	Note	Consolidated 30 June 2011 $'000	Consolidated 30 June 2010 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**197,139**	178,247
Payments to suppliers and employees (inclusive of goods and services tax)		**(126,910)**	(86,152)
Payments for purchase of land		**(98,588)**	(32,230)
Interest and other finance costs paid		**(22,317)**	(22,324)
Income tax paid		**(11,503)**	(4,962)
Net cash (outflow)/inflow from operating activities		**(62,179)**	32,579
Cash flows from investing activities			
Payments for property, plant and equipment		**(4,184)**	(2,015)
Proceeds from sale of property, plant and equipment		**-**	12
Payments for intangibles		**(881)**	-
Payments for investment in associates		**(5,336)**	(16)
Payments for available-for-sale financial assets		**(205)**	-
Loans to related parties		**(31,927)**	(16,538)
Repayment of loans by related entities		**21,712**	56
Dividends received		**235**	167
Interest received		**4,469**	2,923
Net cash outflow from investing activities		**(16,117)**	(15,411)
Cash flows from financing activities			
Dividends paid to the Company's shareholders		**(19,911)**	(16,467)
Proceeds from exercise of employee share options		**-**	48
Repayment of borrowings		**(38,069)**	(168,491)
Proceeds from borrowings		**76,346**	80,719
Proceeds from capital returns		**38**	42
Proceeds from issue of equity securities		**15,808**	5,000
Transaction costs of share issue		**(892)**	(61)
Proceeds from issue of convertible notes (net of debt raising costs)		**47,948**	-
Transactions with non-controlling interests	8	**13,860**	-
Net cash inflow/(outflow) from financing activities		**95,128**	(99,210)
Net increase/(decrease) in cash and cash equivalents		**16,832**	(82,042)
Cash and cash equivalents at the beginning of the financial year		**41,074**	123,116
Cash and cash equivalents at end of year	**7**	**57,906**	41,074

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Preliminary Consolidated Financial Statements

1 Basis of Preparation of Preliminary Consolidated Financial Statements

The accounting policies adopted are consistent with those disclosed in the annual financial statements for the year ended 30 June 2010.

The preliminary consolidated financial statements have been prepared in accordance with the Australian Securities Exchange Listing Rules as they relate to the Appendix 4E and in accordance with the measurement requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

As such, the preliminary consolidated financial statements do not include all the notes of the type included in annual financial statements and accordingly, should be read in conjunction with the annual financial statements for the year ended 30 June 2010 and with any public announcements made by Peet Limited during the reporting period in accordance with the disclosure requirements of the Corporations Act 2001.

Comparatives
Comparative revenues, expenses, assets and liabilities in the consolidated statement of income and consolidated statement of financial position have been reclassified where appropriate with no impact on the profit and net assets of the prior year to enhance comparability and understanding of the financial statements.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 Segment information

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the executive management group that makes decisions.

The executive management group considers the business to have the following three reportable business segments:

Funds Management / Land Syndication
External equity capital raisings are undertaken to fund the acquisition of land across Australia. The consolidated entity derives fees from underwriting and capital raising coordination services, as well as asset identification fees from this activity. Ongoing project related fees are then derived by the consolidated entity for the duration of a particular project.

Company-Owned Projects
Purchase and development of various parcels of land in Australia, primarily for residential purposes. However, certain land holdings will also produce non-residential blocks of land.

Joint Ventures
Joint Ventures are formed with government, statutory authorities and private landowners. The Joint Venture partner will normally contribute the land and the consolidated entity funds the development costs. The consolidated entity is typically entitled to ongoing fees for management of the development project and also a share of the profits.

For internal reporting purposes management consider both 'The Village at Wellard' and 'Quattro - The New Queens Park' projects to be joint ventures. Quattro, however, is not considered a joint venture for statutory reporting purposes.

The consolidated entity operates primarily in one geographical segment being Australia. Accordingly, no further geographical information is provided.

Inter-segment transfers
Segment revenue, expenses and results include transfers between segments. Such transfers are based on an arm’s length basis and are eliminated on consolidation.

2 Segment information (continued)

	Funds Management / Land Syndication		Company-Owned Projects		Joint Ventures		Inter-Segment Eliminations and Unallocated		Consolidated	
Primary Reporting	**30 June 2011 $'000**	30 June 2010 $'000	**30 June 2011 $'000**	30 June 2010 $'000	**30 June 2011 $'000**	30 June 2010 $'000	**30 June 2011 $'000**	30 June 2010 $'000	**30 June 2011 $'000**	30 June 2010 $'000
Revenue										
Sales to external customers	**46,158**	36,540	**118,290**	116,235	**17,036**	19,967	**-**	-	**181,484**	172,742
Total sales revenue	**46,158**	36,540	**118,290**	116,235	**17,036**	19,967	**-**	-	**181,484**	172,742
Other income	**235**	167	**2,272**	1,454	**-**	-	**-**	-	**2,507**	1,621
Interest	**-**	-	**-**	-	**-**	-	**4,734**	3,659	**4,734**	3,659
Total segment revenue	**46,393**	36,707	**120,562**	117,689	**17,036**	19,967	**4,734**	3,659	**188,725**	178,022
Result before write-down in carrying value of inventories, depreciation, financing cost, interest and finance costs expensed through cost of sales and income tax expense	**30,710**	25,448	**40,108**	41,090	**5,625**	5,573	**4,734**	3,659	**81,177**	75,770
Write-down in carrying value of inventories and development costs	**-**	-	**(31,251)**	(989)	**-**	-	**-**	-	**(31,251)**	(989)
EBITDA	**30,710**	25,448	**8,857**	40,101	**5,625**	5,573	**4,734**	3,659	**49,926**	74,781
Depreciation	**(347)**	(240)	**(1,007)**	(964)	**(271)**	(262)	**-**	-	**(1,625)**	(1,466)
EBIT	**30,363**	25,208	**7,850**	39,137	**5,354**	5,311	**4,734**	3,659	**48,301**	73,315
Financing costs (includes interest and finance costs expensed through cost of sales)									**(15,550)**	(11,981)
Profit before income tax expense									**32,751**	61,334
Income tax expense									**(10,545)**	(19,223)
Profit for the year									**22,206**	42,111

EBITDA: Earnings Before Interest (including interest and finance costs expensed through cost of sales) Tax, Depreciation and Amortisation.

EBIT: Earnings Before Interest (including interest and finance costs expensed through cost of sales) and Tax.

3 Revenue

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
Revenue from ordinary activities		
Revenue from sale of land	**118,290**	116,235
Project management and performance fees	**43,994**	35,325
Revenue from joint venture operations	**16,442**	18,833
Revenue from other trading activities		
Syndicate administration fees	**1,155**	1,170
Syndicate underwriting and capital raising fees	**1,603**	1,179
	181,484	172,742
Other revenue		
Dividends	**235**	167
Interest	**4,734**	3,659
Other	**2,272**	1,454
	7,241	5,280
	188,725	178,022

4 Profit before income tax

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
Profit before income tax includes the following specific expenses:		
Expenses		
Cost of Inventories		
Cost of inventories	**64,469**	65,885
Capitalised interest and finance charges	**10,268**	7,634
Total cost of inventories expensed	**74,737**	73,519
Finance Costs		
Interest and finance charges paid/payable	**23,757**	19,921
Cash flow hedges - transfer from equity	**1,441**	3,298
Interest on convertible notes	**211**	-
Amount capitalised to inventory	**(20,127)**	(18,872)
Total finance costs expensed	**5,282**	4,347
Discount on land vendor payments		
Change in present value of land vendor payments	**3,622**	5,597
Capitalisation of change in present value of land vendor payments	**(3,622)**	(5,597)
Total discount on land vendor payments	**-**	-

5 Income tax

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
(a) Income tax expense		
Current tax	**13,723**	14,627
Deferred tax	**(3,176)**	3,989
Adjustments for income tax of prior periods	**(2)**	607
	10,545	19,223
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	**32,751**	61,334
Tax at the Australian tax rate of 30% (2010 - 30%)	**9,825**	18,400
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share of net loss of associates	**532**	1
Entertainment	**28**	14
Employee benefits	**229**	251
Dividend franking	**28**	19
Fines and penalities	**3**	-
Franking rebate	**(98)**	(69)
(Over)/under-provision in prior years	**(2)**	607
	10,545	19,223

6 Dividends

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
(a) Dividends Paid		
Final dividend for the year ended 30 June 2010 of 4.5 cents (2009 - 4.0 cents) per fully paid share paid on 15 October 2010 (2010 - 8 October 2009)		
Fully franked based on tax paid @ 30%	**13,531**	11,765
Interim dividend for the year ended 30 June 2011 of 4.0 cents (2010 - 4.0 cents) per fully paid share paid on 20 April 2011 (2010 - 16 April 2010)		
Fully franked based on tax paid @ 30%	**12,118**	11,975
Total dividends provided for or paid	**25,649**	23,740

(b) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 4.5 cents per fully paid ordinary share, (2010 - 4.5 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 18 October 2011 out of retained earnings at 30 June 2011, but not recognised as a liability at year end, is	**14,312**	13,531

(c) Dividend Reinvestment Plan (DRP)

The Company's Dividend Reinvestment Plan (DRP) continues, providing shareholders with an opportunity to acquire additional shares in the Company. Details of the final pricing and terms of the DRP will be communicated to shareholders in due course.

7 Current assets - Cash and cash equivalents

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
Cash at bank and in hand	**57,201**	26,558
Term deposits	**-**	14,516
	57,201	41,074

(a) Reconciliation to cash at end of year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:

Balances as above	**57,201**	41,074
Asset classified as held for sale - cash at bank	**705**	-
Balance per statement of cash flow	**57,906**	41,074

8 Current - Assets and liabilities classified as held for sale

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
(a) Assets classified as held for sale		
Cash at bank	**705**	-
Fixed assets	**1**	-
GST recoverable	**28**	-
Inventory	**68,493**	-
Net deferred tax asset	**282**	-
	69,509	-

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
(b) Liabilities directly associated with assets classified as held for sale		
Payables	**259**	-
Bank borrowings	**28,916**	-
Interest rate swap	**264**	-
	29,439	-

In December 2010, Peet No 113 Pty Ltd (a wholly owned subsidiary of Peet Limited) sold 33.5% of its investment in Peet Yanchep Land Syndicate for $13.8m. In February 2011, Peet No 113 Pty sold a further 1% of its investment in Peet Yancep Land Syndicate for $56.3k. The difference between the book value of the assets disposed and the proceeds received have been recognised in the non-controlling interest reserve.

The assets and liabilities of Peet Yanchep Land Syndicate have been classified as held for sale as the directors of Peet Limited are currently in discussions with interested parties with regard to further reducing the number of units held by Peet No 113 Pty Ltd. It is the directors' intention to sell down to a non-controlling interest.

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
Carrying amount of assets sold to non-controlling interests	**13,511**	-
Consideration received from non-controlling interests	**(13,860)**	-
Excess of consideration received recognised in the transactions with non-controlling interests reserve within equity	**(349)**	-

9 Non-current assets - Investments accounted for using the equity method

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
Peet Yanchep Pty Ltd	**700**	-
Peet Caboolture Syndicate Ltd	**1,244**	1,343
Peet Tri-State Syndicate Ltd	**3,910**	5,268
Peet Flagstone City Pty Ltd	**4,606**	-
Peet Alkimos Pty Ltd	**24,348**	24,647
Other	**1,316**	1,382
	36,124	32,640

10 Contributed equity

	Consolidated		Consolidated	
	30 June 2011 Shares	30 June 2010 Shares	**30 June 2011 $'000**	30 June 2010 $'000
Ordinary shares				
Opening balance	**300,681,486**	294,087,378	**176,025**	163,354
Exercise of employee share options	**-**	40,000	**-**	48
Transfer of exercised options	**-**	-	**-**	506
Institutional Share purchase plan - Note (a)	**11,210,992**	-	**15,808**	-
Retail Share purchase plan - Note (a)	**2,973,308**	-	**4,192**	-
Dividend reinvestment plan (DRP)	**3,172,758**	6,554,108	**5,738**	12,273
Less: Transaction costs arising on share issue	**-**	-	**(674)**	(223)
Deferred tax credit recognised directly in equity	**-**	-	**202**	67
	318,038,544	300,681,486	**201,291**	176,025

(a) On 1 June 2011, the Company announced a $20 million fully underwritten share purchase plan (SPP). The SPP allowed existing eligible Peet Limited Shareholders to acquire up to a maximum of $15,000 worth of fully paid ordinary shares in Peet Limited.

11 Earnings per share

	Consolidated	
	30 June 2011 Cents	30 June 2010 Cents
Basic earnings per share	**7.3**	14.1
Diluted earnings per share	**6.8**	14.0

(a) Reconciliations of earnings used in calculating earnings per share

	$'000	$'000
Basic earnings per share		
Profit attributable to the ordinary equity holders of the company	22,147	42,111
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the company :		
Used in calculating basic earnings per share	**22,147**	42,111
Add: interest savings on convertible notes	**148**	-
Used in calculating diluted earnings per share	**22,295**	42,111

	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**302,404,570**	298,928,054
Adjustments for calculation of diluted earnings per share:		
Options	**3,830,000**	1,600,000
Convertible notes	**22,222,222**	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**328,456,792**	300,528,054

12 Details of entities over which control has been gained or lost during the period

The Company did not gain or lose control over any entities during the year ended 30 June 2011.

13 Interests in Jointly Controlled Operations

(a) Details of aggregate share of assets and liabilities of jointly controlled operations

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
The Village at Wellard		
Total Assets	**31,794**	29,228
Total liabilities	**(22,063)**	(23,717)
Net Assets	**9,731**	5,511

(b) Details of aggregate share of revenue, expenses and results of jointly controlled operations

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
The Village at Wellard		
Revenues	**15,514**	17,599
Expenses	**(9,487)**	(13,154)
Profit before income tax	**6,027**	4,445

14 Contingent Liabilities

Details of the estimated maximum amounts of contingent liabilities (for which no amounts are recognised in the financial statements) are as follows:

	Consolidated	
	30 June 2011 $'000	30 June 2010 $'000
Underwriting obligations outstanding	**13,947**	11,197
Bank guarantees outstanding	**17,655**	18,130
	31,602	29,327

The directors are not aware of any circumstances or information, which would lead them to believe that these contingent liabilities will eventuate and consequently no provisions are included in the accounts in respect of these matters.

15 Commitments

As at 30 June 2011 the Group has commitments of $43,500,000 being the balance of subscription due from Peet No 130 Pty Limited (wholly owned subsidiary of Peet Limited) to Peet Flagstone City Pty Limited of $42,750,000 plus $750,000 due from Peet No 130 Pty Limited to MTAA Flagstone in accordance with the terms of the Development and Marketing agreement.

16 Events occurring after the reporting period

On 25 July 2011 Peet No 130 Pty Limited paid the outstanding commitment due of $43,500,000 (as per Note15).

No other matters or circumstances have arisen since the end of the financial year, which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.