

PEET

Peet Limited

ABN 56 008 665 834

**Appendix 4E Preliminary Consolidated Financial Statements
for the year ended 30 June 2010**

Appendix 4E - Preliminary Consolidated Financial Statements

For the year ended 30 June 2010

Results for Announcement to the Market

Entity: Peet Limited and its controlled entities
 Reporting Period: 30 June 2010
 Previous Corresponding Period: 30 June 2009

				\$'000
Revenue	up	1 %	to	178,022
Operating profit after tax (excluding write-down in carrying value of inventories in FY 09)	up	35 %	to	42,111
Statutory profit after tax attributable to members of Peet Limited	up	250 %	to	42,111
Basic earnings per share (cents)	up	176 %	to	14.1 c
Diluted earnings per share (cents)	up	180 %	to	14.0 c

Dividends	Cents per security	% Franked per security
Current Period		
Final dividend 2010	4.50 cents	100 %
Interim dividend 2010	4.00 cents	100 %
	8.50 cents	
Previous Year		
Final dividend 2009	4.00 cents	100 %
Interim dividend 2009	3.00 cents	100 %
	7.00 cents	

Record date for determining entitlements to the final dividend 24 September 2010
 Dividend payment date 15 October 2010

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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

Results Commentary

Key Results

- Increase in statutory net profit after tax of 250% to \$42.1 million
- Statutory earnings per share of 14.1 cents per share - up 176%
- Increase in operating net profit after tax¹ of 35% to \$42.1 million
- Final dividend of 4.5 cents per share, fully franked, bringing the full year dividend to 8.5 cents per share - up 21% compared with FY09
- Group sales of 2,567 lots, up 7% on the previous corresponding period
- A total of 1,270 contracts on hand, as at 30 June 2010, for a gross value of \$292.3 million, 49% higher than the same time last year
- Gearing² at 29.5% compared with 33.8% at the same time last year

Financial Commentary

Peet Limited's statutory profit after tax for the year ended 30 June 2010 was \$42.1 million, representing an increase of 250% over the previous corresponding period.

The Group's solid performance was driven by an increase in average sales prices in Victoria and Western Australia, improved cost management and a new syndicate. Over the past 12 months Peet has experienced consistent growth in its operating businesses and has strengthened its capital position.

The Group recorded a 31% increase in EBITDA¹, taking it to \$74.8 million for the period. The Group's EBITDA margin increased to 42% compared with 32% in the previous corresponding period.

Peet continued to successfully grow earnings from its funds management business during the period with a 20% increase in EBITDA to \$26.2 million. This result was underpinned by an increase in the EBITDA margin to 70% for the period.

The Group also delivered a 26% increase in EBITDA¹ from Company-owned projects to \$40.3 million with the EBITDA margin¹ improving to 34% for the period.

In a positive sign for Peet's performance in the year ahead, strong sales in FY10 resulted in a total of 1,270 contracts on hand at 30 June 2010 for a total gross value of more than \$292 million. This represented an increase of 21% in the number of lots and a 49% increase in the total value of those contracts on hand, compared with the same time in 2009.

Peet's ongoing capital management program continues to position the business well for future growth with a 54% increase in operating cash flow for FY10 to \$64.8 million (excluding payments for land).

Operational Review

The Group achieved a solid performance, driven in the first half of the year by an active first home buyer market responding to the final months of the Federal Government's First Home Owner Boost and, in the second half, by the strengthening upgrader and investor market.

¹ Pre FY09 write-downs

² (Bank debt less cash)/(Total assets adjusted for market value of inventory less land vendor liabilities and cash)

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Operational Review (continued)

While a series of interest rate rises in the second half of the year increased pressure on affordability, continuing State government-administered incentives for first homebuyers, the most generous of which is made available in Victoria, assisted in maintaining a more 'normal' level of demand for affordable land throughout the period.

In what has been a period of consolidation and preparation for further growth, Peet's geographical diversity and range of titled stock available to its core markets at the 'affordable' end of the spectrum, particularly in Victoria, continued to serve the Company well.

Some 36 Company-owned and managed projects in Western Australia, Victoria and Queensland contributed to Peet's results in FY10, compared with 32 projects in the previous year.

As at 30 June 2010, Peet's land bank stood at almost 32,800 lots with an estimated on-completion value of \$7 billion. More than 17,000 of those lots make up the syndicated, managed and joint venture development pipeline.

Syndicated projects

- EBITDA from syndicated projects of \$26.2 million - an increase of 20% on the previous corresponding period
- 1,729 syndicated lots sold - up 9% on FY09 - for a gross value of \$394.8 million (compared with \$289.1 million in FY09)
- 1,651 syndicated lots settled - up 11% over the previous corresponding period, for a gross value of \$334.4 million, compared with \$267.7 million in FY09
- 850 syndicated contracts on hand as at 30 June 2010 for a total gross value of \$204.9 million, representing an increase of 13% in the number and 47% in the total value of contracts on hand at 30 June 2009

Company-owned projects

- EBITDA³ of \$40.3 million from Company-owned projects, up 26% on the previous corresponding period
- 592 lots sold, compared with 634 in the previous corresponding period (down 7%), for a gross value of \$158.1 million, compared with \$122.9 million in FY09
- 449 lots settled, compared with 671 in the previous corresponding period (down 33%), for a gross value of \$125.1 million, compared with \$135.1 million in FY09
- 352 Company-owned contracts on hand as at 30 June 2010 for a total value of \$74.3 million - an increase of 71% in the number of contracts on hand and 82% in the value of total contracts on hand, compared with the same time in FY09

Joint venture projects

- EBITDA from joint venture projects of \$5.6 million, up 267% over the previous corresponding period
- 246 lots sold, up 33% over the previous corresponding period
- 266 lots settled representing an increase of 106% over FY09
- 68 contracts on hand as at 30 June 2010 with a total value of \$13.1 million

³ Pre FY09 write-downs

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Land Portfolio Metrics

	FY10	FY09	Change
Lot sales	2,567	2,409	7%
Lot settlements	2,366	2,282	4%
Contracts on hand as at 30 June	1,270	1,048	21%
Syndicates / JVs contributing to earnings	23	18	
Company-owned projects contributing to earnings	13	14	

Capital Management

Peet's capital management strategy continues to position the Company well for future growth. Notable elements during the year included:

- A reduction in net debt to \$179 million
- A weighted average debt maturity profile of 1.9 years at 30 June 2010
- Group interest cover of 3.4 times
- Gearing⁴ at 30 June 2010 was 29.5%

At 30 June 2010, Peet had interest bearing debt, net of cash, of \$178.8 million, compared with \$184.5 million at 30 June 2009. Gearing⁴ decreased during the period to 29.5% at year end.

The average cost of debt for the year ended 30 June 2010 was 7.1% (including margins), compared with 5.9% for the year ended 30 June 2009. At 30 June 2010, 93% of the Group's interest bearing debt was hedged (compared with 65% at the end of FY09), resulting in an average hedge maturity profile of 4.1 years.

The weighted average debt maturity profile at 30 June 2010 was 1.9 years, compared with 1.3 years at 30 June 2009.

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

Group Strategy and Outlook

Peet has a clear strategic focus to further enhance its business model to deliver growth via expansion of its syndication platform nationally, improve market share in existing and new growth corridors and continued focus on its residential land development and funds management businesses.

Improving economic conditions in Australia have seen a solid recovery in the residential market throughout 2010 though some challenges remain. These include:

- the impact on affordability from recent interest rate rises along with additional increases in bank variable mortgage rates;
- the timing for the provision of infrastructure to meet Australia's projected population growth; and
- continued delays in the land development approvals processes.

The Company is actively assessing opportunities to build on its already sizeable land bank and looks forward to expanding its syndicate platform nationally with a new opportunity in the first half of the 2011 financial year.

⁴ (Bank debt less cash)/(Total assets adjusted for market value of inventory less land vendor liabilities and cash)

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Group Strategy and Outlook (continued)

Meanwhile, the longer term property market fundamentals remain very sound including population growth in all key markets and in the growth corridors where Peet's land is concentrated in particular. While there is the possibility of further interest rate rises, there remains an undersupply of housing, and Peet expects ongoing interest from homebuyers seeking affordable product, as well as 'upgraders' and investors who were more active in the second half of the financial year and continue to be a significant factor since year end.

Peet will retain its proactive and prudent approach to capital management, with the continued release of capital from its land bank to improve operating cash flow and maintain gearing levels within the Board's target range.

Peet is well placed to take advantage of opportunities in FY11 with a strong balance sheet, good banking relationships, a significant land bank and an experienced management team.

Dividends

The Directors have declared a final dividend of 4.5 cents per share, fully franked, to be paid on 15 October 2010, with a record date of 24 September 2010. This brings the total dividends in respect to the financial year ended 30 June 2010 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
25 August 2010

Consolidated Statement of Income

For the year ended 30 June 2010

	Notes	Consolidated	
		30 June 2010 \$'000	30 June 2009 \$'000
Revenue			
Revenue from ordinary activities	3	172,742	173,560
Other revenue	3	5,280	3,280
		178,022	176,840
Expenses			
Cost of inventories	4	(74,508)	(87,186)
Employee benefits expense		(16,604)	(13,641)
Depreciation		(1,466)	(748)
Project management, selling and other operating costs		(10,095)	(13,116)
Office costs		(3,793)	(3,790)
Other expenses		(5,871)	(5,475)
Write-down in carrying value of inventories		-	(27,369)
Finance costs	4	(4,347)	(6,680)
Share of net loss of associates accounted for using the equity method		(4)	(1,702)
Profit before income tax		61,334	17,133
Income tax expense	5	(19,223)	(5,114)
Profit after tax for the year attributable to the owners of Peet Limited		42,111	12,019

Earnings per share for profit attributable to the ordinary equity holders of the company:		Cents	Cents
Basic earnings per share	8	14.1	5.1
Diluted earnings per share	8	14.0	5.0

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

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2010

	Consolidated	
	30 June 2010 \$'000	30 June 2009 \$'000
Profit for the year	42,111	12,019
Other comprehensive income		
Changes in the fair value of cash flow hedges	(1,565)	1,561
Income tax relating to components of other comprehensive income	470	(1,491)
Other comprehensive income for the year, net of tax	(1,095)	70
Total comprehensive income for the year	41,016	12,089
Total comprehensive income for the year is attributable to:		
Owners of Peet Limited	41,016	12,089
	41,016	12,089

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 2010

	Notes	Consolidated	
		30 June 2010 \$'000	30 June 2009 \$'000
Current assets			
Cash and cash equivalents		41,074	123,116
Receivables		51,220	32,509
Inventories		64,833	76,262
Tax receivable		-	8,298
Total current assets		157,127	240,185
Non-current assets			
Receivables		13,077	367
Inventories		353,559	354,417
Investments accounted for using the equity method		32,640	32,684
Available-for-sale financial assets		257	257
Derivative financial instruments		1,208	6,071
Property, plant and equipment		8,012	7,475
Total non-current assets		408,753	401,271
Total assets		565,880	641,456
Current liabilities			
Payables		25,048	24,863
Land vendor liabilities		42,240	28,741
Borrowings		1,043	69,771
Tax liabilities		1,110	-
Provisions		2,640	5,451
Total current liabilities		72,081	128,826
Non-current liabilities			
Land vendor liabilities		18,024	52,432
Borrowings		218,790	237,833
Deferred tax liabilities		23,983	19,667
Provisions		90	35
Total non-current liabilities		260,887	309,967
Total liabilities		332,968	438,793
Net assets		232,912	202,663
EQUITY			
Contributed equity	7	176,025	163,354
Reserves		1,367	2,160
Retained earnings		55,520	37,149
Total equity		232,912	202,663

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 2010

2009 Consolidated	Attributable to owners of Peet Limited				
	Notes	Contributed equity	Reserves	Retained earnings	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2008		85,914	2,122	55,688	143,724
Total comprehensive income for the year		-	70	12,019	12,089
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	7	75,855	-	-	75,855
Dividends provided for or paid	6	-	-	(30,558)	(30,558)
Exercise of employee share options	7	1,585	-	-	1,585
Employee share benefit		-	(32)	-	(32)
		77,440	(32)	(30,558)	46,850
Balance at 30 June 2009		163,354	2,160	37,149	202,663

2010 Consolidated	Attributable to owners of Peet Limited				
	Notes	Contributed equity	Reserves	Retained earnings	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2009		163,354	2,160	37,149	202,663
Total comprehensive income for the year		-	(1,095)	42,111	41,016
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	7	12,117	-	-	12,117
Dividends provided for or paid	6	-	-	(23,740)	(23,740)
Exercise of employee share options	7	48	-	-	48
Transfer of exercised options	7	506	(506)	-	-
Employee share benefit		-	808	-	808
		12,671	302	(23,740)	(10,767)
Balance at 30 June 2010		176,025	1,367	55,520	232,912

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 2010

	Consolidated	
	30 June 2010 \$'000	30 June 2009 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	178,247	190,628
Payments to suppliers and employees (inclusive of goods and services tax)	(86,152)	(110,034)
Payments for purchase of land	(32,230)	(39,533)
Interest and other finance costs paid	(22,324)	(21,746)
Income tax paid	(4,962)	(16,693)
Net cash inflow from operating activities	32,579	2,622
Cash flows from investing activities		
Payments for property, plant and equipment	(2,015)	(3,464)
Proceeds from sale of property, plant and equipment	12	-
Proceeds from sale of investments in associates	-	5
Payments for investment in associates	(16)	(8,230)
Payments for investments in available-for-sale financial assets	-	(100)
Loans to related parties	(16,538)	(690)
Repayment of loans by related parties	56	-
Dividends received	167	191
Interest received	2,923	2,140
Net cash outflow from investing activities	(15,411)	(10,148)
Cash flows from financing activities		
Dividends paid to the company's shareholders	(16,467)	(30,558)
Proceeds from exercise of employee share options	48	1,585
Repayment of borrowings	(168,491)	(51,380)
Proceeds from borrowings	80,719	84,863
Proceeds from capital returns	42	-
Proceeds from issue of equity securities (net of equity raising costs)	4,939	75,855
Net cash (outflow) inflow from financing activities	(99,210)	80,365
Net (decrease) increase in cash and cash equivalents	(82,042)	72,839
Cash and cash equivalents at the beginning of the financial year	123,116	50,277
Cash and cash equivalents at end of year	41,074	123,116

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 2009.

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 2009 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, except as set out below:

Changes in accounting policy

Peet Limited had to change one of its accounting policies as the result of new or revised accounting standard which became operative for the annual reporting period commencing on 1 July 2009.

The affected policy and standard is:

- Segments – new AASB 8 Operating Segments

The group has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a 'management approach' under which segment information is presented on the basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is more 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. As permitted under the new standard, this has resulted in the group no longer disclosing segment assets and liabilities as this information is not provided to the executive management group.

2 Segment information

Business segments

The consolidated entity is an Australian based company having the following three 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.

Geographical segments

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.

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2 Segment information (continued)

Primary Reporting Business Segments	Funds Management Land Syndication		Company-owned Projects		Joint Ventures		Inter-Segment Eliminations and Unallocated		Consolidated	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009	30 June 2010	30 June 2009	30 June 2010	30 June 2009	30 June 2010	30 June 2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
Sales to external customers	36,540	36,683	116,235	125,508	19,967	11,369	-	-	172,742	173,560
Total sales revenue	36,540	36,683	116,235	125,508	19,967	11,369	-	-	172,742	173,560
Share of net loss of associates	(4)	(1,702)	-	-	-	-	-	-	(4)	(1,702)
Other income	167	191	1,454	949	-	-	-	-	1,621	1,140
Interest	930	-	64	65	32	323	2,633	1,752	3,659	2,140
Total segment revenue	37,633	35,172	117,753	126,522	19,999	11,692	2,633	1,752	178,018	175,138
Result before write-down in carrying value of inventories, depreciation, financing cost, interest and finance charges amortised through cost of sales and income tax expense	26,211	21,856	40,310	32,058	5,627	1,533	2,633	1,752	74,781	57,199
Write-down in carrying value of inventories	-	-	-	(27,369)	-	-	-	-	-	(27,369)
EBITDA	26,211	21,856	40,310	4,689	5,627	1,533	2,633	1,752	74,781	29,830
Depreciation	(244)	(286)	(961)	(351)	(261)	(111)	-	-	(1,466)	(748)
EBIT	25,967	21,570	39,349	4,338	5,366	1,422	2,633	1,752	73,315	29,082
Financing costs (Includes interest and finance charges amortised through cost of sales)									(11,981)	(11,949)
Profit before income tax expense									61,334	17,133
Income tax expense									(19,223)	(5,114)
Profit for the year									42,111	12,019

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

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

3 Revenue

	Consolidated	
	30 June 2010 \$'000	30 June 2009 \$'000
<i>Revenue from ordinary activities</i>		
Revenue from sale of land	116,235	125,508
Project management and performance fees	35,325	36,104
Joint venture	18,833	10,342
Revenue from other trading activities		
Syndicate administration fees	1,170	1,104
Syndicate underwriting and capital raising fees	1,179	502
	172,742	173,560
<i>Other revenue</i>		
Dividends	167	191
Interest	3,659	2,140
Other	1,454	949
	5,280	3,280
	178,022	176,840

4 Profit before income tax

	Consolidated	
	30 June 2010 \$'000	30 June 2009 \$'000
Profit before income tax includes the following specific expenses:		
Expenses		
<i>Cost of inventories</i>		
Cost of inventories	66,874	81,917
Amortisation of interest and finance charges	7,634	5,269
Total cost of inventories expensed	74,508	87,186
<i>Finance costs</i>		
Interest and finance charges paid/payable	19,921	20,881
Cash flow hedges - transfer from equity	3,298	1,123
Amount capitalised	(18,872)	(15,324)
Total finance costs expensed	4,347	6,680
<i>Discount on land vendor payments</i>		
Change in present value of land vendor payments	5,597	10,528
Capitalisation change in present value of land vendor payments	(5,597)	(10,528)
Total discount on land vendor payments	-	-

5 Income tax

	Consolidated	
	30 June 2010 \$'000	30 June 2009 \$'000
(a) Income tax expense		
Current tax	14,627	-
Deferred tax	3,989	5,113
Adjustments for current tax of prior periods	607	1
	19,223	5,114
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	61,334	17,133
Tax at the Australian tax rate of 30% (2009 - 30%)	18,400	5,140
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share of net loss of associates	1	-
Entertainment	14	20
Employee benefits	251	10
Dividend franking	19	25
Franking rebate	(69)	(82)
Under-provision in prior years	607	1
	19,223	5,114

6 Dividends

	Consolidated	
	30 June 2010 \$'000	30 June 2009 \$'000
(a) Dividends Paid		
Final dividend for the year ended 30 June 2009 of 4.0 cents (2008 - 10.75 cents) per fully paid share paid on 8 October 2009 (2008 - 16 October 2008)		
Fully franked based on tax paid @ 30%	11,765	23,890
Interim dividend for the year ended 30 June 2010 of 4.0 cents (2009 - 3.0 cents) per fully paid share paid on 16 April 2010 (2009 - 17 April 2009)		
Fully franked based on tax paid @ 30%	11,975	6,668
Total dividends paid	23,740	30,558

(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, (2009 - 4.0 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 15 October 2010 out of retained earnings at 30 June 2010, but not recognised as a liability at year end, is

<u>13,531</u>	<u>11,765</u>
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(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.

Appendix 4E - Preliminary Consolidated Financial Statements
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7 Contributed equity

	Consolidated		Consolidated	
	30 June 2010 Shares	30 June 2009 Shares	30 June 2010 \$'000	30 June 2009 \$'000
Ordinary shares				
Opening balance	294,087,378	222,138,454	163,354	85,914
Exercise of employee share options	40,000	1,300,000	48	1,585
Transfer of exercised options	-	-	506	-
Institutional Entitlement Offer - note (a)	-	58,659,425	-	64,525
Retail Entitlement Offer - note (a)	-	11,989,499	-	13,188
Less: Transaction costs arising on share issue - note (b)	-	-	(223)	(2,654)
Dividend reinvestment plan	6,554,108	-	12,273	-
Deferred tax credit recognised directly in equity	-	-	67	796
	300,681,486	294,087,378	176,025	163,354

- a) On 27 March 2009, the Company launched a 1 for 3 accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer") at an issue price of \$1.10 per share.
- b) The transaction costs represent the costs of issuing the shares under the Entitlement Offer.

8 Earnings per share

	Consolidated	
	30 June 2010 Cents	30 June 2009 Cents
Basic earnings per share	14.1	5.1
Diluted earnings per share	14.0	5.0
	Number	Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	298,928,054	236,281,091
Adjustments for calculation of diluted earnings per share:		
Options	1,600,000	1,704,000
<i>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	300,528,054	237,985,091

9 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 2010.

10 Investments accounted for using the equity method

	Consolidated	
	30 June 2010 \$'000	30 June 2009 \$'000
Shares in associates	1,382	1,450
Peet Caboolture Syndicate Ltd	1,343	1,366
Peet Tri-State Syndicate Ltd	5,268	4,856
Peet Alkimos Pty Ltd	24,647	25,012
	32,640	32,684

11 Interests in Jointly Controlled Operations

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

	Consolidated	
	30 June 2010 \$'000	30 June 2009 \$'000
The Village at Wellard		
Total Assets	29,228	30,391
Total liabilities	(23,717)	(26,115)
Net Assets	5,511	4,276

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

	Consolidated	
	30 June 2010 \$'000	30 June 2009 \$'000
The Village at Wellard		
Revenues	17,599	9,695
Expenses	(13,154)	(9,185)
Profit before income tax	4,445	510

12 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 2010 \$'000	30 June 2009 \$'000
Underwriting obligations outstanding	11,197	197
Finance bank guarantees	-	5,400
Bank guarantees outstanding	18,130	17,177
	29,327	22,774

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.

13 Events occurring after the reporting period

The Company has a land parcel of 151-hectares in the Northern coastal suburb of Yanchep, Western Australia under contract for the purpose of a Peet Land Syndicate.

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.