FY14 Results Presentation

August 2014

FY14 result

- » Operating profit after tax of $31.6m[1] – up 73% vs FY13
- » Statutory profit after tax of $30.3m
- » Group EBITDA margin of 25% demonstrating continued recovery
- » Market value NTA of $1.18 per share, up 18%
- » Covenant gearing of 29.8% - expected to reduce further in FY15
- » Settlements up 67% vs FY13 with 3,491 lots settled
- » 1,990 contracts on hand valued at $468m
- » Final dividend of 3.5cps unfranked

Notes:
1. Excluding $1.3m write-down (post tax) on disposal of a non-core landholding in Victoria

Key achievements

- ✓ Integration of CIC successfully completed
- ✓ Continued reweighting of business to funds management and higher ROCE projects
  - » *Majority of land bank now in funds management or capital efficient structures*
  - » *Wholesale relationships in place to pursue further growth opportunities*
- ✓ Balance sheet repair and stabilisation completed
  - » *Disciplined execution of our capital management strategy and rebalanced portfolio has positioned the Group to grow and leverage off a market recovery*
  - » *Covenant gearing in line with target of 30%*
- ✓ Improving operating cash flows to fund development pipeline
- ✓ Medium density strategy underway
  - » *Short / medium-term pipeline of over 1,500 units identified in the national portfolio*

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Results overview

Group financial summary

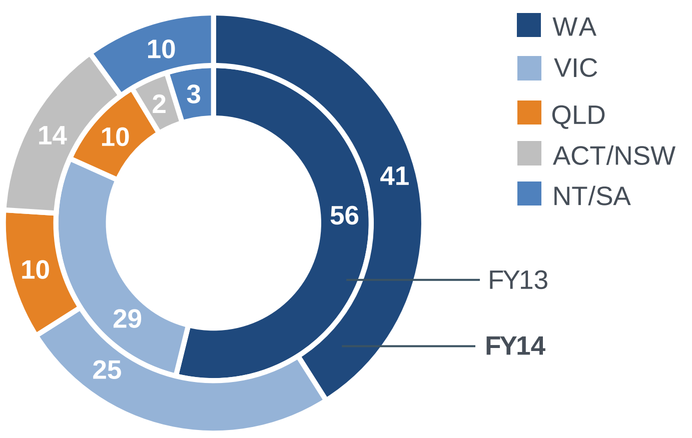
» Performance driven by improving market conditions and CIC acquisition

» Significant increase in revenue over FY13 as market conditions improved

» Group EBITDA[2] increased by 39% to $74m
  » Group EBITDA[2] margin increased to 25%
  » Gross margin improved through net price growth and greater impact of high margin projects

» Market value NTA per share increased to $1.18
  » Does not include value of Funds Management business

FY14 sales by geography (%)



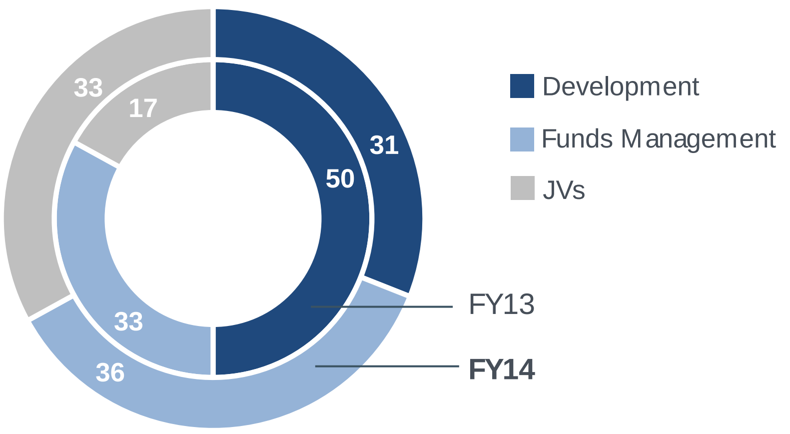
Key performance statistics	FY14	FY13	Var (%)
Lot sales	3,525	2,308	53%
Lot settlements	3,491	2,091	67%
Revenue[1]	$296.7m	$240.8m	23%
EBITDA[2]	$73.7m	$53.0m	39%
EBITDA[2] margin	25%	22%	-
Operating profit after tax[2,3]	$31.6m	$18.3m	73%
Inventory write-downs and acquisition costs after tax	$1.3m	$17.4m	93%
Statutory profit after tax[3]	$30.3m	$0.9m	-
EPS (Operating)	7.3c	5.4c	35%
DPS	3.5c	-	-
ROE[4]	8.2%	6.1%	-
	30 JUN 2014	**30 JUN 2013**	**Var (%)**
Book NTA per share	$1.00	$0.89	12%
Market adjusted NTA[5] per share	$1.18	$1.00	18%

Notes:
1 Includes share of net profit / (loss) of associates and joint ventures accounted for using the equity method
2 Pre write-downs of $1.8 million (before tax) and includes effects of non-cash movements in investments in associates and joint ventures totalling $20.6 million in FY14
3 Attributable to owners of Peet Limited
4 Operating profit after tax / average shareholders equity attributable to the owners of Peet Limited
5 Market adjusted NTA is based on independent bank-instructed mortgage valuations

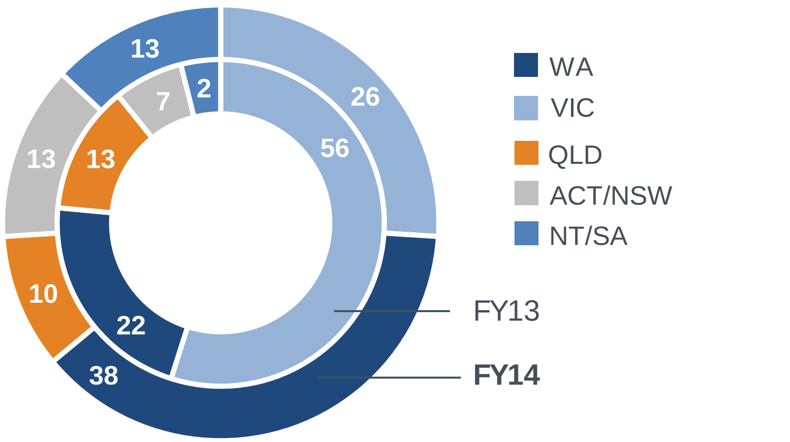
Group operating performance

- Business transformation continues with increased weighting towards capital efficient structures through Funds Management and Joint Venture businesses
- Funds management business provided solid earnings base representing 36% of Group EBITDA [1]
  - Performance fees increased strongly during the year albeit off a low base
- Strong improvement in JV earnings driven by Wellard (WA) and CIC projects
- Improved contribution from WA, NT and SA

EBITDA[1] composition by business type (%)



EBITDA[1] composition by geography (%)



Notes:
1 Pre write-downs of $1.8 million (before tax) and includes effects of non-cash movements in investments in associates and joint ventures totalling $20.6 million in FY14. Pre inter-segment eliminations and other unallocated

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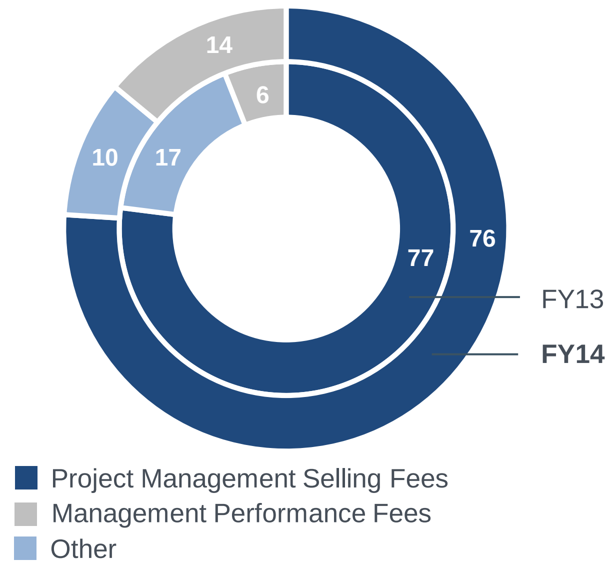
FM operating performance

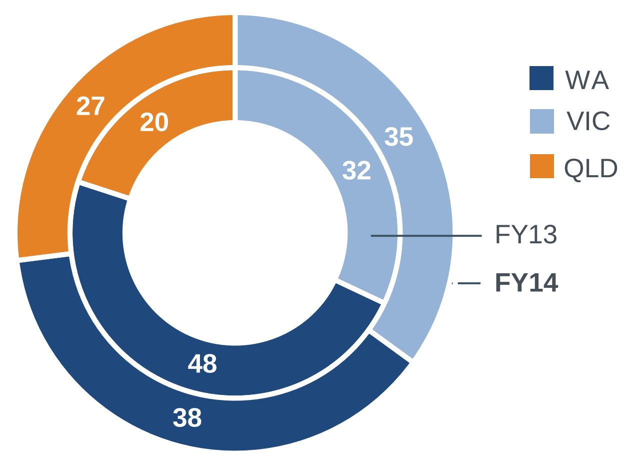
Key performance statistics	FY14	FY13	Var (%)
Lot sales[1]	1,834	1,389	32%
Lot settlements[1]			
Retail	1,763	1,218	45%
Super lots	-	7	-
Revenue	$36.2m	$30.3m	19%
Share of net profit /(loss) of equity accounted investments	$7.1m	($2.8m)	-
EBITDA[2]	$29.7m	$18.8m	58%
EBITDA[2] margin	69%	69%	-

	30 JUN 2014	30 JUN 2013	Var (%)
Contracts on hand[1]	968	897	8%

FM revenue composition by type (%)



FM revenue composition by geography (%)



Notes:
1 Includes super lots
2 Includes effects of non-cash movements in investments in associates.

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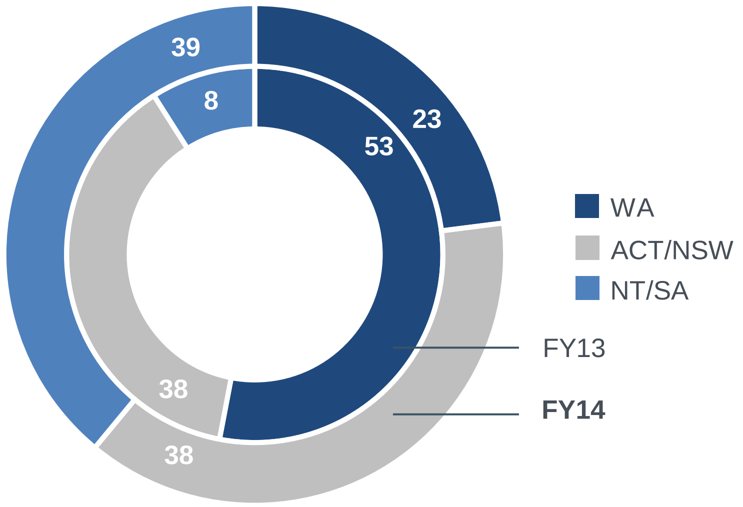
JV operating performance

EBITDA[1] composition by geography (%)



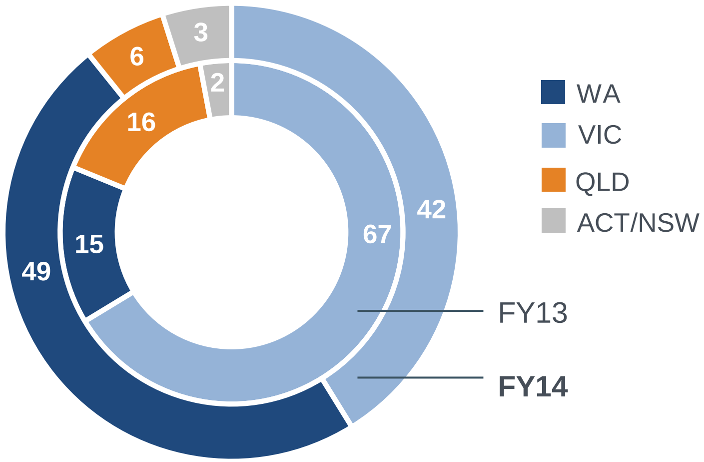
Key performance statistics	FY14	FY13	Var (%)
Lot sales	1,190	503	137%
Lot settlements	1,268	451	181%
Revenue	\$95.6m	\$39.4m	143%
Share of net profit of equity accounted investments	\$14.2m	\$4.4m	223%
EBITDA[1]	\$27.4m	\$9.5m	188%
EBITDA[1] margin	25%	22%	-

	30 JUN 2014	30 JUN 2013	Var (%)
Contracts on hand[2]	753	831	(9%)

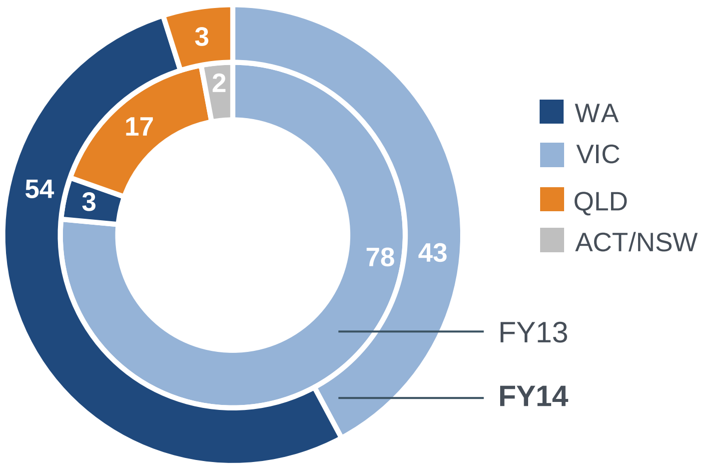
Notes:
1 Includes effects of non-cash movements in investments in joint ventures.
2 Includes 100% Googong sales

Development operating performance

Revenue composition by geography (%)



EBITDA[2] composition by geography(%)



Key performance statistics	FY14	FY13	Var (%)
Lot sales[1]	501	416	20%
Lot settlements[1]			
Retail	457	412	11%
Super lots	3	3	-
Revenue	\$104.2m	\$128.5m	(19%)
EBITDA[2]	\$25.0m	\$28.8m	(13%)
EBITDA[2] margin	24%	22%	-

	30 JUN 2014	30 JUN 2013	Var (%)
Contracts on hand[1]	269	228	18%

Notes:

1 Incudes super lots
2 Pre write-downs of \$1.8 million (before tax).

Contracts on hand

» Sales momentum continues and has broadened across the portfolio

  » Sales momentum robust since June 2014

  » Significant increase in lots sales in FY14 of over 3,500 lots

  » Strong settlements achieved in June 2014 quarter

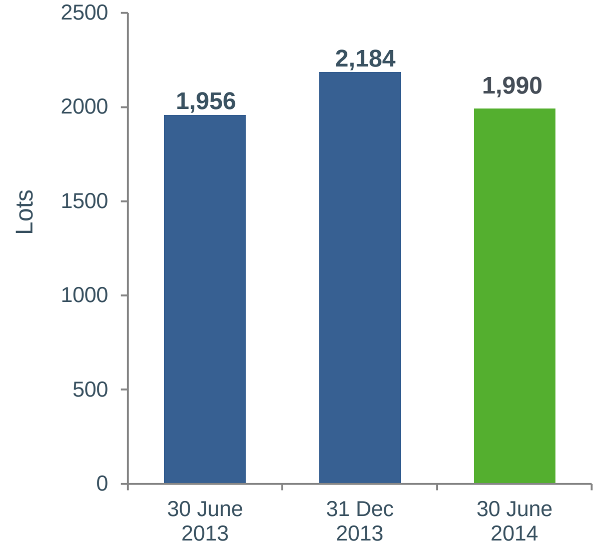
  » Significant number of contracts on hand at end of June 2014 providing good momentum into FY15

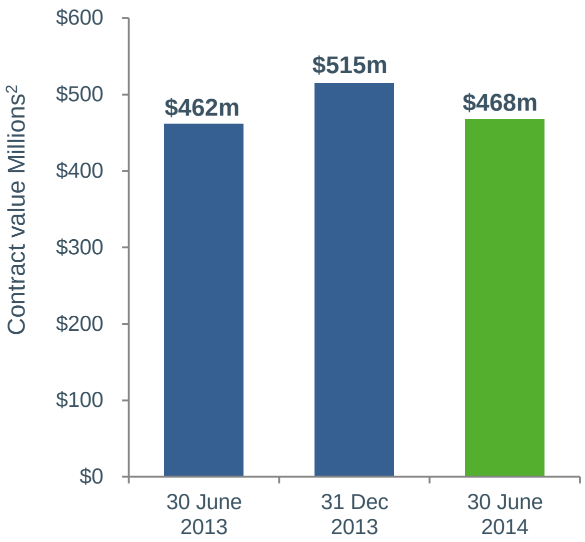
» Improving margins following stronger market conditions and price growth during 2H14

» Three projects commenced development phase in 4Q14

» A further three projects scheduled to commence development in FY15

Contracts on hand[1]





Notes:
1. Includes CIC
2. Includes GST

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Land bank – *Funds Management key projects*

Funds Management

State	Project name	GDV	Lots[1] remaining (at 30 June 14)	Project Lifecycle 2015	2016	2017	2018
WA	Alkimos	$839m	2,386	*Selling*	*Selling*	*Selling*	*Selling*
WA	Burns Beach	$368m	735	*Selling*	*Selling*	*Selling*	*Selling*
WA	Golden Bay	$304m	1,322	*Selling*	*Selling*	*Selling*	*Selling*
WA	Lakelands	$203m	1,246	*Selling*	*Selling*	*Selling*	*Selling*
WA	Yanchep Golf Estate	$378m	1,502	*Selling*	*Selling*	*Selling*	*Selling*
WA	Oakford	$204m	1,078	*Selling*	*Selling*	*Selling*	*Selling*
WA	Forrestdale	$196m	904	*Start up*	*Selling*	*Selling*	*Selling*
WA	Midvale	$155m	613	*Planning*	*Start up*	*Selling*	*Selling*
WA	Byford	$52m	279	*Planning*	*Start up*	*Selling*	*Selling*
WA	Mundijong	$148m	922	*Planning*	*Start up*	*Selling*	*Selling*
WA	Yanchep (Wholesale)	$147m	804	*Planning*	*Start up*	*Selling*	*Selling*
WA	Other	$161m	784				
QLD	Warner Lakes	$15m	64	*Selling*	*Completion*	*Completion*	*Completion*
QLD	Flagstone East	$148m	536	*Selling*	*Selling*	*Selling*	*Selling*
QLD	Caboolture	$245m	1,109	*Selling*	*Selling*	*Selling*	*Selling*
QLD	Warner Springs	$102m	437	*Selling*	*Selling*	*Selling*	*Selling*
QLD	Flagstone City	$3,106m	11,786	*Start up*	*Selling*	*Selling*	*Selling*
QLD	Other	$95m	614				
VIC	Kingsford	$13m	56	*Selling*	*Completion*	*Completion*	*Completion*
VIC	Cranbourne Central	$121m	572	*Selling*	*Selling*	*Selling*	*Selling*
VIC	Cranbourne West	$102m	516	*Selling*	*Selling*	*Selling*	*Selling*
VIC	Greenvale	$112m	419	*Selling*	*Selling*	*Selling*	*Selling*
VIC	Botanic Village	$199m	825	*Planning*	*Planning*	*Start up*	*Selling*
VIC	Melton	$112m	695	*Selling*	*Selling*	*Selling*	*Selling*
VIC	Other	$27m	129				
Total Funds Management		***$7,552m***	***30,333***				

Notes:
1 Lots equivalent.

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Land bank – *Company-owned key projects*

Company-owned

<table>
<tr><th colspan="2" rowspan="2">Project name</th><th rowspan="2">GDV</th><th rowspan="2">Lots[1] remaining (at 30 June 14)</th><th colspan="4">Project Lifecycle</th></tr>
<tr><th>2015</th><th>2016</th><th>2017</th><th>2018</th></tr>
<tr><td rowspan="4">WA</td><td>Brigadoon</td><td>$76m</td><td>168</td><td colspan="4">Selling</td></tr>
<tr><td>Chase, Baldivis</td><td>$97m</td><td>502</td><td>Start up</td><td colspan="3">Selling</td></tr>
<tr><td>Mundijong</td><td>$87m</td><td>541</td><td colspan="2">Planning</td><td>Start up</td><td>Selling</td></tr>
<tr><td>Other</td><td>$618m</td><td>3,621</td><td colspan="4"></td></tr>
<tr><td rowspan="4">QLD</td><td>Gladstone</td><td>$81m</td><td>342</td><td colspan="4">Selling</td></tr>
<tr><td>Beaudesert</td><td>$245m</td><td>1,045</td><td colspan="4">Planning</td></tr>
<tr><td>Flagstone North</td><td>$224m</td><td>1,400</td><td colspan="4">Planning</td></tr>
<tr><td>Other</td><td>$21m</td><td>108</td><td colspan="4"></td></tr>
<tr><td rowspan="7">VIC</td><td>Aston, Craigieburn</td><td>$274m</td><td>1,207</td><td colspan="4">Selling</td></tr>
<tr><td>Werribee</td><td>$170m</td><td>803</td><td colspan="4">Planning</td></tr>
<tr><td>Arden, Greenvale</td><td>$197m</td><td>799</td><td colspan="4">Selling</td></tr>
<tr><td>Tarneit (Leakes Road)</td><td>$64m</td><td>293</td><td>Planning</td><td>Start up</td><td colspan="2">Selling</td></tr>
<tr><td>Mt Aitken</td><td>$96m</td><td>288</td><td colspan="4">Planning</td></tr>
<tr><td>Rockbank</td><td>$115m</td><td>557</td><td>Planning</td><td>Start up</td><td colspan="2">Selling</td></tr>
<tr><td>Other</td><td>$140m</td><td>327</td><td colspan="4"></td></tr>
<tr><td>NSW</td><td>Bay Ridge</td><td>$5m</td><td>21</td><td colspan="4">Selling</td></tr>
<tr><td rowspan="2">ACT</td><td>Eastern Industrial Estate</td><td>$29m</td><td>76</td><td colspan="4">Selling</td></tr>
<tr><td>Quayside</td><td>$18m</td><td>16</td><td colspan="2">Selling</td><td colspan="2">Completion</td></tr>
<tr><td colspan="2">Total company-owned</td><td>$2,557m</td><td>12,114</td><td colspan="4"></td></tr>
</table>

Notes:
1 Lots equivalent.

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Land bank – *Joint Venture key projects*

Joint Venture

	Project name	GDV	Lots[1] remaining (at 30 June 14)	Project Lifecycle 2015	2016	2017	2018
NSW	Googong[2]	$629m	2,678	*Selling*			
ACT	Crace	$2m	6	*Selling*	*Completion*		
WA	Wellard	$315m	1,436	*Selling*			
NT	The Heights	$136m	539	*Selling*			
SA	Lightsview	$193m	1,081	*Selling*			
Total joint venture		***$1,275m***	***5,740***				
TOTAL PIPELINE		**$11,384m**	**48,187**				

Notes:
1 Lots equivalent.
2 Googong represents 50% shareholding of project.

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Capital management

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Capital management

Capital management strategy tracking in line with expectations

- Covenant gearing[1] decreased to 29.8%
- Bank debt reduced by a further $26.4m during the year
- Compliant with debt covenants
- Extension of corporate debt facility until 31 October 2017
- ICR of 2.81x, will continue to improve as earnings recover into 2015 and beyond
- Weighted average cost of debt (excluding convertible notes) reduced to 6.8%

	FY14	FY13
Cash at bank	$38.8m	$36.4m
Bank debt	$247.9m	$274.3m
Convertible notes	$47.6m	$46.6m
Covenant gearing[1]	30%	34%
Balance sheet gearing[2]	31%	37%
Interest cover ratio[3]	2.81x	1.65x
Weighted average debt maturity	2.4 years	1.4 years
Weighted average hedge maturity	1.8 years	2.0 years
Debt fixed/hedged	47%	78%
Weighted average cost of debt[4]	7.7%	8.3%
Weighted average cost of debt (excluding convertible notes)	6.8%	7.7%

Notes:
1. Includes CIC (Total interest bearing liabilities (including land vendor liabilities) less cash) / (Total assets adjusted for market value of inventory less cash, less intangible assets), excluding Syndicates consolidated under AASB10
2. (Total interest bearing liabilities (including land vendor liabilities) less cash) / (Total assets adjusted for market value of inventory less cash, less intangible assets). Includes Syndicates consolidated under AASB10 and CIC
3. EBIT (pre write-downs and CIC acquisitions costs) / Total interest cost (including capitalised interest). Includes CIC
4. Including all costs, fees and margins and convertible notes.

Group cash flow summary

Improved cash flows with significant investment in new and existing projects

Cash flows related to operating activities	FY14[1] $m	FY13 $m
Receipts from customers	281.5	206.2
Receipts from asset divestments	16.2	52.9[2]
Payments to suppliers and employees	(81.3)	(67.4)
Borrowing costs	(27.0)	(31.0)
Distributions and dividends received from associates and joint ventures	18.1	2.7
Net taxes (paid) / refund	(4.5)	5.5
Payments for development and infrastructure	(153.0)	(95.7)
Operating cash flow before acquisitions	**50.0**	**73.2**
Payments for new land acquisitions	(12.8)	(3.5)
Net operating cash flow	**37.2**	**69.7**

Notes:
1 Includes first full year of CIC
2 This excludes $11m in proceeds from the sale of land, treated as investments

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Market overview & outlook

Residential market overview

» Fundamentals underpinning the housing market remain supportive of both prices and volumes

» Construction activity continues to remain strong across major capital cities

» Affordability, softening labour market conditions and consumer caution is likely to make for a subdued uplift

» Peet is in a position to capture an improving residential market uplift through geographical spread

WA **Market stabilising after good price growth**

- Market conditions expected to moderate and stabilise – normal market settings
- Population growth still underpinning demand
- Developer stock remains tight
- Vacancy rates have increased, but mostly for inner-city apartments – suburban vacancy rates stable
- Positive economic fundamentals remain despite softness in mining sector

FY15

Medium term forecast

VIC **Stable market conditions**

- Improved activity supported by low interest rates and increased investor interest; however market remains price sensitive
- Oversupply of stock has been absorbed
- Consumer sentiment potentially impacted by uncertain employment outlook
- Population growth rate has increased since 2010 with Vic now second to WA

FY15

Medium term forecast

QLD **Activity levels improving**

- Vacant land sales growing, albeit off a low base
- Enquiry levels continue to improve
- Residential market activity remains at historical lows
- Affordability has improved relative to other major cities

FY15

Medium term forecast

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Residential market overview (cont.)

ACT and adjoining NSW Shortage of supply

- Land sales expected to remain solid in the mid term due to a shortage of supply
- The residential construction market remains reasonably buoyant

FY15

Medium term forecast

SA Market showing tentative signs of improvement

- Recovery in land sales being reported across Metropolitan Adelaide
- National Rental Affordability Scheme allocations showing up both in terms of sales and new home building
- Infill development in city locations seeing strong demand

FY15

Medium term forecast

NT Strong residential demand for purchase & rent off the back of resource (LNG) projects

- Strong demand for residential land
- US Defence starting to increase its presence
- High rentals adding to increased demand for house and land packages
- Marine supply base servicing Browse oil & gas fields represent major opportunity for population growth

FY15

Medium term forecast

Outlook

- Strong sales momentum continuing into FY15
  - *Favourable market dynamics including population growth and continuing low interest rates*
  - *In particular, Peet well positioned for Queensland recovery to supplement stronger WA, Vic and NSW/ACT projects*
  - *Expect FY15 to show an increase over Peet's FY14 sales*
  - *Price growth supporting a continued modest recovery in margins*
- Medium density strategy underway
  - *Pipeline of 1,500 units identified in the national portfolio*
- Three new projects are expected to start development in FY15
- Actively pursuing growth opportunities in a disciplined manner
- Growth to be focussed through Funds Management platform



Thank you

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FY14 Annexures

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Summary income statement[1]

$m	FY14	FY13	Var (%)
Funds management	36.2	30.3	19%
Development	104.2	128.5	(19%)
Joint venture	95.6	39.4	143%
Share of net profit of equity accounted investments	20.6	1.8	1,044%
Other[2]	40.1	40.8	(2%)
Revenue	**296.7**	**240.8**	**23%**
EBITDA (Pre inventory write-down)	**73.7**	**53.0**	**39%**
Finance costs[3]	(27.6)	(26.3)	(5%)
Depreciation and amortisation	(2.8)	(2.8)	-
NPBT (Pre inventory write-down)	**43.3**	**23.9**	**81%**
Income tax expense	(10.4)	(7.2)	(44%)
Outside equity interest	(1.3)	1.6	(181%)
Operating NPAT	**31.6**	**18.3**	**73%**
Adjustments for inventory write-down and CIC acquisition related costs (net of tax)	(1.3)	(17.4)	93%
Statutory NPAT[4]	**30.3**	**0.9**	**-**

Notes:
1 AASB10 *Consolidated Financial Statements* (AASB10) and AASB11 *Joint Arrangements* were adopted from 1 July 2013. As required by the accounting standards, comparative periods have been restated. Full detail of the restatement is disclosed in note 2 to the Financial Statements
2 Includes AASB10 Syndicates, unallocated and elimination entries.
3 Finance costs includes interest and finance charges amortised through cost of sales
4 Attributable to the owners of Peet Limited

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Summary balance sheet[1]

$m	FY14	FY13
Assets		
Cash	38.8	36.4
Receivables	71.6	68.5
Inventories	540.6	542.1
Investments accounted for using the equity method	162.2	147.1
Other	33.9	36.2
Total assets	**847.1**	**830.3**
Liabilities		
Trade and other payables	55.5	49.6
Land vendor liabilities	24.5	31.7
Interest bearing liabilities	295.5	321.0
Other	51.6	47.7
Total liabilities	**427.1**	**450.0**
Net assets	**420.0**	**380.3**
NTA (book value)	$1.00	$0.89
NTA (market value)[2]	$1.18	$1.00

Notes:

1 AASB10 *Consolidated Financial Statements* (AASB10) and AASB11 *Joint Arrangements* were adopted from 1 July 2013. As required by the accounting standards, comparative periods have been restated. Full detail of the restatement is disclosed in note 2 to the Financial Statements

2 Market adjusted NTA is based on independent bank instructed mortgage valuations

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