MACQUARIE WA FORUM

PRESENTATION

OCTOBER 2016

FY16 RESULTS OVERVIEW

Continued strong momentum

- FY16 operating profit[1] after tax of $42.6m, up 11%
- EPS of 8.7 cents per share, up 5%
- Underlying business performance
  - Revenue[2] of $285m with 2,865 lots settled
  - EBITDA[3] down 3% to $89.8m
  - EBITDA[3] margin increased to 32%, up 6%
  - ROCE[4] of 13.2%
  - Record contracts on hand[5] of 2,426 lots valued at $546m, up 18% & 24%, respectively
- Fully franked final dividend of 2.75cps, bringing total FY16 dividend to 4.5cps, fully franked

Notes:
1. Operating profit is a non-IFRS measure that is determined to present the ongoing activities of the Group in a way that reflects its operating performance. Operating profit includes the effects of non-cash movements in investments in associates and joint ventures. Operating profit excludes unrealised fair value gains/(losses) arising from the effect of revaluing assets and liabilities and adjustments for realised transactions outside the core ongoing business activities
2. Includes share of net profits from associates and joint ventures
3. Includes effects of non-cash movements in investments in associates and joint ventures
4. EBITDA / (average net debt + average total equity)
5. Includes equivalent lots. Excludes Arena englobo sale

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KEY HIGHLIGHTS FOR FY16

Focused strategy delivering strong results

GROWTH AND POSITIONING

- Diversified pipeline of over 48,000 lots with a low cost base and an on-completion value of approximately $12 billion
- Selective acquisitions of land holdings to restock pipeline
  - Acquisition strategy to focus on eastern states
  - Secured three new projects comprising approximately 3,700 lots/dwellings with GDV[1] of circa $930m
    - Whole Green (VIC), Redbank Plains (QLD), Tonsley (SA)
    - Introduction of new wholesale/institutional partner
  - Entered into a conditional agreement with University of Canberra for the proposed residential development of approximately 3,300 dwellings with an expected GDV[1] of $1.7 billion
- Sale of Greenvale for $93.1m in August 2015
- Redeployment of funds into lower cost base acquisitions

Notes:
1. Gross Development Value

KEY HIGHLIGHTS FOR FY16 (CONTINUED)

GROWTH AND POSITIONING

- Flagstone (QLD) project successfully launched in April 2016
  - Solid pre-sales achieved since launch, including a retail shopping centre site
  - Strong sales enquiry building momentum into FY17
- New $25m Werribee (VIC) retail land syndication successfully completed (oversubscribed)
  - Significant increase in applications from new investors, predominantly from eastern states, further strengthening the Group's retail investor base

CAPITAL MANAGEMENT

- Business generating solid operating cash flows
  - FY16 net operating cash flow (before land acquisitions) of $67m
  - Cash interest cover up strongly to 4.3x
- Completed $100m Bond issue to refinance convertible notes, diversify the Group's debt capital structure and to support growth objectives
- Senior debt facility extended to October 2019
- Gearing[1] of 28.8%
  - Within target range of 20% - 30%
  - Total net debt of $194m – increased due to Whole Green acquisition
  - Cost of debt lower due to repayment of convertible notes and expiry of hedges
  - Focused strategy on reducing gearing to lower end of target range

Notes:
1. (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

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KEY HIGHLIGHTS FOR FY16 (CONTINUED)

STRATEGIC PRIORITIES

- Acquisition strategy continued to be selective with a focus on the eastern states
  - Focus on securing low cost projects to ensure delivery of affordable product
- Maintained geographic diversity
- Continued to grow and diversify Funds Management/JV business
  - Acquisition of new projects to be predominantly through funds platform
  - Developing relationships with potential new wholesale/institutional partners
- Strengthened balance sheet position with diversified funding sources
- Maintained focus on cost and debt reduction
- Actively managing land bank with a focus on increasing ROCE[1]

Notes:
1. EBITDA / (average net debt + average total equity)

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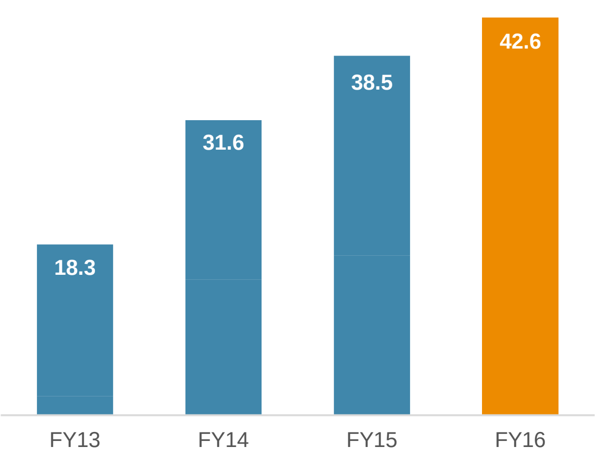
Financial overview

IMPROVING FINANCIAL PERFORMANCE

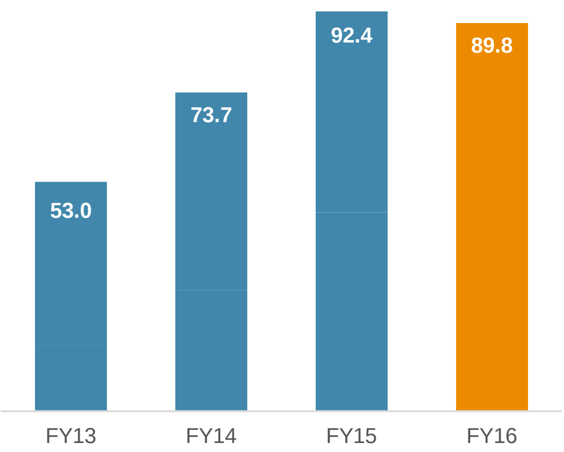
Growth in earnings driven by our focused strategy, market conditions and new projects

- Solid operating profit growth - 3 year CAGR[1] of 32.5%
- EBITDA[2] in FY15 includes the settlement of Quayside apartment project
- Ongoing EBITDA[2] margin improvement driven by improved gross margin through net price growth, cost efficiencies and greater impact of high margin projects

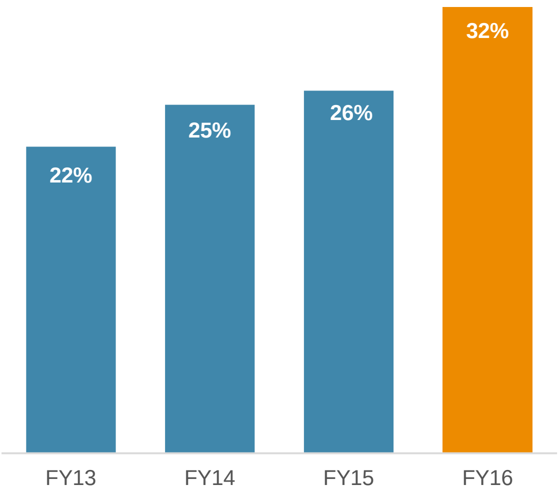
OPERATING PROFIT[2] AFTER TAX ($M)



EBITDA[2] ($M)



EBITDA[2] MARGIN



Notes:
1 CAGR = Compound Annual Growth Rate
2 Includes effects of non-cash movements in investments in associates and joint ventures

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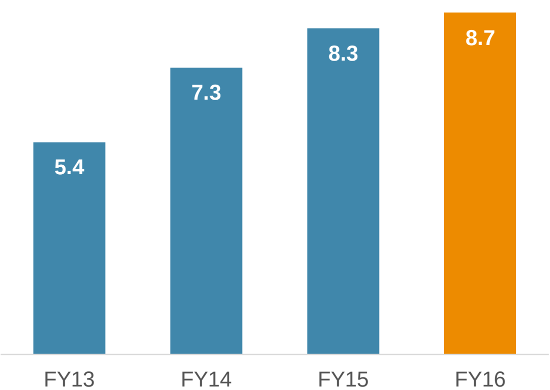
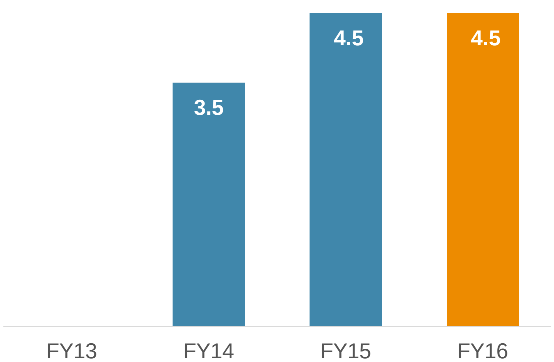
FOCUS ON DRIVING SHAREHOLDER RETURNS

- 3 year EPS CAGR[1] of 17%
- FY16 DPS of 4.5cps, fully franked
  - Target payout ratio of 50% going forward maintained
- Book NTA per share increased by 5%
  - Does not include value uplift on co-investment stakes in funds and JVs
  - Does not include value for Funds Management business
- Market adjusted NTA reflects current low point of WA market cycle and the Gladstone (QLD) market

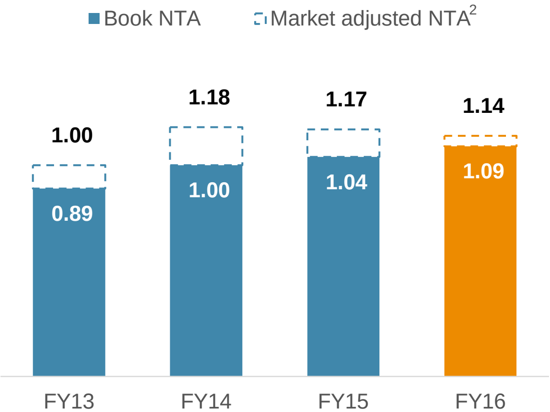
OPERATING EPS (CPS)



DPS (CPS)



NTA PER SHARE ($)



Notes:
1 CAGR = Compound Annual Growth Rate
2 Market adjusted NTA is based on independent bank-instructed mortgage valuations, adjusted for development costs and settlements post valuation date

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CAPITAL MANAGEMENT

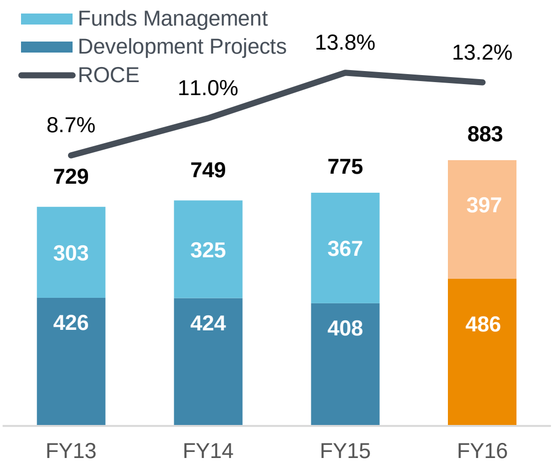
Further improvement in capital position

» ROCE[1] of 13.2%
  - Impacted in short-term due to acquisition of Whole Green (VIC) project in 1H16

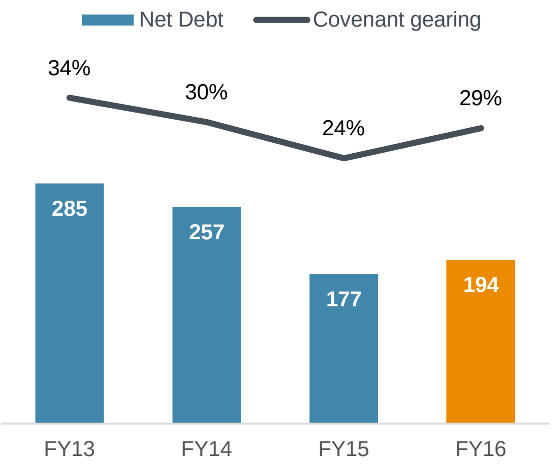
» Gearing[2] of 28.8%
  - Impacted by 1H16 acquisition and due to delay of Whole Green settlements of $15m into early July 2016
  - Focused strategy on reducing gearing to lower end of target range

» Improving cash interest coverage[3] to 4.3x
  - Cost of debt decreased to 6.7% - down 1%

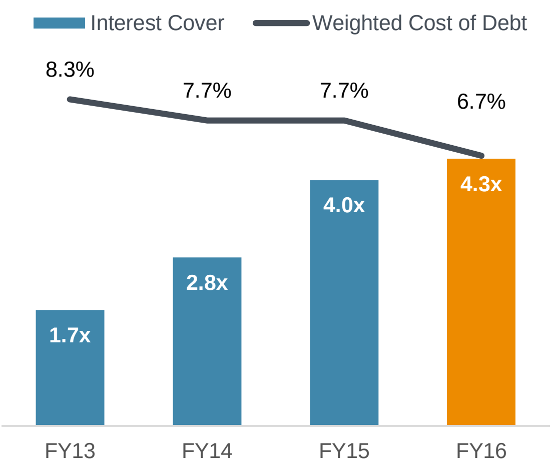
TOTAL ASSETS[4] ($M) AND ROCE[1]



NET DEBT ($M) AND COVENANT GEARING[2]



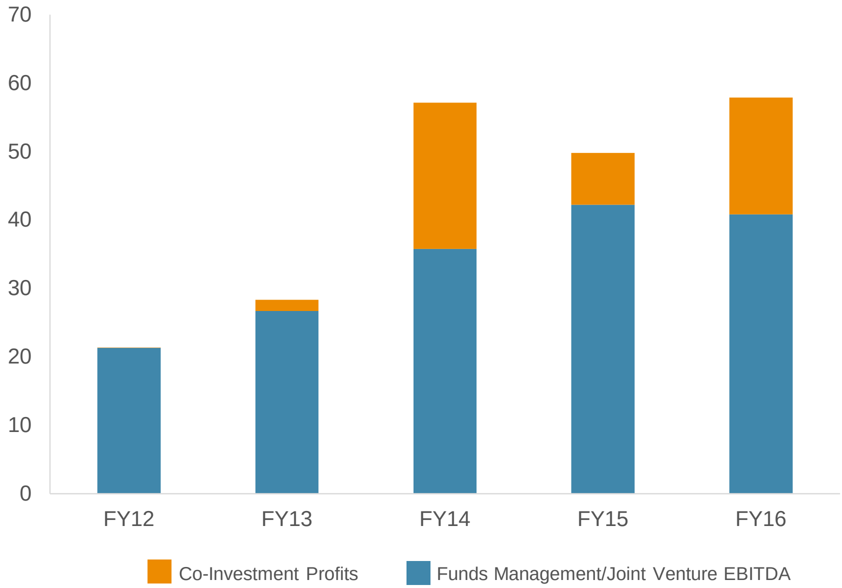
INTEREST COVER[3] AND CASH COST OF DEBT[5]



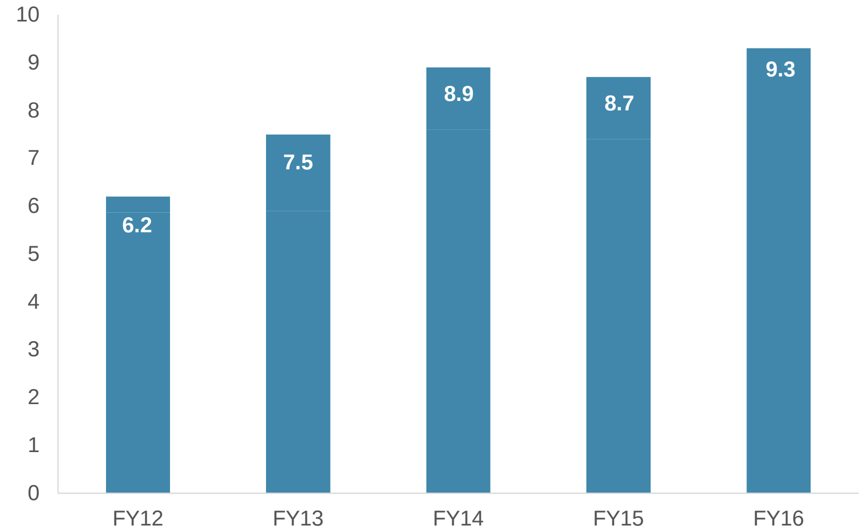
Notes:
1 EBITDA / (average net debt + average total equity)
2 (Total interest bearing liabilities (including land vendor liabilities) less cash) / (Total assets adjusted for market value of inventory less cash, less intangible assets). Excluding syndicates consolidated under AASB10
3 EBIT / Total interest cost (including capitalised interest). Excludes syndicates consolidated under AASB10
4 Development projects and Funds Management/JV only
5 Includes bonds/convertible notes

FUNDS MANAGEMENT

FUNDS MANAGEMENT & JOINT VENTURE EBITDA[1] ($m)



FUNDS MANAGEMENT & JOINT VENTURE GDV[2] ($bn)



- Funds Management strategy delivering strong results
  - Wholesale/institutional co-investment strategy delivering emerging profits
  - A number of wholesale/institutional ventures commencing development which will contribute to FM/JV growth in next 3 years+
  - Introduction of a new wholesale/capital partner
- GDV trend steadily improving over past 5 years - $9.3 billion at year end, representing almost 80% of the total GDV[2]
- Fee income growing as FM sales growth increases
- Future fee income from FM business not reflected in NTA

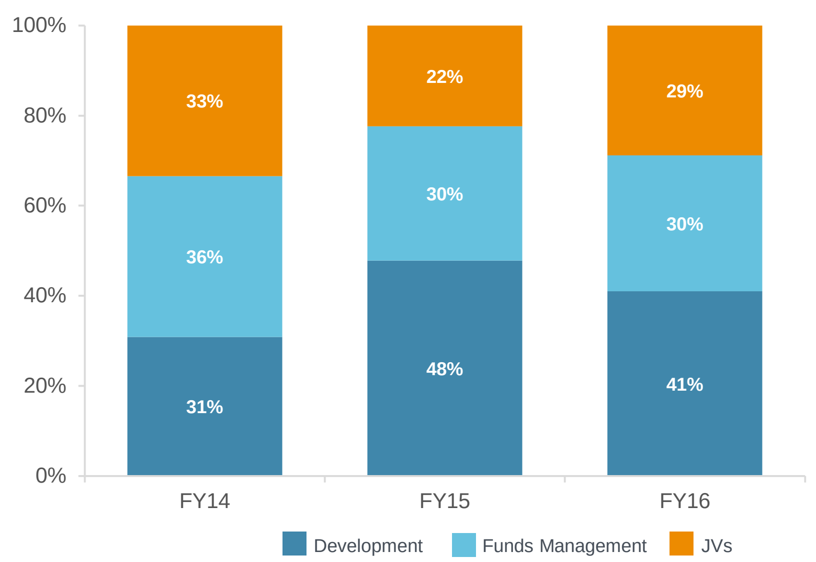
Notes:
1 Includes effects of non-cash movements in investments in associates and joint ventures
2 Gross Development Value

Operating performance

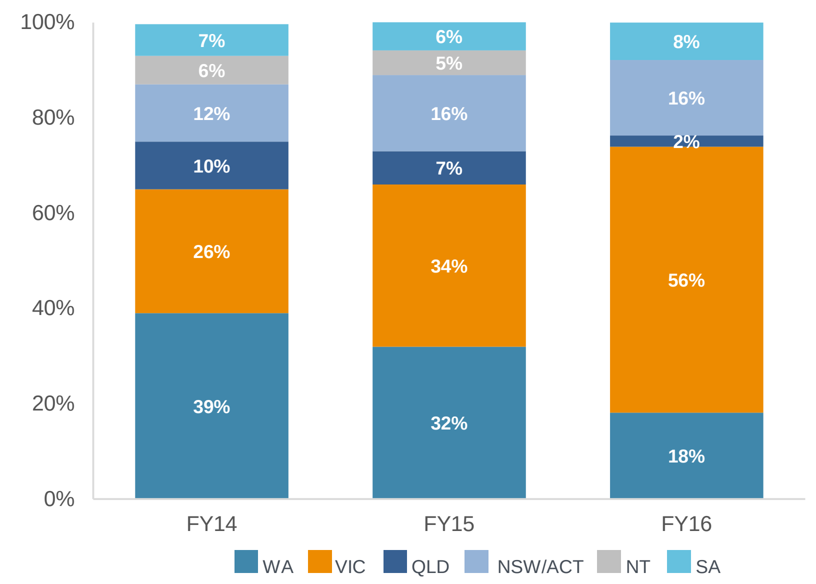
GROUP OPERATING PERFORMANCE

- » Peet's diversified portfolio of projects has allowed it to capitalise on the eastern states' strength
- » Contribution from eastern states projects increased to 82% of EBITDA[1] (FY15: 68%)
  - – Higher contribution driven by Victoria
- » WA market at or close to low point of current cycle
  - – Market conditions expected to remain at current levels through FY17 and into FY18
- » Funds Management/Joint Venture business provided solid earnings base representing circa 60% of Group EBITDA[1]
- » Eastern states EBITDA[1] contributions continue to offset WA and NT weakness
  - – Flagstone (QLD), Whole Green (VIC) & Redbank Plains (QLD) projects to contribute to FY17 earnings

EBITDA[1] COMPOSITION BY BUSINESS TYPE (%)



EBITDA[1] COMPOSITION BY GEOGRAPHY (%)

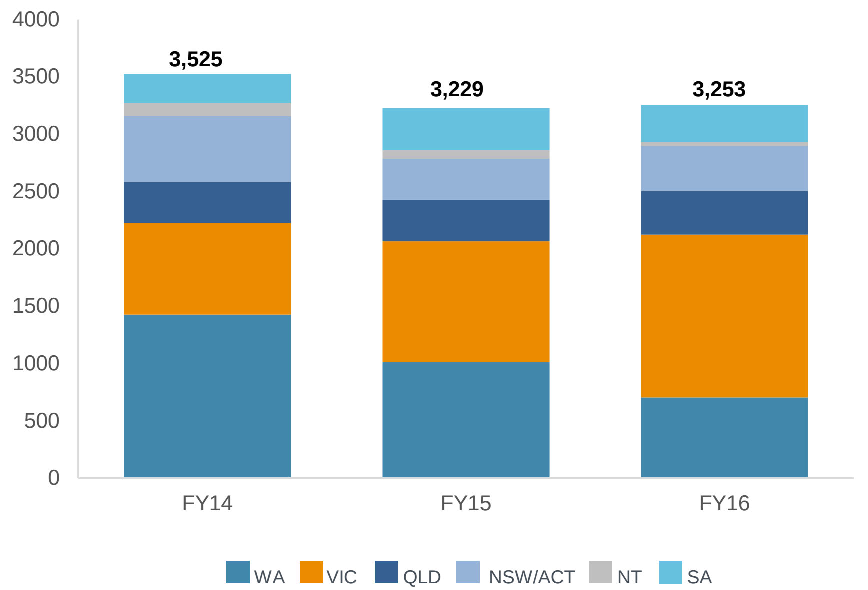


Notes:
1 Includes effects of non-cash movements in investments in associates and joint ventures

GROUP SALES ACTIVITY

- Group sales for FY16 of 3,253 lots
- Strong sales from eastern states projects
  - Flagstone (QLD) to make full year contribution to eastern states sales in FY17
- WA and NT sales volumes reflect challenging market conditions, however solid demand remains for affordably priced lots
- Seven new projects commenced selling in FY16:
  - Botanic Village (VIC) 783 lots
  - Haven (VIC) 300 lots
  - Hilbert Park (WA) 997 lots
  - Flagstone City (QLD) 12,000 lots
  - Greenlea (WA) 503 lots
  - Movida (WA) 1,072 lots
  - Whole Green (VIC) 1,752 lots
- Four new projects to commence development/sales in FY17
  - Werribee (VIC) 944 lots
  - Tonsley (SA) 850 lots
  - Redbank Plains (QLD) 1,100 lots
  - Byford (WA) 259 lots

SALES COMPOSITION BY GEOGRAPHY (LOTS)



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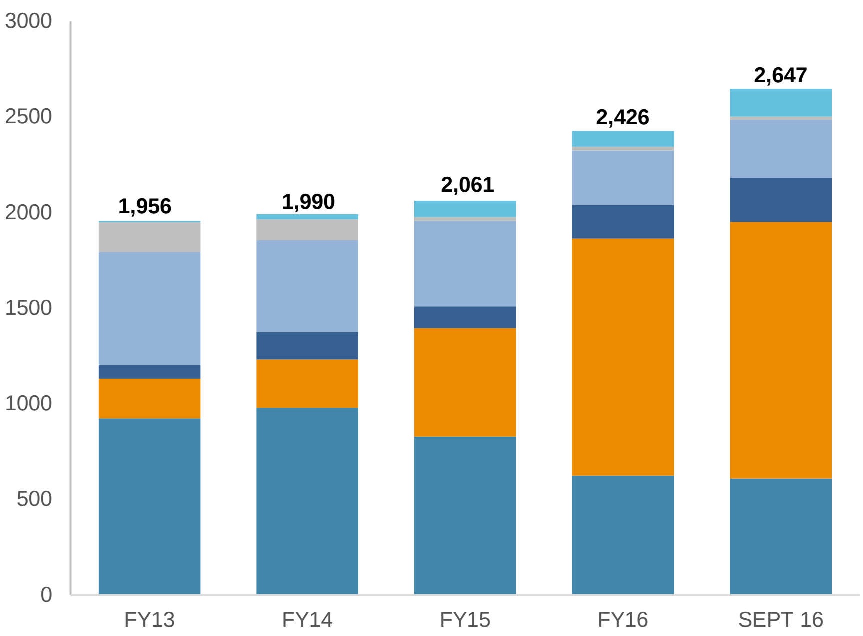
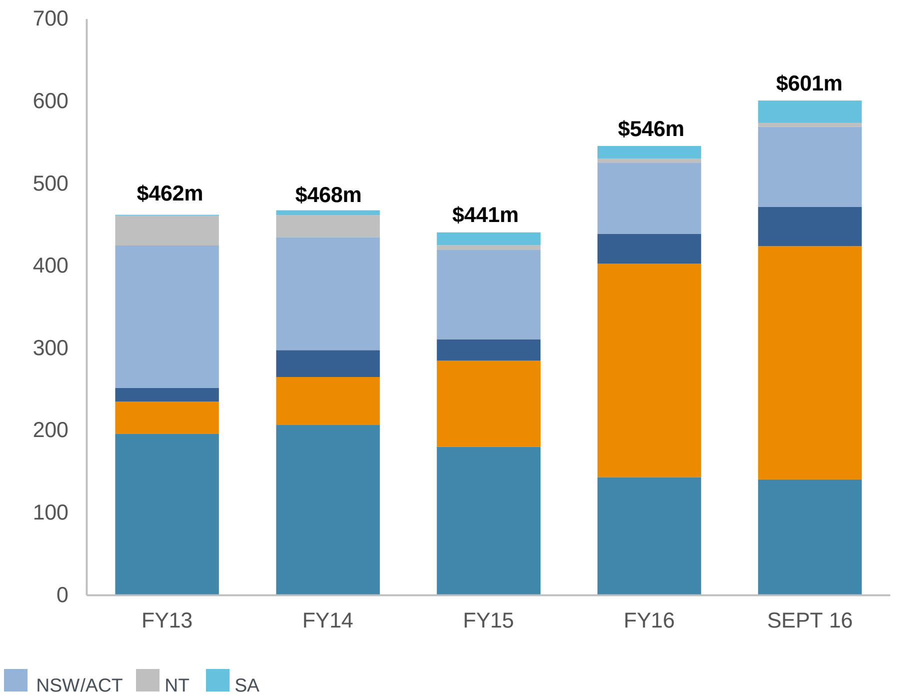
CONTRACTS ON HAND

- Contracts on hand[1] increased to 2,647 lots since 30 June 2016, up 9%
  - Increase driven by Victorian market as well as stable and improving eastern states market conditions
  - Value of contracts on hand increased by a further 10% to $601m since year end - providing solid momentum into FY17
- Victorian contracts on hand have remained solid since 30 June 2016 as a result of continued strong market conditions

CONTRACTS ON HAND BY GEOGRAPHY (LOTS)[1]



CONTRACTS ON HAND BY GEOGRAPHY (VALUE)[1]



Notes:
1. Includes equivalent lots. Excludes Arena englobo sale

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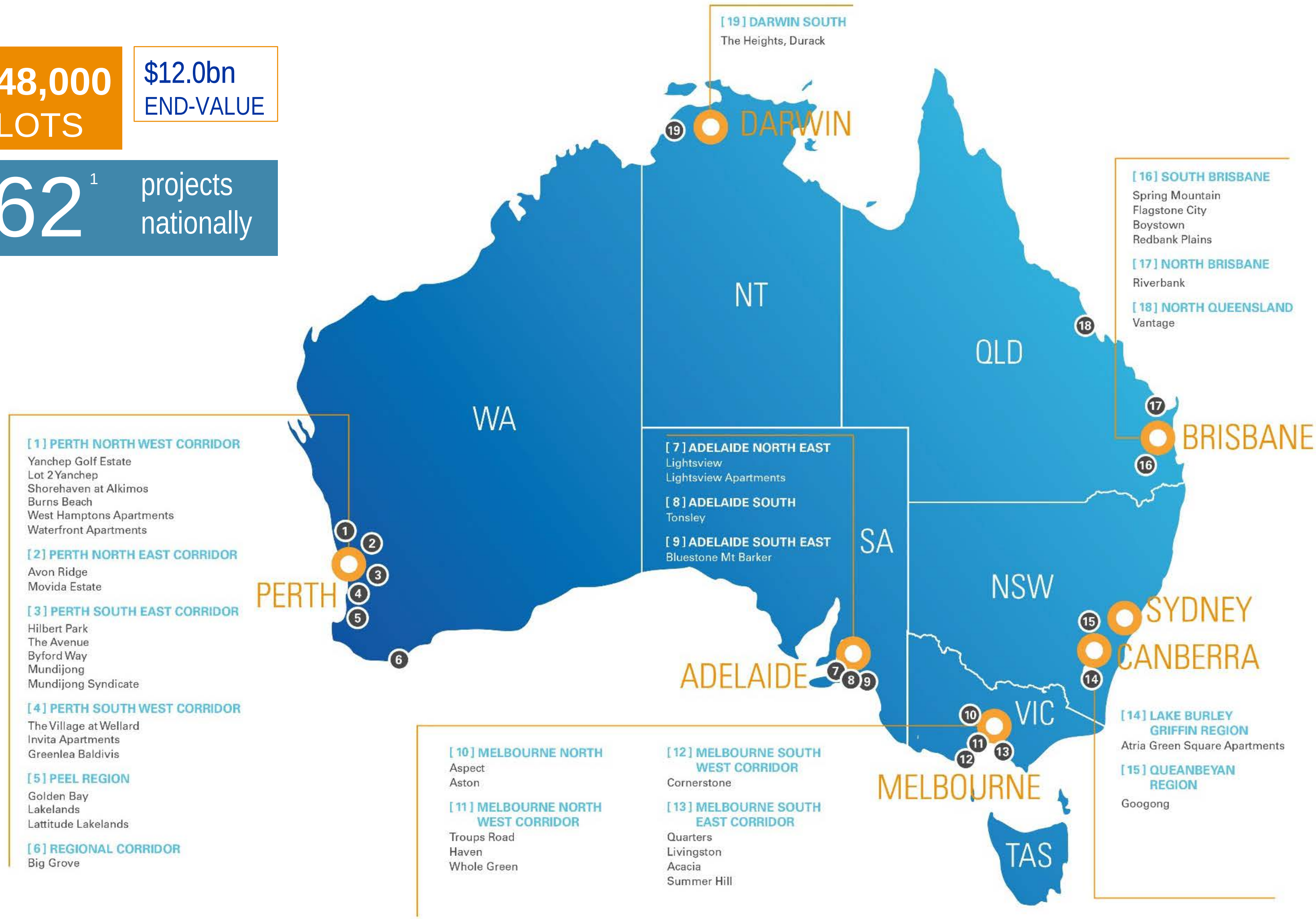
Project pipeline

NATIONAL REACH

48,000 LOTS

$12.0bn END-VALUE

62[1] projects nationally



Notes:
1 Not all projects are shown on map

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NEW PROJECTS IN FY17 - FY19

Pipeline of approximately 48,000 lots providing visibility of future earnings

- Up to 8 new projects expected to commence development within the next 2-3 years
  - Up to 4 new projects commencing development/sales in FY17
  - Approximately 75% of the lots in these projects sit within the Funds Management business
  - Average project duration of circa 6 years providing visibility of future earnings and cash flows
- Approximately 80% of entire land bank is expected to be in development by end of FY17
- Land portfolio well balanced across key growth corridors
- Flagstone (QLD) project successfully launched in April 2016
  - Solid pre-sales achieved since launch including a retail shopping centre site
  - Strong sales enquiry building momentum into FY17
  - Pricing tracking above expectations

FY17 - FY19 PROJECT RELEASE SCHEDULE

Project	State	Segment	First Sales	Lots	Project Life (Years)
Werribee	VIC	Funds	2017	944	7yrs
Redbank Plains	QLD	Funds	2017	1,100	7yrs
Tonsley	SA	JV	2017	850	6yrs
Byford	WA	Funds	2018	259	4yrs
Mundijong	WA	Owned	2018	759	6yrs
Rockbank	VIC	Owned	2019	673	5yrs
Eyre Kingston	ACT	JV	2019	151[1]	2yrs
Mundijong	WA	Funds	2019	852	8yrs
Total				**5,588**	**Ave: 6 yrs**

Notes:
1 Apartments

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KEY PROJECT – FLAGSTONE CITY, QLD

- Flagstone is a 1,245 hectare greenfield master planned community situated in a key South East Queensland growth corridor 38 km south west of Brisbane's CBD
- Joint Venture with MTAA Super with 12,000 lots
- Flagstone City will become home to over 30,000 people, with retail, commercial, education and childcare, recreation, health, sporting and community infrastructure
- Existing Flagstone Rise community of approximately 4,000 residents providing education, childcare and retail amenity

KEY PROJECT – FLAGSTONE CITY, QLD

- Environmental approvals for the entire development site in place
- Government catalyst funding to assist with start-up infrastructure funding
  - Construction of bridge over the interstate railway line to access the core site area underway
  - Sub-regional sewer network in Logan City Council
- Solid pre-sales achieved since launch in April 2016
  - Large display village due to open June 2017 quarter
  - Sale of 1.8ha supermarket site, includes specialty retail and express service station
  - Strong sales enquiry building momentum into FY17
- First settlements forecast to commence in March 2017 quarter

KEY PROJECT – FLAGSTONE CITY, QLD

Flagstone

SUMMARY INFORMATION – IN PROGRESS

Acquisition Date	June 2011
Location	Greater Flagstone, Logan
Project Value (Incl. GST)	$3.3b
Total Lots	12,000
Lots Remaining	12,000
Expected Settlement Period	FY17 – FY41
Ownership Structure	50% Peet Limited; 50% MTAA Super
Price Range	$130,000 - $240,000
Lot Size Range	250m – 720m

» Infrastructure and stage development works under construction including:

- Completed office and Sales and Information centre
- Catalyst funded (Qld government) bridge currently under construction
- Entry works including main arterial road servicing over 750 lots is 90% complete
- Construction of first residential stages approximately 60% complete

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Market overview & outlook

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RESIDENTIAL MARKET OVERVIEW

Melbourne

- Ongoing population growth, relative affordability and solid economy to support dwelling demand
  - Metropolitan Melbourne growth expected to remain strong
  - Volumes beginning to stabilise near current high levels with moderate price growth

Brisbane

- Market demand continues to remain steady supported by affordability and improving economic fundamentals
  - Brisbane land market continues to experience supply constraints and as a result is seeing moderate price growth
  - Price growth continues to lag VIC and NSW to date
  - Increased purchaser demand via a recovery in interstate migration should see improved price growth

Sydney / Canberra

- Demand remains solid supported by pent-up demand and improved economy
  - NSW population growth has accelerated over the past few years
  - Undersupply of dwellings relative to demand is expected to continue in the near term
  - Price growth expected to moderate

Perth

- Subdued economic conditions continue to impact the market
  - Sales volumes at or close to low point of current market cycle
  - Demand for affordable product is being supported by policy incentives such as low interest rates and First Home Buyers' grants
  - Moderate decline in prices expected as production levels are adjusted to reflect current market conditions
  - Current market conditions are expected to continue through FY17 and into FY18 as economy continues to transition

OUTLOOK

Portfolio well positioned for sustainable long-term growth and value creation

- Outlook generally supported by market fundamentals with sustained low interest rates and modest economic growth
  - Conditions across Victoria, New South Wales/ACT and South Australia are expected to remain supportive, while Western Australia and Northern Territory are expected to remain subdued through FY17 and into FY18
  - Activity in the Queensland residential market continues to improve due to its relative affordability, which has been a factor in the recovery in interstate migration

- Peet's key strategic focus
  - Accelerating production where possible and appropriate, and active management of product mix
    - Delivery of affordable product targeted at the low and middle market segments
  - Actively managing land bank with a focus on increasing ROCE[1]
  - Development spend to be self-funded through operating cash flows
  - Selective acquisition of projects to restock pipeline, predominantly through funds platform
  - Maintain strong balance sheet position

- The Group has moved into FY17 well-positioned to target earnings growth, subject to market conditions and the timing of settlements, with earnings expected to be weighted to 2H17

Notes:
1 EBITDA / (average net debt + average total equity)

Thank you

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