

Annual General Meeting

November 2014

FY14 result

- » Operating profit after tax of \$31.6m¹ – up 73% vs FY13
- » Statutory profit after tax of \$30.3m
- » Group EBITDA margin of 25% demonstrating continued recovery
- » Covenant gearing of 29.8% - expected to reduce further in FY15
- » Settlements up 67% vs FY13 with 3,491 lots settled
- » Final dividend of 3.5cps unfranked

Notes:

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

Group Update

Sales momentum remains solid

- ✓ Operating performance tracking in line with expectations
 - » Residential sales continue to be robust in our key corridors
 - » Three projects commenced development in 4Q14
 - » Contracts on hand increased to \$510m as at November 2014 – up 9%
- ✓ Continued reweighting of business to Funds Management and higher ROCE projects
 - » Majority of land bank now in Funds Management or capital efficient structures
- ✓ New retail syndicate expected to be launched March 2015 quarter
- ✓ Covenant gearing in line with target of 30%
 - » Disciplined execution of our capital management strategy and rebalanced portfolio has positioned the Group to grow and leverage off a market recovery
- ✓ Existing development pipeline can be funded from operating cash flow in conjunction with further debt reduction
- ✓ Medium density strategy underway
 - » Short / medium-term pipeline of over 1,700 units identified in the national portfolio

Operational Update

- ✓ Improving margins following stronger market conditions and price growth during 2H14
- ✓ Peet is well placed to capitalise having already invested in six just commenced and soon to commence projects
- ✓ Cash flow from these projects together with settlements of existing contracts on hand will fund development of current landbank and further reduce balance sheet debt
- ✓ Return on equity expected to increase as capital flows back into the business

Projects commenced in 4Q14

Oakford commenced in April 2014 (WA, 1,078 lots)

Arden Greenvale commenced in May 2014 (VIC, 799 lots)

Warner Springs commenced in May 2014 (QLD, 437 lots)

Projects to commence in FY15

Forrestdale to commence in 1H15 (WA, 904 lots)

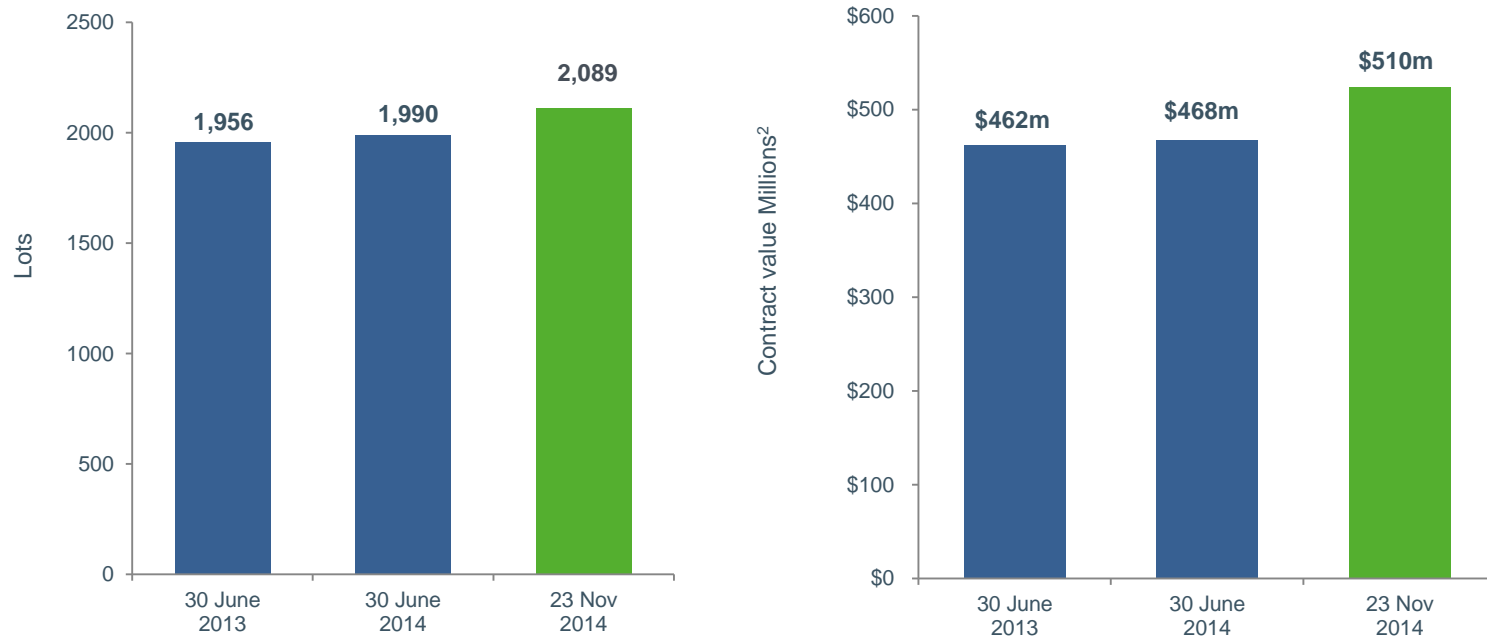
Chase, Baldivis to commence in 2H15 (WA, 502 lots)

Flagstone City to commence in 2H15 (QLD, 11,786 lots)

Contracts on hand

- » Contracts currently on hand have increased a further 5% since June 2014 to 2,089 lots for a contract value of \$510m – up 9%
- » Solid increase driven by stable and improving market conditions

Contracts on hand¹



Notes:
1. Includes CIC



Acquisitions

PEET

Overview of Acquisitions

Peet has secured six high quality, strategic projects

- » New projects comprise more than 3,000 lots/dwellings with GDV¹ of over \$750 million
- » The total purchase price for the Acquisitions is approximately \$95 million, with Peet's equity contribution being approximately \$55 million
- » Introduction of strong investment partners with the opportunity to further leverage and grow the Funds Management business
- » Golden Bay and Bluestone Mount Barker estates are currently developing and selling and will contribute to FY15 earnings
- » Use of capital efficient JV ownership structures with strong investment partners
- » Provides Peet further geographical diversification and presence in two new growth corridors
- » Further expansion of Peet's medium density residential pipeline
- » Transaction expected to be neutral to FY15 operating EPS and accretive from FY16

1. GDV represents forecast escalated gross revenue inclusive of GST for the remainder of the projects

Golden Bay, Western Australia

Project overview

- » Located in the coastal suburb of Golden Bay, approximately 53km south-west of the Perth CBD and 12km north of Mandurah
- » The Golden Bay Estate is a master planned community that will accommodate over 5,000 residents which will include the following:
 - » *a neighborhood shopping centre,*
 - » *medium to high density residential,*
 - » *primary school*
- » The project has been developing since 2010 with over 400 lots developed so far. The remaining approximately 1,300 lots will be developed over the next 6 years
- » Attractive coastal location provides a significant advantage compared to competing product



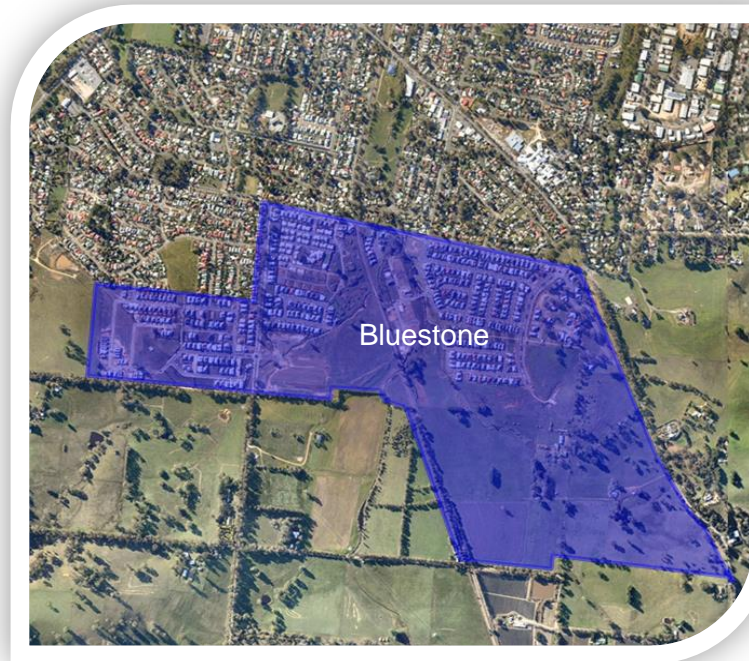
Location	Golden Bay, WA
Peet role	Development Manager
Original lot yield (100%)	~1,700
Remaining lots to sell (100%)	~1,300
GDV¹ (100%)	\$325 million

1. GDV represents forecast escalated gross revenue inclusive of GST for the remainder of the project

Bluestone Mount Barker, South Australia

Project overview

- » The Bluestone Estate is located in Mount Barker, the major centre of the Adelaide Hills region, approximately 30km south-east of the Adelaide CBD
- » The project is well established and has been selling since 2007. The project is expected to yield approximately 1,400 lots in total
- » Mount Barker provides the key community infrastructure for the south-eastern suburbs of Adelaide, including public and private schools, good retail facilities, a district hospital as well as recreational facilities
- » Bluestone Mount Barker Estate was awarded South Australia's Best Residential Development in the 2010 Urban Development Institute Awards



Location	Mount Barker, SA
Peet role	Development Manager
Original lot yield (100%)	~1,400
Remaining lots to sell (100%)	~900
GDV ¹ (100%)	\$150 million

1. GDV represents forecast escalated gross revenue inclusive of GST for the remainder of the project

Midvale/Stratton, Western Australia

Project overview

- » Located in the suburbs of Midvale and Stratton, approximately 19km north-east of the Perth CBD
- » The project consists of 40 hectares of future developable land with an anticipated yield of approximately 600 lots
- » Forecast to commence development in 2016
- » The project site is well serviced by an existing road network and benefits from existing amenity including schools, shopping centres, community facilities and the Swan District Hospital
- » The property is located in an established area, resulting in no direct competition from other land estates



Location	Midvale & Stratton, WA
Peet role	Development Manager
Original lot yield (100%)	~600
Remaining lots to sell (100%)	~600
GDV¹ (100%)	\$155 million

1. GDV represents forecast escalated gross revenue inclusive of GST for the project

Impact on Peet

Financial impacts

- » The transaction enhances Peet's operating earnings, cash flow and growth profile while improving balance sheet strength

Operating EPS



Expected to be neutral to FY15 operating EPS and accretive from FY16

Gearing



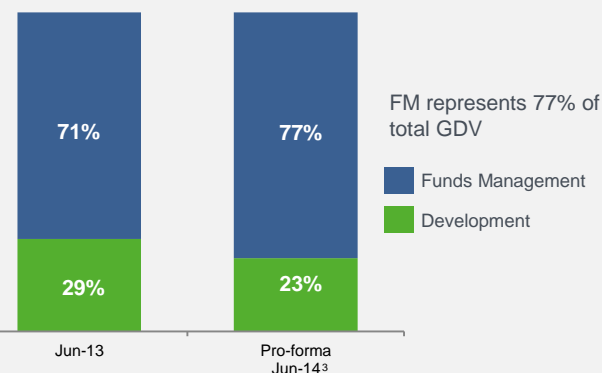
Pro-forma gearing¹ as at 30 June 2014 of 28.7%

Enhances and diversifies Peet's landbank

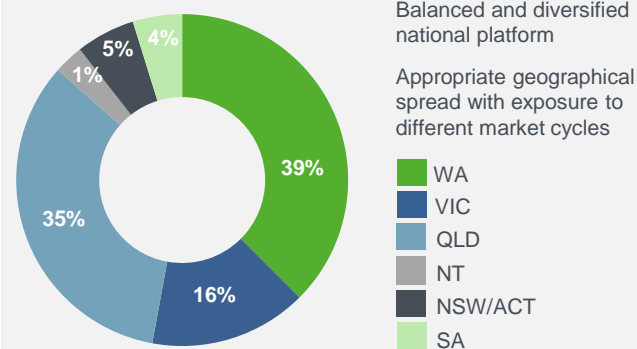
- » The transaction represents the continued progress of Peet's strategy of acquiring high quality projects in capital efficient structures with strong investment partners

Funds Management platform

Total GDV by division²



Geographic diversification³ (by no. of lots)



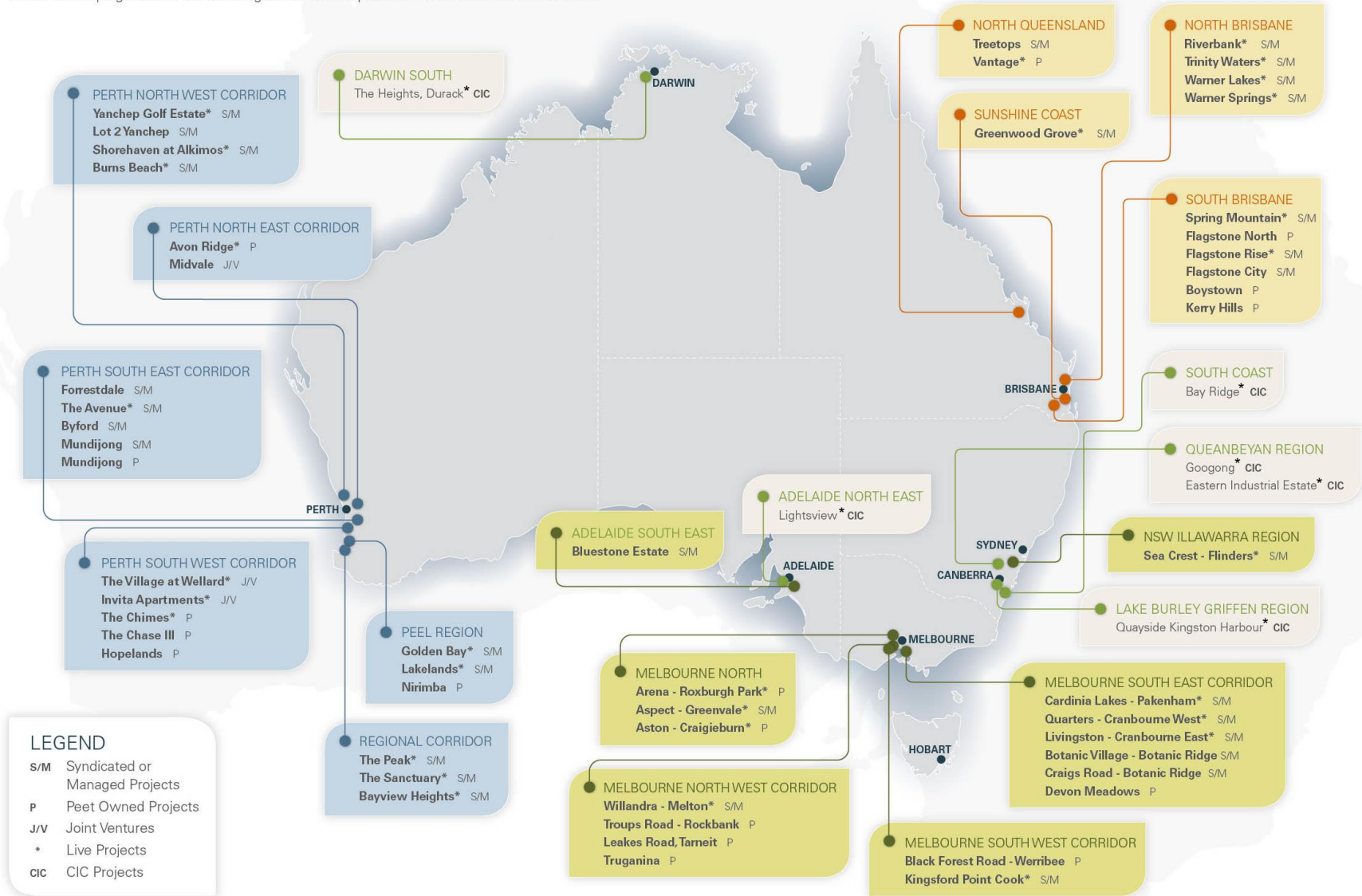
1. (Total interest bearing liabilities (including land vendor liabilities) less cash) / (Total assets adjusted for market value of inventory less cash, less intangible assets). Excludes syndicates consolidated under AASB10. Includes impact of Acquisitions and equity raising and payment of Peet's FY14 dividend including the issue of shares pursuant to the dividend reinvestment plan

2. Gross Development Value (GDV) represents forecast escalated gross revenue, inclusive of GST and the Acquisitions

3. Includes lots acquired via the transaction

Extensive experience in land development

Peet is developing some of the most significant master-planned communities across Australia.





Key Projects

PEET

Flagstone Update

- » Transformational acquisition with a project life in excess of 25 years
 - » Joint Venture with MTAA Super
 - » Over 12,000 dwellings acquired off-market at a cost base of \$7,000/lot or \$70,000/hectare
- » Flagstone City will become home to 30,000 people, with retail, commercial, general industry, education & childcare, recreation, health, sporting and community infrastructure
- » Existing Flagstone Rise community of approximately 4,000 residents providing education, childcare and retail amenity along with important customer insights
- » Located in a key South East Queensland Growth corridor & Logan City Council
- » Government catalyst funding to assist with start-up infrastructure funding
- » First sales expected to occur from June 2015



Aerial Photo of Flagstone

Flagstone 

Key projects - Flagstone City (QLD)

- » Significant progress since acquisition in June 2011
 - » Material Change of Use approval (Rezoning) – October 2012
 - » Whole of site Master Plans and Site Strategies approved – March 2014
 - » Lodged 2,500 lot development application, currently on advertising – decision due December 2014
 - » Major Environmental approvals received November 2014 including EPBC Act



Photo – Flagstone Rise



Artist impression – Flagstone City Town Centre

Flagstone 

Key projects - Shorehaven at Alkimos (WA)



Artist Impression – Shorehaven Coast precinct



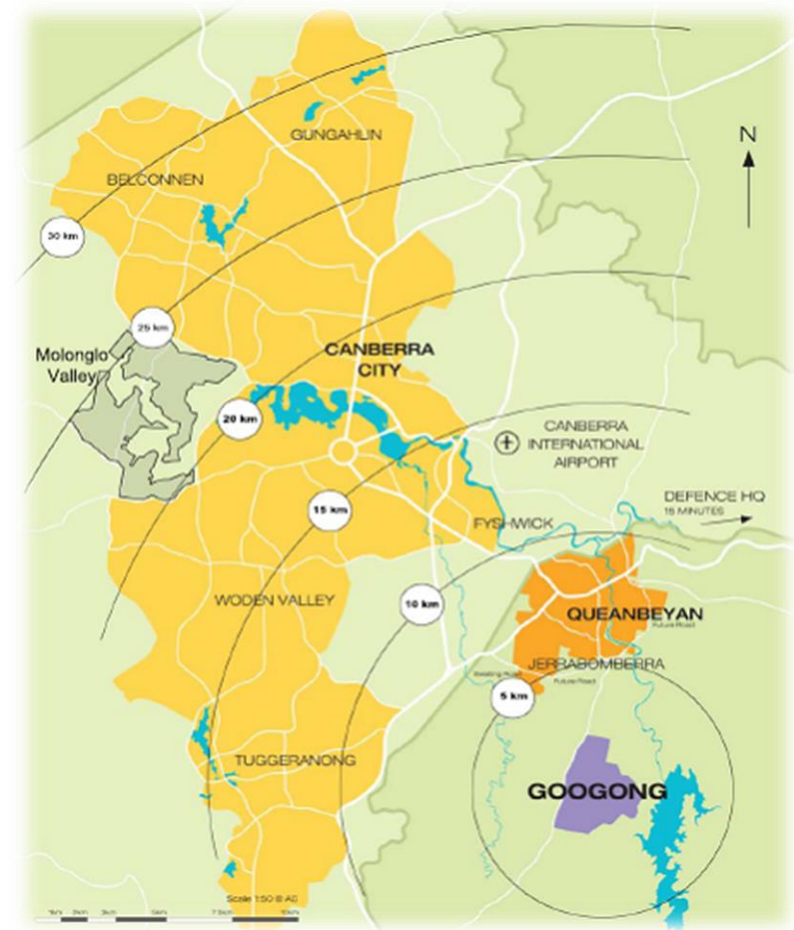
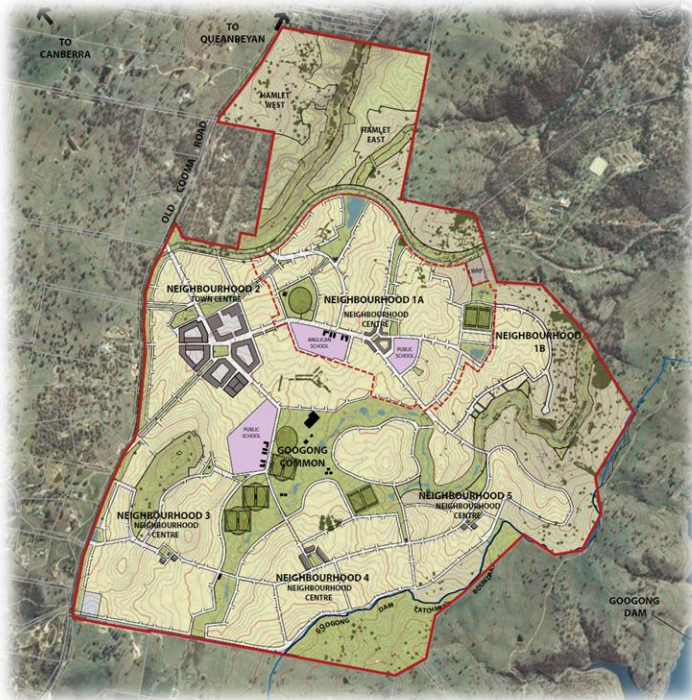
Aerial Photo – Works within Coast precinct

- » Located in the City of Wanneroo, in the North Western coastal growth corridor of Perth – 2,800 lots
- » Key elements of project vision now in place or being delivered shortly:
 - » Planning for future village centre finalised, with commencement of civil construction
 - » Woolworths announced as anchor tenant for the village centre
 - » Foreshore park construction has commenced, first stage due to open in December 2014
 - » Strong builder & retail sales achieved
 - » Estate now well established with over 500 homes

Key projects - Googong

A self contained New Town

- » 16km from Parliament House Canberra
- » 780 Ha Site/6,500 dwellings
- » Joint Venture between CIC Australia and Mirvac
- » 20 year project life
- » Master Plan – 5 walkable neighbourhoods & town Centre



Key projects - Googong

- » Project development commenced May 2012
- » 760 sales achieved to date with over 70 homes now occupied
- » A further 300 lots currently under construction
- » Anglican K-12 school opens Feb 2015



Photo - Googong Streetscape



Photo - Googong Community Centre



Key projects - Lightsview

- » Highly Innovative Infill Project
 - » 50/50 JV between CIC Australia and the SA Government
 - » Located 8km North East of the Adelaide CBD, it has become a highly sort after medium to high density suburb outselling all comparable developments in Adelaide
 - » Project to deliver 2,750 dwellings within 100 hectares including a town centre, retail, community facilities and extensive high quality built form
 - » 1,800 dwelling remaining sites sold
- » Awarded the Best Master Planned Community and the Presidents Award as the "Best of the Best" at the 2014 National UDIA awards



Photo – Quality Landscaping

Key projects - Lightsview

- » Approximately 35% of the project comprises of built form housing and apartments designed by CIC and sold as packaged housing



Photo – Quality housing



Photo – Quality housing



Artist Impression – CIC in-house apartment design

Built Form - Apartments

- » Built Form Strategy on track
- » Residential Medium Density Apartments
 - » Short / medium term pipeline of over 1,700 apartments on existing land portfolio (Exc CIC & Flagstone)
 - » 155 apartments currently under construction – over 50% presold
 - » Another 400 apartments currently in design phase
 - » Focus around Town Centres to leverage sales
 - » Developing land within Peet land bank so Peet can deliver affordable product which is in demand
 - » Strong interest from investor groups



Artist Impression – The Village at Wellard Apartments



Artist Impression – The Village at Wellard Apartments

Built Form – Town Centres

Development of Five Town Centres underway in the short to medium term

- » Town centres include Coles/Woolworths/ IGA and specialty stores
- » Strong interest from major supermarkets with Woolworths secured for Wellard and Alkimos
- » Highly successful launch of Wellard town centre
- » Development of Town Centres will provide significant benefit for leveraging land and apartment sales



Artist Impression – The Village at Wellard Town Centre



Market Overview

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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 are operating within normal market settings
- Population growth still underpinning demand
- 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

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
- 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

- » 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 and cost-outs supporting a continued recovery in margins
- » Medium density strategy underway
 - » Pipeline of more than 1,700 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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