

7 November 2014

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RESIDENTIAL DEVELOPMENT ACQUISITIONS AND \$47 MILLION EQUITY RAISING

Peet Limited (ASX: PPC) ("Peet") has today announced the acquisition of interests in six residential development projects funded by a \$47 million equity raising.

Highlights

- Peet has acquired interests in six residential development projects for a total purchase price of \$95 million with Peet's equity contribution being approximately \$55 million
- Two of the projects are active developments
- \$47 million placement to existing and new investors at \$1.11 per share
- Transaction expected to be neutral to FY15 operating EPS and accretive from FY16
- Pro-forma 30 June 2014 gearing¹ of 28.7%

ACQUISITIONS

The equity raising will fund Peet's interests in six high quality, strategic residential development projects ("Acquisitions"):

- Peet and the Future Fund have jointly acquired a 50% interest in Golden Bay estate, located south-west of Perth and 100% of Bluestone Mount Barker estate, located south-east of Adelaide;
- Peet, in joint venture with ABN Group, has acquired future developable land in Midvale/Stratton, located north-east of Perth. Peet's interest in the joint venture is 50%; and
- Peet has also acquired an additional landholding located next to its existing Aston Craigieburn estate in Victoria and has secured two medium density residential sites within an existing town centre at one of its existing Perth projects.

The total purchase price for the Acquisitions is approximately \$95 million with Peet's equity commitment being approximately \$55 million.

The projects comprise more than 3,000 lots/dwellings and provide Peet with further geographical diversification and presence in two new growth corridors. Peet will be the development manager for all six projects.

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 the Acquisitions and equity raising and payment of Peet's FY14 dividend including the issue of shares pursuant to the dividend reinvestment plan.

The Golden Bay and Bluestone Mount Barker estates are currently developing and selling and will contribute to FY15 earnings.

The Acquisitions also reflect Peet's ability to attract strong investment partners, with the opportunity to further grow Peet's successful Funds Management platform.

Peet Managing Director and CEO, Mr Brendan Gore, commented that the Acquisitions are consistent with Peet's strategy of acquiring and developing assets under a capital efficient model.

"The use of capital efficient joint ventures to acquire three of the projects demonstrates Peet's ability to execute on its strategy of growing its Funds Management business. This structure generally enables Peet to receive development management and sales fees as well as development profits and potentially performance fees."

Further details of the major projects being acquired are provided below.

Golden Bay, Western Australia

Golden Bay estate is a master planned community which, on completion, will contain approximately 1,700 lots, a neighbourhood shopping centre, medium to high density residential, a primary school and over 5,000 residents. It is well located in the coastal suburb of Golden Bay, approximately 53 kilometres south of the Perth CBD and 12 kilometres north of Mandurah.

The project has been developing since 2010 with over 400 lots developed so far. Peet is the existing development manager of the project, providing a solid foundation for the investment.

Bluestone Mount Barker, South Australia

Bluestone Mount Barker estate consists of 75 hectares of developable land with an anticipated yield of approximately 1,400 lots. It is located in the suburb of Mount Barker, the major centre of the Adelaide Hills region, approximately 30 kilometres south-east of the Adelaide CBD. 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 which provides attractive existing amenity for the project.

The project is well established and has been selling since 2007, with some 500 lots sold so far.

Midvale/Stratton, Western Australia

The Midvale/Stratton project consists of 40 hectares of developable land with an anticipated yield of approximately 600 lots. The property is located in the suburbs of Midvale and Stratton, approximately 19 kilometres north-east of the Perth CBD and is well serviced by the existing road network and benefits from existing amenity including schools, shopping centres, community facilities and the Swan District Hospital.

The project is currently in the planning stage and is forecast to commence development in 2016.

EQUITY RAISING

Peet is undertaking a \$47 million equity raising at an issue price of \$1.11 per new Peet share, which represents a 5.5% discount to the last closing price.

The equity raising will comprise two placements (the “Placements”):

- \$40 million underwritten placement to existing and new institutional investors (“Institutional Placement”); and
- \$7 million non-underwritten placement to an entity associated with Peet’s Chairman, subject to Peet shareholder approval (“Chairman Placement”).

The Institutional Placement has been underwritten by Merrill Lynch Equities (Australia) Limited.

Peet will also undertake a non-underwritten Share Purchase Plan (“SPP”) to provide eligible shareholders with the opportunity to participate in the equity raising at the same price as the Placements, capped at approximately \$5 million². Under the SPP, eligible shareholders, registered as Peet shareholders as at 7.00pm on Thursday, 6 November 2014, will be invited to participate up to a maximum of \$15,000 per shareholder. Peet reserves the right (in its absolute discretion) to scale back the maximum participation amount per shareholder if total demand exceeds \$5 million or to accept a higher aggregate amount than \$5 million.

New shares issued under the Placements and SPP will rank equally with existing Peet shares.

Indicative equity raising timetable

Record Date for SPP	7.00pm Thursday, 6 November 2014
Trading halt and announcement of Acquisitions and equity raising	Friday, 7 November 2014
Institutional Placement offer opens	10.00am Friday, 7 November 2014
Institutional Placement offer closes	12.30pm Friday, 7 November 2014
Trading in Peet shares recommences	Monday, 10 November 2014
Settlement of Institutional Placement shares	Thursday, 13 November 2014
Allotment and trading of Institutional Placement shares	Friday, 14 November 2014
Expected SPP offer period	14 November 2014 to 5 December 2014
Peet shareholder meeting to approve Chairman Placement	Tuesday, 16 December 2014

Time refers to Australian Eastern Daylight Time. Peet reserves the right to vary the timetable (subject to the requirements of the ASX Listing Rules, Corporations Act and other applicable laws).

² The SPP is subject to the terms set out in the SPP booklet which will be sent to eligible shareholders after the successful close of the Institutional Placement.



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TRANSACTION IMPACT ON PEET

The Acquisitions and equity raising are expected to be neutral to FY15 operating earnings and accretive from FY16.

Peet's gearing³ as at 30 June 2014, pro-forma for the Acquisitions and Placements, reduces to 28.7%.

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