

Macquarie Australia Conference Presentation

April 2014

PEET
Bringing Land to Life

Group Update

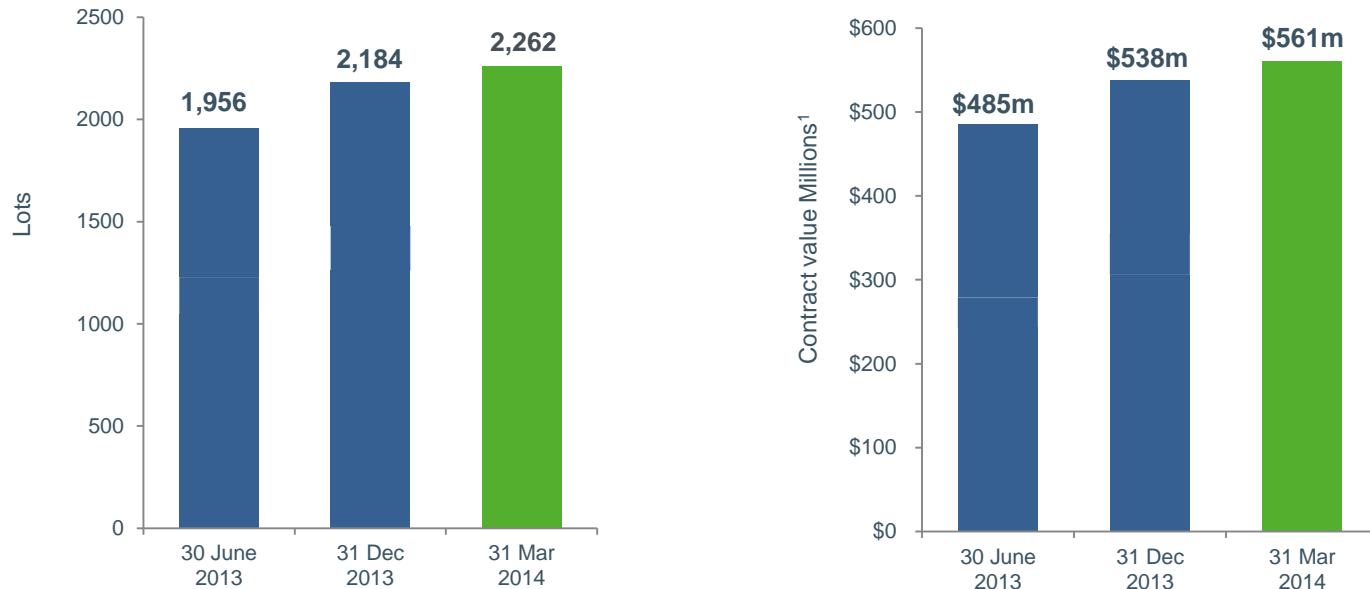
Broadening sales momentum continuing

- ✓ Operating performance tracking in line with expectations
 - » Residential sales are strong in our key corridors
 - » On track for sales greater than 3,000 lots in FY14
 - » Three projects commencing development in 4Q14
 - » Building strong presales for FY15
- ✓ Process improvement and operational efficiencies emerging across the Group
- ✓ CIC Australia Limited (“CIC”) performing in line with expectations
- ✓ Medium density strategy underway
 - » Short / medium-term pipeline of over 1,000 units identified in the national portfolio
 - » Wellard (WA) 82 unit townhouse development underway
- ✓ Well positioned for FY15

Contracts on hand

- » Record number of contracts on hand at end of March 2014 quarter
 - » Sales momentum robust since 31 December 2013
 - » 3Q14 Contracts on hand – up 16% since 30 June 2013
 - » Provides momentum into FY15
- » Development revenue expected to improve in 2H14
 - » Higher development margin from lots sold in an improving market with the benefit of price growth in 1H14

Contracts on hand



Notes:
1 Includes GST.

Investment case for Peet Limited

Australia's only large scale pure-play residential exposure; ability to leverage existing platform

Pure play exposure

- » Australia's only scale pure-play residential land development business
- » Disciplined focus on core competency – not distracted by other operations
- » Well established company, experienced Management team

Business model

- » Capital efficient business model
- » Considerable growth potential for high-margin Funds Management business
- » Provides strong exposure to a recovery in the Australian residential sector

Established platform

- » Land bank of 49,715 lots with a gross development value of \$12 billion
- » 37 syndicated and managed projects
- » Average age of land bank of 7.7 years
- » Strategic asset base allows active management of pipeline

Growth

- » Funds Management business provides scaleable platform
- » Increase scale of business and presence of Peet brand
- » Focus on larger master planned communities
- » Significant built form opportunities to be developed within the existing landbank
- » Growth to be focused through Funds Management platform

Group Business model

Target EBIT Composition	Target EBIT Margin	Land Bank Diversification by Geography (%)	Land Bank	Capital Employed ¹	Sources of Revenue
40% – 50% EBIT	20%-25%	<p>Legend: WA (Dark Blue), VIC (Green), QLD (Light Blue), CIC (Grey)</p>	Lots: 13,225 GDV (\$bn): 3.0 # Projects: 30	\$455m	» Development profit
50% – 60% EBIT	60%-70%	<p>Legend: WA (Dark Blue), VIC (Green), QLD (Light Blue), CIC (Grey)</p>	Lots: 19,432 GDV (\$bn): 4.4 # Projects: 32 Lots: 17,058 GDV (\$bn): 4.6 # Projects: 5	\$333m	» Underwriting and capital raising fees » Project management fees » Performance fees » Profit shares
			Lots: 49,715 GDV (\$bn): 12.0 # Projects: 67	\$849m ³	

Notes:

1. Balance sheet assets at cost as at 31 December 2013
2. Includes joint ventures
3. Includes \$61m of unallocated assets

Land bank – Funds Management key projects

Funds Management

	Project name	GDV	Lots ¹ remaining (at 31 Dec 13)	Project Lifecycle			
				2014	2015	2016	2017
WA	Alkimos	\$869m	2,409	Selling			
	Burns Beach	\$345m	677	Selling			
	Golden Bay	\$236m	1,387	Selling			
	Lakelands	\$216m	1,338	Selling			
	Yanchep Golf Estate	\$400m	1,573	Selling			
	Oakford	\$209m	1,198	Start up	Selling		
	Forrestdale	\$196m	904	Start up	Start up	Selling	
	Byford	\$49m	279	Start up	Start up	Selling	
	Mundijong	\$161m	710	Start up	Start up	Selling	
	Yanchep (Wholesale)	\$147m	804	Start up	Start up	Selling	
	Other	\$130m	753	Selling			
QLD	Warner Lakes	\$34m	136	Selling		Start up	Start up
	Flagstone East	\$147m	690	Selling			
	Caboolture	\$242m	1,099	Selling			
	Warner Springs	\$102m	467	Start up	Selling		
	Flagstone City	\$3,093m	11,359	Start up	Start up	Selling	
	Other	\$96m	619	Selling			
VIC	Kingsford	\$32m	148	Selling		Start up	Start up
	Cranbourne Central	\$140m	663	Selling			
	Cranbourne West	\$121m	605	Selling			
	Aitken, Greenvale	\$121m	455	Selling			
	Botanic Village	\$195m	786	Start up	Start up	Start up	Selling
	Melton	\$111m	698	Selling			
	Other	\$40m	193	Selling			
Total Funds Management		\$7,432m	29,950				



Notes:
1 Lots equivalent.

Land bank – Company-owned key projects

Company-owned

	Project name	GDV	Lots ¹ remaining (at 31 Dec 13)	Project Lifecycle			
				2014	2015	2016	2017
WA	Brigadoon	\$77m	173	Selling			
	Chase, Baldivis	\$115m	565	Selling			
	Mundijong	\$110m	508	Planning	Start up	Selling	
	Other	\$875m	3,632	Selling			
QLD	Gladstone	\$81m	343	Selling			
	Beaudesert	\$245m	1,045	Selling			
	Flagstone North	\$288m	1,800	Selling			
	Other	\$28m	114	Selling			
VIC	Aston, Craigieburn	\$308m	1,354	Selling			
	Werribee	\$170m	803	Planning	Start up	Selling	
	Aitken, Greenvale	\$228m	853	Start up	Selling		
	Tarneit (Leakes Road)	\$64m	293	Planning	Start up	Selling	
	The Crest	\$9m	291	Selling	Completion	Selling	
	Mt Aitken	\$60m	224	Planning	Start up	Selling	
	Rockbank	\$115m	557	Planning	Start up	Selling	
	Other	\$127m	439	Selling			
	NSW	Bay Ridge	\$7m	39	Selling		
ACT	Eastern Industrial Estate	\$31m	82	Selling			
	Quayside	\$62m	110	Selling			Completion
Total company-owned		\$3,000m	13,225				

Notes:

1 Lots equivalent.

Land bank – Joint Venture key projects

Joint Venture

Project name		GDV	Lots ¹ remaining (at 31 Dec 13)	Project Lifecycle			
				2014	2015	2016	2017
NSW	Googong ²	\$685m	2,964	[Green bar]			
ACT	Crace	\$8m	25	[Green bar]	[Blue bar]		
WA	Wellard	\$378m	1,587	[Green bar]			
NT	The Heights	\$177m	710	[Green bar]			
SA	Lightsview	\$227m	1,254	[Green bar]			
Total joint venture		\$1,475m	6,540				
TOTAL PIPELINE		\$11,907m	49,715				

Planning
Start up
Selling
Completion

Notes:

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



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 Melbourne and Perth
- » Affordability, softening labour market conditions and consumer caution is likely to make for a subdued uplift
- » Peet is in a position to capture residential market uplift through geographical spread

WA Market stabilising after good price growth

- Market conditions expected to moderate and stabilise
- 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



2H14



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



2H14



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



2H14



Medium term forecast

Residential market overview (cont.)

ACT and adjoining NSW

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



2H14



Medium term forecast

SA Market showing tentative signs of improvement

- Evident recovery in land sales being reported across Metropolitan Adelaide
- NRAS allocations showing up both in terms of sales and new home building
- Infill development in city locations seeing strong demand



2H14



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



2H14



Medium term forecast

Australian Residential

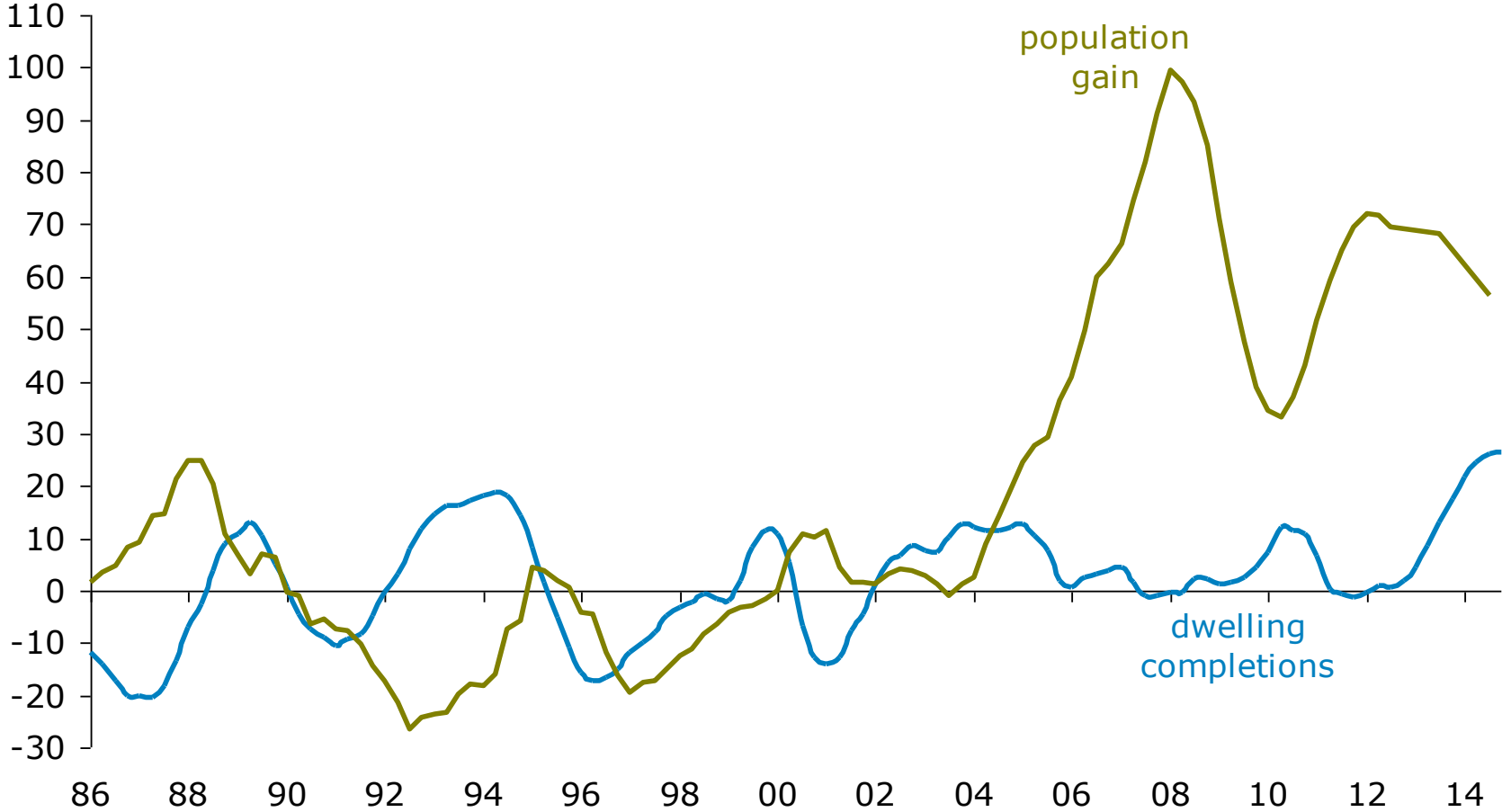


Market Update

Residential market overview

Despite recent sharp pick-up, dwelling construction has a huge 'catch-up' task ahead...

Population gain vs. dwelling completions

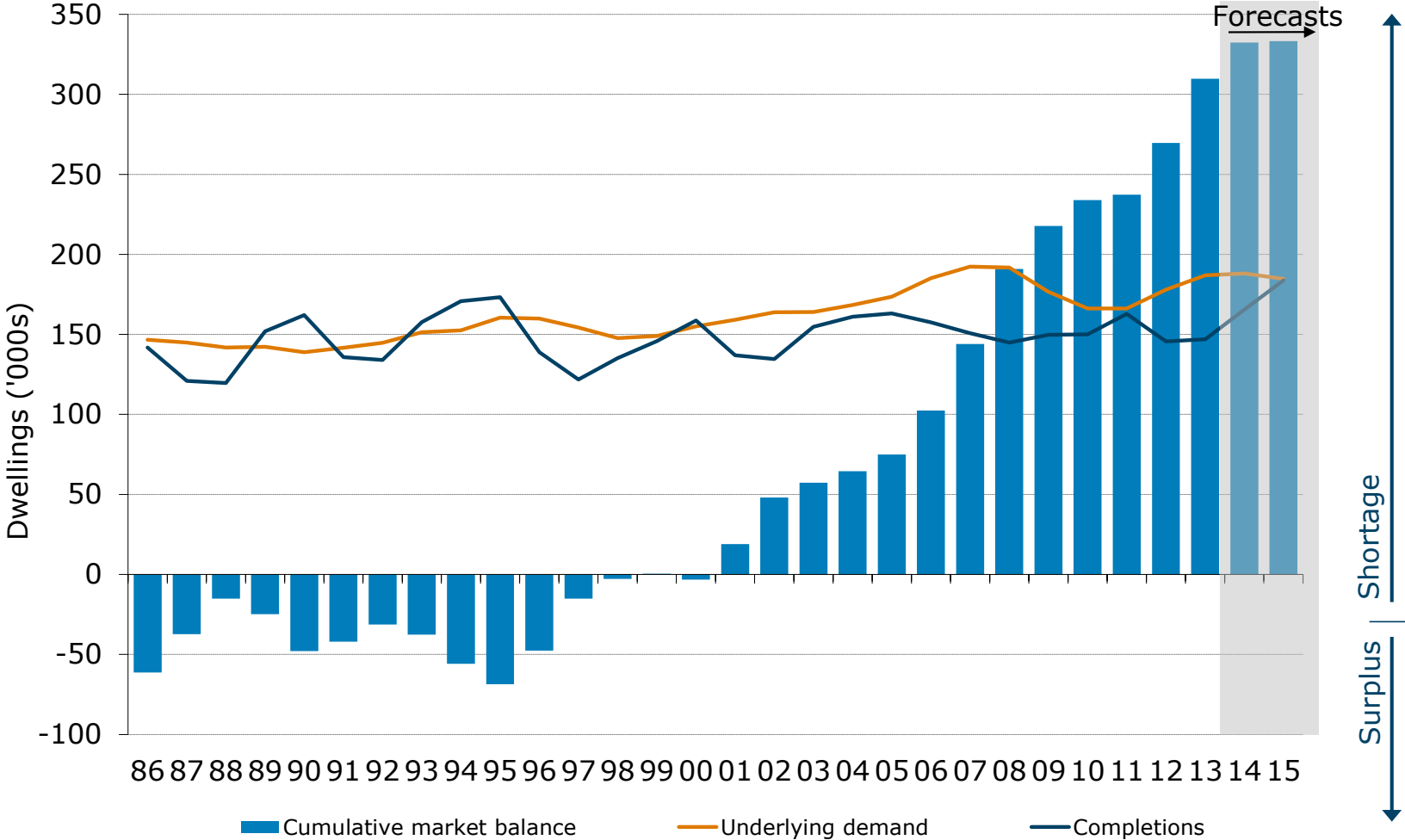


Source: ABS, ANZ

Residential market overview

Housing shortage now critical across the country

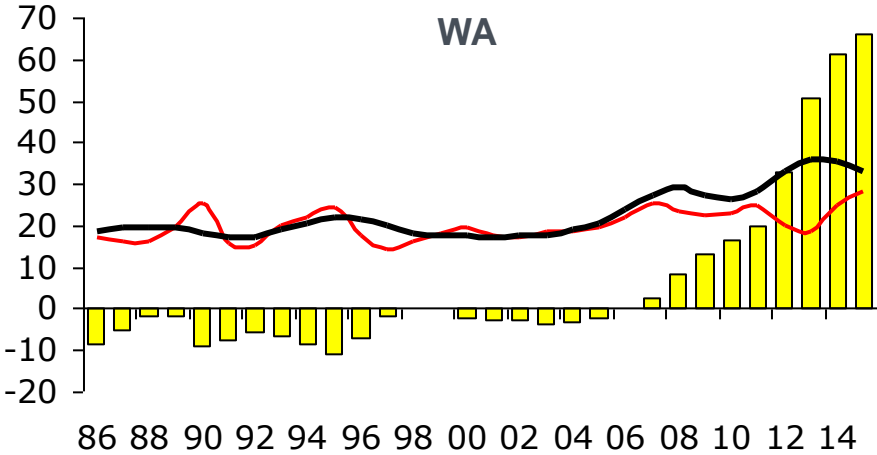
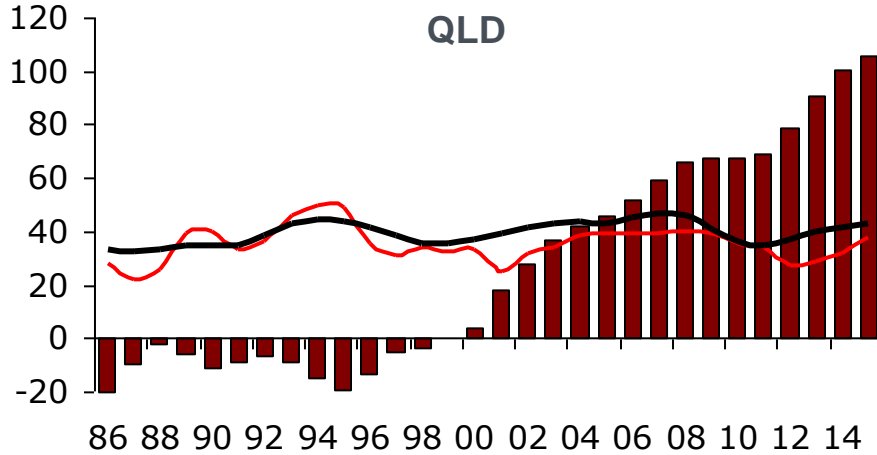
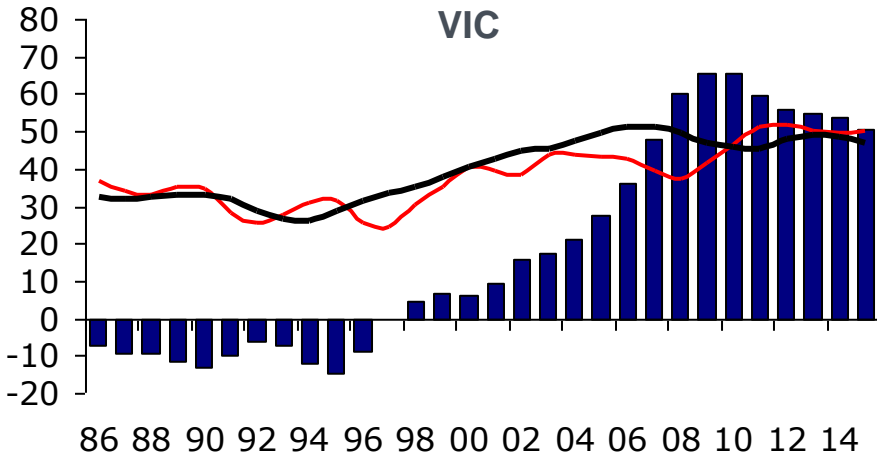
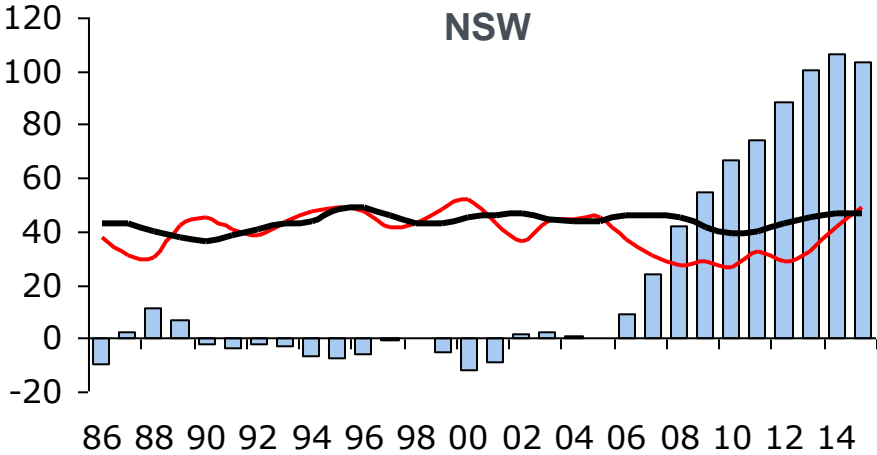
Housing market balance



Source: ABS, ANZ

Residential market overview

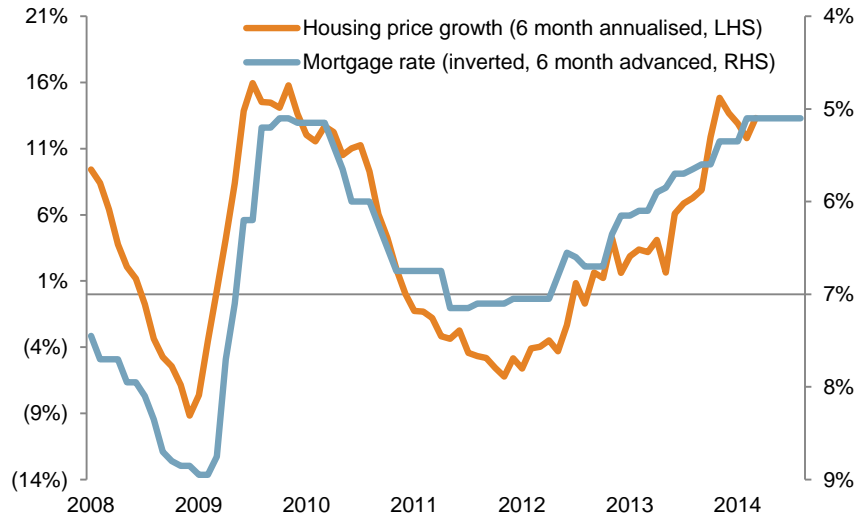
Unprecedented housing shortage – especially NSW, Qld and WA



Sources: ABS, ANZ Research

Residential market overview

Mortgage rate level implies further housing price gains



Source: REIA, RBA

Housing price growth now outpacing household incomes



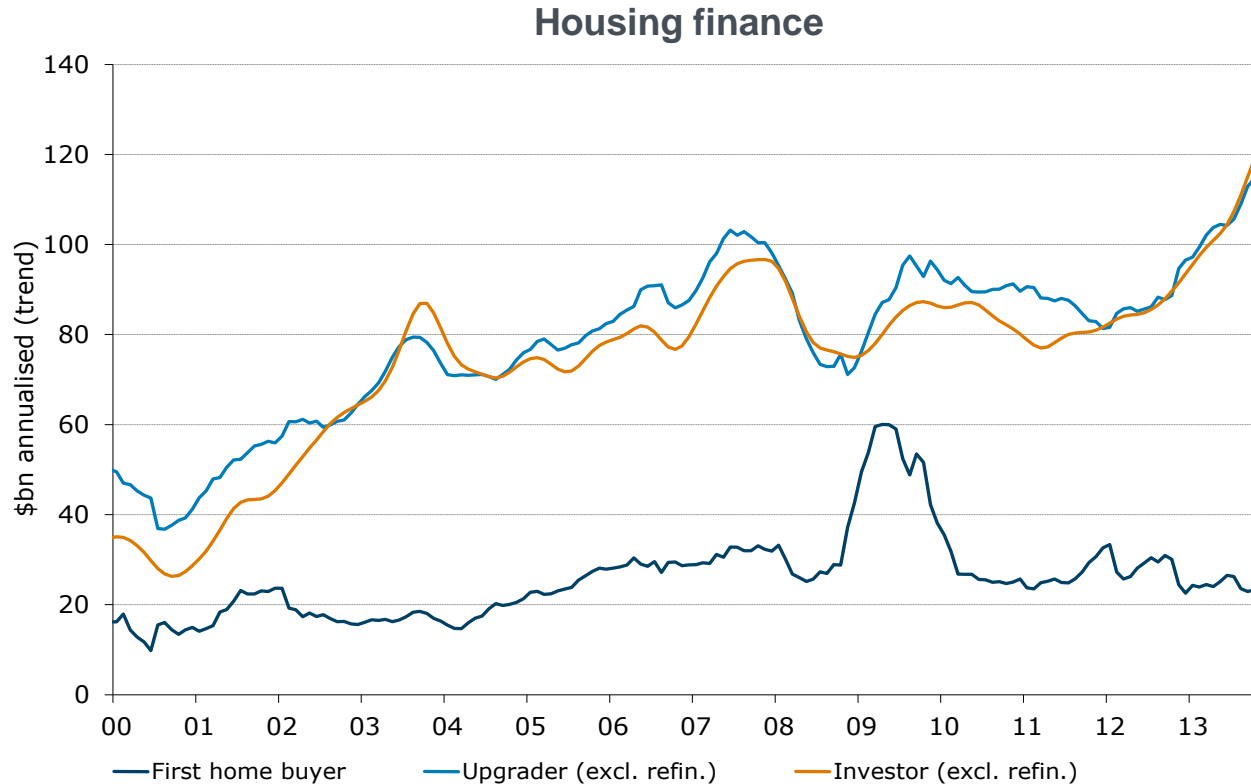
Source: REIA, ABS

- » Interest rates are the single most important determinant of the house price cycle in Australia
- » Mortgage rates have fallen below the long term average since 2012, prompting an improvement in housing prices

- » Housing affordability is improving, reflecting both a fall in housing prices that occurred between 2010-2012, continued household income growth and the impacts of lower interest rates on new borrowing
- » Housing prices are now growing faster than household disposable incomes

Residential market overview

Investors and upgraders leading the charge – first home buyers subdued



- » New lending has been a key driver of the recent pick-up in housing prices
- » Housing loan approvals have risen by 18% over the past year
- » The bulk of the rise in new lending has so far been driven by investors and repeat buyers rather than first-home buyers
 - » First-home buyer lending remains at historically low levels
 - » First-home buyers represent a net addition to housing demand that should eventually drive new construction activity

Source: ABS, ANZ

Outlook

Peet positioned to take advantage of improving markets

- » Underlying foundations of the residential sector remain sound
- » Continued focus on building strong residential presales for FY15 and driving production
- » Strong focus on improving returns across the Group's portfolio
- » Three projects commencing development in 4Q14
- » Expanding market reach through medium density housing opportunities within existing land bank
 - » Wellard (WA) 82 unit townhouse development underway
- » Actively pursuing growth opportunities in a disciplined manner
- » Dividend intended to be reinstated for full year FY14



Thank you

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