

10 May 2016

Dear Security holder

OFFER OF BONDS

Peet Limited ("Peet") is pleased to offer you the opportunity to invest in Series 1, Tranche 1 Peet Bonds ("**Bonds**") - new five year debt securities to be issued by Peet and to be listed on ASX (ASX Code: PPCHA). Peet intends to raise approximately \$100 million by issuing 1,000,000 Bonds with a Face Value of \$100 each (although the actual proceeds raised and number of Bonds issued may be more or less than these amounts) ("**Offer**").

The proceeds of the Offer will be used for refinancing the \$50 million Peet Convertible Notes issued in 2011 and due to mature 16 June 2016 ("Peet Convertible Notes"). The proceeds will also be used to diversify Peet's debt capital structure to further strengthen the Peet Group's balance sheet and to support its growth objectives. The proceeds raised will also be used for ongoing corporate purposes, including paying for the costs of the Offer.

Key terms

Some of the key terms of the Peet Bonds include:

- **To be listed on ASX (proposed code: PPCHA);**
- **Face value of \$100 per Bond;**
- **Interest paying, unsubordinated and unsecured debt obligations issued by Peet;**
- **Fixed interest rate of 7.50%, payable semi-annually in arrears; and**
- **Term of 5 years, maturing 7 June 2021.**

The Offer comprises:

- **Reinvestment Offer** – to Eligible Peet Convertible Notes holders who can apply for Bonds using the personalised Reinvestment Offer Application Form included herein. Eligible Peet Convertible Notes holders may apply to reinvest all or some of their Peet Convertible Notes, subject to the terms outlined in the personalised Reinvestment Offer Application Form and in the Part A: Offer Specific Prospectus. The Reinvestment Offer is scheduled to close at 5pm (WST) on 27 May 2016. You can also apply online at www.peetbonds.com.au. Further details on the eligibility of Peet Convertible Notes holders to participate in the Offer are set out in the Part A: Offer Specific Prospectus.
- **Peet Offer** – to Eligible Shareholders, Eligible Employees and Eligible Directors.
 - Eligible Shareholders and Eligible Employees and Eligible Directors who are also Eligible Shareholders can apply for Bonds using the personalised Peet Offer Application Form included herein. You can also apply online at www.peetbonds.com.au; and
 - Eligible Employees and Eligible Directors who are **not** Eligible Shareholders can apply for Bonds using the Eligible Employees and Eligible Directors Offer Application Form. You should contact the Group Company Secretary.

The Peet Offer is scheduled to close at 5pm (WST) on 27 May 2016. Further details on the eligibility of Peet shareholders, employees and directors to participate in the Offer are set out in the Part A: Offer Specific Prospectus.

- Broker Firm Offer – to Australian resident retail clients of a Syndicate Broker invited to participate through the Broker Firm Offer, who can apply for Bonds using the Broker Firm Offer Application Form through your Broker. The Broker Firm Offer is scheduled to close at 5pm (WST) on 6 June 2016.
- Institutional Offer – to Institutional Investors who were invited by the Lead Manager to bid for the Peet Bonds, which has now been completed.

It is possible that the Offer may close early so if you wish to apply for Bonds you are encouraged to consider submitting your Application as soon as possible. The final size of the Offer will depend on the volume of applications received under the Peet Offer and Reinvestment Offer and Peet reserves the right to scale back applications.

Applications under the Reinvestment Offer will be treated with priority over Applications under the Peet Offer. However, Peet does not guarantee any minimum Allocation under the Reinvestment Offer and the extent of any Allocation will ultimately depend on the total level of Applications under the Offer. Peet has the absolute discretion to determine the method and extent of the Allocation to Applicants under the Reinvestment Offer.

Full details of the investment opportunity, including the terms of issue of the Bonds and the risks associated with the investment, are set out in the Offer Documents. The Offer Documents consist of both a Part B: Base Prospectus dated 2 May 2016, incorporating general information about Peet, and a Part A: Offer Specific Prospectus dated 10 May 2016, which specifically relates to this issue of Bonds and includes additional detail on terms, timing and how to apply. You should read both the Part A: Offer Specific Prospectus and Part B: Base Prospectus carefully and in their entirety before deciding whether to invest in the Bonds.

Anyone wishing to acquire Bonds must either complete and return the relevant application form included in or accompanying the Offer Documents, in paper form or online (www.peetbonds.com.au), as applicable.

If you have any questions about the Bonds or the Offer, you should seek advice from your financial or other professional adviser.

You can also call the Peet Bonds information line on 1300 783 261 (within Australia) or +61 3 9415 4232 (outside Australia) (Monday to Friday 9.00am – 5.00pm, Melbourne time) during the Offer Period.

On behalf of the board of Peet I invite you to consider this new investment opportunity.

Yours faithfully
PEET LIMITED



TONY LENNON
CHAIRMAN

Disclaimer

This announcement does not constitute an offer of any securities (including Bonds) for sale or issue. No action has been taken to register or qualify Bonds or the Offer or to otherwise permit a public offering of Bonds outside Australia.

In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, of for the account or benefit of, any US person (as defined in Regulation S of the US Securities Act of 1933 (the "US Securities Act")). Any securities described in this announcement have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, US persons except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.