Macquarie Australia Conference

MAY 2015

1H15 RESULTS OVERVIEW

Strong project performance across all business divisions aided by supportive market conditions

- Strong improvement in 1H15 operating profit[1] after tax of $17.1m, up 18% (in line with statutory profit)
- Strong underlying business performance
  - Revenue up 76% over pcp with 1,456 lots settled
  - EBITDA[2] up 65% to $45.9m
  - Improvement in EBITDA[2] margin to 25%
  - Improvement in ROCE[3] to 13%
  - Record contracts on hand of 2,232 valued at $485m
- Significant improvement in capital position
  - Strong operating cash flows
  - Gearing[4] reduced to 23%
  - Development of existing pipeline self funded through strengthening operating cash flows
- Fully franked interim dividend of 1.5cps

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. Pre write-downs and includes effects of non-cash movements in investments in associates and joint ventures
3. 12 months rolling EBITDA (pre write-down) / (average net debt + average total equity)
4. (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

KEY ACHIEVEMENTS FOR FY15

ACQUISITIONS

- Acquired interests in seven high quality strategic residential projects
  - New projects comprise more than 4,000 lots/dwellings with GDV[1] of circa $1 billion
  - Strong investment partners provide the opportunity to leverage and grow the Funds Management business
  - Further expansion of the Group's medium density residential pipeline
- Selective acquisition of projects to restock pipeline, predominantly through funds platform
- Acquisitions/developments to be self-funded through operating cash flows
- Continued focus on wholesale relationships to pursue further growth opportunities
- Pipeline of approximately 50,000 lots providing visibility of future earnings

RETAIL SYNDICATES

- New Victorian retail land syndicate launched in March closed significantly oversubscribed
- Approximately 20% of the applications received were from new investors further strengthening the Group's investor base
- Approximately 40% of the units applied for were from east coast investors
- Expect to achieve pre-sales before 30 June 2015

Notes:
1. Gross Development Value

KEY ACHIEVEMENTS FOR FY15

MEDIUM DENSITY

- More than 450 apartments either settled, under construction or in the design phase
- Initial pipeline of approximately 1,700 units/apartments identified across national portfolio

CASH FLOW

- Strong 1H15 net operating cash flow of $65m
- Cash and available facilities of over $90m at December 2014

CAPITAL MANAGEMENT

- Significantly improved capital position
- Gearing at lower end of target range of 20% - 30%
- Net debt of $188m – down 39% on 1H14 ($306m)
- Interest cover up strongly to 3.3x

Operational update

3Q15 OPERATIONAL UPDATE

Peet remains on track to settle over 3,400 residential lots in FY15, with a total of 2,300 lots settled to date

» The demand for housing continued to drive solid performance particularly across the east coast with over $450 million contracts on hand as at 31 March 2015

» The business continued to focus on delivering its quality residential pipeline in the core metropolitan markets of Melbourne, Perth, and Brisbane

» Key highlights across the business include:

- Continued solid sales across all Melbourne projects and the acquisition of circa 1000 lots during 3Q15
- Targeting early pre-sales launch before the end of June 2015 for new Tarneit (VIC) syndicate project
- Successful sales release of Oakford (WA), with Stage 1 sold out and 90% of Stage 2 sold out ahead of programme, Stage 3 release has been brought forward to meet demand
- Strong sales at Googong (NSW/ACT), Lightsview (SA), The Heights (NT), Wellard (WA) and Golden Bay (WA)
- Continued demand for Wellard (WA) apartments with Stage 1 settled, Stage 2 sold out and Stage 3 now released.
- First stage of Shorehaven (Alkimos WA) Waterfront apartments 90% pre-sold and due to commence construction 4Q15
- Subdivisional approval for the first 700 lots at Flagstone City (QLD) with approval for a further 1,200 lots expected by the end of the 2015 calendar year

CONTRACTS ON HAND

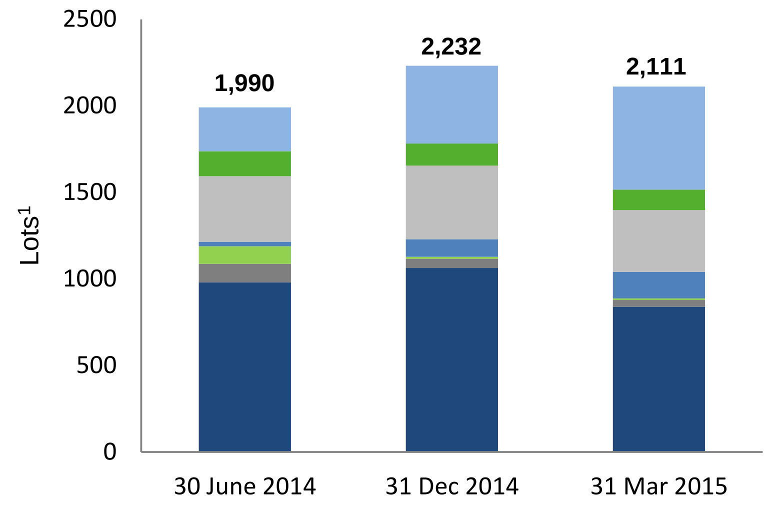
» Strong number of contracts on hand[1] driven by stable and improving east coast market conditions provides ongoing momentum into 4Q15

- Large number of settlements achieved in March 2015 quarter, particularly WA
- Increased number of contracts on hand from Vic and SA as a result of strong sales during the quarter
- Development revenue expected to remain strong in 2H15 as lots under contract settle

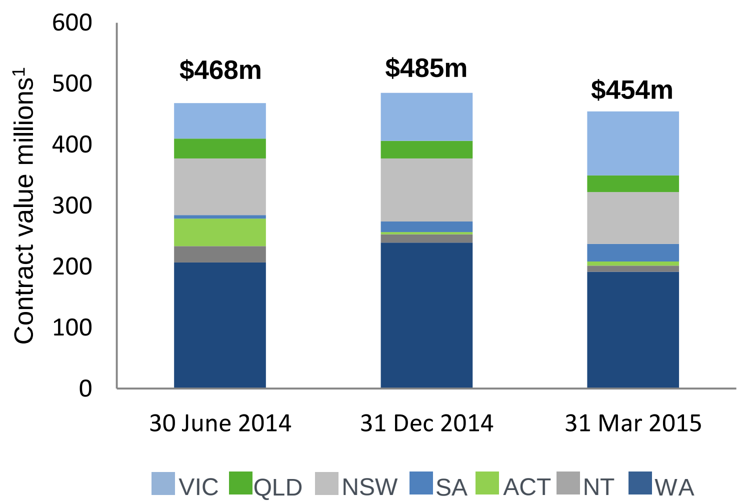
» Two new projects expected to commence development during late 2H15

- Flagstone City (Qld)
- Tarneit (Vic)

CONTRACTS ON HAND BY LOTS



CONTRACTS ON HAND BY VALUE



Notes:
1. Includes equivalent lots
2. Includes GST

NEW PROJECTS IN FY15 - FY17

Pipeline of approximately 50,000 lots providing visibility of future earnings

- Up to 10 new projects expected to commence development within the next 2-3 years
  - More than 90% of the lots in these projects sit within the Funds Management business
  - This represents approximately 40% of existing pipeline
  - Average project duration of 9 years providing visibility of future earnings and cash flows
- Over 80% of entire land bank is expected to be in development by end of FY17
- Land portfolio well balanced across key growth corridors
- Since 1H15 results announcement
  - Oakford has commenced pre-sales to the public
  - Expect first pre-sales for Tarneit will be brought forward into 2015

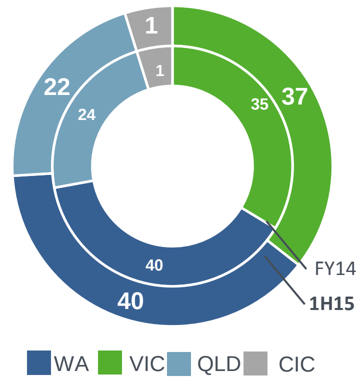
FY15-FY17 PROJECT RELEASE SCHEDULE

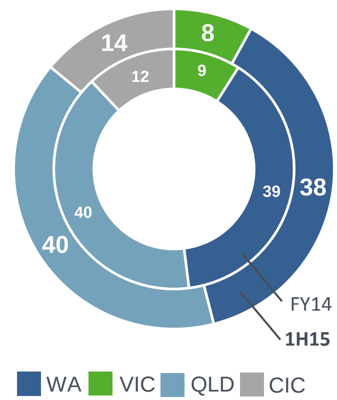
Project	State	Segment	First Sales	Lots	Project Life (Years)
Oakford	WA	Funds	2015	1,060	10yrs
Mt Barker	SA	Funds	2015	845	8yrs
Botanic Village	VIC	Funds	2016	783	6yrs
Flagstone City	QLD	Funds	2016	11,767	25yrs+
Forrestdale	WA	Funds	2016	997	8yrs
Midvale	WA	Funds	2016	613	5yrs
Tarneit	VIC	Funds	2016	300	4yrs
Rockbank	VIC	Owned	2017	557	5yrs
Mundijong	WA	Funds	2017	852	8yrs
Werribee	VIC	Owned	2017	961	7yrs
Total				**18,735**	**Ave: 9 yrs**

Business Strategy

GROUP BUSINESS MODEL

Target EBIT Composition		Target EBIT Margin	Land Bank Diversification by Geography (%)[1]	Land Bank	Capital Employed[2]	Sources of Revenue
40% – 50% EBIT	Development	20%-25%		Lots: 12,852 GDV ($bn): 2.7 # Projects: 27	$385m	» Development profit
50% – 60% EBIT	FM[3] Retail Wholesale	60%-70%		Lots: 15,170 GDV ($bn): 3.3 # Projects: 32 Lots: 21,009 GDV ($bn): 5.4 # Projects: 7	$359m	» Underwriting and capital raising fees » Project management fees » Performance fees » Profit shares
				Lots: 49,031 **GDV ($bn): 11.4** **# Projects: 66**	$855m[4]	





Notes:
1. Based on number of lots
2. Balance sheet assets at cost as at 31 December 2014
3. Includes joint ventures
4. Includes $111m of unallocated assets & cash

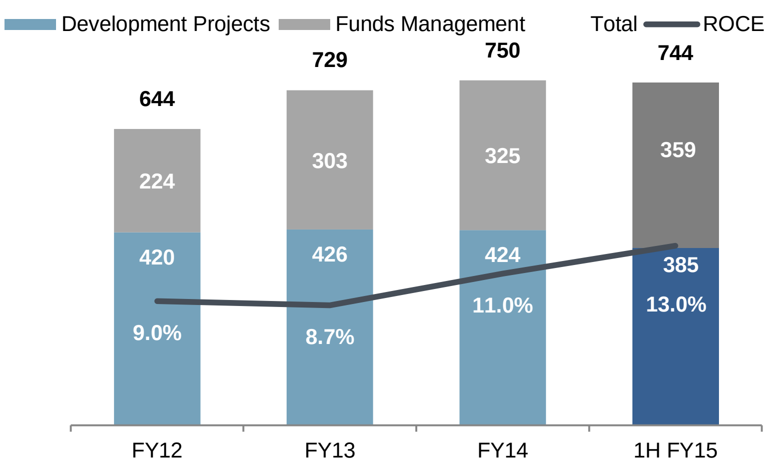
CAPITAL MANAGEMENT

Significant improvement in capital position

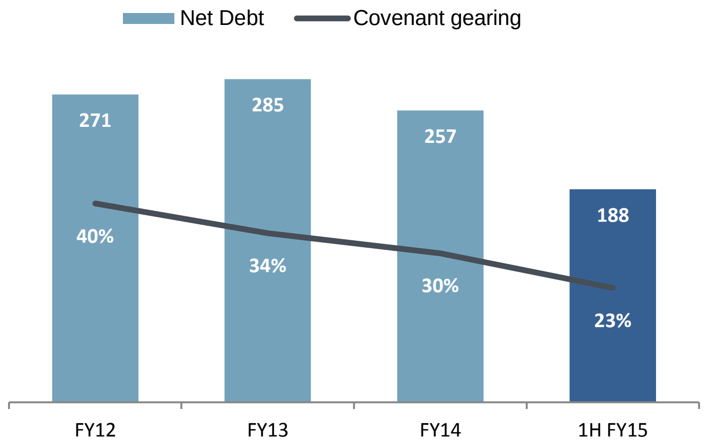
COMMENTARY

» Sustained increase in ROCE
  - Active management of land bank with view to increase ROCE
  - Increase in ROCE through increasing use of capital efficient structures
» Reduction in debt of ~30% vs. last 3 years
  - Within target gearing range of 20-30%
  - Declining cost of debt
» Significant strengthening of interest coverage to 3.3x
» Cash and available facilities of over $90m at Dec-14

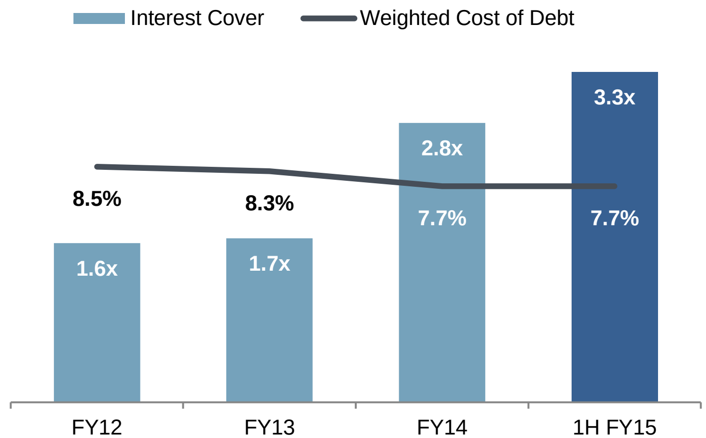
CAPITAL EMPLOYED ($M)[1] AND ROCE[2]



NET DEBT ($M) AND COVENANT GEARING[3]



INTEREST COVER AND WEIGHTED COST OF DEBT



Notes:
1 Development projects and Funds Management/JV only
2 Rolling 12 month EBITDA / (average net debt + average total equity)
3 (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)

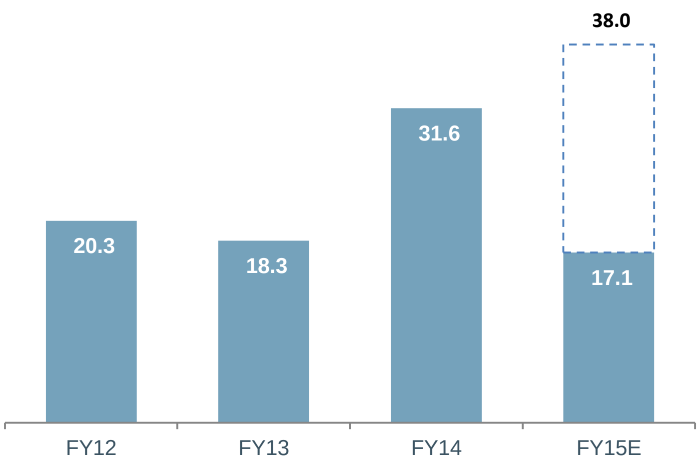
FINANCIAL PERFORMANCE

Growth in earnings via improvement in margins and ROCE

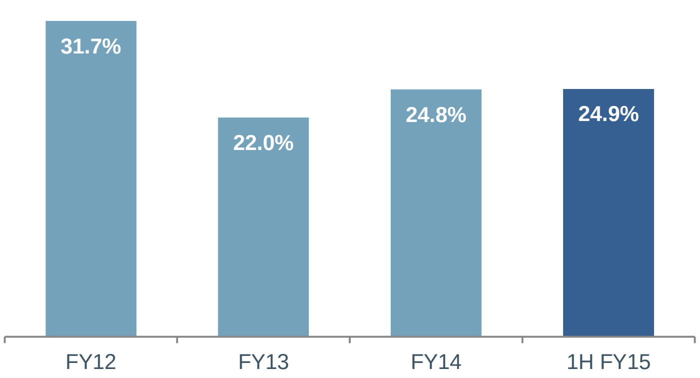
COMMENTARY

- » Operating Profit After Tax 3-year CAGR of 23.2%, boosted by acquisition of CIC
- » Ongoing EBITDA margin improvement to be driven by improved gross margin through net price growth, cost efficiencies and greater impact of high margin projects
  - − Focused on further improvement in EBITDA margins

OPERATING PROFIT AFTER TAX ($M)

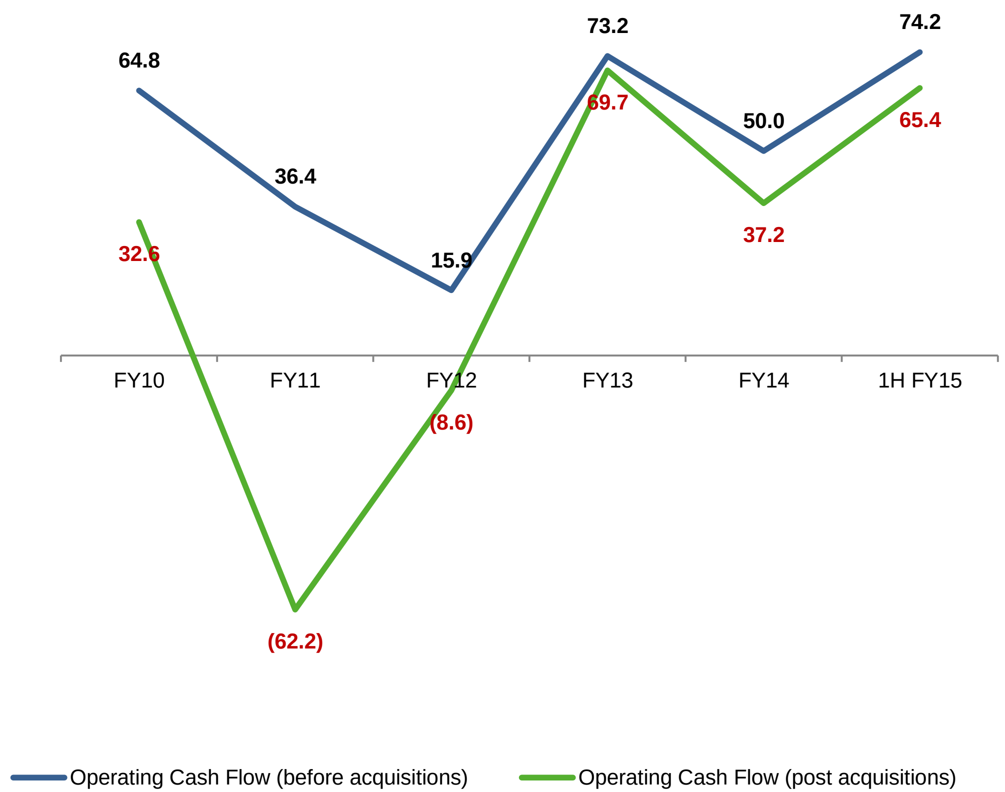


EBITDA MARGIN



CASH FLOW

CASH FLOW PRE AND POST ACQUISITIONS ($M)



» Development of existing pipeline to be self-funded through operating cash flows

» Disciplined execution of capital management strategy to reduce cash flow needs

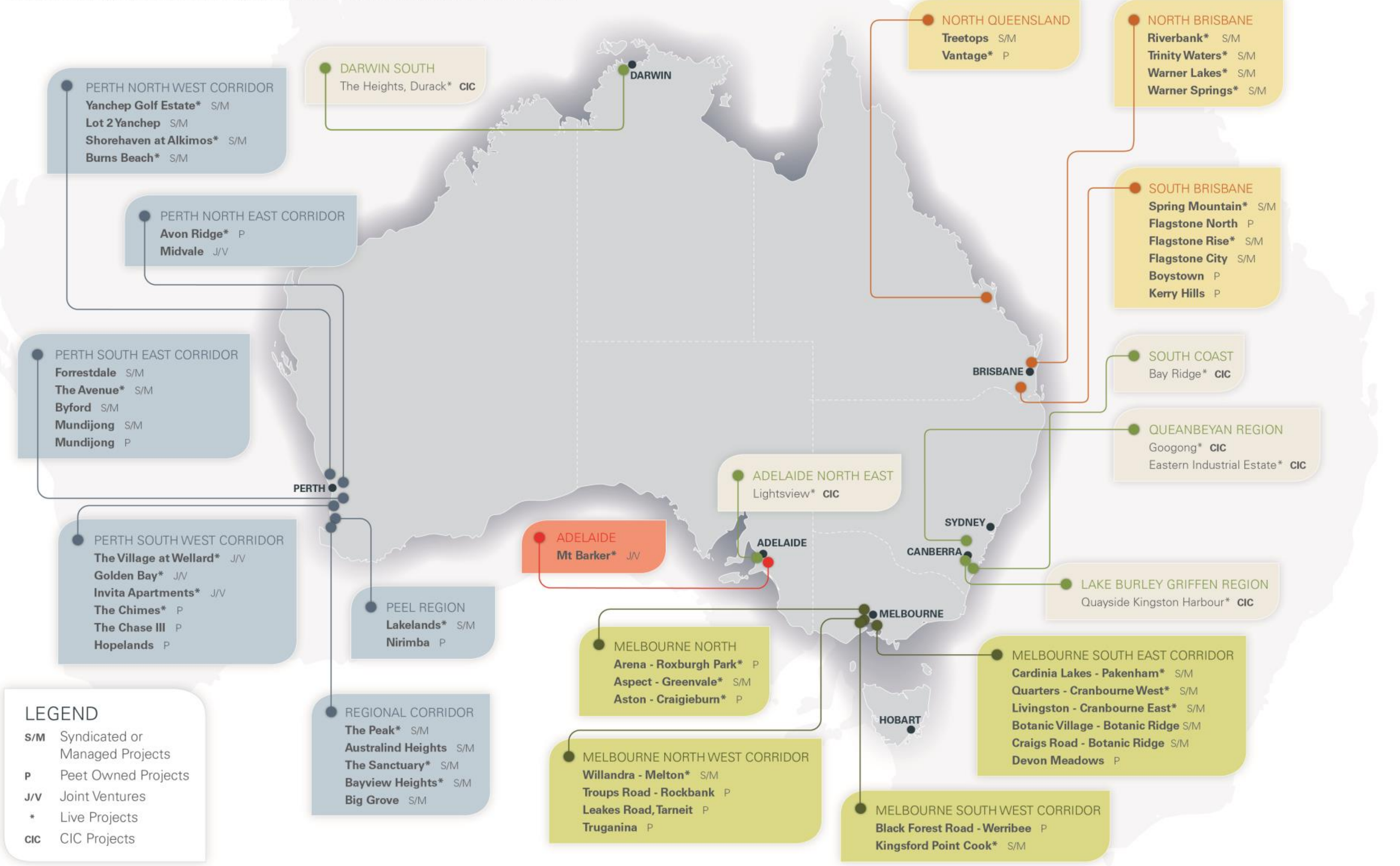
   − Majority of land bank now in Funds Management or capital efficient structures

» Continued reweighting of business to Funds Management increasing earnings contribution of development and sales management fees

Market overview and outlook

Extensive experience in land development

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



RESIDENTIAL MARKET OVERVIEW

Monetary policy continues to encourage home building activity although market conditions continue to be mixed

	COMMENTARY
WA **% of land bank:** FM/JV - 38% Company owned – 37%	» Sales volumes moderated in Western Australia during 1H15 − Lower iron ore price − Transition from the construction phase of major resource projects » Expectations are for a continued solid contribution from WA overall in FY15 − Sales prices have stabilised in line with a market in or around equilibrium − Continued population growth – off a high base but trending above the long term average − Still solid levels of employment – unemployment rate below the national average − New WA projects to be launched targeting the affordable corridor in Perth’s eastern suburbs » Peet’s WA business is strongly focussed on the affordable sector − Approximately 60% of new land sales in WA < $240,000 − WA’s median lot price is approximately $234,000 − First Home Owner Grants for new dwellings rose by approximately 9% in March
VIC **% of land bank:** FM/JV - 8% Company-owned – 40%	» Strong population growth in Victoria has supported increased activity in the residential housing market and price growth is also positive. We anticipate these conditions to continue over the remainder of FY15 and into FY16

RESIDENTIAL MARKET OVERVIEW

Monetary policy continues to encourage home building activity although market conditions continue to be mixed

	COMMENTARY
NSW/ACT **% of land bank:** FM/JV - 7% Company-owned – 1%	» The ACT and adjoining NSW markets continue to perform well where the Group has a reduced exposure following the completion of both the Crace joint venture and Quayside apartment project
SA **% of land bank:** FM/JV - 5% Company-owned – 0%	» The South Australian residential property market is expected to continue in recovery mode with increased interest from buyers in the affordable and middle segments, boosted by continued low interest rates
QLD **% of land bank:** FM/JV - 40% Company-owned – 22%	» Activity in the Queensland residential market is increasing (though coming off historic low levels) and there has been an improvement in affordability, relative to other eastern states and conditions are expected to improve, despite a fall in investment in the mining sector

OUTLOOK

Portfolio well positioned for sustainable long term growth and value creation

- Outlook supported by market fundamentals
  - Favourable market conditions across the Melbourne market
  - WA sales have moderated with sales prices stabilising
  - Qld results to improve on the back of Flagstone City commencing development in late 2H15

- Peet's key focuses to remain
  - Accelerating production where possible and active management of product mix
  - Actively managing landbank with a view to increasing ROCE
  - Development spend to be self-funded through operating cash flows
  - Further improvement in EBITDA margins
  - Selective acquisition of projects to restock pipeline, predominantly through funds management platform

- Well positioned to deliver more than 3,400 settlements in FY15
- The Group's balance sheet remains strong and gearing is expected to remain at the lower end of the target range at financial year end
- Subject to a continuation of current market conditions and the timing of lot settlements, the Group is anticipating FY15 operating net profit after tax in the order of $38 million

Thank you

120 YEARS 1895 2015

PEET

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