

Monday 7 January 2008

PEET COMPLETES \$300 MILLION WHOLESALE LAND SYNDICATE

- **Peet establishes institutional distribution capability**
- **Acquisition of coastal residential zoned project at Alkimos – 40 kilometres north of Perth, Western Australia**
- **Expected Project duration of approximately 12 years with total land sales revenue estimated at approximately \$1.4 billion**
- **Peet Limited to act as Development and Marketing Manager**
- **Land bank rises to around 38,000 lots with an on-completion value of \$7.6 billion**

National land syndicator, asset and fund manager, Peet Limited, today announced the successful launch of its wholesale funds management business with the completion of a \$300 million wholesale land syndicate.

The Peet Wholesale Land Syndicate represents a significant expansion of Peet's existing funds management platform and has been established to acquire and develop a coastal residential zoned project at Alkimos with ocean frontage, 40 kilometres north of Perth. The property has a potential yield of some 2,800 lots.

The majority of the syndicate capital raising has been subscribed for by institutional investors, with Peet Limited ultimately taking a 10 per cent interest in the syndicate. There will be opportunities for Peet's syndicate investors to participate in this exciting project through a Peet Alkimos syndicate to be launched later this financial year.

"Diversifying our capital sources to include institutional investors allows us to further leverage our business model, enabling us to participate in a larger and more diverse range of opportunities," said Peet Limited Managing Director, Brendan Gore.

MTAA Super and The Myer Family Company Pty Ltd will be cornerstone institutional investors.

Commenting on the MTAA decision to invest in the Alkimos project, Fund Principal Executive Officer Michael Delaney said "We were attracted to the opportunity by its location, planning and, of course, the potential returns to our members."

"The Fund has been actively seeking quality opportunities to invest in Western Australian property and the opportunity to participate in a project with a group having the experience and reputation of Peet Limited is consistent with the investment philosophy of the Fund and continues the diversification of the Fund's property portfolio." MTAA was advised by its mandated property consultants J G Service.

Commenting for The Myer Family Company, Chief Investment Officer John Eliopoulos said "The company has had a long and successful relationship with Peet Limited and we are delighted to be again involved in another exciting project for the company and for clients of the Myer Family Office."

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Mr Gore said that "Peet Limited is very pleased to partner with institutions such as MTAA and The Myer Family Company on this very exciting and important project and we look forward to an ongoing and mutually beneficial relationship."

"Establishing the Peet Wholesale Land Syndicate, and an institutional distribution capability, has been a key strategic goal for the company over the past 12 months. We are delighted to provide our investors, both new and existing, with exposure to such a strategic and rare opportunity," Mr Gore added.

The 243-hectare residential zoned property has 1.7 kilometres of ocean frontage within the Alkimos Eglinton project, a planned growth area in Perth's northern coastal metropolitan corridor. Land in the corridor is tightly held and opportunities to acquire significant coastal parcels anywhere between Yanchep in the north and Mandurah in the south are rare.

"We believe the site represents what may be the last opportunity to acquire a significant coastal parcel of land between Yanchep and Mandurah," Mr Gore commented.

The purchase is timely given plans to open up Perth's northern corridor even further with the current extension of Marmion Avenue through the property, and beyond to Yanchep, expected to be completed by August 2008.

"This really is a unique coastal property acquisition – arguably the only opportunity for a new major coastal residential estate within 40 kilometres of a capital city in Australia," he said.

Based on current estimates, the project is expected to have a duration of approximately 12 years and yield total land sales revenue of approximately \$1.4 billion.

Peet Limited – which already has a long history and impressive track record in Perth's northern suburbs – will act as Development and Marketing Manager for the project.

The new Alkimos property is north of Burns Beach Estate which is managed by Peet Limited and was awarded for excellence in the Outstanding Coastal Development, Innovation and/or Design category of Coastwest's recent WA Coastal Awards. The Burns Beach Estate has been developed and marketed by Peet on behalf of syndicate investors for many years.

Mr Gore said that the wholesale syndicate received strong interest from the wholesale market. "Investors were seeking a quality manager with a strong brand and delivery capability," he said.

UBS acted as Lead Manager on the Institutional Offering for the Peet Wholesale Property Syndicate.

The Institutional Banking Division of the National Australia Bank, nabCapital, has arranged and underwritten a multi-tiered debt solution to assist with the acquisition of the Alkimos Eglinton project and the ongoing funding requirements for the Wholesale Syndicate.

"This is a significant and exciting transaction for Peet and, given our 112-year relationship, we are extremely pleased to have been able to support them in successfully securing the Project," said nabCapital's Head of Corporate Finance, Robert Armstrong.

"The strength of the relationship has allowed us to work closely with the Peet team to structure a debt and equity solution that meets the needs of all stakeholders," he said.

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Peet Limited has the third largest land bank of any ASX listed property group. The Alkimos land acquisition brings its land bank to around 38,000 lots with an estimated on-completion value in excess of \$7.6 billion (if sold at today's prices).

Peet's Managing Director said the company would be launching new funds to both retail and wholesale investors in the future, and had appointed a new Head of Funds Management to drive this important business area.

"Peet will continue to leverage its integrated business platform to deliver innovative and strong performing products for syndicate investors, and generate new income streams for our shareholders," said Mr Gore.

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