MEDIA RELEASE

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Peet profit slightly ahead of prospectus forecast

Peet & Company Ltd (ASX:PPC) today announced net profit after tax of $28.7 million for the year ended June 30, 2004. This is slightly ahead of the recent IPO forecast of $28.4 million.

Strong growth of the owned land projects division coupled with solid returns from management of syndicated land projects in three States underpinned the strong revenues and profit.

Peet managing director, Warwick Hemsley said that the net profit after tax had risen by 49%. This had been achieved with 50% of the EBIT contributed by the syndication management business. Lot sales from the syndication management business were 1,206 with gross revenue of $151 million.

"The owned projects division contributed $20.3 million in EBIT due to the continuing maturity of land projects and prospects looked very positive as a number of new owned estates including Greenvale Estate in Melbourne and Ashton Heights in Perth were coming on stream."

"The joint venture projects division is beginning some major projects with the Wellard joint venture and Queens Park urban renewal with the WA Government underway and the commencement of the Riverbank project at Caboolture in Queensland expected during the second half of the 2005 financial year.

Mr Hemsley said Peet remains on track to achieve its forecast for 2005. The company was well positioned to pursue growth through future acquisitions via syndication, joint ventures, or outright purchase and recently announced the purchase of the balance Brigadoon estate of 800ha, 30 kilometres from the Perth CBD as a proposed syndication by Peet No. 67 Syndicate Limited.

"Other strategies include expansion of the property funds management business, particularly through the identification of many opportunities within our landbank for retail centres, child care centres, medical centres and retirement housing opportunities."

"Peet is one of Australia's largest residential estate developers with a landbank of more than 24,000 lots under ownership or management across four states" said Mr Hemsley. "This has been accumulated over the last two decades."

"Peet is well placed to pursue growth in its syndication management business and diversification, with its strong balance sheet, and relatively low level of gearing."

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About Peet & Company Limited

Peet is one of Australia's largest listed property companies dedicated to broadacre estate development with 38 projects in Western Australia, Victoria, Queensland and New South Wales. The company which began operating in 1895 in Perth, acquires, manages, develops, markets and sells land estates. Property acquisitions are predominantly made using investors' equity (syndicates and joint venture projects) or Peet's own equity (owned projects).
Peet owns, manages or otherwise controls approximately 3,000 hectares of land at varying stages of development with the potential to yield in excess of 24,000 potential lots. This represents approximately 11 years supply based on estimated sales rates for the year ending 30 June 2005.

Peet guides development of the land through all stages of zoning, relevant approvals, subdivision, development, marketing and sales. The Peet business is organised into three key operating divisions:

Syndicated projects
Syndicates, as undertaken by Peet, are single-purpose entities established to develop and sell an identified landholding. The projects are offered via a prospectus to retail and institutional investors.
Peet earns fees from its syndicated projects comprising establishment fees (including underwriting fees), ongoing fees (predominantly linked to settled sales) and performance fees (linked to profits).

Owned projects
Owned projects are conducted on Peet's own account. Land may be sourced from public tenders, private sales and off-market negotiation. Peet seeks to structure acquisitions to manage its equity capital efficiently by purchasing land on deferred terms, purchasing subject to rezoning or buying long options on land that is prospective. Working capital is required to develop each stage of a project, before being returned to Peet when the stage is settled.

Joint venture projects
Joint ventures may be formed with government, statutory authorities, private landowners or investors.
Typically, the joint venture party contributes the land and Peet is responsible for working capital requirements. Peet is typically entitled to fees in consideration for its management of the projects. The development profits are shared between the joint venture parties according to the terms of the joint venture agreement.