PEET & COMPANY LIMITED

CHAIRMAN'S ADDRESS
NOVEMBER 2004

It is with pleasure that I present this address, at our first Annual General Meeting, following the successful public share offer and listing on the Australian Stock Exchange.

I do not propose to dwell further on matters already covered in our Annual Report, but to comment for you on the progress of the Company, how the business is going and some of what we see emerging in the future.
New director Graeme Sinclair, based in Melbourne, is here with us today. I will ask him to stand. Graeme is a chartered accountant with over 30 years experience in investment and wealth management services. He is the managing director of the Myer Family Company, which continues the famous Myer Family financial and philanthropic history.

The other new director, Stephen Higgs, is Sydney based and is also here with us today. I will ask him to stand. Stephen has had 30 years experience in corporate finance including 20 years with UBS Investment Bank, where he served as a director and head of Corporate Finance. He also built a leadership position in the private equity market. He is currently non-executive director of Primary Health Care Limited, IPAC Securities Limited, Rural Press Limited and is Chairman of the Juvenile Diabetes Research Foundation Australia.

Our Board also includes two continuing executive directors, being Warwick Hemsley in the role of Managing Director and Anthony J Lennon as Executive Director in charge of eastern states operations.

Ian Palmer, who retired as a non-executive director, continues as a significant shareholder. On behalf of the Company and the Board I wish to again thank Ian and recognise his valuable contributions to the growth of Peet & Company Limited. I wish Ian and his wife Helen and their family success and happiness for the future.

Rod Lane who had been with the group since 2001 as Compliance Officer and other duties moved into the new role of Company Secretary in April 2004.

Dom Scafetta remains in the key role of Chief Financial Officer for the Peet Group.

Because of changes made since the last annual general meeting, it is necessary for four of the directors to formally retire at this AGM, but all four pf these directors, being eligible, are offering themselves for re- appointment. This matter is on the Agenda later in the meeting.

I am pleased to report to you that the Board are acting very cohesively on behalf of our company and our shareholders and we are confident that management under the leadership of our Managing Director, Warwick Hemsley is functioning effectively with the Board, Management and Staff in pursuing our corporate objectives. In this regard, I am please to report that as foreshadowed in our Prospectus we are progressing with funds management, aged accommodation and other new initiatives.

The Stock Market appears to show growing recognition of the sound underlying fundamentals of our business.
The gains in the stock price of Peet are undoubtedly already known to you. However it is a matter of record that the share price has been in the range up to $1.75. Today, PPC closed at $1.70 on the ASX. This puts the market capitalisation (Market Cap) of the company at $340 million.

It is interesting that for the last two and a half years we have had speculation about the direction & health of the property market.

So where are we today? In our opinion, we are operating in a market which is healthy for Peet & Company Limited. The economy is prospering, employment is high and there is underlying population growth with consequent demand for land in our estates.

Our sales for the year to date are in line with our expectations and the Board remains confident of achieving our prospectus forecast for the 2005 financial year.

We have certain acquisitions under consideration and look forward to being able to present new syndication investment opportunities to our investors. We confirm that we will be continuing our land syndication business with vigour and we expect to be announcing a new syndication within the near term.

In the meantime I continue to be pleased by the quality of the Peet & Company Estates. The company is creating fine communities for people to live and enjoy; we continue to win awards in recognition the standard of what we do, and this is reflected in the market demand for our products.

At this stage, I am about to hand over to the Managing Director for him to outline where the business is at and where we are going, but before doing so, I wish to draw attention to what can only be described as outstanding profit achievements in our Group.

The profits achieved in the Peet Group including its managed Syndicates are very significant in any comparison with Companies and Trusts in the property sector in Australia. I would therefore like to congratulate the management team and staff at all levels of the organisation for successfully achieving these substantial financial outcomes for Peet & Company Limited and our Syndicate Investors.

I now welcome to the microphone, the Managing Director of Peet, Warwick Hemsley.

End.

PEET & COMPANY LIMITED

MANAGING DIRECTOR'S ADDRESS
NOVEMBER 2004

Thank you Tony.

This year has been notable for many reasons. Apart from the restructure of our board and the successful initial public offering, culminating in being listed on the ASX, Peet achieved excellent financial results.

At the same time, it has laid the foundation for the future. Additional land purchases were timely and have provided worthwhile additions to our land bank, which now represents some 11 years of supply.

All investors would have received an annual report, which sets out detailed results for the year ended 30 June 2004. I will leave it to you to read as you wish, so today I will only refer to some of the highlights.

The report reflected on the achievements of Peet & Company Limited for the 12 months ended 30 June 2004 and the most notable of these achievements was for net profit after tax to reach $28.7 million, which was slightly ahead of the forecast in the prospectus.

Solid returns from the management of syndicated projects in three states as well as strong growth in the owned land projects division underpinned the strong revenues and profit.

This augurs well for the 2004/2005 financial year, especially as 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. This landbank has been accumulated over the last two decades.

Overview of Peet & Company
I would like to take the opportunity to give you an overview of the Peet & Company business as it stands at present and where we see it going from here.
I will do this by addressing various segments of the business of which the principal ones are;

- Funds Management – Syndicated Development Projects,
- Company owned projects,
- joint venture projects and the

Funds Management – Syndicate Development Projects

The syndicates 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 the establishment fees, including underwriting fees and other ongoing and performance fees, which are linked to either sales or profits. One of the larger ones is Peet **Windsor Park Syndicate Limited,** which has the estate name of Brimbank Gardens and is in Derrimut Victoria. The project commenced in 2002. The estate, when completed, will include 2 primary schools, a childcare centre and commercial centre and over 2000 lots.

> The estate is located approximately 17kilometres from the Melbourne CBD and has good access to the Princes Freeway and the Western Ring road.

Another interesting syndicate is **Peet & Co Point Cook Land Syndicate Limited**, which has the estate name of Point Cook Gardens. It was formed in 1999. This estate is approximately 22 kilometres from the Melbourne CBD. The estate has a large display village, featuring many of Melbourne's major project builders. It will be fully developed with 1059 lots.

Another Victorian estate is called **Tarneit Gardens** and operates under the company name of Peet Tarneit Gardens Syndicate Limited. This was formed in 2003 and has potential lots of 1089. Development and sales have recently commenced.

Our first venture into Queensland is under the name of **Peet Warner Lakes Syndicate Limited,** which is operating a new estate called Warner Lakes. This was purchased in 2002 with the zoning of Future Urban and had a total area of 206 hectares. It is a masterplanned community and includes a small commercial centre. The land is located approximately 19 kilometres north of the Brisbane CBD and is adjacent to existing developments in the locality.

Significant progress has been made with this development and sales have commenced recently.

Company Owned Projects

> As a separate segment of our business, the projects which are owned by **Peet & Company Limited** and are developed on its own account. Peet seeks to structure acquisitions to manage its equity capital efficiently by purchasing land on deferred terms, purchasing subject to rezoning or buying long-term 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 developed and settled.

One such project is the **Innisfail Estate**, which is located in Point Cook Victoria.

This was purchased in 1999 and covers approximately 120 hectares with potential lots of 1750. Point Cook is within the City of Wyndham, which is one of the fastest growing municipalities in Victoria. Development of this masterplanned community actually commenced in 2002. It includes private and public primary schools, child care centre, a commercial centre and potentially an integrated aged care facility site.

The estate is located approximately 20 kilometres from the Melbourne GPO and has good access to Princes Freeway and Western Ring road. Here Peet has co-ordinated the largest 'GreenSmart' display village in Victoria. All homes in the village achieved a minimum 5-star energy efficiency rating and have adopted various water saving technologies.

> This land bank contributes to current profits and it does provides an important asset base as at current sales rates we are holding sufficient landto cover the next 14 years of demand, based on 04/-5 consumptions. This places Peet in an enviable position to bring new projects on line as required. This is of course a major source of the potential profits for many years to come.

Some examples would include the **Greenvale properties** in Victoria. The last purchase was in 2003 at which stage it was unzoned and outside the urban growth boundary. It covers a total area of 208 hectares, with 1600 potential lots and the most recent valuation was in excess of $34 million. The Greenvale properties are located approximately 25 kilometres from the Melbourne CBD. They are located in the City of Hume, which is one of the fastest growing municipalities in Australia. They have good access to the Tullamarine Freeway and Hume Highway. They are adjacent to the suburb of Roxburgh Park and adjoins Craigieburn. The elevated parts of Greenvale Lakes and Greenvale Rise enjoy excellent views over the Greenvale Reservoir and the Melbourne City skyline.

In Western Australia, we recently acquired a property in the suburb of Tapping and operates under the estate name of Ashton Heights. This development is 26 kilometres from the Perth CBD. The first stage of development is in progress and good sales are being achieved.

Some of our syndicates are structured as Managed Investment Schemes, with Peet acting as Responsible Entity and custodian.

Another role carried out successfully in the past by Peet & Company is that as responsible entity, as well as the project manager of some very profitable developments. Among these have been Burns Beach Property Trust, Australind Unit Trust, Jandakot Unit Trust, Thompson's Lake Unit Trust, Eaton Unit Trust, Warnbro Oceanside Unit Trust and Yanchep Ocean Front Unit Trust. I will today make reference to one being Yatala Unit Trust, which has been responsible for the development of Carramar Golf Course Estate.

The Trust was originally formed in 1976 and Peet was engaged as project manager and some four years ago became the Responsible Entity and Trustee.
To date 2000 lots have been developed and sales are proceeding at a very sound level.

Joint Venture Projects

In general, joint ventures may be formed with government statutory authorities, private land owners 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 of profits are shared between the joint venture parties according to the terms of the joint venture agreement.

One of interest is "The Village at Wellard". This is a masterplanned community being developed in joint venture with the Western Australian government agency Landstart. The joint venture agreement provides for complete development of the land including development of the local

neighbourhood centre, situated around the proposed Wellard Railway Station within the estate. The total area of the estate is approximately 320 hectares and has the potential of around 3000 lots and units sites and will also contain high and primary schools, child care centres and a commercial precinct.
To win this appointment there was a comprehensive selection process and we were chosen ahead of other major developers.

Development and sales are progressing well.

Another is the Quattro at Queens Park Urban Renewal Project in Perth.

I would now like to talk a little about the economy, interest rates and the housing sector.

Summary

As you can see, Peet has already been successful; is currently very well placed; and has an exciting potential.

Your board has given careful consideration to future strategies and unanimously decided that we should continue to do much of the same as what we have been doing. We will continue to use our expertise to develop land. The only proposed adjustment to our strategies will be to the methodologies of funding some of our future projects. This will include the expansion of our Property Funds Management Business, particularly through the identification of many opportunities within our land bank for retail centres, office and warehouse facilities, child care centres, medical centres and retirement housing opportunities, as well as opportunities outside of this to enable an expanded range of real estate investment products to be offered to our investor base.

Overall the company is well positioned to pursue growth through future acquisitions via syndication, joint ventures or outright purchase. The company has many acquisition opportunities under consideration at present and this augers well for the future replenishment and indeed growth of our landbank.

In terms of outlook, the Company remains confident of achieving forecast net profit as detailed in the prospectus dated 18 June 2004.

I would like to take this opportunity to thank my fellow board members and all the staff of Peet for their dedication and energetic efforts during the year. In addition, my appreciation goes to all the investors, land buyers, builders, consultants and other people who have had a connection with Peet, for their wonderful support.

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