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asx release

23 August 2007

Australian Stock Exchange Limited
Exchange Centre
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

STRONG RESULTS FOR DIVERSIFIED PEET

Please find attached our media release and Appendix 4E for delivery to the market.

Yours sincerely
PEET LIMITED

**DOM SCAFETTA
COMPANY SECRETARY**

23 August 2007

Strong results for diversified Peet Limited

- Net profit after tax increased by 23.6% to \$45.5 million
- Earnings per share increased by 16.3% to 21.4 cents per share
- Final dividend of 10.5 cents per share fully franked (Full year: 19.5 cents per share)
- Gearing ratio of 28% (net bank debt / total tangible assets – adjusted for market value)
- Total of some 8,200 lots acquired during the year (total land bank now 33,800)
- Land syndicate capital raisings totalling \$57 million during the year

Fund and asset manager, Peet Limited, has announced details of another strong year's performance with an after-tax profit from operations of \$45.5 million for 2006/07 – an increase of 23.6% over the previous year.

It is the Company's fourth consecutive report of NPAT growth since listing in 2004 and reflects the success of its operationally and geographically diversified business model, which has produced continuous profits over many years.

"More than half Peet's earnings before tax for the year have been delivered by our operations in Victoria and Queensland," said Chairman Tony Lennon. "And the Company has positioned itself well to take advantage of improved market conditions in those states in the year ahead.

"Our Western Australian operations also performed well during the year. While we saw a plateauing of sales prices in WA in the latter half of the year, a satisfactory market for land sales continues," he said.

Peet Limited today also announced an increase in earnings per share of 16.3% to 21.4 cents per share for the year, and a final dividend for the year of 10.5 cents per share fully franked. That brings the total dividend per share for the year to 19.5 cents – or 27.9 cents per share before tax allowing for 100% franking - an increase of 14.7% over the previous year.

Managing Director, Brendan Gore said the net growth in the Company's land bank during the year was another significant achievement and augured well for the future.

"The strength of our land bank has always been fundamental to our success and during the year we acquired some 8,200 lots across the country. The net increase of around 6,200 lots during the year positions us well to take advantage of market conditions around the country in the years ahead, particularly in Victoria and Queensland," he said.

"We have continued our program of acquiring well-located land parcels in Western Australia, Victoria and Queensland bringing the total number of lots managed and owned at year-end to almost 34,000, with a further 4,200 lots potential under conditional contract as at 30 June 2007.

"In less than two years, Peet's land bank has grown in estimated end value from \$3.79 billion to its 30 June '07 level of some 33,800 lots with an estimated end value of \$6.13 billion (if sold at today's prices)."

Much of that growth has been in Victoria where Peet established an office a decade ago and is now a major participant in the selling of residential lots. Peet is also set for major expansion in Queensland where estates in Caboolture, Beachmere, Gladstone, Mitchelton and Cooroy are in the planning phase. The Company's search for opportunities in New South Wales, where the market has underperformed compared to other major Australian states, is also paying off with an acquisition currently under due diligence.

Mr Gore said Peet was currently exploring additional opportunities for its expanding Peet Senior Living division following the commencement of successful pre-sales in its \$70 million development, named Latitude, at Lakelands in Western Australia and the purchase of another site within its Warner Lakes estate in Queensland during the year.

"Peet Senior Living will continue to expand nationally in the year ahead," he said. "Other opportunities, including one in Victoria, are currently being pursued and explored."

Peet has again proved itself a market leader in land syndication, raising \$57 million from three syndications of land holdings in Victoria, Western Australia and Queensland during the year. These syndicates were particularly successful in increasing syndicate investor participation, adding significantly to the Company's existing group of investors.

Peet's revenue from land syndication during the year increased by 7.8% over the previous period to \$42.6 million.

At the other end of the supply chain, Peet posted residential sales of more than 2,000 lots across Australia for a total gross value of more than \$421 million. At the end of the period, Peet and its managed entities had in excess of 1,100 lots that had sold but were yet to settle for a value of \$240 million.

Another highlight for the year was the successful \$82 million capital raising, via an underwritten institutional placement completed in November 2006, coupled with a Share Purchase Plan for existing investors which raised another \$1.95m, enabling the Company to accelerate growth across the business divisions.

At year's end, the Company's Income Property Fund had expanded to more than 600 members and more than \$50 million in funds under management. The Fund acquired two strategically located industrial and commercial properties in Perth and Darwin during the year and made its first purchase in Victoria, due to settle later this month.



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Other operational highlights for the year included:

- Managing and obtaining development approval for a \$20 million shopping centre at Carramar in Perth's northern suburbs; and
- Peet Living's first two apartment-style developments – Grand 56 and Sixteen Hammersmith in Joondalup (WA) selling off the plan with more planned for WA, Victoria and Queensland in the year ahead.

For further information please contact:

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FURTHER INFORMATION

PEET LIMITED (PPC) - FINANCIAL RESULTS 30 JUNE 2007

GROUP FINANCIAL HIGHLIGHTS

- Net profit after tax increased by 23.6% to \$45.5 million
- Fourth consecutive year of NPAT growth since listing
- Earnings per share increased by 16.3% to 21.4 cents per share
- Declared final dividend of 10.5 cents per share fully franked to give full dividend for 2006/07 of 19.5 cents per share or 27.9 cents per share before tax allowing for 100% franking
- Gearing ratio conservative at 28% (net bank debt/total tangible assets – adjusted for market value)
- Total of some 8,200 lots acquired during the year
- Land syndicate capital raisings totalling \$57 million during the year

OPERATIONAL HIGHLIGHTS

The improved result was influenced by an uplift in the property market in Victoria and Queensland and continuing demand for residential land in Western Australia underpinned by strong economic conditions and employment and population growth.

Land Syndication

- Revenue increased by 7.8% on the previous corresponding period to \$42.6 million resulting in a 9.5% increase in pre-tax earnings to \$31.5 million.
- Three syndicates completed during the year, raising \$57 million for land in Victoria, Western Australia and Queensland.

Company-owned Land

- Earnings before tax increased by 50.1% from \$21.4 million to \$32.0 million.
- There were significant contributions from solid sales at Ashton Heights and The Chase in Western Australia during the first half of the financial year and sales from the Greenvale Lakes and Innisfail estates in Victoria, in the second half of the year.

Joint Ventures

- Pre-tax earnings improved by 122% from \$0.9 million to \$2 million.
- Sales at Quattro: The New Queens Park in WA and Caboolture in Queensland will boost the earnings contribution of this division, which is currently based on the performance of The Village at Wellard (WA), in the years ahead.

Peet Income Property Fund (PIPF)

- PIPF expanded to more than 600 members with more than \$50 million in funds under management.
- The Fund also acquired two strategically located industrial and commercial properties in Perth and Darwin during the year and made its first purchase in Victoria, due to settle in late August 2007.

Land Bank Growth

- A total of some 8,200 lots was acquired during the year to June 30, 2007 bringing the total land bank to approximately 33,800.
- A further 4,200 lots potential under conditional contract as at 30 June 2007.
- Peet's land bank now has an estimated end value of \$6.13 billion upon completion if sold at today's prices.
- Further acquisitions were under due diligence at year-end.
- New acquisitions to feed syndication pipeline for 2007/08 and beyond.

The additional lots acquired comprise a combination of residential and potential industrial lots.

Outlook

Peet looks forward to 2007/08 with confidence in its diversified business model and sound positioning to participate in the strengthening property markets of Victoria and Queensland.

We also remain confident in the Western Australian property market which has plateaued during the year, but continues to produce sound results on the back of a strong state-wide economy, fuelled largely by the resources sector.

The growth in our land bank continues to evidence the Company's long-term approach and increases our opportunities to identify potential for retail, commercial and industrial centres, as well as seniors housing opportunities for the benefit of our investors and shareholders.

With the diversity of Peet's business model combined with recent significant additions to the land bank, and assuming market conditions continue to improve on the east coast and remain stable in Western Australia, the Company continues to target earnings growth of 10% for FY08.



Peet Limited

Preliminary final report for year ended 30 June 2007

APPENDIX 4E

Preliminary Final Report For the year ended 30 June 2007

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Entity:	Peet Limited and its controlled entities
Reporting Period:	30 June 2007
Previous Corresponding:	30 June 2006

				\$'000
Revenue	Up	13.6%	to	129,118
Profit attributable to the members of Peet Limited	Up	23.6%	to	45,518
Basic earnings per share (cents)	Up	16.3%	to	21.4c
Diluted earnings per share (cents)	Up	15.3%	to	21.1c
Full year dividend per share (cents)	Up	14.7%	to	19.5c

Dividends	Cents per security	%Franked per security
Current Period		
Final dividend	10.5 cents	100%
Interim dividend	9.0 cents	100%
	19.5 cents	
Previous Period		
Final dividend	9.5 cents	100%
Interim dividend	7.5 cents	100%
	17.0 cents	

Record date for determining entitlements to dividends
Dividend payment date

17 September 2007
1 October 2007

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RESULTS COMMENTARY

FOR THE YEAR ENDED 30 JUNE 2007

Summary of Financial Highlights

- Profit after tax increased by 23.6% on the previous corresponding period to \$45.5 million
- Earnings Per Share increased by 16.3% to 21.4 cents
- Gearing ratio of 28% (net bank debt/total tangible assets – adjusted for market value)
- Final dividend of 10.5 cents per share fully franked to give total dividend for FY07 of 19.5 cents per share fully franked (FY06: 17.0 cents per share) or 27.9 cents per share before tax allowing for 100% franking
- Total of some 8,200 lots acquired during the year resulting in a 22.5% increase in the land bank
- Land syndicate capital raisings totalling \$57 million during the year

Review of Operations

The Company achieved a profit after tax of \$45.5 million for the financial year ended 30 June 2007, reflecting a 23.6% increase on the previous corresponding period and ahead of market guidance.

Basic earnings per share increased by 16.3%, from 18.4 cents to 21.4 cents.

The Company achieved a strong result for the year, driven by solid profits from each of the operating divisions of its funds management and asset management business.

The continuing strength of the Company's geographically diversified interests resulted in 54% of this year's EBIT coming from Victoria and Queensland, continuing the FY06 trend when 53% of the Company's EBIT came from its east coast activities.

The Company's track record of consistently delivering quality returns to shareholders is underpinned by the strength and diversity of its working capital-efficient business model, and its ability to respond to changing market cycles.

At the end of the financial year, gearing was a conservative 28%, giving the company the capacity to further expand its operations.

The following table details the Company's revenue and profit for 2007, compared to the previous corresponding period.

	Full Year	
	2007 Actual \$'000	2006 Actual \$'000
Revenue	129,118	113,626
Expenses	(62,550)	(60,087)
EBIT	66,568	53,539
Interest expense	(1,388)	(1,093)
Profit before income tax	65,180	52,446
Income tax expense	(19,662)	(15,612)
Profit attributable to members of Peet Limited	45,518	36,834

The profit after tax for the year ended 30 June 2007 is \$45.5 million compared to \$36.8 million for the previous year. The earnings growth is due to the continuing strength of the Company's land syndication business, strong residential land sales in Western Australia (particularly in the first half of the year) and Queensland, and the uplift in the Victorian market, particularly in the second half of the year.

RESULTS COMMENTARY (continued)

FOR THE YEAR ENDED 30 JUNE 2007

Review of Operations (continued)

The Company sold more than 2,000 lots from its syndicated, joint venture and owned projects during the year grossing in excess of \$421 million (FY06: \$355 million) in sales revenue. At the end of the year the Company had in excess of 1,100 lots across all projects that had sold but were yet to settle for a value of \$240 million (FY06: \$214 million).

Funds Management / Land Syndication

Revenue from land syndication increased by 7.8% on the previous corresponding period to \$42.6 million resulting in a 9.5% increase in pre-tax earnings to \$31.5 million. The improved result was again influenced by sound demand for residential land in Western Australia and Queensland, and a Victorian market showing signs of improvement, particularly in the latter half of the year.

During the year the Company completed three syndications of land located in Victoria, Western Australia and Queensland, raising \$57 million. These syndicates were particularly successful in increasing syndicate investor participation, adding significantly to the Company's existing group of investors.

Peet Income Property Fund (PIPF) also expanded and, at 30 June 2007, had more than 600 members and in excess of \$50 million in funds under management. In a very competitive market, the Fund was able to acquire two strategically located commercial office and industrial properties in Darwin and Perth during the year, as well as its first purchase in Victoria that is due to settle in August 2007.

PIPF paid a 100% tax-deferred distribution of 9.16 cents per unit in respect of the 2007 financial year. This equates to a yield of 8.25% on the unit price of \$1.11 applying during the year.

Since year end, PIPF's properties were revalued with those properties held for the full year showing capital growth of some 25%.

Asset Management – Company-owned Projects

The pre-tax earnings for Company-owned Projects improved by 50.1% from \$21.4 million to \$32.0 million on the back of revenue of \$90.3 million.

During the year, the company acquired its first two Peet Senior Living sites and commenced work on its first, named "Latitude", at Lakelands in Western Australia. Pre-sales had commenced at this \$70 million development, with settlements expected to contribute to FY08 earnings.

The Company's first two Peet Living projects sold out during the year. Grand 56 and Sixteen Hammersmith are apartment and townhouse developments providing resort style facilities within secure complexes. Settlements are expected to commence during FY08.

With continued population growth and strong employment, the economic fundamentals of the Australian residential market remain sound. While the market in Western Australia plateaued during the year, the State's strong overall economic performance, underpinned by the resources sector, meant it continued to perform satisfactorily. Meanwhile the Victorian and Queensland markets both showed signs of an uplift in selling prices and sales rates.

RESULTS COMMENTARY (continued)

FOR THE YEAR ENDED 30 JUNE 2007

Review of Operations (continued)

Asset Management - Joint Ventures

The earnings before tax from joint venture projects improved by 122% from \$0.9 million to \$2.0 million.

The performance of Joint Ventures during the period was in line with expectations. Both revenue and earnings at the Village at Wellard – a joint venture development with the WA State Government in the fast growing locality of Wellard in Perth's south-western suburbs – showed improvement during the second half of the financial year, as expected. The improvement resulted from an increase in settlements and a sharper focus on the area as the preparations continue for the official opening of the Southern Suburbs Railway, including a new railway station in the Village at Wellard, expected towards the end of 2007.

The Quattro urban renewal joint venture project in Queens Park, Western Australia, being undertaken for the WA State Government, also continued during the year and is expected to make a greater contribution to revenue in the years ahead.

Land Bank Growth

The Company continued its ongoing program of acquiring well-located land parcels in Western Australia, Victoria and Queensland. A total of some 8,200 lots was acquired, comprising a combination of residential and potential industrial lots, resulting in significant net growth of approximately 6,200 lots in its land bank during the year.

The year's land acquisitions increased the total number of lots managed and owned to approximately 33,800 with a further 4,200 lots potential under conditional contract as at 30 June 2007.

Institutional Placement

During the year, the Company completed an \$82 million equity raising via an underwritten institutional placement. The purpose of the equity raising was to further strengthen Peet's balance sheet and enable it to accelerate growth of its funds management business, grow new profit streams by funding diversified development projects and capitalise on larger acquisition opportunities.

In addition to the placement, the Company also raised \$1.95 million via a Share Purchase Plan allowing existing shareholders to participate in the equity raising at the institutional placement price.

Cash Flow and Gearing

Group cash flows remain strong. Operating cash flows supported by additional borrowings were predominantly used to acquire and develop land during the year. At year-end, gearing (net bank debt/total assets – adjusted for market value) stood at 28%, just below the Company's target range of 30% - 40%. Interest cover for the period was a strong 5.6 times.

Dividends

The Directors have declared a fully franked final dividend of 10.5 cents per share which will be paid on 1 October 2007. This lifts the total dividend for the year to 19.5 cents per share fully franked compared to last year's 17.0 cents per share, an increase of 14.7%. The Company maintains a dividend payout ratio of 90%.

RESULTS COMMENTARY (continued)

FOR THE YEAR ENDED 30 JUNE 2007

Review of Operations (continued)

Outlook

Peet looks forward to FY08 with confidence as a result of the following influences:

- sound positioning to participate in the improving market conditions in Victoria and Queensland, and expected stability in the Western Australian market;
- key markets being underpinned by strong economic conditions, and employment and population growth;
- continued growth and performance of the land bank;
- respected management capability; and
- conservative level of gearing.

With the diversity of Peet's business model combined with recent significant additions to the land bank, and assuming market conditions continue to improve on the east coast and remain stable in Western Australia, the Company continues to target earnings growth of 10% for FY08. Growth is expected to be achieved primarily through the expansion of the funds management platform, new land estates and over-55s housing and other diversified developments.

Peet Limited continues to identify opportunities within its land bank for retail, commercial and industrial centres, as well as seniors housing opportunities in order to leverage the land bank and expertise into related property areas.

Audit Report

This preliminary final report is based on accounts, which are in the process of being audited.

Signed for, and on behalf of, the Board in accordance with a resolution of the Board of Directors.

BRENDAN GORE
MANAGING DIRECTOR
23 AUGUST 2007

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

		Consolidated	
		2007 \$'000	2006 \$'000
Revenue	3	129,118	113,626
Change in inventories		141,702	58,015
Purchases & other inventory costs		(179,377)	(95,697)
Employee benefits expense		(11,972)	(10,392)
Depreciation		(395)	(290)
Finance costs		(1,388)	(1,093)
Project management, selling and other operating costs		(9,735)	(9,296)
Office costs		(1,786)	(1,317)
Other expenses		(1,094)	(1,184)
Share of net profit of associates accounted for using the equity method		107	74
Profit before income tax	4	65,180	52,446
Income tax expense	5	(19,662)	(15,612)
Profit attributable to members of Peet Limited		45,518	36,834

Earnings per share for profit attributable to the equity holders of the company:			
Basic earnings per share (cents)	9	21.4	18.4
Diluted earnings per share (cents)	9	21.1	18.3

The above preliminary consolidated income statements should be read in conjunction with the accompanying notes.

BALANCE SHEETS

AS AT YEAR ENDED 30 JUNE 2007

		Consolidated	
	Notes	2007 \$'000	2006 \$'000
CURRENT ASSETS			
Cash and cash equivalents		68,646	18,532
Receivables		46,866	39,320
Inventories		37,274	18,069
TOTAL CURRENT ASSETS		152,786	75,921
NON-CURRENT ASSETS			
Inventories		282,773	160,276
Investments accounted for using the equity method	12	2,753	2,504
Available for sale financial assets		1	706
Derivative financial instruments		668	-
Property, plant and equipment		1,951	1,601
TOTAL NON-CURRENT ASSETS		288,146	165,087
TOTAL ASSETS		440,932	241,008
CURRENT LIABILITIES			
Payables		48,289	33,716
Borrowings		14,110	23,830
Current tax liabilities		5,427	3,212
Provisions		3,760	3,591
TOTAL CURRENT LIABILITIES		71,586	64,349
NON-CURRENT LIABILITIES			
Payables		38,502	11,286
Borrowings		182,715	111,050
Deferred tax liabilities		11,362	7,643
Provisions		75	30
TOTAL NON-CURRENT LIABILITIES		232,654	130,009
TOTAL LIABILITIES		304,240	194,358
NET ASSETS		136,692	46,650
EQUITY			
Contributed equity		83,946	1,479
Reserves		1,653	749
Retained profits		51,093	44,422
TOTAL EQUITY		136,692	46,650

The above preliminary consolidated balance sheets should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated	
	2007 \$'000	2006 \$'000
Total equity at the beginning of the financial year	46,650	43,414
Changes in the fair value of cash flow hedges, net of tax	468	-
Profit for the year	45,518	36,834
Total recognised income and expense for the year	45,986	36,834
Transactions with equity holders in their capacity as equity holders:		
Employee share options	436	406
Contributions of equity, net of transaction costs	82,467	-
Dividends provided for or paid	(38,847)	(34,004)
	44,056	(33,598)
Total equity at the end of the financial year	136,692	46,650

The above preliminary consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

		Consolidated	
	Notes	2007 \$'000	2006 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		138,714	118,505
Payments to suppliers and employees (inclusive of GST)		(77,124)	(57,171)
Payments for purchase of land		(95,390)	(42,063)
Dividends received		252	87
Interest received		3,261	1,087
Interest and other finance costs paid		(13,334)	(8,204)
Income tax paid		(12,870)	(17,472)
Net cash (outflow) from operating activities	10	(56,491)	(5,231)
Cash flows from investing activities			
Payments for property, plant and equipment		(744)	(720)
Proceeds from sale of investments in associates		-	2
Proceeds from sale of available for sale financial assets		740	1,913
Payments for investments in associates		(301)	(195)
Payments for investments in available for sale financial assets		-	(2,618)
Proceeds from capital returns		124	9
Net cash (outflow) from investing activities		(181)	(1,609)
Cash flows from financing activities			
Dividends paid		(38,847)	(34,004)
Proceeds from issues of equity securities		82,467	-
Loans to related entities		(4,597)	(3,754)
Loan repayments from related entities		5,818	3,754
Repayments of borrowings		(70,990)	(64,890)
Proceeds from borrowings		132,935	106,830
Net cash inflow from financing activities		106,786	7,936
Net increase in cash and cash equivalents		50,114	1,096
Cash and cash equivalents at the beginning of the financial year		18,532	17,436
Cash and cash equivalents at the end of the financial year		68,646	18,532

The above preliminary consolidated cash flow statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of Preparation of Preliminary Financial Report

This preliminary financial report has been prepared in accordance with the Australian Stock Exchange Listing Rules as they relate to Appendix 4E and in accordance with the measurement requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2006 and with any public announcements made by Peet Limited during the reporting period in accordance with the disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those disclosed in the annual financial report for the year ended 30 June 2006.

Comparatives

Comparative expenses in the income statement have been reclassified within the income statement with no impact on the profit of the prior year to enhance comparability and understanding of the financial statements.

2 Segment Information

Business Segments

The consolidated entity is an Australian based company having the following three business segments:

Funds Management /Land Syndication

External equity capital raisings are undertaken to fund the acquisition of land across Australia. The consolidated entity derives fees from underwriting and capital raising coordination services, as well as asset identification fees from this activity. Ongoing project related fees are then derived by the consolidated entity for the duration of a particular project.

Asset Management – Company-owned Projects

Purchase and development of various parcels of land in Australia, primarily for residential purposes. However, certain land holdings will also produce non-residential blocks of land.

Asset Management – Joint Ventures

Joint Ventures are formed with government, statutory authorities and private landowners. The Joint venture partner will normally contribute the land and the consolidated entity funds the development costs. The Company is typically entitled to ongoing fees for management of the development project and also a share of the profits.

Geographical Segments

The consolidated entity operates primarily in one geographical segment being Australia. Accordingly, no further geographical information is provided.

NOTES TO THE FINANCIAL STATEMENTS

2 Segment Information (continued)

Primary Reporting – Business Segments

	Funds Management /Land Syndication		Asset Management Company-owned Projects		Asset Management Joint Ventures		Inter-Segment Eliminations and Unallocated		Consolidated	
Primary Reporting Business Segments	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revenue										
Sales to external customers	35,800	30,150	86,720	80,290	2,696	1,275	-	-	125,216	111,715
Inter-segment transactions	6,184	9,198	-	-	-	-	(6,184)	(9,198)	-	-
Total sales revenue	41,984	39,348	86,720	80,290	2,696	1,275	(6,184)	(9,198)	125,216	111,715
Share of net profit/(loss) of associates	-	-	-	-	-	-	107	74	107	74
Other revenue	579	138	3,583	881	-	-	(260)	892	3,902	1,911
Total segment revenue/income	42,563	39,486	90,303	81,171	2,696	1,275	(6,337)	(8,232)	129,225	113,700
Result										
EBITDA	31,620	28,847	32,285	21,535	2,039	918	1,019	2,529	66,963	53,829
Depreciation	(158)	(115)	(225)	(169)	(12)	(6)	-	-	(395)	(290)
EBIT	31,462	28,732	32,060	21,366	2,027	912	1,019	2,529	66,568	53,539
Financing costs									(1,388)	(1,093)
Profit before income tax expense									65,180	52,446
Income tax expense									(19,662)	(15,612)
Profit for the year									45,518	36,834
Total assets	66,171	36,750	343,166	190,846	22,772	20,018	8,823	(6,606)	440,932	241,008
Segment liabilities	6,163	4,622	80,178	48,286	1,502	2,499	2,784	(6,783)	90,627	48,624
Unallocated liabilities	-	-	-	-	-	-	213,613	145,734	213,613	145,734
Total liabilities	6,163	4,622	80,178	48,286	1,502	2,499	216,397	138,951	304,240	194,358
Investment in associates	2,753	2,504	-	-	-	-	-	-	2,753	2,504
Acquisitions of property, plant and equipment	639	637	105	83	-	-	-	-	744	720
Depreciation expense	(158)	(115)	(225)	(169)	(12)	(6)	-	-	(395)	(290)
Other non-cash expenses	-	(1)	-	-	-	-	-	-	-	(1)

NOTES TO THE FINANCIAL STATEMENTS

3 Revenue

	Consolidated	
	2007 \$'000	2006 \$'000
Revenue from sale of land	86,720	80,290
Project management and selling fees	19,953	18,986
Manager's performance fees	8,050	7,745
Revenue from other trading activities	10,493	4,694
	125,216	111,715
Other revenue		
- Dividends	252	87
- Interest	3,261	1,087
- Other	388	737
	3,902	1,911
	129,118	113,626

4 Profit before income tax

	Consolidated	
	2007 \$'000	2006 \$'000
Profit before income tax includes the following items of expense which, together with other disclosures in this report, are relevant in explaining the financial performance for the full year:		
Expenses		
Cost of sales:		
- Land and development costs	37,675	37,682
Finance costs:		
- Interest and finance charges	13,334	8,204
- Amount capitalised	(11,946)	(7,111)
Finance costs expense	1,388	1,093

NOTES TO THE FINANCIAL STATEMENTS

5 Income Tax

	Consolidated	
	2007 \$'000	2006 \$'000
Income tax expense		
Current Tax	15,495	14,208
Deferred Tax	4,153	1,644
Adjustments for current tax of prior periods	14	(240)
	19,662	15,612
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	65,180	52,446
Tax at Australian tax rate of 30% (2006: 30%)	19,554	15,734
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Entertainment	18	23
Employee benefits	131	122
Sundry	16	11
Franking Rebate	(71)	(38)
Adjustments for current tax of prior periods	14	(240)
Income tax expense	19,662	15,612

NOTES TO THE FINANCIAL STATEMENTS

6 Dividends

	Consolidated	
	2007 \$'000	2006 \$'000
Ordinary shares		
Dividends provided for or paid during the full year	38,847	34,004

	Cents per share	Total Amount \$'000	Date of Payment	Franked/ Unfranked
Dividends recognised in the current year by the Company are:				
2007				
Interim 2007 ordinary	9.0	19,845	16 April 2007	Franked
Final 2006 ordinary	9.5	19,002	17 October 2006	Franked
Total amount	18.5	38,847		
2006				
Interim 2006 ordinary	7.5	15,002	19 April 2006	Franked
Final 2005 ordinary	2.5	5,001	16 December 2005	Franked
Final 2005 ordinary	7.0	14,001	20 October 2005	Franked
Total amount	17.0	34,004		
Franked dividends declared or paid during the period were franked at the tax rate of 30%				
Subsequent events				
Since the end of the year, the directors declared the following dividend:				
Final 2007 ordinary	10.5	23,152	1 October 2007	Franked

The financial effect of the dividend declared subsequent to reporting date has not been brought to account in the financial statements for the year ended 30 June 2007 and will be recognised in subsequent financial reports. The declaration and subsequent payment of this dividend has no income tax consequences.

7 Dividend Reinvestment Plan ("DRP")

The Company has established a DRP to provide shareholders with the choice of reinvesting some or all of their dividends in shares rather than receiving those dividends in cash. As at the date of this report the DRP has not been activated.

NOTES TO THE FINANCIAL STATEMENTS

8 Contributed Equity

	Consolidated		Consolidated	
	2007 Number of Shares	2006 Number of Shares	2007 \$'000	2006 \$'000
Issues of ordinary shares during the full year:				
Institutional Placement (net of transaction costs)	20,000,000	-	80,527	-
Share Purchase Plan	475,130	-	1,940	-
	20,475,130	-	82,467	-
	2007 Number of Options	2006 Number of Options	2007 \$'000	2006 \$'000
Issue of options during the full year issued for no consideration:				
Employee share option scheme	-	600,000	-	-

9 Earnings Per Share

	2007 Cents	2006 Cents
Basic earnings per share	21.4	18.4
Fully diluted earnings per share	21.1	18.3
Weighted average number of ordinary shares used as the denominator in the calculation of basic earnings per share	212,491,132	200,023,324
Weighted average number of ordinary shares used as the denominator in the calculation of diluted earnings per share	215,705,809	201,618,846

NOTES TO THE FINANCIAL STATEMENTS

10 Notes to the Cash Flow Statements

Reconciliation of profit after income tax to net cash (outflow) from operating activities

	Consolidated	
	2007 \$'000	2006 \$'000
Profit for the year	45,518	36,834
Add non cash items:		
- Depreciation	395	290
- Loss on sale of non-current assets	-	1
- Employee Share based payments	436	406
- Equity accounting for investments in associates	(107)	(74)
- Fair value adjustment to derivatives	468	-
Change in operating assets and liabilities during the financial year:		
- (Increase) in receivables	(8,947)	(11,294)
- (Increase) in inventory	(141,591)	(49,987)
- Increase/(decrease) in income taxes payable	2,216	(3,580)
- Increase in trade creditors	38,858	18,322
- Increase in provisions	2,544	2,144
- Increase in deferred tax liability	3,719	1,707
Net cash (outflow) from operating activities	(56,491)	(5,231)

NOTES TO THE FINANCIAL STATEMENTS

11 Details of entities over which control has been gained or lost during the period

During the year ended 30 June 2007 the Company established the following wholly owned subsidiaries:

Name	Date of incorporation
Peet No 110 Pty Ltd	25 July 2006
Peet No 111 Pty Ltd	25 July 2006
Peet No 112 Pty Ltd	25 July 2006
Peet No 113 Pty Ltd	25 July 2006
Peet No 114 Pty Ltd	25 July 2006
Peet No 115 Pty Ltd	9 January 2007
Peet No 116 Pty Ltd	9 January 2007
Peet No 117 Pty Ltd	9 January 2007
Peet No 118 Pty Ltd	12 March 2007
Peet No 119 Pty Ltd	12 March 2007
Peet No 120 Pty Ltd	12 March 2007
Peet No 121 Pty Ltd	6 June 2007
Peet No 122 Pty Ltd	6 June 2007
Peet No 123 Pty Ltd	6 June 2007
Secure Living Queensland Pty Ltd	25 June 2007

During the year ended 30 June 2007, Peet Botanic Village Syndicate Limited ("Botanic Village") issued shares to the public via a prospectus dated 14 November 2006. As at 29 December 2006, Botanic Village was no longer a controlled entity.

During the year ended 30 June 2007, Peet Mundijong Syndicate Limited ("Mundijong") issued shares to the public via a prospectus dated 10 November 2006. As at 29 December 2006, Mundijong was no longer a controlled entity.

During the year ended 30 June 2007, Peet Beachton Syndicate Limited ("Beachton") issued shares to the public via a prospectus dated 18 May 2007. As at 29 June 2007, Beachton was no longer a controlled entity.

12 Investments Accounted for using the Equity Method

	Consolidated	
	2007 \$'000	2006 \$'000
Peet Caboolture Syndicate Limited	1,502	1,350
Other	1,251	1,154
	2,753	2,504

13 Contingent Liabilities

The consolidated entity had contingent liabilities at 30 June 2007 in respect of guarantees and underwriting obligations of \$23,015,800 (30 June 2006: \$5,547,000).

The directors are not aware of any circumstances or information, which would lead them to believe that these contingent liabilities will crystallise and consequently no provisions are included in the accounts in respect of these matters.

14 Events Occurring after Reporting Date

There are no significant events occurring after reporting date.