

PEET NO 106 PTY LIMITED
ABN 76 119 202 989
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

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DIRECTORS' REPORT

Your directors present the financial report of Peet No 106 Pty Limited (the "company") for the year ended 30 June 2007.

1 DIRECTORS

The following persons held office as directors of the company during the whole of the financial year and up to the date of this report unless otherwise stated.

Mr Anthony W Lennon (Chairman)
Mr Warwick D Hemsley (resigned 6 August 2007)
Mr Anthony J Lennon
Mr Brendan D Gore (appointed 6 August 2007)

2 CORPORATE INFORMATION

The registered office of the company is:
200 St Georges Terrace
Perth, WA 6000

The company had no employees during or at the end of the reporting year.

3 PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the development of land for resale.

4 OPERATING RESULTS

The profit of the company for the year was \$13,761 (2006: loss \$1,169).

5 DIVIDENDS

No dividends were paid or declared during the year.

6 MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In September 2007, an offer was accepted to purchase Lots 150, and 151 Emu Park Road, Emu Park (Qld). Total consideration for these lots will be \$15,000,000.

In September 2007, an offer was accepted to purchase Lot 2333 Brunderee Road, Flinders (NSW). Total consideration for this lot will be \$15,160,000.

In October 2007, settlement was effected on Lot 21 Frenchman's Bay Road, Big Grove (WA) being the deposit and final instalment totalling \$2,000,000.

In November 2007, confirmation was received that settlement on Lot 7 Frenchman's Bay Road, Big Grove (WA) had been scheduled.

DIRECTORS' REPORT

7 MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (continued)

A decision was made post 30 June 2007 that 'The Big Grove Project', 'The Emu Park Project', and 'The Flinders Project' would all be combined, and syndicated.

The syndicated land holding of these three (3) projects will comprise 165 hectares, with the potential for some 1,400 residential lots.

No other matters or circumstances have arisen since the end of the financial period, which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

8 LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors do not anticipate any significant change to the company's existing activities.

9 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no significant change in the state of affairs of the company.

10 ENVIRONMENTAL REGULATION & PERFORMANCE

The company is subject to environmental regulation by way of the Environmental Protection Act 1986 (as amended) in respect of its land subdivision activities. To the best of the directors' knowledge all activities have been undertaken in compliance with the requirements of the subdivision approvals.

11 REVIEW OF OPERATIONS

During the year the company entered into land purchase agreements for lots 1,7,20,21,109, and 110 Frenchman's Bay Road, Big Grove (a harbour side suburb of Albany, WA). During FY 06/07, the entity had settled on all of the lots mentioned, except for lots 7 and 21, which were both scheduled to settle in the second quarter of FY 07/08.

Known as 'The Big Grove Project', the combined lots total approximately 51ha and are expected to yield 501 residential lots, with many enjoying uninterrupted water views.

Additionally, during the year investigations were made to purchase Lots 150 & 151 Emu Park Road, Emu Park in Queensland (also referred to as 'The Emu Park Project').

These combined lots total approximately 84ha, and are expected to yield 651 residential lots. At year end, no contract had been finalised for the purchase of these properties.

Furthermore, during the year the negotiation of the purchase of Lot 2333 Brunderee Road, Flinders in NSW (also referred to as 'The Flinders Project') also took place.

The property has existing planning approvals for 241 residential lots, and 6 Integrated Housing Sites. At year end, no contract had been finalised for the purchase of these properties.

DIRECTORS' REPORT

12 INFORMATION ON DIRECTORS AND COMPANY SECRETARY

**Anthony W Lennon, AAPI FAICD
Chairman**

Tony Lennon is the Chairman of Peet Limited. He was Executive Chairman prior to the Company listing on the ASX in 2004.

With more than 41 years experience in the property industry, including 22 years with Peet, Mr Lennon is a Fellow of the Australian Institute of Company Directors and an Associate of the Australian Property Institute, being a qualified property valuer.

Mr Lennon has also made significant contributions in leadership capacities to business and the community over the years.

He has carried out a Commonwealth Government appointment as Deputy Chairman of the National Australia Day Council. He has also carried out State Government appointments as Chairman of the Perth Inner City Living Task Force, and served as Chairman of the Residential Densities Review Task Force.

In Western Australia he has been Chairman of the Australia Day Council of WA, President of the Real Estate Institute and a member of the Commercial Tribunal (Retail Tenancies).

In his local community he was a President and Councillor of the Shire of Peppermint Grove, WA and he has been a Board Member and fundraiser for Curtin Aged Persons Homes Inc and Chairman of the Curtin Aged Persons Foundation Inc.

**Warwick D Hemsley, BComm, CPA, AssocDipVal, FAPI
Director**

Managing Director of Peet Limited for 17 years and has been a Director of that company since 1985. After graduating from the University of Western Australia, he commenced his professional career with Coopers & Lybrand (now PricewaterhouseCoopers) and subsequently moved into the property development industry and gained his formal property qualifications. He has a total of 30 years experience in property development.

He is currently a member of the General Council of the Western Australian Chamber of Commerce & Industry and former Chairman of its Capital City Committee.

He is currently Chairman of the Housing Industry Forecasting Group, a joint government and industry body which monitors and forecasts housing demand. He has been actively involved in policy development related to residential development.

He is Deputy Chairman of the West Australian Opera Company and Council Member of National Gallery of Australia, Canberra.

He has served a number of community roles. Warwick was formerly Chairman of the Australia Day Council of Western Australia, a member of the School Council of St Hilda's Anglican School for Girls, a national Board Member of Kids Helpline Australia, and treasurer of St George's Charitable Trust. He was an active Rotarian for 15 years.

DIRECTORS' REPORT

11 INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

**Anthony J Lennon, BA, GradDip Bus Admin
Director**

Anthony Lennon joined Peet Limited in 1991 and became a Director in 1996. Based in Victoria, he holds the position of National Business Development Director with responsibility for Peet's broadacre acquisitions. He was previously Director of Marketing and Director of East Coast Operations. In the latter role he initiated and oversaw Peet's expansion into Victoria and Queensland and subsequent developments in those States.

Mr Lennon spent three years working in the UK, where he completed his Post Graduate Diploma in Business Administration as part of a Graduate Management Training Scheme with international construction and development company, John Laing plc.

During this time, he gained significant experience in the areas of planning, marketing, feasibility studies and project management.

Following his return to Australia in addition to his responsibilities with Peet Limited, Mr Lennon was Chairman of Conveyancing Services for six years, during which time it became one of Western Australia's largest property and conveyancing companies.

**Brendan D Gore, BComm, FCPA, FCIS, MAICD
Director**

Brendan Gore was appointed Managing Director and Chief Executive Officer of Peet Limited in May 2007, effective from August 2007.

Mr Gore joined the Company in May 2005 as Chief Financial Officer after a very successful career in the resources sector. A qualified accountant, he has accumulated 15 years of experience in senior corporate, commercial and operational roles.

Prior to joining Peet, Mr Gore held the dual role of chief financial officer and company secretary with Mermaid Marine Australia Limited – now Australia's largest marine based services provider to the offshore oil and gas industry.

As Chief Financial Officer, he played a key role in expanding Peet's scope of activities well beyond residential development and land syndication.

Appointed inaugural Chief Operating Officer in January 2007, Mr Gore assumed responsibilities including developing Peet's integrated operational strategy and managing the day-to-day safety and performance of its many business divisions.

As Managing Director, he maintains Peet's commitment to a long-term, strategic and disciplined approach to growth and expansion.

DIRECTORS' REPORT

11 INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

**Domenico Scafetta, BComm, CA
Company Secretary**

Dom Scafetta is a qualified Chartered Accountant and is Company Secretary of Peet Limited having joined in June 1998. He is responsible for the corporate, compliance and secretarial responsibilities of Peet Limited and all Peet Limited subsidiaries and property syndicates. Prior to his appointment to Peet Limited he held a senior position with accounting firm Coopers & Lybrand (now PricewaterhouseCoopers).

More recently, he held the position of Chief Financial Officer of Peet Limited.

He continues to attend and complete ongoing corporate and securities training courses in order to ensure that Peet Limited provides the most comprehensive and effective services in these areas to the many entities in the Peet Group.

13 SHARES OPTIONS

No options were issued, exercised or outstanding during the year, or up to the date of this report.

14 MEETING OF DIRECTORS

During the year, 5 meetings of directors were held. Attendances were:

	Number Eligible to Attend	Number Attended
A W Lennon	5	4
W D Hemsley	5	5
A J Lennon	5	5

15 AGREEMENT TO INDEMNIFY AUDITOR OR OFFICERS

The company has not, during or since the end of the financial year, in respect to any person who is an auditor or officer of the company or related body corporate:

- (a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an auditor or officer, including costs and expenses in successfully defending legal proceedings; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor or officer for the costs or expenses to defend legal proceedings.

16 AUDITOR INDEPENDENCE

The directors received an independence declaration from the auditor of the company and a copy as required under section 307C of the Corporations Act 2001 is set out on page 8.

DIRECTORS' REPORT

17 AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001

Signed in accordance with a resolution of directors.



Brendan Gore
Director

Dated this 9th day of November 2007