

FULL YEAR RESULTS 2015

Sunland Group

GROUP OVERVIEW

Sunland Group

ESTABLISHED

1983

In 2015, Sunland Group is celebrating 20 years as a listed company on the Australian Securities Exchange and more than 30 years as a leading national property developer, delivering award-winning, design-driven communities along Australia's eastern seaboard. The Group's core operating segments comprise Residential Housing, Urban Development and Multi-Storey developments across Queensland, New South Wales and Victoria.

GROUP NARRATIVE AND KEY MILESTONES

CHAPTER ONE

1983—1990

PIONEERING YEARS

[1983] 27 CABANA BOULEVARD

Sunland's journey commenced in 1983 with the creation of a single luxury home, imbued with a pioneering spirit and a tapestry of innovation, to culminate in a singularly unique design.

[1987] SANCTUARY COVE

Delivered the waterfront villas in Australia's first integrated tourism resort.

[1988] MALIBU

A curvilinear form defines the first multi-story residential tower.

CHAPTER TWO

1991—1999

CREATIVE INNOVATION

[1991] GAVEN HEIGHTS

Enters the field of urban development with the Group's first master planned residential community.

[1995] LISTS ON THE AUSTRALIAN SECURITIES EXCHANGE (ASX)

[1996] CARMEL BY THE SEA

The Group's second major residential tower.

[1997] SOMERSET PLACE

Introduces first urban "artscape" concept within a master planned community.

[1998] LEGENDS HOTEL

Enters tourism sector with the introduction of first hotel.

[1998] SIGNS HEADS OF AGREEMENT WITH GIANNI VERSACE

To create world's first fashion branded hotel experience – Palazzo Versace.

CHAPTER THREE

2000—2005

NATIONAL EXPANSION

[2000] OPENING OF PALAZZO VERSACE

[2000] ESTABLISHED VICTORIAN OFFICE

[2001] PARKLAKE

Creates the largest children's playground within an Australian residential community.

[2000] BERWICK SPRINGS

The Group enters urban development in Victoria.

[2002] SOVEREIGN MANORS

First residential estate in Victoria.

[2003] ESTABLISHED SUNLEISURE

Hotel & retail management operations.

[2004] SUNKIDS

Innovates early childcare education.

[2004] ESTABLISHED SYDNEY OFFICE

[2004] ENTERS ASX 200 INDEX

[2005] Q1

Opens world's tallest residential tower—322.5m high.

[2006] YVE

First residential highrise in Melbourne awarded the RAI A Medal of Architecture

CHAPTER FOUR

2006—2009

GLOBAL GROWTH

[2006] ESTABLISHED INTERNATIONAL

OPERATIONS IN DUBAI

[2006] PALAZZO VERSACE

WORLDWIDE

Enters into an exclusive agreement With the house of Versace for global rollout of Palazzo Versace worldwide.

[2007] CIRCLE ON CAVILL

First major inner city mixed use residential highrise.

[2007] SUNLAND FOUNDATION

Clem Jones - Sunland Leukaemia Village opens.

[2008] VIRGIN BLUE HEADQUARTERS

Sunland awarded to create the Virgin Blue headquarters.

CHAPTER FIVE

2010—2014

STRATEGIC EVOLUTION

CONSOLIDATION

Sunland strategically emerges from the Global Financial Crisis with low gearing, surplus cash and capital management initiatives.

[2013] Sunland celebrates its 30 year anniversary and establishes its new Brisbane operations.

[2013] Return to multi-storey sector with Marina Residences (QLD) and Abian (QLD).

[2014] CAPITAL MANAGEMENT

Share buyback program initiatives completed totalling \$118 million at an average of 81 cents per share resulting in a reduction of 45% of issued capital.

[2014] Completion of strategic exit of international operations.

CHAPTER SIX

2015—BEYOND

NEW HORIZONS

[2015]

As Sunland celebrates 20 years as a listed entity on the Australian Securities Exchange, the Group's path forward can be best defined through a framework for action, where our efforts are carried out in a mode of learning and collaboration.

As we move towards new horizons, we are cognisant of the need for transformative practices in the field of residential development in an ever-changing urban landscape. At the heart of this endeavour is an exploration of the processes and systems that currently contribute to the built form and urban environments. Our initial efforts will be focused upon environmental and sustainable design initiatives that contribute towards betterment.

Our journey is an ongoing process, setting us on a path that can best be described as a rich and dynamic continuum towards the creation of vibrant communities.

NATIONAL PORTFOLIO

The Group's portfolio represents in excess of 6,000 residential homes, urban land lots and multi-storey apartments, representing \$3.7 billion.

MULTI-STOREY	RESIDENTIAL HOUSING	URBAN	TOTAL
#	#	#	#
2,706	1,676	1,628	6,010
\$M	\$M	\$M	\$M
2,263	1,067	355	3,685

FY15 MILESTONES

GOVERNANCE & CAPITAL MANAGEMENT

- The Group capitalised on the inherent value within its portfolio by undertaking strategic asset sales totalling \$90.1 million.

These include:

- Adresse, Point Cook (VIC): \$66.2M
 - Vayle, University Hill (VIC): \$7.8M
 - Ballarat (VIC): \$1.1M
 - Meliah, Kellyville (NSW): \$15M
- Proceeds from the sales were used to redeploy capital to the Group's development portfolio, with a particular focus on the multi-storey sector within South East Queensland.
 - Profit from the sales resulted in a special dividend of 6 cents per share and guidance upgrade from \$20m to \$28m.
 - Appointed highly respected finance and property industry expert, Mr Chris Freeman AM, to the Board of Directors.

PORTFOLIO

- Relocated the Group's headquarters to Brisbane.
- Commenced construction on the luxury Abian residential tower in the Brisbane CBD – now 99% sold with contracts totalling more than \$140 million.
- Acquired first Brisbane residential housing development site in St Lucia for \$11 million.
- Settled \$61 million acquisition of the 42 hectare Lakeview development site in Mermaid Waters and recently released first stage to market.
- Lodged Development Application for the redevelopment of Mariner's Cove on the Gold Coast.
- Launched \$228m million new projects including:
 - Quays (QLD): \$20.9M
 - The Terraces (QLD): \$80M
 - Dahlia (NSW): \$127M

SALES & SETTLEMENTS

- Sales volumes increased with 754 sales achieved for \$509 million. Revenue from settlements also increased.
- Unconditional contracts in hand as at 30 June 2015 is \$572 million.

DIVIDENDS DECLARED

- The Sunland Board declared a total of 10 cents per share in fully franked dividends paid as follows:
 - Interim Dividend: 2 cents per share, paid 27 March 2015
 - Special Dividend: 6 cents per share paid 29 May 2015
 - Final Dividend: 2 cents per share paid 25 June 2015.

FY15 KEY RESULTS

SUNLAND IS WELL POSITIONED TO CAPITALISE ON IMPROVING MARKET CONDITIONS, PARTICULARLY ACROSS THE GROUP'S SUBSTANTIAL MULTI-STOREY DEVELOPMENT PIPELINE

STRONG FY15 FINANCIAL RESULT UNDERPINNED BY ENHANCED OPERATIONAL PERFORMANCE AND IMPROVING MARKET CONDITIONS

- Statutory Net Profit After Tax of \$30.1 million (2014: \$14.3 million).
- Earnings per share increased 111% to 16.9 cents.
- Fully franked dividend of 10 cents per share including a special dividend of 6 cents.
- 754 sales and 389 settlements (2014: 629 sales and 446 settlements).
- Group consolidated Net Tangible Assets per share of \$2.01 (2014: \$1.96).

PORTFOLIO REPLENISHMENT THROUGH STRATEGIC SITE ACQUISITIONS

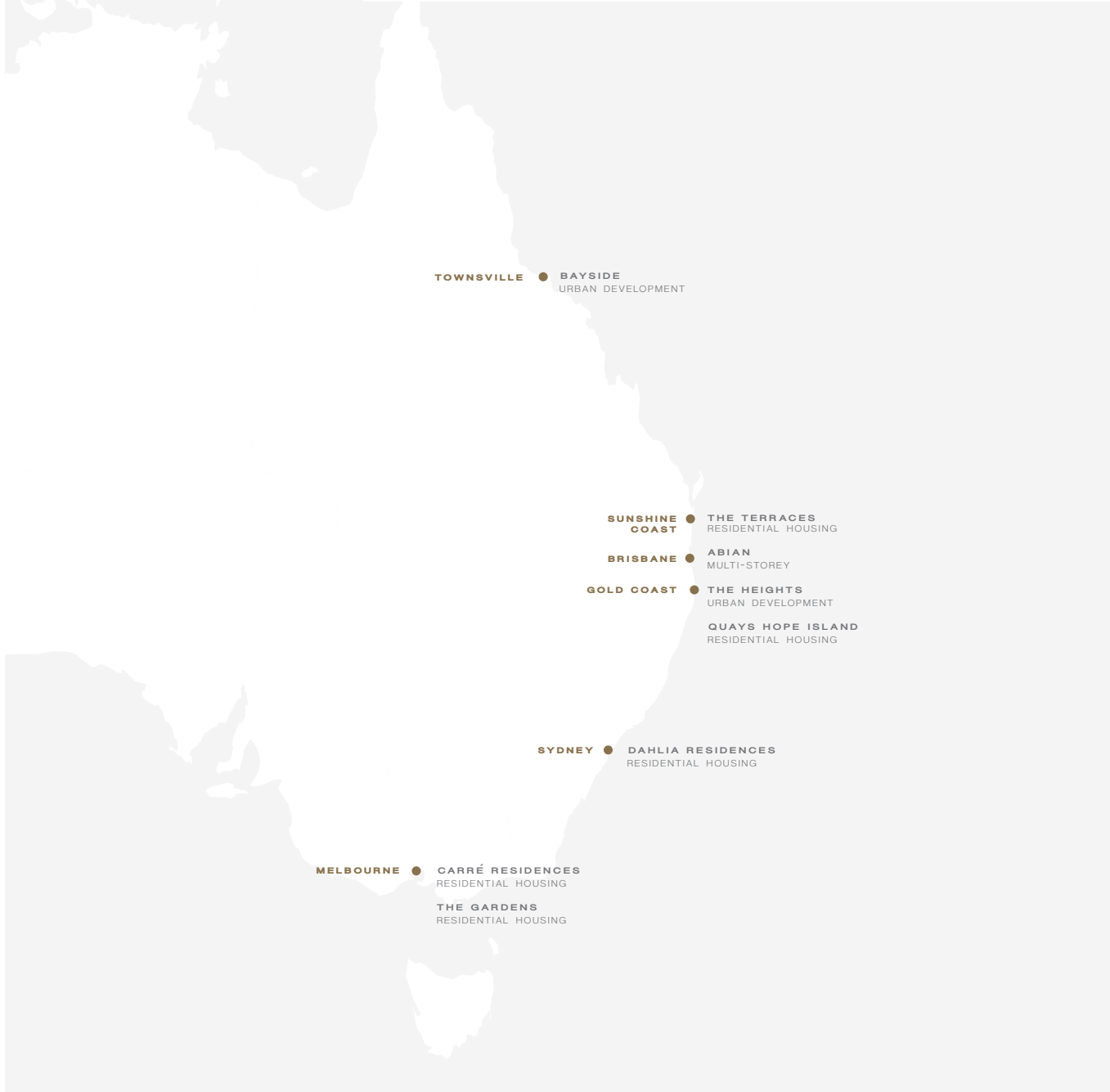
- \$82 million in new site acquisitions and a further \$29m committed
- Acquired:
- The Lakes (QLD): \$61.0M
 - Palm Beach (QLD): \$18M
 - Ancora (QLD): \$3M
- Committed:
- St. Lucia (QLD): \$11.1M (Settled July 2015)
 - 18 McPherson Street (NSW): \$18.0M (Settles September 2015)
- Gearing remains conservative at 22% debt to assets; 32% debt to equity.
 - Balance sheet capacity with \$29.8 million in cash and \$107.0 million in undrawn working capital.

KEY OPERATIONAL HIGHLIGHTS FOR PERIOD ENDING 30 JUNE 2015

	UNIT	FY15	FY14	% CHANGE
STATUTORY NPAT	\$M	30.1	14.3	111%
EARNINGS PER SHARE	CENTS	16.9	8.0	111%
DIVIDENDS PER SHARE	CENTS	10.0	4.0	150%
INTEREST BEARING DEBT				
INTEREST BEARING DEBT	\$M	113.4	84.4	
TOTAL ASSETS				
TOTAL ASSETS	\$M	505.3	470.6	
EQUITY				
EQUITY	\$M	357.8	349.5	
NET TANGIBLE ASSETS PER SHARE	\$	2.01	1.96	
GEARING (DEBT TO TOTAL ASSETS)	%	22%	18%	
GEARING (DEBT TO EQUITY)	%	32%	24%	
SALES				
VALUE	\$M	509.0	389.0	31%
VOLUME	#	754	629	20%
AVERAGE PRICE	\$K	675	618	-
SETTLEMENTS				
VALUE*	\$M	189.6	178.0	7%
VOLUME	#	387	446	-13%
AVERAGE PRICE	\$K	490	400	-

* EXCLUDES REVENUE FROM STRATEGIC PROJECT SALES TOTALING \$90.1M

2015 PORTFOLIO UNDER CONSTRUCTION & COMING SOON



COMING SOON

BRISBANE

GRACE
MULTI-STOREY

ST LUCIA
RESIDENTIAL HOUSING

GOLD COAST

THE LAKES
MULTI-STOREY/RESIDENTIAL HOUSING/
URBAN DEVELOPMENT

PALM BEACH
RESIDENTIAL HOUSING/MULTI-STOREY

MELIAH
RESIDENTIAL HOUSING

MARINER'S COVE
MULTI-STOREY

VARSITY LAKES
RESIDENTIAL HOUSING

ONE MARINE PARADE
MULTI-STOREY

MARINA CENTRAL
MIDRISE

THE PARKWAY
RESIDENTIAL HOUSING

ANCORA
RESIDENTIAL HOUSING

THE HEIGHTS
RESIDENTIAL HOUSING

SYDNEY

18 MCPHERSON STREET
RESIDENTIAL HOUSING

INGLESIDE
RESIDENTIAL HOUSING

FY15 FINANCIAL REVIEW

FINANCIAL PERFORMANCE

RESIDENTIAL HOUSING AND URBAN DEVELOPMENT

- Revenue increase includes strategic project sales of \$90.1 million.
- Return on cost well above Group objective of 20%.
- Residential housing and urban development will continue to provide sound earnings, strategically complemented by multi-storey developments.

MULTI-STOREY

- Contribution from multi-storey development will continue to increase.
- The multi-storey portfolio will continue to increase in activity in the ensuing years to generate significant earnings for the Group in the medium-term.
- Marketing costs are expensed ahead of revenue which can be material with the multi-storey projects as each development is released to market.

KEY FINANCIAL HIGHLIGHTS FOR PERIOD ENDING 30 JUNE 2015

	\$M	FY15	FY14	% CHANGE
TOTAL REVENUE		289.0	188.0	54%
REVENUE – SALE OF PROPERTY		279.8	178.0	57%
STATUTORY NET PROFIT BEFORE TAX		44.6	18.7	139%
LESS: TAX EXPENSE		14.6	4.4	232%
STATUTORY NET PROFIT AFTER TAX		30.1	14.3	111%
EBIT		51.3	22.1	132%
INTERIM DIVIDEND		2.0	2.0	
SPECIAL DIVIDEND		6.0	-	
FINAL DIVIDEND		2.0	2.0	
TOTAL DIVIDENDS		10.0	4.0	
DEVELOPMENT RETURN ON COST				
LAND AND HOUSING		30%	28%	
MULTI-STOREY		20%	15%	
OVERALL DEVELOPMENT		29%	27%	
DEVELOPMENT TARGET: 20%				

OPERATIONAL REVIEW

OPERATIONAL REVIEW—SEGMENTAL RESULTS

SEGMENTAL RESULTS (YEAR ENDING 30 JUNE)

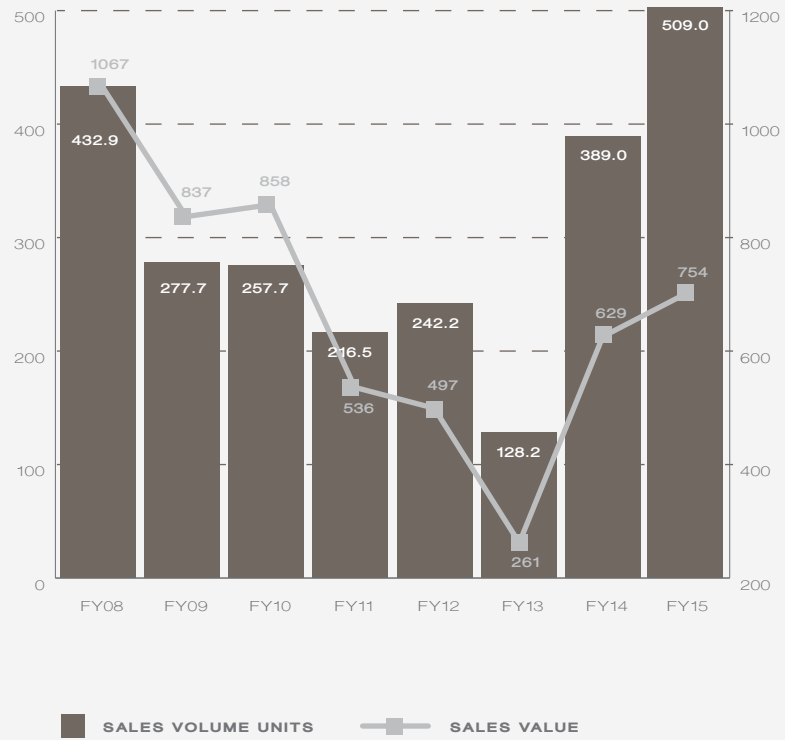
		FY15	FY14	% CHANGE
RESIDENTIAL HOUSING & URBAN DEVELOPMENT				
REVENUE	\$M	250.4	163.3	53%
DEVELOPMENT COSTS ¹	\$M	193.1	127.9	51%
DEVELOPMENT CONTRIBUTION	\$M	57.2	35.3	62%
RETURN ON DEVELOPMENT COSTS	%	30%	28%	
MULTI-STOREY				
REVENUE	\$M	29.4	14.8	99%
DEVELOPMENT COSTS	\$M	24.5	12.8	91%
DEVELOPMENT CONTRIBUTION	\$M	4.9	2.0	145%
DEVELOPMENT MARGIN ¹	%	20%	15%	NA

¹ INCLUDES FINANCE COSTS AND EXCLUDES MARKETING

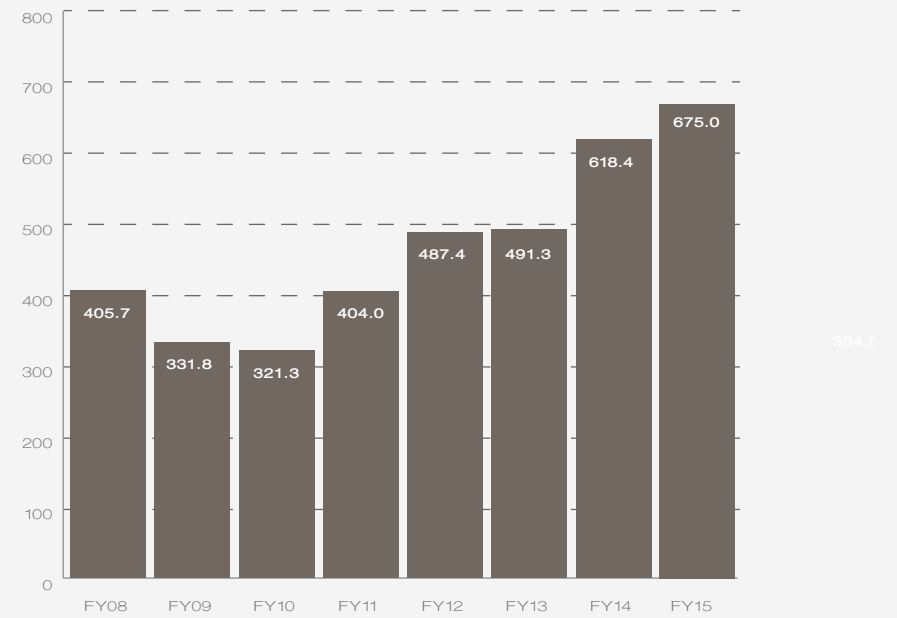
- Revenue in residential housing and urban development includes \$90.1 million from strategic sale of projects in Melbourne and Sydney.
- Return on cost is the primary measure applied for projects with target 20%.
- Results are well above target returns.
- Contribution from multi-story is from Marina Residences. This will increase as other projects are approved and delivered.
- Marketing costs expensed totals \$5.2m across land and housing (\$4.0m) and multi-storey (\$1.2m) projects.
- Marketing costs expensed varies with new projects launched and marketed during each period.

OPERATIONAL REVIEW—SALES AND SETTLEMENTS

HISTORICAL SALES VALUE AND VOLUME (YEAR ENDING 30 JUNE 2015)



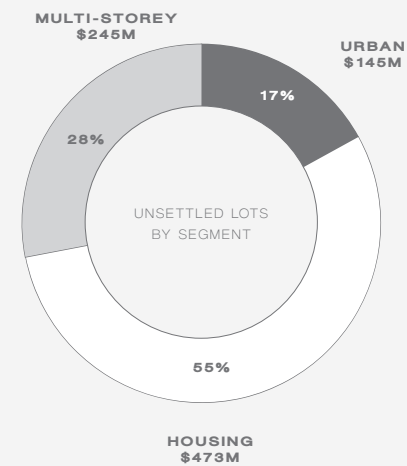
AVERAGE SALE PRICE (YEAR ENDING 30 JUNE 2015)



OPERATIONAL REVIEW—PROJECTS UNDER CONSTRUCTION

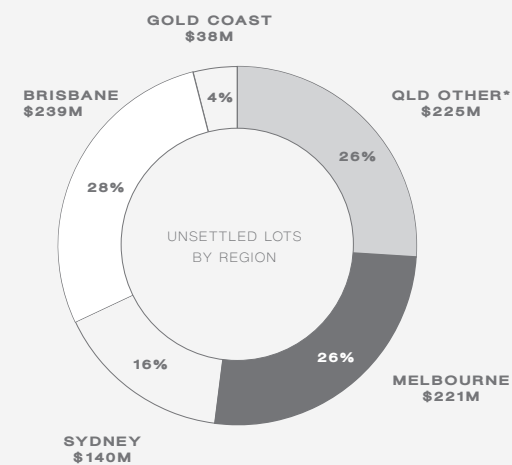
PROJECTS UNDER CONSTRUCTION BY SEGMENT (AS AT 30 JUNE 2015)

	UNSETTLED LOTS		CONTRACTED LOTS		% CONTRACTED LOTS	
	#	\$M	#	\$M	#	\$M
MULTI-STOREY	156	245	143	213	92%	87%
HOUSING	819	473	652	380	80%	80%
URBAN	861	145	3	2	-	1%
SUB-TOTAL	1,836	863	798	595	43%	69%



PROJECTS UNDER CONSTRUCTION BY REGION (AS AT 30 JUNE 2015)

	UNSETTLED LOTS		CONTRACTED LOTS		% CONTRACTED LOTS	
	#	\$M	#	\$M	#	\$M
BRISBANE	148	239	142	212	96%	89%
GOLD COAST	59	38	42	20	71%	53%
SYDNEY	172	140	154	126	89%	9%
MELBOURNE	424	221	411	213	97%	96%
QUEENSLAND OTHER*	1,033	225	49	24	5%	11%
SUB-TOTAL	1,836	863	798	595	43%	69%

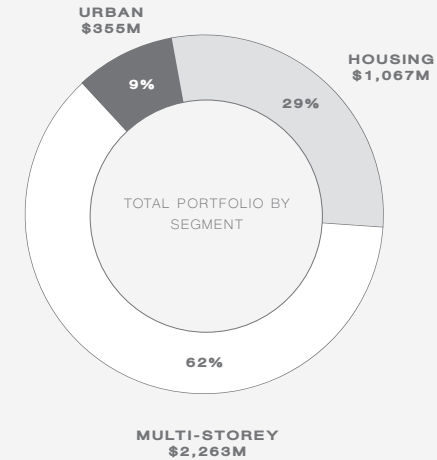


* TOWNSVILLE AND SUNSHINE COAST

OPERATIONAL REVIEW—TOTAL DEVELOPMENT PORTFOLIO

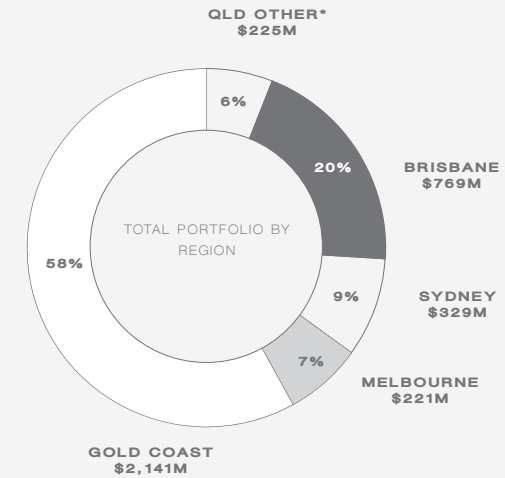
TOTAL DEVELOPMENT PORTFOLIO BY SEGMENT (AS AT 30 JUNE 2015)

	TO BE RELEASED		UNDER CONSTRUCTION		TOTAL DEVELOPMENT PORTFOLIO	
	#	(\$M)	#	\$M	#	\$M
MULTI-STOREY	2,550	2,018	156	245	2,706	2,263
HOUSING	857	594	819	473	1,676	1,067
URBAN	767	210	861	145	1,628	355
SUB-TOTAL	4,174	2,822	1,836	863	6,010	3,685



TOTAL DEVELOPMENT PORTFOLIO BY GEOGRAPHIC REGION (AS AT 30 JUNE 2015)

	TO BE RELEASED		UNDER CONSTRUCTION		TOTAL DEVELOPMENT PORTFOLIO	
	#	\$M	#	\$M	#	\$M
BRISBANE	534	530	148	239	682	769
GOLD COAST	3,459	2,103	59	38	3,518	2,141
SYDNEY	181	189	172	140	353	329
MELBOURNE	-	-	424	221	424	221
QUEENSLAND OTHER*	-	-	1,033	225	1,033	225
SUB-TOTAL	4,174	2,822	1,836	863	6,010	3,685



* TOWNSVILLE AND SUNSHINE COAST

OUTLOOK

OUTLOOK

SUNLAND'S COUNTER-CYCLICAL APPROACH has placed the Group in an advantageous position as it enters a key delivery phase in the high growth markets of South-East Queensland, Sydney and Melbourne.

THE GROUP'S STRATEGIC RETURN to the multi-storey sector, coupled with several major site acquisitions in South-East Queensland, are expected to make significant contributions to earnings in the medium term as residential housing, urban development, and medium and high-rise projects are delivered.

WHILE STILL IN A GROWTH PHASE, Australia's capital city markets remain at different points in the property cycle, evidenced by differing rates of sales and price growth. As such, Sunland maintains a conservative approach, staging delivery to navigate cycles and mitigate risk.

THE DEPTH AND LONG-TERM OUTLOOK of Sunland's portfolio, combined with the Group's strong balance sheet, access to capital and cash flow forecast, provide a stable platform from which to improve profitability and deliver sustainable shareholder returns.

SUNLAND WILL CONTINUE to maintain a dividend payout ratio of 40-50% of net operating earnings after tax.

PORTFOLIO DETAILS

PORTFOLIO UNDER CONSTRUCTION

PORTFOLIO UNDER CONSTRUCTION	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS		UNSOLD LOTS	
	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)
MULTI STOREY										
ABIAN, QLD	148	239.1	0	0	148	239.1	142	212	6	27.1
MARINA RESIDENCES, QLD	84	53.7	76	47.6	8	6.1	1	0.6	7	5.5
SUB-TOTAL	232	292.8	76	47.6	156	245.2	143	212.6	13	32.6
HOUSING										
ONE TREE HILL, QLD	29	35.3	23	25.8	6	9.5	0	0	6	9.5
CONCOURSE VILLAS, QLD	76	59.9	73	56.8	3	3.1	1	1	2	2.1
THE ADDRESS, QLD ¹	31	27.2	31	27.2	0	0	0	0	0	0
PENNINSULA, QLD	77	42.5	77	42.5	0	0	0	0	0	0
QUAYS, QLD	40	18.1	0	0	40	18.1	39	17.6	1	0.5
WHYTE, VIC	68	39.1	43	24.6	25	14.5	25	14.5	0	0
CARRÉ, VIC	239	128.2	19	11	220	117.2	208	110.6	12	6.6
THE GARDENS, VIC	176	87.2	0	0	176	87.2	176	87.2	0	0
PAVILIONS, QLD	60	29.4	44	20.7	16	8.7	8	4	8	4.7
THE TERRACES, QLD	163	76.9	0	0	163	76.9	41	19.9	122	57
DAHLIA, NSW	170	138.1	0	0	170	138.1	154	125.7	16	12.4
SUB-TOTAL	1129	681.9	310	208.6	819	473.3	652	380.5	167	92.8
URBAN										
BAYSIDE, QLD	1,574	237.7	720	97.4	854	140.3	0	0	854	140.3
MEDINAH, QLD	10	5.4	8	4.3	2	1.1	1	0.5	1	0.6
AMYTIS, NSW	14	7.7	12	6.1	2	1.6	0	0	2	1.6
BLUESTONE, VIC	697	101.1	694	99.4	3	1.7	2	1.2	1	0.5
SUB-TOTAL	2,295	351.9	1434	207.2	861	144.7	3	1.7	858	143
TOTAL PROJECTS UNDER CONSTRUCTION	3,656	1326.6	1820	463.4	1836	863.2	798	594.8	1038	268.4

¹ SUNLAND'S INTEREST IS 50%

PORTFOLIO TO BE RELEASED

PORTFOLIO TO BE RELEASED	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS		UNSOLD LOTS	
	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)
MULTI STOREY										
MARINER'S COVE, QLD	370	482	0	0	370	482	0	0	370	482
GRACE, QLD	506	485	0	0	506	485	0	0	506	485
1 MARINE PARADE, QLD	164	158	0	0	164	158	0	0	164	158
MARINA CENTRAL, QLD	112	78	0	0	112	78	0	0	112	78
PALM BEACH, QLD	162	83.9	0	0	162	83.9	0	0	162	83.9
THE LAKES, QLD	1236	731	0	0	1236	731	0	0	1236	731
SUB-TOTAL	2,550	2,017.9	0	0	2,550	2,017.9	0	0	2,550	2,017.9
HOUSING										
ELLANORA, NSW	97	104.8	0	0	97	104.8	0	0	97	104.8
18 MCPHERSON STREET, NSW	84	83.7	0	0	84	83.7	0	0	84	83.7
PARKWAY, QLD ¹	16	16.5	0	0	16	16.5	0	0	16	16.5
MELIAH, QLD ¹	19	18	0	0	19	18	0	0	19	18
PALM BEACH, QLD	88	59.4	0	0	88	59.4	0	0	88	59.4
VARSITY LAKES, QLD	60	33	0	0	60	33	0	0	60	33
ANCORA, QLD	50	23.8	0	0	50	23.8	0	0	50	23.8
ST LUCIA, QLD	28	45	0	0	28	45	0	0	28	45
THE HEIGHTS, QLD	332	142.8	0	0	332	142.8	0	0	332	142.8
THE LAKES, QLD	83	66.6	0	0	83	66.6	0	0	83	66.6
SUB-TOTAL	857	593.6	0	0	857	593.6	0	0	857	593.6
URBAN										
THE LAKES, QLD	41	34.8	0	0	41	34.8	0	0	41	34.8
THE HEIGHTS, QLD	726	175	0	0	726	175	0	0	726	175
SUB-TOTAL	767	209.8	0	0	767	209.8	0	0	767	209.8
TOTAL PORTFOLIO TO BE RELEASED	4,174	2,821.3	0	0	4,174	2,821.3	0	0	4,174	2,821.3

¹ SUNLAND'S INTEREST IS 50%

PROJECT SETTLEMENT TIMELINE

PORTFOLIO UNDER CONSTRUCTION

FY16

FY17

FY18

FY19 & BEYOND

MULTI STOREY

ABIAN, QLD				
MARINA RESIDENCES, QLD				

HOUSING

CONCOURSE VILLAS, QLD				
QUAYS, QLD				
WHYTE, VIC				
CARRÉ, VIC				
THE GARDENS, VIC				
PAVILIONS, QLD				
THE TERRACES, QLD				
DAHLIA, NSW				

URBAN

BAYSIDE, QLD				
MEDINAH, QLD				
AMYTIS, NSW				
BLUESTONE, VIC				

NB: ANTICIPATED TIMING OF SETTLEMENTS SUBJECT TO DELIVERY PROGRAMS

PROJECT SETTLEMENT TIMELINE

PORTFOLIO TO BE RELEASED

FY16

FY17

FY18

FY19 & BEYOND

MULTI STOREY

MARINER'S COVE, QLD				
GRACE, QLD				
1 MARINE PARADE, QLD				
MARINA CENTRAL, QLD				
PALM BEACH, QLD				
THE LAKES, QLD				

HOUSING

ELLANORA, NSW				
18 MCPHERSON STREET, NSW				
PARKWAY, QLD				
MELIAH, QLD				
PALM BEACH, QLD				
VARSITY LAKES, QLD				
ANCORA, QLD				
ST LUCIA, QLD				
THE HEIGHTS, QLD				
THE LAKES, QLD				

URBAN

THE LAKES, QLD				
THE HEIGHTS, QLD				

NB: ANTICIPATED TIMING OF SETTLEMENTS SUBJECT TO APPROVALS AND DELIVERY PROGRAMS

Sunland Group

ESTABLISHED

1983