

HALF YEAR RESULTS 2016

Sunland Group

GROUP OVERVIEW

Sunland Group

ESTABLISHED
1983

In 2016, Sunland Group is celebrating 21 years as a listed company on the Australian Securities Exchange and more than 30 years as a leading 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

CHAPTER TWO

1991—1999

CHAPTER THREE

2000—2005

CHAPTER FOUR

2006—2009

CHAPTER FIVE

2010—2014

CHAPTER SIX

2015—BEYOND

PIONEERING YEARS

CREATIVE INNOVATION

NATIONAL EXPANSION

GLOBAL GROWTH

STRATEGIC EVOLUTION

NEW HORIZONS

[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.

[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.

[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

[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.

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.

[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 6,000 residential homes, urban land lots and multi-storey apartments, representing \$3.7 billion.

MULTI-STOREY	RESIDENTIAL HOUSING	URBAN	TOTAL
#	#	#	#
2,700	1,683	1,616	5,999
\$M	\$M	\$M	\$M
2,258	1,141	346	3,745

KEY RESULTS

SUNLAND CONTINUES TO FOCUS ON THE DELIVERY OF IT'S EXISTING PORTFOLIO WITH EARNINGS WEIGHTED TOWARDS THE SECOND HALF OF THE FINANCIAL YEAR.

MODEST FIRST HALF RESULTS WITH GUIDANCE EXPECTED TO BE ACHIEVED FROM SECOND HALF EARNINGS

- Statutory Net Profit After Tax of \$3.2 million (2015: \$3.3 million).
- Earnings per share consistent at 1.8 cents.
- Fully franked interim dividend of 3 cents per share.
- Settlements are weighted towards 2H16.
- Gearing has increased with the delivery of the multi-storey portfolio.
- Group consolidated Net Tangible Assets per share of \$2.06 (2015: \$1.96).
- Board reconfirms guidance of \$25–29 million.

PORTFOLIO REPLENISHMENT THROUGH STRATEGIC SITE ACQUISITIONS

- \$40M in new site acquisitions and includes \$11M completed post balance date.
Acquired:
 - St Lucia (QLD): \$11M
 - 18 MacPherson Street (NSW): \$18M
 Post balance date:
 - Monavale Road, Ingleside (NSW): \$8M
 - Other: \$3M
- Gearing increasing with multi-storey delivery: 35% debt to assets; 60% debt to equity.
- Balance sheet capacity with \$15.9 million in cash and \$82.0 million in undrawn working capital facilities.

KEY OPERATIONAL HIGHLIGHTS FOR PERIOD ENDING 31 DECEMBER 2015

PERIOD ENDING	UNIT	1H16	1H15	% CHANGE
STATUTORY NPAT	\$M	3.2	3.3	- 3%
EARNINGS PER SHARE	CENTS	1.8	1.8	N/C
DIVIDENDS PER SHARE	CENTS	3.0	2.0	50%
AS AT		31.12.15	30.06.15	
INTEREST BEARING DEBT	\$M	205.7	113.3	
TOTAL ASSETS	\$M	580.8	505.3	
EQUITY	\$M	340.4	357.8	
NET TANGIBLE ASSETS PER SHARE	\$	2.06	1.96	
GEARING (DEBT TO TOTAL ASSETS)	%	35%	22%	
GEARING (DEBT TO EQUITY)	%	60%	32%	

2016 PORTFOLIO UNDER CONSTRUCTION & COMING SOON



COMING SOON*

BRISBANE

GRACE
MULTI-STOREY

ST LUCIA
RESIDENTIAL HOUSING

GOLD COAST

THE LAKES
MULTI-STOREY/RESIDENTIAL HOUSING

PALM BEACH
MULTI-STOREY

MARINER'S COVE
MULTI-STOREY

VARSIY LAKES
RESIDENTIAL HOUSING

ONE MARINE PARADE
MULTI-STOREY

MARINA CENTRAL
MIDRISE

THE HEIGHTS
RESIDENTIAL HOUSING

SYDNEY

18 MACPHERSON STREET
RESIDENTIAL HOUSING

INGLESIDE, MONAVALLE ROAD
RESIDENTIAL HOUSING

ELLANORA
RESIDENTIAL HOUSING

*PENDING FINAL DEVELOPMENT APPROVAL

1H16 FINANCIAL REVIEW

FINANCIAL PERFORMANCE

RESIDENTIAL HOUSING AND URBAN DEVELOPMENT

- Delivery of residential portfolio activities is weighted towards 2H16.
- Return on cost continues to be well above Group objective of 20%.
- Residential housing and urban development will continue to provide sound earnings, strategically complemented by the multi-storey portfolio.

MULTI-STOREY

- Contribution from multi-storey development remains modest while construction continues across this segment.
- Revenue and returns for 1H16 reflects the final settlements of Marina Residences.
- Abian is sold out and Marina Residences is fully settled.
- The multi-storey portfolio will continue to increase in activity in the ensuing years to generate a sound profile of earnings for the group.
- Marketing costs are expensed ahead of revenue which may be material as each multi-storey project is bought to market release.

CAPITAL MANAGEMENT

- Share buy back is now 85% complete and it continues to add long-term value to both EPS and NTA with an average price paid of \$1.59 representing a 23% discount to NTA.
- Debt utilisation will increase as multi-storey projects commence construction. However this is balanced with the land and housing portfolio which remains conservatively geared to 35% of inventory value.
- Note issue \$50M diversified the Group's funding sources and increased debt maturity profile.

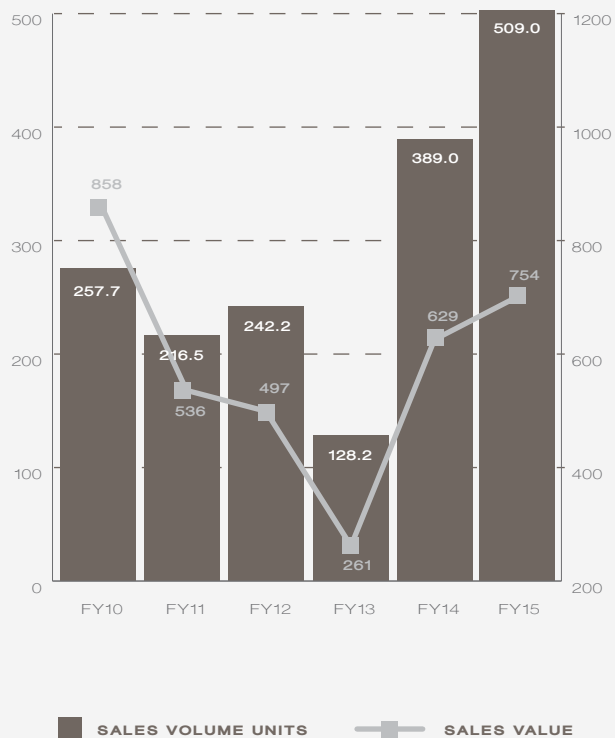
KEY FINANCIAL HIGHLIGHTS FOR PERIOD ENDING 31 DECEMBER 2015

\$M	1H16	1H15	% CHANGE
TOTAL REVENUE	86.1	101.9	-16%
REVENUE – SALE OF PROPERTY	79.9	97.3	-18%
STATUTORY NET PROFIT BEFORE TAX	4.3	6.4	-33%
LESS: TAX EXPENSE	(1.1)	(3.1)	
STATUTORY NET PROFIT AFTER TAX	3.2	3.3	-3%
EBIT	6.1	8.6	-29%
INTEREST COVER	3.4	3.8	-
INTERIM DIVIDEND	3.0	2.0	
DEVELOPMENT RETURN ON COST			
LAND AND HOUSING	26%	20%	
MULTI-STOREY	12%	23%	
OVERALL DEVELOPMENT	25%	20%	
DEVELOPMENT TARGET: 20%			

PORTFOLIO REVIEW

OPERATIONAL REVIEW—SALES AND SETTLEMENTS

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



PROJECTS TO BE LAUNCHED 2H16

- Shea Residences (St Lucia) – QLD
- Heights Residences (Pimpama) – QLD
- The Lakes Residences (Mermaid Waters) – QLD
- Magnoli Residences (Palm Beach) – QLD

HISTORICAL AVERAGE SALES: 590

ANTICIPATED SALES FOR FY16: 530

HISTORICAL AVERAGE SETTLEMENTS: 516

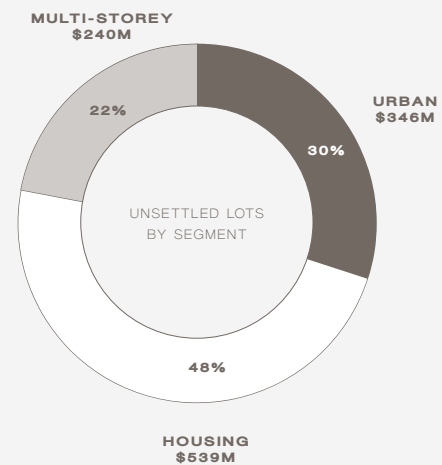
ANTICIPATED SETTLEMENTS FOR FY16: 500 APPROX

CONTRACTS IN HAND: 855 FOR VALUE \$663 MILLION

OPERATIONAL REVIEW—PROJECTS UNDER CONSTRUCTION

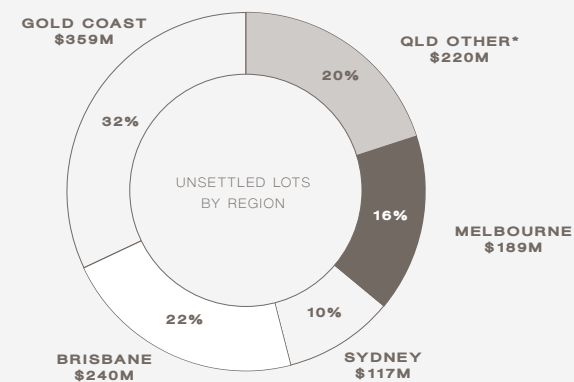
PROJECTS UNDER CONSTRUCTION BY SEGMENT (AS AT 31 DECEMBER 2015)

	UNSETTLED LOTS		CONTRACTED LOTS		% CONTRACTED LOTS	
	#	\$M	#	\$M	#	\$M
MULTI-STOREY	150	240	150	240	100%	100%
HOUSING	891	539	652	388	73%	72%
URBAN	1,616	346	53	35	3%	10%
SUB-TOTAL	2,657	1,125	855	663	32%	59%



PROJECTS UNDER CONSTRUCTION BY REGION (AS AT 31 DECEMBER 2015)

	UNSETTLED LOTS		CONTRACTED LOTS		% CONTRACTED LOTS	
	#	\$M	#	\$M	#	\$M
BRISBANE	150	240	150	240	100%	100%
GOLD COAST	988	359	140	89	14%	25%
SYDNEY	138	117	135	113	98%	97%
MELBOURNE	363	189	363	189	100%	100%
QUEENSLAND OTHER*	1,018	220	67	32	6%	15%
SUB-TOTAL	2,657	1,125	855	663	32%	59%

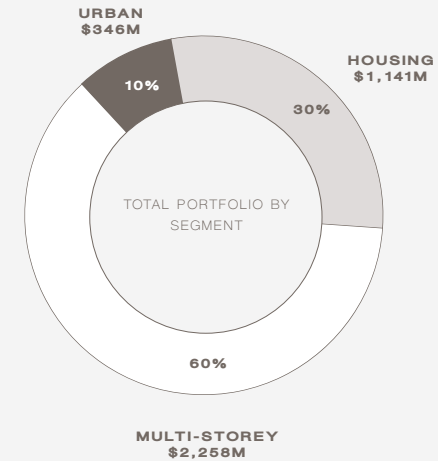


* TOWNSVILLE AND SUNSHINE COAST

OPERATIONAL REVIEW—TOTAL DEVELOPMENT PORTFOLIO

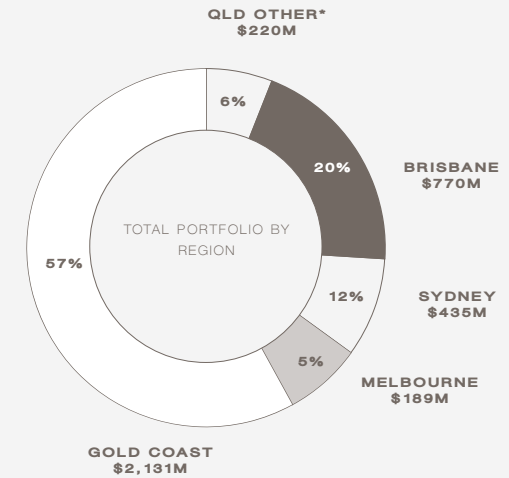
TOTAL DEVELOPMENT PORTFOLIO BY SEGMENT (AS AT 31 DECEMBER 2015)

	TO BE RELEASED		UNDER CONSTRUCTION		TOTAL DEVELOPMENT PORTFOLIO	
	#	(\$M)	#	\$M	#	\$M
MULTI-STOREY	2,550	2,018	150	240	2,700	2,258
HOUSING	792	602	891	539	1,683	1,141
URBAN	-	-	1,616	346	1,616	346
SUB-TOTAL	3,342	2,620	2,657	1,125	5,999	3,745



TOTAL DEVELOPMENT PORTFOLIO BY GEOGRAPHIC REGION (AS AT 31 DECEMBER 2015)

	TO BE RELEASED		UNDER CONSTRUCTION		TOTAL DEVELOPMENT PORTFOLIO	
	#	\$M	#	\$M	#	\$M
BRISBANE	534	530	150	240	684	770
GOLD COAST	2,505	1,772	988	359	3,493	2,131
SYDNEY	303	318	138	117	441	435
MELBOURNE	-	-	363	189	363	189
QUEENSLAND OTHER*	-	-	1,018	220	1,018	220
SUB-TOTAL	3,342	2,620	2,657	1,125	5,999	3,745



* TOWNSVILLE AND SUNSHINE COAST

OUTLOOK

OUTLOOK

AUSTRALIA'S CAPITAL CITY MARKETS remain at different stages in the property cycle and securing quality development sites remains challenging. Sunland is maintaining a conservative, counter-cyclical approach to market conditions, staging project delivery to navigate cycles and mitigate risk.

THE GROUP'S RETURN TO THE MULTI-STOREY sector is expected to make significant contributions to earnings during the next two to five years as key projects are delivered and settled, commencing with Abian in the Brisbane CBD in 2017.

WE CONTINUE TO SEE GOOD OPPORTUNITIES in niche housing segments in Brisbane, the Gold Coast and Sydney's Northern Beaches and recent strategic site acquisitions in these key growth markets are expected to provide significant earnings to the Group in the short to medium-term.

SUNLAND'S STRONG BALANCE SHEET, access to capital and cash flow forecast continue to provide a stable platform from which to improve profitability and deliver sustainable shareholder returns.

STRONG CASHFLOW generated from existing projects will assist delivery of the portfolio replenishment of projects and dividend returns to shareholders.

THE GROUP INTENDS to pay a total of 7 cents per share in dividends for the FY16 financial year (3 cents per share interim dividend and 4 cents per share full year dividend).

REVENUE WEIGHTING to 2H16 is supported by presales of projects to be delivered.

GUIDANCE RANGE of net profit after tax of \$25—29 million maintained.

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	150	240.3	0	0	150	240.3	150	240.3	0	0
SUB-TOTAL	150	240.3	0	0	150	240.3	150	240.3	0	0
HOUSING										
ONE TREE HILL, QLD	29	30.5	23	25.7	6	4.8	0	0	6	4.8
THE PARKWAY, QLD	16	19.2	0	0	16	19.2	4	5.1	12	14.1
MELIAH, QLD	19	19.3	0	0	19	19.3	19	19.3	0	0
ANCORA, QLD	50	24.6	0	0	50	24.6	25	11.9	25	12.7
QUAYS, QLD	40	18.1	0	0	40	18.1	39	17.6	1	0.5
MAGNOLI, QLD	88	64.7	0	0	88	64.7	1	0.8	87	63.9
CARRÉ, VIC	239	128.1	52	26.2	187	101.9	187	101.9	0	0
THE GARDENS, VIC	176	87.2	0	0	176	87.2	176	87.2	0	0
THE TERRACES, QLD	223	107.5	52	24.7	171	82.8	66	31.9	105	50.9
DAHLIA, NSW	170	140.3	32	23.7	138	116.6	135	112.7	3	3.9
SUB-TOTAL	1050	639.5	159	100.3	891	539.2	652	388.4	239	150.8
URBAN										
BAYSIDE, QLD	1,574	237.6	727	99.7	847	137.9	1	0.2	846	137.7
PIMPAMA, QLD	728	175.1	0	0	728	175.1	13	3.1	715	172
THE LAKES, QLD	41	32.7	0	0	41	32.7	39	31.2	2	1.5
SUB-TOTAL	2,343	445.4	727	99.7	1616	345.7	53	34.5	1563	311.2
TOTAL PROJECTS UNDER CONSTRUCTION	3,543	1325.2	886	200	2,657	1125.2	855	663.2	1802	462

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	150	146.3	0	0	150	146.3	0	0	150	146.3
MONAVALLE, NSW	70	85.5	0	0	70	85.5	0	0	70	85.5
18 MACPHERSON STREET, NSW	83	86.2	0	0	83	86.2	0	0	83	86.2
VARSIY LAKES, QLD	60	33	0	0	60	33	0	0	60	33
ST LUCIA, QLD	28	44.8	0	0	28	44.8	0	0	28	44.8
THE HEIGHTS, QLD	334	147.0	0	0	334	147.0	0	0	334	147.0
THE LAKES, QLD	67	59.3	0	0	67	59.3	0	0	67	59.3
SUB-TOTAL	792	602.1	0	0	792	602.1	0	0	792	602.1
TOTAL PORTFOLIO TO BE RELEASED	3,342	2,620	0	0	3,342	2,620	0	0	3,342	2,620

PROJECT SETTLEMENT TIMELINE

PORTFOLIO UNDER CONSTRUCTION

FY16

FY17

FY18

FY19 & BEYOND

MULTI STOREY

ABIAN, QLD				
MARINA RESIDENCES, QLD				

HOUSING

CARRÉ, VIC				
THE GARDENS, VIC				
QUAYS, QLD				
THE TERRACES, QLD				
MAGNOLI, QLD				
PARKWAY—SANCTUARY COVE, QLD				
MELIAH—SANCTUARY COVE, QLD				
ANCORA, QLD				
DAHLIA, NSW				

URBAN

THE HEIGHTS, QLD				
THE LAKES, QLD				
BAYSIDE, QLD				

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				
MONAVALLE, NSW				
18 MACPHERSON STREET, NSW				
VARSITY LAKES, QLD				
ST LUCIA, QLD				
THE HEIGHTS, QLD				
THE LAKES, QLD				

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

Sunland Group

ESTABLISHED

1983