Sunland Group

ESTABLISHED
1983

SUNLAND GROUP LIMITED ANNUAL GENERAL MEETING 2012

GROUP HIGHLIGHTS - FY 2012

- Statutory Net Profit After Tax of \$14.5 million
- Basic Earnings Per Share of 7.2 cents
- Group consolidated Net Tangible Assets of \$1.79
- Gearing remains modest and conservative with debt to assets 8% and debt to equity 11%
- Strong balance sheet with \$31.1 million in free cash and \$104.0 million in undrawn credit lines

GROUP OVERVIEW

- Threefold strategy focused on:
 - 1. Continual capital management initiative (via share buy back)
 - 2. Maintaining conservative gearing ratios
 - 3. Replenishment of the development portfolio in key geographic markets
- 1. Capital Management
- A total of 28.2 million shares were acquired under the Group's share buy back program in the amount of \$20.7 million (average 73 cents per share)
- On market share buy back initiative has resulted in the reduction of issued shares by 40% since July 2009 from 320.4 million to 193.2 million shares currently on issue
- Continuation of previously approved tranche 4 of share buy back of 48 million shares which would result in 150 million issued shares

GROUP OVERVIEW

- 2. Conservative Gearing Ratios
- Gearing remains modest and conservative with debt to assets 8% and debt to equity 11%
- Undrawn credit lines of \$104.0 million
- 3. Portfolio Replenishment
- Acquisitions during the year total \$68.5 million

ORDINARY BUSINESS

- 1. Minutes of previous Annual General Meeting
- 2. Financial Statements
- 3. Election of Directors
- 4. Remuneration Report
- 5. Share buy back
- 6. Other business

AUSTRALIAN PORTFOLIO REVIEW FY12

- Australian residential land and housing portfolio has an inventory of 2,889 allotments with an end value of \$1.1 billion
- Portfolio value above excludes the multi storey portfolio inventory as these key projects are undergoing approval processes. These include Carrington (QLD) and Mariners Cove (QLD). Accordingly, the portfolio will increase to over \$1.5 billion
- The Australian residential sector continues to experience headwinds with respect to both a softening in consumer sentiment and continued restraint in the lending markets which is translating to a contraction in both supply and demand
- Despite the softening conditions, Sunland's Australian residential portfolio has however continued to perform soundly across all geographic markets and portfolio segments

AUSTRALIAN PORTFOLIO REVIEW FY12

- During this period the Group achieved 503 sales and 552 settlements
- Revenue from Australian property settlements totalled \$170.2 million (FY11 \$191.7 million)
- Major profit contributors from the residential projects include Royal Pines, The Glades and Cassia (QLD) and Eton (VIC) together with urban developments at Chancellor and Bluestone Green (VIC)
- Acquisitions during the year total \$68.5 million and include projects at Chancellor (VIC), Point Cook (VIC) and Mariners Cove (QLD)
- Focus remains on urban development and integrated medium density residential housing sector across South East Queensland, New South Wales and Victoria

AUSTRALIAN PORTFOLIO REVIEW FY12

- As at 30 June 2012 the Group has sufficient capacity with \$31.1 million in free cash and \$104.0 million of undrawn credit lines
- Debt maturity profile 23 months

PORTFOLIO REVIEW International

- Commenced exit from Dubai portfolio with an announcement in October 2011 of Asset Swap between Australian and International joint venture interests
- Consequence of the swap transaction is the deconsolidation of Palazzo Versace Dubai, D1 and other operational interests of these projects and acquiring the balance of ownership of Palazzo Versace Gold Coast
- The remaining portfolio in Dubai (Nur, Waterfront 50% owned and Waterfront 2 100% owned by Sunland) is not active but continues to be consolidated in Sunland's accounts

OUTLOOK

- The Group reiterates its focus on capital management initiatives through the ongoing share buy back while the market continues to be unsettled by global and local economic volatility
- As market conditions continue to be challenging, the Group is well placed to be responsive when selecting opportunities to increase its development portfolio
- Continued strong cashflow forecast from the delivery and settlements of the existing portfolio
- Contracts on hand as at 30 June 2012 total \$199 million

OUTLOOK

- Board of Directors have not declared a final dividend, nonetheless Directors intend to move towards dividend payments in future
- Despite ongoing global financial volatility, Sunland continues to navigate through the challenges as they emerge. Stringent capital management initiatives remain fundamental to an ongoing application of proven strategies, values of consolidation, reflection and transition remain paramount as we implement a more precise and focused approach. The ongoing key to success will be where stumbling blocks are turned into stepping stones for progress.