

Sunland Group

ESTABLISHED

1983

SUNLAND GROUP LIMITED
ANNUAL GENERAL MEETING
2013

GROUP HIGHLIGHTS - FY 2013

- Statutory Net Profit After Tax of \$13.6 million (pcp \$14.5 million)
- Basic Earnings Per Share of 7.2 cents (pcp 7.2 cents)
- Group consolidated Net Tangible Assets of \$1.87 cps (pcp \$1.79 cps)
- Gearing remains conservative with debt to assets 3% and debt to equity 4% (pcp 8% debt to assets and 11% debt to equity)
- Strong balance sheet with \$134.5 million in capacity comprising \$29.3 million free cash and \$105.2 million in undrawn credit lines
- Debt maturity profile 31 months
- Final dividend 2cps fully franked paid September bringing total dividends to 4cps following a special dividend of 2 cps paid March 2013

GROUP OVERVIEW

- Group maintained its strategic intent of key pillars:
 1. Capital management (via share buy back)
 2. Conservative gearing
 3. Organic replenishment and strategic positioning of portfolio
 4. Introduction of dividend payment regime
- Tranche 4 of share buy-back acquired a total of 7.3 million shares for a value of \$7.0 million (average 96 cps) for the financial year
- A further 7.7 million shares valued at \$10.0 million were acquired post FY13
- The total number of issued shares have decreased from 323.6 million to 178.1 million representing a contraction of 45% from the commencement of the share buy back in May 2009
- Total value of share buy back \$118 million and average price paid per share 81 cents

ORDINARY BUSINESS

Minutes of previous Annual General Meeting

Financial Statements

Election of Director

Remuneration Report

Other business

DEVELOPMENT PORTFOLIO REVIEW FY13

- Residential development portfolio has an inventory of 5,322 allotments with an end value in excess of \$3.0 billion
- Acquisitions during the financial year totalled \$44.6 million and included projects at Point Cook (VIC), Kellyville and North Kellyville (NSW)
- Further acquisitions totalling approximately \$59.0 million have been made to enhance the portfolio across Queensland and New South Wales:
 - Ingleside (NSW)
 - Varsity Lakes (QLD)
 - 1 Marine Pde, Labrador (QLD)
 - ABC, Brisbane (QLD)
 - Debt Acquisition Maddison (QLD)
- The 2013-2014 portfolio release comprises 9 projects valued at \$700 million, encompassing 1000 products

DEVELOPMENT PORTFOLIO REVIEW FY13

- The Group has achieved 261 sales and 401 settlements for the period
- Revenue from Australian property settlements totalled \$155.9 million (FY12 170.2 million)
- The Group is well positioned to continue with the delivery of existing its portfolio and continue its replenishment strategy to ensure that we maintain a sufficient balance and our operations remain poised for growth

DEVELOPMENT PORTFOLIO REVIEW FY13

- Our focus remains towards growth opportunities across the following key geographic sectors:

South East Queensland (Gold Coast and Brisbane)

New South Wales (Sydney)

Victoria (Melbourne)

- Group maintains its strategic focus on :
 - 1) Preserving a conservative balance sheet
 - 2) Organic replenishment and strategic positioning of portfolio (approximately \$60 to \$80 million per annum)

DUBAI EXPOSURE

- Dubai projects remain inactive and comprise:
 - Nur (50% owned)
 - Waterfront 1 (50% owned)
 - Waterfront 2 (100% owned)
- Net assets is negative \$6.3 million (-3cps)

OUTLOOK

- Group maintains its strategic focus on :
 - 1) Preserving a conservative balance sheet
 - 2) Organic replenishment and strategic positioning of portfolio (approximately \$60 to \$80 million per annum)
 - 3) Dividend payment regime
- Market conditions are improving with greater consumer sentiment and confidence translating into increased enquiry and exchanged contracts
- Continued strong cashflow forecast from the delivery and settlements of the existing portfolio

OUTLOOK

- The Group has on hand 525 contracts totalling approximately \$300 million in various stages from exchanged to expressions of interest
- The Group anticipates as previously announced, net earnings to be approximately \$12 million for FY14
- Directors current intention is to pay a fully franked dividend of 4 cents payable in two equal instalments

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