

*HALF YEAR
RESULTS 2015*

Sunland Group

ESTABLISHED

1983

GROUP OVERVIEW

OVERVIEW OF SUNLAND GROUP

Established in 1983, Sunland Group is a leading national property developer with more than three decades of experience in 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 in Queensland, New South Wales and Victoria. In 2015, Sunland Group is celebrating 20 years as a listed company on the Australian Securities Exchange.

GROUP NARRATIVE AND KEY MILESTONES

CHAPTER ONE

83/90

PIONEERING YEARS

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 original design.

[1983] 27 Cabana Boulevard

A single luxury residence followed by homes at Sanctuary Cove and Paradise Waters, which set new boundaries in luxury living

[1987] Sanctuary Cove

Delivered the (Waterfront Villas) in Australia's first integrated tourism resort

[1988] Malibu

A curvilinear form defines the first multi storey residential

CHAPTER TWO

91/99

CREATIVE INNOVATION

[1991] Gaven Heights

Enters the field of urban development with the first master planned community

[1995] Lists on the Australian Securities Exchange (ASX)

[1996] Carmel by the Sea

Second major residential tower

[1997] Somerset Place

Introduces first urban "artscape" concept in masterplanned community

[1998] Legends Hotel

Enters tourism sector with first hotel

[1998] Signs Heads of Agreement with Gianni Versace

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

CHAPTER THREE

00/05

NATIONAL EXPANSION

[2000] Palazzo Versace

Opens

[2000] Victorian office

Established

[2001] Parklake

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

[2000] Berwick Springs

First urban development in Victoria

[2002] Sovereign Manors

First residential estate in Victoria

[2003] Sunleisure established

Hotel & retail management division

[2004] Sunkids

Innovates early childcare education

[2004] Sydney office

Established

[2004] enters ASX 200 Index

[2005] Q1

Worlds tallest residential tower

[2005] Yve

First residential highrise in Melbourne awarded the RIAA Medal of Architecture

CHAPTER FOUR

06/09

GLOBAL GROWTH

[2006] International operation in Dubai

Established

[2006] Palazzo Versace worldwide

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

[2006] Launches funds management through two Diversified land funds

[2007] Circle on Cavill

Sunland Foundation Clem Jones - Sunland Leukaemia Village opens

[2008] 36 Louisa Rd, NSW

[2008] Virgin Blue headquarters

Creation of the Virgin Blue headquarters

[2008] Balencea, VIC

Completion of award winning multi-storey development. The Group strategically exits the multi-storey sector in line with market conditions

CHAPTER FIVE

10/14

STRATEGIC EVOLUTION

Consolidation

Sunland strategically emerges from the financial crisis as one of the strongest entities in the property sector with low gearing, surplus cash and capital management initiatives

[2012] Consolidation of Group portfolio with the sale of Palazzo Versace Gold Coast

Strategic Acquisitions

\$268 million in strategic acquisitions over a period of four years,

Capital Management

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

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

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

[2014] Completion of strategic exit of international operations

CHAPTER SIX

15/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 be best described as a rich and dynamic continuum towards the creation of vibrant communities.

NATIONAL PORTFOLIO

The Group portfolio represents in excess of 6,000 residential homes, urban land lots and multi-storey apartments.

This represents an end value of \$3.6 billion to be delivered over the course of the next 5 years.

MULTI-STORY	RESIDENTIAL HOUSING	URBAN	TOTAL
# 2,901	# 1,352	# 2,025	#6,278
\$m 2,275	\$m 887	\$m 456	\$b 3.6

Sunland is well positioned to capitalise on the improving residential market conditions along Australia's eastern seaboard

1H15 KEY RESULTS

SALES AND SETTLEMENT ACTIVITY INCREASING WITH EARNINGS WEIGHTED TOWARDS 2H15

- Statutory Net Profit After Tax of \$3.3 million (1H14: \$3.0 million)
- EPS: \$1.8 cents (1H14: \$1.7 cents)
- Directors have declared a fully franked interim dividend of 2 cents per share
- Growth in sales and settlements reflects improving market conditions
- Group consolidated Net Tangible Assets per share of \$1.96 (1H14: \$1.92).

PORTFOLIO REPLENISHMENT THROUGH STRATEGIC SITE ACQUISITIONS

- \$18 million in new site acquisitions for the period plus additional committed acquisitions of \$79 million on a deferred settlement basis
- Gearing remains conservative at 23% debt to assets; 32% debt to equity
- Sunland's portfolio is well positioned for growth particularly towards the improving South East Queensland residential market
- Clear visibility in respect to earnings profile from current portfolio and new project launches.

KEY FINANCIAL HIGHLIGHTS FOR YEAR ENDING 31 DECEMBER 2014

	UNIT	1H15	1H14	% CHANGE
Statutory NPAT	\$m	3.3	3.0	10%
Earnings per share	cents	1.8	1.7	6%
Dividends per share	cents	2.0	2.0	-
		DEC 14	JUN 14	
Net debt	\$m	102.3	69.7	47%
Total Assets	\$m	493.2	470.6	5%
Net Tangible Assets per share	\$	1.96	1.92	2%
Gearing (Debt to Total Assets)	%	23%	18%	28%
SETTLEMENTS				
Value	\$m	97.3	51.6	89%
Volume	No.	194	143	36%
SALES				
Value	\$m	284.0	130.0	118%
Volume	No.	474	281	69%

SIGNIFICANT EVENTS POST 31 DECEMBER 2014

CAPITAL MANAGEMENT

- The Group has realised some of the inherent value within its portfolio by undertaking strategic asset sales totalling \$90.1 million.
- Strategic asset sales include:
 - Adresse, Point Cook (VIC): \$66.2 million with settlement in March 2015
 - Vayle, University Hill (VIC): \$7.8 million with settlement in April 2015
 - Ballarat (VIC): \$1.1 million with settlement in March 2015
 - Meliah, Kellyville (NSW): \$15 million with settlement in April 2015.
- Proceeds from the sales will be used to redeploy capital to the Group's national portfolio, with a particular focus on the multi-storey sector.

DIVIDENDS DECLARED

- The Sunland Board declared a total of 10 cents per share fully franked dividend to be paid as follows:
 - Interim Dividend: 2 cents per share payable 27 March 2015
 - Special Dividend: 6 cents per share payable 29 May 2015
 - Final Dividend: 2 cents per share payable 25 June 2015

PROFIT UPGRADE

- The Group has increased its full year guidance from \$20 million to \$28 million net profit after tax.

*FY15 INTERIM
FINANCIAL REVIEW*

FINANCIAL PERFORMANCE

SUMMARY FINANCIAL PERFORMANCE (YEAR ENDING 30 JUNE)

RESIDENTIAL HOUSING AND URBAN DEVELOPMENT

- Revenue increased markedly due to increased settlements across portfolio
- Projects contributing to revenue were:
 - Parc (NSW)
 - Pavilions (QLD)
 - Peninsula Residences (QLD)
 - Concourse Villas (QLD)

MULTI-STOREY

- Marina Residences (QLD) continues to contribute to revenue growth
- Construction commenced on Abian (QLD) and is anticipated to contribute to the Group's earnings from 2017
- New multi-storey projects expected to be launched within the next 12 months include Palm Beach (QLD), and Grace (QLD).

	\$ MILLION	1H15	1H14	% CHANGE
Total revenue	101.9	57.8	76%	
Revenue – sale of property	97.3	51.6	89%	
Statutory net profit before tax	6.4	3.2	100%	
Tax expense	(3.1)	(0.3)	933%	
Statutory net profit after tax	3.3	0.3	10%	
EBIT	8.6	4.2	105%	
Interim dividend	2.0	2.0		
Special dividend	6.0	-		
Final dividend	2.0	-		
Total dividends declared	10.0	2.0		

FINANCIAL POSITION

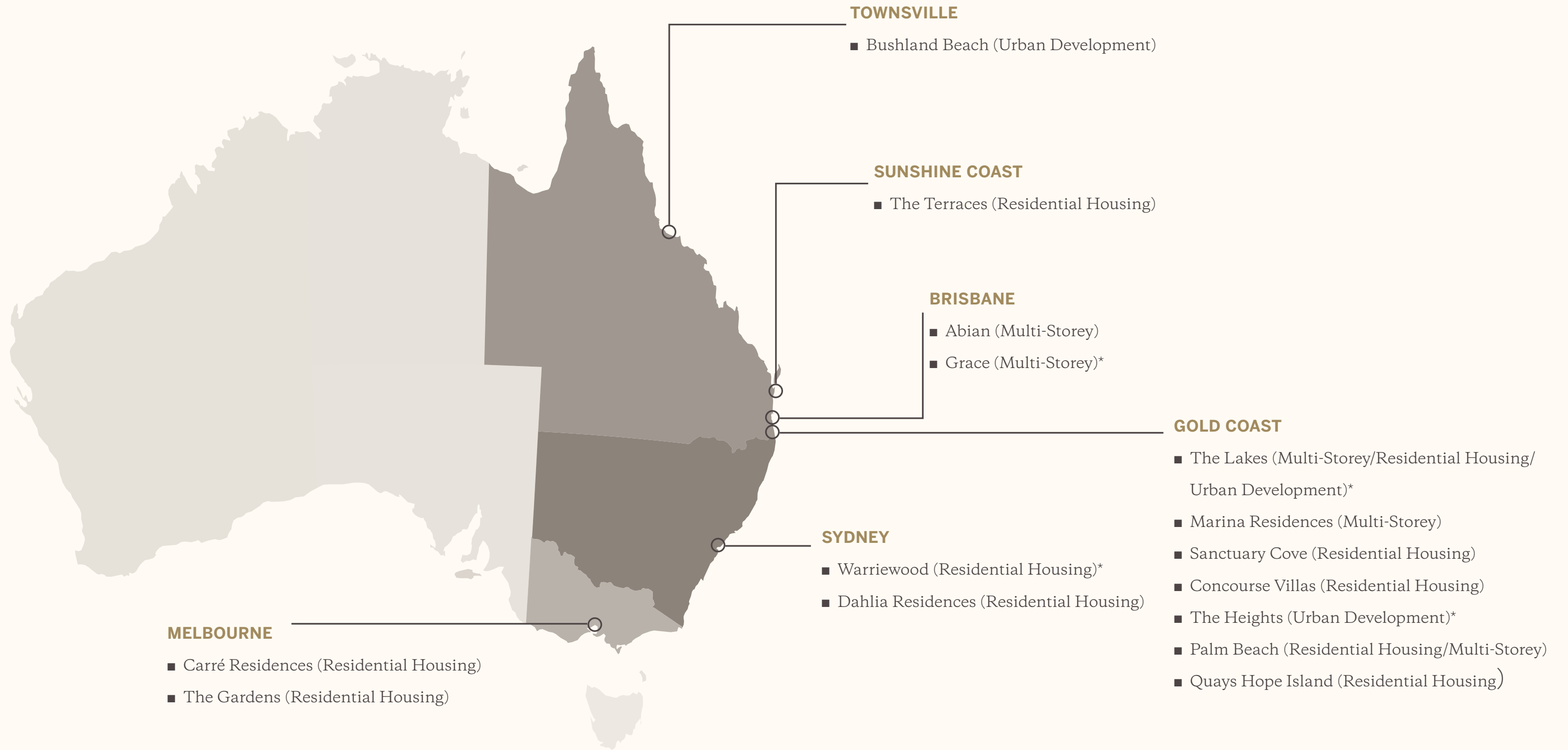
- Group inventory was replenished with \$97 million in strategic site acquisitions representing 1,638 residential homes, urban development lots and multi-storey apartments with an end value of approximately \$1 billion
- Projects acquired during this period include:
 - The Lakes, Gold Coast \$61 million
 - Palm Beach, Gold Coast \$18 million
 - Warriewood, Sydney \$18 million
- Cashflow generated from existing projects and debt capacity will fund above mentioned acquisitions
- Undrawn Credit lines total \$72.2 million

SUMMARY FINANCIAL POSITION AS AT 31 DECEMBER 2014

	\$ MILLION	DEC 14	JUN 14	% CHANGE
<i>ASSETS</i>				
Cash		11.0	14.7	-25%
Trades and other receivables		15.3	19.4	-21%
Inventory		454.3	420.6	8%
Other assets		13.1	15.9	-18%
Total assets		493.7	470.6	5%
<i>LIABILITIES</i>				
Trades and other payables		16.3	20.0	-19%
Interest bearing liabilities		113.3	84.3	34%
Other liabilities		15.0	16.8	-11%
Total liabilities		144.6	121.1	19%
<i>NET ASSETS</i>		349.1	349.5	-
<i>NET TANGIBLE ASSETS</i>		349.1	349.5	-
NTA (\$/share)		1.96	1.96	-

*OPERATIONAL
REVIEW*

2015 PORTFOLIO



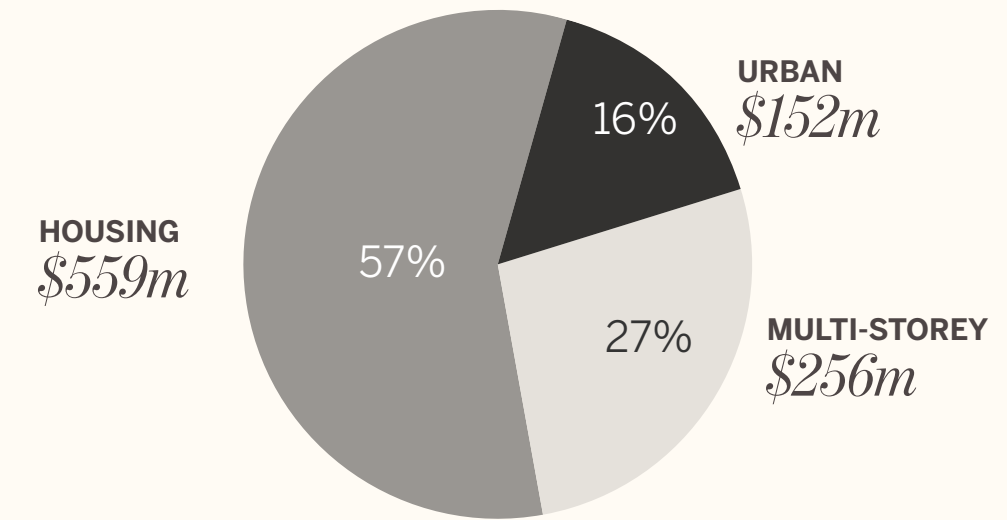
Note: *Development Approval pending

OPERATIONAL REVIEW—Projects Under Construction

PROJECTS UNDER CONSTRUCTION BY PROPERTY TYPE (AS AT 31 DECEMBER 2014)

	UNSETTLED LOTS		CONTRACTED LOTS		% CONTRACTED LOTS	
	(no.)	(\$m)	(no.)	(\$m)	(no.)	(\$m)
Multi-Storey	174	256	130	181	74%	71%
Housing	968	559	505	294	52%	53%
Urban	889	152	18	4	2%	3%
Sub-Total	2,031	967	653	479	33%	50%

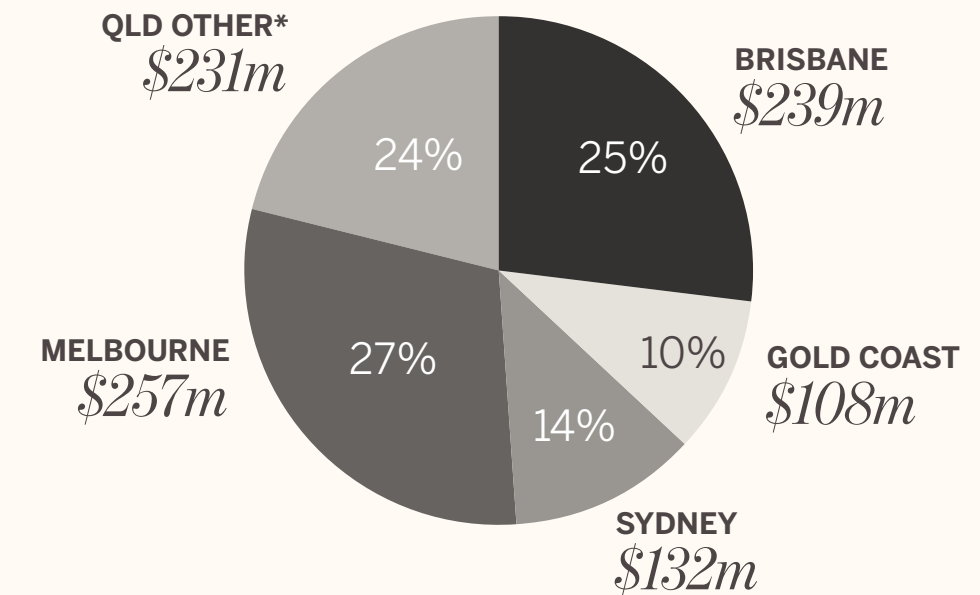
UNSETTLED LOTS BY SEGMENT



PROJECTS UNDER CONSTRUCTION BY GEOGRAPHIC REGION (AS AT 31 DECEMBER 2014)

	UNSETTLED LOTS		CONTRACTED LOTS		% CONTRACTED LOTS	
	(no.)	(\$m)	(no.)	(\$m)	(no.)	(\$m)
Brisbane	148	239	127	178	86%	74%
Gold Coast	160	108	80	50	5%	46%
Sydney	174	132	84	66	48%	49%
Melbourne	504	257	355	181	71%	71%
Queensland Other*	1,045	231	7	4	1%	1%
Sub-Total	2,031	967	653	479	33%	50%

UNSETTLED LOTS BY REGION

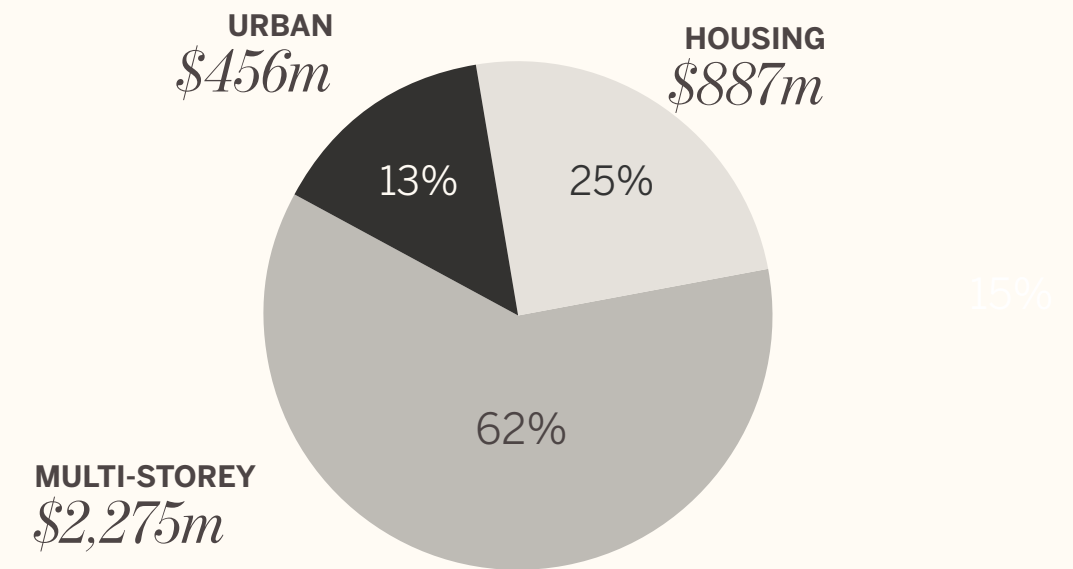


Note: *Townsville and Sunshine Coast

OPERATIONAL REVIEW—Total Development Portfolio

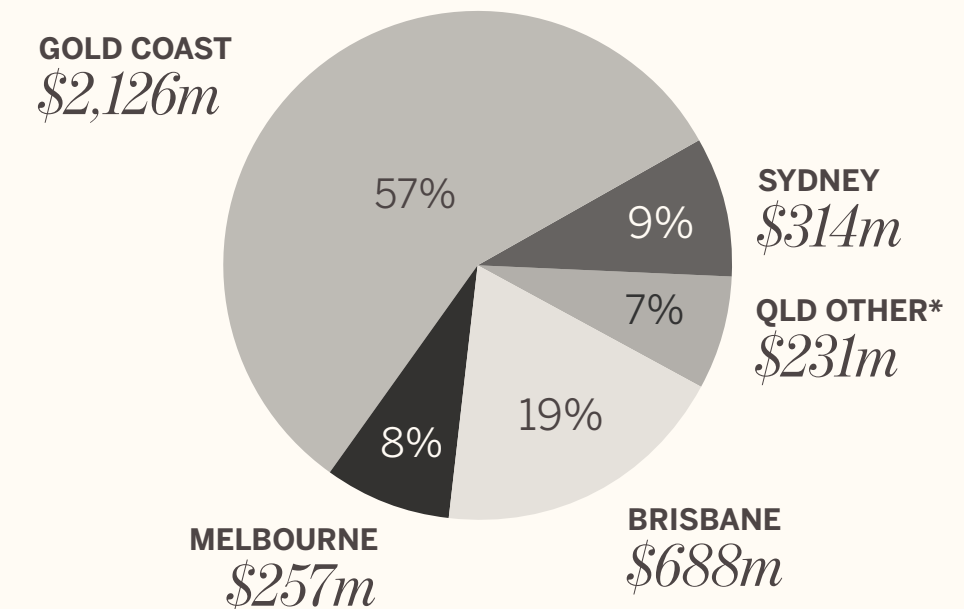
TOTAL DEVELOPMENT PORTFOLIO BY PROPERTY TYPE (AS AT 31 DECEMBER 2014)

	TO BE RELEASED		UNDER CONSTRUCTION		TOTAL DEVELOPMENT PORTFOLIO	
	(no.)	(\$m)	(no.)	(\$m)	(no.)	(\$m)
Multi-Storey	2,727	2,019	174	256	2,901	2,275.0
Housing	384	328	968	559	1,352	887
Urban	1,136	303	889	152	2,025	455
Sub-Total	4,247	2,650	2,031	967	6,278	3,617



TOTAL DEVELOPMENT PORTFOLIO BY GEOGRAPHIC REGION (AS AT 31 DECEMBER 2014)

	TO BE RELEASED		UNDER CONSTRUCTION		TOTAL DEVELOPMENT PIPELINE	
	(no.)	(\$m)	(no.)	(\$m)	(no.)	(\$m)
Brisbane	494	450	148	239	642	689
Gold Coast	3,576	2017	160	108	3,736	2,126
Sydney	177	182	174	132	351	314
Melbourne	-	-	504	257	504	257
Queensland Other*	-	-	1,045	231	1,045	231
Sub-Total	4,247	2,650	2,031	967	6,278	3,617



Note: *Townsville and Sunshine Coast

OPERATIONAL REVIEW—Sales & Settlements

OPERATIONAL PERFORMANCE (HALF YEAR ENDING 31 DECEMBER 2014)

- Significant increase in sales for the period reflecting improving market conditions:
 - Concourse Villas (QLD)
 - Quays (QLD)
 - Dahlia (NSW)
 - Adresse (VIC)
 - Carre Residences (VIC)
 - The Gardens (VIC)

- Multi-storey sales generated contracts valued at \$51.6 million through:
 - Abian (QLD)
 - Marina Residences (QLD)

- Settlements of \$97.3 million (up 89%) was underpinned by the Group's residential housing portfolio.

		1H15	1H14	FORECAST 2H15
<i>SALES</i>				
Value	\$m	284.0	130.0	118%
Volume	no.	474	281	69%
Average price	\$k	599	463	
 <i>SETTLEMENTS (REVENUE)</i>				
Value	\$m	97.3	51.6	89%
Volume	no.	194	143	36%
Average price	\$k	502	361	
 <i>CONTRACTED PRESALES¹</i>				
Value	\$m	479		
Volume	no.	653		
Average price	\$k	734		

Notes: (1) Contracted presales are related to projects where lots have been released for sale, are under contract and will settle over the course of the projects' delivery.

OPERATIONAL REVIEW—Segmental Results

SEGMENTAL RESULTS (YEAR ENDING 31 DECEMBER 2014)

		FY14	FY13	% CHANGE
<i>RESIDENTIAL HOUSING & URBAN DEVELOPMENT</i>				
Revenue	\$m	78.3	51.6	52%
Development Costs (including finance costs)	\$m	65.4	39.9	64%
Return on Development Costs	20%	20%	29%	-31%
<i>MULTI-STOREY</i>				
Revenue	\$m	19.0	-	
Development Costs (including finance costs)	\$m	15.4	-	
Development Return	\$m	3.6	-	
Return on Development Costs		23%		

- Group targets a return on development costs of 20% — this was achieved by the development portfolio during the period

- The following projects will contribute to 2H15:

- Concourse Villas (QLD)
- Marina Residences (QLD)
- Dahlia (NSW)
- Whyte (VIC)
- Carre (VIC)

- It is anticipated margins will increase during 2H15 as the above mentioned projects will continue to contribute to the Group's earnings.

No contributions from multi-storey for comparative period.

OUTLOOK

OUTLOOK

1. During the past five years, Sunland has strategically acquired premium development sites that are now contributing to our earnings profile.
2. Sunland continues to maintain a conservative approach to the staged delivery of our portfolio to navigate cycles via appropriate staging.
3. The Group's return to the multi-storey sector is anticipated to generate significant contributions to earnings over the course of the next five years.
4. Sunland's residential housing and urban development portfolio is forecast to perform in line with market conditions.
5. The Group's strong balance sheet, coupled with its access to capital and cash flow forecast, provide a platform upon which sustainable earnings will be delivered to shareholders.
6. Following strategic asset sales, the Group upgrades its guidance to \$28 million net profit after tax for the 2015 financial year.
7. The Directors intend to pay total dividends of 10 cents per share fully franked in FY15, payable as follows:
 - Interim Dividend: 2 cents per share payable 27 March 2015
 - Special Dividend: 6 cents per share payable 27 May 2015
 - Final Dividend: 2 cents per share payable 25 June 2015*

**Usually paid September*

*PORTFOLIO
DETAILS*

PROJECTS UNDER CONSTRUCTION

	PROJECTS UNDER CONSTRUCTION	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS		UNSOLD LOTS	
		(NO.)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)
MULTI-STOREY	Abian, QLD	148	238.8	-	-	148	238.8	127	177.9	21	60.9
	Marina Residences, QLD	84	53.8	58	36.2	26	17.6	3	3.2	23	14.4
	Sub-total	232	292.6	58	36.2	174	256.4	130	181.1	44	75.3
HOUSING	Royal Pines – One Tree Hill, QLD	29	35.3	23	25.8	6	9.5	-	-	6	9.5
	Royal Pines – Concourse Villas, QLD	76	60.0	16	13.3	60	46.7	46	31.4	14	15.3
	Sanctuary Cove BL6&7, QLD	31	27.2	24	21.1	7	6.1	3	2.8	4	3.3
	The Glades – Peninsula, QLD	77	42.5	66	37.1	11	5.4	10	4.9	1	0.5
	Quays, Hope Island, QLD	40	18.1	-	-	40	18.1	18	8.1	22	10.0
	Whyte – Chancellor Residences Lot 21N, VIC	68	39.1	-	-	68	39.1	68	39.1	-	-
	Carré – Springvale, VIC	239	126.0	-	-	239	126.0	176	92.2	63	33.8
	The Gardens – Chirnside, VIC	176	86.8	-	-	176	86.8	93	45.7	83	41.1
	Peregian Springs, QLD	223	105.9	33	15.2	190	90.7	7	3.3	183	87.4
	Dahlia Residences, NSW	171	130.4	-	-	171	130.4	84	66.2	87	64.2
Sub-total	1,130	671.3	162	112.5	968	558.8	505	293.7	463	265.1	
URBAN	Bushland Beach, QLD	1,574	237.7	719	97.4	855	140.3	-	-	855	140.3
	The Glades, Medinah (QLD)	10	5.0	-	-	10	5.0	-	-	10	5.0
	Amytis, NSW	15	8.2	12	6.1	3	2.1	-	-	3	2.1
	Bluestone, VIC	697	101.1	676	96.2	21	4.9	18	4.1	3	0.8
Sub-total	2,296	352.0	1,407	199.7	889	152.3	18	4.1	871	148.2	
Total Projects Under Construction		3,658	1,315.9	1,627	348.4	2,031	967.5	653	478.9	1,378	488.6

PROJECTS TO BE RELEASED

	PROJECTS TO BE RELEASED	YIELD	AVERAGE VALUE OF UNSOLD STOCK
	(NO.)	(\$M)	(\$M)
MULTI-STOREY	Mariners Cove, QLD	347	454.0
	Varsity Lakes, QLD	200	86.6
	Grace, Toowong, QLD	494	450.0
	1 Marine Parade, QLD	168	134.3
	Royal Pines – Marina Village, QLD	120	78.8
	Palm Beach, QLD	162	83.9
	The Lakes, QLD	1,236	731.0
	Sub-total	2,727	2,018.6
HOUSING	The Lakes, QLD	86	55.9
	Sanctuary Cove, QLD, BL2	16	16.5
	Sanctuary Cove, QLD, BL5	19	18.0
	Elanora, NSW	97	104.8
	Palm Beach, QLD	86	55.2
	Warriewood, NSW	80	77.6
		Sub-total	384
URBAN	The Lakes, QLD	74	38.4
	The Heights, Pimpama, QLD	1,062	265.0
		Sub-total	1,136
	Total Projects To Be Released	4,247	2,650

Sunland Group

ESTABLISHED 1983