

# Sunland Group

ESTABLISHED

1983

24 August 2011

The Manager  
Company Announcements  
Australian Securities Exchange

Dear Sir/Madam,

## SUNLAND GROUP ANNOUNCES FULL YEAR PROFIT OF \$21.4 MILLION

- Statutory net profit after tax of \$21.4 million an increase of 17% from previous year net profit \$18.3 million
- Basic Earnings per share of 9.3 cents up from 6.4 cents with represents in crease of 45% based on outstanding shares as at 30 June 2011
- Group consolidated Net Tangible Assets of \$1.55 per share (Australia: \$1.53 and Dubai: \$0.02). This is an increase from \$1.39 from previous corresponding period (30 June 2010) representing 12%
- Group maintains modest and conservative gearing of 6.8% debt to assets and 15.9% debt to equity
- Balance sheet is resilient with a strong cash balance of \$48.8 million and further undrawn credit lines of \$91.4 million
- The Group continues with the share buy-back program following shareholders approval at the 2010 AGM to acquire a further 49.5 million shares, where the Group commenced with 320.4 million issued shares and now has 216.9 million shares on issue as at 23<sup>rd</sup> August 2011. An additional 18.6 million shares remain to be purchased under the current share buy-back program
- Focus remains on the residential housing sector across South East Queensland, Sydney and Melbourne
- Continued strong cash flow forecast from the delivery and settlements of the existing portfolio
- No interim dividend declared as the Group continues its ongoing capital management initiatives under the share buy-back program.

Sunland Group Limited (ASX: SDG) has reported a Net Profit After Tax (NPAT) of \$21.4 million for the full year ended 30 June 2011.

Sunland Managing Director Sahba Abedian said the Group has a threefold strategy of strong fiscal discipline, which includes continuing its capital management initiatives (share buy-back program), maintaining conservative gearing levels and identifying opportunist acquisitions in key geographic markets to further replenish the Group's portfolio.

"Sunland's Australian residential portfolio performed soundly across all geographic markets and portfolio segments in 2010-11, with strong presales totalling \$170 million currently in hand," Mr Abedian said

"However, with the commencement of the current financial year, we are seeing the Australian residential sector face a twofold challenge comprising the headwinds created by the ongoing global financial volatility, and the continued constraints imposed onto the residential markets as a consequence of housing affordability, an environment of credit tightening and the emergence of pricing moderation."

### Australian residential portfolio

The Australian residential portfolio achieved 536 sales and 672 settlements across the Eastern seaboard of Australia for the financial year ending 2011. During the previous corresponding period the Group achieved 857 sales and 661 settlements (30 June 2010).

ROYAL PINES MARINA ROSS STREET BENOWA [PO BOX 1301 SURFERS PARADISE] QUEENSLAND 4217 AUSTRALIA  
*telephone, 07 5564 3700 facsimile, 07 5564 3777 email, office@sunlandgroup.com.au*

*sunlandgroup.com.au*

# Sunland Group

In the last financial year, twenty residential and urban projects were released and/or under construction some of which included The Estate, The Address Sanctuary Cove, Easthill, Concourse, Gardene and Peregian (QLD) Sedyr, The Parc Kellyville (NSW) and Eaton, Chancellor and Bluestone Residences (VIC).

Sunland's Australian pipeline comprises an inventory of 3,217 products with an end value of \$1.4 billion.

## **Dubai**

Dubai continues to be a challenging environment and market conditions remain difficult, albeit an increase in sales for both projects indicating a soft return to the buyer market. Market pricing indicates a return to initial launch prices for many projects including Palazzo Versace and D1, with expectations that the real estate market will continue to remain weak for the foreseeable future.

Construction for Palazzo Versace and D1 residential tower progressed throughout the year with Palazzo Versace now 81% complete and D1 75% complete.

The Board reinforces that Sunland's development projects in Dubai are non-recourse to the parent Group and our Australian operations, with funding risks limited to these projects.

## **Future outlook**

In the year ahead, the Group will continue to maintain its focus on capital management initiatives and to this end, the Directors have not declared a final dividend.

"The share buyback is about creating long-term value for our shareholders and to this end, the continued program has enhanced earnings per share further to 9.9 cents based on issued shares as at 23<sup>rd</sup> August 2011," Mr Abedian said. "We will seek to further grow value in the year ahead by undertaking a further buy-back and replenishing our portfolio through selective and strategic acquisitions."

Sunland Chairman, Mr Terry Jackman, has advised the Board he intends to step down from the position at this year's Annual General Meeting after six years of service and guidance.

The Board of Directors and Management wishes to sincerely thank Mr Jackman for his stewardship during what can only be described as a challenging yet defining period in the evolution of the Sunland Group. It is with great pleasure that the Board intends to nominate Mr Soheil Abedian, founding Director of the Group, to the position of Chairman and Mr Jackman will continue as a Non Executive Director.

Mr Abedian said the Group looks forward to the continuation of its strategy, enunciated by the Board and Executive Management, over the course of the 2011-2012 financial year.

Sunland Group Limited will hold its Annual General Meeting at 11.30am (Brisbane Time) on 25 October 2011, at Palazzo Versace Hotel, 94 Seaworld Drive, Main Beach, Queensland.

Yours faithfully,



**SAHBA ABEDIAN**  
**MANAGING DIRECTOR**

For media enquiries please contact:  
Sarah Dixon, Director  
Rowland  
07 3229 4499 or 0418 748 892