

*ANNUAL
GENERAL
MEETING OF SHAREHOLDERS 2017*

Sunland Group

WE LE L COME.

*THROUGHOUT SUNLAND'S HISTORY,
OUR DESIRE TO CONTRIBUTE TO THE
CREATION OF VIBRANT COMMUNITIES
HAS SET US ON A PATH OF LEARNING AS
WE EXPLORE HOW ARCHITECTURE AND
BEAUTY CAN DEFINE, SHAPE AND ENGAGE
THE URBAN FABRIC OF COMMUNITY LIFE.*

*IN OUR PURSUIT OF EXCELLENCE, WE
CONTINUE TO ADVANCE TOWARDS NEW
HORIZONS IN THE FORMATION OF
SPACES WHICH EMBODY ARCHITECTURE'S
SOCIAL VISION BY CELEBRATING ART
AND DIVERSITY, AND CONTRIBUTING
TOWARDS THE BETTERMENT OF SOCIETY.*

FY17 KEY RESULTS & HIGHLIGHTS

STRONG FINANCIAL RESULT UNDERPINNED BY DELIVERY OF LAND AND HOUSING PORTFOLIO AND THE ABIAN RESIDENTIAL TOWER IN BRISBANE.

- Statutory Net Profit After Tax of \$35.3 million (2016: \$31.5 million).
- Basic earnings per share increased 19% to 22.4 cents.
- Fully franked dividend of 10 cents per share comprising:
 - FY17 interim 4cps paid March 2017
 - FY17 final 4cps paid September 2017
 - Special 2cps paid September 2017.
- Special dividend reflects the contribution from the completion of Abian, Brisbane.
- 524 sales and 597 settlements (2016: 426 sales and 443 settlements).
- Group consolidated Net Tangible Assets per share of \$2.39 (2016: \$2.22)¹.

PORTFOLIO REPLENISHMENT THROUGH STRATEGIC SITE ACQUISITIONS

- \$65.5 million in new site acquisitions:
 - Mount Annan (NSW): \$15.0M
 - Greenmount (QLD): \$26.0M
 - Greenmount adjoining (QLD): \$6.5M
 - Everton Hills (QLD): \$6.0M
 - Hedges Avenue (QLD): \$12.0M.
- Gearing 34% debt to assets; 60% debt to equity.
- Balance sheet provides capacity as at 30 June 2017 of \$14.6 million in cash and \$109.8 million in undrawn working capital.

1. Based on consolidated issued shares as at balance date

FY17

CAPITAL MANAGEMENT

- The Group's combined share buy back programs commenced during 2009 and have reduced the issued shares by more than 50% at an average price of 93 cents per share. These programs have more than doubled the earnings per share profile and greatly enhanced the Group's Net Tangible Asset (NTA) per share.
- The Group's shares on issue have been trading at a discount to NTA, which is providing a continued opportunity for the current buy back program. Furthermore, capital has been deployed for new acquisitions totalling \$65.5 million during the year.
- Fully franked dividends for FY17 comprise an interim payment of 4 cents per share (paid March 2017) and a final payment of 4 cents per share (paid September 2017).
- A special dividend of 2 cents per share fully franked reflects the additional contribution from Abian settlements from July through to August 2017.
- Project finance of \$132 million for Abian has been repaid. An additional five year term facility of \$50 million supplements the bond issue and extends the debt maturity profile to 40.8 months.
- Continued settlements have reduced working capital debt, further improving capacity with undrawn lines currently at \$197 million.
- Debt structures support working capital requirements and provide funding for the longer dated development project profiles.

MARKET OVERVIEW

SOUTH-EAST QUEENSLAND CONTINUES to experience growth and we see good opportunities in niche segments of these residential markets, particularly medium-density and master planned communities.

SECURING QUALITY DEVELOPMENT SITES in the key markets of Sydney and South-East Queensland remains extremely competitive.

MIGRATION AND EMPLOYMENT remain the key drivers of growth in capital city markets, with Sydney and Melbourne performing well. While niche markets are performing soundly, we are observing a period of consolidation in the broader housing market.

PROPERTY VALUES REMAIN INCONSISTENT from city to city, particularly between Sydney/Melbourne and South-East Queensland.

FINANCIAL PRUDENTIAL CONTROLS are exerting their influence across the market and these constraints have resulted in a shift from investors to owner-occupiers as the dominant market.

ORDINARY BUSINESS

MINUTES OF PREVIOUS ANNUAL GENERAL MEETING

FINANCIAL STATEMENTS

ELECTION OF DIRECTORS

REMUNERATION REPORT

OTHER BUSINESS

DEVELOPMENT PORTFOLIO – RESIDENTIAL & COMMERCIAL

The Group’s development portfolio represents 6,284 residential homes, urban land lots and multi-storey apartments, with a combined end value of \$4.4 billion. The emerging retail portfolio has an estimated value of \$283 million on completion, bringing the total portfolio value to \$4.7 billion¹.

<i>TOTAL¹</i> #6,284 \$4,725m	<i>MULTI-STOREY</i> Apartments 3,670 \$3,289m	<i>URBAN</i> Land lots 1,447 \$297m	<i>RESIDENTIAL HOUSING</i> Homes 1,167 \$856m	<i>RETAIL</i> Net lettable area 32,059 m ² \$283m
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TOTAL RESIDENTIAL DEVELOPMENT PORTFOLIO BY GEOGRAPHIC REGION

	TO BE RELEASED		UNDER CONSTRUCTION		TOTAL DEVELOPMENT PORTFOLIO	
	#	\$M	#	\$M	#	\$M
BRISBANE	682	579	41	87	723	666
GOLD COAST	3,646	2,843	355	227	4,001	3,070
SYDNEY	385	357	83	105	468	462
MELBOURNE	-	-	95	49	95	49
QUEENSLAND OTHER ²	458	79	539	114	997	194
Sub-Total	5,171	3,859	1,113	582	6,284	4,441

1. PORTFOLIO VALUES ARE SUBJECT TO DEVELOPMENT APPROVALS FOR VARIOUS PROJECTS.
2. INCLUDES PROJECTS IN TOWNSVILLE AND SUNSHINE COAST, QLD.

FY17 MILESTONES

PORTFOLIO

- Sunland's portfolio is strategically weighted towards South-East Queensland, with our continued expansion into Brisbane and targeted site acquisitions on the Gold Coast.
- The Group's retail portfolio will experience sustainable growth over the next five to ten years as opportunities emerge within our mixed-use developments, providing a diversified annuity income stream.
- The re-emergence of Sunland's multi-storey portfolio has a predominant focus on staged residential apartment developments.
- Contract fall overs are not material, representing less than 2% of revenue. Deposits are forfeited and resales are achieved at contract value or above.
- Sunland completed the sold out, \$240 million Abian residential tower in the Brisbane CBD. This landmark project represents the Group's strategic move to cater to the owner-occupier market, which has significant depth in comparison to the investor market.

POTENTIALLY 8 NEW PROJECTS TO BE LAUNCHED IN FY18

DA APPROVED:

- Arbour Residences, Residential Housing (QLD).
End value: \$49 million
- Magnoli Apartments, Multi-Storey, Residential Housing and Retail (QLD). End value: \$152 million.

DA LODGED:

- 272 Hedges Avenue, Multi-Storey (QLD).
End value: \$204 million
- Greenmount Residences, Multi-Storey and Retail (QLD).
End value: \$366 million
- The Hills Residences, Residential Housing (QLD).
End value: \$47 million
- Montaine Residences, Residential Housing (NSW).
End value: \$91 million.

PENDING DA LODGEMENT:

- The Lanes, Retail (QLD). End value: \$181 million
- The Lanes Residences, Multi-Storey (QLD).
End value: \$278 million.

PORTFOLIO

UNDER CONSTRUCTION

TOWNSVILLE

BAYSIDE

Urban Development

THE TERRACES

Residential Housing

SUNSHINE COAST

SHEA RESIDENCES

Residential Housing

BRISBANE

GOLD COAST

THE HEIGHTS

Residential Housing & Urban Development

MARINA CONCOURSE

Multi-Storey & Retail

THE LAKES RESIDENCES

Residential Housing

ARBOUR RESIDENCES

Residential Housing

SYDNEY

DAHLIA RESIDENCES

Residential Housing

18 MACPHERSON ST

Residential Housing

MELBOURNE

THE GARDENS

Residential Housing

COMING SOON

BRISBANE

THE HILLS RESIDENCES

Residential Housing

GRACE ON CORONATION

Multi-Storey & Retail

CHAPEL HILL

Residential Housing

GOLD COAST

THE LANES RESIDENCES

Multi-Storey

272 HEDGES AVENUE

Multi-Storey

MAGNOLI APARTMENTS

Multi-Storey,
Residential Housing & Retail

GREENMOUNT RESIDENCES

Multi-Storey & Retail

THE LANES

Retail

ONE MARINE PARADE

Multi-Storey & Retail

VARSITY LAKES

Multi-Storey

SYDNEY

INGLESIDE

Multi-Storey & Residential Housing

MONA VALE

Residential Housing

MONTAINE RESIDENCES

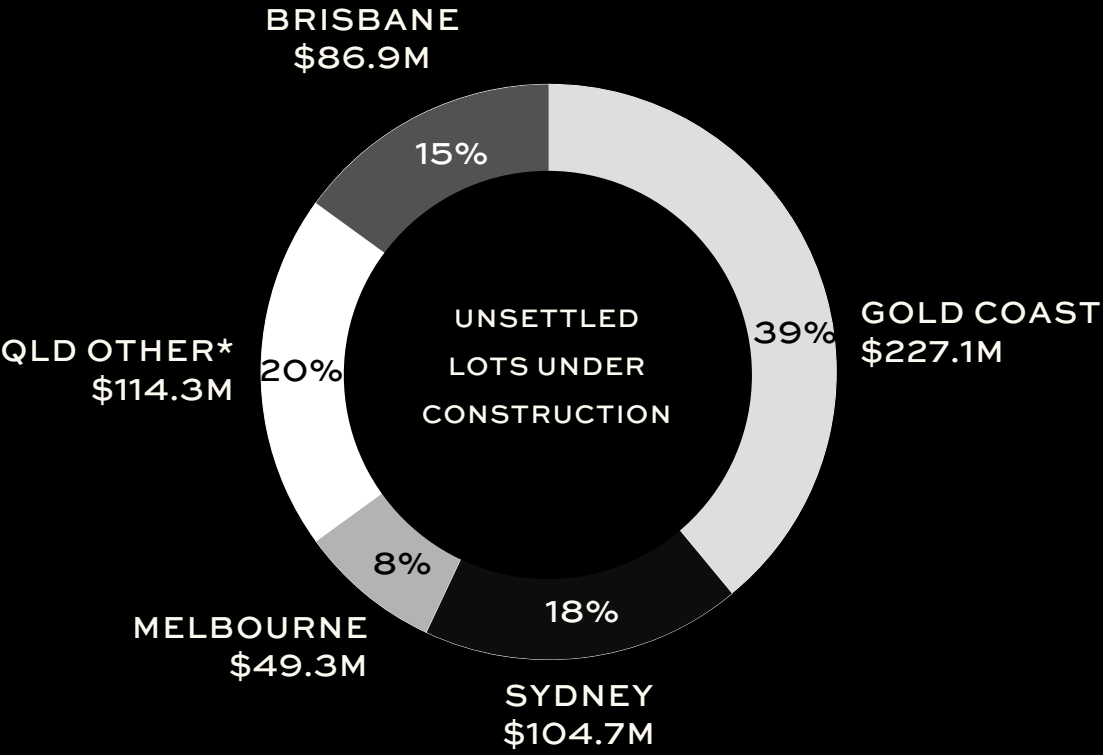
Residential Housing

OPERATIONAL REVIEW

PROJECTS UNDER CONSTRUCTION

	UNSETTLED LOTS		CONTRACTED LOTS		% CONTRACTED LOTS	
	#	\$M	#	\$M	#	\$M
BRISBANE	41	86.9	27	68.2	66%	79%
GOLD COAST	355	227.1	257	160.7	72%	71%
SYDNEY	83	104.7	83	104.7	100%	100%
MELBOURNE	95	49.3	91	47.3	96%	96%
QLD OTHER*	539	114.3	43	20.4	8%	18%
SUB-TOTAL	1,113	582.4	501	401.3	45%	69%

(AS AT 31 AUGUST 2017) * TOWNSVILLE AND SUNSHINE COAST



FINANCIAL PERFORMANCE

RESIDENTIAL HOUSING AND URBAN DEVELOPMENT

- Residential housing and urban development continues to provide a sound earnings profile and will be strategically complemented by the multi-storey portfolio.
- Return on cost achieved the Group's target of 20%.
- The land and housing portfolio is generally leveraged to 35% of inventory value.

MULTI-STOREY

- Contribution from multi-storey development with Abian settlements commenced.
- Contribution from this segment will continue through to FY18 with Abain and Marina Concourse settlements.
- Marketing costs are expensed ahead of revenue recognition which may be material with multi-storey projects.

CAPITAL MANAGEMENT

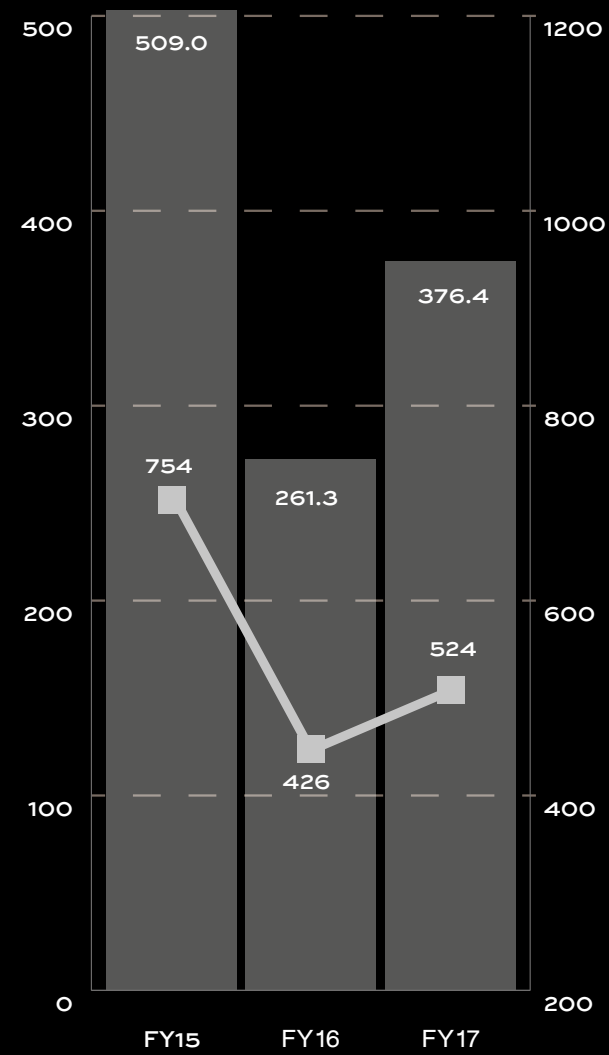
- The Group continued its share buy back program acquiring 7.9 million shares for a total value of \$13.3 million, representing an average of \$1.68 per share.
- The various buy back programs, which commenced in 2009, have decreased issued shares by over 50% at an average price of 93cps.
- Portfolio has continued to be replenished through free cashflow and debt facilities.
- The Group's funding options have broadened and strengthened, with the 2016 five year note issue and an additional five year term facility obtained during this period.
- Funding structures align to match short, medium and longer term programs of the development portfolio.

KEY FINANCIAL HIGHLIGHTS FOR PERIOD ENDING 30 JUNE 2017

		FY17	FY16	% CHANGE
TOTAL REVENUE	\$M	405.5	255.2	59%
STATUTORY NPAT	\$M	35.3	31.5	12%
DEVELOPMENT RETURN ON COST				
LAND AND HOUSING		20%	36%	
MULTI-STOREY		21%	11%	
OVERALL DEVELOPMENT		20%	35%	
DEVELOPMENT TARGET		20%	20%	

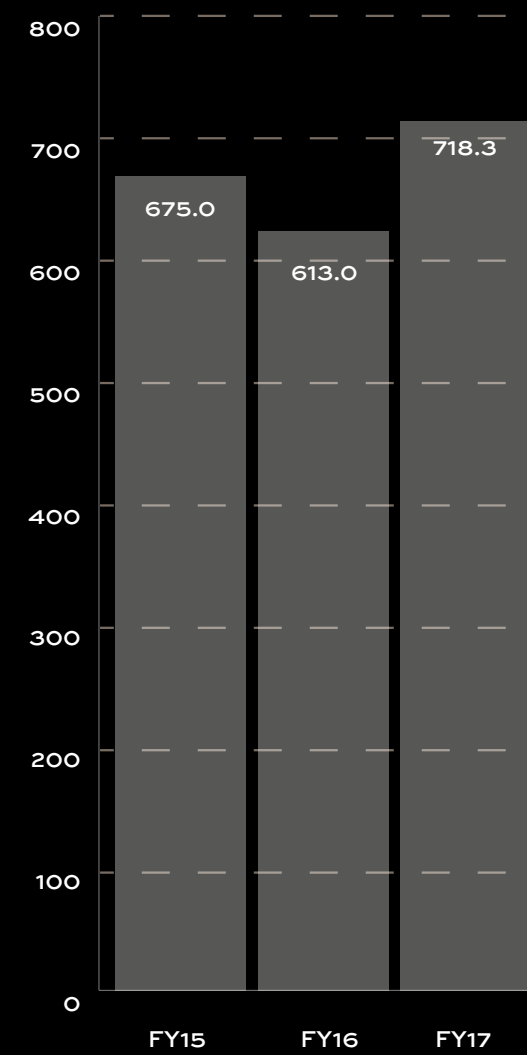
OPERATIONAL REVIEW

SALES AND SETTLEMENTS



■ SALES VALUE (\$M)

■ NUMBER OF SALES



AVERAGE VALUE OF SALES

OUTLOOK

SUNLAND ENTERS FY18 in an active phase of delivery, with 14 residential projects under construction in Queensland, New South Wales and Victoria.

STRONG CASHFLOW generated from the settlement of significant projects, including the luxury Abian residential tower in the Brisbane CBD, will assist in the delivery and replenishment of the portfolio.

FOLLOWING CONSECUTIVE YEARS of strategic site acquisitions, Sunland intends to launch up to eight new residential and retail developments in FY18 with an estimated end value of \$1.4 billion. This includes a substantial expansion of the Group's multi-storey portfolio on the Gold Coast, comprising both high-rise and integrated mid-rise apartment developments, and new residential housing developments in South-East Queensland and New South Wales.

THE GROUP MAINTAINS its conservative approach to portfolio delivery and replenishment and continues to implement a counter-cyclical approach to navigate market cycles and mitigate risk.

SUNLAND'S CAPITAL MANAGEMENT initiatives, strong balance sheet, and access to capital continue to provide a stable platform from which to improve profitability and deliver sustainable shareholder returns.

THE BOARD PROVIDES GUIDANCE of between \$27-\$30 million net profit after tax for FY18. The Board of Directors intend to pay a fully franked dividend for the 2018 financial year of 11 cents per share, payable in two instalments, anticipated in March 2018 and September 2018.

P O R T F O L I O
D E T A I L S

UNDER CONSTRUCTION

	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS		UNSOLD LOTS	
	#	\$M	#	\$M	#	\$M	#	\$M	#	\$M
<i>MULTI-STOREY</i>										
ABIAN, QLD	150	244	137	206	13	38	10	42	3	12
MARINA CONCOURSE, QLD	110	83	-	-	110	83	49	36	61	47
SUB-TOTAL	260	326	137	206	123	121	59	78	64	59
<i>HOUSING</i>										
THE HEIGHTS RESIDENCES, QLD	60	26	-	-	60	26	43	19	17	8
MELIAH, QLD	19	19	18	18	1	1	-	-	1	1
SHEA RESIDENCES, QLD	28	49	-	-	28	49	17	26	11	22
ANCORA, QLD	50	25	34	17	16	8	13	3	3	5
MAGNOLI RESIDENCES, QLD	88	65	57	42	31	23	31	23	-	-
THE GARDENS, VIC	176	88	94	47	82	42	78	40	4	2
CARRÉ RESIDENCES, VIC	239	128	226	120	13	8	13	8	-	-
THE TERRACES, QLD	163	78	94	46	69	33	43	20	26	12
18 MACPHERSON STREET, NSW	79	100	-	-	79	100	79	100	-	-
PAVILIONS, QLD	60	29	52	25	8	5	-	-	8	5
THE LAKES RESIDENCES, QLD	67	62	-	-	67	62	67	62	-	-
DAHLIA RESIDENCES, NSW	170	140	166	135	4	5	4	5	-	-
SUB-TOTAL	1,199	811	741	450	458	361	388	306	70	55
<i>URBAN</i>										
BAYSIDE, QLD	624	106	162	29	462	77	-	-	462	77
ROYAL PINES - ONE TREE HILL, QLD	6	5	-	-	6	5	6	5	-	-
THE HEIGHTS, QLD	269	68	205	49	64	19	48	13	45	12
SUB-TOTAL	899	178	367	78	532	101	54	18	507	89
TOTAL PORTFOLIO UNDER CONSTRUCTION	2,358	1,315	1,245	733	1,113	582	501	401	641	203

PORTFOLIO TO BE RELEASED

	YIELD		UNSETTLED LOTS		UNSOLD LOTS	
	#	\$M	#	\$M	#	\$M
MULTI-STOREY						
GRACE ON CORONATION, QLD	558	502	558	502	558	502
INGLESIDE, NSW	72	61	72	61	72	61
ONE MARINE PARADE, QLD	217	201	217	201	217	201
THE LAKES, QLD	1,192	967	1,192	967	1,192	967
MAGNOLI APARTMENTS, QLD	210	152	210	152	210	152
GREENMOUNT RESIDENCES, QLD	248	366	248	366	248	366
MARINER'S COVE, QLD	439	493	439	493	439	493
VARISTY LAKES, QLD	516	223	516	223	516	223
272 HEDGES AVENUE, QLD	95	204	95	204	95	204
SUB-TOTAL	3,547	3,168	3,547	3,168	3,547	3,168
HOUSING						
INGLESIDE, NSW	99	119	99	119	99	119
CHAPEL HILL, QLD	33	31	33	31	33	31
MONTAINE RESIDENCES, NSW	143	91	143	91	143	91
MONA VALE, NSW	71	87	71	87	71	87
THE HILLS RESIDENCES, QLD	91	47	91	47	91	47
THE HEIGHTS, QLD	272	120	272	120	272	120
SUB-TOTAL	709	494	709	494	709	494
URBAN						
BUSHLAND BEACH, QLD	458	79	458	79	458	79
THE HEIGHTS, QLD	457	117	457	117	457	117
SUB-TOTAL	915	197	915	197	915	197
	5,171	3,859	5,171	3,859	5,171	3,859

THE PORTFOLIO TO BE RELEASED REPRESENTS SUNLAND GROUP'S CURRENT ASSESSMENT OF THE VALUE OF THE UNRELEASED PROJECTS. FACTORS SUCH AS MARKET ASSESSMENTS, FINALISATION OF DESIGN AND APPROVALS FROM LOCAL AND STATE AUTHORITIES WILL INFLUENCE ACTUAL OUTCOMES.

PROJECT SETTLEMENT TIMELINE

PORTFOLIO UNDER CONSTRUCTION

	FY18	FY19	FY20	FY21 & BEYOND
MULTI-STOREY				
ABIAN, QLD				
MARINA CONCOURSE, QLD				
HOUSING				
CARRÉ RESIDENCES, VIC				
THE GARDENS, VIC				
PAVILIONS, QLD				
THE LAKES RESIDENCES, QLD				
THE TERRACES, QLD				
MAGNOLI RESIDENCES, QLD				
ANCORA, QLD				
SHEA RESIDENCES, QLD				
THE HEIGHTS RESIDENCES, QLD				
THE HEIGHTS - PARK TERRACES, QLD				
DAHLIA RESIDENCES, NSW				
18 MACPHERSON STREET, NSW				
MELIAH, QLD				
URBAN				
THE HEIGHTS, QLD				
BAYSIDE, QLD				
ROYAL PINES - ONE TREE HILL, QLD				
NB: ANTICIPATED TIMING OF SETTLEMENTS SUBJECT TO DELIVERY PROGRAMS				

PROJECT SETTLEMENT TIMELINE

PORTFOLIO TO BE RELEASED

	FY18	FY19	FY20	FY21 & BEYOND
MULTI-STOREY				
MARINER'S COVE, QLD				
GRACE ON CORONATION, QLD				
ONE MARINE PARADE, QLD				
GREENMOUNT RESIDENCES, QLD				
272 HEDGES AVENUE, QLD				
MAGNOLI APARTMENTS, QLD				
THE LAKES, QLD				
INGLESIDE, NSW				
VARSITY LAKES, QLD				
HOUSING				
INGLESIDE, NSW				
MONA VALE, NSW				
THE HILLS RESIDENCES, QLD				
MONTAINE RESIDENCES, NSW				
THE HEIGHTS - FUTURE HOUSING, QLD				
THE TERRACES - STAGE 14, QLD				
CHAPEL HILL, QLD				
URBAN				
THE HEIGHTS, QLD				
BAYSIDE, QLD				
RETAIL				
MARINA CENTRAL, QLD				
THE LANES, QLD				
MARINER'S COVE, QLD				
NB: ANTICIPATED TIMING OF SETTLEMENTS SUBJECT TO DELIVERY PROGRAMS				

Sunland Group