ANNUAL GENERAL MEETING 2014

6 November 2014

Sunland Group

ESTABLISHED 1983

WELCOME

2014 has been a DEFINING YEAR *of* MILESTONES FOR SUNLAND *as we celebrated the* GROUP'S *30th anniversary and marked a* NEW CHAPTER *in* OUR HISTORY WITH THE *opening of our* NEW NATIONAL HEADQUARTERS *in Brisbane.*

2015 continues to be CAUSE FOR CELEBRATION *as we mark our 20th anniversary* AS A LISTED ENTITY.

GROUP OVERVIEW & FY14 HIGHLIGHTS

FY14 KEY RESULTS HIGHLIGHTS

STRONG FY14 FINANCIAL RESULT UNDERPINNED BY ENHANCED OPERATIONAL PERFORMANCE & IMPROVING MARKET CONDITIONS

- Statutory Net Profit After Tax of $14.3 million (2013: $13.6 million)
- Earnings Per Share (EPS) of 8 cents (2013: 7.2 cents)
- EPS growth of 11%
- FY14 total fully franked dividend of 4 cents paid
- 629 sales and 446 settlements (2013: 261 sales and 401 settlements)
- Group consolidated Net Tangible Assets per share of $1.96, increasing from $1.87 at 30 June 2013 and by 64% from $1.20 in 2009

PORTFOLIO REPLENISHMENT THROUGH STRATEGIC SITE ACQUISITIONS

- $82.1 million in new site acquisitions across all project segments in Sydney, Brisbane and Gold Coast
- Gearing remains at conservative levels, 18% debt to assets; 24% debt to equity
- Balance sheet capacity totalling $127.5 million comprising of $14.7 million in cash and $112.8 million in undrawn credit lines
- Recently announced projects include:
  – Warriewood, Sydney ($18m) 80 lots for end value $74 million and
  – Lakeview, Gold Coast ($61m)1425 lots for end value $1 billion

2014 FINANCIAL REVIEW

CAPITAL MANAGEMENT

SUNLAND'S THREE-PILLAR STRATEGY OF CAPITAL MANAGEMENT, STRATEGIC PORTFOLIO REPLENISHMENT AND MAINTAINING A CONSERVATIVE BALANCE SHEET CONTINUES TO DRIVE STRONG OPERATIONAL OUTCOMES AND SUSTAINABLE RETURNS FOR SHAREHOLDERS.

DIVIDEND PAYMENTS

- Re-instated dividend payment policy following the completion of share buy-back program.
- Final fully franked dividend of 2 cents per share was paid on 25 September 2014, bringing the total FY14 dividend paid to 4 cents per share.
- Dividend payment ratio of 40%–50% of net operating earnings.

DEBT POSITION

- The Group is well placed, through surplus capacity, to fund strategic development activities
- Gearing remains conservative at 18% debt-to-assets, with a debt maturity profile of 21 months.
- Abian residential tower (QLD) project funding of $130 million (terms are agreed).

SHARE BUY BACK

- Sunland's share buy back strategy commenced in 2009 and formally concluded on July 2013. In total, the buy back purchased 145.2 million shares for $118 million, representing an average of 81 cents per share. As a result, the number of shares on issue have contracted by 45%, from 323.6 million to 178.4 million.
- This strategy has significantly enhanced earnings and NTA per share from $1.20 in 2009 to $1.96 as at 30 June 2014, representing a historic high for Sunland's NTA position in almost two decades as a listed company.

ORDINARY BUSINESS

MINUTES OF PREVIOUS ANNUAL GENERAL MEETING

FINANCIAL STATEMENTS

ELECTION OF DIRECTOR

RENUMERATION REPORT

APPROVAL OF SHARE ISSUE IN RESPECT OF THE SUNLAND EMPLOYEE RETIREMENT FUND (SERF)

APPROVAL OF POTENTIAL TERMINATION BENEFITS TO RELEVENT EXECUTIVES UNDER THE SERF

OTHER BUSINESS

Sunland Group

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LAND & HOUSING

RESIDENTIAL HOUSING
AND URBAN DEVELOPMENT

18 PROJECTS UNDER CONSTRUCTION
2,323 PRODUCTS, $877M END VALUE

FUTURE PROJECT PIPELINE
1,609 PRODUCTS, $864M END VALUE

MULTI-STOREY

MEDIUM-RISE DEVELOPMENTS (5—12 STOREYS)
AND HIGH-RISE DEVELOPMENTS (12+ STOREYS)

2 PROJECTS UNDER CONSTRUCTION
186 UNITS, $265M END VALUE

FUTURE PROJECT PIPELINE
2,727 UNITS, $2,017M END VALUE

PIPELINE AS AT 30 JUNE 2014 OF 5,556 RESIDENTIAL HOUSING,
URBAN DEVELOPMENT AND MULTI-STOREY PRODUCTS WITH $3.2 BILLION END VALUE

PIPELINE AS AT 30 SEPTEMBER 2014 PIPELINE OF 6,845 RESIDENTIAL HOUSING,
URBAN DEVELOPMENT AND MULTI-STOREY PRODUCTS WITH $4 BILLION END VALUE

STRATEGIC APPROACH

SUNLAND COMPLETED THE 2014 FINANCIAL YEAR HAVING DELIVERED ON OUR CORE OBJECTIVES OF PRESERVING A CONSERVATIVE BALANCE SHEET, STRATEGICALLY REPLENISHING OUR NATIONAL PORTFOLIO, AND REINSTATING A DIVIDEND PAYMENT POLICY. THESE ACTIVITIES HAVE STRATEGICALLY POSITIONED SUNLAND'S DEVELOPMENT PIPELINE – GEOGRAPHICALLY, SEGMENTALLY AND FINANCIALLY – TO MAXIMISE OPPORTUNITIES IN OUR ESTABLISHED MARKETS ALONG AUSTRALIA'S EASTERN SEABOARD.

- Delivering existing portfolio and maintaining continuity of pipeline through the acquisition of strategic, infill development sites.
- Expanding core segment of multi-storey development.
- Maintaining an acquisition metric that targets a 20% return on cost.
- Staged delivery to enable the Group to navigate cycles and manage price growth and mitigate cost escalation.
- Maintaining a conservative balance sheet and gearing levels.
- Continuing a counter-cyclical approach towards portfolio replenishment.
- High earnings growth visibility.
- Capital management.

MARKET OVERVIEW

- Securing quality development sites in key markets remains fiercely competitive.

- Geopolitical instability will have an increasing influence consumer sentiment.

- The Sydney and Melbourne markets are outperforming South-East Queensland and are further along the national growth continuum.

- We see great opportunity in the South-East Queensland markets. The Brisbane and Gold Coast residential markets traditionally follow the growth cycles of Sydney and Melbourne and, as such, are now on the cusp of a new phase of growth.

MEDIAN HOUSE PRICE GROWTH

2014 MEDIAN HOUSE PRICE * (MARCH QUARTER)

SYDNEY	$713,000
MELBOURNE	$555,000
BRISBANE/ GOLD COAST	$475,000

2009 MEDIAN HOUSE PRICE * (MARCH QUARTER)

SYDNEY	$565,000
MELBOURNE	$451,000
BRISBANE/ GOLD COAST	$449,000

- S.E. QLD relative to Melbourne the median house price in 2009 was on par
- S.E. QLD relative to Sydney the median house price in 2009 was 25% below
- S.E. QLD relative to Melbourne the median house price in 2014 is 16.8% below
- S.E. QLD relative to Sydney the median house price in 2014 is 50% below

*Source: RP Data-Rismark Home Value Index, April 2009 and April 2014.

FINANCIAL POSITION

AS AT 30 JUNE 2014 THE GROUP'S INVENTORY INCREASED AS A RESULT OF EIGHT STRATEGIC SITE ACQUISITIONS TOTALLING $82.1 MILLION, PROVIDING AN ADDITIONAL YIELD OF 2,250 ALLOTMENTS WITH AN END GROSS REALISATION OF $1.4 BILLION:

- Surplus cash and increased gearing utilised to replenish the Group's development pipeline.
- Acquisitions include residential housing sites in Pimpama (QLD), Hope Island (QLD), Elanora (NSW) and two sites in Kellyville (NSW); and multi-storey development sites in Varsity Lakes (QLD), Toowong (QLD) and Labrador amalgamation (QLD).
- As at 30th September 2014 the Group aquired two further sites Warriewood, Sydney ($18m) 80 lots for end value $74 million and Lakeview, Gold Coast ($61m)1425 lots for end value $1 billion

SUNLAND IS FOCUSED ON THE GROUP'S MAJOR EASTERN SEABOARD MARKETS IN BRISBANE, THE GOLD COAST, SYDNEY AND MELBOURNE.

BALANCE SHEET CAPACITY TO SUPPORT PORTFOLIO REPLENISHMENT AND DELIVERY OF PROJECTS RELEASED:

- $14.7 million in cash and $112.8 million in undrawn credit lines.

OPERATIONAL REVIEW—SALES & SETTLEMENTS

OPERATIONAL PERFORMANCE (YEAR ENDING 30 JUNE)

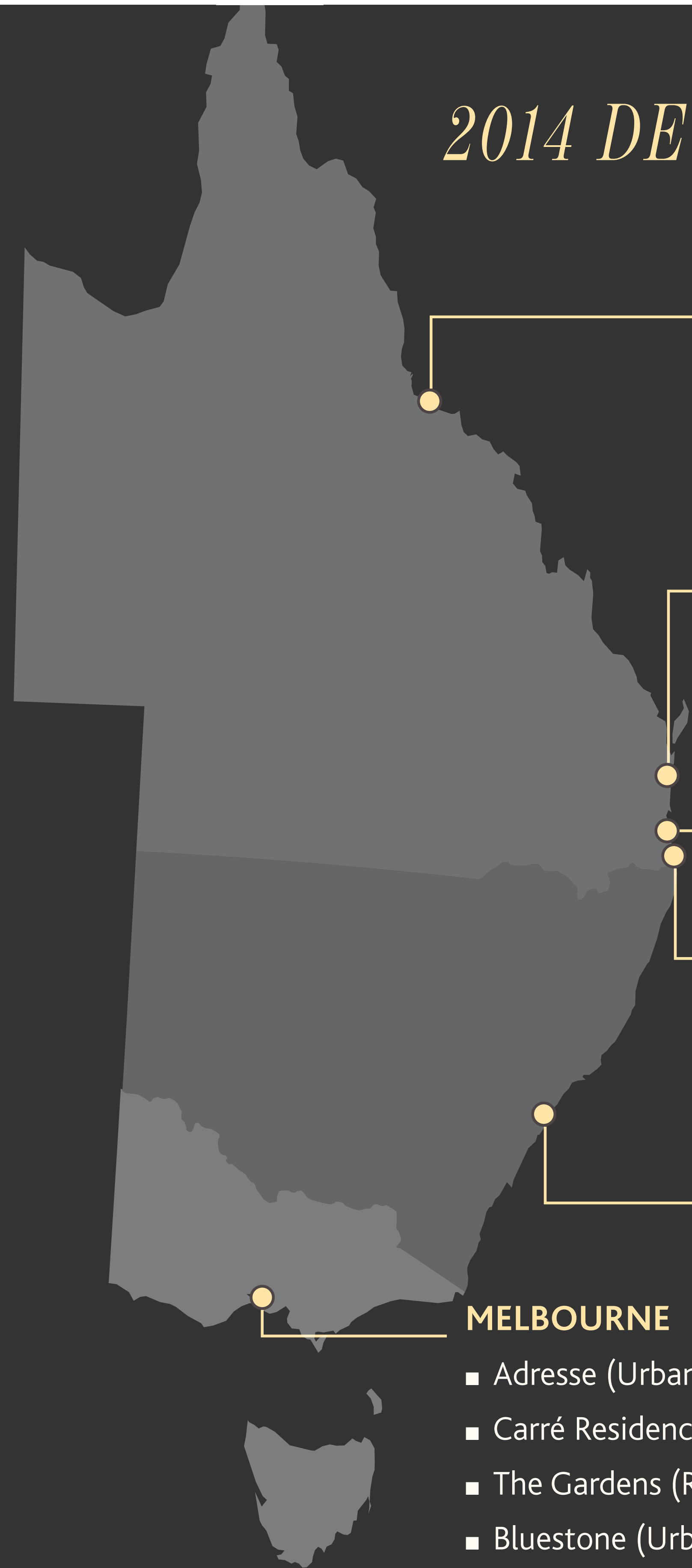
		FY14	FY13	% CHANGE
SALES				
Value	$m	**389.0**	128.2	203%
Volume	no.	**629**	261	141%
Average price	$k	**618.4**	491.2	26%
SETTLEMENT				
Value	$m	**178.1**	155.9	14%
Volume	no.	**446**	401	11%
Average price	$k	**398.9**	388.8	3%

CONTRACTED PRESALE JUNE 2014		
Value	$m	**323**
Volume	no.	**436**

CONDITONAL/UNCONDITIONAL CONTRACTS SEPT 2014	
#	$m
555	**$397.3**

- Group sales value of $389 million (up 203%) was supported by the successful launch of Brisbane high rise project, Abian, which achieved 110 contracted sales totalling $139 million in FY14. Further contracts are in the pipeline valued in excess of $20 million.
- Increase in average sales values influenced by release of multi-storey projects Abian (Brisbane) and Marina Residences (Gold Coast).
- Settlements of $178.1 million (up 14%) was underpinned by the Group's housing projects and land subdivision developments, plus a contribution from the reintroduction of multi-storey.
- Positive sales volume and price trends expected to continue in FY15.

2014 DEVELOPMENT PORTFOLIO AND 2015 RELEASES



LEGEND
- ■ In Construction
- ✦ *2015 Releases*

TOWNSVILLE
- ■ Bushland Beach (Urban Development)

SUNSHINE COAST
- ■ The Pavilions (Residential Housing)
- ✦ *The Terraces–The Pavilions (Residential Housing)*

BRISBANE
- ■ Abian (Multi-Storey)
- ✦ *Grace on Coronation* (Multi-Storey)

GOLD COAST
- ■ Marina Residences (Multi-Storey)
- ■ The Address (Residential Housing)
- ■ Peninsula (Residential Housing)
- ■ Concourse Villas (Residential Housing)
- ■ North Hill (Residential Housing)
- ■ Quays Hope Island (Residential Housing)
- ✦ *Lakeview (Residential Housing & Multi-Storey)*
- ✦ *Palm Beach (Residential Housing & Multi-Storey)*
- ✦ *The Parkway–Sanctuary Cove (Residential Housing)*
- ✦ *Concourse Marina Central (Residential Housing)*
- ✦ *Meliah (Urban Development)*

SYDNEY
- ■ Dahlia Residences (Residential Housing)
- ■ Parc Residences (Residential Housing)
- ✦ *Warriewood (Residential Housing)*
- ✦ *Melia (Residential Housing)*

MELBOURNE
- ■ Adresse (Urban Development)
- ■ Carré Residences (Residential Housing)
- ■ The Gardens (Residential Housing)
- ■ Bluestone (Urban Development)
- ✦ *Vayle (Residential Housing)*

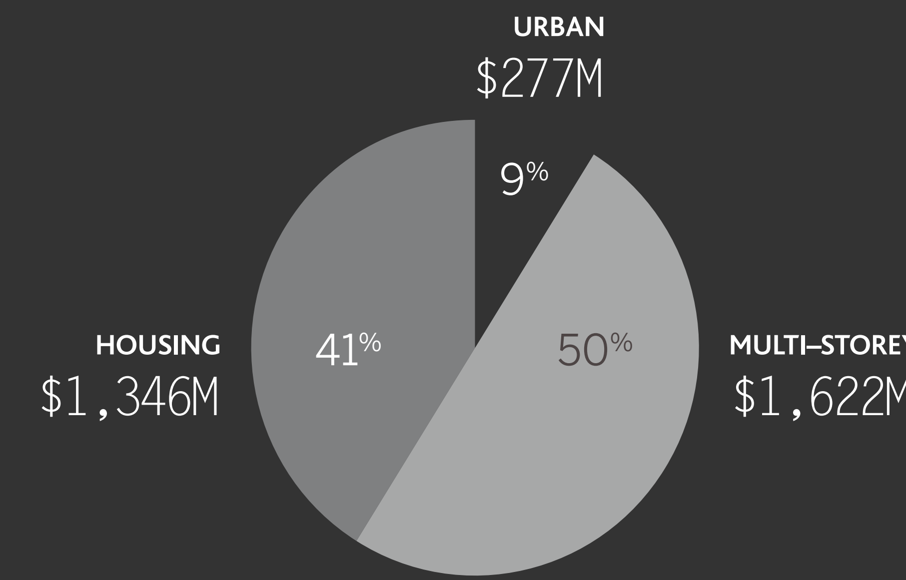
2015 RELEASES

	(no.)	($m)
MULTI-STORY		
Grace on Coronation (Brisbane)	494	450
Concourse Marina Central (Gold Coast)	120	78.8
Lakeview (Gold Coast)	1,236	731
Palm Beach (Gold Coast)	162	82.5
HOUSING		
Palm Beach (Gold Coast)	86	55.2
Lakeview (Gold Coast)	86	55.9
The Terraces – Pavillions (Sunshine Coast)	163	77.5
The Parkway – Sanctuary Cove (Gold Coast)	35	34.5
Warriewood (Sydney)	80	71.2
Melia (Sydney)	60	42.5
Vayle (Melbourne)	45	26.2
URBAN		
Lakeview (Gold Coast)	74	38.4
Medinah Glades (Gold Coast)	10	5.00
TOTAL	2,651	1,748.7

OPERATIONAL REVIEW—TOTAL DEVELOPMENT PORTFOLIO

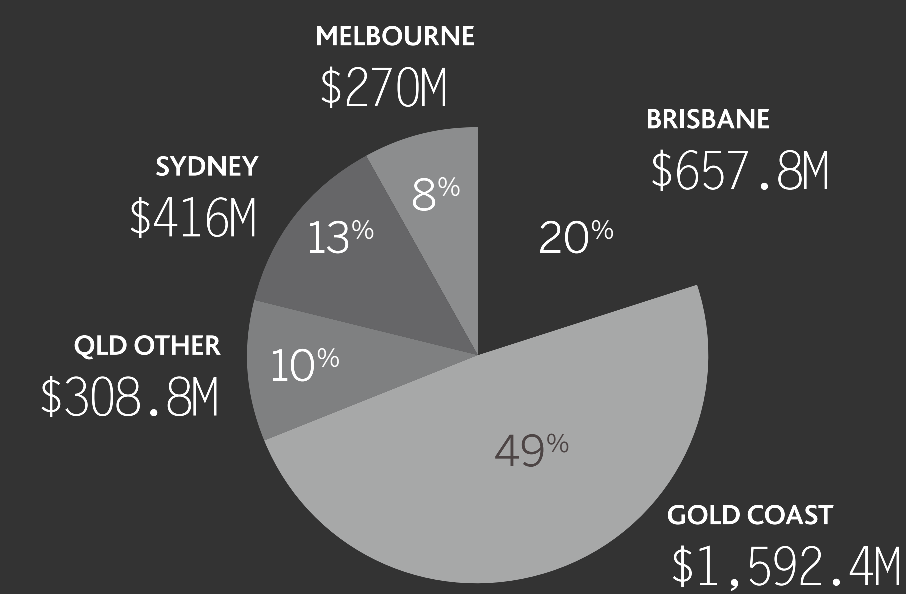
TOTAL DEVELOPMENT PORTFOLIO BY PROPERTY TYPE (AS AT 30 JUNE 2014)

	TO BE RELEASED		UNDER CONSTRUCTION		TOTAL DEVELOPMENT PORTFOLIO	
	(no.)	($m)	(no.)	($m)	(no.)	($m)
Multi-Storey	1,477	1,342	208	279.1	1,685	1,622
Housing	1,540	825	911	521.0	2,451	1,346
Urban	0	0	1,420	277.0	1,420	277
Sub-Total	3,017	2,168	2,539	1,077	5,556	3,245



TOTAL DEVELOPMENT PORTFOLIO BY GEOGRAPHIC REGION (AS AT 30 JUNE 2014)

	TO BE RELEASED		UNDER CONSTRUCTION		TOTAL DEVELOPMENT PORTFOLIO	
	(no.)	($m)	(no.)	($m)	(no.)	($m)
Queensland	2,665	1,896	1,513	663	4,178	2,559
Victoria	45	26	984	390	1,029	416
New South Wales	307	245	42	25	349	270
Sub-Total	3,017	2,168	2,539	1,077	5,556	3,245



OUTLOOK

ONE

Sunland is firmly focused on the delivery of its portfolio, with a further ten new projects comprising a total yield of 2,651 allotments valued at $1.748 billion, scheduled to be launched in FY15.

TWO

During the past five years, Sunland has strategically positioned itself with site acquisitions that will provide greater visibility of earnings for the Group.

This demonstrates the enduring value of the Group's counter-cyclical approach to acquiring strategic sites at opportunistic points in the market cycles.

THREE

Sunland's return to multi-storey developments are expected to greatly enhance earnings per share in the medium-term. Similarly, the Group's residential housing and urban development segment is forecast to perform in line with market conditions.

FOUR

While the geopolitical instability will have an influence on consumer sentiment and the domestic economy potentially poses challenges, the Directors believe Sunland's strong balance sheet, access to capital and cash flow forecast provide a stable platform from which to improve profitability and deliver sustainable shareholder returns.

FIVE

The Board of Directors re-affirms guidance of $20 million net profit after tax for the 2015 financial year.

SIX

Sunland will maintain a dividend payout ratio of 40—50% of net operating earnings after tax.

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