SUNLAND GROUP LIMITED

ABN 65 063 429 532

Profit announcement
Year ended 30 June 2009

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Corporate Information

DIRECTORS
Terry Jackman (Chairman)
John Leaver
Ron Eames
Soheil Abedian
Sahba Abedian

COMPANY SECRETARY
Grant Harrison

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Level 2, 3184 Surfers Paradise Boulevard
Surfers Paradise Qld 4217
Telephone 07 5564 3700
Facsimile 07 5564 3777
www.sunlandgroup.com.au

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Melbourne Vic 3004
Telephone 03 9867 5511
Facsimile 03 9867 5311

Sydney
Level 42, Suncorp Place
259 George Street, Sydney NSW 2000
Telephone 02 9251 5477
Facsimile 03 9251 3577

Dubai
Building 6
Gold and Diamond Park
Interchange 4
Sheik Zayed Road, Dubai, U.A.E
Telephone +971 4 341 8663
Facsimile +971 4 324 2767

Stock Exchange
The Company is listed on the Australian Stock Exchange.
The Home Exchange is Brisbane.

Share Registry
Link Market Services Limited
Locked Bag A14, Sydney South, NSW 1235 Australia
Telephone 1300 655 149 (Australia)
(+612) 8280 7917 (Overseas)

Auditors
Ernst & Young
Level 5 Waterfront Place
1 Eagle Street
Brisbane Qld 4000

Solicitors
DLA Philips Fox
1 Eagle Street
Brisbane Qld 4000

Bankers
ANZ Banking Group Ltd
324 Queen Street
Brisbane Qld 4000

BOS International
Level 32 Waterfront Place
1 Eagle Street
Brisbane Qld 4000

St George Bank Ltd
345 Queen Street
Brisbane Qld 4000

Consolidated Financial Summary

	Year Ended 30 June			
	2009	2008	2007	2006
Financial Position ($ millions)				
Shareholders' Equity	384.6	546.7	500.2	283.0
Total Assets	897.0	981.4	780.4	783.6
Cash [1]	170.1	113.4	115.9	55.5
Financial Performance ($ millions)				
Total Revenues	506.0	497.1	634.3	488.7
Statutory Profit/(loss) after tax	(145.1)	99.0	88.1	72.3
Underlying Profit after tax (2)	53.2	99.0	88.1	72.3
Market Performance				
Market capitalisation at balance date ($ millions)	214.7	733.4	1,302.3	547.6
Share price at balance date ($)	0.67	2.27	4.08	2.18
Key Measures				
Basic earnings per share (cents)	(44.9)	30.8	29.7	28.9
Net tangible assets per share ($)	1.20	1.69	1.57	1.11
Gearing				
- (debt/equity)	11%	15%	20%	125%
- (debt/assets)	5%	8%	13%	45%
Interest cover (times) (4)	4.5	9.4	3.7	4.2
Return on equity	(38%)	18%	18%	26%
Fully franked ordinary dividend per share (cents)(3)	10.0	14.0	13.5	12.5

(1) The 2009 cash balance includes $54.3m of restricted cash (2008: $25.6m). Restricted cash represents instalments made by purchasers in relation to Dubai sales which are administered by an external Trustee and can be used by the Group to fund Dubai construction costs. These amounts were not recognised as cash prior to 2008 periods.
(2) Underlying Profit after tax is calculated by adding back to the statutory loss amounts for diminution and impairment of assets and other one off non cash charges, and deducting unrealised revenue included in the result. Refer note 12 Appendix 4E for reconciliation.
(3) Dividend payment reflects dividends declared and paid during the year. No final dividend has been declared for this period.
(4) Interest cover is calculated by adding back to Underlying Profit amounts for finance costs, depreciation and amortization then dividing by finance costs.

This statement outlines the extent to which the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (ASX CGC) have been followed.

Sunland recognises that good corporate governance is about doing the right things for the shareholders and other stakeholders in the business. It extends far beyond compliance with regulations and penetrates deep within the organisation. At the core is a sound culture that allows the principles of good corporate governance to thrive.

Throughout the year, the Board, through the Corporate Governance and Audit Committee, has again focused closely on existing and emerging corporate governance issues. Sunland Group Limited's corporate governance practices were in place throughout the year ended 30 June 2009 and were compliant with the Council's updated principles and recommendations, except where disclosed below.

1 ROLE AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

ASX CGC Principle No. 1 - Lay solid foundations for management and oversight

Role of the Board

The Board Charter of the Company deals with the composition and responsibilities of the Board. The Board of Directors is pivotal in the relationship between shareholders and management and the roles and responsibilities of the Board underpin corporate governance. Sunland's Board provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board's responsibilities include:

- strategic guidance and effective oversight of management;
- contribution to, and approval of, the corporate and business strategy of the Group including setting performance objectives, monitoring implementation of the strategy and overseeing major capital expenditure and acquisitions;
- monitoring financial performance including preparation of financial reports and liaison with auditors;
- monitoring the respective roles and responsibilities of Board members, the Company Secretary and senior executives, reviewing key executive and Board remuneration and ensuring a formal and transparent Board nomination process;
- appointment, and assessment of the performance of the Executive Directors; and
- ensuring that material business risks have been identified and appropriate controls and procedures implemented.

Delegation of Board Authority

The entrepreneurial and day to day activities of the Group are formally delegated by the Board to the Managing Director and Executive Committee. The Board's role is to monitor and measure the activities carried out by the management team.

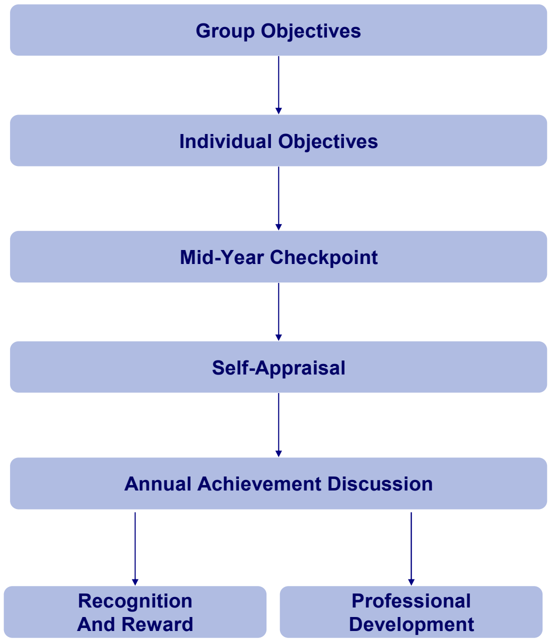
Appointment and Induction

Each Director is provided with a formal appointment letter setting out the key terms and conditions of their appointment. In addition all senior executives are also provided with formal appointment letters, which include expectations of their role, term of appointment, termination entitlements and rights and responsibilities. On appointment, all senior executives are provided with an induction program to allow them to participate fully in the decision making and management of the company as soon as possible.

Performance and Evaluation of Executives

The Chart below summarises the Group's revised people development system. Application of the revised people development system commenced during 2008/09.

Sunland Group
People Development System



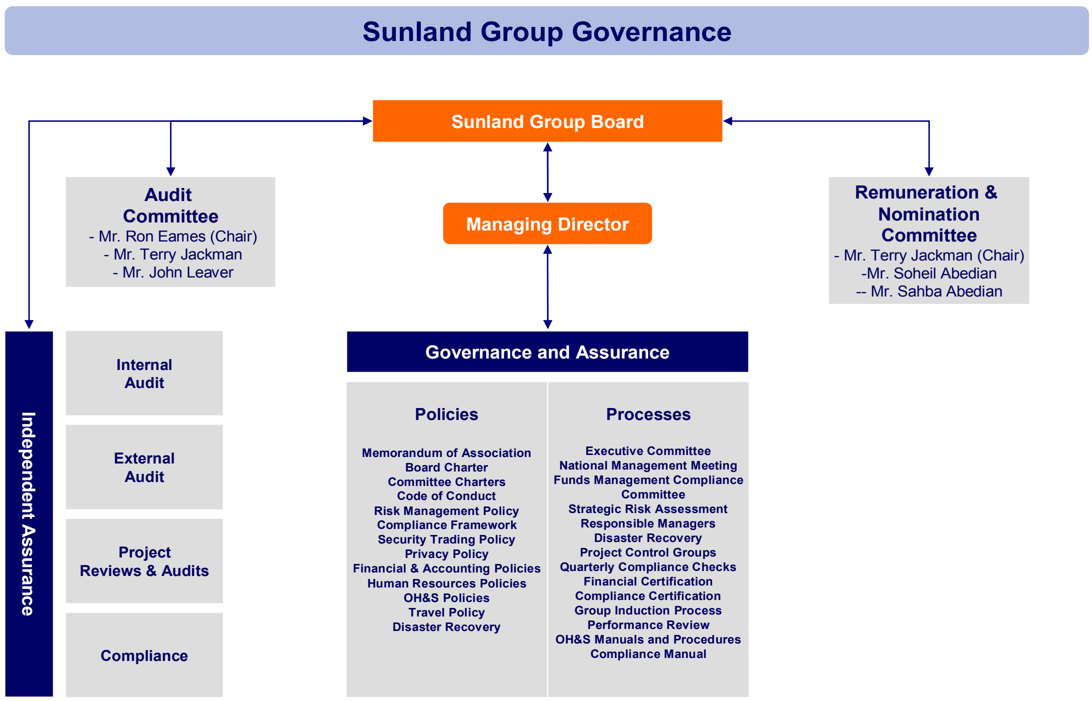
Oversight of Executive and Board performance is provided by the Remuneration and Nomination Committee. The development of individual talent and outstanding personal performance requires leadership and effective supporting frameworks. Our revised people development system is based on clear goal setting, honest career development discussions and ongoing feedback about performance. Sunland supports a balanced approach which rewards Group accomplishments and recognises individual initiative and exceptional effort. The annual achievement discussion not only sets the forthcoming year's objectives, but is also an appraisal of the achievement of objectives for the previous year. Performance evaluation of the Managing Director and other senior executives is undertaken annually and has been undertaken for the year ended 30 June 2009.

Governance Document	The Board Charter is available at http://www.sunlandgroup.com.au/menu02.html

2 COMPOSITION OF THE BOARD

ASX CGC Principle No. 2 - Structure the Board to add value

The Group governance arrangements are summarised in the chart below.



Board Composition
The Board composition ensures a balance of diversification – by skills and experience as well as geographically. Sunland's existing Board structure comprises three non-executive Directors (all of whom are independent) and two executive Directors. The names, skills and experiences of the Directors who held office during the financial year and as at the date of this Statement, and the period of office of each Director, are set out in the directors' report.

The Board considers that, given the Chairman is independent, and that the Board comprises a majority of non-Executive Directors and has an appropriate mix of skills and expertise, a Board comprising three out of five independent directors is appropriate for the effective direction of the Group.

Board Members
The Directors of the Company in office at the date of this statement are set out below:

Director	Independent	Appointed
Executive Directors		
Mr Sahba Abedian	No	January 2001
Mr Soheil Abedian	No	March 1994
Non-Executive Directors		
Mr Terry Jackman	Yes	May 2004
Mr Ron Eames	Yes	March 2006
Mr John Leaver	Yes	March 1994

Directors' independence
The independence of Directors is reviewed by the Remuneration and Nomination Committee and the Board, either annually, or when changes to interests are disclosed. A determination of the independence of non-executive Directors is based on the Board's ongoing assessment of whether that Director is free of any material business or other relationship that could reasonably be considered to interfere with the exercise of their independent judgement.

In assessing the independence of a Director, the Board will have regard to the guidelines contained in the publication issued by the Australian Investment Managers' Association (AIMA) and the ASX CGC's principles and recommendations. Failure to meet one of these guidelines does not automatically mean that the Director is not independent. The Board will consider all relevant facts and circumstances when making its decision.

Factors considered in the assessment of independence include whether the Director:

- is not a substantial shareholder, officer of or otherwise associated directly with a substantial shareholder of Sunland Group;
- has not been employed in an executive capacity by Sunland Group within the last three years;
- is not a principal of a material professional adviser or a material consultant to Sunland Group or another Group member (which has a material impact on the results of the Group). Where the Director is a principal or employee of a professional adviser, the Director does not participate in the consideration of any possible appointment and does not participate in the provision of any service to Sunland by that adviser, unless the Board otherwise resolves;
- is not a material supplier or customer of Sunland Group, or associated with a supplier or customer;
- does not have any significant contractual relationships with Sunland Group or another Group member other than as a Director of Sunland Group;
- is free from any interest and any business or other relationship which could, or reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Sunland Group;
- has not served on the Board for a period which could materially interfere with the Director's ability to act in the best interests of the Company;
- Directors consider materiality to be breached in circumstances where:
    - a professional advisor, consultant or supplier are the sole provider of particular goods or services, as access to other providers is limited sufficiently due to speciality or supply, that an arms length agreement can not be negotiated
    - The revenue generated by the provider of the goods and services to Sunland Group are greater than 15% of their total revenue
    - The payment by Sunland to the provider of the goods and services is greater than 15% of total expenses

The Board considers that all three of the non-executive Directors, including the Chairman, are independent.

Mr John Leaver is a Director of substantial shareholder CVC Ltd (8.8% of issued capital as at 30 June 2009), however he is one of five Directors of CVC and is a non-executive director. The Board has therefore assessed Mr Leaver as an independent Director of Sunland Group. Mr Ron Eames is a partner of DLA Phillips Fox law firm, which is one of a number of law firms that provide legal advisory services to Sunland Group. DLA Phillips Fox are not the exclusive provider of legal services to Sunland Group and provide legal services to Sunland on normal commercial terms and conditions through various Partners depending on the area of law that advice is sought. DLA Philips Fox advise that the materiality assessed by the Board in relation to percentage of revenue generated by Sunland Group is not breached. Directors have confirmed the materiality in relation to expenses of Sunland Group is not breached. The Board therefore considers that, having regard to Mr Eames' limited direct advice to Sunland Group, the amount of fees paid to DLA Phillips Fox and the varied nature of the services provided, DLA Phillips Fox is not a material professional adviser for the purposes of independence, and Mr Eames is therefore an independent director.

The Chairman
The Chairman, Mr Terry Jackman, is considered by the Board to be an independent non-executive Director. Mr Jackman has been Chairman since November 2005. The Chairman plays a crucial role in ensuring the Board works effectively and responsibly.

Separation of duties
The roles of the Chairman and Managing Director are not exercised by the same individual, with Mr Terry Jackman being Chairman and Mr Sahba Abedian, Managing Director. The Chairman is responsible for guiding the Board in its duties. The Managing Director, along with the Executive Management team, is responsible for the day to day management of the Group's business activities.

Independent professional advice
Directors may seek independent advice on business acquisitions or for strategic direction at the Company's expense, following the Chairman's consent.

Conflicts of Interest
The Board has set guidelines for its members for declaring and dealing with potential conflicts of interest which include:

- Board members declaring any interests as prescribed under the Corporations Act 2001 (Cth), ASX listing rules and the general law; and
- Board members with a material personal interest in a matter not being present or voting at a meeting of the board during any consideration of or voting on the matter, unless the Board (excluding the relevant board member) resolves otherwise.

Terms and conditions of appointment, re-election and retirement
In accordance with the Company's constitution, the Directors may appoint a person to be a Director, either in addition to the existing Directors, or to fill a casual vacancy, provided there are not less than three and not more than ten Directors at any one time. A person may also be elected to the office of Director if that person has been nominated for election, or if a member has expressed his or her desire to be a candidate for election. At each Annual General Meeting (AGM), any such Director appointed must retire from office at the next AGM following his or her appointment. In addition to this, one third of the remaining Directors and any other Director who will have been in office for three or more years and for three or more AGMs since they were last elected must retire from office. The Directors required to retire at the AGM are the Directors who have been longest in office since their last election. Any Director retiring from office is eligible for re-election. If the office vacated is not filled, then that retiring Director is taken to have been re-elected, unless it is expressly resolved not to fill that vacated office, or a resolution is put and lost for the re-election of that Director.

Remuneration of Directors
Directors are paid remuneration as determined by the Company at a general meeting. Remuneration may be either a stated salary or a fixed sum determined at the meeting, or both, or a share of a fixed sum determined at the meeting to apply to all Directors, to be divided between them as they agree or failing agreement, equally. If a Director performs extra services or makes special exertions in relation to the affairs of the Company, they may be entitled to a special remuneration, either in addition to or as a substitution for that Director's remuneration. In addition to this, the Directors may decide to pay a pension or lump sum payment in respect of past services, for those Directors who have died or otherwise have ceased to hold office.

To support the Board in its responsibilities, a Corporate Governance and Audit Committee and Remuneration and Nomination Committee have been established.

Performance of the Board
It is the role of the Remuneration and Nomination Committee to evaluate the Board's performance, ensuring that appropriate procedures exist to assess the performance of Directors, Executive Committee members and the Board as a whole. The Committee meets annually to consider Board and director performance.

Board and Committee meetings
The attendance by directors at Board and Committee meetings is included in the Directors' Report. The Board meets without executive directors and management being present when required.

The Company Secretary assists the Board by ensuring timely despatch of the board agenda and papers and providing governance advice. All Directors have access to the Company Secretary. The details of the Company Secretary's qualifications and experience are included in the Directors' Report.

Board Committees
The Board has established two standing committees, each of which has a formal charter detailing its role. Each Committee reports back to the board after each meeting and recommends items to the board for decision as appropriate. Detail in regard to the number of meetings, and attendance by members, is provided in the Directors' Report.

Corporate Governance and Audit Committee
Sunland established a Corporate Governance and Audit Committee in December 2002 and it comprises a majority of independent non-executive Directors. The Committee comprises non-executive Directors, Mr Ron Eames (Chair), Mr John Leaver and Mr Terry Jackman. Further details are set out in Principle 4.

Remuneration and Nomination Committee
The Remuneration and Nomination Committee comprises Non-executive Director Mr Terry Jackman (Chair) and Executive Directors Mr Sahba Abedian and Mr Soheil Abedian. Its charter includes the assessment of new Board candidates and making recommendations to the Board for consideration, evaluation and formal approval. When a Board vacancy occurs Directors are asked to nominate suitable candidates.
Further details are set out in Principle 8.

Governance Document	The Corporate Governance and Audit Committee Charter is available at http://www.sunlandgroup.com.au/menu02.html
Governance Document	The Remuneration and Nomination Committee Charter is available at http://www.sunlandgroup.com.au/menu02.html

3 ETHICAL AND RESPONSIBLE DECISION MAKING

ASX CGC Principle No. 3

Promote ethical and responsible decision-making

Code of Conduct

A Code of Conduct applies to all employees of the Group. The Code of Conduct forms part of employment contracts and sets out the principles which all directors and employees are expected to uphold in order to promote the interests of the Group and its shareholders. In addition, Directors, management and staff are expected to comply with the performance duties outlined in their respective schedule of duties, policies regarding internet and email use, policies and guidelines in relation to the Privacy Act, SPAM Act and relevant workplace health and safety legislation.

The Group has appointed an internal Complaints Handling Officer. The Complaints Handling Officer would coordinate the investigation and reporting of any instances of unethical conduct. Sunland employees can also contact the Complaints Handling Officer for information and assistance in the management and resolution of a workplace dispute or Code of Conduct incident.

Security Trading Policy

Under the Group's Trading Policy directors and designated officers (as determined by the Audit Committee from time to time) must obtain approval from the Chairman and an independent director prior to undertaking any trade. Similarly members of the Executive with knowledge of reporting disclosures must first consult the Managing Director and Company Secretary before trading is undertaken.

Directors and designated officers may trade in Sunland shares, without notification during nominated trading 'windows' which are typically of four weeks duration and follow Sunland's announcements of its half year and annual profit results, and the Annual General Meeting. Irrespective of these approval stipulations, if any individual is in possession of any non-public, price-sensitive information relating to Sunland, then that person is prohibited from trading.

This policy also prohibits Directors from utilising margin lending facilities to fund existing Sunland Group share holdings and any future Sunland Group share purchases.

Further information on the trading in securities by directors and other office holders is outlined in the Group's Security Trading Policy available on the Sunland Group website.

Governance Document	The Security Trading Policy is available at http://www.sunlandgroup.com.au/menu02.html
Governance Document	The Code of Conduct is available at http://www.sunlandgroup.com.au/menu02.html

4 INTEGRITY IN FINANCIAL REPORTING

ASX CGC Principle No. 4

Independently verify and safeguard integrity in financial reporting

Certification of financial reports

The Company complies with ASX and ASIC requirements for the timely and accurate reporting of the Group's financial activities, ensuring that the Group discloses all information which has a material impact on shareholders. This includes the Annual Financial Report, Half Yearly Report, revised forecasts, new site acquisitions and changes in Directors' interests.

The Managing Director, along with the Company Secretary/Chief Financial Officer, is responsible for providing updates to the Board on the financial performance of the Group. Further the Managing Director and Chief Financial Officer review the half yearly and annual financial statements of the Group prior to tabling at the Corporate Governance and Audit Committee for review and recommendation to the Board. The financial statements are then recommended to, and approved by, the Board before being announced to the ASX.

Corporate Governance and Audit Committee

Under its charter, the Corporate Governance and Audit Committee (Audit Committee) must comprise at least three non-Executive Directors, with a majority of independent Directors. The Chairman of the Audit Committee must be an independent non-executive Director and must not be the Chairman of the Board.

The members of the Audit Committee at the date of this statement are identified under Principle 2 and details of meetings attended are outlined in the Directors report. Committee members bring a range of financial, legal, commercial and industry experience and expertise. Permanent invitees include the Chief Financial Officer; the Group Financial Controller and the Group's external auditors.

The Sunland Group Audit Charter provides for the following:

Role of the Audit Committee

The primary role of the Audit Committee is to assist the Board in:

- Monitoring corporate risk management, internal control and compliance processes;
- Monitoring compliance with laws and regulations and code of conduct for the Sunland Group;
- Monitoring the integrity of the Sunland Group's statutory financial reports and statements and financial and accounting controls; and
- Reviewing the achievement of best practice in the implementation of corporate policies and compliance processes.

The Audit Committee is also responsible for consideration in regard to the appointment of company external auditors. The Committee reviews the terms of engagement and fees, including any engagement letter issued at the start of each audit, and provides assessment of the independence of the external auditor. In line with requirements of the Corporations Act and professional standards the Group requires the audit partners and review partners of its external auditor to rotate every 5 years. The External Auditor must manage its audit team members to ensure adequate rotation of staff.

The Audit Committee meets with the external auditor when required without Executive Directors and management present.

5 CONTINUOUS DISCLOSURE TO ASX

ASX CGC Principle No. 5

Make timely and balanced disclosure

The company believes that shareholders, regulators, rating agencies and the investment community generally, should be informed of all major business events and risks that influence the company in a factual and timely manner. It is important that all investors have equal and timely access to material information concerning Sunland. To that end, a process is in place to ensure that any issues regarding ASX Listing Rules and/or material change in the Company's business including, but not limited to, project budget or delivery changes, site acquisition, revised forecasts, sales performance, changes in Directors' interests, half yearly and annual results, and shareholder information, are announced through the ASX. All ASX announcements are available on the Group's website.

The Group's Company Secretary is responsible for communication with the ASX including responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and oversight of information distributed to the ASX. Development of a documented market disclosure policy commenced in 2008/2009.

Stakeholders

Under the direction of the Managing Director, Sunland liaises with various stakeholders either directly through formal presentations to corporates, institutions, and individuals, or via representative brokers and analysts to provide regular updates on the Group's business activities. The Group's corporate advisors support the communication efforts of the Group to ensure it complies with its obligations to key stakeholders.

6 THE RIGHTS OF SHAREHOLDERS

ASX CGC Principle No. 6

Respect the rights of shareholders

The Board of Directors aims to ensure that shareholders are informed of all major developments affecting the Group. Information is communicated to shareholders through the annual report, the half-yearly report, announcements made to the ASX, notices of annual general meetings, the AGM and the Company's website www.sunlandgroup.com.au, which has a dedicated investor relations section. Sunland also communicates frequently via the media on all projects and in regard to financial updates.

The Board encourages full participation of shareholders at the AGM to ensure a high level of accountability and identification with the Group's direction, strategy and goals. In particular, shareholders are responsible for voting on the appointment /re-election of Directors.

Sunland ensures that its external auditors are present at the AGM to answer questions in regard to the conduct of the financial statement audit and the associated independent audit report.

The Group utilises Link Market Services Registry Services to facilitate the delivery of reports and announcements to shareholders. Sunland encourages the use of electronic communications and shareholders are given the option of receiving Company material in print or electronically. Shareholders can contact Link Market Services at any time for information regarding their shareholdings.

7 RISK MANAGEMENT

ASX CGC Principle No. 7

Recognise and manage risk

Establish Risk Policies

The Audit Committee has endorsed a Group Risk Management Policy. A Strategic Risk Assessment is regularly updated and reviewed by the Audit Committee. Both have been developed in accordance with the standard for Risk Management, AS/NZS 4360:2004.

The strategic risk assessment enables identification and management of the strategic risks of Sunland Group, focussing management attention on any risk requiring further action. The structure of the assessment enables management to identify:

- Those residual risks requiring management action / attention in order to reduce the level of risk to an acceptable level; and
- Those risk areas with a strong reliance on internal controls and processes to bring the risk to an acceptable level. This enables management to identify those key controls and/or processes requiring regular monitoring and/ or independent assessment as to their effectiveness.

Risk Management

The implementation of strategies and controls to mitigate risk is the responsibility of the Board and Management. Executive Committee meetings chaired by Managing Director, Mr Sahba Abedian, meet monthly to ensure close monitoring of each and every project, along with review of critical business issues. This includes cash flow forecasts, debt management, risk management and project status, sales rates, construction progress/costs to complete, as well as the assessment of future developments and feasibilities.

In addition, all staff have responsibility for the continuous monitoring and management of risks and controls within their area of responsibility. .

A formal report against the Strategic Risk Assessment is provided to the Audit Committee on an annual basis. The Board also receives a report from Management in regard to the effectiveness of the Company's management of its material business risks on an annual basis. The Board receives assurance from the Managing Director and Chief Financial Officer that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal control, and that system is operating effectively in all material respects in relation to financial reporting risks.

Governance Document	The Risk Management Policy is available at: http://www.sunlandgroup.com.au/menu02.html

8 REMUNERATION
ASX CGC Principle No. 8
Remunerate fairly and responsibly

Directors Remuneration - Constitution
Under the Company's Memorandum of Association and Constitution (Constitution), the Directors are to be paid as remuneration for ordinary services such sum as may from time to time be determined by a meeting of members. In accordance with the Constitution, such sum is to be divided among them in such proportion and manner as the Directors agree and, in default of agreement, equally. If a Director performs extra services or makes special exertions in relation to the affairs of the Company, they may be entitled to a special remuneration, either in addition to or as a substitution for that Director's remuneration. In addition to this, the Directors may decide to pay a pension or lump sum payment in respect of past services, for those Directors who have died or otherwise have ceased to hold office. Although bonus and pension payments are provided for in the Constitution, there is no current intention to implement such a scheme.

Non-Executive Directors
Director's fees are allocated among the Non-Executive Directors. Those fees are disclosed in the Remuneration Report included in the directors' report.

Executive Directors
Executive Directors are remunerated by subsidiary companies and do not participate in any Directors' fees paid by the Company. In accordance with the Security Trading Policy executives are not permitted to enter into transactions in associated products which limit the economic risk of participating in unvested entitlements under the share option scheme.

Remuneration and Nomination Committee
The members of the Remuneration and Nomination Committee at the date of this statement are identified under Principle 2 and details of meetings attended are outlined in the Directors Report. The Committee consists of three directors and is chaired by an independent Director. The Managing Director abstains from any decision regarding his remuneration. Recommendations are passed to the Board by the Committee for approval by the Board. In regard to remuneration the Committee has a charter clearly setting out its role to:

(a) make recommendations to the Board on:
  (i) executive remuneration and incentive policies;
  (ii) the remuneration packages of Executive Committee members and senior management;
  (iii) recruitment, retention and termination policies for Executive Committee members and senior management;
  (iv) incentive schemes;
  (v) superannuation arrangements; and
  (vi) the remuneration framework for directors.

(b) ensure that reporting disclosures related to remuneration comply with the Corporations Act and ASX Listing Rules, noting particularly continuous disclosure and corporate governance guideline requirements.

Executive Remuneration
Sunland recognises the value of maintaining long term employees and introduced an executive share option scheme in November 1998. Sunland's Constitution enables the implementation of an executive share option scheme. The share plan was approved by Directors and advised to shareholders at the Company's Annual General Meeting in 1998. All options issued are subject to Board approval, and follow a 3 month probation period. A strike price is based on market price on the day of Board approval (5 day volume weighted average) + 15%. Further detail on the share plan and executive remuneration is included in the Remuneration Report in the directors' report.

Consistent with executive directors, under the Group Trading Policy, Sunland executives are not permitted to enter into transactions in associated products which limit the economic risk of participating in unvested entitlements under this share option scheme. The Board has decided to cease issuing options under the current scheme and will revisit it when it is considered appropriate.

Rule 4.3A

Appendix 4E

Preliminary final report for the year ended 30 June 2009

1. Company details and reporting period

Name of entity:	**Sunland Group Limited**
ABN:	65 063 429 532
Reporting Period:	30 June 2009
Previous Corresponding Period:	30 June 2008

2. Results for announcement to the market

				$A'000
Revenues from ordinary activities	up	1.8%	to	505,953
Loss from ordinary activities after tax attributable to members	down	246.5%	to	(145,054)
Net loss for the period attributable to members	down	246.5%	To	(145,054)
Underlying profit for the period attributed to members (1)	down	46.3%	to	53,213

Dividends	Amount per security	Franked amount per security
Final Dividend	0.00¢	N/A
Previous corresponding period		
Final Dividend	7.00¢	100%

Record date for determining entitlements to the dividend,	Not applicable

3. Income Statement with notes to the statement

Refer to page 33 of the 2009 Profit Announcement and accompanying notes.

4. Balance Sheet with notes to the statement

Refer to page 34 of the 2009 Profit Announcement and accompanying notes.

5. Statement of Cash Flows with notes to the statement

Refer to page 36 of the 2009 Profit Announcement and accompanying notes.

6. Dividends

Refer to page 57 of the 2009 Profit Announcement and accompanying notes.

(1) Refer point 12 for reconciliation on Underlying Profit attributable to members. Underlying Profit (after tax) is calculated by adding back to the statutory loss amounts for diminution and impairment of assets, and deducting unrealised revenue on Dubai property sale included in the result from operations.

7. Dividend reinvestment plan

The Board has suspended the operation of the Sunland Group Dividend Reinvestment Plan.

8. Statement of retained earnings

Refer to page 76 of the 2009 Profit Announcement.

9. Net tangible assets per security

	30 June 2009	**30 June 2008**
Net tangible assets	$1.20	$1.69

10. Entities over which control has been gained or lost during the period

Refer to page 77 of the 2009 Profit Announcement.

11. Associates and joint venture entities

Refer to page 86 of the 2009 Profit Announcement.

12. Other significant information

Reconciliation of Underlying Profit	2009	2008
Statutory Profit/(loss) after tax	(145,054)	98,997
Add back:		
- Diminution of inventory	163,816	-
- Impairment of receivables	103,725	4
- Impairment of property, plant and equipment	3,009	-
- Share option expenses due to cancellation	4,278	-
Deduct		
- Unrealised revenue on Dubai property sale	(76,561)	-
Underlying Profit	53,213	99,001
Reconciliation of underlying EBITDA		
Underlying profit	53,213	99,001
Add back:		
- Taxation expense/(benefit)	(5,704)	22,765
- Finance Costs	15,066	14,880
- Depreciation and amortisation	4,612	3,441
Underlying EBITDA	67,187	140,087
Interest cover (Underlying EBITDA/Finance Costs)	4.5 times	9.4 times

13. Accounting standards used for foreign entities

Refer to page 38 of the 2009 Profit Announcement

14. Commentary on results for the period

Refer to page 22 of the 2009 Profit Announcement.

15. Earnings per share

Refer to page 58 of the 2009 Profit Announcement

16. Segment information

Refer to page 58 of the 2009 Profit Announcement

17. Share buy-backs

The Group is currently undertaking an on market buy back under the ASX 10/12 rule. A total of 3,173,952 shares have been purchased to date for consideration of $1,586,976. The share buy back expires 27 March 2010.

18. Status of audit

The attached Statutory Financial report has been audited.

19. Dispute or qualifications if not yet audited

Not applicable

20. Dispute or qualifications if audited

Not applicable

Sign here: .... (Director) Date: 26 August 2009

Print name: Sahba Abedian

SUNLAND GROUP LIMITED
and its Controlled Entities

ABN 65 063 429 532

Statutory Financial Report
Year ended 30 June 2009

Contents	**Page No.**

Directors' Report
Year Ended 30 June 2009

The Directors present their report together with the financial report of Sunland Group Limited ("the Company") and the consolidated entity ("the Group"), being the Company and its controlled entities, for the year ended 30 June 2009 and the independent audit report thereon.

Directors
The names and details of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Terry Jackman
Chairman (Non-Executive Director) – Director since May 2004.
Aged 68.

Mr Jackman brings a wealth of tourism, leisure and entertainment expertise to the Board, with a career stemming from an early involvement in the entertainment industry through Birch Carroll and Coyle Cinemas, and later becoming the Managing Director of Hoyts Theatres. For eight years he was Chairman of Tourism Queensland and was also a Director of Prime Television Limited from 1996 to 2008..

Sahba Abedian
Executive Director – Director since January 2001.
LLB (Bond University), Aged 33.

Mr Sahba Abedian is a qualified lawyer and joined Sunland Group Limited in April 1998 as legal counsel/company secretary. In January 2000, he established the Group's Victorian operations and is now the Managing Director. He was admitted into the Supreme Court of Queensland in 1998 as a solicitor.

Soheil Abedian
Executive Director – Director since March 1994.
Dip Arch Masters Degree in Architecture with Honours (University of Graz, Austria), Aged 60.
Honorary Professor Griffith University (Business School – Gold Coast)

Mr Soheil Abedian was educated in Vienna, Austria and moved to Queensland's Gold Coast in 1983 where he co-founded Sunland Homes Pty Limited to develop luxury housing projects. He has over 20 years experience in architectural design, construction and project management in a wide range of developments.

John Leaver
Non-Executive Director - Director since March 1994.
B.Ec. (University of Sydney), Aged 65.

Mr Leaver is a former licensed stockbroker with more than 20 years experience. He has specialist skills in the assessment of new projects and capital raisings. Mr Leaver is also a Director of CVC Limited.

Ron Eames
Non-Executive Director – Director since March 2006.
LLB (Queensland University of Technology), Aged 52.

Mr Eames is a lawyer with specialist experience in front end projects and project and structured financing.

Directors (continued)

James Packer
Non-Executive Director – Director since July 2006. Mr Packer resigned from the Board 13 August 2009
Aged 42.

Mr Packer is Executive Chairman of Consolidated Press Holdings Limited.

Mr Packer is Executive Chairman of Crown Limited (appointed 6 July 2007) and Executive Deputy Chairman of Consolidated Media Holdings Limited (appointed 28 April 1992). Mr Packer is also the Chairman of SEEK Limited (appointed 31 October 2003).

Mr Packer is also a Director of Crown Melbourne Limited (appointed 22 July 1999) and Ellerston Capital Limited (appointed 6 August 2004). Mr Packer was previously a Director of Qantas Airways Limited (until 31 August 2007).

Glenn Wein
Alternate Non-Executive Director for James Packer – Alternate since 10 June 2008.
B.Comm, LLB (Hons) (Melb), MBA (Columbia), Aged 41.

Mr Wein is Head of Private Equity for Consolidated Press Holdings Limited and a Director of several CPH investee companies including Teys Bros. Holdings, Perisher Blue, GRM International and Pretty Girl Fashion Group.

Company Secretary

Grant Harrison
Company Secretary – Secretary since December 2003.
Associate Diploma Business (Accounting), MDIA, Aged 42.

Mr Harrison joined the Sunland Group during 2000, following 16 years experience in banking with Westpac, specialising in commercial, property and corporate finance transactions. He has been responsible for debt and capital raising to fund the Group's growth over the last five years. Mr Harrison was appointed Chief Financial Officer in December 2004.

Directors' Meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board Meetings		Audit Committee Meetings		Remuneration and Nominations Committee Meetings	
	Number Attended	Number Held	Number Attended	Number Held	Number Attended	Number Held
Mr Terry Jackman	10	10	5	5	1	1
Mr Sahba Abedian	10	10	-	-	1	1
Mr Soheil Abedian	8	10	-	-	1	1
Mr John Leaver	10	10	5	5	-	-
Mr James Packer(1)	4	10	-	-	-	-
Mr Ron Eames	10	10	5	5	-	-

(1) Alternate director, Mr Glenn Wein attended the six board meetings not attended by Mr James Packer during the financial year.

Principal Activities

Sunland Group Limited is a company limited by shares that is incorporated and domiciled in Australia. The principal activities of the consolidated entity during the course of the financial year were property development and construction together with project services, funds management and hotel investments and operations. There were no significant changes in the nature of those activities during the year.

Consolidated Result

The statutory loss after income tax for the year attributable to members of Sunland Group Limited was $145.1, including total Group provisioning for diminution and impairment of assets of $270.5m (2008 statutory profit after income tax: $99.0m).

Review and Results of Operations

- Underlying profit after tax $53.2 for the full year ended 30 June 2009 (This is calculated by adding back to the statutory loss amounts for diminution and impairment of assets and other one off non cash charges and deducting unrealised revenue on Dubai property sale included in the result from operations)
- Diminution and impairment of assets totalled $270.6 being $61.3m for the Australian Portfolio and $209.3 for the Dubai Portfolio.
- A non cash charge of $4.3m was incurred due to cancellation of options held by employees under the Executive Options Scheme.
- Group consolidated net tangible asset backing of $1.20 (Australia: $1.12 and Dubai : 8c)
- No final dividend has been declared: interim dividend of 3 per share fully franked was paid in March 2009.
- Successfully completed the sell-out of the Group's Australian high-rise portfolio
- Gearing at historic low with 5% debt to assets and 11% debt to equity
- Corporate costs have been significantly reduced in response to current economic conditions with the full benefit coming through 2010 financial year
- Board initiated an on-market share buy-back of up to 10% of Sunland's shares on issue
- No requirement for any capital raising.

<u>Operational highlights for the year ended 30 June 2009</u>

- Australian portfolio repositioned several years ago to take advantage of changing consumer sentiment
- Robust Australian housing and land pipeline with inventory of 2,945 products across 14 projects in three states
- Achieved 837 sales in FY09
- Completed sell-out of the Group's Australian high-rise portfolio with settlements totalling $126 million Includes the sell-out of apartments in Balencea in Victoria and Circle on Cavill and Avalon projects in Queensland
- Focus on land and housing portfolio :
    - Six residential housing projects to be released including Cassia (QLD), Pacific Pines (QLD), Royal Pines (QLD), Sanctuary Cove (QLD), Peregian Springs (QLD) and Amytis (NSW)
- Two new retail centres at Bushland Beach (QLD) and Royal Pines (QLD) will commence as part of the pre-existing master plan communities
- Adopted disciplined approach to acquisitions in recognition of market dynamics
- Portfolio strategy reflects current focus on most resilient sectors of the market with 2,555 products priced between $300,000 and $750,000
- Continued focus on forging joint ventures
- Focus on the delivery of Palazzo Versace Dubai and D1 in the United Arab Emirates (UAE)
- UAE projects are non-recourse to Sunland Group.

<u>Capital Management</u>

The Sunland Group has maintained a key focus on capital management. As a result of a capital management review, an on-market share buy-back of up to 10% of Sunland's shares on issue was announced. The buy-back of shares provided significant value to shareholders at the prevailing share price and reflected the Directors' confidence in the business and the strength of the balance sheet. To date 3,173,952 shares have been purchased for an average price of 50 cps.

Sunland continues to be in a sound financial position as a result of its strong balance sheet, positive net debt, significant forecasted cash flows and no requirements for new capital as evidenced by the Group's share buy-back initiative.

An interim dividend of 3 cents per share fully franked was paid in March 2009. Directors have not declared a final dividend.

In August 2008, Directors announced the suspension of the Group's dividend reinvestment plan. The plan has not recommenced.

Development Operations

Sunland's Australian development operations contributed revenue of $332.8 million for the financial year. Major profit contributors were from multi-storey development Balencea (VIC), residential developments at Arbour (VIC), Greenvue (QLD) and Emery (NSW) and urban development at Chancellor (VIC).

During the past year Sunland acquired the balance of the Royal Pines Resort residential development for $28 million on the Gold Coast. The Group also purchased Pacific Pines, which is a 4 hectare land development site at the Gold Coast, for $4 million (with a developed end value of approximately $38 million).

The Group launched The Parc at Tugun in Queensland with stage one consisting of 40 houses.

The Group is well positioned for the opportunistic replenishment of its portfolio through strategic acquisitions in Australia.

Dubai projects have been effected significantly and written down to realizable value, except for D1 and Palazzo Versace projects which continue to perform. Purchaser instalments have funded a significant level of inventory to date with $434.4 million of instalments received (SDG share 50%). D1 is constructed to level 10. The structure of Palazzo Versace is nearing completion at level 10 ahead of commencing finishing trades.

Non Development Operations

The Group's non-development operations are primarily from project services for joint ventures and contributed $15.7m to the Group's result.

The Sunland Diversified Land Fund exceeded the return forecast in the Product Disclosure Statement due to strong returns in previous years. The Fund has returned to an IRR in excess of 30%.

The Sunland Diversified Land Fund No.2 made a 10 cent distribution in October 2008.

Dividends

The 2009 interim fully franked dividend of 3.00 cents per share was paid on 27 March 2009. The Directors will not declare a final dividend, rather preserve capital for project acquisitions.

Significant Changes in the State of Affairs

In the opinion of Directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the year under review not otherwise disclosed in this report or the consolidated financial report.

Environmental Regulation and Performance

The consolidated entity's operations are subject to significant environmental regulations under both Commonwealth and State legislation in relation to its property development activities. The Directors are not aware of any significant breaches during the period covered by this report.

Likely Developments and Expected Results

The consolidated entity will complete existing projects and continue to pursue other quality property developments to enhance profitability. The Group has a number of projects and other opportunities at hand which provide the foundation for the next year's profitability.

Directors' Interests

The relevant interest of each Director in the shares and options over such shares of the Company, as notified by the Directors to the Australian Stock Exchange in accordance with S205G (1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary Shares	Unlisted Options over Unissued Ordinary Shares
Mr Terry Jackman	507,869	-
Mr John Leaver	4,432,210	-
Mr James Packer	37,528,562	-
Mr Ron Eames	30,000	-
Mr Soheil Abedian	45,700,000	-
Mr Sahba Abedian	6,000,475	1,000,000
Mr Glenn Wein	-	-

Indemnification and Insurance of Officers

Since the end of the previous year the Company has paid insurance premiums of $54,277 in respect of Directors' and Officers' liability and Company reimbursement insurance, for all Directors, senior executives and Company secretaries including Directors of subsidiary companies, Directors and officers who have retired or relinquished their position prior to the inception of or during the policy period, and Directors who have been appointed during the policy period. The insurance cover also extends to outside Directorships held by insured persons for the purpose of representing the Company.

Under the insurance policy the insurer agrees to pay:

- all losses which each insured person becomes legally obligated to pay on account of any claims for wrongful acts; and

- all losses for which the Company may grant indemnification to each insured person.

The insurance policy outlined above does not provide details of the premium in respect of the individual officers of the Company.

REMUNERATION REPORT (AUDITED)

This Remuneration Report sets out the Group's remuneration framework for key management personnel. It demonstrates the links between the performance of the Group and the individuals' remuneration and discloses the remuneration arrangements, equity holdings, loans and other transactions for key management personnel. This report meets the disclosure requirements of the Corporations Act 2001.

Remuneration Philosophy

The objective of Sunland's Executive Remuneration practices is to attract, retain and appropriately reward the executive talent required to achieve both short term and long term success.

The maintenance of a strong, talented and stable executive management team is a high priority for Sunland. Each of our executives has been personally selected due to their proven abilities and many have worked closely with the Group in the past.

Sunland has undertaken to reward the executive management team through a remuneration framework consisting of a fixed annual remuneration package complemented by our Executive Share Options Scheme.

There is no short term incentive program in place as this is not consistent with Sunland's long term focus or its normal business cycle.

The principles of the framework incorporate:

- Providing competitive remuneration packages relative to market;
- Linking executive remuneration to shareholder value;
- Encouraging executive ownership of Sunland shares in accordance with the Executive Share Options Scheme;
- Establishing objectives for regional, divisional and individual performance;
- Maintaining a strong focus on both teamwork and individual performance; and
- Ensuring transparency in the disclosure of executive remuneration.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee of the Board of Directors of Sunland Group Limited is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions and the remuneration framework with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

Details of key management personnel

Key management personnel including directors and executives have authority and responsibility for planning, directing and controlling the activities of the Company and Group.

Directors	
Mr Terry Jackman	Chairman (non-executive)
Mr Sahba Abedian	Managing Director
Mr Soheil Abedian	Managing Director – Middle East
Mr John Leaver	Director (non-executive)
Mr Ron Eames	Director (non-executive)
Mr James Packer	Director (non-executive) – resigned 13 August 2009
Mr Glenn Wein*	Alternative Director for Mr James Packer – resigned 13 August 2009
Executives	
Mr Mark Jewell	Chief Operating Officer – Australia
Mr David Brown	Chief Operating Officer – Middle East

Remuneration Report (continued)

Mr Julian Doyle	International Construction Manager
Ms Anne Jamieson	Group General Manager – Middle East
Mr Grant Harrison	Company Secretary & Chief Financial Officer
Mr Domenic Chirico	National Design Manager – Australia
Mr John Tatler**	International Construction Manager - resigned 31 December 2008

* Note that alternate directors receive no remuneration.
** Mr Julian Doyle assumed Mr John Tatler's position of International Construction Manager from 1 July 2008, at which point Mr John Tatler ceased being a Key Management Personnel.

Other than the resignation of Mr James Packer, there were no changes of key management personnel after reporting date and the date the financial report was authorised for issue.

Long Term Incentives ('LTI')

Objectives

The objective of the LTI plan is to reward executives in a manner that:

- Aligns remuneration with the creation of shareholder wealth;
- Encourages share ownership of the Group among executives; and
- Allows the Group to more easily retain executives.

Directors will not approve further issues of Options under the current Executive Option Scheme as the Scheme is under review. Details of the Scheme, however, are included in this report for completeness as some Options remain on issue

Structure

LTI grants to executives are delivered in the form of share options. Issues of options under this plan are at the discretion of the Board and can be made to any eligible executive.

An eligible executive is a person who is a full time or permanent part time employee of the Group, including an executive director but excluding:

- A non-executive director of the Group; or
- A person who has a relevant interest in greater than 5% of the issued ordinary share capital of the Company.

The Board may not grant options to an eligible executive if upon grant of the options, the eligible executive would hold a relevant interest exceeding 5% of the ordinary issued capital of the Company.

The options offered to executive directors and executives are exercisable progressively over a five-year period from the third anniversary of their employment. These options do not entitle the holder to participate in any share issue of the Company or any other related body corporate.

At the date of this report there were 2,902,000 (2008: 10,105,000) options on issue under this plan at a weighted average exercise price of $1.47 (2008: $3.17) per share. Since the end of the financial year, there has been no exercise of options.

Non-Executive Director Remuneration

Objective

The Board seeks to remunerate Directors at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Remuneration Report (continued)

Structure

The Company's constitution and the ASX Listing Rules specify that the aggregate level of remuneration shall be determined by a meeting of members. The latest determination was at the Annual General Meeting held on 28 November 2005 when shareholders approved an aggregate remuneration for non-executive directors of $500,000.

In accordance with the Constitution the aggregate remuneration sum is to be divided among them in such proportion and manner as the Directors agree and, in default of agreement, equally. If a Director performs extra services or makes special exertions in relation to the affairs of the Company, they may be entitled to a special remuneration, either in addition to or as a substitution for that Director's remuneration. In addition to this, the Directors may decide to pay a pension or lump sum payment in respect of past services, for those Directors who have died or otherwise have ceased to hold office.

Each non-executive director currently receives a fee of $50,000 inclusive of superannuation.

Executive Director Remuneration

Objective

Remuneration for the Managing Director (Mr Sahba Abedian) and the Managing Director – Middle East (Mr Soheil Abedian) is designed to:

- Ensure the pursuit of the Group's long term growth within an appropriate control framework;
- Demonstrate a clear relationship between executive director performance and remuneration; and
- Ensure total remuneration is competitive by market standards and provides sufficient and reasonable rewards for the time and effort required in these roles.

Structure

The remuneration structure for the Managing Directors consists of:

- A base salary; and
- The grant of long term incentives in the form of performance options.

On 28 November 2005, shareholders approved the issue of 1,000,000 options to Mr Sahba Abedian over unissued ordinary shares of the Company. The exercise price for the options issued were set at the weighted average share price for the five days up to and including the 28 November 2005 plus a margin of 15%.

No options are issued to Mr Soheil Abedian as under the terms of the LTI plan, options may not be granted to an executive who has a relevant interest in the Company of greater than 5% of the issued ordinary share capital of the Company.

No bonuses or other short term incentives are paid to Executive Directors as these are not consistent with the Group's long term growth focus and the Group's business cycle.

None of the Executive Directors are employed under a contract linked to the performance of the Company.

Executive Remuneration

Objective

The Group's executive reward structure is designed to:

- Ensure the pursuit of the Group's long term growth within an appropriate control framework;
- Demonstrate a clear relationship between key executive performance and remuneration; and
- Provide sufficient and reasonable rewards to ensure the Group attracts and retains suitably qualified and experienced people for key roles.

Remuneration Report (continued)

Structure
The remuneration structure for executives consists of:

- A base salary; and
- The grant of long term incentives in the form of share options (long term incentives).

Share options are granted following approval by the Remuneration Committee. The exercise price for options issued are by reference to the weighted average share price for the five days up to and including the grant date plus a margin of 15%.Options are issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at the exercise price. The options may only be exercised three years after being granted and vest proportionately over a five year period thereafter. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

No salary bonuses or other short term salary incentives are generally paid to Executives as these are not consistent with the Group's long term growth focus and the Group's business cycle.

All executives have employment contracts with no fixed end date. Any executive may resign from their position and thus terminate their contract by giving 4 weeks written notice. On resignation any options will be forfeited. The Company may terminate the employment agreement by giving 4 weeks written notice or providing payment in lieu of the notice period. The Company may terminate the contract at any time if serious misconduct has occurred. On termination any options will immediately be forfeited.
None of the Executives are employed under a contract linked to the performance of the Company.

Compensation of key management personnel
The following table details the compensation of Directors and key management personnel including specified Company and Group Executives

		Short term		Post employment	Share based Payments		
		Salary & fees $	Non-monetary benefits $	Superannuation $	Options[(2)] $	Total $	% Performance Related
Non-Executive Directors							
Terry Jackman	**2009**	**53,761**	**4,523**	**4,839**	**-**	**63,123**	**-**
	2008	61,650	5,359	5,549	-	72,558	-
John Leaver	**2009**	**53,761**	**4,523**	**4,839**	**-**	**63,123**	**-**
	2008	61,650	5,359	5,549	-	72,558	-
Ron Eames	**2009**	**52,110**	**4,523**	**6,490**	**-**	**63,123**	**-**
	2008	60,000	5,359	7,200	-	72,559	-
James Packer[(1)]	**2009**	**-**	**4,523**	**-**	**-**	**4,523**	**-**
	2008	-	5,359	-	-	5,359	-
Executive Directors							
Sahba Abedian	**2009**	**600,000**	**4,523**	**50,000**	**32,837**	**687,360**	**4.8**
	2008	650,001	5,359	50,000	60,157	765,517	7.9
Soheil Adedian	**2009**	**650,000**	**4,523**	**-**	**-**	**654,523**	-
	2008	650,000	5,359	50,000	-	705,359	-
Total Compensation: Directors							
	2009	**1,409,632**	**27,138**	**66,168**	**32,837**	**1,535,775**	
	2008	1,483,301	32,154	118,298	60,157	1,693,910	

(1) Mr James Packer has donated his entire entitlement to a director's fee of $58,600 (2008: $67,200) to the Sunland Foundation. Non monetary amount reflects an allocation of the Directors' and Officers' insurance premium.
(2) The amount shown in the share based payments-options column for each Director does not represent amounts paid to the individual but rather the amount expensed by the Company. Refer to Note 33(b).

Remuneration Report (continued)

		Short Term			Post Employment	Share Based Payments		
		Salary & fees $	**Cash Bonus (2)**	**Non-monetary benefits $**	**Superannuation $**	**Options[1] $**	**Total $**	**% Performance Related**
Executives								
David Brown	**2009**	**577,500**	**-**	**4,523**	**-**	**239,520**	**821,543**	**29.2**
	2008	507,406	-	5,359	-	381,243	894,008	42.6
Anne Jamieson	**2009**	**270,750**	**-**	**4,523**	**-**	**-**	**275,273**	**-**
	2008	224,316	-	5,359	-	-	229,675	-
Grant Harrison	**2009**	**170,023**	**-**	**10,139**	**48,500**	**141,553**	**370,215**	**38.2**
	2008	178,908	-	10,003	48,000	144,081	380,992	37.8
Domenic Chirico	**2009**	**187,234**	**-**	**49,553**	**23,906**	**55,140**	**315,833**	**17.5**
	2008	173,472	-	40,673	22,667	80,656	317,468	25.4
Julian Doyle	**2009**	**296,226**	**-**	**4,523**	**12,093**	**3,298**	**316,140**	**1.0**
	2008	234,853	-	5,359	27,926	5,826	273,964	2.1
Mark Jewell[2]	**2009**	**512,385**	**137,615**	**4,523**	**100,000**	**239,520**	**994,043**	**24.1**
	2008	459,751	-	5,359	81,910	379,738	926,758	41.0
Former Executives								
		-	**-**	**-**	**-**	**-**	**-**	**-**
John Tatler	2008	305,597	-	5,359	-	5,410	316,366	1.7
Total Compensation: Executives								
	2009	**2,014,118**	**137,615**	**77,784**	**184,499**	**679,031**	**3,093,047**	
	2008	2,084,303	-	77,471	180,503	996,954	3,339,231	

(1) The amount shown in the share based payments-options column for each executive does not represent amounts paid to the individual but rather the amount expensed by the Company and excludes amounts discosed elsewhere in regards to cancellation of options. Refer to Note 33(b).

(2) Cash bonus paid was a signing on bonus and was a once off non-recurring payment.

Group performance

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee has regard to the following indices in respect of the current financial year and the previous four financial years:

	2009	2008	2007	2006	2005
Basic Earnings Per Share	(44.9c)	30.8c	29.7c	28.9c	13.5c
Earnings Per Share growth (%)	(245.8%)	4%	3%	114%	(56%)
Security price – at 30 June	$0.67	$2.27	$4.08	$2.18	$1.50
Change in security price (%)	(70.5%)	(44%)	87%	45%	38%
Dividend per share	10.0c	14.0c	13.5c	12.5c	10.0c
Dividend per share growth (%)	(28.6%)	4%	8%	25%	67%
Net Tangible Assets	$1.20	$1.69	$1.57	$1.11	$1.02
Change in Net Tangible Assets (%)	(29.0%)	8%	41%	8%	17%

Remuneration Report (continued)

Group Performance (continued)

The Group continues to focus its energies on strengthening the balance sheet and growing its development revenue streams.

Compensation options: Granted and cancelled during the year

During the financial year there were no options in the share capital of Sunland Group Limited granted as equity compensation to any Directors or Executives.

The Company cancelled some options under the executive share option plan due to the deterioration in the share price (and therefore relevance of the remuneration incentive) during the year. Details of the cancellations for key management personnel are detailed below.

30 June 2009	Number cancelled during year	Cancellation date	Exercise price per share at grant date ($)	Share Price at cancellation date ($)	Expense recognised on cancellation of Options ($)
Executives					
David Brown	1,000,000	20/03/2009	4.78	0.425	$462,742
Grant Harrison	500,000	20/03/2009	4.83	0.425	$263,603
Domenic Chirico	400,000	20/03/2009	2.22	0.425	$5,273
Domenic Chirico	100,000	20/03/2009	4.83	0.425	$60,119
Mark Jewell	1,000,000	20/03/2009	4.78	0.425	$462,742

Shares Issued on exercise of compensation options – 30 June 2009

There were no options exercised in the 2009 financial year.

Shares issued on exercise of compensation options – 30 June 2008

Executives	Shares issued Number	Amount paid $ per share	Total amount paid on exercise of options $	Fair value of shares on exercise of options $
John Tatler	200,000	$0.45	90,000	820,000
David Brown	200,000	$0.45	90,000	840,000
Grant Harrison	200,000	$0.45	90,000	900,000
Julian Doyle	100,000	$0.70	70,000	357,000
Total				$2,917,000

Any shares issued upon exercise of Options are subject to Sunland Group's Security Trading Policy.

Fair values of options

The fair value of each option is estimated on the date of grant using the Black Scholes option-pricing model. The following assumptions were used for options granted:

- The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated increases.
- The expected life of the options is 5 years based on historical data and is not necessarily indicative of exercise patterns that may occur.
- Historical and expected volatility have been estimated between 34% and 42% depending on the year of issue, this is based on the assumption that the historical volatility is indicative of future trends.
- The risk free interest rate used is between 4.41% and 6.5% depending on the year of issue.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

Non-Audit Services

The following non-audit services were provided by the entity's auditor, Ernst & Young. The Directors are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that audit independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

Tax compliance	$62,500
Income tax advice	$359,515
Other assurance services	$2,550
Accounting Advice	$22,100

Audit Independence and Non-Audit Services

The Directors received the following declaration from the auditor of Sunland Group Limited and forms part of the Director's Report for the financial year ended 30 June 2009.

Signed in accordance with a resolution of the Directors.

Sahba Abedian
Managing Director

Dated at Surfers Paradise this twenty-sixth day of August 2009.

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Auditor's Independence Declaration to the Directors of Sunland Group Limited

In relation to our audit of the financial report of Sunland Group Limited for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

M J Hayward

Mark Hayward
Partner
Brisbane
26 August 2009

INCOME STATEMENTS

For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Revenue from the sale of properties		436,423	419,515	-	-
Revenue from project services		33,793	47,219	16,341	23,401
Revenue from funds management		1,245	4,166	-	-
Revenue from hotel services		13,892	15,616	13,891	15,616
Other revenues from operations	5(a)	20,600	10,540	64,071	5,216
Total Revenues		505,953	497,056	94,303	44,233
Other income/(loss)	5(b)	104	5	-	-
Share of profits of Associates		560	1,116	181	209
Change in inventories of finished goods and work in progress		(299,722)	(299,284)	-	-
Cost of project services		(18,051)	(16,850)	-	-
Cost of funds management		(368)	(1,029)	-	-
Cost of hotel supplies		(6,434)	(6,409)	(6,434)	(6,391)
Employee benefits expense		(22,083)	(20,189)	(12,928)	(11,752)
Option expenses on cancellation		(4,278)	-	(1,316)	-
Finance costs	5(d)	(15,066)	(14,880)	(995)	(1,504)
Depreciation and amortisation expenses	5(c)	(4,612)	(3,441)	(2,183)	(1,771)
Provision for diminution of finished goods and work in progress		(163,816)	-	-	-
Impairment on receivables		(103,725)	(4)	(37,505)	-
Impairment on property, plant and equipment		(3,009)	-	-	-
Administration and other expenses		(16,211)	(14,329)	(27,134)	(25,834)
Profit/(Loss) before income tax		(150,758)	121,762	5,989	(2,810)
Income tax benefit/(expense)	7	5,704	(22,765)	(918)	1,911
Net profit/(loss) attributable to members of Sunland Group Limited		(145,054)	98,997	5,071	(899)
Earnings per share attributable to the ordinary equity holders of the company:	9	Cents	Cents		
- Basic earnings per share		(44.9)	30.8		
- Diluted earnings per share		(44.9)	29.6		
^Franked dividends per share	8	3.0	14.0		

^Includes final dividends declared and paid after year end and excludes final dividends declared and paid after the comparative year end.

The above income statements should be read in conjunction with the accompanying notes.

Sunland Group Limited and its controlled entities
BALANCE SHEETS
For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
CURRENT ASSETS					
Cash and cash equivalents	11	170,115	113,445	106,508	59,074
Trade & other receivables	12	23,362	43,459	221,126	277,345
Inventories	13	128,113	269,820	712	873
Derivative financial instruments	14	-	189	-	-
Current tax assets		5,725	-	13,947	-
Other assets	15	8,678	3,065	462	708
Assets currently held for sale		800	-	-	-
Total current assets		336,793	429,978	342,755	338,000
NON-CURRENT ASSETS					
Receivables	12	55,426	82,239	92,808	95,934
Inventories	13	442,737	392,746	-	183
Other financial assets	16	-	-	5,784	5,784
Property, plant and equipment	18	39,165	45,747	32,216	33,345
Deferred tax assets	7	3,294	2,316	184	356
Investment in associate accounted for using the equity method	19	3,109	3,923	4,135	4,796
Construction advances and property deposits		16,067	23,850	93	1,533
Intangibles	17	435	636	-	-
Total non-current assets		560,233	551,457	135,220	141,931
Total assets		897,026	981,435	477,975	479,931
CURRENT LIABILITIES					
Trade & other payables	20	10,321	16,750	52,554	53,554
Interest bearing liabilities	21	9,938	79,808	-	-
Current tax liabilities		-	3,255	-	2,420
Provisions	22	6,714	1,606	308	500
Derivative financial instruments	14	-	803	-	803
Other liabilities	23	9,826	10,089	292	364
Total current liabilities		36,799	112,311	53,154	57,641
NON-CURRENT LIABILITIES					
Trade & other payables	20	182,175	162,813	62,839	47,388
Interest bearing liabilities	21	32,378	-	9,882	-
Provisions	22	1,196	801	978	379
Deferred tax liabilities	7	8,184	18,220	1,956	1,908
Revenue received in advance		241,361	123,144	-	-
Other liabilities	23	10,376	17,415	-	-
Total non-current liabilities		475,670	322,393	75,655	49,675
Total liabilities		512,469	434,704	128,809	107,316
Net assets		384,566	546,731	349,166	372,615
EQUITY					
Contributed equity	24	312,266	313,555	312,266	313,555
Reserves	25	1,040	(15,489)	5,496	376
Retained earnings	25	71,260	248,665	31,404	58,684
Total equity		384,566	546,731	349,166	372,615

The above balance sheets should be read in conjunction with the accompanying notes.

STATEMENTS OF RECOGNISED INCOME AND EXPENSE

For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Items of income and expense (net of tax)					
Cash flow hedges:					
Net gain / (loss) taken to equity	25	803	(803)	803	(803)
Gain / (loss) on Foreign currency translation	25	11,225	(17,036)	2,814	584
Net income / (expense) recognised directly in equity		12,028	(17,839)	3,617	(219)
Profit / (Loss) for the year		(145,054)	98,997	5,071	(899)
Total recognised income and expense for the period		(133,026)	81,158	9,332	(1,118)
Attributable to:					
Equity holders of the parent		(133,026)	81,158	9,332	(1,118)

Other movements in equity arising from transactions with owners as owners are set out in Note 25. The amounts recognised directly in equity are disclosed net of tax, refer Note 7.
The above statements of recognised income and expense should be read in conjunction with the accompanying notes.

STATEMENTS OF CASHFLOWS
For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		603,370	645,403	38,082	38,122
Cash payments in the course of operations		(457,222)	(529,498)	(25,729)	(24,108)
Interest received		4,340	7,751	2,320	5,212
Interest and other finance costs paid		(12,299)	(7,033)	(996)	(1,400)
Income tax paid		(14,397)	(49,101)	(14,397)	(49,101)
Net cash flows from/(used in) operating activities	28(ii)	123,792	67,522	(720)	(31,275)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for purchase of shares in associate		(295)	(4,034)	(295)	(4,034)
Payments for property, plant and equipment		(1,516)	(6,803)	(1,140)	(2,212)
Proceeds from sale of property, plant and equipment		165	1,019	-	199
Proceeds from sale of shares in subsidiary		-	-	61	-
Repayments from subsidiaries and joint ventures		-	-	67,350	52,774
Capital repayment from associate		403	1,582	403	1,582
Cash distribution from associate		1,641	209	1,641	209
Payment for purchase of management rights		-	(620)	-	-
Investment in other		-	(55)	-	(55)
Net cash flows from/(used in) investing activities		398	(8,702)	68,020	48,463
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		94,125	28,659	15,000	-
Proceeds from issues of shares		304	1,511	304	1,511
Purchase of Shares through share buyback		(1,587)	-	(1,587)	-
Payment of rights issue/share placement costs		(6)	(37)	(6)	(37)
Repayment of borrowings		(138,399)	(49,759)	(5,119)	-
Dividends paid		(32,351)	(37,174)	(32,351)	(37,174)
Net cash flows from/(used in) financing activities		(77,914)	(56,800)	(23,759)	(35,700)
Net increase/(decrease) in cash and cash equivalents		46,276	2,020	43,541	(18,512)
Net foreign exchange differences		10,394	(4,505)	3,893	(177)
Cash and cash equivalents at beginning of year		113,445	115,930	59,074	77,763
Cash and cash equivalents at end of year	28(i)	170,115	113,445	106,508	59,074

The above statements of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2009

1. **CORPORATE INFORMATION**

The financial report of Sunland Group Limited (the "Company") for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of Directors on 26 August 2009.

Sunland Group Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange. The consolidated financial statements of the Company as at and for the year ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the "Group"), the Group's interest in associates and joint ventures.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

The operating cycle of the business varies and may be less than 12 months for housing construction, staged land subdivision and hotel operations. High rise developments span greater than 12 months and depend upon the construction time for a project, currently between 12 months and 36 months.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant policies which have been adopted in the preparation of this financial report are:

BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

(a) STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

(b) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2009:

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB Int. 15	Agreements for the Construction of Real Estate	This Interpretation requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on completion of the relevant real estate unit.	1 January 2009	Not expected to impact the Groups financial statements	1 July 2009
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	Sunland is yet to assess the impact of this on the financial statements	1 July 2009

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	Sunland is yet to assess the impact of this on the financial statements	1 July 2009
AASB 2008-2	Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	Sunland is yet to assess the impact of this on the financial statements	1 July 2009

(c) BASIS OF CONSOLIDATION

Controlled entities

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Investments in subsidiaries held by the Company are accounted for at cost in the separate financial statements of the parent entity.

Joint ventures

The Group's interests in unincorporated and incorporated joint ventures is brought to account by including its appropriate share of the joint ventures' assets, liabilities and expenses and the consolidated entity's revenue from the sale of its share of output on a line-by-line basis, from the date joint control commences to the date joint control ceases.

Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Unrealised gains and losses resulting from transactions with joint ventures and associates are eliminated to the extent of the consolidated entity's interest.

(d) INVESTMENT IN ASSOCIATES

The Group's investment in associates are accounted for under the equity method of accounting in the consolidated financial statements. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Unrealised profits on sale of assets to the associate by the Group are shown in the carrying value of the investment to the extent of the Group's investment in the associate and then recognised upon disposal of the investment in the associate.

Investments in associates held by the Company are accounted for at cost in the separate financial statements of the parent entity.

The financial statements of the associate are used by the Group to apply the equity method. The reporting dates of the associate and the Group are identical and both use consistent accounting policies. The investment in the associate is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The consolidated Income Statement reflects the Group's share of the results of operations of the associate. Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this in the consolidated statement of changes in equity.

(e) INTEREST IN A JOINTLY CONTROLLED OPERATION

The Group has interests in joint ventures that are jointly controlled operations. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in jointly controlled operations by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operations.

(f) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Both the functional and presentational currency of the Company and its Australian subsidiaries is Australian dollars ($). The functional currency of UAE subsidiaries is the UAE Dirham. The presentation currency of UAE subsidiaries is Australian dollars AUD. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. For the purposes of the consolidated financial statements they are translated to the presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by translating at rates approximating the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. On disposal or upon cessation of a foreign operation, the cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss. Tax charges and credits are attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(iii) Translation of foreign operations

As at the reporting date the assets and liabilities of the foreign operations are translated into the presentation currency of the Group at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rate for the year.

The foreign exchange differences arising on the translation are taken directly to a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

(g) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of the asset as follows:
Buildings – over 20 to 40 years
Plant and equipment – over 5 to 15 years
Land is not depreciated.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment exists when the carrying value exceeds the estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Derecognition and disposals
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognised.

(h) BORROWING COSTS

Borrowing costs are recognised as an expense when incurred unless they relate to qualifying assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the borrowing costs in relation to that borrowing are capitalised to the cost of the assets from the commencement of construction until the point of time that the property is ready for sale.

(i) GOODWILL AND INTANGIBLES

Goodwill
Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Intangible Assets

Acquired management rights are carried at the lower of written down value and recoverable amount. Management rights are initially recorded at cost and are amortised over the period in which future benefits are expected to be obtained.

Impairment exists when the carrying value exceeds the estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

(j) IMPAIRMENT OF ASSETS

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. Where an indicator of impairment exists, or when annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(k) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Cost includes the cost of acquisition, and for development properties also includes development, holding costs and interest incurred from commencement of construction until the point of time that construction of the property is completed and the property is ready for sale. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(l) TRADE AND OTHER RECEIVABLES

Trade receivables, generally have 60 day terms and are recognised and carried at original invoice amount less a provision for any uncollectible debts. The recoverability is assessed at reporting date and specific provision is made for any doubtful accounts. Bad debts are written off when identified.

(m) CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. It also includes deposits at call held in trust for the Group’s acquisition of properties.

In regards to Dubai projects, staged payments from purchasers are received into an escrow account administered by an approved bank or financial institution. These funds are able to be drawn on by the Group to meet the development costs of the respective project. The undrawn amount in these escrow accounts are shown as restricted cash.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash, cash equivalents and restricted cash as defined above, net of outstanding bank overdrafts.

(n) INVESTMENTS AND OTHER FINANCIAL ASSETS

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(o) TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised costs using the effective interest rate method. Gains and losses are recognised in profit and loss when the payables are derecognised or impaired. Payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(p) INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(q) PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the rises specific to the provision.

Warranty provision

The liability for warranty expenses is recognised and measured as the present value of future payments to be made in respect of warranty work in relation to products that have been sold up to reporting date. Consideration is given to expected future costs in fulfilling the performance. Expected future payments are discounted using market yields at the reporting date that closely estimate future cashflows.

(r) SHARE-BASED PAYMENT TRANSACTIONS

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for options over shares (‘equity-settled transactions’).

There is currently one plan in place to provide these benefits; the Employee Share Option Plan (ESOP), which provides benefits to Directors, Executives and senior management.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired; and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(s) LEASES

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(t) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of properties and goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer for property sales and at the time the purchaser has control of the asset for other specific transactions.

Rendering of services
Revenue from hotel services, project services and funds management is recognised when the service is rendered and the revenue is receivable.

Interest
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends
Revenue is recognised when the shareholders' right to receive the payment is established.

Rental income
Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

(u) INCOME TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets that relate to unrealised profit on sales made to associates is disclosed in the carrying amount of the investment in the associate.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the Income Statement.

(v) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group’s continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(x) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Where derivatives do not qualify for hedge accounting changes in fair value are recognised immediately in profit or loss in other revenue and expenses. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swap and commodity contracts are determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objectives and strategies for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair values or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Cash Flow Hedges
Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.
If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the income statement.

(y) CONTRIBUTED EQUITY
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) EARNINGS PER SHARE
Basic earnings per share is calculated as net profit, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit adjusted for:
• costs of servicing equity (other than dividends);
• the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
• other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are detailed as follows:

Share based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model, using the assumptions detailed in Note 33.

Long service leave provision
The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Estimation of useful lives of assets
The estimation of useful lives of assets has been based on historical experience as well as lease terms (for leased equipment) and the Group's turnover policies. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

Warranty Provision
In determining the level of provision required for warranty provisions the Group has made judgements in respect of the expected performance of the product, number of customers who will actually use the warranty provision and how often, and the costs of fulfilling the performance of the warranty. Historical experience and current knowledge of the performance of products has been used in determining this provision. The related carrying amounts are disclosed in Note 22.

Impairment of inventories and receivables
At each reporting date, the Group assesses whether there is any indication that inventory is held above net realisable value. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its net realisable value.

The net realisable value is the fair value less costs to sell. The fair value is based on estimated selling price in the ordinary course of business and reflects current market assessments and previous experience. It is also based on management's intention of disposal of the asset, either through development and sale or disposal as is.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, bank loans, cash and derivatives.

The Group manages its exposure to key financial risks, including interest rate, currency, liquidity and credit risk, in accordance with the Group's financial risk management framework. The Board has overall responsibility for the establishment and oversight of the risk management framework. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Risk management policies are established to identify and analyse the risks faced by the Company and the Group, to set appropriate limits and controls, and to monitor risks and adherence to limits.

The Group enters into derivative transactions, principally interest rate and foreign exchange products. The purpose of these products is to manage the interest rate and currency risks arising from the Group's operations and funding activities.

The Group's Audit Committee oversees how management monitors compliance with the Company's and Group's risk management framework and reviews the adequacy of the framework in relation to the risks faced by the Group. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit Committee.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts. Credit risk is managed through thorough due diligence of counterparties and ensuring there is no significant concentration of credit risk.

Interest Rate Risk

At balance date, the Group had the following exposure to changes in variable interest rates for classes of financial assets and liabilities without taking account of any cash flow hedges:

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Financial Assets				
Cash and cash equivalents	99,702	85,478	35,903	58,686
Receivables	-	15,000	-	-
Derivatives	-	189	-	-
	99,702	100,667	35,903	58,686
Financial Liabilities				
Bank loans	42,316	79,800	9,882	-
	42,316	79,800	9,882	-
Net exposure	57,386	20,867	26,021	58,686

The Group's policy in regards to interest rate hedging is dependent upon the purpose of the funding for short or long term development projects.

Project specific funding

The project life of residential housing developments and urban development is normally short which limits the exposure the Group has to changes in interest rates. As a result these exposures are not normally hedged.

The project life for multi-storey developments is longer than residential housing developments however the highest debt exposure on these developments is at completion when settlements are anticipated and repayment sources are known. The Group would use hedges to minimise the periods where significant mismatch is predicted.

At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post Tax Profit Higher / (Lower)		Equity Higher / (Lower)	
	2009	**2008**	**2009**	**2008**
Judgements of reasonably possible Movements:	**$'000**	**$'000**	**$'000**	**$'000**
Consolidated				
+1% (100 basis points)	402	146	402	146
-0.5% (50 basis points)	(201)	(73)	(201)	(73)
Company				
+1% (100 basis points)	185	411	185	411
-0.5% (50 basis points)	(92)	(208)	(92)	(208)

Foreign Currency Risk

Due to the Group's operations in Dubai, the Group is exposed to movement in the United Arab Emirates dirham (AED). The Group's policy is to hedge 50% to 100% of its currency exposure through a mixture of spot, forward contracts and foreign currency options depending on the underlying net cash flows. Forward contracts and currency options if used by the Group are normally denominated in United States dollars as the United Arab Emirates dirham is pegged to the United States dollar. The Group currently has a natural hedge as cash receipts from purchasers and payments to suppliers are in dirhams and therefore no hedging instruments are being used.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meets its financial obligations as they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of project specific bank loans and non-project specific bank loans and committed available credit lines.

For Australian projects the term of project specific funding always coincides with the development program of the project to which it relates to ensure the project can continue to be funded until construction is complete and settlements begin occurring. These credit lines generally mature six months after the completion of the project. The liquidity risk of the Group's obligation to repay development costs as per the development agreements with a related party is mitigated by the progressive realisation of sale proceeds to the Group.

For Dubai projects, progress payments from purchasers are received into an escrow account ('the guarantee account') administered by a Trustee, usually an approved bank or financial institution. Development costs incurred by the Group for the respective project are then met out of the guarantee account once relevant certifications and documentation has been presented to the Trustee and approved. This escrow system means that the Group does not rely heavily on borrowings in order to fund developments providing project pre- sales are sufficient.

The Group maintains the following lines of credit with different financial institutions:

- A 3-year evergreen facility of $80 million expiring 31 December 2011 with the next review on 31 December 2009; and
- A 2-year evergreen facility of $50 million expiring 31 December 2010 with the next review on 28 February 2010.

If the above facilities are not renewed, the limits will be reduced on a gradual basis over two to three years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

Maturity Analysis of Financial Assets and Liabilities.

Year ended 30 June 2009	**≤ 6 months $'000**	**6-12 months $'000**	**1-5 years $'000**	**>5 years $'000**	**Total $'000**
Consolidated					
Financial assets					
Cash assets	170,115	-	-	-	170,115
Receivables	18,452	4,910	55,426	-	78,788
	188,567	4,910	55,426	-	248,903
Financial liabilities					
Payables	10,321	-	182,175	-	192,496
Bank Loans	-	9,938	32,378	-	42,316
	10,321	9,938	214,553	-	234,812
Net Maturity	178,246	(5,028)	(159,127)	-	14,091
Company					
Financial assets					
Cash assets	106,508	-	-	-	106,508
Receivables	221,126	-	7,462	85,346	313,934
	327,634	-	7,462	85,346	420,442
Financial liabilities					
Payables	52,554	-	67,367	-	119,921
Bank Loans	-	-	9,882	-	9,882
	52,554	-	77,249	-	129,803
Net Maturity	313,245	-	(61,180)	81,677	333,742

Year ended 30 June 2008	**≤ 6 months $'000**	**6-12 months $'000**	**1-5 years $'000**	**>5 years $'000**	**Total $'000**
Consolidated					
Financial assets					
Cash assets	113,445	-	-	-	113,445
Receivables	28,459	15,000	74,210	8,029	125,698
Derivatives	189	-	-	-	189
	142,093	15,000	74,210	8,029	239,332
Financial liabilities					
Payables	11,140	5,610	162,813	-	179,563
Bank Loans	49,800	30,000	-	-	79,800
Obligations under finance leases and hire purchase contracts	8	-	-	-	8
	60,948	35,610	162,813	-	259,371
Net Maturity	81,145	(20,610)	(88,603)	8,029	(20,039)
Company					
Financial assets					
Cash assets	59,074	-	-	-	59,074
Receivables	277,345	-	6,074	89,860	373,279
	336,419	-	6,074	89,860	432,353
Financial liabilities					
Payables	53,554	-	47,388	-	100,942
	53,554	-	47,388	-	100,942
Net Maturity	282,865	-	(41,314)	89,860	331,411

	Consolidated		**Company**	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
The consolidated entity has access to the following lines of credit:				
Total facilities available				
Bank loans and overdraft	200,346	273,445	80,000	80,000
Finance leases and hire purchase contracts	-	8	-	-
	200,346	273,453	80,000	80,000
Facilities utilised at balance date				
Bank loans and overdraft	42,316	79,800	-	-
Finance leases and hire purchase contracts	-	8	-	-
	42,316	79,808	-	-
Facilities not utilised at balance date				
Bank loans	158,030	193,645	80,000	80,000
	158,030	193,645	80,000	80,000

Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, receivables and derivative instruments. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. As the Group has a diverse range of customers, there is no significant concentration of credit risk either by nature of industry or geographically.

Receivables primarily take the form of:

- Loans to unrelated parties that may be provided in the consideration for development rights over land;
- Contracts over the sale of developed product; and
- Vendor finance

The Group's exposure to credit risk arises from the potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. In respect to loans to unrelated parties and vendor finance, the credit risk is mitigated by the Group controlling the development site/product and taking appropriate security to protect its position.

In respect to contacts for the sale of product in Australia, purchasers of lots or apartments off-the-plan are required to make a 10% deposit on signing of the contract with the balance to be paid when the lots or land is released to the customer.

In respect to contacts for the sale of product in Dubai, purchasers of apartments off-the-plan are required to make periodic deposits from the date of signing until the lot is released to the customer. These deposits are kept in an escrow account and administered by an approved bank or financial institution and are able to be obtained by the Group to fund the development.

In respect of joint venture receivables the credit risk is mitigated as all services are performed under contracts which can only be amended by both parties mutually. In the joint ventures each party contributes equal to their percentage ownership into the joint venture to cover costs. Therefore the Group has an equal and offsetting liability to the joint venture partner which mitigates our credit risk.

The Group's exposures at balance date are addressed in each applicable note.

The Group does not use credit derivatives to offset credit exposures.

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
5. REVENUE AND EXPENSES				
(a) Other revenues				
Rental income	1,399	106	-	-
Retail income	1,175	1,597	-	-
Interest option revaluation	-	189	-	-
Foreign exchange gain/(loss)	12,563	-	3,892	-
Other	1,312	897	210	2
Dividends:				
Wholly owned subsidiaries	-	-	57,649	2
Interest:				
Other parties	4,151	7,751	2,320	5,212
Total other revenues	20,600	10,540	64,071	5,216

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
(b) Other income				
Net gain/(loss) on disposal of property, plant and equipment	104	5	-	-
Total other income	104	5	-	-
(c) Depreciation and amortisation included in the income statement				
Plant and equipment	4,411	3,306	2,183	1,771
Management rights	201	135	-	-
Total depreciation and amortisation expense	4,612	3,441	2,183	1,771
(d) Finance costs				
Borrowing costs				
Interest paid to third parties	5,496	7,033	995	212
Interest paid to related parties (refer Note 30)	-	-	-	1,292
Less borrowing costs capitalised to inventories	(4,354)	(5,210)	-	-
	1,142	1,823	995	1,504
Amortisation of finance costs previously capitalised to inventories	13,924	13,057	-	-
Total finance costs	15,066	14,880	995	1,504
(e) Other expenses included in the income statement				
Forgiveness of debt to subsidiaries	-	-	34,456	5,002
Net expense/(benefit) from movements in provision for employee benefits	(315)	69	(32)	265
Operating lease rental expense:				
Minimum lease payments	1,747	1,883	558	517

6. **AUDITORS' REMUNERATION**

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Amounts received or due and receivable by Ernst & Young:				
Audit or review of the financial report of the entity and any other entity in the consolidated entity	387,700	901,820	341,000	856,670
Other services in relation to the entity and any other entity in the consolidated entity:				
- Tax compliance	62,500	178,200	62,500	177,700
- Income tax advice	359,515	453,454	359,515	114,161
- Other assurance services	2,550	-	-	-
- Accounting advice audit services	22,100	-	-	-
	834,365	1,533,474	763,015	1,148,531

	Consolidated		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
7. **INCOME TAX**				
The major components of income tax expense are:				
Income Statement				
Current income tax				
Current income tax charge/(revenue)	1,777	22,298	(244)	(3,820)
Adjustments in respect of current income tax of previous years	3,705	(1,122)	1,115	-
Deferred income tax				
Relating to origination and reversal of temporary differences	(11,186)	1,589	47	1,909
Income tax expense/(benefit) reported in the income statement	(5,704)	22,765	918	(1,911)
Statements of Recognised Income and Expense				
Deferred income tax related to items charged or credited directly to equity				
Share issue costs, foreign currency translation and fair value of derivatives	1	356	1	356
Income tax expense reported in equity	1	356	1	356
A reconciliation between tax expense and the product of accounting profit/loss before income tax multiplied by the Group's applicable income tax rate is as follows:				
Accounting profit/(loss) before income tax	(150,758)	121,762	5,989	(2,810)
At the Group's statutory income tax rate of 30% (2008: 30%)	(45,227)	36,529	1,797	(843)
Foreign sourced income not assessable for income tax purposes	(33,516)	(26,645)	(4,902)	(7,020)
Other income not assessable for income tax purposes	(1,497)	(1,576)	-	-
Foreign expenditure not allowable for income tax purposes	69,648	10,242	3,898	2,497
Other expenditure not allowable for income tax purposes	1,350	4,215	17,182	3,424
Rebatable dividend	-	-	(17,295)	(2)
Other	(167)	-	(877)	-
Underprovision in respect of previous years	3,705	-	1,115	33
Income tax expense/(benefit) reported in the income statement	(5,704)	22,765	918	(1,911)

	Balance sheet 2009 $'000	Balance sheet 2008 $'000	Income statement 2009 $'000	Income statement 2008 $'000
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
Deferred tax liabilities				
Accelerated depreciation for tax purposes	(1,956)	(1,909)	47	1,908
Items deductible for tax but capitalised for accounting	(6,158)	(15,419)	(9,261)	(1,244)
Income not currently assessable for tax	(70)	(892)	(822)	438
	(8,184)	(18,220)		
Deferred tax assets				
Provisions not deductible for tax	1,653	547	(1,106)	109
Expenses not currently deductible	492	1,317	825	92
Share issue costs	184	356	-	-
Other assessable income	-	-	-	-
Tax on unrealised accounting profit	965	96	(869)	286
	3,294	2,316		
Deferred tax income			(11,186)	1,589
Deferred income tax at 30 June relates to the following:				
COMPANY				
Deferred tax liabilities				
Accelerated depreciation for tax purposes	(1,956)	(1,908)	47	1,908
	(1,956)	(1,908)		
Deferred tax assets				
Share issue costs	184	356	-	-
	184	356		
Deferred tax income			47	1,908

Tax consolidation
Sunland Group Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect 1 from July 2003. Sunland Group Limited is the head entity of the tax consolidated group.

Tax effect accounting by members of the tax consolidated group
Members of the tax consolidated group have entered into a tax funding agreement. Current and deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112 *Income Taxes.* Allocations under the tax funding agreement are made at the end of each year.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, Sunland Group Limited. The Group has applied the modified separate taxpayer within a group approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

		Consolidated Balance sheet		Company Income statement	
		2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
8.	**DIVIDENDS**				
(a)	**Declared and paid during the year**				
	Current year interim				
	Franked dividends 2009: 3.00 cents (2008: 7.00 cents)	9,707	22,533	9,707	22,533
	Previous year final				
	Franked dividends 2008: 7.00 cents (2007: 6.75 cents)	22,644	21,608	22,644	21,608
		32,351	44,141	32,351	44,141
(b)	**Proposed and not recognised as a liability**				
	Franked dividends 2009: nil cents (2008: 7.00 cents)	-	22,619	-	22,619

		Company	
		2009 $'000	**2008 $'000**
(c)	**Dividend Franking Account**		
	The amount of franking credits available for the subsequent financial year are:		
	- Franking account balance as at the end of the financial year at 30% (2008: 30%)	60,191	59,658
	- Franking credits that will arise from the payment refund of income tax payable as at the end of the financial year	(5,725)	2,419
	- Franking debits that will arise from the payment of dividends as at the end of the financial year	-	(9,694)
		54,466	52,383

The tax rate at which dividends have been franked is 30% (2008: 30%). Under the Australian Taxation Office Pay as You Go (PAYG) system, the consolidated entity will pay tax throughout the 2009 financial year which will provide sufficient franking credits to enable dividends declared and paid throughout the 2009 financial year to be franked to 30%.

9. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The options outstanding under the Executive Share Option Plan have been classified as potential ordinary shares and included in diluted earnings per share only where applicable. For dilutive securities exercised after reporting date refer to the directors' report.

	Consolidated	
	2009	**2008**
	$'000	**$'000**
Earnings Reconciliation		
Net profit/(loss) for basic and diluted earnings	(145,054)	98,997
Weighted average number of shares used as the denominator		
Number used for the calculation of basic earnings per share	**'000**	**'000**
Ordinary shares	323,172	321,614
Effect of dilutive securities:		
Effect of executive share options on issue	-	3,325
Effect of other share options on issue	-	9,334
Number used for the calculation of diluted earnings per share	323,172	334,273

10. SEGMENT REPORTING

Inter-segment pricing is determined on an arm's length basis in a manner similar to transactions to third parties.

Segment results, assets and liabilities include items directly attributed to a segment as well as those that can be allocated on a reasonable basis. Segment revenue, expenses and results include transfers between business segments, these are eliminated on consolidation. Unallocated items mainly comprise corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business Segments
The consolidated entity comprises the following main segments, based on the consolidated entity's management reporting system:-

- Australian and International property development segments.
- Hotel investments and operations.
- Project services
- Funds management

Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the product or service. Segment assets are based on the geographical location of the assets.

The consolidated entity's business segments operate geographically as follows:

Australia:	- Property sales offices and products, project services and funds management in Queensland, Victoria and New South Wales
	- Hotel and management operations in Queensland
Dubai:	- Property sales offices and products, project services

The Group's primary segment reporting format is business segments as the Group's risks and rates of return are affected predominately by differences in the products and services produced. Secondary segment information is reported geographically.

Business segments 2009

Primary reporting	Australian Development 2009 $'000	International Development 2009 $'000	Hotel Investments and Operations 2009 $'000	Project Services 2009 $'000	Funds Management 2009 $'000	Other 2009 $'000	Eliminations 2009 $'000	Consolidated 2009 $'000
Revenue								
Sales to external customers	332,789	103,634	13,892	33,793	1,245	3,898	-	489,251
Total segment revenue	332,789	103,634	13,892	33,793	1,245	3,898	-	489,251
Non-segment revenues								
Net gain on Foreign Exchange								12,563
Interest Revenue								4,139
Total consolidated revenue								505,953
Result								
Segment result before finance costs, diminution & impairment	42,896	90,568	(908)	15,741	877	814	-	149,988
Finance costs after capitalisation	(14,038)	(12)	(948)	-	(20)	(48)	-	(15,066)
Diminution of inventory & Impairment of receivables/PPE	(59,691)	(209,290)	-	-	-	(1,569)	-	(270,550)
Segment results after finance costs, diminution & impairment	(30,833)	(118,734)	(1,856)	15,741	857	(803)	-	(135,628)
Gain on sale of property, plant and equipment								104
Share of net profit from associate								560
Net gain on Foreign Exchange								12,563
Interest Revenue								4,139
Unallocated corporate expenses								(32,496)
Profit/(loss) from ordinary activities before tax								(150,758)
Income tax benefit/(expense)								5,704
Net loss for the year								(145,054)
Depreciation and amortisation	201	1,132	1,785	-	-	1,494	-	4,612
Assets								
Segment assets	262,334	470,365	33,467	3,714	3,578	1,371	-	774,829
Investment in an associate								3,109
Unallocated corporate assets								119,088
Consolidated total assets								897,026
Capital expenditure	98	385	884	-	-	149	-	1,516
Liabilities								
Segment liabilities	19,425	445,532	11,819	-	1,387	309	-	478,472
Unallocated liabilities								33,997
Consolidated total liabilities								512,469

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

Business segments 2009

Geographical Segments	**Australia** 2009 $'000	**Middle East** 2009 $'000	**Consolidated** 2009 $'000
Revenue			
Sales to external customers	387,732	118,221	505,953
Result			
Segment result before finance costs, diminution & impairment	40,395	94,463	134,858
Finance costs after capitalisation	(15,054)	(12)	(15,066)
Diminution of inventory & impairment of receivables/PPE	(61,260)	(209,290)	(270,550)
Segment results after finance costs, diminution & impairment	(35,919)	(114,839)	(150,758)
Income tax benefit/(expense)	5,704	-	5,704
Net profit for the year	(30,215)	(114,839)	(145,054)
Other segment information			
Segment assets	423,552	470,365	893,917
Investment in associate			3,109
Total assets			897,026
Capital expenditure	1,131	385	1,516

Business segments 2008

Primary reporting	Australian Development 2008 $'000	International Development 2008 $'000	Hotel Investments and Operations 2008 $'000	Project Services 2008 $'000	Funds Management 2008 $'000	Other 2008 $'000	Eliminations 2008 $'000	Consolidated 2008 $'000
Revenue								
Sales to external customers	358,566	61,044	15,616	47,219	4,166	1,545	-	488,156
Total segment revenue	358,566	61,044	15,616	47,219	4,166	1,545	-	488,156
Non-segment revenues								
Interest Revenue								8,900
Total consolidated revenue								497,056
Result								
Segment result before finance costs	83,388	36,363	1,114	30,323	3,110	(1,572)	-	152,726
Finance costs after capitalisation	(13,059)	(281)	(1,338)	-	(73)	(130)	-	(14,881)
Segment results after finance costs	70,329	36,082	(224)	30,323	3,037	(1,702)	-	137,845
Gain/(loss) on sale of property, plant and equipment								5
Share of net profit from associate								1,116
Unallocated corporate expenses								(17,204)
Profit from ordinary activities before tax								121,762
Income tax expense								(22,765)
Net profit for the year								98,997
Depreciation and amortisation	153	-	1,461	-	-	1,827	-	3,441
Assets								
Segment assets	427,419	307,572	35,655	19,493	2,465	2,807	-	795,411
Investment in an associate								3,922
Unallocated corporate assets								182,102
Consolidated total assets								981,435
Capital expenditure	3,787	-	1,580	-	-	1,438	-	6,805
Liabilities								
Segment liabilities	23,506	272,060	2,528	-	183	153	-	298,430
Unallocated liabilities								136,274
Consolidated total liabilities								434,704

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

Business segments 2008

Geographical Segments	**Australia** 2008 $'000	**Middle East** 2008 $'000	**Consolidated** 2008 $'000
Revenue			
Sales to external customers	408,239	88,817	497,056
Result			
Segment result before finance costs	81,686	54,956	136,642
Finance costs after capitalisation	(14,600)	(280)	(14,880)
Segment results after finance costs	67,086	54,676	121,762
Income tax expense	(22,765)	-	(22,765)
Net profit for the year	44,321	54,676	98,997
Other segment information			
Segment assets	564,720	412,793	977,513
Investment in associate			3,922
Total assets			981,435
Capital expenditure	3,692	3,113	6,805

11. CASH AND CASH EQUIVALENTS

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Cash and Deposits at call	28(i)	115,836	87,806	106,508	59,074
Restricted cash [(1)]	28(i)	54,279	25,639	-	-
		170,115	113,445	106,508	59,074

Cash at bank earns interest at fixed or floating rates based on daily bank deposit rates.

[(1)] Joint Venture entities that the Company has a 50% interest in held funds in escrow totalling AED281,372,000 which converts to $95,152,000 (2008: $51,278,000) of which the Company has an interest of AED140,686,000 or $47,576,000 (2008: $25,639,000). The Company holds 100% interest in held funds in escrow totalling AED19,823,000 or $6,704,000 (2008: Nil). This balance represents instalments made on Dubai sales that can be used to fund the construction costs of the related Dubai based projects throughout the life of the project. These amounts have been recognised in cash following the introduction of legislation formalising the operation of escrow accounts in Dubai.

12. TRADE & OTHER RECEIVABLES

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Current				
Trade receivables	6,140	9,297	2,750	7,544
Less: Allowance for impairment losses [(a)]	(4,129)	(8)	(1,423)	(8)
	2,011	9,289	1,327	7,536
Loans to third parties	3,820	15,000	-	-
Related party receivables:				
Loans to controlled entities	-	-	219,799	267,542
Amounts receivable from Joint Ventures	7,019	15,391	-	2,267
Amounts receivable from Associates	7,232	3,779	-	-
Vendor finance	3,280	-	-	-
	23,362	43,459	221,126	277,345

(a) Allowance for Impairment Loss

Trade receivables are non-interest bearing and are generally on 60 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. A reversal of $5,000 (Company: $5,000) and an additional charge of $4,121,000 (Company: $1,415,000) has been recognised as an expense for the current year for specific debtors for which such evidence exists. The amount of the allowance/impairment loss has been measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors.

Movement in the provision for impairment losses

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
- Opening balance	8	9	8	9
- Charge for the year	6,984	(1)	1,415	(1)
- Closing balance	6,992	8	1,423	8

At 30 June, the ageing analysis of trade receivables is as follows:

		Total	0-30 days	31-60 days	61-90 days	+ 91 days
		$'000	$'000	$'000	$'000	$'000
2009	Consolidated	6,150	4,508	21	60	1,561
	Company	2,750	667	4	-	2,089
2008	Consolidated	9,297	7,471	-	-	1,826
	Company	7,544	7,237	-	-	307

Trade receivables past due but not considered impaired are: Consolidated $141,000 (2008: $1,826,000); Company $8,000 (2008: $307,000). The Group has reviewed all trade receivables classified as past due but not impaired and is satisfied that the amounts will be received in full.

(b) Related Party Receivables

For terms and conditions of related party receivables refer to Note 30.

(c) Fair Value and Credit Risk

Due to the short nature of these receivables, their carrying value is assumed to approximate their fair value.

(d) Foreign exchange and Interest Rate Risk

Detail regarding foreign exchange and interest risk exposure is disclosed in Note 4.

	Consolidated		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Non-Current				
Loans to third parties	12,813	18,147	-	-
Provision for doubtful debt	(2,863)	-	-	-
Related party receivables:	9,950	18,147	-	-
Loans to controlled entities	-	-	92,732	81,961
Amounts receivable from Joint Ventures	45,476	63,902	76	13,973
Vendor finance	-	190	-	-
	55,426	82,239	92,808	95,934

(a) Allowance for Impairment Losses

No amounts are past due, a provision for impairment has been made against loans to third parties for funds not believed recoverable amounting to $2,863,000 (2008:nil)

(b) Related Party Receivables

For terms and conditions relating to related party receivables refer to Note 30.

(c) Fair Values

The fair values and carrying values of non-current receivables of the Group are as follows:

	2009		2008	
	Carrying Amount $'000	Fair Value $'000	Carrying Amount $'000	Fair Value $'000
Loans to third parties	9,950	9,950	18,147	18,147
Vendor finance	-	-	190	190
	9,950	9,950	18,337	18,337

The fair values are based on cash flows discounted using the applicable effective interest rate.

Joint Venture non-current receivables are separately disclosed in Note 31.

(d) Interest Rate Risk

Details regarding interest rate risk exposure is disclosed in Note 4.

(e) Credit Risk

The maximum exposure to credit risk at reporting date is the higher of the carrying value and fair value of each class of receivable.

Collateral is held against a third party loan of $9,950,000 (2008: $18,147,000). The Group has collateral over this loan in the form of a fixed and floating charge.

(f) Foreign Exchange Risk

Details regarding foreign exchange exposure is disclosed in Note 4.

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
13. **INVENTORIES**				
Current				
Development properties, including land subdivision, other land and buildings under construction, at lower of cost and net realisable value	56,979	145,099	-	-
Finished goods – at the lower of cost and net realisable value	71,134	124,721	712	873
	128,113	269,820	712	873

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Non-Current				
Development properties including land and buildings under construction at the lower of cost and net realisable value	442,737	392,746	-	183
	442,737	392,746	-	183
Total development properties held for sale comprises:				
Costs of acquisition	516,594	219,420	-	-
Development costs capitalised	199,681	426,378	-	-
Finance costs capitalised	7,463	16,768	-	-
Diminution of inventory to net realisable value	(152,888)	-	-	-
	570,850	662,566	-	-

Borrowing costs were capitalised at a weighted average rate of 7.14% (2008: 8.5%).

See Note 21 for details of the above inventories that are held as security over various finance facilities.

See Note 30 for details of the above inventories that are held as security over various development agreements with SDLF2 Pty Ltd.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
Current Assets				
Interest rate option – not designated for hedging	-	189	-	-
Current Liabilities				
Foreign exchange option – cash flow hedges	-	803	-	803

(a) Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge fluctuations in interest and foreign exchange rates. The following derivatives were in place at balance sheet date:

(i) Interest rate options

The Group has entered into interest rate options which are economic hedges but do not satisfy the requirements for hedge accounting. At 30 June 2008 date, the details of outstanding contracts are:

	Strike	Notional Amount AUD $'000
Interest rate option – Expiry March 2009	6%	20,000

(ii) Foreign currency options

The Group has hedged cash payments due to be made in December 2008. At 30 June 2009, the details of outstanding contracts are:

	Notional Amount USD		Average Exchange Rate	
	2009 $'000	**2008 $'000**	**2009**	**2008**
USD Call Option – Expiry December 2008	-	7,352	-	0.8968
USD Put Option – Expiry December 2008	-	(7,352)	-	0.8968

The options are considered to be highly effective as they are matched against forecast inventory purchases and any gain or loss on the contract attributable to the hedged risk is taken directly to equity. When the inventory is recognised the amount recognised in equity is adjusted to the inventory account in the balance sheet.

Movement in foreign currency cash flow hedge reserve:

	Note	Consolidated		Company	
		2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Opening balance		(803)	-	(803)	-
Charged to equity		803	(803)	803	(803)
Closing balance	25	-	(803)	-	(803)

15. **OTHER ASSETS**

Current				
Prepayments	8,040	1,495	462	708
Construction bonds	638	1,570	-	-
	8,678	3,065	462	708

The construction bonds relate to cash held on deposit as security for loans for various projects. These amounts will be receivable within 12 months.

16. **OTHER FINANCIAL ASSETS**

Non-current				
Investments in controlled entities:				
Unlisted shares at cost				
Carrying amount at beginning of the year	-	-	5,784	5,784
Acquired during year	-	-	-	-
	-	-	5,784	5,784

Refer Note 26 for details of controlled entities.

17. **INTANGIBLES**

Goodwill	150	150	-	-
Management Letting Rights	285	486	-	-
	435	636	-	-

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
(a) *Goodwill*				
Cost	150	150	-	-
Net carrying amount	150	150	-	-
Reconciliation of goodwill				
Balance at the beginning of the financial year	150	150	-	-
At 30 June net of accumulated impairment	150	150	-	-

Goodwill at year end relates to the acquisition of Sunland Funds Management Limited which was acquired in a prior period.

Refer Note 26 for details for the prior period disposal of controlled entities.

Key assumptions used in value in use calculations
The calculation of value in use for the funds management division is most sensitive to the following assumptions:

- Responsible Entity Fees: The Group receives a fee based on gross sales made by the fund; and
- Fund Establishment Fees: As the responsible entity for the funds, the Group receives a fee for identifying and securing assets with development potential and performing due diligence associated with undertaking developments.

No impairment loss was recognised for the current financial year.

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
(b) *Management Letting Rights*				
Cost	621	621	-	-
Accumulated Amortisation	(336)	(135)	-	-
Net carrying amount	285	486	-	-
Reconciliation of intangibles				
Balance at the beginning of the financial year	486	-	-	-
Acquisition of management letting rights	-	621	-	-
Amortisation	(201)	(135)	-	-
At 30 June net of accumulated amortisation	285	486	-	-

Intangibles relate to management letting rights acquired in the prior period. These rights expire in November 2010 and are amortised over the remaining period.

If an impairment indicator arises, the recoverable amount of the management letting rights is estimated and an impairment loss is recognised to the extent the recoverable amount is lower than the carrying amount. No impairment was recognised for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

18. PROPERTY, PLANT & EQUIPMENT

	Consolidated			Company		
	Freehold land and Buildings	Plant and Equipment	Total	Freehold land and Buildings	Plant and Equipment	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2008						
Cost	47,584	12,438	60,022	42,313	877	43,190
Accumulated depreciation	(9,523)	(4,752)	(14,275)	(9,523)	(322)	(9,845)
Net carrying amount	38,061	7,686	45,747	32,790	555	33,345
At 30 June 2009						
Cost	47,256	8,215	55,471	43,197	1,068	44,265
Accumulated depreciation	(11,337)	(4,969)	(16,306)	(11,308)	(741)	(12,049)
Net carrying amount	35,919	3,246	39,165	31,889	327	32,216
Year ended 30 June 2009						
At 1 July 2008 net of accumulated depreciation and impairment	38,061	7,686	45,747	32,790	555	33,345
Additions	1,062	454	1,516	884	257	1,141
Disposals	-	(388)	(388)	-	(191)	(191)
Exchange Difference	-	510	510	-	79	79
Impairment	(619)	(2,390)	(3,009)	-	-	-
Transfer to asset held for sale	(800)	-	(800)	-	-	-
Depreciation charge for the year	(1,785)	(2,626)	(4,411)	(1,785)	(373)	(2,158)
Net of accumulated depreciation and impairment	35,919	3,246	39,165	31,889	327	32,216
Year ended 30 June 2008						
At 1 July 2007 net of accumulated depreciation and impairment	36,522	6,744	43,266	32,672	302	32,974
Additions	3,000	3,803	6,803	1,579	633	2,212
Disposals	-	(1,019)	(1,019)	-	(199)	(199)
Exchange Difference	-	3	3	-	-	-
Depreciation charge for the year	(1,461)	(1,845)	(3,306)	(1,461)	(181)	(1,642)
Net of accumulated depreciation and impairment	38,061	7,686	45,747	32,790	555	33,345

The useful lives of the assets were estimated as follows for 2008 and 2009:

Buildings	20 to 40 years
Plant and equipment	5 to 15 years

All property, plant and equipment has been measured using the cost model. The impairment of the assets has been assessed and recognised in the financial statements, no impairment existed as at 30 June 2008.

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2009 is nil (2008: $43,000). There were no additions during the year (2008: $Nil) of plant and equipment held under finance leases and hire purchase contracts.

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

In the prior year the Group pledged $43,000 of plant and equipment as securities for current and non-current liabilities as disclosed in Note 21.
Land and buildings with a carrying amount of $35,741,000 (2008: $36,642,000) are subject to a first charge to secure one of the Group's bank loans (refer to Note 21).

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
19. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Investment in Associate	3,109	3,923	4,135	4,796

There were no impairment losses relating to the investment in associate and no capital commitments or other commitments relating to the associate.

(a) Interest in associate

Name	Balance Date	Ownership Interest Held 2009 %	Ownership Interest Held 2008 %
Sunland Diversified Land Fund (i)	30 June	15	15
Sunland Diversified Land Fund No.2 (ii)	30 June	19.9	18.35
Emirates Sunland Management Pty Ltd (iii)	30 June	50	50

Sunland Diversified Land Fund and Sunland Diversified Land Fund No.2 are unlisted Australian public trusts. Emirates Sunland Management Pty Ltd is a proprietary limited company incorporated in Australia.

(i) The consolidated group has significant influence over the Sunland Diversified Land Fund through ownership of the fund's responsible entity, Sunland Funds Management Limited.
(ii) The consolidated group has significant influence over the Sunland Diversified Land Fund No.2 through ownership of the fund's responsible entity, Sunland Funds Management Limited.
(iii) The consolidated group has 50% ownership however does not have control or joint control over Emirates Sunland Management Pty Ltd.

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Carrying amount of investment in associates				
Balance at the beginning of the financial year	3,923	1,452	4,796	2,344
- Investment in associate during year	295	4,034	295	4,034
- Elimination of unrealised profits on sales made to the associates	(624)	(1,269)	-	-
- Deferred tax asset recognised on unrealised profits	187	381	-	-
- Distribution paid by Associate	(649)	-	(553)	-
- Capital return from Associate	(403)	(1,582)	(403)	(1,582)
- Share of Associates Profit	380	907	-	-
	3,109	3,923	4,135	4,796
Share of associate's assets and liabilities				
Current assets	5,958	6,325	5,958	6,325
Non-current assets	5,162	6,238	5,162	6,238
Current liabilities	(1,401)	(1,101)	(1,401)	(1,101)
Non-current liabilities	(5,686)	(6,610)	(5,686)	(6,610)
Net assets	4,033	4,852	4,033	4,852
Share of the associate's profit or loss				
Revenue	6,261	5,365	6,261	5,365
Profit/(loss) before income tax	486	1,571	486	1,571
Income tax expense	(132)	(455)	(132)	(455)
Profit/(loss) after income tax	354	1,116	354	1,116
Opening Retained Earnings	1,750	-	1,750	-
Cash distribution paid	(1,641)	(209)	(1,641)	(209)
Profit recognised prior year	(83)	-	(83)	-
	380	907	380	907
Contingent liabilities of associate	-	-	-	-
Share of contingent liabilities incurred jointly with other investors	-	-	-	-

20. **TRADE & OTHER PAYABLES**

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Current				
Trade creditors	3,999	7,180	297	475
Other creditors and construction accruals	6,322	8,195	406	723
	10,321	15,375	703	1,198
Related party payables:				
Amounts payable to Joint Venture participants	-	1,375	5,568	5,473
Loans from controlled entities	-	-	46,283	46,883
	10,321	16,750	52,554	53,554

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Non-Current				
Property settlement creditor*	70,254	96,590	-	-
	70,254	96,590	-	-
Related party payables:				
Amounts payable to Joint Venture participants	111,921	66,223	301	706
Loans from controlled entities	-	-	62,538	46,682
	182,175	162,813	62,839	47,388

Trade creditors are non-interest bearing and are normally settled on a 30 to 60 day term.

For terms and conditions relating to related party payables refer to Note 30.

*The vendor has security over the land acquired until full payment has been made.

21. INTEREST BEARING LIABILITIES

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Current Liabilities				
Bank loans – secured	9,938	79,800	-	-
Finance leases and hire purchase contracts	-	8	-	-
	9,938	79,808	-	-
Non-Current Liabilities				
Bank loans – secured	32,378	-	9.882	-
	32,378	-	9,882	-

(a) Fair Values

The carrying value of the Group's current and non-current borrowings approximates their fair value.

(b) Interest rate, foreign exchange and liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk is disclosed in Note 4.

(c) Assets pledged as security

Bank loans
All bank loans are denominated in Australian dollars or US dollars.

Bank loans are secured by first registered mortgages over various development properties and investment properties held by the consolidated entity, fixed and floating charges over the assets and undertakings of controlled entities, guarantees by the Company and a guarantee and indemnity of each member of the Sunland Group Master Finance Agreement. The US dollar denominated loan is also secured by the shares held in Emirates Sunland PV Dubai Limited. At 30 June 2009 bank loans of $9,938,000 (2008: $79,800,000) are due and payable within the next twelve months. The weighted average effective interest rate at balance date was 7.14% (2008: 8.5%), and is payable monthly.

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
The carrying amounts of the pledged properties are as follows:				
Inventories	249,664	230,495	-	-
Property, plant and equipment	35,741	38,061	31,889	32,790
Total pledged	285,405	268,556	31,889	32,790

Hire purchase facility
The consolidated entity repaid the existing facility during the current year.

(d) Defaults and breaches

During the current and prior years, there were no defaults or breaches on any of the loan agreements.

22. PROVISIONS

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Current liabilities				
Employee benefits	1,397	1,578	308	500
Rental guarantee	46	28	-	-
Warranty costs(i)	4,000	-	-	-
Legal costs(i)	1,271	-	-	-
	6,714	1,606	308	500

(i) These provisions were raised in the current financial year and there have been no other movements other than initial recognition

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Non-current liabilities				
Employee benefits	1,196	766	978	379
Rental guarantee	-	35	-	-
	1,196	801	978	379

Warranty costs
The Group has recognised a provision for expected warranty claims on product sold, based on current sales level and current information available about the costs of past repairs under warranty.

Legal costs
The Group has recognised a provision for expected legal defence costs against purchasers in Nur, D1 and Palazzo Versace Dubai.

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
23. OTHER LIABILITIES				
Current liabilities				
Revenue received in advance	333	364	292	364
Advance – Sunland Diversified Land Fund No.2 (secured)	9,493	9,725	-	-
	9,826	10,089	292	364
Non-current liabilities				
Advance – Sunland Diversified Land Fund No.2 (secured)	10,376	17,415	-	-
	10,376	17,415	-	-

For terms and conditions relating to related party liabilities refer to Note 30.

24. CONTRIBUTED EQUITY

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Share capital				
320,376,149 (2008: 323,122,101) ordinary shares issued and fully paid	312,266	313,555	312,266	313,555

	2009 # Shares	2009 $'000	2008 # Shares	2008 $'000
Share capital:				
Balance beginning of the year	323,122,101	313,555	319,232,306	305,104
Shares issued via executive share option plan	428,000	304	1,680,000	1,509
Share buy-back plan	(3,173,952)	(1,587)	-	-
Dividend reinvestment plan	-	-	2,209,795	6,967
Less: Transaction costs of issues/buy-back (tax effected)	-	(6)	-	(25)
Balance at end of the year	320,376,149	312,266	323,122,101	313,555

The Company does not have authorised capital nor par value in respect of its issued shares.

Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of a winding up of the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation. There are no cash settlement alternatives.

25. RESERVES AND RETAINED EARNINGS

	Share Option Reserve $'000	Cashflow Hedge Reserve $'000	Foreign Currency Translation Reserve $'000	Total Reserves $'000	Retained Earnings $'000
Consolidated					
2009					
Balance at beginning of year	2,215	(803)	(16,901)	(15,489)	248,665
Total recognised income and expense	-	803	11,225	12,028	(145,054)
Dividends to ordinary shareholders including unpaid on consolidation	-	-	-		(32,351)
Equity settled transactions	4,501	-	-	4,501	-
	6,716	-	(5,676)	1,040	71,260
2008					
Balance at beginning of year	1,188	-	135	1,323	193,809
Total recognised income and expense	-	(803)	(17,036)	(17,839)	98,997
Dividends to ordinary shareholders	-	-	-	-	(44,141)
Equity settled transactions	1,027	-	-	1,027	-
	2,215	(803)	(16,901)	(15,489)	248,665
Company					
2009					
Balance at beginning of year	460	(803)	719	376	58,684
Total recognised income and expense	-	803	2,814	3,617	5,071
Dividends to ordinary shareholders	-	-	-	-	(32,351)
Equity settled transactions	1,503	-	-	1,503	-
	1,963	-	3,533	5,496	31,404
2008					
Balance at beginning of year	120	-	135	255	103,724
Total recognised income and expense	-	(803)	584	(219)	(899)
Dividends to ordinary shareholders	-	-	-	-	(44,141)
Equity settled transactions	340	-	-	340	-
	460	(803)	719	376	58,684

Nature and Purpose of Reserves

Share Option Reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration.

Cash Flow Hedge Reserve

This reserve is used to record the mark to market of effective derivatives held at the year end.

Foreign Currency Translation Reserve

This reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations. It is also used to record the effect of hedging net investments in foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

26. CONTROLLED ENTITIES

(a) Particulars in relation to controlled entities

Name	Country of Formation	Ordinary Share Consolidated Entity Interest % 2009	2008
Parent Entity			
Sunland Group Limited	Australia		
Controlled entities			
Abian (QLD) Pty Limited	Australia	100	100
Addelson Pty Limited	Australia	100	100
Andyville Pty Limited	Australia	100	100
Bolger Cove Pty Limited	Australia	100	100
Camryville Pty Limited	Australia	100	100
Carlyndale Pty Limited	Australia	100	100
Carnriver Pty Limited	Australia	100	100
Carnriver Retail Pty Limited	Australia	100	100
Dalestan Pty Limited	Australia	100	100
Girroma Pty Limited	Australia	100	100
Haddenham Pty Limited	Australia	100	100
Harrovale Pty Limited	Australia	100	100
Hayberry Pty Limited	Australia	100	100
Inglesun Pty Limited	Australia	100	100
Jadedrift Pty Limited	Australia	100	100
Jamalla Pty Limited	Australia	100	100
Keriland Pty Limited	Australia	100	100
Lakesky Unit Trust	Australia	100	100
Larrisendale Pty Limited	Australia	100	100
Laughlindale Pty Limited	Australia	100	100
Leighwood Pty Limited	Australia	100	100
Lilibuck Pty Limited	Australia	100	100
Loxstone Pty Limited	Australia	100	100
Loxwood Pty Limited	Australia	100	100
Mantina Pty Limited	Australia	100	100
Marington Pty Limited	Australia	100	100
Mortdella Pty Limited	Australia	100	100
Mystonia Pty Limited	Australia	100	100
Odyssey Condominium Hotels Pty Limited	Australia	100	100
Palazzo Versace Pty Limited	Australia	100	100
Parrella Pty Limited	Australia	100	100
Parsen Pty Limited	Australia	100	100
Roseley Vale Pty Limited	Australia	100	100
Royal Pines Resort Realty Pty Limited (formerly Sunland Realty Pty Limited)	Australia	100	100
Scottsland Pty Limited	Australia	100	100
SDG-PV Pty Limited	Australia	100	100
Stanride Pty Limited	Australia	100	100
Sunland Aquum Limited	UAE	100	100
Sunland Atrium Limited	UAE	100	-
Sunland Capital Pty Limited	Australia	100	100
Sunland Constructions (Avalon) Pty Limited	Australia	100	100
Sunland Constructions (Circle) Pty Limited	Australia	100	100
Sunland Constructions (QLD) Pty Limited	Australia	100	100
Sunland Constructions (NSW) Pty Ltd	Australia	100	100
Sunland Constructions (VIC) Pty Limited	Australia	100	100

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For the year ended 30 June 2009

Name	Country of Formation	Ordinary Share Consolidated Entity Interest % 2009	2008
Sunland CV (BVI) Limited	British Virgin Islands	100	100
Sunland Design Group (VIC) Pty Limited	Australia	100	100
Sunland Development Dubai (BVI) Limited	British Virgin Islands	100	100
Sunland Developments No 1 Pty Limited	Australia	100	100
Sunland Developments No 2 Pty Limited	Australia	100	100
Sunland Developments No 3 Pty Limited	Australia	100	100
Sunland Developments No 4 Pty Limited	Australia	100	100
Sunland Developments No 5 Pty Limited	Australia	100	100
Sunland Developments No 6 Pty Limited	Australia	100	100
Sunland Developments No 7 Pty Limited	Australia	100	100
Sunland Developments No 8 Pty Limited	Australia	100	100
Sunland Developments No 9 Pty Limited	Australia	100	100
Sunland Developments No 10 Pty Limited	Australia	100	100
Sunland Developments No 11 Pty Limited	Australia	100	100
Sunland Developments No 12 Pty Limited	Australia	100	100
Sunland Developments (QLD) Pty Limited	Australia	100	100
Sunland DWF (BVI) Limited	British Virgin Islands	100	100
Sunland Funds Management Limited	Australia	100	100
Sunland Global Rollout (BVI) Limited	British Virgin Islands	100	100
Sunland Global Rollout Pty Limited	Australia	100	100
Sunland Group (Cairns) Pty Limited	Australia	100	100
Sunland Group (NSW) Pty Limited	Australia	100	100
Sunland Group (Oasis) Pty Limited	Australia	100	100
Sunland Group Project Management Pty Limited	Australia	100	100
Sunland Group (QLD) Pty Limited	Australia	100	100
Sunland Group UAE (Australia) Pty Ltd	Australia	100	100
Sunland Group (VIC) Pty Limited	Australia	100	100
Sunland Gulf Resources Pty Limited	Australia	100	100
Sunland Homes Pty Limited	Australia	100	100
Sunland Homes Unit Trust	Australia	100	100
Sunland International Pty Limited	Australia	100	100
Sunland International (BVI) Pty Ltd	British Virgin Islands	100	100
Sunland International BFJV (BVI) Limited	British Virgin Islands	100	100
Sunland International Capital (BVI) Limited	British Virgin Islands	100	-
Sunland International PV Pty Limited	Australia	100	100
Sunland Joinery Pty Limited	Australia	100	100
Sunland JV Development (BVI) Ltd	British Virgin Islands	100	100
Sunland Martha Cove Pty Limited	Australia	100	100
Sunland Property Trust	Australia	100	100
Sunland Real Estate (NSW) Pty Limited	Australia	100	100
Sunland Resources Pty Limited	Australia	100	100
Sunland Southbank Pty Limited	Australia	100	100
Sunland SP JV Pty Limited	Australia	100	100
Sunland St Kilda Road Pty Limited	Australia	100	100
Sunland Surfers Paradise Pty Limited	Australia	100	100
Sunland Retail Pty Ltd (formerly Sunleisure Retail Pty Ltd)	Australia	100	100
Sunland Waterfront (BVI) Limited	British Virgin Islands	100	100
Sunland Waterfront Development Pty Limited	Australia	100	100
Sunland Waterfront Development Pty Limited (BVI)	British Virgin Islands	100	100
Tessonian Pty Limited	Australia	100	100
Tuskabella Pty Limited	Australia	100	100

Name	Country of Formation	Ordinary Share Consolidated Entity Interest % 2009	2008
Tweedstone Pty Limited	Australia	100	100
Viennendale Pty Limited	Australia	100	100
Waterfront Development 2 (BVI) Limited	British Virgin Islands	100	100
Whittsvilla Pty Limited	Australia	100	100
Yorkmine Pty Limited	Australia	100	100

(b) Acquisition/disposal of controlled entities

Disposal of entities

The following controlled entities were disposed during the year:

	Date Control Ceased	Company's remaining interest %	Consideration $'000	Net assets at date of disposal $'000
2009				
Conferta Pty Limited	14 January 2009	-	-	-
Flippton Pty Limited	14 January 2009	-	-	-
Gairvale Pty Limited	14 January 2009	-	-	-
Lakesky Pty Limited	14 January 2009	-	-	-
Munday Pty Limited	14 January 2009	-	-	-
Preston Grove Pty Limited	14 January 2009	-	-	-
Ridgelodge Pty Limited	14 January 2009	-	-	-
Sunland Financial Services Pty Limited	14 January 2009	-	-	-
Sunland Group (Fern Street) Pty Limited	14 January 2009	-	-	-
Sunland Group (VIC) Northern Pty Limited	14 January 2009	-	-	-
Sunland Property Holdings Pty Limited	14 January 2009	-	-	-
Valenca Pty Limited	14 January 2009	-	-	-
			-	-

These entities were deregistered.

Other entities disposed during the year:

Sunland Real Estate (Victoria) Pty Limited	10 April 2009	-	243	-
2008				
Lynstone Pty Limited	23 January 2008	-	-	-
Orleton Pty Limited	23 January 2008	-	-	-
Rydelson Pty Limited	23 January 2008	-	-	-
			-	-

These entities were deregistered.

Acquisition of entities
The following controlled entities were acquired during the year:

	Date Control Gained	Company's interest %	Consideration $	Net tangible assets at date of acquisition $
2009				
Sunland Aquum Limited	21 December 2008	100	39	39
Sunland Atrium Limited	21 December 2008	100	39	39
Sunland International Capital (BVI) Limited	20 August 2008	100	868	868
			946	946

	Date Control Gained	Company's interest %	Consideration $	Net tangible assets at date of acquisition $
2008				
Carlyndale Pty Limited	30 November 2007	100	1	1
Sunland Global Rollout (BVI) Limited	3 December 2007	100	1	1
Harrovale Pty Limited	30 November 2007	100	1	1
Sunland CV (BVI) Limited	22 June 2007	100	1	1
Sunland Development Dubai (BVI) Limited	22 June 2007	100	1	1
Sunland Developments No 1 Pty Limited	27 September 2007	100	1	1
Sunland Developments No 2 Pty Limited	27 September 2007	100	1	1
Sunland Developments No 3 Pty Limited	27 September 2007	100	1	1
Sunland Developments No 4 Pty Limited	10 October 2007	100	1	1
Sunland Developments No 5 Pty Limited	10 October 2007	100	1	1
Sunland Developments No 6 Pty Limited	10 October 2007	100	1	1
Sunland Developments No 7 Pty Limited	10 October 2007	100	1	1
Sunland Developments No 8 Pty Limited	23 November 2007	100	1	1
Sunland Developments No 9 Pty Limited	23 November 2007	100	1	1
Sunland Developments No 10 Pty Limited	23 November 2007	100	1	1
Sunland Developments No 11 Pty Limited	23 November 2007	100	1	1
Sunland Developments No 12 Pty Limited	23 November 2007	100	1	1
Sunland DWF (BVI) Limited	8 May 2007	100	1	1
Sunland Global Rollout Pty Limited	29 November 2007	100	1	1
Sunland International BFJV (BVI) Limited	22 June 2007	100	1	1
Sunland JV Development (BVI) Limited	22 June 2007	100	1	1
Sunland Nur Limited (JOC)	26 November 2007	100	-	-
Sunland Real Estate (NSW) Pty Limited	19 September 2007	100	12	12
Sunland Waterfront (BVI) Limited	22 June 2007	100	1	1
Sunland Waterfront Development Pty Limited (BVI)	5 January 2007	100	5	5
Waterfront Development 2 (BVI) Limited	23 November 2007	100	1	1
Whittsvilla Pty Limited	30 November 2007	100	1	1
			41	41

27. CONTINGENT LIABILITIES

The details and estimated maximum amounts of contingent liabilities, classified according to the party from whom the contingent liability arises, are set out below. The Directors are not aware of any circumstances or information which would lead them to believe that these liabilities will crystallise and consequently no provisions are included in the accounts in respect of these matters.

	Consolidated		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
In respect of controlled entities and joint ventures				
(i) The Company and each Group member has guaranteed the finance facilities of all other wholly owned subsidiaries.	-	-	22,441	79,808
(ii) Bank guarantees for uncompleted works have been provided to local councils and government authorities in respect of property development projects undertaken by wholly owned subsidiaries.	13,787	6,385	-	-
(iii) The consolidated entity, as a partner in joint venture partnerships are jointly and severally liable for 100% of all liabilities incurred by those joint ventures. The assets of those joint ventures are sufficient to meet such liabilities. The joint venture liabilities not already reflected in the balance sheet are:	436,204	304,878	1,248	1,604
	449,991	311,263	23,689	81,412

Various claims have been made against the Group in the normal course of business which is seen by the Directors as usual business risk related to the development of high rise projects. Claims are assessed on a case by case basis with the appropriate legal advice and are rectified or defended accordingly.

28. NOTES TO THE STATEMENT OF CASH FLOWS

(i) **Reconciliation of cash**

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:

	Consolidated		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Cash	55,836	53,406	46,508	28,853
Deposits at call	60,000	34,400	60,000	30,221
Restricted cash - Dubai	54,279	25,639	-	-
	170,115	113,445	106,508	59,074

(ii) **Reconciliation of profit from ordinary activities to net cash provided by/(used in) operating activities**

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Profit / (Loss) from ordinary activities after income tax	(145,054)	98,997	5,071	(899)
Add/(less) Non-cash items				
Dividends from controlled entities	-	-	(57,649)	(2)
Fees received to/(from) controlled entities	-	-	-	14,718
Depreciation and amortisation	4,612	3,439	2,183	1,771
Amounts set aside to provisions	4,401	81	407	264
Share option expense	4,500	1,028	1,504	339
Derivative valuation	189	(189)	-	-
Foreign exchange restatement	(9,452)	760	(3,892)	760
Net loss/(gain) on disposal of property, plant and equipment	1,857	(5)	(204)	-
Net gain on disposal of Waterfront 2 land	(76,561)	-	-	-
Diminution of inventory and receivables	268,526	-	-	-
Net loss on deregistration of controlled entities	-	-	-	-
Profit from associate	(560)	(907)	1,460	-
Net cash provided by operating activities before change in assets and liabilities	52,458	103,204	(51,120)	16,951
Changes in assets and liabilities adjusted for the effects of purchase of controlled entities during the period				
(Increase)/decrease in inventories	(62,923)	(144,504)	344	(291)
(Increase)/decrease in receivables	38,212	7,522	66,869	(67,227)
(Increase)/decrease in other assets	-	(165)	-	(61)
(Increase)/decrease in investments	1,266	888	-	-
(Increase)/decrease in prepayments	952	-	233	(451)
(Decrease)/increase in other liabilities	118,872	149,300	(72)	(27)
(Decrease)/increase in trade and other payables	(3,410)	(21,981)	(245)	(867)
(Increase)/decrease in deferred tax assets	(978)	749	154	273
(Decrease)/increase in income taxes payable	(8,980)	(28,385)	(16,367)	18,726
(Decrease)/increase in deferred tax liabilities	(10,036)	1,103	1,125	1,908
	72,975	(35,473)	52,041	(48,017)
Items included under investing activities				
Distribution from Associate	(1,641)	(209)	(1,641)	(209)
Net cash provided by/(used in) operating activities	123,792	67,522	(720)	(31,275)

(iii) **Acquisitions of controlled entities**

During the year Sunland Group Limited purchased the shares in shelf-companies as detailed in Note 26 (b)

Details of the acquisitions are as follows:

	Company 2009 $	Company 2008 $
Considerations		
Outflow of cash	907	41
Fair value of net assets of entity acquired		
Cash	907	41

The remaining 40% of Sunland Waterfront (BVI) Limited was re-acquired during the year, consideration for this was nil.

(iv) **Disposal of controlled entities**

The Company commenced the process of winding up and deregistering subsidiaries no longer required. The capital loss as a result of this process was $2,215,000 (2008: $5,002,000). This amount is disclosed in administration and other expenses in the parent entity's income statement.

(v) **Financing facilities**

Details of financing facilities are set out in Note 21.

29. COMMITMENTS

(i) **Land purchase contracts**
Certain Group entities have contracts to purchase land for development leading to the following commitments:

Controlled entities within the Group have entered into various contracts for land throughout Australia for development to the total value of $27,032,807 (2008: $22,678,750). The contracts are conditional upon various criteria being met including reconfiguration approval, due diligence etc. All of these contracts are expected to settle over the next 12 months.

Controlled entities within the Group have entered into contracts to purchase land in Dubai, to the total value of AED 183,203,928 which converts to $62,105,763 (2008: AED 183,203,928 converted to $51,860,198). These contracts are expected to settle within 1 to 4 years.

All the above contracts have been entered into in the normal course of business.

		Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
(ii)	**Operating lease commitments**				
	Future minimum rentals payable under non-cancellable operating leases at 30 June are as follows:				
	Within one year	1,621	2,270	529	267
	After one year but not more than five years	1,738	3,268	448	94
		3,359	5,538	977	361

The consolidated entity leases property under operating leases expiring from two to five years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

		Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
(iii)	**Finance lease and hire purchase commitments**				
	Future minimum lease payments made under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:				
	Within one year	-	8	-	-
				-	-
	Less: Future finance lease charges	-	-	-	-
		-	8	-	-
	Present value of lease liabilities provided for in the financial statements:				
	Current	-	8	-	-
	Total Lease liability	-	8	-	-

Refer to Note 21 for terms and conditions.

(iv) **Guarantees**

None for this financial year. (2008: The contract of sale by Carnriver Pty Ltd to Sunleisure Property Trust of the Circle on Cavill retail precinct included a rental guarantee in that Carnriver Pty Ltd guarantees net property income of $600,000 per month for the guarantee period, which expired 29 June 2008. Claw back provisions apply where the net property income exceeds the monthly guaranteed sum. The accrual for the amount estimated to be paid over the remaining period is included in payables in Note 20)

(v) **Other commitments**

Land held totalling $27,140,000 is committed under a development agreement with Sunland Diversified Land Fund No.2. The land is security for amounts advanced by this fund under the development agreement. Details of the development agreement are set out in Note 30.

30. RELATED PARTIES

Directors and executives transactions with the Company or its controlled entities
Any transactions with Directors, director related entities, executives and executive related entities, including the acquisition of products and services, are carried out in the ordinary course of business and on terms no more favourable than those which it is reasonable to expect the Group would have adopted in an arms length transaction.

Wholly owned group
Details of interests in wholly owned controlled entities are set out in Note 26. Details of dealings with these entities are set out below:

Loans
There were no interest bearing loans between Group entities during the year (2008: $15,000,000). Loans between Group entities are generally interest free, except for loans from Sunland Southbank Pty Limited to Sunland Group Limited. These loans are repayable at call except where they will not be called upon in the next 12 months.

In the comparative year Sunland Southbank Pty Limited charged to Sunland Group Limited interest on the outstanding loan at a rate equivalent to the bank loan rate of 8.80%. This loan was repaid at call.

Interest brought to account by the Company in relation to the loan:

	Company	
	2009 $'000	2008 $'000
Interest paid	-	1,292
Dividends declared by wholly owned subsidiaries:	57,649	2
	57,649	2

The Parent company wrote off loans owing from wholly owned subsidiaries to the value of $34,456,000 (2008: $5,002,000).

Other transactions
On the 20 December 2007, Loxwood Pty Ltd, Lillibuck Pty Ltd, Haddenham Pty Ltd and Sunland Group (Oasis) Pty Ltd, all of which are wholly owned subsidiaries of Sunland Group Ltd, entered into separate development agreements with SDLF2 Pty Ltd, a wholly owned subsidiary of Sunland Diversified Land Fund No.2 (the "Fund"). The Group owns 19.93% (2008:18.35%) of the issued units in the Fund. The development agreements provide for the assignment of the development rights in parts of the land owned by the Group. SDLF2 Pty Ltd is responsible for developing, marketing and selling the land in return for a development fee. SDLF2 Pty Ltd paid to the Group $11,407,042 in consideration for the right to develop the land calculated as the present value of the land (including development costs) less present costs of the land. In addition to this amount SDLF2 Pty Ltd advanced $27,824,958 to the Group representing the development cost of the land and this amount is progressively realised in instalments out of the proceeds of sale. The outstanding balance of this loan as at 30 June 2009 was $19,868,471. SDLF2 Pty Ltd's right to recover the funds is limited to the sale proceeds, less the Group's GST liability in respect to the sale proceeds.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year and the amounts owed by and to related parties:

Related Party	Year (30 June)	Sales $'000	Amounts owed by related party $'000	Amounts owed to related party $'000
Consolidated				
Joint venture parties	2009	-	52,485	111,921
	2008	46,552	79,293	67,598
Associates	2009	21,119	7,232	-
	2008	11,407	3,778	-
Parent				
Wholly owned subsidiaries	2009	-	361,653	113,349
	2008	-	349,503	93,565
Joint venture parties	2009	-	76	5,869
	2008	21,578	16,240	6,179
Associates	2009	-	-	-
	2008	-	-	-

The amounts payable and receivable from Joint Venture Parties will be payable/receivable upon completion of the project to which the loan relates to. No interest is receivable or payable in relation to these loans.

During the period construction advances were paid between joint ventures in which the Group has an interest.

Terms and conditions of transactions with related parties
Sales to related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash, unless otherwise stated.

For the year ended 30 June 2009, the Group has not made any allowance for doubtful debts relating to amounts owed by related parties as they are not considered to be required (2008: Nil).

31. INTERESTS IN JOINT VENTURES

On 20 February 2001, a controlled entity, Mortdella Pty Limited, entered into a joint venture agreement with Thakral Holdings Limited for the development of the project known as the Glades. Each of the joint venture parties are entitled to 50% of the joint venture.

In August 2000, a controlled entity, Camryville Pty Limited, entered into a joint venture agreement with Q1 JV Pty Limited, a wholly owned subsidiary of Surfers Paradise Beach Resorts Pty Limited for the development of Q1- World's Tallest Residential Tower project. Each of the joint venture parties are entitled to 50% of the joint venture.

On 26 July 2004, a controlled entity, Sunland St Kilda Road Pty Limited, entered into a joint venture agreement with Patina Madoc Pty Limited for the development of a highrise at 454 St Kilda Road in Melbourne. Each of the joint venture parties are entitled to 50% of the joint venture. This joint venture was dissolved on 29 June 2009 due to completion and settlement of the project.

On 23 December 2004, the Company entered into a joint venture agreement with Emirates Investment Group Australia Pty Ltd (EIGA) in which EIGA purchased 49% of the Palazzo Versace Hotel on the Gold Coast from Sunland Group Limited. The joint venture began operating the hotel from 30 August 2005.

On 9 May 2006, a controlled entity, Sunland International (BVI) Pty Ltd, entered into a joint venture agreement with Al Tariq Investment Sharjah UAE, forming Emirates Sunland Group to develop and deliver a number of projects in the UAE. Sunland International BVI contributed 49% of the joint venture share capital, however resolutions require unanimous vote.

On 31 January 2007, a jointly controlled entity, Emirates Sunland Business Bay BVI Pty Ltd, entered into a joint venture agreement with Habib Investment Corp Free Zone Est. to develop and deliver a project at Business Bay UAE. Emirates Sunland Business Bay BVI contributed 67% of the joint venture share capital and directors of the Board, however significant decisions of the company require an unanimous vote of the Board.

On 28 August 2005, a controlled entity, Sunland International (BVI) Pty Ltd, entered into a joint venture agreement with Emirates International Resorts, forming Emirates Sunland PV Dubai Limited BVI to own and manage Palazzo Versace Dubai. Sunland International BVI contributed 51% of the joint venture share capital, however all decisions of shareholders require unanimous vote.

On 28 August 2005, a controlled entity, Sunland International (BVI) Pty Ltd, entered into a joint venture agreement with Emirates International Towers, forming Emirates Sunland DI Dubai Limited BVI to develop own and manage D1 Dubai. Sunland International BVI contributed 50% of the joint venture share capital.

On 15 May 2006, a jointly controlled entity, Emirates Sunland Group Sharjah UAE, entered into a joint venture agreement with Arabtec Construction LLC UAE to undertake construction of Palazzo Versace and D1 Dubai. Each of the joint venture parties has a 50% interest in the Joint Venture.

On 7 November 2007, a controlled entity, Sunland DWF (BVI) Limited, entered in to a joint agreement with Peacock Ventures Limited, forming Waterfront Development (BVI) Limited to develop own and manage Waterfront plot D-5B. Sunland DWF (BVI) Limited contributed 50% of the joint venture share capital.

For the year ended 30 June 2009, the contribution of the Glades joint venture, the Q1 joint venture, the St Kilda Road joint venture, the Palazzo Versace Gold Coast joint venture, the Emirates Sunland PV Dubai (BVI) Ltd joint venture, the Emirates Sunland D1 (BVI) Ltd joint venture, the Emirates Sunland Group LLC joint venture, the Emirates Sunland Business Bay (BVI) Ltd joint venture, the Emirates Sunland Group/Arabtec joint venture, the Culture Village JV BVI Ltd joint venture and the Waterfront Development (BVI) Ltd joint venture to the operating results of the consolidated entity before income tax was a profit/(loss) of ($69,408,000) (2008: $13,920,000).

	JV Established	2009 %	2008 %
Waterfront Development (BVI) Limited	7 November 2007	50	50
Emirates Sunland Group/Arabtec (unincorporated)	15 May 2006	25	25
Culture Village JV BVI Limited	11 April 2008	50	50
Emirates Sunland Business Bay (BVI) Limited	31 January 2007	33.33	33.33
Emirates Sunland Group LLC	9 May 2006	49	49
Emirates Sunland PV Dubai (BVI) Limited	28 August 2005	51	51
Emirates Sunland D1 (BVI) Limited	28 August 2005	50	50

Included in the assets and liabilities of the Company and the consolidated entity are the following items which represent the Company's and the consolidated entity's interest in the assets and liabilities, income and expenses employed in the above-mentioned joint ventures, recorded in accordance with accounting policy Note 2(e).

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
CURRENT ASSETS				
Cash assets	55,764	25,203	750	1,896
Receivables	847	15,723	456	434
Inventories	712	873	712	873
Other	7,262	555	152	105
Amounts receivable from joint ventures	6,688	2,855	-	-
Total current assets	71,273	45,209	2,070	3,308
NON-CURRENT ASSETS				
Inventories	274,544	311,204	-	-
Receivables	-	908	-	-
Property, plant and equipment	40,111	42,468	39,333	40,234
Amounts receivable from joint ventures	10,250	772	3,093	19,660
Amounts receivable from third parties	-	132	-	-
Construction advances and property deposits	14,374	4,844	-	-
Total non-current assets	339,279	360,328	42,426	59,894
Total assets	410,552	405,537	44,496	63,202
CURRENT LIABILITIES				
Trade and other creditors	712	4,508	459	832
Provisions	1,503	386	307	305
Interest bearing liabilities	9,938	23,041	-	-
Amounts payable to Associates	-	-	-	-
Amounts payable to joint ventures	59	-	59	-
Other	292	364	292	364
Total current liabilities	12,504	28,299	1,117	1,501
NON- CURRENT LIABILITIES				
Payables	36,641	90,722	-	-
Provisions	377	203	181	168
Interest bearing liabilities	9,937		-	
Amounts payable to joint ventures	144,757	124,846	-	-
Other	231,987	97,505	-	-
Total non-current liabilities	423,699	313,276	181	168
Total liabilities	436,203	341,575	1,298	1,669

	Consolidated		Company	
	2009 **$'000**	**2008** **$'000**	**2009** **$'000**	**2008** **$'000**
Revenue from the sale of properties	56,105	45,074	-	-
Revenue from hotel services	13,892	15,616	13,892	15,616
Revenue from project services	8,415	13,970	-	-
Other revenues from operations	753	527	34	101
Total Revenues	79,165	75,187	13,926	15,717
Change in inventories of finished goods and work in progress	46,225	40,787	-	-
Cost of hotel supplies	6,434	6,391	6,434	6,391
Employee benefits expense	9,427	8,357	6,054	6,169
Finance costs	953	1,343	948	1,337
Depreciation and amortisation expenses	2,562	1,693	1,784	1,461
Provision for diminution of finished goods and work in progress	72,032	-	-	-
Impairment of receivables	6,771	-	-	-
Impairment of Property, Plant and Equipment	985	-	-	-
Administration and other expenses	3,184	2,696	426	463
Net profit/(loss) attributable to Venturer	(69,408)	13,920	(1,720)	(104)

32. DIRECTORS AND EXECUTIVE DISCLOSURES

(a) Details of key management personnel

Directors

Directors were in office for the entire period except where noted.

Mr Terry Jackman	Chairman (non-executive)
Mr Sahba Abedian	Managing Director
Mr Soheil Abedian	Managing Director – Middle East
Mr John Leaver	Director (non-executive)
Mr Ron Eames	Director (non-executive)
Mr James Packer	Director (non-executive)
Mr Glenn Wein	Alternative Director for Mr James Packer

Executives

Mr Mark Jewell	Chief Operating Officer – Australia
Mr David Brown	Chief Operating Officer – Middle East
Ms Anne Jamieson	Group General Manager – Middle East
Mr Grant Harrison	Company Secretary & Chief Financial Officer
Mr Domenic Chirico	National Design Manager – Australia
Mr Julian Doyle	International Construction Manager

There were no changes of key management personnel after reporting date and the date the financial report was authorised for issue.

(b) Compensation of key management personnel

Compensation by category

	2009 $	2008 $
Short Term	3,666,287	3,738,879
Post Employment	250,667	304,350
Share Based Payments	711,868	1,057,111
	4,628,822	5,100,340

(c) Option holdings of key management personnel

	Balance at beginning of period 1 July 2008	Granted Number	Options Exercised	Other changes[1]	Balance at end of period 30 June 2009	Vested at 30 June 2009 Total	Not exercisable	Exercisable
Directors								
Sahba Abedian	1,000,000	-	-	-	1,000,000	800,000	-	800,000
Executives								
David Brown	1,000,000	-	-	(1,000,000)	-	-	-	-
Anne Jamieson	-	-	-	-	-	-	-	-
Grant Harrison	500,000	-	-	(500,000)	-	-	-	-
Domenic Chirico	500,000	-	-	(500,000)	-	-	-	-
Julian Doyle	200,000	-	-	-	200,000	100,000	-	100,000
Mark Jewell	1,000,000	-	-	(1,000,000)	-	-	-	-
Total	**4,200,000**	**-**	**-**	**(3,000,000)**	**1,200,000**	**900,000**	**-**	**900,000**

(1) Other changes represent options that were forfeited during the year.

	Balance at beginning of period 1 July 2007	Granted Number	Options Exercised	Other changes[1]	Balance at end of period 30 June 2008	Vested at 30 June 2008 Total	Not exercisable	Exercisable
Directors								
Sahba Abedian	1,000,000	-	-	-	1,000,000	600,000	-	600,000
Executives								
John Tatler	400,000	-	(200,000)	-	200,000	-	-	-
David Brown	200,000	1,000,000	(200,000)	-	1,000,000	-	-	-
Anne Jamieson	-	-	-	-	-	-	-	-
Grant Harrison	200,000	500,000	(200,000)	-	500,000	-	-	-
Domenic Chirico	400,000	100,000	-	-	500,000	80,000	-	80,000
Julian Doyle	300,000	-	(100,000)	-	200,000	-	-	-
Mark Jewell[2]	-	1,000,000	-	-	1,000,000	-	-	-
Total	**2,500,000**	**2,600,000**	**(700,000)**	**-**	**4,400,000**	**680,000**	**-**	**680,000**

(1) Other changes represent options that expired or were forfeited during the year.
(2) Appointed on 3 September 2007.

(d) Shareholdings of key management personnel

Shares held in Sunland Group Limited

	Balance 1 July 2008	Granted as Remuneration	On Exercise of Options	Market share purchases and disposals	Balance 30 June 2009
Directors					
John Leaver	4,432,210	-	-	-	4,432,210
Ron Eames	30,000	-	-	-	30,000
Terry Jackman	507,869	-	-	-	507,869
James Packer	37,528,562	-	-	-	37,528,562
Soheil Abedian	45,700,000	-	-	-	45,700,000
Sahba Abedian	6,000,475	-	-	-	6,000,475
Executives					
David Brown	1,908,557	-	-	-	1,908,557
Anne Jamieson	813,000	-	-	-	813,000
Grant Harrison	743,092	-	-	-	743,092
Domenic Chirico	-	-	-	-	-
Julian Doyle	275,130	-	-	-	275,130
Mark Jewell	10,000	-	-	-	10,000
Total	**97,948,895**	**-**	**-**	**-**	**97,948,895**

	Balance 1 July 2007	Granted as Remuneration	On Exercise of Options	Market share purchases and disposals	Balance 30 June 2008
Directors					
John Leaver	4,432,210	-	-	-	4,432,210
Ron Eames	-	-	-	30,000	30,000
Terry Jackman	477,869	-	-	30,000	507,869
James Packer	37,528,562	-	-	-	37,528,562
Soheil Abedian	45,327,335	-	-	372,665	45,700,000
Sahba Abedian	6,000,475	-	-	-	6,000,475
Executives					
John Tatler	400,000	-	200,000	(200,000)	400,000
David Brown	1,708,557	-	200,000	-	1,908,557
Anne Jamieson	813,000	-	-	-	813,000
Grant Harrison	683,092	-	200,000	(140,000)	743,092
Domenic Chirico	-	-	-	-	-
Julian Doyle	193,130	-	100,000	(18,000)	275,130
Mark Jewell[(1)]	-	-	-	10,000	10,000
Total	**97,564,230**	**-**	**700,000**	**84,665**	**98,348,895**

[(1)] Appointed on 3 September 2007.

(e) Loans to key management personnel

There were no loans provided to key management personnel during the financial year.

(f) Other transactions with key management personnel

Details of other transactions with key management personnel are in Note 30.

33. EMPLOYEE BENEFITS

(a) Executive Share Option Plan

	2009		2008	
	Number of Options	Weighted Average Exercise Price ($)	Number of Options	Weighted Average Exercise Price ($)
Balance at beginning of year	10,105,000	3.17	7,730,000	1.30
- granted	-	-	4,915,000	4.81
- forfeited or cancelled	(6,775,000)	4.05	(860,000)	2.27
- exercised	(428,000)	0.71	(1,680,000)	0.90
Balance at end of year	2,902,000	1.47	10,105,000	3.17
Exercisable at end of year	1,422,000	1.56	1,070,000	1.61

Terms and conditions
The options offered to executives are exercisable progressively over a five-year period from the third anniversary of their employment. The first of these options expire on the earlier of the employee's termination or progressively from 1 October 2010 until 15 July 2013. There is currently one Director and 9 Executives eligible for this scheme at year end. These options do not entitle the holder to participate in any other share issue of the Company or any other body corporate.

The weighted average share price on options exercised during the 2009 financial year was $2.32 (2008: $4.15).

The weighted average remaining contractual life for the share options outstanding as at 30 June 2009 is between 1 and 4 years (2008: 1 and 8 years).

No share options expired during the year (2008: Nil).

The expense recognised during the 2009 year for employee share options was $4,501,000 (2008: $1,027,000).

(b) Fair values of options
The fair value of each option is estimated on the date of grant using the Black Scholes option-pricing model. The following assumptions were used for options granted:

- The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated increases.
- The expected life of the options is 7.5 years based on historical data and is not necessarily indicative of exercise patterns that may occur.
- Historical and expected volatility have been estimated between 34% and 42% depending on the year of issue, this is based on the assumption that the historical volatility is indicative of future trends.
- The risk free interest rate used is between 4.41% and 6.50% depending on the year of issue.

(c) The outstanding balance as at 30 June 2009 is represented by:

Number of options	Grant Date	Vesting Date	Expiry Date	Weighted Average Exercise Price
200,000	11/07/2003	14/10/2005	14/10/2010	0.70
300,000	28/08/2003	25/09/2006	25/09/2011	1.20
182,000	19/11/2003	03/03/2006	03/03/2011	1.20
90,000	19/11/2003	28/04/2006	28/04/2011	1.20
240,000	14/05/2004	01/10/2005	01/10/2010	1.23
290,000	04/11/2004	07/09/2007	07/09/2012	1.55
100,000	15/07/2005	15/07/2008	15/07/2013	1.67
500,000	15/07/2005	02/05/2008	02/05/2013	1.67
1,000,000	28/11/2005	01/01/2006	31/12/2010	1.68
2,902,000				1.47

(d) Other Options
The outstanding balance as at 30 June 2009 is represented by:

24,889,903	20/07/2006	20/07/2008	20/07/2009	2.50
24,889,903				2.50

34. SUPERANNUATION COMMITMENTS

The consolidated entity participated in a defined contribution plan to provide benefits to employees of entities in the consolidated entity on retirement, death or disability.

Benefits provided under the plan are based on accumulated contributions and earnings for each employee. The consolidated entity has a legally enforceable obligation to contribute to the superannuation plan.

35. EVENTS SUBSEQUENT TO BALANCE DATE

There has been no events subsequent to balance date outside the ordinary course of business.

Directors' Declaration

In accordance with a resolution of the Directors of Sunland Group Limited, I state that:

1. In the opinion of the Directors:

   a) the financial report and the additional disclosures, included in the directors' report designated as audited, of the Company and consolidated entity are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

      ii) complying with Accounting Standards and Corporations Regulations 2001; and

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2009.

On behalf of the Board

Sahba Abedian
Managing Director

Dated at Surfers Paradise this twenty-sixth day of August 2009.

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Independent auditor's report to the members of Sunland Group Limited

Report on the Financial Report

We have audited the accompanying financial report of Sunland Group Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is attached to the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Sunland Group Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of Sunland Group Limited and the consolidated entity at 30 June 2009 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 31 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Sunland Group Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

M J Hayward

Mark Hayward
Partner
Brisbane
26 August 2009

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

Distribution of equity securities

(i) Ordinary share capital
320,376,149 (2008: 323,430,101) fully paid ordinary shares are held by 7,074 (2008: 5,742) individual shareholders. All issued ordinary shares carry one vote per share and carry rights to dividends.

(ii) Options
2,662,000 options are held by 9 individual option holders. Options do not carry a right to vote and do not carry a right to dividends.

Substantial Shareholders

The number of shares held by the substantial shareholders as at 21 August 2009 were:

Shareholder	Ordinary Shares
Cavalene Holdings Pty Ltd	37,528,562
JP Morgan Nominees Australia Limited	30,341,869
Havannah Pty Limited	29,250,000
CVC Limited	28,613,402
Pacific Development Corporation Pty Ltd	16,450,000
National Nominees Pty Limited	12,319,739
Clausen Investments Pty Limited	12,050,000

Class of Shares and Voting Rights

At 21 August 2009, there were 7,074 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares are set out in Article 5.8 and 5.9 of The Company's Articles of Association. The articles indicate that:

(a) at a meeting of members each member entitled to vote may vote in person or by proxy or attorney; and

(b) on a show of hands every member present has one vote, and on a poll every member present in person or by proxy or attorney has one vote for each ordinary share the member holds.

Distribution of equity security holders (as at 21 August 2009)

Category	Number of shareholders Ordinary Shares
1 - 1,000	1,278
1,001 - 5,000	2,898
5,001 - 10,000	1,294
10,001 - 100,000	1,460
100,001 and over	144
	7,074

As at 21 August 2009, there were 828 shareholders holding less than a marketable parcel.

ASX ADDITIONAL INFORMATION

Twenty Largest Shareholders (21 August 2009)

Name	Number of ordinary Shares Held	Percentage of Capital Held
Cavalene Holdings Pty Ltd	37,528,562	11.71
JP Morgan Nominees Australia Limited	30,341,869	9.47
Havannah Pty Limited	29,250,000	9.13
Continental Venture Capital Limited	28,613,402	8.93
Pacific Development Corporation Pty Limited	16,450,000	5.13
National Nominees Limited	12,319,739	3.85
Clausen Investments Pty Limited	12,050,000	3.76
Citicorp Nominees Pty Limited	10,450,460	3.26
HSBC Custody Nominees (Australia) Limited	7,872,989	2.46
Fine Industrial Technology Ltd	7,473,228	2.33
Reraetllab Pty Limited	6,000,000	2.06
Mr Sahba Abedian	4,972,975	1.55
Global Holdings LLC	4,000,000	1.25
Balzac Investments Pty Ltd	4,000,000	1.25
ANZ Nominees Limited	3,640,839	1.14
Rainham Pty Limited	2,978,125	0.93
Queensland Investment Corporation	2,399,743	0.75
HSBC Custody Nominees (Australia) Limited – A/C 3	2,071,822	0.65
AMP Life Limited	1,555,140	0.49
The Australian National University	1,350,000	0.42
Australian Reward Investment Alliance	1,297,602	0.41
	227,216,495	70.92

On-Market Buy Back

The Group is currently undertaking an on market buy back under the ASX 10/12 rule. A total of 3,173,952 shares have been purchased to date for consideration of $1,586,976. The share buy back expires 27 March 2010.