

**SUNCOR DEVELOPMENT COMPANY**  
**STATEMENTS OF INCOME**

(DOLLARS IN THOUSANDS)

YEAR ENDED DECEMBER 31,	2006	2005	2004	2003	2002	2001
<b>REVENUES</b>						
Home sales	\$ 247,193	\$ 222,841	\$ 215,866	\$ 172,114	\$ 139,645	\$ 112,331
Condo sales	30,893	-	-	-	-	-
Land sales	91,030	92,151	113,841	78,106	41,833	21,360
Sales of assets	8,115	2,147	574	89,205	-	14,601
Commercial property and management	22,567	20,892	20,034	22,179	19,603	14,141
Total revenues	<u>399,798</u>	<u>338,031</u>	<u>350,315</u>	<u>361,604</u>	<u>201,081</u>	<u>162,433</u>
<b>OPERATING EXPENSES</b>						
Cost of homes sold	189,049	175,114	174,751	138,860	113,264	92,631
Cost of condos sold	26,687	-	-	-	-	-
Cost of land sold	33,537	38,227	47,960	42,753	21,222	9,720
Cost of assets sold	6,813	1,980	527	64,261	-	8,581
Commercial property and management	18,766	17,795	16,375	18,301	15,890	10,205
General and administrative expenses	53,253	48,017	46,975	45,729	39,280	30,530
Total operating expenses	<u>328,105</u>	<u>281,133</u>	<u>286,588</u>	<u>309,904</u>	<u>189,656</u>	<u>151,667</u>
<b>OPERATING INCOME</b>	<b>71,693</b>	<b>56,898</b>	<b>63,727</b>	<b>51,700</b>	<b>11,425</b>	<b>10,766</b>
Equity in joint venture earnings	9,066	1,940	2,986	3,320	1,960	2,895
Other income (expense)	1,815	1,671	2,137	22,094	5,452	(5,887)
Interest expense, net of capitalized interest	(305)	(1,402)	(550)	(2,541)	(2,125)	(3,405)
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<b>82,269</b>	<b>59,107</b>	<b>68,300</b>	<b>74,573</b>	<b>16,712</b>	<b>4,369</b>
<b>INCOME TAXES</b>	<b>32,176</b>	<b>20,359</b>	<b>27,212</b>	<b>28,452</b>	<b>6,813</b>	<b>1,763</b>
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>50,093</b>	<b>38,748</b>	<b>41,088</b>	<b>46,121</b>	<b>9,899</b>	<b>2,606</b>
Income from discontinued operations - net of income taxes	10,451	16,809	3,640	10,003	8,955	731
<b>NET INCOME</b>	<b>\$ 60,544</b>	<b>\$ 55,557</b>	<b>\$ 44,728</b>	<b>\$ 56,124</b>	<b>\$ 18,854</b>	<b>\$ 3,337</b>

**SUNCOR DEVELOPMENT COMPANY**  
**FINANCIAL HIGHLIGHTS**

(DOLLARS IN THOUSANDS)

DECEMBER 31,	2006	2005	2004	2003	2002	2001
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,177	\$ 13,843	\$ 23,045	\$ 25,885	\$ 25,094	\$ 9,176
Accounts and notes receivable	5,068	6,577	7,189	16,987	14,055	10,568
Home inventory	41,846	53,409	32,010	34,174	38,247	33,729
Land and improvements	440,789	317,550	270,529	246,855	302,625	317,878
Property and equipment, net	86,180	74,080	110,678	107,595	131,165	116,178
Other assets	28,251	21,948	20,253	7,729	22,521	30,574
<b>TOTAL ASSETS</b>	<b>\$ 607,311</b>	<b>\$ 487,407</b>	<b>\$ 463,704</b>	<b>\$ 439,225</b>	<b>\$ 533,707</b>	<b>\$ 518,103</b>
<b>LIABILITIES AND EQUITY</b>						
Accounts payable and other liabilities	\$ 87,701	\$ 58,776	\$ 82,156	\$ 60,639	\$ 38,089	\$ 47,396
Short-term borrowings	7,850	15,673	71,030	86,081	160,338	–
Long-term debt	180,644	129,306	15,974	17,853	8,946	148,627
Deferred profit	10,483	14,931	31,661	–	–	–
Total liabilities	286,678	218,686	200,821	164,573	207,373	196,023
Minority interest	49,682	43,904	43,624	15,119	14,925	16,187
Stockholder's equity	270,951	224,817	219,259	259,533	311,409	305,893
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 607,311</b>	<b>\$ 487,407</b>	<b>\$ 463,704</b>	<b>\$ 439,225</b>	<b>\$ 533,707</b>	<b>\$ 518,103</b>

DECEMBER 31,	2006	2005	2004	2003	2002	2001
<b>PROPERTY SUMMARY (a)</b>						
Legacy properties	\$ 172,712	\$ 170,454	\$ 149,348	\$ 174,999	\$ 306,192	\$ 276,605
Post-1990 properties	390,368	269,243	255,504	205,900	157,116	187,666
<b>TOTAL PROPERTIES</b>	<b>\$ 563,080</b>	<b>\$ 439,697</b>	<b>\$ 404,852</b>	<b>\$ 380,899</b>	<b>\$ 463,308</b>	<b>\$ 464,271</b>

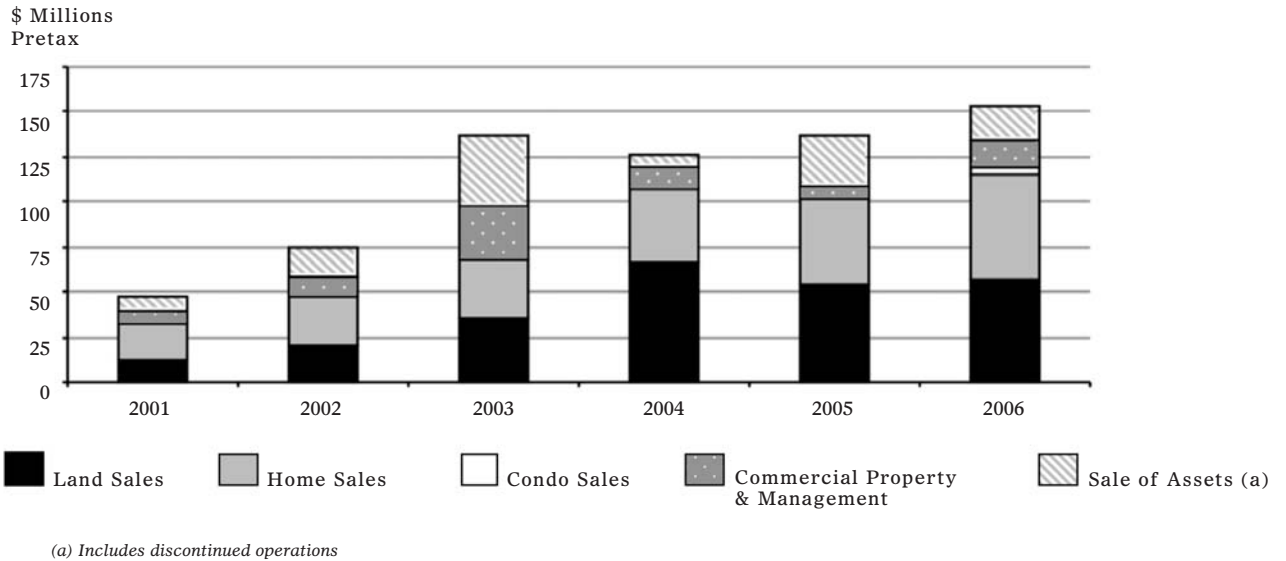
(a) Excludes certain assets reported in "Property and equipment, net."

YEAR ENDED DECEMBER 31,	2006	2005	2004	2003	2002	2001
<b>CASH DISTRIBUTIONS TO PARENT</b>	<b>\$ 10,000</b>	<b>\$ 50,000</b>	<b>\$ 85,000</b>	<b>\$ 108,000</b>	<b>\$ 13,300</b>	<b>\$ –</b>

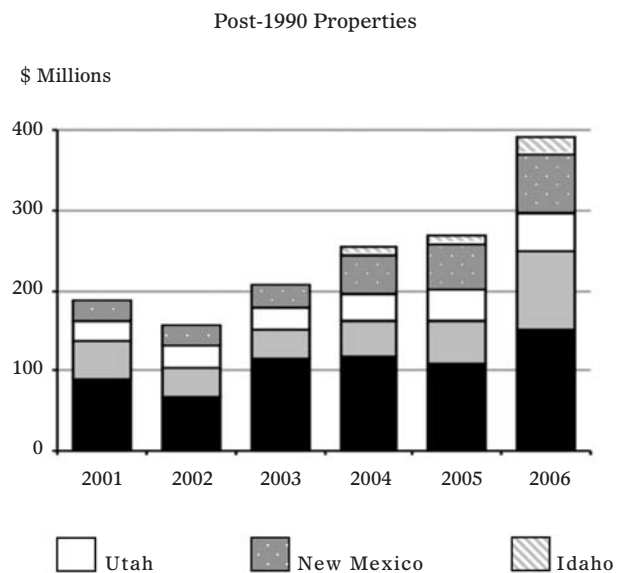
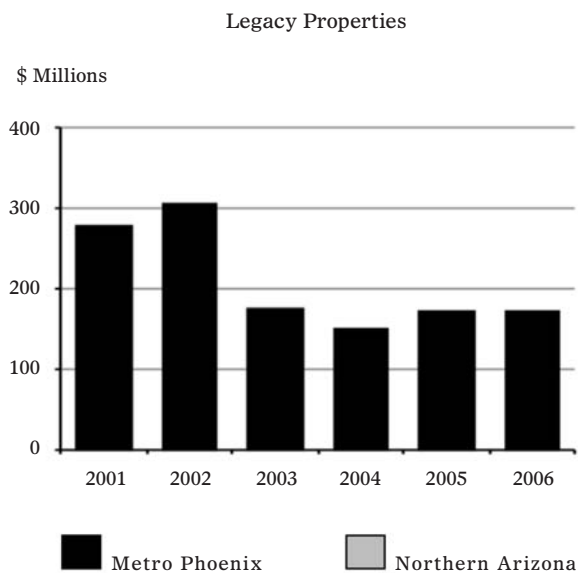
**SUNCOR DEVELOPMENT COMPANY  
BUSINESS SUMMARY**

SunCor develops residential, commercial and industrial real estate projects in the western United States. From 1986 - 1990, SunCor's focus was the acquisition and development of four major projects in the metropolitan Phoenix area. These projects involved significant investments in raw land and are referred to herein as "legacy properties." Since 1990, SunCor's business strategy has evolved and now emphasizes long-term development arrangements with landowners. As of December 31, 2006, SunCor had more than 46,000 acres under development in Arizona, Idaho, New Mexico and Utah.

**GROSS MARGIN CONTRIBUTION  
BY BUSINESS LINE**  
Years Ended December 31, 2001 Through 2006



**GEOGRAPHIC PROJECT DIVERSITY**  
As of December 31, 2001 Through 2006



# SUNCOR DEVELOPMENT COMPANY

## MAJOR PROPERTY LOCATIONS

(FOR PERIODS PRESENTED)

	Location	Year Acquired	Year Completed	Original Acreage	12/31/2006 Acreage
<b>MASTER-PLANNED COMMUNITIES</b>					
<b>LEGACY PROPERTIES</b>					
Palm Valley	Phoenix, Arizona	1987		11,300	2,700
<b>POST-1990 PROPERTIES</b>					
Scottsdale Mountain	Scottsdale, Arizona	1991	2004	1,400	–
SunRidge Canyon	Scottsdale, Arizona	1994	2002	950	–
Sedona Golf Resort	Sedona, Arizona	1995	2004	300	–
Rancho Viejo Phase 1 (a)	Santa Fe, New Mexico	1996		2,500	1,500
Hidden Hills	Scottsdale, Arizona	1997	2004	419	–
Coral Canyon (a)	St. George, Utah	1998		2,500	750
StoneRidge (a)	Prescott, Arizona	2001		1,840	1,100
Avimor (a)	Boise, Idaho	2003		12,500	12,500
Prescott Lakes (a)	Prescott, Arizona	2004		175	175
Campbell Ranch (a)	Albuquerque, New Mexico	2006		2,600	2,600
Yavapai Ranch (a)	Northern Arizona	2006		25,000	25,000
<b>COMMERCIAL PROPERTIES</b>					
<b>LEGACY PROPERTIES</b>					
Tempe MarketPlace/Autoplex	Phoenix, Arizona	1987	2002	420	–
Talavi	Phoenix, Arizona	1987		140	7
Alameda Crossing (Palm Valley)	Phoenix, Arizona	1987		21	17
Palm Valley Office Park Phase 3	Phoenix, Arizona	1987		4	4
<b>POST-1990 PROPERTIES</b>					
Centrepont	Phoenix, Arizona	1989		80	3
Black Canyon Commerce Park	Phoenix, Arizona	1998	2001	16	–
Hayden Ferry Lakeside Office & Condos	Phoenix, Arizona	2000		17	15
Rio West Business Park	Phoenix, Arizona	2004		25	10
Riverside Distribution Center	Phoenix, Arizona	2004	2006	28	–

(a) Venture with landowner

