

FY17 Results Annexure

STRENGTH
IN DIVERSITY



Stockland



Stockland Wetherill Park, Sydney

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About Stockland

Aura, South East Queensland



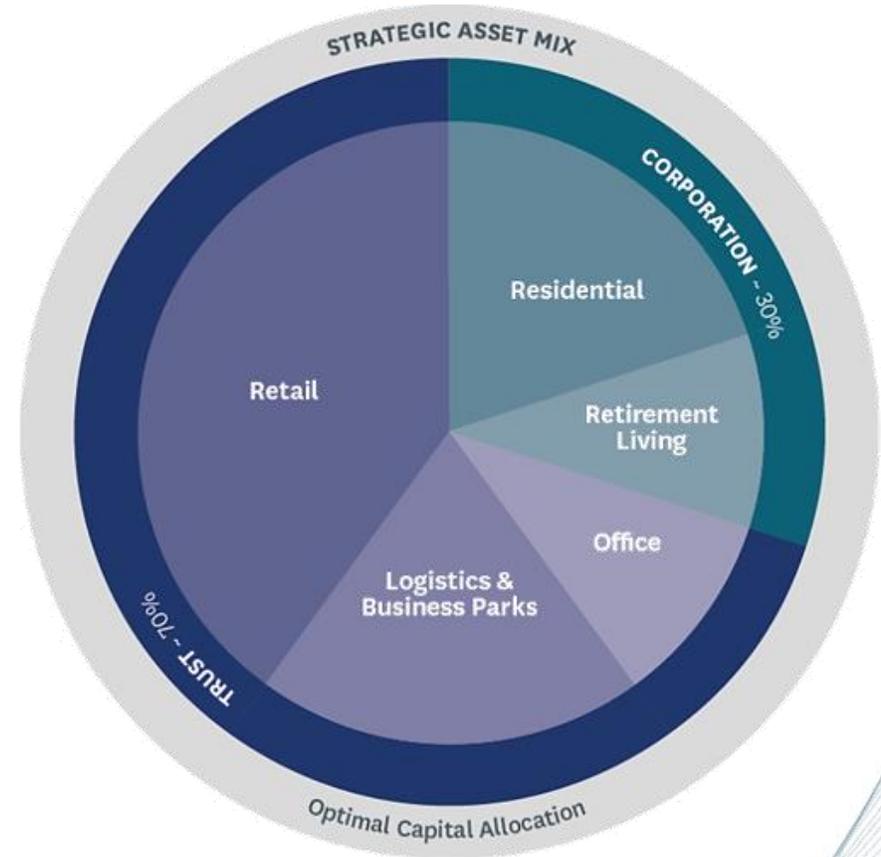
Our strategy for success



OUR VISION
To be a great Australian real estate company that makes a valuable contribution to our communities and our country

OUR VALUES
Community
Accountability
Respect
Excellence

OUR PURPOSE
We believe there is a better way to live



Five year indicative asset mix

Stockland quick facts

Trust

RETAIL TOWN CENTRE



Stockland Shellharbour, NSW

Create market leading retail town centres



Ownership interests valued at \$7.1b and gross book value of \$7.6b

LOGISTICS & BUSINESS PARKS



Ingleburn Distribution Centre, Sydney

Grow and develop a leading portfolio



Ownership interests valued at \$2.0b and gross book value of \$2.3b

OFFICE



135 King St, Sydney

Optimise returns



Ownership interests valued at \$0.8b and gross book value of \$1.2b

Corporation

RESIDENTIAL



Aura, Qld

Maximise returns by creating thriving communities



End value \$21.1b

RETIREMENT LIVING



Willowdale Retirement Village, NSW

Leading operator and developer



\$2.3b estimated end value of development pipeline.

We are well positioned with a diverse portfolio^{1,2}



Key

- Retail
- Office
- Logistics and Business Parks
- Residential Communities
- Retirement Living

ALL STATES	CP	RESI	RL	TOTAL
NUMBER OF PROJECTS	79	56	73	208
BOOK VALUE	\$10.3b	\$2.4b	\$1.3b	\$14.0b
SGP PORTFOLIO %	74%	17%	9%	100%
QLD	CP	RESI	RL	TOTAL
NUMBER OF PROJECTS	19	25	10	54
BOOK VALUE	\$2.1b	\$0.9b	\$0.2b	\$3.2b
SGP PORTFOLIO %	15%	6%	1%	22%
VIC	CP	RESI	RL	TOTAL
NUMBER OF PROJECTS	14	15	28	57
BOOK VALUE	\$1.2b	\$0.6b	0.6b	\$2.4b
SGP PORTFOLIO %	9%	4%	4%	17%

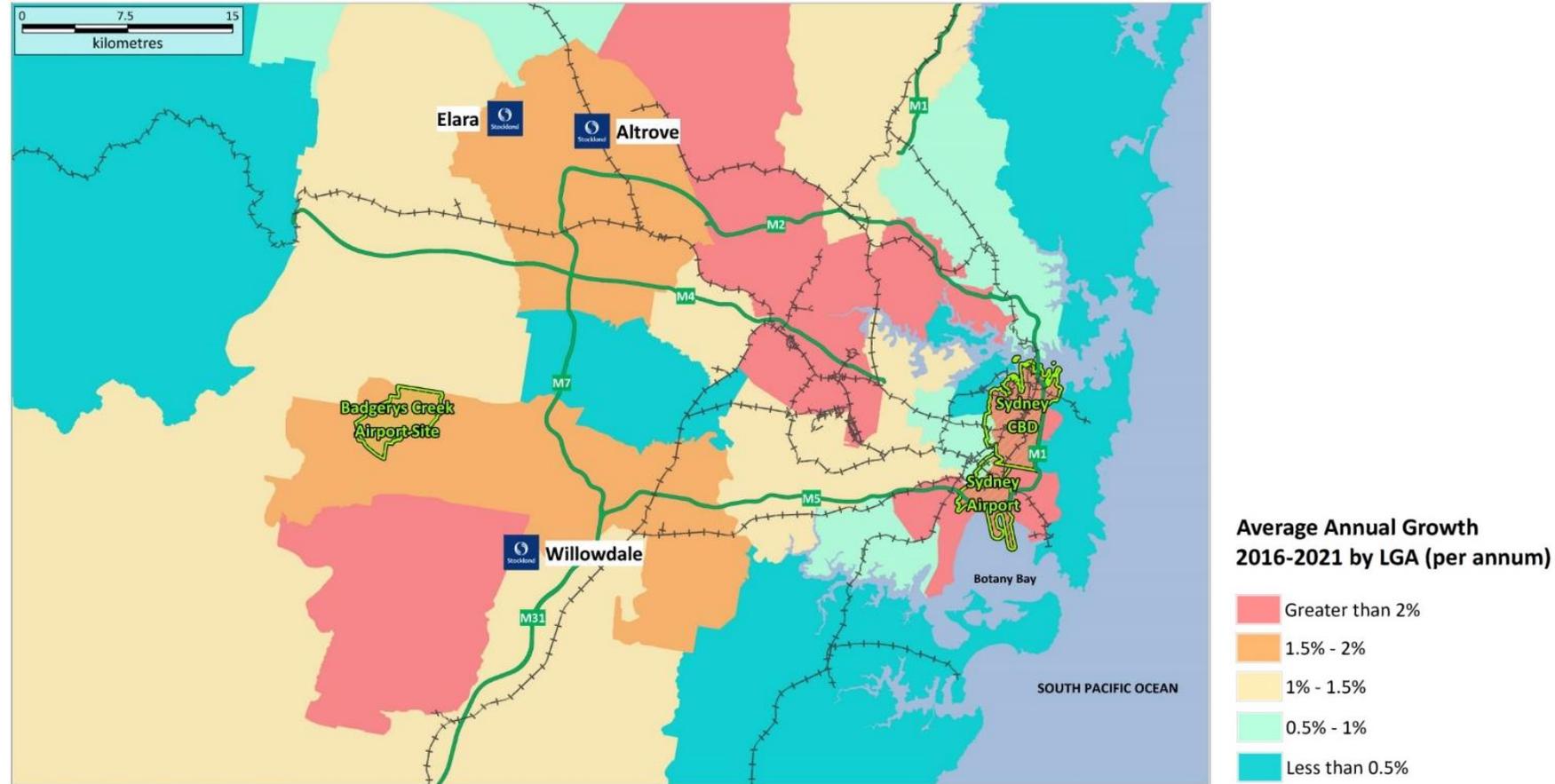
NSW	CP	RESI	RL	TOTAL
NUMBER OF PROJECTS	38	10	21	69
BOOK VALUE	\$6.3b	\$0.5b	\$0.4b	\$7.2b
SGP PORTFOLIO %	45%	4%	3%	52%
SA AND ACT	CP	RESI	RL	TOTAL
NUMBER OF PROJECTS	2	-	12	14
BOOK VALUE	\$0.1b	-	\$0.1b	\$0.2b
SGP PORTFOLIO %	1%	-	1%	2%
WA	CP	RESI	RL	TOTAL
NUMBER OF PROJECTS	6	6	2	14
BOOK VALUE	\$0.6b	\$0.4b	<\$0.1b	\$1.0b
SGP PORTFOLIO %	4%	3%	<1%	7%

1. Includes Unlisted Property Fund assets

2. RL established and development assets at same location are treated as a single property/project (disclosed separately in Property Portfolio)

Key Residential projects, located in population growth areas¹

Sydney



1. Source: Location IQ

Key Residential projects, located in population growth areas¹

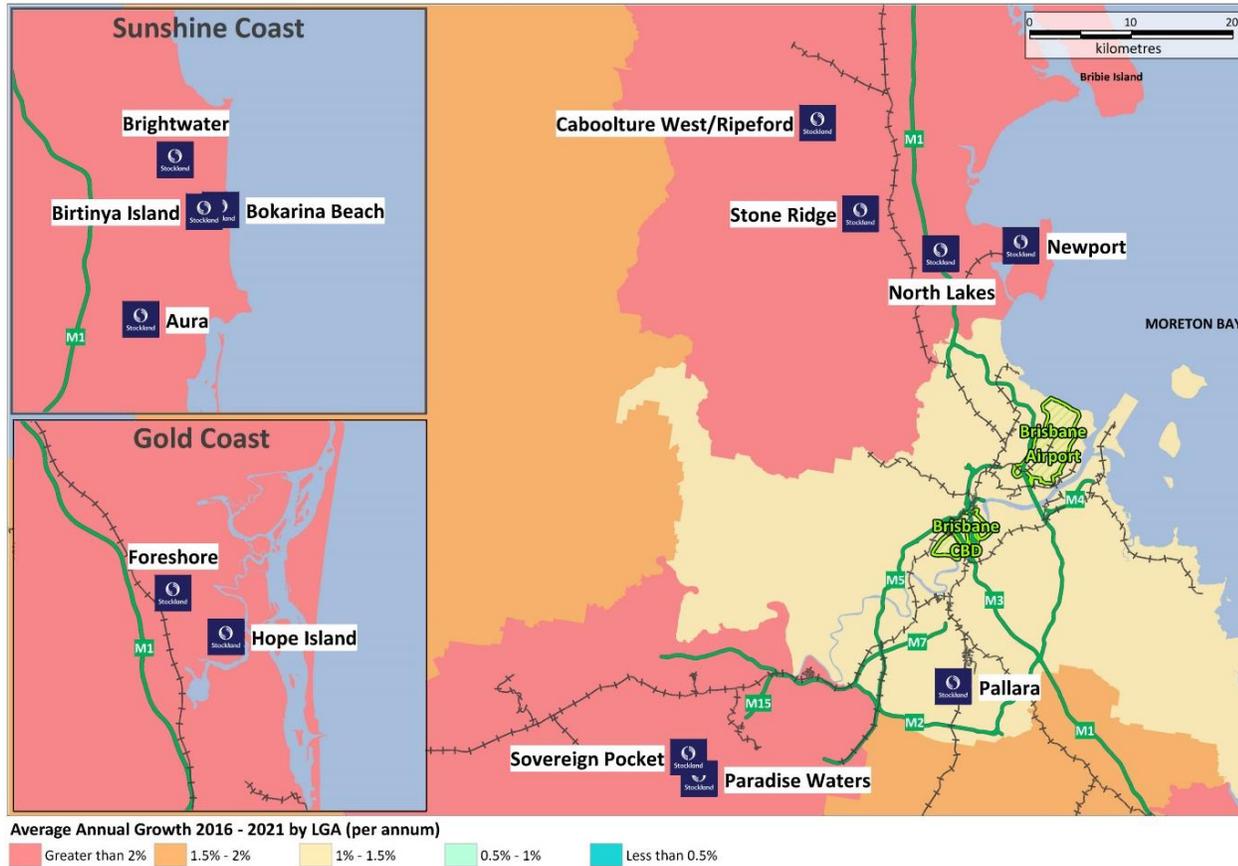
Melbourne



1. Source: Location IQ

Key Residential projects, located in population growth areas¹

Brisbane (LHS), Perth (RHS)

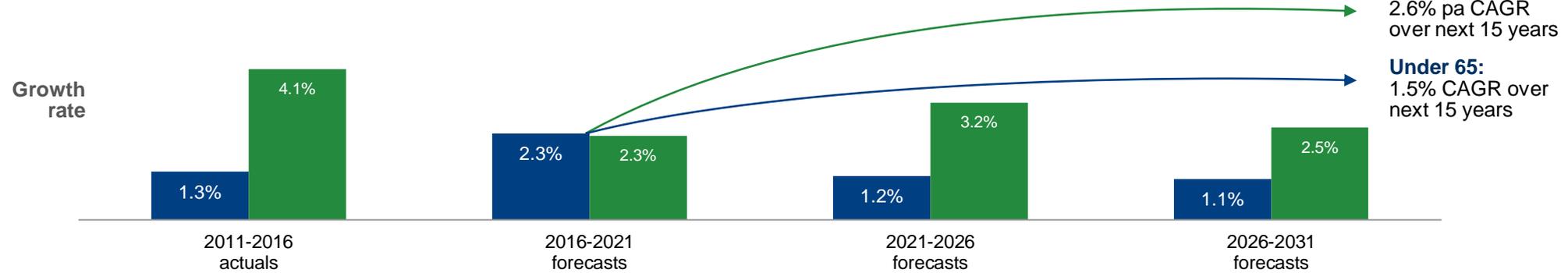


1. Source: Location IQ

Retirement Living: Strong demand drivers

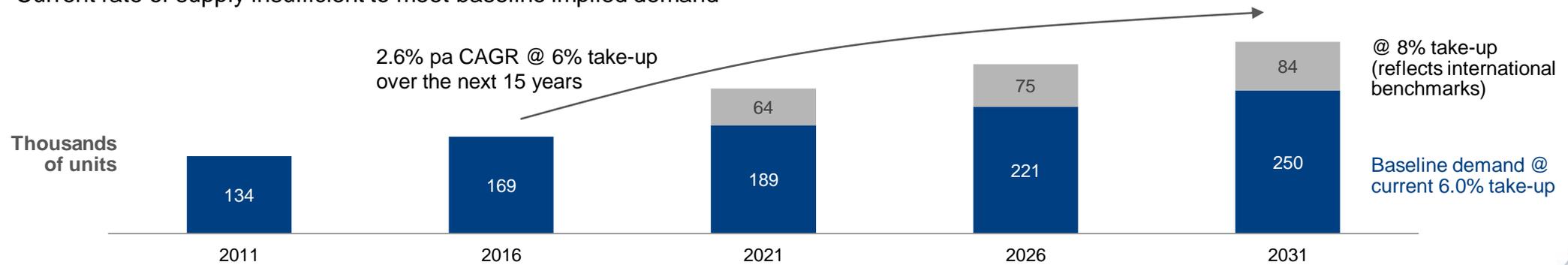
Compelling demand fundamentals

Australian population aged +65¹ growing at significantly faster pace than under 65 population



Implied demand for units²

Current rate of supply insufficient to meet baseline implied demand¹



1. ABS
2. Assumes 1.3 residents per ILU

Group Finance

Aura Vision Centre, Qld



Stockland
it's your place



Live a Colourful Life

Around the world, there are a few places where life is a little more vibrant. These are places where life seems to flow, people are friendlier, there's an energy and optimism – even the colours are a little brighter. This feeling draws people like a magnet from around the world to visit, live, raise a family or do their life's work there.

Make Your Neighbours Your Friends
Everyone wants to live near those who have similar interests and will become their future friends. Local community programmes and special interest events make it easy to find people like you.

A City in Nature
Aura's 700 hectare environmental reserve and our world class conservation programs will protect local fauna, flora and frog life and help preserve the nearby Pumicestone Passage.

Leave the Car at Home
At Aura everyone will be connected to everything via 200km of bikeways and walking paths. Whether dropping the kids at school, going to the shops or enjoying a ride, this incredible network will make it easy to leave the car at home.

Work Your Way
Whether you like to work for big business, small business or start-up your own company and work from home – you'll enjoy an abundance of choices to work the way you want to.

Easy Ways to Stay Healthy
With an abundance of parks, sports parks, and proposed sports stadium aquatic centre, there will be a multitude of opportunities outdoors and get active.

Profit summary

	FY17 \$M	FY16 \$M
Residential Communities EBIT (before interest in COGS)	412	354
Commercial Property EBIT	545	525
Retirement Living EBIT	69	64
Consolidated segment EBIT	1,026	943
Amortisation of lease incentives and lease fees	69	67
Straight-line rent adjustments	(6)	(8)
Unallocated corporate overheads	(60)	(57)
Group EBIT (before interest in COGS)	1,029	945
Net interest expense:		
- Interest income	4	8
- Interest expense	(209)	(209)
- Interest capitalised to Inventory	113	116
- Interest capitalised to Investment Properties under development	13	12
Share of interest paid on external debt of equity accounted investment	-	(1)
Net interest in Profit & Loss before capitalised interest expensed	(79)	(74)
Capitalised interest expensed in Profit & Loss	(148)	(131)
Net interest expense	(227)	(205)
Funds from Operations	802	740
Statutory Profit adjustments	393	149
Statutory Profit	1,195	889

FFO and AFFO reconciliation to the PCA guidelines

The table below shows the reconciliation of statutory profit to FFO with reference to the definitions outlined in the Property Council of Australia white paper "Voluntary best practice guidelines for disclosing FFO and AFFO"

PCA REFERENCE		FY17 \$M	FY16 \$M	COMMENTS
	Statutory Profit	1,195	889	
A	Investment property and inventory			
A1/ A2	Loss from sale of investment property	1	2	
A3/ A4	Fair value gain on investment property	(241)	(392)	Includes fair value movement of the Retirement Living investment property net of Resident Obligations
B	Goodwill and intangibles			
B1	Impairment of goodwill and intangibles	-	-	
C	Financial instruments			
C2	Fair value (gain)/loss on mark-to-market of derivatives	(118)	171	
D	Incentives and straight-lining			
D1	Amortisation of fit-out incentives	51	49	
D4	Amortisation of rent-free periods	18	18	
D5	Rent straight-lining	(6)	(8)	
E	Tax expense¹	6	30	The Group is entitled to significant tax deductions and has accumulated tax losses of \$1.9b. As a result, income tax expense in the current year is a non-cash amount funded through utilisation of deferred tax assets.
F	Other unrealised or one-off items			
F2	Other unrealised or one-off items:			
	- Net DMF earned, unrealised	(29)	(16)	
	- Net gain on other financial assets	(1)	(4)	
	- Other items	(74)	1	Includes BGP distribution of \$71m received in 2017
G	Funds from Operations ('FFO')	802	740	
G2	Maintenance capex	(53)	(53)	Includes \$9m (2016: \$9m) Retirement Living common area capital expenditure
G3	Incentives and leasing costs for the accounting period	(62)	(63)	Excludes development centres
	Adjusted Funds from Operations ('AFFO')	687	624	

1. Non cash tax expense

Net interest gap

	FY17			FY16		
	INTEREST (\$M)	DEFERRED INTEREST (\$M)	TOTAL (\$M)	INTEREST (\$M)	DEFERRED INTEREST (\$M)	TOTAL (\$M)
INTEREST EXPENSE						
Interest income	(4)		(4)	(8)	–	(8)
Interest expense	200	9	209	197	12	209
Share of interest paid on external debt of equity accounted investment	–	–	–	1	–	1
<i>Less: capitalised interest</i>						
- Commercial Property development projects	(9)	–	(9)	(5)	–	(5)
- Residential	(103)	(9)	(112)	(105)	(11)	(116)
- Retirement Living	(5)	–	(5)	(7)	–	(7)
Total capitalised interest	(117)	(9)	(126)	(117)	(11)	(128)
Sub-total: Borrowing cost in P&L	79	–	79	73	1	74
<i>Add: capitalised interest expensed in P&L¹</i>	148	–	148	131	–	131
Total interest expense in P&L	227	–	227	204	1	205

Capitalised interest expensed in P&L is higher due to disposal of impaired projects.

Lower capitalised interest on projects is a result of lower cost of debt.

Deferred interest – Residential

- Non-cash adjustments for unwinding of present value discount on land acquisitions on deferred terms:

Discount initially booked through balance sheet (inventory and land creditors)

1. Made up of: Residential \$142m (June 2016: \$124m) and Retirement Living \$6m (June 2016: \$7m). This differs to statutory reporting by \$5m (June 2016: \$7m) as Retirement Living is reported through the fair value adjustment of investment properties

Strategic mix

	TARGET	ASSETS 30 JUNE 2017	ASSETS 30 JUNE 2016	OPERATING PROFIT FY17	OPERATING PROFIT FY16
Recurring					
Commercial Property		74%	72%	66%	70%
Retirement Living		7%	7%	6%	6%
Other and unallocated corporate overheads		-	-	(3%)	(3%)
Total recurring	70-80%	81%	79%	69%	73%
Trading					
Residential		18%	19%	33%	30%
Retirement Living		1%	2%	1%	1%
Commercial Property		-	-	1%	-
Other and unallocated corporate overheads		-	-	(4%)	(4%)
Total trading	20-30%	19%	21%	31%	27%

Return on assets, return on equity

	FY17			FY16			COMMENTARY
	CASH PROFIT (\$M)	AVG. CASH INVESTED (\$B)	RETURN (%)	CASH PROFIT (\$M)	AVG. CASH INVESTED (\$B)	RETURN (%)	
Retail Town Centres	409	5.1	8.1%	393	4.8	8.2%	
Logistics & Business Parks	147	1.8	8.0%	131	1.6	8.2%	Returns impacted by commencement of development projects and timing of acquisitions
Office	58	0.7	8.4%	68	0.8	8.6%	
Residential – Core	366	1.8	20.8%	327	1.7	19.6%	ROA growth reflects continued trading success in our Residential Communities
Retirement Living	71	1.1	6.2%	66	1.1	5.8%	ROA continues to improve through improved settlements, capital recycling and improved operating efficiencies
Core Business ROA (sub-total)	1,051	10.5	10.0%	985	10.0	9.9%	
Residential – Workout ¹	(57)	0.3	(20.3%)	(40)	0.4	(9.7%)	Continual phase out of non-core impaired projects
Unallocated Overheads & Other Income	(60)	-	-	(57)	-	-	
Group ROA	934	10.8	8.7%	888	10.4	8.5%	
Net interest/net debt	(195)	(3.5)	5.6%	(188)	(3.3)	5.7%	
Group ROE	739	7.3	10.1%	700	7.1	9.8%	
Group ROE (excl workout)	796	7.0	11.4%	740	6.7	11.0%	

1. Includes all impaired projects

Reconciliation between return on equity table values and accounting results

Reconciliation of Group return in ROE calculation to Underlying Profit

	FY17 (\$M)	FY16 (\$M)
Cash return	739	700
Capitalised interest expensed in COGS	(148)	(131)
Capitalised interest for the year ¹	117	117
Add-back impairment release in COGS	103	67
CP straight-line rent and other	(9)	(13)
Funds From Operations (FFO)	802	740
Add-back CP AIFRS adjustments	(63)	(59)
Tax	(43)	(21)
Underlying Profit	696	660

1. Excludes deferred interest

Reconciliation of capital employed in ROE calculation to statutory net assets

	AVERAGE FOR FY17 (\$B)	AVERAGE FOR FY16 (\$B)
Group capital employed (Net Assets)	7.3	7.1
Commercial Property revaluations	2.4	2.0
Residential Communities capitalised interest	0.4	0.4
Residential Communities and Apartments impairment	(0.2)	(0.3)
Retirement Living DMF revaluations	0.1	0.1
Distribution provision and non-cash working capital	(0.4)	(0.4)
Statutory net assets (average for the period)	9.6	8.9

Stockland return on equity methodology

	NUMERATOR (CASH RETURN)	DENOMINATOR (AVERAGE CASH INVESTED)
Residential (incl. MD & Apartments)	EBIT (including cash loss realised on impaired projects)	Net Funds Employed (NFE) (excluding accrued capitalised interest and impairment provision) average for the 12 month period
Commercial Property	Operating Profit before amortisation of lease incentives	Average cost + capital additions + lease incentives + development work in progress Business unit overheads are allocated across the asset classes based on NOI contribution
Retirement Living	EBIT	Average NFE (including inventory, development expenditure, cash paid for acquired DMFs and goodwill, excluding capitalised interest and revaluations)
Debt funding	Cash interest paid less interest income received	Average debt drawn (net of cash on hand)

Cost management

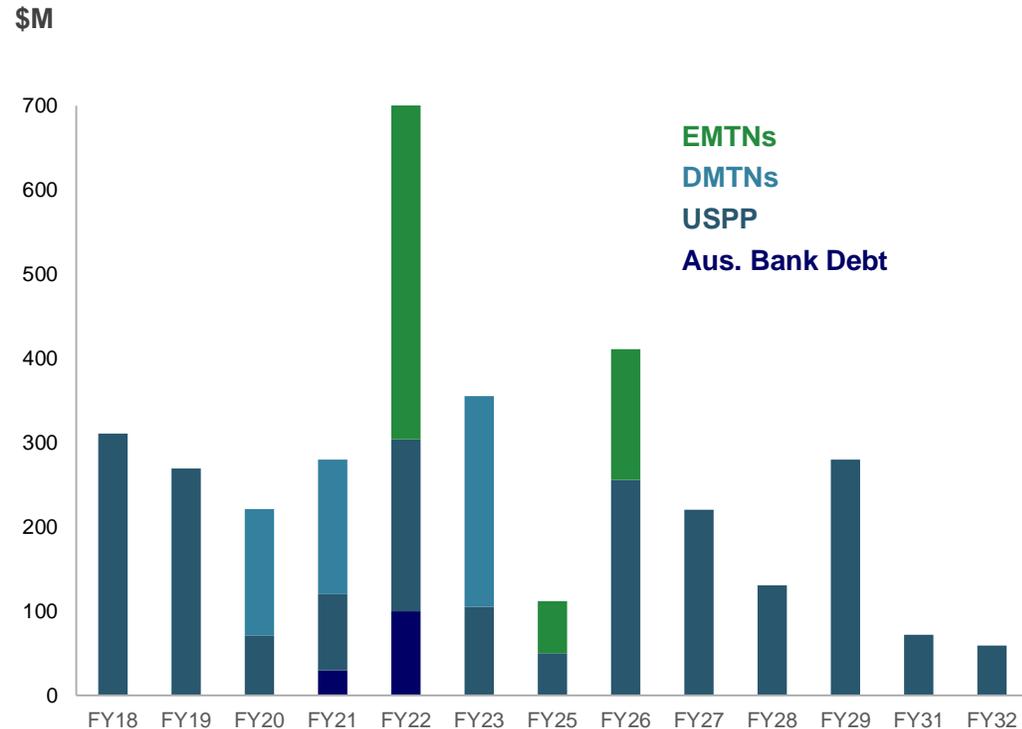
	FY17 \$M	FY16 \$M
Commercial Property ¹	18	18
Residential	184	153
Retirement Living	39	36
Unallocated corporate overheads	60	57
Total sales, general and administration costs	301	264

- Prudent approach to cost management remains embedded across the Group
- Commercial Property costs offset by higher Lease Fee and Property Management Fee Income
- Increase in overheads largely attributable to growth in both Residential and Retirement Living, and investment in our growth initiatives
- Increase in our Unallocated corporate costs attributable to increased capability to support our growth

1. Net of recoveries, costs capitalised to development projects and property management fee income

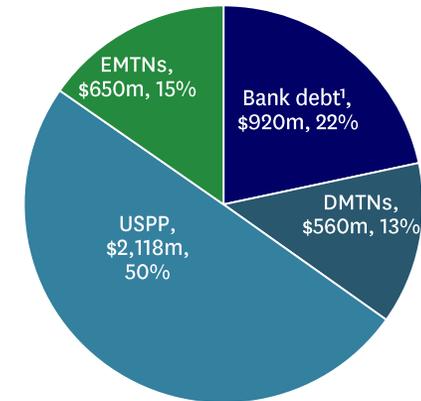
Long dated, diverse debt

Long-dated drawn debt maturity profile (WADM 5.7 years)¹



1. Excludes bank guarantees of \$0.4b and cash on deposit of \$0.2b
2. Face value as at 30 June 2017
3. Average % for FY17

Diverse debt sources – Committed Facilities



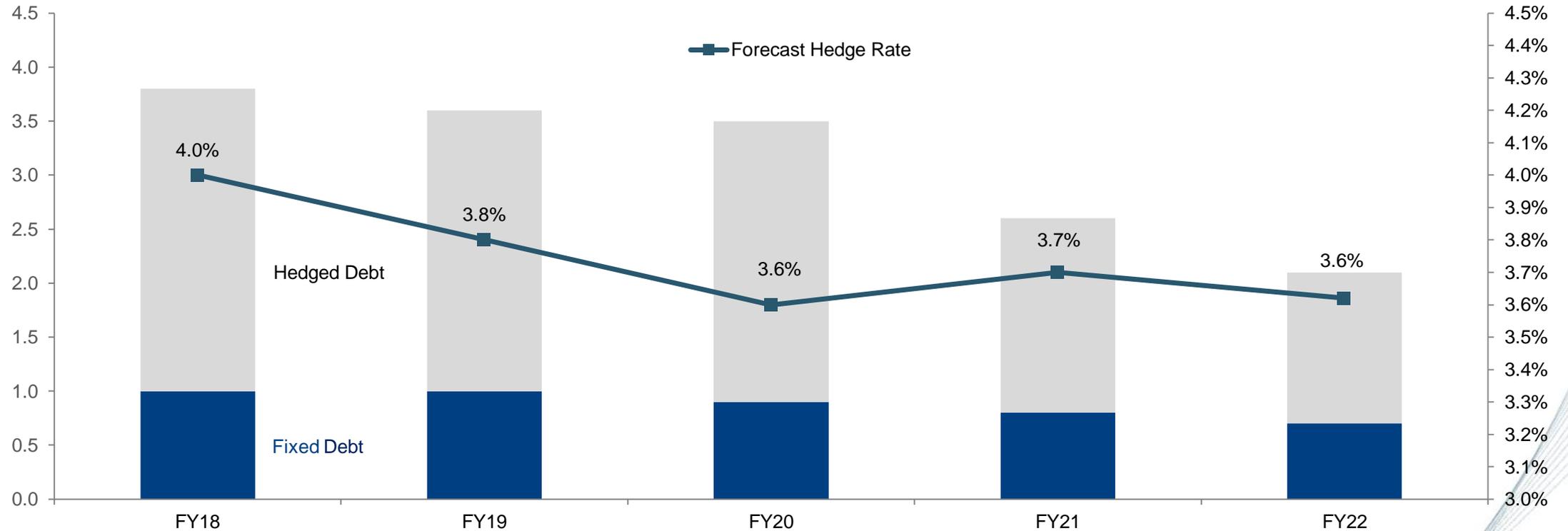
Cost of debt for FY17

	DEBT (\$M) ²	TOTAL DEBT (%) ³	INTEREST RATE (%)
Hedged debt	3,348	97%	4.3%
Floating debt	110	3%	0.0%
Total debt	3,458		4.3%
Margin			0.9%
Fees			0.2%
All-in cost of funds for FY17			5.4%

Fixed debt/ Hedge profile

Historical high fixed hedge rates¹ have been reduced in future years to positively impact the Group's WACD

Billions



1. Excludes fees and margins

Debt summary

FACILITY	FACILITY LIMIT (\$M) ¹	AMOUNT DRAWN (\$M) ^{1,2}
Bank Debt	920	130
Commercial Paper	-	-
Domestic Medium Term Notes	560	560
USPP	2,118	2,118
European Medium Term Notes	650	650
Total Debt	4,248	3,458

FACILITY	FACILITY LIMIT (\$M) ¹	AMOUNT DRAWN (\$M)	FACILITY MATURITY
Bank Debt			
- Multi option facility - Australia	100	-	Dec 2017
- Multi option facility - Australia	100	-	Jul 2018
- Multi option facility - Australia	100	-	Dec 2018
- Multi option facility - Australia	120	-	Aug 2019
- Multi option facility - Australia	250	-	Jan 2020
- Multi option facility - Australia	150	30	Feb 2021
- Multi option facility - Australia	100	100	Nov 2021
Total Bank Debt	920	130	

Debt Capital Markets

- A\$277m USPP was repaid in FY17
- 6 year A\$150m DMTN was repaid in July 2016
- A\$398m USPP (10 – 15 year terms) was transacted in July 2016 and settled in August 2016

Bank Debt

- a number of facilities were extended for a further 12 months
- Sufficient liquidity to manage refinance and investment requirements

1. Facility limit excludes bank guarantees of \$360m of which \$321m was utilised as at 30 June 2017

2. Amount excludes borrowing costs and fair value adjustments, but includes transaction costs

Debt summary (continued)

FACILITY	ISSUED DEBT (\$M) ¹	FACILITY MATURITY
DOMESTIC MEDIUM TERM NOTE FACILITY (MTN)		
- MTN	150	Sep 2019
- MTN	160	Nov 2020
- MTN	250	Nov 2022
Total Domestic	560	
OFFSHORE MEDIUM TERM NOTE FACILITY (MTN)		
- European MTN	433	Nov 2021
- Asia MTN	62	May 2025
- Asia MTN	55	Oct 2025
- Asia MTN	100	Jan 2026
Total Offshore	650	

FACILITY	ISSUED DEBT (\$M) ¹	FACILITY MATURITY
- USPP	61	Oct 2017
- USPP	250	Jun 2018
- USPP	269	Oct 2018
- USPP	71	Jul 2019
- USPP	90	Jul 2020
- USPP	176	Sep 2021
- USPP	28	Jun 2022
- USPP	105	Aug 2022
- USPP	50	Aug 2024
- USPP	156	Aug 2025
- USPP	100	Dec 2025
- USPP	200	Aug 2026
- USPP	20	Jun 2027
- USPP	131	Aug 2027
- USPP	139	Aug 2028
- USPP	141	Feb 2029
- USPP	72	Aug 2030
- USPP	59	Aug 2031
Total USPP	2,118	

1. Amount relates to face value of debt and excludes borrowing costs and fair value adjustments

Covenant calculations

AS AT 30 JUNE 2017	STATUTORY BALANCE SHEET (\$M)	ADJUSTMENTS (\$M)	GEARING COVENANT BALANCE SHEET (\$M)	
Assets				
Cash	238	-	238	
Real estate related assets	13,940	-	13,940	
Retirement Living Gross-Up	2,616	(2,616)	-	B
Intangibles	156	(156)	-	
Other financial assets	310	(269)	41	A
Other assets	235	-	235	
Total assets	17,495	(3,041)	14,454	
Liabilities				
Interest-bearing liabilities	(3,529)	82	(3,447)	A
Retirement Living resident obligations	(2,629)	2,616	(13)	B
Other financial liabilities	(242)	242	-	A
Other liabilities	(1,168)	-	(1,168)	
Total liabilities	(7,568)	2,940	(4,628)	
Net assets	9,927	(101)	9,826	

All lenders have consistent covenants

- Total liabilities/total tangible assets (TL/TTA): less than 45% no adjustment made for cash held
- Interest cover: more than 2:1 (write-downs and provisions are excluded from calculation)

Gearing covenant limited to Stockland's balance sheet liabilities and excludes:

- MTM of hedges and interest-bearing liabilities
- Retirement Living obligation for existing residents

	INTEREST COVER ¹	TL/TTA	D/TTA (NET OF CASH)
30 June 2017	4.8:1	32.0%	22.7% ²
30 June 2016	4.5:1	33.3%	23.8% ²
30 June 2015	4.0:1	32.7%	23.4%

- Gearing is lower compared to prior year – decrease to 22.7% primarily driven by the growth in CP assets from a combination of revaluation uplifts and developments .

1. Rolling 12 month average

2. Debt = Interest bearing debt (\$3,447m) + transaction costs (\$11m) – Cash \$238m. TTA = Total tangible assets \$14,454m – Cash (\$238m)

Balance sheet summary

	FY17 \$M	FY16 \$M
Cash	238	208
Real estate related assets		
- Commercial Property	10,255	9,706
- Residential	2,453	2,517
- Retirement Living	1,232	1,175
- Other	-	-
Retirement Living Gross-Up	2,616	2,414
Intangibles ¹	156	122
Other financial assets	310	547
Other assets	235	253
Total assets	17,495	16,942
Interest-bearing liabilities	3,529	3,800
Retirement Living resident obligations ²	2,629	2,427
Other financial liabilities	242	316
Other liabilities	1,168	1,145
Total liabilities	7,568	7,688
Net assets	9,927	9,254
NTA per share	\$4.04	\$3.82

1. Increase reflects software development

2. This amount comprises \$2,616m of existing resident obligations (30 June 2016: \$2,414m), being a balance sheet gross up and \$13m of former resident obligations (30 June 2016: \$13m)

Stockland corporation income tax reconciliation

	FY17	FY16
	STATUTORY PROFIT (\$M)	STATUTORY PROFIT (\$M)
Net profit before tax	1,201	919
Less: Trust profit and Intergroup eliminations	(948)	(824)
Corporation profit/(loss) before tax	253	95
Prima facie tax (expense)/benefit @ 30%	(76)	(28)
Tax effect of permanent differences:		
Other assessable income	-	(1)
Non-assessable/(non-deductible) items	-	1
Underprovided in prior years	-	(2)
Non-assessable dividend income	21	-
Tax losses recognised during the period ¹	49	-
Tax (expense)/benefit	(6)	(30)
Effective tax rate (A / B)	2.4%	31.6%
Effective tax rate (excluding \$49m DTA tax loss benefit)	21.7%	31.6%

1. A tax benefit of \$49.3m has been booked in the current period to recognise the DTA on tax losses arising from certain FX adjustments as confirmed with the ATO

Commercial Property



Shellharbour, NSW

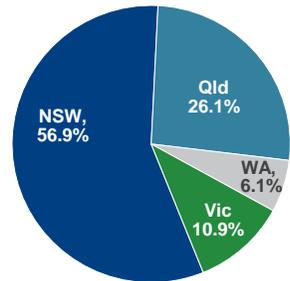


Stockland
it's your place

Commercial Property: Portfolio weightings and valuation movements

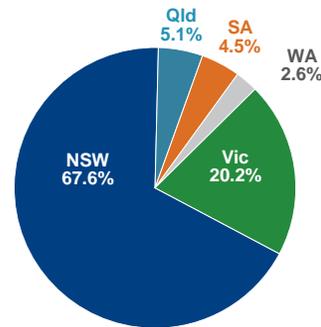
Commercial Property assets: \$9.9b¹

Retail Town Centres: \$7.1b
41 properties
1,014,646 sqm gross lettable area²



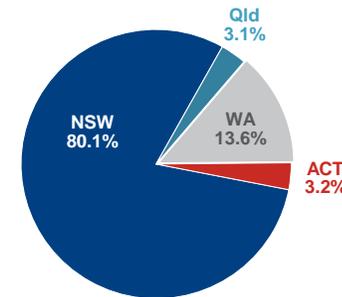
71.7%
of CP total assets

Logistics and Business Parks: \$2.0b
27 properties
1,372,277 sqm gross lettable area^{2,3}



20.5%
of CP total assets

Office: \$0.8b
8 properties
140,598 sqm net lettable area²



7.8%
of CP total assets

	WACR JUN17	WACR JUN16	BOOK VALUE UNDER OWNERSHIP (\$M)	FY17 REVALUATION MOVEMENT (\$M)	GROSS BOOK VALUE ⁶ (\$M)
Retail Town Centres	5.9%	6.1%	7,127	194	7,620
Logistics and Business Parks	7.0%	7.3%	2,035	18	2,253
Office	6.4%	7.0%	779	58	1,205
Capital works and sundry properties ⁴		-	312	3	312
Total	6.2%	6.4%	10,253⁵	273⁵	11,390

1. This excludes capital works in progress and sundry properties
2. Represents 100% owned, JV and associates properties
3. Excludes hardstand and vehicle storage

4. An independent valuation will be performed on completion of the capital works
5. Excluding stapling adjustment related to owner occupied space
6. Represents all assets that we have ownership in, at 100%

Commercial Property: Funds from operations

\$M	RETAIL		LOGISTICS AND BUSINESS PARKS		OFFICE		TRADING PROFIT		NET OVERHEAD COSTS		TOTAL	
	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
Operating EBIT	385	371	129	119	44	53	5	-	(18)	(18)	545	525
Adjust for:												
Amortisation of fit out incentives and lease fees	37	34	6	6	8	9	-	-	-	-	51	49
Amortisation of rent-free incentives	-	-	11	10	7	8	-	-	-	-	18	18
Straight-line rent	(3)	(3)	(3)	(3)	-	(2)	-	-	-	-	(6)	(8)
Funds from Operations	419	402	143	132	59	68	5	-	(18)	(18)	608	584

Commercial Property Portfolio: Trend in cap rates over time

Retail



Logistics and Business Parks



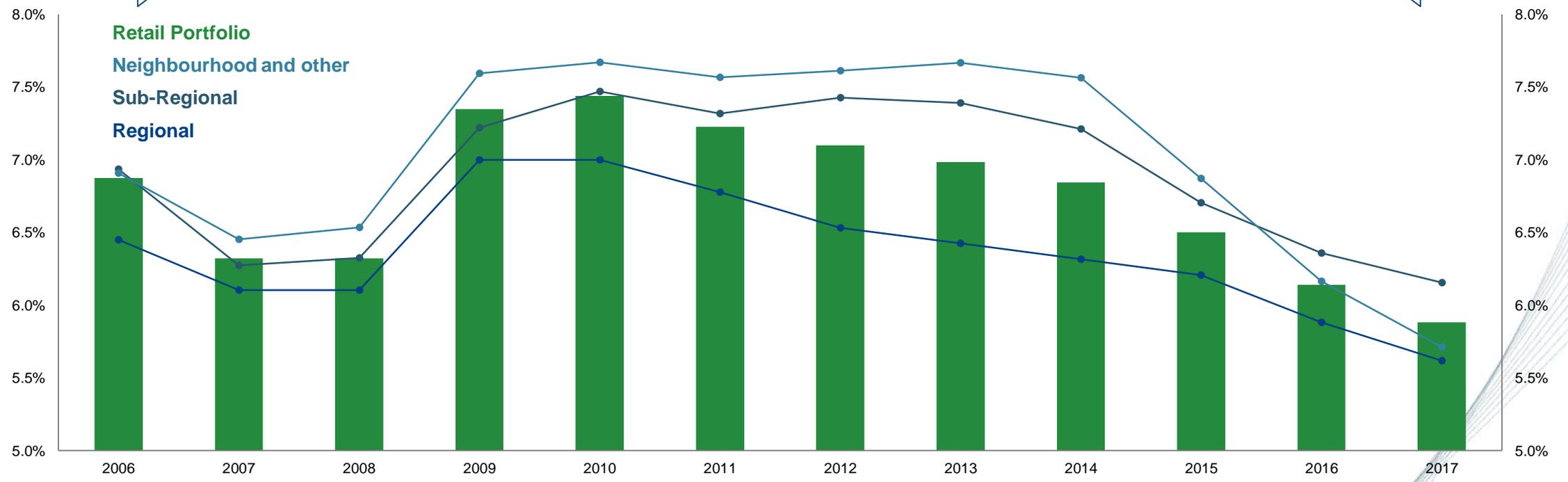
Office



Retail Town Centres: Portfolio capitalisation rates

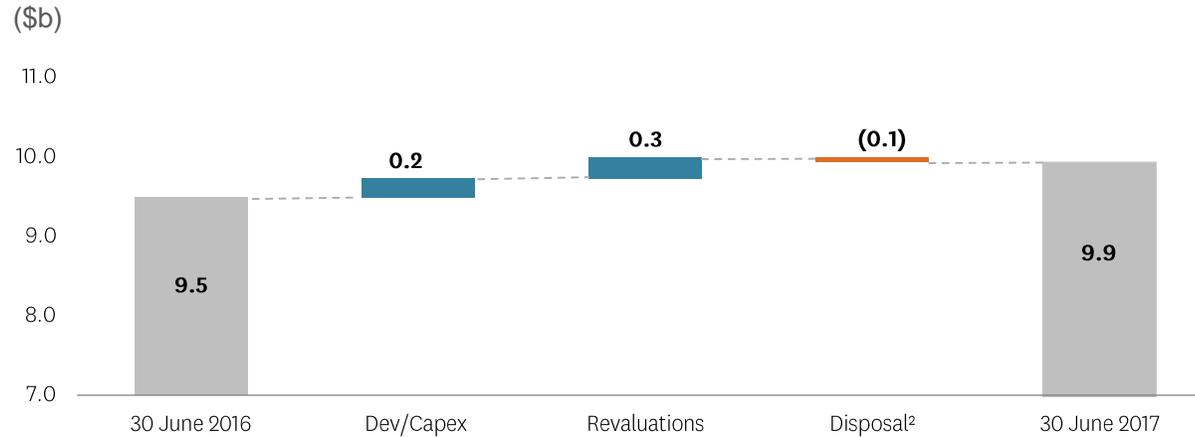
AS AT 30 JUNE 2006	ALLOCATION	%
Regional		14%
Sub-Regional		78%
Neighbourhood and Other		8%

AS AT 30 JUNE 2017	ALLOCATION	%
Regional		45%
Sub-Regional		44%
Neighbourhood and Other		11%



Commercial Property: Revaluation and book value

Commercial Property book values: \$9.9b¹



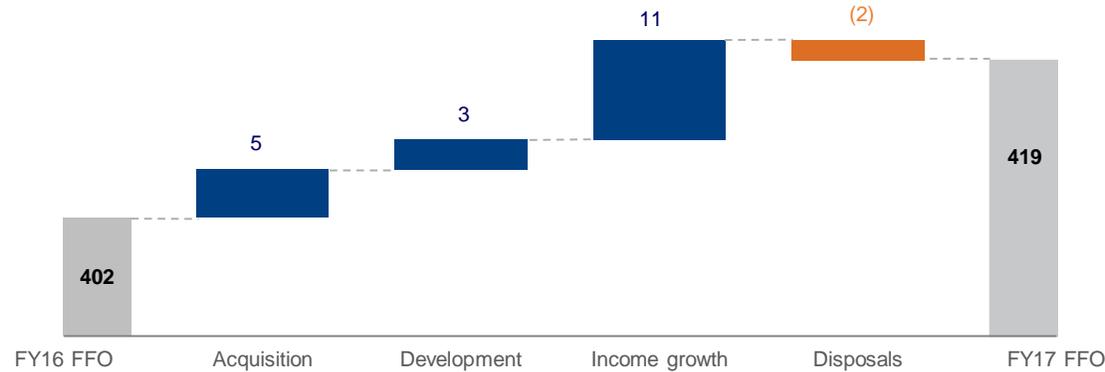
- 75% by value of all investment property assets were independently valued during FY17

NET REVALUATION BREAKDOWN	RETAIL (\$M)	LOGISTICS AND BUSINESS PARKS (\$M)	OFFICE (\$M)	TOTAL(\$M)
Operating Assets	146	7	58	211
Development	48	11	0	59
Sundry Properties	3	0	0	3
Total net revaluations³	197	18	58	273

- Includes joint venture and associate investment properties. Excludes capital works in progress and sundry properties
- During FY17, Vincentia, Jimboomba, Garden Square were sold and Lamerton House and Cinema at Shellharbour were acquired.
- Excluding stapling adjustments related to owner occupied space

Retail Town Centres: Performance

Retail FFO movements between FY16 and FY17 (\$M)



Leasing activity

	NO. OF DEALS	AREA (SQM)	RENTAL GROWTH
Lease renewals	291	40,305	3.0%
New leases	194	26,234	2.7%
Total portfolio	485	66,539	2.9%

1. Stable portfolio. FY17 basket different to FY16 basket
2. Adjusted for operational centre remixes and reconfiguration as well as retailers subject to administration
3. Assumes all leases terminate at earlier of expiry / option date
4. If all call options are exercised on Majors' leases

KEY METRICS

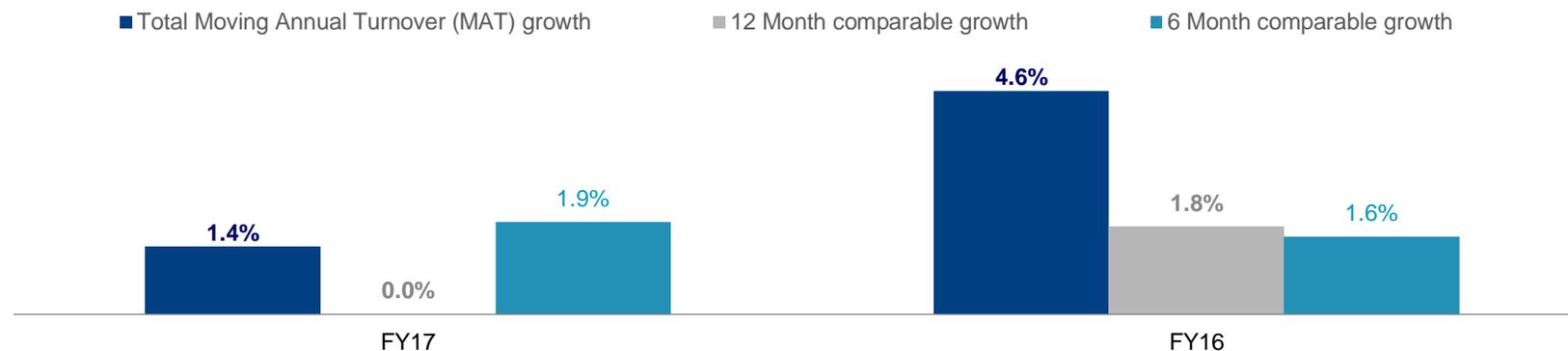
(STABLE PORTFOLIO)

	FY17	FY16
Occupancy	99.5%	99.3%
Specialty occupancy costs ¹	14.9%	14.7%
Regional	16.7%	16.6%
Small sub-regional	13.8%	13.8%
Neighbourhood centres	14.0%	12.9%
Specialty store leases:		
- Fixed annual increases	97%	96%
- CPI+	3%	4%
Tenant retention ²	69%	77%
Weighted average lease expiry ³	6.6 years	6.6 years
Options WALE ⁴	11.4 years	10.7 years

**95%
ON FIXED
4-5% PER
ANNUM**

Retail Town Centres: Sales growth for comparable centres

Comparable centres represent 74% of book value for this period

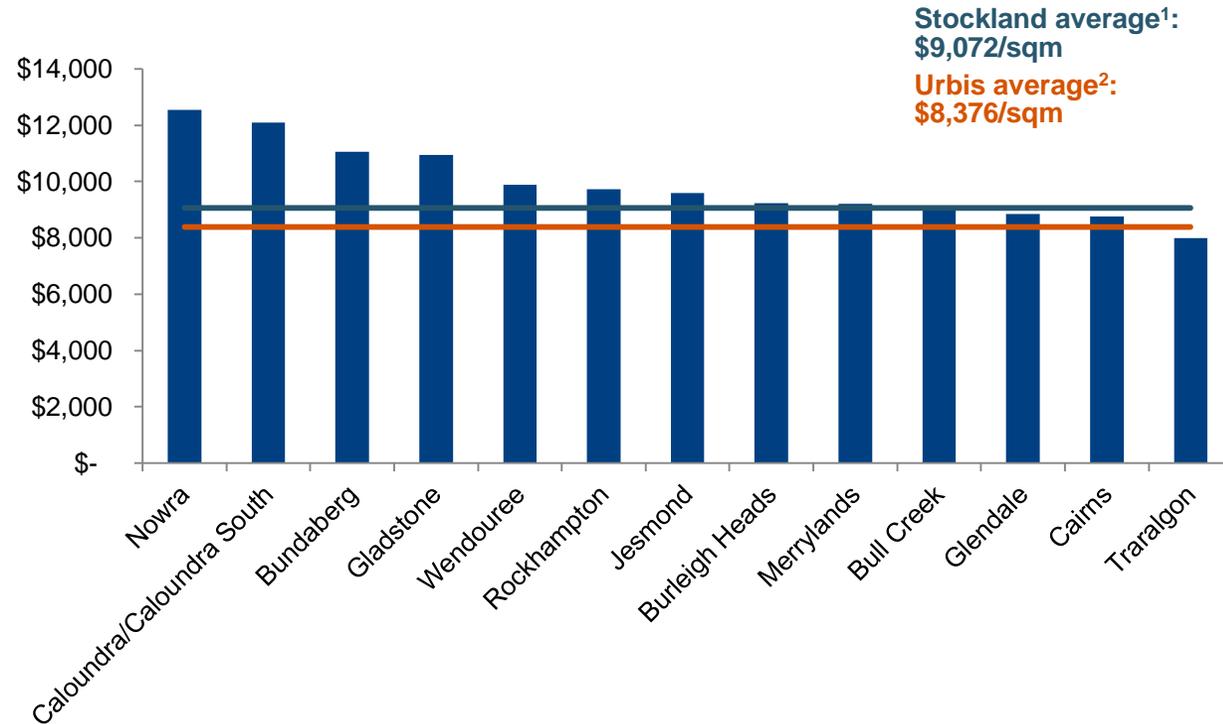


	TOTAL MAT (\$M)	SGP TOTAL MAT GROWTH	12 MONTH COMPARABLE CENTRES GROWTH	6 MONTH COMPARABLE CENTRES GROWTH ²
Supermarkets	2,614	2.5%	(0.2%)	0.7%
Department ¹ / DDS	913	(3.5%)	(3.1%)	2.1%
Specialties	1,996	0.3%	0.2%	2.4%
Mini Majors/ Cinemas/Other	1,199	5.0%	3.6%	3.8%
Total	6,722	1.4%	0.0%	1.9%

1. Includes Myer at Stockland Townsville (Qld) and Stockland Shellharbour (NSW)
 2. Includes Wetherill Park (Sydney), Glasshouse (Sydney) and Point Cook (Vic)

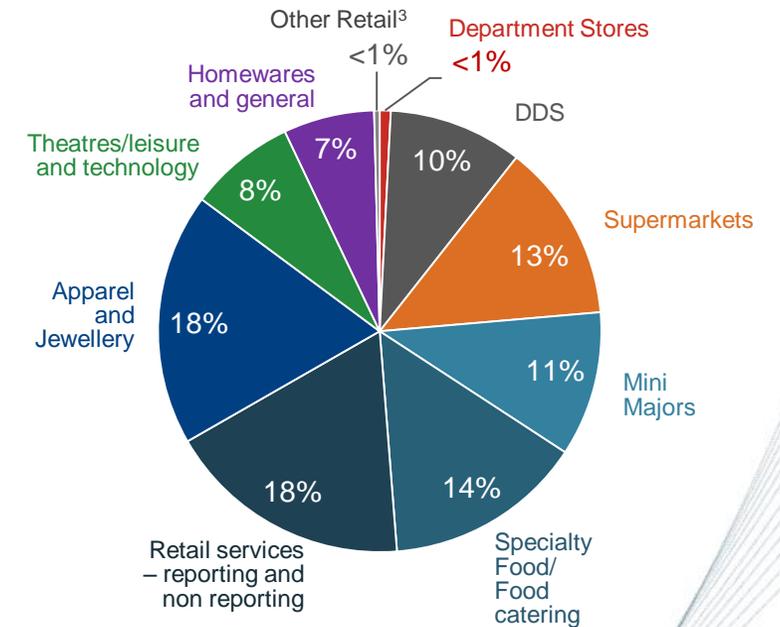
Retail Town Centres : Productive centres and diverse income base

Specialty MAT/sqm, centres with future development potential



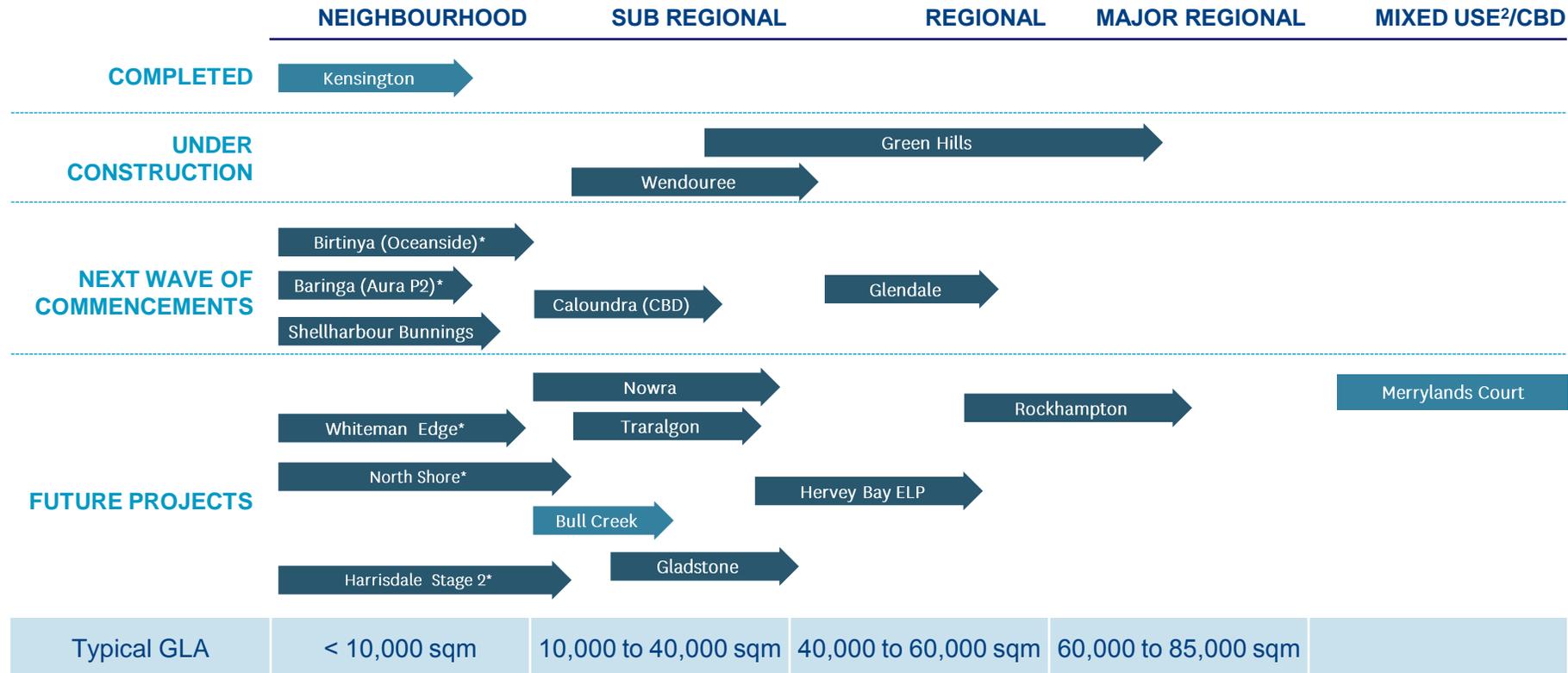
Strong diversity in rental income

Gross rent: Total portfolio



1. MLA methodology, comparable centres
2. Urbis Sub-regional Shopping centre Benchmarks June 2016
3. Other Retail includes travel agents, lotto, pad sites (food and non-food)

Retail Town Centres : Significant development pipeline driving growth and returns



Target returns
 9%+ incremental IRR¹
 7%+ incremental yield (FFO & stabilised)

DA approvals received
 Green Hills Cinema
 Traralgon Casual Dining
 Baringa (Aura)
 Bundaberg Pad Sites & Casual Dining

DA approvals submitted
 Rockhampton Cinemas
 North Shore Large Format



*Centre developed on acquired land as part of Residential Community activity
 1. Unlevered 10 year IRR on incremental development from completion
 2. Retail portion of development only

Retail Town Centres: Development pipeline

	EST. TOTAL INCREMENTAL COST (\$M)	COST SPENT TO DATE (\$M)	EST. COST TO COMPLETE (\$M)	COMPLETION		EST. FULLY LEASED YEAR ONE YIELD ¹	TOTAL INCOME LEASED	SPECIALTY INCOME LEASED ²	EST. INCREMENTAL RETURN ³ (%)	EST. TOTAL RETURN ⁴ (%)
				DATE	VALUE (\$M)					
Completed										
Kensington (Bundaberg, Qld)	30			FY17	31	7.0%	98%	90%	8.1	8.1
	30									
Under Construction										
Green Hills (NSW)	412	204	208	FY18 ⁵	840 - 860	7.0%	73%	65%	~11.9	~10.5
Wendouree (Vic)	37	4	33	FY18	188 - 190	7.2%	50%	17%	~13.7	~10.5
	449		241							
Pipeline	~1,000		~1,000			Range 7%+			Range 9%+	
TOTAL	1,449		1,241							

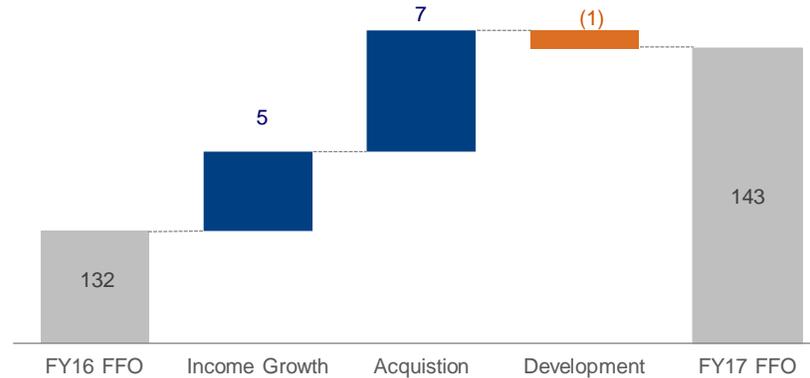
1. Stabilised incremental FFO yield, includes property management fees to Stockland Corporation
2. All specialty income including shops, kiosks, ATMs and pad sites, excluding majors and mini majors
3. Unlevered 10 year IRR on incremental development from completion
4. Unlevered 10 year IRR for existing assets and incremental development from completion
5. Cinemas due for completion early FY19

Logistics & Business Parks and Office: Performance

Logistics & Business Parks

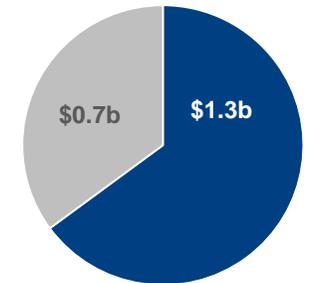
OCCUPANCY AND LEASE EXPIRY – BY INCOME	FY17	FY16
Occupancy	99.0%	94.7%
WALE	4.5 yrs	4.4 yrs

Logistics & Business Parks FFO movements between FY16 and FY17 (\$M)



Logistics and Business Parks assets by book value

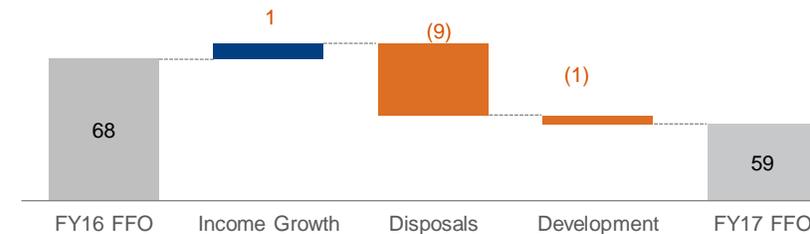
\$2.0b
Logistics
Business Parks



Office

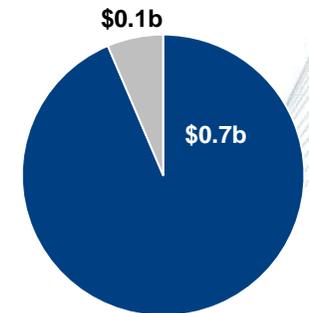
OCCUPANCY AND LEASE EXPIRY – BY INCOME	FY17	FY16
Occupancy	91.4%	95.4%
WALE	3.6 yrs	3.7 yrs

Office FFO movements between FY16 and FY17 (\$m)

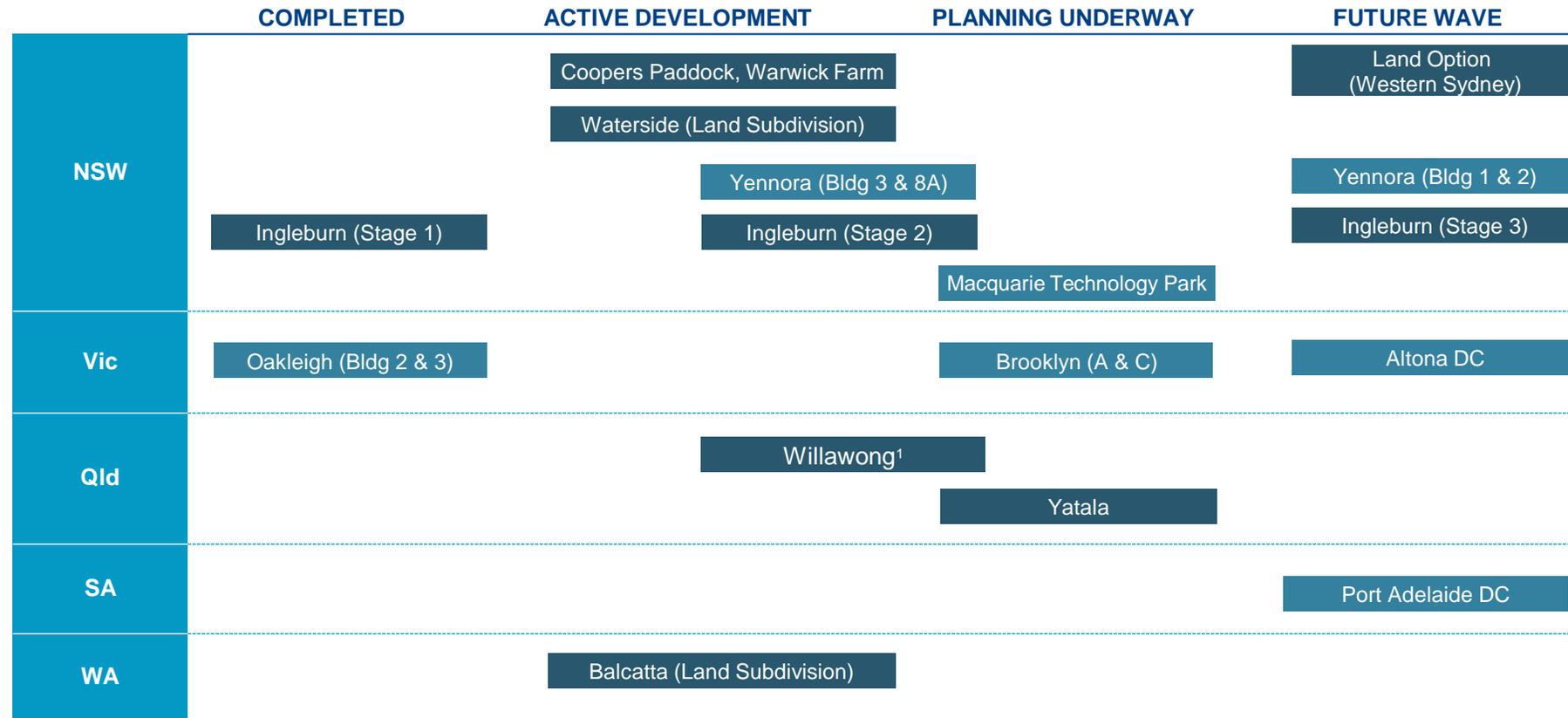


Office assets by book value

\$0.8b
Premium, A Grade
B Grade



Logistics & Business Parks: Growing & activating the development pipeline



Target returns
9%+ IRR (Greenfield)
7%+ incremental yield (FFO)

DA approvals received
 Yatala (Stage 1 & 2)
 Port Adelaide
 Warwick Farm
 Brooklyn (Building A & C)
 Balcatta
 Yennora (Bld 3 & 8A)

DA approvals submitted
 Willawong
 Ingleburn (Stage 2)

Development type

Greenfield Brownfield

1. Asset developed on acquired land as part of Residential Community activity

Logistics & Business Parks: Development pipeline

	DEVELOPMENT TYPE	EST. TOTAL INCREMENTAL COST (\$M)	COST SPENT TO DATE (\$M)	EST. COST TO COMPLETE (\$M)	COMPLETION		EST. FULLY LEASED YEAR ONE YIELD ²	TOTAL INCOME LEASED	EST. INCREMENTAL RETURN ³	EST. TOTAL RETURN ⁴
					DATE	VALUE (\$M)				
Completed										
Oakleigh, Building 2 & 3 (Vic)	Brownfield	15			FY17	53	7.1%	100%	~13.5%	~11.0%
Under Construction¹										
Coopers Paddock, Warwick Farm (NSW)	Greenfield	77	31	46	FY18	81 - 84	7.3%	66%	~10.7%	~10.7%
		92	31	46		134 - 138				
Pipeline		~680		~680			Range 7%+		Range 9%+	
TOTAL		772	31	726						

1. Excludes land sub-division projects
2. Stabilised incremental FFO yield, includes property management fees
3. Unlevered 10 year IRR on incremental development from completion
4. Unlevered 10 year IRR for existing assets and incremental development from completion

Logistics & Business Parks and Office: Tenancy retention and new leasing metrics

LOGISTICS & BUSINESS PARKS	TOTAL LEASED ¹			RETENTION ¹			NEW LEASES ¹		
	GLA LEASED (SQM) ¹	WEIGHTED AVERAGE BASE RENT GROWTH %	WEIGHTED AVERAGE INCENTIVES ³	RETENTION (SQM) ¹	WEIGHTED AVERAGE BASE RENT GROWTH %	WEIGHTED AVERAGE INCENTIVES ³	NEW LEASES (SQM) ¹	WEIGHTED AVERAGE BASE RENT GROWTH %	WEIGHTED AVERAGE INCENTIVES ³
Sydney West	212,567	(1.4%)	12.3%	118,709	(3.6%)	15.4%	93,858	1.4%	8.2%
Sydney Metro	13,280	(4.2%)	24.4%	3,836	(2.2%)	18.3%	9,444	(5.0%)	26.9%
Qld	20,306	(1.1%)	11.2%	4,322	(14.7%)	9.7%	15,984	2.5%	11.6%
SA	26,134	6.8%	8.1%	-	-	-	26,134	6.8%	8.1%
Vic	139,530	(6.6%)	14.4%	52,330	(0.4%)	(6.0%)	87,200	(10.3%)	19.4%
Total	411,817	(2.7%)	13.0%	179,197	(2.9%)	12.6%	232,620	(2.6%)	13.4%

72% retention²

OFFICE	TOTAL LEASED ¹			RETENTION ¹			NEW LEASES ¹		
	GLA LEASED (SQM) ¹	WEIGHTED AVERAGE BASE RENT GROWTH %	WEIGHTED AVERAGE INCENTIVES ⁴	RETENTION (SQM) ¹	WEIGHTED AVERAGE BASE RENT GROWTH %	WEIGHTED AVERAGE INCENTIVES ⁴	NEW LEASES (SQM) ¹	WEIGHTED AVERAGE BASE RENT GROWTH %	WEIGHTED AVERAGE INCENTIVES ⁴
Sydney CBD	1,184	9.8%	13.9%	-	-	-	1,184	9.8%	13.9%
Sydney Metro	1,585	2.1%	19.4%	165	10.1%	-	1,420	1.2%	21.7%
Qld	314	(19.9%)	17.7%	314	(19.9%)	17.7%	-	-	-
WA	2,926	(23.8%)	32.1%	921	(2.9%)	15.5%	2,005	(33.5%)	39.7%
ACT	650	-	24.9%	-	-	-	650	-	24.9%
Total	6,659	(9.2%)	21.4%	1,400	(5.2%)	14.2%	5,259	(10.2%)	27.2%

43% retention²

1. Includes executed leases only and represents 100% property ownership
2. Represents the percentage (by income) of total executed deals, which were expiring leases renewed by existing customers during the period. Excludes new leases on vacant space
3. Incentives based on net rent
4. Incentives based on gross rent

Retail Town Centres: Asset values

RETAIL PORTFOLIO	BOOK VALUE (\$M)	FY17 VAL. INCR/(DECR) (\$M) ¹	CHANGE	CAP RATE	FY17 FFO (\$M)
Stockland Shellharbour	757.9	29.8	4.1%	5.50%	40.7
Stockland Wetherill Park ²	742.1	43.5	6.2%	5.50%	38.7
Stockland Merrylands	555.0	17.0	3.2%	5.50%	32.2
Stockland Rockhampton ²	425.8	4.1	1.0%	5.75%	23.3
Stockland Green Hills ²	398.4	-	-	5.75%	15.4
Stockland Glendale	336.0	31.9	10.5%	5.75%	20.0
Stockland Point Cook ²	233.6	-	-	6.25%	14.6
Stockland Townsville (50%) ²	226.5	-	-	5.75-6.50%	12.0
Stockland Cairns	211.0	(28.7)	(12.0%)	6.25%	13.7
Stockland Baldivis	204.0	-	-	5.75%	11.6
Stockland Hervey Bay	185.0	(14.6)	(7.3%)	6.25%	11.3
Stockland Burleigh Heads	185.0	6.1	3.4%	6.50%	11.4
Stockland The Pines	182.0	8.2	4.7%	6.00%	12.3
Stockland Forster	172.9	4.6	2.7%	6.00%	11.5
Stockland Balgowlah	169.5	20.8	14.0%	5.50%	9.9
Stockland Jesmond	168.0	4.7	2.9%	6.25%	10.7
Stockland Baulkham Hills	158.0	10.0	6.8%	6.00%	10.1
Stockland Wendouree	149.9	-	-	6.50%	9.8
Stockland Gladstone	148.5	2.3	1.6%	6.50%	10.4
Stockland Bundaberg	142.8	-	-	6.50%	9.8
Stockland Caloundra	140.8	12.7	9.9%	5.75-6.00%	8.5
Stockland Nowra	129.3	8.3	7.0%	6.00%	7.9
Stockland Cleveland	112.9	7.5	7.1%	6.00%	7.2

RETAIL PORTFOLIO	BOOK VALUE (\$M)	FY17 VAL. INCR/(DECR) (\$M) ¹	CHANGE	CAP RATE	FY17 FFO (\$M)
Stockland Bull Creek	107.4	3.9	3.7%	6.25%	7.0
Stockland Traralgon	100.0	(9.2)	(8.4%)	6.50%	8.2
Stockland Bathurst	95.7	-	-	6.75%	6.9
Stockland Wallsend	80.3	7.1	9.8%	6.50%	5.5
Glasshouse (50%) ²	73.5	8.9	13.8%	4.50%	3.3
Stockland Tooronga	71.0	6.5	10.0%	5.75%	4.0
Stockland Corrimal	69.3	(7.9)	(10.3%)	7.00%	5.1
Stockland Riverton (50%)	67.0	2.4	3.7%	6.25%	4.7
Stockland Harrisdale ²	54.9	3.2	6.2%	6.25%	3.2
Shellharbour Retail Park	54.4	0.6	1.1%	7.25%	4.2
Stockland Cammeray	49.2	3.7	8.2%	5.75%	3.0
Stockland Highlands	39.2	5.0	14.7%	5.75%	2.1
Stockland Piccadilly (50%)	36.4	0.7	1.5%	5.50%	2.4
Stockland Kensington	31.0	1.1	3.6%	6.00%	0.5
North Shore Townsville	22.6	(0.7)	(2.9%)	6.25%	1.3
Burleigh Central	21.0	0.6	3.1%	7.25%	1.6
Merrylands Court ²	10.1	-	-	7.00%	(0.1)
Toowong Mixed Use ²	6.8	-	-	n/a	0.2
T/ville Kingsvale & Sunvale (50%) ³	2.5	-	-	n/a	(0.1)
Subtotal Retail	7,127.2	194.1			416.0
Disposals	-	-	-	-	0.6
Other ³	-	2.5	-	-	2.0
Total Retail	7,127.2	196.6		WACR 5.9%	418.6

1. Movements due to independent valuations
2. Properties impacted by development or still in stabilisation mode
3. Relates to sundry properties

Logistics & Business Park and Office: Asset values

LOGISTICS & BUSINESS PARKS PORTFOLIO	BOOK VALUE (\$M)	FY17 VAL. INCR/(DECR) (\$M) ¹	CHANGE	CAP RATE	FY17 FFO (\$M)
Yennora Distribution Centre	390.0	-	-	6.75%	26.5
Optus Centre (51%)	227.0	0.2	0.1%	6.75%	15.2
Trinity Business Campus	180.4	-	-	6.75%	11.9
Ingleburn Distribution Centre ³	104.8	3.9	3.8%	6.75%	6.4
60-66 Waterloo Road	99.0	-	-	6.50-6.75%	7.0
Hendra Distribution Centre ³	93.0	0.8	0.9%	7.75%	5.2
Mulgrave	92.7	(1.0)	(1.0%)	7.00%	6.1
Port Adelaide Distribution Centre	92.0	(8.6)	(8.5%)	9.00%	9.6
Brooklyn Estate	82.3	-	-	8.00%	7.2
Forrester Distribution Centre	81.4	-	-	7.00%	6.3
Macquarie Technology Centre	56.8	2.2	3.9%	6.75-7.75%	3.9
9-11A Ferndell Street	56.3	-	-	7.00-8.25%	4.0
1090-1124 Centre Road, Oakleigh ³	53.3	5.6	11.8%	6.75%	2.2
Balcatta Distribution Centre	51.9	(0.3)	(0.6%)	6.75%	3.2
16 Giffnock Avenue	50.7	7.2	16.6%	7.12%	3.6
20-50 Fillo Drive and 10 Stubb Street ³	39.2	6.2	18.6%	7.50%	3.0
23 Wonderland Drive	36.9	(0.9)	(2.5%)	6.50%	2.7
Altona Distribution Centre	36.3	5.2	16.6%	7.50%	2.7
Cherry Lane	32.1	-	-	7.25%	2.4
2 Davis Road	26.2	-	-	7.00%	1.8
Baker St, Botany	24.7	-	-	6.25%	1.6
Erskine Park	22.6	2.3	11.5%	6.00%	1.3
Coopers Paddock, Warwick Farm	18.8	-	-	n/a	-
56-60 Toll Drive	17.9	-	-	7.25%	1.3
32-54 Toll Drive	17.7	-	-	7.00%	1.4
11-25 Toll Drive	17.3	0.8	4.6%	6.25%	1.5
76-82 Fillo Drive	13.0	(0.8)	(5.0%)	7.75%	1.5
40 Scanlon Drive	9.1	-	-	7.50%	0.9
Export Park, 9-13 Viola Place	5.9	(3.7)	(38.5%)	10.44%	1.4
M1 Yatala Enterprise Park	5.8	(1.0)	(14.2%)	n/a	-
Other	-	-	-	-	0.8
Total Logistics & Business Parks	2,035.1	18.1		WACR 7.0%	142.6

OFFICE PORTFOLIO	BOOK VALUE (\$M)	FY17 VAL. INCR/(DECR) (\$M) ¹	CHANGE	CAP RATE	FY17 FFO (\$M)
Piccadilly Complex ² (50%)	243.5	34.6	16.5%	5.75-6.00%	14.6
135 King Street (50%)	182.5	42.7	30.5%	5.38%	9.6
Durack Centre	106.4	(10.1)	(8.7%)	8.00%	13.4
601 Pacific Highway	95.2	-	-	6.75%	7.9
77 Pacific Highway	72.9	3.6	5.1%	6.50%	5.9
110 Walker Street	29.7	-	-	6.75%	2.8
40 Cameron Avenue	24.8	(8.1)	(24.6%)	10.50%	2.7
80-88 Jephson Street ³	17.0	(5.6)	(24.8%)	8.00%	1.7
27-29 High Street ³	3.6	0.3	7.8%	7.00%	0.2
23 High Street ³	3.4	0.2	7.8%	7.00%	0.4
Subtotal Office	779	57.6	-	-	59.2
Disposals	-	-	-	-	0.5
Other	-	-	-	-	(0.3)
Total Office	779	57.6		WACR 6.4%	59.4

1. Movements due to independent valuations
2. Piccadilly Complex includes Piccadilly Tower and Court
3. Properties impacted by development in FY17

Top 20 tenants by income

RETAIL PORTFOLIO			LOGISTICS & BUSINESS PARKS PORTFOLIO			OFFICE PORTFOLIO		
RANK	TENANT	% PORTFOLIO	TENANT	% PORTFOLIO	TENANT	% PORTFOLIO		
1	Wesfarmers Ltd	12.0%	Optus Administration Pty Ltd	10.8%	IBM Australia Ltd	7.5%		
2	Woolworths Ltd	11.2%	ACI Operations Pty Ltd	7.3%	Jacobs Group	7.1%		
3	Specialty Fashion Group Ltd	1.6%	Toll Holdings Ltd	7.2%	Stockland Development Pty Ltd	6.0%		
4	Prouds Jewellers Pty Ltd	1.4%	Qube Holdings Ltd (Qube Logistics)	4.5%	Hewlett Packard Pty Ltd	4.3%		
5	Priceline Pty Ltd	1.4%	AWH (Australian Wool Handlers) Pty Ltd	4.4%	Australian Bureau of Statistics	3.1%		
6	Westpac Banking Corporation Ltd	1.3%	Kmart Australia Pty Ltd	4.1%	Brookfield Multiplex Ltd	2.6%		
7	The Reject Shop Ltd	1.3%	Autocare Services Pty Ltd	4.0%	Russell Investment Group Pty Ltd	2.2%		
8	Commonwealth Bank of Australia Ltd	1.3%	Downer EDI Ltd	3.3%	Government Property NSW	2.1%		
9	Just Group Ltd	1.3%	Daikin Australia Pty Ltd	2.6%	The University of Sydney	2.1%		
10	Best & Less Pty Ltd	1.1%	Brownes Food Operations Ltd	2.3%	UXC Ltd	2.1%		
11	H&M Hennes & Mauritz Pty Ltd	1.0%	CSR Ltd	2.0%	GHD Services Pty Ltd	2.0%		
12	Pretty Girl Fashion Pty Ltd	0.9%	Lavery Health Ltd	1.9%	The Uniting Church of Australia Property Trust	2.0%		
13	ALDI Foods Pty Ltd	0.8%	Automotive Holdings Group Limited	1.9%	Fleet Partners Pty Ltd	1.7%		
14	Myer Ltd	0.8%	Icehouse Logistics Pty Ltd	1.9%	Smartsalary Pty Ltd	1.7%		
15	Luxottica Retail Australia Pty Ltd	0.8%	Chubb Security Holdings Australia Pty Ltd	1.7%	Minister for Works	1.6%		
16	National Australia Bank Ltd	0.8%	Austpac Pty Ltd	1.7%	Optus Administration Pty Ltd	1.5%		
17	Cotton On Clothing Group Pty Ltd	0.8%	Boral Constructions Materials Ltd	1.7%	Linkforce Hire Pty Ltd	1.5%		
18	Terry White Chemist Ltd	0.8%	Citrix Systems Asia Pacific Pty Ltd	1.7%	National Health Call Centre Network	1.4%		
19	ANZ Banking Group Ltd	0.7%	Janssen Cilag Pty Ltd	1.6%	Infosys Technologies Australia Pty Ltd	1.3%		
20	Specsavers Optical Group Ltd	0.7%	CRT Group Pty Ltd	1.4%	Moore Stephens International Ltd	1.3%		
		42.0%		67.8%		55.1%		

Commercial Property: Asset acquisitions & disposals

PROPERTY ACQUIRED	ASSET CLASS	TYPE	ACQUISITION DATE	ACQUISITION VALUE ¹ (\$M)
4 Memorial Drive, Shellharbour, NSW (Cinema)	Retail	Income Producing	Nov 2016	9.0
Lamerton House, Shellharbour, NSW	Retail	Income Producing	Dec 2016	8.0
Total Asset Acquisitions				17.0

PROPERTY DISPOSED	ASSET CLASS	TYPE	SETTLEMENT DATE	DISPOSAL VALUE ² (\$M)
Garden Square, Qld	Office	Income Producing	Aug 2016	36.5
Jimboomba, Qld	Retail	Joint Venture	Oct 2016	18.6
Vincentia, NSW	Retail	Income Producing	Oct 2016	13.0
Total Asset Disposals				68.1

1. Excludes associated acquisition costs

2. Excludes associated disposal costs

Residential

Altona North, Melbourne



WESTGATE GOLF COURSE



SPOTSWOOD PRIMARY SCHOOL



ST MARGARETS MARY PRIMARY SCHOOL



EDWARDS RESERVE



SCIENCEWORKS



BLACKSHAWS ROAD

KYLE ROAD

Development pipeline – Major active projects

STATE	PROJECT	STATE PERCENTAGE	APPROXIMATE LOT SALES PER ANNUM ¹	APPROX REMAINING PROJECT LOTS	ANTICIPATED SETTLEMENTS				
					FY18	FY19	FY20	FY21	FY22+
Qld	North Shore		90	3,700					
	Aura		430	19,150 [#]					
	Newport		240	1,600					
	Pallara		160	570					
	All Other Projects			9,060 [#]					
	Sub-total		42.4%		34,080				
Vic	Highlands		670	3,300 [#]					
	Cloverton		300	10,640 [#]					
	The Grove		250	1,920					
	Orion (Braybrook) ²		140	420 [#]					
	Waterlea (Stamford Park) ²		60	190 [#]					
	All Other Projects			11,580 [#]					
Sub-total		35.0%		28,050					
WA	Newhaven ³		120	240					
	Vale		300	1,350 [#]					
	Sienna Wood		180	3,040					
	Calleya		220	990 [#]					
	All Other Projects			2,630 [#]					
Sub-total		10.2%		8,250					
NSW	Willowdale		450	1,880 [#]					
	Elara		740	2,820 [#]					
	Altrove		130	1,030 [#]					
	All Other Projects			4,260 [#]					
Sub-total		12.4%		9,990					
Total		100.0%		80,370					

Dwellings

1. Average number of lots estimated for three years for FY18 - FY20
2. Average number of dwellings estimated for FY19 – FY21
3. Average number of lots estimated for two years for FY18 - FY19

Eight projects with first settlements in next two years

	PROJECT	TIMING OF FIRST SETTLEMENTS	APPROXIMATE TOTAL LOTS IN PROJECT	APPROXIMATE LIFE OF PROJECT
Vic	Edgebrook	FY18	790	7 yrs
	Waterlea (Stamford Park)	FY19	190 [#]	3 yrs
	Orion (Braybrook)	FY19	420 [#]	3 yrs
	Minta Farm	FY19	1,710	9 yrs
	Mt Atkinson	FY19	4,220	17 yrs
Qld	Foreshore	FY18	520	4 yrs
	Bokarina Beach	FY18	290 [#]	8 yrs
	Paradise Waters	FY19	2,080	16 yrs
		Total lots	10,220	

[#] Includes dwellings

Projects completing prior to FY20

	PROJECT	TIMING OF FINAL SETTLEMENTS	APPROXIMATE TOTAL LOTS#	LOTS# REMAINING (AS AT 30 JUN 2017)
NSW	Brooks Reach	FY18	590	152
WA	Newhaven	FY19	2,660	247
Qld	The Observatory	FY18	900	15
	Riverstone Crossing	FY18	760	31
	Highland Reserve	FY18	1,160	44
	Stone Ridge	FY18	590	101
	Ormeau Ridge	FY18	660	139
	Brightwater	FY19	1,660 [#]	98
	Augustine Heights	FY19	1,040	128
	Vale	FY19	630	140
	North Lakes	FY19	4,970 [#]	239
	Vic	Arve	FY18	80 [#]
The Address		FY18	480	64
Mernda Villages		FY19	2,990	267
Total lots			19,170	1,701

[#] Includes dwellings

Price per Sqm

Retail sales price¹

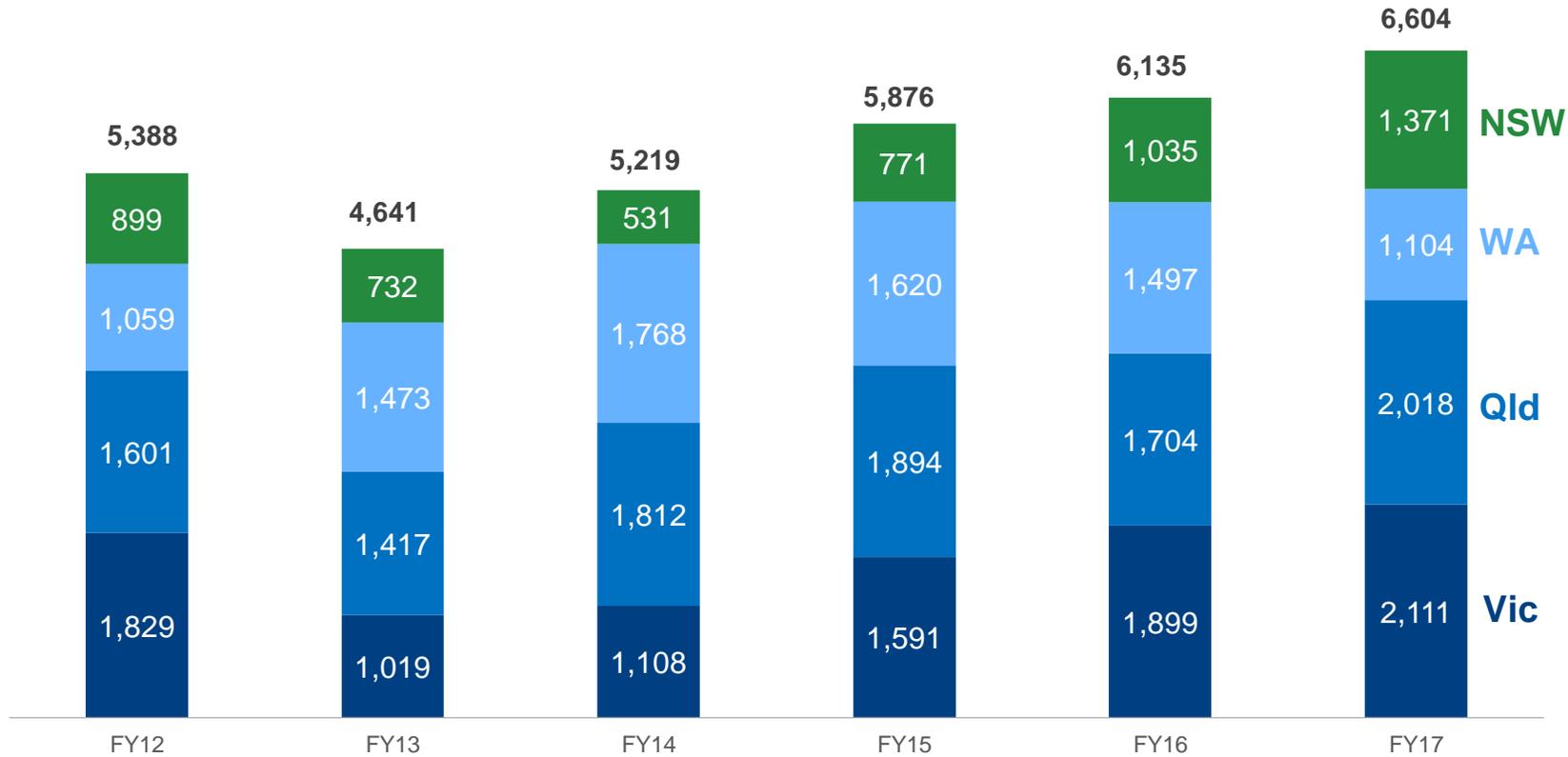
STATE	FY17 SETTLEMENTS				FY16 SETTLEMENTS			
	NO. LOTS	AV. SIZE PER LOT SQM	AV. PRICE PER LOT \$K	\$/SQM	NO. LOTS	AV. SIZE PER LOT SQM	AV. PRICE PER LOT \$K	\$/SQM
NSW	1,301	388	420	1,082	1,023	409	365	894
Qld	1,870	411	242	588	1,666	439	237	540
Vic	2,026	399	225	565	1,888	383	206	538
WA	1,084	324	215	665	1,494	351	237	676
Total Residential Communities	6,281	387	269	694	6,071	395	249	631
Total Medium Density	213	N/M	562	N/M	15	N/M	424	N/M

Revenue Reconciliation (\$M)



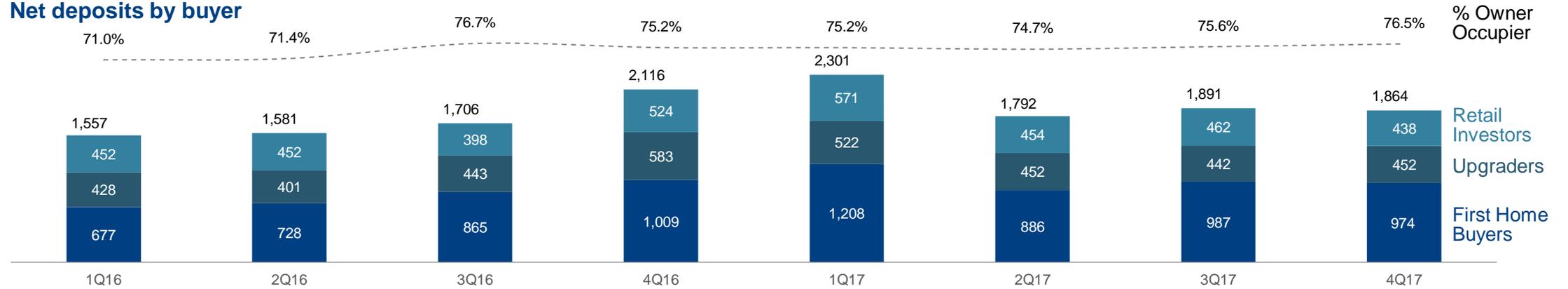
1. Average price of retail sales excludes sales of all lots over 1,000 sqm, superlot sales, completed homes and apartments revenue, and disposal proceeds. Average price includes GST. Includes Project Development Agreements (PDAs) for which Stockland receives a part-share
2. Includes the disposal of impaired project Wallarah (NSW), the second tranche of revenue from the disposal of Bahrs Scrub (Qld) and the disposal of a Café site in The Islands Apartments at Southbeach (WA)

Lots settled by location

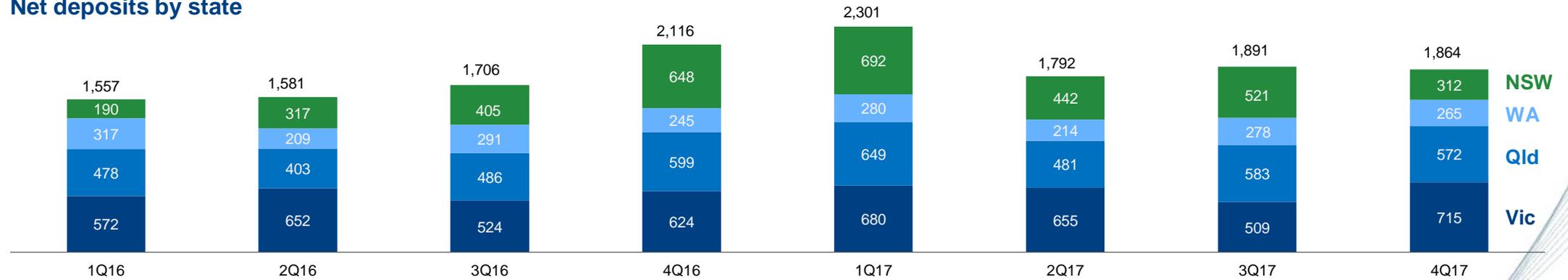


Net deposits by quarter

Net deposits by buyer

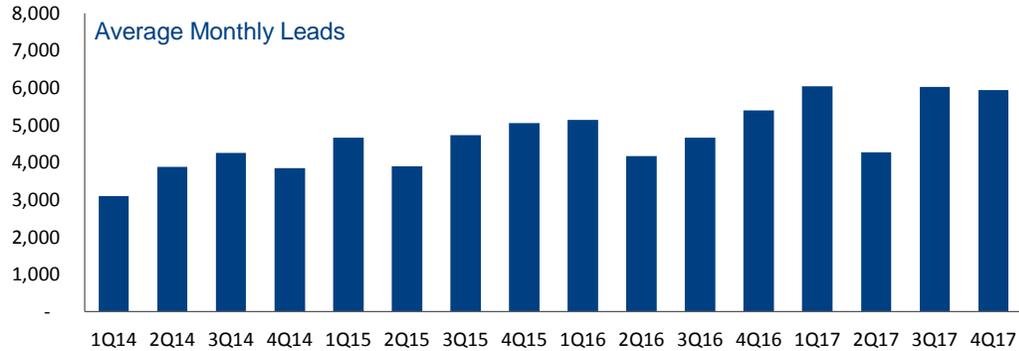


Net deposits by state

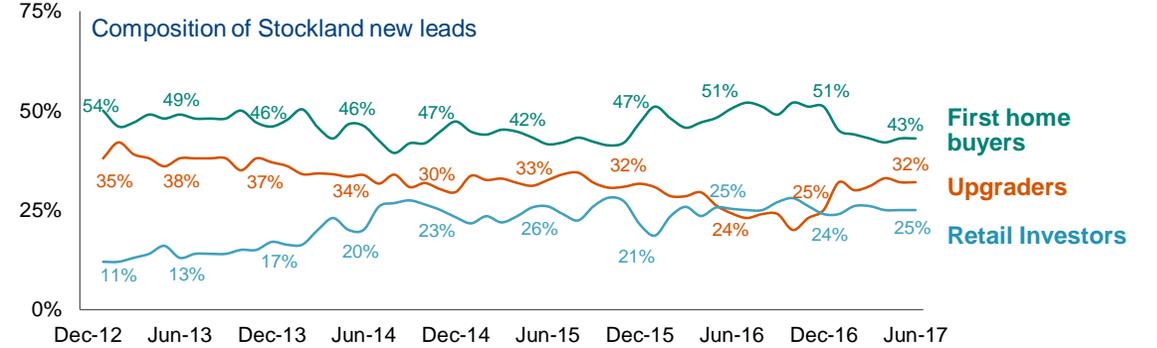


Leads and enquiry levels

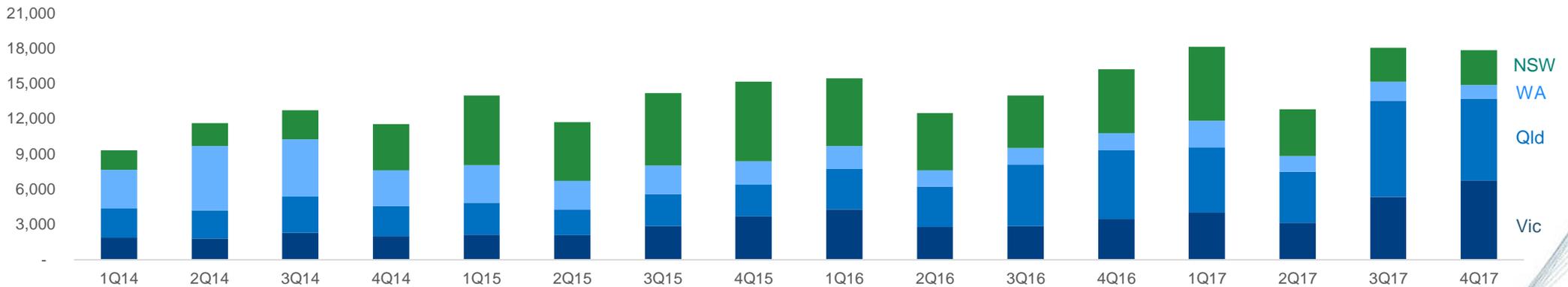
High lead volumes for FY17, strong performance



First Home Buyers impacted by timing of state grants

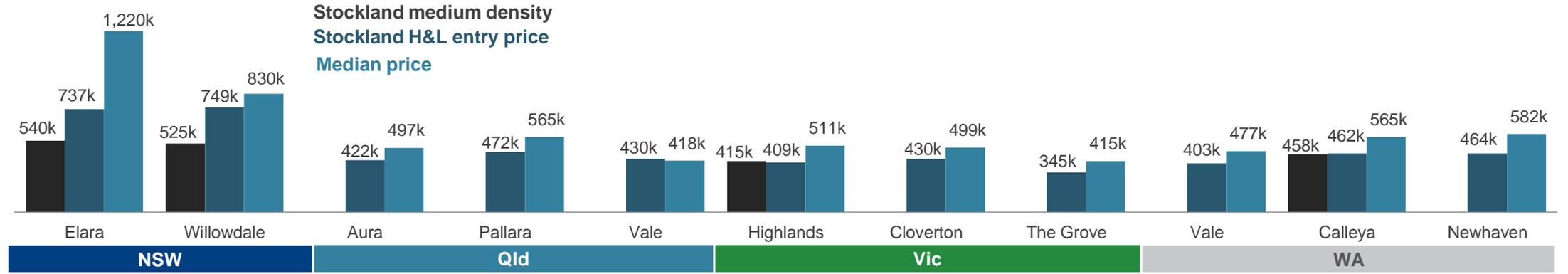


Qld is the front-runner for FY17, followed by Vic



Providing affordable product

Stockland providing more affordable product than local median house price^{2,3,4}



1. National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research
2. Stockland data, House and Land packages for sale within Stockland House and Land Finder July 2017
3. RP Data: Median value of established (4b,2b,2c) houses in surrounding suburbs as at June 2017
4. Entry price for Stockland medium density product in June 17 quarter

Residential: Acquisitions

PROPERTY ACQUIRED	TYPE	ACQUISITION DATE	ACQUISITION VALUE (\$M)	APPROXIMATE NUMBER OF LOTS	FIRST SETTLEMENTS EXPECTED
Mt Atkinson, Melbourne	Masterplanned Community	May 17	Not disclosed	4,220 [#]	FY19
Minta Farm, Melbourne	Masterplanned Community	Dec 16	Not disclosed	1,710 [#]	FY19
Truganina, Melbourne	Masterplanned Community	May 17	Not disclosed	1,630 [#]	FY20
Highlands Consolidation, Melbourne	Masterplanned Community	Mar 17	\$75m	980	FY21
Orion (Braybrook), Melbourne	Medium Density	Mar 17	\$62m	420 dwellings	FY19
Altona North, Melbourne	Medium Density	Jun 17	Not disclosed	270 dwellings	FY22
Highlands consolidation, Melbourne	Masterplanned Community	Mar 17	Not disclosed	260	FY21
Whiteman Edge Consolidation, Perth	Masterplanned Community	Jun 17	Not disclosed	220	FY20
Hope Island, Qld	Medium Density	May 17	\$14m	110 dwellings	FY20
Altrove Consolidation, Sydney	Masterplanned Community	Jun 17	Not disclosed	80	FY19

9,900 lots and dwellings

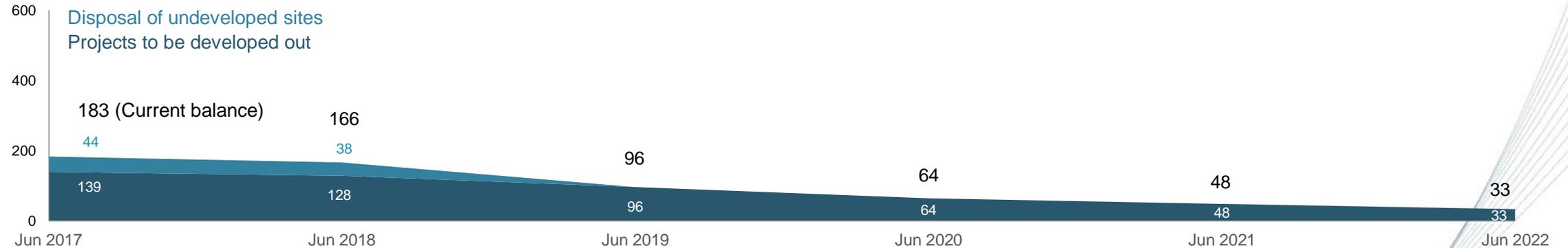
[#] Includes dwellings

Impairment provision utilisation

30 JUNE 2017	TOTAL RESIDENTIAL (\$M)	IMPAIRMENT PROVISION BALANCE 30 JUNE 2017 (\$M)	FINAL SETTLEMENT
Net decrease in impairment	(3)	Projects to be developed	\$139m ~10 yrs
Utilisation of provision	(103)	Disposal of undeveloped sites	\$44m ~2 yrs
		Total	\$183m

Residential forecast utilisation of provision¹

Balance \$M



1. Forecast utilisation impairment provision as at 30 June 2017, based on forecast settlement dates, revenue and costs by project

Retirement Living

Cardinal Freeman The Residences
Sydney



Stockland
it's your place



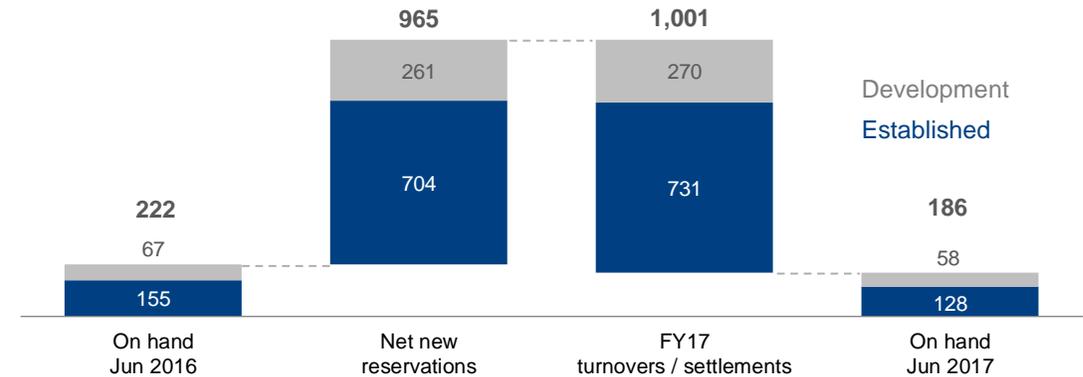
Established portfolio and development pipeline

PORTFOLIO STATISTICS	FY17	FY16
Established villages	65	70
Established units	9,610	9,616
Established units settlements	731	716
Units removed for redevelopment/alternate use	88	24
Turnover rate excluding developments ¹	8.5%	8.2%
Turnover rate total portfolio	7.6%	7.7%
Average age of resident on entry	73.5 yrs	73.5 yrs
Average age of current residents	80.6 yrs	80.6 yrs
Average tenure on exited residents	9.1 yrs	9.2 yrs
Average village age	24.0 yrs	23.3 yrs
Development pipeline	2,970 units	3,165 units

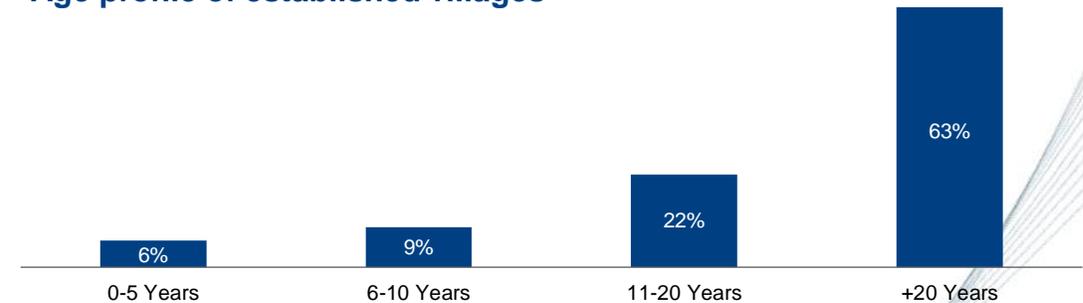
KEY VALUATION ASSUMPTIONS	FY17	FY16
Weighted average discount rate	13.0%	12.9%
Weighted average 20 year growth rate	3.6%	3.7%
Average length of stay of current and future residents	10.8 yrs	10.6 yrs

1. Excludes development settlements from last five years

Net reservations

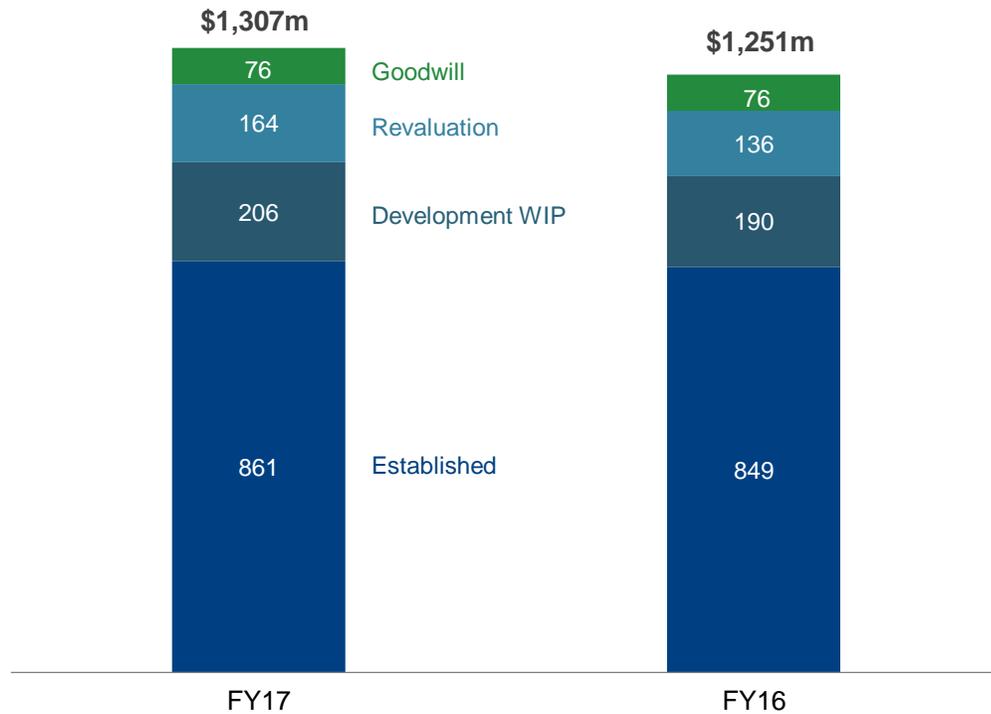


Age profile of established villages



Net funds employed

Net Funds Employed

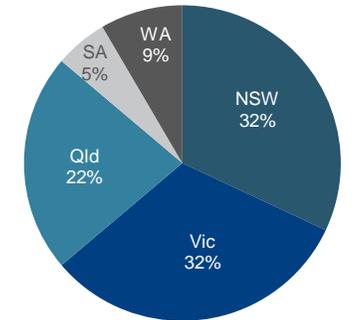


1. Timing subject to market conditions

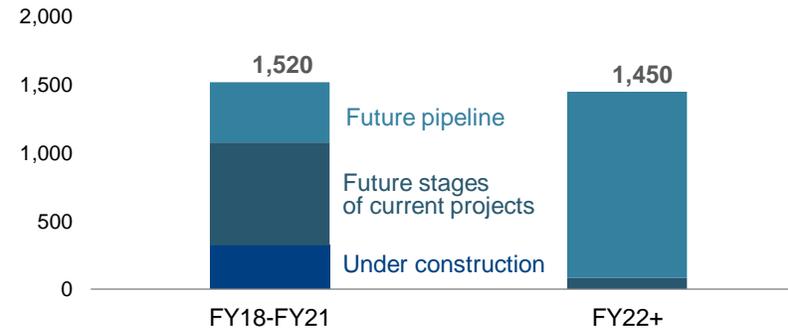
Development pipeline breakup

DEVELOPMENT PIPELINE	FY17
Development villages	18
Total development pipeline units	2,970
- Greenfield pipeline units	1,980
- Village extension pipeline units	990
Estimated end value including DMF	\$2.3b

Geographically diverse development pipeline



Independent Living Units development pipeline¹



Strong project pipeline forecast

CONSTRUCTION TIMEFRAME		FUTURE SETTLEMENTS	FY18	FY19	FY20	FY21	FY22+
Completed (FY17)	Selandra Rise, Vic						
	Highlands, NSW						
	Sub-total	55					
Current Development Projects	Lightsview, SA						
	Somerton Park, SA						
	Mernda, Vic						
	Cardinal Freeman The Residences, NSW						
	Affinity, WA						
	Willowdale, NSW						
	Birtinya (formerly Oceanside), Qld						
	Gillin Park, Vic						
	Aspire at Elara, NSW						
	Aspire at Calleya, WA						
		Sub-total	1,105				
To start within 18 months	Newport, Qld						
	Somerton Park, SA						
	Sub-total	145					
Master planning/ future projects	The Grove, Vic						
	Aspire at Altrove, NSW						
	Aura, Qld						
	Cloverton, Vic						
	Sub-total	935					
Redevelopments	Proposed Redevelopments						
	Sub-total	730					
Total units yet to be released		2,970					

Research Annexure

Economic Overview

Bells Reach, Qld

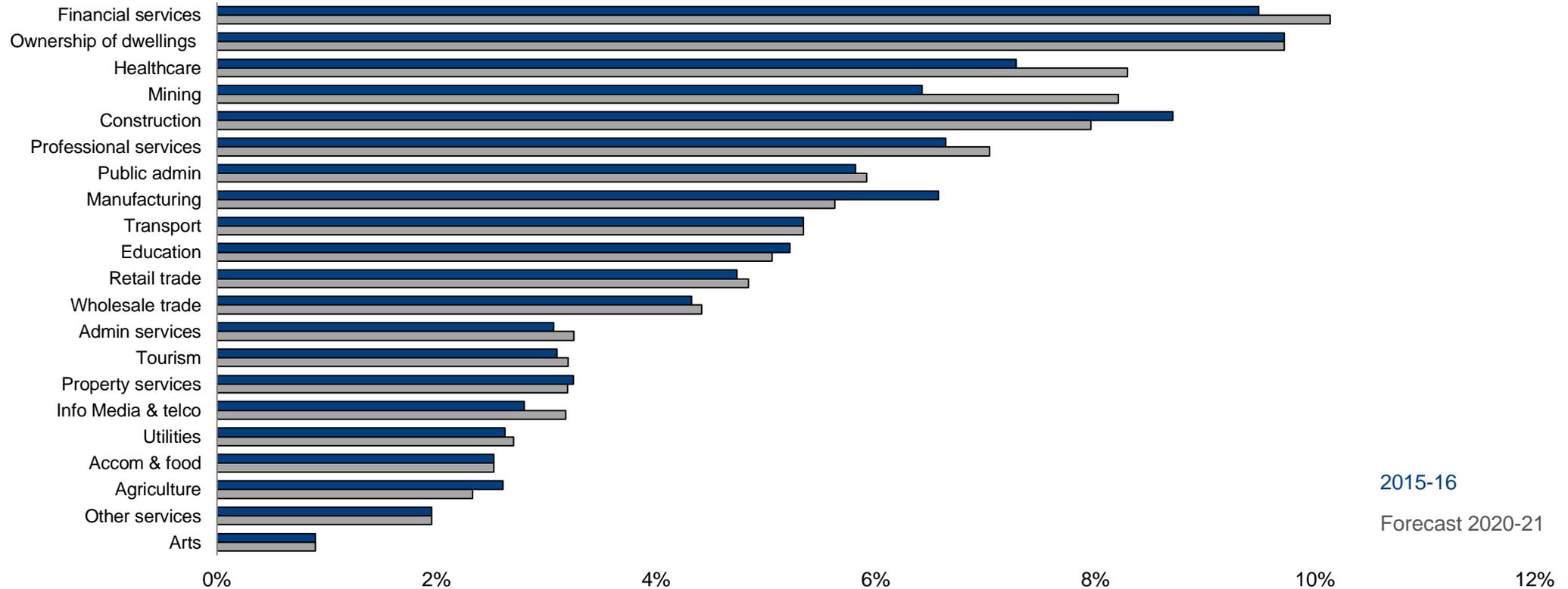


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Contribution to Australia's GDP by industry(%)

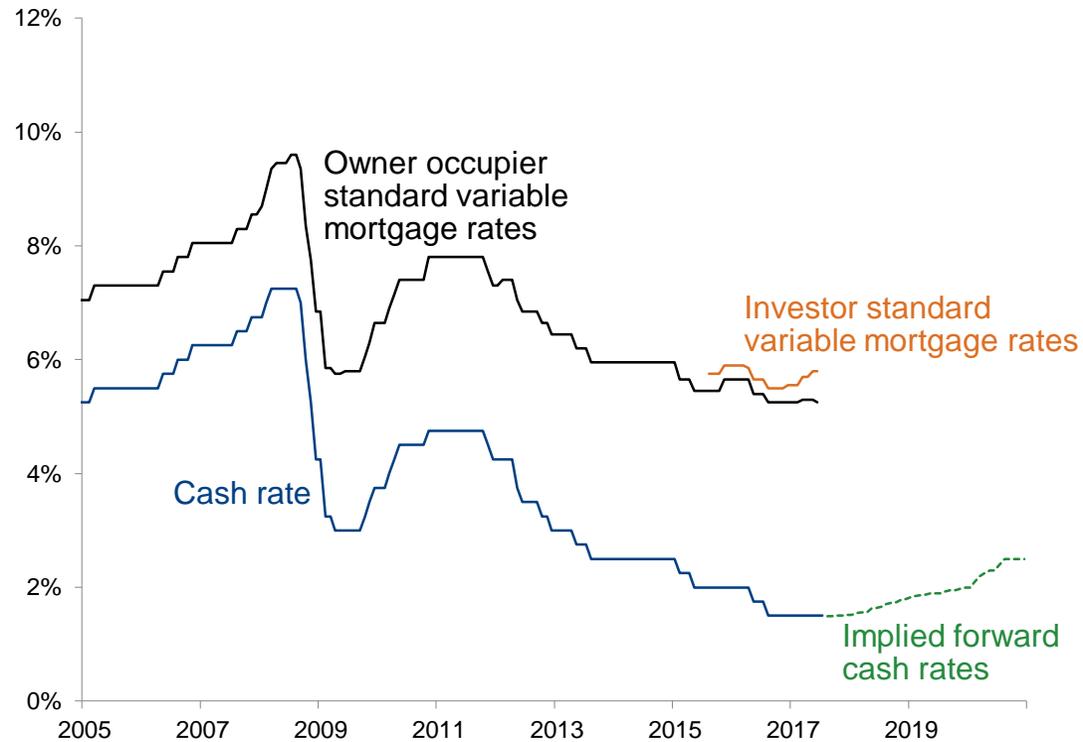
Industry contribution to GDP¹ (%)



1. ABS, Stockland Research, Deloitte Access Economics June 2017

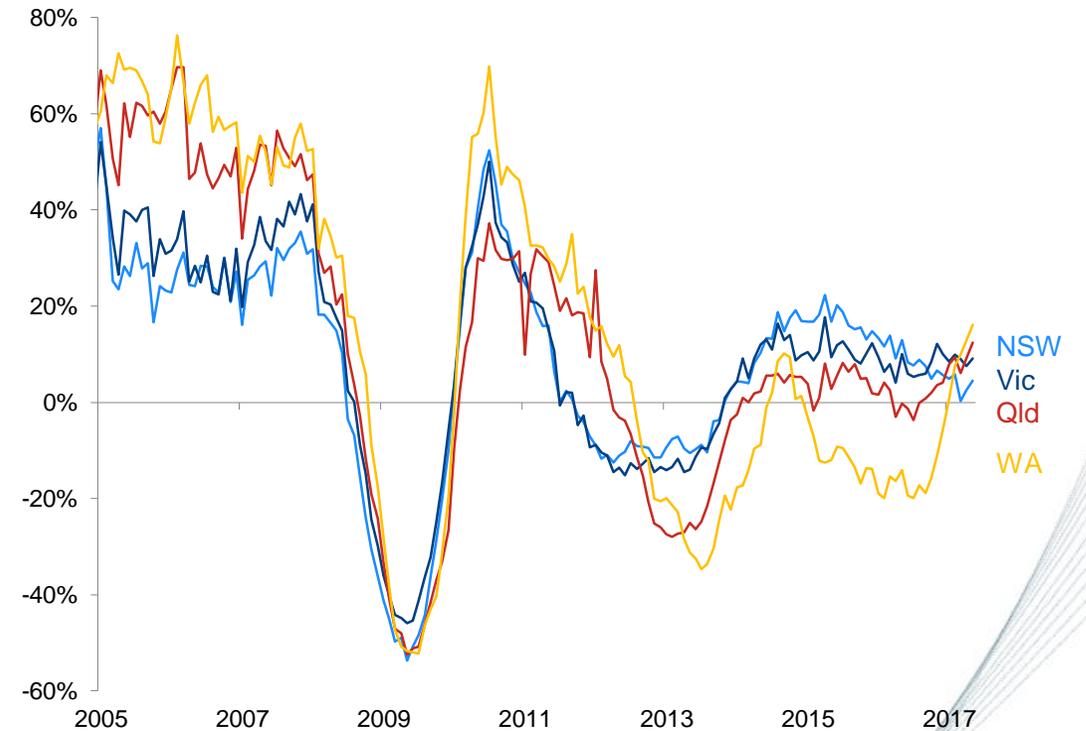
Investor lending rates rising independently of cash rates, labour market improving across all states

Historical and implied forward RBA cash rates¹



Labour market improving strongly in WA²

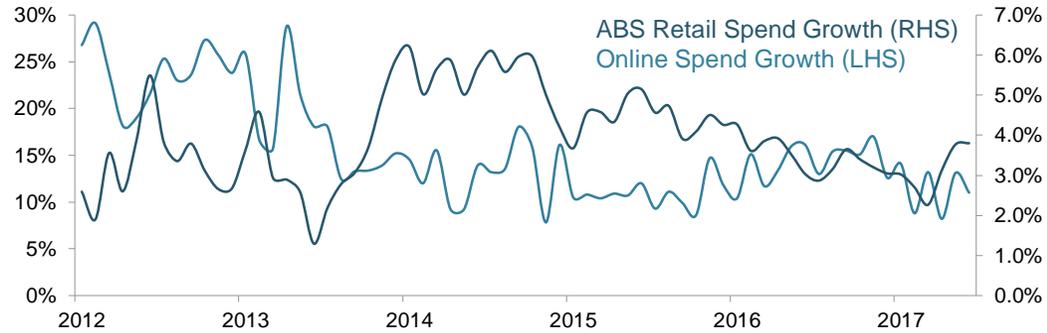
Seek Job Ads (Annual % change in number of ads)



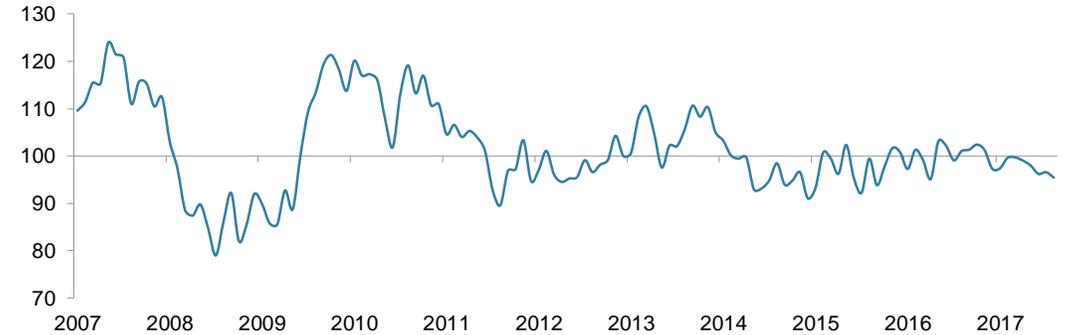
1. RBA, Stockland Research
2. Seek, July 2017

Australia: Retail drivers

Rate of growth in online retail spend¹ is declining

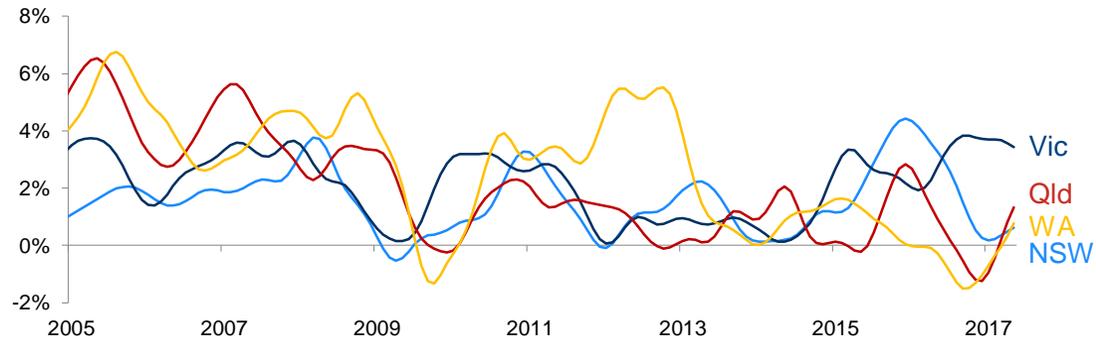


Consumer Sentiment below neutral²

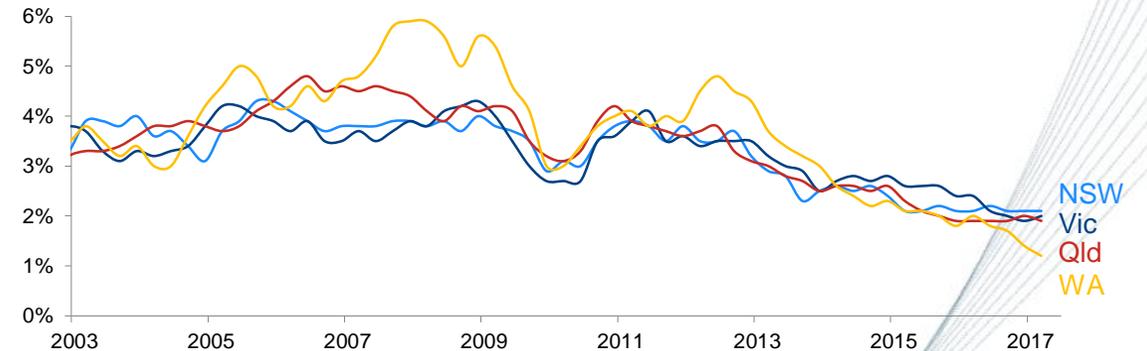


Employment growth has been improving across our states³

Employment growth (Annual % change)



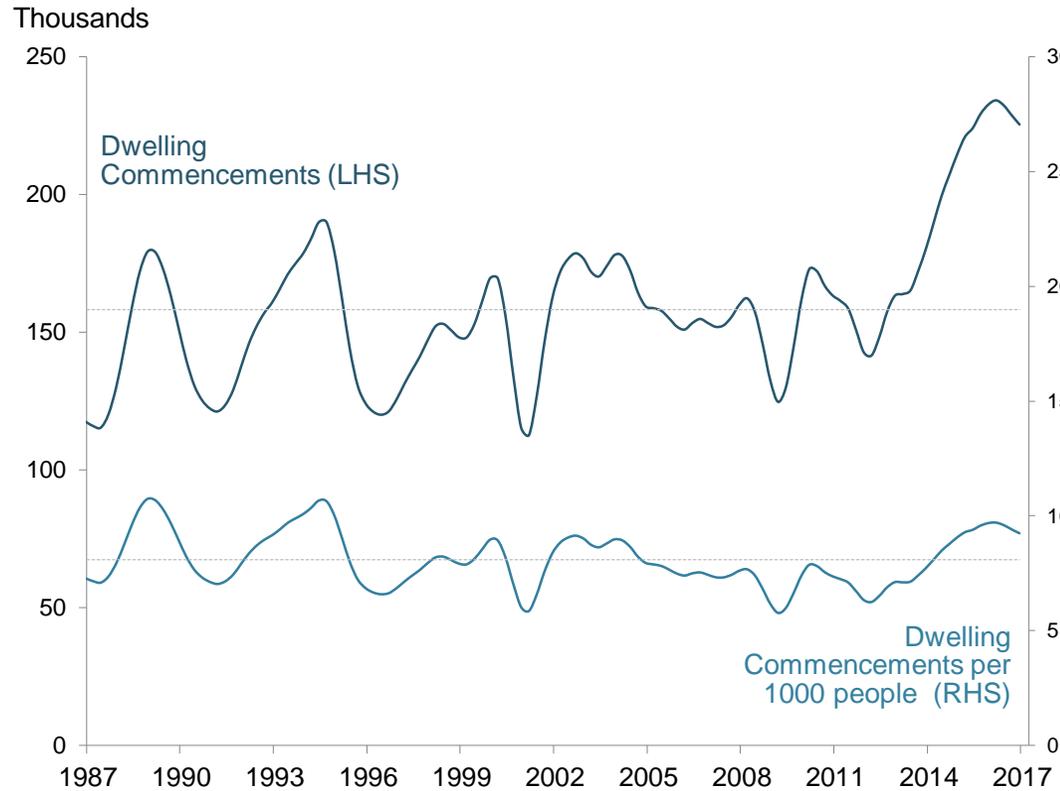
Despite good employment growth, wage growth outcomes have been trending down since 2011³



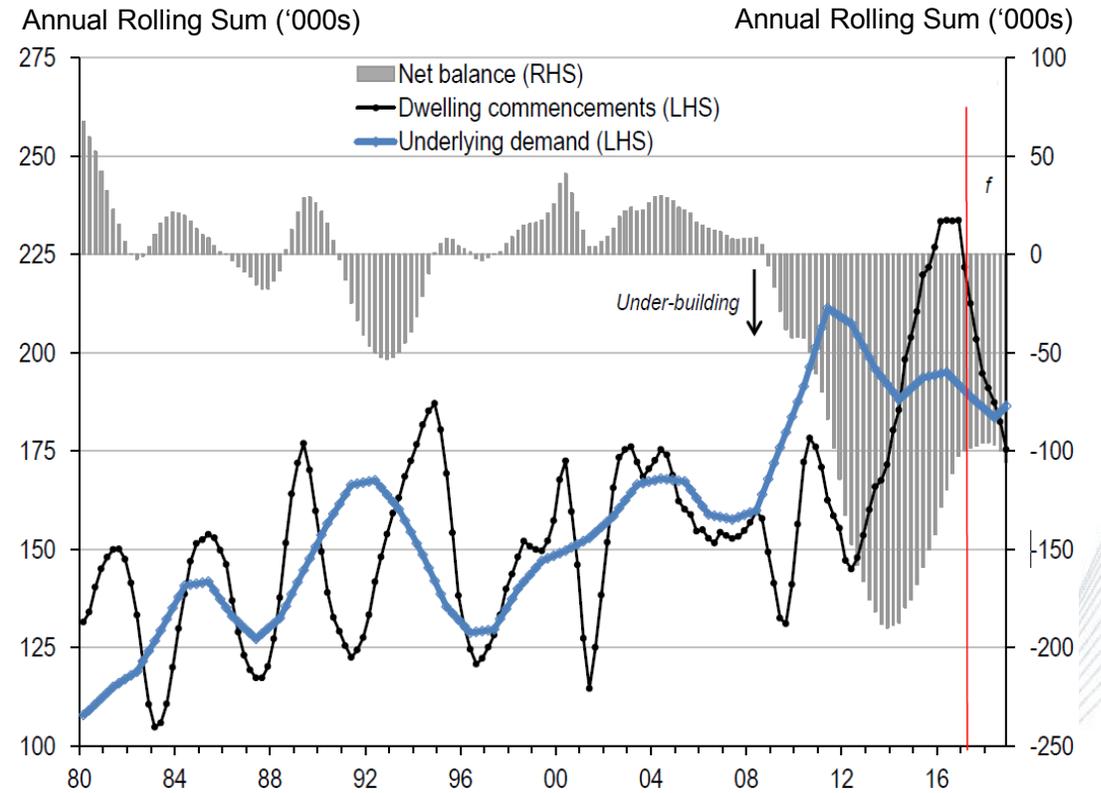
1. Bricks and Mortar spend (\$) taken from ABS, \$ amount of online spend estimated from Quantum %.
2. Westpac – University of Melbourne Consumer Sentiment Survey
3. ABS

Dwelling commencements responding to accumulated undersupply

Dwelling commencements are elevated, but close to long term averages on a per capita basis and past its peak¹



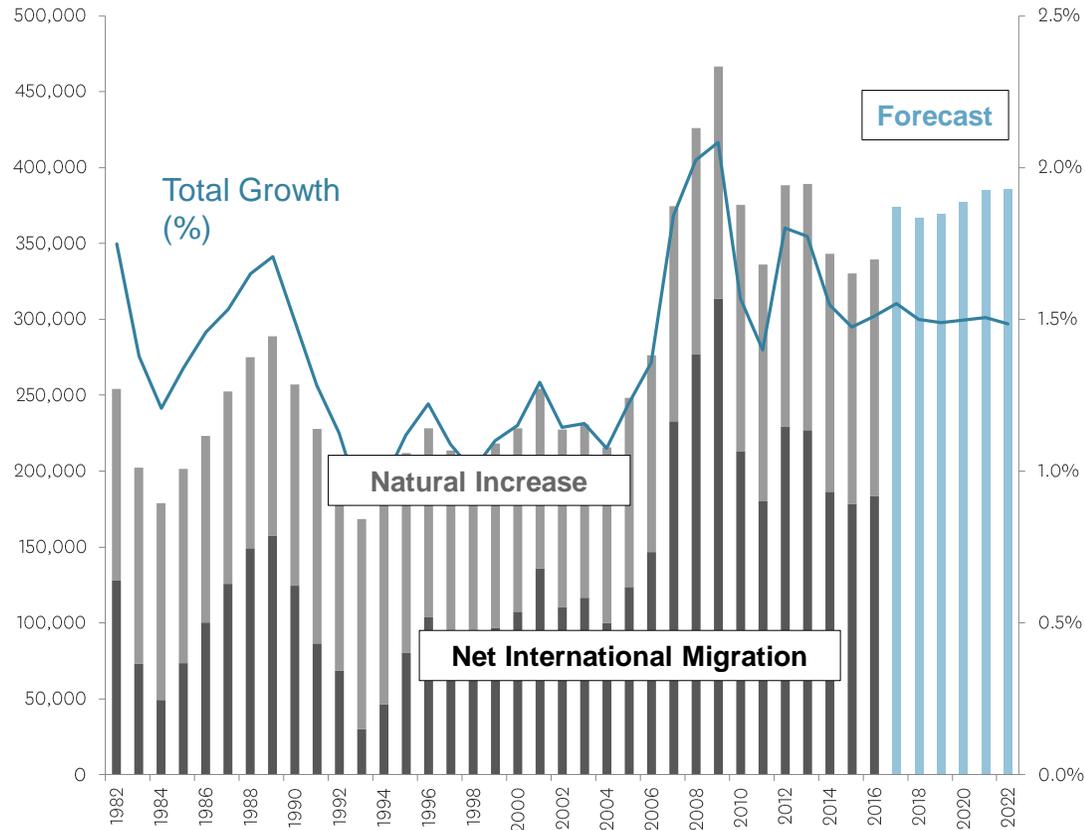
Pent up dwelling demand²



1. ABS, Stockland Research
2. UBS Economics, July 2017

Population Growth continues to underpin dwelling demand

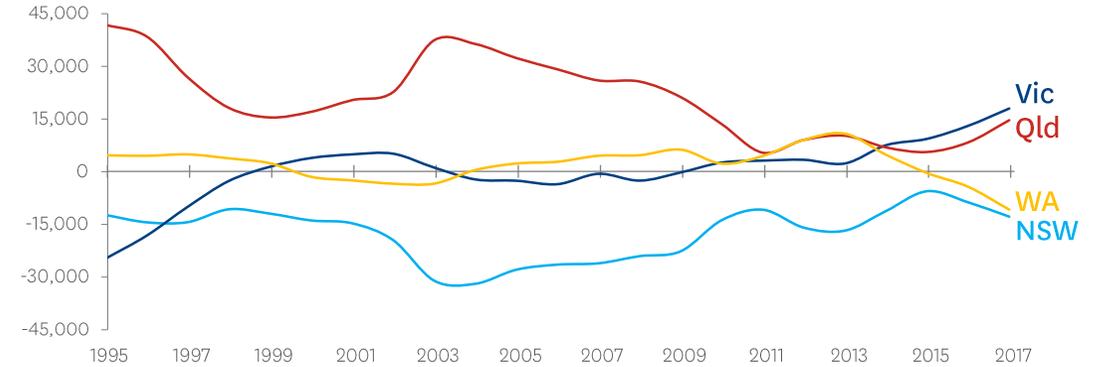
AUS population growth – Annual¹



1. ABS, Deloitte Access Economics, Department of Immigration
 2. ABS

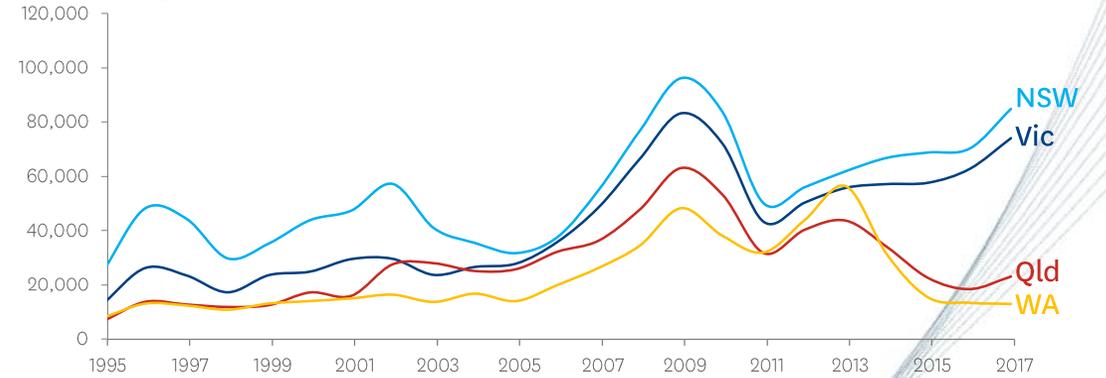
Vic and Qld seeing strong positive interstate migration²

Annual Rolling Sum ('000s)



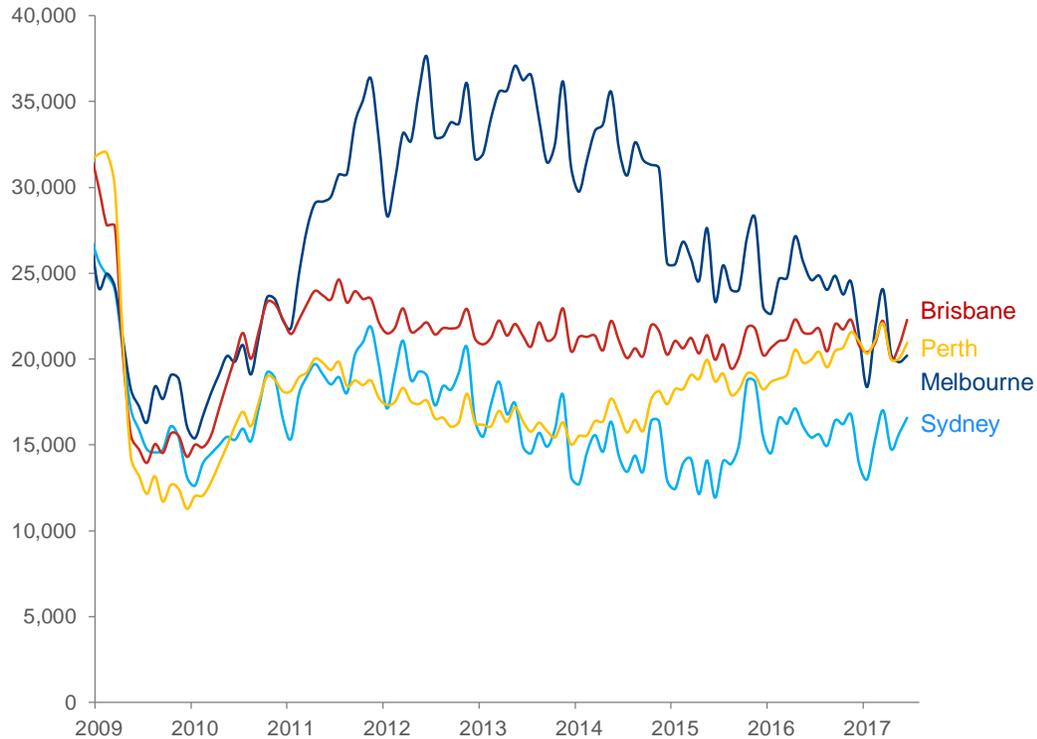
NSW and Vic seeing strong overseas migration²

Annual Rolling Sum ('000s)

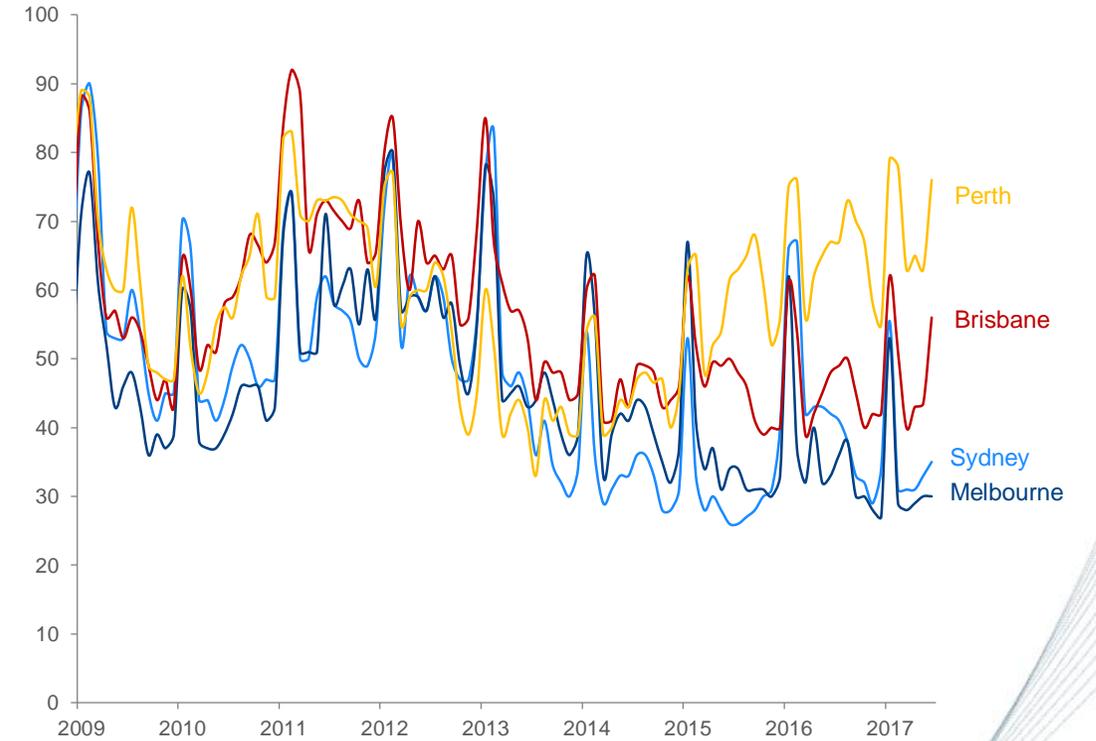


Stronger selling environments in Sydney and Melbourne

Established stock on market rising across most markets¹



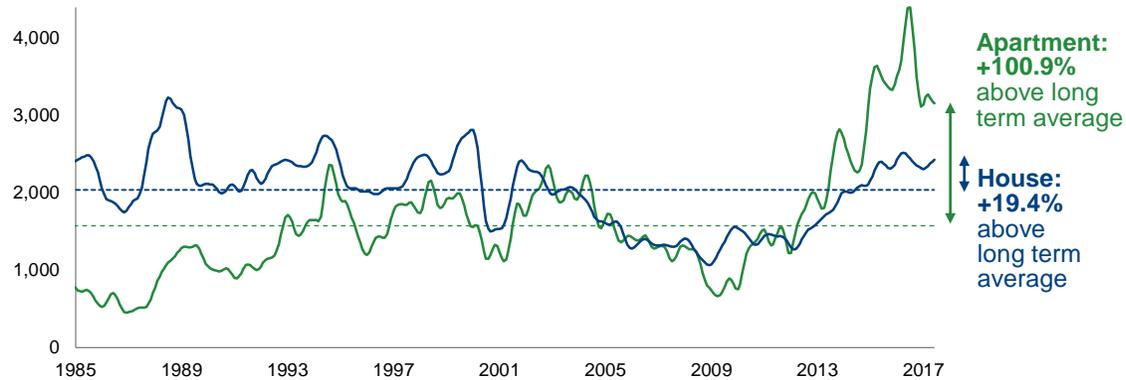
Established houses days on market low in Sydney and Melbourne, rising in Perth and Brisbane²



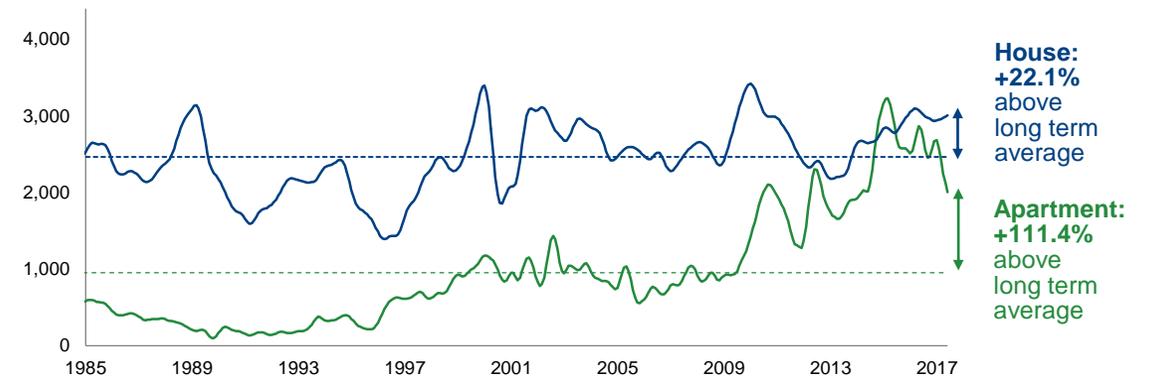
1. SQM Research
2. CoreLogic/RP Data

National building approvals¹

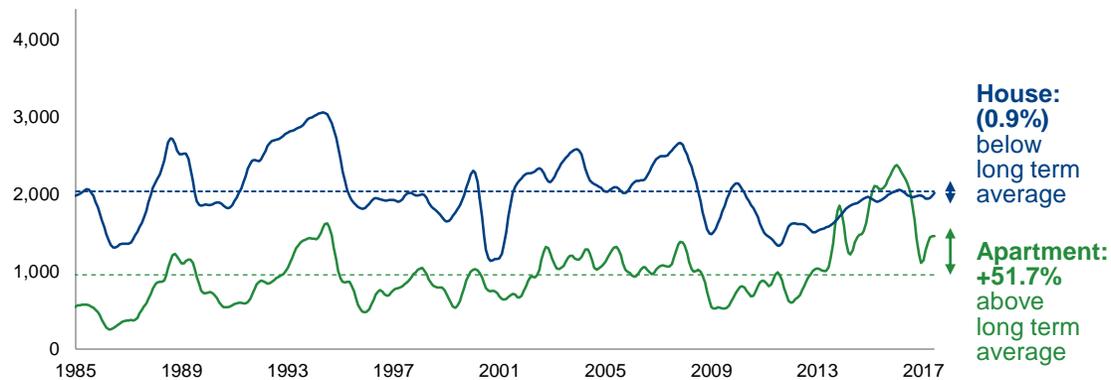
NSW house approvals rebounding; unit approvals off high peaks



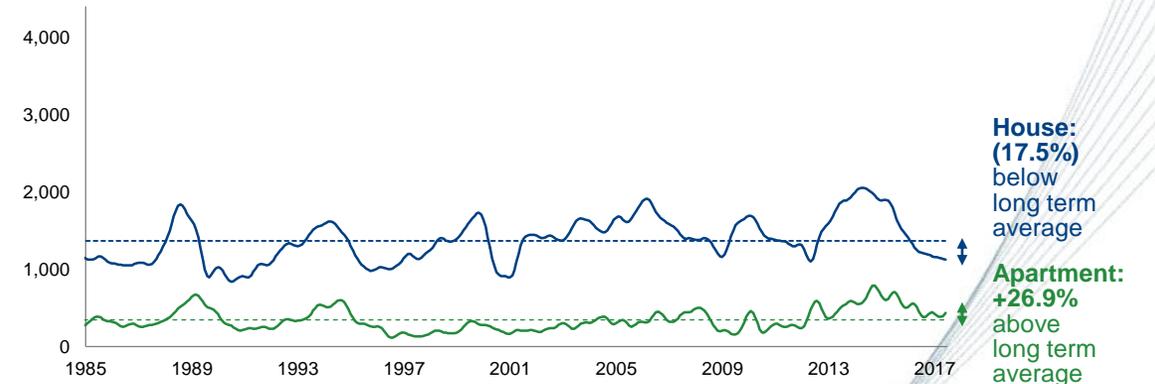
Vic house approvals steady; unit approvals also off high peaks



Qld house approvals stable; unit approvals down from peak



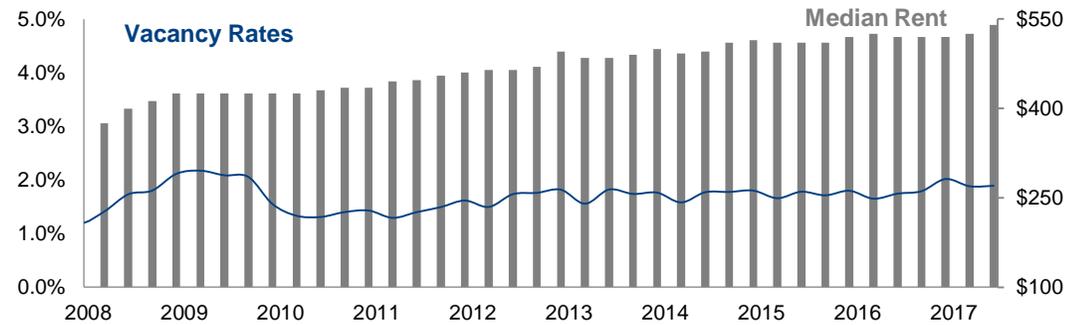
WA house and unit approvals trending lower



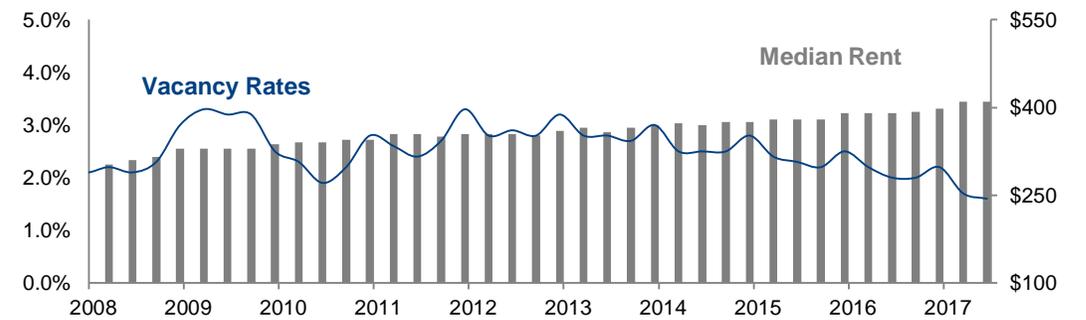
1. ABS, data as at June 2017

Residential rental vacancy rates still tight and supportive of rental growth in Sydney and Melbourne^{1,2}

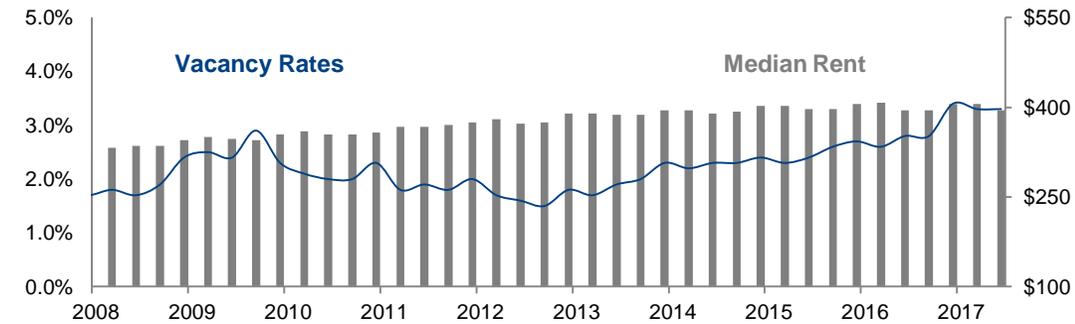
Sydney



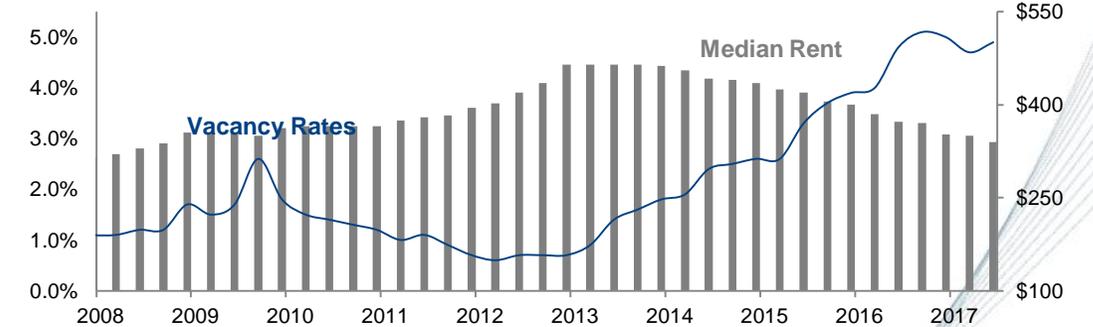
Melbourne



Brisbane



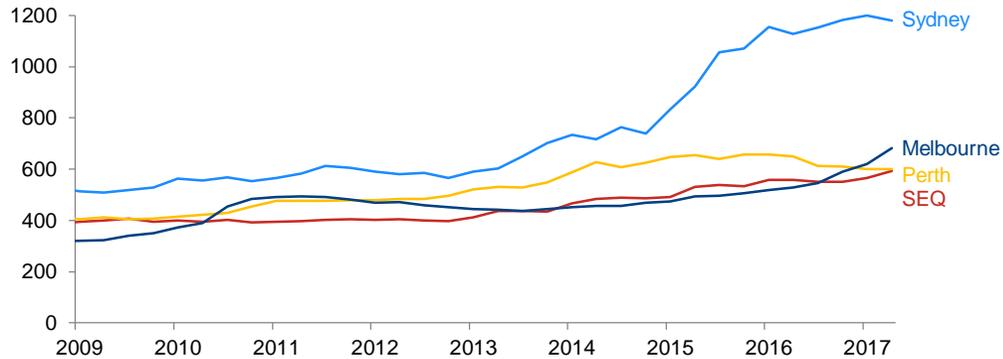
Perth



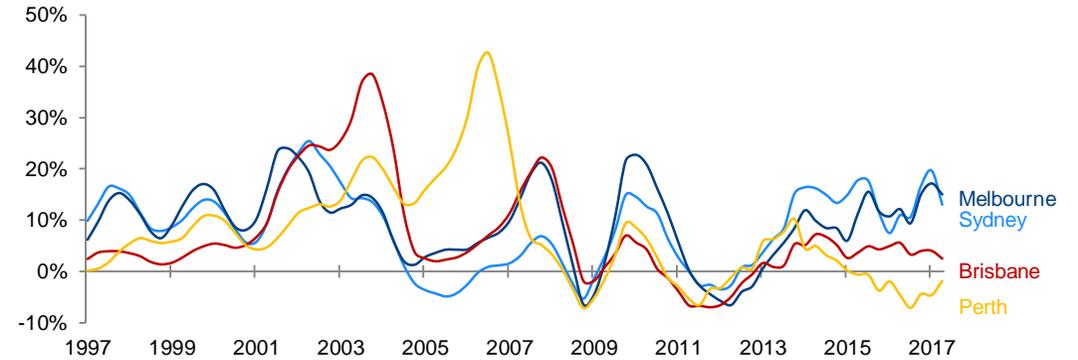
1. CoreLogic/RP Data, June 2017
 2. SQM Research, June 2017

National house and land prices – less than two months of residential trading lots remain nationally

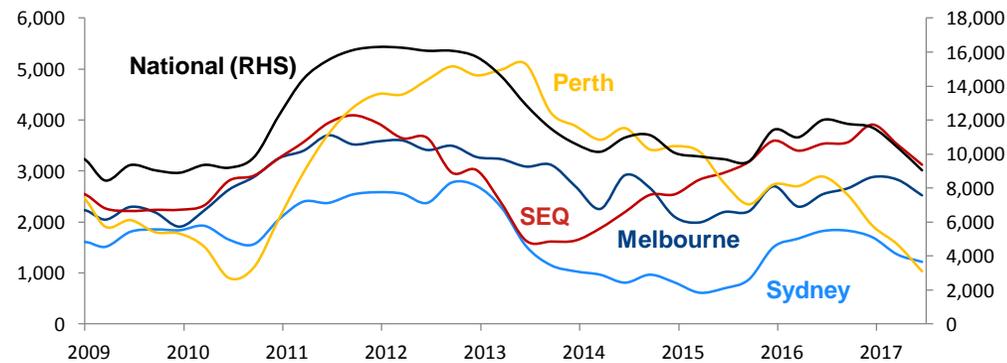
Land Price per sqm¹



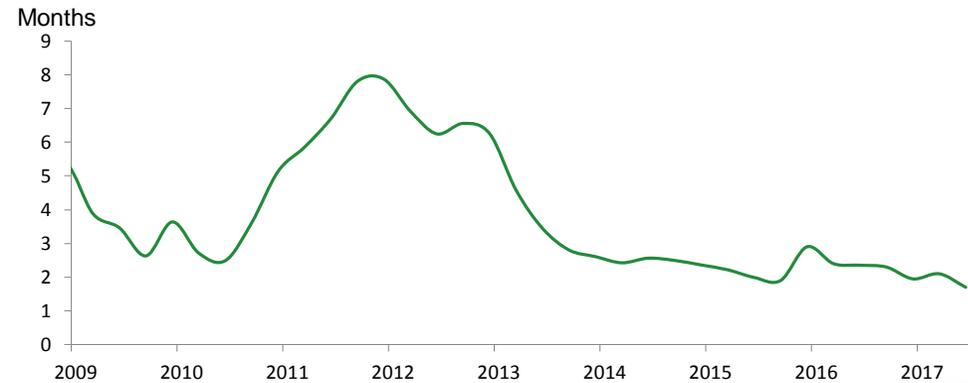
Capital City House Prices – Rolling Annual Change²



Closing stock of land lots¹



National residential land lots – less than two months of supply^{1,3}

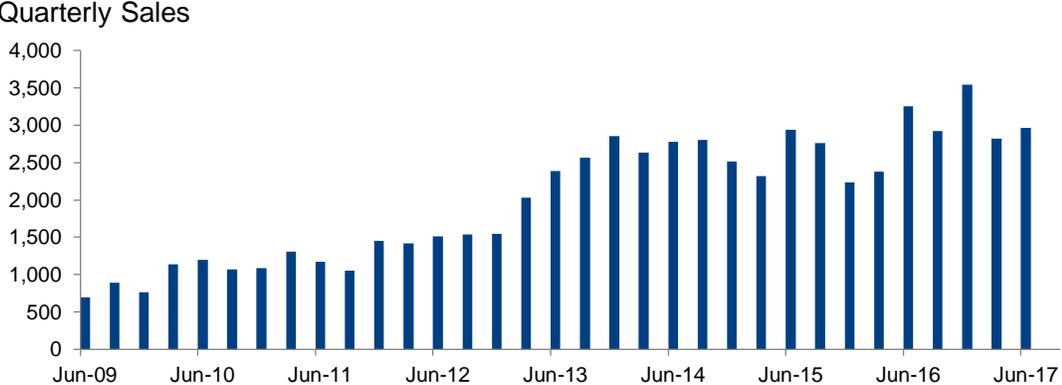


1. National Land Survey Program June Qtr 2017, Charter Keck Cramer
 2. RP Data, June 2017

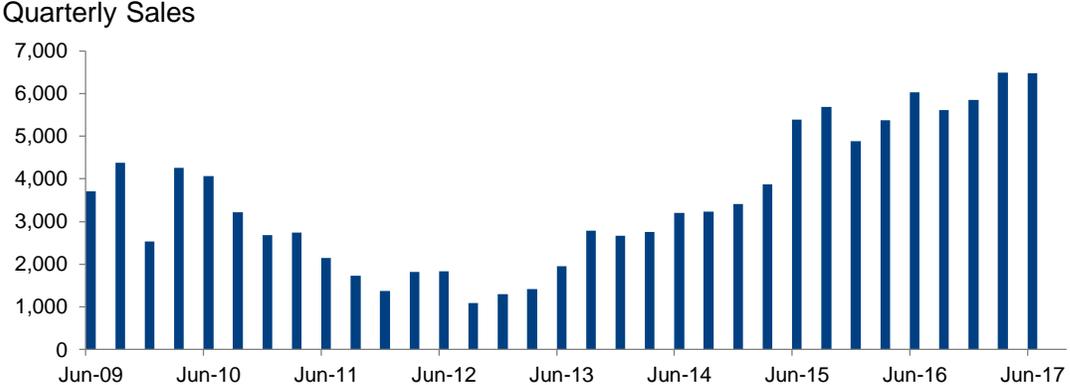
3. Estimated months of trading – based on total closing stock divided by current net monthly sale rate.

Strong vacant land market, and WA showing small signs of recovery¹

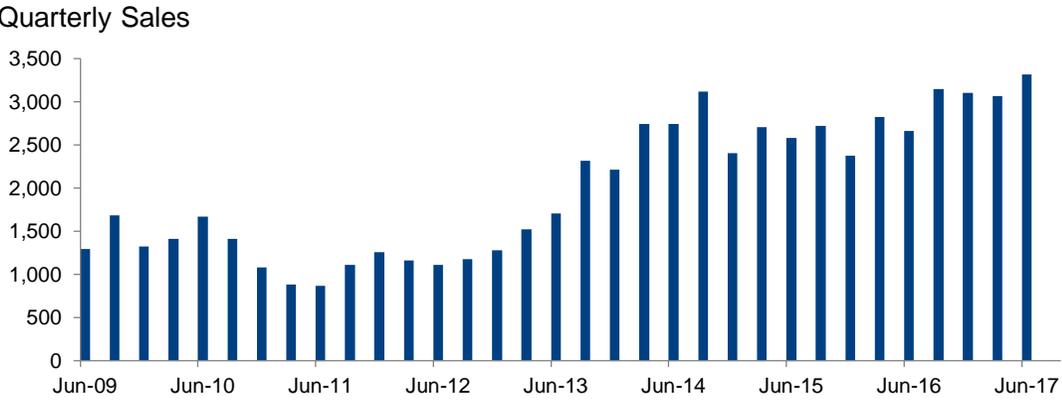
NSW vacant land sales supply-constrained



Vic vacant land sales volumes at record highs and trending upward



SEQ land market strong volumes and price growth



Perth vacant land sales recovering off a low base, prices are stable

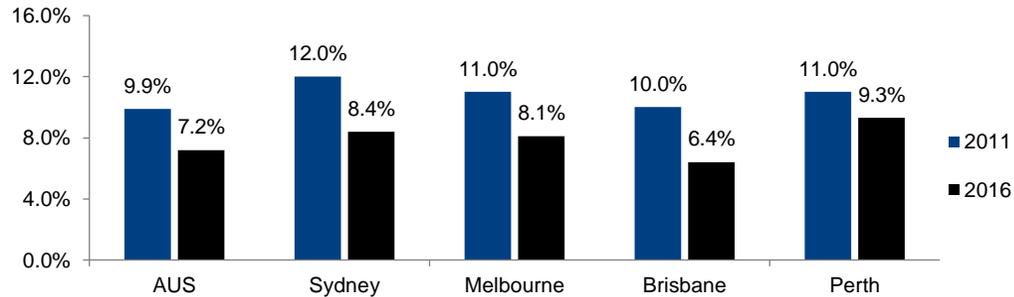


1. National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research

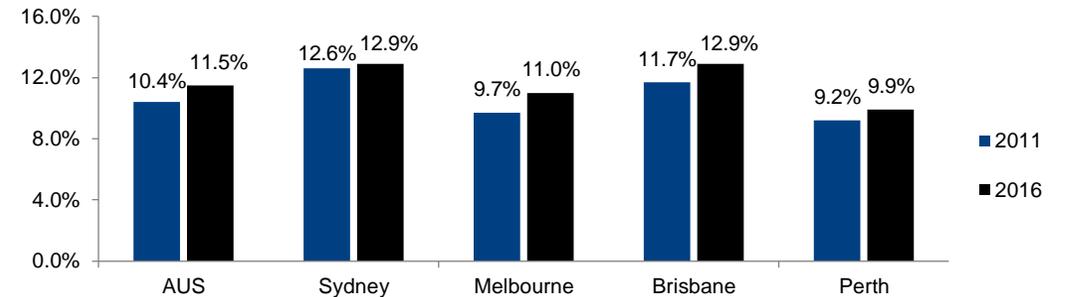
Household affordability trends

Census 2016 shows the % of households under mortgage stress falling, while the proportion of households under rental stress¹ have increased².

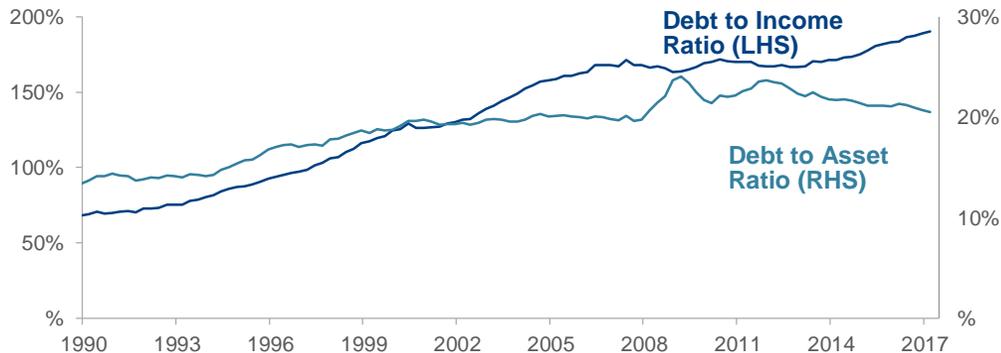
% of households with mortgage repayments over 30% of income



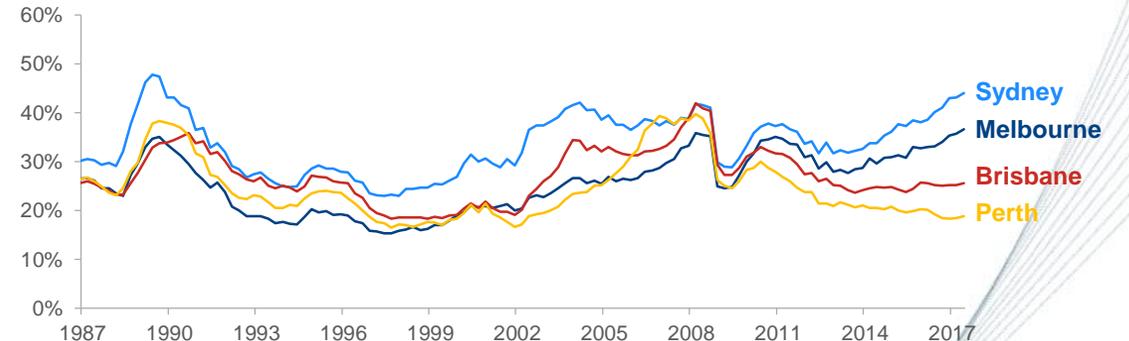
% of households with rent payments over 30% of income



Household Debt-to-Asset ratio falling, Debt-to-Income rising³



Mortgage repayments as a percentage of household income rising in Sydney and Melbourne due to recent house price growth⁴



1. Mortgage stress defined as paying more than 30% of household income in mortgage repayments. Rental stress defined as paying more than 30% of household income in rent.
 2. ABS Census 2016.
 3. RBA, ABS, Stockland Research
 4. ABS, RBA, CoreLogic/RP Data, Stockland Research

Summary of policies affecting housing demand¹

	NSW	Vic	Qld	WA
First home buyer grants	\$10k grant on new homes valued up to \$600k; for owner-builders the value is up to \$750k	\$10k grant on new or existing homes valued up to \$750k. \$20k grant on homes in regional Vic	\$15k grant on new homes valued up to \$750k. Grant was \$20k prior to July 2017	\$10k grant on new homes. Cap of \$750k for properties in metro Perth; \$1m for regional properties. \$5k boost removed in July 2017
First home buyer stamp duty concessions	Exempt for new and existing homes valued up to \$650k	Exempt for new and existing homes valued up to \$600k	Concessions for new and existing homes valued up to \$550k	Exempt on new and existing properties valued up to \$430k
	Exempt for vacant land purchases valued up to \$350k	Concessions for properties valued between \$600k-\$750k	Concessions on vacant land valued up to \$400k	Exempt on vacant land purchases valued up to \$250k
	Concessions for new and existing homes valued between \$650k-\$800k	-	-	Concessions on new and existing properties valued between \$430-\$530k
	Concessions for vacant land purchases valued between \$350k-\$450k	-	-	Concessions on vacant land purchases valued between \$250k-\$400k
Other	Investor stamp duty: 12 month deferral for off-the-plan purchases abolished from July 2017	Vacant property surcharge at 1% of capital improved value of the property; vacant land surcharge at 1.5% value of land	-	-
Foreign buyer surcharges	8.0% on purchase; 0.75% annual land tax	7.0% on purchase; 1.5% annual land tax	3.0% on purchase	-
Federal restrictions on foreign owners	50% cap on foreign ownership in new developments CGT withholding tax rate raised from 10% to 12.5%, with the threshold dropped from \$2m to \$750k. Foreign owners will have no access to CGT exemptions going forward; properties bought prior to May 2017 will be grandfathered until June 2019 Vacant property tax on foreign owners of residential property that is not occupied or genuinely available on the rental market. Tax will be levied annually and at the same rate as fee payable for foreign investment application Downsizing - persons over age 65 are allowed to make a non-concessional contribution of up to \$300k from the proceeds of selling their home into superannuation. The home must have been held for a minimum of 10 years			
APRA regulations on bank lending	Interest only lending limited to 30% of new residential mortgage lending. Interest only lending is currently running at 37.5% of all loans <ul style="list-style-type: none"> - Internal limits on volume of interest only lending at LVRs >80% - Ensure there is strong scrutiny and justification of interest only lending at >90% LVR Manage lending to investors to comfortably remain below the previously advised benchmark of 10% growth Review and ensure that serviceability metrics, including interest rate and net income buffers, are set at appropriate levels for current conditions Continue to restrain lending growth in higher risk segments of the portfolio, i.e. high loan-to-income loans, high LVR loans, and loans for very long terms			

1. Source: State Revenue Departments for NSW, Vic, Qld, WA; APRA; Federal Budget 2017-18.

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