



3Q18 Stockland Update

Agenda

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Group update

Creating liveable, affordable and sustainable communities

Group results remain on track in a variable trading environment

Positive residential trading conditions, with some moderation in Sydney as expected, on track for around 6,500 settlements in FY18

Retail sales growth improving

Maintaining high occupancy in Logistics and Business Parks

Retirement Living enquiry levels are strong but lower conversion to sales

Progressing asset sales¹:

- Exchanged unconditional contracts to sell Highlands Community Town Centre² in Melbourne, \$43m, 20% premium to book value
- Completed sale of Rosebud Retirement Village in Melbourne at book value

Issued ~\$475m Euro MTN, eight year tenor. Maintaining strong balance sheet, diversifying funding sources, extending duration of debt and reducing our weighted average cost of debt



1. Post 31 March
2. Excluding McDonald's pad site

Stockland quick facts

Trust ~70% of assets

Retail Town Centres

Create market leading retail town centres



Stockland Green Hills, NSW

50% SGP portfolio

- Green Hills (NSW) \$414m development, major stage launched in March
- Wendoree (Vic) \$37m development on track for completion in June
- Exchanged contracts to sell Highlands, Melbourne^{1,2}

Logistics & Business Parks

Grow and develop a leading portfolio



Oakleigh Industrial Estate, Melbourne

14% SGP portfolio

- Maintaining high occupancy
- Developments on track
- \$600m+ future development pipeline

Office

Optimise returns



135 King St, Sydney

5% SGP portfolio

- 80% located in the strongest performing Sydney markets
- Sydney assets 99% occupied

Corporation ~30%

Residential Communities

Maximise returns by creating thriving communities



Highlands, Melbourne

21% SGP portfolio

- Positive trading conditions continue with some moderation in Sydney as expected
- Lower net deposits reflect project timing
- Owner occupiers ~75% of our buyers

Retirement Living Communities

Leading operator and developer



Mernda Retirement Village, Melbourne

10% SGP portfolio

- Broadening customer reach through diversity of product and services
- Sold Rosebud Village, Melbourne²
- Sentiment now improving but overall conditions remain soft

1. Excluding McDonald's pad site

2. Post 31 March

Creating desirable, sustainable communities

A better way to live



ENHANCING CUSTOMER EXPERIENCE

Residential Communities Wellbeing

Residential Communities National Liveability¹ Score of 83%

Retirement Living Resident Wellbeing

- Personal Wellbeing Index² score of 82%, above national average 72-76%
- Stockland Resident Satisfaction 83%³

Delivering amenity early at our communities

Stockland Birtinya Community Retail Town Centre, Qld under construction

Providing inclusive play spaces and quiet rooms

Dedicated spaces in our Retail Town Centres

Broadening customer choice

- Remixing and redeveloping to enhance customer experience in our Retail Town Centres
- ~3,000 medium density town home sites
- Offering contract choice in Retirement Living



1. Stockland National Liveability survey
2. Stockland Residents' Voice Survey, independently conducted by Colmar Brunton
3. National Resident Survey 2018, independently conducted by AOR

Sustainability

Creating shared value

We own the most Green Star rated:

Retail Town Centres
in Australia
(Design & As Built)



Australia's first retail
portfolio with a Green
Star – Performance
rating

Retirement Living
Villages
(and delivered
Australia's first Green
Star village)



We have designed the most Green Star rated Residential Communities in Australia



Five communities
rated 6 Star 'World
Leadership'



Three communities
rated 5 Star
'Australian Excellence'

Retail Town Centres

Retail Sales

- Improving sales results reflect remixing and development activity, and a more supportive sales environment for the quarter
- Comparable specialty sales of \$9,092 per square metre, up 3.0% from Dec 17, specialty occupancy cost moved from 15.4% to 15.2%¹
- Performance by category:
 - Apparel sales continue to decline, we are selectively remixing to higher quality stores and higher growth categories
 - Strong growth in other categories including pad sites and retail services
- Tenant leasing environment remains cautious

1. 24 month in place specialty stores

2. Sales data includes Unlisted Property Fund (UPF) assets

3. Basket of stable assets

4. Annual change

By category to 31 March 2018	Total Sales	Comparable centre sales ³	
		Annual Growth	3Q18 growth
	MAT Growth²		
Specialties <400sqm	+2.5%	+1.0%	+2.6%
Specialties >400sqm	+3.6%	+3.5%	+3.0%
Total Specialties	+2.8%	+1.6%	+2.7%
Supermarkets	+2.6%	+0.9%	+1.5%
DDS/DS	+0.8%	+0.4%	+2.8%
Other – including pad sites	+8.8%	+8.3%	+7.4%
Total	+2.9%	+1.8%	+2.7%

Key specialty categories	Comparable centre specialty MAT	Comparable centre specialty sales per sqm ⁴
Apparel	-2.7%	-1.1%
Food catering	+1.2%	+3.7%
General retail	+3.5%	+6.8%
Leisure	+0.7%	+3.6%
Retail services	+ 8.9%	+4.7%

Retail Town Centres

Development update

- Green Hills (NSW) major stage opened March this year, with H&M to open in May and Hoyts in June; trading above expectations
- Wendouree (Vic) progressing well, on track for completion in June; adding Woolworths, services, dining and youth apparel
- Birtinya (Qld) Retail Town Centre under construction, providing amenity for our Oceanside community and for the adjacent thriving health precinct

Development	Total cost (\$m)	Stabilised yield ¹	Incremental IRR ²
Green Hills, NSW	~414	7.0%	~11.9%
Wendouree, Vic	~37	7.2%	~13.7%
Birtinya, Qld	~86	6.5%	~9.0%
Total	~537		

1. Incremental FFO yield

2. Forecast unlevered 10 year IRR on incremental development from completion



Green Hills opening success

Strong performance since opening
March sales¹:
Total: +9.9%
Specialties: +7.4%



1. Like for like sales for 24 month in place tenants for the month of March 2018

Logistics & Business Parks and Office

Logistics & Business Parks

- Strong market conditions in Sydney and Melbourne, high occupancy maintained
- Robust leasing activity, with a further 10,900 sqm leased or under HOA since March

Office

- Solid performance in Sydney CBD, North Sydney and St Leonards assets
- Sydney occupancy at 99%, with a further 5,500 sqm under HOA since March
- Vacancy concentrated in our two assets in Perth and Canberra, Perth occupancy improved to ~85%

Logistics and Business Parks	FY18 year to date	1H18
Leases executed	223,800 sqm	214,700 sqm
Leasing activity under HOA	77,900 sqm	30,700 sqm
Portfolio occupancy by income	98.0%	98.8%
Portfolio WALE ¹	4.1 years	4.2 years

Office	FY18 year to date	1H18
Leases executed	13,200 sqm	11,700 sqm
Leasing activity under HOA	2,300 sqm	2,400 sqm
Portfolio occupancy by income	91.4%	91.1%
Portfolio WALE ¹	3.0 years	3.3 years

1. By income

Logistics and Business Parks

Growing L&BP to 20% of our portfolio

- Coopers Paddock, Warwick Farm, Sydney, completed in March, 100% leased to tenants including Daikin and Colette
- Five year pipeline \$600m+ including 55,000 sqm campus development in Macquarie Park, Sydney

Progress on current development	Total cost (\$m)	Gross Lettable Area (sqm)	Stabilised yield ¹	Incremental IRR ²
Completed				
Coopers Paddock, Warwick Farm	~77	~51,000	7.3%	10.7%
Under Construction				
Yennora, Sydney	~26	~22,600	7.4%	10.9%
Ingleburn (Stage 2), Sydney	~50	~36,800	7.7%	10.4%
Willawong (Stage 1), Brisbane	~23	~19,200	8.0%	10.2%
Total	~99			

1. Incremental IRR and FFO yield

2. Forecast unlevered 10 year IRR on incremental development from completion



L&BP: enhancing our portfolio

Progressing our \$760m current and future pipeline to deliver 7%+ FFO yields and 9%+ IRRs¹

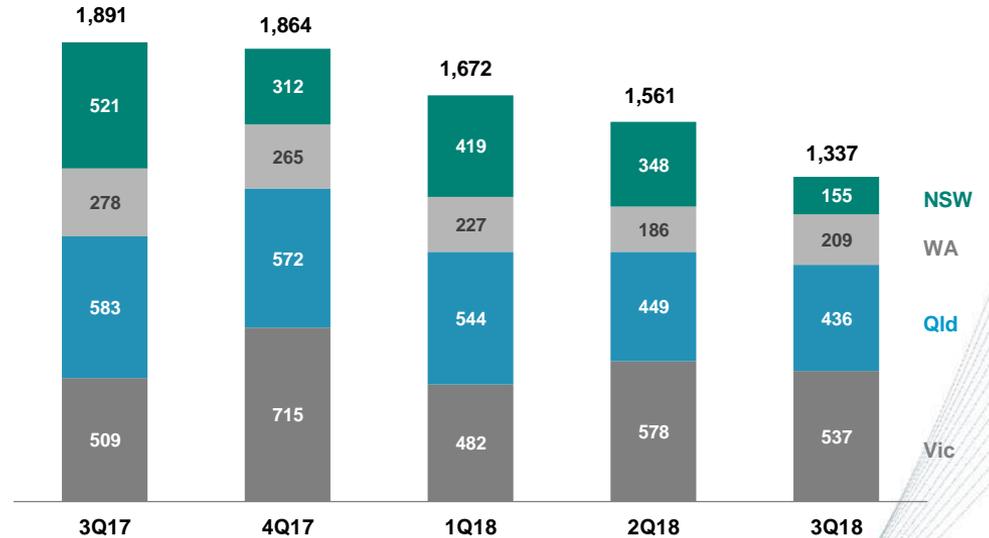


1. Incremental IRR and FFO yield
2. Forecast unlevered 10 year IRR on incremental development from completion

Residential Communities

- Continuing strong trading conditions in Melbourne, some moderation in Sydney in line with expectations
- Lower net deposits in 3Q18 reflects:
 - Fewer releases in Sydney
 - Timing of new launch projects in Melbourne and Brisbane
- New launches over next six months include Grandview and Waterlea, Melbourne, ~1,800 lots, and Rothwell and Springview, Brisbane, ~600 lots
- Continued focus on delivering liveable, affordable communities, ~75% of buyers were owner occupiers and ~25% investors over the past 12 months
- On track for around 6,500 settlements in FY18, operating margins around 17%

Residential net deposits - quarterly



Creating sustainable communities

Creating places that thrive into the future



Atra, Qld



Cloverton, Vic



Arve, Melbourne



Cloverton, Vic

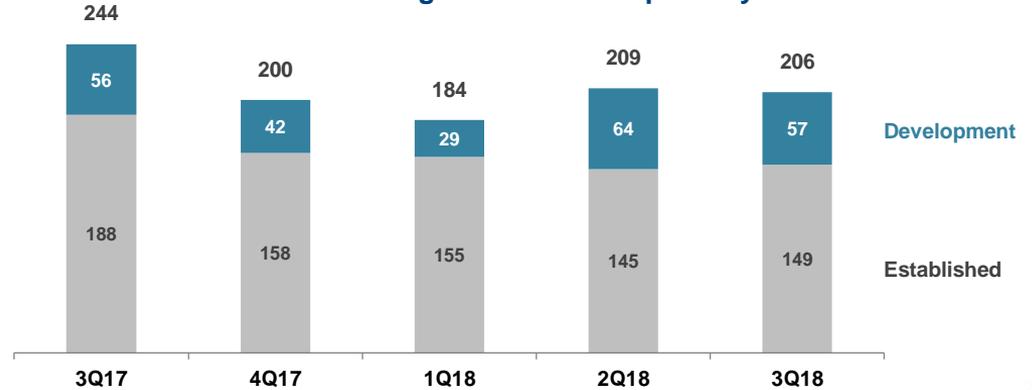


Willowdale, Sydney

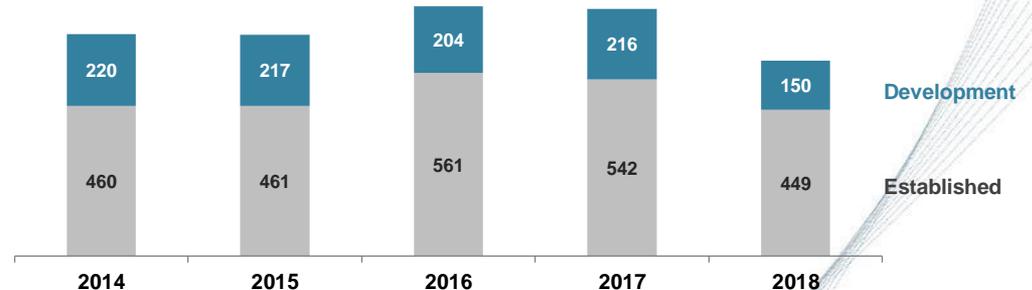
Retirement Living Communities

- Sentiment gradually improving, but overall conditions remain soft in line with 1H18
- Enquiry levels strong, conversion period remains extended, which will impact full year results
- Continue to withhold units from sale in preparation for future village redevelopments
- Unlikely to achieve target 7% ROA in FY19 given slow sales conversions and current market sentiment
- Growing development volumes, good interest in The Residences Cardinal Freeman and Aspire at Elara in Sydney, for completion in 1H19
- Commenced construction of Aspire at Calleya, Perth, 144 homes for completion in 2021, and Newport Retirement Village, Brisbane, 125 units for completion in 2019, both within our masterplanned communities
- Sold Rosebud Village, Melbourne, at book value, recycling capital into our development pipeline

Retirement Living reservations - quarterly



Retirement Living reservations – financial year to 31 March

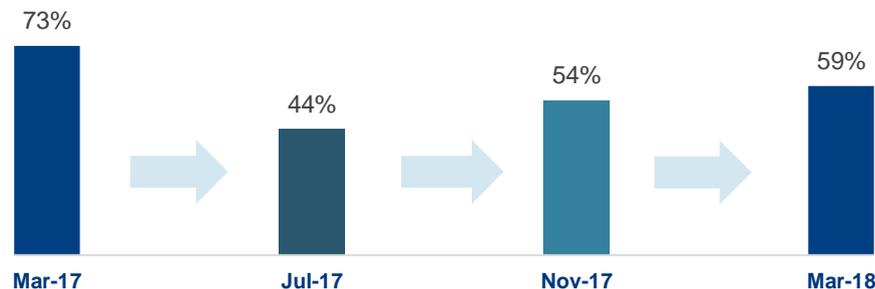


Retirement Living Communities

Strong resident focus

- Media coverage in mid-2017 impacted customer sentiment towards the retirement living sector, sentiment gradually improving
- Broadening customer choice with Aspire, non-DMF product at Elara (Syd) and Calleya (Perth), launched contract choice at all our villages:
 - Capital Share: resident shares in capital gain or loss with Stockland, DMF capped at 35% over seven years, buy back guarantee
 - Peace of Mind: offering financial certainty for our residents, DMF capped at 25% over five years, buy back guarantee
- Resident satisfaction 83%¹
- Customer care: Benefits + Home Care Packages, Retire Your Way, Care partners

Perception of Retirement Living now improving²



Cumulative monthly leads



1. National Resident Survey 2018, independently conducted by AOR

2. AMR Reputation study: Proportion of over 55's rating retirement industry reputation as neutral or positive

Retirement Living Communities



Well positioned for long term sustainable growth

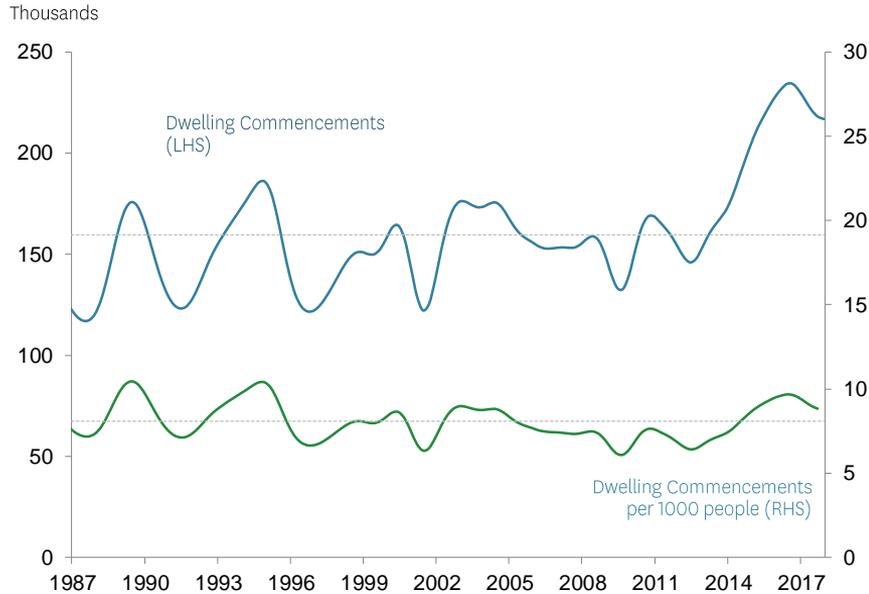
- Reaffirming FFO per security growth of 5 – 6.5% in FY18, assuming no material change in market conditions
- Distribution per security targeted at 26.5c representing 4% growth in FY18, assuming no material change in market conditions
- Creating liveable, affordable and sustainable Communities and vibrant Retail Town Centres to underpin our profit growth



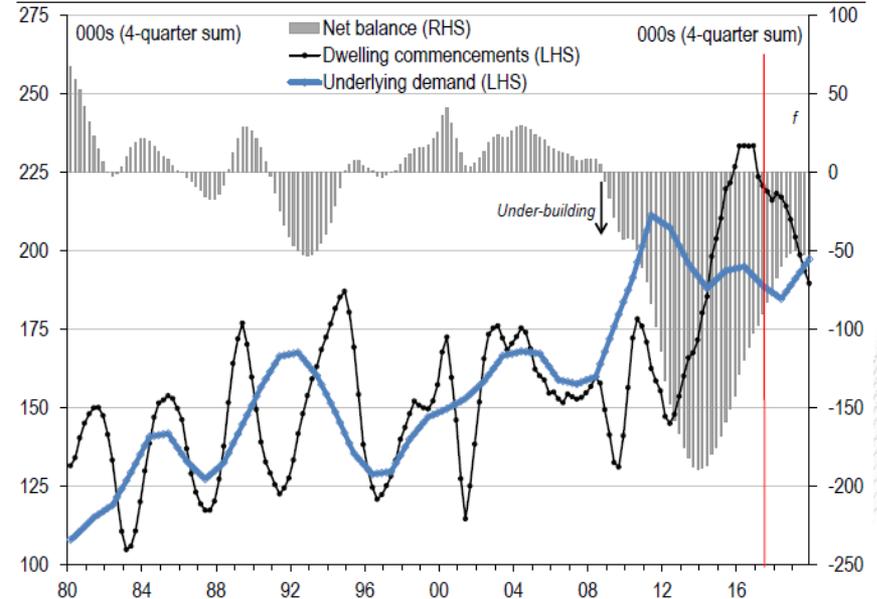
OUR PURPOSE
We believe there is a better way to live

Annexure: Residential undersupply underpinning an elongated cycle

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



Pent up dwelling demand²



1. ABS 8752.0 - Building Activity, Australia, Dec 2017, 3101.0 - Australian Demographic Statistics, Jun 2017, Stockland Research
 2. UBS Economics, January 2018

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