Stockland

Securityholder Review 2018

Our strategy to maximise value from community creation, coupled with a disciplined approach to capital management, continues to deliver strong results.

TOM POCKETT CHAIRMAN

Our results in review

STATUTORY PROFIT ($M)

$1,025m

FY18	1,025
FY17	1,195
FY16	889
FY15	903
FY14	527

Our statutory profit was $1,025 million, down 14.2 per cent, primarily reflecting lower mark to market gains on financial instruments and smaller revaluation gains.

FUNDS FROM OPERATIONS (FFO) ($M)

$863m

FY18	863
FY17	802
FY16	740
FY15	657
FY14	573

FFO has been determined with reference to the Property Council of Australia's guidelines. It excludes adjustments such as unrealised fair value gains/losses, realised transactions occurring infrequently and those that are outside the course of our core ongoing business activities.

DISTRIBUTION PER SECURITY (¢)

26.5¢

FY18	26.5
FY17	25.5
FY16	24.5
FY15	24.0
FY14	24.0

The distribution payable for the full year ended 30 June 2018 is 26.5 cents per ordinary stapled security. Our distribution policy is to pay the higher of 100 per cent of Trust taxable income or 75–85 per cent of FFO.

RETURN ON EQUITY

11.2%

Return on equity decreased to 11.2% from 11.4% in FY17

Return on equity is a measure that combines individual business unit return on assets adjusted for cash interest paid and the average debt for the 12 month period, excluding residential workout assets.

FFO PER SECURITY (¢)

35.6¢

FY18	35.6
FY17	33.4
FY16	31.1
FY15	28.0
FY14	24.8

FFO per security was 35.6 cents, up 6.6 per cent on FY17.

NET TANGIBLE ASSETS (NTA) PER SECURITY ($)

$4.18

FY18	4.18
FY17	4.04
FY16	3.82
FY15	3.68
FY14	3.53

While some retail town centre assets recorded downward valuations, the overall portfolio saw a net $139 million increase, contributing to a 3.5 per cent increase in NTA.

Letter from the Chairman

Dear Securityholders,

It is my pleasure to report another strong year of performance for Stockland. The overall results demonstrate the resilience of our diversified business in this variable trading environment.

The execution of our strategy over the last five years has yielded some outstanding outcomes for communities across Australia.

In this time, we have delivered sustainable and competitive profit growth with 10.8 per cent per annum compound earnings per security growth.

In driving our vision to create sustainable communities we have built an exemplar residential portfolio which has grown its return on assets from 8.7 per cent in FY13 to 22.0 per cent in FY18, and is delivering impressive operating profit margins of 18 per cent. We have also extended our capabilities through the creation of a built-form business, tripling our townhome volumes.

Close to $1.3 billion of capital has been recycled over the last five years to fund the redevelopment of market leading retail town centres and to renew our retirement communities with a concentrated focus on enhancing customer choice and services. The success of these initiatives is demonstrated by 90 per cent customer satisfaction in our retirement communities and specialty retail sales 10 per cent above national benchmarks in our retail town centres. Our major redevelopments, including Green Hills and Wetherill Park in New South Wales, are prime examples of our strategic direction as we remix our portfolio and create high quality shopping experiences with dining, lifestyle, services and entertainment options tailored to the communities we serve.

Our Logistics portfolio has also grown strongly, supported by well-timed acquisitions and accretive development. Logistics now represent 15 per cent of our portfolio, up from 12 per cent five years ago.

We are proud of our position as the leading creator of liveable and affordable communities and the important role we play in bringing communities together at our retail town centres and workplaces across Australia.

STRONG PERFORMANCE

Our strategy to maximise value from community creation, coupled with a disciplined approach to capital management, continues to deliver strong results.

Funds from operations (FFO) grew by 7.5 per cent to $863 million and FFO per security grew 6.6 per cent in FY18 to 35.6 cents per security, reflecting our community building capabilities. Statutory profit was $1,025 million, down 14.2 per cent, largely due to lower unrealised gains from asset revaluations and financial instruments.

The residential portfolio delivered a stand-out performance with profit growth up 24.3 per cent on FY17, underpinned by solid demand from owner occupiers. Our focus on owner occupiers and a broad range of housing and land options will position us well in this environment, as illustrated by our increase in market share over the year.

Our Retirement Living portfolio had a challenging year largely due to negative sector media coverage earlier in the year. We are starting to see some positive sales momentum underpinned by our ongoing commitment to deliver contract choice, renew our villages and provide valuable services to residents. It is pleasing to note that we have already complied with the majority of recommendations coming from the Greiner Review Report which examined and provided recommendations for improvements in the New South Wales retirement living sector.

The Commercial Property business achieved another solid result with comparable FFO growth of 2.3 per cent on FY17. Our Workplace and Logistics portfolio (previously Office, Logistics and Business Parks) continued to perform well with 6.0 per cent comparable FFO growth in logistics, high occupancy, strong leasing and good progress on our development pipeline.

We are confident in our diversified business model with high recurrent earnings and conservative leverage. This enables us to create high quality masterplanned communities and retail town centres and remain focused on a disciplined approach to executing our strategic priorities in the year ahead.

CORPORATE CULTURE

Last year I observed how a strong culture delivers benefits to both employees and securityholders. This year the importance of culture has become front of mind for all boards across Australia as corporate culture dominates media headlines.

The governance of corporate behaviour is an essential part of business and our expectations as a Board are high. We remain focused, together with the Leadership Team, on promoting a strong culture; one concentrated on our customers and ensuring employees are a strong first line of defence for risk management.

We continue to enjoy a high level of employee engagement, above the Australian National Norm as measured by the annual, independently conducted employee engagement survey. We also recently conducted an internal review of our culture which has identified key strengths that we want to preserve, such as respect, customer focus and engagement, as well as areas for further focus and improvement including encouraging diversity of thought.

Importantly, all our businesses receive high customer satisfaction ratings, with very strong 90 per cent satisfaction results in our residential and retirement living communities and at our logistics assets. Our retail tenants rated us as top two in the industry, however our overall score decreased in line with our peers to 72 per cent, largely due to the challenging retail sales environment.

We have retained our global sustainability leadership credentials, upholding our listing on the World Dow Jones Sustainability Index for a decade. These credentials reflect our focus on managing non-financial risk and finding the right balance of social, environmental and economic outcomes for our business, investors, customers and the community. To further our commitment to transparency and sustainability, this year we were amongst the first Australian corporates to disclose our climate-related risks with our financial reporting.

BOARD RENEWAL

In maintaining and enhancing the right mix of skills, we welcomed Melinda Conrad to the Board in May 2018 and Christine O'Reilly will be joining us on 23 August 2018. Both are highly regarded directors and bring extensive executive expertise across the retail, utilities and infrastructure sectors. Ms Conrad and Ms O'Reilly will further complement and strengthen the Board's experience and I look forward to their contribution.

As required by the Stockland Constitution, Ms Conrad and Ms O'Reilly will offer themselves for election by securityholders at the 2018 Annual General Meeting on 24 October 2018.

DISTRIBUTION

As forecast, our full year distribution was 26.5 cents per security, representing a payout ratio of 75 per cent of funds from operations.

We expect to achieve FFO growth of 5 – 7 per cent for the full year and are targeting a distribution per security of 27.6 cents, representing 4 per cent growth on FY18, assuming no material change in market conditions.

CONCLUSION

Thank you to my Board colleagues and our employees for their continued enthusiasm and dedication to delivering exceptional outcomes for communities across Australia. The Board and I are confident the business is well positioned for the future and look forward to discussing these results with you at our Annual General Meeting in October.

TOM POCKETT
CHAIRMAN

Letter from the Managing Director and CEO

Dear Securityholders,

Over the last five years the management team and I have updated the strategy to focus on our areas of strength, to drive sustainable profit growth. Since that time, we have extended our position as the leading creator of communities across Australia, grown our logistics weighting and increased the resilience of our retail town centre portfolio in this fast-moving environment.

We have successfully repositioned our business by recycling assets to create a strong core business and will continue to do this over the next two years. We have streamlined our executive management team and integrated our retirement and residential business to improve operational efficiency and position the business for sustainable growth into the future.

These initiatives will save $8 million per annum in costs from FY20. We are also making clear progress on our journey to becoming a more innovative and customer-centric organisation with customer satisfaction over 81 per cent.

We are well placed for long-term sustainable growth in the future given our leverage to key demand drivers including population growth, urbanisation, infrastructure improvement, ageing population and a growing focus on health and wellbeing. Our strong balance sheet also ensures that we are well positioned to take advantage of opportunities that may arise in this changing environment.

REPOSITIONING OUR BUSINESS FOR FUTURE GROWTH

Our FY18 result has been driven by our focus on executing our key strategic priorities; delivering the best masterplanned communities across Australia, increasing the resilience of our retail town centres, growing our logistics portfolio and enhancing customer experience.

FFO growth for the Group was 6.6 per cent per security, slightly above our guidance range of 5.5 – 6.5 per cent. Net tangible assets (NTA) per security was up 3.5 per cent to $4.18 and our return on equity was 11.2 per cent.

We remain the leading creator of communities in Australia with our Residential and Retirement Living businesses providing customers with whole-of-life housing options in liveable locations with close proximity to transport, schools and employment. In light of these synergies we combined our Residential and Retirement Living businesses into one integrated business, Stockland Communities, to be led by Andrew Whitson.

The **Communities** business delivered strong profit growth in Residential, up 24.3 per cent from FY17, with solid volumes of net deposits providing high profit visibility for the year ahead.

We recorded Residential settlements of 6,438 lots, with a number of successful project launches in Victoria and Queensland and the success of our existing communities in Sydney and Melbourne, contributing solid sales.

We remain well positioned in the deepest part of the lending market, with over 75 per cent of our product now sold to owner occupiers and continued demand for our range of affordable house and land and townhome products, despite a slowdown in the broader housing market. We anticipate residential profit margins to remain above 17 per cent for the medium-term and around 18 per cent in FY19.

> ***Optimising the allocation of capital within each of our business units remains a key focus with a continued emphasis on capital efficient land acquisitions in our Communities business to reduce our capital needs.***

Importantly, our focus on the creation of liveable, affordable and connected communities is driving increased market share, up 3.1 per cent, increased velocity of capital and higher profit margins.

Operating profit for our Retirement Living portfolio was down 16.7% on FY17, with sales volumes impacted by adverse sector media coverage and reduced settlements due to the timing of development completions. We expect improvement in Retirement Living market conditions in 1H19 given improving customer sentiment and sales velocity.

Our overall results demonstrate the resilience of the portfolio in a variable trading environment, with the business well-positioned to deliver sustainably into the future, leveraging our customer experience to increase market share.

Commercial Property remains the largest portion of our portfolio. In June, we welcomed our new CEO of Commercial Property, Louise Mason, who has close to 30 years' experience in retail town centres, workplace, and logistics. Results across the asset classes remain solid, with signs of improvement in retail sales despite challenging market conditions. Importantly, specialty sales per square metre were up 4.2 per cent and 81 per cent of our centres have specialty sales above the national benchmark.

We delivered comparable growth in funds from operations of 2.3 per cent across the portfolio, with 1.3 per cent in Retail Town Centres, 6.0 per cent in Logistics and a decrease in Workplace of 2.0 per cent, reflecting ongoing vacancy in our Perth asset.

Retail Town Centre income growth was adversely impacted by increases in government charges, higher electricity costs, and our tenant remixing and upgrading strategy to future proof our centres.

There was an overall net $133 million change in the valuation of our portfolio, with positive valuations on a number of assets offset by negative revaluations at some of our non-metropolitan retail town centres. These negative revaluations were concentrated in central and north Queensland centres where economic conditions are weak and tenant remixing has reset income to more sustainable levels.

Our remixing strategy continues to attract more customers into our retail town centres with foot traffic up 2.5 per cent, helping ensure income resilience into the future. Income from growth categories including food, dining, leisure, cinemas and services now represents 41 per cent of our specialty store income.

In line with our commitment to reshape our retail assets and re-weight our commercial property portfolio, we continued to execute our retail divestments strategy and are targeting up to an additional $400 million of divestments over the next 12 – 24 months.

We are accelerating our strategy to improve the quality and growth potential of our portfolio. This will be achieved by reducing our Retail Town Centre weighting to focus on leading centres in their trade area and continuing to upgrade and grow our combined Workplace and Logistics portfolio (previously Office, Logistics and Business Parks) to greater than 25 per cent of our total assets.

The growth of this portfolio will primarily be through delivery of our existing development pipeline, on land we already control, as we reinvest proceeds from the sale of non-core assets.

STRONG CAPITAL MANAGEMENT

We are in a strong capital management position, maintaining our S&P A- Stable credit rating for the past 17 years and Moody's A3 rating obtained in August 2017. This reflects the ongoing strength of our balance sheet and cash flows which have enabled us to continue to broaden our funding sources at competitive pricing despite volatile market conditions.

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Optimising the allocation of capital within each of our business units remains a key focus with a continued emphasis on capital efficient land acquisitions in our Communities business to reduce our capital needs. Close to 80 per cent of land acquisitions have been purchased on capital efficient terms since FY13.

We have continued to actively manage our debt program, which has seen our weighted average cost of debt fall from 5.5 per cent in FY17, to 5.2 per cent in FY18, and it is expected to fall further to around 4.8 per cent in FY19. Gearing remains at the lower end of our 20 – 30 per cent target range, 22.2 per cent at the end of FY18.

Overall, we are in a very good position with operating cash flow and liquidity improving due to disciplined management and leveraging the timing, source and size of debt refinancing.

OPERATIONAL EXCELLENCE

One of the major issues facing all large corporations is the increased pace of innovation and its ability to disrupt growth. We are embracing this challenge and have appointed a new executive committee position to focus specifically on our technology and innovation capabilities.

In addition to progressing the development of our CORE Systems Program, which will provide digital-ready platforms to increase efficiency and our ability respond to digital opportunities, this role will also focus on enhancing our ability to progress commercial outcomes from innovation projects.

Sustainability also continues to be a key part of our competitive advantage. Throughout the year we have enjoyed a positive response from the community on our $30 million investment in solar systems, delivering in excess of a 10 per cent rate of return.

OUTLOOK

Economic conditions remain generally positive and overall fundamentals continue to be largely supportive for our business, with strong population growth, solid employment growth, low inflation and low interest rates.

The land and housing market is clearly moderating, driven by a range of factors including finance availability. Our focus on differentiated masterplanned community creation and housing affordability leaves us well placed in this environment. We have high volumes of residential contracts on hand providing good visibility into the future as markets moderate, in line with our expectations.

We expect to achieve FFO per security growth of 5 – 7 per cent for the full year, and are targeting a distribution per security of 27.6 cents, representing 4 per cent growth on FY18, assuming no material change in market conditions.

Responding to risks and opportunities

There are various risks that could impact our business. The nature and potential impact of these risks change over time. Our risks include but are not limited to:

SHORT-TERM – STRATEGY EXECUTION

Change within the retail sector impacts retail operating models

We have been proactive and have pre-empted many changes. We will continue to:

- remix our assets with a focus on experiential retail, food catering and retail services including beauty and health service providers
- redevelop our assets to create diverse, walkable town centres that form the social hub of the community
- leverage deep customer insights and analytics to inform our tenant remixing
- divest non-core assets subject to market conditions.

Housing affordability continues to impact the dynamics of the Australian housing market

To help address affordability, we will continue to:

- partner with government and industry to drive solutions
- provide a broader mix of value for money housing options
- balance the demand from home owners and investors to remain attractive to future buyers
- improve efficiency and manage costs across the business while investigating alternative building methods and build-to-rent models
- provide a strong community value proposition.

Regulatory and policy changes impact our business and customers

We will continue to:

- engage with industry and government on key policy areas including planning, infrastructure and tax reform
- focus our development activity in areas where governments support growth
- drive leadership in areas including the retirement living sector, housing affordability and energy policy
- create developments in line with best practices to garner support from stakeholders and prepare for potential regulatory changes.

Ability to harness digital business opportunities to remain competitive

An executive level position, Chief Technology and Innovation Officer, was created to further improve the mobility and flexibility of our workforce, and enhance customer service and the competitive advantage of our business.

We will continue to execute our Information Technology strategy with a focus on long-term strategic investment, and the identification and integration of technical enhancements across the business.

Security risks and unexpected market events impact business continuity and community resilience

To make our business more resilient we will continue to:

- train our employees and increase their risk awareness
- undertake regular scenario testing
- engage with peers and across industries
- invest in asset upgrades and adapt community design to improve resilience
- actively manage our corporate insurance program
- plan for unexpected market events such as potential volatility within our supply chain and energy price shocks.

We have a clear vision to deliver into the future, and we are well positioned to benefit from the continued population growth and demographic trends being experienced in Australia, as we deliver liveable, affordable and connected residential and retirement living communities, thriving workplace and logistic properties and vibrant retail town centres.

I am proud of the contribution we continue to make to communities across Australia. It is this contribution that will underpin our financial success in the future and the delivery of our purpose to create a better way to live.

MARK STEINERT
MANAGING DIRECTOR AND CEO

Our strategy

MAXIMISE RETURNS THROUGH COMMUNITY CREATION

We have three strategic focus areas:

Grow asset returns and provide great customer experiences

Driving returns in our core businesses by creating liveable, affordable and connected communities, future proofing our retail town centres and retirement villages, and growing our workplace and logistics portfolio organically.

Operational excellence

Improving the way we operate across the Group to drive efficiencies, compliance, sustainability and employee engagement.

Capital strength

Actively managing our balance sheet to maintain diverse funding sources and an efficient cost of capital.

LONGER TERM – CHANGING MARKETPLACE

Climate change impacts our assets, operations and the broader community

We will continue to:

- assess our portfolio for climate and community resilience and implement action plans
- embed climate resilience within our standard asset risk assessments
- evolve our scenario analysis over time.

To further demonstrate our commitment to climate action and best practice disclosure we were an early adopter of the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our response is detailed on page 19 of our Annual Report.

Ability to develop products and deliver experiences that meet future customer and societal demands

We will remain focused on:

- customer choice including diverse housing products and offering retirement living contract options
- evolving our market leading product innovation and deepening our customer insights using our proprietary research and other data sources
- enhancing our design excellence, providing greater functionality and value for money that meets the demands of Australia's changing demographics
- creating sustainable and liveable communities and assets, resilient to changes in climate.

Capital market volatility impacts our ability to transact and access suitable capital

So that we can continue to raise sufficient capital to fund growth, we will continue to:

- focus on retaining a strong balance sheet at appropriate levels of gearing
- maintain and increase access to diverse funding sources
- maintain our prudent capital management policies
- recycle capital from divested non-core assets.

Increasing expectations on organisations from the community

We are well placed to meet the expectations of the community and have a strong reputation for sustainability leadership and community development. We use a variety of tools to assess the health of our culture including our annual employee engagement survey to capture employee feedback and our Stockland Leadership Experience to build leaders that align with our values.

Ability to meet the changing nature of workforce to attract, engage and retain employees

We are focused on how we actively set employees up for success and will continue to:

- improve our systems and processes to provide more efficient ways to work
- encourage flexible work practices supported by our new collaboration platforms
- train our senior leaders to be more agile and resilient through programs such as our Stockland Leadership Experience.

More information is available at ***www.stockland.com.au/corporate-governance***

Grow our asset returns and customer base

COMMUNITIES
Residential

OPERATING PROFIT
↑24.3%

OPERATING PROFIT MARGIN
18.3%

RETURN ON ASSETS (CORE)
20.4%

RESIDENT SATISFACTION
93%

COMMUNITIES
Retirement Living

OPERATING PROFIT
↓16.7%

CASH RETURN ON ASSETS
4.6%

RESIDENT SATISFACTION
90%

COMMERCIAL PROPERTY
Retail Town Centres
Workplace and Logistics

FUNDS FROM OPERATION (FFO)
↑2.3%
growth in comparable FFO across our Commercial Property portfolio

RETAIL TENANT SATISFACTION
72% rated Top 2

WORKPLACE AND LOGISTICS TENANT SATISFACTION
89%

OCCUPANCY
99.4%
across Retail town centre portfolio

OCCUPANCY
98.7%
across Logistics portfolio

Andrew Whitson
Group Executive and CEO, Communities

Residential

OPERATING PROFIT
$336m ↑24.3%

Maximise returns by creating thriving communities

The Residential business delivered strong profit growth, up 24.3 per cent from FY17, with solid volumes of net deposits from high margin Sydney and Melbourne projects providing high profit visibility for the year ahead.

We recorded settlements of 6,438 lots, with a number of successful project launches in Victoria and Queensland – Grandview,

STRATEGIC PRIORITIES

The Residential business is making good progress on its plans to make the portfolio more resilient and profitable in the future by continuing to focus on:

1. **Reshaping the portfolio**
   Actively manage the portfolio to increase the velocity of capital, improve returns and maintain an optimal pipeline with a preference to acquire land on capital efficient terms. We continue to make good progress in activating our land through the launch of new projects.
2. **Broaden our market reach**
   Increase revenue by creating a better community value proposition that drives high customer referrals and broaden market reach through a medium density/built form offering.
3. **Improving efficiency**
   Continue to manage costs by maintaining strong contractor relationships and closely managing tender processes.

Retirement Living

OPERATING PROFIT
$53m ↓16.7%

Leading operator and developer

Operating profit in Retirement Living was down 16.7 per cent on FY17, with sales volumes impacted by adverse sector media coverage and reduced settlements due to the timing of development completions. We are seeing some positive sales momentum in our Retirement Living business. Q4 sales are up 14.9 per cent on the FY17 corresponding quarter, underpinned by our ongoing commitment to improve contract choice, village quality and providing broader services to our residents.

The retiree market is responding well to investment in our existing villages and new developments in masterplanned communities, like Mernda Retirement Village in Melbourne and Willowdale in Sydney.

We've continued to improve our customer offer with Benefits Plus home care partnerships and the rollout of new contract choices, 'Capital Share' and 'Peace of Mind', with the latter placing a cap on the deferred management fee (DMF) and securing the exit value for incoming residents. We have also had success with 'Aspire', a new product for downsizing Australians who purchase their home and land outright under community title.

We finished FY18 by entering a project development agreement for a new vertical village in Epping, Sydney, and we continue to explore opportunities to sell non-core assets to recycle capital in our development pipeline, which is on track to deliver a number of completions before the end of the year.

We expect improvement in retirement living market conditions in 1H19 given improving customer sentiment and sales velocity.

Mt Atkinson, Waterlea, Promenade and Kalina – and the success of our existing communities at locations like Willowdale and Elara in Sydney, and Highlands and Cloverton in Victoria, contributing solid sales.

This result and the strong position we are in for FY19 and beyond reflects good sales levels despite moderating overall market conditions with 5,478 contacts on hand as at 30 June 2018. The quality of our masterplanned communities which offer high amenity, affordability and strong connections, with many close to heavy rail, is driving increased market share, up over 3 per cent to 14.5 per cent, and velocity of sales.

We are the leading creator of communities in Australia with our Residential and Retirement Living businesses providing customers with whole-of-life housing options in liveable locations with close proximity to transport, retail and services, education and employment.

We remain well positioned in the deepest part of the lending market, with over 75 per cent of our product now sold to owner occupiers and continued demand for our range of affordable house and land and townhome product.

Finance availability has had a moderating effect on the housing market, but our focus on differentiated masterplanned community creation and housing affordability leaves us well placed in this environment. We have strong pre-sales, low cancellation rates and a continued focus on delivering product to a majority owner occupier market at affordable price points.

In FY19, we expect to deliver over 6,000 residential settlements with future profit growth to be delivered through more townhome settlements and strong operating profit margins, subject to market conditions. We anticipate residential profit margins to remain around 18 per cent in FY19 and 17 per cent over the medium term.

Our business will continue to benefit from price growth realised in the Sydney and Melbourne markets over recent years, affordability, strong housing demand and supply fundamentals and increasing medium density settlements.

STONG DEMAND FOR AFFORDABLE, LIVEABLE COMMUNITIES

+6,400
lots settled in FY18

75%
of purchasers were owner occupiers

50%
of purchasers were first home buyers

+350
Townhomes settled in FY18

STRATEGIC PRIORITIES

The business remains focused on being a preferred operator and developer of retirement living villages by creating high quality retirement villages in Australia. The business has a clear strategy to continue to improve its return on assets by:

1. differentiating the customer experience through access to a range of resident care and other services
2. actively managing the portfolio
3. growing development volumes
4. divesting non-core villages.

Willowdale Retirement Village, NSW

ENHANCING CUSTOMER CHOICE

Contract Choice

Home Care Partnerships

Non-DMF Aspire Product

Stockland Shellharbour, NSW

COMMERCIAL PROPERTY

Louise Mason
Group Executive and CEO, Commercial Property

Retail Town Centres

FUNDS FROM OPERATIONS

$428m ↑2.2%

Comparable FFO ↑1.3%

Create market leading retail town centres

The Retail Town Centre business saw some positive improvements in FY18 with comparable specialty sales up by 4.2 per cent, to $9,378 per square metre and total MAT up by 3.4 per cent with strong growth in resilient categories such as retail services.

Workplace and Logistics

LOGISTICS

FUNDS FROM OPERATIONS

$152m ↑6.2%

Comparable FFO ↑6.0%

WORKPLACE

FUNDS FROM OPERATIONS

$54m ↓9.6%

Comparable FFO ↓2.0%

Grow and develop a leading portfolio

We have combined logistics, business parks and office into Workplace and Logistics to simplify our operating structure and increase the focus on growth.

High occupancy was maintained across the logistics portfolio, with a robust leasing performance in Sydney and Melbourne. Overall 324,400 square metres of space was leased over the period.

Our workplace assets are largely located in the strongly performing Sydney market. Post balance date, we completed the sale of our non-core Canberra office asset for consideration of $24 million.

Our logistics developments continues to progress very well. The successful delivery of the $77 million Coopers Paddock Logistics Centre in Warwick Farm this period, which is fully leased and saw an 23.7 per cent increase in valuation on completion, reflects the success of our focus on growing this portfolio. This project has achieved an initial yield of 7.3 per cent and is expected to reflect an IRR of 10.7 per cent.

We are focused on executing the $600 million development program on land we control and have lodged a development approval to redevelop Macquarie Technology Park, Sydney, with a masterplan vision for a $500 million state-of-the-art technology hub to cater to workers of the future.

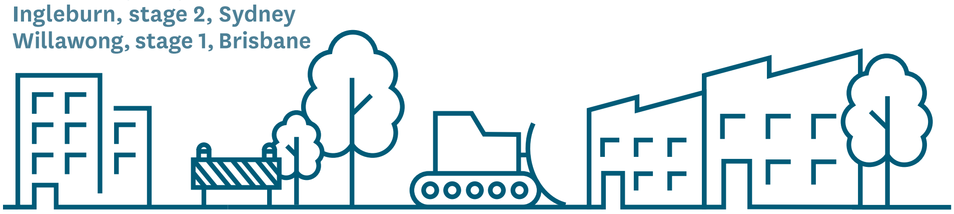
STRONG WORKPLACE AND LOGISTICS DEVELOPMENT PIPELINE

$99m

$99 million under construction
Yennora, Sydney
Ingleburn, stage 2, Sydney
Willawong, stage 1, Brisbane

$600m

$600 million in the future development pipeline



Comparable Retail Town Centre FFO growth was 1.3 per cent over the year, impacted by higher outgoings and retail remixing. The overall success of our remixing strategy is beginning to be reflected in higher retail sales growth, which has continued to improve over the year.

This precinct remixing strategy continues to attract more customers into our centres with foot traffic up 2.5 per cent and will help ensure income resilience into the future. Income from growth categories including food, dining, leisure, cinemas and services now represents 41 per cent of our specialty store income.

We continue to focus on improving customer experience to ensure that our Retail Town Centres provide the services and lifestyle options customers are seeking in this changing retail environment.

The $421 million redevelopment and launch of the new Stockland Green Hills (NSW) retail town centre is a prime example of our ability to successfully upgrade and reposition our assets, to future proof them and deliver accretive returns.

Following the official opening of Stockland Green Hills in March this year, total like for like MAT is up 5.7 per cent. The stabilised initial yield on development is estimated to be 7 per cent and the IRR around 12 per cent.

We also completed the $37 million redevelopment of Stockland Wendouree (Vic) in June, targeting an IRR of 13.8 per cent and stabilised FFO yield of 7.2 plus per cent, and continue on schedule with the first stage of the $86 million Stockland Birtinya greenfield town centre development on the Sunshine Coast, part of our $830 million Oceanside masterplanned community.

OUR RETAIL TOWN CENTRE STRATEGY

Our objective

Metro markets:
Unique, convenient destinations

Regional markets:
Leading destinations

Our focus

Community

Convenient

Curated to our customers

We create community places

"It's your place."

STRATEGIC PRIORITIES

The Retail business maintains its focus on creating market leading town centres by providing the services and lifestyle options to enhance the customer experience at our centres. We continue to remix our centres to create leading community and entertainment hubs and maximise trade area market share.

Our retail mix continues to evolve, underpinned by supermarkets, mini majors, food catering, fast casual dining, specialty food, entertainment, targeted apparel, health and services.

We will continue to focus on tailoring our offering to each specific trade area, cultivating retailer relationships and long-term sustainable rent, and invest in industry research and technology to adapt to an evolving retail landscape.

We have completed around $200 million of divestments and are targeting up to an additional $400 million of divestments over the next 12 – 24 months.

STRATEGIC PRIORITIES

Our focus is on growing and developing a market leading portfolio of logistics and workplace properties to greater than 25 per cent of our total assets. The growth of this portfolio will primarily be through delivery of our existing development pipeline, on land we already control, targeting incremental IRRs of 9 plus per cent and stabilised FFO yields of 7 plus per cent.

We are developing a market leading portfolio of logistics centres by leveraging our existing communities and land, strong tenant relationships and asset management skills to become a scale player in this market.

We will continue to focus on optimising the returns of our workplace portfolio. Our portfolio is now predominantly located in Sydney and we will continue to assess development opportunities.

Oakleigh Industrial Estate, Vic

Capital strength

Tiernan O'Rourke
Chief Financial Officer

Our strong balance sheet also ensures that we are well positioned to take advantage of opportunities.

FY18 PROGRESS

- Maintained S&P A-/stable credit rating for over ten years and Moody's credit rating of A3
- 22.2% gearing remains within our target range of 20 – 30%
- Reduced average cost of debt to 5.2% for FY18
- Increased our access to diverse funding sources
- 66% of land payments made relate to land purchased on capital efficient terms

We are in a strong capital management position, maintaining our S&P A- Stable credit rating for the past 17 years and Moody's A3 credit rating obtained in August 2017.

This reflects the ongoing strength of our balance sheet and cash flows – this has enabled us to continue to broaden our funding sources with a $478 million Euro bond and a $51 million Asian bond executed in the year to replace maturing US private placement facilities, at competitive pricing.

We have maintained our focus on optimising the allocation of capital within each of our business units. The emphasis we place on acquiring land efficiently in our Communities business continues to reduce our capital needs, with 66 per cent of land payments made in FY18 relating to land acquired on capital efficient terms. This has improved the velocity of capital within the business by shortening the duration between cash outflows and settlement inflows in that business.

Aura Sales Centre, Qld

BALANCE SHEET

($M)	June 18	June 17	Change %
Cash	**333**	238	39.9% ↑
Real estate assets:[1]			
· Commercial Property	**10,599**	10,255	3.4% ↑
· Residential	**3,432**	2,453	39.9% ↑
· Retirement Living	**4,167**	3,848	8.3% ↑
Other assets	**760**	701	8.4% ↑
Total assets	**19,291**	17,495	
Interest bearing loans and borrowings	**3,938**	3,529	11.6% ↑
Retirement Living resident obligations	**2,741**	2,629	4.3% ↑
Other liabilities	**2,236**	1,410	58.6% ↑
Total liabilities	**8,915**	7,568	
Net assets/total equity	**10,376**	9,927	4.5%

1 Includes non-current assets held for sale, inventory, investment properties, equity-accounted investments and certain other assets.

We continue to actively manage our debt program, which has seen weighted average cost of debt decline from 5.5 per cent in FY17, to 5.2 per cent in FY18, and expected to fall further to around 4.8 per cent in FY19. We have increased our weighted average debt maturity to 6.2 years, and our interest rate fixed hedge ratio is within target range at 95 per cent.

Gearing at the end of FY18 was 22.2 per cent, at the lower end of our 20 – 30 per cent target range, due to disciplined capital management and higher operating cash flows. Operating cash flows pre-land acquisitions were higher than last year reflecting higher development margins, positive Residential operating fundamentals and tight control of costs.

Whilst some retail town centre assets recorded downward valuations, the portfolio overall saw a net $133 million increase, contributing to a 3.5 per cent increase in NTA to $4.18. The reduced valuations were primarily for assets located in central and north Queensland, reflecting weak economic activity and proactive tenant remixing.

We've deliberately focused on remixing toward new growth categories such as food, services, health, and experience and away from apparel and jewellery, to create more sustainable income and future growth potential.

Overall, we are in a very good position, with operating cash flow and liquidity improving, due to disciplined management and leveraging the timing, source and size of debt refinancing. Our strong balance sheet also ensures that we are well positioned to take advantage of opportunities that may arise in this changing environment.

Operational excellence

Improving the way we operate across the Group to drive efficiencies, compliance, sustainability and employee engagement.

FY18 PROGRESS

Operational efficiency

- Streamlined management with gross cost savings of $8m per annum from FY20

Technology and innovation

- Appointed Chief Innovation and Technology Officer
- Progressing our CORE Systems Program

Safety

- Reduced lost time injury frequency rate (LTIFR) to lowest rate in seven years to 1.6

Employee engagement

- Improved our employee engagement score to 83% – 7 points above the Australian norm

Sustainability leadership

- Retained our global sustainability leader credentials

GLOBAL LEADERSHIP IN SUSTAINABILITY

WORLD DOW JONES SUSTAINABILITY INDEX

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

10th year listed on the World Dow Jones Sustainability Index

GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB)

GRESB REAL ESTATE Sector Leader 2018

Global Sector Leader for Diversified – Listed – Office/Retail

CDP RECOGNITION

CDP A LIST 2016 CLIMATE

Only Australian company recognised by CDP for leading global climate performance

Stockland Shellharbour, NSW

INNOVATION AND TECHNOLOGY

One of the major issues facing all large corporations is the increased pace of innovation and its ability to disrupt growth. We are embracing this challenge and appointed a new executive committee position to focus specifically on our technology and innovation capabilities. In addition to progressing the development of our CORE Systems Program, which will provide digital-ready platforms to increase efficiency and our ability to respond to digital opportunities, this role will also focus on enhancing our ability to progress commercial outcomes from innovation projects.

We have also enjoyed an overwhelmingly positive response from the community to our announcement of a $23.5 million solar rollout across some of our retail town centres (bringing our total investment in solar to $30 million). This project's excellent return on investment is a great example of one of the areas where we are enhancing our ability to deliver commercial outcomes from our innovation projects.

STREAMLINING OUR MANAGEMENT

After 12 successful years at the head of our Commercial Property business, in June 2018 John Schroder stepped back from his full-time management in the role. In his place we welcomed Louise Mason as our new CEO of Commercial Property who joined us with over 25 years' experience in retail town centres, workplaces and logistics.

In August 2018, we announce the streamlining of our Executive Committee, combining our Residential and Retirement Living business into one integrated business, Stockland Communities, to be led by Andrew Whitson. This change will ensure we continue to execute our communities strategy, taking advantage of our integrated model and leveraging capabilities across the Group.

The Chief Operating Officer function was also restructured with responsibilities reallocated across the Executive Committee.

The operational synergies and cost savings created through the streamlining of our organisational structure and the introduction of new talent in Commercial Property and Technology and Innovation, will assist in lifting the quality of our retail town centres, growing our workplace and logistics portfolio and driving innovation and digitisation across our business. Overall these initiatives will save gross costs of $8 million per annum from FY20.

OUR CORPORATE CULTURE

We remain focused on promoting a strong culture; one concentrated on our customers and ensuring employees are a strong first line of defence for risk management.

We continue to enjoy a high level of employee engagement, above the Australian National Norm as measured by our annual, independently conducted employee engagement survey, 'Our Voice'. We also recently conducted an internal review of our culture which has identified key strengths that we want to preserve, such as respect, customer focus and engagement, as well as areas for further focus and improvement including encouraging diversity of thought.

We continue to receive high customer satisfaction ratings across our business units, with very strong 90 per cent satisfaction results in our residential and retirement living communities and at our logistics assets. Our retail tenants rated us as top two in the industry, however our overall score decreased in line with our peers to 72 per cent, largely due to the challenging retail sales environment.

Sustainability strategy

Our sustainability strategy integrates with our business strategy and priorities, providing a better way to deliver shared value for all stakeholders.

We have three core sustainability priorities:

- Shape thriving communities
- Optimise and innovate
- Enrich our value chain.

Highlights from these areas are explored in the following sections.

*Our comprehensive sustainability reporting, including our strategy and targets is available at **www.stockland.com.au/sustainability***

Shape thriving communities

Our research indicates that health and wellbeing, community connection and education contribute most to liveable communities.

Our ability to shape thriving communities is a fundamental element of our success. To do this not only do we focus on what our customers want but also those elements that make a liveable community including wellbeing, community connection, and opportunities for lifelong learning and prosperity. We focus on these three social impact areas because our proprietary customer and industry research tells us these are the areas that matter when our customers are deciding where to live, play and shop.

We work closely with our national partners to deliver the best outcomes for our communities. Examples of these include:

- **Community connection through inclusive play with Touched by Olivia** We built six new inclusive playspaces in collaboration with our Stockland CARE Foundation partner Touched by Olivia. These playspaces are designed so that children of all abilities can play together, including those with physical disabilities, vision, hearing and mobility impairments, or spectrum disorders such as autism.
- **Healthy eating with Jamie's Ministry of Food** We delivered five- and seven-week cooking programs that teach members of the community how to prepare simple, healthy, fresh and affordable meals at our retail town centres and communities across Australia. Over 2,000 people participated in the programs resulting in increased foot traffic for our centres and prospective customers at our communities.
- **Local employment at Green Hills, NSW** Over the two years of its operation, the Connectivity Centre placed more than 180 local people in jobs, exceeding its initial target of 100. Importantly, the majority of placements were in sustainable employment. The Connectivity Centre also ran workshops such as the Customer Service workshop, Driver Learner and Driver Awareness workshops, and Interview Technique workshops, all designed to enhance the employability of local residents.

$7.7m
invested in community initiatives across Australia

+780
community development initiatives delivered across our communities

wellbeing
Community wellbeing above national average – 77% Residential community resident and 83% Retirement Living resident personal wellbeing scores

+4,300
hours volunteered by our employees

180 jobs
Green Hills Connectivity centre placements over the life of Stockland Green Hills redevelopment

Optimise and innovate

We aim to provide business solutions that better serve our customers while reducing our impact on the environment.

Our work on climate change mitigation, through our emissions reduction activities, and climate adaptation is highly regarded in the industry and we were the only Australian company to be recognised on the CDP A list in 2017. We were also amongst the first Australian companies to respond to the Global Financial Stability Board's Task Force on Climate-related Financial Disclosure, releasing our response to the Australian Securities Exchange with our Financial Statements in February 2018 and again in August 2018. This included our governance, strategy, risk management, performance and targets in relation to climate risk.

In FY18 we completed our largest solar photovoltaics (PV) installation at Stockland Green Hills (NSW, 1.85 MW), as well as an additional installation at Stockland Caloundra (Qld, 0.25 MW), bringing our total portfolio solar PV capacity in FY18 to 4.36 MW and generating approximately 6,000,000 kWh in renewable energy annually.

↓52%
emissions intensity reduction across Commercial Property since 2006

$90m
cost savings from emissions reduction initiatives

$30m
total committed investment in solar

16.36MW
expected solar capacity by end of FY19

10%+
return on investment on solar projects

We have a strong commitment to the use of product rating and certification tools to ensure the sustainability performance of our projects and assets. Assets that are highly rated and can demonstrate optimal performance are often more attractive to customers and investors. In FY18 we achieved ratings across a large portion of our portfolio with the following key achievements:

NABERS and Green Star certifications

4.18 stars	NABERS Energy Retail Town Centre portfolio average
3.18 stars	NABERS Water Retail Town Centre portfolio average
4.35 stars	NABERS Energy Workplace and Business Parks portfolio average
3.57 stars	NABERS Water Workplace and Business Parks portfolio average
42 centres	Green Star Performance rated Retail Town Centres, Workplaces and Business Parks
27 assets	Green Star Design & As Built, Communities and Retirement Living rated assets

Enrich our value chain

We know that when we successfully collaborate across our value chain our outcomes are stronger and relationships more prosperous.

This includes strengthening our workforce, our supply chain and our engagement with our stakeholders.

We continue to outperform the Australian high performing norm for employee engagement with a score of 83 per cent. Our results reiterated the importance our people place on diversity and inclusion, which continues to be a key driver for engagement and retention. The Diversity and Inclusion Index from our 2018 employee survey has increased to 87 per cent (86 per cent in FY17), and continues to be seven points above the Australian National Norm.

Throughout the year we continued to collaborate with our suppliers to achieve health, safety, and quality outcomes through our 'Sights on Safety' initiative. Sights on Safety focuses on identifying and implementing measures to reduce the number of serious incidents at our developments and assets. The program is aimed at driving safety behaviours and advancing better practice on our developments, construction sites, operational assets and where possible, across the broader construction industry.

We have also been working with our contractor partners regarding wellbeing initiatives on our sites through our continued work with Mates in Construction to improve mental health awareness at our worksites. We have also extended this to our head office by raising awareness about mental health issues facing construction workers in conjunction with our national mental health promotion campaigns such as RUOK Day. During the year we completed a human rights risk review and identified action items to enhance our capacity to identify and address instances of modern slavery in our supply chain and respond to emerging regulation in this space.

We are making good progress creating a more inclusive workforce:

- Women in management increased to 45.1 per cent and women in senior management was consistent at 39.7.
- Our gender pay equity ratio remains within our target range at 98.3 per cent.
- 80 per cent of employees have a flexible work arrangement in place via our 'One Simple Thing' initiative.
- Six students interned at Stockland as part of the Stepping Into program for university students with a disability. Two went on to take up permanent positions.
- Our rate of return from parental leave continues to be well above our target of 80 per cent. Following the enhancement of our parental leave policy in FY17, there has been a near 50 per cent increase in men taking parental leave.
- We continued to advance our Reconciliation Action Plan commitments.
- The LGBTI+ Employee Advocacy Group was formed in FY18 and quickly established itself as a vital component of our diversity and inclusion agenda.

Governance and remuneration

OUR BOARD OF DIRECTORS

The Board takes its governance responsibilities very seriously and believes it has the necessary mix of experience and skills to oversee the high standard of corporate governance, integrity and accountability required of a professional and ethical organisation. The Board believes that Stockland's governance accords fully with the principles and recommendations of the ASX Corporate Governance Council as summarised on our website ***www.stockland.com.au/corporate-governance***

Tom Pockett
Chairman (Non-executive)

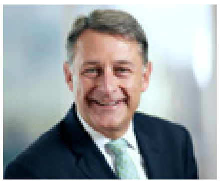
Carolyn Hewson
Non-executive

Barry Neil
Non-executive

Stephen Newton
Non-executive

Carol Schwartz
Non-executive

Mark Steinert
Managing Director and CEO



Andrew Stevens
Non-executive

Melinda Conrad
Non-executive

Christine O'Reilly
Non-executive

New non-executive board directors – Melinda Conrad and Christine O'Reilly

Ms Melinda Conrad and Ms Christine O'Reilly are both highly respected directors. Ms Conrad joined the Board in May 2018 and has already made a valuable contribution to the Board drawing on her extensive expertise in retail and consumer-related industries. Ms Christine O'Reilly also joined us this year, in August 2018, and brings a wide range and depth of skills from her 30 years' experience in the utilities, energy and infrastructure investment sectors.

Both new directors will further complement and strengthen the Board's experience and expertise in a range of areas.

As required by the Stockland Constitution, Ms O'Reilly and Ms Conrad will offer themselves for election by securityholders at the Annual General Meeting on 24 October 2018.

OUR GROUP EXECUTIVES

Mark Steinert
Managing Director and CEO

Louise Mason
Group Executive and CEO, Commercial Property

Katherine Grace
General Counsel and Company Secretary

Tiernan O'Rourke
Chief Financial Officer

Darren Rehn
Group Executive and Chief Investment Officer

Robyn Elliott
Chief Technology, Marketing and Innovation Officer

Simon Shakesheff
Group Executive, Strategy and Stakeholder Relations

Andrew Whitson
Group Executive and CEO, Residential

The Stockland Board uses a Corporate Balanced Scorecard to set financial and non-financial key performance indicators that are aligned to overall business strategy. The scorecard covers business and financial performance, customer, stakeholder and sustainability performance, people management and operational excellence and risk management. The key financial performance measures are listed below.
Our full Remuneration Report is available in our Annual Report online ***www.stockland.com.au/corporate-reporting***

FINANCIAL PERFORMANCE OVER THE PAST FIVE YEARS

Underlying profit, FFO, EPS and other key financial performance measures over the last five years are set out below.

	FY14	FY15	FY16	FY17	FY18
Underlying profit[1] ($M)	555	608	660	696	**731**
FFO[2] ($M)	573	657	740	802	**863**
AFFO[3] ($M)	452	531	624	687	**756**
Statutory profit ($M)	527	903	889	1,195	**1,025**
Security price as at 30 June[4] ($)	3.88	4.10	4.71	4.38	**3.97**
Distributions/Dividends per security (cents)	24.0	24.0	24.5	25.5	**26.5**
Underlying EPS (cents)	24.0	25.9	27.8	29.0	**30.2**
FFO per security (cents)	24.8	28.0	31.1	33.4	**35.6**
AFFO per security (cents)	19.6	22.6	26.3	28.6	**31.2**
Statutory EPS (cents)	22.8	38.5	37.4	49.8	**42.3**
Stockland TSR – 1 year (%)	20.5	12.3	16.4	7.1	**(7.0)**
A-REIT 200 TSR (excluding SGP) – 1 year (%)	11.3	24.2	21.1	(6.7)	**11.5**
Tailored index TSR[5]	–	–	–	–	**7.2**

1 Underlying profit was the non-IFRS performance measure used in determining the EPS component of LTI remuneration for periods up to and including 30 June 2016. Performance against this benchmark is set out in section 3.4 of our Remuneration Report in our Annual Report.
2 FFO is a non-IFRS measure which replaced underlying profit as Stockland's primary reporting measure from FY17. This change recognises the importance of FFO in managing our business and the use of FFO as a comparable performance measurement tool in the Australian property industry. The reconciliation of FFO to statutory profit is provided on page 11 of the Annual Report.
3 AFFO is stated exclusive of derivative close out costs and inclusive of Commercial Property and Retirement Living maintenance capex.
4 FY13 closing security price was $3.48.
5 Tailored AREIT 200 index comprised six large companies forming 80 per cent and nine smaller companies forming 20 per cent as detailed in section 2.2 of our Remuneration Report in our Annual Report. Measured from FY17.

EXECUTIVE REMUNERATION OUTCOMES

Executives receive a mix of remuneration during FY18 including Fixed Pay, Short Term Incentives (STI) awarded as cash and deferred securities and Long Term Incentives (LTI) awarded as performance rights. The table below outlines the cash remuneration that was received in relation to FY18 which includes Fixed Pay and the non-deferred portion of any FY18 STI. The table also includes the value of DSTI awards from FY16 and FY17 which vested during FY18 and LTI awards from FY16 which vested during FY18.

		Fixed Pay[1] $	STI awarded and received as cash $	Total cash payments in relation to financial year $	Previous years' DSTI that were realised[2] $	Previous years' LTI that were realised[3] $	Total remuneration (received and/ or realised) $	Awards which lapsed or were forfeited[4] $
Executive Director								
Mark Steinert	**2018**	**1,500,000**	**702,000[2]**	**2,202,000**	**1,014,208**	**1,326,726**	**4,542,934**	**1,711,320**
Managing Director and CEO	2017	1,500,000	750,000[2]	2,250,000	1,080,721	1,889,970	5,220,691	1,776,090
Senior Executives								
Stephen Bull	**2018**	**700,000**	**300,000**	**1,000,000**	**313,888**	**355,525**	**1,669,413**	**479,171**
Group Executive and CEO, Retirement Living	2017	700,000	420,000	1,120,000	307,708	491,655	1,919,363	462,090
Robyn Elliot[5]	**2018**	**128,250**	**68,400**	**196,650**	**–**	**–**	**196,650**	**–**
Chief Technology and Innovation Officer	2017	–	–	–	–	–	–	–
Katherine Grace	**2018**	**600,000**	**320,000**	**920,000**	**198,286**	**266,141**	**1,384,427**	**342,266**
General Counsel and Company Secretary	2017	550,000	293,333	843,333	176,426	178,485	1,198,244	356,970
Louise Mason[6]	**2018**	**75,000**	**–**	**75,000**	**–**	**–**	**75,000**	**–**
Group Executive and CEO, Commercial Property	2017	–	–	–	–	–	–	–
Tiernan O'Rourke	**2018**	**875,000**	**420,000**	**1,295,000**	**314,229**	**451,345**	**2,060,574**	**581,847**
Chief Financial Officer	2017	875,000	466,667	1,341,667	323,700	643,860	2,309,227	604,440
Darren Rehn	**2018**	**750,000**	**450,000**	**1,200,000**	**361,262**	**382,831**	**1,944,093**	**513,396**
Group Executive and Chief Investment Officer	2017	750,000	450,000	1,200,000	362,664	499,320	2,061,984	499,320
Michael Rosmarin	**2018**	**600,000**	**280,000**	**880,000**	**228,124**	**318,771**	**1,426,895**	**410,716**
Chief Operating Officer	2017	600,000	320,000	920,000	214,235	454,425	1,588,660	427,050
John Schroder[7]	**2018**	**1,050,000**	**600,000**	**1,650,000**	**590,978**	**557,602**	**2,798,580**	**1,896,056**
Group Executive and CEO, Commercial Property	2017	1,050,000	630,000	1,680,000	430,664	794,970	2,905,634	746,790
Simon Shakesheff	**2018**	**600,000**	**293,333**	**893,333**	**241,543**	**318,771**	**1,453,647**	**410,716**
Group Executive, Strategy & Stakeholder Relations	2017	600,000	320,000	920,000	244,763	434,715	1,599,478	427,050
Andrew Whitson	**2018**	**750,000**	**450,000**	**1,200,000**	**379,846**	**382,831**	**1,962,677**	**513,396**
Group Executive and CEO, Residential	2017	750,000	450,000	1,200,000	362,664	531,075	2,093,739	499,320

1 Fixed Pay includes salary, superannuation and salary sacrificed items.
2 For Mark Steinert this is 50 per cent (two thirds for Senior Executives) of his STI awards. The remaining 50 per cent of his STI (one third for Senior Executives) was deferred in Stockland securities which vests over two years following the performance year, 50 per cent after year one and 50 per cent after year two subject to continued employment.
3 This represents the value of all prior years' deferred STI and LTI which vested during FY18 using the 30 June 2018 closing security price of $3.97.
4 The value shown represents the value of any previous years' equity awards which lapsed or were forfeited during the financial year. The FY18 values are based on the closing 30 June 2018 security price of $3.97 (FY17: $4.38).
5 Robyn Elliot was appointed 26 March 2018.
6 Louise Mason was appointed 4 June 2018.
7 John Schroder ceased employment 2 July 2018. In addition to the above, post year end John received a termination benefit payment of $1,050,000.

ABOUT STOCKLAND

Stockland is one of the largest diversified property groups in Australia with more than $16.6 billion of real estate assets. As Australia's largest community creator we own, manage and develop shopping centres, logistics centres and business parks, office assets, residential communities, and retirement living villages.

Founded in 1952, today Stockland leverages a diversified model to help create thriving communities with dynamic town centres where people live, shop and work. Our vision is to be a great Australian real estate company that makes a valuable contribution to our communities and our country.

Our primary objective is to deliver earnings per security growth and total risk-adjusted securityholder returns above the Australian Real Estate Investment Trust index average, by creating quality communities and property assets and delivering great customer experiences.

To optimise value to securityholders we are structured as a stapled security: a combination of a unit in Stockland Trust and a share in Stockland Corporation, traded together as one security on the Australian Securities Exchange. This stapled structure allows us to efficiently undertake property investment, property management and property development activities to create sustainable risk/reward outcomes.

39 RETAIL TOWN CENTRES

34 WORKPLACE AND LOGISTICS ASSETS

60 RESIDENTIAL COMMUNITIES

65 RETIREMENT LIVING VILLAGES

SECURITYHOLDER INFORMATION AND KEY DATES

24 October 2018
Annual General Meeting

Heritage Ballroom
The Westin Sydney
1 Martin Place,
Sydney NSW 2000
at 2.30pm

31 December 2018
Record date

20 February 2019
Half-year results announcement

29 June 2019
Record date

22 August 2019
Full-year results announcement

Your securityholding

If you would like information on your securityholding, would like to update your details or change your communication preferences to online please contact:

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Telephone: (61 3) 9415 4000
stockland@computershare.com.au

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