



Stockland

1H19 Annexures

Creating
Sustainable
Communities

31 December 2018

FROG PARK, AURA, QLD

Contents

<i>Section</i>	<i>Page</i>
About Stockland	A03
Group Finance	A12
Commercial Property	A28
Retail Town Centre	A34
Workplace and Logistics	A39
Communities:	A47
Residential	A48
Retirement Living	A60
Research	A63

About Stockland

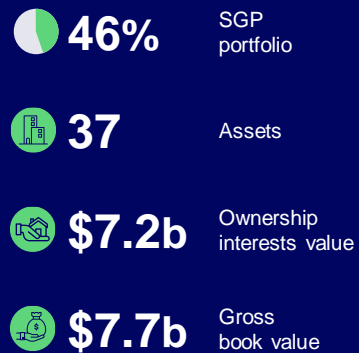


CARDINAL FREEMAN, SYDNEY, NSW

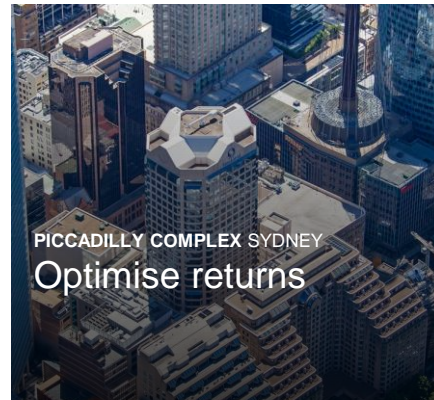
Stockland quick facts

Trust

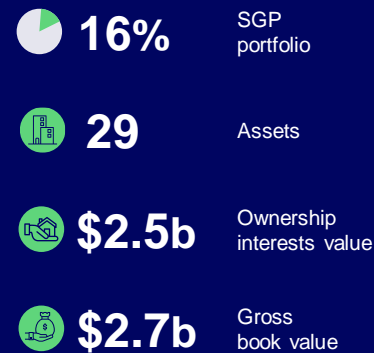
Retail Town Centres



Workplace

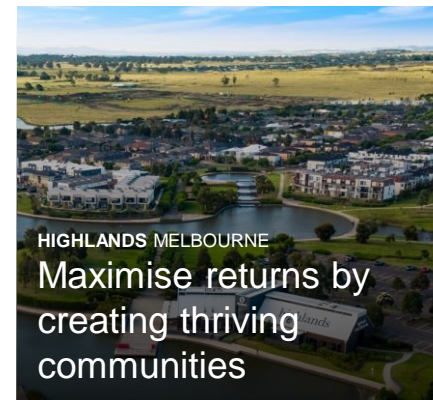


Logistics

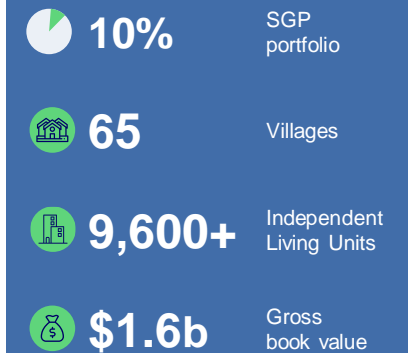


Corporation

Residential



Retirement living






Strategic mix

	TARGET	ASSETS 31 DECEMBER 2018	ASSETS 31 DECEMBER 2017	OPERATING PROFIT 1H19	OPERATING PROFIT 1H18
RECURRING					
Commercial Property		67%	69%	68%	61%
Retirement Living		7%	8%	4%	5%
Other and unallocated corporate overheads		-	-	(3%)	(3%)
Total recurring	70 – 80%	74%	77%	68%	63%
TRADING					
Residential		23%	21%	35%	42%
Retirement Living		3%	2%	1%	(1)%
Commercial Property		-	-	-	-
Other and unallocated corporate overheads		-	-	(4%)	(4%)
Total trading	20 - 30%	26%	23%	32%	37%

Capital management

Disciplined capital allocation framework

Target portfolio allocation

	CAPITAL ALLOCATION AS DECEMBER 2018	MEDIUM TERM TARGET CAPITAL ALLOCATION
 COMMUNITIES	33%	20-30%
 WORKPLACE & LOGISTICS	21%	25-35%
 RETAIL TOWN CENTRES	46%	40-45%

Disciplined capital allocation framework

Capital strength

Targets

- **Capital partnering across the portfolio**
- **70:30**
recurring income/active assets
- **>10%**
Group ROE

Target IRR's

7%+
Recurring income assets

8%+
Commercial development

12-16%+
Active assets

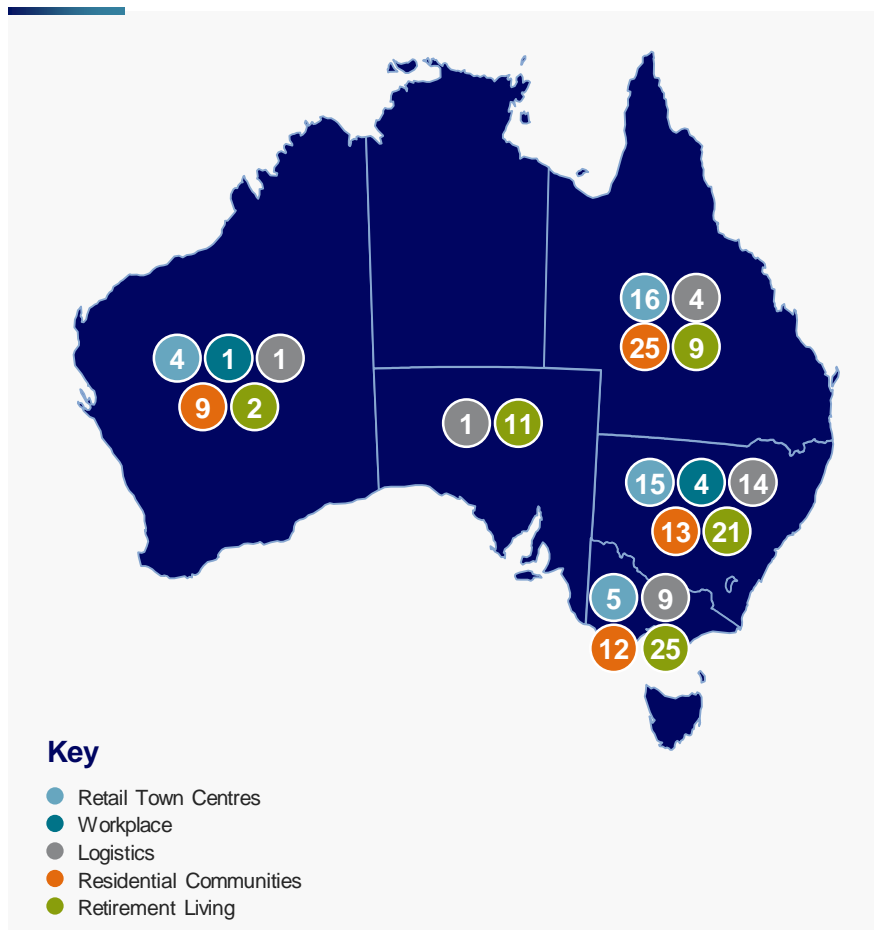
Distribution policy



Target payout ratio
75 - 85% of FFO

We are well positioned

With a diverse portfolio^{1,2}



ALL STATES	CP	RESI	RL	TOTAL
Number of properties/ projects	74	59	68	201
Book value	\$10.7b	\$3.5b	\$1.6b	\$15.8b
SGP portfolio %	67%	23%	10%	100%

QLD	CP	RESI	RL	TOTAL
Number of properties/ projects	20	25	9	54
Book value	\$2.1b	\$1.2b	\$0.3b	\$3.6b
SGP portfolio %	13%	8%	2%	22%

WA	CP	RESI	RL	TOTAL
Number of properties/ projects	6	9	2	17
Book value	\$0.6b	\$0.5b	\$0.1b	\$1.2b
SGP portfolio %	4%	3%	<1%	7%

NSW	CP	RESI	RL	TOTAL
Number of properties/ projects	33	12	20	65
Book value	\$6.6b	\$0.5b	\$0.5b	\$7.6b
SGP portfolio %	42%	3%	3%	49%

VIC	CP	RESI	RL	TOTAL
Number of properties/ projects	14	12	25	51
Book value	\$1.3b	\$1.2b	\$0.6b	\$3.1b
SGP portfolio %	8%	8%	4%	20%

SA AND ACT	CP	RESI	RL	TOTAL
Number of properties/ projects	1	1	12	14
Book value	\$0.1b	\$0.1b	\$0.1b	\$0.3b
SGP portfolio %	<1%	<1%	<1%	2%

Map includes ACT assets within NSW. Percentages may not add due to rounding

1. Includes Unlisted Property Fund assets, WIP and Sundry

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

Key residential communities

Located in connected, population growth corridors¹ Sydney



1. Source: Location IQ

Key residential communities

Located in connected, population growth corridors¹ - Melbourne

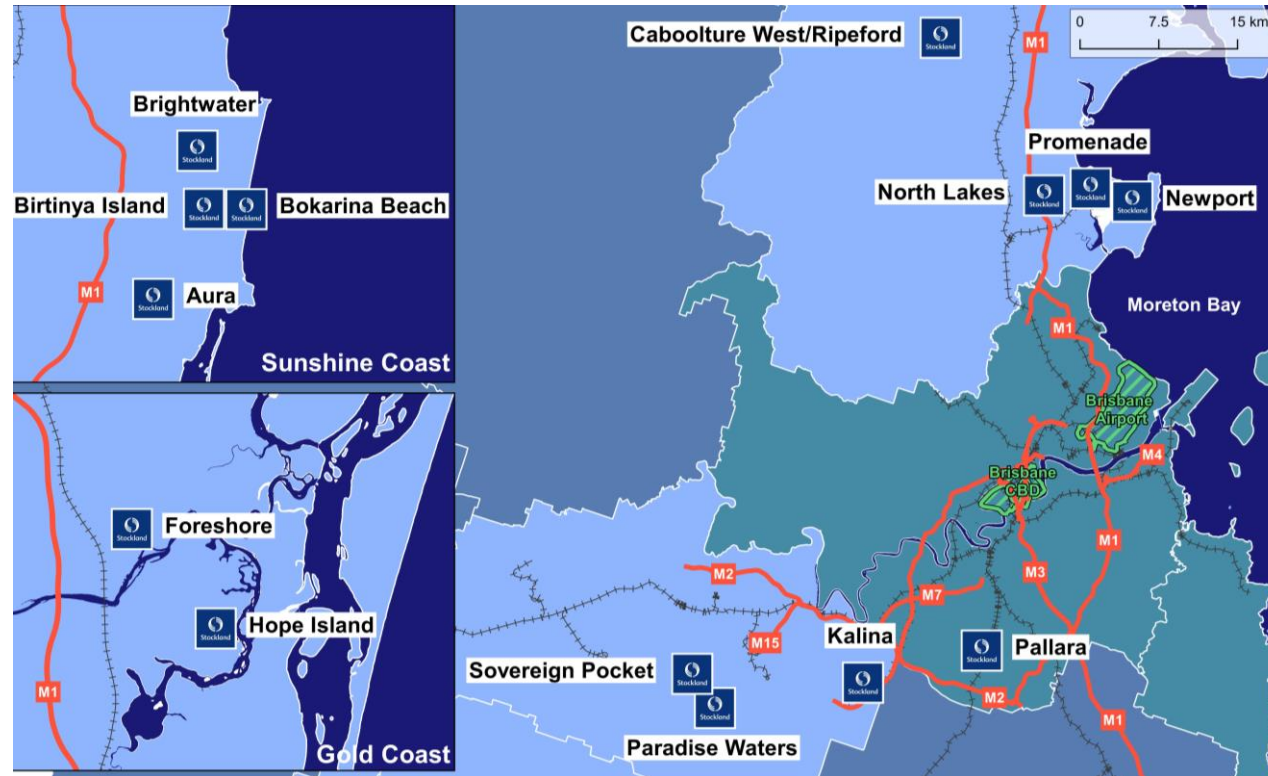


1. Source: Location IQ

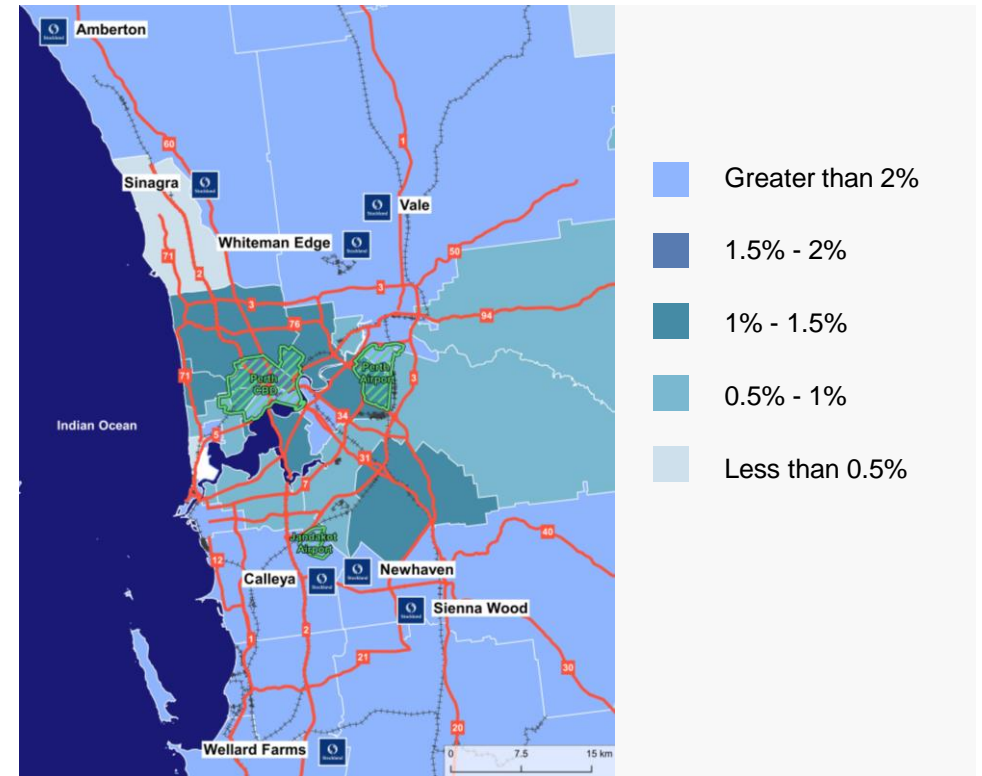
Key residential communities

Located in connected, population growth corridors¹ - Brisbane (LHS), Perth (RHS)

Brisbane



Perth



1. Source: Location IQ

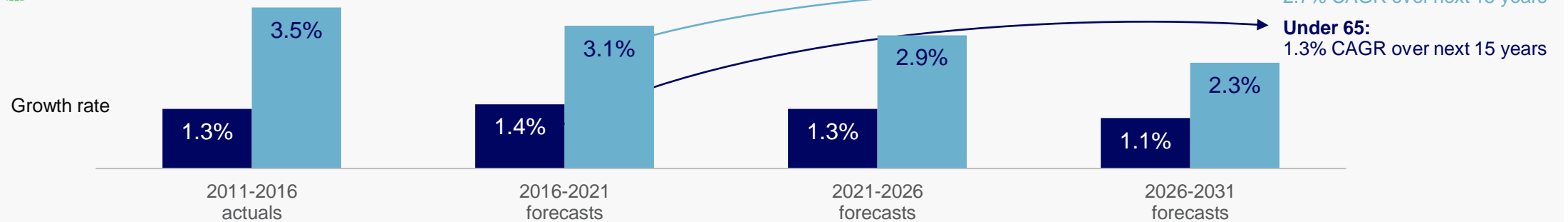
Retirement Living

Strong demand drivers



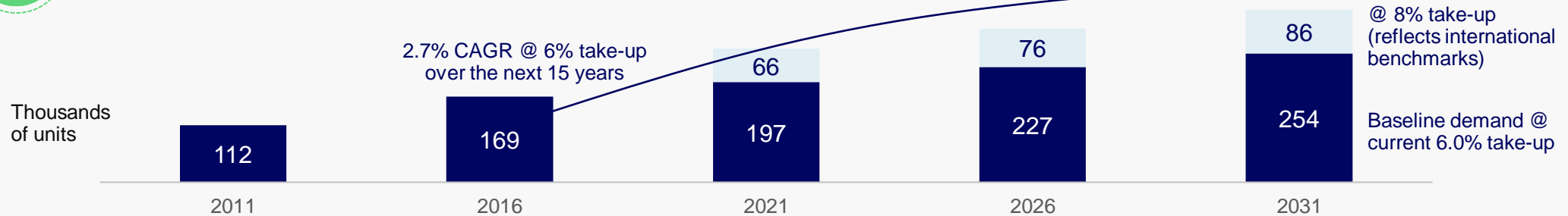
Compelling demand fundamentals

Australian population aged 65+¹ 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

Annexure



TRINITI BUSINESS CAMPUS, SYDNEY, NSW

Profit summary

	1H19 (\$M)	1H18(\$M)
Residential Communities EBIT (before interest in COGS)	170	232
Commercial Property EBIT	277	275
Retirement Living EBIT	22	18
Consolidated segment EBIT	469	525
Amortisation of lease incentives and lease fees	39	36
Straight-line rent adjustments	(2)	(2)
Unallocated corporate overheads	(32)	(30)
Group EBIT (before interest in COGS)	474	529
Net interest expense:		
• Interest income	2	1
• Interest expense	(116)	(108)
• Interest capitalised to Inventory	71	62
• Interest capitalised to Investment Properties under development	6	9
Net interest in Profit & Loss before capitalised interest expensed	(37)	(36)
Capitalised interest expensed in Profit & Loss	(30)	(57)
Net interest expense	(67)	(93)
Funds from operations	407	436
Statutory profit adjustments	(107)	248
Statutory profit	300	684

FFO and AFFO reconciliation to 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 (PCA) white paper “Voluntary best practice guidelines for disclosing FFO and AFFO”

PCA REFERENCE		1H19 (\$M)	1H18(\$M)	COMMENTS
	Statutory profit	300	684	
A	Investment property and inventory			
A1/A2	Loss from sale of investment property	10	2	
A3/A4	Fair value loss/(gain) on investment property and Retirement Living obligation	5	(161)	Includes Commercial Property and Retirement Living
B	Goodwill and intangibles			
B1	Impairment of Retirement Living goodwill	10	-	
C	Financial instruments			
C2	Fair value loss/(gain) on mark-to-market of derivatives	40	(5)	
D	Incentives and straight-lining			
D1	Amortisation of fit-out incentives	29	27	
D4	Amortisation of rent-free periods	10	9	
D5	Rent straight-lining	(2)	(2)	
E	Tax expense/(benefit) – non-cash	18	(74)	
F	Other unrealised or one-off items			
F2	Other unrealised or one-off items:			
	- Net DMF earned, unrealised	(17)	(18)	
	- Net gain on other financial assets	-	(26)	Prior year included gain from return of capital on BGP investment received
	- Other items	4	-	Includes restructuring cost associated with Executive reorganisation
G	Funds from operations (FFO)	407	436	
G2	Maintenance capex	(17)	(21)	Includes \$2m (1H18: \$2m) Retirement Living common area capital expenditure
G3	Incentives and leasing costs for the accounting period	(38)	(37)	Excludes development centres
	Adjusted funds from operations (AFFO)	352	378	

Net interest gap

INTEREST EXPENSE	1H19			1H18		
	INTEREST (\$M)	DEFERRED INTEREST (\$M)	TOTAL (\$M)	INTEREST (\$M)	DEFERRED INTEREST (\$M)	TOTAL (\$M)
Interest income	(2)	–	(2)	(1)	–	(1)
Interest expense	93	23	116	97	11	108
Less: capitalised interest						
• Commercial Property development projects	(3)	–	(3)	(6)	–	(6)
• Residential	(48)	(23)	(71)	(51)	(11)	(62)
• Retirement Living	(3)	–	(3)	(3)	–	(3)
Total capitalised interest	(54)	(23)	(77)	(60)	(11)	(71)
Sub-total: Borrowing cost in P&L	37	–	37	36	–	36
Add: capitalised interest expensed in P&L ¹	30	–	30	58	–	58 ²
Total interest expense in P&L	67	–	67	94	–	94

DEFERRED INTEREST
<p>Non-cash adjustments for unwinding of present value discount on land acquisitions on deferred terms:</p> <ul style="list-style-type: none"> • Discount initially booked through balance sheet (inventory and land creditors) • Increase reflects larger amount of acquisitions made on capital efficient terms

1. Made up of: Residential \$28m (1H18: \$50m) and Commercial Property \$nil (1H18: \$7m). The remaining amount comprises capitalised interest relating to Retirement Living \$2m (1H18: \$1m). This differs to statutory reporting by \$2m (1H18: \$1m) as interest expense in Retirement Living is reported through the fair value adjustment of investment properties

2. 1H19 capitalised interest expensed is lower due to projects approaching final settlements in 1H19, and sale of impaired projects in 1H18

Return on assets, return on equity

	2018			2017			
	CASH PROFIT (\$M)	AVG. CASH INVESTED (\$B)	RETURN (%)	CASH PROFIT (\$M)	AVG. CASH INVESTED (\$B)	RETURN (%)	COMMENTARY
Retail Town Centres	426	5.5	7.8%	408	5.2	7.8%	
Logistics	155	2.0	7.8%	143	1.9	7.6%	
Workplace	50	0.6	7.7%	50	0.7	7.1%	Reflects recent disposals and improved occupancy
Residential – Core	365	2.0	18.5%	449	1.8	24.7%	ROA impacted by reduced settlement volumes and continued investment in long term projects
Retirement Living	60	1.3	4.5%	63	1.2	5.3%	ROA impacted by reduced FFO and continued investment in development pipeline
Core business ROA (sub-total)	1,056	11.4	9.3%	1,113	10.8	10.3%	
Residential – Workout ¹	(4)	0.2	(2.4%)	9	0.2	4.2%	
Unallocated Overheads & Other Income	(67)	–	–	(62)	–	–	
Group ROA	985	11.6	8.5%	1,060	11.0	9.6%	
Net interest/net debt	(192)	(3.9)	4.9%	(193)	(3.5)	5.5%	
Group ROE	793	7.7	10.3%	867	7.5	11.5%	
Group ROE (excl. workout)	797	7.5	10.6%	858	7.3	11.7%	

1. Includes all impaired projects

Reconciliation between return on equity table values and accounting results

Reconciliation of Group return in ROE calculation to FFO



	2018 (\$M)	2017(\$M)
Cash return	793	867
Capitalised interest expensed in COGS	(82)	(121)
Capitalised interest for the year ¹	119	120
Add-back impairment release in COGS	12	10
CP straight-line rent and other	(9)	(7)
FFO	833	869





1. Excludes deferred interest

Reconciliation of capital employed in ROE calculation to statutory net assets



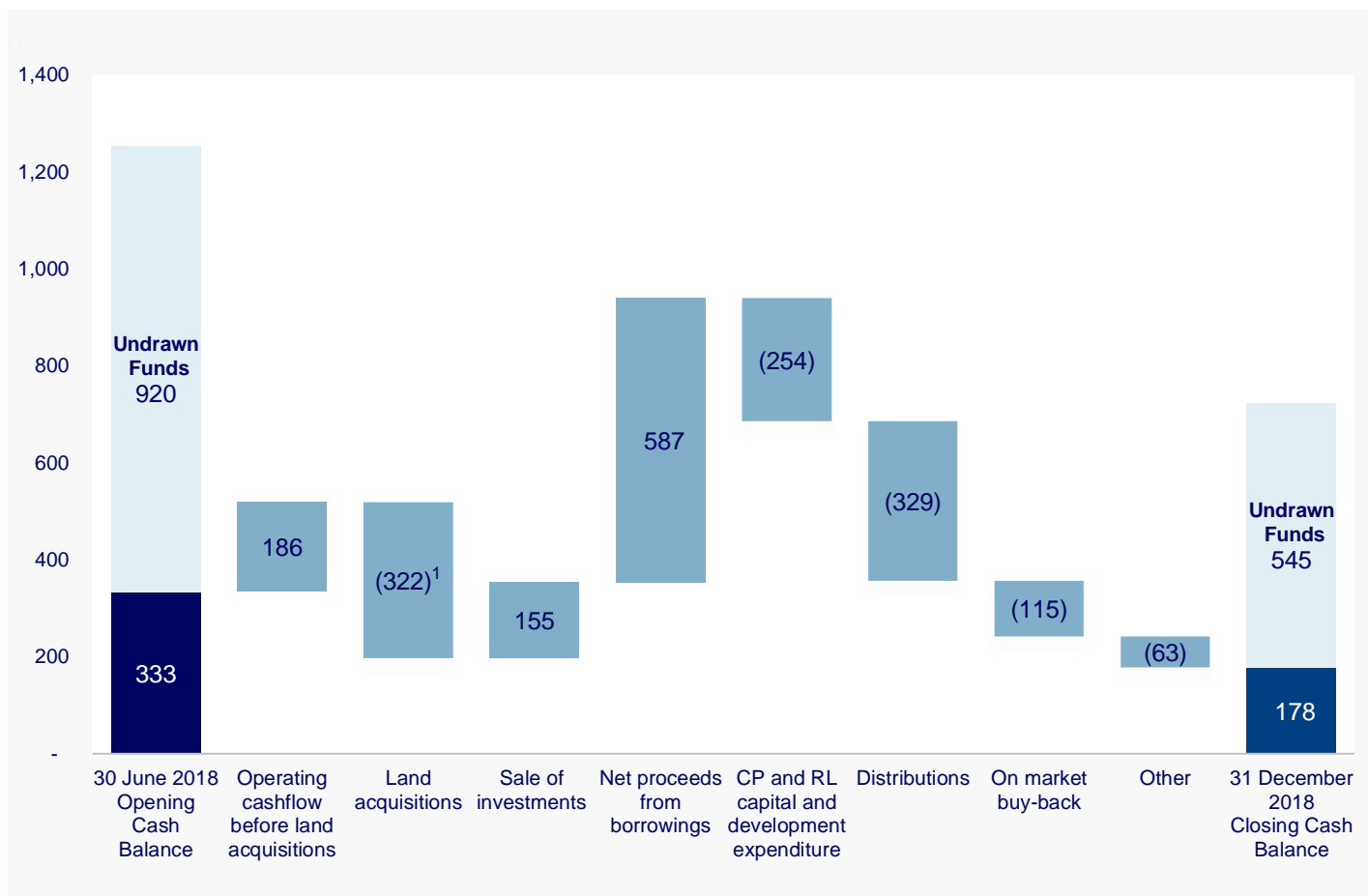
	AVERAGE FOR 2018 (\$B)	AVERAGE FOR 2017 (\$B)
Group capital employed (Net Assets)	7.7	7.5
Commercial Property revaluations	2.7	2.6
Residential Communities capitalised interest	0.4	0.4
Residential Communities and Apartments impairment	(0.2)	(0.2)
Retirement Living DMF revaluations	0.2	0.2
Distribution provision and non-cash working capital	(0.5)	(0.4)
Statutory net assets (average for the period)	10.3	10.1

Stockland return on equity methodology

	 Residential (incl. Town homes & Apartments)	 Commercial Property	 Retirement Living	 Debt Funding
Numerator <i>(Cash Return)</i>	EBIT (including cash loss realised on impaired projects)	Operating profit before amortisation of lease incentives	EBIT	Cash interest paid less interest income received
Denominator <i>(Average Cash Invested)</i>	Net funds employed (NFE) (excluding accrued capitalised interest and impairment provision) average for the 12 month period	Average cost + capital additions + lease incentives + development work in progress Business unit overheads are allocated across the asset classes based on NOI contribution	Average NFE (including inventory, development expenditure, cash paid for acquired DMFs and goodwill, excluding capitalised interest and revaluations)	Average debt drawn (net of cash on hand)

Cash flow summary

Cash flow (\$m)



1. 98% relates to acquisitions in prior periods made on capital efficient terms, 74% of which were prior to CY 2018
2. Excludes land acquisitions

	1H19	1H18
Operating CF before land acquisitions	\$186m	\$570m
INCLUDES RESIDENTIAL CASH FLOWS AS FOLLOWS²		
Sales and other Revenue	\$660m	\$873m
Current Year Stage costs	(\$122m)	(\$184m)
Future Stage and infrastructure costs	(\$380m)	(\$234m)
SG&A and other costs	(\$93m)	(\$83m)
Total	\$65m	\$372m

Cost Management

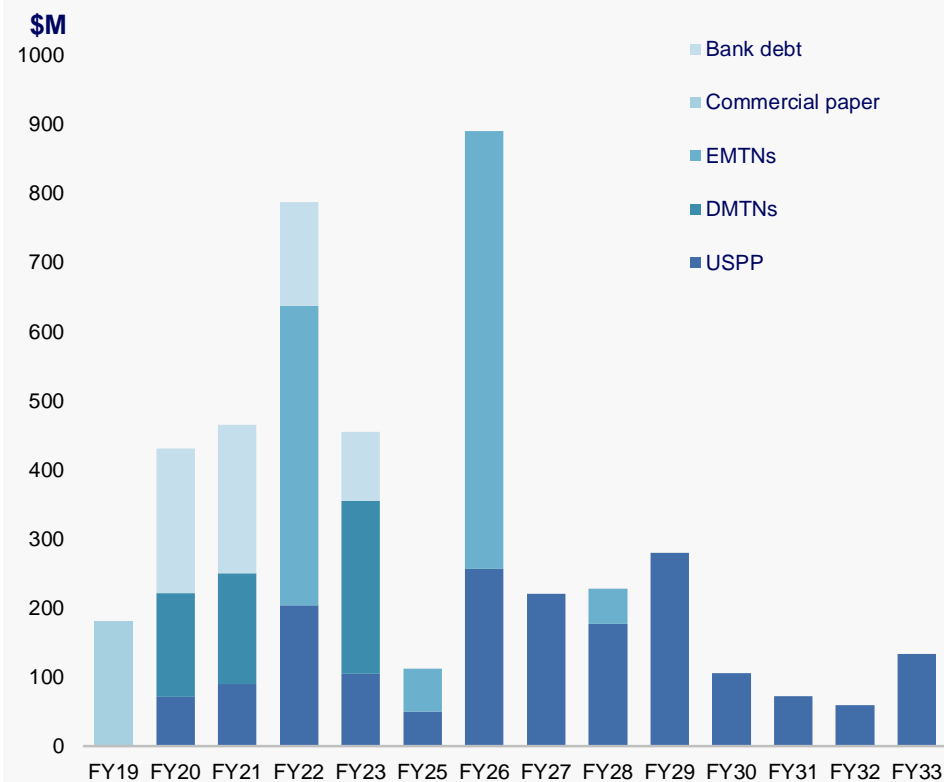
	1H19 (\$M)	1H18(\$M)
Residential	92	84
Retirement Living	18	19
Commercial Property	9	8
Unallocated corporate overheads	32	30
Total sales, general and administration costs¹	151	141

- **Diligent approach** to managing cost remains embedded across the Group
- **Residential increase** driven primarily by the timing of direct project costs
- **Increase** in unallocated corporate costs due to investment in new technology and innovation

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

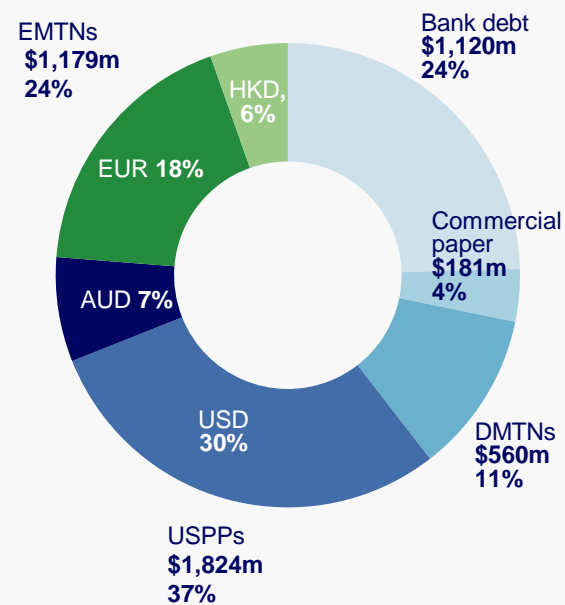
Long dated, diverse debt

Long-dated drawn debt maturity profile (WADM 5.3 years)¹

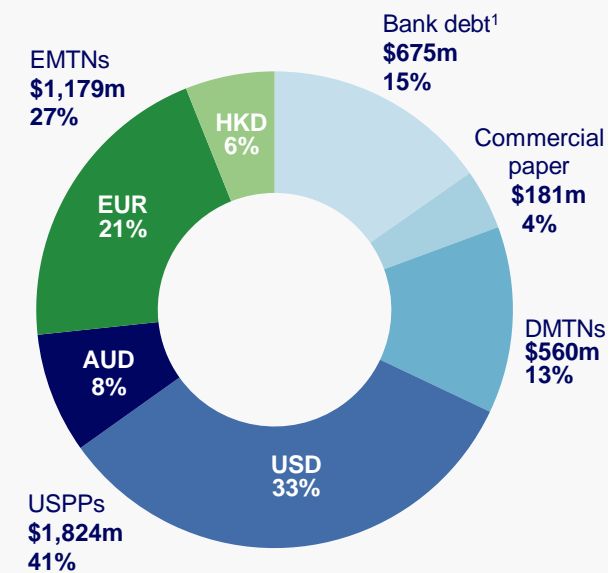


1. Excludes bank guarantees of \$0.4b

Committed facilities of \$5.0bn



Drawn Debt of \$4.4bn



Cost of debt and hedge profile

Cost of debt for 1H19

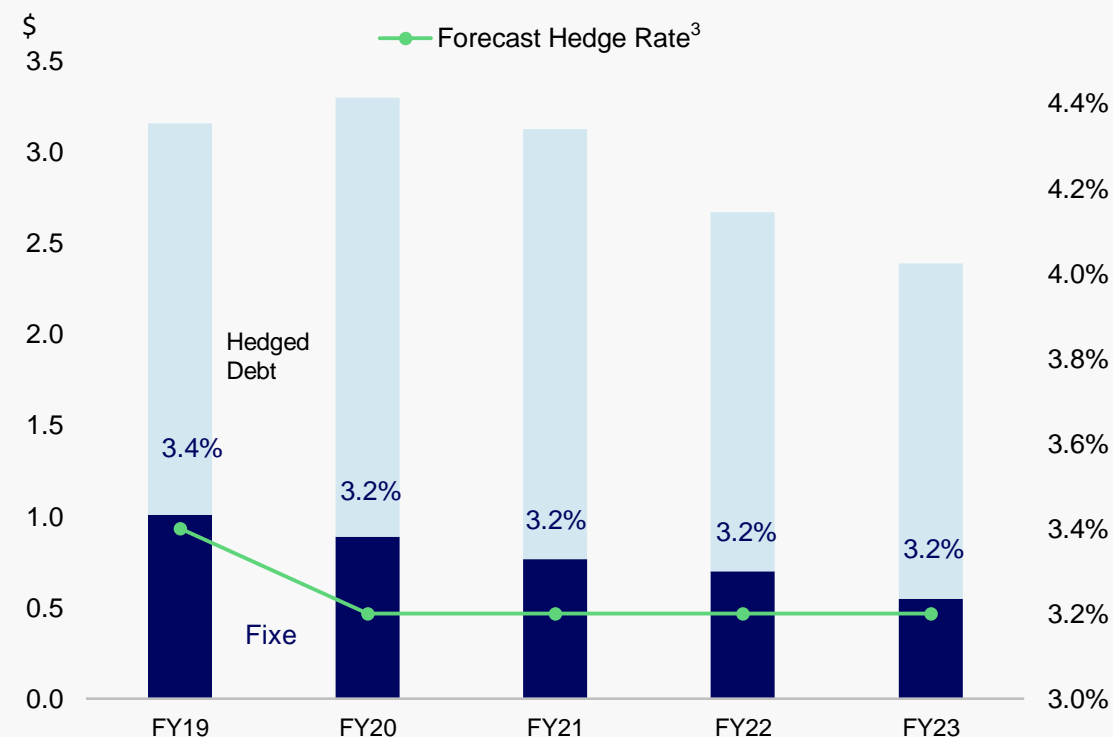
	DEBT (\$M) ¹	TOTAL DEBT (%) ²	INTEREST RATE (%)
Hedged debt	3,340	75%	3.4%
Floating debt	1,079	25%	1.9%
Total debt	4,419		3.0%
Margin			1.2%
Fees			0.2%
All-in cost of funds for 1H19			4.4%



WACD expected to be **~4.5%** in FY19

1. Face value as at 31 Dec 2018
2. Average % for 1H19
3. Excludes fees and margins

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



Debt summary

FACILITY	FACILITY LIMIT (\$M) ¹	AMOUNT DRAWN (\$M) ^{1,2}
Bank Debt	1,220	675
Commercial Paper	181	181
Domestic Medium Term Notes	560	560
USPP	1,824	1,824
Euro Medium Term Notes	1,179	1,179
Total Debt	4,964	4,419

FACILITY - BANK DEBT	FACILITY LIMIT (\$M) ¹	AMOUNT DRAWN (\$M) ^{1,2}	FACILITY MATURITY
- Multi option facility - Australia	300	-	Jun 2019
- Multi option facility - Australia	100	100	Jul 2019
- Multi option facility - Australia	120	10	Aug 2019
- Multi option facility - Australia	100	-	Dec 2019
- Multi option facility - Australia	100	100	Dec 2019
- Multi option facility - Australia	175	140	Jan 2021
- Multi option facility - Australia	75	75	Jan 2021
- Multi option facility - Australia	50	50	Feb 2022
- Multi option facility - Australia	100	100	Feb 2022
- Multi option facility - Australia	100	100	Nov 2022
Total Bank Debt	1,220	675	

1. Facility limit excludes bank guarantees of \$410m of which \$387m was utilised as at 31 Dec 2018
2. Amount excludes borrowing costs and fair value adjustments, but includes transaction costs

Debt Capital Markets

- A\$269m USPP matured in October 18

Bank Debt

- A new multi option facility was entered in December 18 for A\$300m for 6 months
- A number of facilities were extended for a further 12 months in line with Treasury Policy
- Sufficient liquidity to manage maturities and investment requirements continues to be maintained

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	
EURO 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
- European MTN	478	Apr 2026
- Asia MTN	51	May 2028
Total Offshore	1,179	

FACILITY	ISSUED DEBT (\$M) ¹	FACILITY MATURITY
- 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	47	Jan 2028
- USPP	139	Aug 2028
- USPP	141	Feb 2029
- USPP	106	Jan 2030
- USPP	72	Aug 2030
- USPP	59	Aug 2031
- USPP	133	Jan 2033
Total USPP	1,824	

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

Covenant calculations as at 31 December 2018

Going forward the TL/TTA covenant has been replaced with Financial Indebtedness/TTA and the limit increased to 50%

AS AT 30 JUNE 2018	STATUTORY BALANCE SHEET (\$M)	ADJUSTMENTS (\$M)	GEARING COVENANT BALANCE SHEET (\$M)
ASSETS			
Cash	178	-	178
Real estate related assets	15,758	-	15,758
Retirement Living Gross-Up	2,732	(2,732)	-
Intangibles	192	(192)	-
Other financial assets	407	(389)	18
Other assets	267	-	267
Total assets	19,534	(3,313)	16,221
LIABILITIES			
Interest-bearing liabilities	(4,692)	278	(4,414)
Retirement Living resident obligations	(2,745)	2,732	(13)
Other financial liabilities	(103)	103	-
Other liabilities	(1,731)	-	(1,731)
Total liabilities	(9,271)	3,113	(6,158)
Net assets	10,263	(200)	10,063

As at 31 December, gearing covenants limited to Stockland's balance sheet liabilities and excludes:

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

FACILITY	INTEREST COVER ¹	TL/TTA	D/TTA (NET OF CASH) ²
31 Dec 2018	4.6:1	38.0%	26.4%
31 Dec 2017	5.1:1	35.3%	23.0%
31 Dec 2016	4.8:1	32.9%	23.9%

Going forward Stockland's gearing covenants will be:

- **Financial Indebtedness / Total Tangible Assets (FI/TTA):**
less than 50%, no adjustment made for cash held
- **Interest cover: more than 2:1** (write-downs and provisions are excluded from calculation)

1. Rolling 12 month average

2. Debt = Interest bearing debt (\$4,414m) + transaction costs (\$7m) – Cash \$178m. TTA = Total tangible assets \$16,221m – Cash \$178m

Balance sheet summary

	31 DECEMBER 2018 (\$M)	30 JUNE 2018 (\$M)
Cash	178	333
REAL ESTATE RELATED ASSETS		
- Commercial Property	10,621	10,562
- Residential	3,606	3,432
- Retirement Living	1,495	1,443
- Other	36	37
Retirement Living Gross-Up	2,732	2,724
Intangible assets	192	194
Other financial assets	407	294
Other assets	267	272
Total assets	19,534	19,291
Interest-bearing liabilities	4,692	3,938
Retirement Living resident obligations ¹	2,745	2,741
Other financial liabilities	103	196
Other liabilities	1,731	2,040
Total liabilities	9,271	8,915
Net assets	10,263	10,376
NTA per share	\$4.19	\$4.18

1. This amount comprises \$2,732m of existing resident obligations (30 June 2018: \$2,724m), being a balance sheet gross-up and \$13m of former resident obligations (30 June 2018: \$17m)

Stockland corporation income tax reconciliation

	1H19	1H18
	STATUTORY PROFIT (\$M)	STATUTORY PROFIT (\$M)
Net profit before tax	318	610
Less: Trust profit and Intergroup eliminations	(271)	(395)
Corporation profit/(loss) before tax	B 47	215
Prima facie tax expense @ 30%	(14)	(65)
Tax effect of permanent differences:		
Underprovided in prior years	-	-
Other non – deductible expenses	(4)	-
Tax losses recognised during the period ¹	-	139
Tax Expense(benefit)	A (18)	74
Effective tax rate (A / B)	38%	(34%)
Effective tax rate (excluding benefit from tax losses recognised)	38%	30%

1. In the prior period, \$139m was recognised as a DTA on the balance sheet relating to unused tax losses from previous financial years

Commercial Property

Annexure



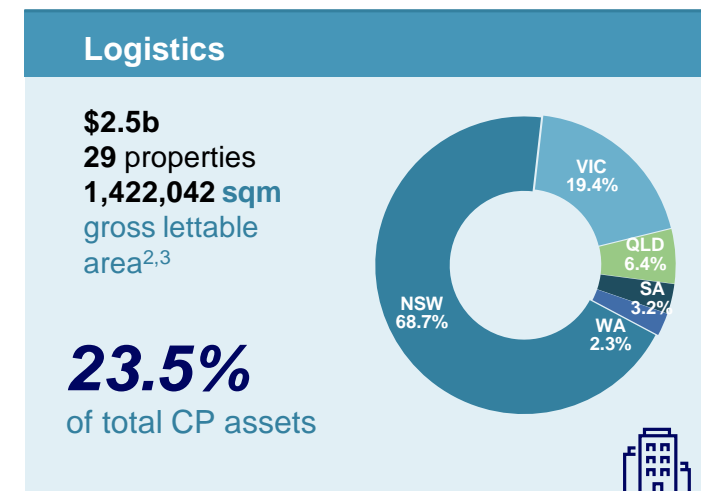
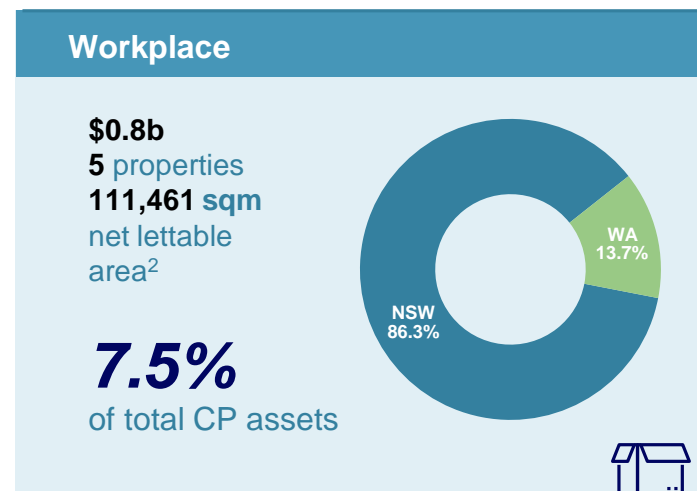
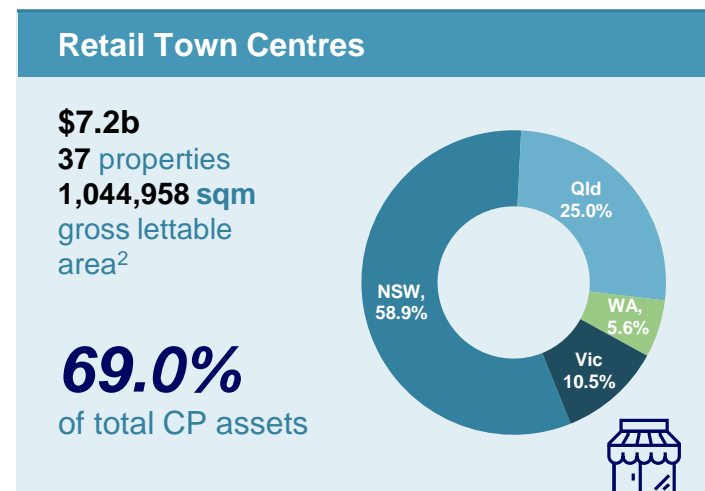
Stockland

STOCKLAND BIRTINYA, QLD

Commercial Property

Portfolio weightings and valuation movements

Commercial Property assets: \$10.5b¹



	WACR DEC18	WACR DEC17	BOOK VALUE UNDER OWNERSHIP (\$M)	1H19 REVALUATION MOVEMENT (\$M)	GROSS BOOK VALUE ⁶ (\$M)
Retail Town Centres	5.9%	5.9%	7,228	(176)	7,688
Workplace	5.9%	6.3%	786	58	1,301
Logistics	6.4%	6.9%	2,469	142	2,689
Capital works and sundry properties ⁴	-	-	162	3	162
Total	6.0%	6.1%	10,645⁵	27⁵	11,840

1. 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 work
5. Excluding stapling adjustment of \$5m related to owner occupied space
6. Represents all assets that we have ownership in, at 100%

Commercial Property

Funds from operations

	RETAIL		WORKPLACE		LOGISTICS		TRADING PROFIT		NET OVERHEAD COSTS		TOTAL	
\$M	1H19	1H18	1H19	1H18	1H19	1H18	1H19	1H18	1H19	1H18	1H19	1H18
Operating EBIT	197	190	18	19	71	66	-	1	(9)	(8)	277	268
Adjust for:												
Amortisation of fit out incentives and lease fees	23	20	3	4	3	3	-	-	-	-	29	27
Amortisation of rent-free incentives	-	-	3	3	7	6	-	-	-	-	10	9
Straight-line rent	(2)	(1)	-	-	-	(1)	-	-	-	-	(2)	(2)
Funds from operations	218	209	24	26	81	74	-	1	(9)	(8)	314	302


Commercial Property Portfolio

Trend in cap rates over time



Retail Town Centres

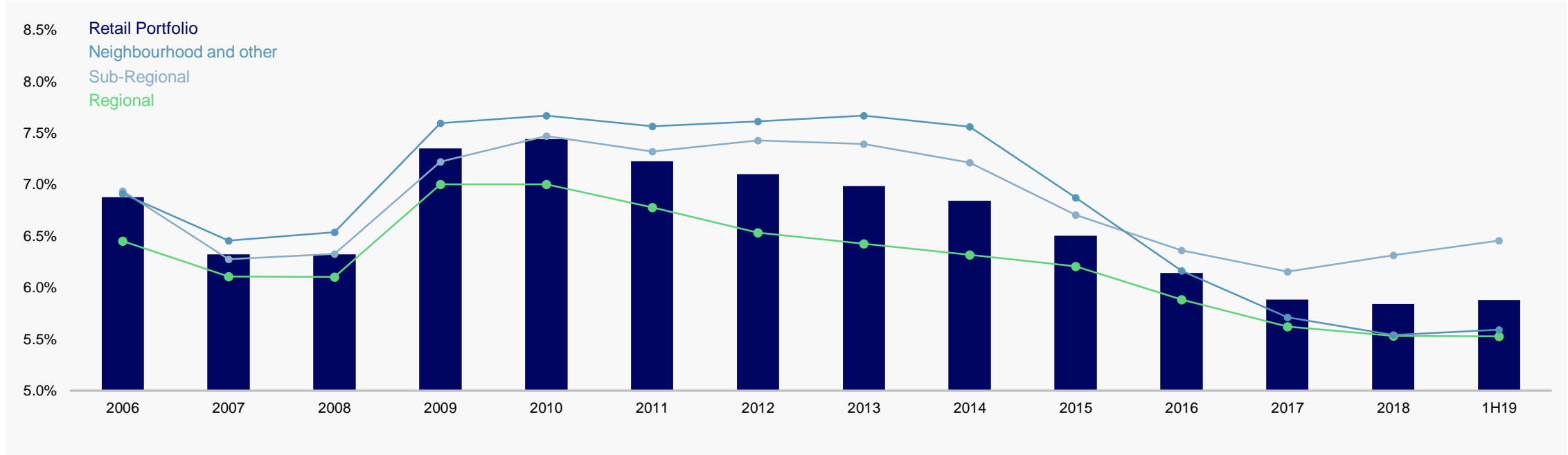
Portfolio capitalisation rates



AS AT 30 JUN 2006		% Allocation
Regional		14%
Sub-Regional		78%
Neighbourhood and Other		8%



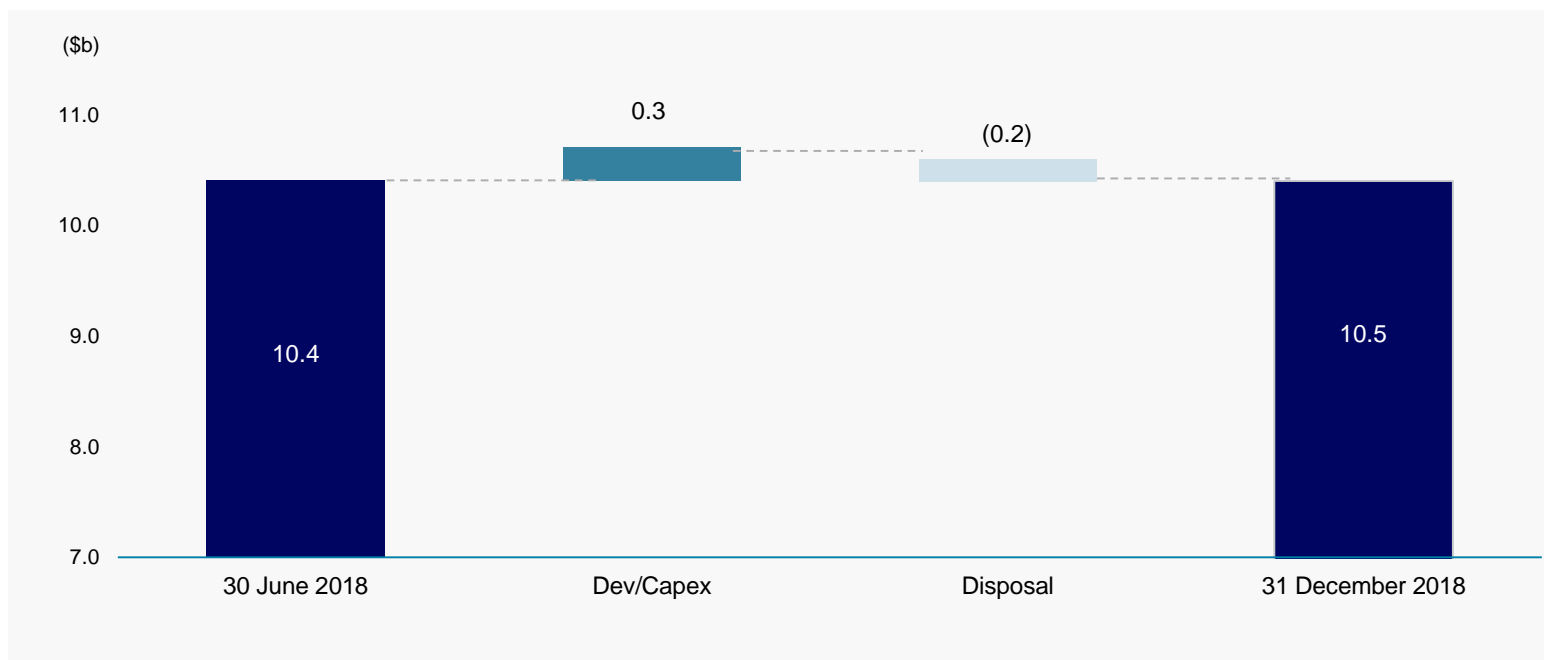
AS AT 31 DEC 2018		% Allocation
Regional		56%
Sub-Regional		36%
Neighbourhood and Other		8%



Commercial Property

Revaluation and book value

Commercial Property book values: \$10.5b¹



NET REVALUATION BREAKDOWN	RETAIL (\$M)	WORKPLACE (\$M)	LOGISTICS (\$M)	TOTAL(\$M)
Total net revaluations ²	(173)	58	142	27

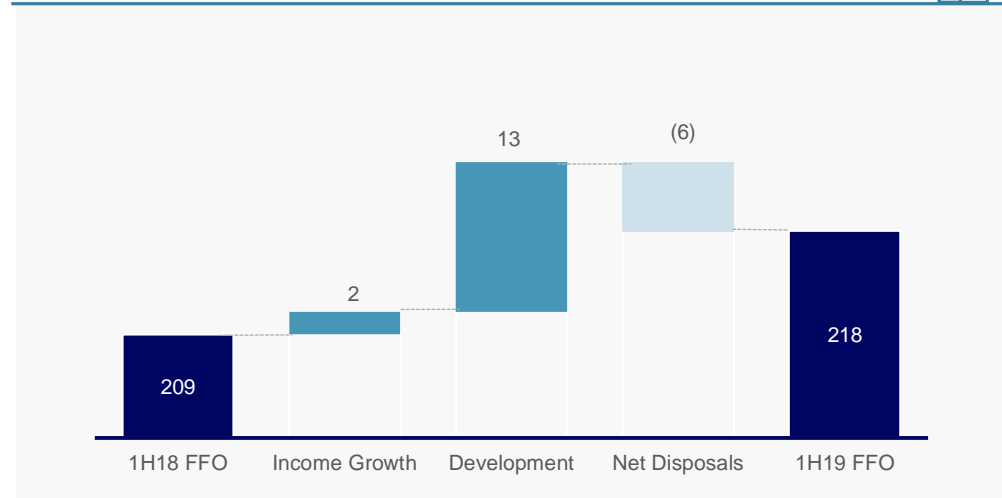
1. Includes joint venture and associate investment properties. Excludes capital works in progress and sundry properties

2. Excluding stapling adjustments of \$5m related to owner occupied space

Retail Town Centres

Performance

Retail FFO movements between 1H18 and 1H19 (\$M)



Leasing activity



	NO. OF DEALS	AREA (SQM)	RENTAL GROWTH
Lease renewals	142	20,467	0.2%
New leases	111	12,207	(2.6%)
Total portfolio	253	32,674	(1.0%)

1. Stable portfolio. 1H19 basket different to 1H18 basket
2. Adjusted for operational centre remixes and reconfiguration as well as retailers subject to administration

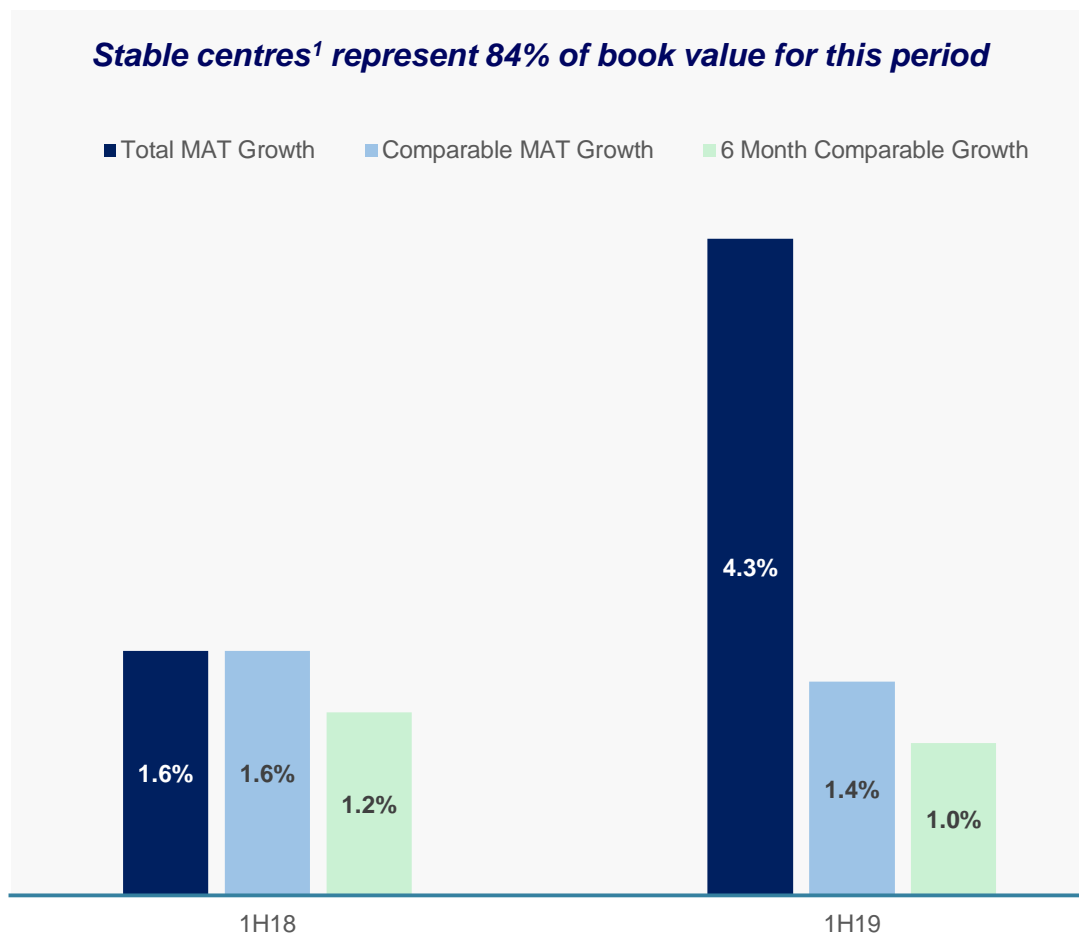
KEY METRICS (STABLE PORTFOLIO)	1H19	1H18
Occupancy	99.4%	99.5%
Specialty occupancy costs ¹	15.0%	15.4%
- Regional	16.2%	17.1%
- Sub-regional	13.9%	14.0%
- Neighbourhood centres	15.0%	15.1%
- Fixed annual increases	98%	97%
- CPI+	2%	3%
Tenant retention ²	63%	65%
Weighted average lease expiry ³	6.1 years	6.6 years
Options WALE ⁴	10.7 years	12.0 years

95%
on fixed
4-5%
increases
per annum

3. Assumes all leases terminate at earlier of expiry / option date
4. If all call options are exercised on Majors' leases

Retail Town Centres

Sales growth for stable basket centres

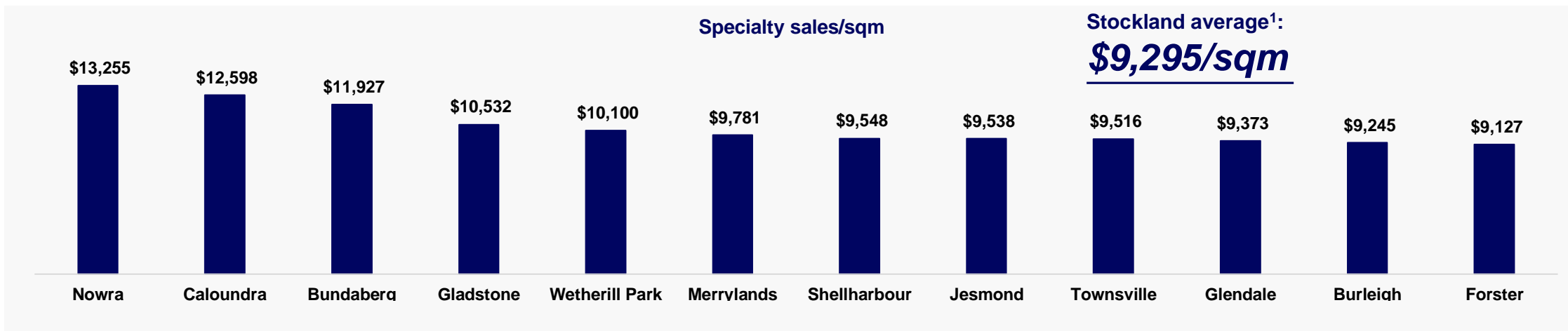


	TOTAL MAT (\$M)	SGP TOTAL MAT GROWTH	12 MONTH COMPARABLE CENTRES GROWTH	6 MONTH COMPARABLE CENTRES GROWTH
Supermarkets	2,480	1.9%	0.7%	1.0%
Department / DDS	902	3.7%	1.4%	0.8%
Specialties	2,073	7.6%	1.3%	1.0%
Mini Majors	703	6.8%	1.1%	(0.5%)
Other/Cinema	573	2.2%	5.2%	3.8%
Total	6,731	4.3%	1.4%	1.0%

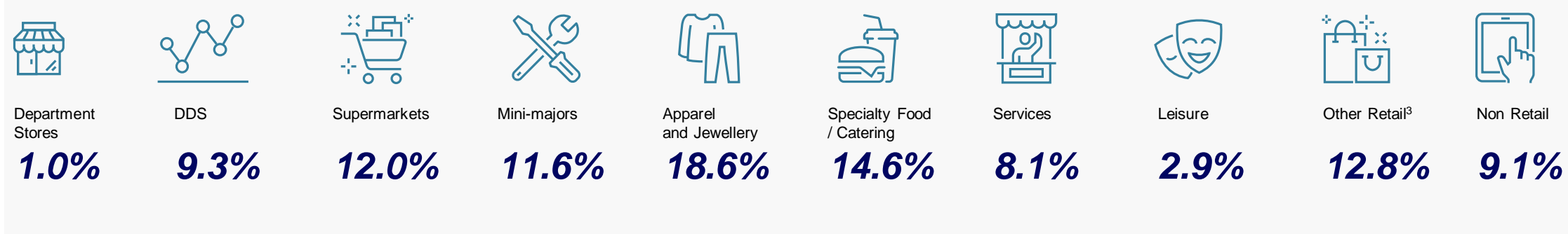
1. Stable basket of assets as per SCCA guidelines, which excludes centres which have been redeveloped within the past 24 months such as Green Hills. 1H19 basket is different to 1H18 basket

Strong sales performance and diversified rental income

Locations



Diversified rental income, non-discretionary focus² - Low reliance on DDS and department store income



1. Stable centres basket specialty MAT PSM

2. Total gross rent for the period

3. Cinemas, general retail, homewares, mobile phones, other, Bunnings included

Retail Town Centres

Significant development pipeline driving growth and returns



1. Unlevered 10 year IRR on incremental development from completion

Retail Town Centres

Development pipeline

	EST. TOTAL INCREMENTAL COST (\$M)	COST SPENT TO DATE (\$M)	EST. COST TO COMPLETE (\$M)	EST. COMPLETION DATE	EST. FULLY LEASED YEAR ONE YIELD ¹	TOTAL INCOME LEASED	SPECIALTY INCOME LEASED ²	EST. INCREMENTAL RETURN ³ (%)	EST. TOTAL RETURN ⁴ (%)
UNDER CONSTRUCTION									
Birtinya (Qld)	~87	76	11	FY19	~5.5% - 6.5%	83%	79%	~6% - 7%	~6% - 7%
Baringa (Qld)	~33	11	22	FY20	~6.5% - 7.5%	34%	19%	~8% - 9%	~8% - 9%
Future Pipeline	~260		~260						
Total	~380		~293						

1. Stabilised incremental FFO yield, includes property management fees to Stockland Corporation

2. All specialty income including shops, kiosks, ATMs, office units 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

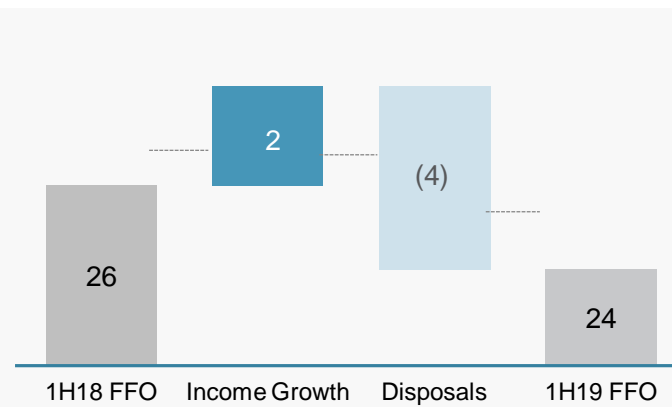
Workplace

Performance

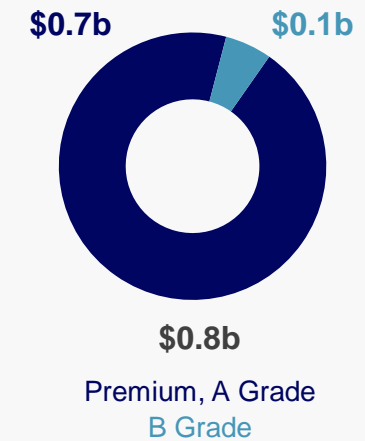
Occupancy and lease expiry – by income

	1H19	1H18
Occupancy	95.5%	91.1%
WALE	3.8 yrs	3.3 yrs

FFO movements between 1H18 and 1H19 (\$M)



Workplace assets by book value



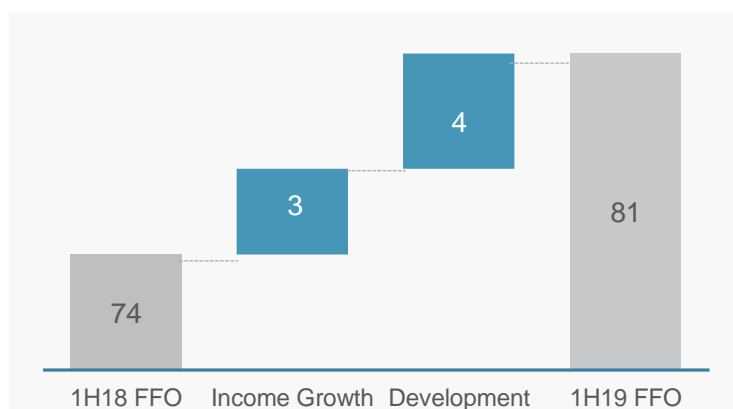
Logistics

Performance

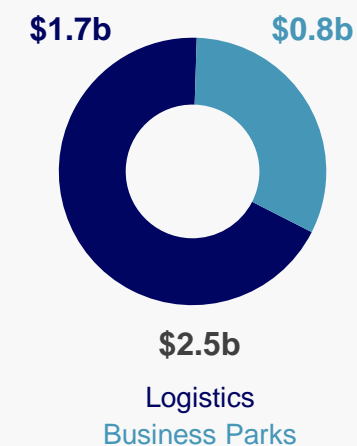
Occupancy and lease expiry – by income

	1H19	1H18
Occupancy	98%	98.8%
WALE	5.2 yrs	4.2 yrs

FFO movements between 1H18 and 1H19 (\$M)



Logistics assets by book value



Leasing metrics

TOTAL LEASED ¹				RETENTION ¹ - 79 % ²			NEW LEASES ¹		
LOGISTICS	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
Total	321,142	1.1%	9.2%	215,533	0.7%	6.2%	105,609	1.8%	16.5%

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

Workplace and Logistics

Growing & activating the development pipeline

	COMPLETED	ACTIVE DEVELOPMENT	PLANNING UNDERWAY	FUTURE WAVE	
NSW	<div>Yennora (Bldg 3 & 11)</div> <div>Ingleburn (Stage 2)</div>		<div>M - Park Stage 1</div>	<div>Ingleburn (Stage 3)</div> <div>Yennora (Bldg 1 & 2)</div> <div>M - Park Stage 2-4</div>	
VIC		<div>KeyWest (Truganina)</div>	<div>Melbourne Business Park</div>	<div>Altona Industrial Estate</div> <div>Brooklyn (A & C)</div>	
QLD	<div>Willawong Stage 1¹</div>	<div>Yatala</div>	<div>Willawong Stage 2-5¹</div> <div>Oceanside</div>		<div>DA APPROVALS SUBMITTED</div> <div>M - Park (Stage 1) and masterplan</div>
SA				<div>Port Adelaide DC</div>	Development type
WA					<div>Greenfield</div> <div>Brownfield</div>

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

Workplace and Logistics

Development pipeline

	DEVELOPMENT TYPE	EST. TOTAL INCREMENTAL COST (\$M)	GROSS LETTABLE AREA (SQM)	COST SPENT TO DATE (\$M)	EST. COST TO COMPLETE (\$M)	EST. COMPLETION DATE	EST. FULLY LEASED YEAR ONE YIELD ²	EST. RETURN ³	EST. TOTAL RETURN ⁴
COMPLETED¹									
Yennora (Blg 3 & 11) (NSW)	Brownfield	~26	22,600	22	~4	FY19	7.8%	~13% - 14%	~11 %- 12%
Ingleburn Stage 2 (NSW)	Greenfield	~50	36,850	44	~6	FY19	7.7%	~10% - 11%	~10% - 11%
Willawong Distribution Centre (Qld)	Greenfield	~23	18,400	19	~4	FY19	8.0%	~10% - 11%	~10% - 11%
		~99	77,850		14				
UNDER CONSTRUCTION									
Truganina (Vic)	Greenfield	~36	30,400	11	25	FY19	6.7%	~8% - 9%	~8% - 9%
Yatala Stage 1 (Qld)	Greenfield	~20	14,100	3	17	FY20	7.0%	~9% - 10%	~9% - 10%
FUTURE PIPELINE		~740			~740		7%+	9%+	
Total		~895			~796				

1. Indicative metrics on completion

2. Stabilised incremental FFO yield, includes property management fees

3. Forecast unlevered 10 year IRR on development from completion (incremental development for brownfield)

4. Forecast unlevered 10 year IRR for existing assets and development from completion (incremental development for brownfield)

Retail Town Centres

Asset values

RETAIL PORTFOLIO	BOOK VALUE (\$M)	1H19 VAL.INCR/ (DECR) (\$M) ¹	CHANGE	CAP RATE	1H19 FFO (\$M)
Stockland Green Hills ²	841.0	12.3	1.5%	5.25%	22.9
Stockland Shellharbour	757.9	(21.5)	(2.8%)	5.50%	22.0
Stockland Wetherill Park	755.0	(17.7)	(2.3%)	5.25%	19.1
Stockland Merrylands	580.2	-	-	5.50%	16.8
Stockland Rockhampton ²	376.0	(9.8)	(2.5%)	6.00%	11.3
Stockland Glendale ²	343.4	-	-	5.75%	10.5
Stockland Point Cook	243.0	(16.7)	(6.4%)	6.25%	7.4
Stockland Burleigh Heads ²	198.3	-	-	6.50%	6.1
Stockland Baldivis ²	196.0	(11.6)	(5.6%)	6.25%	5.8
Stockland Cairns	195.0	-	-	6.50%	6.2
Stockland Hervey Bay	193.7	-	-	6.50%	5.6
Stockland Townsville (50%) ²	185.5	(6.4)	(3.3%)	5.75%-6.50%	5.2
Stockland The Pines	180.1	(2.9)	(1.6%)	6.25%	5.9
Stockland Wendouree ²	180.0	(9.9)	(5.2%)	6.50%	6.1
Stockland Forster	172.2	-	-	6.25%	5.7
Stockland Balgowlah	170.3	-	-	5.50%	5.0
Stockland Baulkham Hills	161.0	-	-	6.00%	5.3
Stockland Bundaberg	151.5	-	-	6.50%	4.8
Stockland Gladstone ²	138.1	-	-	6.75%	5.1
Stockland Caloundra ³	132.2	(15.1)	(10.2%)	5.75%-6.25%	4.3
Stockland Jesmond	130.0	(11.2)	(7.9%)	7.25%	5.0
Stockland Nowra	124.7	(5.7)	(4.4%)	6.25%	3.7
Stockland Cleveland	105.0	(15.2)	(12.6%)	6.25%	3.2

RETAIL PORTFOLIO	BOOK VALUE (\$M)	1H19 VAL.INCR/ (DECR) (\$M) ¹	CHANGE	CAP RATE	1H19 FFO (\$M)
Stockland Traralgon	95.0	(13.2)	(12.2%)	7.00%	4.2
Stockland Bull Creek ²	92.0	(7.3)	(7.3%)	6.75%	3.2
Glasshouse (50%)	85.8	3.1	3.8%	4.00%	1.7
Stockland Tooronga	62.3	-	-	6.00%	2.0
Stockland Riverton (50%)	61.5	(4.7)	(7.1%)	6.50%	2.4
Stockland Harrisdale	57.6	0.3	0.5%	6.50%	1.8
Stockland Birtinya ²	56.1	(12.4)	(18.1%)	n/a	0.2
Shellharbour Retail Park ²	56.1	-	-	7.00%	1.5
Stockland Cammeray	43.0	(6.4)	(13.0%)	6.25%	1.3
Stockland Piccadilly (50%)	39.0	0.2	0.5%	5.25%	1.3
Stockland Kensington	25.8	(4.5)	(15.0%)	7.00%	0.9
Burleigh Central	21.2	-	-	7.00%	0.7
North Shore Townsville	20.1	-	-	6.50%	0.6
T/ville, Kingsvale & Sunvale (50%)	2.5	-	(0.8%)	n/a	(0.1)
Subtotal Retail	7,228.1	(176.3)			214.7
Disposals	-	-	-	-	3.2
Other ⁴	-	3.3	100.0%	-	0.5
Total Retail	7,228.1	(173.0)		WACR 5.9%	218.4

1. Movements due to independent valuations, except Birtinya which is due to Director's valuation
2. Properties impacted by development or still in stabilisation mode

3. Includes asset held for sale (Caloundra South, settling in 2H19). Cap rate not included in Retail WACR
4. Mainly relates to sundry properties

Workplace and Logistics

Asset values

WORKPLACE PORTFOLIO	BOOK VALUE (\$M)	1H19 VAL.INCR/ (DECR) (\$M) ¹	CHANGE	CAP RATE	1H19 FFO (\$M)
Piccadilly Complex (50%) ²	287.5	20.3	7.6%	5.63-6.00%	7.6
135 King Street (50%)	227.5	15.4	7.3%	5.00%	5.2
Durack Centre	107.3	-	-	8.00%	4.9
601 Pacific Highway	119.0	14.5	13.9%	6.00%	4.0
110 Walker Street	44.6	7.9	21.5%	5.75%	1.2
Subtotal Workplace	785.9	58.1			22.9
Disposals	-	-			1.1
Total Workplace	785.9	58.1		WACR 5.9%	24.1

LOGISTICS PORTFOLIO	BOOK VALUE (\$M)	1H19 VAL.INCR/ (DECR) (\$M) ¹	CHANGE	CAP RATE	1H19 FFO (\$M)
Yennora Distribution Centre	458.0	28.0	6.5%	6.25%	14.3
Optus Centre, Macquarie Park (51%)	229.2	-	-	6.50%	8.1
Trinity Business Park, North Ryde	212.4	15.5	7.9%	6.13%	6.7
Ingleburn Logistics Park	183.7	44.2	31.7%	5.75%	3.5
60-66 Waterloo Road, Macquarie Park	117.0	10.6	9.9%	6.00-6.37%	3.8
Brooklyn Distribution Centre	110.0	4.2	4.0%	6.50%	4.0
Hendra Distribution Centre, Brisbane	107.5	9.1	9.2%	6.75%	3.7
Coopers Paddock, Warwick Farm	101.5	6.4	6.7%	5.50%	2.8
Mulgrave Corporate Park	93.0	(2.4)	(2.5%)	7.00%	3.3
Port Adelaide Distribution Centre	80.0	(5.1)	(6.0%)	9.50%	5.0
Forrester Distribution Centre, St Marys	76.0	(5.2)	(6.4%)	7.00%	3.4
Granville Industrial Estate	73.0	5.2	7.7%	6.25-6.75%	2.5
Oakleigh Industrial Estate, Oakleigh South	68.0	6.3	10.1%	5.75%	2.0
Somerton Distribution Centre, Somerton	61.9	-	-	6.75-7.25%	2.1
Macquarie Technology Park, Macquarie Park	58.8	-	-	6.63-7.50%	2.0
Altona Distribution Centre	56.3	1.2	2.1%	6.25-6.50%	2.1
Balcatta Distribution Centre	56.0	1.0	1.8%	6.75%	1.7
16 Giffnock Avenue, Macquarie Park	54.4	-	-	6.75%	2.0
Altona Industrial Estate	47.0	10.2	27.8%	6.25%	1.6
23 Wonderland Drive, Eastern Creek	42.0	-	-	6.25%	1.5
Willawong Distribution Centre	37.7	3.5	10.4%	6.75%	-
72-76 Cherry Lane, Laverton North	33.6	1.9	6.1%	6.25%	1.2
Wetherill Park Distribution Centre	33.0	3.2	10.7%	6.25%	1.0
Smeg Distribution Centre, Botany	32.0	3.5	12.3%	5.00%	0.8
89 Quarry Road, Erskine Park	24.7	0.5	1.8%	5.75%	0.7
40 Scanlon Drive, Epping	9.6	-	-	7.00%	0.4
Export Distribution Centre, Brisbane Airport	6.6	-	-	11.20%	0.3
M1 Yatala Distribution Centre	5.8	-	-	N/A	-
Total Logistics	2,468.7	141.8		WACR 6.4%	80.5

1. Movements due to independent valuations
2. Piccadilly Complex includes Piccadilly Tower and Court

Top 20 tenants by income

RETAIL PORTFOLIO			WORKPLACE PORTFOLIO		LOGISTICS PORTFOLIO	
RANK	TENANT	% PORTFOLIO	TENANT	% PORTFOLIO	TENANT	% PORTFOLIO
1	Woolworths Limited	9.9%	Jacobs Group	9.8%	Optus Administration Pty Ltd	9.5%
2	Wesfarmers Ltd	5.7%	IBM Australia Ltd	9.6%	Toll Holdings Ltd	6.4%
3	Coles Group Ltd	5.3%	Stockland Development Pty Ltd	8.6%	ACI Operations Pty Ltd	6.4%
4	Priceline Pty Limited	1.4%	Brookfield Multiplex Ltd	4.4%	Qube Holdings Ltd (Qube Logistics)	4.1%
5	Just Group Limited	1.4%	Australian Bureau of Statistics	3.8%	Kmart Australia Ltd	3.7%
6	Commonwealth Bank of Australia	1.3%	Russell Investments Group Pty Ltd	2.7%	Downer Ltd	3.2%
7	H&M Hennes & Mauritz Pty Ltd	1.3%	University of Sydney	2.6%	AWH (Australian Wool Handlers) Pty Ltd	2.7%
8	Prouds Jewellers Pty Ltd	1.3%	DXC Technology Australia Pty Ltd	2.6%	Autocare	2.4%
9	The Reject Shop Limited	1.3%	GHD Services Pty Ltd	2.5%	Daikin Australia Pty Ltd	2.2%
10	Westpac Banking Corporation	1.2%	The Uniting Church of Australia Property Trust	2.4%	Austpac Logistics Pty Ltd	2.2%
11	Noni B Group	1.1%	Fleet Partners Pty Ltd	2.4%	Brownes Food Operations Pty Ltd	2.1%
12	Best & Less Pty Ltd	1.0%	Smartgroup Benefits Pty Ltd	2.3%	New Aim Pty Ltd	2.0%
13	Cotton On Clothing Pty Ltd	0.9%	Optus Administration Pty Ltd	2.0%	CSR Ltd	1.8%
14	ANZ Banking Group Ltd	0.8%	Minister for Works (Main Roads)	2.0%	Idameneo Ltd (Lavery Pathology)	1.7%
15	Pretty Girl Fashion Group Pty Ltd	0.8%	Linkforce Hire Pty Ltd	1.8%	Icehouse Logistics Pty Ltd	1.7%
16	Luxottica Retail Australia Pty Ltd	0.8%	Rice Daubney (HDR)	1.7%	Automotive Holdings Group Ltd	1.6%
17	Myer Pty Ltd	0.8%	Moore Stephens Sydney Pty Ltd	1.7%	Chubb Security Holdings Australia Pty Ltd	1.5%
18	ALDI Foods Pty Limited	0.7%	Boulay Pty Limited	1.5%	Boral Construction Materials Ltd	1.5%
19	National Australia Bank Limited	0.7%	M&D Services Pty Ltd	1.5%	Silk Contract Logistics Pty Ltd	1.5%
20	JB HI-FI Group Pty Ltd	0.7%	Ray White	1.1%	Citrix Systems Asia Pacific Pty Ltd	1.4%
		38.5%			67.1%	60.9%

Commercial Property disposals

PROPERTY DISPOSED	ASSET CLASS	TYPE	SETTLEMENT DATE	DISPOSAL VALUE ¹ (\$M)
Stockland Highlands, Vic	Retail	Income Producing	Jul 2018	47.3
40 Cameron Ave, Belconnen, ACT	Workplace	Income Producing	Jul 2018	23.9
Stockland Bathurst, NSW	Retail	Income Producing	Dec 2018	113.1 Combined proceeds
Caloundra South, Qld	Retail	Income Producing	Jan 2019	
Total Asset Disposals				

1. Excludes associated disposal costs

Communities

Annexure



Residential development pipeline

Major active projects

					ANTICIPATED SETTLEMENTS				
STATE	PROJECT	STATE PERCENTAGE	APPROXIMATE LOT SALES PER ANNUM ¹	APPROX. REMAINING PROJECT LOTS ²	FY19	FY20	FY21	FY22	FY23+
Qld	Aura		560	18,310 [#]					
	North Shore		60	3,590					
	Newport		260	1,290 [#]					
	All Other Projects			8,950 [#]					
	Sub-total	39.5%		32,140					
Vic	Cloverton		360	10,500					
	Highlands		700	4,450 [#]					
	Mt Atkinson		270	4,290					
	Minta Farm ²		250	1,750					
	Grandview ²		200	1,640					
	All Other Projects			3,560 [#]					
	Sub-total	32.2%		26,190					
WA	Sienna Wood		140	3,000					
	Amberton		120	1,540					
	Vale		270	1,000 [#]					
	Calleya		240	780 [#]					
	All Other Projects			6,400 [#]					
	Sub-total	15.7%		12,720					
NSW	Elara		590	2,200 [#]					
	Willowdale		420	1,220 [#]					
	Altrove		100	990 [#]					
	All Other Projects			5,840 [#]					
	Sub-total	12.6%		10,250					
	Total	100.0%		81,300					

Dwellings

1. Average number of lots estimated for three years for FY19 - FY21, numbers are annualised and vary depending on timing and completion of projects
2. Average number of lots estimated for three years for FY20 - FY22, numbers are annualised and vary depending on timing and completion of projects

Residential

Twelve projects with first settlements in the next two years

	PROJECT	TIMING OF FIRST SETTLEMENTS	APPROXIMATE TOTAL LOTS IN PROJECT [#]	APPROXIMATE LIFE OF PROJECTS
ACT	Red Hill	FY20	110	3 yrs
Qld	Bokarina Beach	FY19	300 [#]	7 yrs
	Promenade (Rothwell)	FY19	190	2 yrs
	Kalina (Springview)	FY19	440	5 yrs
	Paradise Waters	FY21	2,080	16 yrs
	Hope Island	FY21	110 [#]	3 yrs
	Caboolture West	FY21	1,400	15 yrs
Vic	Mt Atkinson	FY19	4,290	17 yrs
	Waterlea (Stamford Park)	FY20	190 [#]	3 yrs
	Orion (Braybrook)	FY20	420 [#]	3 yrs
	Minta Farm	FY20	1,750	8 yrs
	Grandview (Truganina)	FY20	1,640	8 yrs
Total lots			12,920	

[#] Includes Dwellings

Projects completing prior to FY21

Residential

	PROJECT	TIMING OF FINAL SETTLEMENTS	APPROXIMATE TOTAL LOTS#	LOTS REMAINING# (AS AT 31 DEC 2018)
NSW	McKeachie's Run	FY20	1,060	120
Qld	Vale	FY19	640	70
	Highland Reserve	FY20	1,160	30
	North Lakes	FY20	4,970#	100
	North Lakes Business Park	FY20	100	10
	Brisbane Casino Towers	FY20	380	50
	Augustine Heights	FY20	1,050	70
	Brightwater	FY20	1,675#	40
	Promenade (Rothwell)	FY20	190	190
Vic	Mernda Villages	FY20	2,990	90
WA	Newhaven	FY20	2,660	90

Includes dwellings

Price per Sqm

Residential retail sales price¹

STATE	1H19 SETTLEMENTS				1H18 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	302	380	429	1,130	642	423	368	871
Qld	510	386	266	689	953	398	261	655
Vic	720	410	287	699	892	381	231	605
WA	342	344	220	639	522	331	225	680
Total Residential Communities	1,874	387	292	755	3,009	387	269	695
Total Town Homes	222	N/M	590	N/M	150	N/M	610	N/M

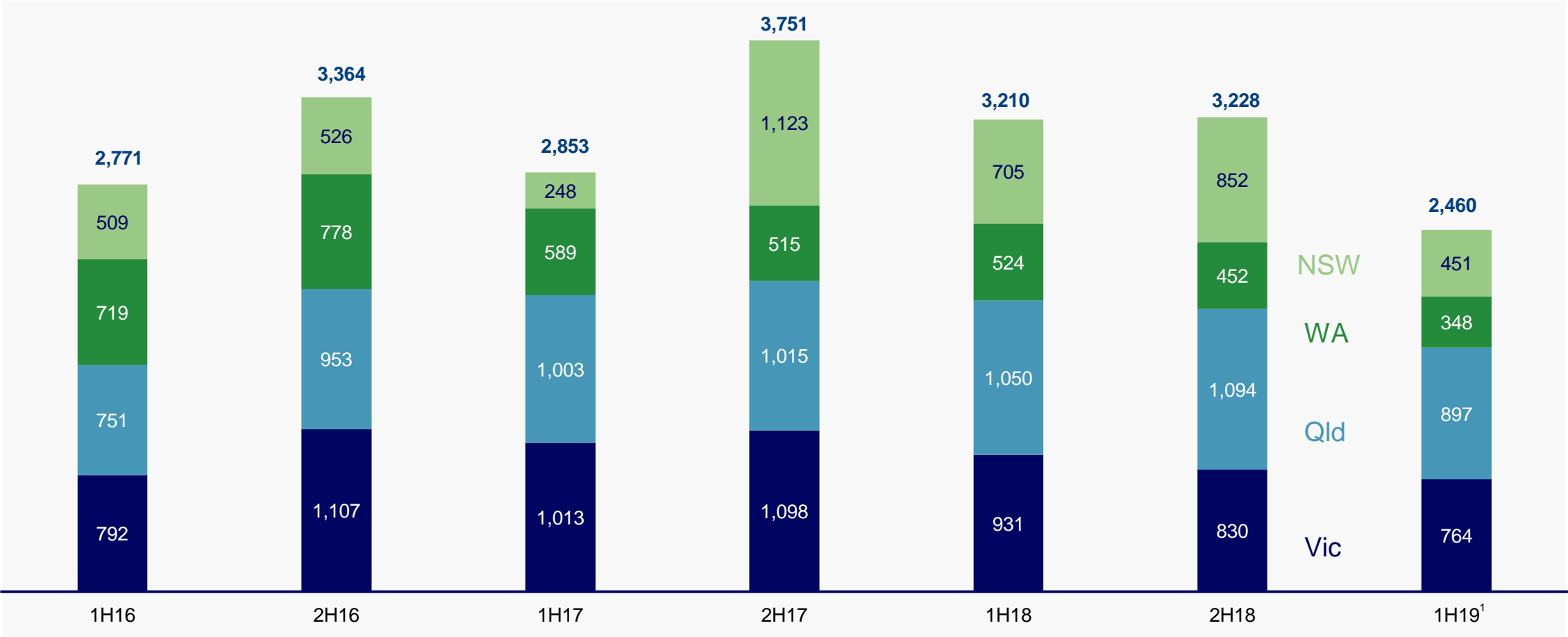
Revenue reconciliation (\$M)

678	(56)	(9)	45	658
Proforma residential gross revenue (1,874 Land x \$292k per lot) (222 TH x \$590k per dwelling)	GST	Non-Stockland PDA revenue	Superlot revenue, >1,000 sqm lot sales, completed homes revenue	Actual 1H19 total revenue

1. Average price of retail settlements excludes settlements of all lots over 1,000 sqm, superlot settlements, completed homes and apartments revenue, and disposal proceeds. Average price includes GST. Includes Project Development Agreements (PDAs) for which Stockland receives a part-share

Lots settled by location

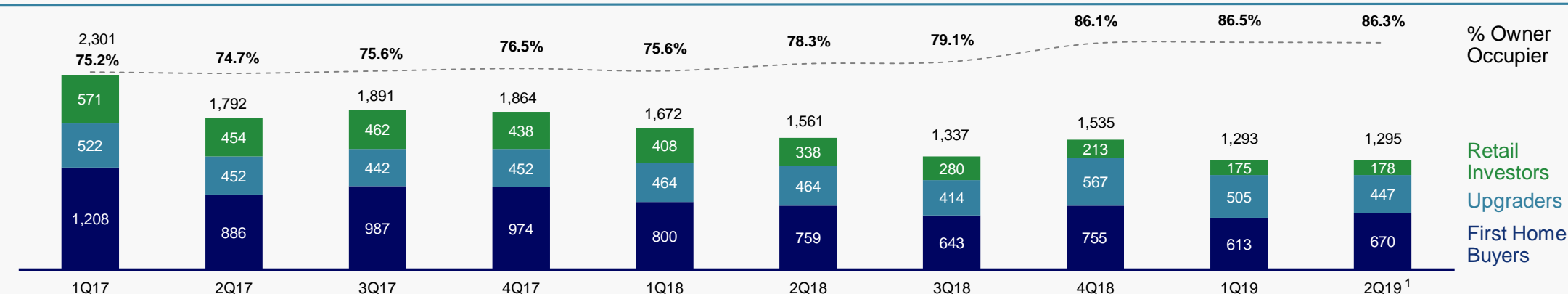
Residential



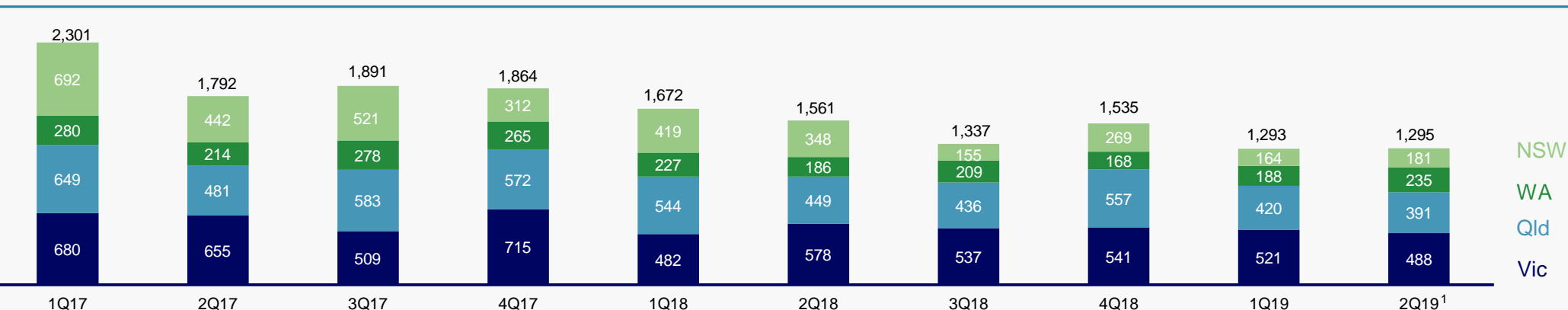
1. BCT included: Settlements of 326 lots

Net deposits by quarter¹

Net deposits by type of buyer



Net deposits by state

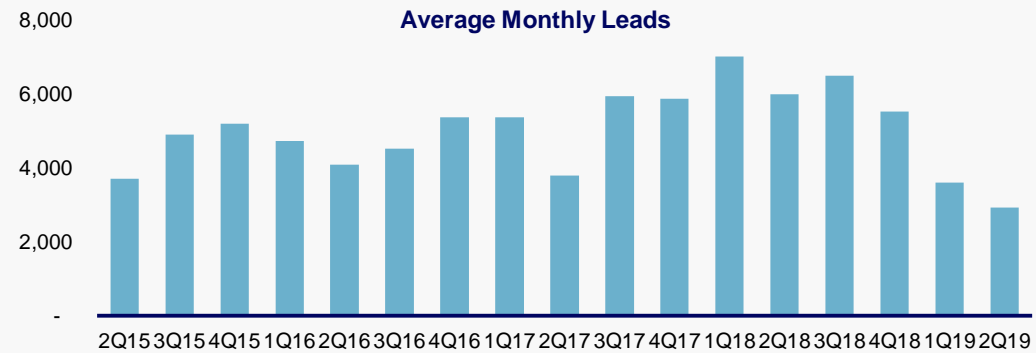


1. BCT excluded

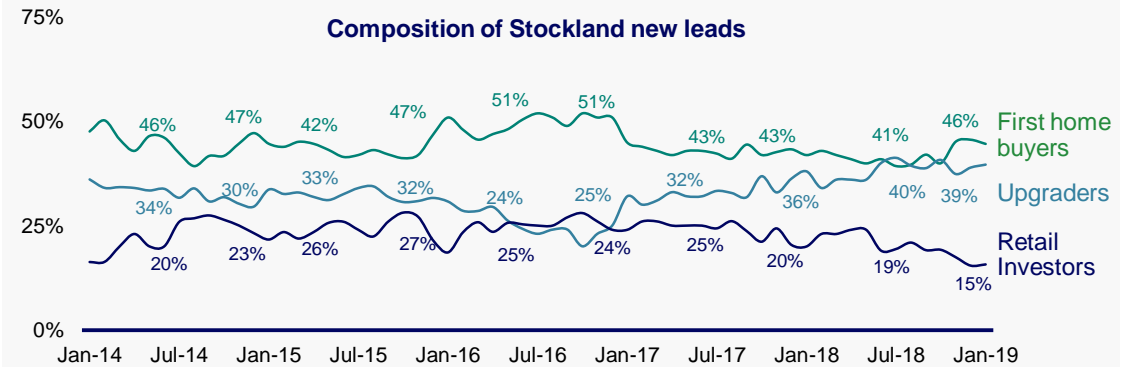
Leads and enquiry levels

Residential

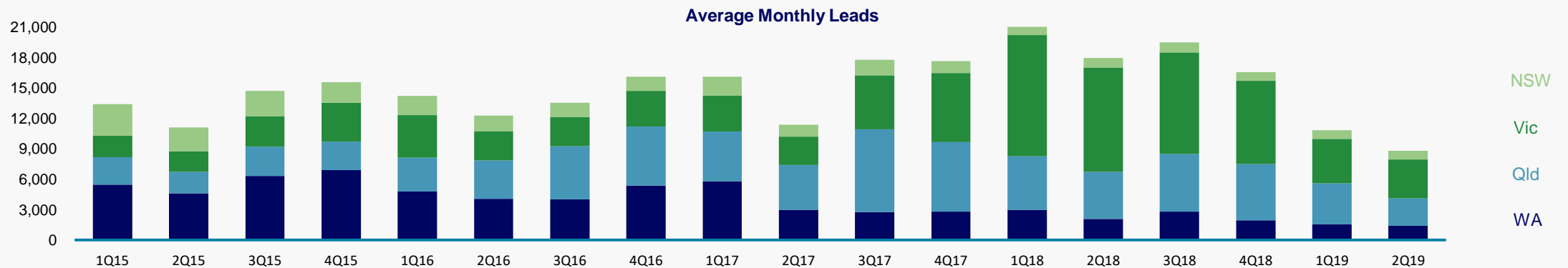
Lead volumes



Majority of our customers are owner occupiers



Lead volumes by state



Market Overview

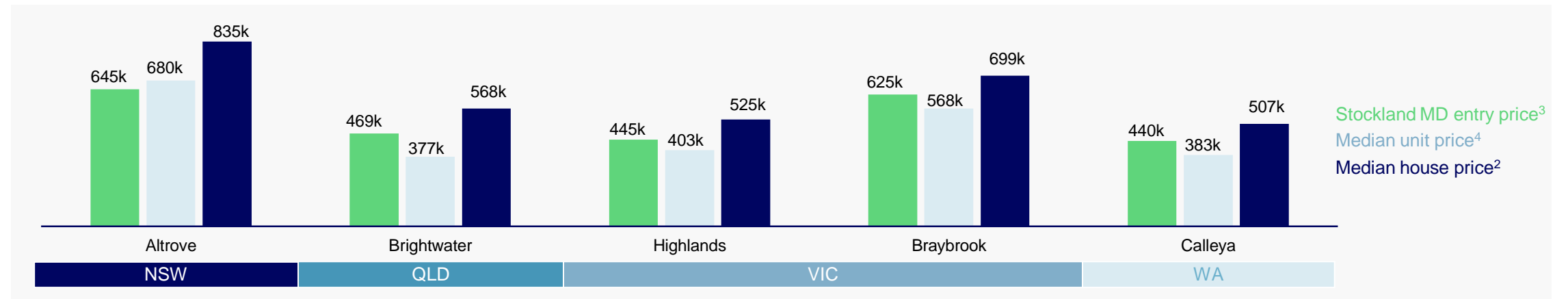
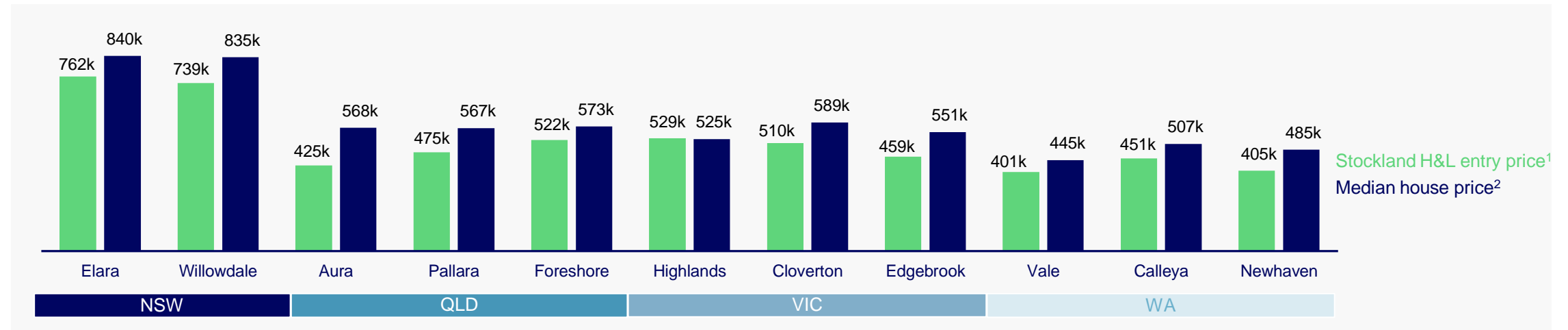
Residential

1H19 STOCKLAND SUMMARY		
STATE	1H19 SETTLEMENT VOLUMES (% CHANGE OVER 1H18)	COMMENTS ON OUR SETTLEMENTS IN 1H19
NSW	(36%) ▼	Reduction in NSW is primarily driven by the timing of the project development cycle at Willowdale and Elara, as well as close out and completion of Brooks Reach
Vic	(18%) ▼	Lower volumes from close out and completion of Mernda and The Address. Timing of project development cycle impacting volumes at The Grove. Partly offset by strong performance at Cloverton, Highlands and Edgebrook
Qld	(15%) ▼	Reduction in Qld is primarily driven by the timing of project development cycle at Aura, Pallara and Newport. Partly offset by first settlements at Foreshore and Brisbane Casino Towers
WA	(34%) ▼	Ongoing challenging WA market conditions impacting volumes on a number of projects

CALENDAR 2019 MARKET OUTLOOK			
STATE	VACANT LAND SALES VOLUMES	VACANT LAND PRICES	COMMENTS ON MARKET OUTLOOK
NSW	↔	↓	Volumes to be maintained around current quarterly levels, well down on FY18, with continuing price weakness in line with the established market
Vic	↔	↓	Volumes to be maintained around current quarterly levels, with prices to ease as the established market remains weak
Qld	↔	↔	Downside in volumes and prices to be limited by increased interstate migration and more robust established market compared to Sydney and Melbourne
WA	↑	↔	Market prices likely to remain stable with some potential for growth, volumes expected to show modest growth during 2019 from a low 2H18 base

Providing affordable product

Stockland pricing relative to local median house and unit price

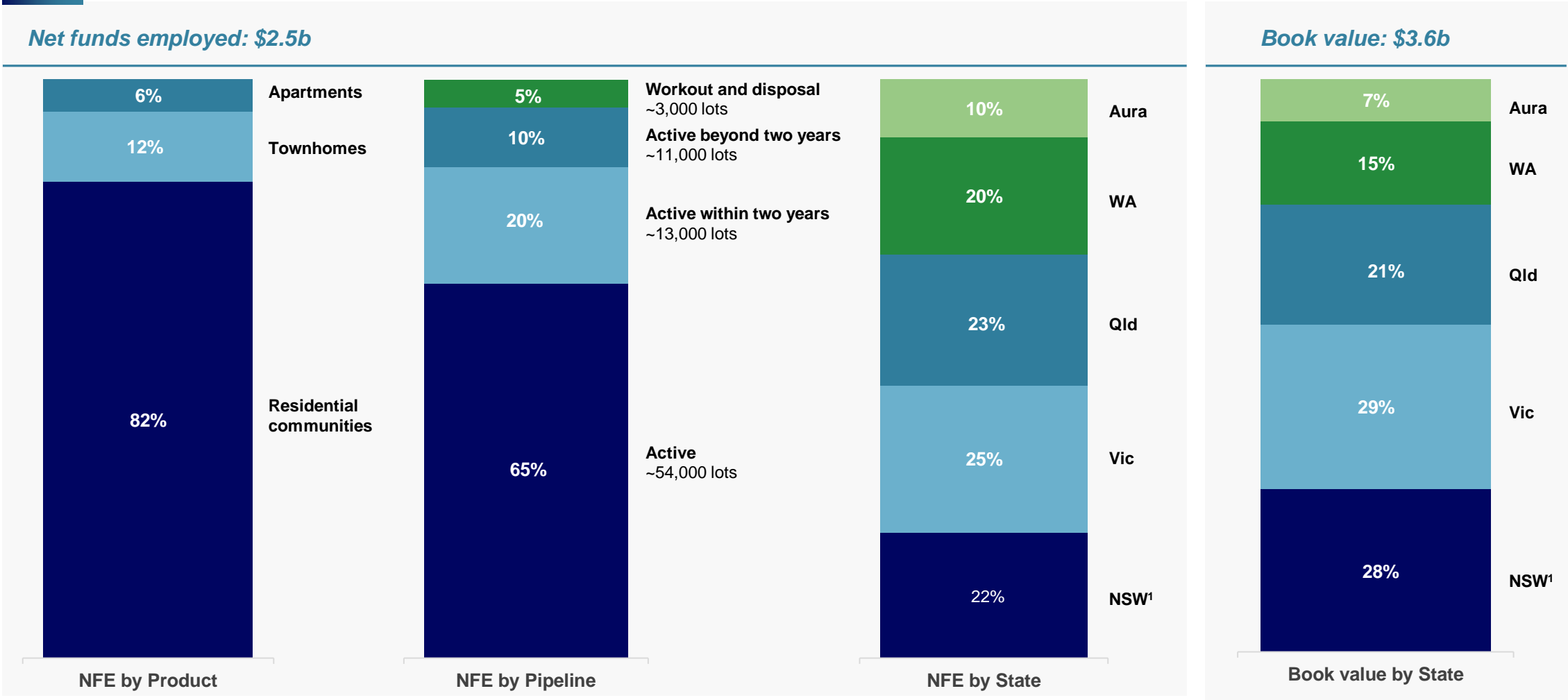


1. Stockland data, House and Land packages (4b,2b,2c) for sale Feb 2019
 2. Corelogic Median value of established houses in surrounding suburb as at Dec 2018

3. Stockland data, Townhome product available for sale Feb 2019
 4. Corelogic Median value of established units in surrounding suburb as at Dec 2018

Composition of residential landbank

Residential



1. NSW includes Red Hill (ACT) average for the 6 month period

Residential

Acquisitions

PROPERTY ACQUIRED	TYPE	ACQUISITION DATE	ACQUISITION VALUE (\$M)	APPROXIMATE NUMBER OF LOTS
Wellard Farm consolidation, Perth	Masterplanned Community	Sep 18	Not disclosed	1,100
				~1,100 lots and dwellings

Workout contribution and impairment provision balance

<i>Workout contribution to residential</i>			
RESIDENTIAL	CORE ¹	WORKOUT ²	TOTAL
Lots settled	2,205	255	2,460
Revenue	\$591m	\$66m	\$658m
<i>Revenue</i>	<i>89.9%</i>	<i>10.1%</i>	<i>100%</i>
EBIT	\$157m	\$14m	\$170m
<i>EBIT margin</i>	<i>26.5%</i>	<i>20.6%</i>	<i>25.9%</i>
Operating Profit	\$142m	-	\$142m
<i>Operating Profit margin</i>	<i>24.1%</i>	<i>-</i>	<i>21.6%</i>
Remaining lots	95.4%	4.6%	100%
Number of projects	51	8	59
ROA	18.5%	(2.4%)	16.8%

<i>Residential impairment provision utilisation as at 31 December 2018</i>		
	(\$M)	
Net decrease in impairment	–	
Utilisation of provision	(6)	
	IMPAIRMENT PROVISION BALANCE (\$M)	FINAL SETTLEMENT
Projects to be developed	130	~10 yrs
Disposal of undeveloped sites	38	~2 yrs
Total	168	

<i>Residential forecast utilisation of provision³</i>		
Balance \$M		
168	136	98
130	105	81
38	31	19
	16	50
		38
Dec 2018	Jun 2019	Jun 2021
		Jun 2022
		Jun 2023
		Jun 2024

Disposal of undeveloped sites
Projects to be developed out

1. Includes BCT

2. Includes all impaired projects

3. Forecast utilisation impairment provision as at 31 December 2018, based on forecast settlement dates, revenue and costs by project

Portfolio Statistics

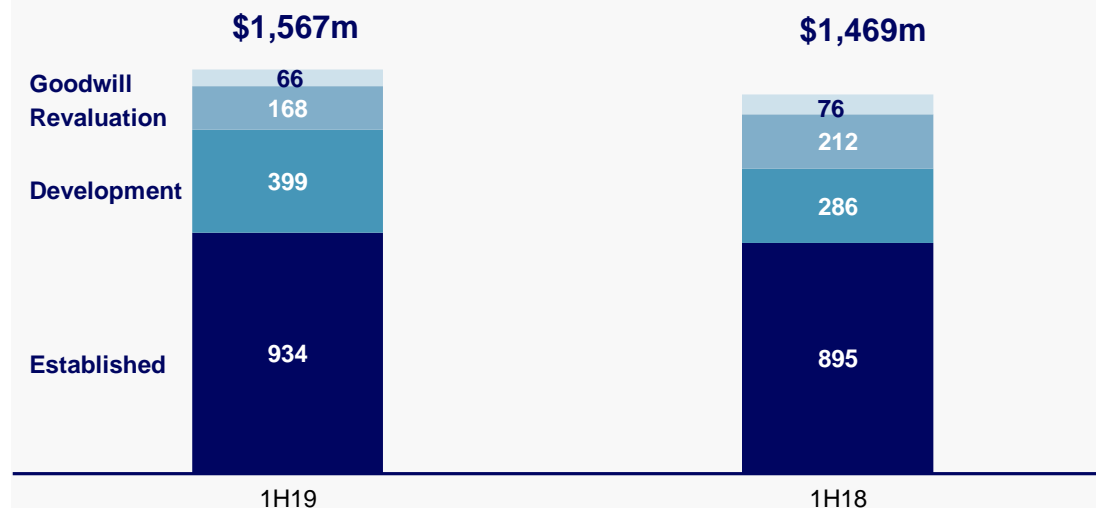
Retirement Living

PORTFOLIO STATISTICS	1H19	1H18
Established villages	65	65
Established units	9,676	9,653
Established units settlements	244	272
Units removed for redevelopment/alternate use	14	23
Turnover rate excluding developments ¹	6.9%	8.2%
Turnover rate total portfolio	6.1%	7.1%
Average age of resident on entry	73.3 yrs	73.5 yrs
Average age of current residents	80.7 yrs	80.7 yrs
Average tenure on exited residents ²	8.5 yrs	8.7yrs
Average village age	24.9 yrs	24.5 yrs
Development pipeline	2,330 units	3,175 units

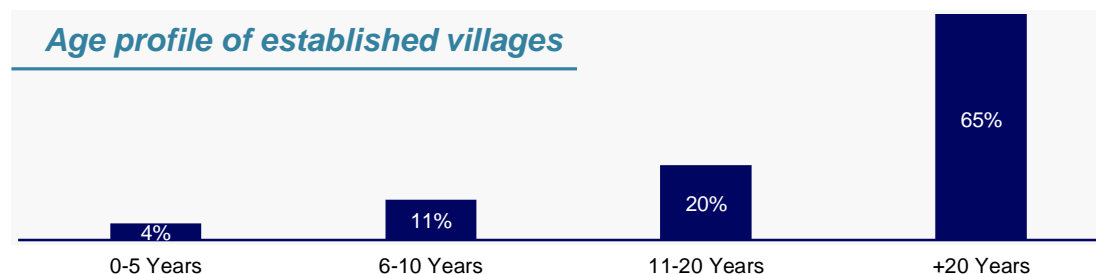
KEY VALUATION ASSUMPTIONS	1H19	1H18
Weighted average discount rate	13.0%	13.0%
Weighted average 20 year growth rate	3.2%	3.6%
Average length of stay of current and future residents	11.0 yrs	10.8 yrs

1. Excludes development settlements from last five years
2. Average for the 6 month period

Net Funds Employed



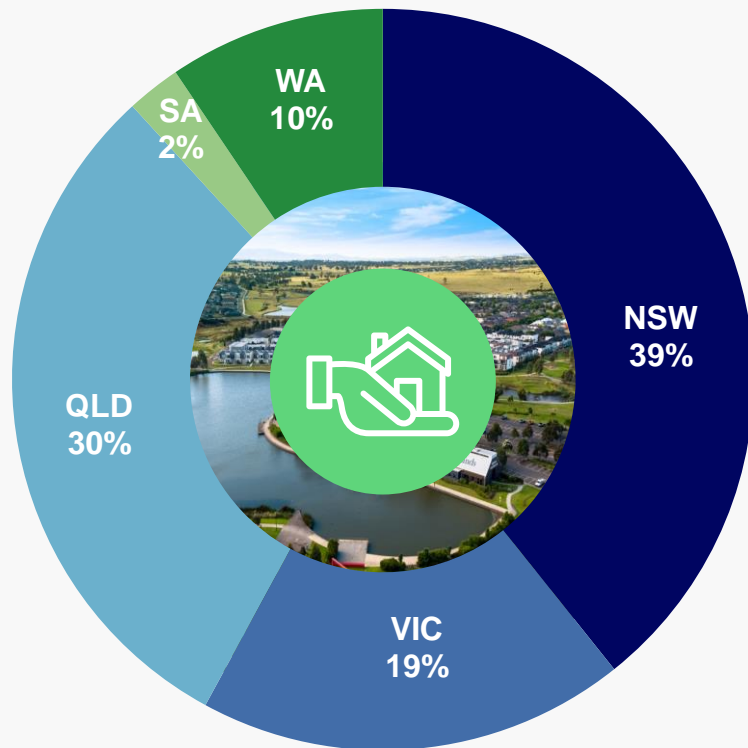
Age profile of established villages



Development pipeline

Retirement Living

Geographically diverse development pipeline

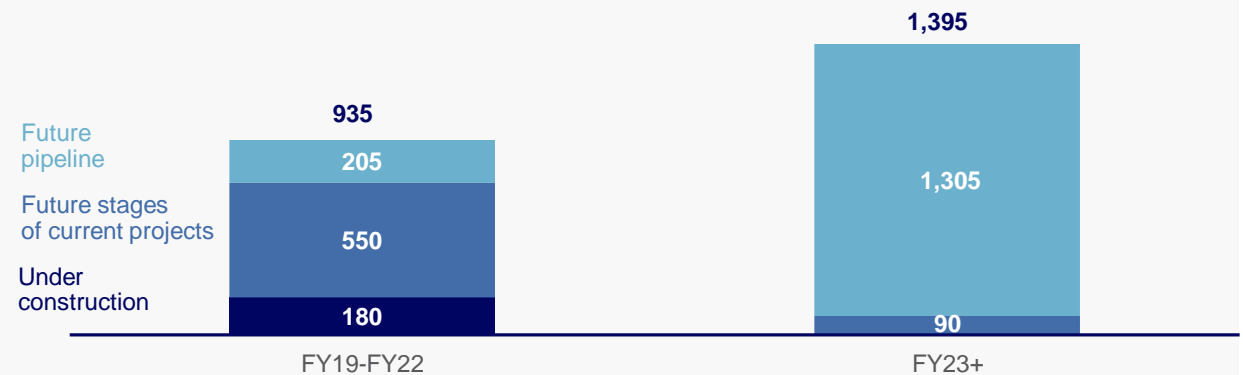


1. Timing subject to market conditions

Development pipeline breakup

DEVELOPMENT PIPELINE	1H19
Development villages	17
Total development pipeline units	2,330
- Greenfield pipeline units	1,610
- Village renewal pipeline units	720
Estimated end value including DMF	\$2.0b

Independent Living Units development pipeline¹



Strong project pipeline forecast

Retirement Living

CONSTRUCTION TIMEFRAME		FUTURE SETTLEMENTS	FY19	FY20	FY21	FY22	FY23+
Completed (1H19)	Selendra Rise, Melbourne						
	Lightsview, Adelaide						
	Highlands, Melbourne						
	Mernda, Melbourne						
	Somerton Park, Adelaide						
	Shine Birtinya, SE Qld						
	Sub-total	235					
Current Development Projects	Gillin Park, Vic						
	Cardinal Freeman The Residences, Sydney						
	Aspire at Elara, Sydney						
	Willowdale, Sydney						
	Aspire at Calleya, Perth						
	Affinity, Perth						
	Newport, Brisbane						
	Sub-total	705					
To start within 18 months	Pine Lake, SE Qld						
	Sub-total	50					
Master planning/ future projects	Aura, SE Qld						
	Epping, Sydney						
	Cloverton, Melbourne						
	Sub-total	855					
Redevelopments	Proposed Redevelopments						
	Sub-total	485					
Total future settlements		2,330					

Research

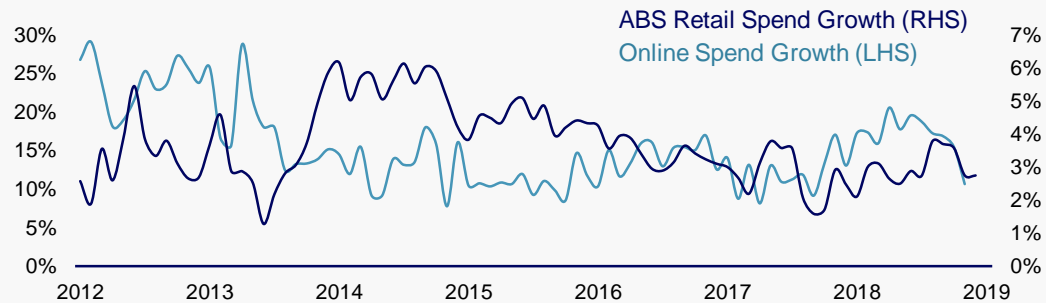
Economic overview



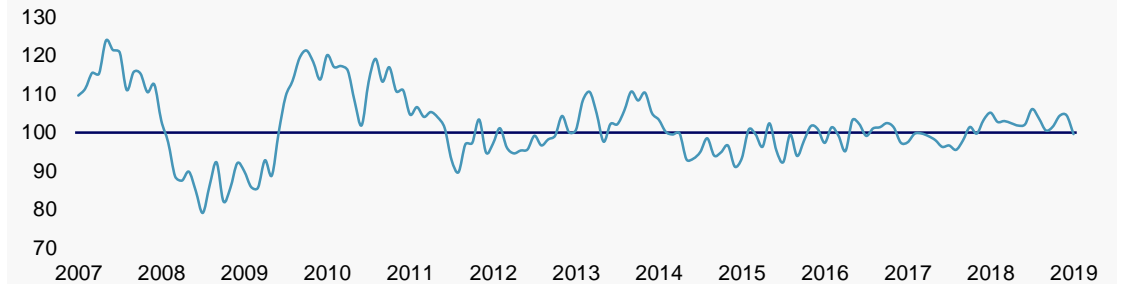
Australia

Retail drivers

Rate of growth in online retail spend¹ falling through 2H18

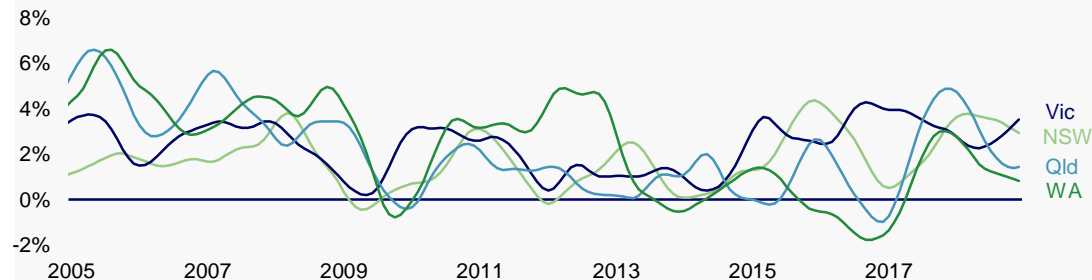


Consumer Sentiment varying around neutral²

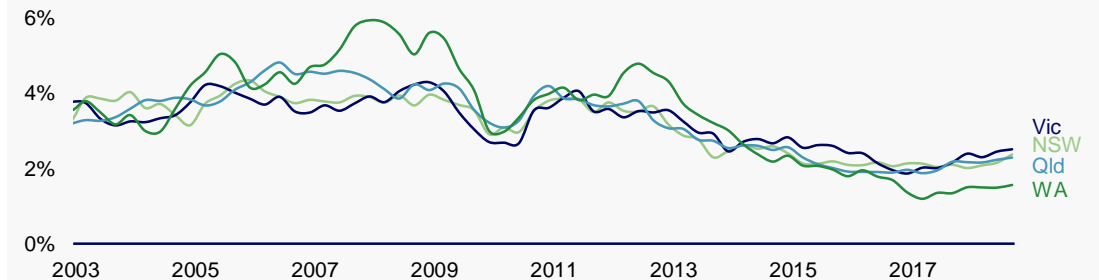


Employment growth strong in NSW and Vic³

Employment growth (Annual trend % change)



Wage growth improving but remains historically weak⁴

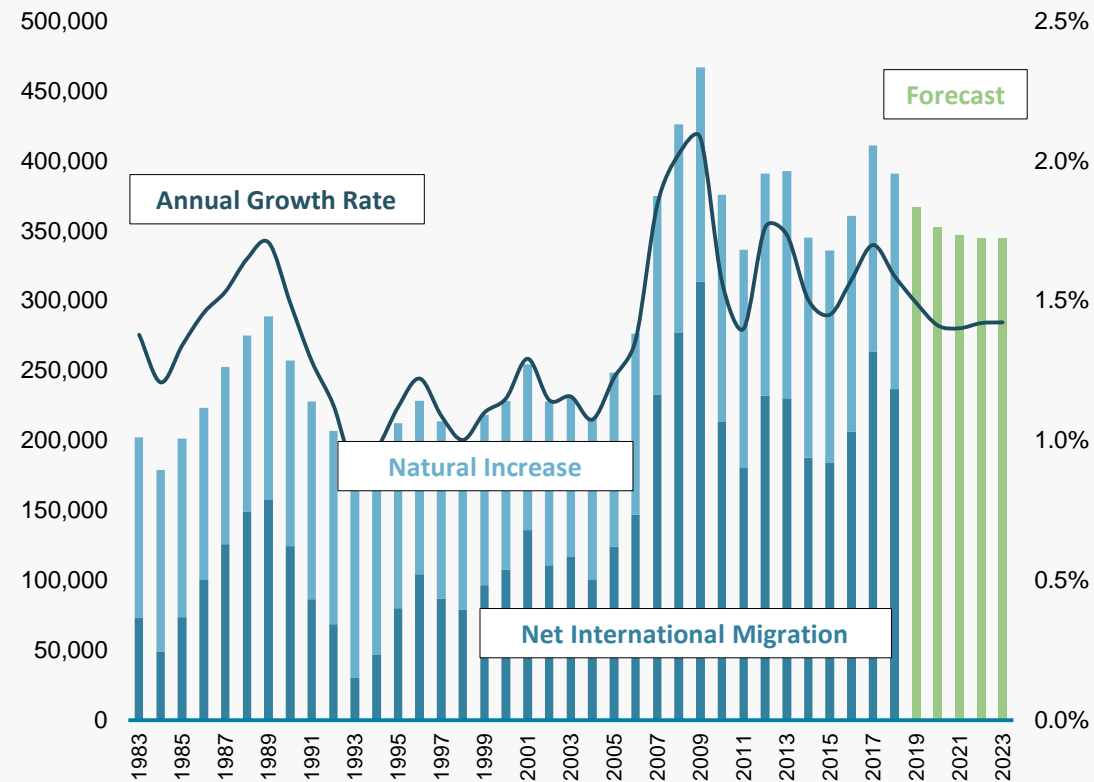


1. Bricks and Mortar spend (\$) taken from ABS, \$ amount of online spend estimated from Quantum %
2. Westpac - University of Melbourne Consumer Sentiment Survey Jan 2019

3. ABS 6202.0 - Labour Force, Australia, Dec 2018
4. ABS 6345.0 - Wage Price Index, Australia, Sep 2018

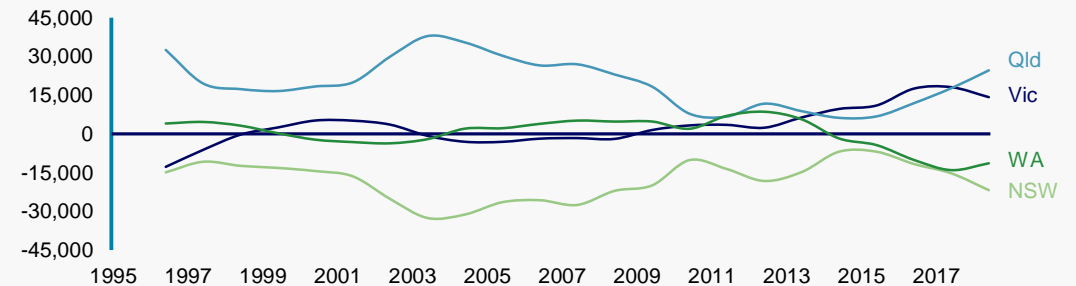
Population growth continues to underpin dwelling demand

AUS population growth – Annual^{1,2}



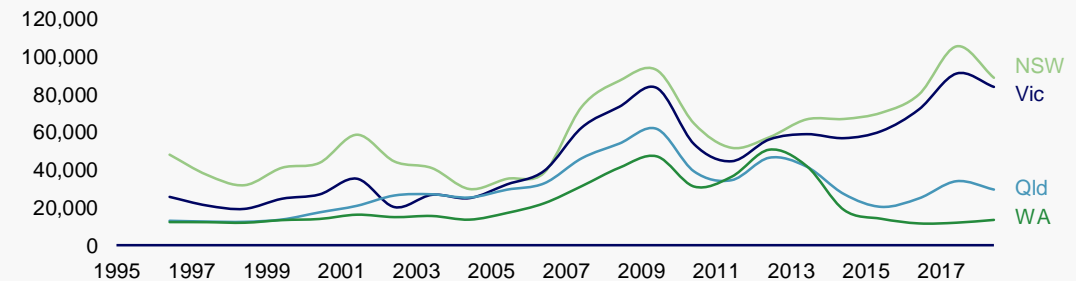
QLD and VIC - strong positive interstate migration¹

Annual Rolling Sum ('000s)



NSW and VIC - strong overseas migration¹

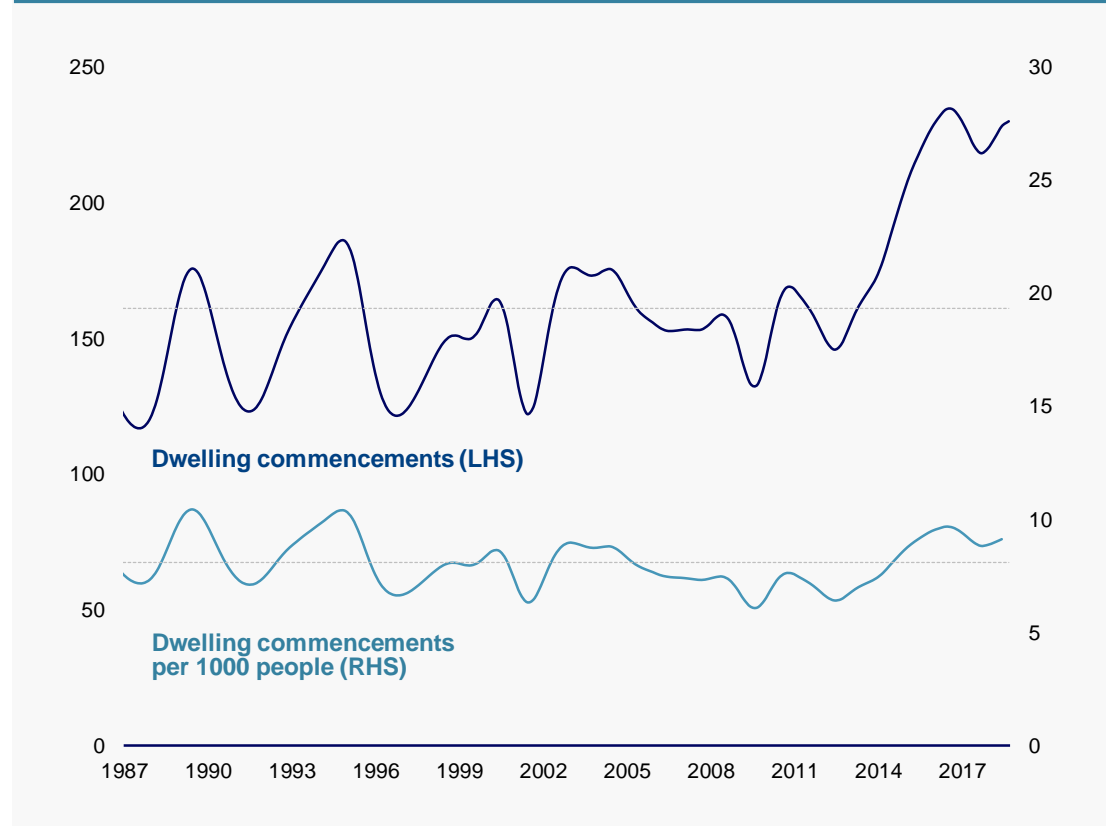
Annual Rolling Sum ('000s)



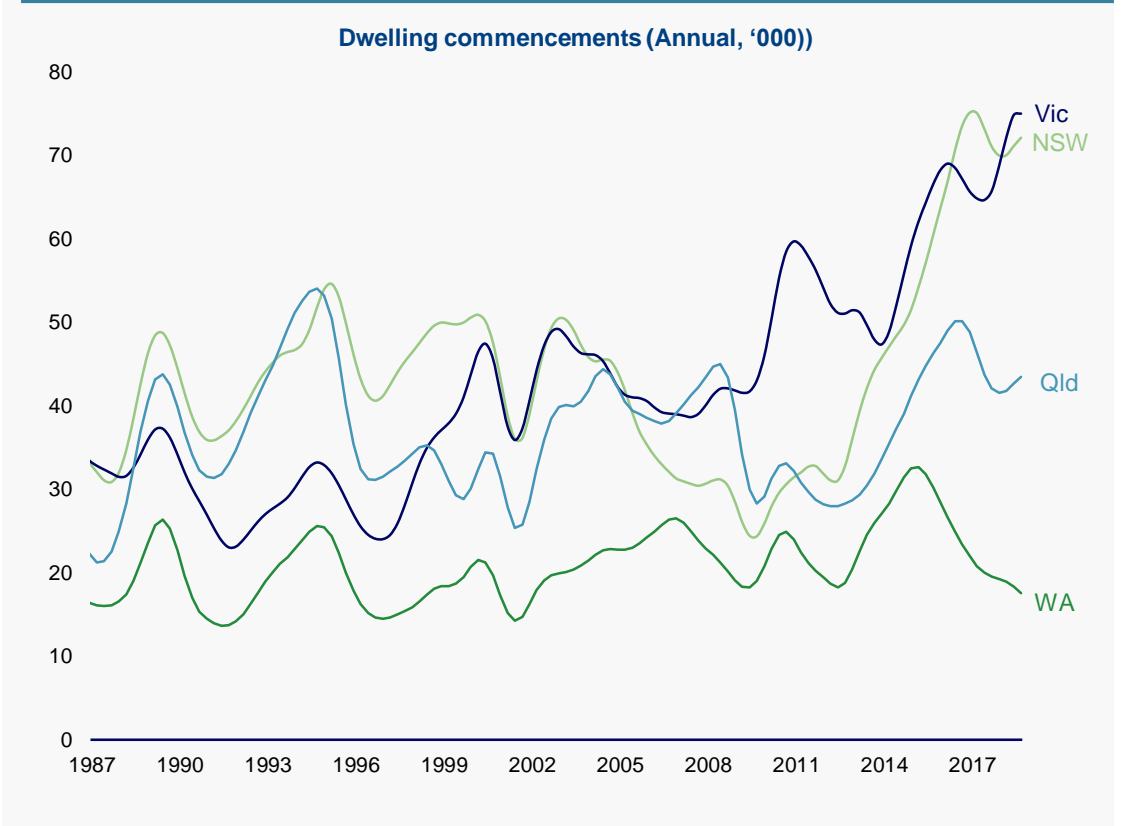
1. ABS 3101.0 - Australian Demographic Statistics, June 2018
2. Deloitte Access Economics Business Outlook Dec 2018

Dwelling commencements maintained at high level historically

Dwelling commencements remain elevated, and still above long term averages on a per capita basis¹



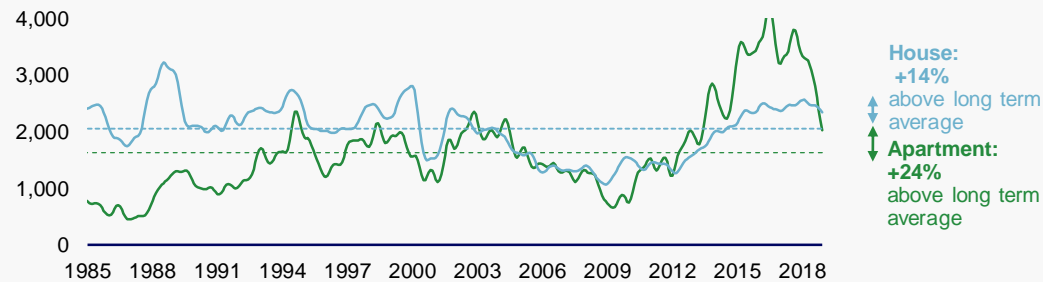
Dwelling commencements historically strong in NSW and Vic, still falling in WA¹



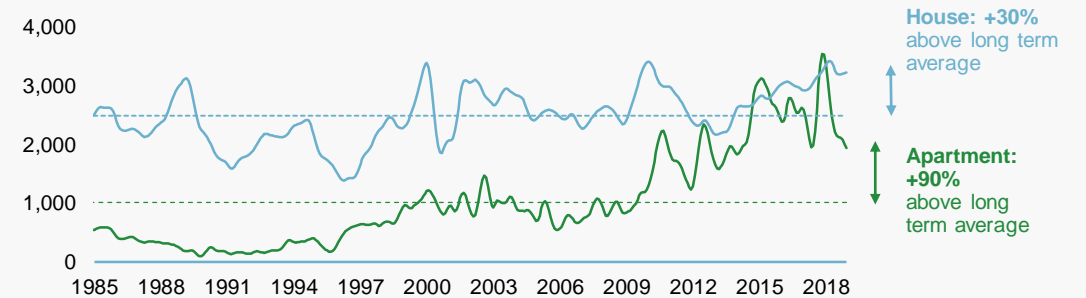
1. ABS 8752.0 - Building Activity, Australia, Sep 2018, 3101.0 - Australian Demographic Statistics, Jun 2018, Stockland Research

National building approvals¹

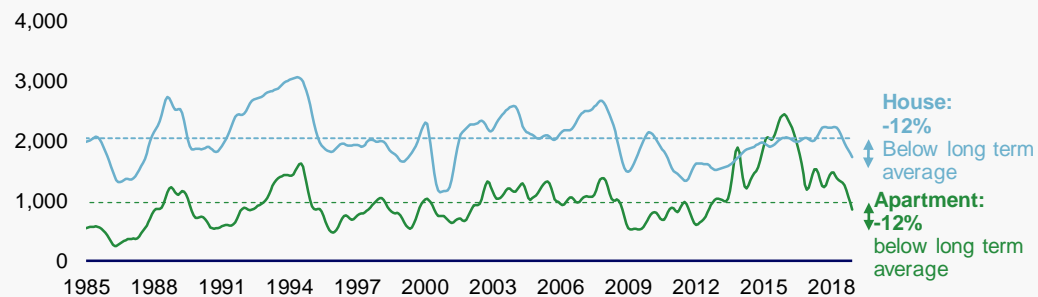
NSW house approvals trending down; unit approvals down heavily



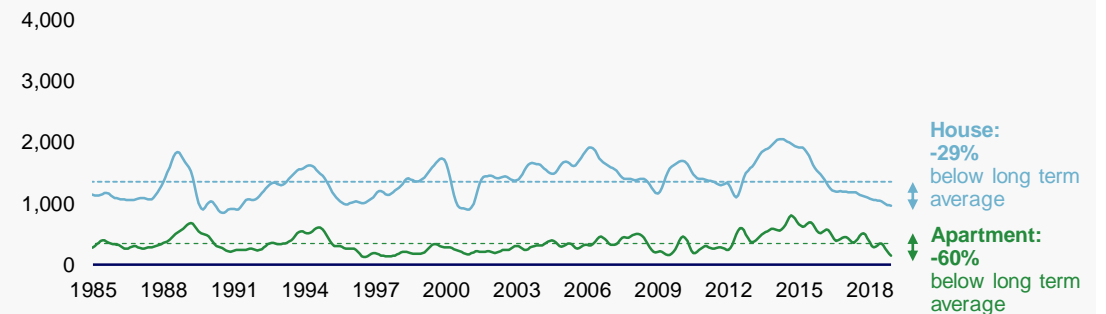
Vic unit approvals down heavily while house approvals remain strong



Qld approvals now under long term average for both houses and units



WA house and unit approvals still trending lower, with both now well below long term average

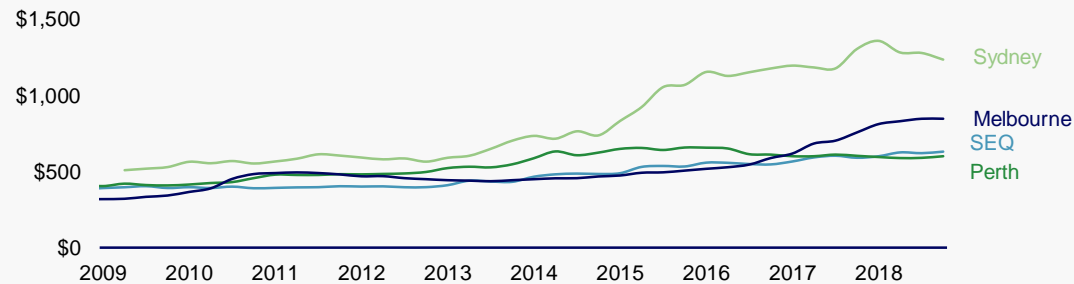


1. ABS 8731.0 – Building Approvals, Dec 2018

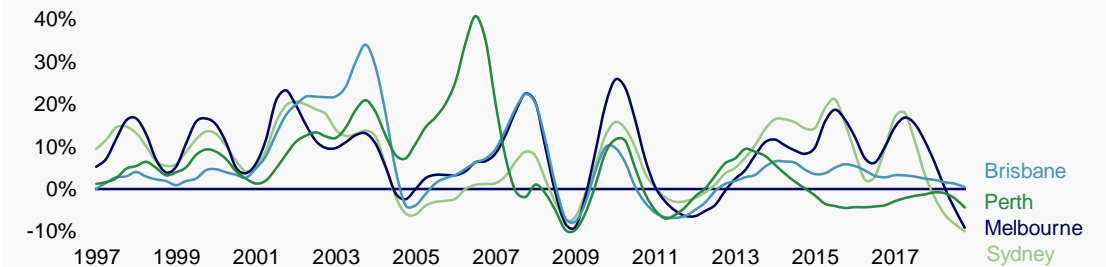
National house and land prices

Largest house price declines occurring in upper end of housing market

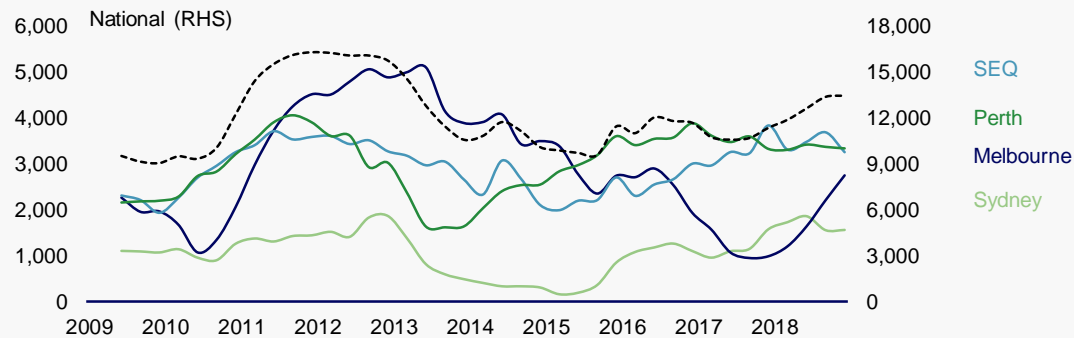
Land Price per sqm¹



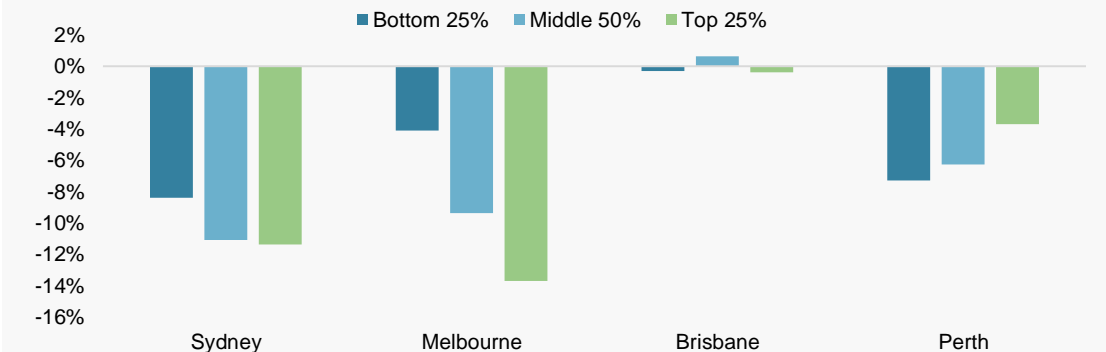
Capital City House Prices – Rolling Annual Change²



Closing stock of land lots¹



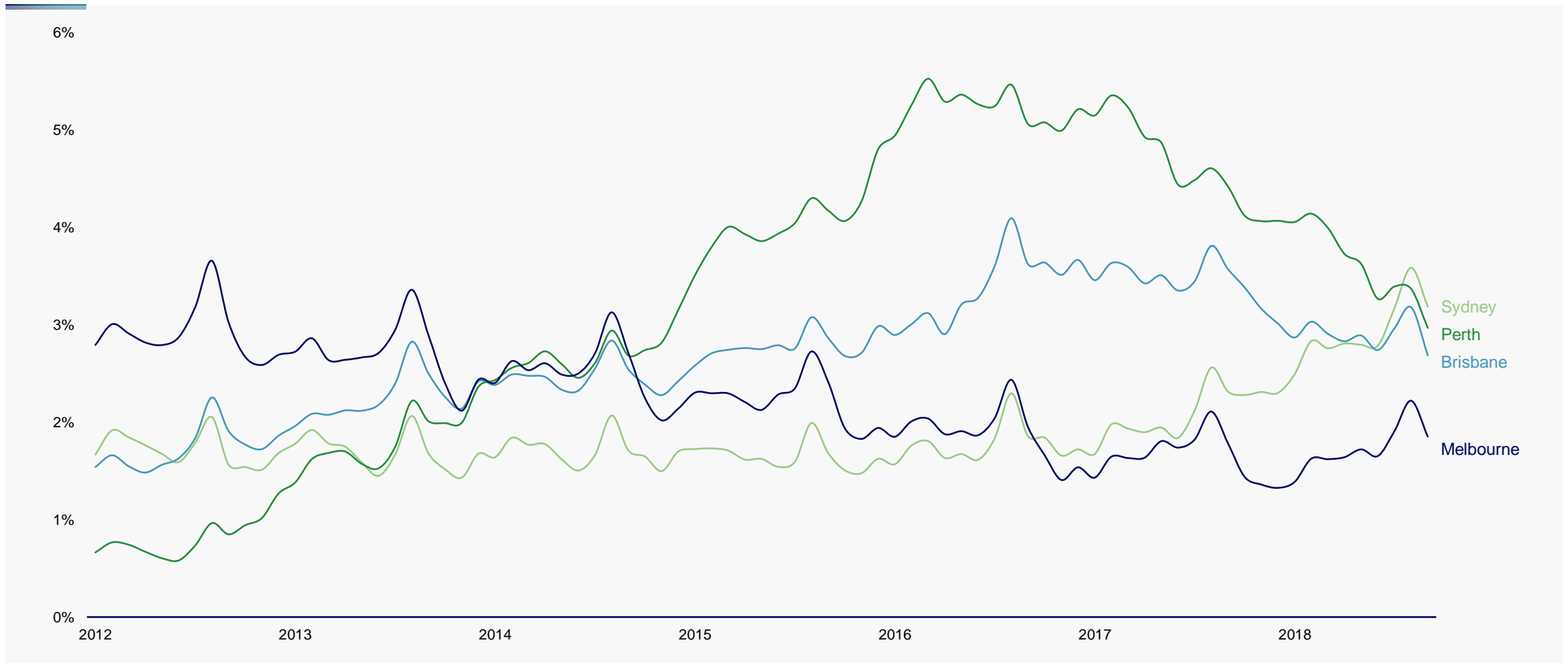
2018 price falls largest in more expensive regions of Sydney and Melbourne²



1. National Land Survey Program Dec Qtr. 2018, Research4
2. CoreLogic Jan 2019

Residential Vacancy Rates

Rental vacancy rates¹ trending up in Sydney and Melbourne, down in Perth and Brisbane

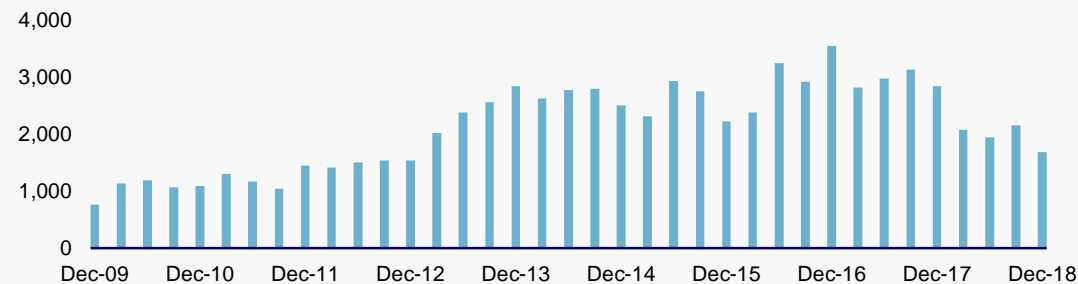


1. SQM Research January 2019

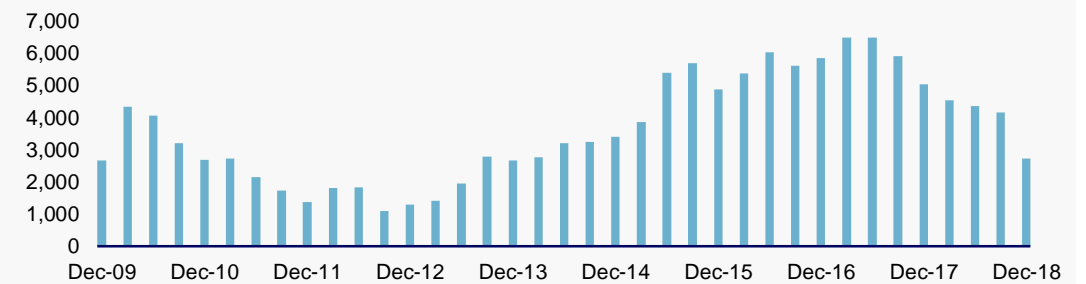
Vacant land sales volumes down across the country in December quarter¹

Quarterly sales

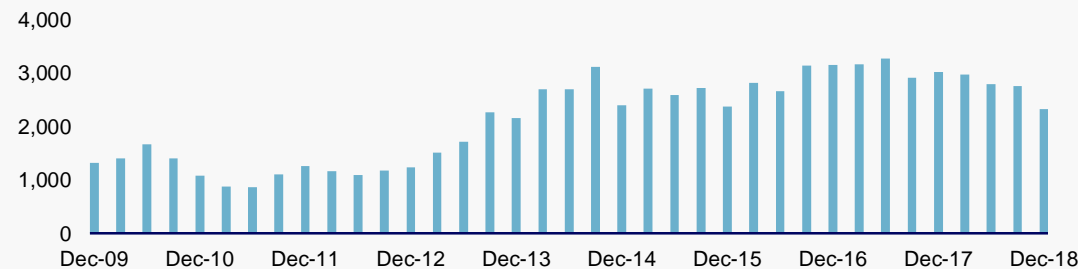
NSW vacant land sales at lowest level since 2012



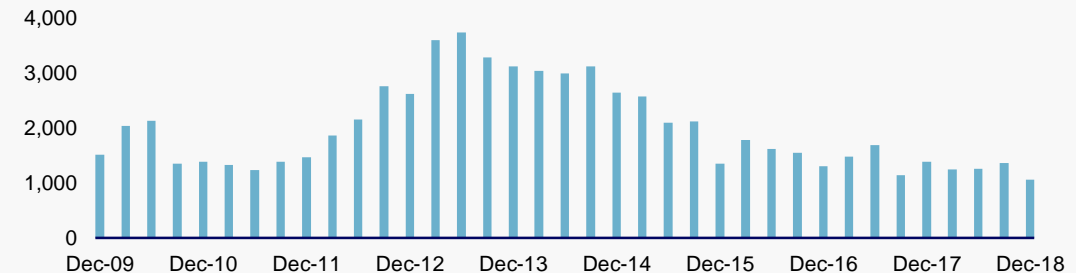
Vic vacant land sales at 5-year low



SEQ land market volumes down -12% in second half



Perth vacant land continuing along the bottom

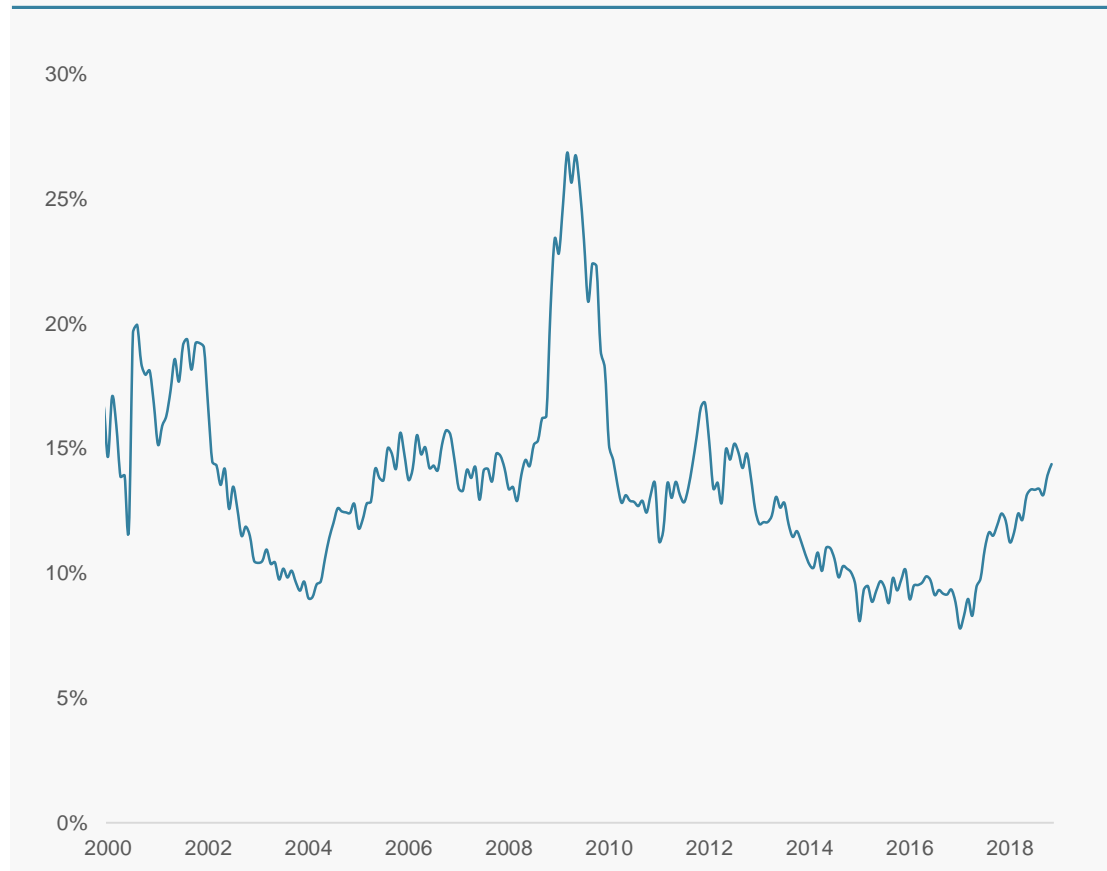


1. National Land Survey Program Dec Qtr. 2018, Research4

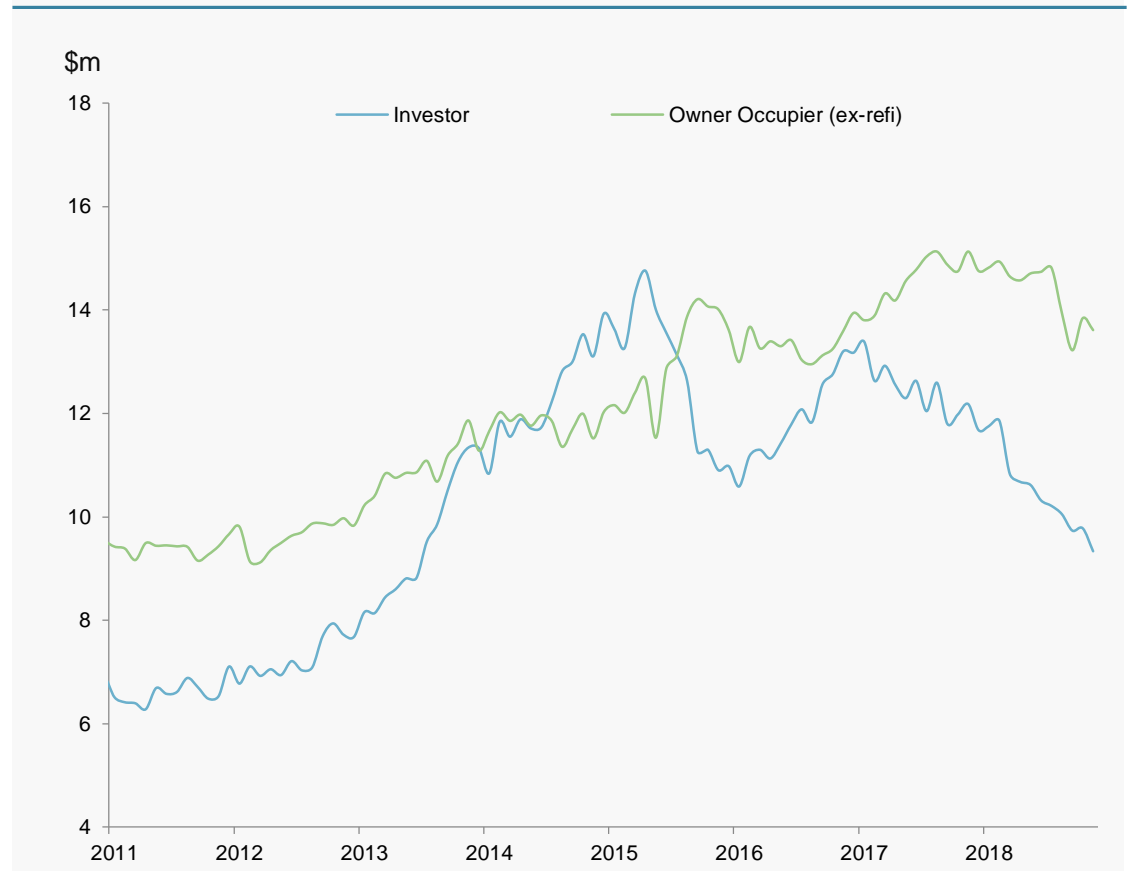
Housing finance

First home buyers proportion increasing while owner-occupied housing finance easing

First Home Buyer lending percentage at six year highs¹



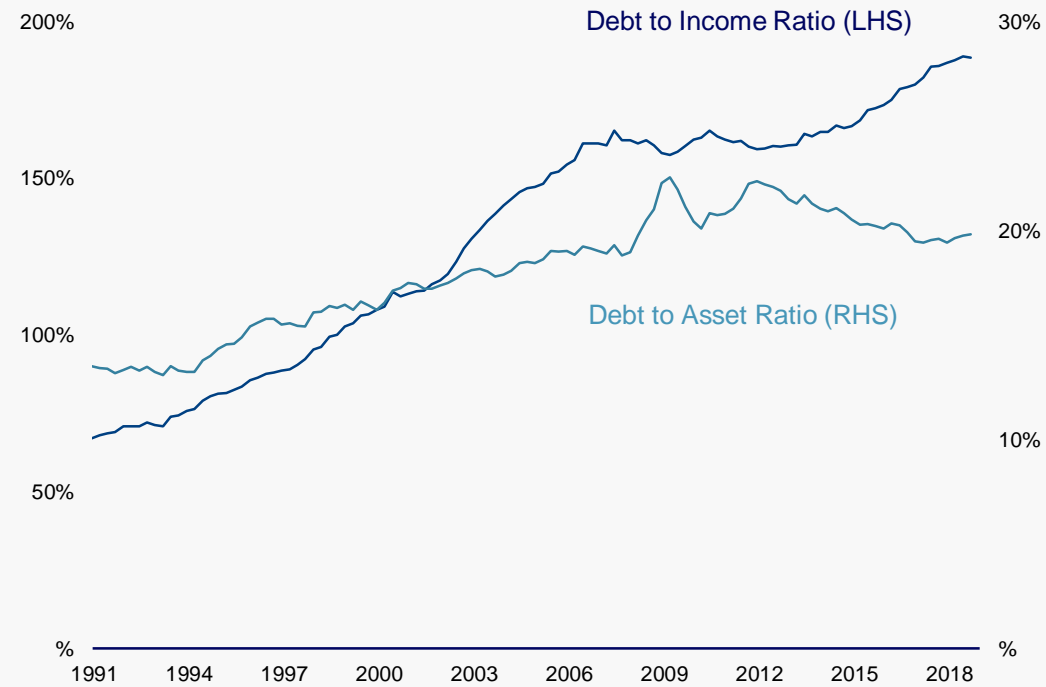
Residential Loan Approvals, weakness concentrated in investor lending¹



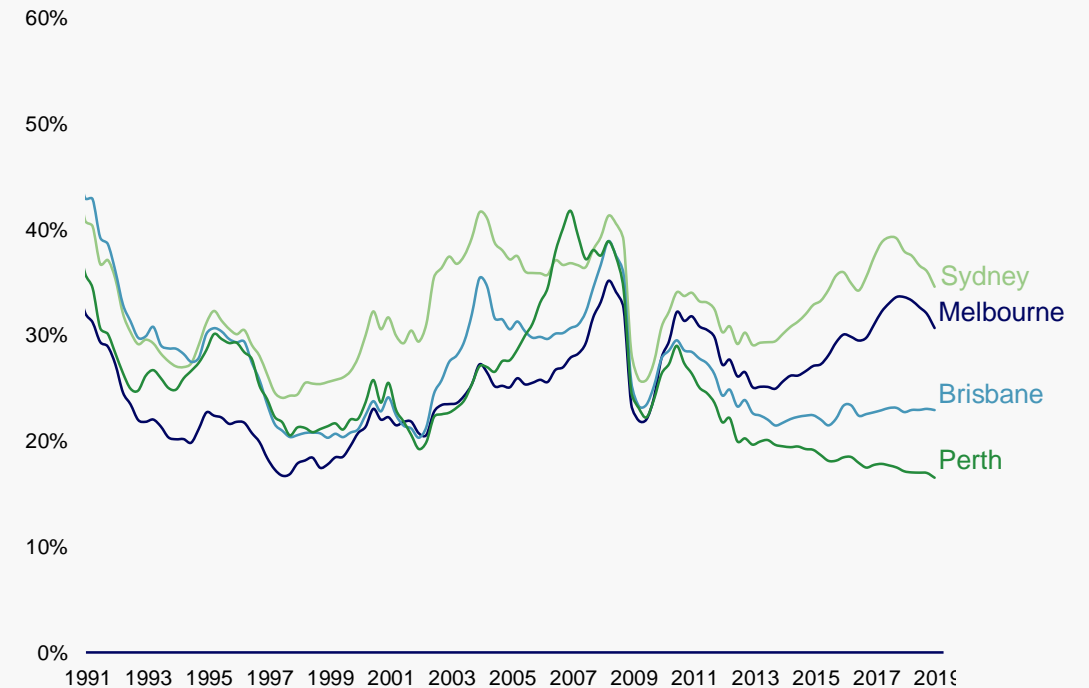
1. ABS Housing Finance Nov 2018, Cat. No. 5609.0

Housing affordability trends

Household Debt-to-Asset ratio stable, Debt-to-Income rising¹



Affordability improving in Sydney, Melbourne and Perth as house prices continue to ease, steady in Brisbane as prices hold and wage growth remains weak²



1. RBA, ABS, Stockland Research

2. Mortgage repayments as a percentage of household income, ABS, RBA, CoreLogic, Stockland Research



Stockland

Stockland Corporation Limited
ACN 000 181 733

Stockland Trust Management Limited
ACN 001 900 741; AFSL 241190

As responsible entity for Stockland Trust
ARSN 092 897 348

25th Floor
133 Castlereagh Street
SYDNEY NSW 2000

Important Notice

While every effort is made to provide accurate and complete information, Stockland does not warrant or represent that the information in this presentation is free from errors or omissions or is suitable for your intended use. This presentation contains forward-looking statements, including statements regarding future earnings and distributions that are based on information and assumptions available to us as of the date of this presentation. Actual results, performance or achievements could be significantly different from those expressed in, or implied by these forward looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in the release.

The information provided in this presentation may not be suitable for your specific needs and should not be relied upon by you in substitution of you obtaining independent advice. Subject to any terms implied by law and which cannot be excluded, Stockland accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in this presentation. All information in this presentation is subject to change without notice.

This presentation is not an offer or an invitation to acquire Stockland stapled securities or any other financial products in any jurisdictions, and is not a prospectus, product disclosure statements or other offering document under Australian law or any other law. It is for information purposes only.