

1H15 Stockland Results Annexure

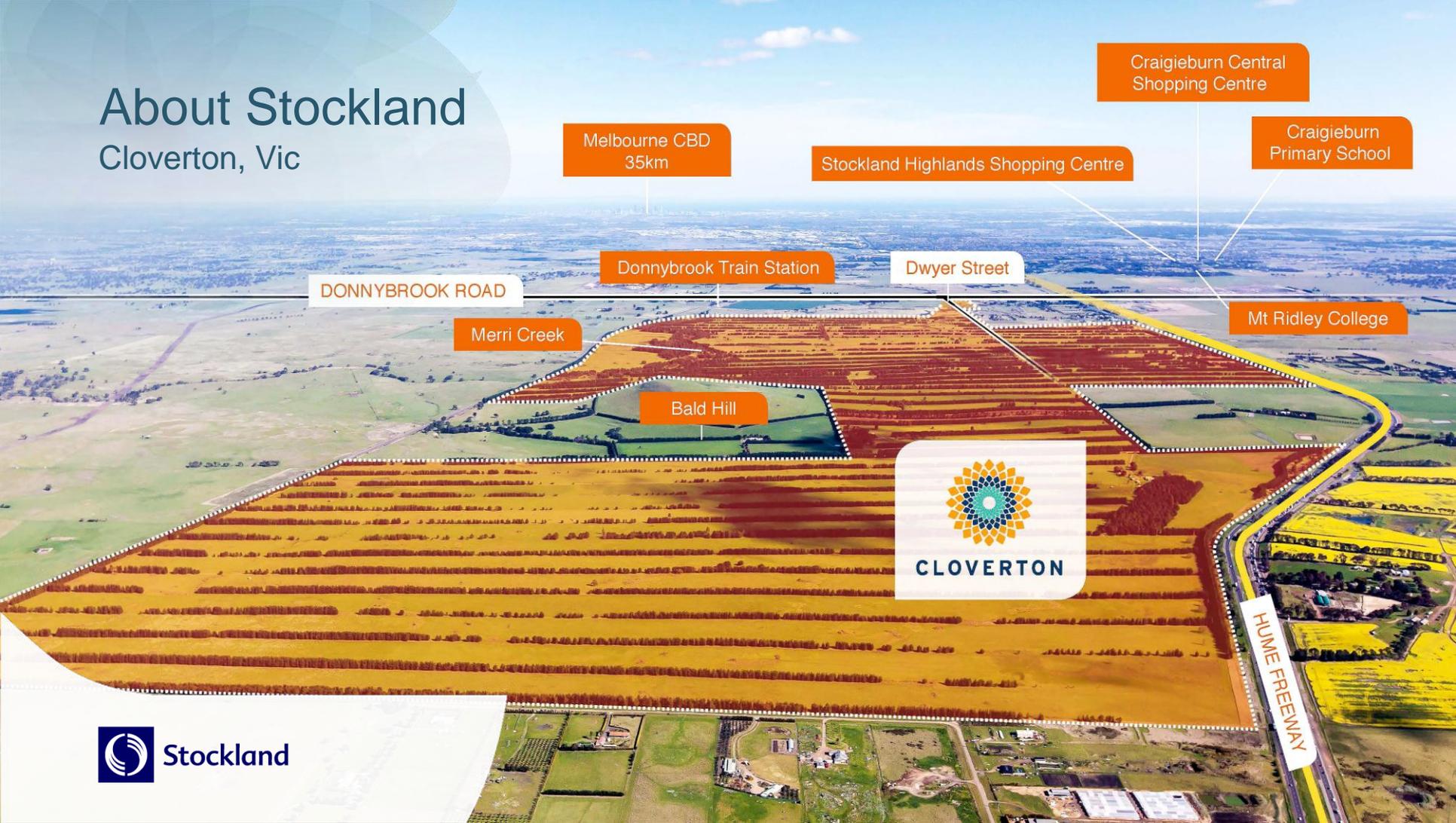
Implementing our Strategy



Contents

Section	Page Number
About Stockland	34
Group Finance	42
Commercial Property	58
Residential	76
Retirement Living	92

About Stockland Cloverton, Vic



Melbourne CBD
35km

Stockland Highlands Shopping Centre

Craigieburn Central
Shopping Centre

Craigieburn
Primary School

DONNYBROOK ROAD

Donnybrook Train Station

Dwyer Street

Merri Creek

Mt Ridley College

Bald Hill



HUME FREEWAY

Our strategy for success



OUR VISION

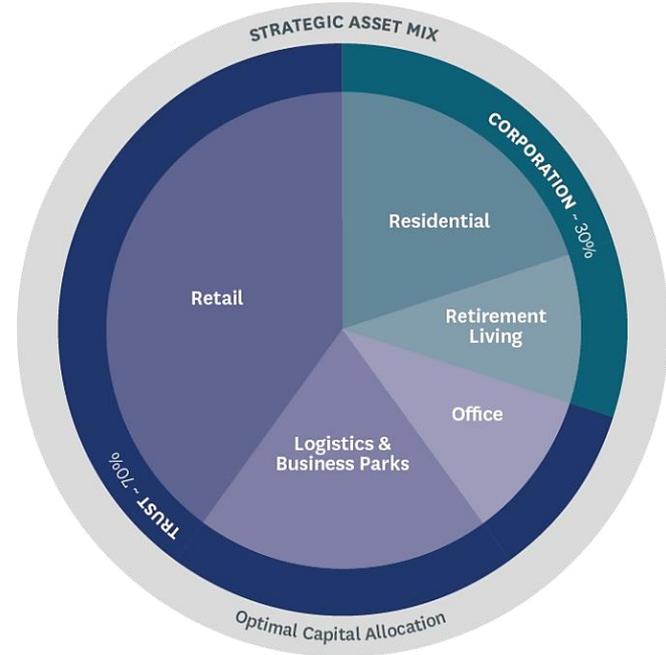
To be a great Australian property company that delivers value to all our stakeholders

OUR VALUES

Community
Accountability
Respect
Excellence

OUR PURPOSE

We believe there is a better way to live



Five year indicative asset mix

Stockland Quick Facts

TRUST

Retail

50% of SGP portfolio



Stockland Gladstone, Qld

Create market leading or differentiated shopping centres

41 Assets

\$5.7b Asset Value

Logistics & Business Parks

13% of SGP portfolio



Ingleburn Distribution Centre, NSW

Grow and develop a quality portfolio

21 Assets

\$1.6b Asset Value

Office

8% of SGP portfolio



135 King St / Glasshouse, NSW

Optimise returns - tactical allocation

10 Assets

\$1.0b Asset Value

CORPORATION

Residential

20% of SGP portfolio



Ivanhoe, Vic

Maximise returns by creating better places to live

78,700 lots under control

End value \$19.8b

Retirement Living

9% of SGP portfolio



Cardinal Freeman, NSW

Leading operator and developer

63 Established Villages

Over 8,000 units
\$1.5b estimated end value of development pipeline¹

1. Excludes DMF creation

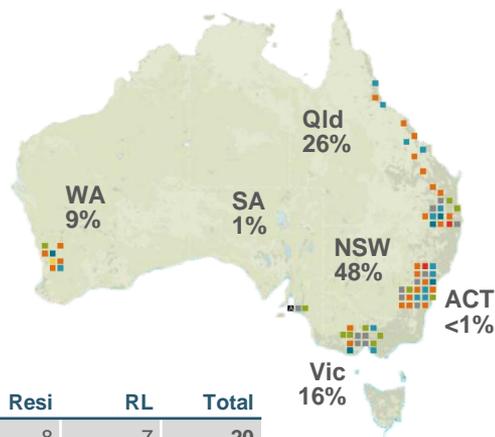
We are well positioned with a diverse portfolio^{1,2,3}

All states	CP	Resi	RL	Total
Number of properties/projects	75	59	72	206
Book Value	\$8.6b	\$2.4b	\$1.1b	\$12.1b
%SGP Portfolio	71%	20%	9%	100%

Qld	CP	Resi	RL	Total
Number of properties/projects	21	27	9	57
Book Value	\$2.2b	\$0.9b	\$0.1b	\$3.2b
%SGP Portfolio	18%	7%	1%	26%

Key

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



WA	CP	Resi	RL	Total
Number of properties/projects	5	8	7	20
Book Value	\$0.5b	\$0.5b	<\$0.1b	\$1.1b
%SGP Portfolio	4%	4%	<1%	9%

NSW	CP	Resi	RL	Total
Number of properties/projects	35	15	20	70
Book Value	\$4.9b	\$0.6b	\$0.3b	\$5.8b
%SGP Portfolio	41%	5%	3%	48%

Vic	CP	Resi	RL	Total
Number of properties/projects	12	9	32	53
Book Value	\$0.9b	\$0.5b	\$0.5b	\$1.9b
%SGP Portfolio	8%	4%	4%	16%

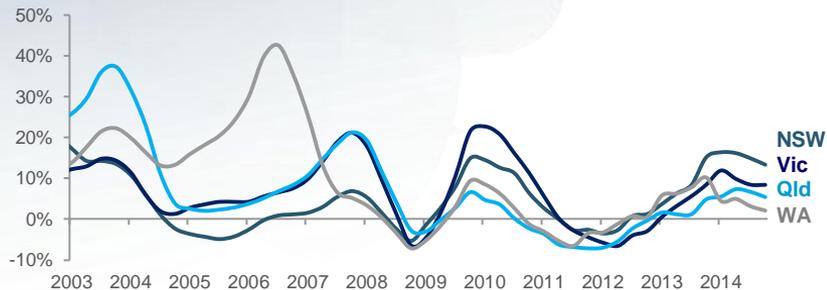
1. Includes UPF assets

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

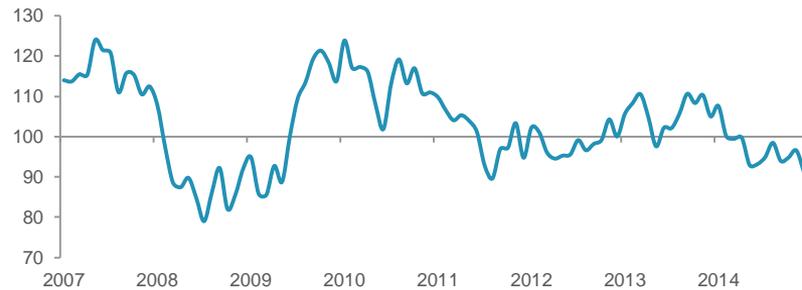
3. Excludes Apartments

Australia: Retail Drivers

Capital city house price growth moderating in all states¹

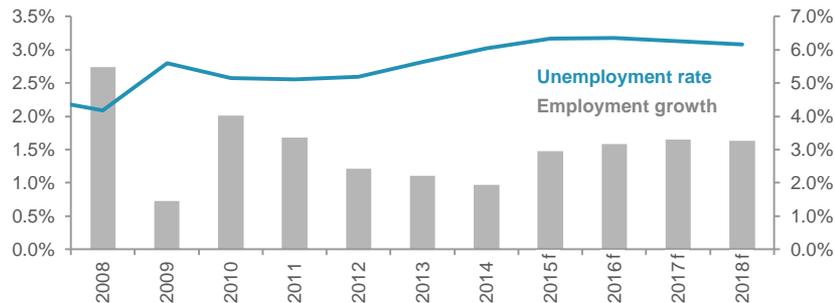


Consumer Sentiment has been negative over most of 2014²



Labour market forecast to improve^{3,4}

Australian Employment



Savings rate rose sharply during GFC but now stable³

Household Savings Ratio



1. RP Data

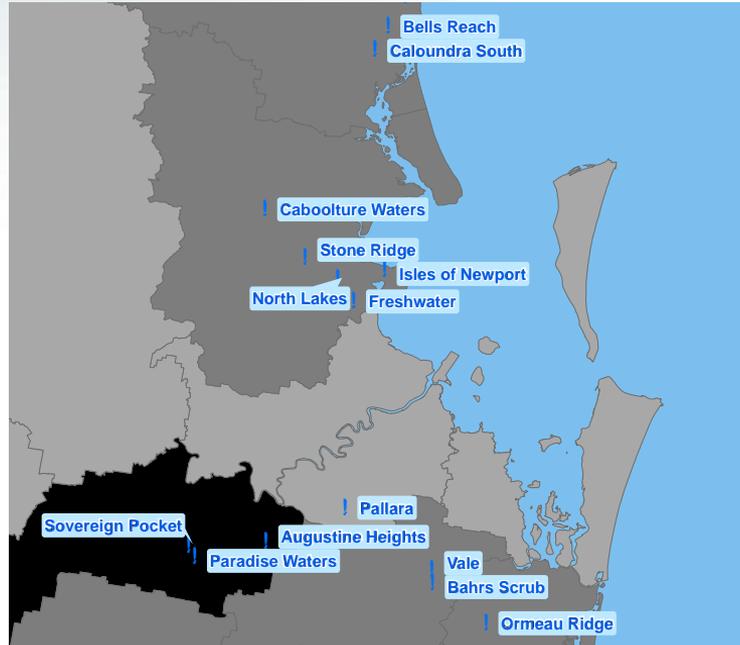
2. Westpac – University of Melbourne Consumer Sentiment Survey

3. ABS

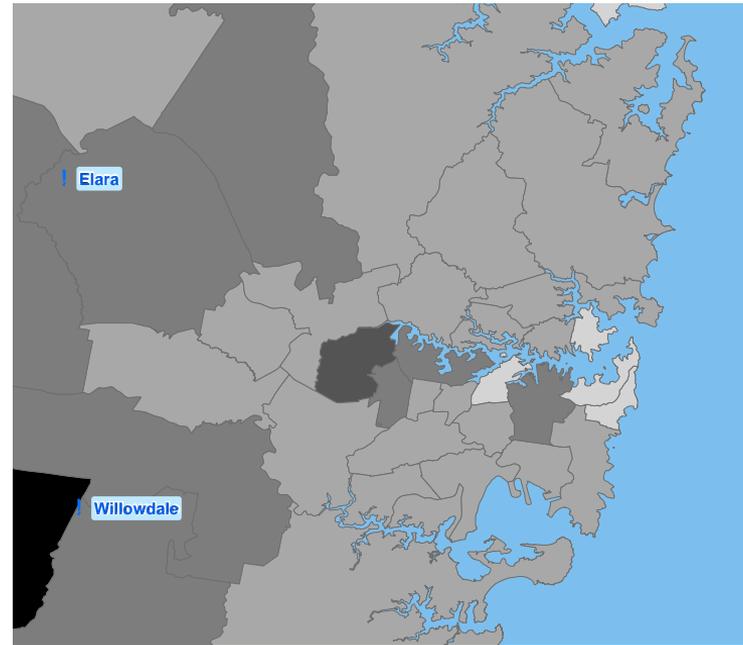
4. Deloitte Access Economics Business Outlook Dec 2014

Key Residential projects – significant scale, located in key population growth areas

BRISBANE

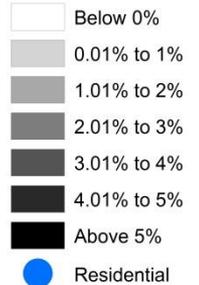


SYDNEY



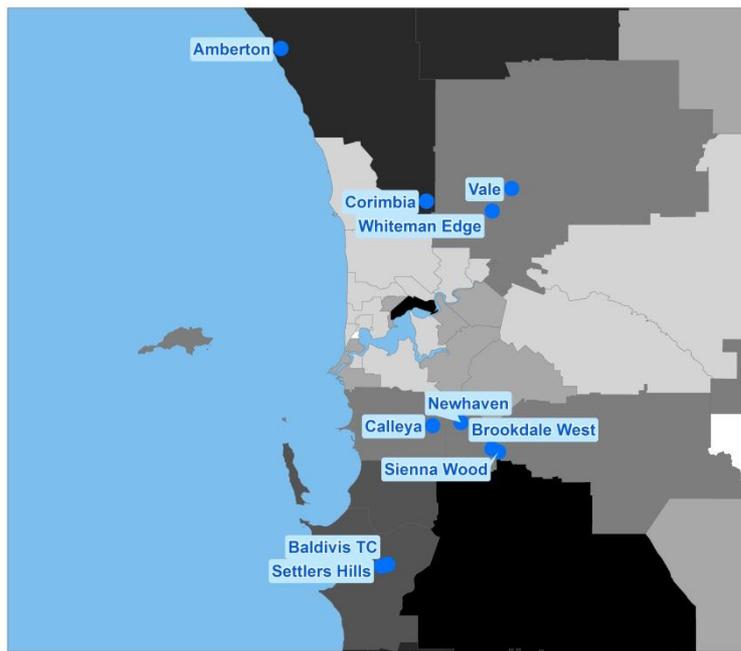
Pop Growth 2014 - 18

GrowthRate

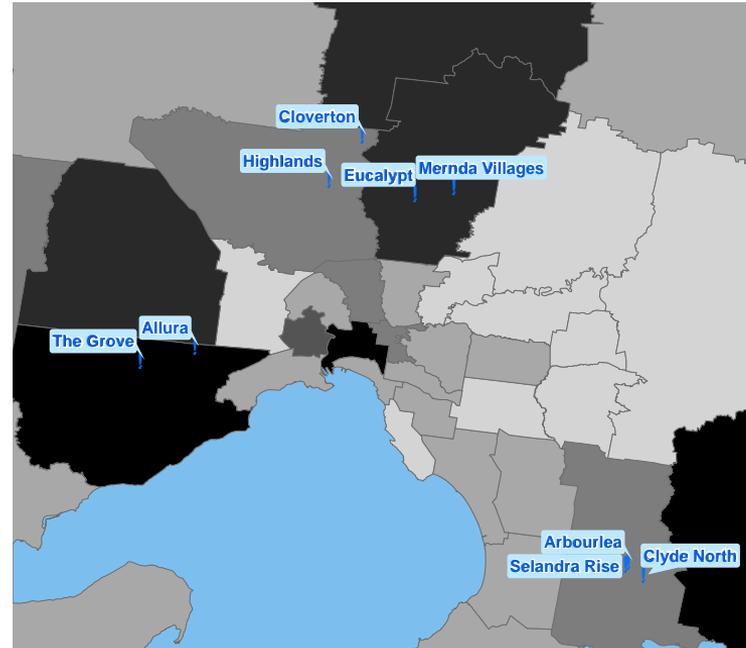


Key Residential projects – significant scale, located in key population growth areas

PERTH

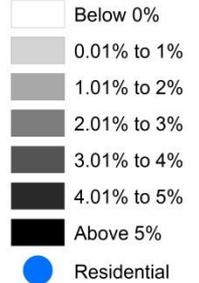


MELBOURNE



Pop Growth 2014 - 18

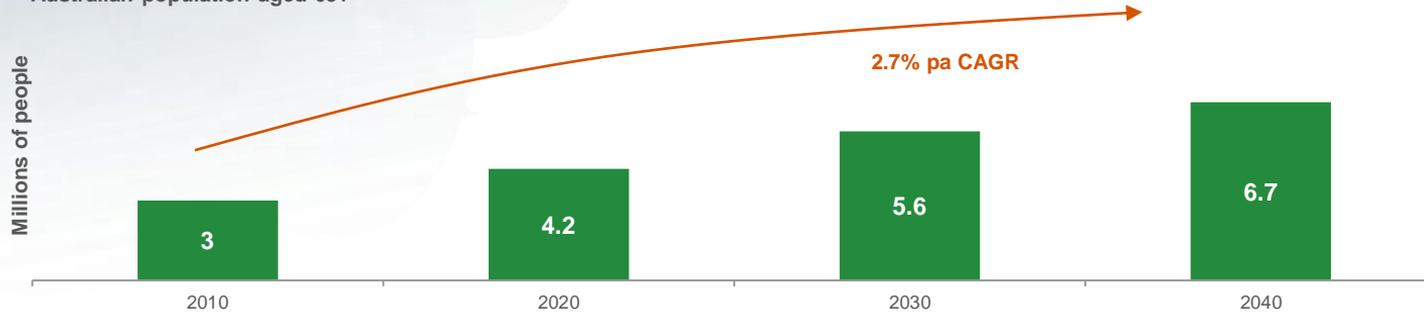
GrowthRate



Retirement Living – Strong demand drivers

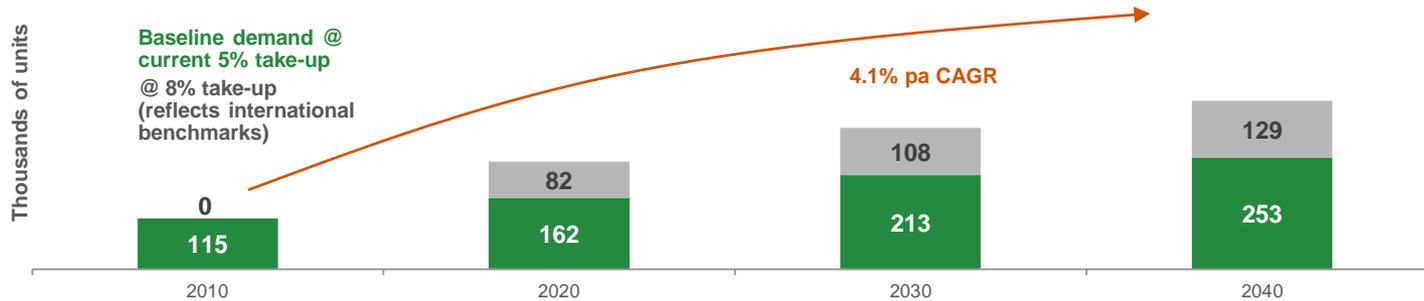
Compelling demand fundamentals

Australian population aged 65+¹



65+ population expected to more than double in next 30 years

Implied demand for units



\$35b worth of new property required to meet demand (at today's prices and take-up rates)

1. ABS Cat. No. 3222.0

Group Finance

Brooklyn Estate, Vic

Melbourne CBD
13km

Port of Melbourne
11km

Brooklyn Estate,
Brooklyn

GEELONG ROAD

WEST GATE FREEWAY

MILLERS ROAD



Profit summary

\$m	1H15	1H14
Residential Communities EBIT (before interest in COGS)	128	120
Commercial Property EBIT	255	249
Retirement Living EBIT	19	18
Other EBIT (investments & non-core operations) ¹	4	7
Unallocated corporate overheads	(24)	(22)
Group EBIT (before interest in COGS)	382	372
Net interest expense:		
- Interest income	4	3
- Interest paid	(108)	(104)
- Interest capitalised to Inventory	62	60
- Interest capitalised to Investment Properties under development	8	5
Share of interest paid on external debt of equity accounted investment	(2)	(2)
Net interest expense in P&L before capitalised interest	(36)	(38)
- Capitalised interest expensed in the P&L	(65)	(88)
Net interest expense	(101)	(126)
Tax benefit	9	21
Underlying Profit	290	267
Statutory Profit adjustments	202	71
Tax expense of adjustments	(30)	(40)
Statutory Profit	462	298

1. Includes operating EBIT from UK, Apartments and Aged Care, as well as income from investments

Net interest gap

Interest expense - \$m	1H15			1H14		
	Interest	Deferred Interest	Total	Interest	Deferred Interest	Total
Interest paid¹	101	7	108	97	7	104
Less: capitalised interest						
- Commercial Property development projects	(4)	-	(4)	(1)	-	(1)
- Residential	(56)	(6)	(62)	(54)	(6)	(60)
- Retirement Living	(4)	-	(4)	(4)	-	(4)
	(64)	(6)	(70)	(59)	(6)	(65)
Borrowing cost in P&L	37	1	38	38	1	39
Add: capitalised interest expensed in P&L ²	65	-	65	88	-	88
Total interest expense in P&L	102	1	103	126	1	127

Lower capitalised interest expensed through the P&L

- Due to timing of trade out and disposal in 1H14 of impaired projects that have high capitalised interest balances

Deferred interest- Residential

- Non-cash adjustments for unwinding of present value discount on land acquisitions on deferred terms:
 - Discount initially booked through balance sheet (inventory and land creditor)

1. Before interest income and share of interest expense in equity accounted investments

2. Made up of: Residential - \$62m (December 2013: \$84m) and Retirement Living \$3m (December 2013: \$3m) and UK - nil (December 2013: \$1m)

This differs to statutory reporting by \$3m (December 2013: \$3m) as Retirement Living is reported through the fair value adjustment of investment properties

Strategic mix¹

	Assets 31 December 2014	Assets 31 December 2013	Operating Profit 1H15	Operating Profit 1H14
Recurring				
Commercial Property	71%	70%	81%	88%
Retirement Living	7%	8%	5%	6%
Unallocated corporate overheads	-	-	(3%)	(4%)
Total recurring	78%	78%	83%	90%
Trading				
Residential	20%	20%	21%	14%
Retirement Living	2%	1%	-	-
Other and unallocated corporate overheads	-	1%	(4%)	(4%)
Total trading	22%	22%	17%	10%

1. Excludes investment in Australand

Return on Assets, Return on Equity

	CY14			CY13			Commentary
	Cash Return (\$m)	Avg. Cash Invested (\$b)	Return (%)	Cash Return (\$m)	Avg. Cash Invested (\$b)	Return (%)	
Retail	363	4.3	8.4%	348	4.1	8.5%	Increased cash returns driven by the recently completed major development projects
Logistics & Business Parks	117	1.4	8.6%	103	1.2	9.0%	Acquisition of Forrester Rd, Ingleburn and Balcatta
Office	78	0.9	8.4%	93	1.1	8.4%	
Residential Communities – Core	222	1.5	14.8%	142	1.4	9.8%	ROA growth reflects improved trading conditions and the launch of Calleya and Willowdale during the period
Retirement Living	46	1.0	4.6%	47	1.0	4.6%	Excludes Aged Care
Core Business ROA (sub-total)	826	9.1	9.0%	733	8.8	8.3%	
Residential Communities – Workout ¹	(26)	0.4	(6.1%)	(60)	0.6	(9.7%)	Continual phase out of non core Workout projects
Other	18	0.4	5.2%	(24)	0.4	(5.5%)	UK, Apartments, FKP, ALZ and Aged Care. Distribution income from ALZ partly offset by disposal of impaired apartment projects
Other Assets ROA (sub-total)	(8)	0.8	(1.0%)	(84)	1.0	(8.0%)	
Unallocated Overheads & Other Income	(46)	-	-	(58)	-	-	Reflects corporate overhead savings post-restructure
Group ROA	772	9.9	7.8%	591	9.8	6.0%	
Net interest/net debt	(197)	(3.0)	6.4%	(202)	(3.1)	6.6%	
Group ROE	575	6.9	8.4%	389	6.8	5.7%	
Group ROE (excl workout and other)	583	6.1	9.6%	472	5.7	8.2%	

1. Includes all impaired projects

Reconciliation between Return on Equity table values and accounting results

Reconciliation of group return in ROE calculation to Underlying Profit

\$m	CY14	CY13
Cash return	575	389
Capitalised interest expensed in COGS	(138)	(165)
Capitalised interest for the year ¹	124	118
Add-back impairment release in COGS	63	173
CP straight-line rent and other	(10)	(19)
Funds From Operations (FFO)	614	496
Add-back CP AIFRS adjustments	(50)	(37)
Tax	14	48
Underlying Profit	578	507

1. Excludes deferred interest

Reconciliation of capital employed in ROE calculation to statutory net assets

\$b	Average for CY14	Average for CY13
Group capital employed (Net Assets)	6.9	6.8
Commercial Property revaluations	1.6	1.5
Residential Communities capitalised interest	0.5	0.5
Residential Communities and Apartments impairment	(0.4)	(0.5)
Retirement Living DMF revaluations	0.2	0.2
UK Impairment and FKP fair value	-	(0.2)
Distribution provision and non-cash working capital	(0.4)	(0.3)
Statutory net assets (average for the period)	8.4	8.0

Stockland Return on Equity methodology

	Numerator (Cash Return)	Denominator (Average Cash Invested)
Residential (incl. Apartments)	EBIT (including cash loss realised on impaired projects)	Net Funds Employed (NFE) (excluding accrued capitalised interest and impairment provision) average for the 12 month period
Commercial Property	Operating Profit before amortisation of lease incentives	Average cost + capital additions + lease incentives + development work in progress Business unit overheads are allocated across the asset classes based on NOI contribution
Retirement Living ¹	EBIT	Average Net Funds Employed (including inventory, development expenditure, cash paid for acquired DMFs and goodwill, excluding capitalised interest and revaluations)
Other – UK, FKP, Apartments, ALZ, Aged Care and working capital	EBIT	Average Net Funds Employed (excluding capitalised interest, fair value movements) + average working capital (excluding derivatives, deferred taxes and distribution provision)
Debt funding	Cash interest paid less interest income received	Average debt drawn (net of cash on hand)

1. Excluding Aged Care

Cost management

- Growth aligned with improvement in trading
- Increased resourcing in investment, acquisitions and compliance functions in 2H14
- Diligent cost management practices remain embedded across the Group

\$m	1H15	1H14
Commercial Property ¹	9	9
Residential	65	55
Retirement Living ²	16	16
UK	-	1
Unallocated corporate overheads	24	22
Management, administration, marketing and selling expenses	114	103

1. Net of recoveries and costs capitalised to development projects. Excludes net fees and trust costs

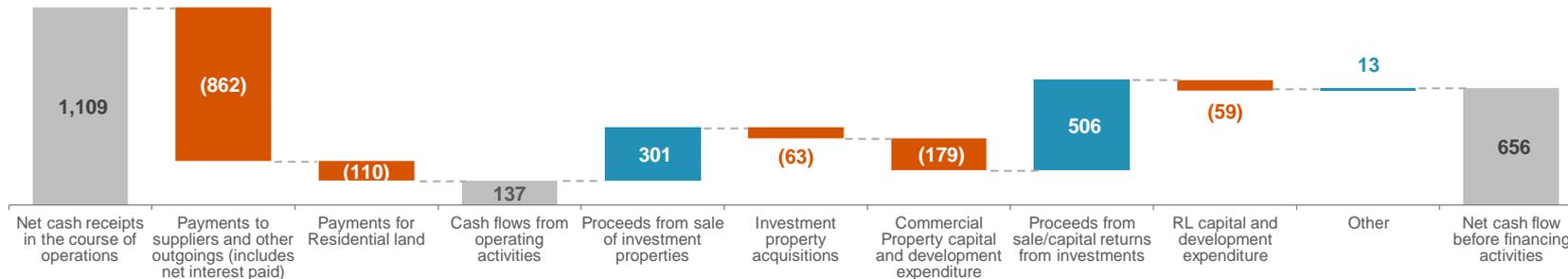
2. Excludes Aged Care (1H15: \$1m, 1H14: \$11m)

Cash flow

Net operating cash flow movement 1H14 to 1H15



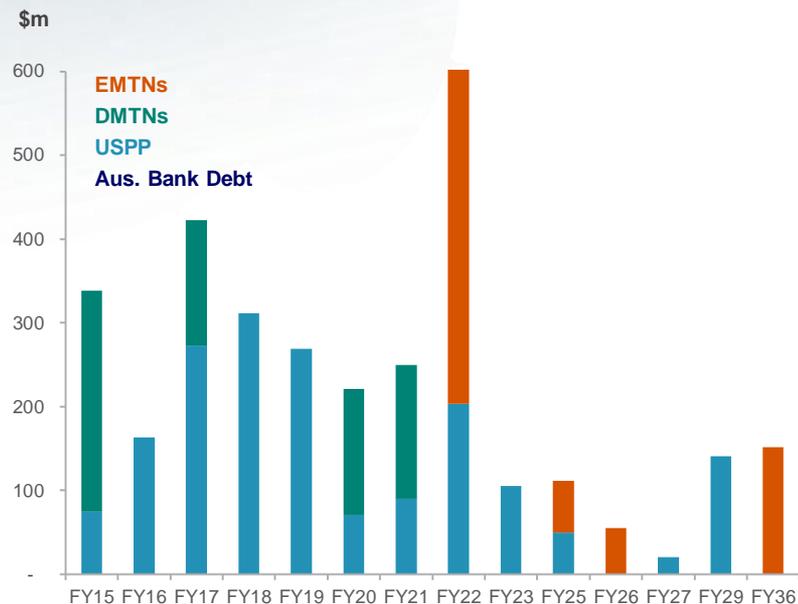
Operating and investing cash flow 1H15



1. 1H14 operating cash flow has been restated to exclude UK property disposals proceeds and Retirement Living acquisitions, capital and development expenditure to align with statutory operating cash flow

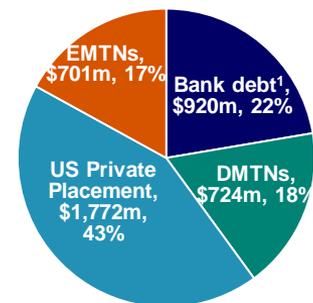
Long dated, diverse debt

Long-dated drawn debt maturity profile (WADM 5.6 years)¹



1. Excludes bank guarantees of \$0.2b and cash on deposit of \$0.5b
 2. Face value as at 31 December 2014

Diverse debt sources – Committed Facilities

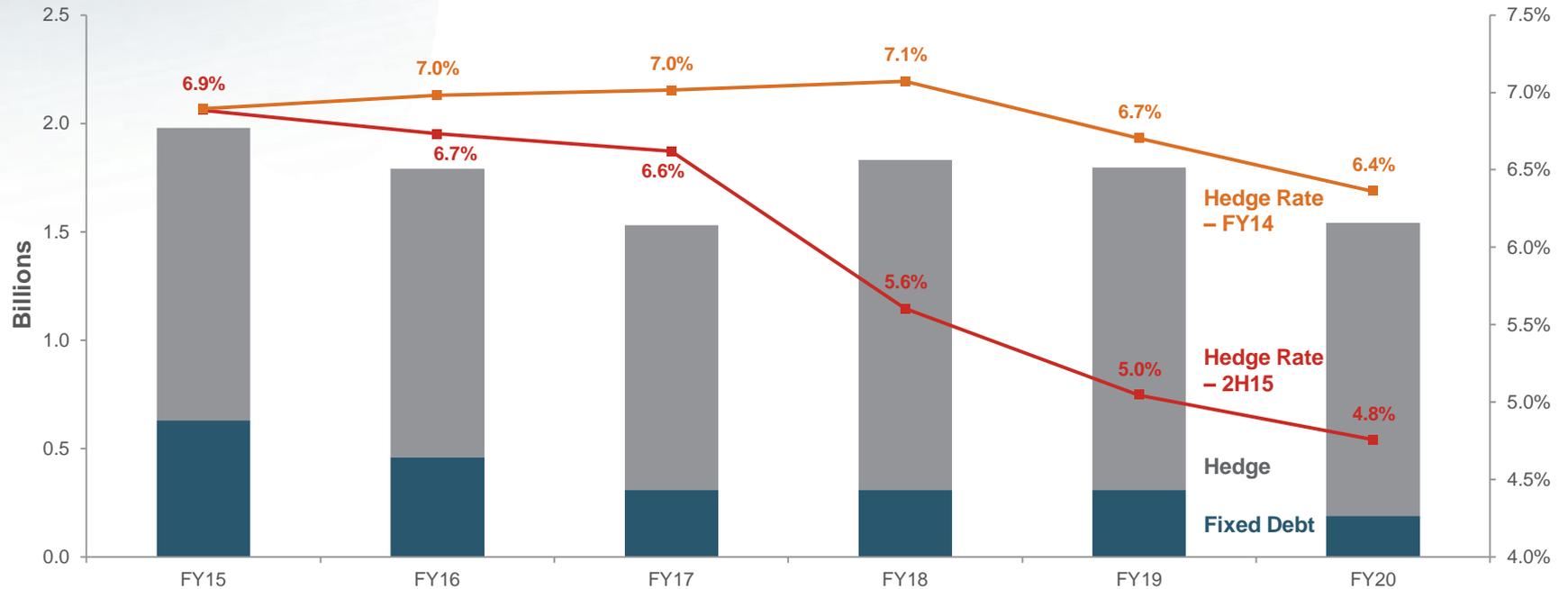


Cost of debt for 1H15

	Debt (\$m) ²	Total Debt (%)	Interest Rate (%)
Hedged debt	2,069	65%	6.7%
Floating debt	1,128	35%	2.7%
Total debt	3,197		5.3%
Margin			0.9%
Fees			0.2%
All-in cost of funds for 1H15			6.4%

Fixed debt / hedge profile

Historical high fixed hedge rates 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	920	-
Commercial Paper	-	-
Domestic Medium Term Notes	724	724
USPP	1,772	1,772
European Medium Term Notes	701	701
Total Debt	4,117	3,197

Facility	Facility limit (\$m) ¹	Amount drawn (\$m)	Facility maturity
Bank Debt			
- Multi option facility - Australia	100	-	Jul 2015
- Multi option facility - Australia	120	-	Aug 2015
- Multi option facility - Australia	100	-	Sep 2015
- Multi option facility - Australia	100	-	Dec 2015
- Multi option facility - Australia	75	-	Jan 2018
- Multi option facility - Australia	175	-	Jan 2018
- Multi option facility - Australia	100	-	Feb 2019
- Multi option facility - Australia	50	-	Feb 2019
- Multi option facility - Australia	100	-	Nov 2019
Total Bank Debt	920	-	

1. Facility limit excludes bank guarantees of \$0.3b of which \$0.2b was utilised as at 31 December 2014

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

Debt Capital Markets

- A\$28m USPP was repaid in July 2014
- 7 year €300m Green Bond (A\$433m) issued in November 2014 under the existing EMTN program

Bank Debt

- \$350m bank facility was cancelled, reductions to other facilities totalling \$100m were executed and a number of facilities were extended for a further 12 months
- Sufficient liquidity to manage refinance and investment requirements

Debt summary (continued)

Facility	Issued debt (\$m) ¹	Facility maturity
Domestic Medium Term Note Facility (MTN)		
- MTN	264	Feb 2015
- MTN	150	Jul 2016
- MTN	150	Sep 2019
- MTN	160	Nov 2020
Total Domestic	724	
Offshore Medium Term Note Facility (MTN)		
- European MTN	433	Nov 2021
- Asia MTN	62	May 2025
- Asia MTN	55	Oct 2025
- Asia MTN	151	Aug 2035
Total Offshore	701	

Facility	Issued debt (\$m) ¹	Facility maturity
USPP		
- USPP	75	Jun 2015
- USPP	64	Jul 2015
- USPP	99	Oct 2015
- USPP	62	Jul 2016
- USPP	27	Oct 2016
- USPP	184	Jun 2017
- USPP	61	Oct 2017
- USPP	250	Jun 2018
- USPP	269	Oct 2018
- USPP	71	Jul 2019
- USPP	90	Jul 2020
- USPP	176	Sep 2021
- USPP	28	Jun 2022
- USPP	105	Aug 2022
- USPP	50	Aug 2024
- USPP	20	Jun 2027
- USPP	141	Feb 2029
Total USPP	1,772	

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

Covenant calculations

As at 31 December 2014 \$m	Statutory Balance Sheet	Adjustments	Gearing Covenant Balance Sheet
Assets			
Cash	523	-	523
Real estate related assets	12,067	-	12,067
Retirement Living Gross-Up	1,912	(1,912)	-
Intangibles	94	(94)	-
Other financial assets	300	(292)	8
Other assets	270	-	270
Total assets	15,166	(2,298)	12,868
Liabilities			
Interest-bearing liabilities	(3,235)	47	(3,188)
Retirement Living resident obligations	(1,944)	1,912	(32)
Other financial liabilities	(382)	382	-
Other liabilities	(1,050)	-	(1,050)
Total liabilities	(6,611)	2,341	(4,270)
Net assets	8,555	43	8,598

B

A

A

B

A

All lenders have consistent covenants

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

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

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

	Interest Cover ¹	TL/TTA	D/TTA (net of cash)
31 December 2014	3.9:1	33.2%	22.1% ²
30 June 2014	3.9:1	35.2%	25.0%
31 December 2013	3.4:1	33.1%	24.0%
30 June 2013	3.0:1	31.6%	22.7%

- Reduction in gearing to 22.1% primarily reflects disposal of our investment in Australand and successful execution of the joint venture at Townsville shopping centre

1. Rolling 12 month average

2. Debt = Interest bearing debt (\$3,188m) + Stockland's share of debt drawn in joint ventures (\$74m) + transaction costs (\$9m) – Cash (\$523m)

TTA = Total assets (\$12,868m) + Stockland's share of assets held by joint ventures (\$74m) – Cash (\$523m)

Balance sheet summary

\$m	31 December 2014	30 June 2014
Cash	523	231
Real estate related assets		
- Commercial Property	8,563	8,363
- Residential	2,421	2,325
- Retirement Living	1,071	1,037
- Other	12	127
Retirement Living Gross-Up	1,912	1,823
Intangibles	94	94
Other financial assets	300	634
Other assets	270	266
Total assets	15,166	14,900
Interest-bearing liabilities	(3,235)	(3,118)
Retirement Living resident obligations ¹	(1,944)	(1,865)
Other financial liabilities	(382)	(534)
Other liabilities	(1,050)	(1,085)
Total liabilities	(6,611)	(6,602)
Net assets	8,555	8,298
NTA per share	\$3.60	\$3.53

1. This amount comprises of \$1,912m of existing resident obligations (30 June 2014: \$1,823m), being a balance sheet gross up and \$32m of former resident obligations (30 June 2014: \$42m)

Stockland Corporation income tax reconciliation

\$m	1H15		1H14	
	Underlying Profit	Statutory Profit	Underlying Profit	Statutory Profit
Net profit before tax	281	483	246	317
Less: Trust profit and Intergroup eliminations	(306)	(418)	(314)	(337)
Corporation (loss)/profit before tax B	(25)	65	(68)	(20)
Prima facie tax benefit/(expense) @ 30%	8	(20)	20	6
Tax effect of permanent differences:				
Prior period true-ups	-	-	-	-
Non-assessable / (non-deductible) items	1	(1)	1	-
Non-recognition of income tax benefit ¹	-	-	-	(25)
Tax benefit / (expense) A	9	(21)	21	(19)
Effective tax rate (A / B)	36%	32%	31%	N/A

1. At each reporting period, the recovery of DTA is assessed with reference to forecasts of taxable income. For the December 2014 half year end, the net DTA disclosed was deemed to be fully recoverable.

Commercial Property

Wetherill Park, NSW



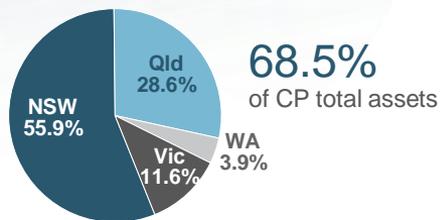
Portfolio weightings and valuation movements

Commercial Property assets: \$8.3b¹

Retail: \$5.7b

41 properties

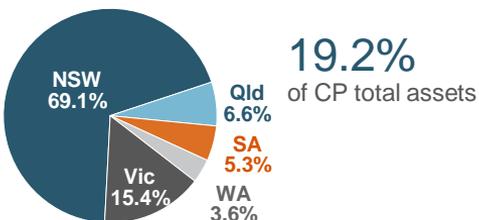
1,005,835 sqm gross lettable area²



Logistics and Business Parks: \$1.6b

21 properties

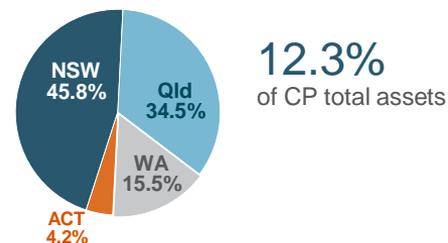
1,212,345 sqm gross lettable area^{2,3}



Office: \$1.0b

10 properties

213,648 sqm net lettable area²



	WACR Dec14	WACR Dec13 ⁴	Book Value (\$m)	1H15 Movement (\$m)
Retail ⁵	6.7%	6.9%	5,684	122
Logistics and Business Parks	8.1%	8.4%	1,594	14
Office	7.6%	7.9%	1,017	35
Capital works and sundry properties ⁶	-	-	342	-
Total	7.1%	7.3%	8,637⁷	171⁷

1. This is consistent with the Property Portfolio, which includes assets held for sale but excludes capital works in progress and sundry properties, Townsville Kingsvale and Sunvale (Qld) and Hervey Bay Central Square (Qld)

2. Represents 100% owned, JV and associates properties

3. Excludes hardstand and vehicle storage

4. Dec13 restated to reflect reallocation of assets from Office to L&BP

5. Includes Townsville Kingsvale and Sunvale (Qld) and Hervey Bay Central Square (Qld)

6. An independent valuation will be performed on completion of the capital works, includes Eagle Street Pier (Qld)

7. Excluding stapling adjustment related to owner occupied space

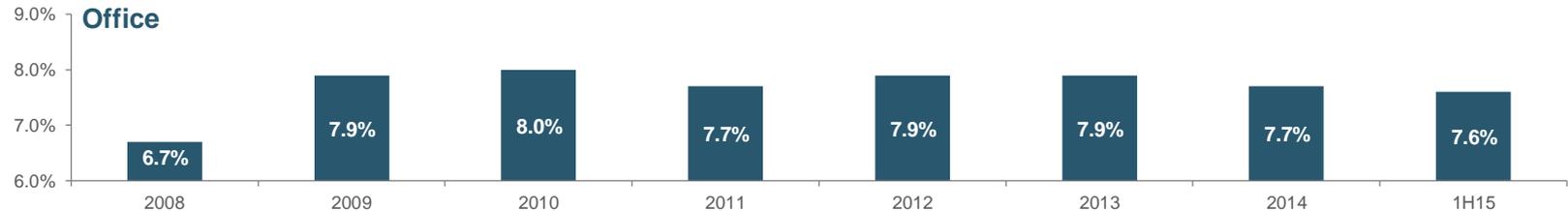
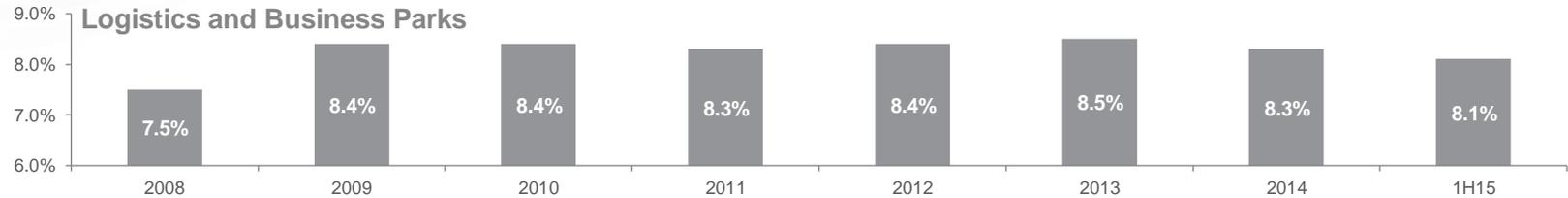
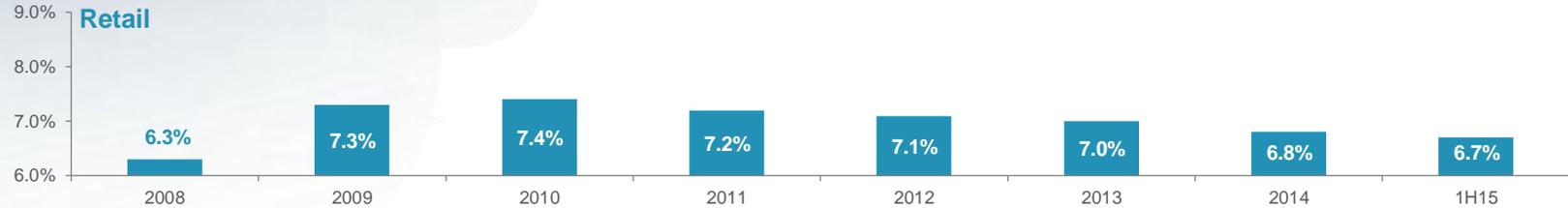
Commercial Property Funds From Operations

	Retail		Logistics and Business Parks		Office		Other ¹		Total	
\$m	1H15	1H14	1H15	1H14	1H15	1H14	1H15	1H14	1H15	1H14
Operating EBIT	174	174	57	47	33	37	(9)	(9)	255	249
Adjust for:										
Amortisation of fit out incentives ²	16	13	2	1	4	5	-	-	22	19
Amortisation of rent-free incentives ²	0	0	5	4	3	4	-	-	8	8
Straight-line rent	(2)	(3)	(1)	(1)	(1)	0	-	-	(4)	(4)
Funds from Operations	188	184	63	51	39	46	(9)	(9)	281	272

1. Primarily unallocated divisional overheads

2. Reallocation of 1H14 Office & L&BP lease fee amortisation from "Amortisation of Rent Free Incentives" to "Amortisation of Fit Out Incentives"

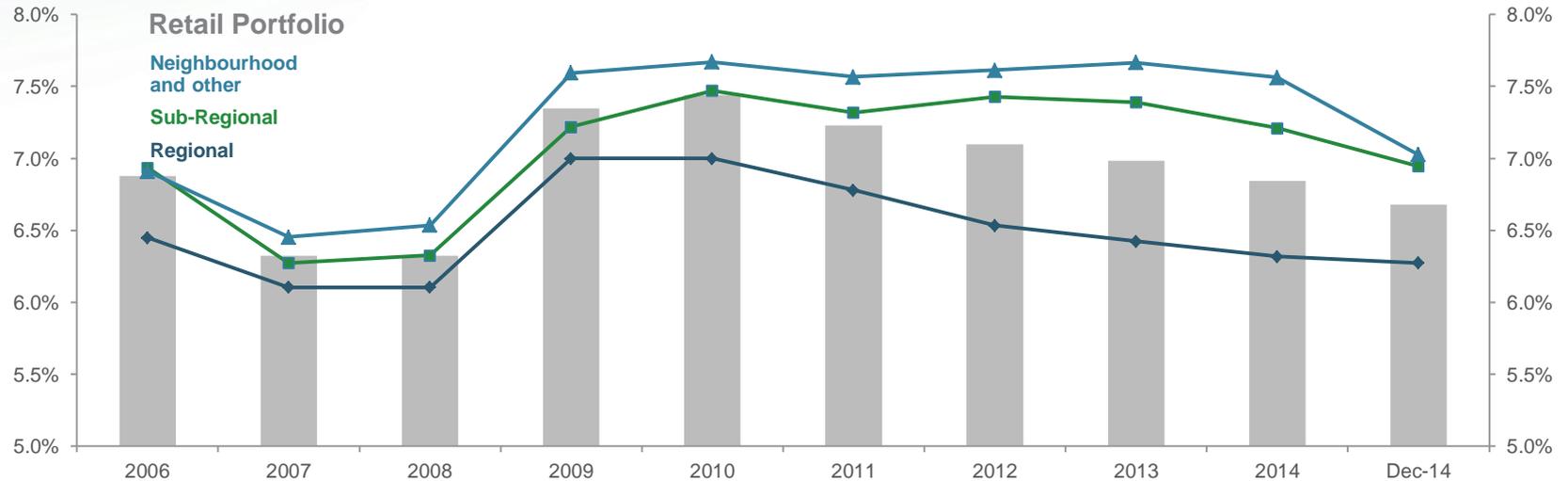
Stockland portfolio: Trend in cap rates over time



Stockland Retail portfolio capitalisation rates

As at 30 June 2006	% allocation
Regional	14%
Sub-Regional	78%
Neighbourhood and Other	8%

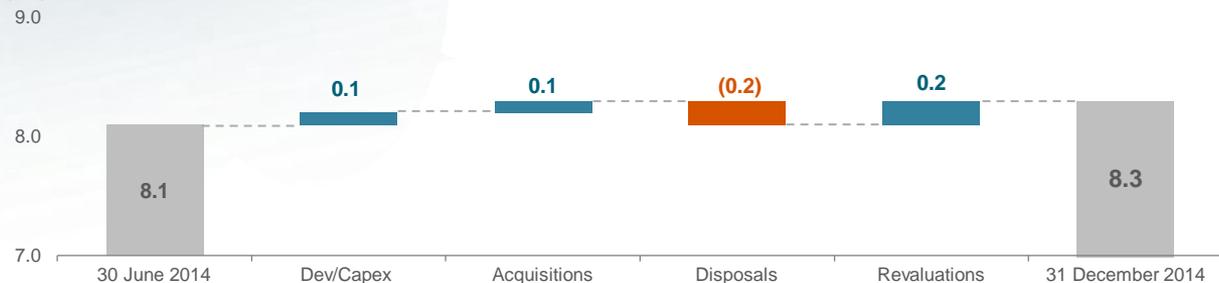
As at 31 December 2014	% allocation
Regional	43%
Sub-Regional	46%
Neighbourhood and Other	11%



Commercial Property revaluation and book value update

Commercial Property book values: \$8.3b¹

(\$b)



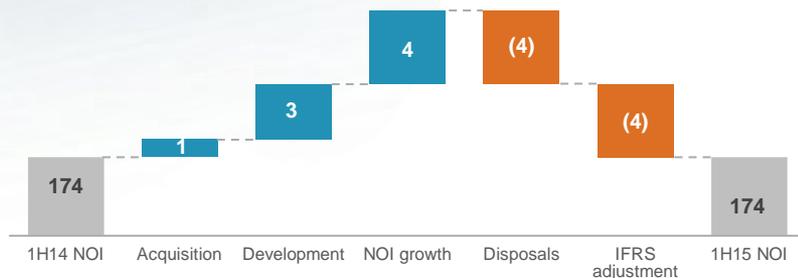
- 34% of all investment property assets were independently valued at 31 December 2014, resulting in 6.3% uplift of those assets revalued
- Retail, L&BP and Office recorded positive movements overall, driven by cap rate compression and income growth, offset by building capex improvement

Net revaluation breakdown (\$m)	Retail	Logistics and Business Parks	Office	Total
Income / Capex	7	(1)	13	19
Change in cap rates	115	15	22	152
Development	-	-	-	-
Other	-	-	-	-
Total net revaluations	122	14	35	171

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

Retail performance

Retail NOI movements between 1H14 and 1H15 (\$m)



Leasing activity

	No. of Deals	Area (sqm)	Rental growth	Incentives	
Lease renewals	131	15,140	2.0%	-	-
New leases	95	10,763	4.1%	5.8 mths	7.8% ¹
Total portfolio	226	25,903	2.9%		

1. Incentive capital as a percentage of total rent over the primary lease term only

2. Stable portfolio. 1H14 basket different to 1H15 basket

3. Adjusted for operational centre remixes and reconfiguration and retailers subject to administration

4. Assumes all leases terminate at earlier of expiry / option date

5. If all call options are exercised on Majors' leases

91% on fixed
4-5% per
annum

Key metrics

	1H15	1H14
Occupancy	99.5%	99.6%
Specialty occupancy costs ²	14.2%	13.9%
Regional	15.6%	15.3%
Large sub-regional	14.1%	13.9%
Small sub-regional	14.0%	14.0%
Neighbourhood centres	13.1%	12.9%
Specialty store leases:		
- Fixed annual increases	93%	92%
- CPI+	7%	8%
Tenant retention ³	64%	66%
Weighted average lease expiry ⁴	6.6 yrs	6.1 yrs
Options WALE ⁵	11.3 yrs	10.3 yrs

54 vacant shops,
62% casually leased
and generating income
at 31 December 2014

Stockland retail sales growth: Comparable centres



	Total MAT (\$m)	SGP Total MAT Growth	SGP adjusted Total MAT Growth ³	12 month Comparable growth	6 month Comparable growth ⁴	3 month Comparable growth ⁵
Supermarkets	2,531	0.7%	2.4%	0.7%	2.7%	2.4%
Department ² / DDS	912	(1.8%)	(0.2%)	(2.6%)	(0.1%)	0.5%
Specialties	1,829	3.8%	3.8%	3.5%	4.4%	4.5%
Mini Majors/ Cinemas/Other	1,040	0.5%	0.5%	0.0%	1.4%	2.6%
Total	6,312	1.2%	2.1%	0.9%	2.5%	2.7%

1. In June 2014, Majors reported one less week than in June 2013

2. Includes Myer at Stockland Townsville (Qld) and Myer at Shellharbour (NSW)

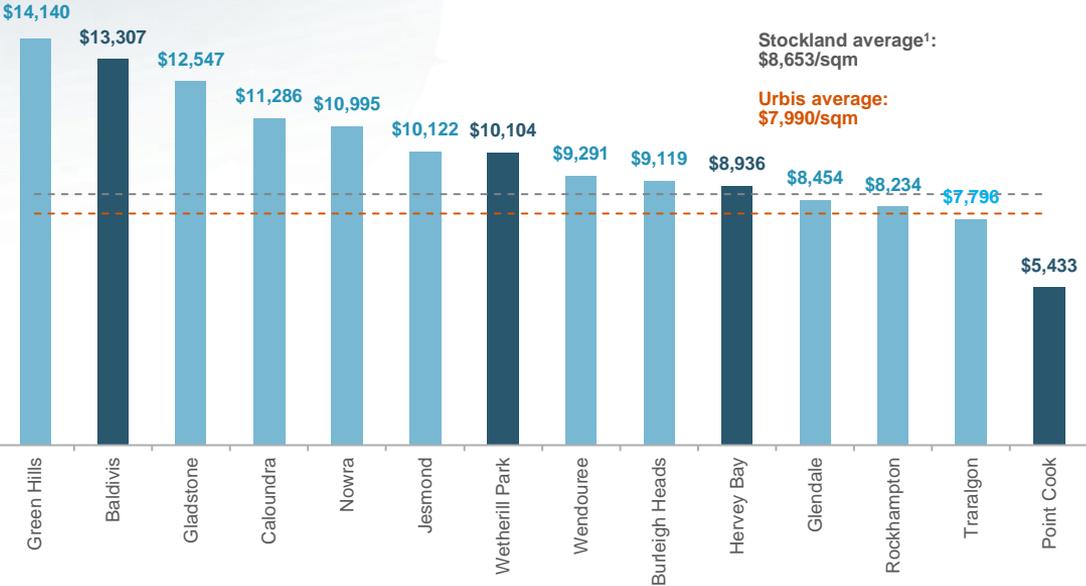
3. Adjusted for extra week of trading by Majors in 2013

4. Includes Merrylands (NSW) and Townsville (Qld)

5. Includes Townsville (Qld) and Merrylands (NSW) and Shellharbour (NSW)

Retail: Productive centres and diverse income base

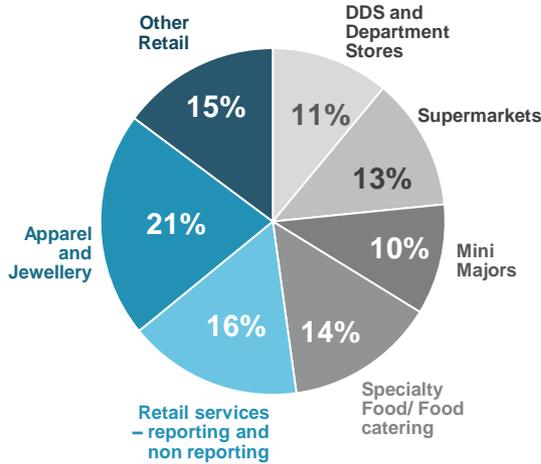
Specialty MAT/sqm, centres with development potential



Under active development

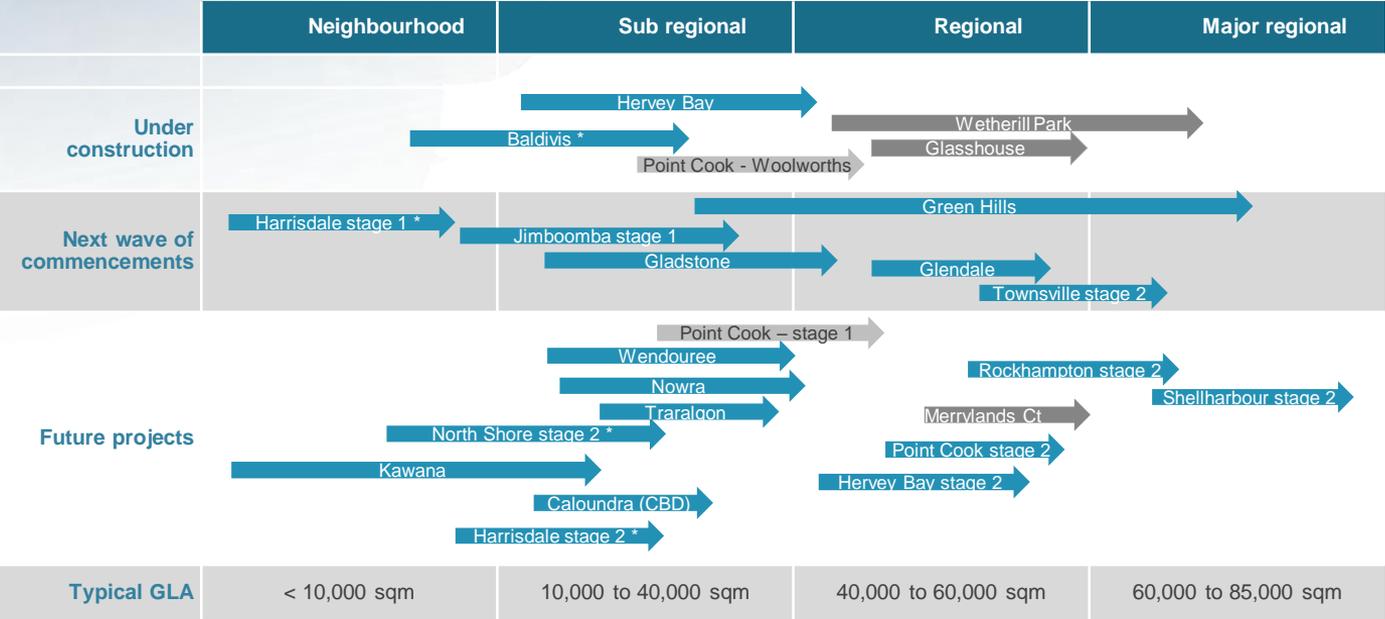
Strong diversity in rental income

Gross rent: Total portfolio



1. MLA methodology

Retail: Significant development pipeline driving growth and returns



Target returns
 11% -14% incremental IRR¹
 7% -8% incremental yield (FFO & stabilised)

DA approvals received
 Gladstone
 Green Hills
 Jimboomba (stage one)
 Harrisdale (stage one)
 North Shore (stage two)
 Caloundra (CBD)
 Wendouree
 Townsville (stage two)
 Hervey Bay (stage two)

DA approvals submitted
 Glendale



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

Retail development pipeline

	Est. total incremental cost (\$m)	Cost Spent to Date (\$m)	Est. Cost to Complete (\$m)	Completion		Est. fully leased year one yield ¹	Total income leased	Specialty income leased ²	Est. Incremental Return ³ (%)	Est. total return ⁴ (%)
				Date	Value (\$m)					
Under construction										
Hervey Bay (Qld)	125	116	9	FY15	185 – 195	7.5%	83%	78%	~13.4	~11.6
Baldivis (WA)	116	70	46	FY15	175 – 185	8.0%	88%	82%	~13.0	~13.0
Wetherill Park (NSW)	222	124	98	FY16	645 – 665	7.3%	67%	64%	~14.0	~11.5
Glasshouse (NSW) (50%)	14	1	13	FY16	50 – 60	7.1%	100%	100%	~14.0	~9.8
Point Cook (Vic)	24	4	20	FY16	195 – 205	5.6%	86%	52%	~12.0	~10.8
	501	315	186							
Next wave of commencements										
	~900		~900			Range 7% - 8%			Range 11% - 14%	
TOTAL	1,401		1,086							

1. FFO stabilised incremental yield

2. All specialty income including shops, kiosks, ATMs etc.

3. Unlevered 10 year IRR on incremental development from completion

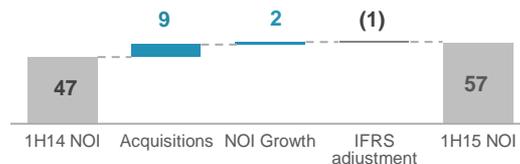
4. Unlevered 10 year IRR for existing assets and incremental development from completion

Logistics & Business Parks performance¹

Occupancy and lease expiry – by income

	1H15	1H14
Occupancy	95.6%	92.8%
WALE	4.7 yrs	5.0 yrs

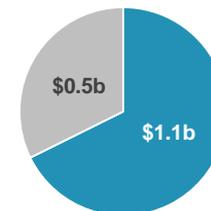
Logistics & Business Parks NOI movements between 1H14 and 1H15 (\$m)



Portfolio concentrated in large quality assets

Logistics and Business Parks assets by book value

~1.6b
Business Parks
Logistics



Key Logistics & Business Parks leasing deals

Property	Location	Building area (sqm)	FY15 area leased (sqm)	Leased to	Asset WALE (years)	Comments
Yennora Distribution Centre	NSW	297,026	4,345	Sussan Corporation	4.6	Tenant Renewal
Port Adelaide Distribution Centre	SA	167,604	7,220	Wengfu Australia	2.2	New Tenant
Brooklyn Estate	Vic	130,004	6,450	Fair Price Gallery	2.5	New Tenant
Hendra Distribution Centre	Qld	83,396	2,849	Agility Logistics	3.2	New Tenant
Toll Business Park	Vic	51,981	17,110	Deliver.com.au	2.5	New Tenant
9-11A Ferndell Street	NSW	47,483	3,431	Hellofresh Australia	3.9	New Tenant
Altona Distribution Centre	Vic	34,309	2,152	Wheadons Pty Ltd	2.3	Tenant Renewal
16 Giffnock Avenue	Sydney Metro, NSW	11,723	1,718	Sonartech Atlas	4.4	New Tenant

1. Reallocated assets from Office to Logistics & Business Parks: Macquarie Park precinct and North Ryde assets in NSW: Trinita Business Campus, Optus Centre, 60-66 Waterloo Rd, 16 Giffnock Avenue and Macquarie Technology Centre

Office performance¹

Occupancy and lease expiry – by income

	1H15	1H14
Occupancy	94.3%	89.8%
WALE	4.5 yrs	5.2 yrs

Office NOI movements between 1H14 and 1H15 (\$m)²



Portfolio concentrated in large quality assets

Office assets by book value



Key Office leasing deals

Property	Location	Building area (sqm)	FY15 area leased (sqm)	Leased to	Asset WALE (years)	Comments
135 King Street	Sydney CBD, NSW	27,252	3,626 1,215	UXC Limited Little Company of Mary	5.6	New Tenant New Tenant
Waterfront Place	Brisbane, Qld	59,557	1,866 1,792	CBP Lawyers St George	4.9	New Tenant New Tenant
Garden Square	Brisbane, Qld	12,594	910	Vocation	2.3	New Tenant
77 Pacific Highway	Sydney Metro, NSW	9,571	633	Bouygues Construction	3.9	New Tenant

1. Reallocated assets from Office to Logistics & Business Parks: Macquarie Park precinct and North Ryde assets in NSW: Trinita Business Campus, Optus Centre, 60-66 Waterloo Rd, 16 Giffnock Avenue and Macquarie Technology Centre

2. Impacted by 601 Pacific Highway not leased due to refurbishment post IBM vacating

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

Logistics & Business Parks	Total leased ¹		
	GLA leased (sqm) ²	Weighted average base rent growth %	Weighted average incentives
Sydney West	7,776	1.5%	8.3%
Sydney Metro	2,081	2.4%	32.2%
Qld	2,849	-	8.3%
SA	7,220	-	11.4%
Vic	25,712	5.7%	21.1%
	45,638	3.6%	17.1%

Retention ¹		
Retention (sqm) ²	Increase on base rents	Weighted average incentives
4,345	(3.4%)	8.3%
363	(18.0%)	26.0%
-	-	-
-	-	-
2,152	-	8.4%
6,860	(3.1%)	9.3%
24% retention³		

New leases ¹		
New leases (sqm) ²	Increase on base rents	Weighted average incentives
3,431	7.7%	8.3%
1,718	6.7%	33.5%
2,849	-	8.3%
7,220	-	11.4%
23,560	6.2%	22.3%
38,778	4.8%	18.5%

Office	Total leased ¹		
	GLA leased (sqm) ²	Weighted average base rent growth %	Weighted average incentives
Sydney CBD	7,467	1.7%	27.5%
Sydney Metro	1,598	4.5%	30.0%
Qld	7,136	(0.8%)	28.8%
WA	408	(3.7%)	15.0%
ACT	-	-	-
	16,609	0.8%	28.0%

Retention ¹		
Retention (sqm) ²	Increase on base rents	Weighted average incentives
740	6.8%	23.8%
-	-	-
1,471	(0.8%)	22.6%
-	-	-
-	-	-
2,211	1.7%	23.0%
43% retention³		

New leases ¹		
New leases (sqm) ²	Increase on base rents	Weighted average incentives
6,727	1.1%	27.9%
1,598	4.5%	30.0%
5,665	(0.7%)	30.4%
408	(3.7%)	15.0%
-	-	-
14,398	0.6%	28.7%

1. Area includes executed leases only
2. Represents 100% property ownership

3. Represents the percentage (by income) of total executed deals, which were expiring leases renewed by existing customers during the period

Asset values: Retail

Retail portfolio	Book value (\$m)	1H15 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	1H15 FFO (\$m)	1H15 NOI (\$m) ²
Stockland Shellharbour	683.9			6.00%	18.7	16.4
Stockland Merrylands	506.0	28.7	6.1%	6.00%	14.6	12.3
Stockland Wetherill Park ³	387.1			6.75%	11.0	10.7
Stockland Rockhampton	367.7			6.50%	12.2	10.9
Stockland Green Hills	307.8			6.50%	10.3	10.0
Stockland Glendale	271.9			6.50%	9.2	9.1
Stockland Cairns	222.9			6.75%	7.5	7.1
Stockland Townsville (50%)	221.9		6.25% - 7.25%		9.6	8.2
Stockland Point Cook	185.0			7.25%	6.8	6.5
Stockland Hervey Bay ³	164.4			7.50%	4.3	4.3
Stockland Burleigh Heads	162.0	4.0	2.5%	7.00%	5.6	5.1
Stockland The Pines	156.0	14.8	10.5%	7.00%	6.0	5.7
Stockland Forster	149.3			7.00%	5.2	5.0
Stockland Gladstone	147.5	6.1	4.3%	7.00%	5.4	5.3
Stockland Wendouree	136.3	1.8	1.4%	7.00%	4.6	4.3
Stockland Jesmond	130.8			7.50%	4.6	4.2
Stockland Balgowlah	125.5	9.7	8.5%	6.75%	4.4	3.8
Stockland Baulkham Hills	117.1			7.25%	4.5	4.1
Stockland Caloundra	116.5	4.5	4.1%	7.00%	4.1	4.0
Stockland Nowra	100.2	10.0	11.1%	7.00%	3.8	3.7
Stockland Bull Creek	100.0	4.7	5.0%	6.75%	3.4	3.2
Stockland Traralgon	98.2	11.4	13.1%	7.00%	3.6	3.5
Stockland Cleveland	93.7	4.3	4.8%	7.00%	3.7	3.7
Stockland Bathurst	88.6	2.1	2.5%	7.25%	3.3	3.2

Retail portfolio	Book value (\$m)	1H15 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	1H15 FFO (\$m)	1H15 NOI (\$m) ²
Stockland Corrimal	69.5	5.6	8.7%	7.25%	2.6	2.5
Stockland Riverton (50%)	64.0	3.1	5.1%	6.75%	2.3	2.2
Stockland Bundaberg (50%)	62.5			n/a	1.1	1.1
Stockland Wallsend	59.4			8.00%	2.3	2.2
Shellharbour Baldivis ³	55.1			7.50%	1.8	1.7
Stockland Tooronga	53.4	2.4	4.7%	6.75%	2.1	1.8
Shellharbour Retail Park	51.5	0.1	0.2%	7.75%	2.0	1.9
Stockland Cammeray	37.0	4.1	12.4%	6.75%	1.3	1.1
Glasshouse (50%)	35.8	2.9	8.7%	5.75%	0.6	0.5
Stockland Piccadilly (50%)	29.5	0.6	1.9%	6.75%	1.0	1.0
Stockland Highlands	26.7			7.75%	0.9	0.8
North Shore Townsville	20.4			7.50%	0.7	0.6
Burleigh Central	17.5	0.4	2.5%	8.25%	0.6	0.6
Jimboomba (50%)	16.0			8.75%	0.7	0.7
Woolworths Toowong ³	13.5			n/a	0.1	0.1
Vincentia	12.6	1.0	9.0%	8.00%	0.6	0.6
Merrylands Court	10.0	0.3	3.6%	7.50%	0.3	0.2
Hervey Bay Central Square ³	5.7			9.00%	0.1	0.1
T/ville, Kingsvale & Sunvale (50%)	3.1	(0.1)	(1.7%)	n/a	0.1	0.1
Subtotal Retail	5,683.5	122.5			187.6	174.1
Disposals	-	-			-	-
Other ⁴	-	(0.2)			0.5	0.3
Total Retail	5,683.5	122.3		WACR 6.7%	188.1	174.4

1. Movements due to independent valuations

2. NOI is Underlying Profit and includes adjustments for straight-lining rental income, amortisation of lease fees and amortisation of incentives

3. Properties impacted by development in 1H15

4. Relates to sundry properties and Eagle Street Pier

Asset values: Logistics & Business Park and Office

Logistics & Business Parks portfolio	Book value (\$m)	1H15 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	1H15 FFO (\$m)	1H15 NOI (\$m) ²
Yennora Distribution Centre	367.6			7.75%	12.5	11.5
Optus Centre (51%)	203.0	10.5	5.5%	7.25%	7.2	7.4
Triniti Business Campus	166.5			7.75%	6.5	5.2
Port Adelaide Distribution Centre	84.8			10.00%	4.6	4.0
Hendra Distribution Centre	83.6			9.25%	3.6	3.2
Brooklyn Estate	82.4			9.25%	3.5	2.8
Forrester Distribution Centre	77.0	(1.1)	(1.4%)	7.75%	2.9	3.1
Ingleburn Distribution Centre	77.0			n/a	2.6	2.9
60-66 Waterloo Road	75.3			7.50% - 7.75%	3.3	2.9
Balcatta Distribution Centre	57.1			n/a	1.6	2.2
9-11A Ferndell Street	46.4	1.6	3.6%	8.50% - 9.75%	2.3	2.1
16 Giffnock Avenue	36.5			8.75%	2.8	2.0
Macquarie Technology Centre	33.4			8.25% - 9.00%	1.9	1.5
20-50 Fillo Drive and 10 Stubb Street	32.3			8.75%	1.0	0.8
1090-1124 Centre Road	32.1			9.25%	1.3	1.1
Altona Distribution Centre	29.0	1.4	5.3%	8.75%	1.5	1.3
2 Davis Road	18.8	1.0	5.4%	8.00%	0.6	0.6
11-25 Toll Drive	16.2			8.25%	0.8	0.7
32-54 Toll Drive	15.2			8.25%	0.7	0.6
56-60 Toll Drive	14.5			8.25%	(0.2)	(0.3)
76-82 Fillo Drive	14.5			9.00%	0.7	0.6
Export Park, 9-13 Viola Place	11.9			9.75%	0.7	0.6
M1 Yatala Enterprise Park	10.0			n/a	0.0	0.0
40 Scanlon Drive	8.5	0.4	4.5%	8.00%	0.4	0.4
Total Logistics & Business Parks	1,593.6	13.8		WACR 8.1%	62.8	57.2

1. Movements due to independent valuations

2. NOI is Underlying Profit and includes adjustments for straight-lining rental income, amortisation of lease fees and amortisation of incentives

Office portfolio	Book value (\$m)	1H15 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	1H15 FFO (\$m)	1H15 NOI (\$m) ²
Waterfront Place (50%)	287.1			6.75%	11.5	9.5
Piccadilly Complex ^{3,4} (50%)	176.8	13.8	8.5%	6.63% - 7.75%	6.4	5.5
Durack Centre	157.7			8.25% - 8.75%	7.9	7.2
135 King Street (50%)	126.0	21.4	20.5%	6.50%	3.3	2.3
601 Pacific Highway	80.2			8.25%	2.3	1.8
77 Pacific Highway	56.4			8.25%	2.2	1.6
40 Cameron Avenue	42.5			10.50%	1.2	0.9
Garden Square	37.0			9.25%	2.1	1.7
110 Walker Street	27.2			8.25%	1.2	0.9
80-88 Jephson Street	19.0			9.00%	1.0	0.8
23 High Street	3.9			8.25%	0.1	0.1
27-29 High Street	3.4			8.50%	0.1	0.0
Subtotal Office	1,017.2	35.2			39.3	32.3
Disposals / Other					(0.1)	0.2
Total Office	1,017.2	35.2		WACR 7.6%	39.2	32.5

3. Excluding stapling adjustment relating to owner occupied space

4. Piccadilly Complex includes Piccadilly Tower and Court

Top 20 tenants by income

Retail Portfolio			Logistics & Business Parks Portfolio		Office Portfolio	
Rank	Tenant	% Portfolio	Tenant	% Portfolio	Tenant	% Portfolio
1	Woolworths	12.9%	Optus Administration	11.2%	Jacobs	8.4%
2	Wesfarmers	11.6%	ACI	9.5%	Shell	6.3%
3	Commonwealth Bank of Australia	1.7%	Toll Holdings Limited	5.8%	IBM Global Services	4.6%
4	Prouds Jewellers Pty Ltd	1.6%	Qube Logistics	4.6%	Stockland	4.0%
5	Specialty Fashion Group	1.5%	Patrick Autocare Pty Ltd	4.1%	Minter Ellison Services Pty Ltd	3.1%
6	Westpac Bank Corporation	1.3%	Australian Wool Handlers	3.3%	Hewlett Packard Pty Ltd	2.9%
7	Just Group Limited	1.3%	Goodman Fielder	3.1%	Hopgood Ganim	2.2%
8	Priceline	1.2%	Ceva	2.8%	Australian Bureau of Statistics	2.1%
9	Terry White Chemist	1.1%	Downer EDI Engineering	2.7%	Origin Energy Services Limited	2.1%
10	Best & Less Pty Ltd	1.0%	Brownes Food Operations Pty Ltd	2.3%	Brookfield Australia	1.8%
11	Myer	1.0%	CSR	2.2%	DLA Phillips Fox	1.7%
12	The Reject Shop	1.0%	Kmart Distribution	2.2%	Russell Investments	1.5%
13	Luxottica Retail Australia Pty Ltd	0.9%	Laverty Health	2.0%	King & Wood Mallesons	1.5%
14	Aldi Foods Pty Ltd	0.9%	Chubb Security Holdings Australia Pty	1.8%	UXC Limited	1.5%
15	ANZ Banking Group Ltd	0.9%	Baulderstone Hornibrook	1.7%	Bankwest	1.4%
16	Cotton On Clothing Pty Ltd	0.8%	Austpac Pty Ltd	1.7%	Uniting Church	1.4%
17	National Australia Bank	0.8%	Unitised Building (Aust) Pty Ltd	1.7%	GHD Services	1.4%
18	Retail Food Group Ltd	0.8%	Citrix	1.7%	The University of Sydney	1.3%
19	BB Retail Capital	0.8%	CRT Group Pty Ltd	1.6%	BHP Billiton MetCoal Holdings Pty Ltd	1.2%
20	Sussan Corporation (Aust) Pty Ltd	0.7%	Jansen Cilag Pty Ltd	1.5%	Smartsalary	1.1%
		43.8%		67.5%		51.5%

Commercial Property asset acquisitions and disposals

Property Acquired	Asset Class	Acquisition Date	Acquisition Value ¹ (\$m)
Stockland Bundaberg, Qld (50%)	Retail	Oct 2014	59.3
Total Asset Acquisitions			59.3

Property Disposed	Asset Class	Exchange Date	Settlement Date	Disposal Value ^{2,3} (\$m)
Stockland Townsville, Qld (50%)	Retail	Oct 2014	Oct 2014	228.7
Stockland Glenrose, NSW	Retail	Aug 2013	Aug 2014	9.8
Total Asset Disposals				238.5

1. Excludes associated acquisition costs

2. Excludes associated disposal costs

3. Includes sundry land

Residential

Cloverton, Vic



Development Pipeline – major active projects

State	Project	State percentage	Approximate lot sales per annum ¹	Approx remaining project lots	Anticipated Settlements				
					FY15	FY16	FY17	FY18	FY19+
Qld	Bells Reach ²		180	250					
	Brightwater ²		190	250					
	North Lakes ²		190	240					
	North Shore		260	3,920					
	Caloundra South			20,000 [^]					
	All Other Projects			12,140					
	Sub-total		46.8%		36,800				
Vic	Allura ²		310	550					
	Highlands		580	4,270					
	Mernda Village		140	930					
	Eucalypt		130	940					
	Cloverton (Lockerbie)			10,960					
	The Grove (Davis Road)			2,490					
	All Other Projects			260					
Sub-total		25.9%		20,400					
WA	Newhaven		220	620					
	Vale		400	2,040					
	Whiteman Edge		250	1,290					
	Amberton		240	1,890					
	Sienna Wood		210	3,380					
	Calleya		220	1,460					
	All Other Projects			120					
Sub-total		13.7%		10,800					
NSW	Willowdale		420	2,690					
	Elara			2,050					
	All Other Projects			5,960					
Sub-total		13.6%		10,700					
Total		100.0%		78,700					

1. Average number of lots estimate for three years (FY15 to FY17)

2. Average number of lots estimate for FY15 and FY16 as project largely complete in next two years

[^] Dwellings

Four projects with first settlements in next two years

	Project	Timing of first settlements	Approximate total lots in project	Approximate life of project
NSW	Elara	2H15	2,050	8 yrs
Vic	The Grove (Davis Road)	FY16	2,490	13 yrs
	Cloverton (Lockerbie)	FY16	10,960	36 yrs
Qld	Caloundra South	FY16	20,000 [^]	36 yrs
Total lots			35,500	

[^] Dwellings

Projects completing prior to FY17

	Project	Timing of final settlements	Approximate total lots	Lots remaining to sell (as at 31 Dec 2014)
NSW	McCauleys Beach	2H15	290	17
	Glenmore Ridge	FY16	520	4
	Waterside	FY16	610	50
	Murrays Beach	FY16	480	195
WA	Corimbia	FY16	1,000	104
	Baldivis Town Centre	2H15	160	4
Qld	Brightwater	FY16	1,550	253
	Bells Reach	FY16	760	245
	North Lakes	FY16	4,650	244
	Freshwater	2H15	130	5
	Pacific Pines	FY16	5,050	51
	The Observatory	FY16	900	69
Vic	Arbourlea	FY16	320	94
	Selandra Rise	FY16	1,210	186
Total lots			17,630	1,521

Price per sqm

Retail sales price¹

State	1H15 Settlements				FY14 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	172	484	241	499	511	477	230	481
Qld	922	421	222	528	1,753	450	213	472
Vic	687	388	194	501	1,098	405	194	479
WA	925	371	250	673	1,760	378	228	602
Residential Communities	2,706	399	226	565	5,122	419	215	515

Revenue Reconciliation (\$m)



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

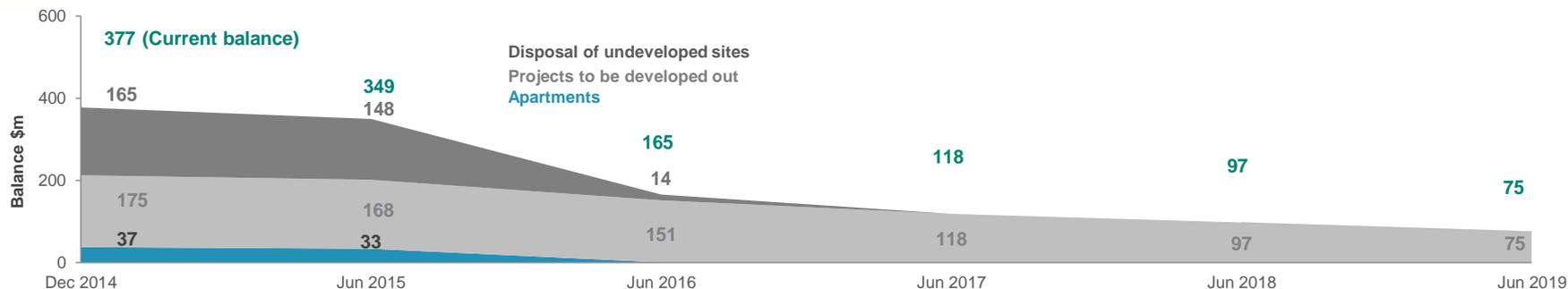
2. Includes project disposals (Lake Kawana, Qld) that occurred in 1H15

Impairment provision utilisation

31 December 2014	Residential Communities (\$m)	Apartments (\$m)	Total (\$m)
Increase in impairment	-	-	-
Utilisation of provision ²	(26)	(3)	(29)

	Impairment provision balance 31 December 2014 (\$m)	Final settlement
Projects to be developed	\$175m	~12 yrs
Disposal of undeveloped sites	\$165m	~3 yrs
Apartments	\$37m	~2 yrs
Total	\$377m	

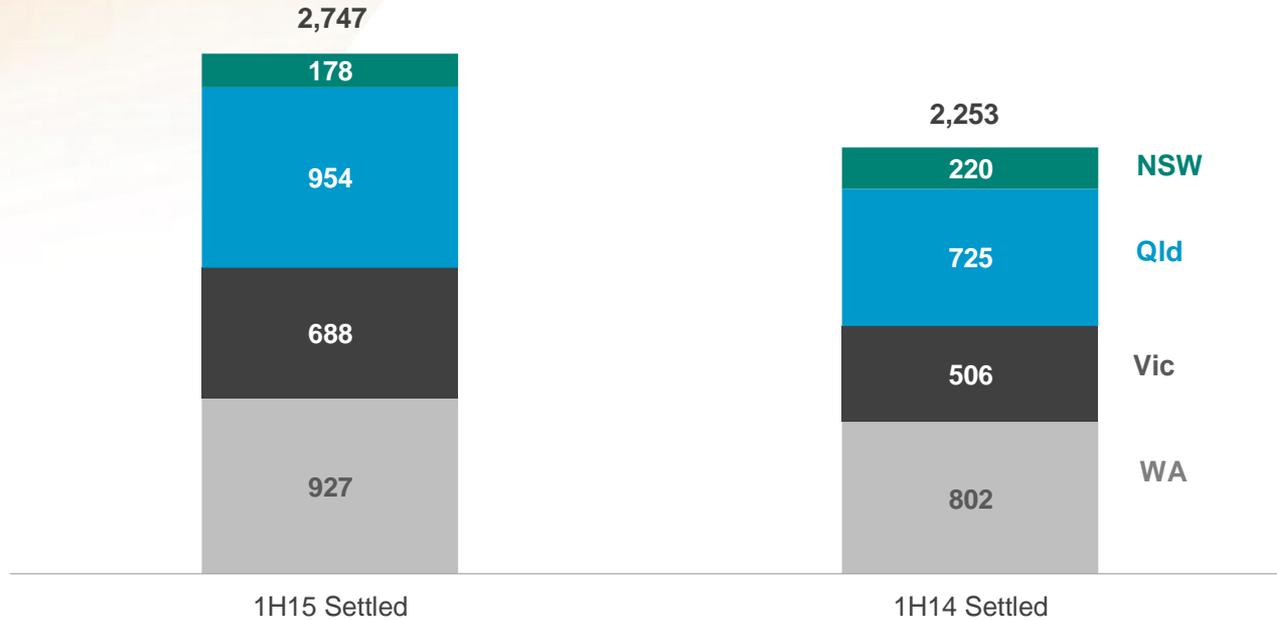
Residential forecast utilisation of provision¹



1. Forecast utilisation impairment provision as at 31 December 2014, based on forecast settlement dates, revenue and costs by project

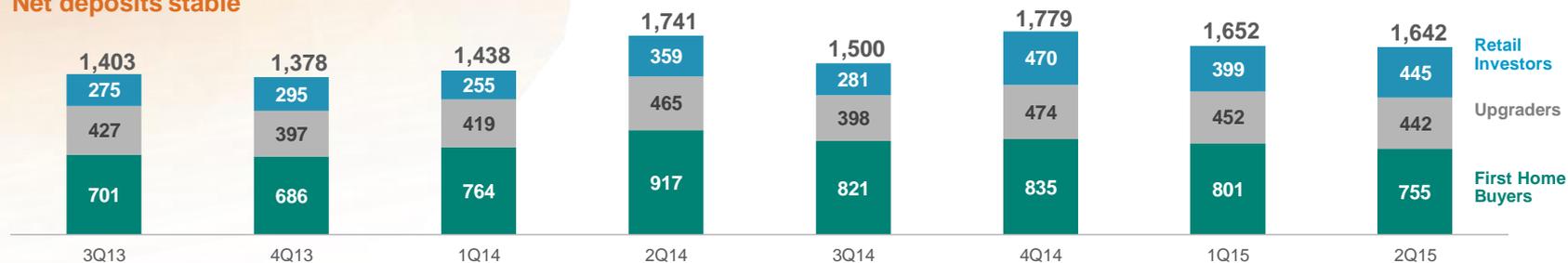
2. Excludes impairment provisions associated with projects transferred to Logistics & Business Parks

Lots settled by location in 1H15

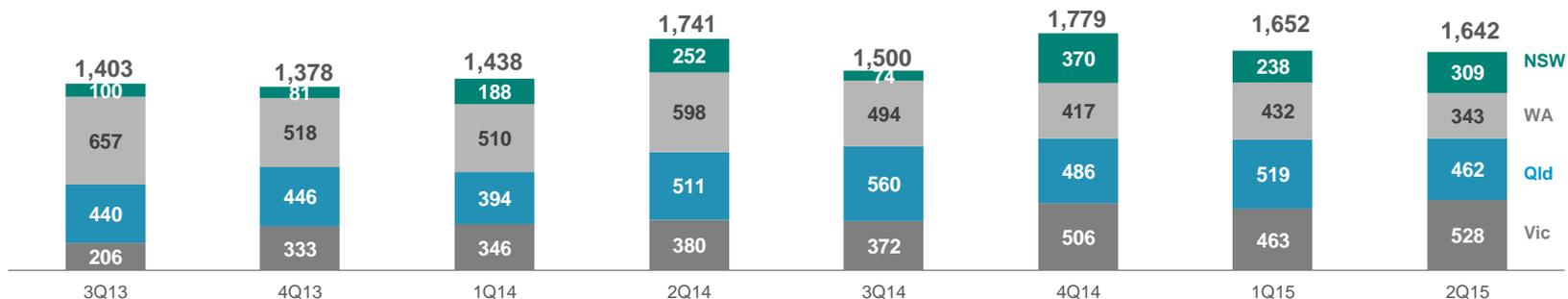


Net deposits by quarter

Net deposits stable



NSW and Vic reflect stronger demand

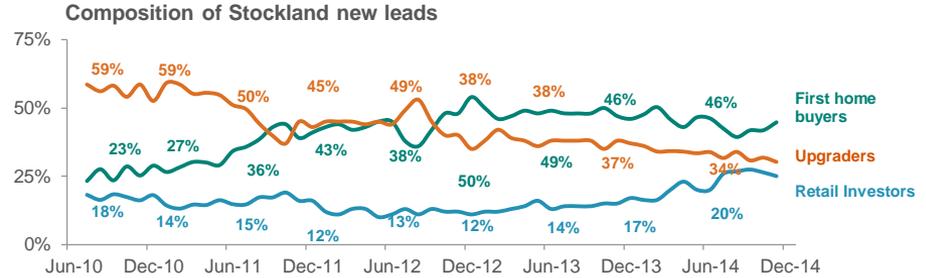


Leads and enquiry levels

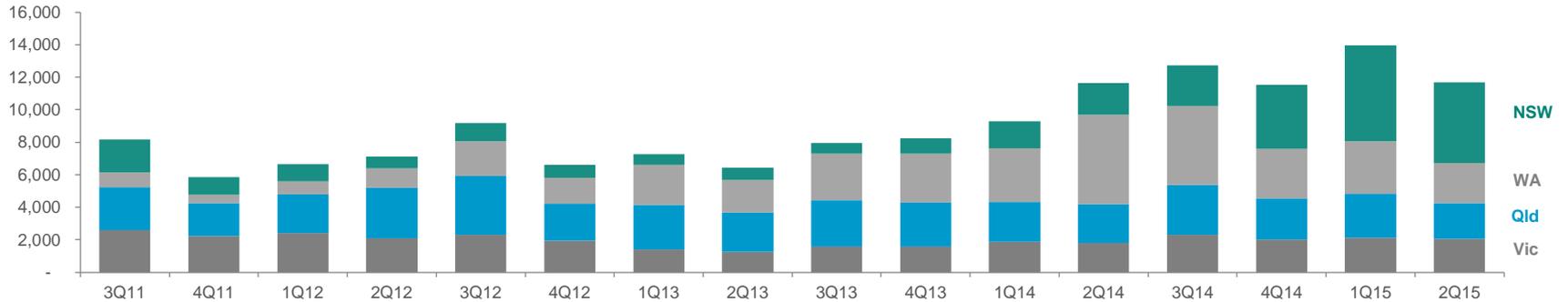
Customer lead volumes improving in NSW, but slowing in WA



First Home Buyers remain active in new land sales



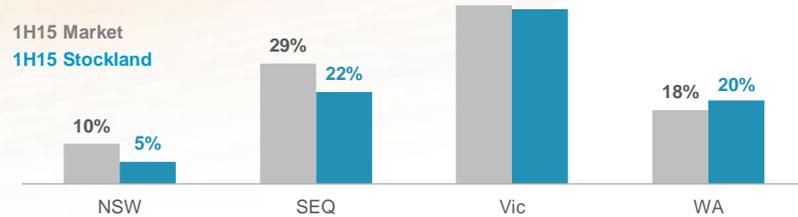
Enquiry levels remain strong in NSW



Providing affordable product

Stockland projects providing affordable product¹

Proportion of sub \$200k lots sold



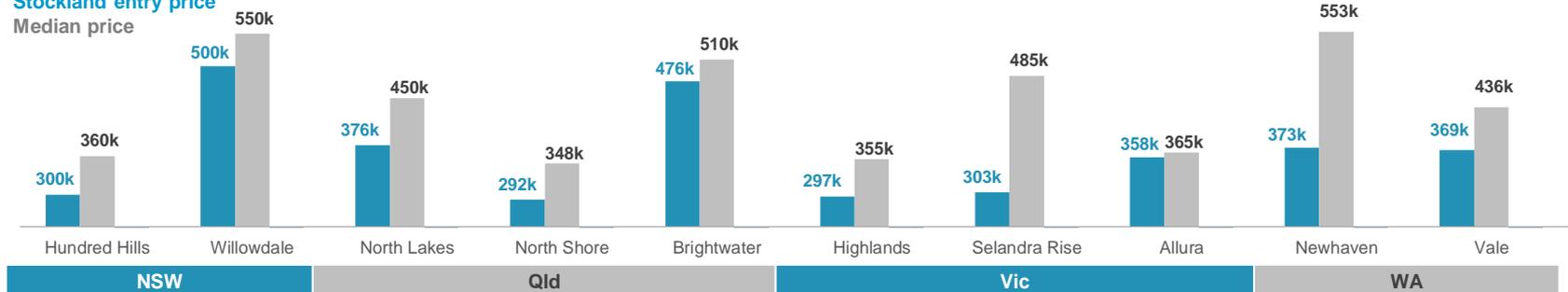
Smallest lot in each state sold in 1H15



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

Stockland entry price

Median price



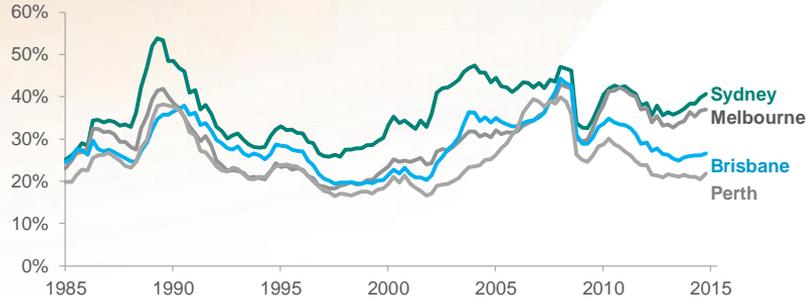
1. National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research

2. Fixed Price House and Land packages for sale within Stockland House and Land Finder January 2015

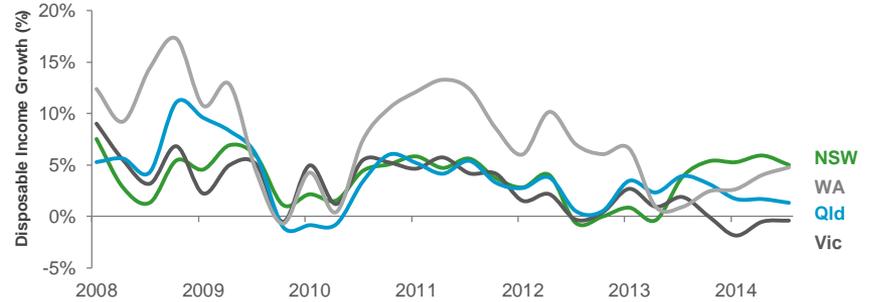
3. RP Data: Median value of established houses in surrounding suburbs as at December 2014

Affordability declining as prices rise

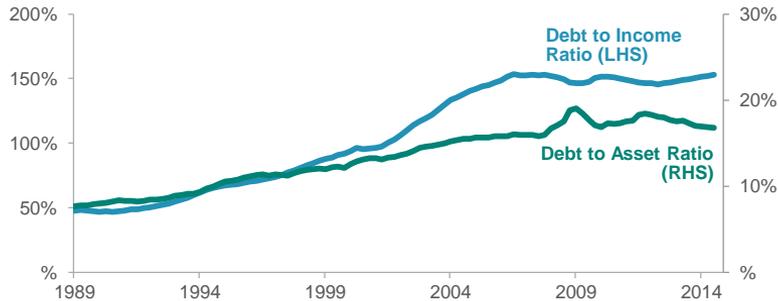
Mortgage repayments as a percentage of household income rising in Sydney and Melbourne due to rapid house price growth¹



Household income growth moderating in NSW, stable in Qld and Vic, rising in WA²

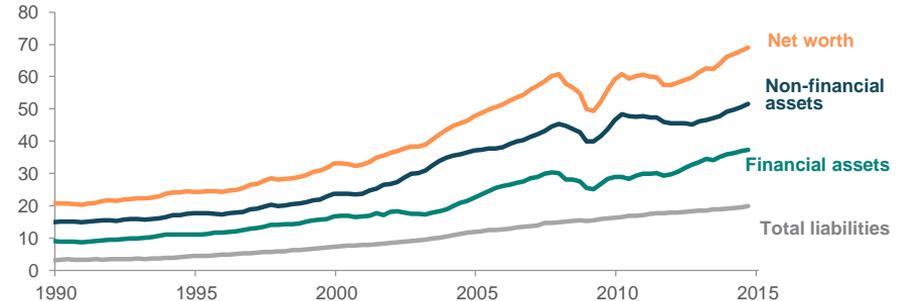


Debt-to-Asset ratio falling, Debt-to-Income rising slightly³



1. ABS, RBA, RP Data, Stockland Research
2. ABS, RBA

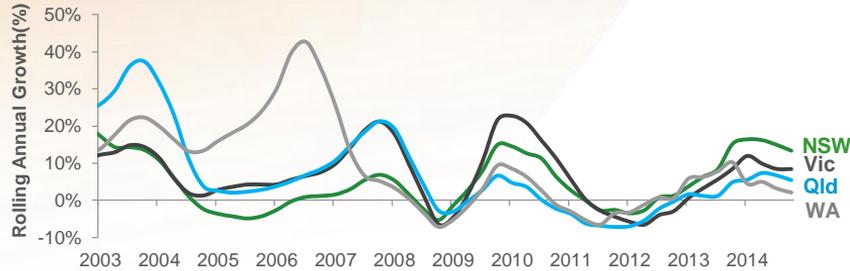
Household net worth increasing as liabilities stable⁴



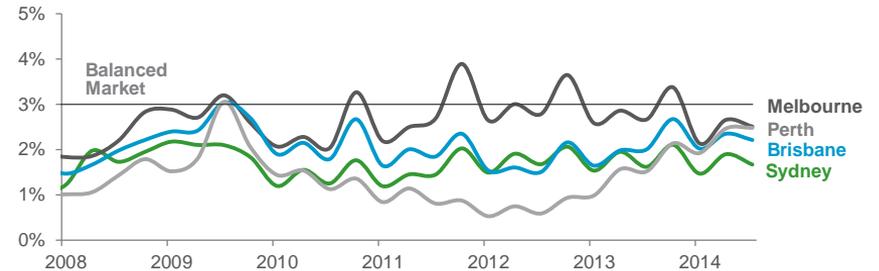
3. RBA
4. RBA, ABS

Price growth moderating but markets still strong

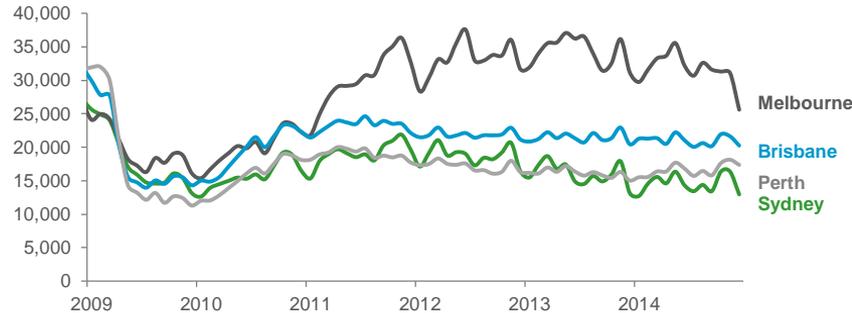
Capital city house price growth moderating in most states¹



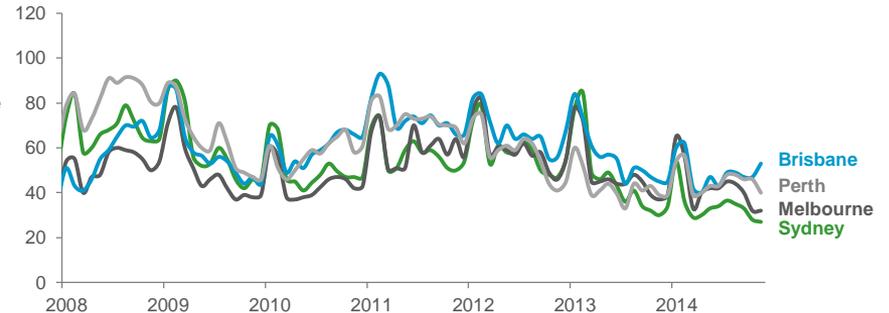
Rental vacancy low across all our states²



Established stock on market falling²



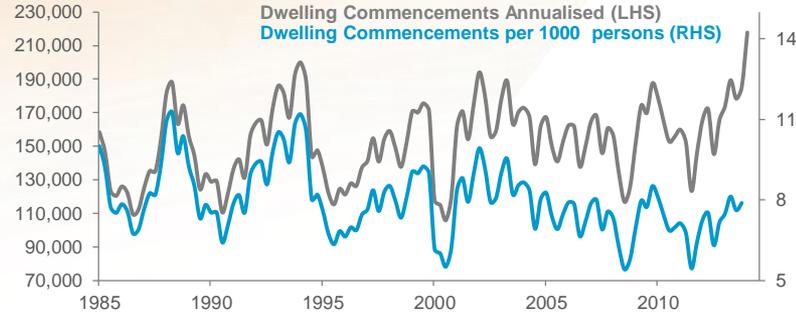
Established houses days on market rising in Brisbane¹



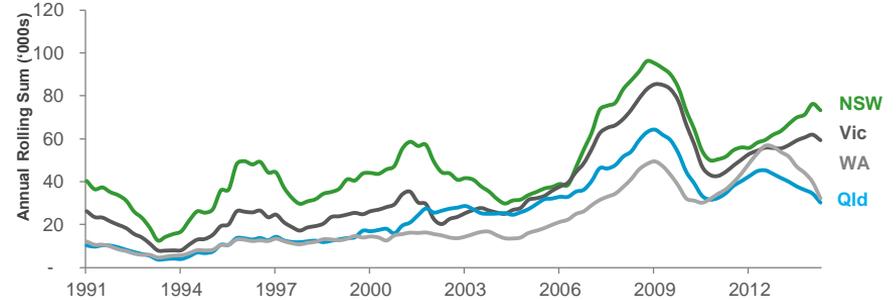
1. RP Data
2. SQM Research

Building activity catching up to underlying demand

Shortfall between population and dwelling starts narrowing but a significant gap remains¹



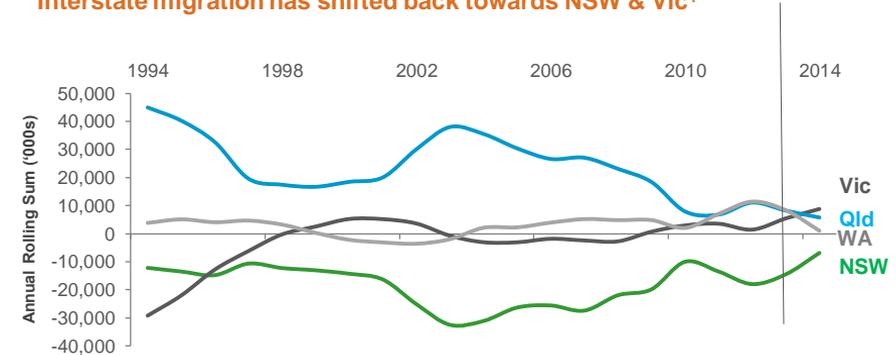
Net overseas migration down sharply in Qld and WA¹



Unemployment rate stable with expectations of further deterioration^{1,2}



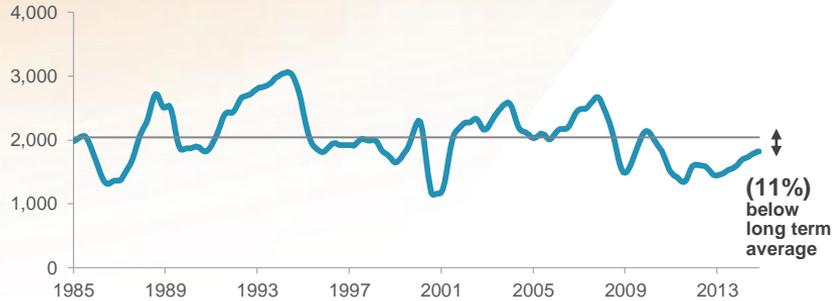
Interstate migration has shifted back towards NSW & Vic¹



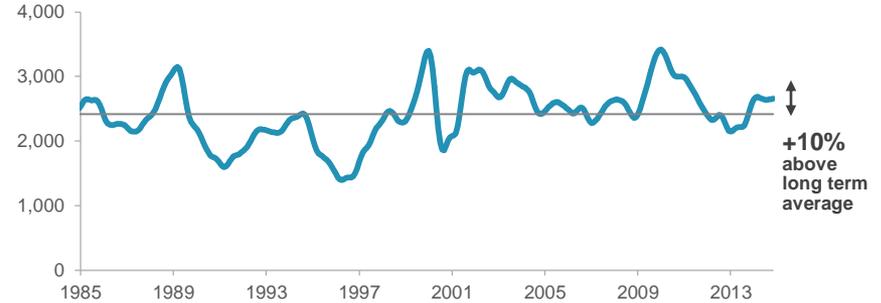
1. ABS
2. Westpac-Melbourne Institute Survey of Consumer Unemployment Expectations

National house building approvals at decade high

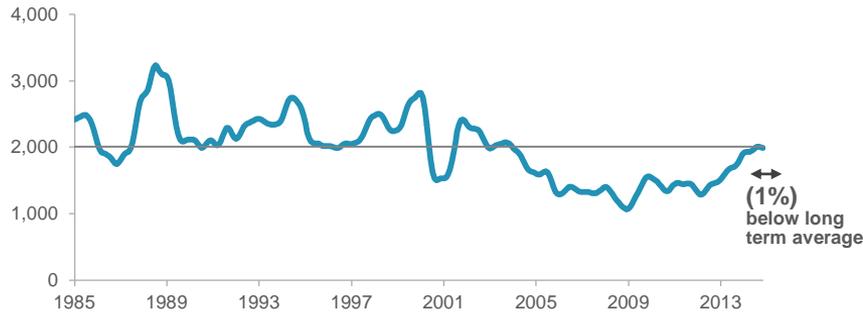
Qld building approvals now in uptrend



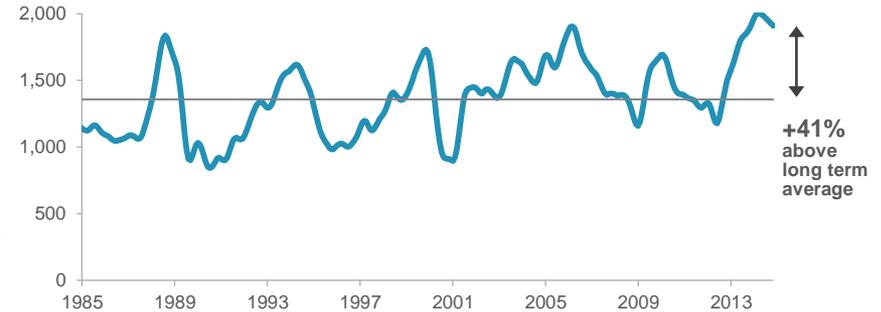
Vic market stabilising above long term averages



NSW market back to long run averages due to recent strength



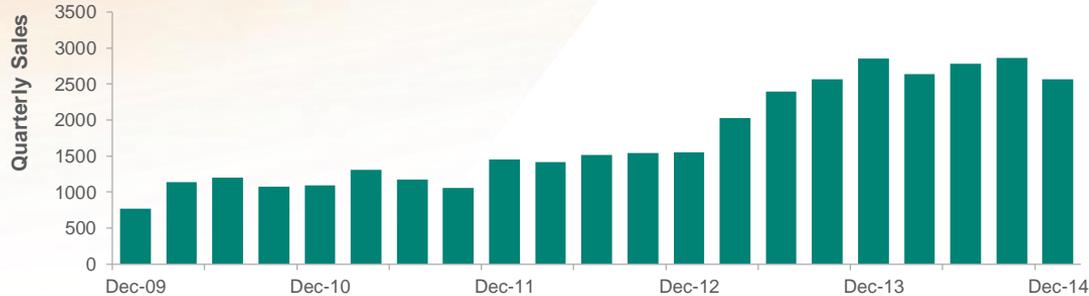
WA approvals moderating but still at very high levels



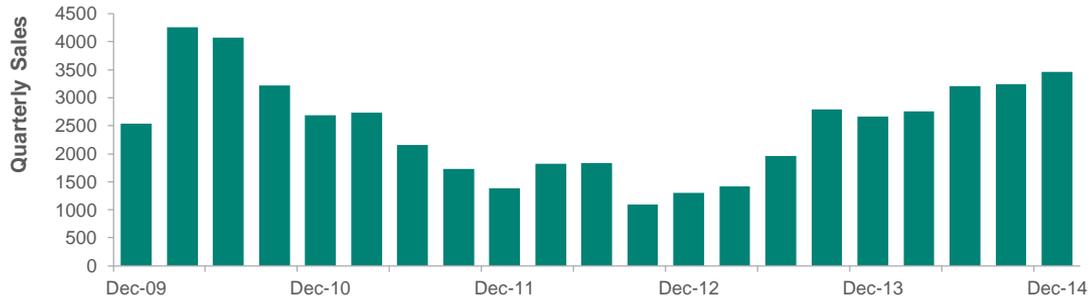
Source: ABS

NSW and Vic land sales stable at high levels

NSW vacant land sales and price growth strong in 1H15



Vic vacant land sales volumes continue upward trend



Source: National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research

Outlook remains strong

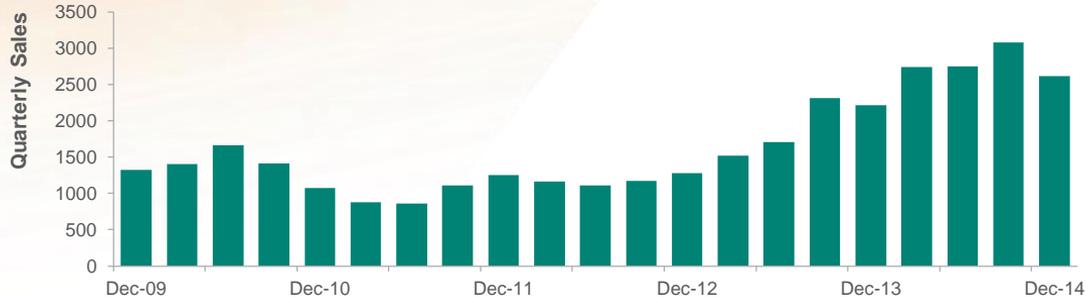
- Market sales volumes production constrained
- Annual price growth now in line with established market
- Demand still very strong and stock levels remain low

Sales volumes remain robust

- Only major market to increase land sales in the December quarter
- Competition levels remain strong with large increase in lots released to market
- Stock levels falling indicating some pressure likely on prices

Qld land sales stable and WA down over the half

Annual SEQ vacant land sales up 4% in 1H15



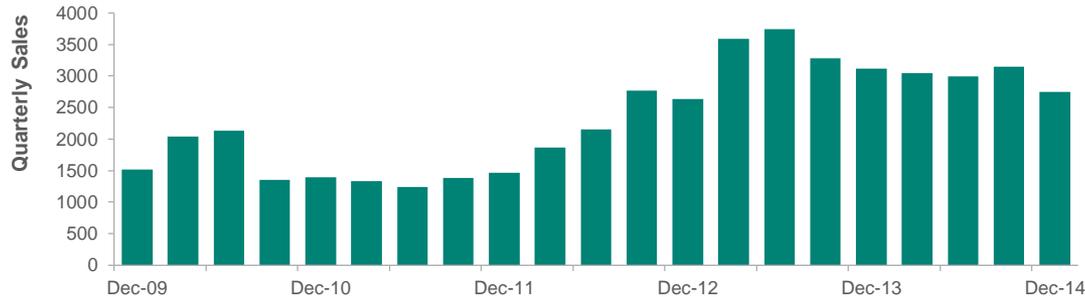
Potential upside in the market

- Sales volumes down in the December quarter but up slightly for the half year
- Prices still rising, but slower than in NSW and Vic

Further moderation likely

- 1H15 sales volumes down only 2% on previous half, but down 20% from 2013 high
- Production slowing as number of stages fall
- Prices steady, but cancellation rates increasing

Perth vacant land sales moderating but still well above average levels



Source: National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research

Retirement Living

Selendra Rise Retirement Village, Vic



Stockland

Established portfolio and development pipeline

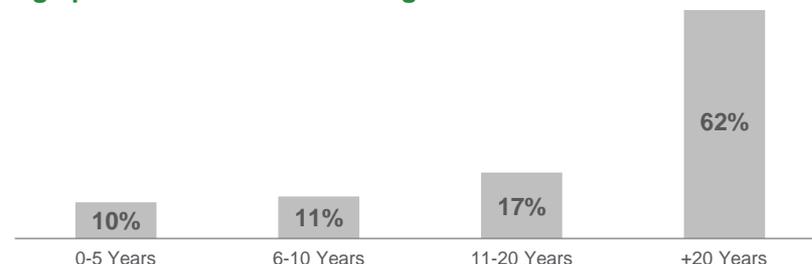
Portfolio Statistics	1H15	FY14
Established villages	63	63
Established units	8,416	8,298
Established units turned over	289	647
Units removed for redevelopment/alternate use	13	51
Actual turnover rate	7.0%	8.0%
Average age of resident on entry	73.8 yrs	73.8 yrs
Average age of current residents	80.8 yrs	80.8 yrs
Average tenure on exited residents	8.8 yrs	8.8 yrs
Average village age	21.4 yrs	20.9 yrs
Development pipeline	3,200 units	3,396 units
▪ Approved	990 units	1,057 units
▪ Unapproved	2,210 units	2,339 units

Key valuation assumptions	1H15	FY14
Weighted average discount rate	12.8%	12.8%
Weighted average 20 year growth rate	3.8%	3.8%
Average length of stay of current and future residents	10.0 yrs	9.9 yrs

Net Funds Employed

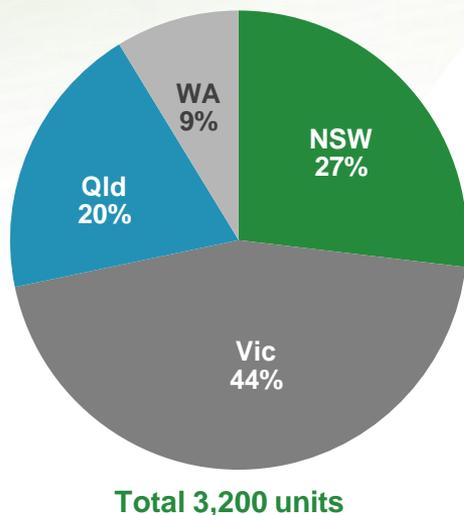


Age profile of established villages



Development pipeline breakup

Geographically diverse development pipeline



1. Includes two completed villages, nine villages under construction and nine pipeline

2. Excluding DMF creation

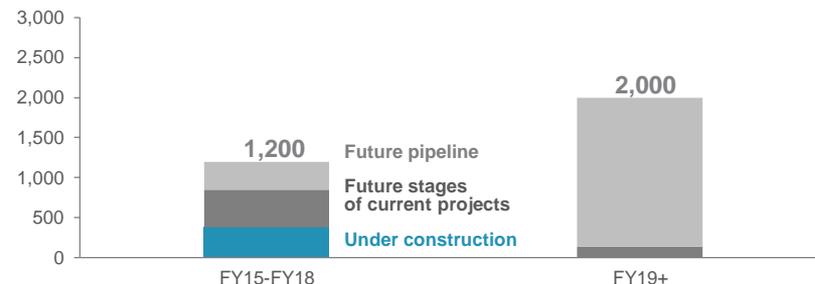
3. Timing subject to market conditions

Development pipeline

1H15

Development villages ¹	20
Total development pipeline units	3,200
- Greenfield pipeline units	2,890
- Village extension pipeline units	310
Average greenfield development stage size (units)	34
Average village extension development stage size (units)	52
Estimated end value	1.5b ²

Independent Living Units development pipeline³



Strong project pipeline forecast

Construction Timeframe	Future Settlements	FY15	FY16	FY17	FY18+
Completed (FY14)	North Lakes, QLD	5			
	Tarneit Skies, Vic	5			
	Sub-total	10			
Under Construction	Mernda, Vic	240			
	Cardinal Freeman, NSW	180			
	Affinity, WA	160			
	Selandra Rise, Vic	130			
	Highlands, Vic	80			
	Macarthur Gardens, NSW	80			
	Golden Ponds, NSW	50			
	Arilla, Vic	30			
	Fig Tree, Qld	30			
	Sub-total	980			
To start within 18 months	Willowdale, NSW				
	Highlands Extension, Vic				
	Farrington Grove (Areas 2 and 3), Qld				
	Sub-total	540			
Master planning/ future projects	Caloundra South, Qld				
	Elara, NSW				
	The Grove (formally Davis Road), Vic				
	The Grove II (formally Davis Road II), Vic				
	Cloverton (formally Lockerbie), Vic				
	Calleya, WA				
	North Shore, Qld				
Sub-total	1,670				
Total units yet to be released		3,200			

Stockland Corporation Limited
ACN 000 181 733

Stockland Trust Management Limited
ACN 001 900 741; AFSL 241190

As a 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.