1H16 Stockland Results Annexure

Stockland

Wetherill Park, NSW

Contents

About Stockland

Stockland

Cloverton, Vic

Our strategy for success

OUR VISION

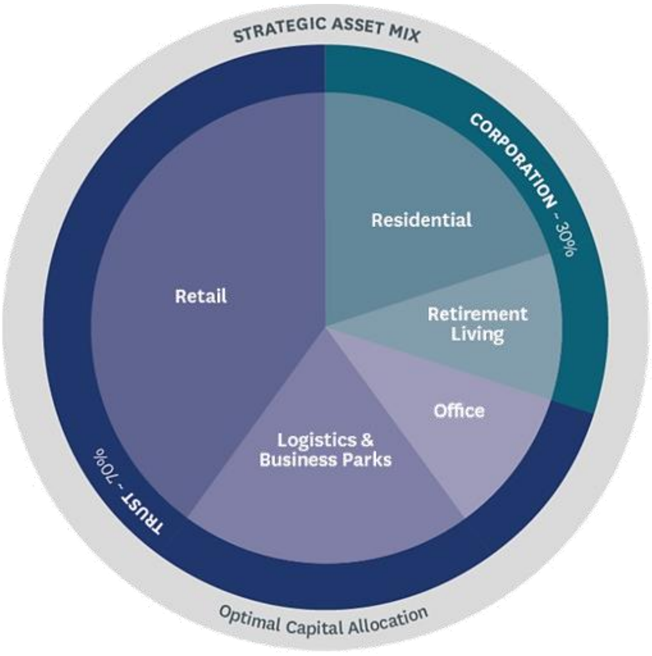
To be a great Australian real estate company that makes a valuable contribution to our communities and our country

OUR VALUES

Community
Accountability
Respect
Excellence

OUR PURPOSE

We believe there is a better way to live



Five year indicative asset mix

Stockland Quick Facts

TRUST

Retail
51% of SGP portfolio

Stockland Gladstone, Qld

Create market leading shopping centres

42 Assets

$6.6b Asset Value

Logistics & Business Parks
14% of SGP portfolio

Ingleburn Distribution Centre, NSW

Grow and develop a quality portfolio

25 Assets

$1.8b Asset Value

Office
6% of SGP portfolio

135 King St/Glasshouse, NSW

Optimise returns - tactical allocation

9 Assets

$0.8b Asset Value

CORPORATION

Residential
20% of SGP portfolio

Ivanhoe, Vic

Maximise returns by creating better places to live

78,800 lots under control

End value $20.1b

Retirement Living
9% of SGP portfolio

Cardinal Freeman, NSW

Leading operator and developer

69 Established Villages

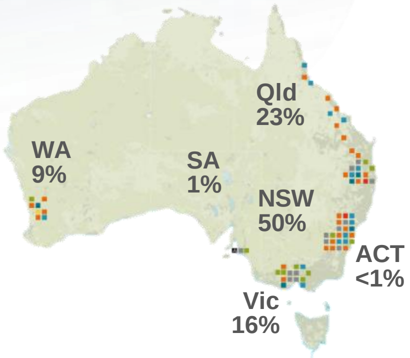
Over 9,400 units

$1.9b estimated end value of development pipeline

We are well positioned with a diverse portfolio[1,2,3]

All states	CP	Resi	RL	Total
Number of properties/projects	79	64	79	**222**
Book Value	$9.4b	$2.6b	$1.3b	**$13.3b**
SGP Portfolio (%)	71%	20%	9%	**100%**

Qld	CP	Resi	RL	Total
Number of properties/projects	20	27	11	**58**
Book Value	$2.0b	$0.9b	$0.1b	**$3.0b**
%SGP Portfolio	15%	7%	<1%	**23%**



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

NSW	CP	Resi	RL	Total
Number of properties/projects	38	15	21	**74**
Book Value	$5.7b	$0.6b	$0.4b	**$6.7b**
SGP Portfolio (%)	42%	5%	3%	**50%**

Vic	CP	Resi	RL	Total
Number of properties/projects	13	14	28	**55**
Book Value	$1.0b	$0.5b	$0.6b	**$2.1b**
SGP Portfolio (%)	8%	4%	5%	**16%**

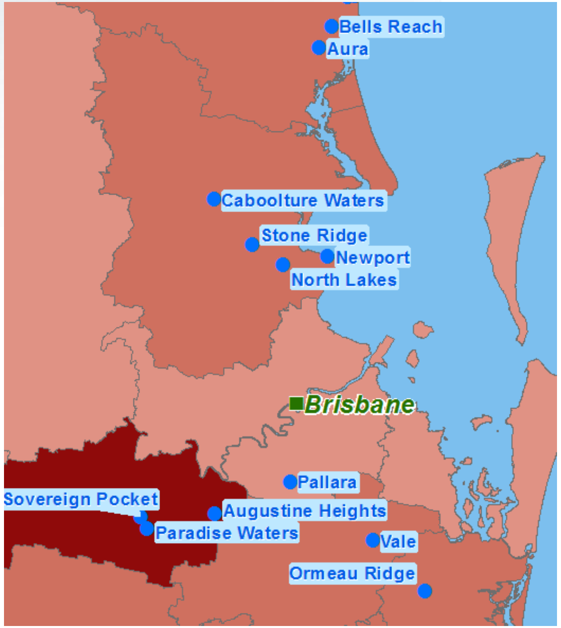
WA	CP	Resi	RL	Total
Number of properties/projects	6	8	7	**21**
Book Value	$0.6b	$0.5b	<$0.1b	**$1.2b**
SGP Portfolio (%)	5%	4%	<1%	**9%**

SA and ACT	CP	Resi	RL	Total
Number of properties/projects	2	-	12	**14**
Book Value	$0.1b	-	$0.1b	**$0.2b**
SGP Portfolio (%)	<1%	-	<1%	**<2%**

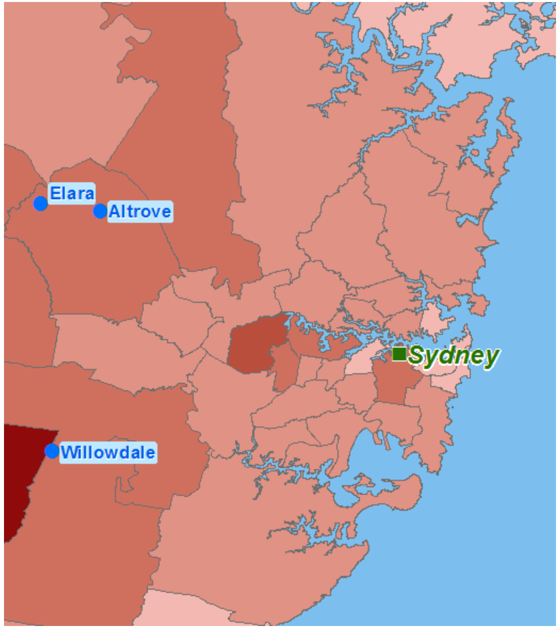
1. Includes Unlisted Property Funds assets
2. RL established and development assets at same location are treated as a single property/project (disclosed separately in Property Portfolio)
3. Excludes Apartments

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

BRISBANE



SYDNEY



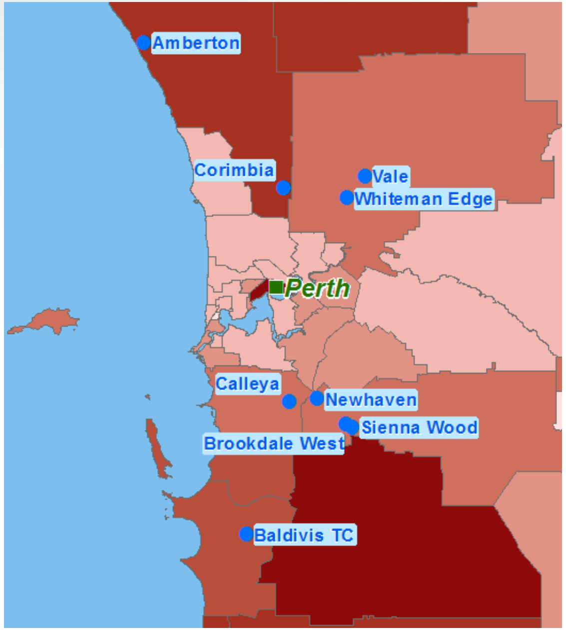
Pop Growth 2014 - 18

GrowthRate

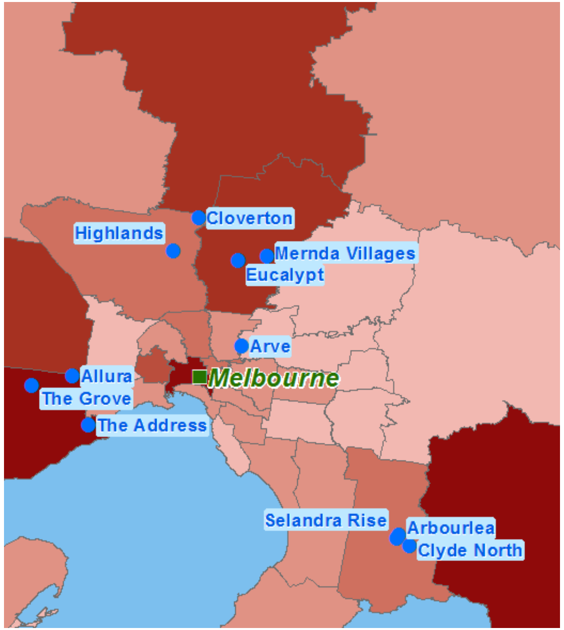
- Below 0%
- 0.01% to 1%
- 1.01% to 2%
- 2.01% to 3%
- 3.01% to 4%
- 4.01% to 5%
- Above 5%
- Residential

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

PERTH



MELBOURNE



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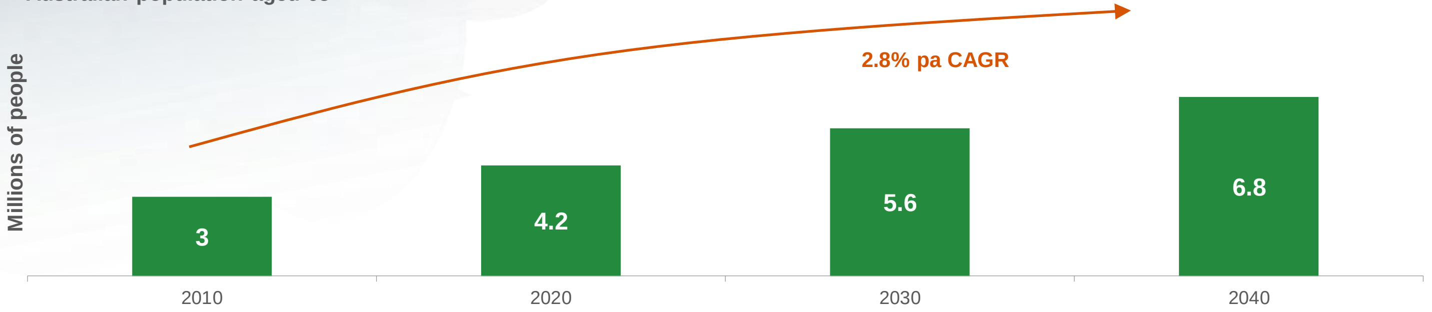
- Above 5%
- Residential

Retirement Living – Strong demand drivers

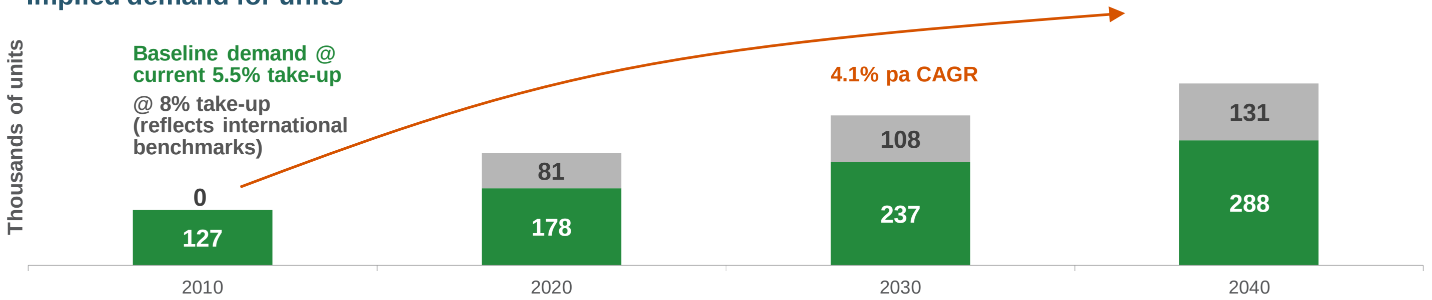
Compelling demand fundamentals

Australian population aged 65+[1]



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

Implied demand for units[2]



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

1. ABS Cat. No. 3222.0
2. Assumes 1.3 residents per ILU

Research

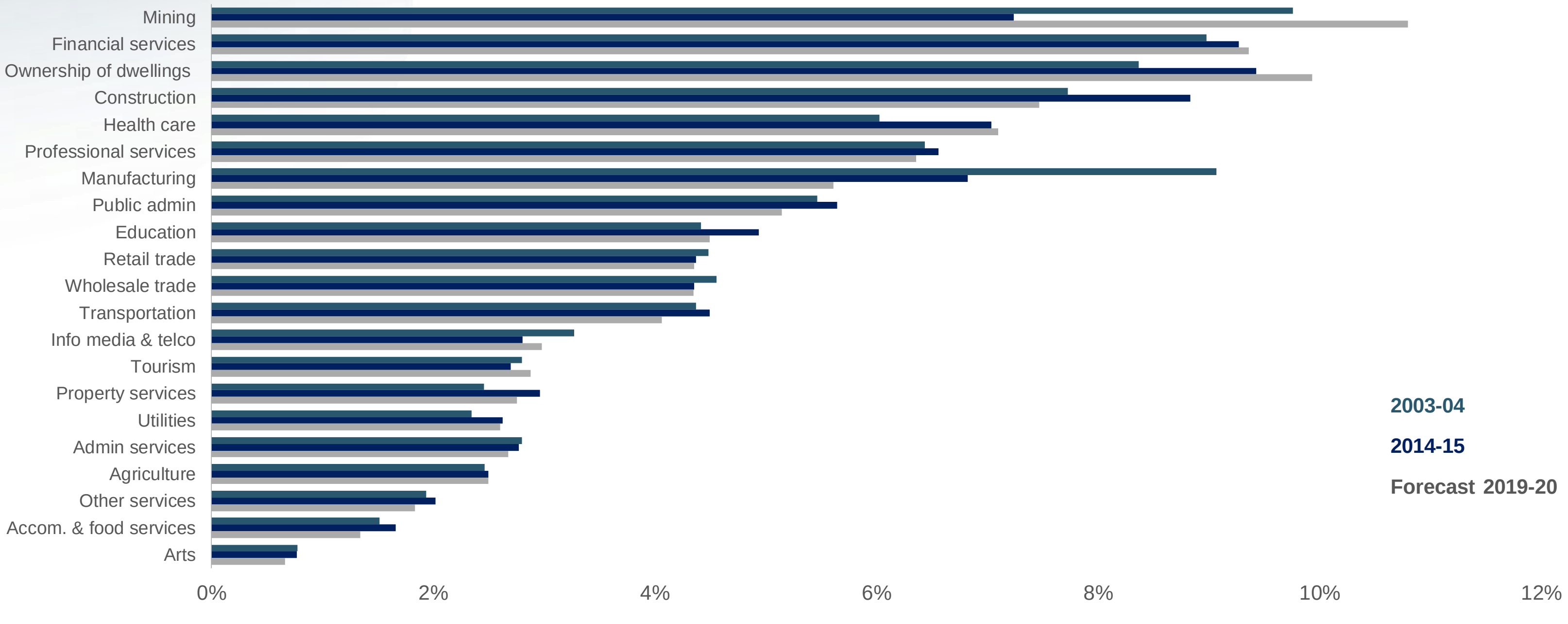
Artist impression

Stockland

Arve, Vic

Contribution to Australia's GDP by industry(%)

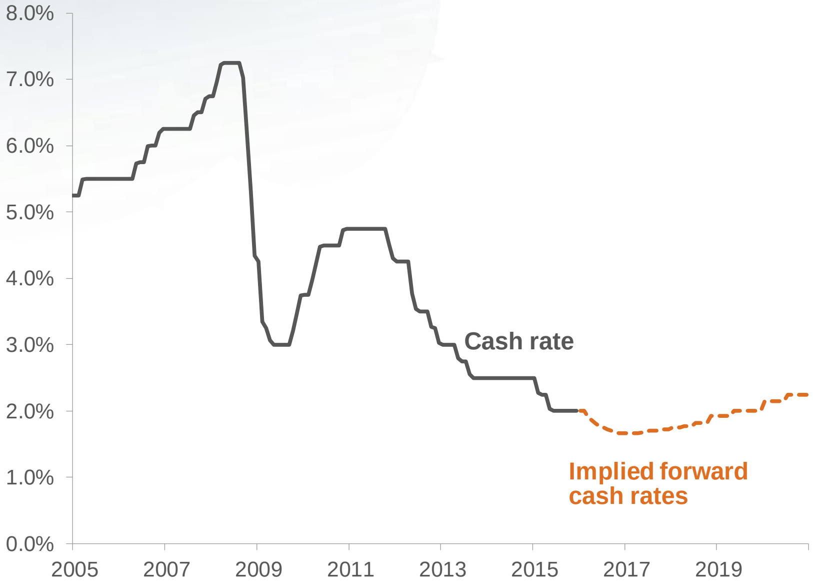
Industry contribution to GDP[1] (%)



1. ABS, Stockland Research, Deloitte Access Economics December 2015

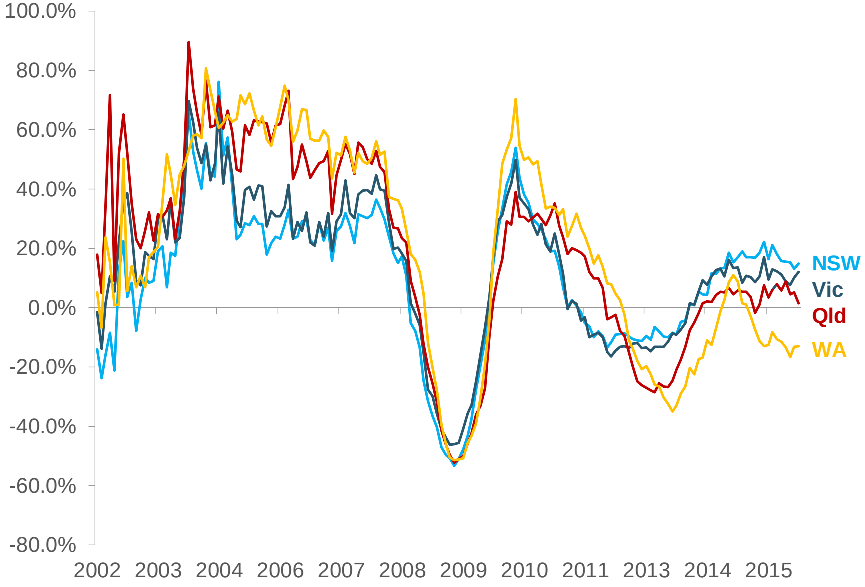
Accommodative monetary policy and labour market recovery in NSW and Vic

Historical and implied forward RBA cash rates[1]



Labour market variable across Australia[2]

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

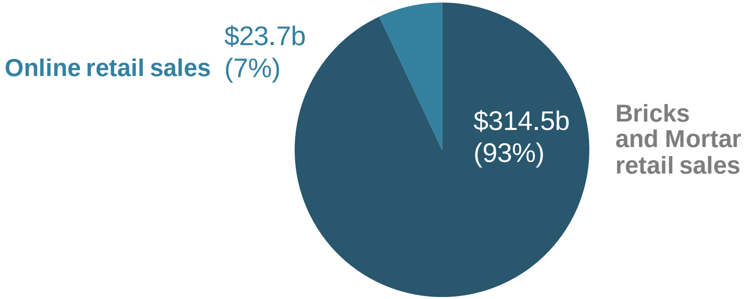


1. RBA, Stockland Research
2. Seek, Dec 2015

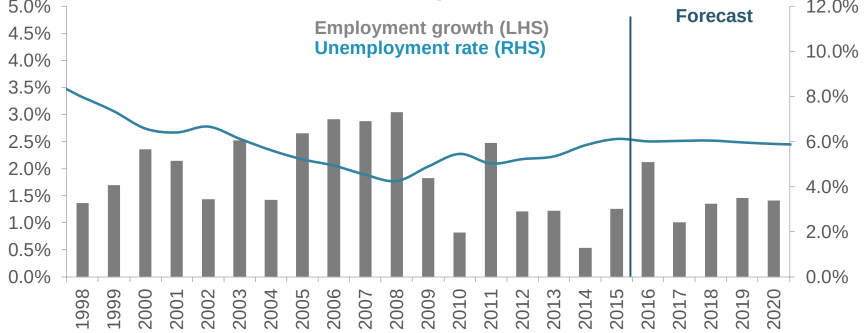
Australia: Retail Drivers

Growth in online retail spend[1] is declining

Bricks and Mortar vs online retail sales[1] (as at Dec 2015)



Labour market forecast to improve[2,3]

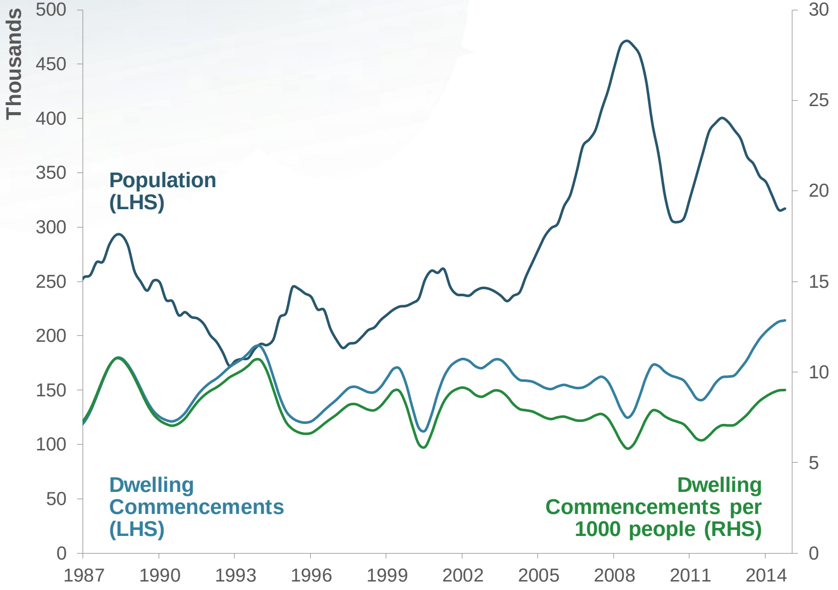


Consumer sentiment has been subdued over most of 2015[4]

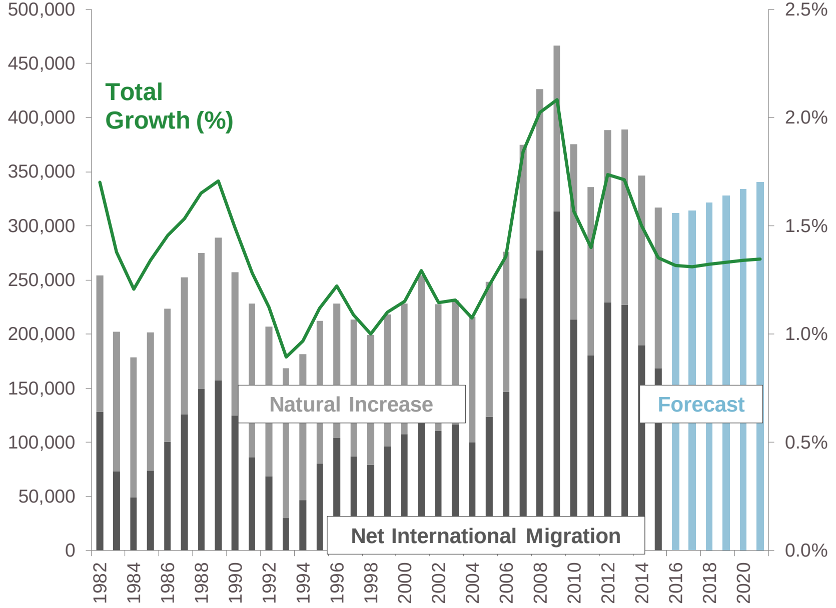
1. Quantium
2. ABS
3. Deloitte Access Economics Business Outlook Dec 2015
4. Westpac – University of Melbourne Consumer Sentiment Survey

Dwelling commencements have not kept pace with population growth

Dwelling commencements and population growth converging since 2013[1]



AUS population growth – Annual[2]

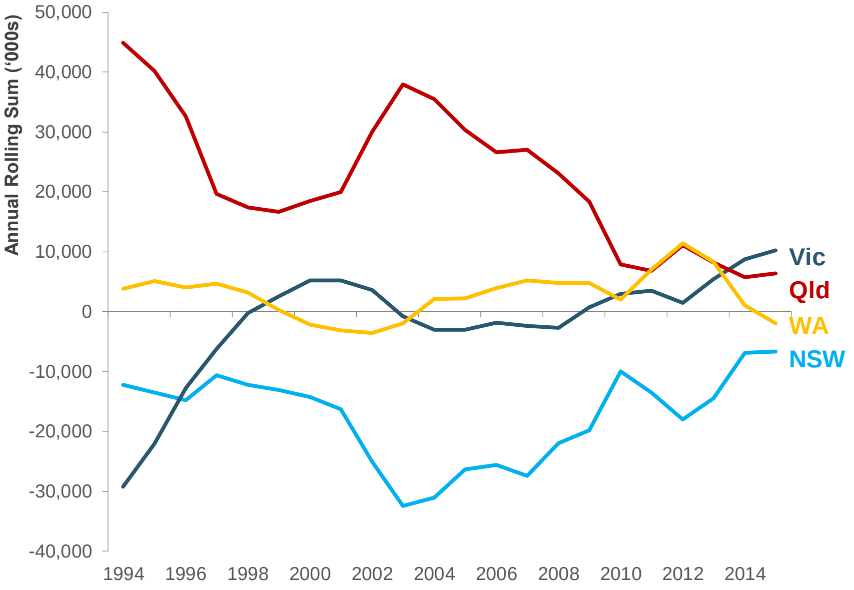


1. ABS, Stockland Research
2. ABS, Deloitte Access Economics, Department of Immigration

Interstate migration reflected in building activity

Net overseas migration slowing in Qld and WA[1] to pre commodity boom levels

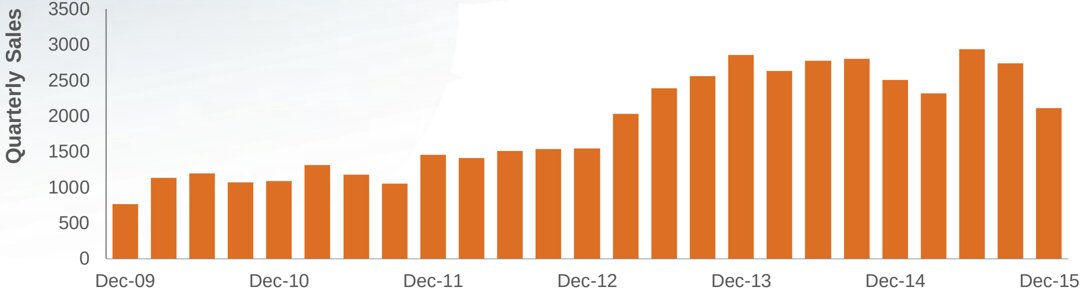
Interstate migration reflecting economic strength[1] of NSW and Vic



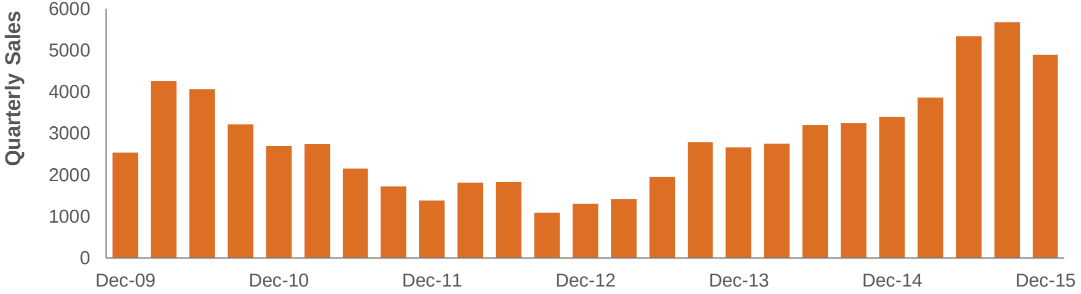
1. ABS, Stockland Research

Vacant land sales moderating from peaks

Sydney vacant land sales down 7.6% in 1H16



Melbourne vacant land sales volumes declining but still at high levels



Outlook remains robust

- Annual median land prices ($/sqm) rose 46% in 2015
- Sales have pulled back in the December quarter as affordability declines
- Stock levels and cancellation rates increasing, but remain low by historical standards

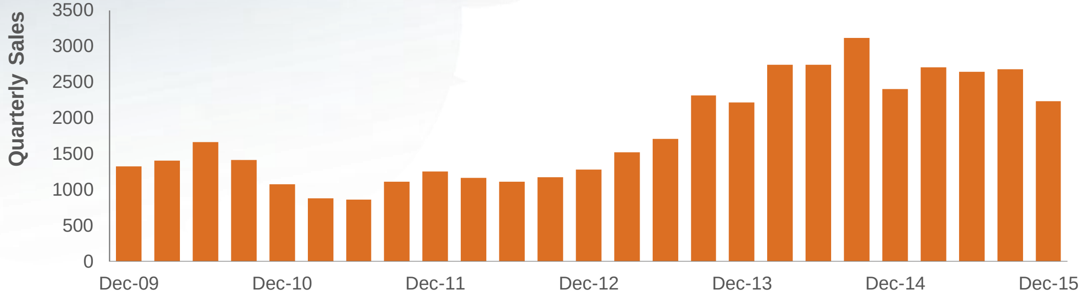
Sales volumes remain robust

- Sales volumes for the half at historical highs
- Competition levels remain strong, limiting price growth
- Stock levels remain low at current trading levels

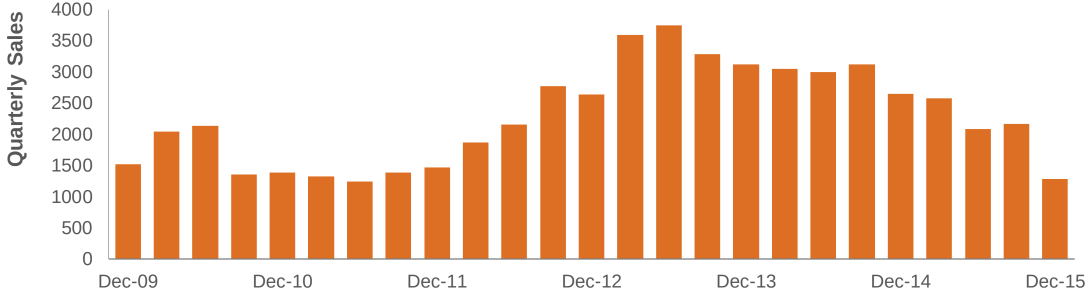
Source: National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research

Vacant land sales slowing in SEQ and Perth

Annual SEQ vacant land sales down from peak in 2014



Perth vacant land sales slowing from peak levels



Prices proving more robust

- Median lot price ($/sqm) up 12% annually
- Sales down 8.2% in the half
- Stock on hand levels are steady

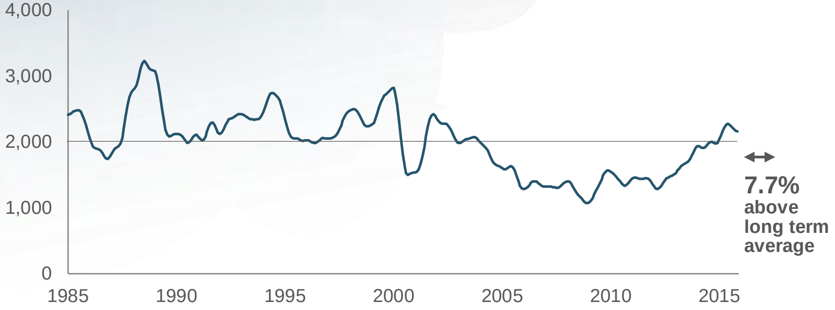
Further moderation of prices likely

- Headline prices down 5% over the year
- Falling lot size means $/sqm price growth has been flat
- Increasing levels of stock, cancellation rates and incentives/discounting
- We expect prices to moderate in 2016

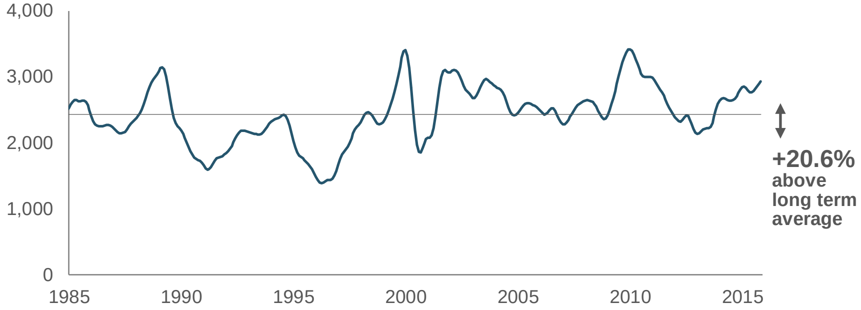
Source: National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research

National house building approvals at around trend

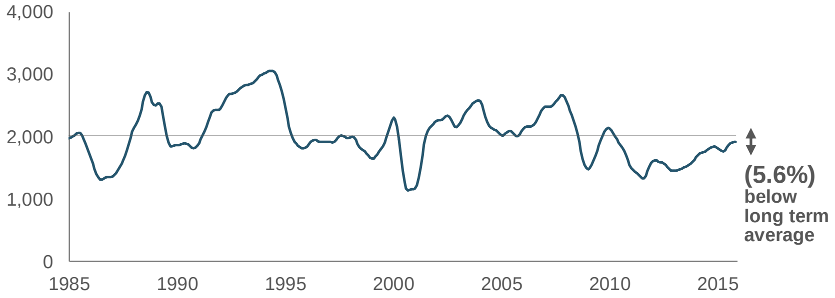
NSW market back to long run averages due to recent strength



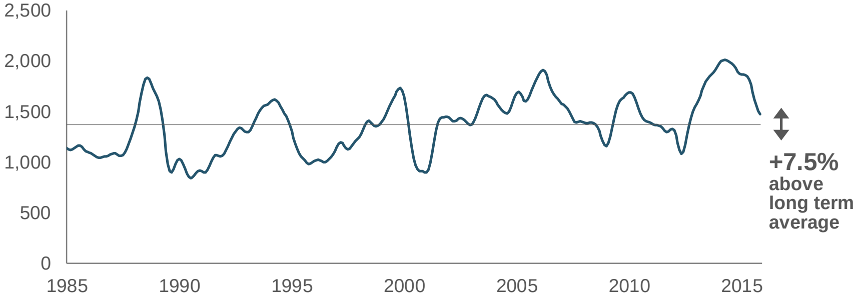
Vic market above long term averages and in uptrend



Qld building approvals trending up



WA approvals moderated and in line with long term averages

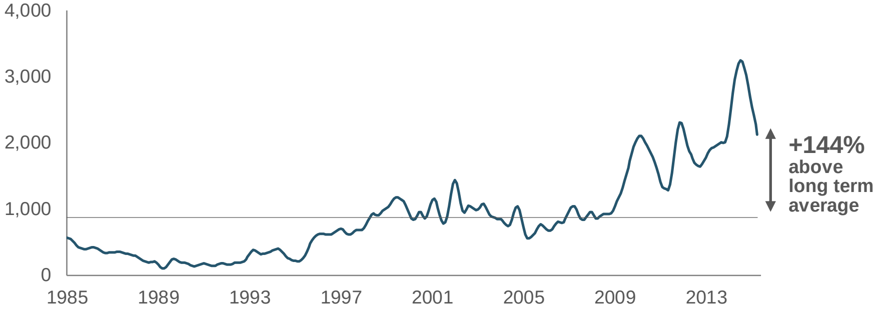


Source: ABS

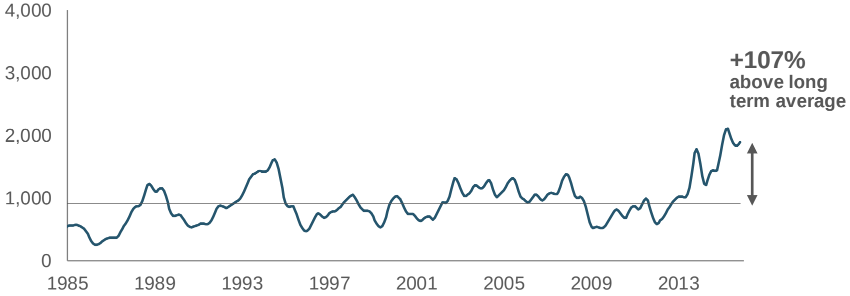
Apartments approvals coming off historical highs across all markets

NSW apartment approvals

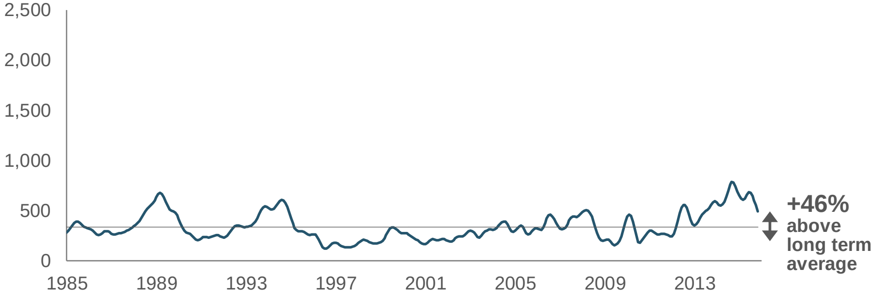
Vic apartment approvals



Qld apartment approvals



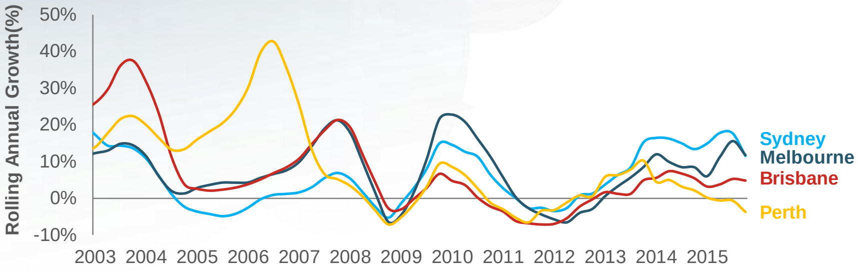
WA apartment approvals



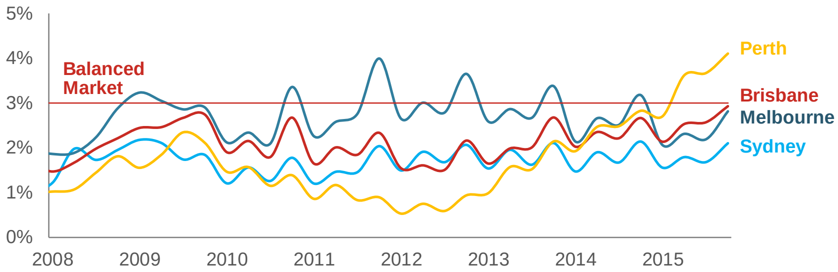
Source: ABS

Price growth moderating but markets still strong

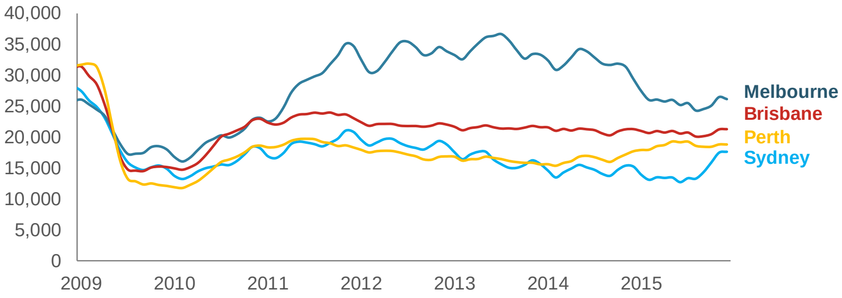
Capital city house price growth moderating in most states[1]



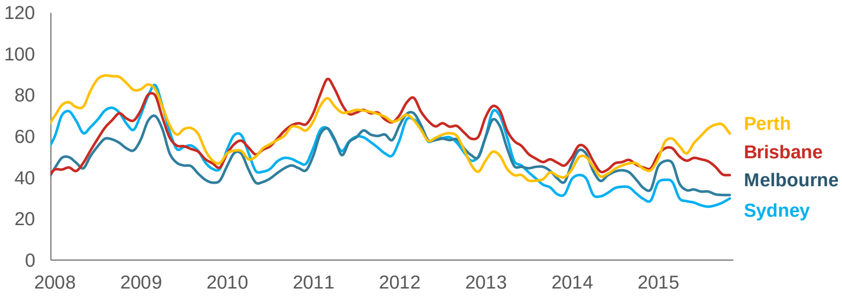
Rental vacancy rising sharply in Perth[2]



Established house stock on market (3 mth moving avg) steady[2]



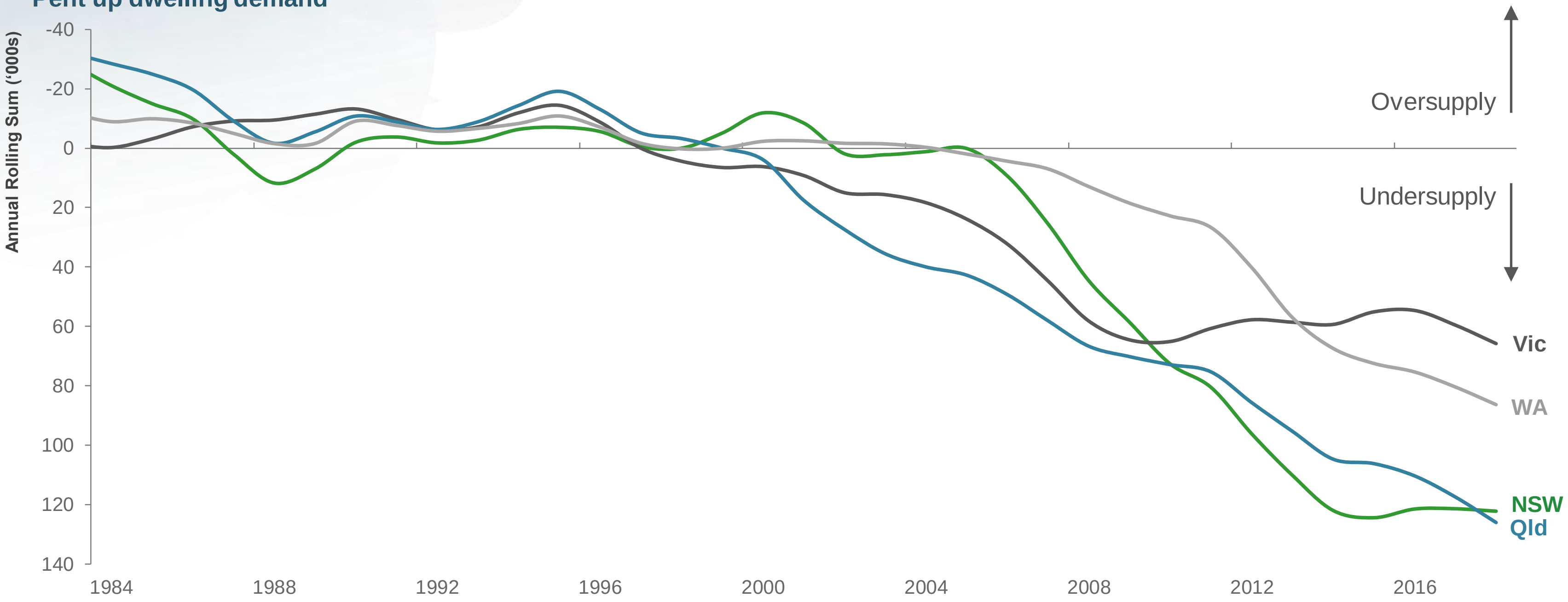
Established houses days on market rising in Sydney[1]



1. RP Data
2. SQM Research

Strong fundamentals underpinning market

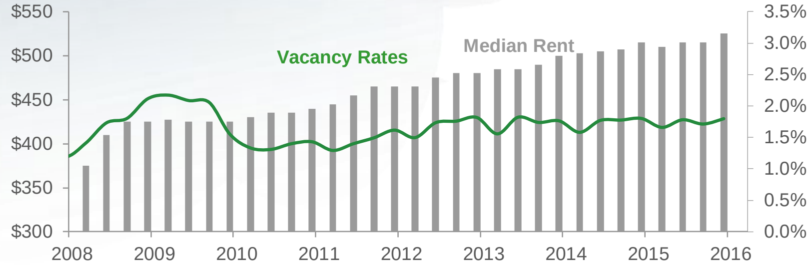
Pent up dwelling demand[1]



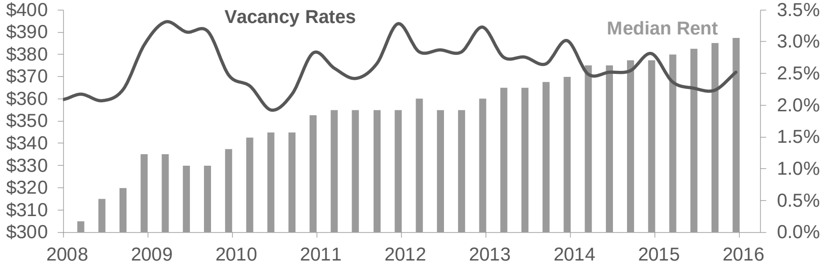
1. ANZ Economics

Residential[1] rental vacancy rates still tight in Sydney, trending up in other markets[2,3]

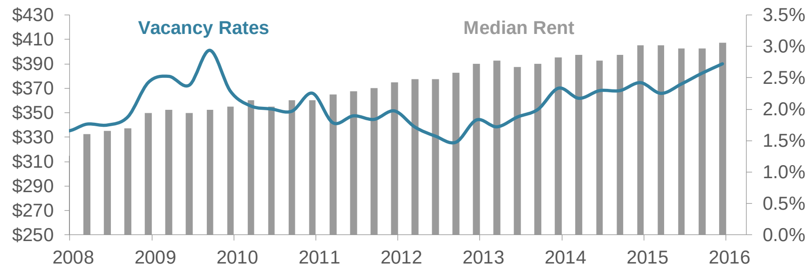
Sydney



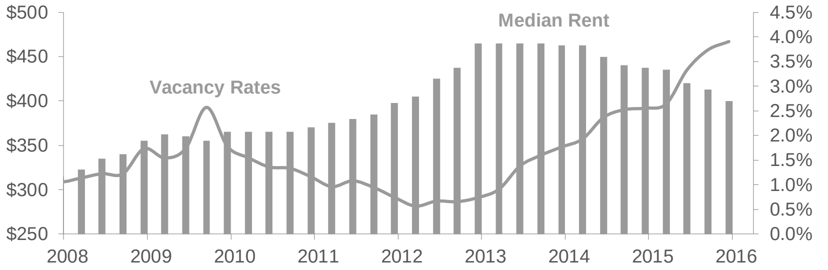
Melbourne



Brisbane



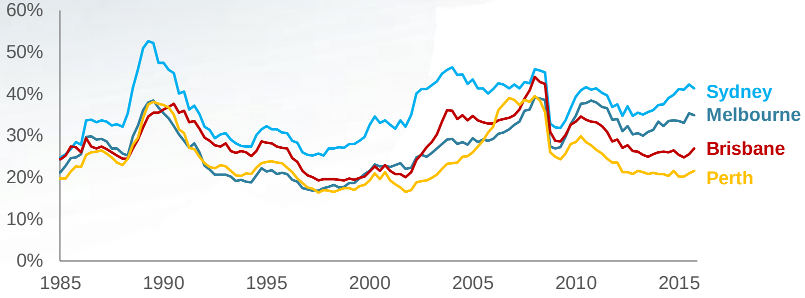
Perth



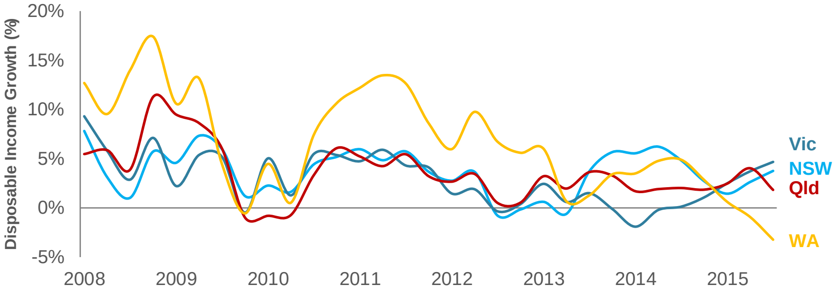
1. Includes houses and apartments
2. RP Data, Dec 2015
3. SQM Research, Dec 2015

Affordability declining as prices rise

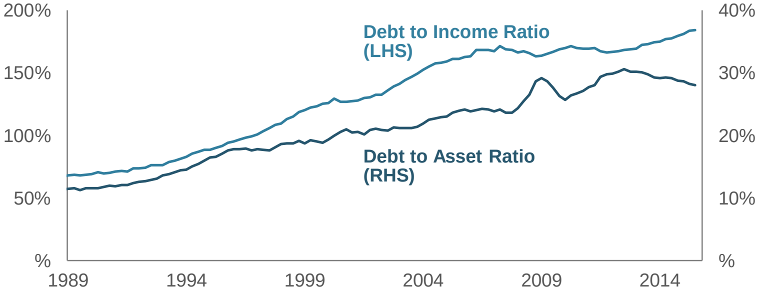
Mortgage repayments as a percentage of household income moderating in Sydney and Melbourne as house price growth eases[1]



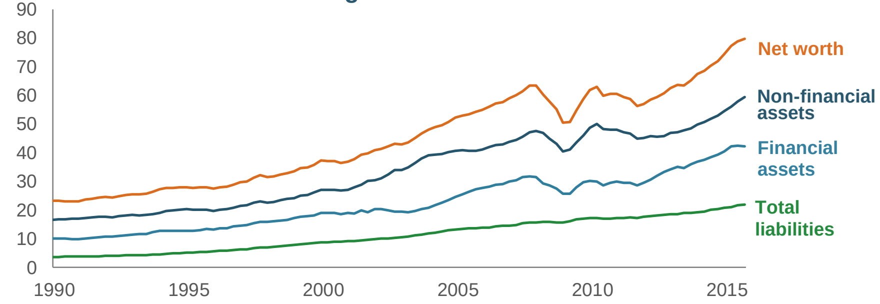
Household income growth rising in NSW and Vic, declining in Qld and WA[2]



Debt-to-Asset ratio falling, Debt-to-Income rising slightly[3]



Household net worth increasing as liabilities stable[4]



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

Group Finance – Annexure

Stockland Baulkham Hills, NSW

Stockland

Profit summary

$m	1H16	1H15
Residential Communities EBIT (before interest in COGS)	157	128
Commercial Property EBIT	264	255
Retirement Living EBIT	20	19
Other EBIT (investments & non-core operations)[1]	-	4
Unallocated corporate overheads	(27)	(24)
Group EBIT (before interest in COGS)	**414**	**382**
Net interest expense in P&L	(38)	(36)
Capitalised interest expensed in the P&L	(61)	(65)
Total interest expense	**(99)**	**(101)**
Tax (expense)/ benefit	(2)	9
Underlying Profit	**313**	**290**
Statutory Profit adjustments	396	202
Tax expense of adjustments	(13)	(30)
Statutory Profit	**696**	**462**

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

Lower net interest gap

Interest expense - $m		1H16			1H15	
	Interest	Deferred Interest	Total	Interest	Deferred Interest	Total
Interest income	**(3)**	**-**	**(3)**	**(4)**	**-**	**(4)**
Interest paid[1]	**100**	**6**	**106**	**101**	**7**	**108**
Share of interest expense in joint ventures	1	-	1	2	-	2
Less: capitalised interest						
Commercial Property development projects	(2)	-	(2)	(4)	-	(4)
Residential	(54)	(6)[3]	(60)	(56)	(6)	(62)
Retirement Living	(4)	-	(4)	(4)	-	(4)
Total capitalised interest	**(60)**	**(6)**	**(66)**	**(64)**	**(6)**	**(70)**
Borrowing cost in P&L	**38**	**-**	**38**	**35**	**1**	**36**
Add: capitalised interest expensed in P&L[2]	61	-	61	65	-	65
Total interest expense in P&L	**99**	**-**	**99**	**100**	**1**	**101**

1. Before interest income and share of interest expense in equity accounted investments
2. Made up of: Residential - $59m (December 2014: $61m) and Retirement Living $3m (December 2014: $3m) and UK - nil (December 2014: $1m)
   This differs to statutory reporting by $3m (December 2014: $3m) as Retirement Living is reported through the fair value adjustment of investment properties
3. Deferred interest refers to non-cash adjustments for unwinding of the present value discount on land acquisitions on deferred terms.

Reduced interest expensed to P&L

- Driven by lower volumes at impaired Residential projects which generally carry larger capitalised interest balances

Lower level of interest capitalised

- Due to the completion of two major Commercial Property Retail developments in 2H15 and lower weighted average cost of debt

Strategic mix

	Assets 31 December 2015	Assets 31 December 2014	Operating Profit 1H16	Operating Profit 1H15
Recurring				
Commercial Property	71%	71%	74%	81%
Retirement Living	7%	7%	5%	5%
Unallocated corporate overheads	-	-	(3%)	(3%)
Total recurring	**78%**	**78%**	**76%**	**83%**
Trading				
Residential	20%	20%	28%	21%
Retirement Living	2%	2%	-	-
Other and unallocated corporate overheads	-	-	(4%)	(4%)
Total trading	**22%**	**22%**	**24%**	**17%**

Return on Assets, Return on Equity

	CY15			CY14			
	Cash Return ($m)	Avg. Cash Invested ($b)	Return (%)	Cash Return ($m)	Avg. Cash Invested ($b)	Return (%)	Commentary
Retail	380	4.6	8.2%	363	4.3	8.4%	Development spend on Wetherill Park, Point Cook and Baldivis in the current period, ahead of income growth
Logistics & Business Parks	135	1.6	8.7%	117	1.4	8.6%	Recent acquisitions Cherry Lane, Baker St and Warwick Farm.
Office	75	0.9	8.7%	78	0.9	8.4%	Increased returns from stronger leasing activity
Residential – Core[1]	294	1.6	18.0%	222	1.5	14.8%	ROA growth reflects improved trading conditions
Retirement Living	56	1.1	5.2%	46	1.0	4.6%	Improved margins across the portfolio
Core Business ROA (sub-total)	940	9.8	9.6%	826	9.1	9.0%	
Residential – Workout[1,2]	(28)	0.4	(6.5%)	(26)	0.4	(6.1%)	Includes impaired Apartment and Resi Comms projects
Other[1]	-	-	-	18	0.4	5.2%	Includes investment in ALZ, UK & Apartments
Other Assets ROA (sub-total)	(28)	0.4	(6.5%)	(8)	0.8	(1.0%)	
Unallocated Overheads & Other Income	(64)	-	-	(46)	-	-	Increase due to growth initiatives
Group ROA	**848**	**10.2**	**8.3%**	**772**	**9.9**	**7.8%**	
Net interest/net debt	(193)	(3.1)	6.2%	(197)	(3.0)	6.4%	
Group ROE	**655**	**7.1**	**9.3%**	**575**	**6.9**	**8.4%**	
Group ROE (excl workout and other)	**683**	**6.7**	**10.3%**	**583**	**6.1**	**9.6%**	

1 Medium density and Apartment ROA’s have been re-categorised from “Other” into “Residential – Core” and “Residential – Workout” in CY15.
2 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	CY15	CY14
Cash return	**655**	575
Capitalised interest expensed in COGS	(129)	(138)
Capitalised interest for the year[1]	124	124
Add-back impairment release in COGS	55	63
CP straight-line rent and other	(13)	(10)
Funds From Operations (FFO)	**692**	**614**
CP lease amortisation and straight-line rent	(54)	(50)
Tax	(7)	14
Underlying Profit	**631**	**578**

Reconciliation of capital employed in ROE calculation to statutory net assets

$b	Average for CY15	Average for CY14
Group capital employed (Net Assets)	**7.1**	6.9
Commercial Property revaluations	2.0	1.6
Residential Communities capitalised interest	0.5	0.5
Residential Communities and Apartments impairment	(0.4)	(0.4)
Retirement Living DMF revaluations	0.1	0.2
Distribution provision and non-cash working capital	(0.4)	(0.4)
Statutory net assets (average for the period)	**8.9**	**8.4**

1. Excludes deferred interest

Stockland Return on Equity methodology

	Numerator (Cash Return)	Denominator (Average Cash Invested)
Residential (incl. MD, Apts)	EBIT (including cash loss realised on impaired projects)	Net Funds Employed (NFE) (excluding accrued capitalised interest and impairment provision) average for the 12 month period
Commercial Property	Operating Profit before amortisation of lease incentives	Average cost + capital additions + lease incentives + development work in progress Business unit overheads are allocated across the asset classes based on NOI contribution
Retirement Living	EBIT	Average Net Funds Employed (including inventory, development expenditure, cash paid for acquired DMFs and goodwill, excluding capitalised interest and revaluations)
Other	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)

Cost management

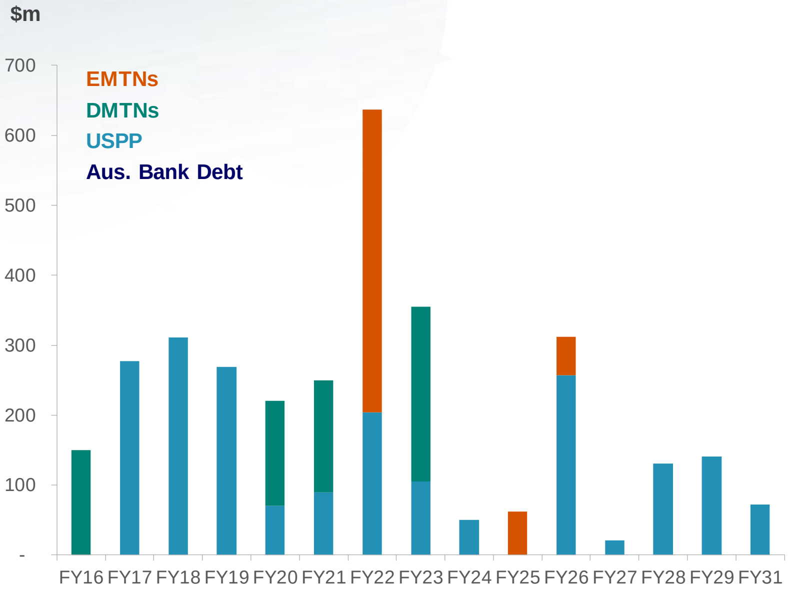
- Diligent cost management practices remain embedded across the Group
- Residential overheads lower as % revenue (1H16: 10.9%; 1H15: 11.5%)
- Increase in Residential overheads driven by sales and marketing costs, attributable to growth in prices and activation of new projects and built form initiatives with FY17 profit contribution expected
- Unallocated corporate increase driven by investment in growth businesses, capital transactions and compliance functions

$m	1H16	1H15
Commercial Property[1]	8	9
Residential	72	65
Retirement Living[2]	16	16
Unallocated corporate overheads	27	24
Management, administration, marketing and selling expenses	**123**	**114**

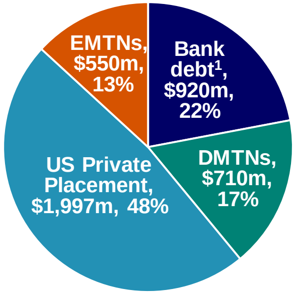
1. Net of recoveries and costs capitalised to development projects
2. Excludes Aged Care (1H16: Nil, 1H15: $1m)

Long dated, diverse debt

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



Diverse debt sources – Committed Facilities



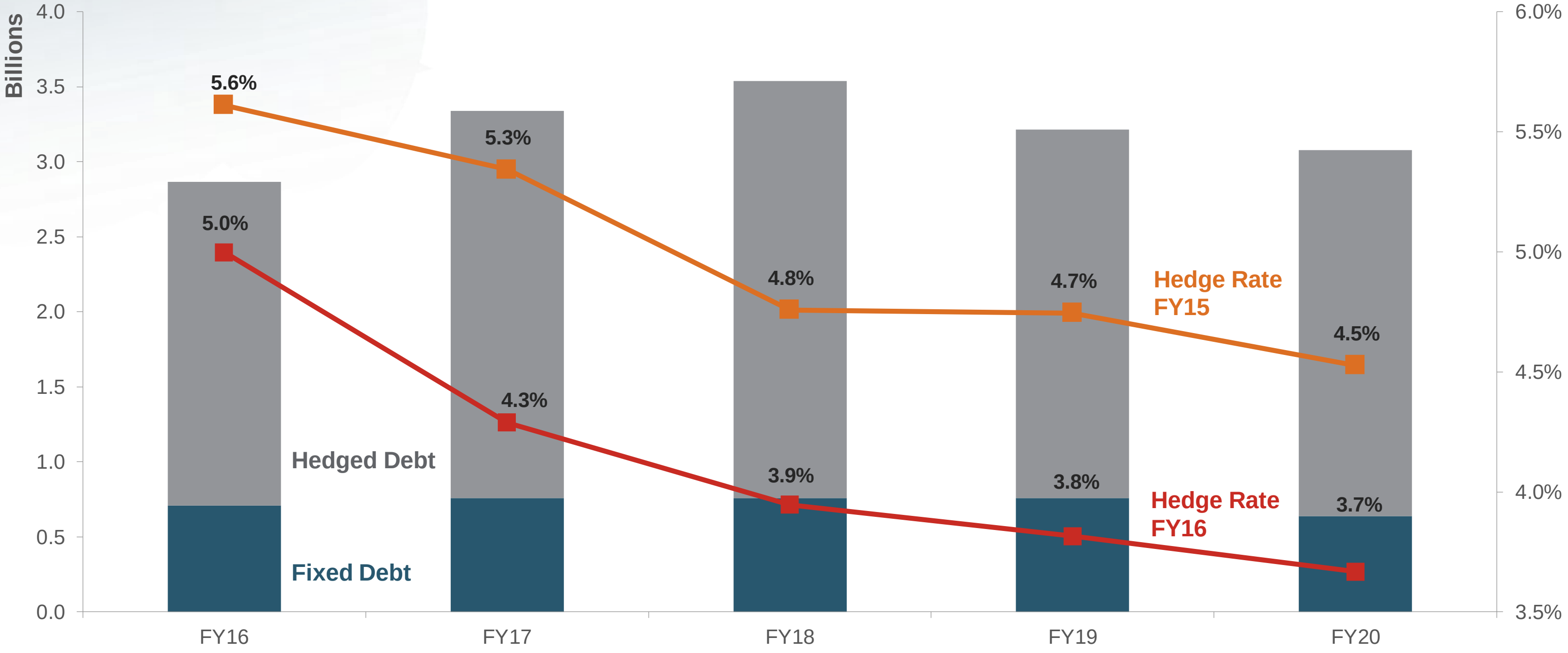
Cost of debt for 1H16

	Debt ($m)[2]	Total Debt (%)	Interest Rate (%)
Hedged debt	2,765	82%	5.3%
Floating debt	622	18%	2.2%
Total debt	**3,387**		**4.7%**
Margin			1.3%
Fees			0.1%
All-in cost of funds for 1H16			**6.1%**

1. Excludes bank guarantees of $0.2b and cash on deposit of $0.3b
2. Face value as at 31 December 2015

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	130
Commercial Paper	-	-
Domestic Medium Term Notes	710	710
USPP	1,997	1,997
European Medium Term Notes	550	550
Total Debt	**4,177**	**3,387**

Facility	Facility limit ($m)[1]	Amount drawn ($m)	Facility maturity
Bank Debt			
- Multi option facility - Australia	100	-	Jul 2016
- Multi option facility - Australia	120	-	Aug 2016
- Multi option facility - Australia	200	-	Dec 2016
- Multi option facility - Australia	250	-	Jan 2019
- Multi option facility - Australia	150	30	Feb 2020
- Multi option facility - Australia	100	100	Nov 2020
Total Bank Debt	**920**	**130**	

Debt Capital Markets

- A$64m and A$100m USPP was repaid in July 2015 and October 2015 respectively
- A$151m EMTN notes were redeemed in August 2015
- A$100m USPP was issued in December 2015 at a fixed coupon payable in AUD
- A$250m was issued in November 2015 under the existing DMTN program

Bank Debt

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

1. Facility limit excludes bank guarantees of $0.3b of which $0.2b was utilised as at 31 December 2015
2. Amount excludes borrowing costs and fair value adjustments, but includes transaction costs

Debt summary (continued)

Facility	Issued debt ($m)[1]	Facility maturity
Domestic Medium Term Note Facility (MTN)		
- MTN	150	Jul 2016
- MTN	150	Sep 2019
- MTN	160	Nov 2020
- MTN	250	Nov 2020
Total Domestic	**710**	
Offshore Medium Term Note Facility (MTN)		
- European MTN	433	Nov 2021
- Asia MTN	62	May 2025
- Asia MTN	55	Oct 2025
Total Offshore	**550**	

Facility	Issued Debt ($m)	Facility maturity
- USPP	62	Jul-16
- USPP	27	Oct-16
- USPP	188	Jun-17
- USPP	61	Oct-17
- USPP	250	Jun-18
- USPP	269	Oct-18
- USPP	71	Jul-19
- USPP	90	Jul-20
- USPP	176	Sep-21
- USPP	28	Jun-22
- USPP	105	Aug-22
- USPP	50	Aug-24
- USPP	156	Aug-25
- USPP	100	Dec-25
- USPP	20	Jun-27
- USPP	131	Aug-27
- USPP	141	Feb-29
- USPP	72	Aug-30
Total USPP	**1,997**	

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

Covenant calculations

As at 31 December 2015 $m	Statutory Balance Sheet	Adjustments	Gearing Covenant Balance Sheet	
Assets				
Cash	279	-	279	
Real estate related assets	13,150	-	13,150	
Retirement Living Gross-Up	2,303	(2,303)	-	B
Intangibles	97	(97)	-	
Other financial assets	474	(439)	35	A
Other assets	278	-	278	
Total assets	**16,581**	**(2,839)**	**13,742**	
Liabilities				
Interest-bearing liabilities	(3,677)	303	(3,374)	A
Retirement Living resident obligations	(2,316)	2,303	(13)	B
Other financial liabilities	(157)	157	-	A
Other liabilities	(1,144)	-	(1,144)	
Total liabilities	**(7,294)**	**2,763**	**(4,531)**	
Net assets	**9,287**	**(76)**	**9,211**	

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 2015	4.2:1	33.0%	23.1%[2]
30 June 2015	4.0:1	32.7%	23.4%
31 December 2014	3.9:1	33.2%	22.1%

1. Rolling 12 month average
2. Debt = Interest bearing debt ($3,374m) + transaction costs ($11m) – Cash ($279m) TTA = Total assets ($13,742m)– Cash ($279m)

Balance sheet summary

$m	31 December 2015	30 June 2015
Cash	279	170
Real estate related assets		
Commercial Property	9,362	8,942
Residential	2,603	2,552
Retirement Living	1,185	1,137
Other	-	7
Retirement Living Gross-Up	2,303	2,198
Intangibles	97	98
Other financial assets	474	368
Other assets	278	257
Total assets	**16,581**	**15,729**
Interest-bearing liabilities	(3,677)	(3,283)
Retirement Living resident obligations[1]	(2,316)	(2,211)
Other financial liabilities	(157)	(317)
Other liabilities	(1,144)	(1,131)
Total liabilities	**(7,294)**	**(6,942)**
Net assets	**9,287**	**8,787**
NTA per share	**$3.87**	**$3.68**

1. This amount comprises of $2,303m of existing resident obligations (30 June 2015: $2,198m), being a balance sheet gross up and $13m of former resident obligations (30 June 2015: $13m)

Stockland Corporation income tax reconciliation

$m	1H16		1H15	
	Underlying Profit	Statutory Profit	Underlying Profit	Statutory Profit
Net profit before tax	**315**	**711**	**281**	**483**
Less: Trust profit and Intergroup eliminations	(310)	(663)	(306)	(418)
Corporation profit/(loss) before tax B	**5**	**48**	(25)	65
Prima facie tax (expense)/ benefit @ 30%	(2)	(15)	8	(20)
Tax effect of permanent differences:				
Non-assessable / (non-deductible) items	-	-	1	(1)
Tax benefit / (expense) A	**(2)**	**(15)**	**9**	**(21)**
Effective tax rate (A / B)	**30%**	**30%**	**36%**	**32%**

Commercial Property – Annexure

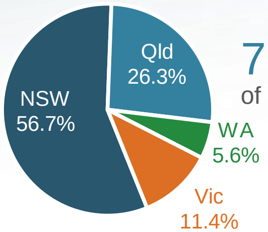
Stockland

Wetherill Park, NSW

Portfolio weightings and valuation movements

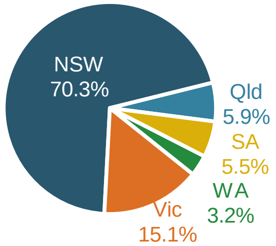
Commercial Property assets: $9.2b[1]

Retail: $6.6b
42 properties
1,025,024 sqm gross lettable area[2]



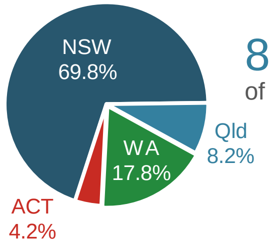
71.7%
of CP total assets

Logistics and Business Parks: $1.8b
25 properties
1,258,011 sqm gross lettable area[2,3]



19.8%
of CP total assets

Office: $0.8b
9 properties
153,880 sqm net lettable area[2]



8.5%
of CP total assets

	WACR Dec 15	WACR Dec 14	Book Value Under Ownership ($m)	1H16 Revaluation Movement ($m)	Gross Book Value[7] ($m)
Retail[4]	6.1%	6.7%	6,591	347	7,152
Logistics and Business Parks	7.4%	8.1%	1,819	72	2,030
Office	7.2%	7.6%	780	25	1,128
Capital works and sundry properties[5]	-	-	163	(3)	163
Total	**6.5%**	**7.1%**	**9,353[6]**	**441[6]**	**10,473**

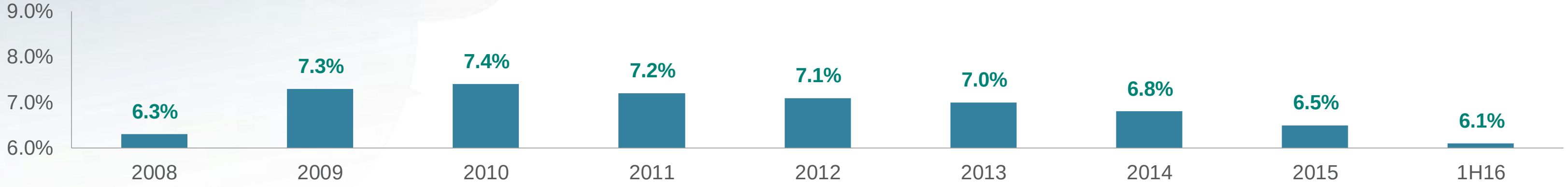
1. This is consistent with the Property Portfolio, which includes assets held for sale but excludes capital works in progress and sundry properties, Townsville Kingsvale and Sunvale (Qld)
2. Represents 100% owned, JV and associates properties
3. Excludes hardstand and vehicle storage
4. Includes Townsville Kingsvale and Sunvale (Qld)
5. An independent valuation will be performed on completion of the capital works
6. Excluding stapling adjustment related to owner occupied space
7. Represents all assets that we have ownership in, at 100%

Commercial Property Funds From Operations

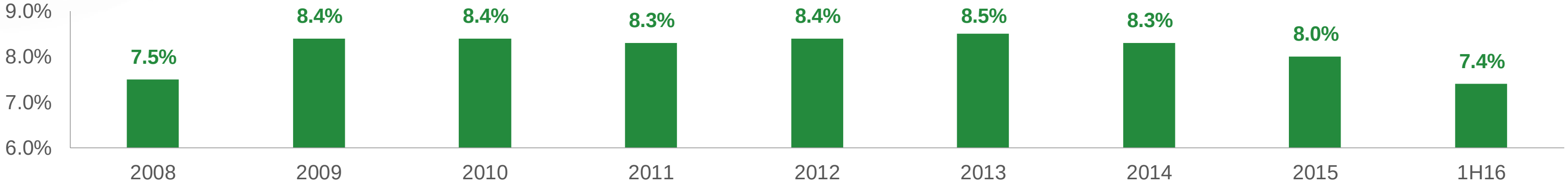
	Retail		Logistics and Business Parks		Office		Net Overhead Costs		Total	
$m	**1H16**	**1H15**	**1H16**	**1H15**	**1H16**	**1H15**	**1H16**	**1H15**	**1H16**	**1H15**
Operating EBIT	183	174	60	57	29	33	(8)	(9)	**264**	255
Adjust for:										
Amortisation of fit out incentives	16	16	3	2	4	4	-	-	**23**	22
Amortisation of rent-free incentives	-	-	6	5	4	3	-	-	**10**	8
Straight-line rent	(2)	(2)	(3)	(1)	(1)	(1)	-	-	**(6)**	(4)
Funds from Operations	**197**	**188**	**66**	**63**	**36**	**39**	**(8)**	**(9)**	**291**	**281**

Stockland portfolio: Trend in cap rates over time

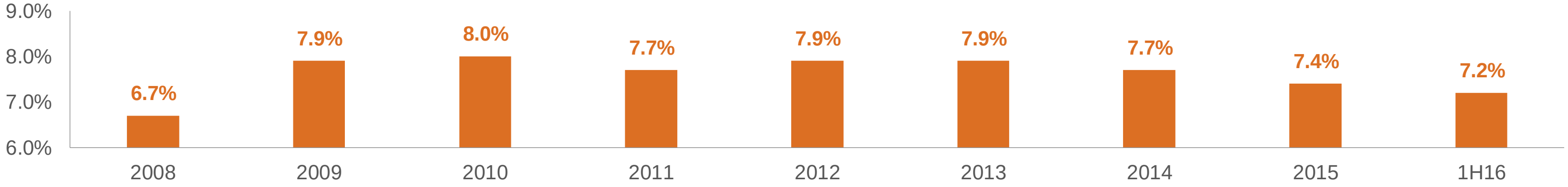
Retail



Logistics and Business Parks



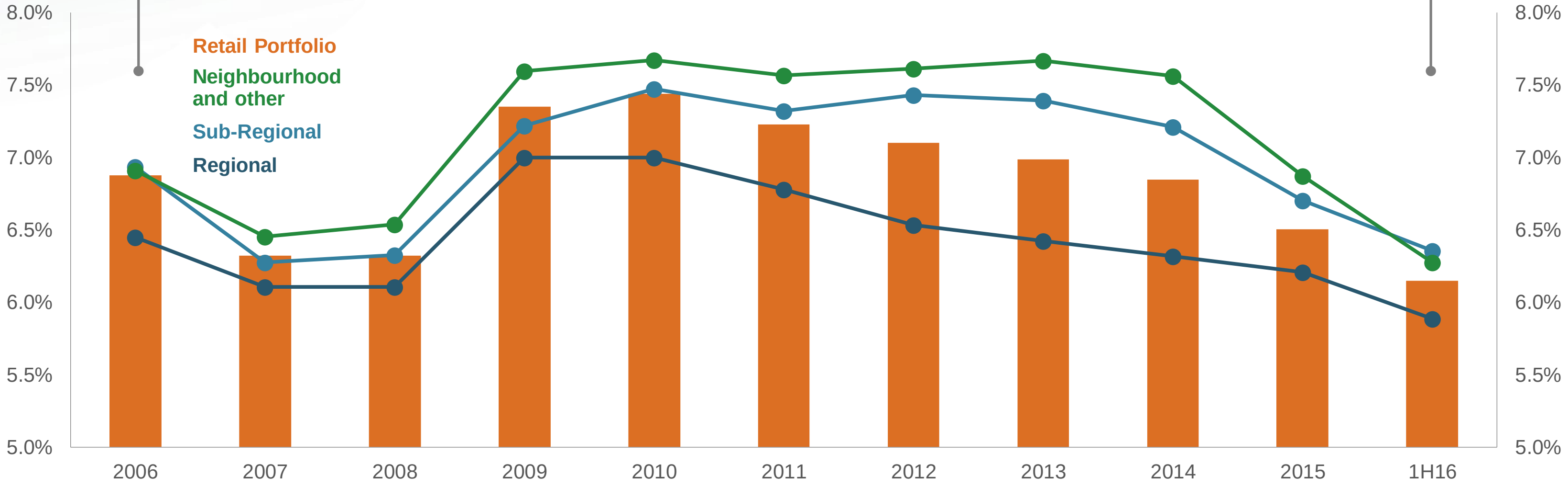
Office



Stockland Retail portfolio capitalisation rates

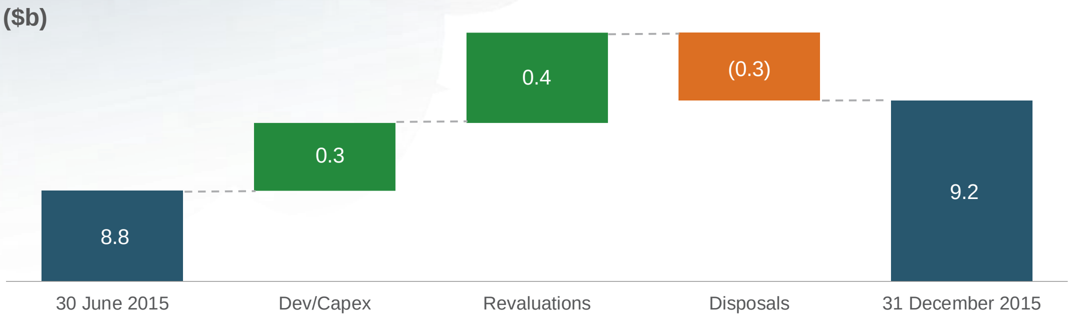
As at 30 June 2006	% allocation
Regional	14%
Sub-Regional	78%
Neighbourhood and Other	8%

As at 31 December 2015	% allocation
Regional	45%
Sub-Regional	44%
Neighbourhood and Other	11%



Commercial Property revaluation and book value update

Commercial Property book values: $9.2b[1]



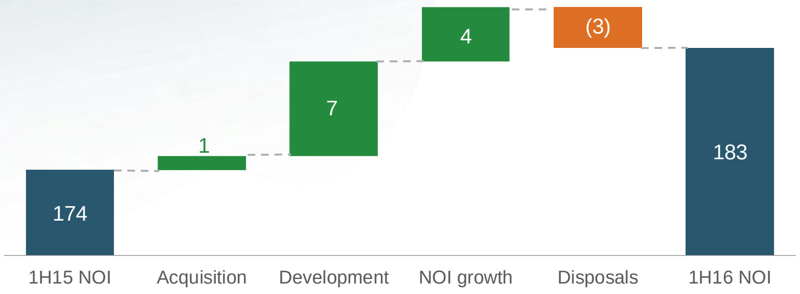
- 83% of all investment property assets were independently valued at 31 December 2015, resulting in 5.2% uplift of those assets revalued
- Retail, L&BP and Office recorded positive movements overall, driven by cap rate compression, income growth and development, offset by building capex improvement and tenant incentives

Net revaluation breakdown ($m)	Retail	Logistics and Business Parks	Office	Total
Income/Capex/Incentives	(14)	(52)	(22)	**(88)**
Change in cap rates	254	124	47	**425**
Development	107	-	-	**107**
Sundry Properties	(3)	-	-	**(3)**
Total net revaluations[2]	**344**	**72**	**25**	**441**

1. Includes joint venture and associate investment properties. Excludes capital works in progress and sundry properties
2. Excluding stapling adjustment related to owner occupied space

Retail performance

Retail NOI movements between 1H15 and 1H16 ($m)



Key metrics	1H16	1H15
Occupancy	99.5%	99.5%
Specialty occupancy costs[2]	**14.6%**	**14.2%**
Regional	16.3%	15.6%
Large sub-regional	13.8%	14.1%
Small sub-regional	13.6%	14.0%
Neighbourhood centres	13.0%	13.1%
Specialty store leases:		
Fixed annual increases	95%	93%
CPI+	5%	7%
Tenant retention[3]	61%	64%
Weighted average lease expiry[4]	6.4 yrs	6.6 yrs
Options WALE[5]	11.0 yrs	11.3 yrs

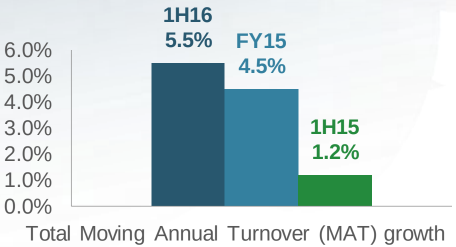
94% on fixed
4-5% per annum

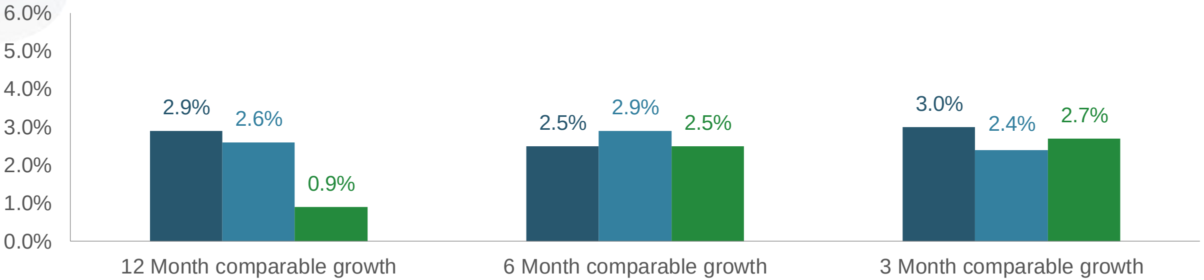
Leasing activity

	No. of Deals	Area (sqm)	Rental growth	Incentives	
Lease renewals	170	26,685	3.1%	-	-
New leases	119	11,309	1.7%	8.4 mths	12.1%[1]
Total portfolio	**289**	**37,994**	**2.6%**		

1. Incentive capital as a percentage of total rent over the primary lease term only
2. Stable portfolio. 1H16 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

Stockland retail sales growth: Comparable centres



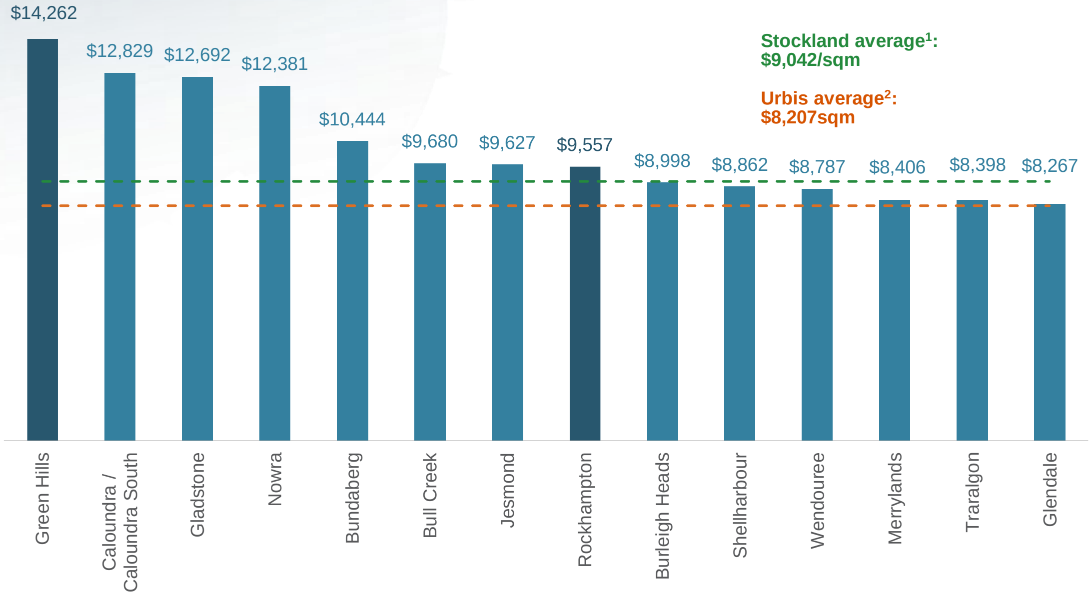


	Total MAT ($m)	SGP Total MAT Growth	12 month Comparable growth	6 month Comparable growth	3 month Comparable growth[2]
Supermarkets	2,602	2.6%	1.3%	1.0%	1.4%
Department[1]/ DDS	935	2.5%	1.6%	1.9%	2.1%
Specialties	1,964	8.1%	4.1%	3.2%	3.7%
Mini Majors/ Cinemas/Other	1,106	10.8%	6.6%	6.6%	6.8%
Total	**6,607**	**5.5%**	**2.9%**	**2.5%**	**3.0%**

1. Includes Myer at Townsville (Qld) and Shellharbour (NSW)
2. Includes Hervey Bay (Qld)

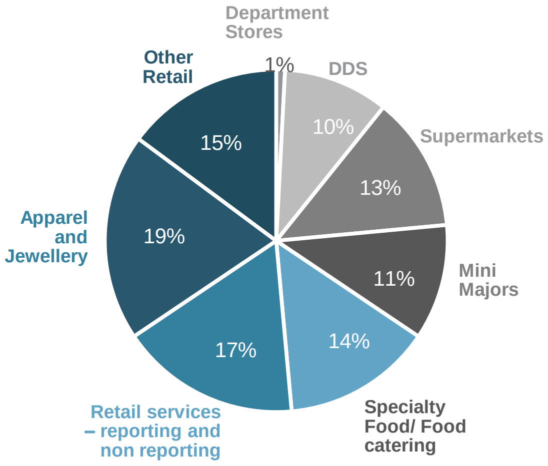
Retail: Productive centres and diverse income base

Specialty MAT/sqm, centres with development potential



Strong diversity in rental income

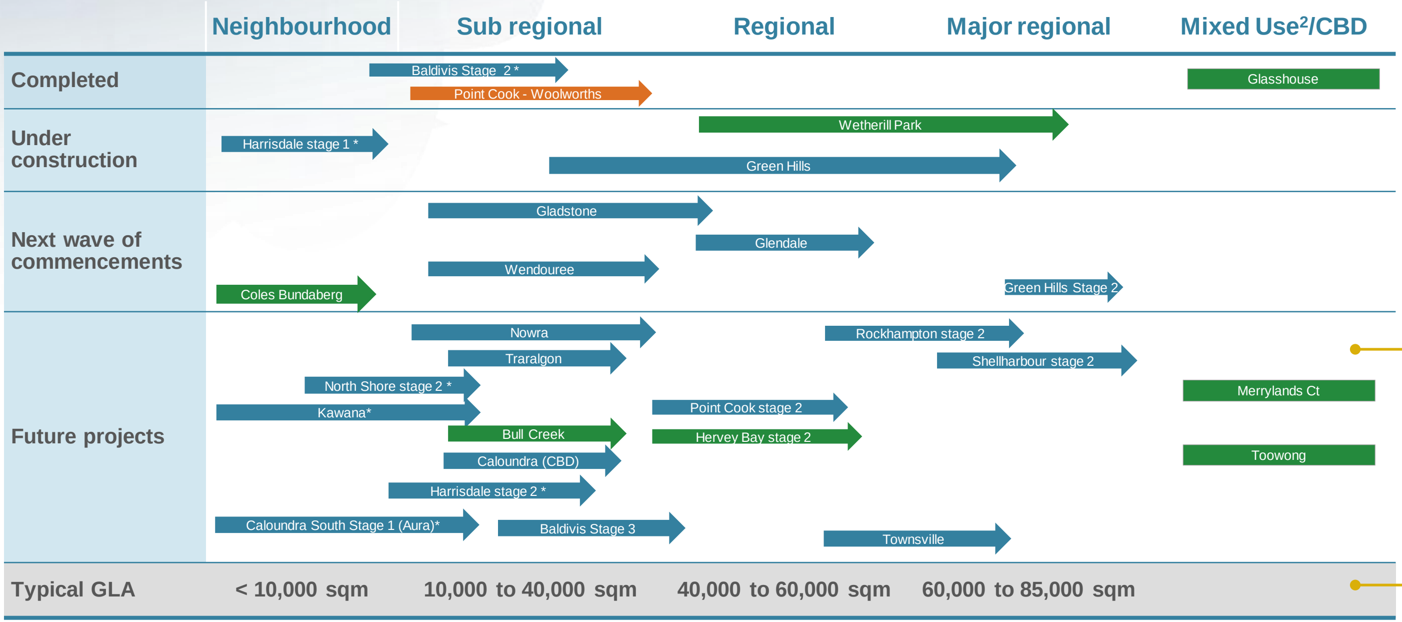
Gross rent: Total portfolio



Under active development

1. MLA methodology
2. Urbis Sub-regional Shopping centre Benchmarks June 2015

Retail: Significant development pipeline driving growth and returns



Target returns

11% -14% incremental IRR[1]
7% -8% incremental yield (FFO & stabilised)

DA approvals received
Gladstone
North Shore (stage two)
Caloundra (CBD)
Townsville (ELP)
Hervey Bay (stage two)
Glendale
Shellharbour Restaurants

DA submitted
Wendouree

Development rationale

Growth · Repositioning · Defensive

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

Retail development pipeline

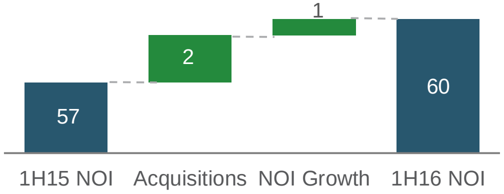
				Completion						
	Est. total incremental cost ($m)	**Cost Spent to Date ($m)**	**Est. Cost to Complete ($m)**	**Date**	**Value ($m)**	**Est. fully leased year one yield[1]**	**Total income leased**	**Specialty income leased[2]**	**Est. Incremental Return[3] (%)**	**Est. total return[4] (%)**
Completed										
Baldivis (WA)	116			FY16	200.0[5]	8.0%	97%	95%	14.5	14.1
Glasshouse (Sydney CBD) (50%)	10			FY16	66.0[5]	10.7%	100%	100%	23.5	12.3
Point Cook (Vic)	22			FY16	229.5[5]	5.9%	98%	92%	12.6	11.4
	148									
Under construction										
Wetherill Park (Sydney)	228	211	17	FY16	685-710	7.3%	97%	96%	~15.0	~11.8
Harrisdale (WA)	51	25	26	FY17	52-55	7.8%	73%	54%	~11.2	~11.2
Green Hills (NSW)	372	3	369	FY18	780-800	7.0%	15%	0%	~12.6	~10.8
	651	**239**	**412**							
Pipeline	**~1,000**		**~1,000**			**Range 7% - 8%**			**Range 11% - 14%**	
TOTAL	**1,799**		**1,412**							

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
5. Independent valuation as at 31 December 2015

Logistics & Business Parks performance

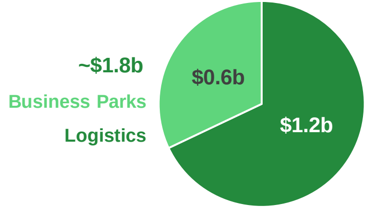
Occupancy and lease expiry – by income	1H16	1H15
Occupancy	94.6%	95.6%
WALE	4.5 yrs	4.7 yrs

Logistics & Business Parks NOI movements between 1H15 and 1H16 ($m)



Portfolio concentrated in large quality assets

Logistics and Business Parks assets by book value



Key Logistics & Business Parks leasing deals

Property	Location	Building area (sqm)	1H16 area leased (sqm)	Leased to	Asset WALE (years)	Comments
Port Adelaide Distribution Centre	SA	167,608	32,817	ACI	2.9	Tenant Renewal
			12,383	Spendless Shoes Pty Ltd		Tenant Renewal
Brooklyn Estate	Vic	130,001	23,625	Ceva	1.8	Tenant Renewal
1090-1124 Centre Road	Vic	41,938	22,204	Specialty Packaging Group	4.9	Existing tenant add space
Hendra Distribution Centre	Qld	83,835	14,810	Bevchain	2.8	Existing tenant add space
9-11A Ferndell Street	NSW	47,753	12,933	Bluestar	5.6	New Tenant
Yennora Distribution Centre	NSW	291,423	12,225	Symbion Pty Ltd	4.4	New Tenant
Baker St, Botany	NSW	9,492	9,492	Smeg Australia Pty Ltd	7.5	Tenant Renewal
60-66 Waterloo Road	Sydney Metro,NSW	18,310	4,857	Jansen Cilag	7.3	Tenant Renewal

L&BP: Growing & activating the development pipeline

Development type Greenfield Brownfield

	Active Development	Planning Underway	Future Wave
NSW	Ingleburn (Stage 1)	Yennora (Bld 3 & 8A)	Ingleburn (Stage 2 & 3)
	Warwick Farm		Yennora (Bld 1 & 2)
	Waterside (Land Subdivision)		
	Erskine Park		
Vic	Oakleigh (Stage 1 & 2)	Brooklyn (A & C)	Altona DC
Qld	Yatala	Hendra (Lot 20)	Pallara
SA		Port Adelaide DC	
WA	Balcatta (Land Subdivision)		

Target returns

11% - 14% IRR (Greenfield)

7% - 8% incremental yield (FFO)

DA approvals received
Yatala (Stage 1 & 2)
Port Adelaide

DA approvals submitted
Warwick Farm
Yatala (Stage 3)
Yennora (Bld 3 & 8A)

L&BP development pipeline

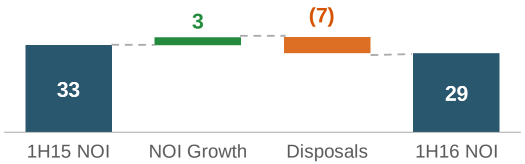
	Development Type	Est. total incremental cost ($m)	Cost Spent to Date ($m)	Est. Cost to Complete ($m)	Completion Date	Completion Value ($m)	Est. fully leased year one yield[3]	Total income leased	Est. Incremental Return[4]	Est. total return[5]
Under construction[1]										
Oakleigh - Stage 1 – Building 3 (Vic)	Brownfield	8	2	6	FY16	43	7.1%	100%	~18.5%	~10.8%
Oakleigh - Stage 2 – Building 2 (Vic)	Brownfield	7	0	7	FY17	51	7.1%	0%	~13.5%	~11.1%
Ingleburn – Stage 1 (NSW)	Greenfield	33[2]	13	20	FY17	37	8.5%	0%	~12.1%	~12.1%
Erskine Park (NSW)[7]	Greenfield	19	6	13	FY17	19	7.2%	100%	~8.6%	~8.6%
		67	**21**	**46**		**107[6]**				
Pipeline		~350		~350			Range 7% - 8%		Range 11% - 14%	
TOTAL		**417**		**396**						

1. Excludes land sub-division projects
2. Includes $10M of land cost
3. FFO stabilised incremental yield
4. Unlevered 10 year IRR on incremental development from completion
5. Unlevered 10 year IRR for existing assets and incremental development from completion
6. Total Value on Completion excludes Oakleigh Stage 1 (As this is included in Stage 2)
7. Development fund-through by third party developer, with 1 year rental guarantee

Office performance

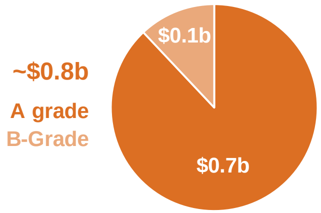
Occupancy and lease expiry – by income	1H16	1H15
Occupancy	95.4%	94.3%
WALE	4.1 yrs	4.5 yrs

Office NOI movements between 1H15 and 1H16 ($m)



Portfolio concentrated in large quality assets

Office assets by book value



Key Office leasing deals

Property	Location	Building area (sqm)	1H16 area leased (sqm)	Leased to	Asset WALE (years)	Comments
80-88 Jephson Street	Brisbane, Qld	6,412	1,896	Auto & General Services	2.6	New Tenant
77 Pacific Highway	Sydney Metro, NSW	9,392	588 351	Energy One Limited Stellar Asia Pacific Pty Ltd	3.1	New Tenant New Tenant
135 King Street	Sydney CBD, NSW	27,204	401	Ray White	4.8	New Tenant

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

	Total leased[1]			Retention[1]			New leases[1]		
Logistics & Business Parks	GLA leased (sqm)[2]	Weighted average base rent growth %	Weighted average incentives	Retention (sqm)[2]	Weighted average base rent growth %	Weighted average incentives	New leases (sqm)[2]	Weighted average base rent growth %	Weighted average incentives
Sydney West	62,437	(2.2%)	10.1%	9,492	0.9%	10.0%	52,945	(2.7%)	10.1%
Sydney Metro	5,820	(0.1%)	23.0%	5,168	(0.1%)	23.1%	652	-	22.1%
Qld	17,772	(4.2%)	2.9%	2,962	-	10.5%	14,810	(5.0%)	1.4%
SA	45,200	2.7%	8.3%	45,200	2.7%	8.3%	-	-	-
Vic	50,824	9.7%	4.1%	36,769	13.5%	1.7%	14,055	-	10.3%
	182,053	**2.2%**	**7.7%**	**99,591**	**6.3%**	**6.9%**	**82,462**	**(2.6%)**	**8.7%**
				87% retention[3]					

	Total leased[1]			Retention[1]			New leases[1]		
Office	GLA leased (sqm)[2]	Weighted average base rent growth %	Weighted average incentives	Retention (sqm)[2]	Weighted average base rent growth %	Weighted average incentives	New leases (sqm)[2]	Weighted average base rent growth %	Weighted average incentives
Sydney CBD	1,140	5.7%	23.4%	370	3.2%	25.0%	770	6.9%	22.6%
Sydney Metro	2,153	0.2%	27.1%	-	-	-	2,153	0.2%	27.1%
Qld	3,476	10.6%	23.8%	71	1.5%	1.0%	3,405	10.8%	24.3%
WA	-	-	-	-	-	-	-	-	-
ACT	-	-	-	-	-	-	-	-	-
	6,769	**6.5%**	**24.8%**	**441**	**2.9%**	**21.1%**	**6,328**	**6.7%**	**25.0%**
				47% retention[3]					

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. Excludes new leases on vacant space.

Asset values: Retail

Retail portfolio	Book value ($m)	1H16 Val. Incr/(decr) ($m)[1]	Change	Cap rate	1H16 FFO ($m)	1H16 NOI ($m)[2]
Stockland Shellharbour	700.0	5.7	0.8%	5.75%	18.2	15.9
Stockland Wetherill Park[3]	651.3	69.0	11.8%	6.75%[5]	14.7	14.4
Stockland Merrylands	540.0	32.4	6.4%	5.75%	16.0	13.4
Stockland Rockhampton	406.4			6.00%	12.1	11.2
Stockland Green Hills	354.0	34.8	10.9%	5.75%	10.4	10.3
Stockland Glendale	298.5	21.2	7.6%	6.25%	9.8	9.4
Stockland Cairns	230.0	(4.5)	(1.9%)	6.00%	6.7	6.3
Stockland Point Cook[3]	229.5	19.8	9.5%	6.25%	6.9	6.6
Stockland Townsville (50%)[3]	229.0	0.8	0.4%	6.00%-6.75%	6.7	5.7
Stockland Baldivis[3]	200.0	17.2	9.4%	6.00%	5.8	5.7
Stockland Hervey Bay[3]	196.2			6.25%	4.7	4.0
Stockland Burleigh Heads	170.0	6.1	3.7%	6.75%	5.8	5.3
Stockland The Pines	170.0	13.0	8.3%	6.25%	6.0	5.6
Stockland Forster	167.0	7.9	5.0%	6.50%	5.5	5.3
Stockland Jesmond	160.0	16.3	11.3%	6.50%	5.3	5.0
Stockland Wendouree	148.0	9.1	6.5%	6.50%	4.9	4.5
Stockland Balgowlah	148.0	21.3	16.8%	6.00%	4.7	4.4
Stockland Baulkham Hills	145.0	13.3	10.1%	6.25%	4.8	4.5
Stockland Gladstone	140.2	(14.1)	(9.1%)	7.00%	5.5	5.4
Stockland Caloundra	126.5	8.4	7.1%	6.50%	4.1	4.0
Stockland Nowra	117.7	6.9	6.3%	6.50%	3.8	3.6
Stockland Traralgon	106.6	7.0	7.1%	6.75%	3.7	3.5
Stockland Bull Creek	102.0	0.7	0.7%	6.50%	3.5	3.1
Stockland Cleveland	102.0	7.3	7.7%	6.75%	3.4	3.3

Retail portfolio	Book value ($m)	1H16 Val. Incr/(decr) ($m)[1]	Change	Cap rate	1H16 FFO ($m)	1H16 NOI ($m)[2]
Stockland Bathurst	94.0	3.5	3.9%	6.75%	3.3	3.2
Stockland Corrimal	75.0	4.3	6.1%	6.75%	2.5	2.4
Stockland Wallsend	70.3	3.1	4.6%	7.00%	2.5	2.4
Stockland Bundaberg (50%)	68.4	1.0	1.5%	6.50%	2.4	2.3
Glasshouse[3] (50%)	66.0	20.8	45.9%	4.75%	0.3	0.3
Stockland Riverton (50%)	64.0	(0.3)	(0.4%)	6.50%	2.2	2.2
Stockland Tooronga	63.0	9.1	17.0%	6.00%	1.8	1.5
Shellharbour Retail Park	53.0			7.75%	1.9	1.9
Stockland Cammeray	45.5	8.0	21.3%	6.25%	1.4	1.2
Stockland Piccadilly (50%)	34.7	2.5	7.8%	6.00%	1.1	1.0
Stockland Highlands	32.7	2.0	6.6%	6.75%	1.0	1.0
North Shore Townsville	23.0	0.8	3.4%	6.75%	0.8	0.6
Burleigh Central	20.0	2.3	12.9%	7.50%	0.8	0.7
Jimboomba (50%)	13.9			8.00%	0.7	0.7
Vincentia	11.0	(1.8)	(13.9%)	8.25%	0.5	0.5
Merrylands Court	10.1			7.50%	0.2	0.2
Woolworths Toowong[3]	6.2	(8.4)	(57.5%)	n/a	0.1	0.1
T/ville, Kingsvale & Sunvale[3] (50%)	2.4			n/a	-	-
Subtotal Retail	**6,591.1**	**346.5**			**196.5**	**182.6**
Disposals					0.2	0.2
Other[4]		(2.5)			-	-
Total Retail	**6,591.1**	**344.0**		**WACR 6.1%**	**196.7**	**182.8**

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 1H16
4. Relates to sundry properties
5. As per previous external valuation and not reflective of cap rate on project completion

Asset values: Logistics & Business Park and Office

Logistics & Business Parks portfolio	Book value ($m)	1H16 Val. Incr/(decr) ($m)[1]	Change	Cap rate	1H16 FFO ($m)	1H16 NOI ($m)[2]
Yennora Distribution Centre	381.0	9.5	2.6%	7.00%	12.8	11.7
Optus Centre (51%)	219.3	15.3	7.5%	7.00%	7.4	7.3
Triniti Business Campus	177.8	8.9	5.3%	7.00%	6.2	5.1
Port Adelaide Distribution Centre	99.9	4.7	4.9%	9.00%	4.2	3.6
60-66 Waterloo Road	95.2	14.3	17.6%	6.50% - 7.00%	3.4	2.9
Hendra Distribution Centre	88.6			8.75%	4.8	4.1
Brooklyn Estate	82.5			8.00%	4.0	3.3
Forrester Distribution Centre	81.3	4.1	5.3%	7.25%	3.0	3.1
Ingleburn Distribution Centre	77.5			n/a	2.7	2.9
Balcatta Distribution Centre	58.0	1.0	1.7%	7.00%	1.7	2.2
9-11A Ferndell Street	55.9	7.6	15.8%	7.25% - 9.00%	2.3	2.2
Macquarie Technology Centre	48.8	5.0	11.4%	7.00% - 8.25%	1.9	1.5
16 Giffnock Avenue	42.4	5.0	13.5%	7.75%	1.5	1.0
23 Wonderland Drive	35.9			n/a	0.6	0.6
1090-1124 Centre Road	31.7			9.25%	1.3	1.0
72-76 Cherry Lane	31.7	0.6	2.1%	7.00%	1.1	1.2
Altona Distribution Centre	30.3	0.9	3.0%	8.25%	1.4	1.3
20-50 Fillo Drive and 10 Stubb Street	29.8	(2.6)	(8.0%)	8.25%	1.0	0.8
2-8 Baker St	23.2	1.5	6.8%	6.25%	0.7	0.7
2 Davis Road	21.3	1.4	6.9%	7.25%	0.3	0.3
Coopers Paddock	19.6			n/a	-	-
11-25 Toll Drive	9.2	(7.0)	(43.1%)	7.25%	0.8	0.8
32-54 Toll Drive	17.8	2.8	18.8%	7.25%	0.8	0.7
56-60 Toll Drive	17.8	0.7	3.9%	7.25%	0.7	0.6
76-82 Fillo Drive	14.3	(0.1)	(0.5%)	8.25%	0.7	0.6
M1 Yatala Enterprise Park	10.0			n/a	-	-
Export Park, 9-13 Viola Place	9.3	(2.5)	(21.0%)	9.29%	0.7	0.6
40 Scanlon Drive	9.0	0.5	6.1%	7.50%	0.4	0.4
Total Logistics & Business Parks	**1,819.1**	**71.6**		**WACR 7.4%**	**66.4**	**60.5**

Office portfolio	Book value ($m)	1H16 Val. Incr/(decr) ($m)[1]	Change	Cap rate	1H16 FFO ($m)	1H16 NOI ($m)[2]
Piccadilly Complex[3,4] (50%)	207.3	22.7	12.3%	6.13% - 7.00%	6.9	5.8
Durack Centre	139.0	(20.9)	(13.0%)	8.00% - 8.50%	7.7	6.7
135 King Street (50%)	141.0	14.8	11.7%	6.00%	4.6	3.2
601 Pacific Highway	97.5	9.6	10.9%	7.00%	3.5	2.6
77 Pacific Highway	68.0	7.8	13.0%	7.00%	2.6	1.8
40 Cameron Avenue	33.0	(9.0)	(21.5%)	11.00%	1.2	0.9
Garden Square	38.2			9.25%	2.1	1.8
110 Walker Street	29.6	1.3	4.6%	7.25%	1.2	0.9
80-88 Jephson Street	20.0	0.5	2.6%	8.75%	0.8	0.7
23 High Street	2.7	(1.2)	(31.2%)	7.50%	0.1	0.1
27-29 High Street	3.2	(0.3)	(8.4%)	7.50%	0.1	0.1
Subtotal Office	**779.5**	**25.3**			**30.8**	**24.6**
Disposals					5.3	4.2
Total Office	**779.5**	**25.3**		**WACR 7.2%**	**36.1**	**28.8**

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. Excluding stapling adjustment relating to owner occupied space
4. Piccadilly Complex includes Piccadilly Tower and Court

Top 20 tenants by income

Rank	Retail Portfolio: Tenant	% Portfolio	Logistics & Business Parks Portfolio: Tenant	% Portfolio	Office Portfolio: Tenant	% Portfolio
1	Woolworths	12.8%	Optus	10.8%	Jacobs Group	9.4%
2	Wesfarmers	11.7%	Toll	7.1%	Shell Australia Pty Ltd	8.8%
3	Prouds Jewellers Pty Ltd	1.5%	ACI	7.1%	IBM Australia Ltd	6.9%
4	Commonwealth Bank of Australia	1.4%	Qube Logistics	4.5%	Stockland Development Pty Ltd	5.3%
5	Specialty Fashion Group	1.4%	Patrick Autocare	3.9%	Hewlett Packard Pty Ltd	4.0%
6	Westpac Banking Corporation	1.3%	Australian Wool Handlers	3.2%	Australian Bureau of Statistics	2.8%
7	Priceline	1.2%	Downer EDI	3.1%	Brookfield Multiplex Ltd	2.3%
8	H&M	1.2%	Goodman Fielder	3.0%	Russell Investment Group Pty Ltd	2.0%
9	Just Group Limited	1.1%	Ceva Logistics	2.6%	UXC Ltd	1.9%
10	Terry White Chemist	1.0%	Brownes Food Operations	2.3%	GHD Services Pty Ltd	1.8%
11	The Reject Shop	1.0%	CSR Ltd	2.2%	The Uniting Church of Australia Property Trust	1.8%
12	Myer	0.9%	DHL Supply Chain	2.0%	The University of Sydney	1.7%
13	Best & Less Pty Ltd	0.9%	Laverty Health	1.9%	Fleet Partners Pty Ltd	1.5%
14	Luxottica Retail Australia Pty Ltd	0.9%	Chubb Security	1.7%	Smartsalary Pty Ltd	1.5%
15	Aldi Foods Pty Ltd	0.9%	Austpac Pty Ltd	1.7%	(Department Public Works) Smart Services	1.4%
16	ANZ Banking Group Ltd	0.8%	Unitised Building (Aust) Pty Ltd	1.7%	National Health Call Centre Network	1.3%
17	Cotton On Clothing Pty Ltd	0.8%	Citrix Systems	1.6%	Moore Stephens International Ltd	1.2%
18	National Australia Bank	0.8%	CRT Group Pty Ltd	1.6%	Rice Daubney	1.2%
19	Pretty Girl Fashion Group Pty Ltd	0.8%	Jansen Cilag Pty Ltd	1.4%	Infosys Technologies Australia Pty Ltd	1.2%
20	BB Retail Capital	0.7%	Specialty Packaging Group	1.3%	Health Administration Corporation	1.1%
		43.1%		**64.7%**		**59.1%**

Commercial Property asset acquisitions and disposals

Property Acquired	Asset Class	Type	Acquisition Date	Acquisition Value[1] ($m)
23 Wonderland Drive, NSW	L&BP	Income producing	Sep 2015	34.0
Total Asset Acquisitions				**34.0**

Property Disposed	Asset Class	Type	Settlement Date	Disposal Value[2] ($m)
Waterfront Place, Qld (50%)	Office	Joint Venture	Oct 2015	296.0
Eagle St Pier, Qld (50%)	Retail	Joint Venture	Oct 2015	21.5
Total Asset Disposals				**317.5**

1. Excludes associated acquisition costs
2. Excludes associated disposal costs

Residential – Annexure

Willowdale, NSW

Development Pipeline – major active projects

Excludes medium density

State	Project	State percentage	Approximate lot sales per annum[1]	Approx remaining project lots	Anticipated Settlements FY16	FY17	FY18	FY19	FY20+
Qld	North Shore		170	3,770					
	Aura (Caloundra South)		300	19,990[2]					
	Pallara			710					
	Newport			1,490					
	All Other Projects			9,780					
	Sub-total	**46.4%**		**35,740**					
Vic	Highlands		600	3,730					
	Mernda Village		150	650					
	Eucalypt		160	740					
	The Address		140	380					
	The Grove		200	2,540					
	Cloverton		180	10,880					
	All Other Projects			2,150					
	Sub-total	**27.4%**		**21,070**					
WA	Newhaven		180	520					
	Vale		380	1,600					
	Sienna Wood		240	3,270					
	Calleya		220	1,220					
	All Other Projects			2,900					
	Sub-total	**12.3%**		**9,510**					
NSW	Willowdale		490	2,260					
	Elara		450	1,780					
	Altrove (Schofields)			1,180					
	All Other Projects			5,510					
	Sub-total	**13.9%**		**10,730**					
	Total	**100.0%**		**77,050**					

1 Average number of lots estimated for three years (FY16 to FY18)
2 Dwellings

Seven projects with first settlements in next two years

	Project	Timing of first settlements	Approximate total lots in project	Approximate life of project
Vic	The Grove	2H16	2,540	13 yrs
	Cloverton	2H16	10,880	36 yrs
	Arve (Ivanhoe)	FY17	80#	1 yr
Qld	Pallara	FY17	710	6 yrs
	Newport	FY17	1,490	10 yrs
NSW	Altrove (Schofields)	FY17	1,180#	3 yrs
	Macarthur Gardens	FY18	470#	2 yrs
		Total lots	**17,350**	

Dwellings

Projects completing prior to FY18

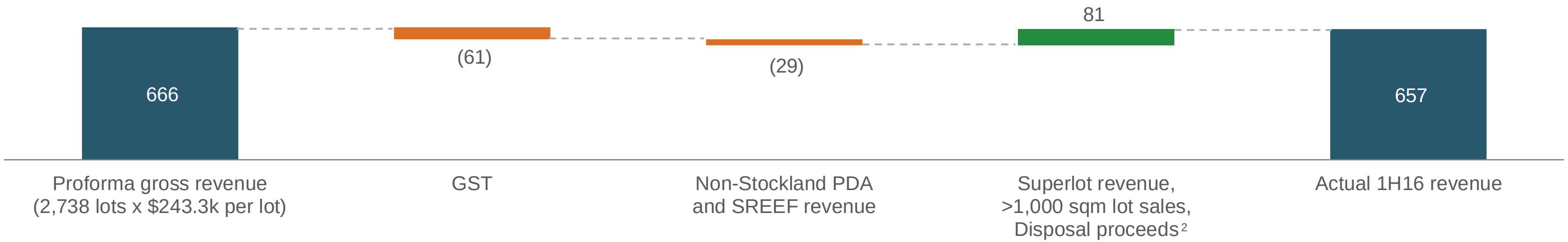
	Project	Timing of final settlements	Approximate total lots	Lots remaining to sell (as at 31 Dec 2015)
NSW	Murrays Beach	2H16	480	183
	Glenmore Ridge	FY17	520	5
	Brooks Reach	FY17	590	152
WA	Baldivis Town Centre	2H16	160	4
Qld	The Observatory	FY17	900	25
	Bells Reach	FY17	760	31
Vic	Arbourlea	FY17	320	19
	Selandra Rise	FY17	1,210	44
		Total lots	**4,940**	**463**

Price per sqm

Retail sales price[1]

State	1H16 Settlements No. lots	Av. size per lot sqm	Av. Price per lot $k	$/sqm	1H15 Settlements No. lots	Av. size per lot sqm	Av. Price per lot $k	$/sqm
NSW	500	430	343	799	172	484	241	499
Qld	732	450	234	520	922	421	222	528
Vic	789	364	195	536	687	388	194	501
WA	717	354	237	669	925	371	250	673
Residential Communities	**2,738**	**396**	**243**	**614**	**2,706**	**399**	**226**	**565**

Revenue Reconciliation ($m)



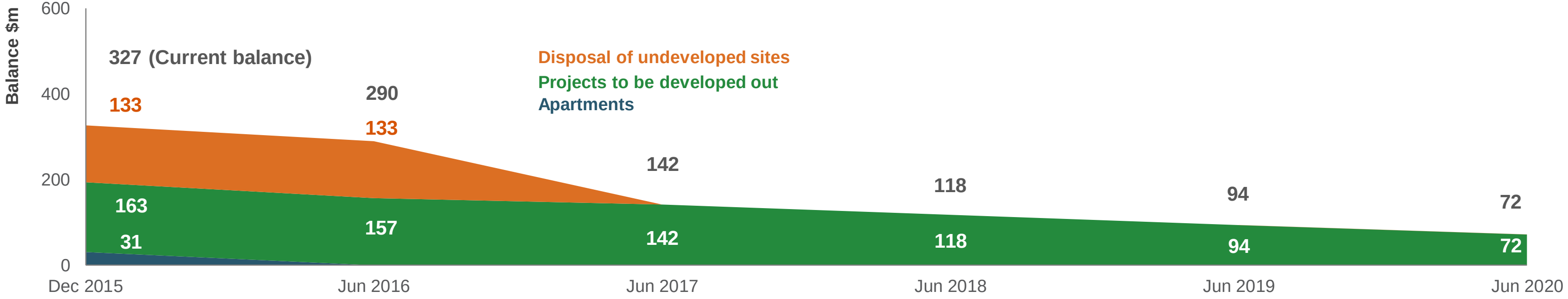
1. Average price of retail sales excludes sales of all lots over 1,000 sqm, superlot sales, completed homes and medium density revenue, and disposal proceeds. Average price includes GST. Includes Project Development Agreements (PDAs) and SREEF projects for which Stockland receives a part-share
2. Includes part disposal of impaired project Bahrs Scrub (Qld) that occurred in 1H16

Impairment provision utilisation

31 December 2015	Residential Communities ($m)	Apartments ($m)	Total ($m)
Increase in impairment	-	-	-
Utilisation of provision[2]	(30)	-	(30)

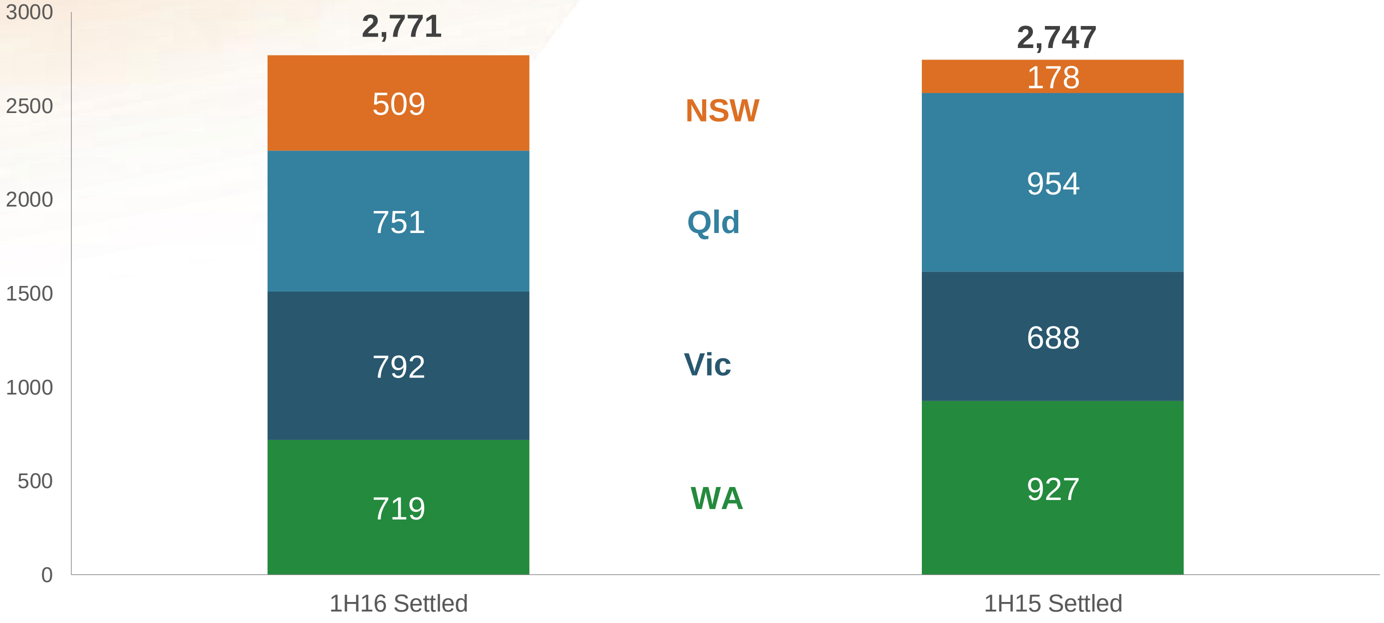
	Impairment provision balance 31 December 2015 ($m)	Final settlement
Projects to be developed	$163m	~13 yrs
Disposal of undeveloped sites	$133m	~2 yrs
Apartments	$31m	~1 yr
Total	$327m	

Residential forecast utilisation of provision[1]



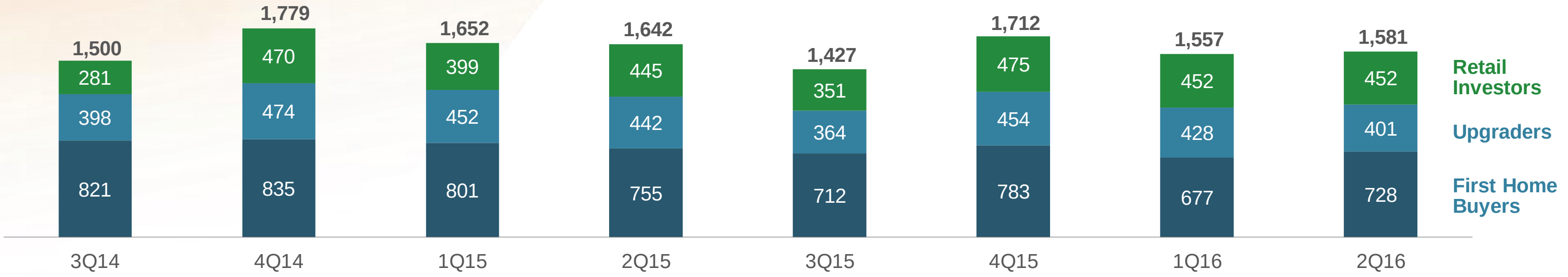
1. Forecast utilisation impairment provision as at 31 December 2015, based on forecast settlement dates, revenue and costs by project
2. Includes impairment provisions associated with projects transferred to Logistics & Business Parks

Lots settled by location in 1H16

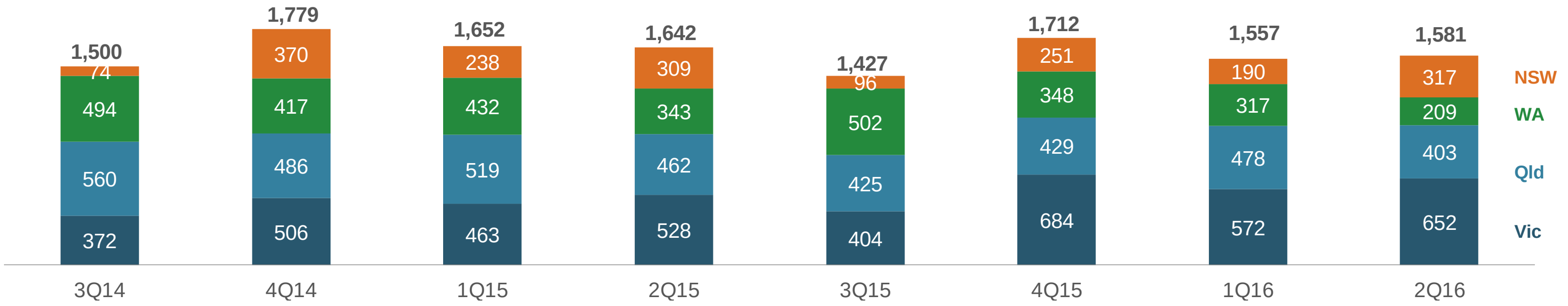


Net deposits by quarter

Net deposits stable

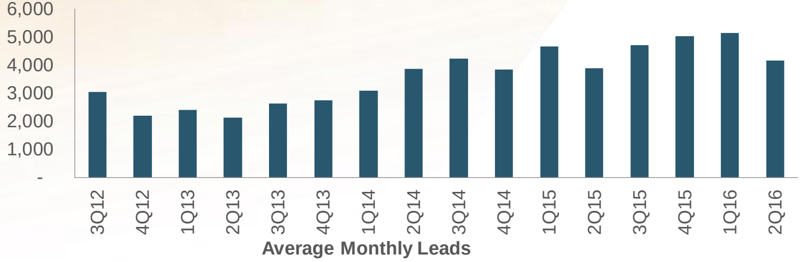


NSW and Vic net deposits remain robust



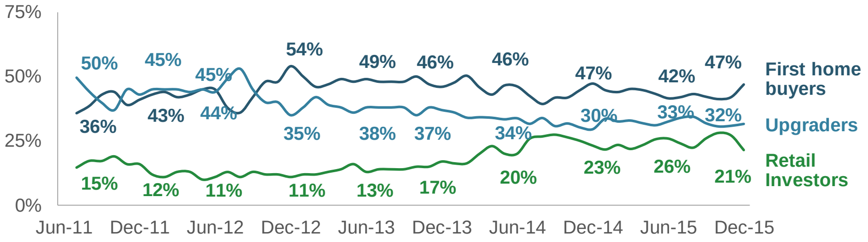
Leads and enquiry levels

Lead volumes increased mainly in Vic and Qld, slowing in WA

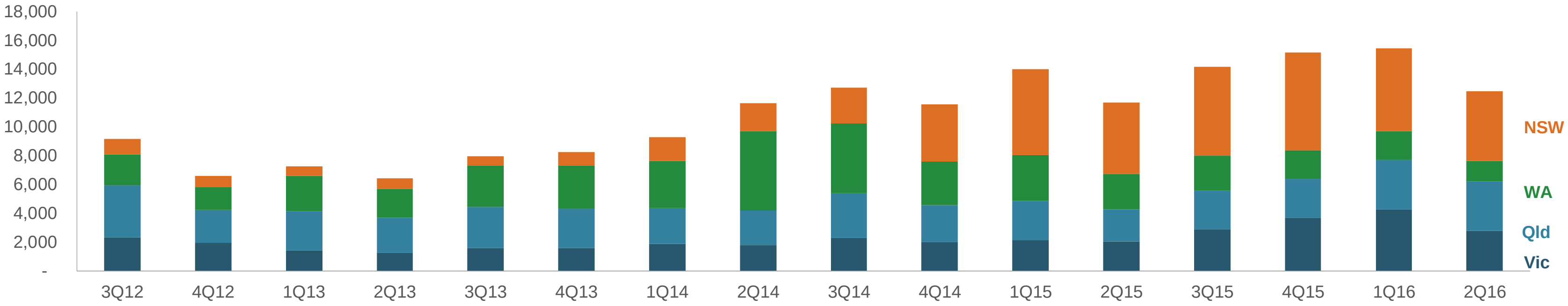


First Home Buyers remain active

Composition of Stockland new leads



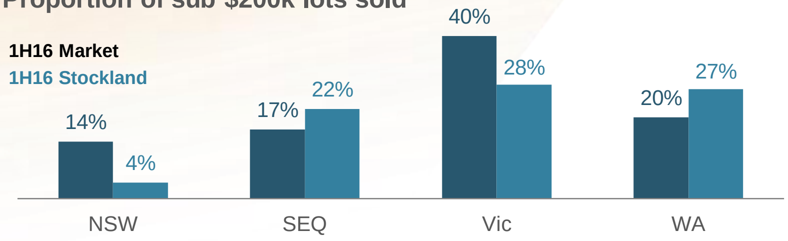
Lead growth contributed by new projects



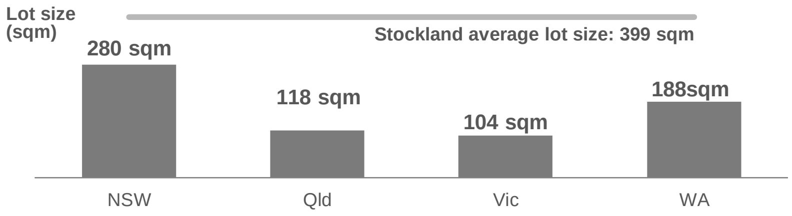
Providing affordable product

Stockland projects providing affordable product[1]

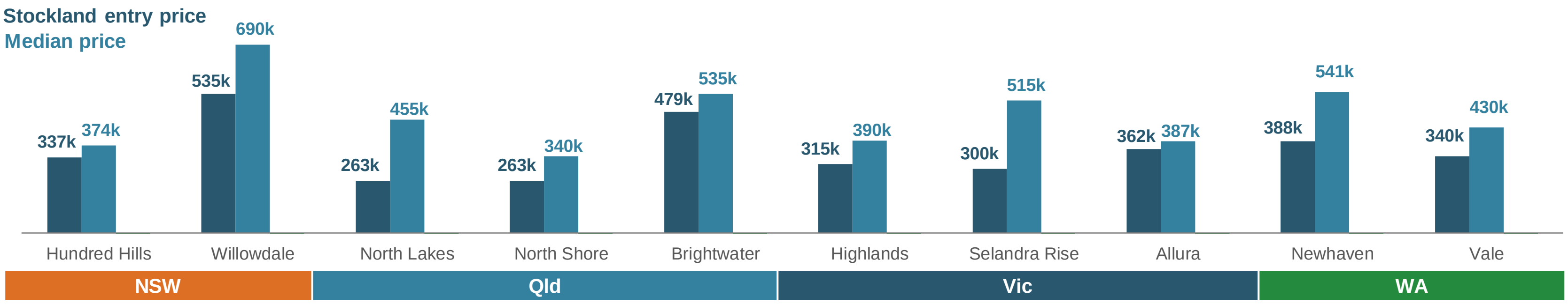
Proportion of sub $200k lots sold



Smallest lot in each state sold in 1H16



Stockland product consistently more affordable than local median house price[2,3]



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 2015

Residential acquisitions

Property Acquired	Type	Acquisition Date	Acquisition Value ($m)	Approximate number of lots	First settlements expected
Mickleham, Vic	Masterplanned Community	Aug 2015	Not disclosed	910	FY21
Mount Ridley - Craigieburn, Vic	Masterplanned Community	Aug 2015	Not disclosed	147	FY18
Stamford Park - Rowville, Vic	Medium Density	Dec 2015	$17m	180 dwellings	FY19

Retirement Living – Annexure

Stockland

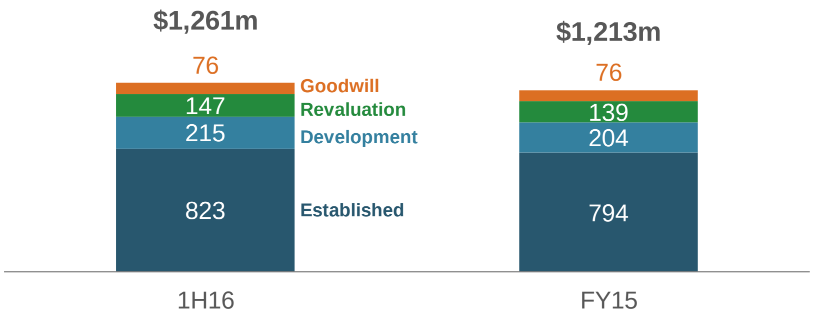
Cardinal Freeman, NSW

Established portfolio and development pipeline

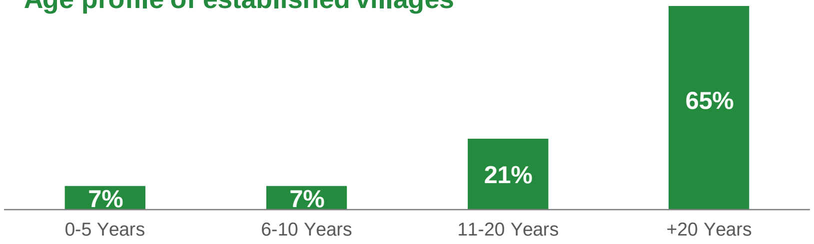
Portfolio Statistics	1H16	FY15
Established villages	69	69
Established units	9,462	9,343
Established unit settlements	317	663
Units removed for redevelopment/alternate use	5	24
Turnover rate less new developments[1]	8.5%	8.6%
Actual turnover rate	7.7%	7.6%
Average age of resident on entry	73.5 yrs	73.7 yrs
Average age of current residents	80.6 yrs	80.7 yrs
Average tenure on exited residents	9.4 yrs	9.0 yrs
Average village age	23.2 yrs	22.7[2] yrs
Development pipeline	3,045 units	3,440 units

Key valuation assumptions	1H16	FY15
Weighted average discount rate	13.0%	13.0%
Weighted average 20 year growth rate	3.7%	3.8%
Average length of stay of current and future residents	10.5 yrs	10.4 yrs

Net Funds Employed



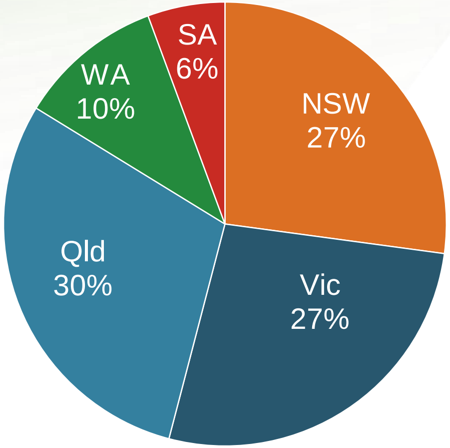
Age profile of established villages



1. Turnover rate excludes development settlements from last five years.
2. Restated from prior period

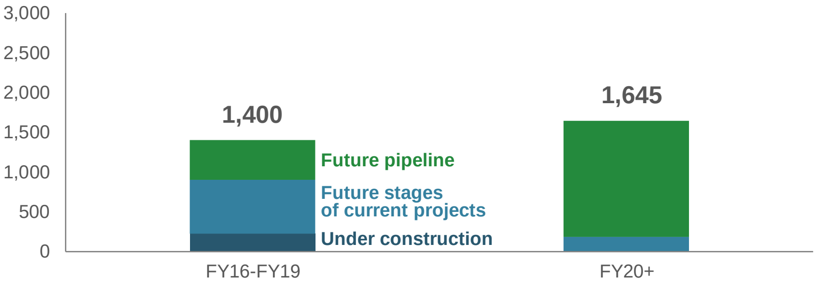
Development pipeline breakup

Geographically diverse development pipeline



Development pipeline	1H16
Development villages	22
Total development pipeline units	3,045
Greenfield pipeline units	2,350
Village extension pipeline units	695
Estimated end value	$1.9b

Independent Living Units development pipeline[1]



1. Timing subject to market conditions

Strong project pipeline forecast

Construction Timeframe		Future Settlements	FY16	FY17	FY18	FY19	FY20+
Completed (FY16)	Macarthur Gardens, NSW		■				
	Somerton Park, SA		■				
	Golden Ponds, NSW		■				
	Fig Tree, Qld		■				
	North Lakes, Qld		■				
	Sub-total	***30***					
Current Development Projects	Arilla, Vic		■				
	Selandra Rise, Vic		■	■			
	Highlands, Vic		■	■	■		
	Mernda, Vic		■	■	■	■	
	Affinity, WA		■	■	■	■	■
	Willowdale, NSW		■	■	■	■	■
	Cardinal Freeman, NSW		■	■		■	■
	Lightsview (Horizon at Lightsview), SA			■	■		
	Sub-total	**1,055**					
To start within 18 months	Elara, NSW				■	■	
	North Shore, Qld				■	■	■
	Oceanside, Qld				■	■	■
	Calleya, WA				■	■	■
	Sub-total	**495**					
Masterplanning/ future projects	Somerton Park, SA				■	■	
	Altrove (Schofields), NSW					■	■
	Newport, Qld					■	■
	Aura (Caloundra South), Qld						■
	The Grove, Vic						■
	Cloverton, Vic						■
	Sub-total	**1,060**					
Redevelopments	Proposed Brownfield Redevelopments			■	■	■	■
	Sub-total	**405**					
Total units yet to be released		**3,045**					

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