A GUIDE TO YOUR STOCKLAND TAX STATEMENT

2003-2004

Stockland Corporation Limited
ABN 43 000 181 733
Stockland Trust Management Limited
ABN 86 001 900 741
AFSL No. 241190
As Responsible Entity for
Stockland Trust ARSN 092 897 348
Level 16
157 Liverpool Street
Sydney NSW 2000
www.stockland.com.au

Dear Investor

This Guide has been prepared to assist you and your tax advisor to complete your income tax return for the year ended 30 June, 2004.

Your investment in Stockland consists of shares in Stockland Corporation Limited and units in Stockland Trust (referred to as 'Stapled Securities'). Please note that for tax purposes, the dividends and franking credits from your shares in Stockland Corporation Limited and trust distributions in relation to your units in Stockland Trust need to be separately disclosed in your income tax return. The Stockland Annual Tax Statement provides the dividends and trust distributions to which you are entitled, and these amounts should be used in the preparation of your income tax return.

This Guide has been prepared for general information only and should be read in conjunction with the Australian Taxation Office's ('ATO') instructions and publications. A relevant list of ATO publications is listed at the end of this Guide for your convenience. This Guide does not constitute the giving of tax or financial product advice. Each investor's particular circumstances will be different and accordingly, you may wish to seek independent taxation advice.

Thank you for investing with Stockland. For further information about your investment, please contact your adviser or call Computershare on 1800 804 985 (within Australia), between 8.00am and 6.30pm, Sydney time, Monday to Friday.

Yours sincerely,

HUGH THORBURN
Finance Director

Stockland

THIS GUIDE APPLIES TO YOU IF:

- You are an individual resident investor in Stockland.
- You are not a company, trust or superannuation fund investor in Stockland.
- You are using "2004 Tax Return for Individuals (Supplementary section)" in your TaxPack to complete your income tax return. You should mark the 'YES' box at item 1 of the Taxpayer's Declaration on page 8 of your 2004 tax return for individuals.
- You hold your stapled securities for the purpose of investment, rather than for resale at a profit, and the capital gains tax ('CGT') provisions apply to you.

2. STOCKLAND ANNUAL TAX STATEMENT

YOUR STOCKLAND ANNUAL TAX STATEMENT INCLUDES THE FOLLOWING COMPONENTS.

STOCKLAND TRUST DISTRIBUTION

Income Distribution

The income component of your distribution comprises interest and other income which should be included as assessable income.

Capital Gains Distribution

This component comprises your share of capital gains derived by the Trust and distributed to you. It may consist of the following:

(i) Indexed Capital Gain

Your share of a realised capital gain derived by the Trust from the sale of investments acquired prior to 21 September 1999 and calculated by reference to the frozen indexation factor at 30 September 1999.

(ii) CGT Non-Concession

This represents capital gains derived by the Trust from the sale of investments held for 12 months or less and the assessable component of the realised capital gains calculated under the CGT 50% discount method.

(iii) CGT Concession

This represents the non-assessable component of the capital gains derived by the Trust which has been calculated under the 50% discount method.

Tax Deferred Component

This component generally arises when depreciation and capital allowances have been allowed as tax deductions to the Trust. The tax deferred component is not assessable but will reduce your cost base for CGT purposes. Once the tax deferred distributions reduce your cost base to nil, any additional tax deferred distributions will give rise to an immediate capital gain. However, this gain may be reduced on account of the CGT 50% discount.

You should refer to the 2004 Tax Pack labels on your Stockland Annual Tax Statement and include trust distributions from Stockland Trust in your income tax return. You should note that, generally, for an individual investor, Trust distributions are recognised on a present entitlement basis. Therefore the Stockland Trust distribution paid in August, 2004 should be included in your 2004 income tax return.

STOCKLAND CORPORATION LIMITED DIVIDENDS

Franked Dividend Income

Fully franked dividends received from Stockland Corporation Limited should be included in your assessable income.

Franking Credits

Comprise tax credits which are attached to franked dividend payments which you receive from Stockland Corporation Limited. These credits are included in your assessable income, and may be available as a tax offset to you. Broadly, to be eligible for the franking credit and tax offset, you must have held the shares at risk for at least 45 days. This rule will not apply if you are an individual whose total tax offset entitlement does not exceed $5,000 for the income year. The rate of tax imputed to investors in respect of these franked dividends is 30%.

TFN Amounts Withheld

Where you have not provided your Tax File Number or claimed a relevant exemption, income tax has been withheld from all unfranked dividends paid to you by the Company and the taxable components of income distributed to you by the Trust at 48.5%. The tax withheld should be claimed as a credit in your return.

You should refer to the 2004 Tax Pack labels on your Stockland Annual Tax Statement and include dividends you received from Stockland Corporation in your income tax return. You should note that, generally, for an individual investor, dividends are treated
as assessable income on receipt. Therefore, the August, 2004 dividend paid to you by Stockland Corporation will be included in your 2005 income tax return.

HOW TO COMPLETE YOUR TAX RETURN USING YOUR STOCKLAND ANNUAL TAX STATEMENT

2004 TAX RETURN FOR INDIVIDUALS (SUPPLEMENTARY SECTION)

QUESTION 12: PARTNERSHIPS AND TRUSTS

NON-PRIMARY PRODUCTION INCOME

STEPS

1. Add the amount of non-primary production income (12U) on your Stockland Annual Tax Statement to any other non-primary production income you received from other trust investments.
2. Write the total income at 12U of your 2004 tax return for individuals (supplementary section).
3. Add together any deductions you can claim in respect of non-primary production income that you recorded at 12U.
4. Write the total deductions at 12Y of your 2004 tax return for individuals (supplementary section).
5. Add the amounts at 12U (or subtract loss amounts) and subtract the amounts at 12Y.
6. Write this amount in the 'Net non-primary production distribution' boxes beneath 12 . If this amount is a loss, write 'L' in the small box to the right of this figure.

NOTE:

- The types of deductions you can claim are shown on page 55 of the TaxPack 2004 and include:
  - interest on loans used to finance your investment
  - debits tax and bank charges.

SHARE OF CREDITS FROM INCOME

STEPS

1. Add the amount of franking credits (12Q) on your Stockland Annual Tax Statement (if any) to any franking credits you received from other trust or partnership investments. Do not include any franking credits from direct share investments.
2. Write the total franking credits at 12Q of your 2004 tax return for individuals (supplementary section).

(Note: these franking credits relate only to dividends which have been earned by you via a trust distribution.)

NOTE:

- Franking credits will reduce the tax payable on your income or may be refunded to you.
- If you do not need to lodge a tax return you may be able to claim a refund of franking credits.You will need to obtain a copy of the "Refund of franking credits: application 2003-04 and instructions for individuals (NAT 4105)" from the ATO.
- If you disposed of units in the trust within 45 days of buying units, you may not be able to claim all of your franking credits, unless the total franking credits you are claiming for the year is $5,000 or less.

TFN WITHHOLDING CREDITS

STEPS

1. Add the amount of TFN withholding credits (12R) on your Stockland Annual Tax Statement to any TFN withholding tax deducted from other trust or partnership investment income.
2. Write the total at 12R of your 2004 tax return for individuals (supplementary section).

NOTE:

- TFN withholding tax is deducted from distributions at the rate of 48.5% where we did not receive a tax file number (TFN) or TFN exemption. The tax withheld will be offset against the tax payable on your income.

QUESTION 17: CAPITAL GAINS

Your Stockland Annual Tax Statement includes an amount referred to as Net Capital Gain. This Guide outlines the disclosures required in an individual unit holder's tax return in respect of a capital gain distributed from a trust. If you have sold your stapled securities you should obtain advice from your accountant or taxation advisor and refer to relevant ATO publications.

STEPS

1. As Stockland Trust derived capital gains during the year, you are required to separately disclose your share of these capital gains on your income tax return. You will need to complete Question 17 of the 2004 tax return for individuals (supplementary section).
2. As you are entitled to a share of the capital gain derived by Stockland Trust, print X in the 'YES' box at 17 of your 2004 tax return for individuals (supplementary section).
3. If you only have a capital gain from Stockland Trust, and no other capital gains, then include the total capital gain (from your Stockland Annual Tax Statement) at Item 17H and include the net capital gain from your Stockland Annual Tax Statement at Item 17A.
4. If you have capital gains and losses from other shares, units in a unit trust or managed investment fund or other assets, you will need to calculate your total current year capital gains (after taking into account capital losses) to complete Items 17H & 17A.
5. If total current year capital gains are more than the total current year and net prior year capital losses, use the ATO guide to help you calculate your net capital gain to include at 17A of your 2004 tax return for individuals (supplementary section).
6. If total current year capital gains are less than the total current year and net prior year capital losses, you have made a net capital loss. Write this amount at 17V of your 2004 tax return for individuals (supplementary section).

DISPOSAL OF YOUR STAPLED SECURITIES

Cost Base of Shares and Units

For tax purposes, the sale of a stapled security is treated as a disposal of a share in Stockland Corporation Limited and a unit in Stockland Trust. Upon disposal of a stapled security, you will realise a capital gain if the consideration exceeds the CGT cost base of the share and unit.

Cost Base of Shares and Units

Generally, the cost base of your shares and units is the amount you paid for them including the incidental costs of acquisition and disposal.

In the case of your units, the cost base will be reduced by any tax deferred distributions. Details of tax deferred distributions are available from the "Investor Information" section of the Stockland website.

Calculation of Capital Gain/Loss

Your capital gains or capital losses from the disposal of your stapled securities may be ascertained as follows:

- Indexed Capital Gains - where the stapled securities were acquired prior to 21 September 1999 the taxable capital gain may be calculated as the difference between the sale proceeds and indexed cost base (using the frozen indexation factor at 30 September 1999). Alternatively, you may choose to apply the CGT 50% discount method below.
- Discount Capital Gains (>12 months) Where the stapled securities have been held for more than 12 months, you may choose to reduce your taxable capital gain by the CGT discount of 50% for individuals.
- Other Capital Gains (<12 months) Where the stapled securities have been held for 12 months or less, no discount is available and accordingly such gains are assessable in full.
- Capital Losses The capital loss comprises the difference between the sale proceeds and the reduced cost base of your stapled securities. You can offset capital losses against capital gains. Current year capital losses are applied before prior years capital losses. It is usually more efficient to offset capital losses in the following order:

(1) against any other capital gains which are not entitled to CGT discounts,

(2) capital gains calculated under the indexation method, and

(3) then CGT discount capital gains .

If you choose to apply the capital losses against any discount capital gains, you must apply the capital losses against the grossed up capital gain amount (that is, your 50% discount capital gain x 2) before applying the discount percentage.

Please refer to the ATO publication 'Personal Investors Guide to Capital Gains Tax 2004' for more details.

ATO LINKS

Relevant ATO publications:

REFUND OF FRANKING CREDITS

YOU AND YOUR SHARES 2003-04

PERSONAL INVESTOR'S GUIDE TO CAPITAL GAINS TAX 2004

To obtain copies of these publications from the ATO please phone the ATO publications distribution service on 1300 720 092 or obtain the information from the ATO website at www.ato.gov.au