Ladies and Gentlemen,

I will now present a short report on the Company’s performance over the past year, our progress towards key objectives and our outlook.

It was a great pleasure in August to report strong profit growth as we realised the benefits of our strategic repositioning to capitalise on favourable market conditions, particularly in the Residential sector.

**FY15 Results**

Pleasingly, our Underlying Profit grew by 9.4 percent during the past year, and the growth in earnings per security was up 7.8 percent. Our statutory profit, which also reflects the current valuation of our investment properties, rose by over $300 million during the course of the year, to $903 million, more than 70 percent higher than the prior year.

These good results reflect solid increases in earnings across all of our three main businesses: Commercial property (which includes our Shopping Centres, Logistics and Business Parks and Office investments), Residential development and our Retirement Living division. In addition to successfully completing a number of major shopping centre redevelopments during the year (notably Baldivis in WA and Hervey Bay in Queensland), we progressed several other major Commercial redevelopments, all of which will yield very satisfactory returns in future years, and we substantially expanded our Logistics and Business Park operations with the addition of three new properties for a total investment of $66 million.

We sold a record number of residential home sites during FY15–over 5,800– and we ended the year with a record number of sale contracts in hand (over 3,700–17 percent up
on the same figure last year). This has provided us with a strong tailwind in the current financial year. In addition, we have progressed our strategy to invest in completed homes, making our first such sales during the past year, and expanding our pipeline of new projects so that we will commence construction on over 500 homes during the current financial year. We have also begun deepening our capability to grow in the medium density and apartment sectors where we have identified a number of highly prospective opportunities on land we already own.

Our Retirement Living business has also gone very well during the past year. We had a record number of 945 unit turnovers, and increased the number of unit reservations at the end of the financial year. Sales have begun very well at our largest ever village redevelopment, the Cardinal Freeman Village at Ashfield, in Sydney’s inner west.

In summary, our capable executive team under the leadership of our Managing Director, has in a very disciplined and effective way taken forward the strategy which we refined and announced two years ago, and it’s paying dividends.

Turning to our FY15 distribution, as promised we returned 24 cents per security to our investors during year, and this represented a payout of 93 percent of our Underlying Profit.

Looking forward, we have foreshadowed that, in the absence of a major disruption to our markets, we are targeting to pay 24.5 cents in the current year which we expect would bring our payment within our target range of paying the higher of 100 percent of the trust taxable income or 80–90 percent of Underlying Profit. We believe this is an appropriate new target because it should provide steadily growing returns to securityholders while still allowing us to retain a portion of earnings to invest in future growth.

Sustainability

I am very pleased to report that Stockland has maintained its leadership position in the area of sustainable operations during the past year. We have continued our commitment
to engage effectively with communities in which we operate, to improve the liveability, convenience and efficiency of our residential projects, our retail centres and our commercial properties, and to continue to improve in the area of energy and water efficiency and reduced impact on the environment. Once again our efforts were recognised as we were named the most sustainable real estate company globally by the Dow Jones Sustainability Index. This is the third time we have received this outstanding acknowledgement. In addition, we have taken steps to test the benefits of even greater investments in this area. An example is the rooftop solar power plant installation which we have constructed at our Shellharbour Shopping Centre at the cost of around $2.1 million which is the largest single rooftop solar installation in Australia at the present time.

In addition, we launched the Stockland CARE Foundation during the year, and seeded the Foundation with an initial donation of $8 million. The income from this capital will be used to support a range of worthy community organisations in the years ahead. Our initial support will be provided to Touched By Olivia—a wonderful organisation that helps to create exciting but safe children’s playgrounds that are specially designed to engage children with disabilities, and also the Red Kite Foundation which supports children with cancer and their families.

Our initial donation to the CARE Foundation was approximately 10 percent of the one-off profit we made on the sale of a stake in Australand which we sold after withdrawing from the process that ultimately saw that company acquired by a Singaporean group.

**Governance**

Let me turn now to some recent developments on the Board.

Firstly, we welcomed to the Board our new director, Dr Nora Scheinkestel, in August. Nora is attending her first Stockland AGM, and is offering herself for election at this meeting. Nora’s background and experience is set out in detail in the Notice of Meeting. We are delighted to have her join the Board given her breadth of experience as a public
company director across a wide and relevant range of industries, together with her considerable experience in relation to property development, infrastructure and related financial services.

Also, we announced in August that two long-standing directors will be retiring at this meeting. They are Terry Williamson and Duncan Boyle. Terry has served on the Board for over 12 years, and has throughout that time chaired with great ability our Audit Committee and earlier our Audit and Risk Committee. Terry has also served on other committees, and has made an enormously valuable contribution through his professional approach, his diligence and dedication, and his wise counsel.

Duncan Boyle will also retire at this meeting after over eight years of service. We thank Duncan very much for his wisdom and for the astute insights which he has provided throughout his service.

Both of these directors will be missed, and I will be moving a vote of thanks to them on behalf of securityholders at the end of this meeting.

We have, however, planned for these changes and, in particular, we were delighted to have Tom Pockett join the Board in September 2014. Tom will succeed Terry Williamson as Chair of our Audit Committee, and will bring to that role, as he does to the Board, his many years of experience as a chief financial officer and a senior business executive.

Following these changes, the Board will have a more balanced tenure across the director group, and we will move forward with a board comprising seven non-executive directors plus the managing director which we believe is the right size for Stockland at the current time.

Another policy change which we made during the year was to increase from 10,000 securities to 40,000 securities the number of Stockland securities which each director is required to own. This change reflects our belief that directors should hold a meaningful
number of Stockland securities, and the new minimum equates to roughly one year’s base board fees. There is growing focus on the importance of directors having a material stake in the companies which they direct, and our new policy will be at the forefront of a growing trend in this direction.

**Outlook**

Our Managing Director, Mark Steinert, will say more about our outlook in a few moments, but let me say that I believe the strategy we have adopted and the foundations we have laid over the past two years will serve us well over the next few years. Our disciplined approach to our investments and projects mean that we will be focused on generating good returns for our investors rather than pursuing growth for its own sake. We see continuing strength in the residential housing market due to continued population growth and existing undersupply, supported by low mortgage interest rates which we believe will continue for some time into the future.

Furthermore, the quality of the developments in which we are investing in our retail, logistics and business park portfolios and the quality of tenants we are attracting to those centres will underpin good returns in the year ahead. Our Retirement Living business is now more efficient, more professional and providing an improved product which will continue to attract discerning retirees and generate improved returns. All-in-all, I am confident that the operating platform we have established will allow Stockland to sustain solid growth in the year ahead.

I would, therefore, like to say thank you on behalf of securityholders both to my board colleagues and to Stockland’s dedicated employees for their commitment and for their efforts in advancing the Group’s strategy and delivering strong results for securityholders over the past year.

Thank you.