



30 April 2014

ASX/Media Release

STOCKLAND MARKET UPDATE

Stockland has reported that residential deposits for the year to date at 31 March 2014 were the strongest it has recorded for that period in four years.

Managing Director and CEO Mark Steinert told investors at the Group's third quarter briefing that Stockland was well placed to achieve 6% EPS growth in FY14, at the top of its guidance range.

Stockland's Residential business achieved 1,500 net deposits for the quarter, including the strongest result in Queensland since 1Q11. This followed 1,741 net deposits in the previous quarter which was boosted by a higher number of releases at Willowdale in NSW. Last weekend Stockland released and sold out another 42 lots at Willowdale. In May the first lots will come to market at Elara at Marsden Park in north-west Sydney, followed by the next Willowdale release.

Mr Steinert said Stockland was on track to settle slightly more than 5,000 lots in FY14 and would enter FY15 in a strong position.

"We have been scaling up to be capable of producing and settling over 6,000 lots in FY15 if the market remains strong," Mr Steinert said.

The Group's other core businesses also continue to perform well, with Retail and Retirement Living in particular reporting positive quarterly metrics.

Total comparable retail sales for the quarter were up 0.6% on the previous corresponding quarter, with comparable specialty shop sales growing by 2.5% (also noting that this was seasonally impacted by the timing of Easter).

The \$1.5bn retail development pipeline is progressing well with three projects currently underway - Wetherill Park in NSW, Hervey Bay in Queensland and Baldivis in WA. These active projects are expected to deliver incremental total returns in the range of 12% – 14%.

The Retirement Living business is on track to deliver a record number of net reservations in FY14 and will enter FY15 with strong progress on the development pipeline to underpin growth. During the quarter the \$160 million redevelopment of Cardinal Freeman Village in Sydney was approved to commence and is expected to deliver an incremental IRR over 15%. This is Stockland's largest Retirement Living project and the first redevelopment of an existing village.

Mr Steinert said: "The focused implementation of our strategy continues to deliver solid results with all core businesses progressing well.

"We are well placed to achieve sustainable long-term growth in line with our objective of 5% annual EPS growth through the cycle."

In commenting on the Australand proposal released last week, Mr Steinert said:

“Today’s update clearly demonstrates that we are achieving strong organic growth and our business is well positioned to take advantage of improving economic conditions. We will continue to be disciplined in all potential acquisitions, including any possible transaction with Australand.

“We believe the offer we presented to the Australand Board is highly compelling, representing a significant 21% premium to net tangible assets at the current Stockland security price. This offer would enable Australand and Stockland securityholders to share in the significant benefits of a combined organisation, including synergies and strong, sustainable growth prospects.

“The combined group would have the largest active residential business and future pipeline in Australia, with leading capabilities across land subdivision and medium density development. It would also have the second largest Logistics and Business Parks portfolio with high quality assets and future reinvestment opportunities.

“We believe it is in the best interests of Australand securityholders for its Board to provide access to due diligence and engage productively with us to seek a mutually beneficial outcome.”

Mr Steinert said any transaction must be sustainably accretive to both earnings per security and enterprise value.

“If price expectations are too high we are quite prepared to sell down our holding and realise a profit,” he said.

“Most importantly, we have a clear pathway to organic growth and continue to demonstrate our progress. We have a highly engaged team and have delivered positive results since putting our new strategy in place last year. We are very confident in our ability to successfully implement this strategy to deliver reliable profit growth above the sector average.”

Stockland

Stockland (ASX: SGP) was founded in 1952 and has grown to become Australia’s largest diversified property group – owning, developing and managing a large portfolio of shopping centres, residential communities, retirement living villages, office and industrial assets. Stockland was recognised by the S&P Dow Jones Sustainability Indices (DJSI) as the Australian Real Estate Industry Group Leader for 2013 – 14 and was also named one of the Global 100 Most Sustainable Corporations in the World at the World Economic Forum in Davos, Switzerland in 2014, for the fifth consecutive year.

For media enquiries		For investor enquiries	
Greg Spears Senior Manager - Media Relations Stockland	Michelle Taylor General Manager - Stakeholder Relations Stockland	Antoinette Plater Senior Manager - Investor Relations Stockland	Tim Mitchell Senior Analyst - Investor Relations Stockland
T +61 (0)2 9035 3263 M +61 (0)406 315 014	T +61 (0)2 9035 2786 M +61 (0)400 356 692	T +61 (0)2 9035 3148 M +61 (0)429 621 742	T +61 (0)2 9035 2467 M +61 (0)478 308 513