



A Clear Direction

Stockland Townsville, QLD

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Overview



About Stockland

An ASX-listed AREIT

with a diversified portfolio of retail, industrial, office, residential and retirement living assets

Our purpose

We believe there's a better way to live

Our vision

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

Strong commitment to sustainability that creates long term value for Stockland and the community

Listed in the Global 100 Most Sustainable Companies for the fourth consecutive year

Dow Jones Sustainability Index a top rated real estate company

Our values

Community
Accountability
Respect
Excellence

Our primary objective

To deliver EPS growth and total risk-adjusted shareholder returns above A-REIT sector

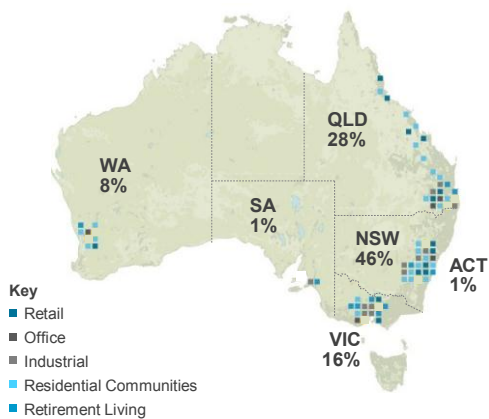
Strong financial position

A- stable credit rating (S&P)

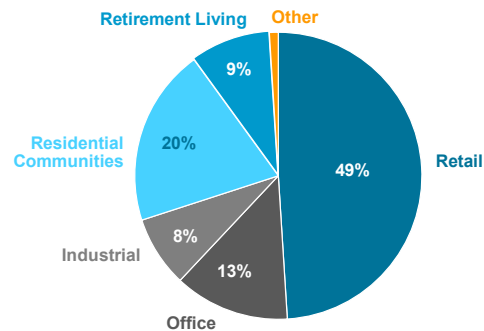


We are well positioned with a diverse portfolio

Diversified geographically



Diversified by sector

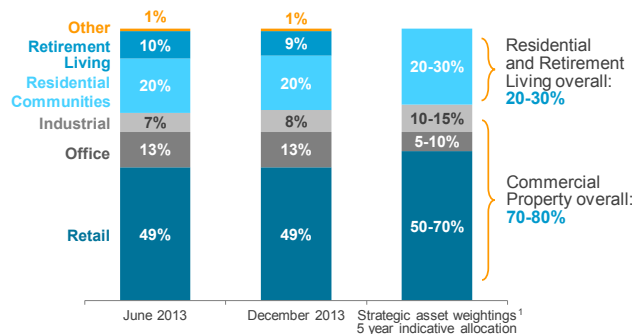


Share of real estate assets
at 31 December 2013¹

1. Weighted by asset value, total assets of \$11.6b

Strategic asset weightings to deliver reliable EPS growth over time

Real estate asset mix



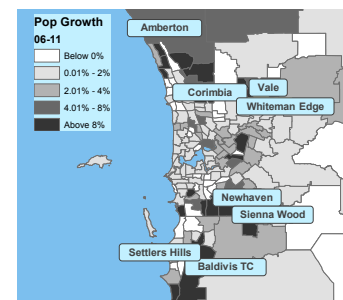
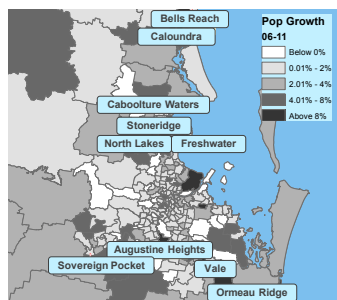
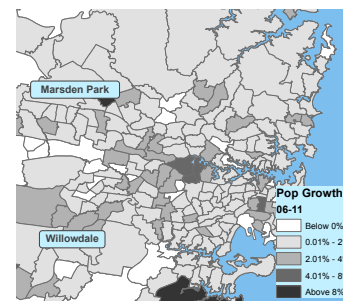
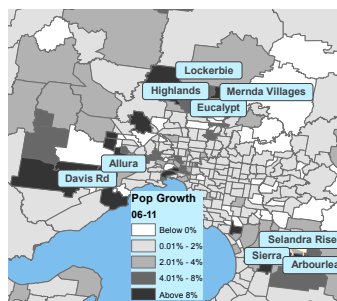
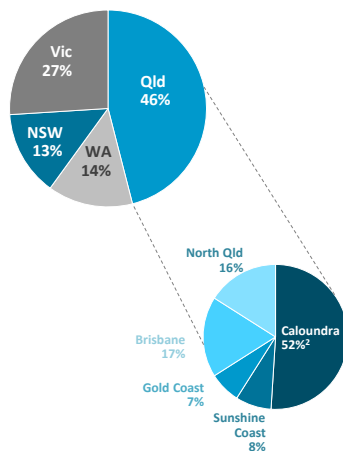
Asset allocation

- Target 70-80% assets with recurring earnings, Retail the core focus
- Increase exposure to Industrial (primarily logistics related) from 8% today to 10-15% over time
- Retain tactical exposure to Office, and continue to down-weight post value add initiatives
- Target 20-30% trading assets (Residential and Retirement Living)
- Expand Residential and Retirement Living built form initiatives to extend customer reach with medium density

1. Strategic asset weightings outlined at Investor Update & Strategic Review, May 2013

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

Total Pipeline of 83,800¹ lots



Source: ABS, idplacemaker. Population growth by localities have been represented by a sliding colour scale, with the darker shades indicating higher population growth, and lighter shades indicating lower growth

1. All projects on a trade out basis
2. Caloundra circa 20,000 dwellings



2014 Calendar Snapshot: Indicative Investor Event Details¹

Upcoming conferences:

Event	Location	Date
Private Roadshow	Sydney, Melbourne	14-21 February 2014
Private Roadshow	Singapore, Hong Kong, Tokyo	25-28 February 2014
Citi Conference	Florida	3-4 March 2014
Private Roadshow	USA	5-7 March 2014
Deutsche Bank Corporate Access Day	United Kingdom	17-18 March 2014
Private Roadshow	Europe	19-21 March 2014
Macquarie Conference	Sydney	7-8 May 2014
Private Roadshow	USA	8-9 September 2014
BAML Global Conference	USA	10-12 September 2014

Upcoming announcements:

Announcement	Location	Date
Q3 Market Update	Sydney	30 April 2014
FY14 Results Announcement	Sydney	18 August 2014
Q1 Market Update	Sydney	20 October 2014
Annual General meeting	Sydney	28 October 2014

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1. Indicative dates, subject to change



Financial Management



Profit summary

\$m	1H14	1H13
Residential Communities EBIT (before interest in COGS)	120.3	76.2
Commercial Property EBIT	249.4	239.7
Retirement Living EBIT	19.0	14.9
Apartments EBIT	3.2	(0.2)
Other income	1.6	3.5
Unallocated corporate overheads	(21.8)	(23.3)
Group EBIT (before interest in COGS)	371.7	310.8
Net interest expense:		
- Interest paid (net of interest income) ¹	(101.0)	(106.4)
- Interest capitalised to inventory ²	60.0	63.8
- Interest capitalised to Investment Properties under development	4.6	12.1
Share of interest paid on external debt of equity accounted investment ³	(1.8)	-
Net interest expense in P&L before capitalised interest	(38.2)	(30.5)
- Capitalised interest expensed in the P&L	(87.5)	(53.5)
Net interest expense	(125.7)	(84.0)
Tax benefit	21.2	28.2
Underlying Profit	267.2	255.0
Statutory Profit adjustments	71.1	(427.2)
Tax (expense)/benefit of adjustments	(40.2)	25.1
Statutory Profit	298.1	(147.1)

1. Includes deferred interest on Residential land purchases of \$6.2m (1H13: \$2.3m) and \$0.5m (1H13: \$0.7m) for Retirement Living

2. Includes deferred interest on Residential land purchases of \$6.2m (1H13: \$2.3m)

3. Included in share of profits from equity accounted investments in statutory accounts

Statutory Profit reconciliation

\$m	1H14	1H13
Underlying Profit¹	267.2	255.0
Non-cash adjustment to inventories and development profits		
Write-down of inventory – Australia	-	(306.0)
Write-down of inventory – UK	-	(12.3)
Fair value unrealised adjustment of investment properties		
Net gain from fair value adjustment (Commercial Property) ²	44.4	34.5
Net gain/(loss) from fair value adjustment (Retirement Living)	2.9	(60.9)
Other items		
Net gain/(loss) from fair value adjustment of other financial assets	31.7	(43.6)
Net loss on sale of other non-current assets	(5.1)	(4.9)
Loss from financial instruments and foreign exchange movements	(2.8)	(34.0)
Tax (expense)/benefit on significant items	(40.2)	25.1
Profit /(loss) for the half year attributable to securityholders of Stockland	298.1	(147.1)

- Underlying Profit is a non-IFRS measure that is determined to present, in the opinion of the Directors, the ongoing operating activities of Stockland in a way that appropriately reflects its underlying performance.
- Refer to Statutory Accounts for the complete definition

Includes owner occupied depreciation of \$0.8m



Group Funds from Operations (FFO)

\$m	1H14	1H13
Underlying Profit	267.2	255.0
Adjust for:		
Amortisation of fit out incentives ¹	17.3	14.7
Amortisation of rent-free incentives ²	8.9	10.2
Straight-line rent	(3.6)	(5.0)
Tax benefit on Underlying Profit	(21.2)	(27.8)
Group Funds from Operations ("FFO")³	268.6	247.1

- FFO has been determined with reference to the PCA voluntary guidelines on disclosing FFO
- Underlying Profit has been adjusted for:
 - amortisation of fitout incentives
 - amortisation of rent-free incentives
 - Straight-line rent
- Group Underlying Profit is also adjusted to exclude the non-cash deferred tax benefit
- Apart from Commercial Property, there are no differences between Underlying Profit and FFO for segment/business unit reported results

1. Includes amortisation of lease fees \$3.0m (1H13: \$2.4m)

2. Includes amortisation of lease fees \$1.3m (1H13: \$1.6m)

3. FFO for Residential and Retirement Living is consistent with Underlying Profit, as inventory impairment charges and reversals and non-cash investment property fair value adjustments are excluded from Underlying Profit

Commercial Property FFO

	Retail		Industrial		Office		Other ¹		Total	
\$m	1H14	1H13	1H14	1H13	1H14	1H13	1H14	1H13	1H14	1H13
Operating EBIT	174.3	158.9	31.4	31.9	53.0	60.3	(9.3)	(11.4)	249.4	239.7
Adjust for:										
Amortisation of fit out incentives	12.9	9.9	0.2	0.2	4.2	4.6	-	-	17.3	14.7
Amortisation of rent-free incentives	0.1	0.7	3.0	2.5	5.8	7.0	-	-	8.9	10.2
Straight-line rent	(3.1)	(4.4)	0.2	(0.1)	(0.7)	(0.5)	-	-	(3.6)	(5.0)
Funds from Operations ("FFO")	184.2	165.1	34.8	34.5	62.3	71.4	(9.3)	(11.4)	272.0	259.6

1. Primarily unallocated divisional overheads

Strategic mix

	Assets 31 December 2013	Assets 31 December 2012	Operating Profit 1H14	Operating Profit 1H13
Recurring				
Commercial Property	70%	70%	88%	93%
Retirement Living	8%	7%	6%	5%
Unallocated corporate overheads	-	-	(4%)	(3%)
Total recurring	78%	77%	90%	95%
Trading				
Residential	20%	20%	14%	10%
Retirement Living	1%	2%	-	-
UK and unallocated corporate overheads	1%	1%	(4%)	(5%)
Total trading	22%	23%	10%	5%

Return on Assets, Return on Equity

	CY13			FY13			Commentary
	Cash Return (\$m)	Avg. Cash Invested (\$b)	Return (%)	Cash Return (\$m)	Avg. Cash Invested (\$b)	Return (%)	
Retail	348	4.1	8.5%	330	4.1	8.1%	ROA growth driven by completion of major development projects
Industrial	67	0.8	8.9%	67	0.7	9.0%	
Office	130	1.5	8.5%	137	1.6	8.3%	Increased Office returns post disposals
Residential Communities - Core	142	1.4	9.8%	129	1.5	8.7%	CY13 ROA growth reflects improved trading conditions
Retirement Living	50	1.0	4.8%	45	1.0	4.5%	Improving returns as portfolio matures
Core Business ROA (sub-total)	736	8.8	8.3%	707	9.0	7.9%	
Residential Communities - Workout	(60)	0.6	(9.7%)	(9)	0.7	(1.3%)	Capital recycle from impaired projects
Other	(27)	0.4	(6.8%)	(15)	0.5	(3.1%)	Sale of impaired apartment projects and reduced profit contribution from UK
Other Assets ROA (sub-total)	(87)	1.0	(8.6%)	(24)	1.2	(2.0%)	
Unallocated Overheads	(58)	-		(60)	-		Includes \$12m restructure costs
Group ROA	591	9.8	6.0%	623	10.2	6.1%	
Net interest/net debt	(202)	(3.1)		(209)	(3.3)		
Group ROE	389	6.8	5.7%	414	6.9	6.0%	

Reconciliation between Return on Equity table values and accounting results

Reconciliation of group return in ROE calculation to Underlying Profit

\$m	CY13	FY13
Group cash return	389	414
Capitalised interest expensed in COGS	(165)	(131)
Capitalised interest for the year	118	133
Add-back impairment release in COGS	173	79
Add-back investment property incentives adjustment	(53)	(51)
Tax and other	45	51
Underlying Profit	507	495

Reconciliation of capital employed in ROE calculation to statutory net assets

\$b	Average for CY13	Average for FY13
Group capital employed (Net Assets)	6.8	6.9
Commercial Property revaluations	1.5	1.4
Residential Communities capitalised interest	0.5	0.5
Residential Communities and Apartments impairment	(0.5)	(0.4)
Retirement Living DMF revaluations	0.2	0.2
UK impairment and FKP fair value	(0.2)	(0.2)
Non-cash working capital and other	(0.3)	(0.2)
Statutory net assets (average for the period)	8.0	8.2



Stockland Return on Equity methodology

	Numerator	Denominator
Residential (incl. Apartments)	EBIT (including EBIT from impaired projects ¹) less overheads	Net Funds Employed (NFE) (excluding capitalised interest and adding back impairment provision ²) 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 ³ less overheads	Average Net Funds Employed ³ (including inventory, development expenditure, cash paid for acquired DMFs and goodwill, excluding capitalised interest and revaluations)
Other - UK, FKP, working capital and unallocated overheads	EBIT less overheads	Average Net Funds Employed (excluding capitalised interest, fair value movements) + average working capital (excluding derivatives, deferred taxes and distribution provision)

1. EBIT contribution from impaired projects is before the utilisation of impairment provision
2. Impairment provision excluded to gross the denominator up to total cash invested
3. Including Aged Care



Cost management

Achieved targeted 10% cost reduction

- Planned increasing of resources on investment, acquisitions and compliance functions for 2H14
- Diligent cost management practices embedded across the Group

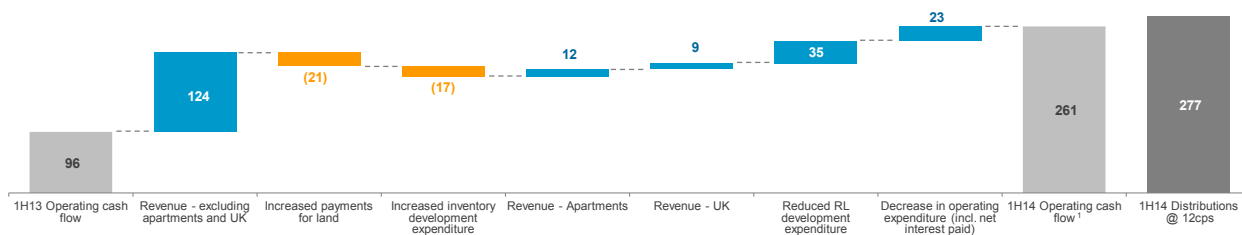
Prudent cost management

\$m	1H14	2H13	1H13
Commercial Property ¹	9.4	13.8	12.4
Residential	55.4	74.4	64.9
Retirement Living ²	15.7	13.8	19.3
UK	0.7	0.1	0.5
Unallocated corporate overheads	21.8	24.6	23.3
Restructure Costs	-	12.0	-
Management, administration, marketing and selling expenses	103.0	138.7	120.4

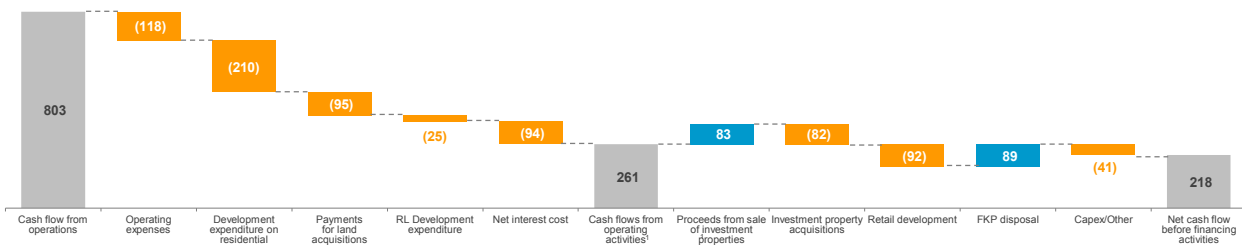
1. Net of recoveries and costs capitalised to development projects
 2. Excludes Aged Care (1H14: \$11m; 2H13: \$11m; 1H12: \$10m)

Cash flow

Net operating cash flow movement 1H13 to 1H14



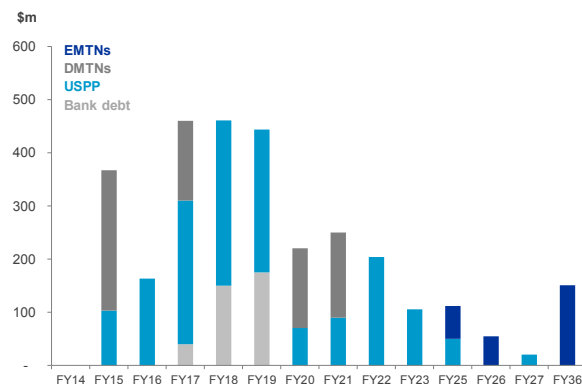
Operating and investing cash flow



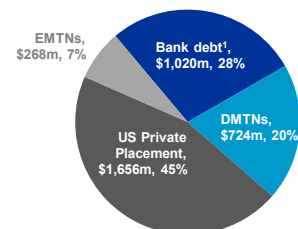
1. Differs to operating cash flow disclosed in the Financial Report as Retirement Living acquisitions, capital and development expenditure are treated as investing cash flows for statutory purposes but shown here as operating cash flows

Long dated, diverse debt

Long-dated drawn debt maturity profile (WADM 5.7 yrs)¹



Diverse debt sources – Committed Facilities



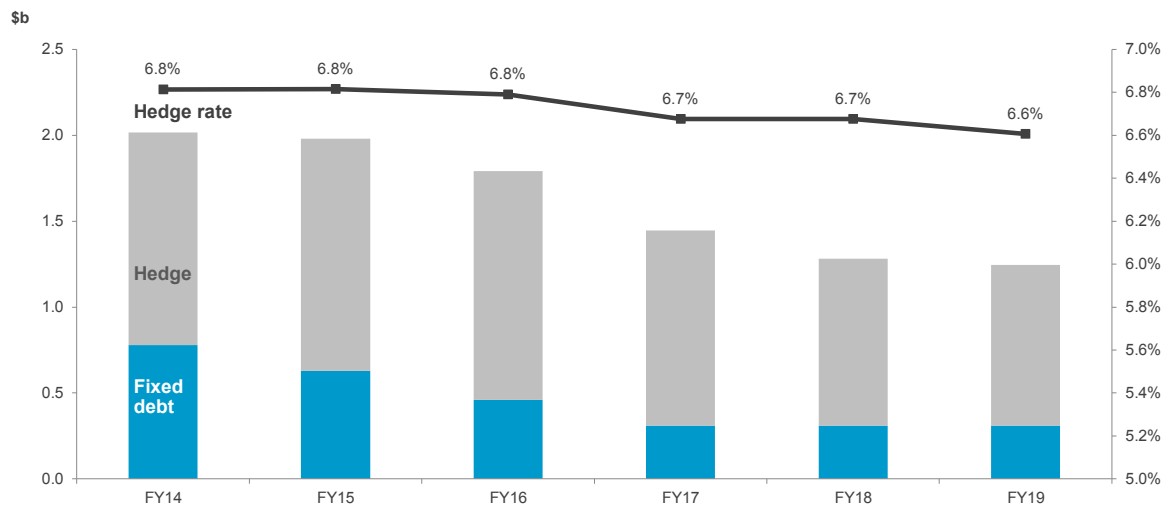
Cost of debt for 1H14

	Debt (\$m) ²	% of total Debt (%)	Interest Rate (%)
Hedged debt	1,969	65%	6.7%
Floating debt	1,044	35%	2.6%
Total debt	3,013		5.3%
Margin			0.8%
Fees			0.4%
All-in cost of funds for 1H14			6.5%

1. Excludes bank guarantees of \$0.1b and cash on deposit of \$0.2b
 2. Face value as at 31 December 2013

Fixed debt / hedge profile

Historical high fixed hedge rates and current high hedge ratio impacting the Group's WACD



Debt summary

Facility	Facility limit (\$m) ¹	Amount drawn (\$m) ^{1,2}
Bank Debt	1,020	365
Commercial Paper	-	-
Domestic Medium Term Notes	724	724
European Medium Term Notes	-	-
USPP	1,656	1,656
Asian Medium Term Notes	268	268
Total Debt	3,668	3,013

Facility	Facility limit (\$m) ¹	Amount drawn (\$m)	Facility maturity
Bank Debt			
- Multi option facility - Australia	100	-	Jul 2014
- Multi option facility - Australia	120	-	Aug 2014
- Multi option facility - Australia	100	-	Sep 2014
- Multi option facility - Australia	100	-	Dec 2014
- Multi option facility - Australia	175	-	Dec 2016
- Multi option facility - Australia	100	40	Jan 2017
- Multi option facility - Australia	100	100	Feb 2018
- Multi option facility - Australia	50	50	Feb 2018
- Multi option facility - Australia	175	175	Nov 2018
Total Bank Debt	1,020	365	

Debt Capital Markets

- A\$51m USPP were repaid in July 2013
- 6 year A\$150m DMTN were issued in August 2013 (this included \$36m of notes bought back from the Feb15 DMTN issue)
- 12 year HKD400m EMTN (A\$55m) were issued in October 2013
- A\$324m relating to the GBP EMTN were repaid in October 2013

Bank Debt

- \$100m bank facility was cancelled and 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 for which \$0.1b was utilised as at 31 December 2013
 2. Amount excludes borrowing costs and fair value adjustments



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	160	Nov 2020
- MTN	150	Sep 2019
Total Domestic	724	
Offshore Medium Term Note Facility (MTN)		
- Asia MTN	62	May 2025
- Asia MTN	55	Oct 2025
- Asia MTN	151	Aug 2035
Total Offshore	268	

Facility	Issued debt (\$m) ¹	Facility maturity
USPP		
- USPP	28	Jul 2014
- USPP	75	Jun 2015
- USPP	64	Jul 2015
- USPP	99	Oct 2015
- USPP	62	Jul 2016
- USPP	27	Oct 2016
- USPP	180	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	21	Jun 2027
Total USPP	1,656	

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

Net interest gap

Interest expense - \$m	1H14	1H13
Interest paid	97.1	107.2
Less: capitalised interest		
- Commercial Property development projects	(0.9)	(6.7)
- Residential	(53.8)	(61.5)
- Retirement Living	(3.7)	(5.4)
	(58.4)	(73.6)
Borrowing cost in P&L	38.7	33.6
Add: capitalised interest expensed in P&L ¹	87.5	53.5
Total interest expense in P&L	126.2	87.1

1H14 Reconciliation of Interest Expense and Capitalised Interest to Financial Report				
\$m	1H14		1H14	Net borrowing cost P&L
Interest paid	97.1	Less: Capitalised interest	(58.4)	38.7
Deferred interest unwind - Residential	6.2	Deferred interest booked in inventory - Residential	(6.2)	-
Deferred interest unwind - Retirement Living ²	0.5		-	0.5
Interest expense Financial Report (Note 4)	103.8	Capitalised interest Financial Report (Note 4)	(64.6)	39.2
Less: Interest income	(2.8)		-	(2.8)
Net Interest expense	101.0		(64.6)	36.4³

1. Made up of: Residential - \$84.3m , (1H13: \$49.8m) , UK \$1.0m (1H13: \$0.8m) and Retirement Living \$2.2m (1H13: \$2.9m)

2. Non-cash adjustment for unwinding of present value discount on deferred payment contracts. Discount initially booked through resident obligation. Unwound over the deferred terms until settlement

3. Excludes share of interest incurred by joint ventures of \$1.8m

Gap between interest paid and expense

- Interest paid is lower as average debt has fallen
- Higher interest expense due to the increase in the capitalised interest expense recognised in the P&L as work out projects have been disposed in 1H14

Deferred Interest – Residential

- Non-cash adjustment for unwinding of present value discount on land acquisitions on deferred terms:
 - Discount initially booked through balance sheet (inventory and land creditor)
 - Unwound over same period through P&L therefore always profit neutral in each period

Covenant calculations

As at 31 December 2013 \$m	Statutory Balance Sheet	Adjustments	Gearing Covenant Balance Sheet
Assets			
Cash	201	-	201
Real estate related assets	11,593	-	11,593
Retirement Living Gross-Up	1,834	(1,834)	-
Intangibles	117	(117)	-
Other financial assets	259	(239)	20
Other assets	315	-	315
Total assets	14,319	(2,190)	12,129
Liabilities			
Interest-bearing liabilities	(2,881)	(125)	(3,006)
Retirement Living resident obligations	(1,875)	1,834	(41)
Other financial liabilities	(359)	359	-
Other liabilities	(971)	-	(971)
Total liabilities	(6,086)	2,068	(4,018)
Net assets	8,233	(122)	8,111

1. Rolling 12 month average

2. Debt = Interest bearing debt (\$3,006m) + Stockland's share of debt drawn in joint ventures (\$74m) + transaction costs (\$7m) - Cash (\$201m)
TTA = Total assets (\$12,130m) + Stockland's share of assets held by joint ventures (\$74m) - Cash (\$201m)

All lenders have consistent covenants

- Total liabilities/total tangible assets (TL/TTA): 45%
No adjustment made for cash held
- Interest cover: 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
- Retirement Living obligation for existing residents

	Interest Cover ¹	TL/TTA	D/TTA (net of cash)
31 December 2013	3.4:1	33.1%	24.0% ²
30 June 2013	3.0:1	31.6%	22.7%
31 December 2012	3.4:1	35.6%	27.6%
30 June 2012	3.8:1	34.0%	25.8%

- Improved earnings and lower interest following the 2013 equity raising has benefitted our interest cover, whilst the increase in gearing reflects additional investment in our development pipeline



Balance sheet summary

\$m	31 December 2013	30 June 2013
Cash	200.8	227.1
Real estate related assets		
- Commercial Property	8,043.9	7,866.0
- Residential	2,369.7	2,310.5
- Retirement Living (including Aged Care)	1,107.5	1,110.9
- UK	72.1	72.2
Retirement Living gross up	1,833.6	1,786.4
Intangibles	116.6	116.6
Other financial assets	258.8	237.6
Other assets	316.2	342.4
Total assets	14,319.2	14,069.7
Interest-bearing liabilities	(2,880.7)	(2,461.5)
Retirement Living resident obligations ¹	(1,874.8)	(1,829.4)
Other financial liabilities	(358.8)	(668.2)
Other liabilities	(972.2)	(915.7)
Total liabilities	(6,086.5)	(5,874.8)
Net assets	8,232.7	8,194.9
NTA per share	\$3.52	\$3.50

1. This amount comprises of \$1,834m of existing resident obligations and Aged Care accommodation bonds (30 June 2013: \$1,786m), being a balance sheet gross up and \$41m of ex-resident obligations (30 June 2013: \$43m)

Stockland Corporation income tax reconciliation

\$m	1H14		1H13	
	Underlying Profit	Statutory Profit	Underlying Profit	Statutory Profit
Net profit/(loss) before tax	246.0	317.1	226.8	(200.4)
Less: Trust profit and Intergroup eliminations	(313.7)	(336.7)	(315.6)	(291.3)
Corporation loss before tax	B (67.7)	(19.6)	(88.8)	(491.7)
Prima facie tax benefit @ 30%	20.3	5.9	26.6	147.5
Tax Effect of Permanent Differences:				
Prior period true-ups	-	-	0.6	0.6
Non-assessable / (non-deductible) items	0.9	0.1	1.0	(3.0)
Non-recognition of income tax benefit ¹	-	(25.0)	-	(91.8)
Tax benefit / (expense)	A 21.2	(19.0)	28.2	53.3
Effective tax rate (A / B)	31.3%		31.8%	

1. An assessment of the recoverability of the Deferred Tax Asset (DTA) on carry forward losses has been made to determine if the carrying value should be reduced. The assessment for the period has determined that a tax benefit of \$25m is not currently considered to be probable of recovery. The DTA not recognised during the period relates to the capital loss realised on disposal of the FKP investment. At each reporting period, the recovery of DTA will be reassessed. Depending on this outcome this may lead to the partial or full recognition of this \$25m unrecognised tax benefit in future reporting periods

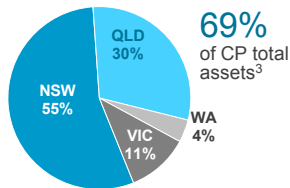
Commercial Property



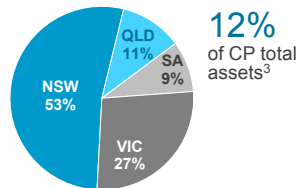
Portfolio weightings and valuation movements

Commercial Property assets - \$7.9b¹

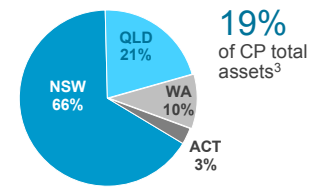
Retail - **\$5.5b**
40 properties
953,303sqm gross lettable area²



Industrial - **\$0.9b**
14 properties
1,022,450sqm gross lettable area²



Office - **\$1.5b**
15 properties
370,490sqm net lettable area²

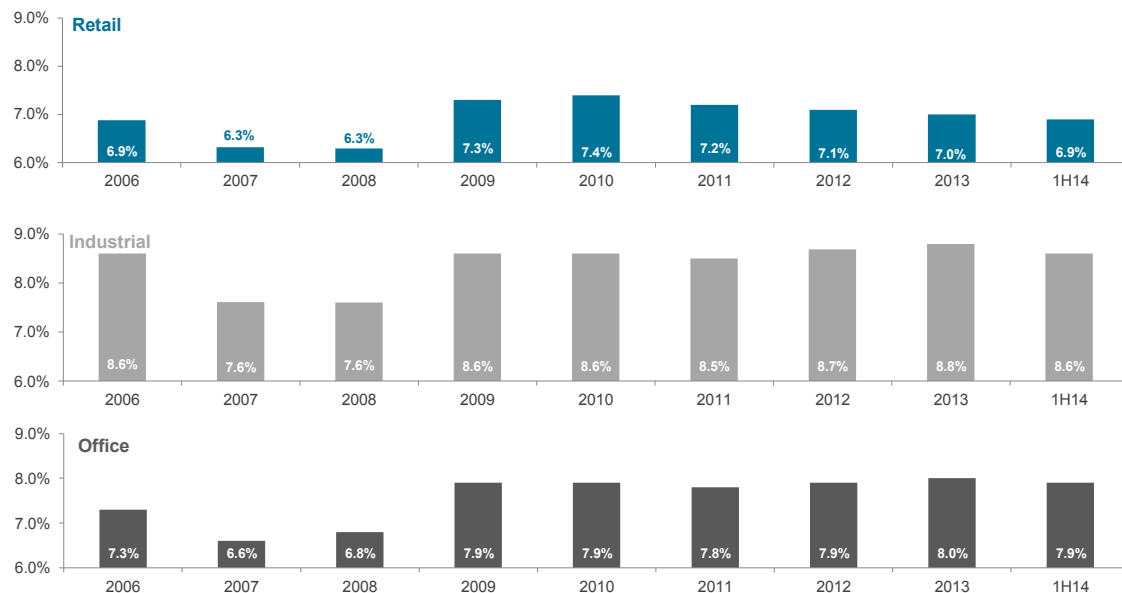


	WACR Dec-13	WACR Dec-12	Book Value (\$m)	1H14 Movement (\$m)
Retail ⁴	6.9%	7.0%	5,466	46.9
Industrial	8.6%	8.7%	916	0.9
Office	7.9%	7.9%	1,519	(2.5)
Capital works and sundry properties ⁵	-	-	235	-
Total	7.3%	7.4%	8,136⁶	45.3

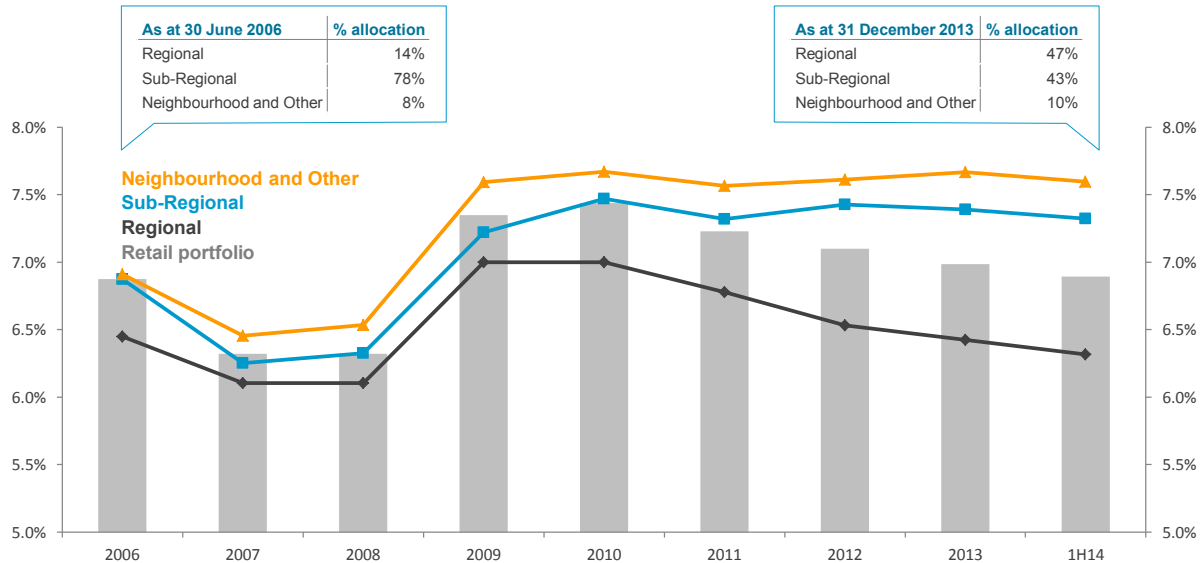
1. This is consistent with the Property Portfolio, which excludes capital works in progress and sundry properties, Townsville Kingsvale and Sunvale, and Hervey Bay Central Square
2. Represents 100% owned, JV and associates properties
3. Based on book value at 31 December 2013
4. Includes Townsville Kingsvale and Sunvale, and Hervey Bay Central Square
5. An independent valuation will be performed on completion of the capital works, includes Eagle Street Pier
6. Excluding stapling adjustment relating to owner occupied space



Stockland portfolio - trend in cap rates over time

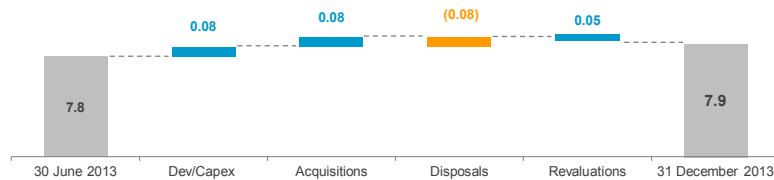


Stockland Retail portfolio capitalisation rates



Commercial Property revaluation and book value update

Commercial Property book values \$7.9b¹ (\$b)



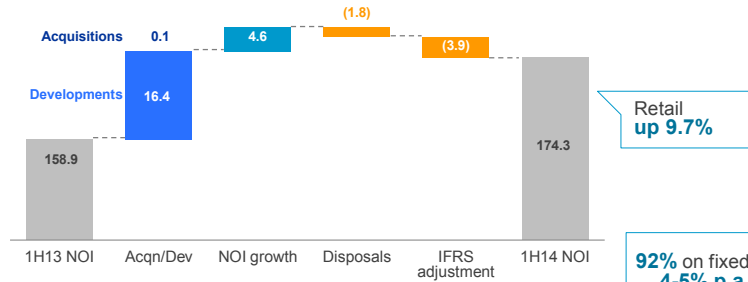
Net revaluation breakdown (\$m)	Retail	Office	Industrial	Total
Income/Capex	7.8	(8.3)	(11.2)	(11.7)
Change in cap rates	16.6	5.8	12.1	34.5
Development (Shellharbour)	22.5	-	-	22.5
Total net revaluations	46.9	(2.5)	0.9	45.3

- 32% of all investment property assets were independently valued at 31 December 2013
- 82% of externally valued investment property assets experienced cap rate compression
- Retail recorded positive movements overall, driven by income growth and cap rate compression
- Capex spent on office and industrial includes refurbishment, upgrades and incentives
- Shellharbour total valuation uplift of \$75.6m

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

Retail performance

Retail NOI movements between 1H13 and 1H14 (\$m)



Renewals driving income growth

	No. of Deals	Area (sqm)	Rental growth	Incentive	
Lease renewals	100	14,854	3.0%	-	-
New leases	144	17,927	3.1%	9.8 months	13.4% ¹
Total portfolio	244	32,781	3.0%		

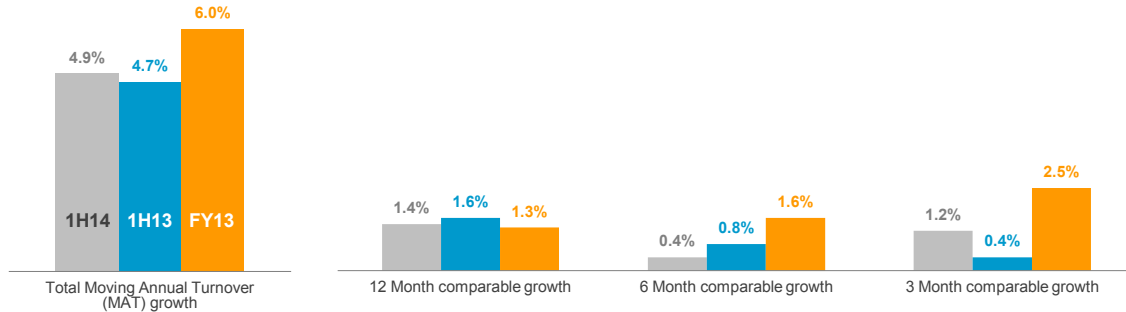
- Incentive: capital as a percentage of total rent over the primary lease term only
- Stable portfolio
- Adjusted for operational centre remixes and reconfiguration and retailers subject to administration
- Assumes all leases terminate at earlier of expiry/option date
- If all call options are exercised on Major's leases

Key metrics	1H14	1H13
Occupancy	99.6%	99.4%
Specialty occupancy costs ²	13.9%	14.1%
Large sub-regional	14.7%	14.5%
Small sub-regional	14.0%	14.0%
Neighbourhood centres	12.9%	13.2%
Specialty store leases:		
- Fixed annual increases	92%	89%
- CPI+	8%	11%
Tenant retention ³	66%	78%
Weighted average lease expiry ⁴	6.1 years	6.1 years
Options WALE ⁵	10.3 years	10.8 years

43 vacant shops,
69% casually leased
and generating income
at 31 December 2013



Stockland retail sales growth – comparable centres



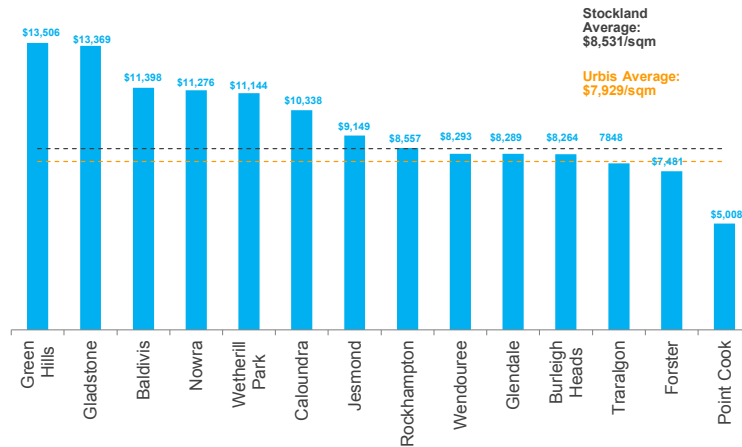
	Total MAT (\$m)	SGP Total MAT Growth	ABS Total MAT Growth ²	12 month Comparable growth	6 month Comparable growth	3 month Comparable growth
Supermarkets	2,398	5.2%	4.1%	3.4%	1.9%	2.5%
Department ¹ / DDS	893	4.5%	(0.8%)	(0.5%)	(2.7%)	(0.2%)
Specialties	1,674	6.8%	3.1%	0.5%	0.8%	1.5%
Mini Majors/ Cinemas/Other	987	1.5%	n/a	(1.2%)	(1.5%)	(1.5%)
Total	5,952	4.9%	3.0%	1.4%	0.4%	1.2%

1. Includes Myer at Stockland Townsville (QLD) and Myer at Shellharbour (NSW)
 2. 8501.0 ABS retail Trade Australia Dec 2013

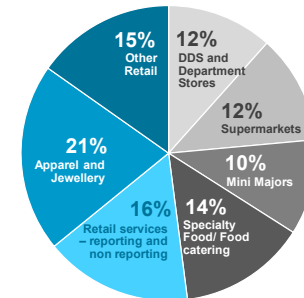


Retail: productive centres and diverse income base

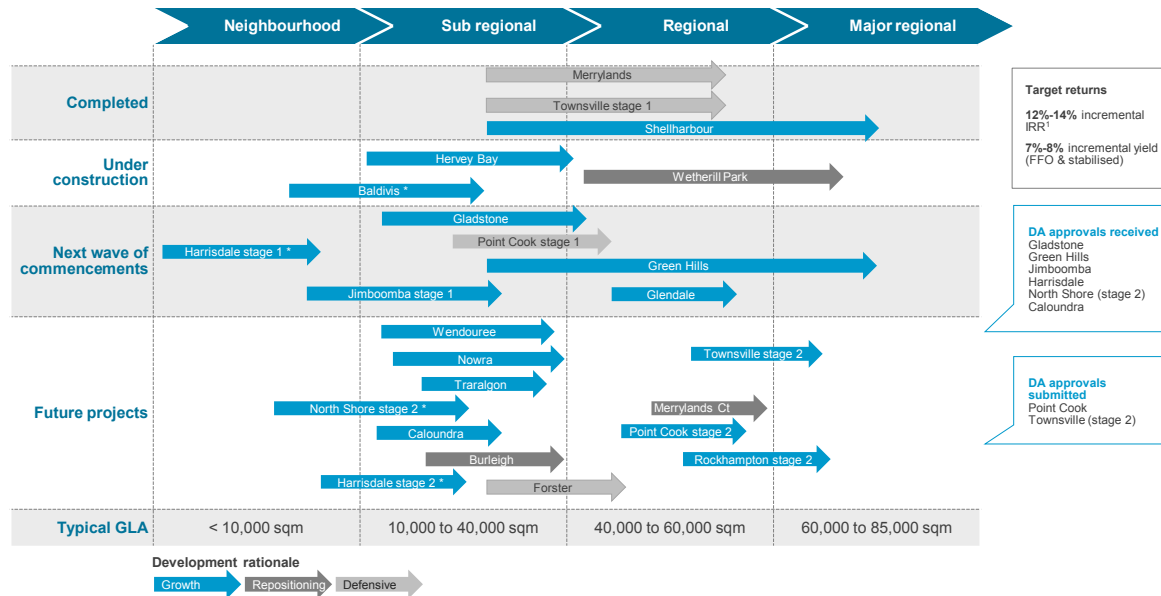
Specialty MAT/sqm, centres with development opportunity



Strong diversity in rental income
Gross rent – total portfolio



Retail: significant development pipeline driving growth and returns



¹Centre 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 1 yield ¹	Total income leased	Specialty income leased ²	Incremental Return ³ (%)	Est. total return ⁴ (%)
				Date	Value (\$m)					
Completed in FY14										
Townsville	175			FY14	391 ⁵	6.3%	96%	96%	~13.5	~11.5
Shellharbour	330			FY14	680 ⁵	7.5%	95%	94%	~14.0	~12.5
	505									
Under construction										
Hervey Bay	119	57	62	FY15	180 – 190	7.5%	59%	44%	~13.5	~12.0
Wetherill Park	222	25	197	FY16	645 – 665	7.3%	18%	9%	~14.0	~11.5
Baldivis	116	6	110	FY15	175 – 185	8.0%	37%	0%	~13.0	~13.0
	457	88	369							
Next wave of commencements	~720		~720			Range 7% to 8%			Range 12% to 14%	
TOTAL	1,682		1,089							

1. FFO stabilised incremental yield

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

3. Unlevered 10 year IRR on incremental development from completion

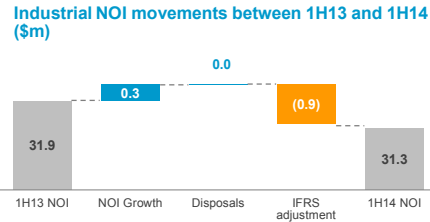
4. Unlevered 10 year IRR for existing assets and incremental development from completion

5. Final independent valuation

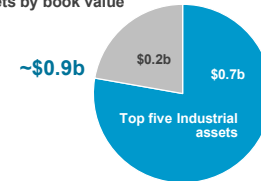


Industrial performance

Occupancy and lease expiry	1H14	1H13
Occupancy	89.7%	93.3%
WALE	3.7 years	2.8 years



Portfolio concentrated in large quality assets
Industrial assets by book value



Key Industrial leasing deals

Property	Location	Building area (sqm)	FY14 area leased (sqm)	Leased to	WALE (years)	Comments
Yennora	Sydney Metro, NSW	297,577	30,768 13,872 15,330 9,116 6,346 5,407 3,375	Qube Logistics ¹ Qube Logistics ¹ Aurizon ² YCH Logistics Cope Sensitive Freight Homeland Furniture Bullant Logistics	4.1	Tenant Renewal Existing Tenant Add. Space Existing Tenant Add. Space New Tenant New Tenant New Tenant New Tenant
Port Adelaide	Adelaide Metro, SA	167,496	20,728 13,717 12,383 6,459	Impact Fertiliser Wengfu Australia Spendless Shoes Koch Fertiliser	3.1	Tenant renewal New Tenant Tenant renewal Tenant Renewal
Brooklyn	Melbourne Metro, VIC	129,651	7,767	Supply Linq	3.1	New Tenant
Hendra	Brisbane Metro, QLD	83,780	2,508	Courier Nominees	4.3	Tenant Renewal
Altona	Melbourne Metro, VIC	33,994	3,189 1,643	Transfab Reinforcement Australia Conneq	3.0	Tenant Renewal Existing Tenant Add. Space

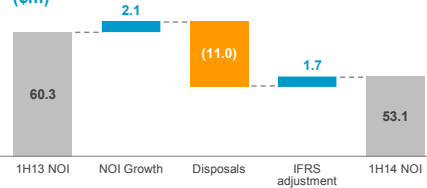
1. Pending execution
2. Area reflects hardstand



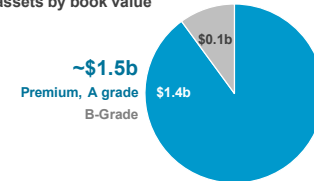
Office performance

Occupancy and lease expiry	1H14	1H13
Occupancy	91.3%	96.3%
WALE	5.3 years	4.6 years

Office NOI movements between 1H13 and 1H14 (\$m)



Portfolio concentrated in large quality assets
Office assets by book value



Key Office leasing deals

Property	Location	Building area (sqm)	FY14 area leased (sqm)	Leased to	WALE (years)	Comments
Piccadilly Tower	Sydney CBD, NSW	29,682	10,149	Stockland ¹	6.8	Tenant Renewal
263 Adelaide Terrace	Perth CBD, WA	17,518	3,044 815	Australian Bureau of Statistics Stockland	5.8	New Tenant New Tenant
135 King Street	Sydney CBD, NSW	27,198	798 289 196	Qualcomm International Sportsbet Civium Holdings	6.1	New Tenant New Tenant New Tenant
40 Cameron Avenue	ACT	15,338	1,820	Hewlett Packard	4.2	Tenant Renewal
16 Giffnock Avenue	Sydney Metro, NSW	11,723	3,833	Alstom Power	4.6	New Tenant
60 Waterloo Road	Sydney Metro, NSW	8,167	8,167	Lavery Health	10.5	Tenant Renewal
66 Waterloo Road	Sydney Metro, NSW	10,147	5,270	Citrix Systems Asia Pacific	6.7	New Tenant
Piccadilly Court	Sydney CBD, NSW	9,661	448 230	National Health Call Centre YTHY Recruiting	4.6	New Tenant New Tenant
77 Pacific Highway	Sydney Metro, NSW	9,362	1,266	Health Administration Corporation	3.9	New Tenant

1. Pending execution



Office and Industrial tenancy retention and new leasing metrics

Industrial	Total leased ¹			Retention ¹			New leases ¹		
	GLA leased (sqm) ²	Weighted average base rent growth %	Weighted average incentives	Retention (sqm) ²	Increase on base rents	Weighted average incentives	New leases (sqm) ²	Increase on base rents	Weighted average incentives
NSW	84,343	(2%)	5%	50,518	2%	-	33,825	(6%)	13%
QLD	6,676	(3%)	-	5,538	(4%)	-	1,138	-	-
SA	57,181	(1%)	-	39,570	1%	-	17,611	(4%)	-
VIC	28,068	11%	4%	3,189	3%	-	24,879	11%	4%
	176,268	1%	3%	98,815	1%	-	77,453	0%	7%
				56% retention³					

Office	Total leased ¹			Retention ¹			New leases ¹		
	GLA leased (sqm) ²	Weighted average base rent growth %	Weighted average incentives	Retention (sqm) ²	Increase on base rents	Weighted average incentives	New leases (sqm) ²	Increase on base rents	Weighted average incentives
Sydney CBD	2,118	3%	24%	-	-	-	2,118	3%	24%
Sydney Metro	19,744	(4%)	20%	12,204	(3%)	20%	7,540	(4%)	21%
QLD	385	1%	14%	385	1%	14%	-	-	-
WA	4,025	10%	7%	166	(6%)	-	3,859	10%	7%
ACT	1,943	-	17%	1,820	-	18%	123	7%	2%
	28,215	(1%)	18%	14,575	(2%)	23%	13,640	1%	17%
				52% retention³					

1. Area includes executed leases only

2. Represents 100% property ownership

3. Represents the percentage of total executed deals which were executed by existing customers



Asset values – Retail

Retail portfolio	Book value (\$m)	1H14 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	1H14 NOI (\$m) ²	Speciality occupancy cost
Stockland Shellharbour ³	679.7	22.5	3.4%	6.00%	14.6	n/a
Stockland Merrylands	474.5			6.25%	14.3	n/a
Stockland Townsville ³	432.1	0.1	0.0%	6.25%–7.25%	11.1	n/a
Stockland Rockhampton	365.0			6.50%	11.0	15.2%
Stockland Wetherill Park ³	364.6			6.75%	11.3	n/a
Stockland Green Hills	277.3			6.75%	9.8	13.9%
Stockland Glendale	261.0			6.75%	9.0	15.7%
Stockland Cairns	218.3			6.75%	7.2	14.2%
Stockland Point Cook	183.5	(5.1)	(2.7%)	7.25%	6.5	16.2%
Stockland Burleigh Heads	152.5			7.50%	5.1	13.5%
Stockland The Pines	139.3			7.50%	5.5	19.0%
Stockland Forster	136.1			7.50%	5.2	13.5%
Stockland Gladstone	134.5	9.3	7.4%	7.50%	5.3	11.5%
Stockland Wendouree	126.5	11.4	9.9%	7.25%	4.3	13.3%
Stockland Jesmond	124.8			7.88%	4.6	14.7%
Stockland Balgowlah	115.3			7.25%	3.4	16.9%
Stockland Baukhams Hills	110.5			7.50%	3.8	13.7%
Stockland Caloundra	110.1	2.5	2.3%	7.25%	4.0	11.8%
Stockland Bull Creek	90.8			7.25%	3.2	13.0%
Stockland Nowra	89.5			7.75%	3.3	12.6%
Stockland Cleveland	87.2			7.50%	3.0	13.1%
Stockland Traralgon	85.8	5.5	6.8%	7.75%	3.5	14.3%
Stockland Bathurst	79.8	1.5	1.9%	7.75%	3.3	12.6%
Stockland Hervey Bay ³	64.7			7.50%	1.4	n/a

Retail portfolio	Book value (\$m)	1H14 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	1H14 NOI (\$m) ²	Speciality occupancy cost
Stockland Corrimal	62.2			8.00%	2.4	14.3%
Stockland Riverton (50%)	60.7			7.25%	2.1	13.9%
Stockland Piccadilly	54.8			7.25%	1.4	23.2%
Stockland Wallsend	53.7			8.25%	2.1	11.6%
Stockland Tooronga	50.7			7.25%	1.9	14.7%
Shellharbour Retail Park	48.0	(0.2)	(0.4%)	8.25%	2.2	n/a
Stockland Baldivis	46.2			7.50%	1.9	8.5%
Stockland Cammeray	32.2			7.50%	1.1	15.3%
Glasshouse	32.0			6.90%	0.3	n/a
Stockland Highlands	24.8			8.00%	0.7	13.4%
North Shore Townsville	20.5	0.8	4.1%	7.50%	0.7	7.9%
Burleigh Central	16.2			9.25%	0.6	n/a
Jimboomba (50%)	15.9	(0.7)	(4.2%)	8.75%	0.6	8.0%
Woolworths Toowong ³	13.5			N/A	0.2	n/a
Vincentia	11.0			10.00%	0.6	12.0%
Merrylands Court	9.0	(0.7)	(7.2%)	9.00%	0.2	n/a
T/ville, Kingsvale & Sunvale ³	5.5			N/A	0.1	n/a
Hervey Bay Central Square ³	5.7			9.00%	0.2	n/a
Subtotal Retail	5,466.0	46.9			173.0	
Disposals ⁴						0.5
Other ⁵						0.8
Total Retail	5,466.0	46.9		WACR 6.9%	174.3	

1. Movements due to independent valuations.

2. NOI is Underlying Profit

3. Properties impacted by or held for development in 1H14

4. Includes disposed property: Adelaide Plaza (Fremantle)

5. Relates to sundry properties and Eagle Street Pier



Asset values – Industrial

Industrial Portfolio	Book value (\$m)	1H14 Val. Incr/(decr) (\$m)	Change	Cap rate	1H14 NOI (\$m) ¹
Yennora Distribution Centre	350.5	1.7	0.5%	7.75%	14.6
Port Adelaide Distribution Centre	83.6			10.00%	3.7
Hendra Distribution Centre	83.4			9.25%	3.0
Brooklyn Estate	81.2			9.25%	2.1
Forrester Distribution Centre	77.0			-	-
9-11A Ferndell Street	42.8			9.25%-10.00%	2.0
1090-1124 Centre Road	32.2			9.25%	1.2
20-50 Fillo Drive & 10 Stubb Street	31.6			9.50%	0.5
Altona Distribution Centre	27.6			9.25%	1.2
2 Davis Road	16.8	(0.8)	(4.5%)	8.75%	(0.2)
11-25 Toll Drive	16.3			8.25%	0.8
32-54 Toll Drive	15.3			8.25%	0.6
56-60 Toll Drive	14.7			8.25%	0.3
76-82 Fillo Drive	14.6			9.00%	0.6
Export Park, 9-13 Viola Place	12.0			9.75%	0.6
M1 Yatala Enterprise Park	8.6			n/a	-
40 Scanlon Drive	8.1			8.50%	0.3
Total Industrial	916.3	0.9		WACR 8.6%	31.3

1. NOI is Underlying Profit



Asset values – Office

Office Portfolio	Book value (\$m)	1H14Val. Incr/(decr) (\$m)	Change	Cap rate	1H14 NOI (\$m) ¹
Piccadilly Tower ²	274.0			7.25%	8.0
Waterfront Place (50%)	263.0			7.25%	8.5
Trinity Business Campus	169.9			7.75%	5.2
Durack Centre	152.4			9.00%	7.4
Optus Centre (31%)	117.2			7.50%	5.2
135 King Street (50%)	101.8			7.30%	1.9
601 Pacific Highway	72.0	(4.3)	(5.9%)	8.50%	3.3
60-66 Waterloo Road	68.8	2.0	3.0%	8.00%	2.6
77 Pacific Highway	54.7			8.50%	1.5
40 Cameron Avenue	43.4			10.25%	1.0
Piccadilly Court	42.4			8.25%	1.1
Garden Square	38.5			9.38%	1.6
16 Giffnock Avenue	36.8	0.9	2.8%	8.75%	1.2

Office Portfolio	Book value (\$m)	1H14Val. Incr/(decr) (\$m)	Change	Cap rate	1H14 NOI (\$m) ¹
Macquarie Technology Centre	32.8	(1.4)	(4.1%)	8.75%-9.25%	1.4
110 Walker Street	25.5	0.3	1.2%	8.75%	0.8
80-88 Jephson Street	18.5			9.00%	0.8
23 High Street	3.8			8.25%	0.1
27-29 High Street	3.2			8.50%	0.1
Subtotal Office	1,518.7	(2.5)			51.7
Disposals ³					1.4
Total Office	1,518.7	(2.5)		WACR 7.9%	53.1

1. NOI is Underlying Profit
2. Excluding stapling adjustment relating to owner occupied space
3. Includes disposed property: 78 Waterloo Road



Top 20 tenants by income

Rank	Retail Portfolio	
	Tenant	% Portfolio
1	Woolworths	12.7%
2	Wesfarmers	11.6%
3	Prouds Jewellers	1.7%
4	Commonwealth Bank of Australia	1.6%
5	Specialty Fashion Group	1.5%
6	Westpac Bank Corporation	1.3%
7	Terry White Chemist	1.2%
8	Just Group	1.2%
9	Priceline	1.2%
10	Myer	1.1%
11	The Reject Shop	1.0%
12	Best & Less	1.0%
13	Luxottica	0.9%
14	Aldi Foods	0.9%
15	National Australia Bank	0.9%
16	Cotton On Group	0.8%
17	Retail Food Group	0.8%
18	BB Retail Group	0.8%
19	Sussan Corporation (Aust)	0.7%
20	Foodco Group	0.7%
		43.6%

Rank	Industrial Portfolio	
	Tenant	% Portfolio
1	O-I (ACI)	17.1%
2	Toll Holdings	11.4%
3	Qube Logistics	8.4%
4	Australian Wool Handlers	5.5%
5	Ceva (TNT)	4.0%
6	Kmart Distribution	3.8%
7	Unitised Building (Australia)	2.9%
8	Simon Transport	2.0%
9	Impact Fertiliser	1.9%
10	Visy Industrial Packaging	1.8%
11	Williams Enterprise Group	1.8%
12	Yakka	1.8%
13	Amcor	1.8%
14	NHK	1.8%
15	Union Switch & Signal	1.3%
16	Queensland Cotton	1.3%
17	Silk Logistics	1.3%
18	Super Retail Group Services	1.3%
19	YCH Logistics (Australia)	1.2%
20	Autonexus	1.2%
		73.6%

Rank	Office Portfolio	
	Tenant	% Portfolio
1	Sinclair Knight Merz	6.2%
2	Optus	6.2%
3	Stockland	5.7%
4	Shell	4.6%
5	IBM Global Services	3.3%
6	Goodman Fielder	2.7%
7	Sony Australia	2.4%
8	Downer EDI Engineering	2.3%
9	GHD Services	2.2%
10	Uniting Church in Australia	2.2%
11	CSR	2.1%
12	Ernst & Young Services	2.1%
13	Hewlett Packard	2.1%
14	Lavery Health	2.0%
15	Minter Ellison Services	1.8%
16	Citrix Systems Asia Pacific	1.6%
17	Boulderstone Hornibrook	1.6%
18	Jansen Cilag	1.5%
19	Brookfield Australia	1.4%
20	ICAC	1.2%
		55.2%



Top 20 tenants by area

Retail Portfolio		
Rank	Tenant	% Portfolio
1	Wesfarmers	26.1%
2	Woolworths	22.4%
3	Myer	2.5%
4	Best & Less	1.5%
5	Retail Adventures	1.3%
6	Aldi Foods	1.2%
7	The Reject Shop	1.2%
8	Specialty Fashion Group	0.9%
9	Cotton On Group	0.9%
10	McDonalds	0.8%
11	Super Retail Group	0.7%
12	Amalgamated Holdings	0.7%
13	Commonwealth Bank of Australia	0.7%
14	Terry White Chemist	0.6%
15	JB Hi Fi	0.6%
16	Priceline	0.6%
17	Just Group	0.6%
18	Westpac Bank Corporation	0.5%
19	Sussan Corporation (Aust)	0.5%
20	Hoyts Multiplex Cinemas	0.5%
		64.8%

Industrial Portfolio		
Tenant	% Portfolio	
O-I (ACI)	18.6%	
Toll Holdings	10.4%	
Australian Wool Handlers	5.9%	
Qube Logistics	5.2%	
Ceva (TNT)	3.7%	
Unitised Building (Aust)	3.3%	
Kmart Distribution	2.9%	
Impact Fertiliser	2.1%	
Yakka	1.9%	
Amcor	1.8%	
Visy Industrial Packaging	1.8%	
Wengfu Australia	1.4%	
Williams Enterprise Group	1.4%	
Spendless Shoes	1.2%	
Silk Logistics	1.2%	
Simon Transport	1.2%	
Isuzu	1.2%	
Paper Australia	1.1%	
Viterra	1.1%	
Simon National Carriers	1.0%	
		68.4%

Office Portfolio		
Tenant	% Portfolio	
Optus	9.7%	
Sony Australia	3.9%	
Sinclair Knight Merz	3.9%	
Stockland	3.8%	
Goodman Fielder	3.2%	
Lavery Health	3.0%	
Hewlett Packard	2.9%	
IBM Global Services	2.7%	
Downer EDI Engineering	2.6%	
Shell	2.6%	
CSR	2.3%	
Uniting Church in Australia	2.0%	
Citrix Systems Asia Pacific	2.0%	
Jansen Cilag	1.8%	
Baulderstone Hornibrook	1.7%	
GHD Services	1.6%	
Minter Ellison Services	1.5%	
Ernst & Young Services	1.1%	
Alstom Power	1.1%	
Department Public Works	1.0%	
		54.4%



Commercial Property asset disposals

Property Disposed	Asset Class	Exchange Date	Settlement Date	Disposal Value (\$m)
78 Waterloo Road, Macquarie Park, NSW	Office	Sep 2013	Sep 2013	72.0
Adelaide St Plaza, Fremantle, WA	Retail	Nov 2013	Nov 2013	10.8
Total Asset Disposals				82.8

Residential



Geographically diverse portfolio underpinned by large projects

Major Active Projects over next 3 years

State	Project	Approximate lot sales per annum ¹	Approximate remaining project lots ³
QLD	North Shore	300	4,120
	Bells Reach	190	510
	North Lakes	230	600
VIC	Highlands	450	3,540
	Mernda Villages	140	1,080
	Allura	200	880
	Eucalypt	130	1,070
	Selendra Rise	120	350
WA	Vale	370	2,340
	Whiteman Edge	310	820
	Amberton	200	2,130
	Newhaven ²	250	330
	Corimbia ²	180	310
	Calleya (Banjup)	N/A	1,820
NSW	McKeachies Run	120	380
	Willowdale (East Leppington)	N/A	3,110
	Marsden Park	N/A	2,080

1. Average number of lots estimate for FY14, FY15 and FY16

2. Average number of lots estimate for FY14 and FY15 as project complete in next two years

3. All projects on a trade out basis



Five projects with first settlements in next two years

Summary of new projects				
	Project	Timing of first settlements	Approximate total lots in project	Approximate life of project
NSW	Willowdale (East Leppington)	2H14	3,115	10 yrs
	Marsden Park, NW Sydney	FY15	2,085	9 yrs
WA	Calleya (Banjup)	2H14	1,820	10 yrs
VIC	Davis Rd, Wyndham	FY15	2,495	14 yrs
	Craigieburn	FY15	1,235	11 yrs
	Total lots		10,750	

Seven projects completing prior to FY16

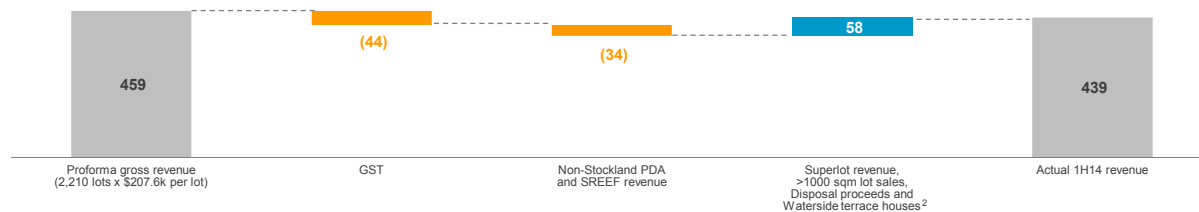
Summary of completing projects				
	Project	Timing of final settlements	Approximate total Lots	Lots remaining to sell (as at 31 December 2013)
NSW	McCauleys Beach	FY15	290	17
	Glenmore Ridge	FY15	520	8
	Brooks Reach	FY15	590	267
WA	Townside	FY14	500	65
	Corimbia	FY15	1,000	311
	Newhaven	FY15	2,100	336
	Baldivis Town Centre	FY15	160	4
Total lots			5,160	1,008

Price per sqm

Retail sales price¹

State	1H14 Settlements				FY13 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	207	491	195	398	609	560	229	410
QLD	704	440	206	468	1,375	475	200	420
VIC	503	400	191	477	1,002	411	194	472
WA	796	391	223	570	1,449	417	225	539
Residential Communities	2,210	418	208	496	4,435	453	211	465

Revenue Reconciliation (\$m)



1. Average price of retail sales excludes sales of all lots over 1,000 sqm, superlot sales, disposal proceeds, and Waterside Terrace houses. Average price includes GST. Includes Project Development Agreements (PDAs) and SREEF projects for which Stockland receives a part-share
2. Includes project disposals (The Point, Doonella Noosa) that occurred in 1H14

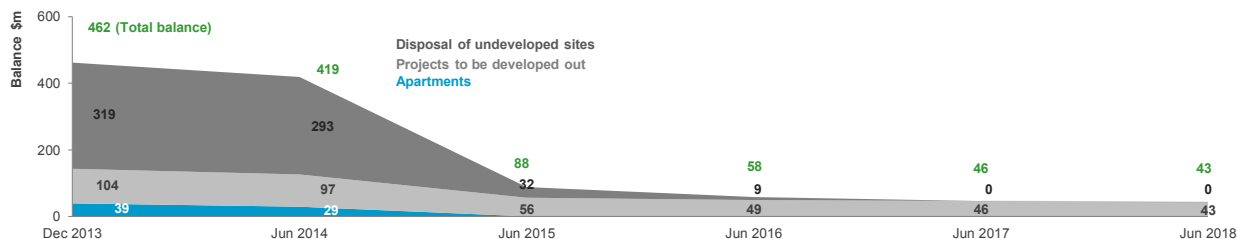


Impairment provision utilisation

31 Dec 2013	Residential Communities (\$m)	Apartments (\$m)	Total (\$m)
Additional impairment charge	0	0	0
Utilisation of impairment provision in 1H14 ¹	(98)	(13)	(111)
Net movement in provision for impairment in 1H14	(98)	(13)	(111)

	Impairment provision balance 31 Dec 2013 (\$m)	Final settlement
Projects to be developed	\$104m	~7years
Disposal of undeveloped sites	\$319m	~2.5 years
Apartments	\$39m	~1 year
Total	\$462m	

Residential - Forecast utilisation of provision²

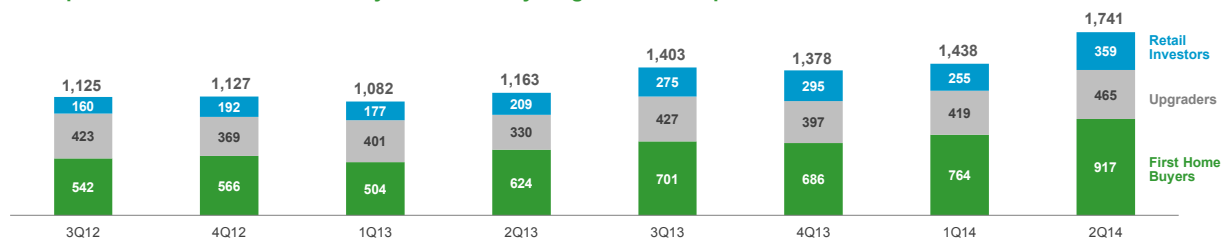


1. No Operating Profit is recognised on impaired projects
2. Forecast utilisation of impairment provision as at 31 December 2013, based on forecast settlement dates, revenue and costs by project

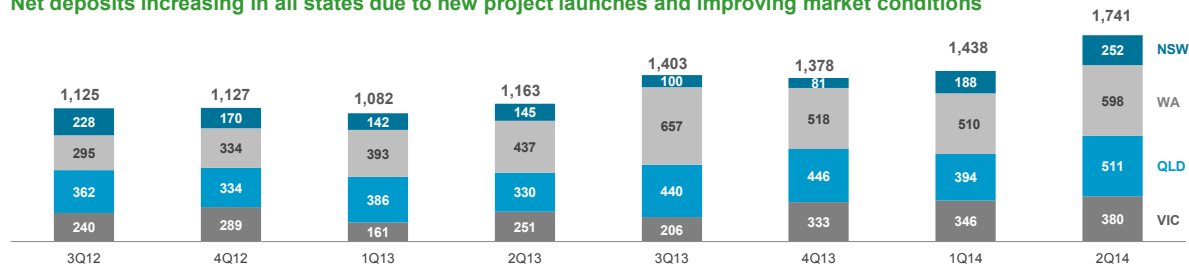


Deposit volumes up

Net deposits continue to rise driven by first home buyers growth and improved mix within states

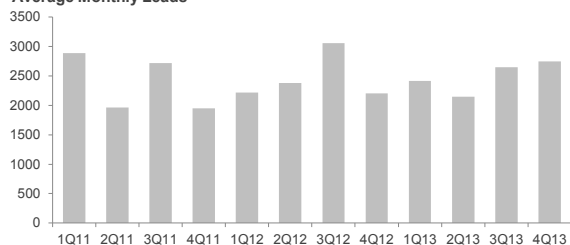


Net deposits increasing in all states due to new project launches and improving market conditions

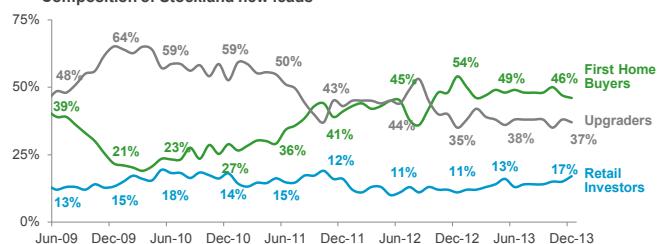


Increased leads and enquiry levels

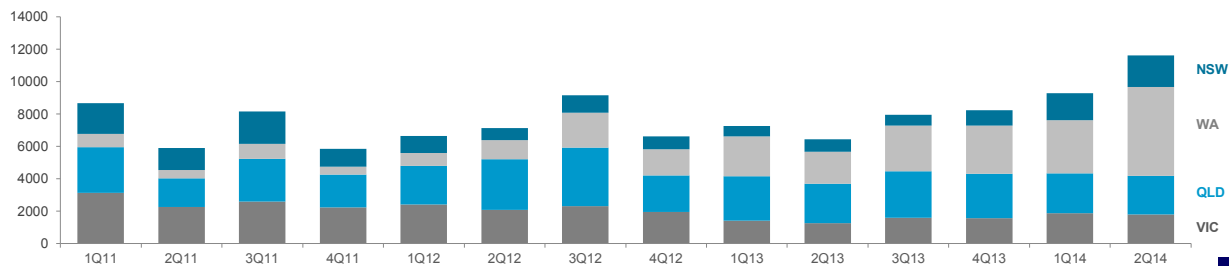
Customer lead volumes increased in 1H14 mainly out of WA
Average Monthly Leads



First Home Buyers remain active
Composition of Stockland new leads



Consistent with leads, enquiry levels are improving

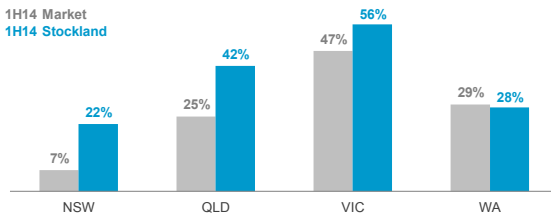


Continued focus on affordable product for our customers

Stockland projects providing more affordable product¹

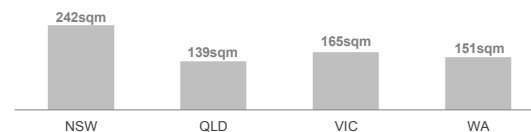
Proportion of sub \$200k lots sold

1H14 Market
1H14 Stockland



Smallest lot in each state settled in 1H14

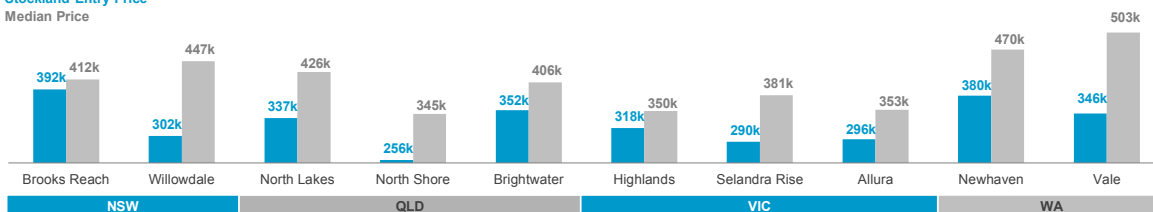
Lot size (sqm) Stockland average lot size: 418sqm



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

Stockland Entry Price

Median Price

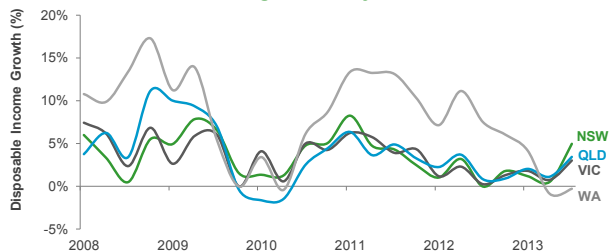


1. National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research
2. Fixed Price House and Land packages for sale within Stockland House and Land Finder January 2014
3. APM: Median value of established houses in surrounding suburbs as at Sep 2013

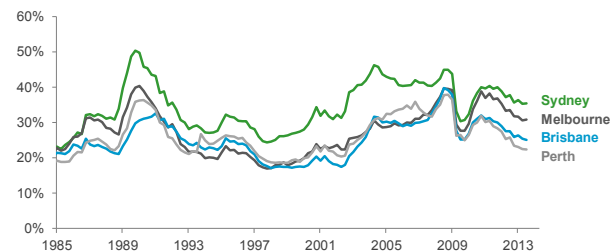


Affordability improving as rates remain low and incomes continue to grow

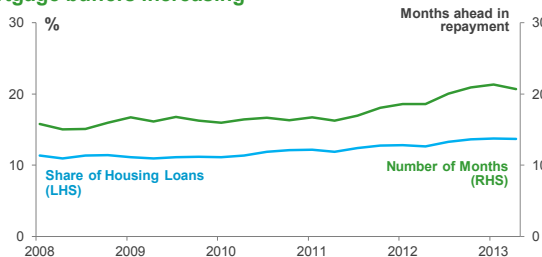
Household incomes rising nationally¹



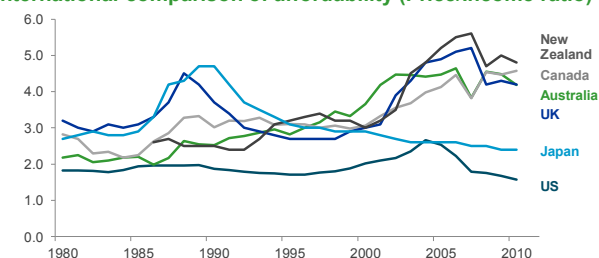
Mortgage repayments as % of household income²



Mortgage buffers increasing³



International comparison of affordability (Price/Income ratio)⁴

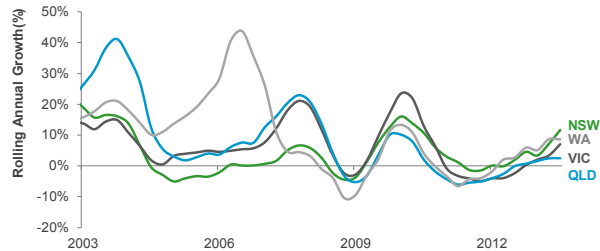


1. ABS, Stockland Research
2. ABS, RBA, REIA, Stockland Research

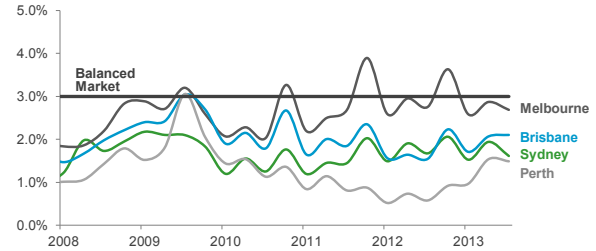
3. RBA Financial Stability Review, March 2013, APRA
4. RBA Financial Stability Review, March 2013, ABS, State Supreme Courts

Established market improving with rental markets remaining tight

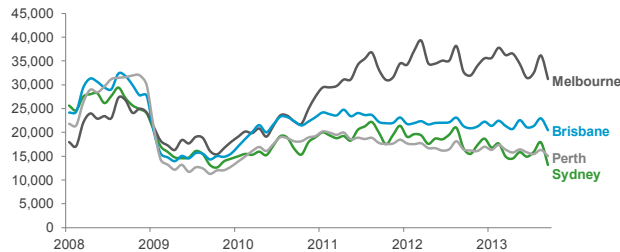
Capital city house prices rising¹



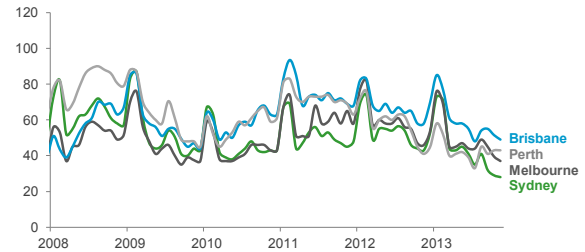
Rental vacancy still low with exception of Victoria²



Established stock on market falling in most markets²



Established houses days on market in clear downtrend³

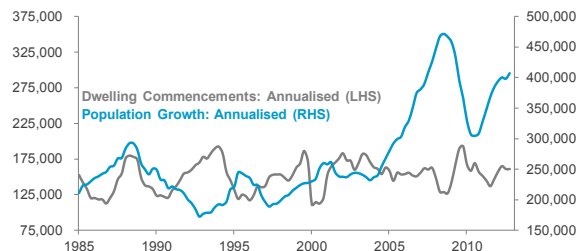


1. APM
2. SQM Research
3. RP Data

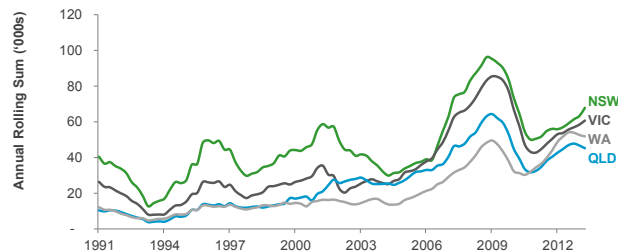


Market fundamentals driven by population growth and undersupply

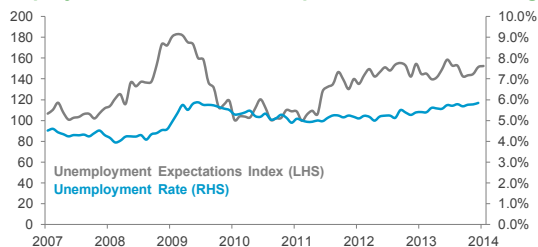
Population growth continues to diverge from dwelling starts¹



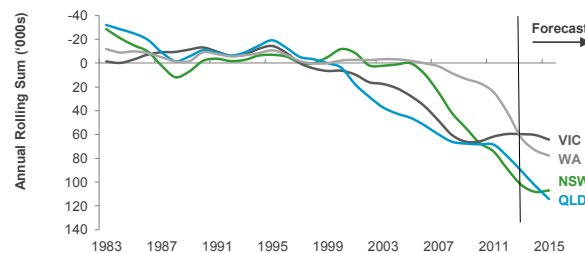
Net overseas migration continues to trend up²



Unemployment rate stable but expectations deteriorating³



Large and growing housing undersupply⁴

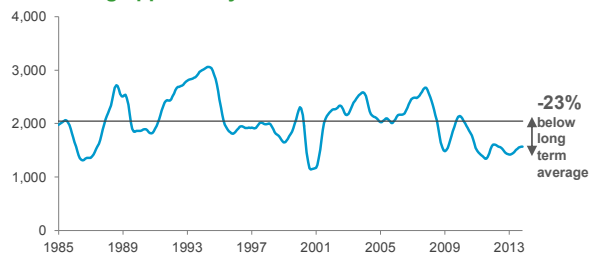


1. ABS Cat. No. 8752.0, 3101.0
2. ABS Cat. No. 3101.0

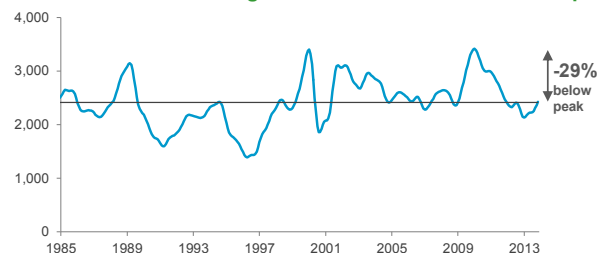
3. ABS Cat. No. 6202.0, Westpac-Melbourne Institute Survey of Consumer Unemployment Expectations
4. ANZ Economics

National housing approvals improving towards long term average

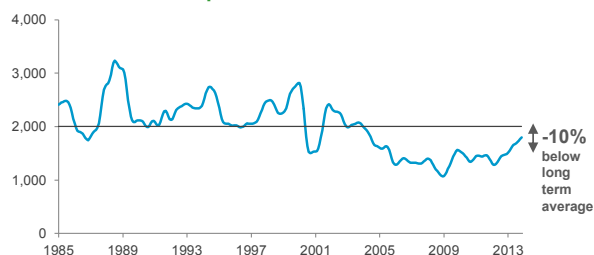
QLD building approvals yet to reflect increase in land sales



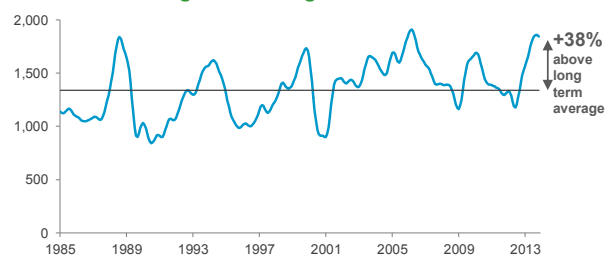
VIC market returns to long-term levels but still 29% below peak



NSW market in clear uptrend off low base



WA well above long-term average levels

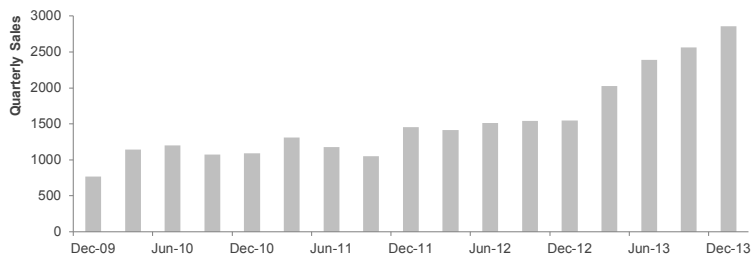


Source: ABS Cat. No.: 8731.0, monthly National Housing Approvals, private house approvals only

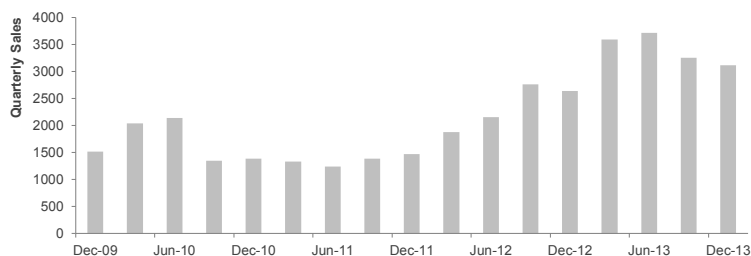


NSW recovery while WA moderates from highs

NSW vacant land sales strong in 1H14 as supply comes online¹



Perth vacant land sales down on 2H13 but still 18% up on 1H13¹



Metropolitan NSW continues to improve

- Auction activity strong and established house prices growth the strongest in the country
- Rental markets remain tight over 2013
- New home sales at highest level in three years
- Strongest six month period for Greater Sydney vacant land sales in 5 years

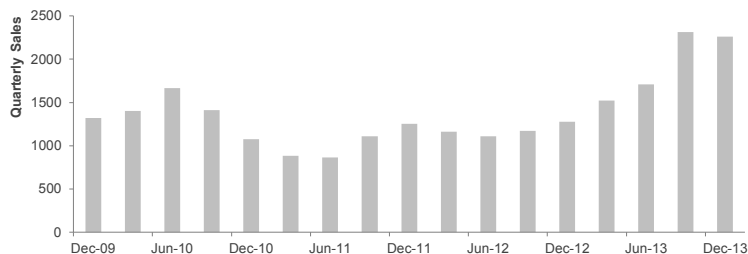
WA vacant land market moderating

- Population growth still close to record levels
- Established house price growth remains strong, while days on market are at seven year lows
- Rental market continues to soften but vacancy rates remain low
- Sales held back by low levels of available stock

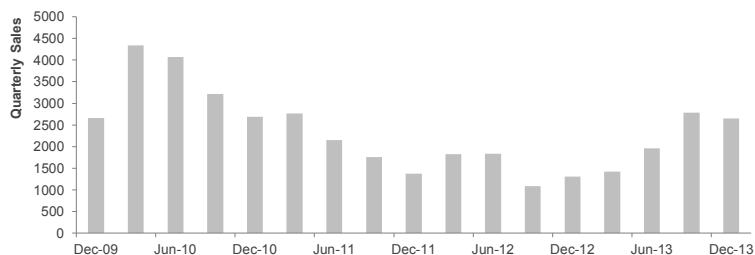
1. National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research

QLD and VIC markets improving

Annual SEQ vacant land sales up 42% in 1H14¹



VIC vacant land sales rising since September 2012¹



QLD new house market in early stages of recovery

- Vacant land sales have been rising for 12 months and saw further increases in 1H14
- Now flowing through to building approvals and new house sales, which are up 8% on 2H13
- Established house price growth trails other states but is still robust at 4.7% p.a.
- Trend unemployment now falling since July 2013

VIC land market operating close to long run average levels

- Established house prices and auction activity strong
- New house building approvals now in clear uptrend
- Recent increase in vacant land sales has paused and remain well below peak levels
- Increasingly competitive environment in key corridors keeping prices contained

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

Retirement Living

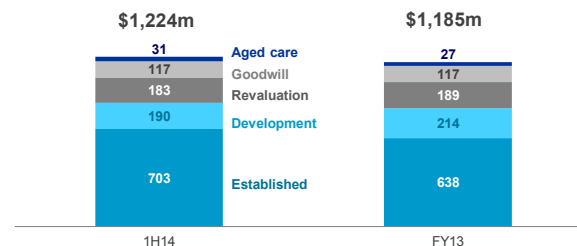


Established portfolio and development pipeline

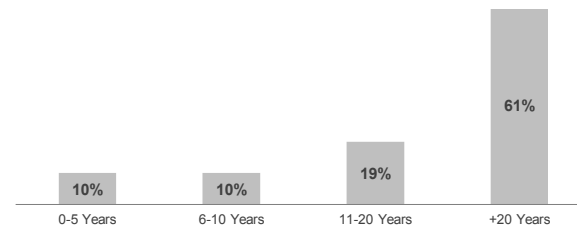
Portfolio Statistics	1H14	FY13
Established villages	62	62
Established units	8,208	8,082
National ranking	#3	#3
Established units turned over	302	547
Units removed for redevelopment	-	31
Actual turnover rate	7.5%	7.4% ¹
Average age of resident on entry	73.8 years	73.9 years
Average age of current residents	80.8 years	80.9 years
Average tenure on exit	8.7 years	8.8 years
Average village age	20.7 years	20.2 years
Development pipeline		
-Active	3,390 units	4,050 units
-Long-term	1,027 units	1,150 units
	2,363 Units	2,900 units

1. Includes 31 units removed for redevelopment

Net Funds Employed

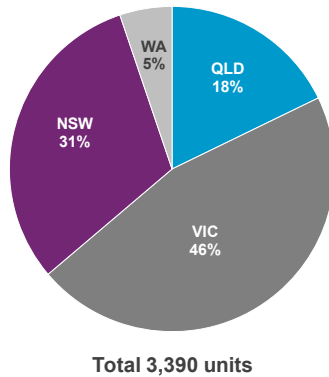


Age profile of established villages



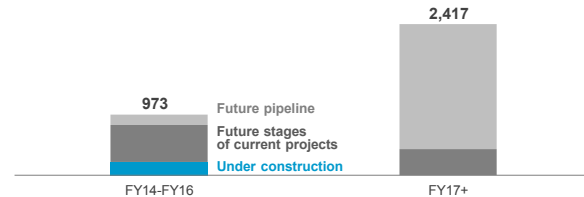
Development pipeline breakup

Geographically diverse development pipeline



Development pipeline	1H14
Development villages ¹	22
Total development pipeline units	3,390
- Greenfield pipeline units	2,848
- Village extension pipeline units	542
Average greenfield development stage size (units)	29
Average village extension development stage size (units)	29
Estimated end value	\$1.5bn

Independent Living Units development pipeline²



1. Includes 13 villages under construction and 9 pipeline
 2. Timing subject to market conditions

Strong project pipeline forecast

Construction timeframe	Pipeline Units	Anticipated Settlements				
		FY14	FY15	FY16	FY17	FY18+
Completion due (FY14)	Gowanbrae, VIC	1				
	Farrington Grove (Area 1), QLD	4				
	Waratah Highlands (Stage 7), NSW	7				
	The Willows, NSW	7				
	Tarneit Skies, VIC	17				
	Sub-total	36				
Under Construction	Arilla, VIC	50				
	Fig Tree, QLD	64				
	North Lakes, QLD	29				
	Highlands, VIC	96				
	Macarthur Gardens, NSW	131				
	Affinity, WA	176				
	Selendra Rise, VIC	173				
	Mernda, VIC	272				
	Sub-total	991				
To start: within 18 months	Golden Ponds, NSW	47				
	Highlands Extension, VIC	200				
	Waratah Highlands (Stages 8-11), NSW	85				
	Willowdale, NSW	255				
	Cardinal Freeman, NSW	240				
	Farrington Grove (Areas 2 & 3), QLD	106				
	Sub-total	933				
Master planning/ future projects	Lockerbie, VIC	250				
	Caloundra, QLD	400				
	Marsden Park, NSW	280				
	Davis Road, VIC	250				
	Davis Road II, VIC	250				
	Sub-total	1,430				
Total units yet to be released		3,390				

Key valuation metrics

Key valuation assumptions	1H14	FY13
Discount rate	12.9%	12.8%
Average 20 year growth rate	3.9%	3.8%
Average length of stay of future residents	11.2 years	11.4 years

DMF Asset Valuation

- Directors' valuations are performed every six months with independent valuations commissioned at least once every two years on a rolling basis
- 21 operational villages were independently valued during the period. The external valuation process provides discount rates and growth rates for use in the Director valuations. Some minor movements in discount rates and growth rates across the 21 villages have been incorporated into the Director valuations, however not considered to be material to suggest a review of the remaining portfolio
- Established Deferred Management Fee (DMF) asset valuation increased from \$719m at June 2013 to \$744m at December 2013. This movement is primarily driven by 1H14 development DMF asset creation and the natural increase associated with the reducing time to crystallisation



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