

# FY15 Stockland Results Annexure

Delivering sustainable growth



Stockland

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# About Stockland Elara, NSW



Blue Mountains

Shane's Park conservation zone

Future residential

Future residential

Local park

Independent K-12 school

Playing fields

Playing fields

Elara

Community centre

5 mins to Sydney Business Park

Neighbourhood shops

Local park

State primary school

Display village

Less than 10 mins to Schofields Train Station

Stockland Retirement Living/Residential

20 mins to Hawkesbury River

Future residential

20 mins to House Hill Town Centre and Westpoint Blacktown Shopping Centre

Richmond Road



# Our strategy for success



## OUR VISION

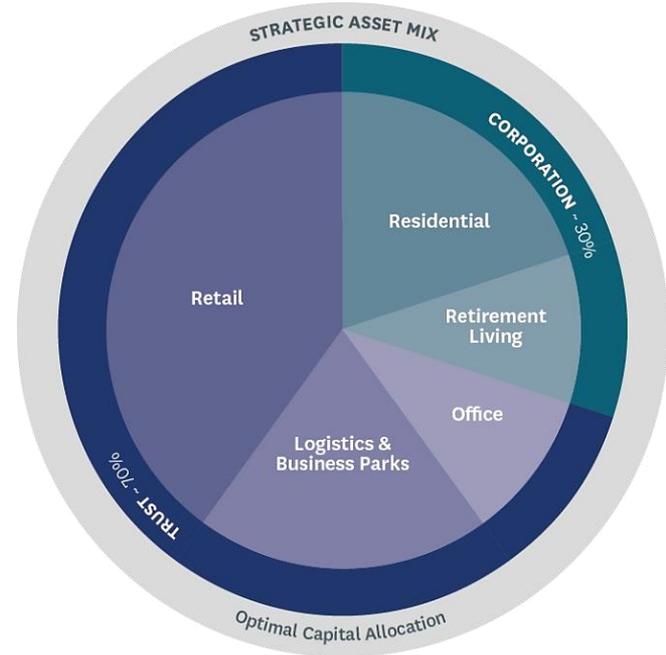
To be a great Australian property company that delivers value to all our stakeholders

## 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

50% of SGP portfolio



Stockland Gladstone, Qld

Create market leading or differentiated shopping centres

42 Assets

Ownership interests valued at **\$6.1b** and gross book value of **\$6.6b**

### Logistics & Business Parks

13% of SGP portfolio



Ingleburn Distribution Centre, NSW

Grow and develop a quality portfolio

24 Assets

Ownership interests valued at **\$1.7b** and gross book value of **\$1.9b**

### Office

8% of SGP portfolio



135 King St / Glasshouse, NSW

Optimise returns - tactical allocation

10 Assets

Ownership interests valued at **\$1.0b** and gross book value of **\$1.6b**

## CORPORATION

### Residential

20% of SGP portfolio



Ivanhoe, Vic

Maximise returns by creating better places to live

80,900 lots under control

End value **\$20.7b**

### Retirement Living

9% of SGP portfolio



Cardinal Freeman, NSW

Leading operator and developer

69 Established Villages

Over 9,300 units

**\$2.1b** estimated end value of development pipeline

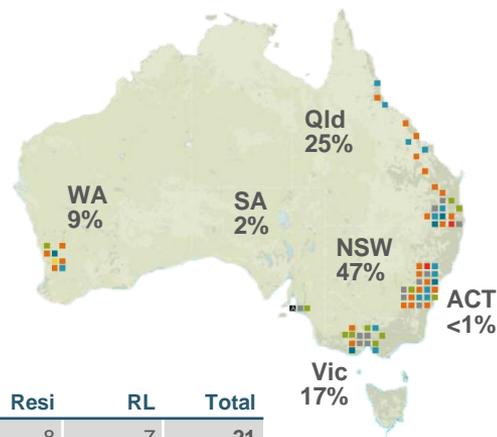
# We are well positioned with a diverse portfolio<sup>1,2,3</sup>

All states	CP	Resi	RL	Total
Number of properties/projects	79	63	76	218
Book Value	\$9.0b	\$2.6b	\$1.2b	<b>\$12.8b</b>
%SGP Portfolio	71%	20%	9%	<b>100%</b>

Qld	CP	Resi	RL	Total
Number of properties/projects	21	28	9	<b>58</b>
Book Value	\$2.2b	\$0.9b	\$0.1b	<b>\$3.2b</b>
%SGP Portfolio	18%	7%	1%	<b>25%</b>

## Key

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



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

NSW	CP	Resi	RL	Total
Number of properties/projects	37	15	20	72
Book Value	\$5.1b	\$0.6b	\$0.3b	<b>\$6.0b</b>
%SGP Portfolio	40%	5%	3%	<b>47%</b>

Vic	CP	Resi	RL	Total
Number of properties/projects	13	12	28	53
Book Value	\$1.0b	\$0.5b	\$0.6b	<b>\$2.1b</b>
%SGP Portfolio	8%	4%	4%	<b>16%</b>

1. Includes UPF assets and sundry properties

2. RL established and development assets at same location are treated as a single property/project (disclosed separately in Property Portfolio)

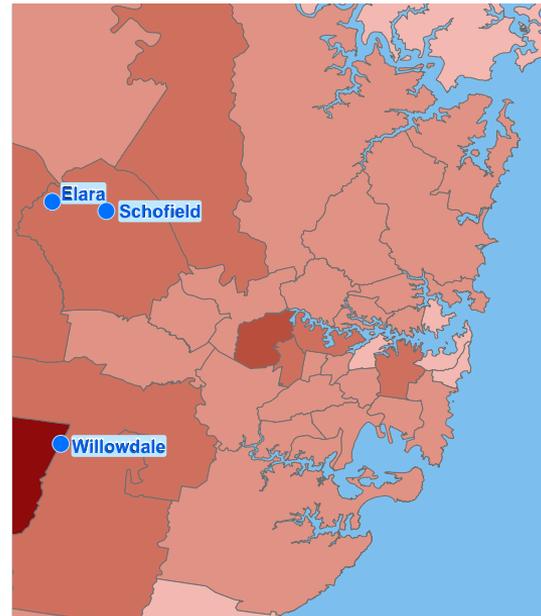
3. Excludes Apartments

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

BRISBANE

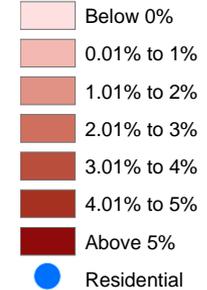


SYDNEY



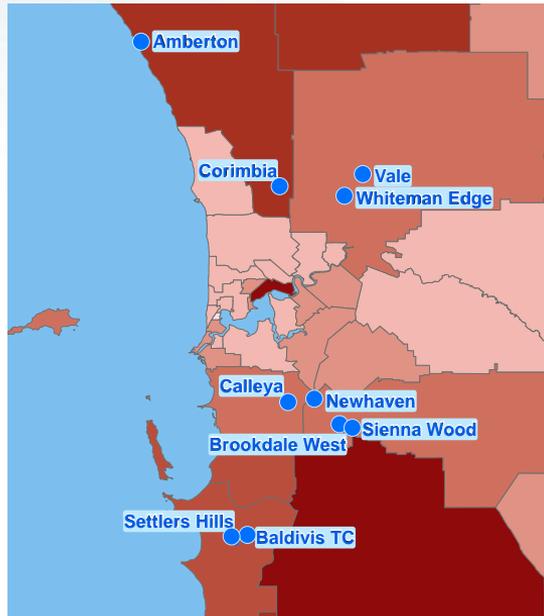
## Pop Growth 2014 - 18

### GrowthRate



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

PERTH

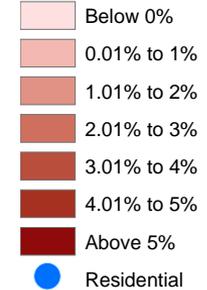


MELBOURNE



## Pop Growth 2014 - 18

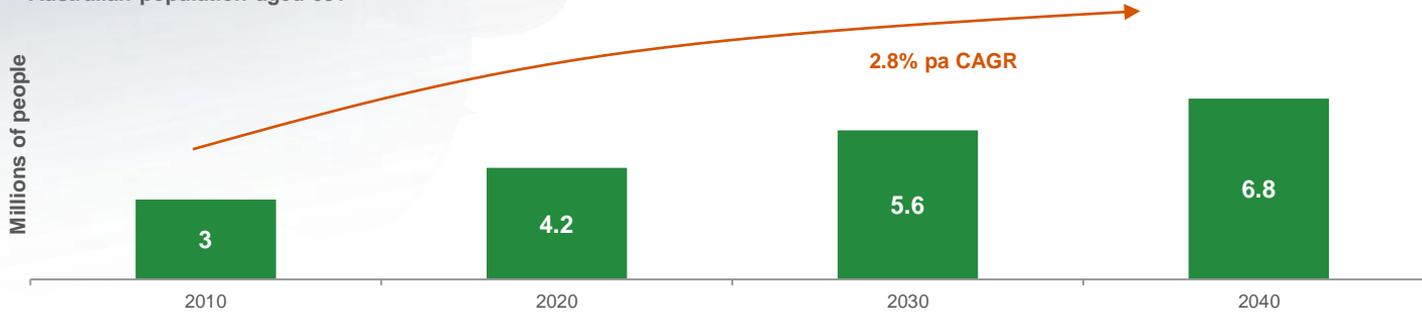
### GrowthRate



# Retirement Living – Strong demand drivers

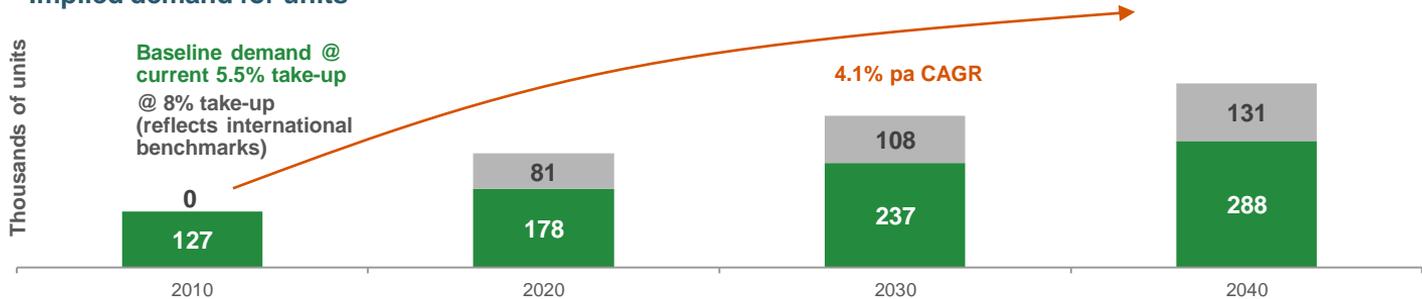
## Compelling demand fundamentals

Australian population aged 65+<sup>1</sup>



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

## Implied demand for units<sup>2</sup>



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

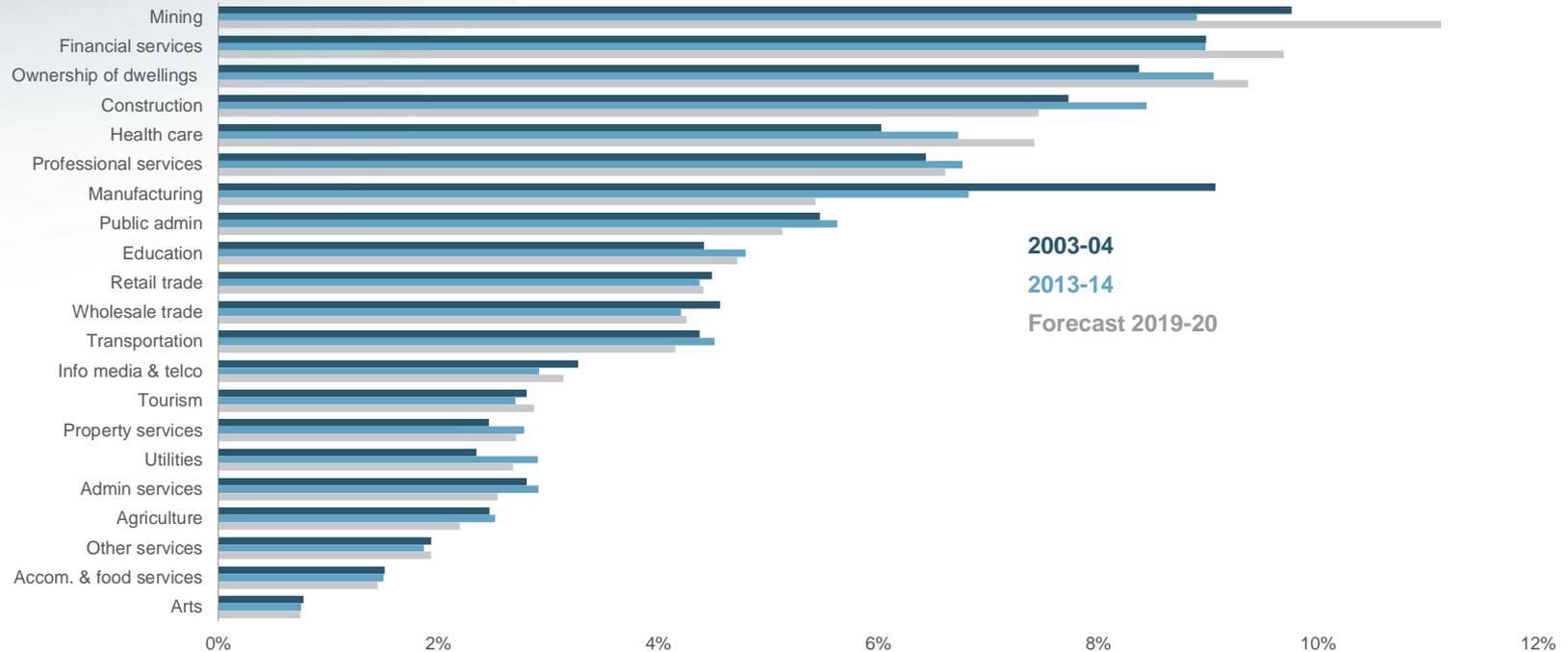
1. ABS Cat. No. 3222.0  
2. Assumes 1.3 residents per ILU

# Research – Annexure

Highlands, Vic

# Contribution to Australia's GDP by industry(%)

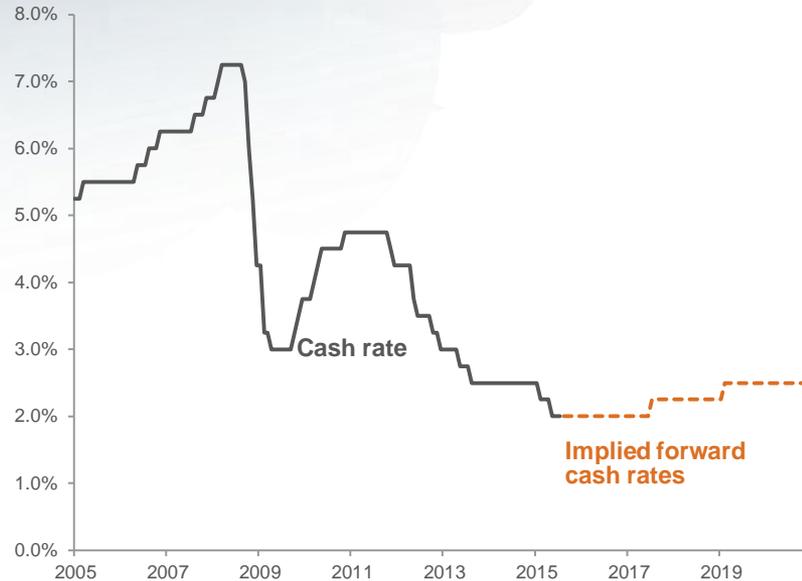
## Industry contribution to GDP<sup>1</sup> (%)



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

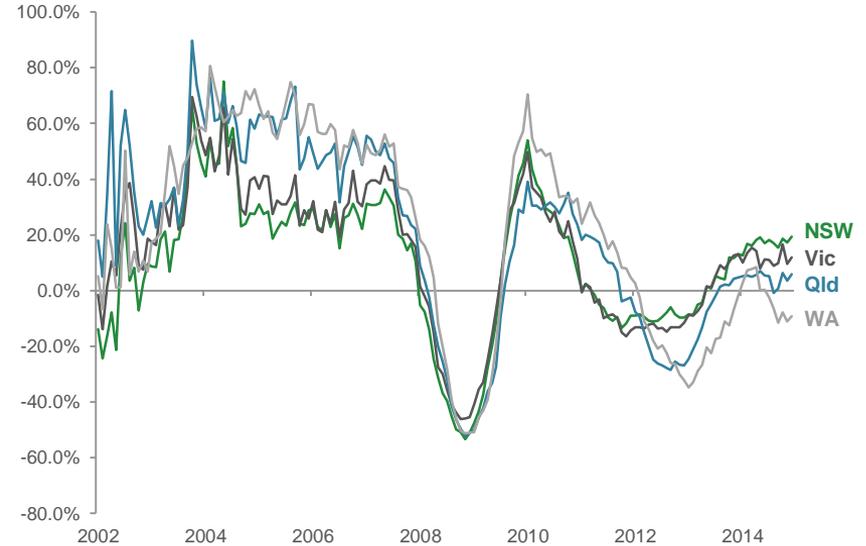
# Accommodative monetary policy and resilient labour market

## Historical and implied forward RBA cash rates<sup>1</sup>



## Labour market surprisingly resilient<sup>2</sup>

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



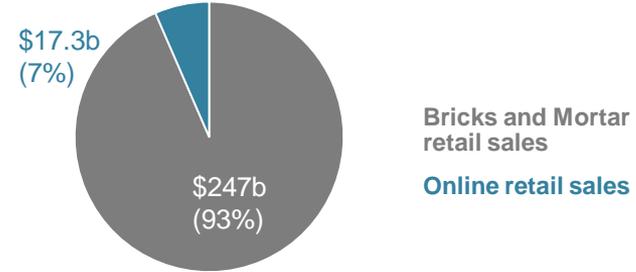
1. RBA, Stockland Research  
2. Seek, June 2015

# Australia: Retail Drivers

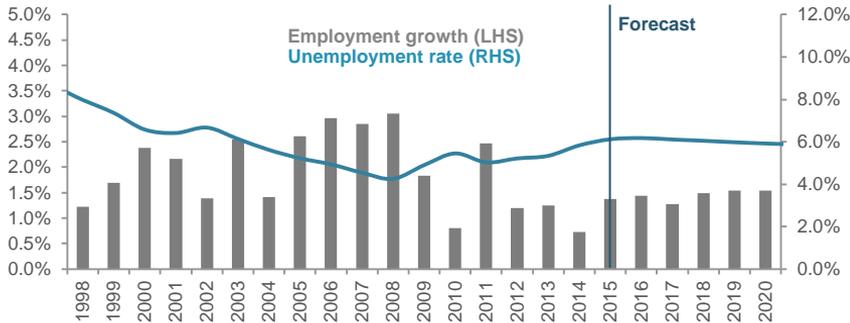
## Growth in online retail spend<sup>1</sup> is declining



## Bricks and Mortar vs online retail sales<sup>1</sup> (as at June 2015)



## Labour market forecast to improve<sup>2,3</sup>



## Consumer Sentiment has been subdued over most of 2014-15<sup>4</sup>

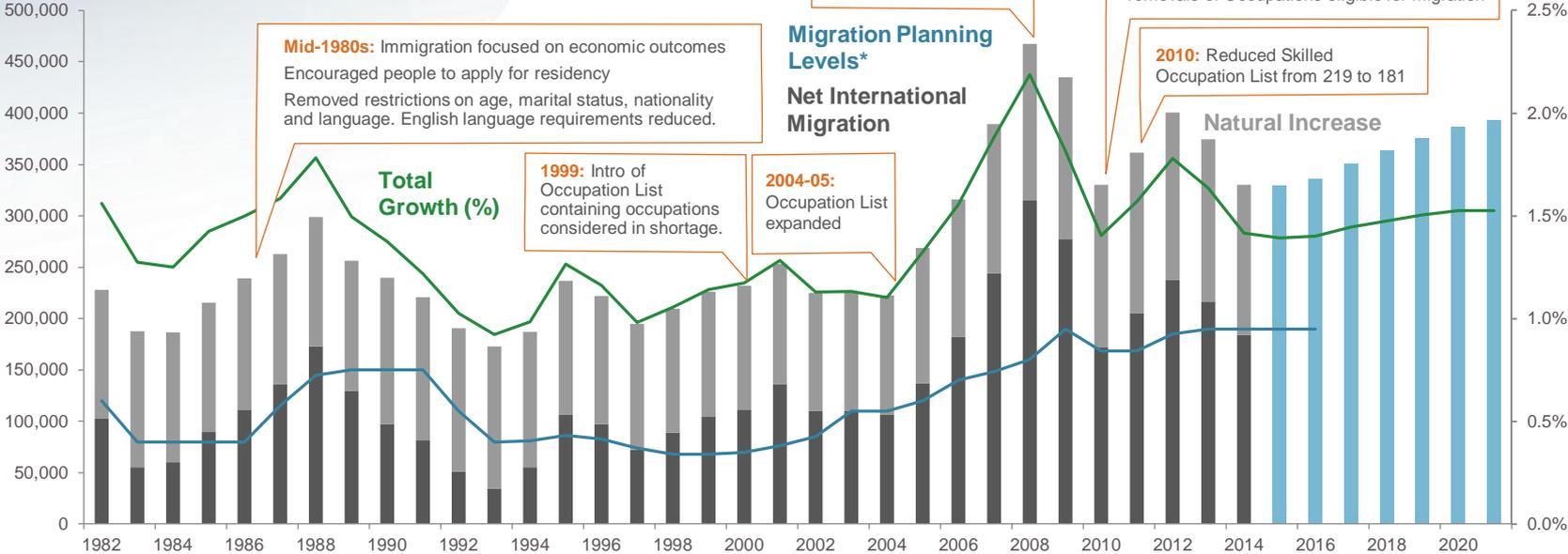


1. Quantum  
2. ABS

3. Deloitte Access Economics Business Outlook June 2015  
4. Westpac – University of Melbourne Consumer Sentiment Survey

# Population growth has slowed, but remains high

## AUS Population Growth - Annual

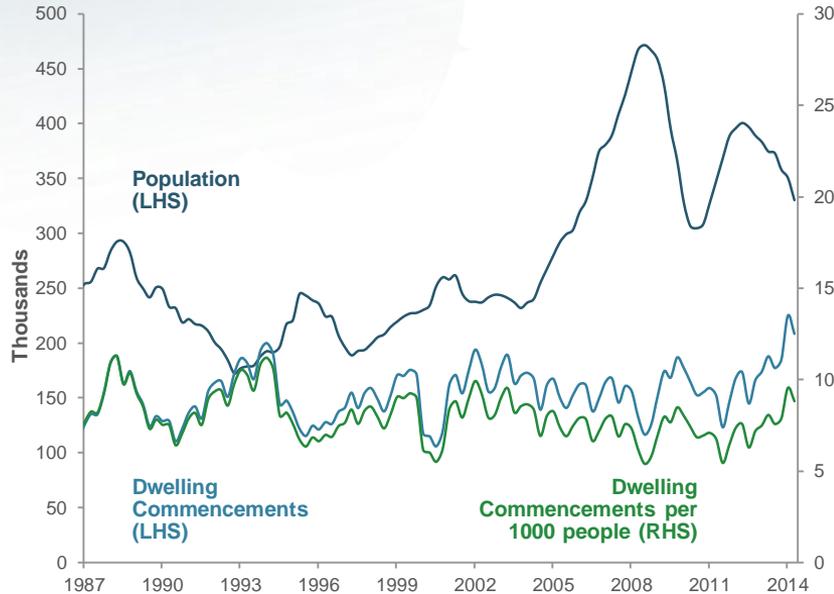


\* Migration Planning Levels are set by the Commonwealth Government according to economic and social needs. Historically, actual outcomes are on target, with deviations of less than 5% in a small number of years. This program covers Skilled Migration, Family Migration, Special Eligibility and Humanitarian Migration. It does not account for Temporary Migration i.e. Students, Workers, Temporary Residents.

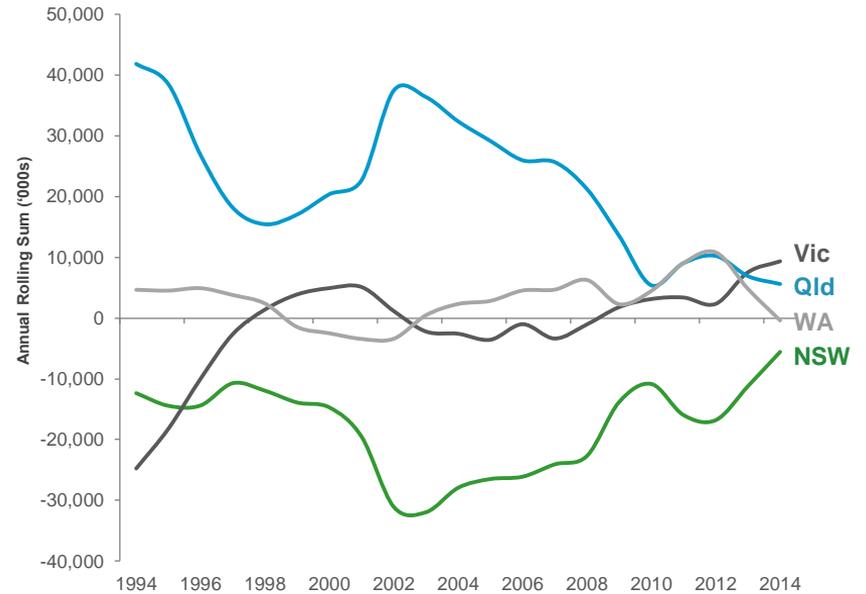
Source: ABS, Deloitte Access Economics, Department of Immigration

# Interstate migration reflected in building activity

Dwelling commencements and population growth converging since 2013<sup>1</sup>



Interstate migration reflecting current economic strength<sup>1</sup>



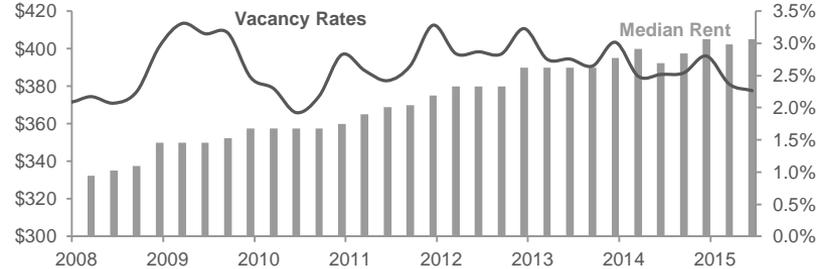
1. ABS, Stockland Research

# Residential rental vacancy rates still tight and supportive of median rents in most markets except Perth<sup>1,2</sup>

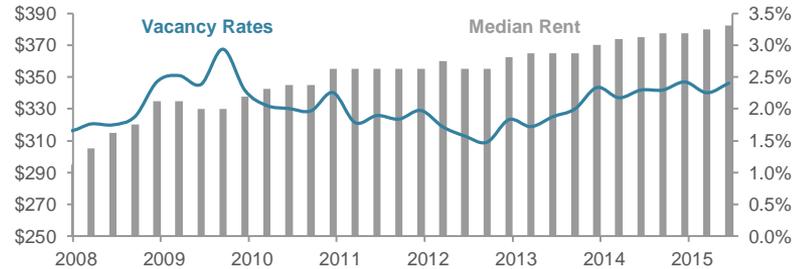
## Sydney



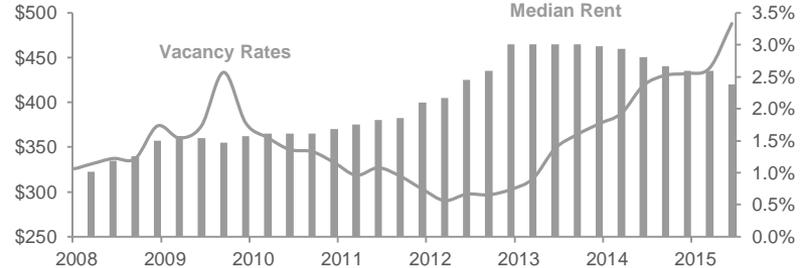
## Melbourne



## Brisbane



## Perth

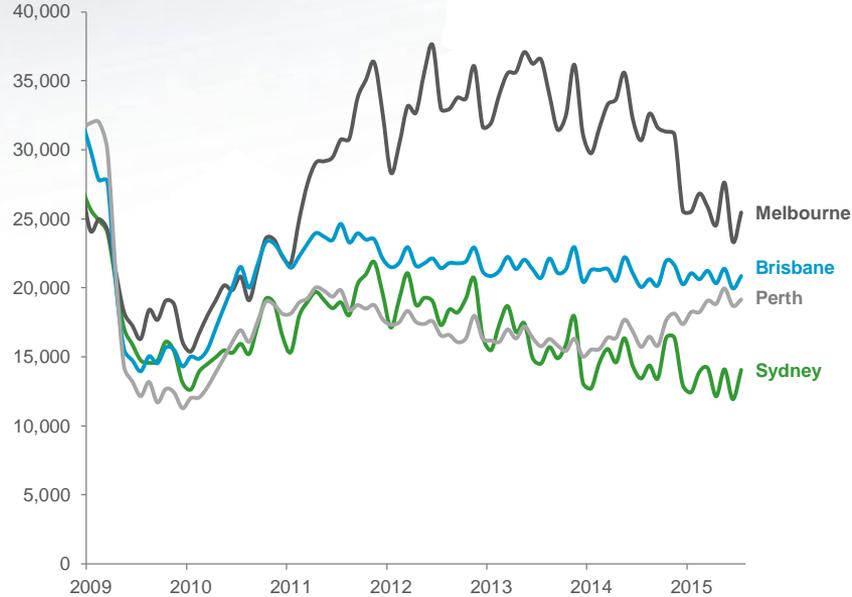


1. RP Data, June 2015

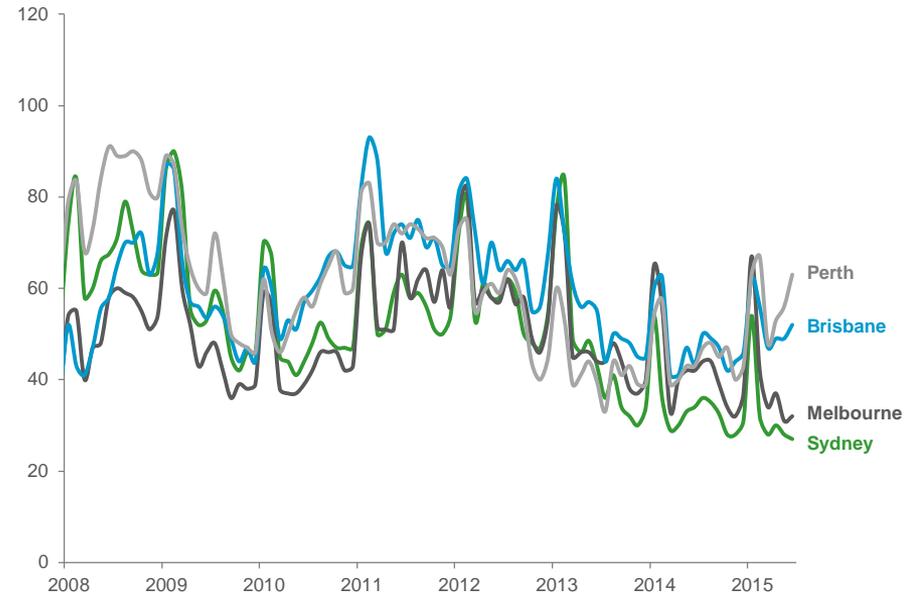
2. SQM Research, June 2015

# Stronger selling environments in Sydney and Melbourne

Established stock on market steady in Brisbane, Sydney; falling in Melbourne and rising in Perth<sup>1</sup>

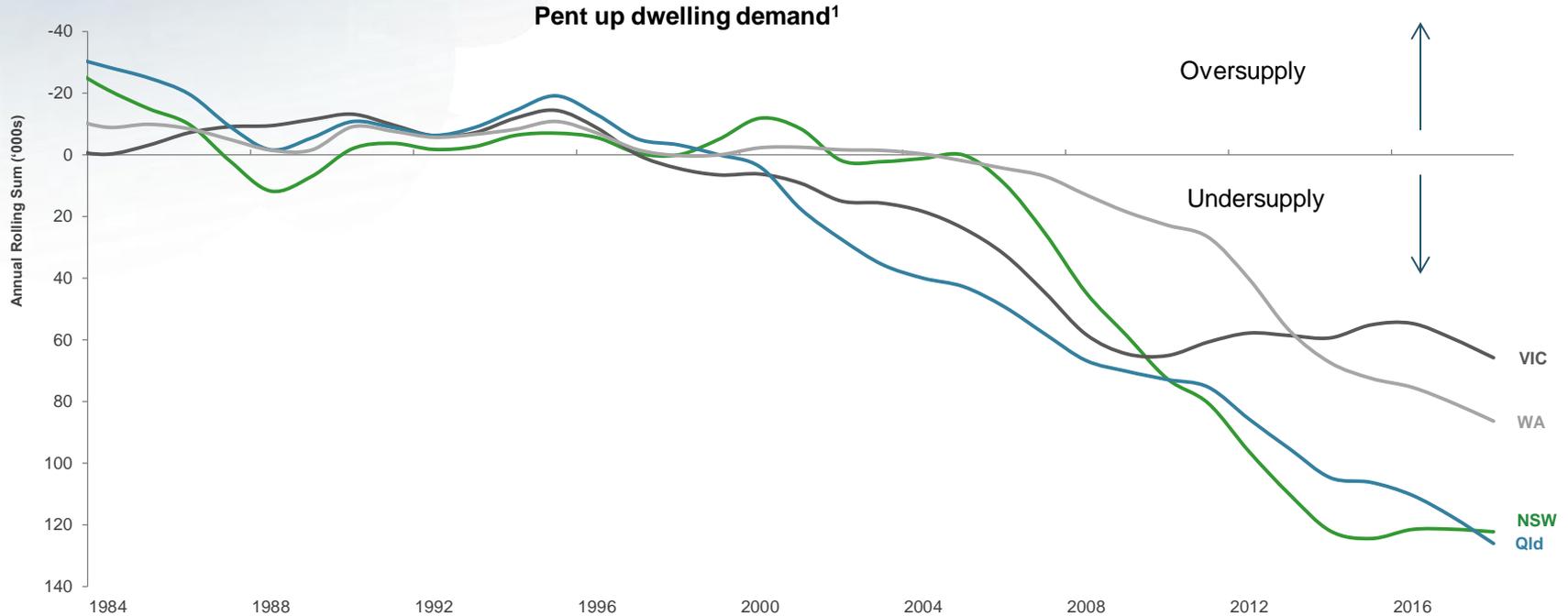


Established houses days on market rising in Brisbane and Perth<sup>2</sup>



1. SQM Research  
2. RP Data

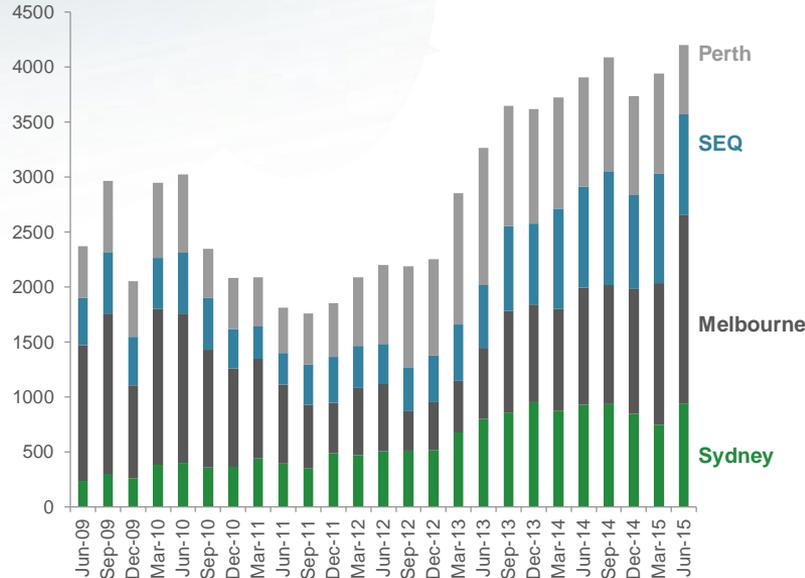
# Strong fundamentals underpinning market



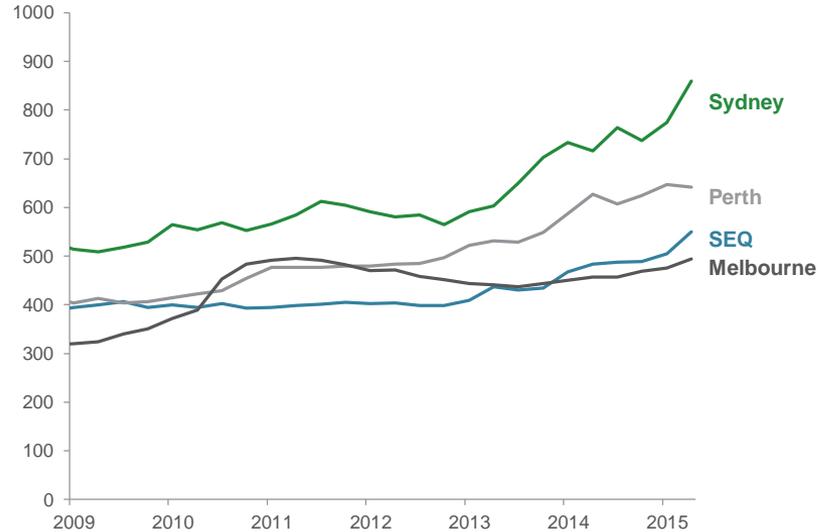
1. ANZ Economics

# Vacant land sales at 7 year high – land price growth continues

Quarterly Land Sales<sup>1</sup>



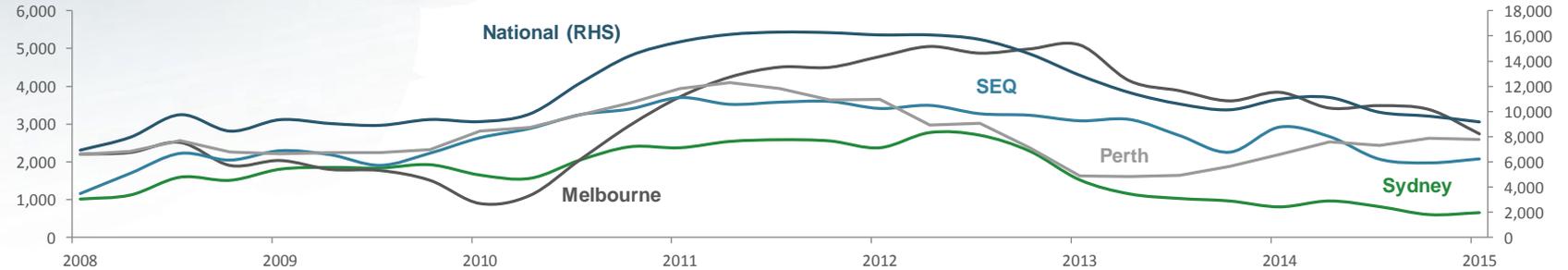
Land Price per sqm<sup>1</sup>



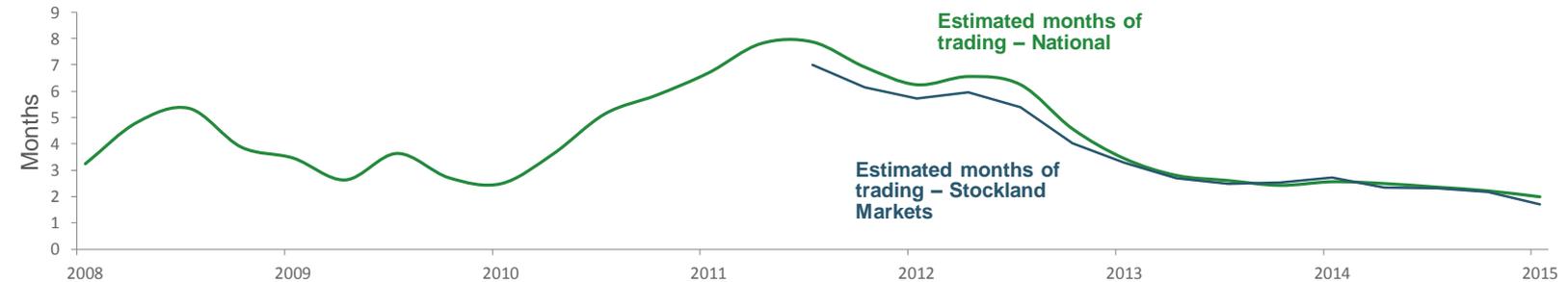
1. National Land Survey Program June Qtr 2015, Charter Keck Cramer

# Residential land stock on hand falling, 2 months of trading stock remain

## Closing stock of land lots



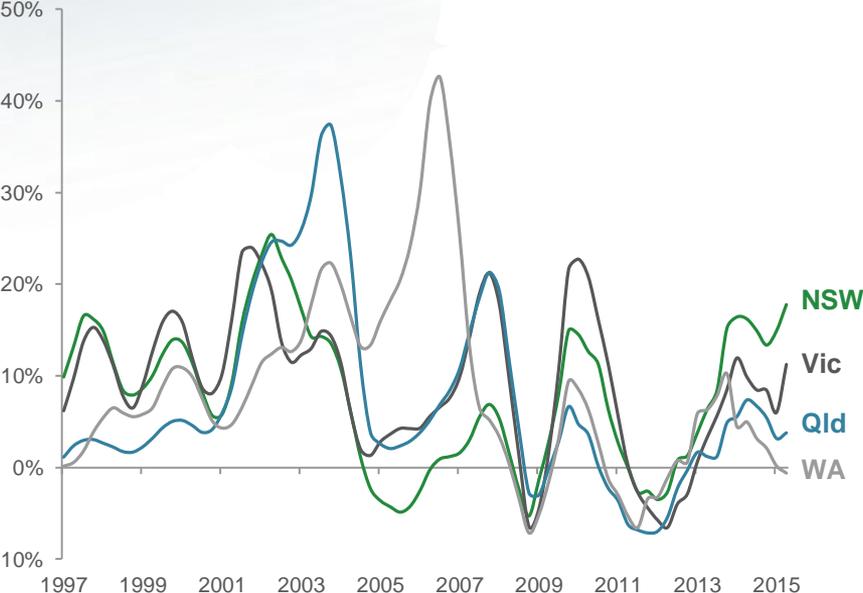
## National estimated months of trading



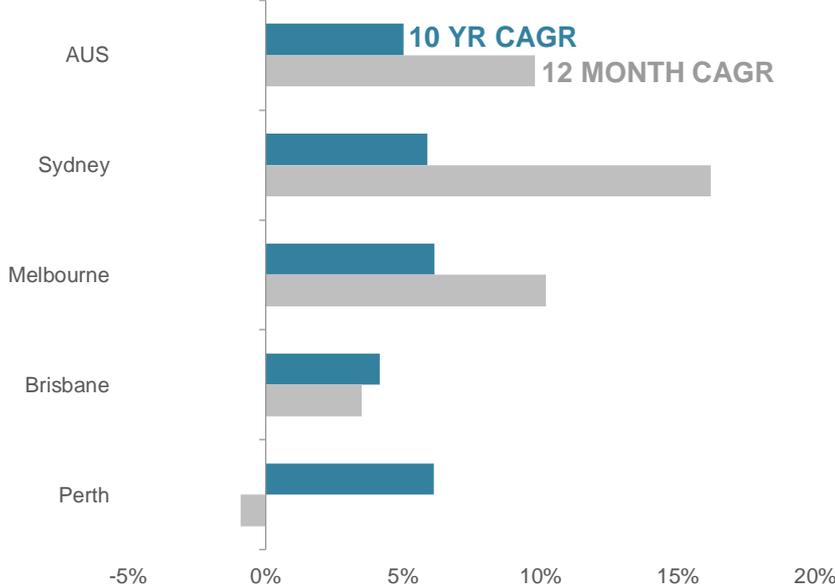
Source: National Land Survey Program June Qtr 2015, Charter Keck Cramer

# Established housing market activity strong

Capital City House Prices – Rolling Annual Change<sup>1</sup>



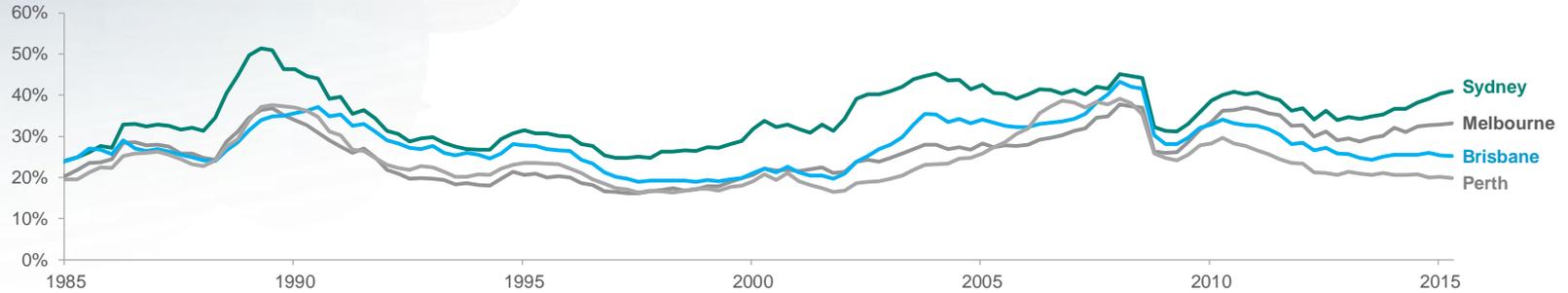
10 year CAGR shows that price growth has been manageable, even in Sydney<sup>1</sup>



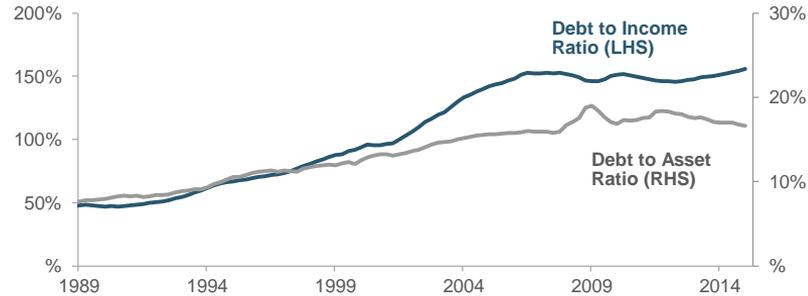
1. RP Data, June 2015

# Affordability trend

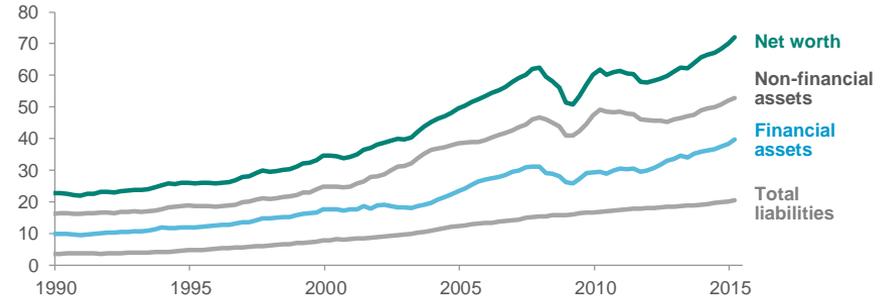
Mortgage repayments as a percentage of household income rising in Sydney and Melbourne due to recent house price growth<sup>1</sup>



Debt-to-Asset ratio falling, Debt-to-Income rising slightly<sup>2</sup>



Household net worth increasing while liabilities are stable<sup>2</sup>



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

# Group Finance – Annexure

Brooklyn Estate, Vic

Melbourne CBD  
13km

Port of Melbourne  
11km

Brooklyn Estate,  
Brooklyn

GEELONG ROAD

WEST GATE FREEWAY

MILLERS ROAD



Stockland

# Profit summary

\$m	FY15	FY14
Residential Communities EBIT (before interest in COGS)	290	244
Commercial Property EBIT	517	497
Retirement Living EBIT	54	45
Other EBIT (investments & non-core operations) <sup>1</sup>	4	34
Unallocated corporate overheads	(60)	(52)
<b>Group EBIT (before interest in COGS)</b>	<b>805</b>	<b>768</b>
Net interest expense:		
- Interest income	8	5
- Interest paid	(210)	(211)
- Interest capitalised to Inventory	122	120
- Interest capitalised to Investment Properties under development	15	12
Share of interest paid on external debt of equity accounted investment	(4)	(5)
<b>Net interest expense in P&amp;L before capitalised interest</b>	<b>(69)</b>	<b>(79)</b>
- Capitalised interest expensed in the P&L	(132)	(161)
<b>Net interest expense</b>	<b>(201)</b>	<b>(240)</b>
Tax benefit	4	27
<b>Underlying Profit</b>	<b>608</b>	<b>555</b>
Statutory Profit adjustments	293	6
Tax benefit / (expense) of adjustments	2	(34)
<b>Statutory Profit</b>	<b>903</b>	<b>527</b>

1. Includes operating EBIT from UK, the former apartments and aged care businesses, as well as income from investments.

# Net interest gap

Interest expense - \$m	FY15			FY14		
	Interest	Deferred Interest	Total	Interest	Deferred Interest	Total
<b>Interest income</b>	(8)	-	(8)	(5)	-	(5)
<b>Interest paid</b>	198	12	210	196	15	211
Share of interest paid on external debt of equity accounted investment	4	-	4	5	-	5
Less: capitalised interest						
- Commercial Property development projects	(7)	-	(7)	(4)	-	(4)
- Residential	(111)	(11)	(122)	(107)	(13)	(120)
- Retirement Living	(8)	-	(8)	(8)	-	(8)
<b>Total capitalised interest</b>	<b>(126)</b>	<b>(11)</b>	<b>(137)</b>	<b>(119)</b>	<b>(13)</b>	<b>(132)</b>
<b>Borrowing cost in P&amp;L</b>	<b>68</b>	<b>1</b>	<b>69</b>	<b>77</b>	<b>2</b>	<b>79</b>
Add: capitalised interest expensed in P&L <sup>1</sup>	132	-	132	161	-	161
<b>Total interest expense in P&amp;L</b>	<b>200</b>	<b>1</b>	<b>201</b>	<b>238</b>	<b>2</b>	<b>240</b>

## Lower capitalised interest expensed through the P&L

- Due to favourable mix of settlements from new projects with lower levels of interest
- Prior year affected by disposal of impaired projects

## Deferred interest- Residential

- Non-cash adjustments for unwinding of present value discount on land acquisitions on deferred terms:
  - Discount initially booked through balance sheet (inventory and land creditor)

1. Made up of: Residential - \$124m (June 2014: \$149m) and Retirement Living \$6m (June 2014: \$5m) and Other (UK and Apartments) \$2m (June 2014: \$7m)  
This differs to statutory reporting by \$6m (June 2014: \$5m) as Retirement Living is reported through the fair value adjustment of investment properties

# Strategic mix<sup>1</sup>

	Assets 30 June 2015	Assets 30 June 2014	Operating Profit FY15	Operating Profit FY14
<b>Recurring</b>				
Commercial Property	71%	71%	77%	84%
Retirement Living	8%	7%	7%	7%
Unallocated corporate overheads	-	-	(4%)	(3%)
<b>Total recurring</b>	<b>79%</b>	<b>78%</b>	<b>80%</b>	<b>88%</b>
<b>Trading</b>				
Residential	20%	20%	25%	16%
Retirement Living	1%	2%	-	-
Other and unallocated corporate overheads	-	-	(5%)	(4%)
<b>Total trading</b>	<b>21%</b>	<b>22%</b>	<b>20%</b>	<b>12%</b>

1. Excludes investment in Australand

# Return on Assets, Return on Equity

	FY15			FY14			Commentary
	Cash Profit (\$m)	Avg. Cash Invested (\$b)	Return (%)	Cash Profit (\$m)	Avg. Cash Invested (\$b)	Return (%)	
Retail	370	4.5	8.2%	360	4.4	8.3%	Cash profit (\$m) has increased driven by the recently completed major development projects
Logistics & Business Parks	130	1.5	8.6%	107	1.2	8.6%	ROA is unchanged however recent acquisitions have increased our weighting to L&BP
Office	78	0.9	8.6%	83	1.0	8.4%	Increase in Office returns driven by recent disposals
Residential Communities – Core	262	1.5	17.0%	175	1.4	12.2%	ROA growth underpinned by trading success at new launch projects
Retirement Living	54	1.0	5.3%	45	1.0	4.5%	Benefits from increased volume, turnover cash, operating efficiencies and portfolio management
<b>Core Business ROA (sub-total)</b>	<b>894</b>	<b>9.5</b>	<b>9.5%</b>	<b>769</b>	<b>9.0</b>	<b>8.6%</b>	
Residential Communities – Workout <sup>1</sup>	(16)	0.4	(4.1%)	(60)	0.5	(11.2%)	Continual phase out of non-core impaired projects
Other	(5)	0.2	(3.2%)	9	0.4	2.5%	Impacted by the disposal of impaired apartments projects. Prior period includes ALZ distribution income
<b>Other Assets ROA (sub-total)</b>	<b>(21)</b>	<b>0.6</b>	<b>(3.8%)</b>	<b>(51)</b>	<b>0.9</b>	<b>(5.7%)</b>	
Unallocated Overheads & Other Income	(60)	-	-	(44)	-	-	FY15 includes restructuring costs
<b>Group ROA</b>	<b>812</b>	<b>10.0</b>	<b>8.1%</b>	<b>674</b>	<b>9.9</b>	<b>6.8%</b>	
Net interest/net debt	(193)	(3.0)	6.4%	(194)	(3.0)	6.5%	
<b>Group ROE</b>	<b>619</b>	<b>7.0</b>	<b>8.8%</b>	<b>480</b>	<b>6.9</b>	<b>7.0%</b>	
<b>Group ROE (excl workout and other)</b>	<b>641</b>	<b>6.4</b>	<b>9.9%</b>	<b>531</b>	<b>6.0</b>	<b>8.8%</b>	

1. 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	FY15	FY14
<b>Cash return</b>	<b>619</b>	<b>480</b>
Capitalised interest expensed in COGS	(132)	(161)
Capitalised interest for the year <sup>1</sup>	126	119
Add-back impairment release in COGS	55	146
CP straight-line rent and other	(11)	(11)
<b>Funds From Operations (FFO)</b>	<b>657</b>	<b>573</b>
Add-back CP AIFRS adjustments	(53)	(45)
Tax	4	27
<b>Underlying Profit</b>	<b>608</b>	<b>555</b>

1. Excludes deferred interest

## Reconciliation of capital employed in ROE calculation to statutory net assets

\$b	Average for FY15	Average for FY14
<b>Group capital employed (Net Assets)</b>	<b>7.0</b>	<b>6.9</b>
Commercial Property revaluations	1.7	1.5
Residential Communities capitalised interest	0.5	0.5
Residential Communities and Apartments impairment	(0.4)	(0.5)
Retirement Living DMF revaluations	0.1	0.2
Distribution provision and non-cash working capital	(0.4)	(0.4)
<b>Statutory net assets (average for the period)</b>	<b>8.5</b>	<b>8.2</b>

# Stockland Return on Equity methodology

	<b>Numerator (Cash Return)</b>	<b>Denominator (Average Cash Invested)</b>
Residential (incl. Apartments)	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 – UK, Apartments, ALZ and working capital	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
- Increase in Residential overheads attributable to growth in volumes and prices (includes sales and marketing costs)
- Unallocated corporate increase reflects investment in growth businesses and full year impact of investment in compliance and process improvement
- Restructuring cost of \$6m (before tax) relating to a current outsourcing project, providing more scalable and cost-effective functional support to Stockland's growth

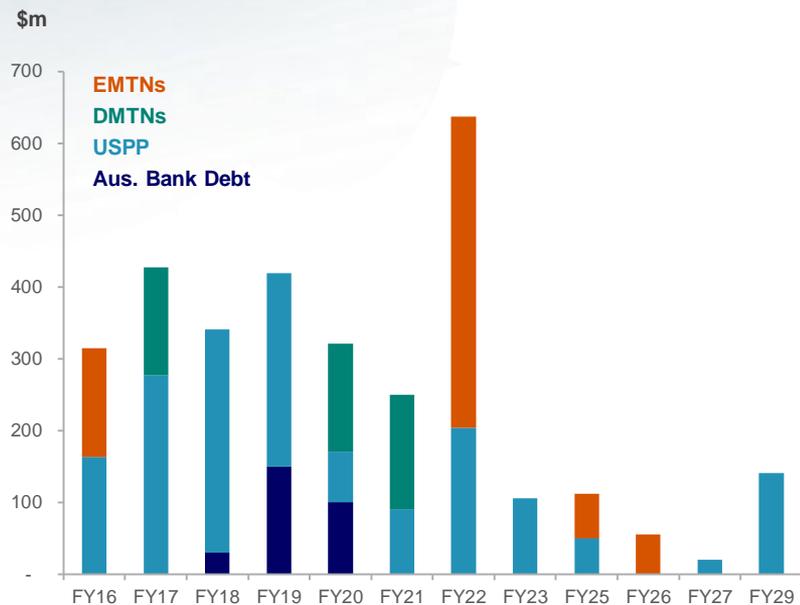
\$m	FY15	FY14
Commercial Property <sup>1</sup>	18	20
Residential	136	123
Retirement Living <sup>2</sup>	33	30
UK	1	2
Unallocated corporate overheads	54	52
<b>Sales, general and administration costs</b>	<b>242</b>	<b>227</b>
Restructuring costs	6	-
<b>Total sales, general and administration costs</b>	<b>248</b>	<b>227</b>

1. Net of recoveries and costs capitalised to development projects.

2. Excludes Aged Care (FY15: \$1m, FY14: \$22m)

# Long dated, diverse debt

## Long-dated drawn debt maturity profile (WADM 4.6 years)<sup>1,2</sup>

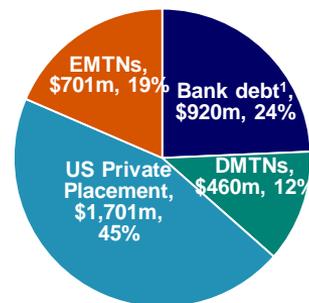


1. Excludes bank guarantees of \$0.2b and cash on deposit of \$0.2b

2. WADM increased to 5.3 years upon settlement of \$A359.4m (10-15 year) US private placement debt on 13 August 2015

3. Face value as at 30 June 2015

## Diverse debt sources – Committed Facilities

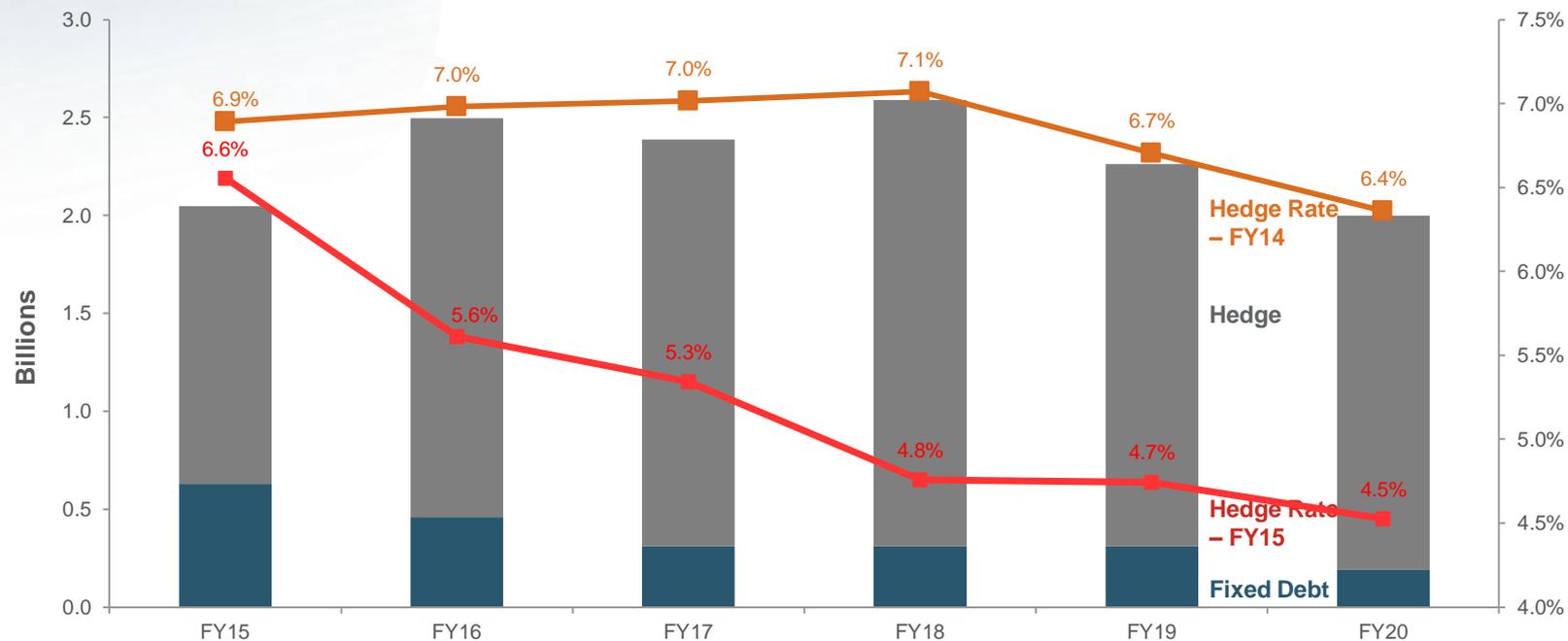


## Cost of debt for FY15

	Debt (\$m) <sup>3</sup>	Total Debt (%)	Interest Rate (%)
Hedged debt	2,255	72%	6.0%
Floating debt	887	28%	2.5%
<b>Total debt</b>	<b>3,142</b>		<b>5.0%</b>
Margin			1.0%
Fees			0.2%
<b>All-in cost of funds for FY15</b>			<b>6.2%</b>

# Fixed debt / hedge profile

Historical high fixed hedge rates<sup>1</sup> reduced in future years to positively impact the Group's WACD



1. Excludes fees and margins

# Debt summary

Facility	Facility limit (\$m) <sup>1</sup>	Amount drawn (\$m) <sup>1,2</sup>
Bank Debt	920	280
Commercial Paper	-	-
Domestic Medium Term Notes	460	460
USPP	1,701	1,701
European Medium Term Notes	701	701
<b>Total Debt</b>	<b>3,782</b>	<b>3,142</b>

Facility	Facility limit (\$m) <sup>1</sup>	Amount drawn (\$m)	Facility maturity
<b>Bank Debt</b>			
- 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	30	Jan 2018
- Multi option facility - Australia	150	150	Feb 2019
- Multi option facility - Australia	100	100	Nov 2019
<b>Total Bank Debt</b>	<b>920</b>	<b>280</b>	

1. Facility limit excludes bank guarantees of \$0.3b of which \$0.2b was utilised as at 30 June 2015

2. Amount excludes borrowing costs and fair value adjustments, but includes transaction costs

## Debt Capital Markets

- A\$103m USPP was repaid in FY15
- A\$264m DMTN was repaid in FY15
- 7 year €300m Green Bond (A\$433m) issued in November 2014 under the existing EMTN program
- A\$359m USPP (10 – 15 year terms) was transacted in June 2015 and settled in August 2015.

## Bank Debt

- \$350m bank facility was cancelled, reductions to other facilities totalling \$100m were executed and a number of facilities were extended for a further 12 months
- Sufficient liquidity to manage refinance and investment requirements

## Debt summary (continued)

Facility	Issued debt (\$m) <sup>1</sup>	Facility maturity
<b>Domestic Medium Term Note Facility (MTN)</b>		
- MTN	150	Jul 2016
- MTN	150	Sep 2019
- MTN	160	Nov 2020
<b>Total Domestic</b>	<b>460</b>	
<b>Offshore Medium Term Note Facility (MTN)</b>		
- European MTN	433	Nov 2021
- Asia MTN	62	May 2025
- Asia MTN	55	Oct 2025
- Asia MTN	151	Aug 2015 <sup>3</sup>
<b>Total Offshore</b>	<b>701</b>	

Facility	Issued debt (\$m) <sup>1,2</sup>	Facility maturity
<b>USPP</b>		
- USPP	64	Jul 2015
- USPP	99	Oct 2015
- USPP	62	Jul 2016
- USPP	27	Oct 2016
- USPP	188	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	20	Jun 2027
- USPP	141	Feb 2029
<b>Total USPP</b>	<b>1,701</b>	

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

2. Excludes the further 10-15 year US Senior Term Notes (A\$359m) that were issued on 13 August 2015

3. In July 2015, Stockland exercised its right to redeem the debt in August 2015.

# Covenant calculations

As at 30 June 2015 \$m	Statutory Balance Sheet	Adjustments	Gearing Covenant Balance Sheet
<b>Assets</b>			
Cash	170	-	170
Real estate related assets	12,638	-	12,638
Retirement Living Gross-Up	2,198	(2,198)	-
Intangibles	98	(98)	-
Other financial assets	368	(344)	24
Other assets	257	-	257
<b>Total assets</b>	<b>15,729</b>	<b>(2,640)</b>	<b>13,089</b>
<b>Liabilities</b>			
Interest-bearing liabilities	(3,283)	149	(3,134)
Retirement Living resident obligations	(2,211)	2,198	(13)
Other financial liabilities	(317)	317	-
Other liabilities	(1,131)	-	(1,131)
<b>Total liabilities</b>	<b>(6,942)</b>	<b>2,664</b>	<b>(4,278)</b>
<b>Net assets</b>	<b>8,787</b>	<b>24</b>	<b>8,811</b>

B

A

A

B

A

## 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 <sup>1</sup>	TL/TTA	D/TTA (net of cash)
30 June 2015	4.0:1	32.7%	23.4% <sup>2</sup>
30 June 2014	3.9:1	35.2%	25.0%
30 June 2013	3.0:1	31.6%	22.7%

- Reduction in gearing to 23.4% primarily reflects disposal of our investment in Australand and successful execution of the joint venture at Townsville shopping centre in 1H15.

1. Rolling 12 month average

2. Debt = Interest bearing debt (\$3,134m) + Stockland's share of debt drawn in joint ventures (\$74m) + transaction costs (\$8m) – Cash \$170m. TTA = Total assets \$13,089m + Stockland's share of assets held by joint ventures (\$74m) – Cash (\$170m)

# Balance sheet summary

\$m	30 June 2015	30 June 2014
Cash	170	231
<b>Real estate related assets</b>		
- Commercial Property	8,942	8,363
- Residential	2,552	2,325
- Retirement Living	1,137	1,011
- Other	7	127
Retirement Living Gross-Up	2,198	1,849
Intangibles	98	125
Other financial assets	368	634
Other assets	257	235
<b>Total assets</b>	<b>15,729</b>	<b>14,900</b>
Interest-bearing liabilities	(3,283)	(3,118)
Retirement Living resident obligations <sup>1</sup>	(2,211)	(1,865)
Other financial liabilities	(317)	(534)
Other liabilities	(1,131)	(1,085)
<b>Total liabilities</b>	<b>(6,942)</b>	<b>(6,602)</b>
<b>Net assets</b>	<b>8,787</b>	<b>8,298</b>
<b>NTA per share</b>	<b>\$3.68</b>	<b>\$3.53</b>

1. This amount comprises of \$2,198 of existing resident obligations (30 June 2014: \$1,849m), being a balance sheet gross up and \$16m of former resident obligations (30 June 2014: \$16m)

# Stockland Corporation income tax reconciliation

\$m	FY15		FY14	
	Underlying Profit	Statutory Profit	Underlying Profit	Statutory Profit
<b>Net profit before tax</b>	<b>604</b>	<b>897</b>	<b>528</b>	<b>534</b>
Less: Trust profit and Intergroup eliminations	(616)	(860)	(614)	(654)
Corporation (loss)/profit before tax	<b>(12)</b>	<b>37</b>	<b>(86)</b>	<b>(120)</b>
Prima facie tax benefit/(expense) @ 30%	4	(11)	26	36
<b>Tax effect of permanent differences:</b>				
Prior period adjustment	(2)	(2)	-	-
Non-assessable / (non-deductible) items	2	(12)	1	(10)
Tax benefit relating to future deductions for RL gain on turnover payments <sup>1</sup>		31		
Non-recognition of income tax benefit <sup>2</sup>	-	-	-	(33)
<b>Tax benefit / (expense)</b>	<b>4</b>	<b>6</b>	<b>27</b>	<b>(7)</b>
<b>Effective tax rate ( A / B )</b>	<b>30%</b>	<b>N/A</b>	<b>31%</b>	<b>N/A</b>

1. A \$31m tax benefit has been recognised following a change in the ATO's position which allows a tax deduction in respect of Retirement Living Gain on Turnover (GOT) liabilities assumed on acquisition of the ARC and Aevum RL villages.

2. An assessment of the recoverability of the Deferred Tax Asset (DTA) on carry forward tax losses has been made to determine if the carrying value should be reduced, based on the latest available profit forecasts. The assessment for the period has determined that no write down to the carrying value was required. At each reporting period, the recovery of the DTA will be reassessed. Depending on this outcome this may lead to the partial or full recognition of the unrecognised tax benefit in future reporting periods.

# Commercial Property – Annexure

Wetherill Park, NSW



Stockland

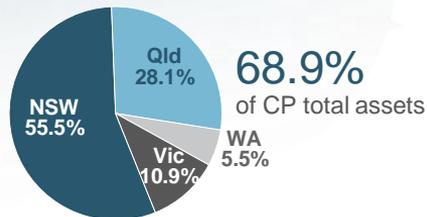
# Portfolio weightings and valuation movements

**Commercial Property assets: \$8.8b<sup>1</sup>**

**Retail: \$6.1b**

42 properties

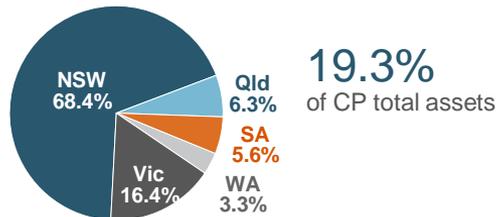
1,012,532 sqm gross lettable area<sup>2</sup>



**Logistics and Business Parks: \$1.7b**

24 properties

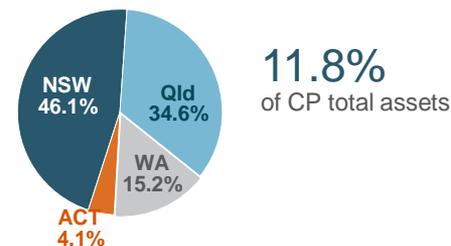
1,242,529 sqm gross lettable area<sup>2,3</sup>



**Office: \$1.0b**

10 properties

213,360 sqm net lettable area<sup>2</sup>



	WACR Jun15	WACR Jun14	Book Value Under Ownership (\$m)	FY15 Revaluation Movement (\$m)	Gross Book Value <sup>7</sup> (\$m)
Retail <sup>4</sup>	6.5%	6.8%	6,090	241	6,609
Logistics and Business Parks	8.0%	8.3%	1,699	25	1,895
Office	7.4%	7.7%	1,041	43	1,643
Capital works and sundry properties <sup>5</sup>	-	-	195	(7)	217
<b>Total</b>	<b>6.9%</b>	<b>7.2%</b>	<b>9,025<sup>6</sup></b>	<b>302<sup>6</sup></b>	<b>10,364</b>

1. This is consistent with the Property Portfolio, which includes assets held for sale but excludes capital works in progress and sundry properties and 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. Includes Eagle Street Pier (Qld)

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

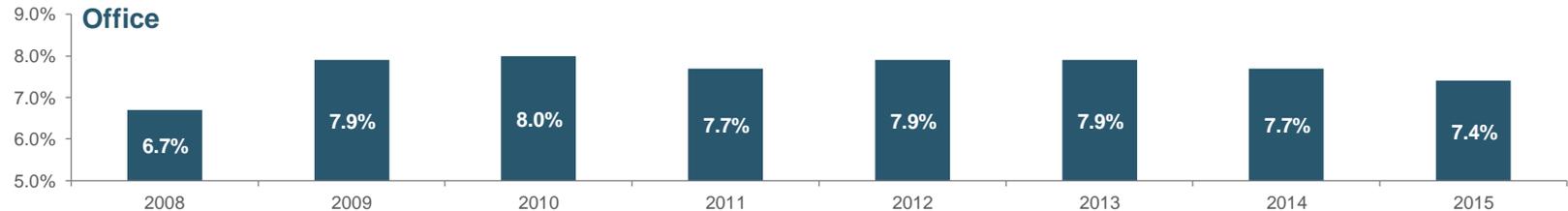
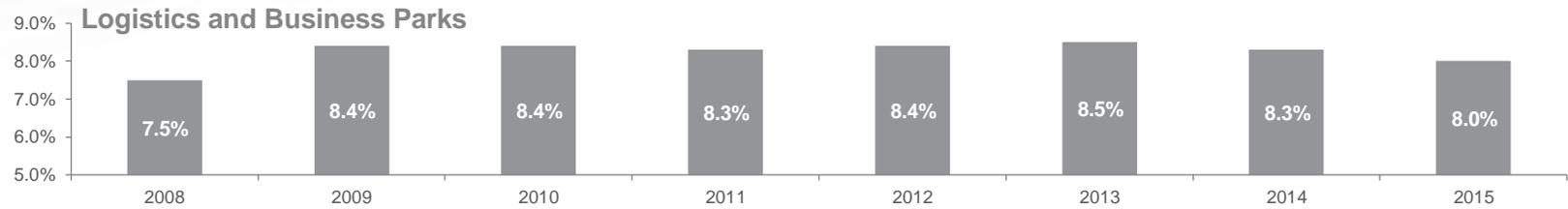
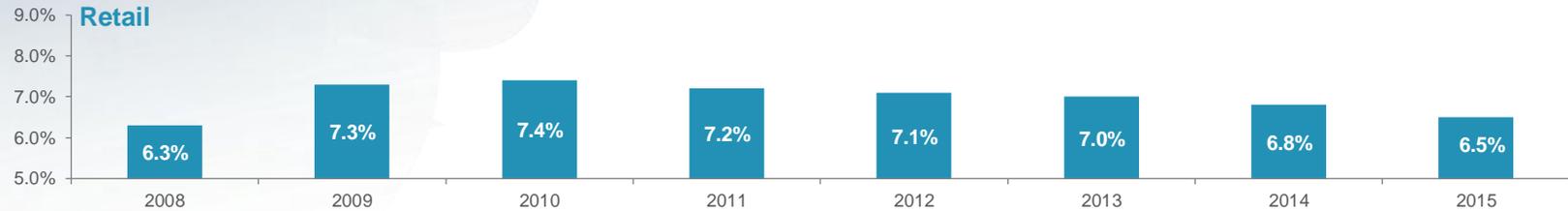
	Retail		Logistics and Business Parks		Office		Other <sup>1</sup>		Total	
\$m	FY15	FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15	FY14
Operating EBIT	351	347	120	100	64	70	(18)	(20)	517	497
<b>Adjust for:</b>										
Amortisation of fit out incentives	31	26	5	3	9	8	-	-	45	37
Amortisation of rent-free incentives	-	-	9	7	7	8	-	-	16	15
Straight-line rent	(3)	(4)	(3)	(2)	(2)	(1)	-	-	(8)	(7)
<b>Funds from Operations</b>	<b>379</b>	<b>369</b>	<b>131</b>	<b>108</b>	<b>78</b>	<b>85</b>	<b>(18)</b>	<b>(20)</b>	<b>570</b>	<b>542</b>

	FY15	FY14
Operations	19	18
Projects <sup>2</sup>	12	8
<b>Total</b>	<b>31</b>	<b>26</b>

1. Primarily unallocated divisional overheads, net of fees

2. Includes completed stages of active projects

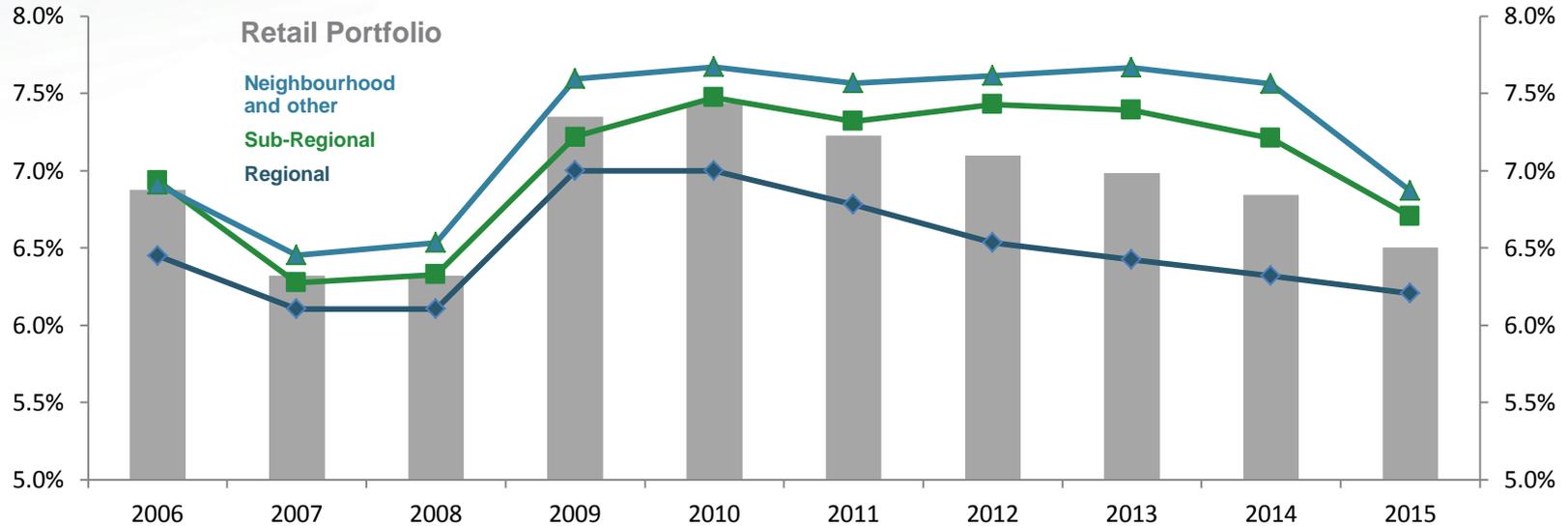
# Stockland portfolio: Trend in cap rates over time



# Stockland Retail portfolio capitalisation rates

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

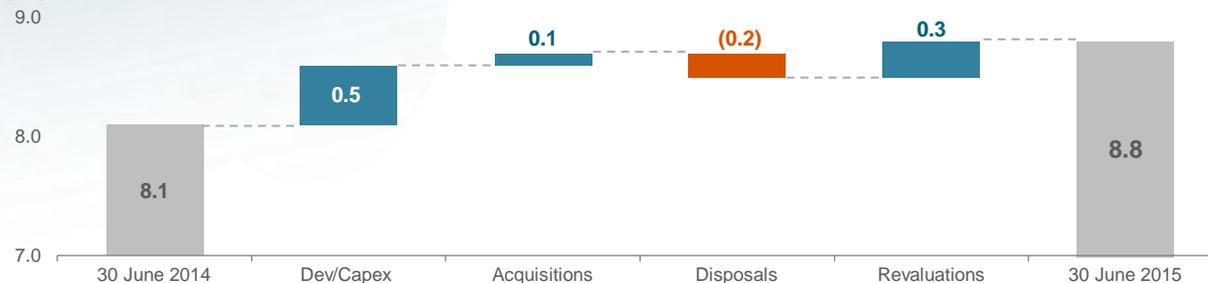
As at 30 June 2015	% allocation
Regional	46%
Sub-Regional	44%
Neighbourhood and Other	10%



# Commercial Property revaluation and book value update

Commercial Property book values: \$8.8b<sup>1</sup>

(\$b)



- 26% of all investment property assets were independently valued at 30 June 2015, resulting in 5.2% uplift of those assets revalued
- Retail, L&BP and Office recorded positive movements overall, driven by cap rate compression and income growth, offset by building capex improvement

Net revaluation breakdown (\$m)	Retail	Logistics and Business Parks	Office	Total
Income / Capex	17	(6)	8	19
Change in cap rates	199	34	32	265
Development	18	-	-	18
Other	-	(3)	3	-
<b>Total net revaluations</b>	<b>234</b>	<b>25</b>	<b>43</b>	<b>302<sup>2</sup></b>

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 FY14 and FY15 (\$m)



## Leasing activity

	No. of Deals	Area (sqm)	Rental growth	Incentives	
Lease renewals	296	37,078	3.1%	-	-
New leases	182	20,310	3.2%	7.7 mths	10.6% <sup>1</sup>
<b>Total portfolio</b>	<b>478</b>	<b>57,388</b>	<b>3.2%</b>		

91% on fixed 4-5% per annum

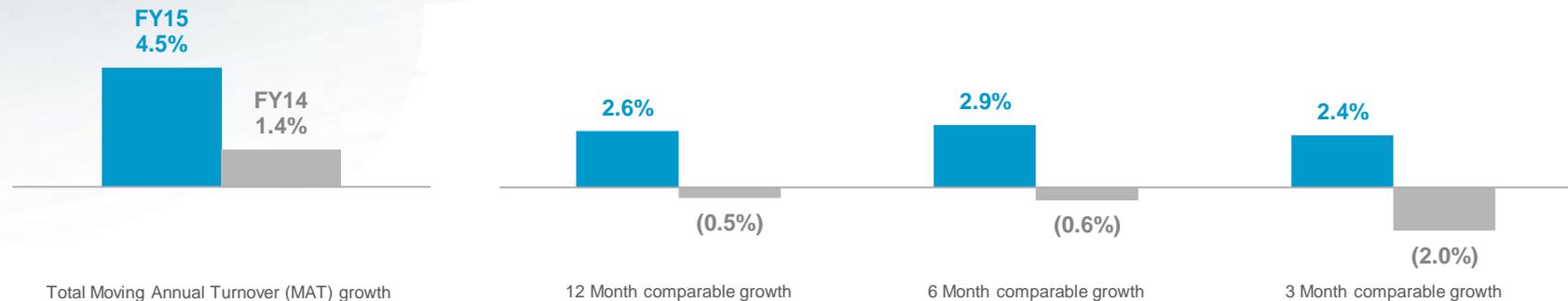
1. Incentive capital as a percentage of total rent over the primary lease term only
2. Stable portfolio. FY14 basket different to FY15 basket
3. Adjusted for operational centre remixes and reconfiguration and retailers subject to administration
4. Assumes all leases terminate at earlier of expiry / option date
5. If all call options are exercised on Majors' leases

## Key metrics

	FY15	FY14
Occupancy	99.5%	99.6%
Specialty occupancy costs <sup>2</sup>	14.3%	14.0%
Regional	16.0%	15.1%
Large sub-regional	14.0%	13.7%
Small sub-regional	13.6%	14.3%
Neighbourhood centres	12.8%	12.5%
Specialty store leases:		
- Fixed annual increases	93%	93%
- CPI+	7%	7%
Tenant retention <sup>3</sup>	64%	71%
Weighted average lease expiry <sup>4</sup>	6.6 years	6.2 years
Options WALE <sup>5</sup>	11.1 years	10.6 years

Of the available vacant shops, 67% were casually leased and generating income at 30 June 2015

# Stockland retail sales growth: Comparable centres



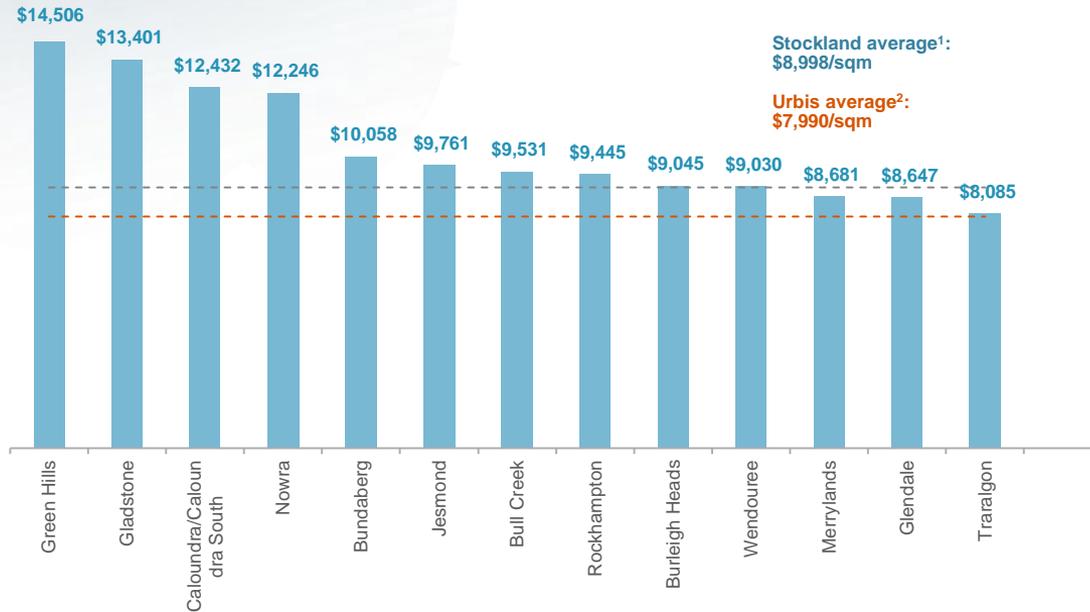
	Total MAT (\$m)	SGP Total MAT Growth	12 month Comparable growth	6 month Comparable growth <sup>2</sup>	3 month Comparable growth <sup>2</sup>
Supermarkets	2,564	3.1%	1.8%	1.5%	0.6%
Department <sup>1</sup> / DDS	922	2.2%	(0.2%)	0.2%	(1.3%)
Specialties	1,906	7.0%	4.6%	4.9%	4.8%
Mini Majors/ Cinemas/Other	1,090	5.5%	3.8%	5.1%	6.1%
<b>Total</b>	<b>6,482</b>	<b>4.5%</b>	<b>2.6%</b>	<b>2.9%</b>	<b>2.4%</b>

1. Includes Myer at Stockland Townsville (Qld) and Myer at Shellharbour (NSW)

2. Includes Shellharbour (NSW)

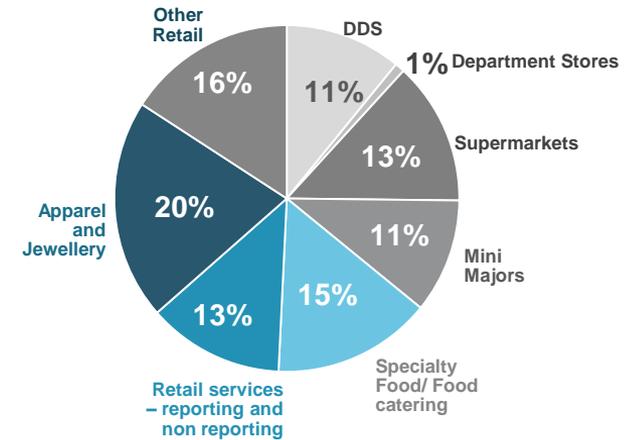
# Retail: Productive centres and diverse income base

## Specialty MAT/sqm, centres with future development potential



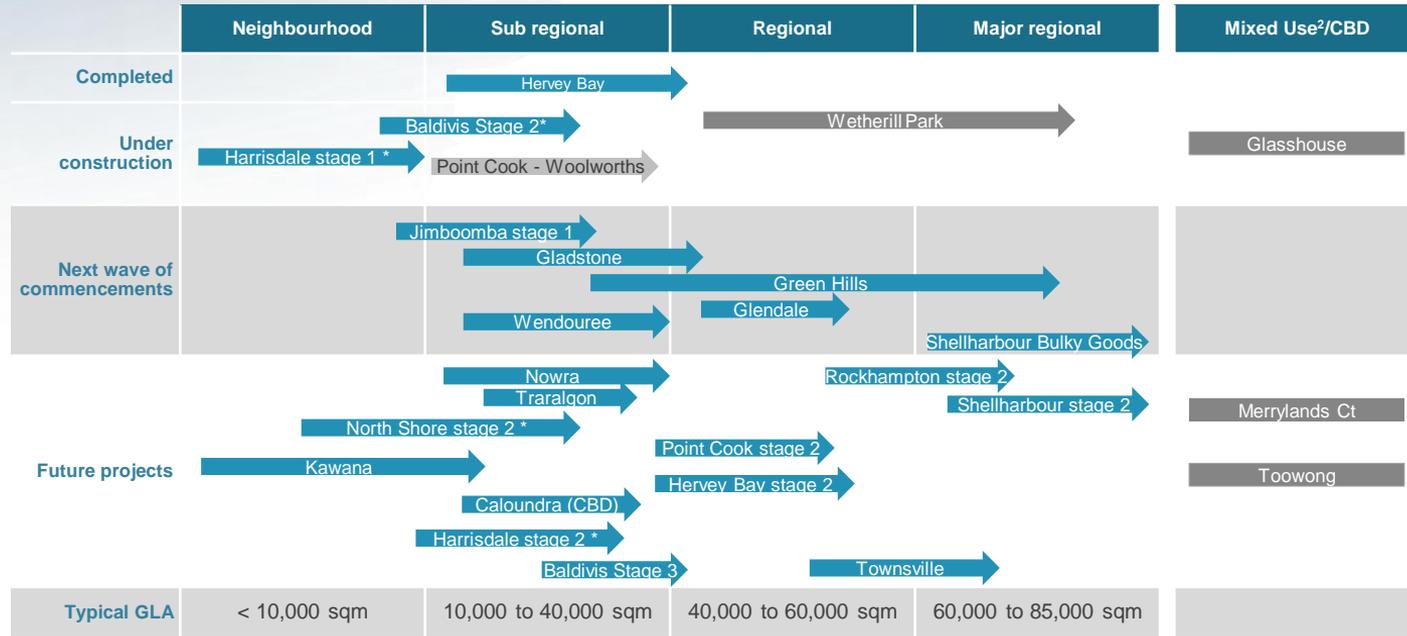
## Strong diversity in rental income

Gross rent: Total portfolio



1. MLA methodology  
 2. Urbis Sub-regional Shopping centre Benchmarks June 2014

# Retail: Significant development pipeline driving growth and returns



### Target returns

11% -14% incremental IRR<sup>1</sup>  
7% -8% incremental yield (FFO & stabilised)

### DA approvals received

Gladstone  
Green Hills  
Jimboomba (stage one)  
North Shore (stage two)  
Caloundra (CBD)  
Wendouree  
Townsville (stage two)  
Hervey Bay (stage two)  
Rockhampton Cafes  
Glendale  
Nowra

### DA approvals submitted

Shellharbour Restaurants  
Shellharbour Bulky Goods

### Development rationale



\*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

	Est. total incremental cost (\$m)	Cost Spent to Date (\$m)	Est. Cost to Complete (\$m)	Completion		Est. fully leased year one yield <sup>1</sup>	Total income leased	Specialty income leased <sup>2</sup>	Est. Incremental Return <sup>3</sup> (%)	Est. total return <sup>4</sup> (%)
				Date	Value (\$m)					
<b>Completed</b>										
Hervey Bay (Qld)	125			FY15	195 <sup>5</sup>	7.4%	93%	91%	13.2	10.7
	<b>125</b>									
<b>Under construction</b>										
Baldivis (WA)	116	113	3	FY15	180 - 190	8.0%	98%	96%	~13.0	~13.0
Wetherill Park (NSW)	222	165	57	FY16	655 - 685	7.3%	93%	92%	~14.0	~11.5
Glasshouse (NSW) (50%)	12	5	7	FY16	55 - 65	8.5%	100%	100%	~18.0	~10.8
Point Cook (Vic)	24	17	7	FY16	200 - 210	5.6%	97%	89%	~12.0	~10.8
Harrisdale (WA)	51	11	40	FY16	52 - 55	7.8%	57%	29%	~11.2	~11.2
	<b>425</b>	<b>311</b>	<b>114</b>							
<b>Pipeline</b>										
	~1,100		~1,100			Range 7% - 8%			Range 11% - 14%	
<b>TOTAL</b>	<b>1,650</b>		<b>1,214</b>							

1. FFO stabilised incremental yield

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

3. Unlevered 10 year IRR on incremental development from completion

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

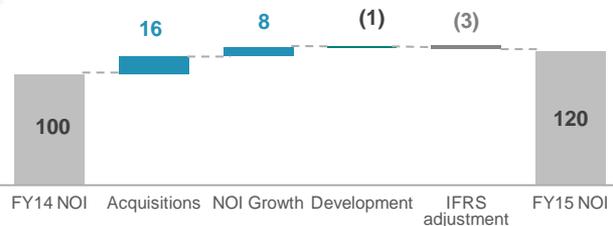
5. Independent valuation as at 30 June 2015

# Logistics & Business Parks performance

## Occupancy and lease expiry – by income

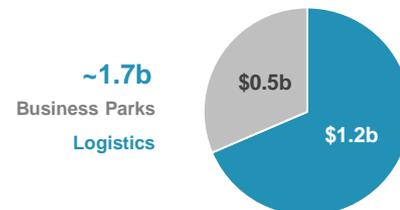
	FY15	FY14
Occupancy	94.3%	96.4%
WALE	4.7 yrs	4.9 yrs

## Logistics & Business Parks NOI movements between FY14 and FY15 (\$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)	FY15 area leased (sqm)	Leased to	Asset WALE (years)	Comments
Yennora Distribution Centre	NSW	296,402	9,130	Toll Holdings Limited	4.9	Tenant Renewal
			4,345	Sussan Corporation		Tenant Renewal
Port Adelaide Distribution Centre	SA	167,727	11,563	Impact Fertiliser	1.7	Tenant Renewal
			9,288	Louis Dreyfus Group		New Tenant
			7,220	Wengfu Australia		New Tenant
Brooklyn Estate	Vic	130,004	6,450	Fair Price Gallery	2.0	New Tenant
Hendra Distribution Centre	Qld	83,380	7,902	Queensland Rail	3.6	New Tenant
			2,849	Agility Logistics		New Tenant
20-50 Fillo Drive	Vic	71,326	31,185	Toll Transport	1.6	Tenant Renewal
Toll Business Park	Vic	52,448	17,577	Deliver.com.au	3.2	New Tenant
9-11A Ferndell St	NSW	47,483	3,431	Hellofresh Australia	6.0	New Tenant
Altona Distribution Centre	Vic	34,259	3,189	Knauf Plasterboard	1.9	Tenant Renewal
Trinity Business Park	Sydney Metro, NSW	28,158	10,199	Downer EDI Engineering	3.8	Tenant Renewal
Macquarie Technology Centre	Sydney Metro, NSW	15,371	9,147	Chubb Security	5.6	New Tenant

# Office performance

## Occupancy and lease expiry – by income

	FY15	FY14
Occupancy	95.4%	90.3%
WALE	4.5 yrs	4.5 yrs

## Office NOI movements between FY14 and FY15 (\$m)<sup>1</sup>



## Portfolio concentrated in large quality assets

Office assets by book value

~\$1.0b

Premium, A grade

B-Grade



## Key Office leasing deals

Property	Location	Building area (sqm)	FY15 area leased (sqm)	Leased to	Asset WALE (years)	Comments
Waterfront Place	Brisbane, Qld	59,422	5,376 1,866 1,792	Origin Energy Services CBP Lawyers St George	4.9	Tenant Renewal New Tenant New Tenant
Piccadilly Tower	Sydney CBD, NSW	29,645	1,934 1,234	University of Sydney Clarence Professional Offices	6.5	Tenant Renewal New Tenant
135 King St	Sydney CBD, NSW	27,252	3,626 1,215	UXC Limited Little Company of Mary	5.3	New Tenant New Tenant
Durack Centre	Perth, WA	25,184	9,280	Jacobs	4.8	Tenant Renewal
Garden Square	Brisbane, Qld	12,601	917	Vocation	2.0	New Tenant
601 Pacific Highway	Sydney Metro, NSW	12,589	1,818	Fleet Partners	3.8	New Tenant
77 Pacific Highway	Sydney Metro, NSW	9,391	633	Bouygues Construction	3.6	New Tenant

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

Logistics & Business Parks	Total leased <sup>1</sup>		
	GLA leased (sqm) <sup>2</sup>	Weighted average base rent growth %	Weighted average incentives
Sydney West	18,406	(4.2%)	11.4%
Sydney Metro	22,443	1.7%	30.1%
Qld	13,103	(11.0%)	8.8%
SA	28,071	(5.2%)	11.8%
Vic	60,553	3.3%	13.4%
	<b>142,576</b>	<b>(0.9%)</b>	<b>15.0%</b>

Retention <sup>1</sup>		
Retention (sqm) <sup>2</sup>	Weighted average base rent growth %	Weighted average incentives
13,475	(7.7%)	12.6%
10,561	(0.6%)	28.8%
-	-	-
11,563	(3.5%)	13.5%
36,526	1.3%	7.6%
<b>72,125</b>	<b>(1.4%)</b>	<b>12.6%</b>

**57% retention<sup>3</sup>**

New Leases <sup>1</sup>		
New leases (sqm) <sup>2</sup>	Weighted average base rent growth %	Weighted average incentives
4,931	5.4%	8.3%
11,882	3.8%	31.2%
13,103	(11.0%)	8.8%
16,508	(6.5%)	10.6%
24,027	6.3%	22.2%
<b>70,451</b>	<b>(0.4%)</b>	<b>17.6%</b>

Office	Total leased <sup>1</sup>		
	GLA leased (sqm) <sup>2</sup>	Weighted average base rent growth %	Weighted average incentives
Sydney CBD	11,388	1.7%	25.2%
Sydney Metro	4,705	3.6%	31.9%
Qld	14,161	(5.9%)	22.8%
WA	9,882	(5.4%)	19.9%
	<b>40,136</b>	<b>(2.5%)</b>	<b>23.9%</b>

Retention <sup>1</sup>		
Retention (sqm) <sup>2</sup>	Weighted average base rent growth %	Weighted average incentives
3,035	3.4%	20.1%
630	(7.0%)	28.7%
7,298	(10.9%)	15.2%
9,280	(5.6%)	20.2%
<b>20,243</b>	<b>(6.2%)</b>	<b>18.7%</b>

**72% retention<sup>3</sup>**

New Leases <sup>1</sup>		
New leases (sqm) <sup>2</sup>	Weighted average base rent growth %	Weighted average incentives
8,353	1.0%	27.1%
4,075	5.2%	32.4%
6,863	(0.6%)	31.0%
602	(2.5%)	15.6%
<b>19,893</b>	<b>1.2%</b>	<b>29.2%</b>

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)	FY15 Val. Incr/(decr) (\$m) <sup>1</sup>	Change	Cap rate	FY15 FFO (\$m)	FY15 NOI (\$m) <sup>2</sup>
Stockland Shellharbour	688.3			6.00%	40.1	35.7
Stockland Wetherill Park <sup>3</sup>	521.6			6.75%	24.3	23.6
Stockland Merrylands	505.6	28.7	6.0%	6.00%	28.4	23.6
Stockland Rockhampton	404.0	30.5	8.2%	6.00%	24.6	22.2
Stockland Green Hills	308.4			6.50%	20.2	19.8
Stockland Glendale	274.2			6.50%	18.7	18.3
Stockland Cairns	230.0	6.5	2.9%	6.25%	15.3	14.2
Stockland Townsville (50%)	226.5	5.9	2.7%	6.00% - 7.00%	15.9	13.6
Stockland Hervey Bay <sup>3</sup>	195.0	6.6	3.5%	6.25%	9.3	8.6
Stockland Point Cook <sup>3</sup>	185.0			7.25%	12.9	12.2
Shellharbour Baldivis <sup>3</sup>	172.4	19.9	13.0%	7.50% <sup>5</sup>	5.3	5.1
Stockland Burleigh Heads	163.2	4.0	2.5%	7.00%	11.2	10.0
Stockland Forster	158.0	8.3	5.5%	6.75%	10.6	10.2
Stockland The Pines	156.6	14.8	10.4%	7.00%	12.2	11.7
Stockland Gladstone	148.6	6.1	4.3%	7.00%	10.7	10.5
Stockland Jesmond	144.0	6.6	4.8%	7.00%	9.6	8.9
Stockland Wendouree	138.3	1.8	1.3%	7.00%	9.2	8.6
Stockland Baukham Hills	130.0	12.8	10.9%	6.75%	8.9	8.2
Stockland Balgowlah	126.1	9.7	8.3%	6.75%	8.6	7.7
Stockland Caloundra	117.0	4.5	4.0%	7.00%	8.2	8.0
Stockland Nowra	110.4	18.5	20.1%	6.75%	7.6	7.3
Stockland Bull Creek	101.0	4.7	4.9%	6.75%	6.8	6.4
Stockland Traralgon	98.8	11.4	13.0%	7.00%	7.1	6.8

Retail portfolio	Book value (\$m)	FY15 Val. Incr/(decr) (\$m) <sup>1</sup>	Change	Cap rate	FY15 FFO (\$m)	FY15 NOI (\$m) <sup>2</sup>
Stockland Cleveland	94.3	4.3	4.8%	7.00%	7.2	7.0
Stockland Bathurst	91.9	2.1	2.4%	7.25%	6.7	6.5
Stockland Corrimal	70.1	5.6	8.6%	7.25%	5.2	5.0
Stockland Walsend	67.0	6.8	11.3%	7.25%	4.7	4.5
Stockland Bundaberg (50%)	66.9	4.0	6.4%	6.75%	3.4	3.4
Stockland Riverton (50%)	64.1	3.1	5.1%	6.75%	4.7	4.6
Stockland Tooronga	53.5	2.4	4.7%	6.75%	3.9	3.3
Shellharbour Retail Park	51.7	0.1	0.2%	7.75%	4.0	3.9
Stockland Cammeray	37.3	4.1	12.3%	6.75%	2.7	2.3
Glasshouse <sup>3</sup> (50%)	35.5	2.9	8.7%	5.75%	0.6	0.4
Stockland Piccadilly (50%)	31.5	0.6	1.8%	6.75%	2.1	1.9
Stockland Highlands	30.5	4.2	16.0%	7.00%	2.0	1.8
North Shore Townsville	22.0	(0.1)	(0.3%)	7.00%	1.6	1.3
Burleigh Central	17.6	0.4	2.5%	8.25%	1.4	1.3
Jimboomba (50%)	13.9	(2.3)	(14.1%)	8.00%	1.5	1.5
Woolworths Toowong <sup>3</sup>	13.5			n/a	0.2	0.2
Vincentia	12.8	1.0	8.9%	8.00%	1.2	1.1
Merrylands Court	10.1	0.3	3.5%	7.50%	0.5	0.5
T/ville, Kingsvale & Sunvale (50%)	2.4	(0.1)	(2.2%)	n/a	0.1	0.1
<b>Subtotal Retail</b>	<b>6,089.6</b>	<b>240.7</b>			<b>379.4</b>	<b>351.8</b>
Disposals					(0.1)	(0.1)
Other <sup>4</sup>		(6.9)			(0.1)	(0.6)
<b>Total Retail</b>	<b>6,089.6</b>	<b>233.8</b>		<b>WACR 6.5%</b>	<b>379.2</b>	<b>351.1</b>

1. Movements due to independent valuations, excluding Baldivis which was based on a directors valuation.

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 FY15. NOI and FFO does not represent a full year of completion

4. Relates to sundry properties and Eagle Street Pier

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)	FY15 Val. Incr/(decr) (\$m) <sup>1</sup>	Change	Cap rate	FY15 FFO (\$m)	FY15 NOI (\$m) <sup>2</sup>	Office portfolio	Book value (\$m)	FY15 Val. Incr/(decr) (\$m) <sup>1</sup>	Change	Cap rate	FY15 FFO (\$m)	FY15 NOI (\$m) <sup>2</sup>
Yennora Distribution Centre	369.4			7.75%	24.6	22.2							
Optus Centre (51%)	203.8	10.5	5.5%	7.25%	14.4	14.7	Waterfront Place (50%)	296.0	2.7	0.9%	6.75%	21.6	17.5
Trinit Business Campus	169.7			7.75%	14.6	11.6	Piccadilly Complex <sup>3,4</sup> (50%)	180.6	13.8	8.3%	6.63% - 7.75%	12.6	10.7
Port Adelaide Distribution Centre	94.8	2.9	3.1%	9.25%	9.1	7.9	Durack Centre	157.7			8.25% - 8.75%	16.1	14.9
Hendra Distribution Centre	84.5	1.2	1.4%	8.75%	11.6	11.0	135 King Street (50%)	125.9	21.4	20.5%	6.50%	6.5	4.3
Brooklyn Estate	82.5			9.25%	7.2	5.8	601 Pacific Highway	86.5	4.8	5.9%	7.75%	5.0	3.8
60-66 Waterloo Road	80.0	2.3	3.0%	7.25% - 7.50%	6.7	5.8	77 Pacific Highway	59.0	0.1	0.2%	7.75%	4.6	3.4
Forrester Distribution Centre	77.6	(1.1)	(1.4%)	7.75%	5.9	6.2	40 Cameron Avenue	42.2			10.50%	2.4	1.9
Ingleburn Distribution Centre	77.3			n/a	5.1	5.8	Garden Square	37.9			9.25%	4.0	3.2
Balcatta Distribution Centre	56.5	(1.2)	(2.0%)	7.25%	3.2	4.3	110 Walker Street	28.0	0.4	1.3%	7.75%	2.4	1.9
9-11A Ferndell Street	46.6	1.6	3.6%	8.50% - 9.75%	4.1	3.8	80-88 Jephson Street	19.3			9.00%	2.2	1.8
16 Giffnock Avenue	37.6			8.75%	4.3	3.2	23 High Street	3.9			8.25%	0.3	0.3
Macquarie Technology Centre	42.9	5.6	15.2%	7.25% - 8.50%	2.7	2.0	27-29 High Street	3.5			8.50%	0.1	0.1
20-50 Fillo Drive and 10 Stubb Street	32.4			8.75%	2.5	2.1	<b>Subtotal Office</b>	<b>1,040.5</b>	<b>43.2</b>			<b>77.8</b>	<b>63.8</b>
1090-1124 Centre Road , Oakleigh	31.9			9.25%	2.8	2.3	Disposals / Other					(0.1)	(0.1)
Cherry Lane	30.9			n/a	0.9	1.0	<b>Total Office</b>	<b>1,040.5</b>	<b>43.2</b>		<b>WACR 7.4%</b>	<b>77.7</b>	<b>63.7</b>
Altona Distribution Centre	29.1	1.4	5.2%	8.75%	2.9	2.7							
Baker St, Botany	21.6			n/a	0.4	0.4							
2 Davis Road	18.7	1.0	5.4%	8.00%	1.2	1.1							
Coopers Paddock, Warwick Farm	18.7			n/a	-	-							
56-60 Toll Drive	17.0			8.25%	0.2	-							
11-25 Toll Drive	16.1			8.25%	1.7	1.5							
32-54 Toll Drive	15.1			8.25%	1.4	1.2							
76-82 Fillo Drive	14.4			9.00%	1.4	1.3							
Export Park, 9-13 Viola Place	11.8			9.75%	1.4	1.2							
M1 Yatala Enterprise Park	10.0			n/a	-	-							
40 Scanlon Drive	8.5	0.4	4.5%	8.00%	0.8	0.8							
<b>Total Logistics &amp; Business Parks</b>	<b>1,699.4</b>	<b>24.6</b>		<b>WACR 8.0%</b>	<b>131.1</b>	<b>119.9</b>							

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

Retail Portfolio			Logistics & Business Parks Portfolio		Office Portfolio	
Rank	Tenant	% Portfolio	Tenant	% Portfolio	Tenant	% Portfolio
1	Woolworths Ltd	13.0%	Optus Administration Pty Ltd	11.0%	Jacobs Group (Australia) Pty Ltd	8.2%
2	Wesfarmers Ltd	11.6%	ACI Operations Pty Ltd	8.2%	Shell Australia Pty Ltd	6.9%
3	Prouds Jewellers Pty Ltd	1.5%	Toll Holdings Ltd	7.5%	IBM Australia Ltd	5.1%
4	Commonwealth Bank of Australia Ltd	1.5%	Qube Holdings Ltd (Qube Logistics)	4.6%	Stockland Development Pty Ltd	4.1%
5	Specialty Fashion Group Ltd	1.4%	Patrick Autocare Pty Ltd	4.1%	Hewlett Packard Pty Ltd	3.1%
6	Westpac Banking Corporation Ltd	1.3%	Downer EDI Ltd	3.7%	Minter Ellison Services Pty Ltd	2.7%
7	Priceline Pty Ltd	1.3%	AWH (Australian Wool Handlers) Pty Ltd	3.4%	Hopgood Ganim Lawyers (Stanburg Pty Ltd)	2.5%
8	Just Group Ltd	1.2%	GF Services Company Pty Ltd (Goodman Fielder)	3.0%	Australian Bureau of Statistics	2.1%
9	H&M Hennes & Mauritz Pty Ltd	1.2%	Ceva Logistics (Australia) Pty Ltd	2.5%	Origin Energy Services Ltd	2.0%
10	Terry White Chemist Ltd	1.0%	Brownes Food Operations Pty Ltd	2.4%	Brookfield Multiplex Ltd	1.8%
11	The Reject Shop Ltd	1.0%	CSR Ltd	2.2%	DLA Phillips Fox (PF Lawyers Ltd)	1.7%
12	Myer Ltd	1.0%	Kmart Australia Ltd	2.2%	King & Wood Mallesons Pty Ltd	1.5%
13	Luxottica Retail Australia Pty Ltd	0.9%	Laverty Health Ltd	1.9%	Russell Investment Group Pty Ltd	1.5%
14	Best & Less Pty Ltd	0.9%	Chubb Security Holdings Australia Pty Ltd	1.8%	UXC Ltd	1.4%
15	Aldi Foods Pty Ltd	0.9%	Unitised Building (Aust) Pty Ltd	1.7%	Bank of Western Australia Ltd	1.4%
16	ANZ Banking Group Ltd	0.8%	Austpac Pty Ltd	1.7%	GHD Services Pty Ltd	1.4%
17	National Australia Bank Ltd	0.8%	CRT Group Pty Ltd	1.6%	The Uniting Church of Australia Property Trust	1.3%
18	Cotton On Clothing Group Pty Ltd	0.8%	Citrix Systems Asia Pacific Pty Ltd	1.6%	The University of Sydney	1.3%
19	BB Retail Capital Pty Ltd	0.7%	Jansen Cilag Pty Ltd	1.5%	BHP Billiton Ltd	1.2%
20	Sussan Corporation (Aust) Pty Ltd	0.7%	Smeg Australia Pty Ltd	1.2%	Smartsalary Pty Ltd	1.1%
		<b>43.5%</b>		<b>67.8%</b>		<b>52.3%</b>

# Commercial Property asset acquisitions & disposals

Property Acquired	Asset Class	Type	Acquisition Date	Acquisition Value <sup>1</sup> (\$m)
Stockland Bundaberg, Qld (50%) <sup>2</sup>	Retail	Joint Venture	Oct 2014	59.3
Cherry Lane, Vic	L&BP	Income Producing	Feb 2015	29.0
Baker St, NSW	L&BP	Income Producing	Mar 2015	20.3
Warwick Farm, NSW	L&BP	Greenfield	Apr 2015	17.2
<b>Total Asset Acquisitions</b>				<b>125.8</b>

Property Disposed	Asset Class	Type	Settlement Date	Disposal Value <sup>3</sup> (\$m)
Stockland Townsville, Qld (50%)	Retail	Joint Venture	Oct 2014	228.7
Stockland Glenrose, NSW	Retail	Disposal	Aug 2014	9.8
<b>Total Asset Disposals</b>				<b>238.5</b>

1. Excludes associated acquisition costs

2. A put and call option for the other 50% has been executed

3. Excludes associated disposal costs and includes sundry land

# Residential – Annexure

Isles of Newport, Brisbane



Stockland

## Development Pipeline – Major active projects (excl medium density)

State	Project	State percentage	Approximate lot sales per annum <sup>1</sup>	Approx remaining project lots	Anticipated Settlements				
					FY16	FY17	FY18	FY19	FY20+
Qld	North Lakes <sup>2</sup>		70	140					
	North Shore		200	3,820					
	Caloundra South			20,000 <sup>#</sup>					
	Isles of Newport			1,490					
	All Other Projects			11,950					
	<b>Sub-total</b>		<b>47.2%</b>		<b>37,400</b>				
Vic	Allura <sup>2</sup>		190	400					
	Highlands		600	3,890					
	Mernda Village		140	780					
	The Address		150	410					
	Eucalypt		130	870					
	The Grove (Davis Road)		190	2,530					
	Cloverton (Lockerbie)		150	10,960					
	All Other Projects			990					
<b>Sub-total</b>		<b>26.2%</b>		<b>20,830</b>					
WA	Newhaven		170	540					
	Vale		380	1,820					
	Sienna Wood		260	3,380					
	Calleya		220	1,360					
	All Other Projects			3,100					
<b>Sub-total</b>		<b>12.9%</b>		<b>10,200</b>					
NSW	Willowdale		500	2,430					
	Elara		450	1,850					
	Schofields			910					
	All Other Projects			5,620					
<b>Sub-total</b>		<b>13.7%</b>		<b>10,810</b>					
<b>Total</b>		<b>100.0%</b>		<b>79,240</b>					

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

2. Average number of lots estimated for FY16 and FY17 as project completes in next two years

<sup>#</sup> Dwellings

## Eight projects with first settlements in next two years

	Project	Timing of first settlements	Approximate total lots in project	Approximate life of project
<b>Vic</b>	The Grove (Davis Road)	FY16	2,530	13 yrs
	Cloverton (Lockerbie)	FY16	10,960	36 yrs
	Ivanhoe	FY17	80 <sup>#</sup>	1 yr
<b>Qld</b>	Caloundra South	FY16	20,000 <sup>#</sup>	35 yrs
	Pallara	FY17	660	5 yrs
	The Isles of Newport	FY17	1,490	10 yrs
<b>NSW</b>	Schofields	FY17	1,180 <sup>#</sup>	3 yrs
	Macarthur Gardens	FY17	460 <sup>#</sup>	2 yrs
<b>Total lots</b>			<b>37,360</b>	

<sup>#</sup> Dwellings

# Projects completing prior to FY18

	Project	Timing of final settlements	Approximate total lots#	Lots# remaining to sell (as at 30 Jun 2015)
<b>NSW</b>	McCauleys Beach	FY16	290	17
	Glenmore Ridge	FY17	520	5
	Murrays Beach	FY16	480	186
<b>WA</b>	Baldivis Town Centre	FY16	160	4
	Corimbia	FY17	1,000	102
<b>Qld</b>	Brightwater	FY16	1,550	117
	Pacific Pines	FY16	5,050	24
	Bells Reach	FY17	760	78
	The Observatory	FY17	900	45
<b>Vic</b>	Arbourlea	FY16	320	54
	Selandra Rise	FY17	1,200	86
	Allura	FY17	1,380	516
<b>Total lots</b>			<b>13,610</b>	<b>1,234</b>

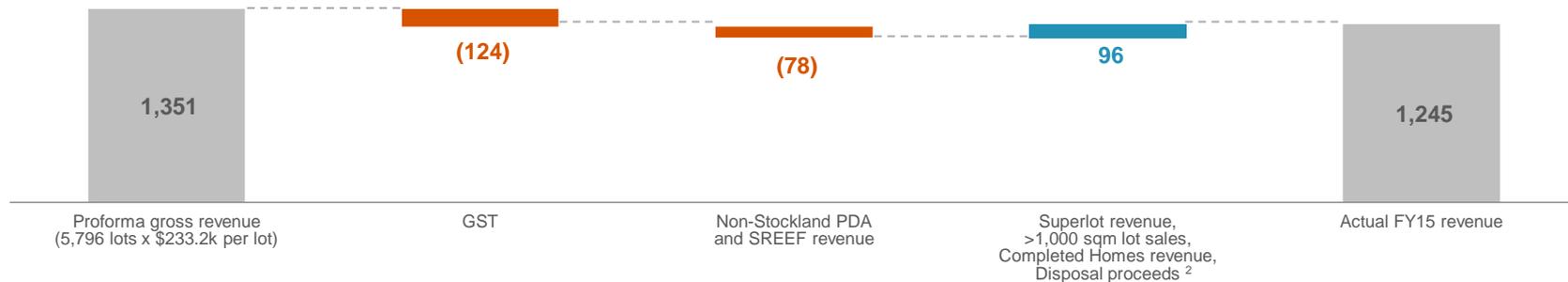
# Includes dwellings

# Price per sqm

## Retail sales price<sup>1</sup>

State	FY15 Settlements				FY14 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	763	439	279	636	511	477	230	481
Qld	1,833	419	228	543	1,753	450	213	472
Vic	1,585	393	201	512	1,098	405	194	479
WA	1,615	371	249	671	1,760	378	228	602
<b>Residential Communities</b>	<b>5,796</b>	<b>401</b>	<b>233</b>	<b>581</b>	<b>5,122</b>	<b>419</b>	<b>215</b>	<b>515</b>

## Revenue Reconciliation (\$m)



1. Average price of retail sales excludes sales of all lots over 1,000 sqm, superlot sales, completed homes 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 project disposals (Lake Kawana, Qld and Bayswood, NSW) that occurred in FY15

# Impairment provision utilisation

30 June 2015	Residential Communities (\$m)	Apartments (\$m)	Total (\$m)
Increase in impairment	-	-	-
Utilisation of provision <sup>2</sup>	(46)	(9)	(55)

	Impairment provision balance 30 June 2015 (\$m)	Final settlement
Projects to be developed	\$172m	~12 yrs
Disposal of undeveloped sites	\$148m	~2 yrs
Apartments	\$31m	~1 yrs
<b>Total</b>	<b>\$351m</b>	

## Residential forecast utilisation of provision<sup>1</sup>

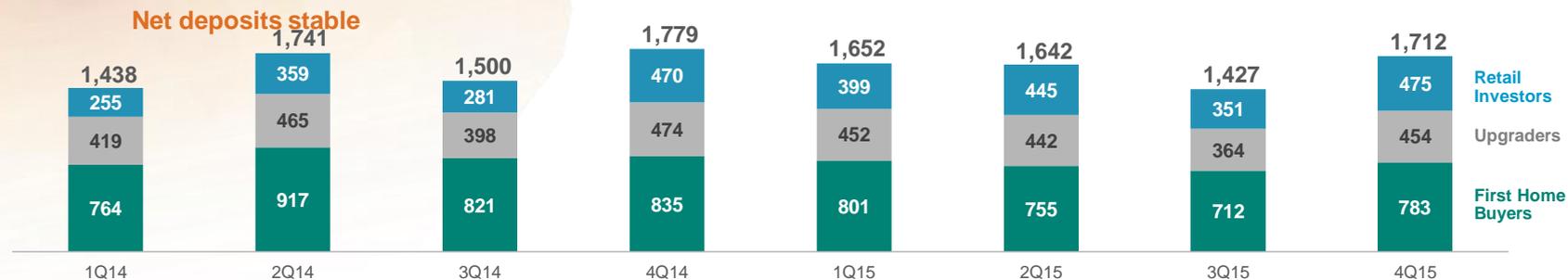


- Forecast utilisation impairment provision as at 30 June 2015, based on forecast settlement dates, revenue and costs by project
- Excludes impairment provisions associated with projects transferred to Logistics & Business Parks

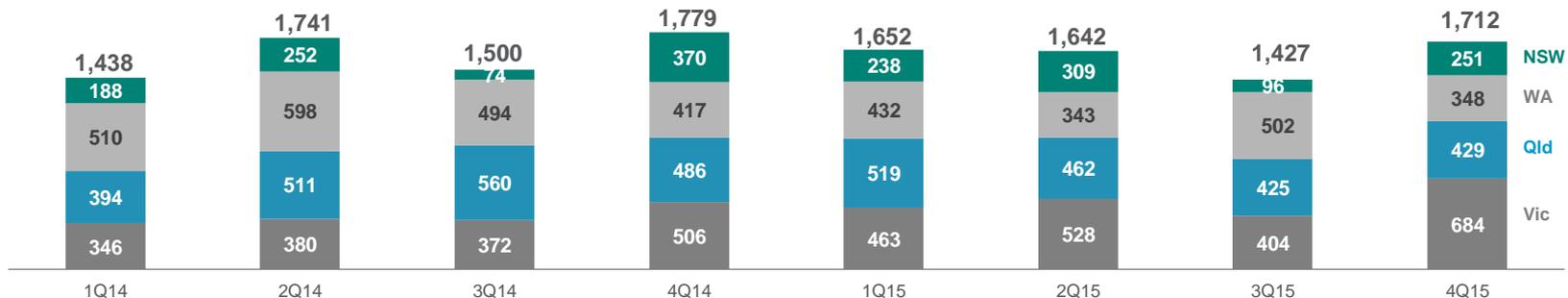
# Lots settled by location in FY15



# Net deposits by quarter



## NSW and Vic net deposits reflective of strong market conditions

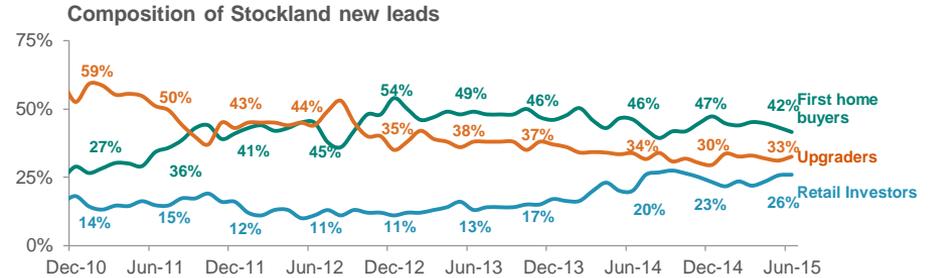


# Leads and enquiry levels

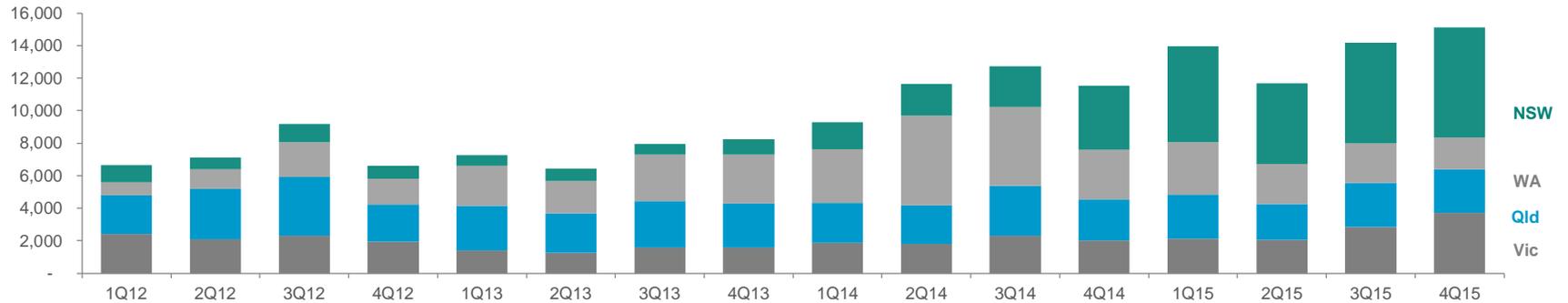
## Customer lead volumes increased in FY15 mainly out of NSW and Vic



## First Home Buyers remain active in new land sales



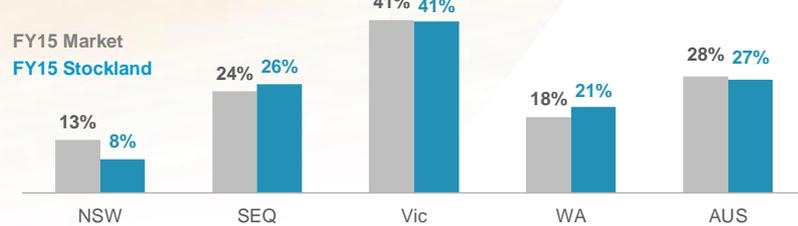
## Lead growth in FY15 mainly attributable to new projects



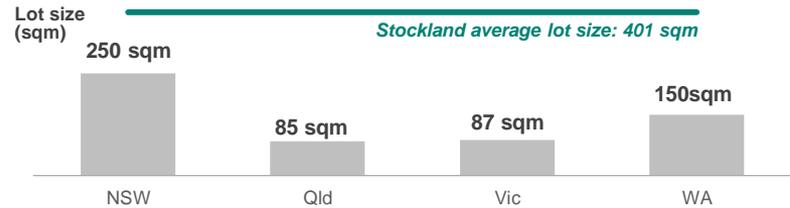
# Providing affordable product

## Stockland projects providing affordable product<sup>1</sup>

Proportion of sub \$200k lots sold



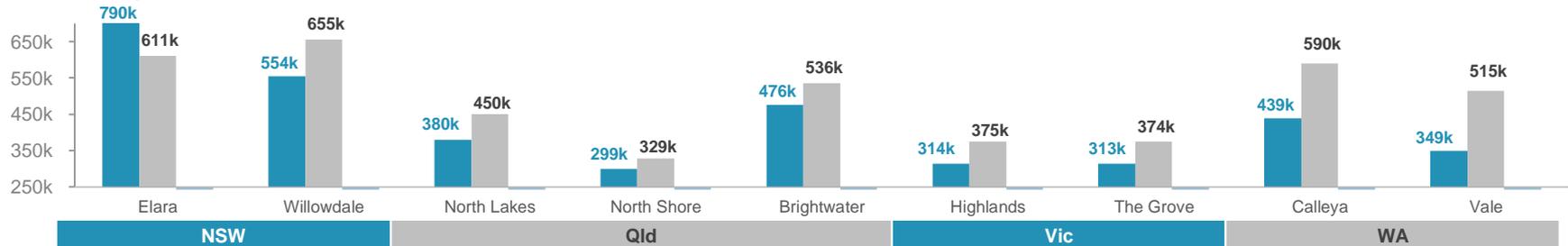
## Smallest lot in each state sold in FY15



## Stockland product consistently more affordable than local median house price<sup>2,3</sup>

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 in Stockland projects

3. RP Data: Median value of established houses in surrounding suburbs as at June 2015

# Residential acquisitions

Property Acquired	Type	Acquisition Date	Acquisition Value (\$m)	Approximate number of lots	First settlements expected
Ivanhoe, Vic	Medium density	Nov 2014	Not disclosed	80 town homes	FY17
Clyde North, Vic	Master Plan Community	Jan 2015	Not disclosed	800	FY19
Isles of Newport, Qld	Master Plan Community	Jan 2015	\$67m	1,490	FY17
Schofields, NSW	Master Plan Community	Feb 2015	\$104m	1,180 dwellings	FY17
The Address, Vic	Master Plan Community	March 2015	\$66m	490	FY15
<b>Total Asset Acquisitions</b>					

# Retirement Living - Annexure

Selendra Rise Retirement Village, Vic



# Established portfolio and development pipeline

Portfolio Statistics	FY15	FY14
Established villages	69	63
Established units	9,343	8,298
Established units settlements	663	647
Units removed for redevelopment/alternate use	24	51
Turnover rate less new developments <sup>3</sup>	8.6%	8.9%
Turnover rate total portfolio	7.6%	8.0%
Average age of resident on entry	73.7 yrs	73.8 yrs
Average age of current residents	80.7 yrs	80.8 yrs
Average tenure on exited residents	9.0 yrs	8.8 yrs
Average village age	22.2 yrs	20.9 yrs
Development pipeline	3,440 units	3,396 units

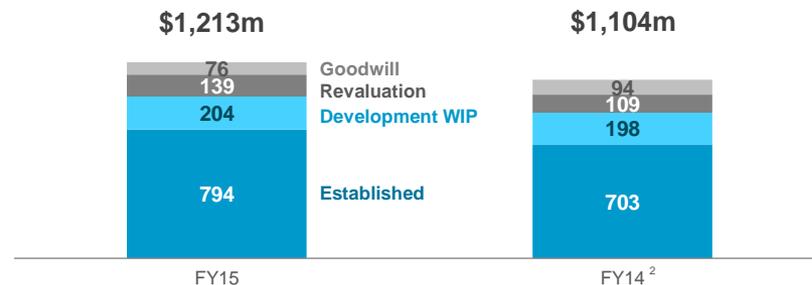
Key valuation assumptions <sup>1</sup>	FY15	FY14
Weighted average discount rate	13.0%	12.8%
Weighted average 20 year growth rate	3.8%	3.8%
Average length of stay of current and future residents	10.4 yrs	9.9 yrs

1. Includes South Australian acquisition in FY15.

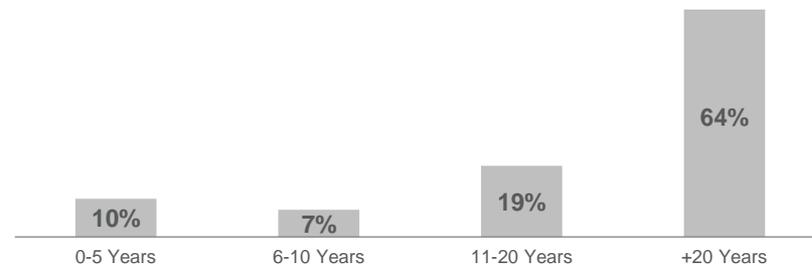
2. FY14 restated to include resident obligations on vacant units

3. Turnover rate excludes development settlements from last five years.

## Net Funds Employed (Book Value)<sup>1</sup>

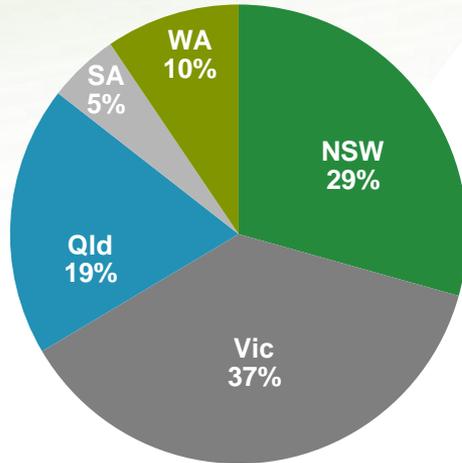


## Age profile of established villages



# Development pipeline breakup

## Geographically diverse development pipeline

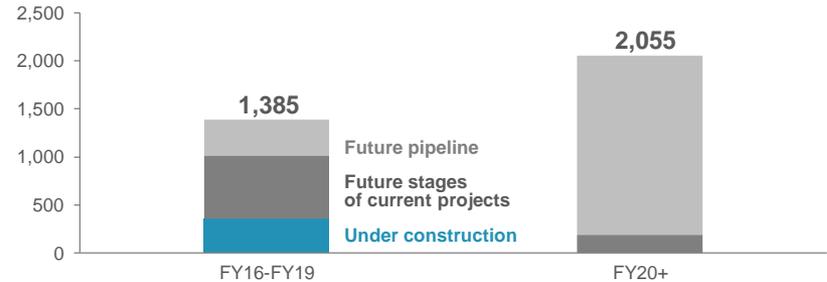


## Development pipeline

FY15

Development villages	20
Total development pipeline units	3,440
- Greenfield pipeline units	2,500
- Village extension pipeline units	940
Estimated end value including DMF	\$2.1b

## Independent Living Units development pipeline<sup>1</sup>



1. Timing subject to market conditions

# Strong project pipeline forecast

Construction Timeframe	Future Settlements	FY16	FY17	FY18	FY19	FY20+
<b>Completed (FY15)</b>	Fig Tree, Qld	10				
	Somerton, SA	10				
	Tarneit Skies, Vic	3				
	North Lakes, Qld	2				
	<b>Sub-total</b>	<b>25</b>				
<b>Under Construction</b>	Macarthur Gardens, NSW	50				
	Golden Ponds, NSW	25				
	Arilla, Vic	20				
	Selandra Rise, Vic	110				
	Highlands, Vic	70				
	Merinda, Vic	215				
	Affinity, WA	145				
	Willowdale, NSW	270				
	Cardinal Freeman, NSW	195				
<b>Sub-total</b>	<b>1,100</b>					
<b>To start within 18 months</b>	North Shore, Qld					
	Calleya, WA					
	Northgate, SA					
	Elara, NSW					
	<b>Sub-total</b>	<b>580</b>				
<b>Master planning/ future projects</b>	Somerton, SA					
	Caloundra South, Qld					
	The Grove (formally Davis Road), Vic					
	Cloverton (formally Lockerbie), Qld					
	<b>Sub-total</b>	<b>1,090</b>				
<b>Redevelopments</b>	Proposed Brownfield Redevelopments					
	<b>Sub-total</b>	<b>645</b>				
<b>Total units yet to be released</b>	<b>3,440</b>					

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