

FY16 Stockland Results Annexure

Results built on solid
foundations

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About Stockland

An aerial perspective of a new residential and recreational development. In the foreground, a large green lawn is bordered by a low white wall with the word 'CLOVERTON' in white capital letters. A paved road with a crosswalk and a car is visible. To the right, there's a modern playground with a colorful, abstract structure and a small building. The background shows a dense residential area with many houses and a hill in the distance. The sky is blue with some clouds. The entire image is overlaid with a pattern of white dotted lines forming concentric arcs.

Artist's Impression

Our strategy for success



OUR VISION

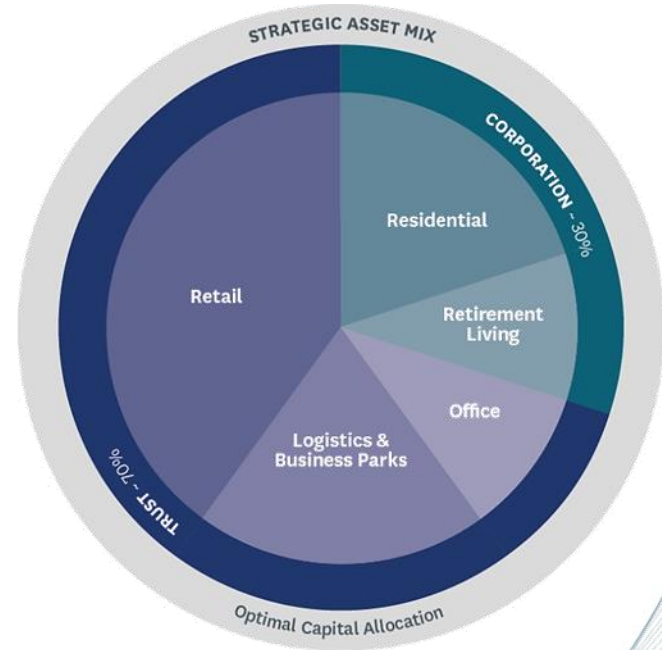
To be a great Australian real estate company that makes a valuable contribution to our communities and our country

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

51% of SGP portfolio



Stockland Harrisdale, WA

Create market leading shopping centres

42 Assets

Ownership interests valued at \$6.8b and gross book value of \$7.2b

Logistics & Business Parks

15% of SGP portfolio



Satellite Corporate Centre (Mulgrave), Vic

Grow and develop a quality portfolio

27 Assets

Ownership interests valued at \$2.0b and gross book value of \$2.2b

Office

6% of SGP portfolio



135 King St / Glasshouse, NSW

Optimise returns - tactical allocation

9 Assets

Ownership interests valued at \$0.8b and gross book value of \$1.1b

CORPORATION

Residential

19% of SGP portfolio



Cloverton, Vic

Maximise returns by creating better places to live

76,800 lots under control

End value **\$18.8b**

Retirement Living

9% of SGP portfolio



Willowdale Retirement Village, NSW

Leading operator and developer

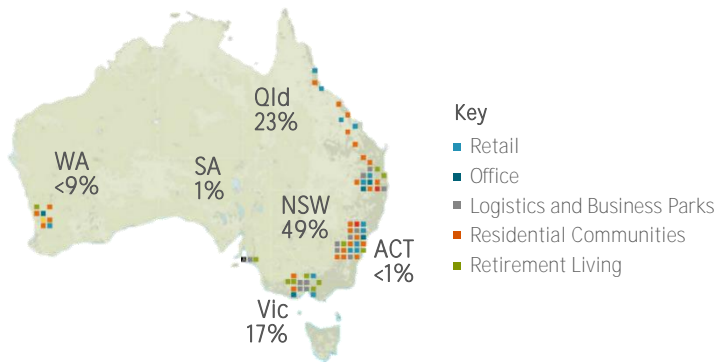
70 Established Villages

Over 9,600 units

\$2.2b estimated end value of development pipeline

We are well positioned with a diverse portfolio^{1,2,3}

All states	CP	Resi	RL	Total
Number of properties/projects	81	56	78	215
Book Value	\$9.7b	\$2.5b	\$1.3b	\$13.5b
SGP Portfolio %	72%	19%	9%	100%



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

Qld	CP	Resi	RL	Total
Number of properties/projects	22	25	10	57
Book Value	\$2.1b	\$0.9b	\$0.1b	\$3.1b
SGP Portfolio %	16%	7%	<1%	23%

NSW	CP	Resi	RL	Total
Number of properties/projects	37	13	21	71
Book Value	\$5.7b	\$0.6b	\$0.3b	\$6.6b
SGP Portfolio %	42%	4%	2%	49%

Vic	CP	Resi	RL	Total
Number of properties/projects	13	11	28	52
Book Value	\$1.1b	\$0.5b	\$0.6b	\$2.2b
SGP Portfolio %	8%	4%	5%	17%

SA and ACT	CP	Resi	RL	Total
Number of properties/projects	2	-	12	14
Book Value	\$0.1b	-	\$0.1b	\$0.3b
SGP Portfolio %	<1%	-	1%	2%

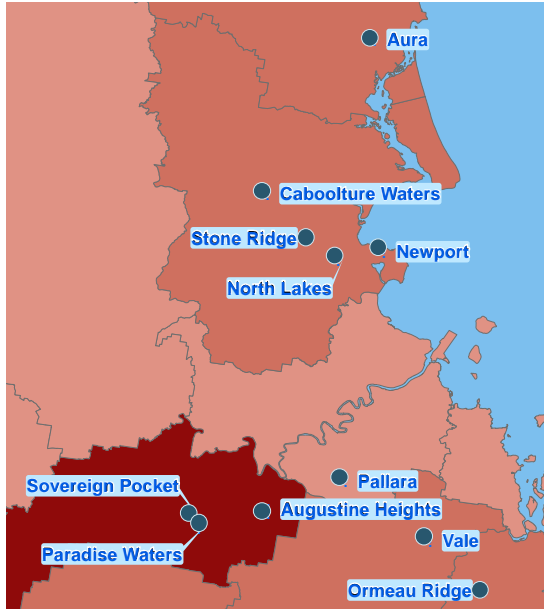
1. Includes Unlisted Property Fund assets

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

3. Excludes Apartments

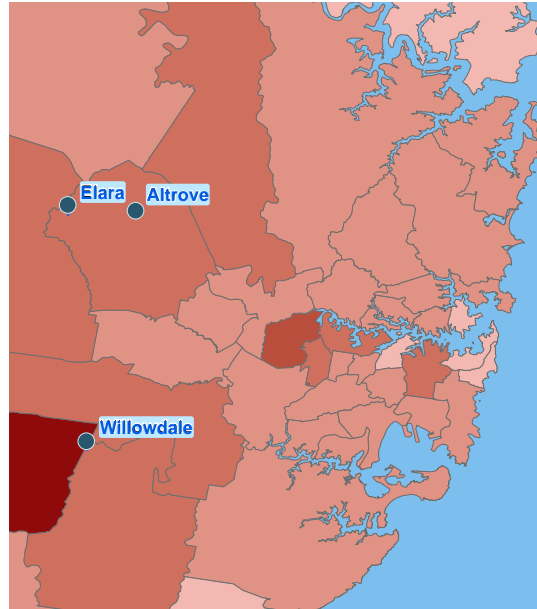
Key Residential projects – Significant scale, located in key population growth areas¹

BRISBANE



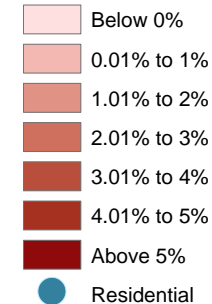
1. Source: ID Placemaker

SYDNEY



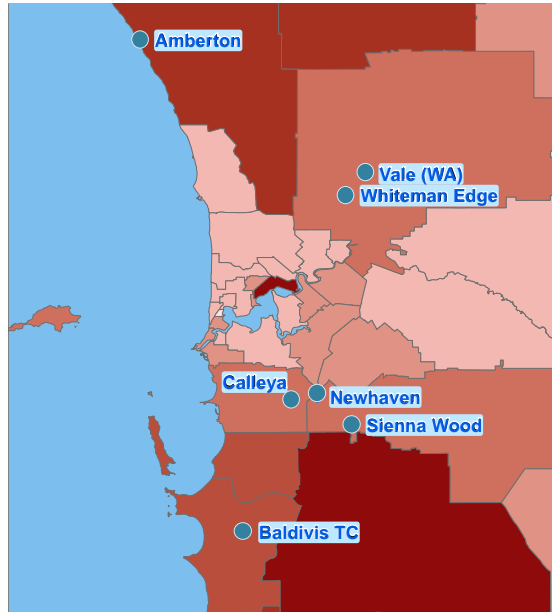
Pop Growth 2014 - 18

GrowthRate



Key Residential projects – Significant scale, located in key population growth areas¹

PERTH



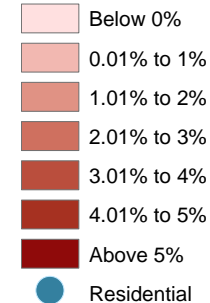
Source: ID Placemaker

MELBOURNE



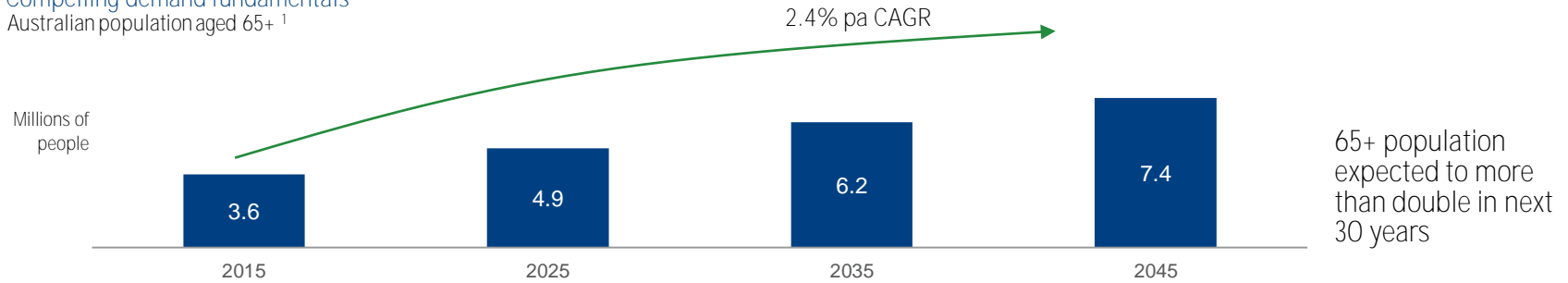
Pop Growth 2014 - 18

GrowthRate

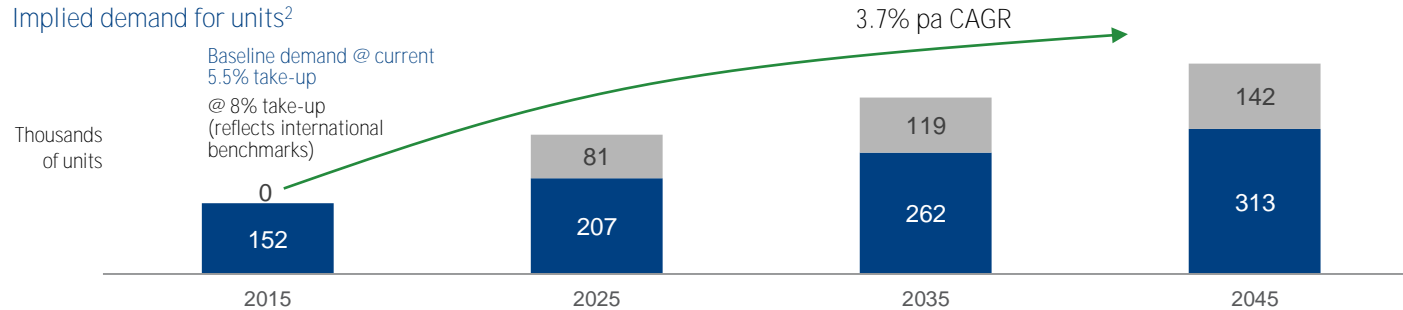


Retirement Living – Strong demand drivers

Compelling demand fundamentals
Australian population aged 65+ ¹



Implied demand for units²



1. ABS Cat. No. 3105.0.65.001, Mar 2015

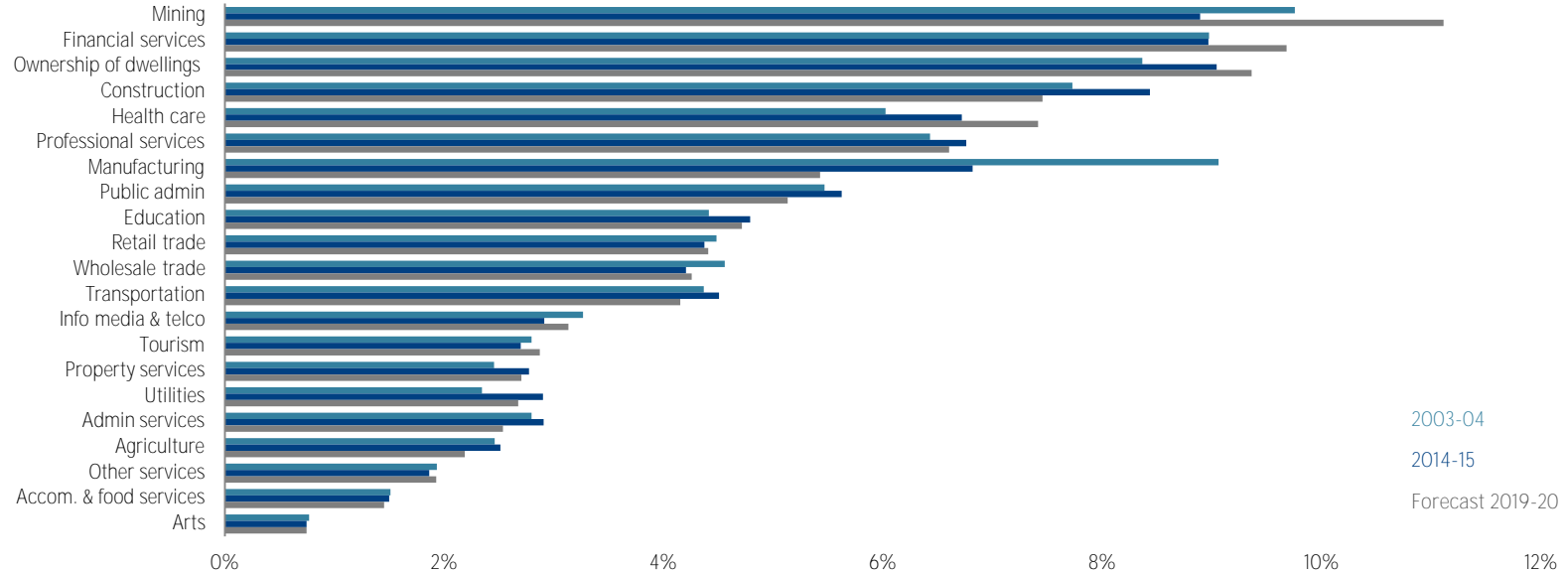
2. Assumes 1.3 residents per ILU

Research Annexure

Economic Overview

Contribution to Australia's GDP by industry(%)

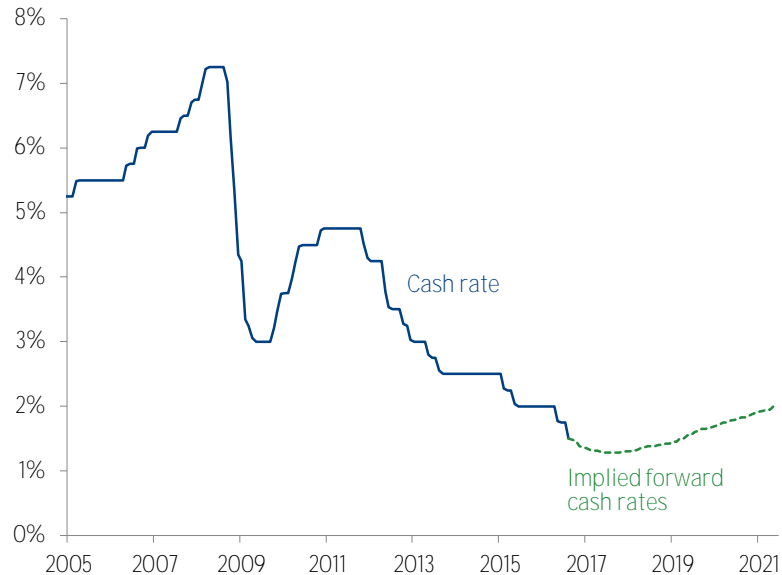
Industry contribution to GDP¹ (%)



1. ABS, Stockland Research, Deloitte Access Economics June 2016

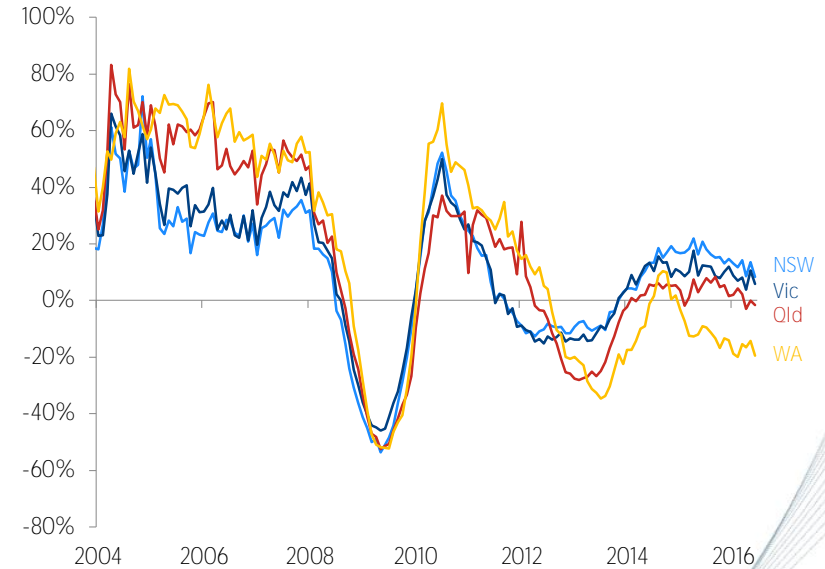
Accommodative monetary policy, labour market stable

Historical and implied forward RBA cash rates¹



Labour market remains positive in Vic and NSW

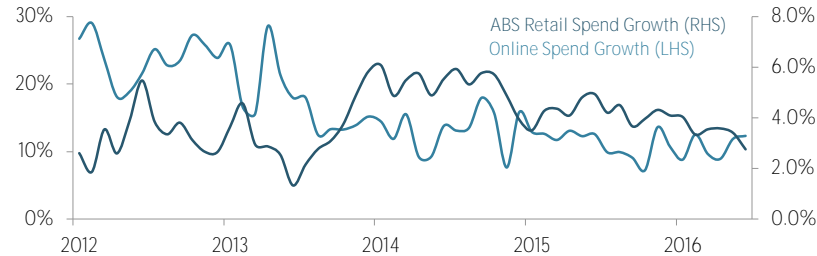
Seek Job Ads (Annual % change in number of ads)



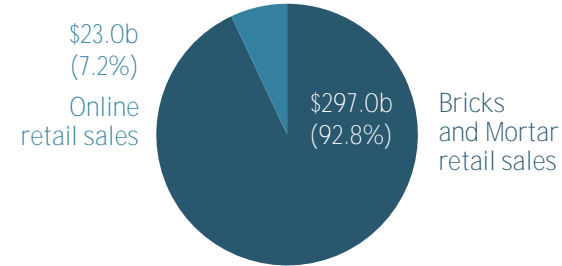
1. RBA, Stockland Research
2. Seek, June 2016

Australia: Retail Drivers

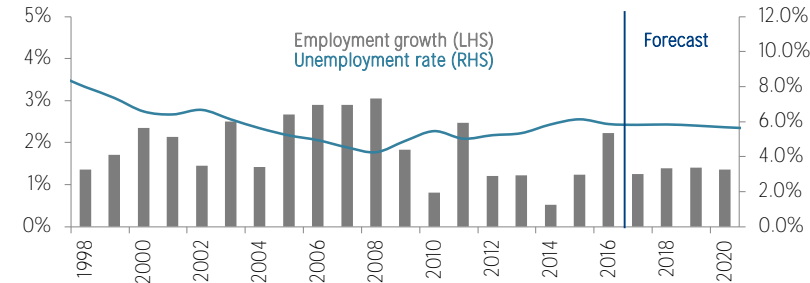
Rate of growth in online retail spend¹ is declining



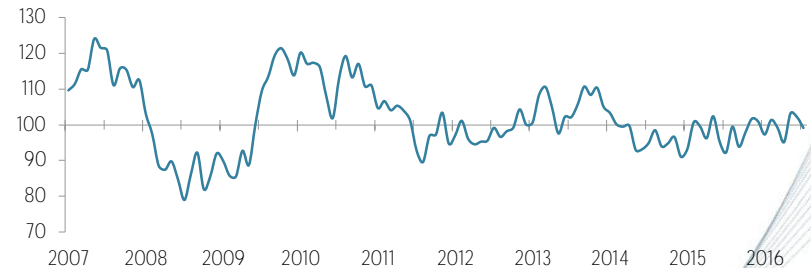
Bricks and Mortar vs online retail sales¹ (as at June 2016)



Labour market forecast to improve^{2,3}



Consumer Sentiment continues to fluctuate around neutral⁴

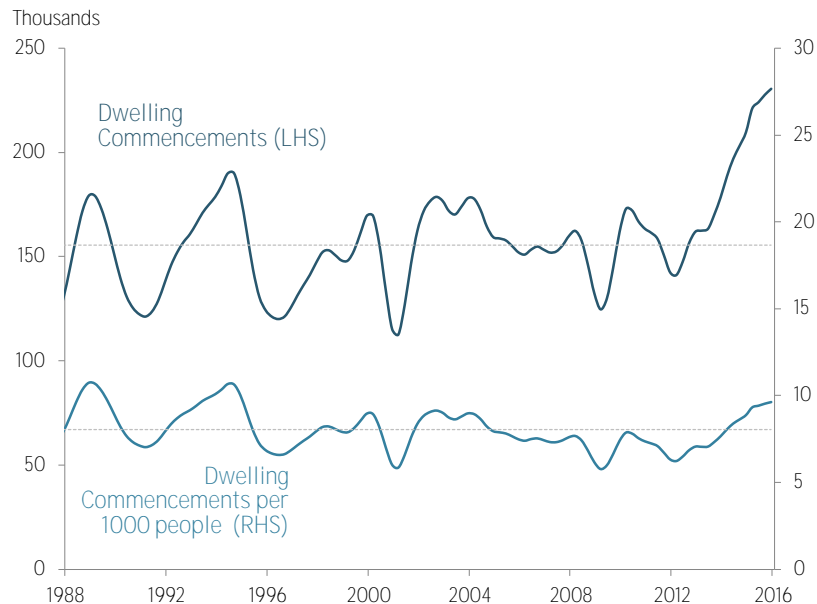


1. Bricks and Mortar spend (\$) taken from ABS, \$ amount of online spend estimated from Quantum %.
2. ABS

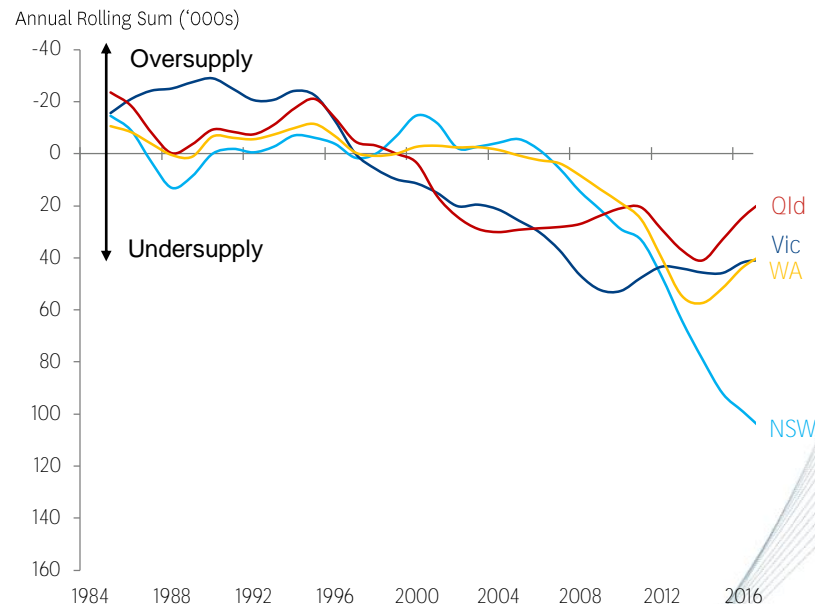
3. Deloitte Access Economics Business Outlook June 2016
4. Westpac – University of Melbourne Consumer Sentiment Survey

Dwelling commencements responding to accumulated undersupply

Dwelling commencements are elevated, but close to long term averages on a per capita basis¹



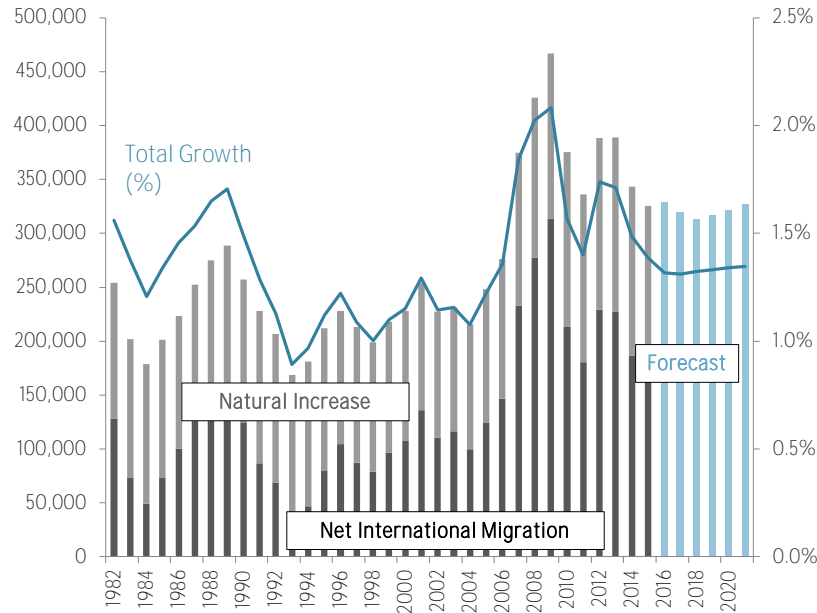
Pent up dwelling demand²



1. ABS, Stockland Research
2. ANZ Economics, April 2016

Population growth continues to underpin dwelling demand

AUS population growth – Annual¹

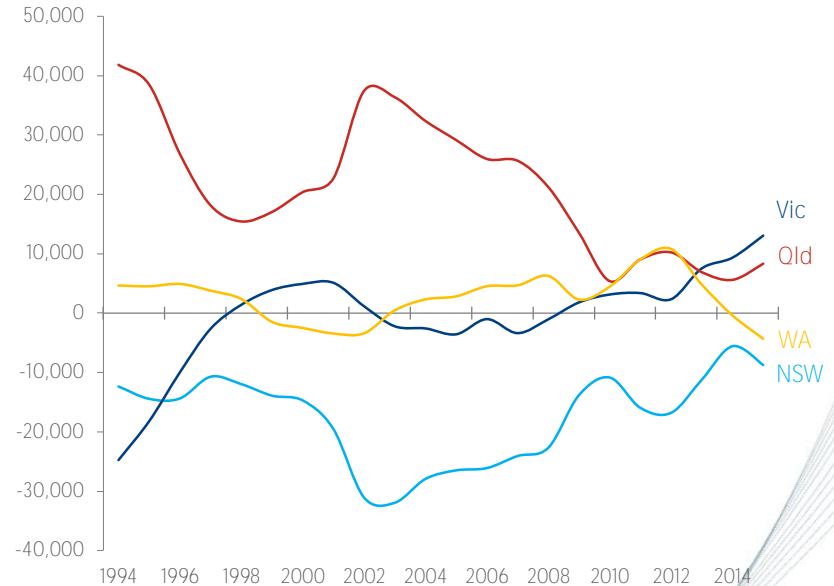


1. ABS, Deloitte Access Economics, Department of Immigration

2. ABS, Stockland Research

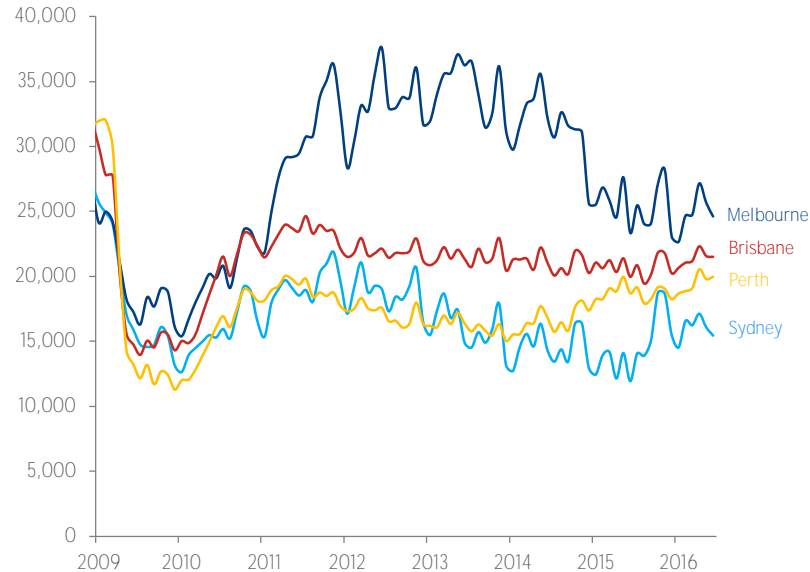
Eastern seaboard seeing positive interstate migration²

Annual Rolling Sum ('000s)

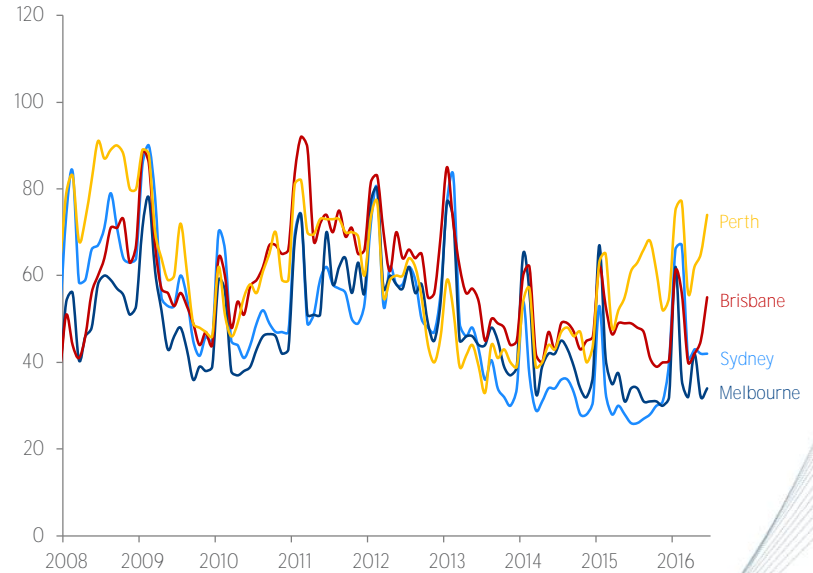


Stronger selling environments in Sydney and Melbourne

Established stock on market falling in Melbourne, Sydney;
flat in Brisbane and rising in Perth¹



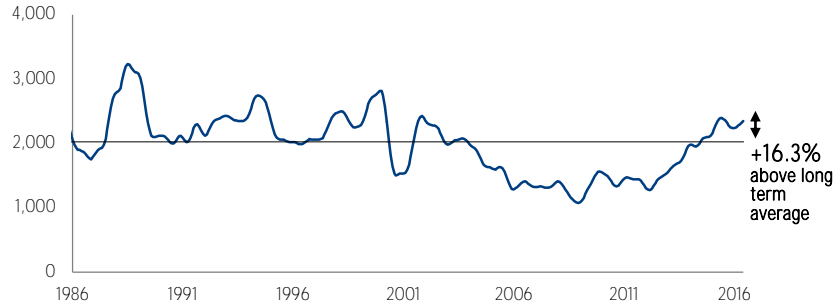
Established houses days on market rising in Perth and Brisbane²



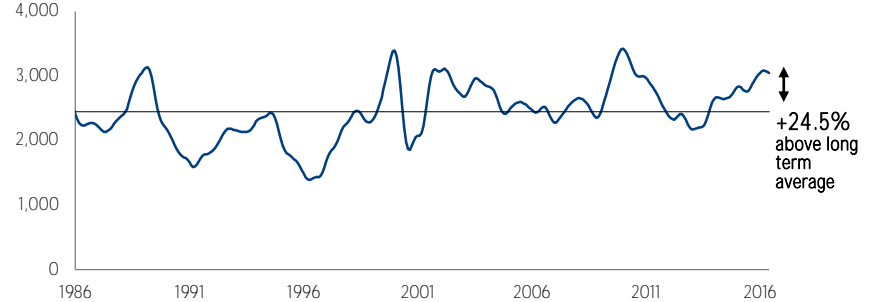
1. SQM Research
2. CoreLogic/RP Data

National house building approvals at around trend

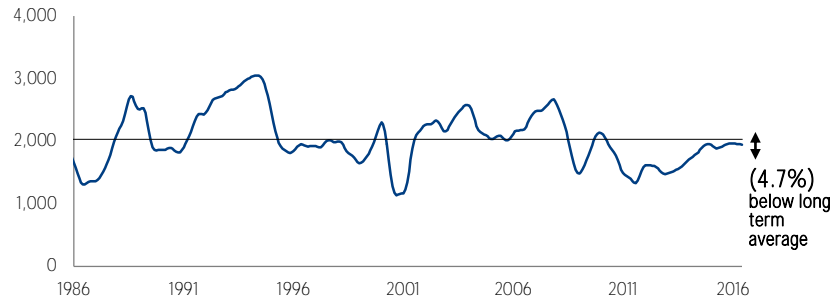
NSW market rising again over 2016



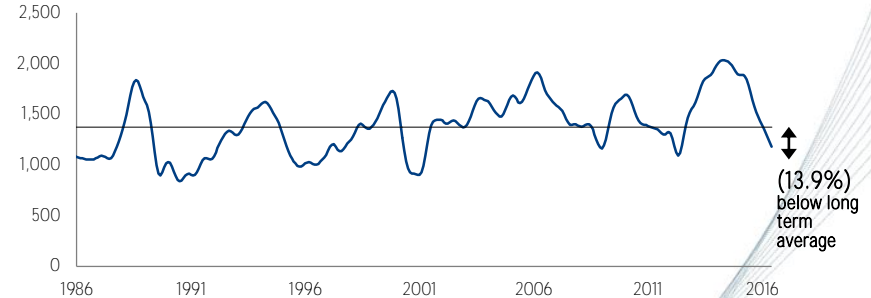
Vic market above long term averages



Qld building approvals tracking sideways

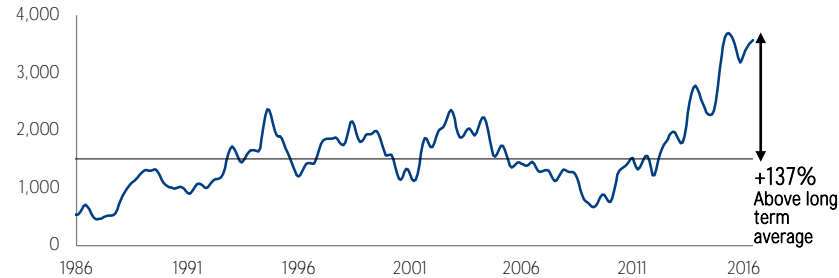


WA approvals still on a downtrend and now below long term averages

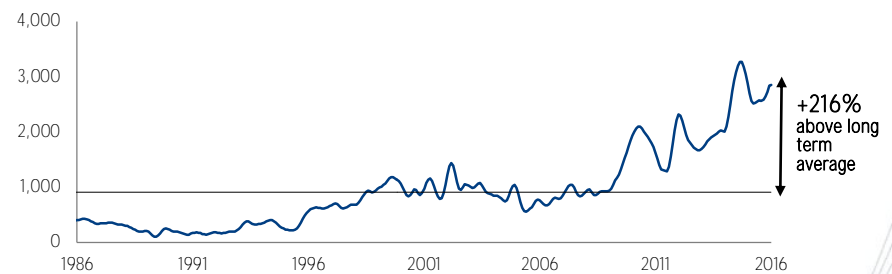


Apartment approvals in NSW, Vic and Qld still close to historical highs

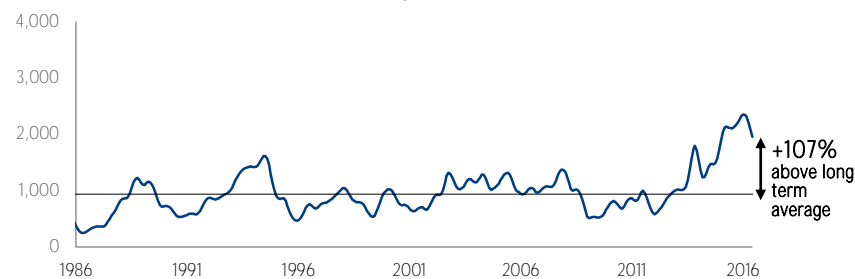
NSW apartment approvals trending upward again



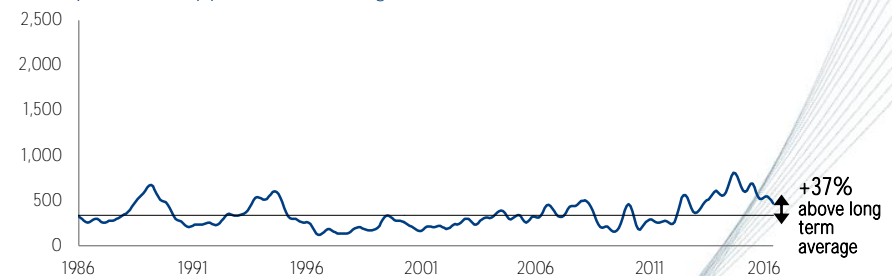
Vic apartment approvals also trending upward again



Qld apartment approvals moderating



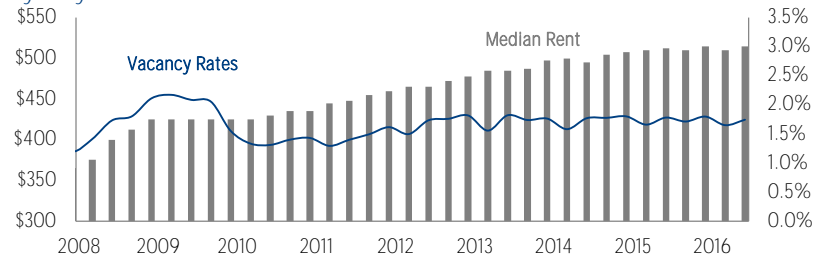
WA apartment approvals trending downward



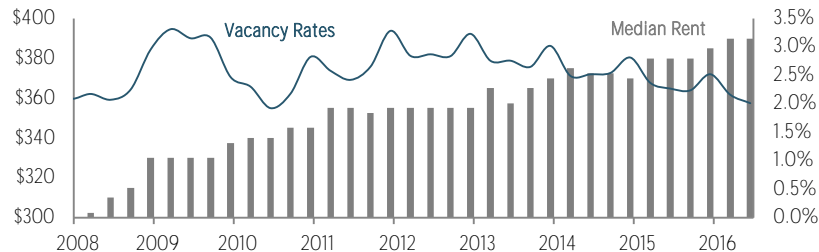
1. ABS

Residential rental vacancy rates still tight and supportive of rental growth in Sydney and Melbourne^{1,2}

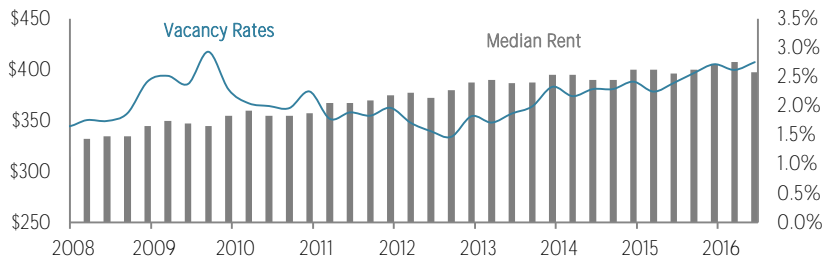
Sydney



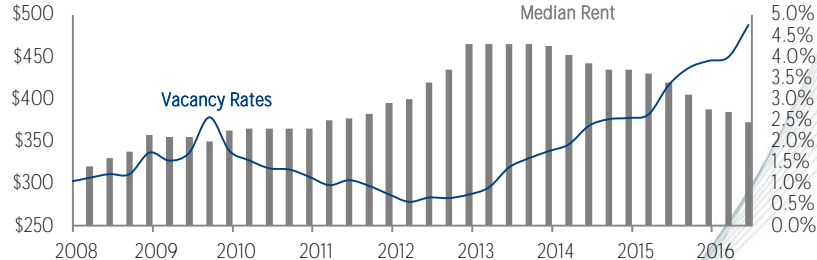
Melbourne



Brisbane



Perth

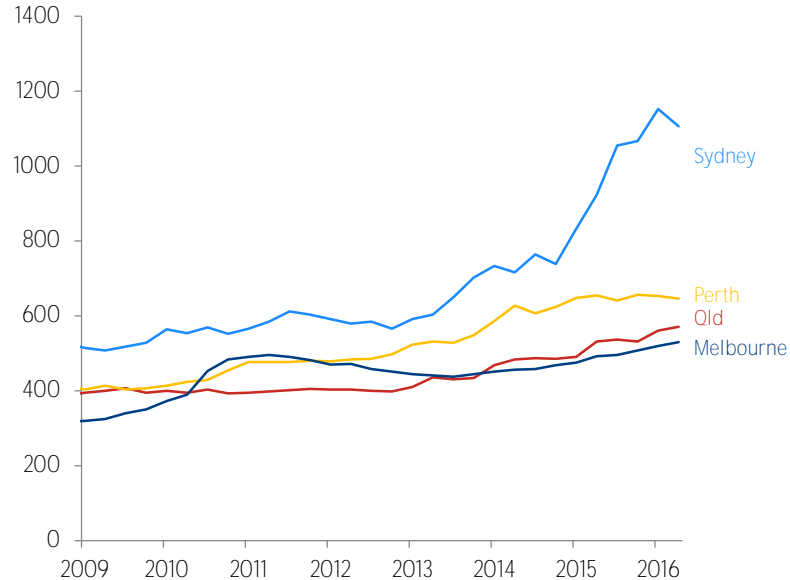


1. CoreLogic/RP Data, June 2016

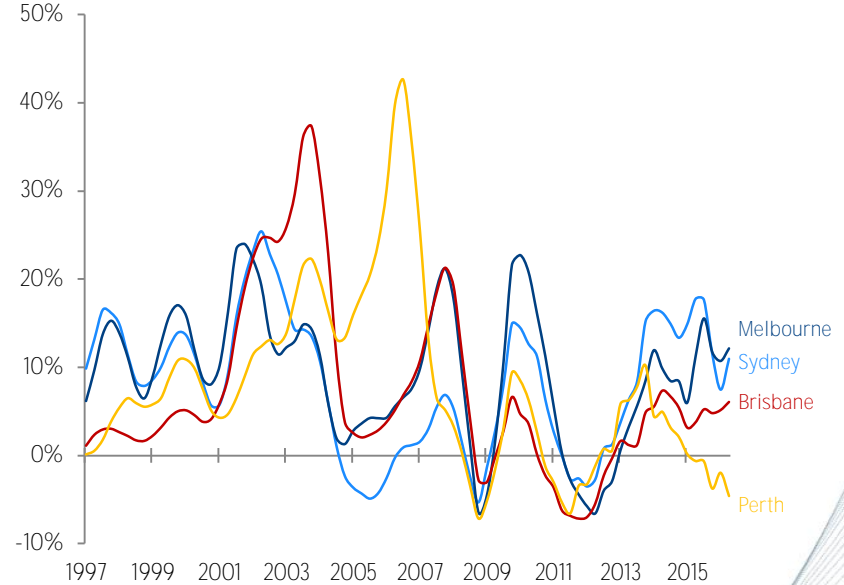
2. SQM Research, June 2016

Land price growth less volatile than house prices

Land Price per sqm¹



Capital City House Prices – Rolling Annual Change²



1. National Land Survey Program June Qtr 2016, Charter Keck Cramer

2. RP Data, June 2016

NSW land market strong while WA conditions are challenging

Strong finish to FY16 for NSW vacant land sales



NSW market operating at high levels

Activity firmed up in the last quarter of FY16, and annual land price growth is strong at 9.6%, in line with the established market

Auction activity still consistent with further price growth

Rental markets remain tight

Strong macroeconomic conditions, but outlook is for price growth to moderate

Perth vacant land sales trending downward



WA vacant land market challenging

Land market remains challenging due to soft macroeconomic conditions

Vacant land sales recovered from the lows of Dec 15 quarter but continue to trend downward

Rental vacancy rates are elevated

Price discounting has become more prevalent, and \$/sqm prices are easing

Macroeconomic outlook remains weak, but has likely bottomed

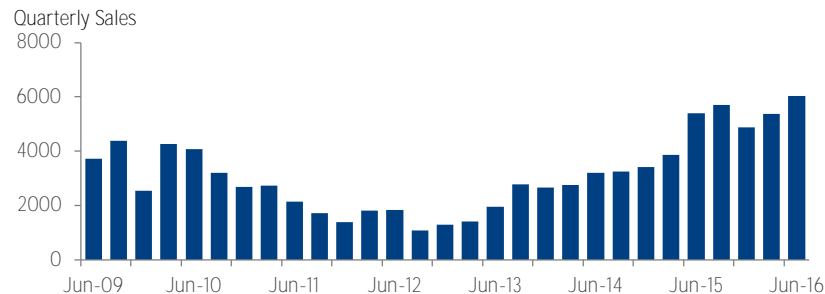
1. National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research

Qld land market stable and Vic land market strong

Qld land market volumes stable, price growth strong



Vic vacant land sales volumes continue upward trend



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

Queensland land market stable

Vacant land sale volumes have been flat in FY16

Annual \$/sqm price growth strong, up 7% in FY16

SEQ rental vacancies rising, but still under 3%

Lagged recovery in Qld relative to Vic and NSW means that relative affordability continues to improve

Medium term macroeconomic outlook positive

Victoria land market at record highs

Vacant land sales hit record highs in June 16 quarter

High levels of competition in key corridors keeping price growth contained, but \$/sqm still up a strong 8% annually

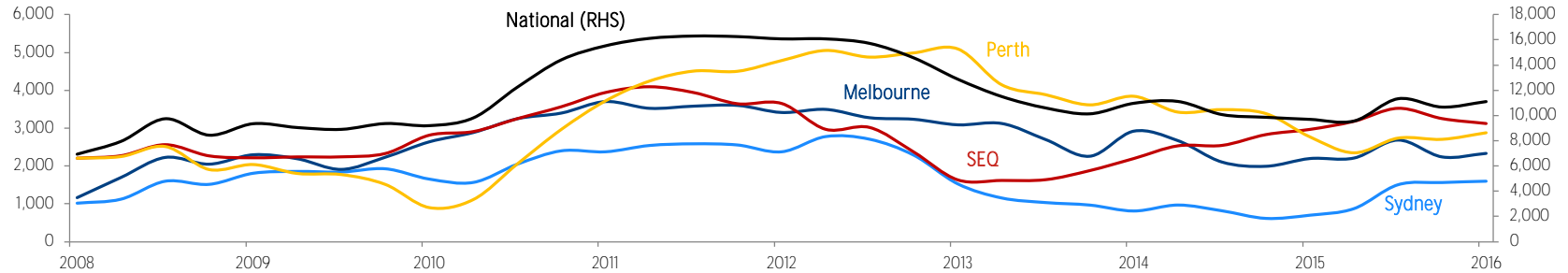
Established house prices and auction activity remain positive

Rental market stable with vacancies under 3%

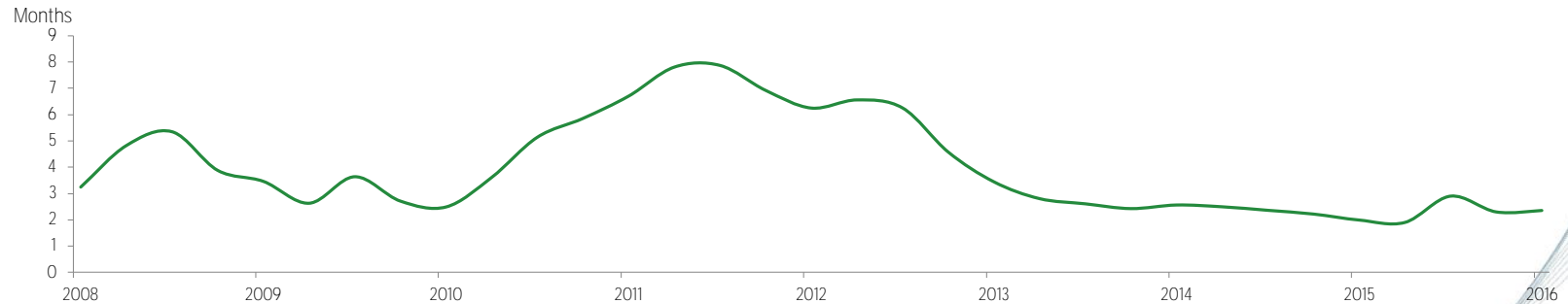
Macroeconomic outlook is strong

Residential land stock on hand, less than three months of trading stock remain

Closing stock of land lots



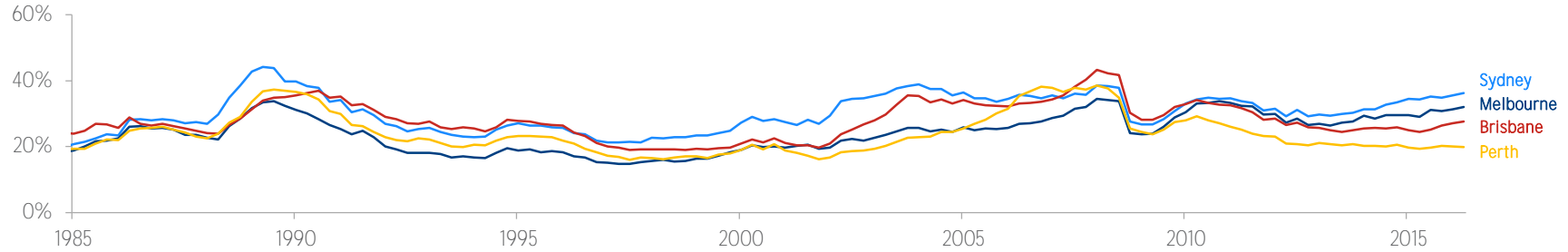
National estimated months of trading



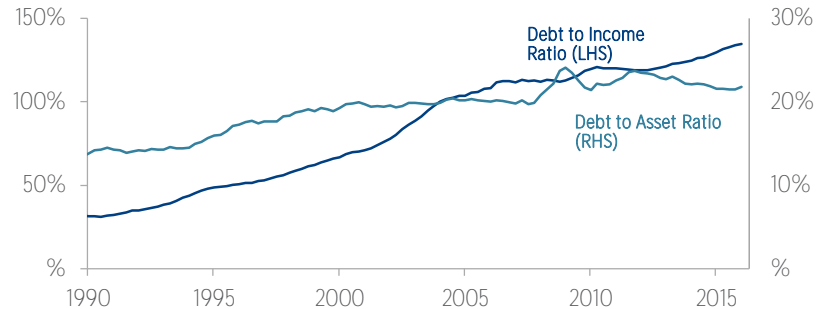
1. National Land Survey Program June Qtr 2016, Charter Keck Cramer

Household affordability trends

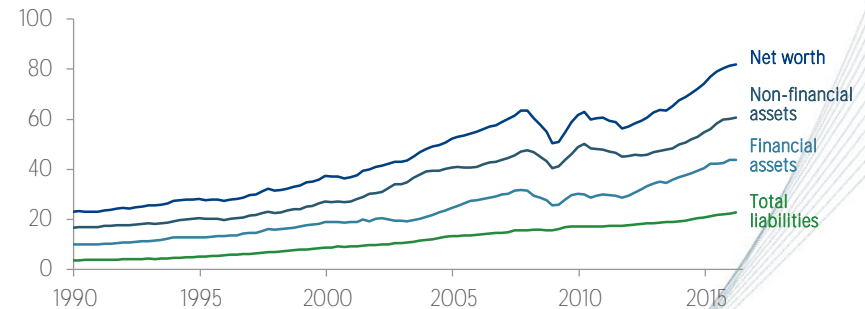
Mortgage repayments as a percentage of household income rising in Sydney and Melbourne due to recent house price growth¹



Household Debt-to-Asset ratio falling, Debt-to-Income rising²



Household net worth increasing while liabilities are stable²



1. ABS, RBA, CoreLogic/RP Data, Stockland Research

2. RBA



Group Finance

Tiernan O'Rourke

Profit summary

\$m	FY16	FY15
Residential Communities EBIT (before interest in COGS)	354	290
Commercial Property EBIT	525	517
Retirement Living EBIT	64	54
Other EBIT (investments & non-core operations)	-	4
Unallocated corporate overheads	(57)	(60)
Group EBIT (before interest in COGS)	886	805
Net interest expense:		
- Interest income	8	8
- Interest paid	(209)	(210)
- Interest capitalised to Inventory	116	122
- Interest capitalised to Investment Properties under development	12	15
Share of interest paid on external debt of equity accounted investment	(1)	(4)
Net interest in P&L before capitalised interest expensed	(74)	(69)
- Capitalised interest expensed in the P&L	(131)	(132)
Net interest expense	(205)	(201)
Tax (expense) / benefit	(21)	4
Underlying Profit	660	608
Statutory Profit adjustments	238	293
Tax (expense) / benefit of adjustments	(9)	2
Statutory Profit	889	903

FFO reconciliation to the PCA Guidelines

The table below shows the reconciliation of statutory profit to FFO with reference to the definitions outlined in the Property Council of Australia white paper “Voluntary best practice guidelines for disclosing FFO and AFFO”

PCA Reference	\$m	FY16	FY15	Comments
	Statutory Profit	889	903	
A	Investment property and inventory			
A2	Loss from sale of investment property	2	2	
A3	Fair value gain on investment property	(392)	(277)	Includes fair value movement of the RL investment property net of Resident Obligations
B	Goodwill and intangibles			
B1	Impairment of goodwill and intangibles	-	43	
C	Financial instruments			
C2	Fair value loss on mark-to-market of derivatives	171	40	
D	Incentives and straight-lining			
D1	Amortisation of fit out incentives	49	45	
D4	Amortisation of rent free periods	18	16	
D5	Rent straight-lining	(8)	(8)	
E	Tax	30	(6)	The Group is entitled to significant tax deductions and has accumulated tax losses. As a result, income tax expense in the current year is a non-cash amount funded through utilisation of deferred tax assets.
F	Other unrealised or one-off items			
F1	Recycling of Foreign Currency Translation Reserve	-	(1)	
	Other unrealised or one-off items			
F2	- Net DMF earned, unrealised	(16)	(27)	
	- Net gain on other financial assets	(4)	(73)	
	- Other items	1	-	
	Funds from Operations (“FFO”)	740	657	

Net interest gap

Interest expense - \$m	FY16			FY15		
	Interest	Deferred Interest	Total	Interest	Deferred Interest	Total
Interest income	(8)	-	(8)	(8)	-	(8)
Interest paid	197	12	209	198	12	210
Share of interest paid on external debt of equity accounted investment	1	-	1	4	-	4
Less: capitalised interest						
- Commercial Property development projects	(5)	-	(5)	(7)	-	(7)
- Residential	(105)	(11)	(116)	(111)	(11)	(122)
- Retirement Living	(7)	-	(7)	(8)	-	(8)
Total capitalised interest	(117)	(11)	(128)	(126)	(11)	(137)
Borrowing cost in P&L	73	1	74	68	1	69
Add: capitalised interest expensed in P&L ¹	131	-	131	132	-	132
Total interest expense in P&L	204	1	205	200	1	201

Interest capitalised to projects largely in line with capitalised interest expensed to P&L

Lower capitalised interest on projects is a result of lower cost of debt and more efficient use of capital

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 creditors)

1. Made up of: Residential - \$124m (June 2015: \$124m) and Retirement Living \$7m (June 2015: \$6m) and Other (UK and Apartments) nil (June 2015: \$2m)
This differs to statutory reporting by \$7m (June 2015: \$6m) as Retirement Living is reported through the fair value adjustment of investment properties

Strategic mix

	Assets 30 June 2016	Assets 30 June 2015	Operating Profit FY16	Operating Profit FY15
Recurring				
Commercial Property	72%	71%	70%	77%
Retirement Living	7%	8%	6%	7%
Unallocated corporate overheads	-	-	(3%)	(4%)
Total recurring	79%	79%	73%	80%
Trading				
Residential	19%	20%	30%	25%
Retirement Living	2%	1%	1%	-
Other and unallocated corporate overheads	-	-	(4%)	(5%)
Total trading	21%	21%	27%	20%

Return on Assets, Return on Equity

	FY16			FY15			Commentary
	Cash Profit (\$m)	Avg. Cash Invested (\$b)	Return (%)	Cash Profit (\$m)	Avg. Cash Invested (\$b)	Return (%)	
Retail	393	4.8	8.2%	370	4.5	8.2%	Increase in Cash profit is driven by the recently completed major development projects
Logistics & Business Parks	131	1.6	8.2%	130	1.5	8.6%	Returns impacted by commencement of development projects and acquisition spend
Office	68	0.8	8.6%	78	0.9	8.6%	
Residential- Core ¹	327	1.7	19.6%	262	1.5	17.0%	ROA growth reflects trading success in our Residential Communities
Retirement Living	66	1.1	5.8%	54	1.0	5.3%	ROA continues to improve as a result of our strategy to continue to develop new villages, reshape the portfolio through capital recycling and improved operating efficiencies
Core Business ROA (sub-total)	985	10.0	9.9%	894	9.5	9.5%	
Residential- Workout ^{1,2}	(40)	0.4	(9.7%)	(16)	0.4	(4.1%)	Continual phase out of non-core impaired projects
Other ¹	-	-	-	(5)	0.2	(3.2%)	FY15 includes investments in Australand, UK, and apartments
Other Assets ROA (sub-total)	(40)	0.4	(9.7%)	(21)	0.6	(3.8%)	
Unallocated Overheads & Other Income	(57)	-	-	(60)	-	-	
Group ROA	888	10.4	8.5%	812	10.0	8.1%	
Net interest/net debt	(188)	(3.3)	5.7%	(193)	(3.0)	6.4%	
Group ROE	700	7.1	9.8%	619	7.0	8.8%	
Group ROE (excl workout and other)	740	6.7	11.0%	641	6.4	9.9%	

1. Medium density and Apartment ROA's have been re-categorised from "Other" into "Residential - Core" and "Residential - Workout" in FY16

2. 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	FY16	FY15
Cash return	700	619
Capitalised interest expensed in COGS	(131)	(132)
Capitalised interest for the year ¹	117	126
Add-back impairment release in COGS	67	55
CP straight-line rent and other	(13)	(11)
Funds From Operations (FFO)	740	657
Add-back CP AIFRS adjustments	(59)	(53)
Tax	(21)	4
Underlying Profit	660	608

1. Excludes deferred interest

Reconciliation of capital employed in ROE calculation to statutory net assets

\$b	Average for FY16	Average for FY15
Group capital employed (Net Assets)	7.1	7.0
Commercial Property revaluations	2.0	1.7
Residential Communities capitalised interest	0.4	0.5
Residential Communities and Apartments impairment	(0.3)	(0.4)
Retirement Living DMF revaluations	0.1	0.1
Distribution provision and non-cash working capital	(0.4)	(0.4)
Statutory net assets (average for the period)	8.9	8.5

Stockland Return on Equity methodology

	Numerator (Cash Return)	Denominator (Average Cash Invested)
Residential (incl. MD & 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 NFE (including inventory, development expenditure, cash paid for acquired DMFs and goodwill, excluding capitalised interest and revaluations)
Debt funding	Cash interest paid less interest income received	Average debt drawn (net of cash on hand)

Cost management

\$m	FY16	FY15
Commercial Property ¹	18	18
Residential	153	136
Retirement Living ²	36	33
UK	-	1
Unallocated corporate overheads	57	54
Sales, general and administration costs	264	242
Restructuring costs ³	-	6
Total sales, general and administration costs	264	248

- Diligent cost management practices remain embedded across the Group
- Increase in overheads largely attributable to growth in volumes and prices in both Residential and Retirement Living, and investment in our growth initiatives
- As a % of revenue, overheads have fallen in all businesses
- Unallocated corporate growth attributable to increased capability to support our growth businesses and compliance

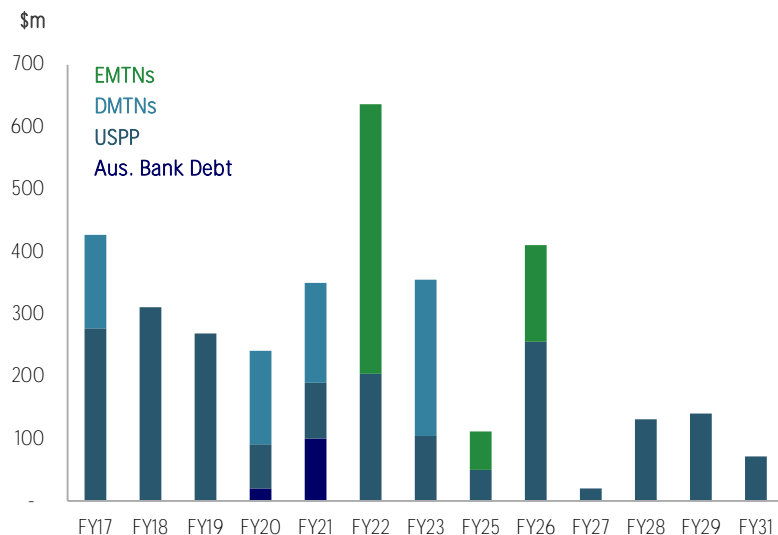
1. Net of recoveries and costs capitalised to development projects

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

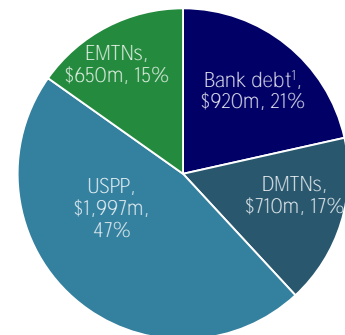
3. FY15 Restructuring costs of \$6m (before tax) relate to the Stockland Support Centre outsourcing project

Long dated, diverse debt

Long-dated drawn debt maturity profile (WADM 5.9 years)^{1,2}



Diverse debt sources – Committed Facilities



Cost of debt for FY16

	Debt (\$m) ³	Total Debt (%)	Interest Rate (%)
Hedged debt	2,921	84%	4.2%
Floating debt	556	16%	0.3%
Total debt	3,477		4.5%
Margin			1.1%
Fees			0.2%
All-in cost of funds for FY16			5.8%

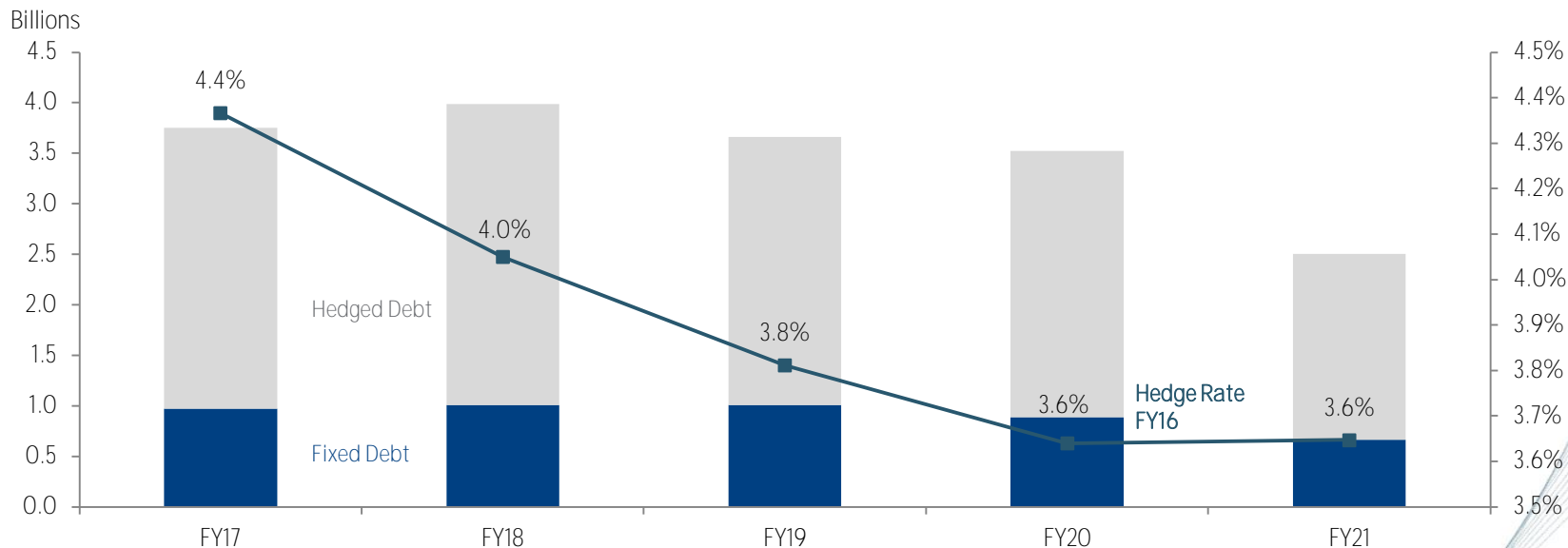
1. Excludes bank guarantees of \$0.2b and cash on deposit of \$0.2b

2. WADM increased to 5.9 years upon settlement of \$A398m (10-15 year) US private placement debt on 24 August 2016

3. Face value as at 30 June 2016

Fixed debt / hedge profile

Historical high fixed hedge rates¹ have been reduced in future years to positively impact the Group's WACD



1. Excludes fees and margins

Debt summary

Facility	Facility limit (\$m) ¹	Amount drawn (\$m) ^{1,2}
Bank Debt	920	120
Commercial Paper	-	-
Domestic Medium Term Notes	710	710
USPP	1,997	1,997
European Medium Term Notes	650	650
Total Debt	4,277	3,477

Facility	Facility limit (\$m) ¹	Amount drawn (\$m)	Facility maturity
Bank Debt			
- Multi option facility - Australia	100	-	Jul 2017
- Multi option facility - Australia	120	-	Aug 2018
- Multi option facility - Australia	200	-	Dec 2017
- Multi option facility - Australia	250	-	Jan 2019
- Multi option facility - Australia	150	20	Feb 2020
- Multi option facility - Australia	100	100	Nov 2020
Total Bank Debt	920	120	

Debt Capital Markets

- A\$164m USPP was repaid in FY16
- A\$151m EMTN was repaid in FY16
- 7 year A\$250m bond issued in November 2015 under existing DMTN program
- 10 year A\$100m USPP issued in December 2015
- 10 year HKD540m bond (~ A\$100m) issued in January 2016 under the existing EMTN program
- A\$398m USPP (10 – 15 year terms) was transacted in July 2016 and will settle in August 2016.

Bank Debt

- a number of facilities were extended for a further 12 months
- Sufficient liquidity to manage refinancing and investment requirements

1. Facility limit excludes bank guarantees of \$320m of which \$250m was utilised as at 30 June 2016

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

Debt summary (continued)

Facility	Issued debt (\$m) ¹	Facility maturity
Domestic Medium Term Note Facility (MTN)		
- MTN	150	Jul 2016
- MTN	150	Sep 2019
- MTN	160	Nov 2020
- MTN	250	Nov 2022
Total Domestic	710	
Offshore Medium Term Note Facility (MTN)		
- European MTN	433	Nov 2021
- Asia MTN	62	May 2025
- Asia MTN	55	Oct 2025
- Asia MTN	100	Jan 2026
Total Offshore	650	

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\$398m) that will be issued on 24 August 2016

Facility	Issued debt (\$m) ^{1,2}	Facility maturity
USPP		
- 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	156	Aug 2025
- USPP	100	Dec 2025
- USPP	20	Jun 2027
- USPP	131	Aug 2027
- USPP	141	Feb 2029
- USPP	72	Aug 2030
Total USPP	1,997	

Covenant calculations

As at 30 June 2016 \$m	Statutory Balance Sheet	Adjustments	Gearing Covenant Balance Sheet	
Assets				
Cash	208	-	208	
Real estate related assets	13,398	-	13,398	
Retirement Living Gross-Up	2,414	(2,414)	-	B
Intangibles	122	(122)	-	
Other financial assets	547	(503)	44	A
Other assets	253	-	253	
Total assets	16,942	(3,039)	13,903	
Liabilities				
Interest-bearing liabilities	(3,800)	334	(3,466)	A
Retirement Living resident obligations	(2,427)	2,414	(13)	B
Other financial liabilities	(316)	316	-	A
Other liabilities	(1,145)	-	(1,145)	
Total liabilities	(7,688)	3,064	(4,624)	
Net assets	9,254	25	9,279	

1. Rolling 12 month average

2. Debt = Interest bearing debt (\$3,466m) + transaction costs (\$11m) – Cash \$208m. TTA = Total assets \$13,903m – Cash (\$208m)

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 ¹	TL/TTA	D/TTA (net of cash)
30 June 2016	4.5:1	33.3%	23.8% ²
30 June 2015	4.0:1	32.7%	23.4%
30 June 2014	3.9:1	35.2%	25.0%

- Gearing is largely in line with the prior year-slight increase to 23.8% primarily driven by the timing of repayment and drawdowns of long term borrowings.

Balance sheet summary

\$m	FY16	FY15
Cash	208	170
Real estate related assets		
- Commercial Property	9,706	8,942
- Residential	2,517	2,552
- Retirement Living	1,175	1,137
- Other	-	7
Retirement Living Gross-Up	2,414	2,198
Intangibles ¹	122	98
Other financial assets	547	368
Other assets	253	257
Total assets	16,942	15,729
Interest-bearing liabilities	3,800	3,283
Retirement Living resident obligations ²	2,427	2,211
Other financial liabilities	316	317
Other liabilities	1,145	1,131
Total liabilities	7,688	6,942
Net assets	9,254	8,787
NTA per share	\$3.82	\$3.68

1. Increase reflects software development

2. This amount comprises of \$2,414m of existing resident obligations (2015: \$2,198m), being a balance sheet gross up and \$13m of former resident obligations (2015: \$13m).

Stockland Corporation income tax reconciliation

\$m	FY16		FY15	
	Statutory Profit	Underlying Profit	Statutory Profit	Underlying Profit
Net profit before tax	919	681	897	604
Less: Trust profit and Intergroup eliminations	(824)	(611)	(860)	(616)
Corporation profit / (loss) before tax	95	70	37	(12)
Prima facie tax (expense) /benefit @ 30%	B (28)	(21)	(11)	4
Tax effect of permanent differences:				
Other assessable income	(1)	(1)	(7)	-
Non-assessable / (non-deductible) items	1	1	(6)	1
Underprovided in prior years	(1)	-	(1)	(1)
Tax cost base adjustment ¹	(1)	-	-	-
Tax benefit relating to future deductions for RL gain on turnover payments ²	-	-	31	-
Tax (expense) /benefit	A (30)	(21)	6	4
Effective tax rate (A / B)	31.6%	30%	N/A	30%

1. Tax consolidation adjustment recognised to reflect the tax cost base reset of inventory acquired, following the acquisition of Stockland Ormeau Trust

2. A \$31m tax benefit was recognised in FY15 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.

Commercial Property

John Schroder



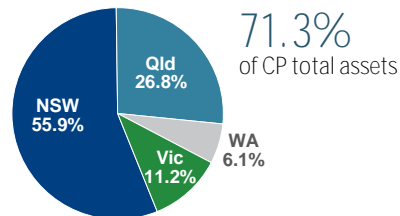
Portfolio weightings and valuation movements

Commercial Property assets: \$9.5b¹

Retail: \$6.8b

42 properties

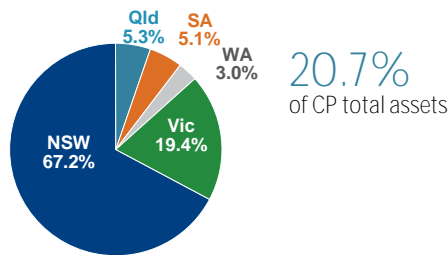
1,046,629 sqm gross lettable area²



Logistics and Business Parks: \$2.0b

27 properties

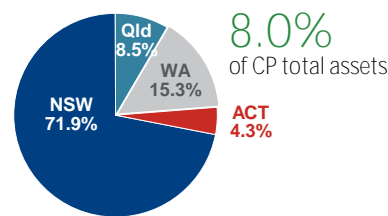
1,299,308 sqm gross lettable area^{2,3}



Office: \$0.8b

9 properties

153,895 sqm net lettable area²



	WACR Jun16	WACR Jun15	Book Value Under Ownership (\$m)	FY16 Revaluation Movement (\$m)	Gross Book Value ⁶ (\$m)
Retail ¹	6.1%	6.5%	6,760	364	7,168
Logistics and Business Parks	7.3%	8.0%	1,962	77	2,180
Office	7.0%	7.4%	758	(1)	1,108
Capital works and sundry properties ⁴	-	-	202	(1)	202
Total	6.4%	6.9%	9,682⁵	439⁵	10,658

1. This excludes capital works in progress and sundry properties. Total does not add due to rounding

2. Represents 100% owned, JV and associates properties

3. Excludes hardstand and vehicle storage

4. An independent valuation will be performed on completion of the capital works

5. Excluding stapling adjustment related to owner occupied space

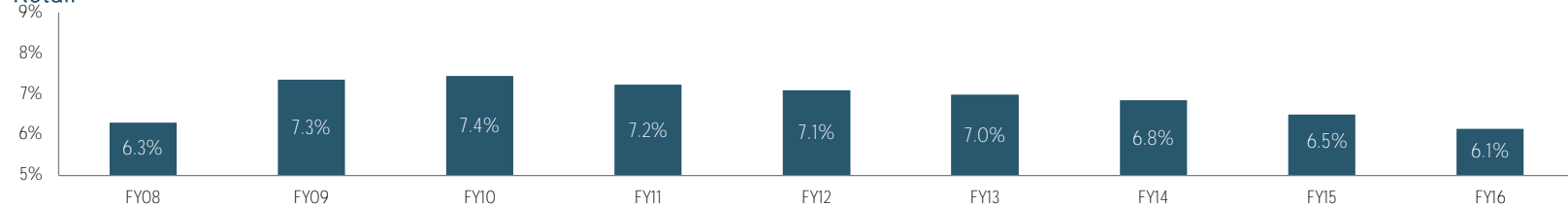
6. Represents all assets that we have ownership in, at 100%.

Commercial Property Funds From Operations

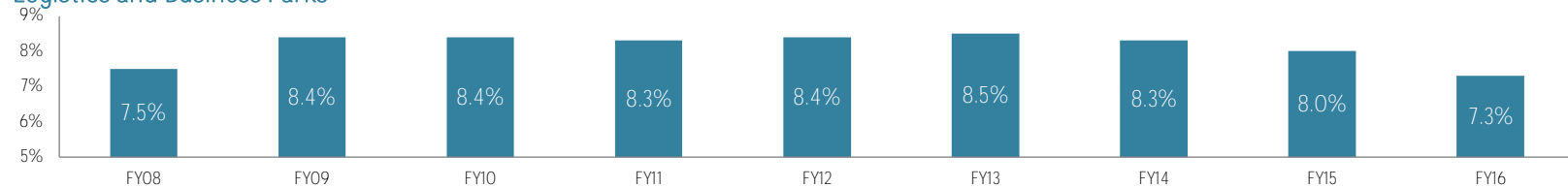
	Retail		Logistics and Business Parks		Office		Net Overhead Costs		Total	
\$m	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15
Operating EBIT	371	351	119	120	53	64	(18)	(18)	525	517
Adjust for:										
Amortisation of fit out incentives	34	31	6	5	9	9		-	49	45
Amortisation of rent-free incentives	-	-	10	9	8	7		-	18	16
Straight-line rent	(3)	(3)	(3)	(3)	(2)	(2)		-	(8)	(8)
Funds from Operations	402	379	132	131	68	78	(18)	(18)	584	570

Stockland portfolio: Trend in cap rates over time

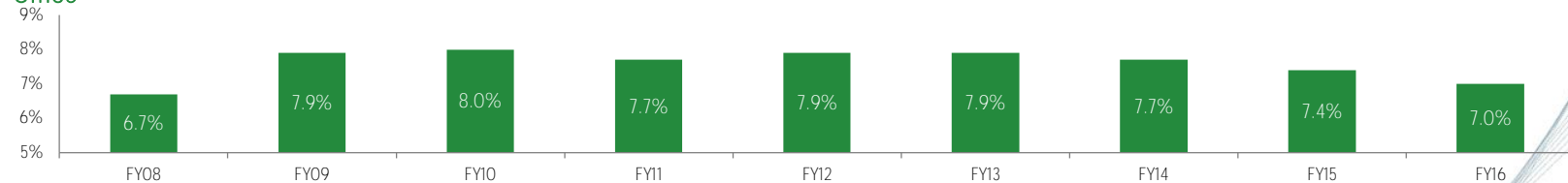
Retail



Logistics and Business Parks



Office



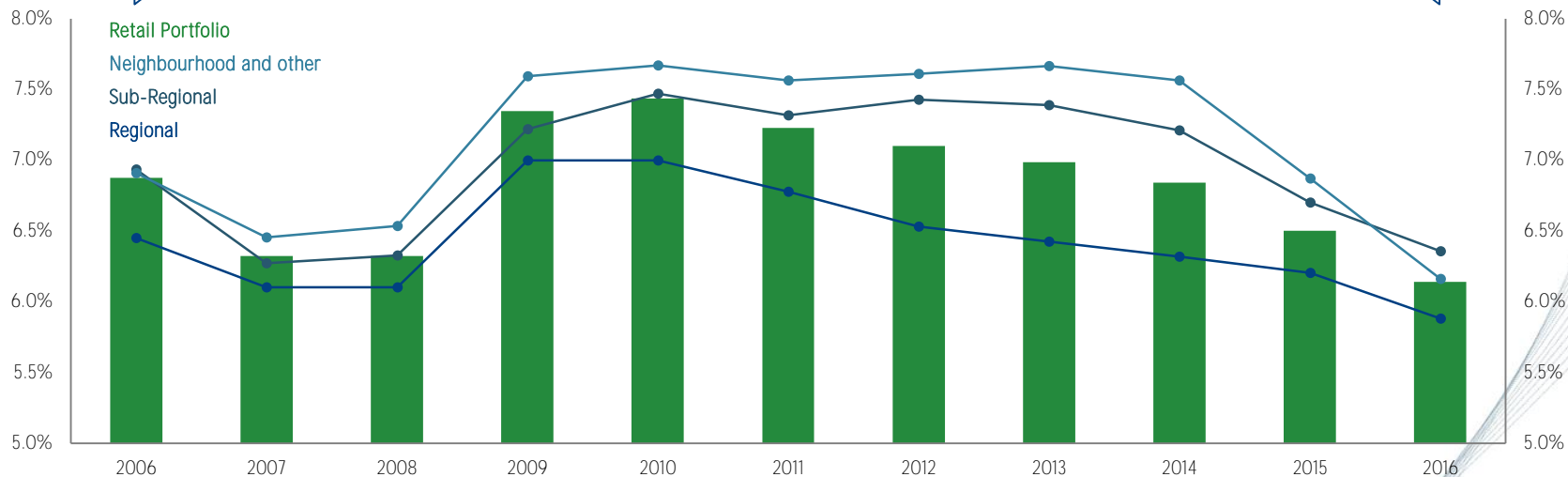
Stockland Retail portfolio capitalisation rates

As at 30 June 2006

	% allocation
Regional	14%
Sub-Regional	78%
Neighbourhood and Other	8%

As at 30 June 2016

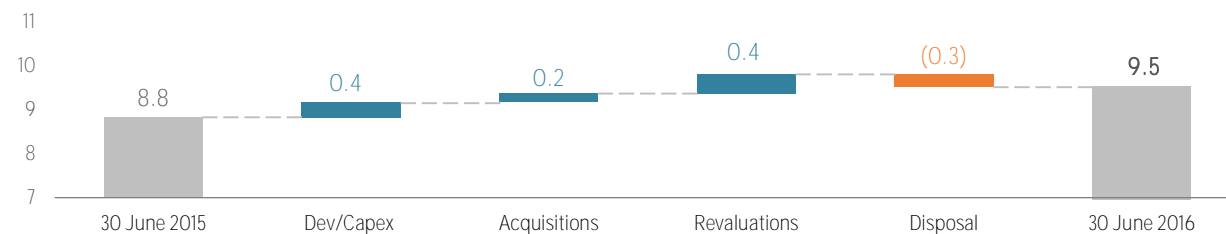
	% allocation
Regional	45%
Sub-Regional	45%
Neighbourhood and Other	10%



Commercial Property revaluation and book value update

Commercial Property book values: \$9.5b¹

(\$b)



- 85% of all investment property assets were independently valued during FY16
- Developments added \$125m of value

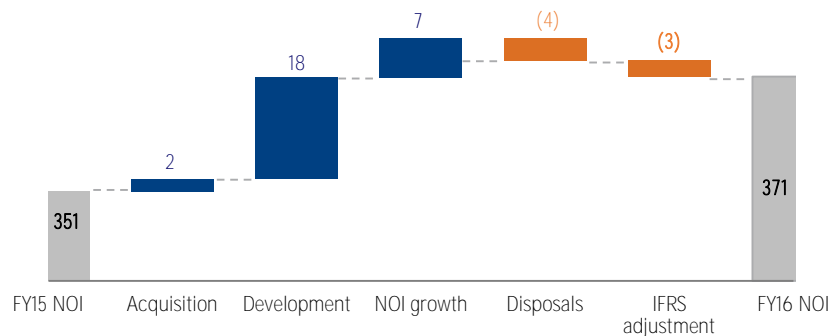
Net revaluation breakdown (\$m)	Retail	Logistics and Business Parks	Office	Total
Operating Assets	238	80	(1)	317
Development	125	-	-	125
Sundry Properties	-	(3)	-	(3)
Total net revaluations ²	363	77	(1)	439

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

2. Excluding stapling adjustments related to owner occupied space.

Retail performance

Retail NOI movements between FY15 and FY16 (\$m)



Leasing activity

	No. of Deals	Area (sqm)	Rental growth	Incentives	
Lease renewals	291	40,828	3.4%	-	-
New leases	205	23,105	1.6%	8.9 mths	11.9% ¹
Total portfolio	496	63,933	2.8%		

1. Incentive capital as a percentage of total rent over the primary lease term only
2. Dick Smith closures reduced stable portfolio occupancy by ~0.2%
3. Stable portfolio. FY16 basket different to FY15 basket
4. Green Hills removed from stable basket pending development

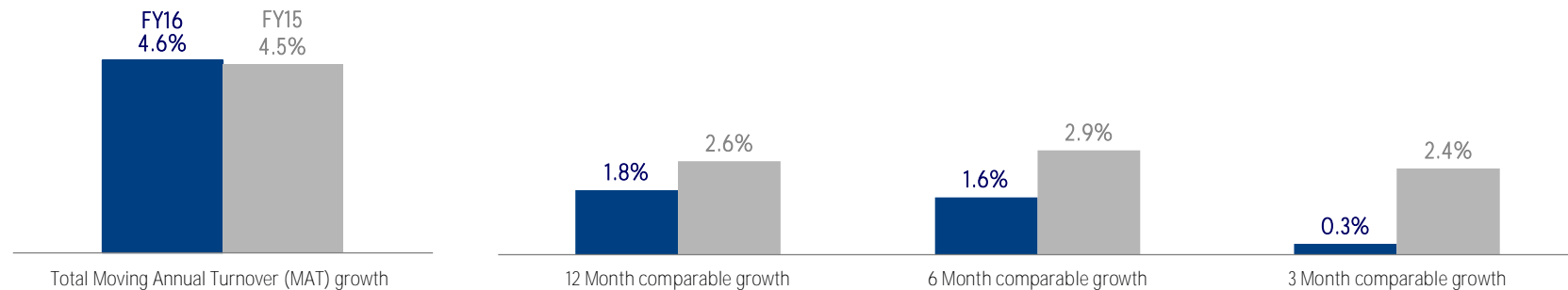
Key metrics

	FY16	FY15
Occupancy ²	99.3%	99.5%
Specialty occupancy costs ³	14.7%	14.3%
Regional	16.6%	16.0%
Large sub-regional ⁴	-	14.0%
Small sub-regional	13.8%	13.6%
Neighbourhood centres	12.9%	12.8%
Specialty store leases:		
- Fixed annual increases	96%	93%
- CPI+	4%	7%
Tenant retention ⁵	77%	64%
Weighted average lease expiry ⁶	6.6 years	6.6 years
Options WALE ⁷	10.7 years	11.1 years

94%
on fixed
4-5% per
annum

5. Adjusted for operational centre remixes and reconfiguration and retailers subject to administration
6. Assumes all leases terminate at earlier of expiry / option date
7. If all call options are exercised on Majors' leases

Stockland retail sales growth: Comparable



	Total MAT (\$m)	SGP Total MAT Growth	12 month Comparable growth	6 month Comparable growth ²	3 month Comparable growth ²
Supermarkets	2,621	2.1%	0.8%	0.7%	0.2%
Department ¹ / DDS	945	2.5%	2.1%	2.1%	0.5%
Specialties	2,005	6.0%	2.2%	2.4%	0.2%
Mini Majors/ Cinemas/Other	1,147	10.4%	3.7%	3.8%	0.8%
Total	6,719 ³	4.6%	1.8%	1.9%	0.3%

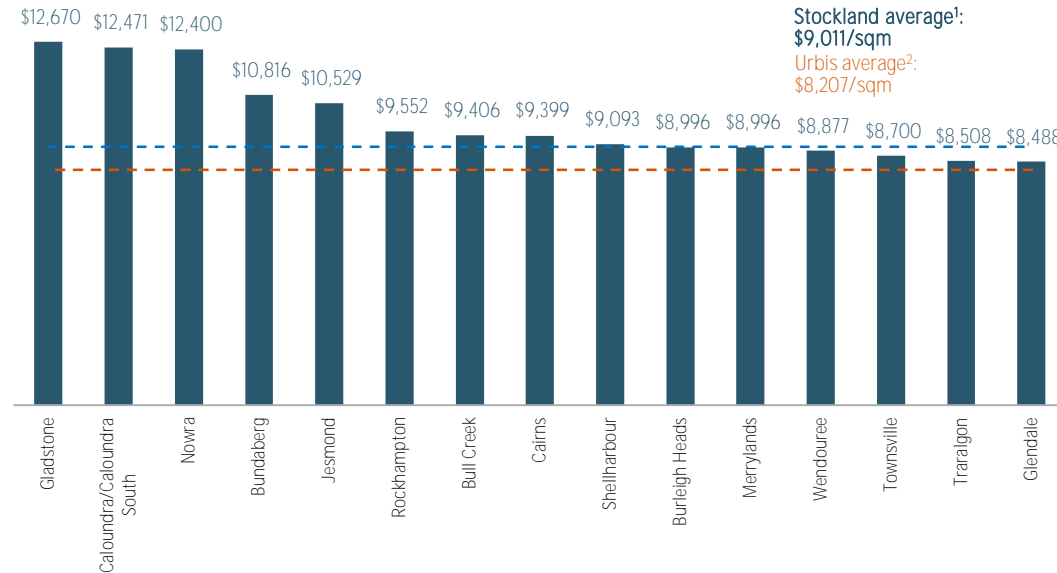
1. Includes Myer at Stockland Townsville (Qld) and Stockland Shellharbour (NSW)

2. Includes Hervey Bay (Qld)

3. Total does not add due to rounding

Retail: Productive centres and diverse income base

Specialty MAT/sqm, centres with future development potential

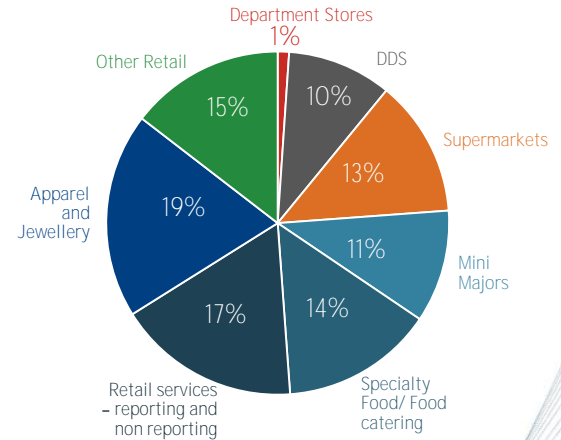


1. MLA methodology, comparable centres
2. Urbis Sub-regional Shopping centre Benchmarks June 2015

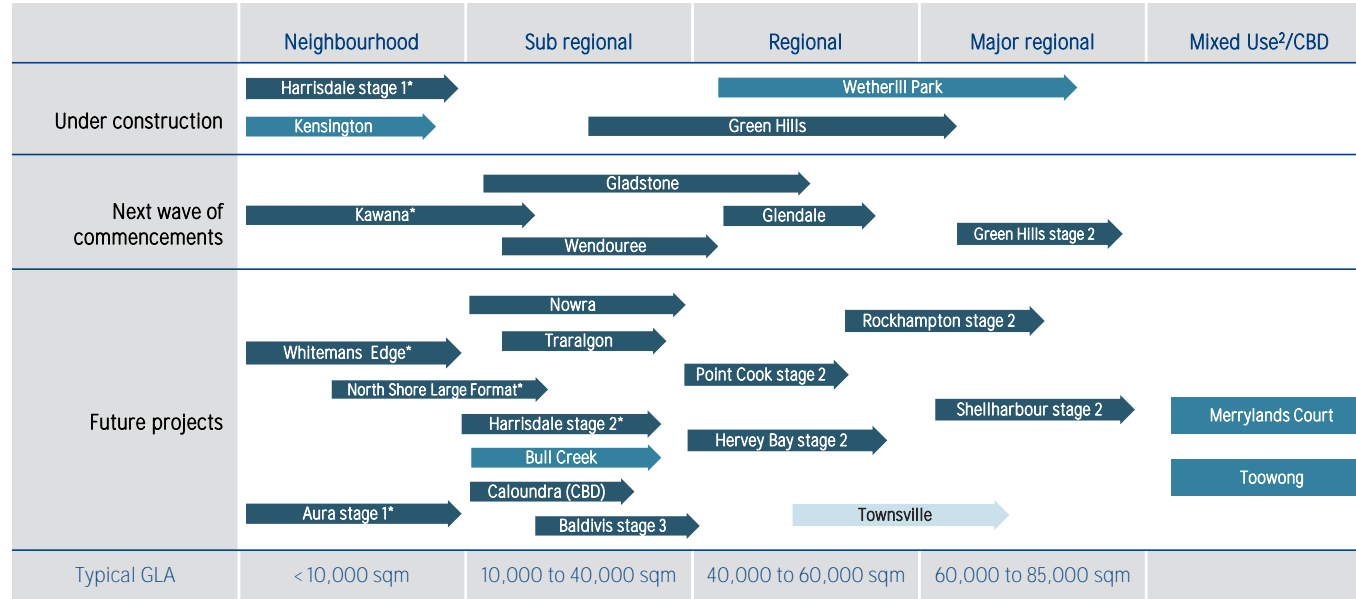
Stockland FY16 Results Presentation

Strong diversity in rental income

Gross rent: Total portfolio



Retail: Significant development pipeline driving growth and returns



Target returns

11% - 14% incremental IRR¹
7% - 8% incremental yield (FFO & stabilised)

DA approvals received

Caloundra (CBD)
Gladstone
Glendale
Green Hills Cinema
Hervey Bay (stage 2)
North Shore (stage 2)
Nowra
Townsville (ELP)
Wendouree

DA approvals submitted

Burleigh Heads

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 ¹	Total income leased	Specialty income leased ²	Est. Incremental Return ³ (%)	Est. total return ⁴ (%)
				Date	Value (\$m)					
Under construction										
Wetherill Park (NSW)	228	220	8	FY16	690 - 720	7.3%	97%	98%	~15.0	~11.8
Harrisdale (WA)	51	47	4	FY16	52 - 55	7.8%	95%	93%	~11.2	~11.2
Green Hills (NSW)	372	46	326	FY18	780 - 800	7.0%	32%	16%	~12.6	~10.8
Kensington (Qld)	30	1	29	FY17	30 - 31	7.0%	84%	23%	~7.8	~7.8
	681	314	367							
Pipeline	~1,000		~1,000			Range 7% - 8%			Range 11% - 14%	
TOTAL	1,681		1,367							

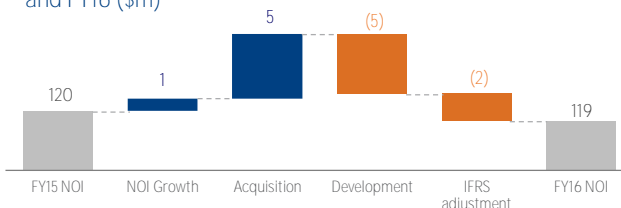
1. FFO stabilised incremental yield
2. All specialty income including shops, kiosks, ATMs and pad sites, excluding majors and mini majors
3. Unlevered 10 year IRR on incremental development from completion
4. Unlevered 10 year IRR for existing assets and incremental development from completion

Logistics & Business Parks performance

Occupancy and lease expiry – by Income

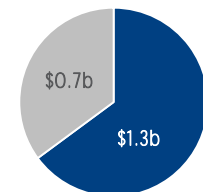
	FY16	FY15
Occupancy	94.7%	94.3%
WALE	4.4 yrs	4.7 yrs

Logistics & Business Parks NOI movements between FY15 and FY16 (\$m)



Portfolio concentrated in large quality assets
Logistics and Business Parks assets by book value

\$2.0b
Business Parks
Logistics



Key Logistics & Business Parks leasing deals

Property	Location	Building area (sqm)	FY16 area leased (sqm)	Leased to	Asset WALE (years)	Comments
Port Adelaide Distribution Centre	SA	167,608	32,817	ACI	2.1	Tenant Renewal
			23,481	Koch Fertiliser		Tenant Renewal
			12,383	Spendless Shoes Pty Ltd		Tenant Renewal
Yennora Distribution Centre	NSW	296,991	12,225	Symbion Pty Limited	4.0	New Tenant
			12,000	Chrisco Hampers		New Tenant
Brooklyn Estate	Vic	130,001	23,625	Ceva	1.5	Tenant Renewal
1090-1124 Centre Road, Oakleigh	Vic	44,814	22,204	Specialty Packaging Group	4.6	Existing tenant add space
10 Stubb Street	Vic	21,319	10,702	Integrated Packaging	5.4	New Tenant
			10,617	Super Amart		New Tenant
23 Wonderland Drive	NSW	23,117	17,770	Icehouse Logistics	5.2	New Tenant
11-25 Toll Drive	Vic	16,144	16,144	Seaway Logistics	10.3	New Tenant
Hendra Distribution Centre	Qld	83,809	14,810	Bevchain	2.7	Existing tenant add space
9-11A Ferndell Street	NSW	47,865	12,933	Bluestar	5.0	New Tenant
Baker St, Botany	NSW	9,492	9,492	Smeg Australia Pty Limited	7.0	Tenant Renewal
60-66 Waterloo Road	Sydney Metro, NSW	18,310	4,857	Jansen Cilag	6.9	Tenant Renewal

L&BP: Growing & activating the development pipeline

	Completed	Active Development	Planning Underway	Future Wave
NSW	Erskine Park	Ingleburn (Stage 1) Waterside (Land Subdivision)	Ingleburn (Stage 2) Yennora (Bld 3 & 8A) Warwick Farm	Ingleburn (Stage 3) Yennora (Bld 1 & 2) Land Option (Western Sydney)
Vic	Oakleigh (Stage 1)	Oakleigh (Stage 2)	Brooklyn (A & C)	Altona DC
Qld		Yatala		Willawong (previously Pallara) ¹
SA				Port Adelaide DC
WA		Balcatta (Land Subdivision)		

Development type

Greenfield Brownfield

Target returns
11% - 14% IRR
 (Greenfield)
7% - 8% incremental
 yield (FFO)

DA approvals received
 Yatala (Stage 1 & 2)
 Port Adelaide
 Warwick Farm (Built Form)

DA approvals submitted
 Balcatta
 Brooklyn (Building A & C)
 Willawong
 Yennora (Bld 3 & 8A)

1. Asset developed on acquired land as part of Residential Community activity

L&BP development pipeline

	Development Type	Est. total incremental cost (\$m)	Cost Spent to Date (\$m)	Est. Cost to Complete (\$m)	Completion Date	Completion Value (\$m)	Est. fully leased year one yield ⁵	Total income leased	Est. Incremental Return ⁶	Est. total return ⁷
Completed										
Oakleigh - Stage 1 – Building 3 (Vic)	Brownfield	8	8	0	FY16	40 – 45	7.1%	100%	~18.5%	~10.8%
Erskine Park (NSW) ¹	Greenfield	19	19	0	FY16	19 – 21	7.2%	100%	~8.6%	~8.6%
Under Construction²										
Oakleigh - Stage 2 – Building 2 (Vic)	Brownfield	7	1	6	FY17	50 – 55	7.1%	0%	~13.5%	~11.1%
Ingleburn – Stage 1 (NSW)	Greenfield	33 ³	26	7	FY17	35 – 40	8.5%	0%	~12.1%	~12.1%
		67	54	13		104 -116⁴				
Pipeline		~400		~400			Range 7% - 8%		Range 11% - 14%	
TOTAL		467	54	413						

1. Development fund-through by third party developer, with 1 year rental guarantee
2. Excludes land sub-division projects
3. Includes \$10M of land cost
4. Total Value on Completion excludes Oakleigh Stage 1 (As this is included in Stage 2)

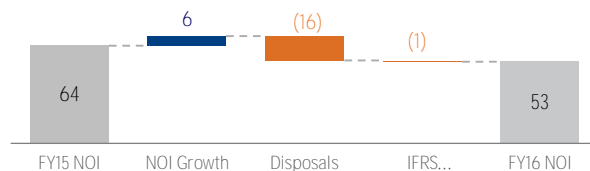
5. FFO stabilised incremental yield
6. Unlevered 10 year IRR on incremental development from completion
7. Unlevered 10 year IRR for existing assets and incremental development from completion

Office performance

Occupancy and lease expiry – by income

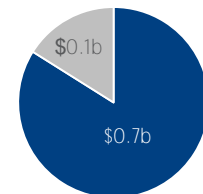
	FY16	FY15
Occupancy	95.4%	95.4%
WALE	3.7 yrs	4.4 yrs

Office NOI movements between FY15 and FY16 (\$m)



Portfolio concentrated in large quality assets Office assets by book value

\$0.8b
Premium, A grade
B-Grade



Key Office leasing deals

Property	Location	Building area (sqm)	FY16 area leased (sqm)	Leased to	Asset WALE (years)	Comments
Garden Square	Brisbane, Qld	12,597	3,618	State of Queensland	2.7	Tenant Renewal
			917	State of Queensland		New Tenant
			483	Children's Health Queensland		New Tenant
80-88 Jephson Street	Brisbane, Qld	6,412	1,896	Auto & General Services	2.6	New Tenant
			603	Webb Australia Group		Tenant Renewal
110 Walker Street	Sydney Metro, NSW	4,382	1,454	Rice Daubney	2.0	Tenant Renewal
Piccadilly Tower	Sydney CBD, NSW	29,645	675	National Health	5.5	New Tenant
77 Pacific Highway	Sydney Metro, NSW	9,392	588	Energy One Limited	2.7	New Tenant

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

Logistics & Business Parks	Total leased ¹		
	GLA leased (sqm) ¹	Weighted average base rent growth%	Weighted average incentives ³
Sydney West	86,742	(2.0%)	11.1%
Sydney Metro	8,453	(2.5%)	21.9%
Qld	23,013	(2.6%)	3.4%
SA	68,681	3.0%	7.3%
Vic	119,642	0.3%	9.8%
Total	306,531	0.0%	9.4%

Office	Total leased ¹		
	GLA leased (sqm) ¹	Weighted average base rent growth%	Weighted average incentives ⁴
Sydney CBD	3,557	3.8%	23.4%
Sydney Metro	3,894	0.8%	16.8%
Qld	10,441	4.5%	22.4%
Total	17,892	3.6%	21.4%

Retention ¹		
Retention (sqm) ¹	Weighted average base rent growth%	Weighted average incentives ³
9,492	0.9%	10.0%
7,016	(3.8%)	21.4%
5,470	0.8%	5.7%
68,681	3.0%	7.3%
51,635	10.6%	2.9%
142,294	5.2%	6.5%
67% retention²		

Retention ¹		
Retention (sqm) ¹	Weighted average base rent growth%	Weighted average incentives ⁴
1,304	10.2%	22.1%
2,035	1.4%	7.9%
4,991	1.1%	21.0%
8,330	2.6%	18.0%
72% retention²		

New leases ¹		
New leases (sqm) ¹	Weighted average base rent growth %	Weighted average incentives ³
77,250	(2.3%)	11.2%
1,438	3.5%	24.4%
17,543	(3.7%)	2.6%
-	-	-
68,007	(7.6%)	15.0%
164,238	(4.6%)	12.0%

New leases ¹		
New leases (sqm) ¹	Weighted average base rent growth %	Weighted average incentives ⁴
2,253	0.1%	24.2%
1,859	0.2%	26.6%
5,450	7.6%	23.6%
9,562	4.4%	24.3%

1. Includes executed leases only and represents 100% property ownership

2. 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

3. Incentives based on net rent

4. Incentives based on gross rent

Asset values: Retail

Retail portfolio	Book value (\$m)	FY16 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	FY16 FFO (\$m)	FY16 NOI (\$m) ²
Stockland Shellharbour	700.1	5.7	0.8%	5.75%	39.0	33.3
Stockland Wetherill Park ³	685.1	86.7	14.5%	6.75% ⁵	32.7	31.7
Stockland Merrylands	537.1	32.4	6.4%	5.75%	31.8	26.8
Stockland Rockhampton	406.1	-	-	6.00%	24.2	22.4
Stockland Green Hills ³	354.2	34.8	10.9%	5.75%	20.2	20.0
Stockland Glendale	300.6	21.2	7.6%	6.25%	19.7	18.8
Stockland Cairns	235.4	(4.5)	(1.9%)	6.00%	13.5	12.4
Stockland Point Cook ³	230.3	19.8	9.4%	6.25%	14.6	13.9
Stockland Townsville (50%)	227.5	0.8	0.4%	6.00% - 6.75%	13.1	11.1
Stockland Baldivis ³	200.3	17.2	9.4%	6.00%	11.3	10.7
Stockland Hervey Bay ³	195.3	-	-	6.25%	9.8	8.6
Stockland Burleigh Heads	170.5	6.1	3.7%	6.75%	11.5	10.4
Stockland The Pines	170.4	13.0	8.3%	6.25%	12.1	11.4
Stockland Forster	167.1	7.9	5.0%	6.50%	11.3	10.7
Stockland Jesmond	160.6	16.3	11.3%	6.50%	10.7	10.0
Stockland Wendouree	148.5	9.1	6.5%	6.50%	9.9	9.1
Stockland Balgowlah	148.2	21.3	16.8%	6.00%	9.0	8.3
Stockland Baulkham Hills	145.2	13.3	10.0%	6.25%	9.5	8.9
Stockland Gladstone	142.1	(14.1)	(9.0%)	7.00%	10.4	10.1
Stockland Bundaberg	138.9	(1.3)	(1.0%)	6.50%	5.7	5.6
Stockland Caloundra	126.8	8.4	7.1%	6.50%	8.2	7.9
Stockland Nowra	120.2	6.9	6.1%	6.50%	7.7	7.3
Stockland Traralgon	107.8	7.0	7.0%	6.75%	7.7	7.3
Stockland Bull Creek	103.0	0.7	0.7%	6.50%	7.0	6.4
Stockland Cleveland	102.7	7.3	7.6%	6.75%	7.3	7.1
Stockland Bathurst	94.7	3.5	3.9%	6.75%	6.6	6.2

Retail portfolio	Book value (\$m)	FY16 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	FY16 FFO (\$m)	FY16 NOI (\$m) ²
Stockland Corrimal	75.2	4.3	6.1%	6.75%	5.1	4.7
Stockland WallSEND	70.7	3.1	4.6%	7.00%	5.2	4.9
Glasshouse (50%) ³	64.7	20.8	47.2%	4.75%	1.9	1.9
Stockland Riverton (50%)	64.5	(0.3)	(0.4%)	6.50%	4.5	4.6
Stockland Tooronga	63.0	9.1	17.0%	6.00%	3.9	3.2
Shellharbour Retail Park	53.3	-	-	7.75%	3.9	3.8
Stockland Harrisdale ³	47.7	-	-	-	0.2	0.2
Stockland Cammeray	45.4	8.0	21.3%	6.25%	2.8	2.4
Stockland Piccadilly (50%)	35.6	2.5	7.6%	6.00%	2.3	2.1
Stockland Highlands	34.0	3.5	11.7%	6.50%	2.1	1.9
North Shore Townsville	23.0	0.8	3.4%	6.75%	1.4	1.1
Burleigh Central	20.4	2.3	12.6%	7.50%	1.6	1.4
Jimboomba (50%)	14.0	-	-	8.00%	1.5	1.4
Vincentia	10.7	(2.7)	(20.0%)	8.25%	1.0	1.0
Merrylands Court	10.2	-	-	7.50%	0.3	0.2
Woolworths Toowong ³	6.6	(8.3)	(55.9%)	n/a	0.2	0.2
T/Ville Kingsvale & Sunvale (50%) ³	2.4	-	-	n/a	(0.1)	(0.1)
Subtotal Retail	6,760.1	362.6			402.3	371.3
Disposals	-	-	-	-	0.2	0.2
Other ⁴	-	0.1	-	-	(0.1)	(0.1)
Total Retail	6,760.1	362.7		WACR 6.1%	402.4	371.4

1. Movements due to independent valuations, excluding Wetherill Park 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 FY16. NOI and FFO does not represent a full year of completion
4. Relates to sundry properties
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)	FY16 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	FY16 FFO (\$m)	FY16 NOI (\$m) ²
Yennora Distribution Centre	384.3	9.5	2.5%	7.00%	25.5	23.0
Optus Centre (51%)	226.9	22.4	11.0%	6.75%	14.8	14.7
Trinitil Business Campus	176.1	8.9	5.3%	7.00%	12.4	9.7
Port Adelaide Distribution Centre	100.8	4.7	4.9%	9.00%	8.2	7.1
60-66 Waterloo Road	96.8	14.3	17.3%	6.50% - 7.00%	6.9	5.9
Mulgrave	92.6	-	-	-	1.0	1.2
Hendra Distribution Centre	88.0	(0.1)	(0.1%)	8.25%	8.0	7.3
Brooklyn Estate	82.3	-	-	8.00%	8.4	7.1
Forrester Distribution Centre	81.5	4.1	5.3%	7.25%	6.0	6.1
Ingleburn Distribution Centre	77.8	-	-	n/a	5.3	5.8
Balcatta Distribution Centre	58.5	1.0	1.7%	7.00%	3.9	4.9
9-11A Ferndell Street	54.2	7.6	16.4%	7.25% - 9.00%	4.2	2.2
Macquarie Technology Centre	53.6	5.0	10.3%	7.00% - 8.25%	3.3	2.7
16 Giffnock Avenue	42.8	5.0	13.4%	7.75%	3.0	2.2
1090-1124 Centre Road, Oakleigh	39.6	-	-	9.25%	2.5	1.9
23 Wonderland Drive	36.3	-	-	n/a	1.7	1.7
Cherry Lane	31.9	0.6	2.1%	7.00%	2.3	2.4
20-50 Fillo Drive and 10 Stubb Street	30.8	(2.6)	(7.7%)	8.25%	1.4	1.1
Altona Distribution Centre	30.6	0.9	3.0%	8.25%	3.0	2.7
2 Davis Road	25.6	1.2	4.7%	7.25%	1.2	1.0
Baker St, Botany	24.2	1.5	6.5%	6.25%	1.6	1.6
Erskine Park	19.2	-	-	-	-	-
Coopers Paddock, Warwick Farm	18.7	-	-	n/a	-	-
56-60 Toll Drive	18.0	0.7	3.9%	7.25%	1.3	1.1
32-54 Toll Drive	17.6	2.8	19.0%	7.50%	1.5	1.3
76-82 Fillo Drive	14.2	(0.1)	(0.5%)	8.25%	1.5	1.1
11-25 Toll Drive	14.0	(5.3)	(27.3%)	6.75%	1.3	1.3
Export Park, 9-13 Viola Place	9.2	(2.5)	(21.2%)	9.29%	1.4	1.2
40 Scanlon Drive	9.0	0.5	6.1%	7.50%	0.8	0.8
M1 Yatala Enterprise Park	6.7	(3.3)	(33.3%)	n/a	-	-
Total Logistics & Business Parks	1,961.8	76.8		WACR 7.3%	132.4	119.1

Office portfolio	Book value (\$m)	FY16 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	FY16 FFO (\$m)	FY16 NOI (\$m) ²
Piccadilly Complex ^{3,4} (50%)	209.0	22.7	12.2%	6.00% - 7.00%	13.8	11.4
135 King Street (50%)	140.9	14.8	11.7%	4.75% - 6.00%	9.3	6.3
Durack Centre	116.0	(43.3)	(27.2%)	8.00%	15.1	12.9
601 Pacific Highway	96.7	9.6	11.0%	7.00%	7.3	5.3
77 Pacific Highway	68.7	7.8	12.8%	7.00%	5.4	3.8
Garden Square ⁵	35.4	(3.5)	(9.0%)	9.25%	4.2	3.2
40 Cameron Avenue	32.8	(9.0)	(21.6%)	11.00%	2.5	1.8
110 Walker Street	29.6	1.3	4.6%	7.25%	2.5	2.0
80-88 Jephson Street	22.3	0.5	2.4%	8.75%	2.0	1.6
27-29 High Street	3.4	(0.3)	(8.1%)	7.50%	0.1	0.1
23 High Street	3.2	(1.2)	(28.0%)	7.50%	0.3	0.2
Subtotal Office	758.0	(0.6)			62.5	48.6
Disposals					5.3	4.2
Total Office	758.0	(0.6)		WACR 7.0%	67.8	52.8

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
5. Asset disposed post 30 June 2016

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	10.2%	Jacobs Group (Australia) Pty Ltd	9.3%
2	Wesfarmers Ltd	11.6%	ACI Operations Pty Ltd	7.1%	IBM Australia Ltd	6.9%
3	Prouds Jewellers Pty Ltd	1.5%	Toll Holdings Ltd	4.3%	Shell Australia Pty Ltd	6.7%
4	Commonwealth Bank of Australia Ltd	1.4%	Qube Holdings Ltd (Qube Logistics)	4.2%	Stockland Development Pty Ltd	5.4%
5	Specialty Fashion Group Ltd	1.3%	Kmart Australia Pty Ltd	4.0%	Hewlett Packard Pty Ltd	4.1%
6	Westpac Banking Corporation Ltd	1.3%	Patrick Autocare Ltd	3.7%	Australian Bureau of Statistics	2.8%
7	Priceline Pty Ltd	1.2%	AWH (Australian Wool Handlers) Pty Ltd	3.6%	Brookfield Multiplex Ltd	2.3%
8	H&M Hennes & Mauritz Pty Ltd	1.1%	Downer ED Ltd	3.1%	Russell Investment Group Pty Ltd	2.0%
9	Just Group Ltd	1.1%	GF Services Company Pty Ltd (Goodman Fielder)	2.8%	UXC Ltd	1.8%
10	Terry White Chemist Ltd	1.0%	Ceva Logistics (Australia) Pty Ltd	2.6%	GHD Services Pty Ltd	1.8%
11	The Reject Shop Ltd	1.0%	Brownes Food Operations Ltd	2.2%	The Uniting Church of Australia Property Trust	1.8%
12	Aldi Foods Pty Ltd	1.0%	CSR Ltd	2.0%	The University of Sydney	1.8%
13	Myer Ltd	0.9%	Lavery Health Ltd	1.8%	Fleet Partners Pty Ltd	1.5%
14	Best & Less Pty Ltd	0.9%	Chubb Security Holdings Australia Pty Ltd	1.6%	Smartsalary Pty Ltd	1.5%
15	Luxottica Retail Australia Pty Ltd	0.9%	United Building (Aust) Pty Ltd	1.6%	(Department Public Works) Smart Services	1.5%
16	Cotton On Clothing Group Pty Ltd	0.8%	Austpac Pty Ltd	1.6%	National Health Call Centre Network	1.3%
17	National Australia Bank Ltd	0.8%	Citrix Systems Asia Pacific Pty Ltd	1.5%	Moore Stephens International Ltd	1.2%
18	ANZ Banking Group Ltd	0.8%	CRT Group Pty Ltd	1.5%	Rice Daubney	1.2%
19	Pretty Girl Fashion Pty Ltd	0.7%	Icehouse Logistics Ltd	1.4%	Infosys Technologies Australia Pty Ltd	1.2%
20	BB Retail Capital Pty Ltd	0.7%	Jansen Cilag Pty Ltd	1.4%	Health Administration Corporation	1.1%
		43.0%		62.1%		57.1%

Commercial Property asset acquisitions & disposals

Property Acquired	Asset Class	Type	Acquisition Date	Acquisition Value ¹ (\$m)
23 Wonderland Drive, NSW	L&BP	Income Producing	Sep 2015	34.0
Erskine Park, NSW	L&BP	Income Producing	June 2016	18.7
Mulgrave, Vic	L&BP	Income Producing	April 2016	87.6
Bundaberg, Qld (remaining 50%)	Retail	Income Producing	April 2016	61.5
Total Asset Acquisitions				201.8

Property Disposed	Asset Class	Type	Settlement Date	Disposal Value ² (\$m)
Waterfront Place, Qld (50%)	Office	Joint Venture	Oct 2015	296.0
Eagle St Pier, Qld (50%)	Retail	Joint Venture	Oct 2015	21.5
Garden Square, Qld	Office	Income Producing	Aug 2016	35.4
Total Asset Disposals				352.9

1. Excludes associated acquisition costs

2. Excludes associated disposal costs

An aerial photograph of a coastal residential development. The foreground shows a large body of water with a winding canal or river. The middle ground is filled with dense residential housing, including many small houses and some larger buildings. The background shows a city skyline across the water under a clear blue sky. White dotted lines are overlaid on the image, forming a circular pattern around the text.

Residential

Andrew Whitson

Artist's Impression

Development Pipeline –

Major active projects excluding medium density

State	Project	State percentage	Approximate lot sales per annum ¹	Approx remaining project lots	Anticipated Settlements				
					FY17	FY18	FY19	FY20	FY21+
Qld	North Shore		90	3,770					
	Aura		380	19,780 [#]					
	Newport		150	1,670					
	Pallara		140	710					
	All Other Projects			9,650					
	Sub-total	48.1%		35,580					
Vic	Highlands		620	3,430					
	Mernda Village		160	480					
	The Address ²		110	250					
	The Grove		260	2,370					
	Cloverton		280	10,950					
	All Other Projects			2,610					
	Sub-total	27.1%		20,090					
WA	Newhaven		120	390					
	Vale		310	1,630					
	Sienna Wood		190	3,180					
	Calleya		220	1,180					
	All Other Projects			2,630					
	Sub-total	12.2%		9,010					
NSW	Willowdale		390	1,860					
	Elara		440	1,720					
	Altrove ²		130	270 ³					
	All Other Projects			5,470					
	Sub-total	12.6%		9,320					
	Total	100.0%		74,000					

1. Average number of lots estimated for three years (FY17 to FY19)

2. Average number of lots estimated for FY17 and FY18 as project completes in next two years

3. Excludes apartments

Dwellings

Seven projects with first settlements in next two years

	Project	Timing of first settlements	Approximate total lots in project	Approximate life of project
Vic	Arve	FY17	80 [#]	1 yr
	Clyde North	FY18	790	7 yrs
Qld	Newport	FY17	1,670	11 yrs
	Pallara	FY17	710	5 yrs
	Bokarina Beach	FY18	290	8 yrs
	Coomera	FY18	490	5 yrs
NSW	Macarthur Gardens	FY18	470 [#]	3 yrs
	Total lots		4,500	

[#] Dwellings

Projects completing prior to FY19

	Project	Timing of final settlements	Approximate total lots#	Lots# remaining to sell (as at 30 Jun 2016)
NSW	Brooks Reach	FY17	590	152
	Murrays Beach	FY17	480	182
WA	Baldivis Town Centre	FY17	160	4
	Newhaven	FY18	2,660	390
Qld	The Observatory	FY17	900	22
	Augustine Heights	FY18	1,010	156
	Highland Reserve	FY18	1,160	124
	Ormeau Ridge	FY18	660	266
Vic	Allura	FY18	1,340	254
	The Address	FY18	480	256
		Total lots	9,440	1,806

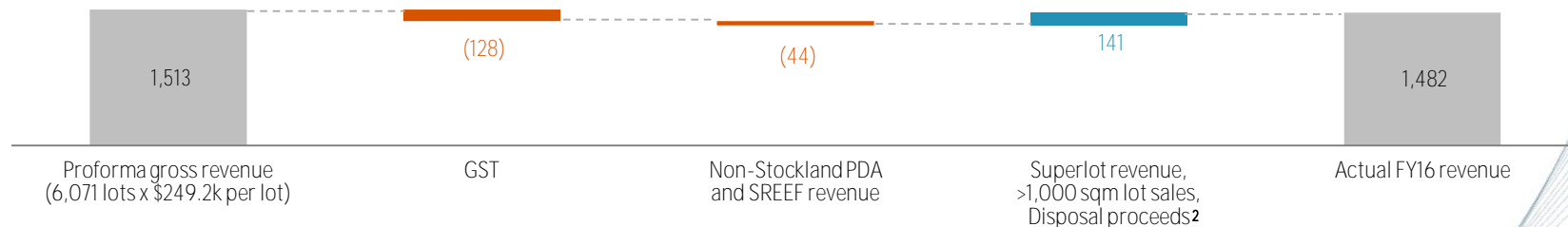
Includes dwellings

Price per sqm

Retail sales price¹

State	FY16 Settlements				FY15 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	1,023	409	365	894	763	439	279	636
Qld	1,666	439	237	540	1,833	419	228	543
Vic	1,888	383	206	538	1,585	393	201	512
WA	1,494	351	237	676	1,615	371	249	671
Residential Communities	6,071	395	249	631	5,796	401	233	581

Revenue Reconciliation (\$m)



1. Average price of retail sales excludes sales of all lots over 1,000 sqm, superlot sales, completed homes, medium density and apartments 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 part disposal of impaired project Bahrs Scrub (Qld) and disposal of The Islands Apartments at Southbeach (WA) that occurred in FY16

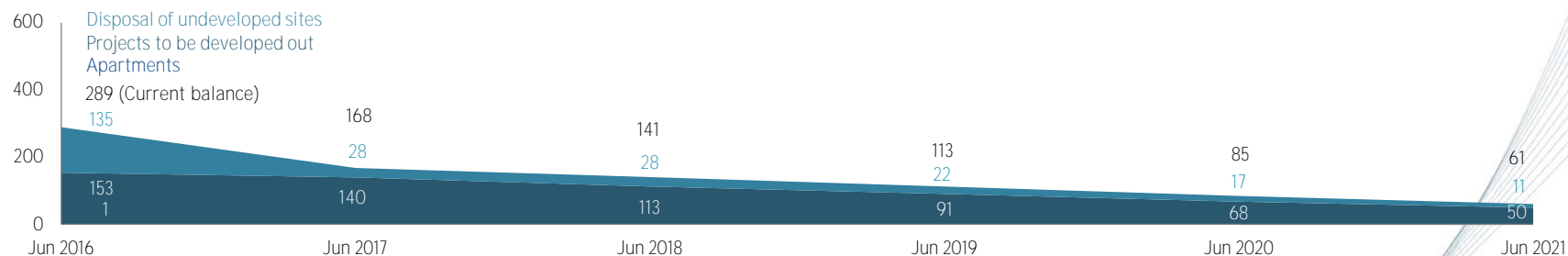
Impairment provision utilisation

30 June 2016	Residential Communities (\$m)	Apartments (\$m)	Total (\$m)
Increase in impairment	-	-	-
Utilisation of provision ²	(36)	(31)	(67)

	Impairment provision balance 30 June 2016 (\$m)	Final settlement
Projects to be developed	\$153m	~12 yrs
Disposal of undeveloped sites	\$135m	~6 yrs
Apartments	\$1m	~1 yrs
Total	\$289m	

Residential forecast utilisation of provision¹

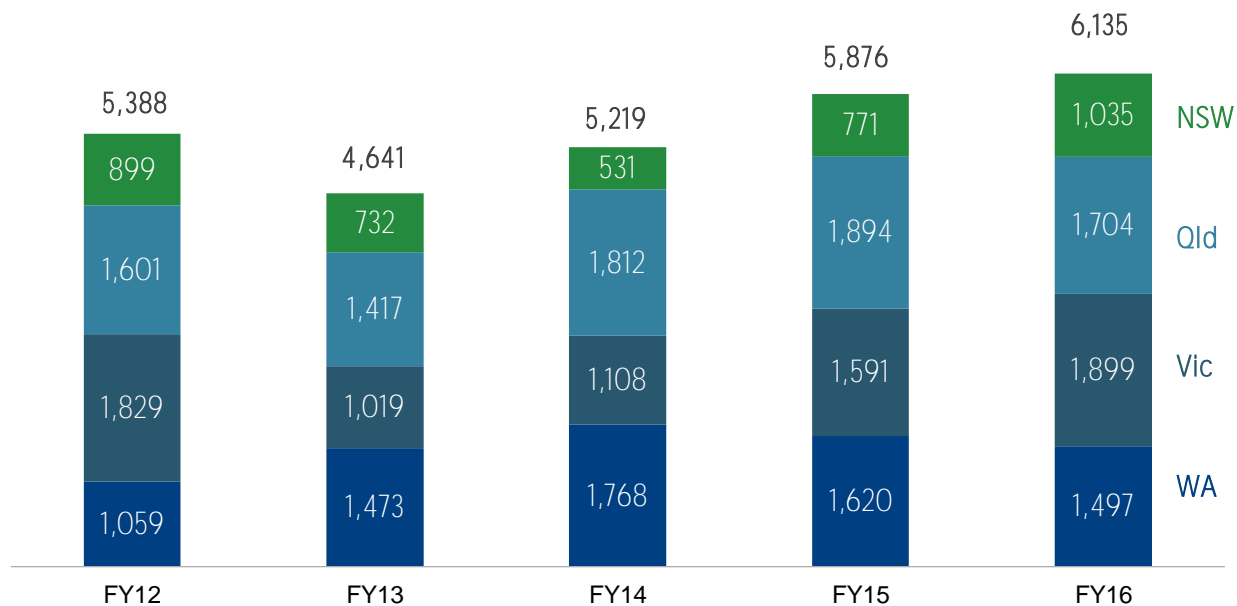
Balance \$m



1. Forecast utilisation impairment provision as at 30 June 2016, based on forecast settlement dates, revenue and costs by project

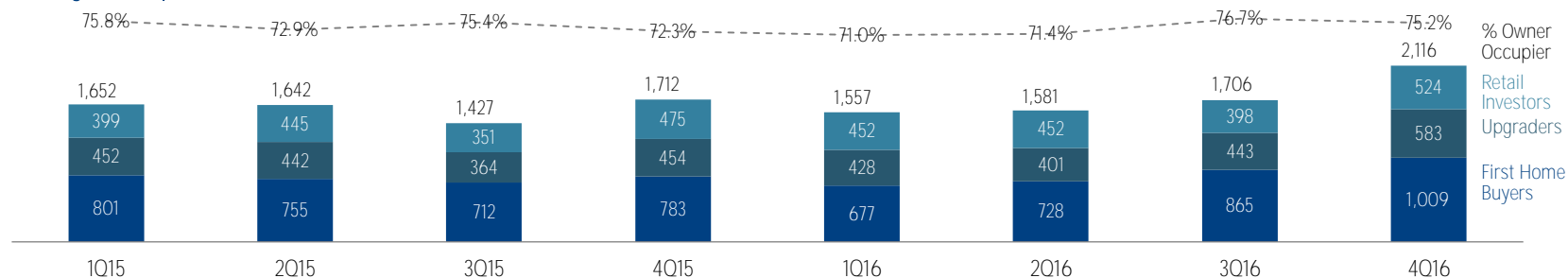
2. Excludes impairment provisions associated with projects transferred to Logistics & Business Parks

Lots settled by location

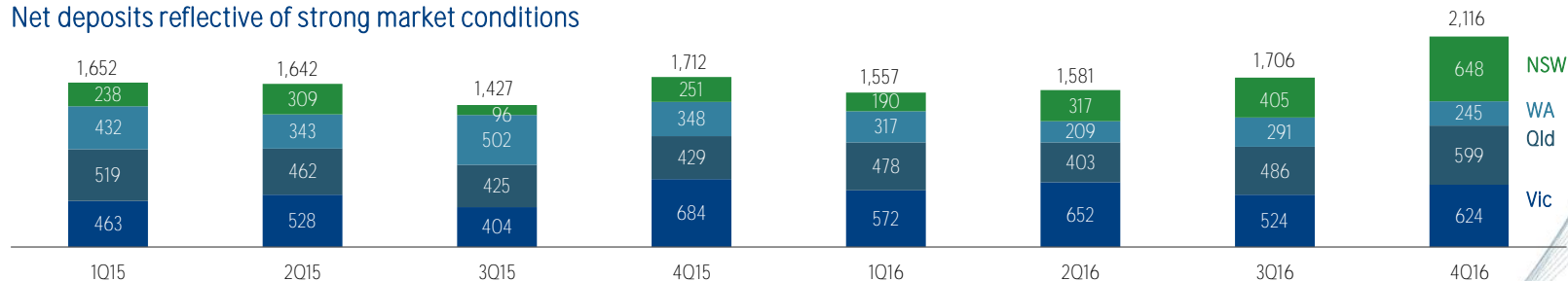


Net deposits by quarter

Strong Net deposits

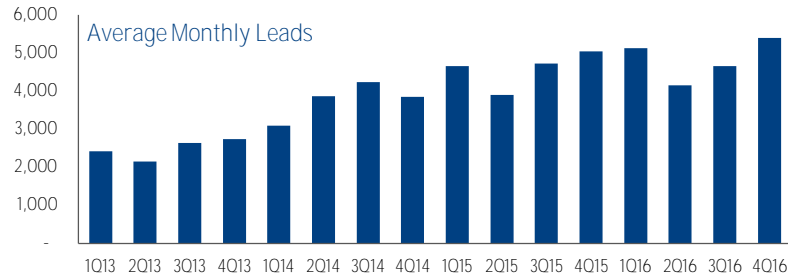


Net deposits reflective of strong market conditions

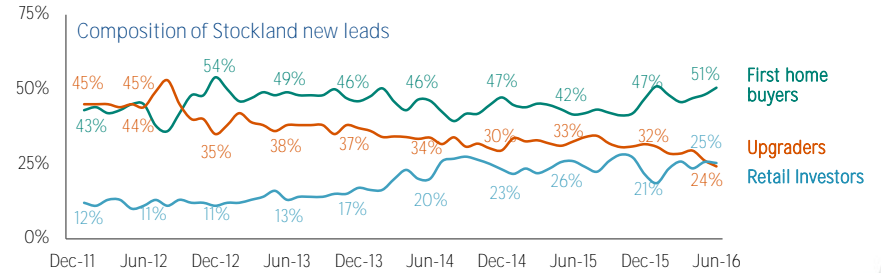


Leads and enquiry levels

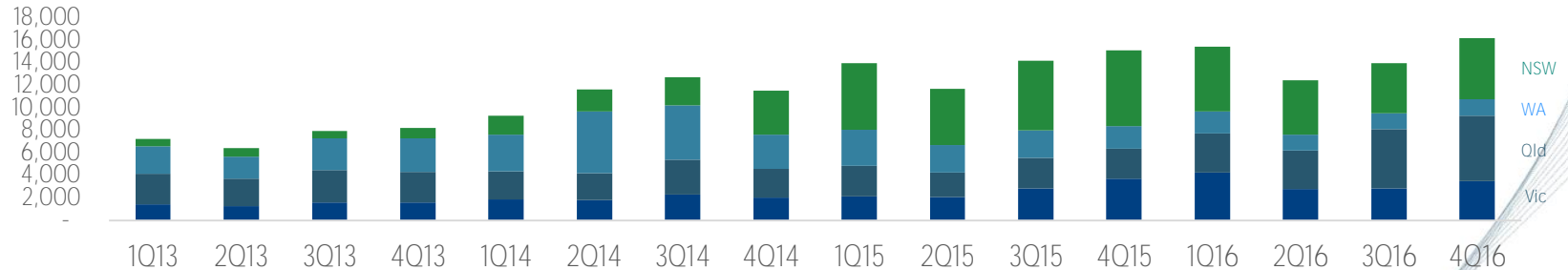
Lead volumes remained strong assisted by new Qld project launches



First Home Buyers remain active



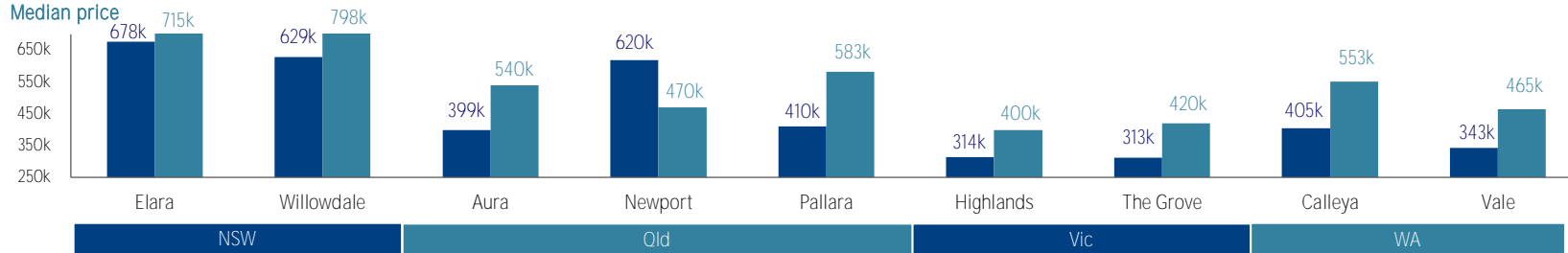
Lead growth contributed by new project launches



Providing affordable product

Stockland product consistently more affordable than local median house price^{1,2}

Stockland entry price
Median price



1. Fixed Price House and Land packages for sale in Stockland projects

2. RP Data: Median value of established houses in surrounding suburbs as at June 2016

Residential acquisitions

Property Acquired	Type	Acquisition Date	Acquisition Value (\$m)	Approximate number of lots	First settlements expected
North Lakes Consolidation, Qld	Masterplanned Community	Apr 2016	Not disclosed	80	FY17
Coomera, Qld	Masterplanned Community	Feb 2016	\$40m	498	FY18
Highlands Consolidation, Vic	Masterplanned Community	Aug 2015	Not disclosed	147	FY18
Highlands Consolidation, Vic	Masterplanned Community	Aug 2015	Not disclosed	910	FY21
Stamford Park – Rowville, Vic	Medium Density	Dec 2015	\$17m	180 dwellings	FY19
Elara Consolidation, NSW ¹	Masterplanned Community	June 2016	\$290m	1500	FY18

1. Settlement subject to conditions precedent being satisfied



Retirement Living

Stephen Bull

Established portfolio and development pipeline

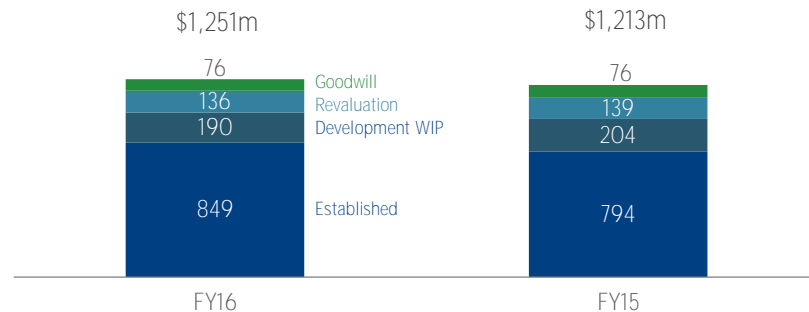
Portfolio Statistics	FY16	FY15
Established villages	70	69
Established units	9,616	9,343
Established units settlements	716	663
Units removed for redevelopment/alternate use	24	24
Turnover rate excluding developments ¹	8.2%	8.6%
Turnover rate total portfolio	7.7%	7.6%
Average age of resident on entry	73.5 yrs	73.7 yrs
Average age of current residents	80.6 yrs	80.7 yrs
Average tenure on exited residents	9.2 yrs	9.0 yrs
Average village age	23.3 yrs	22.7 ² yrs
Development pipeline	3,165 units	3,440 units

Key valuation assumptions	FY16	FY15
Weighted average discount rate	12.9%	13.0%
Weighted average 20 year growth rate	3.7%	3.8%
Average length of stay of current and future residents	10.6 yrs	10.4 yrs

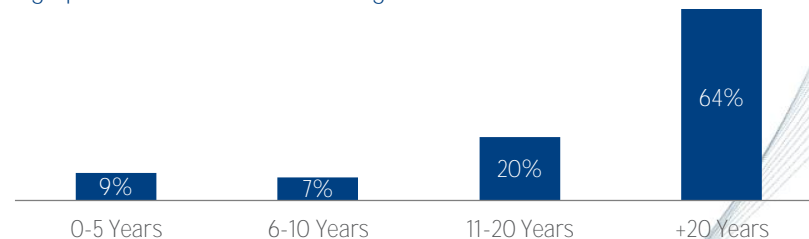
1. Excludes development settlements from last five years

2. Restated

Net Funds Employed

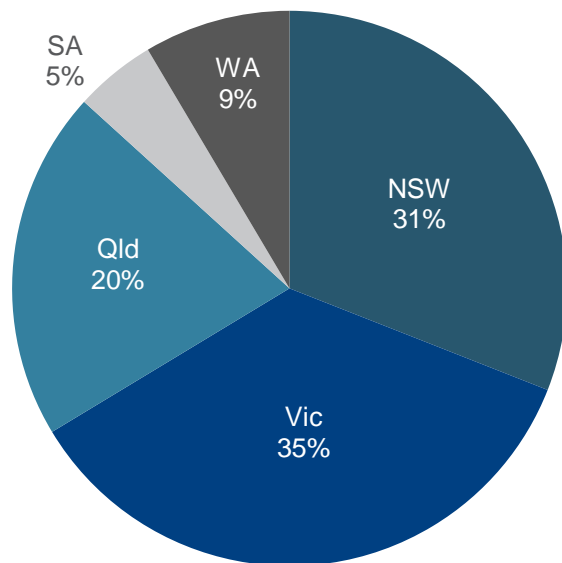


Age profile of established villages



Development pipeline breakup

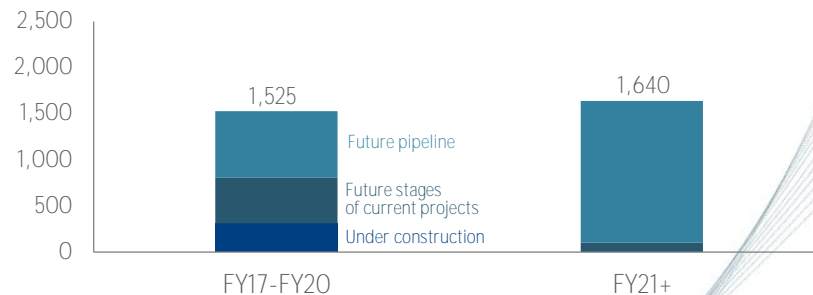
Geographically diverse development pipeline



1. Timing subject to market conditions

Development pipeline	FY16
Development villages	18
Total development pipeline units	3,165
- Greenfield pipeline units	2,145
- Village extension pipeline units	1,020
Estimated end value including DMF	\$2.2b

Independent Living Units development pipeline¹



Strong project pipeline forecast

Construction Timeframe		Future Settlements	FY17	FY18	FY19	FY20	FY21+
Completed (FY16)	Arilla, Vic						
	Somerton Park, SA						
	Golden Ponds, NSW						
	Sub-total	10					
Current Development Projects	Selandra Rise, Vic						
	Highlands, Vic						
	Lightsview, SA						
	Mernda, Vic						
	Cardinal Freeman The Residences, NSW						
	Affinity, WA						
	Willowdale, NSW						
	Sub-total	910					
To start within 18 months	Elara, NSW						
	Somerton Park, SA						
	Oceanside, Qld						
	Calleya, WA						
	Altrove, NSW						
	Newport, Qld						
	Sub-total	715					
Master planning/ future projects	The Grove, Vic						
	Aura, Qld						
	Cloverton, Vic						
	Sub-total	750					
Redevelopments	Proposed Brownfield Redevelopments						
	Sub-total	780					
Total units yet to be released		3,165					

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