

Citigroup Australia and New Zealand Annual Investment Conference

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Stockland



Presentation Outline

- Australian REIT Sector & Stockland's Position
- Stockland's Business Model
- Financial Performance & Shareholder Returns
- Operating Divisions – Profit Drivers
- Group Strategy
- Summary

Australian REIT Sector

- Australia has one of the world's most highly securitised real estate markets
- REITs have been a core holding of Australian investors for decades
- Now attracting more overseas interest as real estate markets are globalised

	Investment Grade Real Estate	% Real Estate Listed	REITs as % of Stock Market
Australia	US\$250bn	60%	10%
US & Canada	US\$5,250bn	41%	2%
United Kingdom	US\$1,000bn	31%	2%

Stockland's Position in Australian REIT Sector

- Australia's largest diversified property group
- Market capitalisation over A\$8bn
- 10% of the REIT 200 Index
- High liquidity (80% moving annual)
- Strong growth profile
- Track record of delivering excellent shareholder returns

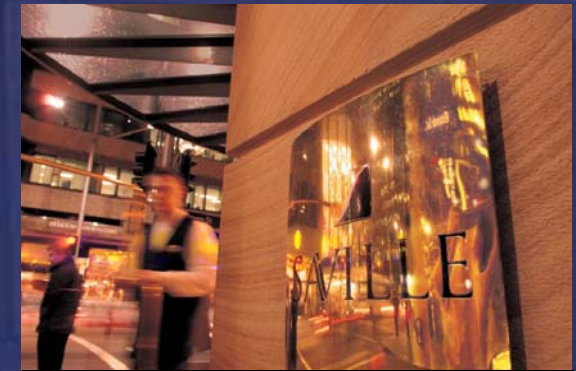
Stockland – A Snapshot



Shopping Centres
Assets \$3.4b



Residential Development
Assets \$2.3b



Hotel Management
Assets \$20m



Office Buildings
Assets \$2.1b



Distribution Centres
Assets \$0.7b



Unlisted Property Funds
Assets \$470m

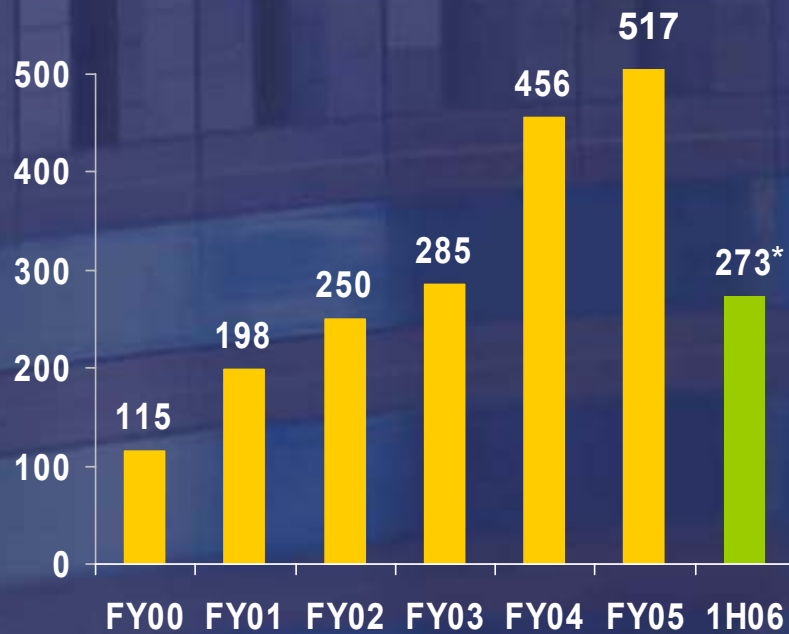
Stockland's Business Model

Type of Income	% of Group EBIT	Business
Rent from Investment Properties	60-80%	Shopping Centres Office Buildings Distribution Centres
Trading Profits	20-40%	Residential Development Hotel Management
Funds Management Fees	Emerging Business	Unlisted Property Funds

- Diversification reduces volatility in returns
- Balance of rents vs trading profits optimises risk/return
- Value add through internal management (no fee leakage)
- Synergies from integrated cross business platform

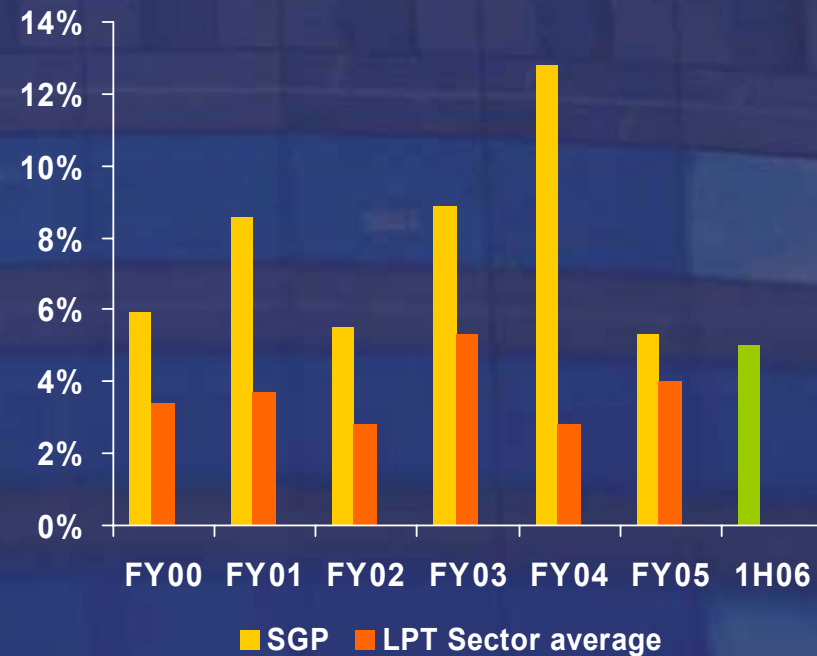
Financial Performance

Net Profit A\$m



* Half Year

Growth in Earnings per security



FY00-FY05 AGAAP
1H06 AIFRS

Source: Merrill Lynch

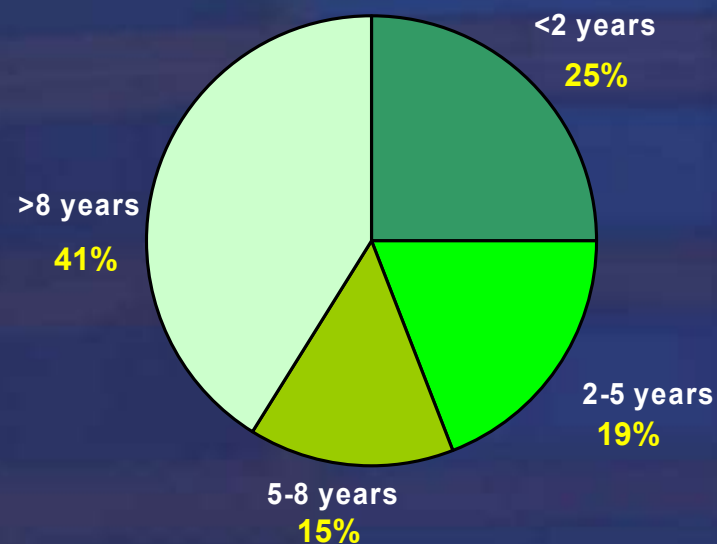
Total Shareholder Returns (TSR)

Strong dividend yield and dividend growth has driven
TSR outperformance vs REIT Index & ASX 200



Capital Management

- Solid S&P credit rating: A-/ Stable Outlook
- Low weighted average cost of debt 6.1%*
- Long dated debt maturity profile*:

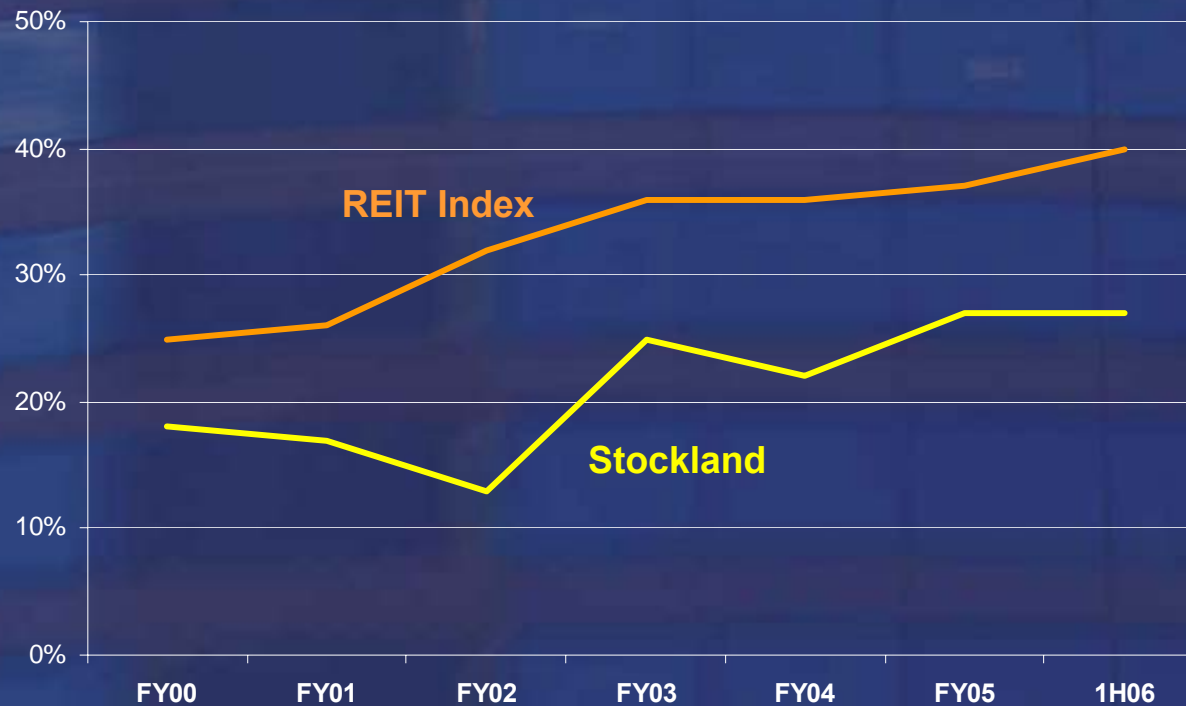


* As at 31 December 2005

Capital Management

- Strategy to maintain relatively low gearing – currently 27% (Debt/Assets)
- Enables Stockland to capitalise efficiently on opportunities
- Additional debt capacity currently A\$700m within existing covenants

**Gearing (Debt / Assets)
Stockland vs REIT Index**



Shopping Centres – Profit Drivers

- High barriers to entry (land use, retailer demand)
- All 40 Stockland centres anchored by Coles Myer and/or Woolworths
- Focus on non discretionary value/convenience centres
- A\$800m capex budget for expansion of existing centres
 - 5 year programme
 - Accretive returns
 - Derisking before commencement
- Rental upside from speciality shops

Office Buildings – Profit Drivers

	Stockland	Industry Avg
Occupancy – 1H06 %	98%	92%

- Major tenants include Government, Westpac, IBM, Commonwealth Bank, Sony, Singtel Optus
- 66% of buildings in Sydney, Australia's deepest market
- Sydney CBD and other major markets at early stage of upswing
- A\$400m development pipeline
 - No speculative build
 - Will only commence with prelease



Distribution Centres – Profit Drivers

- 100% Occupancy
- Bluechip industrial and logistics tenants including Wesfarmers, Toll, TNT
- Rental upside from tightening industrial land supply
- A\$100m development pipeline

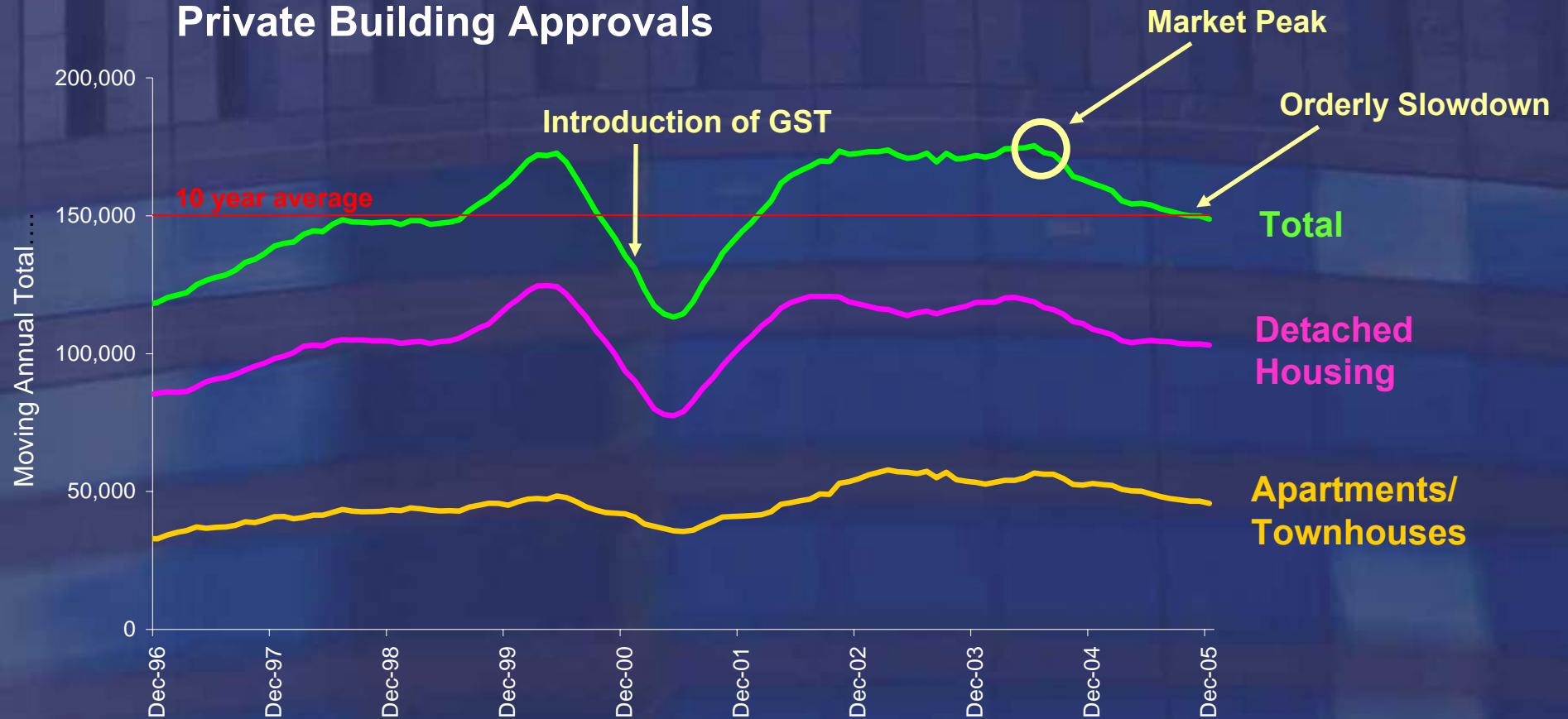
Residential Development – Profit Drivers

- Australia's largest residential developer
- Over 60,000 future dwelling sites under control – end value A\$15bn
- Competitive advantage through in-house expertise:
 - Research
 - Acquisition
 - Planning and design
 - Development management
 - Marketing
 - Sales
- Consolidation opportunities from fragmented market
 - Stockland market share 5%
 - Top 10 Developers market share approximately 20%

Australian Residential Market

- The market has moderated since the peak in 2003
- Clear evidence of “soft landing” rather than major correction

Private Building Approvals



Group Strategy

- Balanced diversification across real estate sectors
- Harness diversity as a competitive advantage
- Organic growth from existing development pipeline (>A\$1bn)
- Additional growth through prudent acquisitions and new business
- Risk management a key part of our culture
- EPS growth and TSR outperformance our key objectives

Summary

- Australian REIT Sector is robust
- Stockland is well positioned
 - High performing business model
 - Strong balance sheet
 - Performance based culture
 - Strong governance and risk management
- Focus on growth, but no “growth for growth’s sake”

Disclaimer

Corporation/ Responsible Entity

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