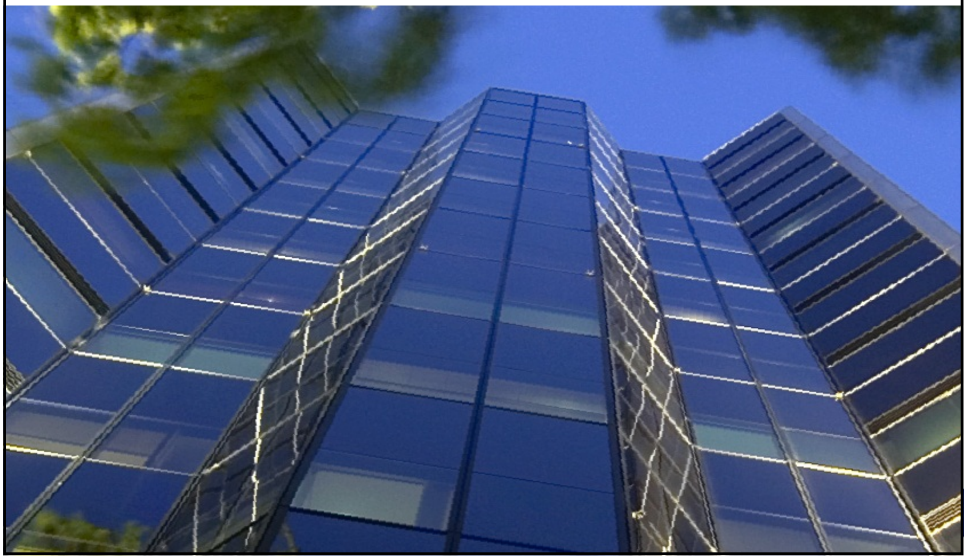
US Debt Investor Presentation

March 2007

Stockland



Agenda

- Strategy
- Finance and Capital Management
- Divisional Performance
- New Business Initiatives
- Outlook
- Debt Covenant Alignment and A-IFRS Amendments

Allisee, QLD

Vision and Strategy

Vision

- "To create a world class diversified property group"

Strategy

- Market leadership in each of our businesses
- Active Capital Management to provide to lowest cost funding solutions for business growth – Equity, Debt, Managed Funds.
- Collaborate across the businesses to create value adding solutions
- Further diversify our businesses both by sector and geography to broaden our income streams and market reach

Financial Highlights and Capital Management

- Financial Highlights
- Capital Management

1H07 Results in Summary

Net Profit*	▲	**7.2%**	**$293.1m**
Earnings per Security*	▲	**3.9%**	**21.5 cents**
Distributions per Security	▲	**4.9%**	**21.5 cents**
NTA per Security	▲	**9.3%**	**$4.96**

* Net profit and EPS before certain significant items.

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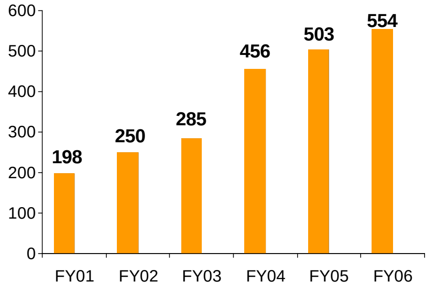
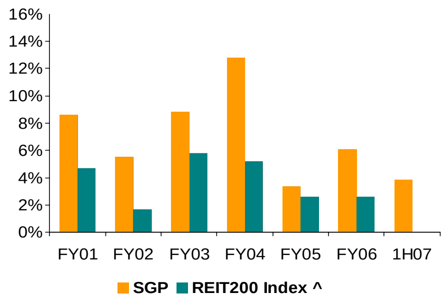
Financial Performance

Net operating profit*



Growth in earnings per Security*



* FY01-FY04 is AGAAP, FY05-FY06 is AIFRS (Before certain significant items) ^ Source: UBS

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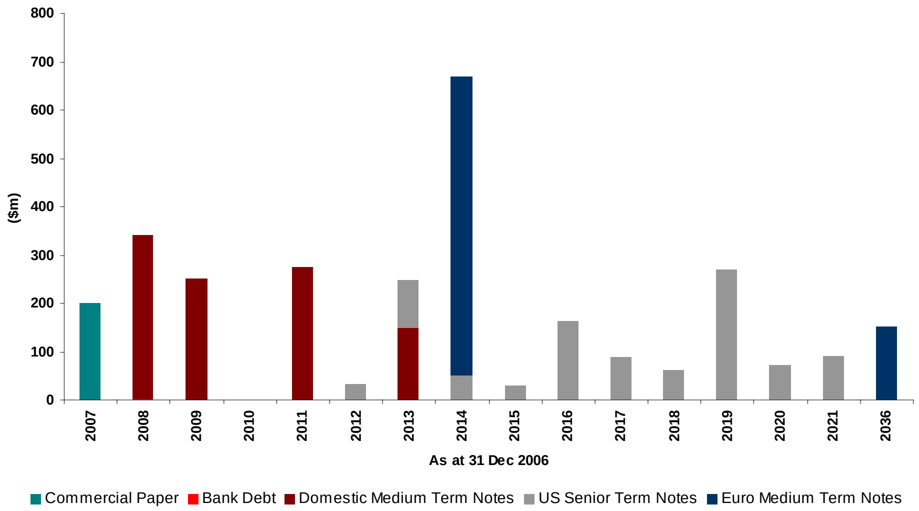
Capital Management

	1H07	FY06
S&P Rating	**A-/Stable**	**A-/Stable**
Weighted Average Debt Maturity	**7.1 years**	**7.4 years**
Debt Fixed / Hedged	**71%**	**61%**
Weighted Average Cost of Debt*	**6.2%**	**6.1%**
Gearing (debt/total tangible assets)	**26.7%**	**24.7%**

* Including all costs, fees and margins

Capital Management - Debt Maturity Profile



Consistent Delivery of Strategy

	EBIT 1H07		Assets at 31 December 2006	
	Actual	**Strategic Weighting**	**Actual**	**Strategic Weighting**
Recurring Income				
Retail	35%		39%	
Commercial	18%		21%	
Industrial & Office Parks	9%		14%	
Subtotal	**62%**	**60 - 80%**	**74%**	**70 - 80%**
Other Income				
Property Development	35%		25%	
Other	2%		<1%	
Unlisted Property Funds	1%		<1%	
Subtotal	**38%**	**20 - 40%**	**26%**	**20 - 30%**

Retail Division

Stockland Bay Village, NSW

PORTFOLIO SUMMARY*

Number of Properties	39
Number of Tenants	>3,000
Total Asset Value	A$3.8bn
Total sales per annum	>A$5.0bn

1H07 Highlights

Net operating profit	A$126m
NOI Comp	5.1%
% of group EBIT	35%
Major Tenants	Coles, Woolworths
Long term development pipeline	A$1.5bn

* As at 31 December 2006

Retail Division – Profit & Growth Drivers

- High barriers to entry (land use, retailer demand)
- All Stockland centres anchored by Coles Myer and/or Woolworths
- Focus on non discretionary value/convenience centres
- Rental upside from specialty shops

Development Pipeline

Project Status	No of Projects	Total Cost ($m)	Anticipated Yield	Current Average Cap Rate
Active in 1H07	5	$202	8.3%	7.3%
Expected 2H07 Commencement	3	$300	8.0%	6.6%
Preparation/Masterplanning	15	$960	8.0%	6.7%
TOTAL	23	$1,462	8.1%	6.9%

Commercial & Industrial

Optus HQ, NSW

PORTFOLIO SUMMARY*	
Number of Properties	63
Number of Tenants	>500
Total Asset Value	A$3.5bn
Occupancy Rate	98%
1H07 Highlights	
Net operating profit	A$113m
NOI Comp	4.2%
% of group EBIT	25%
Long term development pipeline	A$1.3bn

* As at 31 December 2006

Commercial & Industrial Division – Profit & Growth Drivers

- Capital recycling – de-risking
- Major tenants include ANZ, IBM, Commonwealth Bank, Sony, Optus, ACI
- Active portfolio management reweighting of portfolio into Brisbane and Perth growth markets
- A$680m asset acquired in 1H07

Development Pipeline

Project Status	No of Projects	Total Cost ($m)	Forecast Yield	Area m^2
Under construction	4	$332	7.6%	110,000
Projects yet to be commenced - Existing portfolio - 1H07 Aquisitions	 4 6	 $680 $320	 7.2% 7.4%	 223,000 167,000
Total Pipeline	**14**	**$1,332**	**7.4%**	**500,000**

Development Division

Kawana, QLD

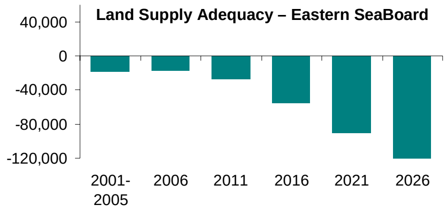
PORTFOLIO SUMMARY*	
Number of Properties	>80
Book Value (Historic Cost)	A$2.5bn
Total End Value	
- Communities	A$14.8bn
- Apartments	A$2.1bn
No. of Future Lots	68,700
1H07 Highlights	
Net operating profit	A$113m
Profit increase	2%
% of group EBIT	35%

* As at 31 December 2006

Residential Market Overview

- Fundamental drivers for the residential market remain sound
  - Growing economy ✓
  - Historically low interest rates ✓
  - Historically high employment ✓
  - Growing population ✓
  - Low rental vacancies ✓
- Supply continues to be restrained in all markets

- Insufficient planning will exacerbate the undersupply situation



Source: MacroPlan Australia (2006)

- Constant uncertainty on interest rate policy is causing buyers to hesitate.
- Strong equities markets have effected the attractiveness of residential "investment" property (particularly eastern seaboard)

Australian Retirement Communities Acquisition (ARC)

- Stockland has made a key strategic acquisition, accelerating our presence in the Retirement Living sector
- Acquired 100% of Australian Retirement Communities (ARC) Retirement Living business (26 existing and proposed villages)
- Stockland is a top 5 operator
- Stocklands' investment into the Retirement Living sector is consistent with the strategy to diversify the earnings base
- The ARC acquisition complements Stockland's existing activities

Stockland's UK Strategy

- Leverage Stockland development and asset management skills into the UK
- Gap in market – integrated mixed use
- Align ourselves with reputable local groups, with like-minded culture
- Capital partnering model to enhance ROE and optimise balance sheet utilisation
- Building a scaleable business which will drive long term TSR

Shaftsbury House, Glasgow
(Artists Impression)

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Halladale Business Model

"The creation of value through active and entrepreneurial management, risk controlled development co-investment in commercial property assets"

HALLADALE

- Asset Management (50%)
- Development (12%)
- Co-investment Fund management (38%)

Office and retail property: portfolio under management approaching £1 billion

Total development programme end value in excess of £500m

- Founded 1991 and listed AIM 2001
- Offices in London, Edinburgh and Glasgow

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Stockland Halladale future growth strategy

- Joining of two successful business models
- Value-adding through integrated development capabilities and capital management infrastructure
- Co-investment and continued growth in funds management
- Outstanding platform to grow a scaleable, market leading business
- Accelerates our strategy by 2+ years


Gracechurch Street, London EC3

Outlook

- On track for 5% EPS growth in FY07
- Strong and respected platform and market positioning
- Key strategic initiatives to drive future value
- Clear strategy to drive TSR outperformance

Stockland Wetherill Park, Sydney NSW

A-IFRS Covenant Amendments

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Proposed Amendments

A-IFRS amendments

- Although still subject to review, A-IFRS potentially ignores the underlying substance of retirement village transactions, which consists of two parts:
  1. Development profits from producing and selling retirement village units; and
  2. Gaining the right to annuity-style deferred management fee (DMF) income.
- In addition to recording the present value of future deferred management fees, the potential accounting treatment will require:
  - the substance of the initial sale of retirement village units to be ignored
    - instead create an asset and corresponding future obligation equal to the sale value of the units
    - thus effectively grossing up both sides of the balance sheet
- Accordingly:
  - the Gearing Ratio calculation should exclude the asset and corresponding future obligation referred to above
  - the categories of Permitted Security Interests should also include the future obligation in respect of existing residents

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Accounting for Retirement Living

Contractual arrangements with residents

There are a number of different types of contracts used in Retirement Living in Australia, typically falling into three principle categories:

1. Freehold contracts, including repurchase agreements and deferred settlement terms;
2. Deferred payment arrangements, including loan/lease and lease premium deferred payment arrangements; and
3. Exit fee arrangements, including loan lease and lease premium arrangements

Pre A-IFRS

- The sale of a retirement village unit to the initial resident was recognised as a sale in the Profit and Loss Statement (development profit), reducing property assets held and increasing cash on the balance sheet
- At the same time, the present value of future deferred management fees was recognised on the balance sheet, and subsequently revalued annually
- This treatment reflects the underlying substance of the transaction

A-IFRS

- Opinions differ between leading accounting firms on retirement living accounting. There appear to be two alternatives:
  - Initial unit sale and deferred management fee recognition similar to pre A-IFRS, and
  - Recognition of the sale price of units as an asset on the balance sheet with an equivalent future obligation to residents in addition to the recognition of the deferred management fee
- Final determination of which interpretation will be utilised has yet to occur

Accounting for Retirement Living

Balance Sheet

Event	Pre A-IFRS / A-IFRS 1	A-IFRS 2
Initial sale of a unit	Cash received, inventory sold. Deferred management fee (DMF) recognised as a receivable.	Cash received, inventory revalued and classified as investment property. A liability recognised in respect of a resident's future exit (equal in value to cash received). Deferred management fee recognised and recorded as part of the investment property value.
Annual revaluation adjustments	Deferred management fee revalued	Deferred management fee revalued and recorded as part of the investment property value. Investment property and resident liability revalued by equal amounts.
Subsequent sales of unit	Deferred management fee revalued	Deferred management fee revalued and recorded as part of the investment property value. Investment property and resident liability revalued by equal amounts.

A-IFRS 2

The effect of A-IFRS 2 is to increase the assets and liabilities by equal amounts, under the Balance Sheet captions of "Investment Properties" and "Resident Obligations" respectively.

Accounting for Retirement Living

Profit & Loss

Event	Net Cashflow	Pre A-IFRS / A-IFRS 1	A-IFRS 2
Initial sale of a unit	Sale proceeds received from incoming resident.	Development profit. Deferred management fee recognised.	Investment property revaluation. Deferred management fee recognised and disclosed as investment property revaluation.
Annual revaluation adjustments	Nil	Deferred management fee revaluation.	Deferred management fee revaluation disclosed as an investment property revaluation. Investment property revaluation and equivalent movement in resident obligation.
Subsequent sales of a unit	15-30% of sales proceeds received from the exiting resident, being DMF.	Deferred management fee revaluation	Deferred management fee revaluation disclosed as an investment property revaluation. Investment property revaluation and equivalent movement in resident obligation.

A-IFRS 2

The effect of A-IFRS 2 is to increase the assets and liabilities by equal amounts, under the Balance Sheet captions of “Investment Properties” and “Resident Obligations” respectively.

Accounting for Retirement Living

Worked Examples

A-IFRS Impacts	Pre A-IFRS / A-IFRS 1	A-IFRS 2
Initial sale of a unit for $100 (build cost of $70)	Cash increases by $100 Property Inventory reduces by $70 Profit on sale of $30 Net present value of DMF recognised as an asset (est. $60), and then revalued annually (revaluation assumed for purpose of this example to be zero)	Cash increases by $100 Investment Property increases by $100 (ie Transfer of Inventory of $70 + revaluation of $30 which is taken to the profit and loss) Revaluation on sale of $30 Net present value of DMF recognised as a receivable (est. $60) and recorded as part of the investment property value and taken to the profit and loss Resident Obligation created of $100
Subsequent sale of unit for $200 - inclusive of DMF of (say) 30%, i.e. $60	Cash increases by $60 DMF revalued (to $75) – movement in asset taken to profit and loss (Outgoing resident receives $140 of the $200 sale proceeds)	Cash increases by $60 DMF revalued (to $75) – movement in asset taken to profit and loss Investment Property revalued to $200 – movement taken to profit and loss Resident Obligation restated to $200 – movement taken to profit and loss

Accounting for Retirement Living

Worked Examples (Appendix)

Pre A-IFRS / A-IFRS1

Initial Sale

Cash	100		
Inventory	(70)		
DMF (receivable)	60	Retained Earnings	90
	90		**90**

Subsequent Sale

Cash	60		
DMF (receivable)	(60)		
DMF (revaluation)	75	Retained Earnings	75
	75		**75**
Total	**165**	**Total**	**165**

A-IFRS2

Initial Sale

Cash	100		
Inventory	(70)		
Investment Property	**100**	**Resident Obligations**	**100**
Investment Property (DMF)	60	Retained Earnings	90
	190		**190**

Subsequent Sale

Cash	60		
Investment Property	**100**	**Resident Obligations**	**100**
Investment Property (DMF)	(60)		
Investment Property (DMF) (revaluation)	75	Retained Earnings	75
	175		**175**
Total	**365**	**Total**	**365**

Disclaimer

Corporation/ Responsible Entity

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