



## Agenda

- Overview
- FY08 Results
- Finance & Capital Management
- Business Unit Commentary
- Strategy
- Summary & Outlook



Stockland Merrylands proposed development  
Artist's impression

## Overview

### The Events of FY08

Credit crunch – less liquidity,  
higher cost of debt



- Maintain low gearing (28.9%) through active capital and cash flow management
- Recycle capital - \$787m of asset sales
- Review feasibility of development pipeline (higher hurdles)

Slowing economy; fall in  
consumer and business  
confidence



- Customer focus to lift market share, particularly residential
- Review inventory carrying values – no issues
- Reviewed organisation structure and business efficiency

Fall in commercial property  
values from increasing cap  
rates



- 65% of commercial properties independently revalued and the remainder independently reviewed
- Drive rental growth to offset cap rate change

Collapse of sentiment  
towards A-REIT sector



- Maintain “conservative” business approach
- Governance and integrity
- Deliver on guidance – FY08 5% EPS growth



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## Group Results in Summary

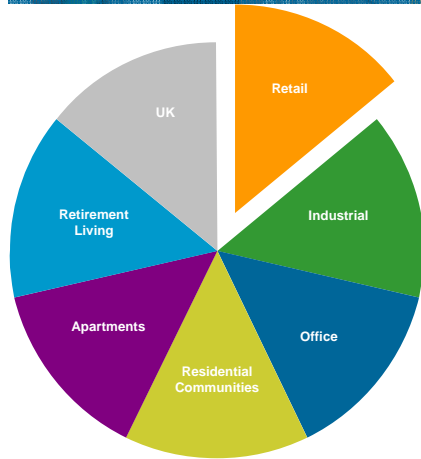
		<u>FY08</u>		<u>FY07</u>
	Operating Profit*	<b>\$674.0m</b>	10.3% ▲	\$611.0m
<b>In line with Guidance</b> →	Earnings per security*	<b>46.2 cents</b>	5.0% ▲	44.0 cents
	Distributions per security	<b>46.5 cents</b>	5.0% ▲	44.3 cents
	NTA per security	<b>\$5.46</b>	2.4% ▲	\$5.33
<b>Sound Balance Sheet</b> →	Gearing	<b>28.9%</b>		



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\* Operating profit and EPS before certain significant items (refer page 40)

## Business Unit Financial Results



### RETAIL

Operating Profit	\$260m
Comparable rental income growth	6.7%
Net revaluations^	+ \$102m
FY08 Asset sales	\$561m

### Portfolio Summary

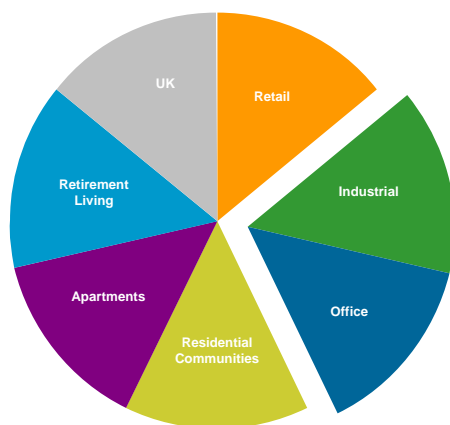
Total Portfolio (39 centres)	\$4.0bn
Total MAT*	\$4.7bn
MAT Growth**	6.7%
Specialty Occupancy Costs	12.1%
Vacancy (11 shops)	0.1%
Average cap rate	6.3%



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^ Excluding NZ & Karrinyup assets sold during FY08 \* Moving Annual Turnover \*\* Comparable

## Business Unit Financial Results



### OFFICE & INDUSTRIAL

Operating Profit	\$306m
Comparable rental income growth	5.4%
Net revaluations	+ \$196m
FY08 Asset sales	\$226m

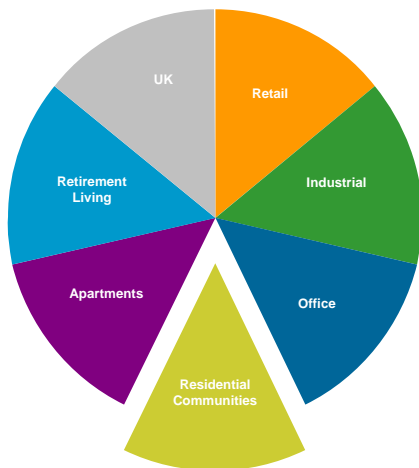
### Portfolio Summary

<u>Office</u>	
Total Portfolio (39 properties)	\$3.3bn
Average Cap Rate	6.8%
Vacancy	2.1%
<u>Industrial</u>	
Total Portfolio (29 properties)	\$1.4bn
Average Cap Rate	7.6%
Vacancy	4.9%



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## Business Unit Financial Results



### RESIDENTIAL COMMUNITIES

Lots Settled	3%	▲	4,188
Revenue	13%	▲	\$1,101m
Operating Profit	10%	▲	\$274m
Net Margin %			24.9%

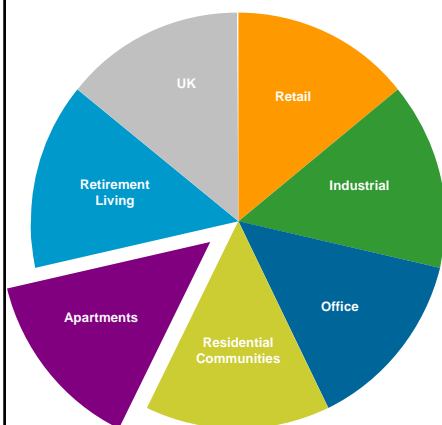
### Portfolio Summary

Gross Assets	\$2,232m
No of Projects	65
Lots Controlled	66,287
Average Age of Inventory	4.6 years
End Value of Projects	\$17.4bn



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## Business Unit Financial Results



### APARTMENTS

Units Settled	225
Revenue	\$212m
Operating Profit	\$11m
Net Margin %	5.2%

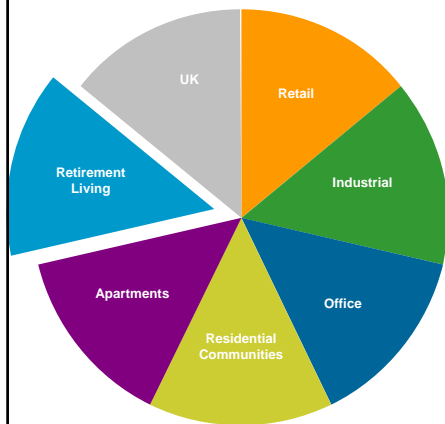
### Portfolio Summary

Gross Assets	\$746m
No of Projects	12
Units Controlled	2,246
End Value of Projects	\$3.4bn



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## Business Unit Financial Results



### RETIREMENT LIVING

Operating Profit	\$41.5m
New units sold*	239
Existing units turned over	257 (8%)
Average price growth	13%
Occupancy	99%

### Portfolio Summary

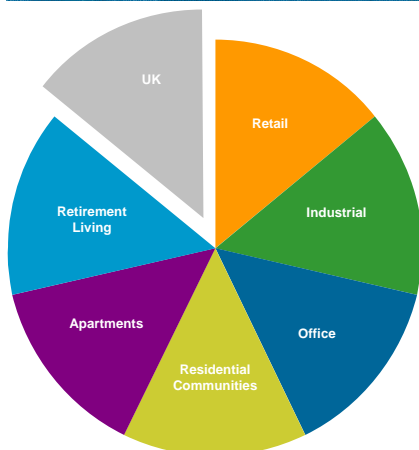
Existing units (20 villages)	3,445
Development pipeline (21 villages)	3,630
End value of projects	\$1.5bn



\* Leased for accounting purposes

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## Business Unit Financial Results



### STOCKLAND UK

Revenue	\$81m
Operating Profit	\$11.6m

### Portfolio Summary

Equity accounted investments*	\$97.6m
Inventory*	\$350.6m
End value of Projects	\$1.0bn
Assets under Management	\$2.3bn



\* On balance sheet

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## Capital Management

### Hugh Thorburn – Finance Director

- Update on credit markets
- Balance sheet position
- Accounting matters
- Distributions



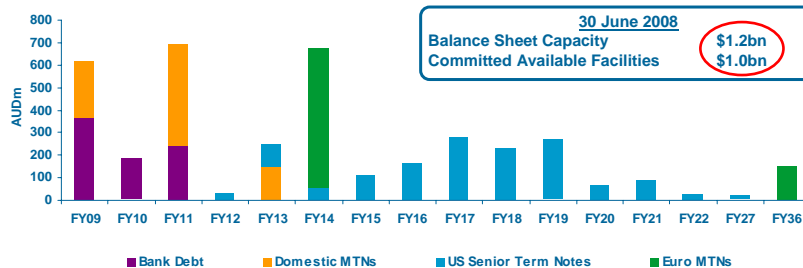
Tooronga, Glen Iris, VIC  
Artist's impression



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## Capital Management

	FY08	FY07
S&P Rating	A-/stable	A-/stable
Gearing (debt/total tangible assets)*	28.9%	27.9%
Weighted Average Debt Maturity	6.1 years	7.6 years
Debt Fixed / Hedged	70%	68%
Weighted Average Maturity of Fixed / Hedged Debt	5.9 years	7.6 years
Weighted Average Cost of Debt	6.7%	6.2 %
Interest Cover	2.8:1	3.6:1



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\*Based on face value



## Accounting Matters

### Capitalised interest



- On active projects in accordance with accounting standards
- Fully taken account of in feasibilities and carrying value assessments

### Inventory valuation



- Full review
- Focus on realisable values and capitalised costs
- Minor provision for write down incorporated in operating profit (\$1.8m apartments / \$2.3m UK)

### Investment property revaluations



- Conservative approach
- Rental income increases almost covered effect of cap rate easing in 2H08

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## Accounting Matters & Distributions

### Goodwill



- \$86.1m impairment of goodwill from the Halladale acquisition
- \$23.9m reduction in ADP goodwill due to asset disposals
- Non-cash, and no effect on gearing or distributions

### Financial instruments



- Complex accounting standards
- Unrealised mark to market in P&L (\$207m)

### Distributions



- Policy is to payout equivalent to 100% of Trust / 90% of Corporation operating profits
- Higher in FY08 due to requirement under income tax legislation to payout tax effect of capital gains from asset sales

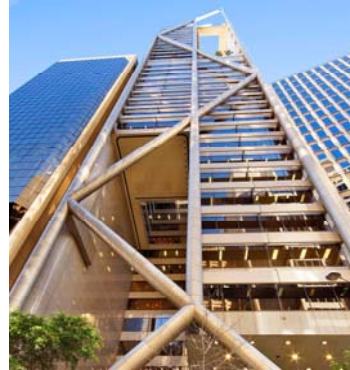
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## Commercial Property

### John Schroder - CEO

- Integration of Commercial Property
- Market Conditions
- Retail Portfolio
- Office & Industrial Portfolio



9 Castlereagh Street, Sydney



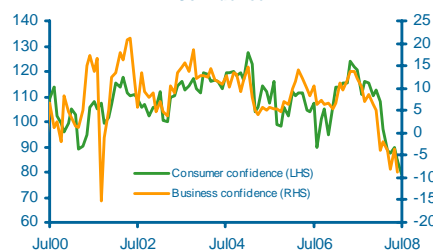
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## Commercial Property – Market Conditions

### Demand

- The March interest rate rise had a marked impact on the consumer
- Growth in retail spending is slowing
- Retailer demand for new shops remains steady, albeit with increased caution
- Demand for office space is softer due to the credit crunch and declining business confidence
- Office tenants are delaying decisions to relocate; hurts new projects but improves retention

### Confidence



Source: NAB, Westpac Melbourne Institute



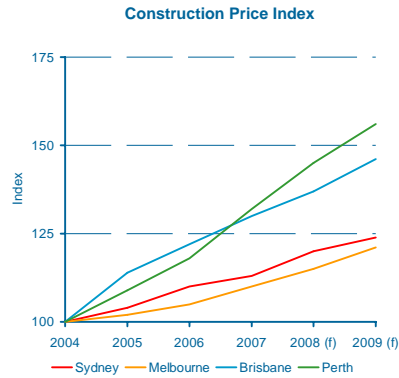
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## Commercial Property – Market Conditions

### Supply - Office

- Vacancy is currently at or near historic lows in most markets
- Elevated levels of supply risk over the next three years as developments complete (10% increase in stock nationally)
- Greatest risk (in terms of % increase in stock) are in Macquarie Park, Brisbane and Perth
- Lowest supply risk in Sydney CBD
- Medium-longer term risk of over-supply is tempered by increased funding and construction costs, together with softening of cap rates impacting development feasibilities



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## Commercial Property – Market Conditions

### Supply - Retail

- Supply is very trade area specific
- Strong population growth of 1.6% drives requirement for circa 750,000m<sup>2</sup> of new retail space per year
- There is little oversupply of retail GLA in Australia



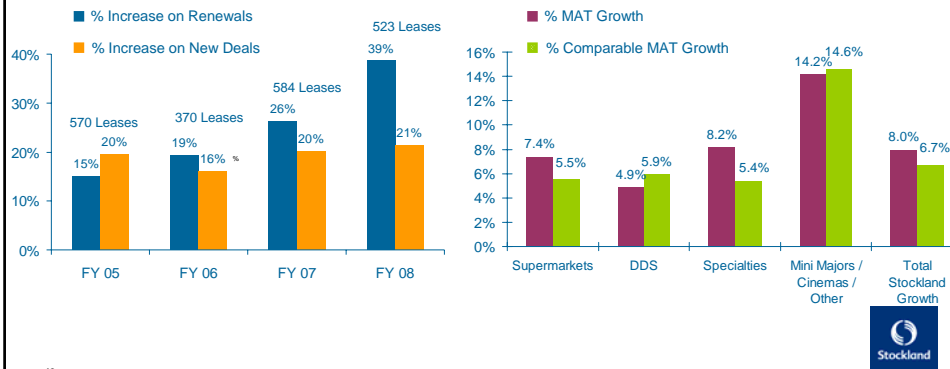
Stockland Forster, NSW



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## Retail – Operational Update

- Strong rental growth in FY08, likely to moderate in FY09
- Low occupancy costs (12.1%) provide protection against lower sales growth
- Non-discretionary spending less volatile to consumer slowdown – most of our centres are in this category



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## Retail – Development Pipeline

- Completed 3 projects in FY08:

Total cost \$121m , Average IRR 11.5%, Average project yield 8.2%

Project Status*	No of Projects	Estimated Total Cost (A\$bn)	Forecast Yield on Cost	Current Average Cap Rate	10 year Forecast IRR	% Leased (by GLA)
Redevelopments Under Construction	3	0.3	7.8%	6.5%	14.2%	74%
New Centres Under Construction	3	0.2	6.2%**	6.2%**	9.7%**	50%
<b>Total Under Construction</b>	<b>6</b>	<b>0.5</b>	<b>7.1%</b>	<b>6.5%</b>	<b>12.2%</b>	<b>68%</b>
DA Approved / Master Planning	10	1.2	7.5%	6.1%	13.0%	N/A
<b>TOTAL</b>	<b>16</b>	<b>1.7</b>	<b>7.4%</b>	<b>6.3%</b>	<b>12.8%</b>	

\*\* Includes 2 mixed use projects with residential. Total project IRRs > 15%.

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\* Project details and timing – see page 51 & 52



## Outlook - Retail

- Retailers are increasingly cautious as consumer confidence declines
- But demand for our shops is holding up
- Comparable rental growth from the portfolio is likely to ease in FY09
- Recent non-core disposals have strengthened the quality of the portfolio



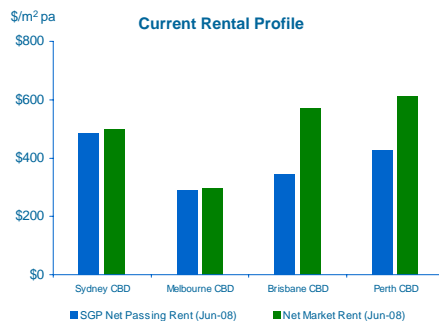
Stockland Balgowlah, NSW  
Artist's impression



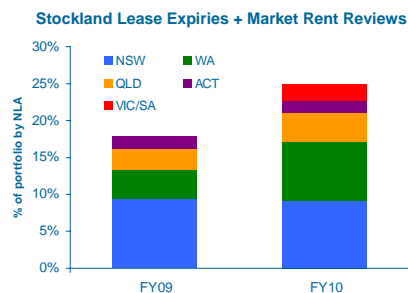
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## Office – Operational Update

- Low levels of leasing risk : 92% of FY09 office income is secured
- Office portfolio on average 13% under rented
- Reversions available on 43% of the portfolio over the next 2 years



Source : FY08 Independent Valuations



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## Office & Industrial – Development Pipeline

- Completed 2 projects in FY08:

Total cost \$24m , Average IRR 10.5%, Average project yield 7.9%

Project Status*	No of Projects	Estimated Total Cost (A\$bn)	Forecast Yield on Cost	Current Average Cap Rate	10 Year Forecast IRR	% Leased (By GLA)
Under Construction	4	0.2	7.3%	6.8%	11.4%	42%
DA Approved	4	0.2	7.1%	7.1%	12.7%	N/A
DA Preparation / Master Planning	5	0.8	6.4%**	6.4%	9.8%**	N/A
<b>TOTAL</b>	<b>13</b>	<b>1.2</b>	<b>6.7%</b>	<b>6.6%</b>	<b>10.6%</b>	

\*\* Comprises mainly mixed use projects including retail and residential. Total project IRRs > 15%

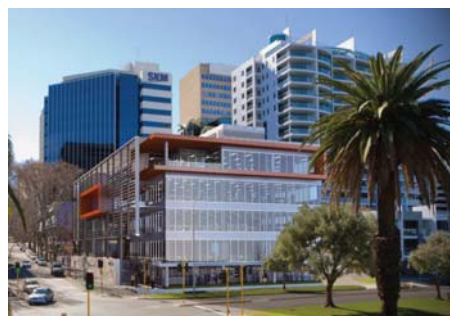


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\* Project details and timing – see Annexure pgs 66 & 67

## Outlook – Office & Industrial

- Our portfolio is in good shape with low vacancies and rising rents
- We have lifted our hurdle rates for development and some projects have been deferred
- Cap rate softening is expected to continue, particularly in the lower quality assets
- We anticipate demand to decline in line with declining business sentiment
- Lack of supply and increased barriers to entry should maintain equilibrium in most markets



Durack Centre proposed development  
Artist's impression



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## Residential

### Denis Hickey - CEO

- Managing through cycles
- Market health indicators
- Market outlook by state
- Outlook by business



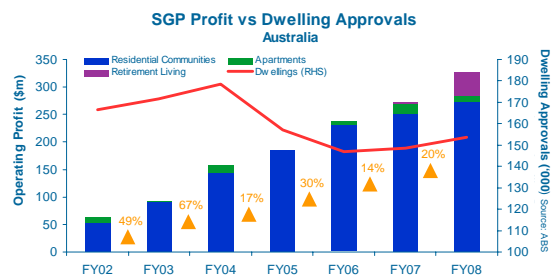
North Lakes, QLD



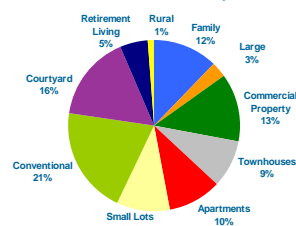
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## Managing Through Cycles

- FY08 result was strong considering market conditions
- Achieved by a clear and consistent strategy:
  - Diversity
    - Business
    - Geography
    - Product
  - Product Leadership
    - Market focused
    - Innovation / R&D



### Product Diversity



### Lot Mix



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## Market Health Indicators

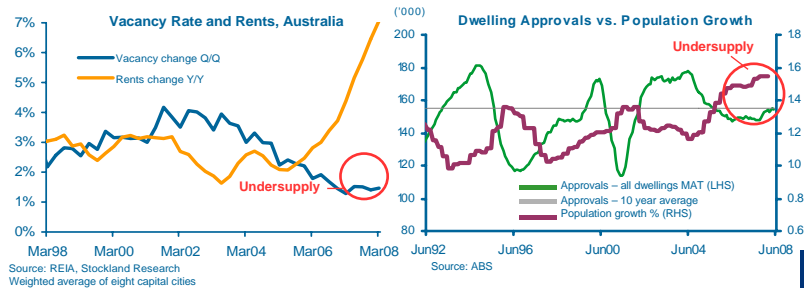
Indicator	Status	Short Term	Medium Term
Population Growth	• Strong growth – fuelled by immigration	●	●
Interest Rates	• Risen from historic lows – easing expected	●	●
Credit Availability	• Tightened – but still available up to 90% LVR	●	●
Unemployment	• Historically low – may trend up slightly	●	●
Consumer Sentiment	• Sharp downturn – key negative influencer	●	●
House Price Growth	• Minimal forced sales – stable outlook	●	●
Disposable Income	• Rising food, petrol and housing prices impacting household spending	●	●
Oversupply	• Market is in undersupply – rental vacancy at record lows	●	●



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## Outlook By State – Next 12 Months

	Next 12 Months	
QLD	Population growth and employment to remain sound. Softening in demand – prices stable	●
VIC	Firm market conditions. Urban market supported by affordability advantage	●
NSW	Remain flat. Pent up demand in rental product could drive resurgence of residential investors late in year	●
WA	Softened during FY08. Will remain steady during FY09	●

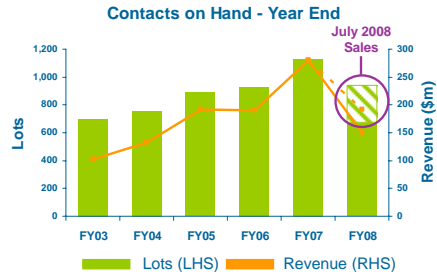


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## Outlook – Residential Communities

- Continue to be the dominant profit contributor in FY09
- Contracts on hand are lower, but still a strong result
- We expect lower demand for single lot sales
- Unlock profits from longer dated projects through joint venture and capital partnering
- Margins to be at the lower end of our 20-25% range



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## Outlook – Apartments

- Business still not meeting expectations – but medium term outlook sound
- Our pipeline of projects is strong
- \$404m unconditional contracts on projects under construction
- Completions are skewed to FY10 and FY11
- Apartments business will not be a meaningful contributor in FY09
- Seeing good buying opportunities emerging

### Development Pipeline – Settlement Forecasts

UNDER CONSTRUCTION*	% Sold	Project Value (\$m)	FY 09	FY 10	FY 11	FY 12+
Norman Reach, QLD	69%	\$108				
South Beach – (Stage 1), WA	46%	\$291				
Allisee – (Stage 2), QLD	38%	\$123				
Prince Henry, NSW (Staged launch)	29%	\$54				
Hyde, NSW	53%	\$233				
The Village, Balgowlah, NSW	18%	\$215				
TOTAL	42%	\$1,024				

DEVELOPMENT PIPELINE*	Project Value (\$m)	FY 09	FY 10	FY 11	FY 12+
Prince Henry, NSW (Staged Launch)	\$236				
Elysium (Gordon), NSW	\$110				
Tooronga, VIC (Staged Launch)*^	\$570				
South Beach – (Stage 2), WA	\$94				
Eagle Street Pier, QLD	\$525				
RVIB St Kilda Road, VIC	\$213				
South Yarra, VIC	\$233				
TOTAL	\$1,981				

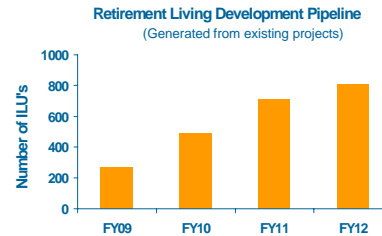
\* Excluding Office & Retail  
\* Stage 1 commenced construction July 08



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## Outlook – Retirement Living

- Business continues to perform very well
- Embedded growth from existing villages (revenue and asset management)
- High levels of pre-sales and registration of interest on current development projects
- Profits from 20 new projects will be delivered from FY09 onwards
- Acquisition of “Rylands” gives us a good platform to grow our vertical retirement village business



Rylands Kew, Retirement Living



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## Summary

- The business delivered a good result in FY08
- This was driven from a clear and consistent strategic focus
- FY09 will be a challenging year – well placed to tackle it
- Medium term outlook remains positive



Caloundra Downs, QLD



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## Stockland UK

- Property market conditions are very tough
- UK economy heading for significant downturn

### Implications for Stockland

- Buyers are scarce
- Sales of several projects deferred
- Projects will be carried on balance sheet until market improves
- Overall group impact not material
- Minimal residential exposure is a plus



Tudor Street, London  
Artist's impression



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## Stockland UK – Strategy

- Taking a long term approach to develop large scale integrated platform in UK
- Grow existing capability
  - Bigger projects eg. Harlow
  - Broaden JV's
  - Enhance mixed use capability
- Major acquisitions
  - Value emerging and some forced sellers, but no rush

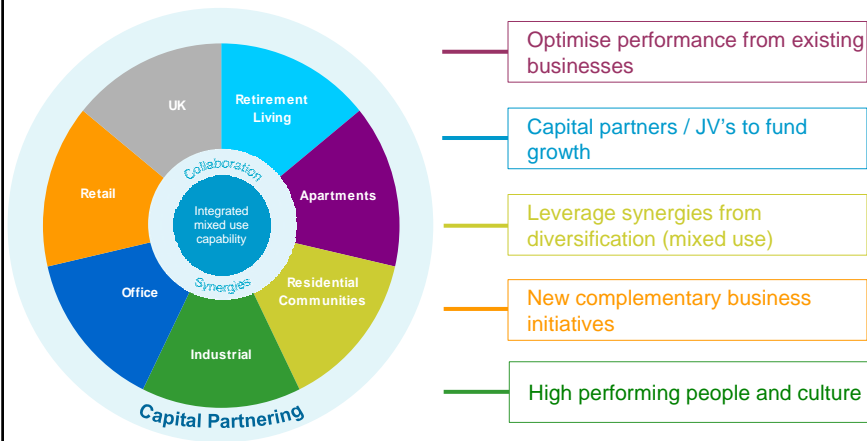


St Andrew Square, Edinburgh  
Artist's impression



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## Stockland's strategy remains unchanged



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## Stockland's strategy

### High Performing People & Culture

- Strong management team – voted Hewitt 'Top Company for Leaders'
- Employee Engagement – 83%



### CR&S

- Building world class sustainability approach
- Listed on the Dow Jones Sustainability Index and FTSE4Good Index
- Progressed on greenhouse gas emission management and reporting



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## Summary & Outlook

- Stockland is in a good position
  - Sound balance sheet
  - Well proven strategy
  - Excellent property skills
  - Experienced team
- Commercial Property business in very good shape
- Short term weakness in Residential; to rebound strongly in medium term
- Challenging UK market, but small exposure
- Nominal increase in EPS in FY09
- Higher EPS growth from FY10+



The Hyde, Sydney, NSW  
Artist's impression



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## Annexures



## Consistent Delivery of Strategy

	EBIT FY08		Asset 30 June 2008	
	Actual	Strategic Weighting	Actual	Strategic Weighting
<b>Recurring Income</b>				
Commercial Property	67%		66%	
Residential	5%		8%	
Stockland UK	2%		0%	
Other	-3%		0%	
<b>Subtotal</b>	<b>71%</b>	<b>60-80%</b>	<b>74%</b>	<b>70-80%</b>
<b>Trading</b>				
Commercial Property	1%		0%	
Residential	35%		23%	
Stockland UK	-1%		3%	
Other	-6%		0%	
<b>Subtotal</b>	<b>29%</b>	<b>20-40%</b>	<b>26%</b>	<b>20-30%</b>

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## Summary of Results – FY08

	\$m
Operating profit before certain significant items	674.0
Net gain from fair value adjustment of investment properties	409.9
Retirement living resident obligation fair value movement	(75.0)
Goodwill impairment	(86.1)
Impairment of investment	(4.6)
Net loss on sale of non-current assets	(2.7)
Net loss from disposal of foreign operations	(5.3)
Net unrealised loss from hedged items and financial instruments treated as fair value hedges	(0.4)
Net realised gain on other financial instruments that do not qualify as effective under hedge accounting rules	1.9
Net unrealised loss on financial instruments that do not qualify as effective under hedge accounting rules	(206.8)
Net unrealised foreign exchange gain	0.3
<b>Reported Statutory Net Profit</b>	<b>705.2</b>
Net transfers to reserves	273.7
<b>Amount available for distribution</b>	<b>978.9</b>
Total Dividend/distribution	678.5
<b>Net increase in retained profits</b>	<b>300.4</b>

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## Segment Result

	Residential \$m	Retail \$m	Office & Industrial \$m	Stockland UK \$m	Other \$m	Eliminations \$m	Consolidated \$m
External segment revenue	1,327	379	334	81	8	-	2,129
Inter-segment revenue	124	52	26	-	11	(213)	-
Unallocated revenue	-	-	-	-	-	-	5
<b>Total Revenue</b>	<b>1,451</b>	<b>431</b>	<b>360</b>	<b>81</b>	<b>19</b>	<b>(213)</b>	<b>2,134</b>
Segment result before interest, share of profits from investments accounted for using the equity method, fair value adjustments or investment properties <sup>2</sup> and net gain on sale of investment properties	378	251	253	13	(4)	-	891
Interest expense included in cost of goods sold	(52)	-	(1)	-	-	-	(53)
Share of profits of investments accounted for using the equity method (before fair value adjustments of investment properties and derivatives) <sup>1</sup>	-	9	54	(1)	-	-	62
<b>Segment result before fair value adjustments and net gain on sale of investment properties</b>	<b>326</b>	<b>260</b>	<b>306</b>	<b>12</b>	<b>(4)</b>	<b>-</b>	<b>900</b>
Fair value adjustments of investment properties <sup>3</sup>	(2)	126	131	-	-	-	255
Goodwill impairment	-	-	-	(86)	-	-	(86)
Fair value adjustments of Investment Property in associates and JV <sup>1</sup>	-	26	57	(4)	-	-	79
Impairment of investments and unrealised foreign exchange movements	-	-	-	(4)	-	-	(4)
Net loss from disposal of foreign operations	-	(5)	-	-	-	-	(5)
Net gain / (loss) on sale of non-current assets	-	(9)	7	-	-	-	(2)
<b>Segment result</b>	<b>324</b>	<b>398</b>	<b>501</b>	<b>(82)</b>	<b>(4)</b>	<b>-</b>	<b>1,137</b>

1 Total share of profits / (loss) on investments accounted for using the equity method

2 Other than fair value movement of deferred management fee contracts and revaluation upon completion of newly constructed retirement living communities

3 Includes capital growth of operational retirement living communities offset by existing retirement living resident obligations fair value movement and excludes items in footnote 2 above

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## Revaluations

	Valuation (\$m)	Previous Book Value (\$m)	Increment (\$m)
Retail	2,244	2,142	102
Retail – Disposals	473	426	47
Office	1,997	1,826	171
Industrial	1,247	1,222	25
Other			(5)
<b>TOTAL</b>			<b>340*</b>

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\* As per segment note – Commercial Property



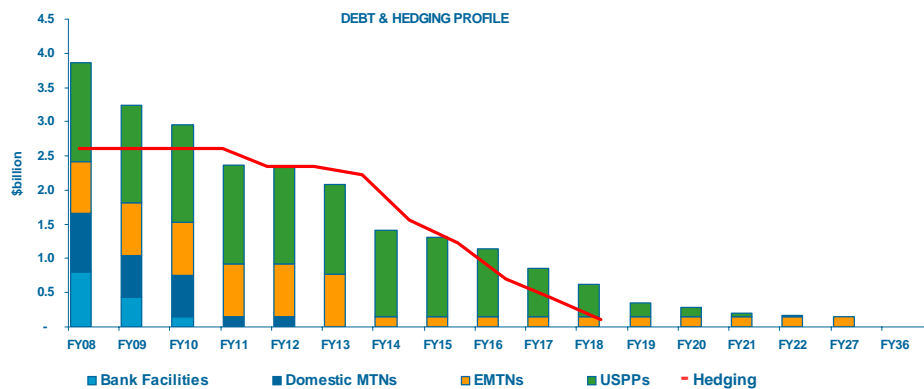
## Total P&L Effect of Interest – FY08

Profit and Loss Effect FY08	\$m	
Interest paid		299.7
Interest capitalised:		
Development assets	(181.2)	
Investment assets	(9.9)	(191.1)
Finance costs		108.6
Capitalised interest expensed via COS		52.8
<b>Total P&amp;L effect</b>		<b>161.4</b>

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## Capital Management



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## Financial Instruments: Movement in Mark-to-Market

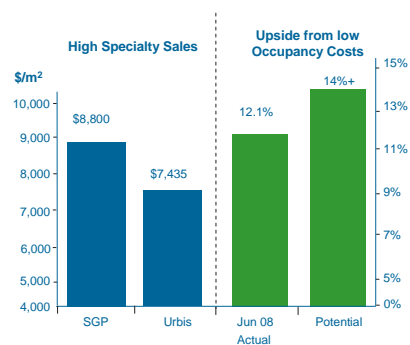
	FY08 \$m	FY07 \$m
<b>Ineffective Hedges*</b>		
Profit & Loss - Unrealised	(207)	21
Profit & Loss – Realised (NZ FECs)	21	-
<b>Effective Hedges*</b>		
Balance Sheet	(92)	(194)
<b>Net impact of movement in Financial Instruments</b>	<b>(278)</b>	<b>(173)</b>

\* As defined by AASB139-Financial Instruments: Recognition & Measurement

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## Retail - Sales & Occupancy Costs



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## Retail Portfolio Sales

	Total MAT (\$m)	% MAT Growth	% Comparable Growth
Supermarkets	1,846.9	7.4	5.5
DDS	806.6	4.9	5.9
Specialties	1,400.6	8.2	5.4
Mini Majors/Cinemas/Other	618.8	14.2	14.6
<b>TOTAL</b>	<b>4,672.9</b>	<b>8.0</b>	<b>6.7</b>

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## Retail Sales - Portfolio Summary

Property	Total MAT (\$m)	% MAT Growth	Specialties MAT (\$/m²)	% Occupancy Cost
Baldivis	36.2	N/A	5,506	12.7
Batemans Bay	91.1	5.4	8,396	10.0
Bathurst	134.9	13.5	8,793	11.0
Baulkham Hills*	101.9	N/A	4,278	N/A
Bay Village	184.2	4.8	7,850	14.1
Bridge Plaza	44.9	1.4	4,925	9.3
Bull Creek	115.9	4.0	8,395	12.9
Burleigh Central	3.9	5.3	N/A	N/A
Burleigh Heads	193.8	11.1	8,175	11.4
Cairns	239.7	11.4	8,872	11.0
Caloundra	127.6	4.2	10,585	9.7
Cleveland	124.0	2.3	7,144	11.4
Corrimal	93.6	6.3	6,875	10.6
Forster	117.6	N/A	6,043	12.4
Gladstone	159.1	5.1	9,599	10.1
Glendale	300.5	15.1	7,329	11.4
Glenrose*	60.8	1.7	7,658	N/A
Green Hills	296.8	4.2	11,781	11.4
Jesmond	156.3	3.5	8,875	11.7

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\* Under development during the period



## Retail Sales - Portfolio Summary (continued)

Property	Total MAT (\$m)	% MAT Growth	Specialities MAT (\$/m²)	% Occupancy Cost
Jimboomba	52.6	N/A	N/A	N/A
Lilydale	60.6	19.0	5,206	N/A
Merrylands*	153.3	(5.4)	9,909	11.2
Nowra	126.1	5.0	9,735	10.8
Piccadilly	18.6	1.8	7,197	19.3
Riverton	111.0	3.6	5,968	13.1
Rockhampton*	255.3	0.0	9,881	11.2
Shellharbour	214.6	3.5	9,447	12.8
Shellharbour Retail Park	84.3	N/A	N/A	N/A
The Pines	177.1	11.6	7,295	15.6
Townsville	224.5	2.8	10,427	12.7
Traralgon	99.4	8.9	6,534	12.0
Vincentia	34.7	N/A	N/A	N/A
Wallsend	72.9	10.2	8,202	8.4
Wendouree*	136.1	2.9	6,688	12.6
Wetherill Park	252.4	5.1	10,250	13.9
135 King St	16.5	1.2	N/A	N/A
<b>TOTAL</b>	<b>4672.9</b>	<b>8.0</b>	<b>8,800</b>	<b>12.1</b>

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\* Under development during the period



## Retail – FY08 Disposals

Property	Disposal Date	Disposal Value (\$m)	Passing Yield
Lynnmall	May 08	95.5	5.9%
Botany	May 08	185.0	5.9%
Manukau	May 08	41.0	5.9%
Karrinyup	Jan 08	152.5	5.1%
Parabanks	May 08	87.5	6.5%
<b>Total – Retail</b>		<b>561.5</b>	

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## Retail - Development Pipeline

UNDER CONSTRUCTION	Forecast Cost (\$m)	Forecast Yield (%)	FY09	FY10	FY11	FY12+
Rockhampton	94	8.5				
Merrylands (Stage 1 & 2)	169	7.5				
Balgowlah *	130	6.3				
Cammeray *	56	5.7				
Tooronga *	42	6.8				
Cairns – Coles remix	15	7.0				
<b>Total Under Construction Projects</b>	<b>506</b>	<b>7.1</b>				

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\* Internal / external Acquisitions



## Retail - Development Pipeline (continued)

DA PREPARATION / MASTER PLANNING	Forecast Cost (\$m)	Forecast Yield (%)	FY09	FY10	FY11	FY12+
Caloundra	85	7.8				
Gladstone	95	7.5				
Green Hills	270	7.5				
Jimboomba (Stage 1)	55	7.5				
Kawana (Stage 1)	60	7.5				
Merrylands (Stage 3 & 4)	105	7.5				
Riverton	15	7.7				
Shellharbour	260	7.8				
Townsville (Stage 1)	184	7.0				
Townsville Waterway Gardens (Stage 1)	25	7.8				
<b>Total DA Preparation/ Master Planning Projects</b>	<b>1,154</b>	<b>7.5</b>				
<b>GRAND TOTAL</b>	<b>1,660</b>	<b>7.4</b>				

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## Retail - Revaluations

Property	Valuation (\$m)	Previous BV (adjusted for Capex) (\$m)	% Increment	Cap Rate %
Stockland Bay Village	187.5	197.9	(5.3)	6.75
Stockland Baulkham Hills	137.0	128.1	6.9	6.50
Stockland Forster	126.5	111.1	13.9	6.25
Stockland Wendouree	115.0	92.2	24.7	6.50
Stockland Gladstone	102.0	99.3	2.7	6.25
Stockland Cleveland	87.5	85.9	1.9	6.25
Stockland Wallsend	57.1	60.5	(5.6)	6.50
135 King St (Glasshouse) 50%	45.0	40.3	11.7	6.25
Stockland Lilydale	29.4	31.7	(7.3)	7.00
Jimboomba (50%)	18.2	25.0	(27.2)	7.50
Stockland Vincentia – Bi Lo	15.0	15.1	(0.7)	7.50
Sunvale/ Kingsvale	6.5	13.8	(52.9)	9.00
Gladstone – Auckland Creek (land only)	3.9	4.0	(2.5)	N/A
Stockland Batemans Bay	67.4	74.3	(9.3)	6.75
Stockland Bridge Plaza	13.1	18.1	(27.6)	6.50

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## Retail - Revaluations (continued)

Property	Valuation (\$m)	Previous BV (adjusted for Capex) (\$m)	% Increment	Cap Rate %
Stockland Wetherill Park	340.0	309.3	9.9	5.75
Stockland Shellharbour	280.0	253.5	10.5	5.75
Stockland Rockhampton	193.0	174.5	10.6	6.50
Stockland Glendale	240.0	220.6	8.8	6.00
Stockland Traralgon	77.5	71.2	8.8	6.25
Stockland Corrimall	64.7	59.0	9.7	6.25
Stockland Glenrose	20.0	39.9	(49.9)	6.00
Burleigh Central	18.0	17.0	5.9	6.75
<b>TOTAL*</b>	<b>2,244.3</b>	<b>2,142.3</b>	<b>4.8</b>	

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\* Excludes net \$2m prior year fair value adjustments for Retail assets



## Retail – Revaluations (Continued)

Property	Valuation (\$m)	Previous BV (Adjusted for Capex) (\$m)	% Increment	Cap Rate %
Botany Town Centre (50%), Auckland NZ	185.0	170.1	8.8	5.40
Lynmall Shopping Centre (50%), Auckland NZ	95.5	85.3	12.0	6.60
Manukau Supa Centa (50%), Auckland, NZ	41.0	39.7	3.3	7.00
Karrinyup, WA	151.9	130.9	16.0	5.00
<b>Total</b>	<b>473.4</b>	<b>426.0</b>	<b>11.1</b>	

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## Office – Market Commentary

	SGP Portfolio *	Market Vacancy Jun-08 **	FY08 Net Absorption m <sup>2</sup>	Supply Under Construction m <sup>2</sup>	% Pre-Com	Increase in Stock (%)
Sydney CBD	33%	6.5% ↑	75,072	114,132	28%	2%
Nth Sydney & St Leonards	9%	9.8% ↑	23,525	69,650	57%	6%
Macquarie Park	10%	10.5% ↑	6,337	135,716	28%	31%
Melbourne CBD	6%	3.3% ↓	169,317	444,090	65%	11%
Brisbane CBD	16%*	1.1% ↑	27,464	379,569	36%	21%
Adelaide CBD	3%	4.9% ↓	67,157	76,317	42%	7%
Perth CBD	18%*	0.2% ↓	16,142	238,713	76%	18%
Canberra	5%	5.2% ↑	161,546	239,912	52%	13%

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\* SGP Portfolio includes suburban properties in those cities  
 \*\* Arrows represent change in vacancy over the past 6 months  
 Source: Jones Lang LaSalle Research, June Quarter 2008



## Industrial – Market Commentary

	SGP Portfolio	Under Construction m <sup>2</sup>	Pre-Commitment	Land Values *	Rental Growth *
Sydney	56%	569,248	54%	↔	↔/↓
Melbourne	21%	360,418	32%	↑	↑
Brisbane	17%	337,062	61%	↑	↑
Adelaide	6%	62,987	85%	↑	↑
Perth	0%	232,092	77%	↑	↑

\* Arrows represent change over the past 12 months  
Source: Jones Lang LaSalle Research, June Quarter 2008



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## Office and Industrial - Revaluations

Property	Valuation (\$m)	Previous BV (adjusted for Capex) (\$m)	% Increment	Cap Rate %
<b>Office</b>				
Waterfront Place (50%), Brisbane, Qld	285.0	246.1	15.8	6.50
9 Castlereagh Street, Sydney, NSW	212.0	203.7	4.1	5.63
Optus HQ (31%), NSW	124.0	128.2	(3.3)	6.50
135 King Street (50%), Sydney, NSW	113.5	100.6	12.8	6.25
Durack Centre, 263 Adelaide Tce, WA	111.5	93.0	19.9	7.75
Edmund Barton Building, ACT	79.5	88.6	(10.3)	N/A
45 St Georges Terrace Perth, WA	70.0	60.5	15.7	8.25
601 Pacific Hwy, NSW	77.8	68.5	13.6	7.50
77 Pacific Highway, Nth Sydney, NSW	64.0	59.2	8.1	7.00
150 Charlotte Street, Brisbane, Qld	59.0	57.2	3.1	7.00
Macquarie Technology Centre, NSW	47.2	40.1	17.7	7.50
16 Giffnock Avenue, NSW	41.6	39.2	6.1	7.50
1-5 Havelock Street, West Perth, WA	39.0	31.0	25.8	7.75
Chesser House, SA	37.3	37.0	0.8	8.00
40 Cameron Avenue, Belconnen (50%)	31.7	33.3	(4.8)	7.75
68 Northbourne Avenue, ACT	28.0	32.4	(13.6)	8.50
118-120 Pacific Highway, NSW	28.4	24.9	14.1	7.25



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## Office and Industrial – Revaluations (continued)

Property	Valuation (\$m)	Previous BV (adjusted for Capex) (\$m)	% Increment	Cap Rate %
<b>Office</b>				
Trace and Todd Building, ACT	18.6	21.5	(13.5)	8.75
Cox & Drakeford Building, ACT	20.0	21.1	(5.2)	8.75
234 Sussex Street, Sydney, NSW	61.7	55.4	11.4	6.25
3 Byfield Street, North Ryde, NSW	11.3	9.1	24.2	7.00
300 Ann Street, Brisbane, Qld	45.0	42.5	5.9	6.50
27-29 High Street, Toowong, Qld	4.8	4.7	2.1	6.50
BankWest, Perth (50%), WA	185.0	146.9	25.9	6.30
Exchange Plaza, Perth (50%), WA	165.0	142.4	15.9	6.00
Amory Gardens, Ashfield, NSW	29.1	30.5	(4.6)	7.75
23 High Street, Toowong, Qld	6.5	8.3	(21.7)	6.00
<b>TOTAL Office*</b>	<b>1,996.5</b>	<b>1,825.9</b>	<b>9.3</b>	

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\* Excludes \$8m consolidated elimination of Stockland tenancy in Piccadilly Tower



## Office and Industrial – Revaluations (continued)

Property	Valuation (\$m)	Previous BV (Adjusted for Capex) (\$m)	% Increment	Cap Rate %
<b>Industrial</b>				
Yennora Distribution Centre, NSW	345.0	311.6	10.7	7.50
Defence Distribution Centre (60%), NSW	160.8	170.8	(5.9)	7.00
Brooklyn Estate, Vic	81.1	82.6	(1.8)	7.75
Hendra Distribution Centre, Qld	92.4	83.2	11.1	8.25
M4 Greystanes, NSW	58.0	56.9	1.9	7.00
20-50 Fillo Drive & 10 Stubb Street, Somerton, Vic	36.7	45.9	(20.0)	7.75
9-11 Ferndell Street, Granville, NSW	40.9	41.5	(1.4)	8.00
55-63 Bourke Road, Alexandria, NSW	29.3	24.1	21.6	6.75
Altona Distribution Centre, Vic	30.0	28.6	4.9	8.15
11-25 Toll Drive, Altona, Vic	20.7	22.9	(9.6)	7.25
1-9 Jessica Place, Prestons, NSW	19.8	21.8	(9.2)	8.00
32-54 Toll Drive, Altona, Vic	19.2	19.7	(2.5)	7.25
56-60 Toll Drive, Altona, Vic	18.2	20.1	(9.5)	7.25
11A Ferndell Street, Granville, NSW	16.7	18.1	(7.7)	8.50
76-82 Fillo Drive, Somerton, Vic	15.0	16.9	(11.2)	7.75
Lenore Lane, Erskine Park (Coil Steel), NSW	14.0	16.2	(13.6)	7.50
Sydney Orbital Park, Smeaton Grange, NSW	12.5	11.6	7.8	7.75

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## Office and Industrial – Revaluations (continued)

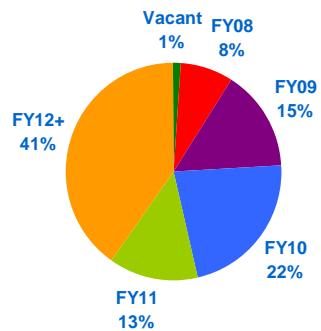
Property	Valuation (\$m)	Previous BV (Adjusted for Capex) (\$m)	% Increment	Cap Rate %
<b>Industrial</b>				
72 Formation Street, Wacol, Qld	12.4	12.9	(3.9)	7.50
42 Birnie Avenue, Lidcombe, NSW	13.6	15.4	(11.7)	8.00
509 Boundary Rd, Richlands, Qld	23.1	20.6	12.1	7.00
735 Boundary Rd, Richlands, Qld	15.7	14.8	6.1	7.00
514 Boundary Rd, Richlands, Qld	23.1	19.5	18.5	7.25
60 Fulcrum Street, Richlands, Qld	10.7	9.6	11.5	7.25
17 McNaughton Rd, Clayton, Vic	12.3	12.3	0.0	7.50
Port Adelaide Distribution Centre, Adelaide, SA	78.5	73.8	6.4	8.25
17 Scanlon Drive, Epping, Vic	10.7	10.3	3.9	7.75
40 Scanlon Drive, Epping, Vic	8.0	7.9	1.3	7.75
1 Amour Street, Milperra, NSW	8.1	9.0	(10.0)	7.75
11 Amour Street, Milperra, NSW	13.5	15.0	(10.0)	7.75
9-11 Somerton Park Drive, Somerton, Vic	7.3	8.1	(9.9)	7.75
<b>Total - Industrial</b>	<b>1,247.3</b>	<b>1,221.7</b>	<b>2.1</b>	

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## Lease Expiry Profile – Office

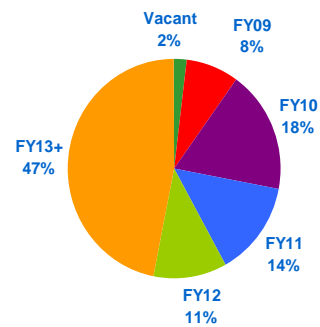
June 2007



WALT: 4.5 Years

Expiry by NLA

June 2008



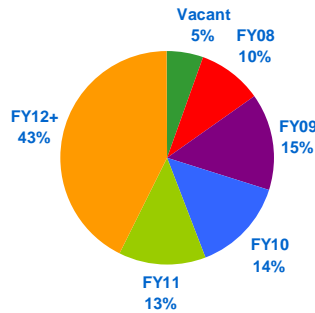
WALT: 4.5 Years

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## Lease Expiry Profile – Industrial

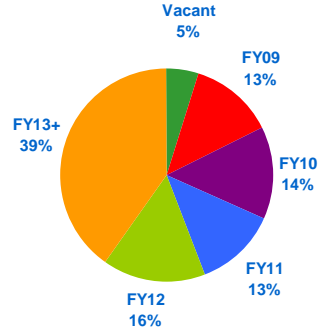
June 2007



WALT: 4.0 Years

Expiry by GLA

June 2008



WALT: 4.0 Years



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## Office & Industrial – FY08 Acquisitions

Property	Acquisition Cost (\$m)	Initial Yield - Before costs
<b>Office</b>		
78 Waterloo Rd, Macquarie Park, NSW	12.7	6.4%
255 & 267 St Georges Terrace, Perth, WA	27.6	6.5%
9 Castlereagh St, Sydney, NSW	202.6	5.9%
23 High St, Toowong, QLD	7.8	3.8%
<b>Total – Office</b>	<b>250.7</b>	
<b>Industrial</b>		
1 Amour St, Revesby, NSW	8.7	7.8%
4 Viola Place, Brisbane Airport, QLD	15.6	8.3%
Defence Distribution Centre, Moorebank (60%), NSW	180.6	5.7%
<b>Total – Industrial</b>	<b>204.9</b>	



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## Office & Industrial – FY08 Disposals

Property	Disposal Date	Disposal Value (\$m)	Passing Yield
Office			
Northpoint, NSW	Mar 08	225.6	5.5%
Total – Office		225.6	

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## Office & Industrial - Development Pipeline

UNDER CONSTRUCTION	Forecast Cost (\$m)	Forecast Yield (%)	Building/ Land Area (m²)	FY09	FY10	FY11	FY12+
Triniti Business Campus (A + B), NSW	82	7.2	16,534				
78 Waterloo Rd, Macquarie Park NSW*	71	6.6	15,148				
3676 Ipswich Rd, Wacol, QLD - Stage 1*	16	6.9	13,363				
Durack Two, Perth, WA	51	8.5	7,200				
Total Under Construction Projects	220	7.3	\$2,245				

DA APPROVED	Forecast Cost (\$m)	Forecast Yield (%)	Building/ Land Area (m²)	FY09	FY10	FY11	FY12+
3676 Ipswich Rd, Wacol, QLD Stages 2-4*	43	7.3	39,905				
Triniti Business Campus (C), NSW	59	7.0	11,364				
Edmund Barton Building, ACT	108	6.9	44,069				
Yennora Building 8A, NSW	6	8.2	7,970				
Total DA Approved Projects	216	7.1	103,308				

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\* Internal / external Acquisitions



## Office & Industrial - Development Pipeline (continued)

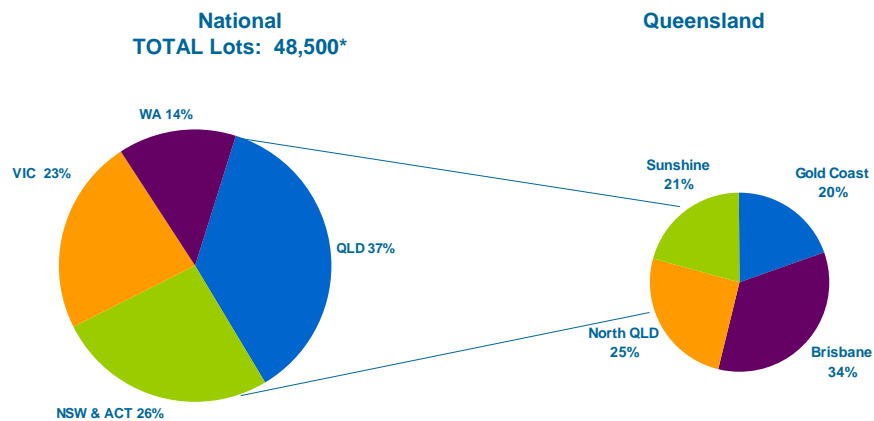
MASTER PLANNING	Forecast Cost (\$m)	Forecast Yield (%)	Building/ Land Area (m <sup>2</sup> )	FY09	FY10	FY11	FY12+
Port Adelaide, SA	5	8.2	6,810				
Waterfront Place Restaurants, QLD	16	6.4	2,103				
Toowong - Town Centre, QLD	156	6.9	24,507				
150 Charlotte Street, Brisbane, QLD	10	7.7	11,300				
Eagle Street Pier, Brisbane, QLD*	640	6.3	49,200				
Total Master Planning	827	6.4	93,920				
Grand Total	1,263	6.7	249,473				

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\* Internal Acquisitions



## Residential – Geographic Diversity



30 June 2008

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\* Excluding Retirement Living & Caloundra Downs (20,000+ lots)



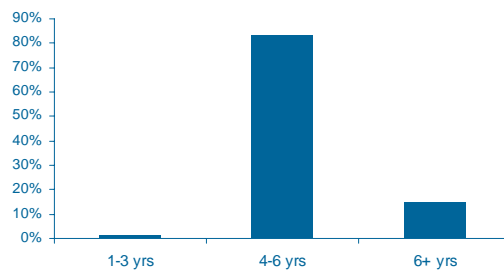
## Residential – Financial Result

		FY08				
		Residential Communities	Apartments	Retirement Living	Total FY08	Total FY07
<b>Performance</b>						
Units / Lots Sold	No.	4,188	225	239	4,652	4,349
Revenue	\$m	\$1,101m	\$212m	N/A	\$1,313m	\$1,157m
Operating Profit	\$m	\$274m	\$11m	\$42m	\$327m	\$273m
Net Margin	%	25%	5%	N/A	N/A	N/A
<b>Asset/Pipeline</b>						
Gross Assets	\$m	\$2,232m	\$746m	\$321m	\$3,299m	\$3,048m
Projects on Hand	No.	65	12	20	97	98
Units / Lots Controlled	No.	66,287	2,246	3,445	71,978	72,460
End Value of Projects	\$bn	\$17.4bn	\$3.4bn	\$1.5bn	\$22.3bn	\$18.3bn

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## Residential - Average Age of Lots Sold (FY08)



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## Communities – Projects Launched

Projects Launched FY08	
	Darcy's Peak
	Bayswood
	Northshore
	Riverstone
	Woodgrove
	Eve - Formely Ravenhurst
	Sierra
Projects Completed in FY08	
	Highcroft
	Hidden Grove
	Monterey Central
	The Parks of Bellevue Hills
	Sanctuary
	The Boardwalk

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## Communities – Restocking

Location	State / Region	No. Future Lots Acquired	Acquisition Date	Off Market	Deferred Purchase Terms
<b>Communities</b>					
West Dapto	NSW	311	Dec 07	Y	Y
Cornell - Cranbourne North	VIC	315	Nov 07	N	Y
Mernda - Consolidation	VIC	119	Nov 07	Y	Y
Charles	WA/SA	517	Oct 07	Y	N
Ketelsen	WA/SA	225	Dec 07	Y	N
Brookdale Joint Venture	WA / SA	282	Jun 08	N	Y
Turner (Hundred Hills)	QLD	158	Nov 07	Y	Y
Bahrs Scrub	QLD	1,100	Feb 08	Y	Y
Ocean Drive	QLD	450	Dec 07	Y	N
Cane Bridge	QLD	173	Jun 08	Y	Y
<b>Total</b>		<b>3,650</b>			

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## Communities – Lots Sold

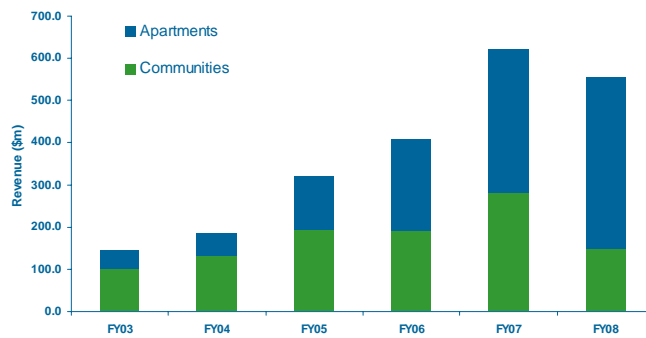
	FY08		FY07	
	No. Lots Sold	Avg Price* \$(000)	No. Lots Sold	Avg Price* \$(000)
New South Wales	266	390	248	381
Victoria	1,029	235	906	182
Queensland	2,348	284	2,202	263
Western Australia	545	329	714	263
<b>TOTAL</b>	<b>4,188</b>	<b>284</b>	<b>4,070</b>	<b>252</b>

\* Inc GST



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## Residential - Contracts on Hand



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Stockland Corporation Limited  
ACN 000 181 733

Stockland Trust Management Limited  
ACN 001 900 741

25th Floor  
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SYDNEY NSW 2000

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