



FY14 Stockland Results Annexure – A year in focus

Section	Page Number
Overview	33
Financial Management	41
Commercial Property	57
Residential	75
Retirement Living	91



About Stockland

Calleya, WA - master plan design overlay

OUR PURPOSE

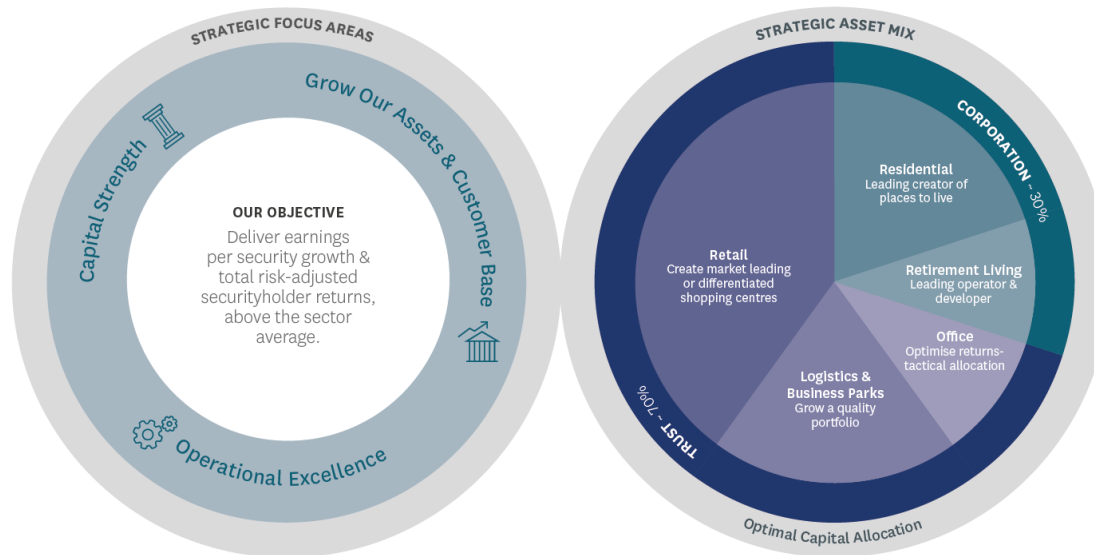
We believe there is a better way to live

OUR VALUES

Community
Accountability
Respect
Excellence

OUR VISION

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



Five year indicative asset mix

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

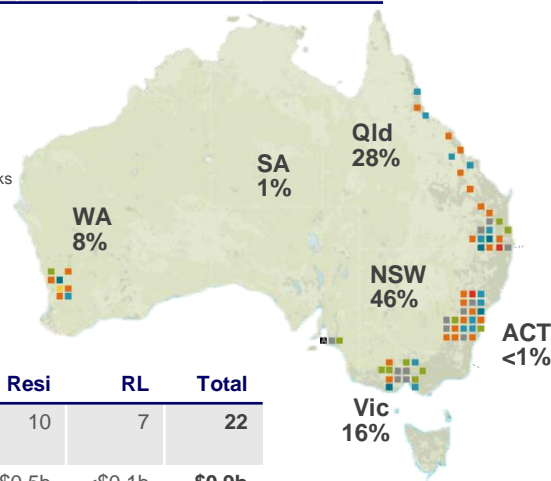
35

All states	CP	Resi	RL	Total
Number of properties/projects	74	63	72	206
Book Value	\$8.4b	\$2.3b	\$1.0b	\$11.8b
%SGP Portfolio	71%	20%	9%	100%

Qld	CP	Resi	RL	Total
Number of properties/projects	20	28	9	59
Book Value	\$2.3b	\$0.9b	\$0.1b	\$3.3b
%SGP Portfolio	19%	8%	1%	28%

Key

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



WA	CP	Resi	RL	Total
Number of properties/projects	5	10	7	22
Book Value	\$0.4b	\$0.5b	<\$0.1b	\$0.9b
%SGP Portfolio	4%	4%	<1%	8%

NSW	CP	Resi	RL	Total
Number of properties/projects	35	15	20	70
Book Value	\$4.7b	\$0.5b	\$0.3b	\$5.5b
%SGP Portfolio	40%	4%	2%	46%

Vic	CP	Resi	RL	Total
Number of properties/projects	12	10	32	54
Book Value	\$0.9b	\$0.5b	\$0.5b	\$1.9b
%SGP Portfolio	8%	4%	4%	16%

1. Includes UPF assets

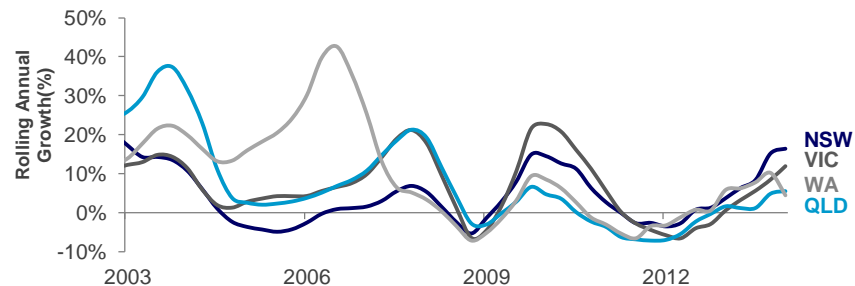
2. RL established and development assets at same location are treated as a single property/project (disclosed separately in Property portfolio)

3. Excludes Apartments

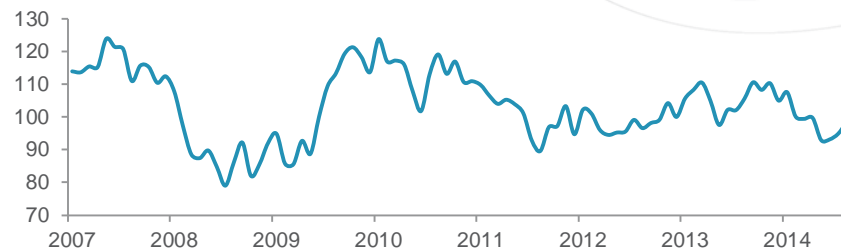
Australia: Retail Drivers

36

Capital city house prices rising in all states¹

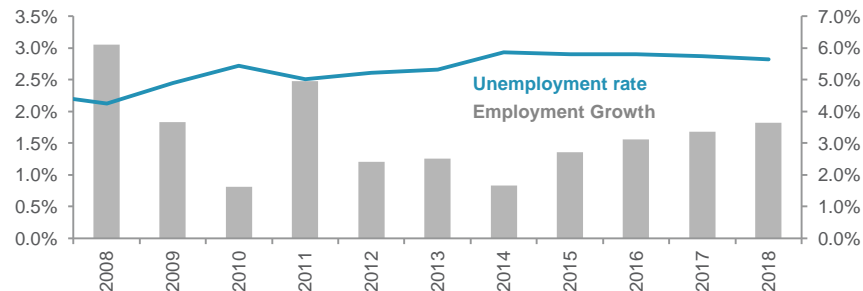


Consumer Sentiment in negative territory but recovering post budget²



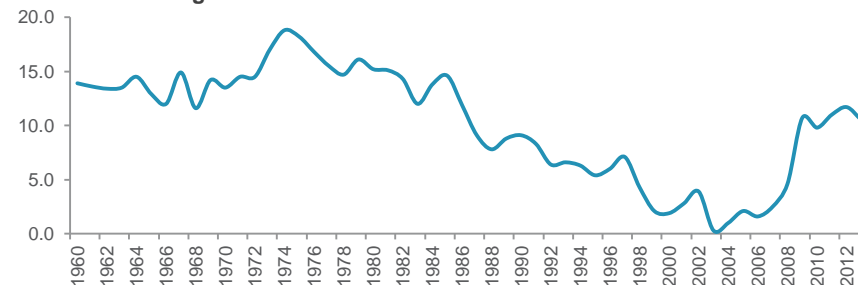
Labour market forecast to improve^{3,4}

Australian Employment



Savings rate rose sharply during GFC but stabilising at current levels³

Household Savings Ratio



1. RP Data

2. Westpac – University of Melbourne Consumer Sentiment Survey

3. ABS

4. Deloitte Access Economics Business Outlook June 2014

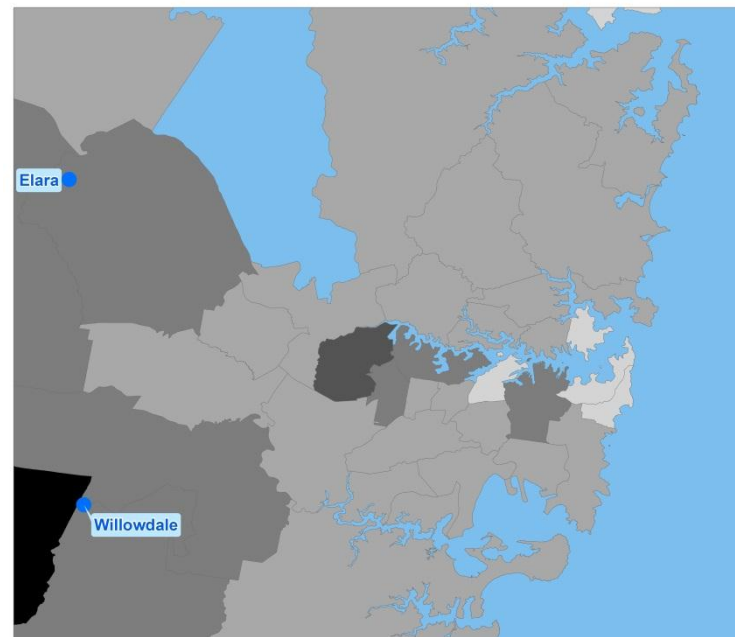
Key Residential projects – significant scale, located in key population growth areas

37

BRISBANE

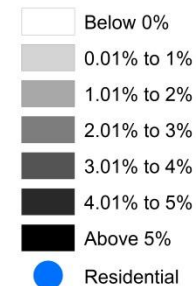


SYDNEY



Pop Growth 2014 - 18

GrowthRate



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

38

PERTH

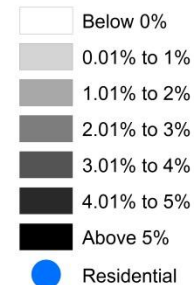


MELBOURNE



Pop Growth 2014 - 18

GrowthRate

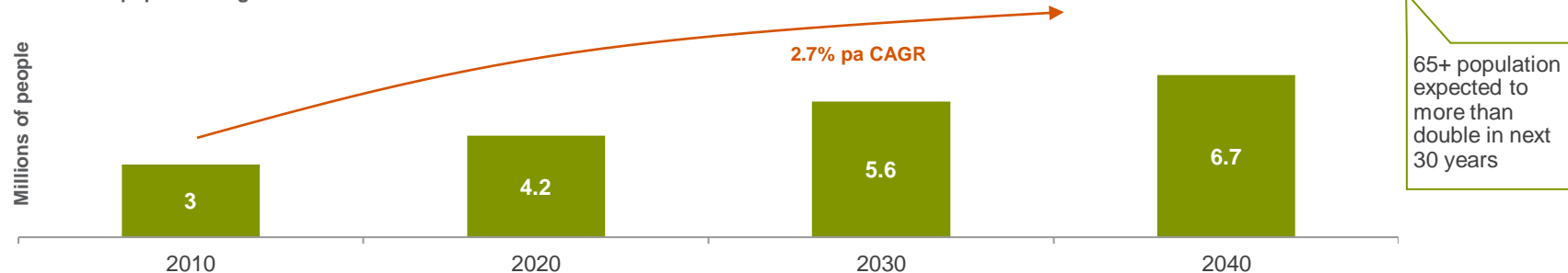


Retirement Living – Strong demand drivers

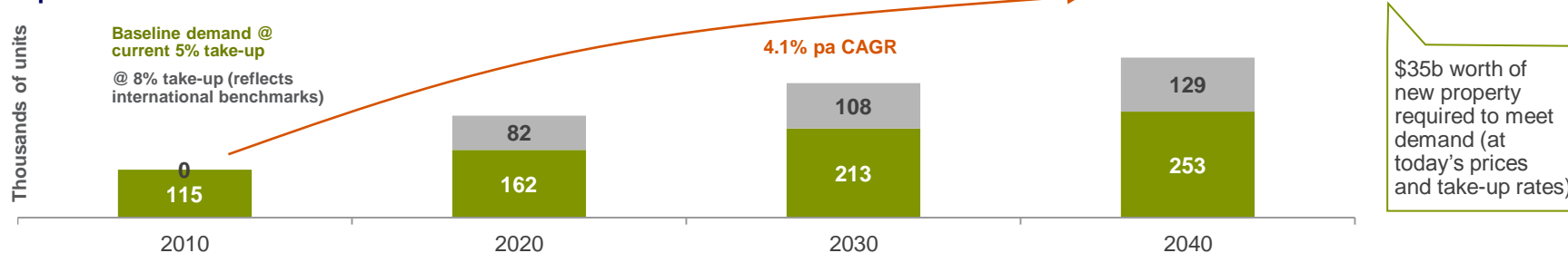
39

Compelling demand fundamentals

Australian population aged 65+¹



Implied demand for units



1. Source: ABS category 3222.0

2014 Calendar Snapshot: Indicative Investor Event Details¹

40

Upcoming conferences:

Event	Location	Date
DAIWA Pan Asia REIT Day	Tokyo	2 September 2014
Macquarie Corporate Day	Singapore, Hong Kong	3-5 September 2014
Private Roadshow	USA	8-9 September 2014
BAML Global Real Estate Conference	USA	10-12 September 2014
Private Roadshow	Amsterdam, Edinburgh	30 September – 1 October 2014
JP Morgan Investment Conference	London	2-3 October 2014
Citi Australian & New Zealand Investment Conference	Sydney	14-15 October 2014
BAML Australian REIT Conference	Sydney	22-23 October 2014

Upcoming announcements:

Announcement	Location	Date
1Q15 Market Update	Sydney	28 October 2014
Annual General Meeting	Sydney	28 October 2014
Investor Day	Perth	12 November 2014

Investor Relations contact

1. Indicative dates, subject to change

T: +61 (2) 9035 2000, E: investor.relations@stockland.com.au



Group Finance

Shellharbour, NSW

Profit summary

42

\$m	FY14	FY13
Residential Communities EBIT (before interest in COGS)	244	181
Commercial Property EBIT	497	482
Retirement Living EBIT	45	41
Other EBIT (investments & non-core operations) ¹	34	5
Unallocated corporate overheads	(52)	(60)
Group EBIT (before interest in COGS)	768	649
Net interest expense:		
- Interest income	5	6
- Interest paid	(211)	(226)
- Interest capitalised to inventory	120	125
- Interest capitalised to Investment Properties under development ²	12	16
Share of interest paid on external debt of equity accounted investment	(5)	-
Net interest expense in P&L before capitalised interest	(79)	(79)
- Capitalised interest expensed in the P&L	(161)	(130)
Net interest expense	(240)	(209)
Tax benefit	27	55
Underlying Profit	555	495
Statutory Profit adjustments	6	(407)
Tax (expense)/benefit of adjustments	(34)	17
Statutory Profit	527	105

All figures are rounded to nearest million, unless otherwise stated. Percentages are calculated based on the unrounded figures throughout this entire presentation

1. Includes operating EBIT from UK, Apartments and Aged Care, as well as income from investments

2. Includes \$5m (FY13: \$6m) of interest in relation to Retirement Living which is included in Fair Value Adjustment of Investment Properties

Net interest gap

43

Interest expense - \$m

FY14

FY13

	Interest	Deferred Interest	Total	Interest	Deferred Interest	Total
Interest paid¹	196	15	211	217	9	226
Less: capitalised interest						
- Commercial Property development projects	(4)	-	(4)	(7)	-	(7)
- Residential	(107)	(13)	(120)	(117)	(8)	(125)
- Retirement Living	(8)	-	(8)	(9)	-	(9)
	(119)	(13)	(132)	(133)	(8)	(141)
Borrowing cost in P&L	77	2	79	84	1	85
Add: capitalised interest expensed in P&L ²	161	-	161	130	-	130
Total interest expense in P&L	238	2	240	214	1	215

Gap between interest paid and expense

- Interest paid is lower due to lower average debt in FY14 compared to FY13
- Capitalised interest is lower due to a full year impact of no capitalisation on inactive projects including those for disposal
- Higher interest expense due to the increase in the capitalised interest expense recognised in the P&L as work out projects have been disposed during FY14

Deferred Interest – Residential

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

1. Before interest income and share of interest expense in equity accounted investments

2. Made up of: Residential - \$156m (FY13: \$125m) and Retirement Living \$5m (FY13: \$6m). This differs to statutory reporting by \$5m (FY13: \$6m) as Retirement Living is reported through the fair value adjustment of investment properties

Strategic mix¹

44

	Assets 30 June 2014	Assets 30 June 2013	Operating Profit FY14	Operating Profit FY13
Recurring				
Commercial Property	71%	69%	84%	93%
Retirement Living	7%	8%	7%	6%
Unallocated corporate overheads	-	-	(3%)	(5%)
Total recurring	78%	77%	88%	94%
Trading				
Residential	20%	20%	16%	11%
Retirement Living	2%	2%	-	1%
Other and unallocated corporate overheads	-	1%	(4%)	(6%)
Total trading	22%	23%	12%	6%

1. Excludes investment in Australand

Return on Assets, Return on Equity

45

	FY14			FY13			Commentary
	Cash Return (\$m)	Avg. Cash Invested (\$b)	Return (%)	Cash Return (\$m)	Avg. Cash Invested (\$b)	Return (%)	
Retail	360	4.4	8.3%	330	4.1	8.1%	ROA growth driven by completion and stabilisation of major development projects
Logistics & Business Parks	107	1.2	8.6%	102	1.1	8.9%	Acquisition of additional interest in Optus Centre and the recent acquisition of 40-88 Forrester Rd
Office	83	1.0	8.4%	101	1.3	8.1%	Increased Office returns post disposals in late 2H13
Residential Communities – Core	175	1.4	12.2%	129	1.5	8.7%	ROA growth reflects improved trading conditions
Retirement Living	45	1.0	4.5%	42	1.0	4.3%	Excludes Aged Care
Core Business ROA (sub-total)	769	9.0	8.6%	704	9.0	7.9%	
Residential Communities – Workout ¹	(60)	0.5	(11.2%)	(9)	0.7	(1.3%)	Increased disposal of impaired engloblo land
Other	9	0.4	2.5%	(12)	0.5	(2.3%)	UK, Apartments, FKP, ALZ and Aged Care. Low ROA predominantly driven by loss realised on the sale of impaired apartment projects
Other Assets ROA (sub-total)	(51)	0.9	(5.7%)	(21)	1.2	(1.7%)	
Unallocated Overheads & Other Income	(44)	-	-	(60)	-	-	Reflects corporate overhead savings post-restructure
Group ROA	674	9.9	6.8%	623	10.2	6.1%	
Net interest/net debt	(194)	(3.0)	6.5%	(209)	(3.3)	6.4%	
Group ROE	480	6.9	7.0%	414	6.9	6.0%	
Group ROE (excl workout and other)	531	6.0	8.8%	435	5.7	7.7%	

1. Includes all impaired projects

Reconciliation between Return on Equity table values and accounting results

46

Reconciliation of group return in ROE calculation to Underlying Profit

\$m	FY14	FY13
Cash return	480	414
Capitalised interest expensed in COGS	(161)	(130)
Capitalised interest for the year ¹	119	133
Add-back impairment release in COGS	146	79
CP straight-line rent and other	(11)	(24)
Funds From Operations (FFO)	573	472
Add-back CP AIFRS adjustments	(45)	(32)
Tax	27	55
Underlying Profit	555	495

1. Excludes deferred interest

Reconciliation of capital employed in ROE calculation to statutory net assets

\$b	Average for FY14	Average for FY13
Group capital employed (Net Assets)	6.9	6.9
Commercial Property revaluations	1.5	1.4
Residential Communities capitalised interest	0.5	0.5
Residential Communities and Apartments impairment	(0.5)	(0.4)
Retirement Living DMF revaluations	0.2	0.2
UK impairment and FKP/ALZ fair value	-	(0.2)
Distribution provision and non-cash working capital	(0.4)	(0.2)
Statutory net assets (average for the period)	8.2	8.2

Stockland Return on Equity methodology

47

	Numerator (Cash Return)	Denominator (Average Cash Invested)
Residential (incl. Apartments)	EBIT (including cash loss realised on impaired projects)	Net Funds Employed (NFE) (excluding accrued capitalised interest and impairment provision) average for the 12 month period
Commercial Property	Operating Profit before amortisation of lease incentives	Average cost + capital additions + lease incentives + development work in progress Business unit overheads are allocated across the asset classes based on NOI contribution
Retirement Living ¹	EBIT	Average Net Funds Employed (including inventory, development expenditure, cash paid for acquired DMFs and goodwill, excluding capitalised interest and revaluations)
Other – UK, FKP, Apartments, ALZ, Aged Care and working capital	EBIT	Average Net Funds Employed (excluding capitalised interest, fair value movements) + average working capital (excluding derivatives, deferred taxes and distribution provision)
Debt funding	Cash interest paid less interest income received	Average debt drawn (net of cash on hand)

1. Excluding Aged Care

Achieved targeted 10% cost reduction

- 10% reduction in overheads, pre CPI and restructure costs (8% post CPI) achieved through centralisation of functions, including Human Resources, Finance and Marketing
- Diligent cost management practices embedded across the Group

Prudent cost management

\$m	FY14	FY13	FY12
Commercial Property ¹	20	26	27
Residential	123	139	144
Retirement Living ²	30	33	38
UK	2	1	7
Unallocated corporate overheads	52	48	50
Comparable overheads	227	247	266
Comparable year on year movement %	(8.0)	(4.1)	
Restructure Costs	-	12	-
Management, administration, marketing and selling expenses	227	259	266

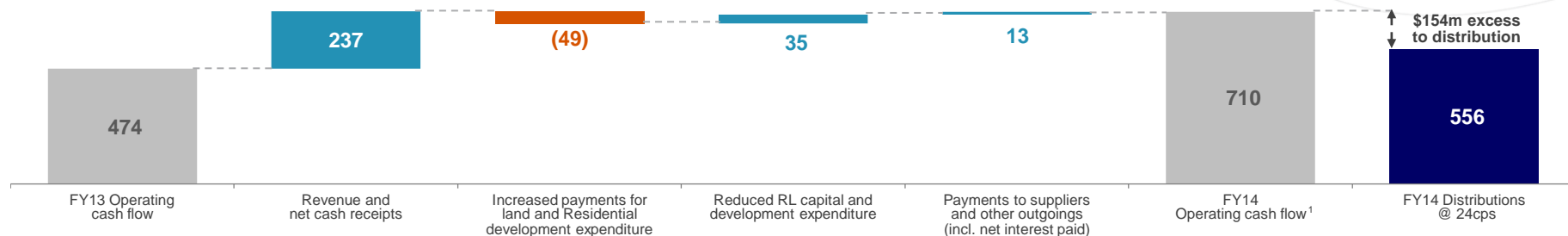
1. Net of recoveries and costs capitalised to development projects. Excludes net fees and trust costs

2. Excludes Aged Care \$22m (FY13: \$21m; FY12: \$20m)

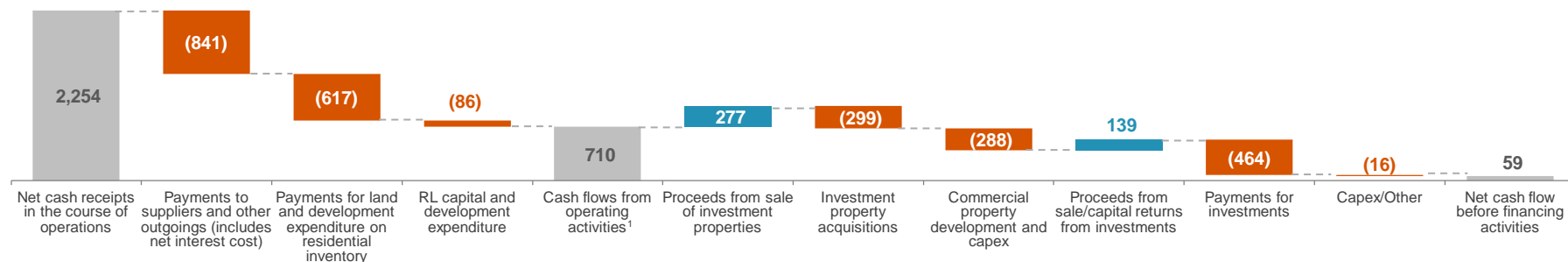
Cash flow

49

Net operating cash flow movement FY13 to FY14



Operating and investing cash flow

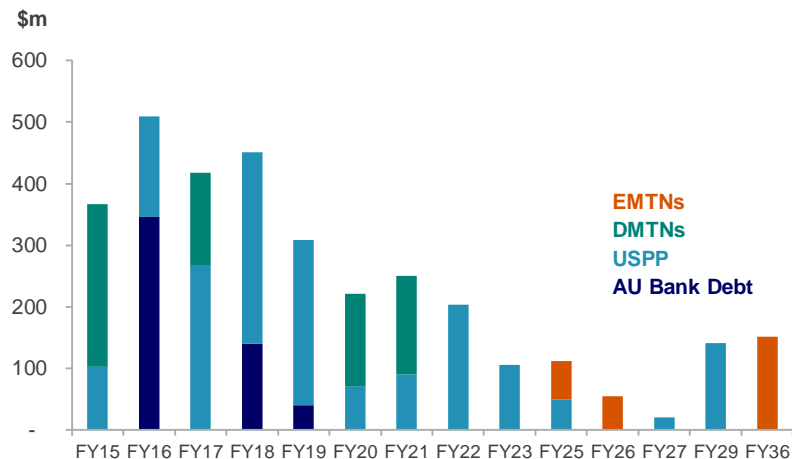


1. Differs to operating cash flow disclosed in the Financial Report as UK property disposals proceeds (\$44m) and Retirement Living acquisitions, capital and development expenditure (\$86m) are treated as investing cash flows for statutory purposes but shown here as operating cash flows

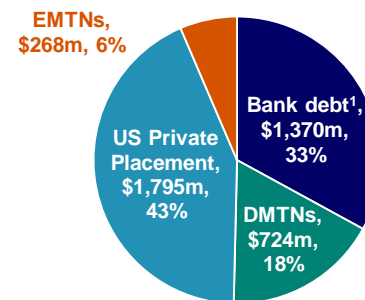
Long dated, diverse debt

50

Long-dated drawn debt maturity profile (WADM 5.2 years)¹



Diverse debt sources – Committed Facilities



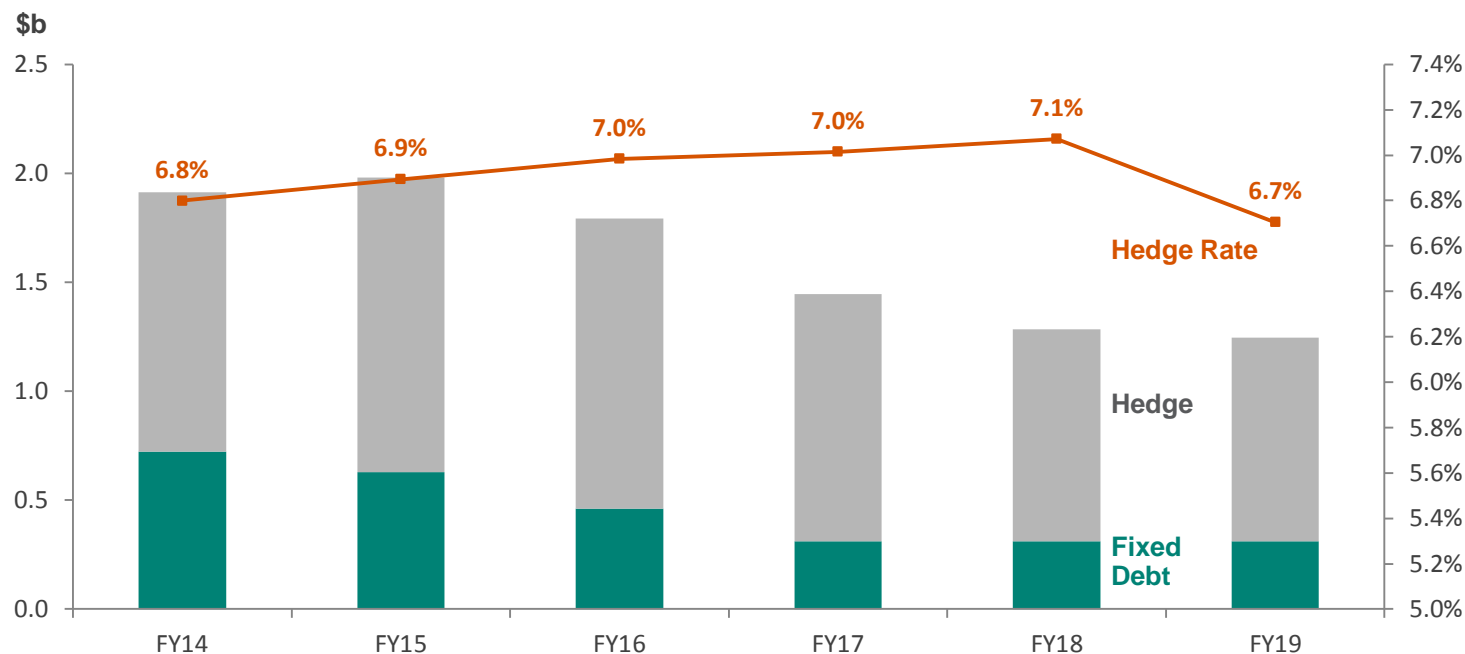
Cost of debt for FY14

	Debt (\$m) ²	Total Debt (%)	Interest Rate (%)
Hedged debt	1,969	59%	6.8%
Floating debt	1,344	41%	2.6%
Total debt	3,313		5.1%
Margin			0.9%
Fees			0.3%
All-in cost of funds for FY14			6.3%

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

2. Face value as at 30 June 2014

Historical high fixed hedge rates and current high hedge ratio impacting the Group's WACD



Facility	Facility limit (\$m) ¹	Amount drawn (\$m) ^{1,2}
Bank Debt	1,370	526
Commercial Paper	-	-
Domestic Medium Term Notes	724	724
USPP	1,795	1,795
Asian Medium Term Notes	268	268
Total Debt	4,157	3,313

Facility	Facility limit (\$m) ¹	Amount drawn (\$m)	Facility maturity
Bank Debt			
- Multi option facility - Australia	100	-	Jul 2015
- Multi option facility - Australia	120	-	Aug 2015
- Multi option facility - Australia	350	346	Aug 2015
- Multi option facility - Australia	100	-	Sep 2015
- Multi option facility - Australia	100	-	Dec 2015
- Multi option facility - Australia	175	-	Dec 2016
- Multi option facility - Australia	100	-	Jan 2017
- Multi option facility - Australia	100	100	Feb 2018
- Multi option facility - Australia	50	40	Feb 2018
- Multi option facility - Australia	175	40	Nov 2018
Total Bank Debt	1,370	526	

Debt Capital Markets

- 15 year USD125m USPP (A\$141m) issued in February 2014

Bank Debt

- Additional \$350m bank facility was entered in March 2014 and 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 \$0.3b of which \$0.2b was utilised as at 30 June 2014

2. Amount excludes borrowing costs and fair value adjustments

Debt summary (continued)

53

Facility	Issued debt (\$m) ¹	Facility maturity
Domestic Medium Term Note Facility (MTN)		
- MTN	264	Feb 2015
- MTN	150	Jul 2016
- MTN	150	Sep 2019
- MTN	160	Nov 2020
Total Domestic	724	
Offshore Medium Term Note Facility (MTN)		
- Asia MTN	62	May 2025
- Asia MTN	55	Oct 2025
- Asia MTN	151	Aug 2035
Total Offshore	268	

Facility	Issued debt (\$m) ¹	Facility maturity
USPP		
- USPP	28	Jul 2014
- USPP	75	Jun 2015
- USPP	64	Jul 2015
- USPP	99	Oct 2015
- USPP	62	Jul 2016
- USPP	27	Oct 2016
- USPP	179	Jun 2017
- USPP	61	Oct 2017
- USPP	250	Jun 2018
- USPP	269	Oct 2018
- USPP	71	Jul 2019
- USPP	90	Jul 2020
- USPP	176	Sep 2021
- USPP	28	Jun 2022
- USPP	105	Aug 2022
- USPP	50	Aug 2024
- USPP	20	Jun 2027
- USPP	141	Feb 2029
Total USPP	1,795	

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

As at 30 June 2014 \$m	Statutory Balance Sheet	Adjustments	Gearing Covenant Balance Sheet	
Assets				
Cash	231	-	231	
Real estate related assets	11,852	-	11,852	
Retirement Living Gross-Up	1,823	(1,823)	-	B
Intangibles	94	(94)	-	
Other financial assets	634	(224)	410	A
Other assets	266	-	266	
Total assets	14,900	(2,141)	12,759	
Liabilities				
Interest-bearing liabilities	(3,118)	(189)	(3,307)	A
Retirement Living resident obligations	(1,865)	1,823	(42)	B
Other financial liabilities	(534)	481	(53)	A
Other liabilities	(1,085)	-	(1,085)	
Total liabilities	(6,602)	2,115	(4,487)	
Net assets	8,298	(26)	8,272	

1. Rolling 12 month average

2. Debt = Interest bearing debt (\$3,307m) + Stockland's share of debt drawn in joint ventures (\$74m) + transaction costs (\$6m) – Cash (\$231m)

TTA = Total assets (\$12,759m) + Stockland's share of assets held by joint ventures (\$74m) – Cash (\$231m)

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 2014	3.9:1	35.2%	25.0% ²
31 December 2013	3.4:1	33.1%	24.0%
30 June 2013	3.0:1	31.6%	22.7%
31 December 2012	3.4:1	35.6%	27.6%

- Interest cover increased to 3.9x reflecting stronger Residential trading performance, and the full year interest benefit associated with the 2013 equity raising. The increase in gearing to 25.0% is due to the investment in Australand

Balance sheet summary

55

\$m	30 June 2014	30 June 2013
Cash	231	227
Real estate related assets		
- Commercial Property	8,363	7,866
- Residential	2,325	2,311
- Retirement Living	1,037	1,166
- Other	127	72
Retirement Living gross up	1,823	1,731
Intangibles	94	117
Other financial assets	634	237
Other assets	266	343
Total assets	14,900	14,070
Interest-bearing liabilities	(3,118)	(2,461)
Retirement Living resident obligations ¹	(1,865)	(1,774)
Other financial liabilities	(534)	(724)
Other liabilities	(1,085)	(916)
Total liabilities	(6,602)	(5,875)
Net assets	8,298	8,195
NTA per share	\$3.53	\$3.50

1. This amount comprises of \$1,823m of existing resident obligations (30 June 2013: \$1,731m), being a balance sheet gross up and \$42m of ex-resident obligations (30 June 2013: \$43m)

Stockland Corporation income tax reconciliation

56

\$m	FY14		FY13	
	Underlying Profit	Statutory Profit	Underlying Profit	Statutory Profit
Net profit before tax	528	534	440	33
Less: Trust profit and Intergroup eliminations	(612)	(654)	(622)	(647)
Corporation loss before tax	B (84)	(120)	(182)	(614)
Prima facie tax benefit @ 30%	25	36	55	184
Tax effect of permanent differences:				
Prior period true-ups	-	-	-	1
Non-assessable / (non-deductible) items	2	(10)	-	(7)
Non-recognition of income tax benefit ¹	-	(33)	-	(106)
Tax benefit / (expense)	A 27	(7)	55	72
Effective tax rate (A / B)	31%	N/A	30%	30%

1. An assessment of the recoverability of the Deferred Tax Asset (DTA) on carry forward losses has been made to determine if the carrying value should be reduced, based on the latest available profit forecasts. The assessment for the period has determined that a tax benefit of \$33m is not currently considered to be probable of recovery. At each reporting period, the recovery of DTA will be reassessed. Depending on this outcome this may lead to the partial or full recognition of the unrecognised tax benefit in future reporting periods



Commercial Property

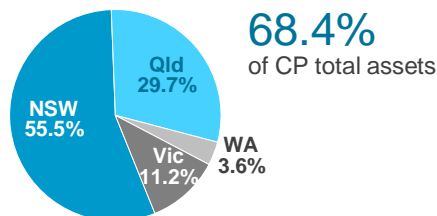
Wetherill Park, NSW

Portfolio weightings and valuation movements

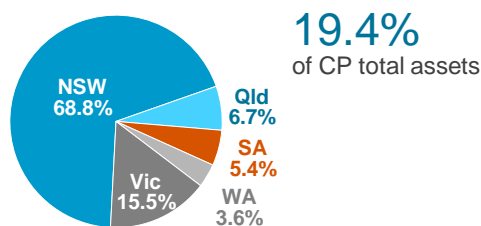
58

Commercial Property assets: \$8.1b¹

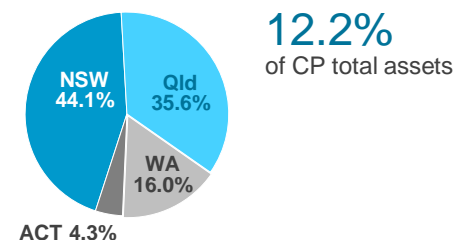
Retail: \$5.5b
40 properties
974,184sqm gross lettable area²



Logistics and Business Parks: \$1.6b
21 properties
1,212,708sqm gross lettable area²



Office: \$1.0b
10 properties
213,561sqm net lettable area²



	WACR Jun14	WACR Jun 13	Book Value (\$m)	FY14 Movement (\$m)
Retail ³	6.8%	7.0%	5,544	86
Logistics and Business Parks	8.3%	8.5%	1,571	2
Office	7.7%	7.9%	983	27
Capital works and sundry properties ⁴	-	-	341	5
Total	7.2%	7.4%	8,439 ⁵	120 ⁵

1. This is consistent with the Property Portfolio, which includes assets held for sale but excludes capital works in progress and sundry properties, Townsville Kingsvale and Sunvale (Qld) and Hervey Bay Central Square (Qld)

2. Represents 100% owned, JV and associates properties

3. Includes Townsville Kingsvale and Sunvale (Qld) and Hervey Bay Central Square (Qld)

4. An independent valuation will be performed on completion of the capital works, includes Eagle Street Pier (Qld)

5. Excluding stapling adjustment related to owner occupied space

Commercial Property Funds From Operations

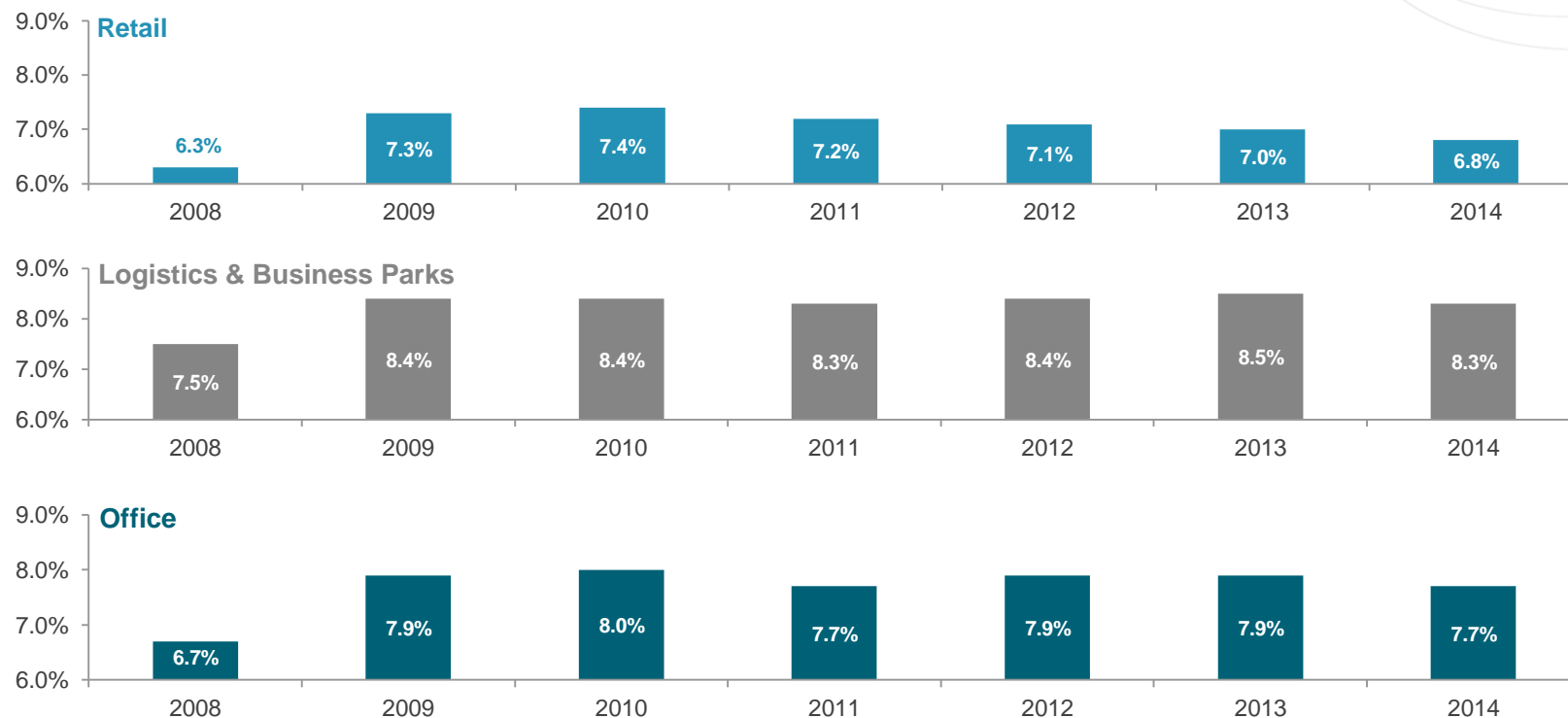
59

	Retail		Logistics & Business Parks		Office		Other ¹		Total	
\$m	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13
Operating EBIT	347	324	100	95	70	87	(20)	(24)	497	482
Adjust for:										
Amortisation of fit out incentives	26	21	3	3	8	8	-	-	37	32
Amortisation of rent-free incentives	-	-	7	8	8	9	-	-	15	17
Straight-line rent	(4)	(9)	(2)	(5)	(1)	(3)	-	-	(7)	(17)
Funds from Operations	369	336	108	101	85	101	(20)	(24)	542	514

1. Primarily unallocated divisional overheads, includes \$2m of net fees and trust costs in FY13

Stockland portfolio: Trend in cap rates over time

60

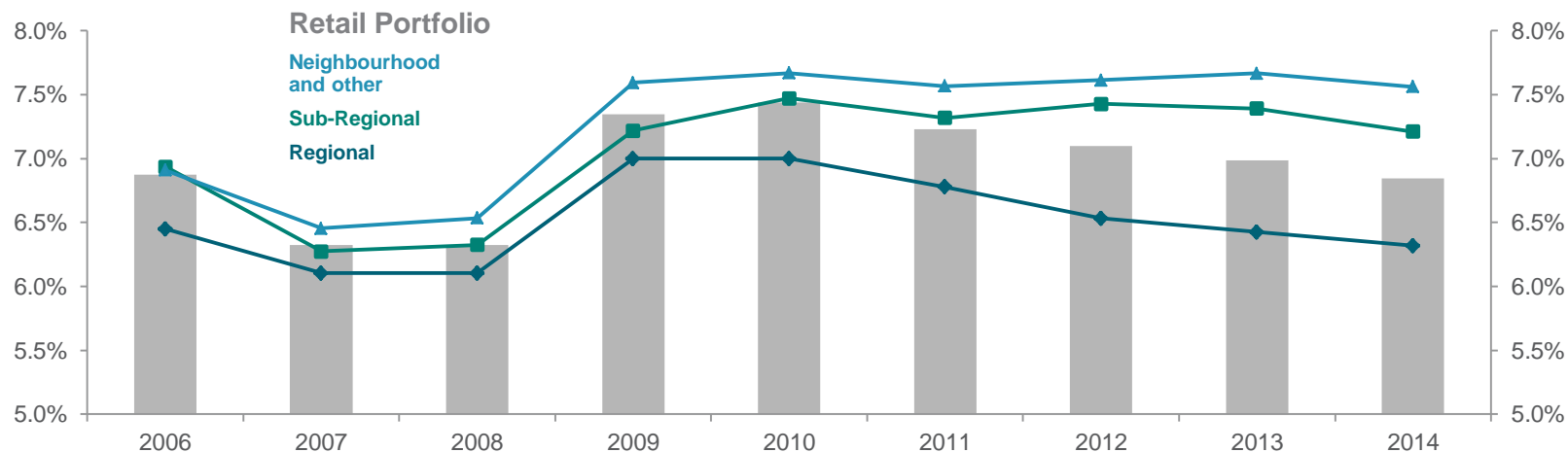


Stockland Retail portfolio capitalisation rates

61

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

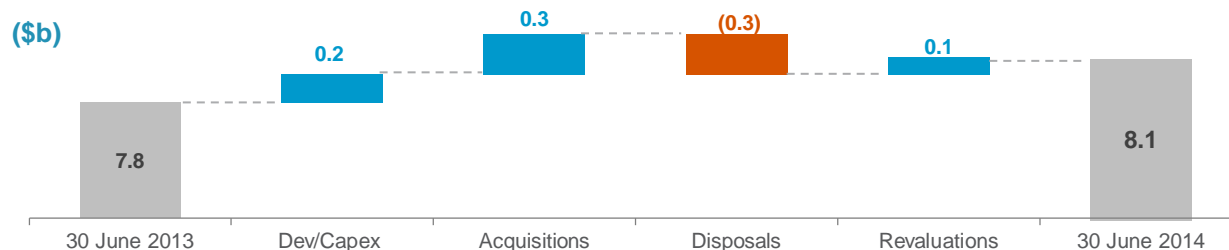
As at 30 June 2014	% allocation
Regional	46%
Sub-Regional	43%
Neighbourhood and Other	11%



Commercial Property revaluation and book value update

62

Commercial Property book values: \$8.1b¹



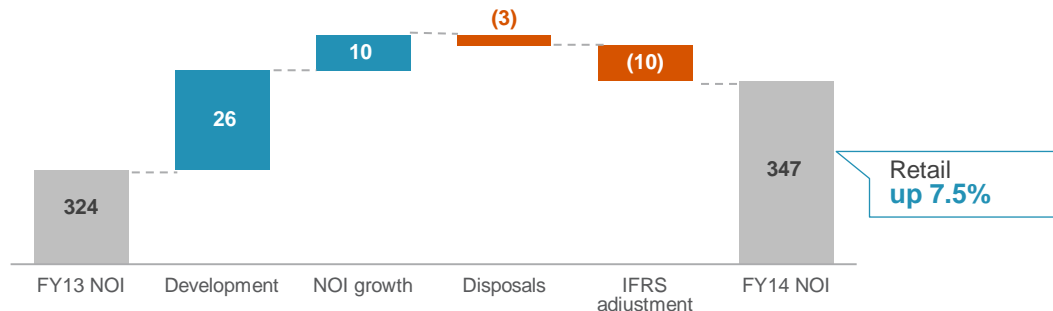
- 31% of all investment property assets were independently valued at 30 June 2014, resulting in a 3.2% uplift of those assets revalued
- 60% of all investment property assets were independently valued over FY14, resulting in a 2.5% revaluation uplift of those assets revalued
- Retail recorded positive movements overall, driven by income growth and cap rate compression
- Uplift in Office was driven by cap rate compression

Net revaluation breakdown (\$m)

	Retail	Logistics & Business Parks	Office	Total
Income / Capex	16	(30)	(13)	(27)
Change in cap rates	56	32	40	128
Development	14	-	-	14
Other	5	-	-	5
Total net revaluations	91	2	27	120

1. Includes assets held for sale and joint venture and associate investment properties. Excludes capital works in progress and sundry properties

Retail NOI movements between FY13 and FY14 (\$m)



Renewals driving income growth

	No. of Deals	Area (sqm)	Rental growth	Incentive	
Lease renewals	208	27,683	2.4%		
New leases	278	41,311	2.6%	8.6 mths	11.7% ¹
Total portfolio	486	68,994	2.5%		

1. Incentive capital as a percentage of total rent over the primary lease term only
2. Stable portfolio. FY13 basket different to FY14 basket
3. Adjusted for operational centre remixes and reconfiguration and retailers subject to administration
4. Assumes all leases terminate at earlier of expiry / option date
5. If all call options are exercised on Majors' leases

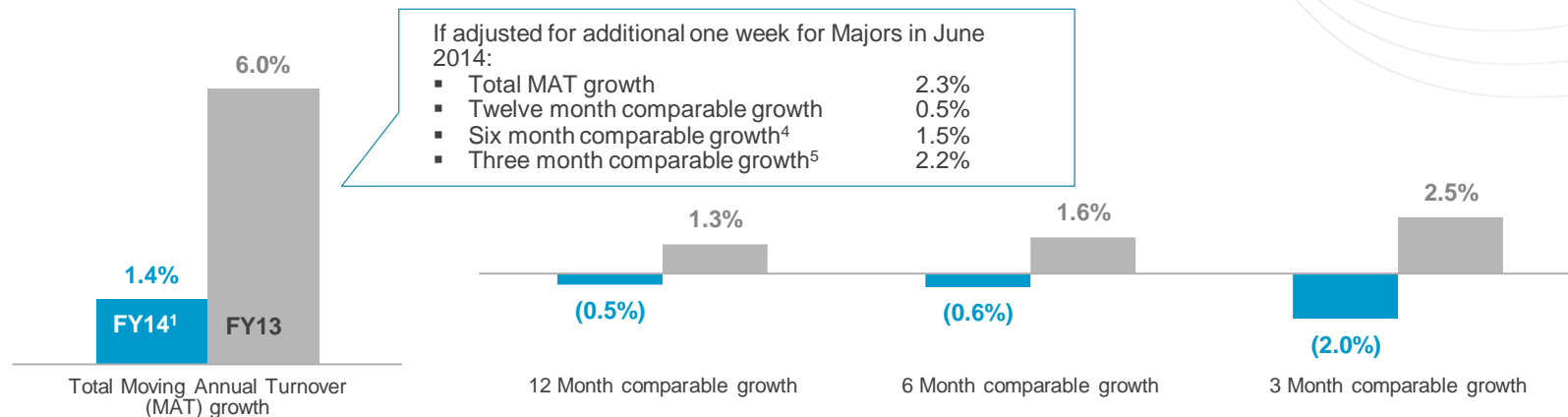
Key metrics

	FY14	FY13
Occupancy	99.6%	99.4%
Specialty occupancy costs ²	14.0%	14.0%
Regional	15.1%	15.9%
Large sub-regional	13.7%	12.9%
Small sub-regional	14.3%	13.9%
Neighbourhood centres	12.5%	12.6%
Specialty store leases:		
- Fixed annual increases	93%	91%
- CPI+	7%	9%
Tenant retention ³	71%	75%
Weighted average lease expiry ⁴	6.2 years	6.4 years
Options WALE ⁵	10.6 years	10.6 years

40 vacant shops,
50% casually leased and
generating income at 30
June 2014

Stockland retail sales growth: Comparable centres

64

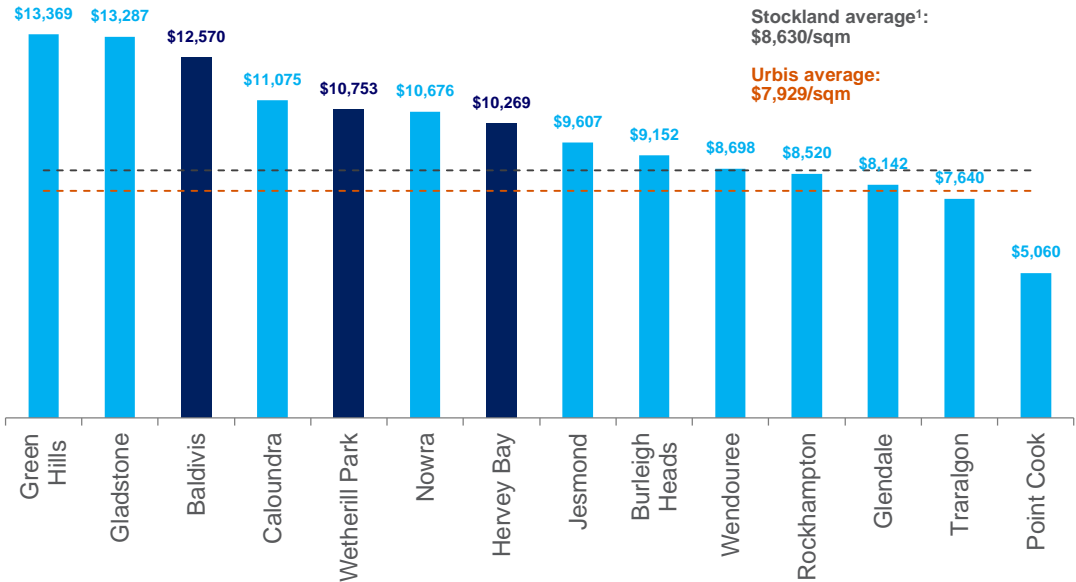


	Total MAT (\$m)	SGP Total MAT Growth	SGP adjusted Total MAT Growth ³	ABS Total MAT Growth ⁴	12 month Comparable growth	6 month Comparable growth ⁵	3 month Comparable growth ⁶
Supermarkets	2,452	1.2%	2.9%	4.8%	0.0%	(0.9%)	(3.6%)
Department ² / DDS	872	(1.5%)	0.2%	(1.0%)	(4.3%)	(5.6%)	(6.4%)
Specialties	1,725	4.2%	4.2%	6.0%	1.4%	2.6%	3.1%
Mini Majors/ Cinemas/Other	992	(0.3%)	(0.3%)	n/a	(1.5%)	(1.1%)	(2.3%)
Total	6,041	1.4%	2.3%	4.6%	(0.5%)	(0.6%)	(2.0%)

1. In June 2014, Majors reported one less week than in June 2013
 2. Includes Myer at Stockland Townsville (Qld) and Myer at Shellharbour (NSW)
 3. Adjusted for extra week of trading by Majors in 2013

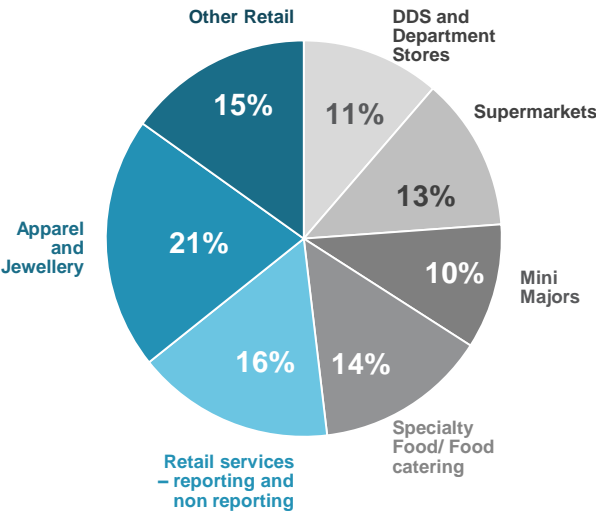
4. 8501.0 ABS Retail Trade Australia June 2014
 5. Includes Merrylands (NSW)
 6. Includes Townsville (Qld) and Merrylands (NSW)

Specialty MAT/sqm, centres with development



Strong diversity in rental income

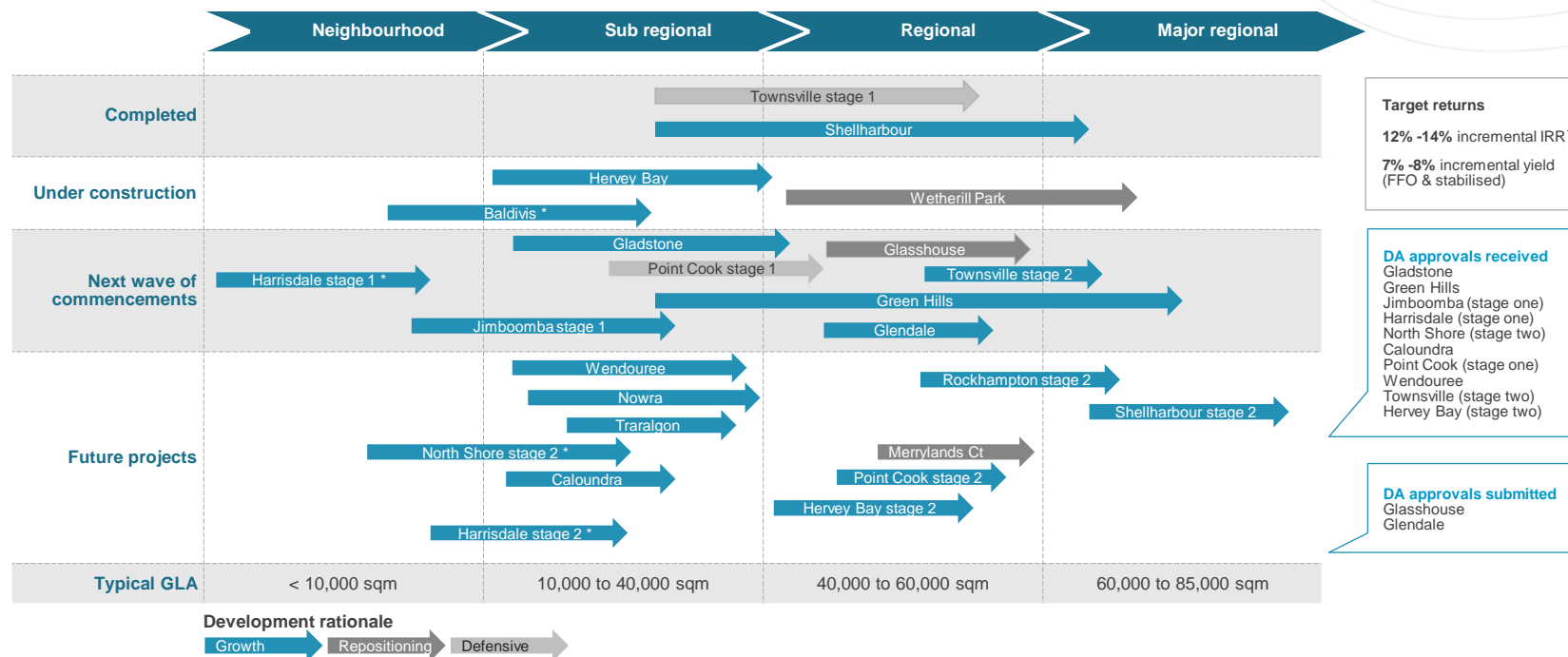
Gross rent: Total portfolio



1. MLA methodology

Retail: significant development pipeline driving growth and returns

66



*Centre developed on acquired land as part of Residential Community activity
 1. Unlevered 10 year IRR on incremental development from completion

Retail development pipeline

67

	Est. total incremental cost (\$m)	Cost Spent to Date (\$m)	Est. Cost to Complete (\$m)	Completion Date	Value (\$m)	Est. fully leased year one yield ¹	Total income leased	Specialty income leased ²	Est. Incremental Return ³ (%)	Est. total return ⁴ (%)
Under construction										
Hervey Bay	125	104	21	FY15	185 – 195	7.5%	78%	71%	~13.4	~11.6
Wetherill Park	222	62	160	FY16	645 – 665	7.3%	38%	31%	~14.0	~11.5
Baldivis	116	18	98	FY15	175 – 185	8.0%	51%	17%	~13.0	~13.0
	463	184	279							
Next wave of commencements										
	~700		~700			Range 7% - 8%			Range 12% - 14%	
TOTAL	1,163		979							

1. FFO stabilised incremental yield

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

3. Unlevered 10 year IRR on incremental development from completion

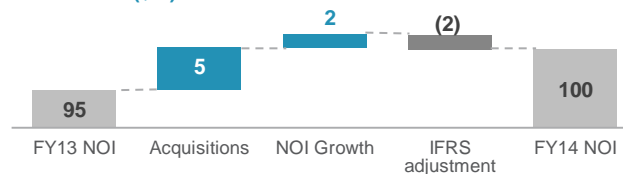
4. Unlevered 10 year IRR for existing assets and incremental development from completion

Logistics and Business Parks performance¹

68

Occupancy and lease expiry – by income	FY14	FY13
Occupancy	96.4%	91.8%
WALE	4.9 years	3.9 years

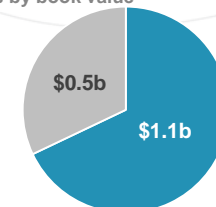
Logistics & Business Parks NOI movements between FY13 and FY14 (\$m)



Portfolio concentrated in large quality assets

Logistics & Business Parks assets by book value

~\$1.6b
Business Parks
Logistics



Key Logistics & Business Parks leasing deals

Property	Location	Building area (sqm)	FY14 area leased (sqm)	Leased to	WALE (years)	Comments
Yennora Distribution Centre	NSW	296,883	30,768	Qube Logistics	4.9	Tenant Renewal
			13,909	Qube Logistics		Existing Tenant Add. Space
			22,635	Austpac		New Tenant
			22,000	O-I (ACI)		Tenant Renewal
			9,117	YCH Logistics		New Tenant
			6,346	Cope Sensitive Freight		New Tenant
Port Adelaide Distribution Centre	SA	167,614	13,717	Wengfu Australia	2.9	New Tenant
			12,383	Spendless Shoes		Tenant Renewal
Brooklyn Estate	Vic	129,952	8,131	Paper Australia	2.8	Existing Tenant Add. Space
			7,767	Supply Linq		New Tenant
60-66 Waterloo Road	Sydney Metro, NSW	18,314	8,167	Lavery Health	7.7	Tenant Renewal
			5,270	Citrix Systems Asia Pacific		New Tenant
2 Davis Road	NSW	16,263	10,274	Freight Specialists	5.3	New Tenant
Hendra Distribution Centre	QLD	83,367	10,966	Super Retail	3.8	Tenant Renewal
20-50 and 76-82 Fillo Drive and 10 Stubb Sreet	Vic	71,326	10,617	Mainfreight Distribution	2.0	New Tenant

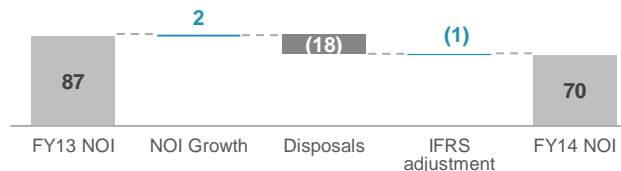
1. Reallocated assets from Office to Logistics and Business Parks: Macquarie Park precinct and North Ryde assets in NSW: Trinita Business Campus, Optus Centre, 60-66 Waterloo Rd, 16 Giffnock Ave, and Macquarie Technology Centre

Office performance¹

69

Occupancy and lease expiry – by income	FY14	FY13
Occupancy	90.3%	96.4% ²
WALE	4.5 years	4.4 years

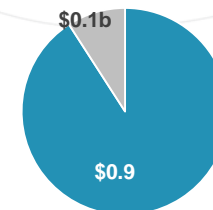
Office NOI movements between FY13 and FY14 (\$m)



Portfolio concentrated in large quality assets

Office assets by book value

~\$1.0b
Premium, A grade
B-Grade



Key Office leasing deals

Property	Location	Building area (sqm)	FY14 area leased (sqm)	Leased to	WALE (years)	Comments
135 King Street	Sydney CBD, NSW	27,204	4,428	Brookfield Australia InfoTrack Pty Ltd	5.6	Tenant renewal New tenant
Piccadilly Tower	Sydney CBD, NSW	29,692	10,149	Stockland	6.5	Tenant renewal
Durack Centre	Perth CBD, WA	25,187	3,044	Australian Bureau of Statistics	4.4	New tenant
Piccadilly Court	Sydney CBD, NSW	9,661	4,939	Uniting Church of Australia	4.4	Tenant renewal
77 Pacific Highway	Sydney Metro, NSW	9,391	1,266	Health Administration Corporation	3.8	Existing tenant add. space

1. Reallocated assets from Office to Logistics and Business Parks: Macquarie Park precinct and North Ryde assets in NSW: Trinita Business Campus, Optus Centre, 60-66 Waterloo Rd, 16 Giffnock Ave, and Macquarie Technology Centre

2. At 30 June 2013, 40 Cameron Ave (NSW) was excluded (development)

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

70

Total leased ¹			
Logistics & Business Parks	GLA leased (sqm) ²	Weighted average base rent growth %	Weighted average incentives
Sydney West	187,217	(3.4%)	10.1%
Sydney Metro	18,328	(4.4%)	20.1%
Qld	27,050	-	0.8%
SA	63,678	(0.5%)	6.9%
Vic	53,386	5.5%	6.9%
	349,659	(1.3%)	8.9%

Retention ¹		
Retention (sqm) ²	Increase on base rents	Weighted average incentives
81,384	(6.1%)	9.5%
12,418	(4.2%)	20.3%
19,348	(1.2%)	1.2%
46,067	0.7%	6.6%
6,887	1.6%	4.5%
166,104	(3.2%)	8.3%

48% retention³

New leases ¹		
New leases (sqm) ²	Increase on base rents	Weighted average incentives
105,833	(1.3%)	10.6%
5,910	(5.0%)	19.8%
7,702	2.8%	0.0%
17,611	(3.6%)	7.8%
46,499	6.1%	7.3%
183,555	0.4%	9.3%

Total leased ¹			
Office	GLA leased (sqm) ²	Weighted average base rent growth %	Weighted average incentives
Sydney CBD	25,078	2.4%	25.2%
Sydney Metro	4,220	1.1%	23.6%
Qld	4,508	(1.7%)	9.1%
WA	4,022	9.5%	6.5%
ACT	1,943	0.4%	16.5%
	39,771	2.4%	20.9%

Retention ¹		
Retention (sqm) ²	Increase on base rents	Weighted average incentives
19,553	2.5%	24.8%
1,131	(2.4%)	18.4%
3,768	(2.9%)	6.9%
163	(5.9%)	0.0%
1,820	0.0%	17.5%
26,435	1.3%	21.3%

66% retention³

New leases ¹		
New leases (sqm) ²	Increase on base rents	Weighted average incentives
5,525	1.9%	26.5%
3,089	2.4%	25.5%
740	4.5%	20.7%
3,859	10.2%	6.8%
123	6.8%	2.1%
13,336	4.6%	20.0%

1. Area includes executed leases only

2. Represents 100% property ownership

3. Represents the percentage of total executed deals which were executed by existing customers

Asset values: Retail

71

Retail portfolio	Book value (\$m)	FY14 Val. Incr/(decr) (\$m)	Change	Cap rate	FY14 NOI (\$m) ²	FY14 FFO (\$m)
Stockland Shellharbour ³	682.9	22.4	3.3%	6.00%	34.2	36.7
Stockland Merrylands	475.2	-	-	6.25%	25.3	30.1
Stockland Townsville ³	432.4	(8.0)	(1.9%)	6.25% - 7.25%	22.7	24.2
Stockland Rockhampton	367.5	-	-	6.50%	21.8	23.8
Stockland Wetherill Park ³	371.6	-	-	6.75%	22.0	22.3
Stockland Green Hills	307.5	19.8	6.5%	6.50%	19.6	20.2
Stockland Glendale	270.0	7.0	2.6%	6.50%	17.9	18.0
Stockland Cairns	220.7	-	-	6.75%	14.1	14.8
Stockland Point Cook	184.6	(5.1)	(2.8%)	7.25%	12.8	13.1
Stockland Burleigh Heads	154.3	-	-	7.50%	9.9	10.7
Stockland The Pines	140.1	-	-	7.50%	11.6	12.1
Stockland Forster	148.6	11.2	7.6%	7.00%	9.9	10.1
Stockland Gladstone	136.9	9.3	6.8%	7.50%	10.2	10.2
Stockland Wendouree	129.2	11.4	8.8%	7.25%	8.7	9.1
Stockland Jesmond	127.0	-	-	7.50%	8.9	9.4
Stockland Balgowlah	115.5	-	-	7.25%	7.4	8.5
Stockland Baulkham Hills	117.0	5.3	4.5%	7.25%	7.5	8.3
Stockland Caloundra	110.7	2.5	2.2%	7.25%	7.9	8.0
Stockland Bull Creek	92.8	-	-	7.25%	6.6	6.9
Stockland Nowra	90.2	-	-	7.75%	6.6	6.9
Stockland Cleveland	88.9	-	-	7.50%	6.0	6.4
Stockland Traralgon	86.7	5.5	6.3%	7.75%	6.9	7.0
Stockland Bathurst	80.6	1.5	1.8%	7.75%	6.3	6.6
Stockland Hervey Bay ³	65.8	-	-	7.50%	2.7	2.7

Retail portfolio	Book value (\$m)	FY14 Val. Incr/(decr) (\$m)	Change	Cap rate	FY14 NOI (\$m) ²	FY14 FFO (\$m)
Stockland Corrimal	63.1	-	-	8.00%	4.8	5.0
Stockland Riverton (50%)	60.8	-	-	7.25%	4.6	4.5
Stockland Wallsend	57.5	3.0	5.2%	8.00%	4.3	4.5
Stockland Tooronga	51.0	-	-	7.25%	3.4	3.9
Shellharbour Retail Park	49.6	(0.2)	(0.5%)	8.25%	4.3	4.4
Stockland Baldivis	46.4	-	-	7.50%	3.8	3.9
Stockland Cammeray	33.0	-	-	7.50%	2.2	2.5
Glasshouse	32.1	-	-	6.90%	0.8	0.9
Stockland Piccadilly	29.5	0.3	1.1%	6.75%	2.7	3.4
Stockland Highlands	25.7	0.9	3.4%	7.75%	1.5	1.8
North Shore Townsville	21.2	0.8	3.6%	7.50%	1.3	1.5
Burleigh Central	16.2	-	-	9.25%	1.0	1.3
Jimboomba (50%)	15.9	(0.7)	(4.5%)	8.75%	1.3	1.4
Woolworths Toowong ³	13.5	-	-	n/a	0.3	0.3
Vincentia	11.5	0.3	2.9%	9.50%	1.1	1.1
Merrylands Court	9.3	(0.7)	(7.1%)	9.00%	0.4	0.4
T/ville, Kingsvale & Sunvale ³	5.5	-	-	n/a	0.2	0.3
Hervey Bay Central Square ³	5.7	-	-	9.00%	0.3	0.3
Subtotal Retail	5,544.2	86.5			345.8	367.5
Disposals ⁴	-	-			0.4	0.4
Other ⁵	-	4.7			1.3	1.4
Total Retail	5,544.2	91.2		WACR 6.8%	347.5	369.3

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. Properties impacted by development in FY14

4. Includes disposed property: Adelaide Street Plaza

5. Relates to sundry properties and Eagle Street Pier

Asset values: Logistics & Business Park and Office

72

Logistics & Business Parks portfolio	Book value (\$m)	FY14 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	FY14 NOI (\$m) ²	FY14 FFO (\$m)
Yennora Distribution Centre	360.4	1.7	0.5%	7.75%	25.6	26.8
Optus Centre (51%)	192.3	(1.1)	(0.5%)	7.50%	12.2	10.7
Trinit Business Campus	167.7	(1.1)	(0.6%)	7.75%	10.4	12.8
Port Adelaide Distribution Centre	84.6	-	-	10.00%	7.7	8.7
Hendra Distribution Centre	83.6	-	-	9.25%	7.4	7.9
Brooklyn Estate	82.6	-	-	9.25%	4.9	6.1
Forrester Distribution Centre	78.0	-	-	n/a	3.5	3.2
Ingleburn	76.9	-	-	n/a	0.1	0.1
60-66 Waterloo Road	73.4	2.6	3.5%	7.50% - 7.75%	5.6	6.2
Brownes Complex, Balcatta	56.6	-	-	n/a	-	-
9-11A Ferndell Street	44.9	1.1	2.4%	9.00% - 10.00%	3.9	4.3
16 Giffnock Avenue	36.9	(0.3)	(0.8%)	8.75%	2.3	2.9
Macquarie Technology Centre	33.6	(0.3)	(1.0%)	8.25% - 9.00%	2.8	3.6
1090-1124 Centre Road	32.3	-	-	9.25%	2.4	2.9
20-50 Fillo Drive & 10 Stubb Street	32.4	0.9	2.7%	8.75%	1.2	1.6
Altona Distribution Centre	27.6	-	-	9.25%	2.5	2.8
2 Davis Road	16.8	(0.8)	(4.8%)	8.75%	-	-
11-25 Toll Drive	16.3	-	-	8.25%	1.5	1.7
32-54 Toll Drive	15.2	-	-	8.25%	1.3	1.4
56-60 Toll Drive	14.6	-	-	8.25%	0.8	1.1
76-82 Fillo Drive	14.5	(0.8)	(5.3%)	9.00%	1.9	1.4
Export Park, 9-13 Viola Place	11.9	-	-	9.75%	1.3	1.3
M1 Yatala Enterprise Park	10.0	-	-	n/a	-	-
40 Scanlon Drive	8.1	-	-	8.50%	0.7	0.8
Total Logistics & Business Parks	1,571.2	1.9		WACR 8.3%	100.0	108.3

Office portfolio	Book value (\$m)	FY14 Val. Incr/(decr) (\$m) ¹	Change	Cap rate	FY14 NOI (\$m) ²	FY14 FFO (\$m)
Waterfront Place (50%)	287.5	22.5	7.8%	6.75%	17.4	19.4
Piccadilly Complex ^{3,5}	167.8	0.6	0.4%	7.00% - 8.25%	16.6	21.0
Durack Centre	157.0	3.5	2.2%	8.25% - 8.75%	13.7	16.9
135 King Street (50%)	103.4	-	-	7.30%	3.8	5.6
601 Pacific Highway	79.5	1.8	2.3%	8.25%	4.9	5.8
77 Pacific Highway	55.8	0.6	1.1%	8.25%	3.1	4.5
40 Cameron Avenue	42.7	(1.5)	(3.6%)	10.50%	2.0	2.4
Garden Square	36.5	(2.6)	(7.1%)	9.25%	3.0	3.6
110 Walker Street	27.3	2.1	7.6%	8.25%	1.8	2.2
80-88 Jephson Street	18.8	-	-	9.00%	1.5	1.9
23 High Street	3.8	-	-	8.25%	0.3	0.3
27-29 High Street	3.3	-	-	8.50%	0.2	0.2
Subtotal Office	983.4	27.0			68.3	83.8
Disposals ⁴	-	-	-	-	1.4	1.5
Total Office	983.4	27.0		WACR 7.7%	69.7	85.3

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. Includes disposed properties: 78 Waterloo Road

5. Piccadilly Complex includes Piccadilly Tower and Court

Top 20 tenants by income

73

Retail Portfolio

Rank	Tenant	% Portfolio
1	Woolworths	12.5%
2	Wesfarmers	11.4%
3	Commonwealth Bank of Australia	1.7%
4	Prouds Jewellers Pty Ltd	1.6%
5	Specialty Fashion Group	1.4%
6	Westpac Bank Corporation	1.3%
7	Just Group Limited	1.3%
8	Terry White Chemist	1.2%
9	Priceline	1.1%
10	The Reject Shop	1.1%
11	Myer	1.1%
12	Best & Less Pty Ltd	1.0%
13	Luxottica Retail Australia Pty Ltd	0.9%
14	National Australia Bank	0.9%
15	Cotton on Clothing Pty Ltd	0.8%
16	Aldi Foods Pty Ltd	0.8%
17	Retail Food Group Ltd	0.8%
18	ANZ Banking Group Ltd	0.8%
19	BB Retail Capital	0.8%
20	Sussan Corporation (Aust) Pty Ltd	0.7%
		43.2%

Logistics & Business Parks Portfolio

Tenant	% Portfolio
Optus	11.1%
O-I (ACI)	9.5%
Toll Holdings	5.8%
Qube Logistics	4.7%
Patrick Autocare	4.1%
Australian Wool Handlers	3.4%
Goodman Fielder	3.0%
Ceva (TNT)	2.8%
Downer EDI Engineering	2.6%
Brownes Food Operations	2.4%
Kmart Distribution	2.3%
Sony Australia	2.2%
CSR	2.1%
Lavery Health	2.0%
Austpac	1.8%
Unitised Building (Australia)	1.7%
Boulderstone Hornbrook	1.7%
Citrix	1.7%
CRT Group	1.6%
Jansen Cilag	1.5%
68.0%	

Office Portfolio

Tenant	% Portfolio
Jacobs (previously known as Sinclair Knight Merz)	10.0%
Shell	7.6%
IBM Global Services	5.6%
Stockland	4.7%
Hewlett Packard	3.4%
Ernst & Young Services	3.2%
Minter Ellison Services	2.9%
Brookfield Australia	2.1%
DLA Phillips Fox	2.0%
GHD Services	1.9%
King & Wood Mallesons	1.7%
Russell Investments	1.7%
Uniting Church in Australia	1.7%
Bankwest	1.6%
Corrs Support Services	1.5%
BHP Billiton Iron Ore	1.4%
BHP Billiton MetCoal Holdings	1.4%
Smartsalary	1.3%
Department Public Work (Smart Services)	1.3%
Health Administration Corporation	1.0%
58.0%	

Commercial Property asset acquisitions and disposals

74

Property Acquired	Asset Class	Acquisition Date	Acquisition Value ¹ (\$m)
Forrester Distribution Centre, NSW	Logistics & Business Parks	Dec 2013	72.9
Optus Centre, Macquarie Park, NSW (20%)	Logistics & Business Parks	Feb 2014	75.3
41-47 Stennett Rd, Ingleburn, NSW	Logistics & Business Parks	Jun 2014	72.5
23 Geddes St, Balcatta, NSW	Logistics & Business Parks	Jun 2014	53.5
Total Asset Acquisitions			274.2

Property Disposed	Asset Class	Exchange Date	Settlement Date	Disposal Value ² (\$m)
78 Waterloo Road, Macquarie Park, NSW	Office	Sep 2013	Sep 2013	72.0
Adelaide St Plaza, Fremantle, WA	Retail	Nov 2013	Nov 2013	10.8
Piccadilly Complex, NSW (50%) ³	Office & Retail	Feb 2014	Mar 2014	194.3
Total Asset Disposals				277.1

1. Excludes associated acquisition costs

2. Excludes associated disposal costs

3. Includes Piccadilly Tower, Court and Retail

Shane's Park
Conservation
zone

Independent
K-12 school*

Community centre^

Neighbourhood shops

Playing fields

Local parks

Future residential

Playing fields

Display
village



State primary
school

20 minutes to
Hawkesbury river

Residential

Elara, NSW

Development Pipeline – major active projects

76

State	Project	State percentage	Approximate lot sales per annum ¹	Approx remaining project lots	Anticipated Settlements				
					FY15	FY16	FY17	FY18	FY19+
Qld	Bells Reach ²		190	360					
	Brightwater ²		200	370					
	North Lakes ²		200	390					
	North Shore		290	3,910					
	Caloundra South			20,000^					
	All Other Projects			12,270					
	Sub-total	46%		37,300					
Vic	Allura		190	750					
	Highlands		470	3,300					
	Mernda Village		140	1,020					
	Eucalypt		130	1,000					
	Craigieburn			1,230					
	Lockerbie Project			11,500					
	Davis Road			2,490					
	All Other Projects			510					
	Sub-total	27%		21,800					
WA	Newhaven		220	720					
	Vale (WA)		400	2,080					
	Whiteman Edge		250	1,390					
	Amberton		220	2,060					
	Sienna Wood		210	3,080					
	Calleya		200	1,780					
	All Other Projects			490					
	Sub-total	14%		11,600					
NSW	Willowdale		400	2,790					
	Elara (Marsden Park)			1,920					
	All Other Projects			6,090					
	Sub-total	13%		10,800					
Total		100%		81,500					

1. Average number of lots estimate for active settlements

2. Average number of lots estimate for FY15 and FY16 as project complete in next two years

^ Dwellings

Five projects with first settlements in next two years

77

Summary of new projects

Project		Timing of first settlements	Approximate total lots in project	Approximate life of project
NSW	Elara	FY15	1,920	8 yrs
Vic	Craigieburn	FY15	1,230	11 yrs
	Davis Road	FY16	2,490	13 yrs
	Lockerbie Project	FY16	11,500	36 yrs
Qld	Caloundra South	FY16	20,000^	36 yrs
		Total lots	37,140	

^ Dwellings

Projects completing prior to FY17

78

Summary of completing projects

Project		Timing of final settlements	Approximate total lots	Lots remaining to sell (as at 30 June 2014)
NSW	McCauleys Beach	FY15	290	17
	Glenmore Ridge	FY15	520	5
	Waterside	FY16	610	50
	Murrays Beach	FY15	480	214
WA	Townside	FY15	500	2
	Corimbia	FY15	1,000	166
	Baldivis Town Centre	FY15	160	4
Qld	Brightwater	FY16	1,540	376
	Bells Reach	FY16	760	361
	North Lakes	FY16	4,650	394
	The Observatory	FY16	900	74
Total lots			11,410	1,663

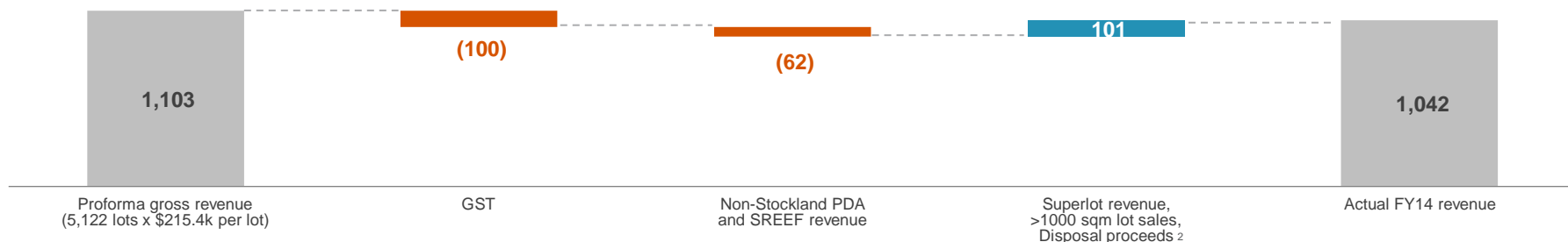
Price per sqm

79

Retail sales price¹

State	FY14 Settlements				FY13 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	511	477	230	481	609	560	229	410
Qld	1,753	450	213	472	1,375	475	200	420
Vic	1,098	405	194	479	1,002	411	194	472
WA	1,760	378	228	602	1,449	417	225	539
Residential Communities	5,122	419	215	515	4,435	453	211	465

Revenue Reconciliation (\$m)



1. Average price of retail sales excludes sales of all lots over 1,000 sqm, superlot sales and disposal proceeds. Average price includes GST. Includes Project Development Agreements (PDAs) and SREEF projects for which Stockland receives a part-share

2. Includes project disposals (The Point, Vic and Doonella Noosa, Qld) that occurred in FY14

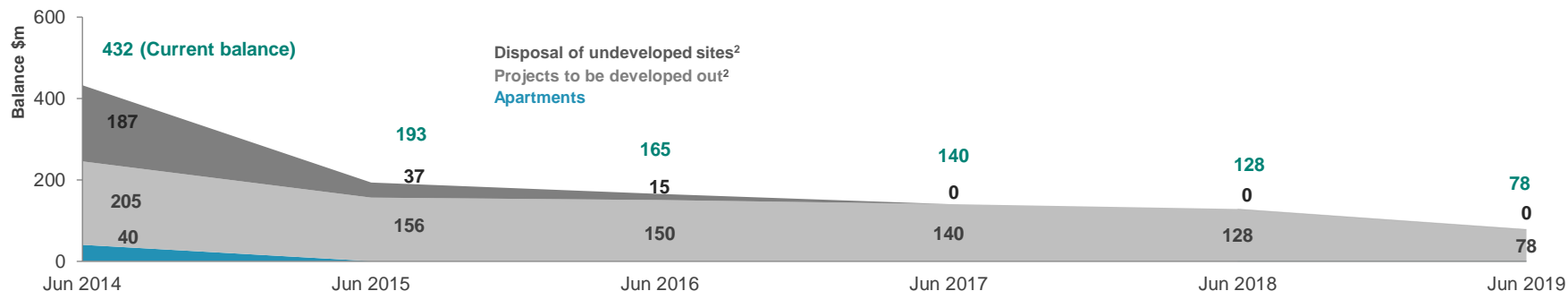
Impairment provision utilisation

80

30 June 2014	Residential Communities (\$m)	Apartments (\$m)	Total (\$m)
Increase in impairment	-	-	-
Net movement in provision ³	(127)	(12)	(139)

	Impairment provision balance 30 June 2014 (\$m)	Final settlement
Projects to be developed ²	\$205m	~13 years
Disposal of undeveloped sites ²	\$187m	~3 years
Apartments	\$40m	~1 year
Total	\$432m	

Residential forecast utilisation of provision¹



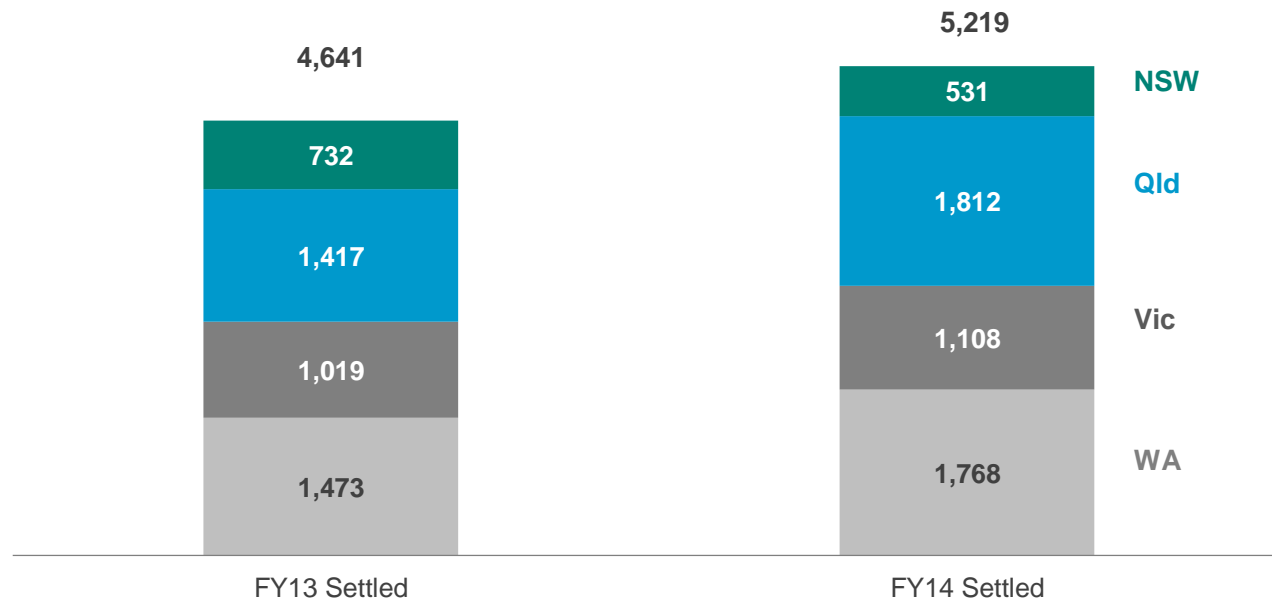
1. Forecast utilisation impairment provision as at 30 June 2014, based on forecast settlement dates, revenue and costs by project

2. FY14 Projects to be developed includes Oceanside Precinct \$108m (Birtinya Island, Bokarina Beach, Kawana Business Village and Lake Kawana) which was previously classified as disposal of undeveloped sites in FY13

3. Net of transfers between other provisions (\$7m)

Lots settled by location in FY14

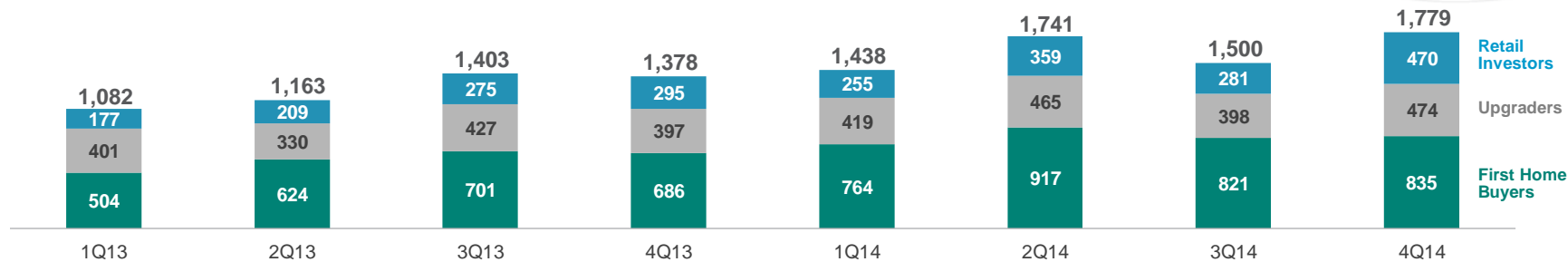
81



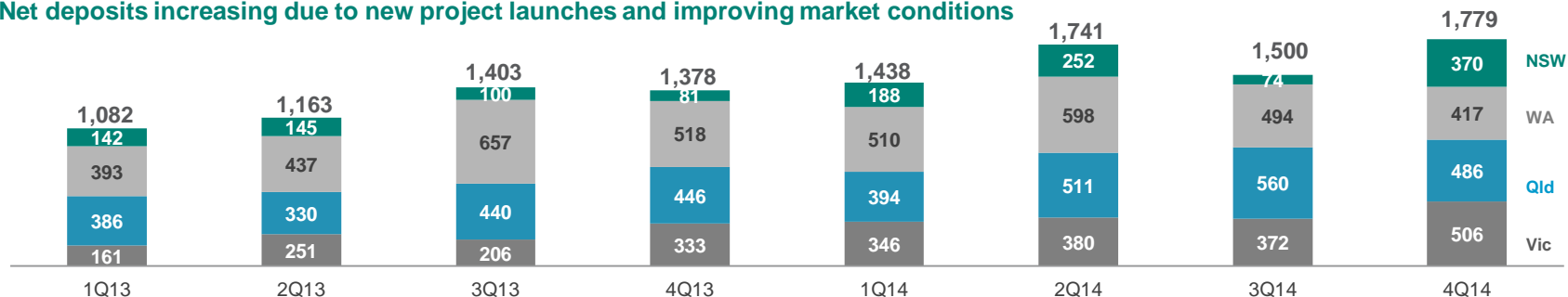
Deposit volumes up

82

Net deposits continue to rise driven by first home buyers and retail investors growth and improved mix within states



Net deposits increasing due to new project launches and improving market conditions



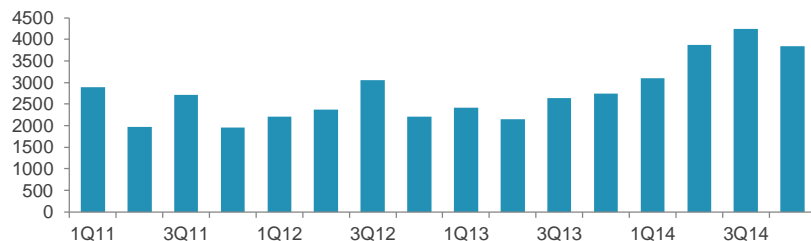
Source: Contract Tracking System (CTS)

Increased leads and enquiry levels

83

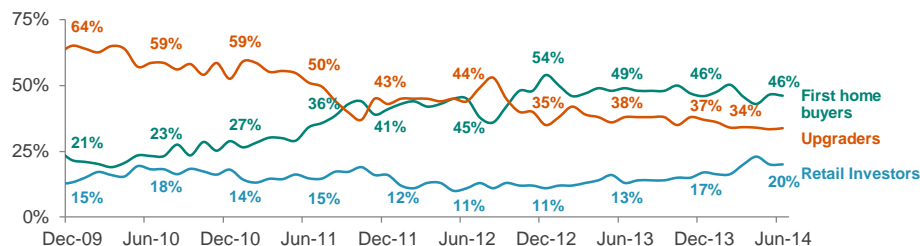
Customer lead volumes increased in FY14 mainly out of WA and NSW

Average Monthly Leads

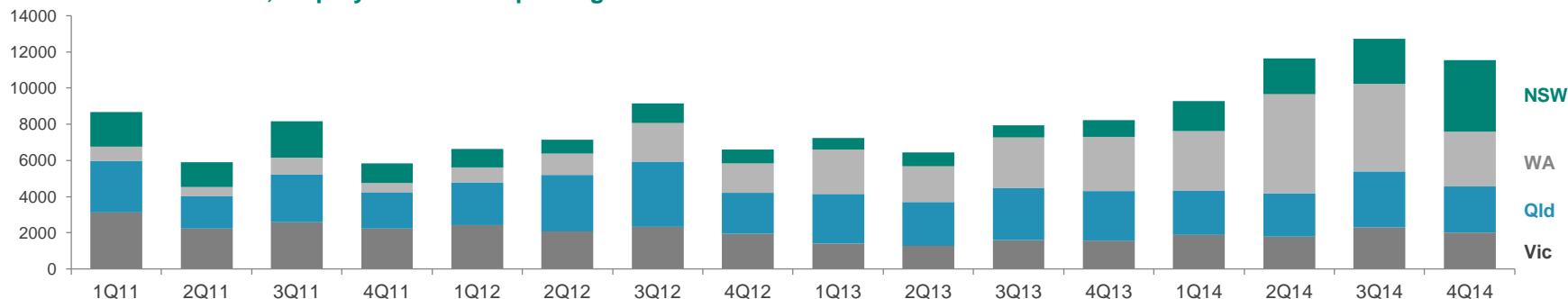


First Home Buyers remain active in new land sales

Composition of Stockland new leads



Consistent with leads, enquiry levels are improving

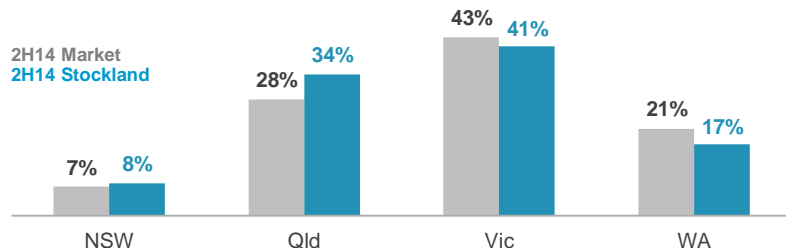


Continued focus on affordable product for our customers

84

Stockland projects providing affordable product¹

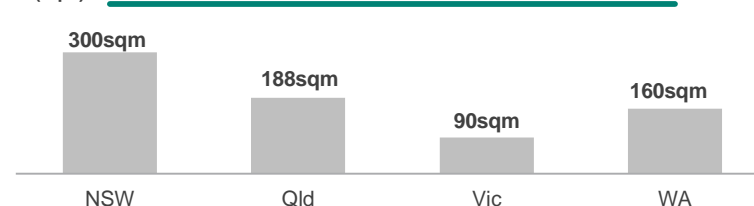
Proportion of sub \$200k lots sold



Smallest lot in each state settled in 2H14

Lot size (sqm)

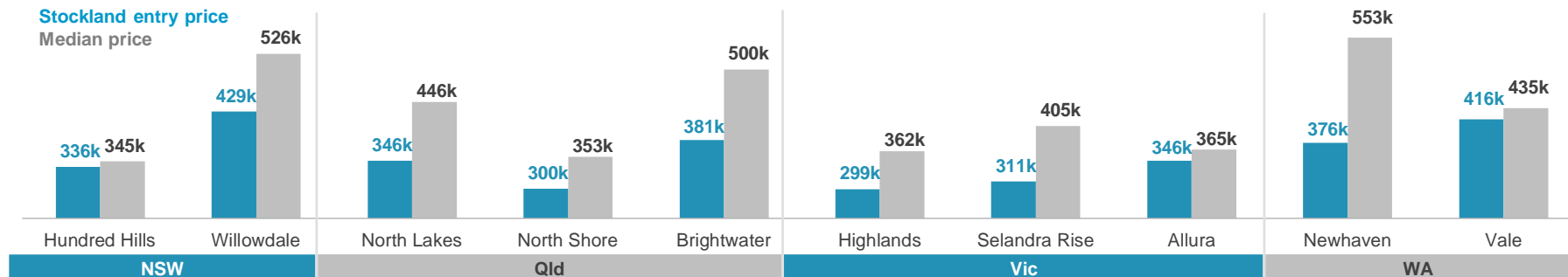
Stockland average lot size: 419sqm



Stockland product consistently more affordable than local median house price^{2,3}

Stockland entry price

Median price



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

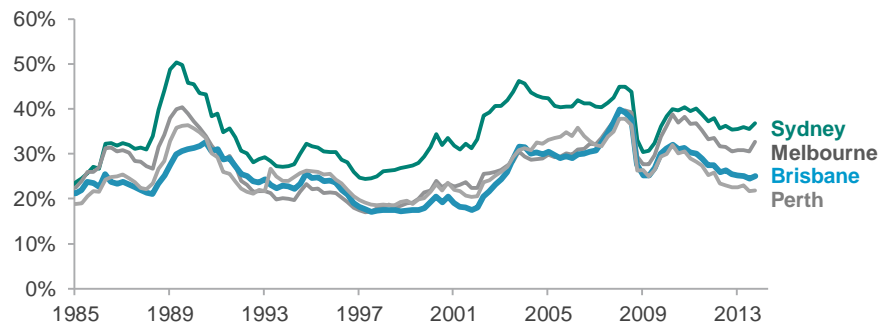
2. Fixed Price House and Land packages for sale within Stockland House and Land Finder July 2014

3. RP Data: Median value of established houses in surrounding suburbs as at June 2014

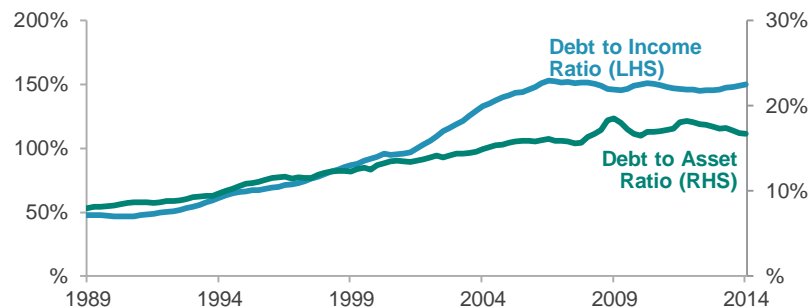
Affordability deteriorating as prices rise but debt levels steady

85

Mortgage repayments as % of household income¹

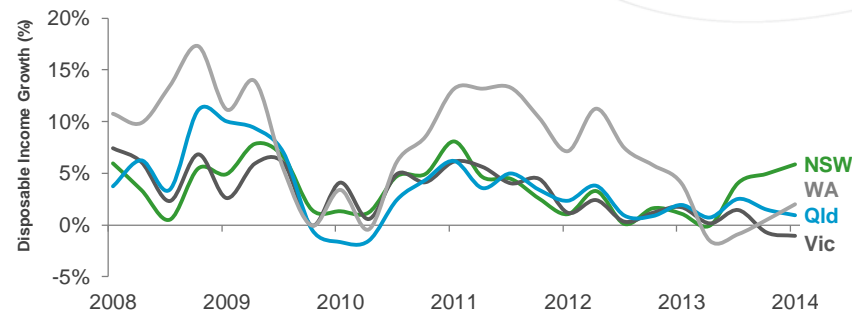


Debt levels stable or falling³

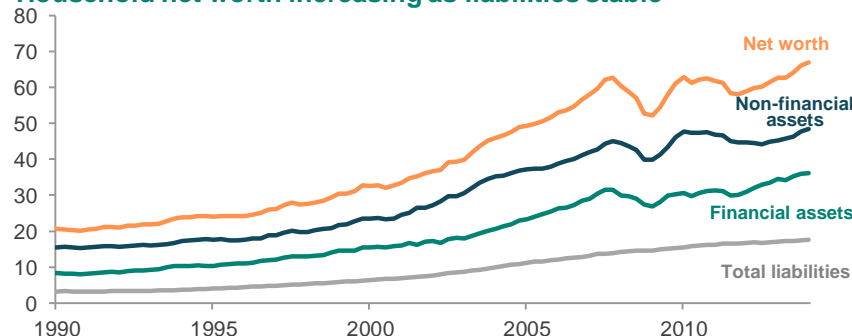


1. ABS, RBA, REIA, Stockland Research
2. ABS, RBA

Household incomes growing in NSW, WA & Qld, falling in Vic²



Household net worth increasing as liabilities stable⁴

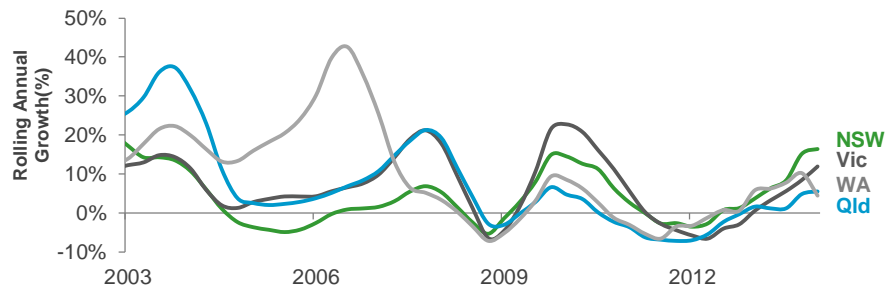


3. RBA Financial Stability Review, March 2014
4. RBA Financial Stability Review, March 2014, ABS

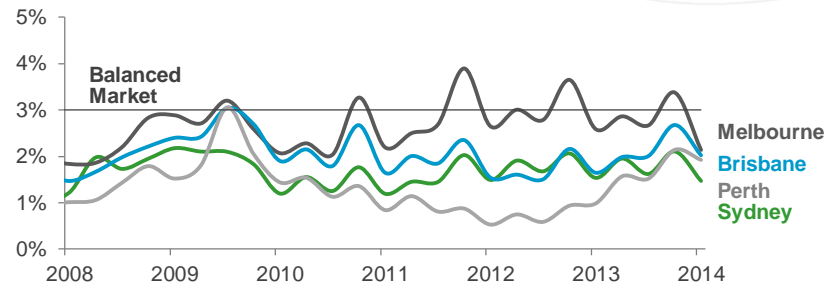
Established market remains strong with rental markets remaining tight

86

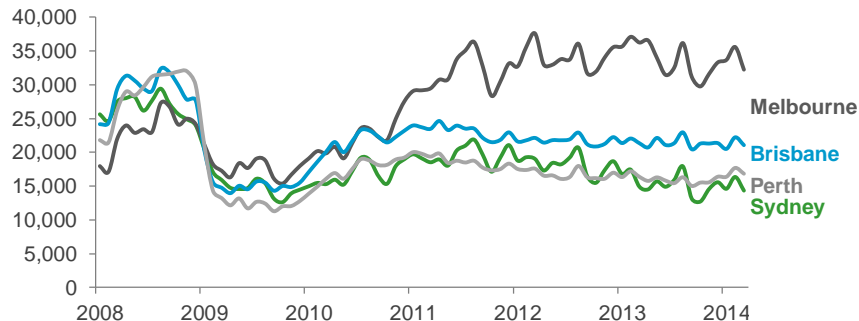
Capital city house prices rising in all states¹



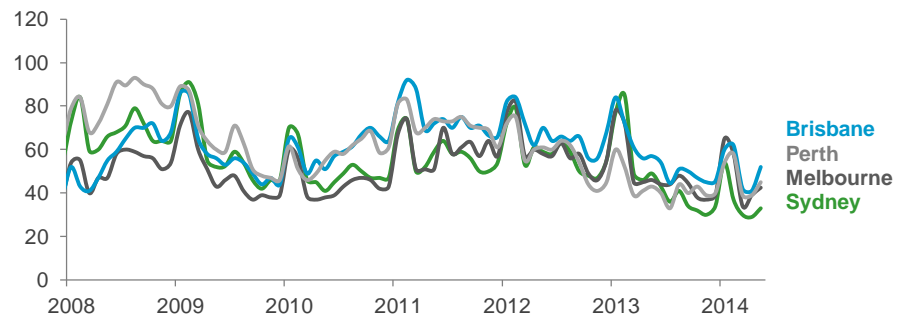
Rental vacancy low across all our states²



Established stock on market generally steady²



Established houses on market rising¹

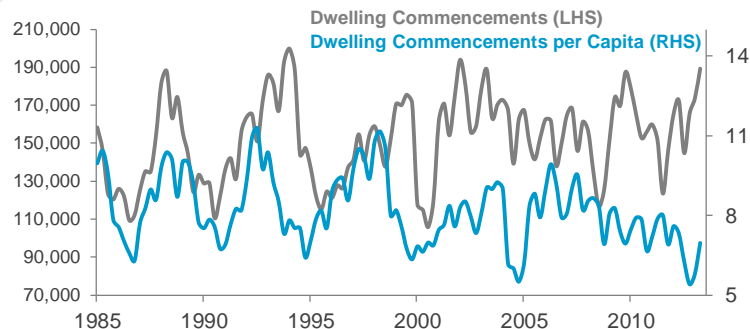


1. RP Data
2. SQM Research

Market fundamentals still driven by population growth and undersupply

87

Shortfall between population and dwelling starts remains¹

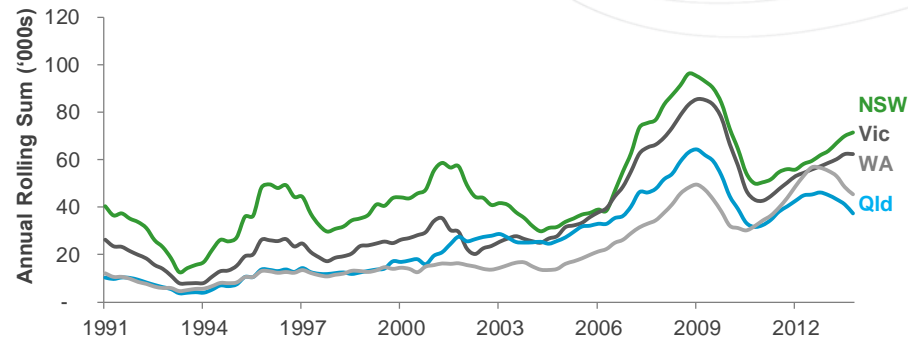


Unemployment rate rising with expectations of further deterioration^{1,2}

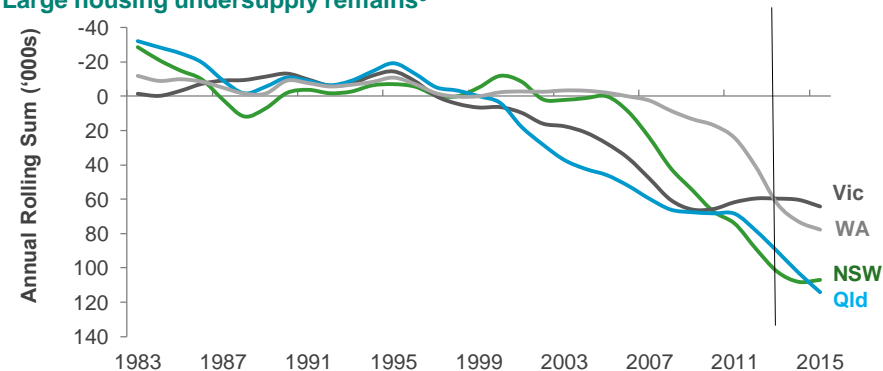


1. ABS
2. Westpac-Melbourne Institute Survey of Consumer Unemployment Expectations
3. ANZ Economics

Net overseas migration trending up in NSW and Vic¹



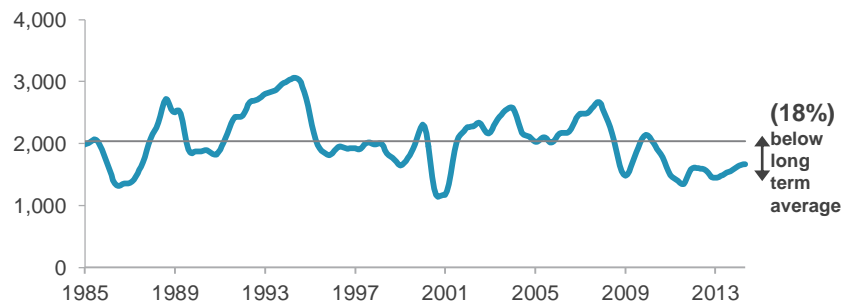
Large housing undersupply remains³



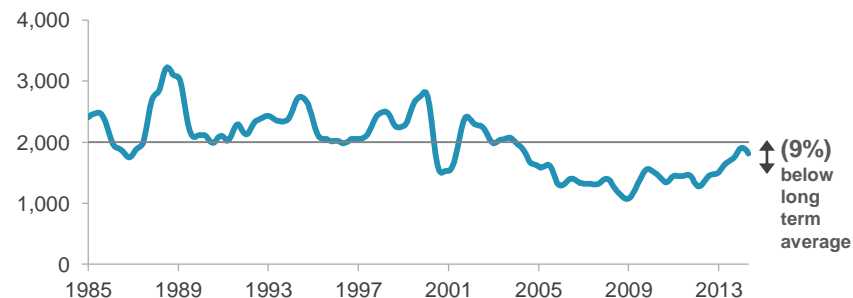
National house approvals stable, above long term average levels

88

Qld building approvals now in uptrend

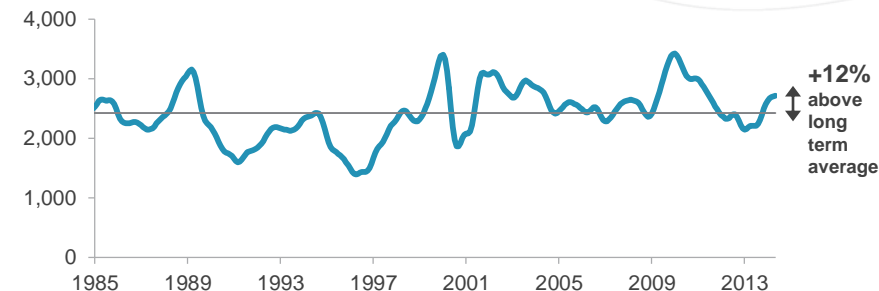


NSW market below long term average, despite recent strength

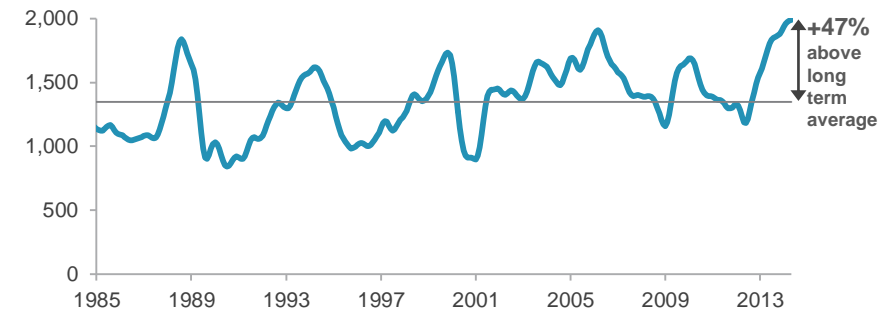


Source: ABS

Vic market returns to long-term levels but still 29% below peak



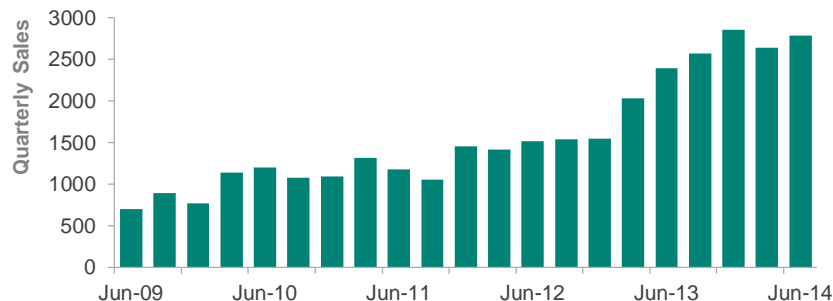
WA approvals running at all time highs



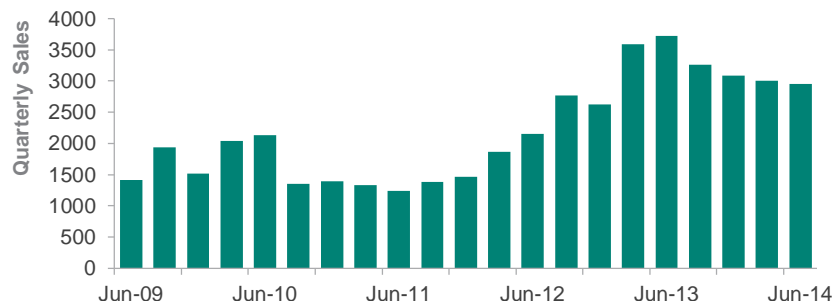
NSW remains historically strong while WA moderates from highs

89

NSW vacant land sales and price growth strong in FY14



Perth vacant land sales down from 2013 highs but stabilising



Metropolitan NSW market remains close to decade highs

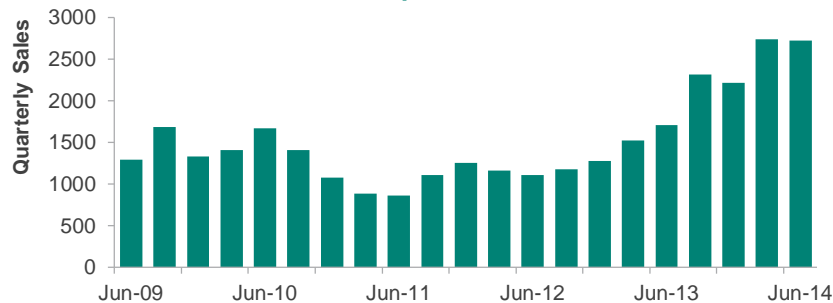
- Established house sales activity still the strongest in the country
- Auction activity still consistent with strong price growth
- Metropolitan rental markets remain tight
- Affordability worsening in line with price rises
- FY14 strongest year for Greater Sydney vacant land sales in 10 years

WA vacant land market moderating at a declining rate

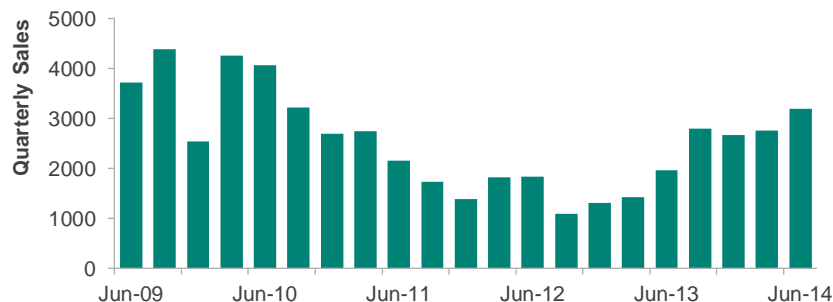
- Land market transitioning from “strong” market setting toward a “normal” market setting
- Population growth still underpinning demand
- Unemployment at four year high but still lowest of major states
- Established house price growth remains positive although the rental market has weakened consistently since mid-2012

Source: National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research

Annual SEQ vacant land sales up 21% in 2H14



Vic vacant land sales volumes continue upward trend



Qld new house market now well into upswing

- Vacant land sales and price growth improved in 2H14
- Building approvals and new house sales reflecting this sustained improvement in the vacant land market
- Established house price growth trails Sydney and Melbourne but is has improved to 7% p.a.
- Trend unemployment rising through 2014, but medium term macroeconomic outlook positive

Vic land market now operating above long run average levels

- Recent increase in vacant land sales has moved above long term average levels but still well below 2009/10 peak
- Established house prices and auction activity remain strong
- Population growth rate has increased since 2010 with Vic now second only to WA
- Sales environment remains very competitive in key corridors and continues to keep prices contained

Source: National Land Survey Program, Charter Keck Cramer/Research4 and Stockland Research



Retirement Living

Cardinal Freeman, NSW

Established portfolio and development pipeline

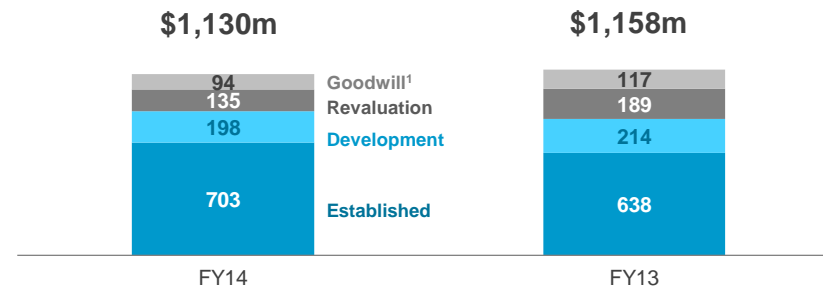
92

Portfolio Statistics	FY14	FY13
Established villages	63	62
Established units	8,298	8,082
Established units turned over	647	547
Units removed for redevelopment/alternate use	51	31
Actual turnover rate	8.0%	7.4%
Average age of resident on entry	73.8 years	73.9 years
Average age of current residents	80.8 years	80.9 years
Average tenure on exited residents	8.8 years	8.8 years
Average village age	20.9 years	20.2 years
Development pipeline	3,396 units	4,050 units
• Approved	1,057 units	1,150 units
• Unapproved	2,339 units	2,900 units

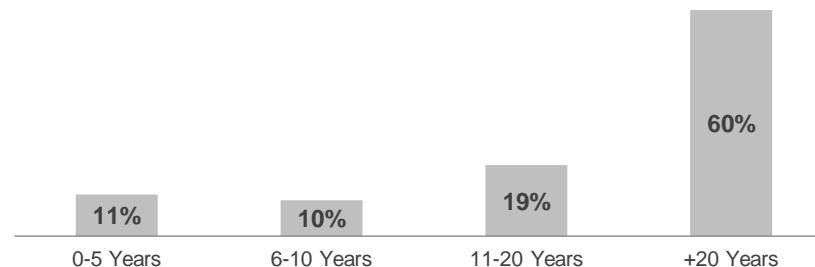
Key valuation assumptions	FY14	FY13
Weighted average discount rate	12.8%	12.8%
Weighted average 20 year growth rate	3.8%	3.9%
Average length of stay of future and current residents	9.9 years	10.0 years

1. Goodwill in FY14 is net of impairment of \$23m

Net Funds Employed



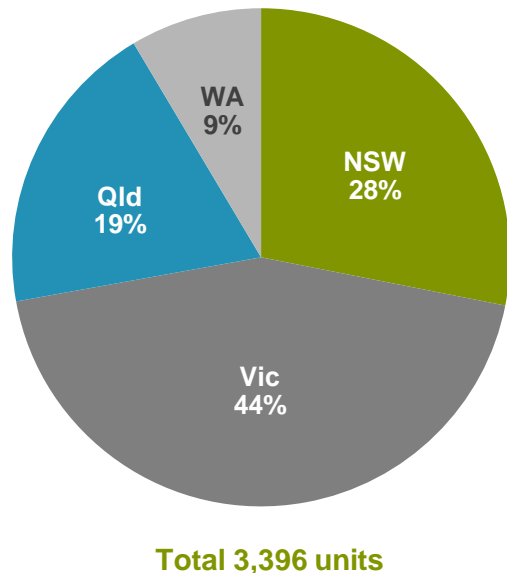
Age profile of established villages



Development pipeline breakup

93

Geographically diverse development pipeline



1. Includes two completed villages, nine villages under construction and 10 pipeline
2. Excluding DMF creation
3. Timing subject to market conditions

Development pipeline

FY14

Development villages ¹	21
Total development pipeline units	3,396
- Greenfield pipeline units	2,996
- Village extension pipeline units	400
Average greenfield development stage size (units)	29
Average village extension development stage size (units)	29
Estimated end value	\$1.5b ²

Independent Living Units development pipeline³



Strong project pipeline forecast

94

Construction timeframe	Future Settlements	FY15	FY16	FY17	FY18+
Completed					
(FY14)	Farrington Grove (Area 1), Qld	1			
	Tarneit Skies, Vic	10			
	Sub-total	11			
Under Construction					
	North Lakes, Qld	12			
	Arilla, Vic	36			
	Fig Tree, Qld	49			
	Macarthur Gardens, NSW	108			
	Highlands, Vic	86			
	Selandra Rise, Vic	147			
	Affinity, WA	170			
	Mernda, Vic	265			
	Cardinal Freeman, NSW	173			
	Sub-total	1046			
To start: within 18 months					
	Golden Ponds, NSW				
	Farrington Grove (Areas 2 & 3), Qld				
	Waratah Highlands (Stages 8-11), NSW				
	Highlands Extension, Vic				
	Willowdale, NSW				
	Sub-total	669			
Master planning/ future projects					
	North Shore, Qld				
	Calleya, WA				
	Lockerbie, Vic				
	Davis Road, Vic				
	Davis Road II, Vic				
	Elara, NSW				
	Caloundra, Qld				
	Sub-total	1,670			
Total units yet to be released		3,396			

Stockland Corporation Limited

ACN 000 181 733

Stockland Trust Management Limited

ACN 001 900 741

25th Floor
133 Castlereagh Street
SYDNEY NSW 2000

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