



Stockland

June 2018

FY18 Annexures

Creating sustainable
communities

Vale, WA

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Stockland

About Stockland



Newport, Brisbane

Our strategy for success

OUR PURPOSE: WE BELIEVE THERE IS A BETTER WAY TO LIVE



Stockland quick facts

Trust

Retail Town Centre



Stockland Shellharbour, NSW

Create market leading retail town centres



Ownership interests valued at \$7.4b and gross book value of \$7.9b

Logistics



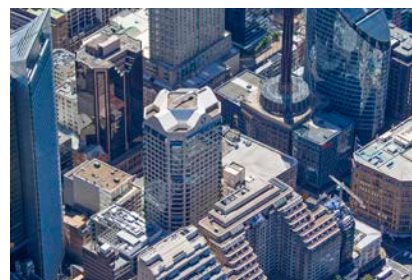
Warwick Farm, Sydney

Grow and develop a leading portfolio



Ownership interests valued at \$2.2b and gross book value of \$2.4b

Workplace



Piccadilly Complex, Sydney

Optimise returns



Ownership interests valued at \$0.8b and gross book value of \$1.3b

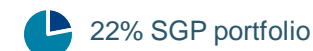
Corporation

Residential



Highlands, Vic

Maximise returns by creating thriving communities



End market value \$22.2b

Retirement Living



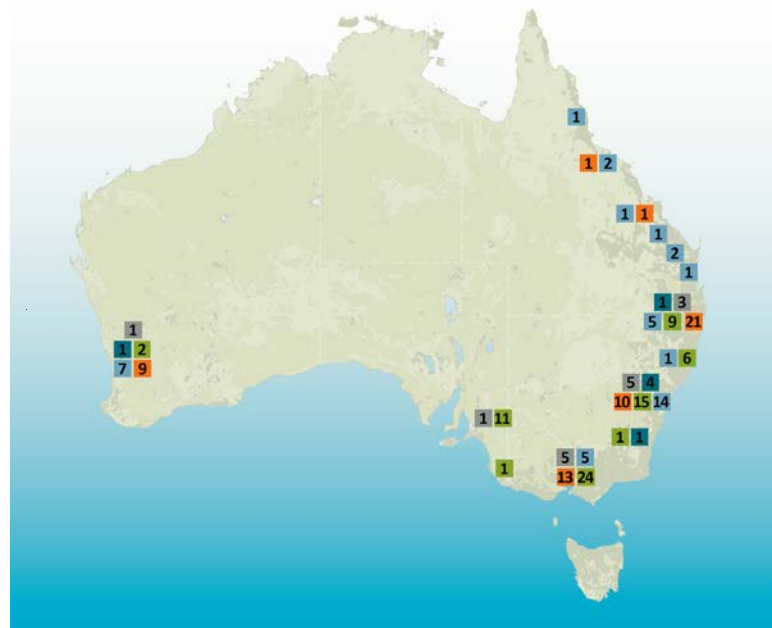
Mernda Retirement Village, Vic

Leading operator and developer



Funds employed \$1.5b

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



Key

- Retail
- Workplace
- Logistics
- Residential Communities
- Retirement Living

ALL STATES	CP	RESI	RL	TOTAL
Number of properties/ projects	76	60	73	209
Book value	\$10.7b	\$3.4b	\$1.5b	\$15.6b
SGP portfolio %	69%	22%	9%	100%

QLD	CP	RESI	RL	TOTAL
Number of properties/ projects	20	24	10	54
Book value	\$2.1b	\$0.9b	\$0.2b	\$3.2b
SGP portfolio %	14%	6%	1%	21%

VIC	CP	RESI	RL	TOTAL
Number of properties/ projects	14	13	27	54
Book value	\$1.3b	\$0.9b	\$0.6b	\$2.8b
SGP portfolio %	8%	6%	4%	18%

NSW	CP	RESI	RL	TOTAL
Number of properties/ projects	34	13	22	69
Book value	\$6.6b	\$1.0b	\$0.5b	\$8.1b
SGP portfolio %	42%	6%	3%	52%

SA AND ACT	CP	RESI	RL	TOTAL
Number of properties/ projects	2	1	12	15
Book value	\$0.1b	\$0.1b	\$0.1b	\$0.3b
SGP portfolio %	<1%	<1%	<1%	2%

WA	CP	RESI	RL	TOTAL
Number of properties/ projects	6	9	2	17
Book value	\$0.6b	\$0.5b	\$0.1b	\$1.2b
SGP portfolio %	4%	3%	<1%	7%

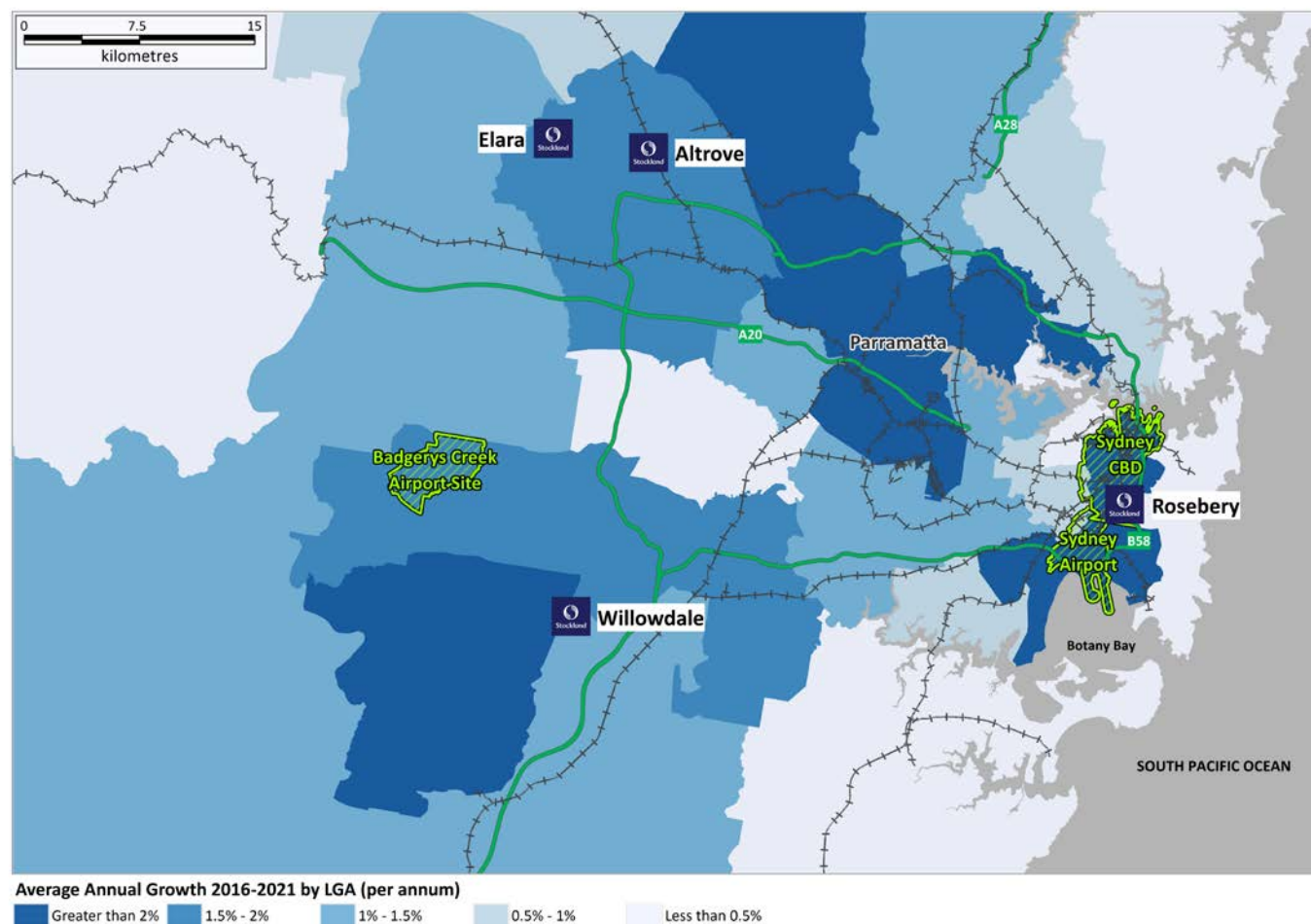
1. Includes Unlisted Property Fund assets, WIP and Sundry

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

Note – Percentages may not add due to rounding

Key communities, located in connected, population growth corridors¹

Sydney

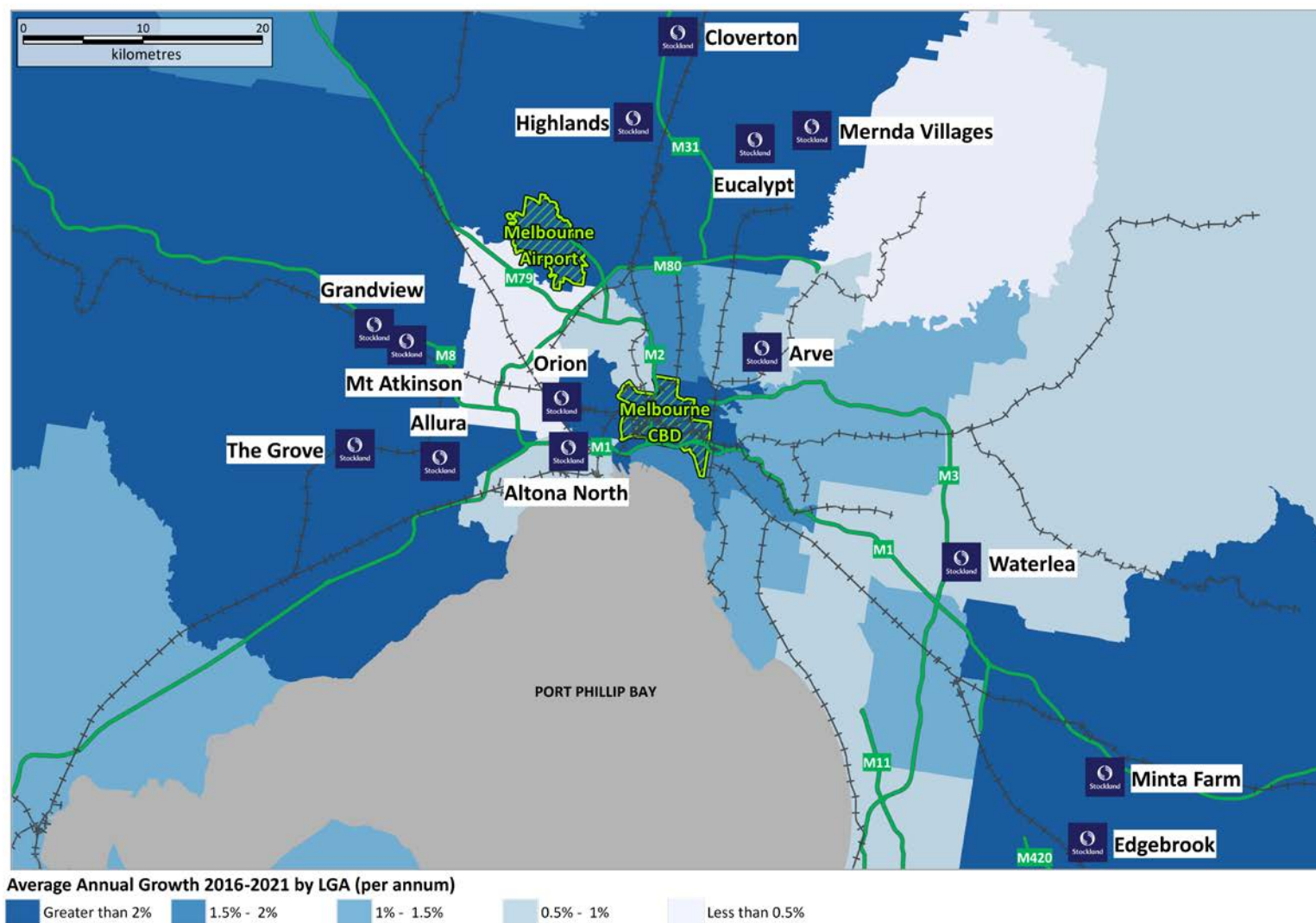


1. Source: Location IQ

Stockland FY18 Results Annexure

Key communities, located in connected, population growth corridors¹

Melbourne

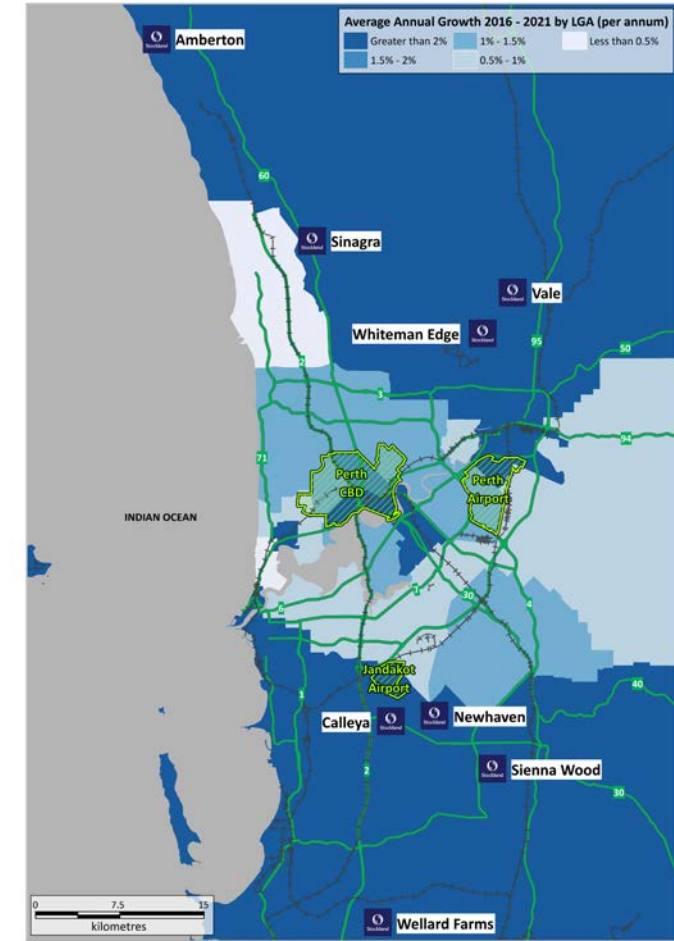
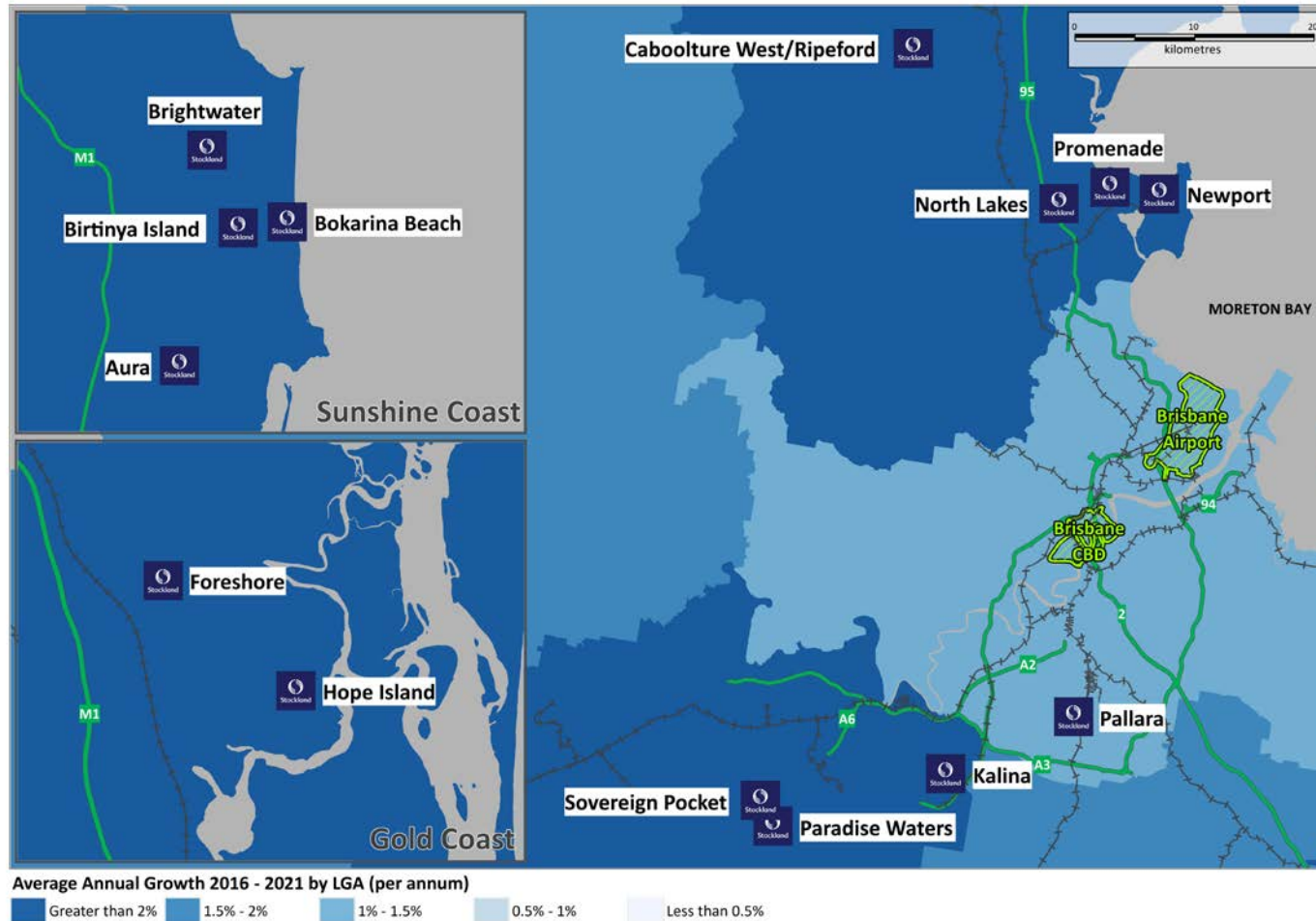


1. Source: Location IQ

Stockland FY18 Results Annexure

Key communities, located in connected, population growth corridors¹

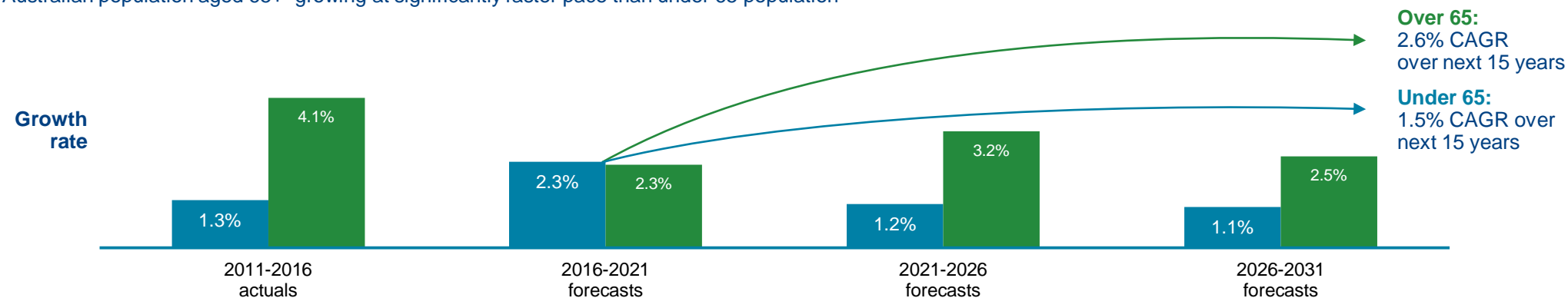
Brisbane (LHS), Perth (RHS)



Retirement Living: Strong demand drivers

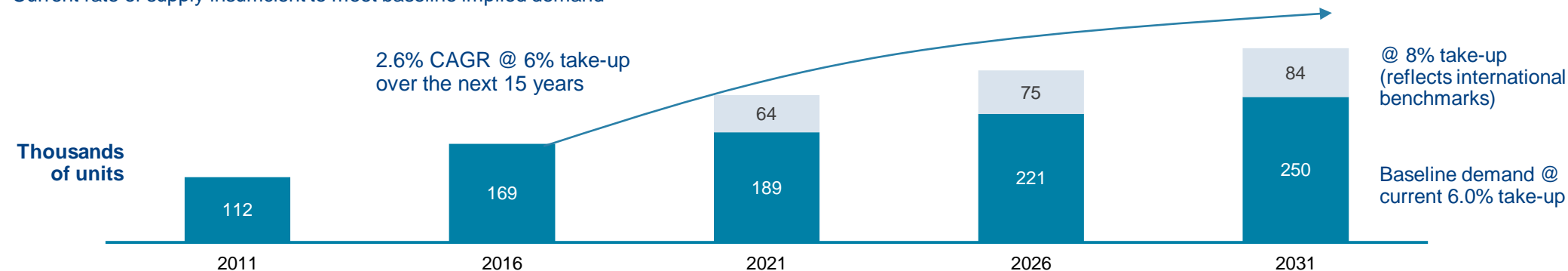
Compelling demand fundamentals

Australian population aged 65+¹ growing at significantly faster pace than under 65 population



Implied demand for units²

Current rate of supply insufficient to meet baseline implied demand¹



1. ABS
2. Assumes 1.3 residents per ILU



Group Finance

Annexure

Stockland Shellharbour, NSW

Profit summary

	FY18 (\$M)	FY17 (\$M)
Residential Communities EBIT (before interest in COGS)	435	412
Commercial Property EBIT	550	545
Retirement Living EBIT	56	69
Other EBIT	-	-
Consolidated segment EBIT	1,041	1,026
Amortisation of lease incentives and lease fees	76	69
Straight-line rent adjustments	(5)	(6)
Unallocated corporate overheads	(66)	(60)
Group EBIT (before interest in COGS)	1,046	1,029
Net interest expense:		
- Interest income	3	4
- Interest expense	(236)	(209)
- Interest capitalised to Inventory	142	113
- Interest capitalised to Investment Properties under development	17	13
Net interest in Profit & Loss before capitalised interest expensed	(74)	(79)
Capitalised interest expensed in Profit & Loss	(109)	(148)
Net interest expense	(183)	(227)
Funds from operations	863	802
Statutory profit adjustments	162	393
Statutory profit	1,025	1,195

FFO and AFFO reconciliation to the PCA guidelines

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

PCA REFERENCE		FY18 (\$M)	FY17 (\$M)	COMMENTS
	Statutory profit	1,025	1,195	
A	Investment property and inventory			
A1/A2	(Gain)/ loss from sale of investment property	(16)	1	
A3/A4	Fair value gain on investment property	(108)	(241)	Includes fair value movement of the Retirement Living investment property net of resident obligations
B	Goodwill and intangibles			
B1	Impairment of goodwill and intangibles	-	-	
C	Financial instruments			
C2	Fair value (gain) on mark-to-market of derivatives	7	(118)	
D	Incentives and straight-lining			
D1	Amortisation of fit-out incentives	57	51	
D4	Amortisation of rent-free periods	19	18	
D5	Rent straight-lining	(5)	(6)	
E	Tax (benefit)/expense¹	(59)	6	The Group has accumulated tax losses of \$1.9 billion and as a result does not have any near-term income tax expense that will be settled in cash. During the year, a deferred tax asset for previously unbooked historical tax losses was recognised. As a non-cash settled benefit, this is excluded from FFO
F	Other unrealised or one-off items			
F2	Other unrealised or one-off items:			
	- Net DMF earned, unrealised	(31)	(29)	
	- Net gain on other financial assets	(26)	(1)	Includes gain from return of capital on BGP investment received in FY18
	- Other items	-	(74)	Prior year included \$71m distribution received from BGP investment
G	Funds from operations (FFO)	863	802	
G2	Maintenance capex	(51)	(53)	Includes \$7m (FY17: \$9m) Retirement Living common area capital expenditure
G3	Incentives and leasing costs for the accounting period	(56)	(62)	FY18 includes \$6m from leasing activity at Durack Centre. Excludes development centres
	Adjusted funds from operations (AFFO)	756	687	

1. Non cash tax benefit

Net interest gap

INTEREST EXPENSE	FY18			FY17		
	INTEREST (\$M)	DEFERRED INTEREST (\$M)	TOTAL (\$M)	INTEREST (\$M)	DEFERRED INTEREST (\$M)	TOTAL (\$M)
Interest income	(3)	–	(3)	(4)	–	(4)
Interest expense	202	34	236	200	9	209
Less: capitalised interest						
- Commercial Property development projects	(11)	–	(11)	(9)	–	(9)
- Residential	(106)	(34)	(140)	(103)	(9)	(112)
- Retirement Living	(8)	–	(8)	(5)	–	(5)
Total capitalised interest	(125)	(34)	(159)	(117)	(9)	(126)
Sub-total: Borrowing cost in P&L	74	–	74	79	–	79
Add: capitalised interest expensed in P&L ¹	109	–	109	148	–	148 ²
Total interest expense in P&L	183	–	183	227	–	227

Deferred interest – Residential

- Non-cash adjustments for unwinding of present value discount on land acquisitions on deferred terms:
 - Discount initially booked through balance sheet (inventory and land creditors)
 - Increase reflects larger amount of acquisitions made on capital efficient terms

1. Made up of: Residential \$99m (FY17: \$142m) and Commercial Property \$7m (FY17: \$nil). The remaining amount comprises capitalised interest relating to Retirement Living \$3m (FY17: \$6m). This differs to statutory reporting by \$3m (FY17: \$5m) as interest expense in Retirement Living is reported through the fair value adjustment of investment properties
2. FY17 capitalised interest expensed is higher due to sale of impaired projects

Strategic mix

	TARGET	ASSETS 30 JUNE 2018	ASSETS 30 JUNE 2017	OPERATING PROFIT FY18	OPERATING PROFIT FY17
RECURRING					
Commercial Property		69%	74%	63%	66%
Retirement Living		6%	7%	6%	6%
Other and unallocated corporate overheads		-	-	(4%)	(3%)
Total recurring	70 – 80%	75%	81%	65%	69%
TRADING					
Residential		22%	18%	39%	33%
Retirement Living		3%	1%	-	1%
Commercial Property		-	-	-	1%
Other and unallocated corporate overheads		-	-	(4%)	(4%)
Total trading	20 - 30%	25%	19%	35%	31%

Return on assets, return on equity

	FY18			FY17			
	CASH PROFIT (\$M)	AVG. CASH INVESTED (\$B)	RETURN (%)	CASH PROFIT (\$M)	AVG. CASH INVESTED (\$B)	RETURN (%)	COMMENTARY
Retail Town Centres	416	5.4	7.8%	409	5.1	8.1%	Returns impacted by timing of ongoing development spend
Logistics	151	1.9	7.9%	147	1.8	8.0%	
Workplace	52	0.7	7.4%	58	0.7	8.4%	Decrease in ROA is a result of one-off income items recorded in FY17
Residential – Core	421	1.9	22.0%	366	1.8	20.8%	ROA growth reflects continued trading success in our Communities
Retirement Living	58	1.3	4.6%	71	1.1	6.2%	ROA impacted by reduced FFO and continued investment in development pipeline
Core business ROA (sub-total)	1,098	11.2	9.8%	1,051	10.5	10.0%	
Residential – Workout ¹	4	0.2	2.3%	(57)	0.3	(20.3%)	Growth in ROA is due to the disposal of impaired projects in FY17
Unallocated Overheads & Other Income	(66)	–	–	(60)	–	–	
Group ROA	1,036	11.4	9.1%	934	10.8	8.7%	
Net interest/net debt	(197)	(3.7)	5.3%	(195)	(3.5)	5.6%	
Group ROE	839	7.7	11.0%	739	7.3	10.1%	
Group ROE (excl. workout)	835	7.5	11.2%	796	7.0	11.4%	

1. Includes all impaired projects

Reconciliation between return on equity table values and accounting results

Reconciliation of Group return in ROE calculation to FFO

	FY18 (\$M)	FY17 (\$M)
Cash return	839	739
Capitalised interest expensed in COGS	(103)	(148)
Capitalised interest for the year ¹	125	117
Add-back impairment release in COGS	10	103
CP straight-line rent and other	(8)	(9)
FFO	863	802

Reconciliation of capital employed in ROE calculation to statutory net assets

	AVERAGE FOR FY18 (\$B)	AVERAGE FOR FY17 (\$B)
Group capital employed (Net Assets)	7.7	7.3
Commercial Property revaluations	2.6	2.4
Residential Communities capitalised interest	0.4	0.4
Residential Communities and Apartments impairment	(0.2)	(0.2)
Retirement Living DMF revaluations	0.2	0.1
Distribution provision and non-cash working capital	(0.5)	(0.4)
Statutory net assets (average for the period)	10.2	9.6

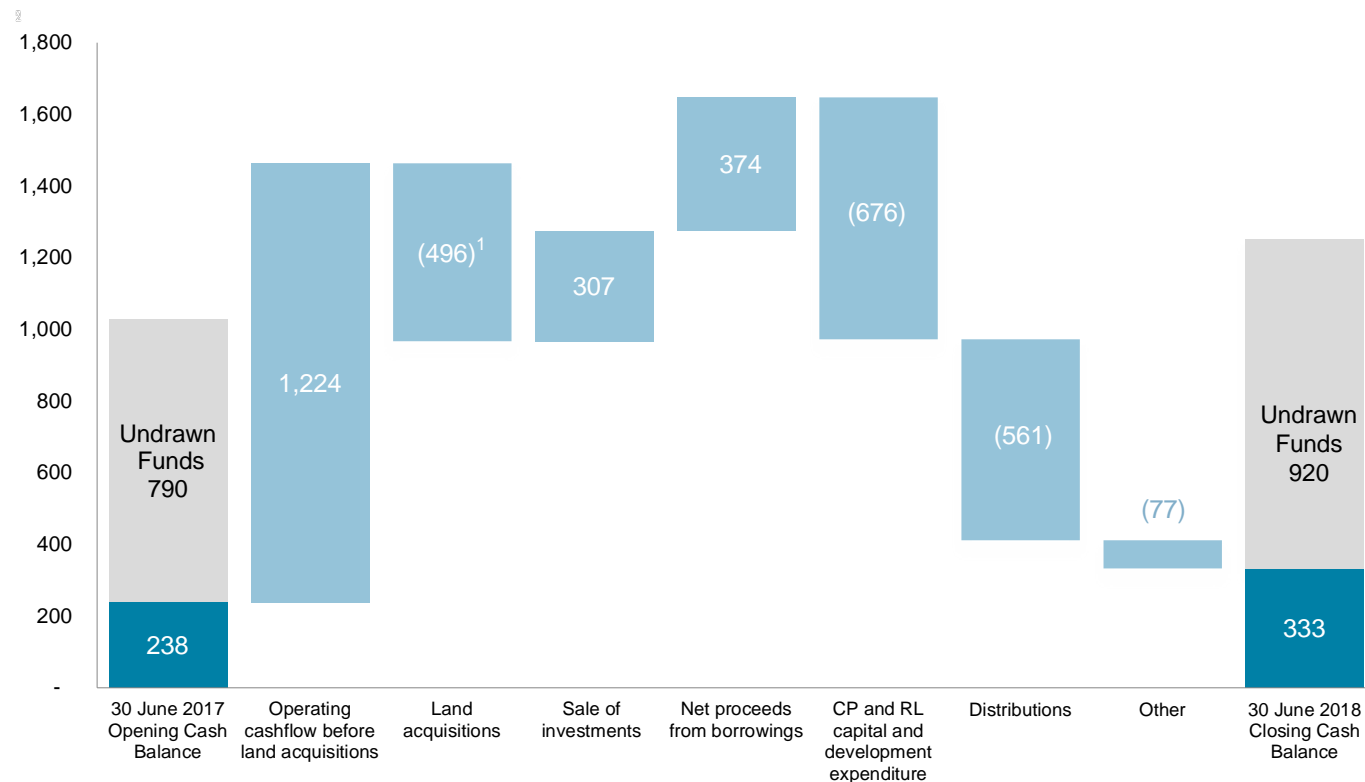
1. Excludes deferred interest

Stockland return on equity methodology

	NUMERATOR (CASH RETURN)	DENOMINATOR (AVERAGE CASH INVESTED)
Residential (incl. Townhomes & Apartments)	EBIT (including cash loss realised on impaired projects)	Net funds employed (NFE) (excluding accrued capitalised interest and impairment provision) average for the 12 month period
Commercial Property	Operating profit before amortisation of lease incentives	Average cost + capital additions + lease incentives + development work in progress Business unit overheads are allocated across the asset classes based on NOI contribution
Retirement Living	EBIT	Average NFE (including inventory, development expenditure, cash paid for acquired DMFs and goodwill, excluding capitalised interest and revaluations)
Debt funding	Cash interest paid less interest income received	Average debt drawn (net of cash on hand)

Strong operating cash flows

Cash Flow Summary (\$m)



	FY18	FY17
Operating CF before land acquisitions	\$1,224m	\$1,204m
INCLUDES RESIDENTIAL CASH FLOWS AS FOLLOWS²		
Sales and other Revenue	\$1,838m	\$1,773m
Current Year Stage costs	\$389m	\$373m
Future Stage infrastructure costs	\$523m	\$522m
SG&A and other costs	\$193m	\$184m
Total	\$733m	\$694m

1. 66% relates to acquisitions made on capital efficient terms
2. Excludes timing impact and land acquisitions

Cost management

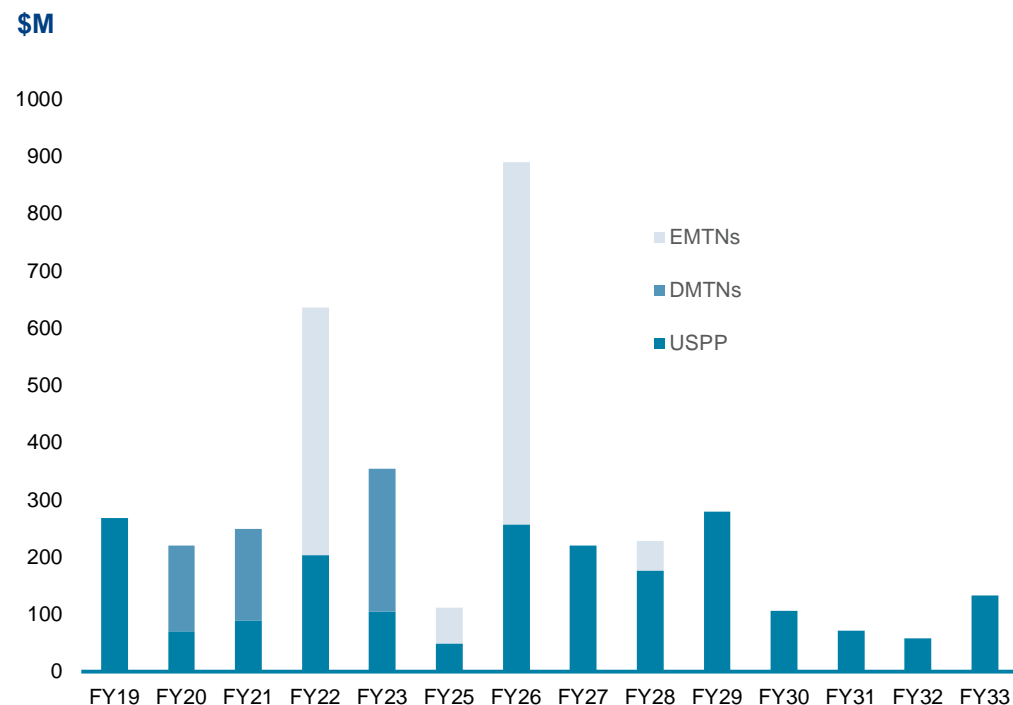
	FY18 (\$M)	FY17 (\$M)
Residential	193	184
Retirement Living	38	39
Commercial Property	21	18
Unallocated corporate overheads	66	60
Total sales, general and administration costs¹	318	301

- Diligent approach to managing cost remains embedded across the Group
- Residential increase to support profit growth across the division
- Increase in unallocated corporate costs largely attributable to restructuring costs

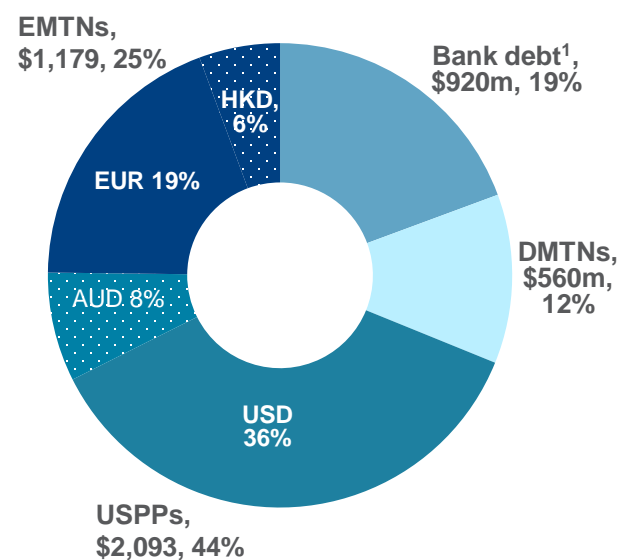
1. Net of recoveries, costs capitalised to development projects and property management fee income

Long dated, diverse debt

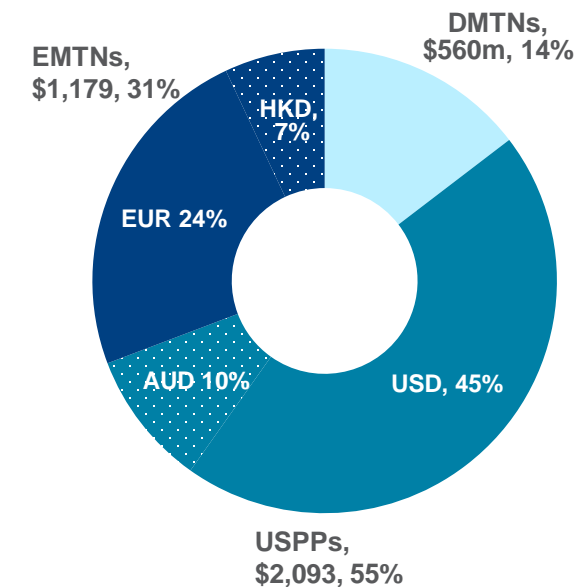
Long-dated drawn debt maturity profile (WADM 6.2 years)¹



Committed facilities of \$4.8bn



Drawn Debt of \$3.8bn



1. Excludes bank guarantees of \$0.3b and cash on deposit of \$0.3b

Cost of debt and hedge profile

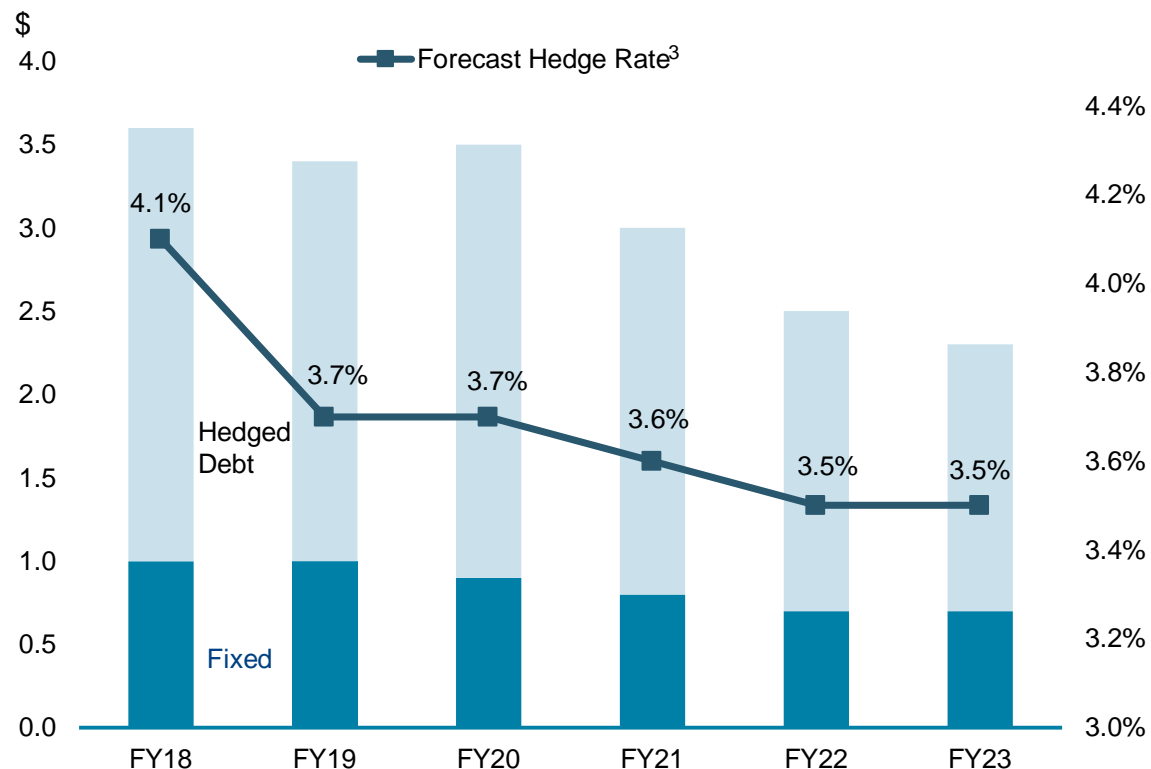
Cost of debt for FY18

	DEBT (\$M) ¹	TOTAL DEBT (%) ²	INTEREST RATE (%)
Hedged debt	3,794	99%	4.1%
Floating debt	38	1%	1.8%
Total debt	3,832		4.1%
Margin			0.9%
Fees			0.2%
All-in cost of funds for FY18			5.2%

WACD
expected to be
~4.8%
In FY19

1. Face value as at 30 June 2018
2. Average % for FY18
3. Excludes fees and margins

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



Debt summary

FACILITY	FACILITY LIMIT (\$M) ¹	AMOUNT DRAWN (\$M) ^{1,2}
Bank Debt	920	-
Domestic Medium Term Notes	560	560
USPP	2,093	2,093
Euro Medium Term Notes	1,179	1,179
Total Debt	4,752	3,832

FACILITY	FACILITY LIMIT (\$M) ¹	AMOUNT DRAWN (\$M) ^{1,2}	FACILITY MATURITY
Bank Debt			
- Multi option facility - Australia	100	-	Dec 2018
- Multi option facility - Australia	100	-	Jul 2019
- Multi option facility - Australia	120	-	Aug 2019
- Multi option facility - Australia	100	-	Dec 2019
- Multi option facility - Australia	250	-	Jan 2021
- Multi option facility - Australia	150	-	Feb 2022
- Multi option facility - Australia	100	-	Nov 2022
Total Bank Debt	920	-	

Debt Capital Markets

- A\$61m and A\$250m USPP was repaid in October 17 and June 18 respectively
- A\$286m USPP (10-15 year terms) was executed in December 2017 and issued in January 2018
- A\$478m 8-year Euro EMTN was issued in April 2018
- A\$51m 10-year HKD EMTN was issued in May 2018

Bank Debt

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

1. Facility limit excludes bank guarantees of \$410m of which \$337m was utilised as at 30 June 2018

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

Debt summary (continued)

FACILITY	ISSUED DEBT (\$M) ¹	FACILITY MATURITY
DOMESTIC MEDIUM TERM NOTE FACILITY (MTN)		
- MTN	150	Sep 2019
- MTN	160	Nov 2020
- MTN	250	Nov 2022
Total Domestic	560	
EURO MEDIUM TERM NOTE FACILITY (MTN)		
- European MTN	433	Nov 2021
- Asia MTN	62	May 2025
- Asia MTN	55	Oct 2025
- Asia MTN	100	Jan 2026
- European MTN	478	Apr 2026
- Asia MTN	51	May 2028
Total Offshore	1,179	

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

FACILITY	ISSUED DEBT (\$M) ¹	FACILITY MATURITY
- USPP	269	Oct 2018
- USPP	71	Jul 2019
- USPP	90	Jul 2020
- USPP	176	Sep 2021
- USPP	28	Jun 2022
- USPP	105	Aug 2022
- USPP	50	Aug 2024
- USPP	156	Aug 2025
- USPP	100	Dec 2025
- USPP	200	Aug 2026
- USPP	20	Jun 2027
- USPP	131	Aug 2027
- USPP	47	Jan 2028
- USPP	139	Aug 2028
- USPP	141	Feb 2029
- USPP	106	Jan 2030
- USPP	72	Aug 2030
- USPP	59	Aug 2031
- USPP	133	Jan 2033
Total USPP	2,093	

Covenant calculations

AS AT 30 JUNE 2018	STATUTORY BALANCE SHEET (\$M)	ADJUSTMENTS (\$M)	GEARING COVENANT BALANCE SHEET (\$M)
ASSETS			
Cash	333	-	333
Real estate related assets	15,474	-	15,474
Retirement Living Gross-Up	2,724	(2,724)	-
Intangibles	194	(194)	-
Other financial assets	294	(276)	18
Other assets	272	-	272
Total assets	19,291	(3,194)	16,097
Liabilities			
Interest-bearing liabilities	(3,938)	118	(3,820)
Retirement Living resident obligations	(2,741)	2,724	(17)
Other financial liabilities	(196)	196	-
Other liabilities	(2,040)	-	(2,040)
Total liabilities	(8,915)	3,038	(5,877)
Net assets	10,376	(156)	10,220

B

A

A

B

A

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
- Retirement Living obligation for existing residents

A

B

FACILITY	INTEREST COVER ¹	TL /TTA	D/TTA (NET OF CASH)
30 Jun 2018	4.8:1	36.5%	22.2% ²
30 Jun 2017	4.8:1	32.0%	22.7%
30 Jun 2016	4.5:1	33.3%	23.8%

1. Rolling 12 month average

2. Debt = Interest bearing debt (\$3,820m) + transaction costs (\$14m) – Cash \$333m. TTA = Total tangible assets \$16,097m – Cash (\$333m)

Balance sheet summary

	30 JUNE 2018 (\$M)	30 JUNE 2017 (\$M)
Cash	333	238
REAL ESTATE RELATED ASSETS		
- Commercial Property	10,599	10,255
- Residential	3,432	2,453
- Retirement Living	1,443	1,232
- Other	-	-
Retirement Living Gross-Up	2,724	2,616
Intangible assets ¹	194	156
Other financial assets	294	310
Other assets	272	235
Total assets	19,291	17,495
Interest-bearing liabilities	3,938	3,529
Retirement Living resident obligations ²	2,741	2,629
Other financial liabilities	196	242
Other liabilities	2,040	1,168
Total liabilities	8,915	7,568
Net assets	10,376	9,927
NTA per share	\$4.18	\$4.04

1. Increase reflects software development

2. This amount comprises \$2,724m of existing resident obligations (30 June 2017: \$2,616m), being a balance sheet gross-up and \$17m of former resident obligations (30 June 2017: \$13m)

Stockland corporation income tax reconciliation

	FY18	FY17
	STATUTORY PROFIT (\$M)	STATUTORY PROFIT (\$M)
Net profit before tax	966	1,201
Less: Trust profit and Intergroup eliminations	(703)	(948)
Corporation profit/(loss) before tax	B 263	253
Prima facie tax expense @ 30%	(79)	(76)
Tax effect of permanent differences:		
Underprovided in prior years	(1)	-
Non-assessable dividend income	-	21
Tax losses recognised during the period ¹	139	49
Tax Benefit/(expense)	A 59	(6)
Effective tax rate (A / B)	(22.4%)	2.4%
Effective tax rate (excluding benefit from tax losses recognised)	30.0%	21.7%

1. During the current period, \$139m was recognised as a DTA on the balance sheet relating to unused tax losses from previous financial years. In the prior period, a tax benefit of \$49m was booked to recognise the DTA on tax losses arising from certain FX adjustments as confirmed with the ATO



Stockland

Residential

Annexure

Cloverton

Cloverton, Melbourne

Development pipeline

Major active projects

STATE	PROJECT	STATE PERCENTAGE	APPROXIMATE LOT SALES PER ANNUM ¹	APPROX. REMAINING PROJECT LOTS	ANTICIPATED SETTLEMENTS				
					FY19	FY20	FY21	FY22	FY23+
Qld	North Shore		80	3,620					
	Aura		530	18,500 [#]					
	Newport		260	1,250					
	Pallara		150	300					
	All Other Projects			9,170 [#]					
	Sub-total	40.0%		32,840					
Vic	Highlands		650	4,510 [#]					
	Cloverton		350	10,550 [#]					
	The Grove		270	1,670					
	Orion (Braybrook)		180	420 [#]					
	Mt Atkinson		250	4,180 [#]					
	Sub-total	32.2%		26,370					
WA	Newhaven		90	110					
	Vale		280	1,100 [#]					
	Sienna Wood		140	3,050					
	Calleya		250	880 [#]					
	All Other Projects			6,810 [#]					
	Sub-total	14.6%		11,950					
NSW	Willowdale		430	1,540 [#]					
	Elara		650	2,260 [#]					
	Altrove		120	1,030 [#]					
	All Other Projects			6,010 [#]					
	Sub-total	13.2%		10,840					
	Total	100.0%		82,000					

Dwellings

1. Average number of lots estimated for three years for FY19 - FY21, numbers are annualised and vary depending on timing and completion of projects

Eleven projects with first settlements in next two years

	PROJECT	TIMING OF FIRST SETTLEMENTS	APPROXIMATE TOTAL LOTS IN PROJECT	APPROXIMATE LIFE OF PROJECTS
Qld	Bokarina Beach	FY19	300 [#]	7 yrs
	Promenade (Rothwell)	FY19	190	2 yrs
	Kalina (Springview)	FY19	410	5 yrs
	Brisbane Casino Towers	FY19	380	2 yrs
	Paradise Waters	FY20	2,080	16 yrs
	Hope Island	FY20	110 [#]	3 yrs
Vic	Mt Atkinson	FY19	4,190	17 yrs
	Waterlea (Stamford Park)	FY20	190 [#]	3 yrs
	Orion (Braybrook)	FY20	420 [#]	3 yrs
	Minta Farm	FY20	1,710	8 yrs
	Grandview (Truganina)	FY20	1,600 [#]	9 yrs
		Total lots	11,580	

[#] Includes dwellings

Projects completing prior to FY21

	PROJECT	TIMING OF FINAL SETTLEMENTS	APPROXIMATE TOTAL LOTS ¹	LOTS ¹ REMAINING (AS AT 30 JUN 2018)
NSW	McKeachie's Run	FY20	1,060	130
	Vale	FY19	640	90
	Highland Reserve	FY20	1,150	30
	North Lakes	FY20	4,970	120
Qld	North Lakes Business Park	FY20	100	10
	Brisbane Casino Towers	FY20	380	380
	Augustine Heights	FY20	1,050	80
	Brightwater	FY20	1,675	40
Vic	Mernda Villages	FY20	2,990	130
WA	Newhaven	FY20	2,660	110

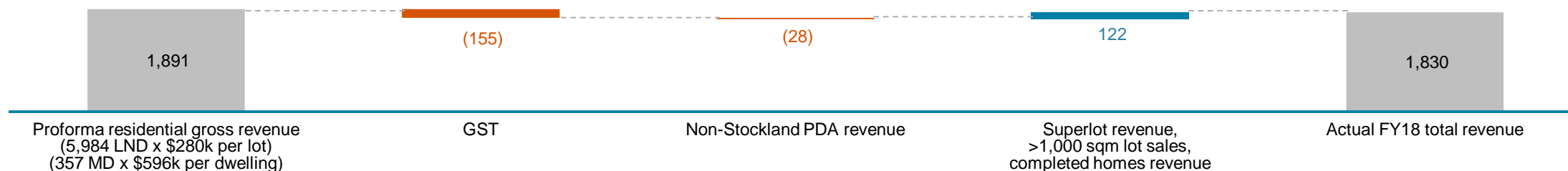
1. Includes dwellings

Price per Sqm

Retail sales price¹

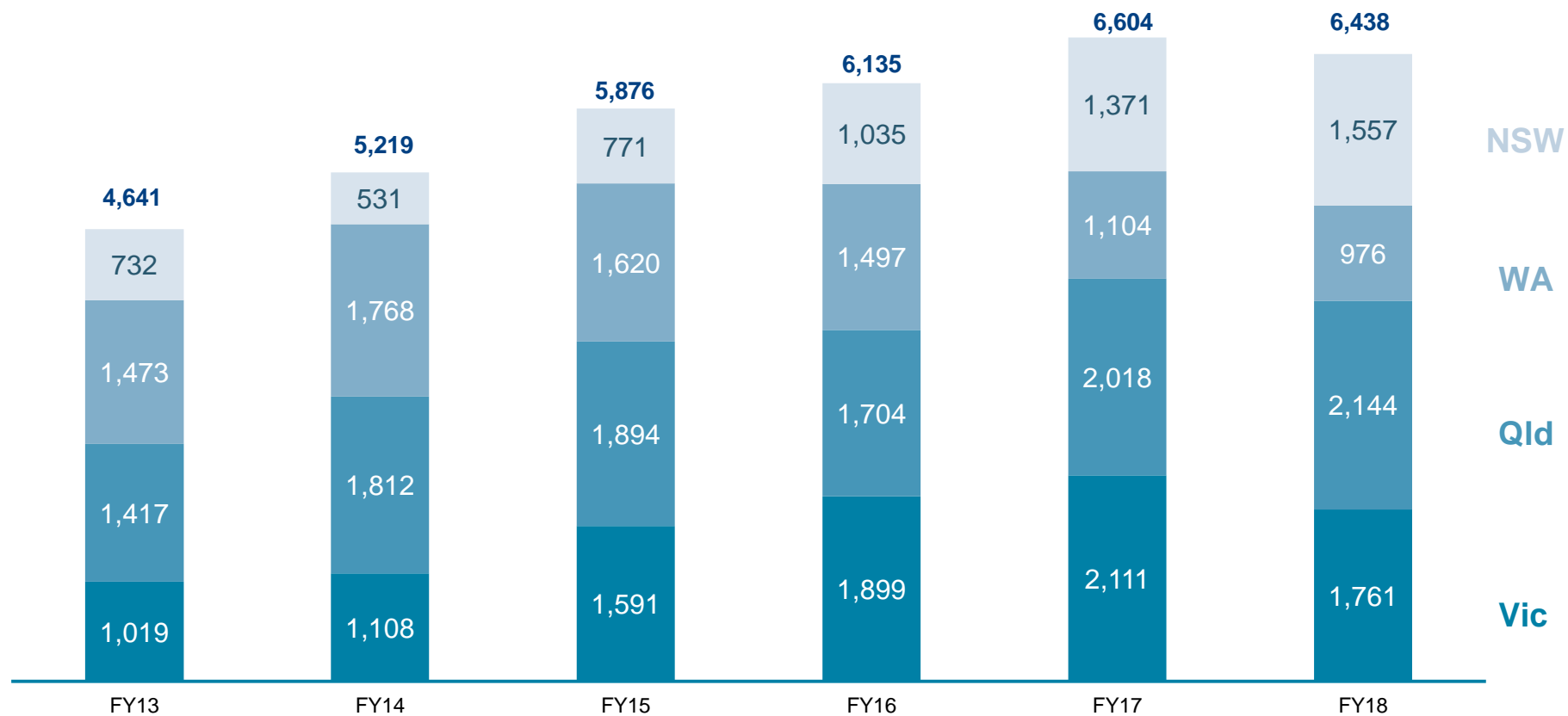
STATE	FY18 SETTLEMENTS				FY17 SETTLEMENTS			
	NO. LOTS	AV. SIZE PER LOT SQM	AV. PRICE PER LOT \$K	\$/SQM	NO. LOTS	AV. SIZE PER LOT SQM	AV. PRICE PER LOT \$K	\$/SQM
NSW	1,337	400	401	1,003	1,301	388	420	1,082
Qld	1,971	393	266	676	1,870	411	242	588
Vic	1,717	391	237	607	2,026	399	225	565
WA	959	334	220	659	1,084	324	215	665
Total Residential Communities	5,984	384	280	730	6,281	387	269	694
Total Townhomes	357	N/M	596	N/M	213	N/M	562	N/M

Revenue reconciliation (\$M)



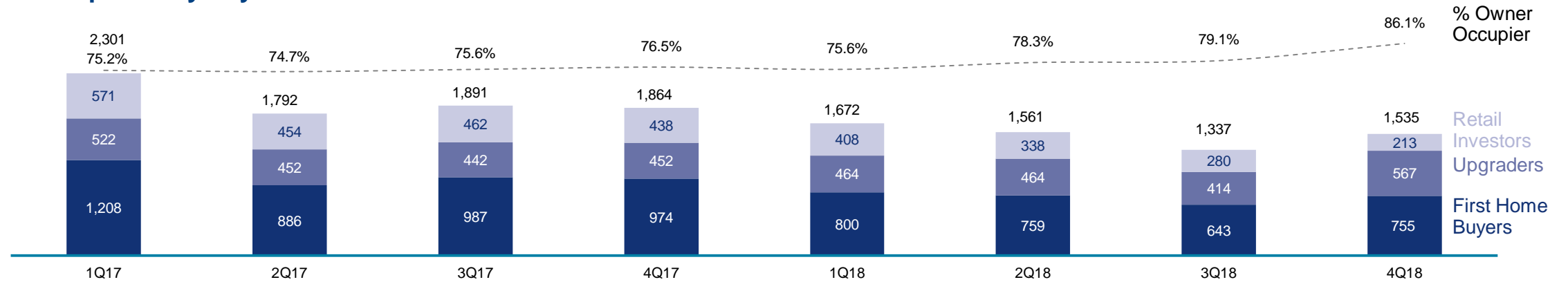
1. Average price of retail settlements excludes settlements of all lots over 1,000 sqm, superlot settlements, completed homes and apartments revenue, and disposal proceeds. Average price includes GST. Includes Project Development Agreements (PDAs) for which Stockland receives a part-share

Lots settled by location

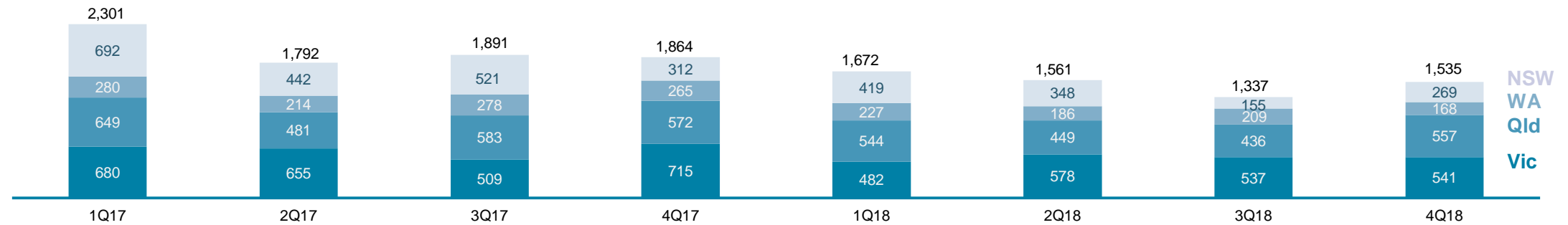


Net deposits by quarter

Net deposits by buyer

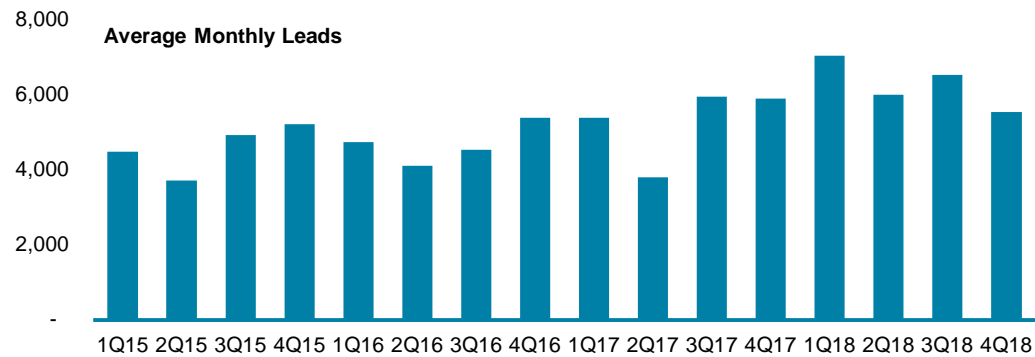


Net deposits by state

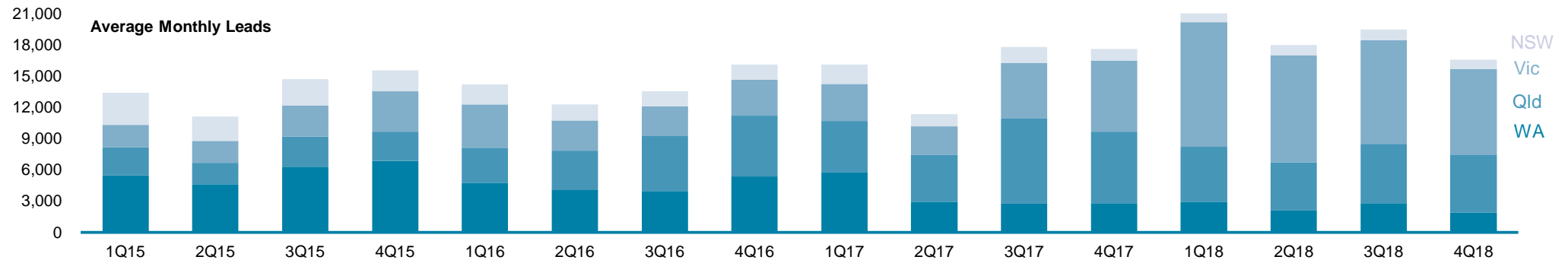


Leads and enquiry levels

Lead volumes

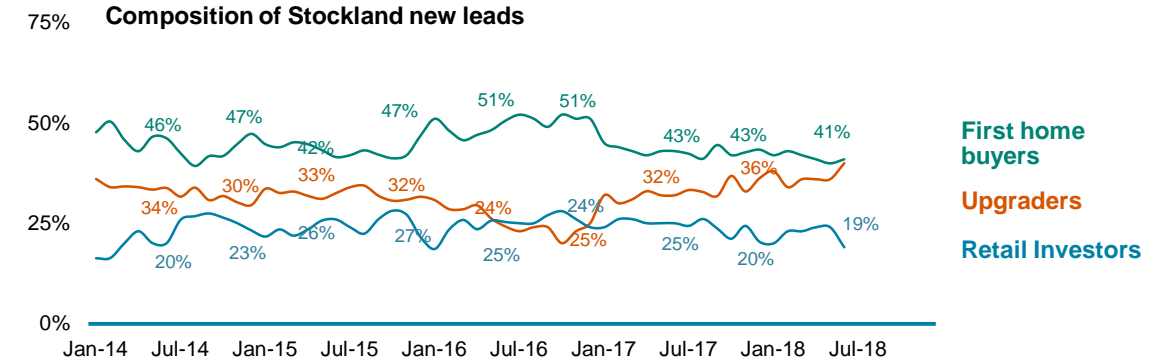


Lead volumes by state



Majority of our customers are owner occupiers

Composition of Stockland new leads



Market Overview

Residential

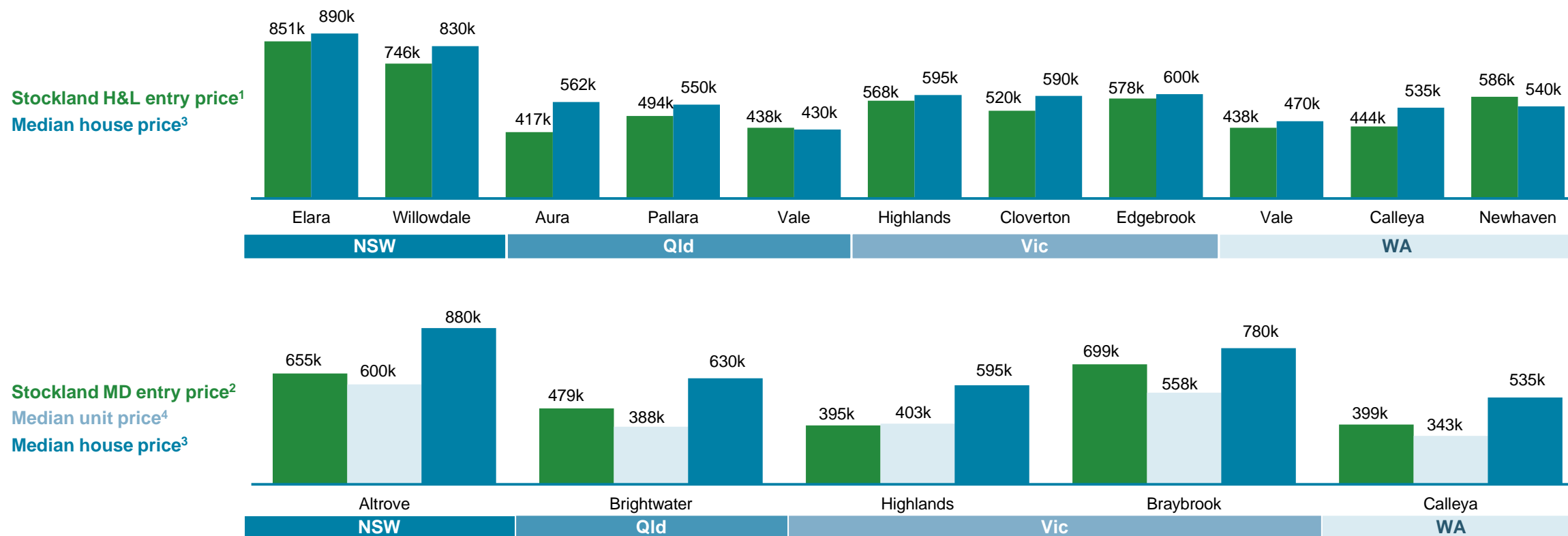
FY18 STOCKLAND SUMMARY

FY19 MARKET OUTLOOK

STATE	FY18 SETTLEMENT VOLUMES (% CHANGE OVER FY17)	COMMENTS ON OUR SETTLEMENTS IN FY18	STATE	VACANT LAND SALES VOLUMES	VACANT LAND PRICES	COMMENTS ON MARKET OUTLOOK
NSW	14% ▲	Increase in NSW is primarily driven by the practical completion of Townhomes at Willowdale and Elara, as well as strong increase in Willowdale settlements.	NSW	↓	↓	Volumes to be maintained around current quarterly levels, well down on early FY18, with some price weakness in line with the established market.
Vic	(17%) ▼	Lower volumes from close out and completion of Mernda and The Address. Timing of release impacting volumes at The Grove and Highlands. Partly offset by strong performance at Cloverton and Edgebrook.	Vic	↓	↔	Further moderate downside from current sales volumes expected, with some mild easing in prices as the established market remains weak.
Qld	6% ▲	Strong growth at Newport and Pallara	Qld	↔	↔	Downside in volumes and prices to be limited by increased interstate migration and lower recent price growth than Sydney and Melbourne.
WA	(12%) ▼	Ongoing WA market conditions impacting volumes on a number of projects	WA	↑	↔	Market prices likely to remain stable with some potential for growth, volumes expected to show modest growth during FY19 from a low base

Providing affordable product

Stockland pricing relative to local median house and unit price



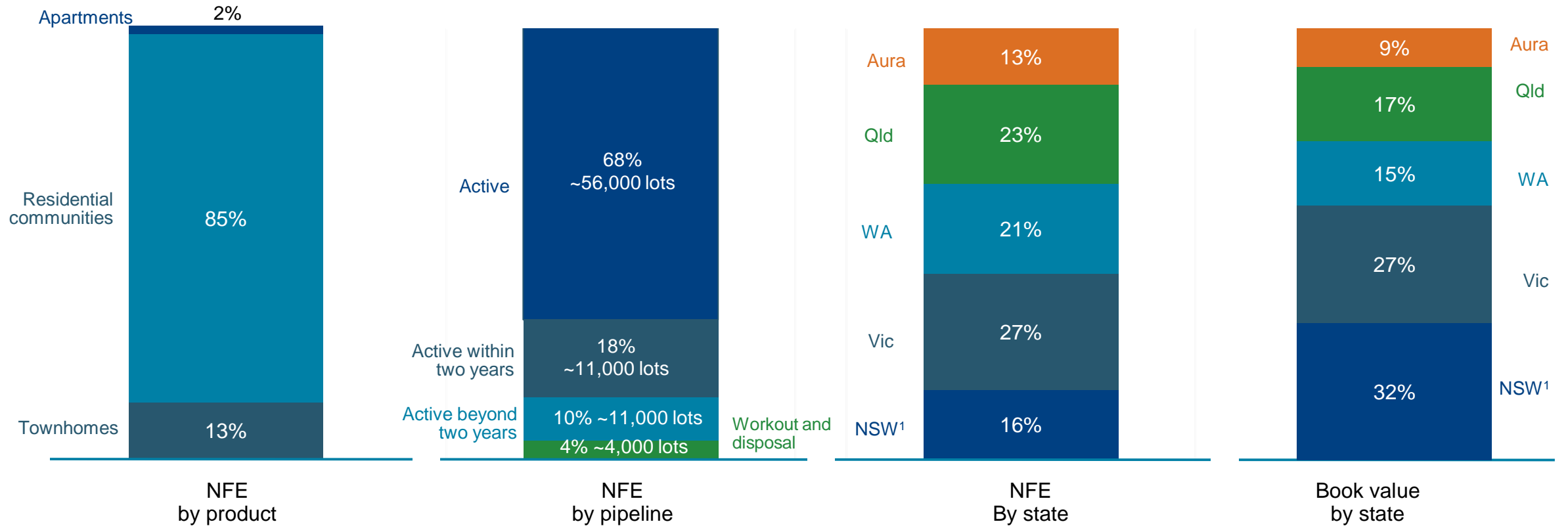
1. Stockland data, House and Land packages (4b,2b,2c) for sale/recently sold July 2018
 2. Stockland data, Townhome product available for sale/recently sold July 2018

3. Corelogic Median value of established (4b) houses in surrounding suburb as at June 2018
 4. Corelogic Median value of established units in surrounding suburb as at June 2018

Composition of residential landbank

Net funds employed: \$2.2b

Book value: \$3.4b



1. NSW includes Red Hill (ACT)

Residential: Acquisitions

PROPERTY ACQUIRED	TYPE	ACQUISITION DATE	ACQUISITION VALUE (\$M)	APPROXIMATE NUMBER OF LOTS	FIRST SETTLEMENTS EXPECTED
Elara consolidation, Sydney	Masterplanned Community	Dec 17	398	2,000	FY22
Willowdale consolidation, Sydney	Masterplanned Community	Dec 17	Not disclosed	220	FY20
Kalina (Springview), Brisbane	Masterplanned Community	Oct 17	21	405	FY19
Promenade (Rothwell), Brisbane	Masterplanned Community	Aug 17	16	190	FY19
Wellard Farms, Perth	Masterplanned Community	Nov 17	27	3,765	FY26
Sinagra, Perth	Masterplanned Community	Nov 17	53	695	FY23
Rosebery, Sydney	Apartments	Sept 17	Not disclosed	140	-
Parramatta, Sydney	Apartments	Oct 17	PDA	360	-
Red Hill, Canberra	Townhome development	Jun 18	Joint Development Agreement	110	FY20
					~7,900 lots and dwellings

We have entered into an agreement with National Storage REIT to review and identify mixed use opportunities across our portfolios

Workout contribution and impairment provision balance

Workout contribution to residential

RESIDENTIAL	CORE	WORKOUT ¹	TOTAL
Lots settled	6,183	255	6,438
Revenue	\$1,764m	\$66m	\$1,830m
<i>Revenue</i>	96%	4%	100%
EBIT	\$421m	\$14m	\$435m
<i>EBIT margin</i>	23.9%	20.6%	23.8%
Operating Profit	\$335m	-	\$335m
<i>Operating Profit margin</i>	19.0%	-	18.3%
Remaining lots	95%	5%	100%
Number of projects	52	8	60
ROA	22.0%	2.3%	20.4%

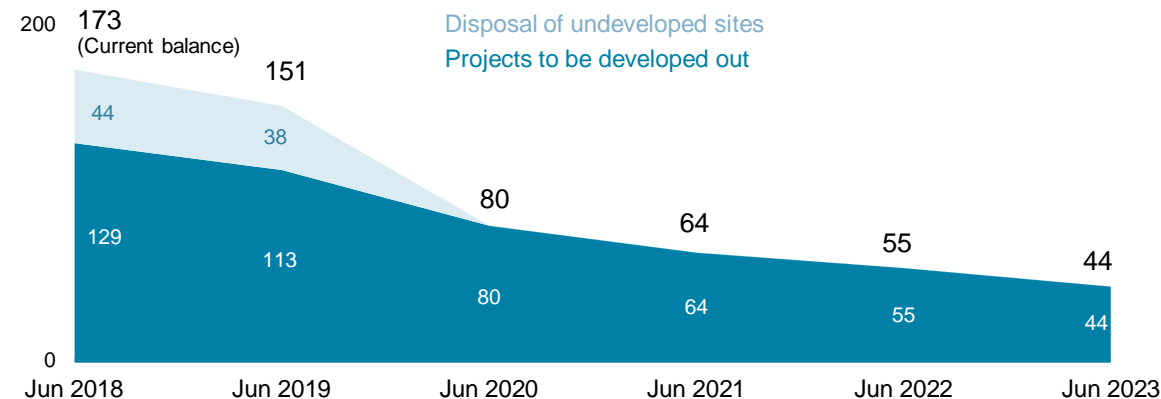
1. Includes all impaired projects
2. Forecast utilisation impairment provision as at 30 June 2018, based on forecast settlement dates, revenue and costs by project

Residential impairment provision utilisation as at 30 June 2018

	(\$M)	
Net decrease in impairment	-	
Utilisation of provision	(31)	
	IMPAIRMENT PROVISION BALANCE (\$M)	FINAL SETTLEMENT
Projects to be developed	129	~10 yrs
Disposal of undeveloped sites	44	~2 yrs
Total	173	

Residential forecast utilisation of provision²

Balance \$M





Retirement Living

Annexure

North Lakes, Queensland

Established portfolio

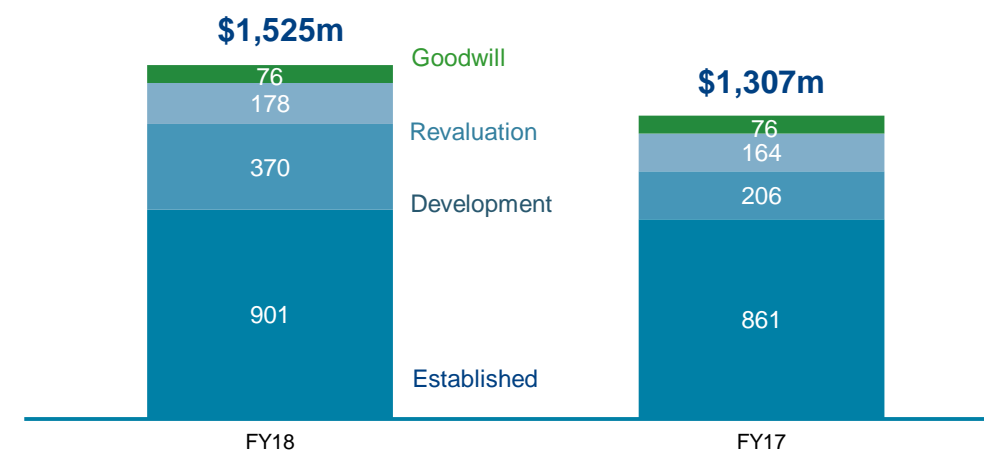
PORTFOLIO STATISTICS	FY18	FY17
Established villages	65	65
Established units	9,609	9,610
Established units settlements	618	731
Units removed for redevelopment/alternate use	73	88
Turnover rate excluding developments ¹	7.2%	8.5%
Turnover rate total portfolio	6.4%	7.6%
Average age of resident on entry	73.5 yrs	73.5 yrs
Average age of current residents	80.7 yrs	80.6 yrs
Average tenure on exited residents	9.0 yrs	9.1 yrs
Average village age	24.8 yrs	24.0 yrs
Development pipeline	3,050 units	2,970 units

KEY VALUATION ASSUMPTIONS	FY18	FY17
Weighted average discount rate	13.0%	13.0%
Weighted average 20 year growth rate	3.1%	3.6%
Average length of stay of current and future residents	10.9 yrs	10.8 yrs

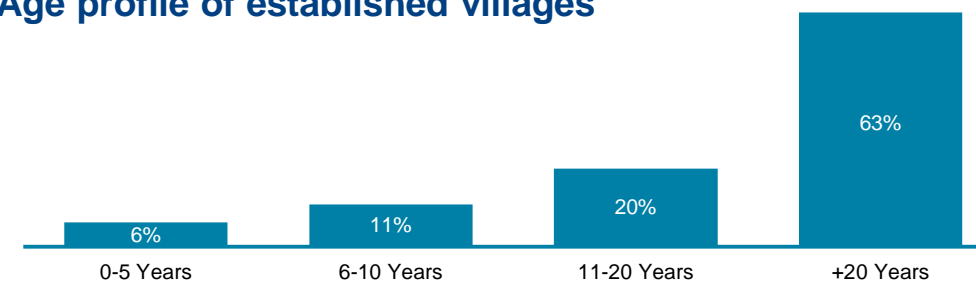
1. Excludes development settlements from last five years

Stockland FY18 Results Annexure

Net Funds Employed

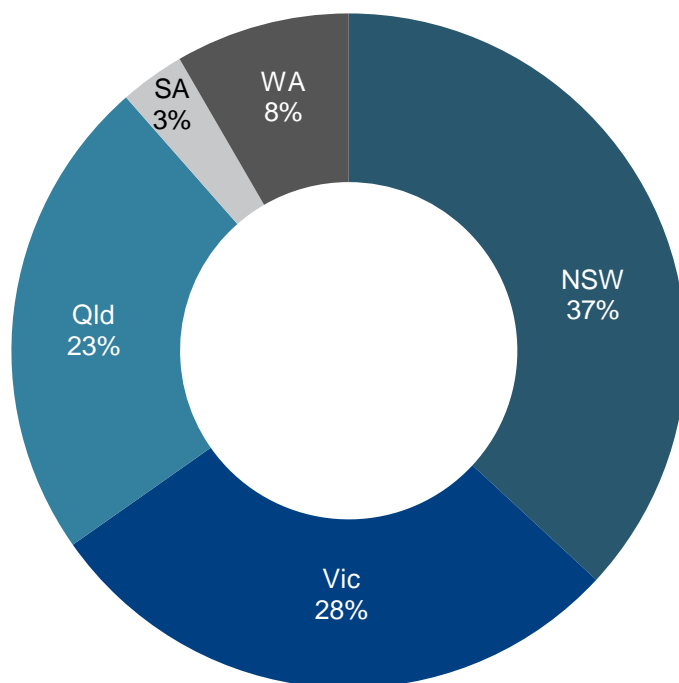


Age profile of established villages



Development pipeline

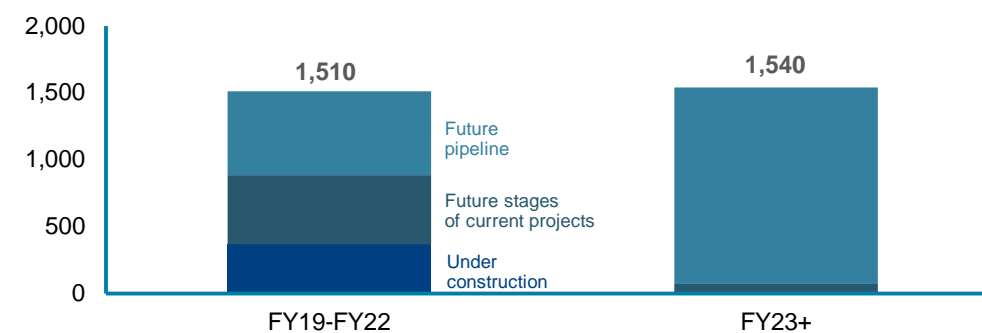
Geographically diverse development pipeline



Development pipeline breakup

DEVELOPMENT PIPELINE	FY18
Development villages	18
Total development pipeline units	3,050
- Greenfield pipeline units	1,970
- Village renewal pipeline units	1,080
Estimated end value including DMF	\$2.6b

Independent Living Units development pipeline¹



1. Timing subject to market conditions

Strong project pipeline forecast

CONSTRUCTION TIMEFRAME		FUTURE SETTLEMENTS	FY19	FY20	FY21	FY22	FY23+
Completed (FY18)	Selandra Rise, Melbourne						
	Lightsview, Adelaide						
	Highlands, Melbourne						
	Sub-total	30					
Current Development Projects	Mernda, Melbourne						
	Gillin Park, Vic						
	Somerton Park I, Adelaide						
	Cardinal Freeman The Residences, Sydney						
	Aspire at Elara, Sydney						
	Birtinya, SE Qld						
	Willowdale, Sydney						
	Aspire at Calleya, Perth						
	Affinity, Perth						
	Newport, Brisbane						
	Sub-total	1,050					
To start within 18 months	Aspire at The Grove, Melbourne						
	Sub-total	120					
Master planning/ future projects	Aspire at Highlands, Melbourne						
	Somerton Park II, Adelaide						
	Aspire at Altrove, Sydney						
	Aura, SE Qld						
	Epping, Sydney						
	Cloverton, Melbourne						
	Sub-total	1,000					
Redevelopments	Proposed Redevelopments						
	Sub-total	850					
Total units yet to be released		3,050					

1. Excludes development settlements from last five years

Commercial Property



Annexure

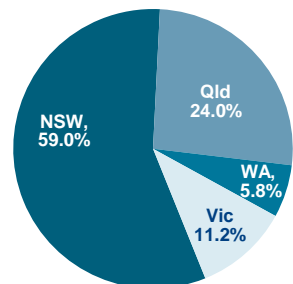
Commercial Property: Portfolio weightings and valuation movements

Commercial Property assets: \$10.4b¹

Retail Town Centres: \$7.4b

39 properties

1,063,775 sqm gross lettable area²

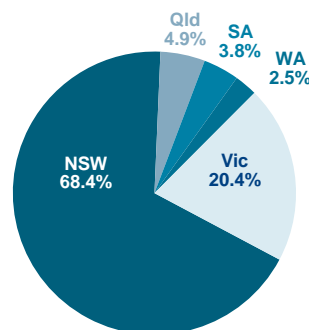


71.1%
of total CP
assets

Logistics: \$2.2b

27 properties

1,362,954 sqm gross lettable area^{2,3}

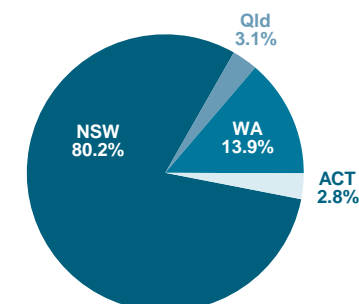


21.4%
of total CP
assets

Workplace: \$0.8b

7 properties

134,170 sqm net lettable area²



7.5%
of total CP
assets

	WACR JUN18	WACR JUN17	BOOK VALUE UNDER OWNERSHIP (\$M)	FY18 REVALUATION MOVEMENT (\$M)	GROSS BOOK VALUE ⁶ (\$M)
Retail Town Centres	5.8%	5.9%	7,403	(61)	7,871
Logistics	6.7%	7.0%	2,228	117	2,449
Workplace	6.0%	6.4%	774	83	1,255
Capital works and sundry properties ⁴	-	-	208	-	208
Total	6.0%	6.2%	10,613⁵	139⁵	11,783

1. Excludes capital works in progress and sundry properties

2. Represents 100% owned, JV and associates properties

3. Excludes hardstand and vehicle storage

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

5. Excluding stapling adjustment related to owner occupied space

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

Commercial Property: Funds from operations

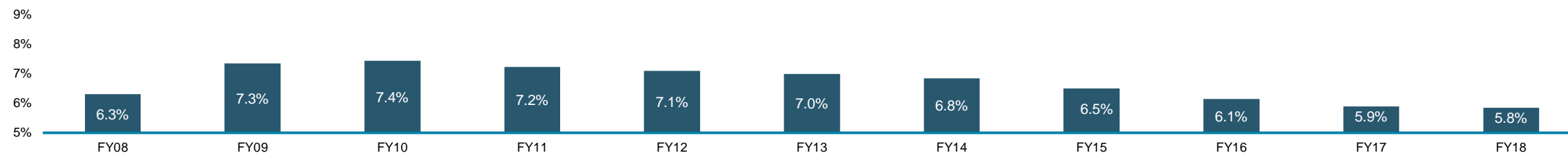
	RETAIL		LOGISTICS		WORKPLACE		TRADING PROFIT		NET OVERHEAD COSTS		TOTAL	
\$M	FY18	FY17	FY18	FY17	FY18	FY17	FY18 ¹	FY17	FY18	FY17	FY18 ¹	FY17
Operating EBIT	387	385	136	129	40	44	1	5	(21)	(18)	543	545
Adjust for:												
Amortisation of fit out incentives and lease fees	44	37	6	6	7	8	-	-	-	-	57	51
Amortisation of rent-free incentives	-	-	12	11	7	7	-	-	-	-	19	18
Straight-line rent	(3)	(3)	(2)	(3)	-	-	-	-	-	-	(5)	(6)
Funds from operations	428	419	152	143	54	59	1	5	(21)	(18)	614	608

1. Excludes disposal of impaired Waterside Corporate asset

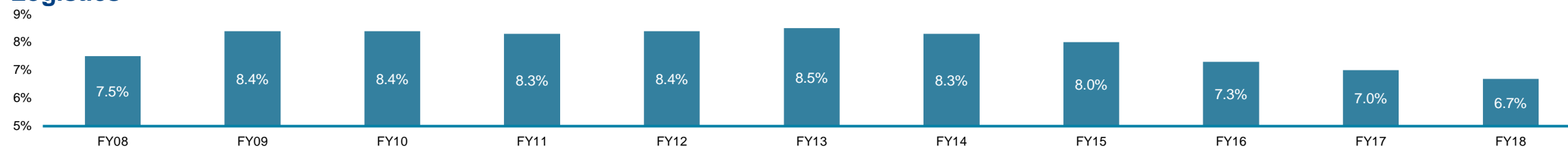
Commercial Property Portfolio

Trend in cap rates over time

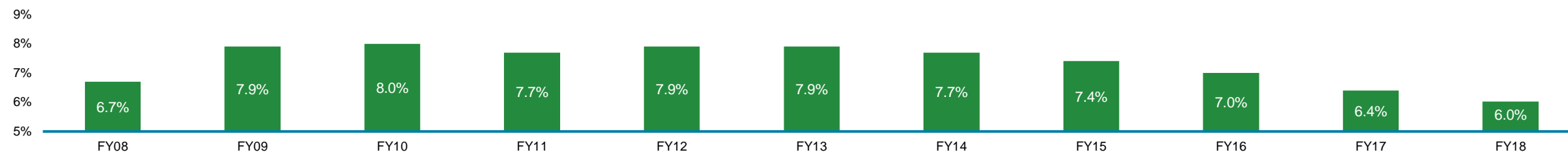
Retail



Logistics



Workplace



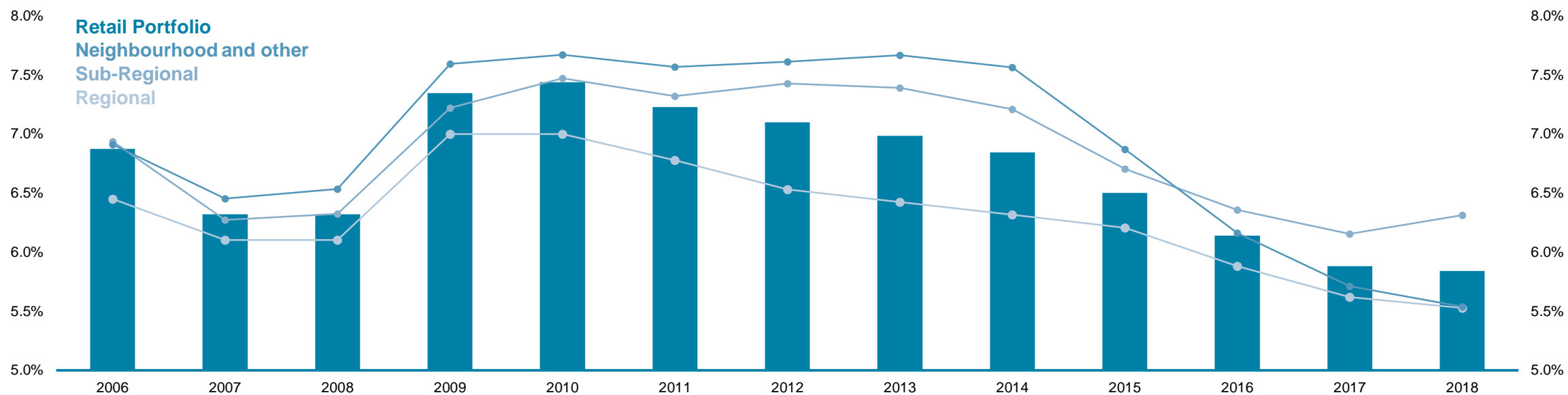
Retail Town Centres: Portfolio capitalisation rates

AS AT 30 JUN 2006 % ALLOCATION

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

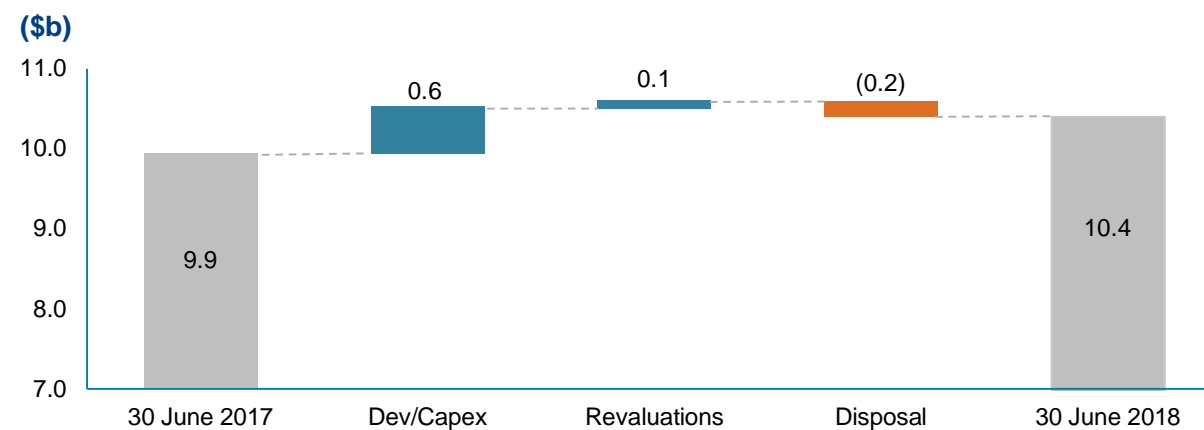
AS AT 30 JUN 2018 % ALLOCATION

Regional	54%
Sub-Regional	37%
Neighbourhood and Other	9%



Commercial Property: Revaluation and book value

Commercial Property book values: \$10.4b¹



76%
of all properties by
value were
independently valued
during FY18

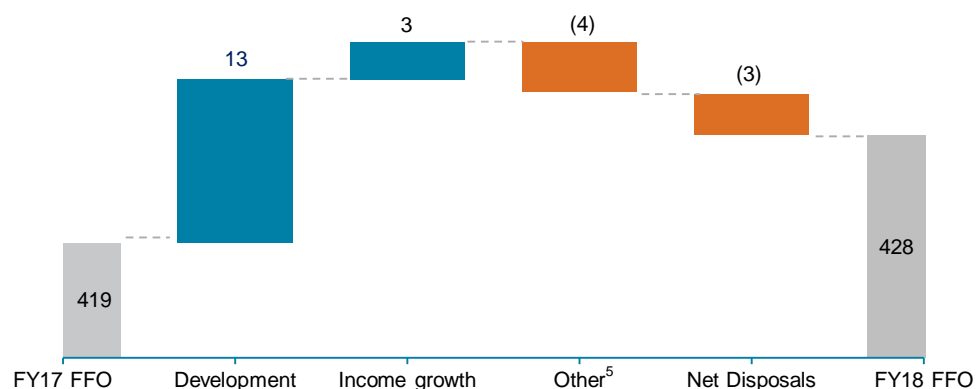
NET REVALUATION BREAKDOWN	RETAIL (\$M)	LOGISTICS (\$M)	WORKPLACE (\$M)	TOTAL(\$M)
Operating Assets	(108)	99	83	74
Development	47	18	-	65
Total net revaluations²	(61)	117	83	139

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

2. Excluding stapling adjustments related to owner occupied space

Retail Town Centres: Performance

Retail FFO movements between FY17 and FY18 (\$M)



Leasing activity

	NO. OF DEALS	AREA (SQM)	RENTAL GROWTH
Lease renewals	250	33,899	1.6%
New leases	195	26,711	-2.0%
Total portfolio	445	60,610	0.0%

1. Stable portfolio. FY18 basket different to FY17 basket
2. Adjusted for operational centre remixes and reconfiguration as well as retailers subject to administration
3. Assumes all leases terminate at earlier of expiry / option date

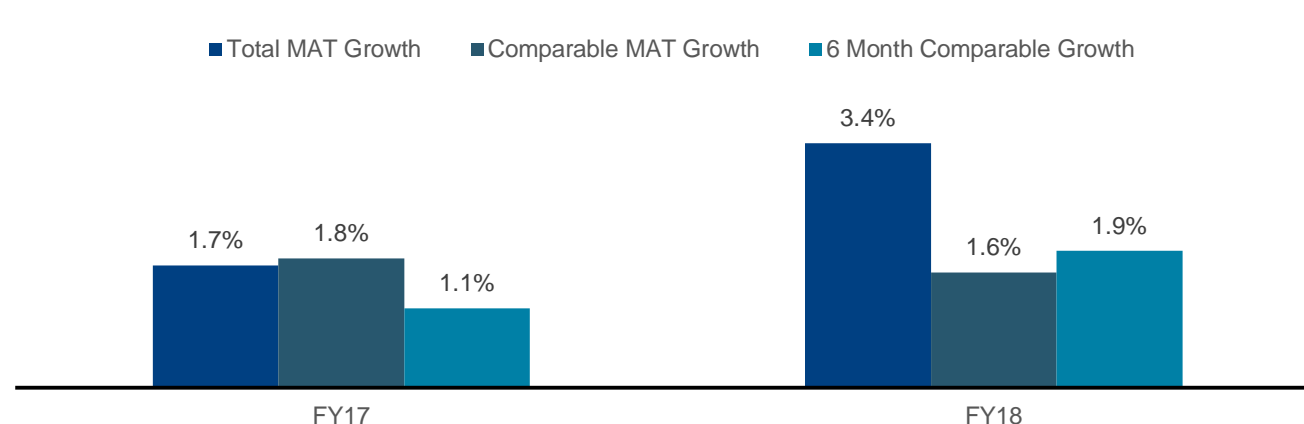
94%
on fixed
4-5%
increases per
annum

KEY METRICS (STABLE PORTFOLIO)	FY18	FY17
Occupancy	99.4%	99.5%
Specialty occupancy costs ¹	14.9%	15.0%
- Regional	16.3%	16.8%
- Sub-regional	13.7%	13.6%
- Neighbourhood centres	14.5%	14.5%
- Fixed annual increases	97%	97%
- CPI+	3%	3%
Tenant retention ²	61%	69%
Weighted average lease expiry ³	6.3 years	6.6 years
Options WALE ⁴	11.7 years	11.4 years

4. If all call options are exercised on Majors' leases
5. Impacted by higher "one off" income in FY17

Retail Town Centres: Sales growth for stable basket centres

Stable centres represent 85% of book value for this period



Below average¹
specialty
occupancy cost
14.9%

Specialty Sales/sqm
~10%
higher than
benchmark¹

	TOTAL MAT (\$M)	SGP TOTAL MAT GROWTH	12 MONTH COMPARABLE CENTRES GROWTH ²	6 MONTH COMPARABLE CENTRES GROWTH ²
Supermarkets	2,527	1.9%	0.9%	1.0%
Department / DDS	918	1.5%	0.6%	1.9%
Specialties	2,040	4.3%	1.1%	1.9%
Mini Majors/ Cinemas/Other	1,277	6.4%	4.4%	3.8%
Total	6,762	3.4%	1.6%	1.9%

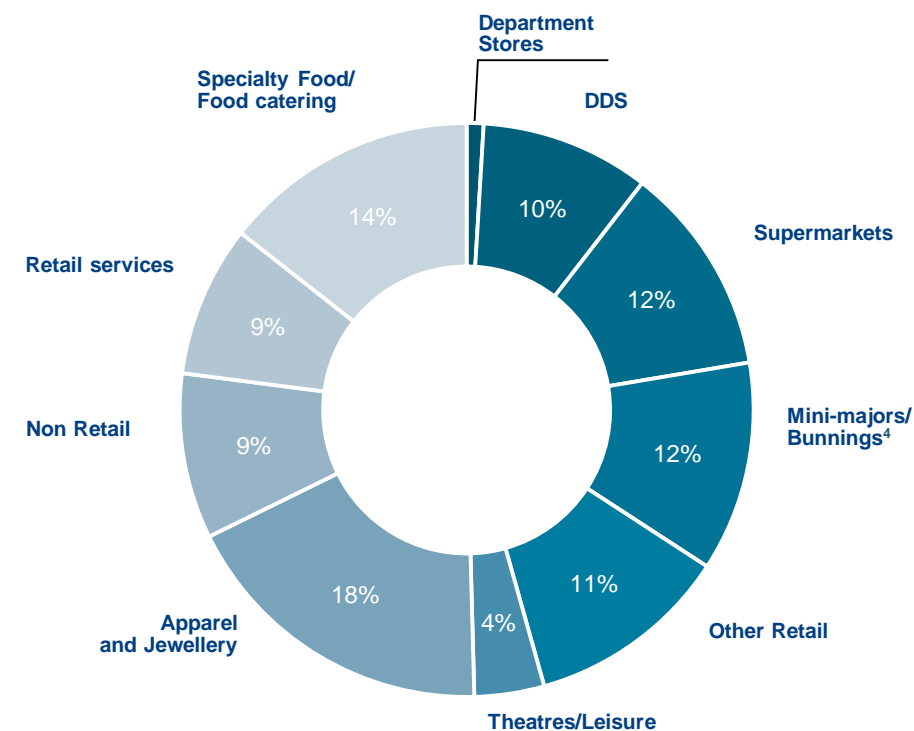
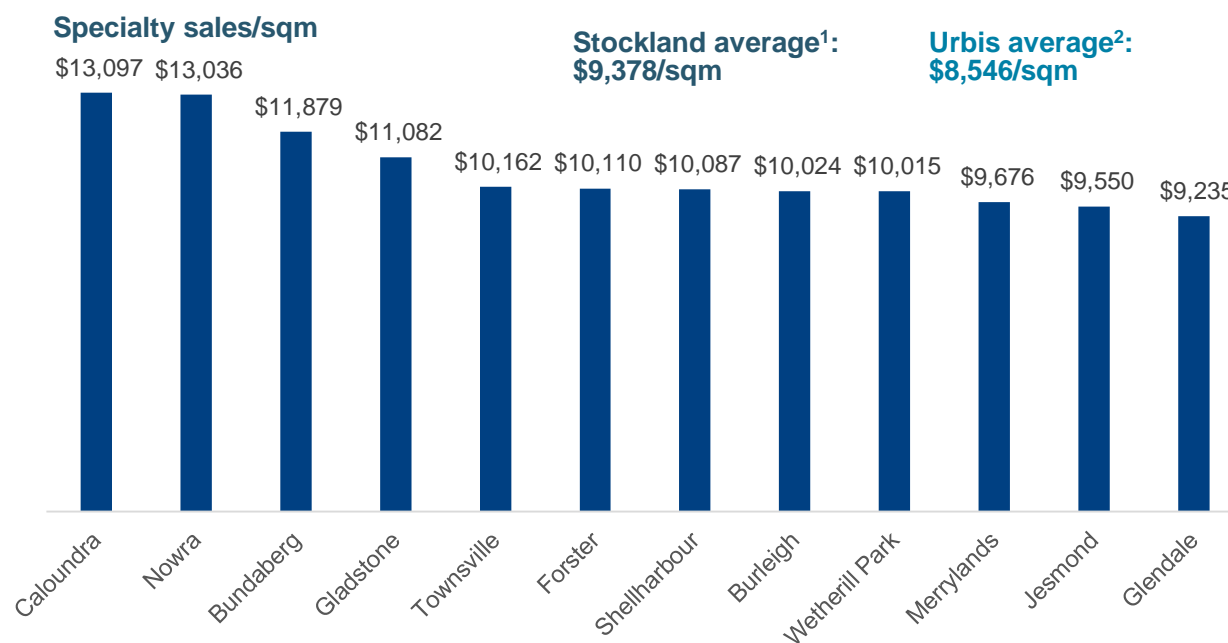
Stable basket of assets as per SCCA guidelines, which excludes centres which have been redeveloped within the past 24 months such as Green Hills. FY18 basket is different to FY17 basket

1. Urbis Sub-regional Shopping Centre Benchmark

2. Includes Stockland Harrisdale

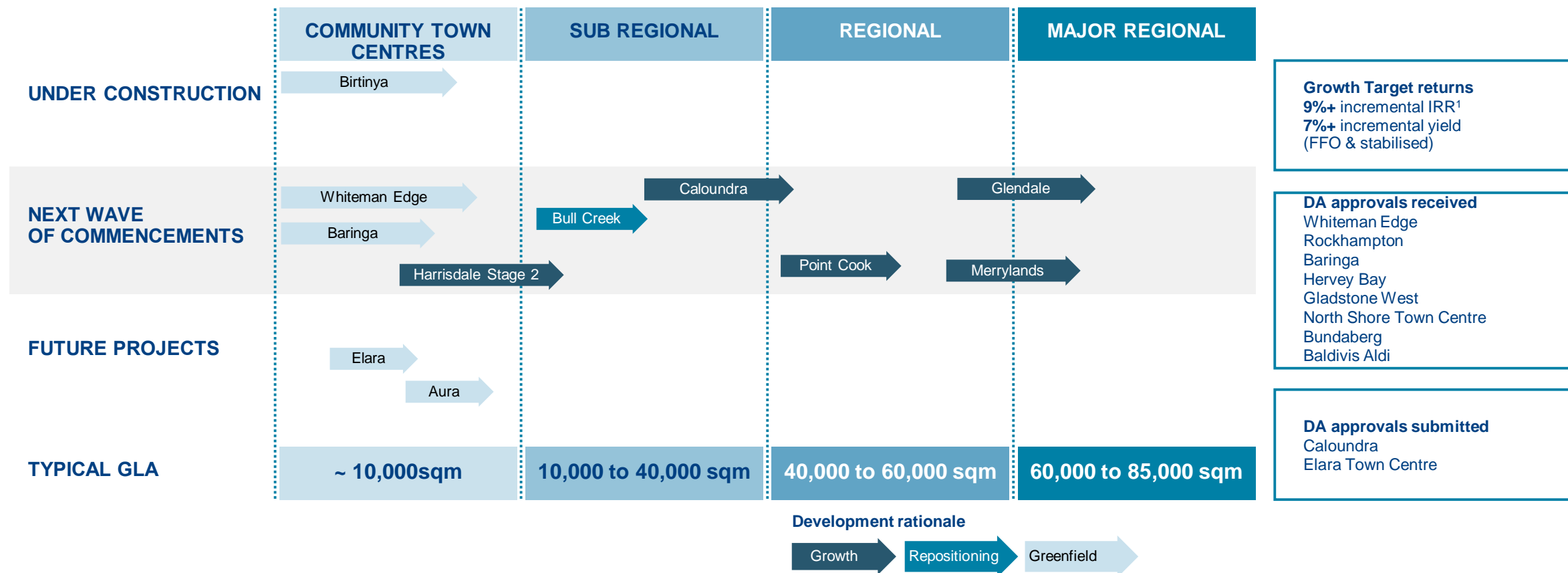
Strong sales performance and diversified rental income

Diversified rental income, non-discretionary focus³
 Low reliance on DDS and department store income



1. Stable centres basket specialty MAT PSM
2. Urbis specialty MAT PSM sub-regional benchmark
3. Total gross rent for the period
4. Bunnings included in Mini-majors for rental income

Retail Town Centres: Significant development pipeline driving growth and returns



1. Unlevered 10 year IRR on incremental development from completion

Retail Town Centres: Development pipeline

	EST. TOTAL INCREMENTAL COST (\$M)	COST SPENT TO DATE (\$M)	EST. COST TO COMPLETE (\$M)	EST. COMPLETION DATE	EST. FULLY LEASED YEAR ONE YIELD ¹	TOTAL INCOME LEASED	SPECIALTY INCOME LEASED ²	EST. INCREMENTAL RETURN ³ (%)	EST. TOTAL RETURN ⁴ (%)
COMPLETED									
Green Hills (NSW)	~421	401	~20	June 18	7.0%	98%	97%	~12.0	~10.5
Wendouree (Vic)	~37	31	~6	June 18	7.2%	95%	91%	~13.8	~10.5
Total	~458		~26						
UNDER CONSTRUCTION									
Birtinya (Qld)	~86	38	~48	FY19	6.5%	74%	54%	~9.0	~9.0
	~86		~48						
FUTURE PIPELINE									
	~500		~500						
Total	~586		~548						

1. Stabilised incremental FFO yield, includes property management fees to Stockland Corporation
2. All specialty income including shops, kiosks, ATMs and pad sites, excluding majors and mini majors
3. Unlevered 10 year IRR on incremental development from completion

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

Workplace and Logistics: Performance

Logistics

OCCUPANCY AND LEASE EXPIRY – BY INCOME	FY18	FY17
Occupancy	98.7%	99.0%
WALE	4.1 yrs	4.5 yrs

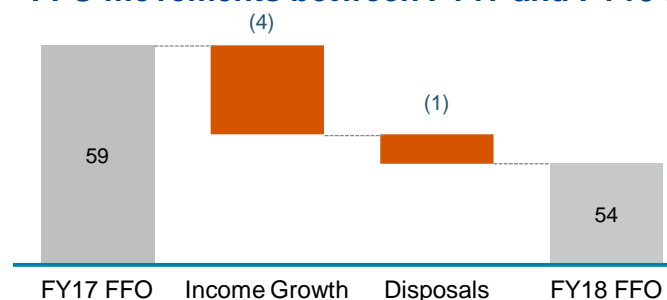
Workplace

OCCUPANCY AND LEASE EXPIRY – BY INCOME	FY18	FY17
Occupancy	88.3%	91.4%
WALE	3.5 yrs	3.6 yrs

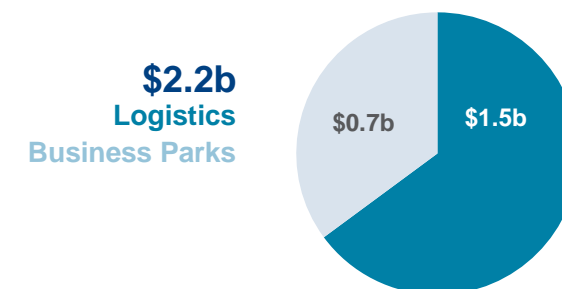
Logistics FFO movements between FY17 and FY18 (\$M)



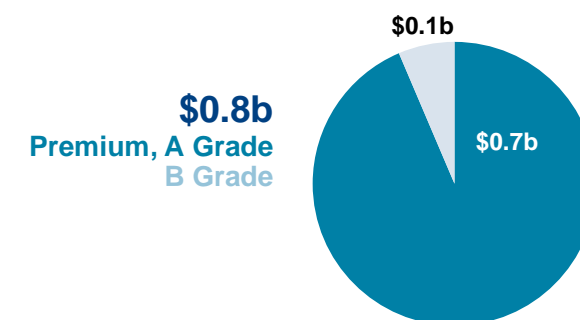
Workplace FFO movements between FY17 and FY18 (\$M)



Logistics assets by book value



Workplace assets by book value



Workplace and Logistics:

Growing & activating the development pipeline

	COMPLETED	ACTIVE DEVELOPMENT	PLANNING UNDERWAY	FUTURE WAVE
NSW	Coopers Paddock, Warwick Farm	Ingleburn (Stage 2)		Ingleburn (Stage 3)
	Waterside (Land Subdivision)			
		Yennora (Bldg 3 & 11)		Yennora (Bldg 1 & 2)
Vic			Macquarie Technology Park Stage 1	Macquarie Technology Park Stage 2-4
			Melbourne Industrial	Altona Industrial Estate Brooklyn (A & C)
Qld		Willawong Stage 1 ¹	Willawong Stage 2-5 ¹	
			Yatala	
			Oceanside	
SA				Port Adelaide DC
WA		Balcatta (Land Subdivision)		

Target returns
9%+ IRR (Greenfield)
7%+ incremental yield (FFO)

DA approvals received
 Yatala (Stage 1 & 2)
 Brooklyn (Building A & C)
 Balcatta Distribution Centre

DA approvals submitted
 Macquarie Technology Park (Stage 1) and masterplan approved

Development type

Greenfield Brownfield

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

Workplace and Logistics: Development pipeline

	DEVELOPMENT TYPE	EST. TOTAL INCREMENTAL COST (\$M)	GROSS LETTABLE AREA (SQM)	COST SPENT TO DATE (\$M)	EST. COST TO COMPLETE (\$M)	EST. COMPLETION DATE	EST. FULLY LEASED YEAR ONE YIELD ³	EST. RETURN ⁴	EST. TOTAL RETURN ⁵
COMPLETED¹									
Coopers Paddock, Warwick Farm (NSW)	Greenfield	77	51,100			FY18	7.3%	10.7%	10.7%
UNDER CONSTRUCTION									
Yennora (Blg 3 & 11) (NSW)	Brownfield	~26	22,600	17	~9	FY19	7.4%	~10.9%	~9.6%
Ingleburn Stage 2 (NSW)	Greenfield	~50	36,850	41	~9	FY19	7.7%	~10.4%	~10.4%
Willawong Distribution Centre (Qld)	Greenfield	~23	19,215	10	~13	FY19	8.0%	~10.2%	~10.2%
		~99	78,665		~31				
FUTURE PIPELINE		~600			~600		7%+	9%+	
Total		~699			~631				

1. Indicative metrics on completion
2. Stabilised incremental FFO yield, includes property management fees
3. Forecast unlevered 10 year IRR on development from completion (incremental development for brownfield)

4. Forecast unlevered 10 year IRR for existing assets and development from completion (incremental development for brownfield)

Logistics: Tenancy retention and new leasing metrics

	TOTAL LEASED ¹			RETENTION ¹ - 62% ²			NEW LEASES ¹		
LOGISTICS	GLA LEASED (SQM) ¹	WEIGHTED AVERAGE BASE RENT GROWTH %	WEIGHTED AVERAGE INCENTIVES ³	RETENTION (SQM) ¹	WEIGHTED AVERAGE BASE RENT GROWTH %	WEIGHTED AVERAGE INCENTIVES ³	NEW LEASES (SQM) ¹	WEIGHTED AVERAGE BASE RENT GROWTH %	WEIGHTED AVERAGE INCENTIVES ³
Sydney West	114,315	0.1%	10.5%	17,546	0.3%	10.0%	96,769	0%	10.6%
Business Parks	6,823	(0.7%)	14.8%	3,885	0.6%	15.8%	2,938	(2.4%)	13.6%
Qld	42,510	(3.9%)	12.4%	14,726	(4.0%)	8.9%	27,784	(3.9%)	14.9%
SA	44,380	0.8%	6.9%	44,380	0.8%	6.9%	-	-	-
Vic	116,417	(3.8%)	10.4%	32,911	2.8%	6.7%	83,506	(6.7%)	12.1%
Total	324,445	(1.6%)	10.8%	113,448	0.2%	8.9%	210,997	(2.6%)	11.8%

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

2. Represents the percentage (by income) of total executed deals, which were expiring leases renewed by existing customers during the period. Excludes new leases on vacant space

3. Incentives based on net rent

Retail Town Centres: Asset values

RETAIL PORTFOLIO	BOOK VALUE (\$M)	FY18 VAL.INCR/ (DECR) (\$M) ¹	CHANGE	CAP RATE	FY18 FFO (\$M)
Stockland Green Hills ²	807.4	47.0	6.2%	5.25%	27.2
Stockland Shellharbour	776.4	11.0	1.4%	5.50%	42.0
Stockland Wetherill Park	768.4	23.7	3.2%	5.25%	38.8
Stockland Merrylands	577.7	13.6	2.4%	5.50%	32.7
Stockland Rockhampton ²	383.0	(51.1)	(11.8%)	6.00%	23.8
Stockland Glendale	339.0	-	-	5.75%	20.7
Stockland Point Cook	254.5	15.1	6.3%	6.25%	15.3
Stockland Baldivis	203.9	0.2	0.1%	5.88%	11.9
Stockland Cairns	194.0	(25.4)	(11.6%)	6.50%	13.3
Stockland Burleigh Heads ²	194.0	0.3	0.1%	6.50%	12.4
Stockland Townsville (50%) ²	191.3	(39.9)	(17.2%)	5.75-6.50%	11.3
Stockland Hervey Bay	189.0	1.5	0.8%	6.50%	10.7
Stockland The Pines	183.8	-	-	6.00%	12.0
Stockland Wendouree ²	181.8	-	-	6.25%	10.1
Stockland Forster	172.5	(1.9)	(1.1%)	6.25%	11.3
Stockland Balgowlah	170.0	-	-	5.50%	9.9
Stockland Baulkham Hills	160.4	-	-	6.25%	10.1
Stockland Bundaberg	151.0	(4.6)	(2.9%)	6.50%	9.6
Stockland Caloundra	146.1	3.6	2.5%	5.75%	8.5
Stockland Jesmond	140.0	(29.2)	(17.2%)	6.75%	10.4
Stockland Gladstone	137.5	(16.9)	(11.0%)	6.75%	10.1
Stockland Nowra	129.8	-	-	6.25%	7.7
Stockland Cleveland	120.0	(2.7)	(2.2%)	6.00%	7.0

RETAIL PORTFOLIO	BOOK VALUE (\$M)	FY18 VAL.INCR/ (DECR) (\$M) ¹	CHANGE	CAP RATE	FY18 FFO (\$M)
Stockland Traralgon	101.5	-	-	6.75%	8.2
Stockland Bull Creek	99.0	(9.2)	(8.5%)	6.50%	6.9
Stockland Bathurst	97.5	0.3	0.3%	6.75%	6.9
Glasshouse (50%)	82.5	9.0	12.3%	4.00%	3.4
Stockland Riverton (50%)	65.8	(2.5)	(3.7%)	6.25%	4.8
Stockland Tooronga	62.0	(8.6)	(12.2%)	6.00%	4.2
Stockland Harrisdale ²	57.1	-	-	6.50%	3.6
Shellharbour Retail Park	56.1	1.4	2.4%	7.00%	4.4
Stockland Cammeray	49.4	-	-	5.75%	2.8
Stockland Highlands ⁴	43.0	7.3	20.3%	5.50%	2.5
Stockland Piccadilly (50%)	38.0	1.9	5.3%	5.50%	2.5
Stockland Kensington ²	30.5	(0.5)	(1.5%)	6.25%	1.7
Burleigh Central	21.0	0.1	0.4%	7.00%	1.6
North Shore Townsville	19.6	(3.0)	(13.1%)	6.50%	1.3
Woolworths Toowong ²	6.2	(0.8)	(11.9%)	n/a	(0.0)
T/ville, Kingsvale & Sunvale (50%) ²	2.5	(0.7)	(20.9%)	n/a	(0.1)
Subtotal Retail	7,403.2	(61.0)			421.5
Disposals	-	-	-	-	7.0
Other ³	-	-	-	-	(0.8)
Total Retail	7,403.2	(61.0)		WACR 5.8%	427.7

1. Movements due to independent valuations, except Green Hills which is due to Director's valuation
2. Properties impacted by development or still in stabilisation mode
3. Mainly relates to sundry properties
4. Asset held for sale. Cap rate not included in Retail WACR.

Workplace and Logistics: Asset values

LOGISTICS PORTFOLIO	BOOK VALUE (\$M)	FY18 VAL.INCR/ (DECR) (\$M) ¹	CHANGE	CAP RATE	FY18 FFO (\$M)
Yennora Distribution Centre	401.5	7.9	2.0%	6.50%	27.4
Optus Centre (51%)	229.5	2.6	1.2%	6.50%	15.7
Trinity Business Park	197.6	18.5	10.3%	6.50%	12.7
60-66 Waterloo Road	107.1	8.7	8.9%	6.25-6.75%	7.2
Brooklyn Distribution Centre	105.5	21.9	26.2%	6.75%	8.0
Ingleburn Logistics Park ³	104.4	0.0	0.0%	6.50%	6.9
Hendra Distribution Centre	97.5	2.2	2.3%	7.50%	5.8
Coopers Paddock, Warwick Farm ³	96.8	18.5	23.7%	5.75%	1.7
Mulgrave Corporate Park	93.6	-	-	7.00%	6.4
Port Adelaide Distribution Centre	85.1	(6.7)	(7.3%)	9.25%	9.7
Forrester Distribution Centre	81.3	-	-	6.75%	6.5
Granville Industrial Estate	67.2	9.3	16.1%	6.50-7.00%	4.7
Oakleigh Industrial Estate	61.8	6.0	10.8%	6.25%	3.7
Somerton Distribution Centre	61.5	8.8	16.6%	6.75-7.25%	5.4
Macquarie Technology Park	59.3	2.5	4.5%	6.63-7.50%	4.1
Altona Distribution Centre (Toll Drive)	55.3	2.6	4.8%	6.25-6.75%	4.0
Balcatta Distribution Centre	54.6	-	-	6.75%	3.3
16 Giffnock Avenue	54.5	2.6	5.0%	6.75%	3.8
23 Wonderland Drive	42.0	4.4	11.7%	6.25%	2.7
Altona Industrial Estate	36.7	-	-	7.25%	3.1
Cherry Lane	31.6	(0.7)	(2.1%)	6.50%	2.4
Wetherill Park Distribution Centre	29.4	3.2	12.1%	6.50%	1.8
Smeg Distribution Centre	28.4	3.3	13.3%	5.50%	1.6
Erskine Park	24.2	1.3	5.8%	5.75%	1.4
40 Scanlon Drive	9.6	0.5	5.3%	7.00%	0.9
Export Park Distribution Centre	6.6	0.2	2.6%	11.20%	0.6
M1 Yatala Enterprise Park	5.8	(0.6)	(8.8%)	n/a	-
Total Logistics	2,228.4	117.0		WACR 6.7%	151.5

WORKPLACE PORTFOLIO	BOOK VALUE (\$M)	FY18 VAL.INCR/ (DECR) (\$M) ¹	CHANGE	CAP RATE	FY18 FFO (\$M)
Piccadilly Complex ² (50%)	268.5	26.6	11.0%	5.63- 6.00%	15.2
135 King Street (50%)	212.5	31.3	17.3%	5.00%	9.6
Durack Centre	107.6	(6.0)	(5.3%)	8.00%	7.6
601 Pacific Highway	102.8	9.3	10.0%	6.50%	8.0
110 Walker Street	36.6	6.7	22.1%	6.25%	2.2
40 Cameron Avenue ⁴	22.0	(2.9)	(11.7%)	11.75%	4.2
80-88 Jephson Street ³	16.8	(0.6)	(3.3%)	8.00%	1.3
27-29 High Street ³	3.6	(0.0)	(0.5%)	6.50%	0.1
23 High Street ³	3.3	(0.1)	(2.6%)	6.50%	0.3
Subtotal Workplace	773.7	64.3			48.5
Disposals	(0.0)	18.4	(100%)	-	5.1
Other	-	-		-	0.2
Total Workplace	773.7	82.7		WACR 6.0%	53.8

1. Movements due to independent valuations
2. Piccadilly Complex includes Piccadilly Tower and Court
3. Properties impacted by development
4. Asset held for sale. Cap rate not included in Workplace WACR

Top 20 tenants by income

RANK	RETAIL PORTFOLIO		LOGISTICS PORTFOLIO		WORKPLACE PORTFOLIO	
	TENANT	% PORTFOLIO	TENANT	% PORTFOLIO	TENANT	% PORTFOLIO
1	Wesfarmers Ltd	11.6%	Optus Administration Pty Ltd	8.3%	Jacobs Group	7.0%
2	Woolworths Limited	10.4%	ACI Operations Pty Ltd	6.6%	Stockland Development Pty Ltd	6.8%
3	Commonwealth Bank of Australia	1.3%	Toll Holdings Ltd	5.6%	IBM Australia Ltd	6.5%
4	Prouds Jewellers Pty Ltd	1.3%	AWH (Australian Wool Handlers) Pty Ltd	3.3%	Brookfield Multiplex Ltd	4.0%
5	Just Group Limited	1.3%	Qube Holdings Ltd (Qube Logistics)	3.0%	Australian Bureau of Statistics	3.0%
6	H&M Hennes & Mauritz Pty Ltd	1.3%	Kmart Australia Pty Ltd	2.9%	The Uniting Church of Australia Property Trust	2.6%
7	Westpac Banking Corporation	1.2%	Downer Ltd	2.7%	Russell Investment Group Pty Ltd	2.2%
8	Priceline Pty Limited	1.2%	Daikin Australia Pty Ltd	2.3%	The University of Sydney	2.1%
9	The Reject Shop Limited	1.2%	Brownes Foods Operations Pty Ltd	2.1%	DXC Technology Australia Pty Ltd	2.0%
10	Noni B Group	1.1%	Icehouse Logistics Pty Ltd	1.7%	Government Property NSW	2.0%
11	Best & Less Pty Ltd	1.0%	New Aim Pty Ltd	1.7%	GHD Services Pty Ltd	1.9%
12	Pretty Girl Fashion Group Pty Ltd	0.8%	Idameneo Ltd (Lavery Pathology)	1.7%	Fleet Partners Pty Ltd	1.7%
13	ANZ Banking Group Ltd	0.8%	Austpac Pty Ltd	1.6%	Smartsalary Pty Ltd	1.6%
14	Luxottica Retail Australia Pty Ltd	0.8%	Automotive Holdings Group Limited	1.5%	Minister for Works	1.5%
15	Myer Pty Ltd	0.8%	CSR Ltd	1.4%	Optus Administration Pty Ltd	1.5%
16	National Australia Bank Limited	0.8%	Chubb Security Holdings Australia Pty Ltd	1.3%	Linkforce Hire Pty Ltd	1.4%
17	ALDI Foods Pty Limited	0.7%	Citrix Systems Asia Pacific Pty Ltd	1.2%	Moore Stephens Sydney Pty Ltd	1.4%
18	JB HI-FI Group Pty Ltd	0.7%	Specialty Packaging Group Pty Ltd	1.2%	Rice Daubney (HDR)	1.3%
19	Cotton On Clothing Pty Ltd	0.7%	Janssen Cilag Pty Ltd	1.1%	Infosys Technologies Australia Pty Ltd	1.2%
20	Specsavers Pty Ltd	0.7%	Boral Constructions Materials Ltd	1.1%	M&D Services Pty Ltd	1.2%
		39.7%		52.3%		52.9%

Commercial Property disposals

PROPERTY DISPOSED	ASSET CLASS	TYPE	SETTLEMENT DATE	DISPOSAL VALUE ¹ (\$M)
Stockland Corrimal, NSW	Retail	Income Producing	Oct 2017	69.3
77 Pacific Highway, North Sydney, NSW	Workplace	Income Producing	May 2018	112.4
Stockland Wallsend, NSW	Retail	Income Producing	Jun 2018	81.0
Total Asset Disposals				262.7

DISPOSALS POST BALANCE DATE	ASSET CLASS	TYPE	SETTLEMENT DATE	DISPOSAL VALUE ¹ (\$M)
Stockland Highlands, Vic	Retail	Income Producing	Jul 18	47.3
40 Cameron Ave, Belconnen, ACT	Workplace	Income Producing	Jul 18	23.9
Total Asset Disposals				71.2

1. Excludes associated disposal costs

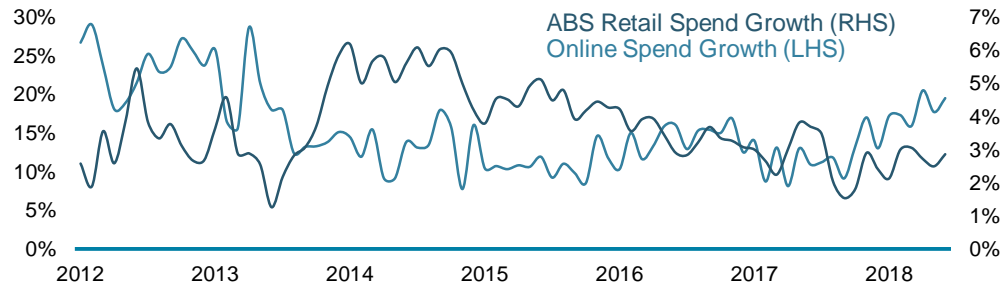
Research Annexure

Economic Overview

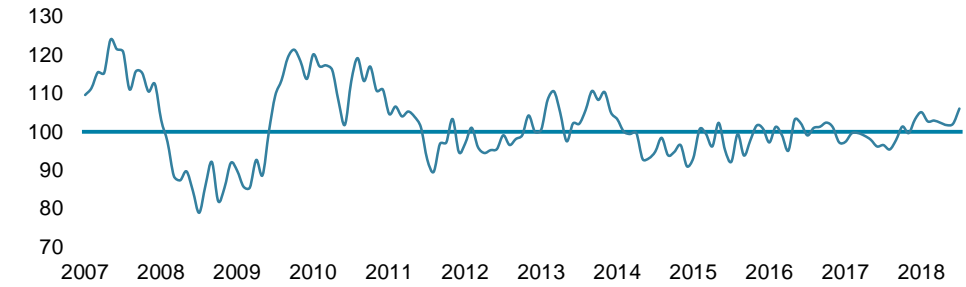
Cloverton, Vic

Australia: Retail drivers

Rate of growth in online retail spend¹ rising through FY18

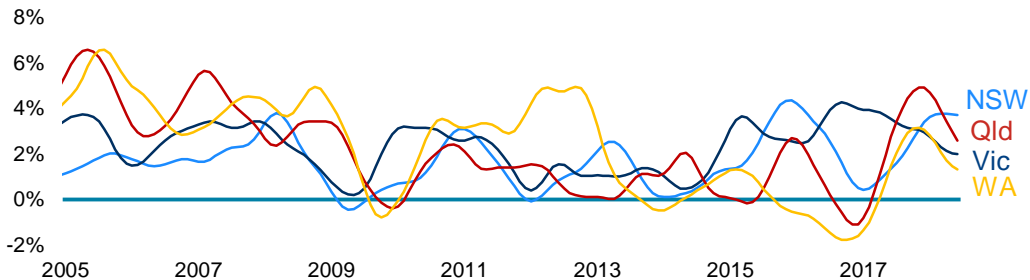


Consumer Sentiment highest in 4½ years²

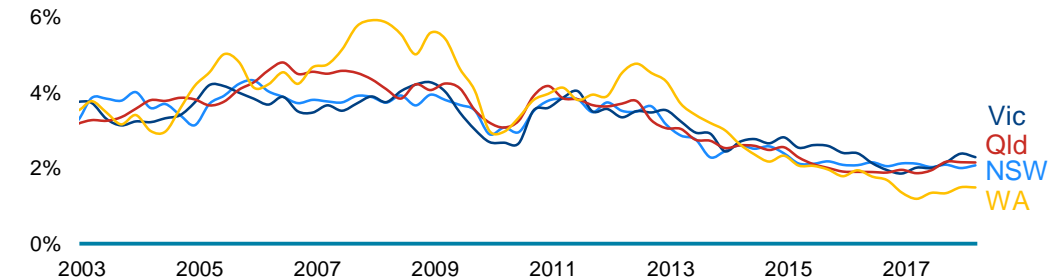


Employment growth easing across all markets³

Employment growth (Annual trend % change)



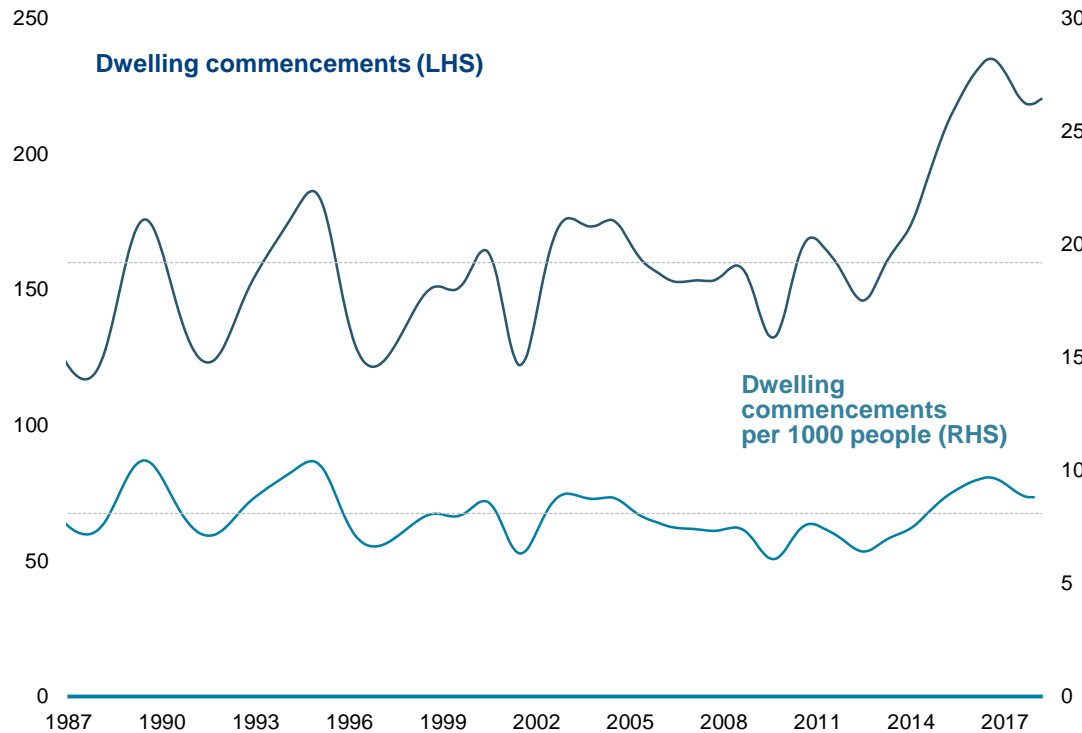
Despite robust employment growth, wage growth outcomes remain weak⁴



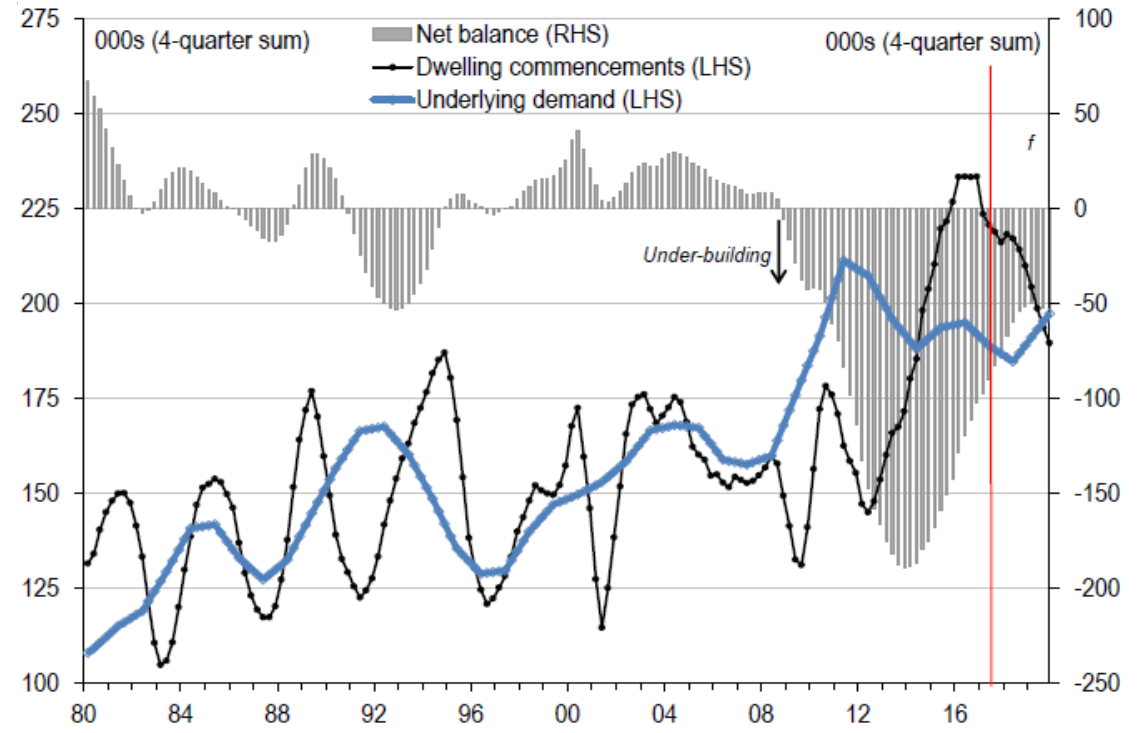
1. Bricks and Mortar spend (\$) taken from ABS, \$ amount of online spend estimated from Quantum%
2. Westpac - University of Melbourne Consumer Sentiment Survey July 2018
3. ABS 6202.0 - Labour Force, Australia, June 2018
4. ABS 6345.0 - Wage Price Index, Australia, March 2018

Dwelling commencements maintained at high level historically

Dwelling commencements are elevated, but reverting to long term averages on a per capita basis and past their peak¹



Pent up dwelling demand still evident²

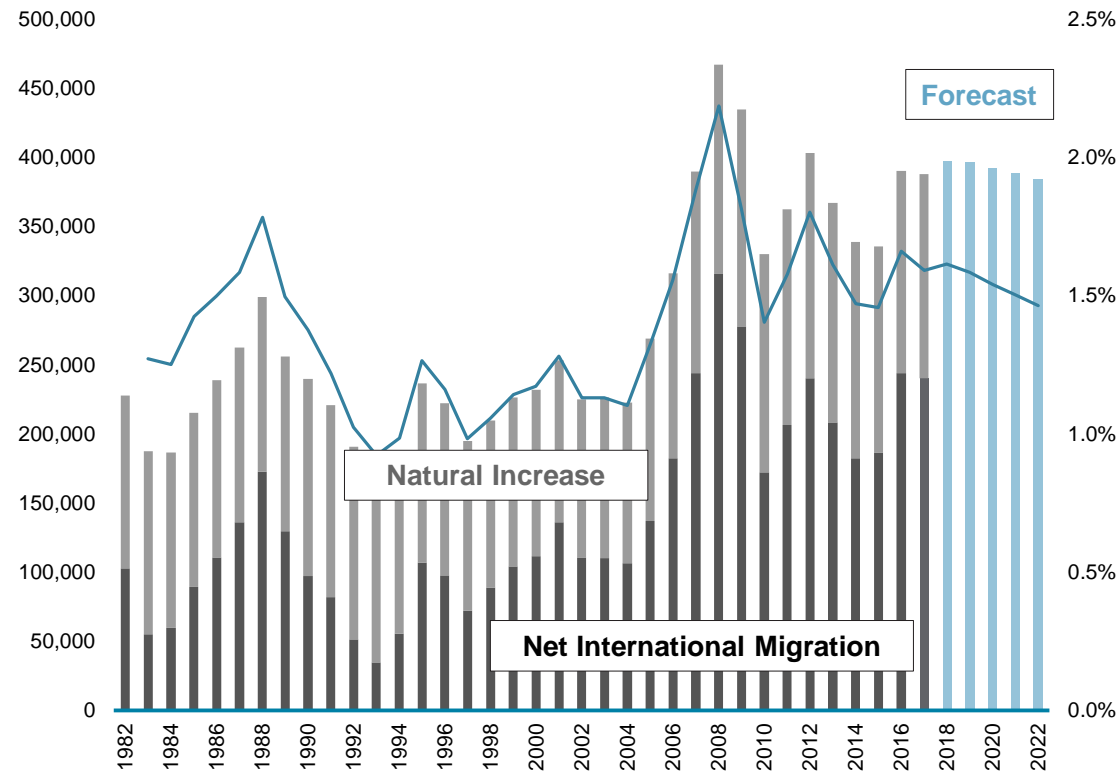


1. ABS 8752.0 - Building Activity, Australia, March 2018, 3101.0 - Australian Demographic Statistics, Dec 2017, Stockland Research

2. UBS Economics, January 2018

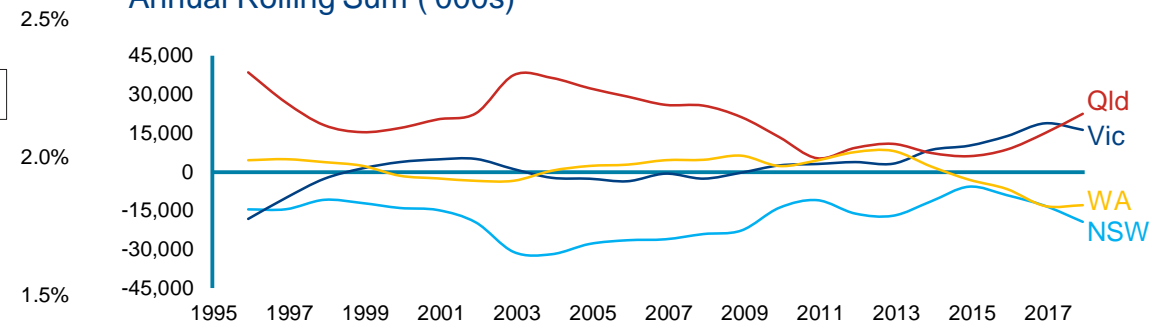
Population growth continues to underpin dwelling demand

AUS population growth – Annual^{1,2}



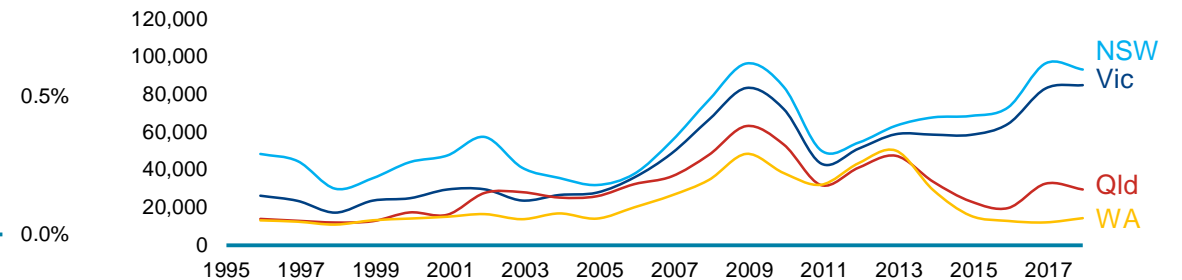
Qld and Vic - strong positive interstate migration¹

Annual Rolling Sum ('000s)



NSW and Vic - strong overseas migration¹

Annual Rolling Sum ('000s)

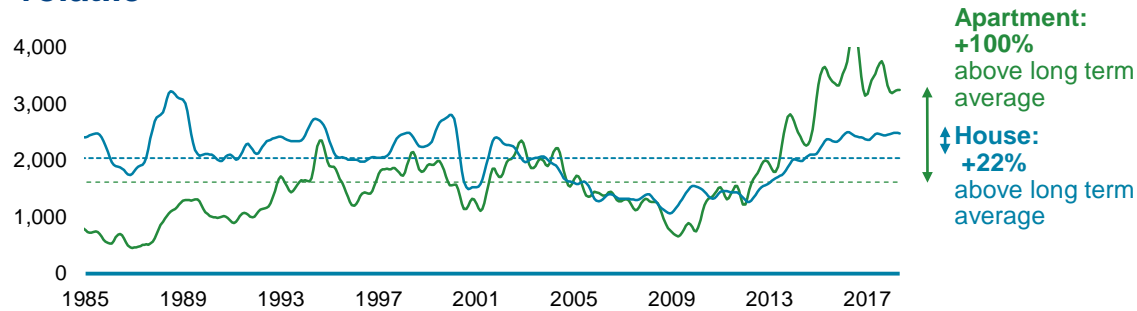


1. ABS 3101.0 - Australian Demographic Statistics, Dec 2017

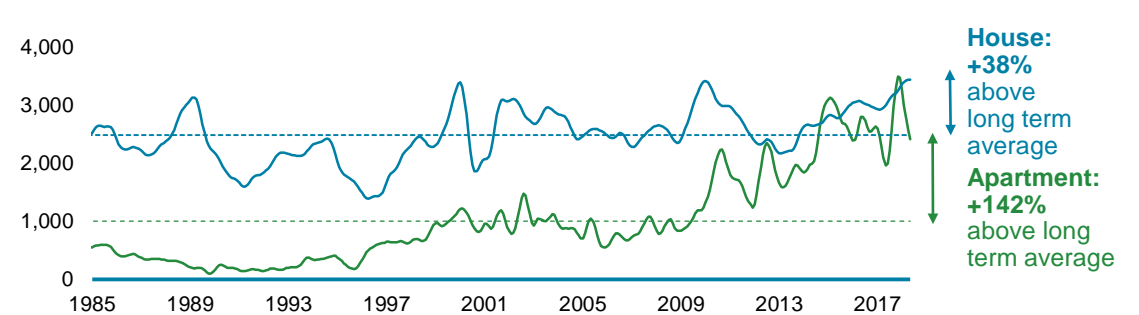
2. Deloitte Access Economics Business Outlook June 2018

National building approvals¹

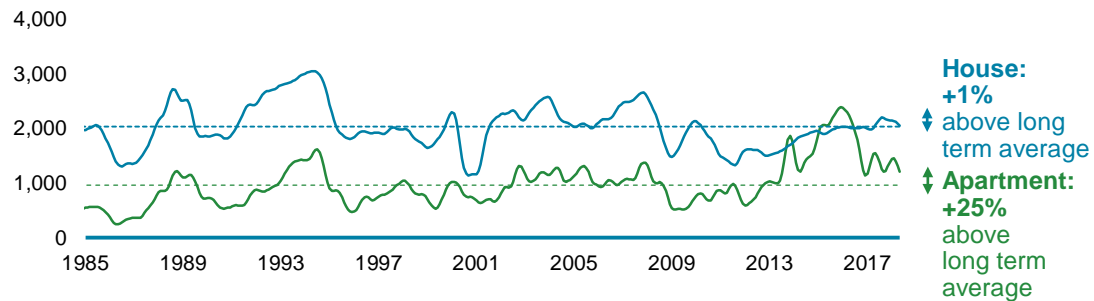
NSW house approvals steady; unit approvals volatile



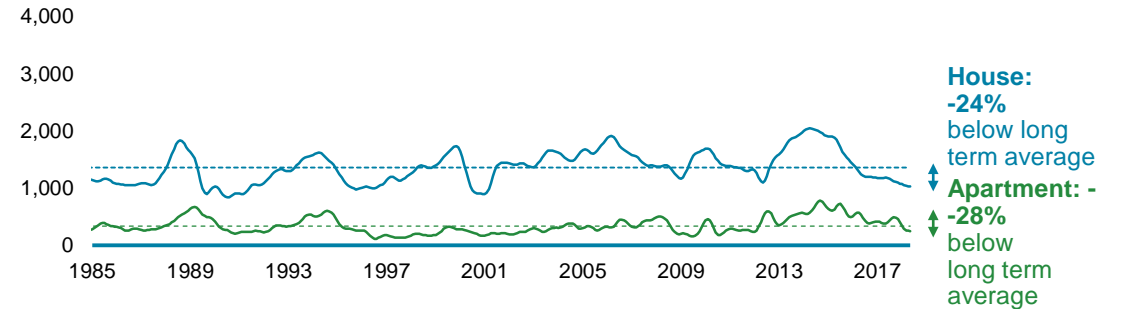
Vic house approvals now at historical highs



Qld house approvals steady; unit approvals now half peak levels



WA house and unit approvals trending lower, unit approvals now below long term average

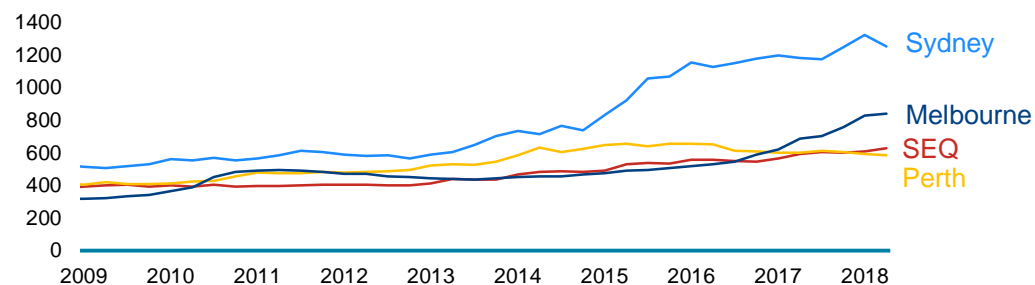


1. ABS 8731.0 – Building Approvals, May 2018

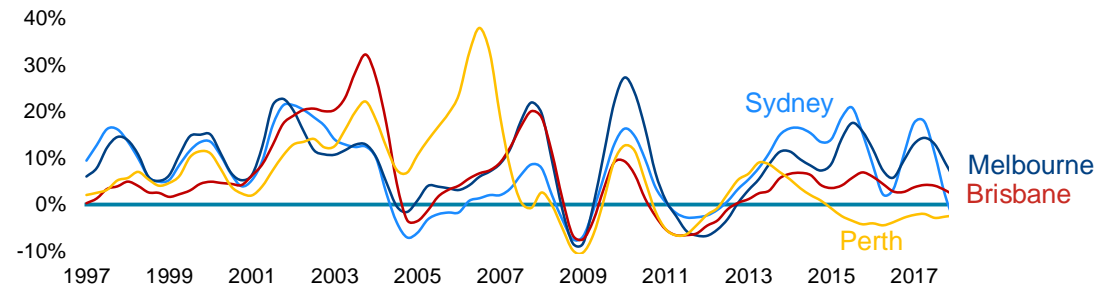
National house and land prices

Largest house price declines occurring in upper end of housing market

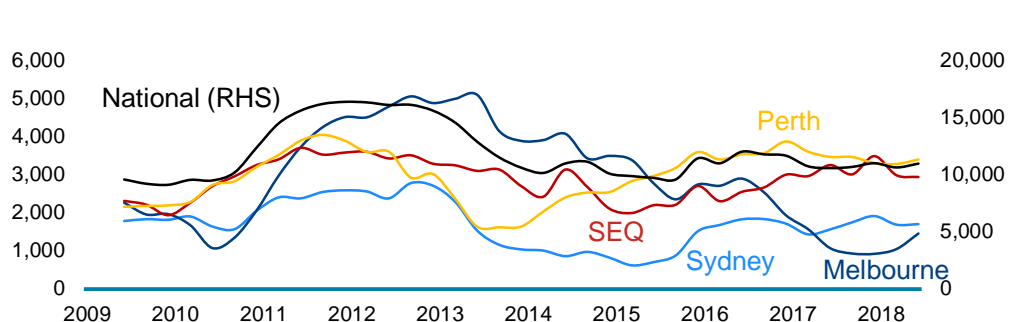
Land Price per sqm¹



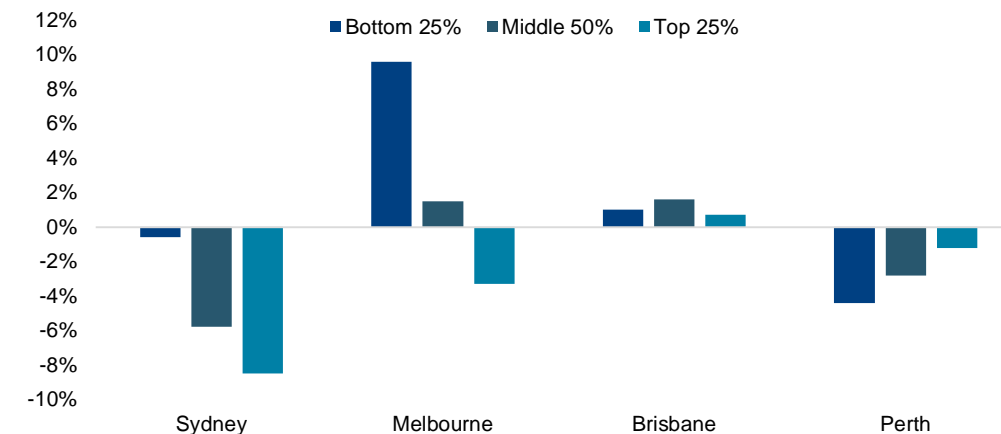
Capital City House Prices – Rolling Annual Change²



Closing stock of land lots¹



FY18 price falls largest in more expensive regions of Sydney and Melbourne²



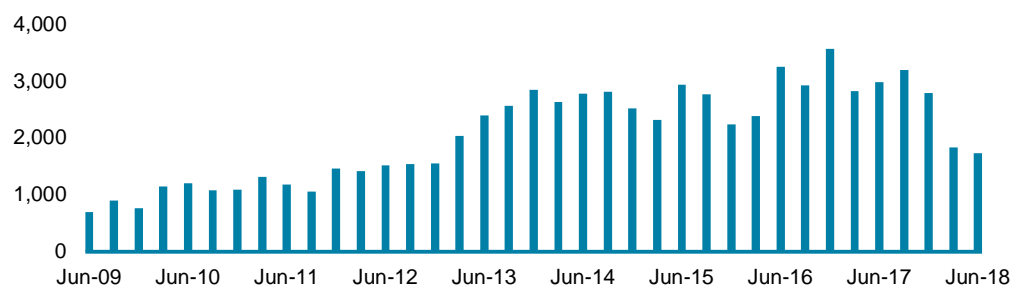
1. National Land Survey Program June Qtr. 2018, Research4

2. CoreLogic June 2018

Vacant land market easing on east coast, WA volumes stable¹

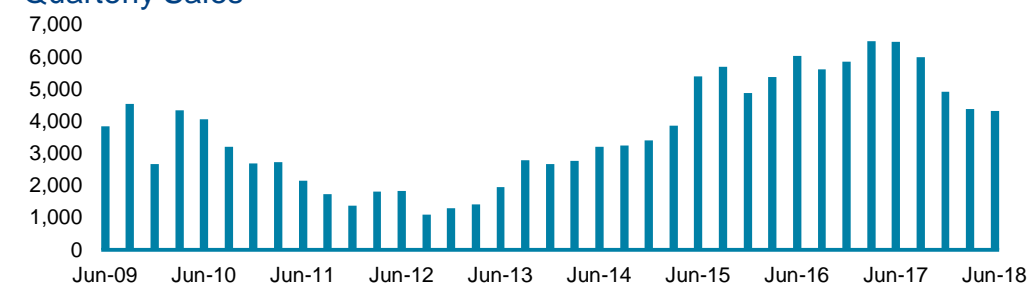
NSW vacant land sales lower with moderating demand

Quarterly Sales



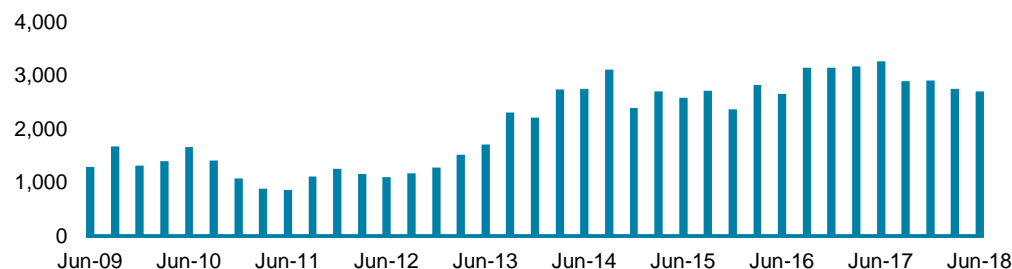
Vic vacant land sales volumes stable in June quarter after falling from historic highs

Quarterly Sales



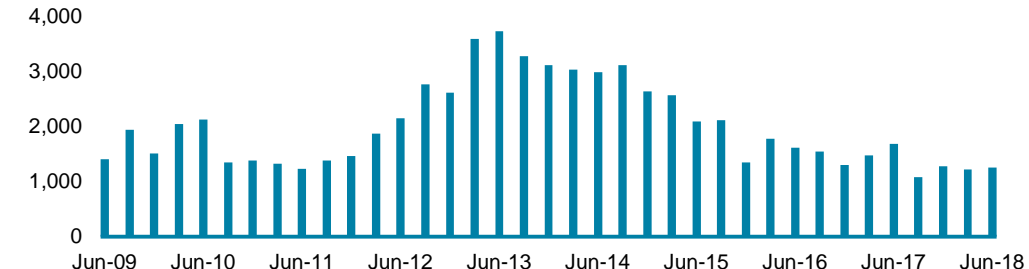
SEQ land market volumes remain strong

Quarterly Sales



Perth vacant land sales yet to show real growth

Quarterly Sales



1. National Land Survey Program June Qtr. 2018, Research4

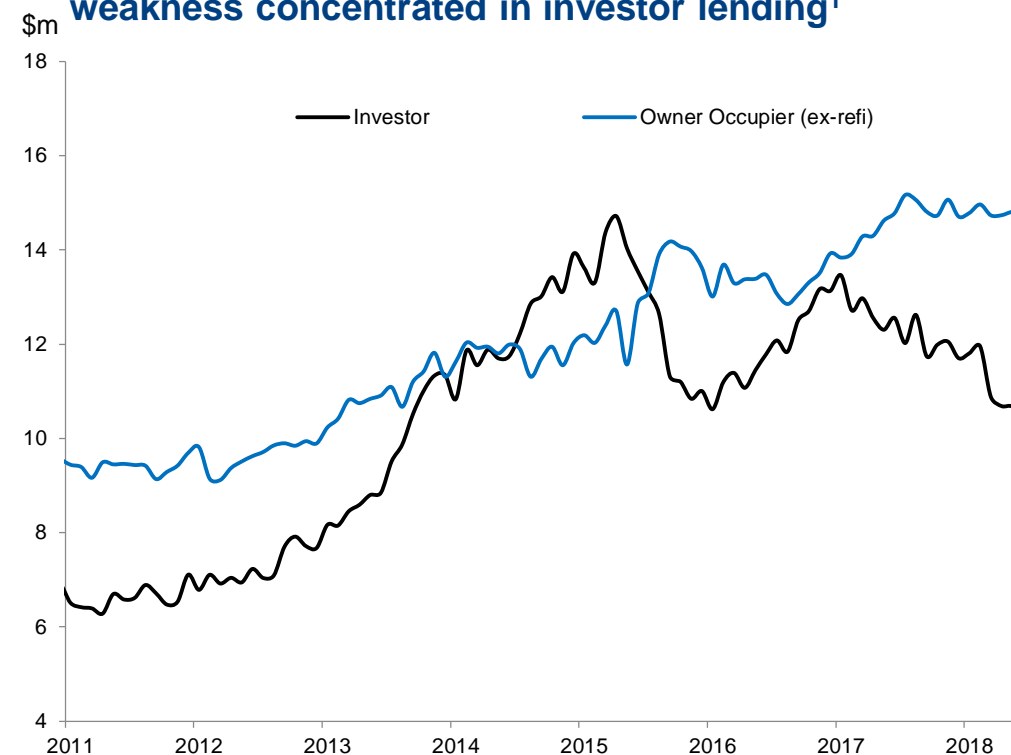
Housing finance

First home buyers and owner-occupied housing finance strong

First Home Buyer lending percentage at six year highs¹



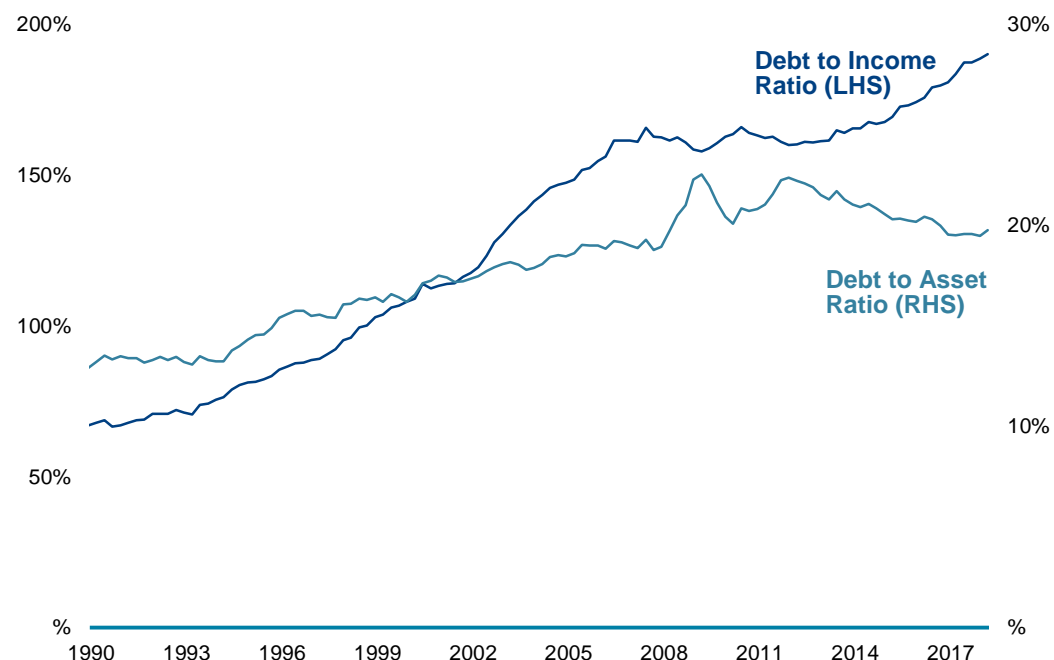
Residential Loan Approvals, weakness concentrated in investor lending¹



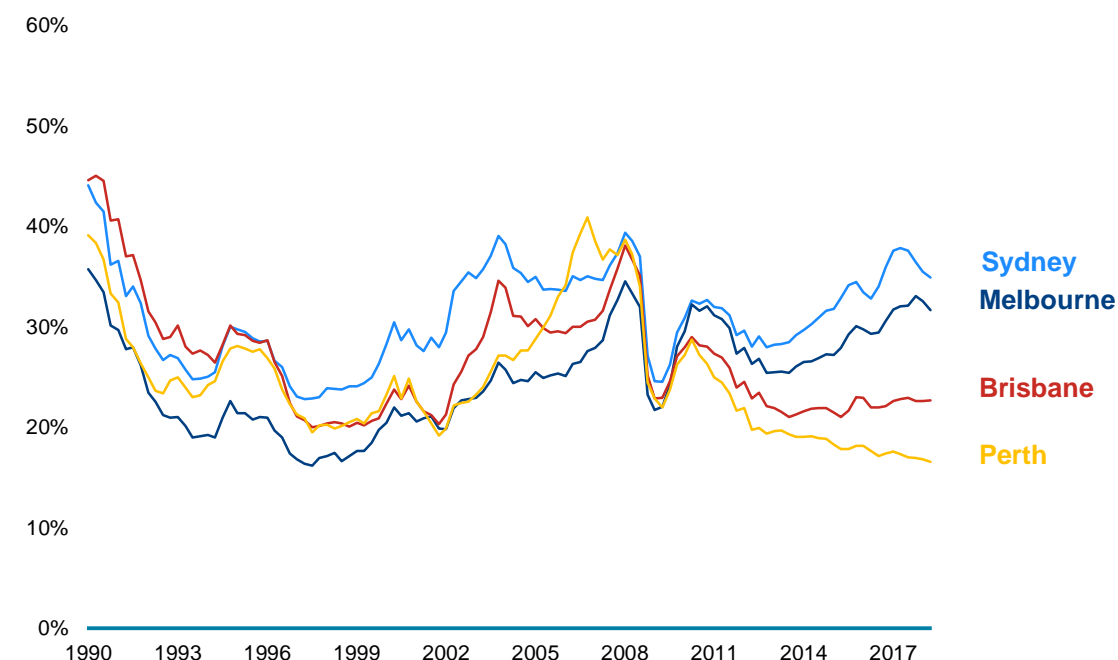
1. ABS Housing Finance June 2018, Cat. No. 5609.0

Household affordability trends

Household Debt-to-Asset ratio stable,
Debt-to-Income rising¹



Affordability improving in Sydney, Melbourne and Perth as
house prices continue to ease, steady in Brisbane as prices
hold and wage growth remains weak²



1. RBA, ABS, Stockland Research
2. Mortgage repayments as a percentage of household income, ABS, RBA, CoreLogic, Stockland Research

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