Macquarie Bank Securities Conference – September 07
Nick Perrignon

Stockland

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Agenda

1. Residential Market Overview
2. New Housing Market
3. Stockland Track Record
4. Positive Outlook

Boardwalk, QLD

1. Market Overview - Residential

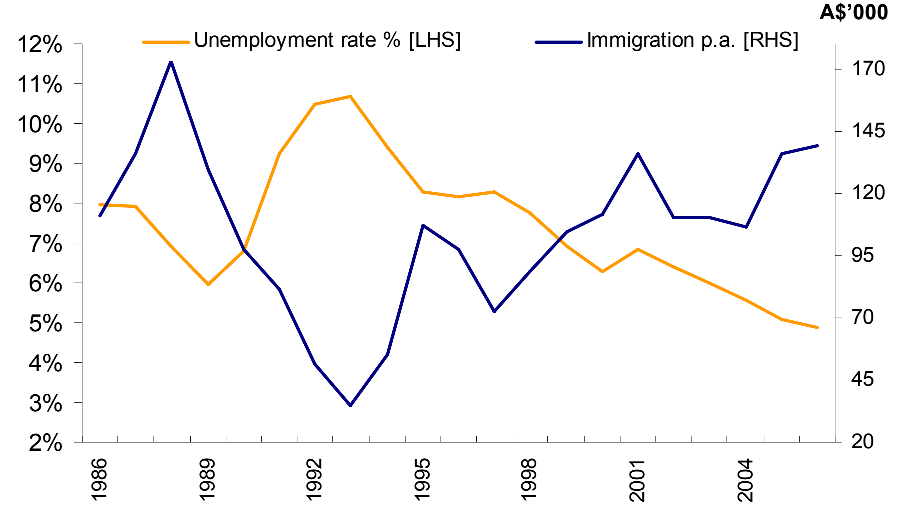
Positive Outlook

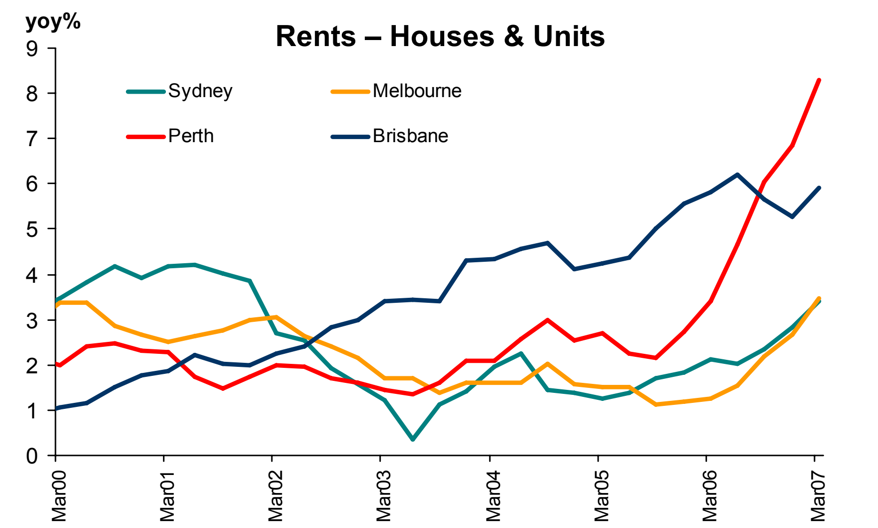
- Strongest population growth for 15 years ✓
- Changing demographics fuelling demand ✓
- Unemployment rate at an all time low ✓
- Historically low interest rate environment ✓
- Residential vacancies near all time lows ✓
- Residential rents growing strongly ✓
- Restrictions on planning affecting availability of new supply ✓

Areas of concern

- Interest rate fears ?
- Housing affordability ?

Low unemployment is supporting strong immigration growth



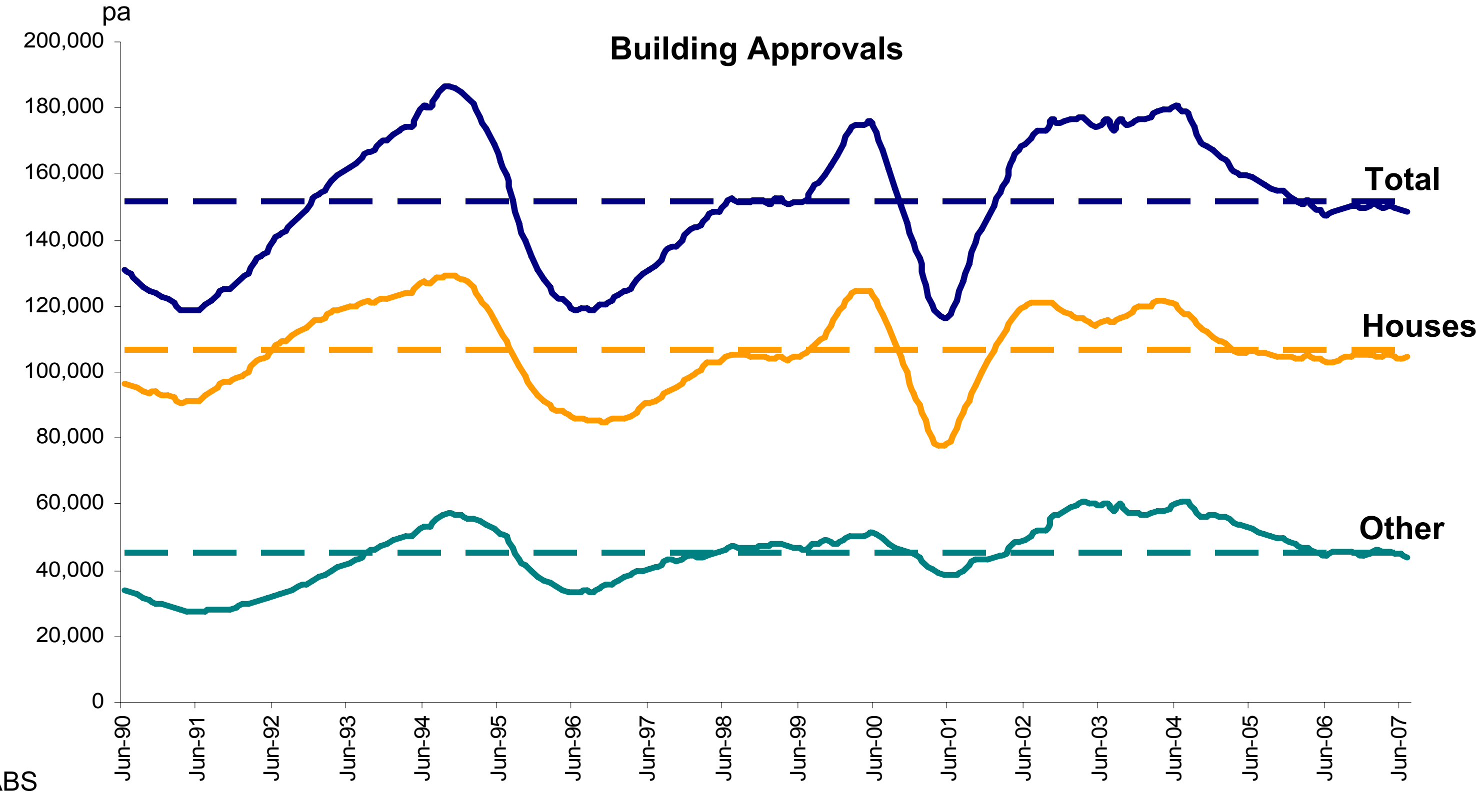


Source: ABS

Market Environment

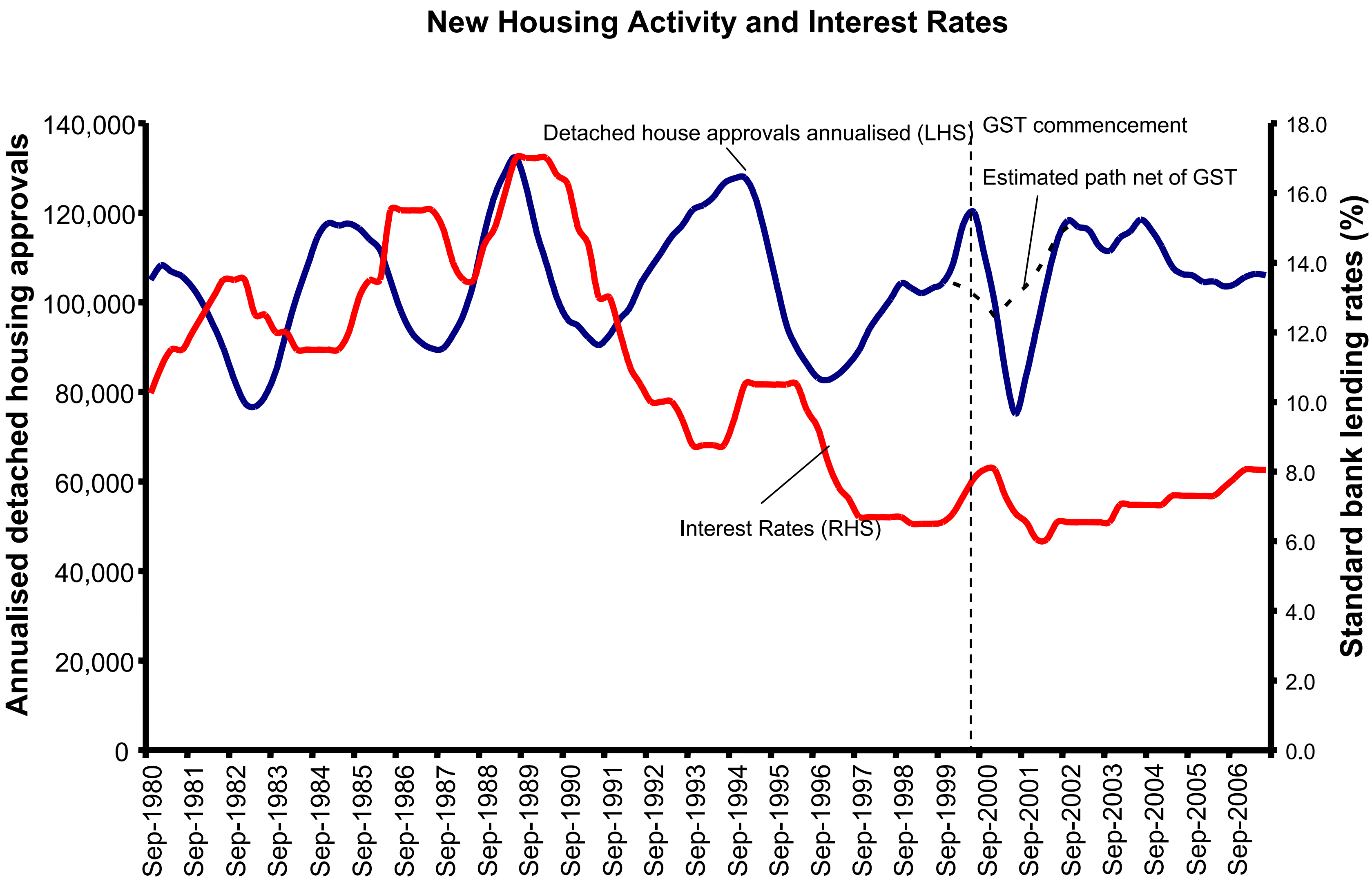
What is the Structure of the Residential Market?

- Total population 21 million people
- Highly urbanised
- Annual new dwellings FY07 – 156,000 (A$30.2 billion)



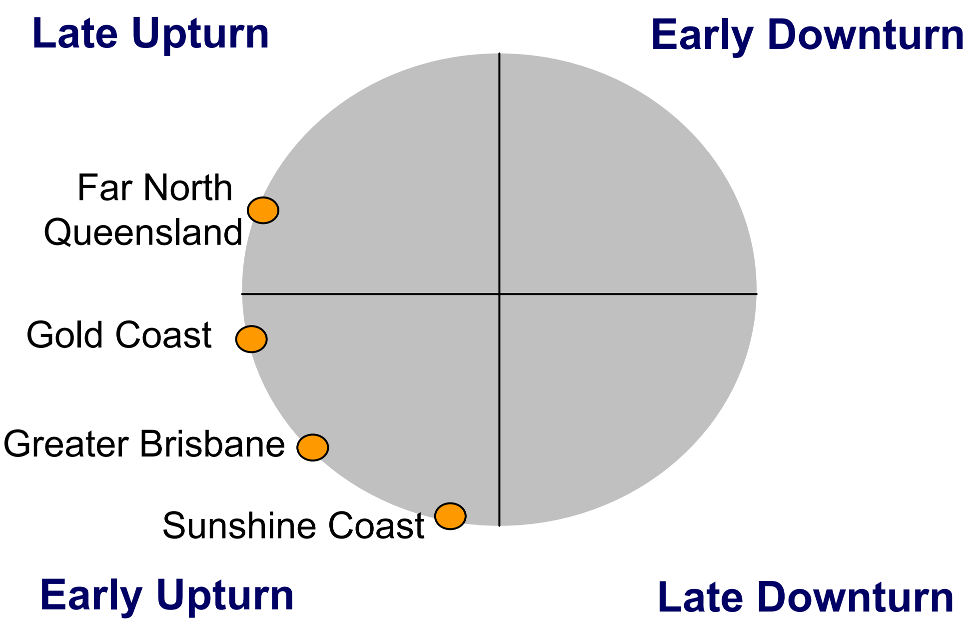
Source: ABS

High vs Low Interest Rate Environment



Source: ABS/RBA

Queensland Property Clock



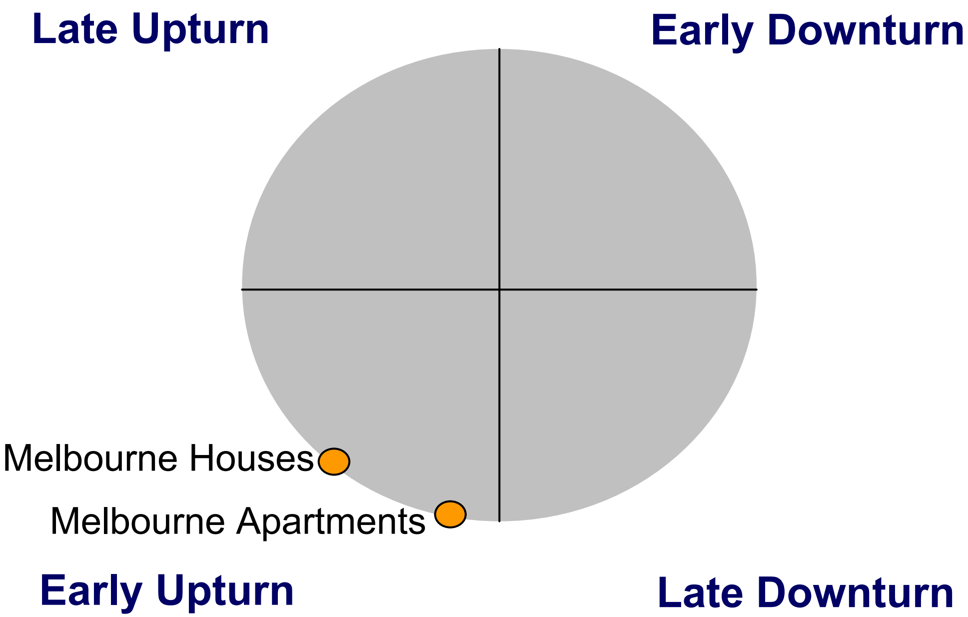
Key Drivers

- Abundant employment and population growth
- Far North Queensland resource projects (fly in/fly out), military growth
- Affordability still remains reasonable

- **Supply shortages still exists in 3 out of 4 regional markets**

As at September 2007

Victoria Property Clock



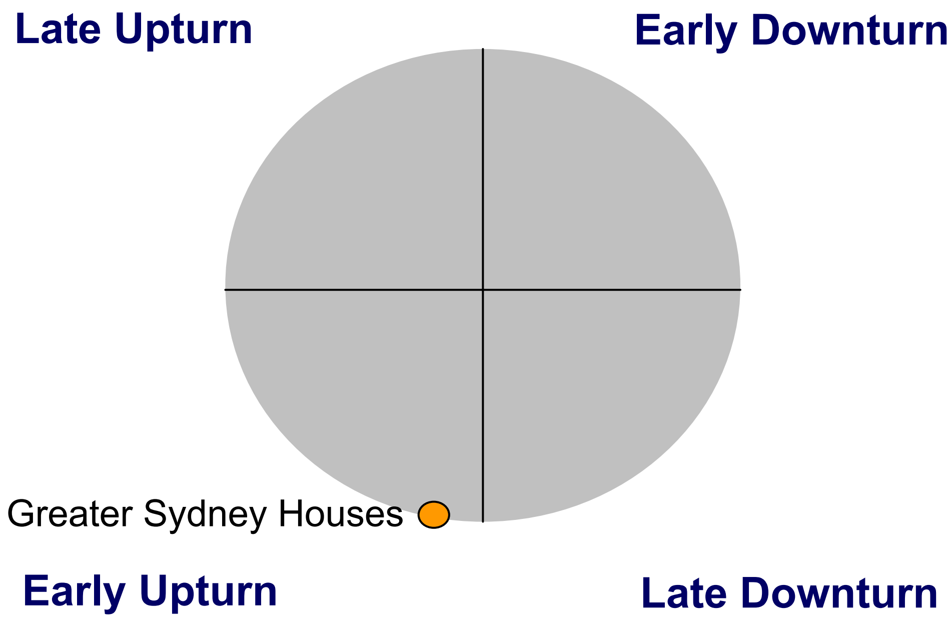
Key Drivers

- Affordability is good
- Enhanced population growth
- Inner city established housing 20-30% price growth over 18 months

- **Population growth and consumer sentiment beginning to positively move the cycle**

As at September 2007

New South Wales Property Clock



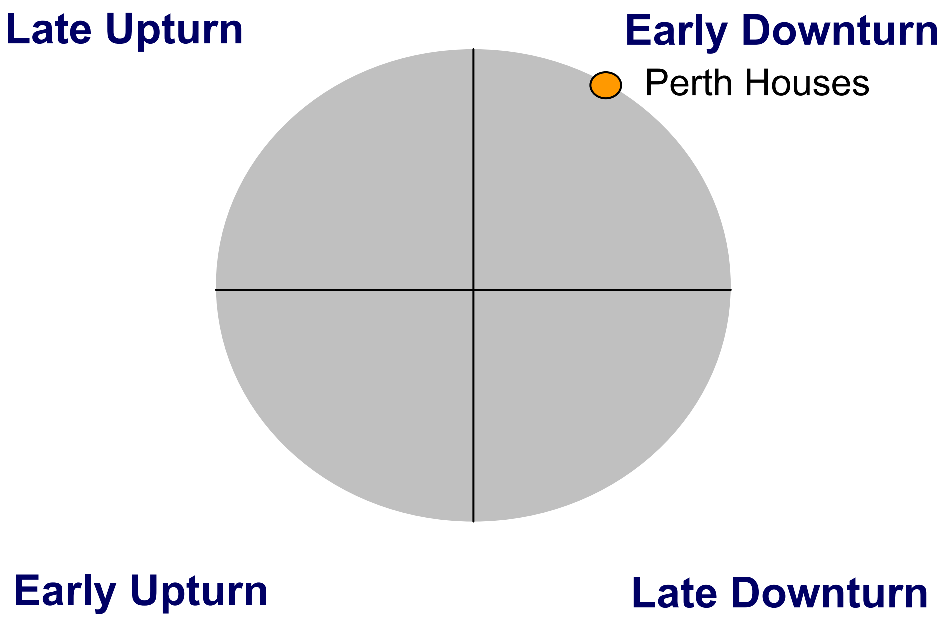
<u>Key Drivers</u>

- Change in consumer sentiment will be a key factor
- Ability to sell fringe established housing gradually returning
- Government infrastructure policies must be revamped

- **The Sydney housing market has shown tentative signs of recovery, with improvements in economic fundamentals**
- **Affordability still a major challenge for median wage population**

As at September 2007

Western Australia Property Clock



Key Drivers

- Resource boom will continue to drive demand
- Significant strength in established owners equity, downsizing to new trendy affordable product will continue

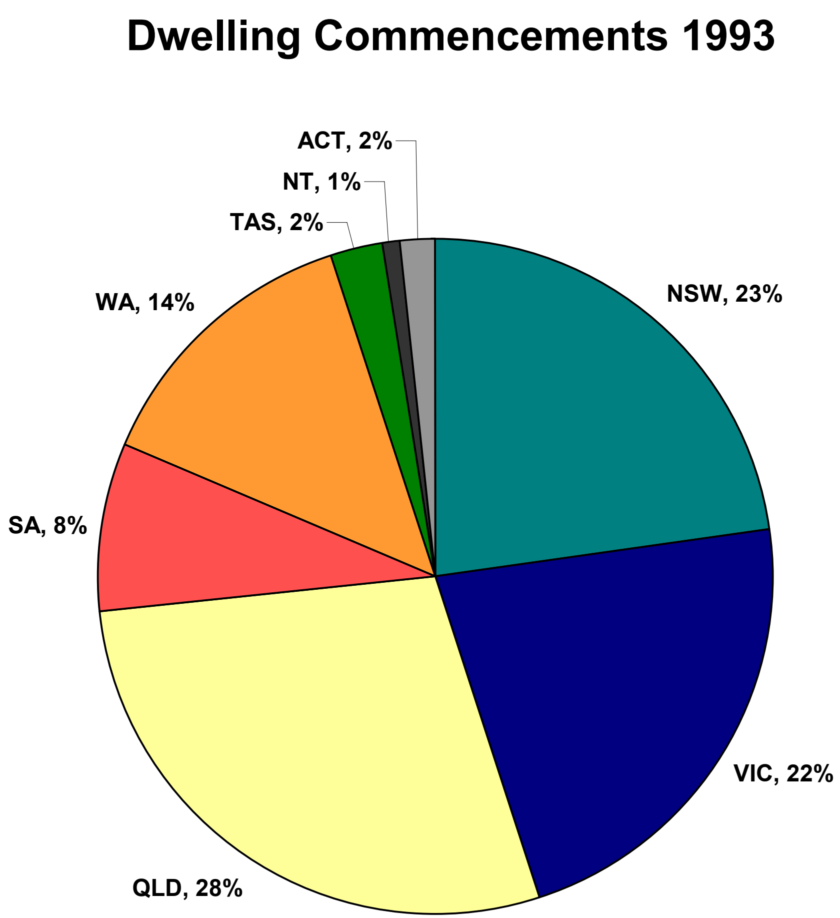
- **The Perth market has shown signs of softening, but is still robust**
- **Employment growth and wages growth still strong**
- **Normalised market order is returning**

As at September 2007

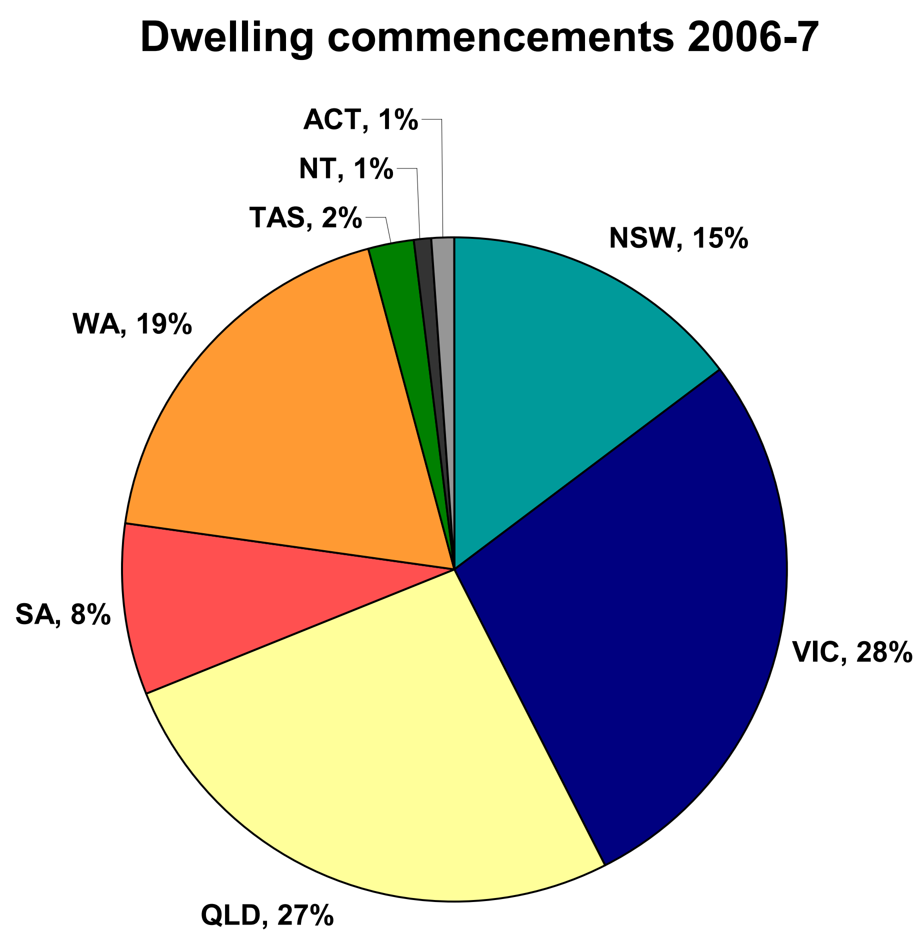
2. New Housing Market

- Market size
- Partnering
- Housing product trends
- Brand segments

Market Size - Value of Detached Housing Commencements



Total $10.6 billion



Total $30.2 billion

Source: ABS

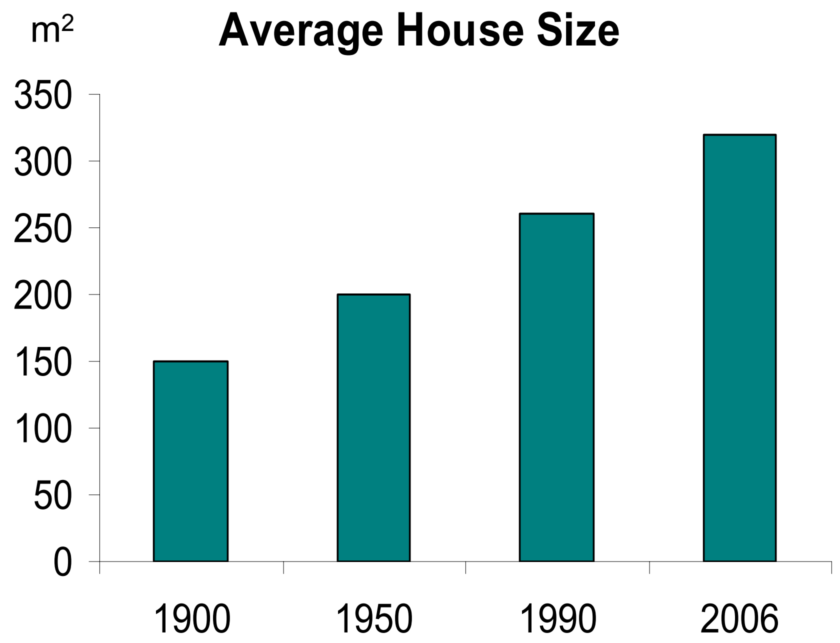
Leveraging Contract Builders into the Stockland Business Model

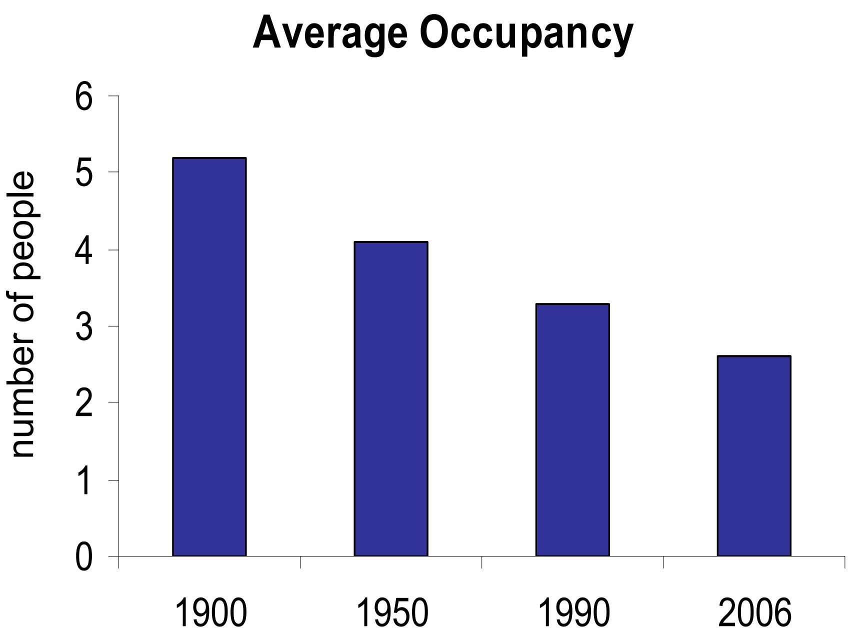
- Significantly different housing industry structures in each state metro

State	Mainstream Builders	Houses pa
QLD	39	22,000
WA	6	18,000
NSW	25	12,000
VIC	14	15,000

- Balance in apartments, replacements and regional markets
- Strong partnerships, brand leverage, SGP circa 4,500 new lots titled
- Research customer segments, insight drives product leadership.

Floor Areas Booming vs Occupancy Shrinking





- Open plan drives bigger spaces, causes extra parent retreat
- Traditional real estate advice still prevails (dining, formal lounge)
- Strong opportunity for 1st owner efficiency and affordability

Source: ABS

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Leveraging Brand Synergies

Traditional Land Estate
500 to 1500 lots

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- Alliance Homes
- metricon
- Orbit Homes
- Adenbrook Homes
- Ausbuild – Building with you
- Hallmark Homes Pty. Ltd.

Masterplanned Community
2000 to 5000 lots

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- House and Land Design P/L – Licensed Builders
- Laguna Homes – Luxury for Life
- Brad McLachlan – Built around lifestyle.
- Hallmark Homes Pty. Ltd.
- Ausbuild – Building with you
- G.J. Gardner. Homes – "We're Great Together"
- metricon
- Alliance Homes
- Adenbrook Homes
- Coral Homes
- Orbit Homes
- Clarendon Residential Group

Driving Strong Margins From All Buyer Segments

Honda CRV

$31,990

LINDEMAN
BY RPC
LOT 296 - 482SQM

- Overlooking pristine parkland
- Great value family home
- 4 bedrooms, 2 bathrooms
- Alfresco entertaining area

BV1286-RPC

FIXED PRICE $365,500*

Mazda CX7

$39,910

STAMFORD
BY ORBIT HOMES
LOT 276 - 1000SQM

- Modern split level design
- Separate formal and informal living spaces
- Room for the kids to retreat
- Gourmet kitchen

PP0276-OR

FIXED PRICE $456,000*

Landrover Discovery

$63,990

THE PROMENADE
BY PLANTATION HOMES
LOT 18 - 450SQM

- 4 bedrooms + study
- 2 designated living areas
- Alfresco dining
- Suited for a courtyard block

TB0018-PH

FIXED PRICE $616,566*

BMW X5

$86,800

THE STATESMAN
BY LIFETIME CONSTRUCTIONS
LOT 25 - 699SQM

- Architecturally designed
- Alfresco dining
- Media room
- Large kitchen dining areas

DN0034-LC

FIXED PRICE $915,000*

3. Sound Track Record

- Consistent profit growth through market cycles
- Increased geographic diversity and product leadership
- Strong outlook across diversity of business to capitalise on product leadership

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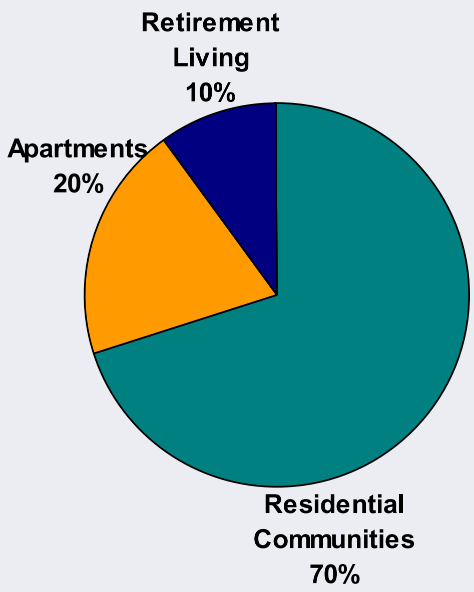
Divisional Key Financial Results

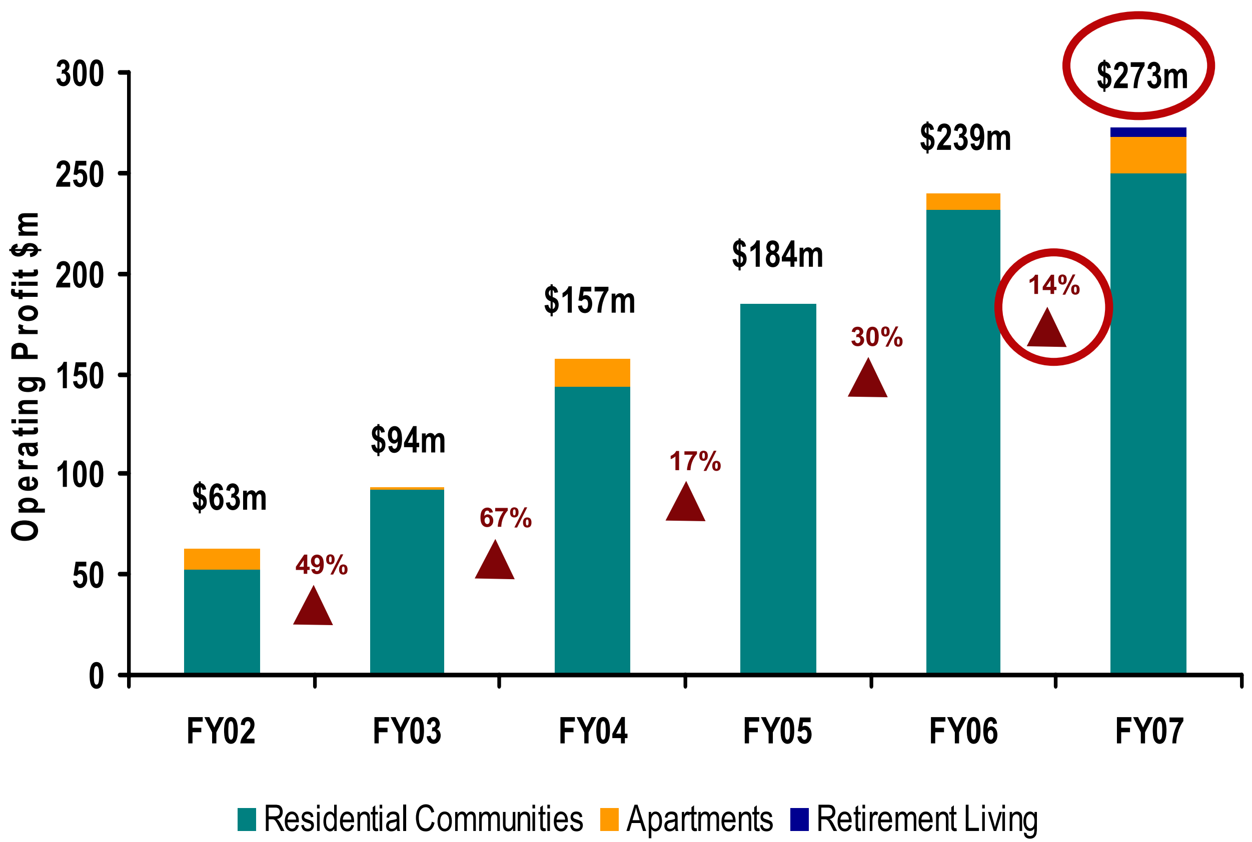
Gross Assets $3bn
30 June 2007



As at 30 June 2007

DEVELOPMENT DIVISION

Record Operating Profit Performance



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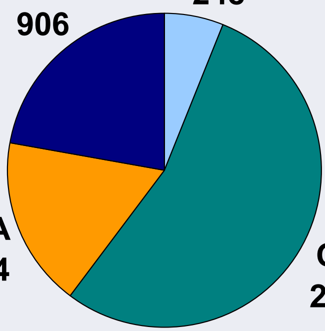
Divisional Key Financial Results

Portfolio Summary

Projects launched in FY07	4
Projects completed in FY07	6
Acquired in FY07:	
Projects	8
No of Lots	7,700

Total Lots Settled – 4,070



As at 30 June 2007

RESIDENTIAL COMMUNITIES

Performance			
Revenue	**18%**	▲	**$977m**
EBIT			**$278m**
EBIT Margin %			28%
Interest released in COGS			**$28m**
Operating Profit	**8%**	▲	**$250m**
Net Margin %			26%
Assets/Pipeline			
Gross Assets			**$2,086m**
No. of Projects			**66**
Lots Controlled			**67,000**
End Value of Projects			**$15.0bn**

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Divisional Key Financial Results

Portfolio Summary

Projects Completed	Sold	Settled	
	%	No.	%*
Allisee (Stage 1)	71	58	50
Koko	83	90	81
Waterfront	98	51	49
Prince Henry	52	4	2
Southbank	100	4	100
TOTAL		207	

Key Approvals Achieved (units)

Tooronga	547
The Village	247
The Hyde	131
South Beach	188
TOTAL	**1,113**

* % of total completed

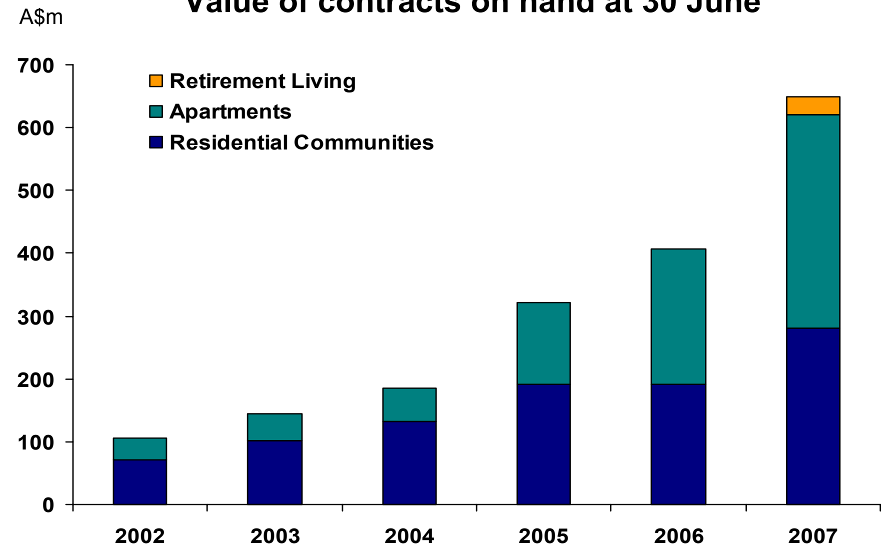
APARTMENTS

Performance			
Revenue	**78%**	▲	**$180m**
EBIT			**$30m**
EBIT Margin %			17%
Interest released in COGS			**$12m**
Operating Profit	**157%**	▲	**$18m**
Net Margin %			10%
Assets/Pipeline			
Gross Assets			**$611m**
No. of Projects			**12**
Units Controlled			**2,160**
End Value of Projects			**$2.3bn**

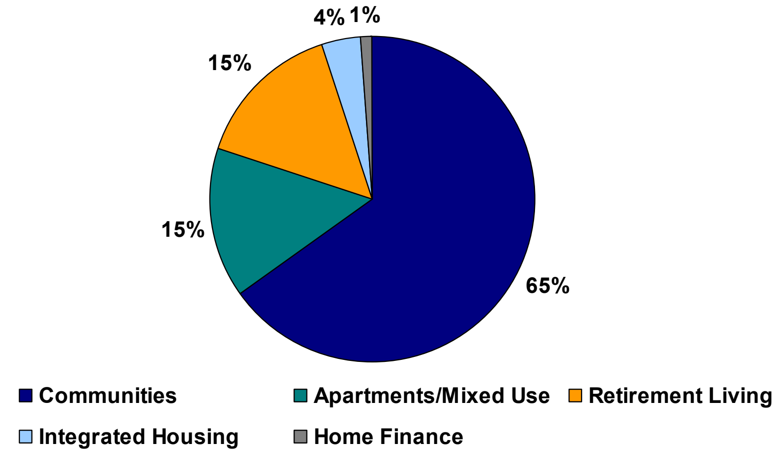
4. Positive Outlook – Development Division

- Record contracts on hand entering FY08
- Clear platform for growth from our existing business
- Increased diversification from new income streams

Value of contracts on hand at 30 June



FY10 Target EBIT Contributions



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Disclaimer

Corporation/ Responsible Entity

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