

QUEENSLAND INVESTOR TOUR – APRIL / MAY 2007



The Boardwalk

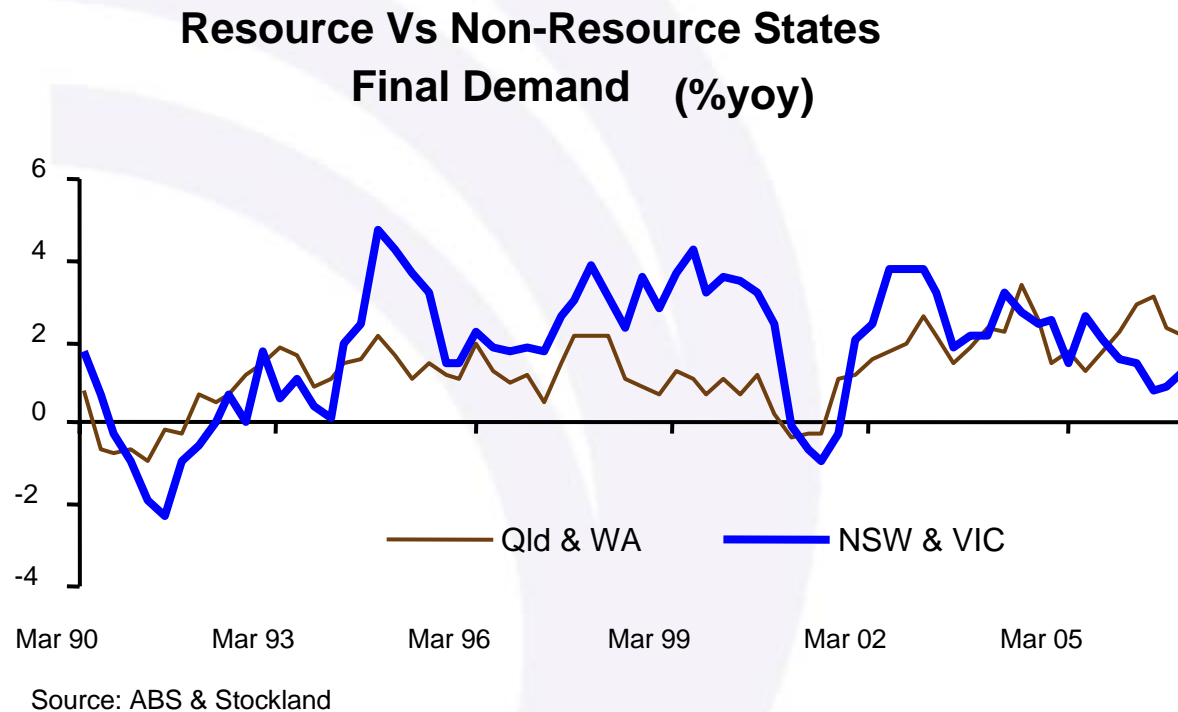
Queensland Challenges & Opportunities

Rob Ellis – General Manager, Group Research



'Allisee' artist impression

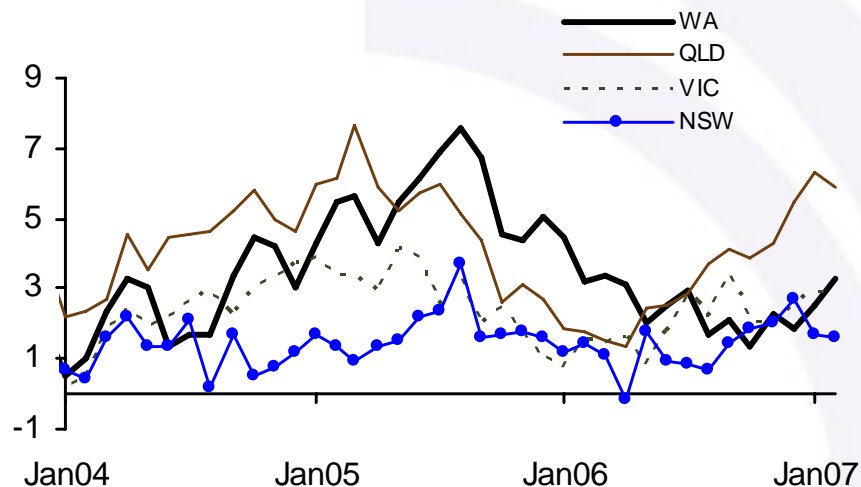
The Gap Narrows Slightly



- Non-resource states recovered in the December quarter
- The growth rate gap remains at around 1%

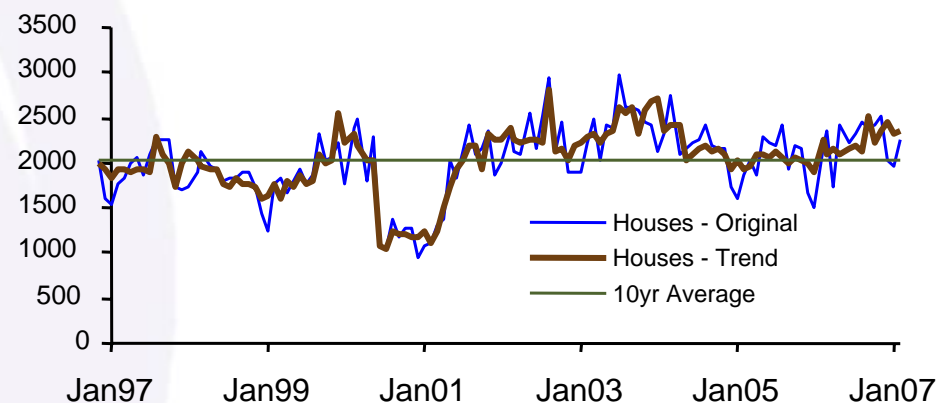
Queensland's Embarking On A New Growth Trajectory

Employment by State (sadj) %yoy



Source: ABS

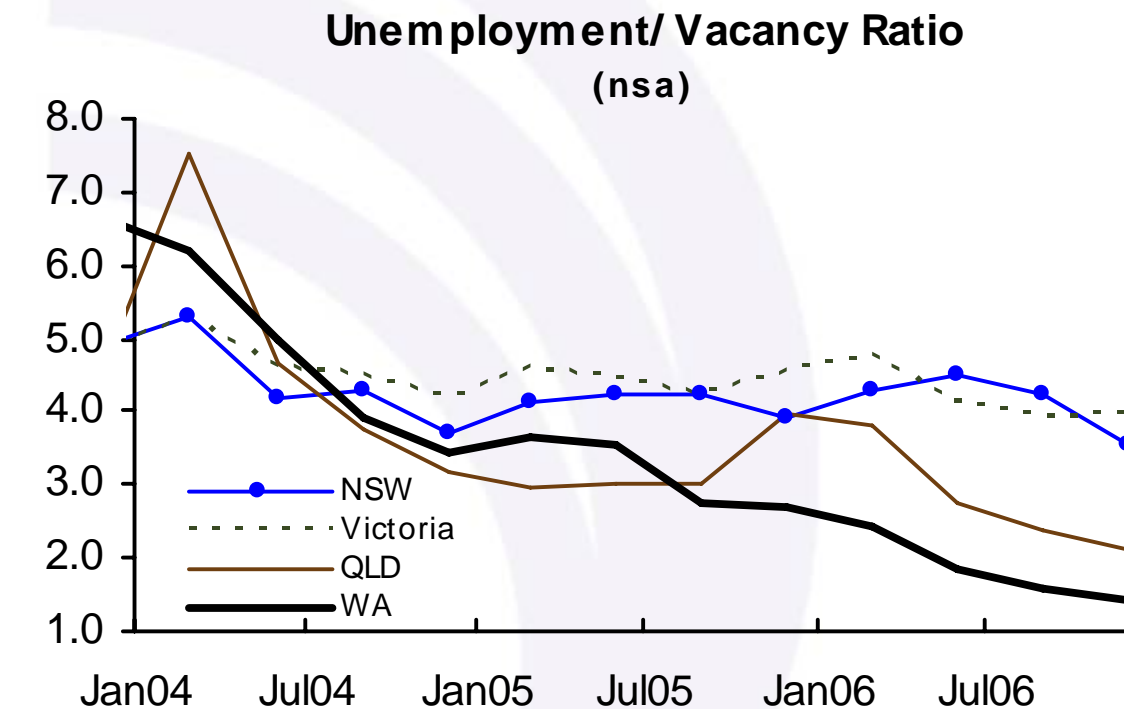
New Home Approvals (nsa)
Private Sector Houses, QLD



Source: ABS

- Activity signals in Queensland starting to pick up
- Cyclically, activity is robust

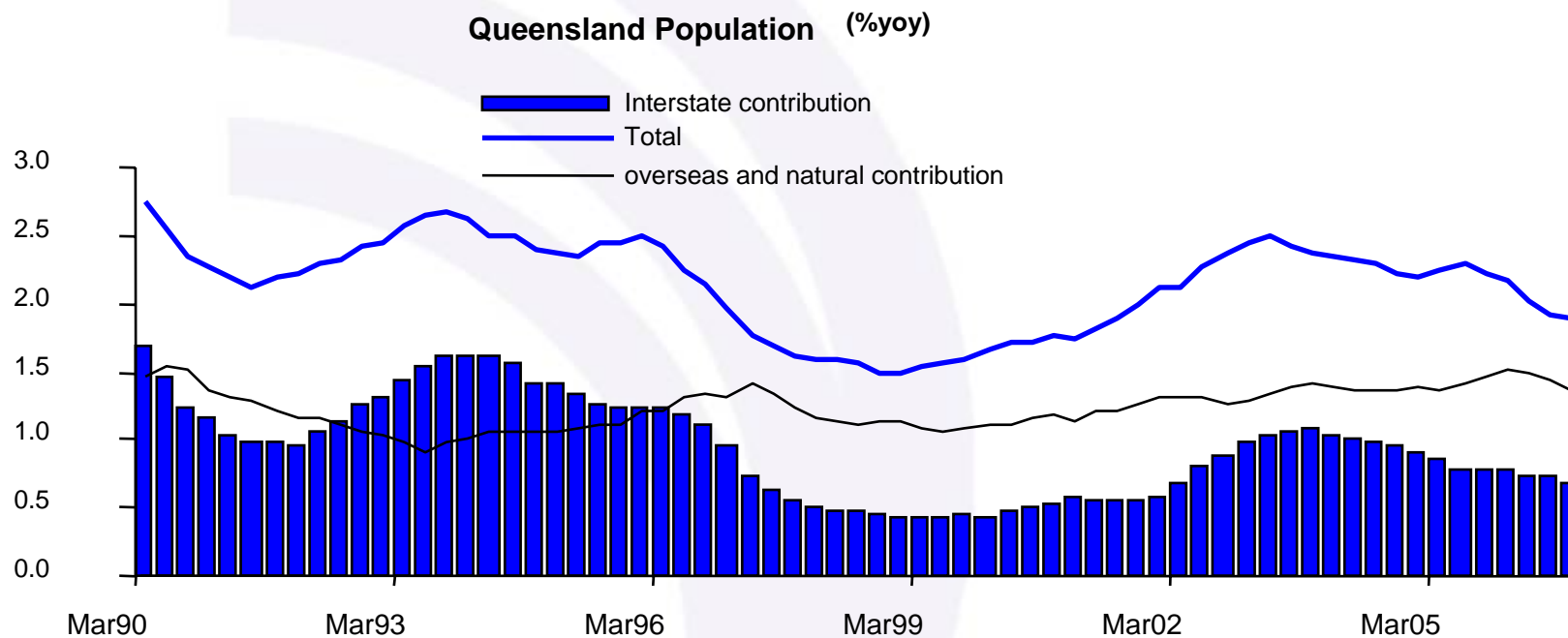
Labour Market Conditions are Tight



Source: ABS & Stockland

- Rising Vacancies (demand) and falling unemployment (supply) equals a tight labour market
- Strengthening activity points to further demand for labour

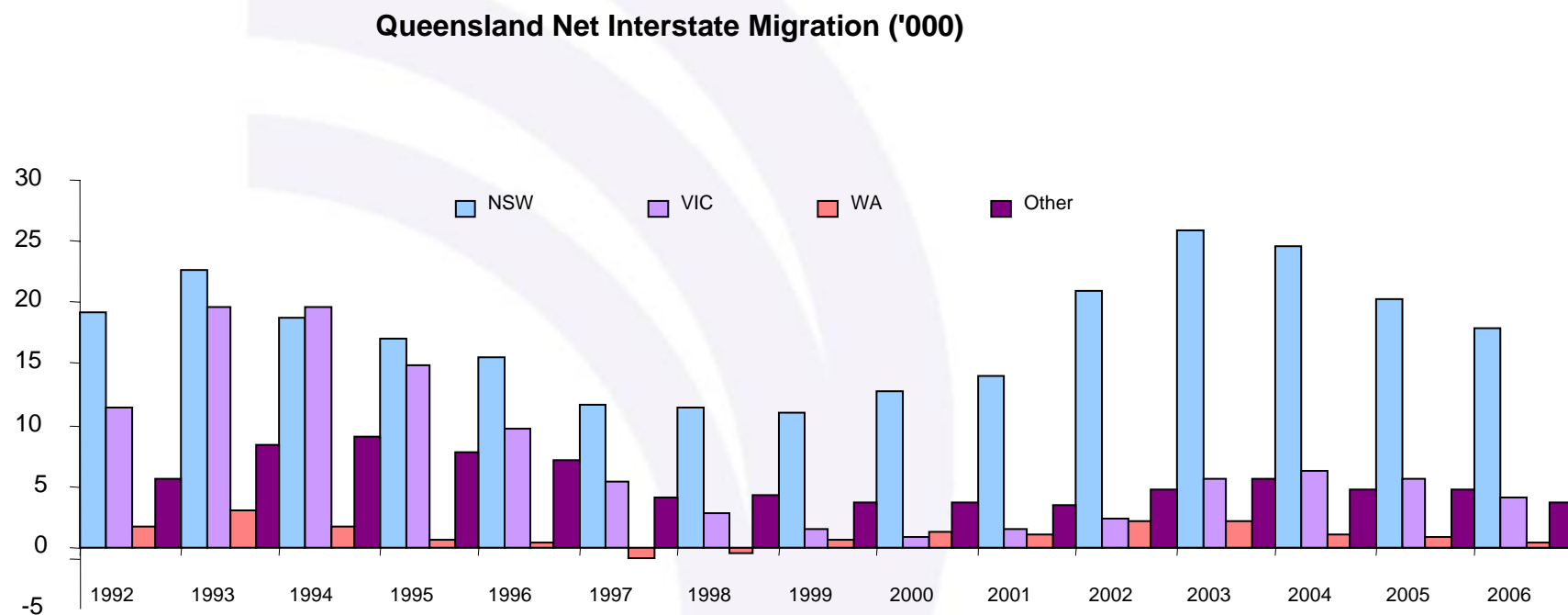
Population Growth is Slowing



Source: ABS & Stockland

- Population growth in Queensland has moderated
- Interstate migration has slowed

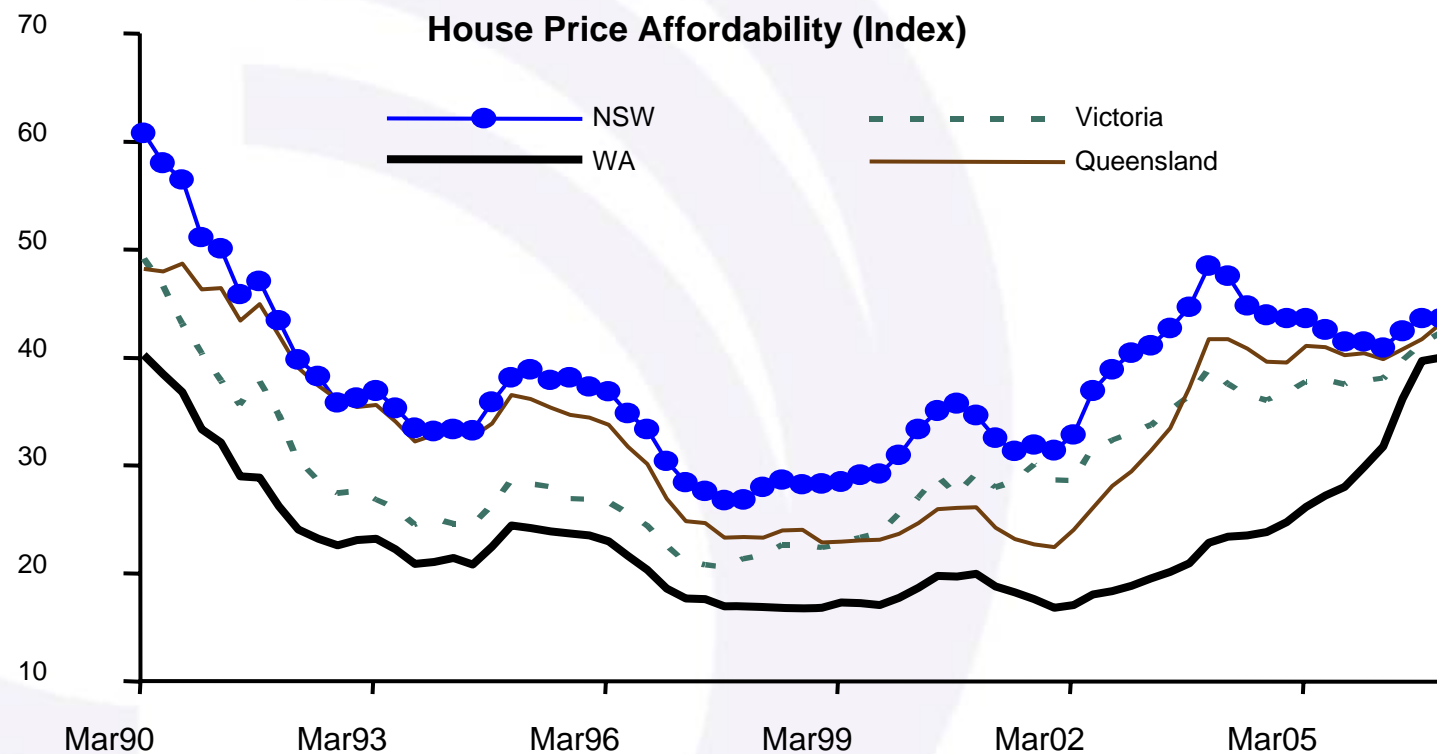
Net Interstate Migration



Source: ABS

- The most significant change is reduced interstate migration from NSW

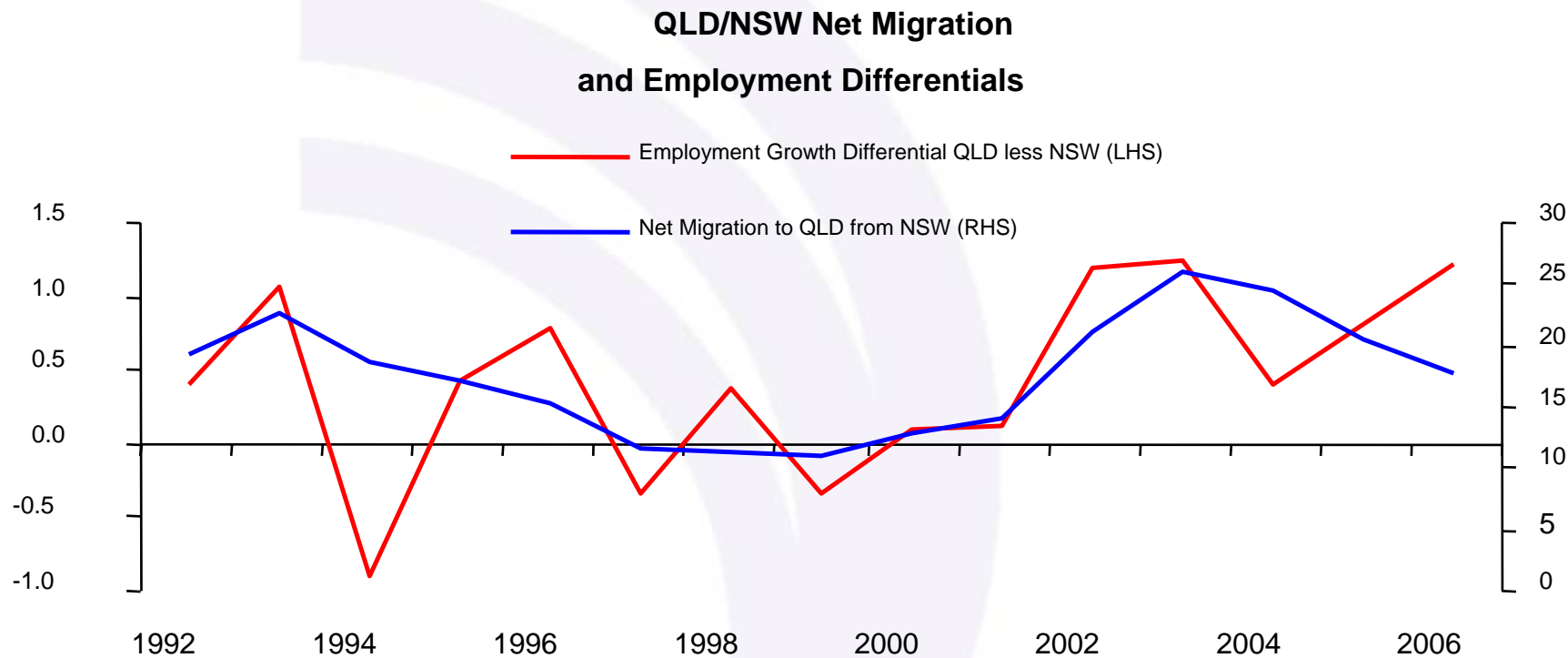
Affordability No Longer a Draw Card



Source: REIA, ABS, RBA, Stockland RCOE

- Housing affordability has converged reducing the incentive to move interstate

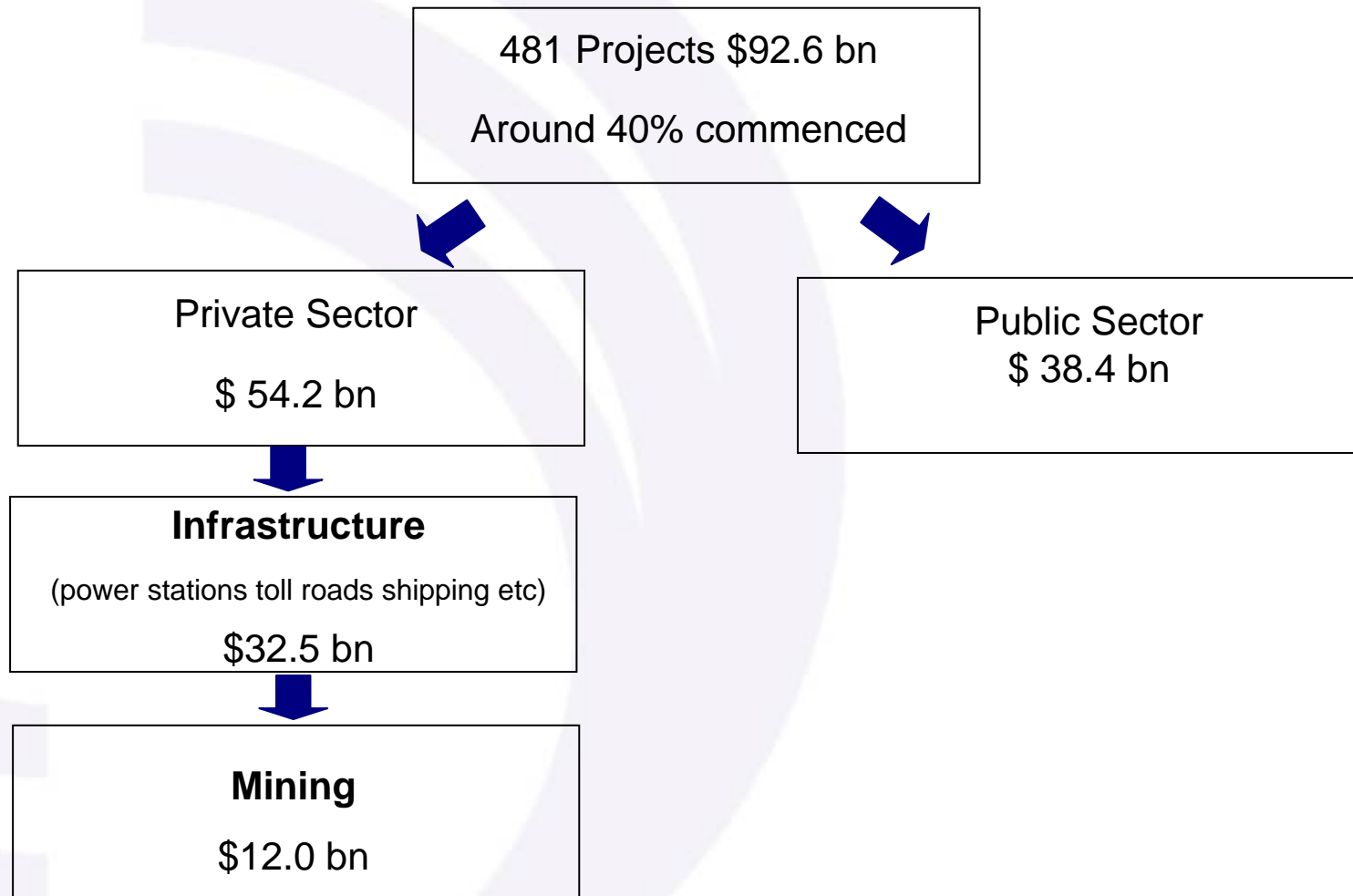
Net Migration and Employment



Source: ABS

- Employment differential is increasing

Future Spending



Implications

Population

- A need to increase Queensland's population growth, both in the short and long term
- Interstate population movement for employment opportunities rather than lifestyle
- Change in the composition of Queensland's population

Employment

- Increasing needs away from the traditional SE region
- Potential lack of resources (labour & capital)

Summary

- Change in the type and location of products as the population changes

Overview Queensland Communities Business

Nick Perrignon – General Manager, QLD



Kawana Island

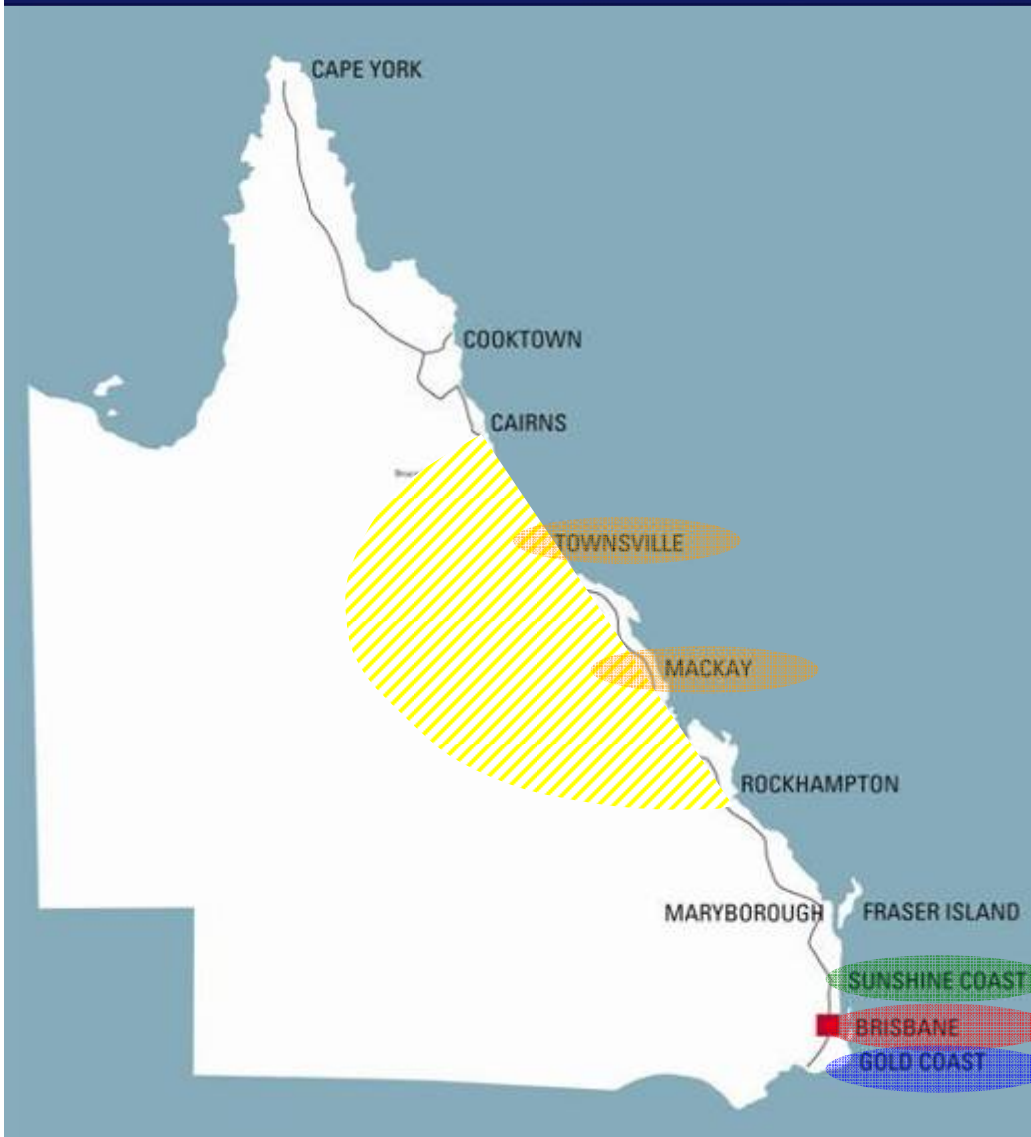
Overview Queensland Communities Business

- Queensland regional markets
- Stockland Queensland communities structure
- Market leadership
- Focus growth



Highland Reserve

Queensland – 4 key regions

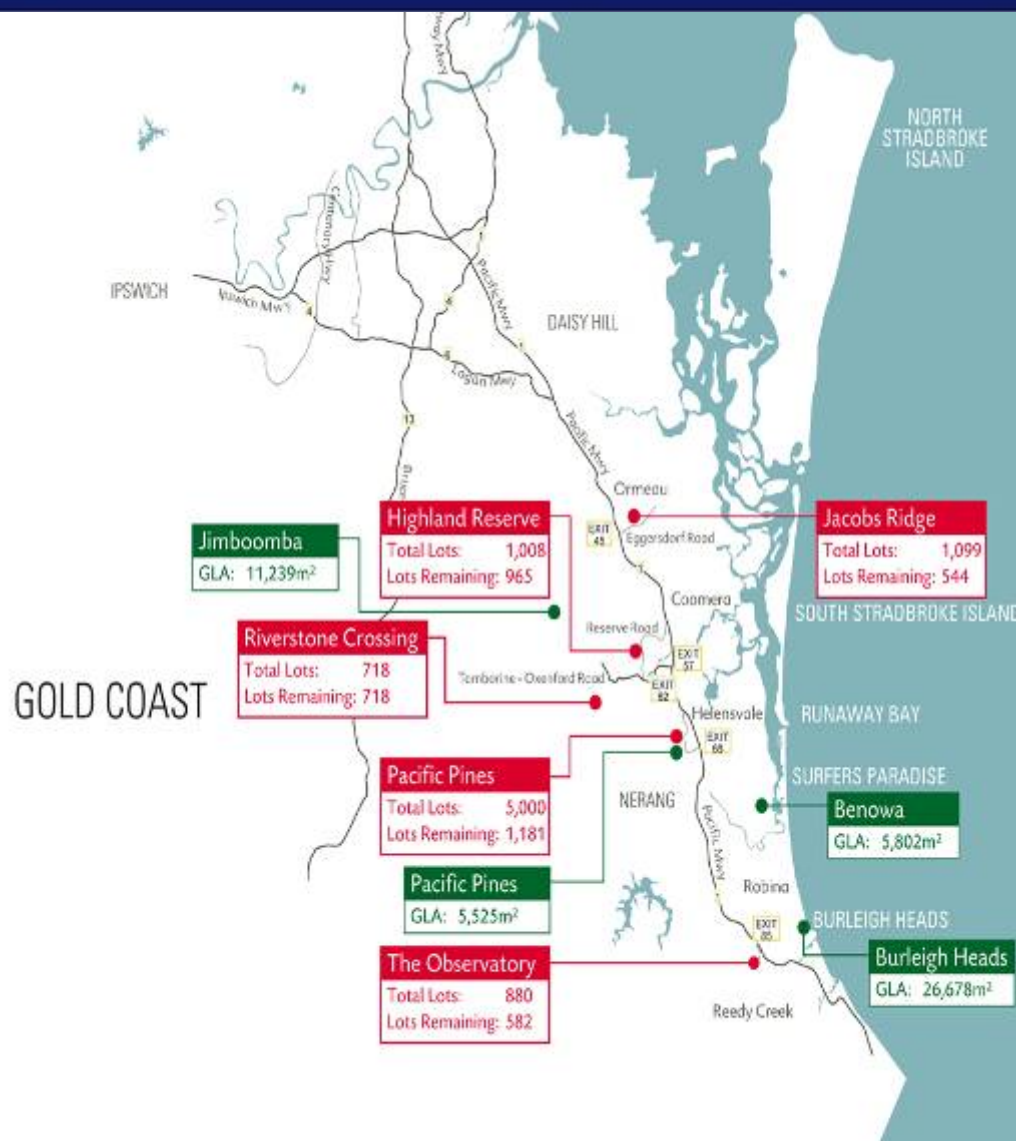


- 4 key regional markets in Queensland:
 - Gold Coast – population 497,568 up 2.8%
 - Greater Brisbane – population 1,780,603, up 1.6%
 - Sunshine Coast – population 290,201 up 2.3%
 - Far North Queensland – population 472,870, up 2.6%
- Different demographics and property cycles
- Unique marketing strategies

Population growth rate from 05/06

Source: Australian Bureau of Statistics

Gold Coast



Market

- Strong land market, stable prices
- Population growth strong
- Tight employment market
- Market supported by holiday apartment and tourist sectors
- Slowdown in supply versus demand growth. Long term supply shortfall of about 20%

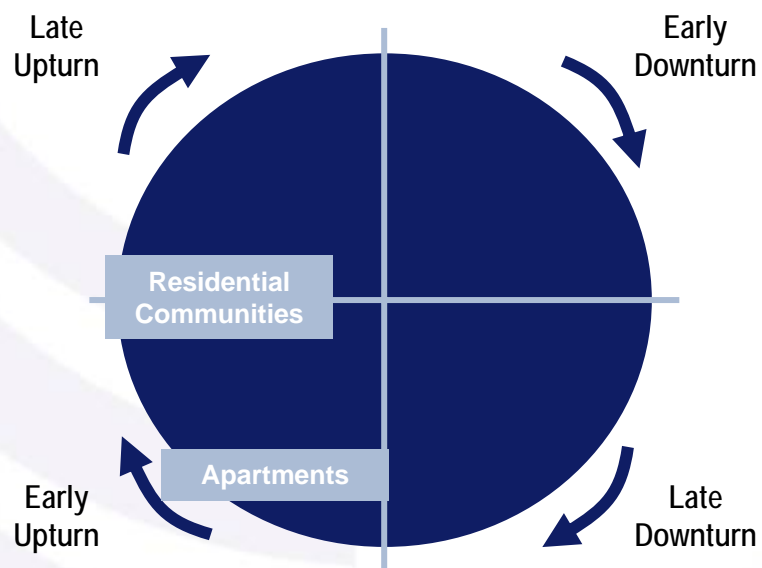
Stockland outlook

- Supply constraints will allow margin growth
- Quality of projects meeting consumer expectation
- Growth and consolidation opportunities under negotiation

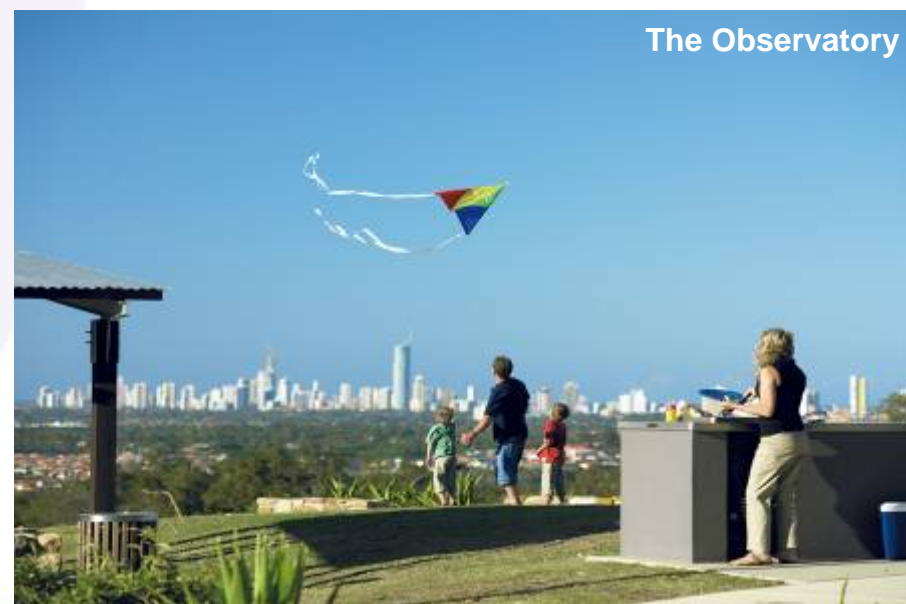
Gold Coast

2006	Sales Volume	Average price*	Price growth	Outlook
Land	3,105 (14% above 5 yr average)	\$260,000	-1% (5 yr average 16.9%)	↑
House	9,064 (11% below 5 yr average)	\$490,000	1% (5 yr average 14%)	↑

Source: Dept of Natural Resources & Water



* 4Q 2006



Greater Brisbane



Market

- Land sales below average but strong pick up in 2006 in sales volume and values
- Slowing population growth, 1.6%
- Job market at capacity with limited recent job growth
- Infrastructure focus on road and rail. Significant employment generators in western corridor
- After brief flurry of supply market in balance. Limited long term supply except in western corridor

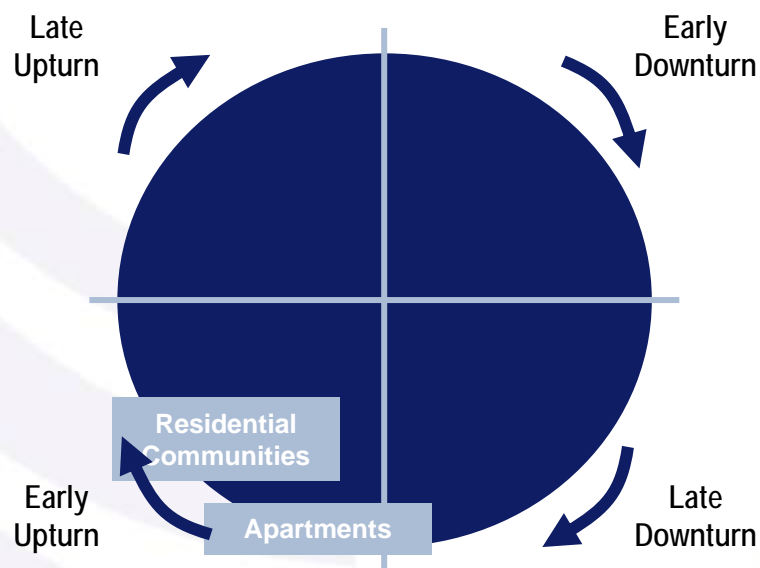
Stockland outlook

- Price growth available
- Cost to construct increasing
- Growth and consolidation opportunities under negotiation

Greater Brisbane

2006	Sales Volume	Average price*	Price growth	Outlook
Land	2,626 (12% below 5 yr average)	\$181,500	13.4% (5 yr average 18.7%)	↑
House	8,800 (11% below 5 yr average)	\$298,000	3.7% (5 yr average 17.5%)	↑

Source: Dept of Natural Resources & Water

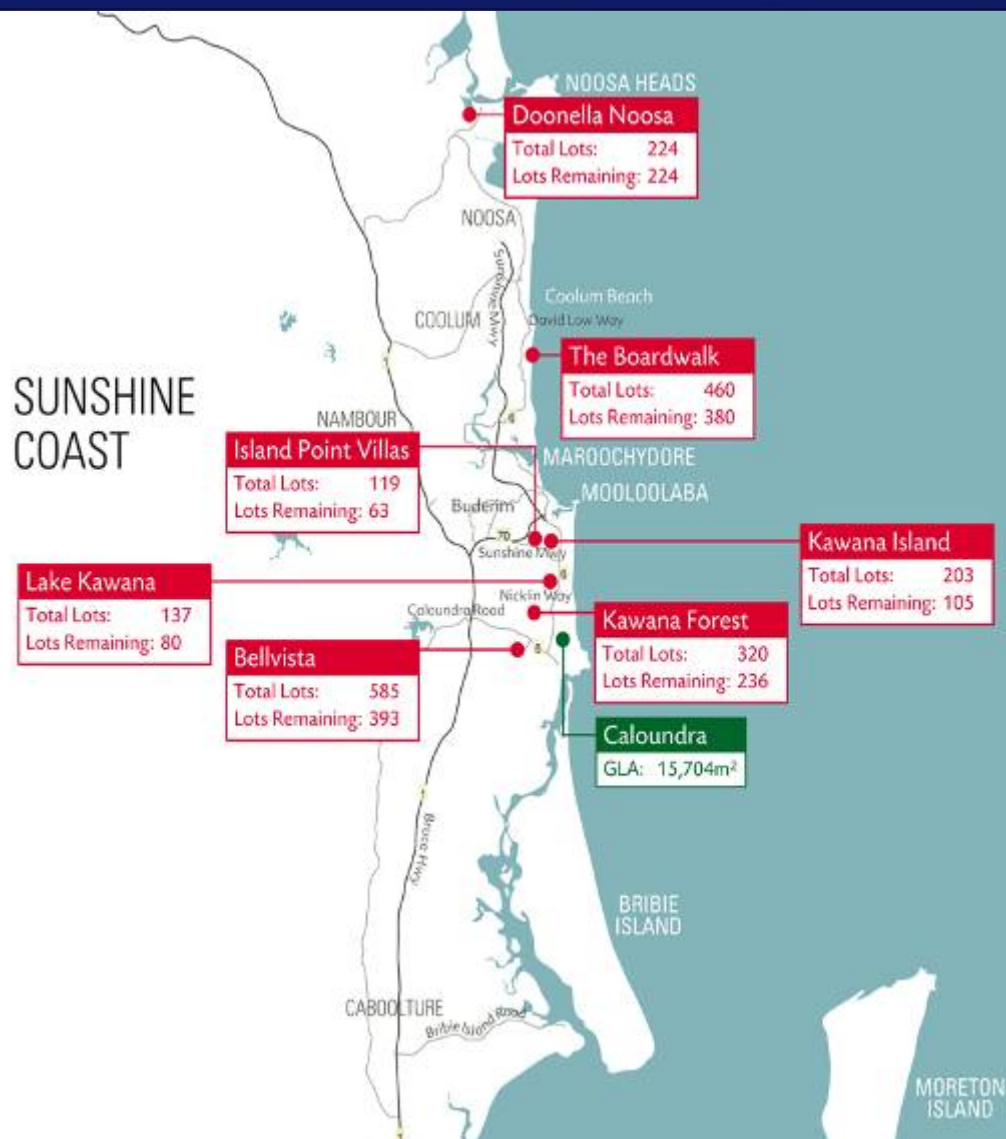


* 4Q 2006



North Lakes

Sunshine Coast



Market

- Land sales volumes remain below average
- Population growth rate 2.3%
- Strong employment performance, dynamic job creation
- Transport and social infrastructure plan (road, rail, hospital)

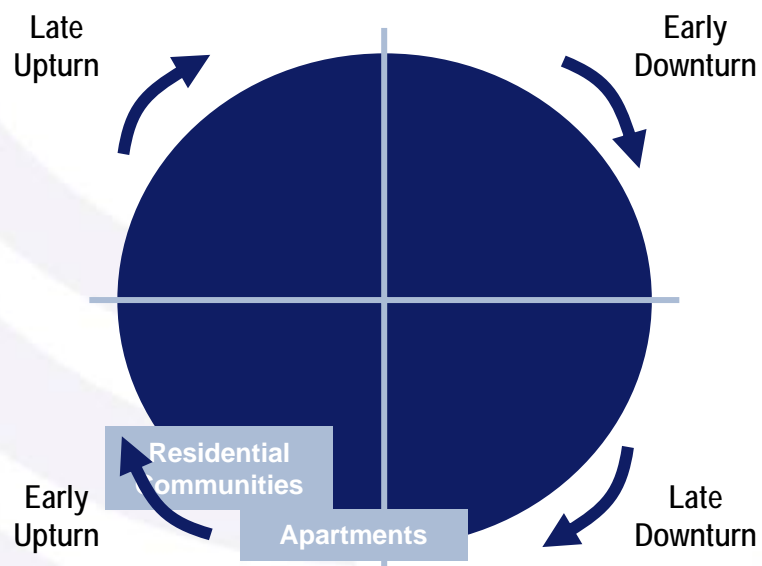
Stockland outlook

- Volumes improving, gradual return to 2003 activity
- Diversity and quality of stock
- Well positioned for 10 year supply on coastal land

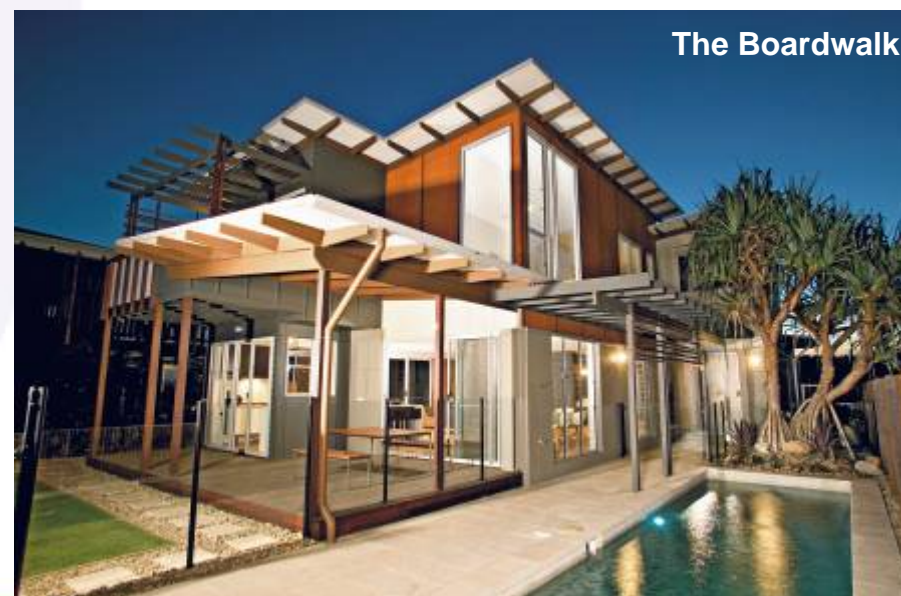
Sunshine Coast

2006	Sales Volume	Average price*	Price growth	Outlook
Land	1,450 (35% below 5 yr average)	\$245,000	4% (5 yr average 19%)	↑
House	5,270 (18% below 5 yr average)	\$422,250	-3% (5 yr average 15%)	→

Source: Dept of Natural Resources & Water



* 4Q 2006



North Queensland



Market

- Price growth and strong sales activity
- Strong population growth at 2.6%
- Buoyant employment market, increased military personnel
- Large infrastructure programme to exploit resources boom
- Most markets in undersupply, generating strong price and rental growth

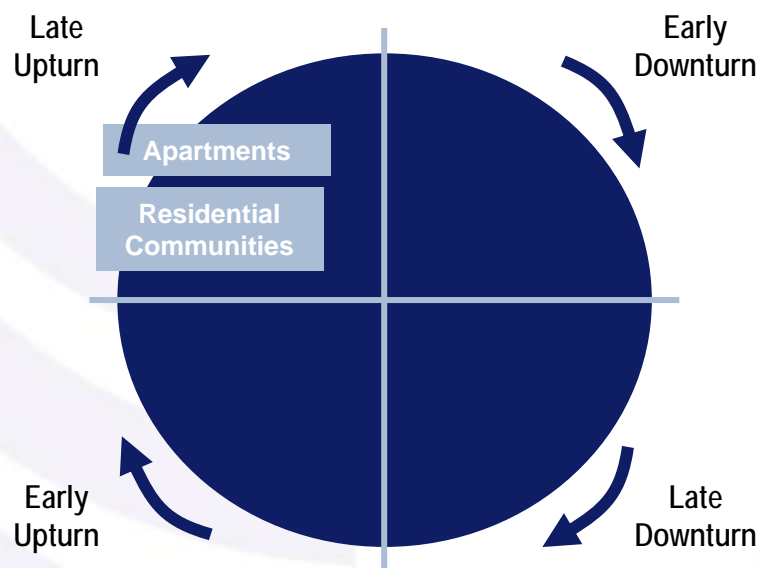
Stockland outlook

- Capitalise on brand recognition and launch new projects
- Strong sales growth and desire for quality projects
- Growth and consolidation opportunities under negotiation

North Queensland

2006	Sales Volume	Average price*	Price growth	Outlook
Land	398 (40% below 5 yr average)	\$245,000	20% (5 yr average 29%)	↑
House	1,075 (18% below 5 yr average)	\$165,000	11% (5 yr average 22%)	↑

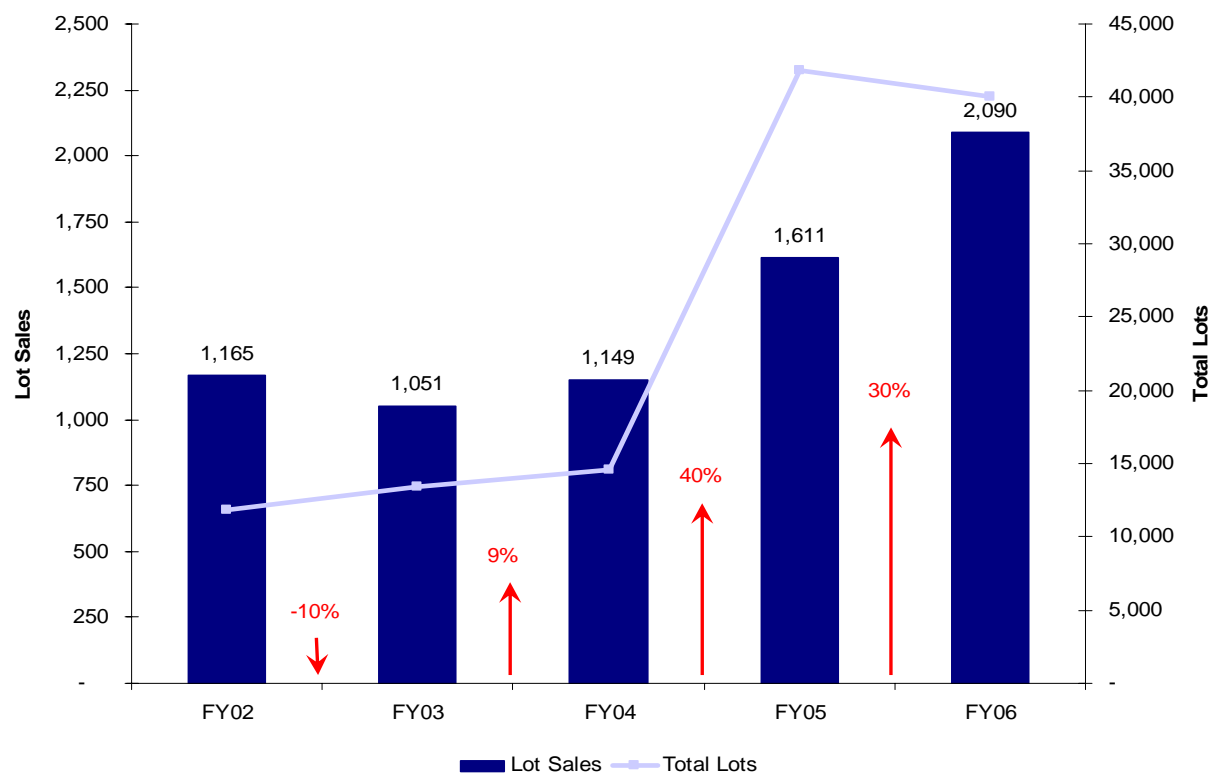
Source: Dept of Natural Resources & Water



* 4Q 2006



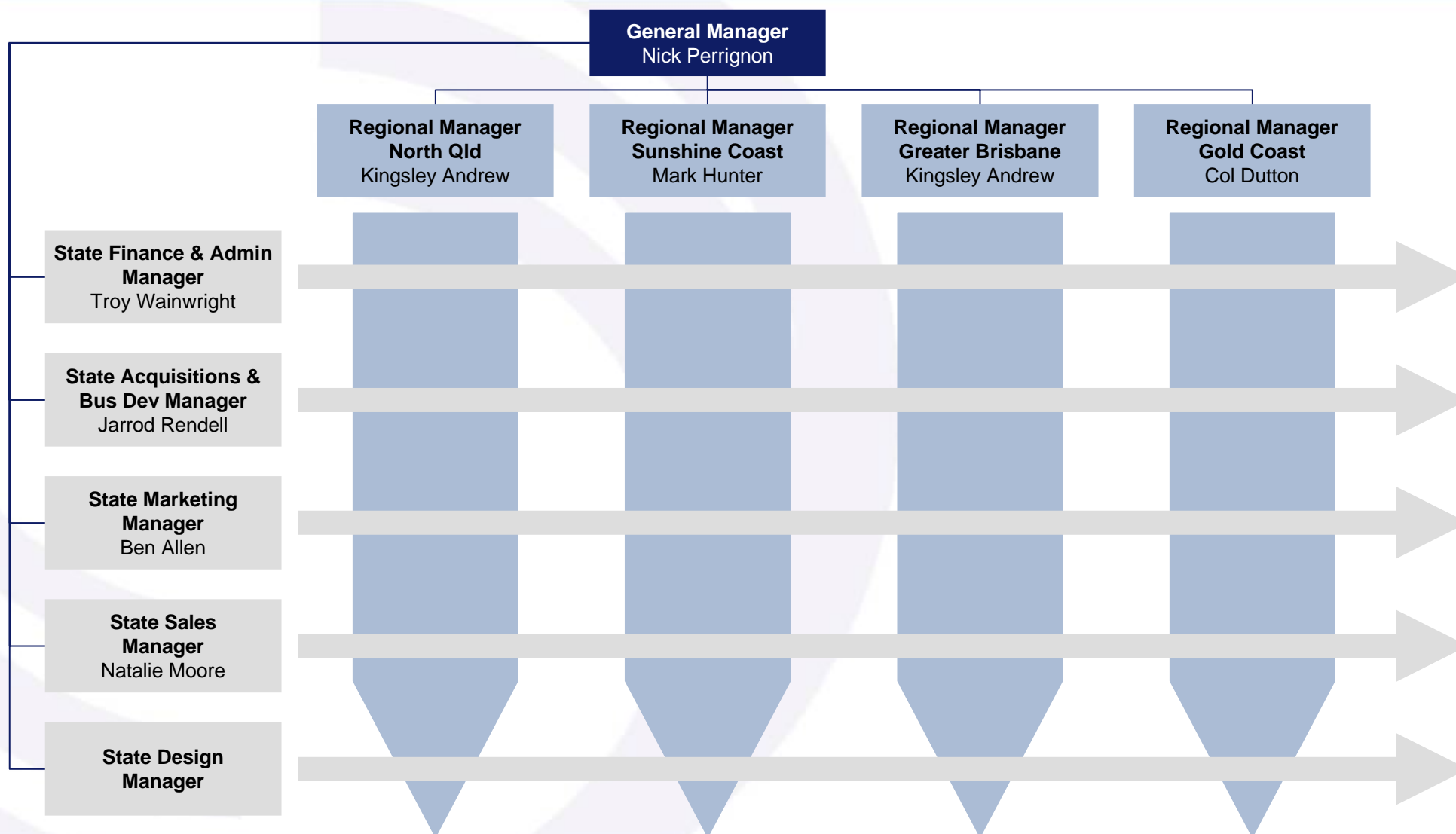
Growth track record



People 26.....130
 Projects 17.....28



Queensland structure



Market leadership

- **Largest developer in Queensland**
- Strong brand
- Strong mixed used capability

Market leadership

- Largest developer in Queensland
- **Strong brand**
- Strong mixed used capability

Overall brand position

Total Brand Awareness		
	MARCH 06	FEB 07
BRISBANE (North Lakes Catchment Area)	55%	77%
GOLD COAST (Pacific Pines Catchment Area)	67%	92%
SUNSHINE COAST (Kawana Waters Catchment Area)	67%	81%

- Brand awareness increasing to dominate market
- Stockland seen as professional, trustworthy, responsible
- Providers of quality, modern and innovative residential developments
- Stockland also well recognised via shopping centres brand

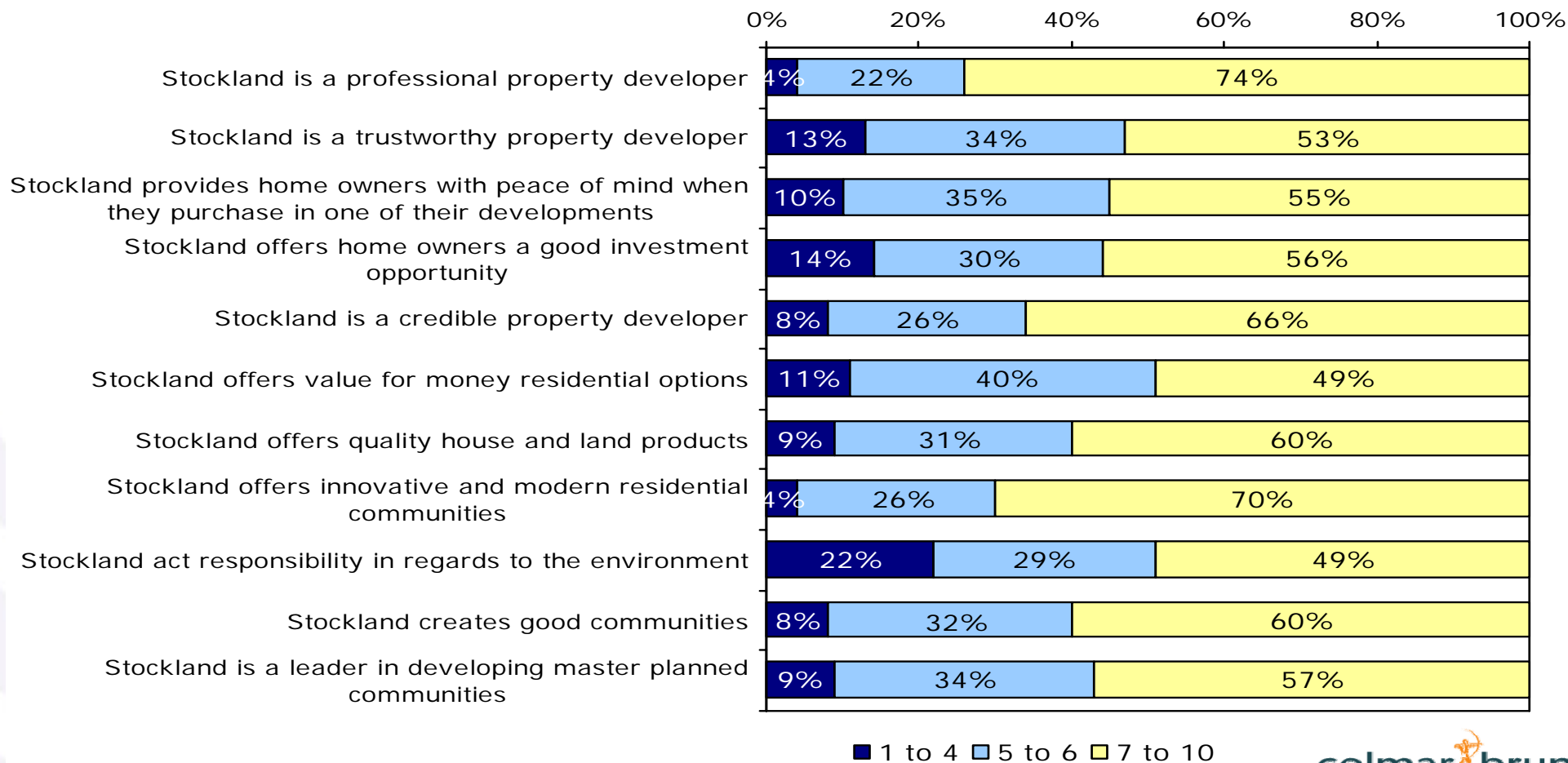


The Boardwalk

Brand image

Q2c. Could you please rate Stockland on a number of key attributes. Could you please indicate on a scale of 1 to 10 how much you agree with the following statements, where 1 is strongly disagree and 10 is strongly agree.

Base: Residents Aware of Stockland (Minimum n=135) excluding those who answered Don't Know



Market leadership

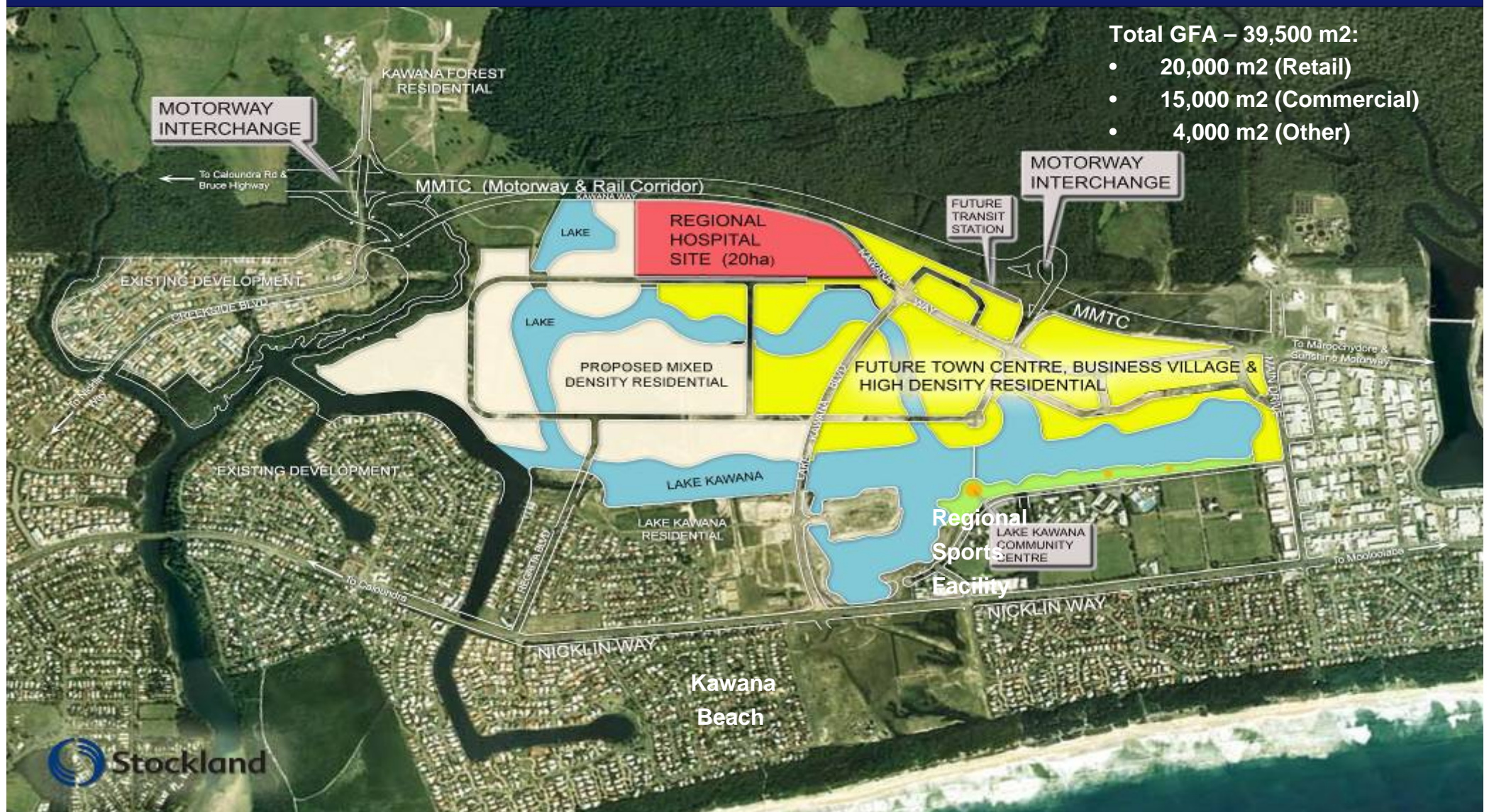
- Largest developer in Queensland
- Strong brand
- **Strong mixed used capability**

Kawana Town Centre



This plan is indicative only and is subject to change at any time without notice.

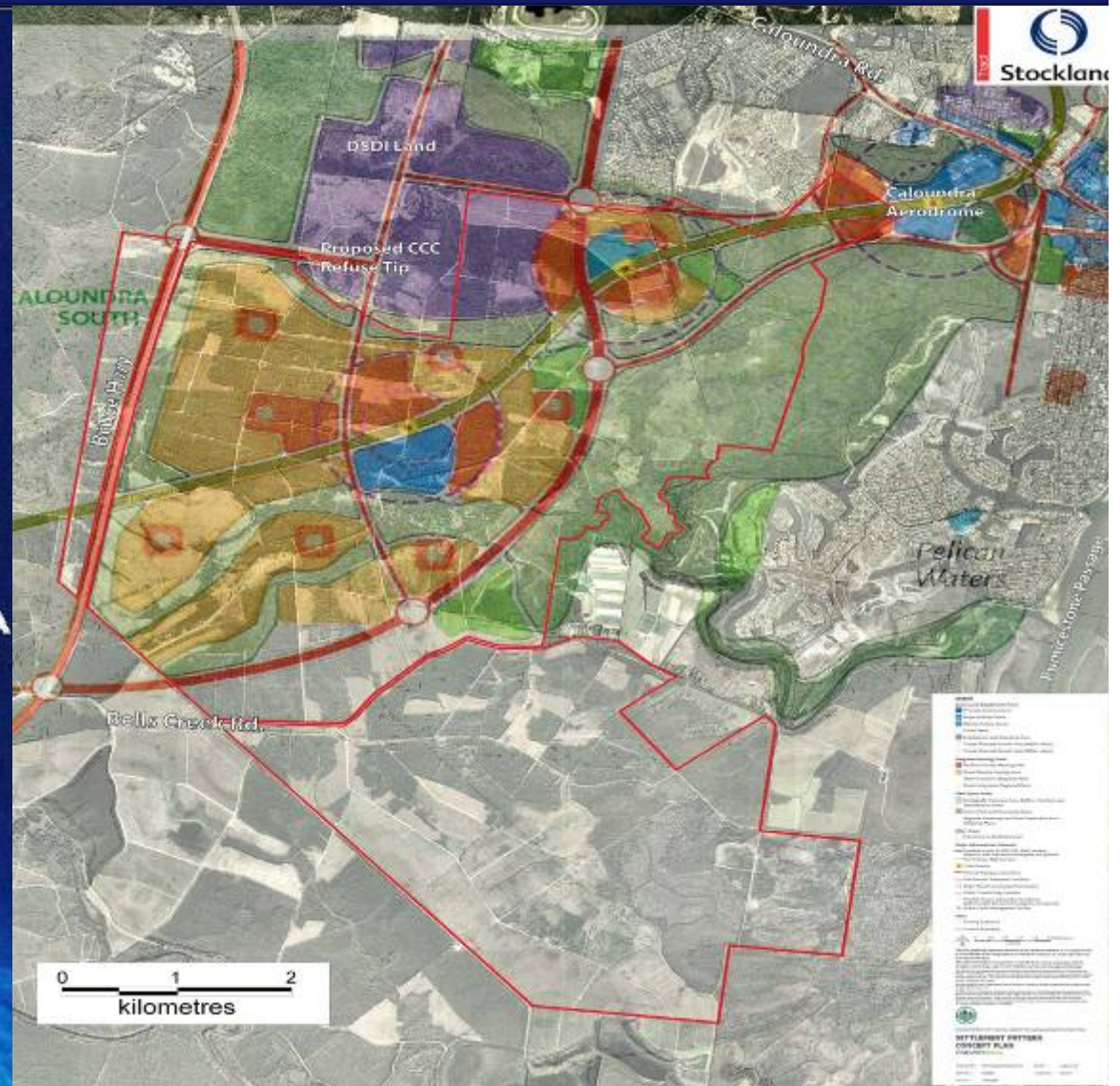
Kawana Town Centre Structure



North Lakes



Caloundra Downs



Focus for growth

- Drive sales as projects mature
- Bring new projects to market
- Continue to unlock opportunities on existing projects
- Continue acquisition focus in:
 - Greater Brisbane
 - Gold Coast, Northern NSW
 - Far North Queensland

Summary

- Queensland market outlook is strong
- Fundamentals for residential development are sound
- Stockland well placed, extensive land holding, high capability
- Focussed on driving future growth



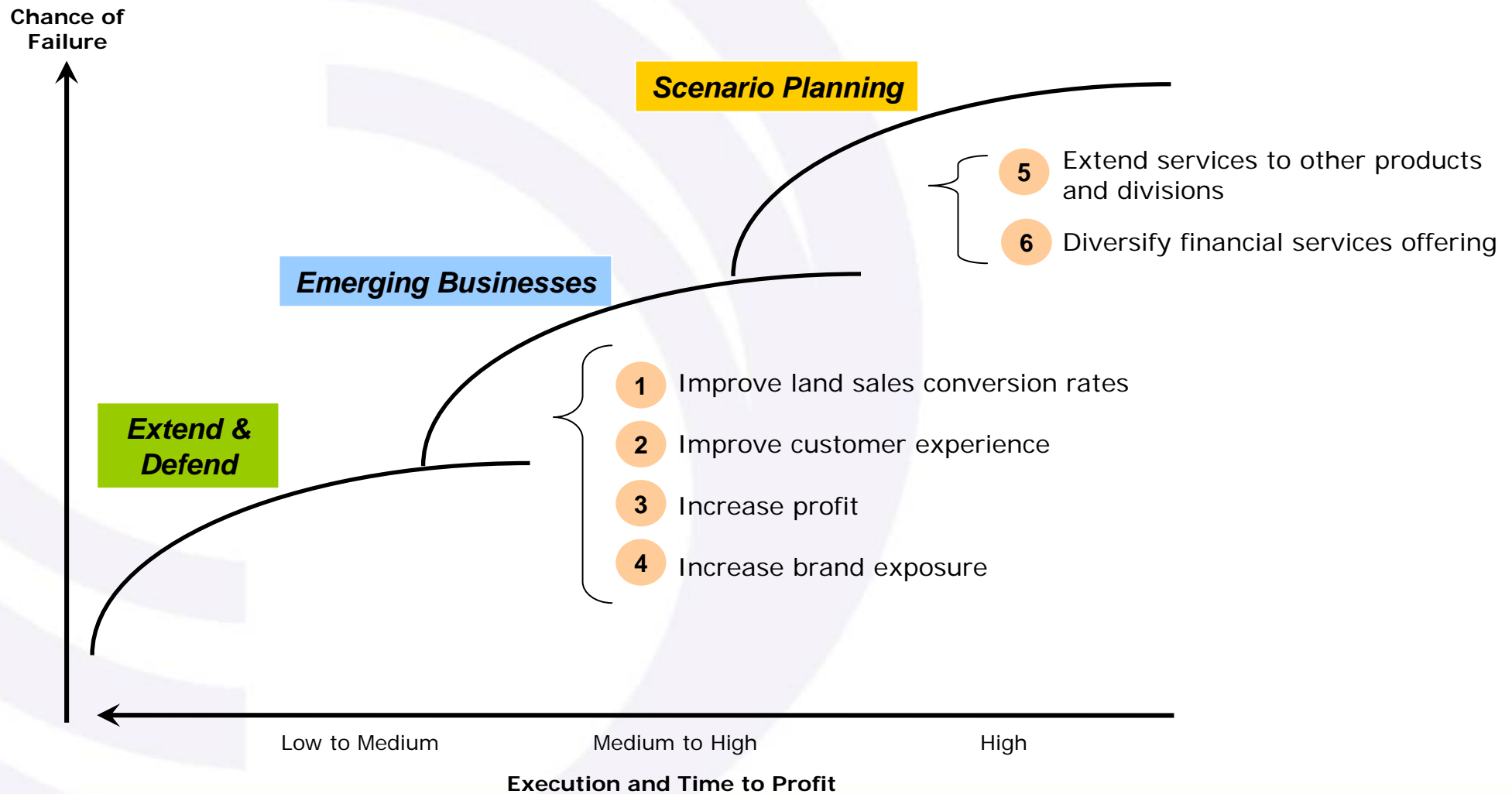
Kawana Island

Financial Services Strategy – Mortgage Broking Business

Kevin Decker – National Residential Lending Manager



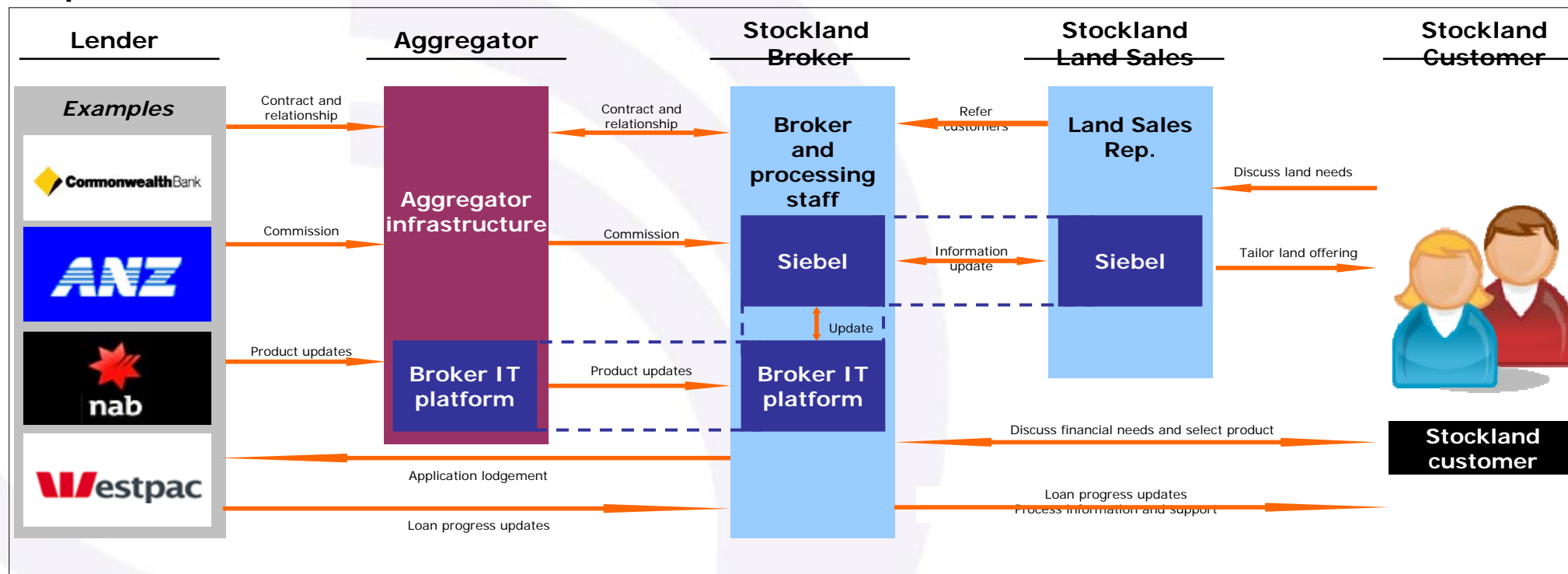
The initial objectives of establishing a Stockland mortgage broking business are to increase land sales conversion rate and to help improve the customer experience



Stockland mortgage business will partner with an aggregator that provides the infrastructure and will work with land sales representatives who will refer customers

Illustrative

Proposed Business Model



Key Principles

- Loans from top banks and non traditional lenders
- Responsible for settling and servicing the loan
- Commission paid to Stockland via aggregator

- Partner with aggregator as estimated Stockland mortgage volume and margin does not justify investment
- Will aggregate the products for Stockland and provide a large panel of products and solid IT platform
- Will manage accreditation and compliance process

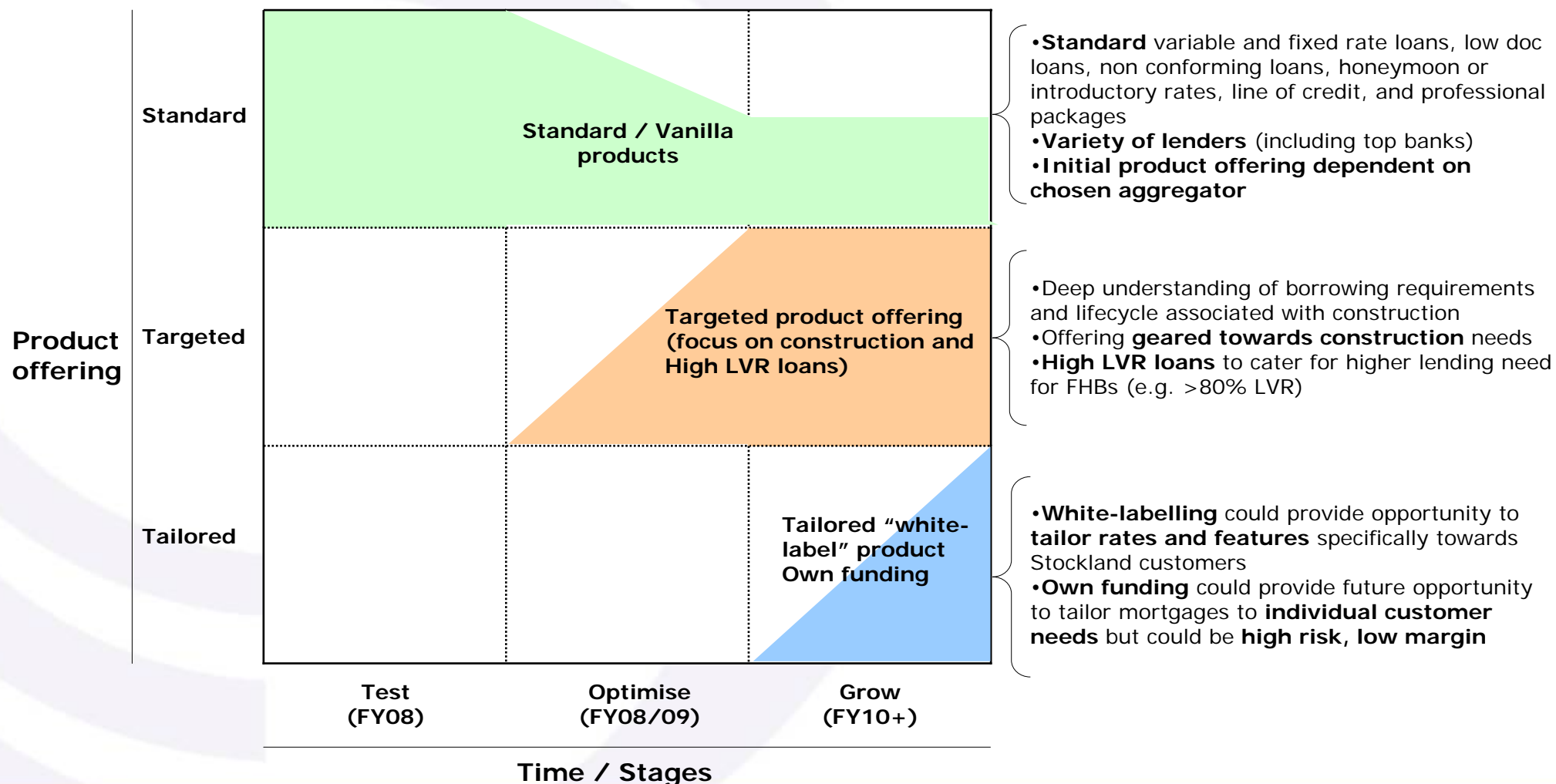
- Promote offering to Stockland land sales customers and onsite building partners
- Brokers will be Stockland employed and branded
- Tiered incentive scheme based on commissions and base salary
- Mobile to provide area coverage
- Use aggregator software for product advice

- Land sales reps. identify financing need and refer customers to broker
- Siebel is common underlying customer information system
- Customer financial data privacy is ensured

- Stockland land sales customers and onsite building partners
- Loan customer segments align with land sales segments (First Home Buyers, Subsequent Home Buyers and Investors)

Our pilot product offering will focus on standard products (underwritten by lenders) and the product offering will be refined and potentially expanded over time

Illustrative



Projects in Greater Brisbane, Gold Coast and Victoria have been selected for a pilot based on size, location, customer segments, regulation and market conditions

Pilot will enable market viability assessment and value proposition refinement prior to national roll-out

- Validate the viability of offering mortgage services in residential communities;
- Demonstrate success to the sales team and Stockland stakeholders;
- Enable testing and refining of the value proposition for customer segments and integration with the sales process;
- Enable testing and refining of broker value proposition and remuneration model
- Establish realistic expectations for future national roll-out;
- Identify areas that facilitate roll-out and deliver quick wins;
- Analyse optimal regional and weekly mortgage broker footprint model (e.g. for smaller communities); and
- Refine financial model and nationwide ramp-up strategy.

Greater Brisbane

- One broker will be piloted in Greater Brisbane:
 - One broker in **North Lakes**
- Broker will be available at site with all day coverage Saturday and Sunday

Gold Coast

- One broker will be piloted on the Gold Coast
 - One broker in **Pacific Pines** also supporting **Highland Reserve** and **Riverstone Crossing**
- Broker will be available at Pacific Pines site with half-day coverage Saturday and Sunday across other sites

Sunshine Coast

- One broker will be piloted on the Sunshine Coast
 - One broker in **Bellvista** also supporting **Lake Kawana**
- Broker will be available at sites with alternate days coverage Saturday and Sunday

Victoria

- Two brokers will be piloted in Victoria:
 - One broker in **Highlands** and One broker in **Mernda** and **Hawkstowe**, which are 2 km apart
- Brokers will be available at the sites for customer interaction, meetings, etc.
- All day coverage Saturday and Sunday at Highlands and split time between Mernda, Hawkstowe and the Parks

Overview Commercial & Industrial Business

Steven Mann – CEO, Commercial & Industrial



Agenda

- **Strategic Direction**
- Commercial & Industrial Queensland Market Commentary
- Queensland C&I Portfolio Overview

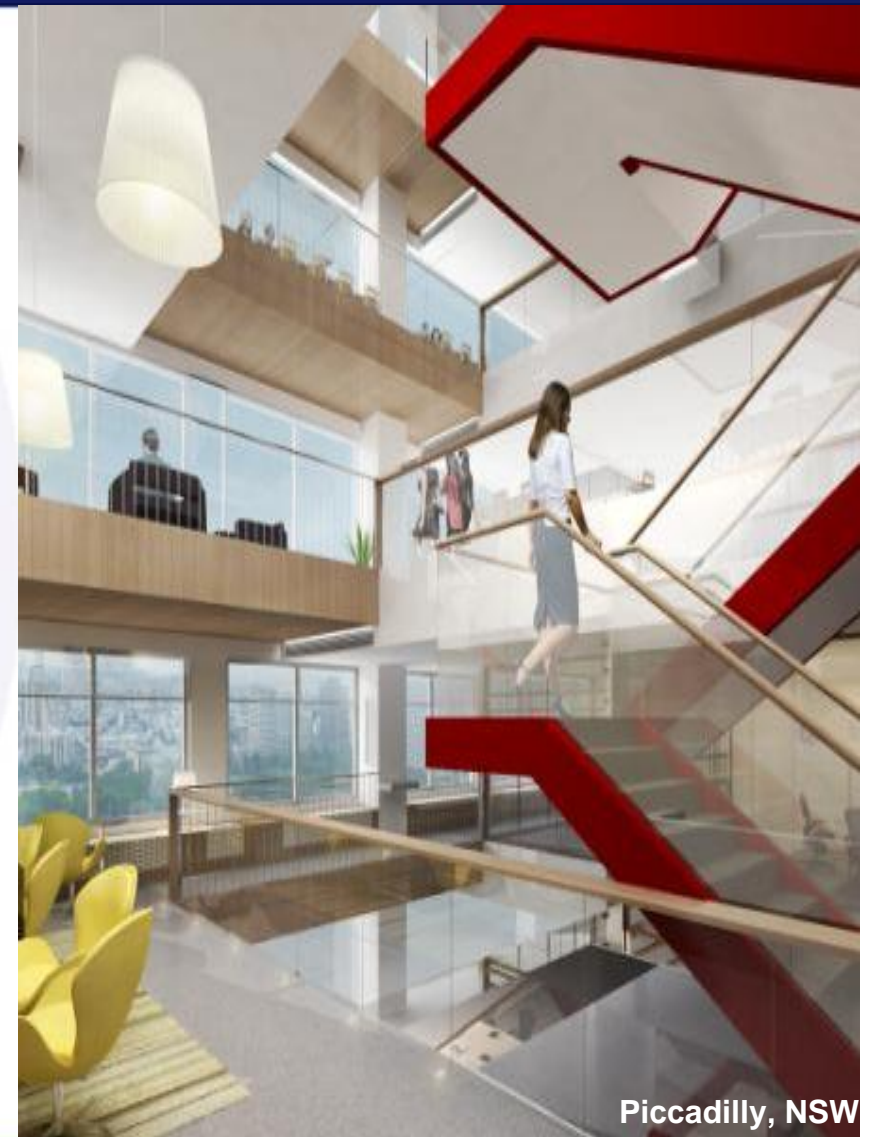


11-25 Toll Drive Altona, VIC

Commercial & Industrial Mission

StocklandC&I **Engaging** **Environments**

Managing and developing world class Engaging Environments which bring together building design, tenancy services and enduring relationships so our clients value Stockland's contribution to their business success.



Piccadilly, NSW

Strategic Direction

- Market leading asset services business delivering economies of scale and leadership in CR&S
- CRM Seibel platform (LASER) to provide the platform to drive client value management
- Continue momentum of the development pipeline and build sustainable C&I projects profit
- Acquisitions in growth markets and UPF partnership opportunities – SDOT3 launched
- Deliver rental reversion for office acquisitions in QLD/WA



Optus HQ, NSW

C&I Development Pipeline – QLD Focus

Project	Status/ Completion	Total Cost (\$m)	Forecast Yield	Area m ²	Category
Under Construction		\$337			
Optus HQ, Macquarie Park, NSW	100% Leased / 2H07	\$282	7.5%	84,000	Office Park
66 Waterloo Rd, Macquarie Park, NSW	93% Leased / 2H07	\$34	8.7%	10,127	Office Park
Yennora Building 8b, NSW	100% Leased / 2H07	\$7	8.2%	8,708	Industrial
509 Boundary Rd, Richlands, QLD	1H08	\$9	7.5%	7,165	Industrial
Pipeline – Yet To Commence		\$1,202			
Hendra – East West Arterial, QLD	Awaiting DA	\$12	7.5%	12,000	Industrial
3676 Ipswich Rd, Wacol, QLD	Awaiting DA	\$55	7.4%	53,000	Industrial
Darlington Drive, Yatala, QLD	Awaiting DA	\$55	7.3%	50,000	Industrial/C&I Projects
North Lakes – MIBA, QLD	Master Planning	\$165	7.5%	120,000	Industrial/C&I Projects
Toowong – Town Centre, QLD	Master Planning	\$130	7.5%	20,000	Commercial
Garden Square, Mount Gravatt, QLD	Master Planning	\$60	7.5%	12,000	Commercial
Eagle Street Pier, Brisbane, QLD	Master Planning	\$320	6.5%	40,000	Commercial
OTHER – Commercial	Various	\$375	7.5%	62,000	Commercial/OP
OTHER – Industrial	Various	\$30	7.7%	37,000	Industrial
TOTAL PIPELINE		\$1,539	7.5%	547,000	

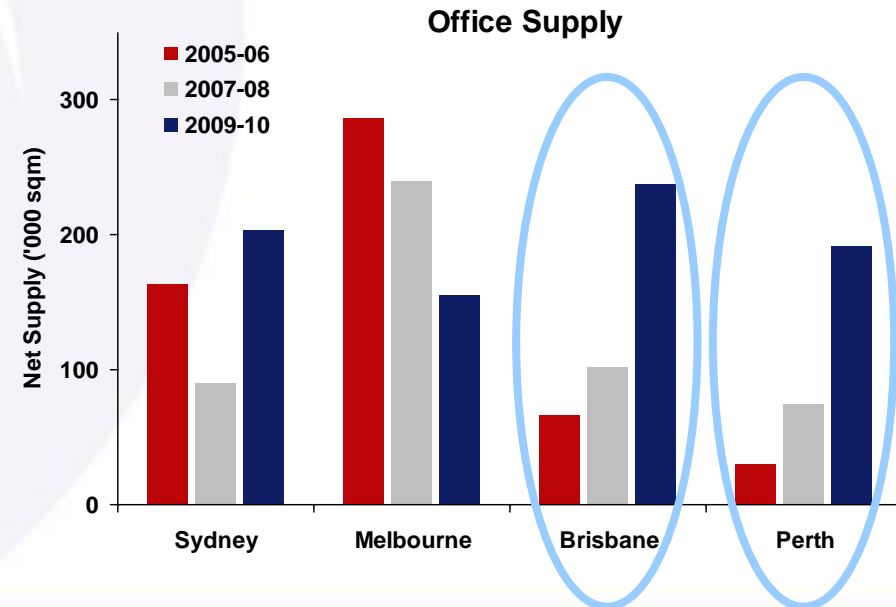
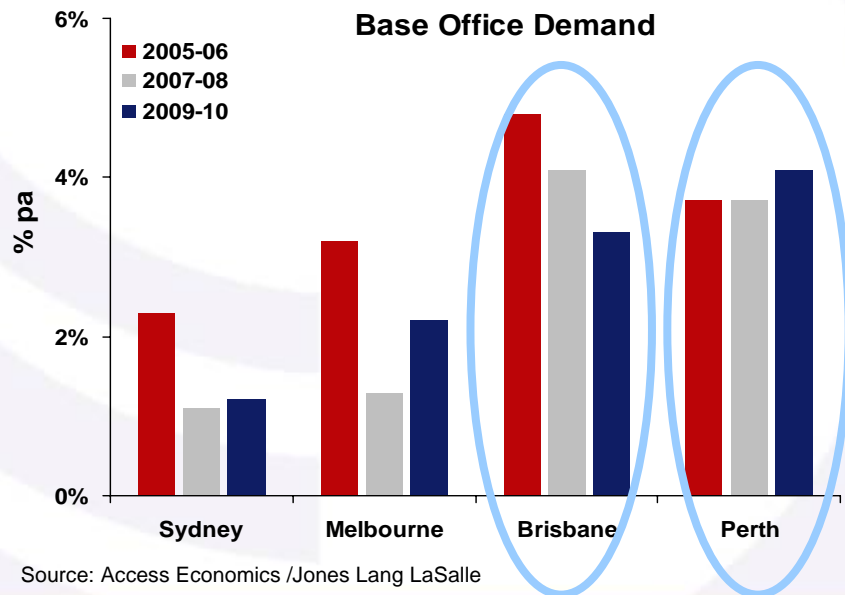
Agenda

- Strategic Direction
- **Commercial & Industrial Queensland Market Commentary**
- Queensland C&I Portfolio Overview

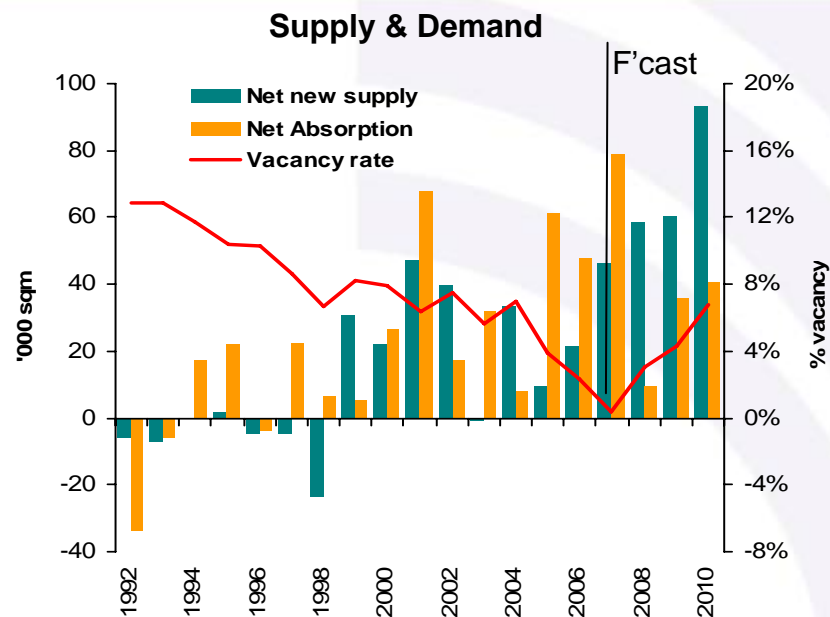


Commercial – Market Indicators

- Sustainable growth in “resource” states
- Vacancy is at record lows in Brisbane / Perth
- Short-term supply side constraints in Brisbane / Perth
- Supply to pick up again from 2009/10

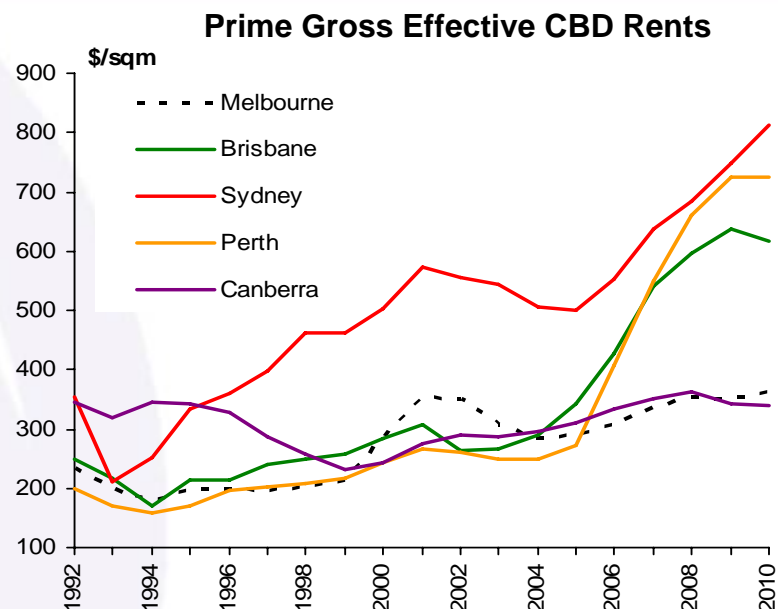


Commercial – Brisbane CBD



Sources: PCA, CBRE, Access Economics, Stockland

- Supply cycle to pick up
- Limited availability is driving a fringe/ suburban development cycle
- Demand remains strong ; pent up demand likely to soak up first wave of new supply



- Rental growth to slow from recent high levels but will remain strong in FY08/09
- Supply side risks to slow growth in FY10/11 - vacancies to remain in check

Industrial - Brisbane

Supply / Demand

- Demand continues to improve
- Shortage of new/prime grade stock driving demand for secondary grade stock
- New supply supported by demand from distribution users modernising their facilities
- Tenant focussing on Southern regions as rents increase in other markets.

Rental Forecasts

- Short-medium growth rates remain robust, including secondary grade stock
- Increase in land and construction costs translating into rental growth, however rental growth still lags



Yatala, QLD

Agenda

- Strategic Direction
- Commercial & Industrial Queensland Market Commentary
- **Queensland C&I Portfolio Overview**



C&I Queensland Portfolio Growth

	Jan 06	Jan 07	Growth
Properties	8	14	75%
Value	\$535m	\$850m	60%
Staff	11	23	109%
Development Book (end value) <i>*Excluding Eagle Street Pier</i>	\$165m	\$645m	290%





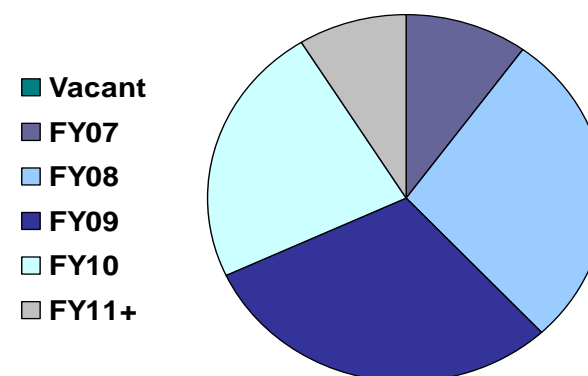
300 ANN STREET (ORACLE HOUSE)



ASSET INFORMATION

Location	Brisbane CBD
Acquisition Date	December 2006
Ownership / Title	100% Freehold
Independent Valuation	\$40.4 million (\$5,646m ²)
Capitalisation Rate	7.0%
Net Lettable Area	7,155m ²
Car Parking Spaces	94
Major Tenants	Oracle, Services Essentials, Bechtel, QR

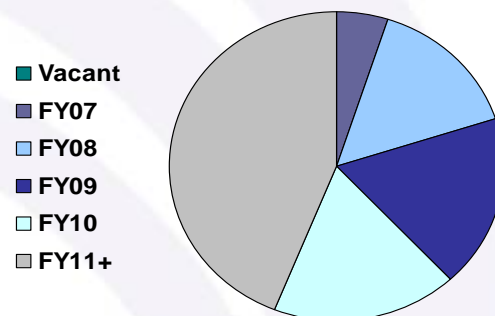
Lease Expiry Profile as at 31 December 2006



GARDEN SQUARE, MT GRAVATT

ACQUISITION & LEASING

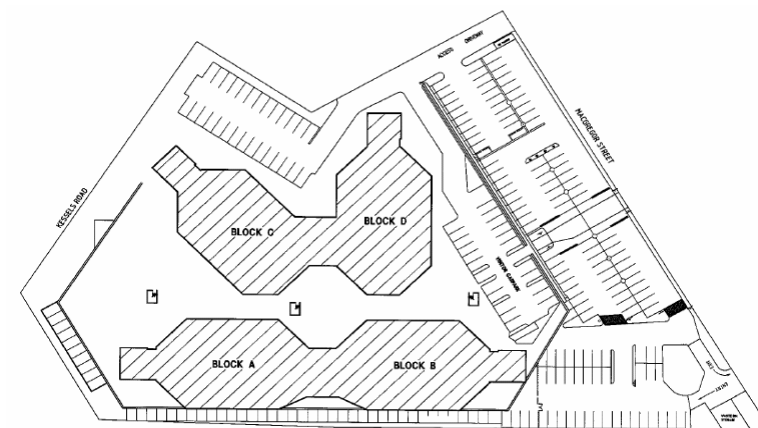
Lease Expiry Profile as at 31 December 2006



ASSET INFORMATION

Location	Mt Gravatt QLD
Acquisition Date	February 2007
Ownership / Title	100% Freehold
Independent Valuation	\$57 million
Capitalisation Rate	7.25%
Net Lettable Area	12,681m ²
Car Parking Spaces	257
Major Tenants	State Government Departments

DEVELOPMENT

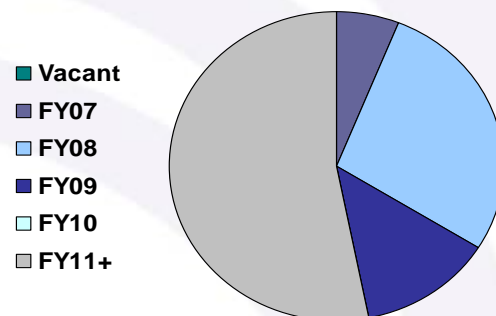


- Asset acquired in December 2006 – development potential up to 26,000m², current scheme 12,000m² NLA
- Development Value: \$70m
- Concept design: April 2007
- DA: December 2007

TOOWONG – 88 Jephson & 27-29 High Street



Lease Expiry Profile as at 31 December 2006



ASSET INFORMATION

Location	Toowong, QLD
Acquisition Date	June 2006
Ownership / Title	100% Freehold
Independent Valuation	\$27.5 million (\$3,803/m ²)
Capitalisation Rate	7.25% -7.75%
Net Lettable Area	7,231m ²
Car Parking Spaces	117



- Mixed use development incorporating retail, apartments and commercial
- Site area: 14,160m²

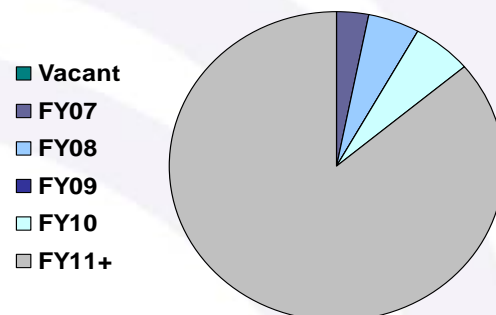
STAGE 1

- Commercial area: Circa 18,000m²
- Retail area: Circa 6,000m²
- No. of Apartments: TBA
- Stage 1 Value: \$150m+

WATERFRONT PLACE & EAGLE STREET PIER



Lease Expiry Profile as at 31 December 2006



ASSET INFORMATION

Location	Brisbane CBD
Acquisition Date	February 2004
Ownership / Title	50% Freehold / Leasehold
Independent Valuation	\$237.5 million (\$8,028/m ²)
Capitalisation Rate	6.13%
Net Lettable Area	59,166m ²
Car Parking Spaces	494
Major Tenants	E&Y, Minter Ellison, Corrs Chamber Westgarth, Bank of WA



- Mixed use development incorporating retail, apartments and commercial
- 40,000m² commercial component in Stage 1
- DA submission in June-September 2007
- Commercial Value Stage 1: Circa \$400m

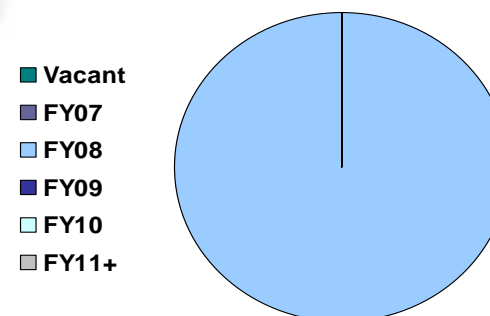
150 CHARLOTTE ST (ENERGEX)



ASSET INFORMATION

Location	Brisbane CBD
Acquisition Date	January 2006
Ownership / Title	100% Freehold
Independent Valuation	\$57 million (\$5,064/m ²)
Capitalisation Rate	7.5%
Net Lettable Area	11,255m ²
Car Parking Spaces	100
Major Tenant	Energex

Lease Expiry Profile as at 31 December 2006



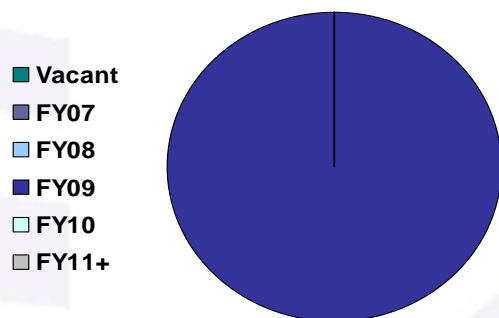
3676 IPSWICH RD, WACOL

ACQUISITION & LEASING

ASSET INFORMATION

Location	South Brisbane, QLD
Acquisition Date	August 2006
Ownership / Title	100% Freehold
Independent Valuation	\$23.1 million
Capitalisation Rate	7.0% - 7.5%
Site Area	10 hectares
Lettable Area	Circa 53,000m ²

Lease Expiry Profile as at 31 December 2006



- JV with De Luca Properties to develop a 50,000m² Industrial Estate
- DA: July 2007
- Total Value: Circa \$80m

DARLINGTON DVE, YATALA

DEVELOPMENT



- Trust & Trading Development Project
- JV with Walker to develop 12 industrial lots & 40,000m² built form
- Site Area: 164,000m²
- DA: July 2007
- Settlements: October 2008
- Total Revenue: \$95m

MIBA, NORTH LAKES

DEVELOPMENT



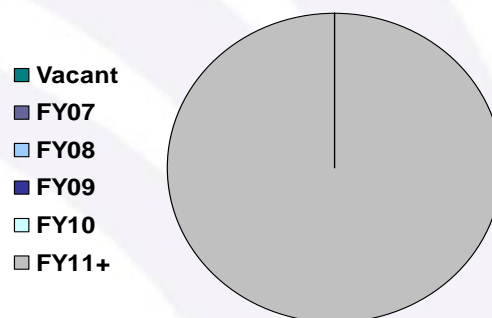
- Trust & Trading Development Project
- Industrial land subdivision & built form
- Site Area: 850,000m²
- Construction: September 2007-April 2008 (Stage 1)
- Total Revenue: \$165m

509 BOUNDARY RD, RICHLANDS

ACQUISITION & LEASING



Lease Expiry Profile as at 31 December 2006



ASSET INFORMATION

Location	South Brisbane, QLD
Acquisition Date	June 2003
Ownership / Title	100% Freehold
Independent Valuation	\$11.5 million (\$1,251/m ²)
Capitalisation Rate	7.5%
Site Area	3.9 hectares
Lettable Area	9,193m ²
Major Tenant	EW Reinforcement

DEVELOPMENT



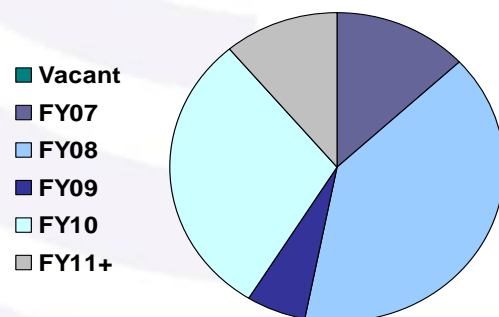
- Development of 7,165m² industrial building alongside an existing facility
- Construction: December 2006
- PC: July 2007
- Site Area: 38,712m²
- Development Value: \$10.5m
- Yield on Completion: 7.5%

HENDRA DISTRIBUTION CENTRE

ACQUISITION & LEASING



Lease Expiry Profile as at 31 December 2006



ASSET INFORMATION

Location	North Brisbane
Acquisition Date	July 2000
Ownership / Title	100% Freehold
Independent Valuation	\$68.5 million (\$821/m ²)
Capitalisation Rate	8.75%
Site Area	16.7 hectares
Lettable Area	83,402m ²
Hardstand	26,641m ²
Major Tenants	Coles Myer, Priority Secure Parking, Fletcher Wood Panels, Fastway Couriers

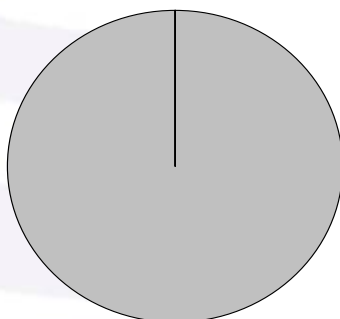
514 BOUNDARY RD, RICHLANDS

ACQUISITION & LEASING



Lease Expiry Profile as at 31 December 2006

■ Vacant
■ FY07
■ FY08
■ FY09
■ FY10
■ FY11+



ASSET INFORMATION

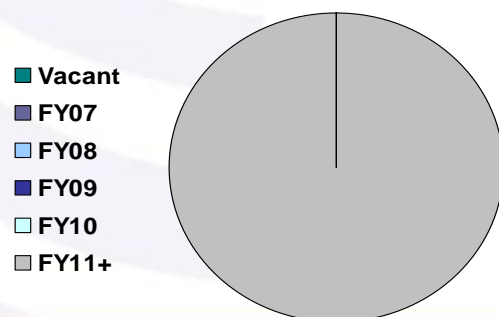
Location	South Brisbane, QLD
Acquisition Date	October 2005
Ownership / Title	100% Freehold
Independent Valuation	\$19.5 million (\$1,337/m ²)
Capitalisation Rate	7.75%
Site Area	58,100
Lettable Area	14,585m ²
Hardstand	16,863m ²
Major Tenants	Toll Express, Toll Ipec

735 BOUNDARY RD, RICHLANDS

ACQUISITION & LEASING



Lease Expiry Profile as at 31 December 2006



ASSET INFORMATION

Location	South Brisbane, QLD
Acquisition Date	October 2005
Ownership / Title	100% Freehold
Independent Valuation	\$14.7 million (\$1,487/m ²)
Capitalisation Rate	7.25%
Site Area	17,320m ²
Lettable Area	9,884m ²
Major Tenant	Corporate Express

60 FULCRUM ST, RICHLANDS

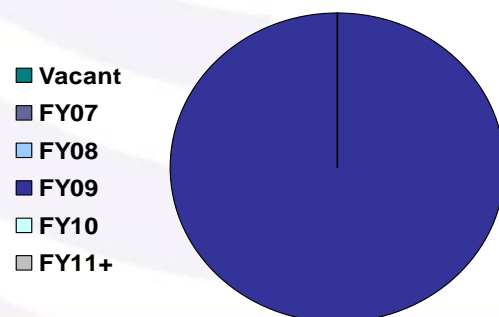
ACQUISITION & LEASING



ASSET INFORMATION

Location	South Brisbane, QLD
Acquisition Date	June 2003
Ownership / Title	100% Freehold
Independent Valuation	\$9.6 million (\$1,228/m ²)
Capitalisation Rate	8.00%
Site Area	2.2 hectares
Lettable Area	7,819m ²
Major Tenant	Electrolux

Lease Expiry Profile as at 31 December 2006



Eagle Street Pier Redevelopment



Site Details

Acquisition Date:	Purchased in February 2004 as part of Waterfront Place acquisition.
Current Use:	Two level restaurant and retail precinct over car parking
Planning Submission:	1H08 (estimated)
Proposed Construction Commencement:	2H09
Site Area:	4,206m ² Freehold 6,525m ² Leasehold (Seabed Lease)
Book Value 31 December 06 :	\$20.1m

CONCEPT DESIGN



Current Proposed Development

Stage 1:

40,000m² Commercial

5,400m² Retail

Approx. 250 Apartments

Parking

Stage 2*:

30,000m² Commercial

300 room Hotel/Service Apartments

Approx 150 -200 Apartments

End Value: \$1.1bn

* Subject to market conditions



Disclaimer

Corporation/ Responsible Entity

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