

# 1H07 Results Presentation

7 February 2007



## Agenda

- Strategy
- Finance and Capital Management
- Divisional Performance
- New Business Initiatives
- Outlook



Allisee, QLD

## Vision

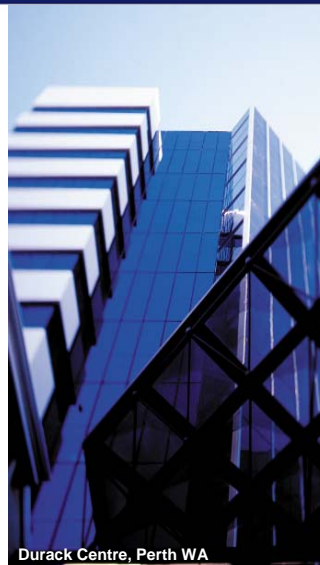
**“To create a world class  
diversified property group”**

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## Key Benchmarks For “World Class”

- Financial performance
- People and leadership
- Customer satisfaction
- Corporate responsibility and sustainability
- Product development and innovation
- Brand equity

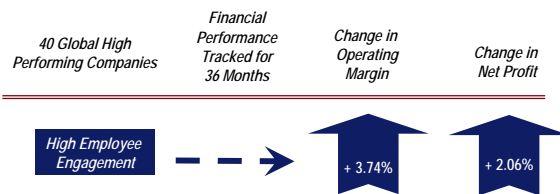


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## The Stockland Team and Culture

- Dynamic, performance based culture
- Competitive advantage as employer of choice
- Tight knit and focussed Executive Team
- High employee engagement (ISR 84%)



\* Source: ISR Research, 2006



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## Strategy

- **Market leadership in each of our businesses**
- **Active Capital Management to provide to lowest cost funding solutions for business growth**
- Collaborate across the businesses to create value adding solutions
- Further diversify our businesses both by sector and geography to broaden our income streams and market reach

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## Financial Highlights and Capital Management

### Hugh Thorburn

- Financial Highlights
- Capital Management



7 Macquarie Place, Sydney NSW

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## 1H07 Results in Summary

Net Profit*	▲	7.2%	\$293.1m
Earnings per Security*	▲	3.9%	21.5 cents
Distributions per Security	▲	4.9%	21.5 cents
NTA per Security	▲	9.3%	\$4.96

\* Net profit and EPS before certain significant items.

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## Capital Management

	1H07	FY06
<b>S&amp;P Rating</b>	<b>A-/Stable</b>	<b>A-/Stable</b>
<b>Weighted Average Debt Maturity</b>	<b>7.1 years</b>	<b>7.4 years</b>
<b>Debt Fixed / Hedged</b>	<b>71%</b>	<b>61%</b>
<b>Weighted Average Cost of Debt*</b>	<b>6.2%</b>	<b>6.1%</b>
<b>Gearing (debt/total tangible assets)</b>	<b>26.7%</b>	<b>24.7%</b>

\* Including all costs, fees and margins

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## Consistent Delivery of Strategy

	EBIT 1H07		Assets at 31 December 2006	
	Actual	Strategic Weighting	Actual	Strategic Weighting
<b>Recurring Income</b>				
Retail	35%		39%	
Commercial	18%		21%	
Industrial & Office Parks	9%		14%	
<b>Subtotal</b>	<b>62%</b>	<b>60 - 80%</b>	<b>74%</b>	<b>70 - 80%</b>
<b>Other Income</b>				
Property Development	35%		25%	
Other	2%		<1%	
Unlisted Property Funds	1%		<1%	
<b>Subtotal</b>	<b>38%</b>	<b>20 - 40%</b>	<b>26%</b>	<b>20 - 30%</b>

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## Retail

### John Schroder

- Financial Highlights
- Market Indicators
- Portfolio Performance
- Growth Strategy
- Outlook



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## Retail Division - 1H07 Financial Highlights

Divisional operating profit	▲	\$126.0m / + 6.6%
Comparable net income growth	▲	5.1%*
Revaluations in 1H07	▲	\$256.3m

- Minimal vacancies and negligible trading debt
- Development pipeline \$1.46 billion

\* Excludes impact of acquisitions, disposals and development

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## Retail Sales Performance and Market Indicators

- Retail trade has proven resilient despite some headwind from rising interest rates
- Stockland Centres' MAT\* sales are now at \$4.5 billion with comparable growth of 3.1%
- Comparable specialty shop growth is above inflation at 4.2%

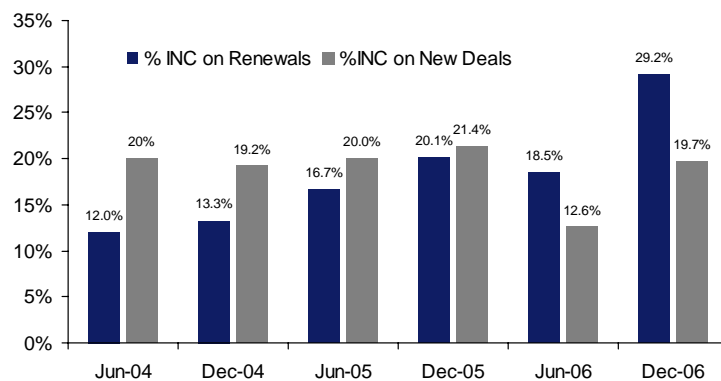


\* See Annexures Slides 61-62

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## Retail Leasing and Management Performance

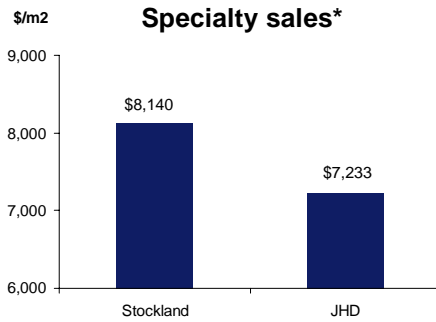


- 290 leasing transactions completed
- 73 project leasing deals completed (average rental \$100psm above feasibility)

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## High Productivity Drives Retail Rental Growth



3 centres recently ranked in the Top 10 for total specialty, sub regional turnover\*

Ranking	Centre	Spec MAT \$ per m²
1	Stockland Green Hills	10,705
5	Stockland Merrylands	10,090
10	Stockland Townsville	9,446

\*Excludes development affected centres. See Annexure Slide 60 for major category data  
 \*\* Shopping Centre News Little Guns 2006 Report, November

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## Retail Growth Strategy - Development Pipeline

Project Status	No of Projects	Total Cost (\$m)	Anticipated Yield	Current Average Cap Rate
Active in 1H07	5	\$202	8.3%	7.3%
Expected 2H07 Commencement	3	\$300	8.0%	6.6%
Preparation/Masterplanning	15	\$960	8.0%	6.7%
<b>TOTAL</b>	<b>23</b>	<b>\$1,462</b>	<b>8.1%</b>	<b>6.9%</b>

Stockland Rockhampton



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## Retail Management Team - Strengthened

- New General Managers appointed
  - **Stuart Langeveldt** - General Manager, Marketing (internal transfer and promotion)
  - **Stewart White** - General Manager, Development, Design and Construction
  - **Simon Bird** - General Manager, Finance
- Additional New Business role identified

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## Retail Division Outlook

- FY07 forecast on track
- Quality assets drive leasing activity
- Development pipeline driving overall growth strategy
- Strong and experienced Executive Team

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## Commercial and Industrial

### Steven Mann

- Financial Highlights
- Commercial
- Industrial
- Development Pipeline
- Outlook



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## Commercial and Industrial - 1H07 Financial Highlights

Divisional operating profit	▲	\$113.3m / + 10.9%
Comparable net income growth	▲	4.2%
Revaluations in 1H07	▲	\$222.8m/ +17.5%

Maintained high occupancy at 98%

Acquisitions of \$680m / 6.8% yield

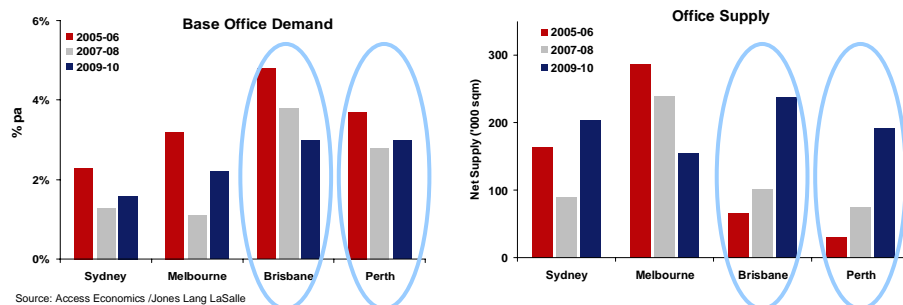
Development pipeline increased to \$1.3bn

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## 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

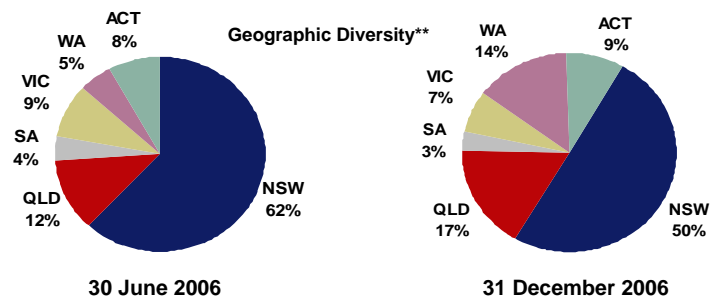


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## Commercial - Acquisitions

- 7 acquisitions for \$410m / 6.6% yield\*
- Re-weighted Commercial portfolio into growth markets of QLD and WA



\* Includes exchanged properties and 50% Bank West Tower which is subject to pre-emptive rights  
 \*\* By value, see Annexure Slide 73 for acquisition details

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## Industrial - Market Commentary/Acquisitions

- Strong supply levels continue to be mostly pre-commitment based
- Industrial sector output is forecast to rebound, particularly for transport and storage
- 7 acquisitions for \$270m / 7.3% yield\*
- Increased portfolio exposure to Melbourne, now 20%



Toll Portfolio, Altona VIC

\* By value, see Annexure Slide 73 for acquisition details

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## Commercial and Industrial Development Pipeline

- Development pipeline extended to \$1.3bn (previously \$700m)\*

Project Status	No of Projects	Total Cost (\$m)	Forecast Yield	Area m <sup>2</sup>
Under construction	4	\$332	7.6%	110,000
Projects yet to be commenced				
- Existing portfolio	4	\$680	7.2%	223,000
- 1H07 Aquisitions	6	\$320	7.4%	167,000
<b>Total Pipeline</b>	<b>14</b>	<b>\$1,332</b>	<b>7.4%</b>	<b>500,000</b>

\* See Annexure Slide 74 for project details

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## Commercial and Industrial Outlook

- Deliver rental reversions for office acquisitions in QLD / WA
- Acquisitions in growth markets and UPF partnership opportunities
- Continue the momentum of the development pipeline
- Target world class sustainability measures



Piccadilly, Sydney NSW

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## Development Division

### Denis Hickey

- 1H07 Highlights
- Key Achievements
  - Residential Communities
  - Apartments
  - Retirement Living
- Market Commentary
- Outlook



Caloundra Downs, Caloundra QLD

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## Development Division - 1H07 Highlights

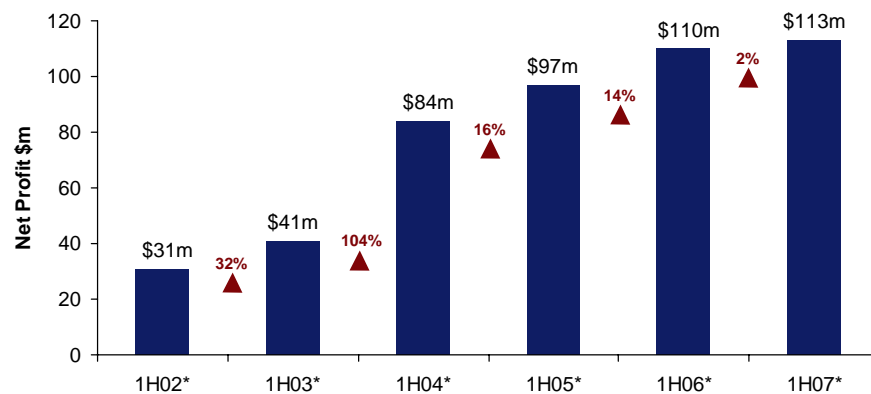
- Operating profit up 2.4% to \$113 million
- Achieved strong presales in the Apartment projects released
- Successfully repositioned several Residential Communities projects
- Achieved a number of key development approvals
- Continued to make progress on Retirement Living strategy



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## Development Division - Net Profit Growth



\* 1H02-1H04 is AGAAP, 1H05-1H07 is AFIRS

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## Development Division - Results Summary

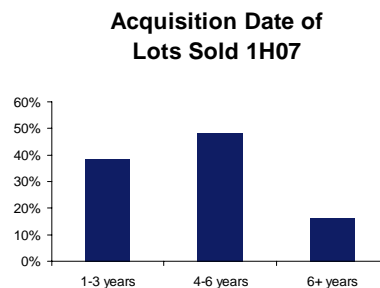
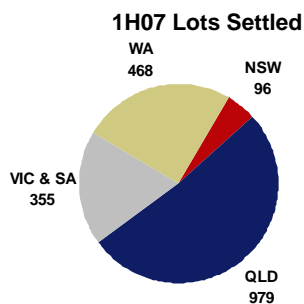
		1H07			1H06
		Residential Communities	Apartments	Total 1H07	
<b>Performance</b>					
Units / Lots Sold	No.	1,898	1	1,899	2,096
Revenue	\$m	\$440m	\$0m	\$440m	\$370m
Operating Profit	\$m	\$116m	(\$3m)	\$113m	\$110m
Net Margin	%	26%	N/A	26%	30%
<b>Asset/Pipeline</b>					
Gross Assets	\$m	\$1,985m	\$508m	\$2,493m	\$2,307m
Projects on Hand	No.	70	12	82	84
Units / Lots Controlled	No.	66,600	2,100	68,700	63,900
End Value of Projects	\$bn	\$14.8bn	\$2.1bn	\$16.9bn	\$14.9bn

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## Residential Communities - Key Achievements

- Maintained consistent sales despite a soft NSW market
- Only 3 projects launched in 1H07, a further 7 to be launched in CY2007
- Strong pre sales entering into 2H07



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## Apartments - Key Achievements

- Successful pre-sales on projects launched to market
  - The Hyde
  - Prince Henry
- Achieved approvals for Tooronga project (circa \$500m)
- Continued market leadership in design and sustainability initiatives



Tooronga, Glen Iris VIC

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## Apartments - Key Achievements

- Strong pre sales for projects under construction/launched

Project	Products Released to Market	
	\$ Project Value	% Sold*
<b>2H07 Completions</b>		
Koko	\$95m	77%
Allisee - Stage 1	\$73m	75%
The Waterfront - Stage 1	\$119m	85%
Prince Henry Little Bay (Coperture)	\$12m	15%
<b>Total FY07</b>	<b>\$299m</b>	<b>77%</b>
<b>FY08+ Completions</b>		
Allisee - Stage 2	\$59m	59%
Prince Henry Little Bay (Cardita)	\$67m	70%
Prince Henry Little Bay (Harpa)	\$18m	100%
The Hyde	\$222m	53%
Norman Reach (Bethany)	\$103m	11%
<b>Total FY08+</b>	<b>\$469m</b>	<b>49%</b>
<b>Total Projects</b>	<b>\$768</b>	<b>60%</b>

\* Note: % Sold based on units exchanged

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## Retirement Living - Key Achievements

- Progressing in line with our market entry strategy
  - Focus on unlocking sites within our Residential Communities Portfolio
  - Seek acquisitions only when they represented value
  - No desire to enter the aged care market – preference was to form strategic alliances
- Continued work on our development pipeline (3,000+ units/lots)
- Anticipate commencing construction on 5 villages during CY2007



Mernda, Mernda VIC

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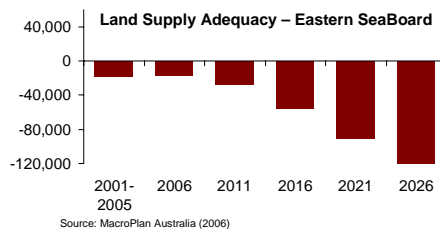
## Residential Market Overview

### Positives

- Fundamental drivers for the residential market remain sound
  - Growing economy ✓
  - Historically low interest rates ✓
  - Historically high employment ✓
  - Growing population ✓
  - Low rental vacancies ✓
- Supply continues to be restrained in all markets

### Negatives

- Insufficient planning will exacerbate the undersupply situation



- Constant uncertainty on interest rate policy is causing buyers to hesitate.
- Strong equities markets have effected the attractiveness of residential "investment" property (particularly eastern seaboard)

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## Residential Market Overview

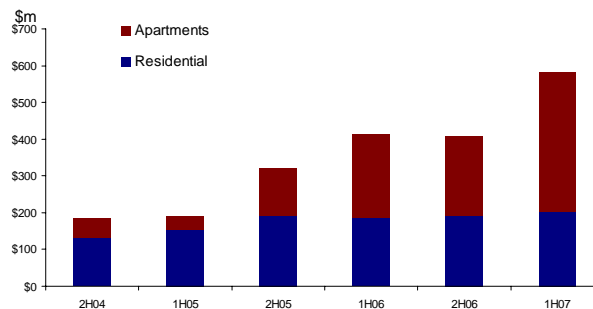
MARKET PERFORMANCE			
	Last 6-12 Months	Next 6-12 Months	
NSW	Has been abnormally soft - particularly in the outer suburbs Land sales fallen to record lows Planning complexity and costs have stalled projects Production relative to population is out of balance	Improving demand – late CY2007	▲
VIC	Robust. Trading at historical averages	Remain stable – strong fundamentals	◀▶
WA	Strong economy. Strong demand	Heat to come out of the market but remains fundamentally sound	◀▶
QLD	Robust. Slightly better than historical averages	Remain firm	◀▶

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## Development Division - Outlook

- Contracts on hand for Residential Communities and Apartments remain strong



- 11 projects to be released to market within the next 12 months

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## Development Division - Summary

- Delivered another record profit performance
- Well positioned to achieve our full year forecast - strong level of contracts on hand entering into 2H07
- Continue to build our market share as our development pipeline is released

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## Unlisted Property Funds Highlights

- Over \$700m of wholesale and retail assets under management\*
- Performance of all funds at or above PDS/IM forecast
- SDOT1:
  - 65% increase in unit value for the half year
  - Management performance fee income of \$3.8m
- Successfully closed wholesale and retail unlisted capital raisings:
  - First wholesale development fund (SREEF1) in excess of target
  - First retail shopping centre fund (SDRT1)

\* Represents equity commitments and assets under management

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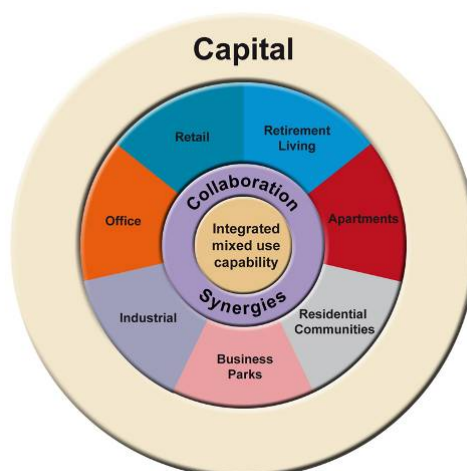
## Strategy

- Market leadership in each of our businesses
- Active Capital Management to provide to lowest cost funding solutions for business growth
- **Collaborate across the businesses to create value adding solutions**
- Further diversify our businesses both by sector and geography to broaden our income streams and market reach

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## Competitive Advantage From Diversity and Collaboration



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## Strategy

- Market leadership in each of our businesses
- Active Capital Management to provide to lowest cost funding solutions for business growth
- Collaborate across the businesses to create value adding solutions
- **Further diversify our businesses both by sector and geography to broaden our income streams and market reach**

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Stockland

## Stockland accelerates UK expansion with acquisition of Halladale

7 February 2007



## Agenda

- Stockland's UK Strategy
- Acquisition Rationale
- Overview of Halladale Business
- Stockland Halladale Platform
- Transaction Summary
- Future Growth Strategy



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## Stockland's UK Strategy

- Leverage Stockland development and asset management skills
- Gap in market – integrated mixed use
- Align ourselves with reputable local groups, with like-minded culture
- Capital partnering model to enhance ROE and optimise balance sheet utilisation
- Building a scaleable business which will drive long term TSR



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## Acquisition Rationale

### Why Halladale?

- Great strategic fit
  - Management and development platform across retail and office
  - Co investment model underpinned by selective use of balance sheet
  - Established brand and infrastructure
  - Track record of delivering results
  - Team oriented culture
  - The right size
- Stockland initiated the opportunity
- Both management teams are aligned with strategy
- Accelerates our strategy by 2+ years
- Provides platform to capitalise on further growth opportunities in UK and Europe

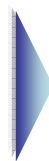
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## Halladale Business Model

“The creation of value through active and entrepreneurial management, risk controlled development co-investment in commercial property assets”

- Asset Management
- Development
- Co-investment Fund management



H A L L A D A L E

Office and retail property: portfolio under management approaching £1 billion

Total development programme end value in excess of £500m

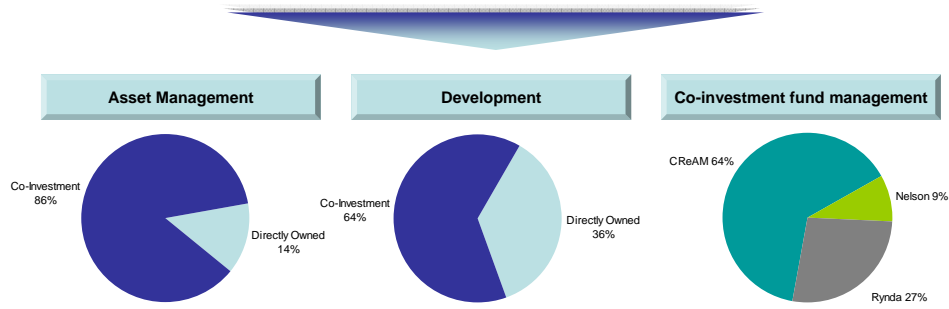
- Founded 1991 and listed AIM 2001
- Offices in London, Edinburgh and Glasgow

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## Halladale Portfolio

Total Assets Under Management	£ million	% allocation
Asset management	457.4	50%
Development	109.1	12%
Co-investment fund management <sup>(1)</sup>	344.0	38%
<b>TOTAL</b>	<b>910.5</b>	<b>100%</b>



As at 31 October 2006  
<sup>(1)</sup> Adjusted to include acquisitions for Rynda fund post 31 October 2006  
 Sources: Halladale 31 October 2006 Interim Results Presentation and Management Data

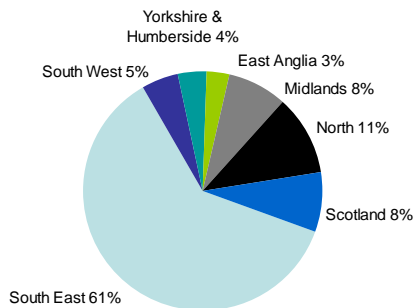
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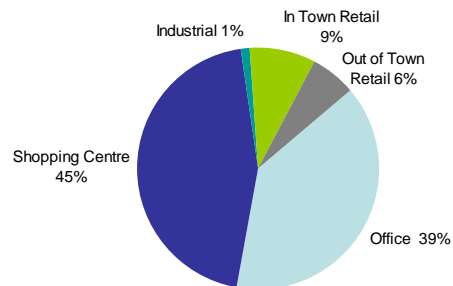
## Halladale Portfolio

### UK Portfolio Under Management

#### Geographical Analysis By Value



#### Sector Analysis By Value



As at 31 October 2006  
 Source: Halladale 31 October 2006 Interim Results Presentation

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## Halladale Funds Management Platform

- High quality Institutional Joint Venture Capital partners
  - Bank of Scotland
  - Citigroup Property Investors
  - The Carlyle Group
  - Tyburn Lane Private Equity
  - Anglo Irish Bank
- Co-investment fund management
  - CReAM
  - Nelson
- Rynda funds management platform
  - Establishment of first European fund



Clive House, Connaught Place W2

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## Stockland Halladale Combined Platform

- Stockland adds capital management and our residential and retail development capability
- Leverage Halladale's local knowledge, contacts, expertise
- Strength of integrated management team
- Repositioning towards longer term, higher value add opportunities
- Strong combined brand and reputation
- Combined funds management platform provides growth opportunities
- Continuation of co-investment model

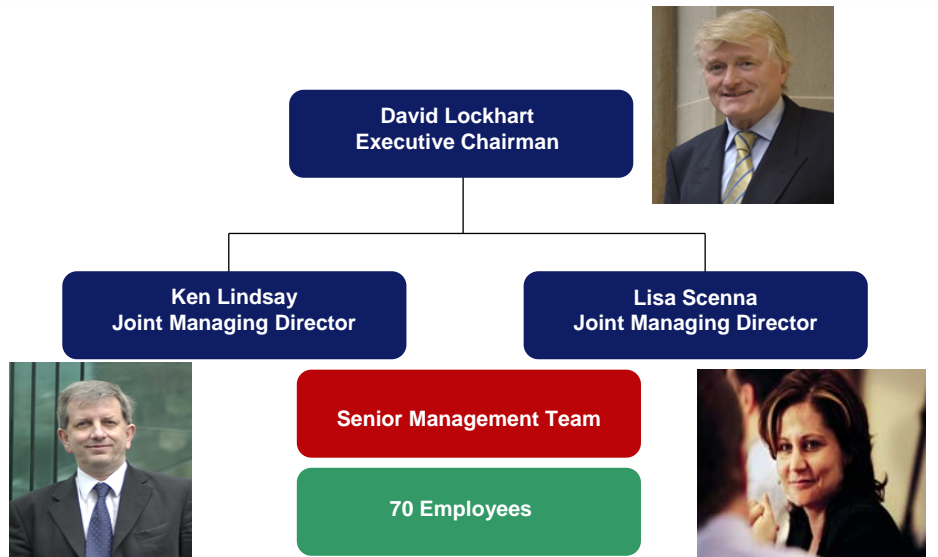


Gracechurch Street, London EC3

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## Stockland Halladale Management



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## Transaction Summary

- All cash **recommended** offer of 225p per Halladale share
- Values Halladale at £171m (A\$427m) on a fully diluted equity basis<sup>(1)</sup>
- Enterprise value of circa £216m (A\$540m)
- Offer represents a premium of:
  - 33.9% to the closing share price on 6 February 2007
  - 38.6% to 3 month VWAP to 5 February 2007
- Structured as a Scheme of Arrangement
- Completion expected April 2007
- 44.6% acceptances received via irrevocables

(1) Includes full conversion of Convertible of Unsecured Loan Stock ("CULS") and exercise of all outstanding options



Windsor Plaza, Hammersmith London

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## Financial Impact

- Group earnings impact<sup>(1)</sup>:
  - FY07: No impact on 5% EPS guidance
  - FY08: Neutral impact (due to fair value accounting adjustments)
  - FY09: Accretive
- Funding by debt from existing facilities
- Stockland pro forma gearing (D/TTA) as at 31 December 2006 increases from 26.7% to 30.7%
- No material change to Recurring / Other Earnings split
- UK earnings circa 5% EBIT in FY09: in line with strategy

(1) Impact includes fair value acquisition accounting adjustments under A-IFRS

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## Stockland Halladale future growth strategy

- Joining of two successful business models
- Value-adding through integrated development capabilities and capital management infrastructure
- Co-investment and continued growth in funds management
- Outstanding platform to grow a scaleable, market leading business

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## Outlook

- On track for 5% EPS growth in FY07
- Strong and respected platform and market positioning
- Key strategic initiatives to drive future value
- Clear strategy to drive TSR outperformance



Stockland Wetherill Park, Sydney NSW

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## Annexures



Prince Henry, Sydney NSW

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## Summary of Results – 1H07

	\$m	Cents per security
<b>Operating Profit</b>	<b>293.1</b>	<b>21.5</b>
Net gain from fair value adjustment of investment properties	479.1	
Net unrealised loss on financial instruments	(0.5)	
Net loss on sale of investment properties	7.2	
Security holders' finance costs	-	
<b>Reported Statutory Net Profit</b>	<b>778.9</b>	
Net transfers to reserves	(2.1)	
<b>Amount available for distribution</b>	<b>776.8</b>	
<b>Dividend/distribution</b>	<b>85.1</b>	
Trust distribution (102% payout)	238.5	17.4
Corporation dividend (91% payout)	56.2	4.1
<b>Total Dividend/Distribution</b>	<b>294.7</b>	<b>21.5</b>
<b>Net increase in corporation retained profits</b>	<b>482.1</b>	

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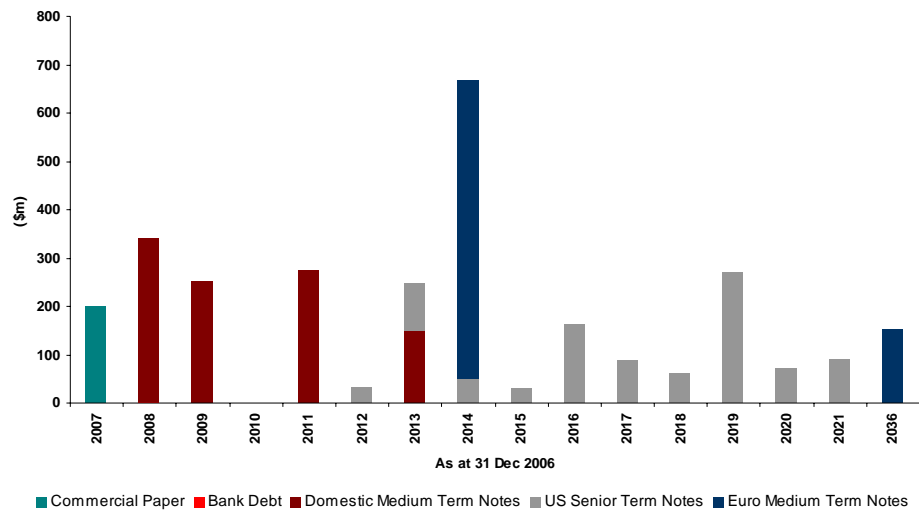
## Total P&L Effect of Interest – 1H07

<b>Profit and Loss Effect HY07</b>	<b>\$m</b>	
Interest paid		92.9
Interest capitalised:		
Development assets	(62.0)	
Investment assets	(11.2)	(73.2)
Finance costs		19.7
Capitalised interest expensed via COS		10.4
<b>Total P&amp;L effect</b>		<b>30.1</b>

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## Capital Management - Debt Maturity Profile



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## Retail Portfolio Sales

	MAT (\$m)	% MAT Growth	% Comparable Growth
Supermarkets	1,656	2.5	1.7
DDS	904	3.5	1.4
Specialties	1,406	6.1	4.2
Mini Majors/Cinemas/Other	572	11.8	7.7
<b>TOTAL</b>	<b>4,538</b>	<b>4.9</b>	<b>3.1</b>

Year to 31 December 2006

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## Retail Sales - Portfolio Summary

Centre	Total MAT (\$m)	Comp Growth (%)	Specialties MAT (\$/m²)	Occupancy Cost (%)
Stockland Bay Village	167.0	N/A	7,142	14.8
Stockland Bathurst	117.9	(0.5)	8,395	11.5
Stockland Baulkham Hills	75.8	N/A	N/A	N/A
Stockland Bull Creek	101.9	7.2	7,397	13.7
Stockland Burleigh Heads	169.2	N/A	7,070	12.3
Stockland Cairns	210.1	8.4	7,063	11.8
Stockland Caloundra	119.9	1.5	9,357	9.9
Stockland Cleveland	118.8	1.3	6,378	11.2
Stockland Corrimal	85.1	4.4	6,342	12.2
Stockland Forster	73.0	N/A	N/A	N/A
Stockland Gladstone	144.4	3.2	8,851	11.0
Stockland Glendale	241.9	N/A	7,228	11.1
Stockland Glenrose	59.9	1.2	6,486	10.9
Stockland Green Hills	280.3	4.0	10,762	10.0
Stockland Jesmond	141.2	4.8	8,457	11.2
Stockland Merrylands	164.8	(1.6)	10,089	11.4
Stockland Nowra	119.2	(0.1)	9,214	11.3

At 31 December 2006

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## Retail Sales - Portfolio Summary (continued)

Centre	Total MAT (\$m)	Comp Growth (%)	Specialties MAT (\$/m²)	Occupancy Cost (%)
Stockland Parabanks	142.0	0.0	6,362	12.3
Piccadilly, Sydney	18.4	0.1	6,750	21.7
Stockland Rockhampton <sup>1</sup>	246.9	2.3	9,316	10.5
Stockland Riverton	101.5	7.2	5,278	11.3
Stockland Shellharbour	203.9	1.2	8,280	13.4
Stockland Townsville	208.9	5.2	9,576	12.5
Stockland Traralgon	90.8	(2.0)	5,849	11.5
Stockland Wendouree	115.5	(1.1)	7,083	10.4
Stockland Wetherill Park	242.9	1.8	9,474	12.7
Karrinyup Shopping Centre	367.4	6.5	10,569	15.6
Shellharbour Super Centre	69.7	N/A	N/A	N/A
135 King Street, Sydney	18.7	1.0	N/A	N/A
Bridge Plaza	43.3	N/A	N/A	N/A
Stockland The Pines	147.5	7.0	6,157	17.5
Stockland Batemans Bay	75.0	1.1	7,638	10.7
<b>TOTAL</b>	<b>4,538.0</b>	<b>3.1</b>	<b>8,140*</b>	<b>12.5</b>

At 31 December 2006

<sup>1</sup> Rockhampton MAT \$/m² and Occ Cost excludes Kmart Plaza

\* Excludes development affected centres

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## Retail Sales - NZ Portfolio Summary

	Total MAT (\$m)	% Comp. Growth	Specialities (\$/m <sup>2</sup> )	% Occupancy Cost
Lynnmall Shopping Centre	(NZ) 218.2	4.3	(NZ) 7,223	13.7
Botany Town Centre	(NZ) 302.8	3.6	(NZ) 7,940	13.0
Manukau Supa Centre	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>(NZ) 521.0</b>			

Inclusive of GST

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## Retail Division - Development Pipeline

Active Projects	Forecast Cost (\$m)	Forecast Yield (%)	Status
Forster (inc. Bunnings & Bulky Goods)	46.8	8.8	September 2007
Baulkham Hills	47.1	7.4	October 2007
Baldivis	24.9	8.0	May 2007
Wendouree	17.5	8.5	August 2007
Rockhampton	65.6	8.5	August 2008
<b>Total</b>	<b>201.9</b>		
<b>Pipeline Projects</b>			
Nowra & Nowra Bulky	100.0	7.2	DA approved
Mudgee	37.0	7.7	DA approved
Merrylands	160.0	7.8	DA approved
Balgowlah	127.0	6.0	DA approved with conditions
Glenrose	120.0	7.5	DA approved pending
Vicentia	70.0	8.0	DA lodged
Gladstone	92.0	8.2	Masterplanning
Caloundra (stage 1)	36.0	7.5	Masterplanning
Green Hills	100.0	8.0	Masterplanning
Townsville	91.0	8.1	Masterplanning
Kawana (Stage 1)	37.0	7.4	Masterplanning
Shellharbour	105.0	8.5	Masterplanning
Townsville Waterway Gardens (Stage1)	22.0	7.8	Masterplanning
Jimboomba (Stage 1)	65.0	8.0	Masterplanning
Tooronga	45.0	7.0	Masterplanning
Glenmore Park	25.0	7.5	Masterplanning
Riverton	20.0	8.0	Masterplanning
Parabanks (Stage 1)	10.0	7.1	Masterplanning
<b>Total</b>	<b>1,262.0</b>		
<b>TOTAL</b>	<b>4,482.8</b>	<b>3.1</b>	<b>8,140</b>

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## Retail Division - Revaluations

Property	Current Valuation (\$m)	Previous Book Value (\$m)	Increment (\$m)	% Movement	Current Cap Rate %
Stockland Shellharbour	252.0	228.9	23.1	10.1%	6.00
Stockland Taralgon	71.2	61.1	10.1	16.5%	6.75
Stockland Bathurst	83.0	77.2	5.8	7.5%	6.25
Stockland Merrylands	151.0	129.7	21.3	16.4%	6.50
135 King Street	40.0	34.0	6.0	17.3%	6.00
Stockland Wetherill Park	307.5	278.5	29.0	10.4%	6.00
Stockland Corrimal	58.4	48.7	9.7	19.9%	6.50
Stockland Cairns	181.0	158.0	23.0	14.6%	6.50
Stockland Townsville	230.0	201.9	28.1	13.9%	6.25
Stockland Gladstone	97.5	87.3	10.2	11.7%	6.50
Stockland Caloundra	82.0	68.3	13.7	20.1%	6.25
Stockland Cleveland	84.5	72.0	12.5	17.4%	6.25
Stockland Burleigh Heads	158.0	134.4	23.6	17.6%	6.25
Burleigh Central	17.0	15.5	1.5	9.7%	7.25
Stockland Green Hills	207.0	168.3	38.7	23.0%	6.00
Auckland Creek	3.6	3.6	0.0	0.0	N/A
<b>TOTAL</b>	<b>2,023.7</b>	<b>1,767.4</b>	<b>256.3</b>	<b>14.5%</b>	

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## Commercial – Market Commentary

	SGP Portfolio	Market Vacancy Dec-06	Change 6 mths	CY06 Net Absorption m²	Supply Under Construction m²
Sydney CBD	34%	9.1%	↓	117,000	122,800
North Sydney	14%	9.9%	↑	12,900	29,400
Suburban Sydney	10%	9.9%	↓	17,300	51,300
Brisbane CBD	16%	0.8%	↓	73,000	36,200
Melbourne CBD	8%	7.2%	↓	164,600	174,100
Canberra	7%	2.1%	↑	54,400	277,400
Perth CBD	7%	0.7%	↓	31,300	67,000
Adelaide CBD	4%	7.3%	↓	25,500	91,700

Source: Jones Lang LaSalle Research, December quarter 2006  
Arrows represent change between June 2006 and December 2006

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## Industrial and Office Parks – Market Commentary

	SGP Portfolio	Under Construction m²	Pre-Commitment	Land Values	Rental Growth
Sydney	45%	782,000	53%	↑	Moderate
Melbourne	20%	594,000	80%	↑	Good
Brisbane	14%	444,000	60%	↑	Strong
Adelaide	5%	165,000	100%	↑	Moderate
Macquarie Park	16%	131,000	78%	↑	Strong

Source: Jones Lang LaSalle Research, December quarter 2006  
Arrows represent change between June 2006 and December 2006

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## Commercial and Industrial - Revaluations

### Commercial

Property	Current Valuation (\$m)	Previous Book Value (\$m)	Increment (\$m)	% Movement	Current Cap Rate
333 Kent Street, Sydney	\$50.9	\$40.7	\$10.2	25.0%	6.50%
135 King Street (50%)	\$98.5	\$86.9	\$11.6	13.4%	6.20%
77 Pacific Highway Nth Sydney	\$59.0	\$48.0	\$11.0	22.9%	7.00%
72 Christie Street	\$69.0	\$60.3	\$8.7	14.4%	6.60%
110 Walker Street	\$29.4	\$25.2	\$4.2	16.6%	7.00%
Northpoint	\$220.0	\$197.1	\$22.9	11.6%	6.75%
2-6 Cavill Avenue	\$29.1	\$26.5	\$2.6	9.9%	7.75%
222 Russell St, Car Park	\$16.8	\$14.7	\$2.1	14.3%	7.50%
541 St. Kilda Rd, Melbourne	\$26.0	\$23.0	\$3.0	13.3%	7.25%

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## Commercial and Industrial - Revaluations

### Commercial (cont.)

Property	Current Valuation (\$m)	Previous Book Value (\$m)	Increment	% Movement	Current Cap Rate
Waterfront Place	\$237.5	\$178.1	\$59.4	33.3%	6.13%
150 Charlotte Street	\$57.0	\$47.0	\$10.0	21.4%	7.50%
Trace and Todd	\$21.3	\$17.3	\$4.0	23.1%	8.50%
Cox & Drakeford	\$21.1	\$18.0	\$3.1	17.4%	8.75%-9.00%
75 George Street	\$35.0	\$28.0	\$7.0	24.8%	7.50%
81-95 Waymouth Street	\$50.0	\$46.7	\$3.3	7.1%	8.00%
Chesser House	\$33.0	\$26.9	\$6.0	22.5%	7.25%
<b>Total Commercial</b>	<b>1,053.0</b>	<b>884.4</b>	<b>169.1</b>	<b>19.1%</b>	<b>6.84%</b>

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## Commercial and Industrial - Revaluations

### Industrial & Office Parks

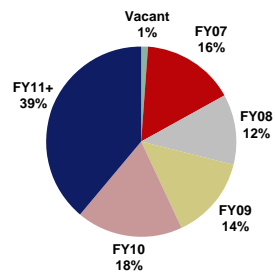
	Current Valuation (\$m)	Previous Book Value (\$m)	Increment (\$m)	% Movement	Current Cap Rate
11 Amour Street	\$15.0	\$13.9	\$1.1	7.60%	7.75%
159-163 Newton Road, Wetherill Park	\$13.3	\$12.1	\$1.2	10.20%	7.75%
Yennora Distribution Centre	\$296.0	\$256.9	\$39.1	15.20%	7.50%
2 Davis Road, Wetherill Park	\$19.3	\$17.6	\$1.7	9.50%	7.25%
11A Ferndell Street	\$18.0	\$16.6	\$1.4	8.70%	7.75%
Altona Distribution Centre	\$27.5	\$26.5	\$1.0	3.80%	8.00%
60 Fulcrum St, Richlands	\$9.6	\$7.5	\$2.1	27.20%	8.00%
509 Boundary Road, Richlands	\$11.5	\$9.4	\$2.1	22.00%	7.50%
514 Boundary Road, Richlands	\$19.5	\$17.9	\$1.6	9.00%	7.75%
735 Boundary Road, Richlands	\$14.7	\$12.3	\$2.4	19.40%	7.25%
<b>Total Industrial &amp; Office Parks</b>	<b>\$444.4</b>	<b>\$390.6</b>	<b>\$53.7</b>	<b>13.70%</b>	<b>7.56%</b>
<b>Total C&amp;I</b>	<b>\$1,497.8</b>	<b>\$1,275.1</b>	<b>\$222.8</b>	<b>17.50%</b>	<b>7.06%</b>

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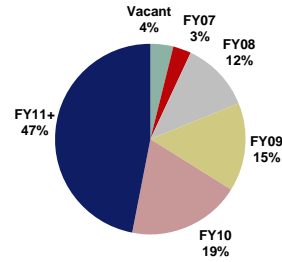
## Commercial Lease Expiry Profile

June 2006  
Lease expiry profile



WALT: 4.2 years

December 2006  
Lease expiry profile



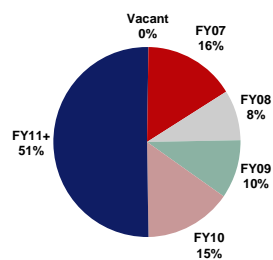
WALT: 4.2 years

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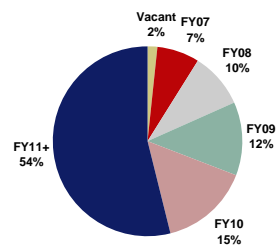
## Industrial and Office Parks Lease Expiry Profile

June 2006  
Lease expiry profile



Walt: 4.2 years

December 2006  
Lease expiry profile



Walt: 4.4 years

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## Commercial and Industrial - 1H07 Acquisitions

		Purchase Price (\$m)	Initial Yield	Market Cap Rate	WALE
<b>Commercial</b>					
Durack*	WA	49	7.3%	7.6%	2.5
27-29 High Street*	QLD	5	7.4%	7.3%	2.0
300 Ann Street*	QLD	40	5.8%	7.0%	2.5
45 St Georges Terrace	WA	57	6.6%	6.8%	5.4
Garden Square Office Park	QLD	57	7.0%	7.5%	3.5
40 Cameron Avenue	ACT	62	7.7%	7.7%	5.0
<b>Industrial</b>					
Hunt Portfolio**	VIC	120	7.5%	7.4%	3.8
Toll Portfolio*	VIC	58	6.9%	7.1%	6.8
181 Great Eastern Highway*	WA	13	6.9%	7.4%	4.8
Lot 3 Elderslie Road	QLD	20	N/A	N/A	N/A
3676 Ipswich Road	QLD	23	N/A	N/A	N/A
Scalon Drive	VIC	20	7.6%	7.3%	N/A
Coil Steel, Erskine Park	NSW	15	7.2%	6.8%	9.3

Excludes acquisitions under pre-emptive rights

\*Properties settled in 1H07

\*\* 65% of portfolio settled 1H07 and WALE excl. development property

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## Commercial and Industrial - Development Pipeline

Project	Status/Completion	Total Cost (\$m)	Forecast Yield	Area m <sup>2</sup>	Category
<b>Under Construction</b>					
Optus HQ, Macquarie Park, NSW	100% Leased / 2H07	\$282	7.5%	84,000	Office Park
66 Waterloo Rd, Macquarie Park, NSW	83% 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
<b>Pipeline – Yet To Commence</b>					
Lot 21 Riverside, NSW	Approved / Awaiting DA	\$250	7.8%	55,000	Office Park
North Lakes – Miba, QLD	Master Planning	\$165	7.5%	120,000	Industrial
Yennora Building 8a, NSW	Subject To Pre Lease	\$5	8.0%	8,000	Industrial
Eagle Street Pier, Brisbane, QLD	Master Planning	\$260	6.5%	40,000	Commercial
<b>Acquisitions</b>					
Lot 25 & 42 Scanlon Dr, Epping, Vic	DA Approved	\$15	7.6%	22,000	Industrial
3676 Ipswich Rd, Wacol, QLD	Awaiting DA	\$55	7.4%	53,000	Industrial
Darlington Drive, Yatala, QLD	Awaiting DA	\$55	7.3%	53,000	Industrial
Durack Two, Perth, WA	Awaiting DA	\$40	7.0%	7,000	Commercial
Toowong – Town Centre, QLD	Master Planning	\$100	7.5%	20,000	Commercial
Garden Square, Mount Gravatt, QLD	Master Planning	\$55	7.5%	12,000	Commercial
<b>TOTAL PIPELINE</b>		<b>\$1,332</b>	<b>7.4%</b>	<b>500,000</b>	

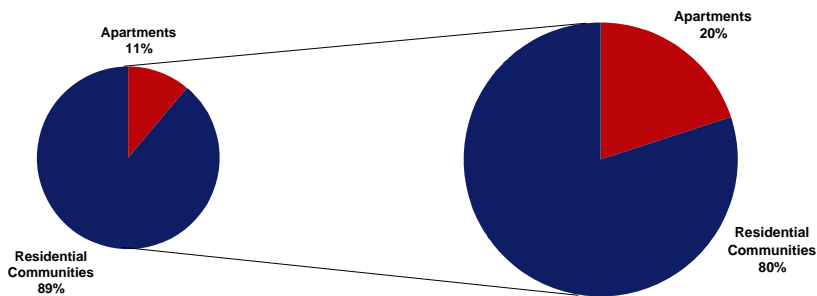
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## Development Division - Consistent Strategy

**Gross Assets \$516m**  
30 June 2002

**Gross Assets \$2,493m**  
31 December 2006



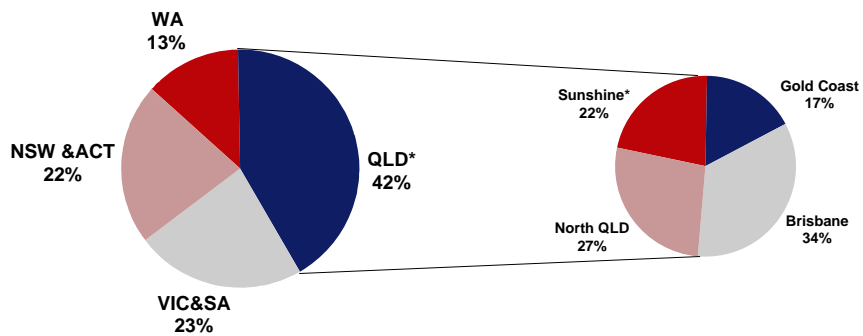
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## Development Division - Geographic Diversity

**National**

**Queensland**



31 December 2006

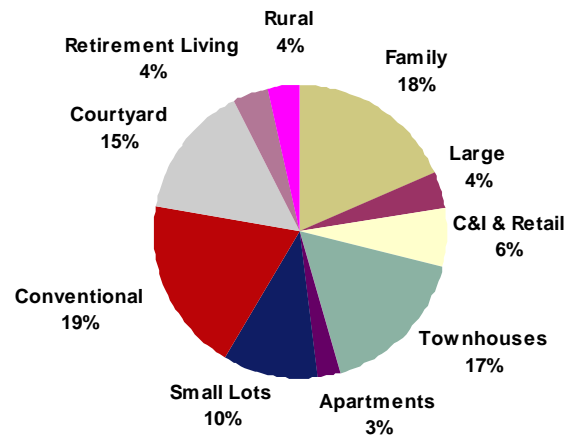
By lots controlled

\*Excludes Caloundra Downs

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## Development Division – Product Diversity



As at 31 December 2006

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## Residential Communities - Lots Sold

	1H07		2H06		1H06	
	No. Lots Sold	Avg Price \$(000)	No. Lots Sold	Avg Price \$(000)	No. Lots Sold	Avg Price \$(000)
New South Wales	96	\$332	223	\$350	149	\$341
Victoria & SA	355	\$182	552	\$164	384	\$168
Queensland	979	\$235	1,032	\$241	1,058	\$199
Western Australia	467*	\$241*	434	\$202	449	\$157
<b>Total</b>	<b>1,897</b>	<b>\$231</b>	<b>2,241</b>	<b>\$225</b>	<b>2,040</b>	<b>\$194</b>

\* Excludes the 50% sale of Vertu Private Estate

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## Annexure: Case study

### Approach to development: Baytree Centre

- Retail and commercial mixed use precinct
- Co-investment partner: Bank of Scotland
- Refurbishment of existing shopping centre and conversion of commercial tower into residential
- Sold to core investor for £41.6 million



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## Annexure: Case study

### Approach to development: West Bromwich

- 1960's shopping centre located in heart of West Bromwich
- Co-investment partner: Tyburn Lane
- 150,000 sq ft retail extension and refurbishment of existing centre
- Creation of 28 new retail units
- 3 new anchor stores
- 24 new residential apartments
- New 850 space multi storey car park



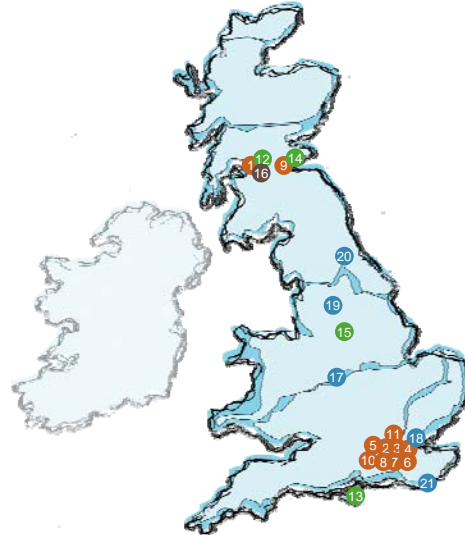
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## Key Properties under Management

Offices	
1	Shaftesbury House, Glasgow
2	The Strand, London WC2
3	Becket House, Cheapside, London EC2
4	Moorgate, London EC2
5	Chubb Tower, Sunbury-on-Thames
6	Aldermay House, London EC4
7	Tudor Street, London EC4
8	Hammersmith, London W14
9	Fountain House, Edinburgh
10	Hammersmith Grove, London W14
11	Portfolio of 5 London offices
Retail	
12	Westway Retail Park, Cumbernauld
13	South Street, Newport, Isle of Wight
14	Dalgely Bay, Fife
15	St Mary's Gate, Sheffield
Retail/Residential	
16	Cochrane Square, Glasgow
Shopping Centres	
17	Queens Square, West Bromwich
18	Bay Tree Centre and Beckett House, Brentwood
19	Myrtle Walk, Bingley
20	Queens Street, Darlington
21	Langney Shopping Centre, Eastbourne

Source: Halladale Management



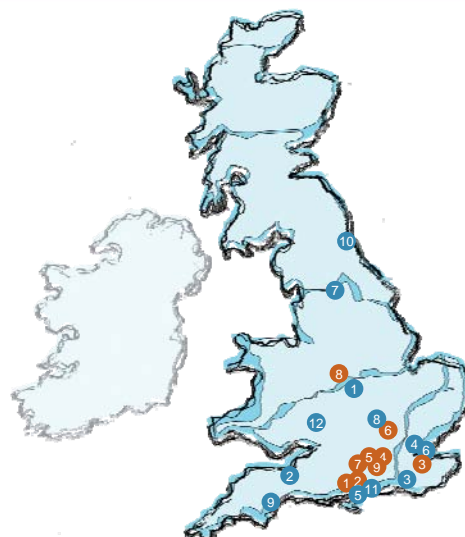
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## CReAM and Nelson Funds

CReAM Fund	
1.	Erdington, Birmingham
2.	Angel Place, Bridgwater
3.	The Martlets, Burgess Hill
4.	Grays Shopping Centre, Essex
5.	Locks Heath, Fareham
6.	Thamesgate, Gravesend
7.	Bramley, Leeds
8.	Waterbourne Walk, Leighton Buzzard
9.	Market Walk, Newton Abbot
10.	The Forum, Wallsend
11.	Wellington Way, Waterlooville
12.	Ross on Wye
Nelson Fund	
1.	Hanover House Southampton
2.	Hanover Buildings Southampton
3.	Week St, Maidstone
4.	Uxbridge
5.	Friar St, Reading
6.	Hoddesdon
7.	Basingstoke
8.	Stafford
9.	Windsor

Source: Halladale Management



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## Halladale business overview

### Overview of Key Funds

Fund	AUM £m	Comments
<b>CPI Retail Active Management Programme ("CReAM")</b>	<b>221</b>	<ul style="list-style-type: none"> <li>Launched in 2004</li> <li>UK focused retail property fund</li> <li>Launched in partnership with Citigroup Property Investors</li> <li>Halladale undertakes asset manager and property manager roles</li> </ul>
<b>Halladale Nelson Limited Partnership ("Nelson")</b>	<b>30</b>	<ul style="list-style-type: none"> <li>Launched in 2004</li> <li>Aimed at the private investor market</li> <li>Mix of retail, office and industrial properties</li> <li>Halladale has been appointed the asset manager and property manager for the fund</li> </ul>
<b>Rynda Property Investors LLP ("Rynda")</b>	<b>93</b>	<ul style="list-style-type: none"> <li>Investment manager of real estate funds</li> <li>Platform is majority owned by Halladale</li> <li>Currently undertaking fund raising for initial fund – Rynda en Primeur SA</li> </ul>

As at 31 October 2006 adjusted to include acquisitions for Rynda fund post 31 October 2006  
Source: Halladale 31 October 2006 Interim Results Presentation

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## Disclaimer

### Corporation/ Responsible Entity

Stockland Corporation Limited  
ACN 000 181 733

Stockland Trust Management Limited  
ACN 001 900 741

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