

Stockland – Australia's leading diversified property group

Offshore Marketing Presentation
October 2006

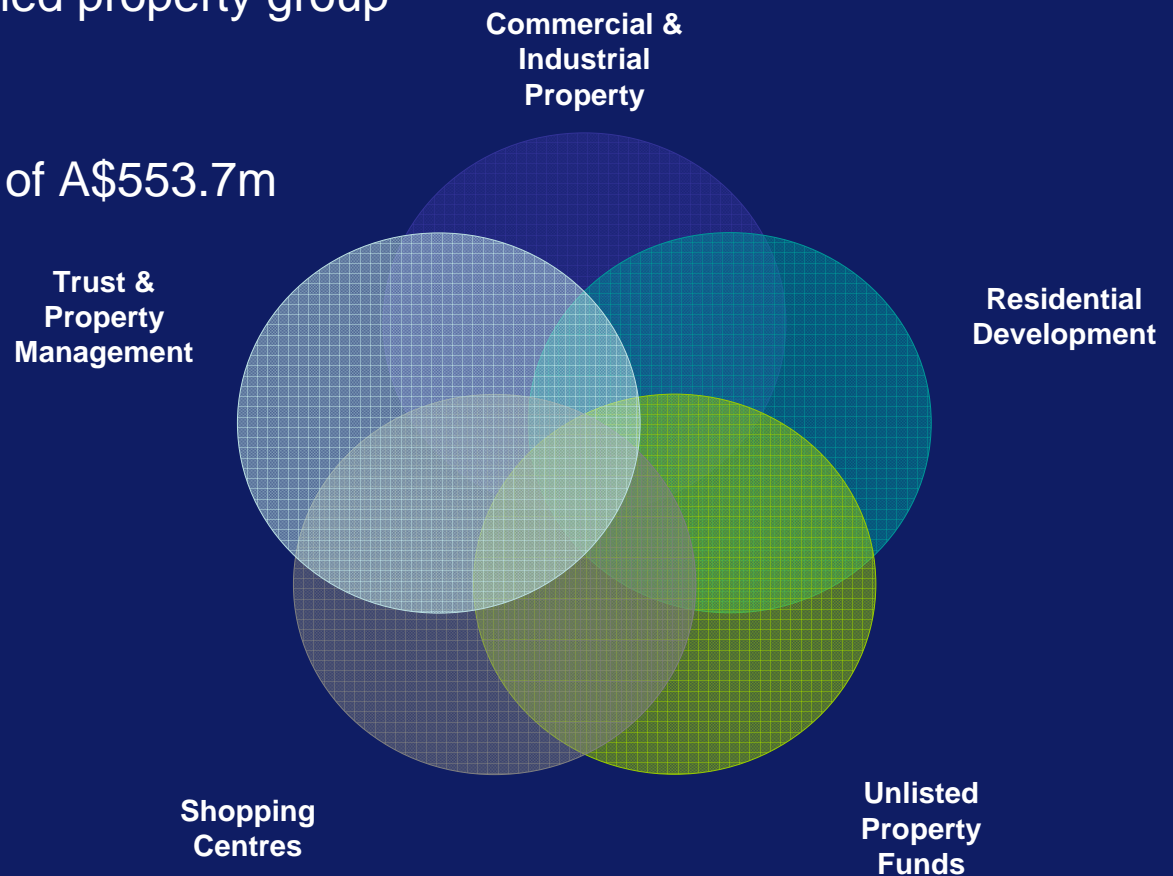


AGENDA

- Who is Stockland?
- The Australian REIT Sector
- Stockland's Business Model
- Financial Performance
- Operating Divisions – Profit Drivers
- Future Outlook

WHO IS STOCKLAND?

- Australia's largest diversified property group
- Total assets of A\$9.6bn #
- FY06 Net operating profit of A\$553.7m



AUSTRALIAN REIT SECTOR

- Australia has one of the world's most highly securitised real estate markets
- REITS have been a core holding of Australian investors for decades
- Now attracting more overseas interest as real estate markets are Globalized

	% Investment Grade Real Estate Listed	REITs as % of Stock Market
Australia	62%	10%
US/Canada	39%	2%

STOCKLAND'S POSITION IN THE AUSTRALIAN REIT SECTOR

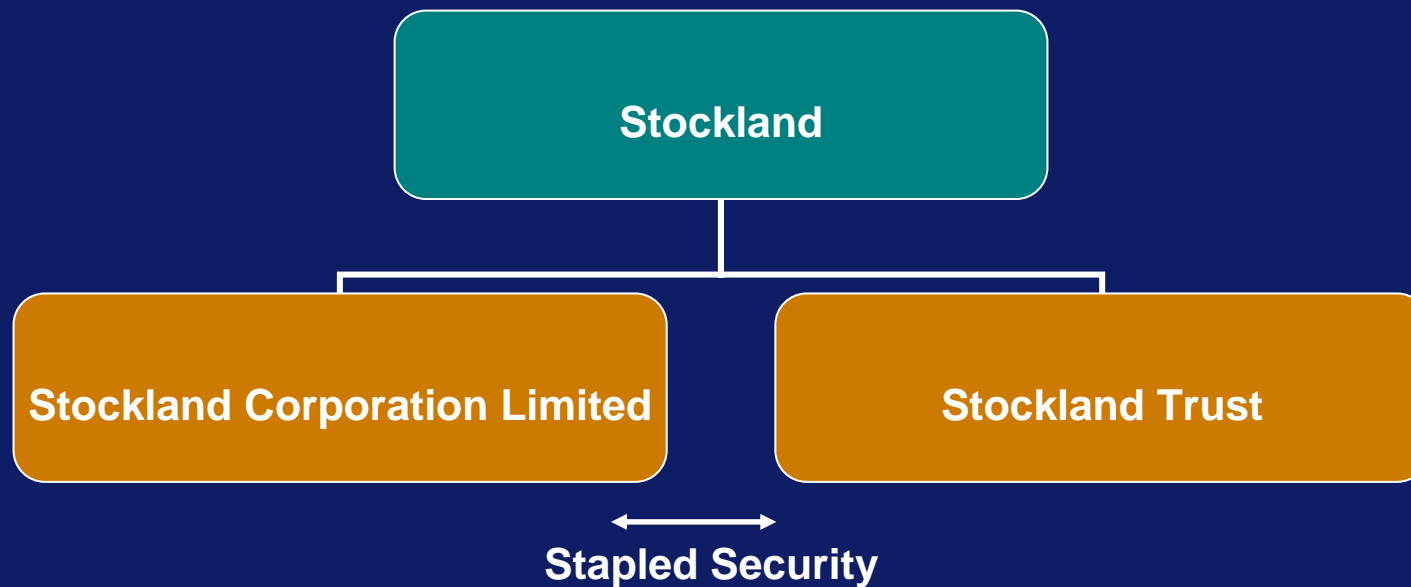
Stockland was formed in 1952 and pioneered the first stapled security structure in 1988

- Stockland's current position
 - Top 3 Australian REIT
 - Largest diversified Australian REIT
 - Market capitalisation over A\$10bn #
 - 10% of the REIT 200 Index #
 - High liquidity (80%* moving annual)

STOCKLAND'S BUSINESS MODEL

Stapled Security Structure

- No fee leakage
- Alignment of interests
- Couples passive and active earnings to create higher returns



STOCKLAND'S BUSINESS MODEL

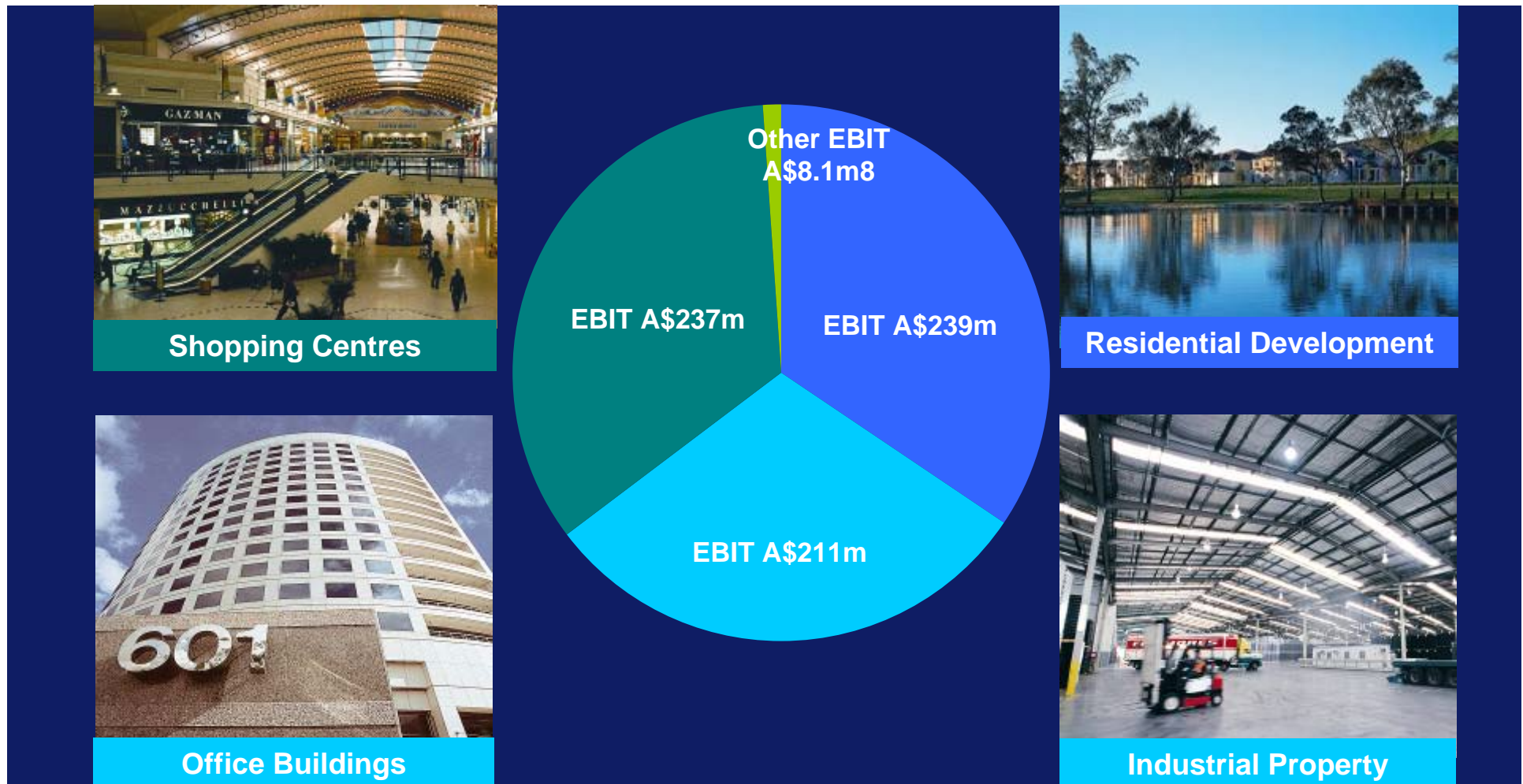
Strategic Weightings

Type of Income	Strategic Weighting		Business
	EBIT	Assets	
Income from Investment Properties	60-80%	70-80%	Shopping Centres Office Buildings Distribution Centres Unlisted Property Funds
Development Profits	20-40%	20-30%	Residential Development
TOTAL	100%	100%	

- Diversification reduces volatility in returns
- Balance of rents vs trading profits optimises risk/return
- Strong synergies across Business Divisions
- Total transparency and strong corporate governance

STOCKLAND'S BUSINESS MODEL

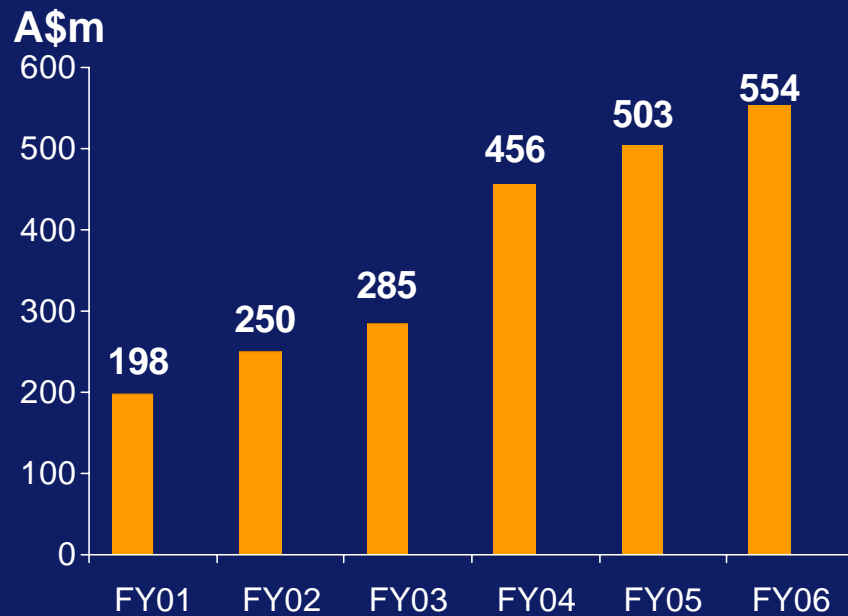
Diversification



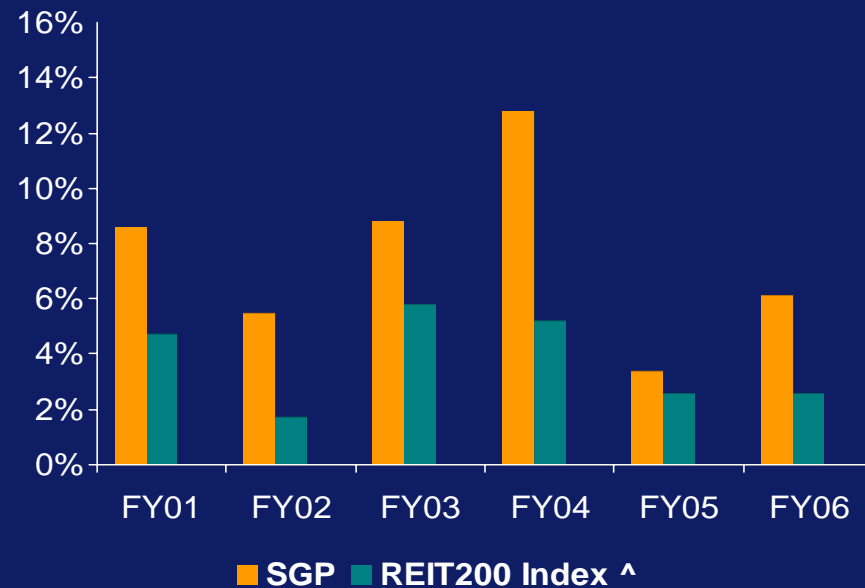
FY06 EBIT * Including Unlisted Property Funds and Saville Hotel net income

FINANCIAL PERFORMANCE

Net operating profit*



Growth in earnings per Security*

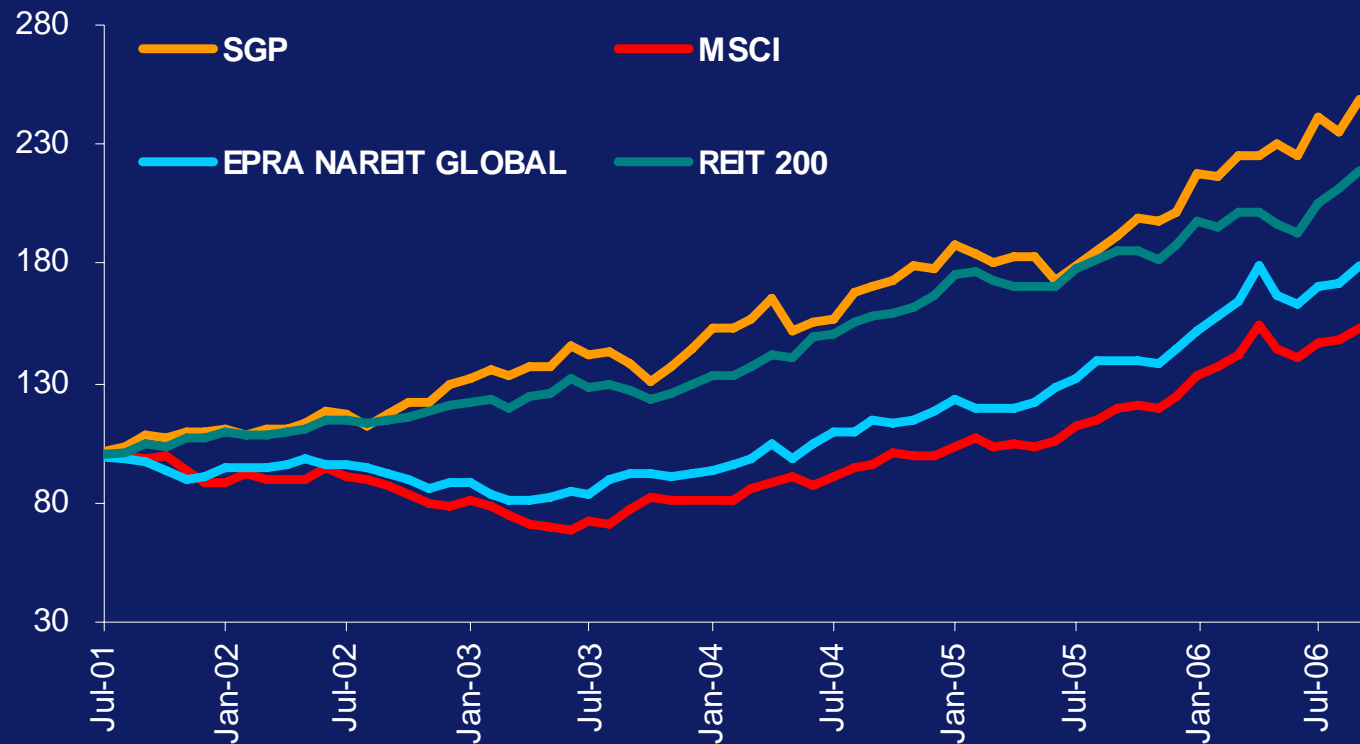


* FY01-FY04 is AGAAP, FY05-FY06 is AIFRS (Before certain significant items) ^ Source: UBS

TOTAL RETURN TO SECURITY HOLDERS

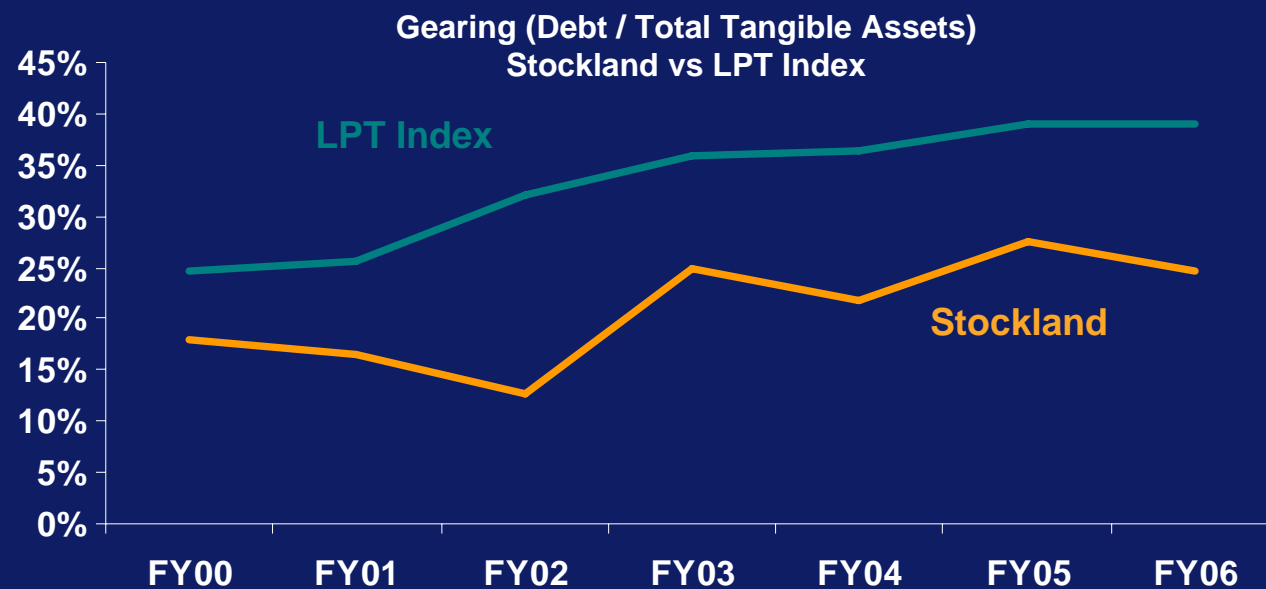
Strong dividend yield and dividend growth has driven TSR outperformance

TSR – 1 July 2001 to 30 September 2006



PRUDENT BALANCE SHEET MANAGEMENT

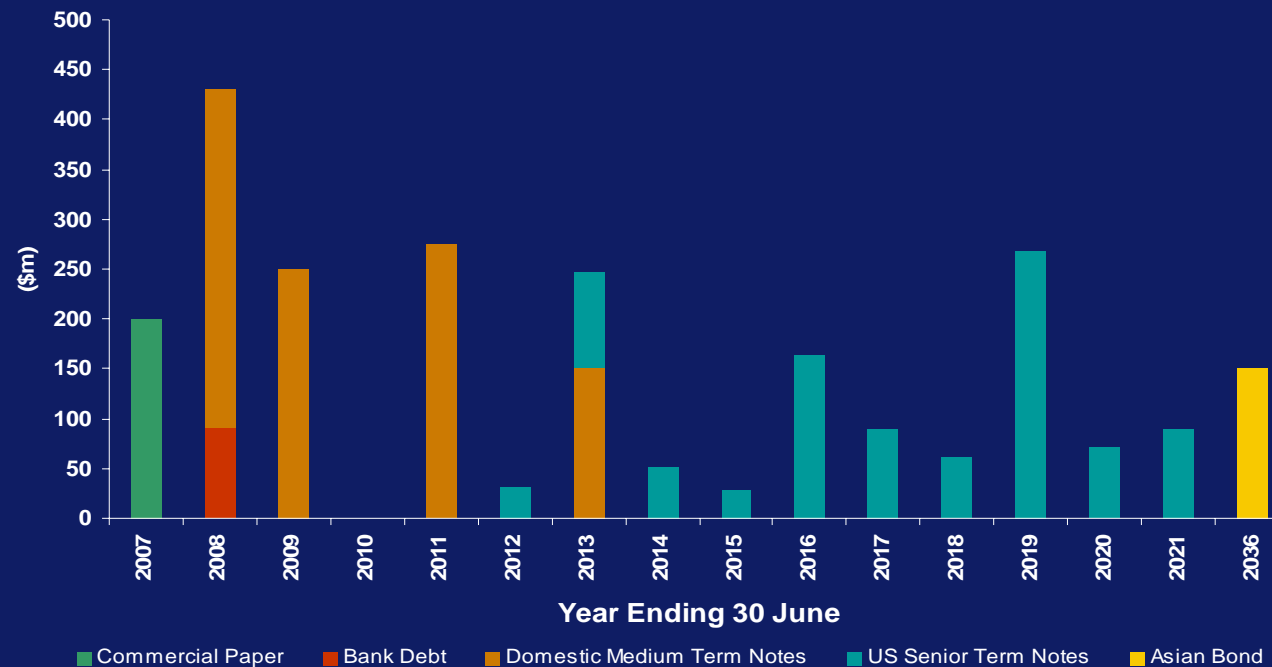
- Strategy to maintain relatively low gearing
- Enables Stockland to capitalise efficiently on opportunities
- Additional debt capacity currently circa A\$900m within existing covenants



PRUDENT BALANCE SHEET MANAGEMENT

Long dated debt maturity profile

- A- S&P credit rating
- Low weighted average cost of debt 6.1%*
- Long dated debt maturity profile: 7.4 years *



* As at 30 June 2006

SHOPPING CENTRES



PORTFOLIO SUMMARY*

Number of Properties	40
Total Asset Value	A\$3.5bn
Number of Tenants	2,900
Vacancy rate	0.2%
Total sales per annum	A\$4.8bn

FY06 Highlights

Net operating profit	A\$236.7m
NOI Comp	5.4%
% of group EBIT	35%

* 30 June 2006

SHOPPING CENTRES

Profit Drivers

- High barriers to entry (land use, retailer demand)
- All 40 Stockland centres anchored by Coles Myer and/or Woolworths (supermarkets)
- Focus on non discretionary value/convenience centres
- Rental upside from specialty shops (FY06 average rental renewal – 19.3%)
- A\$1bn+ capex budget for expansion of existing centres and mixed use developments
 - Income return on cost 8.0%+
 - Accretive to WACC
 - De-risking before commencement

COMMERCIAL & INDUSTRIAL



PORTFOLIO SUMMARY*

Number of Properties	56
Total Asset Value	A\$3.0bn
Number of Tenants	>600
Vacancy Rate	0.4%
% of Net Income	
Largest Building Exposure	<9%
FY06 Highlights	
Net operating profit	A\$210.7m
NOI Comp	1.6%
% of group EBIT	30%

* 30 June 2006

COMMERCIAL & INDUSTRIAL

Profit Drivers

- Capital recycling – de-risking
- Major tenants include Government, ANZ, IBM, Commonwealth Bank, Sony, Optus, ACI
- 65% of buildings in Australia's largest region - Sydney
- >A\$700m of organic development pipeline
- Continued focus on de-risking leasing profiles.

DEVELOPMENT DIVISION



PORTFOLIO SUMMARY*

Number of Properties	80
Book Value (Historic Cost)	A\$2.3bn
Total End Value	
- Apartments	A\$1.9bn
- Communities	A\$14.4bn
Number of Lots	
- Apartments	1,895
- Communities	65,956
FY06 Highlights	
Net operating profit	A\$239m
Profit increase	30%
% of group EBIT	34%

* 30 June 2006

DEVELOPMENT DIVISION

Profit Drivers

- Market leader in the residential sector
- High barriers to entry
- Stockland already control over 90% of stock to achieve our next 3 year internal revenue targets
- No construction risk
- Value adding capability through in-house expertise:
 - research
 - acquisition
 - planning and design
 - development management
 - marketing
 - sales

UNLISTED PROPERTY FUNDS



Saville
Southbank

Saville Private Syndicate Trust

Information Memorandum
May 2005



STOCKLAND DIRECT OFFICE TRUST NO. 1
2009 Product Disclosure Statement



PORTFOLIO SUMMARY

Total assets under management	>A\$540m
Product Type	
- Retail	66%
- Wholesale	34%



Stockland Residential
Estates Equity Fund
No. 1

Information Memorandum



Optus at
Macquarie Park

Stockland Direct Office Trust No. 2
Product Disclosure Statement



Stockland Funds Management Limited
2009 Product Disclosure Statement

UNLISTED PROPERTY FUNDS

Profit Drivers

- Further grow in-house capital distribution capability
- Acquisition of quality assets in partnership with Stockland balance sheet
- Target launch of new retail and wholesale investor products
- Continue to deliver shareholder returns for established funds

STOCKLAND FUTURE OUTLOOK

- Leverage opportunities via the integrated platform across the group
- Focus on the development pipeline for our investment assets
- Strong balance sheet
- Focus on extending our market leading position in Australia



DISCLAIMER

Corporation/ Responsible Entity

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