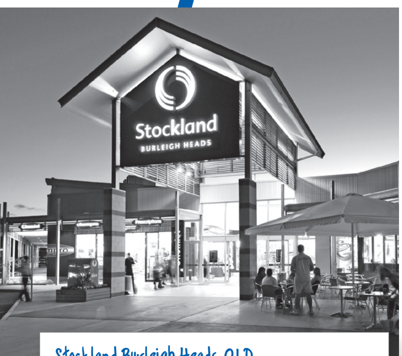
1H10

Stockland

Half year review

31 DECEMBER 2009

QUESTIONS AND ANSWERS



Stockland Burleigh Heads, QLD

WE ARE FIRMLY FOCUSED ON REBUILDING SECURITYHOLDER VALUE THROUGH A CLEAR, CONSISTENT STRATEGY.

Is the worst over?

While there has been a marked improvement in the state of the Australian economy and markets, economic recovery around the world is uneven and it is wise to remain prepared.

We are confident our business is in good shape to take advantage of improvements in the market or withstand any return to challenging conditions.

What will happen to Stockland if the housing market stalls?

Our Residential business enters the second half in good shape and with record contracts on hand. We expect second half profits in this business to be higher than the first half.

Australia remains undersupplied with new housing, and drivers such as population growth and the historically low interest rate environment will continue to fuel demand.

Also, our diversification helps minimise the impact on Stockland of weakness in any particular sector of the property industry.

When will distributions improve?

We are firmly focused on rebuilding securityholder value through a clear, consistent strategy and delivering strong financial results. We will do this by growing our three core businesses: Residential, Retirement Living and Commercial Property. Prudently using our strong balance sheet to fund this growth will enable us to achieve our long-term objective to grow dividends consistently over time.

You still have significant investments in other companies. What are your plans?

Stockland holds stakes in GPT, FKP and Aevum which we originally acquired in order to provide the strategic option to diversify and grow our core businesses.

Merger and acquisition activity will only be contemplated if we can secure high-quality assets that fit with our business unit strategies and enhance securityholder returns.

KEY DATES FOR 2010

26 February 2010	Dividend/distribution payment
21 June 2010	Announcement of estimated dividend/distribution
24 June 2010	Ex-dividend/distribution date
30 June 2010	Record date for dividend/distribution
11 August 2010	Announcement of full year results and dividend/distribution
31 August 2010	Dividend/distribution payment
19 October 2010	Annual general meeting (2.30pm)
17 December 2010	Announcement of estimated dividend/distribution
23 December 2010	Ex-dividend/distribution date
31 December 2010	Record date for dividend/distribution

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Registry
Computershare Investor Services Pty Limited operates a freecall number on behalf of Stockland. Contact Computershare on 1800 804 985.

For more information about Stockland, visit **www.stockland.com.au**

The Stockland site contains a variety of investor information, including market presentations, financial results, property news, announcements to the Australian Securities Exchange (ASX), and the latest Shareholder Review and interim reports.

review

UNDERLYING PROFIT

$334.6m

1H10	$334.6m
1H09	$286.9m

STATUTORY PROFIT (LOSS)

$213.7m

1H10	$213.7m
1H09	($726.9m)

EARNINGS PER SECURITY

14.1c

1H10	14.1c
1H09	17.8c*

DISTRIBUTION PER SECURITY

10.8c

1H10	10.8c
1H09	17.0c

WEIGHTED AVERAGE DEBT MATURITY

6.3yrs

GEARING

18%

WHILE MARKET DYNAMICS CONTINUE TO FLUCTUATE, WE ENTER THE SECOND HALF IN THE STRONGEST SHAPE WE HAVE BEEN IN FOR SOME TIME WITH GOOD MOMENTUM IN OUR THREE CORE BUSINESSES.

MATTHEW QUINN
Managing Director

GRAHAM BRADLEY
Chairman

DEAR INVESTORS, we are pleased to report a significant improvement in our results for the first half of this financial year. Our efforts to keep the business in good shape through the challenges of the past two years have helped us take advantage of improved market conditions. We now have positive momentum in our operating businesses, a strong balance sheet, good cash flows and long-dated debt, indicating our business is firmly on the right track.

Our strong financial position is partly the result of our capital raisings last year, which came at the cost of dilution of your returns. We are conscious of this and committed to rebuilding securityholder value through a clear and consistent strategy and strong financial results.

Financial results

Our underlying profit for the six months ended 31 December 2009 was $334.6 million, an increase of 17 per cent on the prior corresponding period. Dividend/distribution per security was 10.8 cents for the half year, reflecting the higher number of shares on issue.

Our statutory profit was $213.7 million. This number includes a range of one-off and unrealised gains and losses which do not reflect the underlying performance of our operating businesses. Accordingly we report underlying profit as this is the best way to measure our business performance.

We maintain a strong financial position, with conservative gearing of 18 per cent measured as the ratio of net debt (total debt less cash) to total tangible assets. Our weighted average debt maturity is 6.3 years and we have $1.1 billion of cash on deposit as well as $1.1 billion available in committed debt facilities. All of this adds up to a sound position from which to fund the measured growth of our business.

Residential

In the first half we continued to adapt our Residential product to meet market demand and delivered record sales results. Single lot sales were up 70 per cent on the same time last year. First home buyers underpinned sales in the first half. As expected, this has changed since the reduction in the First Home Owners Boost. The proportion of first home buyers has now moved to our target range of 20-30 per cent and upgraders have more than made up the difference.

Second half profits are expected to be higher than the first half as we settle the high level of residential contracts on hand and anticipated super lot sales. Looking further forward, we also acquired four residential land parcels to boost our market share in key growth corridors.

Apartments

We achieved a good level of Apartments pre-sales and settlements in the first half, although overall our Apartments business has not performed well.

In future, Apartments developments will only be considered as part of mixed-use projects which play to our diversified capability. These projects will need to demonstrate appropriate risk-adjusted returns. Existing projects underway will be completed and vacant sites progressively sold. This should generate around $600 million net cash flow over the next two to three years.

Retirement Living

Occupancy levels in our retirement communities remain high with strong demand supporting increases in volumes and prices compared to last year. Five new villages are under construction, representing about 700 independent living units. A further 2,300 units in our development pipeline will deliver good development profits and recurring income in future years.

Commercial Property

Our Retail business maintained high occupancy of over 99 per cent and generated modest net rental income growth. While consumers remain cautious about their spending, our focus on non-discretionary food and general merchandise helped us keep vacancies low and maintain good traffic in our centres.

In Office and Industrial we weathered a very difficult market relatively well with solid leasing results and reasonable rental growth. CBD office markets are expected to stabilise as vacancy levels peak this year.

UK

As we have said before, we will continue our orderly work out and asset sales program in the UK over the next two to three years. Book value should be recovered during this process and we expect a break even operating result for the work out period.

Sustainability

Our commitment to sustainability has not wavered during recent challenges. Our efforts to embed sustainability principles into everything we do have been recognised at the 2010 World Economic Forum by our inclusion in the Corporate Knights Global 100 Most Sustainable Corporations in the World. We were one of only eight Australian companies to make the list and the top diversified property group. We were also recently named Australian Ethical Investor's 2009 Sustainable Company of the Year.

Outlook

While market dynamics continue to fluctuate, we enter the second half in the strongest shape we have been in for some time with good momentum in our three core businesses: Residential, Retirement Living and Commercial Property. We're confident that our proven business model, clear strategy and strong management team will enable us to deliver increased securityholder returns through the market cycles.

MATTHEW QUINN
Managing Director

GRAHAM BRADLEY
Chairman

* Prior period EPS has been adjusted for the dilutionary impact of the Equity Raising announced on 13 May 2009 as required by accounting standards. Excludes inventory write-downs.