Stockland

Half Year Review

31 DECEMBER 2010

Stockland helps rebuild devastated communities

Like everyone, we've watched with horror the recent devastation that many of our fellow Australians around the country have experienced from natural disasters and other catastrophes.

While the financial impact on our business was small, in Queensland especially, our own team and customers have been directly impacted. The important role we play in the community has been clear, and no more so than when our Cairns shopping centre sheltered 2,400 anxious evacuees throughout the frightening experience of Cyclone Yasi.

Now the crisis has passed and the spotlight has moved on, but for the people of these communities there is still much to do to return life to normal.

Financial support is crucial and we've donated $250,000 to the Premier's Flood Relief Appeal, and provided further monetary support through other appeals as well as dollar matching employee donations. But it takes more than dollars to recover from such a devastating experience and so we are also assisting through volunteer programs and by making available our infrastructure and resources as distribution centres and collection points for customers, tenants and retailers to donate much needed goods.

Stockland helped the community prepare for the floods donating funds to Greening Australia for 1,000 sand bags.

2011 key dates

28 February 2011	Dividend/distribution payment
30 June 2011	Record date for dividend/distribution
10 August 2011	Announcement of full year results and dividend/distribution
31 August 2011	Dividend/distribution payment
25 October 2011	Annual General Meeting (2.30pm)

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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.

Half Year Review

Over the longer-term, our strong businesses should enable us to continue to deliver growing and sustainable returns to our securityholders.

Matthew Quinn
Managing Director

Graham Bradley
Chairman

Acquisition doubles Retirement Living business

Tarneit Skies, Victoria

Retirement Living is one of our three major growth businesses. It serves the needs of Australia's fast-growing retirement-age population. Last year we accelerated the expansion of this business, almost doubling its size with the acquisition of Aevum, a publicly-listed retirement living company.

This important acquisition has added scale and geographic diversity to our portfolio, with an additional 3,146 independent living units across 30 villages. Our development pipeline of a further 3,400 units includes eight projects already under construction in three states.

Retirement Living is an ideal fit with our diversified property portfolio. It benefits from our expertise in residential development and asset management, and contributes to the creation of integrated, sustainable communities for Australians of all ages.

UNDERLYING PROFIT

$380.3m

1H11	380.3
1H10	334.6

STATUTORY PROFIT

$425.1m

1H11	425.1
1H10	213.7

EARNINGS PER SECURITY

16.0c

1H11	16.0
1H10	14.1

DISTRIBUTION PER SECURITY

11.8c

1H11	11.8
1H10	10.8

WEIGHTED AVERAGE DEBT MATURITY

6.2years

Dear Investors,

It is a pleasure to report that our business has achieved strong results for the first half of the 2011 financial year, reflecting good progress in all our core businesses.

We are now anticipating better earnings for the full year than we previously indicated and have upgraded our guidance for full-year earnings per security (EPS) growth from 7.0 per cent to 8.5 per cent.

This result demonstrates the success of our strategy to focus on what we call the 3-Rs – Residential Communities, Retirement Living and Retail development.

Financial Results

Our underlying profit for the six months ended 31 December 2010 was $380.3 million, up 14 per cent on the prior corresponding period. Earnings per security were up 14 per cent to 16.0 cents and our distribution rose 9 per cent to 11.8 cents per security. Our statutory profit was $425.1 million.

Our business has maintained a strong financial position with a conservative balance sheet, good cash flows and long-dated debt. This means that we can fund our growth and development pipeline without the need to raise equity capital for the foreseeable future.

Residential

Residential Communities delivered a strong first-half profit, buoyed by higher margins, solid price growth and an increase in sales of superlots. Over the past six months we have extended our market-leading position into new areas and are now active in 20 key growth corridors around the country.

Housing affordability remains a challenge and will continue to come under pressure if mortgage rates rise. Our ability to respond quickly and adapt products to cater for this challenge provides us with a real competitive advantage.

In our Apartments business, completion of existing projects and disposal of undeveloped sites is on track, as we reallocate our assets from this business to other opportunities. The first half result from this business was strong, primarily due to completion of The Hyde in Sydney. We expect that this will represent the final period of meaningful profit contribution from Apartments.

Retirement Living

The last six months saw significant growth in our Retirement Living business with the acquisition of Aevum (see box) and continued investment in new village projects. With this successful acquisition we have almost doubled our Retirement Living portfolio and we will significantly accelerate our development pipeline as we continue to work towards achieving optimal scale in this important business.

Commercial Property

Our Commercial Property business exceeded expectations for the half with a strong Retail performance underpinned by rental growth and our newly-completed developments. Good progress is being made on our $2.4 billion Retail development pipeline, with Rockhampton in Queensland and Tooronga in Victoria both completed during the first half. We currently have five Retail projects under construction.

Pleasingly, after a difficult period, the Office market has now begun to improve and our business achieved good leasing results and has minimal expiry risk over the next 12 months. Occupancy levels and expiry risk have also improved across our Industrial portfolio.

UK

As expected, the UK business achieved a near break-even result. Our work-out plan is progressing well, with the remaining book value ($184 million) expected to be realised by the end of FY12, assuming there is no material deterioration in the UK market.

Outlook

We ended the first half in a very strong position with excellent momentum in our core operating businesses. With the integration of Aevum, our major retail developments, purchases of residential development land in our target corridors and our strong balance sheet, we are well-positioned for growth.

While we remain mindful of ongoing concerns about interest rate rises, we are confident our business will continue to perform strongly in the second half.

The Queensland floods had only minimal impact and have been taken into account in providing our full year guidance. It is important to note that, as FY11 is the final year of meaningful contribution from Apartments, overall EPS growth in FY12 will be more modest. Over the longer-term, however, our strong businesses should enable us to continue to deliver growing and sustainable returns to our securityholders.

Matthew Quinn
Managing Director

Graham Bradley
Chairman