

1.0 THE PROPOSAL

1.1 Offer

Stockland is offering to acquire all of your Advance Units for the following consideration:

For every 2.8 Advance Units, you will receive:

- **1 Stockland Stapled Security, plus**
- **\$1.10 in cash, plus**
- **0.25 Stockland Options to acquire Stockland Stapled Securities under the terms set out below.**

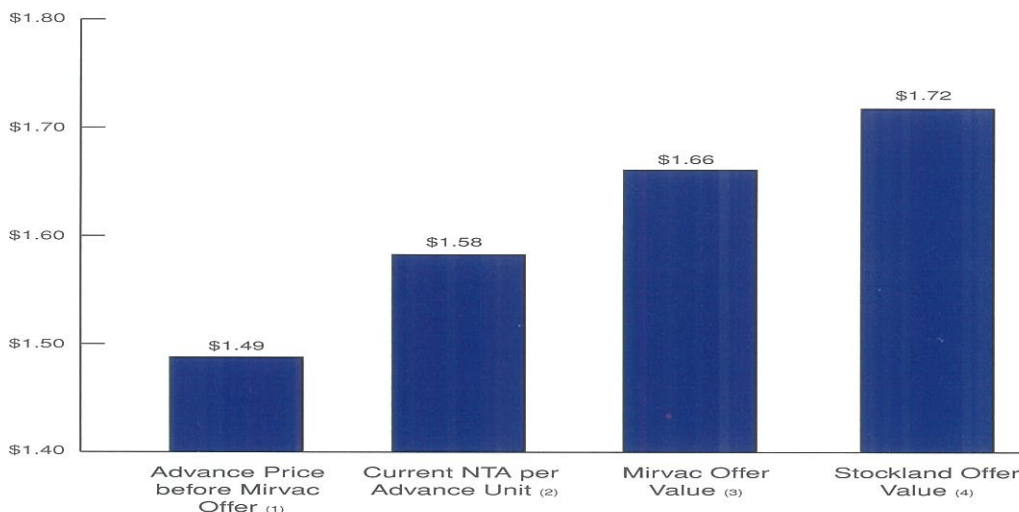
In addition, Advance Unitholders will be entitled to retain the September Distribution payable by Advance. AAML, the Responsible Entity for Advance, estimated this distribution to be 3.15 cents per unit in a release to the ASX on 31 July 2000.

The Offer is unconditional and consideration under the Offer will be issued on the later of 26 September 2000 or 5 business days after receipt of your acceptance by Stockland's Share Registry.

Stockland Stapled Securities issued to Advance Unitholders accepting this Offer will be entitled to receive Stockland Distributions from 1 October, 2000. As Stockland Stapled Securities pay distributions on a six monthly basis, the Stockland Stapled Securities issued to Advance Unitholders accepting this Offer will for a short period, trade as a separate class of securities on the ASX. They will commence trading in the same class as existing Stockland Stapled Securities on approximately 20 December 2000, when existing Stockland Stapled Securities commence trading "ex Distribution" for the close of the Register on 31 December, 2000.

Each Stockland Option will entitle the holder to subscribe for one Stockland Stapled Security at \$3.85 per Stockland Stapled Security on 29 June, 2001. Securities issued as a result of the exercise of the Stockland Options will rank for income from 1st July, 2001. Stockland will apply to the ASX to have the Stockland Options listed.

The following chart sets out the value of the Offer compared to that of the Mirvac Offer and historic trading price of Advance Units based on recent market prices:



Notes

- 1 Based on Advance's closing price on 7 August 2000 of \$1.49
- 2 Based on NTA of \$1.58 per Advance Unit as at 31 July 2000 as reported to the ASX on 9 August 2000.
- 3 Based on the closing price of Mirvac Securities of \$3.57 on 5 September, 2000
- 4 Based on the closing price of Stockland Securities of \$3.70 on 5 September, 2000 and assuming a value for the Stockland Option of 9.5 cents, refer section 1.5