



3 December 2013

ASX/Media Release

STOCKLAND INVESTOR UPDATE

Stockland has confirmed at an investor briefing in Sydney today that it remains on track to grow earnings per security by 4-6% in FY14.

Stockland Managing Director and CEO Mark Steinert said the Group had made good progress in restructuring its business over the last 12 months and would continue to be disciplined in executing its strategy.

“Our objective is to deliver EPS growth and total risk-adjusted shareholder returns above the AREIT average, by creating and operating quality property assets and delivering value for our customers,” Mr Steinert said.

“Earlier this year we set out a clear strategy to achieve this objective and made a number of important decisions to reposition the business. In FY14 we continue to build on these strong foundations.

“Our new management team is now in place, with the right mix of skills and experience to deliver our strategy. We have reallocated \$507 million of capital from the Trust to the Corporation and successfully divested our FKP stake at a premium to our carrying value.

“We are also making excellent progress in each of our operating businesses. We commenced a number of new projects including the \$222 million redevelopment of our shopping centre at Wetherill Park, our residential community Willowdale in south-west Sydney and further stages at five retirement villages.

“At the same time we have maintained our firm focus on ensuring the long-term success of our business through a continued commitment to sustainable business practices and employee engagement. Recognising this, Stockland was listed as the most sustainable real estate company in the world in the 2013-2014 Dow Jones Sustainability Index.”

Stockland

Stockland (ASX: SGP) was founded in 1952 and has grown to become Australia's largest diversified property group – owning, developing and managing a large portfolio of shopping centres, residential communities, retirement living villages, office and industrial assets. Stockland was recognised by the S&P Dow Jones Sustainability Indices (DJSI) as the Australian Real Estate Industry Group Leader for 2013 – 14 and was also named one of the Global 100 Most Sustainable Corporations in the World at the World Economic Forum in Davos, Switzerland in 2013, for the fourth consecutive year.

For media enquiries		For investor enquiries	
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Investor Update & Sydney Asset Tour – 3 December 2013

**A
Clear
Direction**

Willowdale, NSW



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Group Update



Key achievements FY14 to date

- New management team in place, organisational structure changes completed
- Reallocated \$507m of capital from Trust to Corporation
- Successfully divested 14.3% stake in FKP for \$116.4m, a \$31m premium to FY13 carrying value
- Active capital management¹ - FY14 average cost of debt ~6.3%
- Launched our new employee values: CARE (Community; Accountability; Respect; Excellence)
- Ranked first amongst Global Real Estate companies on the 2013/14 Dow Jones Sustainability Index
- Operational performance in line with expectations

Our purpose

We believe there's a better way to live

Our vision

To be a great Australian property company that delivers value to all stakeholders

Our values

Community
Accountability
Respect
Excellence

Our primary objective

To deliver EPS growth and total risk adjusted securityholder returns above the sector average

1. Closed out four swaps at a cost of \$35m. Break cost in line with interest savings over the swap term. Issued new \$150m, 6 year MTN

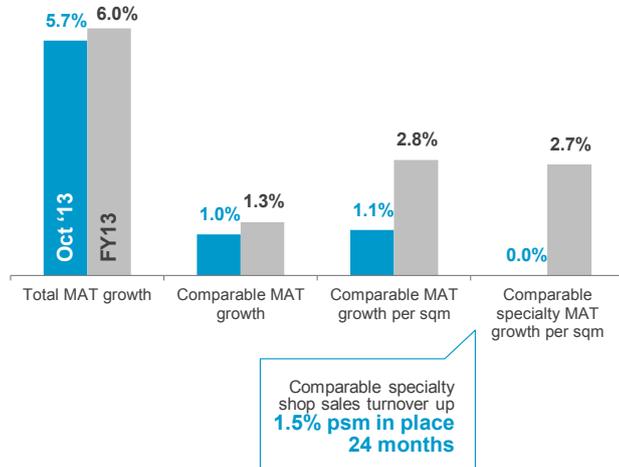
Commercial Property



Retail sales growth flat, early signs of improvement

Total and comparable MAT growth

As at 31 October 2013



- Australian retail sales were relatively flat in 1Q14; October sales growth showing some improvement
- Comparable sales growth moderated by:
 - Weak consumer sentiment in late FY13 / early FY14
 - Increased competition in some trade areas
 - Increase in new and non reporting retailers
 - Changed basket of centres due to development activity
- Portfolio occupancy maintained at 99.4%, occupancy costs stable
- Executed 151 operating leases¹ with average growth of 1.9%; and executed 53 project leases¹
- Hervey Bay and Wetherill Park developments progressing well
- On track to achieve 2-3% NOI growth for FY14 (post IFRS)

1. As at 31 October 2013

Executing our Industrial strategy

- Industrial team in place, reviewing pipeline and design and construction opportunities
- Executed leases on 88,300sqm¹ year to date, representing 9.2% of total lettable area
- Portfolio WALE¹ maintained at 3.3yrs
- Further 77,200sqm of leases pending execution
- Yatala D&C information memorandum currently in market
- On track to achieve positive NOI growth for FY14 (post IFRS)

Yatala, Qld



Yatala D&C information memorandum currently in market

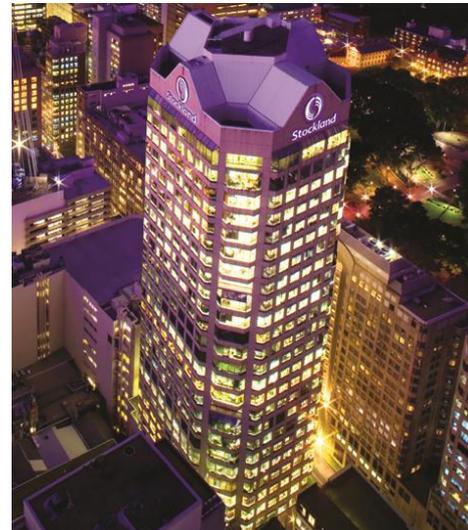
Located adjacent to the M1 Pacific Motorway in the centre of the Yatala Enterprise Area (SEQ), this 9.6Ha greenfield industrial development site has the potential to deliver 8,000-50,000+ sqm of warehousing and distribution solutions.

1. Represents 100% property ownership

Implementing tactical approach to our Office exposure

- Executed leases on 22,700sqm¹ year to date, representing 6.7% of total lettable area
- Portfolio WALE¹ increased from 4.6yrs to 4.9yrs
- Further 17,700 sqm of leases pending execution
- Disposed 78 Waterloo Road, Macquarie Park, for \$72m, in line with 30 June 2013 book value
- Accretive investment of \$75m in Optus Centre, Macquarie Park (7.8% post IFRS yield with ~9yr WALE)
- \$21.4m refurbishment complete at 40 Cameron Avenue, ACT
- Expressions of interest campaign underway for 50% interest in 133 Castlereagh Street, Sydney
- Exploring options for 135 King Street and Glasshouse, Sydney

Stockland Piccadilly, Sydney



1. Represents 100% property ownership

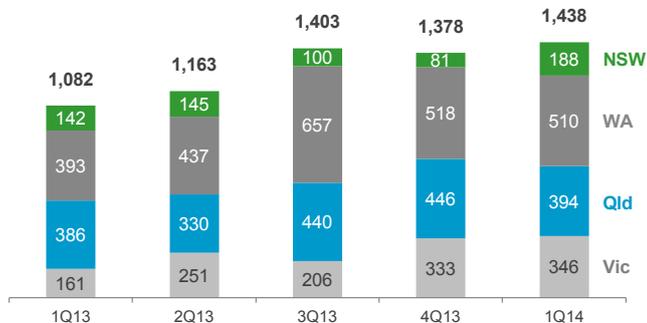
Residential



Vale,
WA

Strong quarter for Residential net deposits

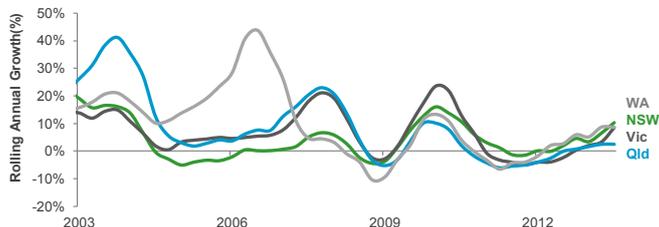
Residential net deposits



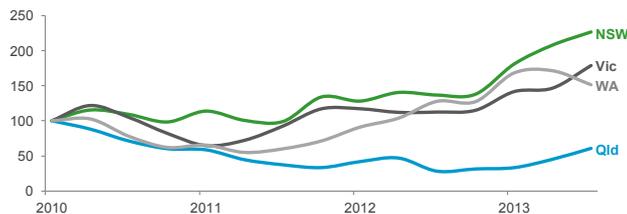
- The September 2013 quarter produced our strongest net deposit result in three years
- On track to settle around 5,000 lots in FY14. Settlement volumes will be constrained by production timing
- Approximately 15% of lot settlements by number in FY14 will be impaired stock at zero margin
- Continue to target improvement in operating profit margin to 11-13% by FY16
- Sale of impaired projects on track. Three sites settled, four further sites well progressed
- Progressing medium density strategy, initially focusing on opportunities within our existing portfolio

Clear evidence that the housing market is improving

Capital city house prices rising¹



Vacant land sales²



- Established house prices are rising in all capital cities, but market conditions for land sales are variable geographically
- Sydney is the strongest market
- Demand in Perth remains robust, albeit signs of slight moderation are emerging
- Volumes in Melbourne have increased materially, rebates are declining, and early signs of price growth are emerging
- SE Queensland volumes are also rising, and the outlook is improving, particularly in Brisbane and the Sunshine Coast

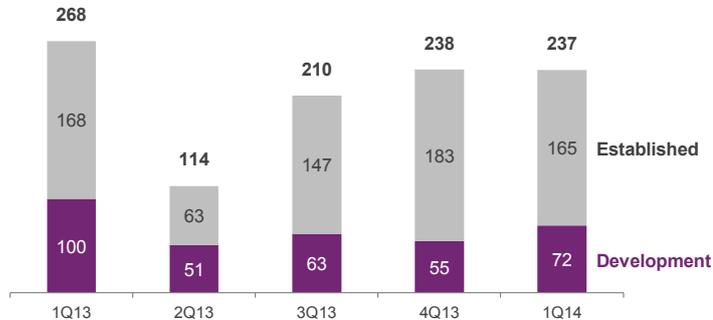
1. APM
2. Charter Keck Cramer to September 2013. Indexed Q3 2010 = 100

Retirement Living



Seeing steady demand in Retirement Living

Retirement Living net reservations



- Established unit net reservations consistent with prior corresponding period
- Development unit net reservations lower due to timing of supply; expecting similar overall volumes to FY13
- Commenced new stages at:
 - North Lakes (Qld)
 - Selandra Rise (Vic)
 - Mernda (Vic)
 - Macarthur Gardens (NSW)
 - Affinity (WA)
- Strategy to continue to grow cash returns by improving scale and efficiency

Summary and Outlook



Summary and Outlook

- A clear executable strategy
- Remain on track with expectations
- Continue to forecast FY14 EPS growth of 4 - 6% on FY13
- Distribution per security maintained at 24.0c
- Assumes no material decline in market conditions
- Expect profit skew to second half, driven primarily by residential and retirement living settlements

Stockland Wetherill Park, NSW



Artist impression

Stockland Corporation Limited
ACN 000 181 733

Stockland Trust Management Limited
ACN 001 900 741

25th Floor
133 Castlereagh Street
SYDNEY NSW 2000

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Asset Profiles



Willowdale,
NSW

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Stockland Merrylands



Stockland
Merrylands,
NSW

Stockland

Merrylands.



ABOUT MERRYLANDS

Stockland Merrylands is located 25 kilometres west of the Sydney CBD and has serviced the local community for over 40 years. In October 2012, the centre completed a \$3,400 million redevelopment to deliver a 57,588 square metre centre. Stockland Merrylands comprises an Aldi, Big W, Coles, Kmart, Target, Woolworths, and a select range of mini-majors and over 200 mixed national and local chains including some of the finest independent retailers in Sydney's western suburbs.

The centre offers first class parents' rooms and a customer care centre, along with 3,000 car spaces. Stockland Merrylands has been embraced by the local community since opening with an unrivalled value and convenience.



Stockland



CENTRE MAP

CENTRE INFORMATION

GLA:	57,588sqm
Car Spaces:	3,000
Specialty No:	236
Valuation/(\$/m ²):	\$473.7 million (\$801.0/m ²)*
Capitalisation Rate:	6.25%
Discount Rate:	8.75%
Major:	Aldi, Coles, Big W, Kmart, Target, Woolworths
Mini-Majors:	Best & Less, Daiso Japan, JB Hi-Fi, Rebel Sport, The Reject Shop
MAT Traffic:	9.2m
MAT Sales:	\$303.4m ¹
Average Spend:	\$32.80
Casual Walk Leasing:	Yes

*Information is accurate as at 31 October 2013. Specialty number includes kiosks and ATM's.
¹MAT sales are not completely annualised as within 24months of development completion.



Centre:
Stockland Merrylands
McErlane Street
Merrylands NSW 2160
Phone: 02 9682 1855
Fax: 02 9637 7887
www.stockland.com.au/merrylands

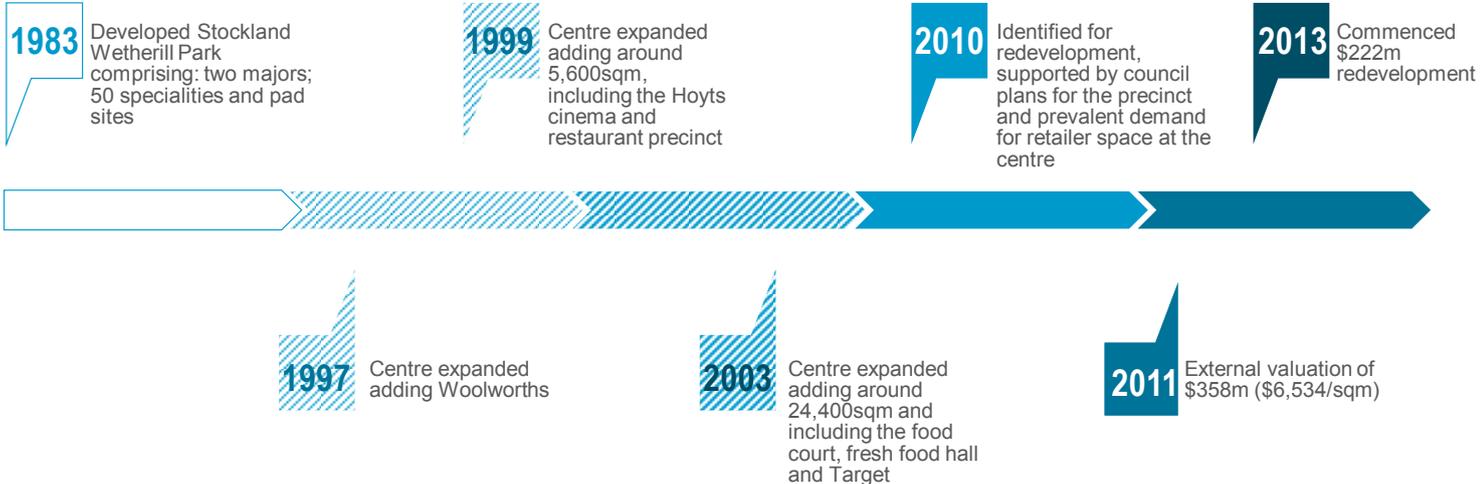
Leasing:
Phone: 02 9035 2080
Email: leasing@stockland.com.au

Brand Engagement:
Phone: 02 9035 2784
Email: brandengagement@stockland.com.au

Stockland Wetherill Park



History of Stockland Wetherill Park



Stockland Wetherill Park today

A diverse and convenient customer offering

- Located 35km south west of the Sydney CBD.
- Over 130 specialty stores including Big W, Target, Woolworths, Best & Less, Priceline Pharmacy and The Reject Shop.
- The centre offers a variety of food and automotive service pad sites and community facilities.
- Convenient access to the centre via the T-Way Prairiewood Station located opposite the Food Court entry to the centre. It provides a direct bus link to both Parramatta and Liverpool.

130+
specialty stores

- Big W
- Target
- Woolworths
- Hoyts
- Best & Less
- Priceline Pharmacy
- The Reject Shop

Summary information as at:

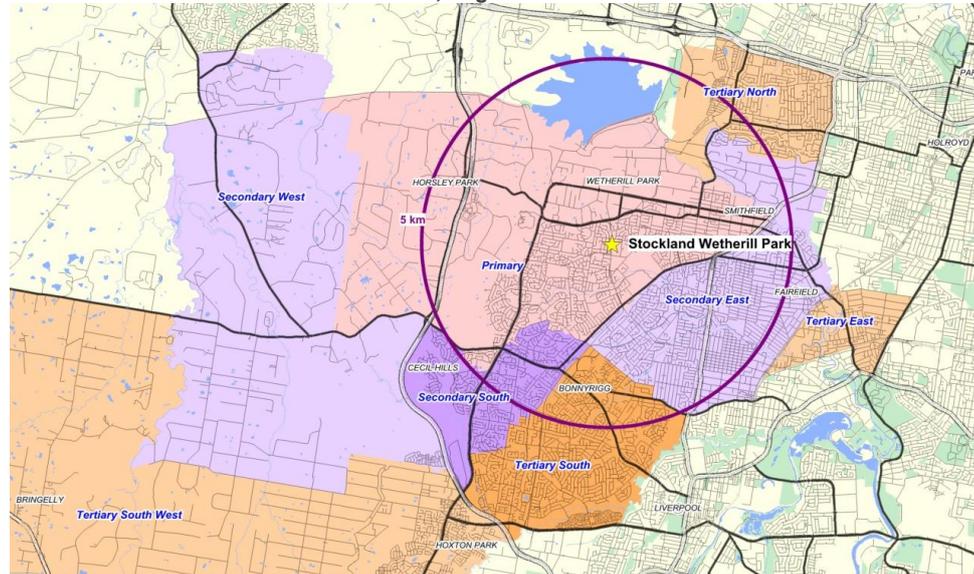
June 2013

Acquisition date	August 1983
Ownership title	100% Freehold
Cost including additions	\$116.9 million
Book value	\$362.3 million
Last independent valuation date	December 2011
Valuation (\$/sqm)	\$358 million (\$6,534 /sqm)
Capitalisation rate	6.75 %
Discount rate	9.00%
Car parking spaces	1,988
Gross lettable area	57,320sqm
Annual sales	\$259 million
Specialty MAT \$/sqm	\$11,150
Annual Traffic	6.6 million
Special occupancy costs	17.4 %
Weighted average lease expiry	8.5 years

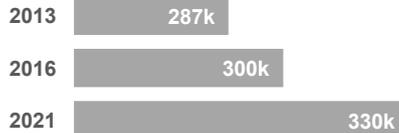
Wetherill Park trade area

The Secondary West and Tertiary South West sectors encompass parts of the Sydney South West Growth Centre and are forecast to achieve substantial population growth

Stockland Wetherill Park: Total Trade Area, August 2012



Approximate total trade area population



Trade area metrics

Main trade area
retail expenditure
capacity expected to
grow from \$1.7b to

\$2.3b
by 2021

Escape expenditure
from main trade area
estimated at

\$600m

And over
\$1.5b
from total trade area

Enclosed retail floor space
undersupply estimated at
50,000sqm, growing to

54,000
sqm¹

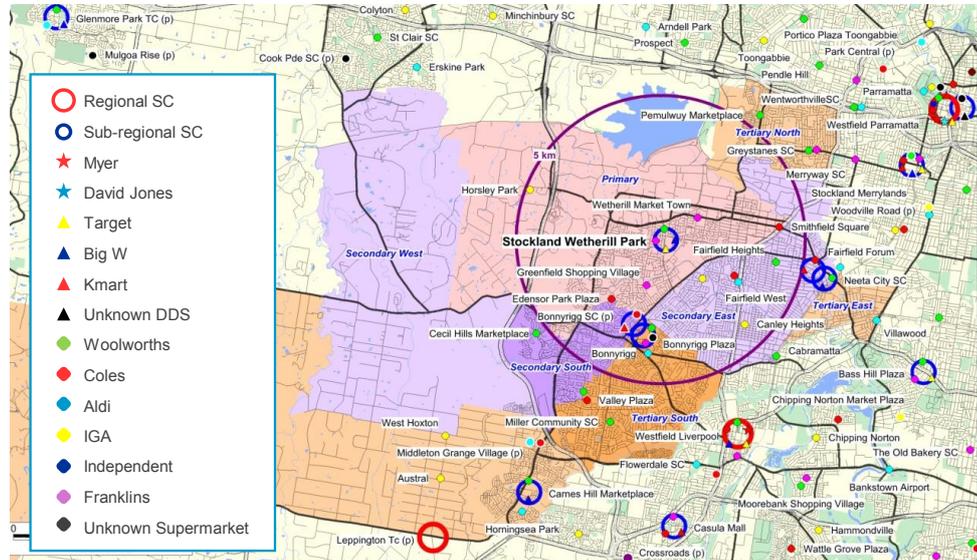
in 2016

1. Macroplan Dimasi

Competition in the trade area

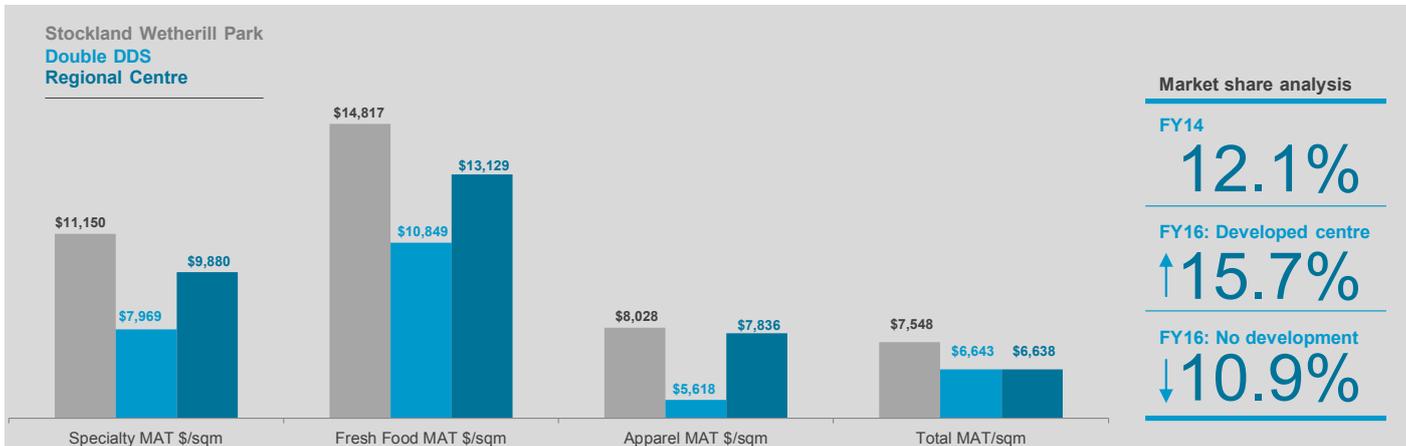
Stockland Wetherill Park: Total Trade Area, August 2012

- Currently no single comprehensive retail offer exists in the trade area.
- Competitive retail centres in the trade area include three sub-regional shopping centres at Neeta City, Fairfield Forum, and Bonnyrigg Plaza.
- At the edges of the trade area are Stockland Merrylands and Westfield Parramatta and Liverpool.
- There are 23 small supermarket based centres, neighbourhood centres and standalone supermarket sites within the catchment.



Investment thesis

Stockland Wetherill Park outperforms double DDS and regional centres for fresh food, apparel and overall specialty sales. The total centre sales also outperform regional and sub-regional benchmarks



Source: Urbis Sub-Regional and Regional Retail Averages 2013
 Sales as at 30 June 2013



Key metrics

Artist impression.

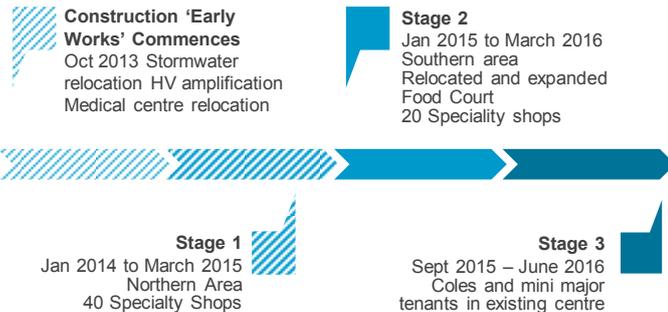


1. Pre IFRS stabilised incremental yield
2. Unlevered 10 year IRR on incremental development from completion
3. Unlevered 10 year IRR for existing assets and incremental development from completion

	On completion (FY16)
Est. total incremental cost	\$222 million
Est. valuation	~\$640 - \$660 million
Est. fully leased year 1 yield ¹	7.25%
Est. incremental return ²	~13.5%
Est. total return ³	~12%

Development overview

Repositioning the centre to capture spend leakage, strong population and income growth, and increasing trade area undersupply

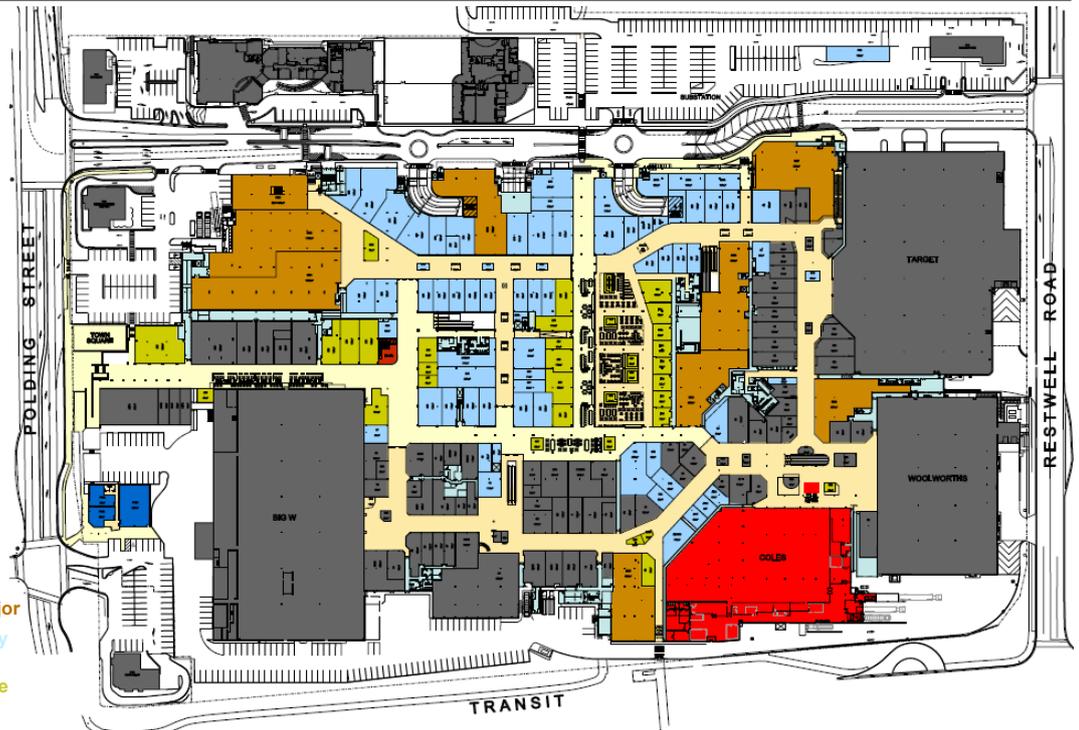


	On completion (FY16)
Gross lettable area	70,000sqm
Full line supermarkets	Coles; Woolworths
Full line DDS	Big W; Target
Mini majors	10 (incl Priceline, The Reject Shop; JB HiFi; Best and Less)
Pad sites	5 (plus medical centre and community facilities)
Specialty stores	200 stores (175 shops and 25 kiosk sites)
Food court	800 seat indoor-outdoor
Entertainment	12 screen Hoyts cinema Restaurant and leisure precinct
Car parking spaces	2,700 (4.5 spaces per 100sqm GLAR)

Proposed centre floor plan

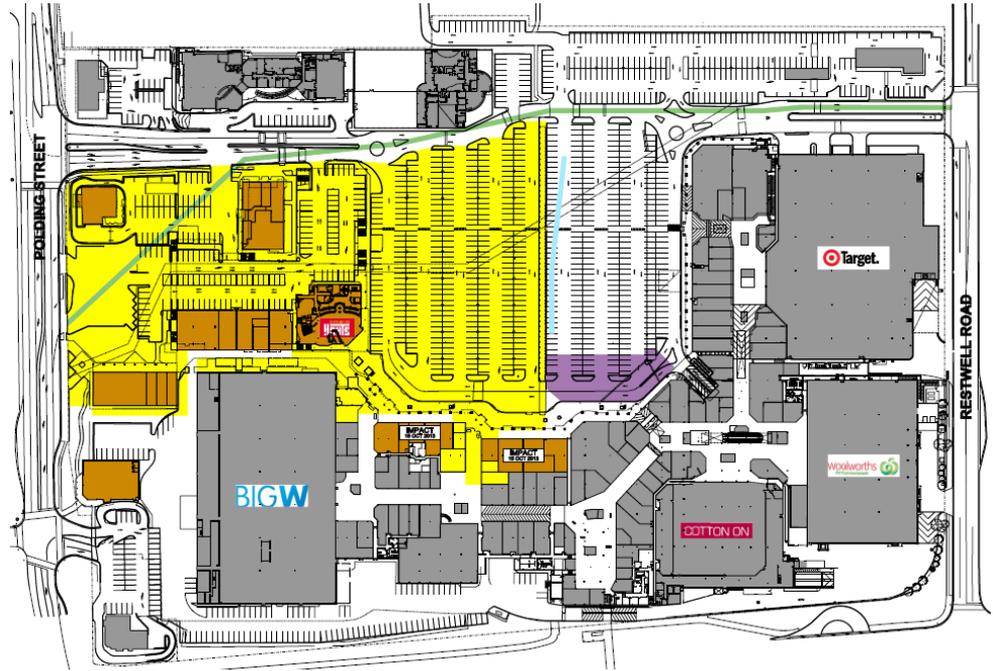
We will add 15,000sqm, a full line Coles, 70 specialty stores and an expanded and enhanced leisure and entertainment precinct. This will transform the centre into an even more vibrant and thriving community hub.

Major
Mini major
Specialty
Food & beverage



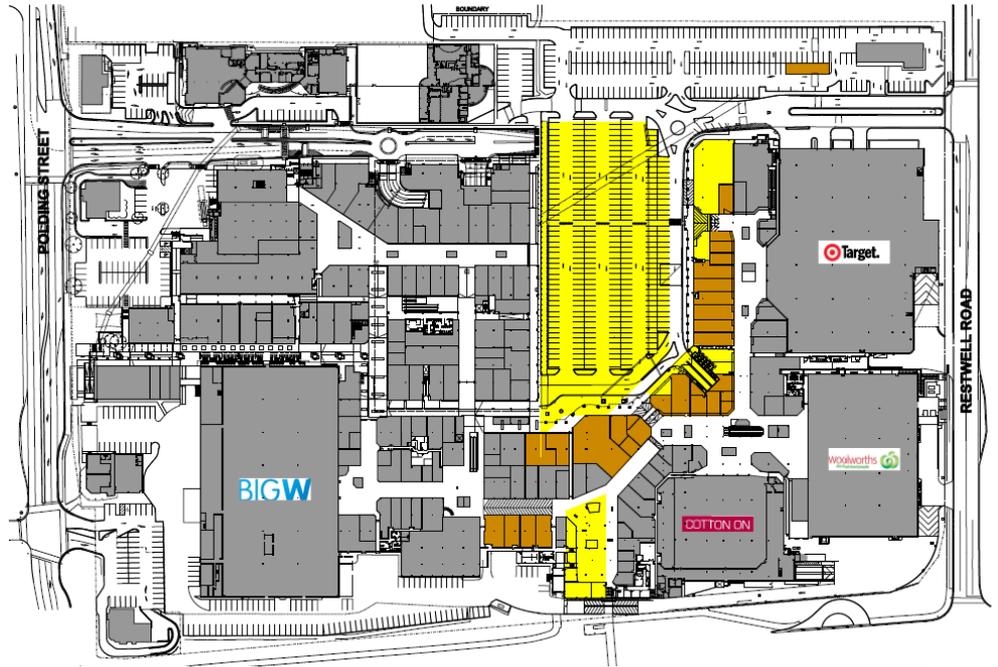
Masterplan – Stage one

40 specialty stores
Hoyts refurbished



Masterplan – Stage two

Food court
relocated and
expanded



Masterplan – Stage three

Coles added and
mini major tenants
in existing centre



Sustainability at the centre



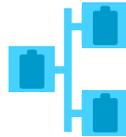
Targeting 5 Star Green Star 'design' and 'as built' environmental ratings



Incorporation of mixed mode ventilation to minimise energy consumption in malls and external tenancies



Incorporation of solar energy to reduce common area cost base



Incorporation of embedded energy network to better manage and on-sell energy

Ongoing community stakeholder engagement and collaboration in the design and delivery of the space.



Delivery of the first Jamie's Ministry of Food in NSW

Leasing Strategy: Wetherill Park

Brands agreed



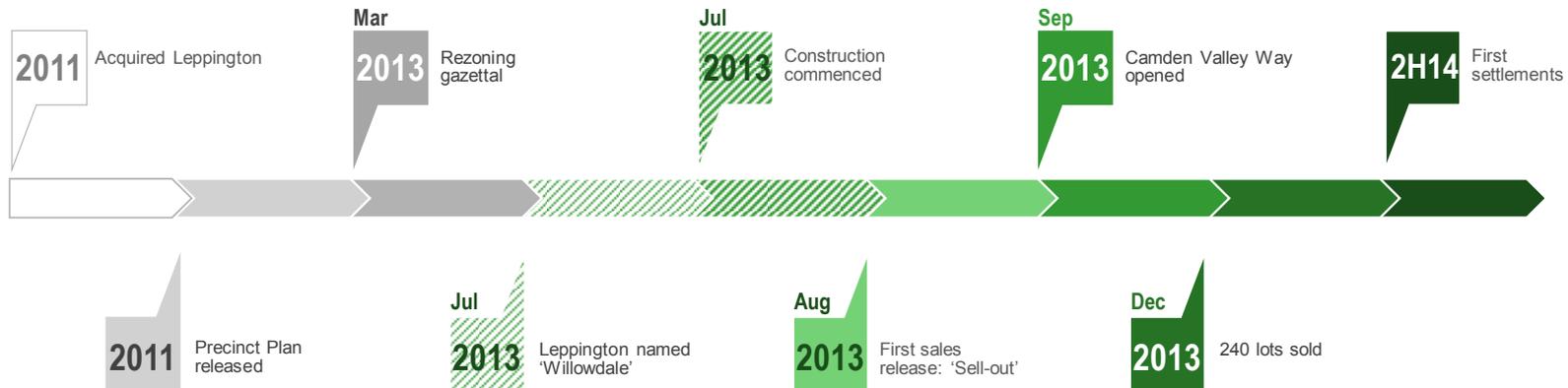
Brands targeted



Willowdale



Willowdale timeline



Willowdale overview

Creating a community



3,000+ lot community
 30 lot Display Village (Opening 2014)
 Retirement Living Village
 Medium density lots from 2015
 Community Centre



Education
 Future proposed
 Primary School



Parks and Open Space
 Walking paths and cycling paths
 Surrounding wetlands
 Parkland and play stores
 Picnic areas
 Sports fields



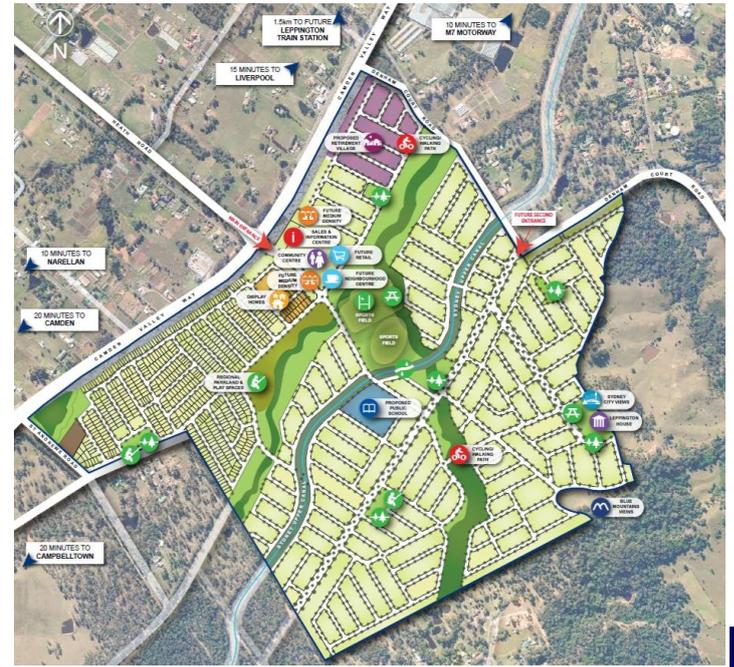
Public Transport and Roads
 5 mins to future Leppington train station
 14 mins to Glenfield train station
 16 mins to Liverpool train station
 10 mins to M7 Motorway
 15 mins to Liverpool
 20 mins to Campbelltown and Camden
 32 mins to Sydney Kingsford Airport



Shopping & Amenities
 Future Shopping Centre with
 specialty stores
 Community Centre
 5 minutes from Carnes Hill Shopping
 Centre with Woolworths, specialty
 stores and cafes
 Future Neighborhood Centre
 Sales Centre



Heritage
 Leppington House



Willowdale competitive advantage

Located at the beginning of the southwest Growth Centre

- Proximity to future Leppington station and established markets of Liverpool and Fairfield
- Connectivity to Sydney orbital network of M5 and M7 motorways
- Extensive proposed open space
- Natural amenity of site

Willowdale aerial



Buyer Profile at Willowdale

240 lots sold

since launch in August 2013

4 releases

sold out within the first day

Over 2000 leads

currently on the database

Primary catchment

of leads are from the Liverpool LGA

Range of buyers

FHBs, upgraders, downsizers, builders & investors

What our buyers are saying

'They are going to have a shopping centre there, I also like where the project is located, we can go down towards the M5 and M7'

'Just want to start building. It is vacant land close to where my parents live'

'I like the location, I like the masterplan of the community'

'The reasons being there are a couple of them, one is the location itself. Being developed by Stockland that is the main thing'



Pricing and product at Willowdale

Lot sizes ranging from 255sqm to 600sqm

Land currently from \$220,000

House and land from \$429,000

30 Lot Display Village opening Spring 2014

- Tier 1 Builders Partners participating
- Variety of housing options
- Housing Code compliant

Medium Density opportunity from 2015

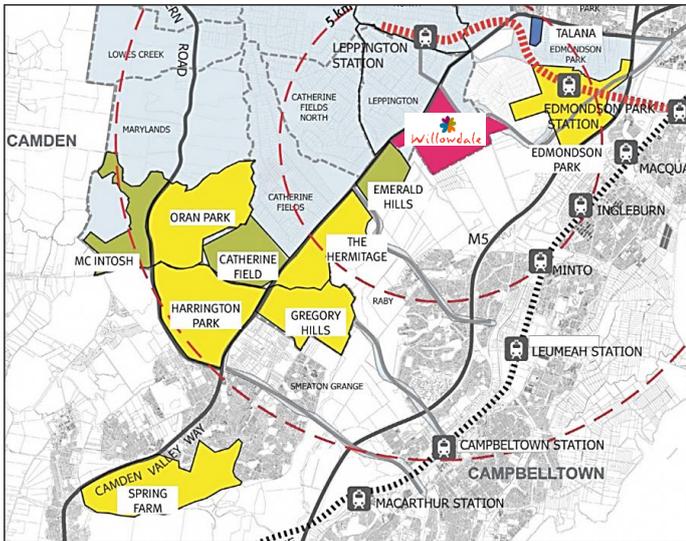
Example product

<p>from \$429,000</p>	<p>\$444,990</p>	<p>\$532,250</p>	<p>\$739,975</p>
			
<p>Camelia 3 by New Living Homes</p>	<p>Lukin 21 by Elderton Homes</p>	<p>Manhattan 1 by McDonald Jones</p>	<p>Ambassador 41 by Wisdom Homes</p>
<p>350m² LOT 1223</p>	<p>350m² LOT 1223</p>	<p>420m² LOT 1224</p>	<p>567m² LOT 1233</p>
<ul style="list-style-type: none"> 3 Double width panel garage door, with remote control opener 2 Stainless Steel Kitchen Appliances 2 Fully ducted air-conditioning 2 Tiled concrete Alfresco under the main roof line 	<ul style="list-style-type: none"> 4 Mixer Tapware throughout 2 20mm stone benchtops to kitchen 2 Fully ducted air-conditioning 2 Alarm system and garage auto door opener 	<ul style="list-style-type: none"> 4 Alfresco area 2 50 year structural warranty 2 Remote control garage door 2 Carpet and tiles, fly screens and safety doors, Colourbond roof 	<ul style="list-style-type: none"> 5 European stainless steel appliances 4 Remote control garage door 4 5-Star HWU 2 Flyscreens to windows



Competitor landscape

Competitor map

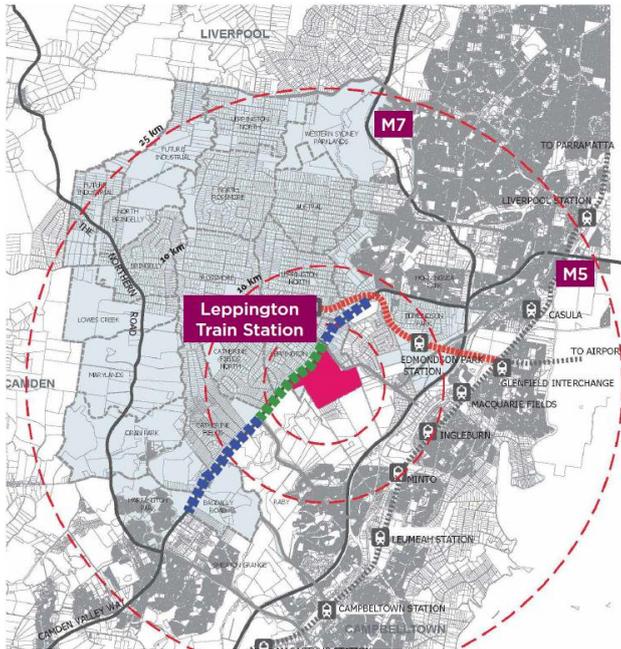


Competitor pricing

	375sqm lot	450sqm lot
Willowdale <i>Stockland</i>	\$261,000	\$302,000
Gregory Hills <i>Dartwest</i>	\$237,000	\$265,000
Oran Park <i>Greenfields / Urban Growth</i>	\$240,000	\$275,000
Edmondson Park <i>Urban Growth</i>	\$280,000	\$310,000
The Hermitage <i>Sekisui House</i>	\$235,000	\$265,000



Transport and connectivity



Well connected and integrated with established amenity

- Walking distance to future Leppington train station and Leppington town centre
- Leppington train station (opening 2015) will have 800 car spaces available
- Minutes to M7 and M5
- 5 minutes to nearby established shopping centres with Woolworths specialty stores

South West Rail Link is currently \$100m below the \$2.1 billion budget and due to open in ahead of schedule in 2015

Press on Willowdale

Property
News & Features

Stockland sites snapped up

Sydney Morning Herald
Wednesday, July 31, 2013

Stockland turns first earth at Willowdale

Development East Leppington project approved

Liverpool City Champion

News

Sydney Morning Herald
Saturday, August 24, 2013

WITHOUT RESERVE

VIPs flock to Willowdale
Stockland held its first VIP information day on Saturday, August 17, for potential buyers who have registered their interest in acquiring land at Willowdale at Derham Court in Sydney's south-west. More than 250 people attended the event at the nearby Clevedon Homestead on Camden Valley Way. The interested buyers included a diverse mix of first-home buyers, upgraders, downsizers and investors, with single purchasers, couples and family groups well represented.

Exclusive stories @ our website



New suburb: Residents waiting to settle into their slice of heaven could be just a stone's throw from their dream. The new suburb of Willowdale is about to be released.



The green, green grass of home: Stockland's Willowdale development.

Campbelltown Macarthur Advertiser The council that covets Willowdale

News

Couple plot out future for first home

JOSE Duarte and Sam Campbell (opposite) on the new Willowdale site.
In fact, the biggest single issue that looms in the dark is not how to get the site approved, but how to get it approved in the first place.
The pair recently sought out the Stockland's Willowdale representative at the western side of Derham Court. With plans to build a two-bedroom, single-storey house, the couple have been more than enough keen to sign their names to the site.
"It's exciting, but we're not at all selling here, but with the amount of time that's been spent on this site, we're going to build a new house, we'll be the first to buy it," says Duarte.
"We're in Willowdale at the moment, and we're going to go on for the first time."



JOSE Duarte and Sam Campbell (opposite) on the new Willowdale site.

Australian Financial Review
Wednesday, July 31, 2013

Stockland granted earthworks go-ahead

Sydney Morning Herald
Saturday, August 03, 2013

More roads are leading west

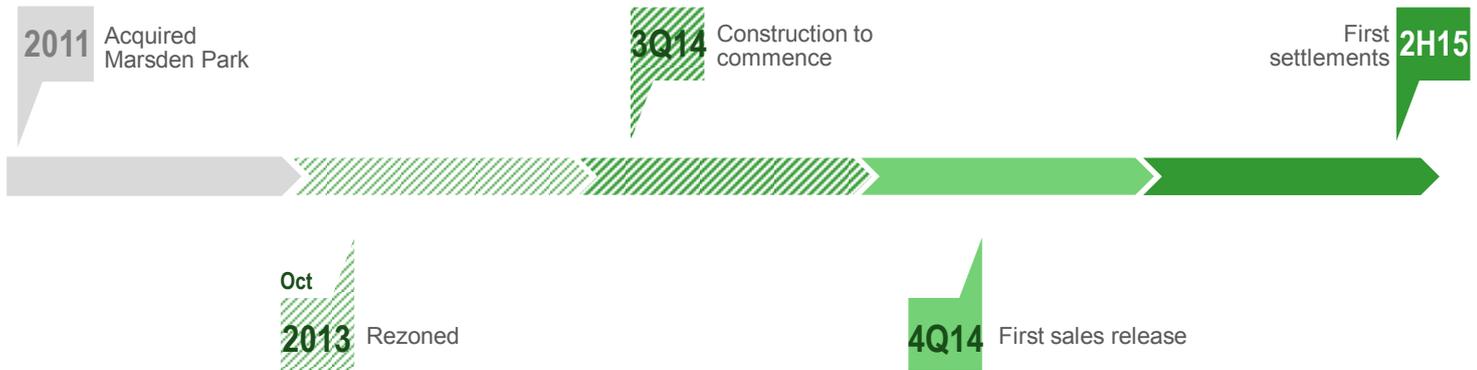
Carolyn Cummins
COMMERCIAL PROPERTY EDITOR

Stockland's East Leppington development marks another milestone in the revitalisation of Sydney's western area, and will be followed by upgraded infrastructure and transport links.



Marsden Park overview

Marsden Park residential community will comprise over 2,200 residential lots, schools, a neighbourhood centre, a retirement village, multiple playgrounds, sports fields and green open spaces



Marsden Park location map

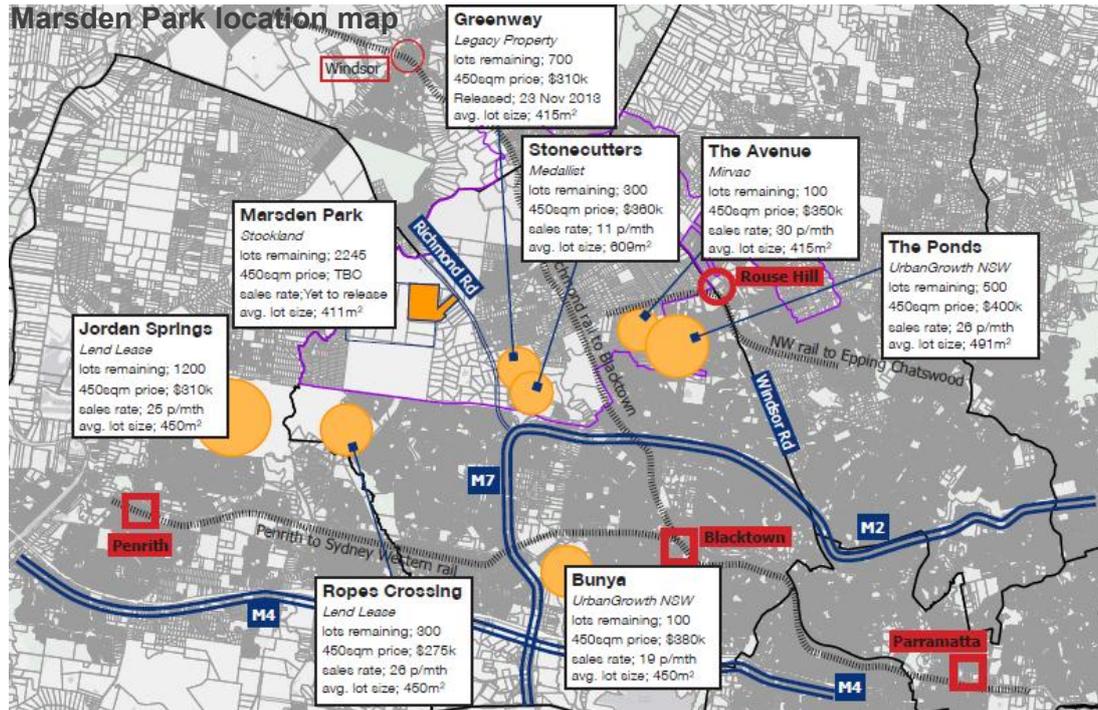


- Located in the Blacktown Local Government Area
- Serviced by Richmond Road
- Minutes to the recently upgraded Schofields Train Station
- 30-minute commute from the major employment precincts of Norwest Business Park, Macquarie Park and the Parramatta CBD

In 2011, Stockland purchased two large parcels in Sydney's growth areas, Willowdale (3,000 lots) and Marsden Park (2,245 lots). These were Stockland's first residential land acquisitions in Sydney Metro since 2004

Stockland and Winten Property Group control a combined 6,000 dwellings of the 10,000 dwelling Marsden Park Precinct

Marsden Park location map



Stockland Corporation Limited
ACN 000 181 733

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133 Castlereagh Street
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