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ASX/Media Release

STOCKLAND 1Q15 MARKET UPDATE

Stockland will update securityholders on its current performance and outlook at its Annual General Meeting today.

Stockland Managing Director and CEO, Mark Steinert, reconfirmed the group was on track to achieve earnings per security growth in FY15 of 6.0 – 7.5 per cent above FY14, assuming no material change in market conditions.

Mr Steinert said the residential business had a particularly strong start to the financial year, underpinned by strong new projects launched in FY14 and positive market conditions, particularly in Sydney and South East Queensland.

“Our Residential strategy of focusing on growth corridors is delivering, with 1,652 net deposits achieved in the first quarter, our strongest first quarter result in four years. We are on track to achieve settlements in FY15 towards the upper end of our target through the cycle range of 5000 – 6000 lots,” Mr Steinert said.

“Our new projects, Willowdale in South West Sydney, Elara in North West Sydney, and Calleya in South East Perth, are generating particularly strong sales.”

Mr Steinert said the Commercial property business is delivering solid returns, as Stockland continues to invest in its Retail and Logistics and Business Parks portfolios.

“Our retail assets comprise around 50 per cent of our overall property portfolio and have achieved strong quarterly sales across most retail categories. We’ve seen the highest quarterly specialty sales growth since 2009 with food catering and retail services the strongest categories. Specialty sales grew 5.7 per cent in the first quarter of FY15 and comparable quarterly growth was 4.7 per cent.”

During the quarter, Stockland further progressed its \$460 million of active retail redevelopments in line with forecast and commenced the next two redevelopments in its pipeline – Glasshouse in the Sydney CBD and Point Cook in Victoria. International retailer H&M will open one of its largest stores in the world in the upgraded Glasshouse building on Pitt Street Mall, late in 2015.

Stockland continues to grow and develop its Logistics and Business Park portfolio. Reflecting our strategic focus, this portfolio has grown from \$1.2 billion at the end of FY13 to \$1.6 billion today.

Stockland executed leases on 10,400 square metres of space in its Logistics and Business Parks assets, and signed Heads of Agreements on a further 72,900 square metres of space during 1Q15.

In its Office portfolio occupancy increased to 92.9 per cent from 90.3 per cent at 30 June 2014. Leases were executed on 5,600 square metres with tenants including St George Bank and Shell, and Heads of Agreements signed on a further 11,300 square metres during the period.

The Retirement Living business continues to progress its organic growth strategy with developments underway at 11 villages, including the \$160 million redevelopment of Cardinal Freeman Retirement Village at Ashfield in Sydney.

Retirement Living reservations were lower in the first quarter of FY15, reflecting a later start to the sales campaign compared to the prior year and one less week in the reporting period. Mr Steinert confirmed the Retirement Living business remained on track to achieve its forecast for the full year, with a skew to the second half.

Stockland Chairman, Graham Bradley, said: “These results reflect the good progress we have made, with all three of our major businesses – Commercial, Residential and Retirement Living – contributing positively to our improved results. The Group has now established a solid platform for future growth, supported by a considered strategy and an executive team focused on delivering sustainable returns for securityholders.

“In FY15 we expect to maintain our distribution at 24 cents per security, assuming no material decline in market conditions, and to make further progress towards our target payout ratio.”

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) with a Gold Class Award for 2014-15, which recognises companies that score within 1 per cent of the Global Real Estate Industry Group Leader. Stockland was also named one of the Global 100 Most Sustainable Corporations in the World at the World Economic Forum in Davos, Switzerland in 2014, for the fifth consecutive year.

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