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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 southwest 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 Indicies (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	
Michelle Taylor	Greg Spears	Ross Moffat	Annabelle Tait
General Manager -	Senior Manager -	Senior Manager -	Senior Analyst -
Stakeholder Relations	Media Relations	Investor Relations	Investor Relations
Stockland	Stockland	Stockland	Stockland
T +61 (0)2 9035 2786	T +61 (0)2 9035 3263	T +61 (0)2 9035 2480	T +61 (0)2 9035 2773
M +61 (0)400 356 692	M +61 (0)406 315 014	M +61 (0)478 344 885	M +61 (0)424 547 887

Stockland Corporation Ltd ACN 000 181 733 Stockland Trust Management Ltd ACN 001 900 741 AFSL 241190 As Responsible Entity for Stockland Trust ARSN 092 897 348.



Investor Update & Sydney Asset Tour – 3 December 2013



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Group Update 01

Group Update



1.

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 management 1 FY14 average cost of debt ${\sim}6.3\%$
- 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

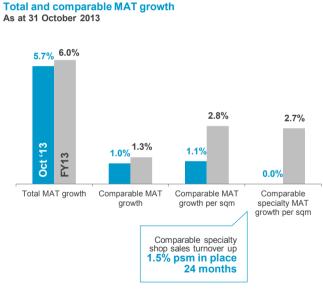


Closed out four swaps at a cost of \$35m. Break cost in line with interest savings over the swap term. Issued new \$150m, 6 year MTN

Commercial Property 02



Retail sales growth flat, early signs of improvement



- Australian retail sales were relatively flat in 1Q14; October sales arowth 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)

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



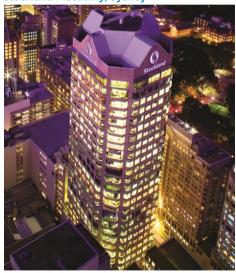
Yatala D&C information memorandum currently in market

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.

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



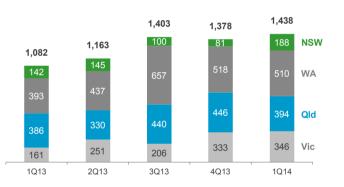
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Residential 03



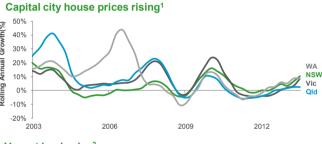
Strong quarter for Residential net deposits



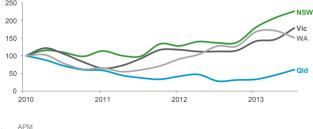
Residential net deposits

- 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



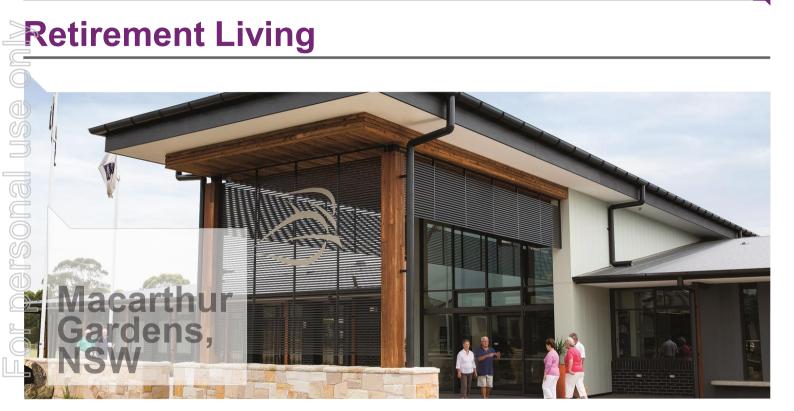
Vacant land sales²



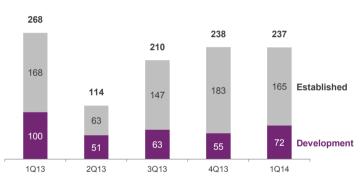
Charter Keck Cramer to September 2013, Indexed Q3 2010 = 100

- 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

Retirement Living 04



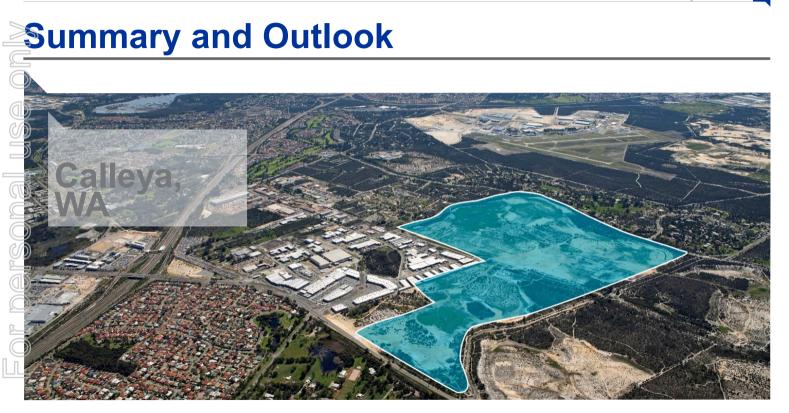
Seeing steady demand in Retirement Living



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 05



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



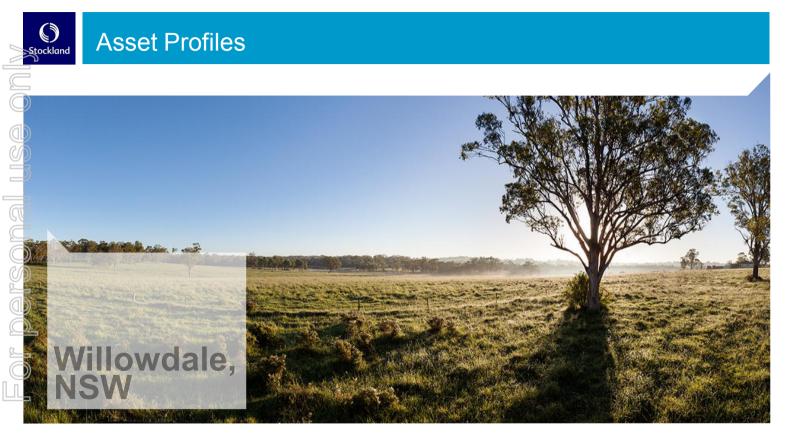
Stockland Corporation Limited ACN 000 181 733

Stockland Trust Management Limited ACN 001 900 741

25th Floor 133 Castlereagh Street SYDNEY NSW 2000

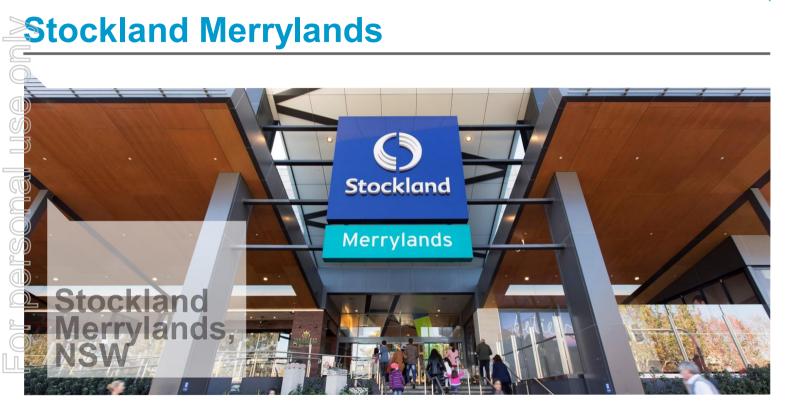
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19	09 Willowdale	3
22	10 Marsden Park	4
	19 22	1909Willowdale2210Marsden Park

ockland





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 \$400 million western suburbs. independent retailers in Sydney's and a select range of mini-majors and over 200 mixed national and local chains including some of the finest Coles, Kmart, Target, Woolworths, Merrylands comprises an Aldi, Big W, square metre centre. Stockland redevelopment to deliver a 57,588

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





Dod.

Tanga 🚺



CENTRE INFORMATION	NALION
GLA:	57,588sqm
Car Spaces:	3,000
Specialty No:	236
Valuation/(\$/m ²):	\$473.7 million (\$8010/m²)*
Capitalisation Rate:	6.25%
Discount Rate:	8.75%
Majors:	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 Mall Leasing:	Yes
Information is accurate as at 31 Octob Valuation as at December 2012. MAT sales are not completely annualis	Information is accurate as a 13 October 2013. Specially number includes klosks and ATMs. Valuation as at December 2012. "MAT takes are not completely annualised as within 24months of development completion.

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

> Brand Engagement: Phone: 02 9035 2784 Email: leasing@stockland.com.au Phone: 02 9035 2080 Leasing:

Email: brandengagement@stockland.com.au

Centre:

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<u>Centre</u> demographics.

Trade area

Stockland Merrylands services a main trade area of 117,970 people which is forecast to grow by 15 per cent to 127,020 in 2016. The average gis 35 years and 45.1 per cent of residents are born outside of Australia. The average household income in the main trade area is \$77,209.

Trade area population

		E and a state	Automatic Association
Trade Area Sector	Population 2011	Population 2016	Average Annual Change (%) 2011 – 2016
Primary Sector	59,770	64,470	
Secondary Sectors			
East	32,340	34,040	1.0%
West	25,860	28,510	2.0%
Total Secondary	58,200	62,550	1.5%
Main Trade Area	117,970	127,020	
Tertiary Sectors			
North	25,750	27,350	1.2%
South	14,670	15,370	0.9%
Total Tertiary	40,420	42,720	1.1%
Total Trade Area			



Trade area demographics

Characteristics	Primary Sector	Secondary Sectors – East	Secondary Sectors – West	Main TA	Tertiary Sectors – North	Tertiary Sectors – South	Total TA	Syd Metro Average	Aust Average
Average Per Capita Income	\$26,177	\$21,243	\$32,506	\$26,212	\$30,381	\$20,800	\$26,389	\$36,941	\$34,201
Per Capita Income Variation	-29.1%	-42.5%	-12.0%	-29.0%	-17,8%	-43.7%	-28.6%	n.a.	n.a.
Average Household Income	\$73,920	\$68,216	\$96,807	\$77,209	\$82,298	\$68,708	\$77,406	\$99,586	\$87,928
Household Income Variation	-25.8%	-31.5%	-2.8%	-22.5%	-17.4%	-31.0%	-22.3%	n.a.	n.a.
Average Household Size	2.8	3.2	3.0	3.0	2.7	3.3	2.9	2.7	2.6
Age Distribution (% of Pop'n									
Aged 0-14	20.5%	23.5%	20.7%	21.4%	20.8%	22.3%	21.4%	19.2%	19.3%
Aged 15-19	6.2%	7.3%	6.4%	6.5%	5.2%	7.7%	6.4%	6.3%	6.5%
Aged 20-29	18.4%	17.7%	12.4%	16.9%	15.2%	14.6%	16.4%	14.7%	13.8%
Aged 30-39	16.6%	14.4%	15.6%	15.8%	19.1%	13.3%	16.1%	15.3%	13.8%
Aged 40-49	12.5%	12.1%	13,4%	12.6%	13.5%	12.8%	12.8%	14.2%	14.2%
Aged 50-59	10.6%	10.8%	11.1%	10.8%	10.2%	11.4%	10.7%	12.3%	12.8%
Aged 60+	15.3%	14.2%	20.3%	16.1%	16.0%	17.8%	16.2%	18.0%	19.6%
Average Age	34.9	33.5	37.0	35.0	35.7	35.9	35.2	37.2	37.9
Housing Status (% of H'holds	ds)								
Owner/Purchaser	57.3%	60.2%	82.8%	63.7%	55.6%	61.9%	62.2%	67.4%	69.3%
Renter	42.7%	39.8%	17.2%	36.3%	44.4%	38.1%	37.8%	32.6%	30.7%
Birthplace (% of Pop'n)									
Australian Born	50.9%	53.2%	66.6%	54.9%	42.5%	51.3%	52.6%	63.7%	73.9%
Overseas Born	49.1%	46.8%	33.4%	45.1%	57.5%	48.7%	47.4%	36.3%	26.1%
Family Type (% of H'holds)									
Couple with dep't children	48.1%	53.5%	50.2%	50.1%	53.5%	51.9%	50.8%	48.2%	45.3%
Couple with non-dep't child.	9.0%	10.3%	11.6%	9.9%	6.3%	8.9%	9.2%	9.1%	7.7%
Couple without children	17.1%	12.8%	20.1%	16.6%	18,1%	13.2%	16.5%	20.1%	23.0%
Single with dep't child.	10.2%	10.2%	8.5%	9,8%	7.7%	12.6%	9.7%	8.5%	9.2%
Single with non-dep't child.	5.2%	4.7%	4.1%	4.8%	3.6%	5.6%	4.7%	3.9%	3.5%
Other family	1.7%	1.5%	0.9%	1.5%	1.6%	1.1%	1.5%	1.2%	1.1%
Lone person	8.6%	7.0%	4.6%	7.3%	9.2%	6.7%	7.5%	9.0%	10.2%
						5	ources: ABS Census of Poj	Sources: ABS Census of Population and Housing 2011; Mapinfo Location Q	1; Mapinfo Location K2
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Stockland Wetherill Park 08



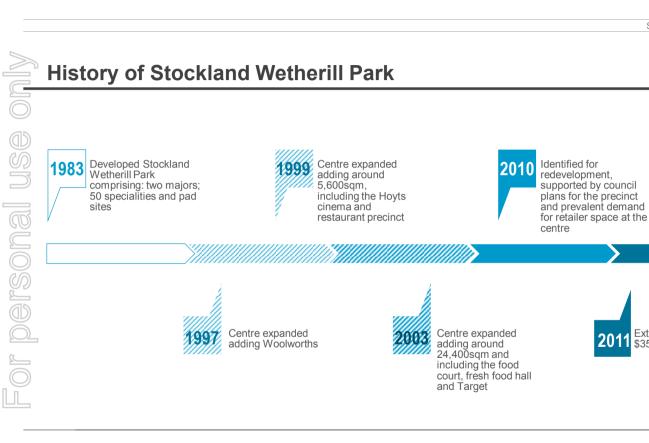
2013

2011 External valuation of \$358m (\$6,534/sqm)

Commenced

redevelopment

\$222m



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.

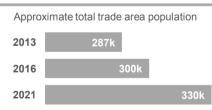
130+ specialty stores

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

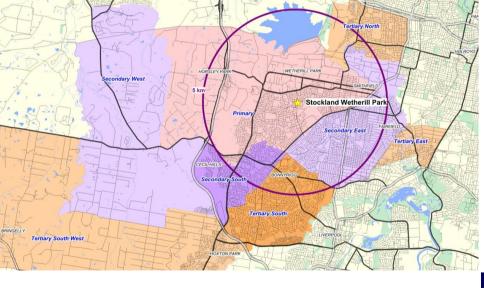
Summary information as at:	June 2013
Acquisition date	August 1983
Ownership title	100% Freehold
Cost including additions	\$116.9 million
Book value	\$362.3 million
Last independent valuation date	December 2011
Valuation (\$/sqm)	\$358 million (\$6,534 /sqm)
Capitalisation rate	6.75 %
Discount rate	9.00%
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



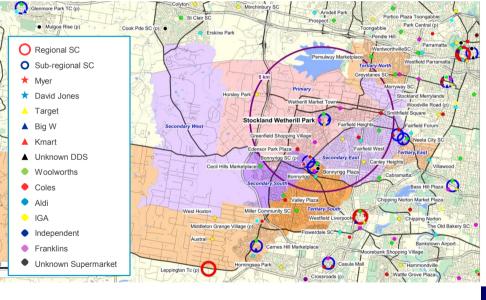


Stockland Investor Update December 2013 26



Competition in the trade area

Stockland Wetherill Park: Total Trade Area, August 2012



	Investment the	esis		
			Stockland Wetheril for fresh food, appa also outperform reg	arel and overall spo
or personal use	Stockland Wetherill Park Double DDS Regional Centre	\$14,817 \$13,129 \$10,849	\$8,028 \$7,836	\$7,548
	Specialty MAT \$/sqm	Fresh Food MAT \$/sqm	\$5,618 Apparel MAT \$/sqm	Total MAT/sqm
	Source: Urbis Sub-Regional and Regional Re Sales as at 30 June 2013	tail Averages 2013		

utperforms double DDS and regional centres overall specialty sales. The total centre sales and sub-regional benchmarks

\$6,643 \$6,638

Market share analysis

12.1%

FY16: Developed centre 15.7%

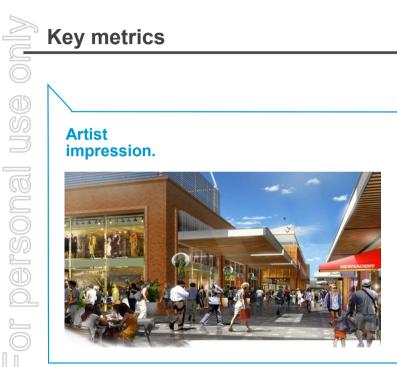
FY16: No development

↓10.9%

Stocklon

FY14

2.



Pre IFRS stabilised incremental yield Unlevered 10 year IRR on incremental development from completion 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%

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OGTSONAI

Development overview

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

Construction 'Early Stage 2 Works' Commences Jan 2015 to March 2016 Oct 2013 Stormwater Southern area Relocated and expanded relocation HV amplification Food Court Medical centre relocation 20 Speciality shops Stage 1 Stage 3 Jan 2014 to March 2015 Sept 2015 - June 2016 Coles and mini major Northern Area 40 Specialty Shops tenants in existing centre

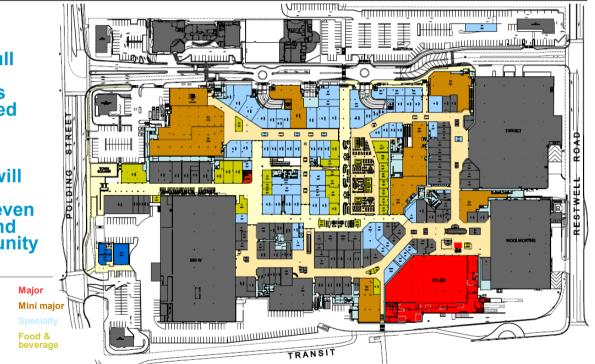
On completion (FY16)

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.

ersonal use

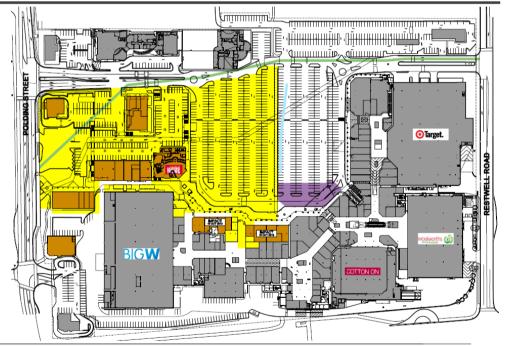


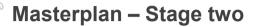
Masterplan – Stage one

40 specialty stores Hoyts refurbished

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personal

Food court relocated and expanded O Target. interesting an PERMIT voolworths 🌀 BIGW COTTON ON 1 -m

Target.

Woolworths 🌀

N+++++++

coles

Masterplan – Stage three **Coles added and** mini major tenants in existing centre \cap personal BIGW TITIT

Sustainability at the centre



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



Incorporation of solar energy to reduce common area cost base



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

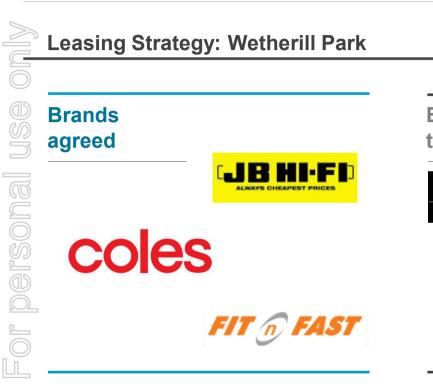


Incorporation of embedded energy network to better manage and on-sell energy Ongoing community stakeholder engagement and collaboration in the design and delivery of the space.



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





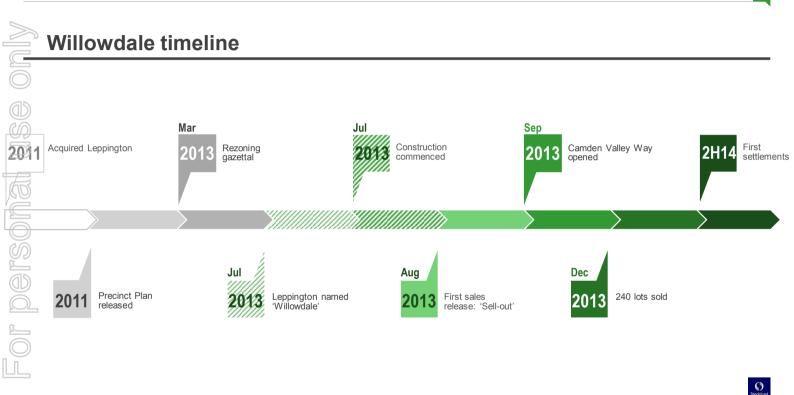


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Willowdale 09



Willowdale 09



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

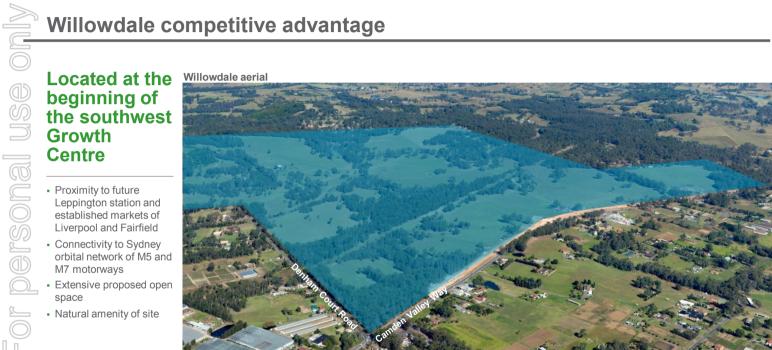
Heritage Leppington House



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





Buyer Profile at Willowdale

4 releases

240 lots sold since launch in August 2013

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'

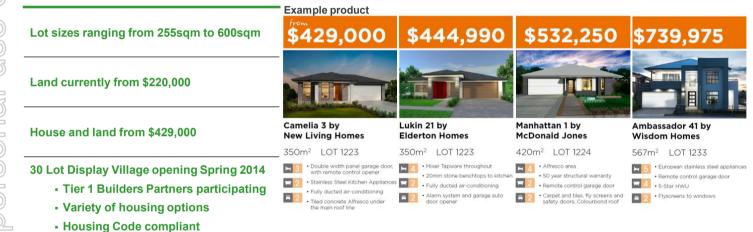
'Just want to start building. It is vacant land close to where my parents live'

'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

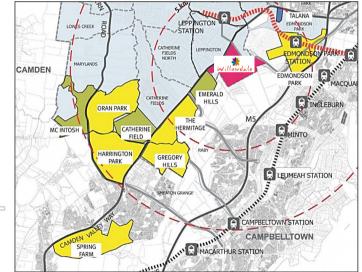


Medium Density opportunity from 2015

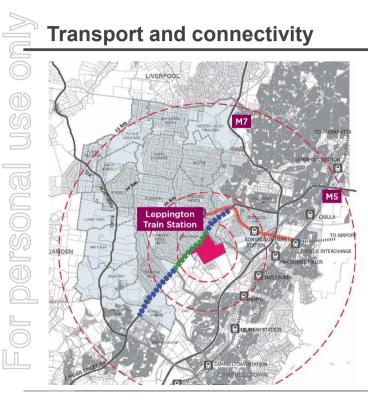
Stockland

Competitor landscape

Competitor map



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



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

Willowdale 09

Press on Willowdale



First 2H15

settlements

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

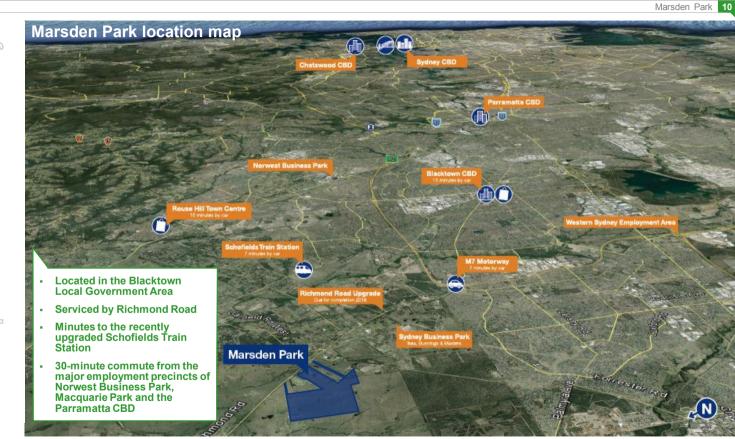








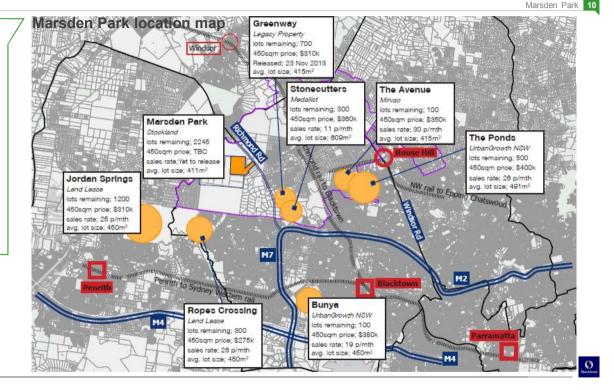
Stockland





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

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



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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