

1Q18 Stockland Update



Agenda

Topic

<u>Group Update</u>	<u>3</u>
<u>Sustainability</u>	<u>5</u>
<u>Commercial Property</u>	<u>7</u>
<u>Residential Communities</u>	<u>11</u>
<u>Retirement Living</u>	<u>12</u>
<u>Summary and Outlook</u>	<u>13</u>

Group Update

Operating performance remains on track across the group

- Continued strong trading conditions in Residential underpin growth, on track for around 6,500 settlements in FY18
- Retail sales relatively flat, NSW and Vic continue to outperform Qld and WA
- Good leasing momentum in L&BP and Office
- Maintained established Retirement Living reservations
- Ongoing commitment to sustainability:
 - launched Australia's largest real estate solar project
 - Australia's only company included on CDP Climate A list for 2017



Five year indicative asset mix

Stockland quick facts

Trust

RETAIL TOWN CENTRE



Create market leading retail town centres



Stockland Green Hills, NSW

- Green Hills (NSW) \$412m development progressing well
- Wendouree (Vic) development underway
- Unconditional agreement to sell Corrimal (NSW), ~\$70m

LOGISTICS & BUSINESS PARKS



Grow and develop a leading portfolio



Ingleburn Distribution Centre, Sydney

- Maintaining high occupancy
- Developments at Coopers Paddock, Ingleburn and Yennora (NSW)
- \$600m+ future development pipeline
- Targeting 7%+ yields¹ and 9%+ incremental IRRs

OFFICE



Optimise returns



135 King St, Sydney

- 70% of the portfolio is located in the strongest performing Sydney markets
- Leasing momentum in Perth, incentives remain high

Corporation

RESIDENTIAL



Maximise returns by creating thriving communities



Aura, Qld

- Strong trading conditions continue in Sydney and Melbourne
- Timing of settlements to deliver a small profit skew to 1H18
- Walkable urbanism drives customer proposition

RETIREMENT LIVING



Leading operator and developer



Willowdale Retirement Village, NSW

- Broadening customer reach through diversity of product and services
- Maintained established village reservations in 1Q18
- Lower development reservations reflect timing of projects

Sustainability

Creating shared value



SHAPE THRIVING COMMUNITIES

Residential Communities Wellbeing

Personal Wellbeing Average Score of 79%, above the national average of 72-76%

Retirement Living Resident Wellbeing

Personal Wellbeing Index score of 82%, above national average 72-76%

New Social Infrastructure

Three new inclusive play spaces developed with Touched by Olivia

Stockland Community Grants Program

320 local community organisations, awarded \$303,000 in total

Community Contribution

\$6 million invested in community development initiatives



OPTIMISE AND INNOVATE

Energy Intensity Reductions Since FY06

Retail 35% / Office & Business Parks 51%
Over \$78 million saved

NABERS Energy Rating

Exceeded target 4.5 star average for Office and Business Parks

Green Star – Communities

Six Residential Communities achieved 5 star or 6 star ratings

Waste Diversion From Landfill

96% of Residential and 84% of Retail waste diverted (from FY15-17)

Biodiversity Savings

Around 1,972 hectares of land reserved for protection in perpetuity



ENRICH OUR VALUE CHAIN

Stakeholder Engagement

Aura Engagement Excellence Program – Property Council Project Innovation Award
Aura wins inaugural Healthy Land and Water award

Safety

Corporate LTIFR of 1.8, down from 4.0 in FY16

Employee Flexible Work Options

70% of employees now work flexibly

Diversity

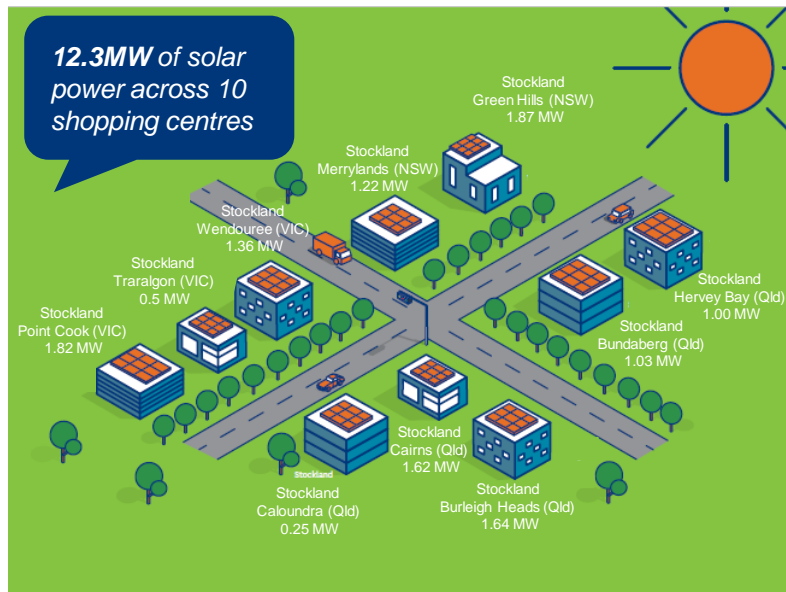
45.9% women in management
Special commendation from UDIA for Diversity in Development

Enabling Enduring Employment

74 job placements at the Connectivity Centre at Stockland Green Hills

Stockland \$23.5 million solar investment

Setting a new Australian standard with 12.3MW of power across 10 shopping centres



17.2GWh of energy per year

2,300+ big balloons of greenhouse gases kept out of the atmosphere

And helping us meet our mission to reduce our carbon emissions intensity **60%** by 2025

It's good for the world

It's good business



Over **10%** forecast average yield over 10 years

Retail Town Centres

Retail Sales

- Subdued environment for overall retail sales, impacted by some price deflation, low wages growth and energy price rises
- Following sustained activity during the mining boom, slower growth has continued in far North Queensland and Perth. Leading indicators such as job advertisements point to a return to more stable trading conditions at our centres in these areas
- Key categories in comparable specialty MAT:
 - Retail Services ▲ 10.0%
 - Food Catering ▲ 3.7%
 - Leisure ▲ 1.2%
 - Apparel ▼ 1.1%
 - Homewares ▼ 26.6%
- H&M to open, and remixing in Townsville and Rockhampton (Qld) in 2Q18
- Unconditional agreement to sell Corrimal (NSW), ~\$70m

1. Sales data excludes UPF assets
 2. Stable basket of assets
 3. Excluding impact from Dick Smith closure

Total Sales by Category to 30 September	MAT Growth ¹	Comp ² Annual Growth	Adjusted ³ Comp Annual Growth
Specialties	-0.5%	-0.2%	0.6%
Supermarkets	2.2%	0.3%	0.3%
DDS/DS	-2.6%	-2.8%	-2.8%
Mini-Majors and Other	3.8%	3.8%	4.6%
Total	1.0%	0.3%	0.7%

Retail Town Centres

Development update

- Current developments progressing on time and in line with feasibilities
- Green Hills (NSW) progressing well, already 82% leased, with next stage to open November 2017
- Wendouree (Vic) progressing on time and budget

Progress on current development	Spend to 30 Sept. (\$m)	Total cost (\$m)	Stabilised yield ¹	Incremental IRR ²	Total project income leased (%)
Green Hills, NSW	242	412	7.0	~11.9	82
Wendouree, Vic	6	37	7.2	~13.7	56
Total		449			



Stockland Green Hills, Maitland NSW

1. Incremental FFO yield

2. Forecast unlevered 10 year IRR on incremental development from completion

Logistics & Business Parks and Office

Logistics & Business Parks

- Investment strategy delivering results, high occupancy maintained
- Seven year lease to Australia Post at Oakleigh, Melbourne, now 100% occupied
- 17,000 sqm lease to New Aim for five years at Brooklyn Estate, Melbourne

Office

- Majority of portfolio in Sydney CBD, North Sydney and St Leonards, which are all performing strongly
- Leasing momentum in Perth, Optus Centre (formerly 2 Victoria Avenue) now 81.6% occupied, incentives remain high

Logistics and Business Parks	1Q18	FY17
Leases executed	102,200 sqm	411,800 sqm
Leasing activity under HOA	68,100 sqm	91,600 sqm
Portfolio occupancy by income	98.4%	99.0%
Portfolio WALE ¹	4.3 years	4.5 years

Office	1Q18	FY17
Leases executed	5,100 sqm	6,700 sqm
Leasing activity under HOA	6,000 sqm	4,600 sqm
Portfolio occupancy by income	91.1%	91.4%
Portfolio WALE ¹	3.4 years	3.6 years

1. By income

Logistics and Business Parks

Development update

- Progressing our \$760m current and future pipeline to deliver 7%+ FFO yields and 9%+ IRRs¹
 - Current projects: \$160m, all in Sydney
 - Future pipeline \$600m+
- First stages of construction underway at Aura Business Park (Qld)

Progress on current development	Spend to 30 Sept. (\$m)	Total cost (\$m)	Stabilised yield ¹	Incremental IRR ²	Total project income leased (%)
Coopers Paddock	43.5	76.7	7.3%	10.7%	66%
Yennora	8.5	33.5	7.4%	10.9%	0%
Ingleburn (Stage 2)	15.3	49.9	7.7%	10.4%	0%
Total		160.1			

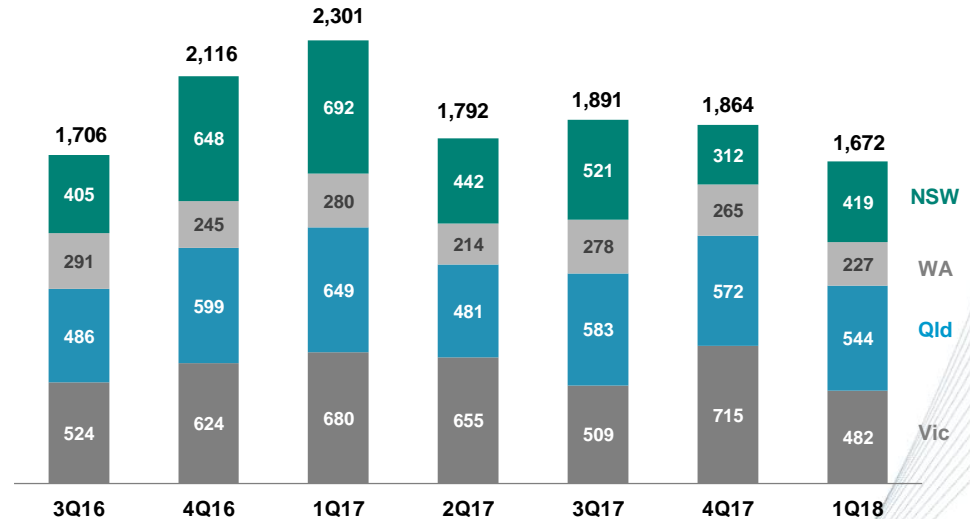


1. Incremental IRR and FFO yield
 2. Forecast unlevered 10 year IRR on incremental development from completion

Residential

- Continued strong trading conditions in Melbourne and Sydney
- Moderation in net deposits in 1Q18 reflects project timing with a number of developments nearing completion, including Ormeau Ridge, Augustine Heights (Qld) and Mernda (Vic)
- Continued focus on delivering liveable, affordable communities; 77% of buyers were owner occupiers in 1Q18, with 23% investors
- New launches in the balance of FY18 include Mount Atkinson, Truganina, Waterlea (Vic) and Paradise Waters (Qld)
- We expect a slight profit skew towards 1H18, on track for around 6,500 settlements in FY18

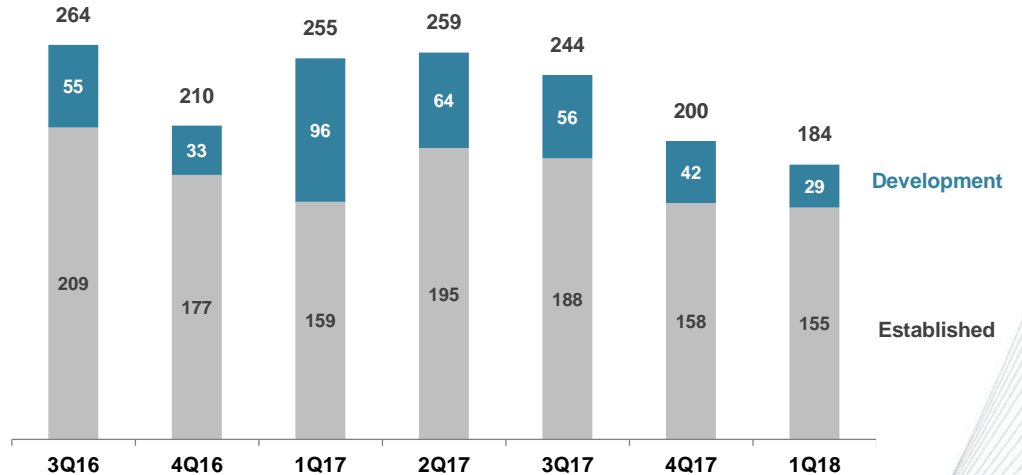
Residential net deposits - quarterly



Retirement Living

- Maintained established reservations in 1Q18
- Lower development reservations reflect no new project launches in the quarter
- Five new releases in 2Q18:
 - Aspire at Elara, Sydney, non DMF village
 - Willowdale, Sydney, DMF village
 - Birtinya, Qld, DMF apartments
 - The Residences Cardinal Freeman, Sydney, DMF apartments
 - Somerton, Adelaide, DMF village
- Broadening customer reach through diversity of product and service, including Homecare partnerships nationally

Retirement Living reservations - quarterly



Positioned for sustainable long term growth and value creation

- Assuming no material change in market conditions, we remain on track to achieve FFO per security growth of 5 – 6.5% in FY18, with a profit skew to 1H18
- Distribution per security targeted at 26.5c representing 4% growth in FY18, assuming no material change in market conditions
- We remain well placed to deliver sustainable long term growth and value creation



OUR PURPOSE

We believe there is a better way to live

FY18 Calendar snapshot: Indicative investor event details

Upcoming Announcements	Location	Date¹
1Q18 Update	Sydney	Wednesday 25 October, 2017
2017 Annual General Meeting	Sydney	Wednesday 25 October, 2017
Green Hills Retail Town Centre Tour	NSW	Wednesday 6 December, 2017
1H18 Results	Sydney	Wednesday 21 February, 2018
3Q18 Update	Sydney	Monday, 30 April 2018
Investor Day	Sydney	Thursday, 10 May 2018
FY18 Results	Sydney	Thursday 23 August, 2018
2018 Annual General Meeting	Sydney	Wednesday, 24 October 2018

1. Indicative dates, subject to change

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