ASX/Media Release

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ANNUAL GENERAL MEETING OF STOCKLAND CORPORATION LIMITED AND MEETING OF UNIT HOLDERS OF STOCKLAND TRUST – ADDRESSES OF CHAIRMAN AND MANAGING DIRECTOR

Enclosed are copies of the addresses to be given at today's Annual General Meeting of Stockland Corporation Limited and Meeting of Unit Holders of Stockland Trust by:

1. Mr Tom Pockett, Chairman; and
2. Mr Mark Steinert, Managing Director.

ENDS

Stockland

24 OCTOBER 2018

Chairman's address

Annual General Meeting 2018

TOM POCKETT – CHAIRMAN, STOCKLAND

This past financial year, Stockland has continued to deliver strong performance.

The overall results demonstrate the resilience of our diversified portfolio in this variable trading environment.

Our commitment to create thriving sustainable communities is something we are all proud to be part of.

Let me begin today's address by highlighting our strategy.

As one of Australia's largest diversified real estate groups, we own, manage and develop Retail Town Centres, Workplace and Logistics assets, Residential, and Retirement Living communities.

It is through leveraging our diversified model that we are able to create thriving communities where people live, shop and work, and maximise value for all our securityholders.

Stockland's business puts the customer at the centre of its business decisions.

Our competitive advantage lies in our ability to deliver sustainable profit growth by responding to key consumer trends, such as creating liveable, affordable, connected communities with a focus on innovation and digitisation.

At the heart of our strategy is our focus on sustainability, where we were once again recognised as a global leader by the Dow Jones Sustainability Index this year.

Our commitment to sustainability allows us to enhance value creation by minimising risk, identifying efficiencies, and meeting the expectations of our customers, investors, and regulators.

Mark will provide you with further detail on our strategy shortly.

Last year we have delivered a strong result for securityholders above our guidance range, reflecting our community building capabilities.

Funds from operations increased by 7.5 per cent to $863 million, equating to 6.6 per cent growth on a per security basis.

Our Communities strategy has delivered strong results with the Residential portfolio operating profit up 24.3 per cent, driven by solid demand from owner occupiers.

Our national liveability survey of our residential communities recorded a resident satisfaction rate of 93 per cent.

Retirement Living operating profit was down 16.7 per cent, with negative media coverage challenging sales across the sector.

However it is pleasing to note that we have addressed the recommendations arising from the NSW Greiner review into the sector.

In addition, this past year our Retirement Living communities achieved an impressive 90 per cent customer satisfaction rate.

Our Commercial Property portfolio saw comparable funds from operations increase by 2.3 per cent, driven by strong growth in the Logistics portfolio of 6.0 per cent and comparable growth rate of 1.3 per cent in our Retail Town Centres.

As forecast, full year distribution was 26.5 cents per security, representing a payout ratio of 75 per cent of funds from operations.

Looking ahead, we are targeting funds from operations per security growth in the range of 5–7 per cent in FY19, with a distribution of 27.6 cents per security, assuming no material change in market conditions.

While our financial performance is strong, we remain committed to investing into future growth opportunities, and are allocating our capital accordingly.

We have recycled approximately $1.3 billion of capital over the last five years to fund the redevelopment of our Retail Town Centres, grow our Logistics portfolio, and invest into our Residential and Retirement Living communities.

We continue to selectively divest some of our Retail Town Centre assets, to invest in our $600 million Workplace & Logistics pipeline.

In addition, on the 21st of September, Stockland commenced an on-market share buy-back for up to $350 million of securities over the next two years.

This is proceeding well and we have already bought back over $77 million worth of securities.

At current market pricing, we believe that investing in our own securities is an attractive and accretive use of capital.

This past year, Boards across Australia have watched the media highlight the importance of corporate culture, as various public enquiries delved into the governance of corporate behaviour in listed environments.

The importance of fostering a strong corporate culture cannot be underestimated. A strong corporate culture delivers benefits to employees, securityholders and customers alike.

Your Board and the Leadership Team are focused on promoting a strong culture that is customer-centric and ensures risk management practices protect our employees, operations and instil confidence in all our stakeholders.

Turning to Board renewal, we have continued to review the composition of the Board.

I would like to take this opportunity to thank as mentioned, Ms Carolyn Hewson, who is stepping down from the Board today, after nine years of service.

I will provide further comment about Carolyn's contribution shortly.

We also, as a result of this review, welcomed Ms Melinda Conrad and Ms Christine O'Reilly to the Board this year.

Both Melinda and Christine are highly regarded directors and bring extensive expertise across the retail, utilities and infrastructure sectors.

I believe they will further complement the Board's experience and I look forward to their contribution.

As required by the Stockland Constitution, they will offer themselves for election today.

Thank you for time today.

I hope that you join me in feeling enthusiastic about the direction that Stockland is taking.

I will now hand-over to your Managing Director and CEO, Mark Steinert, to provide a more comprehensive update.

MARK STEINERT – MANAGING DIRECTOR AND CEO, STOCKLAND

Thank you, Tom. Good afternoon ladies and gentlemen.

As Tom mentioned, we were pleased to report another strong profit performance for the group this year, reflecting the resilience of our diversified portfolio and the benefits of our community building capabilities.

Over the year we have continued to deliver on our strategic priorities and purpose; creating the best masterplanned communities across Australia, increasing the resilience of our retail town centres, growing our logistics portfolio and enhancing customer experience.

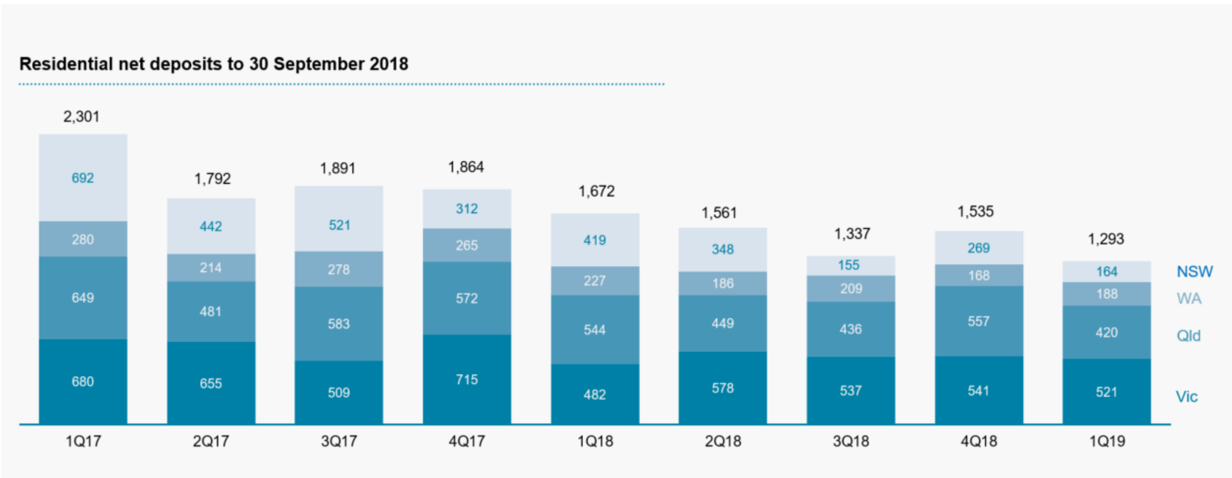
We have a proud track record of delivering sustainable, long-term growth for our securityholders and we have a clear vision to deliver into the future, being well positioned to benefit from the population growth and demographic trends in Australia.

Turning to our business performance.

We have maintained a strong balance sheet with a 22.3 per cent gearing ratio, at the lower end of our 20 -30 per cent target range, strong investment grade ratings with S&P and Moody’s, and a distribution payout ratio of 75 per cent.

Flight to quality as market moderates

Residential Communities



Our Residential business settled 6,438 lots in FY18, delivering strong operating profit and we entered FY19 with contracts on hand having 16 per cent higher average prices compared to last year’s settlements. This reflects growth in land prices over the past five years, resulting in strong embedded profit margins for our residential business.

Residential trading conditions continue to moderate as finance availability becomes more limited, and our net deposits were lower at 1,293 for the September quarter, broadly in line with our expectations.

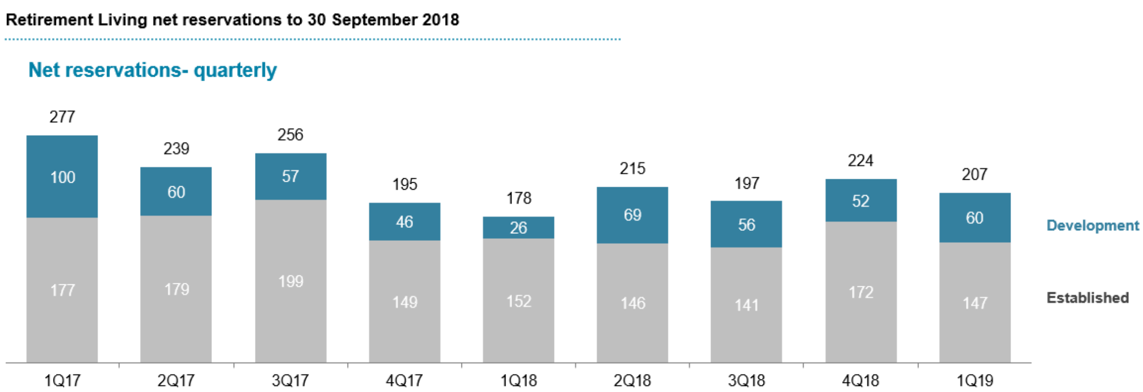
In response, we are offering housing and land options for owner occupiers which provide affordable quality, particularly through different lot sizes and through growth of our Townhomes product.

The proportion of our customers who are owner occupiers has grown to over 80 per cent in the year to September.

We continue to see good demand for new launch projects, such as Mt Atkinson in Melbourne and we remain on track to deliver over 6,000 settlements in FY19.

Focus on resident satisfaction

Retirement Living



Within Retirement Living, operating profit declined with negative media coverage impacting sentiment in the sector.

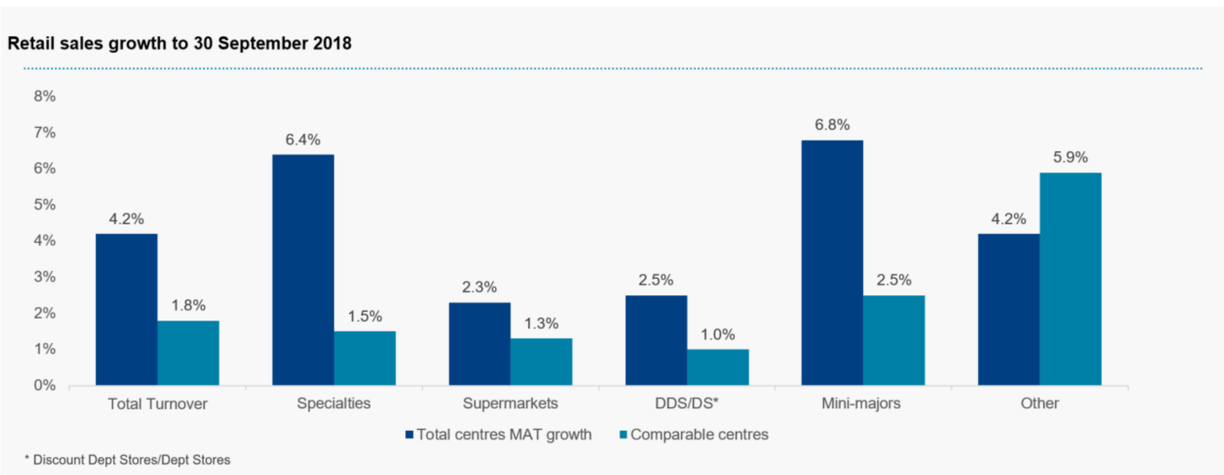
Importantly, we saw positive sales momentum towards the end of FY18, reflecting strong customer satisfaction, new contract choices and quality developments.

Quarterly sales grew by 16.3 per cent in the first quarter of 2019, over the prior corresponding quarter and we are proud to announce that our annual Retirement Living Residents Voice survey saw us achieve our best results to date.

Turning to Commercial Property, this business delivered 2.3 per cent income growth in FY18 despite challenging retail conditions.

Improving retail sales in challenging environment

Retail Town Centres



To future proof our portfolio we continue to proactively remix our Retail Town Centres towards growth categories that are more experential and resilient to online sales.

We are confident this strategy is working with comparable specialty sales up 4.2 per cent in FY18 to $9,378 per square metre, nearly 10 per cent above the Urbis benchmark.

Importantly sales growth has remained steady with Moving Annual Turnover growth of 4.2 per cent for the 12 months to September, underpinning sustainable specialty occupancy costs of around 15 per cent.

We have completed the major $421 million redevelopment of our Retail Town Centre at Green Hills, which like Wetherill Park in Sydney, is fast becoming a flagship property to showcase our strategic direction.

We've divested around $200 million of our smaller Retail Town Centres and are targeting up to an additional $400 million of disposals over the next 12 - 24 months.

Turning to our Workplace & Logistics business.

Our Logistics leasing demand remains strong in Sydney and Melbourne, driving close to 100 per cent occupancy.

We are now working to grow our Workplace and Logistics assets to greater than 25 per cent of our portfolio, and have earmarked a development pipeline of around $600 million, largely on land we already control.

This follows the successful delivery in FY18 of the $77 million Coopers Paddock Logistics Centre in Warwick Farm, Sydney, which is fully leased and saw a 24 per cent increase in valuation upon completion.

Turning to innovation and sustainability.

Corporates everywhere are facing digital disruption and we believe that by focusing on innovation, we have an opportunity to embrace these challenges and evolve for a successful future.

Hence, we have appointed a new executive team member to focus on technology and innovation.

Sustainability and innovation will continue to underpin our focus on operational excellence, helping us maintain robust returns and guiding our culture of strong corporate governance.

Sustainability is an important source of innovation, as it motivates us to work toward better ways of delivering value.

We are proud to be recognised by the Dow Jones Sustainability Index as the most sustainable real estate company in the world and to receive the NSW Government's Green Globe Award for ten years of consistent sustainability achievements.

Sustainability also delivers benefits on the ground, with our energy efficiency improvements saving the company more than $90 million.

To ensure our business continues to be positioned for sustainable performance in the future, we have streamlined our Executive Committee, combining our Residential and Retirement Living businesses into one integrated business, Stockland Communities. We also made changes to realise efficiencies in our functional areas, saving $8 million p.a. from FY20.

I would like to thank John Schroder, Stephen Bull and Michael Rosmarin, who have left Stockland, and recognise the valuable contribution they have made to our success.

Our vision is to be a great Australian real estate company that makes a valuable contribution to our communities and our country by delivering our purpose.

To achieve this, our employees are vital to our success and contributed to the strong financial results.

I am pleased to report that once again our employee engagement level is well above the Australian National Norm and we continue to be recognised as a WGEA employer of choice.

I'd like to acknowledge our Stockland team for their dedication and commitment to the ongoing success of our company.

Looking at the year ahead, we expect economic conditions to remain generally positive, with strong population growth, solid employment growth, low inflation and relatively low interest rates.

However, the land and housing market is clearly moderating, driven by a range of factors including finance availability.

We expect our Commercial Property business to maintain moderate growth in returns, as we continue to remix the retail town centre portfolio and divest non-core properties. Workplace and Logistics fundamentals for our portfolio are also expected to remain strong.

We are targeting FFO per security growth of 5-7 per cent for the full year, and distributions per security of 27.6 cents, representing 4 per cent growth on FY18, assuming no material change in market conditions.

We are proud of our position as the leading creator of liveable and affordable residential and retirement living communities across Australia.

We are confident in our diversified business model, and remain focussed on a disciplined approach to executing on our strategic priorities in the year ahead, with a strong focus on our customers.

I look forward to speaking with you after the meeting and updating you on our progress at our half year results in February.

Thank you.