HOW TO COMPLETE YOUR TAX RETURN USING YOUR STOCKLAND ANNUAL TAX STATEMENT

2011 TAX RETURN FOR INDIVIDUALS (INCLUDING SUPPLEMENTARY SECTION)

2011 TAX RETURN SUPPLEMENT

QUESTION 13: PARTNERSHIPS AND TRUSTS - NON-PRIMARY PRODUCTION INCOME

STEPS

1. Add the amount of non-primary production income (13U) on your Stockland Annual Tax Statement to any other non-primary production income you received from other trust investments.
2. Write the total income at 13U of your 2011 tax return for individuals (supplementary section).
3. Add together any deduction you can claim in respect of non-primary production income that you recorded at 13U.
4. Write the total deductions at 13Y of your 2011 tax return for individuals (supplementary section).
5. Add the amounts at 13U (or subtract loss amounts) and subtract the amounts at 13Y.
6. Write this amount in the 'Net non-primary production distribution' box beneath and to the right of 13Y. If this amount is a loss, write 'L' in the small box to the right of this figure.

NOTE:

- The types of deductions you can claim are shown on pages 44 and 45 of the TaxPack 2011 and include:
  i. interest on loans used to finance your investment
  ii. bank charges

TFN WITHHOLDING CREDITS

STEPS

1. Add the amount of TFN withholding credits (13R) on your Stockland Annual Tax Statement relating to the Stockland Trust distributions (if any), to any TFN withholding tax deducted from other trust or partnership investment income.
2. Write the total at 13R of your 2011 tax return for individuals (supplementary section).

NOTE:

- TFN withholding tax has been deducted from distributions at the rate of 46.5% where Stockland did not receive a tax file number (TFN) or TFN exemption. The tax withheld will be offset against the tax payable on your taxable income or refunded.

ATO LINKS

Relevant ATO publications:

You and Your Shares 2010 - 11

Personal Investors guide to Capital Gains Tax 2010 - 11

Guide to Capital Gains Tax 2010 - 11

"TaxPack 2011" including the "2011 TaxPack Supplement"

To obtain copies of these publications from the ATO please phone the ATO publications distribution service on 1300 720 092 or obtain the information from the ATO website at www.ato.gov.au.

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A GUIDE TO YOUR STOCKLAND 30 JUNE 2011 ANNUAL TAX STATEMENT

Stockland Corporation Limited
ACN 000 181 733
Stockland Trust Management Limited
ABN 86 001 900 741
AFSL No. 241190
As Responsible Entity for
Stockland Trust ARSN 092 897 348
ABN 12 706 208 920
Level 25
133 Castlereagh Street
Sydney NSW 2000
www.stockland.com.au

Dear Investor

This guide has been prepared to assist you and your tax advisor to complete your income tax return for the year ended 30 June 2011 using your 'Stockland Annual Tax Statement'.

Your investment in Stockland consists of shares in Stockland Corporation Limited and units in Stockland Trust (referred to as 'Stapled Securities'). The Stockland Annual Tax Statement provides the trust distributions to which you are entitled, and these amounts should be used in the preparation of your income tax return.

The Guide has been prepared for general information only and should be read in conjunction with the Australian Taxation Office's ('ATO') instructions and publications which are listed at the end of this Guide. This Guide does not constitute the giving of tax or financial product advice. Each investor's particular circumstances will be different and accordingly, you may wish to seek independent taxation advice.

Further information regarding Stockland's distributions and dividends is available on our website at www.stockland.com.au/Investor/Dividends.

Thank you for investing with Stockland. For further information about your investment, please contact your adviser or call Computershare on 1800 804 985 (within Australia), between 8.00am and 6.30pm, Sydney time, Monday to Friday.

Yours sincerely,

TIM FOSTER
Chief Financial Officer

A GUIDE TO YOUR STOCKLAND
30 JUNE 2011 ANNUAL TAX STATEMENT

THIS GUIDE APPLIES TO YOU IF:

- You are an individual Australian resident investor in Stockland.
- You are using "2011 Tax Return for Individuals (Supplementary section)" in your TaxPack to complete your income tax return. You should mark the 'YES' box at Item 1 of the Taxpayer's Declaration on page 12 of your 2011 Tax Return.
- You hold your stapled securities for the purpose of investment, rather than for resale at a profit, and the capital gains tax ('CGT') provisions apply to you.

STOCKLAND ANNUAL TAX STATEMENT

STOCKLAND TRUST DISTRIBUTION

Your Stockland Annual Tax Statement includes the Stockland Trust Distributions paid to you in February 2011 and August 2011.

For an individual Australian resident taxpayer, the distributions from Stockland Trust are recognised for tax purposes on a present entitlement basis and not on a receipts basis.

For tax purposes the distribution from Stockland Trust comprises taxable income and tax deferred amounts.

Taxable Income

Under the tax legislation, as a unitholder of Stockland Trust, you are subject to tax on your proportionate share of the 'net income' of Stockland Trust which includes interest, other income, and assessable capital gains, if any.

Capital Gains

Stockland Trust does not have net realised capital gains for the current year.

Tax Deferred

Your Stockland Annual Tax Statement reflects the 'tax deferred' amount of your gross cash distribution. This amount has arisen because the gross cash distribution from Stockland Trust exceeds the taxable income from Stockland Trust.

The 'tax deferred' amount has generally arisen because Stockland Trust has been able to claim tax deductions for depreciation and capital allowances.

The 'tax deferred' amount is not immediately taxable but will reduce the CGT cost base of the units held by you. Once the tax deferred distributions reduce your CGT cost base to nil, any additional tax deferred distributions will give rise to an immediate capital gain. However, this gain may be reduced on account of the CGT 50% discount.

STOCKLAND CORPORATION LIMITED DIVIDENDS

For an individual Australian resident taxpayer, dividends from Stockland Corporation Limited are recognised on a receipts basis. No dividend was paid by Stockland Corporation Limited in the current year.

TFN AMOUNTS WITHHELD

Where you have not provided your Tax File Number or claimed a relevant exemption, income tax has been withheld from the income distributed to you by Stockland Trust at 46.5%. The tax withheld should be claimed as a credit in your return.

DISPOSAL OF YOUR STAPLED SECURITIES

The following summary will assist you to determine whether you have any liability to CGT on account of the sale of your stapled securities. However, you should obtain your own independent tax advice.

Your Investment in Stockland Stapled Securities

For tax purposes, the sale of a stapled security is treated as a disposal of a share in Stockland Corporation Limited ('SCL') and a unit in Stockland Trust. Upon disposal of a stapled security, you will realise a capital gain if the consideration exceeds the CGT cost base of the share and unit.

Cost Base of Shares and Units

Generally, the cost base of your shares and units is the amount you paid for them including the incidental costs of acquisition and disposal.

In the case of your units, the cost base will be reduced by any tax deferred distributions. Details of tax deferred distributions are available from the Shareholders' section of the Investor Centre on the Stockland website at www.stockland.com.au by going to the Distribution, dividends and tax link.

For capital gains tax purposes, the cost of each Stockland stapled security and the consideration received on disposal of each Stockland stapled security will need to be apportioned between the share in SCL and the unit in Stockland Trust.

One possible method of apportionment is on the basis of the relative Net Assets of SCL and Stockland Trust. The Net Assets for SCL and Stockland Trust are available from the Shareholders' section of the Investor Centre on the Stockland website at www.stockland.com.au by going to the Distribution, dividends and tax link.

Calculation of Capital Gain/Loss

Your capital gains or capital losses from the disposal of your stapled securities may be ascertained as follows:

- **Indexed Capital Gains** Where the stapled securities were acquired prior to 21 September 1999 the taxable capital gain may be calculated as the difference between the sale proceeds and indexed cost base (using the frozen indexation factor at 30 September 1999). Alternatively, you may choose to apply the CGT 50% discount method below.
- **Discount Capital Gains (>12 months)** Where the stapled securities have been held for more than 12 months, you may choose to reduce your taxable capital gain by the CGT discount of 50% for individuals.
- **Other Capital Gains (<12 months)** Where the stapled securities have been held for 12 months or less, no discount is available and accordingly such gains are assessable in full.
- **Capital Losses** The capital loss comprises the difference between the sale proceeds and the reduced cost base of your stapled securities. You can offset capital losses against capital gains. Current year capital losses are applied before prior year's capital losses.

If you choose to apply the capital losses against any discount capital gains, you must apply the capital losses against the grossed up capital gain amount (that is, your 50% discount capital gain x 2) before applying the discount percentage.