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.

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Stockland

Stockland (ASX: SGP) was founded in 1952 and has grown to become one of Australia's largest diversified property groups – owning, developing and managing a large portfolio of shopping centres, residential communities, workplace and logistic assets and retirement living villages. Stockland is rated as the most sustainable real estate company in the world in 2018 by the Dow Jones Sustainability World Index (DJSI). Stockland is also an Employer of Choice for Gender Equality, as recognised by the Workplace Gender Equality Agency.

21 OCTOBER 2019

Chairman's address

Annual General Meeting 2019

TOM POCKETT – CHAIRMAN, STOCKLAND

The past financial year has been a challenging one for Stockland. The business faced tough market conditions and uncertainty in the regulatory and political domains.

A continued focus on our strategic priorities and our clear sense of purpose guided the business to a good result.

FFO or funds from operations for the group was $897 million, up 4 per cent on the prior year, representing growth in FFO per security of 5.1 per cent.

As forecast, our full year distribution was 27.6 cents per security.

This result was in line with market expectations and reflects a strong performance in our residential and workplace and logistics businesses.

The residential business delivered a strong operating profit result up 8 per cent on the prior year, despite a challenging housing market.

We continue to extend our position as the leading creator of sustainable communities in Australia.

FFO for our Retirement Living business was up 5.7 per cent on the prior year with solid sales and profits from new development projects.

I am also pleased to report that the business maintained strong resident satisfaction levels with the highest level of resident happiness since 2009.

We continue to reshape our Commercial Property business for success.

The business delivered comparable FFO growth up 2.1 per cent across the portfolio, with the high-performing workplace and logistics markets partially offsetting the weaker retail sector.

Our logistics business continues to grow with new strategic acquisitions bringing the value of our forward development pipeline to $1 billion.

Our retail town centre business remains focused on improving future income resilience and the growth of our portfolio by divesting non-core properties.

Good progress was made on our planned retail divestment program with $505 million divested, exceeding our initial target of $400 million.

Mark will talk in more detail about how we continue to actively reposition the retail portfolio to respond to ongoing changes in customer spending habits.

During the year, we restructured our business and leadership team to position us for continued success and sustainable growth.

This has enabled us to realise efficiencies, leverage expertise and stay ahead of the curve as customer preferences, technology and global trends continue to disrupt the property sector.

The Board has been active in monitoring the impact of these changes; visiting assets, speaking to our employees and gathering feedback from our customers.

I am pleased to report that the business' strong sense of purpose, the belief that there is a better way to live, reverberates across the country.

It is reflected in the day-to-day engagement with customers, the care shown to residents, and the collaboration between employees. It is evidenced by our continued leadership in sustainability, our achievement of gender balance across our workforce, our strong customer satisfaction results and our push for innovation.

During the year I had the pleasure of sponsoring the Chairman's Award for Innovation.

This award actively encourages and supports employees to innovate by developing customer-centric solutions, new products and better ways to work. I was impressed by the passion of employees to deliver new value to the business.

I am also excited about the new concepts that we are trialling including the delivery of pre-fabricated townhome product at a number of our communities.

We have also identified opportunities in our existing portfolio for land lease communities, designed to attract over 55s, where the occupant owns the dwelling and enters a lease for the land.

Throughout the year, regular meetings with investors have given us the opportunity to hear their concerns, and this feedback has been invaluable in updating our governance framework. We have revised the Board charter to reflect the evolving discussion around Board governance in Australia as well as other key policies in relation to privacy, whistleblowing, sustainability and modern slavery.

This year we will review our remuneration structures to ensure they are appropriate to deliver on our strategic priorities.

Our current remuneration structure is in line with market best practice and we note that our peers are increasingly adopting practices already embedded in our remuneration framework. This includes items such as the deferral of short-term incentives into equity and a comparable balanced scorecard including both financial and non-financial targets. However, a review to ensure future suitability is appropriate.

Given the unique complexities of our diversified business model it is also critical that our remuneration structure appropriately solves for talent attraction, retention and reward.

We have continued to review the composition of the Board ensuring a balance of deep corporate knowledge and understanding of the Stockland business.

After nine years of service Carol Schwartz will retire from the Stockland Board.

Carol is a highly respected member of the Board and the Australian business community. Carol, among many attributes, has brought tremendous drive and passion to her Board role. I will make some further comments on this later in the meeting.

As we wish Carol all of the best for her future endeavours, I am pleased to announce the appointment today of Kate McKenzie to the Board, effective from 2 December. Kate will seek formal election as a director at our next AGM.

Kate is a highly respected and experienced executive, with a strong background in the telecommunications and government sectors. She was most recently the chief executive officer of Chorus, New Zealand's largest provider of telecommunications infrastructure, and prior to this held several senior roles at Telstra including Chief Operating Officer. We look forward to welcoming Kate to the Board.

At today's meeting, Barry Neil will be seeking re-election for a fifth term. Barry has served on the Board for 12 years and his extensive 40 years of property experience has been invaluable.

We are actively engaged in succession planning for Barry's role, with a clear focus on identifying a candidate with deep property experience. It is proposed that Barry serve on the Board for a fifth term during which we will appoint a suitably qualified replacement.

Stephen Newton will also be seeking re-election today and the Board unanimously supports his re-election for a second term.

Thank you to my Board colleagues, the executive team and every one of our employees for their ongoing commitment to excellence.

Thank you, the securityholders, for your ongoing support.

Please welcome your Managing Director and CEO, Mark Steinert, who will provide an update on our strategy execution and outlook.

Stockland

Managing Director's address

Annual General Meeting 2019

MARK STEINERT – MANAGING DIRECTOR AND CEO, STOCKLAND

Thank you, Tom. Good afternoon ladies and gentlemen.

As Tom mentioned, our diversified business delivered a good result for securityholders in what was a challenging year.

We have made good progress executing our strategic priorities to deliver sustainable and growing returns through community creation, leading retail town centres and growing workplace and logistics, positioning the business for sustainable long term growth.

In line with our strategy, we established a strategic capital partnership at Aura, a $5 billion masterplanned community on the Sunshine Coast, at a 30 per cent premium to book value, with Capital Property Group.

We have made good progress divesting our non-core retail town centres with $505 million of transactions, six to twelve months sooner than forecast. While this is mildly dilutionary to FFO in the short term, it is an important step to ensure a quality portfolio underpins our medium to long term profit.

We continue to reallocate capital into our workplace and logistics pipeline and re-stock our residential landbank with expected returns on investment well above our weighted average cost of capital, positioning us for sustainable profit growth.

Looking now to each of the business units in more detail, our residential business achieved close to 5,900 settlements for the year with operating profit growth up 8.0 per cent and profit margin increasing to 19.9 per cent.

Our strong brand and reputation for quality, liveable, affordable and connected communities underpinned our results as customers looked to purchase from established companies they can trust.

Our residents' satisfaction remains our priority, and we continue to deliver high resident satisfaction and happiness. This focus and our strategy of developing high amenity communities near rail stations saw our market share of land sales grow 3 per cent in FY19 to 15 per cent.

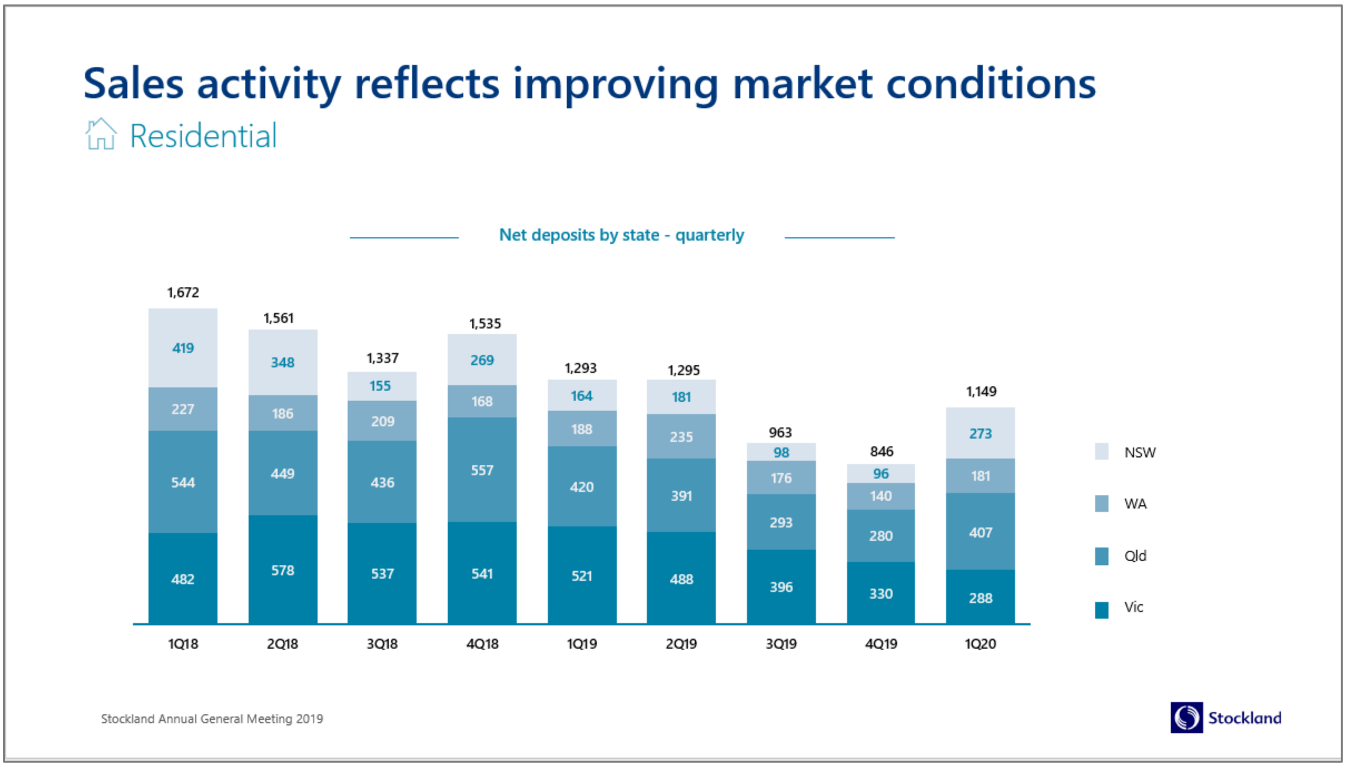
We are still seeing strong demand for house and land packages in affordable, liveable communities with around 80 per cent of our product sold to owner-occupiers.

The size, quality and diversity of our landbank remains one of our key competitive advantages and during the year we restocked our pipeline with acquisitions at Altona North and Kalkallo in Melbourne.

Our recent successful launch of The Parks at Red Hill in Canberra in September is an example of this strength where we saw over 60 per cent of our terrace products and blocks of land sold under agreement in one night.

This increasing demand for residential property is reflected in a solid start to the new financial year, finishing the quarter moderately above expectations with 1,149 net deposits taken and 4,245 contracts on hand.

We are confident that the residential market has bottomed and the pace of recovery is improving, particularly in Sydney and Melbourne. The default rate, while still high, is expected to reduce over the balance of FY20 to normalised levels.



The outlook is favourable for our Communities business given an expectation that reduced housing starts will see an undersupply emerge over the next 12 to 24 months.

The strong result achieved in our Retirement Living business for the full year was underpinned by a 53 per cent increase in development settlements.

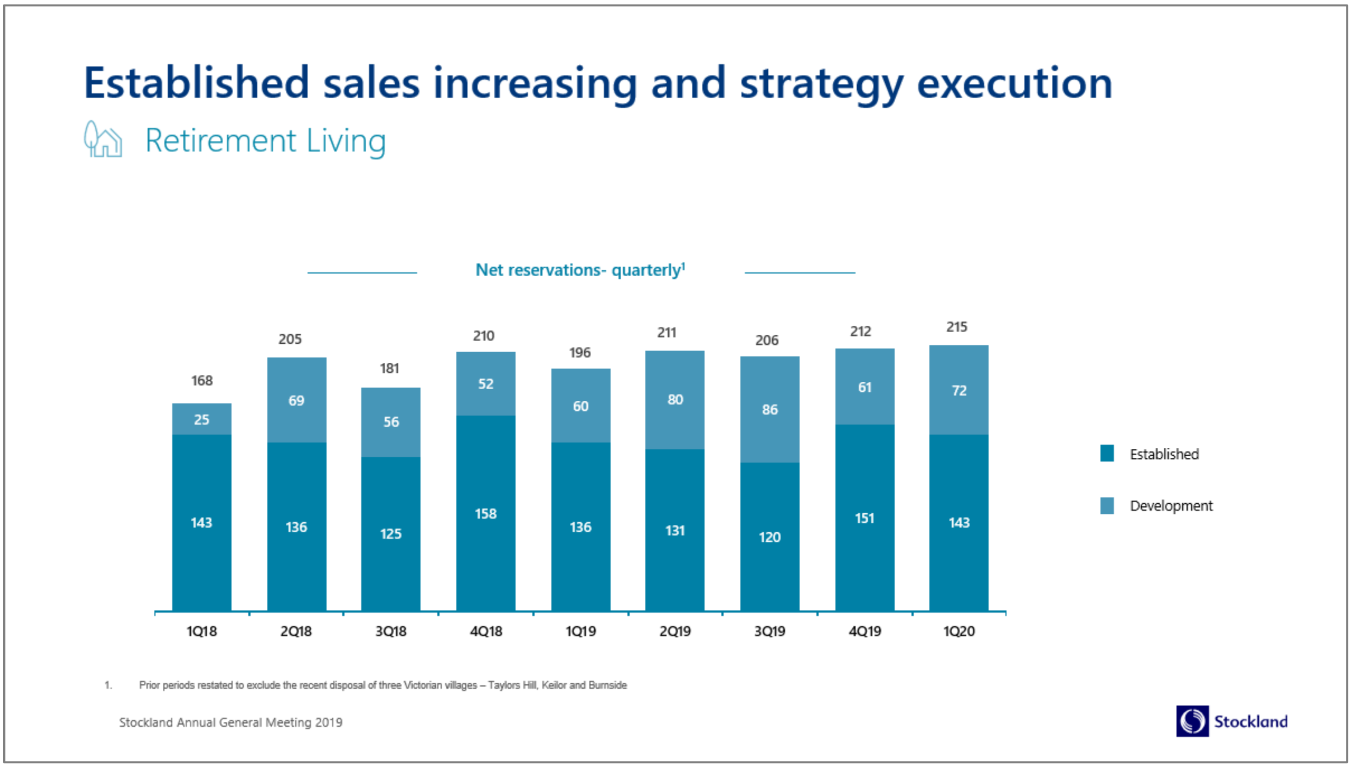
Improving the quality of our Retirement Living portfolio remains a strategic priority for the business. During the year we sold three non-core villages at book value for around $60 million as we focus on the optimisation of the portfolio and improving overall returns.

We continue to differentiate the customer experience by providing residents with a range of services and resident care and providing more certainty for our customers through changes in contracts. This is resonating well with over 80 per cent of customers choosing our ‘Peace of Mind’ contract option which provides them with a known exit value.

Net reservations for the first quarter of FY20 are in line with expectations, achieving a 9.7 per cent uplift on a like for like basis on the previous corresponding period, with 215 net reservations. This reflects the improving housing market and the timing and quality of development completions.

While we continue to explore capital partnering in our Retirement Living business, a transaction in this sector is likely to take considerable time to complete given the operational complexity. Our focus continues to be on driving efficiency and improving returns in the portfolio, including establishing a new land lease business.

We are confident that the quality of our service offering, and new projects will support the business’ growth into the future.



Turning to our Commercial Property business.

Comparable income growth for our retail town centres was down 0.2 per cent for the year. However, we made good progress on our portfolio improvement strategy and maintained high occupancy of over 99 per cent.

While the retail portfolio experienced negative rental reversions associated with remixing around experience and convenience away from fashion and discretionary sectors, our comparable moving annual turnover growth was a solid 2.3 per cent, and core portfolio FFO growth was positive.

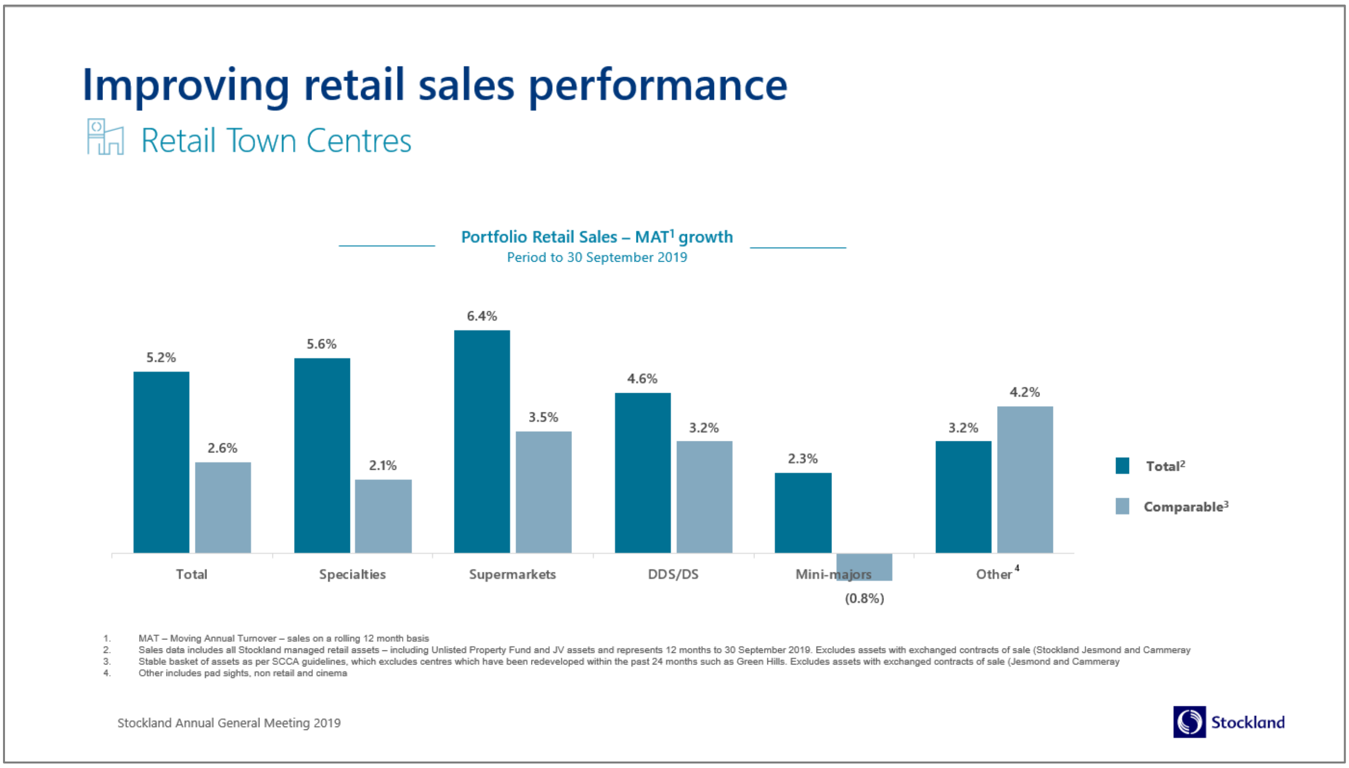
We remain focused on providing everyday shopping experiences and conveniently located retail town centres for our communities, with around 70 per cent of our sales coming from non-discretionary spending.

We have continued to actively reshape, reposition and remix our retail town centres to accelerate the improvement in the quality of our portfolio, underpinned by our drivers of community and convenience.

Our development pipeline has been reduced by 50 per cent with a focus on smaller upgrades to curate and redefine the customer experience.

Our first quarter retail sales improved reflecting a reweighting to our core portfolio, reduced new supply in our trade areas and remixing to growth categories, as we rebalance the portfolio towards non-discretionary spend such as food and services.

We achieved comparable sales growth of 2.6 per cent for the period, and 3.5 per cent growth in majors, driven by the strength in supermarket sales



Our Baringa Retail Town Centre, which is part of our Aura community, demonstrates the benefits of our diversified business model and is a great example of our strategy in action.

The centre has a clear focus on convenience and experience anchored by a clearly differentiated Supa IGA supermarket. Early delivery of the retail town centre has helped generate a noticeable increase in enquiry for residential homes since it opened in August this year.

It is these curated, sustainable retail town centres, that are tailored to their local communities that give us a clear competitive advantage among our peers and become the heart of our communities.

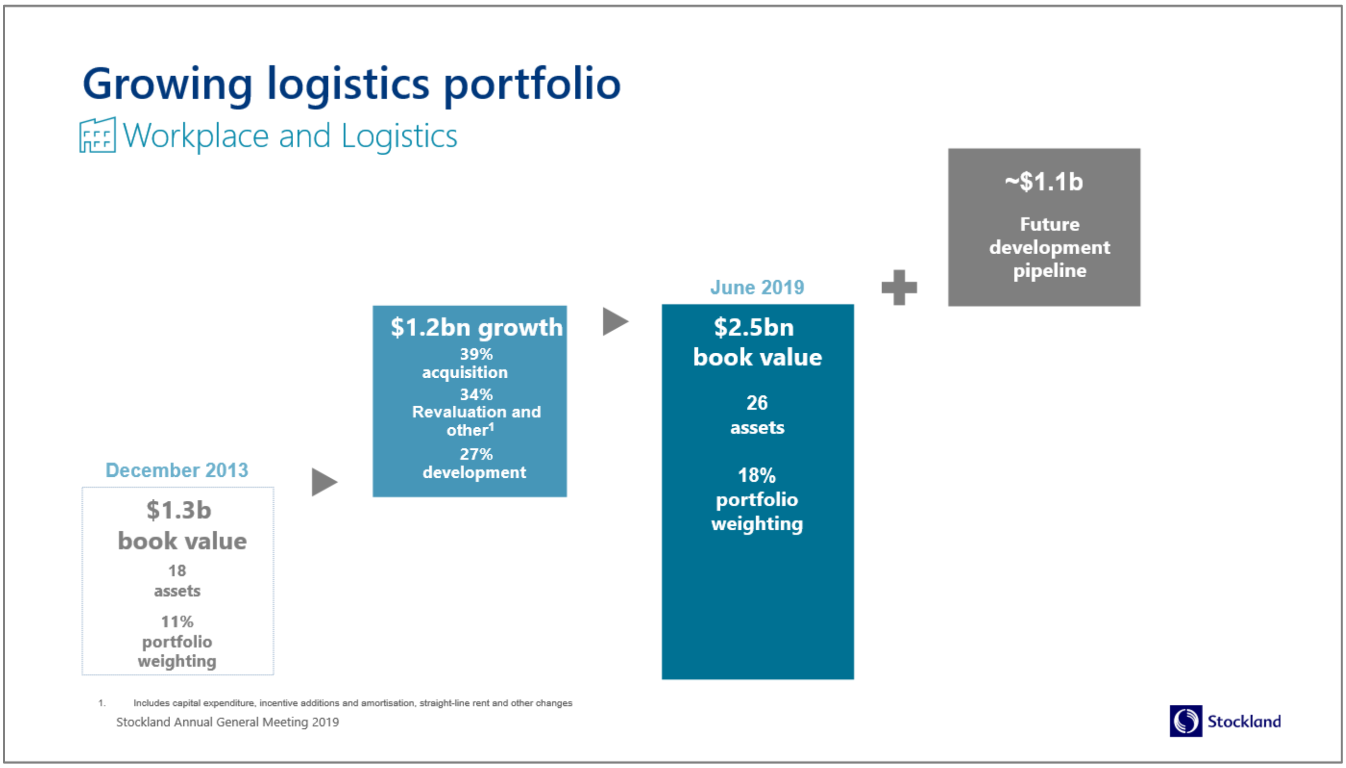
One of our key strategic priorities is the continued investment in our Workplace and Logistics business. The business performed very well over the year, delivering comparable FFO growth of 10.4 per cent in Workplace and 3.9 per cent in Logistics.

Our logistics portfolio has almost doubled in size since December 2013 and continues to perform strongly as we up-weight our exposure to this asset class through development and strategic acquisitions. Our strategy to continue to upweight on the eastern seaboard reflects strong demand and supply fundamentals underpinned by ecommerce, advanced manufacturing and limited serviced land.

During the year we completed close to $100 million of developments at Willawong, Ingleburn and Yennora and the value of the portfolio increased by 13.9 per cent to $2.5 billion.

We secured 365 hectares of industrial land to further grow the portfolio, including Melbourne Business Park in Truganina in Melbourne's west, Gregory Hills in Camden in Sydney's west and, more recently, two assets in Brisbane's 'Golden Triangle' under conditional agreement with an approximate end development value of $140 million and an attractive yield of over six per cent.

We also recently entered a strategic joint venture with Fife Group which will build on the eight existing logistics assets we have in Western Sydney, further positioning us to leverage the investment boom generated by the Western Sydney airport development



Our $2.5 billion workplace and logistics development pipeline includes exciting development opportunities within our existing portfolio at Mt Atkinson in Melbourne, North Sydney, Macquarie Park and the Sydney CBD which are well-located for future workplace and mixed-use with strong expected incremental yields of above six per cent.

I am pleased with the progress on our strategic priority to improve the quality of our overall portfolio with close to $2 billion in capital transactions in the last 15 months.

I am confident that the execution of our strategy will lead us to a more balanced portfolio that will deliver resilient and sustainable returns for securityholders.

We are well known for our leadership in sustainable development through the design and operation of our assets and communities.

Since 2006 we have more than halved the emissions intensity of our retail and workplace assets, saving over $106 million. We have installed 16.4 megawatts of solar across our portfolio, enough to power approximately 5,000 homes.

Most importantly we design and develop our communities and assets to be resilient in the face of a changing climate and socio demographic trends.

It is our future perspective on environmental, social and governance issues that is consistently recognised as ‘world leading’ by highly credible global sustainability ratings – including the Dow Jones Sustainability Index and GRESB, the Global Real Estate Sustainability Benchmark.

These ratings look beyond the environmental performance of our portfolio and also assess our commitment to our people; nurturing talent, fostering diversity and driving high engagement.

I am pleased to report that we continue to outperform the Australian National Norm for employee engagement and have been recognised as an employer of choice for the fifth year in a row by the Federal Government’s Workplace Gender Equality Agency, WGEA.

As a founding member of the Property Male Champions of Change, I am proud of the progress we have made to improve gender equality.

Moving on to our FY20 outlook. As announced at our full year results, we forecast flat FFO per security.

While current market conditions remain mixed, fundamentals are positive with steady employment growth, record low interest rates, recent tax cuts and high investment in infrastructure.

Some uncertainty remains, being driven by a number of key factors including constrained credit availability, weak consumer sentiment and global trade conditions. However, our confidence in the pace of recovery in the residential market has improved.

Distribution per security growth will also be flat, with our distribution payout at the bottom end of our 75-85 per cent target ratio.

Before handing the meeting back to Tom, let me sincerely thank you, our securityholders, for your ongoing support as we traverse these variable market conditions.

We are committed to executing our strategy to deliver long-term resilient earnings and create securityholder value. By creating Australia's most liveable and sustainable communities, shaping leading retail town centres and growing a quality workplace and logistics portfolio I am confident that we will deliver that outcome.

I look forward to updating you on our progress at the first half results in February.