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ASX/Media Release

STOCKLAND CONTINUES FOCUS ON CAPITAL MANAGEMENT

- Announces extension of security buyback
- Enters into agreement to sell its 55% stake in Moorebank Industrial Property Trust (MIPT) for \$123 million

Stockland today announced it would extend its on-market security buyback to up to 10% of issued capital, reflecting its commitment to increasing returns through active capital management. The extension would be funded through its ongoing program of asset sales.

Stockland also announced that it had entered into an agreement to sell its 55% stake in the Moorebank Industrial Property Trust (MIPT) for \$123 million.

Managing Director Matthew Quinn said Stockland remained committed to growing its return on equity by selling lower yielding assets to invest accretively in its own securities and fund future growth.

"Our securities are trading at a level that in our view does not reflect the underlying value of our business nor our strong capital position," Mr Quinn said.

"With our conservative balance sheet and ongoing asset sales, we are well placed to continue to fund our buyback up to 10% of issued capital while retaining our strong financial position with low gearing and long-dated debt."

Stockland's gearing at 31 December 2011 was 23%. Taking into consideration the asset sales program and the full cost of the extended buyback, pro forma gearing will remain around this level. A minimum liquidity buffer of at least \$500 million will continue to be maintained.

Stockland announced on 19 August 2011 that it would undertake an on-market buyback of up to 5% of its issued capital (119.2 million securities). So far Stockland has bought back 4.75% of securities (113.2 million) at an average price of \$3.02.

Sale of Moorebank stake

Stockland has entered into an agreement to sell its 55% stake in MIPT to Qube Logistics, one of the MIPT joint venture partners. The sale price of \$123 million

represents an exit yield of 7.5%. The price is approximately \$10 million below book value, reflecting the complex and long-term nature of the project.

Stockland CEO Commercial Property John Schroder said he was very pleased with the sale which supported Stockland's strategy to reweight its commercial property portfolio from Office and Industrial to higher returning Retail assets.

"While the proposed Moorebank Intermodal terminal remains a key NSW infrastructure project, it is not aligned with our strategy and its sale supports our active capital management program," Mr Schroder said.

"This brings our total asset sales so far in FY12 to \$918 million – funding we use to improve securityholder returns through our security buyback and investing for future growth as well as maintaining low debt."

The sale agreement is subject to pre-emptive rights of the other MIPT joint venture partners, Qube Logistics subsidiaries and QR National, under which they may acquire units on the same terms as agreed with Qube Logistics.

Settlement is expected prior to 30 June 2012.

Stockland: Celebrating 60 years in 2012

Stockland is one of Australia's leading property groups, developing and managing a large portfolio of residential communities, retirement living villages, retail, office and industrial assets. Stockland was recognised as the most sustainable property company in the world in the 2011/12 Dow Jones Sustainability Index.

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