Stockland

Level 16
157 Liverpool Street
Sydney NSW 2000

Phone 02 9321 1500
Fax 02 9321 1599

www.stockland.com.au

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ASX Announcement for immediate release

REVERSAL OF PREMIUM WRITE-OFF ARISING FROM ADP TAKEOVER

Stockland has agreed with the Australian Securities and Investments Commission (ASIC) to amend its accounting treatment of the write off of the premium on the acquisition of the AMP Diversified Property Trust (ADP) in Stockland's financial reports for the financial year ended 30 June 2003 and the half-year ended 31 December 2003.

ADP was acquired by Stockland in June 2003. The premium write-off arising from the acquisition was fully disclosed in Stockland's bidder's statement for ADP dated 29 May 2003 and in the investigating accountant's report prepared by KPMG also dated 29 May 2003 and attached to the bidder's statement.

Stockland was of the view that any future benefits reflected in the premium would be recognised in future revaluations of the ADP properties. While Stockland and its auditors KPMG remain of the view that the accounting treatment adopted in the financial reports was appropriate, following discussions with ASIC, Stockland has agreed to capitalise the premium as goodwill. Stockland has decided to amortise the goodwill over three years rather than immediately writing off the premium on acquisition. Stockland will therefore create an asset titled 'goodwill', and this treatment will be disclosed as a 'correction of prior period treatment' in Stockland Group's combined financial reports, and Stockland Trust's single entity financial reports, for the financial year ending 30 June 2004.

The change in accounting treatment results in the recognition of $319.6 million of goodwill, comprising $220.4 million written off as an expense in the year ended 30 June 2003 and $99.2 million written off as an expense in the half-year ended 31 December 2003. The $319.6 million of goodwill will be recognised in the financial reports for the year ending 30 June 2004, together with a year's amortisation expense amounting to $106.5 million. The Statements of Financial Performance for the year ending 30 June 2004 will show the reversal of the $220.4 million as revenue (being the correction of the prior year treatment) and the current year amortisation expense of $106.5 million.

The change in accounting treatment will not affect the past, present or future cash distributions to security holders. Nor will the change impact the cash position of Stockland Group.

For further information in relation to this announcement, please contact:

Hugh Thorburn
Chief Financial Officer
Stockland

Tel: 02 9321 1506

Kristen Hannah
GM Corporate Affairs
Stockland

Tel: 02 9020 8134 Mob: 0409 603 369

Stockland Corporation Limited
ABN 43 000 181 733
Stockland Trust Management Limited
As Responsible Entity for
Stockland Trust ARSN 092 897 348