Stockland

Level 16
157 Liverpool Street
SYDNEY NSW 2000

www.stockland.com.au

Tel: 02 9321 1500
Fax: 02 9321 1599

ASX Announcement
Monday 24 July 2006

STOCKLAND TO SELL SAVILLE HOTEL MANAGEMENT BUSINESS

Stockland (ASX:SGP), one of Australia's leading diversified property groups, today announced it will seek offers to purchase its hotel management business, which operates under the Saville Hotel Group brand.

The Saville Hotel Group manages 11 apartment style hotels under lease agreements and management contracts with various third party owners. The hotel management business is expected to be sold in one line as a going concern.

Stockland Managing Director Matthew Quinn said the hotel business had grown to a position of sustainable profitability under excellent management, and it was now an appropriate time to sell the operation, especially with strong demand in the market for hotel acquisitions.

"The Saville business is performing very well, but it represents a small component of Stockland's overall group EBIT, less than one per cent, and is not a core focus for our business in the long term."

Mr Quinn said he expects the Saville Hotel Group will attract significant interest from potential buyers from Australia and overseas.

"Saville is recognised as a market leader in apartment-style hotel accommodation, attracting domestic and international corporate and leisure travel guests."

"Saville Hotel Group CEO Greg Sear and his management team have spent the last five years restructuring and improving the group to build a highly profitable business. The business has a strong brand, a consistent track record and has demonstrated continued improvements in average room rates and occupancy levels," said Mr Quinn.

Saville's 11 premium apartment-style hotels are located in each mainland capital city across Australia. The Group has recently made a number of strategic additions to its management portfolio, including Saville City Suites in East Melbourne and Saville South Bank in Brisbane.

Mr Quinn said "We see many opportunities in our key operating divisions to generate high returns from the capital redeployed from the sale of Saville."

Stockland has a diverse portfolio which includes over $9 billion of commercial, industrial, office park and retail assets and residential development projects.

The group has also established a successful unlisted property funds management division which provides additional income streams and a strategic capital partner for its businesses.

Stockland Corporation Limited
ACN 000 181 733
Stockland Trust Management Limited
ACN 001 900 741; AFSL 241190
As Responsible Entity for Stockland Trust
ARSN 092 897 348

Stockland has appointed Grant Samuel Corporate Finance to manage the Saville Hotel Group sale process.

For media enquiries contact:

Amy Menere
Media & Corporate Communication Manager
Stockland
Tel: 02 9561 2664
Mobile: 0422 449 310

For investor enquiries contact:

Joanne Trimboli
Investor Relations Manager
Stockland
Tel: 02 9321 1507
Mobile: 0403 972 736

BACKGROUND:
ABOUT THE SAVILLE HOTEL GROUP

- 11 apartment-style hotels located in each mainland capital city in Australia. Hotels include:
  - Saville 2 Bond Street, Sydney
  - Saville South Bank, Brisbane
  - Saville Park Suites, Chatswood
  - Saville Park Suites, Canberra
  - Saville on Russell, Melbourne
  - Saville Park Suites, Melbourne
  - Saville City Suites, East Melbourne
  - Saville City Suites, Adelaide
  - Saville Park Suites, Perth
  - Saville Park Suites, Darwin
  - Directors' Studios, Adelaide.
- For more information on the Saville Hotel Group, visit their website www.savillehotelgroup.com.au