Appendix 4E - Full Year Report

Stockland Corporation Limited

For the year ended 30 June 2008

Stapling arrangement
Stockland was established for the purpose of facilitating a joint quotation of Stockland Corporation Limited (ABN 43 000 181 733) and its controlled entities ("the Corporation"), and Stockland Trust (ABN 12 706 208 920) and its controlled entities ("the Trust") on the Australian Stock Exchange. Stockland Trust Management Limited (ABN 86 001 900 741) is the Responsible Entity of Stockland Trust.
The Financial Report has been prepared based upon a business combination of the parent entity, Stockland Corporation Limited, and Stockland Trust and their controlled entities, in accordance with AI 1013 "Consolidated Financial Reports in relation to Pre-Date-of Transition Stapling Arrangement".

Details of reporting periods	
Current:	30 June 2008
Previous corresponding:	30 June 2007

Results for announcement to the market

				$M
Revenue and other income	**Down**	**19.5%**	**to**	**2,684.4**
Profit from operations as assessed by Directors[1]	**Up**	**10.3%**	**to**	**674.0**
Profit after income tax expense attributable to security holders of Stockland	**Down**	**58.9%**	**to**	**705.2**

Dividends/distributions	Amount per Ordinary Stapled Security	Amount per SGPN Stapled Security	Franked amount per Security
Final dividend/distribution	23.9¢	15.9¢	Refer to Note 38 of the Stockland Full Year Report
Previous corresponding period	22.8¢	15.2¢	Refer to Note 38 of the Stockland Full Year Report

The amount per Ordinary Stapled Security of 23.9¢ is split: dividend 0.5¢ (fully franked) and distribution 23.4¢

The Dividend and Distribution Reinvestment Plan ("DRP") is not operational for the final payment.

Record date for determining entitlements to the dividend/distribution	5.00 pm, 30 June 2008
Dividend/distribution payment date	29 August 2008

[1] Profit after tax attributable to security holders of Stockland, before net gain from fair value adjustment of investment properties (including share of associates and joint ventures[2] and excluding revaluation upon completion/redevelopment/contract conversion of retirement living communities and fair value movement of deferred management fee contracts), retirement living resident obligations fair value movement, goodwill impairment, fair value adjustments of investments in associates and joint ventures, net gain from sale of the hotel business and the associated income tax expense, net gain/(loss) on sale of non-current assets, net loss from disposal of foreign operations, net gain/(loss) from hedged items and financial instruments treated as fair value hedges, net realised gain on other financial instruments that do not qualify as effective under hedge accounting rules, net unrealised gain/(loss) on other financial instruments that do not qualify as effective under hedge accounting rules, net unrealised loss on financial instruments that do not qualify as effective under hedge accounting rules, net realised foreign exchange gain and net unrealised foreign exchange gain/(loss).
[2] Share of associates and joint ventures includes the fair value movement of investment properties and derivatives.

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STOCKLAND DELIVERS ON FY08 EARNINGS GUIDANCE

Stockland today announced that it had achieved its FY08 earnings guidance, delivering increased profits and security holder returns despite challenging market conditions.

HEADLINE RESULTS

- Operating profit* increased by 10.3% to $674.0 million
- Earnings per security* increased by 5.0% to 46.2 cents

* Before certain significant items

COMMENTARY

Stockland Managing Director Matthew Quinn said "We are very pleased with these results given the unprecedented volatility in capital and property markets over the past 12 months."

"Our ability to deliver 5% growth in earnings per security in this environment is testament to the strength of our business model, the quality of our people and our long-term strategic focus."

"We have seen a steep decline in confidence in the Australian REIT sector in recent months and we're disappointed to have been impacted. We are intent on restoring confidence through our focus on value creation for our security holders, and our strong balance sheet puts us in a good position to do so."

Mr Quinn said "Our Australian operating businesses performed well this year. Our Commercial Property business, which encompasses our office, industrial and retail operations, delivered quality results driven by good rental growth and high occupancy levels."

"Our Residential business also performed well despite deteriorating buyer sentiment and our ability to once again grow profits through a tough residential cycle demonstrates the quality and diversity of our business," said Mr Quinn.

"Despite the very tough market conditions in the UK, our business launched there last year made a positive contribution to operating profit, albeit less than we originally anticipated."

"We are taking a long-term view in creating a diversified growth platform in the UK and we are very pleased with the quality of our business and have a great team on the ground to achieve this objective, " said Mr Quinn.

FINANCIAL HIGHLIGHTS: SOUND BALANCE SHEET

- Gearing ratio a conservative 28.9%, well below the sector average
- Average weighted debt maturity of 6.1 years
- Net Tangible Assets per security of $5.46

DIVIDEND/DISTRIBUTION

Stockland's policy is to effectively pay out 100% of Trust operating income and 90% of Corporation operating profits. Stockland does not pay out non operating earnings such as gains on sale of investment property or investment property revaluations.

The payout ratio in FY08 was slightly higher due to the requirement under income tax legislation for Stockland Trust to distribute all taxable profits, which included significant taxable gains on the sale of commercial properties. These gains also had the effect of reducing the tax preferred component of the distribution, as under Stockland's policy the accounting profit on sale of commercial property is not distributed.

The dividend/distribution per security in FY08 was 46.5 cents, an increase of 5.0% on FY07.

OPERATIONAL HIGHLIGHTS

Commercial Property

During 2008 Stockland simplified its structure to merge its Retail, Office and Industrial businesses into one Commercial Property business.

"This move has streamlined our operations, allowing us to achieve economies of scale and knowledge transfer across our business," Mr Quinn said.

The Group's focus on maximising long-term portfolio value saw the sale of $787 million of non-core assets in FY08 with a further $114 million exchanged and due to settle in FY09. These proceeds were used to repay debt and fund the development pipeline.

"There has been much talk in the last six months about declines in commercial property values. Although capitalisation rates have increased, this has mostly been off-set by rising rents in our portfolio and the total value of our assets has not materially changed," said Mr Quinn.

Commercial Property Valuations

- 65% of commercial properties were independently valued in FY08
- The capitalisation rates supporting book values of those properties not revalued in the June half year were reviewed and signed off by independent valuers in June 2008
- The weighted average capitalisation rate increased from 6.4% to 6.7%
- Revaluations comprised net upward valuations of $462 million in the first half and net downward revaluations of $122 million in the second half
- The net upward revaluation for the year of $340 million was almost exclusively due to rental growth

Retail: operating profit increased to $260.1 million

- Comparable net rental income growth of 6.7%
- Only 11 shops vacant out of 2,600 and no significant arrears
- 426 operational leasing transactions completed at an average increase of 31% on prior rents
- 97 project leasing transactions completed at average rents 6% ahead of project feasibilities

- Speciality stores achieved healthy average comparable sales growth of 5.4% and occupancy costs remained at a very affordable 12.1% of sales

- Three redevelopment projects completed at a total cost at $121 million and an initial yield of 8.2%

"Our retail business performed well this year, with good net income growth and increased asset quality through our redevelopment programme and the sale of non-core assets," Mr Quinn said.

"Active asset management and low occupancy costs should enable us to deliver further operational upside despite the recent slowdown in consumer spending."

Office and Industrial: operating profit increased to $305.9 million

- Comparable net rental income growth of 5.4%

- High portfolio occupancy of 95.8%

- Increased profit contribution of $16 million from the trading business

- Only 10% of leases expiring in FY09 and terms already agreed on 2%

Mr Quinn said "Office markets are generally in good shape with low vacancies and rising rents. We expect demand to taper off in line with reduced business sentiment, but lack of supply and increased barriers to entry through higher build costs should maintain equilibrium in our key markets."

Residential: operating profit increased to $326.1 million

- Residential Communities profit increased by 10% to $273.6 million at a healthy net margin of 25%

- Retirement Living continued to outperform expectations, delivering net profit of $41.5 million through strong price growth from existing villages and a good contribution from new developments

- Apartments suffered from the delay of key projects and soft market conditions. Net profit was below expectations at $11 million

- Total Residential presales of $550 million carried forward underpinning profits in FY09 and beyond

- Full review of residential inventory carrying values highlighted no need for write-down, apart from the small adjustment ($1.8 million) to completed apartments

Mr Quinn said "Our Residential team delivered an exceptional performance given the tough conditions in the latter part of the year, demonstrating once again the strength and diversity of this business."

"Residential markets came off the boil quite markedly in March following the last interest rate rise and we expect these subdued conditions to continue until there is a trigger for consumers to regain confidence, such as the much anticipated lowering of official interest rates."

"We remain of the view that the medium-term prospects for the Australian residential market are favourable due to high immigration and significant supply constraints and there is a growing consensus supporting this view both from government and private sector economists." said Mr Quinn.

Profits from the sale of apartments are not booked until project completion and FY09 is unlikely to show a material increase in profits from the Apartments business as most projects underway do not complete until FY10 and later.

These projects, such as The Hyde and The Village, have already achieved good presales and there are strong prospects for substantial profits from Apartments in FY10 and beyond.

Stockland UK: operating profit of $11.6 million

- Lower than expected profit outcome due to poor market conditions
- Successful integration and re-branding of Stockland UK

Mr Quinn said "Market conditions in the UK remain very challenging, and to achieve this operating profit is a good result under the circumstances."

"The strength of our platform and quality of our UK team ensures we are well placed to deliver our current projects and capitalise on the many opportunities we are now seeing to accelerate the growth of our business at cyclically low prices."

The Directors have reviewed the carrying value of the UK investment in light of the changed market conditions and an impairment charge of $86.1 million has been taken against goodwill. The likelihood and quantum of this impairment charge were flagged to the market in May.

Operational Efficiency

In anticipation of more challenging conditions, in early 2008 a review was undertaken of Stockland's organisation structure. This resulted in the creation of the combined Commercial Property business and a number of other initiatives to streamline the operations and focus on efficiencies.

The benefits of this review will be realised in FY09 and the costs of achieving it are included in the FY08 results.

"Operationally, we're now fit with a very focussed and tight knit management team ready to tackle the challenges ahead," said Mr Quinn.

GROUP OUTLOOK

"We face a tough market in the year ahead, but we are well placed to withstand these conditions with a proven business model, clear strategy and sound property skills," Mr Quinn said.

"In FY09 cash flow and capital management will be just as important as earnings growth and we will continue to look for opportunities to unlock capital through joint venturing our retail development pipeline and our residential land bank," said Mr Quinn.

"One of the potential benefits from this joint venture strategy is to unlock profits from our extensive residential holdings which are carried at historic cost and it is likely that profits from the sale of super-lot sites in the Residential Communities business in FY09 will be above 30% of total Residential gross profits rather than the normal 15% to 20%".

"Taking all these factors into account we are budgeting for a nominal increase in earnings per security in FY09, but it is going to be tough and we are assuming that market conditions do not deteriorate further," said Mr Quinn.

It is also expected that, due to timing of project releases and sales, the FY09 operating profit will be skewed towards the second half of the year.

"Looking through the current cycle we expect to achieve higher earnings per security growth from FY10 onwards."

Stockland's 2008 full year results presentation will be web cast via www.stockland.com.au on Thursday 14 August at 11.30am.

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AFSL 241190 As Responsible Entity for Stockland Trust ARSN 092 897 348.

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RATIOS

	June 2008	June 2007
(a) Profit before tax and certain significant items[1] attributable to security holders of Stockland/revenue and other income[2]	**31.0%**	32.9%
Profit before tax attributable to security holders of Stockland/ revenue and other income	**27.4%**	54.8%
(b) Profit after tax and before certain significant items[1] attributable to security holders of Stockland/issued capital	**11.6%**	11.0%
Profit after tax attributable to security holders of Stockland/issued capital	**12.1%**	30.8%
(c) Net Tangible Asset (NTA) per security		
NTA backing per security	**$5.46**	$5.33

[1] Profit after tax attributable to security holders of Stockland, before net gain from fair value adjustment of investment properties (including share of associates and joint ventures[2] and excluding revaluation upon completion/redevelopment/contract conversion of retirement living communities and fair value movement of deferred management fee contracts), retirement living resident obligations fair value movement, goodwill impairment, fair value adjustments of investments in associates and joint ventures, net gain from sale of the hotel business and the associated income tax expense, net gain/(loss) on sale of non-current assets, net loss from disposal of foreign operations, net gain/(loss) from hedged items and financial instruments treated as fair value hedges, net realised gain on other financial instruments that do not qualify as effective under hedge accounting rules, net unrealised gain/(loss) on other financial instruments that do not qualify as effective under hedge accounting rules, net unrealised loss on financial instruments that do not qualify as effective under hedge accounting rules, net realised foreign exchange gain and net unrealised foreign exchange gain/(loss).
[2] Excluding net gain from fair value adjustment of investment properties (including share of associates and joint ventures[3] and excluding revaluation upon completion/redevelopment/contract conversion of retirement living communities and fair value movement of deferred management fee contracts), net realised gain on other financial instruments that do not qualify as effective under hedge accounting rules, net unrealised foreign exchange gain.
[3] Share of associates and joint ventures includes the fair value movement of investment properties and derivatives.

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ASSOCIATES AND JOINT VENTURE ENTITIES

	Ownership Interest		Share of net profits	
	30 June 2008 %	30 June 2007 %	**30 June 2008 $M**	30 June 2007 $M
Investments in associates				
KSC Trust	-[1]	25.0	**25.5**	30.6
Macquarie Park Trust	**31.0**	31.0	**3.6**	18.1
Moorebank Industrial Property Trust	**60.0**[2]	-	**(8.4)**	-
The Anglo Halladale Limited Partnership	**25.0**	25.0	-	-
The Anglo Halladale No.2 Limited Partnership	**30.0**	30.0	**(1.1)**	-
The Anglo Halladale No.3 Limited Partnership	**30.0**	30.0	**0.1**	-
The Anglo Halladale No.4 Limited Partnership	**30.0**	-	-	-
Halladale Nelson Limited Partnership	**9.0**	9.0	**(0.3)**	-
Cumbernauld Retail Park Limited Partnership	**50.0**	50.0	**(2.2)**	-
CPI Retail Active Management Programme Limited Partnership and subsidiary partnerships	**10.0**	10.0	**(3.0)**	-
Hammersmith Grove Limited Partnership	**30.0**	30.0	**(0.2)**	-
Capita Portfolio	**30.0**	30.0	**(0.1)**	-
Gracechurch Street Unit Trust	**25.0**	25.0	**(1.4)**	-
Nailsea Unit Trust	**8.0**	8.0	**(0.1)**	-
Bowen Square Properties Limited	-	30.0	-	-
Cockhedge Retail Limited Partnership	**6.0**	6.0	-	-
Portfolio Real Estate Limited	-	29.0	-	-
			12.4	48.7
Investments in joint ventures				
Compam Property Management Pty Limited	**50.0**	50.0	-	-
Esplanade Property Trust	**50.0**	50.0	**28.8**	54.5
Martin Place Management Limited	**50.0**	50.0	-	-
Martin Place Property Trust	**50.0**	50.0	**13.2**	39.2
M Property Trust	**50.0**	50.0	**3.0**	10.0
SDOT Sub Trust No.1	**50.0**	50.0	**52.9**	72.4
Subiaco Joint Venture	**33.3**	33.3	-	-
The King Trust	**50.0**	50.0	**26.4**	25.7
Willeri Drive Trust	**50.0**	50.0	**2.5**	5.8
Stockland Ventures Limited[3]	**50.0**	50.0	**(1.3)**	-
Halladale Opportunity Fund Limited Partnership	**50.0**	50.0	-	-
Halladale Opportunity Fund Limited No.2 Partnership	**50.0**	50.0	**3.7**	-
Halladale Anglo Ventures Limited	**50.0**	50.0	-	-
Stockland Muir Limited[4]	**50.0**	50.0	-	-
Nevsky Property Investors LP	**25.0**	25.0	-	-
Farworth Basingstoke Limited	**50.0**	50.0	-	-
			129.2	207.6
			141.6	256.3

[1] KSC Trust was sold in January 2008.
[2] Moorebank Industrial Property Trust interest was acquired in December 2007.
[3] Halladale Ventures Limited changed its name to Stockland Ventures Limited on 30 June 2008.
[4] Halladale Muir Limited changed its name to Stockland Muir Limited on 2 July 2008.

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COMPLIANCE STATEMENT

- The Financial Report is a general purpose financial report which has been drawn up for the purposes of fulfilling the requirements of the Australian Securities Exchange and Corporations Act 2001. The Financial Report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001.
- This report presents fairly the matters disclosed.
- This report is based on the attached audited Annual Financial Report.
- Stockland has a formally constituted Audit and Risk Committee.

Matthew Quinn
Managing Director

Dated at Sydney, 14 August 2008