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ASX/Media Release

MARKET UPDATE

Stockland today announced that a recent deterioration in the residential market has impacted its Residential sales and in addition, prolonged wet weather has resulted in the deferral of a number of settlements into next financial year. As a result Stockland has revised its earnings guidance for the 2012 financial year.

When we provided guidance in February we noted that it was dependent on residential conditions at the time continuing. Unfortunately the residential market has deteriorated since banks lifted interest rates independent of the RBA and March sales have been lower than expected. The revised guidance assumes sales will continue to be slow for the balance of the financial year.

Severe wet weather in the Illawarra region in NSW has delayed production and also pushed settlements into FY13.

Stockland's Commercial Property and Retirement Living businesses continue to perform in line with expectations.

Taking into account the above matters and the security buyback, Stockland expects Earnings per Security for FY12 to be around 3.5% lower than last year. EPS guidance for FY12 has been revised as follows:

Previous FY12 EPS guidance	31.6 cents
Residential settlements deferred to FY13 due to rain delay	(0.5) cents
Lower Residential settlements due to slower sales	(0.7) cents
Lower superlot sales	(0.2) cents
	30.2 cents
Impact of the security buyback in FY12	0.3 cents
Revised FY12 EPS guidance	30.5 cents

Managing Director Matthew Quinn said: "National dwelling approvals are running well below historical trend, and we expect the residential market to find a floor in the next six to twelve months. However, the recovery is likely to be slow unless we see a reduction in bank interest rates to improve affordability and buyer confidence."

Stockland's Distribution per Security for the full year will not be affected and is estimated at 24 cents.

Stockland will provide a detailed business update on 1 May 2012.

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