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ASX/Media Release

STOCKLAND ACQUIRES 28 HECTARE INDUSTRIAL PROPERTY AT INGLEBURN

Stockland has settled on a 28 hectare industrial property at Ingleburn in south-west Sydney for \$72.5 million, acquired in an off-market transaction.

Stockland Group Executive and CEO Commercial Property, John Schroder, said: "This is an excellent acquisition in a key, strategic location in the well-established Ingleburn Industrial Precinct. This high-quality, income-producing land presents us with an ideal combination of secure income and abundant opportunities for future redevelopment and improvement."

Stockland Managing Director and CEO Mark Steinert said: "We are committed to growing our Logistics and Business Parks portfolio through acquisitions and development. This transaction demonstrates the progress we are making increasing our scale and quality."

The site in Ingleburn is located within 12 kilometres of Moorebank, is in close proximity to the M5 Motorway and adjacent the Southern Sydney Freight Line. The site comprises three contiguous parcels of land offering:

- 5.1 hectares of industrial-zoned greenfield land, which is suitable and ready for immediate development.
- 7.3 hectares of industrial-zoned land, leased back to the vendor for three years.
- 15.5 hectares of industrial-zoned land, which is also leased back to the vendor for a further 10 years.

Stockland General Manager, Industrial, Tony D'Addona said: "The majority of the 28 hectare site is either greenfield or under-developed hardstand area. The structure of this deal enables us to stage the future development of the site, allowing tremendous flexibility and upside for future improvement.

"The asset will also benefit from future infrastructure development in the area, including the Moorebank Intermodal Terminal and Badgery's Creek Airport."

Mr D'Addona said the NSW industrial market continued to perform strongly on the back of increased demand from both tenants and institutional investors for quality, well located assets.

"Strong supply/demand fundamentals, a growing population and continued investment in infrastructure at both a State and Federal level, will ensure Sydney remains an important market for tenants and investors," he said.

The acquisition will generate an initial FFO yield of 7.2 per cent and an initial underlying profit (post-AIFRS) yield of 7.9 per cent per annum. The property has a long WALE of 7.8 years.

Stockland

Stockland (ASX: SGP) was founded in 1952 and has grown to become Australia's largest diversified property group – owning, developing and managing a large portfolio of shopping centres, residential communities, retirement living villages, office and industrial assets. Stockland was recognised by the S&P Dow Jones Sustainability Indices (DJSI) as the Global Real Estate Industry Group Leader for 2013 – 14 and was also named one of the Global 100 Most Sustainable Corporations in the World at the World Economic Forum in Davos, Switzerland in 2014, for the fifth consecutive year.

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