Appendix 4D

For the half year ended 31 December 2023
(previous corresponding period being the half year ended 31 December 2022)

Results for announcement to the market

		$M
Revenue from ordinary activities	**Down 18.9% to**	**934**
Net profit after tax attributable to securityholders	**Down 66.2% to**	**102**
Funds from operations attributable to securityholders	**Down 24.7% to**	**266**

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, and Stockland Trust (ARSN 092 897 348) and its controlled entities on the Australian Securities Exchange. Stockland Trust Management Limited (ABN 86 001 900 741) is the Responsible Entity of Stockland Trust.

The Interim Financial Report has been prepared based on a business combination of the parent entity, Stockland Corporation Limited and its controlled entities, and Stockland Trust and its controlled entities, in accordance with AASB 3 *Business Combinations*.

Dividends and distributions

	Amount per security	Franked amount per security	Record date	Payment date
Interim dividend/distribution	**8.0 ¢**	**– ¢**	**29 December 2023**	**29 February 2024**

Other information

	31 December 2023	30 June 2023
Net tangible assets per security	**$4.20**	$4.24

Stockland did not lose control over any entities in the period. Stockland gained control over the following entities in the period:

Name of entity	Date of change in control
Stockland LLC Halcyon Dales Pty Limited	31 July 2023
Stockland LLC Halcyon Ridge Pty Limited	31 July 2023
Stockland LLC Halcyon Serrata Pty Limited	31 July 2023

This report is based on the Stockland Interim Financial Report 2024 which has been reviewed by PwC.

The remainder of information requiring disclosure to comply with ASX Listing Rule 4.3A is contained in the Stockland Interim Financial Report 2024.

This announcement is authorised for release to the market by Ms Katherine Grace, Stockland's Company Secretary.

Interim Report 2024

6 months ended
31 December 2023

Stockland

Stockland acknowledges the Traditional Custodians and knowledge-holders of the land on which we live, work and play. We recognise and value their continued and inherent connection to land, sea, culture and community.
We pay our respects to their Elders past and present and extend that respect to all Aboriginal & Torres Strait Islander peoples today.

Our Stretch Reconciliation Action Plan (RAP) 2023 – 2026

In November 2023, Reconciliation Australia endorsed our **Stretch RAP 2023 – 2026**. Our Stretch RAP seeks to embed reconciliation initiatives into our business practices to ensure we are creating thriving communities that value, respect and celebrate Australia's First Peoples. It also builds on our recent Innovate RAP 2020 – 2022, whereby we achieved over 90% of our targets and commitments.

Over the next three years, we will continue to grow our knowledge and take action as a culturally respectful, safe and responsive organisation that will make important changes to benefit all Australians.

As community builders, we know our participation in the RAP process can help to create a future that values, respects, and celebrates Australia's First Peoples and contributes to meaningful reconciliation.

We are proud to recognise, embrace and celebrate Australia's First Nations peoples and their deep connection to Australia and will continue to use our platform to spread reconciliation awareness.

A better way to live.

A better way to live

Stockland's Interim Report demonstrates how we create value for all our stakeholders. It illustrates how we achieve our purpose, 'a better way to live', as we help create and curate connected communities across Australia.

Our Interim Report is a consolidated summary of Stockland Corporation Limited and its controlled entities, including Stockland Trust and its controlled entities (Stockland or Group) for the six months ended 31 December 2023 (1H24).

It has been prepared with reference to the principles of the International Integrated Reporting Council (IIRC) Integrated Reporting (IR) Framework to communicate how our strategy, operational and financial performance, and approach to environmental, social, and governance matters create value for stakeholders over the short, medium and long term.

Corporate reporting suite

Our corporate reporting suite includes:

- Interim report
- **Results presentations**
- **Databook**

Our corporate reporting suite documents are available for download on the Stockland Investor Centre **www.stockland.com.au/investor-centre**

The Directors of Stockland Corporation Limited (ACN 000 181 733) and the Directors of Stockland Trust Management Limited (ACN 001 900 741, AFSL 241190), the Responsible Entity of Stockland Trust (ARSN 092 897 348), present their report together with the Financial Report of Stockland and the Independent Auditor's Report thereon. The Directors' Report for 1H24 has been prepared in accordance with the requirements of the Corporations Act 2001 (Cth)

Contents

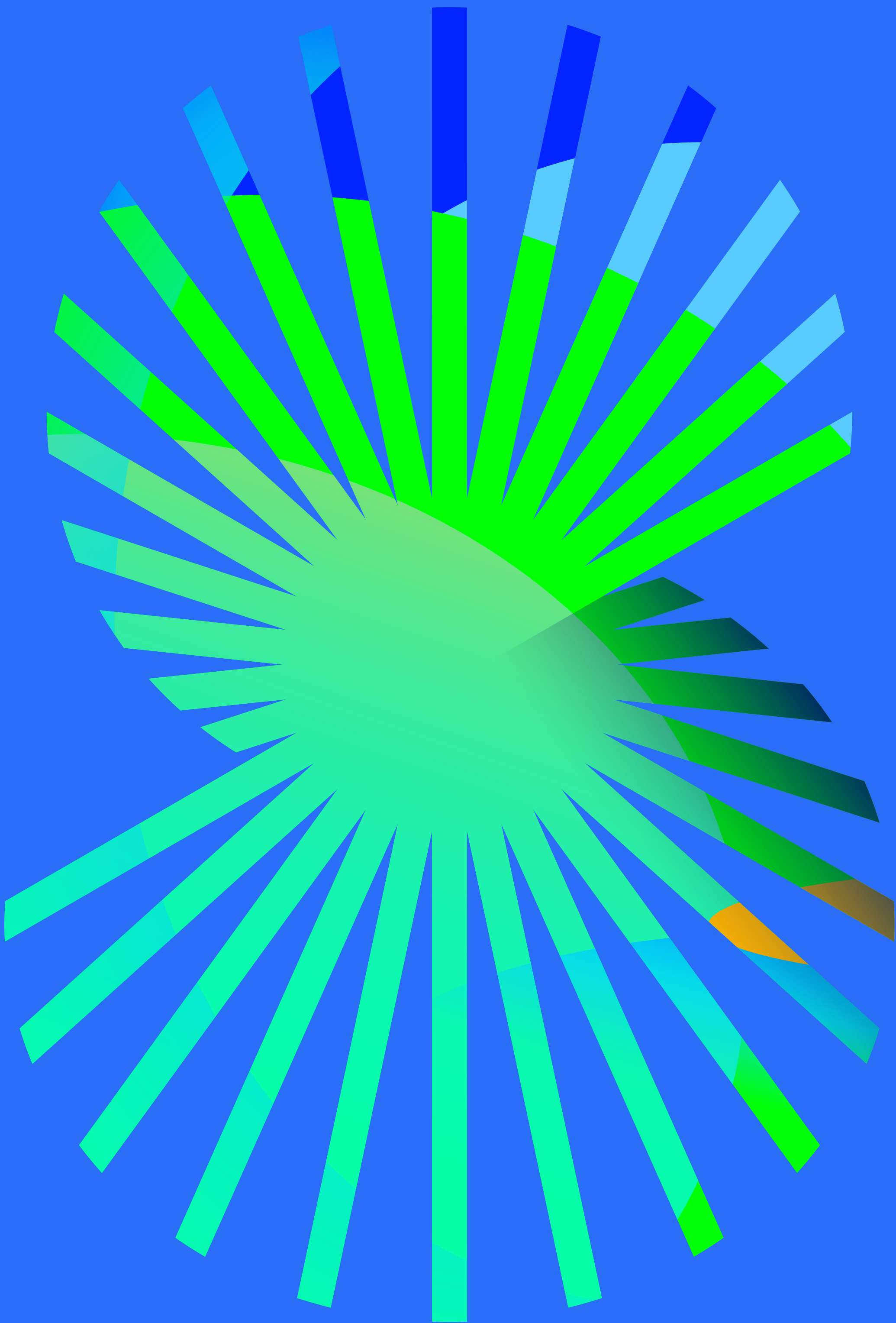
Risk management and governance

p.17

Interim financial report

p.22

Directors' report



About Stockland

Stockland is one of Australia's largest diversified property groups. We own, manage and develop a portfolio of high-quality, income-producing investment assets across leading town centres, workplaces and logistics centres. We create solutions across the housing continuum leveraging our landbank, and skills and expertise in creating and curating connected communities.

Our focus is on leveraging our specialist end-to-end, multisector capability to create value at each stage of the real estate life cycle. This includes optimising our land bank to highest value uses and delivering our secured development pipeline.

Our strategy

Our vision to be the leading creator and curator of connected communities is underpinned by our purpose – a better way to live.

Our vision and purpose are supported by the four key pillars of our Group strategy – to dynamically reshape the portfolio, accelerate delivery in our core business, scale our capital partnerships and generate sustainable long-term growth.

Our strategy is designed to leverage and respond to the major trends in our operating environment:

- Urbanisation and urban renewal
- Growth in the availability of long-term institutional capital and demand for real estate
- Acceleration in the adoption of digital and technology changing the future of real estate
- Growing momentum on ESG driving demand for investments with superior ESG credentials

Using our capital inputs, resources, relationships and a clear strategy, we create value by delivering on a range of outcomes for our stakeholders. As a purpose-led organisation, our core values of Community, Accountability, Respect and Excellence (CARE) drive our innovative and customer-focused culture and set the foundations of how we execute our strategy and deliver on our vision to be the leading creator and curator of connected communities.

We track and manage our progress on delivering value through clear, tangible targets across our business.

Image caption:
Lakeside, NSW

The value we create

Operating environment
Context

Major trends

Urbanisation and urban renewal

Exponential growth in institutional capital

Digital acceleration

Growing momentum on ESG

Risks and Opportunities

See our approach to risk management page 17

Key inputs

Financial capital

Assets and land

Resources and materials

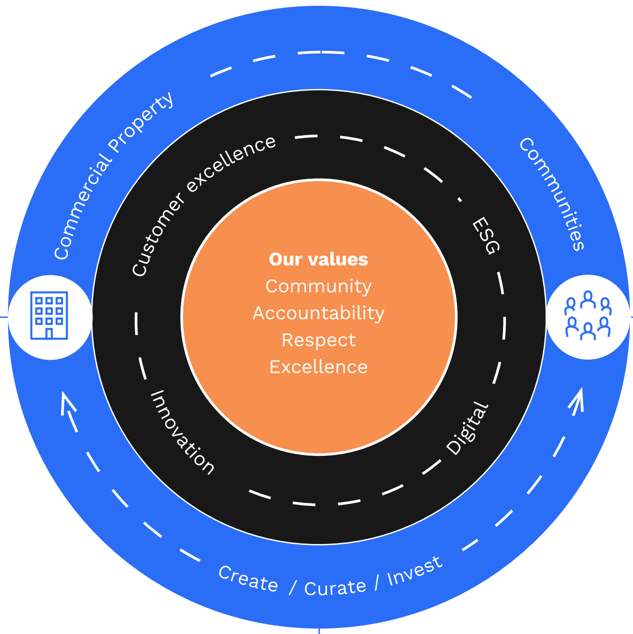
People and capability

Relationships and partnerships

Our purpose
"A better way to live"

Our vision
"Leading creator and curator of connected communities"

Our strategy



Strategic pillars

Dynamically reshape portfolio

Accelerate delivery in our core business

Scale capital partnerships

Sustainable long term growth

Customers

We are committed to delivering a better way to live for our customers and being truly customer centric. With our diverse and growing customer base, we help more Australians achieve the dream of home ownership and create places and spaces full of energy, soul and life - from residential and land lease communities through to retail town centres. We aim to optimise our landbank and develop innovative and resilient places that will provide the highest value use for communities now and in the future. Through our workplaces and logistics assets we are shaping the future of work and enabling more flexible and efficient last mile delivery and fulfillment.

Securityholders

We are structured as a stapled security, an innovation pioneered by Stockland in the 1980s. A Stockland stapled security (ASX: SGP) represents one ordinary share in Stockland Corporation Limited and one ordinary unit in Stockland Trust. This allows us to efficiently undertake property investment, management and development activities, offering investors end-to-end exposure to the property life cycle. Our focus is on generating high-quality recurring income supplemented by growth from disciplined development activity. Executing on our strategy will help us to drive diversified income streams and increase return on invested capital.

The value we create Outcomes	Targets

Financial capital:
• High quality business with sustainable growth
• Diversified income streams and increased return on invested capital
• Strong balance sheet with sufficient liquidity and optionality to invest appropriately in existing and emerging opportunities
	• Development ROIC 14%-18%
	• Recurring ROIC 6%-9%
	• Gearing 20%-30%
	• Income mix:
	  • Recurring 60%
	  • Development 40%

Assets and land:
• High quality, curated portfolio of connected communities and resilient assets
• Optimised landbank to highest value uses
• Delivery of development pipeline
	• Capital allocation:
	  • Recurring 70%-80%
	  • Development 20%-30%

Resources and materials:
• Leadership in sustainability:
  • Decarbonisation
  • Circularity
  • Social impact
  • Resilience
	• 1.5 degree aligned decarbonisation pathway:
	  • Net zero scopes 1 & 2 in 2025
	  • Most material scope 3 emissions intensity halved in 2030
	  • Net zero scopes 1, 2 & 3 in 2050
	• Create over $1bn in social value in 2030

People and capability: • Purpose driven, connected teams • End-to-end, multi-sector capability and talent • Diverse career opportunities • A culture of collaboration and inclusiveness	• Employee engagement score >80% • Leadership impact exceeding the Australian national average[1]
Relationships and partnerships: • Customer and stakeholder excellence • Preferred capital partner • Strong relationships with suppliers, builder partners	• Retailer tenant satisfaction 75% • Retailer shopper satisfaction 78% • Workplace & logistics tenant satisfaction 80% • Resident satisfaction 80% • Liveability index 75%

1 Willis Towers Watson.

Our people

Stockland fosters a culture of connection and collaboration where our people can be themselves and thrive. Our diverse career opportunities and passion for learning means our people can grow as we grow and make a real contribution towards our strategic objectives, creating a better future for our people, communities and the planet.

Capital partners

We provide high-quality, commercially attractive investment prospects for third-party investor partners by leveraging our demonstrated leadership and proven expertise in asset development and management. Our strategic capital partnerships enable us to scale our management and development capabilities and grow assets under management more quickly to enhance long-term, sustainable business growth for us and our partners.

Community

We are proud of our more than 70-year history creating and curating communities with people at the heart of the places we create. Through our work, we impact and engage with diverse stakeholders representing all the Australian community. Through our approach to accessible physical and social infrastructure, as well as our Reconciliation Action Plan, we work to provide welcoming and inclusive places and spaces where people of all backgrounds and abilities can come together to play, work, shop and socialise.

1H24 performance and outlook

Group performance

Over the six months to December 2023 (1H24), we continued to accelerate the execution of our strategic priorities and made meaningful progress in reshaping our portfolio while delivering solid operational and financial results and maintaining a strong capital position.

Pre- and post-tax Funds From Operations[1] (FFO) for the period was $266 million, compared with $353 million in 1H23. 1H24 FFO per security (pre-and post-tax) was 11.2 cents, down 24.7% compared with 1H23.

The decline primarily reflects a more material 2H skew for settlement volumes in our Masterplanned Communities (MPC) business, as we previously foreshadowed, along with a higher weighted average cost of debt. No tax expense was recognised for the half.

The Commercial Property segment delivered FFO growth of ~3%, underpinned by comparable growth of 3.1%[2] from our ~$10.6[3] billion Commercial Property portfolio.

However, the overall contribution from the Communities segment for the period was down 64.3% relative to 1H23. The relatively heavy weighting of expected MPC settlements to 2H was reflected in both lower Development FFO and lower Development-related fee income for the half. We also expect Development FFO for our Land Lease Communities (LLC) business to be weighted to 2H this year (compared to a 1H skew in FY23).

We are positioning our Communities platform to deliver a step change in production rates in future periods. There are early signs of improvement in residential markets, and we believe structural growth drivers continue to underpin demand for high quality, well-priced LLC product.

We announced the ~$1.06 billion[4] acquisition of 12 high-quality, actively trading MPC projects in December 2023 in partnership with Supalai Australia Holdings Pty Ltd (Supalai) through the formation of the Stockland Supalai Residential Communities Partnership (SSRCP). We expect the acquired portfolio could deliver an additional ~2,500 MPC settlements per annum from FY25 while also offering potential upside from adjacent uses.

In addition to restocking our residential pipeline, the transaction is expected to provide us with attractive financial returns and to be accretive to our FFO per security from FY25.

By the end of FY24 we expect to be actively trading from ~66 Communities projects across MPC and LLC, up from ~36 communities at June 2023[5].

The 1H24 result incorporated the ongoing financial benefits of the strategic initiatives that we implemented during FY22 and FY23. In February 2022, we announced the establishment of two capital partnerships – the Stockland Residential Rental Partnership (SRRP) with Mitsubishi Estate Asia (MEA), and the MPark Capital Partnership with Ivanhoé Cambridge. In late FY23, we extended our existing relationship with MEA through the formation of the Stockland Communities partnership (SCP), which took effect early in 1H24. The 1H24 result included Management Income and Development Income contributions across the Communities and Commercial Property segments from these partnerships, along with other existing joint ventures and management agreements.

We further expanded our capital partnership platform over the half with the formation of SSRCP, which is expected to deliver additional management income from FY25.

We continue to reshape our portfolio in line with our strategic priorities. The ~$1.06 billion[4] MPC portfolio acquisition announced in December 2023 increases our capital allocation to the residential sector, consistent with our focus on deploying capital towards our targeted growth sectors.

Over the half we also executed on a further ~$380 million[6] of non-core Town Centre disposals, providing capital for redeployment into higher returning and higher growth opportunities.

1 Funds from operations (FFO) is determined with reference to the PCA guidelines.
2 Includes comparable assets; excluding acquisitions, divestments and assets under development.
3 Excludes sundry properties and stapling adjustment.
4 On a 100% basis (Stockland 50.1%, Supalai 49.9%), excluding transaction costs and subject to adjustments at completion. Subject to Foreign Investment Review Board (FIRB) and associated regulatory approvals, including the Australian Competition and Consumer Commission (ACCC). Settlement of certain Project Delivery Agreement (PDA) projects are also conditional on the vendor obtaining relevant landowner Change of Control (CoC) consents. SSRCP may also exercise its right to acquire (at its election) certain additional parcels of land for an additional payment of up to $239 million.
5 Subject to relevant approvals. Active defined as communities that have launched and are selling. Includes the 12 MPC assets acquired in December 2023.
6 Includes disposal of Stockland Townville, QLD and assets held for sale Stockland Nowra, NSW, and Stockland Balgowlah, NSW at an aggregate 4.9% discount to book value.

Statutory profit for 1H24 was $102 million, compared with $301 million in 1H23. The statutory result for this period includes $51 million[7] of net commercial property devaluations. Statutory profit in the previous corresponding period included a net revaluation uplift of $30 million.

While progressing our strategic initiatives, we have remained focused on balance sheet strength and financial flexibility. Gearing remains well within our target range, and we have maintained a prudent hedging profile and substantial liquidity. Our strong balance sheet provides the capacity to take advantage of opportunities that may emerge and fund our near-term development commitments.

Reshaping our portfolio and extending our residential platform

In 1H24, we announced the acquisition* of 12 masterplanned communities through a new capital partnership – Stockland Supalai Residential Communities Partnership (SSRCP) – with our existing partner, Supalai.

The acquisition represents a step change in the reshaping of our portfolio and accelerates the execution of our strategy by increasing our capital allocation towards residential sectors while scaling our capital partnership platform and generating new sources of recurring income.

** Subject to Foreign Investment Review Board (FIRB) and associated regulatory approvals.*

Image caption: *Alkimos, WA*

[7] Excludes sundry properties and stapling adjustment, includes investment properties under construction (IPUC) and Stockland's share of equity accounted investments.

Capital management

We finished the period in a strong financial position, with gearing at 26.8% as at 31 December 2023, within the Group's target range of 20%-30%. We expect gearing levels to remain within the top half of our 20%-30% target range at 30 June 2024.

We maintained significant headroom under our financial covenants[1], and strong investment grade credit ratings of A-/A3 with stable outlook from S&P and Moody's, respectively.

Our weighted average cost of debt was 5.1%[2] for 1H24 and is expected to average ~5.2%[3] for FY24. The weighted average debt maturity sits at 4.1 years. The fixed hedge ratio averaged 56% over the six months to 31 December 2023 and is expected to average ~60% for FY24.

Available liquidity at 31 December 2023 was ~$2.6 billion, providing funding flexibility for the Group, and we remain active in recycling capital toward our targeted growth areas.

The combination of our strong liquidity position, ongoing discipline around capital management, access to domestic and global debt capital markets and strong relationships with capital partners positions us well to deliver on our strategic priorities and capitalise on redeployment opportunities.

Cashflow management

Net cash flows from operating activities for 1H24 of ($362) million[4] were down from ($174) million in 1H23 primarily due to a higher level of development expenditure and lower settlement receipts in our MPC business. Before land acquisitions, operating cash flow was $67 million[4]. Over time, we expect operating cash flow to approximate FFO. However, this can vary from year to year depending on the timing of items such as development expenditure and payments for land.

Net investing cash flow of ($209 million) compares with an $864 million net inflow for 1H23, which included over $900 million of cash receipts from the sale of our Retirement Living business. The net outflow for 1H24 reflects payments for the acquisition and development of investment properties (including LLC assets) and investment in equity-accounted partnerships, partly offset by proceeds from the disposal of non-core Town Centre assets.

Financing activities produced a net cash inflow of $993 million. This primarily reflects the drawdown of additional borrowings to fund development expenditure and land acquisitions, along with the payment of previously-announced dividends and distributions.

Distributions

The distribution for 1H24 is 8.0 cents per security, compared with 11.8 cents per security in 1H23.

The distribution payout ratio of 72% is slightly below our target range of 75%-85% of FFO.

8.0c

Distribution per security

Image caption:
Waterlea, VIC

[1] Covenant levels: less than 50% Financial Indebtedness / Total Tangible Assets (FI / TTA), and Interest Coverage Ratio (ICR) of more than 2:1. FI / TTA as at 31 December 2023 was 31.0%, and the ICR was 4.8x.
[2] Average over the six months to 31 December 2023.
[3] Assuming average BBSW of ~4.3% over FY24.
[4] Cashflows include MPC cash receipts of $696 million and MPC costs of $654 million, comprising current year stage costs, future stage infrastructure costs, and SG&A and other costs. Future stage infrastructure costs represent ~52% of costs.

Commercial Property

The Commercial Property segment delivered a solid 1H24 result, with FFO of $329 million up by ~3% relative to the previous corresponding period. This reflects comparable growth of 3.1%[5] from the ~$10.6 billion[6] Commercial Property investment portfolio, contributions from completed Logistics developments and smaller contributions from Development and Management Income as a result of a lower level of third-party Commercial Property development activity this period.

Approximately 69% (by value) of the Commercial Property portfolio was independently revalued over 1H24, with a 0.5%, or $51 million[7] decrease on previous book values. This reflected the softer capitalisation rate environment, which was partially offset by strong income growth across our high-quality portfolio.

Over the half, we made further progress on our key strategic priorities for the Commercial Property business: progressing the delivery of our ~$6.5 billion[8] Logistics development pipeline; maintaining optionality over our ~$5.3 billion mixed use and workplace development pipeline while continuing to add value to the assets; continuing to reposition our Town Centre portfolio; and maximising the value of our existing asset base through exploring mixed use and densification opportunities.

We expect the majority of our $1.1 billion[8] active Logistics development pipeline to commence construction over FY24.

Logistics

The ~$3.7 billion[9] Logistics portfolio delivered FFO of $80 million in 1H24, up 20.1% relative to 1H23. The portfolio delivered strong comparable FFO growth of 6.0%[5] for 1H24, supplemented by income contributions from developments completed over FY23 and 1H24.

Re-leasing spreads on new leases and renewals negotiated over the period (including those yet to be executed) increased to 39.6% over 1H24, with the portfolio continuing to benefit from strong tenant demand and limited supply of high quality, well-located Logistics assets.

The portfolio remains virtually fully leased, with occupancy at 99.9%[10] at 31 December 2023. We are focused on capturing rental growth opportunities presented by the portfolio's weighted average lease duration of 3.5 years[10], and the ongoing delivery of the development pipeline.

The Logistics portfolio delivered a net valuation gain of $70 million, or 2.1% over 1H24, with the 46 basis point softening in the portfolio's weighted average cap rate more than offset by strong income growth.

Leveraging our rooftops to power our property portfolio

Image caption: *Leppington Business Park, NSW*

Through our innovative partnership with distributed energy resources company, Energy Bay, we are using inter-asset energy trading to allow solar energy generated on the rooftops of our shopping centres and logistics assets to be used across our portfolio.

The use of our existing commercial property assets combined with our $6.5 billion logistics pipeline will see Energy Bay develop, install and operate approximately 250,000 square metres of solar panels on our roofs, the equivalent of around 35 football fields.

The partnership is a significant step towards Stockland's transition to a low carbon future using innovative, scalable and economically sustainable solutions. It is expected to make a significant contribution to the achievement of our net zero scope 2 emissions in 2025 by generating as much power as our portfolio consumes each year and retiring the renewable energy certificates that are created.

5 Includes comparable assets; excluding acquisitions, divestments and assets under development.
6 Excludes sundry properties and stapling adjustment.
7 Excludes sundry properties and stapling adjustment, includes investment properties under construction (IPUC) and Stockland's share of equity accounted investments.
8 Forecast end value on completion, subject to relevant approvals.
9 Excludes WIP and sundry properties.
10 By income.

Image caption:
MPark, NSW

Workplace

Our ~$1.9 billion Workplace portfolio delivered FFO of $57 million for 1H24, up 6.9% from 1H23, and comparable FFO growth of 2.8%, driven by rental escalations on existing leases.

The majority of our portfolio is being positioned for future development, including mixed use opportunities. This pre-development activity, along with the smaller scale of the portfolio is reflected in the variability of its operating metrics over 1H24, with re-leasing spreads of -0.4%[1,2] impacted by rental reversion at oneag asset. Portfolio occupancy of 91.6%[3,2]and WALE of 5.6 years[3,2] reflect the two recently completed buildings at MPark stage 1.

We continue to add value to the portfolio while maintaining optionality over future development outcomes. Over 1H24, Stockland achieved completion of the first two buildings at MPark stage 1 and commenced construction on the final two buildings. The MPark stage 2 development is currently going through the masterplanning approvals process.

The valuation of Stockland's Workplace portfolio declined by $79 million, or 4.1%, reflecting 23 basis points of cap rate expansion.

Town Centres

Our Town Centres portfolio delivered a resilient operational and financial performance in a moderating consumer environment.

1H24 FFO of $187 million was up 0.9% relative to 1H23, including the impact of non-core disposals undertaken over FY23 and 1H24. Comparable FFO growth slowed to 2.1%[4], largely due to higher non-recoverable outgoings.

As expected, increasing cost-of-living pressures have led to a slowing of sales growth in discretionary categories. Sales growth for the essentials categories to which our portfolio is heavily skewed is tracking in line with inflation, supporting positive re-leasing spreads and sustainable occupancy costs across our portfolio.

On a MAT basis, total comparable sales grew by 5.4% and comparable specialty sales were up by 2.6%, versus the prior corresponding period[5]. Portfolio MAT growth rates are stabilising from previously elevated levels that reflected post-COVID-19 sales recovery.

Leasing spreads accelerated to 3.5%[6] over 1H24, versus 2.5% for 1H23. Occupancy levels were maintained above 99%[7] while occupancy costs increased marginally to 15.1%[8] (from 14.8% at June 2023).

The valuation of the Town Centre portfolio declined by $43 million, or 0.8%, with market rent growth largely offsetting 27 basis points of cap rate softening.

Commercial Property Management and Development Income

Commercial Property Management Income of $12 million in 1H24 comprised ongoing fees from third parties for property management services provided across our existing Commercial Property portfolio, development-related management fees and initial fee income from a renewable energy partnership that we established during the period with Energy Bay. The 1H24 contribution compares to $16 million in 1H23, with the decline primarily reflecting lower development-related management fees.

Commercial Property Development Income was $20 million in 1H24, compared with $27 million in 1H23, reflecting the completion of the first two buildings in MPark Stage 1 and lower contributions from build-to-sell Logistics projects.

1 Reflects new leases and renewals negotiated over 1H24.
2 1H24 excludes Walker Street Complex and 601 Pacific Highway in NSW.
3 By income.
4 Includes comparable assets; excluding acquisitions, divestments and assets under development.
5 Comparable basket of assets as per SCCA guidelines, which excludes assets which have been redeveloped within the past 24 months.
6 Rental growth on stable portfolio on an annualised basis.
7 Occupancy across the stable portfolio based on signed leases and agreements at 31 December 2023.
8 Occupancy cost reflects stable assets, adjusted to reflect tenants trading more than 24 months.

Communities

Masterplanned Communities

Our MPC business delivered Development FFO of $88 million for 1H24, down from $138 million in 1H23. The business delivered 1,614 settlements over the period vs 1,872 in 1H23, in line with our expectations for a larger skew in settlements to the 2H in FY24 than FY23.

The development operating margin for 1H24 of 18.0%, (versus 24.2% in 1H23) reflects a higher proportion of MPC settlements from WA and relatively low settlement volumes over the period.

The business achieved net sales of 2,172 lots over 1H24, compared with 1,804 lots in 1H23. The recent stabilisation of the interest rate environment has led to improved enquiries and net sales in 2Q24 with sales rates improving through the period (1,181 net sales in 2Q24 vs 991 in 1Q24). Enquiry levels reflected a similar quarter-on-quarter improvement. Positive momentum has continued in January 2024, with 371 net sales compared with 343 sales in January 2023, and enquiries up +23% year-on-year.

Default and cancellation rates are running slightly above historical averages[9] but remain below previous cyclical peaks.

Construction and sale-to-settlement timeframes have seen some improvement over 1H24 but remain elongated as the residual impact of wet weather and supply chain disruption moves through the system. Construction cost escalations in civils and homebuilding have returned to normalised levels.

While differences in the availability of supply, interstate migration and affordability are driving mixed performance across residential corridors in the shorter term, the structural drivers for the residential market remain supportive. These include resilient labour markets, elevated net overseas migration levels, and low rental vacancy rates in an environment where housing supply remains constrained.

The business ended the period with 4,833 contracts on hand, at average price points ~7% above 1H24 settlements[10].

Land Lease Communities

The LLC development business delivered Development FFO of $12 million for the period, compared with $38 million in 1H23. 1H23 included cash-backed gains from the transfer of development communities[11] into the SRRP partnership. Development settlement volumes for 1H24 totalled 155 homes, at a development operating profit margin of 22.3%.

We are seeing sustained demand for our LLC product, reflected in 1H24 net sales of 242 homes (versus 127 in 1H23) and continued price growth. The average sale price per home across our existing communities in 1H24 was above FY23 levels, and enquiry levels for both existing and newly launched communities were up strongly during the half.

We ended the period with good earnings visibility into 2H24 with 474 contracts on hand, at an average price ~9% higher vs 1H24 settlements[12].

Over 1H24 we have continued positioning our Land Lease platform for further growth, launching five new communities. By the end of FY24, we expect to launch up to seven further communities.

Communities Rental and Management Income

Communities Rental Income was $9 million for the period, compared to $6 million for 1H23. This reflects rental growth across an increasing number of established LLC home sites (~2,500 established home sites in 1H24 vs ~1,940 in 1H23) as well as ongoing contributions from Community Real Estate[13] assets from within the Communities portfolio.

Our established Land Lease Communities portfolio performed strongly over 1H24, with CPI-linked rental growth[14], high occupancy rates and net operating margins at ~65% across the stabilised portfolio.

Communities Management Income was $17 million in 1H24, compared with $20 million in 1H23, reflecting the impact of the MPC settlement skew to 2H24 on development management fees across Stockland's capital partnerships and existing MPC joint ventures.

9 On a rolling 12-month basis.
10 Average price per lot of contracts on hand vs 1H24 settlements.
11 Stockland Halcyon Nirimba, QLD and Stockland Halcyon Berwick, VIC.
12 Average price per home of contracts on hand vs 1H24 settlements (1H24 average settlement price per home: ~$703,000).
13 Comprising stand-alone medical and childcare centres.
14 Typical site agreement – annual rent escalations at the greater of CPI or 3.5%, and a market rent review every 10 years.

Outlook

The consistent execution of our strategy is delivering positive financial and operational results and positioning our business well for sustainable growth.

Our high-quality Commercial Property portfolio continues to deliver strong performance and we are focused on maximising income generation opportunities across our well-located Logistics portfolio and pipeline.

We are seeing early signs of improvement in the residential markets and are positioning our MPC and LLC businesses to deliver higher production rates in future periods.

We have maintained a disciplined approach to capital management and a strong balance sheet, with active capital recycling to fund our secured pipeline and redeploy into our growth sectors, and we continue to engage with capital partners on a range of additional opportunities across our platform.

We expect gearing levels to remain within the top half of our 20%-30% target range at 30 June 2024, as we continue to implement our strategy and fund opportunities in our targeted growth areas.

FY24 FFO per security guidance is maintained at a range of 34.5 to 35.5 cents on a pre-tax basis, with tax expense expected to be a high single-digit percentage of pre-tax FFO.[1]

Distribution per security is expected to be within Stockland's targeted payout ratio of 75% to 85% of post-tax FFO.[1]

Current market conditions remain uncertain. All forward looking statements, including FY24 earnings guidance, remain subject to no material change in market conditions.

1 All forward looking statements, including FY24 earnings guidance, remain subject to no material deterioration in market conditions.

Risk management and governance

Governance and risk

At Stockland, we adopt a rigorous approach to proactively addressing the material risks and opportunities of our business. The Group's risk management framework is updated in detail annually, and reviewed quarterly by the Risk Committee. Further detail on this framework is set out in the Group's Annual Report for the year ended 30 June 2023 (a copy of which is available on Stockland's website at **www.stockland.com.au/investor-centre**).

Material risks and opportunities for the Group currently include the following, as assessed over different time horizons:

Our ability to adapt to new ways of working and maintain a strong corporate culture The ability to attract, engage, develop and retain our employees is critical to our ongoing success.	S M
Our ability to provide environments that support the health, safety, and wellbeing of our employees, tenants, residents, customers and suppliers The health and wellbeing of our people, suppliers and customers has always been and continues to be our priority. We are committed to delivering communities and assets where our employees, tenants, residents, customers and suppliers always feel safe.	S M
Our ability to respond to geopolitical conditions that lead to economic uncertainty or volatility Changing geopolitical conditions that impact the global economy have led to and may continue to result in extended periods of increased uncertainty and volatility in the global financial markets and supply chains, which could adversely affect our business.	S M
Climate change may have adverse effects on our business We are committed to creating resilient assets that operate with minimal disruption in the event of increased climate events, as well as building strong communities that are equipped to adapt to long-term climate change risks and opportunities.	S M L
Information and technology system continuity and cybersecurity breaches may impact our business Managing potential IT system failures and cybersecurity breaches is a focus area so that we can manage the risk of loss of sensitive information, operational disruption, reputational damage, fines and penalties. We also use technology and data to create a leading edge and differentiated customer offering through innovation and insights.	S M L
Housing affordability continues to impact the dynamics of the Australian housing market To help address affordability we will continue to partner with government and industry to drive solutions, provide a broad mix of value for money, quality housing options, and balance the demand from owner occupiers and investors.	S M L
Differences between community and customer expectations or beliefs and our current or planned actions could harm our reputation and business Standards for interaction with customer and the community have been under intense scrutiny in Australia for some time. It is important that we engage with our customers in a way that is consistent with our Stockland CARE values.	S M L
Our ability to anticipate and respond to changing consumer preferences for our products and services is critical to our business We will continue to foster a culture of innovation based on research and data to create sustainable and livable communities and assets.	S M L
Regulatory and policy changes impact our business and customers We will continue to implement forward-looking practices, engage with industry and government on key policy areas, focus our development activity in areas where governments support growth, and continue mandatory training for all employees in relation to the compliance areas and obligations relevant to our business.	S M L
Challenging market continditions may impact our our ability to deliver on strategic priorities We will continue to monitor the impact of macro-economic conditions and its implications for our strategy and business. We will continue to carefully assess market conditions in the delivery of our strategic priorities.	M
Capital market volatility impacts our ability to transact and access suitable capital We will continue to drive growth in our business and deliver on our strategic priorities by: • allocating capital strategically across our diversified portfolio in response to changing markets; • progressing capital partnering opportunities across all sectors; • acquiring new assets on capital efficient terms; • retaining a strong balance sheet within our target gearing range while also accessing diverse funding sources across global capital and debt markets; • maintaining our disciplined and prudent capital management approach; • retaining investment grade ratings across multiple credit agencies.	S M L

Legend S Short-term risk M Medium-term risk L Long-term risk

Governance

At Stockland, we pride ourselves on maintaining a diverse Board comprised of industry leaders across a range of sectors and skillsets. This depth of experience helps Stockland to manage and mitigate risk, as well as capitalise on opportunities.

Directors

The Directors of the Company and of the Responsible Entity at any time during or since the end of the half year (collectively referred to as the Directors) were:

Non-Executive Directors	
Mr Tom Pockett	Chairman
Mr Stephen Newton	
Ms Kate McKenzie	
Ms Melinda Conrad	
Mr Adam Tindall	
Ms Christine O'Reilly	
Mr Andrew Stevens	
Mr Laurence Brindle	

Executive Director	
Mr Tarun Gupta	Managing Director and Chief Executive Officer

Further detail on our governance and Board arrangements is located at **https://www.stockland.com.au/about-stockland/corporate-governance**.

Lead Auditor's Independence Declaration under *section 307C of the Corporations Act 2001 (Cth)*

The external auditor's independence declaration is set out on page 20 and forms part of the Directors' Report for the six months ended 31 December 2023.

Rounding off

Stockland is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the Directors' Report and the Financial Report have been rounded to the nearest million dollars, unless otherwise stated.

pwc

Auditor's Independence Declaration

As lead auditor for the review of Stockland Corporation Limited and Stockland Trust for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Stockland Corporation Limited and the entities it controlled during the period and Stockland Trust and the entities it controlled during the period.

Jane Reilly
Partner
PricewaterhouseCoopers

Sydney
21 February 2024

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Directors' declaration

This Report is made on 21 February 2024 in accordance with a resolution of the Directors and is signed for and on behalf of the Directors:

Tom Pockett
Chairman

Tarun Gupta
Managing Director and CEO

Dated at Sydney, 21 February 2024

Interim financial report

Consolidated statement of comprehensive income

Half year ended 31 December		Stockland		Trust	
$M	Note	2023	2022	2023	2022
Revenue	1	**934**	1,151	**375**	341
Cost of property developments sold:					
• land and development		**(348)**	(510)	**–**	–
• capitalised interest		**(26)**	(31)	**–**	–
• utilisation of provision for impairment of inventories	6	**1**	3	**–**	–
Investment property expenses		**(117)**	(112)	**(120)**	(111)
Share of profits of equity–accounted investments	16	**14**	35	**(28)**	(6)
Management, administration, marketing and selling expenses		**(210)**	(212)	**(24)**	(22)
Net change in fair value of investment properties	7	**(39)**	17	**(48)**	7
Net (provision for)/reversal of impairment of inventories	6	**(3)**	5	**–**	–
Net (loss)/gain on sale of other non–current assets		**(8)**	6	**(7)**	–
Finance income		**7**	5	**137**	102
Finance expense		**(59)**	(38)	**(107)**	(72)
Net (loss)/gain on financial instruments		**(43)**	8	**(43)**	8
Transaction costs		**(16)**	–	**–**	–
Profit before tax		**87**	327	**135**	247
Income tax benefit/(expense)		**15**	(28)	**–**	–
Profit from continuing operations		**102**	299	**135**	247
Profit from discontinued operation net of income tax	11	**–**	2	**–**	–
Profit after tax attributable to securityholders of Stockland		**102**	301	**135**	247
Items that are or may be reclassified to profit or loss, net of tax					
Cash flow hedges – net change in fair value of effective portion		**(13)**	(18)	**(13)**	(18)
Cash flow hedges – reclassified to profit or loss		**13**	11	**13**	11
Other comprehensive loss		**–**	(7)	**–**	(7)
Total comprehensive income		**102**	294	**135**	240
Basic earnings per security (cents)	3	**4.3**	12.6	**5.7**	10.4
Diluted earnings per security (cents)	3	**4.2**	12.6	**5.6**	10.3
Continuing operations					
Basic earnings per security (cents)	11	**4.3**	12.5	**5.7**	10.4
Diluted earnings per security (cents)	11	**4.2**	12.5	**5.6**	10.3

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at		Stockland		Trust	
$M	Note	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Cash and cash equivalents		**693**	271	**520**	102
Receivables	8	**262**	330	**40**	22
Inventories	6	**1,562**	1,289	**–**	–
Other financial assets		**48**	35	**48**	35
Other assets		**123**	138	**106**	93
Non-current assets held for sale	11	**263**	4	**247**	–
Current assets		**2,951**	2,067	**961**	252
Receivables	8	**146**	169	**3,081**	2,389
Inventories	6	**2,758**	2,584	**–**	–
Investment properties	7	**10,414**	10,532	**9,963**	10,169
Equity–accounted investments	16	**746**	675	**700**	662
Other financial assets		**214**	285	**198**	270
Property, plant and equipment		**136**	137	**–**	–
Intangible assets		**56**	62	**–**	–
Other assets		**122**	129	**111**	115
Non–current assets		**14,592**	14,573	**14,053**	13,605
Assets		**17,543**	16,640	**15,014**	13,857
Payables	9	**907**	885	**447**	443
Borrowings	12	**381**	200	**381**	200
Development provisions	6	**204**	453	**35**	196
Other financial liabilities		**15**	20	**15**	20
Other liabilities	10	**134**	121	**21**	20
Current tax liabilities		**31**	30	**–**	–
Current liabilities		**1,672**	1,709	**899**	879
Payables	9	**164**	178	**–**	–
Borrowings	12	**4,896**	3,707	**4,896**	3,707
Development provisions	6	**141**	201	**–**	–
Other financial liabilities		**130**	151	**130**	151
Deferred tax liabilities		**26**	42	**–**	–
Other liabilities	10	**441**	476	**27**	27
Non–current liabilities		**5,798**	4,755	**5,053**	3,885
Liabilities		**7,470**	6,464	**5,952**	4,764
Net assets		**10,073**	10,176	**9,062**	9,093
Issued capital		**8,642**	8,652	**7,345**	7,355
Reserves		**25**	29	**120**	85
Retained earnings/undistributed income		**1,406**	1,495	**1,597**	1,653
Securityholders' equity		**10,073**	10,176	**9,062**	9,093

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

Attributable to securityholders of Stockland

$M	Note	Issued capital	Reserves: Security based payments	Reserves: Cash flow hedges	Retained earnings	Equity
Balance at 1 July 2022		8,655	39	(14)	1,681	10,361
Profit for the period		–	–	–	301	301
Other comprehensive loss, net of tax		–	–	(7)	–	(7)
Total comprehensive income/(loss)		–	–	(7)	301	294
Dividends and distributions	4	–	–	–	(282)	(282)
Security based payment expense		–	10	–	–	10
Acquisition of treasury securities		(15)	–	–	–	(15)
Securities vested under Security Plans		9	(9)	–	–	–
Other movements		(6)	1	–	(282)	(287)
Balance at 31 December 2022		8,649	40	(21)	1,700	10,368
Balance at 1 July 2023		8,652	45	(16)	1,495	10,176
Profit for the period		**–**	**–**	**–**	**102**	**102**
Other comprehensive loss, net of tax		**–**	**–**	**–**	**–**	**–**
Total comprehensive income		**–**	**–**	**–**	**102**	**102**
Dividends and distributions	4	**–**	**–**	**–**	**(191)**	**(191)**
Security based payment expense		**–**	**9**	**–**	**–**	**9**
Acquisition of treasury securities		**(23)**	**–**	**–**	**–**	**(23)**
Securities vested under Security Plans		**13**	**(13)**	**–**	**–**	**–**
Other movements		**(10)**	**(4)**	**–**	**(191)**	**(205)**
Balance at 31 December 2023		**8,642**	**41**	**(16)**	**1,406**	**10,073**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

Attributable to securityholders of Trust

$M	Note	Issued capital	Reserves: Security based payments	Reserves: Cash flow hedges	Reserves: Other	Undistri-buted income	Equity
Balance at 1 July 2022		7,358	39	(14)	–	2,078	9,461
Profit for the period		–	–	–	–	247	247
Other comprehensive loss, net of tax		–	–	(7)	–	–	(7)
Total comprehensive (loss)/income		–	–	(7)	–	247	240
Distributions	4	–	–	–	–	(282)	(282)
Capital contribution		–	–	–	57	–	57
Security based payment expense		–	9	–	–	–	9
Acquisition of treasury securities		(14)	–	–	–	–	(14)
Securities vested under Security Plans		8	(8)	–	–	–	–
Other movements		(6)	1	–	57	(282)	(230)
Balance at 31 December 2022		7,352	40	(21)	57	2,043	9,471
Balance at 1 July 2023		7,355	44	(16)	57	1,653	9,093
Profit for the period		**–**	**–**	**–**	**–**	**135**	**135**
Other comprehensive loss, net of tax		**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income		**–**	**–**	**–**	**–**	**135**	**135**
Distributions	4	**–**	**–**	**–**	**–**	**(191)**	**(191)**
Capital contribution		**–**	**–**	**–**	**38**	**–**	**38**
Security based payment expense		**–**	**8**	**–**	**–**	**–**	**8**
Acquisition of treasury securities		**(21)**	**–**	**–**	**–**	**–**	**(21)**
Securities vested under Security Plans		**11**	**(11)**	**–**	**–**	**–**	**–**
Other movements		**(10)**	**(3)**	**–**	**38**	**(191)**	**(166)**
Balance at 31 December 2023		**7,345**	**41**	**(16)**	**95**	**1,597**	**9,062**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

Half year ended 31 December		Stockland		Trust	
$M	Note	2023	2022[1]	2023	2022
Receipts in the course of operations (including GST)		**1,314**	1,235	**457**	427
Payments in the course of operations (including GST)		**(1,155)**	(997)	**(363)**	(119)
Payments for land		**(429)**	(366)	**–**	–
Distributions received from equity–accounted investments		**19**	27	**9**	11
Receipts from Retirement Living residents		**–**	10	**–**	–
Payments to Retirement Living residents, net of DMF		**–**	(11)	**–**	–
Interest received		**6**	4	**142**	102
Interest paid		**(117)**	(76)	**(117)**	(76)
Net cash flows from operating activities		**(362)**	(174)	**128**	345
Proceeds from sale of investment properties		**137**	181	**137**	110
Payments for and development of investment properties		**(299)**	(158)	**(213)**	(140)
Payments for plant, equipment and software		**(1)**	(3)	**(1)**	–
Payments for investments (including equity–accounted)		**(46)**	(70)	**(41)**	(70)
Repayments from/(extension of) loans to related entities		**–**	–	**(597)**	439
Receipts from sale of a business		**–**	914	**–**	–
Net cash flows from investing activities		**(209)**	864	**(715)**	339
Payments for treasury securities under Security Plans		**(23)**	(15)	**(11)**	(14)
Proceeds from borrowings		**2,452**	712	**2,452**	712
Repayments of borrowings		**(1,092)**	(1,229)	**(1,092)**	(1,229)
Dividends and distributions paid		**(344)**	(349)	**(344)**	(349)
Net cash flows from financing activities		**993**	(881)	**1,005**	(880)
Net movement in cash and cash equivalents		**422**	(191)	**418**	(196)
Cash and cash equivalents at the beginning of the period		**271**	399	**102**	219
Cash and cash equivalents at the end of the period		**693**	208	**520**	23

1 Includes cash flows relating to both continuing and discontinued operations. Net cash flows relating to the discontinued operation have been disclosed in note 11B.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the interim financial report

Basis of preparation

In this section

This section sets out the basis upon which Stockland's interim financial report is prepared as a whole. Specific accounting policies are described in the section to which they relate.

A glossary containing acronyms and defined terms is included at the back of this report.

Stapling arrangement

Stockland represents the consolidation of Stockland Corporation Limited (Corporation) and Stockland Trust (Trust) and their respective controlled entities. Stockland Corporation Limited and Stockland Trust were both incorporated or formed and are domiciled in Australia.

Stockland is structured as a stapled entity: a combination of a share in Stockland Corporation Limited and a unit in Stockland Trust that are together traded as one security on the ASX. The constitutions of Stockland Corporation Limited and Stockland Trust provide that, for so long as the two entities remain jointly quoted, the number of shares in Stockland Corporation Limited and the number of units in Stockland Trust shall be equal and that the shareholders and unitholders be identical. Both Stockland Corporation Limited and the Responsible Entity of Stockland Trust must at all times act in the best interest of Stockland. The stapling arrangement will cease upon the earlier of either the winding up of Stockland Corporation Limited or Stockland Trust or either entity terminating the stapling arrangement.

As permitted by Class Order 13/1050, issued by ASIC, this financial report is a combined financial report that presents the financial statements and accompanying notes of both Stockland and the Trust as at and for the half year ended 31 December 2023.

Statement of compliance

This financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. It does not include all of the notes normally included in the annual financial report, and should be read in conjunction with the annual financial report of Stockland as at and for the year ended 30 June 2023.

All specific accounting policies applied by Stockland and the Trust in the interim financial report are the same as those applied in the annual financial report as at and for the year ended 30 June 2023, with the exception of amended Accounting Standards and Interpretations commencing 1 July 2023, which have been adopted where applicable. The financial position as at 31 December 2023 and the performance for the period ended on that date have not been impacted by the adoption of these Accounting Standards and Interpretations. Refer to note 20 for further details of the Accounting Standards and Interpretations adopted in the period.

The financial statements are presented in Australian dollars, which is Stockland Corporation Limited's and Stockland Trust's functional currency and the functional currency of Stockland and Stockland Trust's subsidiaries.

Comparative figures have been restated where appropriate to ensure consistency of presentation throughout the financial report.

Net current asset position

The Trust has a prima facie net current asset surplus of $62 million (30 June 2023: $627 million deficiency). Net current asset deficiencies in the Trust primarily arise due to the intergroup loan receivable which is classified as a non-current asset. In the current period the Trust is in a net current asset position as a result of non-current assets held for sale being recognised as current assets.

The Trust generated positive cash flows from operations of $128 million during the period. Undrawn bank facilities of $1,975 million (refer to note 12) are also available should they need to be drawn. In addition, Stockland and the Trust have successfully refinanced external borrowings and raised new external debt when required. Based on the cash flow forecast for the next 12 months, which reflects an assessment of the current economic and operating environment, Stockland and the Trust will be able to pay their debts as and when they become due and payable. Stockland also has a robust capital management framework and available liquidity, allowing flexibility in foreseeable business environments. Accordingly, the financial statements have been prepared on a going concern basis.

Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, amounts in the financial report have been rounded to the nearest million dollars, unless otherwise stated.

Results for the period

In this section

This section explains the results and performance of Stockland.

It provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of Stockland, including:

- accounting policies that are relevant for understanding the items recognised in the financial report; and
- analysis of the results for the period by reference to key areas, including revenue, results by operating segment and taxation.

1. Revenue

Half year ended $M	Communities	Commercial Property	Other[1]	Stockland	Trust
31 December 2023					
Development revenue[2]	**485**	**42**	**1**	**528**	**–**
Management revenue[3]	**18**	**15**	**2**	**35**	**–**
Property revenue - outgoings recoveries[4]	**–**	**43**	**–**	**43**	**38**
Revenue from contracts with customers	**503**	**100**	**3**	**606**	**38**
Property revenue[5]	**12**	**316**	**–**	**328**	**337**
Statutory revenue	**515**	**416**	**3**	**934**	**375**
Amortisation of lease incentives	**–**	**39**	**–**	**39**	
Straight–line rent	**–**	**13**	**–**	**13**	
Share of revenue from equity accounted investments[6]	**63**	**14**	**–**	**77**	
Unrealised DMF revenue[5]	**–**	**–**	**–**	**–**	
Segment revenue	**578**	**482**	**3**	**1,063**	
31 December 2022					
Development revenue[2]	650	111	–	761	–
Management revenue[3]	20	16	3	38	–
Property revenue - outgoings recoveries[4]	–	37	–	37	37
Revenue from contracts with customers	670	163	3	836	37
Property revenue[5]	10	302	2	315	304
Statutory revenue from continuing operations	680	466	5	1,151	341
Amounts classified as discontinued operations	–	–	10	10	–
Statutory revenue	680	466	15	1,161	341
Amortisation of lease incentives	–	42	–	42	
Straight–line rent	–	12	–	12	
Share of revenue from equity accounted investments[6]	57	14	–	71	
Unrealised DMF revenue[5]	–	–	(7)	(7)	
Segment revenue	737	534	8	1,279	
Less: amounts classified as discontinued operations[1]	–	–	(3)	(3)	
Segment revenue from continuing operations	737	534	5	1,276	

1 31 December 2022 amounts include the results of the Retirement Living business for the period from 1 July to 29 July 2022 when the business was sold. Refer to note 11B for further details.
2 Development revenue is recognised under AASB 15 Revenue from Contracts with Customers at the point in time when control of the asset passes to the customer, or over time as the performance obligations are met.
3 Management revenue is recognised under AASB 15 Revenue from Contracts with Customers at the point in time when the service is provided, or over time as the service is provided.
4 Revenue related to outgoings recoveries is recognised under AASB 15 over time in the accounting period in which the performance obligations are met.
5 Property revenue, which includes Commercial Property and Communities rental income, and Retirement Living DMF revenue meets the definition of a lease arrangement. Therefore, they fall outside the scope of AASB 15 and are accounted for in accordance with AASB 16 Leases.
6 Operating segment information in note 2 for equity accounted investments is reported in each line item proportional to the Group's interest in the investments.

Property revenue includes $3 million (2022: $4 million) of contingent rents billed to tenants. Contingent rents are derived from the tenants' revenues and represent 0.9% (2022: 1.3%) of gross lease income.

2. Operating segments

Chief Operating Decision Maker

The CODM is a management function which makes decisions regarding the allocation of resources and assesses the performance of the operating segments of an entity.

Stockland's CODM for the half year ended 31 December 2023 was comprised of the five members of the Stockland Senior Leadership Team who collectively performed this function for the majority of the period, being the Managing Director and Chief Executive Officer, the Chief Financial Officer, the CEO - Communities, the CEO - Commercial Property, and the Chief Investment Officer. On 20 November 2023 Stockland announced an operating model update. It is anticipated that, following an update to reporting lines, the segment disclosures will be updated for the year ended 30 June 2024.

Reportable Segments

Stockland has three reportable segments as follows:

- Commercial Property – invests in, develops, and manages Town Centres, Workplace, and Logistics properties;
- Communities – invests in, develops, sells, and manages a range of Masterplanned Communities, Land Lease Communities, and Apartments; and
- Other – includes other items which are not able to be classified within any of the other defined segments. For the half year ended 31 December 2022 this included the Retirement Living business which was disposed of on 29 July 2022.

Measurement of segment results

Funds From Operations

FFO is a non-IFRS measure that is designed to present, in the opinion of the CODM, the results from ongoing operating activities in a way that appropriately reflects Stockland's underlying performance.

FFO is the primary basis on which dividends and distributions are determined, and together with expected capital returns and AFFO impacts, reflects the way the business is managed and how the CODM assesses the performance of Stockland. It excludes certain items which are non-cash, unrealised or of a capital nature, and profit or loss made from realised transactions occurring infrequently and those that are outside the course of Stockland's core ongoing business activities. FFO includes income tax expense relating to FFO, less any tax losses utilised in the period. A reconciliation from FFO to profit after tax is presented in note 2.A.

Adjusted Funds From Operations

AFFO is an alternative, secondary, non-IFRS measure used by the CODM to assist in the assessment of the underlying performance of Stockland. AFFO is calculated by deducting maintenance capital expenditure, incentives and leasing costs from FFO.

Segment revenue

Segment revenue is used by the CODM to assist in the assessment of each segment's execution of the Group's strategy. Segment revenue is comprised of three main types of revenue:

- Development revenue - revenue earned from development projects and is generally non-recurring. It comprises revenue from sales of properties to external customers and associated revenues;
- Management revenue - revenue earned from the establishment and management of investment structures, established and development assets and developments, and is generally classified as recurring; and;
- Property revenue - revenue earned from operating assets, primarily rental income and outgoings recoveries.

Material customers

There is no customer who accounts for more than 10% of the gross revenue of Stockland or of the Trust.

2A. Reconciliation of FFO to profit after tax

Half year ended 31 December $M	2023	2022[1]
FFO	**266**	353
Adjust for:		
Amortisation of lease incentives	**(39)**	(42)
Amortisation of lease fees	**(6)**	(6)
Straight–line rent	**(13)**	(12)
Net change in fair value of investment properties[2]	**(51)**	21
Unrealised DMF revenue	**–**	7
Net (loss)/gain on financial instruments	**(43)**	8
Net (loss)/gain on sale of other non-current assets	**(8)**	6
Net (provision for)/reversal of impairment of inventories	**(3)**	5
Non-FFO income tax benefit/(expense)	**15**	(29)
Other one–off costs[3]	**(16)**	(10)
Profit after tax	**102**	301
(Profit) from discontinued operations net of income tax	**–**	(2)
Profit after tax from continuing operations	**102**	299

1 Includes the results of the Retirement Living business for the period from 1 July to 29 July 2022 when the sale of the business was completed. Refer to note 11B for further details.
2 Includes Stockland's share of revaluation relating to properties held through joint ventures (31 December 2023: $13 million loss; 31 December 2022: $6 million gain) and fair value unwinding of ground leases recognised under AASB 16 (31 December 2023: $0.4 million; 31 December 2022: $0.4 million).
3 Other one-off costs include costs relating to transactions, one-off provisions and integration costs.

2B. FFO and AFFO

The contribution of each reportable segment to FFO and AFFO is summarised as follows:

Half year ended $M	Communities	Commercial Property	Other[1]	Stockland
31 December 2023				
Development revenue	**545**	**42**	**1**	**588**
Management revenue	**18**	**15**	**2**	**35**
Property revenue[2,3]	**15**	**425**	**–**	**440**
Segment revenue	**578**	**482**	**3**	**1,063**
Segment EBIT[2,3]	**67**	**324**	**–**	**391**
Amortisation of lease fees	**–**	**6**	**–**	**6**
Interest expense in cost of sales[4]	**(27)**	**–**	**–**	**(27)**
Finance income	**–**	**–**	**8**	**8**
Finance expense	**–**	**–**	**(63)**	**(63)**
Unallocated corporate and other expenses	**–**	**–**	**(49)**	**(49)**
FFO[5,6]	**40**	**329**	**(104)**	**266**
Maintenance capital expenditure				**(15)**
Incentives and leasing costs[7]				**(30)**
AFFO				**221**
31 December 2022				
Development revenue	705	112	–	817
Management revenue	20	16	3	38
Property revenue[2,3]	12	406	5	424
Segment revenue	737	534	8	1,279
Segment EBIT[2,3]	141	318	–	459
Amortisation of lease fees	–	6	–	6
Interest expense in cost of sales[4]	(28)	(4)	–	(32)
Finance income	–	–	5	5
Finance expense	–	–	(38)	(38)
Unallocated corporate and other expenses	–	–	(47)	(47)
FFO[5,1]	113	320	(80)	353
Maintenance capital expenditure				(18)
Incentives and leasing costs[7]				(25)
AFFO[1]				310

1 31 December 2022 amounts include the results of the Retirement Living business for the period from 1 July to 29 July 2022 when the sale of the business was completed. Refer to note 11B for further details.
2 Commercial Property property revenue and EBIT adds back $39 million (31 December 2022: $42 million) of amortisation of lease incentives and excludes $13 million (31 December 2022: $12 million) of straight–line rent adjustments.
3 31 December 2022 amounts include $7 million of unrealised Retirement Living DMF revenue.
4 Interest expense in cost of sales in Communities includes Stockland's share of interest expense in cost of sales from equity accounted investments of $1 million (31 December 2022: $1 million).
5 Commercial Property FFO includes share of profits from equity-accounted investments of $9 million (31 December 2022: $10 million) and Communities FFO includes share of profits from equity-accounted investments of $18 million (31 December 2022: $17 million).
6 Totals may not add due to rounding.
7 Expenditure incurred on incentives and leasing costs during the period excluding assets under construction.

2C. Balance sheet by operating segment

As at $M	Communities	Commercial Property	Other	Stockland
31 December 2023				
Real estate related assets[1,2]	**4,885**	**11,073**	**123**	**16,081**
Other assets	**362**	**141**	**959**	**1,462**
Assets	**5,247**	**11,214**	**1,082**	**17,543**
Borrowings	**–**	**–**	**5,277**	**5,277**
Other liabilities	**1,497**	**547**	**149**	**2,193**
Liabilities	**1,497**	**547**	**5,426**	**7,470**
Net assets/(liabilities)	**3,750**	**10,667**	**(4,344)**	**10,073**
30 June 2023				
Real estate related assets[1,2]	4,242	11,070	142	15,454
Other assets	412	115	659	1,186
Assets	4,654	11,185	801	16,640
Borrowings	–	–	3,907	3,907
Other liabilities	1,658	686	213	2,557
Liabilities	1,658	686	4,120	6,464
Net assets/(liabilities)	2,996	10,499	(3,319)	10,176

1 Includes non–current assets held for sale, inventories, investment properties, equity–accounted investments and certain other assets.
2 Includes equity–accounted investments of $600 million (30 June 2023: $570 million) in Commercial Property and $146 million (30 June 2023: $105 million) in Communities. Refer to note 16 for further details.

3. EPS

Keeping it simple

EPS is the amount of post-tax profit attributable to each security.

Basic EPS is calculated as statutory profit for the period divided by the weighted average number of securities (WANOS) outstanding. This is highly variable as it includes unrealised fair value movements in investment properties and financial instruments.

Diluted EPS adjusts the basic EPS for the dilutive effect of any instruments, such as Security Plan rights, that could be converted into securities.

Basic FFO per security is disclosed in the Directors' report and note 4, and more directly reflects the underlying income performance of the portfolio.

Half year ended 31 December	Stockland		Trust	
	2023	2022	2023	2022
Profit after tax attributable to shareholders ($M)	**102**	301	**135**	247
WANOS used in calculating basic EPS	**2,382,064,343**	2,380,208,439	**2,382,064,343**	2,380,208,439
Basic EPS (cents)[1]	**4.3**	12.6	**5.7**	10.4
Effect of rights and securities granted under Security Plans[2]	**20,857,377**	9,776,683	**20,857,377**	9,776,683
WANOS used in calculating diluted EPS	**2,402,921,720**	2,389,985,122	**2,402,921,720**	2,389,985,122
Diluted EPS (cents)[1]	**4.2**	12.6	**5.6**	10.3

1 31 December 2022 amounts include both continuing and discontinued operations. Earnings per security for continuing and discontinued operations have been separately disclosed in note 11B.
2 Rights and securities granted under Security Plans are only included in diluted EPS where Stockland is meeting performance hurdles for contingently issuable security based payment rights.

4. Dividends and distributions

Stockland Corporation Limited

There were no dividends from Stockland Corporation Limited during the current or previous financial period. The dividend franking account balance as at 31 December 2023 is $14 million based on a 30% tax rate (30 June 2023: $14 million).

Stockland Trust

For the current period, the interim distribution is paid solely out of the Trust and therefore the franking percentage is not relevant.

	Date of payment		Cents per security		Total amount ($M)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Interim distribution	**29 February 2024**	28 February 2023	**8.0**	11.8	**191**	282

Basis for distribution

Stockland's distribution policy is to pay the higher of 100% of Trust taxable income or 75% to 85% of FFO on an annual basis over time. The payout ratio for the current and comparative periods is summarised as follows:

Half year ended 31 December $	Note	2023	2022
FFO ($M)[1]	2	**266**	353
Weighted average number of securities used in calculating basic EPS	3	**2,382,064,343**	2,380,208,439
FFO per security (cents)		**11.2**	14.8
Distribution per security for the period (cents)		**8.0**	11.8
Payout ratio		**72%**	80%

1 FFO is a non–IFRS measure. A reconciliation from FFO to statutory profit after tax is presented in note 2A.

5. Events subsequent to the end of the period

On 18 December 2023, Stockland announced the formation of the Stockland Supalai Residential Communities Partnership (SSRCP) and the acquisition of a ~$1.06 billion[1] Masterplanned Communities portfolio within that partnership. The partnership is owned 50.1% by Stockland and 49.9% by Supalai Australia Holdings Pty Ltd. The transaction remains subject to regulatory approval, with active engagement ongoing with both the Foreign Investment Review Board (FIRB) and the Australian Competition and Consumer Commission (ACCC).

Other than disclosed in this note or elsewhere in this report, no transaction or event of a material or unusual nature has arisen in the interval between the end of the current reporting period and the date of this report, that in the opinion of the Directors, is highly probable to significantly affect the operations, the results of operations, or the state of affairs of Stockland and the Trust in future periods.

1 Settlement of certain Project Delivery Agreement projects are also conditional on the vendor obtaining relevant landowner Change of Control consents. SSRCP may also exercise its right to acquire (at its election) certain additional parcels of land for an additional payment of up to $239 million.

Operating assets and liabilities

In this section

This section shows the real estate and other operating assets used to generate Stockland's trading performance and the liabilities incurred as a result.

6. Inventories

Keeping it simple

A Whole of Life (WOL) methodology is applied to calculate the margin percentage over the life of each project. All costs, including those costs spent to date and those forecast in the future, are allocated proportionally in line with revenue for each lot to achieve a WOL margin percentage. The WOL margin percentage, and therefore allocation of costs, can change over the life of the project as revenue and cost forecasts are updated.

The determination of the WOL margin percentage requires significant judgement in estimating future revenues and costs and can change over the life of the project as revenue and cost forecasts are updated. The WOL margin percentages are regularly reviewed and updated in project forecasts across the reporting period to ensure these estimates reflect market conditions through the cycle.

	Stockland					
As at	31 December 2023			30 June 2023		
$M	Current	Non-current	Total	Current	Non-current	Total
Completed inventory						
Cost of acquisition	**118**	**–**	**118**	145	–	145
Development and other costs	**332**	**–**	**332**	414	–	414
Interest capitalised	**7**	**–**	**7**	15	–	15
Completed inventory[1]	**457**	**–**	**457**	574	–	574
Development work in progress						
Cost of acquisition	**409**	**1,899**	**2,308**	384	2,015	2,399
Development and other costs	**207**	**390**	**597**	111	150	261
Interest capitalised	**50**	**258**	**308**	37	245	282
Impairment provision	**(5)**	**(98)**	**(103)**	(7)	(94)	(101)
Masterplanned Communities	**661**	**2,449**	**3,110**	525	2,316	2,841
Cost of acquisition	**–**	**76**	**76**	–	76	76
Development and other costs	**–**	**15**	**15**	–	14	14
Apartments	**–**	**91**	**91**	–	90	90
Cost of acquisition	**270**	**83**	**353**	144	60	204
Development and other costs	**159**	**27**	**186**	16	6	22
Interest capitalised	**4**	**–**	**4**	–	–	–
Land Lease Communities	**433**	**110**	**543**	160	66	226
Cost of acquisition	**10**	**104**	**114**	29	112	141
Development and other costs	**(2)**	**3**	**1**	–	–	–
Interest capitalised	**3**	**1**	**4**	1	–	1
Logistics	**11**	**108**	**119**	30	112	142
Development work in progress	**1,105**	**2,758**	**3,863**	715	2,584	3,299
Inventories	**1,562**	**2,758**	**4,320**	1,289	2,584	3,873

1 Comprises Communities inventory of $436 million (30 June 2023: $546 million), logistics inventory of $21 million (30 June 2023: $26 million), and Other inventory of $nil million (30 June 2023: $2 million). No apartments projects are included in completed inventory in the current or prior period.

The following impairment provisions are included in the inventory balance with movements for the period recognised in profit or loss:

$M	Stockland
Balance at the beginning of the period	**101**
Amounts utilised	**(1)**
Additional provisions created	**3**
Balance at the end of the period	**103**

Properties held for development and resale are stated at the lower of cost and NRV. Cost includes the costs of acquisition, development, and holding costs such as borrowing costs, rates, and taxes. Holding costs incurred after completion of development activities are expensed. Inventory is classified as current if it is completed or work in progress expected to be settled within 12 months, otherwise it is classified as non-current.

The sensitivity of key inventory recoverability drivers has been analysed across all inventory projects. Production options continue to be available to Stockland to mitigate the risk of future impairments. While it is unlikely that these drivers would move in isolation, these sensitivities have been performed independently to illustrate the impact each individual driver has on the reported NRV of inventory and they do not represent management's estimate at 31 December 2023.

Stockland	Sales price	Average 3 year price growth[1]	1 year sales rate	Cost
$M	**5% decrease**	**0%**	**25% reduction**	**5% increase**
Additional impairment charge on inventories:				
• Masterplanned Communities and Apartments	**(57)**	**(128)**	**(2)**	**(28)**
• Land Lease Communities	**-**	**-**	**-**	**-**
• Logistics	**-**	**-**	**-**	**-**

1. The average 3-year price growth underpinning the 31 December 2023 impairment assessment is 3.4%.

Key inputs used to assess impairment of inventories are:

Item	Description
Sales rates	Assumptions on the number of lot sales expected to be achieved each month.
Current sales price	Sales prices are generally reviewed semi-annually by the sales and development teams in light of internal benchmarking and market performance and are ultimately approved by the CEO Development.
Revenue escalation rates	The annual growth rate by which a lot is expected to increase in value until point of sale.
Costs to complete	The cost expected to be incurred to bring remaining lots to practical completion, including rectification provisions and other costs.
Cost escalation rates	The annual increase in base costs applied up to the period in which the costs are incurred.
Financing costs	Assumptions on the annual interest rates underpinning future finance costs capitalised to the cost of inventories.
Selling costs	The costs expected to be incurred to complete the sale of inventories.

Impact of climate-related events on inventory impairments

Climate change may affect inventory impairment considerations in two main ways. Firstly, adverse climate conditions and events, such as floods and bushfires, may cause damage and result in reduced demand in affected developments. Risk factors for this include property location and whether the property has been designed to mitigate the impacts of adverse events. Secondly, elevated design standards to enhance resilience and the decarbonisation of the supply chain may lead to increased build costs. Stockland's strategy is to design a commercially sustainable reduction pathway leveraging our scale and diversification to access opportunities including onsite renewable energy generation and lower-carbon materials.

When conducting impairment assessments management considers the cost to develop inventory to required design standards, the latest view of climate-related risk and opportunities, and property-specific factors, such as building design and locations, when determining sales pricing and expected volumes.

Development cost provisions

As at	31 December 2023			30 June 2023		
$M	Current	Non-current	Total	Current	Non-current	Total
Development cost provisions[1]	**204**	**141**	**345**	453	201	654
Development cost provisions	**204**	**141**	**345**	453	201	654

1. Includes $63 million (30 June 2023: $256 million) of provisions relating to Commercial Property investment property assets. $35 million (30 June 2023: $196 million) of the Commercial Property provisions are recorded in Stockland Trust.

$M	Stockland
Balance at the beginning of the period	**654**
Additional provisions	**39**
Amounts utilised	**(170)**
Amounts derecognised	**(178)**
Balance at the end of the period	**345**

The development cost provisions reflect obligations as at 31 December 2023 that arose as a result of past events. This balance includes deferred land options and cost to complete provisions for both active and traded out projects. They are determined by discounting the expected future cash outflows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

7. Investment properties

Keeping it simple

Investment properties comprise investment interests in land and buildings, including integral plant and equipment held for the purpose of producing rental income, capital appreciation, or both.

Investment properties are initially recognised at cost, including any acquisition costs, and are subsequently stated at fair value at each balance date. Investment properties under development are classified as investment property and stated at fair value at each balance date.

Any gain or loss arising from a change in fair value is recognised in profit or loss in the year.

As at		Stockland		Trust	
$M	Note	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Commercial Property investment properties	7.A	**9,860**	10,083	**9,821**	10,097
Communities investment properties	7.B	**554**	449	**142**	72
Investment properties		**10,414**	10,532	**9,963**	10,169

Subsequent costs

Stockland recognises in the carrying amount of an investment property the cost of replacing part of that investment property if it is probable that the future economic benefits embodied within the item will flow to Stockland and the cost can be measured reliably. All other costs are recognised in profit or loss as incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

A property interest under a lease is classified and accounted for as an investment property on a property-by-property basis when Stockland holds it to earn rental income or for capital appreciation or both.

Lease incentives

Lease incentives provided by Stockland to lessees are included in the measurement of fair value of investment property and are treated as separate assets. Such assets are amortised over the respective periods to which the lease incentives apply using a straight-line basis.

Disposal of revalued assets

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal and is recognised in profit or loss in the year of disposal.

7A. Commercial Property investment properties

Stockland owns, operates, and develops a portfolio of Commercial Properties across the Town Centre, Logistics and Workplace sectors.

As at	Stockland		Trust	
$M	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Town Centres	**4,963**	5,152	**4,898**	5,089
Logistics	**3,696**	3,382	**3,696**	3,382
Workplace	**1,994**	2,023	**1,994**	2,023
Capital works in progress and sundry properties	**585**	627	**466**	570
Book value of commercial property	**11,238**	11,184	**11,054**	11,064
Less amounts classified as:				
• cost to complete provision	**(26)**	(2)	**(26)**	(2)
• property, plant and equipment	**(130)**	(131)	**–**	–
• non–current assets held for sale	**(259)**	–	**(247)**	–
• other assets (including lease incentives and fees)	**(179)**	(193)	**(177)**	(191)
• other assets (including lease incentives and fees) attributable to equity–accounted investments	**(5)**	(5)	**(5)**	(5)
• other receivables (straight–lining of rental income)	**(32)**	(48)	**(31)**	(47)
• other receivables (straight–lining of rental income) attributable to equity–accounted investments	**(11)**	(10)	**(11)**	(10)
Investment properties (including Stockland's share of investment properties held by equity–accounted investments)	**10,596**	10,795	**10,557**	10,809
Less: Stockland's share of investment properties held by equity–accounted investments	**(736)**	(712)	**(736)**	(712)
Commercial Property investment properties	**9,860**	10,083	**9,821**	10,097
Net carrying value movements during the period				
Balance at the beginning of the period	**10,083**	10,118	**10,097**	10,169
Acquisitions	**3**	58	**3**	58
Expenditure capitalised	**220**	294	**164**	289
Transfers to non-current assets held for sale[1]	**(259)**	–	**(247)**	–
Movement in ground leases of investment properties	**–**	(1)	**–**	(1)
Disposals	**(153)**	(130)	**(153)**	(130)
Net change in fair value	**(34)**	(256)	**(43)**	(288)
Balance at the end of the period	**9,860**	10,083	**9,821**	10,097

1. Refer to note 11A for further details.

7B. Communities investment properties

Stockland owns, operates and develops a portfolio of Land Lease Communities (LLC) and Community real estate investment properties.

LLC are an over-50s affordable lifestyle residential offering, where residents pay an initial purchase price for the home and ongoing site rental costs (without departure costs), and are entitled to the total capital gain or loss upon sale of the home. Stockland operates and retains ownership of the land on which the homes sit and the common amenity at each community, while the homes, which are built on site, are engineered to be relocatable and remain the property of the residents. The costs to build the homes are recognised within inventory and allocated to cost of sales using the WOL methodology described in note 6. The land retained by Stockland at each community is recognised at fair value within investment property. Any change in the fair value of the land on initial settlement of the homes is recognised as a net change in fair value of investment properties and is included in FFO. Any subsequent changes in fair value are excluded from FFO. The clubhouse facilities are initially recognised at cost in investment property, and are included in the fair value.

Community real estate investment properties comprise non-residential properties retained from Communities developments which are leased to tenants, and includes childcare and medical centres.

As at	Stockland		Trust	
$M	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Land Lease Communities investment properties:				
• Established communities	**197**	197	**–**	–
• Communities under development	**265**	166	**70**	–
Community real estate investment properties	**92**	86	**72**	72
Communities investment properties	**554**	449	**142**	72
Net carrying value movement during the period				
Balance at the beginning of the period	**449**	373	**72**	–
Acquisitions	**100**	44	**72**	72
Expenditure capitalised	**10**	17	**3**	–
Transfer in	**–**	15	**–**	–
Net change in fair value	**(5)**	–	**(5)**	–
Balance at the end of the period	**554**	449	**142**	72

7C. Fair value measurement, valuation techniques and inputs

The adopted valuations (both internal and external) for investment properties are a combination of the valuations determined using the discounted cash flow (DCF) method, the income capitalisation method, the direct comparison method, and transaction prices where relevant.

Based on available information at 31 December 2023 and information arising since that date about both conditions at that date, and the economic and operating conditions evolving since, the Directors have determined that all relevant and available information has been incorporated into the reported valuations.

The techniques used to fair value Stockland's investment properties have not changed since 30 June 2023. For further explanation of the techniques used and inputs applied, refer to the 30 June 2023 annual financial report. The following significant unobservable inputs are used to measure the fair value of the investment properties:

Class of property	Fair value hierarchy	Valuation technique	Inputs used to measure	31 December 2023	30 June 2023
Town Centres	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	**$205 - $672**	$193 - $692
			10-year average specialty market rental growth	**2.44 - 3.68%**	2.34 - 3.51%
			Adopted capitalisation rate	**6.00 - 7.00%**	5.25 - 7.00%
			Adopted terminal yield	**6.25 - 7.25%**	5.75 - 7.25%
			Adopted discount rate	**6.50 - 8.00%**	6.25 - 8.00%
Logistics	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	**$98 - $250**	$86 - $235
			10-year average market rental growth	**3.10 - 3.86%**	3.20 - 4.32%
			Adopted capitalisation rate	**4.75 - 5.75%**	4.25 - 5.50%
			Adopted terminal yield	**5.00 - 6.00%**	4.50 - 5.75%
			Adopted discount rate	**6.50 - 7.50%**	5.75 - 7.00%
Workplace	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	**$336 - $921**	$337 - $922
			10-year average market rental growth	**3.07 - 3.75%**	3.18 - 3.74%
			Adopted capitalisation rate	**5.25 - 9.00%**	4.88 - 9.00%
			Adopted terminal yield	**5.50 - 9.25%**	5.25 - 9.25%
			Adopted discount rate	**6.13 - 9.00%**	6.00 - 9.00%
Commercial properties under development	Level 3	Income capitalisation method	Net market rent (per sqm p.a.)	**$145 - $496**	$105 - $493
			Adopted capitalisation rate	**4.38 - 5.38%**	3.88 - 5.25%
Land Lease Communities	Level 3	DCF and income capitalisation method	Net market rent (per lot p.a.)	**$7,120 - $9,930**	$7,682 - $9,930
			Capitalisation rate	**4.75%**	4.75%
			Terminal yield	**5.00 - 5.25%**	5.00 - 5.25%
			Discount rate	**6.25%**	6.25%
Communities Real Estate	Level 3	DCF and income capitalisation method	Net market rent (per place p.a.)[1]	**$2,704 - $4,045**	$2,700 - $3,803
			Capitalisation rate	**4.75 - 5.50%**	4.75 - 5.50%
			Terminal yield	**5.15 - 5.75%**	5.15 - 5.75%
			Discount rate	**6.00 - 7.75%**	6.00 - 7.75%

1. Rent is charged based on a per place basis, based on the total licensed capacity of each property.

The sensitivity of key drivers to further fair value movements has been analysed across the carrying value of investment properties at 31 December 2023. Investment properties valuations remain subject to market-based assumptions on discount rates, capitalisation rates, market rents and incentives. While it is unlikely that these reported drivers would move in isolation, these sensitivities have been performed independently to illustrate the impact each individual driver has on the reported fair value. They do not represent management's estimate of likely movements at 31 December 2023.

Stockland	Capitalisation rate		Discount rate		Net operating income	
$M	0.25% decrease	0.25% increase	0.25% decrease	0.25% increase	5% decrease	5% increase
Fair value gain/(loss) on:						
• Town Centres	**216**	**(200)**	**93**	**(91)**	**(265)**	**265**
• Logistics	**210**	**(192)**	**77**	**(75)**	**(211)**	**211**
• Workplace	**65**	**(62)**	**32**	**(31)**	**(93)**	**93**
• Land Lease Communities	**11**	**(10)**	**4**	**(4)**	**(10)**	**10**
• Communities Real Estate	**4**	**(4)**	**2**	**(2)**	**(4)**	**4**
Fair value gain/(loss) on investment properties	**506**	**(468)**	**208**	**(203)**	**(583)**	**583**

Impact of climate-related events on property valuations

Climate change, and associated regulations, may affect property values in two main ways. Firstly, adverse weather conditions may cause damage, lost income, and/or reduced useful lives at affected properties. Risk factors for this include property location and whether the property has been designed to mitigate the impacts of adverse weather. Secondly, there is a growing trend amongst investors to pay premiums, and for regulators to require additional measures, for buildings which minimise their impact on the environment, both during construction and throughout their operating life. Properties which minimise their impact will usually have lower operating expenses due to operational efficiency and attract premium rents which may support higher valuations, however increased regulation is likely to lead to an increase in compliance costs which may reduce valuations.

Valuers incorporate an assessment of the impact of specific identified risk items, such as flooding or bushfires, on the value of each property when conducting their valuations, applying both property-specific overlays and benchmarking to market transactions that evidence premiums and discounts for low and high-risk properties.

8. Receivables

As at	Stockland		Trust	
$M	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Trade receivables[1]	**134**	124	**18**	7
Allowance for expected credit loss	**(3)**	(4)	**(3)**	(4)
Net current trade receivables	**131**	120	**15**	3
Other receivables	**40**	61	**21**	14
Receivables due from related companies	**88**	146	**–**	–
Allowance for expected credit loss	**(7)**	(9)	**(6)**	(7)
Net other receivables	**121**	198	**15**	7
Straight–lining of rental income	**10**	12	**10**	12
Current receivables	**262**	330	**40**	22
Straight–lining of rental income	**25**	40	**25**	39
Other receivables	**121**	129	**76**	72
Receivables due from related companies	**–**	–	**2,986**	2,283
Allowance for expected credit loss	**–**	–	**(6)**	(5)
Non–current receivables	**146**	169	**3,081**	2,389

1 Lease receivables from tenants total $22 million (30 June 2023: $8 million).

Expected credit losses

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance under the expected credit loss (ECL) model. The ECL model has not materially changed since 30 June 2023. For further explanation of the ECL approach, refer to the 30 June 2023 annual financial report.

The loss allowances for trade receivables and the intergroup loan as at 31 December 2023 reconcile to the opening loss allowances as follows:

As at	Stockland		Trust	
$M	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Balance at the beginning of the period	**13**	13	**16**	16
Provision raised during the period	**3**	4	**3**	4
Provision release during the period	**(6)**	(4)	**(4)**	(4)
Balance at the end of the period	**10**	13	**15**	16

Receivables due from related companies

The Trust has applied the ECL model under AASB 9 *Financial Instruments* to its unsecured intergroup loan receivable from Stockland, repayable in 2030. While there has been no history of defaults, and the loan is considered to be low credit risk, an impairment provision determined as the 12-month ECL has been recorded at balance date. Management has determined that there has not been a significant increase in credit risk on the intergroup loan since its inception as the Corporation maintains a strong capital position, forecasts positive cash flows and has sufficient assets that are capable of generating cash inflows above their carrying value in order to repay the loan to the Trust in accordance with agreed repayment terms. There is no impact on Stockland as this loan eliminates on consolidation.

9. Payables

As at		Stockland		Trust	
$M	Note	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Trade payables and accruals		**337**	349	**100**	100
Land purchases		**411**	213	**154**	–
Distributions payable	4	**191**	344	**191**	344
GST payable/(receivable)		**(32)**	(21)	**2**	(1)
Current payables		**907**	885	**447**	443
Other payables		**20**	19	**–**	–
Land purchases		**144**	159	**–**	–
Non–current payables		**164**	178	**–**	–

Trade and other payables are initially recognised at fair value less transaction costs and are subsequently carried at amortised cost.

The carrying value of payables at balance date represents a reasonable approximation of their fair value.

10. Other liabilities

As at	Stockland		Trust	
$M	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Land purchases	**49**	49	**–**	–
Other liabilities	**85**	72	**21**	20
Current other liabilities	**134**	121	**21**	20
Land purchases	**385**	421	**–**	–
Other liabilities	**56**	55	**27**	27
Non–current other liabilities	**441**	476	**27**	27

Land Purchases

As part of its normal restocking process, Stockland acquires land on deferred terms from vendors who enter into reverse factoring arrangements with a financier in order to receive their aggregated deferred payments early. All future amounts payable under these arrangements have been recognised on the balance sheet within other liabilities rather than trade payables as is the case for land creditor transactions not subject to a reverse factoring arrangement.

11. Non-current assets and discontinued operations held for sale

Keeping it simple

Investment properties are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Investment properties held for sale remain measured at fair value.

Discontinued operations relate to a component of the Group including its corresponding assets and liabilities that have been classified as held for sale and represent a separate major line of business or geographical area of operation. A discontinued operation may only be classified as held for sale once the sale is highly probably and where the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

11A. Non-current assets held for sale

As at	Stockland		Trust	
$M	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Investment properties transferred from Commercial Property	**259**	–	**247**	–
Investment properties transferred from Other[1]	**4**	4	**–**	–
Non-current assets held for sale	**263**	4	**247**	–

1 Includes $46 million Retirement Living investment property net of $42 million Retirement Living resident obligations.

The following investment properties were held for sale at 31 December 2023:

- Stockland Affinity retirement village, Baldivis, WA[1]
- Stockland Balgowlah, Balgowlah, NSW, including sundry properties[1]
- Stockland Nowra, Nowra, NSW, including sundry properties[2]

11B. Discontinued operation held for sale

There were no discontinued operations held for sale at 31 December 2023. For the half year ended 31 December 2022 the Group's Retirement Living business[3] was presented as a discontinued operation held for sale. The business was subsequently sold on 29 July 2022, at which point the associated assets and liabilities were derecognised by Stockland.

The carrying amounts of the major classes of assets and liabilities for the current period and the comparable period being the year ended 30 June 2023 were nil following the disposal of the business in July 2022. The financial performance of the discontinued operation for the half year ended 31 December 2022 was as follows:

Half year ended 31 December	Stockland
$M	2022
Revenue	10
Investment property expenses	(1)
Management, administration, marketing and selling expenses	(4)
Net change in fair value of investment properties	(2)
Net change in fair value of resident obligations	–
Profit before tax	3
Income tax expense	(1)
Profit after tax from discontinued operation	2

1 Contracts for the sale of these properties were exchanged prior to 31 December 2023.
2 Contracts for the sale of these properties were exchanged before reporting date.
3 Excluding Aspire villages and sundry assets not included in the transaction.

The impact of the discontinued operation on EPS for the half year ended 31 December 2022 was as follows:

Half year ended 31 December	Stockland 2022 Continuing operations	Discontinued operations	Total
Profit after tax attributable to securityholders ($M)	299	2	301
Basic EPS (cents)	12.5	0.1	12.6
Diluted EPS (cents)	12.5	0.1	12.6

The impact of the discontinued operation on cash flows for the half year ended 31 December 2022 was as follows:

Half year ended 31 December $M	Stockland 2022
Net cash inflow from operating activities	2
Net cash outflow from investing activities	(6)
Net cash utilised by discontinued operation	(4)

Capital structure

In this section

This section outlines how Stockland manages the market, credit and liquidity risk associated with its capital structure and related financing costs.

Capital management

The Board determines the appropriate capital structure of Stockland, specifically, how much is raised from securityholders (equity) and how much is borrowed from financial institutions and global capital markets (debt), in order to finance Stockland's activities both now and in the future. The Board considers Stockland's capital structure and its dividend and distribution policy at least twice a year ahead of announcing results, in the context of its ability to continue as a going concern, to deliver its business plan, and execute its strategy.

Stockland's capital structure is monitored through its gearing ratio, together with other key financial metrics, and the Board maintains a capital structure to minimise the overall cost of capital in line with the Board's risk appetite. Stockland has a stated target gearing ratio range of 20% to 30%, together with a look-through gearing ratio of up to 35%, and credit ratings of A-/stable and A3/stable from S&P and Moody's respectively.

Financial risk

Capital and financial risk management is carried out by a central treasury department. The Board reviews and approves written principles of overall risk management, as well as written policies covering specific areas such as capital management, financial risks, interest rates, foreign exchange and credit risks, the use of derivatives, and the Group's liquidity. The Audit Committee assists the Board in monitoring the implementation of these treasury policies.

Borrowings

The Trust borrows money from financial institutions and debt investors globally in the form of bonds, bank debt, and other financial instruments. As a result, Stockland is exposed to changes in interest rates on its net borrowings and to changes in foreign exchange rates on its transactions, assets and liabilities denominated in foreign currencies. In accordance with risk management policies, Stockland uses derivatives to appropriately hedge these underlying exposures. Furthermore, there has been no change in the Group's hedging policy for interest rates or currencies, with the resulting derivative portfolios operating as expected and in line with market movements.

The Group continues to meet both the general and financial undertakings required under its financing arrangements.

12. Borrowings

Interest bearing loans and borrowings are recognised initially at fair value less attributable transaction costs and subsequently stated at amortised cost. Any difference between amortised cost and redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. However, where a qualifying fair value hedge is in place, borrowings are stated at the carrying amount adjusted for changes in fair value of the hedged risk. The changes are recognised in profit or loss.

The table below shows the fair value of each of these instruments measured at Level 2 in the fair value hierarchy. Fair value reflects the principal amount and remaining duration of these notes based on current market interest rates and conditions at balance date. Stockland has complied with all covenants throughout the period ended 31 December 2023 and up to the date of authorisation of these accounts.

		Stockland and Trust							
As at		31 December 2023				30 June 2023			
$M	Note	Current	Non–current	Carrying value	Fair value	Current	Non–current	Carrying value	Fair value
Offshore medium term notes	12.A	**72**	**3,024**	**3,096**	**3,091**	–	3,085	3,085	2,980
Domestic medium term notes and commercial paper	12.B	**279**	**727**	**1,006**	**999**	200	547	747	696
Bank facilities	12.C	**30**	**1,145**	**1,175**	**1,175**	–	75	75	75
Borrowings[1]		**381**	**4,896**	**5,277**	**5,265**	200	3,707	3,907	3,751

1 The difference of $12 million (30 June 2023: $156 million) between the carrying amount and fair value of the offshore medium term notes (MTNs), domestic MTNs and commercial paper is due to notes being carried at amortised cost under AASB 9 Financial Instruments.

12A. Offshore medium term notes

The Trust has issued fixed coupon notes in the US private placement market and under its MTN program in Europe and Asia. These notes have been issued in USD, EUR and HKD and converted back to Australian dollars (AUD or $) principal and AUD floating coupons through cross currency interest rate swaps (CCIRS).

As at 31 December 2023, the fair value of the US private placements and European and Asian MTNs is $1,867 million (30 June 2023: $1,177 million) and $1,224 million (30 June 2023: $1,803 million) respectively.

12B. Domestic medium term notes and commercial paper

Domestic MTNs and commercial paper have been issued at either face value or at a discount to face value and are carried at amortised cost. The discount or premium is amortised to finance costs over the term of the notes. The MTNs are issued on either fixed or floating interest rate terms.

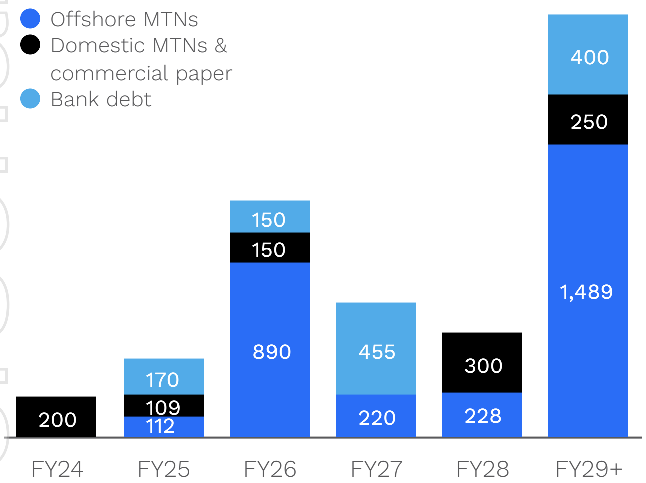
12C. Bank facilities

Bank facilities are unsecured, working capital facilities held at amortised cost. As at 31 December 2023, Stockland and the Trust have undrawn bank facilities of $1,975 million (30 June 2023: $1,425 million) of which $150 million is due to expire within 12 months of balance sheet date.

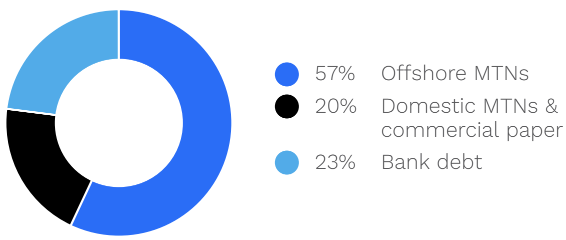
12D. Drawn Debt

The composition and maturity profile for the Group's drawn debt of $5.1 billion is shown below at face value:

Drawn debt maturity profile[1]



Drawn debt composition %[1]



1 Face value in AUD at 31 December 2023 after the effect of the CCIRS.

13. Fair value measurement of financial instruments

Keeping it simple

The financial instruments included on the balance sheet are measured at either fair value or amortised cost. The measurement of fair value may in some cases be subjective and may depend on the inputs used in the calculations. Stockland generally uses external valuations based on market inputs or market values (e.g. external share prices). The different valuation methods are called hierarchies and are described below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the period.

Determination of fair value

The fair value of financial instruments, including offshore MTNs and derivatives, is determined in accordance with generally accepted pricing models by discounting the expected future cash flows using assumptions supported by observable market rates. While certain derivatives are not quoted in an active market, Stockland has determined the fair value of these derivatives using quoted market inputs (e.g. interest rates, volatility, and exchange rates) adjusted for specific features of the instruments and debit or credit value adjustments based on the current creditworthiness of Stockland or the derivative counterparty.

The following table sets out the financial instruments included on the balance sheet at fair value:

	Stockland							
As at	**31 December 2023**				**30 June 2023**			
$M	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative assets	**–**	**246**	**–**	**246**	–	306	–	306
Other investments	**16**	**–**	**–**	**16**	14	–	–	14
Financial assets carried at fair value	**16**	**246**	**–**	**262**	14	306	–	320
Offshore MTNs[1]	**–**	**(2,776)**	**–**	**(2,776)**	–	(2,765)	–	(2,765)
Derivative liabilities	**–**	**(145)**	**–**	**(145)**	–	(171)	–	(171)
Retirement Living resident obligations[2]	**–**	**–**	**(42)**	**(42)**	–	–	(42)	(42)
Financial liabilities carried at fair value	**–**	**(2,921)**	**(42)**	**(2,963)**	–	(2,936)	(42)	(2,978)
Net position	**16**	**(2,675)**	**(42)**	**(2,701)**	14	(2,630)	(42)	(2,658)

1 Offshore MTNs not in an accounting hedge relationship are carried at amortised cost. This table only reflects offshore MTNs carried at fair value according to their hedge designation.
2 At 31 December 2023, $42 million of existing resident obligations has been included in investment properties held for sale (30 June 2023: $42 million). Refer to note 11B for further detail.

	Trust							
As at	**31 December 2023**				**30 June 2023**			
$M	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative assets	**–**	**246**	**–**	**246**	–	306	–	306
Financial assets carried at fair value	**–**	**246**	**–**	**246**	–	306	–	306
Offshore MTNs[1]	**–**	**(2,776)**	**–**	**(2,776)**	–	(2,765)	–	(2,765)
Derivative liabilities	**–**	**(145)**	**–**	**(145)**	–	(171)	–	(171)
Financial liabilities carried at fair value	**–**	**(2,921)**	**–**	**(2,921)**	–	(2,936)	–	(2,936)
Net position	**–**	**(2,675)**	**–**	**(2,675)**	–	(2,630)	–	(2,630)

1 Offshore MTNs not in an accounting hedge relationship are carried at amortised cost. This table only reflects offshore MTNs carried at fair value according to their hedge designation.

14. Issued capital

Keeping it simple

Issued capital represents the amount of consideration received for securities issued by Stockland. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

The balances and movements in equity of Stockland are presented in the consolidated statement of changes in equity.

For so long as Stockland remains jointly quoted, the number of shares in Stockland Corporation Limited and the number of units in Stockland Trust shall be equal and the securityholders and unitholders shall be identical.

Holders of stapled securities are entitled to receive dividends and distributions as declared from time to time and are entitled to one vote per stapled security at securityholder meetings. The liability of a member is limited to the amount, if any, remaining unpaid in relation to a member's subscription for securities. A member is entitled to receive a distribution following termination of the stapling arrangement (for whatever reason). The net proceeds of realisation must be distributed to members, after making an allowance for payment of all liabilities (both actual and anticipated) and meeting any actual or anticipated expenses of termination.

Movements in ordinary securities

	Stockland and Trust		Stockland		Trust	
	Number of securities		$M		$M	
Half year ended 31 December	2023	2022	2023	2022	2023	2022
Opening balance	**2,387,171,662**	2,387,171,662	**8,692**	8,692	**7,393**	7,393
Securities issued during the period	**–**	–	**–**	–	**–**	–
Closing balance[1]	**2,387,171,662**	2,387,171,662	**8,692**	8,692	**7,393**	7,393

1 The issued capital balance in the consolidated balance sheet is presented net of treasury securities of $50 million (31 December 2022: $43 million). Stockland did not issue any ordinary stapled securities during the period.

Other items

In this section

This section includes information about the financial performance and position of Stockland that must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* or the *Corporations Regulations 2001*.

15. Income tax

Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Income tax is calculated at the applicable corporate tax rate of 30% and comprises both current and deferred tax.

Tax consolidation

Stockland Corporation Limited is the head of the tax consolidated group which includes its wholly-owned Australian resident subsidiaries. As a consequence, all members of the tax consolidated group are taxed as a single entity.

Members of the tax consolidated group have entered into a tax sharing agreement and a tax funding arrangement. The arrangement requires that Stockland Corporation Limited assumes the current tax liabilities and deferred tax assets arising from unused tax losses, with payments to or from subsidiaries settled via intergroup loans. Any subsequent period adjustments are recognised by Stockland Corporation Limited only and do not result in further amounts being payable or receivable under the tax funding arrangement. The tax liabilities of the entities included in the tax consolidated group will be governed by the tax sharing agreement should Stockland Corporation Limited default on its tax obligations.

Stockland Trust

Under current Australian income tax legislation, Stockland Trust and its sub-trusts are not liable for income tax on their taxable income (including any assessable component of capital gains), provided that the unitholders are attributed the taxable income of the Trust. Securityholders are liable to pay tax at their effective tax rate on the amounts attributed.

16. Equity-accounted investments

Stockland has interests in a number of joint ventures that are accounted for using the equity method. Stockland did not have investments in associates at 31 December 2023, 30 June 2023, or 31 December 2022.

A joint venture is an arrangement over whose activities Stockland has joint control, established by contractual agreement, where Stockland has rights to the net assets of the arrangement. Investments in joint ventures are accounted for on an equity-accounted basis. Investments in joint ventures are assessed for impairment when indicators of impairment are present and if required, written down to the recoverable amount.

Stockland's share of the joint venture's profit or loss and other comprehensive income is from the date joint control commences until the date joint control ceases. If Stockland's share of losses exceeds its interest in a joint venture, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that Stockland has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Transactions with the joint venture are eliminated to the extent of Stockland's interest in the joint venture until such time as they are realised by the joint venture on consumption or sale. Additionally, Stockland's carrying amount and share of total comprehensive income from joint ventures are adjusted as required to align the accounting policies of the joint venture to Stockland's accounting policies.

A summary of Stockland's joint ventures and their primary activities are as follows:

Joint venture	Primary activities
Macquarie Park Trust	Also known as MPT, this joint venture owns and operates the Optus Centre in Macquarie Park, NSW. The Optus Centre is a 6-building campus style workplace asset.
Riverton Forum Pty Limited and Willeri Drive Trust	Riverton Forum Pty Ltd is the trustee of Willeri Drive Trust. Willeri Drive Trust owned Stockland Riverton, Riverton, WA, which was sold in the year ended 30 June 2023.
Stockland Communities Partnership Pty Ltd	Also known as SCP, this joint venture is developing and selling masterplanned communities. SCP was formed in the period.
Stockland Fife Kemps Creek Trust	Also known as Fife Kemps Creek Trust, this joint venture is developing industrial build to hold assets in Kemps Creek, NSW.
Stockland FIfe Willawong Trust	Also known as Fife Willawong Trust, this joint venture is developing industrial build to hold assets in Willawong, QLD.
Stockland Residential Rental Partnership Trust and SRRP Development Trust	Also known as SRRP, this joint venture is developing and operating Land Lease Communities. The Development Trust is responsible for the development activities and sale of houses, while the Partnership Trust owns the land on which the communities are being developed and is responsible for operating the communities and collecting rental income.
SSRCP Holdco Pty Ltd	Also known as the Stockland Supalai Residential Communities Partnership or SSRCP. On 18 December 2023, Stockland announced the formation of SSRCP and the acquisition of a $1.06 billion[1] Masterplanned Communities portfolio within that partnership. The partnership is owned 50.1% by Stockland and 49.9% by Supalai. The transaction remains subject to regulatory approval, with active engagement ongoing with both the FIRB and the ACCC.
The M_Park Trust	Also known as TMPT, this joint venture is developing the M_Park Stage One project at Macquarie Park, NSW as a build to hold asset. The project contains one data centre and three commercial office buildings.

1 Settlement of certain Project Delivery Agreement projects are also conditional on the vendor obtaining relevant landowner Change of Control consents. SSRCP may also exercise its right to acquire (at its election) certain additional parcels of land for an additional payment of up to $239 million.

The ownership interest, carrying amount, and share of total comprehensive income in each joint venture is presented below:

	Stockland					
	Ownership interest as at		Carrying amount as at		Share of total comprehensive income for the period ended	
	%	%	$M	$M	$M	$M
	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	31 December 2022
Macquarie Park Trust	**51.0**	51.0	**327**	330	**7**	8
Riverton Forum Pty Limited	**50.0**	50.0	**–**	–	**–**	–
SRRP Development Trust	**50.1**	50.1	**26**	21	**18**	20
Stockland Communities Partnership Pty Ltd	**50.1**	N/A	**24**	N/A	**1**	N/A
Stockland Fife Kemps Creek Trust	**50.0**	50.0	**129**	121	**–**	–
Stockland Fife Willawong Trust	**50.0**	50.0	**29**	28	**–**	–
Stockland Residential Rental Partnership Trust	**50.1**	50.1	**96**	84	**5**	(13)
SSRCP HoldCo Pty Ltd	**50.1**	N/A	**–**	N/A	**–**	N/A
The M_Park Trust	**51.0**	51.0	**113**	88	**(17)**	17
Willeri Drive Trust	**50.0**	50.0	**2**	3	**–**	3
Total			**746**	675	**14**	35

	Trust					
	Ownership interest as at		Carrying amount as at		Share of total comprehensive income for the period ended	
	%	%	$M	$M	$M	$M
	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	31 December 2022
Macquarie Park Trust	**51.0**	51.0	**334**	336	**7**	8
Riverton Forum Pty Limited	**50.0**	50.0	**–**	–	**–**	–
Stockland Fife Kemps Creek Trust	**50.0**	50.0	**129**	121	**–**	–
Stockland Fife Willawong Trust	**50.0**	50.0	**29**	28	**–**	–
Stockland Residential Rental Partnership Trust	**50.1**	50.1	**96**	85	**5**	(12)
The M_Park Trust	**51.0**	51.0	**109**	88	**(40)**	(5)
Willeri Drive Trust	**50.0**	50.0	**2**	3	**–**	3
Total[1]			**700**	662	**(28)**	(6)

1 Totals may not add due to rounding.

17. Commitments

As at $M	Stockland 31 December 2023	Stockland 30 June 2023	Trust 31 December 2023	Trust 30 June 2023
Inventories	**613**	569	**–**	–
Investment properties	**206**	286	**206**	286
Capital expenditure commitments	**819**	855	**206**	286

The above commitments include capital expenditure commitments for joint ventures of $143 million (30 June 2023: $172 million).

18. Contingent liabilities

Contingent liabilities at 31 December 2023 comprise bank guarantees, letters of credit, property indemnities and insurance bonds issued to local government and other authorities against performance contracts. Stockland maintains undrawn bank facilities (as outlined in note 12.C) which are available to support these contingent liabilities. The amounts currently issued are as follows:

As at $M	Stockland and Trust 31 December 2023	Stockland and Trust 30 June 2023
Contingent liabilities	**518**	549

19. Related party disclosures

There have been no significant changes to the nature of related parties that were disclosed in the 30 June 2023 annual financial report.

20. Adoption of new and amended accounting standards

20A. New and amended Accounting Standards adopted

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* provides clarity on the classification of liabilities as either current or non–current. The amendment requires a liability to be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period. The amendment is effective for annual reporting periods beginning on or after 1 January 2023, as revised in AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*. There was no material impact on adoption.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* updates the concept of materiality in the context of financial statement disclosures and the level of disclosure required as a result of changes in accounting policies and estimates. The amendment is effective for annual reporting periods beginning on or after 1 January 2023. Stockland has assessed the impact of the standard, and expects that the level of accounting policy disclosures may need to increase for the financial statements for the year ending 30 June 2024.

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* modifies AASB 112 *Income Taxes* to clarify the treatment of deferred tax on transactions that, at the time of the transaction, give rise to equal taxable and deductible temporary differences. The amendment is effective for annual reporting periods beginning on or after 1 January 2023. There was no material impact on adoption. Each future transaction will be assessed on a case by case basis.

20B. Accounting standards issued but not yet in effect

A number of accounting standards have been issued but are not yet in effect for the current reporting period. Stockland has not elected to early adopt any accounting standards during the period.

AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements

AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements amends AASB 107 *Statement of Cash Flows* and AASB 7 *Financial Instruments: Disclosures* to require additional disclosures of the supplier finance arrangements. The amendment is effective for annual periods beginning on or after 1 January 2024. Stockland has assessed the revised definition and does not currently expect any material impact on adoption.

AASB Australian Reporting Standards - Disclosure of Climate-related Financial Information - Exposure Draft 1

The International Sustainability Standards Board (ISSB) is an initiative of the IFRS Foundation to establish a global framework for the disclosure of climate and sustainability information in financial reports. In June 2023, the ISSB released their first two sustainability standards, being IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

Similar to the accounting standards issued by the International Accounting Standards Board (IASB) with which Stockland complies, these standards will not be mandatory until they are adopted by the Australian Accounting Standards Board. In October 2023, the AASB released Australian Sustainability Reporting Standards Exposure Draft 1 (ED SR1) *Disclosure of Climate-related Financial Information* with comments due for submission to the AASB by 1 March 2024. At this time, ED SR1 combines requirements of IFRS S1 and S2 into one standard with the goal of reducing duplication between the standards and focusing on climate related financial disclosures.

Stockland will continue to monitor the development of the Australian Sustainability Reporting Standards and, once finalised, will assess the impact of these standards. At this stage, Stockland expects the primary impact of the standards to be an increase in climate-related risk disclosures and forward-looking financial sensitivities based on climate scenarios. Refer to Stockland's Climate Transition Action Plan released alongside the 30 June 2023 Annual Report for Stockland's assessment of climate risks and decarbonisation pathway.

Directors' declaration

In the opinion of the Directors of Stockland Corporation Limited, and the Directors of the Responsible Entity of Stockland Trust, Stockland Trust Management Limited, (collectively referred to as the Directors):

1. the financial report and notes of the consolidated stapled entity, comprising Stockland Corporation Limited and its controlled entities and Stockland Trust and its controlled entities (Stockland), and Stockland Trust and its controlled entities (the Trust), set out on pages 22 to 55 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of Stockland's and the Trust's financial position as at 31 December 2023 and of their performance for the period ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that both Stockland and the Trust will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Tom Pockett
Chairman

Tarun Gupta
Managing Director and CEO

Dated at Sydney, 21 February 2024

Independent auditor's review report to the stapled securityholders of Stockland and unitholders of Stockland Trust Group

Report on the interim financial report

Conclusion

We have reviewed the interim financial report of Stockland, being the consolidated stapled entity ("Stockland"). The consolidated stapled entity, as described in the Basis of Preparation note to the interim financial report, comprises Stockland Corporation Limited and the entities it controlled during the half-year, including Stockland Trust and the entities it controlled during the half-year ("Stockland Trust Group"). The interim financial report comprises the Consolidated Balance Sheet as at 31 December 2023, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of Stockland and Stockland Trust Group does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Stockland and Stockland Trust Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial report* section of our report.

We are independent of Stockland and the Stockland Trust Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the interim financial report

The directors of Stockland Corporation Limited and the directors of Stockland Trust Management Limited, the Responsible Entity of Stockland Trust (collectively referred to as "the directors"), are

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999

responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Stockland and Stockland Trust Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

Jane Reilly
Partner

Sydney
21 February 2024

Glossary

Term	Definition
$m	$millions
AASBs or Accounting Standards	Australian Accounting Standards as issued by the Australian Accounting Standards Board
AFFO	Adjusted FFO
A-REIT	Australian Real Estate Investment Trust
ASIC	Australian Securities and Investments Commission
Aspire Villages	Non–DMF product and a purpose–built neighbourhood exclusively for people aged over 55 years
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
Board	Board of Directors of Stockland Corporation and STML
CCIRS	Cross currency interest rate swaps
CODM	Chief Operating Decision Maker as defined by AASB 8 Operating Segments
CPI	Consumer Price Index
DCF	Discounted cashflow
D-Life	Project development lifecycle
DPS	Distribution per security
DSTI	Deferred STI
EBIT	Earnings before interest and tax
ECL	Expected credit losses
EPS	Earnings per security
Executive Director	The Managing Director and Chief Executive Officer of Stockland, being Mr Tarun Gupta from 1 June 2021
FFO	Funds from operations. Determined with reference to the PCA guidelines.
FUM	Funds under management
Green Star	Green Star is a national rating system for buildings and fitouts from the Green Building Council of Australia
GST	Goods and services tax
IFRIC	IFRS Interpretation Committee
IFRS	International Financial Reporting Standards as issued by the International Financial Reporting Standards Board
IPUC	Investment properties under construction
IRR	Internal rate of return
IRS	Interest rate swap
KPI	Key performance indicators
LLC	Land lease communities
LTI	Long term incentives
MAT	Moving annual turnover
MTN	Medium term note
NOI	Net operating income
NRV	Net realisable value
PAYG	Pay as you go
Report	This Stockland interim report 1H2024
ROA	Return on assets
ROE	Return on equity
ROIC	Return on invested capital

Term	Definition
SaaS	Software as a service
Security	An ordinary stapled security in Stockland, comprising of one share in Stockland Corporation and one unit in Stockland Trust
Securities Plans	Employee securities plans which comprise the LTI, DSTI and $1,000 employee plans
Statutory profit	Profit as defined by Accounting Standards
STI	Short term incentives
STML	Stockland Trust Management Limited (ACN 001 900 741, AFSL 241190), the Responsible Entity of Stockland Trust
Stockland or Group	The consolidation of Stockland Corporation Group and Stockland Trust Group
Stockland Corporation or Company	Stockland Corporation Limited (ACN 000 181 733)
Stockland Corporation Group	Stockland Corporation and its controlled entities
Stockland Trust	Stockland Trust (ARSN 092 897 348)
Stockland Trust Group or Trust	Stockland Trust and its controlled entities
TCGF	Tax Control and Governance Framework
TTC	Tax Transparency Code
TSR	Total securityholder return
WALE	Weighted average lease expiry
WOL	Whole of Life accounting

Important notice

This Report has been prepared and issued by Stockland Corporation Limited (A.C.N 000 181 733) and Stockland Trust Management Limited as Responsible Entity for Stockland Trust (ARSN 092 897 348) ("**Stockland**"). Figures stated in this report are as at 31 December 2023 unless stated otherwise. Whilst every effort is made to provide accurate and complete information, Stockland does not warrant or represent that the information included in this Report is free from errors or omissions or that it is suitable for your intended use. This Report contains forward-looking statements, including statements regarding future earnings and distributions that are based on information and assumptions available to us as of the date of this Report.
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Stockland

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

Head Office
Level 25, 133 Castlereagh Street
SYDNEY NSW 2000