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ASX/Media Release

\$222 MILLION REDEVELOPMENT PLANNED FOR STOCKLAND WETHERILL PARK

Stockland today announced that it will undertake a \$222 million expansion and redevelopment of its Wetherill Park Shopping Centre in Western Sydney, with preliminary site work scheduled to start towards the end of October 2013.

Stockland will expand the centre by 15,000 square metres to create a shopping centre with a Gross Lettable Area (GLA) of more than 70,000 square metres.

Mark Steinert, Managing Director and CEO at Stockland, said: "We're reshaping our retail shopping centres with a clear objective to be a leader in regional areas and have a clear point of difference in metropolitan areas."

"Our redevelopment of Wetherill Park forms part of our group strategy to grow our recurring income stream and provide risk-adjusted returns above our target hurdle rates."

Stockland forecasts that the redevelopment will provide strong financial returns, deliver growth in market share and recapture a portion of the estimated \$600 million escape expenditure in this trade area.

John Schroder, Group Executive and CEO Commercial Property at Stockland, said: "Wetherill Park Shopping Centre is a prime redevelopment opportunity due to the undersupply of retail space in the trade area, fragmented competition and strong local economy."

Stockland is planning to transform the shopping centre into an even more vibrant and thriving community hub that will be the most comprehensive retail offer in the total trade area. The centre will include children's wear, youth apparel, sport and home wares. The redevelopment will also incorporate a greatly improved level of community amenity, through the delivery of an enhanced entertainment and leisure precinct including an upgraded Hoyts, additional restaurants and a new 800-seat food court.

"The design of the project incorporates local identity and varying styles of architecture to enhance the level of urban amenity desired by our customers," explained Mr Schroder. "In another first for the Stockland retail portfolio, and as a mark of our unique approach to this project, we're also hoping to achieve five star Green Star 'design' and 'as built' environmental ratings."

The centre already strongly outperforms industry benchmarks. Current specialty retail sales productivity at 30 June 2013 was \$11,150 per square metre, which is 43 per cent above the industry benchmark of \$7,800 per square metre for comparable multiple discount department store (DDS) based sub-regional assets and 14 per cent above the industry benchmark of \$9,770 per square metre for multiple DDS and department store based regional assets.

Stockland has forecast the shopping centre to deliver an initial pre-AIFRS yield of 7.25 to 7.5 per cent on completion and, after stabilisation, an incremental IRR of 13.5 per cent.

Stockland will commence the redevelopment with a light touch over the first few months to minimise impact on pre-Christmas trade. Major works will begin in earnest in January 2014 and will be managed in three sequential stages to minimise disruption to retailers and customers, with practical completion of the entire project forecast for mid-2016.

Stockland Wetherill Park is located in Prairiewood within Fairfield City Council and is nominated as a potential major centre under the Sydney Metropolitan Plan.

Key Facts about Stockland Wetherill Park Redevelopment:

On completion, the 70,000 square metre centre will feature:

- two full line supermarkets, (Woolworths and a new Coles supermarket)
- two full line discount department stores, (Big W and Target)
- a refurbished 12-screen Hoyts cinema supported by an expanded external restaurant, entertainment and leisure precinct
- a new, separate 800-seat indoor-outdoor food court and an expanded fresh food precinct
- 10 Mini Majors
- 200 specialty tenancies, comprised of 175 in-line shops and 25 kiosk sites, and 8 pad sites
- 2700 car parking spaces, (4.5 spaces per 100 square metres of Gross Lettable Area Retail (GLAR), which excludes the cinema floor space and pad site land component.
- Stockland is targeting 5 Star Green Star 'design' and 'as built' environmental ratings, a first in the Stockland retail portfolio.

Stockland Wetherill Park currently supports 132 specialty stores, (117 in-line stores and 15 kiosks sites), and is anchored by Big W, Woolworths, Target and a 12-screen Hoyts cinema. The centre was developed by Stockland in 1983 and has been through three phases of development, with the most recent redevelopment completed in 2003.

Stockland

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

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