

## CHAIRMAN'S REPORT



 PETER DALY CHAIRMAN

2002 was a milestone year for Stockland, it being our 50th year of business.

This is a noteworthy achievement, not only to have survived, but also to have grown and prospered over those 50 years through periods of significant change and varying economic circumstances.

**I am delighted to report that Group net profit grew by over \$50 million to \$250 million for the 2002 financial year, an increase of 26% on the prior year.**

Earnings per security increased by 5.5% to 30.8 cents and distributions to shareholders increased by 4.9% to 29.7 cents per security.

On a much sadder note, on 20 July, only days after our 50th anniversary, Mr Ervin Graf, a founding director, guiding force and Chairman until his retirement in October 2000, passed away suddenly. I pay special tribute to Ervin later in this report.

2002 was the first full year of the significantly enlarged Stockland Trust Group following the acquisition of the Flinders, Advance and Australian Commercial Property Trusts. Our increased size has enabled us to improve the depth and capability of our management team, and during the year we recruited a number of highly skilled and experienced executives to drive the business forward.

Each year brings its challenges, some of which are well anticipated but others come totally unexpected. In recent years we have experienced an Asian economic crisis, a millennium transition and the introduction of a goods and services tax.

2001 presented two unexpected challenges, namely the bursting of the technology bubble and the horrific events of September 11. Perhaps the first might have been anticipated but the second is something that no one could have expected. In addition, some significant corporate failures have occurred both here and abroad, largely as a consequence of a breakdown in good corporate governance procedures, greed and unrealistic expectations and behaviour in industries with soft assets.