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Lendlease announces \$1.3 billion sale of 12 Australian Communities projects

Lendlease today announced that it had entered into an agreement for the sale of 12 Australian master-planned Communities projects to Stockland Corporation Limited and its capital partner, Supalai Australia Holdings, for \$1.3 billion¹. The transaction is subject to conditions precedent including third-party consents, planning approvals, and Foreign Investment Review Board approval.

Four projects will remain with Lendlease that are nearing completion or are expected to achieve greater future value through additional development activities. These projects have a FY23 book value of \$0.2 billion.

The transaction represents a significant milestone for Lendlease as it reweights capital to Investments, reduces gearing and realises the value created in these projects.

The transaction is expected to realise a ~20% premium to book value² (pre-tax) and contribute \$130 to \$160 million to FY24 core operating profit after tax. The exact quantum of the gain will be determined after completion of the transaction. Cash proceeds are anticipated to be broadly equal across FY24 and FY25, with the final instalment due in early Q3 FY25. These proceeds equate to a proforma ~5% reduction to FY23 Group gearing.

Initial approvals and first financial settlement are expected to be received in Q3 FY24.

Lendlease Global CEO Tony Lombardo said: "The \$1.3 billion sale of 12 master-planned communities provides Lendlease an opportunity to crystallise the value we have created in these projects."

"We remain focussed on recycling capital to accelerate our Investments-led strategy and to maintain balance sheet flexibility to pursue future opportunities."

Processes for further capital recycling initiatives, including China Senior Living and Australian Retirement Living, remain ongoing.

Lendlease's market guidance for FY24 remains unchanged with Group core operating ROE expected at the lower end of the 8-10% range. The Group continues to forecast its FY24 gearing at or around the mid-point of the 10-20% target range.

¹ Transaction value includes the assumed exercise of a \$239 million right to acquire certain land parcels.

² Expected book value at date of transfer.

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Authorised for lodgement by the Lendlease Group Disclosure Committee