



1 June 2026

Lendlease announces sale of MSG North

Lendlease today announced further progress on its capital recycling initiatives, entering into a sale agreement for its ownership of the development rights to the Milano Santa Giulia mixed-use development (MSG North) in Milan, Italy with an investment group sponsored by local developer Bizzi & Partners S.p.A (Purchaser).

The transaction has a gross value of ~\$250m, including the Purchaser acquiring Lendlease's units in the Heartbeat Fund (the holder of the development rights to MSG North) for cash proceeds of ~\$90m¹ and assuming project debt of ~\$160m, in addition to funding future remediation and infrastructure works. The sale will be conducted at a discount to book value and is expected to result in a post-tax operating loss of approximately \$175m, to be recognised within the Capital Release Unit (CRU) in FY26.

Completion is subject to satisfaction of conditions precedent including receipt of third party approvals.

While the transaction is expected to result in a loss, the strategic sale continues Lendlease's capital release from long dated and complex projects, while also removing future capital obligations associated with the development and holding costs.

The Group has a number of major capital recycling transactions announced or in advanced stages, including several targeted to reach contractual close or completion by 30 June 2026. Lendlease expects to provide a further update in the coming weeks once we have further clarity regarding the status as at 30 June of transactions that are underway but incomplete.

The Group has balance sheet flexibility to manage an orderly realisation of CRU asset sales balancing value realisation and speed of execution. At HY26 the Group held more than \$3b of liquidity. On 25 May 2026, ratings agency Moody's restated its Baa3 investment grade credit rating with a stable outlook.

Group Chief Executive Officer, Tony Lombardo said:

"The sale of the commercially challenged MSG North project is consistent with our strategy to reduce long-dated international development capital and simplify the Group."

ENDS

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Authorised for lodgement by the Lendlease Group Disclosure Committee

¹ Final sale price remains subject to completion and other transaction adjustments

ASX Announcement



Appendix: CRU capital recycling progress since May 2024

Lendlease has announced or completed ~\$2.9b of capital recycling transactions in CRU since its May 2024 strategy update.

Management focus remains on balancing value realisation and speed of execution, with outcomes for the balance of the CRU portfolio to be driven by market conditions and transaction timing.

CRU capital recycling progress since May 2024

Asset	Value	Status
Australian Communities (12 projects)	\$1,060m	Sale completed 1H FY25
US Military Housing	\$516m	Sale completed 1H FY25
Sale of Asia Life Sciences assets ²	\$170m ³	Sale completed 1H FY25
JV with The Crown Estate	\$300m+	Sale announced 2H FY25
International Land and Inventory ⁴	\$240m	Sales completed FY25
TRX Retail and Office	~\$400m	Sale announced 1H FY26
International Land and Inventory ⁵	\$90m	Sales completed 1H FY26
MSG North land ⁶	~\$90m	Sale announced 2H FY26
Total CRU capital recycling initiatives⁷	~\$2,866m	Announced or completed

Contracted transactions of ~\$800m have been announced to date that are yet to be completed.

² Includes positive purchase price adjustments in 1H FY25, relating to the acquisition of a ~\$1.6b portfolio of assets in Singapore

³ Value reflects gross consideration on a 100% ownership basis

⁴ Includes Elephant Park land and asset divestments and the sale of completed inventory

⁵ Includes MIND land in Italy and settlement of Communities land lots

⁶ Excludes \$160m of project debt to be assumed by the purchaser

⁷ Excludes the sale of Capella Capital in FY25, recognised in the Development segment, for \$235m

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