Lennar Completes Acquisition of WCI Communities

Feb 10, 2017

MIAMI, Feb. 10, 2017 /PRNewswire/ -- Lennar Corporation (NYSE: LEN and LEN.B) today announced the completion of its acquisition of WCI Communities, Inc. (NYSE: WCIC), a premier lifestyle community developer and luxury homebuilder of single and multi-family homes, for approximately $643 million, or $23.50 per share. The purchase includes a portfolio of well-located, owned and controlled land totaling approximately 13,700 homesites, located in most of the highest growth and largest coastal Florida markets, as well as WCI's complementary real estate brokerage and title services businesses.

Stuart Miller, Chief Executive Officer of Lennar, said, "We are very excited to complete the acquisition of this outstanding company. We'd like to extend a warm welcome to the WCI associates who will be joining the Lennar family."

Mr. Miller continued, "Prior to closing, we elected to pay the purchase price in all cash as opposed to using 50% stock. We view this decision as equivalent to a $321 million stock repurchase and chose this structure for various strategic reasons. First, while the use of cash slightly increases our current leverage, the combination of our carefully managed 7-10% target growth rate, soft pivot land strategy and strong profitability and operating cash flow will continue to fortify our balance sheet and position us to end fiscal 2017 with similar leverage to our fiscal 2016 year end. Second, using cash versus stock for the purchase of existing, open for business, established high-margin communities with proven sales, offsets the need to purchase new raw land at retail prices for future growth in these markets. Third, we continue to believe that the housing market remains strong and will continue to gradually improve for the foreseeable future. And finally, we believe our stock is undervalued given our strong core business and the maturity of our ancillary businesses."

Richard Beckwitt, President of Lennar, said, "Through our extensive due diligence process, we have identified many areas where we believe significant synergies will be realized, and we anticipate a very smooth transition for current WCI homebuyers. We are looking forward to working with the talented associates from WCI to enhance our homebuilding operations and ancillary businesses to maximize the opportunities from our combined leading market position in Florida."

Lennar Corporation, founded in 1954, is one of the nation's largest builders of quality homes for all generations. The Company builds affordable, move-up and retirement homes primarily under the Lennar brand name. Lennar's Financial Services segment provides mortgage financing, title insurance and closing services for both buyers of the Company's homes and others. Lennar's Rialto segment is a vertically integrated asset management platform focused on investing throughout the commercial real estate capital structure. Lennar's Multifamily segment is a nationwide developer of high-quality multifamily rental properties. Previous press releases and further information about the Company may be obtained at the "Investor Relations" section of the Company's website, **www.lennar.com**.

Forward-Looking Statements

Some of the statements in this press release are "forward-looking statements," as that term is defined in the Private Securities Litigation Reform Act of 1995, including statements regarding the strength of the housing market in the future, our 7-10% target growth rate, and our anticipated leverage at the end of fiscal 2017. These forward-looking statements are subject to risks, uncertainties and assumptions. Accordingly, these forward-looking statements should be evaluated with consideration given to the many risks and uncertainties that could cause actual results and events to differ materially from those in the forward-looking statements. They include the risks detailed in the Company's filings with the SEC, including the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2016. It is not possible for management to predict all such risk factors or to assess the impact of such risks on our business. Accordingly, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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