



KKR acquires Tele München Gruppe – planned expansion to become leading independent audio-visual content platform

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- Platform caters to every aspect of the value chain: production, licensing, and distribution
- Addressing structural changes in media market by focusing on premium content from Germany
- Aiming to become “go-to”-partner for creatives and clients
- Further acquisitions planned
- New CEO will be media entrepreneur Fred Kogel

Munich, 21 February 2019 – KKR, a leading global investment firm, today announced the complete acquisition of Tele München Gruppe (“TMG”). TMG is the largest, independent media company in Germany that combines all parts of the value chain for audiovisual content on several platforms.

KKR to build audio-visual content platform

“Thanks to Dr. Kloiber for the trust in us to further develop this great company. We are excited to partner with TMG to create something new in the film and TV business: A platform that covers the entire value chain from film set to cinema and TV and which we will build-out further through acquisitions. Hand in hand with experienced industry executives – first and foremost Fred Kogel, the new CEO of the platform – we will build a platform in the content market that will advance the German entertainment industry through creativity, innovative ideas, and passion,” said Philipp Freise, Member and Head of the European Technology, Media and Telecommunications Industry team at KKR.

Dr. Herbert G. Kloiber, managing partner of TMG, said: “I am proud of what we have achieved at TMG in the past four decades. Following much deliberation, I have decided to place my life’s work into the hands of KKR and thus to ensure that TMG, with its wonderful employees, may continue to grow and succeed.”

TMG has a strong market position and is a leading rights purchaser of international feature films and series with a market-leading library, own production firms and stakes in the TV channels TELE 5 and RTL II.

Shifting market conditions and consumer preferences

Due to its current development, the German market provides an attractive environment to further expand the independent market-leading platform of TMG and to refocus the company in times of digital disruption. The platform operates in one of the largest media markets in the world with sound growth prospects and a robust demand from established TV stations and new media providers (e.g. streaming services). At the same time, the market is highly fragmented with only few players that can deliver all parts of the value chain. Thus, there is a lack of a preferred partners for creative talents. With the shift in consumer preferences towards premium, local, but also international content, there is an ever-increasing need for the creation of a large independent German content platform.

“The market is changing rapidly and that creates chances for us to play an active role in shaping our industry. I am very delighted to have KKR, a strong partner with media experience, by my side to create a future-oriented content company and who sees the challenges of the market as an opportunity. Together, we will produce first-class local content and license and distribute international feature films as well as premium series. At the same time, we want to be the ‘go-to’-partner for top-class creatives, TV channels and digital platforms in Germany”, said Fred Kogel, CEO of the new platform.

Fred Kogel has more than 25 years of management experience in the media industry. He was head of entertainment at ZDF, managing director of Sat.1 and Kirch Media as well as CEO of Constantin Film AG and Constantin Medien AG. He is a proven expert in the areas of TV production and license trading.

Dr. Herbert G. Kloiber will support the further development of the platform as a close advisor. “I would like to thank all my partners for the trusting teamwork. Together, we have co-founded the German private TV in 1986, won Emmys and driven the international development of our industry”, said Dr. Herbert G. Kloiber.

KKR with a strong media and technology expertise

KKR has built up and further developed several market leaders in the media and technology sector and has worked successfully with companies such as BMG, ProSiebenSat.1, Nielsen, and GetYourGuide. “We have proven in the past that we can build up successful market leaders in the demanding media market: At BMG Rights Management, we have built one of the largest music publishers as a Joint Venture together with Bertelsmann from scratch and have strengthened its technological focus and international footprint”, said Philipp Freise.

KKR acts as a true partner to the portfolio companies and supports their growth journey and international expansion with strong financial resources and an international expert network.

The offer is subject to regulatory approvals and other customary closing conditions. It is expected to close in April. KKR made its investment from its European Fund IV. Financial details of the transaction were not disclosed.

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About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About TMG

Tele München Group (TMG) is an integrated media company, which has been operating successfully in the market for over 45 years and combines all segments of audio-visual rights' trading and distribution under one roof. Over the years, the production company has developed into a group of companies, which today are among the content providers of the next generation. With some 3,200 active titles in its program portfolio, TMG is one of the largest license trading companies in Europe and one of the most respected players in the international market.

Through its subsidiaries, TMG has a presence in film and television production as well as distribution arms in the theatrical, home entertainment, TV and VOD segments. Since May 2017 TMG runs its first own SVOD-Channel FILMTASTIC, which is available on Amazon's platform Prime Video Channels, on Rakuten TV and on waipu.tv. TMG is a shareholder in the national free-to-air TV channels TELE 5 and RTL II in Germany, in the leading US-based production company Storied Media Group and in the digital production and distribution company Load Studios. In addition, TMG is majority shareholder in the publicly quoted production company Odeon Film AG.