



## WME | IMG To Acquire UFC®

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Leading Mixed Martial Arts Organization Poised For International Growth Through Powerful WME | IMG Platform

BEVERLY HILLS, Calif., July 11, 2016 /PRNewswire/ -- WME | IMG today announced the acquisition of UFC, the world's premier professional mixed martial arts (MMA) organization.

A global leader in entertainment and sports with a portfolio of more than 800 owned, operated and/or commercially represented events, WME | IMG will also serve as UFC's operating partner. WME | IMG, which has a proven track record of building leading sports brands, will focus on accelerating the sport's popularity and presence around the world. Silver Lake Partners and KKR will join WME | IMG as new strategic investors, along with MSD Capital, L.P. and MSD Partners, L.P. which will provide preferred equity financing.

"We've been fortunate over the years to represent UFC and a number of its remarkable athletes," said WME | IMG Co-CEOs Ariel Emanuel and Patrick Whitesell. "It's been exciting to watch the organization's incredible growth over the last decade under the leadership of the Fertitta brothers, Dana White and their dedicated team. We're now committed to pursuing new opportunities for UFC and its talented athletes to ensure the sport's continued growth and success on a global scale."

Founded in 1993, UFC is one of the largest and fastest growing sports brands in the world, particularly among millennials. The organization produces more than 40 live events annually and is the largest Pay-Per-View event provider in the world, broadcast in over 156 countries and territories, to nearly 1.1 billion television households worldwide, in 29 different languages. UFC continues to capitalize on digital distribution platforms via its wholly-owned subscription over-the-top service, FIGHT PASS, delivering exclusive live events, thousands of fights on-demand and original content to fans around the globe.

UFC held its much-anticipated UFC 200 event in Las Vegas on July 9. Since its centennial event in 2009, UFC has undertaken a number of measures to increase awareness among fans globally, expanding its presence in Europe, Latin America and Asia, and adding women's divisions. The organization has also led the way among sports in promoting athlete safety. UFC is one of the largest contributors to the Cleveland Clinic's Professional Fighters Brain Health Study, and it has the most robust drug testing program in professional sports administered by the U.S. Anti-Doping Agency (USADA).

"No other sport compares to UFC," remarked Dana White, UFC's President who will continue in that role. "Our goal has always been to put on the biggest and the best fights for our fans, and to make this the biggest sport in the world. I'm looking forward to working with WME | IMG to continue to take this sport to the next level."

Lorenzo J. Fertitta, Chairman and CEO, UFC, said: "We're confident that the new ownership team of WME | IMG, with whom we've built a strong relationship over the last several years, is committed to accelerating UFC's global growth. Most importantly, our new owners share the same vision and passion for this organization and its athletes."

Upon closing, Lorenzo Fertitta will step down from day-to-day operations, but Frank Fertitta III and Lorenzo Fertitta will both retain a passive minority interest in the organization.

WME | IMG's strategic investment partners include leading global investment firms Silver Lake and KKR who have a track record of growing strong business enterprises in diverse industries together.

Silver Lake first made a strategic minority investment in WME in 2012 to support the company's development of new business models and distribution channels leveraging the convergence of content creation and technology. Silver Lake subsequently reinvested in WME and supported its management team in the company's 2014 acquisition of IMG.

Since 2015, WME | IMG and Silver Lake have completed a number of acquisitions to expand WME | IMG's capabilities and client services globally and to broaden its owned event portfolio and content offerings through properties like the Professional Bull Riders, Inc. (PBR). The PBR Built Ford Tough Series has broken ten event attendance records and increased television viewership over 20% in 2016 following WME | IMG's acquisition. As part of WME | IMG's platform, UFC will leverage the same global relationships and capabilities to accelerate its growth trajectory.

In addition to its sports marketing and global events portfolio, WME | IMG also represents a diverse roster of artists and content creators across every entertainment vertical, including motion picture, television, music, books, digital and theater. Its sports client roster ranges from professional athletes to sports federations and leagues to more than 200 collegiate institutions. The company also works with top-100 global advertisers to develop meaningful consumer platforms and helps new and iconic brands optimize their licensing potential.

Each year, IMG produces more than 52,000 hours of sports programming and arranges to distribute an additional 32,000 hours on behalf of more than 200 clients including major sports leagues and associations like The All England Lawn Tennis and Croquet Club (Wimbledon), the National Football League, Premier League, Major League Soccer and Euroleague. The company also operates one of the largest sports training institutions in the world, IMG Academy.

The UFC transaction is subject to customary closing conditions. Terms of the transaction were not disclosed.

Paul, Weiss, Rifkind, Wharton & Garrison LLP, Kirkland & Ellis LLP, Simpson Thacher & Bartlett LLP, and Proskauer Rose LLP served as legal advisors to the buying group and Freshfields served as legal advisor to MSD Capital. Barclays, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., affiliates of Goldman, Sachs & Co., and KKR Capital Markets LLC (in alphabetical order) are acting as the buyers' financial advisors and are providing financing for the transaction.

The transaction was led for the sellers by UFC CFO Nakisa Bidarian, with Milbank, Tweed, Hadley & McCloy LLP as legal advisors, and The Raine Group and J.P. Morgan as financial advisors.

#### **About UFC®**

UFC® is a premium global sports brand and the largest pay-per-view event provider in the world. Headquartered in Las Vegas with offices in London, Toronto, São Paulo and Singapore, UFC produces more than 40 live events annually that consistently sell out some of the most prestigious arenas around the globe. UFC programming is broadcast in over 156 countries and territories to more than 1.1 billion TV households worldwide in 29 different languages. UFC FIGHT PASS®, a digital subscription service, delivers exclusive live events, thousands of fights on-demand and original content to fans around the world.

#### **About WME | IMG**

WME | IMG is a global leader in entertainment, sports and fashion operating in more than 30 countries. Named one of Fortune's 25 Most Important Private Companies, the company specializes in talent representation and management; brand strategy, activation and licensing; media production, sales and distribution; and event production and management.

#### **About Silver Lake Partners**

Silver Lake is the global leader in technology investing, with over \$24 billion in combined assets under management and committed capital. The firm's portfolio of investments collectively generates more than \$100 billion of revenue annually and employs more than 210,000 people globally. Silver Lake has a team of approximately 100 investment and value creation professionals located in London, New York, Menlo Park, San Mateo, Hong Kong and Tokyo. The firm's current portfolio includes leading technology and technology-enabled businesses such as Alibaba Group, Avaya, Broadcom Limited, Cast & Crew, Ctrip, Dell, Global Blue, GoDaddy, Intelsat, Motorola Solutions, Quorum Business Solutions, Red Ventures, Sabre, Smart Modular, Solar Winds, Vantage Data Centers, and WME | IMG. For more information about Silver Lake and its entire portfolio, please visit [www.silverlake.com](http://www.silverlake.com).

#### **About KKR**

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. ([KKR](http://www.kkr.com)), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

#### **About MSD Capital, L.P. and MSD Partners, L.P.**

MSD Capital, L.P. is the private investment firm that was established in 1998 to exclusively manage the capital of Michael Dell and his family. The firm's investment strategy is focused on maximizing long-term capital appreciation by making investments across the globe in the equities of public and private companies, credit, real estate and other asset classes and securities. MSD Private Capital Group leads MSD Capital's control equity and structured preferred investments into outstanding businesses with world-class management teams. In 2009, the principals of MSD Capital formed MSD Partners, L.P., an SEC-registered investment adviser, to enable a select group of investors to invest in strategies that were developed by MSD Capital. MSD Capital and MSD Partners are headquartered in New York. In total, the firms manage assets in excess of \$15 billion.

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