21 May 2013

Statement from Seven West Media and Kohlberg Kravis Roberts & Co.

Seven West Media and Kohlberg Kravis Roberts & Co (KKR) today confirmed KKR's decision to sell its shareholding in Seven West Media.

KKR advised Seven West Media of its decision to sell its entire stake tonight following the close of the market on the Australian Securities Exchange.

Commenting, the Chairman of Seven West Media, Kerry Stokes, said: "KKR has been a great partner of Seven for nearly seven years. We understand their decision to sell their shareholding in the company. We have worked closely together over the years in building Seven Media Group and then working together with West Australian Newspapers to create Australia's largest and best-performing media company, Seven West Media. We will welcome our new shareholders following completion of KKR’s sale of its shares. George Roberts, Justin Reizes and the team at KKR have been excellent business partners and we regret that they have come to the conclusion of their investment”

Whilst Seven West Media is sorry to see KKR leave as a shareholder, the company understands the pressure of funds as the term of the fund comes to an end and Australian currency pressures and the fact that because of knowledge KKR has had concerning the change of CEO announced yesterday that they were not free to dispose of their shares until now.

Commenting Justin Reizes from Kohlberg Kravis Roberts & Co said: "This decision was a tough one. KKR has been a shareholder in and partner with Seven for seven years. Seven West Media is a great company with a terrific management team and a strong future. Our decision to sell our shareholding is based on a broad range of parameters on which we based our initial investment and how we sought returns for our investors. We know Seven West Media is a great company, we know it's future is strong and we know it has a well-credentialed board and management. KKR has enjoyed a very strong relationship with Seven since December 2006 and its KKR's investment period is 5-7 years, and this investment is at the longer end of that period. KKR has continued to support the business and reinvested fully in the July 2012 rights issue and also reinvested in SWM via the company’s dividend reinvestment plan in October 2011 and April 2012. KKR has immense respect for the Stokes family and the Seven West Media management team and believes that with Tim Worner as the newly-appointed CEO, it will remain the powerhouse in Australian media.”

SEVEN WEST MEDIA LIMITED ABN 91 053 480 845
50 HASLER ROAD, OSBORNE PARK WA 6017 AUSTRALIA
T +61 8 9482 3111 **F** +61 8 9482 9080