

## SALE OF NINE LIVE

**SYDNEY, 16 April 2015:** Nine Entertainment Co. (ASX:NEC) has today signed an agreement to sell 100% of its Nine Live business to funds advised by Affinity Equity Partners (Affinity) for an enterprise value of \$640 million.

The transaction represents an attractive valuation for Nine Live and provides significant scope for enhanced shareholder returns, whilst retaining substantial balance sheet flexibility to pursue investment opportunities that might arise.

As part of the transaction, Affinity and NEC have also entered into certain contractual arrangements which preserve the respective commercial relationships and benefits that have prevailed during NEC's ownership of the Nine Live business.

David Gyngell, Chief Executive Officer of NEC, said: "Nine Live has grown strongly under NEC ownership for the past 8 years. The team, led by Geoff Jones, have done a remarkable job expanding the business into Touring and Events and, more recently, into international sports and exhibitions.

The sale of the business provides an attractive outcome for NEC shareholders, releasing significant proceeds to enable enhanced shareholder returns while retaining substantial financial flexibility. We will also retain a commercial relationship with the business and look forward to continuing to work together in areas where there are mutual benefits between NEC and Nine Live.

With the sale of Nine Live, our focus now is on optimising the performance of our Free-to-Air TV, Digital and Subscription Streaming businesses and maximising returns to our shareholders."

Brett Sutton, Head of Australia & New Zealand at Affinity Equity Partners, said: "Affinity is excited to invest in Australia's leading live events and ticketing company. Nine Live is an excellent company with strong management and has the capacity for significant growth throughout the region, which aligns with Affinity's investment strategy. Affinity looks forward to partnering with Nine Live to explore opportunities for expansion while maintaining Nine Live's outstanding track record of customer service."

Net proceeds from the transaction are expected to approximate 64 cents per share.

The sale is expected to complete on 31 July 2015 subject to certain customary completion conditions being satisfied.

Following completion, NEC will be in a net cash position, with undrawn bank facilities, providing significant balance sheet flexibility to explore future options as they arise. Subject to alternative uses of capital, it is the Board's intention to increase returns to shareholders through an ongoing program of on-market share buy-backs, incremental to the \$150m program announced in February, and effective from the FY16 interim dividend, to sustainably increase the annual dividend payout ratio to 80-100% of Net Profit after Tax (pre Significant Items), the majority of which is expected to be franked. Through this process, net leverage will be sustained well below 2X EBITDA.

## **Contacts:**

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## **About Affinity Equity Partners**

Affinity Equity Partners is a leading Asia-Pacific private equity investment firm founded in 1998. Affinity has approximately US\$8 billion of assets under management, making it one of the largest private equity firms in the region, with offices in Sydney, Hong Kong, Singapore, Seoul, Beijing and Jakarta. Affinity seeks to create value by partnering with strong management teams and businesses with significant growth prospects which can be accelerated and enhanced through Affinity's unique operational expertise and experience. Affinity's other Australian investments include a 35% stake in Virgin Australia's Velocity Frequent Flyer program.