



KKR to launch offer for GfK

Investor and Analyst Conference Call, 8 December 2016

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Transaction overview

Offer summary

- KKR announced its intention to launch an all cash, voluntary public tender offer for all outstanding publicly traded shares of GfK
- GfK Verein to remain majority shareholder with 56.46% stake in GfK post transaction
- Offer price announced by KKR is €43.50 in cash per share
- 44% premium to the estimated three month volume weighted average share price prior to announcement

Offer process

- Offer document will be published following receipt of permission from BaFin, at which point the offer will commence (expected prior to Christmas)
- Closing expected in Q1 2017
- Tender offer will – inter alia – be subject to a minimum acceptance condition of 18.54 percent and to merger control and approvals by foreign investment authorities

Financing structure

- Financing of the transaction will be borne by KKR and not impact GfK's balance sheet

Commitments

- Supervisory Board and Management Board welcome the offer and, subject to a review of the offer document, intend to support the offer and to recommend the shareholders to accept it
- Management Board members intend to tender their personal shares
- KKR intends to support the growth of the company and its further transformation into a globally leading provider of integrated, technology-based market research services
- Supervisory Board will continue to consist of six shareholder and four labor representatives
- GfK's headquarters will remain in Nuremberg, Germany

Dynamic changes in market research with significant implications for GfK

Changing client needs

- Consumer behaviour has drastically changed and is difficult to predict “always-connected-consumer”
- Speed and real time data mandatory to be successful in Market Research
- “Big data” represents both a challenge and an opportunity
- Clients expect industry insight and our understanding for their business challenges
- Clients looking for predictive analytics and ROI insights

Industry disruption

- Competition landscape has changed
- Innovation and fragmentation caused by many start-ups
- Trends towards increased speed and simplicity
- Growing importance of mobile
- Continued margin pressure requires more efficiency gains
- Trading environment remains challenging

First steps in transformation made, but significant acceleration needed

Significant changes implemented...

- Global operational model with clear responsibilities and operational accountability
- Implementation of global standardized products, global processes and increased automation
- Reduced group complexity through streamlining of corporate entities
- Migration to global service centers to drive productivity, quality and speed
- Implementation of Project Management Office for consistent project management and early detection of issues
- Selective strategic acquisitions (e.g. Norm and Netquest), and divestitures of non core and low margin businesses (e.g. Kynetec)
- Development of GfK Cross Media Link and other digital products and platforms



...but further work remains

- Accelerated operational transformation and increased speed of decision making to meet rapidly changing market environment and effectively compete against incumbents and new market entrants
- Continued simplification of organizational structure, and standardization of products and processes to drive efficiency
- Increased focus on core offerings and products
- Significant investments in acquisitions to capture new market opportunities and drive revenue growth
- Significant investments to further develop digital products and analytical solutions

Timetable and next steps

- Tender offer document will be published following receipt of permission from BaFin, at which point the offer will commence (expected prior to Christmas)
- Offer period of 6-10 weeks
- Tender offer will – inter alia – be subject to a minimum acceptance condition of approximately 18.5 percent
- The consummation of the transaction requires merger control and approvals by foreign investment authorities
- Preliminary results of the Company for 2016 to be published on 31 January 2017
- Closing of the tender offer expected in Q1 2017

THANK YOU