



Pepper Group Limited
Level 27, 177 Pacific Hwy
North Sydney NSW 2060
t +61 2 8913 3030
f +61 2 9463 4666
pepper.com.au

5 July 2017

Confirmation of Receipt of Indicative Non-Binding Proposal and Entering into Exclusivity Agreement

Pepper Group Limited (ASX:PEP) has received an indicative, non-binding proposal from KKR Credit Advisors (US) LLC (KCA), on behalf of itself, certain of its affiliates and/or certain funds, clients or accounts managed or advised by KCA or its affiliates, in relation to a potential control transaction under which shareholders may receive \$3.60 per share and with permission for the Directors to declare and pay a fully franked dividend of up to \$0.03 per share. Pepper has granted exclusivity to KCA to enable it to undertake due diligence and potentially to negotiate definitive transaction documents in respect of the proposal.

The negotiations are incomplete and any entry by the parties into binding transaction documents remains subject to a number of conditions, including (without limitation) the completion of due diligence by KCA and agreement on terms by the parties. There is no certainty that an agreement will be reached or that the proposal will be implemented. Pepper has established an Independent Board Committee to consider the proposal from KCA and the terms of any agreement between Pepper and KCA.

Pepper will keep the market informed in accordance with its continuous disclosure obligations.

The Company has no further comment at this time and no action is required by Pepper's shareholders.

John Williams
Group General Counsel and Company Secretary

Media queries
Tim Allerton
City Public Relations
(02) 9267 4511
(0412) 715 707