



KKR

KKR agrees to sell its 75% equity stake in South Staffordshire Plc to Arjun Infrastructure Partners

London, 13 April 2018 – KKR, a leading global investment firm, and Arjun Infrastructure Partners (“AIP”), an independent infrastructure investment advisory company, have announced an agreement by which the 75% equity stake currently owned and controlled by KKR’s infrastructure funds and other accounts in South Staffordshire Plc (the “Company”) will be sold to pension funds and other institutional investors advised by AIP. The transaction is subject to customary regulatory approvals and clearances. No financial terms are being disclosed.

South Staffordshire Plc is comprised of a regulated water company, South Staffordshire Water Plc (“SSW”), the statutory supplier of water to around 1.6 million customers in the South Staffordshire and Cambridge regions in the UK, and a significant non-regulated business which provides contractual specialist services primarily to the UK water sector. SSW is a leading company in the UK water sector, with an established track record of high levels of customer service, fair pricing and environmentally sustainable operations. The non-regulated business, which includes SSI Services and Echo Managed Services, operates across the UK and continues to leverage its valuable relationships with companies across various regulated sectors.

The Company is committed to serving and supporting its customers and the local community in South Staffordshire and Cambridge. Last year the business provided support to over 23,000 customers in debt, helping them to manage their water accounts and introducing the ‘Assure’ social tariff to offer a discount on bills based on income and expenditure. The Company has invested significantly in the areas which it serves, supporting the successful introduction of the £1 billion North West Cambridge development by supplying homes and community facilities with the UK’s largest rainwater recycling scheme.

Ram Kumar, Chairman of the Company and a senior member of KKR’s infrastructure team, said: “South Staffordshire has a long and successful track record as a UK water utility, and KKR is proud to have been involved with it over the past five years. During our ownership, we have enabled the Company to enhance the quality and reliability of its water supply, support its customers and invest in environmentally sustainable operations. We are confident that the Company is well positioned to continue delivering on its social commitments under AIP’s majority ownership.”

Adrian Page, Group Chief Executive of the Company, said: “We are delighted to have successfully worked with the team at KKR over the past five years. We welcome Arjun as a long term investor based in the UK and are looking forward to working with them and maintaining our position as a leading company in the UK water sector.”

Surinder Toor, Founding Partner of AIP, said: “We are very pleased to have completed this investment on behalf of our investors, who are all natural long-term owners of infrastructure businesses. We recognise that South Staffordshire Plc is a high quality water utility and we are excited to be working alongside the management team and the existing shareholder, Mitsubishi Corporation. Our priority will be to support Adrian Page and his team in continuing to deliver for their customers and the local community.”

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About South Staffordshire Plc

South Staffordshire Plc is an integrated services group with a highly regarded regulated water supply business covering two separate supply regions (South Staffs Water and Cambridge Water), coupled with the provision of related, non-regulated specialist services within two main divisions, Echo and SSI Services. For more information about South Staffordshire Plc, please visit www.south-staffordshire.com.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic manager partnerships that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities 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. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About Arjun Infrastructure Partners

Arjun Infrastructure Partners facilitates the direct infrastructure investment strategy of large sophisticated investors working in partnership whilst allowing each investor to retain all the benefits of a direct investment approach. Founded in 2015, AIP has now made seven investments on behalf of its investors in the UK and the Middle East. AIP is being advised on this investment by White & Case LLP and Brodies LLP (legal advisers) and Evercore (financial advisers).

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