KKR Asset Management Provides Capital Support to Hilding Anders

September 30, 2013

LONDON--(BUSINESS WIRE)-- KKR Asset Management ("KAM") a leading sub-investment grade manager that is wholly-owned by Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR"), today announced that entities advised by or affiliated with Kohlberg Kravis Roberts & Co. L.P., including KKR Financial Holdings LLC (NYSE: KFN), have entered into an agreement with Arle Capital Partners, the lead investor in the company, and Hilding Anders International AB ("Hilding Anders"), to provide a €350 million PIK (payment in kind) facility to repay current lenders and to complete a comprehensive recapitalisation of the business.

Hilding Anders International AB is a leading bed and mattress manufacturer based in Sweden, with strong market positions in Europe and Russia and a growing presence in Asia. The Company, which sells both branded and private-label products, employs 7,600 colleagues in over 40 markets and has experienced strong growth over the past decade through 14 acquisitions.

The investment has been made through investment funds managed by KKR Asset Management, which makes strategic, long-term investments in attractive companies by providing resources to ensure a strong financial profile and improve operations.

Marc Ciancimino, Managing Director of KKR Asset Management, said: "Hilding Anders is a manufacturing and retail company with leading market positions and significant growth opportunities, especially in emerging markets. This is exactly the type of company that we like to support by providing long term financing. Amidst the current dislocation in the European markets, we have made and will continue to make investments in such enterprises. "

Javier Abad, Partner at of Arle Capital Partners, added: "Hilding Anders has a clear road map to value creation and the potential to expand across Europe, Asia and Russia. We are grateful for the strong support from our existing lenders who agreed to a refinancing of the business. This, combined with the additional investment from KKR, will enable Hilding Anders to comfortably pursue its strategic goals.

"We are delighted to partner with KKR, who recognise the inherent strengths of the business and share our long term vision for the Company."

"We are very pleased that the long term financing for Hilding Anders has been secured. We look forward to partner with KKR on our journey to become the leading provider of beds", commented Anders Pettersson, CEO and President of Hilding Anders."

— Ends —

About KKR:

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with $$83.5billion in assets under management as of June 30, 2013. With offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with fund investors through its client relationships and capital markets platform. KKR & Co. L.P. is publicly traded on the New York Stock Exchange (NYSE: KKR), and "KKR," as used in this release, includes its subsidiaries, their managed investment funds and accounts, and/or their affiliated investment vehicles, as appropriate.

KKR has a long established history of successfully partnering with companies and shareholders in Europe, having made its first investment in Europe 17 years ago.

About KKR Asset Management:

Launched by KKR in 2004, KAM invests on behalf of its managed funds, clients and accounts across long/short equities and the corporate credit spectrum, including secured credit, bank loans and high yield securities and alternative assets such as mezzanine financing, special situations investing and structured finance. With more than 100 employees, including 50 investment professionals, KAM's investment teams are closely aligned with KKR's wealth of private equity investment and industry resources. KAM has $$19.9 billion in assets under management as of June 30, 2013. For additional information, please visit KKR's website at www.kkr.com.

About Arle Capital Partners:

Arle Capital Partners Limited is a London-based private equity partnership.

Arle brings together an accomplished team of investment professionals and proven international business leaders, managing a diverse portfolio of around €2 billion for a global investor base. Since taking on the portfolio in 2009, Arle has returned more than €730 million to investors, realising three investments: Ontex, Equity Trust and Capital Safety Group.

Arle's approach is based on active ownership, working in close partnership with management to drive long term uplifts in growth and value and ultimately generate strong returns for Arle's investors. For more information, please visit www.arle.com.

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About Hilding Anders:

Hilding Anders, a leading bed and mattress manufacturer based in Sweden, has a market-leading position in Europe and Russia and a growing presence in Asia. The Company, which sells both branded and private-label products, employs 7,600 people in over 40 markets and has delivered strong growth over the past decade. Sales in the first half of 2013 have been 4% ahead of the prior year. For more information, please visit www.hildinganders.com

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Source: KKR Asset Management