



KKR Invests in Channel Control Merchants

June 8, 2015

Discount Retailer Poised for Growth with New Equity Infusion

HATTIESBURG, Miss. & NEW YORK--(BUSINESS WIRE)-- Channel Control Merchants (“CCM or “Company”), an extreme value retailer of secondary market inventories, announced today that they have completed an equity financing with KKR, a leading global investment firm. Financial terms of the transaction were not disclosed.

“We are pleased to have the backing of a sophisticated investment partner who has deep industry expertise investing in the retail sector. KKR understands our business well and shares our vision for the future. This is an exciting new chapter for our growing retail and export businesses and we look forward to our partnership with KKR,” said Robert A. Roberts, CEO of Channel Control Merchants.

Owned by Robert A. Roberts (CEO), Steven Wisch (Chairman of the Board of the Directors), and the Company’s management team, CCM is an extreme value retailer and exporter of brand sensitive secondary market inventories specializing in the purchase and resale of store level inventories from Fortune 500 and other well-known U.S. retailers and manufacturers. The Company sells a wide variety of brand-name merchandise across multiple categories at exceptional savings at its more than 60 retail stores under the banners Dirt Cheap, Treasure Hunt and Dirt Cheap Building Supplies.

“CCM is led by an entrepreneurial and accomplished management team and the company offers an unmatched value proposition to corporations and consumers. We are thrilled to partner with Rob, Steven, and the entire CCM team as they look to extend the concept into existing and new markets” said Nate Taylor, a Member of KKR and Head of the Firm’s retail/consumer investment team.

For nearly four decades, KKR's private equity franchise has focused on investing in quality companies and partnering with management teams to help them grow. Since 1976, KKR has completed more than 260 private equity investments in portfolio companies with a total transaction value in excess of \$505 billion as of March 31, 2015. When making private equity investments, KKR seeks out strong business franchises, with attractive growth prospects, and leading market positions for either majority or growth-oriented stakes.

KKR has a long history of investing in and growing leading retail companies. KKR is making the investment from its North American XI private equity fund. Robert Roberts, Steven Wisch and the company’s management team will continue to be significant investors in the business.

Goldman Sachs served as financial advisor and Morrison Cohen served as legal counsel to Channel Control Merchants. Citigroup served as financial advisor and Simpson Thacher & Bartlett LLP served as legal counsel to KKR.

About Channel Control Merchants

Channel Control Merchants, LLC is an extreme value retailer and exporter of brand sensitive secondary market inventories. The Company sources inventories from major retailers and manufacturers and processes the merchandise through its reverse logistics facilities. The Company meets its suppliers’ specific geographic distribution requirements for resale by selling through its more than 60 retail stores or through its export operations to over 40 countries worldwide. The Company's retail division has three banners: Dirt Cheap, Treasure Hunt and Dirt Cheap Building Supplies. The Company's stores are located in Mississippi, Alabama, Louisiana, Tennessee, Arkansas, Florida, Texas and California. The stores provide a unique shopping experience by offering a wide variety of brand-name merchandise across multiple categories under one roof at exceptional savings.

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit, and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners’ capital and brings opportunities to others 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 or follow KKR on Twitter @KKR_Co.

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Media:

Channel Control Merchants

Steven Wisch, 212-258-9733

steven.wisch@ccmlc.com

or

KKR

Kristi Huller, 212-230-9722

Kristi.Huller@kkcr.com

Source: KKR