



KKR and ACCIONA partner in global renewable energy business

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LONDON & MADRID--(BUSINESS WIRE)-- ACCIONA, a global infrastructure, water and renewable energy group, and Kohlberg Kravis Roberts & Co. LP (together with its affiliates, "KKR"), a leading global investment firm, today announced a partnership to consolidate and develop one of the largest operating international renewable energy portfolios in the world.

Under the agreement, KKR will invest in ACCIONA Energía Internacional (AEI), the international renewable energy generation business of ACCIONA Energía, the Spanish multinational's energy division. KKR is making the investment from its global infrastructure fund.

KKR is acquiring a one-third stake in AEI at a price of €417m and will help to fund future growth of the renewables portfolio. ACCIONA Energía will retain the remaining two-thirds of AEI.

AEI will hold ACCIONA Energía's operating renewable assets outside Spain, comprising 2.3 GW in 14 countries, including US, Mexico, Australia, Italy, Portugal and South Africa, that will generate an estimated cash flow of €120m distributable to the partners. Most of the portfolio is comprised of wind farms, with a small number of solar (photovoltaic and thermal) assets.

The investment gives an implied enterprise value to AEI of €2.6bn, including €1.3bn in equity and €1.3bn in net debt, making this one of the world's largest financial transactions in the renewable energy sector to date.

ACCIONA Energía will operate AEI's assets for 20 years under a management agreement. ACCIONA Energía will also give AEI a Right of First Offer on future renewable energy projects it develops within AEI's operational territory. ACCIONA Energía has a strong pipeline that can be accelerated through this partnership.

The agreement is expected to be closed before the end of the year.

The intention of both partners is to promote an international IPO through a YieldCo vehicle that will hold all or part of the assets of AEI. The agreement includes an earn-out consideration of an additional purchase price up to €50m based on the outcome of YieldCo's public offering.

[Henry Kravis](#), co-Chairman and co-CEO of KKR, said: "This investment adds to our track record of building successful partnerships with corporates and families. I am really optimistic about the opportunity to partner with such a prominent renewable energy company and to help further develop what is already one of the largest operating renewable portfolios in the world."

[José Manuel Entrecanales Domecq](#), Chairman and CEO of ACCIONA, said: "We are very pleased to have KKR on board as a long-term investment partner who understands and shares our ambition to grow in the renewable energy sector. Our strategic alliance will broaden our international reach, and it will transform the scale of what we can achieve."

Jesús Olmos, Head of KKR Infrastructure in Europe and Head of KKR's operations in Spain, said: "Today's announcement represents another important step in the growth and diversification of our global infrastructure platform, following earlier investments in onshore wind, solar, water utilities, district heating, locomotive leasing and parking, in Europe and the US."

Rafael Mateo, CEO of ACCIONA Energía, said: "There is a strategic rationale for this partnership because of our complementary roles, where ACCIONA brings 20 years of experience in project development and a strong technological track record."

About KKR and KKR Global Infrastructure Fund

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.

As of June 2014, KKR had made 12 infrastructure investments in North America and Europe, including 5 investments in renewable energy related companies. Other European investments include locomotive leasing company European Locomotive Leasing in Austria and Germany, a water utility related investment South Staffordshire in the United Kingdom, the district heating operator Coriance in France, a joint venture to produce wind energy with Sorgenia in France, a stake in T-Solar's Spanish and Italian solar parks, and parking assets owned by Saba Infraestructuras in Europe.

About ACCIONA

ACCIONA is one of Spain's leading corporations and operates in infrastructure, renewable energy, water and services, in more than 30

countries. Its corporate motto —“Pioneers in development and sustainability”—mirrors its commitment to contribute to economic growth, social progress and care for the environment across all its activities. This commitment is recognized by ACCIONA’s inclusion in the Dow Jones (DJSI) and FTSE4Good sustainability indexes. ACCIONA is listed on the Madrid Stock Exchange’s Ibex-35 blue chip index. It has a workforce of more than 34,000 professionals and posted €6.6 billion in revenues in 2013. www.acciona.com

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