KKR Invests in Wireless Telecom Infrastructure Businesses

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KKR's 11th infrastructure investment helps expand access to wireless services in rural America

NEW YORK--(BUSINESS WIRE)-- Global investment firm KKR announced today that it has invested in wireless infrastructure businesses managed by Associated Partners, L.P.

Under the agreements, KKR has made minority investments in PEG Bandwidth, AP Wireless and AP Towers:

- **PEG Bandwidth** designs, builds and operates Ethernet backhaul networks connecting wireless communications towers to the data fiber backbone, principally in rural geographies. The company's networks, the need for which is driven by significant increases in wireless data usage, typically replace aging copper lines that connect cell sites to wireless carriers' core networks.
- **AP Wireless** acquires interests in cell site ground and rooftop leases in the U.S. and internationally.
- **AP Towers** develops new wireless telecom towers and purchases selected towers currently in operation.

The explosion of "smart" mobile devices and wireless data from both consumers and businesses is driving substantial investments in wireless infrastructure. This dynamic, in addition to constantly evolving next-generation video and other data-driven technologies, is expected to stimulate the need for more wireless infrastructure assets and upgrades to outdated parts of existing communications networks.

"The need for wireless infrastructure will continue to be driven by increases in wireless data usage that is overwhelming existing network capacity," said Raj Agrawal, KKR's Head of North American Infrastructure. "We are excited about the opportunity to partner with Associated Partners to grow this premier set of businesses with critical telecom infrastructure assets."

"As the shale revolution is driving the growth of natural gas pipelines to transport molecules, the advent of the smart phone is driving a similar wireless explosion to transmit electrons. Wireless communication networks are an essential component of the nation's infrastructure," said Scott Bruce, Managing Director of Associated Partners, L.P. "We are excited to have KKR partner with us as we expand our businesses."

This transaction represents KKR's eleventh infrastructure investment overall and fifth in North America since 2010. Other North American investments include Colonial Pipeline, the largest refined products pipeline in North America; SunTap Energy, a partnership with Recurrent Energy that is focused on acquiring solar photovoltaic electric generating facilities in North America; Bayonne Water & Wastewater Concession, a joint venture between United Water and KKR to maintain and operate a 40-year water and wastewater concession from the City of Bayonne, New Jersey; and SSM Solar, a group of solar photovoltaic energy projects in Ontario, Canada.

About KKR

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with $90.2 billion in assets under management as of September 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.

About Associated Partners

Managed by David and Bill Berkman, Associated Partners is a telecom industry investment vehicle whose strategy is to invest in and operate wireless communications infrastructure companies that generate secure and growing cash flows. Associated is comprised of a long-standing core team of professionals with significant experience in the communications and infrastructure industries.

Photos/Multimedia Gallery Available: http://www.businesswire.com/multimedia/home/20131028005582/en/

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