



URSA Becomes Part of the Xella Portfolio

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- **Following strong turnaround & growth since 2015, URSA will now complement Xella's portfolio as a separate business unit**
- **Turnaround under KKR ownership allows for next stage in the company's development**
- **URSA has been part of KKR's \$4.5bn investment drive in Spain since 2010 across different investment platforms, supporting leading Spanish businesses to develop and grow their operations, even in challenging market conditions**

MADRID & LONDON--(BUSINESS WIRE)-- Xella International GmbH, a leading European building materials provider, announced the acquisition of URSA from its shareholders, including funds managed by KKR as majority owners. Financial terms of the transaction were not disclosed.

Headquartered in Madrid and with turnover of around €450m, URSA is one of the major insulation providers in Europe, focused on mineral wool and extruded polystyrene (XPS) as solutions for insulating residential and non-residential buildings, both new and those being renovated.

The Xella Group develops, manufactures and markets building materials, dry lining panels and lime and limestone products. URSA will complement Xella's portfolio as a separate business unit.

KKR Credit has been a major shareholder in URSA since 2015 and has supported the business in driving sustainable growth in the face of challenging market conditions. Following a sharp decline in the Russian market, KKR strengthened URSA's management team and reorganised and streamlined operations. This allowed the business to pursue growth initiatives, including capacity extensions in various manufacturing sites, and thanks to the operational improvements, significantly increased profitability.

Mark Brown, Co-Head of Special Situations in Europe at KKR Credit, said: "The combination of KKR's long-term capital and an outstanding management team was instrumental in URSA's strong performance over the past years. We would like to thank all of URSA's employees for their tremendous work in delivering this excellent result, and wish them well as part of the Xella Group."

Alejo Vidal-Quadras, Head of Madrid office at KKR, said: "This transaction continues KKR's strong track record of supporting leading Spanish businesses to develop and grow their operations, even in challenging market conditions. We are convinced that the business will continue to flourish and grow as a key part of Xella's broader portfolio."

Pepyn Dinandt, CEO of URSA, said: "KKR's financial support and operational expertise has proven invaluable in the face of challenging market conditions over the last years. We have built a stronger, more stable business that, together with Xella, is perfectly positioned for continued profitable growth."

The transaction is expected to close by the end of 2017. The investment in URSA comes from funds managed or advised by KKR Credit.

KKR Credit was advised by Lazard & Co., Limited on the transaction.

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About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate, credit and, through its strategic partners, 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 with KKR portfolio companies. KKR invests its own capital alongside its partners' capital 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 URSA

URSA is a leading European insulation provider with the headquarters in Madrid. With approximately 450 Million Euros turnover, URSA is one of the major insulation players in Europe, focused on mineral wool and extruded polystyrene (XPS) as solutions for insulating residential and non-residential buildings, both new and being renovated.

With 13 production sites in 9 countries and a commercial presence in around 40 markets in Europe, Middle East and Northern Africa. URSA employs around 1,800 people in countries such as Germany, France, Russia, Poland, Slovenia, Austria, Czech Republic, Italy, Spain, Belgium, UK, etc.

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For KKR

UK & International

Victor Mallet

Finsbury

Phone: +44(0)20 7251 3801

E-mail: victor.mallet@finsbury.com

or

Spain

Biel Huguet Albons

Estudio de Comunicacion

Phone: +(34) 915 765 250

Email: bhuguet@estudiodecomunicacion.com

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