

Gestamp Solar Becomes X-ELIO After KKR Completes Acquisition of 80% Stake

- | *New name reflects unique strategy to capture projected growth of solar photovoltaic market*
- | *The new financial resources will help X-ELIO to expand operations in markets including Japan, Latin America and the U.S.*

MADRID & LONDON--(BUSINESS WIRE)-- Gestamp Solar, a leading global developer and operator of solar photovoltaic plants, has changed its name to X-ELIO following the successful completion of KKR's acquisition of an 80 percent stake in the business.

"X-ELIO combines all the elements that are needed to capture the dramatic increase in demand for solar energy: capital resources to invest in the long term, an entrepreneurial mindset, technology leadership and the ability to scale the business," said Chief Executive Officer Jorge Barredo. "The new name celebrates our heritage and reflects X-ELIO's enormous growth potential with its etymological cornerstones of Ex (meaning 'out of' and 'from') and Helios (the god who is the personification of the sun in Greek mythology.)"

"The combination of X-ELIO's technological expertise and KKR's financial firepower combines capability and capital and has created a new utility player that will shape and support the revolution that is underway in the world's energy market," said Jesús Olmos, Member and Global Co-Head of Infrastructure at KKR. "The Paris climate agreement from December 2015 also highlights that X-ELIO is part of the drive to solve one of the world's biggest challenges: how to reduce greenhouse gas emissions. This investment adds to our strong belief and track record of investing in renewable energy."

KKR completed the purchase, which was announced in July 2015, following all regulatory approvals, third party consents and customary closing conditions. The transaction valued X-ELIO at a total enterprise value of around \$1 billion and the company set a target to have up to 2.5 GW of installed capacity in operation by 2020.

In Japan, where the company has two plants and 50 MW under operation, X-ELIO now predicts it will reach as much as 600 MW of installed capacity by the end of 2017. Half of that capacity is likely to come from X-ELIO's own developments, with the other half being added through acquisitions.

Latin America is another key market for X-ELIO and the company has already built several projects with an aggregate capacity of approximately 100 MW. It is currently developing more than 500 MW in Mexico and Chile, and actively entering other South American markets such as Peru and Colombia.

In the U.S., where X-ELIO has a 24 MW portfolio of operating projects, the company is working to increase its pipeline of projects, either via its own greenfield developments, strategic partnerships with U.S. companies or M&A deals.

The company, founded in 2005, has rapidly grown into a globally recognized player in the PV space, helped by its integrated operating model that coordinates each project's realization, including the Energy Performance Certificate for new installations, in house.

Solar energy is increasingly cost competitive against conventional electricity generation in many markets. Also, electrical grids worldwide have been expanded in recent years, and are ready to receive and distribute more electricity from PV plants.

"The energy world is going through a revolution as the growth of renewable energies such as solar means we are going from a world of scarce and declining resources to abundant and increasing resources," said Barredo. "Solar is well set to be one of the key energy sources and revolutionize the global energy market, and we're convinced that X-ELIO will be at the heart of it. We look forward to capturing the enormous potential of the solar PV market together."

According to the SolarPower Europe Association, worldwide PV capacity might have reached about 230 GW in 2015. This is an increase by about 50 GW from 2014 and is forecast to more than double in the next five years up to 2020. By 2050, 16% of global electricity could be provided for by PV systems, contributing to making solar power the world's largest source of electricity, according to the International Energy Agency.

The X-ELIO investment is funded by KKR Global Infrastructure Investors II, a \$3.1 billion global fund, and is another example

of how KKR helps to meet vast demands for infrastructure development around the world. KKR continues to actively invest in a broad spectrum of infrastructure to meet critical needs and public policy objectives.

X-ELIO contributes to KKR's growing infrastructure footprint across seven sectors including renewables, heating, rail, telecom, parking, water & midstream with a presence in over 20 countries. In those sectors, KKR has over \$4.5 billion of equity committed. The investments in renewable energy consist of assets in established alternative energy technologies with stable, long-term cash flows. The sectors targeted by KKR include hydro, solar, wind, geothermal and biofuels-based energy and similar types of energy generation.

The infrastructure investments represent more than 3 GW of renewable capacity. The X-ELIO acquisition also boosts the equity invested in renewables by almost 50% and the solar capacity by more than 50%. X-ELIO complements KKR's investments in other assets worldwide such as French wind farm company Renvico, T-Solar's Spanish and Italian solar parks and *ACCIONA Energía Internacional*.

About X-ELIO

X-ELIO specializes in the development, construction, operation and maintenance of solar plants in the U.S., India, the Middle East, Japan, South Africa, South America, Italy, and Spain. The business is currently present in 18 countries. The etymological cornerstones of X-ELIO's name are Ex (meaning 'out of' and 'from') and Helios (the god who is the personification of the sun in Greek mythology.) It reflects X-ELIO's ambition to be a global industry leader with a consummate financial performance as well as a sustainable, renewable energy provider, dedicated to helping to cut greenhouse gases and fight climate change.

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 and on Twitter @KKR_Co.

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Gestamp Renewables

Juan Llovet

Tel: +34 91 177 00 10

Email: juan.llovet@gestampren.com

or

KKR

Victor Mallet

Tel: + 44 (0) 20 7521 3801

Email: victor.mallet@finsbury.com

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