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KKR Invests in China's Gambol Pet Group

Partnership to enhance Gambol's ability to deliver high-quality pet food worldwide

BEIJING & LIAOCHENG, CHINA--(BUSINESS WIRE)-- Global investment firm KKR has invested in Gambol Pet Group (the "Company" or "Gambol"), a leading provider of high-quality pet food headquartered in Shandong Province, China.

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<http://www.businesswire.com/news/home/20170226005246/en/>

Gambol and KKR are partnering to expand the Company's production capacity in key markets including China, Thailand, countries in Europe, and the US, where it is currently the largest private-label provider of pet treats to Walmart. Gambol further aims to leverage KKR's experience in food production and in implementing best practices in the area of food safety and security to provide even greater pet nutrition solutions to customers around the world.

Qin Hua, Chairman & CEO of Gambol, said, "High quality pet food is critical to ensuring the health of pets. By partnering with KKR, we aim to expand and provide healthy packaged pet food to customers both overseas and in China. KKR will become a truly value-added partner to Gambol with their deep expertise in the global pet sector, with Chinese consumers, and in the area of food safety."

Gambol is one of the largest pet food exporters in China, supplying products to a broad customer base in Europe, Asia and North America. In its local market, the Company's "Myfoodie" pet food brand holds the #1 ranking in China's pet treat category and is a leader in the dry food category, according to China Feed Industry Association. The pet category is one of the fastest-growing consumer sectors in China with a compound annual growth rate of over 30% in the past few years, according to the data from Goumin.com. However, the market is still fragmented and under-developed, posing opportunities for players like Gambol with differentiation in technology and product quality.

In addition, China's pet food sector is still at a nascent stage compared to other markets. According to Stratop Group, only 13% of Chinese urban households have pet dogs. Meanwhile, more than 36% of American households own dogs, according to the American Veterinary Medical Association. In China, packaged pet food penetration is only 14%, compared to more than 90% in the US.

Chris Sun, Director at KKR China, said, "Gambol is well-positioned to capture new opportunities in the pet food sector globally and in China given Gambol's extensive industry expertise, product innovation capabilities and long-term commitment to producing safe, high-quality pet food. We look forward to working alongside this experienced and capable management team to build a true industry leader in the emerging pet market."

KKR makes its investment from its China Growth Fund. Further details of the transaction are not disclosed.

About Gambol

Headquartered in Liaocheng, Shandong Province in China, Gambol is one of the largest pet food manufacturers in Asia with 6 facilities in China and 1 facility in Thailand. Gambol provides a wide range of pet food products including dry food, wet food, real meat jerky treats, rawhide chew, dental bone etc. Through stringent food safety control through supplier management, raw material test, processing control, finished product test and after-sales traceability, Gambol achieves highest industry quality standards and supplies to a broad customer base worldwide, including US and Canada Walmart. Gambol was the one of the largest pet food exporters in China in 2016.

Gambol sells pet food product in the China market through its "Myfoodie" brand, through both online and traditional retail channels. Myfoodie ranked #1 in the pet treat category and top 10 in all pet related product categories. For additional information about Gambol, please visit Company website at www.gambolpet.com

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.](https://twitter.com/KKR_Co)

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