KKR

# KKR agrees the sale of a 25% stake in South Staffordshire Plc to Mitsubishi Corporation

*The sale relates to both the regulated and non-regulated water services provided by South Staffordshire Plc*

**London, 03 February 2016 –** KKR, a leading global investment firm, and Mitsubishi Corporation (MC), a global integrated trading company which develops and operates businesses across a variety of industries, entered into an agreement by which a 25% stake in South Staffordshire Plc, currently owned and controlled by KKR's infrastructure funds and other accounts, will be sold to MC.

South Staffordshire Plc is comprised of a regulated water company, South Staffordshire Water Plc (SSW), the statutory supplier of water in South Staffordshire and Cambridge in the UK, as well as several entities which provide non-regulated water-related services throughout the country. SSW is a leading company in the UK water sector, with an established track record of high levels of customer service, fair pricing and environmentally sustainable operations.

The non-regulated businesses, including Echo Managed Services and SSI Services, have expanded their services across the UK, and continue to leverage their valuable relationships with other regulated companies.

Jesús Olmos, Chairman of South Staffordshire Plc and Head of European Infrastructure at KKR, said: "KKR has built a strong track record of investing in infrastructure, including in water supply and distribution. South Staffordshire Plc has established a reputation of providing excellent quality water, through a secure and reliable supply, with high levels of customer service, fair pricing and environmentally sustainable operations. We look forward to the partnership with the Mitsubishi Corporation to support South Staffordshire Plc and its management in maintaining its reputation as a first-class operator."

Masaji Santo, Senior Vice President, Division COO, MC, said: "This investment opportunity marks MC's first step into the European regulated infrastructure market. We view it as an attractive investment into a well-established regulatory environment with a highly reputable investor KKR. UK's regulated water sector is regarded as the world's most advanced water privatization model and we believe our participation in SSW's operations will enhance MC's presence in the rapidly growing global water market.

In addition, South Staffordshire Plc is uniquely characterized by its strong non-regulated business arms, for which MC would create synergies with MC's existing water business assets."

The proposed transaction between KKR and MC, through which MC will indirectly acquire 25% of South Staffordshire Plc's shares, is subject to customary approvals. MC will also receive customary governance rights consistent with its stake. No financial terms were disclosed.

-Ends-

**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.

**About South Staffordshire Plc**

South Staffordshire Plc is an integrated services group with a highly regarded regulated water supply businesses with two separate supply regions (South Staffs Water and Cambridge Water) coupled with the provision of related non-regulated specialist services within two main divisions, Echo and SSI Services. For more information about South Staffordshire Plc, please visit www.south-staffordshire.com.

**About Mitsubishi Corporation**

Mitsubishi Corporation (MC) is a global integrated business enterprise that develops and operates businesses across virtually every industry including industrial finance, energy, metals, machinery, chemicals, living essentials, and environmental business. MC's current activities are expanding far beyond its traditional trading operations as its diverse business ranges from natural resources development to investment in retail business, infrastructure, financial products and manufacturing of industrial goods. With over 200 offices and subsidiaries in approximately 90 countries worldwide and a network of over 600 group companies, MC employs a multinational workforce of over 70,000 people.

**Media Contacts**

Victor Mallet

Finsbury

Phone: +44(0)20 7251 3801

Email: victor.mallet@finsbury.com