

HD KKR backs agribusiness in Australia

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The **firm** will invest at least \$100m in Sundrop Farms from its \$6bn Asia Fund II

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Kohlberg Kravis Roberts has provided growth capital to an arid climate agribusiness in Australia, Sundrop Farms Holdings, which will be used to significantly expand its glasshouse facilities in South Australia, according to a statement.

Financial details of the transaction were not disclosed by the **firm**, but a source close to the deal said KKR would invest over \$100 **million** from KKR Asia Fund II, which closed on \$6 **billion** in July 2013. The **firm** declined to comment on the deal value.

Sundrop Farms grows crops in state-of-the-art glasshouses using proprietary technology developed to address water and food security issues typical to dry regions. The system uses concentrated **solar** power to create the heat, electricity, and desalinated water needed to feed and power the farm's **operations**.

KKR's investment will be specifically used to grow Sundrop's existing **operations** in South Australia by financing a 20-hectare greenhouse facility, which will produce over 15,000 tonnes of vegetables per year for domestic consumption.

The **firm** will also help Sundrop expand its distribution to the Middle East, North America and other supply-constrained markets globally.

"Sundrop Farms provides a unique and innovative solution to environmental challenges in farming," Justin Reizes, head of KKR Australia, said in a statement.

"KKR looks to invest in and partner with companies that provide solutions to environmental and societal challenges. Sundrop Farms epitomises this effort, and we are delighted to work with this experienced and knowledgeable team to pursue new growth opportunities in Australia and internationally."

KKR has been strengthening its hand in Australia, with Tony Schultz joining the Sydney office as a managing director dedicated to **energy** and natural resources in the region in March. Frances Lim, a director in the **firm**'s global macro asset and allocation team, will also be relocating to Sydney by the end of the year.

The operational **firm** tied closely with the global private **equity firm**, KKR Capstone, has also recently bolstered its Australia capabilities, in November appointing Matthew Claughton as a director in its Sydney office.

KKR has been rapidly deploying its second Asia Pacific vehicle, targeting markets across the region. Other deals from the fund include the \$1.6 **billion** Panasonic Healthcare buyout in Japan, a \$1 **billion** investment in Singapore-listed United Envirotech with **Chinese** conglomerate CITIC Group and a \$270 **million** consortium buyout of COFCO Meat in **China**.

Meanwhile, KKR continues to focus on its green portfolio initiatives. In October, the **firm** revealed its ESG measures have now cut nearly \$1.2 **billion** of costs and boosted revenues, having reduced its portfolio's greenhouse gas output by more than 2.3 **million** metric tons between 2008 and 2013 – the equivalent of powering 217,000 homes and driving 156,500 cars for a year.

CO kkr : KKR & Co. L.P.

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