



REUTERS

**HD** KKR invests \$100 million in arid climate agriculture firm

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SYDNEY, Dec 4 (Reuters) - Private equity firm KKR & Co has invested about \$100 million in UK-based agribusiness Sundrop Farms Holding Ltd, which plans to use solar panels and sea water to grow vegetables in a vast greenhouse in Australia's driest state.

The funds would allow Sundrop to scale up its existing operation with the construction of a 20-hectare (50-acre) greenhouse in South Australia that will produce more than 15,000 tons of vegetables a year, Sundrop and KKR said in a statement.

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The two firms aimed to develop a hub for innovative techniques for arid climate agriculture, and KKR's investment would also support Sundrop's plans to expand into the Middle East, North America and other markets.

"We grow food where land is too arid for farming, fresh water is in short supply and domestic food security is a concern," said Philipp Saumweber, chief executive of Sundrop Farms.

Sundrop's technology uses solar power to desalinate seawater, generate heat and produce electricity at its facility in Port Augusta, 300 km (185 miles) north of the state capital Adelaide.

The investment comes just a day after the United Nations said 2014 is on course to be the hottest year on record.

Sundrop, which will also receive some state government funding, said separately it has signed a 10-year contract to supply Australia supermarket operator Coles with truss tomatoes from 2016.

KKR did not give the size of its investment, but a person familiar with the details said the financial backing is worth about \$100 million.

"KKR looks to invest in and partner with companies that provide solutions to environmental and societal challenges," KKR Australia head Justin Reizes said in the statement.

KKR's latest deal comes from its \$6 billion Asia dedicated fund, which closed last year.

Leighton Holdings said it has been awarded the construction contract.

(Reporting by Colin Packham; Additional reporting by Denny Thomas in HONG KONG; Editing by Richard Pullin)

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**CO** kkr : KKR & Co. L.P.

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