



KKR to Acquire Alliance Tire Group from Warburg Pincus

AMSTERDAM & MUMBAI, India--(BUSINESS WIRE)-- Global investment firm KKR today announced it has entered into an agreement to acquire a controlling stake in Alliance Tire Group ("ATG" or "Company"), a global tire maker specializing in producing off-highway tires, from an affiliate of Warburg Pincus. Yogesh Mahansaria, founder of ATG, will continue to maintain an ownership stake in the Company and partner with KKR to continue to grow the business. Terms of the transaction were not disclosed. The transaction is subject to customary closing conditions, including receipt of regulatory and third-party consents.

Employing more than 2,500 people worldwide, ATG is a global developer, manufacturer and supplier of a wide range of off-highway tires, catering primarily to the agricultural, forestry and construction industries. ATG's tires are manufactured at dedicated facilities in Israel and India, with R&D facilities in Israel, India, the United States and South Africa. The Company's products are available in more than 120 countries, and it sells under the brand names Alliance, Galaxy and Primex.

"We would be delighted to have KKR as our new incoming partner. Our team is impressed by KKR's franchise and its strong track record. KKR's investment will enable us to continue to expand into new markets, make strategic acquisitions, and help scale our global presence" said Mr. Mahansaria. "We would also like to thank Warburg Pincus for its support during the past six years as it helped create and build ATG into the global industry leader that it is today."

"ATG is a leader in an attractive industry with strong underlying growth drivers. We are thrilled to be partnered with Yogesh and his management team and look forward to leveraging our global network to support their continued growth," said Sanjay Nayar, Member of KKR and Head of KKR India.

"From funding the initial acquisition of Israel-based Alliance Tire Company to the development of a global player in the off-highway tire sector, our partnership with Yogesh and the entire ATG management team has been an extremely successful one. We are confident that ATG's success will continue with its new partners," said Vishal Mahadevia, Managing Director and Co-Head of Warburg Pincus India.

KKR's investment in ATG is being made through KKR's investment funds and will be supported by a financing tranche led by Crescent Mezzanine with additional participation by the Ivy High Income Fund. Credit Suisse served as the financial advisor to ATG and Nine Rivers Capital advised the Founders. Barclays Bank PLC and JP Morgan served as advisors to KKR for this transaction.

About Alliance Tire Group

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About KKR

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with \$75.5 billion in assets under management as of December 31, 2012. With offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with fund investors through its client relationships and capital



markets platform. KKR & Co. L.P. is publicly traded on the New York Stock Exchange (NYSE:KKR), and "KKR," as used in this release, includes its subsidiaries, their managed investment funds and accounts, and/or their affiliated investment vehicles, as appropriate.

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$30 billion in assets under management. Its active portfolio of more than 125 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 13 private equity funds, which have invested more than \$40 billion in over 650 companies in more than 30 countries.

The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mauritius, Mumbai, San Francisco, São Paulo and Shanghai. For more information, please visit www.warburgpincus.com.

Forward-Looking Statements

This release contains certain forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Without limiting the foregoing, statements regarding the acquisition of ATG and the resulting combined business may constitute forward-looking statements. Such statements are subject to the risk that the terms of such transaction may be modified, the transaction may not be completed at all or the benefits and synergies from such transactions are not realized. The forward-looking statements are based on the beliefs, assumptions and expectations of the parties referenced herein, taking into account all information currently available to them. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to these parties or are within their control. None of the parties undertakes any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law.



Alliance Tire Group specializes in the development, manufacturing, and marketing of tires for Agriculture, Forestry, Construction, Industrial, Earth Moving and OEM applications, under the Alliance, Galaxy, and Primex Brands.

Backed by nearly 60 years of experience, Alliance Tire Group serves customers in 120 countries and offers a full spectrum of products, from basic entry-level tires to a broad range of superior quality value-added products.

All of the Group's tires are developed and tested at its advanced R&D centers.

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