

News Release

KKR, Silverback and Schroder Real Estate Hotels make joint acquisition of Forest Hill La Villette Hotel in Paris

Xx July 2018

KKR, Silverback and Schroder Real Estate Hotels (a division of Schroder Real Estate created following the acquisition of Algonquin Management Partners) have acquired the Forest Hill Hotel La Villette and the adjoining restaurant operated under the Hippopotamus banner. This acquisition is the first performed by Schroder Real Estate Hotels since its acquisition of Algonquin Management Partners.

Forest Hill is a 250-room, 4-star establishment located at 28 Avenue Corentin Cariou, Paris. The La Villette area in Paris is undergoing substantial transformation and will host several sporting events during the upcoming Olympic Games in Paris in 2024. Following the acquisition, the hotel will benefit from a renovation programme, including a refurbishment and new branding. Schroder Real Estate Hotels is the appointed manager of the hotel. La Villette was acquired from Forest Hill Group.

Stéphane Obadia, Head of Investments and Rodolphe Frégé, Investment Director at Schroder Real Estate Hotels, said:

"The capacity and generous common areas of this Parisian hotel asset, located just at Porte de la Villette metro station and in front of the Cité des Sciences, offer multiple repositioning opportunities on which our team will be able to express all the know-how of Schroder Real Estate Hotels."

Guillaume Cassou, Member and Head of European Real Estate at KKR, said:

"We are pleased to continue our partnership with the Schroder Real Estate Hotels team and to acquire our first hotel in Paris, a particularly attractive hotel market."

As part of this transaction, the Forest Hill Group has been assisted by BNP Paribas Real Estate Hotels & Transaxio as sales advisers. KKR, Silverback and Schroder Real Estate Hotels were advised by Gide on the legal aspects. KKR's investment was made through its Real Estate European Partners fund.

Bruno Juin, Managing Director Hotels at BNP Paribas Real Estate and Guy Boulô, Managing Director at Transaxio Hotels, said:

"This transaction reflects the strong appeal of Paris to investors in a context of strong recovery. Hotel investors, such as Schroder Real Estate Hotels, keep on acquiring assets offering high value creation potential through renovation works and a move upmarket, thus betting on the solid fundamentals offered by one of the most visited cities in the world."

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Note to Editors

KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic manager partnerships that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE:KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

Schroder Real Estate

Schroders has managed real estate funds since 1971 and currently has £13.2/€14.9/US\$17.9bn of gross real estate assets under management as at 31 December 2017.

Most of the real estate funds referred to are unauthorised collective investment schemes as defined in the Financial Services and Markets Act 2000. Promotion of these funds is restricted and access to full information about these funds is only available to those exempt from the restriction.

For further information about Schroders' real estate business visit www.schroders.com/realestate

*Real Estate AUM includes holdings of Schroder Real Estate Capital Partners and Schroders Multi-asset Funds.

About Schroder Real Estate Hotels

Schroder Real Estate Hotels, a division of Schroder Real Estate created following the acquisition of Algonquin Management Partners, has developed a dual expertise in the hotel management sector, both as an equity investor and as an independent hotel operator. With 43 hotels totaling over 7,500 rooms and assets under management of €1.8 billion, Schroder Real Estate Hotels is one of Europe's leading hotel investment and asset manager with operations in Paris, London and Brussels. With an international hotel team and a specialisation in European hotel real estate, Schroder Real Estate Hotels supports its investment partners by participating directly in investments and supervising all operational issues specific to this asset class.

About Silverback

Silverback is a hotel investment fund advised by Schroders Real Estate Hotels, with an investment capacity of €130 million and whose General Partner is Jean-Philippe Chomette.

About Schroders

As a global investment manager, we help institutions, intermediaries and individuals meet their goals, fulfil their ambitions, and prepare for the future. But as the world changes, so do our clients' needs. That's why we have a long history of adapting to suit the times and keeping our focus on what matters most to our clients.

Doing this takes experience and expertise. We bring together people and data to spot the trends that will shape the future. This provides a unique perspective which allows us to always invest with conviction. We are responsible for £447.0 billion (€503.6 billion/\$604.7 billion)* of assets for our clients who trust us to deliver sustainable returns. We remain determined to build future prosperity for them, and for all of society. Today, we have 4,600 people across six continents who focus on doing just this.

We are a global business that's managed locally. This allows us to always keep our clients' needs at the heart of everything we do. For over 200 years and more than seven generations we've grown and developed our expertise in tandem with our clients' needs and interests.

Further information about Schroders can be found at www.schroders.com.

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*as at 31 December 2017