



Enstar to Acquire Full Ownership of KaylaRe

February 5, 2018

KaylaRe Founding Partners Hillhouse and Stone Point Capital Agree to Share Exchange Transaction

HAMILTON, Bermuda, Feb. 05, 2018 (GLOBE NEWSWIRE) -- Enstar Group Limited (Nasdaq:ESGR) today announced that it has signed an agreement to acquire a further 52% stake in KaylaRe Holdings Ltd. ("KaylaRe"), the parent company of KaylaRe Ltd., a Bermuda-based, Class 4 reinsurer. Added to its existing 48% equity holding, the acquisition will give Enstar full ownership of KaylaRe. Enstar founded KaylaRe in 2016 alongside funds managed by Hillhouse Capital Management, Ltd. ("Hillhouse") and the Trident V funds managed by Stone Point Capital LLC ("Stone Point").

In the transaction, valued at approximately \$400 million, Hillhouse and Stone Point will exchange their respective 44% and 8% shareholdings in KaylaRe for Enstar shares. Hillhouse will increase its overall economic interest in Enstar from 9.9% to 17.1% and its voting interest from 3.3% to 9.7%. Stone Point will increase its economic interest from 6.9% to 7.6% and its voting interest from 8.2% to 9.1%. The transaction is subject to regulatory approval and is expected to close during the first quarter of 2018.

KaylaRe aims to deliver superior risk-adjusted returns over market cycles through diversified asset allocation and selective underwriting. The investments managed by Hillhouse have been a key driver of KaylaRe's profitable performance.

Dominic Silvester, Enstar's Chief Executive Officer, said: "This transaction allows us to take full ownership of an important reinsurance platform. It will also enhance our group capital position and equity base. KaylaRe has exceeded our expectations to date, and as sole owner, we will continue to use it as an integral part of our legacy growth strategy. We look forward to the ongoing support of Hillhouse and Stone Point as key partners and shareholders of Enstar."

Evercore Group L.L.C. acted as financial advisor to Enstar.

About Enstar

Enstar is a multi-faceted insurance group, with over \$14 billion in assets, that offers innovative capital release solutions and specialty underwriting capabilities through its network of group companies in Bermuda, the United States, the United Kingdom, Continental Europe, Australia, and other international locations. Enstar is a market leader in completing legacy acquisitions, having acquired over 80 companies and portfolios since its formation in 2001. Enstar's active underwriting businesses include the StarStone group of companies, an A- rated global specialty insurance group with multiple global underwriting platforms, and the Atrium group of companies, which manage and underwrite specialist insurance and reinsurance business for Lloyd's Syndicate 609. For further information about Enstar, see www.enstargroup.com.

Cautionary Statement

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements regarding the intent, belief or current expectations of Enstar and its management team regarding the exchange transaction and the future performance of KaylaRe. Investors are cautioned that any such forward-looking statements speak only as of the date they are made, are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Important risk factors regarding Enstar can be found under the heading "Risk Factors" in Enstar's Form 10-K for the year ended December 31, 2016 and in Enstar's Form 10-Q for the nine months ended September 30, 2017, and are incorporated herein by reference. Furthermore, Enstar undertakes no obligation to update any written or oral forward-looking statements or publicly announce any updates or revisions to any of the forward-looking statements contained herein, to reflect any change in its expectations with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements, except as required by law.

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Source: Enstar Group Limited