

THE WALL STREET JOURNAL.

MONDAY, MAY 14, 2012

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KPS Capital Partners Increasingly Looking Abroad For Portfolio Growth

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KPS Capital Partners, traditionally a U.S.-focused distressed and turnaround private equity investor, has been logging more frequent flier miles on international flights of late.

In its most recent move in foreign markets, KPS Capital portfolio company American & Efird LLC, a maker of industrial thread, announced the acquisition of its foreign joint venture subsidiaries in Sri Lanka and Bangladesh.

It has been less than a year since KPS Capital spent about \$180 million to carve out American & Efird from the holding company Ruddick Corp., and KPS Capital co-founder Michael Psaros said that it's the first of many such acquisitions for A&E.

"You will see many such announcements from A&E over the next several years," said Psaros. "We intend to be the aggressive consolidator of this industry."

Psaros and KPS have increasingly

looked at deals in foreign markets. The firm made a splash in the U.K. when it acquired Waterford Wedgwood PLC. Since that 2009 deal, KPS has made one other platform acquisition in Europe, agreeing to buy Bosch Foundation Brakes, the Dancy, France-based low-end brake manufacturing subsidiary of the Bosch GmbH, in January.

Investors like the Carlyle Group and a host of others are also looking to Europe for distressed opportunities these days.

At KPS, the globalization of many North American and European industrial businesses has the firm going even farther afield, and A&E exemplifies the trend. "[We have] businesses in the Caribbean basin, Brazil, Europe and all over Asia," Psaros said of the thread manufacturer's existing joint ventures. "We're going to try to consolidate within our peer group as well as [make] acquisitions of local indigenous thread manufacturers."