



KKR and EDF Partnership Helps Companies Save Over \$16 Million While Reducing Emissions and Waste

February 18, 2009

(New York, NY - February 18, 2009) Kohlberg Kravis Roberts & Co. L.P. (KKR) and Environmental Defense Fund (EDF) today released initial results of their [partnership](#), confirming that environmental management can drive business success even in today's challenging economic climate. At three companies - [U.S. Foodservice Inc.](#), [PRIMEDIA Inc.](#) and [Sealy Corporation](#) - the partnership has already saved \$16.4 million and prevented more than 25,000 metric tons of greenhouse gas emissions in 2008. KKR and EDF will soon implement the initiative at four additional KKR portfolio companies: Accellent, Biomet, Dollar General and HCA.

"These initial results provide a high note in this low economy," said [Gwen Ruta, Vice President of Corporate Partnerships](#), EDF. "By generating cost savings through environmental innovation, these companies are improving their competitive position in today's volatile marketplace."

"One of KKR's core strengths is driving operational improvements that build business value," said [Dean Nelson, Head of KKR Capstone](#). "By focusing on improving environmental performance across KKR's portfolio and providing a framework to help companies take environmental initiatives to scale, we're finding new ways to help the portfolio companies save money while simultaneously improving the environment."

[Ken Mehlman, Head of Global Public Affairs](#) at KKR said: "Today's announcements are good examples of how smart companies can cut costs and support the environment. Going forward we will continue to implement Green Portfolio Project tools to generate more cost savings and environmental benefits at other portfolio companies including Accellent, Biomet, Dollar General and HCA."

KKR and EDF have been working together since May 2008 to develop and test a set of analytic tools and metrics to help companies improve in several key environmental performance areas, including greenhouse gas emissions, waste, water, forest resources and priority chemicals.

U.S. Foodservice, PRIMEDIA and Sealy participated in the pilot phase of the project, using these tools to evaluate environmental impacts, identify areas for environmental and business improvement, establish baselines and metrics and develop goals and action plans for future improvement. The process helped managers to cost-effectively improve efficiency and reduce waste, while addressing the environmental impacts of their business.

Specific results to date include:

U.S. Foodservice, one of the country's premier foodservice distributors, implemented new driver policies, business processes and truck technologies to improve its operational efficiency and reduce emissions from its delivery fleet. During 2008, U.S. Foodservice:

- Saved \$8.2 million in fuel costs and avoided 22,000 metric tons of CO₂ emissions (equivalent to more than 4,400 cars) by improving the efficiency of its fleet (gallons/ton of product moved) by more than 4% compared to a 2007 baseline.

This year, U.S. Foodservice plans to further improve fleet productivity by scaling up successful initiatives, such as driver awareness programs, automatic idle shutoff, maximum speed controls and assessing and implementing new initiatives, including improved trailer cooling practices and other technology solutions.

PRIMEDIA, a leading provider of print, Internet and mobile solutions designed to enable consumers to find a place to live, increased online efforts and resized its publications to reduce its use of forest resources. During 2008, PRIMEDIA:

- Saved \$2.9 million in material costs and reduced more than 3,000 tons of paper use (equivalent to over 40,000 trees) by improving efficiency (paper use/revenue) by 22% compared to a 2007 baseline.

This year, PRIMEDIA plans to reduce paper consumption an additional 20% by redesigning publications and pursuing additional online strategies and is exploring opportunities to expand publication recycling programs currently encouraged at all locations. Also in 2009, PRIMEDIA will focus on measuring and reducing its greenhouse gas emissions 10% by improving sales and delivery routing and continuing efforts to consolidate office and warehouse space.

Sealy Corporation, the largest bedding manufacturer in North America, recycled raw materials used for producing bedding and improved delivery fleet efficiency through improved driver policies and truck technologies to reduce waste and decrease greenhouse gas emissions. During 2008, Sealy:

- Saved \$1.2 million in fuel costs and avoided more than 3,000 metric tons of CO₂ emissions (equivalent to more than 600 cars) by

improving the efficiency of its fleet (gallons/stop) by almost 9% compared to a 2007 baseline. In addition, Sealy saved more than \$4 million in material costs and avoided 650 tons of solid waste (equivalent to the capacity of more than 46 garbage trucks) by reducing scrap per bed (pounds/unit) by 16% compared to a 2007 baseline.

This year, Sealy plans to roll out improved fleet routing software, install speed governors on its trucks, reduce idling time and incentivize drivers to improve fuel economy. The company will continue reducing solid waste by improving manufacturing processes and reducing packaging. In addition, Sealy will focus on improving the energy efficiency of its facilities.

In 2009, KKR and EDF will continue to work together to extend the program across KKR's U.S. portfolio. Already, [KKR has launched a Web site](#) that provides sample tools, best practices and case studies for cost-effectively improving environmental performance to promote action among its portfolio companies.

To drive broader change across the private equity and other industries, the tools and best practices developed through the partnership will be available through the [EDF Innovation Exchange](#) in the fall of 2009 and KKR and EDF will continue to publicly share results.

About Environmental Defense Fund

A leading national nonprofit organization, Environmental Defense Fund represents more than 500,000 members. Since 1967, Environmental Defense Fund has linked science, economics, law and innovative private-sector partnerships to create breakthrough solutions to the most serious environmental problems. Environmental Defense Fund has a 20 year track record of success in partnering with business. To maintain its independence and credibility, EDF accepts no money from corporate partners; generous individuals and foundations fund its work. For more information, please visit www.edf.org.

About Kohlberg Kravis Roberts & Co

Established in 1976, KKR is a leading global alternative asset manager. KKR's franchise is sponsoring and managing funds that make investments in private equity, fixed income and other assets in North America, Europe, Asia and the Middle East. Throughout its history, KKR has brought a long-term investment approach, focusing on working in partnership with management teams of its portfolio companies and investing for future competitiveness and growth. Funds that KKR sponsors include traditional private equity funds and KKR Private Equity Investors, L.P. (NYSE Euronext Amsterdam: KPE), a permanent capital fund that invests in KKR-identified investments; two credit strategy funds, KKR Financial Holdings LLC (NYSE: KFN) and the KKR Strategic Capital Funds, which make investments in debt transactions; and separately managed accounts focused on a variety of asset classes. KKR has offices in New York, Menlo Park, San Francisco, Houston, Washington D.C., London, Paris, Hong Kong, Tokyo, Beijing, Mumbai and Sydney. More information about KKR is available at: www.kkr.com.

Gwen Ruta, Vice President - Corporate Partnerships, EDF

Gwen Ruta directs Environmental Defense Fund's Corporate Partnerships program. She spearheads its work with leading multinational companies to develop innovative, business-based solutions to environmental challenges and to drive change through the corporate value chain.

Ranked #1 among environmental organizations for credible and effective partnerships by the Financial Times, Gwen's group has kicked off transformations in market sectors from catalogs to shipping to retail to food service. Partner companies have included [Wal-Mart](#); [UPS](#); [FedEx](#); [DuPont](#); [McDonalds](#) and [Citigroup](#).

Dean Nelson, Head of KKR Capstone

Dean B. Nelson founded KKR Capstone in 2000. He was formerly a senior partner with The Boston Consulting Group, ran the firm's Chicago office and was on the management committee. At The Boston Consulting Group, he focused primarily on the consumer goods and retail, industrial goods and the high technology industries. Mr. Nelson previously worked at Shell Oil Company. At KKR Capstone, he has worked with Alliance Imaging, Dollar General, Energy Future Holdings (formerly TXU Corp.), Owens-Illinois, PRIMEDIA, Rockwood/Dynamit Nobel, Sealy, Toys 'R' Us, The Nielsen Company (formerly VNU Group) and Yellow Pages Group. Mr. Nelson is Chairman of PRIMEDIA and is a Sealy and Dollar General board member. He holds a B.S., Summa Cum Laude, from Purdue University and an M.B.A., with High Honors, from The University of Chicago.

Ken Mehlman, Head of Global Public Affairs at KKR

Ken B. Mehlman joined KKR in 2008 and is Head of Global Public Affairs. Prior to joining KKR, Mr. Mehlman was a partner at Akin Gump Strauss Hauer & Feld with a bi-partisan practice in legislative and regulatory counseling. He previously served in high level positions on Capitol Hill and the White House, including as Chairman of the Republican National Committee and Campaign Manager of President Bush's successful re-election campaign. Mr. Mehlman graduated with a B.A. from Franklin & Marshall College and holds a J.D. from Harvard Law School.

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