

Press Release

Guernsey, Channel Islands, August 15, 2007

KKR Private Equity Investors Reports Results for Quarter Ended June 30, 2007

NAV of \$26.12 as of June 30, 2007

Annualized Return of 11.6% for the Second Quarter of 2007

KKR Private Equity Investors, L.P. (Euronext Amsterdam: KPE), a Guernsey limited partnership that invests its assets in private equity and opportunistic investments identified by Kohlberg Kravis Roberts & Co. ("KKR"), today reported its financial results for the quarterly period ended June 30, 2007. As of June 30, 2007, KPE's net asset value ("NAV") was \$5,342.5 million, or \$26.12 per unit. On an annualized basis, KPE's return for the quarter and six months ended June 30, 2007 was 11.6 percent and 12.3 percent, respectively.

Henry R. Kravis, Co-Founder of KKR and Co-Chairman of KPE's Managing Partner's Board of Directors, commented, "We are pleased to report that we continue to meet the goals we stated to investors at the time of KPE's initial offering in May 2006. KPE has now fully deployed its capital and made further commitments to new investments as well. Additionally, the strong growth in net asset value reflects positive increases in valuation due to strong performance of the underlying portfolio companies."

George R. Roberts, Co-Founder of KKR and Co-Chairman of KPE's Managing Partner's Board of Directors, added, "Despite the current volatility in the credit and equity markets, corporate credit fundamentals are good and the overall economy is healthy. We will continue to use our financial, operational and strategic resources and experience, combined with our global industry expertise, to identify investment opportunities that have the potential to create long-term value for our unitholders."

Results of Operations

Operating results of KPE for the quarter ended June 30, 2007 are highlighted as follows:

- Net unrealized gain on investments and foreign currency transactions was \$122.3 million due to net appreciation in the value of certain KKR portfolio companies and opportunistic investments offset by net depreciation in the value of negotiated equity investments;
- Net realized gain on investments was \$5.1 million and primarily resulted from the sale of certain KKR portfolio companies;
- Net investment income was \$22.5 million, which represented interest income from cash management activities and dividend income, reduced by operating expenses; and
- The resulting net increase in net assets resulting from operations was \$150.0 million and KPE's total return was 11.6 percent on an annualized basis.

Operating results of KPE for the six months ended June 30, 2007 are highlighted as follows:

- Net unrealized gain on investments and foreign currency transactions was \$242.7 million due to net appreciation in the value of certain KKR portfolio companies and opportunistic investments offset by net depreciation in the value of negotiated equity investments;

- Net realized gain on investments was \$16.6 million and resulted primarily from the sale of certain KKR portfolio companies and opportunistic investments;
- Net investment income was \$47.6 million, which represented interest income from cash management activities and dividend income, reduced by operating expenses;
- The resulting net increase in net assets resulting from operations was \$306.9 million and KPE's total return was 12.3 percent on an annualized basis.

Investments

KPE invests its capital as the sole limited partner of KKR PEI Investments, L.P. (the "Investment Partnership"). As of August 10, 2007, the Investment Partnership's investments and anticipated fundings for announced transactions totaled \$6,190.4 million. The \$6,190.4 million of investments was comprised of: \$3,919.6 million of investments at June 30, 2007 at fair value and net of related financing; \$908.2 million of subsequent investment activity, net; and \$1,362.6 million of anticipated fundings.

As of June 30, 2007, the Investment Partnership held \$1,435.2 million of temporary and other investments and a portfolio of private equity and opportunistic investments, net of related financing, with a fair value of \$3,919.6 million as follows:

- Investments of \$933.5 million through KKR's private equity funds:
 - \$386.6 million in KKR European Fund, Limited Partnership,
 - \$274.9 million in KKR Millennium Fund L.P.,
 - \$195.1 million in KKR 2006 Fund L.P., and
 - \$76.9 million in KKR European Fund II, Limited Partnership
- Co-investments of \$1,578.3 million in the following portfolio companies of KKR's private equity funds:
 - Alliance Boots plc.
 - Capmark Financial Group, Inc.
 - HCA Inc.
 - KION Group GmbH
 - The Nielsen Company, B.V.
 - NXP B.V.
 - PagesJaunes Groupe S.A.
 - ProSiebenSat. 1 Media AG

- Negotiated equity investments of \$493.0 million:
 - \$317.2 million (net of long-term financing of \$350.0 million) in convertible senior notes of Sun Microsystems, Inc., a leading technology company, and
 - \$175.8 million of convertible preferred stock of Orient Corporation, one of the largest consumer credit companies in Japan.
- Opportunistic investments of \$914.8 million:
 - \$583.6 million of publicly traded securities and related derivative transactions,
 - \$193.1 million in KKR Strategic Capital Institutional Fund, Ltd., a KKR-sponsored opportunistic credit fund, and
 - \$138.1 million of a fixed income investment.

Subsequent to June 30, 2007 and through August 10, 2007, the Investment Partnership's investing activity, which totaled \$908.2 million, was as follows:

- Capital contributions – \$1,430.1 million of capital contributions with respect to limited partner interests in certain KKR private equity funds, as well as co-investments in the following portfolio companies:
 - Alliance Boots plc, a leading European pharmacy-led health and beauty group,
 - Biomet, Inc., a leading designer and manufacturer of musculoskeletal medical products,
 - Dollar General Corp., a Fortune 500® discount retailer, and
 - U.S. Foodservice, Inc., the second largest broadline foodservice distributor in the United States.
- Dispositions – Certain portfolio company and opportunistic investments valued at \$521.9 million as of June 30, 2007 were sold. In addition, net derivative transactions were unwound with an aggregate notional amount of \$158.5 million.

As of August 10, 2007, the Investment Partnership expects to fund an aggregate of \$1,362.6 million of additional private equity capital, consisting of the following:

- KKR's private equity funds and co-investments – \$1,250.0 million of capital contributions with respect to limited partner interests in KKR's private equity funds, including related co-investments in:
 - First Data Corp., the leading provider of electronic commerce and payment solutions for businesses worldwide
 - Harman International Industries, Incorporated, a leading manufacturer of high-quality, high fidelity audio products and electronic systems for the automotive, consumer and professional markets, and
 - TXU Corp., a Dallas-based energy company.

- Negotiated equity investment – \$112.6 million in ACTS LP, a full-service aircraft maintenance, repair and overhaul organization.

After taking into account the subsequent investment activity and pending transactions described above, the Investment Partnership will have remaining undrawn capital commitments to KKR's investment funds of approximately \$962.9 million as of August 10, 2007.

Whether these investments will be consummated depends on the satisfaction or waiver of a number of conditions, some or all of which may not be in the control of KPE, the Investment Partnership or KKR. No assurances can be made as to whether or when, or the actual amounts at which, any of these investments will be consummated.

Senior Secured Credit Facility

On June 11, 2007, the Investment Partnership established a senior secured credit facility with certain lenders for the purpose of providing an additional source of liquidity. The credit facility has a 5-year term and an initial availability of up to \$1.0 billion. KPE has an option to seek up to an additional \$1 billion under the terms of the agreement.

Distribution

KPE has declared a distribution of \$0.24 per unit payable on or about September 17, 2007 to unitholders of record as of the close of business on August 31, 2007. Because the distribution was declared subsequent to June 30, 2007, the aggregate distribution payable of \$49.1 million is not reflected in KPE's net asset value as of June 30, 2007.

In anticipation of this and future KPE distributions, KPE's depository bank, Bank of New York, is expected to offer a direct deposit service to qualifying RDU holders. Information regarding how to enroll in the program and the required documentation can be found in the Investor Relations section of KPE's website at www.kkrpei.com.

Interim Financial Report

KPE has posted its unaudited financial statements and the unaudited consolidated financial statements of the Investment Partnership, as well as an interim operating and financial review, to its website (www.kkrpei.com). KPE encourages investors to carefully read these documents in conjunction with this news release.

Information for Investors - Teleconference and Webcast

KPE will discuss its financial results on a teleconference to be broadcast live on the Internet on Wednesday, August 15, 2007, at 6:30 pm CEST (Amsterdam) / 5:30 pm BST (Guernsey/London) / 12:30 p.m. EDT (New York City). A webcast (listen only) of the teleconference can be accessed via the Investor Relations section of KPE's website at www.kkrpei.com.

About KPE

KKR Private Equity Investors, L.P. (KPE) is a Guernsey limited partnership that seeks to create long-term value by participating in private equity and opportunistic investments identified by Kohlberg Kravis Roberts & Co. (KKR). Formed in April 2006, KPE enables certain public market investors to invest in KKR-identified investments. KPE will invest at least 75 percent of its assets in KKR's private equity investments, while up to 25 percent of its assets may be invested opportunistically in other investments identified by KKR. KPE makes its investments through another Guernsey limited partnership, KKR PEI Investments, L.P., as its sole limited partner.

The common units and related restricted depository units of KPE are subject to a number of ownership and transfer restrictions. Information concerning these ownership and transfer restrictions is included in the Investor Relations section of KPE's website at www.kkrpei.com.

No Offering Statement

This release does not constitute an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from KPE and that will contain detailed information about KPE and management, as well as financial statements.

Forward-Looking Statements

This release may contain certain forward-looking statements with respect to the financial condition, results of operations, liquidity, investments, business, net asset value and prospects of KPE. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future, and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. KPE does not undertake to update any of these forward-looking statements.

FINANCIAL SCHEDULES FOLLOW

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KKR PEI INVESTMENTS, L.P. AND SUBSIDIARIES

SCHEDULE OF INVESTMENTS

(Amounts in millions)

	Fair Value as of June 30, 2007	Subsequent Net Investment Activity (1) (July 1, 2007 to August 10, 2007)	Pending Transactions (2)	Remaining Undrawn Commitments
KKR's private equity funds:				
KKR European Fund, Limited Partnership	\$ 386.6	\$ (108.6)	\$ -	\$ -
KKR Millennium Fund L.P.	274.9	(14.7)	-	4.3
KKR 2006 Fund L.P.	195.1	582.4	500.0	697.6
KKR European Fund II, Limited Partnership	76.9	10.7	-	17.9
KKR Asian Fund L.P.	-	41.9	-	243.1
	<u>933.5</u>	<u>511.7</u>	<u>500.0</u>	<u>962.9</u>
Co-investments:				
PagesJaunes Groupe S.A.	283.1	-	-	-
NXP B.V.	266.6	-	-	-
HCA Inc.	250.0	-	-	-
ProSiebenSat.1 Media AG	203.1	-	-	-
Capmark Financial Group Inc.	202.5	-	-	-
The Nielsen Company B.V.	200.0	-	-	-
KION Group GmbH	116.1	-	-	-
Alliance Boots plc	56.9	244.8	-	-
Dollar General Corp.	-	250.0	-	-
Biomet, Inc.	-	200.0	-	-
U.S. Foodservice, Inc.	-	100.0	-	-
TXU Corp.	-	-	300.0	-
First Data Corp.	-	-	300.0	-
Harman International Industries, Incorporated	-	-	150.0	-
	<u>1,578.3</u>	<u>794.8</u>	<u>750.0</u>	<u>-</u>
Negotiated equity investments:				
Sun Microsystems, Inc. (3)	317.2	-	-	-
Orient Corporation	175.8	-	-	-
ACTS LP	-	-	112.6	-
	<u>493.0</u>	<u>-</u>	<u>112.6</u>	<u>-</u>
Opportunistic:				
Publicly traded securities (4)	583.6	(398.3)	-	-
KKR Strategic Capital Institutional Fund, Ltd.	193.1	-	-	-
Fixed income investment	138.1	-	-	-
	<u>914.8</u>	<u>(398.3)</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,919.6</u>	<u>\$ 908.2</u>	<u>\$ 1,362.6</u>	<u>\$ 962.9</u>

(1) Subsequent purchases are reflected at cost, while sales are reflected at the fair value amount of the related investment as of June 30, 2007.

(2) Whether these transactions will be consummated depends on the satisfaction or waiver of a number of conditions, some or all of which may not be in the control of KPE, the Investment Partnership, or KKR. No assurances can be made as to whether or when, or the actual amounts at which any of these investments will be consummated.

(3) Reflected net of \$350 million of long-term financing.

(4) Includes the fair value of derivative transactions with an aggregate notional amount of \$309.4 million as of June 30, 2007. Subsequent to June 30, 2007, additional net derivative transactions were unwound with an aggregate notional amount of \$158.5 million.

KKR PRIVATE EQUITY INVESTORS, L.P.
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)

(Amounts in thousands, except unit and per unit amounts)

	<u>June 30, 2007</u>
ASSETS:	
Investments in limited partner interests, at fair value:	
KKR PEI Investments, L.P. - Class A, at fair value (cost of \$1,959,754)	\$ 2,176,848
KKR PEI Investments, L.P. - Class B, at fair value (cost of \$1,994,470)	2,044,692
KKR PEI Investments, L.P. - Class C, at fair value (cost of \$747,709)	931,569
KKR PEI Investments, L.P. - Class D, at fair value (cost of \$174,635)	<u>190,572</u>
	5,343,681
 Cash and cash equivalents	 359
Prepaid expenses	<u>309</u>
Total assets	<u>5,344,349</u>
 LIABILITIES:	
Accrued liabilities	1,456
Due to affiliate	<u>396</u>
Total liabilities	<u>1,852</u>
 NET ASSETS	 \$ 5,342,497
 NET ASSETS CONSIST OF:	
Partners' capital (204,550,001 common units outstanding), net	\$ 4,830,110
Distributable earnings	<u>512,387</u>
	<u>\$ 5,342,497</u>
 Net asset value per common unit	 <u>\$ 26.12</u>
 Market price per common unit at June 30, 2007	 <u>\$ 22.50</u>

KKR PRIVATE EQUITY INVESTORS, L.P.
CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
(Amounts in thousands)

	<u>Quarter Ended</u> <u>June 30, 2007</u>	<u>Six Months Ended</u> <u>June 30, 2007</u>
NET INVESTMENT INCOME ALLOCATED FROM KKR PEI INVESTMENTS, L.P.:		
Investment income	\$ 44,130	\$ 83,182
Expenses	<u>20,109</u>	<u>32,738</u>
	24,021	50,444
INVESTMENT INCOME—Interest income	19	28
EXPENSES—General and administrative expenses	<u>1,496</u>	<u>2,862</u>
NET INVESTMENT INCOME	<u>22,544</u>	<u>47,610</u>
REALIZED AND UNREALIZED GAINS FROM INVESTMENTS AND FOREIGN CURRENCY ALLOCATED FROM KKR PEI INVESTMENTS, L.P.:		
Net realized gain	5,094	16,604
Net change in unrealized appreciation	<u>122,327</u>	<u>242,684</u>
Net gain on investments and foreign currency transactions	<u>127,421</u>	<u>259,288</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 149,965</u>	<u>\$ 306,898</u>

KKR PEI INVESTMENTS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
(Amounts in thousands)

	<u>June 30, 2007</u>
ASSETS:	
Investments, at fair value:	
Opportunistic investments—Class A (cost of \$668,229)	\$ 721,703
Co-investments in portfolio companies of private equity funds—Class B (cost of \$1,440,784)	1,578,322
Negotiated equity investments—Class B (cost of \$870,870)	842,946
Private equity funds—Class C (cost of \$767,012)	933,503
Investment by KKR Strategic Capital Institutional Fund, Ltd.—Class D (cost of \$181,280)	193,107
	<u>4,269,581</u>
Cash and cash equivalents	1,090,912
Time deposit	350,000
Other assets	17,721
Restricted cash	12,708
Total assets	<u>5,740,922</u>
LIABILITIES:	
Accrued liabilities	13,074
Due to affiliates	8,049
Unrealized loss on foreign currency exchange contracts, net	14,941
Other liabilities	44
Long-term debt	350,000
Total liabilities	<u>386,108</u>
NET ASSETS	<u>\$ 5,354,814</u>
NET ASSETS CONSIST OF:	
Partners' capital contributions	\$ 4,836,568
Distributable earnings	518,246
	<u>\$ 5,354,814</u>

KKR PEI INVESTMENTS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

(Amounts in thousands)

	Quarter Ended June 30, 2007	Six Months Ended June 30, 2007
INVESTMENT INCOME:		
Interest income	\$ 27,894	\$ 63,223
Dividend income, net of withholding taxes of \$139 and \$765, respectively	16,327	20,131
Total investment income	<u>44,221</u>	<u>83,354</u>
EXPENSES:		
Interest expense	5,711	9,606
Management fees	12,319	19,457
Incentive fees	884	1,776
General and administrative expenses	1,210	1,926
Total expenses	<u>20,124</u>	<u>32,765</u>
NET INVESTMENT INCOME	<u>24,097</u>	<u>50,589</u>
REALIZED AND UNREALIZED GAINS FROM INVESTMENTS AND		
FOREIGN CURRENCY:		
Net realized gain, net of withholding taxes of \$488 and \$977, respectively	5,104	16,638
Net change in unrealized appreciation	<u>122,581</u>	<u>243,188</u>
Net gain on investments and foreign currency transactions	<u>127,685</u>	<u>259,826</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 151,782</u>	<u>\$ 310,415</u>