

## **KKR & Co. Discloses Results for Six Months Ended June 30, 2008**

Guernsey, Channel Islands, September 22, 2008 – KKR Private Equity Investors, L.P. (Euronext Amsterdam: KPE) announced that KKR & Co. L.P. (collectively with its consolidated affiliates, “KKR”) has disclosed its unaudited financial results for the six months ended June 30, 2008, attached hereto as Annex A, in a filing made with the U.S. Securities and Exchange Commission (the “SEC”).

KPE’s financial results for the quarter and six months ended June 30, 2008 were previously disclosed in a press release and interim financial report issued on July 27, 2008, which are available on the Investor Relations section of KPE’s website at [www.kkrprivateequityinvestors.com](http://www.kkrprivateequityinvestors.com).

### **About KPE**

KKR Private Equity Investors, L.P. (Euronext Amsterdam: KPE) is a Guernsey limited partnership that seeks to create long-term value by participating in private equity and opportunistic investments selected, evaluated, structured, monitored and exited by investment professionals of KKR & Co. L.P. (“KKR”). As of June 30, 2008, over 90% of KPE’s \$5.4 billion portfolio was comprised of limited partner interests in six KKR private equity funds, co-investments in 13 companies alongside the private equity funds and negotiated equity investments. The remainder of KPE’s portfolio as of June 30, 2008 was invested in opportunistic and temporary investments. KPE is governed by its general partner’s board of directors, which has a majority of independent directors, and makes its investments as the sole limited partner of another Guernsey limited partnership, KKR PEI Investments, L.P.

The common units and related restricted depositary units of KPE are subject to a number of ownership and transfer restrictions. Information concerning these ownership and transfer restrictions is included on the Investor Relations section of KPE’s website at [www.kkrprivateequityinvestors.com](http://www.kkrprivateequityinvestors.com).

### **About KKR**

Established in 1976, KKR & Co. L.P. (collectively with its consolidated affiliates, “KKR”) is a leading global alternative asset manager. The core of the firm’s franchise is sponsoring and managing funds that make private equity investments in North America, Europe, and Asia. Throughout its history, KKR has brought a long-term investment approach to portfolio companies, focusing on working in partnership with management teams and investing for future competitiveness and growth. Additional funds that KKR sponsors include KKR Financial (NYSE: KFN) and the KKR Strategic Capital Funds, which make investments in debt transactions. KKR has offices in New York, Menlo Park, San Francisco, Houston, London, Paris, Hong Kong, Tokyo, Beijing and Sydney. More information about KKR is available at: [www.kkr.com](http://www.kkr.com).

### **Forward-Looking Statements**

This release contains certain forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking

statements are based on KPE's and KKR's beliefs, assumptions and expectations of their future performance, taking into account all information currently available to them. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to KPE and KKR or are within their control. If a change occurs, KPE's and KKR's business, financial condition, liquidity and results of operations may vary materially from those expressed in the forward-looking statements. The following factors, among others, could cause actual results to vary from the forward-looking statements: general volatility of the capital markets; changes in KPE's and KKR's business strategy; availability, terms and deployment of capital; availability of qualified personnel and expense of recruiting and retaining such personnel; changes in the asset management industry, interest rates or the general economy; underperformance of KKR's investments and decreased ability to raise funds; increased rates of default and/or decreased recovery rates on KPE's investments; and the degree and nature of KPE's and KKR's competition. Neither KPE nor KKR undertakes any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law. In addition, KKR's and KPE's business strategy is focused on the long-term and financial results are subject to significant volatility. Historically year-to-year results have varied dramatically and have not been subject to reliable forecasting. Additional factors that could cause performance, returns or results to differ materially from the forward-looking statements can be found in KKR's Registration Statement on Form S-1 (file no. 333-144335) filed with the SEC.

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**Additional Information about the Transaction and Where to Find It**

This release is being made in respect of the proposed transaction involving KKR and KPE. In connection with the proposed transaction, KKR has filed with the SEC an amendment to its existing Registration Statement on Form S-1 (file no. 333-144335) and will be filing other documents regarding the proposed transaction with the SEC. **INVESTORS AND SECURITY HOLDERS OF KPE ARE URGED TO READ THE REGISTRATION STATEMENT AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** The final prospectus contained in the registration statement will be mailed or otherwise disseminated to the holders of KPE's common units. Holders of KPE's common units will be able to obtain free copies of the final prospectus (when available) and other documents filed with the SEC by KKR through the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov). Free copies of the final prospectus (when available)

and other documents filed with the SEC can also be obtained by directing a request to KKR, 9 W. 57th Street, Suite 4200, New York, New York 10019, Attention: Investor Relations.

FINANCIAL SCHEDULES FOLLOW

**KKR GROUP****Condensed Combined Statements of Financial Condition (Unaudited)****As of June 30, 2008 and December 31, 2007****(Dollars in Thousands)**

	<b>June 30, 2008</b>	<b>December 31, 2007</b>
<b>Assets</b>		
Cash and Cash Equivalents.....	\$117,992	\$272,045
Cash and Cash Equivalents Held at Consolidated Entities.....	783,946	413,747
Restricted Cash and Cash Equivalents .....	78,819	45,918
Investments, at Fair Value .....	32,759,348	31,818,332
Due from Affiliates.....	48,614	43,969
Other Assets.....	223,422	248,785
<b>Total Assets</b> .....	<b>\$34,012,141</b>	<b>\$32,842,796</b>
<b>Liabilities and Partners' Capital</b>		
Debt Obligations.....	\$1,947,547	\$2,020,328
Due to Affiliates .....	9,007	—
Accounts Payable, Accrued Expenses and Other Liabilities.....	953,856	555,308
<b>Total Liabilities</b> .....	<b>2,910,410</b>	<b>2,575,636</b>
<b>Commitments and Contingencies</b>		
<b>Non-Controlling Interests in Consolidated Entities</b> .....	<b>29,710,041</b>	<b>28,749,814</b>
<b>Partners' Capital</b>		
Partners' Capital .....	1,379,875	1,507,694
Accumulated Other Comprehensive Income.....	11,815	9,652
<b>Total Partners' Capital</b> .....	<b>1,391,690</b>	<b>1,517,346</b>
<b>Total Liabilities and Partners' Capital</b> .....	<b>\$34,012,141</b>	<b>\$32,842,796</b>

**KKR GROUP**

**Condensed Combined Statements of Operations (Unaudited)**

**For the Six Months ended June 30, 2008 and 2007**

**(Dollars in Thousands)**

	Six Months Ended June 30,	
	2008	2007
<b>Revenues</b>		
Fee Income .....	\$135,302	\$115,380
<b>Expenses</b>		
Employee Compensation and Benefits.....	91,704	50,581
Occupancy and Related Charges .....	15,326	9,909
General, Administrative and Other.....	68,953	59,506
Fund Expenses.....	34,540	35,821
<b>Total Expenses</b> .....	<b>210,523</b>	<b>155,817</b>
<b>Investment (Loss) Income</b>		
Net (Losses) Gains from Investment Activities .....	(1,177,079)	3,147,328
Dividend Income .....	77,098	133,160
Interest Income .....	51,062	133,549
Interest Expense.....	(67,984)	(40,486)
<b>Total Investment (Loss) Income</b> .....	<b>(1,116,903)</b>	<b>3,373,551</b>
<b>(Loss) Income before Non-Controlling Interests in (Loss) Income of Consolidated Entities and Income Taxes</b> .....		
	(1,192,124)	3,333,114
<b>Non-Controlling Interests in (Loss) Income of Consolidated Entities</b> .....		
	<b>(1,195,014)</b>	<b>2,661,912</b>
<b>Income Before Taxes</b> .....	2,890	671,202
<b>Income Taxes</b> .....	3,987	3,806
<b>Net (Loss) Income</b> .....	<b>\$(1,097)</b>	<b>\$667,396</b>

**KKR GROUP**

**Condensed Combined Statements of Changes in Partners' Capital (Unaudited)**

**For the Six Months Ended June 30, 2008**

**(Dollars in Thousands)**

	Partners' Capital	Accumulated Other Comprehensive Income	Total Partners' Capital
<b>Balance at January 1, 2008</b> .....	\$1,507,694	\$9,652	\$1,517,346
Comprehensive Income:			
Net Income .....	(1,097)		(1,097)
Other Comprehensive Income—			
Currency Translation Adjustment.....		2,163	2,163
Total Comprehensive Income.....			1,066
Capital Contributions.....	63,441		63,441
Capital Distributions.....	(190,163)		(190,163)
<b>Balance at June 30, 2008</b> .....	\$1,379,875	\$11,815	\$1,391,690

**KKR GROUP**

**Condensed Combined Statements of Cash Flows (Unaudited)**

**For the Six Months ended June 30, 2008 and 2007**

**(Dollars in Thousands)**

	Six Months Ended June 30,	
	2008	2007
<b>Cash Flows from Operating Activities</b>		
Net (Loss) Income .....	\$(1,097)	\$667,396
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:		
Non-Controlling Interests in (Loss) Income of Consolidated Entities .....	(1,195,014)	2,661,912
Net Realized Gains on Investments .....	(328,473)	(572,707)
Change in Unrealized Losses (Gains) on Investments Allocable to KKR Group.....	184,080	(487,410)
Change in Unrealized Losses (Gains) on Investments Allocable to Non-Controlling Interests .....	1,321,472	(2,087,211)
Other Non-Cash Amounts Included in Net Income .....	1,403	(18,915)
<b>Cash Flows Due to Changes in Operating Assets and Liabilities</b>		
Change in Cash and Cash Equivalents Held at Consolidated Entities .....	(370,199)	907,622
Change in Due from Affiliates.....	(6,316)	54,889
Change in Other Assets.....	91,306	(28,906)
Change in Due to Affiliates.....	9,007	54,786
Change in Accounts Payable, Accrued Expenses and Other Liabilities .....	41,775	104,286
Investments Purchased .....	(2,358,963)	(5,126,073)
Cash Proceeds from Sale of Investments .....	1,221,512	2,597,045
Net Cash Used In Operating Activities .....	(1,389,507)	(1,273,286)
<b>Cash Flows from Investing Activities</b>		
Change in Restricted Cash and Cash Equivalents .....	(32,901)	(127,637)
Purchase of Non-Controlling Interests in Consolidated Entities.....	(42,500)	—
Purchase of Furniture, Equipment and Leasehold Improvements.....	(9,468)	(9,028)
Net Cash Used in Investing Activities .....	(84,869)	(136,665)

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**KKR GROUP**

**Condensed Combined Statements of Cash Flows (Unaudited), Continued**

**For the Six Months ended June 30, 2008 and 2007**

**(Dollars in Thousands)**

	Six Months Ended June 30,	
	2008	2007
<b>Cash Flows from Financing Activities</b>		
Distributions to Non-Controlling Interests in Consolidated Entities..	(749,864)	(1,532,505)
Contributions from Non-Controlling Interests in Consolidated Entities.....	2,911,390	2,114,119
Distributions to Partners .....	(190,163)	(310,081)
Contributions from Partners .....	63,441	75,683
Proceeds from Debt Obligations.....	75,070	1,077,870
Repayment of Debt Obligations .....	(769,930)	(882)
Deferred Financing Costs Incurred.....	(19,621)	—
Net Cash Provided By Financing Activities .....	1,320,323	1,424,204
<b>Net Change in Cash and Cash Equivalents .....</b>	<b>(154,053)</b>	<b>14,253</b>
Cash and Cash Equivalents, Beginning of Period .....	272,045	92,991
Cash and Cash Equivalents, End of Period .....	\$117,992	\$107,244
<b>Supplemental Disclosures of Cash Flow Information</b>		
Payments for Interest .....	\$46,688	\$5,546
Payments for Income Taxes .....	\$4,790	\$3,806
<b>Supplemental Non-Cash Activities</b>		
Non-Cash Distributions to Non-Controlling Interest Holders in Consolidated Entities.....	\$—	\$25,617
Non-Cash Contributions from Non-Controlling Interest Holders in Consolidated Entities.....	\$—	\$(15,081)
Non-Cash Distributions to Partners .....	\$—	\$104,112
Increase in Long-Term Debt.....	\$625,000	\$350,000
Deconsolidation of Subsidiary of KKR Financial LLC:		
Investments, at Fair Value.....	\$—	\$2,118,907
Debt Obligations .....	\$—	\$(1,928,276)
Non-Controlling Interests in Consolidated Entities .....	\$—	\$(303,888)
Restricted Cash.....	\$—	\$123,659
Accounts Payable, Accrued Expenses and Other Liabilities .....	\$—	\$(40,965)
Other Assets .....	\$—	\$20,257
Accumulated Other Comprehensive Income .....	\$—	\$10,306