KKR & Co. (Guernsey) L.P. Announces First Quarter 2010 Results

2010 First Quarter Economic Net Income of $674.8 million
2010 First Quarter Distribution of $0.08 per KKR Guernsey Common Unit

Guernsey, Channel Islands, May 13, 2010 – KKR & Co. (Guernsey) L.P. (Euronext Amsterdam: KKR), referred to as KKR Guernsey[1], today reported financial information of KKR[2] for the quarter ended March 31, 2010.

FINANCIAL HIGHLIGHTS[3]

Assets under management ("AUM") were $54.7 billion as of March 31, 2010.

Fee related earnings ("FRE") were $90.4 million for the quarter ended March 31, 2010.

Economic net income ("ENI") was $674.8 million for the quarter ended March 31, 2010.

Committed dollars invested amounted to $1,142.7 million for the quarter ended March 31, 2010.

Uncalled commitments to our investment funds amounted to $14.2 billion as of March 31, 2010.

Book value was $4.7 billion or $6.93 per unit as of March 31, 2010.

SEGMENT REVIEW

Private Markets

AUM in the private markets segment was $40.9 billion as of March 31, 2010, an increase of $2.1 billion or 5.4% compared to AUM of $38.8 billion as of December 31, 2009. The increase was primarily due to an increase in the fair value of our private equity portfolio, offset by distributions during the quarter.

Fee paying assets under management ("FPAUM") in the private markets segment were $35.9 billion as of March 31, 2010, a decrease of $0.6 billion or 1.6% compared to FPAUM of $36.5 billion as of December 31, 2009. The decrease was primarily due to distributions, offset by new capital raised during the quarter.

FRE in the private markets segment was $56.2 million for the quarter ended March 31, 2010, a decrease of $13.0 million or 18.8% compared to FRE of $69.2 million for the quarter ended December 31, 2009. The decrease was due primarily to a higher level of gross monitoring fees in the fourth quarter of 2009 associated with a $46.1 million termination payment on a monitoring agreement with a portfolio company. This termination payment favorably impacted FRE in the fourth quarter of 2009 by $28.6 million, net of associated fee credits. There were no such payments during the first quarter of 2010. The decrease was partially

1 KKR Guernsey's sole asset is the limited partner interests of KKR Group Holdings L.P. ("Group Holdings"), which represents 30% of the outstanding equity in KKR resulting from the business combination (the "Business Combination") between KKR and KKR Guernsey that was consummated on October 1, 2009. The remaining 70% of the equity is held by KKR's predecessor owners and employees through KKR Holdings L.P. Except where specifically noted otherwise, the following information reports the financial results for all of KKR.

2 KKR refers to the global asset management business of KKR & Co. L.P. and its controlled affiliates resulting from the Business Combination. The financial information for KKR prior to October 1, 2009 is based on a group, for accounting purposes, of certain consolidated and combined entities under the common control of KKR's senior principals, and under the common ownership of KKR's principals and certain other individuals who have been involved in KKR's business.

3 KKR's financial highlights do not include all adjustments necessary for a presentation of the consolidated and combined financial results of KKR in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

offset by lower operating expenses primarily as a result of a reduction in professional and other service provider fees. Pro forma[4] FRE for the quarter ended March 31, 2009 was $42.0 million.

ENI in the private markets segment was $193.7 million for the quarter ended March 31, 2010, an increase of $48.2 million or 33.1% compared to ENI of $145.6 million for the quarter ended December 31, 2009. The increase reflects $183.8 million of higher gross carried interest driven by greater unrealized gains in our private equity portfolio in the first quarter of 2010 as compared to the fourth quarter of 2009. This increase was partially offset by increases in the allocation to the carry pool[5] and management fee refunds of $59.2 million and $61.0 million, respectively. As of March 31, 2010, the amount subject to management fee refunds, which may reduce carried interest in future periods, approximated $78 million. Pro forma ENI was $(10.6) million for the quarter ended March 31, 2009.

Public Markets

AUM in the public markets segment was $13.8 billion as of March 31, 2010, an increase of $0.4 billion or 3.0% compared to AUM of $13.4 billion as of December 31, 2009. The increase was primarily due to increases in the fair value of our investment portfolio and new capital raised, offset by distributions during the quarter.

FPAUM in the public markets segment was $6.6 billion as of March 31, 2010, an increase of $0.3 billion or 5.3% compared to FPAUM of $6.3 billion as of December 31, 2009. The increase was primarily due to increases in the fair value of our investment portfolio and new capital raised, offset by distributions during the quarter.

FRE in the public markets segment was $15.7 million for the quarter ended March 31, 2010, an increase of $13.3 million compared to FRE of $2.4 million for the quarter ended December 31, 2009. The increase was due primarily to a $12.5 million incentive fee earned during the first quarter of 2010, whereas no incentive fee was earned in the fourth quarter of 2009. Pro forma FRE for the quarter ended March 31, 2009 was $0.8 million.

ENI in the public markets segment was $16.3 million for the quarter ended March 31, 2010, an increase of $14.8 million compared to ENI of $1.5 million for the quarter ended December 31, 2009. The increase was due primarily to the increase in FRE described above. Pro forma ENI was $0.1 million for the quarter ended March 31, 2009.

Capital Markets and Principal Activities

FRE in the capital markets and principal activities segment was $18.5 million for the quarter ended March 31, 2010, an increase of $2.7 million, or 16.7%, compared to FRE of $15.8 million for the quarter ended December 31, 2009. The increase was due primarily to an increase in transaction fees from our capital markets business during the first quarter of 2010. Pro forma FRE for the quarter ended March 31, 2009 was $(3.2) million.

ENI in the capital markets and principal activities segment was $464.8 million for the quarter ended March 31, 2010, an increase of $96.5 million, or 26.2%, compared to ENI of $368.2 million for the quarter ended December 31, 2009. The increase was primarily attributable to higher levels of appreciation of our principal investments during the first quarter of 2010. Pro forma ENI was $13.1 million for the quarter ended March 31, 2009.

CAPITAL AND LIQUIDITY

As of March 31, 2010, KKR had an available cash balance of $620.8 million and $350.5 million of outstanding debt obligations. As of March 31, 2010, KKR's availability for further borrowings was approximately $1.5 billion. In addition, KKR has a $500.0 million revolving credit facility for use in its capital markets business that was undrawn as of March 31, 2010.

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[4] All amounts indicated in this press release as being presentated on a pro forma basis give effect to the Business Combination and related transactions as if they had been completed at the beginning of the relevant period. See notes to KKR's unaudited reportable segments on page 18 of this press release.

[5] Carry pool allocations represent allocations of a portion of the carried interest earned in relation to KKR's investment funds and carry paying co-investment vehicles to KKR principals, other professionals and selected other individuals who work in these operations.

As of March 31, 2010, KKR's portion of total uncalled commitments to its investment funds was $1,149.1 million, consisting of the following (amounts in thousands):

	Uncalled Commitments
Private Markets	
KKR E2 Investors (Annex Fund)	$ 36,274
European III Fund	432,703
Asian Fund	172,513
2006 Fund	434,271
KKR Natural Resources	7,500
Total Private Markets Commitments	1,083,261
Public Markets	
Capital Solutions	20,810
KKR Mezzanine Fund	45,000
Total Public Markets Commitments	65,810
Total Uncalled Commitments	$ 1,149,071

DISTRIBUTION

A distribution of $0.08 per KKR Guernsey unit, subject to applicable taxes withheld by KKR's corporate subsidiary of $0.024, will be payable on or about June 10, 2010 to KKR Guernsey unitholders of record as of the close of business on May 27, 2010.

U.S. LISTING AND OFFERING

KKR & Co. L.P. has filed registration statements with the U.S. Securities and Exchange Commission (the "SEC") to list on the New York Stock Exchange the outstanding common units which are currently listed on Euronext Amsterdam by NYSE Euronext ("Euronext Amsterdam"), the regulated market of Euronext Amsterdam N.V., and to register a proposed primary offering of its common units. A copy of the registration statements and other documents that KKR & Co. L.P. has filed with the SEC are available on the SEC website at *www.sec.gov*.

KKR GUERNSEY FINANCIAL INFORMATION

As of March 31, 2010, KKR Guernsey had 204,902,226 common units outstanding, which represents 30% of the 683,007,420 total outstanding common units on a fully diluted basis. The common units are listed on Euronext Amsterdam, are non-voting and are subject to a number of ownership and transfer restrictions. KKR Guernsey's general partner is governed by a board of directors consisting of a majority of independent directors.

KKR Guernsey's holdings of limited partner interests in Group Holdings are accounted for using the equity method of accounting. The recorded value of KKR Guernsey's holdings of limited partner interests in Group Holdings was approximately $1.1 billion as of March 31, 2010. During the first quarter of 2010, the value increased due predominantly to net income recognized by Group Holdings, offset by capital distributions. KKR Guernsey held no other assets and had no liabilities as of March 31, 2010.

KKR Guernsey does not have any material operations other than its holdings of limited partner interests in Group Holdings. During the quarter ended March 31, 2010, KKR Guernsey received approximately $12 million in cash from Group Holdings in order to fund a distribution in a like amount to KKR Guernsey's unitholders. KKR Guernsey expects to receive cash from Group Holdings in an amount sufficient to make the current and any future distribution payments and to pay other obligations.

This document constitutes KKR Guernsey's interim management statement, which is available at the Investor Relations page on KKR's website at www.kkr.com.

CONFERENCE CALL

A conference call to discuss KKR's financial results will be on held Friday May 14, 2010 at 10:00 AM EDT (New York City) / 3:00 PM BST (Guernsey) / 4:00 PM CEST (Amsterdam). The conference call may be accessed by dialing (866) 316-1364 (U.S.) or +1 (913) 312-0851 (non-U.S.); a pass code is not required. Additionally, the conference call will be broadcast live over the Internet and may be accessed through the Investor Relations section of KKR's website at

http://www.kkr.com/investor_relations/events.cfm. A replay of the live broadcast will be available on KKR's website or by dialing (888) 203-1112 (U.S.) and +1 (719) 457-0820 (non-U.S.) / pass code 4064134, beginning approximately two hours after the broadcast.

ABOUT KKR GUERNSEY

KKR & Co. (Guernsey) L.P. (Euronext Amsterdam: KKR) is a Guernsey limited partnership referred to as KKR Guernsey, which represents a 30% economic interest in KKR. KKR Guernsey's common units and related restricted depositary units are subject to a number of ownership and transfer restrictions. Information concerning these ownership and transfer restrictions is included at the Investor Relations section of KKR's website at www.kkr.com. KKR Guernsey was formerly known as KKR Private Equity Investors, L.P.

ABOUT KKR

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global alternative asset manager with $54.7 billion in assets under management as of March 31, 2010. With over 600 people and 14 offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platforms. KKR is publicly traded through KKR & Co. (Guernsey) L.P. (Euronext Amsterdam: KKR). For additional information, please visit KKR's website at www.kkr.com.

NO OFFERING STATEMENT

This release does not constitute an offer of securities for sale in the United States or elsewhere. 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 KKR or KKR Guernsey and that will contain detailed information about them and management, as well as financial statements.

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 KKR's and KKR Guernsey'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 KKR or KKR Guernsey or are within their control. If a change occurs, KKR's and KKR Guernsey's business, financial condition, liquidity and results of operations, including net asset value, assets under management, fee paying assets under management, fee related earnings, economic net income, committed dollars invested, uncalled commitments and book value, 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: the possibility that the listing of the interests in the combined business on the New York Stock Exchange and/or the proposed primary offering of KKR's common units may or may not occur; the risk that the anticipated benefits of the combined business may not be achieved; the general volatility of the capital markets; changes in KKR's or KKR Guernsey'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; and the degree and nature of KKR's competition. Neither KKR nor KKR Guernsey 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 KKR Guernsey's business strategy is focused on the long-term and financial results are subject to significant volatility. Additional information about factors affecting KKR and KKR Guernsey are available in KKR Guernsey's consent solicitation statement dated July 24, 2009, which is available at the Investor Relations section at www.kkr.com.

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KKR
TOTAL REPORTABLE SEGMENTS (UNAUDITED)
(Amounts in thousands)

	Actual Quarter Ended March 31, 2010	Actual Quarter Ended December 31, 2009	Pro-Forma Quarter Ended March 31, 2009
Fees			
Management and incentive fees:			
Management fees	$ 111,029	$ 113,615	$ 107,638
Incentive fees	12,500	-	-
Management and incentive fees	123,529	113,615	107,638
Monitoring and transaction fees:			
Monitoring fees	22,532	68,383	21,960
Transaction fees	55,534	39,842	191
Fee credits	(14,267)	(26,260)	(1,722)
Net monitoring and transaction fees	63,799	81,965	20,429
Total fees	187,328	195,580	128,067
Expenses			
Employee compensation and benefits	52,253	48,018	40,021
Other operating expenses	44,686	60,095	48,394
Total expenses	96,939	108,113	88,415
Fee Related Earnings	**90,389**	**87,467**	**39,652**
Investment income (loss)			
Gross carried interest	323,211	139,034	(50,143)
Less: allocation to KKR carry pool	(99,382)	(40,077)	(697)
Less: management fee refunds	(83,740)	(22,720)	-
Net carried interest	140,089	76,237	(50,840)
Other investment income (loss)	444,702	352,576	14,002
Total investment income (loss)	584,791	428,813	(36,838)
Income (Loss) before noncontrolling interests in Income of consolidated entities	675,180	516,280	2,814
Income (Loss) attributable to noncontrolling interests	376	1,025	307
Economic Net Income (Loss)	**$ 674,804**	**$ 515,255**	**$ 2,507**
Assets Under Management	**$ 54,708,700**	**$ 52,204,200**	**$ 43,757,900**
Fee Paying Assets Under Management	**$ 42,528,900**	**$ 42,779,800**	**$ 41,624,100**
Committed Dollars Invested	**$ 1,142,700**	**$ 456,700**	**$ 18,000**
Uncalled Commitments	**$ 14,234,800**	**$ 14,544,427**	**$ 14,825,081**

See notes to KKR's unaudited reportable segments on page 18 of this press release

KKR
PRIVATE MARKETS SEGMENT (UNAUDITED)
(Amounts in thousands)

	Actual Quarter Ended March 31, 2010	Actual Quarter Ended December 31, 2009	Pro-Forma Quarter Ended March 31, 2009
Fees			
Management and incentive fees:			
Management fees	$ 98,160	$ 99,221	$ 95,609
Incentive fees	-	-	-
Management and incentive fees	98,160	99,221	95,609
Monitoring and transaction fees:			
Monitoring fees	22,532	68,383	21,960
Transaction fees	25,114	20,269	-
Fee credits	(10,077)	(26,260)	(1,722)
Net monitoring and transaction fees	37,569	62,392	20,238
Total fees	135,729	161,613	115,847
Expenses			
Employee compensation and benefits	40,841	39,399	32,619
Other operating expenses	38,671	52,991	41,180
Total expenses	79,512	92,390	73,799
Fee Related Earnings	**56,217**	**69,223**	**42,048**
Investment income (loss)			
Gross carried interest	322,840	139,034	(50,143)
Less: allocation to KKR carry pool	(99,233)	(40,077)	(697)
Less: management fee refunds	(83,740)	(22,720)	-
Net carried interest	139,867	76,237	(50,840)
Other investment income (loss)	(2,594)	605	(1,431)
Total investment income (loss)	137,273	76,842	(52,271)
Income (Loss) before noncontrolling interests in Income of consolidated entities	193,490	146,065	(10,223)
Income (Loss) attributable to noncontrolling interests	(250)	497	420
Economic Net Income (Loss)	**$ 193,740**	**$ 145,568**	**$ (10,643)**
Assets Under Management	**$ 40,943,100**	**$ 38,842,900**	**$ 31,487,500**
Fee Paying Assets Under Management	**$ 35,901,900**	**$ 36,484,400**	**$ 37,062,600**
Committed Dollars Invested	**$ 995,500**	**$ 456,700**	**$ 18,000**
Uncalled Commitments	**$ 12,844,300**	**$ 13,728,100**	**$ 14,825,081**

See notes to KKR's unaudited reportable segments on page 18 of this press release

KKR
PUBLIC MARKETS SEGMENT (UNAUDITED)
(Amounts in thousands)

	Actual Quarter Ended March 31, 2010	Actual Quarter Ended December 31, 2009	Pro-Forma Quarter Ended March 31, 2009
Fees			
Management and incentive fees:			
Management fees	$ 12,869	$ 14,394	$ 12,029
Incentive fees	12,500	-	-
Management and incentive fees	25,369	14,394	12,029
Monitoring and transaction fees:			
Monitoring fees	-	-	-
Transaction fees	5,823	-	-
Fee credits	(4,190)	-	-
Net monitoring and transaction fees	1,633	-	-
Total fees	27,002	14,394	12,029
Expenses			
Employee compensation and benefits	7,142	6,909	5,153
Other operating expenses	4,165	5,068	6,121
Total expenses	11,307	11,977	11,274
Fee Related Earnings	**15,695**	**2,417**	**755**
Investment income (loss)			
Gross carried interest	371	-	-
Less: allocation to KKR carry pool	(149)	-	-
Less: management fee refunds	-	-	-
Net carried interest	222	-	-
Other investment income (loss)	508	(952)	(660)
Total investment income (loss)	730	(952)	(660)
Income (Loss) before noncontrolling interests in Income of consolidated entities	16,425	1,465	95
Income (Loss) attributable to noncontrolling interests	145	15	8
Economic Net Income (Loss)	**$ 16,280**	**$ 1,450**	**$ 87**
Assets Under Management	**$ 13,765,600**	**$ 13,361,300**	**$ 12,270,400**
Fee Paying Assets Under Management	**$ 6,627,000**	**$ 6,295,400**	**$ 4,561,500**
Committed Dollars Invested	**$ 147,200**	**$ -**	**$ -**
Uncalled Commitments	**$ 1,390,500**	**$ 816,327**	**$ -**

See notes to KKR's unaudited reportable segments on page 18 of this press release

KKR
CAPITAL MARKETS AND PRINCIPAL ACTIVITIES SEGMENT (UNAUDITED)
(Amounts in thousands)

	Actual Quarter Ended March 31, 2010	Actual Quarter Ended December 31, 2009	Pro-Forma Quarter Ended March 31, 2009
Fees			
Management and incentive fees:			
Management fees	$ -	$ -	$ -
Incentive fees	-	-	-
Management and incentive fees	-	-	-
Monitoring and transaction fees:			
Monitoring fees	-	-	-
Transaction fees	24,597	19,573	191
Fee credits	-	-	-
Net monitoring and transaction fees	24,597	19,573	191
Total fees	24,597	19,573	191
Expenses			
Employee compensation and benefits	4,270	1,710	2,249
Other operating expenses	1,850	2,036	1,093
Total expenses	6,120	3,746	3,342
Fee Related Earnings	**18,477**	**15,827**	**(3,151)**
Investment income (loss)			
Gross carried interest	-	-	-
Less: allocation to KKR carry pool	-	-	-
Less: management fee refunds	-	-	-
Net carried interest	-	-	-
Other investment income (loss)	446,788	352,923	16,093
Total investment income (loss)	**446,788**	**352,923**	**16,093**
Income (Loss) before noncontrolling interests in Income of consolidated entities	465,265	368,750	12,942
Income (Loss) attributable to noncontrolling interests	481	513	(121)
Economic Net Income (Loss)	**$ 464,784**	**$ 368,237**	**$ 13,063**

See notes to KKR's unaudited reportable segments on page 18 of this press release

KKR
TOTAL REPORTABLE SEGMENTS (UNAUDITED)
Quarter Ended March 31, 2010
(Amounts in thousands)

	Private Markets Segment	Public Markets Segment	Capital Markets and Principal Activities Segment	Total Reportable Segments
Fees				
Management and incentive fees:				
Management fees	$ 98,160	$ 12,869	$ -	$ 111,029
Incentive fees	-	12,500	-	12,500
Management and incentive fees	98,160	25,369	-	123,529
Monitoring and transaction fees:				
Monitoring fees	22,532	-	-	22,532
Transaction fees	25,114	5,823	24,597	55,534
Fee credits	(10,077)	(4,190)	-	(14,267)
Net monitoring and transaction fees	37,569	1,633	24,597	63,799
Total fees	135,729	27,002	24,597	187,328
Expenses				
Employee compensation and benefits	40,841	7,142	4,270	52,253
Other operating expenses	38,671	4,165	1,850	44,686
Total expenses	79,512	11,307	6,120	96,939
Fee Related Earnings	**56,217**	**15,695**	**18,477**	**90,389**
Investment income (loss)				
Gross carried interest	322,840	371	-	323,211
Less: allocation to KKR carry pool	(99,233)	(149)	-	(99,382)
Less: management fee refunds	(83,740)	-	-	(83,740)
Net carried interest	139,867	222	-	140,089
Other investment income (loss)	(2,594)	508	446,788	444,702
Total investment income (loss)	137,273	730	446,788	584,791
Income (Loss) before noncontrolling interests in Income of consolidated entities	193,490	16,425	465,265	675,180
Income (Loss) attributable to noncontrolling interests	(250)	145	481	376
Economic Net Income (Loss)	**$ 193,740**	**$ 16,280**	**$ 464,784**	**$ 674,804**

See notes to KKR's unaudited reportable segments on page 18 of this press release

KKR
TOTAL REPORTABLE SEGMENTS (UNAUDITED)
Quarter Ended December 31, 2009
(Amounts in thousands)

	Private Markets Segment	Public Markets Segment	Capital Markets and Principal Activities Segment	Total Reportable Segments
Fees				
Management and incentive fees:				
Management fees	$ 99,221	$ 14,394	$ -	$ 113,615
Incentive fees	-	-	-	-
Management and incentive fees	99,221	14,394	-	113,615
Monitoring and transaction fees:				
Monitoring fees	68,383	-	-	68,383
Transaction fees	20,269	-	19,573	39,842
Fee credits	(26,260)	-	-	(26,260)
Net monitoring and transaction fees	62,392	-	19,573	81,965
Total fees	161,613	14,394	19,573	195,580
Expenses				
Employee compensation and benefits	39,399	6,909	1,710	48,018
Other operating expenses	52,991	5,068	2,036	60,095
Total expenses	92,390	11,977	3,746	108,113
Fee Related Earnings	**69,223**	**2,417**	**15,827**	**87,467**
Investment income (loss)				
Gross carried interest	139,034	-	-	139,034
Less: allocation to KKR carry pool	(40,077)	-	-	(40,077)
Less: management fee refunds	(22,720)	-	-	(22,720)
Net carried interest	76,237	-	-	76,237
Other investment income (loss)	605	(952)	352,923	352,576
Total investment income (loss)	76,842	(952)	352,923	428,813
Income (Loss) before noncontrolling interests in Income of consolidated entities	146,065	1,465	368,750	516,280
Income (Loss) attributable to noncontrolling interests	497	15	513	1,025
Economic Net Income (Loss)	**$ 145,568**	**$ 1,450**	**$ 368,237**	**$ 515,255**

See notes to KKR's unaudited reportable segments on page 18 of this press release

KKR
TOTAL REPORTABLE SEGMENTS - PRO FORMA (UNAUDITED)
Quarter Ended March 31, 2009
(Amounts in thousands)

	Private Markets Segment	Public Markets Segment	Capital Markets and Principal Activities Segment	Total Reportable Segments
Fees				
Management and incentive fees:				
Management fees	$ 95,609	$ 12,029	$ -	$ 107,638
Incentive fees	-	-	-	-
Management and incentive fees	95,609	12,029	-	107,638
Monitoring and transaction fees:				
Monitoring fees	21,960	-	-	21,960
Transaction fees	-	-	191	191
Fee credits	(1,722)	-	-	(1,722)
Net monitoring and transaction fees	20,238	-	191	20,429
Total fees	115,847	12,029	191	128,067
Expenses				
Employee compensation and benefits	32,619	5,153	2,249	40,021
Other operating expenses	41,180	6,121	1,093	48,394
Total expenses	73,799	11,274	3,342	88,415
Fee Related Earnings	**42,048**	**755**	**(3,151)**	**39,652**
Investment income (loss)				
Gross carried interest	(50,143)	-	-	(50,143)
Less: allocation to KKR carry pool	(697)	-	-	(697)
Less: management fee refunds	-	-	-	-
Net carried interest	(50,840)	-	-	(50,840)
Other investment income (loss)	(1,431)	(660)	16,093	14,002
Total investment income (loss)	(52,271)	(660)	16,093	(36,838)
Income (Loss) before noncontrolling interests in Income of consolidated entities	(10,223)	95	12,942	2,814
Income (Loss) attributable to noncontrolling interests	420	8	(121)	307
Economic Net Income (Loss)	**$ (10,643)**	**$ 87**	**$ 13,063**	**$ 2,507**

See notes to KKR's unaudited reportable segments on page 18 of this press release

KKR
TOTAL REPORTABLE SEGMENTS (UNAUDITED)
(Amounts in thousands, except unit and per unit amounts)

	As of March 31, 2010			
	Private Markets Segment	**Public Markets Segment**	**Capital Markets and Principal Activities Segment**	**Total Reportable Segments**
Cash and cash equivalents	$ 192,998	$ 17,722	$ 410,068	$ 620,788
Investments	-	-	4,213,817 (a)	4,213,817
Unrealized carry	262,485	222	-	262,707
Other assets	82,749	57,106	32,980	172,835
Total assets	$ 538,232	$ 75,050	$ 4,656,865	$ 5,270,147
Debt obligations	$ -	$ -	$ 350,518	$ 350,518
Other liabilities	120,997	12,106	36,061	169,164
Total liabilities	$ 120,997	$ 12,106	$ 386,579	$ 519,682
Noncontrolling interests	$ (2,412)	$ 672	$ 18,962	$ 17,222
Partners' capital	$ 419,647	$ 62,272	$ 4,251,324	$ 4,733,243
Book value per unit (b)	$ 0.62	$ 0.09	$ 6.22	$ 6.93

(a) See Capital Markets and Principal Activities segment schedule of investments that follows in this press release.
(b) Book value per unit is based on 683,007,420 units on a fully diluted basis giving effect to the common units that may be issued by KKR Guernsey in exchange for additional equity in KKR.

KKR
TOTAL REPORTABLE SEGMENTS (UNAUDITED)
(Amounts in thousands, except unit and per unit amounts)

	As of December 31, 2009			
	Private Markets Segment	**Public Markets Segment**	**Capital Markets and Principal Activities Segment**	**Total Reportable Segments**
Cash and cash equivalents	$ 51,015	$ 9,089	$ 496,554	$ 556,658
Investments	-	-	4,108,359	4,108,359
Unrealized carry	156,149	-	-	156,149
Other assets	154,964	53,319	55,219	263,502
Total assets	$ 362,128	$ 62,408	$ 4,660,132	$ 5,084,668
Debt obligations	$ -	$ -	$ 733,697	$ 733,697
Other liabilities	84,936	12,300	85,802	183,038
Total liabilities	$ 84,936	$ 12,300	$ 819,499	$ 916,735
Noncontrolling interests	$ 130	$ 527	$ 14,392	$ 15,049
Partners' capital	$ 277,062	$ 49,581	$ 3,826,241	$ 4,152,884
Book value per unit (a)	$ 0.41	$ 0.07	$ 5.60	$ 6.08

(a) Book value per unit is based on 683,007,420 units on a fully diluted basis giving effect to the common units that may be issued by KKR Guernsey in exchange for additional equity in KKR.

KKR
CAPITAL MARKETS AND PRINCIPAL ACTIVITIES SEGMENT SCHEDULE OF INVESTMENTS
(Amounts in thousands, except percentage amounts)

	As of March 31, 2010		
Investment	**Cost**	**Fair Value**	**Fair Value as a Percentage of Investments**
Private Equity Investments:			
Co-investments in portfolio companies of private equity funds:			
Dollar General Corporation	$ 203,474	$ 587,168	13.9 %
HCA Inc.	201,444	394,209	9.4
Alliance Boots GmbH	301,352	273,125	6.5
The Nielsen Company B.V.	156,839	203,890	4.8
Biomet, Inc.	151,443	151,443	3.6
NXP B.V.	250,000	100,000	2.4
First Data Corporation	135,258	81,155	1.9
U.S. Foodservice, Inc.	100,000	80,000	1.9
Energy Future Holdings Corp.	200,000	60,000	1.4
ProSiebenSat.1 Media AG	226,913	47,050	1.1
KION Group GmbH	128,058	28,398	0.7
PagesJaunes Groupe S.A.	235,201	8,646	0.2
Capmark Financial Group Inc.	137,321	—	—
Subtotal	2,427,303	2,015,084	47.8
Private equity funds:			
KKR 2006 Fund L.P.	1,166,421	1,168,108	27.7
KKR European Fund, Limited Partnership	176,260	184,172	4.4
KKR Millennium Fund L.P.	199,856	182,127	4.3
KKR Asian Fund L.P.	122,796	142,001	3.4
KKR European Fund III, Limited Partnership	113,154	108,989	2.6
KKR European Fund II, Limited Partnership	96,387	68,086	1.6
KKR E2 Investors L.P.	4,021	4,428	0.1
Subtotal	1,878,895	1,857,911	44.1
Other private equity investments:			
Orient Corporation	169,706	143,331	3.4
Subtotal	169,706	143,331	3.4
Other Investments	195,212	197,491	4.7
Total	$ 4,671,116	$ 4,213,817	100.0 %

KKR
CAPITAL MARKETS AND PRINCIPAL ACTIVITIES SEGMENT SCHEDULE OF INVESTMENTS
(Amounts in thousands, except percentage amounts)

	As of March 31, 2010		
Investment	**Cost**	**Fair Value**	**Fair Value as a Percentage of Investments**
Significant Aggregate Private Equity Investments: (1)			
Dollar General Corporation	$ 293,982	$ 814,214	19.3 %
HCA Inc.	260,920	499,225	11.8
Alliance Boots GmbH	443,114	412,077	9.8
Biomet, Inc.	256,358	256,358	6.1
The Nielsen Company B.V.	172,841	223,734	5.3
Subtotal	1,427,215	2,205,608	52.3
Other portfolio companies (2)	3,048,689	1,810,718	43.0
Other investments	195,212	197,491	4.7
Total	$ 4,671,116	$ 4,213,817	100.0 %
Investments by Geography:			
North America	$ 2,528,884	$ 2,818,219	66.9 %
Europe	1,736,793	964,842	22.9
Asia Pacific	405,439	430,756	10.2
Total	$ 4,671,116	$ 4,213,817	100.0 %
Investments by Industry:			
Healthcare	$ 1,013,667	$ 1,214,182	28.8 %
Retail	642,199	1,083,250	25.7
Financial Services	911,759	599,216	14.2
Media/Telecom	759,825	379,600	9.0
Technology	459,261	332,838	7.9
Industrial	319,365	260,252	6.2
Energy	397,248	162,125	3.8
Consumer Products	145,502	157,188	3.7
Other	22,290	25,166	0.7
Total	$ 4,671,116	$ 4,213,817	100.0 %

(1) The significant aggregate private equity investments include the co-investment in the underlying portfolio company, the limited partner and/or general partner interests equal to the pro rata share of KKR's private equity fund investment and other private equity investments with fair values in excess of 5% of the Capital Markets and Principal Activities Segment investments balance as of March 31, 2010.

(2) Other portfolio companies include aggregate private equity investments in portfolio companies with individual fair values less then 5% of the Capital Markets and Principal Activities Segment investments balance as of March 31, 2010.

KKR
ASSETS UNDER MANAGEMENT AND FEE PAYING ASSETS UNDER MANAGEMENT
(Amounts in thousands)

Assets Under Management

	Private Markets Segment	Public Markets Segment	Total Reportable Segments
December 31, 2009 AUM as previously reported	$ 38,842,900	$ 13,361,300	$ 52,204,200
New Capital Raised	357,500	415,300	772,800
Distributions	(593,200)	(450,000)	(1,043,200)
Foreign Exchange	(225,700)	-	(225,700)
Change in Value	2,561,600	439,000	3,000,600
March 31, 2010 AUM	$ 40,943,100	$ 13,765,600	$ 54,708,700

Fee Paying Assets Under Management

	Private Markets Segment	Public Markets Segment	Total Reportable Segments
December 31, 2009 FPAUM as previously reported	$ 36,484,400	$ 6,295,400	$ 42,779,800
New Capital Raised	350,000	340,300	690,300
Distributions	(653,300)	(450,000)	(1,103,300)
Foreign Exchange	(293,400)	-	(293,400)
Change in Value	14,200	441,300	455,500
March 31, 2010 FPAUM	$ 35,901,900	$ 6,627,000	$ 42,528,900

KKR

FUND INVESTMENTS (UNAUDITED)

As of March 31, 2010

(Amounts in millions, except percentages)

	Investment Period		Amount						
Private Markets	Commencement Date	End Date	Commitment	Uncalled Commitments	Percentage Committed by General Partner	Invested	Realized	Remaining Cost	Fair Value
KKR E2 Investors (Annex Fund)	8/2009	11/2011	$ 543.0	$ 487.6	4.2%	$ 55.4	$ -	$ 55.4	$ 61.0
European Fund III	3/2008	3/2014	6,001.6	4,643.4	4.5%	1,358.2	-	1,358.2	1,276.7
Asian Fund	7/2007	7/2013	4,000.0	2,324.2	2.5%	1,675.8	-	1,675.8	2,006.9
2006 Fund	9/2006	9/2012	17,642.2	4,854.6	2.1%	12,787.6	387.1	12,407.3	12,805.8
European Fund II	11/2005	10/2008	5,750.8	-	2.1%	5,750.8	658.3	5,439.1	3,723.7
Millennium Fund	12/2002	12/2008	6,000.0	-	2.5%	6,000.0	5,401.4	4,506.8	5,591.8
European Fund	12/1999	12/2005	3,085.4	-	3.2%	3,085.4	5,991.4	627.2	2,150.8
Total Private Equity Funds			43,023.0	12,309.8		30,713.2	12,438.2	26,069.8	27,616.7
Co-Investment Vehicles	Various	Various	1,662.8	277.0	Various	1,385.8	89.1	1,363.8	1,852.3
KKR Natural Resources	3/2010	(1)	257.5	257.5	2.9%	-	-	-	-
Private Markets Subtotal			$ 44,943.3	$ 12,844.3		$ 32,099.0	$ 12,527.3	$ 27,433.6	$ 29,469.0
Public Markets									
Capital Solutions	Various	Various	$ 1,187.7	$ 1,040.5	Various	$ 147.2	$ -	$ 147.2	$ 147.2
KKR Mezzanine Fund	3/2010	3/2015	350.0	350.0	12.9%	-	-	-	-
Public Markets Subtotal			$ 1,537.7	$ 1,390.5		$ 147.2	$ -	$ 147.2	$ 147.2
Total			$ 46,481.0	$ 14,234.8		$ 32,246.2	$ 12,527.3	$ 27,580.8	$ 29,616.2

(1) Third anniversary of the first acquisition

KKR
DISTRIBUTION CALCULATION
(Amounts in thousands, except unit and per unit amounts)

	Quarter Ended March 31, 2010	
KKR fee related earnings	$ 90,389	
Realized cash carry	-	
Less: local income taxes	(5,200)	
Less: noncontrolling interests	(376)	
Gross KKR distributable earnings	84,813	
Earnings attributable to KKR Guernsey (30%)	25,444	
Less: estimated current corporate income taxes	(9,022)	
Plus: tax distribution	-	
Net cash available for distribution	16,422	
Outstanding KKR Guernsey units	204,902,226	
Distribution per KKR Guernsey unit	$ 0.08	(a)

(a) Consists of a $0.056 cash distribution and a $0.024 U.S. Federal tax withholding amount per KKR Guernsey unit. The withholding amount represents taxes withheld by KKR's corporate subsidiary upon distribution of KKR's earnings to KKR Guernsey. Given that withholding was imposed by KKR's corporate subsidiary, the distribution by KKR Guernsey to its unitholders is not subject to further U.S. Federal tax withholding. Both the cash distribution and the tax withholding will be reported as a total distribution of $0.08 per unit on each KKR Guernsey unitholder's 2010 Federal Schedule K-1.

In addition to the $0.024 U.S. Federal withholding imposed by KKR's corporate subsidiary, but unrelated to the $0.08 distribution, $0.043 of U.S. Federal tax withholding per KKR Guernsey unit was withheld, on behalf of KKR Guernsey unitholders, by other entities with respect to earnings of KKR's Capital Markets and Principal Activities Segment. This amount has been withheld to cover anticipated tax liabilities that arose from those activities during the first quarter 2010 and will also be reported in each KKR Guernsey unitholder's 2010 Federal Schedule K-1 as a distribution.

Note: All KKR Guernsey unitholders receive a Federal Schedule K-1, regardless of their country of residence.

DISTRIBUTION POLICY

We intend to make quarterly cash distributions in amounts that in the aggregate are expected to constitute substantially all of the cash earnings of its asset management business each year in excess of amounts determined by us to be necessary or appropriate to provide for the conduct of its business, to make appropriate investments in its business and its investment funds and to comply with applicable law and any of its debt instruments or other agreements. We do not intend to distribute gains on principal investments, other than certain tax distributions, if any, to the extent that distributions for the relevant tax year were otherwise insufficient to cover certain tax liabilities of its partners, as calculated by us. For the purposes of our distribution policy, our distributions are expected to consist of (i) our fee related earnings after deducting non-cash items and certain other adjustments, (ii) our carry distributions received from our investment funds which have not been allocated as part of our carry pool, and (iii) certain tax distributions, if any.

Because KKR Guernsey makes its investment in KKR through a holding company structure, the distributions received by KKR Guernsey from KKR will be net of amounts required by such holding companies to be paid or withheld under applicable tax laws. KKR Guernsey intends to distribute the net amount received from such holding companies to the holders of KKR Guernsey common units as and when received from KKR. The actual amount and timing of distributions are subject to the discretion of the applicable board of directors of KKR and KKR Guernsey, and there can be no assurance that distributions will be made as intended or at all or that such distributions will be sufficient to pay any particular KKR Guernsey unitholder's actual U.S. or non-U.S. tax liability.

Notes to the Unaudited Reportable Segments

The reportable segments are presented prior to giving effect to the allocation of income between Group Holdings and KKR Holdings L.P. and as such represents the business in total. Group Holdings' allocable portion of FRE and ENI would be calculated as approximately 30% of the amounts presented less applicable income taxes.

The FRE and ENI previously reported for periods prior to October 1, 2009 did not reflect certain adjustments that are applicable for periods after October 1, 2009 as a result of the Business Combination, which include items such as:

- the exclusion of approximately 40% of the carry allocated to KKR principals pursuant to its carry pool;
- the exclusion of carry allocated to former KKR principals;
- the exclusion of the capital invested by or on behalf of the general partners of KKR's private equity funds before the completion of the Business Combination and any returns thereon;
- the exclusion of the economic interests associated with the KKR 1996 Fund;
- the elimination of management fees paid by KKR Private Equity Investors, L.P., which was KKR Guernsey prior to the Business Combination ("KPE"), to KKR's management companies;
- the inclusion of the financial results of KPE; and
- certain compensation adjustments including: (a) the exclusion of bonuses earned by certain of KKR's principals which will not be borne by public investors and (b) the inclusion of salaries for KKR's senior principals.

Given the significance of these adjustments, the comparisons to all periods prior to October 1, 2009 in this press release are on a pro forma basis giving effect to the adjustments above. For a further discussion of adjustments related to the Business Combination please refer to KKR Guernsey's consent solicitation statement dated July 24, 2009, which is available at KKR's Investor Relations page at www.kkr.com.

Key performance measures used in evaluating our reportable business segments are summarized below. These measures are used by management for our segments in making resource deployment and other operational decisions.

Fee related earnings ("FRE") is comprised of segment operating revenues, less segment operating expenses. The components of FRE on a segment basis differ from the equivalent U.S. GAAP amounts on a combined basis as a result of: (i) the inclusion of management fees earned from consolidated funds that were eliminated in consolidation; (ii) the exclusion of expenses of consolidated funds; (iii) charges relating to the amortization of intangible assets; (iv) charges relating to carry pool allocations; (v) non-cash equity based compensation charges; (vi) the exclusion of certain reimbursable expenses; and (vii) the exclusion of certain non-recurring items.

Economic net income ("ENI") is a measure of profitability for our reportable segments and is comprised of (i) FRE; (ii) plus segment investment income, which is reduced for carry pool allocations and management fee refunds; (iii) less certain economic interests in our segments held by third parties. ENI differs from net income on a U.S. GAAP basis as a result of (i) the exclusion of the items referred to in FRE above; (ii) the exclusion of investment income relating to third-party investors in our consolidated funds; and (iii) the exclusion of income taxes.

Assets under management ("AUM") represent the assets from which we are entitled to receive fee income or a carried interest and general partner capital. The AUM reported prior to the Business Combination on October 1, 2009 reflected the NAV of KPE and its commitments to our investment funds. Subsequent to the Business Combination, the NAV of KPE and its commitments to our private equity funds are excluded from our calculation of AUM. As a result, AUM for all periods prior to October 1, 2009 has been presented on a pro forma basis giving effect to the exclusion of KPE. We calculate the amount of AUM as of any date as the sum of: (i) the fair value of the investments of its investment funds plus uncalled capital commitments from these funds; (ii) the fair value of investments in our co-investment vehicles; (iii) the net asset value of certain of its fixed income products; and (iv) the value of outstanding structured finance vehicles. Note that our calculation of AUM may differ from the calculations of other asset managers and, as a result, our measurements of its AUM may not be comparable to similar measures presented by other asset managers. Our definition of AUM is not based on any definition of AUM that is set forth in the agreements governing the investment funds that we manage.

Notes to KKR's Unaudited Reportable Segments (Continued)

Fee paying AUM ("FPAUM") represents only those assets under management from which we receives fees. The FPAUM reported prior to the Business Combination on October 1, 2009 included the NAV of KPE. Subsequent to the Business Combination, the NAV of KPE is excluded from our calculation of FPAUM in its entirety as fees paid by KPE to our management companies are eliminated as intersegment transactions. As a result, FPAUM for all periods prior to October 1, 2009 has been presented on a pro forma basis giving effect to the exclusion of fees paid by KPE. FPAUM is the sum of all of the individual fee bases that are used to calculate our fees and differs from AUM in the following respects: (i) assets from which we do not receive a fee are excluded (i.e., those on which we receive only carried interest) and (ii) certain of our fees, primarily in the private equity funds, are based on capital commitments and invested capital which excludes the impact of mark-to-market adjustments. Accordingly, certain management fees are not dependent on the fair value of certain investments.

Committed dollars invested is the aggregate amount of third party and KKR capital commitments that have been invested by our investment funds and carry-yielding co-investment vehicles during a given period. Such amounts include: (i) capital invested by fund investors and co-investors with respect to which we are entitled to a carried interest and (ii) capital we invested.

Uncalled commitments represent unfunded capital commitments by partners of our investment funds and carry-yielding co-investment vehicles to contribute capital to make investments in portfolio companies and other investment alternatives.

The following should be considered when reviewing our reportable segments:

Fee Credits Our agreements with the limited partners of certain of our investment funds require us to share a portion of any monitoring and transaction fees received from portfolio companies with such limited partners ("Fee Credits"). Fee Credits exclude fees that are not attributable to a fund's investment in a portfolio company and generally amount to 80% of monitoring and transaction fees after fund related expenses are recovered.

KKR Carry Pool With respect to our active and future investment funds and co-investment vehicles that provide for carried interest, we will allocate to our principals, other professionals and selected other individuals who work in these operations a portion of the carried interest earned in relation to these funds as part of its carry pool.

Management Fee Refunds Certain of our investment funds require that we refund up to 20% of any cash management fees earned from limited partners in the event that the funds recognize a carried interest. At such time as the fund recognizes a carried interest in an amount sufficient to cover 20% of the management fees earned or a portion thereof, carried interest is reduced, not to exceed 20% of management fees earned.

Noncontrolling interests represent economic interests that will (i) allocate to a former principal an aggregate of 1% of profits and losses of our management companies until a future date and (ii) allocate to a third party investor an aggregate of 2% of the equity in our capital markets business.