

KKR Private Equity Investors Reports Results for Quarter Ended March 31, 2008

NAV per Unit of \$23.02 as of March 31, 2008

Guernsey, Channel Islands, May 7, 2008 – 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 March 31, 2008. As of March 31, 2008, KPE’s net asset value (“NAV”) was \$4,717.9 million, or \$23.02 per unit.

Henry R. Kravis, Co-Founder of KKR and Co-Chairman of KPE’s Managing Partner’s Board of Directors, commented, “KKR continues to execute on the multi-year strategic plans for our portfolio companies. We are focused on growing cash flows and managing costs throughout the portfolio. For particular companies, we are also creating value by trying to expand into new geographies or product segments, make acquisitions or divestitures and partner with new managers. In addition to monitoring our existing companies, we are keeping a lookout for high-quality franchises to add to our portfolio. We believe that KPE unitholders will be among the beneficiaries of our efforts.”

Results of Operations

Operating results of KPE for the quarter ended March 31, 2008 are highlighted as follows:

- Net realized gain on investments was \$4.0 million, comprised of \$10.3 million from the sale of Demag Holdings, S.à r.l. and \$0.2 million from the sale of investments by KKR Strategic Capital Institutional Fund Ltd. (“SCF”), a KKR-sponsored opportunistic credit fund, offset by a realized loss of \$6.5 million from the sale of opportunistic investments in public equities and related derivative instruments;
- Net unrealized depreciation on investments and foreign currency transactions was \$251.8 million. The changes in the unrealized fair value of investments from December 31, 2007 to March 31, 2008 were:
 - A decrease of \$126.9 million in the value of PagesJaunes Groupe S.A., based on a market quotation on a U.S. dollar basis;
 - A decrease of \$45.1 million in the value of the convertible senior note investment in Sun Microsystems, Inc. (“Sun”);
 - A decrease of \$35.7 million in the value of the convertible preferred stock investment in Orient Corporation (“Orient”);
 - A decrease of \$35.3 million in the value of Legrand Holdings S.A, based on a market quotation on a U.S. dollar basis;

- A decrease of \$15.0 million in the value of Capmark Financial Group Inc., which was marked from 1.3 times KPE's cost basis as of December 31, 2007 to 1.2 times as of March 31, 2008; and
- An increase of \$21.4 million in the value of The Nielsen Company, B.V., which was marked from 1.0 times original cost to 1.1 times as of March 31, 2008.
- Net investment loss was \$21.1 million, which principally represented interest expense and management fees, offset by interest income; and
- The net decrease in net assets resulting from operations was \$268.9 million, and KPE's total return was (5.4) percent during the quarter. The (5.4) percent return was a result of the decrease in the fair value of the portion of KPE's investment portfolio that was valued based on publicly traded marks and compared to a (9.9) percent return in the S&P 500 Index for the quarter ended March 31, 2008.

Investments

KPE invests its capital as the sole limited partner of KKR PEI Investments, L.P. (the "Investment Partnership"). As of March 31, 2008, the Investment Partnership's portfolio of private equity investments, net of related financing, and opportunistic investments with a fair value of \$5,520.7 million, was comprised of the following:

- Investments of \$1,929.2 million through KKR's private equity funds:
 - \$1,364.2 million in KKR 2006 Fund L.P.,
 - \$216.4 million in KKR Millennium Fund L.P.,
 - \$212.3 million in KKR European Fund, Limited Partnership,
 - \$91.5 million in KKR European Fund II, Limited Partnership, and
 - \$44.8 million in KKR Asian Fund, Limited Partnership.
- Co-investments of \$2,591.6 million in the following portfolio companies of KKR's private equity funds:

○ Alliance Boots plc. ○ Biomet, Inc. ○ Capmark Financial Group Inc. ○ Dollar General Corp. ○ Energy Future Holdings Corp. ○ First Data Corp. ○ HCA Inc.	○ KION Group GmbH ○ The Nielsen Company, B.V. ○ NXP B.V. ○ PagesJaunes Groupe S.A. ○ ProSiebenSat. 1 Media AG ○ U.S. Foodservice, Inc.
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- Negotiated equity investments of \$559.1 million, net of related financing:
 - \$273.0 million (net of long-term financing of \$350.0 million) of convertible senior notes of Sun, a leading technology company;
 - \$170.5 million of convertible preferred stock of Orient, one of the largest consumer credit companies in Japan; and
 - \$115.6 million invested in Aero Technical Support & Services S.à r.l., a Canadian aircraft maintenance, repair and overhaul company.
- Opportunistic investments of \$440.8 million:
 - Non-private equity fund investment of \$169.8 million in SCF;
 - \$159.7 million of publicly traded securities and related derivative instruments; and
 - \$111.3 million of a fixed income investment.

Subsequent Events

Subsequent to March 31, 2008 and through May 2, 2008, the Investment Partnership had investment activity as described below. The impact of this investment activity will be reflected in the consolidated financial statements of the Investment Partnership for the second quarter of 2008.

- Secondary sales of selected limited partner interests in and undrawn commitments to the KKR 2006 Fund and KKR Millennium Fund to institutional investors for net cash proceeds of approximately \$299.5 million. Capital received in connection with the dispositions is expected to be used for future investments, expenses and the possible repayment of debt obligations. As of March 31, 2008, the NAV of funded limited partner interests that were sold was \$325.4 million and the related cost was \$322.9 million. The limited partner interests were sold at a 7.9 percent weighted average discount to NAV as of March 31, 2008. The remaining undrawn commitments related to the limited partner interests sold were \$126.0 million as of March 31, 2008, for which the Investment Partnership is no longer responsible.
- Dispositions of opportunistic investments valued at \$48.9 million as of March 31, 2008 for cash proceeds of \$47.1 million, which included sales of publicly traded securities and related derivative instruments and proceeds from securities sold short.

- Capital contributions of \$52.5 million with respect to limited partner interests in KKR's private equity funds consisting of investments as follows:
 - The financial restructuring of A.T.U. Auto-Tiele-Unger Holding GmbH; and
 - A vehicle newly formed by affiliates of KKR to take advantage of the current dislocation in the fixed income markets.
- Purchases of opportunistic investments of \$5.4 million, which included acquisitions of public equities and related derivative instruments and settlements of securities sold short.

As of May 2, 2008, the Investment Partnership's remaining capital commitments related to limited partner interests in KKR's private equity funds were \$699.3 million, after taking into account the subsequent investment activity described above. On May 5, 2008, the Investment Partnership submitted subscription documents for capital commitments of \$300.0 million related to a limited partner interest in the KKR European Fund III, Limited Partnership.

Common Units

On March 31, 2008, KPE issued 352,225 common units to an affiliate of KKR at a price per unit of \$12.51. The issuance was in fulfillment of KKR's previously stated obligation under the investment agreement to reinvest a portion of the carried interests and incentive distribution rights received in respect of investments made by the Investment Partnership. The price per unit was based upon the average of the high and low sales prices of a common unit during the ten business days immediately preceding the issue date, as specified in the investment agreement. This issuance brought KPE's number of outstanding units to 204,902,226 units as of May 2, 2008 compared to 204,550,001 as of December 31, 2007.

Liquidity and Capital Resources

As of May 2, 2008, the Investment Partnership had a pro forma cash balance of \$612.5 million, which represented the cash balance as of March 31, 2008 and the net sources of cash from investment transactions that occurred from April 1, 2008 to May 2, 2008. As of March 31, 2008, the Investment Partnership had drawn \$999.0 million of its \$1.0 billion five-year senior secured credit facility established on June 11, 2007.

The Investment Partnership believes its sources of liquidity are currently sufficient to honor its commitments as and when they become due. In addition to the current cash balance, the Investment Partnership has the potential to generate additional liquidity through, among other things, the targeted sale of selected assets, increased use of leverage and possible capital raising activities. However, no assurances can be made as to whether or when, or the actual amounts at which, any of these potential sources of liquidity will actually be available.

Quarterly Financial Report

KPE has posted its interim financial report, which includes its unaudited financial statements and the unaudited consolidated financial statements of the Investment Partnership, to its website (www.kkrprivateequityinvestors.com). KPE encourages investors to carefully read these documents accompanying 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, May 7, 2008 at 3:00 p.m. CET (Amsterdam) / 2:00 p.m. GMT (Guernsey/London) / 9:00 a.m. EST (New York City). A webcast (listen only) of the teleconference can be accessed via the Investor Relations section of KPE's website at 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 Kohlberg Kravis Roberts & Co. ("KKR"). KPE completed its initial offering in May 2006 and is structured as a permanent capital vehicle. KPE enables certain public market investors, including institutions and qualified individuals, the opportunity to hold a liquid investment in KKR's private equity investment strategies. As of March 31, 2008, over 90% of KPE's \$5.5 billion portfolio was comprised of limited partner interests in five 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 March 31, 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 in the Investor Relations section of KPE's website at www.kkrprivateequityinvestors.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.

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KKR PEI INVESTMENTS, L.P. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED) (Amounts in thousands, except percentage amounts)

	Cost	Fair Value as of March 31, 2008
KKR's private equity funds (1):		
KKR 2006 Fund L.P.	\$ 1,349,807	\$ 1,364,230
KKR Millennium Fund L.P.	228,365	216,396
KKR European Fund, Limited Partnership.....	207,695	212,254
KKR European Fund II, Limited Partnership.....	93,755	91,450
KKR Asian Fund L.P.	40,188	44,848
	<u>1,919,810</u>	<u>1,929,178</u>
Co-investments in portfolio companies of private equity funds:		
HCA Inc.	250,000	300,000
Alliance Boots plc.	301,352	297,566
Dollar General Corporation	250,000	250,000
NXP B.V.	250,000	233,110
The Nielsen Company B.V.....	200,000	220,000
Biomet, Inc.	200,000	200,000
Energy Future Holdings Corp.....	200,000	200,000
First Data Corporation	200,000	200,000
ProSiebenSat.1 Media AG.....	198,885	173,102
Capmark Financial Group Inc.	137,321	162,000
KION Group GmbH.....	112,824	135,389
PagesJaunes Groupe S.A.	235,201	120,455
U.S. Foodservice, Inc.	100,000	100,000
	<u>2,635,583</u>	<u>2,591,622</u>
Negotiated equity investments:		
Sun Microsystems, Inc. convertible senior notes (2)	351,164	273,000
Orient Corporation convertible preferred stock.	169,707	170,528
Aero Technical Support & Services S.à r.l.	121,711	115,565
	<u>642,582</u>	<u>559,093</u>
Opportunistic investments:		
KKR Strategic Capital Institutional Fund, Ltd.	200,427	169,775
Publicly traded securities (3).....	186,217	159,725
Fixed income investment.....	140,940	111,283
	<u>527,584</u>	<u>440,783</u>
	<u>\$ 5,725,559</u>	<u>\$ 5,520,676</u>

(1) Remaining undrawn commitments to KKR private equity funds include the following:

KKR 2006 Fund L.P.	\$ 625,193
KKR Asian Fund L.P.	244,812
KKR Millennium Fund L.P.	5,090
KKR European Fund II, Limited Partnership	2,735
	<u>\$ 877,830</u>

(2) Reflected net of \$350.0 million long-term financing.

(3) Includes the fair value of derivative instruments with an aggregate notional amount of \$10.4 million as of March 31, 2008.

Note: As of March 31, 2008, the fair value of securities sold short, not yet purchased and call options written were \$48.2 million and \$1.0 million, respectively, and are shown as liabilities in the consolidated statement of assets and liabilities of the Investment Partnership.

KKR PRIVATE EQUITY INVESTORS, L.P.

STATEMENTS OF ASSETS AND LIABILITIES (UNAUDITED)
(Amounts in thousands, except unit and per unit amounts)

	<u>March 31, 2008</u>	<u>December 31, 2007</u>
ASSETS:		
Investments in limited partner interests of KKR PEI Investments, L.P., at fair value (cost of \$4,826,568)	\$ 4,712,040	\$ 4,984,533
Cash and cash equivalents	7,517	452
Prepaid expenses.....	<u>56</u>	<u>141</u>
Total assets	<u>4,719,613</u>	<u>4,985,126</u>
LIABILITIES:		
Accrued liabilities.....	1,486	1,823
Due to affiliate	<u>270</u>	<u>930</u>
Total liabilities.....	<u>1,756</u>	<u>2,753</u>
NET ASSETS.....	<u>\$ 4,717,857</u>	<u>\$ 4,982,373</u>
NET ASSETS CONSIST OF:		
Partners' capital contributions, net (common units outstanding of 204,902,226 and 204,550,001, respectively)	\$ 4,834,517	\$ 4,830,110
Distributable earnings (loss).....	<u>(116,660)</u>	<u>152,263</u>
	<u>\$ 4,717,857</u>	<u>\$ 4,982,373</u>
Net asset value per common unit.....	<u>\$ 23.02</u>	<u>\$ 24.36</u>
Market price per common unit.....	<u>\$ 12.35</u>	<u>\$ 18.16</u>

KKR PRIVATE EQUITY INVESTORS, L.P.

STATEMENTS OF OPERATIONS (UNAUDITED)
(AMOUNTS IN THOUSANDS)

	<u>Quarter Ended March 31, 2008</u>	<u>Quarter Ended March 31, 2007</u>
NET INVESTMENT INCOME (LOSS) ALLOCATED FROM KKR PEI INVESTMENTS, L.P.:		
Investment income.....	\$ 15,241	\$ 39,052
Expenses.....	<u>34,915</u>	<u>12,629</u>
	(19,674)	26,423
INVESTMENT INCOME—Interest income.....	26	9
EXPENSES—General and administrative expenses.....	<u>1,446</u>	<u>1,366</u>
NET INVESTMENT INCOME (LOSS).....	<u>(21,094)</u>	<u>25,066</u>
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS AND FOREIGN CURRENCY ALLOCATED FROM KKR PEI INVESTMENTS, L.P.:		
Net realized gain.....	3,990	11,510
Net change in unrealized appreciation (depreciation).....	<u>(251,819)</u>	<u>120,357</u>
Net gain (loss) on investments and foreign currency transactions	<u>(247,829)</u>	<u>131,867</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ <u>(268,923)</u>	\$ <u>156,933</u>

KKR PEI INVESTMENTS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES (UNAUDITED)
(Amounts in thousands)

	March 31, 2008	December 31, 2007
ASSETS:		
Investments, at fair value:		
Opportunistic investments—Class A (cost of \$327,157 and \$512,607, respectively)	\$ 271,008	\$ 458,792
Co-investments in portfolio companies of private equity funds—Class B (cost of \$2,635,583 and \$2,635,583, respectively)	2,591,622	2,653,039
Negotiated equity investments—Class B (cost of \$992,582 and \$992,582, respectively)	909,093	985,557
Private equity funds—Class C (cost of \$1,919,810 and \$1,813,751, respectively)	1,929,178	1,847,887
Non-private equity funds—Class D (cost of \$200,427 and \$195,869, respectively)	169,775	189,345
	<u>5,870,676</u>	<u>6,134,620</u>
Cash and cash equivalents	323,803	255,415
Cash and cash equivalents held by a non-private equity fund	409	1,091
Restricted cash	72,388	42,237
Other assets	5,940	8,044
Total assets	<u>6,273,216</u>	<u>6,441,407</u>
LIABILITIES:		
Accrued liabilities	40,778	30,730
Due to affiliates	1,876	11,961
Securities sold, not yet purchased (proceeds of \$47,861)	48,201	—
Call options written (proceeds of \$1,080 and \$7,290, respectively)	1,048	5,265
Unrealized loss on foreign currency exchange contracts and interest rate swap, net	110,210	46,051
Other liabilities	179	182
Revolving credit agreement	998,981	1,002,240
Long-term debt	350,000	350,000
Total liabilities	<u>1,551,273</u>	<u>1,446,429</u>
NET ASSETS	<u>\$ 4,721,943</u>	<u>\$ 4,994,978</u>
NET ASSETS CONSIST OF:		
Partners' capital contributions	\$ 4,836,568	\$ 4,836,568
Distributable earnings (loss)	<u>(114,625)</u>	<u>158,410</u>
	<u>\$ 4,721,943</u>	<u>\$ 4,994,978</u>

KKR PEI INVESTMENTS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in thousands)

	<u>Quarter Ended</u> <u>March 31, 2008</u>	<u>Quarter Ended</u> <u>March 31, 2007</u>
INVESTMENT INCOME:		
Interest income.....	\$ 11,901	\$ 35,329
Dividend income, net of withholding taxes of \$71 and \$626, respectively	<u>3,371</u>	<u>3,804</u>
Total investment income	<u>15,272</u>	<u>39,133</u>
EXPENSES:		
Management fees	13,407	7,138
Incentive fees.....	—	892
Interest expense	19,640	3,895
Dividend expense	574	—
General and administrative expenses.....	<u>1,341</u>	<u>716</u>
Total expenses.....	<u>34,962</u>	<u>12,641</u>
NET INVESTMENT INCOME (LOSS)	<u>(19,690)</u>	<u>26,492</u>
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS AND FOREIGN CURRENCY:		
Net realized gain, net of withholding taxes of \$977 and \$489, respectively	3,998	11,534
Net change in unrealized appreciation (depreciation).....	<u>(252,343)</u>	<u>120,607</u>
Net gain (loss) on investments and foreign currency transactions.....	<u>(248,345)</u>	<u>132,141</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ <u>(268,035)</u>	\$ <u>158,633</u>