

KKR Private Equity Investors Reports Results for Quarter Ended December 31, 2007

***NAV per Unit of \$24.36 as of December 31, 2007
Last Twelve Months' Return of (0.1)% through the Fourth Quarter of 2007***

Guernsey, Channel Islands, February 29, 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 December 31, 2007. As of December 31, 2007, KPE’s net asset value (“NAV”) was \$4,982.4 million, or \$24.36 per unit. KPE’s rate of return for the year ended December 31, 2007 was (0.1)%. Since KPE’s initial offering on May 10, 2006 through December 31, 2007, NAV per unit has increased from \$23.61 to \$24.36 (the \$24.36 NAV per unit is after deducting cumulative distributions of \$0.43 per unit).

Henry R. Kravis, Co-Founder of KKR and Co-Chairman of KPE’s Managing Partner’s Board of Directors, commented, “In the midst of the dislocations in the debt and equity markets, KKR continued to add leading national and global franchises to our private equity portfolio during the fourth quarter. Our rigorous investment selection process allows us to purchase only those businesses that meet our criterion for operational improvement opportunities, financing and the alignment of managerial and ownership interests. KPE continues to be a significant stakeholder in this private equity portfolio. We believe that KPE will deliver material value to unitholders over the long term.”

George R. Roberts, Co-Founder of KKR and Co-Chairman of KPE’s Managing Partner’s Board of Directors, added, “For us, private equity investing has always meant working to improve the performance of corporate assets over a relatively long time horizon. While economic and market fluctuations may impact the daily operations of our businesses, they generally do not alter our multi-year investment theses nor our detailed plans for generating operational improvement in our portfolio companies. We believe that KPE’s portfolio is on track to generate long-term performance, and we continue our work to this effect.”

SEGMENT REVIEW

Results of Operations

Operating results of KPE for the quarter ended December 31, 2007 are highlighted as follows:

- Net realized loss on investments was \$8.2 million, comprised of \$19.3 million from the sale of opportunistic investments in public equities and related derivative transactions, offset by a gain of \$6.6 million from the sale of FL Selenia S.p.A. and the partial sale of Rockwood Holdings, Inc. and \$4.5 million from the sale of investments and related derivative transactions in KKR Strategic Capital Institutional Fund Ltd. (“SCF”), a KKR-sponsored opportunistic credit fund;

- Net unrealized depreciation on investments and foreign currency transactions was \$259.4 million. The changes in the unrealized fair value of investments from the third to the fourth quarter of 2007 included:
 - o A decrease in the value of NXP B.V., which was marked from 1.0 times original cost to 0.75 times cost on a Euro basis as of December 31, 2007. Including foreign currency translation, the total fair value on a U.S. dollar basis depreciated \$71.3 million to 0.86 times as of December 31, 2007;
 - o A decrease in the value of ProSiebenSat. 1 Media AG, which was marked from 1.0 times original cost to 0.73 times on a Euro basis as of December 31, 2007. Including foreign currency translation, the total fair value on a U.S. dollar basis depreciated \$58.8 million to 0.80 times as of December 31, 2007;
 - o A decrease of \$31.0 million in the value of PagesJaunes Groupe S.A., based on a market quotation on a U.S. dollar basis;
 - o A decrease of \$30.1 million in the value of Capmark Financial Group Inc., which was marked from 1.46 times KPE's cost basis as of September 30, 2007 to 1.28 times as of December 31, 2007;
 - o A decrease of \$37.2 million in the value of A.T.U. Auto-Teile-Unger Holding AG, which was marked from 1.0 times KPE's cost basis to 0.17 times on a U.S. dollar basis as of December 31, 2007;
 - o A decrease of \$51.9 million in the value of the convertible notes in Sun Microsystems, Inc. ("Sun");
 - o A decrease of \$37.2 million in the value of opportunistic investments; and
 - o An increase of \$67.4 million in the value of convertible preferred stock in Orient Corporation.
- Net investment loss was \$22.2 million, which principally represented management fees, interest and operating expenses, offset by interest and dividend income; and
- The resulting net decrease in net assets resulting from operations was \$289.8 million and KPE's total return was (5.5) percent during the quarter and (21.7) percent on an annualized basis.

Operating results of KPE for the twelve months ended December 31, 2007 are highlighted as follows:

- Net realized gain on investments was \$113.2 million, comprised of \$87.8 million from the sale and partial sale of private equity fund portfolio companies, which included the following companies, as well as the recapitalization of Maxeda:
 - o Demag Holding S.à r.l.,
 - o Fl Selenia S.p.A.,
 - o ITC Holdings Corp.,
 - o KSL Recreation Holdings I LLC – La Costa Resort and Spa,

- o Rockwood Holdings, Inc., and
- o SBS Broadcasting S.A.

In addition, \$17.8 million was realized from the sale of opportunistic investments in public equities and related derivative transactions and \$7.6 million from SCF;

- Net unrealized depreciation on investments and foreign currency transactions was \$136.4 million. The changes in the unrealized fair value of investments from January 1, 2007 to December 31, 2007 were principally:
 - o A decrease in the value of NXP B.V., which was marked from 1.0 times original cost to 0.75 times cost on a Euro basis as of December 31, 2007. Including foreign currency translation, the total fair value on a U.S. dollar basis depreciated \$61.3 million to 0.86 times as of December 31, 2007.
 - o A decrease in the value of ProSiebenSat. 1 Media AG, which was marked from 1.0 times original cost to 0.73 times on a Euro basis as of December 31, 2007. Including foreign currency translation, the total fair value on a U.S. dollar basis depreciated \$51.6 million to 0.80 times as of December 31, 2007;
 - o A decrease of \$20.7 million in the value of PagesJaunes Groupe S.A., based on a market quotation on a U.S. dollar basis;
 - o A decrease of \$44.7 million in the value of A.T.U. Auto-Teile-Unger Holding, which was marked from 1.0 times KPE's cost basis to 0.17 times on a U.S. dollar basis as of December 31, 2007;
 - o An increase of \$61.6 million in the value of HCA, Inc., which was marked from 1.0 times original cost to 1.2 times as of December 31, 2007;
 - o An increase of \$44.6 million in the value of Capmark Financial Group Inc., which was marked from 1.0 times KPE's cost basis to 1.28 times as of December 31, 2007;
 - o A decrease of \$32.9 million in the value of the convertible notes in Sun;
 - o A decrease of \$62.2 million in the value of opportunistic investments; and
 - o An increase of \$25.0 million in the value of convertible preferred stock in Orient Corporation.
- Net investment income was \$19.0 million, which primarily represented interest and dividend income, reduced by management fees, interest expense and other operating expenses; and
- The resulting net decrease in net assets resulting from operations was \$4.1 million, and KPE's total return was (0.1) percent for the year ended December 31, 2007.

Investments

KPE invests its capital as the sole limited partner of KKR PEI Investments, L.P. (the “Investment Partnership”). As of December 31, 2007, the Investment Partnership’s portfolio of private equity and opportunistic investments, net of related financing, with a fair value of \$5,784.6 million, was comprised of the following:

- Investments of \$1,847.9 million through KKR’s private equity funds:
 - o \$1,273.6 million in KKR 2006 Fund L.P.,
 - o \$238.2 million in KKR European Fund, Limited Partnership,
 - o \$230.5 million in KKR Millennium Fund L.P.,
 - o \$83.2 million in KKR European Fund II, Limited Partnership, and
 - o \$22.4 million in KKR Asian Fund, Limited Partnership.
- Co-investments of \$2,653.0 million in the following portfolio companies of KKR’s private equity funds:

o Alliance Boots plc.	o KION Group GmbH
o Biomet, Inc.	o The Nielsen Company, B.V.
o Capmark Financial Group Inc.	o NXP B.V.
o Dollar General Corp.	o PagesJaunes Groupe S.A.
o Energy Future Holdings Corp.	o ProSiebenSat. 1 Media AG
o First Data Corp.	o U.S. Foodservice, Inc.
o HCA Inc.	
- Negotiated equity investments of \$635.6 million, net of related financing:
 - o \$318.2 million (net of long-term financing of \$350.0 million) of convertible senior notes of Sun, a leading technology company;
 - o \$198.7 million of convertible preferred stock of Orient Corporation, one of the largest consumer credit companies in Japan; and
 - o \$118.7 million invested in Aero Technical Support & Services S.à r.l., a Canadian aircraft maintenance, repair and overhaul company.
- Opportunistic investments of \$648.1 million:

- o \$330.0 million of publicly traded securities and related derivative transactions;
- o \$128.8 million of a fixed income investment; and
- o Non-private equity fund investment of \$189.3 million in SCF.

Subsequent Events

Subsequent to December 31, 2007 and through February 22, 2008, the Investment Partnership's net investing activity, which totaled \$8.8 million, was as follows:

- Capital contributions of \$105.6 million with respect to limited partner interests in KKR's private equity funds consisting of new or additional investments in:
 - o Bharti Infratel, a subsidiary of Bharti Airtel Limited, India's leading integrated telecom service provider;
 - o Legg Mason, a global asset management firm providing active asset management in many major investment centers throughout the world;
 - o Northgate Information Systems, plc, a provider of specialist software, outsourcing and information technology services to the human resources, local government, education and public safety markets; and
 - o ProSiebenSat.1 Media AG, Germany's largest TV broadcasting group.
- Purchases of opportunistic investments of \$39.6 million, which were comprised of public equities and related derivative transactions.
- Dispositions of opportunistic investments valued at \$136.4 million as of December 31, 2007, which were comprised of publicly traded securities and related derivative transactions.

After taking into account the subsequent investment activity described above, the Investment Partnership as of February 22, 2008 will have remaining unfunded capital commitments to KKR's private equity funds of approximately \$878.3 million.

Whether these commitments, to the extent not funded, 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 commitments, to the extent not funded, will be consummated.

As discussed above, the Investment Partnership sold certain opportunistic investments from January 1, 2008 through February 22, 2008, which resulted in the receipt of net proceeds of \$134.0 million against the original cost basis of \$133.2 million. In addition, with the continued deterioration of the debt and equity capital markets, the fair value of the remaining and newly purchased opportunistic investments in the public equity and fixed income portfolio,

experienced unrealized depreciation of approximately \$31.4 million from January 1, 2008 to February 22, 2008 based on readily available market quotes. The performance of the Investment Partnership's public equity portfolio since January 1, 2008 has been broadly consistent with the performance of the S&P 500 Index. As a result of these realized and unrealized losses in the public equity and fixed income portfolio, KPE's NAV per unit declined by approximately \$0.15 over this period. The Investment Partnership also holds investments where a market quotation is not readily available and those investments are valued quarterly. As such, KPE's overall NAV per unit has not been determined as of February 22, 2008. Investments where a market quotation is not readily available constitute a majority of total investments and the change in value of these investments may have a greater impact on determining KPE's quarterly NAV per unit. Undue reliance should not be placed on the value of the public equity and fixed income portfolio when reported separately from KPE's quarterly NAV.

Liquidity and Capital Resources

As of February 22, 2008, the Investment Partnership had a pro forma cash balance of \$244.2 million representing the cash balance as of December 31, 2007, plus net proceeds received on the sale of certain opportunistic investments of \$134.0 million minus investment purchases of \$145.2 million that occurred from January 1, 2008 to February 22, 2008. The Investment Partnership has drawn on the full current availability of its senior secured credit facility established on June 11, 2007 in the amount of \$1.0 billion.

The Investment Partnership believes its sources of liquidity are currently sufficient to honor the Investment Partnership's 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 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.

Annual Financial Report

KPE will post its audited financial statements and the audited consolidated financial statements of the Investment Partnership, as well as an operating and financial review, to its website (www.kkrprivateequityinvestors.com) following the earnings call. 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 Friday, February 29, 2008 at 2:00 p.m. CET (Amsterdam) / 1:00 p.m. GMT (Guernsey/London) / 8:00 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. (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 invests 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 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.

FINANCIAL SCHEDULES FOLLOW

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KKR PEI INVESTMENTS, L.P. AND SUBSIDIARIES
SCHEDULE OF INVESTMENTS
(Amounts in millions)

	Fair Value as of December 31, 2007	Subsequent Net Investment Activity (1) (Jan 1, 2008 to Feb 22, 2008)	Total Fair Value and Subsequent Net Investment Activity as of February 22, 2008
KKR's private equity funds (2):			
KKR 2006 Fund L.P.	\$ 1,273.6	\$ 84.7	\$ 1,358.3
KKR European Fund, Limited Partnership	238.2	-	238.2
KKR Millennium Fund L.P.	230.5	-	230.5
KKR European Fund II, Limited Partnership	83.2	4.1	87.3
KKR Asian Fund L.P.	22.4	16.8	39.2
	<u>1,847.9</u>	<u>105.6</u>	<u>1,953.5</u>
Co-investments:			
HCA Inc.	300.0	-	300.0
Alliance Boots plc	297.7	-	297.7
Dollar General Corp.	250.0	-	250.0
PagesJaunes Groupe S.A.	229.0	-	229.0
NXP B.V.	215.6	-	215.6
Biomet, Inc.	200.0	-	200.0
Energy Future Holdings Corp. (TXU Corp.)	200.0	-	200.0
First Data Corp.	200.0	-	200.0
The Nielsen Company B.V.	200.0	-	200.0
Capmark Financial Group Inc.	175.5	-	175.5
ProSiebenSat.1 Media AG	160.1	-	160.1
KION Group GmbH	125.1	-	125.1
U.S. Foodservice, Inc.	100.0	-	100.0
	<u>2,653.0</u>	<u>-</u>	<u>2,653.0</u>
Negotiated equity investments:			
Sun Microsystems, Inc. (3)	318.2	-	318.2
Orient Corporation	198.7	-	198.7
Aero Technical Support & Services S.à.r.l.	118.7	-	118.7
	<u>635.6</u>	<u>-</u>	<u>635.6</u>
Opportunistic:			
Publicly traded securities (4)	330.0	(96.8)	233.2
KKR Strategic Capital Institutional Fund, Ltd.	189.3	-	189.3
Fixed income investment	128.8	-	128.8
	<u>648.1</u>	<u>(96.8)</u>	<u>551.3</u>
	<u>\$ 5,784.6</u>	<u>\$ 8.8</u>	<u>\$ 5,793.4</u>

(1) Subsequent purchases are reflected at cost, while sales are reflected at the fair value amount of the related investment as of December 31, 2007.

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

KKR 2006 Fund L.P.	\$ 619.9
KKR Asian Fund L.P.	244.7
KKR European Fund II, Limited Partnership	8.6
KKR Millennium Fund L.P.	5.1
	<u>\$ 878.3</u>

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

(4) Includes the fair value of derivative transactions with an aggregate notional amount of \$49.7 million as of December 31, 2007. Subsequent to December 31, 2007, derivative transactions were unwound with an aggregate notional amount of \$25.9 million.

KKR PRIVATE EQUITY INVESTORS, L.P.
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
(Amounts in thousands, except unit and per unit amounts)

	<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)	\$ 4,984,533
Cash and cash equivalents	452
Prepaid expenses	141
Total assets	<u>4,985,126</u>
LIABILITIES:	
Accrued liabilities	1,823
Due to affiliate	930
Total liabilities	<u>2,753</u>
NET ASSETS	<u><u>\$ 4,982,373</u></u>
NET ASSETS CONSIST OF:	
Partners' capital (204,550,001 common units outstanding), net	\$ 4,830,110
Distributable earnings	152,263
	<u><u>\$ 4,982,373</u></u>
Net asset value per common unit	<u><u>\$ 24.36</u></u>
Market price per common unit at December 31, 2007	<u><u>\$ 18.16</u></u>

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

	Quarter Ended December 31, 2007 (Unaudited)	Twelve Months Ended December 31, 2007
NET INVESTMENT INCOME (LOSS) ALLOCATED FROM KKR PEI INVESTMENTS, L.P.:		
Investment income	\$ 16,776	\$ 126,540
Expenses	<u>36,497</u>	<u>100,707</u>
	(19,721)	25,833
INVESTMENT INCOME—Interest income	14	70
EXPENSES—General and administrative expenses	<u>2,505</u>	<u>6,874</u>
NET INVESTMENT INCOME (LOSS)	<u>(22,212)</u>	<u>19,029</u>
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS AND FOREIGN CURRENCY ALLOCATED FROM KKR PEI INVESTMENTS, L.P.:		
Net realized gain (loss)	(8,222)	113,196
Net change in unrealized depreciation	<u>(259,378)</u>	<u>(136,359)</u>
Net loss on investments and foreign currency transactions	<u>(267,600)</u>	<u>(23,163)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (289,812)</u>	<u>\$ (4,134)</u>

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

	<u>December 31, 2007</u>
ASSETS:	
Investments, at fair value:	
Opportunistic investments—Class A (cost of \$512,607)	\$ 458,792
Co-investments in portfolio companies of private equity funds—Class B (cost of \$2,635,583)	2,653,039
Negotiated equity investments—Class B (cost of \$992,582)	985,557
Private equity funds—Class C (cost of \$1,813,751)	1,847,887
Investment by KKR Strategic Capital Institutional Fund, Ltd.—Class D (cost of \$195,869)	<u>189,345</u>
	6,134,620
 Cash and cash equivalents	 255,415
Cash and cash equivalents held by a non-private equity fund	1,091
Restricted cash	42,237
Other assets	<u>8,044</u>
Total assets	<u>6,441,407</u>
 LIABILITIES:	
Accrued liabilities	30,730
Due to affiliates	11,961
Options written (proceeds of \$7,290)	5,265
Unrealized loss on foreign currency exchange contracts, net	46,051
Other liabilities	182
Revolving credit agreement	1,002,240
Long-term debt	<u>350,000</u>
Total liabilities	<u>1,446,429</u>
 NET ASSETS	 \$ <u>4,994,978</u>
 NET ASSETS CONSIST OF:	
Partners' capital contributions	\$ 4,836,568
Distributable earnings	<u>158,410</u>
	 \$ <u>4,994,978</u>

KKR PEI INVESTMENTS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(Amounts in thousands)

	Quarter Ended December 31, 2007 (Unaudited)	Twelve Months Ended December 31, 2007
INVESTMENT INCOME:		
Interest income	\$ 15,822	102,605
Dividend income, net of withholding taxes of \$361 and \$1,446 respectively	988	24,197
Total investment income	16,810	126,802
EXPENSES:		
Management fees	12,079	46,629
Incentive fees	30	956
Interest expense	22,894	48,557
General and administrative expenses	1,543	4,677
Total expenses	36,546	100,819
NET INVESTMENT INCOME (LOSS)	(19,736)	25,983
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS AND FOREIGN CURRENCY:		
Net realized gain (loss), net of withholding taxes of \$0 and \$977, respectively	(8,239)	113,432
Net change in unrealized depreciation	(259,916)	(136,642)
Net loss on investments and foreign currency transactions	(268,155)	(23,210)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (287,891)	\$ 2,773