

## Press Release

Guernsey, Channel Islands, August 16, 2006 KKR Private Equity Investors Reports Initial Quarterly Results: Investments and Investment Commitments Through August 16, 2006 Total \$3.5 Billion (Excluding Temporary Investments)

Guernsey, Channel Islands, August 16, 2006 – KKR Private Equity Investors, L.P. (Euronext Amsterdam: KPE), a Guernsey limited partnership that invests its assets primarily in private equity investments sponsored by Kohlberg Kravis Roberts & Co. L.P. ("KKR"), today reported its financial results for the period from its formation on April 18, 2006 through June 30, 2006. KPE commenced operations on May 10, 2006 with approximately \$4.8 billion of investable capital.

KPE seeks to create long-term value by acquiring limited partner interests in new KKRsponsored private equity funds, purchasing limited partner interests in existing KKRsponsored private equity funds, co-investing with KKR-sponsored private equity funds in their acquisition of portfolio companies and making "opportunistic" public and private investments that KKR may identify in the course of its private equity business, but which are outside the scope of KKR's traditional private equity investments. KPE invests substantially all of its capital through limited partner interests in KKR PEI Investments, L.P. (the "Investment Partnership").

As of June 30, 2006, the portfolio of the Investment Partnership consisted of:

- approximately \$4.7 billion of temporary investments held in index deposit accounts;
- a \$135.0 million co-investment in Capmark Financial Group Inc., a leading commercial real estate finance company and a portfolio company of a KKRsponsored private equity fund; and
- an investment of approximately \$19.6 million in KKR European Fund II, Limited Partnership ("European Fund II").

Subsequent to the initial quarter and through August 16, 2006, the Investment Partnership made additional investments, which totaled approximately \$818.7 million, consisting of the following:

- approximately \$419.5 million in secondary purchases of limited partner interests in certain KKR-sponsored private equity funds;
- a \$200.0 million co-investment in VNU N.V., a global information and media company and a portfolio company of a KKR-sponsored private equity fund;
- capital contributions of approximately \$4.6 million to the European Fund II, in respect of its \$100 million capital commitment to such fund; and
- an "opportunistic" investment of approximately \$194.6 million in a publicly traded security.

In addition, the Investment Partnership has committed to the following as of August 16, 2006:

- investments totaling approximately \$140 million, which represent the Investment Partnership's commitments as a limited partner of certain KKR-sponsored private equity funds, as well as co-investments totaling approximately \$500.0 million in:
  - HCA, Inc., a leading health care services company that has signed a definitive merger agreement with an investor group that includes KKR;
  - PagesJaunes, the leading publisher of directories in France and the leading online directory portal in Europe, which KKR has agreed to acquire; and
  - the semiconductors business of Royal Philips Electronics, in which an investor group that includes KKR has agreed to acquire an 80.1% stake.
- a limited partner interest of approximately \$1.9 billion in KKR 2006 Fund L.P., to which subscription documents have been submitted.

Whether these commitments 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 these commitments will be consummated, if at all.

As a result of the foregoing, as of August 16, 2006, the aggregate amount of these investments or investment commitments by the Investment Partnership, excluding temporary investments, totaled approximately \$3.5 billion.

KPE's initial-quarter results reflect only six weeks of operations. As of June 30, 2006, its net asset value ("NAV") per unit was \$23.77 compared to \$23.61 immediately subsequent to the initial offering of KPE's common units and related transactions. The increase in NAV is primarily due to KPE's limited partner allocation of the Investment Partnership's net increase in net assets resulting from operations. The Investment Partnership reported an increase in net assets resulting from operations of \$31.4 million (including the general partner's allocation) due primarily to interest income on cash management activities. The Investment Partnership's total return for the period from the date of commencement of operations, on May 10, 2006, to June 30, 2006 was 4.6 percent on an annualized basis.

KPE has posted its unaudited financial statements and the unaudited consolidated financial statements of the Investment Partnership, as well as management's discussion and analysis of financial condition and results of operations, to its website (www.kkrpei.com). KPE encourages investors to carefully read these documents in conjunction with this news release.

#### Information for Investors - Teleconference and Webcast

KPE will discuss its financial results on a teleconference to be broadcast live on the internet on Thursday, August 17, 2006 at 5:00 pm CEST (Amsterdam) / 4:00 pm BST (Guernsey/London) / 11:00 am EDT (New York City). A webcast (listen only) of the teleconference can be accessed via the Investor Relations section of KPE's website at www.kkrpei.com. The webcast will be archived for two weeks after the call.

### **About KPE**

KKR Private Equity Investors, L.P. is a Guernsey-based limited partnership that seeks to create long-term value primarily by participating in private equity investments sponsored by KKR. Formed in April 2006 to provide complementary capital for KKR-sponsored private equity funds, KPE enables certain non-U.S. public market investors and certain other qualified investors to invest in select KKR-sponsored investments. KPE plans to invest at least 75% of its assets in KKR-sponsored private equity investments. Up to 25% of KPE's assets may be committed to opportunistic investments identified by

KKR, which are outside the scope of KKR's traditional private equity investments. KPE makes its investments through 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, including restrictions that limit the ability of U.S. persons to acquire or hold such securities. Information concerning these ownership and transfer restrictions is included on the Investor Relations section of KPE's website at www.kkrpei.com.

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[UNAUDITED FINANCIAL SCHEDULES FOLLOW]

### KKR PRIVATE EQUITY INVESTORS, L.P.

# Statement of Assets and Liabilities (unaudited) as of June 30, 2006

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

ASSETS: Investments in limited partner interests: KKR PEI Investments, L.P. – Class A, at fair value (cost of \$4,668,986) KKR PEI Investments, L.P. – Class B, at fair value (cost of \$137,037) KKR PEI Investments, L.P. – Class C, at fair value (cost of \$20,545) KKR PEI Investments, L.P. – Class D, at fair value (cost of \$0)	\$ 4,703,645 134,721 19,573 - 4,857,939
Cash and cash equivalents Interest receivable Prepaid expenses	7,669 32 267
Total assets	4,865,907
LIABILITIES—Accounts payable and accrued liabilities	4,573
NET ASSETS	\$ 4,861,334
NET ASSETS CONSIST OF: Partners' capital contributions (204,550,001 common units outstanding) Offering costs Net increase in net assets resulting from operations	\$ 5,113,750 (283,412) 30,996 \$ 4,861,334
Net asset value per common unit	\$ 23.77
Market price at June 30, 2006	\$ 21.90

### KKR PRIVATE EQUITY INVESTORS, L.P.

# Statement of Operations (unaudited) for the period from April 18, 2006 (date of formation) to June 30, 2006

(Amounts in thousands)

NET INVESTMENT INCOME ALLOCATED FROM KKR PEI INVESTMENTS, L.P.: Interest income Expenses	\$ 34,904 (245) 34,659
INVESTMENT INCOME—Interest income	105
EXPENSES—General and administrative expenses	 (480)
NET INVESTMENT INCOME	 34,284
UNREALIZED DEPRECIATION ON INVESTMENTS ALLOCATED FROM KKR PEI INVESTMENTS, L.P.— Net change in unrealized depreciation on limited partner interests: KKR PEI Investments, L.P. – Class B KKR PEI Investments, L.P. – Class C	 (2,316) (972)
Net unrealized loss on investments	(3,288)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 30,996

### KKR PEI INVESTMENTS, L.P. AND SUBSIDIARY

# Consolidated Statement of Assets and Liabilities (unaudited) as of June 30, 2006

(amounts in thousands)

ASSETS: Investments: Co-investment in a portfolio company of a private equity fund—Class B, at fair value (cost of \$137,321) Private equity fund—Class C, at fair value (cost of \$20,587)	\$ 135,000 19,613 154,613
Cash and cash equivalents Interest receivable Deferred management fees Total assets	4,703,795 9,994 80
LIABILITIES: Due to affiliate Accrued liabilities	4,868,482 354 124
Total liabilities	478
NET ASSETS	\$ 4,868,004
NET ASSETS CONSIST OF: Partners' capital contributions Net increase in net assets resulting from operations	\$ 4,836,568 31,436 \$ 4,868,004

### KKR PEI INVESTMENTS, L.P. AND SUBSIDIARY

# Consolidated Statement of Operations (unaudited) for the period from April 18, 2006 (date of formation) to June 30, 2006

(Amounts in thousands)

INVESTMENT INCOME—Interest income	\$ 34,976
EXPENSES: Management fees General and administrative expenses	 121 124
Total expenses	 245
NET INVESTMENT INCOME	34,731
UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS— Net change in unrealized depreciation	 (3,295)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 31,436