KKR | Private Equity Investors

# KKR Private Equity Investors, L.P.

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# KPE Overview



**Access to KKR franchise**

- 32-year track record
- Global footprint
- "Single-firm," industry-based structure
- Best in class operational value-creation strategy
- Long-term perspective

**Active, daily involvement by KKR**

- Deal evaluation, structuring, diligence, negotiation, execution, monitoring and exit
- Investment Committee decisions
- Investment professionals and deal teams
- Valuations

**Liquid, tradable investment**

- Euronext Amsterdam: KPE

**Diversified investment approach**

**Strong corporate governance**

- Majority-independent board

**Tax-efficient pass-through structure**

**One level of fees**

- Do not earn carry until realized profits cover offering costs
- Reinvest 25% of aggregate pre-tax cash distributions into units

# Investment Strategy

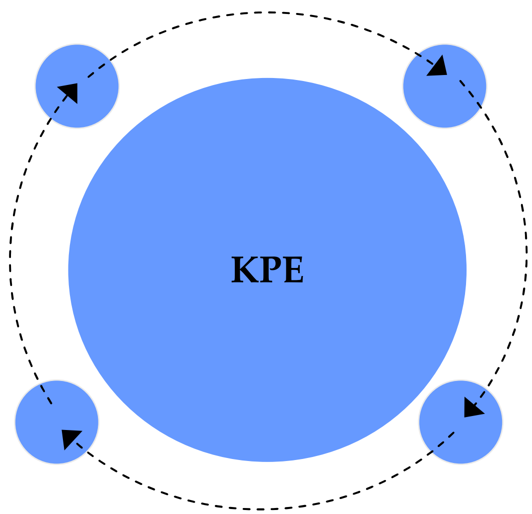


## Private Equity Investments – Portfolio Companies

- Traditional KKR funds
- Private equity co-investments
- KKR core competency
- 80% of NAV as of Q3 2007

## Opportunistic Investments

- Public securities
- Fixed income investments
- May comprise up to 25% of adjusted assets
- 11% of NAV as of Q3 2007




## Private Equity Investments – Negotiated Equities

- Leverage KKR expertise
- Both minority and control/potential control positions
- 9% of NAV as of Q3 2007

## Temporary Investments

- Cash management activities
- Held in interest-bearing accounts
- Dependable counter-parties

# Financial Summary: Top Investments

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| Company | Industry | Location | Valuation (1) | *Fund Investment* | *Co-Investment* |
|---|---|---|---|---|---|
| Alliance Boots plc | Retail | UK | $499.8 | *$192.7* | *$307.1* |
| First Data Corporation | Financial Services | USA | 478.5 | *278.5* | *200.0* |
| HCA Inc. | Healthcare | USA | 385.4 | *85.4* | *300.0* |
| Dollar General Corporation | Retail | USA | 371.3 | *121.3* | *250.0* |
| Sun Microsystems, Inc.(2) | Technology | USA | 370.1 | - | - |
| Biomet, Inc. | Healthcare | USA | 346.0 | *146.0* | *200.0* |
| NXP B.V. | Technology | Netherlands/UK | 315.4 | *34.5* | *280.9* |
| PagesJaunes Groupe S.A. | Media | France | 272.6 | *14.7* | *257.9* |
| ProSiebenSat.1 Media AG | Media | Germany | 235.4 | *21.4* | *214.0* |
| Capmark Financial Group, Inc. | Financial Services | USA | 229.8 | *27.3* | *202.5* |
| U.S. Foodservice, Inc. | Retail | USA | 218.9 | *118.9* | *100.0* |
| The Nielsen Company B.V. | Media | USA | 218.3 | *18.3* | *200.0* |
| Strategic Capital Fund | Financial Services | USA | 185.8 | - | - |
| Legrand Holdings S.A. | Industrial | France | 158.5 | *158.5* | - |
| Orient Corporation (3) | Financial Services | Japan | 130.7 | - | - |

(1) Figures shown pro forma and reflective of fair value as of 9/30/2007.
(2) KPE holds a $700.0 million convertible note investment in Sun, $350.0 million of which was financed by a major financial institution through the use of total return swaps. Sun represents a negotiated equity investment for KPE.
(3) Orient Corporation represents a negotiated equity investment for KPE.

# Financial Summary: Diversification

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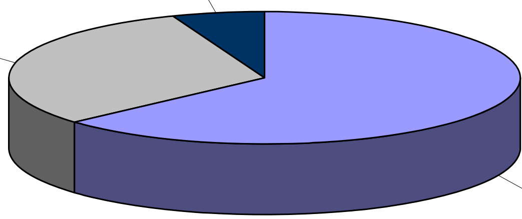
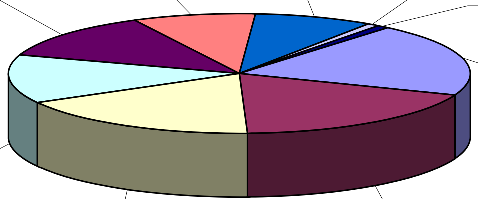
## Pro Forma Dollars Invested by Geography




| | Number of Countries | Number of Companies |
|---|---|---|
| North America | 4 | 72 |
| Europe | 6 | 19 |
| Asia Pacific | 5 | 7 |
| Total | 15 | 98 |

## Pro Forma Dollars Invested by Industry Group




| | Number of Companies |
|---|---|
| Retail | 9 |
| Media/Telecom | 13 |
| Financial Services | 21 |
| Technology | 15 |
| Healthcare | 5 |
| Industrial | 11 |
| Chemicals | 2 |
| Consumer Products | 9 |
| Energy/Natural Resources | 13 |
| Total | 98 |



Data in both exhibits as of November 2, 2007.

# Financial Summary

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*All figures except per share and units outstanding shown in millions of U.S. dollars*

| | | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 |
|---|---|---|---|---|---|---|---|
| Investment Partnership | Co-investments | $135.0 | $585.0 | $958.1 | $1,466.4 | $1,578.3 | $2,634.8 |
| | Fund investments | 19.6 | 499.3 | 701.8 | 739.5 | 933.5 | 1,688.5 |
| | Negotiated equity investments (1) | 0 | 0 | 0 | 382.4 | 493.0 | 500.8 |
| | *Total private equity investments* | *$154.6* | *$1,084.3* | *$1,659.9* | *$2,588.3* | *$3,004.8* | *$4,824.1* |
| | Opportunistic investments (2) | 0 | 235.4 | 241.9 | 667.7 | 914.8 | 571.6 |
| | **Total investments** | **$154.6** | **$1,319.7** | **$1,901.8** | **$3,256.0** | **$3,919.6** | **$5,395.7** |
| | Net debt (3) | $4,703.8 | $3,632.2 | $3,139.6 | $1,943.5 | $1,440.9 | $(49.6) |
| KPE | NAV per share | $23.77 | $24.25 | $24.62 | $25.39 | $26.12 | $25.77 |
| | Cumulative annualized return (4) | 5.4% | 7.2% | 8.1% | 9.5% | 10.2% | 8.0% |
| | Units outstanding | 204.55 | 204.55 | 204.55 | 204.55 | 204.55 | 204.55 |

(1) Negotiated equity investments are net of debt.
(2) Opportunistic investments include the fair value of public equities, fixed income investments and derivative instruments.
(3) Net debt represents the sum of cash and revolver borrowings. Revolver borrowings are from a senior secured credit facility with certain lenders established on 6/11/2007. Facility has a five-year term and an initial availability of up to $1B with the option to seek an additional $1B.
(4) Cumulative annualized return for Q2 2006 covers the period from 5/10/2006 to 6/30/2006. KPE's initial offering was consummated on May 10, 2006.

# Market Performance

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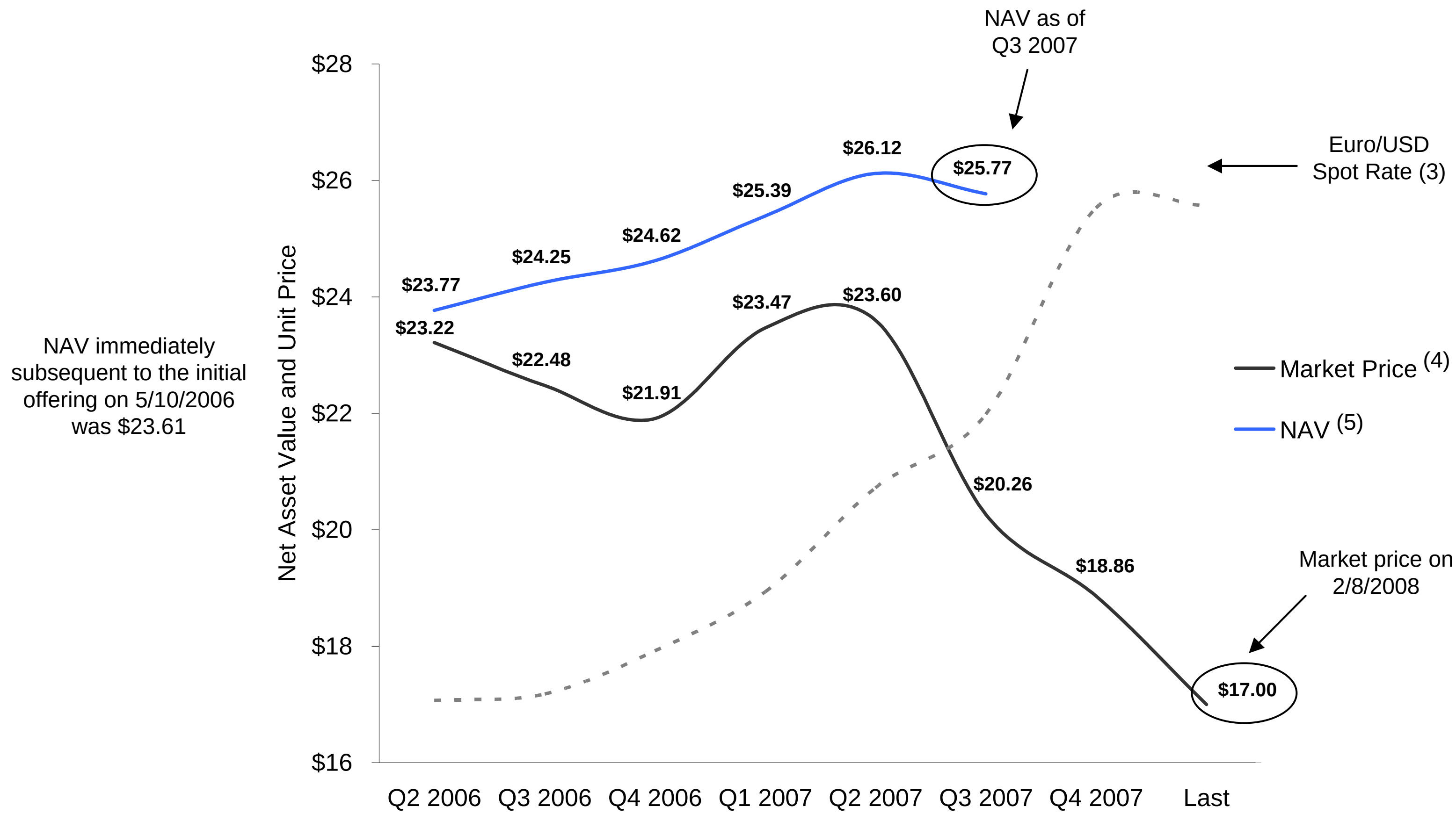
| | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Last |
|---|---|---|---|---|---|---|---|---|
| Market discount to NAV (1) | -2.3% | -7.3% | -11.0% | -7.6% | -9.6% | -21.4% | -26.8% | -34.0% |
| Total cumulative annualized return (2) | 5.4% | 7.2% | 8.1% | 9.5% | 10.2% | 8.0% | - | - |




(1) The market discount to NAV percentage for the Last was calculated using the market price as of 2/8/2008 and the NAV as of 9/30/2007, which was announced on 11/7/2007.
(2) Cumulative annualized return for Q2 2006 covers the period from 5/10/2006 to 6/30/2006. KPE's initial offering was consummated on May 10, 2006.
(3) Source: Bloomberg.
(4) Source: NYSE Euronext. Market prices are averaged over the quarter.
(5) Source: KPE Financial Reports (available on the Investor Relations section of www.kkrpei.com), NAV shown net of a distribution of $0.19 paid on December 15, 2006 and a distribution of $0.24 paid on September 17, 2007.

# Conclusion



**KPE is the only publicly-listed vehicle (1) with broad access to KKR private equity transactions**

**KKR investment team and track record**

**Global capabilities**

**Diversified investment portfolio**

**KKR investments in a marketable security with an attractive trading price to NAV**



(1) KPE is listed and trades on Euronext Amsterdam. KPE is not publicly traded in the U.S. and certain investment and transfer restrictions apply.

# KKR Private Equity Investors, L.P.

Q&A

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- KPE makes co-investments from time to time alongside the private equity funds in which it invests, which increases its exposure to changes in the values of individual investments;
- KPE makes opportunistic investments, which have different rates of return and different risks of loss than returns anticipated from traditional private equity investments; and
- The management fees that will be payable to KKR under KPE's services agreement are expected to be higher than the management fees that are payable by KKR's private equity funds, which could cause rates of return to be lower than the rates of return achieved by KKR's private equity funds.

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