



Lee Stern Joins KKR Asset Management

KKR Adds 20 Years of Experience to Mezzanine Team

New York, September 22, 2009 – [Kohlberg Kravis Roberts & Co.](#) (“KKR”) today announced the appointment of Lee Stern, previously a Managing Director at GSO Capital Partners LLC, as a Director of the Firm responsible for originating and structuring mezzanine investments. Based in New York, Mr. Stern joins KKR Asset Management.

[Henry R. Kravis and George R. Roberts](#), Co-Founders of [KKR](#), said, “With more than two decades of experience in mezzanine finance, private equity and investment banking, Lee is an excellent addition to our global mezzanine efforts. As we expand our strategy to invest across the capital structure - from senior debt to equity - his expertise will be extremely valuable.”

Mezzanine debt is the subordinated debt capital that sits between the equity and bank debt in a typical leveraged capital structure. KKR established a dedicated global mezzanine business within its asset management platform in 2008. In addition to leveraging the Firm’s experience in credit investing, workouts and restructurings resident in the asset management business, KKR’s mezzanine effort seeks to utilize, as appropriate, the broader global KKR network to access local market relationships, knowledge and expertise in order to effectively source, assess and execute mezzanine investments.

“While we have been making select mezzanine investments for several years through our credit platform, we are now increasing our focus on this area due to what we believe to be favorable market conditions. Lee’s experience and relationships will be a great complement to our team,” Mr. Frederick M. Goltz, head of KKR’s mezzanine business, said.

Mr. Stern said, “Mezzanine capital provides issuers with certainty of financing from a defined group of long term investors. I’m delighted to join a team with a long term commitment to the mezzanine space which we believe is positioned to benefit from the whole KKR network when sourcing and executing deals.”

Mr. Stern joins KKR’s growing team of mezzanine-dedicated executives who bring extensive credit, equity and management experience. Among these, in addition to Mr. Goltz, are London-based Marc Ciancimino, who leads the Firm’s mezzanine activities in Europe, and San Francisco-based Doug Tapley, who is responsible for credit analysis and deal origination in the U.S. Mr. Ciancimino joined KKR in 2008 from GSC Group’s European mezzanine business, where he was a Managing Director responsible for sourcing and evaluating middle and large market transactions. Mr. Tapley joined KKR in 2006 from GE Capital, where he specialized in underwriting and leading debt transactions for financial sponsors; he transitioned to the mezzanine team in 2009. The team is supported by more than 30 credit analysts in KKR Asset Management.

Mr. Stern brings over 20 years of investment banking experience in leveraged financing to KKR’s team. At GSO Capital Partners, he focused on originating private debt and equity investments. Prior to that, Mr. Stern was an Executive Vice President and Chief Transaction Officer at Technology Investment Capital Corp. (TICC), a publicly-traded Business Development Company, where he led a credit team which originated and structured a large portion of the firm’s investments.

In 1999, he was a founding Partner of Thomas Weisel Partners and he had served as a principal at its predecessor firm Montgomery Securities. He also served as co-head of the firm’s debt capital markets initiative.

From 1992 to 1996, Mr. Stern served as a Managing Director at Nomura Securities International, Inc., where he helped build the company’s merchant banking and principal debt investing business. He also served on Nomura’s Underwriting and Commitment Committees.

Mr. Stern also has held managing director positions at Kidder, Peabody & Co., Inc., Drexel Burnham Lambert, and L.F. Rothschild, Unterberg, Towbin.

Mr. Stern received a B.A. from Middlebury College and a M.B.A. from the Wharton School of Business at the University of Pennsylvania.

About KKR

Established in 1976, [KKR](#) is a leading global alternative asset manager. KKR’s franchise is sponsoring and managing funds that make investments in private equity, fixed income and other assets in North America, Europe, Asia and the Middle East. Throughout its history, KKR has brought a long-term investment approach, focusing on working in partnership with management teams of its portfolio companies and investing for future competitiveness and growth. KKR has \$37.5 billion in private equity assets under management and \$13.3 billion in credit assets under management as of June 30, 2009 through

various private and publicly traded funds and separately managed accounts. KKR also carries out capital markets activities through its broker dealer subsidiaries. KKR has offices in New York, Menlo Park, San Francisco, Houston, Washington, D.C., London, Paris, Hong Kong, Tokyo, Beijing, Mumbai, Dubai and Sydney. More information about KKR is available at: www.kkr.com.

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