



Kohlberg Kravis Roberts & Co. and Environmental Defense Fund Announce First-of-Its-Kind “Green Portfolio” Partnership

Leading Private Equity Firm to Improve Environmental Performance of Portfolio Companies and Internal Operations

New York, NY, May 1, 2008 - Environmental Defense Fund (EDF) and Kohlberg Kravis Roberts & Co. L.P. (KKR) today announced a “Green Portfolio” partnership to measure and improve the environmental performance of companies within KKR’s U.S. portfolio. Building on their successful collaboration in the 2007 acquisition of TXU Corporation, the partnership is the first of its kind between a private equity firm and an environmental organization.

KKR has committed to work with EDF to develop a set of analytic tools by which companies can assess and track improvements on a series of environmental metrics. These tools will enable managers to cost-effectively improve efficiency, reduce waste and address environmental impacts, such as greenhouse gas emissions, the use of toxic substances, waste generation or water consumption.

KKR and EDF expect that these actions will offer companies financial benefits, as well as improved environmental performance.

To prove this concept, over the next three to six months, EDF and KKR will conduct pilot projects within the KKR portfolio to develop analytic tools that can then be applied across a broader range of KKR portfolio companies over the next year. Results will be made public at the end of both phases. Once developed, EDF and KKR will make the processes, tools and results of their joint effort publicly available, with the mutual goal of having these tools implemented by other companies around the world.

Concurrently, KKR has committed to improving the energy efficiency of its own office operations, including by participating in EDF’s Climate Corps Program. As part of this commitment, KKR will undergo an energy audit of its offices, analyze the financial and environmental benefits of available energy efficiency improvements and implement those that are most cost-effective.

“The private equity industry is known for its focus on improving business performance and for the rigorous process it uses to set goals and track improvement in portfolio companies,” said Gwen Ruta, Vice President of Corporate Partnerships for EDF. “This groundbreaking new partnership between KKR and EDF will use the transformational power of private equity to achieve environmental goals. In addition, KKR’s commitment to EDF’s Climate Corps Program indicates their willingness to ‘walk the talk’ when it comes to their own environmental footprint.”

“Today’s announcement is a direct result of our work with EDF and other environmental leaders during the TXU acquisition last year. That historic transaction was a significant step forward in incorporating environmental considerations into investment decisions as it set a new standard for conservation and efficiency in the energy industry. Building on that success, we and EDF agreed to pursue an innovative, cost-effective approach to using the private equity model to bring about improvements in environmental performance for a variety of companies, including our own internal operations. We believe this initiative will ultimately help our portfolio companies build upon their own environmental efforts while providing a workable example that may encourage other companies to make similar progress,” said Marc Lipschultz, Member of KKR.

About Environmental Defense Fund

A leading national nonprofit organization, Environmental Defense Fund represents more than 500,000 members. Since 1967, Environmental Defense Fund has linked science, economics, law and innovative private-sector partnerships to create breakthrough solutions to the most serious environmental problems. Environmental Defense Fund has a 20 year track record of success in partnering with business. To maintain its independence and credibility, EDF accepts no money from corporate partners; generous individuals and foundations fund its work. For more information, please visit www.edf.org.

About Kohlberg Kravis Roberts & Co

Established in 1976, KKR is a leading global alternative asset manager. The core of the Firm’s franchise is sponsoring and managing funds that make private equity investments in North America, Europe, and Asia. Throughout its history, KKR has brought a long-term investment approach to portfolio companies, focusing on working in partnership with management teams and investing for future competitiveness and growth. Additional funds that KKR sponsors include KKR Private Equity Investors, L.P. (Euronext Amsterdam: KPE), a permanent capital fund that invests in KKR-identified investments; and two credit strategy funds, KKR Financial (NYSE: KFN) and the KKR Strategic Capital Funds, which make investments in debt transactions. KKR has offices in New York, Menlo Park, San Francisco, London, Paris, Hong Kong, Beijing, and Tokyo. For more information, please visit www.kkr.com.

Contact:

Melanie Janin, Environmental Defense Fund, (202) 572-3240, mjanin@edf.org

For KKR:

Eric Berman of Kekst and Company, (212) 521-4894, eric-berman@kekst.com

David Lilly of Kekst and Company, (212) 521-4878, david-lilly@kekst.com