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### Investing in Solutions: Magma Fincorp\*



*Magma's network helps to connect the company with banking customers who previously had difficulty accessing capital and financial services.*

In 2011, KKR invested in Magma Fincorp Limited ("Magma"), a nonbanking finance company. Magma caters to the diverse financial requirements of small entrepreneurs in rural and semi-rural India who have had difficulty accessing the Indian banking network.

Magma customizes its products to address customers' needs and positions itself as a solutions provider in the asset financing market. In alignment with this philosophy, the company provides a range of products encompassing financing for cars, new and used commercial vehicles, construction equipment, tractors, small- and medium-sized enterprise loans, gold loans, and affordable housing financing. The company has provided financing to more than 700,000 customers.

\* The following companies are all of KKR's portfolio companies with headquarters in India as of December 31, 2012: Bharti Infratel Limited, Coffee Day Resorts, Dalmia Cement, Magma Fincorp, and TVS Logistics Services Ltd. The specific portfolio companies identified are not representative of all of the portfolio companies purchased, sold, or recommended for KKR funds. The reader should not assume that an investment in the portfolio companies identified was or will be profitable.

### NY Office Green Team Reduces Waste and Costs



In 2011, the Firm founded the KKR Green Team at our New York headquarters. The Green Team comprises cross-functional subject matter experts and is charged with evaluating current practices, setting baselines, and prioritizing initiatives. In 2012, the Green Team piloted a series of initiatives in the New York office focusing on our food and pantry programs. The team eliminated the use of bottled water on select floors, replacing the plastic disposables with a filtration system and providing each employee with a reusable bottle or drinking glass. This effort is estimated to avoid approximately 60,000 bottles from the waste stream and achieve nearly \$20,000 in financial impact annually.

The team also worked to purchase items, such as juice and cereal in bulk containers, thereby eliminating excess waste and reducing costs. We also provided additional reusable mugs, plates, and cutlery as well as changed all disposable options to include materials that are biodegradable or made from recycled content. In 2013, the Green Team will focus on our printing and office supply centers.

The Green Team was an active partner with the Office Operations team throughout the year and participated in a series of moves, build-outs, and retrofits by offering opinions and insight. The building standards used in our New York office are being shared globally to ensure the utilization of green options when and where possible.

In 2012, Office Operations and Green Team members joined forces to support Earth Hour at our Firm. This global action is designed to drive awareness of climate change and improve environmental efficiency. Lights and equipment were turned off at KKR offices around the world, while employees were also encouraged to make changes at home. We will support Earth Hour again in 2013. We also hope to host our first Earth Day volunteer activity in New York and share our success with other offices by developing guides for “greening” KKR offices in the next year.

## Sponsors for Educational Opportunities



*KKR is proud to support SEO in advancing education and career opportunities for young people.*

Since 2009, KKR has been an active partner of Sponsors for Educational Opportunities (SEO). SEO provides superior educational and career programs to young people from underserved communities to maximize their opportunities for college and career success.

At the beginning of our involvement, KKR helped to design and launch the Alternative Investments Fellowship Program. This program is geared toward increasing workplace diversity and is designed to provide a pathway to training and mentoring opportunities for talented young financial executives of color to increase their presence in the alternative investments field. More than 20 KKR executives are directly involved in the Fellowship Program, serving as monthly volunteers and regularly meeting with students. This is in addition to five KKR executives who currently serve as mentors to SEO students.

We have seen the power of the SEO model firsthand. We are proud that ten KKR executives are SEO alumni. Their contributions to the Firm remind us of the importance of investing in people at all points of their professional journey. We are proud to have been involved with SEO over the past four years and look forward to increasing our commitment in 2013.

### Toys“R”Us: Building Tools to Build Careers



*In 2012, Toys“R”Us hired more than 1,200 veterans.*

Toys“R”Us is one of the world’s leading specialty toy and juvenile products retailers, selling merchandise globally through more than 1,600 stores in approximately 36 countries, and through the company’s websites. The company is proud to support members of the U.S. armed forces by continually striving to hire veterans and active duty military service men and women. In 2012, the company bolstered its initiatives to get troops back to work by actively recruiting through military job boards, at career fairs, and on military bases. Additionally, Toys“R”Us partners with a wide range of military employment-focused organizations and career websites, including Hiring Our Heroes.

To further assist veterans in finding the best job opportunities for their skills, the company launched a Military Skills Translator in November 2012. The Translator matches military personnel with Toys“R”Us job openings based on their core Military Occupational Specialty (MOS), as well as secondary and tertiary MOS codes, subspecialties, certifications, and any additional training the applicant may have obtained while serving in the U.S. military. In 2012, the company hired more than 1,200 veterans for full-time and seasonal positions in its stores, corporate headquarters, and distribution facilities.