

KKR & Co. L.P.

Adam Smith

Head of KKR Capital Markets

Morgan Stanley Financials Conference
June 2017

KKR

Private Markets	Public Markets	Capital Markets	Principal Activities
\$80 bn AUM <ul style="list-style-type: none">• \$68bn Private Equity & Growth Equity• \$12bn Real Assets<ul style="list-style-type: none">– Infrastructure– Real Estate– Energy	\$57 bn AUM <ul style="list-style-type: none">• \$37bn Credit<ul style="list-style-type: none">– Leveraged Credit– Alternative Credit• \$20bn Hedge Funds	Global Franchise <ul style="list-style-type: none">• Fee Generation• Equity & Debt Financings• KKR Acquisitions• KKR Portfolio Companies• Third Party Clients	\$14.3 bn Assets <ul style="list-style-type: none">• \$12.80 Book Value/Adjusted Unit

Balance Sheet (\$10.3 bn book value)

Notes: AUM reflects the inclusion of KKR's pro rata portion of AUM, as applicable, managed by other asset managers in which KKR holds a minority stake. In addition, AUM includes capital commitments for which KKR is eligible to receive fees or carried interest upon deployment of capital in the future.

Adjusted unit and book value are presented on a non-GAAP basis. For a reconciliation to financial results prepared in accordance with GAAP see the Appendix to this presentation. Figures as of March 31, 2017.

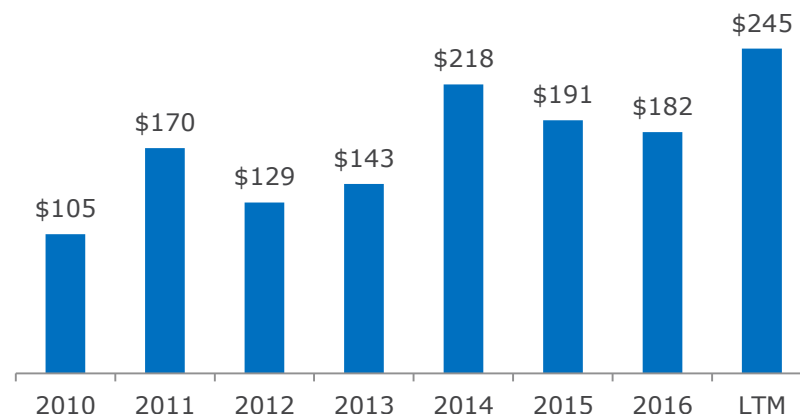
Capital Markets Overview

Key Highlights

- Full service capital markets business serving both KKR and third party clients
- Global footprint with local presence across the Americas, Europe and Asia
- Broad based distribution across both public and private markets
- Centralized financing activities allow us to incorporate best practices and market insights across deals
- Leverages the intellectual capital and industry expertise of KKR to deliver our full firm to clients
- Meaningful balance sheet capacity for underwriting
- Careful focus on risk management

Fee Revenue

>\$1.25 bn since 2010

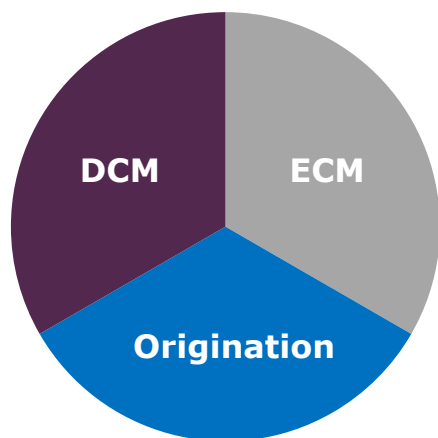


Other Statistics

- 10 year operating history characterized by growth and consistent profitability
- >\$575 billion in financing volume globally since 2010
- >100 transactions completed per year over the last 5 years

Key Components of Our Platform

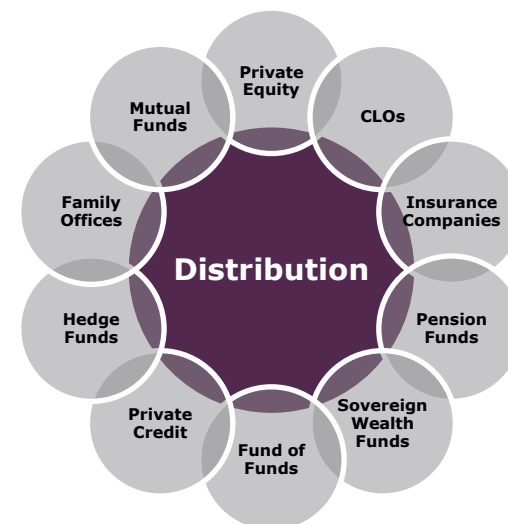
People



Capital



Distribution



- Experts across capital structures and product types
- “In the market every day”
- Source through broad KKR networks
- One firm approach pitches both capital markets and credit investment solutions

- \$138 bn of AUM investing across a range of situations
- Source of anchor orders
- Balance sheet to underwrite deals for distribution and hold revolvers
- Combinable to create total financing solutions for clients

- >1,000 investor contacts across debt and equity markets
- Deep dialogue across public and private markets
- Distribution view key to risk management and structuring
- Ability to deliver outcomes in difficult situations

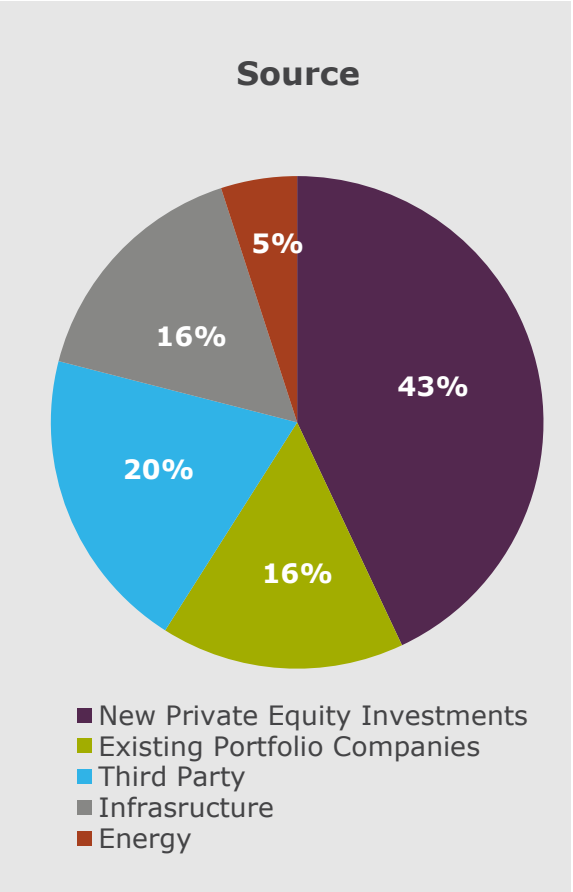
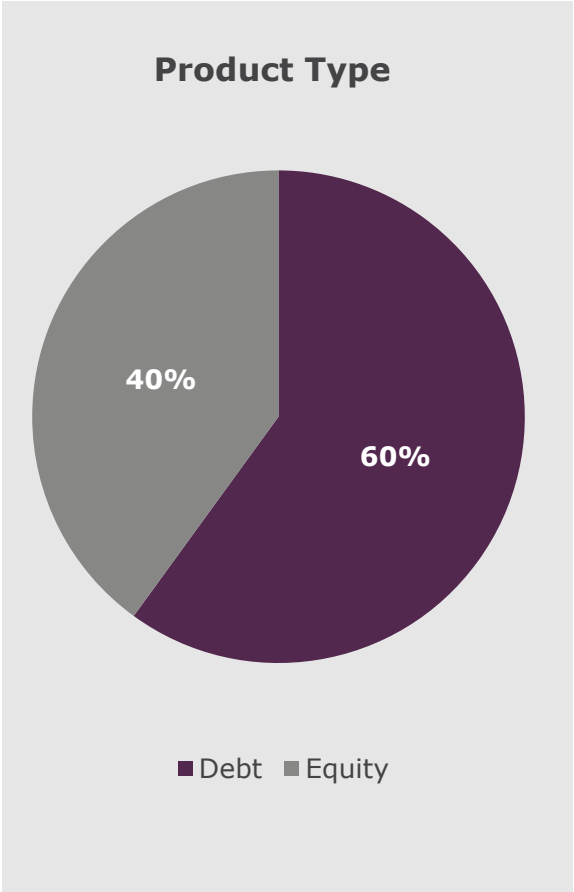
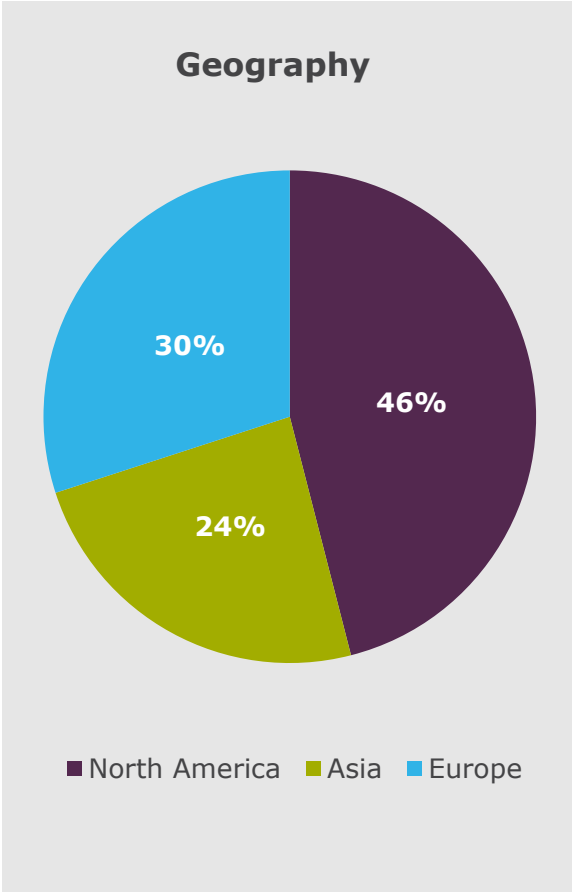
Note: AUM as of March 31, 2017.

How It Makes a Difference



Revenue Contribution by Area

\$121 million of revenue in 1Q17



Snapshot: U.S. Debt Capital Markets Activity in 2017

Origination Sources

Portfolio Companies

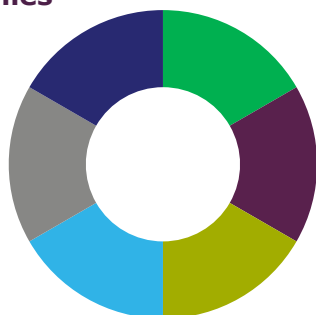
125 businesses

Credit Book

>750 names

Global Network

Banks & Advisors



New Acquisitions

~\$30 bn dry powder ⁽¹⁾

Direct Originators

Dedicated Sourcing

Investment Teams

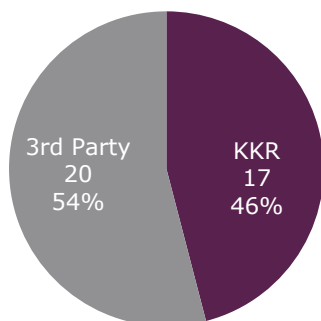
Industry Groups

YTD Performance Highlights

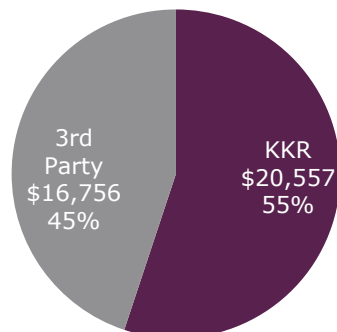
- Completed **37 transactions** involving **~\$37 bn** of total proceeds
- Sole lead or left lead** role in **14 transactions** involving **~\$11 bn** of total proceeds
- Broad based syndications involving allocations to 100+ debt investors
- Increasing contribution from third party initiative

Growing Third Party

Number of Deals



Total Proceeds



(1) Total private markets dry powder as of March 31, 2017.

(2) As of June 9, 2017.

Sole or Left Lead Roster ⁽²⁾

Issuer	Sponsor	Tranche	Tranche Size (\$mm)
F1	Liberty Media	1st Lien TL	\$3,102
WME	Silver Lake	1st Lien TL	\$2,250
UFC	Silver Lake, KKR	1st Lien TL	\$1,372
NPC	Olympus	1st Lien TL	\$580
		2nd Lien TL	\$160
Sears	n/a	1st Lien TL	C\$300
TKC Holdings	H.I.G.	2nd Lien TL	\$260
WME	Silver Lake	1st Lien TL	\$250
Pacific Union	n/a	1st Lien TL	\$250
TIBCO	Vista	1st Lien TL	\$225
Keypoint	Veritas	1st Lien TL	\$215
National Vision	KKR	1st Lien TL	\$175
UFC	Silver Lake, KKR	1st Lien TL	\$100
TKC Holdings	H.I.G.	2nd Lien TL	\$80

NPC Case Study

April 2017



\$100 million Revolving Credit Facility
\$580 million 1st Lien Term Loan
\$160 million 2nd Lien Term Loan

Refinancing / Acquisition Financing

Lead Left Arranger and Investor

Highlights

- Olympus Partners portfolio company
- Largest franchisee of Pizza Huts and significant franchisee of Wendy's
- Originally pitched dividend recap after leading a similar deal for Sedgwick Claims Management Services
- Conversation pivoted to refinancing and acquisition financing discussion
- **Mandated to left lead \$840 mm broadly syndicated financing**
- Proceeds used to refinance outstanding debt and acquire ~200 Wendy's units
- Allocated transaction to ~80 investors, many of whom were new to the company
- KKR Credit participated in the transaction as a new lender

Enhancements

- Extended weighted average maturities by over 5 years
- Reduced weighted average cost of debt by ~125bps
- Introduced new covenant lite structure

Snapshot: Supporting Infrastructure in 2017



Highlight	Leading UK smart meter provider	Telecom towers and subsea fiber business of Telefonica
Status	1Q17 Close	Signed 2Q17, Pending
Deal Size	£750mm	€1,275mm ⁽¹⁾
Equity Syndication	✓	✓
Debt Arranger	✓	✓
Fees	\$18mm in 1Q17	✓

(1) Represents a 40% stake in Telxius.

Appendix

KKR

Reconciliation of KKR & Co. L.P. Capital – Common Unitholders (GAAP Basis) to Book Value per Adjusted Unit

As Of
March 31, 2017

KKR & Co. L.P. Capital – Common Unitholders	\$5,755,354
Impact of consolidation of investment vehicles and other entities	140,248
Noncontrolling interests held by KKR Holdings L.P. and other	4,581,427
Other Reclassifications	(17,446)
Equity impact of KKR Management Holdings Corp.	(133,233)
Book value	\$10,326,350
Adjusted units	806,480,436
Book Value per adjusted unit	\$12.80

Note: Amounts in thousands, except adjusted units and book value per unit amounts.

KKR

Reconciliation of GAAP Common Units Outstanding

	As Of March 31, 2017
GAAP Common Units Outstanding – Basic	455,570,965
Unvested Common Units and Other Securities	42,809,384
GAAP Common Units Outstanding – Diluted	498,380,349
KKR Holdings Units	350,909,471
Adjusted Units	849,289,820
Unvested Common Units and Unvested Other Securities	(38,551,767)
Adjusted Units Eligible for Distribution	810,738,053
Vested Other Securities	(4,257,617)
Outstanding Adjusted Units	806,480,436

Legal Disclosures

This presentation is prepared for KKR & Co. L.P. (NYSE: KKR) for the benefit of its public unitholders. This presentation is solely for informational purposes in connection with evaluating the business, operations and financial results of KKR & Co. L.P. and its subsidiaries (collectively, "KKR"). Any discussion of specific KKR entities is provided solely to demonstrate such entities' role within the KKR organization and their contributions to the business, operations and financial results of KKR & Co. L.P. This presentation is not and shall not be construed as an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, any investment funds, vehicles or accounts, any investment advice, or any other service by any KKR entities, including Kohlberg Kravis Roberts & Co. L.P., KKR Credit Advisors (US) LLC, Prisma Capital Partners LP, KKR Credit Advisors (Ireland) or KKR Capital Markets LLC. Nothing in this presentation constitutes the provision of any tax, accounting, financial, investment, regulatory, legal or other advice by KKR or its advisors.

This presentation may not be referenced, quoted or linked by website, in whole or in part, except as agreed to in writing by KKR & Co. L.P.

This presentation contains certain forward-looking statements pertaining to KKR, including certain investment funds, vehicles and accounts that are managed by KKR (each, a "fund"). Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, including the statements with respect to the declaration and payment of distributions on common units of KKR and the timing, manner and volume of repurchase of common units pursuant to a repurchase program. The forward-looking statements are based on KKR's beliefs, assumptions and expectations, taking into account all information currently available to it. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to KKR or are within its control. If a change occurs, KKR's business, financial condition, liquidity and results of operations, including but not limited to assets under management, fee paying assets under management, capital invested and syndicated capital, uncalled commitments, total distributable earnings, economic net income, after-tax economic net income, fee related earnings, fee and yield segment EBITDA, core interest expense, cash and short-term investments, book value, and return on equity may vary materially from those expressed in the forward-looking statements. The following factors, among others, could cause actual results to vary from the forward-looking statements: the general volatility of the capital markets; failure to realize the benefits of or changes in KKR's business strategies including the ability to realize the anticipated synergies from acquisitions or strategic partnerships; availability, terms and deployment of capital; availability of qualified personnel and expense of recruiting and retaining such personnel; changes in the asset management industry, interest rates or the general economy; underperformance of KKR's investments and decreased ability to raise funds; and the degree and nature of KKR's competition. All forward looking statements speak only as of the date of this presentation. KKR does not undertake any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law. In addition, KKR's business strategy is focused on the long-term and financial results are subject to significant volatility.

Additional information about factors affecting KKR, including a description of risks that may be important to a decision to purchase or sell any common units of KKR & Co. L.P., can be found in KKR & Co. L.P.'s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and its other filings with the SEC, which are available at www.sec.gov.

The statements contained in this presentation are made as of June 13, 2017, unless another time is specified in relation to them, and access to this presentation at any given time shall not give rise to any implication that there has been no change in the facts set forth in this presentation since that date. All financial information in this presentation is as of March 31, 2017 unless otherwise indicated. Certain information presented in this presentation have been developed internally or obtained from sources believed to be reliable; however, KKR does not give any representation or warranty as to the accuracy, adequacy, timeliness or completeness of such information, and assumes no responsibility for independent verification of such information.