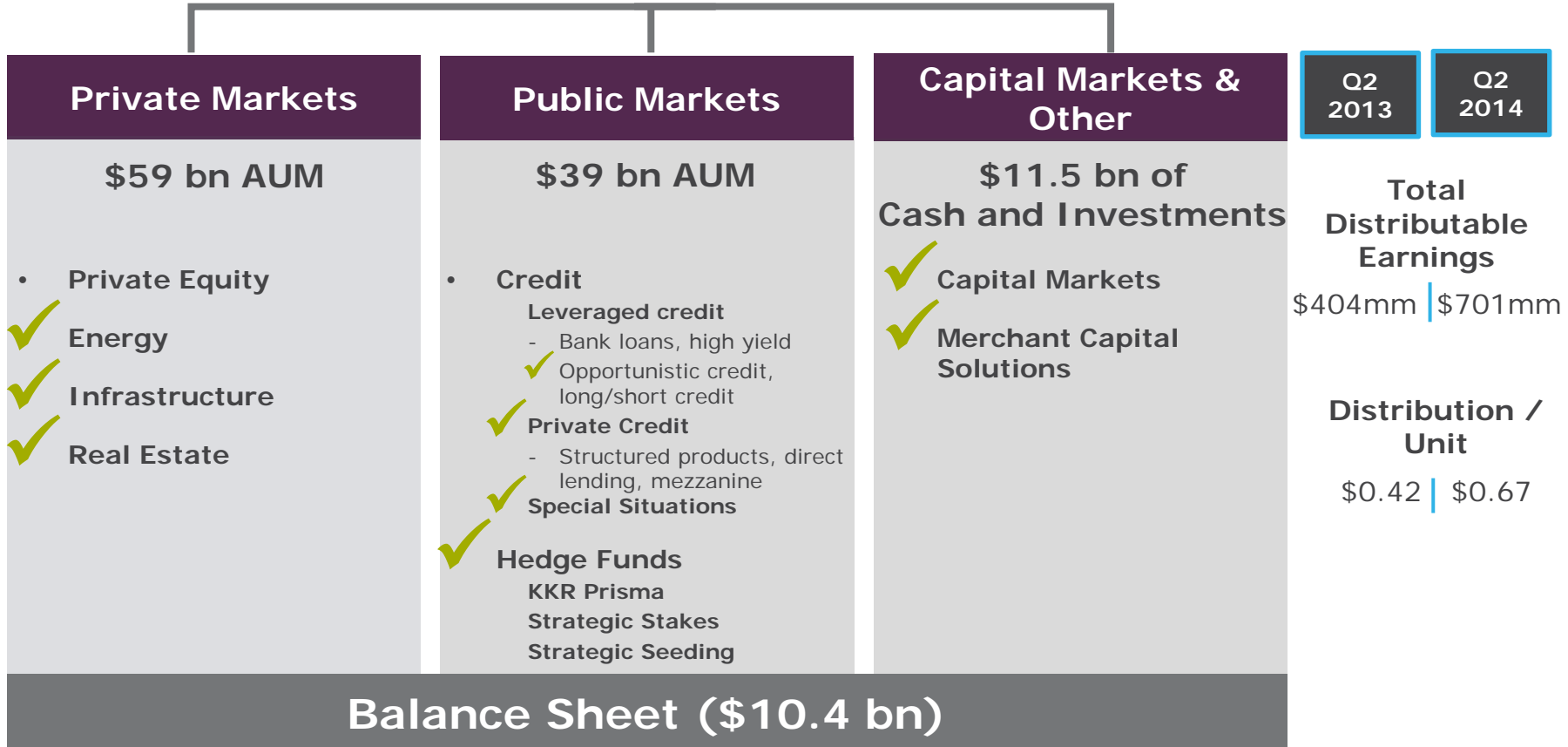


# Investor Presentation

September 2014

# KKR—Global Leader in Alternative Asset Management

# KKR



✓ Reflects new business since 2010

Note: Figures as of 6/30/14, unless otherwise stated. See Appendix for a reconciliation to the comparable GAAP metrics.

**KKR**

# Last Twelve Months Progress

*(Dollars in mm, unless otherwise stated)*

	2014 Q2 LTM	2013 Q2 LTM
Fee and Yield Earnings (Fee Related Earnings + Net Interest and Dividends)	\$562	\$464
Total Distributable Earnings	\$1,909	\$1,574
Distribution/unit	\$1.81	\$1.63
Book Value/unit	\$12.52	\$9.65
Fee Paying AUM (\$ in bn)	\$80	\$68

Note: LTM figures as of 6/30/14.

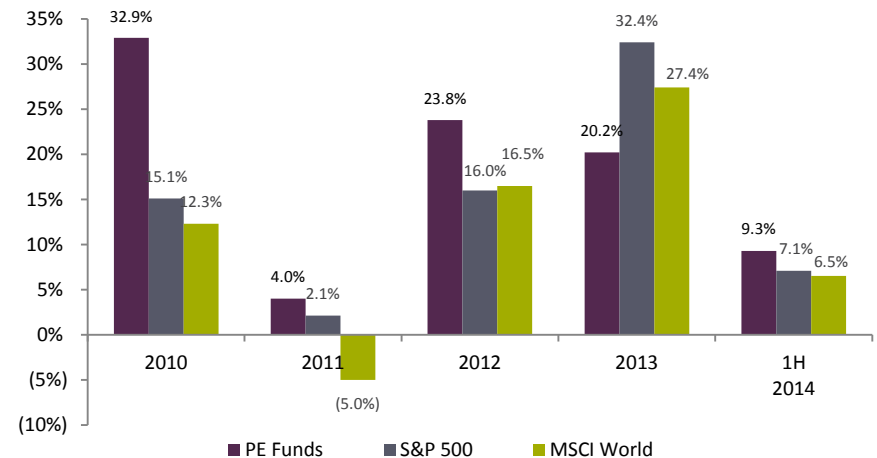
**KKR**

# Private Markets

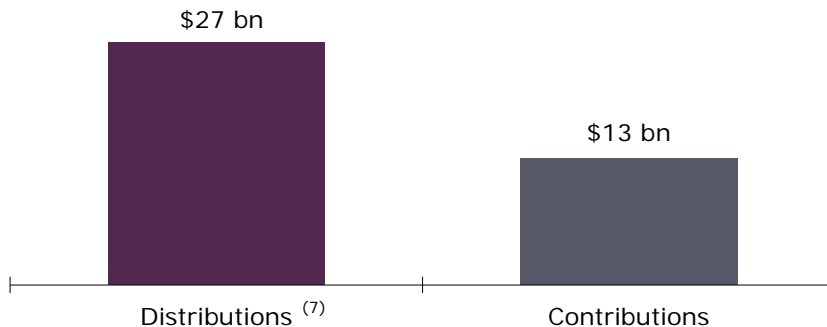
## Private Equity

- Industry pioneer with 38 years of experience
- 26% gross IRR (19% net IRR) and over 700 bps of S&P 500 net outperformance since inception<sup>(2)</sup>, with 2.6x gross multiple (2.3x net multiple) of cost on fully invested funds<sup>(3)</sup>
- 98 actively managed portfolio companies in 16 industries<sup>(4)</sup>
  - Approximately \$200 billion in annual revenue<sup>(5)</sup>
  - Approximately 940,000 employees<sup>(6)</sup>

## Recent PE Performance<sup>(1)</sup>



## Cash Back to LPs Since 2012



Note: Figures as of 6/30/14 unless otherwise stated.

(1) Index returns include total return.

(2) IRR and outperformance calculated based on KKR's private equity funds since inception with at least 36 months of investment activity as of 6/30/14.

(3) Reference to fully invested funds includes private equity funds from the 1976 Fund through European Fund II.

(4) Figures as of 6/30/14.

(5) Figure as of 3/31/14.

(6) Figure as of 12/31/13.

(7) Figure as of 7/24/14.

## Differentiators

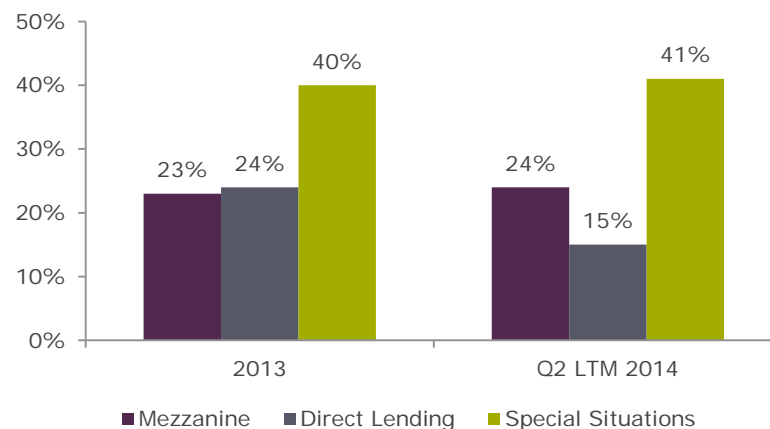
- No preferred return on existing active private equity funds with the exception of NAXI and Asia Fund II
- Long-tenured industry relationships yielding differentiated sourcing
- Integrated capital markets services including capital structure syndication and optimization
- Opportunities for growth in newer businesses like Energy, Infrastructure and Real Estate

# Public Markets

## Strategies

- Credit
  - Leveraged Credit (bank loans, high yield, opportunistic credit, long/short credit)
  - Private Credit (Structured products, direct lending, mezzanine)
  - Special Situations
- Hedge Funds
  - KKR Prisma
  - Strategic Stakes
  - Strategic Seeding
- Avoca (increased our presence in liquid alternatives in Europe by ~\$8bn of AUM)

## Recent Performance<sup>(1)</sup>



## Differentiators

- Have over \$5 bn in carry eligible funds—opportunity for significant profit contribution from incremental revenue and carry generation
- Benefit of global cross-segment “one-firm” sourcing and diligence/research capabilities<sup>(2)</sup>
- Long-term, flexible capital with expanding capital base
- Sizable untapped new product areas as new businesses are still relatively young

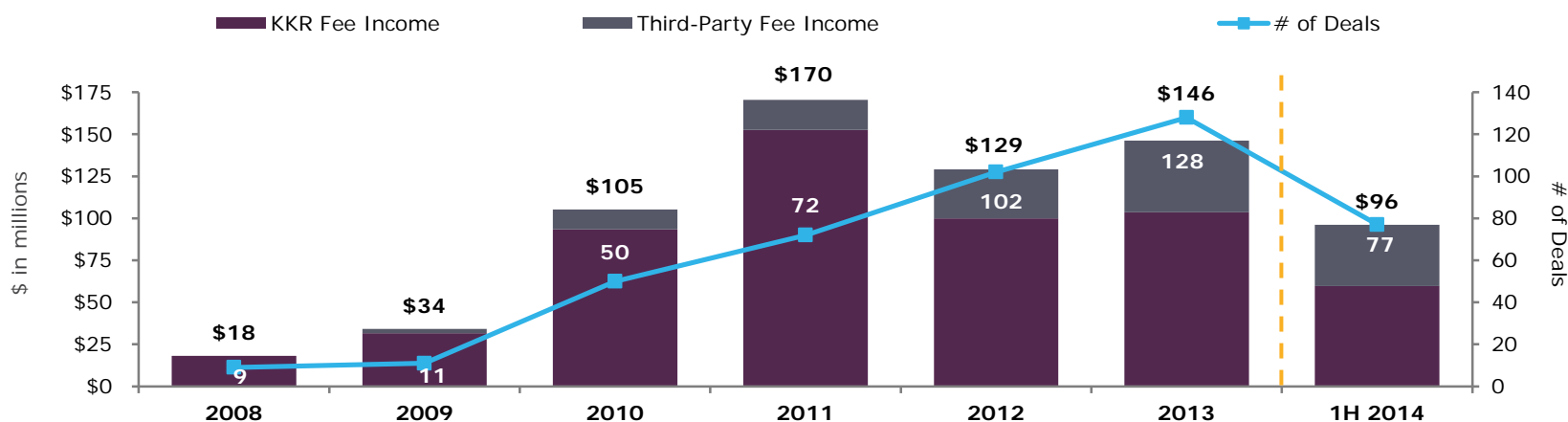
(1) Figures reflect gross returns for the flagship funds in those products for the specified time periods.

(2) Participation of KKR personnel in the investment process is subject to applicable restricted list/information barrier procedures.

# Capital Markets

- Global team of ~40 professionals offering full-service capital markets advisory and underwriting
  - Acquisition finance: expands capacity for private equity/mezzanine transactions
  - Refinancing/buybacks during ownership: optimizes cost of capital, enhances capital structure flexibility
  - IPOs/follow-ons at exit: maximizes investor return
- Profitable, aligned, non-capital-intensive business model providing a high-growth, high-margin opportunity
- Joint venture partner with Stone Point Capital and CPPIB in Merchant Capital Solutions<sup>(1)</sup>

## Capital Markets Performance



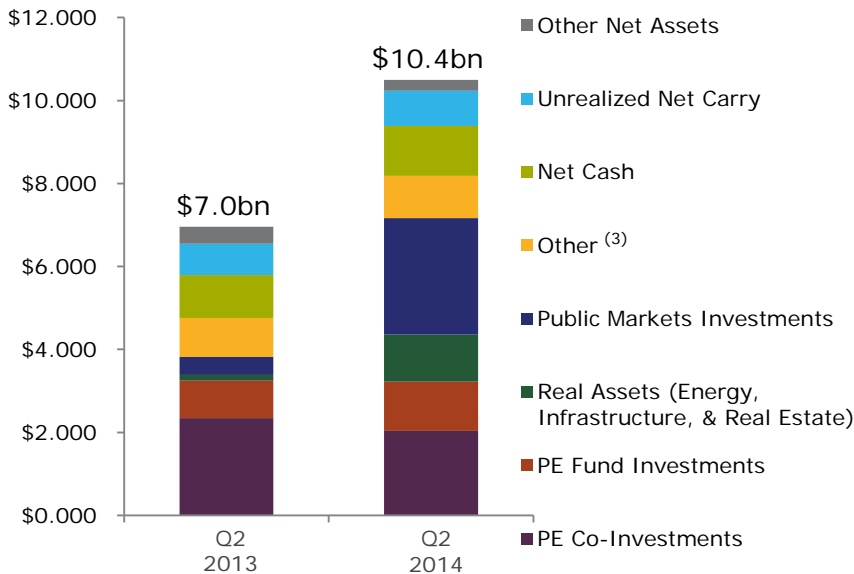
Margin - %	29.1%	54.7%	75.1%	76.8%	68.4%	67.5%	67.0%
Syndicated Capital (\$mm)	--	--	--	\$2,427	\$544	\$1,112	\$258
KKR Deals	9	10	28	40	57	70	32
3 <sup>RD</sup> Party Deals	0	1	22	32	45	58	45

Note: KKR Capital Markets LLC is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of FINRA and SIPC.  
 (1) Merchant Capital Solutions LLC conducts its capital markets and other securities activities through MCS Capital Markets LLC. MCS Capital Markets LLC is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of FINRA and SIPC.

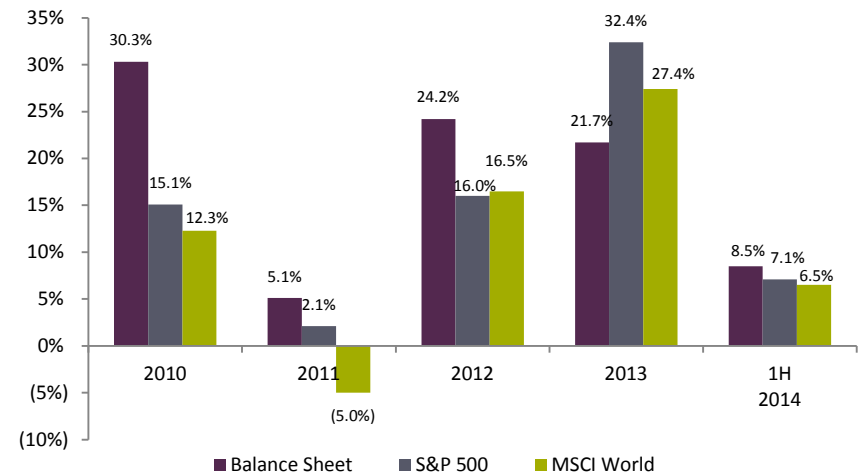
# Balance Sheet

- Through the combination with KPE, KKR acquired a significant balance sheet
  - \$10.4 bn of book value at June 30, 2014 (\$12.52/unit)
  - GP capital and other investments in KKR funds/transactions worth \$8.1 bn at June 30, 2014
- Permanent capital to accelerate growth through GP commitments, seed capital, capital markets funding, and other organic/inorganic growth opportunities<sup>(1)</sup>
- Well capitalized with minimal leverage
  - Ample liquidity with \$3.4 bn of cash and short-term investments at June 30, 2014
  - A ratings from S&P and Fitch, both with a stable outlook
  - 2013 return on average book equity of 27%

## Balance Sheet Composition



## Balance Sheet Performance<sup>(2)</sup>



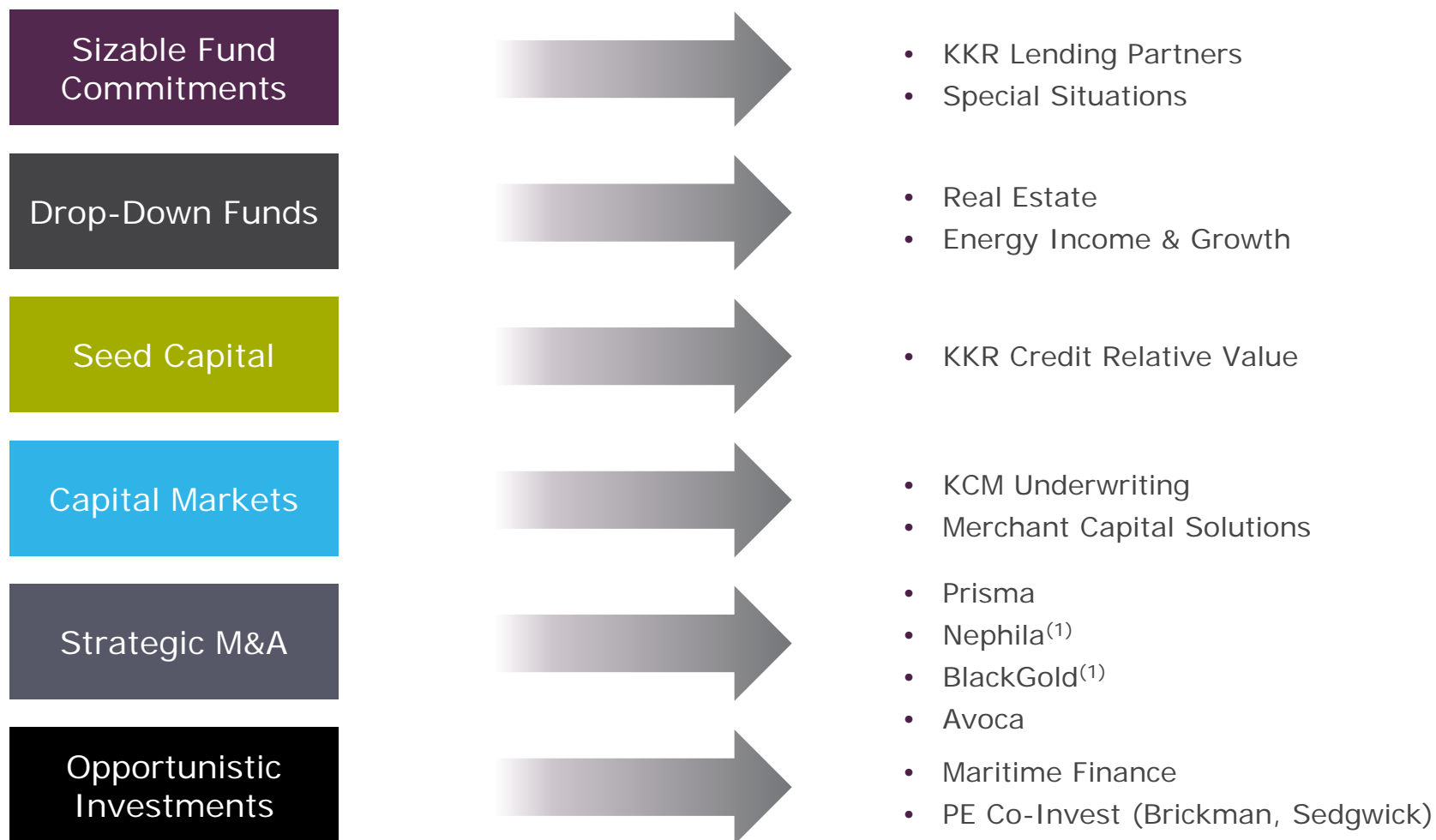
(1) Permanent capital refers to capital of indefinite duration, which may be withdrawn under certain situations.

(2) Index returns include total return.

(3) Balance Sheet categories are per KKR earnings release and as reported.

# How We Use Our Balance Sheet to Drive Growth

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(1) KKR holds a 24.9% interest in each of Nephila Capital and BlackGold.



# KKR's Cash Earnings Stream

		2013	1H 2014	LTM
Cash Revenues	Fees	\$1,028	\$582	\$1,152
	Realized Cash Carry	\$690	\$749	\$1,081
	Realized Balance Sheet Earnings <sup>(1)</sup>	\$657	\$475	\$829
	<b>Total Cash Revenues</b>	<b>\$2,375</b>	<b>\$1,806</b>	<b>\$3,062</b>
<hr style="border-top: 1px dashed #00a0c0;"/>				
Cash Expenses	Cash Comp & Carry Pool Payments	\$620	\$500	\$821
	Occupancy & Related Costs	\$56	\$29	\$59
	Other Operating Expenses	\$216	\$107	\$233
	<b>Total Cash Expenses</b>	<b>\$892</b>	<b>\$636</b>	<b>\$1,113</b>
<b>Total Distributable Earnings<sup>(2)</sup></b>		<b>\$1,456</b>	<b>\$1,148</b>	<b>\$1,909</b>

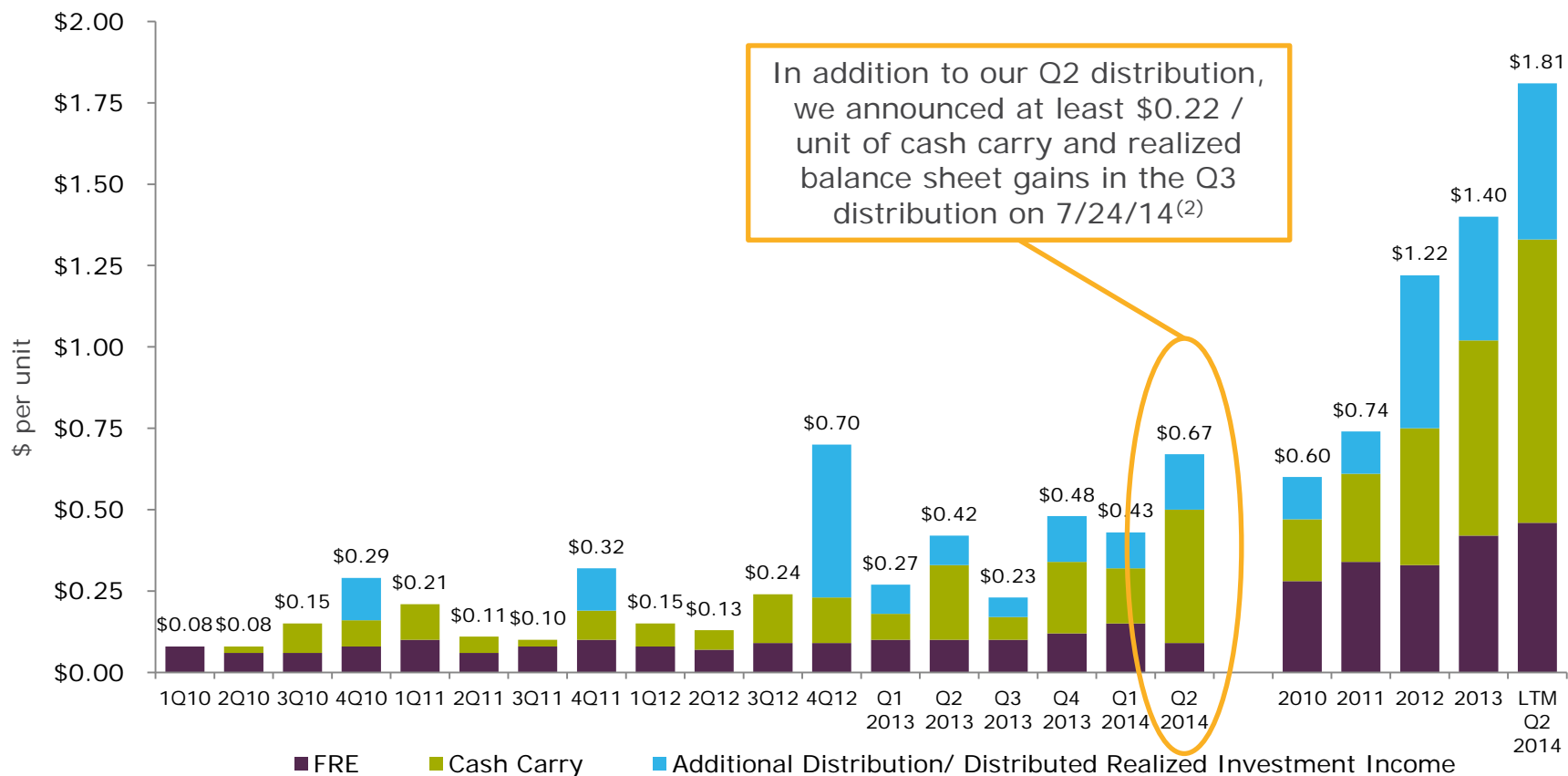
Note: LTM figures are as of 6/30/14.

(1) Figure refers to net realized investment income.

(2) Total figure is net of non controlling interest and local taxes.

# Our Distribution Profile

- Since 2012<sup>(1)</sup>, we have returned or announced distributions of over \$27 billion to all investors in our private equity funds and co-investment vehicles
- For the first 6 months of 2014 our total distributable earnings were up 65% and our YTD distribution per unit of \$1.10 was up 60%



In addition to our Q2 distribution, we announced at least \$0.22 / unit of cash carry and realized balance sheet gains in the Q3 distribution on 7/24/14<sup>(2)</sup>

(1) Distribution figures include all realized or pending Private Markets distributions to fund investors as of 7/24/14. Contribution figures include all Private Markets committed dollars invested as of 6/30/14.  
 (2) Estimates on cash carry and its impact on future distributions are based on 6/30/14 valuations as well as unit counts prior to the KFN closing. Figure includes pending or closed realization events that occurred between 6/30/14 and 7/24/14.

# Looking Forward

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## 1 Scaling of Fund 1 → Fund 2

China Growth

Natural Resources

Infrastructure

Real Estate

EIGF

Special Sits

Direct Lending

Mezzanine

\$10 bn<sup>(1)</sup>  
of  
Committed  
Capital

## 2 Growth in Cash Carry Potential



Exits  
Expected to  
Impact Cash  
Carry<sup>(2)</sup>

## 3 Our Business Model

3<sup>rd</sup> Party  
Managed Capital



Balance  
Sheet



KCM

(1) Figure represents committed capital for first time funds listed.

(2) Represents transactions announced but subject to close as of 6/30/14 and transactions that closed after 6/30/14 that are anticipated to impact the Q3 and/or Q4 2014 distributions. Assumes no change in netting holes from 6/30/14.

# Appendix

KKR

# Quarter Ended June 30, 2014

	Private Markets Segment	Public Markets Segment	Capital Markets and Principal Activities Segment	Total Reportable Segments
<b>Segment Revenues</b>				
<b>Management, Monitoring and Transaction Fees, Net</b>				
Management Fees	\$ 111,542	\$ 67,132	\$ -	\$ 178,674
Monitoring Fees	29,610	-	-	29,610
Transaction Fees	45,340	7,350	31,615	84,305
Fee Credits	(43,478)	(6,352)	-	(49,830)
<b>Total Management, Monitoring and Transaction Fees, Net</b>	<b>143,014</b>	<b>68,130</b>	<b>31,615</b>	<b>242,759</b>
<b>Performance Fees</b>				
Realized Carried Interest	555,488	-	-	555,488
Incentive Fees	-	11,478	-	11,478
Unrealized Carried Interest	(163,564)	25,738	-	(137,826)
<b>Total Performance Fees</b>	<b>391,924</b>	<b>37,216</b>	<b>-</b>	<b>429,140</b>
<b>Investment Income (Loss)</b>				
Net Realized Gains (Losses)	207,892	14,284	(515)	221,661
Net Unrealized Gains (Losses)	(122,729)	3,751	(957)	(119,935)
Total Realized and Unrealized	85,163	18,035	(1,472)	101,726
Net Interest and Dividends	22,760	33,822	3,850	60,432
<b>Total Investment Income (Loss)</b>	<b>107,923</b>	<b>51,857</b>	<b>2,378</b>	<b>162,158</b>
<b>Total Segment Revenues</b>	<b>642,861</b>	<b>157,203</b>	<b>33,993</b>	<b>834,057</b>
<b>Segment Expenses</b>				
Compensation and Benefits				
Cash Compensation and Benefits	56,522	26,904	8,018	91,444
Realized Allocation to Carry Pool	222,195	-	-	222,195
Unrealized Allocation to Carry Pool	(63,730)	10,295	-	(53,435)
Total Compensation and Benefits	214,987	37,199	8,018	260,204
Occupancy and related charges	11,764	2,544	449	14,757
Other operating expenses	39,589	11,474	3,248	54,311
<b>Total Segment Expenses</b>	<b>266,340</b>	<b>51,217</b>	<b>11,715</b>	<b>329,272</b>
Income (Loss) attributable to noncontrolling interests	335	385	2,486	3,206
<b>Economic Net Income (Loss)</b>	<b>\$ 376,186</b>	<b>\$ 105,601</b>	<b>\$ 19,792</b>	<b>\$ 501,579</b>
<b>Assets Under Management</b>	<b>\$ 59,417,000</b>	<b>\$ 38,540,900</b>	<b>\$ -</b>	<b>\$ 177,069</b>
<b>Fee Paying Assets Under Management</b>	<b>\$ 46,167,300</b>	<b>\$ 33,489,000</b>	<b>\$ -</b>	<b>\$ 299,615</b>
<b>Committed Dollars Invested and Syndicated Capital</b>	<b>\$ 1,454,400</b>	<b>\$ 724,400</b>	<b>\$ 166,700</b>	<b>\$ 28,545</b>
<b>Uncalled Commitments</b>	<b>\$ 17,109,800</b>	<b>\$ 2,674,400</b>	<b>\$ -</b>	<b>\$ 481,939</b>
<b>Gross Dollars Invested</b>	<b>\$ -</b>	<b>\$ 768,200</b>	<b>\$ -</b>	<b>\$ -</b>

# Segment Balance Sheet as of June 30, 2014

(Amount in thousands, except per unit amounts)

	<b>Total Reportable Segments</b>
Cash and short-term investments	\$ 3,375,164
Investments	8,125,042
Unrealized carry	1,207,172
Other assets	746,828
Total assets	<u>\$ 13,454,206</u>
Debt obligations - KKR	\$ 1,500,000
Debt obligations - KFN	657,310
Preferred shares - KFN	373,750
Other liabilities	356,874
Total liabilities	<u>2,887,934</u>
Noncontrolling interests	122,686
<b>Book value</b>	<u><b>\$ 10,443,586</b></u>
<b>Book value per adjusted unit <sup>(1)</sup></b>	<u><b>\$ 12.52</b></u>

(1) Adjusted units represent the fully diluted unit count using the if-converted method. See Appendix for a reconciliation of this item to the comparable GAAP measure.

# Investment Vehicle Summary<sup>(a)</sup> as June 30, 2014

(Amounts in Million, except percentages)

	Investment Period		Amount						
	Commencement Date	End Date	Commitment	Uncalled Commitments	Percentage Committed by General Partner	Invested	Realized	Remaining Cost	Remaining Fair Value
<b>Private Markets</b>									
<b>Private Equity Funds</b>									
Asian Fund II	4/2013	4/2019	\$ 5,825.0	\$ 4,889.8	1.3%	\$ 935.2	\$ -	\$ 935.2	\$ 1,012.1
North America Fund XI	9/2012	9/2018	8,718.4	4,712.4	2.9%	4,006.0	95.4	4,006.0	4,583.7
China Growth Fund	11/2010	11/2016	1,010.0	560.2	1.0%	449.8	32.6	432.4	512.9
E2 Investors (Annex Fund)	8/2009	11/2013	209.4	13.6	4.5%	195.8	144.4	54.5	302.6
European Fund III	3/2008	3/2014	6,229.8	816.3	4.6%	5,413.5	1,494.3	4,620.7	6,601.4
Asian Fund	7/2007	4/2013	3,983.3	57.5	2.5%	3,925.8	3,864.7	2,585.1	3,618.5
2006 Fund	9/2006	9/2012	17,642.2	1,067.9	2.1%	16,574.3	12,881.7	9,538.5	15,500.0
European Fund II	11/2005	10/2008	5,750.8	-	2.1%	5,750.8	5,352.4	1,655.9	3,207.1
Millennium Fund	12/2002	12/2008	6,000.0	-	2.5%	6,000.0	11,246.2	1,320.8	2,265.5
European Fund	12/1999	12/2005	3,085.4	-	3.2%	3,085.4	8,736.6	-	40.8
<b>Total Private Equity Funds</b>			<b>58,454.3</b>	<b>12,117.7</b>		<b>46,336.6</b>	<b>43,848.3</b>	<b>25,149.1</b>	<b>37,644.6</b>
Co-Investment Vehicles	Various	Various	2,903.9	780.3	Various	2,123.6	1,005.1	1,814.0	2,393.7
<b>Total Private Equity</b>			<b>61,358.2</b>	<b>12,898.0</b>		<b>48,460.2</b>	<b>44,853.4</b>	<b>26,963.1</b>	<b>40,038.3</b>
<b>Real Assets</b>									
Energy Income and Growth Fund	9/2013	9/2018	1,974.2	1,617.7	12.8%	356.5	22.2	339.1	351.2
Natural Resources Fund	Various	Various	893.8	320.9	Various	572.9	95.1	496.4	312.8
Global Energy Opportunities	Various	Various	1,028.4	894.2	Various	134.2	6.1	134.2	108.5
Infrastructure Fund	Various	Various	1,042.2	259.9	4.8%	782.3	34.1	782.3	819.7
Infrastructure Co-Investments	Various	Various	1,355.3	250.8	Various	1,104.5	261.6	1,104.5	1,395.2
Real Estate Partners Americas	5/2013	12/2016	1,229.1	868.3	16.0%	360.8	129.2	360.4	402.2
<b>Real Assets</b>			<b>7,523.0</b>	<b>4,211.8</b>		<b>3,311.2</b>	<b>548.2</b>	<b>3,216.9</b>	<b>3,389.6</b>
<b>Private Markets Total</b>			<b>68,881.2</b>	<b>17,109.8</b>		<b>51,771.4</b>	<b>45,401.6</b>	<b>30,180.0</b>	<b>43,427.9</b>
<b>Public Markets</b>									
Special Situations Vehicles	Various	Various	4,713.8	1,939.7	Various	2,774.1	981.4	2,231.4	2,660.6
Mezzanine Fund	3/2010	8/2015	987.0	287.3	4.6%	699.7	198.5	611.1	721.7
Direct Lending Vehicles	Various	Various	1,001.9	447.4	Various	554.5	51.0	554.5	604.3
<b>Public Markets Total</b>			<b>6,702.7</b>	<b>2,674.4</b>		<b>4,028.3</b>	<b>1,230.9</b>	<b>3,397.0</b>	<b>3,986.6</b>
<b>Grand Total</b>			<b>\$ 75,583.9</b>	<b>\$ 19,784.2</b>		<b>\$ 55,799.7</b>	<b>\$ 46,632.5</b>	<b>\$ 33,577.0</b>	<b>\$ 47,414.5</b>

(a) - Reflects investment vehicles for which KKR has the ability to earn carried interest.

# Reconciliation of Net Income (Loss) Attributable to KKR & Co. L.P. (GAAP Basis) to Economic Net Income (Loss), Fee Related Earnings, Fee Related EBITDA, and Total Distributable Earnings (Unaudited)

(Amount in thousands)

	Quarter Ended		6 Months Ended	
	June 30, 2013	June 30, 2014	June 30, 2014	
<b>Net income (loss) attributable to KKR &amp; Co. L.P.</b>	\$ 15,134	\$ 178,215	\$ 388,256	
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	28,106	186,776	487,590	
Plus: Non-cash equity based charges	80,318	92,957	170,485	
Plus: Amortization of intangibles and other, net	12,360	37,455	57,624	
Plus: Income taxes	8,525	6,176	27,878	
<b>Economic net income (loss)</b>	<b>144,443</b>	<b>501,579</b>	<b>1,131,833</b>	
Plus: Income attributable to segment noncontrolling interests	1,323	3,206	6,408	
Less: Total investment income (loss)	11,050	162,158	440,809	
Less: Net carried interest	36,539	248,902	451,989	
<b>Fee related earnings</b>	<b>98,177</b>	<b>93,725</b>	<b>245,443</b>	
Plus: Net interests and dividends	2,782	60,432	71,596	
<b>Fee and yield earnings</b>	<b>\$ 100,959</b>	<b>\$ 154,157</b>	<b>\$ 317,039</b>	
Plus: Depreciation and amortization	3,708	4,140	8,175	
Plus: Core interest expense	16,210	19,205	37,605	
<b>Fee and yield EBITDA</b>	<b>\$ 120,877</b>	<b>\$ 177,502</b>	<b>\$ 362,819</b>	
Less: Depreciation and amortization	3,708	4,140	8,175	
Less: Core interest expense	16,210	19,205	37,605	
Less: Net interests and dividends	2,782	60,432	71,596	
Plus: Realized cash carry, net of realized cash carry allocated to carry pool	161,897	333,293	449,423	
Plus: Net realized investment income - KKR	150,361	245,711	438,603	
Plus: Net realized investment income - KFN	-	36,382	36,382	
Less: Local income taxes and noncontrolling interests	6,659	8,138	22,070	
<b>Total distributable earnings</b>	<b>\$ 403,776</b>	<b>\$ 700,973</b>	<b>\$ 1,147,781</b>	
Plus: Depreciation and amortization	3,708	4,140	8,175	
Plus: Core interest expense	16,210	19,205	37,605	
Plus: Local income taxes and noncontrolling interests	6,659	8,138	22,070	
<b>Total EBITDA</b>	<b>\$ 430,353</b>	<b>\$ 732,456</b>	<b>\$ 1,215,631</b>	



# Reconciliation of Net Income (Loss) Attributable to KKR & Co. L.P. (GAAP Basis) to Economic Net Income (Loss), Fee Related Earnings, Fee Related EBITDA, and Total Distributable Earnings (Unaudited)

(Amount in thousands)

	Year Ended
	December 31, 2013
<b>Net income (loss) attributable to KKR &amp; Co. L.P.</b>	<b>\$ 691,226</b>
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	1,056,126
Plus: Non-cash equity based charges	307,514
Plus: Amortization of intangibles and other, net	102,789
Plus: Income taxes	37,926
<b>Economic net income (loss)</b>	<b>2,195,581</b>
Plus: Income attributable to segment noncontrolling interests	6,387
Less: Total investment income (loss)	958,401
Less: Net carried interest	831,219
<b>Fee related earnings</b>	<b>412,348</b>
Plus: Net interests and dividends	21,506
<b>Fee and yield earnings</b>	<b>\$ 433,854</b>
Plus: Depreciation and amortization	14,648
Plus: Core interest expense	65,662
<b>Fee and yield EBITDA</b>	<b>\$ 514,164</b>
Less: Depreciation and amortization	14,648
Less: Core interest expense	65,662
Less: Net interests and dividends	21,506
Plus: Realized cash carry, net of realized cash carry allocated to carry pool	414,016
Plus: Net realized investment income - KKR	657,139
Plus: Net realized investment income - KFN	-
Less: Local income taxes and noncontrolling interests	27,625
<b>Total distributable earnings</b>	<b>\$ 1,455,878</b>
Plus: Depreciation and amortization	14,648
Plus: Core interest expense	65,662
Plus: Local income taxes and noncontrolling interests	27,625
<b>Total EBITDA</b>	<b>\$ 1,563,813</b>

# Reconciliation of Net Income (Loss) Attributable to KKR & Co. L.P. (GAAP Basis) to Economic Net Income (Loss), Fee Related Earnings, Fee Related EBITDA, and Total Distributable Earnings (Unaudited)

(Amount in thousands)

	LTM June 30, 2014	LTM June 30, 2013
<b>Net income (loss) attributable to KKR &amp; Co. L.P.</b>	<b>\$ 870,909</b>	<b>\$ 432,712</b>
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	1,181,498	781,934
Plus: Non-cash equity based charges	316,031	354,295
Plus: Amortization of intangibles and other, net	118,868	47,677
Plus: Income taxes	47,923	33,121
<b>Economic net income (loss)</b>	<b>2,535,229</b>	<b>1,649,739</b>
Plus: Income attributable to segment noncontrolling interests	10,371	4,979
Less: Total investment income (loss)	1,067,962	682,360
Less: Net carried interest	1,006,024	609,498
<b>Fee related earnings</b>	<b>471,614</b>	<b>362,860</b>
Plus: Net interests and dividends	90,791	100,810
<b>Fee and yield earnings</b>	<b>\$ 562,405</b>	<b>\$ 463,670</b>
Plus: Depreciation and amortization	15,434	14,242
Plus: Core interest expense	70,824	51,202
<b>Fee and yield EBITDA</b>	<b>\$ 648,663</b>	<b>\$ 529,114</b>
Less: Depreciation and amortization	15,434	14,242
Less: Core interest expense	70,824	51,202
Less: Net interests and dividends	90,791	100,810
Plus: Realized cash carry, net of realized cash carry allocated to carry pool	648,642	415,934
Plus: Net realized investment income - KKR	792,225	816,095
Plus: Net realized investment income - KFN	36,382	-
Less: Local income taxes and noncontrolling interests	39,594	21,335
<b>Total distributable earnings</b>	<b>\$ 1,909,269</b>	<b>\$ 1,573,554</b>
Plus: Depreciation and amortization	15,434	14,242
Plus: Core interest expense	70,824	51,202
Plus: Local income taxes and noncontrolling interests	39,594	21,335
<b>Total EBITDA</b>	<b>\$ 2,035,121</b>	<b>\$ 1,660,333</b>

# Reconciliation of GAAP Common Units Outstanding to Adjusted Units

	As of June 30, 2014	As of December 31, 2013
<b>GAAP Common Units Outstanding - Basic</b>	<b>415,469,452</b>	<b>288,143,327</b>
Unvested Common Units <sup>(1)</sup>	27,395,289	24,164,354
Other Exchangable Securities	5,195,584	-
<b>GAAP Common Units Outstanding - Diluted</b>	<b>448,060,325</b>	<b>312,307,681</b>
Adjustments:		
KKR Holdings Units <sup>(2)</sup>	385,890,728	404,369,018
<b>Adjusted Units</b>	<b>833,951,053</b>	<b>716,676,699</b>
Adjustments:		
Unvested Common Units	(27,395,289)	(24,164,354)
Unvested Other Exchangable Securities	(2,836,714)	-
<b>Adjusted Units Eligible For Distribution</b>	<b>803,719,050</b>	<b>692,512,345</b>

(1) Represents equity awards granted under the KKR & Co. L.P. 2010 Equity Incentive Plan. The issuance of common units of KKR & Co. L.P. pursuant to awards under its equity incentive plan dilutes KKR common unitholders and KKR Holdings pro rata in accordance with their respective percentage interests in the KKR business.

(2) Common units that may be issued by KKR & Co. L.P. upon exchange of units in KKR Holdings L.P. for KKR common units.

# Reconciliation of GAAP Common Units Outstanding to Adjusted Units

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	As of June 30, 2013
<b>GAAP Common Units Outstanding - Basic</b>	<b>277,834,343</b>
Unvested Common Units <sup>(1)</sup>	25,501,501
Other Exchangeable Securities	-
<b>GAAP Common Units Outstanding - Diluted</b>	<b>303,335,844</b>
Adjustments:	
KKR Holdings Units <sup>(2)</sup>	411,960,931
<b>Adjusted Units</b>	<b>715,296,775</b>

(1) Represents equity awards granted under the KKR & Co. L.P. 2010 Equity Incentive Plan. The issuance of common units of KKR & Co. L.P. pursuant to awards under its equity incentive plan dilutes KKR common unitholders and KKR Holdings pro rata in accordance with their respective percentage interests in the KKR business.

(2) Common units that may be issued by KKR & Co. L.P. upon exchange of units in KKR Holdings L.P. for KKR common units.

# Reconciliation of KKR & Co. L.P. Partners' Capital (GAAP Basis—Unaudited) to Book Value and Book Value per Adjusted Unit

(Amount in thousands, except common unit and per unit amounts)

	As of June 30, 2014	As of June 30, 2013
<b>KKR &amp; Co. L.P. partners' capital</b>	\$ 5,491,877	\$ 2,287,389
Noncontrolling interests held by KKR Holdings L.P.	5,082,655	4,699,114
Equity impact of KKR Management Holdings Corp. and other	(130,946)	(87,446)
<b>Book value</b>	<b>10,443,586</b>	<b>6,899,057</b>
Adjusted units	833,951,053	715,296,775
<b>Book value per adjusted unit <sup>(1)</sup></b>	<b>\$ 12.52</b>	<b>\$ 9.65</b>

(1) Adjusted units represent the fully diluted unit count using the if-converted method. See page 21 for a reconciliation of this item to the comparable GAAP measure.

# Reconciliation of GAAP Cash and Cash Equivalents to Cash and Short-Term Investments

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*(Amount in thousands)*

	As of June 30, 2014	
<b>Cash and cash equivalents</b>	\$	2,504,205
Liquid short-term investments		870,959
<b>Cash and short-term investments</b>	\$	<u>3,375,164</u>

# Legal Disclosures

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