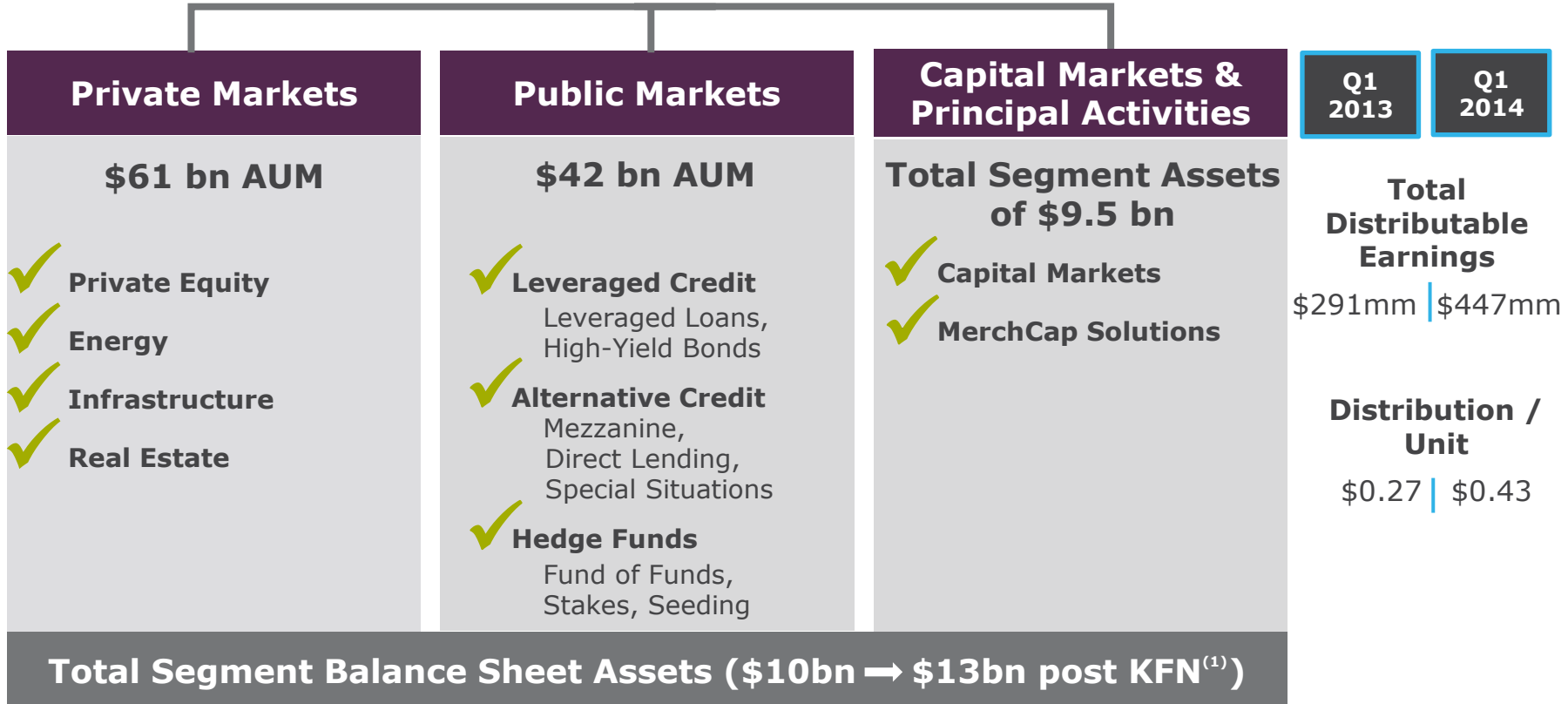


# KKR & Co. L.P.

Henry R. Kravis in Boston, MA  
July 2014

# KKR—Global Leader in Alternative Asset Management

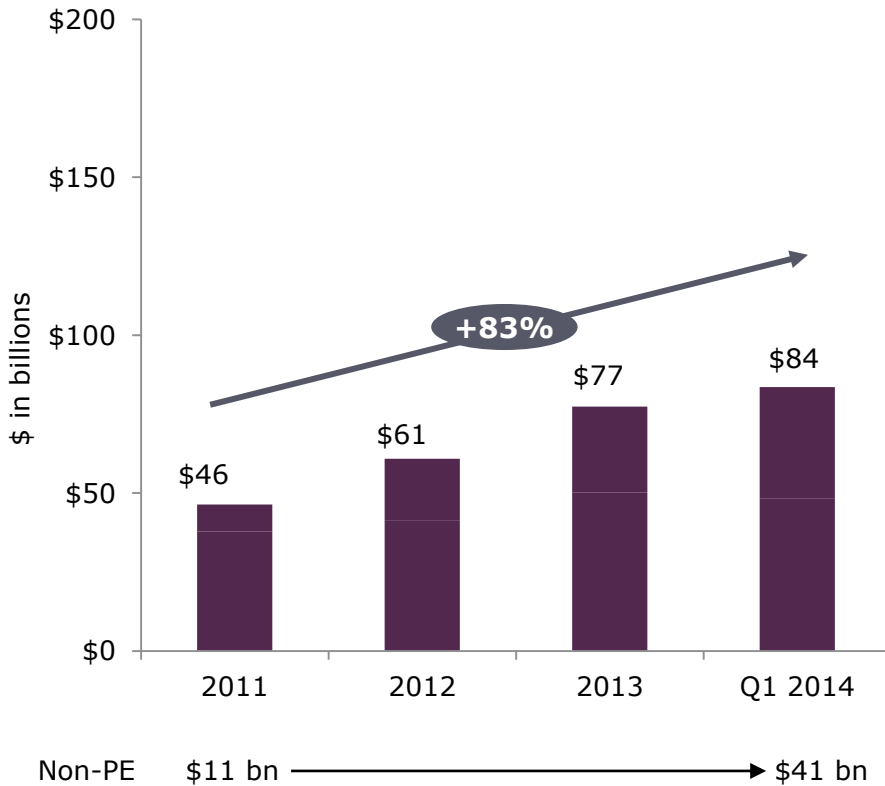
# KKR



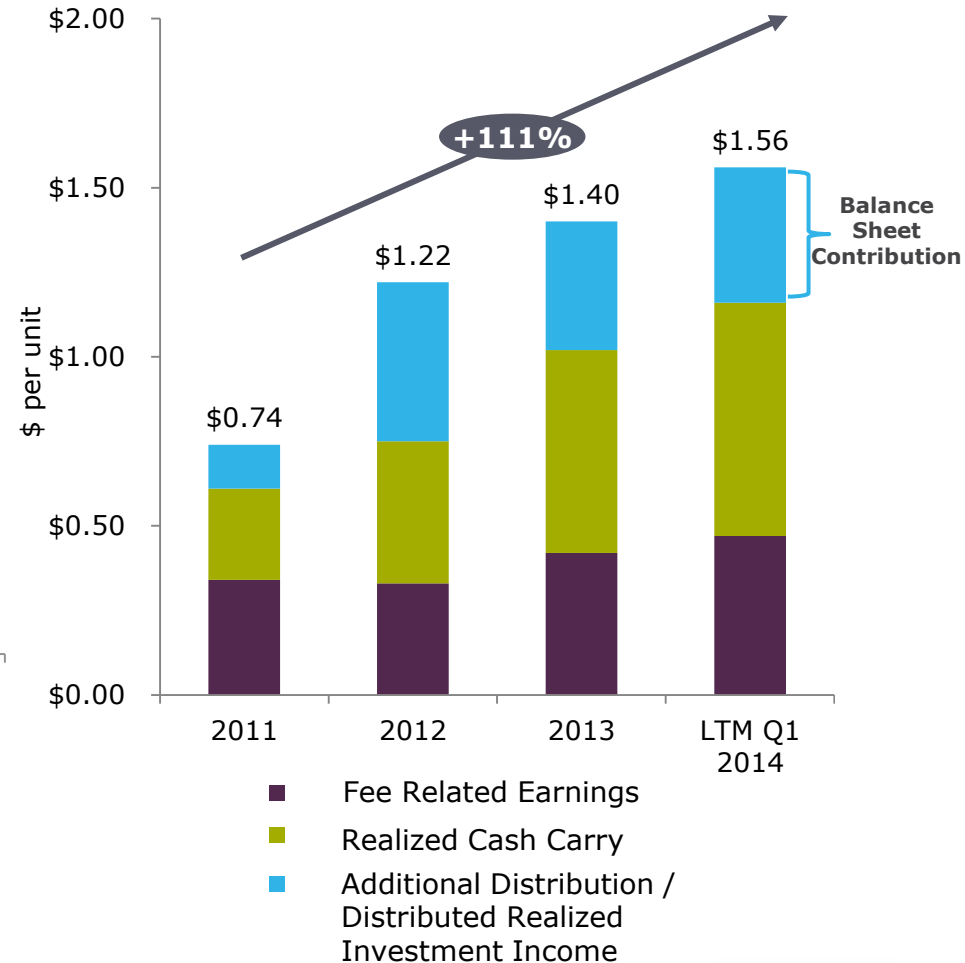
Note: Figures as of 3/31/14, unless otherwise stated. See Appendix for a reconciliation to the comparable GAAP metrics.  
 (1) Represents post KFN figure and includes \$3.2 bn of unconsolidated balance sheet assets of KFN as of 3/31/14.

# FPAUM and Distribution / Unit

## FPAUM



## Distribution / Unit

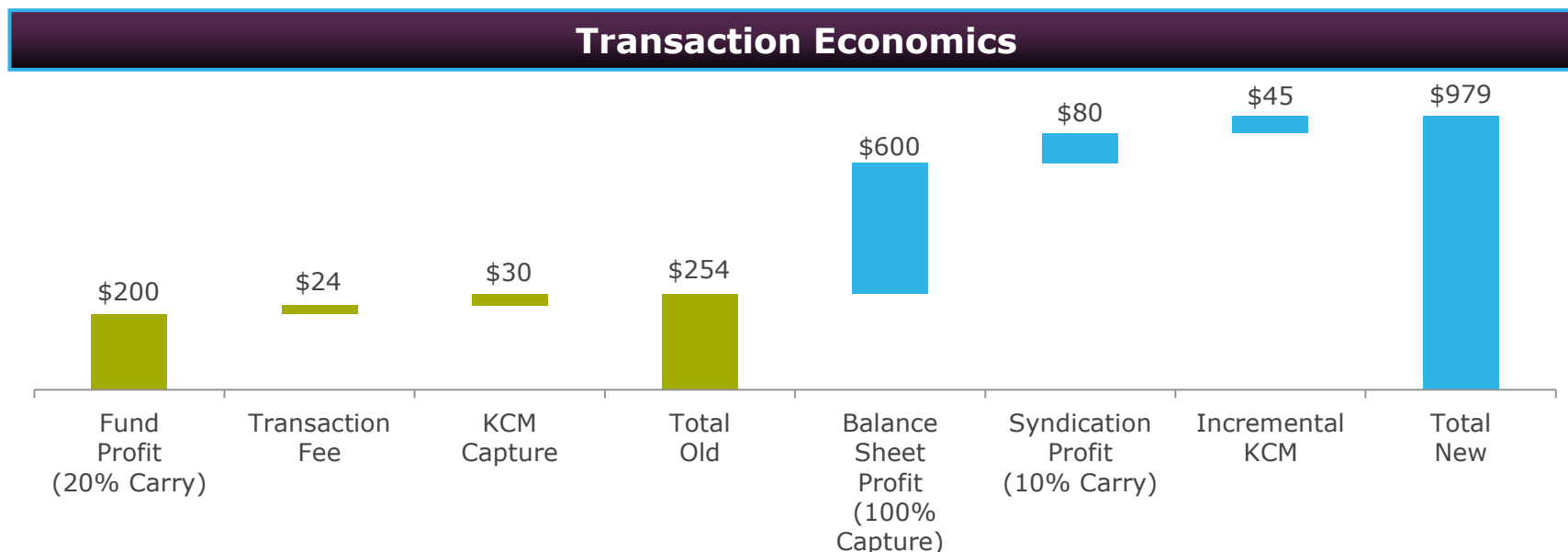


# How Is Our Model Different?

(Illustrative)

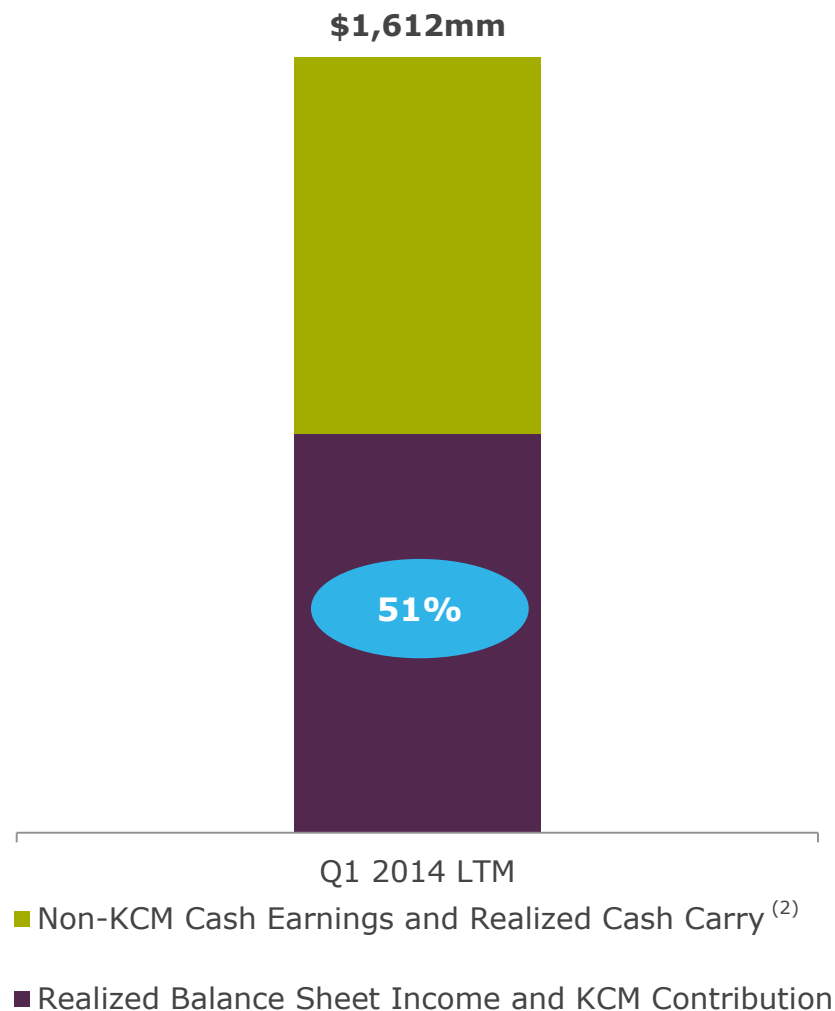
- \$4bn transaction, 30% equity contribution, dollars in millions unless otherwise stated

Sources of Funds			Additional Assumptions		
	Old	New		Old	New
Fund Equity	\$500	\$500	MOIC	3x	3x
Balance Sheet	0	300	Initial Transaction Fee	3%	3%
Syndication—0% Carry	700	0	- Fee split	80/20	80/20
Syndication—10% Carry	0	400	Capital Markets fees over life	\$250	\$250
Total	\$1,200	\$1,200	- Capture (%)	12%	30%
			- Capture (\$)	\$30	\$75 (+\$45)



(1) The financial results have been prepared on the basis of the specific assumptions set forth above, which assumptions are hypothetical and not representative of any actual or anticipated funds or transactions. Actual results and events may differ materially from the assumptions underlying this example. There can be no assurance that the example financial results will reflect actual financial results or reflect any actual investments, and actual results may be substantially different from those illustrated herein.

# Our Total Distributable Earnings Profile



- KKR's ratio of TDE / AUM is 2x the average of our public peers<sup>(1)</sup>
- Balance sheet significance and performance is critical to driving TDE growth:
  - One-year TDE impact of a \$5bn new fund with a 100bps management fee: ~\$30mm (after tax)
  - One-year TDE impact of a 0.3% improvement on \$9.5bn (KKR total assets as of 3/31/14, prior to KFN acquisition): ~\$30mm

A small change in balance sheet performance can have a meaningfully greater impact on TDE given the size of our balance sheet

(1) Public peers consist of APO, BX, CG and OAK.

(2) Non-KCM cash earnings figures are net of local income taxes and non-controlling interest.

# Key Growth Drivers

---

## 1 Scaling of First-Time Funds (Fund I → Fund II)

- China Growth
- Natural Resources
- Infrastructure
- Real Estate
- EIGF
- Special Sits
- Direct Lending
- Mezzanine

**Total Committed  
Capital from these  
First-Time Funds:  
\$10 bn<sup>(1)</sup>**

## 2 Growth in Cash Carry Potential<sup>(2)</sup>

- ~95% of Private Equity Remaining Fair Value in position to pay carry as of 3/31
- Plus and additional \$13bn of non-PE carry eligible capital<sup>(3)</sup>

## 3 Our Business Model / The Multiplier Effect

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

(2) Funds currently in position to pay cash carry may develop netting holes in the future, and existing netting holes may also increase or decrease, which may preclude the distribution of carry. See Appendix regarding forward looking statements.

(3) Figure includes Real Assets and Public Markets remaining fair value plus uncalled commitments per KKR's Q1 earnings release.

# My Focus

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- 1 People
- 2 Culture
- 3 Performance
- 4 Balance Sheet

# Appendix

KKR



# Quarter Ended March 31, 2014

<i>(Amount in thousands)</i>	Private Markets Segment	Public Markets Segment	Capital Markets and Principal Activities Segment	Total Reportable Segments
<b>Fees</b>				
Management and incentive fees:				
Management fees	\$ 123,039	\$ 72,354	\$ -	\$ 195,393
Incentive fees	-	17,019	-	17,019
Management and incentive fees	<u>123,039</u>	<u>89,373</u>	<u>-</u>	<u>212,412</u>
Monitoring and transaction fees:				
Monitoring fees	36,363	-	-	36,363
Transaction fees	93,020	6,022	64,474	163,516
Fee credits	(80,338)	(4,330)	-	(84,668)
Net monitoring and transaction fees	<u>49,045</u>	<u>1,692</u>	<u>64,474</u>	<u>115,211</u>
<b>Total fees</b>	<u>172,084</u>	<u>91,065</u>	<u>64,474</u>	<u>327,623</u>
<b>Expenses</b>				
Compensation and benefits	66,898	26,745	15,272	108,915
Occupancy and related charges	11,560	2,172	457	14,189
Other operating expenses	40,059	8,507	4,235	52,801
<b>Total expenses</b>	<u>118,517</u>	<u>37,424</u>	<u>19,964</u>	<u>175,905</u>
<b>Fee Related Earnings</b>	<u>53,567</u>	<u>53,641</u>	<u>44,510</u>	<u>151,718</u>
<b>Investment income (loss)</b>				
Realized carried interest	168,800	24,750	-	193,550
Unrealized carried interest	149,095	(129)	-	148,966
Gross carried interest	317,895	24,621	-	342,516
Less: allocation to KKR carry pool	(126,263)	(9,847)	-	(136,110)
Less: management fee refunds <sup>(1)</sup>	(3,319)	-	-	(3,319)
Net carried interest	<u>188,313</u>	<u>14,774</u>	<u>-</u>	<u>203,087</u>
Realized other investment income (loss)	-	-	192,892	192,892
Unrealized other investment income (loss)	(221)	16	85,964	85,759
Total other investment income (loss)	<u>(221)</u>	<u>16</u>	<u>278,856</u>	<u>278,651</u>
Total investment income (loss)	<u>188,092</u>	<u>14,790</u>	<u>278,856</u>	<u>481,738</u>
<b>Income (Loss) before noncontrolling interests</b>				
in Income of consolidated entities	241,659	68,431	323,366	633,456
<b>Income (Loss) attributable to noncontrolling interests</b>	<u>515</u>	<u>522</u>	<u>2,165</u>	<u>3,202</u>
<b>Economic Net Income (Loss)</b>	<u>\$ 241,144</u>	<u>\$ 67,909</u>	<u>\$ 321,201</u>	<u>\$ 630,254</u>
<b>Assets Under Management</b>				
Fee Paying Assets Under Management	\$ 60,520,300	\$ 41,757,200	-	\$ 102,277,500
Committed Dollars Invested and Syndicated Capital	\$ 48,211,000	\$ 35,400,600	-	\$ 83,611,600
Uncalled Commitments	\$ 2,551,800	\$ 734,100	\$ 91,400	\$ 3,377,300
	\$ 18,256,800	\$ 1,728,300	-	\$ -

(1) As of March 31, 2014, there is no carried interest subject to management fee refunds, which may reduce carried interest in future periods.

**KKR**

# Segment Balance Sheet as of March 31, 2014

(Amount in thousands, except per unit amounts)

	Total Reportable Segments
Cash and short-term investments	\$ 2,139,940
Investments	5,380,306
Unrealized carry	1,276,776
Other assets	695,246
Total assets	\$ 9,492,268
Debt obligations	\$ 1,000,000
Other liabilities	271,668
Total liabilities	1,271,668
Noncontrolling interests	74,838
<b>Book value</b>	<b>\$ 8,145,762</b>
<b>Book value per adjusted unit</b> <sup>(1)</sup>	<b>\$ 11.18</b>

(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 March 31, 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	\$ 5,222.8	1.3%	\$ 602.2	\$ -	\$ 602.2	\$ 599.1
North America Fund XI	9/2012	9/2018	8,718.4	5,001.0	2.9%	3,717.4	3.9	3,717.4	4,081.8
China Growth Fund	11/2010	11/2016	1,010.0	674.5	1.0%	335.5	32.6	318.0	397.3
E2 Investors (Annex Fund)	8/2009	11/2013	209.5	13.7	4.5%	195.8	144.4	54.5	291.1
European Fund III	3/2008	3/2014	6,237.9	931.9	4.6%	5,306.0	653.5	4,923.1	6,851.8
Asian Fund	7/2007	4/2013	3,983.3	134.1	2.5%	3,849.2	1,717.3	2,955.4	5,421.1
2006 Fund	9/2006	9/2012	17,642.2	1,205.3	2.1%	16,436.9	12,333.3	9,477.5	15,125.0
European Fund II	11/2005	10/2008	5,750.8	-	2.1%	5,750.8	5,141.2	1,781.7	3,371.3
Millennium Fund	12/2002	12/2008	6,000.0	-	2.5%	6,000.0	10,853.6	1,507.0	2,577.8
European Fund	12/1999	12/2005	3,085.4	-	3.2%	3,085.4	8,720.0	-	51.8
<b>Total Private Equity Funds</b>			<b>58,462.5</b>	<b>13,183.3</b>		<b>45,279.2</b>	<b>39,599.8</b>	<b>25,336.8</b>	<b>38,768.1</b>
Co-Investment Vehicles	Various	Various	2,864.1	837.0	Various	2,027.1	982.9	1,713.0	2,234.1
<b>Total Private Equity</b>			<b>61,326.6</b>	<b>14,020.3</b>		<b>47,306.3</b>	<b>40,582.7</b>	<b>27,049.8</b>	<b>41,002.2</b>
<b>Real Assets</b>									
Energy Income and Growth Fund	9/2013	9/2018	1,974.2	1,621.8	12.8%	352.4	11.5	343.7	350.9
Natural Resources Fund	Various	Various	876.1	303.1	Various	573.0	73.2	519.4	333.2
Global Energy Opportunities	Various	Various	962.2	817.7	Various	144.5	1.2	144.5	132.1
Infrastructure Fund	Various	Various	1,042.5	294.7	4.8%	747.8	30.0	747.8	792.0
Infrastructure Co-Investments	Various	Various	1,355.7	251.2	Various	1,104.5	239.9	1,104.5	1,306.4
Real Estate Partners Americas	5/2013	12/2016	1,226.2	948.0	16%	278.2	-	278.2	404.0
<b>Real Assets</b>			<b>7,436.9</b>	<b>4,236.5</b>		<b>3,200.4</b>	<b>355.8</b>	<b>3,138.1</b>	<b>3,318.6</b>
<b>Private Markets Total</b>			<b>68,763.5</b>	<b>18,256.8</b>		<b>50,506.7</b>	<b>40,938.5</b>	<b>30,187.9</b>	<b>44,320.8</b>
<b>Public Markets</b>									
Special Situations Vehicles	Various	Various	3,519.3	1,099.1	Various	2,420.2	793.4	2,002.5	2,363.3
Mezzanine Fund	3/2010	8/2015	987.0	444.8	4.6%	542.2	163.2	482.1	578.3
Direct Lending Vehicles	Various	Various	748.9	184.4	Various	564.5	39.8	564.5	612.4
<b>Public Markets Total</b>			<b>5,255.2</b>	<b>1,728.3</b>		<b>3,526.9</b>	<b>996.4</b>	<b>3,049.1</b>	<b>3,554.0</b>
<b>Grand Total</b>			<b>\$ 74,018.7</b>	<b>\$ 19,985.1</b>		<b>\$ 54,033.6</b>	<b>\$ 41,934.9</b>	<b>\$ 33,237.0</b>	<b>\$ 47,874.8</b>

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

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# 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					
	March 31, 2014	December 31, 2013	March 31, 2013			
<b>Net income (loss) attributable to KKR &amp; Co. L.P.</b>	\$	<b>210,041</b>	\$	<b>277,913</b>	\$	<b>193,439</b>
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.		300,814		393,739		334,112
Plus: Non-cash equity based charges		77,528		60,331		81,650
Plus: Amortization of intangibles and other, net		20,169		45,265		29,185
Plus: Income taxes		21,702		12,401		9,356
<b>Economic net income (loss)</b>		<b>630,254</b>		<b>789,649</b>		<b>647,742</b>
Plus: Income attributable to segment noncontrolling interests		3,202		1,943		1,101
Less: Investment income (loss)		481,738		671,459		560,843
<b>Fee related earnings</b>		<b>151,718</b>		<b>120,133</b>		<b>88,000</b>
Plus: Depreciation and amortization		4,035		3,658		3,681
<b>Fee related EBITDA</b>	\$	<b>155,753</b>	\$	<b>123,791</b>	\$	<b>91,681</b>
Less: Depreciation and amortization		4,035		3,658		3,681
Plus: Realized cash carry		116,130		150,300		52,900
Plus: Net realized principal investment income		192,892		250,856		153,156
Less: Local income taxes and noncontrolling interests		13,932		10,938		3,442
<b>Total distributable earnings</b>	\$	<b>446,808</b>	\$	<b>510,351</b>	\$	<b>290,614</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		Year Ended		LTM	
	December 31, 2012		December 31, 2013		March 31, 2014	
<b>Net income (loss) attributable to KKR &amp; Co. L.P.</b>	\$	<b>560,836</b>	\$	<b>691,226</b>	\$	<b>707,828</b>
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.		1,116,740		1,056,126		1,022,828
Plus: Non-cash equity based charges		400,207		307,514		303,392
Plus: Amortization of intangibles and other, net		9,683		102,789		93,773
Plus: Income taxes		43,405		37,926		50,272
<b>Economic net income (loss)</b>		<b>2,130,871</b>		<b>2,195,581</b>		<b>2,178,093</b>
Plus: Income attributable to segment noncontrolling interests		7,043		6,387		8,488
Less: Investment income (loss)		1,818,103		1,789,620		1,710,515
<b>Fee related earnings</b>		<b>319,811</b>		<b>412,348</b>		<b>476,066</b>
Plus: Depreciation and amortization		12,499		14,648		15,002
<b>Fee related EBITDA</b>	\$	<b>332,310</b>	\$	<b>426,996</b>	\$	<b>491,068</b>
Less: Depreciation and amortization		12,499		14,648		15,002
Plus: Realized cash carry		285,424		414,016		477,246
Plus: Net realized principal investment income		866,776		657,139		696,875
Less: Local income taxes and noncontrolling interests		22,615		27,625		38,115
<b>Total distributable earnings</b>	\$	<b>1,449,396</b>	\$	<b>1,455,878</b>	\$	<b>1,612,072</b>
Economic net income (loss), after taxes	\$	2,028,451	\$	2,133,980	\$	2,100,028
Less: Equity-based charges		62,877		114,709		126,644
Economic net income (loss), after taxes and equity-based charges	\$	1,965,574	\$	2,019,271	\$	1,973,384

**KKR**

# Reconciliation of GAAP Common Units Outstanding to Adjusted Units

	As of March 31, 2014	As of December 31, 2013
<b>GAAP Common Units Outstanding - Basic</b>	<b>300,354,288</b>	<b>288,143,327</b>
Unvested Common Units <sup>(1)</sup>	30,098,382	24,164,354
Other Exchangable Securities	4,904,472	-
<b>GAAP Common Units Outstanding - Diluted</b>	<b>335,357,142</b>	<b>312,307,681</b>
Adjustments:		
KKR Holdings Units <sup>(2)</sup>	393,357,457	404,369,018
<b>Adjusted Units</b>	<b>728,714,599</b>	<b>716,676,699</b>
Adjustments:		
Unvested Common Units	(30,098,382)	(24,164,354)
Unvested Other Exchangable Securities	(2,545,602)	-
<b>Adjusted Units Eligible For Distribution</b>	<b>696,070,615</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 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 March 31, 2014	
<b>KKR &amp; Co. L.P. partners' capital</b>	\$	<b>3,011,683</b>
Noncontrolling interests held by KKR Holdings L.P.		5,118,491
Equity impact of KKR Management Holdings Corp. and other		15,588
<b>Book value</b>		<b>8,145,762</b>
Adjusted units		728,714,599
<b>Book value per adjusted unit</b> <sup>(1)</sup>	<b>\$</b>	<b><u>11.18</u></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)*

	<b>As of</b> <b>March 31, 2014</b>	
<b>Cash and cash equivalents</b>	\$	<b>1,324,925</b>
Liquid short-term investments		815,015
<b>Cash and short-term investments</b>	\$	<b><u>2,139,940</u></b>



# KFN Reconciliation from Unconsolidated Balance Sheet Assets to Total Shareholders Equity

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*(Amount in thousands)*

	<b>As of</b>	
	<b>March 31, 2014</b>	
Portfolio holdings	\$	3,006,547
Plus: Working capital		33,328
Plus: Cash		185,073
Total capital	\$	3,224,948
Less: Allocation of holding company debt		645,862
<b>Total shareholder's equity</b>	<b>\$</b>	<b>2,579,086</b>

*(Amount in millions)*

Total capital	\$	3,225
Less: Junior Subordinated and Senior Notes /Preferred Shares		1,007
<b>Adjusted shareholder's equity</b>	<b>\$</b>	<b>2,217</b>

# Legal Disclosures

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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 consolidated 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 Asset Management LLC, Prisma Capital Partners LP 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.

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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 Report on Form 10-Q and its other filings with the SEC, which are available at [www.sec.gov](http://www.sec.gov).

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