

2nd Quarter Earnings Conference Call

KKR & Co. L.P. Investor Update

July 26, 2016

2Q16 Reflections | Key Business Themes

1 Exit activity drove strong cash flow

- \$508 million is our third highest After-tax Distributable Earnings quarter as a public company

2 Strong AUM growth continues

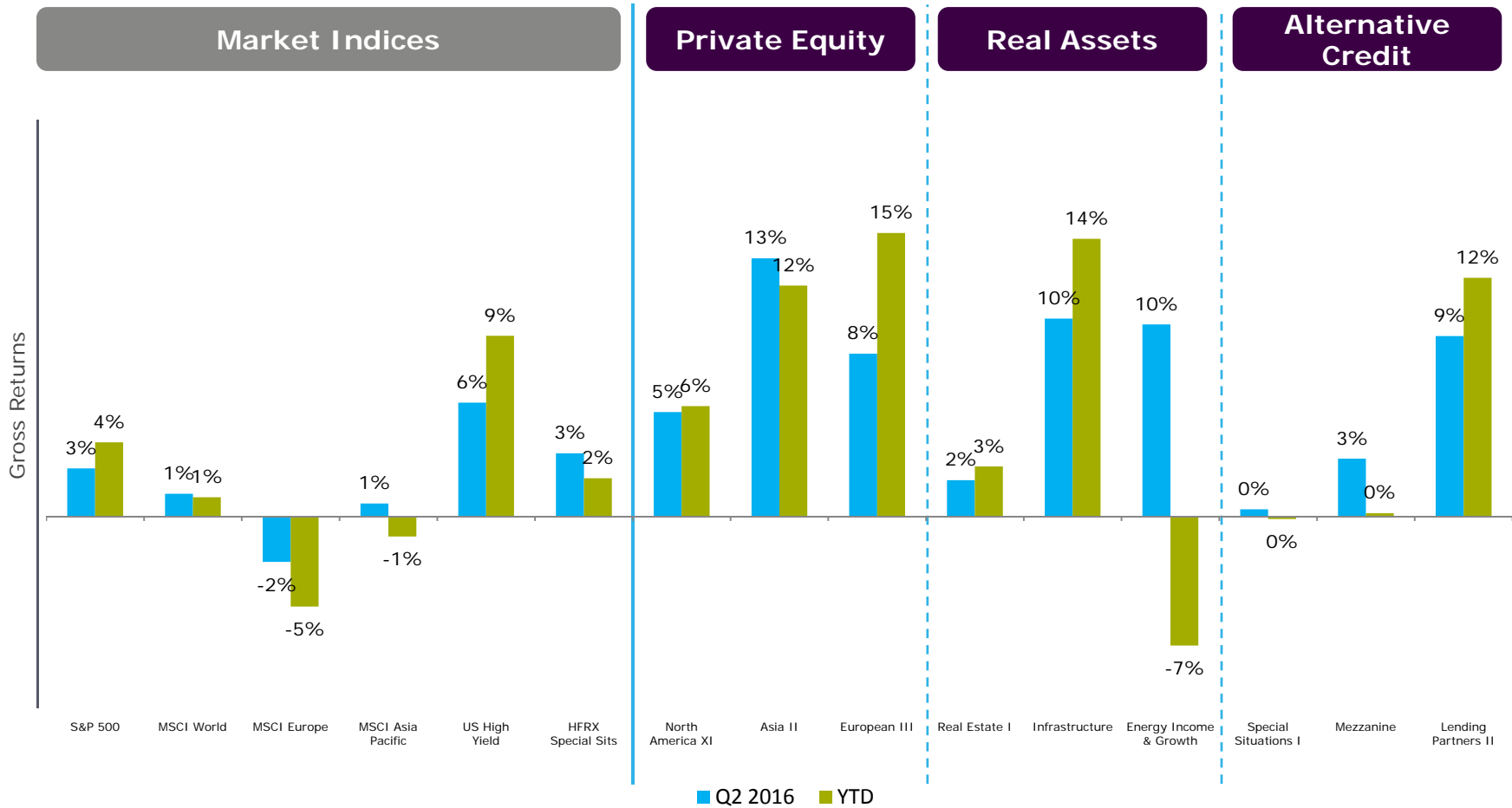
- 14% increase in AUM year-over-year
- \$34 billion gross capital inflows with \$28 billion of new capital raised organically on an LTM basis

3 KKR is exceptionally well positioned for this volatile environment

- Long-term, locked-up capital⁽¹⁾
- Record dry powder
- Strong balance sheet capitalization

(1) Locked-up capital refers to AUM not subject to redemption.

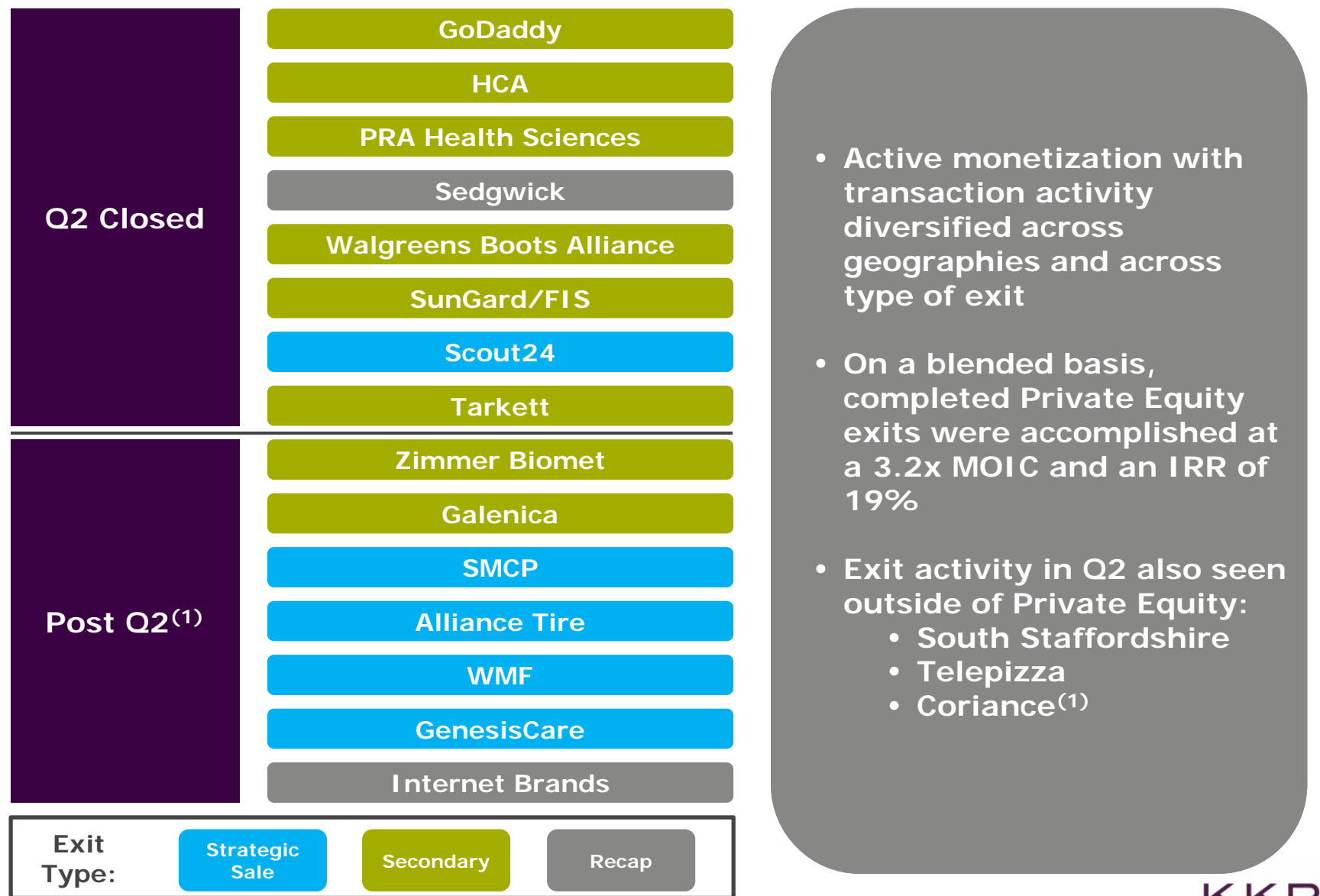
\$1B+ Carry Paying Funds—Q2 and YTD Performance



Note: The strategies shown above consist of KKR's strategies that generate carry. The funds shown within each strategy represent the flagship funds within each sub-strategy with at least \$1 billion in committed capital and that have been investing for at least two years. For Private Equity the funds represent the flagship funds within each major geographic region. For a complete list of our carry paying funds, see the Investment Vehicle Summary on page 14 of KKR's second quarter earnings release, dated July 26, 2016.

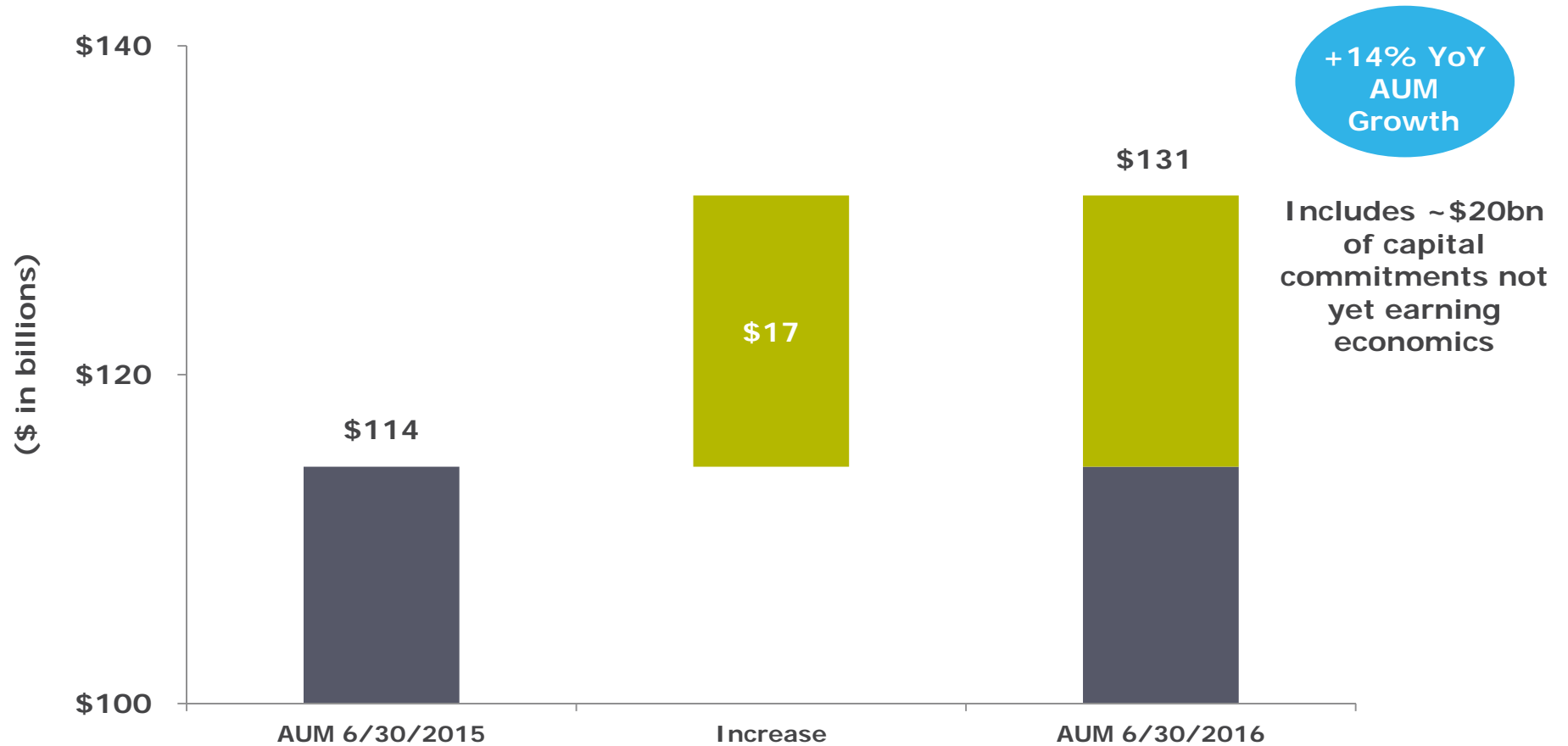


Q2 2016 Private Equity Monetization Activity



Our AUM Profile Continues to Expand

Q2 2015 Compared to Q2 2016



Perception #1

In volatile market environments, KKR won't be able to monetize investments and generate cash

Robust Realization Activity

Q2 Monetization Activity	Secondary <ul style="list-style-type: none"> GoDaddy HCA PRA Health Sciences Walgreens Boots Alliance Tarkett SunGard/FIS <i>Galenica⁽¹⁾</i> <i>Zimmer Biomet⁽¹⁾</i> 	Strategic Sale <ul style="list-style-type: none"> Scout24 South Staffordshire <i>WMF⁽¹⁾</i> <i>Alliance Tire⁽¹⁾</i> <i>SMCP⁽¹⁾</i> <i>GenesisCare⁽¹⁾</i> <i>Coriance⁽¹⁾</i> 	Dividend Recap <ul style="list-style-type: none"> Sedgwick <i>Internet Brands⁽¹⁾</i>
	IPO Activity <ul style="list-style-type: none"> US Foods⁽²⁾ Telepizza 		

KKR After-tax Distributable Earnings Profile	<ul style="list-style-type: none"> \$508mm of After-tax Distributable Earnings generated in Q2⁽³⁾ <ul style="list-style-type: none"> Increase of 200% and 9% on a QoQ and YoY basis Announced transactions, subject to closing, expected to contribute ~\$250mm of Distributable Earnings in 2H16
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(1) Italicized transactions reflect announced transactions that have not closed by June 30, 2016. Transactions that have not closed are subject to the satisfaction or waiver of conditions to closing prior to their completion. There can be no assurance that transactions presented will close as contemplated.

(2) US Foods priced an all-primary IPO in May; KKR did not sell any securities in the IPO.

(3) See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

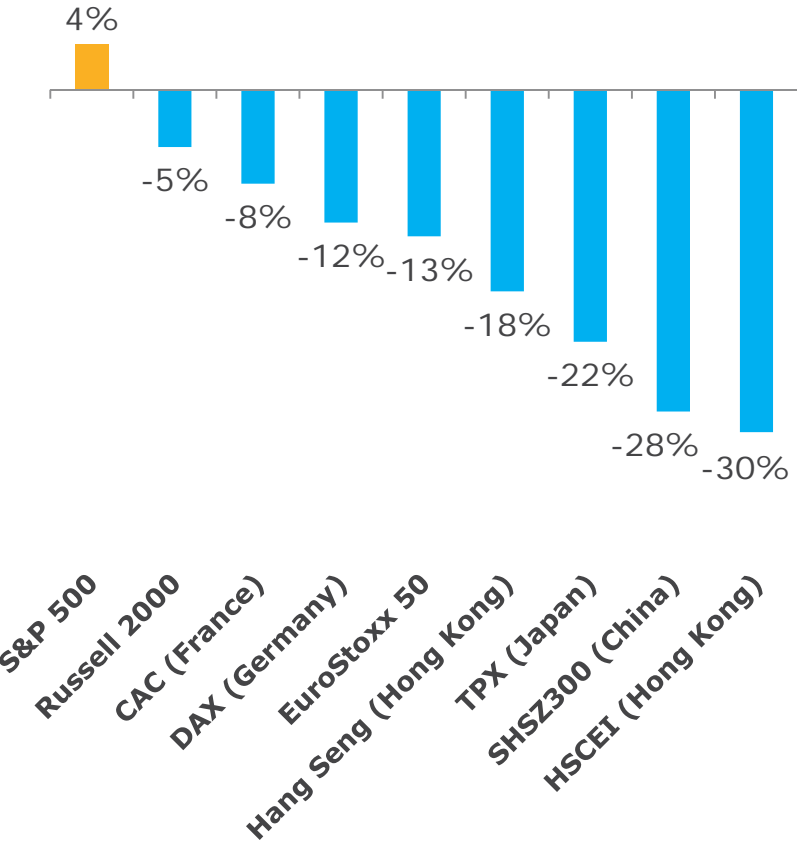
Perception #2

With markets near all-time highs, KKR won't be able to deploy meaningful capital within Private Markets

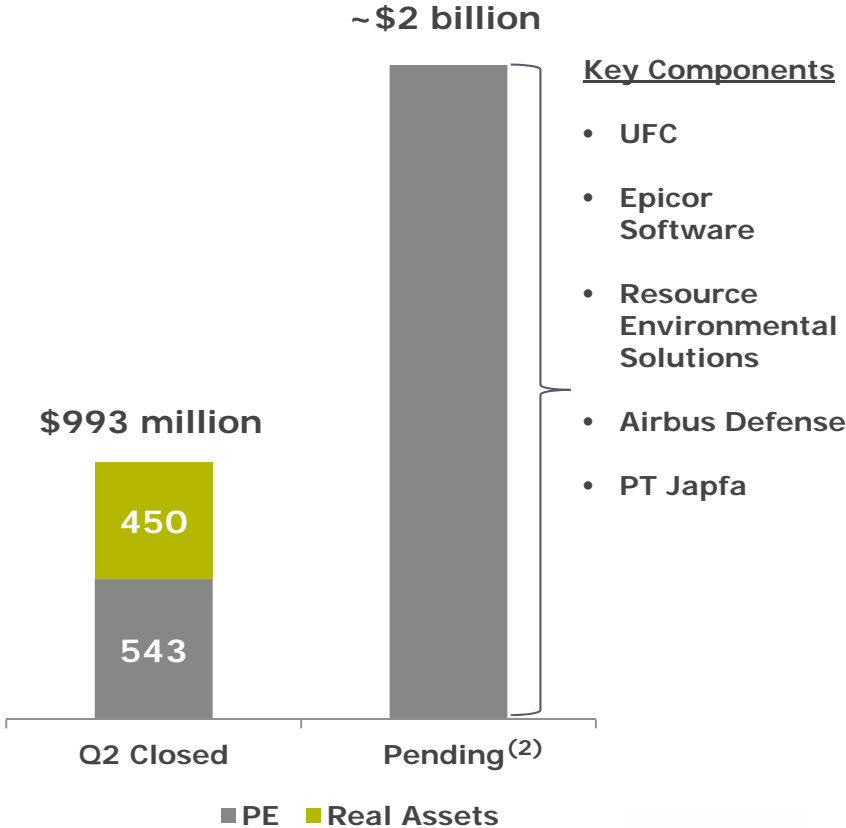
Healthy Level of Deployment into Dislocated Markets

- Many global markets have been challenged over the last 12 months. As valuations have fallen, our pipeline of activity within Private Markets has increased

One-Year Index Performance⁽¹⁾



Private Markets Deployment



(1) One-year performance as of June 30, 2016. All indexes include reinvesting of dividends.
 (2) Represents announced transactions, subject to closing.

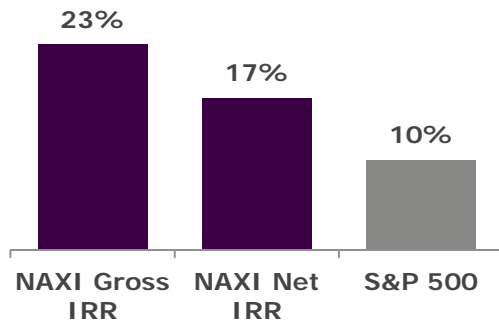
Perception #3

Given volatility, your private equity returns are under pressure

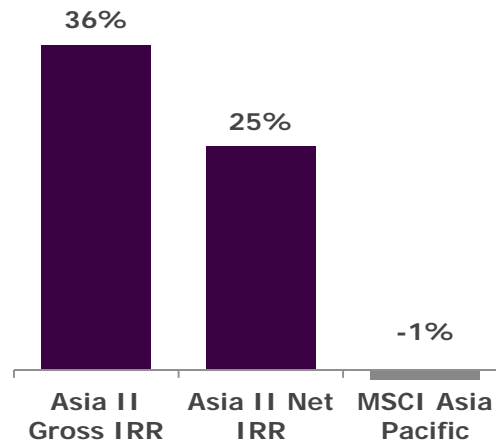
Strong Private Equity Investment Performance

Since inception, investment performance on behalf of our recent Private Equity fund LPs has been strong

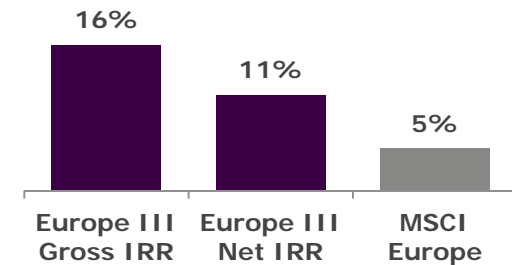
NAXI



Asia II



Europe III



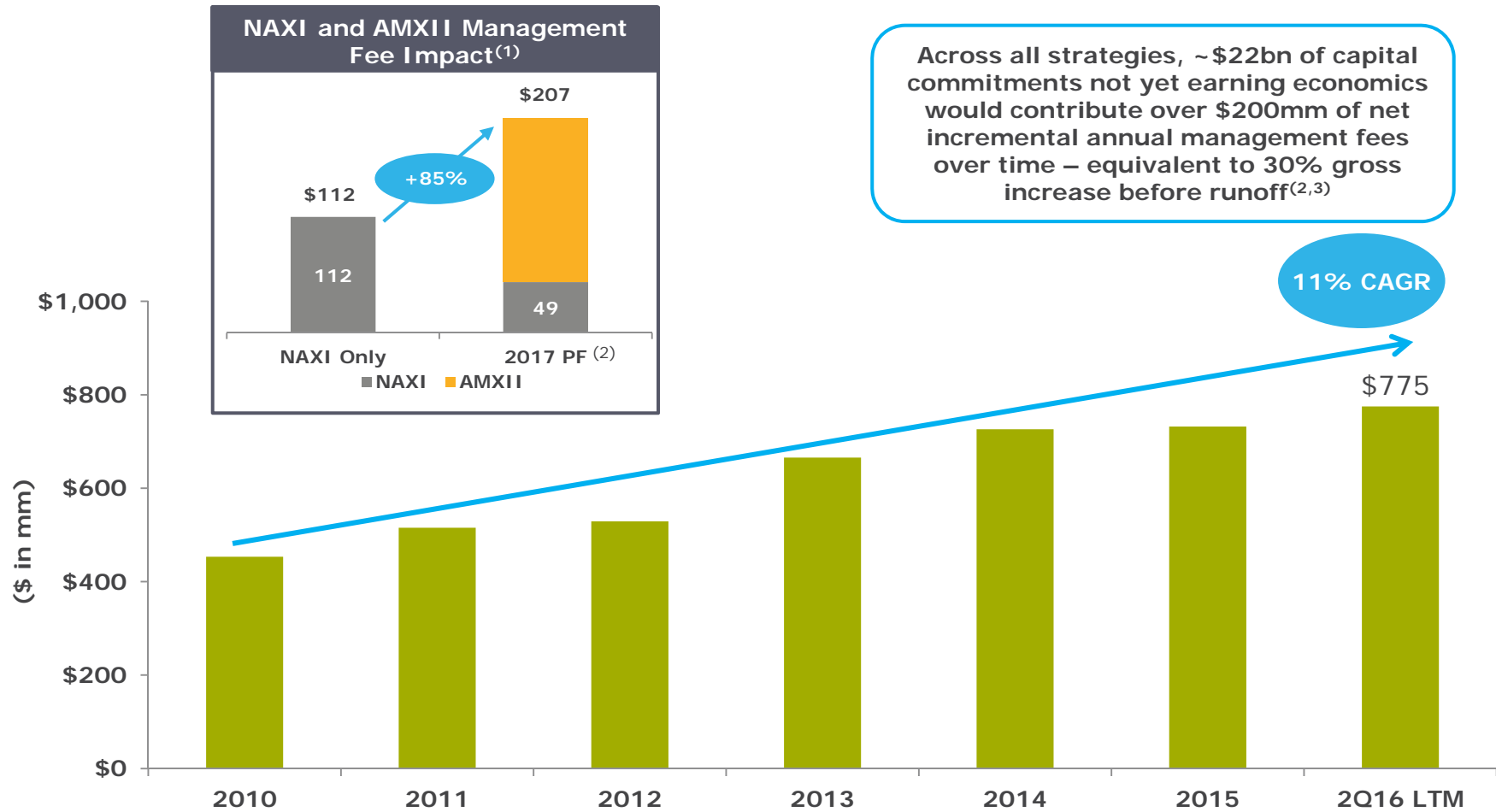
Note: Performance data as of June 30, 2016. All indexes include reinvesting of dividends. The funds represent the flagship funds within each major geographic region with at least \$1 billion in committed capital and that have been investing for at least two years.

Perception #4

Given the current economic backdrop, revenue growth will be hard to come by in the coming years

Management Fee Growth

Management Fee Profile



Across all strategies, ~\$22bn of capital commitments not yet earning economics would contribute over \$200mm of net incremental annual management fees over time – equivalent to 30% gross increase before runoff^(2,3)

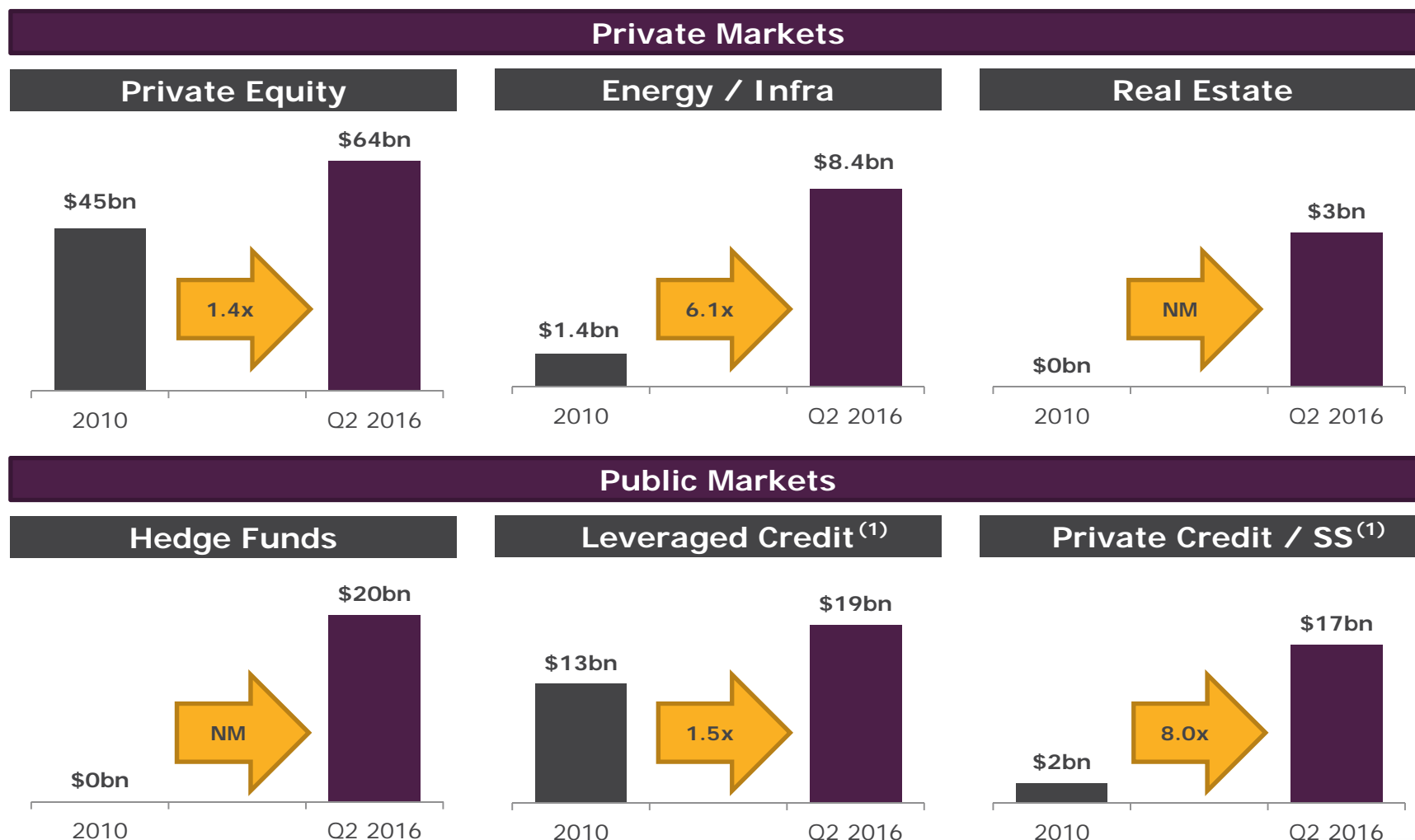
(1) The percentage shown is an example for two funds only and is not a forecast of actual management fee growth for the Americas private equity strategy. For example, this presentation does not include the current post-investment period management fees of Americas private equity funds which were predecessor funds for the NAXI fund; if those post-investment period fees were included, overall percentage of management fee growth would be lower than presented.

(2) This assumes KKR achieves a fundraising hard cap of \$12 billion of limited partner commitments for Americas Fund XII.

(3) This calculation uses a blended management fee, which was derived from a weighted average of management fees payable on the ~\$22 billion of uncalled capital commitments that are not yet earning economics as of June 30, 2016. For certain funds, the blended management fee rate is calculated based on the standard contractual management fee of certain funds applicable during their investment period and does not take into account varying rates for different classes of investors, fee holidays and other fund terms that may reduce the standard management fee rate. The percentage shown is not intended to forecast any actual increases in management fees in any quarter or other period, because, among other things, a portion of existing AUM would pay lower fees when certain uncalled capital commitments begin to pay a management fee, and there can be no assurance whether or when such commitments will begin paying fees, which may occur over an extended period of time.

AUM Growth Across Businesses

- AUM growth has occurred across KKR's business units, particularly in newer asset classes and strategies



Note: Includes pro rata share of strategic partnership AUM and AUM acquired through acquisitions.

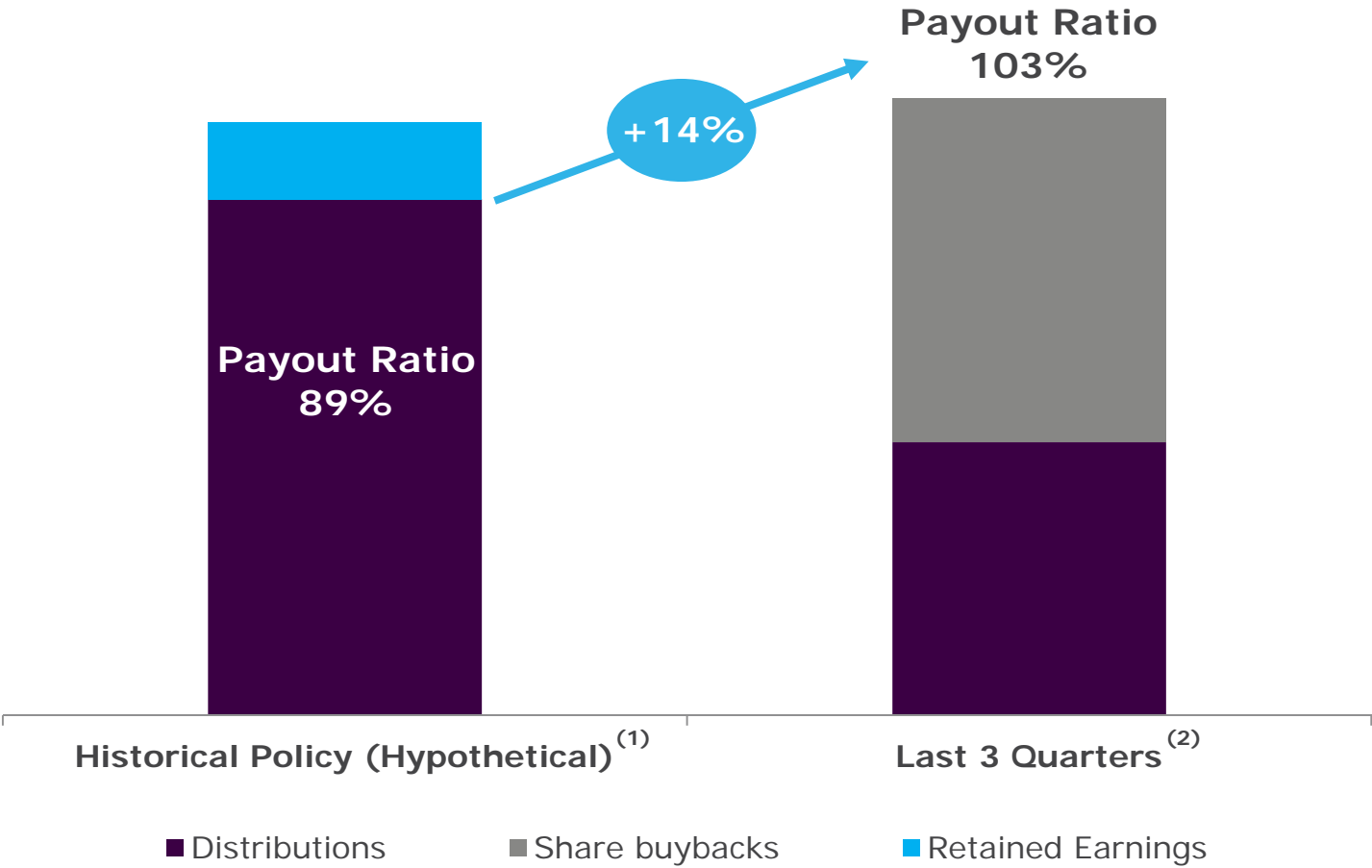
(1) Q2 2016 AUM for Leveraged Credit and Private Credit/SS include \$1.2bn and \$3.0bn, respectively, of AUM attributable to CCT.



Perception #5

Since the change in your distribution policy, you've returned less to your unitholders

KKR Payout Ratio has Increased Since Q3 2015



(1) The Historical Policy (Hypothetical) payout ratio is calculated by dividing the sum of hypothetical distributions for the quarters ended December 31, 2015, March 31, 2016 and June 30, 2016, as computed under the distribution policy applicable to our common units for the quarter ended September 30, 2015, by total After-tax Distributable Earnings over such periods. The Historical Policy (Hypothetical) payout ratio is presented for illustrative purposes only and has been prepared on the basis of these assumptions. Such assumptions are hypothetical and not representative of any actual or anticipated results or events.

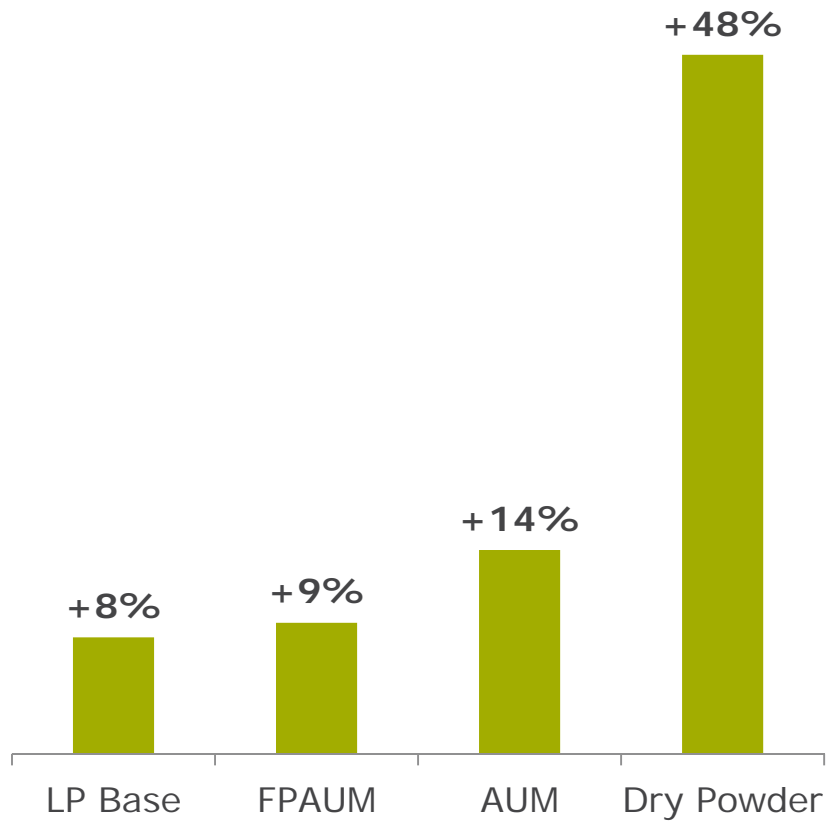
(2) Last 3 quarters payout ratio reflects the sum of actual and announced distributions for the quarters ended December 31, 2015, March 31, 2016 and June 30, 2016 under KKR's current distribution policy and the total dollar value of common units repurchased pursuant to KKR's unit repurchase program from October 27, 2015 to June 30, 2016 divided by total After-tax Distributable Earnings for the quarters ended December 31, 2015, March 31, 2016 and June 30, 2016. There is no assurance we will sustain, or commit to, a particular payout ratio or maintain any distribution or other policy including continuing any current or adopting any new unit repurchase program.

Perception #6

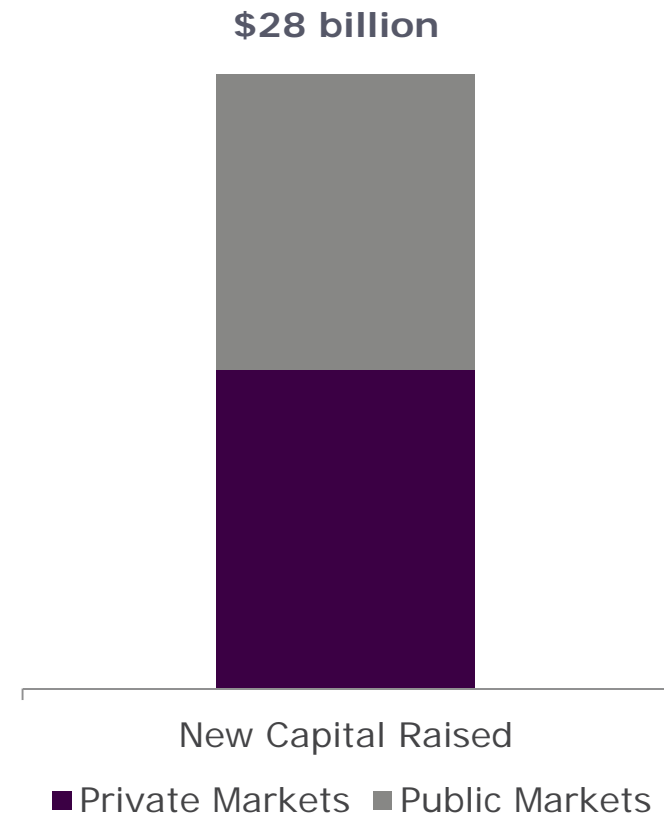
Given the way your units have traded, your business must be facing headwinds

Fundamentals Remain Strong

Q2 2015 Compared to Q2 2016



LTM Organic New Capital Raised



Appendix

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Reconciliation of Net Income (Loss) Attributable to KKR & Co. L.P. Common Unitholders (GAAP Basis) to Economic Net Income (Loss), Fee Related Earnings and After-tax Distributable Earnings

	Quarter Ended
	June 30, 2016
Net income (loss) attributable to KKR & Co. L.P. Common Unitholders	\$93,890
Plus: Preferred Distribution	5,693
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	73,400
Plus: Non-cash equity-based charges	60,657
Plus: Amortization of intangibles and other, net	9,144
Plus: Income taxes	6,045
Economic net income (loss)	248,829
Plus: Income attributable to segment noncontrolling interests	575
Less: Total investment income (loss)	(46,745)
Less: Net performance income (loss)	196,125
Plus: Expenses of Principal Activities Segment	37,737
Fee related earnings	\$137,761
Plus: Net interest and dividends	26,004
Plus: Realized performance income (loss)	185,952
Plus: Net realized gains	224,699
Less: Corporate and local income taxes paid	22,819
Less: Preferred Unit Distributions	5,693
Less: Income attributable to segment noncontrolling interests	575
Less: Expenses of Principal Activities Segment	37,737
After-tax Distributable Earnings	\$507,592

Note: Amounts in thousands

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