

1st Quarter Earnings Conference Call

KKR & Co. L.P. Investor Update

May 3, 2018

KKR Announces C-Corp Conversion

Easier to Buy

- ① Simplified Tax Reporting – no Schedule K-1s
- ② Broader Eligible Investor Universe

Easier to Own

- ① Simplified Financial Reporting
- ② Distributable Earnings Transparency Through a Quarter
 - We will share the impact of activities intra-quarter
- ③ Simplified Compensation
 - Expect annual compensation to be in the low 40s percent of Total Distributable Segment Revenues⁽¹⁾
 - Single compensation line
- ④ Dividend of \$0.50 / common share as a C-Corp (2.3% Yield)⁽²⁾
 - Expected to grow over time

Buyback Program

- ① Upsizing current program to \$500 million

(1) Annual compensation will include equity-based compensation. Total Distributable Segment Revenues defined as the sum of Total Management, Monitoring and Transaction Fees, Net, Realized Performance Income and Realized Investment Income.
(2) Relates to dividends payable on Class A common stock (to be listed on the NYSE under "KKR.") The declaration and payment of dividends to our Class A shareholders will be subject to the sole discretion of our board of directors and compliance with applicable law; yield is based on our common unit price of \$21.40 as of May 1, 2018.

Simplified Reporting

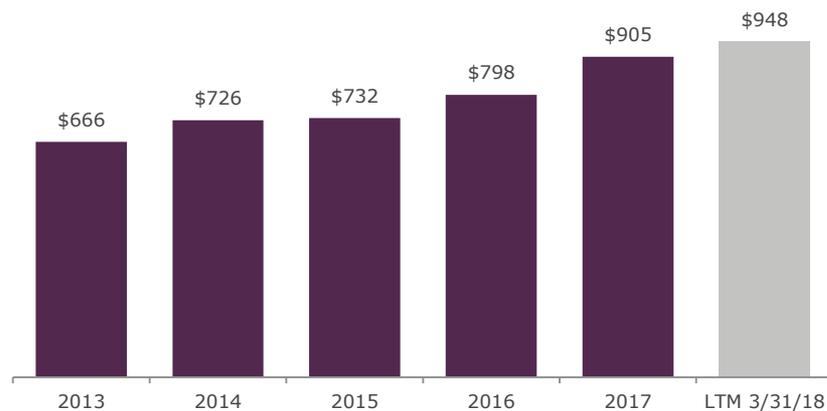
Assets Under Management

\$ in billions



Management Fees

\$ in millions



Book Value Per Adjusted Unit⁽²⁾



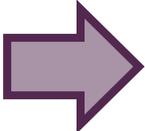
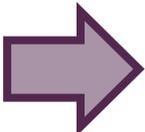
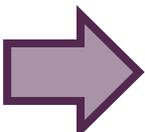
Distributable Earnings Less EBC⁽²⁾

\$ in millions



(1) Pro forma for the strategic BDC partnership with FS Investments, which closed on April 9, 2018, AUM is \$190 billion (based on FS Investments AUM as of December 31, 2017.)
 (2) See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

Transaction Overview

Converting from a partnership to a corporation		<ul style="list-style-type: none">• Tax free to unitholders⁽¹⁾• Effective July 1, 2018• Existing unitholders to receive final Schedule K-1 for the period January 1, 2018 through June 30, 2018⁽²⁾
New capital allocation announcements as a C-Corp		<ul style="list-style-type: none">• KKR & Co. Inc. expected to declare a \$0.50 annual dividend per share of Class A common stock for Q3⁽³⁾<ul style="list-style-type: none">• For U.S. individuals, dividends are treated as qualified dividends (See page 15 for details)• Share repurchase authorization to increase to \$500 million effective immediately⁽⁴⁾
Simplifying our financial reporting		<ul style="list-style-type: none">• Focus on After-tax Distributable Earnings ("DE") less Equity-based Compensation ("EBC")<ul style="list-style-type: none">• ENI to be presented in 10-Qs and 10-Ks as supplemental data rather than press releases beginning Q3• Single compensation line item
Other items in connection with the conversion		<ul style="list-style-type: none">• Expected to realize ~\$650 million of DE losses in Q2 largely related to old energy and credit investments<ul style="list-style-type: none">• Already reflected in ENI and book value per unit• Will not impact compensation accrual in 2018• ~20 million units are being earmarked for donation by KKR Executive Officers, which will trigger a Form 4 filing in mid-May; shares will not be sold into the market in the near term

(1) We expect the conversion transaction to qualify as a nonrecognition transaction for U.S. federal income tax purposes. All unitholders are urged to consult their own tax advisors.

(2) For dividends received after June 30, 2018, shareholders will receive a Form 1099-DIV.

(3) The declaration and payment of distributions and dividends to our unitholders and shareholders, respectively, will be subject to the sole discretion of our board of directors and compliance with applicable law. Dividends will be treated as qualified dividend income for U.S. individuals and will be taxed at the same preferential U.S. federal tax rate as long-term capital gains.

(4) Repurchase program may be used for the repurchase of KKR & Co. L.P.'s common units or, after the conversion to a corporation, KKR & Co. Inc.'s Class A common stock, and the cancellation (by cash settlement or the payment of tax withholding amounts upon net settlement) of equity awards issued pursuant to the KKR & Co. L.P. 2010 Equity Incentive Plan (and any successor equity plan) representing the right to receive the common units or Class A common stock.

Key Takeaways



Expanded Investor Universe



Simplified Tax Structure



More Attractive Currency and Access to Capital



Simplified Financial Reporting



Investor Day on July 9, 2018

1st Quarter 2018 Results

KKR

1Q18 Reflections | Fundamentals Are Strong

(\$ in millions, except per unit amounts and unless otherwise stated)

	Q1 2018	LTM Q1 2018	Notes
After-tax Distributable Earnings ⁽¹⁾	\$304	\$1,517	• 50% LTM margin
After-tax Economic Net Income ⁽¹⁾	\$365	\$1,841	• 49% LTM margin
Management Fees	\$252	\$948	• +17% on a year-over-year LTM basis
Fee Related Earnings ⁽¹⁾	\$223	\$868	• +40% on a year-over-year LTM basis
Assets Under Management	\$176bn		<ul style="list-style-type: none"> • +28% on a year-over-year basis • \$190bn pro forma for FS Investments partnership, +38% on a year-over-year basis
Fee Paying AUM	\$120bn		<ul style="list-style-type: none"> • +12% on a year-over-year basis • \$134bn pro forma for FS Investments partnership, +24% on a year-over-year basis
Book Value / Adjusted Unit ⁽¹⁾	\$14.56		<ul style="list-style-type: none"> • +14% on a year-over-year basis • \$12.3bn of cash and investments⁽²⁾

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

(2) Represents Cash and Short-term Investments and Investments. Excludes Unrealized Carry, Other Assets and Corporate Real Estate.

Flagship Fund Investment Performance

		LTM Gross Return
Private Equity	Private Equity Flagship Funds <ul style="list-style-type: none"> • North America XI • Asia II • Europe IV 	24%
Real Assets	Real Estate I	10%
	Infrastructure II	20%
	Energy Income & Growth	13%
Alternative Credit	Special Situations II	9%
	Mezzanine	30%
	Lending Partners II	7%

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 \$1bn 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 first quarter earnings release, dated May 3, 2018. Past performance is no guarantee of future results.

Core Fundamentals Drive Firm-Wide Performance



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

Appendix

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Conversion Rationale – Simplification

1

Broader Eligible Investor Universe



- As a PTP, our institutional ownership is lower and more concentrated relative to C-Corps
- We believe conversion significantly increases our potential investor universe

2

Simplified Tax Structure



- As a C-Corp, public shareholders will receive Form 1099-DIVs
- Eliminates Schedule K-1s and simplifies shareholder tax reporting

3

Additional Benefits

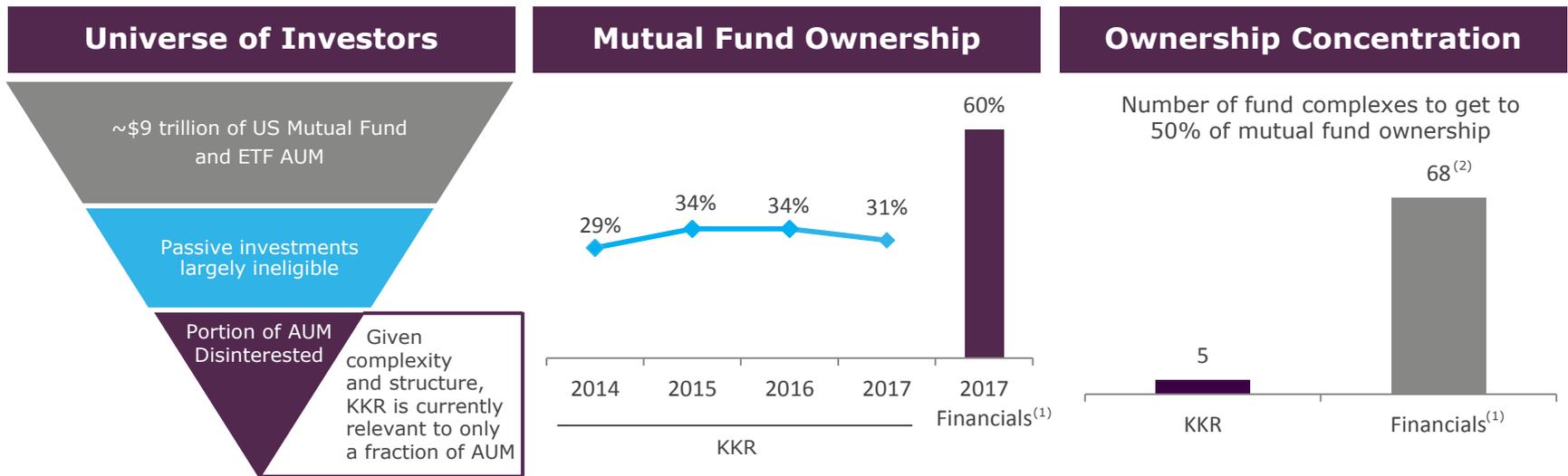


- Lower volatility
- More attractive currency in an M&A context
- Increased capital markets access

We believe the conversion to a corporation will create long-term value for our shareholders (employees own or control ~40% of KKR units)⁽¹⁾

Note: See "Legal Disclosures" on page 23 for cautionary statement regarding forward-looking statements.
(1) Ownership information is as of March 31, 2018.

Our Ownership Relative to C-Corp Financials as a PTP



Relative to traditional C-Corp financials as a publicly traded partnership (“PTP”):

- Our institutional ownership is lower
- Our mutual fund ownership is meaningfully lower and more concentrated
- We are largely irrelevant to index funds and ETFs in an environment where investor flows have been moving towards passive strategies

We believe the conversion to a corporation will increase our eligible investor universe

(1) Financials include: Berkshire Hathaway, JPMorgan, Goldman Sachs, Morgan Stanley, BlackRock, Charles Schwab, Franklin, T. Rowe and Invesco. Data per Bloomberg and Ipreo as of December 31, 2017.

(2) Excludes Berkshire Hathaway. Including Berkshire Hathaway, the average fund figure increases from 68 to 151.

Illustrative Conversion Impact

Income Subject to Corporate Tax

PTP

C-Corp

Fee
Related
Earnings

Fee
Related
Earnings

Net
Performance
Fees

Net
Performance
Fees

Balance
Sheet

Balance
Sheet

Income
passed
through to
Unitholders

Estimated Effective Tax Rate on DE less EBC

PTP

C-Corp

7%



Gradually
increasing from
7% to 22% over
next ~5 years

- Tax basis step-up of over \$2 billion upon conversion reduces cash taxes as a C-Corp
 - Goodwill amortization reduces cash taxes annually for 15 years
 - Step-up in balance sheet assets reduces cash taxes as assets are sold

Note: The estimates above are provided for illustrative purposes only and are not forecasts. Actual results may vary materially.

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Illustrative Shareholder Return Impact

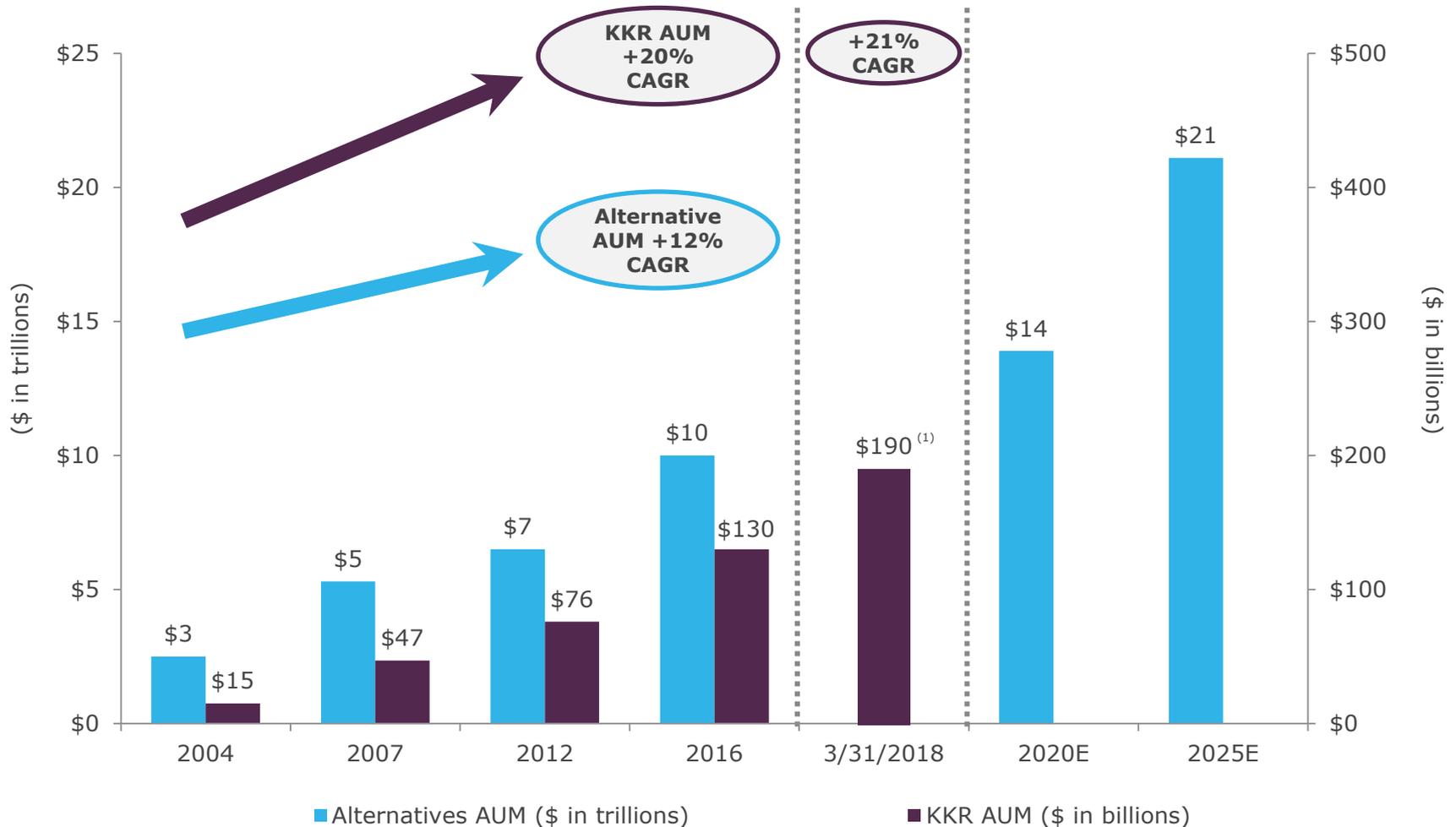
- The below analysis compares the economics of a one-year investment in both a PTP and C-Corp structure assuming a unit or share is purchased at \$20 and sold at \$25 a year later
- Using FY 2017 results and assuming approximate NYC resident tax rates, shareholder after-tax dividends are higher but total returns are slightly lower in a C-Corp structure

	PTP	C-Corp ⁽¹⁾
2017 Flow-Through Income	\$1.46	\$0.00
Individual Tax Rate ⁽²⁾	40%	40%
Flow-Through Taxes	\$0.58	\$0.00
Distribution / Dividend	\$0.67	\$0.50
Dividend Tax Rate ⁽³⁾	0%	37%
Dividend Taxes	\$0.00	\$0.18
After-tax Distribution / Dividend	\$0.09	\$0.32
Illustrative Share Price	\$25.00	\$25.00
Less: Ending Basis ⁽⁴⁾	(20.79)	(20.00)
Capital Gain / (Loss)	\$4.21	\$5.00
Capital Gain Tax Rate ⁽⁵⁾	37%	37%
Capital Gain Taxes	\$1.54	\$1.83
After-tax Share Sale Proceeds	\$23.46	\$23.18
After-tax Distribution / Dividend	\$0.09	\$0.32
After-tax Share Sale Proceeds	23.46	23.18
Total Value	\$23.55	\$23.49
Total Return	\$3.55	\$3.49

Note: The assumptions and estimates above are provided for illustrative purposes only and are not forecasts. Actual results may vary materially. The calculations above use assumed tax rates for NYC residents that may be different from the rates applicable to you. We urge all unitholders or shareholders to consult their own tax advisor regarding their particular circumstances.

- Assumes both C-Corp conversion and the Tax Cuts and Job Act effective January 1, 2017. Actual conversion will be effective on July 1, 2018.
- Based on blended tax rate based on the character of income passed through to the investor.
- Based on U.S. individual federal, state and local tax rates applicable to qualified dividend income. Assumes 12.7% NYC state and local tax rate.
- Ending basis calculated as \$20 plus flow-through income of \$1.46 less distribution of \$0.67.
- Assumes a U.S. federal long-term capital gain rate of 23.8% in addition to a 12.7% NYC state and local tax rate

KKR Growth in Alternative Asset Market Share



Source: PwC Asset & Wealth Management Revolution – Figure 4: Alternatives by type in USD trillion. October 2017.

Note: CAGRs from 2004 to 2016, except for March 31, 2018 data. KKR’s definition of AUM is different from PwC’s definition of AUM, and therefore the comparison between the two may not be directly comparable.

(1) Pro forma for the strategic BDC partnership with FS Investments, which closed on April 9, 2018, AUM is \$190 billion (based on FS Investments AUM as of December 31, 2017.)

Reconciliation of Net Income (Loss) Attributable to KKR & Co. L.P. (GAAP Basis) to After-tax Economic Net Income (Loss)

	Quarter Ended March 31, 2018	Twelve Months Ended March 31, 2018
Net income (loss) attributable to KKR & Co. L.P. Common Unitholders	\$170,102	\$895,700
Plus: Preferred Distributions	8,341	33,364
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	121,002	695,591
Plus: Equity-based and other non-cash compensation	100,491	335,490
Plus: Amortization of intangibles, placement fees and other, net	47,709	137,742
Less: Gain from remeasurement of tax receivable agreement liability	-	(67,221)
Plus: Income taxes (benefit)	17,641	201,425
Economic Net Income (Loss)	465,286	2,232,091
Less: Equity-based compensation associated with the KKR & Co. L.P. 2010 equity incentive plan	67,796	222,161
Pre-tax Economic Net Income (Loss)	397,490	2,009,930
Less: Provision for income tax (benefit)	24,404	135,983
Less: Preferred Distributions	8,341	33,364
After-tax Economic Net Income (Loss)	364,745	1,840,583

Note: Amounts in thousands.

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

	Quarter Ended March 31, 2018	Twelve Months Ended March 31, 2018
Net income (loss) attributable to KKR & Co. L.P. Common Unitholders	\$170,102	\$895,700
Plus: Preferred Distributions	8,341	33,364
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	121,002	695,591
Plus: Equity-based and other non-cash compensation	100,491	335,490
Plus: Amortization of intangibles, placement fees and other, net	47,709	137,742
Less: Gain from remeasurement of tax receivable agreement liability	-	(67,221)
Plus: Income taxes (benefit)	17,641	201,425
Economic Net Income (Loss)	465,286	2,232,091
Less: Total investment income (loss)	238,122	632,924
Less: Net performance income (loss)	56,199	944,531
Plus: Net interest and dividends	22,385	111,296
Plus: Realized performance income (loss), net	124,808	743,911
Plus: Net realized gains (losses)	7,875	122,444
Less: Income taxes paid	14,168	81,958
Less: Preferred Distributions	8,341	33,364
After-tax Distributable Earnings	303,524	1,516,965

Note: Amounts in thousands.

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Reconciliation of Net Income (Loss) Attributable to KKR & Co. L.P. (GAAP Basis) to Economic Net Income (Loss) and After-tax Distributable Earnings (cont'd.)

	Twelve Months Ended				
	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Net income (loss) attributable to KKR & Co. L.P. Common Unitholders	\$691,226	\$477,611	\$488,482	\$287,072	\$984,941
Plus: Preferred Distributions	-	-	-	22,235	33,364
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	1,056,126	585,135	433,693	212,878	791,021
Plus: Equity-based and other non-cash compensation	307,514	310,403	261,579	264,890	346,035
Plus: Amortization of intangibles, placement fees and other, net	102,789	290,348	47,599	(17,267)	122,870
Less: Gain from remeasurement of tax receivable agreement liability	-	-	-	-	(67,221)
Plus: Income taxes (benefit)	37,926	63,669	66,636	24,561	224,326
Economic Net Income (Loss)	2,195,581	1,727,166	1,297,989	794,369	2,435,336
Less: Total investment income (loss)	958,401	505,153	153,512	(78,764)	693,462
Less: Net performance income (loss)	831,219	805,553	724,701	492,371	1,091,567
Plus: Net interest and dividends	21,506	273,175	208,451	134,096	104,084
Plus: Realized performance income (loss), net	414,016	744,879	628,083	751,233	738,926
Plus: Net realized gains (losses)	635,633	628,403	337,023	371,563	194,020
Less: Income taxes paid	120,052	131,081	140,677	87,723	94,065
Less: Preferred Distributions	-	-	-	22,235	33,364
After-tax Distributable Earnings	1,357,064	1,931,836	1,452,656	1,527,696	1,559,908

Note: Amounts in thousands.

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Reconciliation of Net Income (Loss) Attributable to KKR & Co. L.P. (GAAP Basis) to Economic Net Income (Loss) and Fee Related Earnings

	Twelve Months Ended March 31, 2017	Quarter Ended March 31, 2018	Twelve Months Ended March 31, 2018
Net income (loss) attributable to KKR & Co. L.P. Common Unitholders	\$876,354	\$170,102	\$895,700
Plus: Preferred Distributions	30,576	8,341	33,364
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	700,885	121,002	695,591
Plus: Equity-based and other non-cash compensation	312,103	100,491	335,490
Plus: Amortization of intangibles, placement fees and other, net	(13,312)	47,709	137,742
Less: Gain from remeasurement of tax receivable agreement liability	-	-	(67,221)
Plus: Income taxes (benefit)	63,213	17,641	201,425
Economic Net Income (Loss)	1,969,819	465,286	2,232,091
Plus: Income attributable to segment noncontrolling interests	3,253	1,203	6,170
Less: Total investment income (loss)	749,494	238,122	632,924
Less: Net performance income (loss)	773,440	56,199	944,531
Plus: Expenses of Principal Activities Segment	168,272	51,262	207,241
Fee Related Earnings	618,410	223,430	868,047

Note: Amounts in thousands.

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

	As Of March 31, 2017	As Of June 30, 2017	As Of September 30, 2017	As Of December 31, 2017	As Of March 31, 2018
KKR & Co. L.P. Capital – Common Unitholders	\$5,755,354	\$6,212,556	\$6,380,654	\$6,703,382	\$6,918,185
Impact of consolidation of investment vehicles and other entities	140,248	137,831	166,480	214,188	254,777
Noncontrolling interests held by KKR Holdings L.P. and other	4,581,427	4,770,678	4,812,964	4,844,271	4,893,161
Other Reclassifications	(17,446)	(17,446)	(17,446)	(17,446)	(17,446)
Equity impact of KKR Management Holdings Corp.	(133,233)	(130,126)	(125,098)	(70,486)	(65,388)
Book value	\$10,326,350	\$10,973,493	\$11,217,554	\$11,673,909	\$11,983,289
Outstanding adjusted units	806,480,436	812,962,176	812,980,094	822,146,070	822,890,120
Book Value per adjusted unit	\$12.80	\$13.50	\$13.80	\$14.20	\$14.56
 Average Book Value – 5 Quarter Straight Average					\$11,234,919

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

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

	As Of December 31, 2013	As Of December 31, 2014	As Of December 31, 2015	As Of December 31, 2016
KKR & Co. L.P. Capital – Common Unitholders	\$2,722,010	\$5,382,691	\$5,547,182	\$5,457,279
Impact of consolidation of investment vehicles and other entities	21,490	194,322	133,208	118,635
Noncontrolling interests held by KKR Holdings L.P. and other	5,116,761	4,661,679	4,431,939	4,389,285
Other Reclassifications	-	-	-	(17,446)
Equity impact of KKR Management Holdings Corp.	(97,661)	(120,467)	(133,100)	(151,162)
Book value	\$7,762,600	\$10,118,225	\$9,979,229	\$9,796,591
Outstanding adjusted units	692,512,345	810,527,689	819,181,463	806,137,733
Book Value per adjusted unit	\$11.21	\$12.48	\$12.18	\$12.15

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

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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, 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.

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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 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 May 3, 2018, 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, 2018 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.

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