

WALKER REPORT

NOVEMBER 2018

KKR

Our Support of the Walker Report

Over the past several years, Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR,” “we” or “us”) has been working to increase the transparency of our investment activities and processes, both through formal compliance with guidelines recommending increased levels of disclosure as well as through voluntary initiatives with our clients, partners, portfolio companies and the public at large.

In November 2007, a working group formed by The British Private Equity and Venture Capital Association (“BVCA”) and led by Sir David Walker issued the Guidelines for Disclosure and Transparency in Private Equity. That publication, which is also known as the “Walker Report,” makes specific recommendations for improving the level of public disclosure by private equity firms operating in the United Kingdom.

Because we believe in the importance of enhancing disclosure and transparency within the private equity industry, we helped draft the Walker Report guidelines and have voluntarily undertaken to conform to them and to promote further conformity by our U.K. portfolio companies. Today, the three KKR portfolio companies under Walker in the U.K. include the following¹:



LGC is a global life sciences tools platform focused on applied end-markets. Before it was privatised in 1996, LGC was the Laboratory of the Government Chemist. As part of its operations, LGC retains a number of scientific roles for the UK Government, where it acts as a referee analyst to resolve scientific disputes, and manages scientific grants for the Department of Health.

The logo for trainline, with the word 'trainline' in a lowercase, teal, sans-serif font.

Trainline is a leading digital distribution platform for train tickets in the UK.

The logo for Calvin Capital, featuring the word 'calvin' in a lowercase, blue, sans-serif font, with 'capital' in a smaller font below it, and a stylized blue shield icon to the right.

A leading domestic meter asset provider in the UK that funds the provision and installation of residential energy meters on behalf of energy suppliers

Overview of KKR and our private equity business

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR’s investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR’s website at www.kkr.com and on Twitter @KKR_Co. Through our Private Markets segment, we manage and sponsor a group of private equity funds and co-investment vehicles that invest capital for long-term appreciation, either through controlling ownership of a company or strategic minority positions. Throughout our history, we have consistently been a leader in the private equity industry, having completed more than 415 private equity transactions² with ~\$560 billion of total enterprise value in ~20 industries.

Portfolio management committees are responsible for working with our investment professionals from the date on which a private equity investment is made until the time it is exited in order to ensure that strategic and operational objectives are accomplished and that the performance of the investment is closely monitored. When investing in a private equity portfolio company, we partner with management teams to execute on our investment thesis, and we rigorously track performance through regular monitoring of detailed operational and financial metrics as well as appropriate environmental, social and governance issues. We have developed a global network of experienced managers and operating executives who assist the private equity portfolio companies in making operational improvements and achieving growth. We augment these resources with operational guidance from operating consultants at KKR Capstone³, senior advisors, and investment teams, and with “100-Day Plans” that focus the firm’s efforts and drive our strategies. We seek to emphasize efficient capital management, top-line growth, R&D spending, geographical expansion, cost optimization, and investment for the long-term.

Exiting Investments

We have developed substantial expertise for realizing private equity investments. From our inception through June 30, 2018, the firm has generated approximately \$136.7 billion of cash proceeds from the sale of our private equity portfolio companies in initial public offerings and secondary offerings, dividends, and sales to strategic buyers. When exiting private equity investments, our objective is to structure the exit in a manner that optimizes returns for fund investors and, in the case of publicly traded companies, minimizes the impact that the exit

¹ As of 30 June 2018

² Includes over 295 investments in PE portfolio companies and over 115 follow-on investments in these companies, excluding public toehold investments.

³ KKR Capstone is not a subsidiary or affiliate of KKR. Senior Advisors, Industry Advisors, and KKR Advisors are engaged as consultants and are not employees of KKR. Please see Important Information at the beginning of this presentation for additional disclosure regarding KKR Capstone, Senior Advisors, Industry Advisors and KKR Advisors, and additional disclosure regarding KKR’s internal information barrier policies and procedures, which may limit the involvement of certain personnel in some investment decisions and discussions.

has on the trading price of the company's securities. We believe that our ability to successfully realize investments is attributable in part to the strength and discipline of our portfolio management committees and capital markets business, as well as the firm's longstanding relationships with corporate buyers and members of the investment banking and investing communities. Through June 30, 2018, the average holding period for our fully realized European private equity investments is approximately 6 years.

Management of Our Private Equity Business in the United Kingdom

We provide management services to our private equity funds pursuant to management agreements. The services we provide include advising our private equity funds with respect to origination, investigation, structuring, financing, acquisition, monitoring and disposition of investments. With respect to investments made by our private equity funds in the U.K. and Europe, we are assisted in the provision of management services by our wholly owned subsidiary Kohlberg Kravis Roberts & Co. Partners LLP, which we refer to as our "U.K. subsidiary."

We have several subsidiaries which are authorized and regulated by the United Kingdom Financial Conduct Authority, or FCA, under the Financial Services and Markets Act 2000, or FSMA, and are authorized in the United Kingdom with permission to engage in certain specified activities.

Portfolio Companies

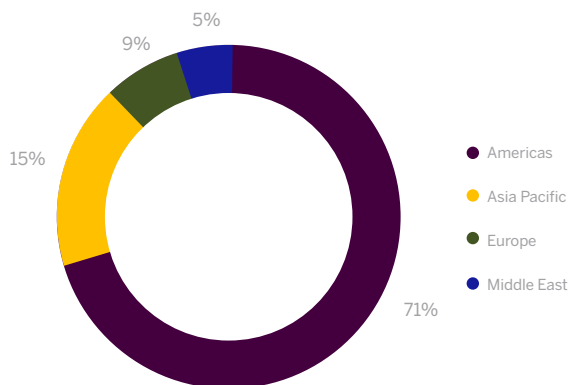
Since our founding in 1976, we have completed over 415 private equity transactions. KKR has a 42-year track record of quality private equity investing having completed transactions with ~\$560 billion of total enterprise value in ~20 industries. KKR's current portfolio of private equity investments includes 98 companies with over \$120bn in annual revenues⁴ and employing 637,500 people⁵. For specific information concerning our portfolio companies, including links to their websites, please visit our website at www.kkr.com.

Limited Partners

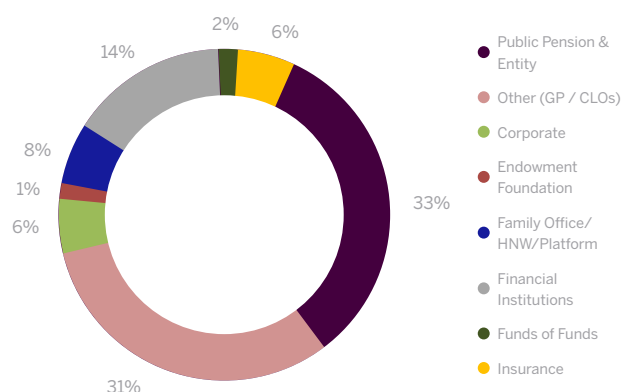
Over our 42 year history, we have established strong relationships with a diverse client base of investors by type and geography. Many of these investors have invested with us for decades across multiple funds that we have sponsored. The commitments we receive come from a variety of institutions including other public pensions, sovereign wealth funds, HNW/family offices, corporate pensions, insurance companies and financial institutions.

The following charts detail our investor base by type and geography as of June 30, 2018.

Investor by Base Type



Investor by Base Geography



*Percentages as of 6/30/2018. Based on the AUM of our Private Markets investment funds (1996 Fund onward), Private Markets co-investment vehicles, and Public Markets separately managed accounts and investment funds. Allocations are assigned to a type or geographic region according to subscriptions received from a limited partner.

Conflicts of Interest

Like our peers in the private equity industry, KKR places significant importance on the effective and timely identification, prevention and management of conflicts of interest. Because we recognize that our long-term success requires us to resolve such conflicts appropriately, the Firm's policies and procedures adopted in this regard are critical to maintaining a successful business model and Client relationships; to meeting legal and regulatory requirements including those of the FCA; and to managing the risk of perceived as well as actual and potential conflicts of interests which may arise in the course of KKR's global investment activities.

⁴ Annual revenues figure is as of December 31, 2017.

⁵ Employees figures include total employees (full and part-time), as of December 31, 2017.