

KKR & Co. L.P.  
Form S-1  
September 16, 2010

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As filed with the Securities and Exchange Commission on September 16, 2010

Registration No. 333-

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM S-1

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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## KKR & CO. L.P.

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**6282**  
(Primary Standard Industrial  
Classification Code Number)  
**9 West 57<sup>th</sup> Street, Suite 4200**  
**New York, NY 10019**  
**Telephone: (212) 750-8300**

**26-0426107**  
(I.R.S. Employer  
Identification No.)

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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**General Counsel**  
**KKR & Co. L.P.**  
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Approximate date of commencement of the proposed sale of the securities to the public:  
From time to time after the effective date of this Registration Statement.

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If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer     
  Accelerated filer     
  Non-accelerated filer  Smaller reporting company  
 (Do not check if a smaller reporting company)

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### CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Units	478,105,194(1)	\$10.15(2)	\$4,852,767,719(2)	\$346,002(3)

- (1) This Registration Statement registers 478,105,194 common units representing limited partner interests of KKR & Co. L.P. issuable upon exchange of an equivalent number of partnership units of the KKR Group Partnerships. This Registration Statement also relates to such additional common units of KKR & Co. L.P. as may be issued with respect to such common units by way of a unit distribution, unit split or similar transaction.
- (2) Represents the proposed maximum offering price per unit and the proposed maximum aggregate offering price, estimated solely for purpose of calculating the registration fee pursuant to Rules 457(c) under the Securities Act of 1933, as amended, and based on the market value of the KKR & Co. L.P. common units. The proposed maximum aggregate offering price is the product of (i) \$10.15, the average of the high and low prices for common units reported on the New York Stock Exchange on September 10, 2010 and (ii) 478,105,194, the number of common units to be registered pursuant to this registration statement.
- (3) Registration fees of \$35,650 have previously been paid with respect to \$500,000,000 aggregate initial offering price of securities of the registrant under the Registration Statement on Form S-1 (No. 333-166687) of the registrant filed on May 10, 2010. Pursuant to Rule 457(p), such unutilized filing fee may be applied to the filing fee payable pursuant to this Registration Statement.
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**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not offer these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED SEPTEMBER 16, 2010**

**PRELIMINARY PROSPECTUS**

## **KKR & Co. L.P.**

### **478,105,194 Common Units**

#### **Representing Limited Partner Interests**

KKR & Co. L.P. may issue from time to time up to 478,105,194 common units representing limited partner interests in our business to our principals or KKR Holdings L.P., or KKR Holdings, upon exchange of up to an equal number of KKR Group Partnership Units. Our principals hold interests in our business through KKR Holdings, which owns all of the outstanding KKR Group Partnership Units that are not allocable to KKR & Co. L.P.

"KKR Group Partnerships" is a collective reference to KKR Management Holdings L.P. and KKR Fund Holdings L.P. Each KKR Group Partnership has an identical number of partner interests and, when held together, one Class A partner interest in each of the KKR Group Partnerships together represents one KKR Group Partnership Unit. KKR & Co. L.P. conducts its material business activities through the KKR Group Partnerships and, directly and indirectly, is the general partner of each KKR Group Partnership.

Pursuant to a registration rights agreement with KKR Holdings, we are registering the issuance of our common units to permit holders of KKR Group Partnership Units who exchange their KKR Group Partnership Units to sell without restriction in the open market or otherwise any of our common units that they receive upon exchange. However, the registration of our common units does not change the vesting requirements or substantial transfer restrictions applicable to the KKR Group Partnership Units.

In addition, KKR Holdings L.P., may offer for resale common units representing limited partner interests, received upon the exchange described above, from time to time in connection with certain obligations under its equity compensation program.

We will not receive any cash proceeds from the issuance of any of our common units upon an exchange of KKR Group Partnership Units. When an exchange occurs, we will acquire additional KKR Group Partnership Units and thereby increase our ownership in the KKR business.

Our common units are listed on the New York Stock Exchange under the symbol "KKR." The last reported sale price of our common units on September 15, 2010 was \$10.18 per common unit.

**In reviewing this prospectus, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 11 of this prospectus. These risks include but are not limited to the following:**

We are managed by a general partner, which we refer to as our Managing Partner, and do not have our own directors or officers. Our unitholders will have only limited voting rights and will have no right to elect or remove our Managing Partner or its directors or officers, and our Managing Partner is allowed to take into account the interests of parties other than us in resolving conflicts of interest, which has the effect of limiting its fiduciary duties to us. Through KKR Holdings, our

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principals generally have sufficient voting power to determine the outcome of any matters that may be submitted for a vote of our unitholders.

We believe that we will be treated as a partnership for U.S. federal income tax purposes and you therefore will be required to take into account your allocable share of items of our income, gain, loss and deduction in computing your U.S. federal income tax liability. You may not receive sufficient cash distributions to pay your allocable share of our net taxable income or even the tax liability that results from that income.

As a limited partnership, we will rely on exceptions from certain corporate governance requirements of the New York Stock Exchange, including the requirement to have a nominating and corporate governance committee composed entirely of independent directors and the requirement to have a compensation committee. You will not have the same protections afforded to equity holders of entities that are subject to all of the corporate governance requirements of the New York Stock Exchange.

Various forms of legislation have been introduced that could, if enacted, preclude us from qualifying as a partnership for U.S. federal income tax purposes under the rules governing publicly traded partnerships and could require that we be treated as a corporation for U.S. federal income tax purposes. If the above or any similar legislation or regulation were to be enacted and apply to us, we would incur a material increase in our tax liability that could result in a reduction in the value of our common units.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is \_\_\_\_\_, 2010.

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**Our Assets Under Management\***

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Assets under management are presented pro forma for the Combination Transaction (as defined herein) and, therefore, exclude the net asset value of KKR Private Equity Investors, L.P. and its former commitments to our investment funds.

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You should rely only on the information contained in this prospectus or any free writing prospectus. We have not authorized anyone to provide you with additional or different information. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any distribution of our common units.

This prospectus has been prepared using a number of conventions, which you should consider when reading the information contained herein. Unless the context suggests otherwise:

(i) references to "KKR," "we," "us," "our" and "our partnership" refer to KKR & Co. L.P. and its subsidiaries. Prior to KKR & Co. L.P. becoming listed on the New York Stock Exchange ("NYSE") on July 15, 2010, KKR Group Holdings L.P. ("Group Holdings") consolidated the financial results of the KKR Group Partnerships and their consolidated subsidiaries. Therefore, the historical consolidated and combined financial information, unaudited pro forma information and other financial data contained herein is that of Group Holdings and not KKR & Co. L.P.

(ii) references to "our Managing Partner" are to KKR Management LLC, which acts as our general partner;

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(iii) references to "KKR Guernsey" are to KKR & Co. (Guernsey) L.P. (f/k/a KKR Private Equity Investors, L.P. or "KPE");

(iv) references to the "Combined Business" of KKR refer to the business of KKR that resulted from the combination of its asset management business with the assets and liabilities of KKR Guernsey on October 1, 2009;

(v) references to the "KKR Group Partnerships" are to KKR Management Holdings L.P. and KKR Fund Holdings L.P., which became holding companies for the Combined Business on October 1, 2009; and

(vi) references to the "KPE Investment Partnership" are to KKR PEI Investments, L.P., a lower tier partnership through which KPE made all of its investments.

Unless otherwise indicated, references to equity interests in the Combined Business, or to percentage interests in the Combined Business, reflect the aggregate equity of the KKR Group Partnerships and are net of amounts that have been allocated to our principals in respect of the carried interest from the Combined Business as part of our "carry pool" and certain minority interests in our business that were not acquired by the KKR Group Partnerships in connection with our reorganization into a holding company structure and our acquisition of the assets and liabilities of KKR Guernsey. See "Organizational Structure" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Impact of the Transactions." References to our "principals" are to our senior executives and operating consultants who hold interests in the Combined Business through KKR Holdings and references to our "senior principals" are to principals who also hold interests in our Managing Partner entitling them to vote for the election of its directors.

On October 1, 2009, we completed the acquisition of all of the assets and liabilities of KKR Guernsey and, in connection with such acquisition, completed a series of transactions pursuant to which the business of KKR was reorganized into a holding company structure. We refer to the acquisition of the assets and liabilities of KKR Guernsey as the "Combination Transaction," to our reorganization into a holding company structure as the "Reorganization Transactions" and to the Combination Transaction and the Reorganization Transactions collectively as the "Transactions." Our financial information for periods prior to the Transactions is based on a group, for accounting purposes, of certain combined and consolidated entities under common control of our senior principals and under the common ownership of our principals and certain other individuals who have been involved in our business, and our financial information for periods subsequent to the Transactions is based on a group, for accounting purposes, consisting of KKR & Co. L.P. and its consolidated subsidiaries.

In this prospectus, the terms "assets under management" or "AUM" represent the assets from which we are entitled to receive fee income or a carried interest and general partner capital. We calculate the amount of AUM as of any date as the sum of:

- (i) the fair value of the investments of our investment funds plus uncalled capital commitments from these funds;
- (ii) the fair value of investments in our co-investment vehicles;
- (iii) the net asset value of certain of our fixed income products; and
- (iv) the value of outstanding structured finance vehicles.

You should note that our calculation of AUM may differ from the calculations of other asset managers and, as a result, our measurements of AUM may not be comparable to similar measures presented by other asset managers. Our definition of AUM is not based on any definition of AUM that is set forth in the agreements governing the investment funds, vehicles or accounts that we manage.

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In this prospectus, the terms "fee paying assets under management" or "FPAUM" represent only those assets under management from which we receive fees. FPAUM is the sum of all of the individual fee bases that are used to calculate our fees and differs from AUM in the following respects: (i) assets from which we do not receive a fee are excluded (i.e., assets with respect to which we receive only carried interest); and (ii) certain assets, primarily in our private equity funds, are reflected based on capital commitments and invested capital as opposed to fair value because fees are not impacted by changes in the fair value of underlying investments.

Unless otherwise indicated, references in this prospectus to our fully diluted common units outstanding, or to our common units outstanding on a fully diluted basis, reflect both actual common units outstanding as well as common units into which KKR Group Partnership Units not held by us are exchangeable pursuant to the terms of the exchange agreement described in this prospectus, but do not reflect common units available for issuance pursuant to our Equity Incentive Plan.



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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements, which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believe," "expect," "potential," "continue," "may," "should," "seek," "approximately," "predict," "intend," "will," "plan," "estimate," "anticipate" or the negative version of these words or other comparable words. Forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus. We do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

**MARKET AND INDUSTRY DATA**

This prospectus includes market and industry data and forecasts that we have derived from independent reports, publicly available information, various industry publications, other published industry sources and internal data and estimates. Independent reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable. Internal data and estimates are based upon information obtained from investors in our funds, trade and business organizations and other contacts in the markets in which we operate and our understanding of industry conditions. Although we believe that such information is reliable, we have not had this information verified by any independent sources.

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**SUMMARY**

*This summary highlights information contained elsewhere in this prospectus and does not contain all the information you should consider before investing in our common units. You should read this entire prospectus carefully, including the section entitled "Risk Factors" and the historical financial statements and related notes included elsewhere herein.*

**Overview**

**KKR**

Led by Henry Kravis and George Roberts, we are a global alternative asset manager with \$54.4 billion in AUM as of June 30, 2010 and a 34-year history of leadership, innovation and investment excellence. When our founders started our firm in 1976, they established the principles that guide our business approach today, including a patient and disciplined investment process; the alignment of our interests with those of our investors, portfolio companies and other stakeholders; and a focus on attracting world-class talent.

Our business offers a broad range of asset management services to our investors and provides capital markets services to our firm, our portfolio companies and our clients. Throughout our history, we have consistently been a leader in the private equity industry, having completed more than 175 private equity investments with a total transaction value in excess of \$430 billion. In recent years, we have grown our firm by expanding our geographical presence and building businesses in new areas, such as fixed income and capital markets. Our new efforts build on our core principles, leverage synergies in our business, and allow us to capitalize on a broader range of opportunities that we source. Additionally, we have increased our focus on servicing our existing investors and have invested meaningfully in developing relationships with new investors.

With over 600 people, we conduct our business through 14 offices on four continents, providing us with a pre-eminent global platform for sourcing transactions, raising capital and carrying out capital markets activities. We have grown our AUM significantly, from \$15.1 billion as of December 31, 2004 to \$54.4 billion as of June 30, 2010, representing a compounded annual growth rate of 26.2%. Our growth has been driven by value that we have created through our operationally focused investment approach, the expansion of our existing businesses, our entry into new lines of business, innovation in the products that we offer investors, an increased focus on providing tailored solutions to our clients and the integration of capital markets distribution activities.

As a global alternative asset manager, we earn management, monitoring, transaction and incentive fees for providing investment management, monitoring and other services to our funds, vehicles, managed accounts, specialty finance company and portfolio companies, and we generate transaction-specific income from capital markets transactions. We earn additional investment income from investing our own capital alongside our investors and from the carried interest we receive from our funds and certain of our other investment vehicles. A carried interest entitles the sponsor of a fund to a specified percentage of investment gains that are generated on third-party capital that is invested.

On October 1, 2009, we completed our acquisition of all of the assets and liabilities of KPE. This acquisition, which we refer to as the Combination Transaction, has provided us with a significant source of permanent capital to further grow our business and an equity currency that we may use to attract, retain and incentivize our employees and to fund opportunistic acquisitions. The Combination Transaction did not involve the payment of any cash consideration or involve an offering of any newly issued securities to the public, and our principals did not sell any interests in our Combined Business. Following the Combination Transaction, we operate our business through three business segments: Private Markets; Public Markets; and Capital Markets and Principal Activities.

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On July 15, 2010, KKR & Co. L.P. became listed on the New York Stock Exchange ("NYSE"), which we refer to as the U.S. Listing. In connection with the U.S. Listing, KKR Guernsey contributed its 30% interests in Group Holdings to KKR & Co. L.P. in exchange for our common units and distributed those common units to holders of KKR Guernsey units, which we refer to as the In-Kind Distribution. Because the assets of KKR Guernsey consisted solely of its interests in Group Holdings, the In-Kind Distribution resulted in the dissolution of KKR Guernsey and the delisting of its units from Euronext Amsterdam by NYSE Euronext. As of July 15, 2010, KKR both controls the KKR Group Partnerships and holds KKR Group Partnership units representing a 30% economic interest in KKR's business. The remaining 70% of the KKR Group Partnership units are held by our principals through KKR Holdings.

**Business Segments**

***Private Markets***

Our Private Markets segment is comprised of our global private equity business, which manages and sponsors a group of investment funds and vehicles that invest capital for long-term appreciation, either through controlling ownership of a company or strategic minority positions. These funds and vehicles build on our sourcing advantage and the strong industry knowledge, operating expertise and regulatory and stakeholder management skills of our professionals, operating consultants and senior advisors to identify attractive investment opportunities and create and realize value for investors.

From our inception through June 30, 2010, we have raised 16 funds with approximately \$59.5 billion of capital commitments and have sponsored a number of fee and carry paying co-investment structures that allow us to commit additional capital to transactions. We have grown our AUM in this segment significantly in recent years, from \$14.4 billion as of December 31, 2004 to \$41.0 billion as of June 30, 2010, representing a compound annual growth rate of 21.0%. As of June 30, 2010, we had \$11.9 billion of uncalled commitments to investment funds and vehicles in this segment, providing a significant source of capital that may be deployed globally.

We generate income in our Private Markets segment from the management fees and carried interest that we receive from the funds and vehicles that we manage, as well as the monitoring fees and transaction fees that are paid by portfolio companies. During the six months ended June 30, 2010, the segment generated \$98.3 million of fee related earnings and \$348.9 million of economic net income, representing 64% and 31% of our total segment amounts, respectively.

***Public Markets***

Our Public Markets segment is comprised primarily of our fixed income businesses which manage capital in liquid credit strategies, such as leveraged loans and high yield bonds, and less liquid credit products, such as mezzanine debt, special situation assets, rescue financings, distressed assets, debtor-in-possession financings and exit financings. We implement these investment strategies through a specialty finance company and a number of investment funds, structured finance vehicles and separately managed accounts. These sources of capital leverage our global investment platform, experienced investment professionals and ability to adapt our investment strategies to different market conditions to capitalize on investment opportunities that may arise at every level of the capital structure.

We have grown our AUM in this segment significantly in recent years, from \$3.7 billion as of December 31, 2005, the first full year of operations, to \$13.4 billion as of June 30, 2010, representing a compound annual growth rate of 33.4%. As of June 30, 2010, the segment's AUM was comprised of \$1.1 billion of assets managed in a publicly traded specialty finance company, \$8.0 billion of assets managed in structured finance vehicles and \$4.3 billion of assets managed in other types of investment vehicles and separately managed accounts. As of June 30, 2010, we had \$1.4 billion of uncalled commitments to investment funds and separately managed accounts in this segment.

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We generate income in our Public Markets segment from the management fees, incentive fees and carried interest that we receive from the companies, funds, accounts and vehicles that we manage, as well as transaction fees that may be paid by issuers in connection with specific investments. During the six months ended June 30, 2010, the segment generated \$27.4 million of fee related earnings and \$28.4 million of economic net income, representing 18% and 3% of our total segment amounts, respectively.

***Capital Markets and Principal Activities***

Our Capital Markets and Principal Activities segment combines the assets we acquired in the Combination Transaction with our global capital markets business. Our capital markets business supports our firm, our portfolio companies and our clients by providing services such as arranging debt and equity financing for transactions, placing and underwriting securities offerings, structuring new investment products and providing capital markets advice. To allow us to carry out these activities, we are registered or authorized to carry out certain broker-dealer activities in various countries in North America, Europe and Asia.

The assets that we acquired in the Combination Transaction have provided us with a significant source of capital to further grow and expand our business, increase our participation in our existing portfolio of businesses and further align our interests with those of our investors and other stakeholders. We believe that the market experience and skills of our capital markets professionals and the investment expertise of professionals in our Private Markets and Public Markets segments will allow us to continue to grow and diversify this asset base over time.

We generate income in our Capital Markets and Principal Activities segment from the fees that we generate through our capital markets transactions as well as the returns on the assets that we own as a principal. During the six months ended June 30, 2010, the segment generated \$27.9 million of fee related earnings and \$730.5 million of economic net income, representing 18% and 66% of our total segment amounts, respectively.

**Strengths**

Over our history, we have developed a business approach that centers around three key principles:

- (i) adhere to a patient and disciplined investment process;
- (ii) align our interests with those of our investors and other stakeholders; and
- (iii) attract world-class talent for our firm and portfolio companies.

Based on these principles, we have developed a number of strengths that we believe differentiate us as an alternative asset manager and provide additional competitive advantages that can be leveraged to grow our business and create value. These include:

***Firm Culture and People***

When our founders started our firm in 1976, leveraged buyouts were a novel form of corporate finance. With no financial services firm to use as a model and little interest in copying an existing formula, our founders sought to build a firm based on principles and values that would provide a proper institutional foundation for years to come. We believe that our success and industry leadership has been largely attributable to the culture of our firm and the values we live by. We believe that our experienced and talented people, who represent our culture and values, have been the key to our success and growth.

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***Leading Brand Name***

The "KKR" name is associated with: experience and success in private equity transactions worldwide; a focus on operational value creation in portfolio companies; a strong investor base; a global network of leading business relationships; a reputation for integrity and fair dealing; creativity and innovation; and superior investment performance. The strength of our brand helps us attract world-class talent, raise capital and obtain access to investment opportunities. We intend to leverage this strength as we continue to grow and expand our businesses.

***Global Presence and Integrated One Firm Approach***

We are a global firm. Although our operations span multiple continents and business lines, we have a common culture and are focused on sharing knowledge, resources and best practices throughout our offices and across asset classes. Our global and diversified operations are also supported by extensive local market knowledge, which provides an advantage for sourcing investments, consummating transactions and raising capital. As of June 30, 2010, 63% of our employees were based in North America, 19% were based in Europe and the Middle East, and 18% were based in Asia and Australia.

***Sourcing Advantage***

We believe that we have a competitive advantage for sourcing new investment opportunities as a result of our internal deal generation strategies, industry expertise and global network. Across our businesses, our investment professionals are organized into industry groups and work closely with our operating consultants and senior advisors to identify attractive businesses. These teams conduct their own primary research, develop views on industry themes and trends, and identify companies in which we may want to invest. They also maintain relationships with various industry players providing additional access to deal flow. Through our industry focus and global network, we often are able to obtain exclusive or limited access to investments that we identify.

***Distinguished Track Record Across Economic Cycles***

We have successfully employed our patient and disciplined investment process through all types of economic and financial conditions, developing a track record that distinguishes the firm. From our inception through June 30, 2010, our private equity funds with at least 36 months of investment activity generated a cumulative gross IRR of 25.8%, compared to the 11.1% gross IRR achieved by the S&P 500 Index over the same period. Additionally, we established our fixed income business in 2004 and, despite difficult market conditions, the returns in each of our core strategies since inception have outperformed relevant benchmarks.

***Sizeable Long-Term Capital Base***

As of June 30, 2010, we had \$54.4 billion of AUM and \$41.6 billion of FPAUM, making us one of the largest independent alternative asset managers in the world. Our private equity funds typically have six year investment periods and may hold an investment for a period of up to 12 years from the acquisition date. We also manage a specialty finance company and various structured finance vehicles that have capital that is either long-dated or has no fixed maturity. As of June 30, 2010, approximately 93%, or \$38.7 billion, of our FPAUM had a contractual life at inception of at least 10 years, which has provided a stable source of long-term capital for our business.

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***Long-Standing Investor Relationships***

We have established strong relationships with a diversified group of investors, including some of the largest public and private pension plans, global financial institutions, university endowments and other institutional and public market investors. Many of these investors have invested with us for decades in various products that we have sponsored. We continue to develop relationships with new significant investors worldwide, providing an additional source of capital for our investment vehicles. We believe that the strength, breadth, duration and diversity of our investor relationships provides a significant advantage for raising capital and growing our business.

***Alignment of Interests***

Since our inception, one of our fundamental philosophies has been to align the interests of the firm and our people with the interests of our investors, portfolio companies and other stakeholders. We achieve this by putting our own capital behind our ideas. As of June 30, 2010, we and our principals have over \$6.4 billion invested in or committed to our own funds and portfolio companies, including \$4.3 billion funded through our balance sheet, \$1.1 billion of additional commitments to investment funds and \$1.0 billion in personal investments.

***Creativity and Innovation***

We pioneered the development of the leveraged buyout and have worked throughout our history to create new and innovative structures for both raising capital and making investments. Our history of innovation includes establishing permanent capital vehicles for our Public Markets and Private Markets segments and developing new capital markets and distribution capabilities in North America, Europe and Asia.

**Growth Strategy**

We intend to grow our business and create value for our common unitholders by:

generating superior returns on assets that we manage and our principal assets;

growing our assets under management;

entering new businesses and creating new products that leverage our core competencies;

continuing our expansion into new geographies with respect to both investing and raising capital;

expanding our capital markets business; and

using our principal assets to grow and invest in our business.

**The Combination Transaction and Reorganization Transactions**

On October 1, 2009, we completed the acquisition of all of the assets and liabilities of KKR Guernsey in the Combination Transaction. We agreed to the Combination Transaction in order to:

create a diversified business that would benefit from the diversity, global presence, income streams, scale and franchise of KKR and the significant capital of KPE;

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provide a means for further aligning the interests of KKR's owners and KKR Guernsey unitholders by providing them equity interests in a common business that would allow them to share in the same income streams, asset base and growth potential;

enhance access to capital markets and create a new currency for attracting and incentivizing world-class people and opportunistically funding acquisitions and growth opportunities.

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Because the business of KKR prior to the Combination Transaction was conducted through a number of separate entities, we completed a series of transactions immediately prior to the Combination Transaction in which these separate entities were reorganized into a holding company structure. The purposes of the Reorganization Transactions was to create an integrated structure that could hold the interests in KKR's asset management business and the assets and liabilities of KKR Guernsey and issue common equity representing an interest in the Combined Business.

We refer to the Reorganization Transactions and the Combination Transaction collectively as the Transactions. Following the Transactions, KKR Guernsey held a 30% economic interest in our Combined Business, and our principals retained a 70% economic interest in our Combined Business through KKR Holdings. In connection with our listing on the NYSE on July 15, 2010, KKR Guernsey contributed its 30% interest held through Group Holdings to KKR & Co. L.P. in exchange for NYSE listed common units and distributed those common units to holders of KKR Guernsey units. As a result, as of July 15, 2010, KKR & Co. L.P. held a 30% economic interest in our Combined Business previously held by KKR Guernsey. Through KKR Holdings, our principals hold special voting units in our partnership that enable them to vote alongside our common unitholders in proportion to their interests in the Combined Business with respect to any matters that are submitted to a vote of our common unitholders.

As is commonly the case with limited partnerships, our limited partnership agreement provides for the management of our business and affairs by a general partner rather than a board of directors. Our Managing Partner serves as our general partner and has a board of directors that is co-chaired by our founders, Henry Kravis and George Roberts, who also serve as our Co-Chief Executives. Our senior principals control our Managing Partner and you will not hold securities of our Managing Partner and will not be entitled to vote in the election of its directors or other matters affecting its governance. For a description of the Combination Transaction, the Reorganization Transactions, the components of our business owned by the KKR Group Partnerships and a diagram illustrating our ownership and organizational structure, see "Organizational Structure."

**Risks Related to Our Common Units**

Holding our common units involves substantial risks and uncertainties. Some of the more significant challenges and risks related to our common units include:

our business is materially affected by conditions in the financial markets and economic conditions, and recent disruptions in the global financial markets, including considerable declines in the valuations of debt and equity securities, have negatively impacted our financial performance, increased the cost of financing leveraged buyout transactions and limited the availability of that financing;

we are dependent on our principals, including our founders and other key personnel;

our net income and cash flow are volatile;

any underperformance of our investments could adversely affect our ability to maintain or grow our AUM;

our unitholders have limited ability to influence decisions regarding our business;

our business is subject to extensive regulation and scrutiny, which may make our business more difficult to operate;

the valuation methodologies for certain assets in our funds are subject to significant management judgment;



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our organizational structure may give rise to the potential for conflicts of interest among our Managing Partner, its affiliates and us;

many of our funds focus on illiquid investments;

we may be subject to substantial litigation and as a result incur significant liabilities and suffer damage to our professional reputation;

you may be required to make tax payments in connection with your ownership of our common units in excess of the cash distributions you receive in any specific year;

our emphasis on private equity investments, which are among the largest in the industry, involve particular risks and uncertainties; and

our investments in companies that are based outside of the United States present potentially greater risks than similar investments in the United States.

In addition, legislation has been introduced that would tax as a corporation a publicly traded partnership, such as us, that directly or indirectly derives income from investment advisor or asset management services. Separately, legislation has been passed in the U.S. House of Representatives that would generally

treat carried interest as non-qualifying income under the tax rules applicable to publicly traded partnerships, which could preclude us from qualifying as a partnership for U.S. federal income tax purposes; and

tax carried interest as ordinary income for U.S. federal income taxes, which could require us to hold our interest in carried interest through taxable subsidiary corporations.

If any of these pieces of legislation or any similar legislation or regulation were to be enacted and apply to us, we would incur a material increase in our tax liability, which could result in a reduction in the value of our common units. Please see "Risk Factors" for a discussion of these and additional factors related to our common units.

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In this prospectus, unless otherwise indicated, the number of fully diluted common units outstanding and other information that is based thereon does not reflect 102,451,113 additional common units that have been reserved for future issuance under our Equity Incentive Plan. The issuance of common units pursuant to awards under the Equity Incentive Plan would dilute common unitholders and KKR Holdings pro rata in accordance with their respective percentage interests in the KKR Group Partnerships.

KKR & Co. L.P. was formed as a Delaware limited partnership on June 25, 2007. Our Managing Partner was formed as a Delaware limited liability company on June 25, 2007. Our principal executive offices are located at 9 West 57th Street, Suite 4200, New York, New York 10019, and our telephone number is +1 (212) 750-8300. Our website is located at *www.kkr.com*.

Table of Contents**Summary Historical Financial Data**

The following summary historical consolidated and combined financial information, unaudited pro forma information and other data of KKR should be read together with "Organizational Structure," "Unaudited Pro Forma Financial Information," "Selected Historical Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated and combined financial statements and related notes included elsewhere in this prospectus. We derived the summary historical consolidated and combined financial data as of December 31, 2008 and 2009 and for the years ended December 31, 2007, 2008 and 2009 from the audited consolidated and combined financial statements included elsewhere in this prospectus. We derived the summary historical consolidated and combined financial data as of December 31, 2007 from audited combined financial statements that are not included in this prospectus. We derived the summary historical combined financial data as of June 30, 2010 and for the six months ended June 30, 2009 and 2010 from the unaudited condensed consolidated financial statements found elsewhere in this prospectus. The unaudited pro forma financial information for the year ended December 31, 2009 and the six months ended June 30, 2010 was prepared on substantially the same basis as the audited and unaudited consolidated and combined financial statements and includes all adjustments that we consider necessary for a fair presentation of our consolidated and combined pro forma financial information as if the Transactions and certain other arrangements occurred on January 1, 2009. Because the Transactions and related arrangements were completed on October 1, 2009, their impact is fully reflected in our statements of financial condition as of December 31, 2009 and June 30, 2010. Accordingly, we have not included a pro forma statement of financial condition. The summary historical consolidated and combined financial information presented below reflects the economic impact of the Transactions for periods following October 1, 2009.

	For the Years Ended December 31,			Pro Forma(1)	Six Months Ended June 30,		Pro Forma(1) Six Months Ended June 30,
	2007	2008	2009	2009	2009	2010	2010
<b>Statement of Operations Data:</b>							
<b>Revenues</b>							
Fees	\$ 862,265	\$ 235,181	\$ 331,271	\$ 334,377	\$ 90,552	\$ 193,101	\$ 193,101
<b>Expenses</b>							
Employee Compensation and Benefits(2)	212,766	149,182	838,072	1,114,435	93,449	714,152	676,199
Occupancy and Related Charges	20,068	30,430	38,013	38,013	18,666	19,195	19,195
General, Administrative and Other(2)	128,036	179,673	264,396	230,830	65,880	135,770	135,770
Fund Expenses	80,040	59,103	55,229	56,383	24,485	24,777	24,777
Total Expenses	440,910	418,388	1,195,710	1,439,661	202,480	893,894	855,941
<b>Investment Income (Loss)</b>							
Net Gains (Losses) from Investment Activities	1,111,572	(12,944,720)	7,505,005	7,153,044	1,498,131	3,318,121	3,318,121
Dividend Income	747,544	75,441	186,324	168,473	77,642	590,280	590,280
Interest Income	218,920						