
THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT

**THE CARLYLE GROUP L.P. COMMON UNITS ("CG")
AND
THE CARLYLE GROUP L.P. 5.875% SERIES A PREFERRED UNITS ("TCGP")**

FREQUENTLY ASKED QUESTIONS

Will every unitholder receive a Schedule K-1 regardless of the amount of time they have held their units?

Yes. Every unitholder of The Carlyle Group L.P. will receive a Schedule K-1 reflecting their allocable share of the partnership's income, gain, deduction, loss, and credit for CG unitholders and gross income and gains for TCGP unitholders for the period the units are held.

When will my Schedule K-1 be available for the current tax year?

Schedule K-1 Tax Packages will be available electronically in late March following the tax year ended on December 31st. You may obtain your Schedule K-1 Tax Package electronically by accessing Carlyle's Tax Package Support website (www.taxpackagesupport.com/carlyle) or by calling Carlyle's Tax Package Support call center at (855) 886-9762. Following the release of electronic copies of your Schedule K-1 Tax Package, hard copies also will be mailed by the end of March.

There is a problem with the number of units owned, SSN, address, etc. on my Schedule K-1. What can I do?

Your Schedule K-1 is prepared based upon information provided to us by your broker. If you determine any of the information to be incomplete or inaccurate, please contact Carlyle's Tax Package Support at (855) 886-9762. You can also request ownership schedule changes on Carlyle's Tax Package Support website (www.taxpackagesupport.com/carlyle) by clicking the Update Ownership Information icon under Actions. A revised Schedule K-1 is issued generally within 24 hours of reporting the issue to Tax Package Support. Changes to this information should also be communicated to your broker.

Why do I receive a Schedule K-1 from my retirement plan's account?

U.S. Federal tax law requires that a Schedule K-1 be sent to every unitholder that held a partnership interest during the tax year. If you hold CG or TCGP units in a tax advantaged retirement account (Roth IRA, Traditional IRA, 401(k), etc.), amounts reported on the Schedule K-1 are generally not reportable on your income tax return. Tax-exempt organizations (including IRAs, Keogh, and other qualified retirement

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plans) are required to file Form 990-T if they have gross income from an unrelated trade or business of \$1,000 or more. You should consult the Custodian of your account to determine who is responsible for filing the appropriate tax forms, as required.

Where is my Form 1099?

The Carlyle Group L.P. does not issue Forms 1099 to its unitholders. Although CG and TCGP are publicly traded, it is important to note that The Carlyle Group L.P. is a limited partnership, not a corporation. The units you own in CG or TCGP represent a limited partner interest in a partnership. As a limited partner in a partnership, you are taxed on your allocable share of the partnership's income. Your allocable share of the partnership's income, gain, deduction, loss, and credit for CG unitholders or gross income and gains for TCGP unitholders for the period the units are held is reported to you annually on your Schedule K-1.

Are adjustments to my tax basis maintained by The Carlyle Group L.P.?

No. Each unitholder should maintain his or her own individual tax records. The Carlyle Group L.P. will provide an estimate of the adjustments to the tax basis of units sold as part of the Schedule K-1 Tax Package. However, this estimate is for informational purposes only and may not represent all required basis adjustments to your units.

The trading price of CG or TCGP units has dropped since I purchased those units. Why do I owe tax?

As a limited partner in a partnership, you are taxed on your allocable share of the partnership's income, gain, deduction, loss, and credits for CG unitholders or gross income and gains for TCGP unitholders for the period the units are held. Your allocable share of these items reported on your Schedule K-1 must be included on your current year tax return regardless of the trading price of the units or whether cash distributions were made to you. You will also be required to report on your tax return any gain or loss recognized when you dispose of CG or TCGP units. The gain or loss will depend upon your adjusted tax basis and the price at which you sell the units. You should consult your tax advisor for additional guidance.

I am unclear about the tax treatment of the quarterly cash distributions. Could you please clarify the nature of these payments?

Although commonly (and mistakenly) referred to as "dividends," cash payments made by CG or TCGP to its unitholders are considered partnership distributions under the tax laws of the U.S. In general, cash

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distributions from CG or TCGP should not be taxable, except to the extent that the amount distributed exceeds your adjusted tax basis in the units. The share of the partnership's income, gain, deduction, loss, and credit for CG unitholders or gross income and gains for TCGP unitholders for the period the units are held are reported to you annually on your Schedule K-1.

Are the cash distributions from CG or TCGP subject to U.S. withholding?

While distributions from U.S. partnerships are generally not subject to U.S. withholding, certain U.S. source income (such as dividends and some interest paid by U.S. corporations) allocable to non-U.S. persons are subject to U.S. withholding. As a U.S. partnership, cash payments made by CG or TCGP to its unitholders are considered partnership "distributions" and not "dividends." However, The Carlyle Group L.P. can directly and indirectly own investments in U.S. corporations. Non-U.S. persons may receive U.S. Forms 1042-S, Foreign Persons U.S. Income Subject to Withholding, from the broker with whom you own your units reporting certain U.S. source income included on your Schedule K-1. You should consult your tax advisor for additional guidance.

The cash distributions I received during the year were less than the amount reported on my Schedule K-1 Line 19A. What is the difference?

Certain U.S. source income allocable to non-U.S. persons is subject to U.S. withholding. The amount reported on Line 19A includes your allocable share of gross distributions. The actual cash distributions you receive are reduced by U.S. withholding taxes, if any.

I am a nominee / withholding agent responsible for administering withholding with respect to Non-U.S. unitholders of CG or TCGP units. Where can I find additional information about CG or TCGP's cash distributions and the components thereof?

When CG and TCGP declare quarterly cash distributions to its unitholders, CG and TCGP release Qualified Notices to their transfer agents and other nominees. Copies of these notices are available in the Public Investors section of the Carlyle website, under Distribution History (<http://ir.carlyle.com/distributions.cfm>).

If The Carlyle Group L.P. is a U.S. entity, why are foreign tax credits appearing on my Schedule K-1?

The Carlyle Group L.P. invests indirectly in foreign entities. Certain distributions from these entities are subject to income tax and withholding taxes by foreign jurisdictions. These foreign taxes may be creditable against your U.S. tax liability. Please consult your tax advisor regarding these calculations.

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Is The Carlyle Group L.P. a Passive Foreign Investment Company ("PFIC")?

No. However, The Carlyle Group L.P. may invest indirectly in entities that are treated as PFICs. The Carlyle Group L.P. expects to make Qualified Electing Fund ("QEF") elections such that the ordinary income and net capital gains earned by these PFICs will be included currently in your share of income reported on your Schedule K-1. In cases where The Carlyle Group L.P. does not qualify to make this election, the partnership will report any required information to you as a footnote disclosure attached to your Schedule K-1.

I represent a mutual fund ("RIC" or "Investment Company") which owns CG or TCGP units. Does The Carlyle Group L.P. meet the definition of a "Qualified PTP"?

No. The nature of its current income and assets does not allow The Carlyle Group L.P. to be treated as a Qualified PTP for RIC purposes.

I represent a tax-exempt entity that owns CG or TCGP units. Does The Carlyle Group L.P. generate Unrelated Business Taxable Income ("UBTI")?

For the current tax year, The Carlyle Group L.P. may generate some amount of UBTI, which is expected to be immaterial in proportion to the overall income. The footnotes attached to your Schedule K-1 will include information regarding your share of UBTI, if any.

I represent a Non-U.S. entity that owns CG or TCGP units. Does The Carlyle Group L.P. generate Effectively Connected Income ("ECI") or income subject to taxation under the Foreign Investment in U.S. Real Property Tax Act ("FIRPTA")?

As a general matter, certain investments owned by The Carlyle Group L.P., which would otherwise give rise to ECI, are expected to be owned through a subsidiary corporate entity in order to minimize or eliminate to impact of any potential ECI at The Carlyle Group L.P. However, there can be no assurance that The Carlyle Group L.P. will not generate ECI in the future. Due to the nature of certain investments, The Carlyle Group L.P. may generate FIRPTA in the future. To the extent necessary, this information will be provided to you as a footnote disclosure attached to your Schedule K-1 Tax Package. Please consult your tax advisor.

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What is Net Investment Income, and how is it reported on my Schedule K-1?

For tax years beginning after 2012, Internal Revenue Code ("IRC") Section 1411 imposes a 3.8% surtax on certain passive investment income of individuals, trusts, and estates. Your share of income reported on your Schedule K-1 and any gain recognized on the sale of any CG or TCGP units may be subject to the surtax. Generally, gross income derived from a trade or business that is a passive activity to the taxpayer is included in net investment income and subject to the surtax. You should consult your tax advisor concerning the impact of IRC Section 1411 to you.

Does my investment in CG or TCGP units subject me to additional U.S. state tax filing requirements?

We currently expect that the investment in CG or TCGP is not likely to subject you to U.S. state filings, other than to your state of residency. Please consult your tax advisor.

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