
THE CARLYLE GROUP

Fact Sheet Regarding Carlyle's acquisition of a 55% stake in Vermillion Asset Management

- Vermillion Asset Management (VAM) is a commodity focused hedge fund with \$2.2 billion in total assets under management as of August 31, 2012. Vermillion manages three commodities-focused strategies, including relative value, enhanced index and long-biased physical commodities. Each strategy utilizes Vermillion's ability to make and take physical delivery, unique among its peer group.
- Vermillion is led by its two co-founders Drew Gilbert and Chris Nygaard and has 43 total employees based in New York and Chicago. The New York team will consolidate its physical operations into Carlyle's New York offices. Vermillion was established in 2005.

Q&A:

How is the transaction structured? Total consideration has three parts: (1) an up-front cash payment, (2) issuance of private partnership units, and (3) provides for long-term, performance based contingent payments. If Vermillion achieves certain performance targets, Carlyle has agreed to issue to the Vermillion principals up to 1,439,788 Carlyle Holdings partnership units over a four-year period. These units will be exchangeable one-for-one on a private placement basis for common units of The Carlyle Group L.P. subject to the terms of Carlyle's exchange agreement. Further terms of the transaction were not disclosed. The transaction has received the requisite fund consents.

Is the transaction accretive? The transaction is expected to be accretive in the first year to Carlyle's economic net income and distributable earnings (non-GAAP financial measures) and is expected to be dilutive to Carlyle's earnings on a GAAP basis owing to non-cash amortization expense.

How are partners and employees incentivized? Vermillion's two founders will become Carlyle Managing Directors and Partners. In addition, a majority of the future cash and equity consideration for Vermillion is contingent, based on future performance.

What is Carlyle's Global Market Strategies exposure? Upon the closing of this transaction, Carlyle will have a diverse \$31 billion¹ in assets under management across structured credit (CLO's), carry funds, and hedge funds. Carlyle's hedge fund partnerships will include Claren Road Asset Management (long/short credit), Emerging Sovereign Group (emerging markets investment management), and Vermillion (commodities investment management).

¹ Includes Carlyle AUM as of June 30, 2012 and Vermillion AUM as of August 31, 2012.

Forward Looking Statements

This fact sheet may contain forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, statements related to the benefits we expect to realize as a result of our acquisition of an interest in Vermillion Asset Management, as well as our expectations regarding the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. These statements are subject to risks, uncertainties and assumptions, including those associated with the failure of Vermillion to perform as we expect and/or our inability to successfully integrate Vermillion into our business, as well as those described under the section entitled “Risk Factors” in our prospectus dated May 2, 2012, filed with the SEC pursuant to Rule 424(b) of the Securities Act on May 4, 2012, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

This fact sheet does not constitute an offer for any Carlyle fund.