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THE CARLYLE GROUP

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GLOBAL ALTERNATIVE ASSET MANAGEMENT

# KBW Asset Management Conference

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Co-Founder and Chairman of the Board of Directors

# Important Information

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**Not an Offer.** This presentation provides an overview of Carlyle and is not intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell any security, or an offer to sell or a solicitation of offers to purchase any security. An offer or solicitation for an investment in any Fund will occur only through an offering memorandum and related purchase documentation, and subject to the terms and conditions contained in such documents and in such Fund's operative agreements. The offering memorandum relating to any Fund contains additional information about the investment objective, terms and conditions of such Fund, tax information and risk disclosure that should be reviewed prior to making an investment decision regarding a Fund. This presentation is qualified in its entirety by such offering memorandum, which should be read completely before making any investment. An investment in a Fund would be speculative and would involve significant risks. Nothing in this presentation is intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell any security, or an offer to sell or a solicitation of offers to purchase any security.

**Performance Data.** Past performance is not indicative of future results and there can be no assurance that any Carlyle fund or strategy will achieve comparable results, or that any investments made by Carlyle in the future will be profitable. The fund return information reflected in this presentation is not indicative of the performance of The Carlyle Group L.P. and is also not necessarily indicative of the future performance of any particular fund. There can be no assurance that any of Carlyle's funds or its other existing and future funds will achieve similar returns. As used throughout this document, and unless otherwise indicated, Gross Internal Rate of Return ("Gross IRR") represents the annualized IRR for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value before management fees, expenses and carried interest, which will reduce returns and in the aggregate are expected to be substantial. Net Internal Rate of Return ("Net IRR") represents the annualized IRR for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value after management fees, expenses and carried interest. Gross multiple of invested capital ("Gross MOIC") represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital. An investment is considered realized when the investment fund has completely exited, and ceases to own an interest in, the investment. An investment is considered partially realized when the total proceeds received in respect of such investment, including dividends, interest or other distributions and/or return of capital represents at least 85% of invested capital and such investment is not yet fully realized. This definition is used to calculate the Realized/Partially Realized Gross IRR and Gross MOIC. Unless otherwise specified, LTM, or last twelve months, refers to the period Q2 2013 through Q1 2014. Throughout this presentation, fundraising data excludes acquisitions, but includes fundraising activity post-acquisition.

**AlpInvest Performance Data.** Realized gross IRR information for primary fund investments assumes every distribution received from a primary fund investment to be part of the realized track record. For each primary fund investment, the determination of the cost basis percentage corresponding to related distributions, as provided by such underlying fund's general partner, is calculated as follows: (i) the sum of (A) the total amount of distributions received from such underlying fund that represent a return of invested capital in underlying portfolio investments ("ROIC"), plus (B) the greater of (x) the total amount of invested capital in underlying portfolio investments ("IC") minus ROIC minus the FMV of the underlying fund and (y) zero, divided by (ii) IC. Any underlying fund expenses related to a primary fund investment are allocated to the realized track record pro-based on the relevant cost basis percentage. In the realized gross IRR calculation the timing of the investment cash flows for the primary fund investments is based on a first out principle at a primary fund investment level (independent of the underlying portfolio companies generating the proceeds). For example if 60% of a primary fund investment's cost basis is realized, the first 60% of cash outflows at the primary fund investment level, i.e. paid capital calls, are considered to be the realized cash outflows in the realized track record IRR calculation. For this purpose 60% of the first investment related capital calls and 60% of the fund expenses related capital calls are taken into account as cash outflows for this primary fund investment. Actual realized returns on unrealized investments may differ materially from historical realized returns as calculated on the methodology described above. The FMV of the primary investments portfolio is not included as a terminal value in performance calculations for realized primary fund investments.

**Projections.** Target, hypothetical or estimated fund performance returns (and other comparable phrases), management fee revenue and performance fee generation are hypothetical in nature and are shown for illustrative, informational purposes only. The target, hypothetical or estimated returns, revenue and fees, are based upon Carlyle's view of the potential returns for funds and investments and are subject to numerous factors and assumptions. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the projected returns presented. Actual results may vary significantly from the hypothetical illustrations shown.

**Energy Funds and Hedge Funds.** Detailed information about Carlyle's management fees and performance fees is available in Carlyle's public filings. Please note that certain metrics and projections contained in this Presentation include the Legacy Energy Funds and Carlyle's hedge funds. Please note that the Legacy Energy Funds (as defined in Carlyle's public filings), are managed with Riverstone Holdings LLC and its affiliates. Affiliates of both Carlyle and Riverstone act as investment advisers to each of the Legacy Energy Funds. Currently, Carlyle is only entitled to a revenue interest in NGP Energy Capital Management. The NGP Energy Capital Management funds from which we only receive management fees are referred to herein as "NGP management fee funds." The NGP Energy Capital Management from which we are entitled to receive a carried interest are referred to herein as "NGP carry funds." With respect to Carlyle's hedge funds (Claren Road Asset Management, Emerging Sovereign Group and Vermillion Asset Management), Carlyle has a specified percentage of the earnings of the businesses based on Carlyle's 55% ownership in the management companies.

**Financial Information.** In addition, for purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period when presenting period end balances, and the average rate for the period has been utilized when presenting activity during such period. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment. This presentation includes certain Non-GAAP financial measures, including Distributable Earnings ("DE") and EBITDA. These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measure prepared in accordance with GAAP. Please see Carlyle's public filings for the definition of "carry funds," "Fee-earning assets under management" or "Fee-earning AUM," and "Assets under management" or "AUM".

**Comparison to Indexes and Peers.** This presentation includes comparisons of the performance of certain Carlyle funds to public indices, including the S&P 500, the MSCI All Country World Index (ACWI), the HFRI Hedge Fund Index (HFRI) and the LSTA All Loans Index (LSTA). There are significant differences between the types of securities and assets typically acquired by U.S. and global buyout funds and the investments covered by the S&P 500, HFRI, LSTA, ACWI and other indices. Specifically, U.S. and global buyout funds typically make investments in securities and other assets that have a greater degree of risk and volatility, and less liquidity, than those securities included in the S&P 500, HFRI, LSTA, ACWI and other indices. Moreover, certain public indices may or may not reflect the reinvestment of dividends, interest or capital gains, and investors in the underlying securities are not subject to certain of the management fees, carried interest or expenses to which investors in U.S. and global buyout funds are typically subject. References to Carlyle's "publicly traded peers" means The Carlyle Group, Blackstone, Oaktree, KKR, and Apollo Group. Comparisons between Carlyle fund performance and public indices and Carlyle's public peers are provided for informational purposes only.

## Carlyle Overview

Description of Carlyle Business Segments

Strategies For Continued Near Term and Long Term Growth

Appendix: Financial Review & Data

# Carlyle is One of the Largest Global Alternative Asset Managers

## THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT  
Nasdaq: CG • Market Capitalization: \$10.1 billion

### Large Capital Base

- \$199 billion AUM
- \$142 billion Fee-Earning AUM
- \$56 billion dry powder
- 120 Active funds
- 133 Fund of funds vehicles

### Global Scale

- 38 offices in 22 countries
- 1,650+ employees
- 700+ investment professionals
- 200+ current portfolio companies
- 300+ active real estate investments

### Strong Track Record

- 475+ Corporate Private Equity transactions
  - 30% gross IRR <sup>1</sup>
- 650+ Real Assets transactions
  - 25% gross IRR <sup>1</sup>
- Three largest hedge funds have returned 9%, 14%, & 7%, respectively <sup>2</sup>

Note: As of 3/31/2014, except market capitalization which is as of 6/02/2014.

(1) Inception to date aggregate Realized & Partially Realized gross IRR. Gross IRRs do not include management & advisory fees, carried interest, taxes, transaction costs & other expenses borne by fund investors which will reduce returns & may be substantial. See "Important Information" at the beginning of this presentation.

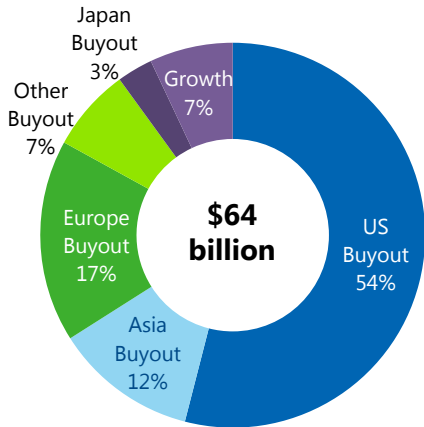
(2) Inception to date net annualized return on the Claren Road Master Fund and Opportunities Fund, and ESG Cross Border Equity Master Fund, respectively, our three largest hedge funds as of 3/31/2014.

# Our Multi-Strategy Business is Diverse, Scaled & Drives Strong Results

## Corporate Private Equity

- 14 fund families
- \$23.9 billion of dry powder
- 30% Gross IRR <sup>1</sup>
- 28% LTM carry fund appreciation
- LTM DE: \$572 mm

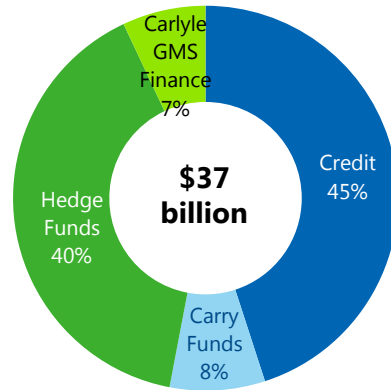
### Assets Under Management



## Global Market Strategies

- 7 strategies
- 62 individual funds
- 24% LTM carry fund appreciation
- 8.5% weighted net hedge fund return in 2013
- LTM DE: \$195 mm

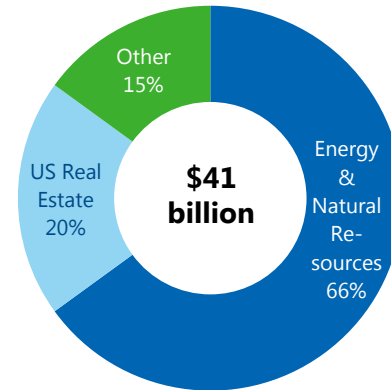
### Assets Under Management



## Real Assets

- 3 Energy Strategies
- 3 Real Estate fund families
- \$10.1 billion of dry powder
- 25% Gross IRR <sup>1</sup>
- LTM DE: \$36 mm

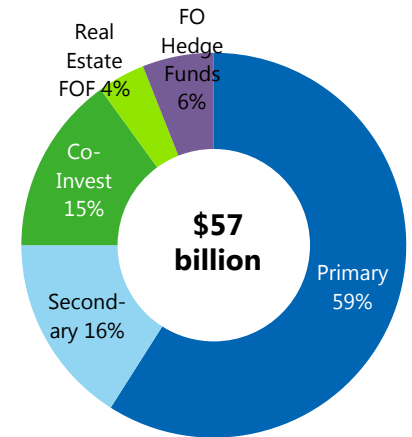
### Assets Under Management



## Solutions

- 98 PE fund vehicles
- 22 R/E fund vehicles
- 13 fund of hedge funds vehicles
- \$20.8 billion of dry powder
- LTM DE: \$50 mm

### Assets Under Management

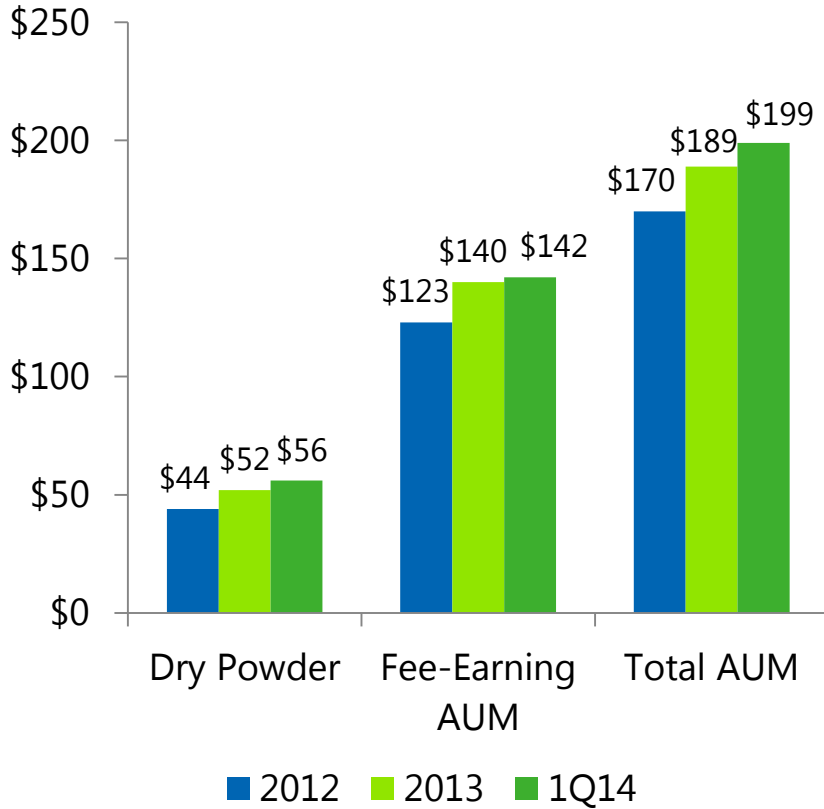


## Carlyle Produced \$852 Million in LTM Distributable Earnings

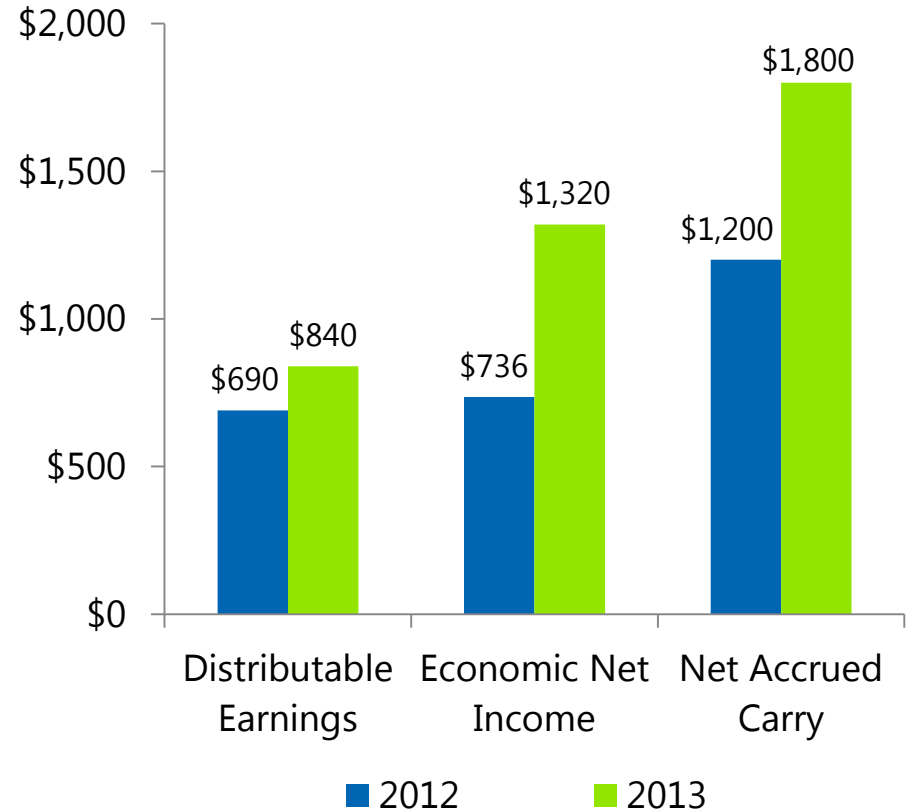
Note: As of 3/31/2014. "DE" is Distributable Earnings. The calculation of, and reconciliations to GAAP, can be found in the appendix.  
 (1) Inception to date aggregate Realized & Partially Realized gross IRR. Gross IRRs do not include management & advisory fees, carried interest, taxes, transaction costs & other expenses borne by fund investors which will reduce returns & may be substantial. See "Important Information" at the beginning of this presentation.

# Carlyle's Financial Performance Broadly Accelerated Over the Past Year

## Asset Metrics (\$ bn)



## Financial Results (\$ mm)



# Carlyle's Investment Performance Remains Strong

		Annual Fund Returns		
		2011	2012	2013
<b>Overall Carry Fund <sup>1</sup> Appreciation</b>		<b>16%</b>	<b>14%</b>	<b>20%</b>
<b>Corporate Private Equity Carry Funds</b>	<b>Corporate Private Equity</b>	<b>16%</b>	<b>16%</b>	<b>30%</b>
	Buyout	18%	17%	30%
	Growth	(8%)	12%	32%
<b>Real Assets Carry Funds</b>	<b>Real Assets</b>	<b>16%</b>	<b>9%</b>	<b>1%</b>
	Real Estate & Infrastructure	6%	13%	5%
	Energy (incl Riverstone Funds)	21%	8%	(2%)
<b>Global Market Strategies</b>	<b>GMS Carry Funds</b>	<b>9%</b>	<b>23%</b>	<b>28%</b>
	<b>GMS Hedge Funds</b>	<b>n/a</b>	<b>n/a</b>	<b>8.5% <sup>2</sup></b>

Note: Data as of 3/31/2014. Only previously disclosed data presented, other periods marked as not available.

(1) Carlyle's "carry funds" refer to those investment funds that we advise, including the buyout funds, growth capital funds, real asset funds and distressed debt and mezzanine funds (but excluding our structured credit funds, hedge funds, fund of funds vehicles and the NGP management fee funds), where we receive a special residual allocation of income, which we refer to as a carried interest, in the event that specified investment returns are achieved by the fund.

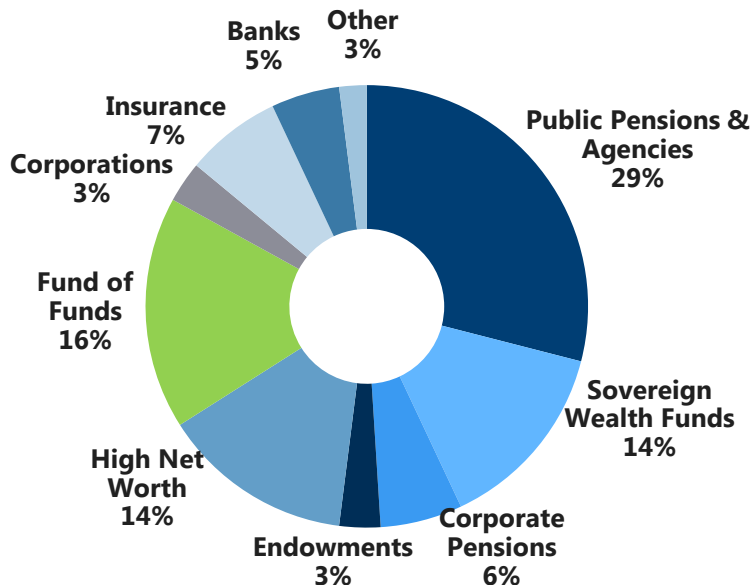
(2) The 2013 hedge fund net annual return represents the asset weighted performance of all reported hedge funds. It is a one year only return metric, and represents the period 1/1/2013 to 12/31/2013.

# Strong Performance Lends Support to Carlyle's Fundraising Strength

- More than 1,650 fund investors from 77 countries
- Sovereign Wealth Funds and High Net Worth are fastest growing areas while Public Pension investors remain largest source of capital for Carlyle
- 64% of fund investor capital is invested across six or more carry funds, up from 50% in 2006

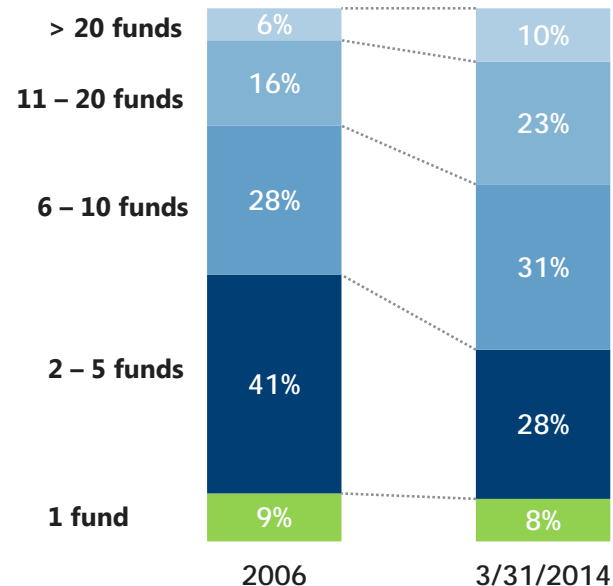


## Diverse Source of Capital Commitments



## Cross Selling Across Funds<sup>2</sup>

% of \$ Commitments Across Multiple Funds



As of 3/31/2014, unless otherwise noted. Number of fund investors for prior years is shown as of September 30<sup>th</sup> of each year.

(1) As of 6/30/2013.

(2) Percentage of capital committed by investors to active carry funds, segmented by the number of active carry funds in which the investors were committed as of 12/31/2006 and 3/31/2014.



# Fund Portfolio Well Positioned to Generate Near-Term Carry Revenue

	Remaining Fair Value (\$ mm)	Net IRR 3/31/14	In Accrued Carry		LTM Realized Carry		
			3/31/14	3/31/13	3/31/14	3/31/13	
<b>Corporate Private Equity</b>	Carlyle Partners V	\$14,313	14%	✓	✓	✓	✓
	Europe Partners III	7,517	10%	✓			
	Carlyle Partners IV	3,877	13%	✓	✓	✓	✓
	Carlyle Asia Partners III	2,243	11%	✓			
	Carlyle Asia Partners II	1,152	8%	✓	✓		
	Financial Services Partners I	963	11%	✓	✓	✓	
	Europe Technology Partners II <sup>1</sup>	654	15%	✓		✓	
<b>Real Assets</b>	Energy Partners IV	4,868	13%	✓	✓	✓	✓
	Energy Partners III	1,917	9%	✓	✓	✓	✓
	Carlyle Realty Partners V	1,129	7%				
	Carlyle Realty Partners VI	1,623	19%	✓	✓		
<b>Global Market Strategies</b>	Hedge Funds <sup>2</sup>	\$14,556	n/a				

## 13 additional funds are currently accruing performance fees

As of 3/31/2014. Please see "Important Information" at the beginning of this presentation. Funds selected represent eleven carry funds which are currently accruing, or have the potential to accrue carry in the near future & Carlyle hedge funds. Funds are not representative of Carlyle's entire portfolio & results may not be typical. For more information about the performance of Carlyle's significant funds, please see Carlyle's filings with the US Securities & Exchange Commission. Funds that report in foreign currency have been converted to U.S. dollars at the reporting period spot rate.

(1) Carlyle Europe Technology Partners II, L.P. is not included in Carlyle's SEC reporting as it is not considered "significant."

(2) Reflects total hedge fund AUM as of 3/31/2014.

# Carlyle's Culture of Innovation Will Drive Long-Term Growth

## Investment/Fund Teams Added in the Past 5 Years

Organic in Blue/Acquired in Green

2009	2010	2011	2012	2013	2014 YTD
South America Buyout	Claren Road Energy Mezzanine RMB Fund	AlpInvest ESG Sub-Saharan Africa Peru Buyout	NGP Energy Capital Management <sup>1</sup> Middle Market Finance/BDC Power Vermillion Ireland Growth	Int'l Energy Metropolitan Real Estate Fund of Funds CPG Carlyle Global PE-40Act RIC 2 Quantitative Strategies	DGAM Hedge Fund of Funds Mutual Funds Metals Fund New Growth Opportunities

**New organic and acquired strategies over the past five years have added \$91 billion<sup>3</sup> in AUM to Carlyle over the past five years, or more than 45%<sup>2</sup> of current AUM**

(1) NGP Energy Capital Management is the investment advisor to its Funds. Carlyle has a revenue interest in NGP Energy Capital management.

(2) Central Park Group is the investment advisor to this Fund.

(3) The new strategies include all the above with the exclusion of the CPG Carlyle 40-Act Fund, which is invested into other Carlyle funds. 10

As of 3/31/2014.

Carlyle Overview

**Description of Carlyle Business Segments**

Strategies For Continued Near Term and Long Term Growth

Appendix: Financial Review & Data

# Corporate Private Equity: Global, Diverse, and High Performing

## Strategy & Returns

- Expand position as one of the largest, most diverse, and consistent performing global private equity platforms
- Unwavering focus on achieving strong absolute returns for our fund investors
- 30% Gross IRR/2.6x MOIC on Realized/Partially Realized Transactions <sup>1</sup>

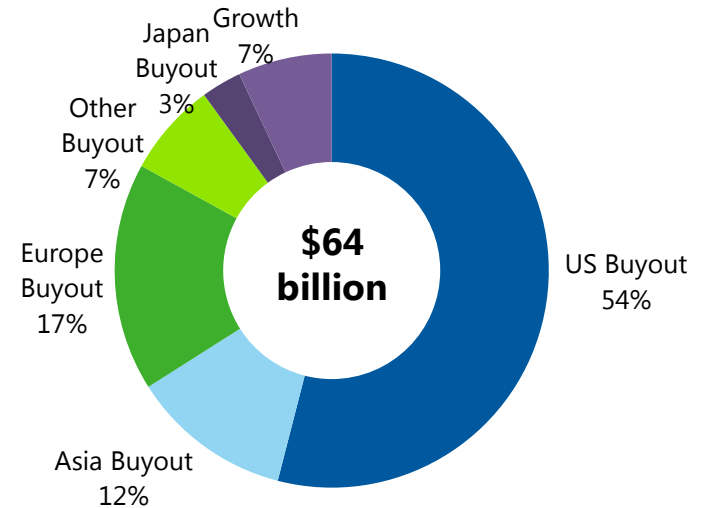
## Operating Statistics

- 14 fund families
- 150+ active portfolio companies
- 266 investment professionals
- 24 Operating Executives
- \$23.9 billion of dry powder
- LTM DE: \$572 million

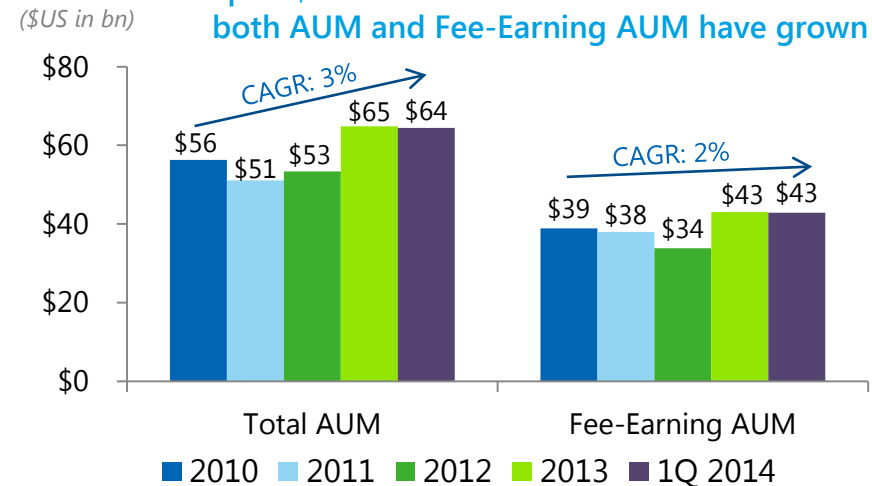
Note: As of 3/31/2014

(1) Inception to date aggregate Realized & Partially Realized gross IRR. Gross IRRs do not include management & advisory fees, carried interest, taxes, transaction costs & other expenses borne by fund investors which will reduce returns & may be substantial. See "Important Information" at the beginning of this presentation.

## Assets Under Management



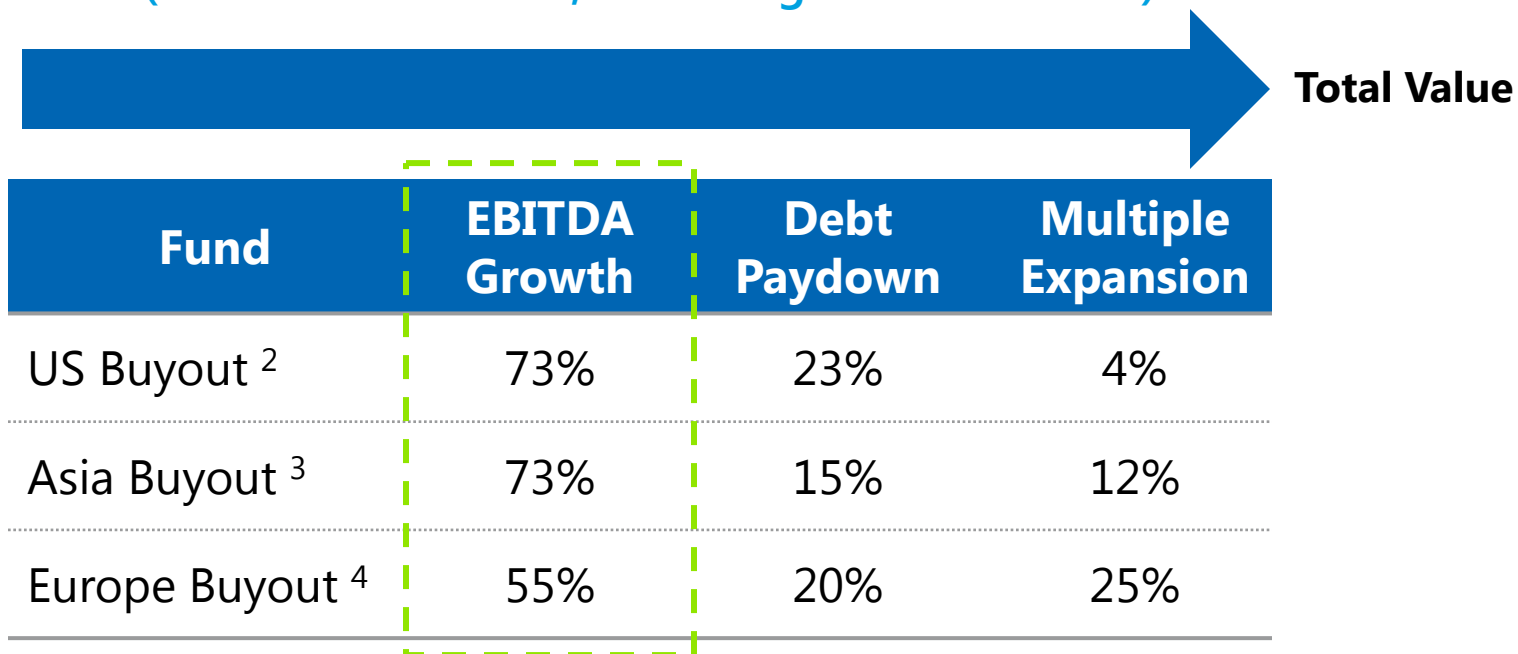
Despite \$44 billion of CPE distributions since 2010, both AUM and Fee-Earning AUM have grown



# CPE Portfolio Company Earnings Growth Drives Value Creation

## Drivers of Value Creation <sup>1</sup> (% of Value Created, Excluding Co-Investment)

**Equity  
Invested**



**Total Value**

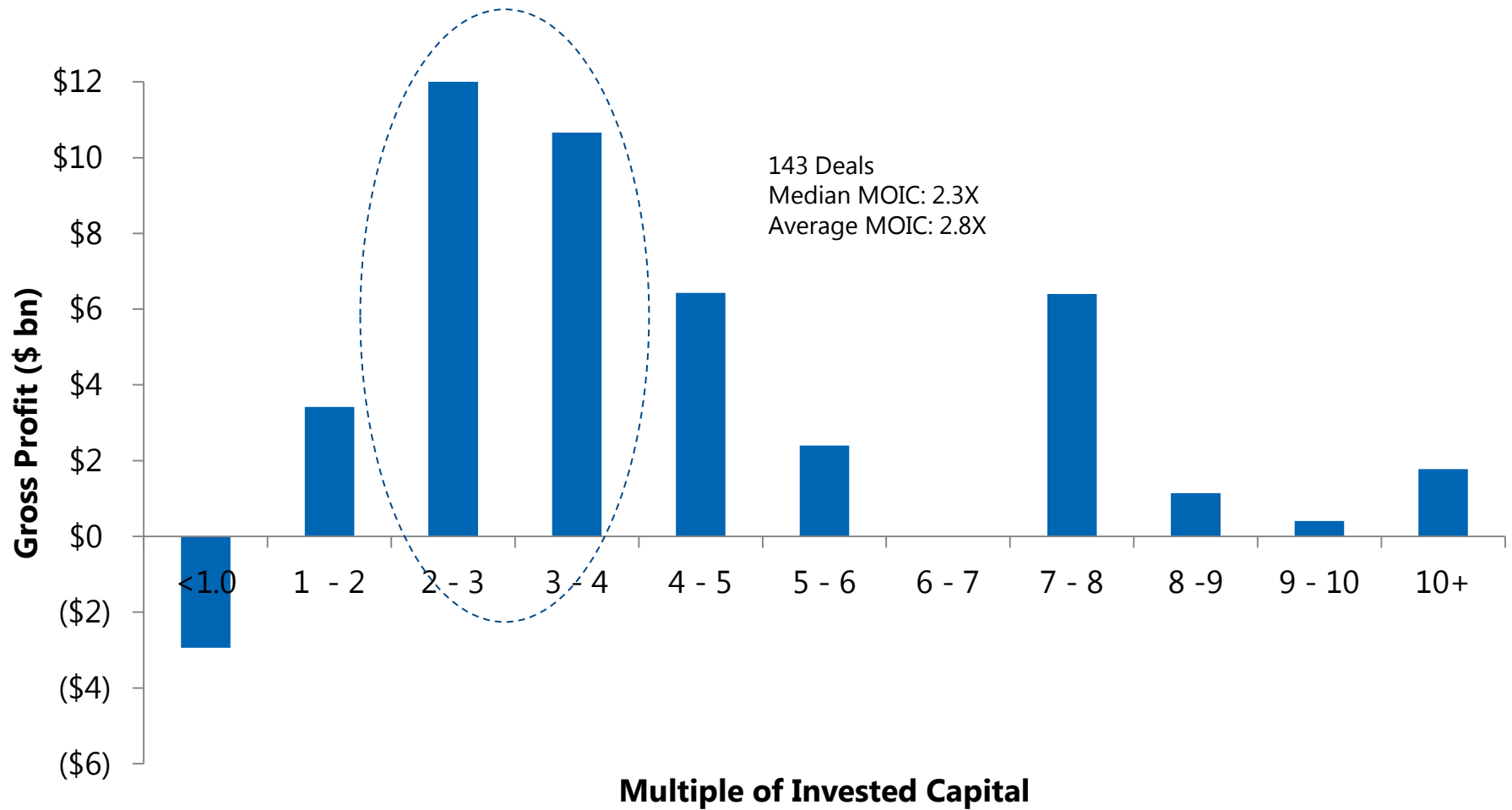
(1) Includes both realized and unrealized deals for US Buyout, and includes only realized and partially realized deals for Europe Buyout. Asia buyout only reflects realized and partially realized investments, but includes the unrealized portion of partially realized investments. On the unrealized portion of partially realized investments, actual realized values may differ from the estimated values on which this slide is based. Past performance is not indicative of future results and there is no guarantee these trends will continue. See "Important Information" at the beginning of this presentation.

(2) As of 6/30/13, represents most recent data available. Illustrates the source of value creation on all deals currently valued at greater than 1.0x in CP IV and CP V. Excludes coinvestment in deals acquired by CP IV & CP V.

(3) As of 9/30/13, represents most recent data available. Excludes co-investment.

(4) As of 6/30/13, represents most recent data available. Includes all fully realized & partially realized CEP transactions since inception with the exception of Bredbandsbolaget AB (venture led deal which is not representative of CEP strategy). The losses from realized transactions that have returned < 0.5x cost have been allocated to EBITDA growth, deleveraging, & multiple expansion on a pro-rata basis. Excludes co-investment.

# CPE's Proven, Disciplined Investment Process Has Driven Consistent Returns



Note: As of 3/31/2014. Represents realized and partially realized deals in Carlyle Partners, Carlyle Europe Partners and Carlyle Asia Partners since inception. Includes fund and external coinvestment.

# Global Market Strategies ("GMS") Is a Major Growth Driver

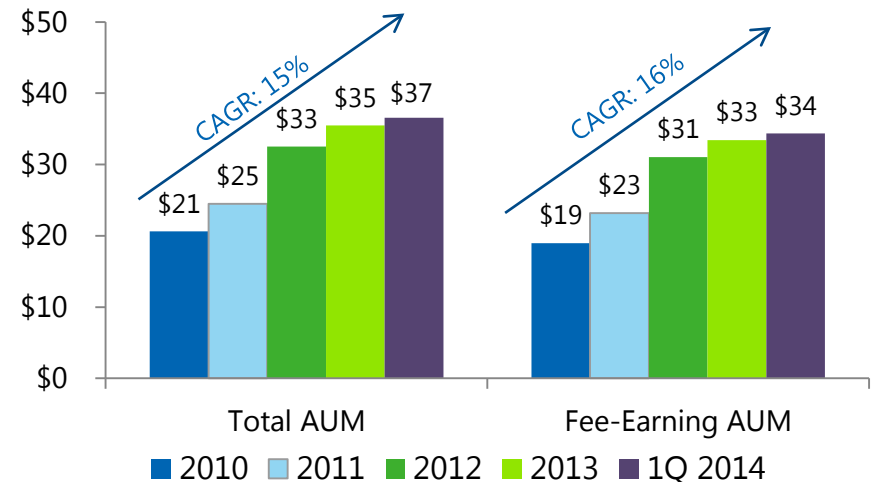
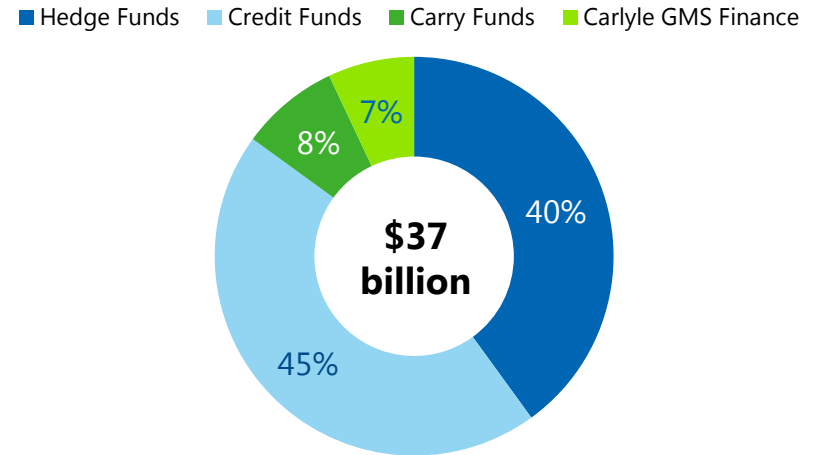
## Strategy & Returns

- Seize today's investment opportunities across credit, commodities, and liquid strategies to deliver outsized returns for our investors
- GMS Carry Funds: 17% Gross IRR <sup>1</sup>
- Hedge Funds: 8.5% risk adjusted, asset weighted performance of reported funds in 2013

## Operating Statistics

- 7 distinct investment strategies
- 62 individual funds
- 209 investment professionals
- \$1.5 billion of dry powder (carry funds)
- LTM DE: \$195 million

## Assets Under Management



Note: As of 3/31/2014.

(1) Gross IRRs do not include management fees, expenses, carried interest or transaction fees which will reduce returns and in the aggregate, could be substantial.

# Global Market Strategies Offers a Diverse Set of Investment Opportunities

(AUM \$US in bn)

Fund Family	Product		# Team Members <sup>3</sup>	AUM	# Funds
	Line	Strategy			
Structured Credit	Structured Credit <sup>1</sup>	Leveraged Loans	21	\$16.3	39
	Strategic Partners	Distressed	5	\$1.4	3
Carry Funds & Financing	Carlyle GMS Finance <sup>2</sup>	Corporate Lending	15	\$2.5	5
	Energy Mezzanine	Energy Lending	17	\$1.8	1
Hedge Funds	Claren Road	L/S Corporate Credit	61	\$8.3	2
	Emerging Sovereign	L/S EM Equities, Macro	39	\$5.3	7
	Vermillion	Commodities	33	\$1.0	5
<b>Total GMS</b>			<b>191</b>	<b>\$36.5</b>	<b>62</b>

Note: As of 3/31/2014.

(1) Excludes Churchill Cayman Financial Ltd., a \$1.5 billion CLO. Also excludes certain non-material new strategies.

(2) Comprised of a majority of the former investment team of Churchill Financial LLC & currently manages Churchill Cayman Financial Ltd., a \$1.5 billion CLO; as well as Carlyle GMS Finance and a co-invest vehicle, Carlyle's Business Development Companies; and Carlyle Mezzanine Partners, which consists of 2 funds totaling \$0.6 billion in AUM.

(3) Excludes 13 investment professionals not assigned to a specific fund family and 5 employees in our Quantitative Strategies group.



# Real Assets Has Significant Real Estate and Energy Capabilities

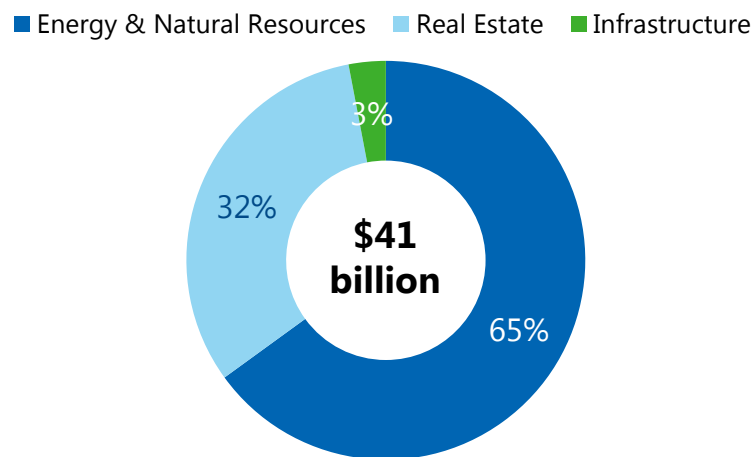
## Strategy & Returns

- Build best-in-class global natural resources investment platform and scale the real estate investment capabilities
- Real Asset Funds Gross IRR of 25% <sup>1</sup> since inception on Realized/Partially Realized Transactions
- NGP lifetime to date Gross IRR of 32% on Realized/Partially Realized Transactions <sup>2</sup>

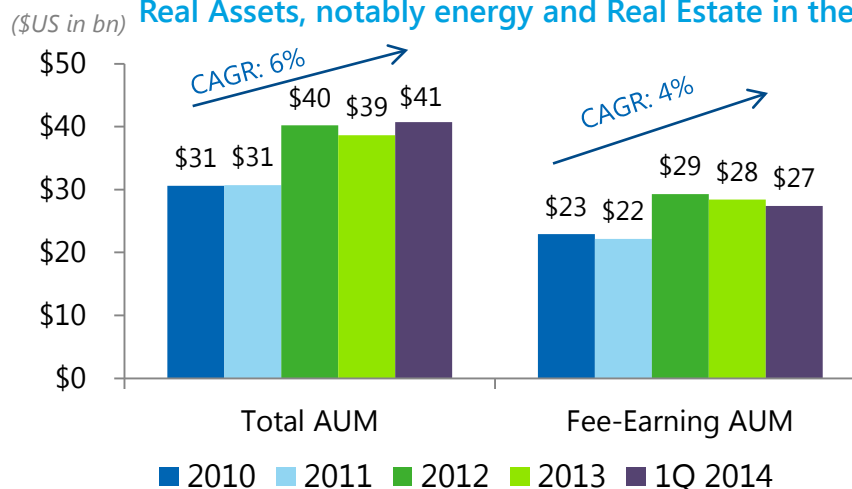
## Operating Statistics

- 27 active funds
- 135 investment professionals
- 650+ real assets investments since inception; 350+ active
- \$10.1 billion dry powder available to invest
- LTM DE: \$36 million

## Assets Under Management



2014 poised to be a significant fund raising year in Real Assets, notably energy and Real Estate in the U.S.



Note: as of 3/31/2014.



(1) Gross IRRs do not include management fees, expenses, carried interest or transaction fees which will reduce returns and in the aggregate, could be substantial. (2) As of 12/31/2013. These funds are advised by NGP Energy Capital Management LLC.

# Global Real Estate Platform Has Financial and Strategic Growth Potential

	United States	Europe	Asia
Position	<ul style="list-style-type: none"> <li>• Leading platform with strong track record</li> <li>• Seventh fund raising capital</li> </ul>	<ul style="list-style-type: none"> <li>• Turnaround story</li> <li>• Potential for managed accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Looking to scale vs opportunity</li> </ul>
Current AUM	\$8.2 billion	\$2.8 billion	\$2.1 billion
Backdrop	<ul style="list-style-type: none"> <li>• Improving jobs situation</li> <li>• Bust bigger than boom</li> <li>• Housing shortage</li> </ul>	<ul style="list-style-type: none"> <li>• Out of recession</li> <li>• Recovery lags U.S.</li> <li>• Unemployment high but not likely to significantly worsen</li> <li>• Traditional lenders being replaced</li> </ul>	<ul style="list-style-type: none"> <li>• Growing middle class</li> <li>• Strong retail growth</li> <li>• Urbanization</li> <li>• Rise of tier-2,-3, and -4 cities in China</li> </ul>

# Natural Resource Platform Development Targets High Growth Area

We assembled a leading platform for investing in global natural resources through a combination of organic and acquisition initiatives

	 <b>NGP Energy Capital Management</b>	<b>Carlyle International Energy Partners</b>	 <i>Cogentrix</i> <b>Carlyle Power Partners</b>
<b>Description / Area of Focus</b>	North American based oil/gas resource acquisition, exploration and exploitation opportunities	Global ex-North America oil and gas exploration, production, refining and marketing	America's based acquisition and development of power assets
<b>Funds</b>	Current AUM: \$12.3 billion Raising NGP XI: Target size: \$4.5 billion	Current AUM: \$1.2 billion Target Fund Size: \$1.5 billion	Current AUM: \$496 million Target Fund Size: \$1.5 billion
<b>Financial Impact</b>	55% of fee revenue <sup>1</sup> 47.5% of carry if option exercised <sup>2</sup>	100% of Fee Related Earnings 55% of carry <sup>3</sup>	100% of Fee Related Earnings 55% of carry <sup>3</sup>

Carlyle also benefits from \$12.5 billion in AUM in legacy energy fund exposure as well as Energy Mezzanine and Commodities based investments (GMS based funds)

Note: As of 3/31/2014. For illustrative purposes only. There is no guarantee any of these funds will reach their targets. Does not include Agricultural fund launch. See "Important Information" at the beginning of this presentation.

(1) Assumes purchase of additional 7.5% revenue interest in 2014 for \$7.5 million.

(2) Assumes exercise of carry option on NGP X (\$3.6 billion of current Fee-Earning AUM) and NGP XI for a total of ~\$105 million.

(3) 55% owned by Carlyle; 45% owned by investment professionals.

# Our Solutions Business Offer an Array of Outcome-Oriented Investments

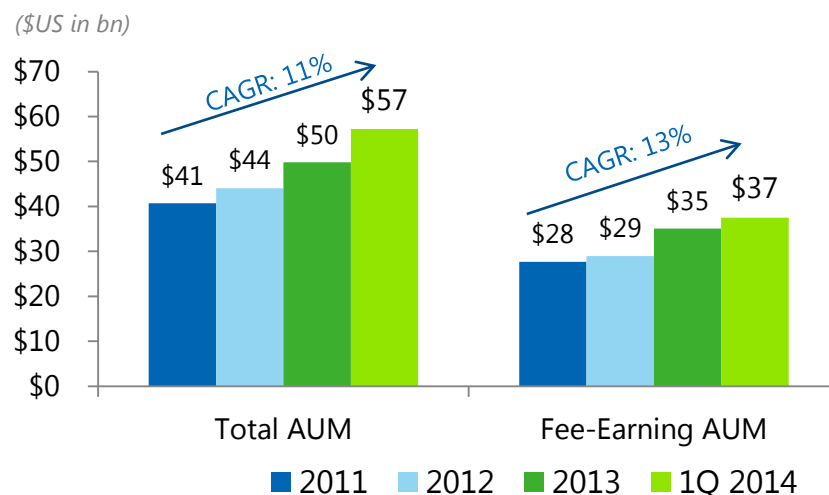
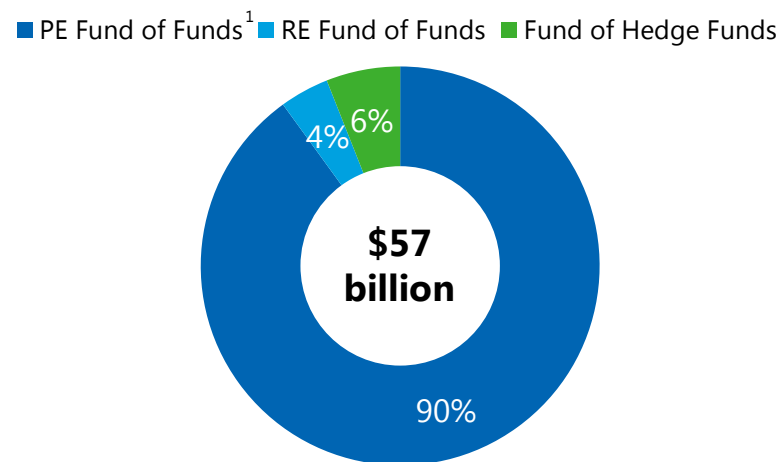
## Strategy & Goals

- Design & manage portfolios of either Carlyle products, non-Carlyle products, or combinations thereof
- Solutions packaged as separate accounts or commingled products
- Leverage broad skills & capabilities to enter new product markets

## Operating Statistics

- 133 active fund of fund vehicles
  - 98 Private Equity, 22 Real Estate, 13 Fund of Hedge Funds
- 125+ investment professionals
- \$20.8 billion dry powder available
- LTM DE: \$50 million

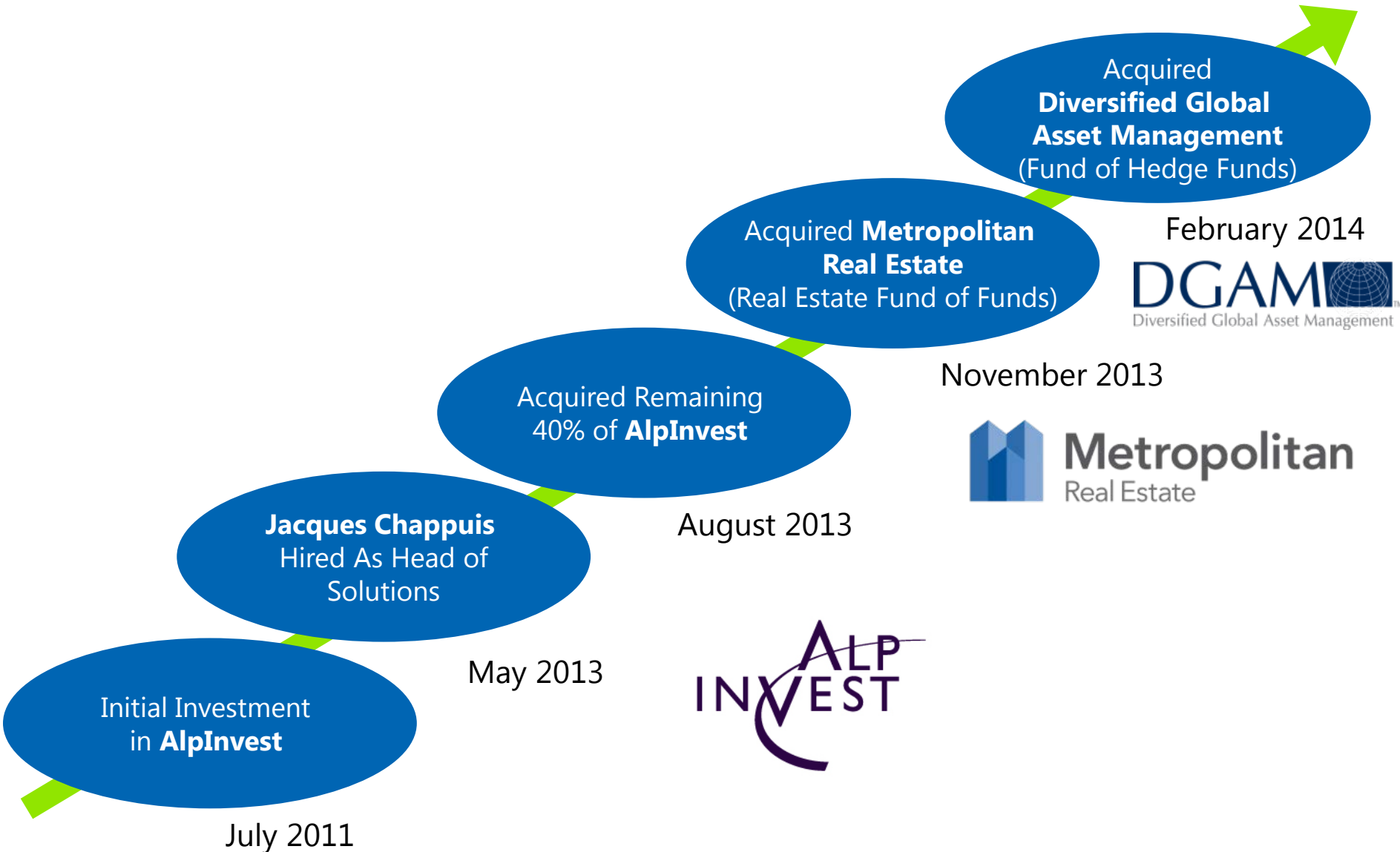
## Assets Under Management



Note: as of 3/31/2014.

(1) Includes primary funds, secondary funds, and co-investments.

# We've Built Out Our Solutions Business & Can Now Offer A Comprehensive Product Suite



Note: Presented for illustrative purposes only.  
As of 3/31/14.

# The Carlyle Group

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Carlyle Overview

Description of Carlyle Business Segments

**Strategies For Continued Near Term and Long Term Growth**

Appendix: Financial Review & Data

# We Believe our Platform is Primed for Near Term Earnings Growth & Long Term Platform Expansion

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## Near Term

- “Big 11” carry funds (over \$40 billion remaining fair value)
- \$14+ billion hedge fund platform
- \$24 billion in equity invested over past three years (2Q11-1Q14)
- Net Accrued Performance Fees of \$2.0 billion
- Targeting to raise \$15 - \$20 billion in new capital in 2014

## Long Term

- 45%+ of AUM reflect new strategies/acquisitions to be further developed
- 5-year AUM CAGR of 17% with continued focus on growth opportunities
- \$56 billion of dry powder supports long term investing opportunity
- Industry tailwinds driving increased support among fund investor base
- The retail channel is a substantial, long term market opportunity

Carlyle Overview

Description of Carlyle Business Segments

Strategies For Continued Near Term and Long Term Growth

**Appendix: Financial Review & Data**



# Summary Financial Results

Pre-tax segment Measures (\$ million)	Quarterly					Annual				
	1Q13	2Q13	3Q13	4Q13	1Q14	2010	2011	2012	2013	LTM
<b>Revenue</b>										
Management & Transaction Fees	255	262	292	296	295	814	946	993	1,105	1,145
Performance Fees	592	235	323	1,144	605	1,478	1,106	996	2,293	2,307
Investment, Interest & Other Income	5	11	(0)	(46)	(3)	94	97	55	(30)	(39)
<b>Total Revenue</b>	<b>852</b>	<b>508</b>	<b>615</b>	<b>1,394</b>	<b>897</b>	<b>2,386</b>	<b>2,149</b>	<b>2,044</b>	<b>3,369</b>	<b>3,413</b>
Direct & Indirect Base Compensation	142	136	153	159	173	457	538	562	589	620
Equity Based Compensation	3	4	4	5	14	0	0	2	16	27
Performance Fee Compensation	237	112	166	552	299	735	476	471	1,067	1,129
General & Administrative, Interest & Other Expense	71	94	92	97	84	159	281	252	353	366
Depreciation & Amortization	6	6	6	6	5	21	22	22	24	23
<b>Total Expenses</b>	<b>458</b>	<b>352</b>	<b>420</b>	<b>818</b>	<b>575</b>	<b>1,372</b>	<b>1,316</b>	<b>1,308</b>	<b>2,049</b>	<b>2,165</b>
<b>Economic Net Income</b>	<b>394</b>	<b>156</b>	<b>195</b>	<b>576</b>	<b>322</b>	<b>1,014</b>	<b>833</b>	<b>736</b>	<b>1,320</b>	<b>1,248</b>
(-) Net Performance Fees <sup>1</sup>	355	123	157	592	307	744	630	525	1,226	1,178
(-) Investment Income (Loss)	3	7	(3)	(50)	(8)	72	81	42	(43)	(54)
(+) Equity Based Compensation	3	4	4	5	14	0	0	2	16	27
<b>Fee Related Earnings</b>	<b>39</b>	<b>31</b>	<b>44</b>	<b>39</b>	<b>37</b>	<b>199</b>	<b>122</b>	<b>171</b>	<b>152</b>	<b>151</b>
(+) Realized Net Performance Fees <sup>1</sup>	142	118	61	357	141	134	678	502	677	677
(+) Realized Investment Income (Loss)	(9)	15	(1)	6	5	10	66	16	11	25
<b>Distributable Earnings</b>	<b>171</b>	<b>163</b>	<b>105</b>	<b>401</b>	<b>183</b>	<b>343</b>	<b>865</b>	<b>690</b>	<b>840</b>	<b>852</b>
<b>Per Unit Measures</b>										
Economic Net Income Per Unit (after-tax)	\$1.02	\$0.39	\$0.51	\$1.64	\$0.85				\$3.55	\$3.55
Distributable Earnings Per Common Unit (after-tax)	\$0.47	\$0.53	\$0.32	\$1.18	\$0.52				\$2.50	\$2.55
Distribution per Common Unit	\$0.16	\$0.16	\$0.16	\$1.40	\$0.16				\$1.88	\$0.16

See "Selected Financial Data" in Carlyle's Form 10-K filed with the U.S. Securities and Exchange Commission.

(1) Performance fee revenue net of related compensation expense.

# Strong Balance Sheet

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<b>Key Balance Sheet Items<sup>1</sup> (\$ million)</b>	<b>3/31/2014</b>
<b>Cash &amp; equivalents</b>	<b>\$1,034</b>
<b>Net accrued performance fees (net of giveback and accrued performance fee compensation)</b>	<b>1,951</b>
<b>Investments attributable to Carlyle unitholders<sup>2</sup></b>	<b>279</b>
<b>Loans Payable and Senior Notes</b>	<b>\$1,149</b>
<b>Drawn revolving credit line (\$750 million capacity)</b>	<b>-</b>

(1) Balance sheet amounts are shown without the impact of certain Carlyle funds that are required to be consolidated on its financial statements.

(2) Excludes the equity method accounting of the investment by Carlyle in NGP Energy Capital Management.

# Key Metrics for “The Carlyle Engine”

## Quarterly Data

	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
<b>Total AUM(1) (\$ bn)</b>	156.2	157.4	170.2	176.3	180.4	185.0	188.8	198.9
Corporate Private Equity	52.5	53.2	53.3	55.1	57.9	62.2	64.9	64.5
Global Market Strategies	29.0	30.1	32.5	33.1	34.7	35.4	35.5	36.5
Real Assets	30.0	29.5	40.2	40.3	39.8	39.0	38.7	40.7
Solutions	44.6	44.6	44.1	47.8	48.0	48.4	49.8	57.2

	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
<b>Fee-Earning AUM(1) (\$ bn)</b>	112.0	115.1	123.1	122.9	132.0	137.9	139.9	142.1
Corporate Private Equity	37.1	36.9	33.8	33.2	38.5	41.9	43.0	42.9
Global Market Strategies	27.7	28.5	31.0	31.4	33.1	33.7	33.4	34.3
Real Assets	19.5	19.6	29.3	29.4	28.7	28.5	28.4	27.4
Solutions	27.6	30.2	28.9	28.9	31.8	33.7	35.1	37.5

	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
<b>Fundraising(2)(3) (\$ bn)</b>	3.9	3.4	4.6	4.7	7.0	6.5	3.8	5.5
Corporate Private Equity	2.4	2.0	3.0	1.4	3.8	4.0	2.6	0.6
Global Market Strategies	1.5	1.2	1.2	1.2	2.4	1.6	0.5	1.8
Real Assets	0.1	0.1	0.0	0.5	0.3	0.8	0.4	1.7
Solutions	0.0	0.0	0.3	1.6	0.5	0.2	0.3	1.4

	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
<b>Carry Fund Appreciation(6)</b>	(2%)	3%	4%	7%	3%	4%	6%	6%
Corporate Private Equity	(2%)	5%	5%	9%	5%	5%	9%	8%
Global Market Strategies	3%	2%	5%	9%	8%	2%	10%	3%
Real Assets	(3%)	0%	1%	3%	(2%)	1%	(1%)	2%

	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
<b>Equity Invested(4) (\$ bn)</b>	1.4	1.7	3.3	2.5	1.5	1.9	2.2	1.1
Corporate Private Equity	0.3	0.9	2.4	1.9	0.8	1.1	0.9	0.9
Global Market Strategies	0.1	0.2	0.1	0.1	0.3	0.1	0.4	0.1
Real Assets	1.0	0.5	0.9	0.5	0.5	0.7	0.9	0.2

	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
<b>Realized Proceeds(4) (\$ bn)</b>	3.1	5.1	6.8	4.1	3.9	3.0	6.3	3.1
Corporate Private Equity	1.5	3.7	4.7	3.0	2.5	1.5	5.3	2.2
Global Market Strategies	0.0	0.1	0.6	0.4	0.2	0.1	0.3	0.1
Real Assets	1.5	1.3	1.5	0.8	1.2	1.4	0.8	0.8

## Annual Data

	2008	2009	2010	2011	2012	2013	2014YTD
<b>Total AUM(1) (\$ bn)</b>	86.3	89.8	107.5	147.0	170.2	188.8	198.9
Corporate Private Equity	45.2	48.8	56.3	51.1	53.3	64.9	64.5
Global Market Strategies	13.9	13.3	20.6	24.5	32.5	35.5	36.5
Real Assets	27.3	27.7	30.6	30.7	40.2	38.7	40.7
Solutions	n/a	n/a	n/a	40.7	44.1	49.8	57.2

	2008	2009	2010	2011	2012	2013	2014YTD
<b>Fee-Earning AUM(1) (\$ bn)</b>	76.3	75.4	80.8	111.0	123.1	139.9	142.1
Corporate Private Equity	40.2	40.4	38.9	38.0	33.8	43.0	42.9
Global Market Strategies	13.4	12.5	19.0	23.2	31.0	33.4	34.3
Real Assets	22.8	22.5	22.9	22.2	29.3	28.4	27.4
Solutions	n/a	n/a	n/a	27.7	28.9	35.1	37.5

	2008	2009	2010	2011	2012	2013	2014YTD
<b>Fundraising(2)(3) (\$ bn)</b>	20.1	1.2	4.4	6.6	14.0	22.0	5.5
Corporate Private Equity	5.5	0.3	2.6	1.6	7.8	11.8	0.6
Global Market Strategies	6.3	0.1	0.3	2.4	5.2	5.7	1.8
Real Assets	8.3	0.8	1.5	2.1	0.3	2.0	1.7
Solutions	n/a	n/a	n/a	0.5	0.6	2.5	1.4

	2008	2009	2010	2011	2012	2013	2014YTD
<b>Carry Fund Appreciation(6)</b>	(22%)	8%	34%	16%	14%	20%	6%
Corporate Private Equity	(23%)	9%	46%	16%	16%	30%	8%
Global Market Strategies	(46%)	43%	38%	9%	23%	28%	3%
Real Assets	(18%)	3%	15%	16%	9%	1%	2%

	2008	2009	2010	2011	2012	2013	2014YTD
<b>Equity Invested(4) (\$ bn)</b>	12.0	5.0	10.1	11.3	8.0	8.2	1.1
Corporate Private Equity	4.9	2.0	5.4	7.5	4.2	4.8	0.9
Global Market Strategies	0.7	0.5	0.8	0.8	0.6	0.8	0.1
Real Assets	6.4	2.5	3.9	3.0	3.2	2.5	0.2

	2008	2009	2010	2011	2012	2013	2014YTD
<b>Realized Proceeds(4)(5) (\$ bn)</b>	2.0	2.1	8.2	17.6	18.8	17.4	3.1
Corporate Private Equity	1.1	0.9	5.3	11.4	12.1	12.2	2.2
Global Market Strategies	0.2	0.2	0.8	1.0	1.1	1.0	0.1
Real Assets	0.7	1.0	2.1	5.2	5.5	4.1	0.8

Note: segments may not add to total due to rounding; For definitions of the operating metrics above, please see The Carlyle Group L.P.'s filings with the Securities and Exchange Commission.

(1) For purposes of aggregation, funds denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the end of each period presented.

(2) For purposes of aggregation, commitments denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the date of closing of such commitment.

(3) Excludes acquisitions.

(4) Amounts represent carry fund transactions only (including related coinvestments). Does not include hedge funds, structured credit funds, management fee funds or fund of funds vehicles. For purposes of aggregation, transactions denominated in a currency other than U.S. Dollars have been converted at the average rate for the period presented.

(5) Years before 2011 are presented using Distributions to fund investors, 2011 to present are Realized Proceeds.

(6) Appreciation / (Depreciation) represents unrealized gain / (losses) for the period on a total return basis before fees and expenses. The percentage of return is calculated as: Ending Remaining Investment FMV plus net investment outflow (sales proceeds minus net purchases) minus Beginning Remaining Investment FMV divided by Beginning Remaining Investment FMV.

# Reconciliation of GAAP to Non-GAAP Financials

(\$ millions)	Quarterly					Annual			
	1Q13	2Q13	3Q13	4Q13	1Q14	2010	2011	2012	2013
Income before provision for income taxes	\$ 452	\$ 286	\$ (9)	\$ 714	\$ 472	\$ 1,480	\$ 1,183	\$ 2,440	\$ 1,444
<b>Adjustments:</b>									
Partner compensation <sup>(1)</sup>	-	-	-	-	-	(768)	(672)	(265)	-
Equity-based compensation issued in conjunction with the initial public offering and strategic investments	52	123	76	63	62	-	-	200	314
Acquisition related charges and amortization of intangibles	63	53	95	51	80	11	92	128	260
Equity issued for affiliate debt financing	-	-	-	-	-	214	-	-	-
Other non-operating expenses	(2)	(3)	8	(18)	30	-	32	7	(17)
Net (income) loss attributable to non-controlling interests in Consolidated entities	(168)	(300)	27	(235)	(325)	66	203	(1,757)	(676)
Other adjustments <sup>(2)</sup>	(3)	(3)	(2)	1	1	11	(5)	(17)	(5)
<b>Economic Net Income</b>	<b>\$ 394</b>	<b>\$ 156</b>	<b>\$ 195</b>	<b>\$ 576</b>	<b>\$ 322</b>	<b>\$ 1,014</b>	<b>\$ 833</b>	<b>\$ 736</b>	<b>\$ 1,320</b>
(-) Net Performance Fees	355	123	157	592	307	744	630	525	1,226
(-) Investment Income (Loss)	3	7	(2)	(50)	(8)	71	82	42	(42)
(+) Equity-Based Compensation	3	4	4	5	14	-	-	2	16
<b>Fee Related Earnings</b>	<b>\$ 39</b>	<b>\$ 30</b>	<b>\$ 44</b>	<b>\$ 39</b>	<b>\$ 37</b>	<b>\$ 199</b>	<b>\$ 121</b>	<b>\$ 171</b>	<b>\$ 152</b>
(+) Realized Net Performance Fees	142	118	61	357	141	134	678	502	677
(+) Realized Investment Income (Loss)	(10)	15	-	5	5	10	65	17	11
<b>Distributable Earnings</b>	<b>\$ 171</b>	<b>\$ 163</b>	<b>\$ 105</b>	<b>\$ 401</b>	<b>\$ 183</b>	<b>\$ 343</b>	<b>\$ 864</b>	<b>\$ 690</b>	<b>\$ 840</b>
(+) Depreciation & Amortization	6	6	6	6	5	21	22	22	24
(+) Interest Expense	9	12	12	12	12	18	59	24	44
<b>Distributable EBITDA</b>	<b>\$ 186</b>	<b>\$ 181</b>	<b>\$ 123</b>	<b>\$ 419</b>	<b>\$ 200</b>	<b>\$ 382</b>	<b>\$ 945</b>	<b>\$ 736</b>	<b>\$ 908</b>

(1) Other Adjustments are comprised of losses associated with early extinguishment of debt, severance and lease terminations, provisions for income taxes attributable to non-controlling interests in consolidated entities, and gains on business acquisitions.

(2) Adjustments for partner compensation reflect amounts due to senior Carlyle professionals for compensation and performance fees allocated to them, which amounts were classified as distributions from partner's capital in the consolidated financial statements for periods prior to the reorganization and initial public offering in May 2012.