

September 25, 2013

The Carlyle Group to Purchase Metropolitan Real Estate Equity Management

Joins AlInvest in Carlyle's Growing Solutions Platform

WASHINGTON--(BUSINESS WIRE)-- Global alternative asset manager The Carlyle Group (NASDAQ: CG) today announced that it has agreed to buy Metropolitan Real Estate Equity Management, LLC, a global manager of real estate funds of funds with more than \$2.6 billion in capital commitments. Equity for the transaction will come from Carlyle's balance sheet. Financial terms were not released. The transaction, subject to Metropolitan's investors' consent, is expected to close in November 2013.

Jacques Chappuis, Carlyle Managing Director and Head of the Solutions group, said, "Metropolitan is a proven multi-manager in global real estate. This adds an important capability to our growing Solutions business, strengthens our intellectual capital in global real estate, and immediately contributes to our corporate bottom line. David Sherman is a highly respected investor and we are excited to welcome him and the Metropolitan team to Carlyle."

David Sherman, President and Co-Chief Investment Officer of Metropolitan, said, "Carlyle's global scope and resources will better enable us to deliver the products and services that our investors demand. This acquisition is a validation of our model and our growth plans."

Established in 2002 and based in New York City, Metropolitan is one of the largest managers of indirect investments in global real estate. Since inception, Metropolitan has raised more than \$2.6 billion across 16 commingled funds of funds with investments in 80+ managers. Its 180+ real estate fund investments include new partnerships, secondary interests and co-investments — in the U.S., Europe, Asia and Latin America.

Metropolitan's strategy is principally focused on value add/opportunistic real estate investments, and specifically on more than 1,000 highly focused, specialist real estate managers across the globe. The firm has 40 employees with five offices in the U.S., Europe and Asia.

Metropolitan will become part of Carlyle's Solutions platform, which also includes AlInvest, the \$48 billion private equity fund of funds operation. Metropolitan's current management team, led by David Sherman, will remain in place. In addition to his role as Co-Chief Investment Officer, Mr. Sherman will also become Head of Real Estate within the Solutions platform. Mr. Sherman and his team will continue to run the investment committee and make all investment decisions.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$180 billion of assets under management across 118 funds and 81 fund of funds vehicles as of June 30, 2013. Carlyle's purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments — Corporate Private Equity, Real Assets, Global Market Strategies and Global Solutions — in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,400 people in 34 offices across six continents.

Web: www.carlyle.com

Videos: www.youtube.com/onecarlyle

Tweets: www.twitter.com/onecarlyle

Podcasts: www.carlyle.com/about-carlyle/market-commentary/481

About Metropolitan Real Estate Equity Management

Founded in 2002, Metropolitan Real Estate Equity Management is a privately owned, registered investment advisor with more than \$2.6 billion in capital commitments across 22 partnerships (16 funds of funds and six feeder funds), representing a wide range of clients, including institutional investors, endowments and foundations and high net worth investors. Metropolitan constructs and manages vintage year U.S., non-U.S., global and custom portfolios, with a focus on private, indirect investments in value-add and opportunistic real estate. The firm's investment team is comprised of nine senior members with more than 200 years of combined experience. Metropolitan has offices in New York, San Francisco, Boston, London, and Hong Kong.

Web: <http://mreem.com/>

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