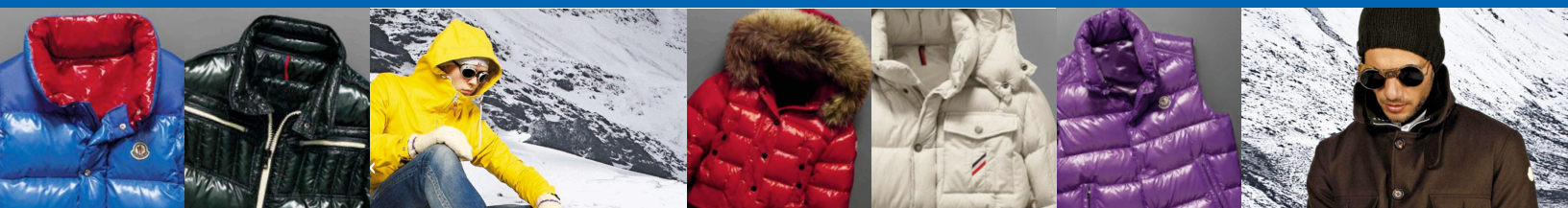


CASE STUDY

How Carlyle Creates Value

Deep industry expertise. Global scale and presence. Extensive network of Operating Executives. And a wealth of investment portfolio data; we call it The Carlyle Edge. These are the four pillars of Carlyle's value creation model. By leveraging these core capabilities and resources—Carlyle has established a 26-year overall track record of investing in companies, working to make them better and serving our investors' needs.



With the One Carlyle collaborative approach and network, a European luxury brand reorganizes, expands globally, and launches global ecommerce platforms increasing both sales and profitability.

About Moncler and the Transaction

In October 2008, Carlyle Europe Partners III, L.P. acquired a 48% stake in Moncler Group, an Italian luxury apparel group that manages several international brands. Carlyle invested alongside the company's Chairman, Remo Ruffini; senior management; and an existing shareholder. In June 2011, Carlyle sold 63% of its stake in Moncler to the investment firm Eurazeo, which purchased a 45% stake in the Company, and Remo Ruffini (Chairman and creative director) reduced his stake to 32%. Carlyle retained an 18% stake in the business. On December 16, 2013, Moncler completed its initial public offering on the Milan stock exchange at the top of the price range. Carlyle sold an 11% stake, while retaining a 7% stake. On June 19, 2014 Carlyle sold its final 7% stake through an accelerated bookbuilding. Moncler has approximately 1,100 employees across the world.



AT A GLANCE

Moncler Group

Industry: Consumer & Retail

Region/Country: Italy

Fund: Carlyle Europe Partners III, L.P.

Acquired: October 2008

Status: Exited

Key Value Creation Metrics

- Accelerated the roll out of a distinctive retail channel of Moncler brand in all key geographies, growing the retail network from 6 to 135 stores particularly in Asia and the U.S. where there were no stores pre-Carlyle ownership
- Strengthened the management team by hiring several new senior executives
- Consolidated Moncler brand presence in the Japanese market, a key market for the Company, by converting the distribution agreements into joint venture agreements fully controlled by the Company
- Bought the Moncler children's line license by establishing a dedicated joint venture with the previous licensee
- Enhanced profitability through sale of non-core sportswear brands

42% growth

From 2008 to 2012, Moncler Group's revenues and EBITDA grew by 206% and 311% respectively, despite challenging market conditions.

ABOUT THE CARLYLE GROUP

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$183 billion of assets under management across 126 funds and 160 fund of funds vehicles as of December 31, 2015. 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 Investment 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, real estate, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,700 people in 36 offices across six continents.

Carlyle believes these selected case studies should be considered as a reflection of Carlyle's investment process, and references to these particular portfolio companies should not be considered a recommendation of any particular security, investment, or portfolio company. The information provided about these portfolio companies is intended to be illustrative, and is not intended to be used as an indication of the current or future performance of Carlyle's portfolio companies. The investments described in the selected case studies were not made by any single fund or other product and do not represent all of the investments purchased or sold by any fund or other product. The information provided in these case studies is for informational purposes only and may not be relied on in any manner as advice or as an offer to sell or a solicitation of an offer to buy interests in any fund or other product sponsored or managed by Carlyle or its affiliates. Any such offer or solicitation shall only be made pursuant to a final confidential private placement memorandum, which will be furnished to qualified investors on a confidential basis at their request.

Well-Known Brands

Founded in 1952 in Grenoble, France, today Moncler is a global brand in luxury outerwear. With Carlyle's assistance, Moncler restructured its corporate organization and created two focused divisions dedicated, respectively, to the Moncler brand and the Other brands (Henry Cotton's, Marina Yachting, Coast Weber&Ahaus and 18CRR81 Cerruti). The Moncler brand, which accounted for 78% of 2012 group sales, is a global manufacturer of down jackets with a well-established position in the luxury market. The brand has evolved successfully from an iconic product distributed in only a few countries in to a global luxury brand.

Other brands, which accounted for 22% of 2012 group sales, were sold shortly before the IPO, as they had a lower positioning compared to the Moncler brand and were dilutive in term of profitability. This helped to improve and hallmark the equity story for public investors.

Focus on New Store Openings and International Growth

With Carlyle's assistance, the Moncler brand has accelerated the expansion of its international presence. This strategy was focused on new store openings and the direct management of strategic markets and distribution channels. Since Carlyle's acquisition in October 2008 through December 31, 2013, it has opened 129 new Moncler monobrand stores bringing the number of stores to 135, including flagship stores in Hong Kong, Beijing, Shanghai, Hangzhou, Shenyang, Nanjing, Tokyo, Osaka, Munich, London, Rome, Geneva, Zurich, Copenhagen, New York, Chicago, Los Angeles, Miami, Sao Paolo and Istanbul.

Through this expansion, Moncler has successfully increased direct retail sales from 13% of total sales in 2008 to 58% in the last twelve months ending December 31, 2013. With the new store openings, the Company has also successfully diversified its geographic revenue stream. The Italian market has decreased from nearly 52% of total sales in 2008 to approximately 22% in 2013. In the 2008-2013 period, Moncler has also increased sales in Europe (excluding Italy), Asia and North America by 4.1, 5.9 and 9.1 times, respectively. To support this growth, Moncler has added local management teams in China, Japan, Russia and the United States.

E-Commerce

On September 1st 2011, Moncler began commercial online trading in the US and Europe and in 2012 was extended to Asia Pacific and Japan. Excellent results were reported in 2012 with ecommerce sales reaching more than 6 million euros in the first full year of operation.

One Carlyle Approach

Carlyle's investment in the Moncler Group illustrates the value of One Carlyle global collaboration. Carlyle's European-based investment team often consulted with colleagues in other regions to benefit from their strategic advice and networks with key industry experts. Carlyle professionals in Hong Kong, Tokyo and the United States have suggested various business development options, such as the launching of Moncler China. By leveraging Carlyle's global platform, Moncler has opened its first 19 stores in China by December 31, 2013. Carlyle investment professionals have also helped establish joint ventures and recruit employees for the Chinese and U.S. operations.