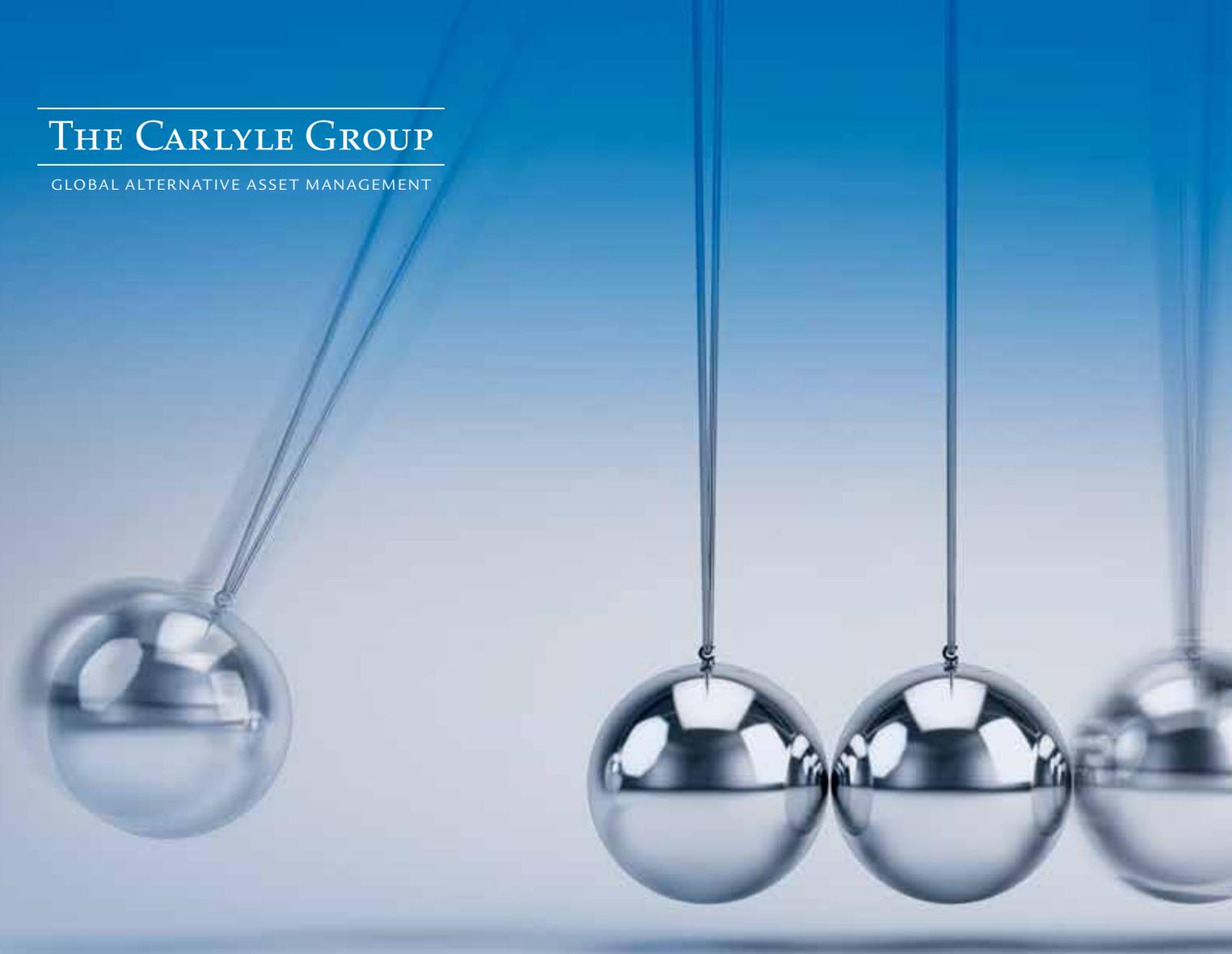
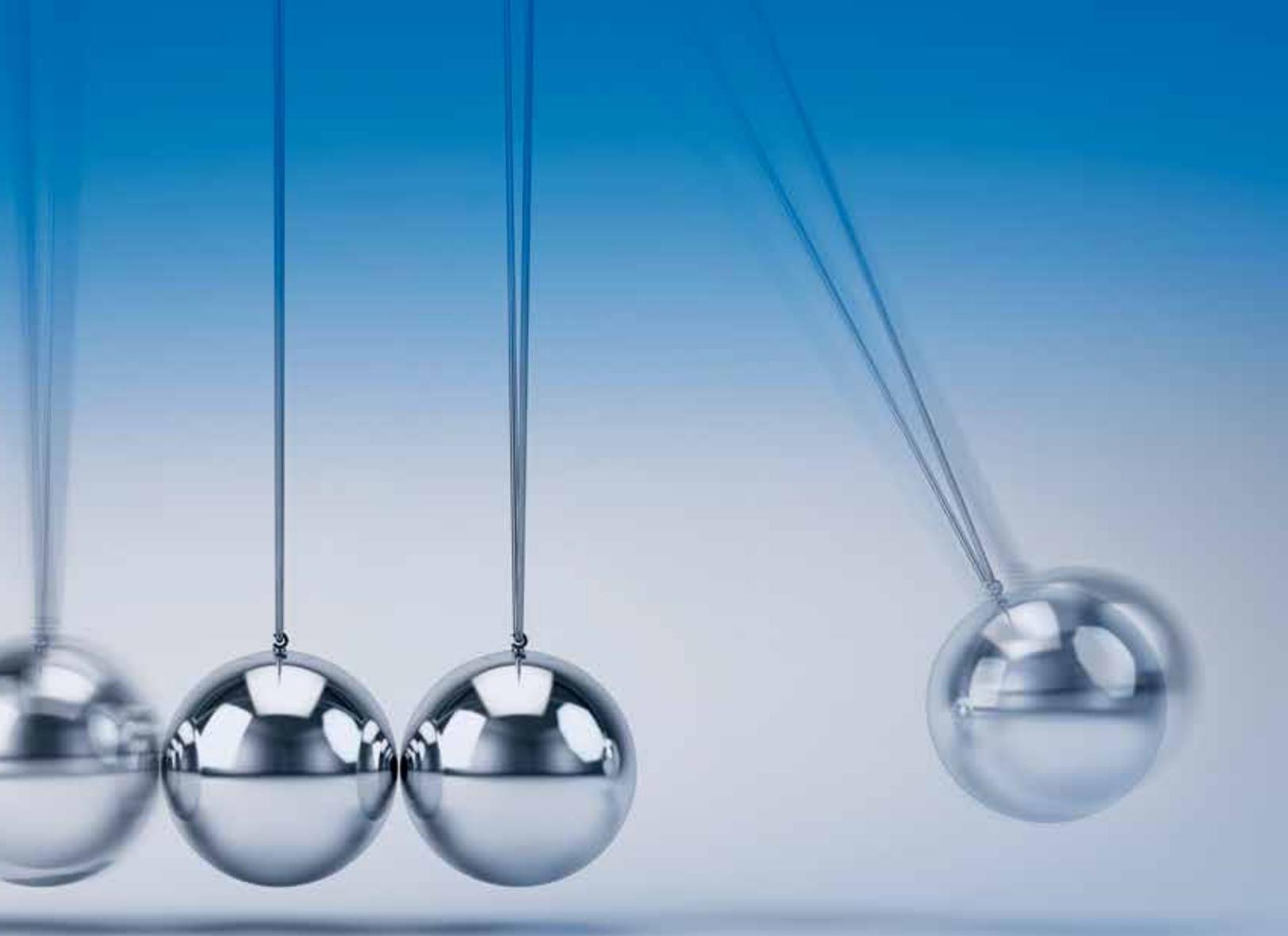

THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT



where performance meets opportunity



Performance + Opportunity = Results

For 28 years, Carlyle's combination of expertise and global reach has transformed opportunity into performance for our investors.

Global Scale

40/23

40 offices in
23 countries

200+

current
portfolio
companies

300+

active real
estate
investments

1,650+

employees

700+

investment
professionals

Strong Track Record

\$104b

total investments
in carry funds
since inception

750

Real Assets
transactions since
inception, producing
a 23% realized and
partially realized
gross internal rate
of return

\$123b

total distributions
from carry funds
since inception

497

Corporate Private
Equity transactions
since inception,
producing a 29%
realized and partially
realized gross internal
rate of return

Performance Meets Opportunity: A Letter from the Founders

2014 Results

\$9.8b

carry fund equity
invested

15%

carry fund
appreciation

\$24.2b

funds raised

\$19.7b

carry fund realized
proceeds

Two thousand fourteen was Carlyle's best year as a public company. We generated our highest level of Distributable Earnings since going public. In 2014, we raised \$24 billion in fresh capital, invested nearly \$10 billion in multiple asset classes around the world and returned just about \$20 billion to our fund investors.

Over 28 years we've built a global firm, with deep industry expertise and a culture of collaboration that enable us to create value for our investors. In 2014, we continued delivering strong performance. Everything we do, or even think about doing, flows from that. Among the highlights:

- We sold our stake in Beats Electronics to Apple, a transaction that showcases our creativity in this competitive market.
- We fully exited our investment in Allison Transmission, where the management team, supported by Carlyle investment professionals, did a spectacular job transforming the company and producing returns for our investors.
- Two Europe buyout holdings completed IPOs: Applus, a global engineering and testing company based in Spain; and Numericable, a French telecommunications company, which we fully exited in early 2015. We acquired the companies before the Great Recession, and their performance reflects our patient approach to creating long-term value.
- We exited a number of real estate investments, including the sale of two New York properties: 570 Seventh Avenue, a 21-story office building; and 170 Broadway, an office and retail building, which now includes a hotel.
- We had a particularly active year in middle-market buyouts. Our U.S. Equity Opportunity team sold Quorum Business Solutions to Silver Lake and sold a majority stake in Service King Collision Repair Centers to Blackstone, while retaining a significant minority stake.



“Over 28 years we’ve built a global firm, with deep industry expertise and a culture of collaboration that enable us to create value for our investors. In 2014, we continued delivering strong performance.”

Carlyle’s Founders

David M. Rubenstein
Co-Chief Executive Officer

Daniel A. D’Aniello
Chairman

William E. Conway, Jr.
Co-Chief Executive Officer



In all, we took five companies public during 2014 and completed a total of 25 block sales.

Our lifeblood is investment capital, and we are grateful for our investors' continued confidence, enabling us to raise a number of new funds in 2014—totaling \$24.2 billion in new capital. And our new offerings provide opportunities that investors seek, including what we believe is the most diversified global natural resources investment platform.

Our **Real Assets** segment led the way in attracting new commitments, raising a total of \$9.2 billion for funds, including Carlyle Realty Partners VII, L.P.; NGP Natural Resources XI, L.P.; Carlyle International Energy Partners, L.P., our largest first-time fund; and Carlyle Power Partners II, L.P.

New Products

In 2014, we launched several new opportunities for our investors. Within **Global Market Strategies**, we introduced Carlyle Asia Structured Credit Opportunities. Our business development companies have now reached more than \$1.3 billion in commitments. In addition, we issued \$4.9 billion of CLOs in the United States and Europe to meet investor demand for access to high-yield loan vehicles.

Investment Solutions also launched several new products, including two direct trading fund strategies by our DGAM business: a fund that pursues the tactical allocation of liquid risk premia and a trend-following fund. Our Metropolitan Real Estate business launched a fund that pursues a secondaries and co-investment strategy, which had a first close.

A Foundation for the Future

On the personnel front, Dan Akerson, former Chairman and CEO of GM, rejoined Carlyle as Vice Chairman and Special Advisor to the Board of Directors, and Georgette Kiser joined us in early 2015 as head of our IT group. They are just two of the many talented people who joined our team, helping to position us well for the future.

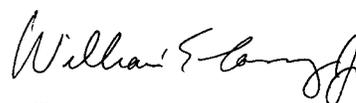
Learning from Successes and Challenges

And though we had an excellent year, not every investment worked as well as we would have preferred. Perhaps that is inevitable in the investment world. But we have learned from our mistakes and feel we are strengthened in our capabilities for the future, putting us in a better position to continue achieving top-tier returns for our investors.

Carlyle has come a long way in the past 28 years, but what the future holds is even more exciting. Carlyle has proven its ability to invest responsibly, while working to generate premium returns for investors, many of whom are public pension funds.

Delivering for Our Investors

By almost all of the key metrics by which we are judged, Carlyle had an outstanding year. Doing even better this year will not be easy, but we are eager for the challenge. We will not rest on our laurels. We will continue to work hard to invest wisely and create value for our investors and unitholders, whose support is much appreciated. We look forward to continuing to earn their support and trust this year and beyond.



William E. Conway, Jr.

Co-Chief Executive Officer



Daniel A. D'Aniello

Chairman



David M. Rubenstein

Co-Chief Executive Officer



ONE CARLYLE

A Culture of Collaboration and Performance

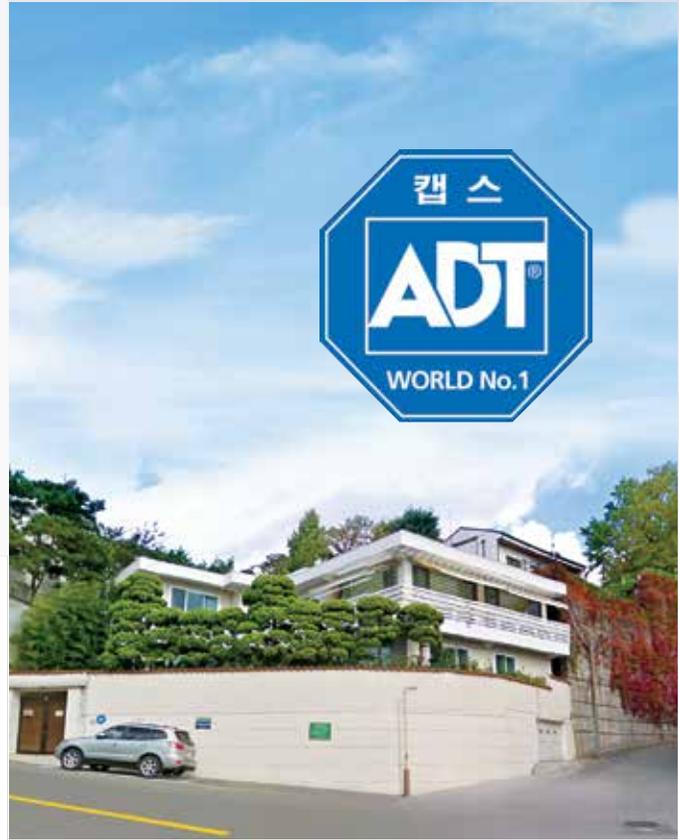
Our professionals work together across funds, industries and geographies to drive performance.

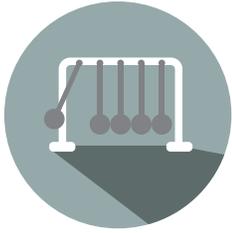
Teaming Up to Invest in a Korean Company

Our One Carlyle collaborative culture was at work in our ADT Korea investment, where colleagues from three different teams—Asia Buyout, U.S. Buyout and U.S. Equity Opportunity—combined their geographic knowledge and sector expertise to complete the acquisition.

Forging a Partnership to Transform a Local Operator into a National Powerhouse

By leveraging the One Carlyle network, Carlyle facilitated the formation of a strategic partnership between portfolio companies Service King and Axalta Coating Systems, a business relationship that has resulted in substantial benefits to both parties. As part of the partnership, Axalta provides Service King with high-quality paints system-wide. The relationship also offers significant co-marketing opportunities and dedicated paint support for transitioning Service King's acquisitions onto a common platform.





where performance meets opportunity

Carving out and creating new businesses from larger companies can reveal value.

“Assessing and executing complex corporate carve-outs has been a core strength of our Industrial and Transportation team for more than a decade.”



Brian A. Bernasek is a Managing Director and Head of the Global Industrial and Transportation sector team.

Carving Out an Opportunity to Shine

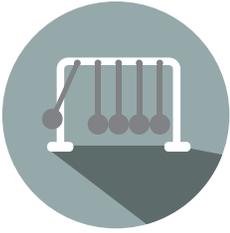


Axalta Coating Systems: A Brilliant Start for a Strong Performer

Axalta Coating Systems is the world's fifth-largest coatings company with a more than 145-year legacy of industry-leading innovation. We acquired the company, then known as DuPont Performance Coatings, in 2013 in a transaction involving both our U.S. and Europe Buyout teams. We were attracted not only to the company's strong market position and global footprint, but also by its leading brands and technology. Last year, Axalta completed an initial public offering, raising approximately \$1.1 billion.

Value Creation: From Carve-Out to IPO in Less than Two Years

Since the carve-out, Carlyle has worked with Axalta to implement several initiatives designed to unlock the company's full potential, including enhancing the senior leadership team, implementing new customer strategies, aligning incentives and investing for growth. These transformational initiatives have played an important role in the company's transition to a public company, laying the foundation for future growth for years to come.



where performance meets opportunity

In today's tumultuous energy markets, having more than \$10 billion of capital to deploy and depth of experience gives Carlyle an edge.

"We believe that now is a great time for an experienced investor with significant capital to invest in energy."

Ken Hersh is Co-founder and CEO of NGP Energy Capital Management and Head of Natural Resources at Carlyle. He has more than 27 years of experience in the North American energy sector.





The Experience to Discover and Extract Value in the Global Energy and Power Sectors

North American Energy: NGP Energy Capital Management has a 27-year track record, successfully completing over 265 transactions with a total enterprise value of more than \$48 billion. In 2012, Carlyle formed a strategic partnership with NGP, which invests in energy and natural resources assets in North America, including oil and gas resources, oil field services, pipelines and processing, as well as agricultural investments and properties. NGP manages seven management fee funds and three carry funds with a total of \$14.6 billion in AUM. Its latest fund, NGP Natural Resources XI, L.P., closed in early 2015 with more than \$5 billion in total commitments.

International Energy: Our International Energy team has extensive operating, investing and execution experience. The team focuses on investing in oil and gas exploration and production, midstream, refining, and marketing and energy services companies outside of North America. The team's first fund raised \$2.5 billion.

North American Power: Our Power team has extensive expertise designing, engineering, developing, constructing and operating power plants. The team invests in power generation and related assets, primarily in North America, and manages two funds with a total of \$1 billion in AUM.

Energy Mezzanine: Our Energy Mezzanine Opportunities team has a multidisciplinary skill set and a history of sourcing non-traditional, negotiated deal flow specifically in the energy sector. The team invests primarily in privately negotiated debt in energy and power projects and companies in the United States and Canada, and its second fund has raised \$1.3 billion in commitments.

Our energy capabilities also provide opportunities to invest in customized energy and commodities strategies, secondary investment programs and physical commodities.

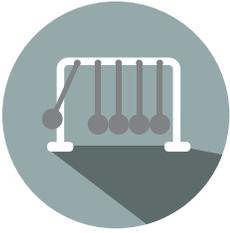
Optimizing the Delivery of Refined Oil Products to Northwest Europe

Seeking to develop a downstream oil business to secure a reliable supply of oil products to customers in Germany and Switzerland, in 2013 Carlyle International Energy Partners (CIEP) acquired a 50% interest in Varo Energy. Led by a strong senior team with extensive operating and investing experience, CIEP sees Varo as an opportunity to build a major integrated oil refiner and supplier serving northwest Europe.

At acquisition, Varo consisted of a 68,000-barrel-per-day refinery in Switzerland with bolt-on acquisitions of three German businesses: a 45% stake in a refinery, a network of storage tank facilities, and a marketing and wholesale business of middle distillates. Today, Varo has a combined refining capacity of 165,000 barrels per day, sales of 10 million cubic meters of refined petroleum products per year and 1.6 million cubic meters of storage capacity, and employs approximately 520 workers.



Marcel van Poecke is a Managing Director and Head of Carlyle International Energy Partners. He has more than 25 years of experience in the international energy sector.



where performance meets opportunity

With more than 700 investment professionals on six continents, we have the deep sector expertise and local knowledge to uncover opportunities.



“We recognized the lack of investment capital for mid-sized businesses in Europe. We are helping to fill that gap.”

Jonathan Zafrani is a Managing Director in our Europe Buyout team.



Uncovering Europe's Hidden Opportunities



Heating Up the Performance of a European Manufacturer

Sermeta's products heat homes and businesses across the globe. The company manufactures stainless steel heat exchangers for condensing boilers. In 2010, Carlyle Europe Partners III, L.P. bought a 65% stake in Sermeta. Over the next three years of ownership, French industrial production shrank 1.8% while Sermeta sales grew approximately 27%. EBITDA increased by about 41%. In addition, strong cash flow generation enabled the company to deleverage its balance sheet. This robust financial performance was the result of a number of key value creation initiatives, including strengthening the senior management team, increasing penetration in the nascent U.S. market, developing sales in Asia, renewing a focus on research and development, and accelerating the launch of new products worldwide. Sermeta's performance won Carlyle a 2015 *Buyouts* magazine award in the European Deal of the Year category.

● Morlaix, France

Sermeta's History of Performance

1993

Sermeta was founded by Joseph Le Mer and Rocco Giannoni.

2010

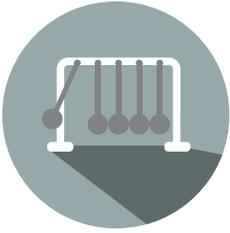
Carlyle Europe Partners III, L.P. acquires a 65% stake in Sermeta.

2010–2013

With Carlyle's support, Sermeta grows revenues by 27% and EBITDA by 41%.

2014

Carlyle sells its stake in Sermeta, with the Le Mer family taking a controlling share and Bpifrance and Crédit Mutuel Arkéa joining as investors.



where performance meets opportunity

We develop opportunities for our investors through a combination of organic growth and the acquisition of new capabilities.

“New investment products help our investors achieve their goals.”

Glenn A. Youngkin
is Carlyle's President and
Chief Operating Officer.



Over the past five years, new strategies have added more than \$89 billion in AUM—46% of our total AUM as of December 31, 2014.

| 2010 | 2011 | 2012 | 2013 | 2014 |
|--|--|---|--|---|
| Energy Mezzanine RMBS Fund Claren Road: long/short credit strategies | AlInvest: corporate private equity solutions ESG: emerging market equities and macroeconomic strategies Sub-Saharan Africa Buyout Peru Buyout | NGP Energy Capital Management Middle Market Finance: BDCs Power Vermillion Ireland Growth | International Energy Metropolitan Real Estate: real estate solutions High Net Worth Private Equity Vehicle: managed by Central Park Group Quantitative Strategies | DGAM: liquid market solutions Asia Structured Credit Opportunities Metals Fund Energy and Infrastructure Secondaries |

Global Market Strategies continues to bolster its range of credit and equity strategies and customized offerings:

Carlyle Global Balanced-Risk Fund, launched in 2014, invests across a portfolio of global asset classes.

Carlyle’s business development companies, launched in 2012, focus on middle-market mezzanine investments. In 2014, total commitments reached \$1.3 billion.

Carlyle Asia Structured Credit Opportunities launched in Asia in 2014.

Our **Structured Credit** business—the second largest globally with \$17 billion in AUM and a 15-year track record—issued \$4.9 billion of CLOs in the United States and Europe in 2014.

Investment Solutions continues to broaden its alternative investment platform, through direct investing and secondary market purchases, to offer a wider range of custom portfolio solutions:

Energy and Infrastructure Secondaries launched in 2014 by AlInvest Partners, our global private equity solutions manager with primary, co-investment and secondary programs.

A **Liquid Tactical Risk Premia Allocation** strategy launched in 2014 by DGAM, our liquid market solutions team.

A **Real Estate Secondaries and Co-Investment fund**, launched by our Metropolitan Real Estate solutions team, had its first close in 2014.





our business segments

Corporate Private Equity

Maximizing Returns, Optimizing Companies

Our Corporate Private Equity segment is one of the world's largest and most diversified private equity platforms. Established in 1990 with our first U.S. buyout fund, we have expanded our investment capabilities into regions and sectors where we believe we have a distinct edge. Today, we have teams on six continents that focus on 11 industries—and the largest emerging markets presence in the industry.

At year-end 2014, the segment had \$65 billion in AUM in 31 active buyout and growth capital funds. Since inception, Corporate Private Equity has invested \$62.5 billion in equity in 497 transactions and has generated \$61.3 billion in realized and unrealized gains. The segment's scope and depth provide a strong foundation for the development of new and innovative investment products for our fund investors.



“We target companies with talented management teams, like Beats Electronics, which was co-founded by legendary artist and producer Dr. Dre and Interscope Geffen A&M Chairman Jimmy Iovine. In 2013, we made a minority investment in Beats, and just eight months later, Beats was sold to Apple.”

Sandra J. Horbach is a Managing Director and Head of the Global Consumer and Retail team.



AT-A-GLANCE STATS



\$65b

AUM



\$24b

capital available to deploy



31

active carry funds



150+

portfolio companies

CommScope

Carlyle Partners V, L.P. & Carlyle Europe Partners III, L.P.

Carlyle acquired CommScope, a U.S.-based, global provider of premier network infrastructure, in January 2011. Despite some difficult early days of the investment, the company has performed exceptionally well: EBITDA at acquisition was \$480 million and has grown to more than \$850 million as of December 2014.



ADA Cosmetics

Carlyle Europe Technology Partners II, L.P.

In 2011, Carlyle invested in ADA Cosmetics, a German supplier of premium hotel body care products and accessories. Since then, the company strengthened its position in core markets and expanded its international presence, resulting in revenue growth of more than 20% and EBITDA increasing by almost 70%. In 2014, we sold ADA to Ardian, an independent private investment company.

The TCW Group

Carlyle Global Financial Services Partners, L.P.
& Carlyle Partners V, L.P.

Carlyle acquired TCW from Société Générale in February 2013. An asset management firm with a growing mutual fund platform, TCW has differentiated itself through strong investment performance across multiple asset classes, resulting in solid AUM growth of 18% in less than two years as an independent company.

Ganji.com

Carlyle Asia Partners IV, L.P.

In 2014, Carlyle made a minority investment in Ganji.com. Founded in 2005, Ganji provides online and mobile-based classified listings to more than 350 cities in China. We believe the company is well positioned to benefit from the evolution of industry digitalization, high demands, and a large and increasingly sophisticated e-commerce culture.

Investing in Virtually Every Corner of the World in 2014

We are one of the world's largest and most diversified alternative asset management firms. Our global size, scale and brand enable us to capture opportunities wherever they emerge—in varying economic environments and in virtually every market. In 2014, we invested nearly \$10 billion in 217 new and follow-on transactions across our carry funds in 26 countries on six continents. The companies included in this snapshot represent some of our investments in 2014.

Japan

OYATSU COMPANY
snack maker

SBI MORTGAGE
mortgage bank

SUNSHO
PHARMACEUTICAL
pharmaceuticals and
food products

Korea

ADT CAPS
security monitoring

California

CUSTOM SENSORS &
TECHNOLOGIES
specialized sensors
manufacturer

Florida

ACOSTA
packaged goods sales
and marketing

VOGUE
INTERNATIONAL
hair care products

Georgia

SOUTHEAST
POWERGEN
owner and operator
of power plants

Illinois

SIGNODE
INDUSTRIAL GROUP
packaging systems
manufacturer

Nevada

BONOTEL
luxury tour operator

New Jersey

ORTHO CLINICAL
DIAGNOSTICS
screening, diagnosing,
monitoring and con-
firming diseases

New York

TALENT PARTNERS
payroll services to the
advertising industry

Texas

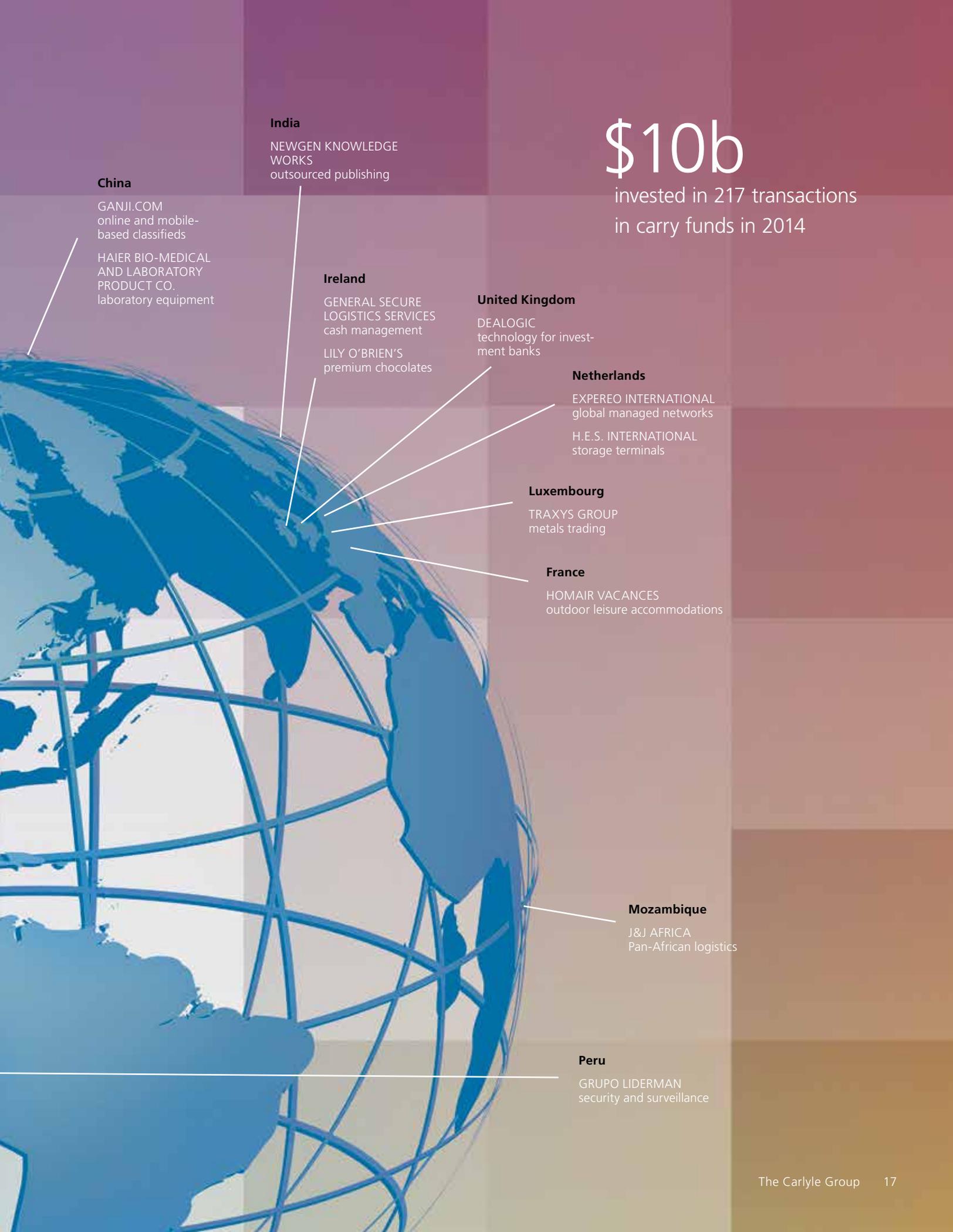
ECI SOFTWARE
SOLUTIONS
management and
e-commerce software

SERVICE KING
collision repair centers



\$10b

invested in 217 transactions
in carry funds in 2014



China

GANJI.COM
online and mobile-based classifieds

HAIER BIO-MEDICAL AND LABORATORY PRODUCT CO.
laboratory equipment

India

NEWGEN KNOWLEDGE WORKS
outsourced publishing

Ireland

GENERAL SECURE LOGISTICS SERVICES
cash management

LILY O'BRIEN'S
premium chocolates

United Kingdom

DEALOGIC
technology for investment banks

Netherlands

EXPEREO INTERNATIONAL
global managed networks

H.E.S. INTERNATIONAL
storage terminals

Luxembourg

TRAXYS GROUP
metals trading

France

HOMAIR VACANCES
outdoor leisure accommodations

Mozambique

J&J AFRICA
Pan-African logistics

Peru

GRUPO LIDERMAN
security and surveillance



our business segments

Global Market Strategies

A Diverse and Growing Array of Investment Opportunities

Global Market Strategies works to seize today's investment opportunities across credit, commodities and liquid strategies. In 2014, we continued the expansion of the scale and diversity of this global, multi-product, markets-focused investment platform in direct response to investor preferences. At year-end 2014, Global Market Strategies' AUM grew to \$37 billion across 69 individual funds.

Our Structured Credit business—which is the second largest globally—issued \$4.9 billion of CLOs in the United States and Europe in 2014, reaching a total of \$17 billion in AUM at year-end. Carlyle's business development companies reached \$1.3 billion in commitments by the end of 2014.

Carlyle Asia Structured Credit Opportunities: Expanding the Scope of Our Structured Credit Business

In 2014, we introduced Carlyle Asia Structured Credit Opportunities (CASCO). Given the imbalance in the supply of and demand for capital in Asia, we believe there is a long-term opportunity to achieve attractive risk-adjusted returns. In addition, the size and relative nascency of the Asian securitization markets present what we believe is an opportunity to build a diversified portfolio of Asian structured financings backed by corporate and consumer loan receivables.

Greg Park, the former Head of the Asia Securitized Products Group at Deutsche Bank, leads the CASCO team.

“The CASCO team is ready to invest in an actionable pipeline of structured credit opportunities in Asia.”

Greg Park is a Managing Director and Head of the Carlyle Asia Structured Credit Opportunities team.



AT-A-GLANCE STATS



\$37b

AUM



\$17b

structured credit AUM



\$14b

hedge funds AUM



\$6b

carry, financing, liquid
alternatives AUM



69

active funds



9

distinct investment
strategies



Structured Credit

Our Structured Credit business, the second largest globally with a 15-year track record, is meeting investor demand for access to high-yield loan vehicles in the United States and Europe.

Hedge Funds

Claren Road Asset Management offers global long/short credit.

Emerging Sovereign Group invests behind the growth of the emerging market consumer.

Vermillion Asset Management focuses on trading the spectrum of available commodities-based instruments—physical commodities, derivatives and options—across all major sectors.

Carlyle Quantitative Market Strategies focuses on systematic trading across various global asset classes.

Carry and Financing Funds

Carlyle's business development companies fill the middle-market financing gap.

Carlyle Asia Structured Credit Opportunities focuses on investing in privately negotiated tranches of Asian structured financings backed by corporate and consumer loan receivables.

Carlyle Strategic Partners targets debt and equity opportunities in the United States and Europe.

Carlyle Energy Mezzanine Opportunities fills the financing gap in the energy industry.



our business segments

Real Assets

Opportunities in Real Estate and Energy

Carlyle's \$42 billion Real Assets segment comprises our global real estate, infrastructure and natural resources investment platform. Established in 1997 with our first U.S. real estate fund, the segment has expanded to include 21 carry funds and seven NGP management fee funds. Our real estate funds pursue opportunities in Asia, Europe and the United States, while our energy and power funds focus on buyouts, growth capital investments and strategic joint ventures in the midstream, upstream, oil field services and power generation sectors.

In 2014, our Real Assets segment raised more than \$9 billion—the highest level for this segment in our history. We had successful fundraises for NGP Natural Resources XI, L.P. and Carlyle International Energy Partners, L.P. Our U.S. Real Estate team seized a number of promising opportunities, investing \$785 million across the United States.

U.S. Real Estate: A Millennial Opportunity

In real estate, demographic shifts can signal an investment opportunity. Our U.S. Real Estate team saw that millennials preferred living in certain locations as well as renting housing versus buying. As a result, the team began investing in rental properties in anticipation of strong demand. In 2014, following increases in market values, we successfully exited a number of these largely multifamily properties in cities across the United States.



AT-A-GLANCE STATS



\$42b

AUM



\$16b

capital available to
deploy



28

active funds



750

transactions since inception

Pure Student Living: Purpose-Built London Accommodations

Carlyle entered the London student accommodation market in 2010 and grew Pure Student Living, a purpose-built student accommodation business, into one of the city's foremost student housing portfolios. The portfolio comprises 2,170 rooms across five prime central London sites. In March 2015, Carlyle announced the sale of Pure Student Living for £532 million. Committed to student housing as a long-term institutional asset class, Carlyle also has over 1,700 rooms operating across the Netherlands.



Project Seed: Consumer Demand in China

Recognizing that China's rapid growth in domestic consumption and retail sales would result in strong demand for modern logistics facilities, Carlyle created a joint venture partnership with an experienced domestic logistics warehouse developer. In 2015, Carlyle expects to invest a total of approximately \$204 million in 20 logistics warehouses with an estimated aggregate gross floor area of nearly two million square meters, all located in major logistics hubs across China.



"Last year was particularly active for our U.S. real estate funds. The U.S. real estate market is dynamic, and we believe there's more investment runway ahead."

Robert G. Stuckey is a Managing Director and Head of the U.S. Real Estate team. He has led our investments in U.S. real estate since 1998.

Carlyle's Natural Resources and Energy Capabilities

Our natural resources and energy activities focus on buyouts, growth capital investments, strategic joint ventures and mezzanine debt investments in companies and projects in the midstream, upstream, power and oil field services sectors in North America and around the world. Additional energy investment capabilities include customized energy and commodities strategies, secondary investment programs and physical commodities.

Deep Energy and Power Investing Capabilities Fuel Long-Term Performance

NGP Energy Capital Management, established in 1988, invests in North American energy and natural resources assets. NGP became a strategic partner of Carlyle in 2012.

Carlyle International Energy Partners, launched in 2013, focuses on investing in energy assets across the globe, excluding North America.

Carlyle Power Partners, formed in 2012 with the acquisition of Cogentrix Energy, invests in power generation and related assets, primarily in North America.

Carlyle Energy Mezzanine Opportunities Fund invests primarily in privately negotiated debt in energy and power projects and companies in the United States and Canada.

Riverstone Holdings, our legacy partner, advises five global energy, power and renewable energy funds, comprising \$10 billion in AUM.

Alpinvest Partners, our global private equity solutions provider, added an energy secondary program in 2014.

DGAM, our global liquid market solutions provider acquired in 2014, offers various customized energy and commodities strategies.

Vermillion Asset Management adds energy commodities capabilities. Carlyle acquired a 55% stake in Vermillion in 2012.



“Given the volatile commodity markets, access to flexible capital has become challenging for energy companies seeking to grow. We provide solutions to these companies.”





\$30.9b

natural resources
and energy AUM

20

active natural resources
and energy funds

\$10.9b

approximate amount of
capital available to deploy
in natural resources and
energy investments



Philadelphia Energy Solutions: Getting a Major U.S. Refinery Back on Track

Opportunities are often disguised as problems. That's when Carlyle does some of its best work. In 2012, after nearly 150 years of operation, a large Philadelphia refinery was scheduled to be shut down. But we saw opportunity.

In 2013, Carlyle and Sunoco formed Philadelphia Energy Solutions (PES), a joint venture created to keep the refinery running—and on course as the longest continuously operating oil facility in the United States and the largest oil refining complex on the Eastern seaboard. Two of our funds—Carlyle U.S. Equity Opportunity Fund, L.P. and Carlyle Energy Mezzanine Opportunities Fund, L.P.—teamed up to complete the transaction. Over the last two years, PES has undertaken a number of capital-intensive projects to diversify oil supplies, reduce energy input costs and improve efficiency. Foremost among these projects was a high-speed unloading rail facility capable of receiving roughly 160,000 barrels of domestically produced crude oil per day.

Rahul Culas (left) and **David Albert**
are Managing Directors and Co-Heads
of the Carlyle Energy Mezzanine
Opportunities team.



our business segments

Investment Solutions

A Spectrum of Outcome-Oriented Investments

Our Investment Solutions segment helps clients meet their objectives by constructing and implementing tailored portfolios. The platform gives investors access to the large and complex universe of alternative investment strategies—private equity, real estate and liquid market products—on a global basis. We assess client needs and build customized portfolios that strive to allocate capital efficiently across our family of alternatives and provide direct access to proprietary Carlyle products.

In 2014, the segment broadened its alternative investment strategies, highlighted by the launch of a fund that tactically trades liquid risk premia by our DGAM business, a liquid market investor. Our Metropolitan Real Estate business had its first close on a real estate secondaries and co-investment fund, while AlInvest launched an energy and infrastructure secondaries strategy. For the year, AUM in this segment grew to \$51 billion.

Justine Gordon is a Managing Director in AlInvest Partners' Secondary Investments team and leads the Energy and Infrastructure investment practice.

George Main is a Co-founder and Chief Executive Officer of DGAM.



AT-A-GLANCE STATS



\$51b
AUM



\$33b
fee-earning AUM



\$16b
capital available to
deploy



142
active investment
vehicles



Real Estate Solutions

Metropolitan Real Estate provides investors access to multi-manager real estate funds and solutions with more than 85 fund managers in the United States, Europe, Asia and Latin America. One of the largest managers of indirect investments in global real estate, Metropolitan constructs and manages U.S., non-U.S. and global real estate portfolios comprising value-add and opportunistic investments, which include primary and secondary fund interests, as well as co-investments.

Liquid Market Solutions

DGAM offers investors access to an array of proprietary and third-party hedge funds around the world. DGAM works to source the best managers in attractive strategies while seeking to minimize constraints on their investment activity. DGAM's organization has been purpose-built to manage the complexities of alternative asset classes with a complementary blend of investment and operations expertise.

Corporate Private Equity Solutions

AlpInvest Partners provides investors access to a global private equity program and related co-investment and secondary activities. Investment opportunities span the spectrum of third-party private equity funds, including buyouts, venture capital, growth capital, energy, and mezzanine and distressed investments. Through customized managed accounts, AlpInvest constructs tailored investment portfolios based on an investor's specific objectives.

Allocating Capital Tactically across an Array of Assets

In 2014, DGAM launched a direct investment fund with a systematic approach to tactically allocate capital across an array of up to 40 global liquid risk premia. The strategy pursues high risk-adjusted returns with a low correlation risk profile, while striving to provide a liquid, transparent and comprehensive approach to allocating capital. The strategy emphasizes long positions in what we believe are attractive risk premia with a strong bias to equities and alternatives, using a principles-based approach to investing in markets.



Carlyle Investment Solutions offers custom portfolio solutions and access to the large and complex universe of alternative investment strategies—private equity, real estate and liquid market products—on a global basis.

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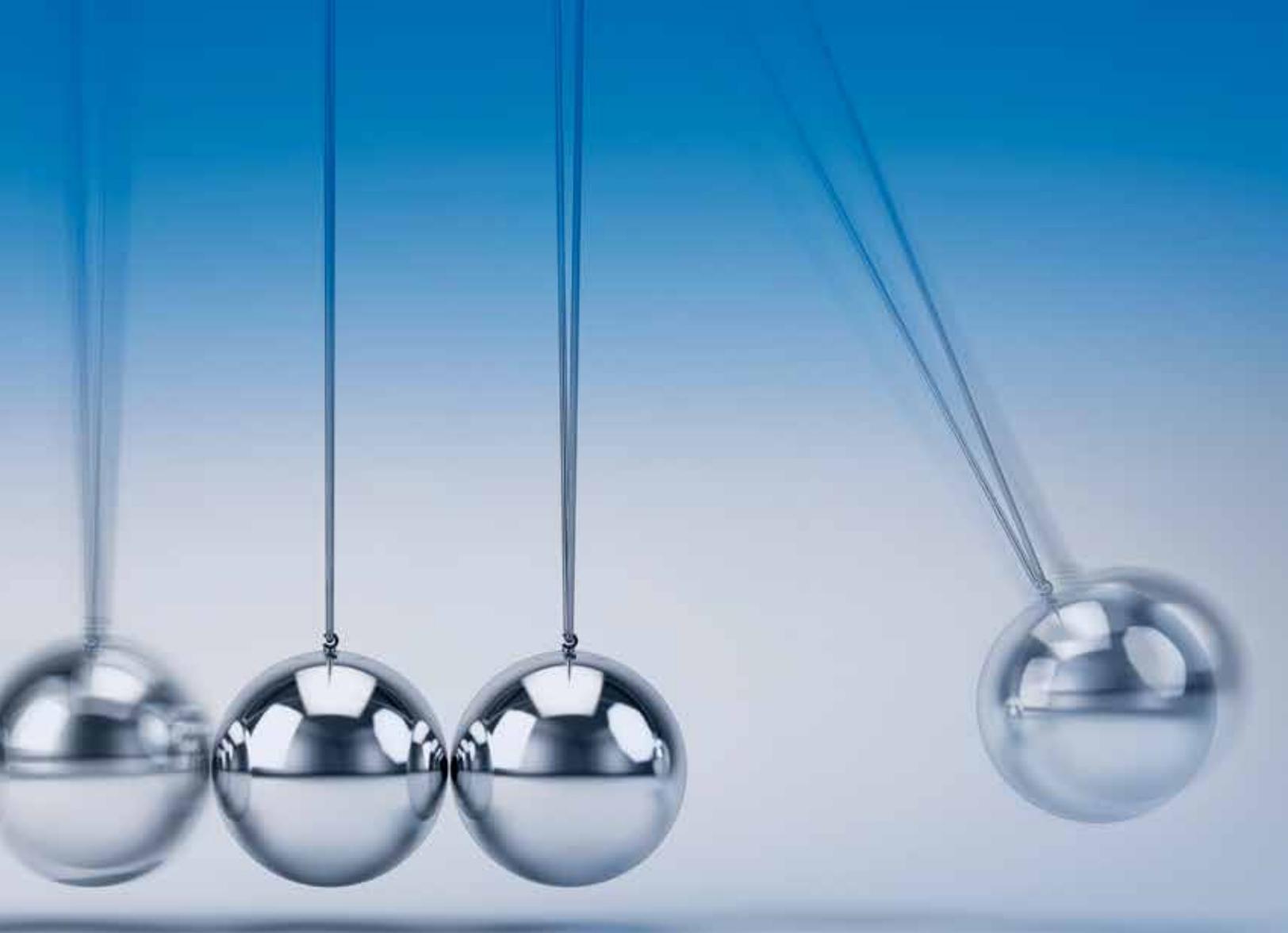
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