

## **The Carlyle Group**

### **News Release**

#### **For Immediate Release**

### **The Carlyle Group Acquires Majority Share in KAP Beteiligungs-AG, a German Industrial Conglomerate**

#### **Carlyle's global network and industrial expertise intended to help KAP grow organically and through acquisitions in the German Mittelstand**

**London, November 18, 2016** – Global Alternative Asset Manager The Carlyle Group (NASDAQ: CG) has today agreed to acquire a controlling interest in KAP Beteiligungs-AG (KAP), a publicly listed (DB: IUR), diversified German industrial conglomerate. In the proprietary and exclusive transaction, Carlyle will buy a 53% majority stake in KAP from Daun & Cie, the Family Office of KAP's founder and current Chairman of the Supervisory Board, Claas Daun, as well as from SvR Capital for approximately €18 per share. Fried Möller, long-term head of KAP Management Board, will continue to hold his minority stake and remain with the company as a member of its Supervisory Board. Carlyle will provide further information on this transaction with the public takeover offer document to be published later.

Headquartered in Fulda, Germany, KAP is a strategic financial holding company that invests in and provides services to middle market businesses that fit within its overall portfolio. Its current portfolio of 13 individual business units across 4 divisions has a broad market presence as well as a global sales and manufacturing footprint.

Equity for the transaction will come from Carlyle Strategic Partners IV L.P., Carlyle's Special Situations & Corporate Opportunities fund. The fund has previously invested in a number of other industrial and manufacturing companies, including Klenk Holz AG, a German manufacturer of wood products, and Brintons, a global manufacturer of specialist woven carpets for residential and commercial premises.

Ian Jackson, Managing Director of Carlyle Strategic Partners, said: "KAP is a high quality industrial conglomerate with international presence, a strong manufacturing base and extensive manufacturing expertise, especially in the fields of plastic extrusion, metal works and specialty textiles. We are excited to partner with KAP's experienced management team to realise the significant value creation opportunities, both organically as well as through acquisitions in the German Mittelstand."

Dr. Stefan Geyler, Speaker of the Management Board of KAP, said: "KAP has a strong track record of successfully developing and growing its subsidiary companies into leaders in their respective industries. We look forward to working with Carlyle to continue to grow the business further as we leverage Carlyle's global network, its extensive experience and expertise in the industrial and manufacturing sectors. We would be pleased to have Carlyle represented in KAP's supervisory board after closing of the transaction and would be very glad to benefit from The Carlyle Group's experience on that level as well."

The transaction is subject to approval by the relevant antitrust authorities, and is expected to close by the end of 2016. The sellers were advised by goetzpartners.

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#### **About KAP Beteiligungs-AG**

KAP is a holding company that provides a broad range of services for its subsidiaries as a strategic financial holding company. KAP invests in mid-market companies of various sizes and offers them the financial resources they need for a successful existence in their markets, a competent contact partner who supports them in strategic issues, and a group of companies that facilitates worldwide sales success.

#### **About The Carlyle Group**

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$169 billion of assets under management across 125 funds and 177 fund of funds vehicles as of September 30, 2016. 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 1,625 people in 35 offices across six continents.

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