

25th September 2014

GIC to join the Carlyle Group as joint strategic investors in RAC

The global alternative asset manager, The Carlyle Group (“Carlyle”) today announced that it has entered into an agreement with GIC, Singapore’s sovereign wealth fund, to become a co-shareholder in RAC. Following the transaction, Carlyle and GIC will jointly own a majority stake in the business with RAC management holding the remaining shares. The investment is expected to be completed by the end of the year. This transaction completes the strategic review undertaken by Carlyle and as a result, RAC will not be pursuing an IPO at this time.

RAC is the second-largest roadside assistance provider in the UK and has approximately 8 million roadside members as of 30 June 2014. It has a unique heritage going back 117 years and is the UK’s most trusted automotive service brand.

Since Carlyle acquired the RAC in 2011, it has invested more than £40m into the business to strengthen the operational capabilities and reinvigorate the brand. Carlyle and the management team have also positioned the RAC for future growth through the upgrading of its IT systems and sustained investment in its brand and the development of a database to enable enhanced sales and marketing. These transformational investments have helped RAC increase net revenue from £433m to £485m.

Andrew Burgess, Partner, The Carlyle Group said:

“We are delighted to welcome GIC as a partner in RAC. GIC is a high calibre, long-term investor that shares Carlyle’s vision for RAC. Both Carlyle and GIC believe that RAC has a clear strategy with significant growth potential, which its talented and experienced management team will continue to deliver. GIC will provide a solid partnership for the business.”

Henry Ormond, Senior Vice President, GIC Special Investments said:

“RAC is a good example of GIC’s investment objectives as a long-term investor. RAC combines both consistently strong financial performance, driven by the outstanding quality of service it offers its members, and continued growth potential. We are delighted to have the opportunity to partner with the management team and The Carlyle Group, and to support RAC’s future success.”

Chris Woodhouse, CEO, RAC said:

“GIC joining forces with Carlyle is very good news for RAC’s employees, members and customers as they back the continuing investment and long-term growth plan for the business. I am extremely proud of what everyone at RAC has done to contribute to our success over the past few years and am confident that the exceptional level of service that we provide, which is key to our success, will be elevated even further under the new ownership structure. Providing a first rate service for members and remaining The Motorist’s Champion remains core to our success.”

Carlyle and the RAC were advised by Barclays Bank PLC, Goldman Sachs, Lazard & Co, and Linklaters.

BofA Merrill Lynch, BNP Paribas, Citigroup Global Markets, J.P. Morgan Cazenove, and Latham and Watkins also provided advice.

Nomura acted as Adviser and Freshfields acted as Legal Adviser to GIC.

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About GIC

GIC is a leading global investment firm with well over \$100 billion in assets under management. GIC has been a long-time investor in the United Kingdom's public and private markets with stakes in Broadgate, Rothesay Life, the Kelda Group and Heathrow Airport Holdings. Established in 1981, the firm manages Singapore's foreign reserves and is uniquely positioned for long-term and flexible investments across a wide range of asset classes, including real estate, private equity, equities and fixed income. Headquartered in Singapore, GIC employs over 1,200 people across 10 offices in key financial cities worldwide, including one in London that opened in 1990. For more information: www.gic.com.sg

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$203 billion of assets under management across 126 funds and 139 fund of funds vehicles as of June 30, 2014. 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 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 1,600 people in 40 offices across six continents.

About RAC

RAC is one of the UK's most progressive motoring organisations, providing services for both private and business motorists. Whether it is breakdown cover with roadside assistance, insurance, buying a used car, vehicle inspections and checks, legal services or up-to-the-minute traffic and travel information – RAC offers a solution for all motoring needs. RAC is committed to making motoring easier, safer, more affordable and more enjoyable for drivers and road users.

RAC is the second-largest roadside assistance provider in the UK. It had approximately 8 million roadside members as of 30 June 2014 representing approximately 28 per cent. of the UK roadside assistance market by both value and by number of members and responded to approximately 2.5 million breakdowns in 2013. In addition to Roadside assistance, RAC operates under three other complementary business segments: Insurance broking, Motoring services, and Telematics & data services. In 2013, RAC generated revenue of £485 million, Trading EBITDA of £156 million and had Operating Cash Conversion of 100 per cent.

RAC is the motorist's champion and campaigns to support the interests of its members and UK motorists at a national level, including advancing levels of road safety, supporting the needs of young drivers and voicing concerns about the increasing cost of motoring. RAC's annual Report on Motoring survey, now in its 26th year, provides a clear insight into the concerns and issues facing today's motorists.