



THE CARLYLE GROUP

News Release

CVC CAPITAL PARTNERS FORMS PARTNERSHIP WITH GIC TO INVEST IN THE RAC AS THE CARLYLE GROUP EXITS

CVC Capital Partners' Strategic Opportunities Platform makes first investment

[LONDON] – 02 December, 2015 – The Carlyle Group (“Carlyle”), CVC Capital Partners (“CVC”) and GIC, Singapore’s sovereign wealth fund, announced today that funds advised by CVC have entered into a partnership with GIC and will become a co-shareholder in the RAC through the purchase of Carlyle’s stake in the RAC. The investment was made from CVC’s Strategic Opportunities Platform, established in response to growing demand from large investors to be able to invest for the long term in stable, high quality businesses, and this will be its first investment.

The RAC is the second-largest roadside assistance provider across the UK and has approximately 8.6 million members as of 30 September, 2015. Committed to quality service and innovation over 118 years, the RAC is the UK’s trusted automotive service brand. The Company provides motoring services to its consumer membership base and corporate clients.

CVC has a deep understanding of investing in businesses in the motoring services industry and believes there is a significant long-term growth opportunity, building on the RAC’s existing strengths. CVC, along with co-shareholder GIC, intends to continue the extensive investment that has been made in the RAC’s technology, data and telematics platform to augment the range and convenience of services to members and corporate clients.

During Carlyle’s ownership, revenues at the RAC grew from £417 million in 2010 to £498 million in 2014 while at the same time improving member satisfaction and retention. The RAC also delivered substantial reductions in energy consumption per breakdown for its vehicle fleet and through energy efficiency measures implemented at all UK sites jointly contributing to EBITDA and reduced carbon emissions. Capital for this investment principally came from Carlyle Europe Partners III (“CEP III”) that has announced a number of significant exits over the past 12 months, notably including Telecab, Altice, Axalta and MPS.

Chris Woodhouse, CEO of the RAC, said: “We are really looking forward to working with CVC and our existing partner GIC as we enter the next phase of our development. With their significant experience and long-term capital, we are confident that they are the perfect partners to further our success as one of the UK’s major



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roadside assistance providers. I would also like to take the opportunity to thank Carlyle for their support over the last four years.”

Marc Boughton, Managing Partner and Co-Head of the Strategic Opportunities Platform at CVC Capital Partners, commented: “The RAC is a very high quality, resilient business in a stable industry, with great customer service and a loyal membership base. We look forward to working with GIC, a highly respected long-term investor and longstanding partner of CVC, to support the continued development of this great brand. We and GIC recognise that this will take time and capital, and this is why the RAC is an ideal initial investment for this platform.”

Andrew Burgess, Managing Director at Carlyle Europe Partners, added: “It has been a pleasure to work with the RAC’s talented management team over the last four years since the acquisition from Aviva as they have transformed the business and delivered sustained financial performance. Under their leadership, the RAC has strengthened and improved its core roadside business, building upon the high standards of customer service that earned them the reputation of ‘The Motorist’s Champion’, whilst at the same time expanding into new business areas, including telematics. We wish them every success as they continue the journey with CVC and GIC.”

Henry Ormond, Senior Vice President at GIC, commented: “We welcome CVC as our new partner in the RAC. CVC brings a wealth of relevant experience, and as like-minded long-term investors we look forward to working with them in supporting the RAC on its continued development. We are also grateful to Carlyle for their significant contributions to the business since they first invested in 2011.”

This transaction is subject to customary regulatory approvals and is expected to close in early 2016. Legal advice was provided to GIC by Freshfields Bruckhaus Deringer LLP, to Carlyle by Linklaters LLP and to CVC by Clifford Chance LLP.

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Notes to Editors

About The RAC

The 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 – the RAC offers a solution for all motoring needs. The RAC is committed to making motoring easier, safer, more affordable and more enjoyable for drivers and road users.

The RAC is the second-largest roadside assistance provider in the UK. It had approximately 8.6 million members as of 30 September, 2015 and responded to approximately 2.3 million breakdowns in 2014. In addition to Roadside assistance, the RAC operates under three complementary business segments: insurance broking, motoring services, and telematics & data services. In 2014, the RAC generated revenue of £498 million and EBITDA of £169 million.

The 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. The RAC’s annual Report on Motoring survey, now in its 27th year, provides a clear insight into the concerns and issues facing today’s motorists.

About CVC

CVC Capital Partners is one of the world's leading private equity and investment advisory firms. Founded in 1981, CVC today has a network of 23 offices and over 300 employees throughout Europe, Asia and the US. To date, CVC has secured commitments of over US\$79 billion in funds from a diverse and loyal investor base, completing over 300 investments in a wide range of industries and countries across the globe, with an aggregate transaction value of over US\$120 billion. For further information about CVC please visit: www.cvc.com

About the Strategic Opportunities Platform

CVC’s Strategic Opportunities Platform was established in response to growing demand from large investors to be able to invest for the long term in stable, high quality businesses. The platform provides partnership capital to make control, co-control and minority investments in companies with a medium risk/return profile

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and a secure capital structure, across both the private and public markets. The investment in RAC will be the first investment from the platform.

About GIC

GIC is a leading global investment firm with well over US\$100 billion in assets under management. Established in 1981 to secure the financial future of Singapore, the firm manages Singapore's foreign reserves. A disciplined long-term value investor, GIC is uniquely positioned for investments across a wide range of asset classes, including real estate, private equity, equities and fixed income. In private equity, GIC invests through funds as well as directly in companies, partnering with its fund managers and management teams to help world class businesses achieve their objectives. GIC employs more than 1,200 people across offices in Singapore, Beijing, London, Mumbai, New York, San Francisco, São Paulo, Seoul, Shanghai, and Tokyo. For more information, please visit www.gic.com.sg.

About Carlyle

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$188 billion of assets under management across 126 funds and 160 fund of funds vehicles as of September 30, 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 35 offices across six continents.

Capital for The Carlyle Group's investment in the RAC came principally from Carlyle Europe Partners III ("CEP III"), a European-focussed upper-mid market buyout fund that has announced a number of significant exits over the past 12 months, notably including Telecable, Altice, Axalta and MPS. CEP IV, the follow-on fund in the franchise, has already announced six investments in European companies as of 30 November 2015.

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About Carlyle Europe Partners

Carlyle Europe Partners ("CEP") seeks to invest in upper- and mid-size companies in Europe across a wide range of sectors and industries, accelerate their growth and support their efforts to expand internationally. The current fund is now the fourth in the CEP franchise. The fund is managed by a team of 39 investment professionals across five offices. In total, over 140 investors from 35 countries have made commitments to the CEP IV fund.

By 30 November 2015 CEP IV had announced six investments in companies located in UK, France, Italy and Spain: Homair Vacances, a pan-European outdoor accommodation and holiday group operating over 15,000 mobile homes across almost 300 campsites; Custom Sensors and Technology, a globally diversified manufacturer of niche sensing, control & motion products; Sematic, a global manufacturer and supplier of elevator components; Palacios, a specialty Spanish foods supplier; PA Consulting, a consulting, technology and innovation firm and The Innovation Group, an international business process operations group.