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The Carlyle Group Acquires Management Contracts on €2.1 billion in European CLO Assets from Highland Capital Management, Increasing Carlyle's CLO AUM to \$16 Billion

Growing CLO Platform Continues Opportunistic Acquisitions

New York, NY and London, UK – Global alternative asset manager [The Carlyle Group](#) today announced it has completed the acquisition of four management contracts on €2.1 billion in European Collateralized Loan Obligation (CLO) assets from Highland Capital Management L.P., a global alternative asset management firm based in Dallas. The acquisition brings Carlyle's CLO assets under management to \$16 billion. Financial terms were not disclosed. Highland Capital Management retains its U.S. CLO assets, which, along with the firm's other strategies, total \$20 billion in AUM.

The transaction is Carlyle's first CLO purchase in Europe and builds upon a series of recent CLO acquisitions. The four European CLOs are invested primarily in non-investment grade bank loans issued by European companies.

Mitch Petrick, Carlyle Managing Director and Head of the Global Market Strategies Group, said, "We will continue to use the scale and breadth of our structured credit platform to seize attractive opportunities as the global CLO business continues to consolidate."

Colin Atkins, Carlyle Managing Director and Head of European Structured Credit, said, "The purchase of these CLO contracts, our first such acquisition in Europe, demonstrates Carlyle's commitment to the European Leveraged Loan market."

"We are expanding our efforts for investors in continental Europe and emerging markets," said James Dondero, President and Co-Founder of Highland Capital Management, L.P. "We are also growing our leadership position in the U.S. CLO market."

Carlyle has invested in structured credit for more than a decade, and now manages more than \$16 billion through 32 structured vehicles, known as CLOs. Since August 2010 and including today's acquisition, Carlyle has added \$10.5 billion of CLO assets through the additions of Stanfield, Mizuho, Foothill and Churchill funds and the closing of a new \$507 million CLO in 2011.

Carlyle's structured credit/CLO business resides within the firm's Global Market Strategies platform, which now has \$27 billion in AUM. The platform includes: mezzanine and energy mezzanine loans, high yield and structured credit, distressed equity and debt, long/short credit, and emerging market equities and macroeconomic strategies. The GMS platform has more than 100 investment professionals in New York, Washington, DC, Los Angeles, Chicago, Hong Kong, and London.

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About The Carlyle Group

The Carlyle Group is a global alternative asset manager with \$148 billion of assets under management in 89 active funds and 52 fund of fund vehicles as of September 30, 2011. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Market Strategies and Fund of Funds Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has developed expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,200 people in 33 offices across six continents.