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THE CARLYLE GROUP

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GLOBAL ALTERNATIVE ASSET MANAGEMENT

# The Carlyle Group Unitholder Presentation

February 2018

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The fund return information reflected in this presentation is not indicative of the performance of The Carlyle Group L.P. and is also not necessarily indicative of the future performance of any particular fund. There can be no assurance that any of Carlyle's funds or its other existing and future funds will achieve similar returns. See "Risk Factors — Risks Related to Our Business Operations — The historical returns attributable to our funds, including those presented in this report, should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our common units" in the Annual Report. As used throughout this document, and unless otherwise indicated, "Gross IRR" represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value before management fees, expenses and carried interest, which will reduce returns and, in the aggregate are substantial. "Net IRR" represents the annualized internal rate of return for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value after management fees, expenses and carried interest (but not taxes borne by investors). "Gross MOIC" represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital. An investment is considered realized when the investment fund has completely exited, and ceases to own an interest in, the investment. An investment is considered partially realized when the total proceeds received in respect of such investment, including dividends, interest or other distributions and/or return of capital represents at least 85% of invested capital and such investment is not yet fully realized. In considering investment performance information contained in this presentation, prospective investors should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that Carlyle or any Fund will achieve comparable results. Actual realized value of currently unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized values of unrealized investments may differ materially from the values indicated herein. Unless otherwise specified, LTM, or last twelve months refers to the period of Q1 2017 through Q4 2017, and the prior rolling 12-month period refers to the period Q1 2016 to Q4 2016.

Detailed information about Carlyle's management fees and performance fees is available in Carlyle's public filings. Please note that certain metrics and projections contained in this Presentation include the Legacy Energy Funds and funds advised by NGP Energy Capital Management. Please note that the Legacy Energy Funds (as defined in Carlyle's public filings), are managed with Riverstone Holdings LLC and its affiliates. Affiliates of both Carlyle and Riverstone act as investment advisers to each of the Legacy Energy Funds. Currently, Carlyle is only entitled to carried interest and management fees in certain funds advised by NGP Energy Capital Management. The NGP Energy Capital Management funds which solely earn management fees are referred to herein as "NGP management fee funds." This presentation includes comparisons to certain private equity returns to MSCI World Index and other indexes and such comparisons are provided for informational purposes only. The private equity returns do not represent the performance of any Fund or family of Funds. Recipients should not infer that any Fund is top quartile. There are significant differences between the types of securities and assets typically acquired by U.S. and global buyout funds, the investments covered by the indexes.

For purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period when presenting period end balances, and the average rate for the period has been utilized when presenting activity during such period. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment. This presentation includes certain Non-GAAP financial measures, including Distributable Earnings ("DE") and EBITDA. These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measure prepared in accordance with GAAP. Please see Carlyle's public filings for the definition of "carry funds," "Fee-earning assets under management" or "Fee-earning AUM," (FEAUM), and "Assets under management" or "AUM."

For purposes of the non-financial operating and statistical data included in this presentation, including the aggregation of our non-U.S. dollar denominated, investment funds, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period and the average spot rate for the period has been utilized when presenting multiple periods. With respect to capital commitments raised in foreign currencies, the conversion to U.S. dollars is based on the exchange rate as of the date of closing of such capital commitment. This presentation includes certain Non-GAAP financial measures, including Economic Net Income (ENI) and Distributable Earnings (DE). These Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP.

# Carlyle Is A Leading Global Alternative Asset Manager

## THE CARLYLE GROUP

Total AUM: \$195 bn ○ Fee-Earning AUM: \$125 bn ○ Available Capital: \$70 bn

2017 Results ○ \$3.47 ENI per common unit ○ \$1.41 distribution per common unit

### Corporate Private Equity

**\$73 bn AUM**  
**\$30 bn Available  
Capital**

- Buyout
- Growth

27% Realized /  
Partially Realized  
Gross IRR

### Real Assets<sup>1</sup>

**\$43 bn AUM**  
**\$16 bn Available  
Capital**

- Real Estate
- Energy
- Power
- Infrastructure

16% Realized /  
Partially Realized  
Gross IRR

### Global Credit

**\$33 bn AUM**  
**\$7 bn Available  
Capital**

- Structured Credit
- Direct Lending
- Energy Credit
- Distressed &  
Special  
Situations
- Opportunistic  
Credit

### Investment Solutions

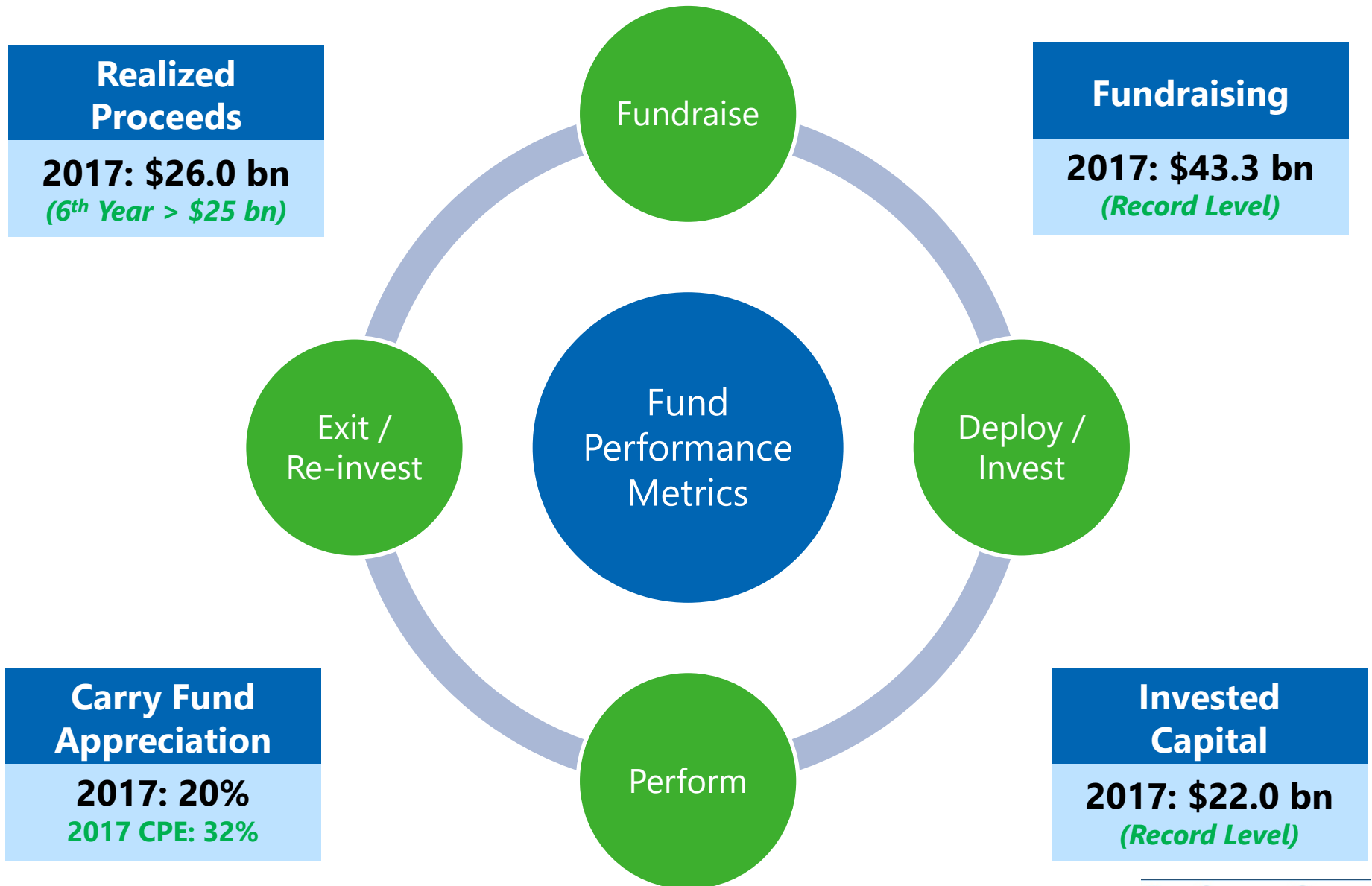
**\$46 bn AUM**  
**\$16 bn Available  
Capital**

- Private Equity  
and Real Estate
  - ✓ Funds
  - ✓ Secondaries
  - ✓ Co-investments

Note: Data as of 12/31/2017. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on fund performance.

1) Includes six Energy & Power and Renewable funds jointly advised with Riverstone Holdings, L.L.C. and eight funds advised by NGP Energy Capital Management.

# The Core Drivers of Our Performance Continue to Operate at High Levels



Note: Data as of 12/31/2017. Invested Capital, Carry Fund Appreciation and Realized Proceeds amounts represent carry fund activity only.

## Five Topics Of Interest To The Investment Community Today

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1

**Strong Investment Performance Driving Higher Levels of Potential Revenue**

2

**Generational Performance Fee Transition Underway**

3

**Platform Scaling and Improved Deployment**

4

**Increase Orientation Around Fee Related Earnings**

5

**Develop a Premier Global Credit Business**

# Strong Investment Performance Driving Acceleration in Accrued Carry

## 2017 Carry Fund Appreciation

**Corporate Private Equity** **32%**

**Real Assets** **19%**

**Global Credit** **11%**

**Investment Solutions** **10%**

**All Carry Funds** **20%**

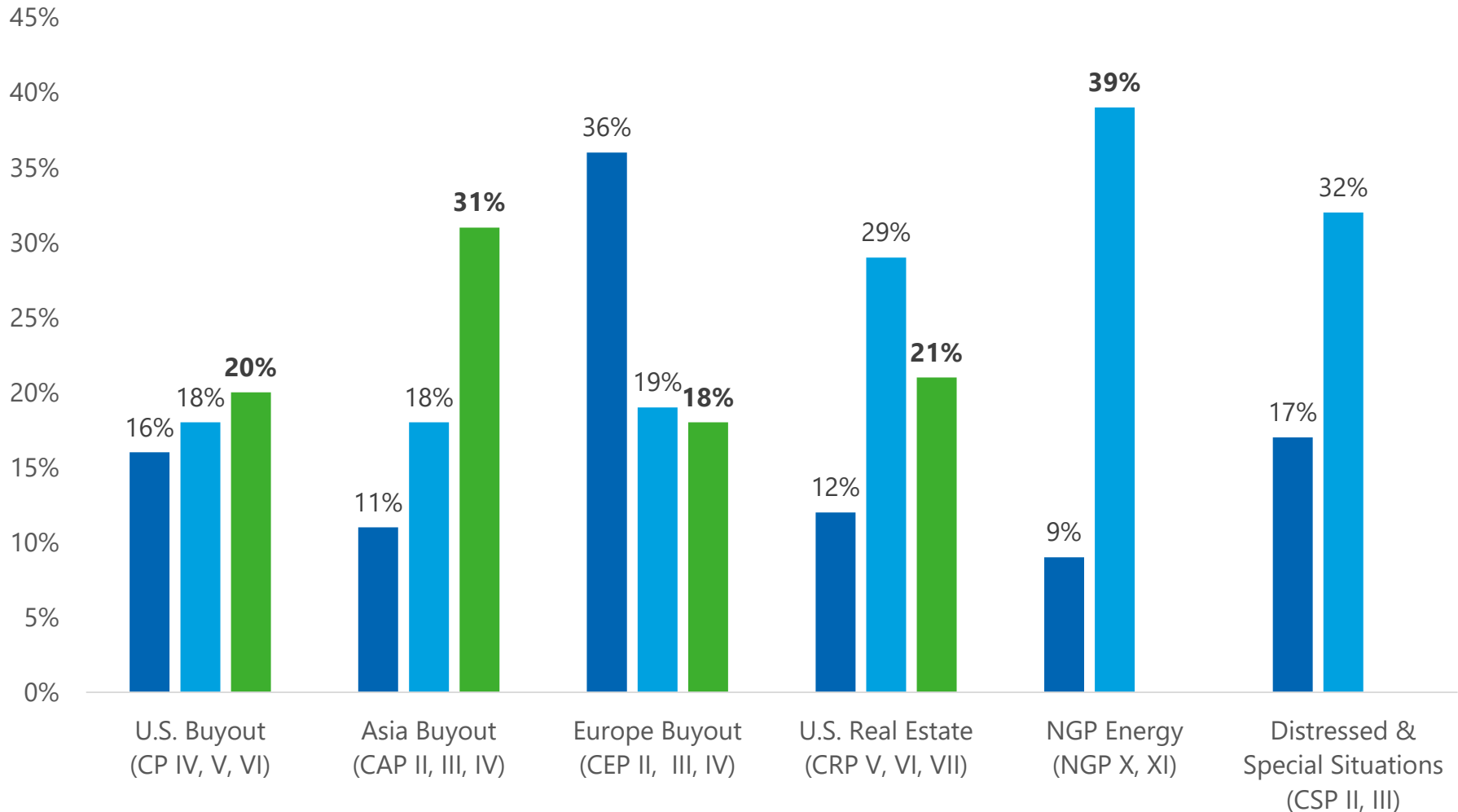
Net Accrued Performance Fees Increased 60% in 2017



Note: Data as of 12/31/2017.

# Exceptional Fund Performance Is Our Top Priority, and Many Of Our Largest Fund Families Have Consistently Delivered

Gross IRRs (Total Fund)



Note: Data as of 12/31/2017. Does not represent all Carlyle carry funds. For a full list of funds and important information, see information in our latest earnings release or SEC documents. Bold represents currently investing funds. Carlyle Realty Partners VII and NGP XI are fully committed, but were 77% and 69% invested as of Q4 2017.

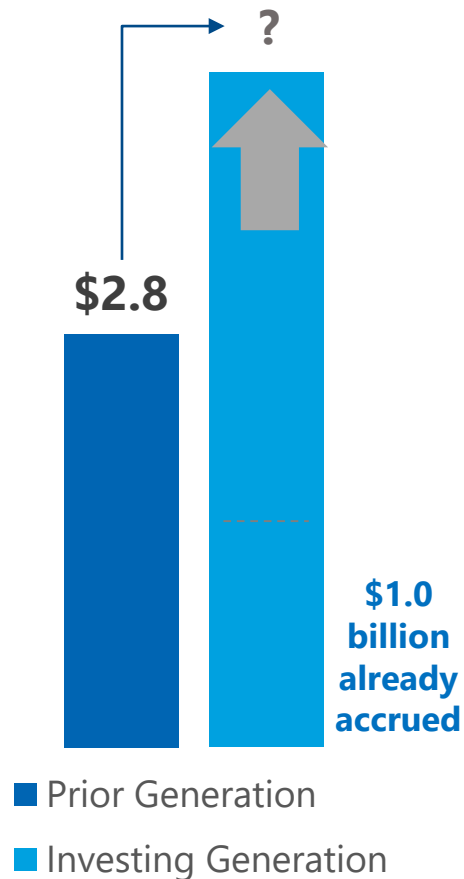
# Generational Scaling Of Investment Funds Should Lead To Higher Performance Fees

**Committed Capital (\$ bn)**

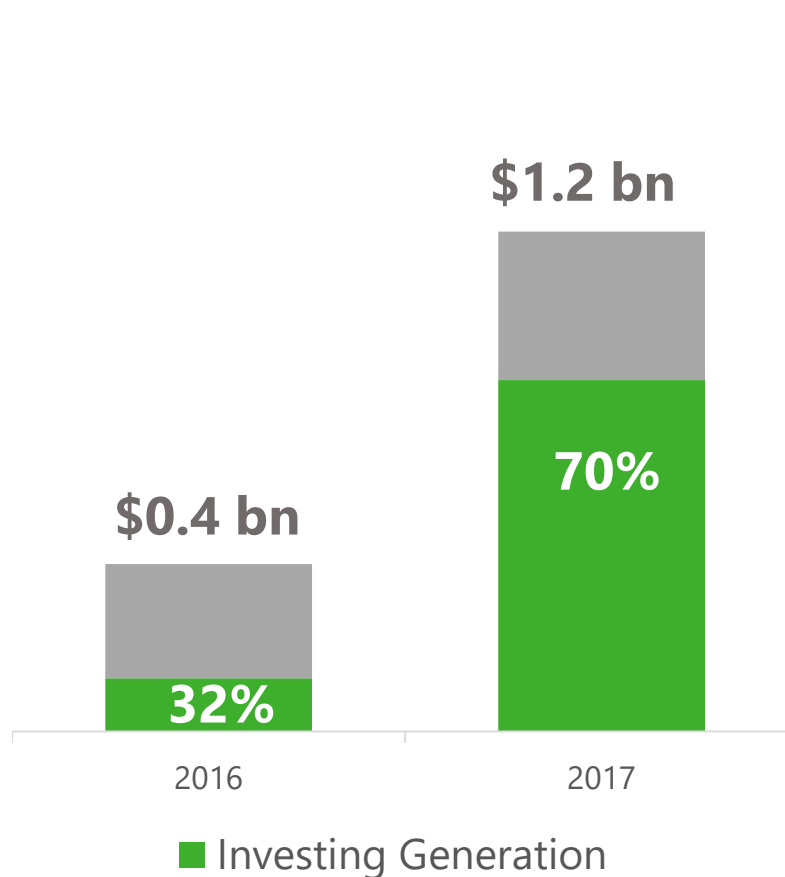
**~40% larger**



**Total Net Performance Fees (\$ bn)**



**Annual Net Performance Fee Revenue**

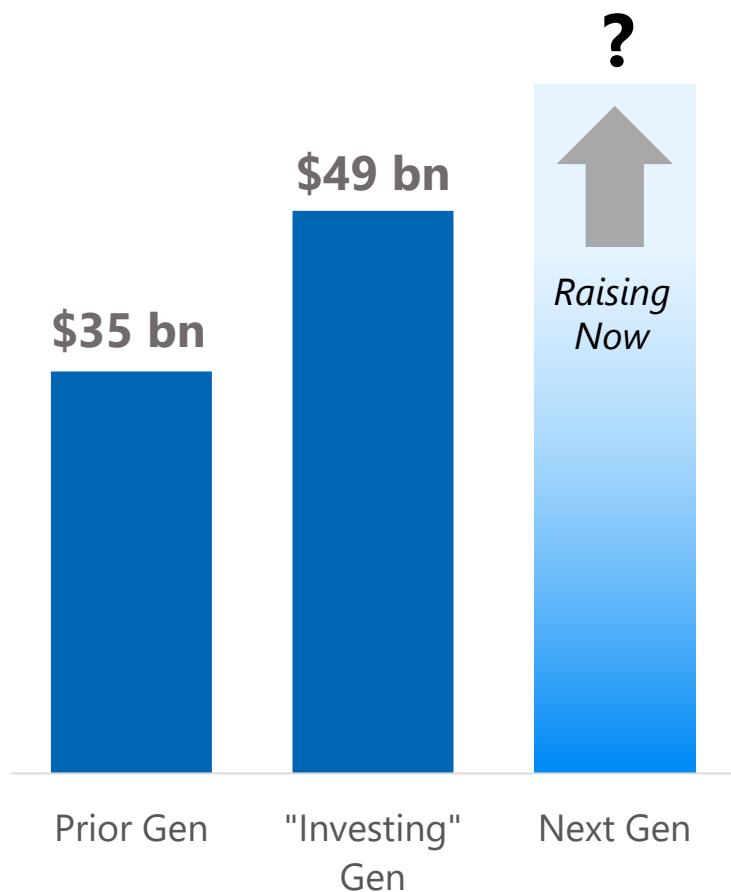


Note: Data as of 12/31/2017. Prior generation net performance fees assume no further appreciation beyond current levels. "Investing Generation" of funds includes: CP VI, CEP IV, CAP IV, CJP III, CGFSP II, CEOF II, CETP III, CGP, CRP VII, NGP XI, CIEP, CPP II, CSP IV, CEMOF II.

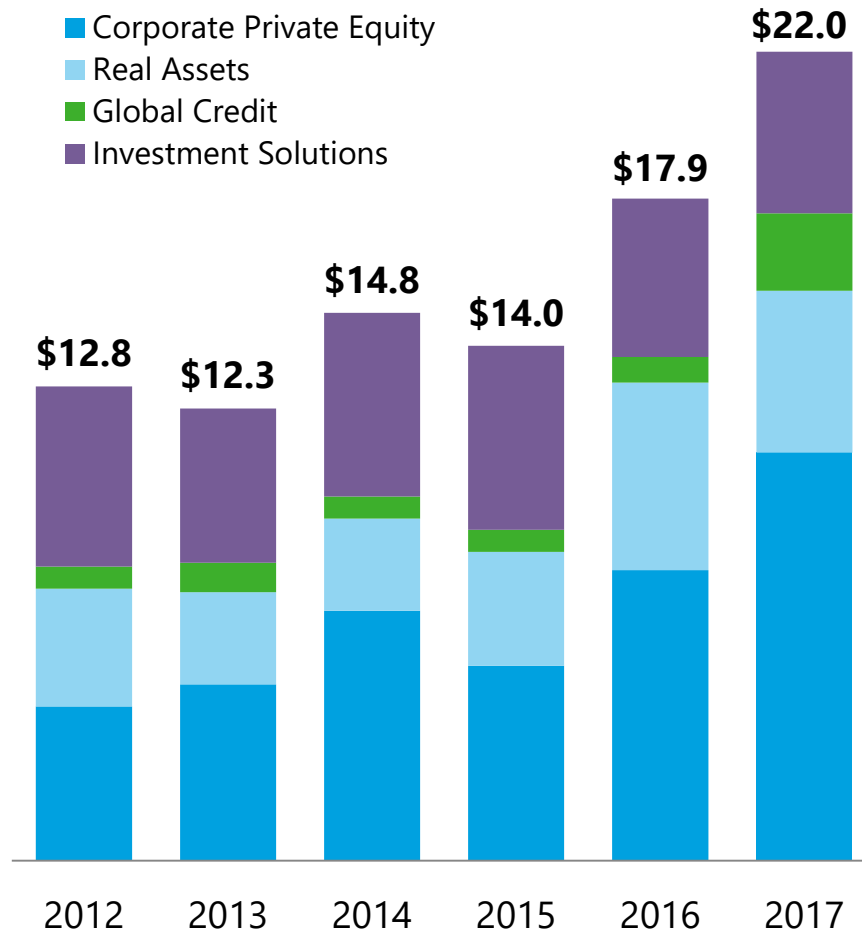


# Larger Generations of Funds Drive Better Economics and Increasing Deployment Opportunities

## Fund Commitments for Major CPE/RA/GC Carry Funds



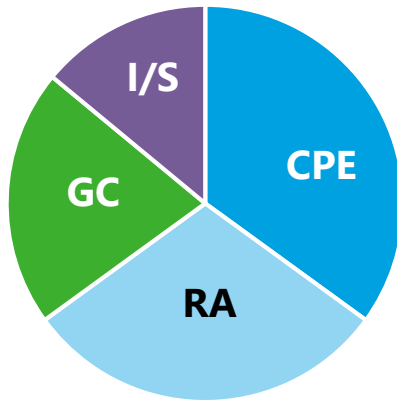
## Invested Capital (\$ billions) All Carry Funds



Note: Data as of 12/31/2017. "Investing Generation" of funds includes: CP VI, CEP IV, CAP IV, CJP III, CGFSP II, CEOF II, CETP III, CGP, CRP VII, NGP XI, CIEP, CPP II, CSP IV, CEMOF II. There is no guarantee these trends will continue.

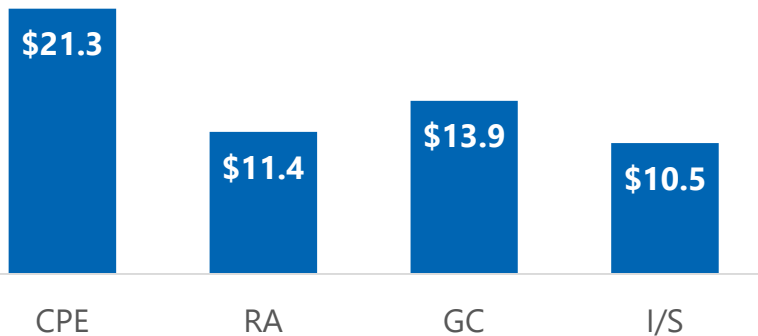
# On Track To Achieve Our Fundraising Target of \$100 Billion For the Coming Cycle

2016-19 Gross Fundraising Target:  
**~\$100 billion**



Gross Fundraising Since Q1 2016

**\$57 billion**



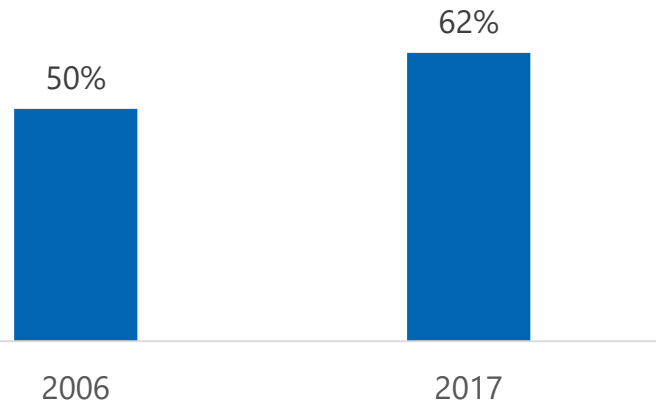
- ✓ Raised \$57 billion towards goal in 2016 and 2017
- ✓ Strong partnerships with over 1,750 global investors from 83 countries
- ✓ Record \$43 billion raised in 2017
- ✓ Expect to raise approximately \$25 billion in 2018

# We Have More Than 1,750 Loyal Investors Across 83 Countries

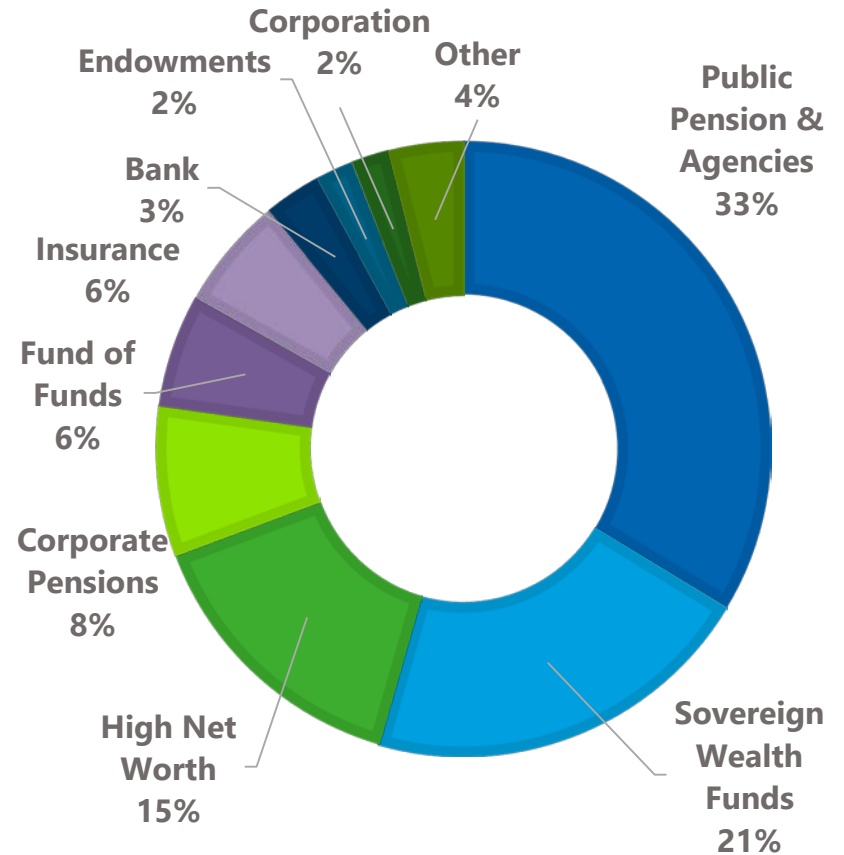
Source of Carry Fund Capital by Region  
(LTM, by commitments)



% of Commitments (in \$)  
Across >10 Carlyle Funds



SOURCE OF CARRY FUND CAPITAL  
BY INVESTOR TYPE, LTM  
(% OF COMMITMENTS)



Note: Data as of 12/31/2017.

Number of fund investors for prior years is shown as of September 30<sup>th</sup> of each year.

1) Percentage of capital committed by investors to active carry funds, segmented by the number of active carry funds in which the investors were committed as of 12/31/2006 and 12/31/2017.

## Increasing Orientation On Fee Related Earnings

- ✓ Raise larger funds and scale existing funds
- ✓ Maintain net economic terms
- ✓ Leverage fixed expense base
- ✓ Grow Global Credit
- ✓ Additional new initiatives

Expect \$300 million in run-rate FRE by Q4 2018 (\$ millions)



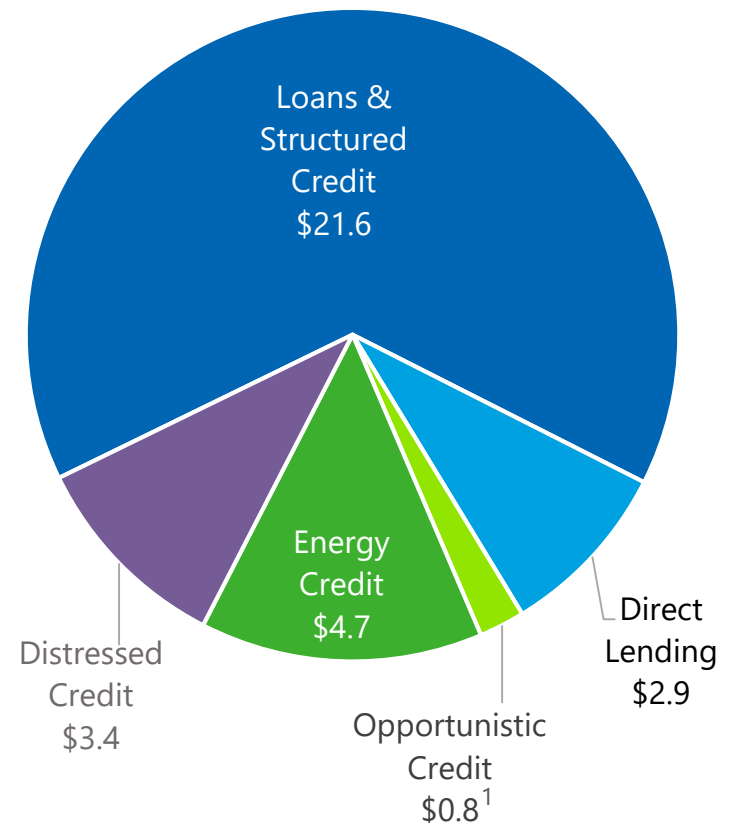
Note: Data as of 12/31/2017. Reflects Management's views as of 2/9/2018. Please see "Important Information" slides for information about the use of and reliance on projections.

1) 2017 Fee Related Earnings was \$192 million. Pro forma of \$124 million excludes net insurance recoveries in Global Credit.

## Gaining Momentum and Scale in Global Credit

- Currently have \$33 billion in Global Credit AUM with \$200 million run-rate management fees
- Continue to build out capabilities to manage larger amounts of capital
- Launch and develop new funds & products
  - Opportunistic Credit
  - Secondary Structured Credit
  - New BDCs
  - Managed Accounts
- Leverage functional platform to scale broadening investment capabilities

### Global Credit AUM: \$33 billion



Note: Data as of 12/31/2017.

1) First Opportunistic Credit fund is currently in fundraising.

## Well Positioned to Continue to Deliver Solid Economic Results

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**\$1.3 billion** in 2017 Economic Income and **\$3.47** post-tax per unit

**\$670 million** in 2017 Distributable Earnings resulting in **\$1.41** in unitholder distributions

Leading carry fund **Investment Performance**: Total 2017 carry fund appreciation of 20%; Corporate Private Equity 32% in 2017

**\$1.7 billion in Net Accrued Performance Fees** across all segments and funds, **up 60%** since year-end 2016

**\$70 billion in Available Capital** to deploy globally on an opportunistic basis

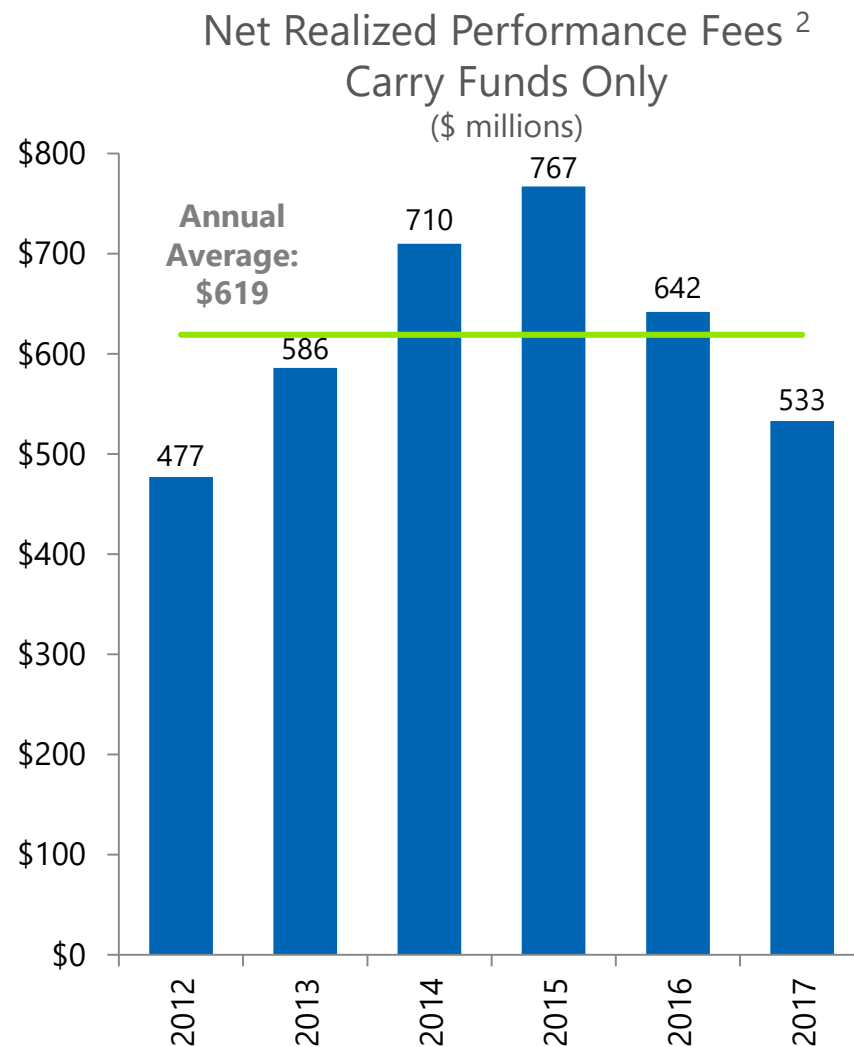
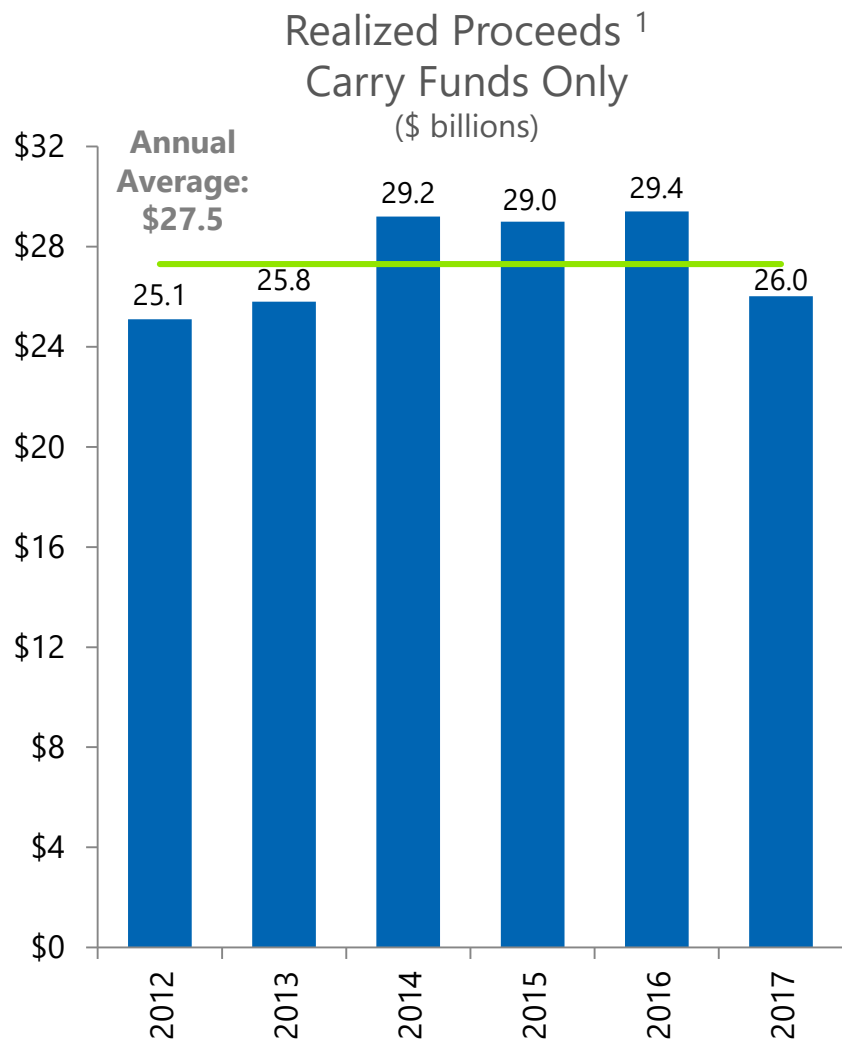
More than half way through a **\$100 billion fundraising effort**

Focused efforts gaining traction to **build a premier global credit business**

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# APPENDIX

# Realized Proceeds Reached a Record of Nearly \$30 billion in 2016 & Net Realized Performance Fees Averaged \$626 million since 2012



Note: Data as of 12/31/2017. There is no guarantee these trends will continue.

1) Realized Proceeds for carry funds only.

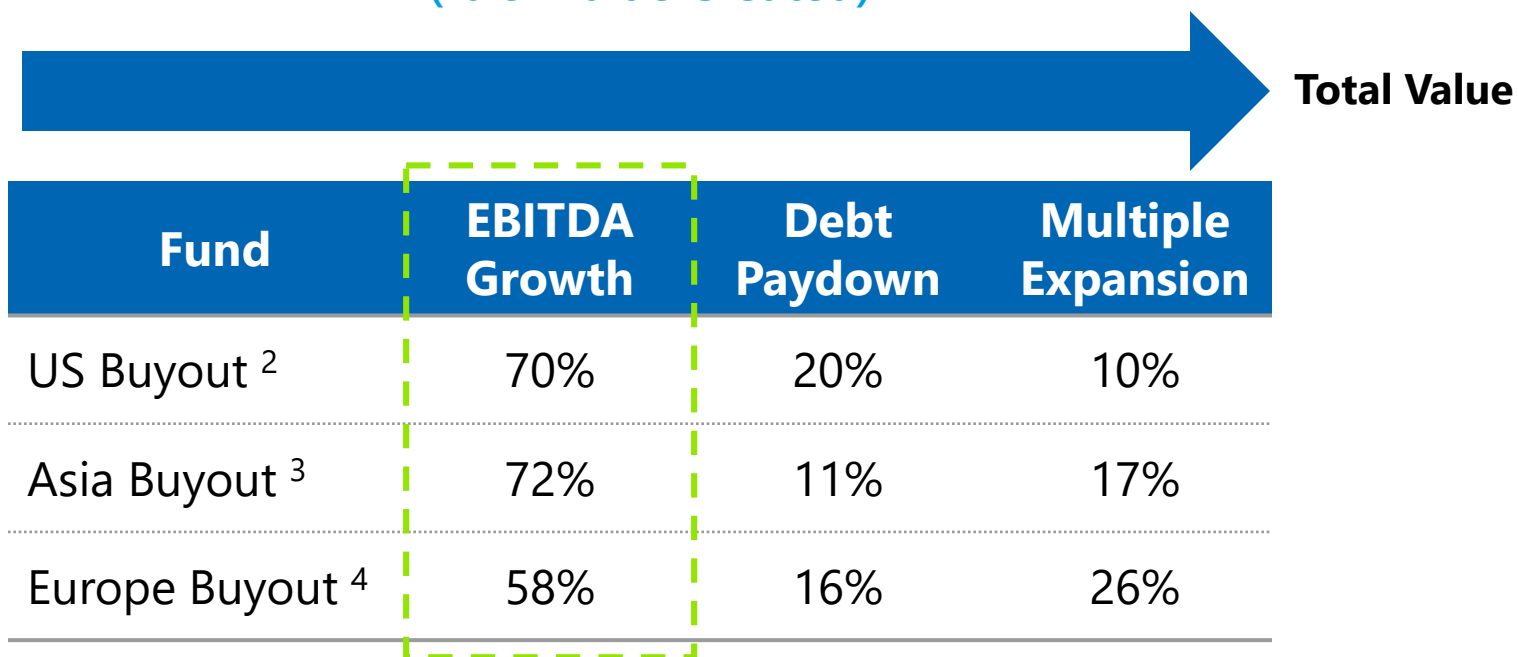
2) Net Realized Performance Fees are for carry funds only, and do not include realized performance fees from CLOs, hedge funds and BDC. 2016 excludes the impact of \$36 million in giveback relating to Legacy Energy funds realized in Q4 2016.



# CPE Portfolio Company Earnings Growth Drives Value Creation

## Drivers of Value Creation <sup>1</sup> (% of Value Created)

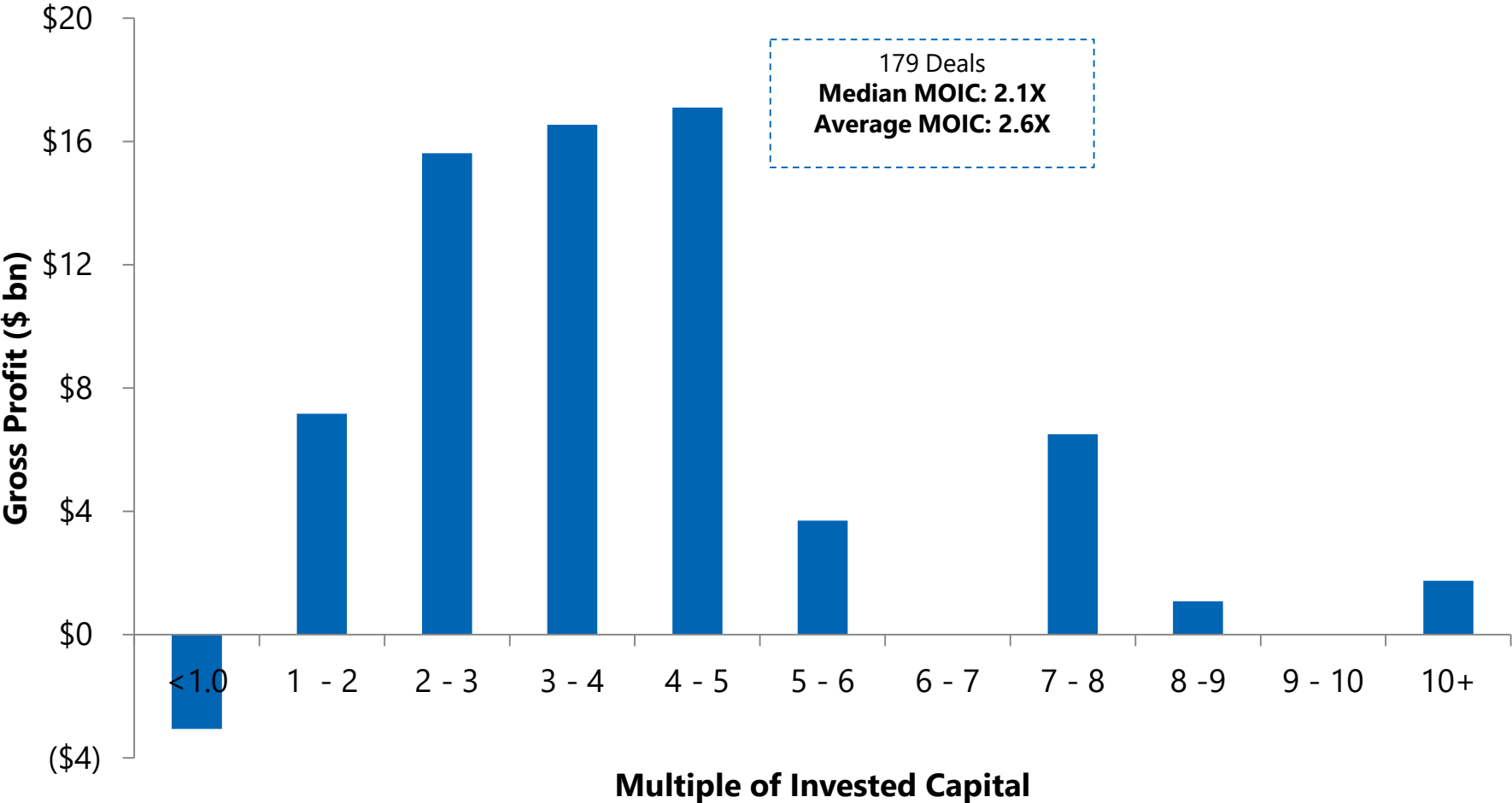
**Equity  
Invested**



**Total Value**

- 1) Includes both realized & unrealized deals for US Buyout, & includes only realized & partially realized deals for Europe Buyout. Asia buyout only reflects realized & partially realized investments, but includes the unrealized portion of partially realized investments. On the unrealized portion of partially realized investments, actual realized values may differ from the estimated values on which this slide is based. Past performance is not indicative of future results & there is no guarantee these trends will continue. See "Important Information" at the beginning of this presentation.
- 2) As of 6/30/2017 or most recent data available. Illustrates the source of value creation on all deals currently valued at greater than 1.0x in CP IV, CP V & CP VI. Excludes coinvestment in deals acquired by CP IV, CP V & CP VI.
- 3) As of 6/30/2017 or most recent data available. Excludes co-investment.
- 4) As of 9/30/2017 or most recent data available. Includes all fully realized & partially realized CEP transactions since inception with the exception of Bredbandsbolaget AB (venture led deal which is not representative of CEP strategy). The losses from realized transactions that have returned < 0.5x cost have been allocated to EBITDA growth, deleveraging, & multiple expansion on a pro-rata basis. Excludes co-investment.

# CPE's Proven, Disciplined Investment Process Drives Consistent Returns



Note: Data as of 12/31/2017. Represents realized and partially realized deals in Carlyle Partners, Carlyle Europe Partners and Carlyle Asia Partners since inception. Includes fund and external coinvestment. Past performance is not indicative of future results and there is no guarantee these trends will continue.

# Exceptional Fund Performance Is Our Top Priority, and Many Of Our Largest Fund Families Have Consistently Delivered

Carlyle Fund Family	Inception Year	Committed Capital (bn)	Gross IRR	Net IRR	Total MOIC
Carlyle Partners IV (U.S.)	2004	\$7.9	16%	13%	2.4x
Carlyle Partners V (U.S.)	2007	\$13.7	18%	14%	2.1x
<b>Carlyle Partners VI (U.S.)</b>	<b>2012</b>	<b>\$13.0</b>	<b>20%</b>	<b>13%</b>	<b>1.4x</b>
Carlyle Asia Partners II	2006	\$1.8	11%	8%	1.9x
Carlyle Asia Partners III	2008	\$2.6	18%	12%	1.9x
<b>Carlyle Asia Partners IV</b>	<b>2012</b>	<b>\$3.9</b>	<b>31%</b>	<b>20%</b>	<b>1.6x</b>
Carlyle Europe Partners II	2003	€1.8	36%	20%	2.0x
Carlyle Europe Partners III	2006	€5.3	19%	14%	2.3x
<b>Carlyle Europe Partners IV</b>	<b>2013</b>	<b>€3.7</b>	<b>18%</b>	<b>7%</b>	<b>1.2x</b>
Carlyle Realty Partners V (U.S.)	2006	\$3.0	12%	9%	1.7x
Carlyle Realty Partners VI (U.S.)	2010	\$2.3	29%	20%	1.8x
<b>Carlyle Realty Partners VII (U.S.)</b>	<b>2014</b>	<b>\$4.2</b>	<b>21%</b>	<b>12%</b>	<b>1.3x</b>
Natural Gas Partners X	2012	\$3.6	9%	6%	1.3x
<b>Natural Gas Partners XI</b>	<b>2014</b>	<b>\$5.3</b>	<b>39%</b>	<b>27%</b>	<b>1.4x</b>
Carlyle Strategic Partners II	2007	\$1.3	17%	11%	1.8x
Carlyle Strategic Partners III	2011	\$0.7	32%	20%	1.7x
<b>Carlyle Strategic Partners IV</b>	<b>2016</b>	<b>\$2.5</b>	<b>NM</b>	<b>NM</b>	<b>1.2x</b>

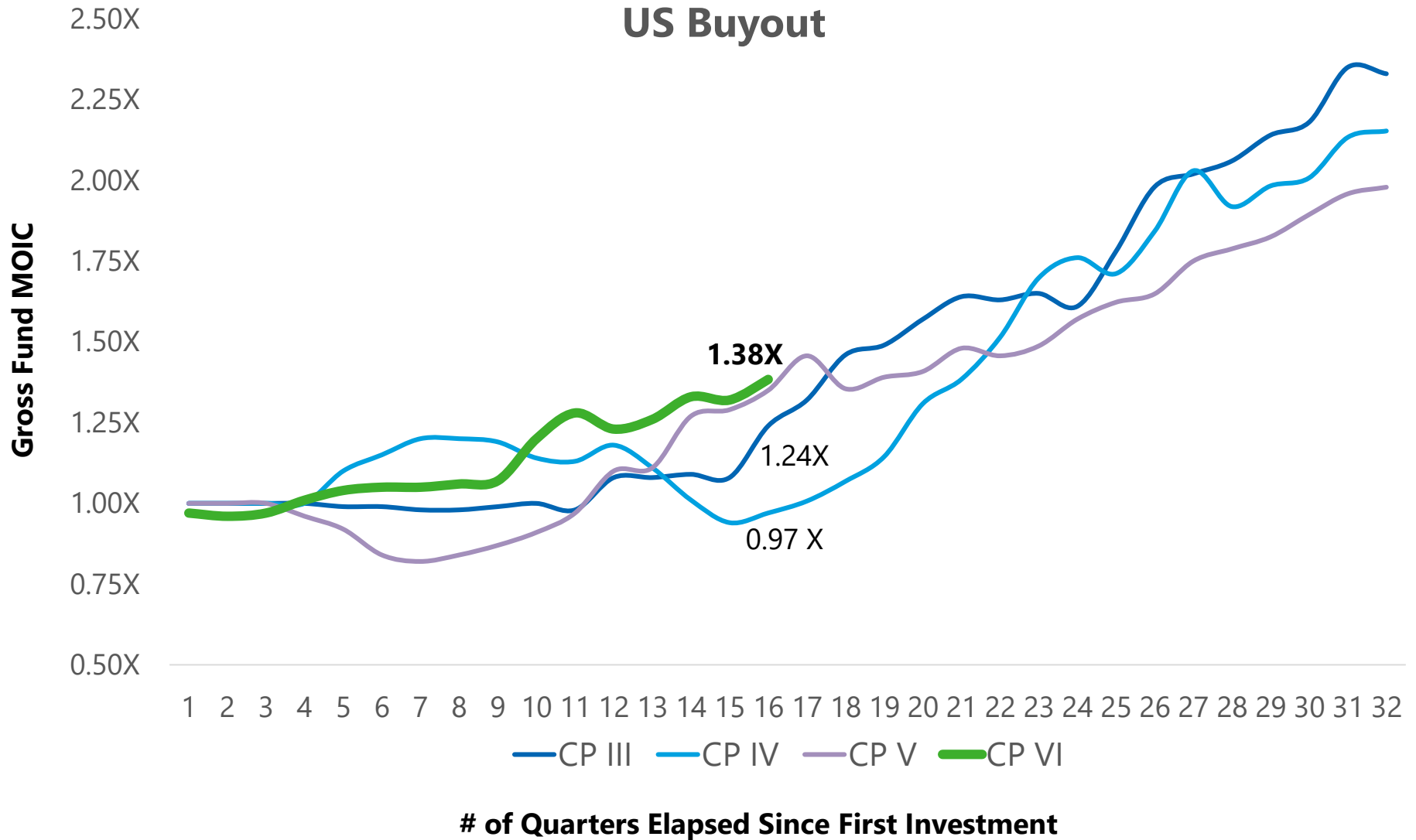
Note: Data as of 12/31/2017. Does not represent all Carlyle carry funds. For a full list of funds and important information, see information in our latest earnings release or SEC documents. Bold represents currently investing funds. Carlyle Realty Partners VII and NGP XI are fully committed, but were 77% and 69% invested as of Q4 2017.

# Carlyle's Private Equity Funds Have Historically Performed Well During Various Investment Cycles

Fund	Investing Period	Total Investments		Realized/Partially Realized	
		MOIC	Gross IRR	MOIC	Gross IRR
Carlyle Partners IV	2004 – 2007	2.4X	16%	2.4X	16%
Carlyle Partners V	2007 – 2012	2.1X	18%	2.7X	26%
Carlyle Europe Partners II	2003 – 2006	2.0X	36%	2.2X	43%
Carlyle Europe Partners III	2007 – 2013	2.3X	19%	2.4X	20%
Carlyle Asia Partners II	2006 – 2008	1.9X	11%	1.9X	11%
Carlyle Asia Partners III	2008 – 2012	1.9X	18%	2.1X	20%

Note: Data as of 12/31/2017. Past performance is not indicative of future results and there is no guarantee these trends will continue. Investment period begins at fund inception date. Total Investments represents both realized as well as unrealized fund investments, while Realized/Partially Realized only represents fully realized investments or investments when total proceeds received represent at least 85% of invested capital and such investment is not fully realized. MOIC is multiple of invested capital. See "Important Information" for more information on the calculation of gross IRRs, gross MOIC, and realized and partially realized investments. See The Carlyle Group L.P.'s filings with the U.S. Securities and Exchange Commission for more information on the performance of the firm's significant funds.

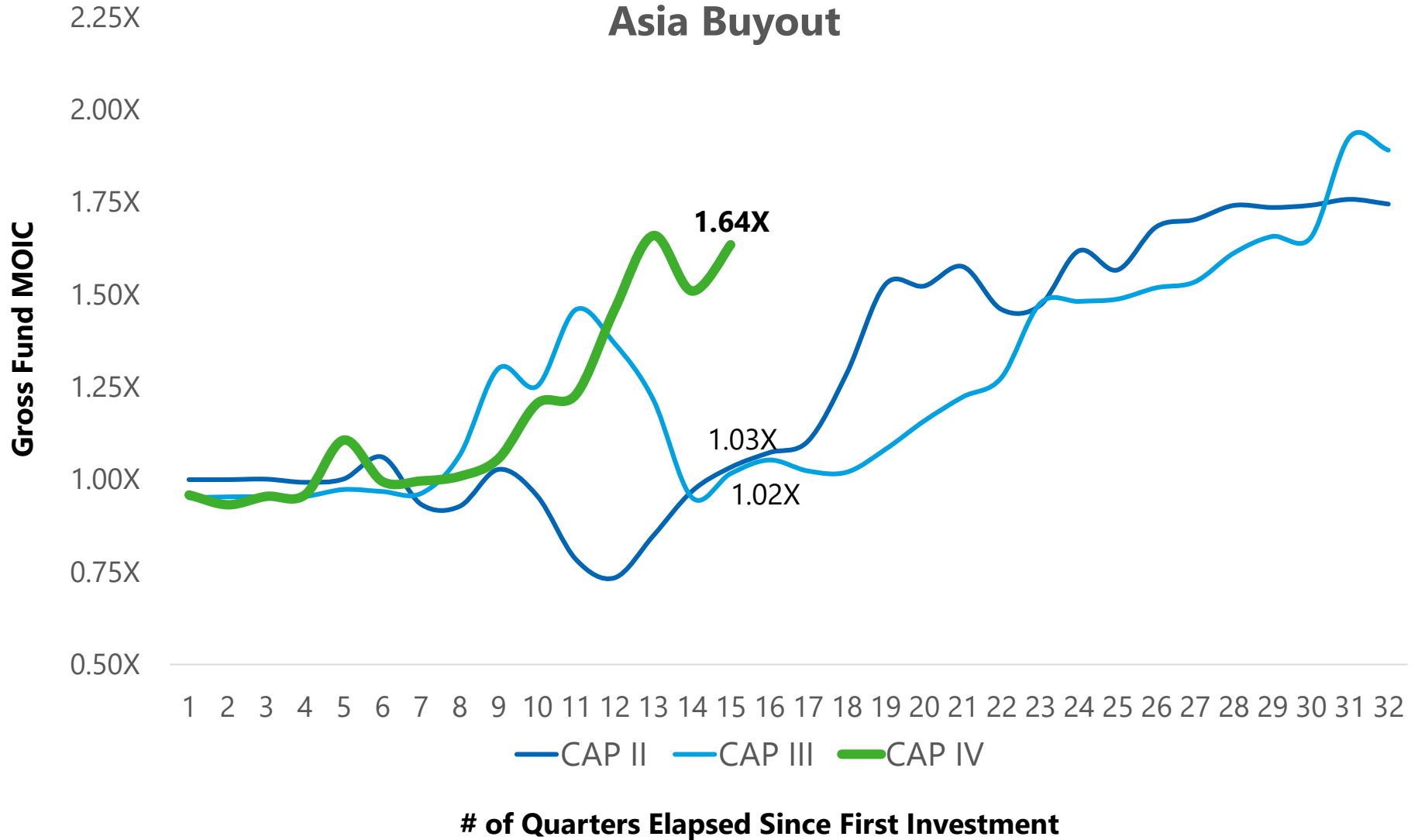
# Several Current Funds Tracking Better Than Predecessors (I) US Buyout



Note: Data as of 12/31/2017. Gross Fund MOICs begin upon consummation of first fund investment. Presented for illustrative purposes only. There is no guarantee this level of performance will continue.

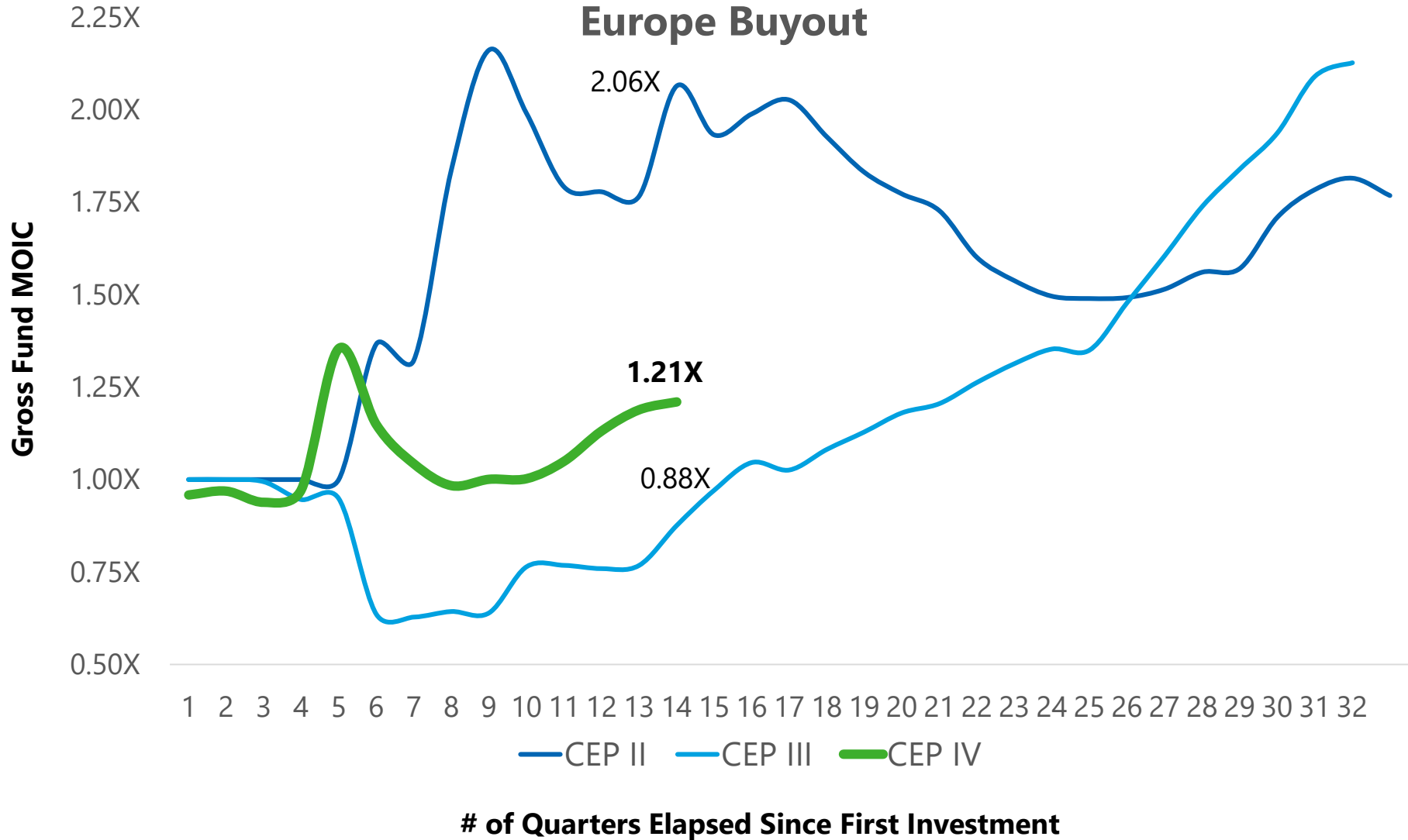
# Several Current Funds Tracking Better Than Predecessors (II)

## Asia Buyout



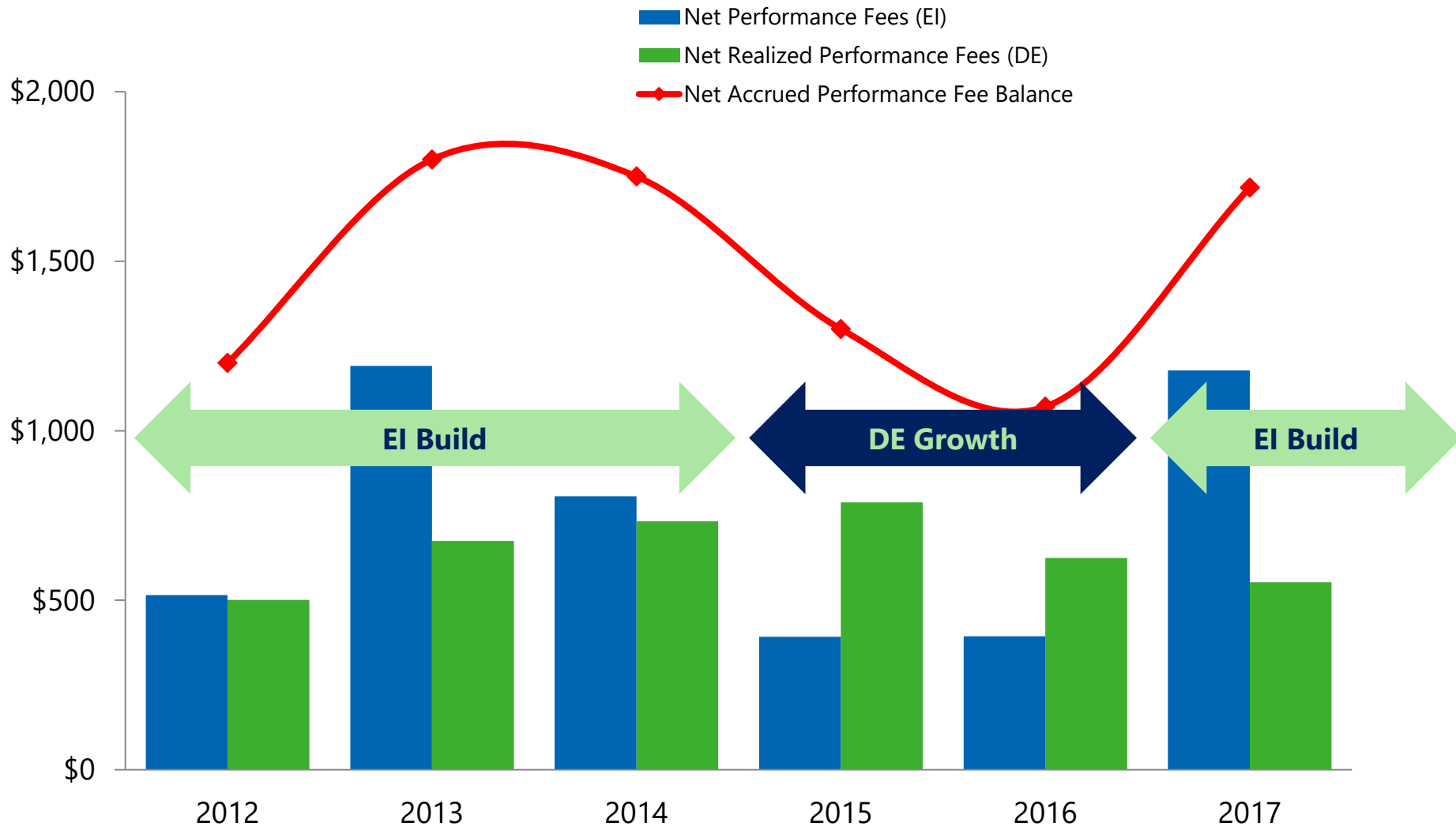
Note: Data as of 12/31/2017. Gross Fund MOICs begin upon consummation of first fund investment. Presented for illustrative purposes only. There is no guarantee this level of performance will continue.

# Several Current Funds Tracking Better Than Predecessors (III) Europe Buyout



Note: Data as of 12/31/2017. Gross Fund MOICs begin upon consummation of first fund investment. Presented for illustrative purposes only. There is no guarantee this level of performance will continue.

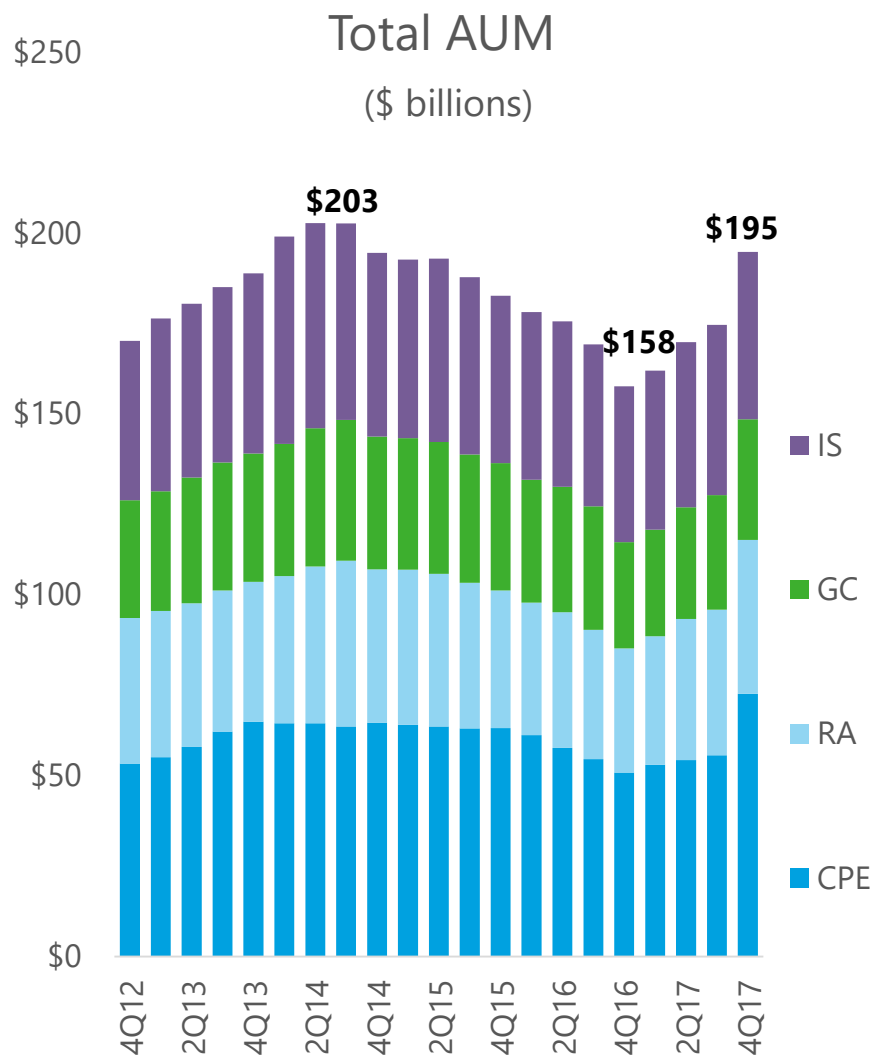
# Performance Fee Accrual Likely to Exceed Near Term Realizations as Investing Generation of Funds Continue to Accrue Carry



Note: Data as of 12/31/2017. Past performance is not indicative of future results and there is no guarantee any Carlyle fund will be able to replicate these results.



# Fundraising and Strong Fund Performance Support Growth In Assets Under Management And Net Accrued Carry



Note: Data as of 12/31/2017. There is no guarantee these trends will continue.

## We Have \$1.7 Billion in Net Accrued Performance Fees Today Despite Six Years of Strong Exit Activity

Carlyle remains well positioned to deliver strong near and mid term realized performance fees

Net accrued performance fees grew to \$1.7 billion through Q4 2017 while realization rates remained similar to historical pace

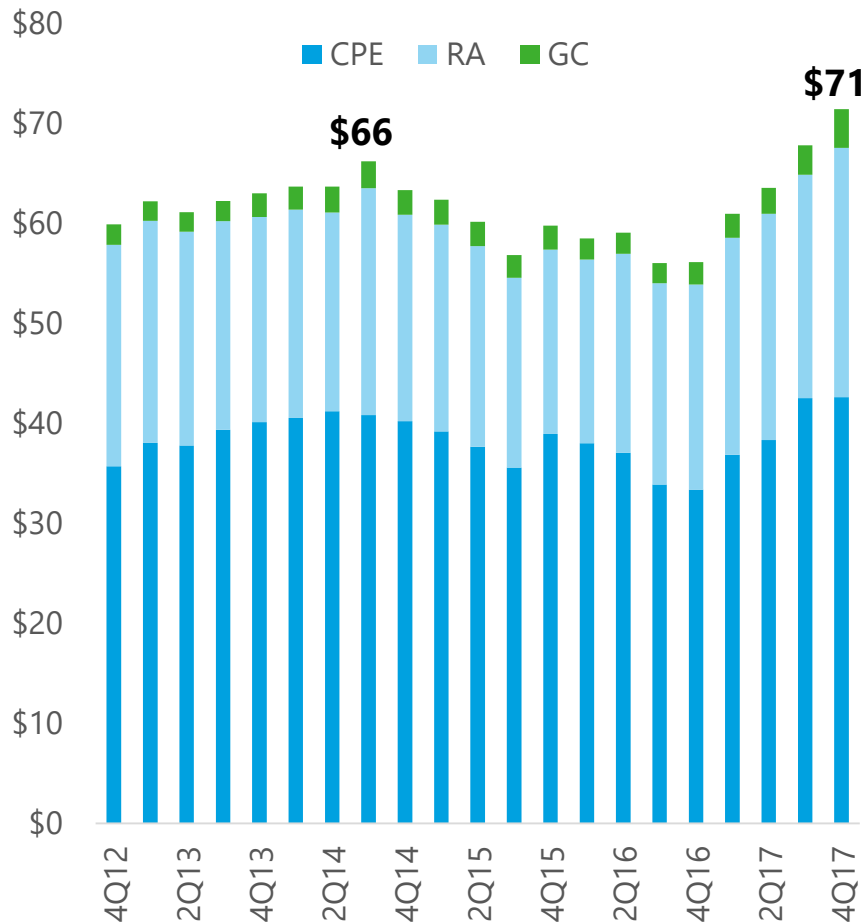
(\$ millions)	Net Accrued Performance Fees (NAPF, beginning of year)	Net Realized Performance Fees	% of Beginning NAPF Realized
2011	1,050	678	65%
2012	1,036	501	48%
2013	1,200	675	56%
2014	1,823	733	40%
2015	1,752	789	45%
2016	1,315	625	48%
2017	1,071	553	52%

# Record Amount of Remaining Fair Value and Increasing AUM in Carry Highlight Opportunity For Growing Performance Fees

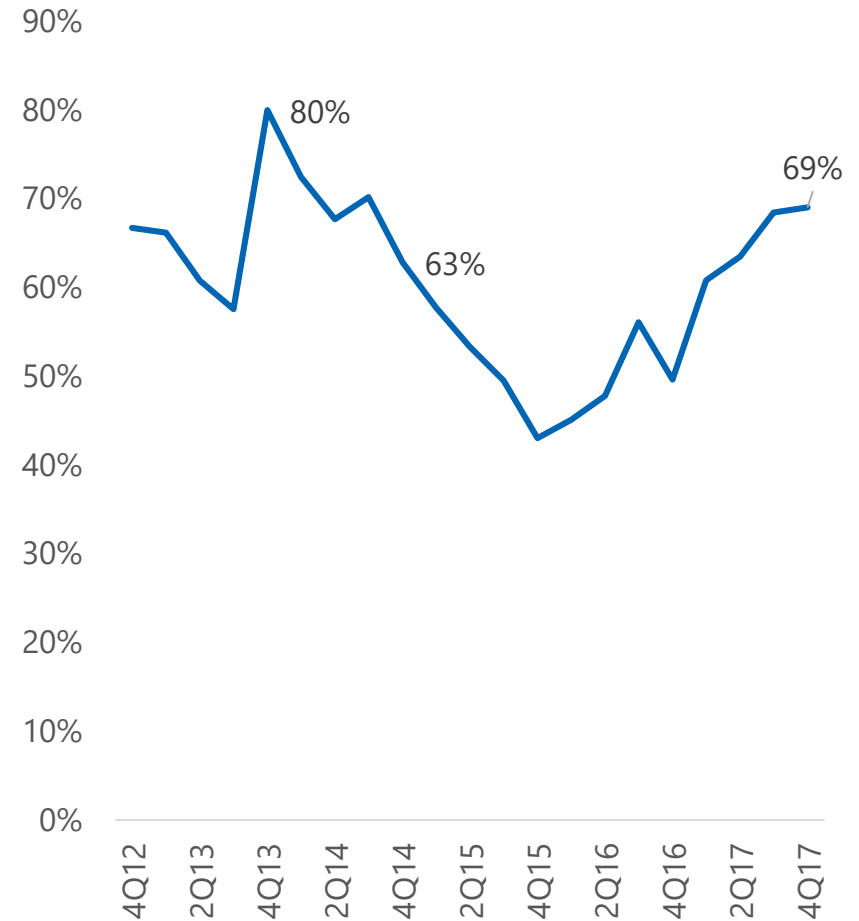
## Remaining Fair Value

CPE/RA/GC Carry Funds  
(\$ billions)

■ CPE ■ RA ■ GC



## AUM In Carry <sup>1</sup>



Note: Data as of 12/31/2017. There is no guarantee these trends will continue.

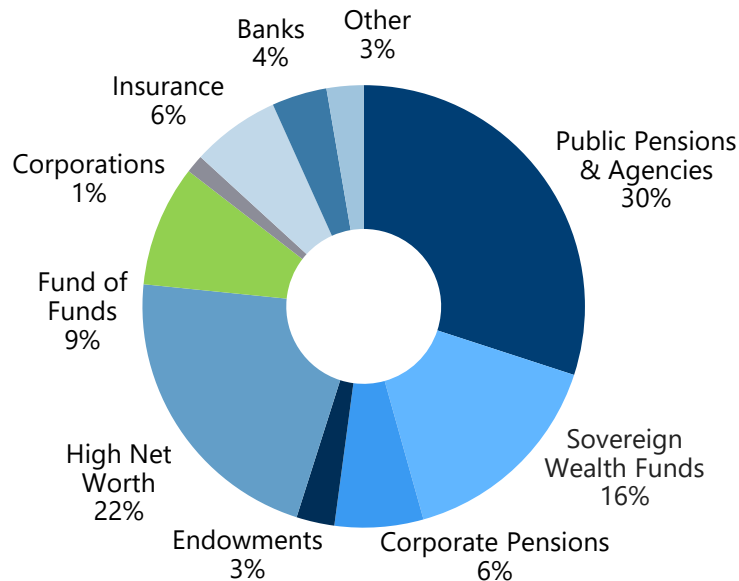
1) AUM In Carry reflects percentage of remaining fair value attributable to funds or vehicles in an accrued carry position.

# Breadth of Fundraising Resources and Capabilities Drive New Investor Relationships

- More than 1,750 fund investors from 83 countries
- More than 325 new fund investors over past 3 years have committed \$7.0 billion
- 62% of fund investor capital is invested across six or more carry funds, up from 50% in 2006

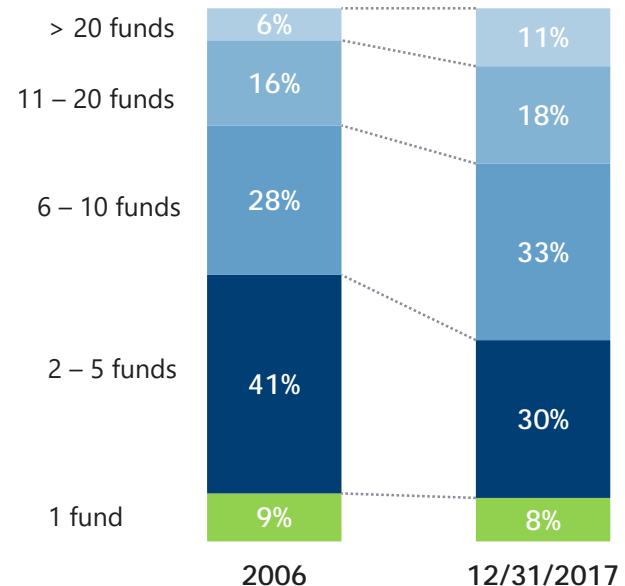


## Diverse Source of Capital Commitments



## Cross Selling Across Funds<sup>1</sup>

% of \$ Commitments Across Multiple Funds



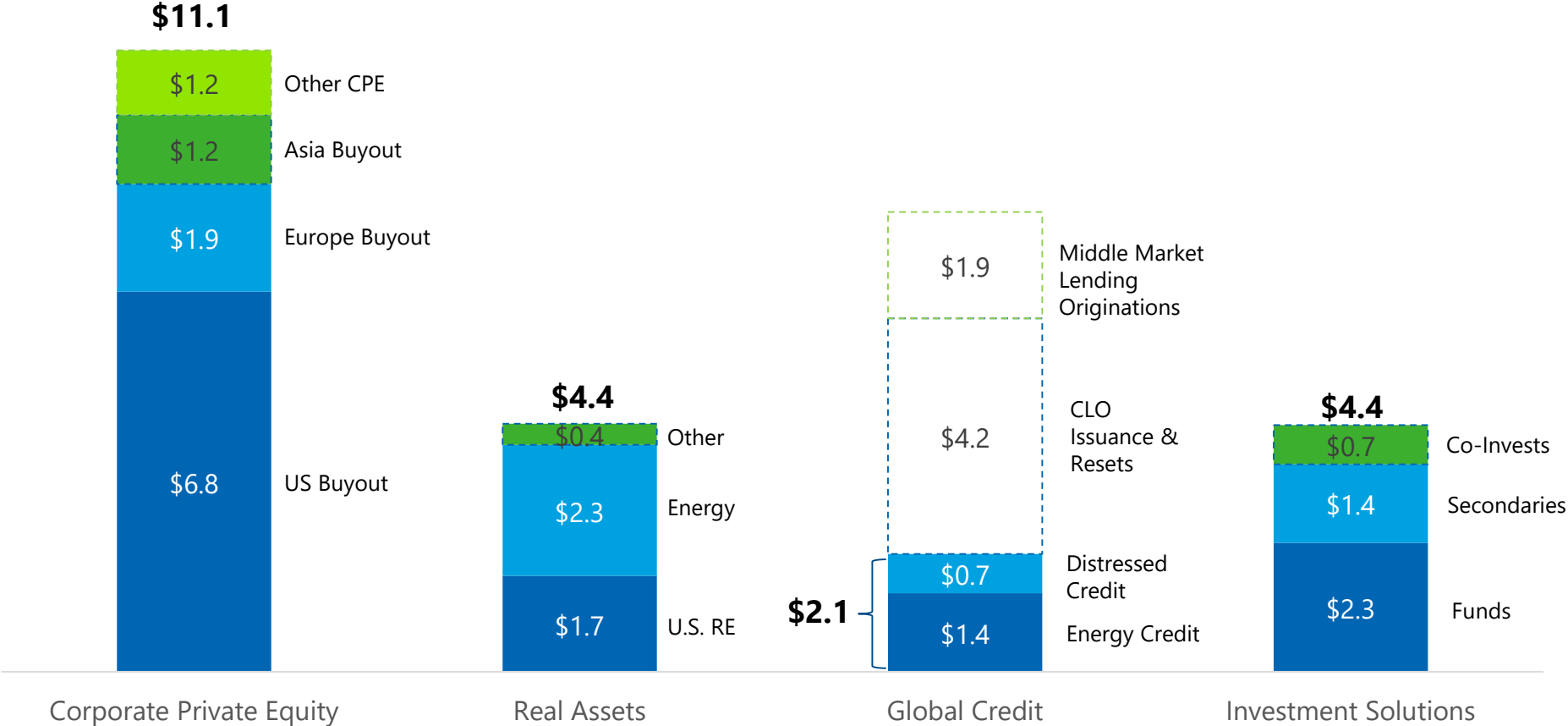
Note: Data as of 12/31/2017.

Number of fund investors for prior years is shown as of September 30<sup>th</sup> of each year.

1) Percentage of capital committed by investors to active carry funds, segmented by the number of active carry funds in which the investors were committed as of 12/31/2006 and 12/31/2017.

# Investment Activity Across Carry Funds And Credit Robust Despite Competitive Global Markets

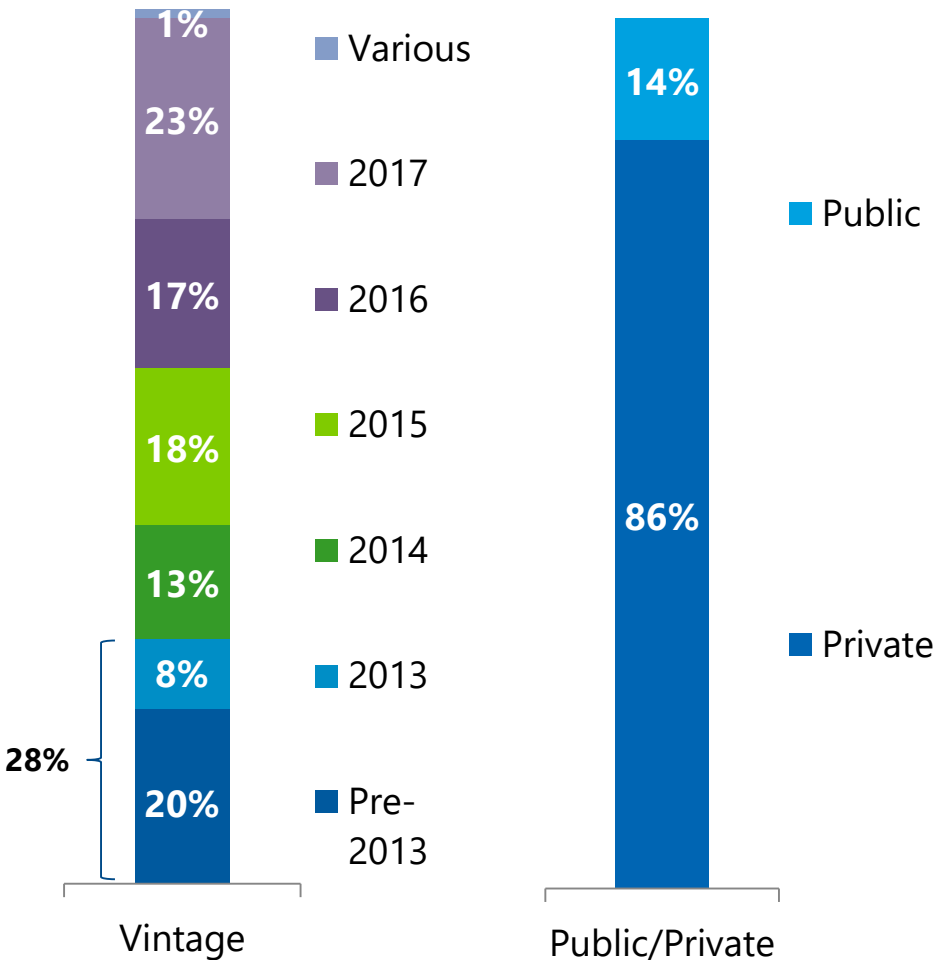
**2017 Total Investment Activity** (\$ billions)  
 Carry Fund Deployment: \$22.0  
 Credit Investment Activity (Non-Carry Fund): \$6.1



Note: Data as of 12/31/2017.

# Investments Remain Diversified Across Age and Tilted Towards Private Assets

## Remaining Fair Value of CPE/RA/GC Carry Fund Portfolio<sup>1</sup> - \$71 billion



“Aging” of investments remains diversified across years with 28% of Remaining Fair Value invested in 2013 or earlier

Note: Data as of 12/31/2017.

1) Remaining Fair Value reflects the unrealized carrying value of investments for all carry funds and related vehicles, the aggregate collateral balance of our CLOs and the gross asset value of our business development companies. Totals may not sum due to rounding.

# Summary Financial Results

Pre-tax Segment Measures (\$ millions)								
	1Q17	2Q17	3Q17	4Q17	2014	2015	2016	2017
<b>Revenue</b>								
Management & Transaction Fees	267	263	289	305	1,303	1,223	1,134	1,125
Performance Fees	715	559	285	616	1,708	910	752	2,175
Investment Income (Loss)	11	31	(35)	41	(11)	(23)	50	47
Interest Income	3	2	5	6	2	5	10	17
Other Income	5	3	3	4	20	17	13	15
<b>Total Revenue</b>	<b>1,001</b>	<b>859</b>	<b>548</b>	<b>971</b>	<b>3,022</b>	<b>2,132</b>	<b>1,959</b>	<b>3,379</b>
Direct & Indirect Base Compensation	147	153	177	180	683	650	601	658
Equity Based Compensation	30	37	30	27	80	122	120	124
Performance Fee Compensation	321	260	138	278	901	518	358	997
General, Administrative, and Other Indirect Expenses	81	85	(27)	94	318	363	484	234
Depreciation & Amortization	8	8	8	8	22	26	29	31
Interest Expense	15	16	17	17	56	58	61	66
<b>Total Expenses</b>	<b>601</b>	<b>559</b>	<b>345</b>	<b>605</b>	<b>2,060</b>	<b>1,736</b>		<b>2,110</b>
<b>Economic Income</b>	<b>400</b>	<b>300</b>	<b>203</b>	<b>366</b>	<b>962</b>	<b>397</b>	<b>306</b>	<b>1,269</b>
(-) Net Performance Fees	394	299	147	337	807	392	394	1,178
(-) Investment Income (Loss)	11	31	(35)	41	(11)	(22)	50	47
(+) Equity Based Compensation	30	37	30	27	80	122	120	124
(+) Net Interest	12	14	12	12	54	53	51	49
(+) Reserve for Litigation and Contingencies	-	-	(25)	-	-	50	-	(25)
<b>Fee Related Earnings</b>	<b>37</b>	<b>20</b>	<b>108</b>	<b>27</b>	<b>300</b>	<b>252</b>	<b>33</b>	<b>192</b>
(+) Realized Net Performance Fees	35	182	217	118	733	789	625	553
(+) Realized Investment Income (Loss)	(5)	11	(53)	22	(6)	(65)	45	(26)
(+) Net Interest	(12)	(14)	(12)	(12)	(54)	(53)	(51)	(49)
<b>Distributable Earnings</b>	<b>55</b>	<b>199</b>	<b>260</b>	<b>156</b>	<b>973</b>	<b>922</b>	<b>652</b>	<b>670</b>
<b>Per Unit Measures</b>								
Economic Net Income Per Unit (after-tax)	\$1.09	\$0.81	\$0.56	\$1.01	\$2.68	\$1.15	\$0.76	\$3.47
Distributable Earnings Per Common Unit (after-tax)	\$0.13	\$0.56	\$0.75	\$0.44	\$2.78	\$2.73	\$1.85	\$1.88
Distribution per Common Unit	\$0.10	\$0.42	\$0.56	\$0.33	\$2.09	\$2.07	\$1.55	\$1.41

Note: Data as of 12/31/2017.

See "Selected Financial Data" in Carlyle's periodic and annual reports filed with the U.S. Securities and Exchange Commission. Performance fee revenue net of related compensation expense.

# Strong Balance Sheet

<b>Key Balance Sheet Items<sup>1</sup> (\$ million)</b>	<b>12/31/2017</b>
<b>Cash and Cash Equivalents and Corporate Treasury Investments<sup>2</sup></b>	<b>\$1,376</b>
<b>Net accrued performance fees (net of giveback and accrued performance fee compensation)</b>	<b>\$1,717</b>
<b>Investments attributable to Carlyle unitholders<sup>3</sup></b>	<b>\$933</b>
<b>Loans Payable and Senior Notes</b>	<b>\$1,574</b>
<b>Drawn revolving credit line (\$750 million capacity)</b>	<b>\$0</b>

1) Balance sheet amounts are shown without the impact of certain Carlyle funds that are required to be consolidated on its financial statements.

2) Corporate treasury investments represent investments in U.S. Treasury and government agency obligations, commercial paper, certificates of deposit, other investment grade securities and other investments with original maturities of greater than three months when purchased.

3) Included in our on-balance sheet investments is approximately \$275 million of loans used to finance our investments in CLOs. Excludes the equity method accounting of our investment by Carlyle in NGP Energy Capital Management.



# Key Metrics for “The Carlyle Engine”

## Quarterly Data

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
<b>Total AUM(1) (\$ bn)</b>	178.1	175.6	169.1	157.6	161.9	169.8	174.4	195.1
Corporate Private Equity	61.1	57.6	54.6	50.9	53.0	54.3	55.7	72.6
Real Assets	36.7	37.5	35.7	34.3	35.6	38.9	39.8	42.9
Global Credit	34.0	34.7	34.1	29.4	29.4	30.9	31.9	33.3
Investment Solutions	46.3	45.7	44.7	43.1	44.0	45.7	47.0	46.3
<b>Fee-Earning AUM(1) (\$ bn)</b>	130.3	125.3	123.8	115.0	114.9	116.1	121.8	124.6
Corporate Private Equity	40.9	38.9	37.8	36.3	36.9	36.2	35.6	35.6
Real Assets	30.7	30.4	28.9	27.5	27.2	26.2	29.8	31.6
Global Credit	28.6	28.7	29.0	24.1	24.4	25.2	26.0	27.3
Investment Solutions	30.2	27.2	28.1	27.1	26.4	28.5	30.3	30.2
<b>Fundraising(2)(3) (\$ bn)</b>	0.1	3.6	1.8	2.7	3.0	8.4	7.2	24.7
Corporate Private Equity	0.1	0.3	0.4	0.0	0.2	0.3	0.9	19.1
Real Assets	0.2	0.5	0.2	0.3	1.0	3.7	2.4	3.2
Global Credit	(0.5)	1.6	1.1	1.3	0.4	2.7	1.8	1.7
Investment Solutions	0.3	1.2	0.1	1.1	1.4	1.7	2.1	0.7
<b>Invested Capital(4) (\$ bn)</b>	5.3	3.7	2.9	6.1	4.4	3.4	6.9	7.2
Corporate Private Equity	3.3	1.4	0.6	2.6	2.5	1.4	3.6	3.6
Real Assets	0.6	1.4	1.0	2.2	0.7	0.8	1.3	1.6
Global Credit	0.1	0.1	0.1	0.4	0.3	0.2	0.7	0.8
Investment Solutions	1.3	0.8	1.2	0.9	0.9	1.0	1.3	1.2
<b>Realized Proceeds(4) (\$ bn)</b>	4.5	7.6	8.8	8.5	3.6	5.9	8.4	8.0
Corporate Private Equity	2.3	4.0	4.8	3.6	1.1	2.6	4.0	3.4
Real Assets	0.8	1.1	1.7	2.0	0.6	0.9	1.7	1.4
Global Credit	0.0	0.2	0.2	0.1	0.1	0.1	0.2	0.3
Investment Solutions	1.3	2.3	2.2	2.8	1.9	2.3	2.5	2.9
<b>Fund Appreciation(6)</b>	0%	4%	3%	5%	6%	5%	3%	5%
Corporate Private Equity	1%	4%	3%	4%	9%	8%	4%	8%
Real Assets	1%	7%	4%	4%	5%	6%	2%	4%
Global Credit	(12%)	(2%)	(0%)	2%	7%	0%	0%	1%
Investment Solutions	(0%)	3%	2%	7%	3%	1%	3%	3%

## Annual Data

	2012	2013	2014	2015	2016	2017
<b>Total AUM(1) (\$ bn)</b>	170.2	188.8	194.5	182.6	157.6	195.1
Corporate Private Equity	53.3	64.9	64.7	63.1	50.9	72.6
Real Assets	40.2	38.7	42.3	38.0	34.3	42.9
Global Credit	32.5	35.5	36.7	35.3	29.4	33.3
Investment Solutions	44.1	49.8	50.8	46.2	43.1	46.3
<b>Fee-Earning AUM(1) (\$ bn)</b>	123.1	139.9	135.6	131.0	115.0	124.6
Corporate Private Equity	33.8	43.0	40.2	40.9	36.3	35.6
Real Assets	29.3	28.4	28.4	30.9	27.5	31.6
Global Credit	31.0	33.4	33.9	31.0	24.1	27.3
Investment Solutions	28.9	35.1	33.1	28.2	27.1	30.2
<b>Fundraising(2)(3) (\$ bn)</b>	14.0	22.0	24.3	16.4	8.2	43.3
Corporate Private Equity	7.8	11.8	7.6	8.0	0.8	20.5
Real Assets	0.3	2.0	9.2	3.9	1.2	10.2
Global Credit	5.2	5.7	6.9	2.9	3.5	6.6
Investment Solutions	0.6	2.5	0.5	1.6	2.8	5.9
<b>Invested Capital(4) (\$ bn)</b>	12.8	12.3	14.8	14.0	17.9	22.0
Corporate Private Equity	4	4.8	6.8	5.3	7.9	11.1
Real Assets	3.2	2.5	2.5	3.1	5.1	4.4
Global Credit	0.6	0.8	0.6	0.6	0.7	2.1
Investment Solutions	4.9	4.2	5.0	5.0	4.3	4.4
<b>Realized Proceeds(4)(5) (\$ bn)</b>	25.1	25.8	29.4	29.0	29.4	26.0
Corporate Private Equity	12.1	12.2	14.5	12.9	14.8	11.2
Real Assets	5.5	4.1	4.7	4.8	5.6	4.6
Global Credit	1.1	1.0	0.7	0.5	0.4	0.6
Investment Solutions	6.3	8.4	9.5	10.8	8.6	9.6
<b>Fund Appreciation(6)</b>	15%	18%	19%	12%	12%	20%
Corporate Private Equity	16%	30%	23%	13%	11%	32%
Real Assets	9%	1%	(2%)	(3%)	18%	19%
Global Credit	23%	28%	20%	(8%)	(11%)	11%
Investment Solutions	17%	15%	26%	23%	12%	10%

Note: segments may not add to total due to rounding; for definitions of the operating metrics above, please see The Carlyle Group LP's filings with the Securities and Exchange Commission. In early 2018, our Global Market Strategies business was renamed to Global Credit.

1) For purposes of aggregation, funds denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the end of each period presented.

2) For purposes of aggregation, commitments denominated in a currency other than U.S. Dollars have been converted at the spot rate as of the date of closing of such commitment.

3) Excludes acquisitions.

4) Amounts represent Carry Fund transactions only (including related coinvestments). Does not include hedge funds, mutual funds, structured credit funds, and NGP management fee funds.

For purposes of aggregation, transactions denominated in a currency other than U.S. Dollars have been converted at the average rate for the period presented.

5) Years before 2011 are presented using Distributions to fund investors, 2011 to present are Realized Proceeds.

6) Appreciation / (Depreciation) represents unrealized gain / (losses) for the period on a total return basis before fees and expenses. The percentage of return is calculated as: Ending Remaining Investment FMV plus net investment outflow (sales proceeds minus net purchases) minus Beginning Remaining Investment FMV divided by Beginning Remaining Investment FMV. Excludes external coinvestment.

# Reconciliation of GAAP to Non-GAAP Financials

(\$ millions)						Annual		
	4Q16	1Q17	2Q17	3Q17	4Q17	2015	2016	2017
<b>Income (loss) before provision for income taxes</b>	\$ 12	\$ 328	\$ 244	\$ 166	\$ 395	\$ 402	\$ 45	\$ 1,132
<b>Adjustments:</b>								
Equity-based compensation issued in conjunction with IPO, acquisitions and strategic investments(1)	48	67	59	58	57	260	223	241
Acquisition related charges and amortization of intangibles	27	9	9	7	11	289	94	36
Other non-operating (income) / expenses	(12)	-	0	-	(72)	(7)	(11)	(71)
Tax expense associated with performance fee compensation	1	(3)	(2)	(2)	(2)	(15)	(15)	(9)
Net income attributable to non-controlling interests in Consolidated entities	(71)	(3)	(17)	(28)	(25)	(538)	(41)	(73)
Provision for income taxes attributable to non-controlling interests in Consolidated entities	(0)	-	-	-	-	(1)	(0)	-
Severance and lease terminations	3	4	8	1	2	7	15	14
Other adjustments	(3)	(1)	-	(0)	-	(0)	(4)	(1)
<b>Economic Income</b>	<b>\$ 6</b>	<b>\$ 400</b>	<b>\$ 300</b>	<b>\$ 203</b>	<b>\$ 366</b>	<b>\$ 397</b>	<b>\$ 306</b>	<b>\$ 1,269</b>
(-) Net Performance Fees	61	394	299	147	337	392	394	1,178
(-) Investment Income (Loss)	15	11	31	(35)	41	(23)	50	47
(+) Equity-Based Compensation	24	30	37	30	27	122	120	124
(+) Net Interest	13	12	14	12	12	51	51	49
(+) Reserve for litigation and contingencies	(100)	-	-	(25)	-	50	-	(25)
<b>Fee Related Earnings</b>	<b>\$ (132)</b>	<b>\$ 37</b>	<b>\$ 20</b>	<b>\$ 108</b>	<b>\$ 27</b>	<b>\$ 250</b>	<b>\$ 33</b>	<b>\$ 192</b>
(+) Realized Net Performance Fees	136	35	182	217	118	789	625	553
(+) Realized Investment Income (Loss)	17	(5)	11	(53)	22	(65)	45	(26)
(+) Net Interest	(13)	(12)	(14)	(12)	(12)	(51)	(51)	(49)
<b>Distributable Earnings</b>	<b>\$ 7</b>	<b>\$ 55</b>	<b>\$ 199</b>	<b>\$ 260</b>	<b>\$ 156</b>	<b>\$ 923</b>	<b>\$ 652</b>	<b>\$ 670</b>