
THE CARLYLE GROUP

The Carlyle Group Partners with CMC Networks

February 6, 2017 – Johannesburg, South Africa – CMC Networks (CMC), Africa’s largest managed connectivity provider, today announced that The Carlyle Group (NASDAQ: CG), a Global Alternative Asset Manager, has acquired a majority shareholding in the company/ CMC. The transaction value exceeds \$100 million (R1.4 billion) and Carlyle’s investment will give them a majority shareholding. Further financial details of the transaction were not disclosed.

Founded in 1989, CMC has the largest managed connectivity network in Africa, with a comprehensive office footprint spanning some 70 countries in Africa and the Middle East, and plans to further extend into Asia and South America. Through its unique ability to provide services in operationally challenging regions of Africa and the Middle East, while providing world class reliability and latency standards, CMC serves over 50 global telecommunications carriers, including 12 out of 14 of the largest ones. These carriers use CMC to provide fast, reliable internet connections to global enterprises operating in Africa and the Middle East.

Grant Walker, founder and CEO of CMC, said: “Over the last 28 years, CMC has grown its network organically, and has responded to this region’s increasing appetite for reliable and secure internet connectivity. CMC’s research has shown that Africa’s demand for high quality bandwidth is growing by some 30% p.a. CMC has cultivated a blue-chip customer base driving international traffic into Africa but is also presently experiencing a growing amount of traffic leaving Africa from African customers. This investment by Carlyle will accelerate CMC’s growth through greater investments into new partnerships and acquisitions.”

Martin Springer MD of CMC said, "CMC has quadrupled its revenue in the last five years and at present we have in excess of 100 Points of Presence (POPs), 2000 circuits, and, through our carrier customers, we currently manage high quality internet connections to over 400 enterprises, including over half among the Fortune 500. We also have an extensive geographic footprint, which enables us to serve multi-geography and multi-site customers. We believe this investment from Carlyle is opportune as it will allow us to rapidly pursue new markets, products and avenues for growth.”

Eric Kump, Managing Director and Co-Head of Carlyle’s Sub-Saharan Africa Fund, said: “We are excited about our partnership with CMC and its talented management team. We believe fast growing data demand in Africa and the Middle East offers tremendous growth opportunities for CMC, and we look forward to using our sector expertise and global network to help them achieve their goals”.

Equity for the transaction came from the Carlyle Sub-Saharan Africa Fund. This is the seventh investment by Carlyle’s dedicated Sub-Saharan Africa fund. Debt financing was provided by Standard Bank of South Africa and Rand Marchant Bank. Bank Street Group served as exclusive financial advisor to CMC Networks in connection with this transaction.

About CMC Networks

CMC is a global telecommunications carrier, serving the data communications needs of wholesale carriers across the globe. CMC owns in excess of 100 global pops which are integrated into other wholesale carrier partner networks in order to deliver a global wholesale footprint to the carrier community.

CMC has the largest Pan African network spanning across 70 countries. In addition, CMC has an extensive Middle Eastern (MENA and Western ASIA) network, which is extended via our wholesale partner program into other regions. The CMC Carrier Interconnect Model enables delivery into the USA, Europe, UAE, India, Asia, Australia and various African aggregation points. CMC provides its clients with a broad portfolio of carrier grade network solutions including: Ethernet, MPLS, DIA and private line services. For more information, visit www.cmcnetworks.net

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.