
THE CARLYLE GROUP

The Carlyle Group Acquires CMC Networks

Investment in CMC Networks will drive growth in Africa and Middle East

November 21, 2016 -- Johannesburg, South Africa – Global Alternative Asset Manager The Carlyle Group (NASDAQ: CG) today announced that it has agreed to acquire a majority share of CMC Networks, a Pan-African provider of managed connectivity solutions for global telecoms providers. Investec Equity Partners, who was represented by Richard Tunstall on CMC's board, have sold their stake in the transaction, and the founder and management team will be investing alongside Carlyle.

The transaction is expected to close in the first quarter of 2017, subject to regulatory approval and other conditions. Further terms were not disclosed.

Founded in 1989 and headquartered in Johannesburg, South Africa, and Port Louis, Mauritius, CMC has a network and office footprint spanning 50 countries in Africa, as well as an extensive Middle Eastern network and key connection points across the globe. Their proprietary network allow global telecom providers to provide reliable and high-quality enterprise connectivity to corporate clients across Africa and the Middle East.

Grant Walker, founder and CEO of CMC, said: "The investment by Carlyle will support our plans to accelerate CMC's growth and allow us to leverage the benefits of our new partnership. Carlyle's global presence, extensive portfolio and specialist expertise in this sector will bring additional benefits in all areas of our targeted and strategic expansion plans"

Martin Springer MD of CMC said "This investment comes at a fantastic time for CMC and the management team are looking forward to working with the Carlyle during this time of rapid 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 very talented management team. We believe the fast growing data demand in Africa and the Middle East offers exciting growth opportunities for CMC, and we look forward to using our sector expertise and global network to help them achieve their goals."

Braam Verster, a Director of the Carlyle Sub-Saharan Africa Fund, commented: "CMC manages the largest virtual network in Africa and the Middle East and maintains world class reliability and latency standards on the connections they manage. This, alongside our investment and support, will help facilitate expansion into emerging markets and new service areas."

This will be the seventh investment by Carlyle's dedicated Sub-Saharan Africa Fund, in addition to the extensive investment experience in the technology and telecoms sectors.

Carlyle was advised on the transaction by ENS and E&Y. The Bank Street Group LLC served as exclusive financial advisor to CMC.

About CMC Networks

CMC is a global telecommunications carrier, providing services for over 27 years, serving the data communications needs of wholesale carriers and government clients across the globe. CMC owns in excess of 104 global pops which are integrated into other wholesale carrier partner networks in order to deliver a global wholesale footprint to the carrier community. This insures a cost-effective, scalable and resilient network that is committed to the wholesale environment and their clients.

CMC has the largest Pan African network spanning across 50 countries. In addition, CMC has an extensive Middle Eastern (MENA and Western ASIA) network, which is extended via our wholesale partner programme 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.

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