

News Release

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The Carlyle Group to Acquire Majority of Irca, a large European producer of artisanal pastry, ice-cream and baking products

Milan - Gallarate (Varese) – Global alternative asset manager The Carlyle Group (NASDAQ: CG) has today announced it has entered into an agreement to acquire the majority shareholding of the Italian company Irca, a large European manufacturer of ingredients and food products for pastry-making, baking and ice-cream retailing. Carlyle will acquire an 80% shareholding from Ardian and the company's founding family, who will continue to manage the company.

The transaction is expected to close in Q3 2017 subject to customary requirements and regulatory approvals. The investment will be made by Carlyle Europe Partners IV (CEP IV), a European-focused upper-mid market buyout fund. Further financial details of the transaction were not disclosed.

Established in 1919, Irca has a prominent position in the artisanal pastry and ice-cream markets, expanding its European presence across France, Germany, Spain and Eastern Europe, renowned for the quality of its product offering, which currently totals nearly 1800 lines. Irca currently distributes its products in approximately 70 countries, through a strong network of long-standing distributors.

Headquartered in Gallarate (Varese) Italy, Irca employs 300 people and operates three production plants in the Lombardy region, with an additional facility currently under construction. Irca has experienced strong growth over the last four years, posting a CAGR of 10% and 26.1% in revenues and EBITDA, respectively. The company's 2016 revenues were around €251 million, of which approximately 25% was generated outside of Italy, with EBITDA of approximately €40 million.

Mr Roberto Nobili, member of the fourth generation of entrepreneurs, will continue to retain his role as Irca's CEO.

Marco De Benedetti, Managing Director and Co-Head, Carlyle Europe Partners advisory team, commented: "Irca is a great example of an Italian business with distinctive positioning and global reach, thanks to its high quality and diversified product offering, R&D capabilities, well-run operations and significant growth potential. The company has delivered notable performance in recent years, and Carlyle is delighted to assist the management by accelerating the company's international development plan".

Roberto Nobili, CEO of Irca, said: "I am convinced that Carlyle is the perfect partner for Irca to continue the process successfully started with Ardian. I look forward to start this new challenge with them".

The Carlyle Group was advised by BNP Paribas, DVR Capital and Latham & Watkins. The sellers were advised by Rothschild, UBS, Cube8, Giovannelli and Pedersoli.

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About Irca

Founded in 1919 by Nobili family, IRCA is a leading Italian and European B2B manufacturer of semi-finished products for the pastry, bakery and horeca market thanks to a portfolio products composed by around 1,800 SKUs offered to industrial clients, internal bakeries of hypermarkets and pastry and bakery shops. In 2014, IRCA entered into the ice-cream ingredient market through the brand Joy Gelato developing more than 200 references.

The Group operates with three state of the art production sites located close to Varese (Lombardy) with about 300 employees recording a turnover of more than €250 million in 2016.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$162 billion of assets under management across 287 investment vehicles as of March 31, 2017. 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 1,550 people in 31 offices across six continents.

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About Carlyle Europe Partners

Carlyle Europe Partners (CEP) seeks to invest in mid-sized 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 team comprises 39 investment professionals across five offices. In total, more than 140 investors from 35 countries have made commitments to the CEP IV fund.
