Carlyle Group L.P.
Form 424B4
May 04, 2012

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Registration No. 333-176685

PROSPECTUS

30,500,000 Common Units
Representing Limited Partner Interests

This is the initial public offering of common units representing limited partner interests in The Carlyle Group L.P. No public market currently exists for our common units. We are offering all of the 30,500,000 common units representing limited partner interests in this offering. Our common units have been approved for listing on the NASDAQ Global Select Market under the symbol CG.

Investing in our common units involves risks. See Risk Factors beginning on page 27. These risks include the following:

We are managed by our general partner, which is owned by our senior Carlyle professionals. Our common unitholders will have only limited voting rights and will have no right to remove our general partner or, except in limited circumstances, elect the directors of our general partner. Moreover, immediately following this offering, our senior Carlyle professionals generally will have sufficient voting power to determine the outcome of those few matters that may be submitted for a vote of our limited partners. In addition, our partnership agreement limits the liability of, and reduces or eliminates the duties (including fiduciary duties) owed by, our general partner to our common unitholders and restricts the remedies available to our common unitholders for actions that might otherwise constitute breaches of our general partner s duties. As a limited partnership, we will qualify for and intend to rely on exceptions from certain corporate governance and other requirements under the rules of the NASDAQ Global Select Market. For example, we will not be required to comply with the requirements that a majority of the board of directors of our general partner consist of independent directors and that we have independent director oversight of executive officer compensation and director nominations.

Our business is subject to many risks, including those associated with:

- adverse economic and market conditions, which can affect our business and liquidity position in many ways, including by reducing the value or performance of the investments made by our investment funds and reducing the ability of our investment funds to raise or deploy capital;

- changes in the debt financing markets, which could negatively impact the ability of our funds and their portfolio companies to obtain attractive financing or refinancing for their investments and operations, and could increase the cost of such financing if it is obtained, leading to lower-yielding investments;

- the potential volatility of our revenue, income and cash flow;

- our dependence on our founders and other key personnel and our ability to attract, retain and motivate high quality employees who will bring value to our operations;

- business and regulatory impediments to our efforts to expand into new investment strategies, markets and businesses;

the fact that most of our investment funds invest in illiquid, long-term investments that are not marketable securities, and such investments may lose significant value during an economic downturn;

the potential for poor performance of our investment funds; and

the possibility that we will not be able to continue to raise capital from third-party investors on advantageous terms.

As discussed in Material U.S. Federal Tax Considerations, The Carlyle Group L.P. will be treated as a partnership for U.S. federal income tax purposes, and our common unitholders therefore will be required to take into account their allocable share of items of income, gain, loss and deduction of The Carlyle Group L.P. in computing their U.S. federal income tax liability. Although we currently intend to make annual distributions in an amount sufficient to cover the anticipated U.S. federal, state and local income tax liabilities of holders of common units in respect of their allocable share of our net taxable income, it is possible that such tax liabilities will exceed the cash distributions that holders of common units receive from us. Although not enacted, the U.S. Congress has considered legislation that would have precluded us from qualifying as a partnership for U.S. federal income tax purposes or required us to hold carried interest through taxable subsidiary corporations for taxable years after a ten-year transition period and would have taxed individual holders of common units with respect to certain income and gains at increased rates. Similar legislation could be enacted in the future.

	Price to Public	**Underwriting Discount**	**Proceeds, Before Expenses, to The Carlyle Group L.P.**
Per Common Unit	$ 22.00	$ 1.045	$ 20.955
Total	$ 671,000,000	$ 31,872,500	$ 639,127,500

To the extent that the underwriters sell more than 30,500,000 common units, the underwriters have the option to purchase up to an additional 4,575,000 common units from us at the initial public offering price less the underwriting discount.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common units to purchasers on or about May 8, 2012.

J.P. Morgan **Citigroup** **Credit Suisse**

BofA Merrill Lynch **Barclays** **Deutsche Bank Securities**
Goldman, Sachs & Co. **Morgan Stanley** **UBS Investment Bank**

ICBC International **Sandler O Neill + Partners, L.P.**

Keefe Bruyette & Woods	**CIBC**	**Itaú BBA**
Nomura	**Ramirez & Co., Inc.**	**Scotiabank**

Societe Generale **The Williams Capital Group, L.P.**

Mizuho Securities **SMBC Nikko**

May 2, 2012

Global Presence

As of December 31, 2011.

Assets Under Management (dollars in billions, 2003 2011)

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You should rely only on the information contained in this prospectus or in any free writing prospectus we may authorize to be delivered to you. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. We and the underwriters are offering to sell, and seeking offers to buy, our common units only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common units.

Through and including May 27, 2012 (25 days after the date of this prospectus), all dealers that effect transactions in our common units, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Our business has historically been owned by four holding entities: TC Group, L.L.C., TC Group Cayman, L.P., TC Group Investment Holdings, L.P. and TC Group Cayman Investment Holdings, L.P. We refer to these four holding entities collectively as the Parent Entities. The Parent Entities have been under the common ownership and control of our senior Carlyle professionals and two strategic investors that own minority interests in our business entities affiliated with Mubadala Development Company, an Abu-Dhabi based strategic development and investment company (Mubadala), and California Public Employees Retirement System (CalPERS). Unless the context suggests otherwise, references in this prospectus to Carlyle, the Company, we, us and our refer (1) prior to the consumma of our reorganization into a holding partnership structure as described under Organizational Structure, to **Carlyle Group**, which was comprised of the Parent Entities and their consolidated subsidiaries and (2) after our reorganization into a holding partnership structure, to **The Carlyle Group L.P.** and its consolidated subsidiaries. In addition, certain individuals engaged in our businesses own interests in the general partners of our existing carry funds. Certain of these individuals have contributed a portion of these interests to us as part of the reorganization. We refer to these individuals, together with the owners of the Parent Entities prior to this offering, collectively as our existing owners. Completion of our reorganization occurred prior to this offering. See Organizational Structure.

When we refer to the partners of The Carlyle Group L.P., we are referring specifically to the common unitholders and our general partner and any others who may from time to time be partners of that specific Delaware limited partnership. When we refer to our senior Carlyle professionals, we are referring to the partners of our firm who are, together with CalPERS and Mubadala, the owners of our Parent Entities prior to the reorganization. References in this prospectus to the ownership of the senior Carlyle professionals include the ownership of personal planning vehicles of these individuals.

Carlyle funds, our funds and our investment funds refer to the investment funds and vehicles advised by Carlyle. Our carry funds refers to those investment funds that we advise, including the buyout funds, growth capital funds, real asset funds and distressed debt and mezzanine funds (but excluding our structured credit funds, hedge funds and fund of funds vehicles), where we receive a special residual allocation of income, which we refer to as a carried interest, in the event that specified investment returns are achieved by the fund. Our fund of funds vehicles refer to those funds, accounts and vehicles advised by AlpInvest Partners B.V., formerly known as AlpInvest Partners N.V. (AlpInvest).

Fee-earning assets under management or Fee-earning AUM refers to the assets we manage from which we derive recurring fund management fees. Our fee-earning AUM generally equals the sum of:

(a) for carry funds and certain co-investment vehicles where the investment period has not expired, the amount of limited partner capital commitments and for fund of funds vehicles, the amount of external investor capital commitments during the commitment period;

(b) for substantially all carry funds and certain co-investment vehicles where the investment period has expired, the remaining amount of limited partner invested capital;

(c) the gross amount of aggregate collateral balance at par, adjusted for defaulted or discounted collateral, of our collateralized loan obligations (CLOs) and the reference portfolio notional amount of our synthetic collateralized loan obligations (synthetic CLOs);

(d) the external investor portion of the net asset value (pre-redemptions and subscriptions) of our long/short credit, emerging markets, multi-product macroeconomic and other hedge funds and certain structured credit funds; and

(e) for fund of funds vehicles and certain carry funds where the investment period has expired, the lower of cost or fair value of invested capital.

Assets under management or AUM refers to the assets we manage. Our AUM equals the sum of the following:

(a) the fair value of the capital invested in our carry funds, co-investment vehicles and fund of funds vehicles plus the capital that we are entitled to call from investors in those funds and vehicles (including our commitments to those funds and vehicles and those of senior Carlyle professionals and employees) pursuant to the terms of their capital commitments to those funds and vehicles;

(b) the amount of aggregate collateral balance at par of our CLOs and the reference portfolio notional amount of our synthetic CLOs; and

(c) the net asset value (pre-redemptions and subscriptions) of our long/short credit, emerging markets, multi-product macroeconomic and other hedge funds and certain structured credit funds.

We include in our calculation of AUM and fee-earning AUM certain energy and renewable resources funds that we jointly advise with Riverstone Investment Group L.L.C. (Riverstone).

Our calculations of AUM and fee-earning AUM may differ from the calculations of other alternative asset managers. As a result, these measures may not be comparable to similar measures presented by other alternative asset managers. In addition, our calculation of AUM (but not fee-earning AUM) includes uncalled commitments to, and the fair value of invested capital in, our investment funds from Carlyle and our personnel, regardless of whether such commitments or invested capital are subject to fees. Our definitions of AUM or fee-earning AUM are not based on any definition of AUM or fee-earning AUM that is set forth in the agreements governing the investment funds that we advise. See Business Structure and Operation of Our Investment Funds Incentive Arrangements/Fee Structure.

For our carry funds, co-investment vehicles and fund of funds vehicles, total AUM includes the fair value of the capital invested, whereas fee-earning AUM includes the amount of capital commitments or the remaining amount of invested capital at cost, depending on whether the investment period for the fund has expired. As such, fee-earning AUM may be greater than total AUM when the aggregate fair value of the remaining investments is less than the cost of those investments.

Unless indicated otherwise, non-financial operational and statistical data in this prospectus is as of December 31, 2011. Compound annual growth in AUM is presented since December 31, 2003, the first period for which comparable information is available. The data presented herein that provides inception to date performance results of our segments relates to the period following the formation of the first fund within each segment. For our Corporate Private Equity segment, our first fund was formed in 1990. For our Real Assets segment, our first fund was formed in 1997.

Until an investment fund (i) has distributed substantially all expected investment proceeds to its fund investors, (ii) is not expected to generate further investment proceeds (e.g., earn-outs), (iii) is no longer paying management fees or accruing performance fees, and (iv) in the case of our structured credit funds, has made a final redemption distribution, we consider such investment fund to be active. The fund performance data presented herein includes the performance of all of our carry funds, including those that are no longer active. All other fund data presented in this prospectus, and all other references to our investment funds, are to our active investment funds.

References herein to active investments are to investments that have not yet been fully realized, meaning that the investment fund continues to own an interest in, and has not yet completely exited, the investment.

In addition, for purposes of the non-financial operating and statistical data included in this prospectus, 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.

Unless indicated otherwise, the information included in this prospectus assumes no exercise by the underwriters of the option to purchase up to an additional 4,575,000 common units from us.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all the information you should consider before investing in our common units. You should read this entire prospectus carefully, including the section entitled Risk Factors and the financial statements and the related notes, before you decide to invest in our common units.

The Carlyle Group

We are one of the world s largest and most diversified multi-product global alternative asset management firms. We advise an array of specialized investment funds and other investment vehicles that invest across a range of industries, geographies, asset classes and investment strategies and seek to deliver attractive returns for our fund investors. Since our firm was founded in Washington, D.C. in 1987, we have grown to become a leading global alternative asset manager with approximately $147 billion in AUM across 89 funds and 52 fund of funds vehicles. We have approximately 1,300 employees, including more than 600 investment professionals, in 33 offices across six continents, and we serve over 1,400 active carry fund investors from 72 countries. Across our Corporate Private Equity and Real Assets segments, we have investments in over 200 portfolio companies that employ more than 650,000 people.

The growth and development of our firm has been guided by several fundamental tenets:

Excellence in Investing. Our primary goal is to invest wisely and create value for our fund investors. We strive to generate superior investment returns by combining deep industry expertise, a global network of local investment teams who can leverage extensive firm-wide resources and a consistent and disciplined investment process.

Commitment to our Fund Investors. Our fund investors come first. This commitment is a core component of our firm culture and informs every aspect of our business. We believe this philosophy is in the long-term best interests of Carlyle and its owners, including our prospective common unitholders.

Investment in the Firm. We have invested, and intend to continue to invest, significant resources in hiring and retaining a deep talent pool of investment professionals and in building the infrastructure of the firm, including our expansive local office network and our comprehensive investor support team, which provides finance, legal and compliance and tax services in addition to other corporate services.

Expansion of our Platform. We innovate continuously to expand our investment capabilities through the creation or acquisition of new asset-, sector- and regionally-focused strategies in order to provide our fund investors a variety of investment options.

Unified Culture. We seek to leverage the local market insights and operational capabilities that we have developed across our global platform through a unified culture we call One Carlyle. Our culture emphasizes collaboration and sharing of knowledge and expertise across the firm to create value.

We believe that this offering will enable us to continue to develop and grow our firm; strengthen our infrastructure; create attractive investment products, strategies and funds for the benefit of our fund investors; and attract and retain top quality professionals. We manage our business for the long-term, through economic cycles, leveraging investment and exit opportunities in different parts of the world and across asset classes. We believe it is an opportune time to capitalize on the additional resources and growth prospects that we expect a public offering will provide.

Our Business

We operate our business across four segments: (1) Corporate Private Equity, (2) Real Assets, (3) Global Market Strategies and (4) Fund of Funds Solutions. We established our Fund of Funds Solutions segment on July 1, 2011 at the time we completed our acquisition of a 60% equity interest in, and began to consolidate, AlpInvest.

We earn management fees pursuant to contractual arrangements with the investment funds that we manage and fees for transaction advisory and oversight services provided to portfolio companies of these funds. We also typically receive a performance fee from an investment fund, which may be either an incentive fee or a special residual allocation of income, which we refer to as a carried interest, in the event that specified investment returns are achieved by the fund. Our ability to generate carried interest is an important element of our business and carried interest has historically accounted for a significant portion of our revenue. In order to better align the interests of our senior Carlyle professionals and the other individuals who manage our carry funds with our own interests and with those of the investors in these funds, such individuals are allocated directly a portion of the carried interest in our carry funds. See Organizational Structure Reorganization for additional information regarding the allocation of carried interest between us and our senior Carlyle professionals before and after the consummation of this offering. See Management s Discussion and Analysis of Financial Condition and Results of Operations Key Financial Measures for a discussion of the composition of our revenues and expenses, including additional information regarding how our management fees and performance fees are structured and calculated.

The following tables set forth information regarding our segment revenues, economic net income (ENI) and distributable earnings by segment for the years ended December 31, 2011 and 2010 and regarding our total revenues, income before provision for income taxes and cash distributions in conformity with U.S. generally accepted accounting principles (GAAP) for such periods. Please see Management s Discussion and Analysis of Financial Condition and Results of Operations Key Financial Measures for a discussion of the composition of our revenues and expenses and Segment Analysis for discussion and analysis of our segment results.

	For the Year Ended December 31, 2011				
	Corporate Private Equity	Real Assets	Global Market Strategies	Fund of Funds Solutions(5)	Total
	(In millions)				
Total Revenues (GAAP)					$ 2,845.3
Income before provision for income taxes (GAAP)					$ 1,182.8
Net income attributable to Carlyle Group (GAAP)					$ 1,356.9
Cash distributions (GAAP)(1)					$ 1,498.4
Segment Revenues(2)	$ 1,483.6	$ 314.7	$ 324.9	$ 26.1	$ 2,149.3
Economic Net Income(2)(3)	$ 514.1	$ 143.9	$ 161.5	$ 13.6	$ 833.1
Distributable Earnings(2)(4)	$ 566.0	$ 84.8	$ 193.4	$ 20.2	$ 864.4
Pro forma net income attributable to Carlyle Holdings(6)					$ 514.3
Pro forma net income attributable to The Carlyle Group L.P.(6)					$ 51.5
Pro forma Distributable Earnings(6)					$ 881.6

	For the Year Ended December 31, 2010				
	Corporate Private Equity	Real Assets	Global Market Strategies	Fund of Funds Solutions	Total
	(In millions)				
Total Revenues (GAAP)					$ 2,798.9
Income before provision for income taxes (GAAP)					$ 1,479.7
					$ 1,525.6

Net income attributable to Carlyle Group (GAAP)					
Cash distributions (GAAP)(1)					$ 787.8
Segment Revenues(2)	$ 1,897.2	$ 235.0	$ 253.6	n/a	$ 2,385.8
Economic Net Income(2)(3)	$ 819.3	$ 90.7	$ 104.0	n/a	$ 1,014.0
Distributable Earnings(2)(4)	$ 307.2	$ 12.7	$ 22.6	n/a	$ 342.5

(1) Cash distributions, net of compensatory payments, distributions related to co-investments and distributions related to the Mubadala investment in 2010 were $681.9 million and $105.8 million for the years ended December 31, 2011 and 2010, respectively. See Cash Distribution Policy.

(2) Under GAAP, we are required to consolidate certain of the investment funds that we advise. However, for segment reporting purposes, we present revenues and expenses on a basis that deconsolidates these funds.

(3) ENI, a non-GAAP measure, represents segment net income excluding the impact of income taxes, acquisition-related items including amortization of acquired intangibles and earn-outs, charges associated with equity-based compensation issued in this offering or future acquisitions, corporate actions and infrequently occurring or unusual events (e.g., acquisition related costs, gains and losses on fair value adjustments on contingent consideration, gains and losses from the retirement of our debt, charges associated with lease terminations and employee severance and settlements of legal claims). For a further discussion about ENI and a reconciliation to Income Before Provision for Income Taxes, see Management s Discussion and Analysis of Financial Condition and Results of Operations Key Financial Measures Non-GAAP Financial Measures Economic Net Income and Non-GAAP Financial Measures, and Note 14 to our combined and consolidated financial statements appearing elsewhere in this prospectus.

(4) Distributable Earnings, a non-GAAP measure, is a component of ENI representing total ENI less unrealized performance fees and unrealized investment income plus unrealized performance fee compensation expense. For a further discussion about Distributable Earnings and a reconciliation to Income Before Provision for Income Taxes, see Management s Discussion and Analysis of Financial Condition and Results of Operations Key Financial Measures Non-GAAP Financial Measures Distributable Earnings, Non-GAAP Financial Measures and Note 14 to our combined and consolidated financial statements appearing elsewhere in this prospectus. For a discussion of cash distributions and the difference between Distributable Earnings and such cash distribution during the historical periods presented, see Cash Distribution Policy.

(5) We established our Fund of Funds Solutions segment on July 1, 2011. These results are for the period from July 1, 2011 to December 31, 2011.

(6) Refer to Unaudited Pro Forma Financial Information.

Corporate Private Equity. Our Corporate Private Equity segment, established in 1990 with our first U.S. buyout fund, advises our buyout and growth capital funds, which pursue a wide variety of corporate investments of different sizes and growth potentials. Our 26 active Corporate Private Equity funds are each carry funds. They are organized and operated by geography or industry and are advised by separate teams of local professionals who live and work in the markets where they invest. We believe this diversity of funds allows us to deploy more targeted and specialized investment expertise and strategies and offers our fund investors the ability to tailor their investment choices.

Our Corporate Private Equity teams have two primary areas of focus:

> *Buyout Funds.* Our buyout teams advise a diverse group of 17 active funds that invest in transactions that focus either on a particular geography (United States, Europe, Asia, Japan, South America or the Middle East and North Africa (MENA)) or a particular industry (e.g., financial services). As of December 31, 2011, our buyout funds had, in the aggregate, approximately $47 billion in AUM.

> *Growth Capital Funds.* Our nine active growth capital funds are advised by three regionally-focused teams in the United States, Europe and Asia, with each team generally focused on middle-market and growth companies consistent with specific regional investment considerations. As of December 31, 2011, our growth capital funds had, in the aggregate, approximately $4 billion in AUM.

The following table presents certain data about our Corporate Private Equity segment as of December 31, 2011 (dollar amounts in billions; compound annual growth is presented since December 31, 2003; amounts invested include co-investments).

AUM	% of Total AUM	AUM CAGR	Fee-Earning AUM	Active Investments	Active Funds	Available Capital	Investment Professionals	Amount Invested Since Inception	Investments Since Inception
$ 51	35%	22%	$ 38	167	26	$ 13	254	$ 49	422

Real Assets. Our Real Assets segment, established in 1997 with our first U.S. real estate fund, advises our 17 active carry funds focused on real estate, infrastructure and energy and renewable resources.

Our Real Assets teams have three primary areas of focus:

> *Real Estate.* Our 10 active real estate funds pursue real estate investment opportunities in Asia, Europe and the United States and generally focus on acquiring single-property opportunities rather than large-cap companies with real estate portfolios. As of December 31, 2011, our real estate funds had, in the aggregate, approximately $12 billion in AUM.

> *Infrastructure.* Our infrastructure investment team focuses on investments in infrastructure companies and assets. As of December 31, 2011, we advised one infrastructure fund with approximately $1 billion in AUM.

> *Energy & Renewable Resources.* Our energy and renewable resources activities focus on buyouts, growth capital investments and strategic joint ventures in the midstream, upstream, power and oilfield services sectors, as well as the renewable and alternative sectors of the energy industry. We currently conduct these activities with Riverstone, jointly advising six funds with approximately $17 billion in AUM as of December 31, 2011.

We and Riverstone have mutually decided not to pursue additional jointly managed funds (although we will continue to advise jointly with Riverstone the six existing energy and renewable resources funds). We are actively exploring new approaches through which to expand our energy capabilities and intend to augment our significant in-house expertise in this sector.

The following table presents certain data about our Real Assets segment as of December 31, 2011 (dollar amounts in billions; compound annual growth is presented since December 31, 2003; amounts invested include co-investments; investment professionals excludes Riverstone employees).

AUM	% of Total AUM	AUM CAGR	Fee-Earning AUM	Active Investments	Active Funds	Available Capital	Investment Professionals	Amount Invested Since Inception	Investments Since Inception
$ 31	21%	37%	$ 22	330	17	$ 8	136	$ 26	552

Global Market Strategies. Our Global Market Strategies segment, established in 1999 with our first high yield fund, advises a group of 46 active funds that pursue investment opportunities across various types of credit, equities and alternative instruments, and (with regards to certain macroeconomic strategies) currencies, commodities and interest rate products and their derivatives. These funds include:

Carry Funds. We advise six carry funds, with an aggregate of $3 billion in AUM, in three different strategies: distressed and corporate opportunities (including liquid trading portfolios and control investments); corporate mezzanine (targeting middle market companies); and energy mezzanine opportunities (targeting debt investments in energy and power projects and companies).

Hedge Funds. Through our 55% stake in Claren Road Asset Management, LLC (Claren Road) we advise two long/short credit hedge funds focusing on the global high grade and high yield markets totaling, in the aggregate, approximately $6 billion in AUM. Additionally, through our 55% stake in Emerging Sovereign Group LLC (ESG), we advise six emerging markets equities and macroeconomic hedge funds with an aggregate AUM of $2 billion.

Structured Credit Funds. Our 32 structured credit funds, with an aggregate AUM of $13 billion, invest primarily in performing senior secured bank loans through structured vehicles and other investment products.

The following table presents certain data about our Global Market Strategies segment as of December 31, 2011 (dollar amounts in billions; compound annual growth is presented since December 31, 2003).

AUM	% of Total AUM	AUM CAGR	Fee-Earning AUM	Active Funds	Investment Professionals(1)
$ 24	16%	33%	$ 23	46	145

(1) Includes 31 middle office and back office professionals.

Fund of Funds Solutions. Our Fund of Funds Solutions segment was established on July 1, 2011 when we completed our acquisition of a 60% equity interest in AlpInvest. AlpInvest is one of the world s largest investors in private equity and advises a global private equity fund of funds program and related co-investment and secondary activities. Its anchor clients are two large Dutch pension funds, which were the founders and previous shareholders of the company. Although we maintain ultimate control over AlpInvest, AlpInvest s historical management team (who are our employees) will continue to exercise independent investment authority without involvement by other Carlyle personnel.

AlpInvest has three primary areas of focus:

Fund Investments. AlpInvest fund of funds vehicles make investment commitments directly to buyout, growth capital, venture and other alternative asset funds advised by other general partners (portfolio funds). As of December 31, 2011, AlpInvest advised 25 fund of funds vehicles totaling, in the aggregate, approximately $30 billion in AUM.

Co-investments. AlpInvest invests alongside other private equity and mezzanine funds in which it has a fund investment throughout Europe, North America and Asia. As of December 31, 2011, AlpInvest co-investments programs were conducted through 15 fund of funds vehicles totaling, in the aggregate, approximately $5 billion in AUM.

Secondary Investments. AlpInvest also advises funds that acquire interests in portfolio funds in secondary market transactions. As of December 31, 2011, AlpInvest s secondary investments program was conducted through 12 fund of funds vehicles totaling, in the aggregate, approximately $6 billion in AUM.

In addition, although customized separate accounts and co-mingled vehicles for clients other than AlpInvest s anchor clients do not currently represent a significant portion of our AUM, we expect to grow our Fund of Funds Solutions segment with these two products. See Business Structure and Operation of Our Investment Funds Incentive Arrangements/Fee Structure for a discussion of the arrangements with the historical owners and management of AlpInvest regarding the allocation of carried interest in respect of the historical investments of and the historical and certain future commitments to our fund of funds vehicles.

The following table presents certain data about our Fund of Funds Solutions segment as of December 31, 2011 (dollar amounts in billions).

AUM(1)	**% of Total AUM**	**Fee-Earning AUM**	**Fund of Funds Vehicles**	**Available Capital**	**Amount Invested Since Inception**	**Investment Professionals(2)**
$ 41	28%	$ 28	52	$ 15	$ 38	60

(1) Under our arrangements with the historical owners and management team of AlpInvest, such persons are allocated all carried interest in respect of the historical investments and commitments to our fund of funds vehicles that existed as of December 31, 2010, 85% of the carried interest in respect of commitments from the historical owners of AlpInvest for the period between 2011 and 2020 and 60% of the carried interest in respect of all other commitments (including all future commitments from third parties).

(2) Includes 24 middle office and back office professionals.

Competitive Strengths

Since our founding in 1987, Carlyle has grown to become one of the world s largest and most diversified multi-product global alternative asset management firms. We believe the following competitive strengths position us well for future growth:

Global Presence. We believe we have a greater presence around the globe and in emerging markets than any other alternative asset manager. We currently operate on six continents and sponsor funds investing in the United States, Asia, Europe, Japan, MENA and South America, with 12 carry funds and their related co-investment vehicles representing approximately $11 billion in AUM actively investing in emerging markets. Our extensive network of investment professionals is composed primarily of local individuals with the knowledge, experience and relationships that allow them to identify and take advantage of opportunities unavailable to firms with less extensive footprints.

Diversified and Scalable Multi-Product Platform. We have created separate geographic, sector and asset specific fund groups, investing significant resources to develop this extensive network of investment professionals and offices. As a result, we benefit from having 89 different funds (including 49 carry funds) and 52 fund of funds vehicles around the world. We believe this broad fund platform and our investor services infrastructure provide us with a scalable foundation to pursue future investment opportunities in high-growth markets and to expand into new products. Our diverse platform also enhances our resilience to credit market turmoil by enabling us to invest during such times in assets and geographies that are less dependent on leverage than traditional U.S. buyout activity. We believe the breadth of our product offerings also enhances our fundraising by allowing us to offer investors greater flexibility to allocate capital across different geographies, industries and components of a company s capital structure.

Focus on Innovation. We have been at the forefront of many recognized trends within our industry, including the diversification of investment products and asset classes, geographic expansion and raising strategic capital from institutional investors. Within 10 years of the launch of our first fund in 1990 to pursue buyout opportunities in the United States, we had expanded our buyout operations to Asia and Europe and added funds focused on U.S. real estate, global energy and power, structured credit and venture and growth capital opportunities in Asia, Europe and the United States. Over the next 10 years, we developed an increasing number of new, diverse products, including funds focused on distressed opportunities, infrastructure, global financial services, mezzanine investments and real estate across Asia and Europe. We continued to innovate in 2010 and 2011 with the significant expansion of our Global Markets Strategies business, which has more than doubled its AUM since the beginning of 2008, the formation of our Fund of Funds Solutions segment and numerous new fund initiatives. We believe our focus on innovation will enable us to continue to identify and capitalize on new opportunities in high-growth geographies and sectors.

Proven Ability to Consistently Attract Capital from a High-Quality, Loyal Investor Base. Since inception, we have raised approximately $117 billion in capital (excluding acquisitions). We have successfully and repeatedly raised long-term, non-redeemable capital commitments to new and successor funds, with a broad and diverse base of over 1,400 active carry fund investors from 72 countries. Despite the recent challenges in the fundraising markets, from December 31, 2007 through December 31, 2011, we had closings for commitments totaling approximately $32 billion across 30 funds and related co-investment vehicles, as well as net inflows to our hedge funds. We have a demonstrated history of attracting investors to multiple funds, with approximately 91% of commitments to our active carry funds (by dollar amount) coming from investors who are committed to more than one active carry fund, and approximately 58% of commitments to our active carry funds (by dollar amount) coming from investors who are committed to more than five active carry funds (each as of December 31, 2011). We have a dedicated in-house fund investor relations function, which we refer to as our LP relations group, which includes 23 geographically focused investor relations professionals and 31 product and client segment specialists and support staff operating on a global basis. We believe that our constant dialogue with our fund investors and our commitment to providing them with the highest quality service inspires loyalty and aids our efforts to continue to attract investors across our investment platform.

Demonstrated Record of Investment Performance. We have demonstrated a strong and consistent investment track record, producing attractive returns for our fund investors across segments, sectors and geographies, and across economic cycles. The following table summarizes the aggregate investment performance of our Corporate Private Equity, Real Assets, and Fund of Funds Solutions segments. Due to the diversified nature of the strategies in our Global Market Strategies segment, we have included summarized investment performance for the largest carry fund and two of our largest hedge funds in this segment. For additional information, including performance information of other Global Market Strategies funds, see Management s Discussion and Analysis of Financial Condition and Results of Operations Segment Analysis Corporate Private Equity Fund Performance Metrics, Real Assets Fund Performance Metrics Fund of Funds Solutions Fund Performance Metrics , and Global Market Strategies Fund Performance Metrics.

	As of December 31, 2011			Inception to December 31, 2011		
	Cumulative Invested Capital(2)	MOIC(3)	Realized/ Partially Realized MOIC(3)(4)	Gross IRR(5)	Net IRR(6)	Realized/ Partially Realized Gross IRR(4)(5)
	(Dollars in billions)					
Corporate Private Equity(1)	$ 48.7	1.8x	2.6x	27%	18%	31%
Real Assets(1)	$ 26.4	1.5x	2.0x	17%	10%	29%
Fund of Funds Solutions(1)	$ 38.3	1.3x	n/a	10%	9%	n/a

	As of December 31, 2011	Inception to December 31, 2011		
	Total AUM	Gross IRR(5)	Net IRR(6)	Net Annualized Return(7)
	(Dollars in billions)			
Global Market Strategies(8)				
CSP II (carry fund)	$ 1.6	15%	10%	n/a
Claren Road Master Fund (hedge fund)	$ 4.7	n/a	n/a	11%
Claren Road Opportunities Fund (hedge fund)	$ 1.4	n/a	n/a	18%

The returns presented herein represent those of the applicable Carlyle funds and not those of The Carlyle Group L.P. See Risk Factors Risks Related to Our Business Operations The historical returns attributable to our funds, including those presented in this prospectus, 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.

(1) For purposes of aggregation, funds that report in foreign currency have been converted to U.S. dollars at the reporting period spot rate.

(2) Represents the original cost of all capital called for investments since inception.

(3)

Multiple of invested capital (MOIC) represents total fair value, before management fees, expenses and carried interest, divided by cumulative invested capital.

(4) 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. Because part of our value creation strategy involves pursuing best exit alternatives, we believe information regarding Realized/Partially Realized MOIC and Gross IRR, when considered together with the other investment performance metrics presented, provides investors with meaningful information regarding our investment performance by removing the impact of investments where significant realization activity has not yet occurred. Realized/Partially Realized MOIC and Gross IRR have limitations as measures of investment performance, and should not be considered in isolation. Such limitations include the fact that these measures do not include the performance of earlier stage and other investments that do not satisfy the criteria provided above. The exclusion of such investments will have a positive impact on Realized/Partially Realized MOIC and Gross IRR in instances when the MOIC and Gross IRR in respect of such investments are less than the aggregate MOIC and Gross IRR. Our measurements of Realized/Partially Realized MOIC and Gross IRR may not be comparable to those of other companies that use similarly titled measures.

(5) Gross Internal Rate of Return (IRR) represents the annualized IRR for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value before management fees, expenses and carried interest.

(6) Net IRR represents the annualized IRR for the period indicated on limited partner invested capital based on contributions, distributions and unrealized value after management fees, expenses and carried interest.

(7) Net Annualized Return is presented for fee-paying investors on a total return basis, net of all fees and expenses.

(8) Due to the disparate nature of the underlying asset classes in which our Global Market Strategies funds participate (e.g., syndicated loans, bonds, distressed securities, mezzanine loans, emerging markets equities, macroeconomic products) and the inherent difficulties in aggregating the performance of closed-end and open-end funds, the presentation of aggregate investment performance across this segment would not be meaningful.

Financial Strength. The investment performance across our broad fund base has enabled us to generate Economic Net Income of $833.1 million in 2011 and $1.014 billion in 2010 and Distributable Earnings of $864.4 million and $342.5 million for the same periods. Our income before provision for income taxes, a GAAP measure, was approximately $1.2 billion in 2011 and $1.5 billion in 2010. This performance is also reflected in the rate of appreciation of the investments in our carry funds in recent periods, with a 34% increase in our carry fund value in 2010 and a 16% increase in 2011. Additionally, distributions to our fund investors have been robust, with more than $8 billion distributed to fund investors in 2010 and approximately $19 billion in 2011. We believe the investment pace and available capital of our carry funds position us well for the future. Our carry funds invested approximately $10 billion in 2010 and more than $11 billion in 2011, and as of December 31, 2011, these funds had approximately $22 billion in capital commitments that had not yet been invested.

Stable and Diverse Team of Talented Investment Professionals With a Strong Alignment of Interests. We have a talented team of more than 600 investment professionals and we are assisted by our Executive Operations Group of 27 operating executives, with an average of over 40 years of relevant operating, financial and regulatory experience, who are a valuable resource to our portfolio companies and our firm. Our investment professionals are supported by a centralized investor services and support group, which includes more than 400 professionals. The interests of our professionals are aligned with the interests of the investors in our funds and in our firm. Since our inception through December 31, 2011, we and our senior Carlyle professionals, operating executives and other professionals have invested or committed to invest in excess of $4 billion in or alongside our funds. We have also sought to align the long-term incentives of our senior Carlyle professionals with our common unitholders, including through equity compensation arrangements that include certain vesting, minimum retained ownership and transfer restrictions. See Management Vesting; Minimum Retained Ownership Requirements and Transfer Restrictions.

Commitment to Responsible Global Citizenship. We believe that being a good corporate citizen is part of good business practice and creates long-term value for our fund investors. We have worked to apply the Private Equity Growth Capital Council s Guidelines for Responsible Investment, which we helped to develop in 2008, demonstrating our commitment to environmental, social and governance standards in our investment activities. In addition, we were the first global alternative asset management firm to release a corporate citizenship report, which catalogues and describes our corporate citizenship efforts, including our responsible investment policy and practices and those of our portfolio companies.

Our Strategy for the Future

We intend to create value for our common unitholders by seeking to:

continue to generate attractive investment returns for our fund investors across our multi-fund, multi-product global investment platform, including by increasing the value of our current portfolio and leveraging the strong capital position of our investment funds to pursue new investment opportunities;

continue to inspire the confidence and loyalty of our more than 1,400 active carry fund investors, and further expand our investor base, with a focus on client service and strong investment performance;

continue to grow our AUM by raising follow-on investment funds across our four segments and by broadening our platform, through both organic growth and selective acquisitions, where we believe we can provide investors with differentiated products to meet their needs;

further advance our leadership position in core non-U.S. geographic markets, including high-growth emerging markets such as China, Latin America, India, MENA and Sub-Saharan Africa; and

continue to demonstrate principled industry leadership and to be a responsible and respected member of the global community by demonstrating our commitment to environmental, social and governance standards in our investment activities.

Investment Risks

An investment in our common units involves substantial risks and uncertainties. Some of the more significant challenges and risks relating to an investment in our common units include those associated with:

adverse economic and market conditions, which can affect our business and liquidity position in many ways, including by reducing the value or performance of the investments made by our investment funds and reducing the ability of our investment funds to raise or deploy capital;

changes in the debt financing markets, which could negatively impact the ability of our funds and their portfolio companies to obtain attractive financing or refinancing for their investments and operations, and could increase the cost of such financing if it is obtained, leading to lower-yielding investments;

the potential volatility of our revenue, income and cash flow, which is influenced by:

the fact that carried interest is only received when investments are realized and achieve a certain specified return;

changes in the carrying values and performance of our funds investments; and

the life cycle of our carry funds, which influences the timing of our accrual and realization of carried interest;

the fact that the fees we receive for transaction advisory services are dependent upon the level of transactional activity during the period;

our dependence on our founders and other key personnel and our ability to attract, retain and motivate high quality employees who will bring value to our operations;

business and regulatory impediments to our efforts to expand into new investment strategies, markets and businesses;

- the fact that most of our investment funds invest in illiquid, long-term investments that are not marketable securities, and such investments may lose significant value during an economic downturn;
- the potential for poor performance of our investment funds; and
- the possibility that we will not be able to continue to raise capital from third-party investors on advantageous terms.

As a limited partnership, we will qualify for and intend to rely on exceptions from certain corporate governance and other requirements under the rules of the NASDAQ Global Select Market. For example, we will not be required to comply with the requirements that a majority of the board of directors of our general partner consist of independent directors and that we have independent director oversight of executive officer compensation and director nominations.

In addition, and as discussed in Material U.S. Federal Tax Considerations :

- The Carlyle Group L.P. will be treated as a partnership for U.S. federal income tax purposes, and our common unitholders therefore will be required to take into account their allocable share of items of income, gain, loss and deduction of The Carlyle Group L.P. in computing their U.S. federal income tax liability;
- Although we currently intend to make annual distributions in an amount sufficient to cover the anticipated U.S. federal, state and local income tax liabilities of holders of common units in respect of their allocable share of our net taxable income, it is possible that such tax liabilities will exceed the cash distributions that holders of common units receive from us; and
- Although not enacted, the U.S. Congress has considered legislation that would have precluded us from qualifying as a partnership for U.S. federal income tax purposes or required us to hold carried interest through taxable subsidiary corporations for taxable years after a ten-year transition period and would have taxed individual holders of common units with respect to certain income and gains now taxed at capital gains rates, including gain on disposition of units, at increased rates. Similar legislation could be enacted in the future.

Please see Risk Factors for a discussion of these and other factors you should consider before making an investment in our common units.

The Carlyle Group L.P. was formed in Delaware on July 18, 2011. Our principal executive offices are located at 1001 Pennsylvania Avenue, NW, Washington, D.C. 20004-2505, and our telephone number is (202) 729-5626.

Organizational Structure

Our Current Organizational Structure

Our business has historically been owned by four holding entities: TC Group, L.L.C., TC Group Cayman, L.P., TC Group Investment Holdings, L.P. and TC Group Cayman Investment Holdings, L.P. We refer to these four holding entities collectively as the Parent Entities. The Parent Entities have been under the common ownership and control of the partners of our firm (who we refer to as our senior Carlyle professionals) and two strategic investors that own minority interests in our business entities affiliated with Mubadala Development Company, an Abu-Dhabi based strategic development and investment company (Mubadala), and California Public Employees Retirement System (CalPERS). In addition, certain individuals engaged in our businesses own interests in the general partners of our existing carry funds. Certain of these individuals have, as described below, contributed a portion of these interests to us as part of the reorganization. We refer to these individuals, together with the owners of the Parent Entities prior to this offering, collectively, as our existing owners.

Reorganization

Prior to this offering, we completed a series of transactions pursuant to which our business was reorganized into a holding partnership structure as described under Organizational Structure. Following the reorganization and this offering, The Carlyle Group L.P. is a holding partnership and, through wholly-owned subsidiaries, holds equity interests in three Carlyle Holdings partnerships (which we refer to collectively as Carlyle Holdings), which in turn own the four Parent Entities. Through its wholly-owned subsidiaries, The Carlyle Group L.P. is the sole general partner of each of the Carlyle Holdings partnerships. Accordingly, The Carlyle Group L.P. will operate and control all of the business and affairs of Carlyle Holdings and will consolidate the financial results of Carlyle Holdings and its consolidated subsidiaries, and the ownership interest of the limited partners of Carlyle Holdings will be reflected as a non-controlling interest in The Carlyle Group L.P. s consolidated financial statements. At the time of this offering, our existing owners are the only limited partners of the Carlyle Holdings partnerships.

Certain existing and former owners of the Parent Entities (including CalPERS and former and current senior Carlyle professionals) have beneficial interests in investments in or alongside our funds that were funded by such persons indirectly through the Parent Entities. In order to minimize the extent of third party ownership interests in firm assets, prior to the completion of the offering we (i) distributed a portion of these interests (approximately $118.5 million as of December 31, 2011) to the beneficial owners so that they are held directly by such persons and are no longer consolidated in our financial statements and (ii) restructured the remainder of these interests (approximately $84.8 million as of December 31, 2011) so that they are reflected as non-controlling interests in our financial statements. In addition, prior to the offering the Parent Entities have restructured the ownership of certain carried interest rights allocated to retired senior Carlyle professionals so that such carried interest rights will be reflected as non-controlling interests in our financial statements. Such restructured carried interest rights accounted for approximately $42.3 million of our performance fee revenue for the year ended December 31, 2011. Prior to the date of the offering the Parent Entities have also made a cash distribution of previously undistributed earnings to their owners totaling $28.0 million. See Unaudited Pro Forma Financial Information.

Our existing owners then contributed to the Carlyle Holdings partnerships their interests in the Parent Entities and a portion of the equity interests they owned in the general partners of our existing investment funds and other entities that have invested in or alongside our funds.

Accordingly, following the reorganization, subsidiaries of Carlyle Holdings generally will be entitled to:

all management fees payable in respect of all current and future investment funds that we advise, as well as the fees for transaction advisory and oversight services that may be payable by these investment funds portfolio companies (subject to certain third party interests, as described below);

all carried interest earned in respect of all current and future carry funds that we advise (subject to certain third party interests, including those described below and to the allocation to our investment professionals who work in these operations of a portion of this carried interest as described below);

all incentive fees (subject to certain interests in Claren Road and ESG and, with respect to other funds earning incentive fees, any performance-related allocations to investment professionals); and

all returns on investments of our own balance sheet capital that we make following this offering (as well as on existing investments with an aggregate value of approximately $249.3 million as of December 31, 2011).

In certain cases, the entities that receive management fees from our investment funds are owned by Carlyle together with other persons. For example, management fees from our energy and renewables funds are received by an entity we own together with Riverstone, and the Claren Road, ESG and AlpInvest management companies are partially owned by the respective founders and managers of these businesses. We may have similar arrangements with respect to the ownership of the entities that advise our funds in the future.

In order to better align the interests of our senior Carlyle professionals and the other individuals who manage our carry funds with our own interests and with those of the investors in these funds, such individuals are allocated directly a portion of the carried interest in our carry funds. Prior to the reorganization, the level of such allocations vary by fund, but generally are at least 50% of the carried interests in the fund. As a result of the reorganization, the allocations to these individuals will be approximately 45% of all carried interest, on a blended average basis, earned in respect of investments made prior to the date of the reorganization and approximately 45% of any carried interest that we earn in respect of investments made from and after the date of the reorganization, in each case with the exception of the Riverstone funds, where we will retain essentially all of the carry to which we are entitled under our arrangements for those funds. In addition, under our arrangements with the historical owners and management team of AlpInvest, such persons are allocated all carried interest in respect of the historical investments and commitments to our fund of funds vehicles that existed as of December 31, 2010, 85% of the carried interest in respect of commitments from the historical owners of AlpInvest for the period between 2011 and 2020 and 60% of the carried interest in respect of all other commitments (including all future commitments from third parties). See Business Structure and Operation of Our Investment Funds Incentive Arrangements/Fee Structure.

The diagram below (which omits certain wholly-owned intermediate holding companies) depicts our organizational structure immediately following this offering. As discussed in greater detail below and under Organizational Structure, The Carlyle Group L.P. will hold, through wholly-owned subsidiaries, a number of Carlyle Holdings partnership units that is equal to the number of common units that The Carlyle Group L.P. has issued and will benefit from the income of Carlyle Holdings to the extent of its equity interests in the Carlyle Holdings partnerships. While the holders of common units of The Carlyle Group L.P. will be entitled to all of the economic rights in The Carlyle Group L.P. immediately following this offering, our existing owners will, like the wholly-owned subsidiaries of The Carlyle Group L.P., hold Carlyle Holdings partnership units that entitle them to economic rights in Carlyle Holdings to the extent of their equity interests in the Carlyle Holdings partnerships. Public investors will not directly hold equity interests in the Carlyle Holdings partnerships.

(1) The Carlyle Group L.P. common unitholders will have only limited voting rights and will have no right to remove our general partner or, except in limited circumstances, elect the directors of our general partner. TCG Carlyle Global Partners L.L.C., an entity wholly-owned by our senior Carlyle professionals, will hold a special voting unit in The Carlyle Group L.P. that will entitle it, on those few matters that may be submitted for a vote of The Carlyle Group L.P. common unitholders, to participate in the vote on the same basis as the common unitholders and provide it with a number of votes that is equal to the aggregate number of vested and unvested partnership units in Carlyle Holdings held by the limited partners of Carlyle Holdings on the relevant record date. See Material Provisions of The Carlyle Group L.P. Partnership Agreement Withdrawal or Removal of the General Partner, Meetings; Voting and Election of Directors of General Partner.

(2) Certain individuals engaged in our business will continue to own interests directly in selected operating subsidiaries, including, in certain instances, entities that receive management fees from funds that we advise. The Carlyle Holdings partnerships will also directly own interests in selected operating subsidiaries. For additional information concerning these interests see Organizational Structure Our Organizational Structure Following this Offering Certain Non-controlling Interests in Operating Subsidiaries.

The Carlyle Group L.P. intends to conduct all of its material business activities through Carlyle Holdings. Each of the Carlyle Holdings partnerships was formed to hold our interests in different businesses. We expect that Carlyle Holdings I L.P. will own all of our U.S. fee-generating businesses and many of our non-U.S. fee-generating businesses, as well as our carried interests (and other investment interests) that are expected to derive income that would not be qualifying income for purposes of the U.S. federal income tax publicly-traded partnership rules and certain of our carried interests (and other investment interests) that do not relate to investments in stock of corporations or in debt, such as equity investments in entities that are pass-through for U.S. federal income tax purposes. We anticipate that Carlyle Holdings II L.P. will hold a variety of assets, including our carried interests in many of the investments by our carry funds in entities that are treated as domestic corporations for U.S. federal income tax purposes and in certain non-U.S. entities. Certain of our non-U.S. fee-generating businesses, as well as our non-U.S. carried interests (and other investment interests) that are expected to derive income that would not be qualifying income for purposes of the U.S. federal income tax publicly-traded partnership rules and certain of our non-U.S. carried interests (and other investment interests) that do not relate to investments in stock of corporations or in debt, such as equity investments in entities that are pass-through for U.S. federal income tax purposes will be held by Carlyle Holdings III L.P.

The Carlyle Group L.P. has formed wholly-owned subsidiaries to serve as the general partners of the Carlyle Holdings partnerships: Carlyle Holdings I GP Inc. (a Delaware corporation that is a domestic corporation for U.S. federal income tax purposes), Carlyle Holdings II GP L.L.C. (a Delaware limited liability company that is a disregarded entity and not an association taxable as a corporation for U.S. federal income tax purposes) and Carlyle Holdings III GP L.P. (a Québec *société en commandite* that is a foreign corporation for U.S. federal income tax purposes) will serve as the general partners of Carlyle Holdings I L.P., Carlyle Holdings II L.P. and Carlyle Holdings III L.P., respectively. Carlyle Holdings I GP Inc. and Carlyle Holdings III GP L.P. will serve as the general partners of Carlyle Holdings I L.P. and Carlyle Holdings III L.P., respectively, either directly or indirectly through wholly-owned subsidiaries that are disregarded for federal income tax purposes. We refer to Carlyle Holdings I GP Inc., Carlyle Holdings II GP L.L.C. and Carlyle Holdings III GP L.P. collectively as the Carlyle Holdings General Partners.

Holding Partnership Structure

As discussed in Material U.S. Federal Tax Considerations, The Carlyle Group L.P. will be treated as a partnership and not as a corporation for U.S. federal income tax purposes, although our partnership agreement does not restrict our ability to take actions that may result in our being treated as an entity taxable as a corporation for U.S. federal (and applicable state) income tax purposes. An entity that is treated as a partnership for U.S. federal income tax purposes is not a taxable entity and incurs no U.S. federal income tax liability. Instead, each partner is required to take into account its allocable share of items of income, gain, loss and deduction of the partnership in computing its U.S. federal income tax liability, whether or not cash distributions are made. Investors in this offering will become limited partners of The Carlyle Group L.P. Accordingly, an investor in this offering generally will be required to pay U.S. federal income taxes with respect to the income and gain of The Carlyle Group L.P. that is allocated to such investor, even if The Carlyle Group L.P. does not make cash distributions. We believe that the Carlyle Holdings partnerships will also be treated as partnerships and not as corporations for U.S. federal income tax purposes. Accordingly, the holders of partnership units in Carlyle Holdings, including The Carlyle Group L.P. s wholly-owned subsidiaries, will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Carlyle Holdings. See Material U.S. Federal Tax Considerations for more information about the tax treatment of The Carlyle Group L.P. and Carlyle Holdings.

Each of the Carlyle Holdings partnerships will have an identical number of partnership units outstanding, and we use the terms Carlyle Holdings partnership unit or partnership unit in/of Carlyle Holdings to refer collectively to a partnership unit in each of the Carlyle Holdings partnerships. The Carlyle Group L.P. will hold, through wholly-owned subsidiaries, a number of

Carlyle Holdings partnership units equal to the number of common units that The Carlyle Group L.P. has issued. The Carlyle Holdings partnership units that will be held by The Carlyle Group L.P. s wholly-owned subsidiaries will be economically identical to the Carlyle Holdings partnership units that will be held by our existing owners. Accordingly, the income of Carlyle Holdings will benefit The Carlyle Group L.P. to the extent of its equity interest in Carlyle Holdings. Immediately following this offering, The Carlyle Group L.P. will hold Carlyle Holdings partnership units representing 10.0% of the total number of partnership units of Carlyle Holdings, or 11.3% if the underwriters exercise in full their option to purchase additional common units, and our existing owners will hold Carlyle Holdings partnership units representing 90.0% of the total number of partnership units of Carlyle Holdings, or 88.7% if the underwriters exercise in full their option to purchase additional common units.

Under the terms of the partnership agreements of the Carlyle Holdings partnerships, all of the Carlyle Holdings partnership units received by our existing owners in the reorganization described in Organizational Structure are subject to restrictions on transfer and, with the exception of Mubadala and CalPERS, minimum retained ownership requirements. All of the Carlyle Holdings partnership units received by our founders, CalPERS and Mubadala as part of the Reorganization are fully vested. All of the Carlyle Holdings partnership units received by our other existing owners in exchange for their interests in carried interest owned at the fund level relating to investments made by our carry funds prior to the date of the Reorganization are fully vested. Of the remaining Carlyle Holdings partnership units received as part of the Reorganization by our other existing owners, 26.2% are fully vested and 73.8% are not vested and, with specified exceptions, are subject to forfeiture if the employee ceases to be employed by us prior to vesting. See Management Vesting; Minimum Retained Ownership Requirements and Transfer Restrictions.

The Carlyle Group L.P. is managed and operated by our general partner, Carlyle Group Management L.L.C., to whom we refer as our general partner, which is in turn wholly-owned by our senior Carlyle professionals. Our general partner will not have any business activities other than managing and operating us. We will reimburse our general partner and its affiliates for all costs incurred in managing and operating us, and our partnership agreement provides that our general partner will determine the expenses that are allocable to us. Although there are no ceilings on the expenses for which we will reimburse our general partner and its affiliates, the expenses to which they may be entitled to reimbursement from us, such as director fees, are not expected to be material.

Certain Corporate Governance Considerations

Voting. Unlike the holders of common stock in a corporation, our common unitholders will have only limited voting rights and will have no right to remove our general partner or, except in the limited circumstances described below, elect the directors of our general partner. In addition, TCG Carlyle Global Partners L.L.C., an entity wholly-owned by our senior Carlyle professionals, will hold a special voting unit that provides it with a number of votes on any matter that may be submitted for a vote of our common unitholders that is equal to the aggregate number of vested and unvested Carlyle Holdings partnership units held by the limited partners of Carlyle Holdings. Accordingly, immediately following this offering, on those few matters that may be submitted for a vote of the limited partners of The Carlyle Group L.P., such as the approval of amendments to the limited partnership agreement of The Carlyle Group L.P. that the limited partnership agreement does not authorize our general partner to approve without the consent of the limited partners and the approval of certain mergers or sales of all or substantially all of our assets, investors in this offering will collectively have 10.0% of the voting power of The Carlyle Group L.P. limited partners, or 11.3% if the underwriters exercise in full their option to purchase additional common units, and our existing owners will collectively have 90.0% of the voting power of The Carlyle Group L.P. limited partners, or 88.7% if the underwriters exercise in full their option to purchase additional common units. These percentages correspond with the percentages of the Carlyle Holdings partnership units that will be held by The Carlyle Group L.P. through its wholly-owned subsidiaries, on the one hand, and by our existing owners, on the other hand. We refer to our common units (other than those held by any person whom our general partner may from time to time with such person s consent designate as a non-voting common unitholder) and our special voting units as voting units. Our common unitholders voting rights will be further restricted by the provision in our partnership agreement stating that any common units held by a person that beneficially owns 20% or more of any class of The Carlyle Group L.P. common units then outstanding (other than our general partner and its affiliates, or a direct or subsequently approved transferee of our general partner or its affiliates) cannot be voted on any matter.

Election of Directors. In general, our common unitholders will have no right to elect the directors of our general partner. However, when our Senior Carlyle professionals and other then-current or former Carlyle personnel hold less than 10% of the limited partner voting power, our common unitholders will have the right to vote in the election of the directors of our general partner. This voting power condition will be measured on January 31, of each year, and will be triggered if the total voting power held by holders of the special voting units in The Carlyle Group L.P. (including voting units held by our general partner and its affiliates) in their capacity as such, or otherwise held by then-current or former Carlyle personnel (treating voting units deliverable to such persons pursuant to outstanding equity awards as being held by them), collectively, constitutes less than 10% of the voting power of the outstanding voting units of The Carlyle Group L.P. Unless and until the foregoing voting power condition is satisfied, our general partner s board of directors will be elected in accordance with its limited liability company agreement, which provides that directors may be appointed and removed by members of our general partner holding a majority in interest of the voting power of the members, which voting power is allocated to each member ratably according to his or her aggregate ownership of our common units and partnership units. See Material Provisions of The Carlyle Group L.P. Partnership Agreement Election of Directors of General Partner.

Conflicts of Interest and Duties of Our General Partner. Although our general partner has no business activities other than the management of our business, conflicts of interest may arise in the future between us and our common unitholders, on the one hand, and our general partner and its affiliates, on the other. The resolution of these conflicts may not always be in our best interests or that of our common unitholders. In addition, we have certain duties and obligations to our investment funds and their investors and we expect to regularly take actions with respect to the purchase or sale of investments in our investment funds, the structuring of investment transactions for those funds or otherwise in a manner consistent with such duties and obligations but that might at the same time adversely affect our near-term results of operations or cash flow.

Our partnership agreement limits the liability of, and reduces or eliminates the duties (including fiduciary duties) owed by, our general partner to our common unitholders. Our partnership agreement also restricts the remedies available to common unitholders for actions that might otherwise constitute breaches of our general partner s duties (including fiduciary duties). By purchasing our common units, you are treated as having consented to the provisions set forth in our partnership agreement, including the provisions regarding conflicts of interest situations that, in the absence of such provisions, might be considered a breach of fiduciary or other duties under applicable state law. For a more detailed description of the conflicts of interest and fiduciary responsibilities of our general partner, see Conflicts of Interest and Fiduciary Responsibilities.

The Offering

Common units offered by The Carlyle Group L.P.	30,500,000 common units.
Common units outstanding after the offering transactions	30,500,000 common units (or 304,500,000 common units if all outstanding Carlyle Holdings partnership units held by our existing owners were exchanged for newly-issued common units on a one-for-one basis).
Use of proceeds	We estimate that the net proceeds to The Carlyle Group L.P. from this offering, after deducting estimated underwriting discounts, will be approximately $639,127,500 or $734,996,625 if the underwriters exercise in full their option to purchase additional common units. The Carlyle Group L.P. intends to use all of these proceeds to purchase newly issued Carlyle Holdings partnership units from Carlyle Holdings, as described under Organizational Structure Offering Transactions. We intend to cause Carlyle Holdings to use substantially all of these proceeds to repay the remaining outstanding indebtedness under the revolving credit facility of our existing senior secured credit facility. We intend to cause Carlyle Holdings to use any proceeds from the exercise by the underwriters of their option to purchase additional common units from us to repay indebtedness under a loan agreement we entered into in connection with the acquisition of Claren Road and any remainder for general corporate purposes, including general operational needs, growth initiatives, acquisitions and strategic investments and to fund capital commitments to, and other investments in and alongside of, our investment funds. We anticipate that the acquisitions we may pursue will be those that would broaden our platform where we believe we can provide investors with differentiated products to meet their needs. Carlyle Holdings will also bear or reimburse The Carlyle Group L.P. for all of the expenses of this offering, which we estimate will be approximately $19.2 million. See Use of Proceeds and Capitalization.
Voting rights	Our general partner, Carlyle Group Management L.L.C., will manage all of our operations and activities. You will not hold an interest in our general partner, which is wholly-owned by our senior Carlyle professionals. Unlike the holders of common stock in a corporation, you will have only limited voting rights and will have no right to remove our general partner or, except in limited circumstances, elect the directors of our general partner. In addition, TCG Carlyle Global Partners L.L.C., an entity wholly-owned by our senior Carlyle professionals, will hold a special voting unit that provides it with a number of votes on any matter that may be submitted for a vote of our common unitholders that is equal to the aggregate

number of vested and unvested Carlyle Holdings partnership units held by the limited partners of Carlyle Holdings. Accordingly, immediately following this offering our existing owners generally will have sufficient voting power to determine the outcome of those few matters that may be submitted for a vote of the limited partners of The Carlyle Group L.P. Our common unitholders voting rights will be further restricted by the provision in our partnership agreement stating that any common units held by a person that beneficially owns 20% or more of any class of The Carlyle Group L.P. common units then outstanding (other than our general partner and its affiliates, or a direct or subsequently approved transferee of our general partner or its affiliates) cannot be voted on any matter. See Material Provisions of The Carlyle Group L.P. Partnership Agreement Withdrawal or Removal of the General Partner, Meetings; Voting and Election of Directors of General Partner.

Cash distribution policy	Our general partner currently intends to cause The Carlyle Group L.P. to make quarterly distributions to our common unitholders of its share of distributions from Carlyle Holdings, net of taxes and amounts payable under the tax receivable agreement as described below. We currently anticipate that we will cause Carlyle Holdings to make quarterly distributions to its partners, including The Carlyle Group L.P. s wholly owned subsidiaries, that will enable The Carlyle Group L.P. to pay a quarterly distribution of $0.16 per common unit, with the first such quarterly distribution being ratably reduced to reflect the portion of the quarter following the completion of this offering. In addition, we currently anticipate that we will cause Carlyle Holdings to make annual distributions to its partners, including The Carlyle Group L.P. s wholly owned subsidiaries, in an amount that, taken together with the other above-described quarterly distributions, represents substantially all of our Distributable Earnings in excess of the amount determined by our general partner to be necessary or appropriate to provide for the conduct of our business, to make appropriate investments in our business and our funds or to comply with applicable law or any of our financing agreements. We anticipate that the aggregate amount of our distributions for most years will be less than our Distributable Earnings for that year due to these funding requirements. For a discussion of the difference between Distributable Earnings and cash distributions during the historical periods presented, see Cash Distribution Policy.
	Notwithstanding the foregoing, the declaration and payment of any distributions will be at the sole discretion of our general partner, which may change our distribution policy at any time. Our general partner will take into account general economic and business conditions, our strategic plans and prospects, our business and investment opportunities, our financial condition and operating results, working capital requirements and anticipated cash needs, contractual restrictions and obligations, legal, tax and regulatory restrictions, other constraints on the payment of distributions by us to our common unitholders or

by our subsidiaries to us, and such other factors as our general partner may deem relevant.

The Carlyle Group L.P. is a holding partnership and has no material assets other than its ownership of partnership units in Carlyle Holdings held through wholly-owned subsidiaries. We intend to cause Carlyle Holdings to make distributions to its partners, including the wholly-owned subsidiaries of The Carlyle Group L.P., in order to fund any distributions we may declare on the common units. If Carlyle Holdings makes such distributions, the limited partners of Carlyle Holdings will be entitled to receive equivalent distributions pro rata based on their partnership interests in Carlyle Holdings. Because Carlyle Holdings I GP Inc. must pay taxes and make payments under the tax receivable agreement, the amounts ultimately distributed by The Carlyle Group L.P. to common unitholders are expected to be less, on a per unit basis, than the amounts distributed by the Carlyle Holdings partnerships to the limited partners of the Carlyle Holdings partnerships in respect of their Carlyle Holdings partnership units.

In addition, the partnership agreements of the Carlyle Holdings partnerships provide for cash distributions, which we refer to as tax distributions, to the partners of such partnerships if our wholly-owned subsidiaries that are the general partners of the Carlyle Holdings partnerships determine that the taxable income of the relevant partnership will give rise to taxable income for its partners. Generally, these tax distributions will be computed based on our estimate of the net taxable income of the relevant partnership allocable to a partner multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the non-deductibility of certain expenses and the character of our income). The Carlyle Holdings partnerships will make tax distributions only to the extent distributions from such partnerships for the relevant year were otherwise insufficient to cover such tax liabilities. The Carlyle Group L.P. is not required to distribute to its common unitholders any of the cash that its wholly-owned subsidiaries may receive as a result of tax distributions by the Carlyle Holdings partnerships.

For limitations on our ability to make distributions, see Cash Distribution Policy.

Exchange rights of holders of Carlyle Holdings partnership units

Prior to this offering we have entered into an exchange agreement with our senior Carlyle professionals and the other limited partners of the Carlyle Holdings partnerships so that these holders, subject to the vesting and minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Carlyle Holdings partnerships, may on a quarterly basis, from and after the first anniversary of

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the date of the closing of this offering (subject to the terms of the exchange agreement), exchange their Carlyle Holdings partnership units for The Carlyle Group L.P. common units on a one-for-one basis, subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. In addition, subject to certain requirements, CalPERS will generally be permitted to exchange Carlyle Holdings partnership units for common units from and after the closing of this offering and Mubadala will generally be entitled to exchange Carlyle Holdings partnerships units for common units following the first anniversary of the closing of this offering. Any common units received by Mubadala and CalPERS in any such exchange during the applicable restricted periods described in Common Units Eligible For Future Sale Lock-Up Arrangements Mubadala Transfer Restrictions and Common Units Eligible For Future Sale Lock-Up Arrangements CalPERS Transfer Restrictions, respectively, would be subject to the restrictions described in such sections. A Carlyle Holdings limited partner must exchange one partnership unit in each of the three Carlyle Holdings partnerships to effect an exchange for a common unit. As the number of Carlyle Holdings partnership units held by the limited partners of the Carlyle Holdings partnerships declines, the number of votes to which TCG Carlyle Global Partners L.L.C. is entitled as a result of its ownership of the special voting unit will be correspondingly reduced. For information concerning transfer restrictions that will apply to holders of Carlyle Holdings partnership units, including our senior Carlyle professionals, see Management Vesting; Minimum Retained Ownership Requirements and Transfer Restrictions.

Tax receivable agreement	Future exchanges of Carlyle Holdings partnership units are expected to result in increases in the tax basis of the tangible and intangible assets of Carlyle Holdings, primarily attributable to a portion of the goodwill inherent in our business. These increases in tax basis will increase (for tax purposes) depreciation and amortization deductions and therefore reduce the amount of tax that certain of our subsidiaries, including Carlyle Holdings I GP Inc., which we refer to as the corporate taxpayers, would otherwise be required to pay in the future. This increase in tax basis may also decrease gain (or increase loss) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets. We have entered into a tax receivable agreement with our existing owners whereby the corporate taxpayers have agreed to pay to our existing owners 85% of the amount of cash tax savings, if any, in U.S. federal, state and local income tax that they realize as a result of these increases in tax basis. The corporate taxpayers have the right to terminate the tax receivable agreement by making payments to our existing owners calculated by reference to the value of all future payments that our existing owners

	would have been entitled to receive under the tax receivable agreement using certain valuation assumptions, including that any Carlyle Holdings partnership units that have not been exchanged are deemed exchanged for the market value of the common units at the time of termination, and that the corporate taxpayers will have sufficient taxable income in each future taxable year to fully realize all potential tax savings. Based upon certain assumptions described in greater detail under Certain Relationships and Related Person Transactions Tax Receivable Agreement, we estimate that if the corporate taxpayers were to exercise their termination right immediately following this offering, the aggregate amount of these termination payments would be approximately $915.2 million. See Certain Relationships and Related Person Transactions Tax Receivable Agreement.
Risk factors	See Risk Factors for a discussion of risks you should carefully consider before deciding to invest in our common units.
Proposed trading symbol	CG.

In this prospectus, unless otherwise indicated, the number of common units outstanding and the other information based thereon does not reflect:

- 4,575,000 common units issuable upon exercise of the underwriters option to purchase additional common units from us;
- 274,000,000 common units issuable upon exchange of 274,000,000 Carlyle Holdings partnership units that will be held by our existing owners immediately following the offering transactions;
- up to 1,436,552 common units issuable upon exchange of up to 1,436,552 Carlyle Holdings partnership units that may be issued in connection with the contingently issuable equity interests received by the sellers as part of our acquisition of Claren Road, subject to adjustment as described below. See Note 3 to the combined and consolidated financial statements included elsewhere in this prospectus; or
- interests that may be granted under The Carlyle Group L.P. 2012 Equity Incentive Plan, or our Equity Incentive Plan, consisting of:
  - deferred restricted common units that we have granted to our employees at the time of this offering with an aggregate value based on the initial public offering price per common unit in this offering of approximately $375.3 million (17,056,935 deferred restricted common units);
  - deferred restricted common units that we have granted to our directors who are not employees of or advisors to Carlyle at the time of this offering with an aggregate value based on the initial public offering price per common unit in this offering of approximately $1.3 million (56,820 deferred restricted common units) as described in Management Director Compensation;
  - phantom deferred restricted common units that we have granted to our employees at the time of this offering, which are settleable in cash with an aggregate value based on the initial public offering price per common unit in this offering of approximately $8.0 million (362,875 phantom deferred restricted common units); and

12,973,370 additional common units or Carlyle Holdings partnership units available for issuance in connection with grants that may be made in the future under our Equity Incentive Plan, which are subject to automatic annual increases.

See Management Equity Incentive Plan and IPO Date Equity Awards.

We have agreed to adjust the Carlyle Holdings partnership units issuable to the Claren Road sellers to the extent necessary to ensure that the implied value of the 1,863,637 Carlyle Holdings partnership units received or to be received by them upon fulfillment of the annual performance conditions (inclusive of the contingently issuable equity interests described above), calculated based on the initial public offering price per common unit in this offering, is not less than $41.0 million and not greater than $61.6 million (assuming that all annual performance conditions are met). In addition, we have agreed to adjust the consideration to the ESG sellers, which adjustment may be made at our option in cash or Carlyle Holdings partnership units, to the extent necessary to ensure that the value of the 177,104 Carlyle Holdings partnership units received by them, based on the five-day volume weighted average price per unit of our common units, measured at the expiration of the 180-day restricted period described under Common Units Eligible For Future Sale Lock-Up Arrangements, is not less than $7.0 million and not greater than $8.4 million.

Summary Financial and Other Data

The following summary financial and other data of Carlyle Group, which comprises TC Group, L.L.C., TC Group Cayman L.P., TC Group Investment Holdings, L.P. and TC Group Cayman Investment Holdings, L.P., as well as their controlled subsidiaries, which are under common ownership and control by our individual senior Carlyle professionals, entities affiliated with Mubadala and CalPERS, should be read together with Organizational Structure, Unaudited Pro Forma Financial Information, Selected Historical Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the historical financial statements and related notes included elsewhere in this prospectus. Carlyle Group is considered our predecessor for accounting purposes, and its combined and consolidated financial statements will be our historical financial statements following this offering.

We derived the summary historical combined and consolidated statements of operations data of Carlyle Group for each of the years ended December 31, 2011, 2010 and 2009 and the summary historical combined and consolidated balance sheet data as of December 31, 2011 and 2010 from our audited combined and consolidated financial statements which are included elsewhere in this prospectus. We derived the summary historical combined and consolidated balance sheet data of Carlyle Group as of December 31, 2009 from our audited combined and consolidated financial statements which are not included in this prospectus. The combined and consolidated financial statements of Carlyle Group have been prepared on substantially the same basis for all historical periods presented; however, the consolidated funds are not the same entities in all periods shown due to changes in U.S. GAAP, changes in fund terms and the creation and termination of funds.

Net income is determined in accordance with U.S. GAAP for partnerships and is not comparable to net income of a corporation. All distributions and compensation for services rendered by Carlyle s individual partners have been reflected as distributions from equity rather than compensation expense in the historical combined and consolidated financial statements. Our non-GAAP presentation of Economic Net Income and Distributable Earnings reflects, among other adjustments, pro forma compensation expense for compensation to our senior Carlyle professionals, which we have historically accounted for as distributions from equity rather than as employee compensation. See Management s Discussion and Analysis of Financial Condition and Results of Operations Key Financial Measures Non-GAAP Financial Measures.

The summary historical combined and consolidated financial and other data is not indicative of the expected future operating results of The Carlyle Group L.P. following the Reorganization and the Offering Transactions (as defined below). Prior to this offering, we completed a series of transactions pursuant to which our business was reorganized into a holding partnership structure as described in Organizational Structure. See Organizational Structure and Unaudited Pro Forma Financial Information.

The summary unaudited pro forma consolidated statement of operations data for the year ended December 31, 2011 presents our consolidated results of operations giving pro forma effect to the Reorganization and Offering Transactions described under Organizational Structure, and the other transactions described in Unaudited Pro Forma Financial Information, as if such transactions had occurred on January 1, 2011. The summary unaudited pro forma consolidated balance sheet data as of December 31, 2011 presents our consolidated financial position giving pro forma effect to the Reorganization and Offering Transactions described under Organizational Structure, and the other transactions described in Unaudited Pro Forma Financial Information, as if such transactions had occurred on December 31, 2011. The pro forma adjustments are based on available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of these transactions on the historical combined and consolidated financial information of Carlyle Group. The unaudited condensed consolidated pro forma financial information is included for informational purposes only and does not purport to reflect the results of operations or financial position of Carlyle Group that would have occurred had the transactions described above occurred on the dates indicated or had we operated as a public company during the periods presented or for any future period or date. The unaudited condensed consolidated pro forma financial information should not be relied upon as being indicative of our results of operations or financial position had the transactions described under Organizational Structure and the use of the estimated net proceeds from this offering as described under Use of Proceeds occurred on the dates assumed. The unaudited pro forma consolidated financial information also does not project our results of operations or financial position for any future period or date.

	Pro Forma[4] for the Year Ended December 31, 2011	Year Ended December 31, 2011	2010	2009
		(Dollars in millions)		
Statement of Operations Data				
Revenues				
Fund management fees	$ 962.2	$ 915.5	$ 770.3	$ 788.1
Performance fees				
Realized	1,325.6	1,307.4	266.4	11.1
Unrealized	(126.1)	(185.8)	1,215.6	485.6
Total performance fees	1,199.5	1,121.6	1,482.0	496.7
Investment income	46.9	78.4	72.6	5.0
Interest and other income	17.2	15.8	21.4	27.3
Interest and other income of Consolidated Funds	785.9	714.0	452.6	0.7
Total Revenues	3,011.7	2,845.3	2,798.9	1,317.8
Expenses				
Compensation and benefits				
Base compensation	892.6	374.5	265.2	264.2
Performance fee related				
Realized	663.3	225.7	46.6	1.1
Unrealized	(163.3)	(122.3)	117.2	83.1
Total compensation and benefits	1,392.6	477.9	429.0	348.4
General, administrative and other expenses	348.8	323.5	177.2	236.6
Interest	26.2	60.6	17.8	30.6
Interest and other expenses of Consolidated Funds	497.0	453.1	233.3	0.7
Other non-operating expenses	17.6	32.0		
Loss (gain) from early extinguishment of debt, net of related expenses			2.5	(10.7)
Equity issued for affiliate debt financing			214.0	
Total Expenses	2,282.2	1,347.1	1,073.8	605.6
Other Income (Loss)				
Net investment gains (losses) of Consolidated Funds	237.8	(323.3)	(245.4)	(33.8)

Gain on business acquisition	7.9	7.9		
Income before provision for income taxes	975.2	1,182.8	1,479.7	678.4
Provision for income taxes	50.8	28.5	20.3	14.8
Net income	924.4	1,154.3	1,459.4	663.6
Net income (loss) attributable to non-controlling interests in consolidated entities	410.1	(202.6)	(66.2)	(30.5)
Net income attributable to non-controlling interests in Carlyle Holdings	462.8			
Net income attributable to Carlyle Group (or The Carlyle Group L.P. for pro forma)	$ 51.5	$ 1,356.9	$ 1,525.6	$ 694.1
Other Data				
Economic Net Income(1)(2)	$ 914.4	$ 833.1	$ 1,014.0	$ 416.3
Distributable Earnings(1)(3)	$ 881.6	$ 864.4	$ 342.5	$ 165.3
Fee-Earning Assets Under Management (at period end)		$ 111,024.6	$ 80,776.5	$ 75,410.5
Total Assets Under Management (at period end)		$ 146,968.6	$ 107,511.8	$ 89,831.5

	Pro Forma(4) As of December 31, 2011	As of December 31, 2011	2010	2009
		(Dollars in millions)		
Balance Sheet Data				
Cash and cash equivalents	$ 480.6	$ 509.6	$ 616.9	$ 488.1
Investments and accrued performance fees	$ 2,579.1	$ 2,644.0	$ 2,594.3	$ 1,279.2
Investments of Consolidated Funds(5)	$ 19,507.3	$ 19,507.3	$ 11,864.6	$ 163.9
Total assets	$ 24,534.2	$ 24,651.7	$ 17,062.8	$ 2,509.6
Loans payable	$ 500.0	$ 860.9	$ 597.5	$ 412.2
Subordinated loan payable to affiliate	$	$ 262.5	$ 494.0	$
Loans payable of Consolidated Funds	$ 9,710.9	$ 9,689.9	$ 10,433.5	$
Total liabilities	$ 12,810.4	$ 13,561.1	$ 14,170.2	$ 1,796.0
Redeemable non-controlling interests in consolidated entities	$ 1,923.4	$ 1,923.4	$ 694.0	$
Total members equity	$ 121.0	$ 817.3	$ 895.2	$ 437.5
Equity appropriated for Consolidated Funds	$ 862.7	$ 853.7	$ 938.5	$
Non-controlling interests in consolidated entities	$ 7,659.6	$ 7,496.2	$ 364.9	$ 276.1
Non-controlling interests in Carlyle Holdings	$ 1,157.1	$	$	