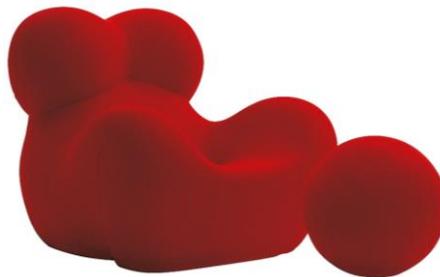


Investindustrial and The Carlyle Group

create new high-end interior design group with global revenues of more than €500m



FLOS



**B&B
ITALIA**



**louis
poulsen**

Milan, 12 September 2018 - Investindustrial and The Carlyle Group (NASDAQ: CG) today announce their intention to create a global high-end interior design group that brings together a collection of powerful and complementary brands. Financial details of the transaction remain confidential however the group will be the largest global high-end design group with a European heritage, with combined sales exceeding €500 million.

Investment funds controlled by Carlyle and Investindustrial will own equal stakes in the new group and will invest alongside the founders of B&B Italia, the Busnelli family, and Flos founder, Piero Gandini, who both retain minority stakes. Upon completion of the transaction, Piero Gandini, CEO of Flos, will be appointed Chairman of the new Group while Giorgio Busnelli, B&B Italia's Chairman, will become Vice Chairman.

The transaction is expected to close before the end of the year subject to customary anti-trust and regulatory approvals.

The new group will be one of the first of its kind, focusing on the high-end design market. Initially, it will consist of three complementary companies, currently owned by Investindustrial – B&B Italia Group in furniture and Flos and Louis Poulsen in lighting - all of which will be transferred to the new group. All three

companies are established and well regarded for their unique, iconic products, notably including B&B Italia's Up chair by Gaetano Pesce, the Arco lamp designed for Flos by the Castiglioni brothers, and Louis Poulsen's PH 5 lamp, designed by Poul Henningsen.

With the strong financial backing of Carlyle and Investindustrial, the group will pursue further acquisitions in adjacent niches of the high-end interior design market, which despite its global appeal is a market which remains highly fragmented. During Investindustrial's ownership, in the last four years, Flos has made three acquisitions including outdoor lighting specialist Ares, and B&B Italia has acquired high-end kitchen manufacturer Arclinea as well as the archives of the renowned designer Luigi Caccia Dominioni and his co-founded brand, Azucena.

Piero Gandini, Chairman of the new group and CEO of Flos, said: "This project stems from the idea to bring Italian design, historically characterized by family entrepreneurship, to a new stage in the international arena. I am sure that the great cultural legacy of our design history will be successfully projected globally, demonstrating its development and heritage as has already happened in other "Made in Italy" sectors such as food and fashion. I am so pleased that a project of such importance arises from the partnership of two investment firms like Investindustrial and Carlyle, which have always stood out for their strong entrepreneurial culture and global approach to growing businesses."

Andrea C. Bonomi, Chairman of the Investindustrial Advisory Board, said: "Design is a key sector for Italy but one where most companies are still sub-scale. We are therefore delighted with our work over the past four years alongside highly experienced entrepreneurs such as Piero Gandini and Giorgio Busnelli for the growth, organic and through acquisitions, of Flos and B&B Italia. Today, thanks also to the recent acquisition of Louis Poulsen, the design group has reached a critical size that we believe represents a good starting point for the launch of a new important phase of further significant international development and growth. Looking ahead, we will work to combine the expertise of these entrepreneurs alongside our industrial approach and now also through the global presence of our new partner Carlyle. Our shared goal will be to establish a leader in high-end design globally."

Marco De Benedetti, Managing Director and Co-Head, Carlyle Europe Partners, said: "The high-end design market is very attractive with compelling long-term growth prospects. We are pleased to team up with Investindustrial to continue to build on their investments and create a new high-end design group. The brands will now have the potential for greater geographical reach, access to enhanced sourcing and distribution networks and they will also have the ability to better adapt to market evolution and the changing expectations of international customers."

Giorgio Busnelli, Vice Chairman of the new group and Chairman of B&B Italia, said: "Sharing an important entrepreneurial project and approach to growing businesses was key to the partnership signed with Investindustrial three years ago. Since then, B&B Italia has successfully achieved a growth path also through acquisitions. With today's agreement we are entering a new phase of the development plan that we had envisaged. From today we are part of a group that, with the joint support of Investindustrial and Carlyle, wants to establish itself on a global scale, allowing us to become more relevant in high-end design at an international level."

Advisors on the transaction were JPMorgan and Lazard (financial), Latham Watkins (legal advisor to The Carlyle Group) and Chiomenti (legal advisor to Investindustrial).

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About Investindustrial

Investindustrial is a leading European group of independently managed investment, holding and advisory companies with €6.8 billion of raised fund capital, which provides industrial solutions and capital to mid-market companies in Europe. Its mission is to actively contribute to the development of the companies in which it invests, by creating growth opportunities and offering global solutions through an entrepreneurial pan-European vision. Investindustrial has a history of more than 28 years of successfully partnering with companies in Europe. Certain companies of the Investindustrial group are authorized by, and subject to regulatory supervision of the FCA in the United Kingdom, the CSSF in Luxembourg. Investindustrial's investment companies act independently from each other and each Investindustrial fund. Additional information is available at www.investindustrial.com.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$210 billion of assets under management across 335 investment vehicles as of June 30, 2018. Carlyle's purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Credit and Investment Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, real estate, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,625 people in 31 offices across six continents. Additional information is available at www.carlyle.com

About B&B Italia

B&B Italia (www.bebitalia.com) is the leading Italian high-end design furniture brand, globally recognised for its iconic products and technological innovation. The Company has a unique product portfolio, marketed under the B&B Italia, MAXALTO and Azucena brands for furniture and Arclinea for high-end kitchens, and has been awarded over the years with many design prizes. B&B Italia has developed longstanding partnerships with world-renowned designers and architects such as Antonio Citterio, Patricia Urquiola, Naoto Fukasawa, Gaetano Pesce and many others which have positioned the Company at the forefront of technological innovation. B&B Italia is headquartered in Como (Italy) and it is present in the world with 9 flagship stores (Washington, Dallas, London, Paris, Munich, 2 in Milan and 2 in New York) and 40 monobrands. It also signed commercial agreements in 80 Countries, developing a presence in over 800 specialized points of sale. The company operates also in the Contract Division with complex "turnkey" realizations of furnishings and finishes in the hospitality, retail, office and nautical areas.

About Flos

Flos (www.flos.com) is the leading Italian high-end lighting brand, recognized globally for its iconic design and technological innovation, both in the residential and architectural segments. Since its foundation in 1962, Flos products have received numerous international awards and many of them are now featured in the permanent collections of leading international art and design museums such as the MoMA in New York, the Victoria & Albert Museum in London and Le Centre Pompidou in Paris. Flos longstanding exclusive relationships with world-renowned designers such as the Castiglioni brothers, Philippe Starck, Antonio Citterio, Patricia Urquiola and Bouroullec brothers, is a unique feature of the company. Flos has two main operational headquarters in Brescia (Italy) and Valencia (Spain), it exports to more than 94 countries worldwide and is present globally through single-brand showrooms and stores in Milan, Rome, Paris, New York, Tokyo, Hong Kong, Singapore, Lyon, Amsterdam, Copenhagen, Oslo and Stockholm.

About Louis Poulsen

Louis Poulsen (www.louispoulsen.com) is a leading lighting brand with an iconic product portfolio focused on Danish design heritage. The Company combines iconic designs stemming from the work of golden age

Danish designers (e.g. Poul Henningsen, Arne Jacobsen, Finn Juhl and Verner Panton) and collaborations with leading modern designers such as Christian Flindt, Shoichi Uchiyama and Louise Campbell. Headquartered in Copenhagen and with production facilities in Vejen (Denmark), Louis Poulsen offers a high-end product range for both indoor and outdoor applications. The Company has a global distribution network with more than 50 countries served, and dedicated showrooms in Copenhagen, Stockholm, Miami, Helsinki, Vejen, Oslo, Los Angeles, Singapore, Tokyo and Dusseldorf (three additional showrooms to open in Milan, London and New York).