

PHOENIX THERAPEUTICS

The Carlyle Group has formed a joint venture with Bourne Partners to build a global pharmaceutical platform. This new venture, known as Phoenix Therapeutics, will be owned by Carlyle Partners VI, a \$13 billion U.S. buyout fund, with a minority investment from Bourne Partners. Leveraging the financial resources and experience of Carlyle and Bourne, Phoenix Therapeutics will look to operate a pharmaceutical platform built through acquisitions. Phoenix Therapeutics will consider a range of acquisitions, including product and asset acquisitions, corporate acquisitions and carve-outs.

Carlyle Partners VI U.S. buyout fund

Fund size: \$13 billion

The U.S. Buyout team's approach to investing comprises the following five major principles:

- Consistent and Disciplined
- Industry Focused
- Deal Creation / Auction Avoidance
- Value Added Partner
- The One Carlyle Edge



Investment Targets

Therapeutic Category Agnostic

- Undermanaged and Legacy
- Branded and Generic

Global Scope with North American Focus



Deal Parameters

Opportunistic

Equity Checks Up to \$1 billion

Corporate Acquisition, Carve-Out, and Product Portfolios

SELECT HEALTHCARE INVESTMENTS

BOURNE PARTNERS



COVIS PHARMA

Specialty pharmaceutical platform founded, grown, and sold by Bourne and other investors for \$1.2 billion in 2015



TANNER PHARMA GROUP

Niche pharmaceutical distribution business founded by Bourne serving over 100 countries on six continents



THERAMED

Canadian specialty pharmaceutical platform that was sold to Valeant and Stellar Pharmaceuticals in 2013



KING PHARMACEUTICALS

Specialty pharmaceutical platform in which Bourne invested; peak market cap over \$10 billion; eventually acquired by Pfizer

THE CARLYLE GROUP

Ortho Clinical Diagnostics

ORTHO CLINICAL DIAGNOSTICS

Laboratory and transfusion equipment manufacturer; carved out of Johnson & Johnson by Carlyle Partners VI in 2014



PPD

One of the world's largest contract research organizations; purchased by Carlyle Partners V in 2011



REDE D'OR SAO LUIZ

One of the largest hospital operators in Brazil with over 27 hospitals; purchased by Carlyle Partners VI in 2015



HEALTHSCOPE

Australia's second largest private hospital provider; purchased by Carlyle Partners V in 2010; exited in 2015

The Carlyle Group and Bourne Partners Form Phoenix Therapeutics to Build Global Pharma Company

NEW YORK, NY and CHARLOTTE, NC, January 5, 2016 Global alternative asset manager The Carlyle Group (NASDAQ: CG) announced today that it has formed a joint venture with Bourne Partners, a healthcare-focused investor, operator and investment banking firm, to build a global pharmaceutical platform. This new venture, known as Phoenix Therapeutics, will be owned by Carlyle Partners VI, a \$13 billion U.S. buyout fund, with a minority investment from Bourne Partners. Leveraging the financial resources and experience of Carlyle and Bourne, Phoenix Therapeutics will look to operate a pharmaceutical platform built through acquisitions. Phoenix Therapeutics will consider a range of acquisitions, including product and asset acquisitions, corporate acquisitions and carve-outs.

“Carlyle has a long-standing relationship with Bourne Partners,” said Stephen Wise, Managing Director and Head of Global Healthcare for The Carlyle Group. “Bourne Partners has deep relationships and significant transaction experience across the pharma industry. Formalizing the relationship with Bourne is a reflection of our belief that our venture can add significant value in the space, as well as our positive outlook for investing capital in the pharmaceutical industry going forward.”

“We have invested in funds managed by The Carlyle Group for many years and have developed close relationships across the firm,” said Bourne’s Founder and CEO, Banks Bourne. “Stephen Wise and his healthcare investment team have a record of building strong companies using Carlyle’s global relationships and focus on strategic value-add. With us they now have an additional resource with proven operational and transaction experience in the pharma industry.”

Bourne Partners has invested in, built and advised numerous specialty pharmaceutical companies over the last decade. As both advisors, investors and operators, Bourne has been involved with transactions ranging from \$10 million to more than \$3 billion, most recently contributing to the growth and successful exit of Covis Pharma Sarl, which Bourne co-founded with the original management team.

The Carlyle Group has a long history of success in the healthcare space. The Healthcare Group’s most recent US healthcare investments include Pharmaceutical Product Development, Inc. (PPD), the second largest contract research organization (CRO) in the world, and

Ortho Clinical Diagnostics, a global provider of solutions for screening, diagnosing, monitoring and confirming diseases. Additionally, the team has also made several international healthcare investments, including Healthscope, the second largest private hospital operator in Australia, and its most recent investment in Rede D’Or Sao Luiz, the largest private hospital operator in Brazil.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$188 billion of assets under management across 126 funds and 160 fund of funds vehicles. Carlyle’s purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments - Corporate Private Equity, Real Assets, Global Market Strategies and Investment Solutions - in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, real estate, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,700 people in 35 offices across six continents.

About Bourne Partners

Headquartered in Charlotte, N.C., Bourne Partners is a financial advisory, investment and consulting firm founded in 2001 that focuses solely on fulfilling the unique needs of established healthcare and pharmaceutical companies across the globe. Originally founded as a pharmaceutical investment firm, BP has evolved its service offerings in an effort to form enduring relationships with the healthcare and consumer health companies it chooses to serve. In addition, through its Bourne Partners Alternative Assets platform (BPAA), BP invests directly in healthcare and consumer health companies and invests opportunistically in other companies where it sees compelling long-term return characteristics. BPAA takes either majority positions or co-investment positions alongside other private equity firms with whom BPAA has longstanding relationships. BPAA seeks to add value to its partner company and fund investments by applying its network of strategic relationships (both private equity and industry relationships), advisory and consulting expertise, and operating experience to generate a positive outcome for management, employees, and investors.