

The Carlyle Group has agreed to acquire BenefitMall**Deal Value: Undisclosed**

Sandler O'Neill served as exclusive financial advisor to The Carlyle Group in connection with this transaction.

Sandler O'Neill has advised on 34 insurance industry transactions since January 1, 2012, which represents more transactions than any other full-service investment bank during that time period.¹

Dallas, TX and Washington, D.C. (November 20, 2017) – The Carlyle Group (NASDAQ: CG) today announced that it has agreed to acquire BenefitMall, a provider of employee benefits and payroll services to small and medium sized businesses across the U.S., from an investor group led by Austin Ventures. The transaction is subject to customary conditions and is expected to close by year-end. Financial terms were not disclosed.

Carlyle Managing Director Jim Burr said, "BenefitMall is an established player with significant growth potential. Through capital investment, an expanded salesforce, and Carlyle's industry experience and network, we believe BenefitMall can expand and take significant market share as the demand for integrated benefits, payroll and related products and services continues to grow within an increasingly complex regulatory environment. We look forward to supporting BenefitMall and working with the entire talented management team."

Austin Ventures General Partner Joe Aragona said, "It has been a pleasure working with the BenefitMall team. As we close this partnership for a second time, we are confident that The Carlyle Group combined with BenefitMall will create the perfect partnership to promote continued growth and success as a significant player in the employee benefits and payroll market for SMBs."

BenefitMall CEO Bernard DiFiore and President Scott Kirksey said, "Carlyle is the right partner to help take BenefitMall to the next level of success. We have enjoyed working with Austin Ventures and appreciate their support these past five years."

Founded in 1979, BenefitMall is the largest national General Agency and the second-largest privately-owned payroll services firm in the U.S., serving 200,000 small and medium-sized businesses, and partnering with a network of 20,000 brokers and CPAs.

Equity for this investment will come from Carlyle Global Financial Services Partners II, a \$1 billion fund that invests in financial service firms globally. Carlyle's financial services team has extensive experience in the insurance services industry, including investments in AA Ireland, Barbon Insurance Group, Edgewood Partners Insurance Center (EPIC), JenCap Insurance Solutions and PIB Limited.

(1) Source: SNL Financial. Full service investment banks defined as those with an average disclosed deal value of \$25 million or greater. Excludes terminated transactions, self-advisory roles and managed care insurance transactions.

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