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### **Investcorp**

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Investcorp CEO Nemir Kirdar sat down at his desk to consider a transition plan for his imminent retirement. After 32 years of growing his company, a global alternative asset management firm, Mr. Kirdar announced that he will retire in July 2015, and Mohammed Al Ardhi will replace him as executive chairman. Mohammed Al-Shroogi and Riski Kapoor will pair together as co-CEOs. The company recently completed several important investments, including purchasing Tyrrells, a British snack food manufacturer. He hoped this new arrangement would propel the firm to continued success.<sup>1</sup>

## **HISTORY AND EVOLUTION OF INVESTCORP**

Investcorp is a publicly traded global alternative asset management company headquartered in Manama, Bahrain. Its stock is traded on the Bahrain Bourse. Investcorp was founded in 1982 by a small group of businessmen who put together \$50 million for its initial investment. Their goal is to act “as a bridge between surplus funds in the Gulf region and alternative investment opportunities on both sides of the Atlantic.”<sup>2</sup>

In the 1980’s and early 1990’s Investcorp only invested in Corporate and Real Estate Investments. In its first transaction, they purchased a 50% stake in an office building in Los Angeles called Manulife Plaza. Investcorp’s first corporate deal was the soft drink company A&W. A few of Investcorp’s more notable early deals include the purchase of Tiffany & Co. in 1984, a purchase of 50% of Gucci in 1987 before acquiring the other half in 1993, and a complete takeover of Saks Fifth Avenue in 1990. Today Investcorp is much more diversified with a smaller concentration in retail companies.<sup>3</sup>

In 1996 Investcorp launched its hedge fund group and opened it to the public in 1997. Investcorp currently manages over \$4.8 billion in hedge fund assets. Hedge funds aggressively manage investment portfolios to produce high returns for investors. Typically hedge funds serve a small group of individual and institutional investors with a high risk tolerance. Most hedge funds use a mix of leveraging and speculative investment. Examples of speculative investment include:

- Long and short equity – The hedge fund buys underpriced stocks and shorts overpriced stocks. This method prevents loss from overvalued stocks decreasing in value and produces gains as the undervalued stock increases in price.
- Fixed income arbitrage – Similar to long and short equity, the hedge fund will buy undervalued assets and short overvalued assets.
- Emerging markets – These investments include commodities, real estate, currencies, and derivatives in Emerging Market countries like Brazil, Russia, India, and China (BRIC countries).

Hedge fund investments started recovering in mid-2009. The valuation of total assets under management for hedge funds has returned to pre-crisis levels.<sup>4</sup> Investcorp believes that its success is based on its client’s success.<sup>5</sup> Historically, one-third of the assets on Investcorp’s balance sheet are co-invested in its own hedge fund.

In addition to its publicly traded shares, Investcorp uses an Investcorp Employee Stock Ownership Plan “to promote stakeholder alignment, encouraging management to focus on

long-term value creation and prudent control of balance sheet risks.”<sup>6</sup> Current and former employees of Investcorp own 16.6% of Investcorp’s ordinary shares through this plan. Public shareholders own 22.8% of Investcorp’s ordinary shares.<sup>7</sup>

Today, Investcorp has over \$11 billion of assets under management (AUM) among its five lines of business: Corporate Investment- North America, Corporate Investment- Europe, Corporate Investment- Middle Eastern North Africa (MENA), Real Estate Investment, and Hedge Funds.<sup>8</sup>

Investcorp has offices in New York; London; Manama, Bahrain; Riyadh, Saudi Arabia; Abu Dhabi, United Arab Emirates.

## **MISSION**

Mr. Kirdar states on Investcorp’s website that the company’s mission is:

- “To create a working environment that demands integrity and stimulates entrepreneurial spirit, together with a deep sense of responsibility to the firm, our shareholders and our clients.
- To achieve market recognition of the firm's reliability, professionalism and accountability in all the products and services we offer.
- To ensure the firm's long-term growth and consistent profitability through careful yet imaginative risk and resource management.
- To be global in our outlook, organization and operating structure for maximum competitive advantage.”<sup>9</sup>

## **GROWTH STRATEGY AND BUSINESS SEGMENTS**

### **Corporate Investment – North American & Europe**

The fiscal year of 2014 saw continued growth in corporate investment in the North American and European markets. In 2014, Investcorp made four direct deals in these markets.

- Tyrrells English Crisps, a leading British manufacturer of snack food
- Paper Source, Inc., a U.S. company that provides wedding invitations, envelopes, and cards, and handmade paper products
- Totes Isotoner Corporation, a U.S. based company with divisions in North America and Europe supplying cold and inclement weather accessories
- SPGPrints, a Netherlands-based manufacturer of textile and graphic printing

North America and Europe represent 47% of the corporate investment portfolio. At the end of FY14, Investcorp’s corporate investments stood at \$831.1 million (39 companies) compared to \$803.4 million (41 companies) at the close of the previous fiscal year.<sup>10</sup>

Investcorp seeks to invest in mid-sized companies with a three to seven year timeline. There are four areas where Investcorp looks for North American and European

opportunities: growth industrials and distribution, business services, consumer and retail, and media and education <sup>11</sup>

### **Corporate Investment – Technology**

In its Technology group, Investcorp focuses on a particular industry instead of a regional market; however, the holdings are primarily North American and European technology companies. This group did not make any direct investments in 2014; however, the technology sector represents 9% of total corporate investments.

In addition to deal-by-deal basis offerings, Investcorp currently has three technology funds totaling more than \$1 billion: the \$230 million Investcorp Technology Ventures I fund, the \$300 million Investcorp Technology Ventures II fund, and the \$500 million Investcorp Technology Partners III fund.

Using a traditional fund structure, Investcorp attempts to invest \$15 to \$50 million of equity in companies with \$10 to \$250 million in revenues.<sup>12</sup>

### **Corporate Investment – Middle East & North Africa (MENA)**

In 2003, Investcorp launched its Gulf Opportunity Fund I, Investcorp's first MENA investment. This \$1 billion fund allows Investcorp to invest in the "increasing commercialization of the region which is driven by high oil revenues, substantial government expenditures, rapid demographic transition and maturing regulatory frameworks."<sup>13</sup> The MENA group seeks out companies that are growing quickly with stable or predictable industry trends. They hope to find companies with sound competitive dynamics in industries with substantial barriers to entry.<sup>14</sup>

Investcorp targets acquisitions in "energy-intensive industries, oil field services, consumer goods, logistics, transportation, healthcare and other defensive industries...."<sup>15</sup>

### **Real Estate Investment**

The real estate team is located in New York and searches for properties in proven locations in the United States. Each year, Investcorp invests approximately \$600-\$800 million in residential, office, industrial, retail, and hotel sectors. Additionally, Investcorp will also "acquire commercial mortgage debt positions and originate mezzanine debt" <sup>16</sup>

### **Hedge Funds**

As mentioned previously, Investcorp currently has approximately \$4.8 billion in hedge fund program assets. In this business, the goal is to achieve dependable risk-adjusted returns from "investments that are largely uncorrelated to broader market movements, with a strong emphasis on capital preservation."<sup>17</sup> Additionally, Investcorp co-invests 33% of its balance sheet into its own Hedge Fund.<sup>18</sup>

## **EXTERNAL ENVIRONMENT**

Investcorp is in the business of managing and providing alternative investment products.<sup>19</sup> This industry is comprised of investment vehicles such as private equity funds, hedge funds, and real estate investment trusts, to name a few. Competitors in this industry attempt to differentiate through their investment products and processes. Each firm will typically focus on specific investment areas. Examples of these areas include retail, manufacturing, and business services. Additionally, they try to further differentiate themselves through their investment philosophies and interaction with their investors.<sup>20</sup>

The success factors for this industry include compliance with regulations, operational efficiency, managing investor requests, and providing value to investment professionals. Regulation is consistently increasing, causing a strain on resources and distraction from the core priorities of the firm. Private equity firms must learn to work within the confines of regulations, while not losing focus on their objectives.<sup>21</sup>

Competition is high for the alternative investment industry. Firms often compete through fund performance, product offerings, reputation, and management fees. There is a finite amount of capital available from investors, so investment firms are competing for the business of wealthy individuals and institutional investors. Barriers to entry are moderate but increasing due to new regulation. From 2009 to 2014, the alternative asset industry grew 7% annually, but it is expected to grow at 6% annually over the next five years.<sup>22</sup>

### **2008 Financial Crisis**

In 2007, the United States housing market collapsed and caused a disastrous impact on the financial industry. Banks were affected due to their mortgage investments and several financial firms went out of business. The financial crisis led the United States into a recession that started in December 2007 and ended in June 2009. GDP growth since the end of the recession has been low and unemployment rates high. The impact of the U.S. financial crisis affected the entire world and caused people, investors, and institutions to change their buying and investment habits.<sup>23</sup>

### **Private Equity Overview**

Private equity firms raise capital to purchase companies that are believed to have potential growth prospects if operational inefficiencies are eliminated. This includes both private and publicly held companies. If the company is publicly held, the private equity firm will privatize it. Then, the private equity firm improves operations of the acquired company and either sells it or offers an initial public offering (IPO). Revenues for the private equity firm are generated from management fees and the sale or IPO of its companies.

Private equity deal activity declined as a result of the financial crisis and was flat between 2010 and 2012. The crisis also made it difficult to harvest earlier investments because selling a firm in a “down market” was not considered prudent.

This was expected to change in 2013 because private equity firms had over \$900 billion in capital that had to be invested. The number of deals decreased by 11% in 2013, but the

total deal value was up 22% as a result of the buyout of Dell and Heinz.<sup>24</sup> On the supply side, revenue for private equity firms increased as a result of sales and IPOs. Additionally, acquisitions after the crisis have shifted from primarily public companies to privately held companies.<sup>25</sup>

## **COMPETITIVE LANDSCAPE**

This section provides a brief overview of some of the major firms that compete with Investcorp in the alternative investment segment of the financial services industry.

### **Dubai Investment Company PJSC**

With over 40 subsidiaries and AED 3.5 billion (United Arab Emirates Dirham) of paid-in capital, Dubai Investment (DI) is the largest investment company on Dubai's stock exchange. Through careful capital management, DI acquires and manages corporate ventures within diversified sectors. The firm's main strategy is to invest in other commercial companies and projects in the MENA region.

DI develops real estate for residential and commercial purposes, such as warehouses and hospitality properties through Al Mujama Real Estate. Ritaj, a residential development, is a notable real estate project developed for Dubai Investments Park.

Dubai Investment Company operates in four major business segments: Dubai Investment Industries, a portfolio consisting of pharmaceutical, food, and technology companies; Dubai Investments Park, a residential and business city development; real estate companies; international markets; and other sectors including banking and industrial investments<sup>26</sup>

### **Blackstone group (\$284 billion AUM)**

As one of the largest alternative asset management companies, Blackstone provides investment advice and management services to leading public pension funds, academic and charitable institutions, and other investors.<sup>27</sup> Blackstone competes in the following business segments:

- **Private Equity (\$70 billion AUM):** With \$18 billion available to invest, Blackstone provides strategic advice on operational improvements and employee healthcare to its portfolio companies. Traditionally, Blackstone's private equity group focused on leveraged buyouts of mature companies, but now they also invest in growing companies.<sup>28</sup> Notable investments include the following companies: SeaWorld Parks & Entertainment, Pinnacle foods, Michael's stores, and Merlin entertainments.<sup>29</sup>
- **Real Estate (\$60 billion AUM):** Blackstone buys high quality, undervalued properties and then improves capital structure, physical, and operational aspects through active management. Blackstone then sells the investments to core investors within four years.<sup>30</sup>

- Hedge Funds (\$64 billion AUM): Blackstone's strategy is to produce risk-adjusted returns for institutional and individual investors by developing and managing fund-of-hedge funds.<sup>31</sup>
- Credit (\$70 billion AUM): Blackstone invests in public and private corporate credit instruments by providing capital to companies in public debt securities that are undervalued.<sup>32</sup>
- Financial Advisory Services (\$550 billion M&A deals advised): Blackstone focuses on acquisitions, mergers, joint ventures, minority investments, asset swaps, divestitures, takeover defenses and distressed sales.<sup>33</sup>

### **KKR - Kohlberg Kravis Roberts (\$99 billion AUM)**

KKR manages investments in many asset classes that include private equity, energy, infrastructure, real estate, capital markets, credit strategies, and hedge funds. KKR competes in the following business segments:

- Private Equity (\$50 billion AUM): KKR invests in growth companies in North and South America, Asia, and Europe covering healthcare, technology, retail, manufacturing, and consumer products. Notable investments include the following companies: HCA Inc, Alliance Boots GmbH, and First Data Corporation.
- Hedge Funds (\$33 billion AUM): KKR creates fund-of-hedge funds and hires leading niche hedge fund managers. In October 2012, KKR acquired Prisma Capital Partners LP to provide customized hedge fund portfolios. In 2013, KKR purchased a 24.9% stake in Nephila, which invests in natural catastrophe and weather risk.
- Capital Markets (\$5 billion AUM): KKR acts as broker-dealer to arrange debt and equity financing, as well as underwriting securities. KKR has worldwide operations.<sup>34</sup>

### **The Carlyle Group (\$189 billion AUM)**

Founded in 1987, Carlyle's portfolio includes 200 companies and 300 active real estate investments. It operates in four business segments, including Private Equity (\$65 billion AUM), Global Market Strategies and Hedge Funds (\$35 billion AUM), and Real Estate (\$12 billion AUM). Carlyle has seen consistent growth from 2003 to 2013 with AUM increasing from \$16 billion to \$189 billion.

In 2013, Carlyle acquired financial advisor Duff & Phelps and an asset manager TCW Group in the United States. In Europe, Carlyle invested in a private hire minicab company, a German healthcare operator, and an Italian industrial generator manufacturer. In Asia, Carlyle invested in 7 Days Group, a Chinese hotel chain, and Fu Shou Yuan International Group, a funeral service provider.<sup>35</sup>

## **Al Masah Capital Limited (\$800 million AUM)**

Al Masah, a private investment company, was established in 2010 to provide investment management expertise and alternative investments in the MENA region. “The company's mission is to be the leading alternative investment firm in the MENA region within the next ten years.”<sup>36</sup>

Al Masah offers customer-focused products in private equity and real estate to institutional clients.<sup>37</sup> Their Private Equity division is focused on investments in education and healthcare companies.<sup>38</sup>

### **INCREASED REGULATION**

The Securities Act of 1933 requires investment companies to provide notice filings in all states where shares will be offered. It also requires the investment companies to provide potential investors with a prospectus on the fund. The Investment Company Act of 1940 requires investment fund managers to register with the SEC. Additionally, it places regulation on both the fund and the individuals who manage the fund. This act requires investment companies to keep detailed books and records as well as file reports with the SEC semiannually.

As a result of the 2008 crisis, the financial industry has recently experienced an increase in regulations. For example, in the U.S. the Dodd-Frank Wall Street Reform and Consumer Protection Act was established in 2010. This law requires all private equity and hedge fund advisors with over \$150 million in AUM to register with SEC. These companies must hire a Chief Compliance Officer to establish and oversee a compliance program. Additionally, the act requires the firms to share information about their portfolios and deal activities to the SEC and other authorities. Dodd-Frank also provides further regulation on hedge funds that trade derivatives, including how they are traded and the mandatory capital and profit margin requirements. In 2011 the Volcker Rule was established. This law forbids investment banks from investing in private equity and hedge funds. It also limits banks to a 3% investment in either fund.<sup>39</sup>

New regulations have been proposed regarding how carried interest is taxed. This could have a relatively high impact on investment companies because, if passed, this law would tax carried interest as ordinary income.<sup>40</sup> The SEC is also investigating how private equity firms report metrics specific to their funds when marketing to potential investors. The SEC is specifically interested in how these firms are calculating net returns. It is expected that this investigation will lead to more regulation.<sup>41</sup>

### **MOVING FORWARD**

With eight months until Mr. Kirdar's retirement, Investcorp finds itself in a highly competitive industry with increasing regulation in the U.S. and elsewhere. As Middle Eastern investors look to diversify their traditional investment opportunities, Investcorp has a goal to grow its assets under management more than 30% in the next five years.<sup>42</sup>



## EXHIBIT 1: CONSOLIDATED BALANCE SHEETS

Consolidated Balance Sheet				
Year Ending on	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011
\$000s				
<b>Assets</b>				
Cash and short term funds	101,262	101,906	156,252	24,649
Placements with financial institutions and other liquid assets	125,944	453,105	194,567	341,395
Positive fair value of derivatives	66,570	62,811	81,250	45,033
Receivables and prepayments	206,309	283,004	284,337	300,436
Advances	128,832	146,975	188,853	169,832
Underwritten investments	112,372	33,000	-	-
<b>Co-investments</b>				
Hedge funds	476,418	315,762	414,098	607,398
Corporate investment	910,807	873,609	1,221,790	1,121,735
Real estate investment	130,017	156,505	154,460	188,838
<b>Total co-investments</b>	1,517,242	1,345,876	1,790,348	1,917,971
Premises, equipment and other assets	45,591	50,652	54,072	59,235
<b>Total Assets</b>	2,304,122	2,477,329	2,749,679	2,858,551
<b>Liabilities</b>				
Term and institutional borrowings	135,683	128,326	10,111	-
Client investment accounts	95,831	189,818	314,482	413,337
Payables and accrued expenses	170,499	148,286	214,432	202,521
Negative fair value of derivatives	25,157	43,003	39,160	22,804
Medium-term debt	474,165	482,489	567,256	584,912
Long-term debt	408,135	419,078	560,491	574,640
<b>Total Liabilities</b>	1,309,470	1,411,000	1,705,936	1,798,214
<b>Equity</b>				
Preference share capital	391,222	511,465	511,465	511,465
Ordinary shares at par value	200,000	200,000	200,000	200,000
Reserves	215,907	229,421	233,046	242,880
Treasury shares	(158,212)	(163,551)	(163,575)	(181,287)
Retained earnings	281,580	213,468	183,538	181,922
<i>Ordinary shareholders' equity excluding proposed appropriations and unrealized fair value changes and revaluation reserve recognized directly in equity</i>	539,275	479,338	453,009	443,515
Proposed appropriations	63,289	75,180	66,096	74,682
Unrealized fair value changes and revaluation reserve recognized directly in equity	866	346	13,173	30,675
<b>Total Equity</b>	994,652	1,066,329	1,043,743	1,060,337
<b>Total Liabilities and Equity</b>	2,304,122	2,477,329	2,749,679	2,858,551
Sources: Investcorp Annual Reports 2014, 2013, 2012				

## EXHIBIT 2: CONSOLIDATED STATEMENTS OF INCOME

Consolidated Statements of Income				
\$000s	2014	2013	2012	2011
<b>Fee Income</b>				
AUM fees	77,658	88,795	96,651	93,189
Deal fees	266,228	240,738	139,374	104,251
<i>Fee Income (a)</i>	343,886	329,533	236,025	197,440
<b>Asset Based Income</b>				
Hedge funds	28,197	25,307	(50,218)	39,489
Corporate investment	23,760	256	59,840	121,664
Real estate investment	(7,813)	125	17,270	40,555
Treasury and other asset based income	3,434	6,556	4,156	14,470
<i>Asset based income (b)</i>	47,578	32,244	31,048	216,178
<b>Gross operating income (a) + (b)</b>	391,464	361,777	267,073	413,618
Provisions for impairment	(1,371)	(5,424)	(1,088)	(2,099)
Interest expense	(60,555)	(63,475)	(47,824)	(56,033)
Operating expenses	(198,367)	(187,998)	(150,749)	(215,173)
<b>Net Income</b>	131,171	104,880	67,412	140,313

Sources: Investcorp Annual Reports 2014, 2013, 2012

### EXHIBIT 3: CONSOLIDATED STATEMENTS OF CASH FLOW

\$000s	2014	2013
<b>Operating Activities</b>		
Net Income	131,171	104,880
Adjustments for non-cash items in net income		
Depreciation	7,271	7,100
Provisions for impairment	1,371	5,424
Amortization of transaction costs of borrowings	7,225	7,891
Employee share awards expense	9,300	5,826
Net income adjusted for non-cash items	156,338	131,121
Changes in:		
Operating capital		
Placements with financial institutions and other liquid assets (non cash equivalents)	46,880	(43,880)
Receivables and prepayments	76,623	(2,093)
Advances	16,844	39,880
Underwritten investments	(79,372)	112,164
Client investment accounts	(93,987)	95,684
Payables and accrued expenses	22,213	(66,146)
Co-investments		
Hedge funds - net of secured financing	(107,063)	54,512
Corporate investment	(38,379)	202,956
Real estate investment	26,488	(2,045)
Fair value of derivatives	58	(115,877)
Other assets	150	(249)
Net Cash from Operating Activities	26,793	406,027
<b>Financing Activities</b>		
Term and institutional borrowings	7,357	(102,137)
Medium-term debt issued (net of transaction costs)	178,146	480,079
Medium-term debt repaid	(251,713)	(524,703)
Long-term debt repaid	(26,250)	20,000
Treasury shares purchased - net	(11,475)	9,427
Preference shares purchased	(126,243)	-
Dividends paid	(70,680)	(66,096)
Charitable contributions paid	(4,500)	-
Net Cash Used in Financing Activities	(305,358)	(242,284)
<b>Investing Activities</b>		
Investment in premises and equipemnt	(2,360)	(3,431)
Net Cash used in Investing Activity	(2,360)	(3,431)
Net (decrease) increase in cash and cash equivalents	(280,925)	160,312
Cash and cash equivalents at beginning of the year	508,131	347,819
Cash and cash equivalents at end of the year	227,206	508,131
<b>Cash and cash equivalents comprise:</b>		
Cash and short-term funds	28,230	48,181
Cash in transit	73,032	53,725
Placements with financial institutions and other liquid assets	125,944	406,225
	227,206	508,131

Sources: Investcorp Annual Reports 2014, 2013, 2012

## EXHIBIT 4: KEY EXECUTIVES

*Chairman and CEO: Nemir A. Kirdar*

Mr. Kirdar founded Investcorp after beginning his career in 1969. Mr. Kirdar graduated from the University of the Pacific in California and received his MBA from Fordham University in New York. In addition to receiving several honorary degrees, Mr. Kirdar has authored numerous articles and published two books.

*Co-CEO: Mohammed Al-Shroogi*

Mr. Al-Shroogi came to Investcorp in 2009 and oversees the Gulf region for the company. Prior to working at Investcorp, Mr. Al-Shroogi worked at Citigroup as the Division Executive for the Middle East and North Africa region as well as CEO for the United Arab Emirates. He received a BA in Commerce from Kuwait University and completed the Executive Program at Harvard Business School.

*Co-CEO: Rishi Kapoor*

As Co-CEO and CFO, Mr. Kapoor oversees Investcorp's "balance sheet investments, strategic development, treasury activities, risk management, financial management, operations and IT." (Hoovers) Mr. Kapoor graduated from the Indian Institute of Technology with a BTech in Electrical and Computer Engineering and an MBA from Duke University in Durham, North Carolina.

*Managing Director, Corporate Development: Ramzi Abdel Jaber*

*Managing Director, Head of Corporate Communication: Firas El Amine*

*Managing Director, Human Resources: Dominic Elias*

*Managing Director, Strategy Development: Richard Kramer*

*Chief Administration Officer: Michael Merritt*

*Chairman of the Board, Director: Savio W. Tung*

Source: Hoovers Online, 2014. **Investcorp Bank BSC Profile**. Retrieved November 7, 2014 from Hoovers Online.

## EXHIBIT 5: COMPETITOR FINANCIAL INFORMATION

<b>Dubai Investment Company</b>	<b>Period ending June 2014</b>		
(AED millions)	<b>2014</b>	<b>2013</b>	<b>2012</b>
Revenue	1,118	1,400	1,323
Gross Profit	808	259	158
Net Income	791	208	126
EPS	0.23	0.09	0.06
Source: DI Annual Report 2013 and 2012			

<b>Blackstone Inc</b>	<b>Period ending Dec 2013</b>		
(USD millions)	<b>2013</b>	<b>2012</b>	<b>2011</b>
Revenue	6,613	4,019	3,253
Gross Profit	6,613	4,019	3,253
Net Income	2,893	830	-269
EPS	1.98	0.41	-0.35
Source: Blackstone Annual Report 2013 and 2012			

<b>KKR group</b>	<b>Period ending Dec 2013</b>		
(USD millions)	<b>2013</b>	<b>2012</b>	<b>2011</b>
Revenue	763	568	724
Gross Profit	763	568	724
Net Income	7,854	8,028	877
EPS	2.3	2.21	0.01
Source: KKR Annual Report 2013 and 2012			

<b>The Carlyle Group LP</b>	<b>Period ending Dec 2013</b>		
(USD thousands)	<b>2013</b>	<b>2012</b>	<b>2011</b>
Revenue	4,441	2,973	2,845
Gross Profit	2,197	1,829	2,367
Net Income	1,348	2,400	1,154
EPS	2.05	0.41	--
Source: Carlyle Group Annual Report 2013 and 2012			

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