

L1 Retail to buy Holland & Barrett from The Nature's Bounty Co. and The Carlyle Group for £1.77 Billion

Europe's Largest Health and Wellness Retailer has experienced over 90% Growth since Carlyle's investment in 2010

London, UK – The Board of The Nature's Bounty Co. and The Carlyle Group (NASDAQ: CG) today announced that L1 Retail, the retail investment arm of LetterOne, has agreed to purchase Holland & Barrett for £1.77 billion. The transaction is expected to close by September 2017 subject to customary regulatory approvals. Further financial terms were not disclosed.

Originally founded in 1870, Holland & Barrett has grown to be Europe's largest Health and Wellness retail chain with stores in more than 1,150 locations worldwide, a significant rapidly expanding online ecommerce capability and a world-class leadership team supported by its global employee base of more than 4,200 associates and staff.

Headquartered in Nuneaton, UK, the company's annual revenues in 2016 exceeded £610m, marking 32 consecutive quarters of like-for-like growth in the business, helped by significant investments into new store openings, the company's online sales platform and click-and-collect retail capabilities and marketing campaigns such as "The Good Life". Continued international growth across Scandinavia and in Holland & Barrett's partnerships with Tesco plc in the UK, Apollo Hospital Group in India, and AS Watsons in Hong Kong, helped increase the company's international operations footprint to 16 countries.

Commenting on its acquisition L1 Retail Managing Partner Stephan DuCharme said: "Holland & Barrett is a clear market leader in the UK health and wellness retail market, with attractive growth positions in other European and international markets, and growing online presence, with a leading customer loyalty programme and 10 million active cardholders. We look forward to working with Peter Aldis, CEO, Holland & Barrett and his strong management team. We believe that the company is well positioned to benefit from structural growth in the growing £10 billion health and wellness market and has multiple levers for long term growth and value creation."

Steve Cahillane, President & CEO, The Nature's Bounty Co., said: "We are proud of the growth in both sales and market share that Peter Aldis and all associates at Holland & Barrett have achieved in the past seven years. This is due to their high standards of delivery and to the investments supported by Carlyle notably in new product development, store relocations & refurbishments. We wish Peter and all associates well in the future as they continue to build the business."

Peter Aldis, CEO, Holland & Barrett, added: "We are delighted to now be in partnership with the L1 Retail team and its advisory board of internationally-renowned retailers. We have upgraded much of our core store portfolio to concept stores to deliver additional in-store theatre and increased customer engagement. New products launched through our ethical sourcing programme have also been a key growth driver helping to underpin our substantial investment to gain presence across an increasingly global Health and Wellness market. We are particularly proud that our international business last year received the Queen's Award for International Trade. Carlyle has been a great partner for Holland & Barrett over the last few years, investing in the brand, our people, and next generation technology,

which has driven our growth. We look forward to building on this track record as we enter the next chapter with L1 Retail.”

Marco De Benedetti, Managing Director and Co-Head, Carlyle Europe Partners advisory team, said: “It has been a privilege to work with Peter and his talented management team over the past seven years. We have invested heavily in the Holland & Barrett brand, built an innovation pipeline, opened over 300 new stores, built an industry leading omni channel platform, and expanded the business internationally. This has delivered 32 quarters of consecutive like-for-like growth and sustainable financial performance.”

The L1 Retail investment team aims to leverage its strong track record in retail to buy and build the next generation of retailers internationally. Led by Managing Partner Stephan DuCharme, and supported by an Advisory Board of internationally renowned retail leaders - Karl-Heinz Holland, Clive Humby and John Walden – L1 Retail aims to add value through its deep sector and strategic expertise as well as its familiarity with data and financial markets.

Carlyle was advised by Goldman Sachs, Houlihan Lokey, UBS, PWC, Latham Watkins LLP, and OC&C.

ENDS

About LetterOne / L1 Retail

L1 Retail is the retail investment arm of LetterOne. LetterOne was founded in 2013 and is an international investment business headquartered in Luxembourg. LetterOne’s strategy is to build a new portfolio of successful companies that are leaders in their fields and sectors. It makes long-term investments of its own capital in companies in which its sectoral experience and strategic and geographic expertise will improve performance and help companies grow. It has recruited world-class CEOs, sector investment teams and Advisory Boards to invest at scale. It buys and build assets, which it can develop over time as platforms of long-term sustainable growth. It invests through L1 Energy, L1 Technology, L1 Health and L1 Retail.

L1 Retail’s Advisory Board of internationally renowned retail leaders and specialists are deeply involved in supporting its investment team. Karl-Heinz Holland served eight years as Chief Executive of Lidl Group, the pioneering German food retailer. Clive Humby, one of the founders of dunnhumby (today part of Tesco), was pioneering the use of data in retail organisations long before the existence of ‘big data’. John Walden has been at the forefront of multi-channel, consumer-driven retailing for more than 20 years. Most recently, as Chief Executive of Home Retail Group, John drove the digital transformation of Argos.

About The Nature’s Bounty Co.

The Nature’s Bounty Co. has a history of championing health and wellness tracing back 145 years. Putting science and the highest quality standards at the heart of its business, the brands of The Nature’s Bounty Co. are some of the most trusted in the world. Always motivated by its commitment to excellence, its vision for health and wellness has inspired leading brands such as Nature’s Bounty, Sundown Naturals, Solgar, Holland & Barrett, Osteo Bi-Flex, MET-Rx, Pure Protein, Body Fortress, Puritan’s Pride and Organic Dr., among others. As a leading global manufacturer, marketer, distributor and retailer of vitamins, nutritional supplements, sports & active nutrition and ethical beauty products, The Nature’s Bounty Co. is committed to supporting wellness in all its forms. For more information, please visit: www.NaturesBountyCo.com.

About Holland & Barrett

Holland & Barrett International is one of the world's leading health and wellness retailers and the largest in Europe, supplying its customers with a wide range of vitamins, minerals, health supplements, specialist foods and natural beauty products. With over 145 years of experience in the industry, the Holland & Barrett name is a familiar sight in almost every major city and town across the UK and is becoming increasingly more visible further afield, in markets as diverse as the Netherlands and Malta to the UAE, China and India. For more information, please visit www.hollandandbarrett.com.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$162 billion of assets under management across 287 investment vehicles as of March 31, 2017. 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 1,550 people in 31 offices across six continents.

Web: www.carlyle.com

Videos: www.youtube.com/onecarlyle

Tweets: www.twitter.com/onecarlyle

Podcasts: www.carlyle.com/about-carlyle/market-commentary