

The Payne Firm, Inc. was the Environmental Consultant assisting The Carlyle Group, Bain Capital, and Clayton, Dubilier & Rice in this deal. Below is the press release issued by The Carlyle Group.

Bain Capital, The Carlyle Group and Clayton, Dubilier & Rice Agree to Acquire HD Supply from The Home Depot for \$10.3 Billion; Significant Growth and Consolidation Opportunities for the Second Largest Industrial and Construction Products Distributor in North America

Boston, MA, Washington, DC and New York, NY – Bain Capital Partners, The Carlyle Group and Clayton, Dubilier & Rice, Inc. today signed a definitive agreement with The Home Depot (NYSE: HD) to acquire its wholesale distribution business, HD Supply, for \$10.3 billion. Bain Capital, Carlyle and CD&R will invest equal amounts of equity in the transaction. The transaction is subject to customary regulatory reviews and is expected to close in the third quarter of 2007.

With 2006 revenues of more than \$12 billion, HD Supply is the second largest distributor of construction, industrial and maintenance supplies in North America, with number one positions in five of twelve industry verticals. The Company has nearly 1,000 locations in North America and employs 26,000 associates.

“HD Supply enjoys premium positions in an attractive, \$400+ billion market where we have deep experience and prior investment success,” said David A. Novak, Partner, CD&R. “Working with our partners, as well as a strong management team, we are confident that we can achieve multiple strategic and operational improvements to enhance the company’s performance.”

Carlyle Managing Director Dan Pryor said, “Management and employees of HD Supply have built tremendous franchises in various building products markets. We look forward to working with the company to deliver more value to customers by enhancing and growing these businesses.”

Steve Zide, a Managing Director at Bain Capital, said, “HD Supply is a broadly-diversified, best in class company that will thrive as a focused, independent market leader. We are excited to put our extensive operations and distribution business experience to work in helping the company’s strong management team seize this unique opportunity.”

Merrill Lynch & Co., J.P. Morgan Securities Inc. and Citigroup Global Markets acted as M&A advisors and Debevoise & Plimpton LLP acted as legal advisor to the private equity firms. Merrill Lynch & Co., J.P. Morgan Securities Inc. and Lehman Brothers are providing financing for the acquisition. PricewaterhouseCoopers Transaction Services group provided financial, tax, benefits and insurance risk management services on behalf of the consortium.

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