

For Immediate Release
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**Apollo Management L.P. and The Carlyle Group Announce Agreement
For Apollo to Buy Rexnord Corporation from Carlyle**

Washington, DC, May 25, 2006 – Apollo Management L.P. and The Carlyle Group today jointly announced that an agreement has been signed under which Apollo will purchase Rexnord Corporation from The Carlyle Group and management for \$1.825 billion. The transaction is subject to government approvals and other customary conditions and is expected to close in the third calendar quarter of 2006.

Rexnord is a worldwide manufacturer of highly-engineered precision motion technology products, primarily focused on power transmission. The company manufactures gears, couplings, industrial bearings, flattop chain and modular conveyor belts, a variety of special components, industrial chain and aerospace bearings and seals. Rexnord's products are used in plants and equipment in a range of industries, including aerospace, aggregates and cement, air handling, construction equipment, chemicals, energy, food and beverage, forest and wood products, mining, material and package handling, marine, natural resource extraction and petrochemical.

George Sherman, non-executive Chairman of Rexnord said, "Carlyle has been a supportive partner in positioning Rexnord to be a strategic player in the power transmission and aerospace industries and I look forward to working with Apollo to continue our growth trajectory."

Bob Hitt, President and Chief Executive Officer of Rexnord said, "I am excited to have another high-quality owner to work with and support us as we enhance Rexnord's leadership position in our industry."

Praveen Jeyarajah, Carlyle Managing Director said "Rexnord has been an extraordinarily successful investment for us and we have enjoyed the opportunity to partner with George Sherman, Bob Hitt and the Rexnord management team."

Larry Berg, a Senior Partner at Apollo Management said, "Rexnord is a very attractive business platform, which combines strong market positions and exciting growth opportunities together with highly motivated and dedicated employees and an outstanding and proven management team. We look forward to working with all the people at Rexnord in continuing to grow the Company."

Terms of the transaction were not disclosed.

Apollo was advised by Lehman Brothers with legal advice from O'Melveny and Myers. Carlyle was advised by Merrill Lynch & Co. and Credit Suisse with legal advice from Latham and Watkins.

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Apollo Management

Apollo, founded in 1990, is among the most active and successful private investment firms in terms of both number of investment transactions completed and aggregate dollars invested. Since its inception, Apollo has invested over \$16 billion in a wide variety of industries both domestically and internationally. The firm's most recent private equity fund, Apollo Investment Fund VI, L.P. has capital commitments of \$10.1 billion.

The Carlyle Group

The Carlyle Group is a global private equity firm with \$39 billion under management. Carlyle invests in buyouts, venture & growth capital, real estate and leveraged finance in Asia, Europe and North America, focusing on aerospace & defense,

Carlyle Sells Rexnord to Apollo for \$1.825 Billion

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automotive & transportation, consumer & retail, energy & power, healthcare, industrial, technology & business services and telecommunications & media. Since 1987, the firm has invested \$18.1 billion of equity in 463 transactions for a total purchase price of \$73.2 billion. The Carlyle Group employs more than 650 people in 14 countries. In the aggregate, Carlyle portfolio companies have more than \$46 billion in revenue and employ more than 184,000 people around the world. www.carlyle.com.

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Contacts:

For Apollo Management, L.P.

Steven Anreder

212-532-3232

For The Carlyle Group

Chris Ullman

(202) 729-5399