

Blackstone's 4Q'16 Supplemental Financial Data

April 19, 2017 (Updated Definitions)

Note: Effective January 1, 2017, Fee Related Earnings, a Total Segment measure, has been redefined to exclude all Equity-Based Compensation and Other Revenue. Distributable Earnings, a Total Segment measure, has been redefined to exclude Other Revenue. All prior periods have been recast to reflect this definition.

Total Segments

(Dollars in Thousands)	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	Year-to-Date	
													4Q'15	4Q'16
Revenues														
Management and Advisory Fees, Net														
Base Management Fees	\$ 476,878	\$ 496,570	\$ 505,493	\$ 508,588	\$ 516,397	\$ 516,492	\$ 564,287	\$ 599,407	\$ 586,703	\$ 593,996	\$ 593,509	\$ 623,571	\$ 2,196,583	\$ 2,397,779
Transaction, Advisory and Other Fees, Net	129,873	164,110	175,016	198,283	121,311	88,726	178,556	73,223	46,599	33,620	29,021	35,618	461,816	144,858
Management Fee Offsets	(16,644)	(20,218)	(22,763)	(27,146)	(17,945)	(18,434)	(34,176)	(22,939)	(20,101)	(15,396)	(20,850)	(23,297)	(93,494)	(79,644)
Total Management and Advisory Fees, Net	590,107	640,462	657,746	679,725	619,763	586,784	708,667	649,691	613,201	612,220	601,680	635,892	2,564,905	2,462,993
Performance Fees														
Realized Carried Interest	333,623	641,659	638,752	836,562	1,207,594	937,483	435,189	625,610	230,909	323,734	504,022	416,250	3,205,876	1,474,915
Realized Incentive Fees	53,837	39,291	36,840	131,777	29,670	47,819	34,785	82,472	28,450	29,363	30,295	83,993	194,746	172,101
Unrealized Carried Interest	330,288	660,712	222,026	495,935	373,852	(441,949)	(1,055,977)	(471,222)	47,606	88,268	106,157	239,210	(1,595,296)	481,241
Unrealized Incentive Fees	61,266	56,776	(6,531)	(140,936)	62,620	26,311	(53,346)	(42,834)	7,100	8,007	32,172	2,450	(7,249)	49,729
Total Performance Fees	779,014	1,398,438	891,087	1,323,338	1,673,736	569,664	(639,349)	194,026	314,065	449,372	672,646	741,903	1,798,077	2,177,986
Investment Income (Loss)														
Realized	111,917	202,199	75,832	153,477	107,792	136,497	87,526	86,993	(10,101)	53,670	60,634	95,666	418,808	199,869
Unrealized	4,550	(26,228)	4,934	(55,053)	81,849	(125,723)	(223,657)	(98,428)	(16,549)	6,101	27,253	3,616	(365,959)	20,421
Total Investment Income (Loss)	116,467	175,971	80,766	98,424	189,641	10,774	(136,131)	(11,435)	(26,650)	59,771	87,887	99,282	52,849	220,290
Interest Income and Dividend Revenue	22,362	22,094	23,585	28,303	30,451	31,026	35,459	34,665	35,081	35,233	33,081	42,488	131,601	145,883
Other	869	(6)	719	7,823	(4,872)	3,973	(841)	10,240	(6,248)	8,546	(425)	52,839	8,500	54,712
Total Revenues	1,508,819	2,236,959	1,653,903	2,137,613	2,508,719	1,202,221	(32,195)	877,187	929,449	1,165,142	1,394,869	1,572,404	4,555,932	5,061,864
Expenses														
Compensation														
Performance Fee Compensation														
Realized Carried Interest	149,398	260,301	186,003	219,941	292,248	238,032	97,799	165,721	58,503	87,581	168,427	141,443	793,800	455,954
Realized Incentive Fees	23,635	18,509	19,029	48,926	12,227	21,837	15,061	36,821	14,123	15,251	15,436	33,286	85,946	78,096
Unrealized Carried Interest	40,690	114,336	164,132	59,879	74,380	(50,559)	(228,697)	(107,820)	30,001	75,202	70,044	137,591	(312,696)	312,838
Unrealized Incentive Fees	23,531	24,692	(9,002)	(58,497)	24,961	6,131	(14,642)	(18,940)	3,448	2,689	13,508	1,489	(2,490)	21,134
Total Compensation and Benefits	543,799	740,853	684,588	469,774	733,654	504,793	199,096	316,236	393,478	466,878	536,010	554,872	1,753,779	1,951,238
Other Operating Expenses	139,774	145,111	131,440	137,457	143,282	168,401	157,565	155,109	148,526	157,254	150,890	172,672	624,357	629,342
Total Expenses	683,573	885,964	816,028	607,231	876,936	673,194	356,661	471,345	542,004	624,132	686,900	727,544	2,378,136	2,580,580
Economic Income (Loss)	\$ 825,246	\$ 1,350,995	\$ 837,875	\$ 1,530,382	\$ 1,631,783	\$ 529,027	\$ (388,856)	\$ 405,842	\$ 387,445	\$ 541,010	\$ 707,969	\$ 844,860	\$ 2,177,796	\$ 2,481,284
Total Assets Under Management	\$ 271,745,583	\$ 278,917,713	\$ 284,414,936	\$ 290,381,069	\$ 310,451,289	\$ 332,723,546	\$ 333,925,521	\$ 336,384,575	\$ 343,705,462	\$ 356,281,669	\$ 361,040,173	\$ 366,553,465	\$ 336,384,575	\$ 366,553,465
Fee-Earning Assets Under Management	\$ 203,599,604	\$ 209,913,760	\$ 214,819,600	\$ 216,691,799	\$ 223,511,700	\$ 239,342,214	\$ 240,939,356	\$ 246,146,372	\$ 244,452,764	\$ 266,006,713	\$ 267,757,727	\$ 277,092,672	\$ 246,146,372	\$ 277,092,672

Private Equity

(Dollars in Thousands)	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	Year-to-Date	
													4Q'15	4Q'16
Revenues														
Management and Advisory Fees, Net														
Base Management Fees	\$ 98,584	\$ 103,204	\$ 108,236	\$ 105,817	\$ 108,383	\$ 121,918	\$ 128,452	\$ 143,887	\$ 130,648	\$ 131,477	\$ 131,708	\$ 160,301	\$ 502,640	\$ 554,134
Transaction, Advisory and Other Fees, Net	45,189	39,252	54,629	18,551	22,788	(6,999)	11,906	19,124	8,920	11,089	12,892	8,972	46,819	41,873
Management Fee Offsets	(1,713)	(4,246)	(5,837)	(7,350)	(4,949)	(9,028)	(12,262)	(10,521)	(6,848)	(4,195)	(12,917)	(10,850)	(36,760)	(34,810)
Total Management and Advisory Fees, Net	142,060	138,210	157,028	117,018	126,222	105,891	128,096	152,490	132,720	138,371	131,683	158,423	512,699	561,197
Performance Fees														
Realized Carried Interest	119,805	212,394	124,913	297,290	382,978	546,575	214,532	330,902	30,282	57,056	26,398	131,532	1,474,987	245,268
Unrealized Carried Interest	167,065	502,210	96,455	457,098	566,822	(305,573)	(809,363)	(169,841)	73,875	85,047	144,597	121,262	(717,955)	424,781
Total Performance Fees	286,870	714,604	221,368	754,388	949,800	241,002	(594,831)	161,061	104,157	142,103	170,995	252,794	757,032	670,049
Investment Income (Loss)														
Realized	60,535	74,812	20,421	46,951	44,816	50,258	46,917	47,658	(15,357)	22,926	15,469	50,339	189,649	73,377
Unrealized	(9,033)	17,662	(12,754)	(19,789)	31,487	(22,301)	(110,689)	(14,835)	15,440	(2,766)	8,884	(26,401)	(116,338)	(4,843)
Total Investment Income (Loss)	51,502	92,474	7,667	27,162	76,303	27,957	(63,772)	32,823	83	20,160	24,353	23,938	73,311	68,534
Interest Income and Dividend Revenue	5,230	4,672	5,349	6,742	7,618	7,669	8,119	9,812	9,849	9,516	9,160	11,746	33,218	40,271
Other	864	564	2,150	2,991	(1,825)	2,515	471	4,693	(1,587)	3,395	411	18,239	5,854	20,458
Total Revenues	486,526	950,524	393,562	908,301	1,158,118	385,034	(521,917)	360,879	245,222	313,545	336,602	465,140	1,382,114	1,360,509
Expenses														
Compensation	74,121	74,383	79,897	52,098	71,072	68,106	70,419	70,651	80,274	83,140	73,889	73,154	280,248	310,457
Performance Fee Compensation														
Realized Carried Interest	85,771	112,720	30,944	36,958	39,482	106,502	16,303	94,635	15,427	30,946	13,741	50,768	256,922	110,882
Unrealized Carried Interest	(27,148)	66,194	93,434	77,966	178,120	(25,574)	(141,448)	(21,270)	9,296	19,450	69,300	65,891	(10,172)	163,937
Total Compensation and Benefits	132,744	253,297	204,275	167,022	288,674	149,034	(54,726)	144,016	104,997	133,536	156,930	189,813	526,998	585,276
Other Operating Expenses	33,197	39,322	34,291	36,752	38,875	62,571	43,812	53,900	48,063	48,371	47,534	52,465	199,158	196,433
Total Expenses	165,941	292,619	238,566	203,774	327,549	211,605	(10,914)	197,916	153,060	181,907	204,464	242,278	726,156	781,709
Economic Income (Loss)	\$ 320,585	\$ 657,905	\$ 154,996	\$ 704,527	\$ 830,569	\$ 173,429	\$ (511,003)	\$ 162,963	\$ 92,162	\$ 131,638	\$ 132,138	\$ 222,862	\$ 655,958	\$ 578,800
Total Assets Under Management	\$ 66,142,945	\$ 68,294,162	\$ 69,890,367	\$ 73,073,252	\$ 76,327,189	\$ 92,026,337	\$ 91,490,669	\$ 94,280,074	\$ 95,466,227	\$ 99,685,655	\$ 99,722,322	\$ 100,192,950	\$ 94,280,074	\$ 100,192,950
Fee-Earning Assets Under Management	\$ 41,150,728	\$ 42,888,756	\$ 43,817,741	\$ 43,890,167	\$ 49,342,211	\$ 49,537,189	\$ 50,560,404	\$ 51,451,196	\$ 50,228,312	\$ 69,467,174	\$ 69,347,910	\$ 69,113,409	\$ 51,451,196	\$ 69,113,409

Real Estate

(Dollars in Thousands)	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	Year-to-Date	
													4Q'15	4Q'16
Revenues														
Management Fees, Net														
Base Management Fees	\$ 159,336	\$ 157,869	\$ 155,089	\$ 156,208	\$ 152,348	\$ 140,743	\$ 175,710	\$ 199,774	\$ 199,907	\$ 201,004	\$ 197,629	\$ 196,621	\$ 668,575	\$ 795,161
Transaction and Other Fees, Net	13,564	13,514	38,312	26,220	15,216	21,510	21,390	52,461	35,794	21,112	14,190	24,228	110,577	95,324
Management Fee Offsets	(9,224)	(7,702)	(8,977)	(8,540)	(4,866)	(5,428)	(10,147)	(6,399)	(3,595)	(1,219)	(842)	(1,666)	(26,840)	(7,322)
Total Management Fees, Net	163,676	163,681	184,424	173,888	162,698	156,825	186,953	245,836	232,106	220,897	210,977	219,183	752,312	883,163
Performance Fees														
Realized Carried Interest	194,658	417,826	349,237	526,041	811,249	363,983	169,051	290,450	200,627	266,382	461,980	274,495	1,634,733	1,203,484
Realized Incentive Fees	(26)	6,070	1,159	4,296	723	1,220	3,879	11,331	4,069	6,099	3,857	15,600	17,153	29,625
Unrealized Carried Interest	140,237	119,461	187,175	77,173	(181,019)	(188,608)	(128,854)	(182,061)	(11,522)	(84,875)	(113,449)	58,849	(680,542)	(150,997)
Unrealized Incentive Fees	2,737	(3,483)	(374)	(4,401)	6,069	3,935	2,784	8,014	9,765	5,942	14,445	9,375	20,802	39,527
Total Performance Fees	337,606	539,874	537,197	603,109	637,022	180,530	46,860	127,734	202,939	193,548	366,833	358,319	992,146	1,121,639
Investment Income (Loss)														
Realized	31,357	122,664	49,173	105,901	71,344	85,432	39,821	38,985	12,975	19,929	46,704	43,104	235,582	122,712
Unrealized	5,379	(50,437)	14,492	(28,364)	37,510	(107,691)	(95,382)	(66,326)	(2,137)	(8,902)	(6,725)	16,645	(231,889)	(1,119)
Total Investment Income (Loss)	36,736	72,227	63,665	77,537	108,854	(22,259)	(55,561)	(27,341)	10,838	11,027	39,979	59,749	3,693	121,593
Interest Income and Dividend Revenue	6,110	8,009	7,135	8,943	9,997	10,259	11,057	12,677	13,188	13,084	12,460	15,508	43,990	54,240
Other	317	(218)	976	1,788	(3,977)	1,077	(938)	2,416	(1,909)	2,231	(548)	16,749	(1,422)	16,523
Total Revenues	544,445	783,573	793,397	865,265	914,594	326,432	188,371	361,322	457,162	440,787	629,701	669,508	1,790,719	2,197,158
Expenses														
Compensation														
Realized Carried Interest	51,833	143,442	64,187	173,534	246,496	116,168	52,546	68,827	43,076	56,441	147,419	85,686	484,037	332,622
Realized Incentive Fees	(16)	3,081	592	2,323	356	671	1,838	5,813	2,133	3,300	1,764	4,888	8,678	12,085
Unrealized Carried Interest	56,985	27,339	108,789	4,061	(98,084)	(50,559)	(23,018)	(24,686)	27,703	14,257	(38,972)	41,787	(196,347)	44,775
Unrealized Incentive Fees	1,382	(1,783)	(123)	(2,227)	2,575	230	5,215	797	4,158	2,542	6,229	3,943	8,817	16,872
Total Compensation and Benefits	190,417	257,661	264,031	247,607	236,177	145,994	135,836	145,559	177,648	179,428	216,326	218,304	663,566	791,706
Other Operating Expenses	33,107	36,542	36,138	40,296	40,143	43,346	42,050	53,636	48,097	52,201	47,908	55,756	179,175	203,962
Total Expenses	223,524	294,203	300,169	287,903	276,320	189,340	177,886	199,195	225,745	231,629	264,234	274,060	842,741	995,668
Economic Income	\$ 320,921	\$ 489,370	\$ 493,228	\$ 577,362	\$ 638,274	\$ 137,092	\$ 10,485	\$ 162,127	\$ 231,417	\$ 209,158	\$ 365,467	\$ 395,448	\$ 947,978	\$ 1,201,490
Total Assets Under Management	\$ 81,333,562	\$ 80,410,988	\$ 80,188,858	\$ 80,863,187	\$ 92,785,658	\$ 91,578,634	\$ 93,187,556	\$ 93,917,824	\$ 101,107,528	\$ 103,197,060	\$ 101,876,562	\$ 101,963,652	\$ 93,917,824	\$ 101,963,652
Fee-Earning Assets Under Management	\$ 53,490,834	\$ 52,823,975	\$ 52,308,175	\$ 52,563,068	\$ 50,783,247	\$ 62,683,857	\$ 64,858,622	\$ 67,345,357	\$ 67,298,439	\$ 66,744,550	\$ 65,785,083	\$ 72,030,054	\$ 67,345,357	\$ 72,030,054

Hedge Fund Solutions

(Dollars in Thousands)	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	Year-to-Date	
													4Q'15	4Q'16
Revenues														
Management Fees, Net														
Base Management Fees	\$ 113,384	\$ 123,008	\$ 121,484	\$ 125,105	\$ 130,637	\$ 130,216	\$ 133,592	\$ 129,941	\$ 130,158	\$ 130,123	\$ 130,305	\$ 131,150	\$ 524,386	\$ 521,736
Transaction and Other Fees, Net	93	126	161	189	25	-	219	73	543	(5)	116	407	317	1,061
Management Fee Offsets	(1,455)	(1,531)	(1,099)	(929)	(280)	(608)	(507)	1,566	-	-	-	-	171	-
Total Management Fees, Net	112,022	121,603	120,546	124,365	130,382	129,608	133,304	131,580	130,701	130,118	130,421	131,557	524,874	522,797
Performance Fees														
Realized Incentive Fees	39,845	7,973	6,683	86,028	10,516	16,915	2,783	37,983	2,684	(251)	4,572	35,172	68,197	42,177
Unrealized Carried Interest	-	-	-	-	-	8,014	(5,394)	(599)	32	801	(84)	(245)	2,021	504
Unrealized Incentive Fees	18,085	30,556	25,473	(74,993)	47,427	15,855	(29,711)	(41,655)	(2,935)	1,036	12,038	(9,354)	(8,084)	785
Total Performance Fees	57,930	38,529	32,156	11,035	57,943	40,784	(32,322)	(4,271)	(219)	1,586	16,526	25,573	62,134	43,466
Investment Income (Loss)														
Realized	16,820	2,394	2,693	(357)	(10,375)	(1,757)	(468)	(141)	(4,745)	(515)	(1,211)	(753)	(12,741)	(7,224)
Unrealized	4,431	1,057	(1,168)	812	4,483	2,032	(6,411)	(1,539)	(12,291)	9,357	12,219	6,177	(1,435)	15,462
Total Investment Income (Loss)	21,251	3,451	1,525	455	(5,892)	275	(6,879)	(1,680)	(17,036)	8,842	11,008	5,424	(14,176)	8,238
Interest Income and Dividend Revenue	2,661	2,340	2,724	3,389	3,949	3,970	4,136	5,219	5,296	5,205	4,692	7,890	17,274	23,083
Other	122	(203)	740	1,196	(1,607)	459	(66)	1,414	(1,388)	1,125	(260)	8,680	200	8,157
Total Revenues	193,986	165,720	157,691	140,440	184,775	175,096	98,173	132,262	117,354	146,876	162,387	179,124	590,306	605,741
Expenses														
Compensation	40,571	43,341	41,940	5,806	56,104	45,841	44,408	33,131	54,169	44,436	47,206	39,509	179,484	185,320
Performance Fee Compensation														
Realized Incentive Fees	13,271	2,918	2,312	23,950	3,470	8,711	(436)	15,410	1,863	1,325	2,902	13,307	27,155	19,397
Unrealized Carried Interest	-	-	-	-	-	4,077	(3,041)	(213)	-	238	35	(92)	823	181
Unrealized Incentive Fees	6,761	11,252	8,778	(27,064)	15,651	3,764	(7,011)	(15,316)	(1,195)	480	4,557	(3,550)	(2,912)	292
Total Compensation and Benefits	60,603	57,511	53,030	2,692	75,225	62,393	33,920	33,012	54,837	46,479	54,700	49,174	204,550	205,190
Other Operating Expenses	19,480	25,101	20,480	21,068	21,206	20,499	24,147	24,220	26,146	27,218	27,432	27,840	90,072	108,636
Total Expenses	80,083	82,612	73,510	23,760	96,431	82,892	58,067	57,232	80,983	73,697	82,132	77,014	294,622	313,826
Economic Income	\$ 113,903	\$ 83,108	\$ 84,181	\$ 116,680	\$ 88,344	\$ 92,204	\$ 40,106	\$ 75,030	\$ 36,371	\$ 73,179	\$ 80,255	\$ 102,110	\$ 295,684	\$ 291,915
Total Assets Under Management	\$ 58,262,659	\$ 60,672,759	\$ 64,183,863	\$ 63,585,670	\$ 66,378,908	\$ 67,829,866	\$ 68,405,948	\$ 69,105,425	\$ 68,475,416	\$ 68,649,878	\$ 70,113,508	\$ 71,119,718	\$ 69,105,425	\$ 71,119,718
Fee-Earning Assets Under Management	\$ 55,571,357	\$ 58,084,020	\$ 62,037,082	\$ 61,417,558	\$ 64,114,498	\$ 65,512,170	\$ 65,182,338	\$ 65,665,439	\$ 64,831,253	\$ 64,973,999	\$ 66,434,971	\$ 66,987,553	\$ 65,665,439	\$ 66,987,553

Credit

(Dollars in Thousands)	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	Year-to-Date	
													4Q'15	4Q'16
Revenues														
Management Fees, Net														
Base Management Fees	\$ 105,574	\$ 112,489	\$ 120,684	\$ 121,458	\$ 125,029	\$ 123,615	\$ 126,533	\$ 125,805	\$ 125,990	\$ 131,392	\$ 133,867	\$ 135,499	\$ 500,982	\$ 526,748
Transaction and Other Fees, Net	3,344	7,064	3,025	4,728	1,457	2,060	1,289	1,565	1,342	1,424	1,823	2,011	6,371	6,600
Management Fee Offsets	(4,252)	(6,739)	(6,850)	(10,327)	(7,850)	(3,370)	(11,260)	(7,585)	(9,658)	(9,982)	(7,091)	(10,781)	(30,065)	(37,512)
Total Management Fees, Net	104,666	112,814	116,859	115,859	118,636	122,305	116,562	119,785	117,674	122,834	128,599	126,729	477,288	495,836
Performance Fees														
Realized Carried Interest	19,160	11,439	164,602	13,231	13,367	26,925	51,606	4,258	-	296	15,644	10,223	96,156	26,163
Realized Incentive Fees	14,018	25,248	28,998	41,453	18,431	29,684	28,123	33,158	21,697	23,515	21,866	33,221	109,396	100,299
Unrealized Carried Interest	22,986	39,041	(61,604)	(38,336)	(11,951)	44,218	(112,366)	(118,721)	(14,779)	87,295	75,093	59,344	(198,820)	206,953
Unrealized Incentive Fees	40,444	29,703	(31,630)	(61,542)	9,124	6,521	(26,419)	(9,193)	270	1,029	5,689	2,429	(19,967)	9,417
Total Performance Fees	96,608	105,431	100,366	(45,194)	28,971	107,348	(59,056)	(90,498)	7,188	112,135	118,292	105,217	(13,235)	342,832
Investment Income (Loss)														
Realized	3,071	2,223	3,040	1,020	2,237	2,723	1,735	491	(2,974)	11,330	(328)	2,976	7,186	11,004
Unrealized	3,079	4,521	4,892	(7,437)	6,887	2,760	(10,177)	(15,728)	(17,561)	8,412	12,875	7,195	(16,258)	10,921
Total Investment Income (Loss)	6,150	6,744	7,932	(6,417)	9,124	5,483	(8,442)	(15,237)	(20,535)	19,742	12,547	10,171	(9,072)	21,925
Interest Income and Dividend Revenue	5,861	4,892	5,968	6,319	5,651	5,938	6,053	6,957	6,748	7,428	6,769	7,344	24,599	28,289
Other	(259)	11	(3,619)	1,557	3,493	34	(73)	1,717	(1,364)	1,795	(28)	9,171	5,171	9,574
Total Revenues	213,026	229,892	227,506	72,124	165,875	241,108	55,044	22,724	109,711	263,934	266,179	258,632	484,751	898,456
Expenses														
Compensation														
Performance Fee Compensation	50,752	51,310	54,877	31,261	49,877	47,124	51,324	41,864	52,382	55,691	47,614	46,400	190,189	202,087
Realized Carried Interest														
Realized Carried Interest	11,794	4,139	90,872	9,449	6,270	15,362	28,950	2,259	-	194	7,267	4,989	52,841	12,450
Realized Incentive Fees														
Realized Incentive Fees	10,380	12,510	16,125	22,653	8,401	12,455	13,659	15,598	10,127	10,626	10,770	15,091	50,113	46,614
Unrealized Carried Interest														
Unrealized Carried Interest	10,853	20,803	(38,091)	(22,148)	(5,656)	21,497	(61,190)	(61,651)	(6,998)	41,257	39,681	30,005	(107,000)	103,945
Unrealized Incentive Fees														
Unrealized Incentive Fees	15,388	15,223	(17,657)	(29,206)	6,735	2,137	(12,846)	(4,421)	485	(333)	2,722	1,096	(8,395)	3,970
Total Compensation and Benefits	99,167	103,985	106,126	12,009	65,627	98,575	19,897	(6,351)	55,996	107,435	108,054	97,581	177,748	369,066
Other Operating Expenses	32,839	22,159	20,860	14,666	21,836	23,539	24,898	23,353	26,220	29,464	28,016	36,611	93,626	120,311
Total Expenses	132,006	126,144	126,986	26,675	87,463	122,114	44,795	17,002	82,216	136,899	136,070	134,192	271,374	489,377
Economic Income	\$ 81,020	\$ 103,748	\$ 100,520	\$ 45,449	\$ 78,412	\$ 118,994	\$ 10,249	\$ 5,722	\$ 27,495	\$ 127,035	\$ 130,109	\$ 124,440	\$ 213,377	\$ 409,079
Total Assets Under Management	\$ 66,006,417	\$ 69,539,804	\$ 70,151,848	\$ 72,858,960	\$ 74,959,534	\$ 81,288,709	\$ 80,841,348	\$ 79,081,252	\$ 78,656,291	\$ 84,749,076	\$ 89,327,781	\$ 93,277,145	\$ 79,081,252	\$ 93,277,145
Fee-Earning Assets Under Management	\$ 53,386,685	\$ 56,117,009	\$ 56,656,602	\$ 58,821,006	\$ 59,271,744	\$ 61,608,998	\$ 60,337,992	\$ 61,684,380	\$ 62,094,760	\$ 64,820,990	\$ 66,189,763	\$ 68,961,656	\$ 61,684,380	\$ 68,961,656

Financial Advisory

(Dollars in Thousands)	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	Year-to-Date		
													4Q'15	4Q'16	
Revenues															
Transaction and Advisory Fees, Net	\$ 67,683	\$ 104,154	\$ 78,889	\$ 148,595	\$ 81,825	\$ 72,155	\$ 143,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297,732	\$ -
Total Transaction and Advisory Fees	67,683	104,154	78,889	148,595	81,825	72,155	143,752	-	-	-	-	-	-	297,732	-
Investment Income (Loss)															
Realized	134	106	505	(38)	(230)	(159)	(479)	-	-	-	-	-	-	(868)	-
Unrealized	694	969	(528)	(275)	1,482	(523)	(998)	-	-	-	-	-	-	(39)	-
Total Investment Income (Loss)	828	1,075	(23)	(313)	1,252	(682)	(1,477)	-	-	-	-	-	-	(907)	-
Interest Income and Dividend Revenue	2,500	2,181	2,409	2,910	3,236	3,190	6,094	-	-	-	-	-	-	12,520	-
Other	(175)	(160)	472	291	(956)	(112)	(235)	-	-	-	-	-	-	(1,303)	-
Total Revenues	70,836	107,250	81,747	151,483	85,357	74,551	148,134	-	-	-	-	-	-	308,042	-
Expenses															
Compensation	60,868	68,399	57,126	40,444	67,951	48,797	64,169	-	-	-	-	-	-	180,917	-
Total Compensation and Benefits	60,868	68,399	57,126	40,444	67,951	48,797	64,169	-	-	-	-	-	-	180,917	-
Other Operating Expenses	21,151	21,987	19,671	24,675	21,222	18,446	22,658	-	-	-	-	-	-	62,326	-
Total Expenses	82,019	90,386	76,797	65,119	89,173	67,243	86,827	-	-	-	-	-	-	243,243	-
Economic Income (Loss)	\$ (11,183)	\$ 16,864	\$ 4,950	\$ 86,364	\$ (3,816)	\$ 7,308	\$ 61,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,799	\$ -

Note: On October 1, 2015 Blackstone spun-off its Financial Advisory business, which did not include Blackstone's capital markets services business. The results of Blackstone's capital markets services business have been reclassified from the Financial Advisory segment to the Private Equity segment. All prior periods have been recast to reflect this reclassification.

Total Segments

(Dollars in Thousands)	2012	2013	2014	2015	2016
Revenues					
Management and Advisory Fees, Net					
Base Management Fees	\$ 1,591,403	\$ 1,740,807	\$ 1,987,529	\$ 2,196,583	\$ 2,397,779
Transaction, Advisory and Other Fees, Net	584,536	617,491	667,282	461,816	144,858
Management Fee Offsets	(40,953)	(72,220)	(86,771)	(93,494)	(79,644)
Total Management and Advisory Fees, Net	2,134,986	2,286,078	2,568,040	2,564,905	2,462,993
Performance Fees					
Realized Carried Interest	327,422	943,958	2,450,596	3,205,876	1,474,915
Realized Incentive Fees	301,464	474,333	261,745	194,746	172,101
Unrealized Carried Interest	994,190	2,158,010	1,708,961	(1,595,296)	481,241
Unrealized Incentive Fees	(29,311)	(19,928)	(29,425)	(7,249)	49,729
Total Performance Fees	1,593,765	3,556,373	4,391,877	1,798,077	2,177,986
Investment Income (Loss)					
Realized	95,398	170,471	543,425	418,808	199,869
Unrealized	190,846	517,334	(71,797)	(365,959)	20,421
Total Investment Income	286,244	687,805	471,628	52,849	220,290
Interest Income and Dividend Revenue	46,630	70,936	96,344	131,601	145,883
Other	5,149	10,308	9,405	8,500	54,712
Total Revenues	4,066,774	6,611,500	7,537,294	4,555,932	5,061,864
Expenses					
Compensation					
Compensation	1,030,776	1,115,640	1,153,511	1,189,219	1,083,216
Performance Fee Compensation					
Realized Carried Interest	96,433	257,201	815,643	793,800	455,954
Realized Incentive Fees	140,042	200,915	110,099	85,946	78,096
Unrealized Carried Interest	321,599	966,717	379,037	(312,696)	312,838
Unrealized Incentive Fees	(44,528)	(11,651)	(19,276)	(2,490)	21,134
Total Compensation and Benefits	1,544,322	2,528,822	2,439,014	1,753,779	1,951,238
Other Operating Expenses	481,445	486,639	553,782	624,357	629,342
Total Expenses	2,025,767	3,015,461	2,992,796	2,378,136	2,580,580
Economic Income	\$ 2,041,007	\$ 3,596,039	\$ 4,544,498	\$ 2,177,796	\$ 2,481,284
Total Assets Under Management	\$ 210,219,960	\$ 265,757,630	\$ 290,381,069	\$ 336,384,575	\$ 366,553,465
Fee-Earning Assets Under Management	\$ 167,880,440	\$ 197,981,739	\$ 216,691,799	\$ 246,146,372	\$ 277,092,672

Private Equity

(Dollars in Thousands)	2012	2013	2014	2015	2016
Revenues					
Management and Advisory Fees, Net					
Base Management Fees	\$ 348,594	\$ 368,146	\$ 415,841	\$ 502,640	\$ 554,134
Transaction, Advisory and Other Fees, Net	100,080	121,991	157,621	46,819	41,873
Management Fee Offsets	(5,926)	(5,683)	(19,146)	(36,760)	(34,810)
Total Management and Advisory Fees, Net	442,748	484,454	554,316	512,699	561,197
Performance Fees					
Realized Carried Interest	109,797	329,993	754,402	1,474,987	245,268
Unrealized Carried Interest	148,381	398,232	1,222,828	(717,955)	424,781
Total Performance Fees	258,178	728,225	1,977,230	757,032	670,049
Investment Income (Loss)					
Realized	25,823	88,026	202,719	189,649	73,377
Unrealized	85,337	161,749	(23,914)	(116,338)	(4,843)
Total Investment Income	111,160	249,775	178,805	73,311	68,534
Interest Income and Dividend Revenue	13,556	15,625	21,993	33,218	40,271
Other	2,417	4,259	6,569	5,854	20,458
Total Revenues	828,059	1,482,338	2,738,913	1,382,114	1,360,509
Expenses					
Compensation					
Compensation	222,709	240,150	280,499	280,248	310,457
Performance Fee Compensation					
Realized Carried Interest	3,679	38,953	266,393	256,922	110,882
Unrealized Carried Interest	58,555	342,733	210,446	(10,172)	163,937
Total Compensation and Benefits	284,943	621,836	757,338	526,998	585,276
Other Operating Expenses	130,845	124,499	143,562	199,158	196,433
Total Expenses	415,788	746,335	900,900	726,156	781,709
Economic Income	\$ 412,271	\$ 736,003	\$ 1,838,013	\$ 655,958	\$ 578,800
Total Assets Under Management	\$ 51,002,973	\$ 65,675,031	\$ 73,073,252	\$ 94,280,074	\$ 100,192,950
Fee-Earning Assets Under Management	\$ 37,050,167	\$ 42,600,515	\$ 43,890,167	\$ 51,451,196	\$ 69,113,409

Real Estate

(Dollars in Thousands)	2012	2013	2014	2015	2016
Revenues					
Management Fees, Net					
Base Management Fees	\$ 551,322	\$ 565,182	\$ 628,502	\$ 668,575	\$ 795,161
Transaction and Other Fees, Net	85,681	79,675	91,610	110,577	95,324
Management Fee Offsets	(28,609)	(22,821)	(34,443)	(26,840)	(7,322)
Total Management Fees, Net	608,394	622,036	685,669	752,312	883,163
Performance Fees					
Realized Carried Interest	165,114	486,773	1,487,762	1,634,733	1,203,484
Realized Incentive Fees	25,656	45,862	11,499	17,153	29,625
Unrealized Carried Interest	683,764	1,651,700	524,046	(680,542)	(150,997)
Unrealized Incentive Fees	(119)	(28,753)	(5,521)	20,802	39,527
Total Performance Fees	874,415	2,155,582	2,017,786	992,146	1,121,639
Investment Income (Loss)					
Realized	45,302	52,359	309,095	235,582	122,712
Unrealized	90,875	350,201	(58,930)	(231,889)	(1,119)
Total Investment Income	136,177	402,560	250,165	3,693	121,593
Interest Income and Dividend Revenue	14,448	21,563	30,197	43,990	54,240
Other	894	3,384	2,863	(1,422)	16,523
Total Revenues	1,634,328	3,205,125	2,986,680	1,790,719	2,197,158
Expenses					
Compensation					
Compensation	271,122	294,222	326,317	358,381	385,352
Performance Fee Compensation					
Realized Carried Interest	62,418	148,837	432,996	484,037	332,622
Realized Incentive Fees	13,060	23,878	5,980	8,678	12,085
Unrealized Carried Interest	165,482	566,837	197,174	(196,347)	44,775
Unrealized Incentive Fees	(583)	(15,015)	(2,751)	8,817	16,872
Total Compensation and Benefits	511,499	1,018,759	959,716	663,566	791,706
Other Operating Expenses	123,714	116,391	146,083	179,175	203,962
Total Expenses	635,213	1,135,150	1,105,799	842,741	995,668
Economic Income	\$ 999,115	\$ 2,069,975	\$ 1,880,881	\$ 947,978	\$ 1,201,490
Total Assets Under Management	\$ 56,695,645	\$ 79,410,788	\$ 80,863,187	\$ 93,917,824	\$ 101,963,652
Fee-Earning Assets Under Management	\$ 41,931,339	\$ 50,792,803	\$ 52,563,068	\$ 67,345,357	\$ 72,030,054

Hedge Fund Solutions

(Dollars in Thousands)	2012	2013	2014	2015	2016
Revenues					
Management Fees, Net					
Base Management Fees	\$ 346,210	\$ 409,321	\$ 482,981	\$ 524,386	\$ 521,736
Transaction and Other Fees, Net	188	623	569	317	1,061
Management Fee Offsets	(1,414)	(3,387)	(5,014)	171	-
Total Management Fees, Net	344,984	406,557	478,536	524,874	522,797
Performance Fees					
Realized Incentive Fees	83,433	207,735	140,529	68,197	42,177
Unrealized Carried Interest	-	-	-	2,021	504
Unrealized Incentive Fees	9,042	7,718	(879)	(8,084)	785
Total Performance Fees	92,475	215,453	139,650	62,134	43,466
Investment Income (Loss)					
Realized	7,270	27,613	21,550	(12,741)	(7,224)
Unrealized	8,517	(9,306)	5,132	(1,435)	15,462
Total Investment Income (Loss)	15,787	18,307	26,682	(14,176)	8,238
Interest Income and Dividend Revenue	2,139	7,605	11,114	17,274	23,083
Other	3,816	688	1,855	200	8,157
Total Revenues	459,201	648,610	657,837	590,306	605,741
Expenses					
Compensation	119,731	136,470	131,658	179,484	185,320
Performance Fee Compensation					
Realized Incentive Fees	23,080	65,793	42,451	27,155	19,397
Unrealized Carried Interest	-	-	-	823	181
Unrealized Incentive Fees	1,317	2,856	(273)	(2,912)	292
Total Compensation and Benefits	144,128	205,119	173,836	204,550	205,190
Other Operating Expenses	57,809	66,966	86,129	90,072	108,636
Total Expenses	201,937	272,085	259,965	294,622	313,826
Economic Income	\$ 257,264	\$ 376,525	\$ 397,872	\$ 295,684	\$ 291,915
Total Assets Under Management	\$ 46,092,505	\$ 55,657,463	\$ 63,585,670	\$ 69,105,425	\$ 71,119,718
Fee-Earning Assets Under Management	\$ 43,478,791	\$ 52,865,837	\$ 61,417,558	\$ 65,665,439	\$ 66,987,553

Credit

(Dollars in Thousands)	2012	2013	2014	2015	2016
Revenues					
Management Fees, Net					
Base Management Fees	\$ 345,277	\$ 398,158	\$ 460,205	\$ 500,982	\$ 526,748
Transaction and Other Fees, Net	40,875	28,586	18,161	6,371	6,600
Management Fee Offsets	(5,004)	(40,329)	(28,168)	(30,065)	(37,512)
Total Management Fees, Net	381,148	386,415	450,198	477,288	495,836
Performance Fees					
Realized Carried Interest	52,511	127,192	208,432	96,156	26,163
Realized Incentive Fees	192,375	220,736	109,717	109,396	100,299
Unrealized Carried Interest	162,045	108,078	(37,913)	(198,820)	206,953
Unrealized Incentive Fees	(38,234)	1,107	(23,025)	(19,967)	9,417
Total Performance Fees	368,697	457,113	257,211	(13,235)	342,832
Investment Income (Loss)					
Realized	15,611	4,098	9,354	7,186	11,004
Unrealized	4,769	13,951	5,055	(16,258)	10,921
Total Investment Income (Loss)	20,380	18,049	14,409	(9,072)	21,925
Interest Income and Dividend Revenue	9,330	18,146	23,040	24,599	28,289
Other	(1,174)	527	(2,310)	5,171	9,574
Total Revenues	778,381	880,250	742,548	484,751	898,456
Expenses					
Compensation					
Compensation	182,077	186,514	188,200	190,189	202,087
Performance Fee Compensation					
Realized Carried Interest	30,336	69,411	116,254	52,841	12,450
Realized Incentive Fees	103,902	111,244	61,668	50,113	46,614
Unrealized Carried Interest	97,562	57,147	(28,583)	(107,000)	103,945
Unrealized Incentive Fees	(45,262)	508	(16,252)	(8,395)	3,970
Total Compensation and Benefits	368,615	424,824	321,287	177,748	369,066
Other Operating Expenses	84,488	96,940	90,524	93,626	120,311
Total Expenses	453,103	521,764	411,811	271,374	489,377
Economic Income	\$ 325,278	\$ 358,486	\$ 330,737	\$ 213,377	\$ 409,079
Total Assets Under Management	\$ 56,428,837	\$ 65,014,348	\$ 72,858,960	\$ 79,081,252	\$ 93,277,145
Fee-Earning Assets Under Management	\$ 45,420,143	\$ 51,722,584	\$ 58,821,006	\$ 61,684,380	\$ 68,961,656

Financial Advisory

(Dollars in Thousands)	2012	2013	2014	2015	2016
Revenues					
Transaction and Advisory Fees, Net	\$ 357,712	\$ 386,616	\$ 399,321	\$ 297,732	\$ -
Total Transaction and Advisory Fees	357,712	386,616	399,321	297,732	-
Investment Income (Loss)					
Realized	1,392	(1,625)	707	(868)	-
Unrealized	1,348	739	860	(39)	-
Total Investment Income (Loss)	2,740	(886)	1,567	(907)	-
Interest Income and Dividend Revenue	7,157	7,997	10,000	12,520	-
Other	(804)	1,450	428	(1,303)	-
Total Revenues	366,805	395,177	411,316	308,042	-
Expenses					
Compensation	235,137	258,284	226,837	180,917	-
Total Compensation and Benefits	235,137	258,284	226,837	180,917	-
Other Operating Expenses	84,589	81,843	87,484	62,326	-
Total Expenses	319,726	340,127	314,321	243,243	-
Economic Income	\$ 47,079	\$ 55,050	\$ 96,995	\$ 64,799	\$ -

Note: On October 1, 2015 Blackstone spun-off its Financial Advisory business, which did not include Blackstone's capital markets services business. The results of Blackstone's capital markets services business have been reclassified from the Financial Advisory segment to the Private Equity segment. All prior periods have been recast to reflect this reclassification.

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16 ^(a)	2Q'16	3Q'16	4Q'16	Year-to-Date	
													4Q'15	4Q'16
Net Income (Loss) Attributable to The Blackstone Group L.P.	\$ 265,617	\$ 517,016	\$ 250,505	\$ 551,451	\$ 629,448	\$ 134,168	\$ (254,697)	\$ 200,870	\$ 159,753	\$ 198,626	\$ 312,905	\$ 367,951	\$ 709,789	\$ 1,039,235
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	299,505	543,819	271,194	586,582	645,230	134,870	(247,318)	150,734	131,202	201,805	285,267	342,010	683,516	960,284
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	43,961	140,061	55,491	95,557	81,796	66,716	30,671	40,717	40,086	64,729	82,653	58,684	219,900	246,152
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	45,792	22,486	(23,328)	29,844	7,527	13,780	(12,520)	2,358	(6,401)	(2,049)	10,764	1,663	11,145	3,977
Net Income (Loss)	\$ 654,875	\$ 1,223,382	\$ 553,862	\$ 1,263,434	\$ 1,364,001	\$ 349,534	\$ (483,864)	\$ 394,679	\$ 324,640	\$ 463,111	\$ 691,589	\$ 770,308	\$ 1,624,350	\$ 2,249,648
Provision for Taxes	54,097	83,282	79,108	74,686	99,344	43,251	1,573	46,230	9,146	47,415	27,714	48,087	190,398	132,362
Income (Loss) Before Provision for Taxes	\$ 708,972	\$ 1,306,664	\$ 632,970	\$ 1,338,120	\$ 1,463,345	\$ 392,785	\$ (482,291)	\$ 440,909	\$ 333,786	\$ 510,526	\$ 719,303	\$ 818,395	\$ 1,814,748	\$ 2,382,010
Transaction-Related Charges (a)	177,024	178,568	209,240	291,550	231,862	192,018	80,962	(15,279)	64,136	69,956	60,029	70,816	489,563	264,937
Amortization of Intangibles (b)	29,003	28,310	27,828	26,113	25,899	24,720	30,624	23,287	23,208	23,208	22,054	15,996	104,530	84,466
(Income) Associated with Non-Controlling Interests of Consolidated Entities (c)	(89,753)	(162,547)	(32,163)	(125,401)	(89,323)	(80,496)	(18,151)	(43,075)	(33,685)	(62,680)	(93,417)	(60,347)	(231,045)	(250,129)
Economic Income (Loss)	\$ 825,246	\$ 1,350,995	\$ 837,875	\$ 1,530,382	\$ 1,631,783	\$ 529,027	\$ (388,856)	\$ 405,842	\$ 387,445	\$ 541,010	\$ 707,969	\$ 844,860	\$ 2,177,796	\$ 2,481,284
(Taxes) Benefit (d)	(11,312)	(25,032)	(79,519)	(83,649)	(9,719)	(20,587)	(27,070)	29,849	(16,794)	(21,234)	(20,985)	(33,250)	(27,527)	(92,263)
Economic Net Income (Loss)	\$ 813,934	\$ 1,325,963	\$ 758,356	\$ 1,446,733	\$ 1,622,064	\$ 508,440	\$ (415,926)	\$ 435,691	\$ 370,651	\$ 519,776	\$ 686,984	\$ 811,610	\$ 2,150,269	\$ 2,389,021
Taxes (Benefit) (d)	11,312	25,032	79,519	83,649	9,719	20,587	27,070	(29,849)	16,794	21,234	20,985	33,250	27,527	92,263
Performance Fee Adjustment (e)	(779,014)	(1,398,438)	(891,087)	(1,323,338)	(1,673,736)	(569,664)	639,349	(194,026)	(314,065)	(449,372)	(672,646)	(741,903)	(1,798,077)	(2,177,986)
Investment (Income) Loss Adjustment (f)	(116,467)	(175,971)	(80,766)	(98,424)	(189,641)	(10,774)	136,131	11,435	26,650	(59,771)	(87,887)	(99,282)	(52,849)	(220,290)
Other Revenue (g)	(869)	6	(719)	(7,823)	4,872	(3,973)	841	(10,240)	6,248	(8,546)	425	(52,839)	(8,500)	(54,712)
Net Interest Loss (h)	8,036	11,988	10,636	5,851	8,402	14,411	9,522	11,846	13,351	13,546	14,184	10,542	44,181	51,623
Performance Fee Compensation and Benefits Adjustment (i)	237,254	417,838	360,162	270,249	403,816	215,441	(130,479)	75,782	106,075	180,723	267,415	313,809	564,560	868,022
Equity-Based Compensation - Non-Incentive Fee Related (j)	15,847	10,524	9,064	9,698	42,248	27,994	15,690	10,969	20,963	16,852	16,624	19,308	96,901	73,747
Fee Related Earnings	\$ 190,033	\$ 216,942	\$ 245,165	\$ 386,595	\$ 227,744	\$ 202,462	\$ 282,198	\$ 311,608	\$ 246,667	\$ 234,442	\$ 246,084	\$ 294,495	\$ 1,024,012	\$ 1,021,688
Net Realized Performance Fees (k)	214,917	402,866	471,443	700,466	934,939	725,986	359,243	506,851	187,794	251,935	352,008	327,053	2,527,019	1,118,790
Realized Investment Income (Loss) (l)	111,917	202,199	75,832	153,477	107,792	136,497	87,526	86,993	(10,101)	53,670	60,634	95,666	418,808	199,869
Net Interest (Loss) (h)	(8,036)	(11,988)	(10,636)	(5,851)	(8,402)	(14,411)	(9,522)	(11,846)	(13,351)	(13,546)	(14,184)	(10,542)	(44,181)	(51,623)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (m)	(31,054)	(44,841)	(96,437)	(108,456)	(16,994)	(20,587)	(27,070)	(25,819)	(16,794)	(31,588)	(51,089)	(67,678)	(90,470)	(167,149)
Distributable Earnings	\$ 477,777	\$ 765,178	\$ 685,367	\$ 1,126,231	\$ 1,245,079	\$ 1,029,947	\$ 692,375	\$ 867,787	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 3,835,188	\$ 2,121,575
Interest Expense	30,398	34,082	34,221	34,154	38,853	45,437	44,981	46,511	48,432	48,779	47,265	53,030	175,782	197,506
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (m)	31,054	44,841	96,437	108,456	16,994	20,587	27,070	25,819	16,794	31,588	51,089	67,678	90,470	167,149
Depreciation and Amortization	10,373	7,170	7,557	7,200	6,927	6,715	6,719	6,852	6,292	6,331	7,338	12,010	27,213	31,971
Adjusted EBITDA	\$ 549,602	\$ 851,271	\$ 823,582	\$ 1,276,041	\$ 1,307,853	\$ 1,102,686	\$ 771,145	\$ 946,969	\$ 465,733	\$ 581,611	\$ 699,145	\$ 771,712	\$ 4,128,653	\$ 2,518,201

See Reconciliation of GAAP to Non-GAAP Measures – Notes.

Effective January 1, 2017, Fee Related Earnings, a Total Segment measure, has been redefined to exclude all Equity-Based Compensation and Other Revenue.

Distributable Earnings, a Total Segment measure, has been redefined to exclude Other Revenue. All prior periods have been recast to reflect this definition.

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)

	2012	2013	2014	2015	2016
Net Income Attributable to The Blackstone Group L.P.	\$ 218,598	\$ 1,171,202	\$ 1,584,589	\$ 709,789	\$ 1,039,235
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	407,727	1,339,845	1,701,100	683,516	960,284
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	99,959	198,557	335,070	219,900	246,152
Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	103,598	183,315	74,794	11,145	3,977
Net Income	\$ 829,882	\$ 2,892,919	\$ 3,695,553	\$ 1,624,350	\$ 2,249,648
Provision for Taxes	185,023	255,642	291,173	190,398	132,362
Income Before Provision for Taxes	\$ 1,014,905	\$ 3,148,561	\$ 3,986,726	\$ 1,814,748	\$ 2,382,010
Transaction-Related Charges (a)	1,079,511	722,707	856,382	489,563	264,937
Amortization of Intangibles (b)	150,148	106,643	111,254	104,530	84,466
(Income) Associated with Non-Controlling Interests of Consolidated Entities (c)	(203,557)	(381,872)	(409,864)	(231,045)	(250,129)
Economic Income	\$ 2,041,007	\$ 3,596,039	\$ 4,544,498	\$ 2,177,796	\$ 2,481,284
Taxes (d)	(45,708)	(82,164)	(199,512)	(27,527)	(92,263)
Economic Net Income	\$ 1,995,299	\$ 3,513,875	\$ 4,344,986	\$ 2,150,269	\$ 2,389,021
Taxes (d)	45,708	82,164	199,512	27,527	92,263
Performance Fee Adjustment (e)	(1,593,765)	(3,556,373)	(4,391,877)	(1,798,077)	(2,177,986)
Investment (Income) Adjustment (f)	(286,244)	(687,805)	(471,628)	(52,849)	(220,290)
Other Revenue (g)	(5,149)	(10,308)	(9,405)	(8,500)	(54,712)
Net Interest Loss (h)	22,522	32,968	36,511	44,181	51,623
Performance Fee Compensation and Benefits Adjustment (i)	513,546	1,413,182	1,285,503	564,560	868,022
Equity-Based Compensation - Non-Incentive Fee Related (j)	90,040	130,124	45,133	96,901	73,747
Fee Related Earnings	\$ 781,957	\$ 917,827	\$ 1,038,735	\$ 1,024,012	\$ 1,021,688
Net Realized Performance Fees (k)	392,411	960,175	1,789,692	2,527,019	1,118,790
Realized Investment Income (l)	95,398	170,471	543,425	418,808	199,869
Net Interest (Loss) (h)	(22,522)	(32,968)	(36,511)	(44,181)	(51,623)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (m)	(132,325)	(156,734)	(280,788)	(90,470)	(167,149)
Distributable Earnings	\$ 1,114,919	\$ 1,858,771	\$ 3,054,553	\$ 3,835,188	\$ 2,121,575
Interest Expense	69,152	103,904	132,855	175,782	197,506
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (m)	132,325	156,734	280,788	90,470	167,149
Depreciation and Amortization	42,235	35,441	32,300	27,213	31,971
Adjusted EBITDA	\$ 1,358,631	\$ 2,154,850	\$ 3,500,496	\$ 4,128,653	\$ 2,518,201

See Reconciliation of GAAP to Non-GAAP Measures – Notes.

Reconciliation of GAAP to Non-GAAP Measures – Notes

- (a) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes amounts for Transaction-Related Charges which include principally equity-based compensation charges associated with Blackstone's initial public offering and long-term retention programs outside of annual deferred compensation and other corporate actions.
- (b) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes amounts for the Amortization of Intangibles which are associated with Blackstone's initial public offering and other corporate actions.
- (c) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes the amount of (Income) Loss Associated with Non-Controlling Interests of Consolidated Entities and includes the amount of Management Fee Revenues associated with Consolidated CLO Entities.
- (d) Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes.
- (e) This adjustment removes from EI the total segment amount of Performance Fees.
- (f) This adjustment removes from EI the total segment amount of Investment Income (Loss).
- (g) This adjustment removes from EI the total segment amount of Other Revenue.
- (h) This adjustment represents Interest Income and Dividend Revenue less Interest Expense.
- (i) This adjustment removes from expenses the compensation and benefit amounts related to Blackstone's profit sharing plans related to Performance Fees, including Incentive Fee Related equity-based award expense.
- (j) Represents Non-Incentive Fee Related equity-based award expense and excludes all transaction-related equity-based charges.
- (k) Represents the adjustment for realized Performance Fees net of corresponding actual amounts due under Blackstone's profit sharing plans related thereto. Equals the sum of Net Realized Incentive Fees and Net Realized Carried Interest
- (l) Represents the adjustment for Blackstone's Realized Investment Income (Loss).
- (m) Taxes and Related Payables Including Payable Under Tax Receivable Agreement represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and the Payable Under Tax Receivable Agreement.
- (n) Blackstone adopted new GAAP stock compensation guidance in 2Q'16 as of January 1, 2016. Adoption changed Provision for Taxes, Net Income, Net Income Attributable to The Blackstone Group L.P. and the number of GAAP Weighted-Average Units Outstanding - Diluted in 1Q'16. Such amounts have been recast in this presentation from the amounts originally reported in 1Q'16.

Walkdown of Financial Metrics

	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	Year-to-Date	
													4Q'15	4Q'16
▶ Management and Advisory Fees, Net	\$ 590,107	\$ 640,462	\$ 657,746	\$ 679,725	\$ 619,763	\$ 586,784	\$ 708,667	\$ 649,691	\$ 613,201	\$ 612,220	\$ 601,680	\$ 635,892	\$ 2,564,905	\$ 2,462,993
▶ Fee Related Compensation	(290,698)	(312,491)	(315,362)	(189,827)	(287,590)	(261,358)	(313,885)	(229,485)	(266,440)	(269,303)	(251,971)	(221,755)	(1,092,318)	(1,009,469)
▶ Non-Interest Operating Expenses	(109,376)	(111,029)	(97,219)	(103,303)	(104,429)	(122,964)	(112,584)	(108,598)	(100,094)	(108,475)	(103,625)	(119,642)	(448,575)	(431,836)
Fee Related Earnings	\$ 190,033	\$ 216,942	\$ 245,165	\$ 386,595	\$ 227,744	\$ 202,462	\$ 282,198	\$ 311,608	\$ 246,667	\$ 234,442	\$ 246,084	\$ 294,495	\$ 1,024,012	\$ 1,021,688
▶ Net Realized Incentive Fees (b)	30,692	21,508	18,694	83,845	19,593	26,535	21,853	46,962	15,388	15,782	16,413	52,246	114,943	99,829
▶ Net Realized Carried Interest (b)	184,225	381,358	452,749	616,621	915,346	699,451	337,390	459,889	172,406	236,153	335,595	274,807	2,412,076	1,018,961
▶ Realized Investment Income (a)	111,917	202,199	75,832	153,477	107,792	136,497	87,526	86,993	(10,101)	53,670	60,634	95,666	418,808	199,869
▶ Net Interest (Loss) (b)	(8,036)	(11,988)	(10,636)	(5,851)	(8,402)	(14,411)	(9,522)	(11,846)	(13,351)	(13,546)	(14,184)	(10,542)	(44,181)	(51,623)
▶ Taxes and Related Payables (b) (c)	(31,054)	(44,841)	(96,437)	(108,456)	(16,994)	(20,587)	(27,070)	(25,819)	(16,794)	(31,588)	(51,089)	(67,678)	(90,470)	(167,149)
Distributable Earnings	\$ 477,777	\$ 765,178	\$ 685,367	\$ 1,126,231	\$ 1,245,079	\$ 1,029,947	\$ 692,375	\$ 867,787	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 3,835,188	\$ 2,121,575
▶ Net Unrealized Incentive Fees (b)	37,735	32,084	2,471	(82,439)	37,659	20,180	(38,704)	(23,894)	3,652	5,318	18,664	961	(4,759)	28,595
▶ Net Unrealized Carried Interest (b)	289,598	546,376	57,894	436,056	299,472	(391,390)	(827,280)	(363,402)	17,605	13,066	36,113	101,619	(1,282,600)	168,403
▶ Unrealized Investment Income (Loss) (a)	4,550	(26,228)	4,934	(55,053)	81,849	(125,723)	(223,657)	(98,428)	(16,549)	6,101	27,253	3,616	(365,959)	20,421
▶ Other Revenue	869	(6)	719	7,823	(4,872)	3,973	(841)	10,240	(6,248)	8,546	(425)	52,839	8,500	54,712
▶ Add Back: Related Payables (b) (e)	19,742	19,809	16,918	24,807	7,275	-	-	55,668	-	10,354	30,104	34,428	62,943	74,886
▶ Less: Equity-Based Compensation (b) (d)	(16,337)	(11,250)	(9,947)	(10,692)	(44,398)	(28,547)	(17,819)	(12,280)	(22,024)	(18,522)	(18,178)	(20,847)	(103,044)	(79,571)
Economic Net Income (Loss)	\$ 813,934	\$ 1,325,963	\$ 758,356	\$ 1,446,733	\$ 1,622,064	\$ 508,440	\$ (415,926)	\$ 435,691	\$ 370,651	\$ 519,776	\$ 686,984	\$ 811,610	\$ 2,150,269	\$ 2,389,021

Fee Earnings

Distributable Earnings

Economic Net Income

(a) Represents the total segment amounts of the respective captions.

(b) See Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics for details.

(c) Represents the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and the Payable Under Tax Receivable Agreement.

(d) Represents equity-based award expense included in Economic Income, which excludes all transaction-related equity-based charges.

(e) Represents tax-related payables including the Payable Under Tax Receivable Agreement, which is a component of Taxes and Related Payables.

Walkdown of Financial Metrics

(Dollars in Thousands)

	2012	2013	2014	2015	2016	
▶ Management and Advisory Fees, Net	\$ 2,134,986	\$ 2,286,078	\$ 2,568,040	\$ 2,564,905	\$ 2,462,993	Fee Earnings
▶ Fee Related Compensation	(940,736)	(985,516)	(1,108,378)	(1,092,318)	(1,009,469)	
▶ Non-Interest Operating Expenses	(412,293)	(382,735)	(420,927)	(448,575)	(431,836)	
Fee Related Earnings	\$ 781,957	\$ 917,827	\$ 1,038,735	\$ 1,024,012	\$ 1,021,688	Distributable Earnings
▶ Net Realized Incentive Fees (b)	161,422	273,418	154,739	114,943	99,829	
▶ Net Realized Carried Interest (b)	230,989	686,757	1,634,953	2,412,076	1,018,961	
▶ Realized Investment Income (a)	95,398	170,471	543,425	418,808	199,869	
▶ Net Interest (Loss) (b)	(22,522)	(32,968)	(36,511)	(44,181)	(51,623)	
▶ Taxes and Related Payables (b) (c)	(132,325)	(156,734)	(280,788)	(90,470)	(167,149)	
Distributable Earnings	\$ 1,114,919	\$ 1,858,771	\$ 3,054,553	\$ 3,835,188	\$ 2,121,575	
▶ Net Unrealized Incentive Fees (b)	15,217	(8,277)	(10,149)	(4,759)	28,595	
▶ Net Unrealized Carried Interest (b)	672,591	1,191,293	1,329,924	(1,282,600)	168,403	
▶ Unrealized Investment Income (Loss) (a)	190,846	517,334	(71,797)	(365,959)	20,421	
▶ Other Revenue	5,149	10,308	9,405	8,500	54,712	
▶ Add Back: Related Payables (b) (e)	86,617	74,570	81,276	62,943	74,886	
▶ Less: Equity-Based Compensation (b) (d)	(90,040)	(130,124)	(48,226)	(103,044)	(79,571)	
Economic Net Income	\$ 1,995,299	\$ 3,513,875	\$ 4,344,986	\$ 2,150,269	\$ 2,389,021	Economic Net Income

(a) Represents the total segment amounts of the respective captions.

(b) See Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics for details.

(c) Represents the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and the Payable Under Tax Receivable Agreement.

(d) Represents equity-based award expense included in Economic Income, which excludes all transaction-related equity-based charges.

(e) Represents tax-related payables including the Payable Under Tax Receivable Agreement, which is a component of Taxes and Related Payables.

Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics

(Dollars in Thousands)	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	Year-to-Date	
													4Q'15	4Q'16
Compensation	\$ (306,545)	\$ (323,015)	\$ (324,426)	\$ (199,525)	\$ (329,838)	\$ (289,352)	\$ (329,575)	\$ (240,454)	\$ (287,403)	\$ (286,155)	\$ (268,595)	\$ (241,063)	\$ (1,189,219)	\$ (1,083,216)
Less: Equity-Based Compensation - Non-Incentive Fee Related	15,847	10,524	9,064	9,698	42,248	27,994	15,690	10,969	20,963	16,852	16,624	19,308	96,901	73,747
Fee Related Compensation	\$ (290,698)	\$ (312,491)	\$ (315,362)	\$ (189,827)	\$ (287,590)	\$ (261,358)	\$ (313,885)	\$ (229,485)	\$ (266,440)	\$ (269,303)	\$ (251,971)	\$ (221,755)	\$ (1,092,318)	\$ (1,009,469)
Other Operating Expenses	139,774	145,111	131,440	137,457	143,282	168,401	157,565	155,109	148,526	157,254	150,890	172,672	624,357	629,342
Less: Interest Expense	(30,398)	(34,082)	(34,221)	(34,154)	(38,853)	(45,437)	(44,981)	(46,511)	(48,432)	(48,779)	(47,265)	(53,030)	(175,782)	(197,506)
Non-Interest Operating Expenses	\$ 109,376	\$ 111,029	\$ 97,219	\$ 103,303	\$ 104,429	\$ 122,964	\$ 112,584	\$ 108,598	\$ 100,094	\$ 108,475	\$ 103,625	\$ 119,642	\$ 448,575	\$ 431,836
Realized Incentive Fees	53,837	39,291	36,840	131,777	29,670	47,819	34,785	82,472	28,450	29,363	30,295	83,993	194,746	172,101
Less: Realized Incentive Fee Compensation	(23,635)	(18,509)	(19,029)	(48,926)	(12,227)	(21,837)	(15,061)	(36,821)	(14,123)	(15,251)	(15,436)	(33,286)	(85,946)	(78,096)
Plus: Equity-Based Compensation - Incentive Fee Related	490	726	883	994	2,150	553	2,129	1,311	1,061	1,670	1,554	1,539	6,143	5,824
Net Realized Incentive Fees	\$ 30,692	\$ 21,508	\$ 18,694	\$ 83,845	\$ 19,593	\$ 26,535	\$ 21,853	\$ 46,962	\$ 15,388	\$ 15,782	\$ 16,413	\$ 52,246	\$ 114,943	\$ 99,829
Realized Carried Interest	333,623	641,659	638,752	836,562	1,207,594	937,483	435,189	625,610	230,909	323,734	504,022	416,250	3,205,876	1,474,915
Less: Realized Carried Interest Compensation	(149,398)	(260,301)	(186,003)	(219,941)	(292,248)	(238,032)	(97,799)	(165,721)	(58,503)	(87,581)	(168,427)	(141,443)	(793,800)	(455,954)
Net Realized Carried Interest	\$ 184,225	\$ 381,358	\$ 452,749	\$ 616,621	\$ 915,346	\$ 699,451	\$ 337,390	\$ 459,889	\$ 172,406	\$ 236,153	\$ 335,595	\$ 274,807	\$ 2,412,076	\$ 1,018,961
Interest Income and Dividend Revenue	22,362	22,094	23,585	28,303	30,451	31,026	35,459	34,665	35,081	35,233	33,081	42,488	131,601	145,883
Less: Interest Expense	(30,398)	(34,082)	(34,221)	(34,154)	(38,853)	(45,437)	(44,981)	(46,511)	(48,432)	(48,779)	(47,265)	(53,030)	(175,782)	(197,506)
Net Interest (Loss)	\$ (8,036)	\$ (11,988)	\$ (10,636)	\$ (5,851)	\$ (8,402)	\$ (14,411)	\$ (9,522)	\$ (11,846)	\$ (13,351)	\$ (13,546)	\$ (14,184)	\$ (10,542)	\$ (44,181)	\$ (51,623)
Taxes and Related Payables (a)	\$ (31,054)	\$ (44,841)	\$ (96,437)	\$ (108,456)	\$ (16,994)	\$ (20,587)	\$ (27,070)	\$ (25,819)	\$ (16,794)	\$ (31,588)	\$ (51,089)	\$ (67,678)	\$ (90,470)	\$ (167,149)
Unrealized Incentive Fees	61,266	56,776	(6,531)	(140,936)	62,620	26,311	(53,346)	(42,834)	7,100	8,007	32,172	2,450	(7,249)	49,729
Less: Unrealized Incentive Fee Compensation	(23,531)	(24,692)	9,002	58,497	(24,961)	(6,131)	14,642	18,940	(3,448)	(2,689)	(13,508)	(1,489)	2,490	(21,134)
Net Unrealized Incentive Fees	\$ 37,735	\$ 32,084	\$ 2,471	\$ (82,439)	\$ 37,659	\$ 20,180	\$ (38,704)	\$ (23,894)	\$ 3,652	\$ 5,318	\$ 18,664	\$ 961	\$ (4,759)	\$ 28,595
Unrealized Carried Interest	330,288	660,712	222,026	495,935	373,852	(441,949)	(1,055,977)	(471,222)	47,606	88,268	106,157	239,210	(1,595,296)	481,241
Less: Unrealized Carried Interest Compensation	(40,690)	(114,336)	(164,132)	(59,879)	(74,380)	50,559	228,697	107,820	(30,001)	(75,202)	(70,044)	(137,591)	312,696	(312,838)
Net Unrealized Carried Interest	\$ 289,598	\$ 546,376	\$ 57,894	\$ 436,056	\$ 299,472	\$ (391,390)	\$ (827,280)	\$ (363,402)	\$ 17,605	\$ 13,066	\$ 36,113	\$ 101,619	\$ (1,282,600)	\$ 168,403
Related Payables (b)	\$ 19,742	\$ 19,809	\$ 16,918	\$ 24,807	\$ 7,275	\$ -	\$ -	\$ 55,668	\$ -	\$ 10,354	\$ 30,104	\$ 34,428	\$ 62,943	\$ 74,886
Equity-Based Compensation - Non-Incentive Fee Related	15,847	10,524	9,064	9,698	42,248	27,994	15,690	10,969	20,963	16,852	16,624	19,308	96,901	73,747
Plus: Equity-Based Compensation - Incentive Fee Related	490	726	883	994	2,150	553	2,129	1,311	1,061	1,670	1,554	1,539	6,143	5,824
Equity-Based Compensation (c)	\$ 16,337	\$ 11,250	\$ 9,947	\$ 10,692	\$ 44,398	\$ 28,547	\$ 17,819	\$ 12,280	\$ 22,024	\$ 18,522	\$ 18,178	\$ 20,847	\$ 103,044	\$ 79,571

Unless otherwise noted, all amounts are the respective captions from the Total Segment information.

(a) Represents the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and the Payable Under Tax Receivable Agreement.

(b) Represents tax-related payables including the Payable Under Tax Receivable Agreement, which is a component of Taxes and Related Payables.

(c) Represents equity-based award expense included in Economic Income, which excludes all transaction-related equity-based charges.

Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics

(Dollars in Thousands)	2012	2013	2014	2015	2016
Compensation	\$ (1,030,776)	\$ (1,115,640)	\$ (1,153,511)	\$ (1,189,219)	\$ (1,083,216)
Less: Equity-Based Compensation - Non-Incentive Fee Related	90,040	130,124	45,133	96,901	73,747
Fee Related Compensation	\$ (940,736)	\$ (985,516)	\$ (1,108,378)	\$ (1,092,318)	\$ (1,009,469)
Other Operating Expenses	481,445	486,639	553,782	624,357	629,342
Less: Interest Expense	(69,152)	(103,904)	(132,855)	(175,782)	(197,506)
Non-Interest Operating Expenses	\$ 412,293	\$ 382,735	\$ 420,927	\$ 448,575	\$ 431,836
Realized Incentive Fees	301,464	474,333	261,745	194,746	172,101
Less: Realized Incentive Fee Compensation	(140,042)	(200,915)	(110,099)	(85,946)	(78,096)
Plus: Equity-Based Compensation - Incentive Fee Related	-	-	3,093	6,143	5,824
Net Realized Incentive Fees	\$ 161,422	\$ 273,418	\$ 154,739	\$ 114,943	\$ 99,829
Realized Carried Interest	327,422	943,958	2,450,596	3,205,876	1,474,915
Less: Realized Carried Interest Compensation	(96,433)	(257,201)	(815,643)	(793,800)	(455,954)
Net Realized Carried Interest	\$ 230,989	\$ 686,757	\$ 1,634,953	\$ 2,412,076	\$ 1,018,961
Interest Income and Dividend Revenue	46,630	70,936	96,344	131,601	145,883
Less: Interest Expense	(69,152)	(103,904)	(132,855)	(175,782)	(197,506)
Net Interest (Loss)	\$ (22,522)	\$ (32,968)	\$ (36,511)	\$ (44,181)	\$ (51,623)
Taxes and Related Payables (a)	\$ (132,325)	\$ (156,734)	\$ (280,788)	\$ (90,470)	\$ (167,149)
Unrealized Incentive Fees	(29,311)	(19,928)	(29,425)	(7,249)	49,729
Less: Unrealized Incentive Fee Compensation	44,528	11,651	19,276	2,490	(21,134)
Net Unrealized Incentive Fees	\$ 15,217	\$ (8,277)	\$ (10,149)	\$ (4,759)	\$ 28,595
Unrealized Carried Interest	994,190	2,158,010	1,708,961	(1,595,296)	481,241
Less: Unrealized Carried Interest Compensation	(321,599)	(966,717)	(379,037)	312,696	(312,838)
Net Unrealized Carried Interest	\$ 672,591	\$ 1,191,293	\$ 1,329,924	\$ (1,282,600)	\$ 168,403
Related Payables (b)	\$ 86,617	\$ 74,570	\$ 81,276	\$ 62,943	\$ 74,886
Equity-Based Compensation - Non-Incentive Fee Related	90,040	130,124	45,133	96,901	73,747
Plus: Equity-Based Compensation - Incentive Fee Related	-	-	3,093	6,143	5,824
Equity-Based Compensation (c)	\$ 90,040	\$ 130,124	\$ 48,226	\$ 103,044	\$ 79,571

Unless otherwise noted, all amounts are the respective captions from the Total Segment information.

(a) Represents the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and the Payable Under Tax Receivable Agreement.

(b) Represents tax-related payables including the Payable Under Tax Receivable Agreement, which is a component of Taxes and Related Payables.

(c) Represents equity-based award expense included in Economic Income, which excludes all transaction-related equity-based charges.

Definitions

Blackstone discloses the following financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America (“non-GAAP”) in this presentation:

- Blackstone uses Economic Income, or “EI”, as a key measure of value creation, a benchmark of its performance and in making resource deployment and compensation decisions across its four segments. EI represents segment net income before taxes excluding transaction-related charges. Transaction-related charges arise from Blackstone’s initial public offering (“IPO”) and certain long-term retention programs outside of annual deferred compensation and other corporate actions, including acquisitions. Transaction-related charges include certain equity-based compensation charges, the amortization of intangible assets and contingent consideration associated with acquisitions. EI presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages.
- Economic Net Income, or “ENI”, represents EI adjusted to include current period taxes. Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes.
- Blackstone uses Fee Related Earnings, or “FRE”, which is derived from EI, as a measure to highlight earnings from operations excluding: (a) the income related to performance fees and related performance fee compensation, (b) income earned from Blackstone’s investments in the Blackstone Funds, (c) net interest income (loss), and (d) Other Revenue. Blackstone uses FRE as a measure to assess whether recurring revenue from its businesses is sufficient to adequately cover all of its operating expenses and generate profits. FRE equals contractual fee revenues less (a) compensation expenses (which excludes amortization of equity-based awards, Carried Interest and Incentive Fee compensation), and (b) non-interest operating expenses.
- Distributable Earnings, or “DE”, which is derived from Blackstone’s segment reported results, is a supplemental measure to assess performance and amounts available for distributions to Blackstone unitholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings partnerships. DE is intended to show the amount of net realized earnings without the effects of the consolidation of the Blackstone Funds. DE, which is a component of ENI, is the sum across all segments of: (a) Total Management, Advisory and Other Fees, Net (b) Interest and Dividend Revenue, (c) Realized Performance Fees, and (d) Realized Investment Income (Loss); less (a) Compensation, excluding the expense of equity-based awards, (b) Realized Performance Fee Compensation, (c) Other Operating Expenses, and (d) Taxes and Related Payables Under the Tax Receivable Agreement. DE is reconciled to Blackstone’s Consolidated Statement of Operations.
- Blackstone uses Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization, or “Adjusted EBITDA”, as a supplemental non-GAAP measure derived from segment reported results and may be used to assess its ability to service its borrowings. Adjusted EBITDA represents DE plus the addition of (a) Interest Expense (including inter-segment interest related expense), (b) Taxes and Related Payables Including Payable Under Tax Receivable Agreement, and (c) Depreciation and Amortization.