

# Blackstone's 3Q'17 Supplemental Financial Data

January 31, 2018 (Updated Definitions)

Note: Effective 4Q'17, Total Segment measures have been redefined to eliminate inter-segment interest revenue and expense. This adjustment results in no change to Economic Income, ENI, DE and FRE on a Total Segment basis, but results in changes to each segment's Economic Income. All historical results since its inception in 1Q'14 have been recast. Please see the "Definitions" tab in this worksheet for Blackstone's Definitions of these measures. Effective 4Q'17, an insurance related multi-asset product in our Private Equity segment was reclassified to our Credit segment. All historical results since its inception in 3Q'16 have been recast.

## Total Segments

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17
<b>Revenues</b>											
<b>Management and Advisory Fees, Net</b>											
Base Management Fees	\$ 516,397	\$ 516,492	\$ 564,287	\$ 599,407	\$ 586,703	\$ 593,996	\$ 593,509	\$ 623,571	\$ 642,958	\$ 671,368	\$ 669,902
Transaction, Advisory and Other Fees, Net	121,311	88,726	178,556	73,223	46,599	33,620	29,021	35,618	40,222	38,892	32,295
Management Fee Offsets	(17,945)	(18,434)	(34,176)	(22,939)	(20,101)	(15,396)	(20,850)	(23,297)	(33,599)	(13,424)	(10,215)
<b>Total Management and Advisory Fees, Net</b>	<b>619,763</b>	<b>586,784</b>	<b>708,667</b>	<b>649,691</b>	<b>613,201</b>	<b>612,220</b>	<b>601,680</b>	<b>635,892</b>	<b>649,581</b>	<b>696,836</b>	<b>691,982</b>
<b>Performance Fees</b>											
Realized Carried Interest	1,207,594	937,483	435,189	625,610	230,909	323,734	504,022	416,250	1,111,322	602,293	369,309
Realized Incentive Fees	29,670	47,819	34,785	82,472	28,450	29,363	30,295	83,993	47,137	41,106	101,198
Unrealized Carried Interest	373,852	(441,949)	(1,055,977)	(471,222)	47,606	88,268	106,157	239,210	(154,747)	65,080	432,597
Unrealized Incentive Fees	62,620	26,311	(53,346)	(42,834)	7,100	8,007	32,172	2,450	60,016	48,527	(8,472)
<b>Total Performance Fees</b>	<b>1,673,736</b>	<b>569,664</b>	<b>(639,349)</b>	<b>194,026</b>	<b>314,065</b>	<b>449,372</b>	<b>672,646</b>	<b>741,903</b>	<b>1,063,728</b>	<b>757,006</b>	<b>894,632</b>
<b>Investment Income (Loss)</b>											
Realized	107,792	136,497	87,526	86,993	(10,101)	53,670	60,634	95,666	202,894	100,887	60,188
Unrealized	81,849	(125,723)	(223,657)	(98,428)	(16,549)	6,101	27,253	3,616	(98,935)	(33,167)	17,384
<b>Total Investment Income (Loss)</b>	<b>189,641</b>	<b>10,774</b>	<b>(136,131)</b>	<b>(11,435)</b>	<b>(26,650)</b>	<b>59,771</b>	<b>87,887</b>	<b>99,282</b>	<b>103,959</b>	<b>67,720</b>	<b>77,572</b>
Interest Income and Dividend Revenue	22,063	22,095	26,435	25,068	23,146	22,474	22,235	28,544	28,496	33,703	37,885
Other	(4,872)	3,973	(841)	10,240	(6,248)	8,546	(425)	52,839	(8,287)	(62,469)	(34,144)
<b>Total Revenues</b>	<b>2,500,331</b>	<b>1,193,290</b>	<b>(41,219)</b>	<b>867,590</b>	<b>917,514</b>	<b>1,152,383</b>	<b>1,384,023</b>	<b>1,558,460</b>	<b>1,837,477</b>	<b>1,492,796</b>	<b>1,667,927</b>
<b>Expenses</b>											
Compensation	329,838	289,352	329,575	240,454	287,403	286,155	268,595	241,063	289,027	305,257	302,798
<b>Performance Fee Compensation</b>											
Realized Carried Interest	292,248	238,032	97,799	165,721	58,503	87,581	168,427	141,443	366,191	195,289	134,014
Realized Incentive Fees	12,227	21,837	15,061	36,821	14,123	15,251	15,436	33,286	22,752	21,481	46,823
Unrealized Carried Interest	74,380	(50,559)	(228,697)	(107,820)	30,001	75,202	70,044	137,591	(4,387)	74,500	187,158
Unrealized Incentive Fees	24,961	6,131	(14,642)	(18,940)	3,448	2,689	13,508	1,489	23,139	20,600	(7,094)
<b>Total Compensation and Benefits</b>	<b>733,654</b>	<b>504,793</b>	<b>199,096</b>	<b>316,236</b>	<b>393,478</b>	<b>466,878</b>	<b>536,010</b>	<b>554,872</b>	<b>696,722</b>	<b>617,127</b>	<b>663,699</b>
Interest Expense	30,465	36,506	35,957	36,914	36,497	36,020	36,419	39,086	39,450	40,294	40,749
Other Operating Expenses	104,429	122,964	112,584	108,598	100,094	108,475	103,625	119,642	96,462	105,838	106,617
<b>Total Expenses</b>	<b>868,548</b>	<b>664,263</b>	<b>347,637</b>	<b>461,748</b>	<b>530,069</b>	<b>611,373</b>	<b>676,054</b>	<b>713,600</b>	<b>832,634</b>	<b>763,259</b>	<b>811,065</b>
<b>Economic Income (Loss)</b>	<b>\$ 1,631,783</b>	<b>\$ 529,027</b>	<b>\$ (388,856)</b>	<b>\$ 405,842</b>	<b>\$ 387,445</b>	<b>\$ 541,010</b>	<b>\$ 707,969</b>	<b>\$ 844,860</b>	<b>\$ 1,004,843</b>	<b>\$ 729,537</b>	<b>\$ 856,862</b>
Total Assets Under Management	\$ 310,451,289	\$ 332,723,546	\$ 333,925,521	\$ 336,384,575	\$ 343,705,462	\$ 356,281,669	\$ 361,040,173	\$ 366,553,465	\$ 368,196,917	\$ 371,056,281	\$ 387,449,746
Fee-Earning Assets Under Management	\$ 223,511,700	\$ 239,342,214	\$ 240,939,356	\$ 246,146,372	\$ 244,452,764	\$ 266,006,713	\$ 267,757,727	\$ 277,092,672	\$ 280,215,551	\$ 281,934,511	\$ 285,698,425

## Private Equity

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17
<b>Revenues</b>											
<b>Management and Advisory Fees, Net</b>											
Base Management Fees	\$ 108,383	\$ 121,918	\$ 128,452	\$ 143,887	\$ 130,648	\$ 131,477	\$ 132,914	\$ 160,554	\$ 176,706	\$ 177,684	\$ 182,764
Transaction, Advisory and Other Fees, Net	22,788	(6,999)	11,906	19,124	8,920	11,089	11,511	7,763	16,176	17,289	8,748
Management Fee Offsets	(4,949)	(9,028)	(12,262)	(10,521)	(6,848)	(4,195)	(12,917)	(10,850)	(12,190)	(3,753)	(1,088)
<b>Total Management and Advisory Fees, Net</b>	<b>126,222</b>	<b>105,891</b>	<b>128,096</b>	<b>152,490</b>	<b>132,720</b>	<b>138,371</b>	<b>131,508</b>	<b>157,467</b>	<b>180,692</b>	<b>191,220</b>	<b>190,424</b>
<b>Performance Fees</b>											
Realized Carried Interest	382,978	546,575	214,532	330,902	30,282	57,056	26,398	131,532	582,681	198,168	101,918
Unrealized Carried Interest	566,822	(305,573)	(809,363)	(169,841)	73,875	85,047	144,754	122,015	(184,478)	9	80,326
<b>Total Performance Fees</b>	<b>949,800</b>	<b>241,002</b>	<b>(594,831)</b>	<b>161,061</b>	<b>104,157</b>	<b>142,103</b>	<b>171,152</b>	<b>253,547</b>	<b>398,203</b>	<b>198,177</b>	<b>182,244</b>
<b>Investment Income (Loss)</b>											
Realized	44,816	50,258	46,917	47,658	(15,357)	22,926	15,469	50,339	81,294	41,168	7,077
Unrealized	31,487	(22,301)	(110,689)	(14,835)	15,440	(2,766)	8,869	(26,136)	(40,522)	(25,892)	17,300
<b>Total Investment Income (Loss)</b>	<b>76,303</b>	<b>27,957</b>	<b>(63,772)</b>	<b>32,823</b>	<b>83</b>	<b>20,160</b>	<b>24,338</b>	<b>24,203</b>	<b>40,772</b>	<b>15,276</b>	<b>24,377</b>
Interest Income and Dividend Revenue	5,185	5,121	5,546	6,833	6,259	5,712	5,883	7,510	6,661	7,922	9,046
Other	(1,825)	2,515	471	4,693	(1,587)	3,395	411	18,239	(1,800)	(16,124)	(8,346)
<b>Total Revenues</b>	<b>1,155,685</b>	<b>382,486</b>	<b>(524,490)</b>	<b>357,900</b>	<b>241,632</b>	<b>309,741</b>	<b>333,292</b>	<b>460,966</b>	<b>624,528</b>	<b>396,471</b>	<b>397,745</b>
<b>Expenses</b>											
Compensation	71,072	68,106	70,419	70,651	80,274	83,140	73,638	72,916	83,603	90,676	96,166
<b>Performance Fee Compensation</b>											
Realized Carried Interest	39,482	106,502	16,303	94,635	15,427	30,946	13,741	50,768	181,633	63,060	48,019
Unrealized Carried Interest	178,120	(25,574)	(141,448)	(21,270)	9,296	19,450	69,300	65,891	(39,356)	22,219	45,484
<b>Total Compensation and Benefits</b>	<b>288,674</b>	<b>149,034</b>	<b>(54,726)</b>	<b>144,016</b>	<b>104,997</b>	<b>133,536</b>	<b>156,679</b>	<b>189,575</b>	<b>225,880</b>	<b>175,955</b>	<b>189,669</b>
Interest Expense	9,145	12,762	10,725	12,436	12,113	11,942	12,084	12,987	10,427	10,728	10,804
Other Operating Expenses	27,301	47,222	30,205	38,257	31,980	32,184	31,750	34,771	27,761	28,592	32,166
<b>Total Expenses</b>	<b>325,120</b>	<b>209,018</b>	<b>(13,796)</b>	<b>194,709</b>	<b>149,090</b>	<b>177,662</b>	<b>200,513</b>	<b>237,333</b>	<b>264,068</b>	<b>215,275</b>	<b>232,639</b>
<b>Economic Income (Loss)</b>	<b>\$ 830,565</b>	<b>\$ 173,468</b>	<b>\$ (510,694)</b>	<b>\$ 163,191</b>	<b>\$ 92,542</b>	<b>\$ 132,079</b>	<b>\$ 132,779</b>	<b>\$ 223,633</b>	<b>\$ 360,460</b>	<b>\$ 181,196</b>	<b>\$ 165,106</b>
Total Assets Under Management	\$ 76,327,189	\$ 92,026,337	\$ 91,490,669	\$ 94,280,074	\$ 95,466,227	\$ 99,685,655	\$ 99,719,374	\$ 100,189,994	\$ 99,707,057	\$ 100,019,716	\$ 102,453,979
Fee-Earning Assets Under Management	\$ 49,342,211	\$ 49,537,189	\$ 50,560,404	\$ 51,451,196	\$ 50,228,312	\$ 69,467,174	\$ 69,344,971	\$ 69,110,457	\$ 68,227,286	\$ 68,029,670	\$ 67,538,062

## Real Estate

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17
<b>Revenues</b>											
<b>Management Fees, Net</b>											
Base Management Fees	\$ 152,348	\$ 140,743	\$ 175,710	\$ 199,774	\$ 199,907	\$ 201,004	\$ 197,629	\$ 196,621	\$ 197,879	\$ 227,865	\$ 224,048
Transaction and Other Fees, Net	15,216	21,510	21,390	52,461	35,794	21,112	14,190	24,228	21,279	16,087	20,616
Management Fee Offsets	(4,866)	(5,428)	(10,147)	(6,399)	(3,595)	(1,219)	(842)	(1,666)	(3,550)	(5,018)	(4,232)
<b>Total Management Fees, Net</b>	<b>162,698</b>	<b>156,825</b>	<b>186,953</b>	<b>245,836</b>	<b>232,106</b>	<b>220,897</b>	<b>210,977</b>	<b>219,183</b>	<b>215,608</b>	<b>238,934</b>	<b>240,432</b>
<b>Performance Fees</b>											
Realized Carried Interest	811,249	363,983	169,051	290,450	200,627	266,382	461,980	274,495	519,841	389,004	261,122
Realized Incentive Fees	723	1,220	3,879	11,331	4,069	6,099	3,857	15,600	2,914	5,315	50,588
Unrealized Carried Interest	(181,019)	(188,608)	(128,854)	(182,061)	(11,522)	(84,875)	(113,449)	58,849	(22,268)	77,200	292,544
Unrealized Incentive Fees	6,069	3,935	2,784	8,014	9,765	5,942	14,445	9,375	18,713	22,608	(21,977)
<b>Total Performance Fees</b>	<b>637,022</b>	<b>180,530</b>	<b>46,860</b>	<b>127,734</b>	<b>202,939</b>	<b>193,548</b>	<b>366,833</b>	<b>358,319</b>	<b>519,200</b>	<b>494,127</b>	<b>582,277</b>
<b>Investment Income (Loss)</b>											
Realized	71,344	85,432	39,821	38,985	12,975	19,929	46,704	43,104	119,579	57,599	44,449
Unrealized	37,510	(107,691)	(95,382)	(66,326)	(2,137)	(8,902)	(6,725)	16,645	(83,853)	(20,519)	(8,319)
<b>Total Investment Income (Loss)</b>	<b>108,854</b>	<b>(22,259)</b>	<b>(55,561)</b>	<b>(27,341)</b>	<b>10,838</b>	<b>11,027</b>	<b>39,979</b>	<b>59,749</b>	<b>35,726</b>	<b>37,080</b>	<b>36,130</b>
Interest Income and Dividend Revenue	7,584	7,726	8,502	9,689	9,531	9,079	8,977	10,866	12,094	14,493	15,461
Other	(3,977)	1,077	(938)	2,416	(1,909)	2,231	(548)	16,749	(3,150)	(22,965)	(13,108)
<b>Total Revenues</b>	<b>912,181</b>	<b>323,899</b>	<b>185,816</b>	<b>358,334</b>	<b>453,505</b>	<b>436,782</b>	<b>626,218</b>	<b>664,866</b>	<b>779,478</b>	<b>761,669</b>	<b>861,192</b>
<b>Expenses</b>											
<b>Compensation</b>											
Realized Carried Interest	246,496	116,168	52,546	68,827	43,076	56,441	147,419	85,686	179,925	124,292	84,192
Realized Incentive Fees	356	671	1,838	5,813	2,133	3,300	1,764	4,888	1,364	2,931	21,887
Unrealized Carried Interest	(98,084)	(50,559)	(23,018)	(24,686)	27,703	14,257	(38,972)	41,787	11,798	59,174	113,731
Unrealized Incentive Fees	2,575	230	5,215	797	4,158	2,542	6,229	3,943	8,509	9,680	(10,005)
<b>Total Compensation and Benefits</b>	<b>236,177</b>	<b>145,994</b>	<b>135,836</b>	<b>145,559</b>	<b>177,648</b>	<b>179,428</b>	<b>216,326</b>	<b>218,304</b>	<b>304,298</b>	<b>306,343</b>	<b>315,558</b>
Interest Expense	9,191	10,149	10,829	12,393	12,290	12,149	12,272	13,138	14,635	14,787	15,028
Other Operating Expenses	28,528	30,605	28,332	38,048	31,824	35,785	32,016	37,956	30,864	33,379	33,256
<b>Total Expenses</b>	<b>273,896</b>	<b>186,748</b>	<b>174,997</b>	<b>196,000</b>	<b>221,762</b>	<b>227,362</b>	<b>260,614</b>	<b>269,398</b>	<b>349,797</b>	<b>354,509</b>	<b>363,842</b>
<b>Economic Income</b>	<b>\$ 638,285</b>	<b>\$ 137,151</b>	<b>\$ 10,819</b>	<b>\$ 162,334</b>	<b>\$ 231,743</b>	<b>\$ 209,420</b>	<b>\$ 365,604</b>	<b>\$ 395,468</b>	<b>\$ 429,681</b>	<b>\$ 407,160</b>	<b>\$ 497,350</b>
Total Assets Under Management	\$ 92,785,658	\$ 91,578,634	\$ 93,187,556	\$ 93,917,824	\$ 101,107,528	\$ 103,197,060	\$ 101,876,562	\$ 101,963,652	\$ 102,070,930	\$ 104,034,287	\$ 111,298,844
Fee-Earning Assets Under Management	\$ 50,783,247	\$ 62,683,857	\$ 64,858,622	\$ 67,345,357	\$ 67,298,439	\$ 66,744,550	\$ 65,785,083	\$ 72,030,054	\$ 71,904,741	\$ 73,710,243	\$ 75,081,521

## Hedge Fund Solutions

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17
<b>Revenues</b>											
<b>Management Fees, Net</b>											
Base Management Fees	\$ 130,637	\$ 130,216	\$ 133,592	\$ 129,941	\$ 130,158	\$ 130,123	\$ 130,305	\$ 131,150	\$ 128,468	\$ 128,698	\$ 129,410
Transaction and Other Fees, Net	25	-	219	73	543	(5)	116	407	259	1,696	48
Management Fee Offsets	(280)	(608)	(507)	1,566	-	-	-	-	-	-	(28)
<b>Total Management Fees, Net</b>	<b>130,382</b>	<b>129,608</b>	<b>133,304</b>	<b>131,580</b>	<b>130,701</b>	<b>130,118</b>	<b>130,421</b>	<b>131,557</b>	<b>128,727</b>	<b>130,394</b>	<b>129,430</b>
<b>Performance Fees</b>											
Realized Incentive Fees	10,516	16,915	2,783	37,983	2,684	(251)	4,572	35,172	14,684	6,995	14,217
Unrealized Carried Interest	-	8,014	(5,394)	(599)	32	801	(84)	(245)	3,797	143	635
Unrealized Incentive Fees	47,427	15,855	(29,711)	(41,655)	(2,935)	1,036	12,038	(9,354)	40,311	22,458	29,349
<b>Total Performance Fees</b>	<b>57,943</b>	<b>40,784</b>	<b>(32,322)</b>	<b>(4,271)</b>	<b>(219)</b>	<b>1,586</b>	<b>16,526</b>	<b>25,573</b>	<b>58,792</b>	<b>29,596</b>	<b>44,201</b>
<b>Investment Income (Loss)</b>											
Realized	(10,375)	(1,757)	(468)	(141)	(4,745)	(515)	(1,211)	(753)	(632)	225	1,316
Unrealized	4,483	2,032	(6,411)	(1,539)	(12,291)	9,357	12,219	6,177	18,293	11,578	12,723
<b>Total Investment Income (Loss)</b>	<b>(5,892)</b>	<b>275</b>	<b>(6,879)</b>	<b>(1,680)</b>	<b>(17,036)</b>	<b>8,842</b>	<b>11,008</b>	<b>5,424</b>	<b>17,661</b>	<b>11,803</b>	<b>14,039</b>
Interest Income and Dividend Revenue	2,565	2,480	2,677	3,472	3,075	2,754	2,839	5,196	3,997	4,674	5,316
Other	(1,607)	459	(66)	1,414	(1,388)	1,125	(260)	8,680	(1,610)	(10,720)	(5,859)
<b>Total Revenues</b>	<b>183,391</b>	<b>173,606</b>	<b>96,714</b>	<b>130,515</b>	<b>115,133</b>	<b>144,425</b>	<b>160,534</b>	<b>176,430</b>	<b>207,567</b>	<b>165,747</b>	<b>187,127</b>
<b>Expenses</b>											
<b>Compensation</b>											
<b>Performance Fee Compensation</b>											
Realized Incentive Fees	3,470	8,711	(436)	15,410	1,863	1,325	2,902	13,307	7,317	4,362	6,884
Unrealized Carried Interest	-	4,077	(3,041)	(213)	-	238	35	(92)	1,209	178	216
Unrealized Incentive Fees	15,651	3,764	(7,011)	(15,316)	(1,195)	480	4,557	(3,550)	14,004	9,242	10,397
<b>Total Compensation and Benefits</b>	<b>75,225</b>	<b>62,393</b>	<b>33,920</b>	<b>33,012</b>	<b>54,837</b>	<b>46,479</b>	<b>54,700</b>	<b>49,174</b>	<b>70,134</b>	<b>61,143</b>	<b>61,844</b>
Interest Expense	4,547	5,032	5,428	6,042	6,047	5,964	6,032	6,481	6,543	6,688	6,763
Other Operating Expenses	15,404	14,128	17,358	16,578	18,107	19,131	19,593	19,039	16,379	16,318	17,958
<b>Total Expenses</b>	<b>95,176</b>	<b>81,553</b>	<b>56,706</b>	<b>55,632</b>	<b>78,991</b>	<b>71,574</b>	<b>80,325</b>	<b>74,694</b>	<b>93,056</b>	<b>84,149</b>	<b>86,565</b>
<b>Economic Income</b>	<b>\$ 88,215</b>	<b>\$ 92,053</b>	<b>\$ 40,008</b>	<b>\$ 74,883</b>	<b>\$ 36,142</b>	<b>\$ 72,851</b>	<b>\$ 80,209</b>	<b>\$ 101,736</b>	<b>\$ 114,511</b>	<b>\$ 81,598</b>	<b>\$ 100,562</b>
Total Assets Under Management	\$ 66,378,908	\$ 67,829,866	\$ 68,405,948	\$ 69,105,425	\$ 68,475,416	\$ 68,649,878	\$ 70,113,508	\$ 71,119,718	\$ 73,303,381	\$ 72,476,444	\$ 74,219,563
Fee-Earning Assets Under Management	\$ 64,114,498	\$ 65,512,170	\$ 65,182,338	\$ 65,665,439	\$ 64,831,253	\$ 64,973,999	\$ 66,434,971	\$ 66,987,553	\$ 68,812,528	\$ 67,824,464	\$ 69,037,961

## Credit

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17
<b>Revenues</b>											
<b>Management Fees, Net</b>											
Base Management Fees	\$ 125,029	\$ 123,615	\$ 126,533	\$ 125,805	\$ 125,990	\$ 131,392	\$ 132,661	\$ 135,246	\$ 139,905	\$ 137,121	\$ 133,680
Transaction and Other Fees, Net	1,457	2,060	1,289	1,565	1,342	1,424	3,204	3,220	2,508	3,820	2,883
Management Fee Offsets	(7,850)	(3,370)	(11,260)	(7,585)	(9,658)	(9,982)	(7,091)	(10,781)	(17,859)	(4,653)	(4,867)
<b>Total Management Fees, Net</b>	<b>118,636</b>	<b>122,305</b>	<b>116,562</b>	<b>119,785</b>	<b>117,674</b>	<b>122,834</b>	<b>128,774</b>	<b>127,685</b>	<b>124,554</b>	<b>136,288</b>	<b>131,696</b>
<b>Performance Fees</b>											
Realized Carried Interest	13,367	26,925	51,606	4,258	-	296	15,644	10,223	8,800	15,121	6,269
Realized Incentive Fees	18,431	29,684	28,123	33,158	21,697	23,515	21,866	33,221	29,539	28,796	36,393
Unrealized Carried Interest	(11,951)	44,218	(112,366)	(118,721)	(14,779)	87,295	74,936	58,591	48,202	(12,272)	59,092
Unrealized Incentive Fees	9,124	6,521	(26,419)	(9,193)	270	1,029	5,689	2,429	992	3,461	(15,844)
<b>Total Performance Fees</b>	<b>28,971</b>	<b>107,348</b>	<b>(59,056)</b>	<b>(90,498)</b>	<b>7,188</b>	<b>112,135</b>	<b>118,135</b>	<b>104,464</b>	<b>87,533</b>	<b>35,106</b>	<b>85,910</b>
<b>Investment Income (Loss)</b>											
Realized	2,237	2,723	1,735	491	(2,974)	11,330	(328)	2,976	2,653	1,895	7,346
Unrealized	6,887	2,760	(10,177)	(15,728)	(17,561)	8,412	12,890	6,930	7,147	1,666	(4,320)
<b>Total Investment Income (Loss)</b>	<b>9,124</b>	<b>5,483</b>	<b>(8,442)</b>	<b>(15,237)</b>	<b>(20,535)</b>	<b>19,742</b>	<b>12,562</b>	<b>9,906</b>	<b>9,800</b>	<b>3,561</b>	<b>3,026</b>
Interest Income and Dividend Revenue	4,293	4,433	4,468	5,074	4,281	4,929	4,536	4,972	5,744	6,614	8,062
Other	3,493	34	(73)	1,717	(1,364)	1,795	(28)	9,171	(1,727)	(12,660)	(6,831)
<b>Total Revenues</b>	<b>164,517</b>	<b>239,603</b>	<b>53,459</b>	<b>20,841</b>	<b>107,244</b>	<b>261,435</b>	<b>263,979</b>	<b>256,198</b>	<b>225,904</b>	<b>168,909</b>	<b>221,863</b>
<b>Expenses</b>											
<b>Compensation</b>											
Realized Carried Interest	6,270	15,362	28,950	2,259	-	194	7,267	4,989	4,633	7,937	1,803
Realized Incentive Fees	8,401	12,455	13,659	15,598	10,127	10,626	10,770	15,091	14,071	14,188	18,052
Unrealized Carried Interest	(5,656)	21,497	(61,190)	(61,651)	(6,998)	41,257	39,681	30,005	21,962	(7,071)	27,727
Unrealized Incentive Fees	6,735	2,137	(12,846)	(4,421)	485	(333)	2,722	1,096	626	1,678	(7,486)
<b>Total Compensation and Benefits</b>	<b>65,627</b>	<b>98,575</b>	<b>19,897</b>	<b>(6,351)</b>	<b>55,996</b>	<b>107,435</b>	<b>108,305</b>	<b>97,819</b>	<b>96,410</b>	<b>73,686</b>	<b>96,628</b>
Interest Expense	4,547	5,208	5,409	6,043	6,047	5,965	6,031	6,480	7,845	8,091	8,154
Other Operating Expenses	15,989	16,947	18,228	15,715	18,183	21,375	20,266	27,876	21,458	27,549	23,237
<b>Total Expenses</b>	<b>86,163</b>	<b>120,730</b>	<b>43,534</b>	<b>15,407</b>	<b>80,226</b>	<b>134,775</b>	<b>134,602</b>	<b>132,175</b>	<b>125,713</b>	<b>109,326</b>	<b>128,019</b>
<b>Economic Income</b>	<b>\$ 78,354</b>	<b>\$ 118,873</b>	<b>\$ 9,925</b>	<b>\$ 5,434</b>	<b>\$ 27,018</b>	<b>\$ 126,660</b>	<b>\$ 129,377</b>	<b>\$ 124,023</b>	<b>\$ 100,191</b>	<b>\$ 59,583</b>	<b>\$ 93,844</b>
Total Assets Under Management	\$ 74,959,534	\$ 81,288,709	\$ 80,841,348	\$ 79,081,252	\$ 78,656,291	\$ 84,749,076	\$ 89,330,729	\$ 93,280,101	\$ 93,115,549	\$ 94,525,834	\$ 99,477,360
Fee-Earning Assets Under Management	\$ 59,271,744	\$ 61,608,998	\$ 60,337,992	\$ 61,684,380	\$ 62,094,760	\$ 64,820,990	\$ 66,192,702	\$ 68,964,608	\$ 71,270,996	\$ 72,370,134	\$ 74,040,881

## Financial Advisory

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17
<b>Revenues</b>											
Transaction and Advisory Fees, Net	\$ 81,825	\$ 72,155	\$ 143,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transaction and Advisory Fees	81,825	72,155	143,752	-	-	-	-	-	-	-	-
<b>Investment Income (Loss)</b>											
Realized	(230)	(159)	(479)	-	-	-	-	-	-	-	-
Unrealized	1,482	(523)	(998)	-	-	-	-	-	-	-	-
Total Investment Income (Loss)	1,252	(682)	(1,477)	-	-	-	-	-	-	-	-
Interest Income and Dividend Revenue	2,436	2,335	5,242	-	-	-	-	-	-	-	-
Other	(956)	(112)	(235)	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>84,557</b>	<b>73,696</b>	<b>147,282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>											
Compensation	67,951	48,797	64,169	-	-	-	-	-	-	-	-
Total Compensation and Benefits	67,951	48,797	64,169	-	-	-	-	-	-	-	-
Interest Expense	3,035	3,355	3,566	-	-	-	-	-	-	-	-
Other Operating Expenses	17,207	14,062	18,461	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>88,193</b>	<b>66,214</b>	<b>86,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Economic Income (Loss)</b>	<b>\$ (3,636)</b>	<b>\$ 7,482</b>	<b>\$ 61,086</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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
<b>Revenues</b>					
<b>Management and Advisory Fees, Net</b>					
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)
<b>Total Management and Advisory Fees, Net</b>	<b>2,134,986</b>	<b>2,286,078</b>	<b>2,568,040</b>	<b>2,564,905</b>	<b>2,462,993</b>
<b>Performance Fees</b>					
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
<b>Total Performance Fees</b>	<b>1,593,765</b>	<b>3,556,373</b>	<b>4,391,877</b>	<b>1,798,077</b>	<b>2,177,986</b>
<b>Investment Income (Loss)</b>					
Realized	95,398	170,471	543,425	418,808	199,869
Unrealized	190,846	517,334	(71,797)	(365,959)	20,421
<b>Total Investment Income</b>	<b>286,244</b>	<b>687,805</b>	<b>471,628</b>	<b>52,849</b>	<b>220,290</b>
Interest Income and Dividend Revenue	46,630	70,936	76,052	95,661	96,399
Other	5,149	10,308	9,405	8,500	54,712
<b>Total Revenues</b>	<b>4,066,774</b>	<b>6,611,500</b>	<b>7,517,002</b>	<b>4,519,992</b>	<b>5,012,380</b>
<b>Expenses</b>					
Compensation	1,030,776	1,115,640	1,153,511	1,189,219	1,083,216
<b>Performance Fee Compensation</b>					
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
<b>Total Compensation and Benefits</b>	<b>1,544,322</b>	<b>2,528,822</b>	<b>2,439,014</b>	<b>1,753,779</b>	<b>1,951,238</b>
Interest Expense	69,152	103,904	112,563	139,842	148,022
Other Operating Expenses	412,293	382,735	420,927	448,575	431,836
<b>Total Expenses</b>	<b>2,025,767</b>	<b>3,015,461</b>	<b>2,972,504</b>	<b>2,342,196</b>	<b>2,531,096</b>
<b>Economic Income</b>	<b>\$ 2,041,007</b>	<b>\$ 3,596,039</b>	<b>\$ 4,544,498</b>	<b>\$ 2,177,796</b>	<b>\$ 2,481,284</b>
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
<b>Revenues</b>					
Management and Advisory Fees, Net					
Base Management Fees	\$ 348,594	\$ 368,146	\$ 415,841	\$ 502,640	\$ 555,593
Transaction, Advisory and Other Fees, Net	100,080	121,991	157,621	46,819	39,283
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	560,066
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)	425,691
Total Performance Fees	258,178	728,225	1,977,230	757,032	670,959
Investment Income (Loss)					
Realized	25,823	88,026	202,719	189,649	73,377
Unrealized	85,337	161,749	(23,914)	(116,338)	(4,593)
Total Investment Income	111,160	249,775	178,805	73,311	68,784
Interest Income and Dividend Revenue	13,556	15,625	16,004	22,685	25,364
Other	2,417	4,259	6,569	5,854	20,458
<b>Total Revenues</b>	<b>828,059</b>	<b>1,482,338</b>	<b>2,732,924</b>	<b>1,371,581</b>	<b>1,345,631</b>
<b>Expenses</b>					
Compensation	222,709	240,150	280,499	280,248	309,968
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	584,787
Interest Expense	26,943	27,780	33,595	45,068	49,126
Other Operating Expenses	103,902	96,719	104,246	142,985	130,685
<b>Total Expenses</b>	<b>415,788</b>	<b>746,335</b>	<b>895,179</b>	<b>715,051</b>	<b>764,598</b>
<b>Economic Income</b>	<b>\$ 412,271</b>	<b>\$ 736,003</b>	<b>\$ 1,837,745</b>	<b>\$ 656,530</b>	<b>\$ 581,033</b>
Total Assets Under Management	\$ 51,002,973	\$ 65,675,031	\$ 73,073,252	\$ 94,280,074	\$ 100,189,994
Fee-Earning Assets Under Management	\$ 37,050,167	\$ 42,600,515	\$ 43,890,167	\$ 51,451,196	\$ 69,110,457

## Real Estate

(Dollars in Thousands)	2012	2013	2014	2015	2016
<b>Revenues</b>					
<b>Management Fees, Net</b>					
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)
<b>Total Management Fees, Net</b>	<b>608,394</b>	<b>622,036</b>	<b>685,669</b>	<b>752,312</b>	<b>883,163</b>
<b>Performance Fees</b>					
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
<b>Total Performance Fees</b>	<b>874,415</b>	<b>2,155,582</b>	<b>2,017,786</b>	<b>992,146</b>	<b>1,121,639</b>
<b>Investment Income (Loss)</b>					
Realized	45,302	52,359	309,095	235,582	122,712
Unrealized	90,875	350,201	(58,930)	(231,889)	(1,119)
<b>Total Investment Income</b>	<b>136,177</b>	<b>402,560</b>	<b>250,165</b>	<b>3,693</b>	<b>121,593</b>
Interest Income and Dividend Revenue	14,448	21,563	24,403	33,501	38,453
Other	894	3,384	2,863	(1,422)	16,523
<b>Total Revenues</b>	<b>1,634,328</b>	<b>3,205,125</b>	<b>2,980,886</b>	<b>1,780,230</b>	<b>2,181,371</b>
<b>Expenses</b>					
Compensation	271,122	294,222	326,317	358,381	385,352
<b>Performance Fee Compensation</b>					
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
<b>Total Compensation and Benefits</b>	<b>511,499</b>	<b>1,018,759</b>	<b>959,716</b>	<b>663,566</b>	<b>791,706</b>
Interest Expense	29,219	28,321	34,232	42,562	49,849
Other Operating Expenses	94,495	88,070	105,995	125,513	137,581
<b>Total Expenses</b>	<b>635,213</b>	<b>1,135,150</b>	<b>1,099,943</b>	<b>831,641</b>	<b>979,136</b>
<b>Economic Income</b>	<b>\$ 999,115</b>	<b>\$ 2,069,975</b>	<b>\$ 1,880,943</b>	<b>\$ 948,589</b>	<b>\$ 1,202,235</b>
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
<b>Revenues</b>					
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	7,735	11,194	13,864
Other	3,816	688	1,855	200	8,157
<b>Total Revenues</b>	<b>459,201</b>	<b>648,610</b>	<b>654,458</b>	<b>584,226</b>	<b>596,522</b>
<b>Expenses</b>					
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
Interest Expense	4,274	13,880	16,761	21,049	24,524
Other Operating Expenses	53,535	53,086	66,392	63,468	75,870
<b>Total Expenses</b>	<b>201,937</b>	<b>272,085</b>	<b>256,989</b>	<b>289,067</b>	<b>305,584</b>
<b>Economic Income</b>	<b>\$ 257,264</b>	<b>\$ 376,525</b>	<b>\$ 397,469</b>	<b>\$ 295,159</b>	<b>\$ 290,938</b>
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
<b>Revenues</b>					
<b>Management Fees, Net</b>					
Base Management Fees	\$ 345,277	\$ 398,158	\$ 460,205	\$ 500,982	\$ 525,289
Transaction and Other Fees, Net	40,875	28,586	18,161	6,371	9,190
Management Fee Offsets	(5,004)	(40,329)	(28,168)	(30,065)	(37,512)
<b>Total Management Fees, Net</b>	<b>381,148</b>	<b>386,415</b>	<b>450,198</b>	<b>477,288</b>	<b>496,967</b>
<b>Performance Fees</b>					
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)	206,043
Unrealized Incentive Fees	(38,234)	1,107	(23,025)	(19,967)	9,417
<b>Total Performance Fees</b>	<b>368,697</b>	<b>457,113</b>	<b>257,211</b>	<b>(13,235)</b>	<b>341,922</b>
<b>Investment Income (Loss)</b>					
Realized	15,611	4,098	9,354	7,186	11,004
Unrealized	4,769	13,951	5,055	(16,258)	10,671
<b>Total Investment Income (Loss)</b>	<b>20,380</b>	<b>18,049</b>	<b>14,409</b>	<b>(9,072)</b>	<b>21,675</b>
Interest Income and Dividend Revenue	9,330	18,146	19,867	18,268	18,718
Other	(1,174)	527	(2,310)	5,171	9,574
<b>Total Revenues</b>	<b>778,381</b>	<b>880,250</b>	<b>739,375</b>	<b>478,420</b>	<b>888,856</b>
<b>Expenses</b>					
<b>Compensation</b>					
Compensation	182,077	186,514	188,200	190,189	202,576
<b>Performance Fee Compensation</b>					
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
<b>Total Compensation and Benefits</b>	<b>368,615</b>	<b>424,824</b>	<b>321,287</b>	<b>177,748</b>	<b>369,555</b>
Interest Expense	1,986	24,652	16,762	21,207	24,523
Other Operating Expenses	82,502	72,288	70,204	66,879	87,700
<b>Total Expenses</b>	<b>453,103</b>	<b>521,764</b>	<b>408,253</b>	<b>265,834</b>	<b>481,778</b>
<b>Economic Income</b>	<b>\$ 325,278</b>	<b>\$ 358,486</b>	<b>\$ 331,122</b>	<b>\$ 212,586</b>	<b>\$ 407,078</b>
Total Assets Under Management	\$ 56,428,837	\$ 65,014,348	\$ 72,858,960	\$ 79,081,252	\$ 93,280,101
Fee-Earning Assets Under Management	\$ 45,420,143	\$ 51,722,584	\$ 58,821,006	\$ 61,684,380	\$ 68,964,608

## Financial Advisory

(Dollars in Thousands)	2012	2013	2014	2015	2016
<b>Revenues</b>					
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	-
<b>Investment Income (Loss)</b>					
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	8,043	10,013	-
Other	(804)	1,450	428	(1,303)	-
<b>Total Revenues</b>	<b>366,805</b>	<b>395,177</b>	<b>409,359</b>	<b>305,535</b>	<b>-</b>
<b>Expenses</b>					
Compensation	235,137	258,284	226,837	180,917	-
Total Compensation and Benefits	235,137	258,284	226,837	180,917	-
Interest Expense	6,730	9,271	11,213	9,956	-
Other Operating Expenses	77,859	72,572	74,090	49,730	-
<b>Total Expenses</b>	<b>319,726</b>	<b>340,127</b>	<b>312,140</b>	<b>240,603</b>	<b>-</b>
<b>Economic Income</b>	<b>\$ 47,079</b>	<b>\$ 55,050</b>	<b>\$ 97,219</b>	<b>\$ 64,932</b>	<b>\$ -</b>

**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'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17 <sup>(o)</sup>	2Q'17	3Q'17
<b>Net Income (Loss) Attributable to The Blackstone Group L.P.</b>	\$ 629,448	\$ 134,168	\$ (254,697)	\$ 200,870	\$ 159,753	\$ 198,626	\$ 312,905	\$ 367,951	\$ 461,825	\$ 342,775	\$ 384,642
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	645,230	134,870	(247,318)	150,734	131,202	201,805	285,267	342,010	417,258	287,979	345,650
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	81,796	66,716	30,671	40,717	40,086	64,729	82,653	58,684	138,685	112,944	113,446
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	7,527	13,780	(12,520)	2,358	(6,401)	(2,049)	10,764	1,663	2,000	991	3,215
<b>Net Income (Loss)</b>	\$ 1,364,001	\$ 349,534	\$ (483,864)	\$ 394,679	\$ 324,640	\$ 463,111	\$ 691,589	\$ 770,308	\$ 1,019,768	\$ 744,689	\$ 846,953
Provision for Taxes	99,344	43,251	1,573	46,230	9,146	47,415	27,714	48,087	57,437	29,608	59,512
<b>Income (Loss) Before Provision for Taxes</b>	\$ 1,463,345	\$ 392,785	\$ (482,291)	\$ 440,909	\$ 333,786	\$ 510,526	\$ 719,303	\$ 818,395	\$ 1,077,205	\$ 774,297	\$ 906,465
Transaction-Related Charges (a)	231,862	192,018	80,962	(15,279)	64,136	69,956	60,029	70,816	56,979	57,831	55,714
Amortization of Intangibles (b)	25,899	24,720	30,624	23,287	23,208	23,208	22,054	15,996	11,344	11,344	11,344
(Income) Associated with Non-Controlling Interests of Consolidated Entities (c)	(89,323)	(80,496)	(18,151)	(43,075)	(33,685)	(62,680)	(93,417)	(60,347)	(140,685)	(113,935)	(116,661)
<b>Economic Income (Loss)</b>	\$ 1,631,783	\$ 529,027	\$ (388,856)	\$ 405,842	\$ 387,445	\$ 541,010	\$ 707,969	\$ 844,860	\$ 1,004,843	\$ 729,537	\$ 856,862
(Taxes) Benefit (d)	(9,719)	(20,587)	(27,070)	29,849	(16,794)	(21,234)	(20,985)	(33,250)	(18,805)	(24,168)	(22,552)
<b>Economic Net Income (Loss)</b>	\$ 1,622,064	\$ 508,440	\$ (415,926)	\$ 435,691	\$ 370,651	\$ 519,776	\$ 686,984	\$ 811,610	\$ 986,038	\$ 705,369	\$ 834,310
Taxes (Benefit) (d)	9,719	20,587	27,070	(29,849)	16,794	21,234	20,985	33,250	18,805	24,168	22,552
Performance Fee Adjustment (e)	(1,673,736)	(569,664)	639,349	(194,026)	(314,065)	(449,372)	(672,646)	(741,903)	(1,063,728)	(757,006)	(894,632)
Investment (Income) Loss Adjustment (f)	(189,641)	(10,774)	136,131	11,435	26,650	(59,771)	(87,887)	(99,282)	(103,959)	(67,720)	(77,572)
Other Revenue (g)	4,872	(3,973)	841	(10,240)	6,248	(8,546)	425	(52,839)	8,287	62,469	34,144
Net Interest Loss (h)	8,402	14,411	9,522	11,846	13,351	13,546	14,184	10,542	10,954	6,591	2,864
Performance Fee Compensation and Benefits Adjustment (i)	403,816	215,441	(130,479)	75,782	106,075	180,723	267,415	313,809	407,695	311,870	360,901
Equity-Based Compensation - Non-Incentive Fee Related (j)	42,248	27,994	15,690	10,969	20,963	16,852	16,624	19,308	26,650	25,442	24,141
<b>Fee Related Earnings</b>	\$ 227,744	\$ 202,462	\$ 282,198	\$ 311,608	\$ 246,667	\$ 234,442	\$ 246,084	\$ 294,495	\$ 290,742	\$ 311,183	\$ 306,708
Net Realized Performance Fees (k)	934,939	725,986	359,243	506,851	187,794	251,935	352,008	327,053	772,780	429,177	293,339
Realized Investment Income (Loss) (l)	107,792	136,497	87,526	86,993	(10,101)	53,670	60,634	95,666	202,894	100,887	60,188
Net Interest (Loss) (h)	(8,402)	(14,411)	(9,522)	(11,846)	(13,351)	(13,546)	(14,184)	(10,542)	(10,954)	(6,591)	(2,864)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (m)	(16,994)	(20,587)	(27,070)	(25,819)	(16,794)	(31,588)	(51,089)	(67,678)	(25,324)	(53,291)	(31,805)
<b>Distributable Earnings</b>	\$ 1,245,079	\$ 1,029,947	\$ 692,375	\$ 867,787	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 1,230,138	\$ 781,365	\$ 625,566
Interest Expense (n)	30,465	36,506	35,957	36,914	36,497	36,020	36,419	39,086	39,450	40,294	40,749
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (m)	16,994	20,587	27,070	25,819	16,794	31,588	51,089	67,678	25,324	53,291	31,805
Depreciation and Amortization	6,927	6,715	6,719	6,852	6,292	6,331	7,338	12,010	6,216	6,392	6,027
<b>Adjusted EBITDA</b>	\$ 1,299,465	\$ 1,093,755	\$ 762,121	\$ 937,372	\$ 453,798	\$ 568,852	\$ 688,299	\$ 757,768	\$ 1,301,128	\$ 881,342	\$ 704,147

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

## Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)

	2012	2013	2014	2015	2016
<b>Net Income Attributable to The Blackstone Group L.P.</b>	<b>\$ 218,598</b>	<b>\$ 1,171,202</b>	<b>\$ 1,584,589</b>	<b>\$ 709,789</b>	<b>\$ 1,039,235</b>
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
<b>Net Income</b>	<b>\$ 829,882</b>	<b>\$ 2,892,919</b>	<b>\$ 3,695,553</b>	<b>\$ 1,624,350</b>	<b>\$ 2,249,648</b>
Provision for Taxes	185,023	255,642	291,173	190,398	132,362
<b>Income Before Provision for Taxes</b>	<b>\$ 1,014,905</b>	<b>\$ 3,148,561</b>	<b>\$ 3,986,726</b>	<b>\$ 1,814,748</b>	<b>\$ 2,382,010</b>
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)
<b>Economic Income</b>	<b>\$ 2,041,007</b>	<b>\$ 3,596,039</b>	<b>\$ 4,544,498</b>	<b>\$ 2,177,796</b>	<b>\$ 2,481,284</b>
(Taxes) (d)	(45,708)	(82,164)	(199,512)	(27,527)	(92,263)
<b>Economic Net Income</b>	<b>\$ 1,995,299</b>	<b>\$ 3,513,875</b>	<b>\$ 4,344,986</b>	<b>\$ 2,150,269</b>	<b>\$ 2,389,021</b>
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
<b>Fee Related Earnings</b>	<b>\$ 781,957</b>	<b>\$ 917,827</b>	<b>\$ 1,038,735</b>	<b>\$ 1,024,012</b>	<b>\$ 1,021,688</b>
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)
<b>Distributable Earnings</b>	<b>\$ 1,114,919</b>	<b>\$ 1,858,771</b>	<b>\$ 3,054,553</b>	<b>\$ 3,835,188</b>	<b>\$ 2,121,575</b>
Interest Expense (n)	69,152	103,904	112,563	139,842	148,022
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
<b>Adjusted EBITDA</b>	<b>\$ 1,358,631</b>	<b>\$ 2,154,850</b>	<b>\$ 3,480,204</b>	<b>\$ 4,092,713</b>	<b>\$ 2,468,717</b>

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 certain long-term retention programs outside of annual deferred compensation, adjustments to the Tax Receivable Agreement liability 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.
- (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 and adjusted to exclude the tax impact on any divestitures.
- (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 to exclude the tax impact on any divestitures and the Payable Under Tax Receivable Agreement.
- (n) Represents Total Segment Interest Expense.
- (o) 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.



## Walkdown of Financial Metrics

(Dollars in Thousands)

	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	
▶ Management and Advisory Fees, Net (a)	\$ 619,763	\$ 586,784	\$ 708,667	\$ 649,691	\$ 613,201	\$ 612,220	\$ 601,680	\$ 635,892	\$ 649,581	\$ 696,836	\$ 691,982	Fee Earnings
▶ Fee Related Compensation (b)	(287,590)	(261,358)	(313,885)	(229,485)	(266,440)	(269,303)	(251,971)	(221,755)	(262,377)	(279,815)	(278,657)	
▶ Other Operating Expenses (a)	(104,429)	(122,964)	(112,584)	(108,598)	(100,094)	(108,475)	(103,625)	(119,642)	(96,462)	(105,838)	(106,617)	
<b>Fee Related Earnings</b>	<b>\$ 227,744</b>	<b>\$ 202,462</b>	<b>\$ 282,198</b>	<b>\$ 311,608</b>	<b>\$ 246,667</b>	<b>\$ 234,442</b>	<b>\$ 246,084</b>	<b>\$ 294,495</b>	<b>\$ 290,742</b>	<b>\$ 311,183</b>	<b>\$ 306,708</b>	Distributable Earnings
▶ Net Realized Incentive Fees (b)	19,593	26,535	21,853	46,962	15,388	15,782	16,413	52,246	27,649	22,173	58,044	
▶ Net Realized Carried Interest (b)	915,346	699,451	337,390	459,889	172,406	236,153	335,595	274,807	745,131	407,004	235,295	
▶ Realized Investment Income (Loss) (a)	107,792	136,497	87,526	86,993	(10,101)	53,670	60,634	95,666	202,894	100,887	60,188	
▶ Net Interest (Loss) (b)	(8,402)	(14,411)	(9,522)	(11,846)	(13,351)	(13,546)	(14,184)	(10,542)	(10,954)	(6,591)	(2,864)	
▶ Taxes and Related Payables (b)(c)	(16,994)	(20,587)	(27,070)	(25,819)	(16,794)	(31,588)	(51,089)	(67,678)	(25,324)	(53,291)	(31,805)	
<b>Distributable Earnings</b>	<b>\$ 1,245,079</b>	<b>\$ 1,029,947</b>	<b>\$ 692,375</b>	<b>\$ 867,787</b>	<b>\$ 394,215</b>	<b>\$ 494,913</b>	<b>\$ 593,453</b>	<b>\$ 638,994</b>	<b>\$ 1,230,138</b>	<b>\$ 781,365</b>	<b>\$ 625,566</b>	
▶ Net Unrealized Incentive Fees (b)	37,659	20,180	(38,704)	(23,894)	3,652	5,318	18,664	961	36,877	27,927	(1,378)	
▶ Net Unrealized Carried Interest (b)	299,472	(391,390)	(827,280)	(363,402)	17,605	13,066	36,113	101,619	(150,360)	(9,420)	245,439	
▶ Unrealized Investment Income (Loss) (a)	81,849	(125,723)	(223,657)	(98,428)	(16,549)	6,101	27,253	3,616	(98,935)	(33,167)	17,384	
▶ Other Revenue (a)	(4,872)	3,973	(841)	10,240	(6,248)	8,546	(425)	52,839	(8,287)	(62,469)	(34,144)	
▶ Add Back: Related Payables (b)(d)	7,275	-	-	55,668	-	10,354	30,104	34,428	6,519	29,123	9,253	
▶ Less: Equity-Based Compensation (b)(e)	(44,398)	(28,547)	(17,819)	(12,280)	(22,024)	(18,522)	(18,178)	(20,847)	(29,914)	(27,990)	(27,810)	
<b>Economic Net Income (Loss)</b>	<b>\$ 1,622,064</b>	<b>\$ 508,440</b>	<b>\$ (415,926)</b>	<b>\$ 435,691</b>	<b>\$ 370,651</b>	<b>\$ 519,776</b>	<b>\$ 686,984</b>	<b>\$ 811,610</b>	<b>\$ 986,038</b>	<b>\$ 705,369</b>	<b>\$ 834,310</b>	<b>Economic Net Income</b>

(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 total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and the Payable Under Tax Receivable Agreement.

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

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

## Walkdown of Financial Metrics

(Dollars in Thousands)

	2012	2013	2014	2015	2016		
▶ Management and Advisory Fees, Net (a)	\$ 2,134,986	\$ 2,286,078	\$ 2,568,040	\$ 2,564,905	\$ 2,462,993	Fee Earnings	Distributable Earnings
▶ Fee Related Compensation (b)	(940,736)	(985,516)	(1,108,378)	(1,092,318)	(1,009,469)		
▶ Other Operating Expenses (a)	(412,293)	(382,735)	(420,927)	(448,575)	(431,836)		
<b>Fee Related Earnings</b>	<b>\$ 781,957</b>	<b>\$ 917,827</b>	<b>\$ 1,038,735</b>	<b>\$ 1,024,012</b>	<b>\$ 1,021,688</b>		
▶ Net Realized Incentive Fees (b)	161,422	273,418	154,739	114,943	99,829	Economic Net Income	
▶ 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)		
<b>Distributable Earnings</b>	<b>\$ 1,114,919</b>	<b>\$ 1,858,771</b>	<b>\$ 3,054,553</b>	<b>\$ 3,835,188</b>	<b>\$ 2,121,575</b>		
▶ 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 (a)	5,149	10,308	9,405	8,500	54,712		
▶ Add Back: Related Payables (b)(d)	86,617	74,570	81,276	62,943	74,886		
▶ Less: Equity-Based Compensation (b)(e)	(90,040)	(130,124)	(48,226)	(103,044)	(79,571)		
<b>Economic Net Income</b>	<b>\$ 1,995,299</b>	<b>\$ 3,513,875</b>	<b>\$ 4,344,986</b>	<b>\$ 2,150,269</b>	<b>\$ 2,389,021</b>		

(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 total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and the Payable Under Tax Receivable Agreement.

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

(e) 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)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17
Compensation	\$ (329,838)	\$ (289,352)	\$ (329,575)	\$ (240,454)	\$ (287,403)	\$ (286,155)	\$ (268,595)	\$ (241,063)	\$ (289,027)	\$ (305,257)	\$ (302,798)
Less: Equity-Based Compensation - Non-Incentive Fee Related	42,248	27,994	15,690	10,969	20,963	16,852	16,624	19,308	26,650	25,442	24,141
<b>Fee Related Compensation</b>	<b>\$ (287,590)</b>	<b>\$ (261,358)</b>	<b>\$ (313,885)</b>	<b>\$ (229,485)</b>	<b>\$ (266,440)</b>	<b>\$ (269,303)</b>	<b>\$ (251,971)</b>	<b>\$ (221,755)</b>	<b>\$ (262,377)</b>	<b>\$ (279,815)</b>	<b>\$ (278,657)</b>
Realized Incentive Fees	29,670	47,819	34,785	82,472	28,450	29,363	30,295	83,993	47,137	41,106	101,198
Less: Realized Incentive Fee Compensation	(12,227)	(21,837)	(15,061)	(36,821)	(14,123)	(15,251)	(15,436)	(33,286)	(22,752)	(21,481)	(46,823)
Plus: Equity-Based Compensation - Incentive Fee Related	2,150	553	2,129	1,311	1,061	1,670	1,554	1,539	3,264	2,548	3,669
<b>Net Realized Incentive Fees</b>	<b>\$ 19,593</b>	<b>\$ 26,535</b>	<b>\$ 21,853</b>	<b>\$ 46,962</b>	<b>\$ 15,388</b>	<b>\$ 15,782</b>	<b>\$ 16,413</b>	<b>\$ 52,246</b>	<b>\$ 27,649</b>	<b>\$ 22,173</b>	<b>\$ 58,044</b>
Realized Carried Interest	1,207,594	937,483	435,189	625,610	230,909	323,734	504,022	416,250	1,111,322	602,293	369,309
Less: Realized Carried Interest Compensation	(292,248)	(238,032)	(97,799)	(165,721)	(58,503)	(87,581)	(168,427)	(141,443)	(366,191)	(195,289)	(134,014)
<b>Net Realized Carried Interest</b>	<b>\$ 915,346</b>	<b>\$ 699,451</b>	<b>\$ 337,390</b>	<b>\$ 459,889</b>	<b>\$ 172,406</b>	<b>\$ 236,153</b>	<b>\$ 335,595</b>	<b>\$ 274,807</b>	<b>\$ 745,131</b>	<b>\$ 407,004</b>	<b>\$ 235,295</b>
Interest Income and Dividend Revenue	22,063	22,095	26,435	25,068	23,146	22,474	22,235	28,544	28,496	33,703	37,885
Less: Interest Expense	(30,465)	(36,506)	(35,957)	(36,914)	(36,497)	(36,020)	(36,419)	(39,086)	(39,450)	(40,294)	(40,749)
<b>Net Interest (Loss)</b>	<b>\$ (8,402)</b>	<b>\$ (14,411)</b>	<b>\$ (9,522)</b>	<b>\$ (11,846)</b>	<b>\$ (13,351)</b>	<b>\$ (13,546)</b>	<b>\$ (14,184)</b>	<b>\$ (10,542)</b>	<b>\$ (10,954)</b>	<b>\$ (6,591)</b>	<b>\$ (2,864)</b>
<b>Taxes and Related Payables (a)</b>	<b>\$ (16,994)</b>	<b>\$ (20,587)</b>	<b>\$ (27,070)</b>	<b>\$ (25,819)</b>	<b>\$ (16,794)</b>	<b>\$ (31,588)</b>	<b>\$ (51,089)</b>	<b>\$ (67,678)</b>	<b>\$ (25,324)</b>	<b>\$ (53,291)</b>	<b>\$ (31,805)</b>
Unrealized Incentive Fees	62,620	26,311	(53,346)	(42,834)	7,100	8,007	32,172	2,450	60,016	48,527	(8,472)
Less: Unrealized Incentive Fee Compensation	(24,961)	(6,131)	14,642	18,940	(3,448)	(2,689)	(13,508)	(1,489)	(23,139)	(20,600)	7,094
<b>Net Unrealized Incentive Fees</b>	<b>\$ 37,659</b>	<b>\$ 20,180</b>	<b>\$ (38,704)</b>	<b>\$ (23,894)</b>	<b>\$ 3,652</b>	<b>\$ 5,318</b>	<b>\$ 18,664</b>	<b>\$ 961</b>	<b>\$ 36,877</b>	<b>\$ 27,927</b>	<b>\$ (1,378)</b>
Unrealized Carried Interest	373,852	(441,949)	(1,055,977)	(471,222)	47,606	88,268	106,157	239,210	(154,747)	65,080	432,597
Less: Unrealized Carried Interest Compensation	(74,380)	50,559	228,697	107,820	(30,001)	(75,202)	(70,044)	(137,591)	4,387	(74,500)	(187,158)
<b>Net Unrealized Carried Interest</b>	<b>\$ 299,472</b>	<b>\$ (391,390)</b>	<b>\$ (827,280)</b>	<b>\$ (363,402)</b>	<b>\$ 17,605</b>	<b>\$ 13,066</b>	<b>\$ 36,113</b>	<b>\$ 101,619</b>	<b>\$ (150,360)</b>	<b>\$ (9,420)</b>	<b>\$ 245,439</b>
<b>Related Payables (b)</b>	<b>\$ 7,275</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,668</b>	<b>\$ -</b>	<b>\$ 10,354</b>	<b>\$ 30,104</b>	<b>\$ 34,428</b>	<b>\$ 6,519</b>	<b>\$ 29,123</b>	<b>\$ 9,253</b>
Equity-Based Compensation - Non-Incentive Fee Related	42,248	27,994	15,690	10,969	20,963	16,852	16,624	19,308	26,650	25,442	24,141
Plus: Equity-Based Compensation - Incentive Fee Related	2,150	553	2,129	1,311	1,061	1,670	1,554	1,539	3,264	2,548	3,669
<b>Equity-Based Compensation (c)</b>	<b>\$ 44,398</b>	<b>\$ 28,547</b>	<b>\$ 17,819</b>	<b>\$ 12,280</b>	<b>\$ 22,024</b>	<b>\$ 18,522</b>	<b>\$ 18,178</b>	<b>\$ 20,847</b>	<b>\$ 29,914</b>	<b>\$ 27,990</b>	<b>\$ 27,810</b>

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

(a) Represents the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and to exclude the tax impact on any divestitures 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
<b>Fee Related Compensation</b>	<b>\$ (940,736)</b>	<b>\$ (985,516)</b>	<b>\$ (1,108,378)</b>	<b>\$ (1,092,318)</b>	<b>\$ (1,009,469)</b>
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
<b>Net Realized Incentive Fees</b>	<b>\$ 161,422</b>	<b>\$ 273,418</b>	<b>\$ 154,739</b>	<b>\$ 114,943</b>	<b>\$ 99,829</b>
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)
<b>Net Realized Carried Interest</b>	<b>\$ 230,989</b>	<b>\$ 686,757</b>	<b>\$ 1,634,953</b>	<b>\$ 2,412,076</b>	<b>\$ 1,018,961</b>
Interest Income and Dividend Revenue	46,630	70,936	76,052	95,661	96,399
Less: Interest Expense	(69,152)	(103,904)	(112,563)	(139,842)	(148,022)
<b>Net Interest (Loss)</b>	<b>\$ (22,522)</b>	<b>\$ (32,968)</b>	<b>\$ (36,511)</b>	<b>\$ (44,181)</b>	<b>\$ (51,623)</b>
<b>Taxes and Related Payables (a)</b>	<b>\$ (132,325)</b>	<b>\$ (156,734)</b>	<b>\$ (280,788)</b>	<b>\$ (90,470)</b>	<b>\$ (167,149)</b>
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)
<b>Net Unrealized Incentive Fees</b>	<b>\$ 15,217</b>	<b>\$ (8,277)</b>	<b>\$ (10,149)</b>	<b>\$ (4,759)</b>	<b>\$ 28,595</b>
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)
<b>Net Unrealized Carried Interest</b>	<b>\$ 672,591</b>	<b>\$ 1,191,293</b>	<b>\$ 1,329,924</b>	<b>\$ (1,282,600)</b>	<b>\$ 168,403</b>
<b>Related Payables (b)</b>	<b>\$ 86,617</b>	<b>\$ 74,570</b>	<b>\$ 81,276</b>	<b>\$ 62,943</b>	<b>\$ 74,886</b>
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
<b>Equity-Based Compensation (c)</b>	<b>\$ 90,040</b>	<b>\$ 130,124</b>	<b>\$ 48,226</b>	<b>\$ 103,044</b>	<b>\$ 79,571</b>

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

(a) Represents the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and to exclude the tax impact on any divestitures 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 and adjusted to exclude the tax impact of any divestitures.
- 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), (d) equity-based compensation, and (e) 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) other 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) Interest Expense, (d) Other Operating Expenses, and (e) 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, (b) Taxes and Related Payables Including Payable Under Tax Receivable Agreement, and (c) Depreciation and Amortization.