

Blackstone

Blackstone Reports Record First Quarter Results

New York, April 18, 2013: Blackstone (NYSE: BX) today reported its first quarter 2013 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “Blackstone achieved strong first quarter results across the board. Revenue rose 29% year-over-year, and earnings were up 28%. Greater realizations, reaching \$6 billion in the quarter, drove our second best quarter for cash earnings since becoming a public company. Blackstone also continues to show sustained asset growth. Although several of our investment businesses are already the largest of their kind in the world, every one reported year-over-year double-digit growth in total assets under management.”

Blackstone issued a full detailed presentation of its first quarter 2013 results which can be viewed at www.Blackstone.com.

Distribution

Blackstone has declared a quarterly distribution of \$0.30 per common unit to record holders of common units at the close of business on April 29, 2013. This distribution will be paid on May 6, 2013.

Quarterly Investor Call Details

Blackstone will host a conference call on April 18, 2013 at 11:00 a.m. ET to discuss first quarter 2013 results. The conference call can be accessed via the Unit Holders section of Blackstone’s website at <http://ir.blackstone.com/events.cfm> or by dialing +1 (877) 391-6747 (U.S. domestic) or +1 (617) 597-9291 (international), pass code 149 943 55#. For those unable to listen to the live broadcast, a replay will be available following the call at <http://ir.blackstone.com/events.cfm> or by dialing +1 (888) 286-8010 (U.S. domestic) or +1 (617) 801-6888 (international), pass code 472 905 13#.

About Blackstone

Blackstone (NYSE: BX) is one of the world’s leading investment and advisory firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, the companies we advise and the broader global economy. We do this through the commitment of our extraordinary people and flexible capital. Our alternative asset management businesses include the management of private

equity funds, real estate funds, hedge fund solutions, credit-focused funds and closed-end funds. Blackstone also provides various financial advisory services, including financial and strategic advisory, restructuring and reorganization advisory and fund placement services. Further information is available at www.Blackstone.com. Follow us on Twitter @Blackstone.

Forward-Looking Statements

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect Blackstone's current views with respect to, among other things, Blackstone's operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Blackstone believes these factors include but are not limited to those described under the section entitled "Risk Factors" in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as such factors may be updated from time to time in its periodic filings with the Securities and Exchange Commission, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in the filings. Blackstone undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

This release does not constitute an offer of any Blackstone Fund.

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Blackstone's First Quarter 2013 Earnings

April 18, 2013

Blackstone's First Quarter 2013 Highlights

- ▶ Economic Net Income (“ENI”) rose 28% to \$628 million for the quarter, or \$0.55 per unit, up from \$491 million, or \$0.44 per unit, in last year’s first quarter driven by strong fund performance.
- ▶ Distributable Earnings (“DE”) increased 134% year-over-year to \$379 million, or \$0.33 per common unit, compared with \$162 million and \$0.15 per unit in the year ago period.
 - Realization activity generated \$319 million of Realized Performance Fees, up significantly from \$19 million in first quarter 2012, bringing the last twelve months to \$929 million.
- ▶ GAAP Net Income was \$168 million for the quarter, net of certain non-cash IPO and transaction related expenses and exclusion of net income attributable to non-controlling interests, mainly “inside ownership”.
- ▶ Total AUM reached a record \$218 billion, up 15% year-over-year with double-digit increases across all investing businesses, through a combination of strong inflows and carrying value appreciation.
 - Gross inflows totaled over \$8 billion in the first quarter and \$34 billion in the last twelve months, including \$31 billion of organic growth into new funds, products and strategies.
 - Blackstone’s funds returned \$23 billion of capital to investors during the last twelve months.
- ▶ Total cash and corporate treasury investments were \$2.2 billion at quarter end, and total net value of cash and investments was \$6.7 billion or \$5.93 per DE unit.
- ▶ Blackstone declared a first quarter distribution of \$0.30 per common unit, up 200% year-over-year, reflecting a significant increase in Distributable Earnings and the new distribution policy of paying out cash earnings following the quarter in which they are earned^(a).

(a) A detailed description of Blackstone’s distribution policy can be found in Appendix – Definitions and Distribution Policy.

Blackstone's First Quarter 2013 Earnings

(Dollars in Thousands, Except per Unit Data)	1Q'12	1Q'13	% Change vs. 1Q'12	1Q'12 LTM	1Q'13 LTM	% Change vs. 1Q'12 LTM
Fee Revenues	\$ 504,911	\$ 520,883	3%	\$ 1,991,342	\$ 2,202,737	11%
Performance Fees	385,756	603,999	57%	959,485	1,812,008	89%
Investment Income	83,406	134,771	62%	142,594	337,609	137%
Total Revenues	\$ 974,073	\$ 1,259,653	29%	\$ 3,093,421	\$ 4,352,354	41%
Total Expenses	473,805	621,316	31%	1,667,853	2,173,278	30%
Taxes	9,051	10,031	11%	42,015	46,688	11%
Economic Net Income ("ENI")	\$ 491,217	\$ 628,306	28%	\$ 1,383,553	\$ 2,132,388	54%
<i>ENI per Unit^(a)</i>	<i>\$ 0.44</i>	<i>\$ 0.55</i>	<i>25%</i>	<i>\$ 1.25</i>	<i>\$ 1.88</i>	<i>50%</i>
GAAP Net Income (Loss)	\$ 58,325	\$ 167,635	187%	\$ (152,682)	\$ 327,908	n/m
Fee Related Earnings ("FRE")	\$ 146,928	\$ 137,733	(6)%	\$ 582,253	\$ 691,118	19%
Distributable Earnings ("DE")	\$ 162,121	\$ 378,827	134%	\$ 656,930	\$ 1,250,631	90%
<i>DE per Common Unit^(b)</i>	<i>\$ 0.15</i>	<i>\$ 0.33</i>	<i>120%</i>	<i>\$ 0.57</i>	<i>\$ 1.03</i>	<i>81%</i>
Total Assets Under Management	\$190,074,167	\$218,210,672	15%	\$190,074,167	\$218,210,672	15%
Fee-Earning Assets Under Management	\$156,261,446	\$170,949,347	9%	\$156,261,446	\$170,949,347	9%

LTM represents the last twelve months' results for the respective periods presented. LTM per unit amounts equal the sum of the relevant per unit amounts for the preceding four quarters.

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(a) ENI per Unit is based on the Weighted-Average ENI Adjusted Units.

(b) DE per Common Unit equals DE Attributable to Common Unitholders divided by Total GAAP Common Units Outstanding.

Walkdown of Financial Metrics

(Dollars in Thousands, Except per Unit Data)

	1Q'13		1Q'13 LTM	
	Results	Per Unit ^(a)	Results	Per Unit ^(a)
▶ Base Management Fees	\$ 408,747		\$ 1,604,644	
▶ Advisory Fees	67,020		348,591	
▶ Transaction and Other Fees, Net	37,974		226,622	
▶ Management Fee Offsets	(9,662)		(37,565)	
▶ Interest Income and Other Revenue	15,075		78,175	
▶ Compensation	(266,977)		(1,042,981)	
▶ Other Operating Expenses	(114,444)		(486,368)	
Fee Related Earnings	\$ 137,733	\$ 0.12	\$ 691,118	\$ 0.61
▶ Net Realized Incentive Fees	14,219		174,614	
▶ Net Realized Carried Interest	204,733		430,100	
▶ Net Realized Investment Income	34,290		90,221	
▶ Taxes and Related Payables	(12,148)		(135,422)	
Distributable Earnings	\$ 378,827	\$ 0.33	\$ 1,250,631	\$ 1.03
▶ Net Unrealized Incentive Fees	63,277		23,152	
▶ Net Unrealized Carried Interest	81,875		540,213	
▶ Net Unrealized Investment Income	102,210		229,658	
▶ Add Back: Related Payables	2,117		88,734	
Economic Net Income	\$ 628,306	\$ 0.55	\$ 2,132,388	\$ 1.88

Fee Earnings

Distributable Earnings

Economic Net Income

See Appendix – Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metric Components for the calculation of the amounts presented herein that are not the respective captions from the Total Segment information.

(a) Fee Related Earnings per Unit is based on DE Units Outstanding; DE per Unit equals DE per Common Unit; and ENI per Unit is based on Weighted-Average ENI Adjusted Units. (See Appendix - Unit Rollforward). 1Q'13 LTM per unit amounts equal the sum of the relevant per unit amounts for the preceding four quarters.

Summary Walkdown of GAAP to Non-GAAP Financial Metrics

(Dollars in Millions)

	1Q'13	LTM
GAAP		
	Income Before Provision for Taxes	\$479 \$1,037
	<ul style="list-style-type: none"> + IPO and Acquisition-Related Charges - Impact of Consolidated Funds 	
Economic Income "EI"	= Economic Income	\$638 \$2,179
	<ul style="list-style-type: none"> - Net Performance Fees - Fund Investment Income 	
Fee Related Earnings "FRE"	= Fee Related Earnings	\$138 \$691
	<ul style="list-style-type: none"> + Net Realized Performance Fees + Realized Investment Income - Taxes and Related Payables 	
Distributable Earnings "DE"	= Distributable Earnings	\$379 \$1,251
	<ul style="list-style-type: none"> + Interest, Taxes and Depreciation and Amortization 	
Adjusted EBITDA	= Adjusted EBITDA	\$426 \$1,508

See Appendix – Reconciliation of GAAP to Non-GAAP Measures for details.

Private Equity

- ▶ Economic Income for the quarter increased 15% year-over-year driven primarily by strong fund performance.
- ▶ Overall carrying value of portfolio assets^(a) appreciated 7.9% during the quarter and 18.2% over the last twelve months, driven materially by BCP V and to a lesser extent by BCP VI and BEP.
- ▶ Realization activity was robust with \$2.0 billion during the quarter and \$4.6 billion over the last twelve months.
 - First quarter activity included secondary sales in TRW, TeamHealth, TDC, Kosmos, Bank United and Nielsen at an average 2.7x MOIC^(b) and the successful Pinnacle IPO resulting in a quarter end valuation of 2.5x MOIC.
 - Realized Performance Fees totaled \$140 million in first quarter 2013 compared with \$4 million a year ago.
 - Three additional portfolio companies have an S-1 on file with expected 2013 offerings.
- ▶ Invested and committed \$325 million of capital for the quarter and \$4.4 billion during the last twelve months.
- ▶ Raised an additional \$1.0 billion of commitments for our tactical opportunities investment vehicles during the quarter, increasing total capital commitments to that strategy to \$2.6 billion.

(Dollars in Thousands)	1Q'12	1Q'13	% Change vs. 1Q'12	1Q'12 LTM	1Q'13 LTM	% Change vs. 1Q'12 LTM
Fee Revenues	\$ 102,309	\$ 113,627	11%	\$ 444,092	\$ 470,039	6%
Performance Fees	37,984	55,938	47%	(6,059)	276,132	n/m
Investment Income	30,380	55,873	84%	37,811	136,653	261%
Total Revenues	170,673	225,438	32%	475,844	882,824	86%
Compensation	52,547	60,203	15%	215,179	230,365	7%
Performance Fee Compensation	(732)	32,865	n/m	(14,678)	95,831	n/m
Other Operating Expenses	28,881	29,168	1%	121,086	131,132	8%
Total Expenses	80,696	122,236	51%	321,587	457,328	42%
Economic Income	\$ 89,977	\$ 103,202	15%	\$ 154,257	\$ 425,496	176%
Total AUM	\$ 47,624,013	\$ 52,491,811	10%	\$ 47,624,013	\$ 52,491,811	10%
Fee-Earning AUM	\$ 37,323,635	\$ 36,785,770	(1)%	\$ 37,323,635	\$ 36,785,770	(1)%

18.2%

1Q'13 LTM increase in fund carrying value^(a)

\$140 million

1Q'13 Realized Performance Fees

\$545 million

Net Accrued Performance Fees at 1Q'13

(a) Core Private Equity portfolio (BCP, BCOM and BEP), Tactical Opportunities and Other Funds (including fee-paying co-invest).

(b) Represents the Multiple of Invested Capital ("MOIC").

Real Estate

- ▶ Economic Income for the quarter increased 32% to \$353 million driven by strong fund performance.
 - Performance Fees were \$354 million generated primarily by BREP V, VI, VII and BREP Europe III.
 - Fee-Earning AUM increased 15% year-over-year, however Fee Revenues declined modestly reflecting \$19.5 million of one-time BREP VII management fee “catch-up” in first quarter 2012.
- ▶ Overall carrying value of BREP investments^(a) appreciated 6.3% for the quarter and 17.2% over the last twelve months, driven by increasingly favorable real estate operating fundamentals and asset value appreciation.
- ▶ Realization activity remained strong with more than \$930 million of realizations during the quarter and \$4.1 billion over the last twelve months.
 - Realized Performance Fees totaled \$72 million in the quarter compared to just \$9 million a year ago.
- ▶ Invested \$1.2 billion of total capital with an additional \$1.9 billion committed but not yet invested at quarter end, bringing the last twelve months total capital invested plus quarter end commitments to \$10.5 billion.
- ▶ In April, held initial closing for latest Debt Strategies drawdown fund with \$2.0 billion of total commitments.
- ▶ Debt Strategies drawdown funds^(b) appreciated 2.7% for the quarter and 10.8% over the last twelve months, while the real estate liquid funds appreciated 4.9% and 16.7% for the quarter and the last twelve months, respectively.

(Dollars in Thousands)			% Change				% Change	
	1Q'12	1Q'13	vs. 1Q'12	1Q'12 LTM	1Q'13 LTM	vs. 1Q'12 LTM		
Fee Revenues ^(c)	\$ 155,430	144,365	(7)%	\$ 545,984	\$ 612,671	12%		
Performance Fees ^(d)	238,030	354,341	49%	816,882	990,726	21%		
Investment Income	33,724	69,837	107%	90,019	172,290	91%		
Total Revenues	427,184	568,543	33%	1,452,885	1,775,687	22%		
Compensation	68,889	69,459	1%	248,033	271,692	10%		
Performance Fee Compensation	62,122	117,678	89%	193,304	295,933	53%		
Other Operating Expenses	28,924	28,462	(2)%	104,417	123,252	18%		
Total Expenses	159,935	215,599	35%	545,754	690,877	27%		
Economic Income	\$ 267,249	\$ 352,944	32%	\$ 907,131	\$ 1,084,810	20%		
Total AUM	\$ 48,322,760	\$ 59,475,215	23%	\$ 48,322,760	\$ 59,475,215	23%		
Fee-Earning AUM	\$ 36,647,462	\$ 42,140,507	15%	\$ 36,647,462	\$ 42,140,507	15%		

17.2%

1Q'13 LTM increase in fund carrying value^(a)

\$354 million

1Q'13 Performance Fees

\$1.4 billion

Net Accrued Performance Fees at 1Q'13

(a) BREP portfolio (including fee-paying co-invest).

(b) Excludes Capital Trust drawdown funds.

(c) 1Q'12 Fee Revenues included \$19.5 million of one-time BREP VII Management Fee “catch-up”.

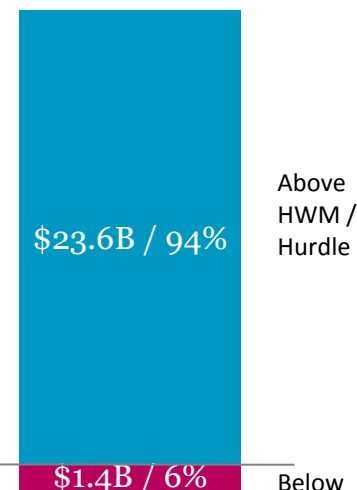
(d) Performance Fees included \$41.9 million in 1Q'12 and \$193.2 million in 1Q'12 LTM due to the impact of the profit allocation “catch-up” provisions for BREP V and VI.

Hedge Fund Solutions

- ▶ Revenues for the quarter were up 43% year-over-year to \$168 million driven by an increase in Fee-Earning AUM and strong investment performance, resulting in Economic Income up 41% year-over-year to \$94 million.
 - Performance Fees, which mostly crystallize at year end, more than doubled as \$23.6 billion or 94% of Incentive Fee-Earning AUM was above its High Water Mark and/or Hurdle, up from just \$11.2 billion or 52% a year ago.
- ▶ BAAM Composite^(a) was up 4.4% for the quarter and 10.0% for the last twelve months with one-quarter the volatility of the MSCI World Index^(b).
- ▶ Fee-Earning AUM reached a record \$46 billion driven by strong fund performance and \$885 million of net inflows for the quarter and \$2.2 billion for the last twelve months.
 - Launched six new customized funds and one new commingled fund so far this year including April 1st launches.
 - April 1st subscriptions of \$944 million are not included in quarter end Fee-Earning AUM.

(Dollars in Thousands)	1Q'12		% Change		1Q'12 LTM		% Change	
	1Q'12	1Q'13	vs. 1Q'12	1Q'12 LTM	1Q'13 LTM	vs. 1Q'12 LTM	1Q'13 LTM	vs. 1Q'12 LTM
Fee Revenues	\$ 81,837	\$ 93,772	15%	\$ 332,610	\$ 362,874	9%		
Performance Fees	26,485	69,210	161%	18,585	135,200	n/m		
Investment Income (Loss)	8,874	4,765	(46)%	(896)	11,678	n/m		
Total Revenues	117,196	167,747	43%	350,299	509,752	46%		
Compensation	28,233	33,868	20%	129,099	125,366	(3)%		
Performance Fee Compensation	8,672	24,858	187%	6,746	40,583	n/m		
Other Operating Expenses	13,934	15,159	9%	65,998	59,034	(11)%		
Total Expenses	50,839	73,885	45%	201,843	224,983	11%		
Economic Income	\$ 66,357	\$ 93,862	41%	\$ 148,456	\$ 284,769	92%		
Total AUM	\$ 43,351,275	\$ 48,187,865	11%	\$ 43,351,275	\$ 48,187,865	11%		
Fee-Earning AUM	\$ 40,543,772	\$ 45,585,454	12%	\$ 40,543,772	\$ 45,585,454	12%		

\$25 billion
1Q'13 Incentive Fee-Earning AUM^(c)



(a) BAAM's Core Composite does not include BAAM's long-only equity, long-biased commodities, seed, strategic opportunities (external investments), and advisory platforms. On a net of fees basis, the BAAM Composite was up 4.0% for the quarter and 8.8% for the last twelve months with one-quarter the volatility of the MSCI World Index.

(b) The MSCI World Index is a world stock market index with over 1,600 stocks from 23 countries including the United States.

(c) Represents currently invested incentive fee eligible AUM above or below High Water Mark or Relevant Benchmark. Totals may not add due to rounding.

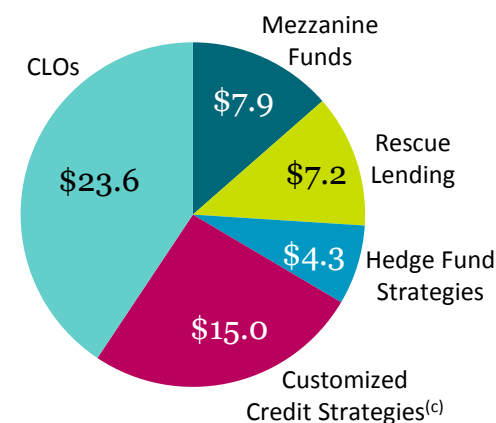
Credit

- ▶ Revenues were up 27% year-over-year driven by an increase in Fee Revenues and favorable fund performance.
 - Realized Performance Fees were \$93 million for the quarter, up from just \$3 million during the year ago period.
- ▶ Total AUM grew 14% year-over-year to a record \$58 billion, driven by strong net inflows, which included several new product launches and fund closings, and market appreciation.
- ▶ Investment performance^(a) in our credit strategies remained strong across the platform:
 - Hedge strategies were up 6.1% for the quarter and 19.2% over the last twelve months.
 - Mezzanine strategies were up 8.3% for the quarter and 39.3% for the last twelve months.
 - Rescue Lending strategies were up 5.7% for the quarter and 19.8% for the last twelve months.
- ▶ Priced two new CLOs during the quarter totaling \$1.2 billion in AUM and five new CLOs in the last seven months totaling \$2.8 billion in AUM.
- ▶ Fundraising continues for our second rescue lending fund with quarter end commitments of \$3.3 billion^(b).
- ▶ In April, GSO and State Street Global Advisors launched the first-ever actively managed senior loan exchange traded fund, SPDR Blackstone / GSO Senior Loan ETF under the symbol SRLN.

(Dollars in Thousands)	1Q'12		1Q'13		% Change	
			vs. 1Q'12	1Q'12 LTM	1Q'13 LTM	vs. 1Q'12 LTM
Fee Revenues	\$ 87,700	\$ 100,541	15%	\$ 274,374	\$ 402,145	47%
Performance Fees	83,257	124,510	50%	130,077	409,950	215%
Investment Income	9,894	4,421	(55)%	14,718	14,907	1%
Total Revenues	180,851	229,472	27%	419,169	827,002	97%
Compensation	37,143	45,521	23%	136,182	190,455	40%
Performance Fee Compensation	39,450	64,494	63%	63,784	211,582	232%
Other Operating Expenses	17,096	20,962	23%	51,694	88,354	71%
Total Expenses	93,689	130,977	40%	251,660	490,391	95%
Economic Income	\$ 87,162	\$ 98,495	13%	\$ 167,509	\$ 336,611	101%
Total AUM	\$ 50,776,119	\$ 58,055,781	14%	\$ 50,776,119	\$ 58,055,781	14%
Fee-Earning AUM	\$ 41,746,577	\$ 46,437,616	11%	\$ 41,746,577	\$ 46,437,616	11%

\$58 billion

1Q'13 Total AUM



Totals may not add due to rounding.

(a) Represents weighted average performance of the assets of the respective flagship funds within each strategy. Hedge strategies net returns were 4.6% for 1Q'13 and 14.3% LTM, Mezzanine strategies net returns were 6.8% for 1Q'13 and 28.2% LTM and Rescue Lending strategies net returns were 4.8% for 1Q'13 and 15.9% LTM.

(b) Represents total commitments, which are included in Total AUM as of quarter end 2013, but none of which are included in Fee-Earning AUM.

(c) Includes business development companies ("BDCs"), closed-end funds, commingled funds and separately managed accounts.

Financial Advisory

- ▶ Revenues for the quarter were down 12% from the same period a year ago, primarily from fewer deal closings in our Blackstone Advisory Partners and Park Hill placement services businesses, despite steady pipelines.
 - First quarter results are impacted by full year compensation accruals which, typically, reduce income for the first quarter compared to full year results.
- ▶ Blackstone Advisory Partners' revenue declined year-over-year as advisory activity in the industry generally slowed and there were fewer closed transactions after a record level of activity in the fourth quarter of 2012.
- ▶ Restructuring revenue increased year-over-year, reflecting continued strong performance despite an improving economy and strong financing markets as the business continues to diversify its client and mandate coverage.
- ▶ Park Hill's revenue declined year-over-year, however the pipeline remains solid as challenging fundraising market conditions continue to drive demand for alternative asset placement services.

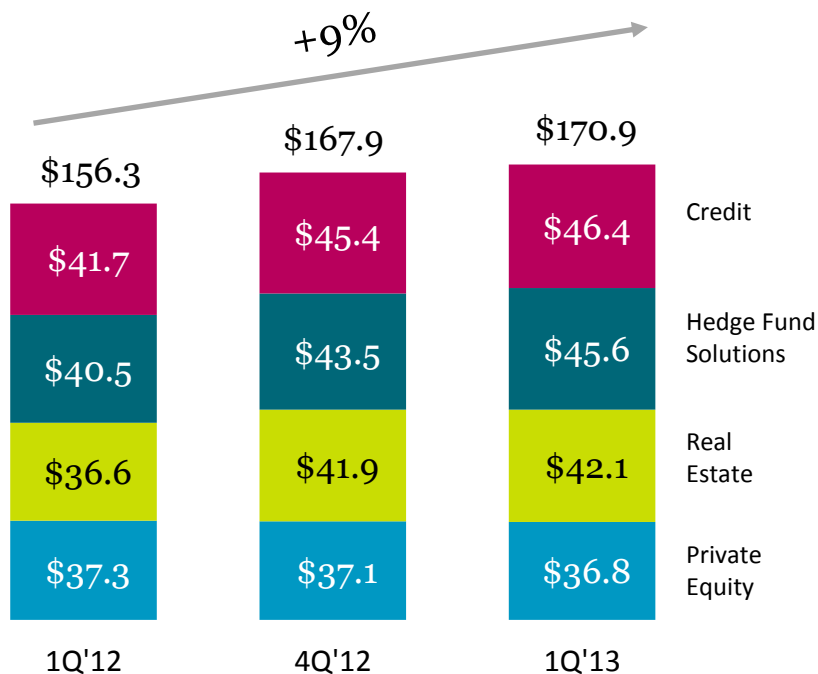
(Dollars in Thousands)	1Q'12	1Q'13	% Change vs. 1Q'12	1Q'12 LTM	1Q'13 LTM	% Change vs. 1Q'12 LTM
Fee Revenues	\$ 77,635	\$ 68,578	(12)%	\$ 394,282	\$ 355,008	(10)%
Investment Income (Loss)	534	(125)	n/m	942	2,081	121%
Total Revenues	78,169	68,453	(12)%	395,224	357,089	(10)%
Compensation	67,960	57,926	(15)%	262,316	225,103	(14)%
Other Operating Expenses	20,686	20,693	0%	84,693	84,596	(0)%
Total Expenses	88,646	78,619	(11)%	347,009	309,699	(11)%
Economic Income (Loss)	\$ (10,477)	\$ (10,166)	3%	\$ 48,215	\$ 47,390	(2)%

Assets Under Management

- ▶ **Fee-Earning AUM:** up 9% year-over-year to a record \$171 billion, as \$30 billion of gross inflows and \$4 billion of market appreciation more than offset \$18 billion of outflows largely related to realizations.
 - Including commitments, not yet earning fees, Fee-Earning AUM was \$185 billion, up 18% year-over-year.
- ▶ **Total AUM:** increased 15% year-over-year to a record \$218 billion driven by \$31 billion of organic inflows and \$18 billion of market appreciation across all investment businesses, each of which are at record levels.

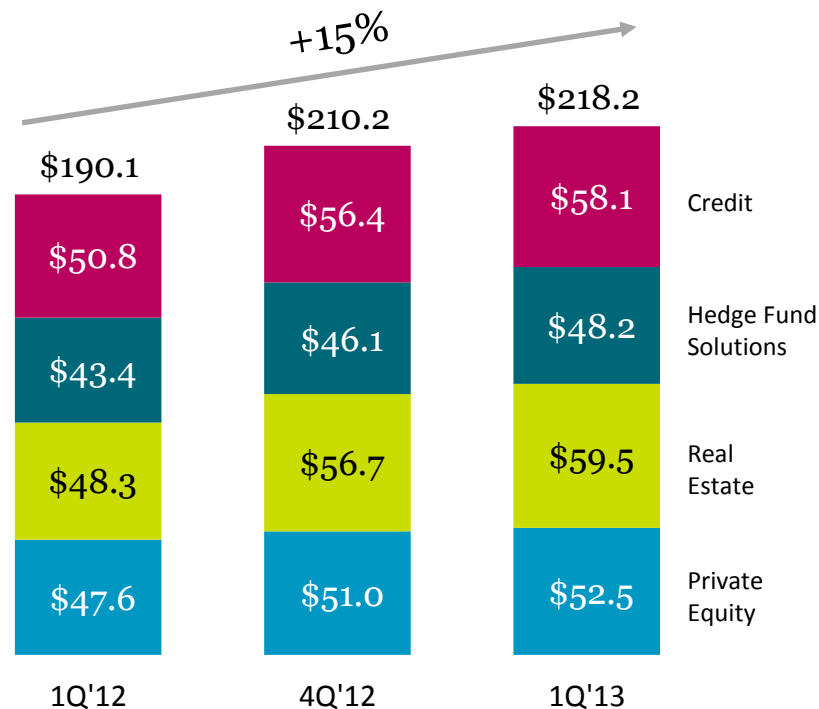
Fee-Earning AUM by Segment

(Dollars in Billions)



Total AUM by Segment

(Dollars in Billions)

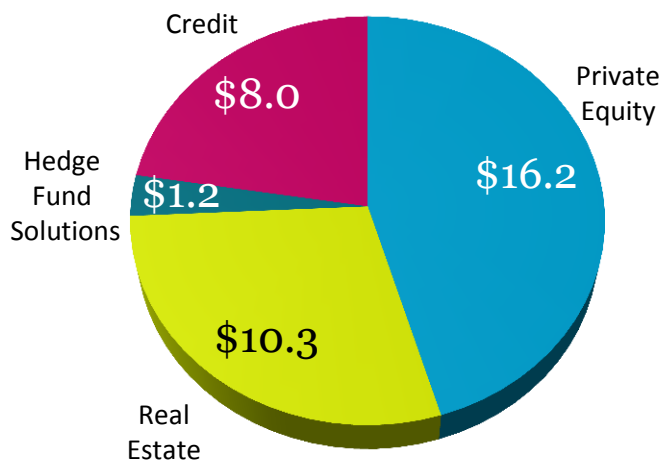


Totals may not add due to rounding.

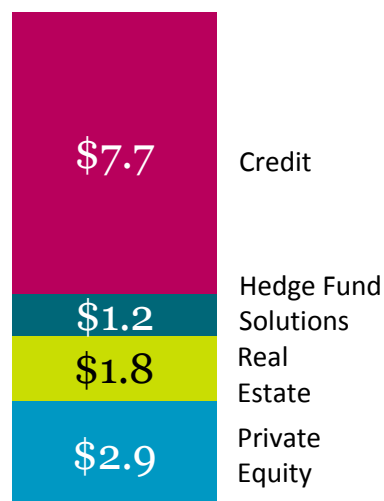
1Q'13 Available Capital Summary

- ▶ Maintained substantial levels of committed undrawn capital (“dry powder”) with \$35.8 billion at quarter end.
- ▶ \$13.6 billion of Total AUM was not yet earning Base Management Fees at quarter end due largely to fund structures with fees that are triggered by the investment of capital.
- ▶ Performance Fee Eligible AUM was \$131.4 billion at quarter end, including \$74.9 billion (\$88.5 billion at fair value) currently earning Performance Fees.

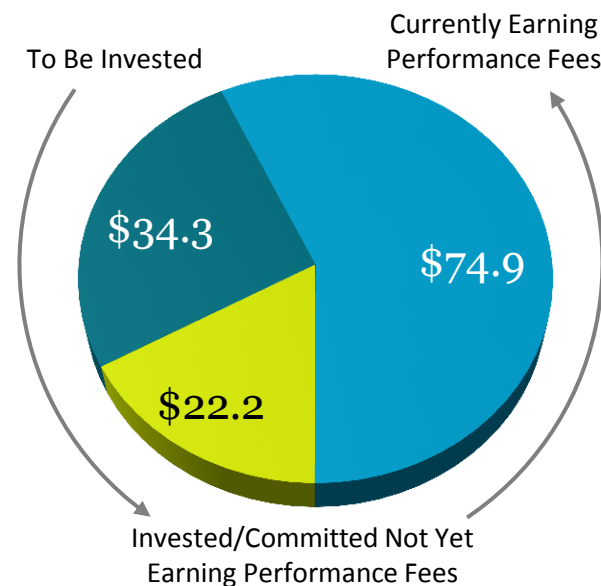
\$36 billion Dry Powder^(a)



\$14 billion Not Yet Earning Base Management Fees^(b)



\$131 billion Performance Fee Eligible AUM^(c)



(a) Represents illiquid drawdown funds only; excludes marketable vehicles; includes both Fee-Earning (third party) capital and GP/employee commitments which do not earn fees. Amounts reduced by outstanding commitments to invest, but for which capital has not been called. Blackstone 11

(b) Represents (i) committed uninvested capital of our Private Equity and Real Estate drawdown funds with closed investment periods, and (ii) committed uninvested capital for our Real Estate debt strategies drawdown funds, our Credit Mezzanine and Rescue Lending funds and our Hedge Fund Solutions Strategic Alliance Fund.

(c) Represents invested and to be invested capital, including closed commitments for funds whose investment period has not yet commenced, on which performance fees could be earned if certain hurdles are met.

Unitholder Distribution

- ▶ Earned \$0.33 of Distributable Earnings per common unit during the first quarter, up 120% year-over-year.
- ▶ Declared a quarterly distribution of \$0.30 per common unit to record holders as of April 29, 2013; payable on May 6, 2013.
- ▶ Blackstone increased its base quarterly distribution to \$0.12 per unit, up 20% from \$0.10 per unit in 2012, and any excess Net Cash Available for Distribution to Common Unitholders is distributed each quarter as earned^(a).
 - This new policy is reflected in the 200% year-over-year increase in the distribution to Common Unitholders in the first quarter of 2013.

(Dollars in Thousands, Except per Unit Data)	1Q'12	2Q'12	3Q'12	4Q'12	New Policy 1Q'13	% Change vs. 1Q'12
	Distributable Earnings ("DE")	\$ 162,121	\$ 188,404	\$ 189,635	\$ 493,765	\$ 378,827
Add: Other Payables Attributable to Common Unitholders	100	10,284	20,012	61,237	2,204	n/m
DE before Certain Payables ^(b)	162,221	198,688	209,647	555,002	381,031	135%
Percent to Common Unitholders	46%	47%	48%	51%	51%	
DE before Certain Payables Attributable to Common Unitholders	74,766	93,991	100,396	281,207	193,669	159%
Less: Other Payables Attributable to Common Unitholders	(100)	(10,284)	(20,012)	(61,237)	(2,204)	n/m
DE Attributable to Common Unitholders	74,666	83,707	80,384	219,970	191,465	156%
DE per Common Unit^(c)	\$ 0.15	\$ 0.16	\$ 0.15	\$ 0.39	\$ 0.33	120%
Less: Retained Capital per Unit ^(d)	\$ (0.03)	\$ (0.02)	\$ (0.03)	\$ (0.05)	\$ (0.03)	-
Net Cash Available for Distribution per Common Unit ^(c)	\$ 0.12	\$ 0.14	\$ 0.12	\$ 0.34	\$ 0.30	150%
Actual Distribution per Common Unit ^(c)	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.42	\$ 0.30	200%
Record Date					April 29, 2013	
Payable Date					May 6, 2013	

(a) A detailed description of Blackstone's distribution policy can be found in Appendix – Definitions and Distribution Policy.

(b) DE before Certain Payables represents Distributable Earnings before the deduction for the Payable Under Tax Receivable Agreement and tax expense (benefit) of wholly-owned subsidiaries.

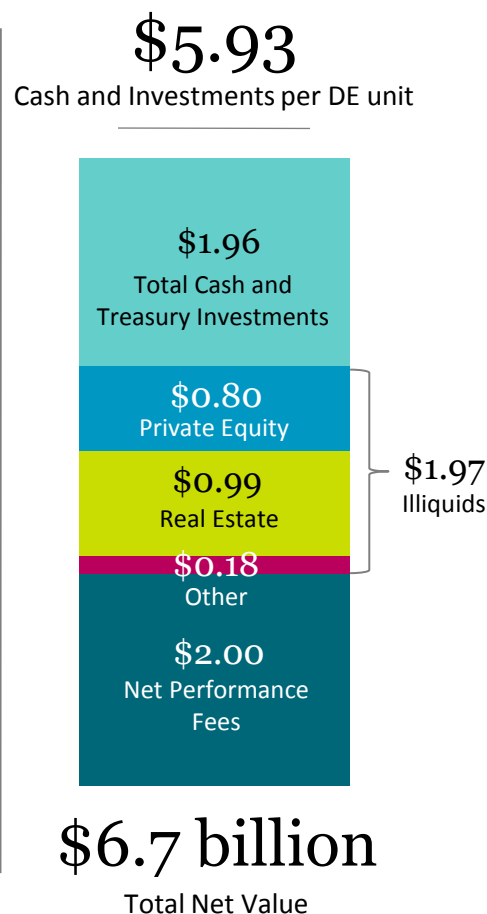
(c) Per Unit calculations are based on Total Common Units Outstanding (see Appendix – Unit Rollforward); actual distributions are paid to applicable unitholders as of the record date.

(d) Retained capital is withheld pro-rata from common and Blackstone Partnership unitholders. Common unitholders' share was \$18.8 million for 1Q'13.

Balance Sheet Highlights^(a)

- ▶ At March 31, 2013, Blackstone had \$2.2 billion in total cash and corporate treasury investments and \$6.7 billion of total net value, or \$5.93 per unit, up 34% from \$4.41 a year ago.
- ▶ Long-term debt of \$1.6 billion from the 2009, 2010 and 2012 bond issuances.
- ▶ There are currently no borrowings outstanding against the \$1.1 billion revolving credit facility expiring in 2017.

(Dollars in Millions)	1Q'13
Cash and Cash Equivalents	\$ 815
Treasury Cash Management Strategies	1,255
Liquid Investments ^(b)	142
Illiquid Investments ^(c)	2,220
Net Performance Fees	2,261
Total Net Value	\$ 6,693
Outstanding Bonds (at par) ^(d)	\$ 1,635



A/A+
rated by S&P / Fitch

\$1.1 billion
undrawn credit revolver with
July 2017 maturity

\$2.2 billion
total cash and corporate
treasury investments

(a) Preliminary, excludes the consolidated Blackstone funds. Totals may not add due to rounding.

(b) Primarily Blackstone investments in Hedge Fund Solutions and non-drawdown Credit.

(c) Illiquids include Blackstone investments in all drawdown funds in Private Equity, Real Estate and Credit.

(d) Senior notes of \$600 million issued August 2009 maturing on August 15, 2019 (6.625% coupon), \$400 million issued September 2010 maturing on March 15, 2021 (5.875% coupon), \$400 million issued August 2012 maturing on February 15, 2023 (4.750% coupon) and \$250 million issued August 2012 maturing on August 15, 2042 (6.250% coupon), net of \$15 million held by Blackstone.

Additional 1Q'13 Information

- ▶ Blackstone had strong Performance Fees across all of its investing businesses of \$604 million (\$364 million net of compensation) during the quarter. Why is the Net Accrued Performance Fee balance, which was a record \$2.3 billion, up only \$23 million from the prior quarter? (See page 25.)

- The below table details the change in Net Accrued Performance Fees from 4Q'12 (Dollars in Millions):

4Q'12 Balance	\$2,238
– 2012 Net Realized Performance Fees, Paid in 1Q'13	(152)
+ 1Q'13 Total Performance Fees, Net of Compensation (Accrued)	364
– 1Q'13 Realized Performance Fees, Net of Compensation	(219)
+ 1Q'13 Net Realized Performance Fees, Not Yet Paid	30
1Q'13 Balance	\$2,261

- ▶ In 1Q'13, why does Private Equity have positive Realized Carried Interest of \$140 million and negative Unrealized Carried Interest of \$84 million if the carrying value of assets appreciated during the quarter? (See page 18.)
 - When Performance Fees, in this case, Carried Interest, are realized, they generate positive Realized Carried Interest, but have an offsetting negative amount in Unrealized Carried Interest, which reflects the movement of Unrealized or Accrued Performance Fees being converted into Realized. This is typical in a robust realization quarter because the fund is realizing previously recognized value.
- ▶ Why are 1Q'13 Fee Related Earnings down 6% year-over-year despite an increase in Fee Revenues of 3%?
 - There are three specific items that contributed to the year-over-year decline in Fee Related Earnings:
 - First, in 1Q'12, Real Estate benefited from \$19.5 million of revenues related to a management fee “catch up” coinciding with additional closings of BREP VII, a \$13.4 billion fund.
 - Additionally, there were certain non-recurring benefits in 1Q'12 related to the Credit / GSO buyout.
 - And lastly, Fee Related Earnings were impacted by the firm’s 10 and 30-year bond issuances of \$650 million in 3Q'12. Excluding the bond impact, Other Operating Expenses were actually down year-over-year.
 - Over the last twelve months, Fee Related Earnings increased 19%, which is greater than the 11% increase in Fee Revenues for the same period.

GAAP Statement of Operations

(Dollars in Thousands, Except per Unit Data) (Unaudited)	1Q'12	1Q'13	% Change vs. 1Q'12	1Q'12 LTM	1Q'13 LTM	% Change vs. 1Q'12 LTM
Revenues						
Management and Advisory Fees, Net	\$ 471,676	\$ 482,133	2%	\$ 1,870,688	\$ 2,041,150	9%
Performance Fees						
Realized Carried Interest	13,560	294,170	n/m	59,066	608,032	n/m
Realized Incentive Fees	5,279	23,741	n/m	92,576	320,263	246%
Unrealized Carried Interest	298,796	177,347	(41)%	838,166	872,741	4%
Unrealized Incentive Fees	67,135	105,798	58%	(30,982)	8,302	n/m
Total Performance Fees	384,770	601,056	56%	958,826	1,809,338	89%
Investment Income						
Realized	16,335	42,353	159%	91,094	119,981	32%
Unrealized	72,826	106,230	46%	91,212	289,635	218%
Total Investment Income	89,161	148,583	67%	182,306	409,616	125%
Interest and Dividend Revenue	7,636	12,557	64%	35,573	45,275	27%
Other	(1,207)	2,144	n/m	3,950	8,499	115%
Total Revenues	952,036	1,246,473	31%	3,051,343	4,313,878	41%
Expenses						
Compensation and Benefits						
Compensation	495,255	451,430	(9)%	2,257,484	2,047,873	(9)%
Performance Fee Compensation						
Realized Carried Interest	7,938	89,437	n/m	37,984	177,932	n/m
Realized Incentive Fees	4,252	10,508	147%	59,190	146,298	147%
Unrealized Carried Interest	84,543	95,472	13%	196,533	332,528	69%
Unrealized Incentive Fees	12,779	44,478	248%	(44,550)	(12,829)	71%
Total Compensation and Benefits	604,767	691,325	14%	2,506,641	2,691,802	7%
General, Administrative and Other	142,766	109,306	(23)%	579,693	515,278	(11)%
Interest Expense	14,518	27,062	86%	58,539	85,414	46%
Fund Expenses	21,742	7,408	(66)%	36,125	19,495	(46)%
Total Expenses	783,793	835,101	7%	3,180,998	3,311,989	4%
Other Income						
Reversal of Tax Receivable Agreement Liability	-	-	n/m	197,816	-	(100)%
Net Gains from Fund Investment Activities	288,142	67,210	(77)%	348,268	35,213	(90)%
Income Before Provision for Taxes	\$ 456,385	\$ 478,582	5%	\$ 416,429	\$ 1,037,102	149%
Provision for Taxes	38,753	50,993	32%	345,614	197,263	(43)%
Net Income	\$ 417,632	\$ 427,589	2%	\$ 70,815	\$ 839,839	n/m
Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	54,259	62,316	15%	6,653	111,655	n/m
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	197,643	(9,452)	n/m	299,389	(107,136)	n/m
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	107,405	207,090	93%	(82,545)	507,412	n/m
Net Income (Loss) Attributable to The Blackstone Group, L.P.	\$ 58,325	\$ 167,635	187%	\$ (152,682)	\$ 327,908	n/m
Net Income per Common Unit, Basic	\$ 0.12	\$ 0.29	142%	n/a	n/a	n/a
Net Income per Common Unit, Diluted	\$ 0.11	\$ 0.29	n/m	n/a	n/a	n/a

Appendix

Total Segments

(Dollars in Thousands)	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13	1Q'12 LTM	1Q'13 LTM
Revenues							
Management and Advisory Fees, Net							
Base Management Fees	\$ 395,506	\$ 381,344	\$ 398,088	\$ 416,465	\$ 408,747	\$ 1,371,104	\$ 1,604,644
Advisory Fees	75,846	93,372	59,951	128,248	67,020	387,834	348,591
Transaction and Other Fees, Net ^(a)	38,471	49,453	45,126	94,069	37,974	227,621	226,622
Management Fee Offsets ^(b)	(13,050)	(7,973)	(8,454)	(11,476)	(9,662)	(37,907)	(37,565)
Total Management and Advisory Fees, Net	496,773	516,196	494,711	627,306	504,079	1,948,652	2,142,292
Performance Fees							
Realized Carried Interest	13,560	55,929	83,765	174,168	294,170	59,066	608,032
Realized Incentive Fees	5,279	11,692	11,620	272,873	24,727	92,109	320,912
Unrealized Carried Interest	298,796	84,290	403,465	207,639	177,347	838,166	872,741
Unrealized Incentive Fees	68,121	(17,074)	104,149	(184,507)	107,755	(29,856)	10,323
Total Performance Fees	385,756	134,837	602,999	470,173	603,999	959,485	1,812,008
Investment Income (Loss)							
Realized	23,492	9,360	25,098	37,448	38,110	102,568	110,016
Unrealized	59,914	(25,624)	82,334	74,222	96,661	40,026	227,593
Total Investment Income (Loss)	83,406	(16,264)	107,432	111,670	134,771	142,594	337,609
Interest Income and Dividend Revenue	9,345	10,391	12,004	14,890	14,661	38,741	51,946
Other	(1,207)	(828)	2,477	4,707	2,143	3,949	8,499
Total Revenues	974,073	644,332	1,219,623	1,228,746	1,259,653	3,093,421	4,352,354
Expenses							
Compensation	254,772	268,884	259,561	247,559	266,977	990,809	1,042,981
Performance Fee Compensation							
Realized Carried Interest	7,938	7,899	22,023	58,573	89,437	37,984	177,932
Realized Incentive Fees	4,252	5,575	4,457	125,758	10,508	59,190	146,298
Unrealized Carried Interest	84,543	36,815	128,863	71,378	95,472	196,532	332,528
Unrealized Incentive Fees	12,779	(9,596)	44,254	(91,965)	44,478	(44,550)	(12,829)
Total Compensation and Benefits	364,284	309,577	459,158	411,303	506,872	1,239,965	1,686,910
Other Operating Expenses	109,521	113,038	127,456	131,430	114,444	427,888	486,368
Total Expenses	473,805	422,615	586,614	542,733	621,316	1,667,853	2,173,278
Economic Income	\$ 500,268	\$ 221,717	\$ 633,009	\$ 686,013	\$ 638,337	\$ 1,425,568	\$ 2,179,076
Economic Net Income	\$ 491,217	\$ 212,349	\$ 621,752	\$ 669,981	\$ 628,306	\$ 1,383,553	\$ 2,132,388
Fee Related Earnings	\$ 146,928	\$ 145,729	\$ 135,052	\$ 272,604	\$ 137,733	\$ 582,253	\$ 691,118
Distributable Earnings	\$ 162,121	\$ 188,404	\$ 189,635	\$ 493,765	\$ 378,827	\$ 656,930	\$ 1,250,631
Total Assets Under Management	\$ 190,074,167	\$ 190,267,831	\$ 204,551,572	\$ 210,219,960	\$ 218,210,672	\$ 190,074,167	\$ 218,210,672
Fee-Earning Assets Under Management	\$ 156,261,446	\$ 157,646,521	\$ 168,630,082	\$ 167,880,440	\$ 170,949,347	\$ 156,261,446	\$ 170,949,347
Weighted Average Fee-Earning AUM	\$ 154,354,070	\$ 156,426,744	\$ 162,377,631	\$ 168,328,454	\$ 169,551,186	\$ 137,681,607	\$ 164,747,339
LP Capital Invested	\$ 2,719,433	\$ 2,403,623	\$ 3,085,441	\$ 5,690,474	\$ 1,784,463	\$ 14,533,678	\$ 12,964,000
Total Capital Invested	\$ 3,134,385	\$ 2,525,648	\$ 3,754,061	\$ 6,200,755	\$ 1,840,474	\$ 15,995,211	\$ 14,320,938

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners including, for Private Equity, broken deal expenses.

(b) Primarily placement fees.

Private Equity

(Dollars in Thousands)	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13	1Q'12 LTM	1Q'13 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 85,789	\$ 87,475	\$ 86,136	\$ 89,194	\$ 86,246	\$ 337,851	\$ 349,051
Transaction and Other Fees, Net ^(a)	18,097	14,951	25,693	41,339	24,453	115,759	106,436
Management Fee Offsets ^(b)	(3,782)	(672)	(767)	(705)	(480)	(22,966)	(2,624)
Total Management Fees, Net	100,104	101,754	111,062	129,828	110,219	430,644	452,863
Performance Fees							
Realized Carried Interest	3,933	28,781	31,592	45,491	139,892	(41,063)	245,756
Unrealized Carried Interest	34,051	(87,893)	128,746	73,477	(83,954)	35,004	30,376
Total Performance Fees	37,984	(59,112)	160,338	118,968	55,938	(6,059)	276,132
Investment Income (Loss)							
Realized	13,911	(6,195)	7,189	10,918	24,162	40,992	36,074
Unrealized	16,469	(28,337)	43,267	53,938	31,711	(3,181)	100,579
Total Investment Income (Loss)	30,380	(34,532)	50,456	64,856	55,873	37,811	136,653
Interest Income and Dividend Revenue	2,420	3,114	3,413	4,609	2,984	12,664	14,120
Other	(215)	562	1,650	420	424	784	3,056
Total Revenues	170,673	11,786	326,919	318,681	225,438	475,844	882,824
Expenses							
Compensation	52,547	53,775	62,424	53,963	60,203	215,179	230,365
Performance Fee Compensation							
Realized Carried Interest	320	804	1,048	1,507	16,246	(5,933)	19,605
Unrealized Carried Interest	(1,052)	(8,259)	43,228	24,638	16,619	(8,745)	76,226
Total Compensation and Benefits	51,815	46,320	106,700	80,108	93,068	200,501	326,196
Other Operating Expenses	28,881	30,521	30,944	40,499	29,168	121,086	131,132
Total Expenses	80,696	76,841	137,644	120,607	122,236	321,587	457,328
Economic Income (Loss)	\$ 89,977	\$ (65,055)	\$ 189,275	\$ 198,074	\$ 103,202	\$ 154,257	\$ 425,496
Total Assets Under Management	\$ 47,624,013	\$ 46,633,552	\$ 50,222,312	\$ 51,002,973	\$ 52,491,811	\$ 47,624,013	\$ 52,491,811
Fee-Earning Assets Under Management	\$ 37,323,635	\$ 37,159,452	\$ 38,505,497	\$ 37,050,167	\$ 36,785,770	\$ 37,323,635	\$ 36,785,770
Weighted Average Fee-Earning AUM	\$ 37,491,735	\$ 37,434,520	\$ 38,096,139	\$ 38,507,697	\$ 36,907,936	\$ 37,037,582	\$ 38,028,891
LP Capital Invested	\$ 643,044	\$ 102,899	\$ 1,015,605	\$ 1,461,987	\$ 276,987	\$ 3,781,845	\$ 2,857,478
Total Capital Invested	\$ 680,035	\$ 108,977	\$ 1,427,871	\$ 1,860,738	\$ 291,011	\$ 4,399,498	\$ 3,688,597

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners including, for Private Equity, broken deal expenses.

(b) Primarily placement fees.

Real Estate

(Dollars in Thousands)	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13	1Q'12 LTM	1Q'13 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 147,802	\$ 127,817	\$ 135,659	\$ 140,044	\$ 138,346	\$ 447,141	\$ 541,866
Transaction and Other Fees, Net ^(a)	14,412	25,151	14,937	31,181	9,140	102,379	80,409
Management Fee Offsets ^(b)	(8,627)	(5,357)	(6,034)	(8,591)	(7,286)	(13,072)	(27,268)
Total Management Fees, Net	153,587	147,611	144,562	162,634	140,200	536,448	595,007
Performance Fees							
Realized Carried Interest	8,617	13,539	51,845	91,113	68,773	29,090	225,270
Realized Incentive Fees	(1)	7,766	4,879	13,012	3,092	9,406	28,749
Unrealized Carried Interest	221,500	144,510	207,695	110,059	280,076	773,472	742,340
Unrealized Incentive Fees	7,914	(1,526)	6,150	(12,657)	2,400	4,914	(5,633)
Total Performance Fees	238,030	164,289	270,569	201,527	354,341	816,882	990,726
Investment Income							
Realized	7,812	9,067	10,324	18,099	9,534	32,865	47,024
Unrealized	25,912	14,944	33,676	16,343	60,303	57,154	125,266
Total Investment Income	33,724	24,011	44,000	34,442	69,837	90,019	172,290
Interest Income and Dividend Revenue	2,552	3,277	3,581	5,038	4,298	12,166	16,194
Other	(709)	(590)	1,941	252	(133)	(2,630)	1,470
Total Revenues	427,184	338,598	464,653	403,893	568,543	1,452,885	1,775,687
Expenses							
Compensation	68,889	76,576	71,456	54,201	69,459	248,033	271,692
Performance Fee Compensation							
Realized Carried Interest	4,077	3,401	19,822	35,118	25,863	13,054	84,204
Realized Incentive Fees	2	3,871	2,570	6,617	1,724	4,462	14,782
Unrealized Carried Interest	54,275	31,677	47,940	31,590	89,057	174,457	200,264
Unrealized Incentive Fees	3,768	(629)	2,876	(6,598)	1,034	1,331	(3,317)
Total Compensation and Benefits	131,011	114,896	144,664	120,928	187,137	441,337	567,625
Other Operating Expenses	28,924	26,560	31,284	36,946	28,462	104,417	123,252
Total Expenses	159,935	141,456	175,948	157,874	215,599	545,754	690,877
Economic Income	\$ 267,249	\$ 197,142	\$ 288,705	\$ 246,019	\$ 352,944	\$ 907,131	\$ 1,084,810
Total Assets Under Management	\$ 48,322,760	\$ 50,225,950	\$ 53,546,023	\$ 56,695,645	\$ 59,475,215	\$ 48,322,760	\$ 59,475,215
Fee-Earning Assets Under Management	\$ 36,647,462	\$ 38,476,123	\$ 40,609,286	\$ 41,931,339	\$ 42,140,507	\$ 36,647,462	\$ 42,140,507
Weighted Average Fee-Earning AUM	\$ 35,983,336	\$ 36,882,087	\$ 38,947,049	\$ 40,164,238	\$ 41,682,661	\$ 32,017,030	\$ 39,878,906
LP Capital Invested	\$ 1,143,555	\$ 1,855,108	\$ 1,342,811	\$ 3,876,701	\$ 1,175,775	\$ 6,630,543	\$ 8,250,395
Total Capital Invested	\$ 1,172,883	\$ 1,954,731	\$ 1,397,249	\$ 3,990,620	\$ 1,202,736	\$ 6,982,086	\$ 8,545,336

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners.

(b) Primarily placement fees.

Hedge Fund Solutions

(Dollars in Thousands)	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13	1Q'12 LTM	1Q'13 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 81,821	\$ 84,278	\$ 87,334	\$ 92,777	\$ 92,791	\$ 322,072	\$ 357,180
Transaction and Other Fees, Net ^(a)	92	65	4	27	4	2,163	100
Management Fee Offsets ^(b)	(335)	(375)	(382)	(322)	(324)	(1,191)	(1,403)
Total Management Fees, Net	81,578	83,968	86,956	92,482	92,471	323,044	355,877
Performance Fees							
Realized Incentive Fees	3,298	1,175	2,637	76,323	13,709	13,877	93,844
Unrealized Incentive Fees	23,187	(10,981)	36,635	(39,799)	55,501	4,708	41,356
Total Performance Fees	26,485	(9,806)	39,272	36,524	69,210	18,585	135,200
Investment Income (Loss)							
Realized	503	929	637	5,201	852	16,884	7,619
Unrealized	8,371	(3,636)	5,199	(1,417)	3,913	(17,780)	4,059
Total Investment Income (Loss)	8,874	(2,707)	5,836	3,784	4,765	(896)	11,678
Interest Income and Dividend Revenue	386	495	540	718	1,216	1,895	2,969
Other	(127)	27	315	3,601	85	7,671	4,028
Total Revenues	117,196	71,977	132,919	137,109	167,747	350,299	509,752
Expenses							
Compensation	28,233	34,559	28,826	28,113	33,868	129,099	125,366
Performance Fee Compensation							
Realized Incentive Fees	1,378	(345)	1,062	20,985	5,022	4,576	26,724
Unrealized Incentive Fees	7,294	(2,820)	8,062	(11,219)	19,836	2,170	13,859
Total Compensation and Benefits	36,905	31,394	37,950	37,879	58,726	135,845	165,949
Other Operating Expenses	13,934	14,506	12,878	16,491	15,159	65,998	59,034
Total Expenses	50,839	45,900	50,828	54,370	73,885	201,843	224,983
Economic Income	\$ 66,357	\$ 26,077	\$ 82,091	\$ 82,739	\$ 93,862	\$ 148,456	\$ 284,769
Total Assets Under Management	\$ 43,351,275	\$ 42,888,946	\$ 46,218,618	\$ 46,092,505	\$ 48,187,865	\$ 43,351,275	\$ 48,187,865
Fee-Earning Assets Under Management	\$ 40,543,772	\$ 40,161,179	\$ 43,601,541	\$ 43,478,791	\$ 45,585,454	\$ 40,543,772	\$ 45,585,454
Weighted Average Fee-Earning AUM	\$ 39,904,474	\$ 40,528,701	\$ 42,005,752	\$ 43,709,019	\$ 44,999,899	\$ 37,586,897	\$ 42,972,258
LP Capital Invested	\$ 4,661	\$ -	\$ 196,180	\$ -	\$ 55,849	\$ 697,278	\$ 252,029
Total Capital Invested	\$ 5,502	\$ -	\$ 207,250	\$ -	\$ 59,000	\$ 740,395	\$ 266,250

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners.

(b) Primarily placement fees.

Credit

(Dollars in Thousands)	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13	1Q'12 LTM	1Q'13 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 80,094	\$ 81,774	\$ 88,959	\$ 94,450	\$ 91,364	\$ 264,040	\$ 356,547
Transaction and Other Fees, Net ^(a)	5,725	9,184	4,486	21,480	4,374	6,860	39,524
Management Fee Offsets ^(b)	(306)	(1,569)	(1,271)	(1,858)	(1,572)	(678)	(6,270)
Total Management Fees, Net	85,513	89,389	92,174	114,072	94,166	270,222	389,801
Performance Fees							
Realized Carried Interest	1,010	13,609	328	37,564	85,505	71,039	137,006
Realized Incentive Fees	1,982	2,751	4,104	183,538	7,926	68,826	198,319
Unrealized Carried Interest	43,245	27,673	67,024	24,103	(18,775)	29,690	100,025
Unrealized Incentive Fees	37,020	(4,567)	61,364	(132,051)	49,854	(39,478)	(25,400)
Total Performance Fees	83,257	39,466	132,820	113,154	124,510	130,077	409,950
Investment Income (Loss)							
Realized	683	5,638	6,697	2,593	3,328	10,747	18,256
Unrealized	9,211	(9,156)	(736)	5,450	1,093	3,971	(3,349)
Total Investment Income (Loss)	9,894	(3,518)	5,961	8,043	4,421	14,718	14,907
Interest Income and Dividend Revenue	2,425	1,752	2,673	2,480	4,547	5,341	11,452
Other	(238)	(787)	(678)	529	1,828	(1,189)	892
Total Revenues	180,851	126,302	232,950	238,278	229,472	419,169	827,002
Expenses							
Compensation	37,143	42,845	50,236	51,853	45,521	136,182	190,455
Performance Fee Compensation							
Realized Carried Interest	3,541	3,694	1,153	21,948	47,328	30,863	74,123
Realized Incentive Fees	2,872	2,049	825	98,156	3,762	50,152	104,792
Unrealized Carried Interest	31,320	13,397	37,695	15,150	(10,204)	30,820	56,038
Unrealized Incentive Fees	1,717	(6,147)	33,316	(74,148)	23,608	(48,051)	(23,371)
Total Compensation and Benefits	76,593	55,838	123,225	112,959	110,015	199,966	402,037
Other Operating Expenses	17,096	15,749	33,527	18,116	20,962	51,694	88,354
Total Expenses	93,689	71,587	156,752	131,075	130,977	251,660	490,391
Economic Income	\$ 87,162	\$ 54,715	\$ 76,198	\$ 107,203	\$ 98,495	\$ 167,509	\$ 336,611
Total Assets Under Management	\$ 50,776,119	\$ 50,519,383	\$ 54,564,619	\$ 56,428,837	\$ 58,055,781	\$ 50,776,119	\$ 58,055,781
Fee-Earning Assets Under Management	\$ 41,746,577	\$ 41,849,767	\$ 45,913,758	\$ 45,420,143	\$ 46,437,616	\$ 41,746,577	\$ 46,437,616
Weighted Average Fee-Earning AUM	\$ 40,974,525	\$ 41,581,436	\$ 43,328,691	\$ 45,947,499	\$ 45,960,690	\$ 31,040,098	\$ 43,867,284
LP Capital Invested	\$ 928,173	\$ 445,616	\$ 530,845	\$ 351,786	\$ 275,852	\$ 3,424,012	\$ 1,604,099
Total Capital Invested	\$ 1,275,965	\$ 461,940	\$ 721,691	\$ 349,397	\$ 287,727	\$ 3,873,232	\$ 1,820,755

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners.

(b) Primarily placement fees.

Financial Advisory

(Dollars in Thousands)	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13	1Q'12 LTM	1Q'13 LTM
Revenues							
Advisory Fees	\$ 75,846	\$ 93,372	\$ 59,951	\$ 128,248	\$ 67,020	\$ 387,834	\$ 348,591
Transaction and Other Fees, Net	145	102	6	42	3	460	153
Total Advisory and Transaction Fees	75,991	93,474	59,957	128,290	67,023	388,294	348,744
Investment Income (Loss)							
Realized	583	(79)	251	637	234	1,080	1,043
Unrealized	(49)	561	928	(92)	(359)	(138)	1,038
Total Investment Income (Loss)	534	482	1,179	545	(125)	942	2,081
Interest Income and Dividend Revenue	1,562	1,753	1,797	2,045	1,616	6,675	7,211
Other	82	(40)	(751)	(95)	(61)	(687)	(947)
Total Revenues	78,169	95,669	62,182	130,785	68,453	395,224	357,089
Expenses							
Compensation	67,960	61,129	46,619	59,429	57,926	262,316	225,103
Total Compensation and Benefits	67,960	61,129	46,619	59,429	57,926	262,316	225,103
Other Operating Expenses	20,686	25,702	18,823	19,378	20,693	84,693	84,596
Total Expenses	88,646	86,831	65,442	78,807	78,619	347,009	309,699
Economic Income (Loss)	\$ (10,477)	\$ 8,838	\$ (3,260)	\$ 51,978	\$ (10,166)	\$ 48,215	\$ 47,390

Fee-Earning Assets Under Management Flows

- ▶ **Fee-Earning AUM:** up \$14.7 billion or 9% from a year ago driven mainly by continued strong inflows and market appreciation totaling \$33.0 billion, which more than offset \$6.4 billion of outflows and \$11.9 billion of realizations.
- ▶ **Private Equity:** decreased slightly despite steady inflows into our tactical opportunities investment vehicles due to \$3.1 billion of realizations.
- ▶ **Real Estate:** grew 15% during the past year driven by capital committed to our latest global fund, invested capital in our Debt Strategies funds and the Capital Trust transaction with \$2.2 billion of Fee-Earning AUM.
- ▶ **Hedge Fund Solutions:** continued its solid growth with \$885 million of net inflows and \$1.2 billion of market appreciation during the quarter, bringing the last twelve months to \$2.2 billion of net inflows and \$2.8 billion of market appreciation.
- ▶ **Credit:** does not yet reflect capital committed to our second rescue lending fund, grew 11% during the past year primarily due to organic inflows, new product launches and capital invested in our carry funds.

1Q'13 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
4Q'12	\$ 37,050	\$ 41,931	\$ 43,479	\$ 45,420	\$ 167,880
Inflows ^(a)	470	752	1,209	3,903	6,334
Outflows ^(b)	-	(8)	(324)	(486)	(819)
Realizations ^(c)	(720)	(408)	-	(2,515)	(3,644)
Net Inflows (Outflows)	(250)	336	885	901	1,872
Market Activity ^(d)	(15)	(127)	1,222	117	1,197
1Q'13	\$ 36,786	\$ 42,141	\$ 45,585	\$ 46,438	\$ 170,949
<i>QoQ Inc (Dec)</i>	<i>(1)%</i>	<i>0%</i>	<i>5%</i>	<i>2%</i>	<i>2%</i>

LTM Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
1Q'12	\$ 37,324	\$ 36,647	\$ 40,544	\$ 41,747	\$ 156,261
Inflows ^(a)	2,599	9,444	5,223	12,240	29,506
Outflows ^(b)	-	(1,488)	(2,988)	(1,936)	(6,413)
Realizations ^(c)	(3,144)	(2,328)	-	(6,474)	(11,946)
Net Inflows (Outflows)	(545)	5,628	2,235	3,830	11,147
Market Activity ^(d)	7	(135)	2,807	861	3,541
1Q'13	\$ 36,786	\$ 42,141	\$ 45,585	\$ 46,438	\$ 170,949
<i>YoY Inc (Dec)</i>	<i>(1)%</i>	<i>15%</i>	<i>12%</i>	<i>11%</i>	<i>9%</i>

Totals may not add due to rounding.

(a) Inflows: include contributions, capital raised, other increases in available capital, purchases and acquisitions.

(b) Outflows: represent redemptions, client withdrawals and other decreases in available capital.

(c) Realizations: represent realizations from the disposition of assets.

(d) Market Activity: gains (losses) on portfolio investments and impact of foreign exchange rate fluctuations.

Total Assets Under Management Flows

- ▶ **Total AUM:** up \$28.1 billion or 15% from a year ago driven by strong net inflows and market appreciation across Blackstone's investment segments.
 - Realization activity continued to improve and our funds returned \$7.5 billion to our investors during the quarter and \$23.3 billion during the last twelve months.
- ▶ **Private Equity:** up 10% over the last twelve months driven by fundraising and market appreciation, which more than offset \$4.6 billion of realizations.
- ▶ **Real Estate:** grew 23% during the past year driven by capital committed to our latest global fund, solid market appreciation and the Capital Trust transaction adding \$2.3 billion of Total AUM.
- ▶ **Hedge Fund Solutions:** increased 11% over the last twelve months due to strong net inflows and \$3.0 billion of market appreciation driven by solid returns.
- ▶ **Credit:** grew 14% during the past year on top of significant realizations due to strong net inflows, new fund launches including the initial close of our second rescue lending fund and favorable market performance.

1Q'13 Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
4Q'12	\$ 51,003	\$ 56,696	\$ 46,093	\$ 56,429	\$ 210,220
Inflows ^(a)	983	1,517	1,215	4,757	8,472
Outflows ^(b)	(385)	(56)	(422)	(611)	(1,474)
Realizations ^(c)	(1,961)	(1,022)	-	(3,049)	(6,032)
Net Inflows (Outflows)	(1,364)	439	794	1,097	966
Market Activity ^(d)	2,853	2,340	1,302	530	7,024
1Q'13	\$ 52,492	\$ 59,475	\$ 48,188	\$ 58,056	\$ 218,211
<i>QoQ Increase</i>	<i>3%</i>	<i>5%</i>	<i>5%</i>	<i>3%</i>	<i>4%</i>

LTM Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
1Q'12	\$ 47,624	\$ 48,323	\$ 43,351	\$ 50,776	\$ 190,074
Inflows ^(a)	4,138	9,338	5,088	15,051	33,616
Outflows ^(b)	(461)	(302)	(3,212)	(2,594)	(6,569)
Realizations ^(c)	(4,600)	(4,348)	-	(7,790)	(16,738)
Net Inflows (Outflows)	(922)	4,689	1,876	4,667	10,309
Market Activity ^(d)	5,790	6,464	2,961	2,613	17,828
1Q'13	\$ 52,492	\$ 59,475	\$ 48,188	\$ 58,056	\$ 218,211
<i>YoY Increase</i>	<i>10%</i>	<i>23%</i>	<i>11%</i>	<i>14%</i>	<i>15%</i>

Totals may not add due to rounding.

(a) Inflows: include contributions, capital raised, other increases in available capital, purchases and acquisitions.

(b) Outflows: represent redemptions, client withdrawals and other decreases in available capital.

(c) Realizations: represent realizations from the disposition of assets.

(d) Market Activity: gains (losses) on portfolio investments and impact of foreign exchange rate fluctuations.

Net Accrued Performance Fees and Carried Interest Status^(a)

- ▶ Private Equity Net Accrued Performance Fees declined due mainly to \$140 million of Realized Performance Fees.
- ▶ Net Accrued Incentive Fees decreased due to prior year realizations being converted into cash in the first quarter.
- ▶ BCP V and BREP Int'l II were below their respective carried interest thresholds as of quarter end.

(Dollars in Millions, Except per Unit Data)					Carried Interest Status (excl. SBS) ^(d)			
	4Q'12	1Q'13	Per Unit ^(c)	Change vs. 4Q'12	Remaining Capital		Gain to Cross Carry Threshold	
					@ FMV	@ Cost	Amount	% Change in TEV
Private Equity								
BCP IV Carried Interest	\$ 582	\$ 448	\$ 0.40	\$ (134)				
BCP VI Carried Interest	22	40	0.04	18				
BEP Carried Interest	38	55	0.05	17				
Tactical Opportunities Carried Interest	2	2	0.00	-				
Total Private Equity	644	545	0.48	(99)				
Real Estate								
BREP V Carried Interest	448	490	0.43	42				
BREP VI Carried Interest	610	681	0.60	71				
BREP VII Carried Interest	82	133	0.12	51				
BREP Int'l I Carried Interest	2	2	0.00	-				
BREP Europe III Carried Interest	74	93	0.08	19				
BREDS Carried Interest	19	20	0.02	1				
BREDS Incentive Fees	7	7	0.01	-				
Asia Platform Incentive Fees	23	20	0.02	(3)				
Total Real Estate	1,265	1,446	1.28	181				
Hedge Fund Solutions								
Incentive Fees	67	60	0.05	(7)				
Total Hedge Fund Solutions	67	60	0.05	(7)				
Credit								
Carried Interest	144	143	0.13	(1)				
Incentive Fees	118	67	0.06	(51)				
Total Credit	262	210	0.19	(52)				
Total Blackstone								
Carried Interest	2,023	2,107	1.87	84				
Incentive Fees	215	154	0.14	(61)				
Net Accrued Performance Fees	\$ 2,238	\$ 2,261	\$ 2.00	\$ 23				
<i>Memo: Net Realized Performance Fees</i>	<i>\$ 167</i>	<i>\$ 45</i>	<i>\$ 0.04</i>	<i>\$ (122)</i>				

(Dollars / Euros In Millions)	Remaining Capital		Gain to Cross Carry Threshold	
	@ FMV	@ Cost	Amount	% Change in TEV
Private Equity				
BCP V	\$ 19,310	\$ 15,685	\$ 4,155	9%
Real Estate				
BREP Int'l II	€ 1,132	€ 1,130	€ 932	21%

\$2.3 billion

Net Accrued Performance Fees at 1Q'13

\$2.00 per unit^(c)

Net Accrued Performance Fees at 1Q'13

33% increase

in Net Accrued Performance Fees since 1Q'12

(a) Preliminary. Totals may not add due to rounding. See Additional 1Q'13 Information (page 14) for details on the Net Accrued Performance Fees change vs. 4Q'12.

(b) Net Accrued Performance Fees are presented net of performance fee compensation and do not include clawback amounts, if any, which are disclosed in the 10-K/Q. As of 1Q'13, \$45 million of Net Accrued Performance Fees, primarily attributable to Hedge Fund Solutions and Credit, have been realized and included in Distributable Earnings. When these fees are received, the receivable will be reduced without further impacting Distributable Earnings.

(c) Per Unit calculations are based on quarter end Distributable Earnings Units Outstanding (see Appendix – Unit Rollforward).

(d) Represents the required increase in equity at the fund level (excluding side-by-side investments) for funds with expired investment periods which are currently not generating performance fees.

Investment Records as of March 31, 2013^(a)

(Dollars in Thousands, Except Where Noted)	Committed Capital	Available Capital (b)	Unrealized Investments			Realized Investments		Total Investments		Net IRRs (d)	
			Value	MOIC (c)	% Public	Value	MOIC (c)	Value	MOIC (c)	Realized	Total
Private Equity											
BCP I (Oct 1987 / Oct 1993)	\$ 859,081	\$ -	\$ -	n/a	-	\$ 1,741,738	2.6x	\$ 1,741,738	2.6x	19%	19%
BCP II (Oct 1993 / Aug 1997)	1,361,100	-	-	n/a	-	3,256,819	2.5x	3,256,819	2.5x	32%	32%
BCP III (Aug 1997 / Nov 2002)	3,967,422	-	-	n/a	-	9,184,688	2.3x	9,184,688	2.3x	14%	14%
BCOM (June 2000 / Jun 2006)	2,137,330	199,297	214,522	0.7x	8%	2,593,463	1.4x	2,807,985	1.3x	8%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,138	248,640	4,751,752	1.9x	48%	15,325,141	3.0x	20,076,893	2.7x	53%	37%
BCP V (Dec 2005 / Jan 2011)	21,020,878	1,362,492	20,816,848	1.3x	28%	4,453,770	1.2x	25,270,618	1.3x	2%	4%
BCP VI (Jan 2011 / Jan 2016)	15,173,929	11,183,807	3,815,948	1.2x	29%	35,972	1.3x	3,851,920	1.2x	22%	9%
BEP (Aug 2011 / Aug 2017)	2,426,375	1,428,861	1,108,026	2.0x	44%	32,546	1.2x	1,140,572	1.9x	34%	88%
Total Core Private Equity	\$ 53,719,253	\$ 14,423,097	\$ 30,707,096	1.4x	31%	\$ 36,624,137	2.2x	\$ 67,331,233	1.7x	21%	15%
Tactical Opportunities	2,559,523	2,231,449	363,224	1.1x	-	9,161	1.3x	372,385	1.1x	n/m	14%
Other Funds and Co-Invest	1,062,606	324,694	328,701	n/a	73%	-	n/a	328,701	0.5x	n/a	n/m
Total Private Equity	\$ 57,341,382	\$ 16,979,240	\$ 31,399,021	1.3x	31%	\$ 36,633,298	2.2x	\$ 68,032,319	1.7x	21%	15%
Real Estate											
Dollar											
Pre-BREP	140,714	-	-	n/a	-	345,190	2.5x	345,190	2.5x	33%	33%
BREP I (Sep 1994 / Oct 1996)	380,708	-	-	n/a	-	1,327,708	2.8x	1,327,708	2.8x	40%	40%
BREP II (Oct 1996 / Mar 1999)	1,198,339	-	-	n/a	-	2,531,613	2.1x	2,531,613	2.1x	19%	19%
BREP III (Apr 1999 / Apr 2003)	1,522,708	-	2,161	0.1x	-	3,325,133	2.4x	3,327,294	2.4x	22%	21%
BREP IV (Apr 2003 / Dec 2005)	2,198,694	-	1,174,534	0.8x	-	3,021,424	2.4x	4,195,958	1.5x	72%	13%
BREP V (Dec 2005 / Feb 2007)	5,538,579	243,946	7,275,478	1.7x	-	2,352,733	1.6x	9,628,211	1.7x	41%	9%
BREP VI (Feb 2007 / Aug 2011)	11,057,598	757,813	15,282,402	1.6x	3%	2,112,651	2.0x	17,395,053	1.6x	32%	10%
BREP VII (Aug 2011 / Feb 2017)	13,380,433	8,133,203	6,770,581	1.3x	-	530,631	1.5x	7,301,212	1.3x	47%	32%
Total Global Real Estate Funds	\$ 35,417,773	\$ 9,134,962	\$ 30,505,156	1.5x	1%	\$ 15,547,083	2.1x	\$ 46,052,239	1.6x	28%	16%
BREP Co-Investment (e)	4,188,092	505,000	5,632,582	1.5x	-	520,052	1.5x	6,152,634	1.5x	11%	12%
Euro											
BREP Int'I (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ 109,596	1.2x	-	€ 1,230,290	2.2x	€ 1,339,886	2.0x	26%	23%
BREP Int'I II (Sep 2005 / Jun 2008)	1,627,954	81,767	1,242,339	1.0x	-	191,828	1.2x	1,434,167	1.0x	3%	(1)%
BREP Europe III (Jun 2008 / Dec 2013)	3,199,792	1,180,404	2,896,822	1.4x	-	23,412	2.0x	2,920,234	1.4x	39%	18%
Total Euro Funds	€ 5,651,918	€ 1,262,171	€ 4,248,757	1.3x	-	€ 1,445,530	2.0x	€ 5,694,287	1.4x	24%	9%
Total Real Estate	\$ 46,728,739	\$ 11,268,990	\$ 41,868,445	1.4x	1%	\$ 17,873,006	2.1x	\$ 59,741,451	1.6x	27%	15%
Debt Strategies Drawdown (f)	\$ 2,832,685	\$ 690,939	2,465,298	1.2x	-	\$ 1,371,755	1.3x	\$ 3,837,053	1.3x	16%	13%
Credit (g)											
Mezzanine	\$ 6,120,000	\$ 3,100,006	\$ 3,608,948	1.3x	-	\$ 2,632,565	1.7x	\$ 6,241,513	1.5x	n/a	20%
Rescue Lending	3,253,143	619,428	3,329,841	1.3x	-	1,456,563	1.1x	4,786,404	1.2x	n/a	15%
Total Credit	\$ 9,373,143	\$ 3,719,434	\$ 6,938,789	1.3x	-	\$ 4,089,128	1.4x	\$ 11,027,917	1.4x		

Investment Records as of March 31, 2013 – Notes

The returns presented herein represent those of the applicable Blackstone Funds and not those of The Blackstone Group L.P.

n/m Not meaningful.

n/a Not applicable.

(a) Preliminary.

(b) Available Capital represents total investable capital commitments, including side-by-side, adjusted for certain expenses and expired or callable capital, less invested capital. This amount is not reduced by outstanding commitments to investments.

(c) Multiple of Invested Capital (“MOIC”) represents carrying value, before management fees, expenses and Carried Interest, divided by invested capital.

(d) Net Internal Rate of Return (“IRR”) represents the annualized inception to March 31, 2013 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest.

(e) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment’s realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest.

(f) Excludes Capital Trust drawdown funds.

(g) The Total Investments MOIC for Mezzanine and Rescue Lending Funds, excluding recycled capital during the investment period, was 1.8x and 1.3x, respectively.

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13	1Q'12 LTM	1Q'13 LTM
Net Income (Loss) Attributable to The Blackstone Group L.P.	\$ 58,325	\$ (74,964)	\$ 128,824	\$ 106,413	\$ 167,635	\$ (152,682)	\$ 327,908
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	107,405	(53,027)	183,431	169,918	207,090	(82,545)	507,412
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	197,643	239,934	(157,607)	(180,011)	(9,452)	299,389	(107,136)
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	54,259	(17,666)	41,854	25,151	62,316	6,653	111,655
Net Income	\$ 417,632	\$ 94,277	\$ 196,502	\$ 121,471	\$ 427,589	\$ 70,815	\$ 839,839
Provision for Taxes	38,753	41,337	39,237	65,696	50,993	345,614	197,263
Income Before Provision for Taxes	\$ 456,385	\$ 135,614	\$ 235,739	\$ 187,167	\$ 478,582	\$ 416,429	\$ 1,037,102
IPO and Acquisition-Related Charges ^(a)	244,897	268,936	248,179	317,499	186,962	1,087,602	1,021,576
Amortization of Intangibles ^(b)	50,888	39,435	33,338	26,487	25,657	227,579	124,917
(Income) Loss Associated with Non-Controlling Interests in (Income) Loss of Consolidated Entities ^(c)	(251,902)	(222,268)	115,753	154,860	(52,864)	(306,042)	(4,519)
Economic Income	\$ 500,268	\$ 221,717	\$ 633,009	\$ 686,013	\$ 638,337	\$ 1,425,568	\$ 2,179,076
Taxes ^(d)	(9,051)	(9,368)	(11,257)	(16,032)	(10,031)	(42,015)	(46,688)
Economic Net Income	\$ 491,217	\$ 212,349	\$ 621,752	\$ 669,981	\$ 628,306	\$ 1,383,553	\$ 2,132,388
Taxes ^(d)	9,051	9,368	11,257	16,032	10,031	42,015	46,688
Performance Fee Adjustment ^(e)	(385,756)	(134,837)	(602,999)	(470,173)	(603,999)	(959,485)	(1,812,008)
Investment Income (Loss) Adjustment ^(f)	(83,406)	16,264	(107,432)	(111,670)	(134,771)	(142,594)	(337,609)
Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies ^(g)	6,310	1,892	12,877	4,690	(1,729)	9,608	17,730
Performance Fee Compensation and Benefits Adjustment ^(h)	109,512	40,693	199,597	163,744	239,895	249,156	643,929
Fee Related Earnings	\$ 146,928	\$ 145,729	\$ 135,052	\$ 272,604	\$ 137,733	\$ 582,253	\$ 691,118
Realized Performance Fees ⁽ⁱ⁾	6,649	54,147	68,905	262,710	218,952	54,001	604,714
Realized Investment Income ^(j)	23,492	9,360	25,098	37,448	38,110	102,568	110,016
Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies ^(k)	(5,897)	(1,280)	(8,251)	(6,444)	(3,820)	(10,944)	(19,795)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(l)	(9,051)	(19,552)	(31,169)	(72,553)	(12,148)	(70,948)	(135,422)
Distributable Earnings	\$ 162,121	\$ 188,404	\$ 189,635	\$ 493,765	\$ 378,827	\$ 656,930	\$ 1,250,631
Interest Expense	13,554	12,850	18,163	24,585	26,069	54,042	81,667
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(l)	9,051	19,552	31,169	72,553	12,148	70,948	135,422
Depreciation and Amortization	10,268	10,391	8,895	12,681	8,643	34,881	40,610
Adjusted EBITDA	\$ 194,994	\$ 231,197	\$ 247,862	\$ 603,584	\$ 425,687	\$ 816,801	\$ 1,508,330

Notes on next page.

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See Appendix – Definitions and Distribution Policy.

- (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 in (Income) Loss of Consolidated Entities and includes the amount of Management Fee Revenues associated with Consolidated CLO Entities.
- (d) Taxes represent 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 represents the realized and unrealized gain on Blackstone’s Treasury cash management strategies which are a component of Investment Income (Loss) but included in Fee Related Earnings.
- (h) This adjustment removes from expenses the compensation and benefit amounts related to Blackstone’s profit sharing plans related to Performance Fees.
- (i) Represents the adjustment for realized Performance Fees net of corresponding actual amounts due under Blackstone’s profit sharing plans related thereto.
- (j) Represents the adjustment for Blackstone’s Investment Income (Loss) - Realized.
- (k) Represents the elimination of Realized Investment Income attributable to Blackstone’s Treasury cash management strategies which is a component of both Fee Related Earnings and Realized Investment Income (Loss).
- (l) Taxes and Related Payables Including Payable Under Tax Receivable Agreement represent the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and the Payable Under Tax Receivable Agreement.

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

(Dollars in Thousands)	1Q'13	1Q'13 LTM
Interest Income and Dividend Revenue	\$ 14,661	\$ 51,946
Other Revenue	2,143	8,499
Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies ^(a)	(1,729)	17,730
Interest Income and Other Revenue	\$ 15,075	\$ 78,175
Realized Incentive Fees	24,727	320,912
Less: Realized Incentive Fee Compensation	(10,508)	(146,298)
Net Realized Incentive Fees	\$ 14,219	\$ 174,614
Realized Carried Interest	294,170	608,032
Less: Realized Carried Interest Compensation	(89,437)	(177,932)
Net Realized Carried Interest	\$ 204,733	\$ 430,100
Realized Investment Income	38,110	110,016
Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies ^(a)	(3,820)	(19,795)
Net Realized Investment Income	\$ 34,290	\$ 90,221
Unrealized Incentive Fees	107,755	10,323
Less: Unrealized Incentive Fee Compensation	(44,478)	12,829
Net Unrealized Incentive Fees	\$ 63,277	\$ 23,152
Unrealized Carried Interest	177,347	872,741
Less: Unrealized Carried Interest Compensation	(95,472)	(332,528)
Net Unrealized Carried Interest	\$ 81,875	\$ 540,213
Unrealized Investment Income	96,661	227,593
Less: Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies ^(a)	1,729	(17,730)
Less: Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies ^(a)	3,820	19,795
Net Unrealized Investment Income	\$ 102,210	\$ 229,658
Related Payables^(b)	\$ 2,117	\$ 88,734

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

(a) See Appendix - Reconciliation of GAAP to Non-GAAP Measures for this adjustment.

(b) Represents tax related payables including the Payable Under Tax Receivable Agreement.

Unit Rollforward

	1Q'12	2Q'12	3Q'12	4Q'12	1Q'13
Total GAAP Weighted-Average Common Units Outstanding - Basic	506,985,529	528,778,977	544,716,399	553,989,577	582,322,183
<i>Adjustments:</i>					
Weighted-Average Unvested Deferred Restricted Common Units	10,404,029	-	2,207,204	2,430,014	3,377,716
Total GAAP Weighted-Average Common Units Outstanding - Diluted	517,389,558	528,778,977	546,923,603	556,419,591	585,699,899
<i>Adjustments:</i>					
Weighted-Average Blackstone Holdings Partnership Units	602,817,069	591,155,160	586,762,611	581,202,276	557,463,170
Weighted-Average Unvested Deferred Restricted Common Units	-	4,820,609	-	-	-
Weighted-Average Economic Net Income Adjusted Units	1,120,206,627	1,124,754,746	1,133,686,214	1,137,621,867	1,143,163,069
Economic Net Income Adjusted Units, End of Period	1,119,829,138	1,122,067,386	1,133,637,141	1,143,019,281	1,143,893,134
Total Common Units Outstanding ^(a)	510,868,415	525,464,110	537,299,585	568,600,922	573,275,746
<i>Adjustments:</i>					
Blackstone Holdings Partnership Units	597,566,417	585,315,742	584,690,200	553,614,040	554,603,708
Distributable Earnings Units Outstanding^(b)	1,108,434,832	1,110,779,852	1,121,989,785	1,122,214,962	1,127,879,454

(a) Common Unitholders receive Tax Benefits from deductions taken by Blackstone's corporate tax paying subsidiaries and bear responsibility for the deduction from Distributable Earnings of the Payable Under Tax Receivable Agreement and certain other tax-related payables.

(b) Excludes units which are not entitled to distributions.

Definitions and Distribution Policy

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 five segments. EI represents segment net income before taxes excluding transaction-related charges. Transaction-related charges arise from Blackstone’s initial public offering (“IPO”) and long-term retention programs outside of annual deferred compensation and other corporate actions, including acquisitions. Transaction-related charges include 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 current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes.
- Blackstone uses Fee Related Earnings, or “FRE”, as a key measure to highlight earnings from operations excluding: (a) the income related to performance fees and related carry plan costs, (b) income earned from Blackstone’s investments in the Blackstone Funds, and (c) realized and unrealized gains (losses) from other investments except for such gains (losses) from Blackstone’s Treasury cash management strategies. 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, investment income from Blackstone’s Treasury cash management strategies and interest income, less (a) compensation expenses (which includes amortization of non-IPO and non-acquisition-related equity-based awards, but excludes amortization of IPO and acquisition-related 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 and Advisory Fees, (b) Interest and Dividend Revenue, (c) Other Revenue, (d) Realized Performance Fees, and (e) Realized Investment Income (Loss); less (a) Compensation, (b) Realized Performance Fee Compensation, (c) Other Operating Expenses, and (d) Taxes and Related Payables Including the Payable Under 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 measure of segment performance and an indicator of its ability to cover recurring operating expenses. Adjusted EBITDA equals DE before segment interest expense, segment depreciation and amortization, and the taxes and related payables including the Payable Under Tax Receivable Agreement.
- Net Cash Available for Distribution to Common Unitholders is The Blackstone Group L.P.’s share of Distributable Earnings, less realized investment gains and returns of capital from investments and acquisitions, in excess of amounts determined by Blackstone’s general partner to be necessary or appropriate to provide for the conduct of its business, to make appropriate investments in its business and funds, to comply with applicable law, any of its debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and distributions to unitholders for any ensuing quarter.

Distribution Policy. For 2013, Blackstone’s intention is to distribute to common unitholders each quarter substantially all of its Net Cash Available for Distribution to Common Unitholders, subject to a minimum base quarterly distribution of \$0.12 per unit. In circumstances in which the Net Cash Available for Distribution to Common Unitholders for a quarter falls short of the amount necessary to support such per unit distribution, Blackstone intends to correspondingly reduce subsequent quarterly distributions below the amounts supported by the Net Cash Available for Distribution to Common Unitholders by the amount of the shortfall, but not below \$0.12 per unit. All of the foregoing is subject to the qualification that the declaration and payment of any distributions are at the sole discretion of Blackstone’s general partner and may change at any time, including, without limitation, to reduce the quarterly distribution payable to common unitholders to less than \$0.12 per unit or even to eliminate such distributions entirely.

Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect Blackstone's current views with respect to, among other things, Blackstone's operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Blackstone believes these factors include but are not limited to those described under the section entitled "Risk Factors" in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as such factors may be updated from time to time in its periodic filings with the Securities and Exchange Commission, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in the filings. Blackstone undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

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