

# Blackstone

## **Blackstone Reports Record Full Year Revenue, Assets Under Management, and Public Company Earnings**

**New York, January 31, 2013:** Blackstone (NYSE: BX) today reported its full year and fourth quarter 2012 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “The fourth quarter of 2012 capped a year of record financial performance for Blackstone, with full-year revenues of over \$4 billion and economic net income of \$2 billion, our best results since becoming a public company over five-and-a-half years ago. We’ve generated consistently strong investment performance for our limited partner investors across market cycles since our inception 28 years ago, and 2012 was no exception, with all of our businesses beating their respective benchmarks. Our favorable performance continues to support the positive cycle of further growth, as our current investors reinvest with us and we also attract new investors around the world. For the full year we reported gross organic capital inflows of \$34 billion, and returned \$18 billion to our investors, resulting in record total assets under management of \$210 billion, up 26% year over year.”

Blackstone issued a full detailed presentation of its full year and fourth quarter 2012 results which can be viewed at [www.Blackstone.com](http://www.Blackstone.com).

### **Distribution**

Blackstone has declared a quarterly distribution of \$0.42 per common unit to record holders of common units at the close of business on February 11, 2013. This distribution will be paid on February 19, 2013.

For 2013, Blackstone intends to increase its base quarterly distribution to \$0.12 per unit, up 20% from \$0.10 per unit. Any excess net cash available for distribution to common unitholders will also be distributed each quarter as earned. The move to accelerate distributions, rather than rely on a final quarterly “true-up” distribution, is designed to better align distributions with current Distributable Earnings.

### **Quarterly Investor Call Details**

Blackstone will host a conference call on January 31, 2013 at 11:00 a.m. ET to discuss full year and fourth quarter 2012 results. The conference call can be accessed via the internet on [www.Blackstone.com](http://www.Blackstone.com) 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 [www.Blackstone.com](http://www.Blackstone.com) or by dialing +1 (888) 286-8010 (U.S. domestic) or +1 (617) 801-6888 (international), pass code 791 083 67#.

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## **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-oriented 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](http://www.Blackstone.com). Follow Blackstone 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, 2011, 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](http://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 Full Year and Fourth Quarter 2012 Earnings

January 31, 2013

Blackstone

## **Blackstone's Full Year and Fourth Quarter 2012 Highlights**

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- ▶ Economic Net Income (“ENI”) was up 30% in 2012 to nearly \$2 billion, or \$1.77 per unit, the highest full year total since going public, on strong revenue growth to over \$4 billion.
  - Fourth quarter ENI of \$670 million was driven by sustained performance in Real Estate and strong growth in Private Equity, Credit and Hedge Fund Solutions, as valuation gains and realization activity increased considerably.
- ▶ GAAP Revenues were \$4 billion for the year while GAAP Net Income was \$219 million due to certain non-cash IPO and transaction related expenses and the exclusion of net income attributable to insiders.
- ▶ Distributable Earnings (“DE”) surged 48% in 2012 to over \$1 billion, or \$0.85 per common unit, on a sharp increase in Fee Related Earnings (“FRE”) and an improving environment for Realized Performance Fees across all of Blackstone’s investment businesses.
  - Full year Fee Related Earnings of \$700 million were up 28% from 2011 on continued strong inflows which drove Base Management Fees up 24% to \$1.6 billion, Blackstone’s best ever full year total.
  - Full year Realized Performance Fees of \$629 million were up 176% from 2011, as market levels and fund performance created realization opportunities across the investment businesses.
- ▶ Total AUM reached a record \$210 billion, up \$44 billion or 26% from the prior year, as all of Blackstone’s investment businesses continued to see net inflows and carrying value appreciation.
  - Full year gross inflows were \$47 billion including \$19 billion in new fund strategies as Blackstone innovated more ways to find and create fund investor value.
  - Total capital invested was \$15.6 billion in 2012, the second highest full year total in Blackstone’s history.
  - Blackstone’s funds returned \$18.5 billion of capital to investors during the year.

## Blackstone's Fourth Quarter and Full Year 2012 Earnings

(Dollars in Thousands, Except per Unit Data)	4Q'11	4Q'12	% Change vs. 4Q'11	FY'11	FY'12	% Change vs. FY'11
Fee Revenues	\$ 511,335	\$ 646,903	27%	\$ 1,923,804	\$ 2,186,765	14%
Performance Fees	357,950	470,173	31%	1,174,526	1,593,765	36%
Investment Income	55,725	111,670	100%	185,264	286,244	55%
<b>Total Revenues</b>	<b>\$ 925,010</b>	<b>\$ 1,228,746</b>	<b>33%</b>	<b>\$ 3,283,594</b>	<b>\$ 4,066,774</b>	<b>24%</b>
Total Expenses	442,238	542,733	23%	1,698,623	2,025,767	19%
Taxes	14,618	16,032	10%	45,763	45,708	(0)%
<b>Economic Net Income ("ENI")<sup>(a)</sup></b>	<b>\$ 468,154</b>	<b>\$ 669,981</b>	<b>43%</b>	<b>\$ 1,539,208</b>	<b>\$ 1,995,299</b>	<b>30%</b>
<i>ENI per Unit<sup>(b)</sup></i>	<i>\$ 0.42</i>	<i>\$ 0.59</i>	<i>40%</i>	<i>\$ 1.38</i>	<i>\$ 1.77</i>	<i>28%</i>
GAAP Net Income (Loss)	\$ (22,677)	\$ 106,413	n/m	\$ (168,303)	\$ 218,598	n/m
Fee Related Earnings ("FRE")	\$ 166,096	\$ 272,604	64%	\$ 546,493	\$ 700,313	28%
<b>Distributable Earnings ("DE")</b>	<b>\$ 178,186</b>	<b>\$ 493,765</b>	<b>177%</b>	<b>\$ 696,724</b>	<b>\$ 1,033,925</b>	<b>48%</b>
<i>DE per Common Unit<sup>(c)</sup></i>	<i>\$ 0.16</i>	<i>\$ 0.39</i>	<i>144%</i>	<i>\$ 0.60</i>	<i>\$ 0.85</i>	<i>42%</i>
Total Assets Under Management	\$166,228,504	\$210,219,960	26%	\$166,228,504	\$210,219,960	26%
Fee-Earning Assets Under Management	\$136,756,753	\$167,880,440	23%	\$136,756,753	\$167,880,440	23%

Note: Prior period amounts on all pages have been adjusted to conform to the current period presentation and definitions. See Appendix – Definitions.

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(a) Economic Net Income, a segment measure, has been redefined as Economic Income after current taxes ("Taxes"); it no longer deducts the implied provision for income taxes.

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

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

## Walkdown of Financial Metrics

	4Q'12		FY'12	
	Results	Per Unit <sup>(a)</sup>	Results	Per Unit <sup>(a)</sup>
(Dollars in Thousands, Except per Unit Data)				
▶ Base Management Fees	\$ 416,465		\$ 1,591,403	
▶ Advisory Fees	128,248		357,417	
▶ Transaction and Other Fees, Net	94,069		227,119	
▶ Management Fee Offsets	(11,476)		(40,953)	
▶ Interest Income and Other Revenue	24,287		77,548	
▶ Compensation	(247,559)		(1,030,776)	
▶ Other Operating Expenses	(131,430)		(481,445)	
<b>Fee Related Earnings</b>	<b>\$ 272,604</b>	<b>\$ 0.24</b>	<b>\$ 700,313</b>	<b>\$ 0.62</b>
▶ Net Realized Incentive Fees	147,115		161,422	
▶ Net Realized Carried Interest	115,595		230,989	
▶ Net Realized Investment Income	31,004		73,526	
▶ Taxes and Related Payables	(72,553)		(132,325)	
<b>Distributable Earnings</b>	<b>\$ 493,765</b>	<b>\$ 0.39</b>	<b>\$ 1,033,925</b>	<b>\$ 0.85</b>
▶ Net Unrealized Incentive Fees	(92,542)		15,217	
▶ Net Unrealized Carried Interest	136,261		672,591	
▶ Net Unrealized Investment Income	75,976		186,949	
▶ Add Back: Related Payables	56,521		86,617	
<b>Economic Net Income</b>	<b>\$ 669,981</b>	<b>\$ 0.59</b>	<b>\$ 1,995,299</b>	<b>\$ 1.77</b>

Fee Earnings

Distributable Earnings

Economic Net Income

See Appendix - 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.

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(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).

## Private Equity

- ▶ Revenues were up 43% to \$828 million in 2012 driven by sharp increases in Performance Fees and Investment Income, resulting in \$412 million of Economic Income, up 71% from 2011.
  - Overall carrying value of segment portfolio assets <sup>(a)</sup> was up 7.0% for the quarter and 14.3% for the full year.
  - Public holdings appreciated 9.6% for the quarter while private holdings increased 6.0% driven by operating performance in the energy and hospitality/leisure sectors of the portfolios.
- ▶ Invested \$1.9 billion of total capital with an additional \$611 million committed but not yet invested during the quarter, bringing the full year total capital invested and committed to \$5.0 billion, up 9% from 2011 levels.
- ▶ Returned \$3.5 billion to investors during the year at an average 2.1x Multiple of Invested Capital (“MOIC”).
  - Exits occurred through public markets, strategic sales and recapitalizations, as the environment for exits at attractive valuations continued to improve.
  - Completed successful initial public offering of PBF Energy at a robust valuation of 4.7x invested capital as well as a number of secondary sales in TeamHealth at an average MOIC of 3.9x.
- ▶ Total Assets Under Management reached a record \$51 billion, reflecting the final close for our first energy fund and closings for our tactical opportunities investment vehicles, which have raised \$1.7 billion through year end.

(Dollars in Thousands)	4Q'11	4Q'12	% Change vs. 4Q'11	FY'11	FY'12	% Change vs. FY'11
Fee Revenues	\$ 106,897	\$ 134,857	26%	\$ 453,487	\$ 458,721	1%
Performance Fees	55,385	118,968	115%	70,883	258,178	264%
Investment Income	28,603	64,856	127%	54,464	111,160	104%
<b>Total Revenues</b>	<b>190,885</b>	<b>318,681</b>	<b>67%</b>	<b>578,834</b>	<b>828,059</b>	<b>43%</b>
Compensation	45,611	53,963	18%	217,556	222,709	2%
Performance Fee Compensation	4,094	26,145	n/m	(764)	62,234	n/m
Other Operating Expenses	34,493	40,499	17%	120,918	130,845	8%
<b>Total Expenses</b>	<b>84,198</b>	<b>120,607</b>	<b>43%</b>	<b>337,710</b>	<b>415,788</b>	<b>23%</b>
<b>Economic Income</b>	<b>\$ 106,687</b>	<b>\$ 198,074</b>	<b>86%</b>	<b>\$ 241,124</b>	<b>\$ 412,271</b>	<b>71%</b>
Total AUM	\$ 45,863,673	\$ 51,002,973	11%	\$ 45,863,673	\$ 51,002,973	11%
Fee-Earning AUM	\$ 37,237,791	\$ 37,050,167	(1)%	\$ 37,237,791	\$ 37,050,167	(1)%

**14.3%**  
FY'12 Increase in Fund Carrying Value <sup>(a)</sup>

**11%**  
2012 Increase in Total AUM

**\$644 million**  
Net Accrued Performance Fees at 4Q'12

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

## Real Estate

- ▶ Revenues for the year were up 3% from 2011 driven by a 22% increase in Fee Revenues resulting primarily from Base Management Fees generated by the final close for our latest global fund, which reached \$13.3 billion in total fund commitments.
  - BREP investments<sup>(a)</sup> were up 3.7% for the quarter and 14.4% for the full year.
  - Debt Strategies drawdown funds<sup>(b)</sup> were up 2.9% for the quarter and 13.0% for the full year, while the credit hedge funds were up 3.7% for the quarter and 18.1% for the full year.
  - Performance fees were \$874 million for the year generated primarily by BREP V, VI, VII and BREP Europe III.
- ▶ Invested \$8.5 billion of total capital during the year with an additional \$923 million committed but not yet invested at the end of 2012, bringing the full year total capital invested and committed to a record \$9.4 billion.
- ▶ Returned \$1.7 billion of capital to investors during the quarter, bringing the full year amount to over \$3.7 billion.
- ▶ Completed the acquisition of Capital Trust's investment management business, adding an experienced team with expertise in debt origination and special servicing, as well as \$2.3 billion of Total AUM as of year end.
- ▶ Total Assets Under Management rose 32% during the year to a record \$56.7 billion.

(Dollars in Thousands)	4Q'11	4Q'12	% Change vs. 4Q'11	FY'11	FY'12	% Change vs. FY'11
Fee Revenues	\$ 122,639	167,924	37%	\$ 511,179	\$ 623,736	22%
Performance Fees <sup>(c)</sup>	243,430	201,527	(17)%	949,549	874,415	(8)%
Investment Income	26,316	34,442	31%	120,620	136,177	13%
<b>Total Revenues</b>	<b>392,385</b>	<b>403,893</b>	<b>3%</b>	<b>1,581,348</b>	<b>1,634,328</b>	<b>3%</b>
Compensation	53,507	54,201	1%	236,771	271,122	15%
Performance Fee Compensation	59,038	66,727	13%	238,913	240,377	1%
Other Operating Expenses	29,027	36,946	27%	103,859	123,714	19%
<b>Total Expenses</b>	<b>141,572</b>	<b>157,874</b>	<b>12%</b>	<b>579,543</b>	<b>635,213</b>	<b>10%</b>
<b>Economic Income</b>	<b>\$ 250,813</b>	<b>\$ 246,019</b>	<b>(2)%</b>	<b>\$ 1,001,805</b>	<b>\$ 999,115</b>	<b>(0)%</b>
Total AUM	\$ 42,852,669	\$ 56,695,645	32%	\$ 42,852,669	\$ 56,695,645	32%
Fee-Earning AUM	\$ 31,236,540	\$ 41,931,339	34%	\$ 31,236,540	\$ 41,931,339	34%

**14.4%**  
FY'12 Increase in Fund Carrying Value<sup>(a)</sup>

**32%**  
2012 Increase in Total AUM

**\$1.3 billion**  
Net Accrued Performance Fees at 4Q'12

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

(b) Excludes Capital Trust drawdown funds.

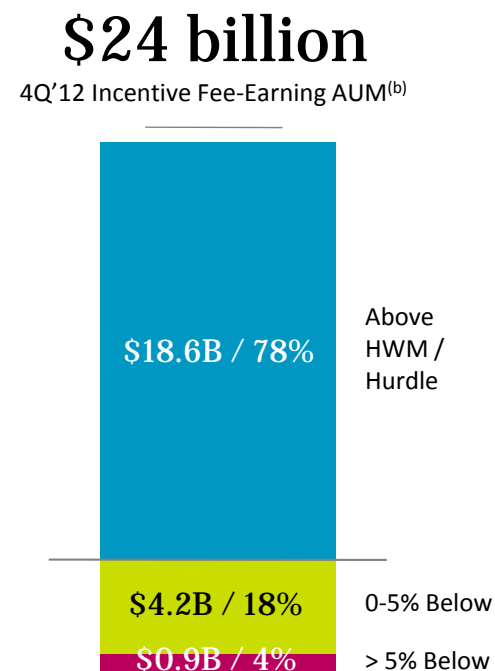
(c) FY'11 Performance Fees included \$248 million due to the impact of the profit allocation "catch-up" provisions for BREP V and VI.



## Hedge Fund Solutions

- ▶ Revenues were up 36% for the year driven by a substantial increase in Performance Fees due to strong fund performance as investors sought stable risk-adjusted returns.
- ▶ Composite returns<sup>(a)</sup> were up 2.2% net for the quarter and up 8.6% net for the full year.
  - As of year-end, \$18.6 billion or 78% of Incentive Fee-Earning AUM was estimated above its respective High Water Mark and/or Hurdle, up from just \$1.6 billion or 8% a year ago.
- ▶ Fee-Earning AUM grew 15% during the year to a record \$43.5 billion, driven by strong net inflows into customized investment products and market appreciation.
  - 51% is currently invested in customized portfolios up from 39% five years ago.
  - Fee-Earning net inflows were \$2.4 billion for the year.
  - January 1<sup>st</sup> subscriptions of \$370 million are not included in year-end Fee-Earning AUM.

(Dollars in Thousands)	4Q'11	4Q'12	% Change vs. 4Q'11	FY'11	FY'12	% Change vs. FY'11
Fee Revenues	\$ 90,029	\$ 96,801	8%	\$ 327,608	\$ 350,939	7%
Performance Fees	2,089	36,524	n/m	12,246	92,475	n/m
Investment Income (Loss)	(750)	3,784	n/m	(1,309)	15,787	n/m
<b>Total Revenues</b>	<b>91,368</b>	<b>137,109</b>	<b>50%</b>	<b>338,545</b>	<b>459,201</b>	<b>36%</b>
Compensation	38,525	28,113	(27)%	128,959	119,731	(7)%
Performance Fee Compensation	(177)	9,766	n/m	3,732	24,397	n/m
Other Operating Expenses	21,568	16,491	(24)%	65,072	57,809	(11)%
<b>Total Expenses</b>	<b>59,916</b>	<b>54,370</b>	<b>(9)%</b>	<b>197,763</b>	<b>201,937</b>	<b>2%</b>
<b>Economic Income</b>	<b>\$ 31,452</b>	<b>\$ 82,739</b>	<b>163%</b>	<b>\$ 140,782</b>	<b>\$ 257,264</b>	<b>83%</b>
Total AUM	\$ 40,534,768	\$ 46,092,505	14%	\$ 40,534,768	\$ 46,092,505	14%
Fee-Earning AUM	\$ 37,819,636	\$ 43,478,791	15%	\$ 37,819,636	\$ 43,478,791	15%



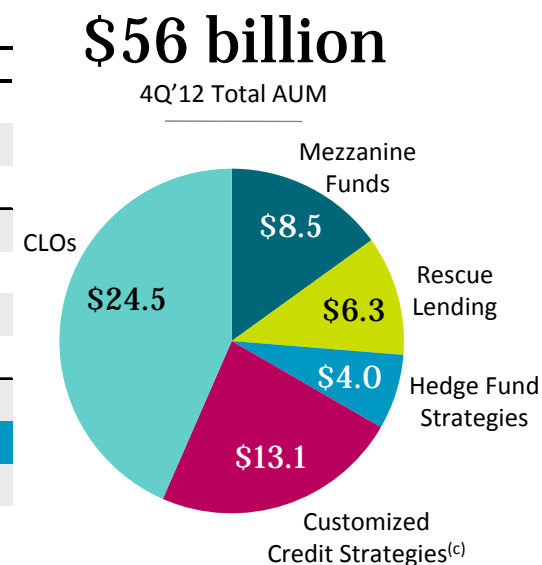
(a) Represents the BAAM Composite which is the asset-weighted performance of BAAM's investments, net of all fees, excluding BAAM's long-only platforms, seed funds and advisory relationships.

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

## Credit

- ▶ Economic Income for the year was up 130% to a record \$325 million reflecting substantial increases in Fee Revenues and Performance Fees as inflows and returns continued to outperform the market.
- ▶ Total AUM grew 53% during the year to a record \$56.4 billion, driven by new product launches, strong net inflows, market appreciation and the Harbourmaster acquisition in the first quarter.
- ▶ Fund returns remained strong across the platform:
  - Hedge Funds<sup>(a)</sup> were up 3.8% net for the quarter and 13.4% net for the full year.
  - Mezzanine Funds<sup>(a)</sup> were up 7.3% net for the quarter and 26.2% net for the full year.
  - Rescue Lending Funds<sup>(a)</sup> were up 3.1% net for the quarter and 15.7% net for the full year.
- ▶ Invested \$349 million of total capital with an additional \$566 million committed but not yet invested in 4Q'12, bringing 2012 total capital invested and committed to \$3.5 billion as deployment opportunities remained strong.
- ▶ Priced third CLO of the year at \$515 million, bringing full year CLO AUM raised to nearly \$1.6 billion.
- ▶ Held first close for our most recent rescue lending fund with \$2.5 billion<sup>(b)</sup> at year-end and closed on an additional \$810 million in January.

(Dollars in Thousands)	4Q'11	4Q'12	% Change vs. 4Q'11	FY'11	FY'12	% Change vs. FY'11
Fee Revenues	\$ 66,919	\$ 117,081	75%	\$ 242,553	\$ 389,304	61%
Performance Fees	57,046	113,154	98%	141,848	368,697	160%
Investment Income	1,144	8,043	n/m	10,591	20,380	92%
<b>Total Revenues</b>	<b>125,109</b>	<b>238,278</b>	<b>90%</b>	<b>394,992</b>	<b>778,381</b>	<b>97%</b>
Compensation	25,435	51,853	104%	128,588	182,077	42%
Performance Fee Compensation	31,773	61,106	92%	74,831	186,538	149%
Other Operating Expenses	13,162	18,116	38%	49,955	84,488	69%
<b>Total Expenses</b>	<b>70,370</b>	<b>131,075</b>	<b>86%</b>	<b>253,374</b>	<b>453,103</b>	<b>79%</b>
<b>Economic Income</b>	<b>\$ 54,739</b>	<b>\$ 107,203</b>	<b>96%</b>	<b>\$ 141,618</b>	<b>\$ 325,278</b>	<b>130%</b>
Total AUM	\$ 36,977,394	\$ 56,428,837	53%	\$ 36,977,394	\$ 56,428,837	53%
Fee-Earning AUM	\$ 30,462,786	\$ 45,420,143	49%	\$ 30,462,786	\$ 45,420,143	49%



Totals may not add due to rounding.

(a) Represents weighted average returns for the onshore and offshore funds (if applicable) for the respective flagship funds.

(b) Represents total commitments, which are included in Total AUM as of year end 2012, 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

- ▶ Collectively, the firm's advisory businesses outperformed the broader market which saw sharp declines in 2012.
- ▶ Revenues for the quarter were up 4% from the same period a year ago and were down 6% for the year primarily from delays in deal closings, particularly in our Park Hill placement services business, despite a steady backlog.
- ▶ Restructuring kept its #1 ranking for U.S. completed restructurings<sup>(a)</sup>, earned 2012 revenue above 2011 levels and won the prestigious 2012 International Financing Review award for Restructuring House of the Year.
- ▶ Blackstone Advisory Partners had a record level of revenue in the fourth quarter driven by a significant number of transaction closings prior to year end. Overall, 2012 revenue was modestly lower vs. 2011, however the 2013 pipeline for deal activity is higher than the same time last year with several high profile mandates in process.
- ▶ Park Hill's pipeline remains solid as challenging fundraising market conditions are driving demand for placement services; revenues were down year-over-year reflecting timing more than recurring activity levels.

(Dollars in Thousands)	4Q'11	4Q'12	% Change		FY'11	FY'12	% Change	
			vs. 4Q'11				vs. FY'11	
Fee Revenues	\$ 124,851	\$ 130,240	4%		\$ 388,977	\$ 364,065	(6)%	
Investment Income	412	545	32%		898	2,740	205%	
<b>Total Revenues</b>	<b>125,263</b>	<b>130,785</b>	<b>4%</b>		<b>389,875</b>	<b>366,805</b>	<b>(6)%</b>	
Compensation	62,360	59,429	(5)%		248,695	235,137	(5)%	
Other Operating Expenses	23,822	19,378	(19)%		81,538	84,589	4%	
<b>Total Expenses</b>	<b>86,182</b>	<b>78,807</b>	<b>(9)%</b>		<b>330,233</b>	<b>319,726</b>	<b>(3)%</b>	
<b>Economic Income</b>	<b>\$ 39,081</b>	<b>\$ 51,978</b>	<b>33%</b>		<b>\$ 59,642</b>	<b>\$ 47,079</b>	<b>(21)%</b>	

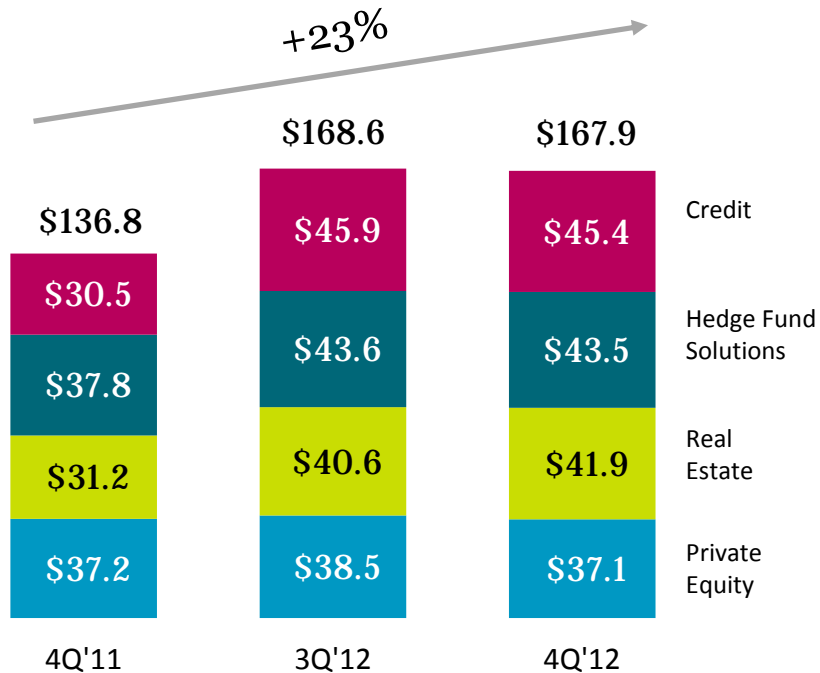
(a) Source: 2012 Thomson Reuters U.S. Distressed Debt & Bankruptcy Restructuring Rankings.

## Assets Under Management

- ▶ Fee-Earning AUM was up 23% in 2012 to \$168 billion, as \$42.7 billion of gross inflows and \$4.8 billion of market appreciation more than offset \$16.4 billion of outflows and realizations.
  - Including commitments, not yet earning fees, Fee-Earning AUM was \$180 billion, up 32% from 2011.
  - The slight decrease from last quarter end was driven primarily by an increase in realization activity.
- ▶ Total AUM increased 26% in 2012 to a record \$210 billion driven by strong organic net inflows and market appreciation across all investment businesses, each of which are at or near record levels of AUM.

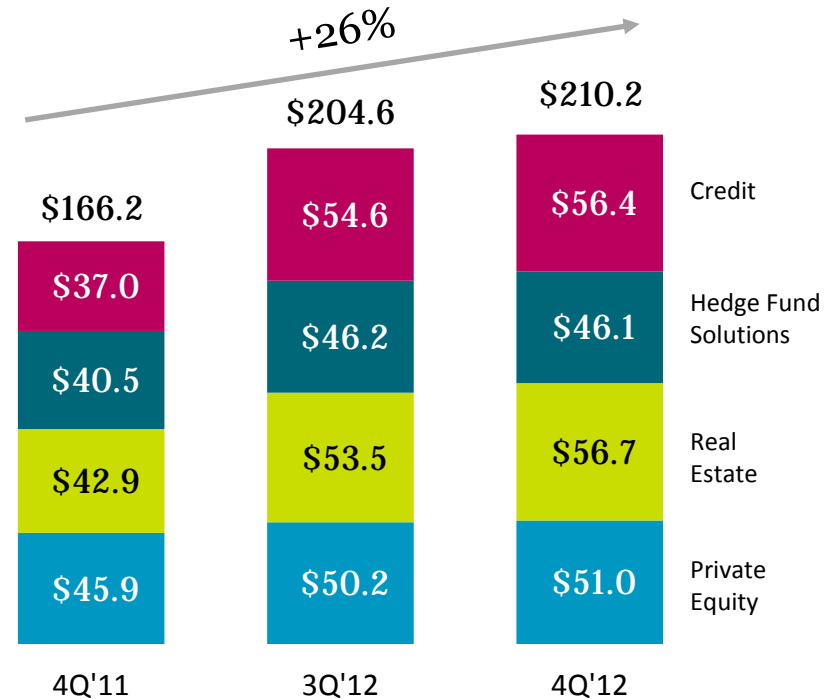
### Fee-Earning AUM by Segment

(Dollars in Billions)



### Total AUM by Segment

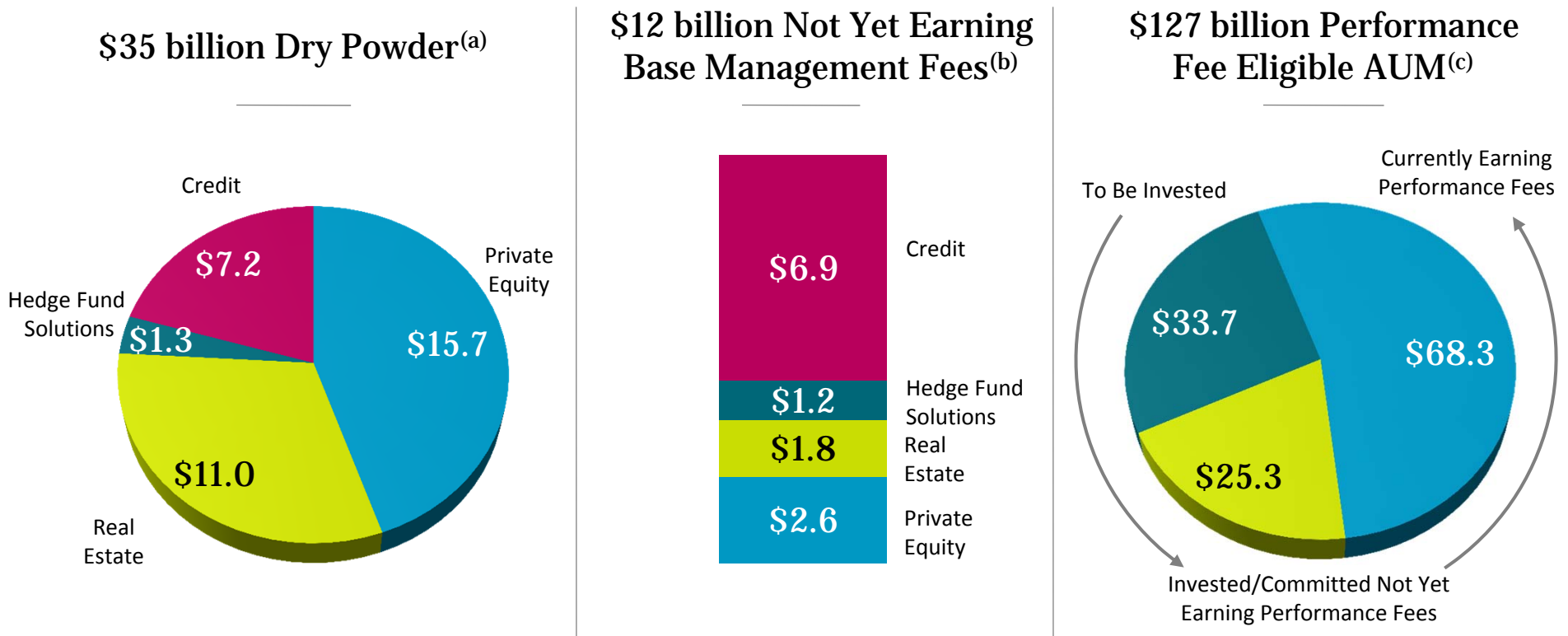
(Dollars in Billions)



Totals may not add due to rounding.

## 4Q'12 Available Capital Summary

- ▶ Maintained substantial levels of committed undrawn capital (“dry powder”) with \$35 billion at year end.
- ▶ \$12 billion of Total AUM was not yet earning Base Management Fees at year end due largely to fund structures with fees that are triggered by the investment of capital.
- ▶ Performance Fee Eligible AUM was \$127 billion at year end, including over \$68 billion (\$81 billion at fair value) currently earning Performance Fees.



(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 10

(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.

## Distribution Calculation

- ▶ Earned \$0.39 of Distributable Earnings per common unit during the fourth quarter, bringing full year Distributable Earnings to \$0.85 per common unit, up 42% year-over-year.
- ▶ Declared a quarterly distribution of \$0.42 per common unit to record holders as of February 11, 2013; payable on February 19, 2013.
  - Quarterly record and payment dates reflect a timing acceleration relative to historic practice, which will be effective prospectively.
- ▶ For 2013, Blackstone intends to increase its base quarterly distribution to \$0.12 per unit, up 20% from \$0.10 per unit. Any excess Net Cash Available for Distribution to Common Unitholders will also be distributed each quarter as earned.<sup>(a)</sup>

(Dollars in Thousands, Except per Unit Data)	4Q'11	4Q'12	<u>% Change</u> vs. 4Q'11	FY'11	FY'12	<u>% Change</u> vs. FY'11
Distributable Earnings ("DE")	\$ 178,186	\$ 493,765	177%	\$ 696,724	\$ 1,033,925	48%
Add: Other Payables Attributable to Common Unitholders	5,859	61,237	n/m	30,154	91,633	204%
DE before Certain Payables <sup>(b)</sup>	184,045	555,002	202%	726,878	1,125,558	55%
Percent to Common Unitholders	45%	51%		44%	49%	
DE before Certain Payables Attributable to Common Unitholders	82,596	281,207	240%	317,656	550,360	73%
Less: Other Payables Attributable to Common Unitholders	(5,859)	(61,237)	n/m	(30,154)	(91,633)	(204)%
DE Attributable to Common Unitholders	76,737	219,970	187%	287,502	458,727	60%
<b>DE per Common Unit<sup>(c)</sup></b>	<b>\$ 0.16</b>	<b>\$ 0.39</b>	<b>144%</b>	<b>\$ 0.60</b>	<b>\$ 0.85</b>	<b>42%</b>
Less: Retained Capital per Unit <sup>(d)</sup>	\$ (0.02)	\$ (0.05)	(150)%	\$ (0.08)	\$ (0.13)	(63)%
<b>Net Cash Available for Distribution per Common Unit<sup>(c)</sup></b>	<b>\$ 0.14</b>	<b>\$ 0.34</b>	<b>143%</b>	<b>\$ 0.52</b>	<b>\$ 0.72</b>	<b>38%</b>
<i>Actual Distribution per Common Unit<sup>(c)</sup></i>	<i>\$ 0.22</i>	<i>\$ 0.42</i>	<i>91%</i>	<i>\$ 0.52</i>	<i>\$ 0.72</i>	<i>38%</i>

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

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

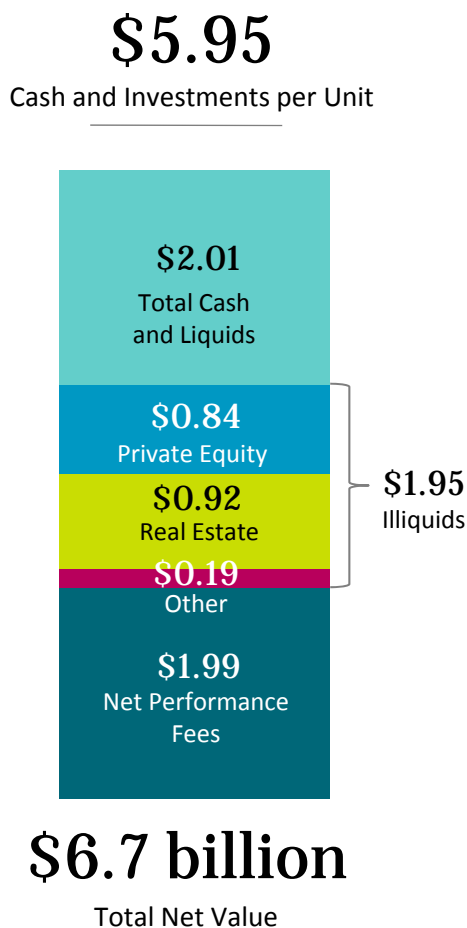
(c) Per Unit calculations are based Total Common Units Outstanding (see Appendix – Unit Rollforward); actual distributions are paid to applicable unitholders as of the record date.

(d) Retained capital is withheld pro-rata from common and Blackstone Partnership unitholders. Common unitholders' share was \$26.8 million for 4Q'12 and \$68.5 million for the full year.

## Balance Sheet Highlights<sup>(a)</sup>

- ▶ At December 31, 2012, Blackstone had \$2.3 billion in total cash and liquid investments.
- ▶ In total, Blackstone had \$6.7 billion or \$5.95 per unit in cash and investments at quarter end.
- ▶ There are currently no borrowings outstanding against the \$1.1 billion revolving credit facility.

(Dollars in Millions)	4Q'12
Cash and Cash Equivalents	\$ 710
Treasury Cash Management Strategies	1,407
Liquid Investments <sup>(b)</sup>	135
Illiquid Investments <sup>(c)</sup>	2,186
Net Performance Fees	2,238
<b>Total Net Value</b>	<b>\$ 6,676</b>
Outstanding Bonds (at par) <sup>(d)</sup>	\$ 1,635



**A/A+**

rated by S&P / Fitch

**\$1.1 billion**

undrawn credit revolver

**\$2.3 billion**

total cash and liquid 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.

## GAAP Statement of Operations

			% Change				% Change	
	4Q'11	4Q'12	vs. 4Q'11	FY'11	FY'12	vs. FY'11		
(Dollars in Thousands, Except per Unit Data) (Unaudited)								
<b>Revenues</b>								
Management and Advisory Fees, Net	\$ 475,779	\$ 601,860	26%	\$ 1,811,750	\$ 2,030,693	12%		
Performance Fees								
Realized Carried Interest	12,387	174,168	n/m	138,907	327,422	136%		
Realized Incentive Fees	52,048	273,304	n/m	90,099	301,801	235%		
Unrealized Carried Interest	311,162	207,639	(33)%	971,518	994,190	2%		
Unrealized Incentive Fees	(17,495)	(185,372)	n/m	(17,864)	(30,361)	(70)%		
Total Performance Fees	358,102	469,739	31%	1,182,660	1,593,052	35%		
Investment Income								
Realized	9,860	53,311	n/m	87,542	93,963	7%		
Unrealized	55,665	74,325	34%	125,781	256,231	104%		
Total Investment Income	65,525	127,636	95%	213,323	350,194	64%		
Interest and Dividend Revenue	10,004	13,173	32%	37,427	40,354	8%		
Other	5,695	4,705	(17)%	7,416	5,148	(31)%		
<b>Total Revenues</b>	<b>915,105</b>	<b>1,217,113</b>	<b>33%</b>	<b>3,252,576</b>	<b>4,019,441</b>	<b>24%</b>		
<b>Expenses</b>								
Compensation and Benefits								
Compensation	568,319	559,781	(2)%	2,421,712	2,091,698	(14)%		
Performance Fee Compensation								
Realized Carried Interest	13,206	58,573	n/m	43,615	96,433	121%		
Realized Incentive Fees	33,524	125,758	275%	55,912	140,042	150%		
Unrealized Carried Interest	62,399	71,378	14%	237,945	321,599	35%		
Unrealized Incentive Fees	(14,401)	(91,965)	n/m	(20,759)	(44,528)	(114)%		
Total Compensation and Benefits	663,047	723,525	9%	2,738,425	2,605,244	(5)%		
General, Administrative and Other	185,880	131,063	(29)%	566,313	548,738	(3)%		
Interest Expense	16,051	25,505	59%	57,824	72,870	26%		
Fund Expenses	6,462	5,586	(14)%	25,507	33,829	33%		
<b>Total Expenses</b>	<b>871,440</b>	<b>885,679</b>	<b>2%</b>	<b>3,388,069</b>	<b>3,260,681</b>	<b>(4)%</b>		
<b>Other Income (Loss)</b>								
Reversal of Tax Receivable Agreement Liability	197,816	-	(100)%	197,816	-	(100)%		
Net Gains (Losses) from Fund Investment Activities	464,179	(144,267)	n/m	14,935	256,145	n/m		
<b>Income Before Provision for Taxes</b>	<b>\$ 705,660</b>	<b>\$ 187,167</b>	<b>(73)%</b>	<b>\$ 77,258</b>	<b>\$ 1,014,905</b>	<b>n/m</b>		
Provision for Taxes	250,299	65,696	(74)%	345,711	185,023	(46)%		
<b>Net Income (Loss)</b>	<b>\$ 455,361</b>	<b>\$ 121,471</b>	<b>(73)%</b>	<b>\$ (268,453)</b>	<b>\$ 829,882</b>	<b>n/m</b>		
<b>Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities</b>	111	25,151	n/m	(24,869)	103,598	n/m		
<b>Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities</b>	456,706	(180,011)	n/m	7,953	99,959	n/m		
<b>Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings</b>	21,221	169,918	n/m	(83,234)	407,727	n/m		
<b>Net Income (Loss) Attributable to The Blackstone Group L.P.</b>	<b>\$ (22,677)</b>	<b>\$ 106,413</b>	<b>n/m</b>	<b>\$ (168,303)</b>	<b>\$ 218,598</b>	<b>n/m</b>		
<b>Net Income (Loss) per Common Unit, Basic and Diluted</b>	<b>\$ (0.05)</b>	<b>\$ 0.19</b>	<b>n/m</b>	<b>\$ (0.35)</b>	<b>\$ 0.41</b>	<b>n/m</b>		



# Appendix

## Total Segments

(Dollars in Thousands)	4Q'11	1Q'12	2Q'12	3Q'12	4Q'12	FY'11	FY'12	% Change vs. FY'11
<b>Revenues</b>								
<b>Management and Advisory Fees, Net</b>								
Base Management Fees	\$ 336,753	\$ 395,506	\$ 381,344	\$ 398,088	\$ 416,465	\$ 1,281,185	\$ 1,591,403	24%
Advisory Fees	123,567	75,846	93,372	59,951	128,248	382,240	357,417	(6)%
Transaction and Other Fees, Net <sup>(a)</sup>	43,796	38,471	49,453	45,126	94,069	247,513	227,119	(8)%
Management Fee Offsets <sup>(b)</sup>	(8,479)	(13,050)	(7,973)	(8,454)	(11,476)	(33,393)	(40,953)	(23)%
<b>Total Management and Advisory Fees, Net</b>	<b>495,637</b>	<b>496,773</b>	<b>516,196</b>	<b>494,711</b>	<b>627,306</b>	<b>1,877,545</b>	<b>2,134,986</b>	<b>14%</b>
<b>Performance Fees</b>								
Realized Carried Interest	12,387	13,560	55,929	83,765	174,168	138,907	327,422	136%
Realized Incentive Fees	51,837	5,279	11,692	11,620	272,873	89,029	301,464	239%
Unrealized Carried Interest	311,162	298,796	84,290	403,465	207,639	971,518	994,190	2%
Unrealized Incentive Fees	(17,436)	68,121	(17,074)	104,149	(184,507)	(24,928)	(29,311)	(18)%
<b>Total Performance Fees</b>	<b>357,950</b>	<b>385,756</b>	<b>134,837</b>	<b>602,999</b>	<b>470,173</b>	<b>1,174,526</b>	<b>1,593,765</b>	<b>36%</b>
<b>Investment Income (Loss)</b>								
Realized	16,697	23,492	9,360	25,098	37,448	102,575	95,398	(7)%
Unrealized	39,028	59,914	(25,624)	82,334	74,222	82,689	190,846	131%
<b>Total Investment Income (Loss)</b>	<b>55,725</b>	<b>83,406</b>	<b>(16,264)</b>	<b>107,432</b>	<b>111,670</b>	<b>185,264</b>	<b>286,244</b>	<b>55%</b>
Interest Income and Dividend Revenue	10,003	9,345	10,391	12,004	14,890	38,844	46,630	20%
Other	5,695	(1,207)	(828)	2,477	4,707	7,415	5,149	(31)%
<b>Total Revenues</b>	<b>925,010</b>	<b>974,073</b>	<b>644,332</b>	<b>1,219,623</b>	<b>1,228,746</b>	<b>3,283,594</b>	<b>4,066,774</b>	<b>24%</b>
<b>Expenses</b>								
Compensation	225,438	254,772	268,884	259,561	247,559	960,569	1,030,776	7%
<b>Performance Fee Compensation</b>								
Realized Carried Interest	13,206	7,938	7,899	22,023	58,573	43,615	96,433	121%
Realized Incentive Fees	33,524	4,252	5,575	4,457	125,758	55,912	140,042	150%
Unrealized Carried Interest	62,399	84,543	36,815	128,863	71,378	237,944	321,599	35%
Unrealized Incentive Fees	(14,401)	12,779	(9,596)	44,254	(91,965)	(20,759)	(44,528)	(114)%
<b>Total Compensation and Benefits</b>	<b>320,166</b>	<b>364,284</b>	<b>309,577</b>	<b>459,158</b>	<b>411,303</b>	<b>1,277,281</b>	<b>1,544,322</b>	<b>21%</b>
Other Operating Expenses	122,072	109,521	113,038	127,456	131,430	421,342	481,445	14%
<b>Total Expenses</b>	<b>442,238</b>	<b>473,805</b>	<b>422,615</b>	<b>586,614</b>	<b>542,733</b>	<b>1,698,623</b>	<b>2,025,767</b>	<b>19%</b>
<b>Economic Income</b>	<b>\$ 482,772</b>	<b>\$ 500,268</b>	<b>\$ 221,717</b>	<b>\$ 633,009</b>	<b>\$ 686,013</b>	<b>\$ 1,584,971</b>	<b>\$ 2,041,007</b>	<b>29%</b>
<b>Economic Net Income</b>	<b>\$ 468,154</b>	<b>\$ 491,217</b>	<b>\$ 212,349</b>	<b>\$ 621,752</b>	<b>\$ 669,981</b>	<b>\$ 1,539,208</b>	<b>\$ 1,995,299</b>	<b>30%</b>
<b>Fee Related Earnings</b>	<b>\$ 166,096</b>	<b>\$ 146,928</b>	<b>\$ 145,729</b>	<b>\$ 135,052</b>	<b>\$ 272,604</b>	<b>\$ 546,493</b>	<b>\$ 700,313</b>	<b>28%</b>
<b>Distributable Earnings</b>	<b>\$ 178,186</b>	<b>\$ 162,121</b>	<b>\$ 188,404</b>	<b>\$ 189,635</b>	<b>\$ 493,765</b>	<b>\$ 696,724</b>	<b>\$ 1,033,925</b>	<b>48%</b>
Total Assets Under Management	\$ 166,228,504	\$ 190,074,167	\$ 190,267,831	\$ 204,551,572	\$ 210,219,960	\$ 166,228,504	\$ 210,219,960	26%
Fee-Earning Assets Under Management	\$ 136,756,753	\$ 156,261,446	\$ 157,646,521	\$ 168,630,082	\$ 167,880,440	\$ 136,756,753	\$ 167,880,440	23%
Weighted Average Fee-Earning AUM	\$ 136,876,758	\$ 154,354,070	\$ 156,426,744	\$ 162,377,631	\$ 168,328,454	\$ 129,473,025	\$ 160,130,295	24%
LP Capital Invested	\$ 3,406,264	\$ 2,719,433	\$ 2,403,623	\$ 3,085,441	\$ 5,690,474	\$ 13,529,766	\$ 13,898,971	3%
Total Capital Invested	\$ 3,992,488	\$ 3,134,385	\$ 2,525,648	\$ 3,754,061	\$ 6,200,755	\$ 14,664,407	\$ 15,614,849	6%

(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)	4Q'11	1Q'12	2Q'12	3Q'12	4Q'12	FY'11	FY'12	% Change vs. FY'11
<b>Revenues</b>								
Management Fees, Net								
Base Management Fees	\$ 84,231	\$ 85,789	\$ 87,475	\$ 86,136	\$ 89,194	\$ 331,997	\$ 348,594	5%
Transaction and Other Fees, Net <sup>(a)</sup>	23,879	18,097	14,951	25,693	41,339	133,004	100,080	(25)%
Management Fee Offsets <sup>(b)</sup>	(5,057)	(3,782)	(672)	(767)	(705)	(27,073)	(5,926)	78%
<b>Total Management Fees, Net</b>	<b>103,053</b>	<b>100,104</b>	<b>101,754</b>	<b>111,062</b>	<b>129,828</b>	<b>437,928</b>	<b>442,748</b>	<b>1%</b>
<b>Performance Fees</b>								
Realized Carried Interest	(28,392)	3,933	28,781	31,592	45,491	37,393	109,797	194%
Unrealized Carried Interest	83,777	34,051	(87,893)	128,746	73,477	33,490	148,381	n/m
<b>Total Performance Fees</b>	<b>55,385</b>	<b>37,984</b>	<b>(59,112)</b>	<b>160,338</b>	<b>118,968</b>	<b>70,883</b>	<b>258,178</b>	<b>264%</b>
<b>Investment Income (Loss)</b>								
Realized	3,512	13,911	(6,195)	7,189	10,918	44,988	25,823	(43)%
Unrealized	25,091	16,469	(28,337)	43,267	53,938	9,476	85,337	n/m
<b>Total Investment Income (Loss)</b>	<b>28,603</b>	<b>30,380</b>	<b>(34,532)</b>	<b>50,456</b>	<b>64,856</b>	<b>54,464</b>	<b>111,160</b>	<b>104%</b>
Interest Income and Dividend Revenue	3,651	2,420	3,114	3,413	4,609	13,749	13,556	(1)%
Other	193	(215)	562	1,650	420	1,810	2,417	34%
<b>Total Revenues</b>	<b>190,885</b>	<b>170,673</b>	<b>11,786</b>	<b>326,919</b>	<b>318,681</b>	<b>578,834</b>	<b>828,059</b>	<b>43%</b>
<b>Expenses</b>								
Compensation	45,611	52,547	53,775	62,424	53,963	217,556	222,709	2%
Performance Fee Compensation								
Realized Carried Interest	(3,859)	320	804	1,048	1,507	1,465	3,679	151%
Unrealized Carried Interest	7,953	(1,052)	(8,259)	43,228	24,638	(2,229)	58,555	n/m
<b>Total Compensation and Benefits</b>	<b>49,705</b>	<b>51,815</b>	<b>46,320</b>	<b>106,700</b>	<b>80,108</b>	<b>216,792</b>	<b>284,943</b>	<b>31%</b>
Other Operating Expenses	34,493	28,881	30,521	30,944	40,499	120,918	130,845	8%
<b>Total Expenses</b>	<b>84,198</b>	<b>80,696</b>	<b>76,841</b>	<b>137,644</b>	<b>120,607</b>	<b>337,710</b>	<b>415,788</b>	<b>23%</b>
<b>Economic Income (Loss)</b>	<b>\$ 106,687</b>	<b>\$ 89,977</b>	<b>\$ (65,055)</b>	<b>\$ 189,275</b>	<b>\$ 198,074</b>	<b>\$ 241,124</b>	<b>\$ 412,271</b>	<b>71%</b>
Total Assets Under Management	\$ 45,863,673	\$ 47,624,013	\$ 46,633,552	\$ 50,222,312	\$ 51,002,973	\$ 45,863,673	\$ 51,002,973	11%
Fee-Earning Assets Under Management	\$ 37,237,791	\$ 37,323,635	\$ 37,159,452	\$ 38,505,497	\$ 37,050,167	\$ 37,237,791	\$ 37,050,167	(1)%
Weighted Average Fee-Earning AUM	\$ 37,147,118	\$ 37,491,735	\$ 37,434,520	\$ 38,096,139	\$ 38,507,697	\$ 36,119,173	\$ 38,126,640	6%
LP Capital Invested	\$ 1,093,745	\$ 643,044	\$ 102,899	\$ 1,015,605	\$ 1,461,987	\$ 3,848,954	\$ 3,223,535	(16)%
Total Capital Invested	\$ 1,563,912	\$ 680,035	\$ 108,977	\$ 1,427,871	\$ 1,860,738	\$ 4,465,030	\$ 4,077,621	(9)%

(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)	4Q'11	1Q'12	2Q'12	3Q'12	4Q'12	FY'11	FY'12	% Change vs. FY'11
<b>Revenues</b>								
Management Fees, Net								
Base Management Fees	\$ 103,947	\$ 147,802	\$ 127,817	\$ 135,659	\$ 140,044	\$ 394,778	\$ 551,322	40%
Transaction and Other Fees, Net <sup>(a)</sup>	19,128	14,412	25,151	14,937	31,181	109,510	85,681	(22)%
Management Fee Offsets <sup>(b)</sup>	(2,820)	(8,627)	(5,357)	(6,034)	(8,591)	(4,950)	(28,609)	n/m
<b>Total Management Fees, Net</b>	<b>120,255</b>	<b>153,587</b>	<b>147,611</b>	<b>144,562</b>	<b>162,634</b>	<b>499,338</b>	<b>608,394</b>	<b>22%</b>
Performance Fees								
Realized Carried Interest	3,538	8,617	13,539	51,845	91,113	22,844	165,114	n/m
Realized Incentive Fees	202	(1)	7,766	4,879	13,012	9,629	25,656	166%
Unrealized Carried Interest	237,884	221,500	144,510	207,695	110,059	913,418	683,764	(25)%
Unrealized Incentive Fees	1,806	7,914	(1,526)	6,150	(12,657)	3,658	(119)	n/m
<b>Total Performance Fees</b>	<b>243,430</b>	<b>238,030</b>	<b>164,289</b>	<b>270,569</b>	<b>201,527</b>	<b>949,549</b>	<b>874,415</b>	<b>(8)%</b>
Investment Income								
Realized	6,346	7,812	9,067	10,324	18,099	27,972	45,302	62%
Unrealized	19,970	25,912	14,944	33,676	16,343	92,648	90,875	(2)%
<b>Total Investment Income</b>	<b>26,316</b>	<b>33,724</b>	<b>24,011</b>	<b>44,000</b>	<b>34,442</b>	<b>120,620</b>	<b>136,177</b>	<b>13%</b>
Interest Income and Dividend Revenue	3,430	2,552	3,277	3,581	5,038	12,902	14,448	12%
Other	(1,046)	(709)	(590)	1,941	252	(1,061)	894	n/m
<b>Total Revenues</b>	<b>392,385</b>	<b>427,184</b>	<b>338,598</b>	<b>464,653</b>	<b>403,893</b>	<b>1,581,348</b>	<b>1,634,328</b>	<b>3%</b>
<b>Expenses</b>								
Compensation	53,507	68,889	76,576	71,456	54,201	236,771	271,122	15%
Performance Fee Compensation								
Realized Carried Interest	1,713	4,077	3,401	19,822	35,118	10,103	62,418	n/m
Realized Incentive Fees	91	2	3,871	2,570	6,617	4,564	13,060	186%
Unrealized Carried Interest	57,866	54,275	31,677	47,940	31,590	221,140	165,482	(25)%
Unrealized Incentive Fees	(632)	3,768	(629)	2,876	(6,598)	3,106	(583)	n/m
<b>Total Compensation and Benefits</b>	<b>112,545</b>	<b>131,011</b>	<b>114,896</b>	<b>144,664</b>	<b>120,928</b>	<b>475,684</b>	<b>511,499</b>	<b>8%</b>
Other Operating Expenses	29,027	28,924	26,560	31,284	36,946	103,859	123,714	19%
<b>Total Expenses</b>	<b>141,572</b>	<b>159,935</b>	<b>141,456</b>	<b>175,948</b>	<b>157,874</b>	<b>579,543</b>	<b>635,213</b>	<b>10%</b>
<b>Economic Income</b>	<b>\$ 250,813</b>	<b>\$ 267,249</b>	<b>\$ 197,142</b>	<b>\$ 288,705</b>	<b>\$ 246,019</b>	<b>\$ 1,001,805</b>	<b>\$ 999,115</b>	<b>(0)%</b>
Total Assets Under Management	\$ 42,852,669	\$ 48,322,760	\$ 50,225,950	\$ 53,546,023	\$ 56,695,645	\$ 42,852,669	\$ 56,695,645	32%
Fee-Earning Assets Under Management	\$ 31,236,540	\$ 36,647,462	\$ 38,476,123	\$ 40,609,286	\$ 41,931,339	\$ 31,236,540	\$ 41,931,339	34%
Weighted Average Fee-Earning AUM	\$ 31,474,333	\$ 35,983,336	\$ 36,882,087	\$ 38,947,049	\$ 40,164,238	\$ 28,377,319	\$ 37,730,563	33%
LP Capital Invested	\$ 995,643	\$ 1,143,555	\$ 1,855,108	\$ 1,342,811	\$ 3,876,701	\$ 6,141,416	\$ 8,218,175	34%
Total Capital Invested	\$ 1,064,690	\$ 1,172,883	\$ 1,954,731	\$ 1,397,249	\$ 3,990,620	\$ 6,500,464	\$ 8,515,483	31%

(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)	4Q'11	1Q'12	2Q'12	3Q'12	4Q'12	FY'11	FY'12	% Change vs. FY'11
<b>Revenues</b>								
Management Fees, Net								
Base Management Fees	\$ 81,606	\$ 81,821	\$ 84,278	\$ 87,334	\$ 92,777	\$ 315,863	\$ 346,210	10%
Transaction and Other Fees, Net <sup>(a)</sup>	470	92	65	4	27	2,798	188	(93)%
Management Fee Offsets <sup>(b)</sup>	(402)	(335)	(375)	(382)	(322)	(980)	(1,414)	(44)%
<b>Total Management Fees, Net</b>	<b>81,674</b>	<b>81,578</b>	<b>83,968</b>	<b>86,956</b>	<b>92,482</b>	<b>317,681</b>	<b>344,984</b>	<b>9%</b>
Performance Fees								
Realized Incentive Fees	4,148	3,298	1,175	2,637	76,323	11,472	83,433	n/m
Unrealized Incentive Fees	(2,059)	23,187	(10,981)	36,635	(39,799)	774	9,042	n/m
<b>Total Performance Fees</b>	<b>2,089</b>	<b>26,485</b>	<b>(9,806)</b>	<b>39,272</b>	<b>36,524</b>	<b>12,246</b>	<b>92,475</b>	<b>n/m</b>
Investment Income (Loss)								
Realized	2,503	503	929	637	5,201	17,722	7,270	(59)%
Unrealized	(3,253)	8,371	(3,636)	5,199	(1,417)	(19,031)	8,517	n/m
<b>Total Investment Income (Loss)</b>	<b>(750)</b>	<b>8,874</b>	<b>(2,707)</b>	<b>5,836</b>	<b>3,784</b>	<b>(1,309)</b>	<b>15,787</b>	<b>n/m</b>
Interest Income and Dividend Revenue	537	386	495	540	718	2,025	2,139	6%
Other	7,818	(127)	27	315	3,601	7,902	3,816	(52)%
<b>Total Revenues</b>	<b>91,368</b>	<b>117,196</b>	<b>71,977</b>	<b>132,919</b>	<b>137,109</b>	<b>338,545</b>	<b>459,201</b>	<b>36%</b>
<b>Expenses</b>								
Compensation	38,525	28,233	34,559	28,826	28,113	128,959	119,731	(7)%
Performance Fee Compensation								
Realized Incentive Fees	688	1,378	(345)	1,062	20,985	3,498	23,080	n/m
Unrealized Incentive Fees	(865)	7,294	(2,820)	8,062	(11,219)	234	1,317	n/m
<b>Total Compensation and Benefits</b>	<b>38,348</b>	<b>36,905</b>	<b>31,394</b>	<b>37,950</b>	<b>37,879</b>	<b>132,691</b>	<b>144,128</b>	<b>9%</b>
Other Operating Expenses	21,568	13,934	14,506	12,878	16,491	65,072	57,809	(11)%
<b>Total Expenses</b>	<b>59,916</b>	<b>50,839</b>	<b>45,900</b>	<b>50,828</b>	<b>54,370</b>	<b>197,763</b>	<b>201,937</b>	<b>2%</b>
<b>Economic Income</b>	<b>\$ 31,452</b>	<b>\$ 66,357</b>	<b>\$ 26,077</b>	<b>\$ 82,091</b>	<b>\$ 82,739</b>	<b>\$ 140,782</b>	<b>\$ 257,264</b>	<b>83%</b>
Total Assets Under Management	\$ 40,534,768	\$ 43,351,275	\$ 42,888,946	\$ 46,218,618	\$ 46,092,505	\$ 40,534,768	\$ 46,092,505	14%
Fee-Earning Assets Under Management	\$ 37,819,636	\$ 40,543,772	\$ 40,161,179	\$ 43,601,541	\$ 43,478,791	\$ 37,819,636	\$ 43,478,791	15%
Weighted Average Fee-Earning AUM	\$ 38,452,740	\$ 39,904,474	\$ 40,528,701	\$ 42,005,752	\$ 43,709,019	\$ 37,372,569	\$ 41,698,402	12%
LP Capital Invested	\$ 288,237	\$ 4,661	\$ -	\$ 196,180	\$ -	\$ 889,259	\$ 200,841	(77)%
Total Capital Invested	\$ 304,500	\$ 5,502	\$ -	\$ 207,250	\$ -	\$ 943,327	\$ 212,752	(77)%

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

(b) Primarily placement fees.

## Credit

(Dollars in Thousands)	4Q'11	1Q'12	2Q'12	3Q'12	4Q'12	FY'11	FY'12	% Change vs. FY'11
<b>Revenues</b>								
Management Fees, Net								
Base Management Fees	\$ 66,969	\$ 80,094	\$ 81,774	\$ 88,959	\$ 94,450	\$ 238,547	\$ 345,277	45%
Transaction and Other Fees, Net <sup>(a)</sup>	312	5,725	9,184	4,486	21,480	1,880	40,875	n/m
Management Fee Offsets <sup>(b)</sup>	(200)	(306)	(1,569)	(1,271)	(1,858)	(390)	(5,004)	n/m
<b>Total Management Fees, Net</b>	<b>67,081</b>	<b>85,513</b>	<b>89,389</b>	<b>92,174</b>	<b>114,072</b>	<b>240,037</b>	<b>381,148</b>	<b>59%</b>
<b>Performance Fees</b>								
Realized Carried Interest	37,241	1,010	13,609	328	37,564	78,670	52,511	(33)%
Realized Incentive Fees	47,487	1,982	2,751	4,104	183,538	67,928	192,375	183%
Unrealized Carried Interest	(10,499)	43,245	27,673	67,024	24,103	24,610	162,045	n/m
Unrealized Incentive Fees	(17,183)	37,020	(4,567)	61,364	(132,051)	(29,360)	(38,234)	(30)%
<b>Total Performance Fees</b>	<b>57,046</b>	<b>83,257</b>	<b>39,466</b>	<b>132,820</b>	<b>113,154</b>	<b>141,848</b>	<b>368,697</b>	<b>160%</b>
<b>Investment Income (Loss)</b>								
Realized	4,021	683	5,638	6,697	2,593	11,299	15,611	38%
Unrealized	(2,877)	9,211	(9,156)	(736)	5,450	(708)	4,769	n/m
<b>Total Investment Income (Loss)</b>	<b>1,144</b>	<b>9,894</b>	<b>(3,518)</b>	<b>5,961</b>	<b>8,043</b>	<b>10,591</b>	<b>20,380</b>	<b>92%</b>
Interest Income and Dividend Revenue	610	2,425	1,752	2,673	2,480	3,369	9,330	177%
Other	(772)	(238)	(787)	(678)	529	(853)	(1,174)	(38)%
<b>Total Revenues</b>	<b>125,109</b>	<b>180,851</b>	<b>126,302</b>	<b>232,950</b>	<b>238,278</b>	<b>394,992</b>	<b>778,381</b>	<b>97%</b>
<b>Expenses</b>								
Compensation	25,435	37,143	42,845	50,236	51,853	128,588	182,077	42%
<b>Performance Fee Compensation</b>								
Realized Carried Interest	15,352	3,541	3,694	1,153	21,948	32,047	30,336	(5)%
Realized Incentive Fees	32,745	2,872	2,049	825	98,156	47,850	103,902	117%
Unrealized Carried Interest	(3,420)	31,320	13,397	37,695	15,150	19,033	97,562	n/m
Unrealized Incentive Fees	(12,904)	1,717	(6,147)	33,316	(74,148)	(24,099)	(45,262)	(88)%
<b>Total Compensation and Benefits</b>	<b>57,208</b>	<b>76,593</b>	<b>55,838</b>	<b>123,225</b>	<b>112,959</b>	<b>203,419</b>	<b>368,615</b>	<b>81%</b>
Other Operating Expenses	13,162	17,096	15,749	33,527	18,116	49,955	84,488	69%
<b>Total Expenses</b>	<b>70,370</b>	<b>93,689</b>	<b>71,587</b>	<b>156,752</b>	<b>131,075</b>	<b>253,374</b>	<b>453,103</b>	<b>79%</b>
<b>Economic Income</b>	<b>\$ 54,739</b>	<b>\$ 87,162</b>	<b>\$ 54,715</b>	<b>\$ 76,198</b>	<b>\$ 107,203</b>	<b>\$ 141,618</b>	<b>\$ 325,278</b>	<b>130%</b>
Total Assets Under Management	\$ 36,977,394	\$ 50,776,119	\$ 50,519,383	\$ 54,564,619	\$ 56,428,837	\$ 36,977,394	\$ 56,428,837	53%
Fee-Earning Assets Under Management	\$ 30,462,786	\$ 41,746,577	\$ 41,849,767	\$ 45,913,758	\$ 45,420,143	\$ 30,462,786	\$ 45,420,143	49%
Weighted Average Fee-Earning AUM	\$ 29,802,567	\$ 40,974,525	\$ 41,581,436	\$ 43,328,691	\$ 45,947,499	\$ 27,603,964	\$ 42,574,690	54%
LP Capital Invested	\$ 1,028,639	\$ 928,173	\$ 445,616	\$ 530,845	\$ 351,786	\$ 2,650,137	\$ 2,256,420	(15)%
Total Capital Invested	\$ 1,059,386	\$ 1,275,965	\$ 461,940	\$ 721,691	\$ 349,397	\$ 2,755,586	\$ 2,808,993	2%

(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)	4Q'11	1Q'12	2Q'12	3Q'12	4Q'12	FY'11	FY'12	% Change vs. FY'11
<b>Revenues</b>								
Advisory Fees	123,567	75,846	93,372	59,951	128,248	382,240	357,417	(6)%
Transaction and Other Fees, Net	7	145	102	6	42	321	295	(8)%
<b>Total Advisory and Transaction Fees</b>	<b>123,574</b>	<b>75,991</b>	<b>93,474</b>	<b>59,957</b>	<b>128,290</b>	<b>382,561</b>	<b>357,712</b>	<b>(6)%</b>
<b>Investment Income</b>								
Realized	315	583	(79)	251	637	594	1,392	134%
Unrealized	97	(49)	561	928	(92)	304	1,348	n/m
<b>Total Investment Income</b>	<b>412</b>	<b>534</b>	<b>482</b>	<b>1,179</b>	<b>545</b>	<b>898</b>	<b>2,740</b>	<b>205%</b>
Interest Income and Dividend Revenue	1,775	1,562	1,753	1,797	2,045	6,799	7,157	5%
Other	(498)	82	(40)	(751)	(95)	(383)	(804)	(110)%
<b>Total Revenues</b>	<b>125,263</b>	<b>78,169</b>	<b>95,669</b>	<b>62,182</b>	<b>130,785</b>	<b>389,875</b>	<b>366,805</b>	<b>(6)%</b>
<b>Expenses</b>								
Compensation	62,360	67,960	61,129	46,619	59,429	248,695	235,137	(5)%
<b>Total Compensation and Benefits</b>	<b>62,360</b>	<b>67,960</b>	<b>61,129</b>	<b>46,619</b>	<b>59,429</b>	<b>248,695</b>	<b>235,137</b>	<b>(5)%</b>
Other Operating Expenses	23,822	20,686	25,702	18,823	19,378	81,538	84,589	4%
<b>Total Expenses</b>	<b>86,182</b>	<b>88,646</b>	<b>86,831</b>	<b>65,442</b>	<b>78,807</b>	<b>330,233</b>	<b>319,726</b>	<b>(3)%</b>
<b>Economic Income (Loss)</b>	<b>\$ 39,081</b>	<b>\$ (10,477)</b>	<b>\$ 8,838</b>	<b>\$ (3,260)</b>	<b>\$ 51,978</b>	<b>\$ 59,642</b>	<b>\$ 47,079</b>	<b>(21)%</b>

## Fee-Earning AUM Net Flows

- ▶ Fee-Earning AUM was up \$31 billion or 23% from a year ago driven mainly by continued strong net inflows and to a lesser extent market appreciation.
- ▶ The fourth quarter saw an increase in exit activity with realizations exceeding half of the full year's amount.
- ▶ Private Equity includes our tactical opportunities investment vehicles, which had \$1.0 billion of uninvested capital at year end that will be included in Fee-Earning AUM once invested.
- ▶ Real Estate Fee-Earning AUM grew 34% 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 \$2.4 billion of net inflows during the year; net outflows during the quarter reflect the cyclical timing of redemptions which typically exceed half of the full year amount.
- ▶ Credit Fee-Earning AUM, which does not yet reflect capital raised for our most recent rescue lending fund, grew 49% during the year due to capital invested in our carry funds, new product launches and the Harbourmaster acquisition.

### 4Q'12 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
3Q'12	\$ 38,505	\$ 40,609	\$ 43,602	\$ 45,914	\$ 168,630
Inflows <sup>(a)</sup>	433	3,798	866	2,205	7,302
Outflows <sup>(b)</sup>	-	(1,372)	(1,668)	(828)	(3,868)
Realizations <sup>(c)</sup>	(1,906)	(1,093)	-	(2,529)	(5,528)
Net Inflows (Outflows)	(1,473)	1,333	(802)	(1,152)	(2,094)
Market Activity <sup>(d)</sup>	18	(10)	679	658	1,345
<b>4Q'12</b>	<b>\$ 37,050</b>	<b>\$ 41,931</b>	<b>\$ 43,479</b>	<b>\$ 45,420</b>	<b>\$ 167,880</b>
<i>QoQ Inc (Dec)</i>	<i>(4)%</i>	<i>3%</i>	<i>(0)%</i>	<i>(1)%</i>	<i>(0)%</i>

### FY'12 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
4Q'11	\$ 37,238	\$ 31,237	\$ 37,820	\$ 30,463	\$ 136,757
Inflows <sup>(a)</sup>	2,629	14,584	5,460	20,055	42,728
Outflows <sup>(b)</sup>	-	(1,486)	(3,015)	(1,700)	(6,201)
Realizations <sup>(c)</sup>	(2,845)	(2,530)	-	(4,811)	(10,186)
Net Inflows (Outflows)	(216)	10,568	2,445	13,544	26,341
Market Activity <sup>(d)</sup>	29	127	3,214	1,414	4,784
<b>4Q'12</b>	<b>\$ 37,050</b>	<b>\$ 41,931</b>	<b>\$ 43,479</b>	<b>\$ 45,420</b>	<b>\$ 167,880</b>
<i>YoY Inc (Dec)</i>	<i>(1)%</i>	<i>34%</i>	<i>15%</i>	<i>49%</i>	<i>23%</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 AUM Net Flows

- ▶ Total AUM was up \$44 billion or 26% for the year driven by strong net inflows and market appreciation across all of Blackstone's investment segments.
- ▶ Realization activity continued to improve and we returned \$9.3 billion to our investors during the quarter and \$18.5 billion during the year.
- ▶ Private Equity AUM was up 11% over the prior year driven by fundraising and market appreciation, resulting from positive performance of our public holdings as well as mark-ups across our private holdings.
- ▶ Real Estate AUM grew 32% during the year driven by capital committed to our latest global buyout fund, solid market appreciation and the Capital Trust transaction adding \$2.3 billion of Total AUM.
- ▶ Hedge Fund Solutions had market appreciation of \$3.4 billion during the year driven by solid returns.
- ▶ Credit AUM grew 53% during the year through significant organic net inflows including the first close of our most recent rescue lending fund, the acquisition of Harbourmaster and solid market performance.

### 4Q'12 Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
3Q'12	\$ 50,222	\$ 53,546	\$ 46,219	\$ 54,565	\$ 204,552
Inflows <sup>(a)</sup>	642	3,562	875	4,570	9,649
Outflows <sup>(b)</sup>	(31)	(40)	(1,725)	(972)	(2,768)
Realizations <sup>(c)</sup>	(1,949)	(1,789)	-	(2,775)	(6,513)
Net Inflows (Outflows)	(1,338)	1,733	(850)	823	368
Market Activity <sup>(d)</sup>	2,119	1,417	723	1,042	5,301
<b>4Q'12</b>	<b>\$ 51,003</b>	<b>\$ 56,696</b>	<b>\$ 46,093</b>	<b>\$ 56,429</b>	<b>\$ 210,220</b>
<i>QoQ Inc (Dec)</i>	<i>2%</i>	<i>6%</i>	<i>(0)%</i>	<i>3%</i>	<i>3%</i>

### FY'12 Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
4Q'11	\$ 45,864	\$ 42,853	\$ 40,535	\$ 36,977	\$ 166,229
Inflows <sup>(a)</sup>	4,234	12,566	5,339	24,489	46,628
Outflows <sup>(b)</sup>	(76)	(262)	(3,168)	(2,429)	(5,935)
Realizations <sup>(c)</sup>	(3,453)	(3,927)	-	(5,179)	(12,559)
Net Inflows	705	8,377	2,171	16,881	28,134
Market Activity <sup>(d)</sup>	4,435	5,466	3,387	2,571	15,859
<b>4Q'12</b>	<b>\$ 51,003</b>	<b>\$ 56,696</b>	<b>\$ 46,093</b>	<b>\$ 56,429</b>	<b>\$ 210,220</b>
<i>YoY Increase</i>	<i>11%</i>	<i>32%</i>	<i>14%</i>	<i>53%</i>	<i>26%</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<sup>(a)</sup>

- ▶ Blackstone had \$2.2 billion of accrued performance fees, net of performance fee compensation, as of year end.
- ▶ BCP V and BREP Int'l II were below their respective carried interest thresholds as of year end.

(Dollars in Millions, Except per Unit Data)	Net Accrued Performance Fees <sup>(b)</sup>				Carried Interest Status (excl. SBS) <sup>(d)</sup>			
	3Q'12		4Q'12		Remaining Capital		Gain to Cross Carry Threshold	
			Per Unit <sup>(c)</sup>	Change vs. 3Q'12	@ FMV	@ Cost	Amount	% Change in TEV
<b>Private Equity</b>								
BCP IV Carried Interest	\$ 551	\$ 582	\$ 0.52	\$ 31	\$ 17,930	\$ 16,036	\$ 5,649	12%
BCP VI Carried Interest	8	22	0.02	14				
BEP Carried Interest	30	38	0.03	8				
Tactical Opportunities Carried Interest	2	2	0.00	-				
<b>Total Private Equity</b>	<b>591</b>	<b>644</b>	<b>0.57</b>	<b>53</b>				
<b>Real Estate</b>								
BREP V Carried Interest	434	448	0.40	14	€ 1,026	€ 1,130	€ 991	23%
BREP VI Carried Interest	590	610	0.54	20				
BREP VII Carried Interest	44	82	0.07	38				
BREP Int'l I Carried Interest	3	2	0.00	(1)				
BREP Europe III Carried Interest	66	74	0.07	8				
BREDS Carried Interest	19	19	0.02	-				
BREDS Incentive Fees	5	7	0.01	2				
Asia Platform Incentive Fees	28	23	0.02	(5)				
<b>Total Real Estate</b>	<b>1,189</b>	<b>1,265</b>	<b>1.13</b>	<b>76</b>				
<b>Hedge Fund Solutions</b>								
Incentive Fees	42	67	0.06	25				
<b>Total Hedge Fund Solutions</b>	<b>42</b>	<b>67</b>	<b>0.06</b>	<b>25</b>				
<b>Credit</b>								
Carried Interest	142	144	0.13	2				
Incentive Fees	85	118	0.11	33				
<b>Total Credit</b>	<b>227</b>	<b>262</b>	<b>0.23</b>	<b>35</b>				
<b>Total Blackstone</b>								
Carried Interest	1,889	2,023	1.80	134				
Incentive Fees	160	215	0.19	55				
<b>Net Accrued Performance Fees</b>	<b>\$ 2,049</b>	<b>\$ 2,238</b>	<b>\$ 1.99</b>	<b>\$ 189</b>				

**\$2.2 billion**

4Q'12 Net Accrued Performance Fees

**\$1.99 per unit**

4Q'12 Net Accrued Performance Fees

**52% increase**

in Net Accrued Performance Fees since 4Q'11

(a) Preliminary. Totals may not add due to rounding.

(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 4Q'12, \$167 million of Net Accrued Performance Fees, primarily attributable to Hedge Fund Solutions and Credit, were realized and included in 2012 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 December 31, 2012<sup>(a)</sup>

	Committed Capital	Available Capital <sup>(b)</sup>	Unrealized Investments			Realized Investments		Total Investments		Net IRRs <sup>(d)</sup>	
			Value	MOIC <sup>(c)</sup>	% Public	Value	MOIC <sup>(c)</sup>	Value	MOIC <sup>(c)</sup>	Realized	Total
<b>Private Equity</b>											
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)	3,973,378	167,776	-	n/a	100%	9,181,266	2.3x	9,181,266	2.3x	14%	14%
BCOM (Jun 2000 / Jun 2006)	2,137,330	202,433	347,362	0.9x	52%	2,463,892	1.4x	2,811,254	1.3x	9%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,138	250,890	5,946,433	2.1x	60%	14,246,559	3.0x	20,192,992	2.7x	57%	37%
BCP V (Dec 2005 / Jan 2011)	21,020,395	1,370,953	19,354,620	1.2x	20%	3,910,358	1.1x	23,264,978	1.2x	1%	2%
BCP VI (Jan 2011 / Jan 2016)	15,220,745	11,418,584	3,502,548	1.2x	28%	35,962	1.3x	3,538,510	1.2x	21%	11%
BEP (Aug 2011 / Aug 2017)	2,415,848	1,433,833	864,486	1.7x	43%	32,546	1.2x	897,032	1.7x	30%	84%
<b>Total Core Private Equity</b>	<b>\$ 53,761,015</b>	<b>\$ 14,844,469</b>	<b>\$ 30,015,449</b>	<b>1.3x</b>		<b>\$ 34,869,140</b>	<b>2.2x</b>	<b>\$ 64,884,589</b>	<b>1.7x</b>	<b>21%</b>	<b>15%</b>
Tactical Opportunities	1,683,786	1,402,545	292,388	1.1x	-	7,515	1.3x	299,903	1.1x	n/m	22%
Other Funds and Co-Invest	975,857	264,443	241,057	n/a	-	-	n/a	241,057	n/a	n/a	n/a
<b>Total Private Equity</b>	<b>\$ 56,420,658</b>	<b>\$ 16,511,457</b>	<b>\$ 30,548,894</b>	<b>1.3x</b>		<b>\$ 34,876,655</b>	<b>2.2x</b>	<b>\$ 65,425,549</b>	<b>1.6x</b>	<b>21%</b>	<b>14%</b>
<b>Real Estate</b>											
<b>Dollar</b>											
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	-	1,304,704	0.8x	5%	2,865,821	2.4x	4,170,525	1.5x	80%	13%
BREP V (Dec 2005 / Feb 2007)	5,538,579	243,946	7,035,133	1.6x	-	2,352,733	1.6x	9,387,866	1.6x	41%	9%
BREP VI (Feb 2007 / Aug 2011)	11,057,598	778,946	14,875,722	1.5x	6%	1,657,237	2.0x	16,532,959	1.5x	30%	9%
BREP VII (Aug 2011 / Feb 2017)	13,380,006	8,309,404	6,029,048	1.2x	-	285,170	1.5x	6,314,218	1.2x	93%	31%
<b>Total Global Real Estate Funds</b>	<b>\$ 35,417,346</b>	<b>\$ 9,332,296</b>	<b>\$ 29,246,768</b>	<b>1.4x</b>	<b>3%</b>	<b>\$ 14,690,605</b>	<b>2.1x</b>	<b>\$ 43,937,373</b>	<b>1.6x</b>	<b>28%</b>	<b>16%</b>
BREP Co-Investment <sup>(e)</sup>	3,551,965	-	4,666,535	1.5x	1%	499,348	1.4x	5,165,883	1.5x	11%	11%
<b>Euro</b>											
BREP Int'l (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ 109,596	1.2x	-	€ 1,230,290	2.2x	€ 1,339,886	2.0x	26%	23%
BREP Int'l II (Sep 2005 / Jun 2008)	1,627,954	81,163	1,130,137	0.9x	-	191,501	1.2x	1,321,638	1.0x	3%	(3)%
BREP Europe III (Jun 2008 / Dec 2013)	3,199,792	1,232,039	2,689,712	1.3x	-	15,712	2.8x	2,705,424	1.4x	49%	18%
Total Euro Funds	€ 5,651,918	€ 1,313,202	€ 3,929,445	1.2x	-	€ 1,437,503	2.0x	€ 5,366,948	1.3x	24%	8%
<b>Total Real Estate</b>	<b>\$ 46,092,185</b>	<b>\$ 11,003,912</b>	<b>\$ 39,105,145</b>	<b>1.4x</b>	<b>3%</b>	<b>\$ 16,961,798</b>	<b>2.1x</b>	<b>\$ 56,066,943</b>	<b>1.5x</b>	<b>27%</b>	<b>14%</b>
Debt Strategies Drawdown <sup>(f)</sup>	\$ 2,824,982	\$ 792,570	\$ 2,373,265	1.2x	-	\$ 1,332,667	1.2x	\$ 3,705,932	1.2x	16%	13%
<b>Credit</b>											
Mezzanine	\$ 6,120,000	\$ 3,005,452	\$ 4,342,028	1.4x	-	\$ 1,667,885	1.6x	\$ 6,009,913	1.4x	n/a	19%
Rescue Lending	3,253,143	689,731	3,197,712	1.2x	-	1,172,529	1.2x	4,370,241	1.2x	n/a	14%
<b>Total Credit</b>	<b>\$ 9,373,143</b>	<b>\$ 3,695,183</b>	<b>\$ 7,539,740</b>	<b>1.3x</b>	<b>-</b>	<b>\$ 2,840,414</b>	<b>1.4x</b>	<b>\$ 10,380,154</b>	<b>1.3x</b>	<b>-</b>	<b>-</b>

Notes on next page.

## Investment Records as of December 31, 2012 – Notes

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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. Additionally, the Real Estate segment has \$1.1 billion of Available Capital that has been reserved for add-on investments in funds that are fully invested.

(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 December 31, 2012 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.

## Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	4Q'11	1Q'12	2Q'12	3Q'12	4Q'12	FY'11	FY'12
<b>Net Income (Loss) Attributable to The Blackstone Group L.P.</b>	\$ (22,677)	\$ 58,325	\$ (74,964)	\$ 128,824	\$ 106,413	\$ (168,303)	\$ 218,598
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	21,221	107,405	(53,027)	183,431	169,918	(83,234)	407,727
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	456,706	197,643	239,934	(157,607)	(180,011)	7,953	99,959
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	111	54,259	(17,666)	41,854	25,151	(24,869)	103,598
<b>Net Income (Loss)</b>	\$ 455,361	\$ 417,632	\$ 94,277	\$ 196,502	\$ 121,471	\$ (268,453)	\$ 829,882
Provision for Taxes	250,299	38,753	41,337	39,237	65,696	345,711	185,023
<b>Income Before Provision for Taxes</b>	\$ 705,660	\$ 456,385	\$ 135,614	\$ 235,739	\$ 187,167	\$ 77,258	\$ 1,014,905
IPO and Acquisition-Related Charges <sup>(a)</sup>	147,808	244,897	268,936	248,179	317,499	1,269,932	1,079,511
Amortization of Intangibles <sup>(b)</sup>	86,121	50,888	39,435	33,338	26,487	220,865	150,148
Income (Loss) Associated with Non-Controlling Interests in (Income) Loss of Consolidated Entities <sup>(c)</sup>	(456,817)	(251,902)	(222,268)	115,753	154,860	16,916	(203,557)
<b>Economic Income</b>	\$ 482,772	\$ 500,268	\$ 221,717	\$ 633,009	\$ 686,013	\$ 1,584,971	\$ 2,041,007
Taxes <sup>(d)</sup>	(14,618)	(9,051)	(9,368)	(11,257)	(16,032)	(45,763)	(45,708)
<b>Economic Net Income</b>	\$ 468,154	\$ 491,217	\$ 212,349	\$ 621,752	\$ 669,981	\$ 1,539,208	\$ 1,995,299
Taxes <sup>(d)</sup>	14,618	9,051	9,368	11,257	16,032	45,763	45,708
Performance Fee Adjustment <sup>(e)</sup>	(357,950)	(385,756)	(134,837)	(602,999)	(470,173)	(1,174,526)	(1,593,765)
Investment Income (Loss) Adjustment <sup>(f)</sup>	(55,725)	(83,406)	16,264	(107,432)	(111,670)	(185,264)	(286,244)
Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies <sup>(g)</sup>	2,271	6,310	1,892	12,877	4,690	4,600	25,769
Performance Fee Compensation and Benefits Adjustment <sup>(h)</sup>	94,728	109,512	40,693	199,597	163,744	316,712	513,546
<b>Fee Related Earnings</b>	\$ 166,096	\$ 146,928	\$ 145,729	\$ 135,052	\$ 272,604	\$ 546,493	\$ 700,313
Realized Performance Fees <sup>(i)</sup>	17,494	6,649	54,147	68,905	262,710	128,409	392,411
Realized Investment Income <sup>(j)</sup>	16,697	23,492	9,360	25,098	37,448	102,575	95,398
Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies <sup>(k)</sup>	(2,395)	(5,897)	(1,280)	(8,251)	(6,444)	(6,057)	(21,872)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement <sup>(l)</sup>	(19,706)	(9,051)	(19,552)	(31,169)	(72,553)	(74,696)	(132,325)
<b>Distributable Earnings</b>	\$ 178,186	\$ 162,121	\$ 188,404	\$ 189,635	\$ 493,765	\$ 696,724	\$ 1,033,925
Interest	14,843	13,554	12,850	18,163	24,585	53,201	69,152
Taxes and Related Payables Including Payable Under Tax Receivable Agreement <sup>(l)</sup>	19,706	9,051	19,552	31,169	72,553	74,696	132,325
Depreciation and Amortization	8,451	10,268	10,391	8,895	12,681	32,764	42,235
<b>Adjusted EBITDA</b>	\$ 221,186	\$ 194,994	\$ 231,197	\$ 247,862	\$ 603,584	\$ 857,385	\$ 1,277,637

Notes on next page.

## Reconciliation of GAAP to Non-GAAP Measures – Notes

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Note: Prior period amounts have been adjusted to conform to the current period presentation and definitions. See also Appendix – Definitions.

- (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.

## Calculation of Certain Non-GAAP Financial Metric Components

(Dollars in Thousands)	4Q'12	FY'12
Interest Income and Dividend Revenue	\$ 14,890	\$ 46,630
Other Revenue	4,707	5,149
Investment Income - Blackstone's Treasury Cash Management Strategies <sup>(a)</sup>	4,690	25,769
<b>Interest Income and Other Revenue</b>	<b>\$ 24,287</b>	<b>\$ 77,548</b>
Realized Incentive Fees	272,873	301,464
Less: Realized Incentive Fee Compensation	(125,758)	(140,042)
<b>Net Realized Incentive Fees</b>	<b>\$ 147,115</b>	<b>\$ 161,422</b>
Realized Carried Interest	174,168	327,422
Less: Realized Carried Interest Compensation	(58,573)	(96,433)
<b>Net Realized Carried Interest</b>	<b>\$ 115,595</b>	<b>\$ 230,989</b>
Realized Investment Income	37,448	95,398
Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies <sup>(a)</sup>	(6,444)	(21,872)
<b>Net Realized Investment Income</b>	<b>\$ 31,004</b>	<b>\$ 73,526</b>
Unrealized Incentive Fees	(184,507)	(29,311)
Less: Unrealized Incentive Fee Compensation	91,965	44,528
<b>Net Unrealized Incentive Fees</b>	<b>\$ (92,542)</b>	<b>\$ 15,217</b>
Unrealized Carried Interest	207,639	994,190
Less: Unrealized Carried Interest Compensation	(71,378)	(321,599)
<b>Net Unrealized Carried Interest</b>	<b>\$ 136,261</b>	<b>\$ 672,591</b>
Unrealized Investment Income	74,222	190,846
Less: Investment Income - Blackstone's Treasury Cash Management Strategies <sup>(a)</sup>	(4,690)	(25,769)
Less: Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies <sup>(a)</sup>	6,444	21,872
<b>Net Unrealized Investment Income</b>	<b>\$ 75,976</b>	<b>\$ 186,949</b>
<b>Related Payables<sup>(b)</sup></b>	<b>\$ 56,521</b>	<b>\$ 86,617</b>

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

	4Q'11	1Q'12	2Q'12	3Q'12	4Q'12	FY'11	FY'12
Total GAAP Weighted-Average Common Units Outstanding - Basic	490,511,637	506,985,529	528,778,977	544,716,399	553,989,577	475,582,718	533,703,606
<i>Adjustments:</i>							
Weighted-Average Unvested Deferred Restricted Common Units	-	10,404,029	-	2,207,204	2,430,014	-	4,965,464
<b>Total GAAP Weighted-Average Common Units Outstanding - Diluted</b>	<b>490,511,637</b>	<b>517,389,558</b>	<b>528,778,977</b>	<b>546,923,603</b>	<b>556,419,591</b>	<b>475,582,718</b>	<b>538,669,070</b>
<i>Adjustments:</i>							
Weighted-Average Blackstone Holdings Partnership Units	613,105,891	602,817,069	591,155,160	586,762,611	581,202,276	628,115,753	590,446,577
Weighted-Average Unvested Deferred Restricted Common Units	12,469,282	-	4,820,609	-	-	9,244,394	-
<b>Weighted-Average Economic Net Income Adjusted Units</b>	<b>1,116,086,810</b>	<b>1,120,206,627</b>	<b>1,124,754,746</b>	<b>1,133,686,214</b>	<b>1,137,621,867</b>	<b>1,112,942,865</b>	<b>1,129,115,647</b>
<b>Economic Net Income Adjusted Units, End of Period</b>	<b>1,108,034,890</b>	<b>1,119,829,138</b>	<b>1,122,067,386</b>	<b>1,133,637,141</b>	<b>1,143,019,281</b>	<b>1,108,034,890</b>	<b>1,143,019,281</b>
Total Common Units Outstanding <sup>(a)</sup>	495,599,976	510,868,415	525,464,110	537,299,585	568,600,922	495,599,976	568,600,922
<i>Adjustments:</i>							
Blackstone Holdings Partnership Units	608,718,156	597,566,417	585,315,742	584,690,200	553,614,040	608,718,156	553,614,040
<b>Distributable Earnings Units Outstanding<sup>(b)</sup></b>	<b>1,104,318,132</b>	<b>1,108,434,832</b>	<b>1,110,779,852</b>	<b>1,121,989,785</b>	<b>1,122,214,962</b>	<b>1,104,318,132</b>	<b>1,122,214,962</b>

(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.



## Distribution Policy

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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 base quarterly distribution of \$0.12 per unit.

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.

In circumstances in which the Net Cash Available for Distribution to Common Unitholders for a quarter falls short of the amount necessary to support the base distribution of \$0.12 per unit, 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.

## Definitions

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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.

## Forward-Looking Statements

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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, 2011, 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](http://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.

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