

# Blackstone's 3Q'12 Supplemental Financial Data

October 18, 2012

## Total Segments

(Dollars in Thousands)	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12	Year-to-Date		
								3Q'11	3Q'12	
<b>Revenues</b>										
Management and Advisory Fees, Net										
Base Management Fees	\$ 305,587	\$ 316,474	\$ 322,371	\$ 336,753	\$ 395,506	\$ 381,344	\$ 398,088	\$ 944,432	\$ 1,174,938	
Advisory Fees	70,252	102,243	86,178	123,567	75,846	93,372	59,951	258,673	229,169	
Transaction and Other Fees, Net	58,363	103,561	41,793	43,796	38,471	49,453	45,126	203,717	133,050	
Management Fee Offsets	(8,536)	(8,675)	(7,703)	(8,479)	(13,050)	(7,973)	(8,454)	(24,914)	(29,477)	
Total Management and Advisory Fees, Net	425,666	513,603	442,639	495,637	496,773	516,196	494,711	1,381,908	1,507,680	
Performance Fees										
Realized Carried Interest	93,401	42,752	(9,633)	12,387	13,560	55,929	83,765	126,520	153,254	
Realized Incentive Fees	2,199	17,463	17,530	51,837	5,279	11,692	11,620	37,192	28,591	
Unrealized Carried Interest	432,148	611,157	(382,949)	311,162	298,796	84,290	403,465	660,356	786,551	
Unrealized Incentive Fees	73,049	1,686	(82,227)	(17,436)	68,121	(17,074)	104,149	(7,492)	155,196	
Total Performance Fees	600,797	673,058	(457,279)	357,950	385,756	134,837	602,999	816,576	1,123,592	
Investment Income (Loss)										
Realized	23,499	30,732	31,647	16,697	23,492	9,360	25,098	85,878	57,950	
Unrealized	102,577	106,837	(165,753)	39,028	59,914	(25,624)	82,334	43,661	116,624	
Total Investment Income (Loss)	126,076	137,569	(134,106)	55,725	83,406	(16,264)	107,432	129,539	174,574	
Interest Income and Dividend Revenue	9,448	9,283	10,110	10,003	9,345	10,391	12,004	28,841	31,740	
Other	2,259	1,128	(1,667)	5,695	(1,207)	(828)	2,477	1,720	442	
<b>Total Revenues</b>	<b>1,164,246</b>	<b>1,334,641</b>	<b>(140,303)</b>	<b>925,010</b>	<b>974,073</b>	<b>644,332</b>	<b>1,219,623</b>	<b>2,358,584</b>	<b>2,838,028</b>	
<b>Expenses</b>										
Compensation	224,532	272,392	238,207	225,438	254,772	268,884	259,561	735,131	783,217	
Performance Fee Compensation										
Realized Carried Interest	13,569	18,675	(1,835)	13,206	7,938	7,899	22,023	30,409	37,860	
Realized Incentive Fees	974	9,036	12,378	33,524	4,252	5,575	4,457	22,388	14,284	
Unrealized Carried Interest	125,955	123,713	(74,123)	62,399	84,543	36,815	128,863	175,545	250,221	
Unrealized Incentive Fees	36,570	(5,616)	(37,312)	(14,401)	12,779	(9,596)	44,254	(6,358)	47,437	
Total Compensation and Benefits	401,600	418,200	137,315	320,166	364,284	309,577	459,158	957,115	1,133,019	
Other Operating Expenses	102,975	99,363	96,932	122,072	109,521	113,038	127,456	299,270	350,015	
<b>Total Expenses</b>	<b>504,575</b>	<b>517,563</b>	<b>234,247</b>	<b>442,238</b>	<b>473,805</b>	<b>422,615</b>	<b>586,614</b>	<b>1,256,385</b>	<b>1,483,034</b>	
<b>Economic Income (Loss)</b>	<b>\$ 659,671</b>	<b>\$ 817,078</b>	<b>\$ (374,550)</b>	<b>\$ 482,772</b>	<b>\$ 500,268</b>	<b>\$ 221,717</b>	<b>\$ 633,009</b>	<b>\$ 1,102,199</b>	<b>\$ 1,354,994</b>	

## Private Equity

(Dollars in Thousands)	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12	Year-to-Date	
								3Q'11	3Q'12
<b>Revenues</b>									
<b>Management Fees, Net</b>									
Base Management Fees	\$ 79,935	\$ 82,297	\$ 85,534	\$ 84,231	\$ 85,789	\$ 87,475	\$ 86,136	\$ 247,766	\$ 259,400
Transaction and Other Fees, Net	35,342	52,353	21,430	23,879	18,097	14,951	25,693	109,125	58,741
Management Fee Offsets	(7,889)	(7,629)	(6,498)	(5,057)	(3,782)	(672)	(767)	(22,016)	(5,221)
<b>Total Management Fees, Net</b>	<b>107,388</b>	<b>127,021</b>	<b>100,466</b>	<b>103,053</b>	<b>100,104</b>	<b>101,754</b>	<b>111,062</b>	<b>334,875</b>	<b>312,920</b>
<b>Performance Fees</b>									
Realized Carried Interest	82,389	1,362	(17,966)	(28,392)	3,933	28,781	31,592	65,785	64,306
Unrealized Carried Interest	32,537	187,190	(270,014)	83,777	34,051	(87,893)	128,746	(50,287)	74,904
<b>Total Performance Fees</b>	<b>114,926</b>	<b>188,552</b>	<b>(287,980)</b>	<b>55,385</b>	<b>37,984</b>	<b>(59,112)</b>	<b>160,338</b>	<b>15,498</b>	<b>139,210</b>
<b>Investment Income (Loss)</b>									
Realized	17,907	3,021	20,548	3,512	13,911	(6,195)	7,189	41,476	14,905
Unrealized	29,126	76,947	(121,688)	25,091	16,469	(28,337)	43,267	(15,615)	31,399
<b>Total Investment Income (Loss)</b>	<b>47,033</b>	<b>79,968</b>	<b>(101,140)</b>	<b>28,603</b>	<b>30,380</b>	<b>(34,532)</b>	<b>50,456</b>	<b>25,861</b>	<b>46,304</b>
Interest Income and Dividend Revenue	3,505	3,197	3,396	3,651	2,420	3,114	3,413	10,098	8,947
Other	811	665	141	193	(215)	562	1,650	1,617	1,997
<b>Total Revenues</b>	<b>273,663</b>	<b>399,403</b>	<b>(285,117)</b>	<b>190,885</b>	<b>170,673</b>	<b>11,786</b>	<b>326,919</b>	<b>387,949</b>	<b>509,378</b>
<b>Expenses</b>									
Compensation	54,924	64,633	52,388	45,611	52,547	53,775	62,424	171,945	168,746
<b>Performance Fee Compensation</b>									
Realized Carried Interest	7,718	49	(2,443)	(3,859)	320	804	1,048	5,324	2,172
Unrealized Carried Interest	5,464	29,309	(44,955)	7,953	(1,052)	(8,259)	43,228	(10,182)	33,917
<b>Total Compensation and Benefits</b>	<b>68,106</b>	<b>93,991</b>	<b>4,990</b>	<b>49,705</b>	<b>51,815</b>	<b>46,320</b>	<b>106,700</b>	<b>167,087</b>	<b>204,835</b>
Other Operating Expenses	28,713	30,124	27,588	34,493	28,881	30,521	30,944	86,425	90,346
<b>Total Expenses</b>	<b>96,819</b>	<b>124,115</b>	<b>32,578</b>	<b>84,198</b>	<b>80,696</b>	<b>76,841</b>	<b>137,644</b>	<b>253,512</b>	<b>295,181</b>
<b>Economic Income (Loss)</b>	<b>\$ 176,844</b>	<b>\$ 275,288</b>	<b>\$ (317,695)</b>	<b>\$ 106,687</b>	<b>\$ 89,977</b>	<b>\$ (65,055)</b>	<b>\$ 189,275</b>	<b>\$ 134,437</b>	<b>\$ 214,197</b>

## Real Estate

(Dollars in Thousands)	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12	Year-to-Date	
								3Q'11	3Q'12
<b>Revenues</b>									
<b>Management Fees, Net</b>									
Base Management Fees	\$ 95,439	\$ 97,467	\$ 97,925	\$ 103,947	\$ 147,802	\$ 127,817	\$ 135,659	\$ 290,831	\$ 411,278
Transaction and Other Fees, Net	21,543	49,288	19,551	19,128	14,412	25,151	14,937	90,382	54,500
Management Fee Offsets	(505)	(745)	(880)	(2,820)	(8,627)	(5,357)	(6,034)	(2,130)	(20,018)
<b>Total Management Fees, Net</b>	<b>116,477</b>	<b>146,010</b>	<b>116,596</b>	<b>120,255</b>	<b>153,587</b>	<b>147,611</b>	<b>144,562</b>	<b>379,083</b>	<b>445,760</b>
<b>Performance Fees</b>									
Realized Carried Interest	2,371	11,798	5,137	3,538	8,617	13,539	51,845	19,306	74,001
Realized Incentive Fees	222	9,034	171	202	(1)	7,766	4,879	9,427	12,644
Unrealized Carried Interest	361,446	433,280	(119,192)	237,884	221,500	144,510	207,695	675,534	573,705
Unrealized Incentive Fees	6,658	(3,822)	(984)	1,806	7,914	(1,526)	6,150	1,852	12,538
<b>Total Performance Fees</b>	<b>370,697</b>	<b>450,290</b>	<b>(114,868)</b>	<b>243,430</b>	<b>238,030</b>	<b>164,289</b>	<b>270,569</b>	<b>706,119</b>	<b>672,888</b>
<b>Investment Income (Loss)</b>									
Realized	2,919	11,394	7,313	6,346	7,812	9,067	10,324	21,626	27,203
Unrealized	61,406	37,332	(26,060)	19,970	25,912	14,944	33,676	72,678	74,532
<b>Total Investment Income (Loss)</b>	<b>64,325</b>	<b>48,726</b>	<b>(18,747)</b>	<b>26,316</b>	<b>33,724</b>	<b>24,011</b>	<b>44,000</b>	<b>94,304</b>	<b>101,735</b>
Interest Income and Dividend Revenue	3,288	2,989	3,195	3,430	2,552	3,277	3,581	9,472	9,410
Other	860	515	(1,390)	(1,046)	(709)	(590)	1,941	(15)	642
<b>Total Revenues</b>	<b>555,647</b>	<b>648,530</b>	<b>(15,214)</b>	<b>392,385</b>	<b>427,184</b>	<b>338,598</b>	<b>464,653</b>	<b>1,188,963</b>	<b>1,230,435</b>
<b>Expenses</b>									
Compensation	57,627	70,651	54,986	53,507	68,889	76,576	71,456	183,264	216,921
<b>Performance Fee Compensation</b>									
Realized Carried Interest	1,126	5,095	2,169	1,713	4,077	3,401	19,822	8,390	27,300
Realized Incentive Fees	104	4,287	82	91	2	3,871	2,570	4,473	6,443
Unrealized Carried Interest	100,958	92,392	(30,076)	57,866	54,275	31,677	47,940	163,274	133,892
Unrealized Incentive Fees	5,543	(1,371)	(434)	(632)	3,768	(629)	2,876	3,738	6,015
<b>Total Compensation and Benefits</b>	<b>165,358</b>	<b>171,054</b>	<b>26,727</b>	<b>112,545</b>	<b>131,011</b>	<b>114,896</b>	<b>144,664</b>	<b>363,139</b>	<b>390,571</b>
Other Operating Expenses	28,366	22,971	23,495	29,027	28,924	26,560	31,284	74,832	86,768
<b>Total Expenses</b>	<b>193,724</b>	<b>194,025</b>	<b>50,222</b>	<b>141,572</b>	<b>159,935</b>	<b>141,456</b>	<b>175,948</b>	<b>437,971</b>	<b>477,339</b>
<b>Economic Income (Loss)</b>	<b>\$ 361,923</b>	<b>\$ 454,505</b>	<b>\$ (65,436)</b>	<b>\$ 250,813</b>	<b>\$ 267,249</b>	<b>\$ 197,142</b>	<b>\$ 288,705</b>	<b>\$ 750,992</b>	<b>\$ 753,096</b>

## Hedge Fund Solutions

(Dollars in Thousands)	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12	Year-to-Date	
								3Q'11	3Q'12
<b>Revenues</b>									
<b>Management Fees, Net</b>									
Base Management Fees	\$ 75,612	\$ 79,290	\$ 79,355	\$ 81,606	\$ 81,821	\$ 84,278	\$ 87,334	\$ 234,257	\$ 253,433
Transaction and Other Fees, Net	727	861	740	470	92	65	4	2,328	161
Management Fee Offsets	(124)	(196)	(258)	(402)	(335)	(375)	(382)	(578)	(1,092)
<b>Total Management Fees, Net</b>	<b>76,215</b>	<b>79,955</b>	<b>79,837</b>	<b>81,674</b>	<b>81,578</b>	<b>83,968</b>	<b>86,956</b>	<b>236,007</b>	<b>252,502</b>
<b>Performance Fees</b>									
Realized Incentive Fees	893	667	5,764	4,148	3,298	1,175	2,637	7,324	7,110
Unrealized Incentive Fees	19,253	3,441	(19,861)	(2,059)	23,187	(10,981)	36,635	2,833	48,841
<b>Total Performance Fees</b>	<b>20,146</b>	<b>4,108</b>	<b>(14,097)</b>	<b>2,089</b>	<b>26,485</b>	<b>(9,806)</b>	<b>39,272</b>	<b>10,157</b>	<b>55,951</b>
<b>Investment Income (Loss)</b>									
Realized	1,341	12,855	1,023	2,503	503	929	637	15,219	2,069
Unrealized	7,120	(12,864)	(10,034)	(3,253)	8,371	(3,636)	5,199	(15,778)	9,934
<b>Total Investment Income (Loss)</b>	<b>8,461</b>	<b>(9)</b>	<b>(9,011)</b>	<b>(750)</b>	<b>8,874</b>	<b>(2,707)</b>	<b>5,836</b>	<b>(559)</b>	<b>12,003</b>
Interest Income and Dividend Revenue	516	472	500	537	386	495	540	1,488	1,421
Other	104	(38)	18	7,818	(127)	27	315	84	215
<b>Total Revenues</b>	<b>105,442</b>	<b>84,488</b>	<b>57,247</b>	<b>91,368</b>	<b>117,196</b>	<b>71,977</b>	<b>132,919</b>	<b>247,177</b>	<b>322,092</b>
<b>Expenses</b>									
Compensation	28,093	31,674	30,667	38,525	28,233	34,559	28,826	90,434	91,618
<b>Performance Fee Compensation</b>									
Realized Incentive Fees	300	253	2,257	688	1,378	(345)	1,062	2,810	2,095
Unrealized Incentive Fees	5,358	2,955	(7,214)	(865)	7,294	(2,820)	8,062	1,099	12,536
<b>Total Compensation and Benefits</b>	<b>33,751</b>	<b>34,882</b>	<b>25,710</b>	<b>38,348</b>	<b>36,905</b>	<b>31,394</b>	<b>37,950</b>	<b>94,343</b>	<b>106,249</b>
Other Operating Expenses	13,008	16,075	14,421	21,568	13,934	14,506	12,878	43,504	41,318
<b>Total Expenses</b>	<b>46,759</b>	<b>50,957</b>	<b>40,131</b>	<b>59,916</b>	<b>50,839</b>	<b>45,900</b>	<b>50,828</b>	<b>137,847</b>	<b>147,567</b>
<b>Economic Income (Loss)</b>	<b>\$ 58,683</b>	<b>\$ 33,531</b>	<b>\$ 17,116</b>	<b>\$ 31,452</b>	<b>\$ 66,357</b>	<b>\$ 26,077</b>	<b>\$ 82,091</b>	<b>\$ 109,330</b>	<b>\$ 174,525</b>

## Credit

(Dollars in Thousands)	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12	Year-to-Date	
								3Q'11	3Q'12
<b>Revenues</b>									
<b>Management Fees, Net</b>									
Base Management Fees	\$ 54,601	\$ 57,420	\$ 59,557	\$ 66,969	\$ 80,094	\$ 81,774	\$ 88,959	\$ 171,578	\$ 250,827
Transaction and Other Fees, Net	745	849	(26)	312	5,725	9,184	4,486	1,568	19,395
Management Fee Offsets	(18)	(105)	(67)	(200)	(306)	(1,569)	(1,271)	(190)	(3,146)
<b>Total Management Fees, Net</b>	<b>55,328</b>	<b>58,164</b>	<b>59,464</b>	<b>67,081</b>	<b>85,513</b>	<b>89,389</b>	<b>92,174</b>	<b>172,956</b>	<b>267,076</b>
<b>Performance Fees</b>									
Realized Carried Interest	8,641	29,592	3,196	37,241	1,010	13,609	328	41,429	14,947
Realized Incentive Fees	1,084	7,762	11,595	47,487	1,982	2,751	4,104	20,441	8,837
Unrealized Carried Interest	38,165	(9,313)	6,257	(10,499)	43,245	27,673	67,024	35,109	137,942
Unrealized Incentive Fees	47,138	2,067	(61,382)	(17,183)	37,020	(4,567)	61,364	(12,177)	93,817
<b>Total Performance Fees</b>	<b>95,028</b>	<b>30,108</b>	<b>(40,334)</b>	<b>57,046</b>	<b>83,257</b>	<b>39,466</b>	<b>132,820</b>	<b>84,802</b>	<b>255,543</b>
<b>Investment Income (Loss)</b>									
Realized	1,235	3,236	2,807	4,021	683	5,638	6,697	7,278	13,018
Unrealized	4,532	5,437	(7,800)	(2,877)	9,211	(9,156)	(736)	2,169	(681)
<b>Total Investment Income (Loss)</b>	<b>5,767</b>	<b>8,673</b>	<b>(4,993)</b>	<b>1,144</b>	<b>9,894</b>	<b>(3,518)</b>	<b>5,961</b>	<b>9,447</b>	<b>12,337</b>
Interest Income and Dividend Revenue	453	902	1,404	610	2,425	1,752	2,673	2,759	6,850
Other	98	(47)	(132)	(772)	(238)	(787)	(678)	(81)	(1,703)
<b>Total Revenues</b>	<b>156,674</b>	<b>97,800</b>	<b>15,409</b>	<b>125,109</b>	<b>180,851</b>	<b>126,302</b>	<b>232,950</b>	<b>269,883</b>	<b>540,103</b>
<b>Expenses</b>									
Compensation	29,549	33,071	40,533	25,435	37,143	42,845	50,236	103,153	130,224
<b>Performance Fee Compensation</b>									
Realized Carried Interest	4,725	13,531	(1,561)	15,352	3,541	3,694	1,153	16,695	8,388
Realized Incentive Fees	570	4,496	10,039	32,745	2,872	2,049	825	15,105	5,746
Unrealized Carried Interest	19,533	2,012	908	(3,420)	31,320	13,397	37,695	22,453	82,412
Unrealized Incentive Fees	25,669	(7,200)	(29,664)	(12,904)	1,717	(6,147)	33,316	(11,195)	28,886
<b>Total Compensation and Benefits</b>	<b>80,046</b>	<b>45,910</b>	<b>20,255</b>	<b>57,208</b>	<b>76,593</b>	<b>55,838</b>	<b>123,225</b>	<b>146,211</b>	<b>255,656</b>
Other Operating Expenses	15,357	10,226	11,210	13,162	17,096	15,749	33,527	36,793	66,372
<b>Total Expenses</b>	<b>95,403</b>	<b>56,136</b>	<b>31,465</b>	<b>70,370</b>	<b>93,689</b>	<b>71,587</b>	<b>156,752</b>	<b>183,004</b>	<b>322,028</b>
<b>Economic Income (Loss)</b>	<b>\$ 61,271</b>	<b>\$ 41,664</b>	<b>\$ (16,056)</b>	<b>\$ 54,739</b>	<b>\$ 87,162</b>	<b>\$ 54,715</b>	<b>\$ 76,198</b>	<b>\$ 86,879</b>	<b>\$ 218,075</b>

## Financial Advisory

(Dollars in Thousands)	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12	Year-to-Date	
								3Q'11	3Q'12
<b>Revenues</b>									
Advisory Fees	\$ 70,252	\$ 102,243	\$ 86,178	\$ 123,567	\$ 75,846	\$ 93,372	\$ 59,951	\$ 258,673	\$ 229,169
Transaction and Other Fees, Net	6	210	98	7	145	102	6	314	253
<b>Total Advisory and Transaction Fees</b>	<b>70,258</b>	<b>102,453</b>	<b>86,276</b>	<b>123,574</b>	<b>75,991</b>	<b>93,474</b>	<b>59,957</b>	<b>258,987</b>	<b>229,422</b>
<b>Investment Income (Loss)</b>									
Realized	97	226	(44)	315	583	(79)	251	279	755
Unrealized	393	(15)	(171)	97	(49)	561	928	207	1,440
<b>Total Investment Income (Loss)</b>	<b>490</b>	<b>211</b>	<b>(215)</b>	<b>412</b>	<b>534</b>	<b>482</b>	<b>1,179</b>	<b>486</b>	<b>2,195</b>
Interest Income and Dividend Revenue	1,686	1,723	1,615	1,775	1,562	1,753	1,797	5,024	5,112
Other	386	33	(304)	(498)	82	(40)	(751)	115	(709)
<b>Total Revenues</b>	<b>72,820</b>	<b>104,420</b>	<b>87,372</b>	<b>125,263</b>	<b>78,169</b>	<b>95,669</b>	<b>62,182</b>	<b>264,612</b>	<b>236,020</b>
<b>Expenses</b>									
Compensation	54,339	72,363	59,633	62,360	67,960	61,129	46,619	186,335	175,708
<b>Total Compensation and Benefits</b>	<b>54,339</b>	<b>72,363</b>	<b>59,633</b>	<b>62,360</b>	<b>67,960</b>	<b>61,129</b>	<b>46,619</b>	<b>186,335</b>	<b>175,708</b>
Other Operating Expenses	17,531	19,967	20,218	23,822	20,686	25,702	18,823	57,716	65,211
<b>Total Expenses</b>	<b>71,870</b>	<b>92,330</b>	<b>79,851</b>	<b>86,182</b>	<b>88,646</b>	<b>86,831</b>	<b>65,442</b>	<b>244,051</b>	<b>240,919</b>
<b>Economic Income (Loss)</b>	<b>\$ 950</b>	<b>\$ 12,090</b>	<b>\$ 7,521</b>	<b>\$ 39,081</b>	<b>\$ (10,477)</b>	<b>\$ 8,838</b>	<b>\$ (3,260)</b>	<b>\$ 20,561</b>	<b>\$ (4,899)</b>

## Total Segments

(Dollars in Thousands)	2008	2009	2010	2011
<b>Revenues</b>				
Management and Advisory Fees, Net				
Base Management Fees	\$ 1,041,718	\$ 999,829	\$ 1,069,471	\$ 1,281,185
Advisory Fees	397,519	390,718	426,140	382,240
Transaction and Other Fees, Net	96,358	115,040	137,748	247,513
Management Fee Offsets	(16,437)	(17,161)	(2,313)	(33,393)
Total Management and Advisory Fees, Net	1,519,158	1,488,426	1,631,046	1,877,545
Performance Fees				
Realized Carried Interest	26,953	29,452	244,963	138,907
Realized Incentive Fees	12,060	44,812	116,700	89,029
Unrealized Carried Interest	(1,274,327)	100,304	457,002	971,518
Unrealized Incentive Fees	(11,935)	65,563	107,624	(24,928)
Total Performance Fees	(1,247,249)	240,131	926,289	1,174,526
Investment Income (Loss)				
Realized	(64,677)	29,544	46,915	102,575
Unrealized	(691,934)	3,880	501,634	82,689
Total Investment Income (Loss)	(756,611)	33,424	548,549	185,264
Interest Income and Dividend Revenue	29,014	22,492	36,096	38,844
Other	13,595	7,096	(618)	7,415
<b>Total Revenues</b>	<b>(442,093)</b>	<b>1,791,569</b>	<b>3,141,362</b>	<b>3,283,594</b>
<b>Expenses</b>				
Compensation	771,426	769,856	859,114	960,569
Performance Fee Compensation				
Realized Carried Interest	(1,421)	2,844	70,716	43,615
Realized Incentive Fees	6,418	22,260	57,600	55,912
Unrealized Carried Interest	(204,262)	(69,824)	165,340	237,944
Unrealized Incentive Fees	(3,452)	43,641	63,306	(20,759)
Total Compensation and Benefits	568,709	768,777	1,216,076	1,277,281
Other Operating Expenses	319,216	299,029	344,516	421,342
<b>Total Expenses</b>	<b>887,925</b>	<b>1,067,806</b>	<b>1,560,592</b>	<b>1,698,623</b>
<b>Economic Income (Loss)</b>	<b>\$ (1,330,018)</b>	<b>\$ 723,763</b>	<b>\$ 1,580,770</b>	<b>\$ 1,584,971</b>



## Private Equity

(Dollars in Thousands)	2008	2009	2010	2011
<b>Revenues</b>				
Management Fees, Net				
Base Management Fees	\$ 268,961	\$ 270,509	\$ 263,307	\$ 331,997
Transaction and Other Fees, Net	51,796	86,336	72,243	133,004
Management Fee Offsets	(4,862)	-	(188)	(27,073)
Total Management Fees, Net	315,895	356,845	335,362	437,928
Performance Fees				
Realized Carried Interest	(749)	34,021	156,869	37,393
Unrealized Carried Interest	(429,736)	303,491	151,494	33,490
Total Performance Fees	(430,485)	337,512	308,363	70,883
Investment Income (Loss)				
Realized	13,687	36,968	15,332	44,988
Unrealized	(196,200)	33,269	153,288	9,476
Total Investment Income (Loss)	(182,513)	70,237	168,620	54,464
Interest Income and Dividend Revenue	6,459	7,756	14,044	13,749
Other	4,474	2,845	2,021	1,810
<b>Total Revenues</b>	<b>(286,170)</b>	<b>775,195</b>	<b>828,410</b>	<b>578,834</b>
<b>Expenses</b>				
Compensation	146,551	181,266	179,345	217,556
Performance Fee Compensation				
Realized Carried Interest	(4,255)	741	32,627	1,465
Unrealized Carried Interest	(126,090)	20,307	21,320	(2,229)
Total Compensation and Benefits	16,206	202,314	233,292	216,792
Other Operating Expenses	90,130	82,471	109,589	120,918
<b>Total Expenses</b>	<b>106,336</b>	<b>284,785</b>	<b>342,881</b>	<b>337,710</b>
<b>Economic Income (Loss)</b>	<b>\$ (392,506)</b>	<b>\$ 490,410</b>	<b>\$ 485,529</b>	<b>\$ 241,124</b>

## Real Estate

(Dollars in Thousands)	2008	2009	2010	2011
<b>Revenues</b>				
Management Fees, Net				
Base Management Fees	\$ 295,921	\$ 328,447	\$ 338,428	\$ 394,778
Transaction and Other Fees, Net	36,046	25,838	59,914	109,510
Management Fee Offsets	(4,969)	(2,467)	(1,071)	(4,950)
Total Management Fees, Net	326,998	351,818	397,271	499,338
Performance Fees				
Realized Carried Interest	24,681	(9,597)	16,113	22,844
Realized Incentive Fees	-	6,558	24,175	9,629
Unrealized Carried Interest	(843,704)	(259,583)	218,706	913,418
Unrealized Incentive Fees	-	7,403	38,265	3,658
Total Performance Fees	(819,023)	(255,219)	297,259	949,549
Investment Income (Loss)				
Realized	3,778	6,164	11,251	27,972
Unrealized	(238,650)	(125,624)	318,979	92,648
Total Investment Income (Loss)	(234,872)	(119,460)	330,230	120,620
Interest Income and Dividend Revenue	5,880	6,030	11,173	12,902
Other	3,008	3,261	(336)	(1,061)
<b>Total Revenues</b>	<b>(718,009)</b>	<b>(13,570)</b>	<b>1,035,597</b>	<b>1,581,348</b>
<b>Expenses</b>				
Compensation	150,684	158,115	183,177	236,771
Performance Fee Compensation				
Realized Carried Interest	1,090	489	4,545	10,103
Realized Incentive Fees	-	3,020	11,299	4,564
Unrealized Carried Interest	(74,981)	(117,394)	103,406	221,140
Unrealized Incentive Fees	-	3,410	19,458	3,106
Total Compensation and Benefits	76,793	47,640	321,885	475,684
Other Operating Expenses	55,782	56,325	74,189	103,859
<b>Total Expenses</b>	<b>132,575</b>	<b>103,965</b>	<b>396,074</b>	<b>579,543</b>
<b>Economic Income (Loss)</b>	<b>\$ (850,584)</b>	<b>\$ (117,535)</b>	<b>\$ 639,523</b>	<b>\$ 1,001,805</b>

## Hedge Fund Solutions

(Dollars in Thousands)	2008	2009	2010	2011
<b>Revenues</b>				
Management Fees, Net				
Base Management Fees	\$ 293,497	\$ 227,596	\$ 272,773	\$ 315,863
Transaction and Other Fees, Net	3,428	2,224	3,572	2,798
Management Fee Offsets	(100)	(242)	(330)	(980)
Total Management Fees, Net	296,825	229,578	276,015	317,681
Performance Fees				
Realized Incentive Fees	7,185	30,709	56,626	11,472
Unrealized Incentive Fees	-	1	2,982	774
Total Performance Fees	7,185	30,710	59,608	12,246
Investment Income (Loss)				
Realized	(77,302)	(113)	9,818	17,722
Unrealized	(201,462)	51,898	19,361	(19,031)
Total Investment Income (Loss)	(278,764)	51,785	29,179	(1,309)
Interest Income and Dividend Revenue	2,777	1,040	1,869	2,025
Other	738	258	97	7,902
<b>Total Revenues</b>	<b>28,761</b>	<b>313,371</b>	<b>366,768</b>	<b>338,545</b>
<b>Expenses</b>				
Compensation	131,992	88,512	95,386	128,959
Performance Fee Compensation				
Realized Incentive Fees	4,569	11,228	20,633	3,498
Unrealized Incentive Fees	-	(21)	1,067	234
Total Compensation and Benefits	136,561	99,719	117,086	132,691
Other Operating Expenses	60,989	43,166	51,360	65,072
<b>Total Expenses</b>	<b>197,550</b>	<b>142,885</b>	<b>168,446</b>	<b>197,763</b>
<b>Economic Income (Loss)</b>	<b>\$ (168,789)</b>	<b>\$ 170,486</b>	<b>\$ 198,322</b>	<b>\$ 140,782</b>

## Credit

(Dollars in Thousands)	2008	2009	2010	2011
<b>Revenues</b>				
Management Fees, Net				
Base Management Fees	\$ 183,339	\$ 173,277	\$ 194,963	\$ 238,547
Transaction and Other Fees, Net	5,088	642	1,657	1,880
Management Fee Offsets	(6,506)	(14,452)	(724)	(390)
Total Management Fees, Net	181,921	159,467	195,896	240,037
Performance Fees				
Realized Carried Interest	3,021	5,028	71,981	78,670
Realized Incentive Fees	4,875	7,545	35,899	67,928
Unrealized Carried Interest	(887)	56,396	86,802	24,610
Unrealized Incentive Fees	(11,935)	58,159	66,377	(29,360)
Total Performance Fees	(4,926)	127,128	261,059	141,848
Investment Income (Loss)				
Realized	(4,840)	(14,918)	9,700	11,299
Unrealized	(55,622)	44,118	9,472	(708)
Total Investment Income (Loss)	(60,462)	29,200	19,172	10,591
Interest Income and Dividend Revenue	5,750	2,412	3,038	3,369
Other	476	767	(488)	(853)
<b>Total Revenues</b>	<b>122,759</b>	<b>318,974</b>	<b>478,677</b>	<b>394,992</b>
<b>Expenses</b>				
Compensation	107,444	109,604	123,257	128,588
Performance Fee Compensation				
Realized Carried Interest	1,744	1,614	33,544	32,047
Realized Incentive Fees	1,849	8,012	25,668	47,850
Unrealized Carried Interest	(3,191)	27,263	40,614	19,033
Unrealized Incentive Fees	(3,452)	40,252	42,781	(24,099)
Total Compensation and Benefits	104,394	186,745	265,864	203,419
Other Operating Expenses	45,038	37,495	39,106	49,955
<b>Total Expenses</b>	<b>149,432</b>	<b>224,240</b>	<b>304,970</b>	<b>253,374</b>
<b>Economic Income (Loss)</b>	<b>\$ (26,673)</b>	<b>\$ 94,734</b>	<b>\$ 173,707</b>	<b>\$ 141,618</b>

## Financial Advisory

(Dollars in Thousands)	2008	2009	2010	2011
<b>Revenues</b>				
Advisory Fees	\$ 397,519	\$ 390,718	\$ 426,140	\$ 382,240
Transaction and Other Fees, Net	-	-	362	321
<b>Total Advisory and Transaction Fees</b>	<b>397,519</b>	<b>390,718</b>	<b>426,502</b>	<b>382,561</b>
<b>Investment Income</b>				
Realized	-	1,443	814	594
Unrealized	-	219	534	304
<b>Total Investment Income</b>	<b>-</b>	<b>1,662</b>	<b>1,348</b>	<b>898</b>
Interest Income and Dividend Revenue	8,148	5,254	5,972	6,799
Other	4,899	(35)	(1,912)	(383)
<b>Total Revenues</b>	<b>410,566</b>	<b>397,599</b>	<b>431,910</b>	<b>389,875</b>
<b>Expenses</b>				
Compensation	234,755	232,359	277,949	248,695
<b>Total Compensation and Benefits</b>	<b>234,755</b>	<b>232,359</b>	<b>277,949</b>	<b>248,695</b>
Other Operating Expenses	67,277	79,572	70,272	81,538
<b>Total Expenses</b>	<b>302,032</b>	<b>311,931</b>	<b>348,221</b>	<b>330,233</b>
<b>Economic Income</b>	<b>\$ 108,534</b>	<b>\$ 85,668</b>	<b>\$ 83,689</b>	<b>\$ 59,642</b>

## Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12	Year-to-Date	
								3Q'11	3Q'12
<b>Net Income (Loss) Attributable to The Blackstone Group L.P.</b>	\$ 42,704	\$ 86,237	\$ (274,567)	\$ (22,677)	\$ 58,325	\$ (74,964)	\$ 128,824	\$ (145,626)	\$ 112,185
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	106,716	190,908	(402,079)	21,221	107,405	(53,027)	183,431	(104,455)	237,809
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	(93,793)	(92,753)	(262,207)	456,706	197,643	239,934	(157,607)	(448,753)	279,970
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	22,737	205	(47,922)	111	54,259	(17,666)	41,854	(24,980)	78,447
<b>Net Income (Loss)</b>	\$ 78,364	\$ 184,597	\$ (986,775)	\$ 455,361	\$ 417,632	\$ 94,277	\$ 196,502	\$ (723,814)	\$ 708,411
Provision (Benefit) for Taxes	38,850	64,199	(7,637)	250,299	38,753	41,337	39,237	95,412	119,327
<b>Income (Loss) Before Provision (Benefit) for Taxes</b>	\$ 117,214	\$ 248,796	\$ (994,412)	\$ 705,660	\$ 456,385	\$ 135,614	\$ 235,739	\$ (628,402)	\$ 827,738
IPO and Acquisition-Related Charges (a)	427,227	430,829	264,068	147,808	244,897	268,936	248,179	1,122,124	762,012
Amortization of Intangibles (b)	44,174	44,905	45,665	86,121	50,888	39,435	33,338	134,744	123,661
Income (Loss) Associated with Non-Controlling Interests in (Income) Loss of Consolidated Entities (c)	71,056	92,548	310,129	(456,817)	(251,902)	(222,268)	115,753	473,733	(358,417)
<b>Economic Income (Loss)</b>	\$ 659,671	\$ 817,078	\$ (374,550)	\$ 482,772	\$ 500,268	\$ 221,717	\$ 633,009	\$ 1,102,199	\$ 1,354,994
Taxes (d)	(12,799)	(12,897)	(5,449)	(14,618)	(9,051)	(9,368)	(11,257)	(31,145)	(29,676)
<b>Economic Net Income (Loss)</b>	\$ 646,872	\$ 804,181	\$ (379,999)	\$ 468,154	\$ 491,217	\$ 212,349	\$ 621,752	\$ 1,071,054	\$ 1,325,318
Taxes (d)	12,799	12,897	5,449	14,618	9,051	9,368	11,257	31,145	29,676
Performance Fee Adjustment (e)	(600,797)	(673,058)	457,279	(357,950)	(385,756)	(134,837)	(602,999)	(816,576)	(1,123,592)
Investment Income (Loss) Adjustment (f)	(126,076)	(137,569)	134,106	(55,725)	(83,406)	16,264	(107,432)	(129,539)	(174,574)
Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies (g)	1,302	4,038	(3,011)	2,271	6,310	1,892	12,877	2,329	21,079
Performance Fee Compensation and Benefits Adjustment (h)	177,068	145,808	(100,892)	94,728	109,512	40,693	199,597	221,984	349,802
<b>Fee Related Earnings</b>	\$ 111,168	\$ 156,297	\$ 112,932	\$ 166,096	\$ 146,928	\$ 145,729	\$ 135,052	\$ 380,397	\$ 427,709
Realized Performance Fees (i)	81,057	32,504	(2,646)	17,494	6,649	54,147	68,905	110,915	129,701
Realized Investment Income (Loss) (j)	23,499	30,732	31,647	16,697	23,492	9,360	25,098	85,878	57,950
Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies (k)	(1,010)	(2,343)	(309)	(2,395)	(5,897)	(1,280)	(8,251)	(3,662)	(15,428)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (l)	(12,799)	(26,312)	(15,879)	(19,706)	(9,051)	(19,552)	(31,169)	(54,990)	(59,772)
<b>Distributable Earnings</b>	\$ 201,915	\$ 190,878	\$ 125,745	\$ 178,186	\$ 162,121	\$ 188,404	\$ 189,635	\$ 518,538	\$ 540,160
Interest	12,713	13,068	12,577	14,843	13,554	12,850	18,163	38,358	44,567
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (l)	12,799	26,312	15,879	19,706	9,051	19,552	31,169	54,990	59,772
Depreciation and Amortization	8,151	7,837	8,325	8,451	10,268	10,391	8,895	24,313	29,554
<b>Adjusted EBITDA</b>	\$ 235,578	\$ 238,095	\$ 162,526	\$ 221,186	\$ 194,994	\$ 231,197	\$ 247,862	\$ 636,199	\$ 674,053

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

## Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	2008	2009	2010	2011
<b>Net Loss Attributable to The Blackstone Group L.P.</b>	<b>\$ (1,163,032)</b>	<b>\$ (715,291)</b>	<b>\$ (370,028)</b>	<b>\$ (168,303)</b>
Net (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	(3,638,799)	(1,792,174)	(668,444)	(83,234)
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	(159,828)	(14,328)	343,498	7,953
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(632,495)	131,097	87,651	(24,869)
<b>Net Loss</b>	<b>\$ (5,594,154)</b>	<b>\$ (2,390,696)</b>	<b>\$ (607,323)</b>	<b>\$ (268,453)</b>
Provision (Benefit) for Taxes	(14,145)	99,230	84,669	345,711
<b>Income (Loss) Before Provision (Benefit) for Taxes</b>	<b>\$ (5,608,299)</b>	<b>\$ (2,291,466)</b>	<b>\$ (522,654)</b>	<b>\$ 77,258</b>
IPO and Acquisition-Related Charges (a)	3,331,722	2,973,950	2,369,195	1,269,932
Amortization of Intangibles (b)	153,237	158,048	165,378	220,865
Other Adjustments	999	-	-	-
Income (Loss) Associated with Non-Controlling Interests in (Income) Loss of Consolidated Entities (c)	792,323	(116,769)	(431,149)	16,916
<b>Economic Income (Loss)</b>	<b>\$ (1,330,018)</b>	<b>\$ 723,763</b>	<b>\$ 1,580,770</b>	<b>\$ 1,584,971</b>
Taxes (d)	(43,457)	(51,086)	(28,932)	(45,763)
<b>Economic Net Income (Loss)</b>	<b>\$ (1,373,475)</b>	<b>\$ 672,677</b>	<b>\$ 1,551,838</b>	<b>\$ 1,539,208</b>
Taxes (d)	43,457	51,086	28,932	45,763
Performance Fee Adjustment (e)	1,247,249	(240,131)	(926,289)	(1,174,526)
Investment Income (Loss) Adjustment (f)	756,611	(33,424)	(548,549)	(185,264)
Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies (g)	-	12,367	15,277	4,600
Performance Fee Compensation and Benefits Adjustment (h)	(202,717)	(1,079)	356,962	316,712
<b>Fee Related Earnings</b>	<b>\$ 471,125</b>	<b>\$ 461,496</b>	<b>\$ 478,171</b>	<b>\$ 546,493</b>
Realized Performance Fees (i)	34,016	49,160	233,347	128,409
Realized Investment Income (Loss) (j)	(64,677)	29,544	46,915	102,575
Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies (k)	-	(10,142)	(7,782)	(6,057)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (l)	(43,457)	(51,086)	(48,867)	(74,696)
<b>Distributable Earnings</b>	<b>\$ 397,007</b>	<b>\$ 478,972</b>	<b>\$ 701,784</b>	<b>\$ 696,724</b>
Interest	19,992	10,238	36,666	53,201
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (l)	43,457	51,086	48,867	74,696
Depreciation and Amortization	19,639	23,750	26,629	32,764
<b>Adjusted EBITDA</b>	<b>\$ 480,095</b>	<b>\$ 564,046</b>	<b>\$ 813,946</b>	<b>\$ 857,385</b>

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

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

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- (a) The 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 from Operations 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 the Tax Receivable Agreement.



## Walkdown of Financial Metrics

	Year-to-Date									
	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12	3Q'11	3Q'12	
(Dollars in Thousands)										
▶ Base Management Fees (a)	\$ 305,587	\$ 316,474	\$ 322,371	\$ 336,753	\$ 395,506	\$ 381,344	\$ 398,088	\$ 944,432	\$ 1,174,938	Fee Earnings
▶ Transaction and Other Fees, Net (a)	58,363	103,561	41,793	43,796	38,471	49,453	45,126	203,717	133,050	
▶ Advisory Fees (a)	70,252	102,243	86,178	123,567	75,846	93,372	59,951	258,673	229,169	
▶ Management Fee Offsets (a)	(8,536)	(8,675)	(7,703)	(8,479)	(13,050)	(7,973)	(8,454)	(24,914)	(29,477)	
▶ Interest Income and Other Revenue (b)	13,009	14,449	5,432	17,969	14,448	11,455	27,358	32,890	53,261	
▶ Compensation (a)	(224,532)	(272,392)	(238,207)	(225,438)	(254,772)	(268,884)	(259,561)	(735,131)	(783,217)	
▶ Other Operating Expenses (a)	(102,975)	(99,363)	(96,932)	(122,072)	(109,521)	(113,038)	(127,456)	(299,270)	(350,015)	
<b>Fee Related Earnings</b>	<b>\$ 111,168</b>	<b>\$ 156,297</b>	<b>\$ 112,932</b>	<b>\$ 166,096</b>	<b>\$ 146,928</b>	<b>\$ 145,729</b>	<b>\$ 135,052</b>	<b>\$ 380,397</b>	<b>\$ 427,709</b>	Distributable Earnings
▶ Net Realized Incentive Fees (b)	1,225	8,427	5,152	18,313	1,027	6,117	7,163	14,804	14,307	
▶ Net Realized Carried Interest (b)	79,832	24,077	(7,798)	(819)	5,622	48,030	61,742	96,111	115,394	
▶ Realized Investment Income (b)	22,489	28,389	31,338	14,302	17,595	8,080	16,847	82,216	42,522	
▶ Taxes and Related Payables (c)	(12,799)	(26,312)	(15,879)	(19,706)	(9,051)	(19,552)	(31,169)	(54,990)	(59,772)	
<b>Distributable Earnings</b>	<b>\$ 201,915</b>	<b>\$ 190,878</b>	<b>\$ 125,745</b>	<b>\$ 178,186</b>	<b>\$ 162,121</b>	<b>\$ 188,404</b>	<b>\$ 189,635</b>	<b>\$ 518,538</b>	<b>\$ 540,160</b>	Economic Net Income
▶ Net Unrealized Incentive Fees (b)	36,479	7,302	(44,915)	(3,035)	55,342	(7,478)	59,895	(1,134)	107,759	
▶ Net Unrealized Carried Interest (b)	306,193	487,444	(308,826)	248,763	214,253	47,475	274,602	484,811	536,330	
▶ Unrealized Investment Income (Loss) (b)	102,285	105,142	(162,433)	39,152	59,501	(26,236)	77,708	44,994	110,973	
▶ Add Back: Related Payables (d)	-	13,415	10,430	5,088	-	10,184	19,912	23,845	30,096	
<b>Economic Net Income (Loss)</b>	<b>\$ 646,872</b>	<b>\$ 804,181</b>	<b>\$ (379,999)</b>	<b>\$ 468,154</b>	<b>\$ 491,217</b>	<b>\$ 212,349</b>	<b>\$ 621,752</b>	<b>\$ 1,071,054</b>	<b>\$ 1,325,318</b>	

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

(b) See Calculation of Certain Non-GAAP Financial Metric Components for details.

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

(d) Represents tax related payables including the payable under the tax receivable agreement.

## Walkdown of Financial Metrics

(Dollars in Thousands)

	2008	2009	2010	2011			
▶ Base Management Fees (a)	\$ 1,041,718	\$ 999,829	\$ 1,069,471	\$ 1,281,185	Fee Earnings	Distributable Earnings	Economic Net Income
▶ Transaction and Other Fees, Net (a)	96,358	115,040	137,748	247,513			
▶ Advisory Fees (a)	397,519	390,718	426,140	382,240			
▶ Management Fee Offsets (a)	(16,437)	(17,161)	(2,313)	(33,393)			
▶ Interest Income and Other Revenue (b)	42,609	41,955	50,755	50,859			
▶ Compensation (a)	(771,426)	(769,856)	(859,114)	(960,569)			
▶ Other Operating Expenses (a)	(319,216)	(299,029)	(344,516)	(421,342)			
<b>Fee Related Earnings</b>	<b>\$ 471,125</b>	<b>\$ 461,496</b>	<b>\$ 478,171</b>	<b>\$ 546,493</b>			
▶ Net Realized Incentive Fees (b)	5,642	22,552	59,100	33,117			
▶ Net Realized Carried Interest (b)	28,374	26,608	174,247	95,292			
▶ Realized Investment Income (Loss) (b)	(64,677)	19,402	39,133	96,518			
▶ Taxes and Related Payables (c)	(43,457)	(51,086)	(48,867)	(74,696)			
<b>Distributable Earnings</b>	<b>\$ 397,007</b>	<b>\$ 478,972</b>	<b>\$ 701,784</b>	<b>\$ 696,724</b>			
▶ Net Unrealized Incentive Fees (b)	(8,483)	21,922	44,318	(4,169)			
▶ Net Unrealized Carried Interest (b)	(1,070,065)	170,128	291,662	733,574			
▶ Unrealized Investment Income (Loss) (b)	(691,934)	1,655	494,139	84,146			
▶ Add Back: Related Payables (d)	-	-	19,935	28,933			
<b>Economic Net Income (Loss)</b>	<b>\$ (1,373,475)</b>	<b>\$ 672,677</b>	<b>\$ 1,551,838</b>	<b>\$ 1,539,208</b>			

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

(b) See Calculation of Certain Non-GAAP Financial Metric Components for details.

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

(d) Represents tax related payables including the payable under the tax receivable agreement.

## Calculation of Certain Non-GAAP Financial Metric Components

(Dollars in Thousands)	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	2Q'12	3Q'12	Year-to-Date	
								3Q'11	3Q'12
Interest Income and Dividend Revenue (a)	\$ 9,448	\$ 9,283	\$ 10,110	\$ 10,003	\$ 9,345	\$ 10,391	\$ 12,004	\$ 28,841	\$ 31,740
Other Revenue (a)	2,259	1,128	(1,667)	5,695	(1,207)	(828)	2,477	1,720	442
Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies (b)	1,302	4,038	(3,011)	2,271	6,310	1,892	12,877	2,329	21,079
<b>Interest Income and Other Revenue</b>	<b>\$ 13,009</b>	<b>\$ 14,449</b>	<b>\$ 5,432</b>	<b>\$ 17,969</b>	<b>\$ 14,448</b>	<b>\$ 11,455</b>	<b>\$ 27,358</b>	<b>\$ 32,890</b>	<b>\$ 53,261</b>
Realized Incentive Fees (a)	2,199	17,463	17,530	51,837	5,279	11,692	11,620	37,192	28,591
Less: Realized Incentive Fee Compensation (a)	(974)	(9,036)	(12,378)	(33,524)	(4,252)	(5,575)	(4,457)	(22,388)	(14,284)
<b>Net Realized Incentive Fees</b>	<b>\$ 1,225</b>	<b>\$ 8,427</b>	<b>\$ 5,152</b>	<b>\$ 18,313</b>	<b>\$ 1,027</b>	<b>\$ 6,117</b>	<b>\$ 7,163</b>	<b>\$ 14,804</b>	<b>\$ 14,307</b>
Realized Carried Interest (a)	93,401	42,752	(9,633)	12,387	13,560	55,929	83,765	126,520	153,254
Less: Realized Carried Interest Compensation (a)	(13,569)	(18,675)	1,835	(13,206)	(7,938)	(7,899)	(22,023)	(30,409)	(37,860)
<b>Net Realized Carried Interest</b>	<b>\$ 79,832</b>	<b>\$ 24,077</b>	<b>\$ (7,798)</b>	<b>\$ (819)</b>	<b>\$ 5,622</b>	<b>\$ 48,030</b>	<b>\$ 61,742</b>	<b>\$ 96,111</b>	<b>\$ 115,394</b>
Realized Investment Income (a)	23,499	30,732	31,647	16,697	23,492	9,360	25,098	85,878	57,950
Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies (c)	(1,010)	(2,343)	(309)	(2,395)	(5,897)	(1,280)	(8,251)	(3,662)	(15,428)
<b>Realized Investment Income</b>	<b>\$ 22,489</b>	<b>\$ 28,389</b>	<b>\$ 31,338</b>	<b>\$ 14,302</b>	<b>\$ 17,595</b>	<b>\$ 8,080</b>	<b>\$ 16,847</b>	<b>\$ 82,216</b>	<b>\$ 42,522</b>
Unrealized Incentive Fees (a)	73,049	1,686	(82,227)	(17,436)	68,121	(17,074)	104,149	(7,492)	155,196
Less: Unrealized Incentive Fee Compensation (a)	(36,570)	5,616	37,312	14,401	(12,779)	9,596	(44,254)	6,358	(47,437)
<b>Net Unrealized Incentive Fees</b>	<b>\$ 36,479</b>	<b>\$ 7,302</b>	<b>\$ (44,915)</b>	<b>\$ (3,035)</b>	<b>\$ 55,342</b>	<b>\$ (7,478)</b>	<b>\$ 59,895</b>	<b>\$ (1,134)</b>	<b>\$ 107,759</b>
Unrealized Carried Interest (a)	432,148	611,157	(382,949)	311,162	298,796	84,290	403,465	660,356	786,551
Less: Unrealized Carried Interest Compensation (a)	(125,955)	(123,713)	74,123	(62,399)	(84,543)	(36,815)	(128,863)	(175,545)	(250,221)
<b>Net Unrealized Carried Interest</b>	<b>\$ 306,193</b>	<b>\$ 487,444</b>	<b>\$ (308,826)</b>	<b>\$ 248,763</b>	<b>\$ 214,253</b>	<b>\$ 47,475</b>	<b>\$ 274,602</b>	<b>\$ 484,811</b>	<b>\$ 536,330</b>
Unrealized Investment Income (Loss) (a)	102,577	106,837	(165,753)	39,028	59,914	(25,624)	82,334	43,661	116,624
Less: Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies (b)	(1,302)	(4,038)	3,011	(2,271)	(6,310)	(1,892)	(12,877)	(2,329)	(21,079)
Less: Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies (c)	1,010	2,343	309	2,395	5,897	1,280	8,251	3,662	15,428
<b>Unrealized Investment Income (Loss)</b>	<b>\$ 102,285</b>	<b>\$ 105,142</b>	<b>\$ (162,433)</b>	<b>\$ 39,152</b>	<b>\$ 59,501</b>	<b>\$ (26,236)</b>	<b>\$ 77,708</b>	<b>\$ 44,994</b>	<b>\$ 110,973</b>

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

(b) Represents the inclusion of Investment Income from Blackstone's Treasury cash management strategies.

(c) Represents the adjustment related to the Realized Investment Income attributable to Blackstone's Treasury cash management strategies which is a component of Distributable Earnings.

## Calculation of Certain Non-GAAP Financial Metric Components

(Dollars in Thousands)	2008	2009	2010	2011
Interest Income and Dividend Revenue (a)	\$ 29,014	\$ 22,492	\$ 36,096	\$ 38,844
Other Revenue (a)	13,595	7,096	(618)	7,415
Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies (b)	-	12,367	15,277	4,600
<b>Interest Income and Other Revenue</b>	<b>\$ 42,609</b>	<b>\$ 41,955</b>	<b>\$ 50,755</b>	<b>\$ 50,859</b>
Realized Incentive Fees (a)	12,060	44,812	116,700	89,029
Less: Realized Incentive Fee Compensation (a)	(6,418)	(22,260)	(57,600)	(55,912)
<b>Net Realized Incentive Fees</b>	<b>\$ 5,642</b>	<b>\$ 22,552</b>	<b>\$ 59,100</b>	<b>\$ 33,117</b>
Realized Carried Interest (a)	26,953	29,452	244,963	138,907
Less: Realized Carried Interest Compensation (a)	1,421	(2,844)	(70,716)	(43,615)
<b>Net Realized Carried Interest</b>	<b>\$ 28,374</b>	<b>\$ 26,608</b>	<b>\$ 174,247</b>	<b>\$ 95,292</b>
Realized Investment Income (Loss) (a)	(64,677)	29,544	46,915	102,575
Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies (c)	-	(10,142)	(7,782)	(6,057)
<b>Realized Investment Income (Loss)</b>	<b>\$ (64,677)</b>	<b>\$ 19,402</b>	<b>\$ 39,133</b>	<b>\$ 96,518</b>
Unrealized Incentive Fees (a)	(11,935)	65,563	107,624	(24,928)
Less: Unrealized Incentive Fee Compensation (a)	3,452	(43,641)	(63,306)	20,759
<b>Net Unrealized Incentive Fees</b>	<b>\$ (8,483)</b>	<b>\$ 21,922</b>	<b>\$ 44,318</b>	<b>\$ (4,169)</b>
Unrealized Carried Interest (a)	(1,274,327)	100,304	457,002	971,518
Less: Unrealized Carried Interest Compensation (a)	204,262	69,824	(165,340)	(237,944)
<b>Net Unrealized Carried Interest</b>	<b>\$ (1,070,065)</b>	<b>\$ 170,128</b>	<b>\$ 291,662</b>	<b>\$ 733,574</b>
Unrealized Investment Income (Loss) (a)	(691,934)	3,880	501,634	82,689
Less: Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies (b)	-	(12,367)	(15,277)	(4,600)
Less: Adjustment Related to Realized Investment Income - Blackstone's Treasury Cash Management Strategies (c)	-	10,142	7,782	6,057
<b>Unrealized Investment Income (Loss)</b>	<b>\$ (691,934)</b>	<b>\$ 1,655</b>	<b>\$ 494,139</b>	<b>\$ 84,146</b>

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

(b) Represents the inclusion of Investment Income from Blackstone's Treasury cash management strategies.

(c) Represents the adjustment related to the Realized Investment Income attributable to Blackstone's Treasury cash management strategies which is a component of Distributable Earnings.