

Blackstone's 2Q'17 Supplemental Financial Data

July 20, 2017

Total Segments

| (Dollars in Thousands) | 1Q'15 | 2Q'15 | 3Q'15 | 4Q'15 | 1Q'16 | 2Q'16 | 3Q'16 | 4Q'16 | 1Q'17 | 2Q'17 | Year-to-Date | |
|--|---------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|
| | | | | | | | | | | | 2Q'16 | 2Q'17 |
| Revenues | | | | | | | | | | | | |
| Management and Advisory Fees, Net | | | | | | | | | | | | |
| Base Management Fees | \$ 516,397 | \$ 516,492 | \$ 564,287 | \$ 599,407 | \$ 586,703 | \$ 593,996 | \$ 593,509 | \$ 623,571 | \$ 642,958 | \$ 671,368 | \$ 1,180,699 | \$ 1,314,326 |
| Transaction, Advisory and Other Fees, Net | 121,311 | 88,726 | 178,556 | 73,223 | 46,599 | 33,620 | 29,021 | 35,618 | 40,222 | 38,892 | 80,219 | 79,114 |
| Management Fee Offsets | (17,945) | (18,434) | (34,176) | (22,939) | (20,101) | (15,396) | (20,850) | (23,297) | (33,599) | (13,424) | (35,497) | (47,023) |
| Total Management and Advisory Fees, Net | 619,763 | 586,784 | 708,667 | 649,691 | 613,201 | 612,220 | 601,680 | 635,892 | 649,581 | 696,836 | 1,225,421 | 1,346,417 |
| Performance Fees | | | | | | | | | | | | |
| Realized Carried Interest | 1,207,594 | 937,483 | 435,189 | 625,610 | 230,909 | 323,734 | 504,022 | 416,250 | 1,111,322 | 602,293 | 554,643 | 1,713,615 |
| Realized Incentive Fees | 29,670 | 47,819 | 34,785 | 82,472 | 28,450 | 29,363 | 30,295 | 83,993 | 47,137 | 41,106 | 57,813 | 88,243 |
| Unrealized Carried Interest | 373,852 | (441,949) | (1,055,977) | (471,222) | 47,606 | 88,268 | 106,157 | 239,210 | (154,747) | 65,080 | 135,874 | (89,667) |
| Unrealized Incentive Fees | 62,620 | 26,311 | (53,346) | (42,834) | 7,100 | 8,007 | 32,172 | 2,450 | 60,016 | 48,527 | 15,107 | 108,543 |
| Total Performance Fees | 1,673,736 | 569,664 | (639,349) | 194,026 | 314,065 | 449,372 | 672,646 | 741,903 | 1,063,728 | 757,006 | 763,437 | 1,820,734 |
| Investment Income (Loss) | | | | | | | | | | | | |
| Realized | 107,792 | 136,497 | 87,526 | 86,993 | (10,101) | 53,670 | 60,634 | 95,666 | 202,894 | 100,887 | 43,569 | 303,781 |
| Unrealized | 81,849 | (125,723) | (223,657) | (98,428) | (16,549) | 6,101 | 27,253 | 3,616 | (98,935) | (33,167) | (10,448) | (132,102) |
| Total Investment Income (Loss) | 189,641 | 10,774 | (136,131) | (11,435) | (26,650) | 59,771 | 87,887 | 99,282 | 103,959 | 67,720 | 33,121 | 171,679 |
| Interest Income and Dividend Revenue | 30,451 | 31,026 | 35,459 | 34,665 | 35,081 | 35,233 | 33,081 | 42,488 | 45,876 | 53,255 | 70,314 | 99,131 |
| Other | (4,872) | 3,973 | (841) | 10,240 | (6,248) | 8,546 | (425) | 52,839 | (8,287) | (62,469) | 2,298 | (70,756) |
| Total Revenues | 2,508,719 | 1,202,221 | (32,195) | 877,187 | 929,449 | 1,165,142 | 1,394,869 | 1,572,404 | 1,854,857 | 1,512,348 | 2,094,591 | 3,367,205 |
| Expenses | | | | | | | | | | | | |
| Compensation | | | | | | | | | | | | |
| Realized Carried Interest | 292,248 | 238,032 | 97,799 | 165,721 | 58,503 | 87,581 | 168,427 | 141,443 | 366,191 | 195,289 | 146,084 | 561,480 |
| Realized Incentive Fees | 12,227 | 21,837 | 15,061 | 36,821 | 14,123 | 15,251 | 15,436 | 33,286 | 22,752 | 21,481 | 29,374 | 44,233 |
| Unrealized Carried Interest | 74,380 | (50,559) | (228,697) | (107,820) | 30,001 | 75,202 | 70,044 | 137,591 | (4,387) | 74,500 | 105,203 | 70,113 |
| Unrealized Incentive Fees | 24,961 | 6,131 | (14,642) | (18,940) | 3,448 | 2,689 | 13,508 | 1,489 | 23,139 | 20,600 | 6,137 | 43,739 |
| Total Compensation and Benefits | 733,654 | 504,793 | 199,096 | 316,236 | 393,478 | 466,878 | 536,010 | 554,872 | 696,722 | 617,127 | 860,356 | 1,313,849 |
| Other Operating Expenses | 143,282 | 168,401 | 157,565 | 155,109 | 148,526 | 157,254 | 150,890 | 172,672 | 153,292 | 165,684 | 305,780 | 318,976 |
| Total Expenses | 876,936 | 673,194 | 356,661 | 471,345 | 542,004 | 624,132 | 686,900 | 727,544 | 850,014 | 782,811 | 1,166,136 | 1,632,825 |
| Economic Income (Loss) | \$ 1,631,783 | \$ 529,027 | \$ (388,856) | \$ 405,842 | \$ 387,445 | \$ 541,010 | \$ 707,969 | \$ 844,860 | \$ 1,004,843 | \$ 729,537 | \$ 928,455 | \$ 1,734,380 |
| Total Assets Under Management | \$ 310,451,289 | \$ 332,723,546 | \$ 333,925,521 | \$ 336,384,575 | \$ 343,705,462 | \$ 356,281,669 | \$ 361,040,173 | \$ 366,553,465 | \$ 368,196,917 | \$ 371,056,281 | \$ 356,281,669 | \$ 371,056,281 |
| Fee-Earning Assets Under Management | \$ 223,511,700 | \$ 239,342,214 | \$ 240,939,356 | \$ 246,146,372 | \$ 244,452,764 | \$ 266,006,713 | \$ 267,757,727 | \$ 277,092,672 | \$ 280,215,551 | \$ 281,934,511 | \$ 266,006,713 | \$ 281,934,511 |

Private Equity

| (Dollars in Thousands) | 1Q'15 | 2Q'15 | 3Q'15 | 4Q'15 | 1Q'16 | 2Q'16 | 3Q'16 | 4Q'16 | 1Q'17 | 2Q'17 | Year-to-Date | |
|--|-------------------|-------------------|---------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | | | | | | | | 2Q'16 | 2Q'17 |
| Revenues | | | | | | | | | | | | |
| Management and Advisory Fees, Net | | | | | | | | | | | | |
| Base Management Fees | \$ 108,383 | \$ 121,918 | \$ 128,452 | \$ 143,887 | \$ 130,648 | \$ 131,477 | \$ 131,708 | \$ 160,301 | \$ 177,464 | \$ 176,555 | \$ 262,125 | \$ 354,019 |
| Transaction, Advisory and Other Fees, Net | 22,788 | (6,999) | 11,906 | 19,124 | 8,920 | 11,089 | 12,892 | 8,972 | 17,200 | 18,947 | 20,009 | 36,147 |
| Management Fee Offsets | (4,949) | (9,028) | (12,262) | (10,521) | (6,848) | (4,195) | (12,917) | (10,850) | (12,190) | (3,753) | (11,043) | (15,943) |
| Total Management and Advisory Fees, Net | 126,222 | 105,891 | 128,096 | 152,490 | 132,720 | 138,371 | 131,683 | 158,423 | 182,474 | 191,749 | 271,091 | 374,223 |
| Performance Fees | | | | | | | | | | | | |
| Realized Carried Interest | 382,978 | 546,575 | 214,532 | 330,902 | 30,282 | 57,056 | 26,398 | 131,532 | 582,681 | 197,257 | 87,338 | 779,938 |
| Unrealized Carried Interest | 566,822 | (305,573) | (809,363) | (169,841) | 73,875 | 85,047 | 144,597 | 121,262 | (184,833) | 600 | 158,922 | (184,233) |
| Total Performance Fees | 949,800 | 241,002 | (594,831) | 161,061 | 104,157 | 142,103 | 170,995 | 252,794 | 397,848 | 197,857 | 246,260 | 595,705 |
| Investment Income (Loss) | | | | | | | | | | | | |
| Realized | 44,816 | 50,258 | 46,917 | 47,658 | (15,357) | 22,926 | 15,469 | 50,339 | 80,889 | 41,168 | 7,569 | 122,057 |
| Unrealized | 31,487 | (22,301) | (110,689) | (14,835) | 15,440 | (2,766) | 8,884 | (26,401) | (40,824) | (25,014) | 12,674 | (65,838) |
| Total Investment Income (Loss) | 76,303 | 27,957 | (63,772) | 32,823 | 83 | 20,160 | 24,353 | 23,938 | 40,065 | 16,154 | 20,243 | 56,219 |
| Interest Income and Dividend Revenue | 7,618 | 7,669 | 8,119 | 9,812 | 9,849 | 9,516 | 9,160 | 11,746 | 10,922 | 12,451 | 19,365 | 23,373 |
| Other | (1,825) | 2,515 | 471 | 4,693 | (1,587) | 3,395 | 411 | 18,239 | (1,800) | (16,124) | 1,808 | (17,924) |
| Total Revenues | 1,158,118 | 385,034 | (521,917) | 360,879 | 245,222 | 313,545 | 336,602 | 465,140 | 629,509 | 402,087 | 558,767 | 1,031,596 |
| Expenses | | | | | | | | | | | | |
| Compensation | 71,072 | 68,106 | 70,419 | 70,651 | 80,274 | 83,140 | 73,889 | 73,154 | 83,742 | 90,844 | 163,414 | 174,586 |
| Performance Fee Compensation | | | | | | | | | | | | |
| Realized Carried Interest | 39,482 | 106,502 | 16,303 | 94,635 | 15,427 | 30,946 | 13,741 | 50,768 | 181,633 | 63,060 | 46,373 | 244,693 |
| Unrealized Carried Interest | 178,120 | (25,574) | (141,448) | (21,270) | 9,296 | 19,450 | 69,300 | 65,891 | (39,356) | 22,219 | 28,746 | (17,137) |
| Total Compensation and Benefits | 288,674 | 149,034 | (54,726) | 144,016 | 104,997 | 133,536 | 156,930 | 189,813 | 226,019 | 176,123 | 238,533 | 402,142 |
| Other Operating Expenses | 38,875 | 62,571 | 43,812 | 53,900 | 48,063 | 48,371 | 47,534 | 52,465 | 42,822 | 47,665 | 96,434 | 90,487 |
| Total Expenses | 327,549 | 211,605 | (10,914) | 197,916 | 153,060 | 181,907 | 204,464 | 242,278 | 268,841 | 223,788 | 334,967 | 492,629 |
| Economic Income (Loss) | \$ 830,569 | \$ 173,429 | \$ (511,003) | \$ 162,963 | \$ 92,162 | \$ 131,638 | \$ 132,138 | \$ 222,862 | \$ 360,668 | \$ 178,299 | \$ 223,800 | \$ 538,967 |
| Total Assets Under Management | \$ 76,327,189 | \$ 92,026,337 | \$ 91,490,669 | \$ 94,280,074 | \$ 95,466,227 | \$ 99,685,655 | \$ 99,722,322 | \$ 100,192,950 | \$ 99,711,406 | \$ 100,020,379 | \$ 99,685,655 | \$ 100,020,379 |
| Fee-Earning Assets Under Management | \$ 49,342,211 | \$ 49,537,189 | \$ 50,560,404 | \$ 51,451,196 | \$ 50,228,312 | \$ 69,467,174 | \$ 69,347,910 | \$ 69,113,409 | \$ 68,231,620 | \$ 68,030,331 | \$ 69,467,174 | \$ 68,030,331 |

Real Estate

| (Dollars in Thousands) | 1Q'15 | 2Q'15 | 3Q'15 | 4Q'15 | 1Q'16 | 2Q'16 | 3Q'16 | 4Q'16 | 1Q'17 | 2Q'17 | Year-to-Date | |
|--|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | | | | | | | | 2Q'16 | 2Q'17 |
| Revenues | | | | | | | | | | | | |
| Management Fees, Net | | | | | | | | | | | | |
| Base Management Fees | \$ 152,348 | \$ 140,743 | \$ 175,710 | \$ 199,774 | \$ 199,907 | \$ 201,004 | \$ 197,629 | \$ 196,621 | \$ 197,879 | \$ 227,865 | \$ 400,911 | \$ 425,744 |
| Transaction and Other Fees, Net | 15,216 | 21,510 | 21,390 | 52,461 | 35,794 | 21,112 | 14,190 | 24,228 | 21,279 | 16,087 | 56,906 | 37,366 |
| Management Fee Offsets | (4,866) | (5,428) | (10,147) | (6,399) | (3,595) | (1,219) | (842) | (1,666) | (3,550) | (5,018) | (4,814) | (8,568) |
| Total Management Fees, Net | 162,698 | 156,825 | 186,953 | 245,836 | 232,106 | 220,897 | 210,977 | 219,183 | 215,608 | 238,934 | 453,003 | 454,542 |
| Performance Fees | | | | | | | | | | | | |
| Realized Carried Interest | 811,249 | 363,983 | 169,051 | 290,450 | 200,627 | 266,382 | 461,980 | 274,495 | 519,841 | 389,004 | 467,009 | 908,845 |
| Realized Incentive Fees | 723 | 1,220 | 3,879 | 11,331 | 4,069 | 6,099 | 3,857 | 15,600 | 2,914 | 5,315 | 10,168 | 8,229 |
| Unrealized Carried Interest | (181,019) | (188,608) | (128,854) | (182,061) | (11,522) | (84,875) | (113,449) | 58,849 | (22,268) | 77,200 | (96,397) | 54,932 |
| Unrealized Incentive Fees | 6,069 | 3,935 | 2,784 | 8,014 | 9,765 | 5,942 | 14,445 | 9,375 | 18,713 | 22,608 | 15,707 | 41,321 |
| Total Performance Fees | 637,022 | 180,530 | 46,860 | 127,734 | 202,939 | 193,548 | 366,833 | 358,319 | 519,200 | 494,127 | 396,487 | 1,013,327 |
| Investment Income (Loss) | | | | | | | | | | | | |
| Realized | 71,344 | 85,432 | 39,821 | 38,985 | 12,975 | 19,929 | 46,704 | 43,104 | 119,579 | 57,599 | 32,904 | 177,178 |
| Unrealized | 37,510 | (107,691) | (95,382) | (66,326) | (2,137) | (8,902) | (6,725) | 16,645 | (83,853) | (20,519) | (11,039) | (104,372) |
| Total Investment Income (Loss) | 108,854 | (22,259) | (55,561) | (27,341) | 10,838 | 11,027 | 39,979 | 59,749 | 35,726 | 37,080 | 21,865 | 72,806 |
| Interest Income and Dividend Revenue | 9,997 | 10,259 | 11,057 | 12,677 | 13,188 | 13,084 | 12,460 | 15,508 | 18,167 | 20,998 | 26,272 | 39,165 |
| Other | (3,977) | 1,077 | (938) | 2,416 | (1,909) | 2,231 | (548) | 16,749 | (3,150) | (22,965) | 322 | (26,115) |
| Total Revenues | 914,594 | 326,432 | 188,371 | 361,322 | 457,162 | 440,787 | 629,701 | 669,508 | 785,551 | 768,174 | 897,949 | 1,553,725 |
| Expenses | | | | | | | | | | | | |
| Compensation | 84,834 | 79,484 | 99,255 | 94,808 | 100,578 | 102,888 | 99,886 | 82,000 | 102,702 | 110,266 | 203,466 | 212,968 |
| Performance Fee Compensation | | | | | | | | | | | | |
| Realized Carried Interest | 246,496 | 116,168 | 52,546 | 68,827 | 43,076 | 56,441 | 147,419 | 85,686 | 179,925 | 124,292 | 99,517 | 304,217 |
| Realized Incentive Fees | 356 | 671 | 1,838 | 5,813 | 2,133 | 3,300 | 1,764 | 4,888 | 1,364 | 2,931 | 5,433 | 4,295 |
| Unrealized Carried Interest | (98,084) | (50,559) | (23,018) | (24,686) | 27,703 | 14,257 | (38,972) | 41,787 | 11,798 | 59,174 | 41,960 | 70,972 |
| Unrealized Incentive Fees | 2,575 | 230 | 5,215 | 797 | 4,158 | 2,542 | 6,229 | 3,943 | 8,509 | 9,680 | 6,700 | 18,189 |
| Total Compensation and Benefits | 236,177 | 145,994 | 135,836 | 145,559 | 177,648 | 179,428 | 216,326 | 218,304 | 304,298 | 306,343 | 357,076 | 610,641 |
| Other Operating Expenses | 40,143 | 43,346 | 42,050 | 53,636 | 48,097 | 52,201 | 47,908 | 55,756 | 51,969 | 55,373 | 100,298 | 107,342 |
| Total Expenses | 276,320 | 189,340 | 177,886 | 199,195 | 225,745 | 231,629 | 264,234 | 274,060 | 356,267 | 361,716 | 457,374 | 717,983 |
| Economic Income | \$ 638,274 | \$ 137,092 | \$ 10,485 | \$ 162,127 | \$ 231,417 | \$ 209,158 | \$ 365,467 | \$ 395,448 | \$ 429,284 | \$ 406,458 | \$ 440,575 | \$ 835,742 |
| Total Assets Under Management | \$ 92,785,658 | \$ 91,578,634 | \$ 93,187,556 | \$ 93,917,824 | \$ 101,107,528 | \$ 103,197,060 | \$ 101,876,562 | \$ 101,963,652 | \$ 102,070,930 | \$ 104,034,287 | \$ 103,197,060 | \$ 104,034,287 |
| Fee-Earning Assets Under Management | \$ 50,783,247 | \$ 62,683,857 | \$ 64,858,622 | \$ 67,345,357 | \$ 67,298,439 | \$ 66,744,550 | \$ 65,785,083 | \$ 72,030,054 | \$ 71,904,741 | \$ 73,710,243 | \$ 66,744,550 | \$ 73,710,243 |

Hedge Fund Solutions

| (Dollars in Thousands) | 1Q'15 | 2Q'15 | 3Q'15 | 4Q'15 | 1Q'16 | 2Q'16 | 3Q'16 | 4Q'16 | 1Q'17 | 2Q'17 | Year-to-Date | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | | | | | | | | | | | 2Q'16 | 2Q'17 |
| Revenues | | | | | | | | | | | | |
| Management Fees, Net | | | | | | | | | | | | |
| Base Management Fees | \$ 130,637 | \$ 130,216 | \$ 133,592 | \$ 129,941 | \$ 130,158 | \$ 130,123 | \$ 130,305 | \$ 131,150 | \$ 128,468 | \$ 128,698 | \$ 260,281 | \$ 257,166 |
| Transaction and Other Fees, Net | 25 | - | 219 | 73 | 543 | (5) | 116 | 407 | 259 | 1,696 | 538 | 1,955 |
| Management Fee Offsets | (280) | (608) | (507) | 1,566 | - | - | - | - | - | - | - | - |
| Total Management Fees, Net | 130,382 | 129,608 | 133,304 | 131,580 | 130,701 | 130,118 | 130,421 | 131,557 | 128,727 | 130,394 | 260,819 | 259,121 |
| Performance Fees | | | | | | | | | | | | |
| Realized Incentive Fees | 10,516 | 16,915 | 2,783 | 37,983 | 2,684 | (251) | 4,572 | 35,172 | 14,684 | 6,995 | 2,433 | 21,679 |
| Unrealized Carried Interest | - | 8,014 | (5,394) | (599) | 32 | 801 | (84) | (245) | 3,797 | 143 | 833 | 3,940 |
| Unrealized Incentive Fees | 47,427 | 15,855 | (29,711) | (41,655) | (2,935) | 1,036 | 12,038 | (9,354) | 40,311 | 22,458 | (1,899) | 62,769 |
| Total Performance Fees | 57,943 | 40,784 | (32,322) | (4,271) | (219) | 1,586 | 16,526 | 25,573 | 58,792 | 29,596 | 1,367 | 88,388 |
| Investment Income (Loss) | | | | | | | | | | | | |
| Realized | (10,375) | (1,757) | (468) | (141) | (4,745) | (515) | (1,211) | (753) | (632) | 225 | (5,260) | (407) |
| Unrealized | 4,483 | 2,032 | (6,411) | (1,539) | (12,291) | 9,357 | 12,219 | 6,177 | 18,293 | 11,578 | (2,934) | 29,871 |
| Total Investment Income (Loss) | (5,892) | 275 | (6,879) | (1,680) | (17,036) | 8,842 | 11,008 | 5,424 | 17,661 | 11,803 | (8,194) | 29,464 |
| Interest Income and Dividend Revenue | 3,949 | 3,970 | 4,136 | 5,219 | 5,296 | 5,205 | 4,692 | 7,890 | 7,554 | 8,769 | 10,501 | 16,323 |
| Other | (1,607) | 459 | (66) | 1,414 | (1,388) | 1,125 | (260) | 8,680 | (1,610) | (10,720) | (263) | (12,330) |
| Total Revenues | 184,775 | 175,096 | 98,173 | 132,262 | 117,354 | 146,876 | 162,387 | 179,124 | 211,124 | 169,842 | 264,230 | 380,966 |
| Expenses | | | | | | | | | | | | |
| Compensation | 56,104 | 45,841 | 44,408 | 33,131 | 54,169 | 44,436 | 47,206 | 39,509 | 47,604 | 47,361 | 98,605 | 94,965 |
| Performance Fee Compensation | | | | | | | | | | | | |
| Realized Incentive Fees | 3,470 | 8,711 | (436) | 15,410 | 1,863 | 1,325 | 2,902 | 13,307 | 7,317 | 4,362 | 3,188 | 11,679 |
| Unrealized Carried Interest | - | 4,077 | (3,041) | (213) | - | 238 | 35 | (92) | 1,209 | 178 | 238 | 1,387 |
| Unrealized Incentive Fees | 15,651 | 3,764 | (7,011) | (15,316) | (1,195) | 480 | 4,557 | (3,550) | 14,004 | 9,242 | (715) | 23,246 |
| Total Compensation and Benefits | 75,225 | 62,393 | 33,920 | 33,012 | 54,837 | 46,479 | 54,700 | 49,174 | 70,134 | 61,143 | 101,316 | 131,277 |
| Other Operating Expenses | 21,206 | 20,499 | 24,147 | 24,220 | 26,146 | 27,218 | 27,432 | 27,840 | 25,800 | 26,240 | 53,364 | 52,040 |
| Total Expenses | 96,431 | 82,892 | 58,067 | 57,232 | 80,983 | 73,697 | 82,132 | 77,014 | 95,934 | 87,383 | 154,680 | 183,317 |
| Economic Income | \$ 88,344 | \$ 92,204 | \$ 40,106 | \$ 75,030 | \$ 36,371 | \$ 73,179 | \$ 80,255 | \$ 102,110 | \$ 115,190 | \$ 82,459 | \$ 109,550 | \$ 197,649 |
| Total Assets Under Management | \$ 66,378,908 | \$ 67,829,866 | \$ 68,405,948 | \$ 69,105,425 | \$ 68,475,416 | \$ 68,649,878 | \$ 70,113,508 | \$ 71,119,718 | \$ 73,303,381 | \$ 72,476,444 | \$ 68,649,878 | \$ 72,476,444 |
| Fee-Earning Assets Under Management | \$ 64,114,498 | \$ 65,512,170 | \$ 65,182,338 | \$ 65,665,439 | \$ 64,831,253 | \$ 64,973,999 | \$ 66,434,971 | \$ 66,987,553 | \$ 68,812,528 | \$ 67,824,464 | \$ 64,973,999 | \$ 67,824,464 |

Credit

| (Dollars in Thousands) | 1Q'15 | 2Q'15 | 3Q'15 | 4Q'15 | 1Q'16 | 2Q'16 | 3Q'16 | 4Q'16 | 1Q'17 | 2Q'17 | Year-to-Date | |
|--|------------------|-------------------|------------------|-----------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|
| | | | | | | | | | | | 2Q'16 | 2Q'17 |
| Revenues | | | | | | | | | | | | |
| Management Fees, Net | | | | | | | | | | | | |
| Base Management Fees | \$ 125,029 | \$ 123,615 | \$ 126,533 | \$ 125,805 | \$ 125,990 | \$ 131,392 | \$ 133,867 | \$ 135,499 | \$ 139,147 | \$ 138,250 | \$ 257,382 | \$ 277,397 |
| Transaction and Other Fees, Net | 1,457 | 2,060 | 1,289 | 1,565 | 1,342 | 1,424 | 1,823 | 2,011 | 1,484 | 2,162 | 2,766 | 3,646 |
| Management Fee Offsets | (7,850) | (3,370) | (11,260) | (7,585) | (9,658) | (9,982) | (7,091) | (10,781) | (17,859) | (4,653) | (19,640) | (22,512) |
| Total Management Fees, Net | 118,636 | 122,305 | 116,562 | 119,785 | 117,674 | 122,834 | 128,599 | 126,729 | 122,772 | 135,759 | 240,508 | 258,531 |
| Performance Fees | | | | | | | | | | | | |
| Realized Carried Interest | 13,367 | 26,925 | 51,606 | 4,258 | - | 296 | 15,644 | 10,223 | 8,800 | 16,032 | 296 | 24,832 |
| Realized Incentive Fees | 18,431 | 29,684 | 28,123 | 33,158 | 21,697 | 23,515 | 21,866 | 33,221 | 29,539 | 28,796 | 45,212 | 58,335 |
| Unrealized Carried Interest | (11,951) | 44,218 | (112,366) | (118,721) | (14,779) | 87,295 | 75,093 | 59,344 | 48,557 | (12,863) | 72,516 | 35,694 |
| Unrealized Incentive Fees | 9,124 | 6,521 | (26,419) | (9,193) | 270 | 1,029 | 5,689 | 2,429 | 992 | 3,461 | 1,299 | 4,453 |
| Total Performance Fees | 28,971 | 107,348 | (59,056) | (90,498) | 7,188 | 112,135 | 118,292 | 105,217 | 87,888 | 35,426 | 119,323 | 123,314 |
| Investment Income (Loss) | | | | | | | | | | | | |
| Realized | 2,237 | 2,723 | 1,735 | 491 | (2,974) | 11,330 | (328) | 2,976 | 3,058 | 1,895 | 8,356 | 4,953 |
| Unrealized | 6,887 | 2,760 | (10,177) | (15,728) | (17,561) | 8,412 | 12,875 | 7,195 | 7,449 | 788 | (9,149) | 8,237 |
| Total Investment Income (Loss) | 9,124 | 5,483 | (8,442) | (15,237) | (20,535) | 19,742 | 12,547 | 10,171 | 10,507 | 2,683 | (793) | 13,190 |
| Interest Income and Dividend Revenue | 5,651 | 5,938 | 6,053 | 6,957 | 6,748 | 7,428 | 6,769 | 7,344 | 9,233 | 11,037 | 14,176 | 20,270 |
| Other | 3,493 | 34 | (73) | 1,717 | (1,364) | 1,795 | (28) | 9,171 | (1,727) | (12,660) | 431 | (14,387) |
| Total Revenues | 165,875 | 241,108 | 55,044 | 22,724 | 109,711 | 263,934 | 266,179 | 258,632 | 228,673 | 172,245 | 373,645 | 400,918 |
| Expenses | | | | | | | | | | | | |
| Compensation | | | | | | | | | | | | |
| Realized Carried Interest | 6,270 | 15,362 | 28,950 | 2,259 | - | 194 | 7,267 | 4,989 | 4,633 | 7,937 | 194 | 12,570 |
| Realized Incentive Fees | 8,401 | 12,455 | 13,659 | 15,598 | 10,127 | 10,626 | 10,770 | 15,091 | 14,071 | 14,188 | 20,753 | 28,259 |
| Unrealized Carried Interest | (5,656) | 21,497 | (61,190) | (61,651) | (6,998) | 41,257 | 39,681 | 30,005 | 21,962 | (7,071) | 34,259 | 14,891 |
| Unrealized Incentive Fees | 6,735 | 2,137 | (12,846) | (4,421) | 485 | (333) | 2,722 | 1,096 | 626 | 1,678 | 152 | 2,304 |
| Total Compensation and Benefits | 65,627 | 98,575 | 19,897 | (6,351) | 55,996 | 107,435 | 108,054 | 97,581 | 96,271 | 73,518 | 163,431 | 169,789 |
| Other Operating Expenses | 21,836 | 23,539 | 24,898 | 23,353 | 26,220 | 29,464 | 28,016 | 36,611 | 32,701 | 36,406 | 55,684 | 69,107 |
| Total Expenses | 87,463 | 122,114 | 44,795 | 17,002 | 82,216 | 136,899 | 136,070 | 134,192 | 128,972 | 109,924 | 219,115 | 238,896 |
| Economic Income | \$ 78,412 | \$ 118,994 | \$ 10,249 | \$ 5,722 | \$ 27,495 | \$ 127,035 | \$ 130,109 | \$ 124,440 | \$ 99,701 | \$ 62,321 | \$ 154,530 | \$ 162,022 |
| Total Assets Under Management | \$ 74,959,534 | \$ 81,288,709 | \$ 80,841,348 | \$ 79,081,252 | \$ 78,656,291 | \$ 84,749,076 | \$ 89,327,781 | \$ 93,277,145 | \$ 93,111,200 | \$ 94,525,171 | \$ 84,749,076 | \$ 94,525,171 |
| Fee-Earning Assets Under Management | \$ 59,271,744 | \$ 61,608,998 | \$ 60,337,992 | \$ 61,684,380 | \$ 62,094,760 | \$ 64,820,990 | \$ 66,189,763 | \$ 68,961,656 | \$ 71,266,662 | \$ 72,369,473 | \$ 64,820,990 | \$ 72,369,473 |

Financial Advisory

| (Dollars in Thousands) | 1Q'15 | 2Q'15 | 3Q'15 | 4Q'15 | 1Q'16 | 2Q'16 | 3Q'16 | 4Q'16 | 1Q'17 | 2Q'17 | Year-to-Date | | |
|--------------------------------------|-------------------|-----------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|
| | | | | | | | | | | | 2Q'16 | 2Q'17 | |
| Revenues | | | | | | | | | | | | | |
| Transaction and Advisory Fees, Net | \$ 81,825 | \$ 72,155 | \$ 143,752 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Transaction and Advisory Fees | 81,825 | 72,155 | 143,752 | - | - | - | - | - | - | - | - | - | - |
| Investment Income (Loss) | | | | | | | | | | | | | |
| Realized | (230) | (159) | (479) | - | - | - | - | - | - | - | - | - | - |
| Unrealized | 1,482 | (523) | (998) | - | - | - | - | - | - | - | - | - | - |
| Total Investment Income (Loss) | 1,252 | (682) | (1,477) | - | - | - | - | - | - | - | - | - | - |
| Interest Income and Dividend Revenue | 3,236 | 3,190 | 6,094 | - | - | - | - | - | - | - | - | - | - |
| Other | (956) | (112) | (235) | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | 85,357 | 74,551 | 148,134 | - | - | - | - | - | - | - | - | - | - |
| Expenses | | | | | | | | | | | | | |
| Compensation | 67,951 | 48,797 | 64,169 | - | - | - | - | - | - | - | - | - | - |
| Total Compensation and Benefits | 67,951 | 48,797 | 64,169 | - | - | - | - | - | - | - | - | - | - |
| Other Operating Expenses | 21,222 | 18,446 | 22,658 | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | 89,173 | 67,243 | 86,827 | - | - | - | - | - | - | - | - | - | - |
| Economic Income (Loss) | \$ (3,816) | \$ 7,308 | \$ 61,307 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

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

Total Segments

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

Private Equity

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

Real Estate

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

Hedge Fund Solutions

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

Credit

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

Financial Advisory

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

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

Reconciliation of GAAP to Non-GAAP Measures

| (Dollars in Thousands) | 1Q'15 | 2Q'15 | 3Q'15 | 4Q'15 | 1Q'16 | 2Q'16 | 3Q'16 | 4Q'16 | 1Q'17 ^(a) | 2Q'17 | Year-to-Date | |
|---|--------------|--------------|--------------|------------|------------|------------|------------|------------|----------------------|------------|--------------|--------------|
| | | | | | | | | | | | 2Q'16 | 2Q'17 |
| Net Income (Loss) Attributable to The Blackstone Group L.P. | \$ 629,448 | \$ 134,168 | \$ (254,697) | \$ 200,870 | \$ 159,753 | \$ 198,626 | \$ 312,905 | \$ 367,951 | \$ 461,825 | \$ 342,775 | \$ 358,379 | \$ 804,600 |
| Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings | 645,230 | 134,870 | (247,318) | 150,734 | 131,202 | 201,805 | 285,267 | 342,010 | 417,258 | 287,979 | 333,007 | 705,237 |
| Net Income Attributable to Non-Controlling Interests in Consolidated Entities | 81,796 | 66,716 | 30,671 | 40,717 | 40,086 | 64,729 | 82,653 | 58,684 | 138,685 | 112,944 | 104,815 | 251,629 |
| Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities | 7,527 | 13,780 | (12,520) | 2,358 | (6,401) | (2,049) | 10,764 | 1,663 | 2,000 | 991 | (8,450) | 2,991 |
| Net Income (Loss) | \$ 1,364,001 | \$ 349,534 | \$ (483,864) | \$ 394,679 | \$ 324,640 | \$ 463,111 | \$ 691,589 | \$ 770,308 | \$ 1,019,768 | \$ 744,689 | \$ 787,751 | \$ 1,764,457 |
| Provision for Taxes | 99,344 | 43,251 | 1,573 | 46,230 | 9,146 | 47,415 | 27,714 | 48,087 | 57,437 | 29,608 | 56,561 | 87,045 |
| Income (Loss) Before Provision for Taxes | \$ 1,463,345 | \$ 392,785 | \$ (482,291) | \$ 440,909 | \$ 333,786 | \$ 510,526 | \$ 719,303 | \$ 818,395 | \$ 1,077,205 | \$ 774,297 | \$ 844,312 | \$ 1,851,502 |
| Transaction-Related Charges (a) | 231,862 | 192,018 | 80,962 | (15,279) | 64,136 | 69,956 | 60,029 | 70,816 | 56,979 | 57,831 | 134,092 | 114,810 |
| Amortization of Intangibles (b) | 25,899 | 24,720 | 30,624 | 23,287 | 23,208 | 23,208 | 22,054 | 15,996 | 11,344 | 11,344 | 46,416 | 22,688 |
| (Income) Associated with Non-Controlling Interests of Consolidated Entities (c) | (89,323) | (80,496) | (18,151) | (43,075) | (33,685) | (62,680) | (93,417) | (60,347) | (140,685) | (113,935) | (96,365) | (254,620) |
| Economic Income (Loss) | \$ 1,631,783 | \$ 529,027 | \$ (388,856) | \$ 405,842 | \$ 387,445 | \$ 541,010 | \$ 707,969 | \$ 844,860 | \$ 1,004,843 | \$ 729,537 | \$ 928,455 | \$ 1,734,380 |
| (Taxes) Benefit (d) | (9,719) | (20,587) | (27,070) | 29,849 | (16,794) | (21,234) | (20,985) | (33,250) | (18,805) | (24,168) | (38,028) | (42,973) |
| Economic Net Income (Loss) | \$ 1,622,064 | \$ 508,440 | \$ (415,926) | \$ 435,691 | \$ 370,651 | \$ 519,776 | \$ 686,984 | \$ 811,610 | \$ 986,038 | \$ 705,369 | \$ 890,427 | \$ 1,691,407 |
| Taxes (Benefit) (d) | 9,719 | 20,587 | 27,070 | (29,849) | 16,794 | 21,234 | 20,985 | 33,250 | 18,805 | 24,168 | 38,028 | 42,973 |
| Performance Fee Adjustment (e) | (1,673,736) | (569,664) | 639,349 | (194,026) | (314,065) | (449,372) | (672,646) | (741,903) | (1,063,728) | (757,006) | (763,437) | (1,820,734) |
| Investment (Income) Loss Adjustment (f) | (189,641) | (10,774) | 136,131 | 11,435 | 26,650 | (59,771) | (87,887) | (99,282) | (103,959) | (67,720) | (33,121) | (171,679) |
| Other Revenue (g) | 4,872 | (3,973) | 841 | (10,240) | 6,248 | (8,546) | 425 | (52,839) | 8,287 | 62,469 | (2,298) | 70,756 |
| Net Interest Loss (h) | 8,402 | 14,411 | 9,522 | 11,846 | 13,351 | 13,546 | 14,184 | 10,542 | 10,954 | 6,591 | 26,897 | 17,545 |
| Performance Fee Compensation and Benefits Adjustment (i) | 403,816 | 215,441 | (130,479) | 75,782 | 106,075 | 180,723 | 267,415 | 313,809 | 407,695 | 311,870 | 286,798 | 719,565 |
| Equity-Based Compensation - Non-Incentive Fee Related (j) | 42,248 | 27,994 | 15,690 | 10,969 | 20,963 | 16,852 | 16,624 | 19,308 | 26,650 | 25,442 | 37,815 | 52,092 |
| Fee Related Earnings | \$ 227,744 | \$ 202,462 | \$ 282,198 | \$ 311,608 | \$ 246,667 | \$ 234,442 | \$ 246,084 | \$ 294,495 | \$ 290,742 | \$ 311,183 | \$ 481,109 | \$ 601,925 |
| Net Realized Performance Fees (k) | 934,939 | 725,986 | 359,243 | 506,851 | 187,794 | 251,935 | 352,008 | 327,053 | 772,780 | 429,177 | 439,729 | 1,201,957 |
| Realized Investment Income (Loss) (l) | 107,792 | 136,497 | 87,526 | 86,993 | (10,101) | 53,670 | 60,634 | 95,666 | 202,894 | 100,887 | 43,569 | 303,781 |
| Net Interest (Loss) (h) | (8,402) | (14,411) | (9,522) | (11,846) | (13,351) | (13,546) | (14,184) | (10,542) | (10,954) | (6,591) | (26,897) | (17,545) |
| Taxes and Related Payables Including Payable Under Tax Receivable Agreement (m) | (16,994) | (20,587) | (27,070) | (25,819) | (16,794) | (31,588) | (51,089) | (67,678) | (25,324) | (53,291) | (48,382) | (78,615) |
| Distributable Earnings | \$ 1,245,079 | \$ 1,029,947 | \$ 692,375 | \$ 867,787 | \$ 394,215 | \$ 494,913 | \$ 593,453 | \$ 638,994 | \$ 1,230,138 | \$ 781,365 | \$ 889,128 | \$ 2,011,503 |
| Interest Expense (n) | 38,853 | 45,437 | 44,981 | 46,511 | 48,432 | 48,779 | 47,265 | 53,030 | 56,830 | 59,846 | 97,211 | 116,676 |
| Taxes and Related Payables Including Payable Under Tax Receivable Agreement (m) | 16,994 | 20,587 | 27,070 | 25,819 | 16,794 | 31,588 | 51,089 | 67,678 | 25,324 | 53,291 | 48,382 | 78,615 |
| Depreciation and Amortization | 6,927 | 6,715 | 6,719 | 6,852 | 6,292 | 6,331 | 7,338 | 12,010 | 6,216 | 6,392 | 12,623 | 12,608 |
| Adjusted EBITDA | \$ 1,307,853 | \$ 1,102,686 | \$ 771,145 | \$ 946,969 | \$ 465,733 | \$ 581,611 | \$ 699,145 | \$ 771,712 | \$ 1,318,508 | \$ 900,894 | \$ 1,047,344 | \$ 2,219,402 |

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

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)

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

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

Reconciliation of GAAP to Non-GAAP Measures – Notes

- (a) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes amounts for Transaction-Related Charges which include principally equity-based compensation charges associated with Blackstone's initial public offering and long-term retention programs outside of annual deferred compensation and other corporate actions.
- (b) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes amounts for the Amortization of Intangibles which are associated with Blackstone's initial public offering and other corporate actions.
- (c) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes the amount of (Income) Loss Associated with Non-Controlling Interests of Consolidated Entities and includes the amount of Management Fee Revenues associated with Consolidated CLO Entities.
- (d) Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes.
- (e) This adjustment removes from EI the total segment amount of Performance Fees.
- (f) This adjustment removes from EI the total segment amount of Investment Income (Loss).
- (g) This adjustment removes from EI the total segment amount of Other Revenue.
- (h) This adjustment represents Interest Income and Dividend Revenue less Interest Expense.
- (i) This adjustment removes from expenses the compensation and benefit amounts related to Blackstone's profit sharing plans related to Performance Fees, including Incentive Fee Related equity-based award expense.
- (j) Represents Non-Incentive Fee Related equity-based award expense and excludes all transaction-related equity-based charges.
- (k) Represents the adjustment for realized Performance Fees net of corresponding actual amounts due under Blackstone's profit sharing plans related thereto. Equals the sum of Net Realized Incentive Fees and Net Realized Carried Interest
- (l) Represents the adjustment for Blackstone's Realized Investment Income (Loss).
- (m) Taxes and Related Payables Including Payable Under Tax Receivable Agreement represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and the Payable Under Tax Receivable Agreement.
- (n) Represents Interest Expense, including inter-segment interest related expense.
- (o) Effective January 1, 2017, Fee Related Earnings, a Total Segment measure, has been redefined to exclude all Equity-Based Compensation and Other Revenue. Distributable Earnings, a Total Segment measure, has been redefined to exclude Other Revenue. All prior periods have been recast to reflect this definition.

Walkdown of Financial Metrics

| | | | | | | | | | | | Year-to-Date | | Fee Earnings | Distributable Earnings | Economic Net Income |
|---|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|-----------------|---------------------------|------------------------|
| | 1Q'15 | 2Q'15 | 3Q'15 | 4Q'15 | 1Q'16 | 2Q'16 | 3Q'16 | 4Q'16 | 1Q'17 | 2Q'17 | 2Q'16 | 2Q'17 | | | |
| ▶ Management and Advisory Fees, Net (a) | \$ 619,763 | \$ 586,784 | \$ 708,667 | \$ 649,691 | \$ 613,201 | \$ 612,220 | \$ 601,680 | \$ 635,892 | \$ 649,581 | \$ 696,836 | \$ 1,225,421 | \$ 1,346,417 | | | |
| ▶ Fee Related Compensation (b) | (287,590) | (261,358) | (313,885) | (229,485) | (266,440) | (269,303) | (251,971) | (221,755) | (262,377) | (279,815) | (535,743) | (542,192) | | | |
| ▶ Non-Interest Operating Expenses (b) | (104,429) | (122,964) | (112,584) | (108,598) | (100,094) | (108,475) | (103,625) | (119,642) | (96,462) | (105,838) | (208,569) | (202,300) | | | |
| Fee Related Earnings | \$ 227,744 | \$ 202,462 | \$ 282,198 | \$ 311,608 | \$ 246,667 | \$ 234,442 | \$ 246,084 | \$ 294,495 | \$ 290,742 | \$ 311,183 | \$ 481,109 | \$ 601,925 | | | |
| ▶ Net Realized Incentive Fees (b) | 19,593 | 26,535 | 21,853 | 46,962 | 15,388 | 15,782 | 16,413 | 52,246 | 27,649 | 22,173 | 31,170 | 49,822 | | | |
| ▶ Net Realized Carried Interest (b) | 915,346 | 699,451 | 337,390 | 459,889 | 172,406 | 236,153 | 335,595 | 274,807 | 745,131 | 407,004 | 408,559 | 1,152,135 | | | |
| ▶ Realized Investment Income (Loss) (a) | 107,792 | 136,497 | 87,526 | 86,993 | (10,101) | 53,670 | 60,634 | 95,666 | 202,894 | 100,887 | 43,569 | 303,781 | | | |
| ▶ Net Interest (Loss) (b) | (8,402) | (14,411) | (9,522) | (11,846) | (13,351) | (13,546) | (14,184) | (10,542) | (10,954) | (6,591) | (26,897) | (17,545) | | | |
| ▶ Taxes and Related Payables (b) (c) | (16,994) | (20,587) | (27,070) | (25,819) | (16,794) | (31,588) | (51,089) | (67,678) | (25,324) | (53,291) | (48,382) | (78,615) | | | |
| Distributable Earnings | \$ 1,245,079 | \$ 1,029,947 | \$ 692,375 | \$ 867,787 | \$ 394,215 | \$ 494,913 | \$ 593,453 | \$ 638,994 | \$ 1,230,138 | \$ 781,365 | \$ 889,128 | \$ 2,011,503 | | | |
| ▶ Net Unrealized Incentive Fees (b) | 37,659 | 20,180 | (38,704) | (23,894) | 3,652 | 5,318 | 18,664 | 961 | 36,877 | 27,927 | 8,970 | 64,804 | | | |
| ▶ Net Unrealized Carried Interest (b) | 299,472 | (391,390) | (827,280) | (363,402) | 17,605 | 13,066 | 36,113 | 101,619 | (150,360) | (9,420) | 30,671 | (159,780) | | | |
| ▶ Unrealized Investment Income (Loss) (a) | 81,849 | (125,723) | (223,657) | (98,428) | (16,549) | 6,101 | 27,253 | 3,616 | (98,935) | (33,167) | (10,448) | (132,102) | | | |
| ▶ Other Revenue (a) | (4,872) | 3,973 | (841) | 10,240 | (6,248) | 8,546 | (425) | 52,839 | (8,287) | (62,469) | 2,298 | (70,756) | | | |
| ▶ Add Back: Related Payables (b) (d) | 7,275 | - | - | 55,668 | - | 10,354 | 30,104 | 34,428 | 6,519 | 29,123 | 10,354 | 35,642 | | | |
| ▶ Less: Equity-Based Compensation (b) (e) | (44,398) | (28,547) | (17,819) | (12,280) | (22,024) | (18,522) | (18,178) | (20,847) | (29,914) | (27,990) | (40,546) | (57,904) | | | |
| Economic Net Income (Loss) | \$ 1,622,064 | \$ 508,440 | \$ (415,926) | \$ 435,691 | \$ 370,651 | \$ 519,776 | \$ 686,984 | \$ 811,610 | \$ 986,038 | \$ 705,369 | \$ 890,427 | \$ 1,691,407 | | | |

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

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

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

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

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

Walkdown of Financial Metrics

(Dollars in Thousands)

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

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

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

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

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

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

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

| (Dollars in Thousands) | 1Q'15 | 2Q'15 | 3Q'15 | 4Q'15 | 1Q'16 | 2Q'16 | 3Q'16 | 4Q'16 | 1Q'17 | 2Q'17 | Year-to-Date | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | | | | | | | | | 2Q'16 | 2Q'17 |
| Compensation | \$ (329,838) | \$ (289,352) | \$ (329,575) | \$ (240,454) | \$ (287,403) | \$ (286,155) | \$ (268,595) | \$ (241,063) | \$ (289,027) | \$ (305,257) | \$ (573,558) | \$ (594,284) |
| Less: Equity-Based Compensation - Non-Incentive Fee Related | 42,248 | 27,994 | 15,690 | 10,969 | 20,963 | 16,852 | 16,624 | 19,308 | 26,650 | 25,442 | 37,815 | 52,092 |
| Fee Related Compensation | \$ (287,590) | \$ (261,358) | \$ (313,885) | \$ (229,485) | \$ (266,440) | \$ (269,303) | \$ (251,971) | \$ (221,755) | \$ (262,377) | \$ (279,815) | \$ (535,743) | \$ (542,192) |
| Other Operating Expenses | 143,282 | 168,401 | 157,565 | 155,109 | 148,526 | 157,254 | 150,890 | 172,672 | 153,292 | 165,684 | 305,780 | 318,976 |
| Less: Interest Expense (a) | (38,853) | (45,437) | (44,981) | (46,511) | (48,432) | (48,779) | (47,265) | (53,030) | (56,830) | (59,846) | (97,211) | (116,676) |
| Non-Interest Operating Expenses | \$ 104,429 | \$ 122,964 | \$ 112,584 | \$ 108,598 | \$ 100,094 | \$ 108,475 | \$ 103,625 | \$ 119,642 | \$ 96,462 | \$ 105,838 | \$ 208,569 | \$ 202,300 |
| Realized Incentive Fees | 29,670 | 47,819 | 34,785 | 82,472 | 28,450 | 29,363 | 30,295 | 83,993 | 47,137 | 41,106 | 57,813 | 88,243 |
| Less: Realized Incentive Fee Compensation | (12,227) | (21,837) | (15,061) | (36,821) | (14,123) | (15,251) | (15,436) | (33,286) | (22,752) | (21,481) | (29,374) | (44,233) |
| Plus: Equity-Based Compensation - Incentive Fee Related | 2,150 | 553 | 2,129 | 1,311 | 1,061 | 1,670 | 1,554 | 1,539 | 3,264 | 2,548 | 2,731 | 5,812 |
| Net Realized Incentive Fees | \$ 19,593 | \$ 26,535 | \$ 21,853 | \$ 46,962 | \$ 15,388 | \$ 15,782 | \$ 16,413 | \$ 52,246 | \$ 27,649 | \$ 22,173 | \$ 31,170 | \$ 49,822 |
| Realized Carried Interest | 1,207,594 | 937,483 | 435,189 | 625,610 | 230,909 | 323,734 | 504,022 | 416,250 | 1,111,322 | 602,293 | 554,643 | 1,713,615 |
| Less: Realized Carried Interest Compensation | (292,248) | (238,032) | (97,799) | (165,721) | (58,503) | (87,581) | (168,427) | (141,443) | (366,191) | (195,289) | (146,084) | (561,480) |
| Net Realized Carried Interest | \$ 915,346 | \$ 699,451 | \$ 337,390 | \$ 459,889 | \$ 172,406 | \$ 236,153 | \$ 335,595 | \$ 274,807 | \$ 745,131 | \$ 407,004 | \$ 408,559 | \$ 1,152,135 |
| Interest Income and Dividend Revenue | 30,451 | 31,026 | 35,459 | 34,665 | 35,081 | 35,233 | 33,081 | 42,488 | 45,876 | 53,255 | 70,314 | 99,131 |
| Less: Interest Expense (a) | (38,853) | (45,437) | (44,981) | (46,511) | (48,432) | (48,779) | (47,265) | (53,030) | (56,830) | (59,846) | (97,211) | (116,676) |
| Net Interest (Loss) | \$ (8,402) | \$ (14,411) | \$ (9,522) | \$ (11,846) | \$ (13,351) | \$ (13,546) | \$ (14,184) | \$ (10,542) | \$ (10,954) | \$ (6,591) | \$ (26,897) | \$ (17,545) |
| Taxes and Related Payables (b) | \$ (16,994) | \$ (20,587) | \$ (27,070) | \$ (25,819) | \$ (16,794) | \$ (31,588) | \$ (51,089) | \$ (67,678) | \$ (25,324) | \$ (53,291) | \$ (48,382) | \$ (78,615) |
| Unrealized Incentive Fees | 62,620 | 26,311 | (53,346) | (42,834) | 7,100 | 8,007 | 32,172 | 2,450 | 60,016 | 48,527 | 15,107 | 108,543 |
| Less: Unrealized Incentive Fee Compensation | (24,961) | (6,131) | 14,642 | 18,940 | (3,448) | (2,689) | (13,508) | (1,489) | (23,139) | (20,600) | (6,137) | (43,739) |
| Net Unrealized Incentive Fees | \$ 37,659 | \$ 20,180 | \$ (38,704) | \$ (23,894) | \$ 3,652 | \$ 5,318 | \$ 18,664 | \$ 961 | \$ 36,877 | \$ 27,927 | \$ 8,970 | \$ 64,804 |
| Unrealized Carried Interest | 373,852 | (441,949) | (1,055,977) | (471,222) | 47,606 | 88,268 | 106,157 | 239,210 | (154,747) | 65,080 | 135,874 | (89,667) |
| Less: Unrealized Carried Interest Compensation | (74,380) | 50,559 | 228,697 | 107,820 | (30,001) | (75,202) | (70,044) | (137,591) | 4,387 | (74,500) | (105,203) | (70,113) |
| Net Unrealized Carried Interest | \$ 299,472 | \$ (391,390) | \$ (827,280) | \$ (363,402) | \$ 17,605 | \$ 13,066 | \$ 36,113 | \$ 101,619 | \$ (150,360) | \$ (9,420) | \$ 30,671 | \$ (159,780) |
| Related Payables (c) | \$ 7,275 | \$ - | \$ - | \$ 55,668 | \$ - | \$ 10,354 | \$ 30,104 | \$ 34,428 | \$ 6,519 | \$ 29,123 | \$ 10,354 | \$ 35,642 |
| Equity-Based Compensation - Non-Incentive Fee Related | 42,248 | 27,994 | 15,690 | 10,969 | 20,963 | 16,852 | 16,624 | 19,308 | 26,650 | 25,442 | 37,815 | 52,092 |
| Plus: Equity-Based Compensation - Incentive Fee Related | 2,150 | 553 | 2,129 | 1,311 | 1,061 | 1,670 | 1,554 | 1,539 | 3,264 | 2,548 | 2,731 | 5,812 |
| Equity-Based Compensation (d) | \$ 44,398 | \$ 28,547 | \$ 17,819 | \$ 12,280 | \$ 22,024 | \$ 18,522 | \$ 18,178 | \$ 20,847 | \$ 29,914 | \$ 27,990 | \$ 40,546 | \$ 57,904 |

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

(a) Represents Interest Expense, including inter-segment interest related expense.

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

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

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

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

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

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

(a) Represents Interest Expense, including inter-segment interest related expense.

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

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

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

Investment Records as of June 30, 2017^(a)

| | Committed Capital | Available Capital (b) | Unrealized Investments | | | Realized Investments | | Total Investments | | Net IRRs (d) | |
|--|----------------------|-----------------------|------------------------|-------------|------------|----------------------|-------------|-----------------------|-------------|--------------|------------|
| | | | Value | MOIC (c) | % Public | Value | MOIC (c) | Value | MOIC (c) | Realized | Total |
| Private Equity | | | | | | | | | | | |
| BCP I (Oct 1987 / Oct 1993) | \$ 859,081 | \$ - | \$ - | n/a | - | \$ 1,741,739 | 2.6x | \$ 1,741,739 | 2.6x | 19% | 19% |
| BCP II (Oct 1993 / Aug 1997) | 1,361,100 | - | - | n/a | - | 3,256,819 | 2.5x | 3,256,819 | 2.5x | 32% | 32% |
| BCP III (Aug 1997 / Nov 2002) | 3,967,422 | - | - | n/a | - | 9,184,688 | 2.3x | 9,184,688 | 2.3x | 14% | 14% |
| BCOM (Jun 2000 / Jun 2006) | 2,137,330 | 24,575 | 19,779 | 1.6x | - | 2,951,018 | 1.4x | 2,970,797 | 1.4x | 6% | 6% |
| BCP IV (Nov 2002 / Dec 2005) | 6,773,182 | 212,516 | 1,114,368 | 1.1x | 31% | 20,289,732 | 3.1x | 21,404,100 | 2.8x | 41% | 36% |
| BCP V (Dec 2005 / Jan 2011) | 21,024,923 | 1,246,134 | 2,697,056 | 1.2x | 44% | 35,301,800 | 2.0x | 37,998,856 | 1.9x | 9% | 8% |
| BCP VI (Jan 2011 / May 2016) | 15,189,705 | 1,844,270 | 15,373,870 | 1.5x | 23% | 6,531,264 | 2.0x | 21,905,134 | 1.6x | 28% | 13% |
| BEP I (Aug 2011 / Feb 2015) | 2,437,608 | 165,197 | 2,813,735 | 1.5x | 33% | 882,893 | 1.9x | 3,696,628 | 1.5x | 38% | 13% |
| BEP II (Feb 2015 / Feb 2021) | 4,840,487 | 2,313,752 | 1,929,406 | 1.2x | - | - | n/a | 1,929,406 | 1.2x | n/a | 22% |
| BCP VII (May 2016 / May 2022) | 18,536,458 | 14,818,376 | 2,536,976 | 1.1x | - | 7,185 | 1.0x | 2,544,161 | 1.1x | n/a | n/m |
| Total Corporate Private Equity | \$ 77,127,296 | \$ 20,624,820 | \$ 26,485,190 | 1.3x | 22% | \$ 80,147,138 | 2.2x | \$ 106,632,328 | 1.9x | 17% | 15% |
| Tactical Opportunities | 13,958,437 | 6,023,018 | 8,990,106 | 1.2x | 8% | 2,633,301 | 1.5x | 11,623,407 | 1.3x | 25% | 11% |
| Tactical Opportunities Co-Investment and Other | 3,616,700 | 1,122,199 | 2,480,339 | 1.2x | - | 341,923 | 1.4x | 2,822,262 | 1.2x | n/a | 14% |
| Strategic Partners I-V and Co-Investment (e) | 12,832,966 | 2,443,900 | 2,732,918 | n/m | - | 14,602,632 | n/m | 17,335,550 | 1.5x | n/a | 13% |
| Strategic Partners VI LBO, RE and SMA (e) | 7,402,171 | 2,418,015 | 3,591,899 | n/m | - | 1,442,740 | n/m | 5,034,639 | 1.4x | n/a | 22% |
| Strategic Partners VII (e) | 7,489,970 | 5,318,682 | 1,008,618 | n/m | - | 91,547 | n/m | 1,100,165 | 1.3x | n/a | n/m |
| Strategic Partners RA II (e) | 249,384 | 50,889 | 137,161 | n/m | - | - | n/m | 137,161 | 1.0x | n/a | n/m |
| BCEP (f) | 4,755,133 | 4,150,911 | 604,222 | 1.0x | - | - | n/a | 604,222 | 1.0x | n/a | n/a |
| Other Funds and Co-Investment (g) | 1,502,885 | 353,556 | 45,120 | 0.8x | 40% | 636,117 | 0.9x | 681,237 | 0.9x | n/a | n/a |
| Real Estate | | | | | | | | | | | |
| Dollar | | | | | | | | | | | |
| Pre-BREP | \$ 140,714 | \$ - | \$ - | n/a | - | \$ 345,190 | 2.5x | \$ 345,190 | 2.5x | 33% | 33% |
| BREP I (Sep 1994 / Oct 1996) | 380,708 | - | - | n/a | - | 1,327,708 | 2.8x | 1,327,708 | 2.8x | 40% | 40% |
| BREP II (Oct 1996 / Mar 1999) | 1,198,339 | - | - | n/a | - | 2,531,614 | 2.1x | 2,531,614 | 2.1x | 19% | 19% |
| BREP III (Apr 1999 / Apr 2003) | 1,522,708 | - | - | n/a | - | 3,330,406 | 2.4x | 3,330,406 | 2.4x | 21% | 21% |
| BREP IV (Apr 2003 / Dec 2005) | 2,198,694 | - | 378,800 | 0.5x | 29% | 4,160,477 | 2.2x | 4,539,277 | 1.7x | 31% | 12% |
| BREP V (Dec 2005 / Feb 2007) | 5,539,418 | - | 2,295,369 | 2.0x | 18% | 10,866,833 | 2.3x | 13,162,202 | 2.3x | 12% | 11% |
| BREP VI (Feb 2007 / Aug 2011) | 11,060,444 | 557,693 | 2,631,405 | 2.1x | 35% | 24,422,587 | 2.5x | 27,053,992 | 2.5x | 14% | 13% |
| BREP VII (Aug 2011 / Apr 2015) | 13,493,814 | 2,172,461 | 14,166,287 | 1.7x | 17% | 12,106,365 | 1.9x | 26,272,652 | 1.8x | 26% | 18% |
| BREP VIII (Apr 2015 / Oct 2020) | 16,418,814 | 10,189,921 | 8,468,959 | 1.4x | 1% | 2,219,794 | 1.2x | 10,688,753 | 1.3x | 20% | 19% |
| Total Global BREP | \$ 51,953,653 | \$ 12,920,075 | \$ 27,940,820 | 1.6x | 14% | \$ 61,310,974 | 2.2x | \$ 89,251,794 | 2.0x | 19% | 16% |
| Euro | | | | | | | | | | | |
| BREP Int'l (Jan 2001 / Sep 2005) | € 824,172 | € - | € - | n/a | - | € 1,369,016 | 2.1x | € 1,369,016 | 2.1x | 23% | 23% |
| BREP Int'l II (Sep 2005 / Jun 2008) | 1,629,748 | - | 244,412 | 0.7x | 39% | 2,131,289 | 2.0x | 2,375,701 | 1.7x | 9% | 6% |
| BREP Europe III (Jun 2008 / Sep 2013) | 3,205,140 | 465,159 | 2,886,818 | 1.9x | - | 3,238,060 | 2.2x | 6,124,878 | 2.1x | 22% | 16% |
| BREP Europe IV (Sep 2013 / Dec 2016) | 6,707,621 | 1,480,234 | 8,603,484 | 1.6x | 3% | 1,401,874 | 1.6x | 10,005,358 | 1.6x | 25% | 19% |
| BREP Europe V (Dec 2016 / Jun 2022) | 7,802,759 | 6,991,347 | 767,126 | 1.0x | - | - | n/a | 767,126 | 1.0x | n/a | n/m |
| Total Euro BREP | € 20,169,440 | € 8,936,740 | € 12,501,840 | 1.6x | 3% | € 8,140,239 | 2.0x | € 20,642,079 | 1.7x | 16% | 14% |
| BREP Co-Investment (h) | \$ 6,819,065 | \$ 146,573 | \$ 2,568,442 | 1.7x | 59% | \$ 10,854,235 | 2.1x | \$ 13,422,677 | 2.0x | 16% | 16% |
| BREP Asia (Jun 2013 / Dec 2017) | 5,088,136 | 2,918,305 | 2,989,782 | 1.4x | 1% | 2,158,819 | 1.7x | 5,148,601 | 1.5x | 22% | 17% |
| Total BREP | \$ 88,557,606 | \$ 26,196,073 | \$ 48,710,260 | 1.6x | 12% | \$ 85,150,346 | 2.2x | \$ 133,860,606 | 1.9x | 18% | 16% |
| BPP (i) | \$ 14,365,011 | \$ 3,271,785 | \$ 14,037,128 | 1.2x | - | \$ 107,286 | 1.9x | \$ 14,144,414 | 1.2x | 36% | 12% |
| BREDS (j) | \$ 12,830,654 | \$ 6,332,716 | \$ 3,112,829 | 1.2x | - | \$ 7,058,499 | 1.3x | \$ 10,171,328 | 1.3x | 12% | 11% |
| Hedge Fund Solutions | | | | | | | | | | | |
| BSCH (Dec 2013 / Jun 2020) (k) | \$ 3,300,600 | \$ 2,640,212 | \$ 676,387 | 1.0x | - | \$ 143,817 | n/a | \$ 820,204 | 1.3x | n/a | 4% |
| BSCH Co-Investment | 75,500 | 31,237 | 42,270 | 0.9x | - | 4,298 | n/a | 46,568 | 1.0x | n/a | 1% |
| Total Hedge Fund Solutions | \$ 3,376,100 | \$ 2,671,449 | \$ 718,657 | 1.0x | - | \$ 148,115 | n/a | \$ 866,772 | 1.2x | n/a | 4% |
| Credit (l) | | | | | | | | | | | |
| Mezzanine I (Jul 2007 / Oct 2011) | \$ 2,000,000 | \$ 99,280 | \$ 146,709 | 1.2x | - | \$ 4,679,765 | 1.6x | \$ 4,826,474 | 1.6x | n/a | 17% |
| Mezzanine II (Nov 2011 / Nov 2016) | 4,120,000 | 1,149,661 | 3,512,723 | 1.1x | - | 2,656,386 | 1.5x | 6,169,109 | 1.3x | n/a | 13% |
| Mezzanine III (Sep 2016 / Sep 2021) | 6,639,133 | 4,615,989 | 1,602,966 | 1.1x | - | - | n/a | 1,602,966 | 1.1x | n/a | n/m |
| Stressed / Distressed Investing I (Sep 2009 / May 2013) | 3,253,143 | 275,335 | 814,905 | 1.1x | - | 5,120,819 | 1.5x | 5,935,724 | 1.4x | n/a | 11% |
| Stressed / Distressed Investing II (Jun 2013 / Jun 2018) | 5,125,000 | 1,232,781 | 3,600,590 | 1.2x | - | 1,338,835 | 1.3x | 4,939,425 | 1.2x | n/a | 15% |
| Energy Select Opportunities (Nov 2015 / Nov 2018) | 2,856,866 | 1,705,293 | 934,990 | 1.1x | - | 172,602 | 1.5x | 1,107,592 | 1.2x | n/a | 20% |
| Euro | | | | | | | | | | | |
| European Senior Debt Fund (Feb 2015 / Feb 2018) | € 1,964,689 | € 1,994,714 | € 1,537,353 | 1.0x | - | € 215,224 | 1.2x | € 1,752,577 | 1.0x | n/a | 5% |
| Total Credit | \$ 26,260,552 | \$ 11,353,411 | \$ 12,362,599 | 1.1x | - | \$ 14,206,434 | 1.5x | \$ 26,569,033 | 1.3x | n/a | 14% |

Investment Records as of June 30, 2017 – Notes

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

n/m Not meaningful.

n/a Not applicable.

- (a) Preliminary.
- (b) Available Capital represents total investable capital commitments, including side-by-side, adjusted for certain expenses and expired or callable capital and may include leverage, less invested capital. This amount is not reduced by outstanding commitments to investments.
- (c) Multiple of Invested Capital (“MOIC”) represents carrying value, before management fees, expenses and Carried Interest, divided by invested capital.
- (d) Net Internal Rate of Return (“IRR”) represents the annualized inception to June 30, 2017 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest.
- (e) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not meaningful.
- (f) BCEP, or Blackstone Core Equity Partners, is a core private equity fund which invests with a more modest risk profile and longer hold period.
- (g) Returns for Other Funds and Co-Investment are not meaningful as these funds have limited transaction activity.
- (h) 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.
- (i) BPP represents the core+ real estate funds which invest with a more modest risk profile and lower leverage. Excludes BREIT.
- (j) Excludes Capital Trust drawdown funds.
- (k) BSCH, or Blackstone Strategic Capital Holdings, is a permanent capital vehicle focused on acquiring strategic minority positions in alternative asset managers.
- (l) Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the seven credit drawdown funds presented.

Definitions

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

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