

# Blackstone's 4Q'18 Supplemental Financial Data

January 31, 2019

## Notes

Effective as of and for the three months ended December 31, 2018, Blackstone senior management determined that segment Distributable Earnings, and not Economic Income, is the measure that it uses to assess the performance of its business segments. Blackstone believes Distributable Earnings to be more useful to unitholders than Economic Income or Economic Net Income as a supplement to its results reported in accordance with accounting principles generally accepted in the United States of America ("GAAP") because it better reflects the manner in which Blackstone makes operating decisions, allocates resources and determines the compensation of employees across all of its business segments.

Based on that determination, the following pages:

- Provide new disclosure of each segment's Distributable Earnings together with its principal components, including Fee Related Earnings.
- Remove the calculation and presentation of Economic Income and Economic Net Income as non-GAAP measures.
- Provide reconciliations from GAAP to Distributable Earnings and Fee Related Earnings as well as updated Definitions to reflect these changes.

These updates resulted in no changes to the GAAP Consolidated Statements of Operations or the previous calculation of Distributable Earnings or Fee Related Earnings. Please refer to the Reconciliation of GAAP to Non-GAAP Measures and Definitions for further information. All prior periods have been recast to reflect these updates.

## Total Segments

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
Management and Advisory Fees, Net												
Base Management Fees	\$ 586,703	\$ 593,996	\$ 593,509	\$ 623,571	\$ 642,958	\$ 671,368	\$ 669,902	\$ 696,163	\$ 707,156	\$ 692,915	\$ 721,606	\$ 722,648
Transaction, Advisory and Other Fees, Net	46,599	33,620	29,021	35,618	40,222	38,892	32,295	45,407	37,066	40,912	73,944	77,576
Management Fee Offsets	(20,101)	(15,396)	(20,850)	(23,297)	(33,599)	(13,424)	(10,215)	(9,178)	(8,178)	(10,833)	(16,331)	(2,029)
Total Management and Advisory Fees, Net	613,201	612,220	601,680	635,892	649,581	696,836	691,982	732,392	736,044	722,994	779,219	798,195
Fee Related Performance Revenues	24,209	27,937	23,715	25,569	27,214	28,356	65,786	48,089	3,837	45,515	30,299	44,185
Fee Related Compensation	(277,345)	(281,693)	(262,181)	(233,219)	(274,078)	(292,511)	(307,017)	(312,033)	(296,074)	(306,243)	(334,545)	(279,284)
Other Operating Expenses	(100,094)	(108,475)	(103,625)	(119,642)	(96,462)	(105,838)	(106,617)	(115,949)	(107,092)	(122,466)	(128,745)	(130,025)
<b>Fee Related Earnings</b>	<b>\$ 259,971</b>	<b>\$ 249,989</b>	<b>\$ 259,589</b>	<b>\$ 308,600</b>	<b>\$ 306,255</b>	<b>\$ 326,843</b>	<b>\$ 344,134</b>	<b>\$ 352,499</b>	<b>\$ 336,715</b>	<b>\$ 339,800</b>	<b>\$ 346,228</b>	<b>\$ 433,071</b>
Realized Performance Revenues	235,150	325,160	510,602	474,674	1,131,245	615,043	404,721	1,496,798	278,371	477,544	572,159	483,697
Realized Performance Compensation	(60,660)	(88,772)	(172,099)	(161,726)	(373,978)	(201,526)	(148,808)	(573,299)	(114,829)	(172,894)	(190,773)	(199,645)
Realized Principal Investment Income (Loss)	(10,101)	53,670	60,634	95,666	202,894	100,887	60,188	72,225	28,693	94,647	65,620	47,098
<b>Total Net Realizations</b>	<b>164,389</b>	<b>290,058</b>	<b>399,137</b>	<b>408,614</b>	<b>960,161</b>	<b>514,404</b>	<b>316,101</b>	<b>995,724</b>	<b>192,235</b>	<b>399,297</b>	<b>447,006</b>	<b>331,150</b>
<b>Total Segment Distributable Earnings</b>	<b>\$ 424,360</b>	<b>\$ 540,047</b>	<b>\$ 658,726</b>	<b>\$ 717,214</b>	<b>\$ 1,266,416</b>	<b>\$ 841,247</b>	<b>\$ 660,235</b>	<b>\$ 1,348,223</b>	<b>\$ 528,950</b>	<b>\$ 739,097</b>	<b>\$ 793,234</b>	<b>\$ 764,221</b>
Net Interest Income (Loss)	(13,351)	(13,546)	(14,184)	(10,542)	(10,954)	(6,591)	(2,864)	(29,509)	(1,853)	2,842	9,013	11,923
Taxes and Related Payables	(16,794)	(31,588)	(51,089)	(67,678)	(25,324)	(53,291)	(31,805)	(79,568)	(25,042)	(41,797)	(32,963)	(54,063)
<b>Distributable Earnings</b>	<b>\$ 394,215</b>	<b>\$ 494,913</b>	<b>\$ 593,453</b>	<b>\$ 638,994</b>	<b>\$ 1,230,138</b>	<b>\$ 781,365</b>	<b>\$ 625,566</b>	<b>\$ 1,239,146</b>	<b>\$ 502,055</b>	<b>\$ 700,142</b>	<b>\$ 769,284</b>	<b>\$ 722,081</b>
Total Segment Revenues	\$ 862,459	\$ 1,018,987	\$ 1,196,631	\$ 1,231,801	\$ 2,010,934	\$ 1,441,122	\$ 1,222,677	\$ 2,349,504	\$ 1,046,945	\$ 1,340,700	\$ 1,447,297	\$ 1,373,175
Total Assets Under Management	\$ 343,705,462	\$ 356,281,669	\$ 361,040,173	\$ 366,553,465	\$ 368,196,917	\$ 371,056,281	\$ 387,449,746	\$ 434,128,243	\$ 449,613,826	\$ 439,386,656	\$ 456,691,832	\$ 472,242,317
Fee-Earning Assets Under Management	\$ 244,452,764	\$ 266,006,713	\$ 267,757,727	\$ 277,092,672	\$ 280,215,551	\$ 281,934,511	\$ 285,698,425	\$ 335,343,998	\$ 344,650,797	\$ 332,978,145	\$ 342,261,123	\$ 342,527,507
Weighted Average Fee-Earning AUM	\$ 244,891,488	\$ 259,756,363	\$ 268,503,412	\$ 274,475,842	\$ 279,582,971	\$ 281,966,547	\$ 284,114,581	\$ 311,353,064	\$ 343,211,044	\$ 328,594,512	\$ 340,994,284	\$ 343,514,196
LP Capital Invested	\$ 6,515,571	\$ 3,795,171	\$ 4,136,405	\$ 7,974,603	\$ 9,709,930	\$ 7,799,624	\$ 10,043,022	\$ 18,663,837	\$ 9,323,329	\$ 8,026,698	\$ 9,358,423	\$ 14,218,797
Total Capital Invested	\$ 6,693,375	\$ 4,049,774	\$ 4,310,564	\$ 8,221,697	\$ 11,840,913	\$ 8,382,583	\$ 10,925,170	\$ 19,529,797	\$ 10,119,519	\$ 8,351,772	\$ 9,894,470	\$ 16,349,738

## Real Estate

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
<b>Management Fees, Net</b>												
Base Management Fees	\$ 199,907	\$ 201,004	\$ 197,629	\$ 196,621	\$ 197,879	\$ 227,865	\$ 224,048	\$ 222,399	\$ 226,526	\$ 249,680	\$ 254,088	\$ 255,105
Transaction and Other Fees, Net	35,794	21,112	14,190	24,228	21,279	16,087	20,616	24,799	23,088	23,859	45,678	59,888
Management Fee Offsets	(3,595)	(1,219)	(842)	(1,666)	(3,550)	(5,018)	(4,232)	(3,134)	(1,668)	(3,785)	(8,265)	2,276
Total Management Fees, Net	232,106	220,897	210,977	219,183	215,608	238,934	240,432	244,064	247,946	269,754	291,501	317,269
Fee Related Performance Revenues	4,563	6,100	3,857	3,658	3,342	4,877	50,551	20,730	4,503	45,515	30,299	44,185
Fee Related Compensation	(99,355)	(102,580)	(97,676)	(79,720)	(96,740)	(105,582)	(120,167)	(114,822)	(100,610)	(120,783)	(128,342)	(109,695)
Other Operating Expenses	(31,824)	(35,785)	(32,016)	(37,956)	(30,864)	(33,379)	(33,256)	(38,543)	(29,417)	(36,026)	(39,787)	(41,030)
<b>Fee Related Earnings</b>	<b>\$ 105,490</b>	<b>\$ 88,632</b>	<b>\$ 85,142</b>	<b>\$ 105,165</b>	<b>\$ 91,346</b>	<b>\$ 104,850</b>	<b>\$ 137,560</b>	<b>\$ 111,429</b>	<b>\$ 122,422</b>	<b>\$ 158,460</b>	<b>\$ 153,671</b>	<b>\$ 210,729</b>
Realized Performance Revenues	200,133	266,381	461,980	286,437	519,413	389,442	261,159	971,360	151,181	317,509	273,309	172,985
Realized Performance Compensation	(42,858)	(56,441)	(147,419)	(88,429)	(179,741)	(124,513)	(84,199)	(363,073)	(56,115)	(94,716)	(79,309)	(54,179)
Realized Principal Investment Income	12,975	19,929	46,704	43,104	119,579	57,599	44,449	34,276	14,690	50,199	16,197	11,439
<b>Total Net Realizations</b>	<b>170,250</b>	<b>229,869</b>	<b>361,265</b>	<b>241,112</b>	<b>459,251</b>	<b>322,528</b>	<b>221,409</b>	<b>642,563</b>	<b>109,756</b>	<b>272,992</b>	<b>210,197</b>	<b>130,245</b>
<b>Segment Distributable Earnings</b>	<b>\$ 275,740</b>	<b>\$ 318,501</b>	<b>\$ 446,407</b>	<b>\$ 346,277</b>	<b>\$ 550,597</b>	<b>\$ 427,378</b>	<b>\$ 358,969</b>	<b>\$ 753,992</b>	<b>\$ 232,178</b>	<b>\$ 431,452</b>	<b>\$ 363,868</b>	<b>\$ 340,974</b>
Segment Revenues	\$ 449,777	\$ 513,307	\$ 723,518	\$ 552,382	\$ 857,942	\$ 690,852	\$ 596,591	\$ 1,270,430	\$ 418,320	\$ 682,977	\$ 611,306	\$ 545,878
Total Assets Under Management	\$ 101,107,528	\$ 103,197,060	\$ 101,876,562	\$ 101,963,652	\$ 102,070,930	\$ 104,034,287	\$ 111,298,844	\$ 115,340,363	\$ 119,575,884	\$ 119,399,973	\$ 119,942,029	\$ 136,247,229
Fee-Earning Assets Under Management	\$ 67,298,439	\$ 66,744,550	\$ 65,785,083	\$ 72,030,054	\$ 71,904,741	\$ 73,710,243	\$ 75,081,521	\$ 83,984,824	\$ 87,284,578	\$ 88,776,501	\$ 90,772,735	\$ 93,252,724
Weighted Average Fee-Earning AUM	\$ 66,943,268	\$ 67,215,301	\$ 66,708,328	\$ 68,688,082	\$ 72,268,792	\$ 73,320,319	\$ 74,340,895	\$ 77,626,395	\$ 86,670,284	\$ 88,050,906	\$ 90,280,123	\$ 92,086,794
LP Capital Invested	\$ 3,747,181	\$ 1,524,415	\$ 1,719,764	\$ 3,978,386	\$ 2,590,419	\$ 2,371,918	\$ 3,778,790	\$ 10,845,388	\$ 4,254,201	\$ 4,538,154	\$ 3,977,693	\$ 5,604,384
Total Capital Invested	\$ 3,820,460	\$ 1,557,192	\$ 1,749,778	\$ 4,048,827	\$ 2,651,965	\$ 2,379,922	\$ 3,841,972	\$ 11,008,356	\$ 4,342,936	\$ 4,600,382	\$ 4,053,615	\$ 5,729,441

## Private Equity

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
Management and Advisory Fees, Net												
Base Management Fees	\$ 130,648	\$ 131,477	\$ 132,914	\$ 160,554	\$ 176,706	\$ 177,684	\$ 182,764	\$ 187,664	\$ 182,961	\$ 195,521	\$ 205,893	\$ 200,848
Transaction, Advisory and Other Fees, Net	8,920	11,089	11,511	7,763	16,176	17,289	8,748	15,411	11,094	12,780	21,709	12,582
Management Fee Offsets	(6,848)	(4,195)	(12,917)	(10,850)	(12,190)	(3,753)	(1,088)	(976)	(3,193)	(4,351)	(4,973)	(987)
Total Management and Advisory Fees, Net	132,720	138,371	131,508	157,467	180,692	191,220	190,424	202,099	190,862	203,950	222,629	212,443
Fee Related Compensation	(74,944)	(81,202)	(71,337)	(70,666)	(79,158)	(86,209)	(91,512)	(90,683)	(89,566)	(94,170)	(105,621)	(86,089)
Other Operating Expenses	(31,980)	(32,184)	(31,750)	(34,771)	(27,761)	(28,592)	(32,166)	(32,478)	(31,151)	(36,047)	(36,654)	(29,244)
<b>Fee Related Earnings</b>	<b>\$ 25,796</b>	<b>\$ 24,985</b>	<b>\$ 28,421</b>	<b>\$ 52,030</b>	<b>\$ 73,773</b>	<b>\$ 76,419</b>	<b>\$ 66,746</b>	<b>\$ 78,938</b>	<b>\$ 70,145</b>	<b>\$ 73,733</b>	<b>\$ 80,354</b>	<b>\$ 97,110</b>
Realized Performance Revenues	30,282	57,056	26,398	131,532	582,681	198,168	101,918	274,421	77,123	138,171	290,012	252,100
Realized Performance Compensation	(15,427)	(30,946)	(13,741)	(50,768)	(181,633)	(63,060)	(48,019)	(111,832)	(33,045)	(68,513)	(106,400)	(110,209)
Realized Principal Investment Income (Loss)	(15,357)	22,926	15,469	50,339	81,294	41,168	7,077	25,298	6,338	32,600	44,408	26,385
<b>Total Net Realizations</b>	<b>(502)</b>	<b>49,036</b>	<b>28,126</b>	<b>131,103</b>	<b>482,342</b>	<b>176,276</b>	<b>60,976</b>	<b>187,887</b>	<b>50,416</b>	<b>102,258</b>	<b>228,020</b>	<b>168,276</b>
<b>Segment Distributable Earnings</b>	<b>\$ 25,294</b>	<b>\$ 74,021</b>	<b>\$ 56,547</b>	<b>\$ 183,133</b>	<b>\$ 556,115</b>	<b>\$ 252,695</b>	<b>\$ 127,722</b>	<b>\$ 266,825</b>	<b>\$ 120,561</b>	<b>\$ 175,991</b>	<b>\$ 308,374</b>	<b>\$ 265,386</b>
Segment Revenues												
Segment Revenues	\$ 147,645	\$ 218,353	\$ 173,375	\$ 339,338	\$ 844,667	\$ 430,556	\$ 299,419	\$ 501,818	\$ 274,323	\$ 374,721	\$ 557,049	\$ 490,928
Total Assets Under Management	\$ 95,466,227	\$ 99,685,655	\$ 99,719,374	\$ 100,189,994	\$ 99,707,057	\$ 100,019,716	\$ 102,453,979	\$ 105,560,576	\$ 111,414,214	\$ 119,524,518	\$ 126,184,368	\$ 130,665,286
Fee-Earning Assets Under Management	\$ 50,228,312	\$ 69,467,174	\$ 69,344,971	\$ 69,110,457	\$ 68,227,286	\$ 68,029,670	\$ 67,538,062	\$ 70,140,883	\$ 72,398,415	\$ 78,045,697	\$ 78,195,072	\$ 80,008,166
Weighted Average Fee-Earning AUM	\$ 51,240,819	\$ 63,363,932	\$ 69,506,677	\$ 69,613,443	\$ 68,613,668	\$ 68,194,287	\$ 67,606,365	\$ 68,815,882	\$ 71,881,372	\$ 73,587,774	\$ 78,938,034	\$ 79,101,203
LP Capital Invested	\$ 1,865,698	\$ 1,538,436	\$ 1,683,747	\$ 2,355,726	\$ 4,736,388	\$ 3,846,841	\$ 3,725,919	\$ 4,614,237	\$ 3,301,949	\$ 2,356,960	\$ 2,981,402	\$ 5,541,364
Total Capital Invested	\$ 1,974,391	\$ 1,637,601	\$ 1,804,304	\$ 2,495,215	\$ 6,748,859	\$ 4,221,479	\$ 4,279,062	\$ 4,929,609	\$ 3,955,198	\$ 2,586,395	\$ 3,276,586	\$ 6,833,187

## Hedge Fund Solutions

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
Management Fees, Net												
Base Management Fees	\$ 130,158	\$ 130,123	\$ 130,305	\$ 131,150	\$ 128,468	\$ 128,698	\$ 129,410	\$ 129,472	\$ 129,228	\$ 129,553	\$ 129,554	\$ 131,447
Transaction and Other Fees, Net	543	(5)	116	407	259	1,696	48	977	345	812	766	1,257
Management Fee Offsets	-	-	-	-	-	-	(28)	(65)	-	-	-	(93)
Total Management Fees, Net	130,701	130,118	130,421	131,557	128,727	130,394	129,430	130,384	129,573	130,365	130,320	132,611
Fee Related Compensation	(45,723)	(36,536)	(40,562)	(30,824)	(37,865)	(39,278)	(37,450)	(32,331)	(39,639)	(40,533)	(43,443)	(38,557)
Other Operating Expenses	(18,107)	(19,131)	(19,593)	(19,039)	(16,379)	(16,318)	(17,958)	(17,610)	(18,785)	(18,494)	(20,753)	(19,740)
<b>Fee Related Earnings</b>	<b>\$ 66,871</b>	<b>\$ 74,451</b>	<b>\$ 70,266</b>	<b>\$ 81,694</b>	<b>\$ 74,483</b>	<b>\$ 74,798</b>	<b>\$ 74,022</b>	<b>\$ 80,443</b>	<b>\$ 71,149</b>	<b>\$ 71,338</b>	<b>\$ 66,124</b>	<b>\$ 74,314</b>
Realized Performance Revenues	2,684	(251)	4,572	35,172	14,684	6,995	14,217	118,447	10,177	7,270	3,985	20,987
Realized Performance Compensation	(963)	(74)	(1,782)	(12,210)	(4,171)	(2,008)	(3,588)	(30,940)	(2,923)	(2,546)	(1,922)	(14,401)
Realized Principal Investment Income (Loss)	(4,745)	(515)	(1,211)	(753)	(632)	225	1,316	8,165	640	7,766	2,024	6,609
<b>Total Net Realizations</b>	<b>(3,024)</b>	<b>(840)</b>	<b>1,579</b>	<b>22,209</b>	<b>9,881</b>	<b>5,212</b>	<b>11,945</b>	<b>95,672</b>	<b>7,894</b>	<b>12,490</b>	<b>4,087</b>	<b>13,195</b>
<b>Segment Distributable Earnings</b>	<b>\$ 63,847</b>	<b>\$ 73,611</b>	<b>\$ 71,845</b>	<b>\$ 103,903</b>	<b>\$ 84,364</b>	<b>\$ 80,010</b>	<b>\$ 85,967</b>	<b>\$ 176,115</b>	<b>\$ 79,043</b>	<b>\$ 83,828</b>	<b>\$ 70,211</b>	<b>\$ 87,509</b>
Segment Revenues												
Segment Revenues	\$ 128,640	\$ 129,352	\$ 133,782	\$ 165,976	\$ 142,779	\$ 137,614	\$ 144,963	\$ 256,996	\$ 140,390	\$ 145,401	\$ 136,329	\$ 160,207
Total Assets Under Management	\$ 68,475,416	\$ 68,649,878	\$ 70,113,508	\$ 71,119,718	\$ 73,303,381	\$ 72,476,444	\$ 74,219,563	\$ 75,090,834	\$ 78,657,551	\$ 77,403,078	\$ 80,005,136	\$ 77,814,516
Fee-Earning Assets Under Management	\$ 64,831,253	\$ 64,973,999	\$ 66,434,971	\$ 66,987,553	\$ 68,812,528	\$ 67,824,464	\$ 69,037,961	\$ 69,914,061	\$ 73,570,498	\$ 71,889,290	\$ 74,558,599	\$ 72,280,606
Weighted Average Fee-Earning AUM	\$ 65,123,126	\$ 65,520,626	\$ 66,600,260	\$ 67,993,100	\$ 68,406,531	\$ 69,301,130	\$ 68,957,501	\$ 71,101,632	\$ 72,979,993	\$ 73,635,114	\$ 74,637,255	\$ 74,232,169
LP Capital Invested	\$ 315,757	\$ 32,804	\$ 144,505	\$ 260,482	\$ 121,857	\$ 89,985	\$ 360,748	\$ 328,640	\$ 755,818	\$ 112,753	\$ 226,086	\$ 376,061
Total Capital Invested	\$ 329,793	\$ 32,809	\$ 151,099	\$ 260,742	\$ 121,888	\$ 93,191	\$ 363,420	\$ 383,070	\$ 785,874	\$ 113,108	\$ 227,870	\$ 575,115

## Credit

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
<b>Management Fees, Net</b>												
Base Management Fees	\$ 125,990	\$ 131,392	\$ 132,661	\$ 135,246	\$ 139,905	\$ 137,121	\$ 133,680	\$ 156,628	\$ 168,441	\$ 118,161	\$ 132,071	\$ 135,248
Transaction and Other Fees, Net	1,342	1,424	3,204	3,220	2,508	3,820	2,883	4,220	2,539	3,461	5,791	3,849
Management Fee Offsets	(9,658)	(9,982)	(7,091)	(10,781)	(17,859)	(4,653)	(4,867)	(5,003)	(3,317)	(2,697)	(3,093)	(3,225)
<b>Total Management Fees, Net</b>	<b>117,674</b>	<b>122,834</b>	<b>128,774</b>	<b>127,685</b>	<b>124,554</b>	<b>136,288</b>	<b>131,696</b>	<b>155,845</b>	<b>167,663</b>	<b>118,925</b>	<b>134,769</b>	<b>135,872</b>
Fee Related Performance Revenues	19,646	21,837	19,858	21,911	23,872	23,479	15,235	27,359	(666)	-	-	-
Fee Related Compensation	(57,323)	(61,375)	(52,606)	(52,009)	(60,315)	(61,442)	(57,888)	(74,197)	(66,259)	(50,757)	(57,139)	(44,943)
Other Operating Expenses	(18,183)	(21,375)	(20,266)	(27,876)	(21,458)	(27,549)	(23,237)	(27,318)	(27,739)	(31,899)	(31,551)	(40,011)
<b>Fee Related Earnings</b>	<b>\$ 61,814</b>	<b>\$ 61,921</b>	<b>\$ 75,760</b>	<b>\$ 69,711</b>	<b>\$ 66,653</b>	<b>\$ 70,776</b>	<b>\$ 65,806</b>	<b>\$ 81,689</b>	<b>\$ 72,999</b>	<b>\$ 36,269</b>	<b>\$ 46,079</b>	<b>\$ 50,918</b>
Realized Performance Revenues	2,051	1,974	17,652	21,533	14,467	20,438	27,427	132,570	39,890	14,594	4,853	37,625
Realized Performance Compensation	(1,412)	(1,311)	(9,157)	(10,319)	(8,433)	(11,945)	(13,002)	(67,454)	(22,746)	(7,119)	(3,142)	(20,856)
Realized Principal Investment Income (Loss)	(2,974)	11,330	(328)	2,976	2,653	1,895	7,346	4,486	7,025	4,082	2,991	2,665
<b>Total Net Realizations</b>	<b>(2,335)</b>	<b>11,993</b>	<b>8,167</b>	<b>14,190</b>	<b>8,687</b>	<b>10,388</b>	<b>21,771</b>	<b>69,602</b>	<b>24,169</b>	<b>11,557</b>	<b>4,702</b>	<b>19,434</b>
<b>Segment Distributable Earnings</b>	<b>\$ 59,479</b>	<b>\$ 73,914</b>	<b>\$ 83,927</b>	<b>\$ 83,901</b>	<b>\$ 75,340</b>	<b>\$ 81,164</b>	<b>\$ 87,577</b>	<b>\$ 151,291</b>	<b>\$ 97,168</b>	<b>\$ 47,826</b>	<b>\$ 50,781</b>	<b>\$ 70,352</b>
Segment Revenues	\$ 136,397	\$ 157,975	\$ 165,956	\$ 174,105	\$ 165,546	\$ 182,100	\$ 181,704	\$ 320,260	\$ 213,912	\$ 137,601	\$ 142,613	\$ 176,162
Total Assets Under Management	\$ 78,656,291	\$ 84,749,076	\$ 89,330,729	\$ 93,280,101	\$ 93,115,549	\$ 94,525,834	\$ 99,477,360	\$ 138,136,470	\$ 139,966,177	\$ 123,059,087	\$ 130,560,299	\$ 127,515,286
Fee-Earning Assets Under Management	\$ 62,094,760	\$ 64,820,990	\$ 66,192,702	\$ 68,964,608	\$ 71,270,996	\$ 72,370,134	\$ 74,040,881	\$ 111,304,230	\$ 111,397,306	\$ 94,266,657	\$ 98,734,717	\$ 96,986,011
Weighted Average Fee-Earning AUM	\$ 61,584,275	\$ 63,656,504	\$ 65,688,147	\$ 68,181,217	\$ 70,293,980	\$ 71,150,811	\$ 73,209,820	\$ 93,809,155	\$ 111,679,395	\$ 93,320,718	\$ 97,138,872	\$ 98,094,030
LP Capital Invested	\$ 586,935	\$ 699,516	\$ 588,389	\$ 1,380,009	\$ 2,261,266	\$ 1,490,880	\$ 2,177,565	\$ 2,875,572	\$ 1,011,361	\$ 1,018,831	\$ 2,173,242	\$ 2,696,988
Total Capital Invested	\$ 568,731	\$ 822,172	\$ 605,383	\$ 1,416,913	\$ 2,318,201	\$ 1,687,991	\$ 2,440,716	\$ 3,208,762	\$ 1,035,511	\$ 1,051,887	\$ 2,336,399	\$ 3,211,995

## Total Segments

(Dollars in Thousands)	2014	2015	2016	2017	2018
Management and Advisory Fees, Net					
Base Management Fees	\$ 1,987,529	\$ 2,196,583	\$ 2,397,779	\$ 2,680,391	\$ 2,844,325
Transaction, Advisory and Other Fees, Net	667,282	461,816	144,858	156,816	229,498
Management Fee Offsets	(86,771)	(93,494)	(79,644)	(66,416)	(37,371)
Total Management and Advisory Fees, Net	2,568,040	2,564,905	2,462,993	2,770,791	3,036,452
Fee Related Performance Revenues	63,921	101,119	101,430	169,445	123,836
Fee Related Compensation	(1,139,738)	(1,136,083)	(1,054,438)	(1,185,639)	(1,216,146)
Other Operating Expenses	(420,927)	(448,575)	(431,836)	(424,866)	(488,328)
<b>Fee Related Earnings</b>	<b>\$ 1,071,296</b>	<b>\$ 1,081,366</b>	<b>\$ 1,078,149</b>	<b>\$ 1,329,731</b>	<b>\$ 1,455,814</b>
Realized Performance Revenues	2,648,420	3,299,503	1,545,586	3,647,807	1,811,771
Realized Performance Compensation	(891,289)	(829,838)	(483,257)	(1,297,611)	(678,141)
Realized Principal Investment Income	543,425	418,808	199,869	436,194	236,058
<b>Total Net Realizations</b>	<b>2,300,556</b>	<b>2,888,473</b>	<b>1,262,198</b>	<b>2,786,390</b>	<b>1,369,688</b>
<b>Total Segment Distributable Earnings</b>	<b>\$ 3,371,852</b>	<b>\$ 3,969,839</b>	<b>\$ 2,340,347</b>	<b>\$ 4,116,121</b>	<b>\$ 2,825,502</b>
Net Interest Income (Loss)	(36,511)	(44,181)	(51,623)	(49,918)	21,925
Taxes and Related Payables	(280,788)	(90,470)	(167,149)	(189,988)	(153,865)
<b>Distributable Earnings</b>	<b>\$ 3,054,553</b>	<b>\$ 3,835,188</b>	<b>\$ 2,121,575</b>	<b>\$ 3,876,215</b>	<b>\$ 2,693,562</b>
Total Segment Revenues	\$ 5,823,806	\$ 6,384,335	\$ 4,309,878	\$ 7,024,237	\$ 5,208,117
Total Assets Under Management	\$ 290,381,069	\$ 336,384,575	\$ 366,553,465	\$ 434,128,243	\$ 472,242,317
Fee-Earning Assets Under Management	\$ 216,691,799	\$ 246,146,372	\$ 277,092,672	\$ 335,343,998	\$ 342,527,507
Weighted Average Fee-Earning AUM	\$ 212,324,209	\$ 240,378,333	\$ 264,986,623	\$ 289,116,993	\$ 338,819,012
LP Capital Invested	\$ 24,369,501	\$ 30,505,046	\$ 22,421,750	\$ 46,216,413	\$ 40,927,247
Total Capital Invested	\$ 26,375,960	\$ 32,355,310	\$ 23,275,410	\$ 50,678,463	\$ 44,715,499

## Real Estate

(Dollars in Thousands)	2014	2015	2016	2017	2018
Management Fees, Net					
Base Management Fees	\$ 628,502	\$ 668,575	\$ 795,161	\$ 872,191	\$ 985,399
Transaction and Other Fees, Net	91,610	110,577	95,324	82,781	152,513
Management Fee Offsets	(34,443)	(26,840)	(7,322)	(15,934)	(11,442)
Total Management Fees, Net	685,669	752,312	883,163	939,038	1,126,470
Fee Related Performance Revenues	1,657	10,459	18,178	79,500	124,502
Fee Related Compensation	(320,101)	(350,745)	(379,331)	(437,311)	(459,430)
Other Operating Expenses	(105,995)	(125,513)	(137,581)	(136,042)	(146,260)
<b>Fee Related Earnings</b>	<b>\$ 261,230</b>	<b>\$ 286,513</b>	<b>\$ 384,429</b>	<b>\$ 445,185</b>	<b>\$ 645,282</b>
Realized Performance Revenues	1,497,604	1,641,427	1,214,931	2,141,374	914,984
Realized Performance Compensation	(438,130)	(487,497)	(335,147)	(751,526)	(284,319)
Realized Principal Investment Income	309,095	235,582	122,712	255,903	92,525
<b>Total Net Realizations</b>	<b>1,368,569</b>	<b>1,389,512</b>	<b>1,002,496</b>	<b>1,645,751</b>	<b>723,190</b>
<b>Segment Distributable Earnings</b>	<b>\$ 1,629,799</b>	<b>\$ 1,676,025</b>	<b>\$ 1,386,925</b>	<b>\$ 2,090,936</b>	<b>\$ 1,368,472</b>
Segment Revenues	\$ 2,494,025	\$ 2,639,780	\$ 2,238,984	\$ 3,415,815	\$ 2,258,481
Total Assets Under Management	\$ 80,863,187	\$ 93,917,824	\$ 101,963,652	\$ 115,340,363	\$ 136,247,229
Fee-Earning Assets Under Management	\$ 52,563,068	\$ 67,345,357	\$ 72,030,054	\$ 83,984,824	\$ 93,252,724
Weighted Average Fee-Earning AUM	\$ 53,589,873	\$ 63,722,064	\$ 67,503,830	\$ 74,421,496	\$ 89,079,874
LP Capital Invested	\$ 11,235,142	\$ 16,259,362	\$ 10,969,746	\$ 19,586,515	\$ 18,374,432
Total Capital Invested	\$ 11,530,152	\$ 16,603,472	\$ 11,176,257	\$ 19,882,215	\$ 18,726,374



## Private Equity

(Dollars in Thousands)	2014	2015	2016	2017	2018
Management and Advisory Fees, Net					
Base Management Fees	\$ 415,841	\$ 502,640	\$ 555,593	\$ 724,818	\$ 785,223
Transaction, Advisory and Other Fees, Net	157,621	46,819	39,283	57,624	58,165
Management Fee Offsets	(19,146)	(36,760)	(34,810)	(18,007)	(13,504)
Total Management and Advisory Fees, Net	554,316	512,699	560,066	764,435	829,884
Fee Related Compensation	(269,685)	(270,337)	(298,149)	(347,562)	(375,446)
Other Operating Expenses	(104,246)	(142,985)	(130,685)	(120,997)	(133,096)
<b>Fee Related Earnings</b>	<b>\$ 180,385</b>	<b>\$ 99,377</b>	<b>\$ 131,232</b>	<b>\$ 295,876</b>	<b>\$ 321,342</b>
Realized Performance Revenues	754,402	1,474,987	245,268	1,157,188	757,406
Realized Performance Compensation	(266,393)	(256,922)	(110,882)	(404,544)	(318,167)
Realized Principal Investment Income	202,719	189,649	73,377	154,837	109,731
<b>Total Net Realizations</b>	<b>690,728</b>	<b>1,407,714</b>	<b>207,763</b>	<b>907,481</b>	<b>548,970</b>
<b>Segment Distributable Earnings</b>	<b>\$ 871,113</b>	<b>\$ 1,507,091</b>	<b>\$ 338,995</b>	<b>\$ 1,203,357</b>	<b>\$ 870,312</b>
Segment Revenues	\$ 1,511,437	\$ 2,177,335	\$ 878,711	\$ 2,076,460	\$ 1,697,021
Total Assets Under Management	\$ 73,073,252	\$ 94,280,074	\$ 100,189,994	\$ 105,560,576	\$ 130,665,286
Fee-Earning Assets Under Management	\$ 43,890,167	\$ 51,451,196	\$ 69,110,457	\$ 70,140,883	\$ 80,008,166
Weighted Average Fee-Earning AUM	\$ 44,178,572	\$ 51,008,387	\$ 66,103,146	\$ 68,739,122	\$ 75,911,259
LP Capital Invested	\$ 9,623,273	\$ 10,219,178	\$ 7,443,607	\$ 16,923,385	\$ 14,181,675
Total Capital Invested	\$ 11,196,998	\$ 11,415,471	\$ 7,911,511	\$ 20,179,009	\$ 16,651,366

## Hedge Fund Solutions

(Dollars in Thousands)	2014	2015	2016	2017	2018
Management Fees, Net					
Base Management Fees	\$ 482,981	\$ 524,386	\$ 521,736	\$ 516,048	\$ 519,782
Transaction and Other Fees, Net	569	317	1,061	2,980	3,180
Management Fee Offsets	(5,014)	171	-	(93)	(93)
Total Management Fees, Net	478,536	524,874	522,797	518,935	522,869
Fee Related Compensation	(124,960)	(145,906)	(153,645)	(146,924)	(162,172)
Other Operating Expenses	(66,392)	(63,468)	(75,870)	(68,265)	(77,772)
<b>Fee Related Earnings</b>	<b>\$ 287,184</b>	<b>\$ 315,500</b>	<b>\$ 293,282</b>	<b>\$ 303,746</b>	<b>\$ 282,925</b>
Realized Performance Revenues	140,529	68,197	42,177	154,343	42,419
Realized Performance Compensation	(40,095)	(22,640)	(15,029)	(40,707)	(21,792)
Realized Principal Investment Income (Loss)	21,550	(12,741)	(7,224)	9,074	17,039
<b>Total Net Realizations</b>	<b>121,984</b>	<b>32,816</b>	<b>19,924</b>	<b>122,710</b>	<b>37,666</b>
<b>Segment Distributable Earnings</b>	<b>\$ 409,168</b>	<b>\$ 348,316</b>	<b>\$ 313,206</b>	<b>\$ 426,456</b>	<b>\$ 320,591</b>
Segment Revenues	\$ 640,615	\$ 580,330	\$ 557,750	\$ 682,352	\$ 582,327
Total Assets Under Management	\$ 63,585,670	\$ 69,105,425	\$ 71,119,718	\$ 75,090,834	\$ 77,814,516
Fee-Earning Assets Under Management	\$ 61,417,558	\$ 65,665,439	\$ 66,987,553	\$ 69,914,061	\$ 72,280,606
Weighted Average Fee-Earning AUM	\$ 58,548,866	\$ 65,203,649	\$ 66,585,721	\$ 69,568,964	\$ 73,993,826
LP Capital Invested	\$ 854,128	\$ 243,241	\$ 753,548	\$ 901,230	\$ 1,470,718
Total Capital Invested	\$ 898,557	\$ 252,368	\$ 774,443	\$ 961,569	\$ 1,701,967

## Credit

(Dollars in Thousands)	2014	2015	2016	2017	2018
Management Fees, Net					
Base Management Fees	\$ 460,205	\$ 500,982	\$ 525,289	\$ 567,334	\$ 553,921
Transaction and Other Fees, Net	18,161	6,371	9,190	13,431	15,640
Management Fee Offsets	(28,168)	(30,065)	(37,512)	(32,382)	(12,332)
Total Management Fees, Net	450,198	477,288	496,967	548,383	557,229
Fee Related Performance Revenues	62,264	90,660	83,252	89,945	(666)
Fee Related Compensation	(214,098)	(215,442)	(223,313)	(253,842)	(219,098)
Other Operating Expenses	(70,204)	(66,879)	(87,700)	(99,562)	(131,200)
<b>Fee Related Earnings</b>	<b>\$ 228,160</b>	<b>\$ 285,627</b>	<b>\$ 269,206</b>	<b>\$ 284,924</b>	<b>\$ 206,265</b>
Realized Performance Revenues	255,885	114,892	43,210	194,902	96,962
Realized Performance Compensation	(146,671)	(62,779)	(22,199)	(100,834)	(53,863)
Realized Principal Investment Income	9,354	7,186	11,004	16,380	16,763
<b>Total Net Realizations</b>	<b>118,568</b>	<b>59,299</b>	<b>32,015</b>	<b>110,448</b>	<b>59,862</b>
<b>Segment Distributable Earnings</b>	<b>\$ 346,728</b>	<b>\$ 344,926</b>	<b>\$ 301,221</b>	<b>\$ 395,372</b>	<b>\$ 266,127</b>
Segment Revenues	\$ 777,701	\$ 690,026	\$ 634,433	\$ 849,610	\$ 670,288
Total Assets Under Management	\$ 72,858,960	\$ 79,081,252	\$ 93,280,101	\$ 138,136,470	\$ 127,515,286
Fee-Earning Assets Under Management	\$ 58,821,006	\$ 61,684,380	\$ 68,964,608	\$ 111,304,230	\$ 96,986,011
Weighted Average Fee-Earning AUM	\$ 56,006,898	\$ 60,444,233	\$ 64,793,926	\$ 76,387,411	\$ 99,834,053
LP Capital Invested	\$ 2,656,958	\$ 3,783,265	\$ 3,254,849	\$ 8,805,283	\$ 6,900,422
Total Capital Invested	\$ 2,750,253	\$ 4,083,999	\$ 3,413,199	\$ 9,655,670	\$ 7,635,792

## Financial Advisory

(Dollars in Thousands)	2014	2015	2016	2017	2018
Management and Advisory Fees, Net					
Transaction, Advisory and Other Fees, Net	\$ 399,321	\$ 297,732	\$ -	\$ -	\$ -
Total Management and Advisory Fees, Net	399,321	297,732	-	-	-
Fee Related Compensation	(210,894)	(153,653)	-	-	-
Other Operating Expenses	(74,090)	(49,730)	-	-	-
<b>Fee Related Earnings</b>	<b>\$ 114,337</b>	<b>\$ 94,349</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Realized Principal Investment Income (Loss)	707	(868)	-	-	-
<b>Total Net Realizations</b>	<b>707</b>	<b>(868)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Segment Distributable Earnings</b>	<b>\$ 115,044</b>	<b>\$ 93,481</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Segment Revenues	\$ 400,028	\$ 296,864	\$ -	\$ -	\$ -

**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.

## GAAP - Consolidated Statements of Operations

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
<b>Revenues</b>												
Management and Advisory Fees, Net	\$ 612,418	\$ 612,224	\$ 602,049	\$ 637,599	\$ 645,484	\$ 690,857	\$ 685,922	\$ 729,059	\$ 728,849	\$ 721,384	\$ 780,009	\$ 797,554
Incentive Fees	28,007	29,231	26,992	65,698	46,511	40,303	35,513	120,187	12,566	19,378	9,799	15,797
Investment Income (Loss)												
Performance Allocations												
Realized	231,321	323,944	507,293	432,881	1,111,905	602,662	434,982	1,422,262	269,640	503,376	592,103	511,388
Unrealized	56,512	94,856	127,209	251,537	(124,621)	95,532	406,649	(483,033)	628,089	440,351	299,238	(806,305)
Principal Investments												
Realized	(12,001)	65,037	119,351	106,350	251,344	125,058	74,805	184,562	42,145	129,197	134,619	109,901
Unrealized	3,493	40,102	23,752	9,967	(40,188)	7,275	96,085	(20,567)	111,774	103,468	52,840	(218,165)
Total Investment Income	279,325	523,939	777,605	800,735	1,198,440	830,527	1,012,521	1,103,224	1,051,648	1,176,392	1,078,800	(403,181)
Interest and Dividend Revenue	23,075	22,286	21,819	28,544	28,495	33,703	36,974	40,524	35,385	40,073	48,604	47,885
Other	(5,612)	7,935	(423)	52,853	(4,212)	(59,664)	(35,572)	(33,781)	(59,317)	675,343	9,368	46,923
<b>Total Revenues</b>	<b>937,213</b>	<b>1,195,615</b>	<b>1,428,042</b>	<b>1,585,429</b>	<b>1,914,718</b>	<b>1,535,726</b>	<b>1,735,358</b>	<b>1,959,213</b>	<b>1,769,131</b>	<b>2,632,570</b>	<b>1,926,580</b>	<b>504,978</b>
<b>Expenses</b>												
Compensation and Benefits												
Compensation	346,003	355,424	329,634	304,347	351,589	367,203	359,209	364,484	389,403	427,479	419,285	373,790
Incentive Fee Compensation	13,785	14,763	13,003	27,370	22,465	21,032	18,332	43,450	6,662	9,743	7,251	10,260
Performance Allocations Compensation												
Realized	58,841	88,069	170,860	147,359	366,478	195,738	162,505	557,244	112,062	186,398	200,442	212,174
Unrealized	34,201	77,016	79,361	142,950	7,533	86,910	175,534	(166,183)	254,435	189,991	178,184	(302,868)
Total Compensation and Benefits	452,830	535,272	592,858	622,026	748,065	670,883	715,580	798,995	762,562	813,611	805,162	293,356
General, Administrative and Other	126,557	135,389	130,217	149,461	109,386	119,552	121,036	138,608	126,713	145,828	168,813	153,519
Interest Expense	37,356	36,878	37,278	41,142	40,246	41,089	41,545	74,606	38,671	39,320	41,355	44,644
Fund Expenses	5,229	8,592	15,128	23,232	24,076	49,669	26,350	32,692	54,985	17,622	2,302	3,577
<b>Total Expenses</b>	<b>621,972</b>	<b>716,131</b>	<b>775,481</b>	<b>835,861</b>	<b>921,773</b>	<b>881,193</b>	<b>904,511</b>	<b>1,044,901</b>	<b>982,931</b>	<b>1,016,381</b>	<b>1,017,632</b>	<b>495,096</b>
<b>Other Income</b>												
Reduction of Tax Receivable Agreement Liability	-	-	-	-	-	-	-	403,855	-	-	-	-
Net Gains from Fund Investment Activities	19,142	30,703	61,395	73,510	66,132	110,054	63,448	81,963	110,599	73,519	66,838	(59,234)
<b>Income (Loss) Before Provision for Taxes</b>	<b>\$ 334,383</b>	<b>\$ 510,187</b>	<b>\$ 713,956</b>	<b>\$ 823,078</b>	<b>\$ 1,059,077</b>	<b>\$ 764,587</b>	<b>\$ 894,295</b>	<b>\$ 1,400,130</b>	<b>\$ 896,799</b>	<b>\$ 1,689,708</b>	<b>\$ 975,786</b>	<b>\$ (49,352)</b>
Provision for Taxes	9,146	47,415	27,714	48,087	57,437	29,608	59,512	596,590	54,495	138,731	26,798	29,366
<b>Net Income (Loss)</b>	<b>\$ 325,237</b>	<b>\$ 462,772</b>	<b>\$ 686,242</b>	<b>\$ 774,991</b>	<b>\$ 1,001,640</b>	<b>\$ 734,979</b>	<b>\$ 834,783</b>	<b>\$ 803,540</b>	<b>\$ 842,304</b>	<b>\$ 1,550,977</b>	<b>\$ 948,988</b>	<b>\$ (78,718)</b>
<b>Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities</b>	<b>(6,401)</b>	<b>(2,049)</b>	<b>10,764</b>	<b>1,663</b>	<b>2,000</b>	<b>991</b>	<b>3,215</b>	<b>7,600</b>	<b>(1,275)</b>	<b>905</b>	<b>2,569</b>	<b>(4,303)</b>
<b>Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities</b>	<b>40,086</b>	<b>64,729</b>	<b>82,653</b>	<b>58,684</b>	<b>138,685</b>	<b>112,944</b>	<b>113,446</b>	<b>132,364</b>	<b>155,499</b>	<b>129,078</b>	<b>143,101</b>	<b>(68,800)</b>
<b>Net Income Attributable to Non-Controlling Interests in Blackstone Holdings</b>	<b>131,478</b>	<b>201,648</b>	<b>282,798</b>	<b>344,175</b>	<b>409,046</b>	<b>283,637</b>	<b>340,202</b>	<b>359,438</b>	<b>320,208</b>	<b>678,952</b>	<b>360,576</b>	<b>5,253</b>
<b>Net Income (Loss) Attributable to The Blackstone Group L.P. ("BX")</b>	<b>\$ 160,074</b>	<b>\$ 198,444</b>	<b>\$ 310,027</b>	<b>\$ 370,469</b>	<b>\$ 451,909</b>	<b>\$ 337,407</b>	<b>\$ 377,920</b>	<b>\$ 304,138</b>	<b>\$ 367,872</b>	<b>\$ 742,042</b>	<b>\$ 442,742</b>	<b>\$ (10,868)</b>

## GAAP - Consolidated Statements of Operations

(Dollars in Thousands)	2014	2015	2016	2017	2018
<b>Revenues</b>					
Management and Advisory Fees, Net	\$ 2,522,847	\$ 2,566,449	\$ 2,464,290	\$ 2,751,322	\$ 3,027,796
Incentive Fees	173,106	168,554	149,928	242,514	57,540
Investment Income (Loss)					
Performance Allocations					
Realized	2,525,981	3,229,974	1,495,439	3,571,811	1,876,507
Unrealized	1,692,046	(1,589,686)	530,114	(105,473)	561,373
Principal Investments					
Realized	523,735	555,171	278,737	635,769	415,862
Unrealized	10,265	(350,529)	77,314	42,605	49,917
Total Investment Income	4,752,027	1,844,930	2,381,604	4,144,712	2,903,659
Interest and Dividend Revenue	69,809	94,957	95,724	139,696	171,947
Other	9,405	7,782	54,753	(133,229)	672,317
<b>Total Revenues</b>	<b>7,527,194</b>	<b>4,682,672</b>	<b>5,146,299</b>	<b>7,145,015</b>	<b>6,833,259</b>
<b>Expenses</b>					
Compensation and Benefits					
Compensation	1,868,868	1,726,191	1,335,408	1,442,485	1,609,957
Incentive Fee Compensation	78,271	77,291	68,921	105,279	33,916
Performance Allocations Compensation					
Realized	847,471	802,455	465,129	1,281,965	711,076
Unrealized	368,493	(309,422)	333,528	103,794	319,742
Total Compensation and Benefits	3,163,103	2,296,515	2,202,986	2,933,523	2,674,691
General, Administrative and Other	575,058	600,047	541,624	488,582	594,873
Interest Expense	121,524	144,522	152,654	197,486	163,990
Fund Expenses	30,498	79,499	52,181	132,787	78,486
<b>Total Expenses</b>	<b>3,890,183</b>	<b>3,120,583</b>	<b>2,949,445</b>	<b>3,752,378</b>	<b>3,512,040</b>
<b>Other Income</b>					
Reduction of Tax Receivable Agreement Liability	-	82,707	-	403,855	-
Net Gains from Fund Investment Activities	357,854	176,364	184,750	321,597	191,722
<b>Income Before Provision for Taxes</b>	<b>\$ 3,994,865</b>	<b>\$ 1,821,160</b>	<b>\$ 2,381,604</b>	<b>\$ 4,118,089</b>	<b>\$ 3,512,941</b>
Provision for Taxes	291,173	190,398	132,362	743,147	249,390
<b>Net Income</b>	<b>\$ 3,703,692</b>	<b>\$ 1,630,762</b>	<b>\$ 2,249,242</b>	<b>\$ 3,374,942</b>	<b>\$ 3,263,551</b>
<b>Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities</b>	74,794	11,145	3,977	13,806	(2,104)
<b>Net Income Attributable to Non-Controlling Interests in Consolidated Entities</b>	335,070	219,900	246,152	497,439	358,878
<b>Net Income Attributable to Non-Controlling Interests in Blackstone Holdings</b>	1,705,001	686,529	960,099	1,392,323	1,364,989
<b>Net Income Attributable to The Blackstone Group L.P. ("BX")</b>	<b>\$ 1,588,827</b>	<b>\$ 713,188</b>	<b>\$ 1,039,014</b>	<b>\$ 1,471,374</b>	<b>\$ 1,541,788</b>

## Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
<b>Net Income (Loss) Attributable to The Blackstone Group L.P.</b>	\$ 160,074	\$ 198,444	\$ 310,027	\$ 370,469	\$ 451,909	\$ 337,407	\$ 377,920	\$ 304,138	\$ 367,872	\$ 742,042	\$ 442,742	\$ (10,868)
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	131,478	201,648	282,798	344,175	409,046	283,637	340,202	359,438	320,208	678,952	360,576	5,253
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	40,086	64,729	82,653	58,684	138,685	112,944	113,446	132,364	155,499	129,078	143,101	(68,800)
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(6,401)	(2,049)	10,764	1,663	2,000	991	3,215	7,600	(1,275)	905	2,569	(4,303)
<b>Net Income (Loss)</b>	\$ 325,237	\$ 462,772	\$ 686,242	\$ 774,991	\$ 1,001,640	\$ 734,979	\$ 834,783	\$ 803,540	\$ 842,304	\$ 1,550,977	\$ 948,988	\$ (78,718)
Provision for Taxes	9,146	47,415	27,714	48,087	57,437	29,608	59,512	596,590	54,495	138,731	26,798	29,366
<b>Income (Loss) Before Provision for Taxes</b>	\$ 334,383	\$ 510,187	\$ 713,956	\$ 823,078	\$ 1,059,077	\$ 764,587	\$ 894,295	\$ 1,400,130	\$ 896,799	\$ 1,689,708	\$ 975,786	\$ (49,352)
Transaction-Related Charges (a)	64,136	69,956	60,029	70,816	56,979	57,831	55,714	(347,055)	52,489	(470,078)	79,242	76,431
Amortization of Intangibles (b)	23,208	23,208	22,054	15,996	11,344	11,344	11,344	14,265	14,873	14,873	14,856	15,392
Impact of Consolidation (c)	(33,685)	(62,680)	(93,417)	(60,347)	(140,685)	(113,935)	(116,661)	(139,964)	(154,224)	(129,983)	(145,670)	73,103
Unrealized Performance Revenues (d)	(56,055)	(95,061)	(128,791)	(250,213)	124,078	(95,707)	(407,425)	484,486	(628,339)	(440,424)	(298,931)	806,531
Unrealized Performance Allocations Compensation (e)	34,201	77,016	79,361	142,950	7,533	86,910	175,534	(166,183)	254,435	189,991	178,184	(302,868)
Unrealized Principal Investment (Income) Loss (f)	16,549	(6,101)	(27,253)	(3,616)	98,935	33,167	(17,384)	16,488	(13,978)	(52,126)	(28,704)	160,659
Other Revenues (g)	6,248	(8,546)	425	(52,839)	8,287	62,469	34,144	35,151	60,894	(94,416)	(9,092)	(46,854)
Equity-Based Compensation (h)	22,024	18,522	18,178	20,847	29,914	27,990	27,810	21,396	44,148	34,394	36,576	43,102
Taxes and Related Payables (i)	(16,794)	(31,588)	(51,089)	(67,678)	(25,324)	(53,291)	(31,805)	(79,568)	(25,042)	(41,797)	(32,963)	(54,063)
<b>Distributable Earnings</b>	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 1,230,138	\$ 781,365	\$ 625,566	\$ 1,239,146	\$ 502,055	\$ 700,142	\$ 769,284	\$ 722,081
Taxes and Related Payables (i)	16,794	31,588	51,089	67,678	25,324	53,291	31,805	79,568	25,042	41,797	32,963	54,063
Net Interest (Income) Loss (j)	13,351	13,546	14,184	10,542	10,954	6,591	2,864	29,509	1,853	(2,842)	(9,013)	(11,923)
<b>Total Segment Distributable Earnings</b>	\$ 424,360	\$ 540,047	\$ 658,726	\$ 717,214	\$ 1,266,416	\$ 841,247	\$ 660,235	\$ 1,348,223	\$ 528,950	\$ 739,097	\$ 793,234	\$ 764,221
Realized Performance Revenues (k)	(235,150)	(325,160)	(510,602)	(474,674)	(1,131,245)	(615,043)	(404,721)	(1,496,798)	(278,371)	(477,544)	(572,159)	(483,697)
Realized Performance Compensation (l)	60,660	88,772	172,099	161,726	373,978	201,526	148,808	573,299	114,829	172,894	190,773	199,645
Realized Principal Investment (Income) Loss (m)	10,101	(53,670)	(60,634)	(95,666)	(202,894)	(100,887)	(60,188)	(72,225)	(28,693)	(94,647)	(65,620)	(47,098)
<b>Fee Related Earnings</b>	\$ 259,971	\$ 249,989	\$ 259,589	\$ 308,600	\$ 306,255	\$ 326,843	\$ 344,134	\$ 352,499	\$ 336,715	\$ 339,800	\$ 346,228	\$ 433,071
<b>Adjusted EBITDA Reconciliation</b>												
<b>Distributable Earnings</b>	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 1,230,138	\$ 781,365	\$ 625,566	\$ 1,239,146	\$ 502,055	\$ 700,142	\$ 769,284	\$ 722,081
Interest Expense (n)	36,497	36,020	36,419	39,086	39,450	40,294	40,749	72,345	38,238	38,885	40,923	41,792
Taxes and Related Payables (i)	16,794	31,588	51,089	67,678	25,324	53,291	31,805	79,568	25,042	41,797	32,963	54,063
Depreciation and Amortization	6,292	6,331	7,338	12,010	6,216	6,392	6,027	6,593	6,251	5,986	5,681	5,964
<b>Adjusted EBITDA</b>	\$ 453,798	\$ 568,852	\$ 688,299	\$ 757,768	\$ 1,301,128	\$ 881,342	\$ 704,147	\$ 1,397,652	\$ 571,586	\$ 786,810	\$ 848,851	\$ 823,900

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

## Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)

	2014	2015	2016	2017	2018
<b>Net Income Attributable to The Blackstone Group L.P.</b>	<b>\$ 1,588,827</b>	<b>\$ 713,188</b>	<b>\$ 1,039,014</b>	<b>\$ 1,471,374</b>	<b>\$ 1,541,788</b>
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,705,001	686,529	960,099	1,392,323	1,364,989
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	335,070	219,900	246,152	497,439	358,878
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	74,794	11,145	3,977	13,806	(2,104)
<b>Net Income</b>	<b>\$ 3,703,692</b>	<b>\$ 1,630,762</b>	<b>\$ 2,249,242</b>	<b>\$ 3,374,942</b>	<b>\$ 3,263,551</b>
Provision for Taxes	291,173	190,398	132,362	743,147	249,390
<b>Income Before Provision for Taxes</b>	<b>\$ 3,994,865</b>	<b>\$ 1,821,160</b>	<b>\$ 2,381,604</b>	<b>\$ 4,118,089</b>	<b>\$ 3,512,941</b>
Transaction-Related Charges (a)	856,382	489,563	264,937	(176,531)	(261,916)
Amortization of Intangibles (b)	111,254	104,530	84,466	48,297	59,994
Impact of Consolidation (c)	(409,864)	(231,045)	(250,129)	(511,245)	(356,774)
Unrealized Performance Revenues (d)	(1,696,407)	1,590,369	(530,120)	105,432	(561,163)
Unrealized Performance Allocations Compensation (e)	368,493	(309,422)	333,528	103,794	319,742
Unrealized Principal Investment (Income) Loss (f)	71,797	365,959	(20,421)	131,206	65,851
Other Revenues (g)	(9,405)	(8,500)	(54,712)	140,051	(89,468)
Equity-Based Compensation (h)	48,226	103,044	79,571	107,110	158,220
Taxes and Related Payables (i)	(280,788)	(90,470)	(167,149)	(189,988)	(153,865)
<b>Distributable Earnings</b>	<b>\$ 3,054,553</b>	<b>\$ 3,835,188</b>	<b>\$ 2,121,575</b>	<b>\$ 3,876,215</b>	<b>\$ 2,693,562</b>
Taxes and Related Payables (i)	280,788	90,470	167,149	189,988	153,865
Net Interest (Income) Loss (j)	36,511	44,181	51,623	49,918	(21,925)
<b>Total Segment Distributable Earnings</b>	<b>\$ 3,371,852</b>	<b>\$ 3,969,839</b>	<b>\$ 2,340,347</b>	<b>\$ 4,116,121</b>	<b>\$ 2,825,502</b>
Realized Performance Revenues (k)	(2,648,420)	(3,299,503)	(1,545,586)	(3,647,807)	(1,811,771)
Realized Performance Compensation (l)	891,289	829,838	483,257	1,297,611	678,141
Realized Principal Investment (Income) (m)	(543,425)	(418,808)	(199,869)	(436,194)	(236,058)
<b>Fee Related Earnings</b>	<b>\$ 1,071,296</b>	<b>\$ 1,081,366</b>	<b>\$ 1,078,149</b>	<b>\$ 1,329,731</b>	<b>\$ 1,455,814</b>
<b>Adjusted EBITDA Reconciliation</b>					
<b>Distributable Earnings</b>	<b>\$ 3,054,553</b>	<b>\$ 3,835,188</b>	<b>\$ 2,121,575</b>	<b>\$ 3,876,215</b>	<b>\$ 2,693,562</b>
Interest Expense (n)	112,563	139,842	148,022	192,838	159,838
Taxes and Related Payables (i)	280,788	90,470	167,149	189,988	153,865
Depreciation and Amortization	32,300	27,213	31,971	25,228	23,882
<b>Adjusted EBITDA</b>	<b>\$ 3,480,204</b>	<b>\$ 4,092,713</b>	<b>\$ 2,468,717</b>	<b>\$ 4,284,269</b>	<b>\$ 3,031,147</b>

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



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

---

Note: See Definitions.

- (a) This adjustment removes Transaction-Related Charges, which are excluded from Blackstone’s segment presentation. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures, and Blackstone’s initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the tax receivable agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.
- (b) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone’s segment presentation. This amount includes amortization of intangibles associated with Blackstone’s investment in Pátria, which is accounted for under the equity method.
- (c) This adjustment reverses the effect of consolidating Blackstone Funds, which are excluded from Blackstone’s segment presentation. This adjustment includes the elimination of Blackstone’s interest in these funds, the increase to revenue representing the reimbursement of certain expenses by Blackstone Funds, which are presented gross under GAAP but netted against Other Operating Expenses in the segment presentation, and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.
- (d) This adjustment removes Unrealized Performance Revenues on a segment basis.
- (e) This adjustment removes Unrealized Performance Allocations Compensation.
- (f) This adjustment removes Unrealized Principal Investment Income (Loss) on a segment basis.
- (g) This adjustment removes Other Revenues on a segment basis.
- (h) This adjustment removes Equity-Based Compensation on a segment basis.
- (i) Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and adjusted to exclude the tax impact of any divestitures. Related Payables represent tax-related payables including the amount payable under the Tax Receivable Agreement.
- (j) This adjustment removes Interest and Dividend Revenue less Interest Expense on a segment basis.
- (k) This adjustment removes the total segment amounts of Realized Performance Revenues.
- (l) This adjustment removes the total segment amounts of Realized Performance Compensation.
- (m) This adjustment removes the total segment amount of Realized Principal Investment Income.
- (n) This adjustment adds back Interest Expense on a segment basis.

**Investment Records as of December 31, 2018<sup>(a)</sup>**

(Dollars in Thousands, Except Where Noted)

Fund (Investment Period Beginning Date / Ending Date)

	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
<b>Real Estate</b>											
Pre-BREP	\$ 140,714	\$ -	\$ -	n/a	-	\$ 345,190	2.5x	\$ 345,190	2.5x	33%	33%
BREP I (Sep 1994 / Oct 1996)	380,708	-	-	n/a	-	1,327,708	2.8x	1,327,708	2.8x	40%	40%
BREP II (Oct 1996 / Mar 1999)	1,198,339	-	-	n/a	-	2,531,614	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	-	212,309	0.3x	21%	4,290,218	2.2x	4,502,527	1.6x	33%	12%
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	542,613	1.4x	31%	12,697,555	2.4x	13,240,168	2.3x	12%	11%
BREP VI (Feb 2007 / Aug 2011)	11,060,444	-	1,215,191	1.6x	2%	26,334,443	2.6x	27,549,634	2.5x	14%	13%
BREP VII (Aug 2011 / Apr 2015)	13,495,496	2,001,683	10,154,856	1.6x	18%	18,332,067	2.1x	28,486,923	1.9x	27%	16%
BREP VIII (Apr 2015 / Oct 2020)	16,457,804	5,762,268	14,427,542	1.4x	1%	4,740,239	1.5x	19,167,781	1.4x	27%	16%
BREP IX (TBD)	15,445,659	15,445,659	-	n/a	-	-	n/a	-	n/a	n/a	n/a
<b>Total Global BREP</b>	<b>\$ 67,439,984</b>	<b>\$ 23,209,610</b>	<b>\$ 26,552,511</b>	<b>1.4x</b>	<b>-</b>	<b>\$ 73,929,440</b>	<b>2.3x</b>	<b>\$ 100,481,951</b>	<b>2.0x</b>	<b>19%</b>	<b>16%</b>
BREP Int'l I (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ -	n/a	-	€ 1,366,553	2.1x	€ 1,366,553	2.1x	23%	23%
BREP Int'l II (Sep 2005 / Jun 2008) (e)	1,629,748	-	106,396	1.1x	-	2,347,656	1.8x	2,454,052	1.8x	8%	8%
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	464,566	660,005	0.9x	-	5,494,293	2.5x	6,154,298	2.1x	21%	15%
BREP Europe IV (Sep 2013 / Dec 2016)	6,709,145	1,340,701	4,358,327	1.6x	12%	7,147,829	2.0x	11,506,156	1.8x	25%	17%
BREP Europe V (Dec 2016 / Jun 2022)	7,877,201	3,224,734	5,662,031	1.3x	-	77,038	2.4x	5,739,069	1.3x	n/m	18%
<b>Total Euro BREP</b>	<b>€ 20,245,433</b>	<b>€ 5,030,001</b>	<b>€ 10,786,759</b>	<b>1.3x</b>	<b>5%</b>	<b>€ 16,433,369</b>	<b>2.1x</b>	<b>€ 27,220,128</b>	<b>1.7x</b>	<b>16%</b>	<b>14%</b>
BREP Asia I (Jun 2013 / Dec 2017)	\$ 5,096,359	\$ 1,729,439	\$ 4,128,651	1.4x	-	\$ 2,989,011	1.8x	\$ 7,117,662	1.5x	21%	15%
BREP Asia II (Dec 2017 / Jun 2023)	7,126,830	6,415,884	880,798	1.0x	-	-	n/a	880,798	1.0x	n/m	n/m
BREP Co-Investment (f)	7,055,644	172,062	2,124,456	1.6x	41%	11,834,696	2.1x	13,959,152	2.0x	16%	15%
<b>Total BREP</b>	<b>\$ 111,511,210</b>	<b>\$ 37,294,898</b>	<b>\$ 46,355,732</b>	<b>1.4x</b>	<b>8%</b>	<b>\$ 109,719,753</b>	<b>2.2x</b>	<b>\$ 156,075,485</b>	<b>1.9x</b>	<b>18%</b>	<b>15%</b>
BPP (g)	\$ 26,569,578	\$ 2,964,457	\$ 28,054,480	1.2x	-	\$ 3,602,356	2.6x	\$ 31,656,836	1.2x	n/m	11%
BREDS	\$ 13,228,639	\$ 3,582,239	\$ 3,739,330	1.1x	-	\$ 10,333,439	1.3x	\$ 14,072,769	1.2x	11%	10%
<b>Private Equity</b>											
BCP I (Oct 1987 / Oct 1993)	\$ 859,081	\$ -	\$ -	n/a	-	\$ 1,741,738	2.6x	\$ 1,741,738	2.6x	19%	19%
BCP II (Oct 1993 / Aug 1997)	1,361,100	-	-	n/a	-	3,256,819	2.5x	3,256,819	2.5x	32%	32%
BCP III (Aug 1997 / Nov 2002)	3,967,422	-	-	n/a	-	9,184,688	2.3x	9,184,688	2.3x	14%	14%
BCOM (Jun 2000 / Jun 2006)	2,137,330	24,575	17,244	1.4x	-	2,953,649	1.4x	2,970,893	1.4x	7%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,182	205,984	610,391	0.7x	33%	20,861,706	3.1x	21,472,097	2.8x	41%	36%
BCP V (Dec 2005 / Jan 2011)	21,022,215	1,048,362	1,748,350	0.9x	33%	36,298,422	2.0x	38,046,772	1.9x	9%	8%
BCP VI (Jan 2011 / May 2016)	15,191,118	1,756,975	14,645,713	1.7x	31%	11,915,798	2.1x	26,561,511	1.9x	21%	13%
BEPI (Aug 2011 / Feb 2015)	2,435,285	224,784	2,364,512	1.5x	41%	1,954,527	2.3x	4,319,039	1.8x	26%	13%
BEPII (Feb 2015 / Feb 2021)	4,929,718	1,203,693	4,215,603	1.4x	-	210,362	2.0x	4,425,965	1.4x	40%	15%
BCP VII (May 2016 / May 2022)	18,590,630	8,252,225	10,446,740	1.4x	-	434,736	1.3x	10,881,476	1.4x	21%	21%
BCP Asia (Dec 2017 / Dec 2023)	2,369,469	2,040,455	165,694	1.5x	-	-	n/a	165,694	1.5x	n/a	n/m
BEPIII (TBD)	3,515,891	3,515,891	-	n/a	-	-	n/a	-	n/a	n/a	n/a
<b>Total Corporate Private Equity</b>	<b>\$ 83,152,441</b>	<b>\$ 18,272,944</b>	<b>\$ 34,214,247</b>	<b>1.4x</b>	<b>18%</b>	<b>\$ 88,812,445</b>	<b>2.2x</b>	<b>\$ 123,026,692</b>	<b>1.9x</b>	<b>17%</b>	<b>15%</b>
Tactical Opportunities	22,053,992	10,234,751	9,559,311	1.3x	9%	6,342,454	1.7x	15,901,765	1.4x	21%	11%
Tactical Opportunities Co-Investment and Other	5,426,066	1,603,582	3,853,442	1.2x	1%	1,310,719	1.6x	5,164,161	1.3x	28%	14%
<b>Total Tactical Opportunities</b>	<b>\$ 27,480,058</b>	<b>\$ 11,838,333</b>	<b>\$ 13,412,753</b>	<b>1.2x</b>	<b>7%</b>	<b>\$ 7,653,173</b>	<b>1.7x</b>	<b>\$ 21,065,926</b>	<b>1.4x</b>	<b>22%</b>	<b>11%</b>
Strategic Partners I-V and Co-Investment (h)	11,913,121	1,800,737	1,742,846	n/m	-	15,970,061	n/m	17,712,907	1.5x	n/a	13%
Strategic Partners VI LBO, RE and SMA (h)	7,402,171	1,943,044	3,016,474	n/m	-	3,407,157	n/m	6,423,631	1.5x	n/a	19%
Strategic Partners VII (h)	8,221,982	3,227,165	5,948,522	n/m	-	730,088	n/m	6,678,610	1.3x	n/a	37%
Strategic Partners RA II (h)	1,898,154	1,036,103	451,971	n/m	-	36,438	n/m	488,409	1.2x	n/a	17%
Strategic Partners VIII	3,422,804	3,422,804	-	n/a	-	-	n/a	-	n/a	n/a	n/a
<b>Total Strategic Partners</b>	<b>\$ 32,858,232</b>	<b>\$ 11,429,853</b>	<b>\$ 11,159,813</b>	<b>n/m</b>	<b>-</b>	<b>\$ 20,143,744</b>	<b>n/m</b>	<b>\$ 31,303,557</b>	<b>1.5x</b>	<b>n/a</b>	<b>14%</b>
BCPEP (Jan 2017 / Jan 2021) (i)	4,755,613	2,601,681	2,505,183	1.2x	-	-	n/a	2,505,183	1.2x	n/a	10%
BIP (TBD)	5,686,000	5,686,000	-	n/a	-	-	n/a	-	n/a	n/a	n/a
Other Funds and Co-Investment (j)	1,557,393	325,028	96,990	1.0x	17%	635,564	0.9x	732,554	1.0x	n/m	n/m
<b>Hedge Fund Solutions</b>											
BSCH (Dec 2013 / Jun 2020) (k)	\$ 3,298,575	\$ 2,083,559	\$ 1,308,188	1.1x	-	\$ 312,539	n/a	\$ 1,620,727	1.3x	n/a	8%
BSCH Co-Investment	276,000	98,070	195,414	1.1x	-	28,573	n/a	223,987	1.3x	n/a	9%
<b>Total Hedge Fund Solutions</b>	<b>\$ 3,574,575</b>	<b>\$ 2,181,629</b>	<b>\$ 1,503,602</b>	<b>1.1x</b>	<b>-</b>	<b>\$ 341,112</b>	<b>n/a</b>	<b>\$ 1,844,714</b>	<b>1.3x</b>	<b>n/a</b>	<b>9%</b>
<b>Credit (l)</b>											
Mezzanine I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 97,114	\$ 25,716	1.3x	-	\$ 4,772,118	1.6x	\$ 4,797,834	1.6x	n/a	17%
Mezzanine II (Nov 2011 / Nov 2016)	4,120,000	1,146,274	2,034,118	1.0x	-	4,526,585	1.6x	6,560,703	1.3x	n/a	12%
Mezzanine III (Sep 2016 / Sep 2021)	6,639,133	2,589,498	3,573,397	1.1x	-	1,003,295	1.6x	4,576,692	1.1x	n/a	11%
Stressed / Distressed Investing I (Sep 2009 / May 2013)	3,253,143	135,000	228,105	0.4x	-	5,732,348	1.6x	5,960,453	1.4x	n/a	11%
Stressed / Distressed Investing II (Jun 2013 / Jun 2018)	5,125,000	570,214	2,119,618	0.9x	-	3,597,716	1.4x	5,717,334	1.2x	n/a	8%
Stressed / Distressed Investing III (Dec 2017 / Dec 2022)	7,356,380	6,007,292	1,356,095	1.0x	-	302,613	1.3x	1,658,708	1.1x	n/a	n/a
Energy Select Opportunities (Nov 2015 / Nov 2018)	2,856,867	943,281	1,968,152	1.1x	-	544,630	1.7x	2,512,782	1.2x	n/a	13%
<b>Euro</b>											
European Senior Debt Fund (Feb 2015 / Feb 2019)	€ 1,964,689	€ 1,503,470	€ 2,045,708	1.0x	-	€ 842,857	1.6x	€ 2,888,565	1.1x	n/a	9%
<b>Total Credit</b>	<b>\$ 33,616,933</b>	<b>\$ 13,207,440</b>	<b>\$ 13,643,752</b>	<b>1.0x</b>	<b>-</b>	<b>\$ 21,445,271</b>	<b>1.5x</b>	<b>\$ 35,089,023</b>	<b>1.3x</b>	<b>n/a</b>	<b>12%</b>

See Investment Records as of December 31, 2018 – Notes.

## Investment Records as of December 31, 2018 – 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 Performance Revenues, divided by invested capital.
- (d) Net Internal Rate of Return (“IRR”) represents the annualized inception to December 31, 2018 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.
- (e) The 8% Realized Net IRR and 8% Total Net IRR exclude investors that opted out of the Hilton investment opportunity. Overall BREP International II performance reflects a 7% Realized Net IRR and a 6% Total Net IRR.
- (f) 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 Performance Revenues.
- (g) BPP represents the core+ real estate funds which invest with a more modest risk profile and lower leverage. Excludes BREIT.
- (h) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not meaningful.
- (i) BCEP, or Blackstone Core Equity Partners, is a core private equity fund which invests with a more modest risk profile and longer hold period.
- (j) Returns for Other Funds and Co-Investment are not meaningful as these funds have limited transaction activity.
- (k) BSCH, or Blackstone Strategic Capital Holdings, is 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 eight credit drawdown funds presented.

## Definitions

---

Blackstone discloses the following operating metrics and 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:

- **Segment Distributable Earnings**, or “**Segment DE**”, is Blackstone’s segment profitability measure used to make operating decisions and assess performance across Blackstone’s four segments. Segment DE represents the net realized earnings of Blackstone’s segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone’s segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone’s consolidated Operating Partnerships, removes the amortization of intangible assets and removes Transaction-Related Charges. Segment DE excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.
  - **Net Realizations** is presented on a segment basis and is the sum of Realized Principal Investment Income and Realized Performance Revenues (which refers to Realized Performance Revenues excluding Fee Related Performance Revenues), less Realized Performance Compensation (which refers to Realized Performance Compensation excluding Fee Related Performance Compensation and Equity-Based Performance Compensation).
- **Distributable Earnings**, or “**DE**”, is derived from Blackstone’s segment reported results, and is used 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 the sum of Segment DE plus Net Interest Income (Loss) less Taxes and Related Payables. DE excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.
  - **Net Interest Income (Loss)** is presented on a segment basis and is equal to Interest and Dividend Revenue less Interest Expense, adjusted for the impact of consolidation of Blackstone Funds, and interest expense associated with the Tax Receivable Agreement.
  - **Taxes and Related Payables** represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes excluding the tax impact of any divestitures and including the Payable under the Tax Receivable Agreement.
- **Fee Related Earnings**, or “**FRE**”, is a performance measure used to assess Blackstone’s ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. FRE equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Performance Revenues, less (a) Fee Related Compensation on a segment basis, and (b) Other Operating Expenses. FRE is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.
  - **Fee Related Compensation** is presented on a segment basis and refers to the compensation expense, excluding Equity-Based Compensation, directly related to Management and Advisory Fees, Net and Fee Related Performance Revenues.
  - **Fee Related Performance Revenues** refers to the realized portion of Performance Revenues from Perpetual Capital that are (a) measured and received on a recurring basis, and (b) not dependent on realization events from the underlying investments.
  - **Fee Related Performance Compensation** is included in Fee Related Compensation on a segment basis and refers to compensation expense directly related to Fee Related Performance Revenues.
  - **Perpetual Capital** refers to the component of assets under management with an indefinite term, that is not in liquidation, and for which there is no requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows. Includes co-investment capital with an investor right to convert into Perpetual Capital.
- **Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization**, or “**Adjusted EBITDA**”, is a supplemental measure used to assess performance derived from Blackstone’s segment results and may be used to assess its ability to service its borrowings. Adjusted EBITDA represents Distributable Earnings plus the addition of (a) Interest Expense on a segment basis, (b) Taxes and Related Payables, and (c) Depreciation and Amortization. Adjusted EBITDA is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.
- **Performance Revenues** collectively refers to: (a) Incentive Fees, and (b) Performance Allocations.
- **Performance Compensation** collectively refers to: (a) Incentive Fee Compensation, and (b) Performance Allocations Compensation.
- **Transaction-Related Charges** arise from corporate actions including acquisitions, divestitures, and Blackstone’s initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the tax receivable agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.