



Blackstone Reports Third Quarter Results

New York, October 15, 2015: Blackstone (NYSE:BX) today reported its third quarter 2015 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “Blackstone produced strong Distributable Earnings in the third quarter, reaching a record for the nine-month period. Despite declines in the public markets that affected our Economic Net Income, underlying trends in our businesses and our portfolio companies remain favorable, which is what drives value ultimately. Recent market volatility should create opportunity for us and we have raised an industry-record \$97 billion of capital over the past year to pursue such opportunities. We continue to deliver attractive returns for our limited partners across all of the alternative asset classes and, on the occasion of our 30th anniversary this month, we are as unwavering in this commitment as we were when the firm was founded.”

Blackstone issued a full detailed presentation of its third quarter 2015 results, which can be viewed at www.blackstone.com.

Distribution

Blackstone has declared a quarterly distribution of \$0.49 per common unit to record holders of common units at the close of business on October 26, 2015. This distribution will be paid on November 2, 2015.

Quarterly Investor Call Details

Blackstone will host a conference call on October 15, 2015 at 11:00 a.m. ET to discuss third quarter 2015 results. The conference call can be accessed via the Investors section of Blackstone’s website at www.blackstone.com or by dialing +1 (877) 391-6747 (U.S. domestic) or +1 (617) 597-9291 (international), pass code 149 943 55#. For those unable to listen to the live broadcast, a replay will be available on www.blackstone.com or by dialing +1 (888) 286-8010 (U.S. domestic) or +1 (617) 801-6888 (international), pass code 373 071 98#.

About Blackstone

Blackstone is one of the world’s leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies

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solve problems. Our asset management businesses, with over \$330 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at www.blackstone.com. Follow Blackstone on Twitter [@Blackstone](https://twitter.com/Blackstone).

Forward-Looking Statements

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect Blackstone's current views with respect to, among other things, Blackstone's operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Blackstone believes these factors include but are not limited to those described under the section entitled "Risk Factors" in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as such factors may be updated from time to time in its periodic filings with the Securities and Exchange Commission, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in the filings. Blackstone undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

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

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Blackstone's Third Quarter 2015 Earnings

October 15, 2015

Blackstone's Third Quarter 2015 Highlights

- ▶ Economic Net Income (“ENI”) was negative \$416 million, or \$(0.35)/unit, in the third quarter, driven by declines in the unrealized value of public holdings, despite strong underlying portfolio fundamentals across the funds.
 - ENI was \$1.7 billion (\$1.45/unit) year-to-date on \$3.7 billion of Total Revenues.
- ▶ Distributable Earnings (“DE”) was \$692 million (\$0.58/unit) in the third quarter, on \$470 million of Realized Performance Fees.
 - DE was \$3.0 billion (\$2.51/unit) year-to-date, up 54% from \$1.9 billion in the same period last year, on \$2.7 billion of Realized Performance Fees, up 54% year-over-year.
- ▶ Fee Related Earnings (“FRE”) was \$266 million in the third quarter, up 12% from \$237 million in the same period last year.
- ▶ GAAP Net Income was negative \$255 million for the quarter, net of certain non-cash IPO and transaction related expenses and net income attributable to non-controlling interests, primarily inside ownership.
- ▶ Total Assets Under Management (“AUM”) reached a record \$333.9 billion through a combination of consistently strong fundraising and organic expansion.
 - Gross inflows were \$16.1 billion in the third quarter, bringing last twelve months (“LTM”) inflows to a record \$96.9 billion.
 - Total AUM increased 17% year-over-year, despite returning \$59.7 billion of capital to investors over the LTM as asset growth and above-market appreciation outpaced increased realizations.
- ▶ Significant capital deployment of \$6.5 billion in the third quarter and \$16.6 billion year-to-date was achieved by leveraging Blackstone’s diverse platform to find opportunities globally.
- ▶ Blackstone declared a third quarter distribution of \$0.49 per common unit payable on November 2, 2015; year-to-date distributions were a record \$2.12 per common unit, up 58% over the same period last year.

Blackstone's Third Quarter 2015 Earnings

(Dollars in Thousands, Except per Unit Data)	3Q'14	3Q'15	% Change vs. 3Q'14	YTD'14	YTD'15	% Change vs. YTD'14
Fee Revenues	\$ 658,465	\$ 707,826	7%	\$ 1,889,897	\$ 1,913,474	1%
Performance Fees	891,087	(639,349)	n/m	3,068,539	1,604,051	(48)%
Investment Income (Loss)	80,766	(136,131)	n/m	373,204	64,284	(83)%
Interest Income and Dividend Revenue	23,585	35,459	50%	68,041	96,936	42%
Total Revenues	1,653,903	(32,195)	n/m	5,399,681	3,678,745	(32)%
Total Expenses	816,028	356,661	(56)%	2,385,565	1,906,791	(20)%
Taxes	79,519	27,070	(66)%	115,863	57,376	(50)%
Economic Net Income (Loss) ("ENI")	\$ 758,356	\$ (415,926)	n/m	\$ 2,898,253	\$ 1,714,578	(41)%
<i>ENI per Unit</i>	<i>\$ 0.66</i>	<i>\$ (0.35)</i>	<i>n/m</i>	<i>\$ 2.51</i>	<i>\$ 1.45</i>	<i>(42)%</i>
GAAP Net Income (Loss)	\$ 250,505	\$ (254,697)	n/m	\$ 1,033,138	\$ 508,919	(51)%
Fee Related Earnings ("FRE")	\$ 236,820	\$ 265,667	12%	\$ 618,287	\$ 624,732	1%
Distributable Earnings ("DE")	\$ 686,086	\$ 691,534	1%	\$ 1,929,904	\$ 2,965,661	54%
<i>DE per Common Unit</i>	<i>\$ 0.54</i>	<i>\$ 0.58</i>	<i>7%</i>	<i>\$ 1.59</i>	<i>\$ 2.51</i>	<i>58%</i>
Total AUM	\$ 284,414,936	\$ 333,925,521	17%	\$ 284,414,936	\$ 333,925,521	17%
Fee-Earning AUM	\$ 214,819,600	\$ 240,939,356	12%	\$ 214,819,600	\$ 240,939,356	12%

"n/m" = Not Meaningful.

Private Equity

- ▶ Carrying value decline of 2.3% in the quarter was driven principally by a decline in public investment values despite strong underlying revenue and EBITDA growth trends across the portfolio.
 - Overall appreciation of 7.7% year-to-date and 9.5% LTM significantly outperformed broader market indices.
- ▶ Realizations remained strong with \$2.7 billion realized during the quarter and \$14.2 billion realized LTM on public and strategic exits in corporate private equity funds.
- ▶ Completed the private sales of Center Parcs, CMS Info Systems and Agile Electric and public share sales of Summit Materials, Michaels Stores and Scout24.
- ▶ Announced the strategic sales of AVINTIV, SunGard Data Systems and Vivint Solar, which are expected to close later this year.
- ▶ Deployed \$1.7 billion and committed an additional \$1.2 billion of capital during the quarter across several new investments and accretive add-on acquisitions to the portfolio.
- ▶ Raised \$3.7 billion across various tactical opportunities and corporate private equity mandates; launched fundraising for the seventh secondary fund.

(Dollars in Thousands)	3Q'14	3Q'15	% Change vs. 3Q'14	YTD'14	YTD'15	% Change vs. YTD'14
Fee Revenues	\$ 153,545	\$ 126,019	(18)%	\$ 421,265	\$ 351,261	(17)%
Performance Fees	221,368	(594,831)	n/m	1,222,842	595,971	(51)%
Investment Income (Loss)	7,667	(63,772)	n/m	151,643	40,488	(73)%
Interest Income and Dividend Revenue	5,346	8,119	52%	15,240	23,403	54%
Total Revenues	387,926	(524,465)	n/m	1,810,990	1,011,123	(44)%
Compensation	79,007	69,522	(12)%	225,352	206,690	(8)%
Performance Fee Compensation	124,378	(125,145)	n/m	361,915	173,385	(52)%
Other Operating Expenses	34,109	43,693	28%	106,308	144,906	36%
Total Expenses	237,494	(11,930)	n/m	693,575	524,981	(24)%
Economic Income (Loss)	\$ 150,432	\$ (512,535)	n/m	\$ 1,117,415	\$ 486,142	(56)%
Total AUM	\$ 69,890,367	\$ 91,490,669	31%	\$ 69,890,367	\$ 91,490,669	31%
Fee-Earning AUM	\$ 43,817,741	\$ 50,560,404	15%	\$ 43,817,741	\$ 50,560,404	15%

9.5%

3Q'15 LTM increase in fund carrying value

\$215 million

3Q'15 Realized Performance Fees

\$91.5 billion

Total AUM up 31% YoY

Real Estate

- ▶ Opportunistic Real Estate funds' carrying value was down 0.1% during the quarter as strong operating fundamentals across the portfolio were offset by declines in public investment values.
 - Appreciation of 8.6% year-to-date and 14.2% LTM significantly outpaced broader market indices.
- ▶ Unique scale and reach of global platform resulted in continued active investment pace, with \$4.3 billion invested in the third quarter and an additional \$4.5 billion committed as of quarter end.
- ▶ Active pace of realizations with \$3.0 billion in the quarter driven by private sales including Center Parcs and the NY Times Office building, bringing LTM realizations to \$23.5 billion.
- ▶ Total AUM was up 16% year-over-year to \$93.2 billion as a result of record level of fundraising activity and strong market appreciation, while Fee-Earning AUM was up 24% year-over-year to \$64.9 billion.
 - Robust quarterly fundraising of \$3.8 billion, including \$2.5 billion for the Core+ real estate strategy, bringing Total AUM to \$8.5 billion less than two years after launching the business.

(Dollars in Thousands)	3Q'14	3Q'15	% Change vs. 3Q'14	YTD'14	YTD'15	% Change vs. YTD'14
Fee Revenues	\$ 185,400	\$ 186,015	0%	\$ 512,856	\$ 502,638	(2)%
Performance Fees	537,197	46,860	(91)%	1,414,677	864,412	(39)%
Investment Income (Loss)	63,665	(55,561)	n/m	172,628	31,034	(82)%
Interest Income and Dividend Revenue	7,135	11,057	55%	21,254	31,313	47%
Total Revenues	793,397	188,371	(76)%	2,121,415	1,429,397	(33)%
Compensation	90,586	99,255	10%	256,401	263,573	3%
Performance Fee Compensation	173,445	36,581	(79)%	455,708	254,434	(44)%
Other Operating Expenses	36,138	42,050	16%	105,787	125,539	19%
Total Expenses	300,169	177,886	(41)%	817,896	643,546	(21)%
Economic Income	\$ 493,228	\$ 10,485	(98)%	\$ 1,303,519	\$ 785,851	(40)%
Total AUM	\$ 80,188,858	\$ 93,187,556	16%	\$ 80,188,858	\$ 93,187,556	16%
Fee-Earning AUM	\$ 52,308,175	\$ 64,858,622	24%	\$ 52,308,175	\$ 64,858,622	24%

14.2%

3Q'15 LTM increase in fund carrying value

\$173 million

3Q'15 Realized Performance Fees

\$93.2 billion

Total AUM up 16% YoY

Hedge Fund Solutions

- ▶ The composite gross return was down 0.9% for the quarter demonstrating BAAM's ability to provide downside protection in difficult global markets.
 - Returns were up 2.8% year-to-date and 3.6% LTM, outperforming global markets with significantly lower volatility.
- ▶ Fee-Earning gross inflows of \$2.2 billion during the quarter and \$9.5 billion LTM were driven by investments in customized and commingled strategies and individual investor solutions.
 - October 1 subscriptions of \$557 million are not yet included in Fee-Earning AUM.
- ▶ Total AUM reached \$68.4 billion driven by customized strategies growth and continued platform diversification.
 - Total AUM for BAAM's individual investor solutions platform reached \$5.8 billion, up from \$2.7 billion as of the third quarter of 2014.
 - BAAM's third seeding vehicle held its first close with \$655 million in commitments.
 - BAAM held its final closing for its first permanent capital vehicle acquiring general partner interests in hedge funds, bringing total commitments to \$3.3 billion.

(Dollars in Thousands)	3Q'14	3Q'15	% Change vs. 3Q'14	YTD'14	YTD'15	% Change vs. YTD'14
Fee Revenues	\$ 121,286	\$ 133,238	10%	\$ 354,830	\$ 392,080	10%
Performance Fees	32,156	(32,322)	n/m	128,615	66,405	(48)%
Investment Income (Loss)	1,525	(6,879)	n/m	26,227	(12,496)	n/m
Interest Income and Dividend Revenue	2,724	4,136	52%	7,725	12,055	56%
Total Revenues	157,691	98,173	(38)%	517,397	458,044	(11)%
Compensation	41,940	44,408	6%	125,852	146,353	16%
Performance Fee Compensation	11,090	(10,488)	n/m	45,292	25,185	(44)%
Other Operating Expenses	20,480	24,147	18%	65,061	65,852	1%
Total Expenses	73,510	58,067	(21)%	236,205	237,390	1%
Economic Income	\$ 84,181	\$ 40,106	(52)%	\$ 281,192	\$ 220,654	(22)%
Total AUM	\$ 64,183,863	\$ 68,405,948	7%	\$ 64,183,863	\$ 68,405,948	7%
Fee-Earning AUM	\$ 62,037,082	\$ 65,182,338	5%	\$ 62,037,082	\$ 65,182,338	5%

3.6%

3Q'15 LTM Composite Gross Return

\$35.8 billion

Incentive Fee Eligible AUM at 3Q'15

\$2.2 billion

3Q'15 Fee-Earning Gross Inflows

The composite gross return is based on the BAAM Principal Solutions ("BPS") Composite which does not include BAAM's individual investor solutions (liquid alternatives), long-only equity, long-biased commodities, ventures (seeding and minority interests), strategic opportunities (co-investments), Senfina (direct trading) and advisory (non-discretionary) platforms, except for investments by BPS funds directly into those platforms. BAAM-managed funds in liquidation are also excluded. On a net of fees basis, the BPS Composite was (1.0)% for 3Q'15, 2.2% for YTD'15 and 2.7% for LTM'15.

Credit

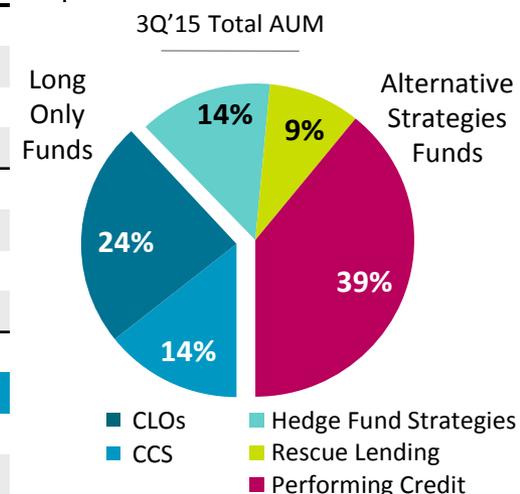
- ▶ Returns in all three alternative credit strategies were impacted by declines in public markets.
- ▶ Total AUM growth of 15% over the past year was driven by strong fundraising for new product launches, including \$7.7 billion for the new energy focused funds, credit alpha strategies and European senior debt strategy.
- ▶ Fee Revenues of \$116 million in the quarter, up 3% year-over-year reflects a stable Fee-Earning AUM base with a predictable Management Fee Revenue stream.
- ▶ Launched 10 CLOs over the past year (six U.S. and four European) raising \$5.5 billion of capital including a \$618 million U.S. CLO during the third quarter.
- ▶ Deployed \$432 million and committed an additional \$1.5 billion of capital during the quarter across the drawdown funds.
- ▶ Robust realizations of \$1.1 billion across drawdown funds in the quarter.

Investment Performance

	Gross Returns	
	3Q'15	YTD'15
Mezzanine Strategies	(3.2)%	6.1%
Rescue Lending Strategies	(6.3)%	(0.7)%
Hedge Fund Strategies	(2.2)%	1.4%

(Dollars in Thousands)	3Q'14	3Q'15	% Change vs. 3Q'14	YTD'14	YTD'15	% Change vs. YTD'14
Fee Revenues	\$ 113,240	\$ 116,489	3%	\$ 330,472	\$ 360,957	9%
Performance Fees	100,366	(59,056)	n/m	302,405	77,263	(74)%
Investment Income (Loss)	7,932	(8,442)	n/m	20,826	6,165	(70)%
Interest Income and Dividend Revenue	5,968	6,053	1%	16,721	17,642	6%
Total Revenues	227,506	55,044	(76)%	670,424	462,027	(31)%
Compensation	54,877	51,324	(6)%	156,939	148,325	(5)%
Performance Fee Compensation	51,249	(31,427)	n/m	152,339	35,774	(77)%
Other Operating Expenses	20,860	24,898	19%	75,858	70,273	(7)%
Total Expenses	126,986	44,795	(65)%	385,136	254,372	(34)%
Economic Income	\$ 100,520	\$ 10,249	(90)%	\$ 285,288	\$ 207,655	(27)%
Total AUM	\$ 70,151,848	\$ 80,841,348	15%	\$ 70,151,848	\$ 80,841,348	15%
Fee-Earning AUM	\$ 56,656,602	\$ 60,337,992	6%	\$ 56,656,602	\$ 60,337,992	6%

\$80.8 billion



For Mezzanine and Rescue Lending Strategies, Investment Performance represents the combined cash flows of the fee-earning funds exceeding \$100 million of fair value at each respective quarter end. For Hedge Fund Strategies, Investment Performance represents the weighted-average composite of the fee-earning funds exceeding \$100 million of fair value at each respective quarter end. Investment Performance excludes the Blackstone Funds that were contributed to GSO as part of Blackstone's acquisition of GSO in March 2008. Mezzanine Strategies' net returns were (3.2)% for 3Q'15 and 4.4% for YTD'15, Rescue Lending Strategies' net returns were (5.7)% for 3Q'15 and (1.0)% for YTD'15 and Hedge Fund Strategies' net returns were (2.4)% for 3Q'15 and 0.1% for YTD'15. Performing Credit includes Mezzanine Funds and business development companies ("BDCs"). Customized Credit Strategies ("CCS") include closed-end funds, commingled funds, the exchange traded fund and separately managed accounts.

Financial Advisory

- ▶ The spin-off of Blackstone's Advisory businesses was completed on October 1, 2015.
- ▶ The new company, PJT Partners Inc., is now formally separated from Blackstone and trades on the New York Stock Exchange under the ticker PJT.
- ▶ Fee Revenues rose 72% in the third quarter compared to the prior year primarily due to increased deal size of closed Advisory transactions.
- ▶ Total expenses (which do not include expenses related to the spin-off transaction) increased 13% in the third quarter compared to the prior year primarily due to an increase in compensation expenses resulting from increased Fee Revenues.

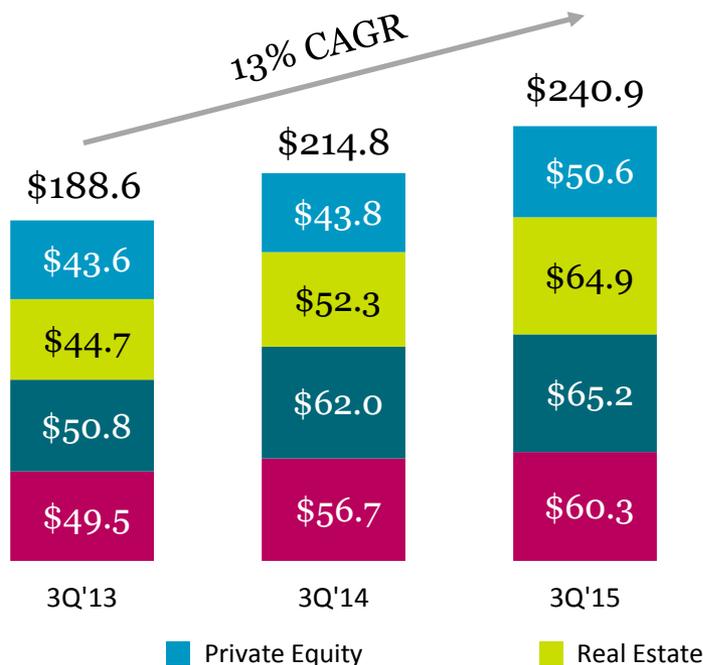
(Dollars in Thousands)	3Q'14	3Q'15	% Change		YTD'14	YTD'15	% Change	
			vs. 3Q'14				vs. YTD'14	
Fee Revenues	\$ 84,994	\$ 146,065	72%		\$ 270,474	\$ 306,538	13%	
Investment Income (Loss)	(23)	(1,477)	n/m		1,880	(907)	n/m	
Interest Income and Dividend Revenue	2,412	6,094	153%		7,101	12,523	76%	
Total Revenues	87,383	150,682	72%		279,455	318,154	14%	
Compensation	58,016	65,066	12%		189,442	183,824	(3)%	
Other Operating Expenses	19,853	22,777	15%		63,311	62,678	(1)%	
Total Expenses	77,869	87,843	13%		252,753	246,502	(2)%	
Economic Income	\$ 9,514	\$ 62,839	560%		\$ 26,702	\$ 71,652	168%	

Assets Under Management

- ▶ Record Fee-Earning AUM of \$240.9 billion was up 12% year-over-year as \$66.0 billion of gross inflows significantly outpaced \$37.6 billion of realizations and outflows.
- ▶ Total AUM increased 17% year-over-year to \$333.9 billion driven by \$96.9 billion from gross inflows and \$12.3 billion from strong fund appreciation.
 - Each segment had significant growth despite \$59.7 billion of capital returned to investors over the LTM period.

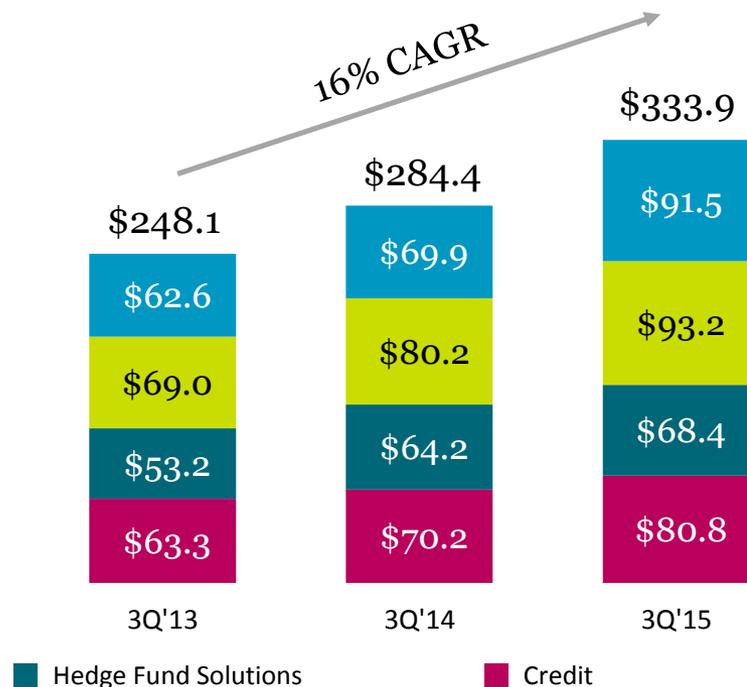
Fee-Earning AUM by Segment

(Dollars in Billions)



Total AUM by Segment

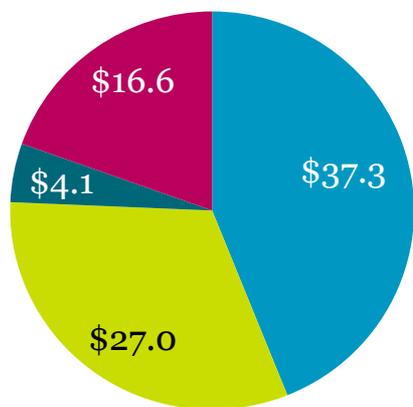
(Dollars in Billions)



Additional Capital Detail

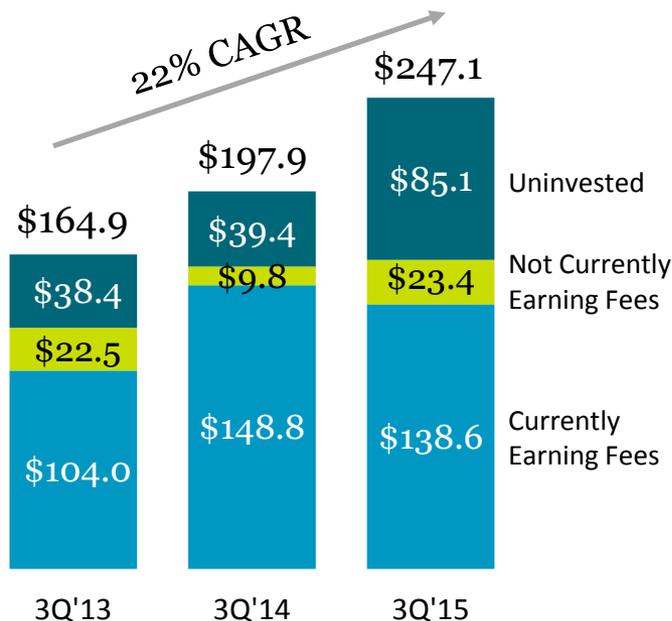
- ▶ Record undrawn capital (“Total Dry Powder”) of \$84.9 billion, up 101% year-over-year, driven by fundraises for the latest global private equity and real estate funds.
- ▶ Performance Fee Eligible AUM reached \$247.1 billion at quarter end, up 25% year-over-year, despite significant realizations in the Real Estate and Private Equity segments.
 - Consistently strong fundraising drove a 116% year-over-year increase in Performance Fee Eligible assets not yet invested to \$85.1 billion.

\$85 billion 3Q'15
Total Dry Powder

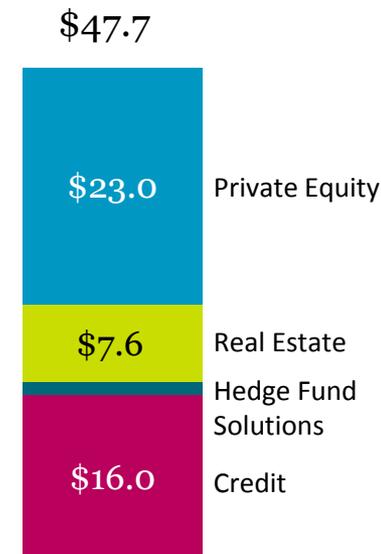


■ Private Equity ■ Real Estate
■ Hedge Fund Solutions ■ Credit

\$247 billion Performance
Fee Eligible AUM



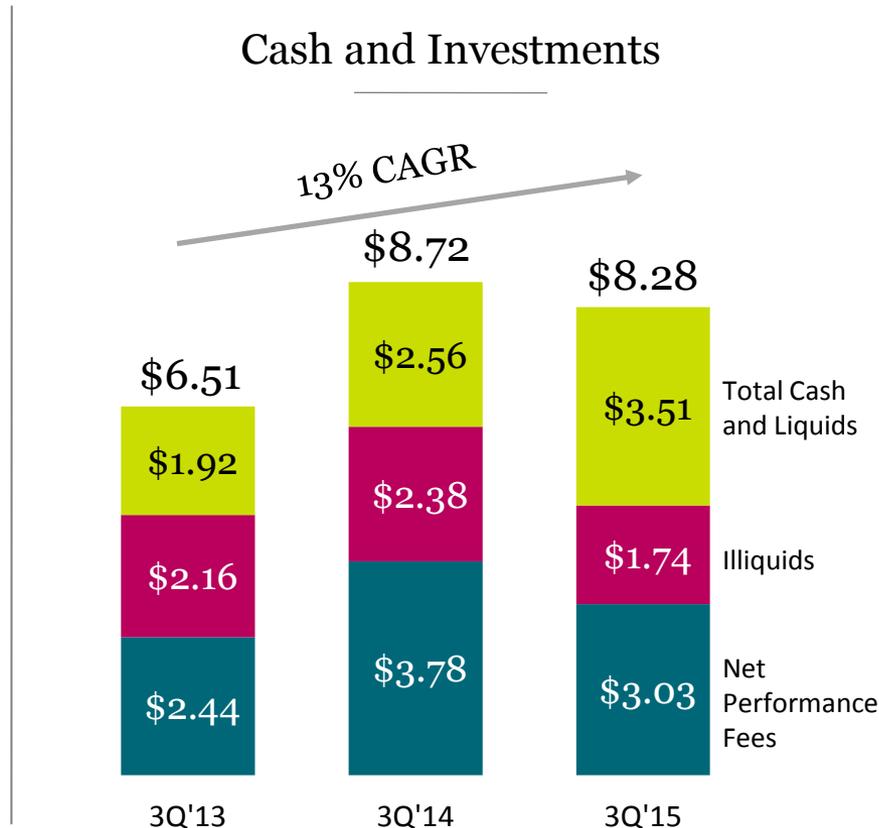
\$48 billion Not Currently
Earning Management Fees



Balance Sheet Highlights

- ▶ At September 30, 2015, Blackstone had \$4.2 billion in total cash, corporate treasury and liquid investments and \$9.8 billion of total net value, or \$8.28 per DE unit, up 13% compounded annually from \$6.51 at the same period in 2013.
- ▶ As of the end of the third quarter, Blackstone had no net debt, over \$9.8 billion of total net value on the balance sheet and maintained its A+/A+ ratings.

(Dollars in Millions)	3Q'15
Cash and Cash Equivalents	\$ 1,380
Treasury Cash Management Strategies	2,602
Liquid Investments	172
Illiquid Investments	2,066
Net Accrued Performance Fees	3,585
Total Net Value	\$ 9,805
Outstanding Bonds (at par)	\$ 2,822



A+ / A+
rated by S&P and Fitch

\$1.1 billion
undrawn credit revolver with
May 2019 maturity

\$4.2 billion
total cash, corporate treasury
and liquid investments

Balance Sheet Highlights are preliminary, and exclude the consolidated Blackstone funds. Liquid Investments are primarily Blackstone investments in Hedge Fund Solutions and non-drawdown Credit. Illiquid Investments include Blackstone investments in Private Equity, Real Estate and Other, which were \$796 million, \$1.0 billion, and \$259 million, respectively, as of September 30, 2015, \$965 million, \$1.4 billion, and \$402 million, respectively, as of September 30, 2014 and \$922 million, \$1.3 billion, and \$257 million, respectively, as of September 30, 2013. Cash and Investments per unit amounts are calculated using period end DE Units Outstanding (see page 30, Unit Rollforward).

Performance Fees

- ▶ Net Accrued Performance Fees were \$3.6 billion (\$3.03/unit) despite high Net Realized Performance Fees of \$2.7 billion over the LTM period.
 - Realized 63% of the \$4.3 billion Net Accrued Performance Fees balance from one year prior.
- ▶ Net Realized Performance Fees grew at a 88% compound annual growth rate since the third quarter of 2013, primarily driven by increased realizations in Private Equity and Real Estate.

Net Realized Performance Fees

(Dollars in Millions)

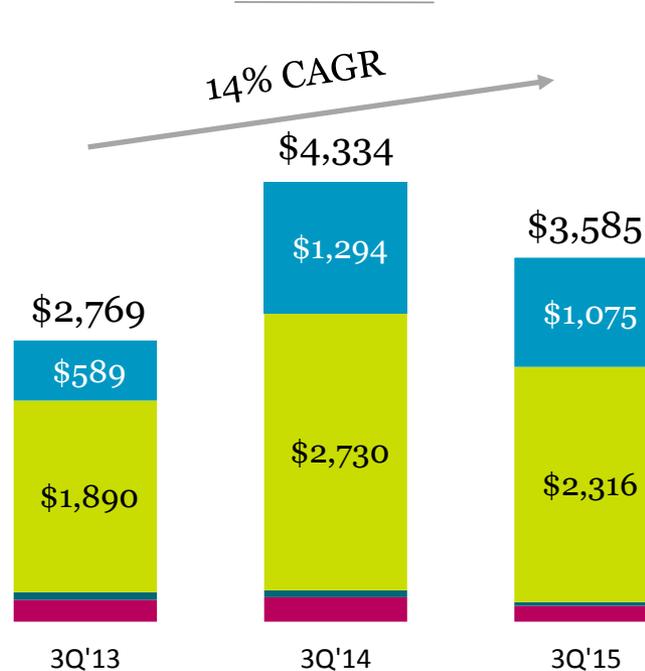


■ Private Equity

■ Real Estate

Net Accrued Performance Fees

(Dollars in Millions)



■ Hedge Fund Solutions

■ Credit

\$2.7 billion

3Q'15 LTM Net Realized Performance Fees

\$3.6 billion

Net Accrued Performance Fees

58%

Net Accrued Performance Fees Related to Publics/Pending Exits

GAAP Statement of Operations

	3Q'14	3Q'15	% Change vs. 3Q'14	YTD'14	YTD'15	% Change vs. YTD'14
(Dollars in Thousands, Except per Unit Data) (Unaudited)						
Revenues						
Management and Advisory Fees, Net	\$ 640,949	\$ 703,596	10%	\$ 1,833,632	\$ 1,894,496	3%
Performance Fees						
Realized Carried Interest	638,676	435,189	(32)%	1,613,958	2,580,266	60%
Realized Incentive Fees	35,445	33,455	(6)%	118,743	110,775	(7)%
Unrealized Carried Interest	222,105	(1,055,920)	n/m	1,213,181	(1,124,010)	n/m
Unrealized Incentive Fees	(6,163)	(50,832)	725%	112,709	36,274	(68)%
Total Performance Fees	890,063	(638,108)	n/m	3,058,591	1,603,305	(48)%
Investment Income (Loss)						
Realized	91,142	99,952	10%	459,878	445,705	(3)%
Unrealized	38,445	(179,298)	n/m	62,754	(262,024)	n/m
Total Investment Income (Loss)	129,587	(79,346)	n/m	522,632	183,681	(65)%
Interest and Dividend Revenue	18,107	26,244	45%	47,516	70,129	48%
Other	720	(813)	n/m	1,583	(2,478)	n/m
Total Revenues	1,679,426	11,573	(99)%	5,463,954	3,749,133	(31)%
Expenses						
Compensation and Benefits						
Compensation	525,093	393,655	(25)%	1,511,085	1,426,233	(6)%
Performance Fee Compensation						
Realized Carried Interest	186,003	97,798	(47)%	595,702	628,079	5%
Realized Incentive Fees	19,029	15,062	(21)%	61,173	49,126	(20)%
Unrealized Carried Interest	164,132	(228,697)	n/m	319,158	(204,876)	n/m
Unrealized Incentive Fees	(9,002)	(14,641)	63%	39,221	16,450	(58)%
Total Compensation and Benefits	885,255	263,177	(70)%	2,526,339	1,915,012	(24)%
General, Administrative and Other	128,015	158,664	24%	400,061	436,496	9%
Interest Expense	31,615	36,860	17%	86,129	105,644	23%
Fund Expenses	10,253	18,296	78%	20,241	76,845	280%
Total Expenses	1,055,138	476,997	(55)%	3,032,770	2,533,997	(16)%
Other Income (Loss)						
Net Gains (Losses) from Fund Investment Activities	8,682	(16,867)	n/m	217,422	158,703	(27)%
Income Before Provision for Taxes	\$ 632,970	\$ (482,291)	n/m	\$ 2,648,606	\$ 1,373,839	(48)%
Provision for Taxes	79,108	1,573	(98)%	216,487	144,168	(33)%
Net Income (Loss)	\$ 553,862	\$ (483,864)	n/m	\$ 2,432,119	\$ 1,229,671	(49)%
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated	(23,328)	(12,520)	(46)%	44,950	8,787	(80)%
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	55,491	30,671	(45)%	239,513	179,183	(25)%
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	271,194	(247,318)	n/m	1,114,518	532,782	(52)%
Net Income (Loss) Attributable to The Blackstone Group L.P. ("BX")	\$ 250,505	\$ (254,697)	n/m	\$ 1,033,138	\$ 508,919	(51)%
Net Income (Loss) per Common Unit, Basic	\$ 0.41	\$ (0.40)	n/m	\$ 1.70	\$ 0.81	(52)%
Net Income (Loss) per Common Unit, Diluted	\$ 0.41	\$ (0.40)	n/m	\$ 1.69	\$ 0.80	(53)%

Appendix

Total Segments

(Dollars in Thousands)	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	YTD'14	YTD'15
Revenues							
Management and Advisory Fees, Net							
Base Management Fees	\$ 505,493	\$ 508,588	\$ 516,397	\$ 516,492	\$ 564,287	\$ 1,478,941	\$ 1,597,176
Advisory Fees	84,131	151,837	84,238	76,998	146,153	269,008	307,389
Transaction and Other Fees, Net	90,885	46,446	37,073	11,728	32,403	199,991	81,204
Management Fee Offsets	(22,763)	(27,146)	(17,945)	(18,434)	(34,176)	(59,625)	(70,555)
Total Management and Advisory Fees, Net	657,746	679,725	619,763	586,784	708,667	1,888,315	1,915,214
Performance Fees							
Realized Carried Interest	638,752	836,562	1,207,594	937,483	435,189	1,614,034	2,580,266
Realized Incentive Fees	36,840	131,777	29,670	47,819	34,785	129,968	112,274
Unrealized Carried Interest	222,026	495,935	373,852	(441,949)	(1,055,977)	1,213,026	(1,124,074)
Unrealized Incentive Fees	(6,531)	(140,936)	62,620	26,311	(53,346)	111,511	35,585
Total Performance Fees	891,087	1,323,338	1,673,736	569,664	(639,349)	3,068,539	1,604,051
Investment Income (Loss)							
Realized	75,832	153,477	107,792	136,497	87,526	389,948	331,815
Unrealized	4,934	(55,053)	81,849	(125,723)	(223,657)	(16,744)	(267,531)
Total Investment Income (Loss)	80,766	98,424	189,641	10,774	(136,131)	373,204	64,284
Interest Income and Dividend Revenue	23,585	28,303	30,451	31,026	35,459	68,041	96,936
Other	719	7,823	(4,872)	3,973	(841)	1,582	(1,740)
Total Revenues	1,653,903	2,137,613	2,508,719	1,202,221	(32,195)	5,399,681	3,678,745
Expenses							
Compensation	324,426	199,525	329,838	289,352	329,575	953,986	948,765
Performance Fee Compensation							
Realized Carried Interest	186,003	219,941	292,248	238,032	97,799	595,702	628,079
Realized Incentive Fees	19,029	48,926	12,227	21,837	15,061	61,173	49,125
Unrealized Carried Interest	164,132	59,879	74,380	(50,559)	(228,697)	319,158	(204,876)
Unrealized Incentive Fees	(9,002)	(58,497)	24,961	6,131	(14,642)	39,221	16,450
Total Compensation and Benefits	684,588	469,774	733,654	504,793	199,096	1,969,240	1,437,543
Other Operating Expenses	131,440	137,457	143,282	168,401	157,565	416,325	469,248
Total Expenses	816,028	607,231	876,936	673,194	356,661	2,385,565	1,906,791
Economic Income (Loss)	\$ 837,875	\$ 1,530,382	\$ 1,631,783	\$ 529,027	\$ (388,856)	\$ 3,014,116	\$ 1,771,954
Economic Net Income (Loss)	\$ 758,356	\$ 1,446,733	\$ 1,622,064	\$ 508,440	\$ (415,926)	\$ 2,898,253	\$ 1,714,578
Fee Related Earnings	\$ 236,820	\$ 384,720	\$ 180,624	\$ 178,441	\$ 265,667	\$ 618,287	\$ 624,732
Distributable Earnings	\$ 686,086	\$ 1,134,054	\$ 1,240,207	\$ 1,033,920	\$ 691,534	\$ 1,929,904	\$ 2,965,661
Total Assets Under Management	\$ 284,414,936	\$ 290,381,069	\$ 310,451,289	\$ 332,723,546	\$ 333,925,521	\$ 284,414,936	\$ 333,925,521
Fee-Earning Assets Under Management	\$ 214,819,600	\$ 216,691,799	\$ 223,511,700	\$ 239,342,214	\$ 240,939,356	\$ 214,819,600	\$ 240,939,356
Weighted Average Fee-Earning AUM	\$ 213,525,423	\$ 215,196,253	\$ 218,241,987	\$ 237,576,488	\$ 239,786,680	\$ 210,597,134	\$ 238,291,612
LP Capital Invested	\$ 6,664,365	\$ 7,810,098	\$ 4,765,536	\$ 4,814,362	\$ 6,145,446	\$ 16,559,403	\$ 15,725,344
Total Capital Invested	\$ 7,619,737	\$ 8,090,350	\$ 5,052,370	\$ 5,048,058	\$ 6,507,371	\$ 18,285,610	\$ 16,607,799

Private Equity

(Dollars in Thousands)	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	YTD'14	YTD'15
Revenues							
Management Fees, Net							
Base Management Fees	\$ 108,236	\$ 105,817	\$ 108,383	\$ 121,918	\$ 128,452	\$ 310,024	\$ 358,753
Transaction and Other Fees, Net	48,996	15,183	20,359	(12,131)	9,358	119,459	17,586
Management Fee Offsets	(5,837)	(7,350)	(4,949)	(9,028)	(12,262)	(11,796)	(26,239)
Total Management Fees, Net	151,395	113,650	123,793	100,759	125,548	417,687	350,100
Performance Fees							
Realized Carried Interest	124,913	297,290	382,978	546,575	214,532	457,112	1,144,085
Unrealized Carried Interest	96,455	457,098	566,822	(305,573)	(809,363)	765,730	(548,114)
Total Performance Fees	221,368	754,388	949,800	241,002	(594,831)	1,222,842	595,971
Investment Income (Loss)							
Realized	20,421	46,951	44,816	50,258	46,917	155,768	141,991
Unrealized	(12,754)	(19,789)	31,487	(22,301)	(110,689)	(4,125)	(101,503)
Total Investment Income (Loss)	7,667	27,162	76,303	27,957	(63,772)	151,643	40,488
Interest Income and Dividend Revenue	5,346	6,743	7,617	7,667	8,119	15,240	23,403
Other	2,150	2,991	(1,825)	2,515	471	3,578	1,161
Total Revenues	387,926	904,934	1,155,688	379,900	(524,465)	1,810,990	1,011,123
Expenses							
Compensation	79,007	51,095	70,089	67,079	69,522	225,352	206,690
Performance Fee Compensation							
Realized Carried Interest	30,944	36,958	39,482	106,502	16,303	229,435	162,287
Unrealized Carried Interest	93,434	77,966	178,120	(25,574)	(141,448)	132,480	11,098
Total Compensation and Benefits	203,385	166,019	287,691	148,007	(55,623)	587,267	380,075
Other Operating Expenses	34,109	36,590	38,755	62,458	43,693	106,308	144,906
Total Expenses	237,494	202,609	326,446	210,465	(11,930)	693,575	524,981
Economic Income (Loss)	\$ 150,432	\$ 702,325	\$ 829,242	\$ 169,435	\$ (512,535)	\$ 1,117,415	\$ 486,142
Total Assets Under Management	\$ 69,890,367	\$ 73,073,252	\$ 76,327,189	\$ 92,026,337	\$ 91,490,669	\$ 69,890,367	\$ 91,490,669
Fee-Earning Assets Under Management	\$ 43,817,741	\$ 43,890,167	\$ 49,342,211	\$ 49,537,189	\$ 50,560,404	\$ 43,817,741	\$ 50,560,404
Weighted Average Fee-Earning AUM	\$ 43,838,483	\$ 42,899,791	\$ 45,051,839	\$ 49,925,744	\$ 50,268,174	\$ 44,328,213	\$ 50,307,467
LP Capital Invested	\$ 2,277,861	\$ 3,459,063	\$ 2,374,599	\$ 1,800,854	\$ 1,535,702	\$ 6,164,210	\$ 5,711,155
Total Capital Invested	\$ 3,172,660	\$ 3,593,887	\$ 2,517,769	\$ 1,949,748	\$ 1,677,876	\$ 7,603,111	\$ 6,145,393

Real Estate

(Dollars in Thousands)	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	YTD'14	YTD'15
Revenues							
Management Fees, Net							
Base Management Fees	\$ 155,089	\$ 156,208	\$ 152,348	\$ 140,743	\$ 175,710	\$ 472,294	\$ 468,801
Transaction and Other Fees, Net	38,312	26,220	15,216	21,510	21,390	65,390	58,116
Management Fee Offsets	(8,977)	(8,540)	(4,866)	(5,428)	(10,147)	(25,903)	(20,441)
Total Management Fees, Net	184,424	173,888	162,698	156,825	186,953	511,781	506,476
Performance Fees							
Realized Carried Interest	349,237	526,041	811,249	363,983	169,051	961,721	1,344,283
Realized Incentive Fees	1,159	4,296	723	1,220	3,879	7,203	5,822
Unrealized Carried Interest	187,175	77,173	(181,019)	(188,608)	(128,854)	446,873	(498,481)
Unrealized Incentive Fees	(374)	(4,401)	6,069	3,935	2,784	(1,120)	12,788
Total Performance Fees	537,197	603,109	637,022	180,530	46,860	1,414,677	864,412
Investment Income (Loss)							
Realized	49,173	105,901	71,344	85,432	39,821	203,194	196,597
Unrealized	14,492	(28,364)	37,510	(107,691)	(95,382)	(30,566)	(165,563)
Total Investment Income (Loss)	63,665	77,537	108,854	(22,259)	(55,561)	172,628	31,034
Interest Income and Dividend Revenue	7,135	8,943	9,997	10,259	11,057	21,254	31,313
Other	976	1,788	(3,977)	1,077	(938)	1,075	(3,838)
Total Revenues	793,397	865,265	914,594	326,432	188,371	2,121,415	1,429,397
Expenses							
Compensation	90,586	69,916	84,834	79,484	99,255	256,401	263,573
Performance Fee Compensation							
Realized Carried Interest	64,187	173,534	246,496	116,168	52,546	259,462	415,210
Realized Incentive Fees	592	2,323	356	671	1,838	3,657	2,865
Unrealized Carried Interest	108,789	4,061	(98,084)	(50,559)	(23,018)	193,113	(171,661)
Unrealized Incentive Fees	(123)	(2,227)	2,575	230	5,215	(524)	8,020
Total Compensation and Benefits	264,031	247,607	236,177	145,994	135,836	712,109	518,007
Other Operating Expenses	36,138	40,296	40,143	43,346	42,050	105,787	125,539
Total Expenses	300,169	287,903	276,320	189,340	177,886	817,896	643,546
Economic Income	\$ 493,228	\$ 577,362	\$ 638,274	\$ 137,092	\$ 10,485	\$ 1,303,519	\$ 785,851
Total Assets Under Management	\$ 80,188,858	\$ 80,863,187	\$ 92,785,658	\$ 91,578,634	\$ 93,187,556	\$ 80,188,858	\$ 93,187,556
Fee-Earning Assets Under Management	\$ 52,308,175	\$ 52,563,068	\$ 50,783,247	\$ 62,683,857	\$ 64,858,622	\$ 52,308,175	\$ 64,858,622
Weighted Average Fee-Earning AUM	\$ 52,764,267	\$ 52,236,610	\$ 51,671,739	\$ 60,939,868	\$ 63,492,663	\$ 53,590,344	\$ 62,809,264
LP Capital Invested	\$ 3,046,867	\$ 3,478,850	\$ 1,443,163	\$ 2,963,609	\$ 4,118,952	\$ 7,756,292	\$ 8,525,724
Total Capital Invested	\$ 3,071,425	\$ 3,584,035	\$ 1,405,603	\$ 3,035,837	\$ 4,326,151	\$ 7,946,117	\$ 8,767,591

Hedge Fund Solutions

(Dollars in Thousands)	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	YTD'14	YTD'15
Revenues							
Management Fees, Net							
Base Management Fees	\$ 121,484	\$ 125,105	\$ 130,637	\$ 130,216	\$ 133,592	\$ 357,876	\$ 394,445
Transaction and Other Fees, Net	161	189	25	-	219	380	244
Management Fee Offsets	(1,099)	(929)	(280)	(608)	(507)	(4,085)	(1,395)
Total Management Fees, Net	120,546	124,365	130,382	129,608	133,304	354,171	393,294
Performance Fees							
Realized Incentive Fees	6,683	86,028	10,516	16,915	2,783	54,501	30,214
Unrealized Carried Interest	-	-	-	8,014	(5,394)	-	2,620
Unrealized Incentive Fees	25,473	(74,993)	47,427	15,855	(29,711)	74,114	33,571
Total Performance Fees	32,156	11,035	57,943	40,784	(32,322)	128,615	66,405
Investment Income (Loss)							
Realized	2,693	(357)	(10,375)	(1,757)	(468)	21,907	(12,600)
Unrealized	(1,168)	812	4,483	2,032	(6,411)	4,320	104
Total Investment Income (Loss)	1,525	455	(5,892)	275	(6,879)	26,227	(12,496)
Interest Income and Dividend Revenue	2,724	3,389	3,949	3,970	4,136	7,725	12,055
Other	740	1,196	(1,607)	459	(66)	659	(1,214)
Total Revenues	157,691	140,440	184,775	175,096	98,173	517,397	458,044
Expenses							
Compensation	41,940	5,806	56,104	45,841	44,408	125,852	146,353
Performance Fee Compensation							
Realized Incentive Fees	2,312	23,950	3,470	8,711	(436)	18,501	11,745
Unrealized Carried Interest	-	-	-	4,077	(3,041)	-	1,036
Unrealized Incentive Fees	8,778	(27,064)	15,651	3,764	(7,011)	26,791	12,404
Total Compensation and Benefits	53,030	2,692	75,225	62,393	33,920	171,144	171,538
Other Operating Expenses	20,480	21,068	21,206	20,499	24,147	65,061	65,852
Total Expenses	73,510	23,760	96,431	82,892	58,067	236,205	237,390
Economic Income	\$ 84,181	\$ 116,680	\$ 88,344	\$ 92,204	\$ 40,106	\$ 281,192	\$ 220,654
Total Assets Under Management	\$ 64,183,863	\$ 63,585,670	\$ 66,378,908	\$ 67,829,866	\$ 68,405,948	\$ 64,183,863	\$ 68,405,948
Fee-Earning Assets Under Management	\$ 62,037,082	\$ 61,417,558	\$ 64,114,498	\$ 65,512,170	\$ 65,182,338	\$ 62,037,082	\$ 65,182,338
Weighted Average Fee-Earning AUM	\$ 60,009,283	\$ 61,730,313	\$ 62,910,553	\$ 65,453,883	\$ 65,782,066	\$ 57,522,469	\$ 64,902,211
LP Capital Invested	\$ 473,233	\$ 25,489	\$ 133,351	\$ 2,131	\$ 66,427	\$ 828,639	\$ 201,909
Total Capital Invested	\$ 487,398	\$ 12,137	\$ 139,223	\$ 2,136	\$ 71,132	\$ 886,420	\$ 212,491

Credit

(Dollars in Thousands)	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	YTD'14	YTD'15
Revenues							
Management Fees, Net							
Base Management Fees	\$ 120,684	\$ 121,458	\$ 125,029	\$ 123,615	\$ 126,533	\$ 338,747	\$ 375,177
Transaction and Other Fees, Net	3,025	4,728	1,457	2,060	1,289	13,433	4,806
Management Fee Offsets	(6,850)	(10,327)	(7,850)	(3,370)	(11,260)	(17,841)	(22,480)
Total Management Fees, Net	116,859	115,859	118,636	122,305	116,562	334,339	357,503
Performance Fees							
Realized Carried Interest	164,602	13,231	13,367	26,925	51,606	195,201	91,898
Realized Incentive Fees	28,998	41,453	18,431	29,684	28,123	68,264	76,238
Unrealized Carried Interest	(61,604)	(38,336)	(11,951)	44,218	(112,366)	423	(80,099)
Unrealized Incentive Fees	(31,630)	(61,542)	9,124	6,521	(26,419)	38,517	(10,774)
Total Performance Fees	100,366	(45,194)	28,971	107,348	(59,056)	302,405	77,263
Investment Income (Loss)							
Realized	3,040	1,020	2,237	2,723	1,735	8,334	6,695
Unrealized	4,892	(7,437)	6,887	2,760	(10,177)	12,492	(530)
Total Investment Income (Loss)	7,932	(6,417)	9,124	5,483	(8,442)	20,826	6,165
Interest Income and Dividend Revenue	5,968	6,319	5,651	5,938	6,053	16,721	17,642
Other	(3,619)	1,557	3,493	34	(73)	(3,867)	3,454
Total Revenues	227,506	72,124	165,875	241,108	55,044	670,424	462,027
Expenses							
Compensation	54,877	31,261	49,877	47,124	51,324	156,939	148,325
Performance Fee Compensation							
Realized Carried Interest	90,872	9,449	6,270	15,362	28,950	106,805	50,582
Realized Incentive Fees	16,125	22,653	8,401	12,455	13,659	39,015	34,515
Unrealized Carried Interest	(38,091)	(22,148)	(5,656)	21,497	(61,190)	(6,435)	(45,349)
Unrealized Incentive Fees	(17,657)	(29,206)	6,735	2,137	(12,846)	12,954	(3,974)
Total Compensation and Benefits	106,126	12,009	65,627	98,575	19,897	309,278	184,099
Other Operating Expenses	20,860	14,666	21,836	23,539	24,898	75,858	70,273
Total Expenses	126,986	26,675	87,463	122,114	44,795	385,136	254,372
Economic Income	\$ 100,520	\$ 45,449	\$ 78,412	\$ 118,994	\$ 10,249	\$ 285,288	\$ 207,655
Total Assets Under Management	\$ 70,151,848	\$ 72,858,960	\$ 74,959,534	\$ 81,288,709	\$ 80,841,348	\$ 70,151,848	\$ 80,841,348
Fee-Earning Assets Under Management	\$ 56,656,602	\$ 58,821,006	\$ 59,271,744	\$ 61,608,998	\$ 60,337,992	\$ 56,656,602	\$ 60,337,992
Weighted Average Fee-Earning AUM	\$ 56,913,390	\$ 58,329,539	\$ 58,607,856	\$ 61,256,993	\$ 60,243,777	\$ 55,156,108	\$ 60,272,670
LP Capital Invested	\$ 866,404	\$ 846,696	\$ 814,423	\$ 47,768	\$ 424,365	\$ 1,810,262	\$ 1,286,556
Total Capital Invested	\$ 888,254	\$ 900,291	\$ 989,775	\$ 60,337	\$ 432,212	\$ 1,849,962	\$ 1,482,324

Financial Advisory

(Dollars in Thousands)	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	YTD'14	YTD'15
Revenues							
Advisory Fees	\$ 84,131	\$ 151,837	\$ 84,238	\$ 76,998	\$ 146,153	\$ 269,008	\$ 307,389
Transaction and Other Fees, Net	391	126	16	289	147	1,329	452
Total Advisory and Transaction Fees	84,522	151,963	84,254	77,287	146,300	270,337	307,841
Investment Income (Loss)							
Realized	505	(38)	(230)	(159)	(479)	745	(868)
Unrealized	(528)	(275)	1,482	(523)	(998)	1,135	(39)
Total Investment Income (Loss)	(23)	(313)	1,252	(682)	(1,477)	1,880	(907)
Interest Income and Dividend Revenue	2,412	2,909	3,237	3,192	6,094	7,101	12,523
Other	472	291	(956)	(112)	(235)	137	(1,303)
Total Revenues	87,383	154,850	87,787	79,685	150,682	279,455	318,154
Expenses							
Compensation	58,016	41,447	68,934	49,824	65,066	189,442	183,824
Total Compensation and Benefits	58,016	41,447	68,934	49,824	65,066	189,442	183,824
Other Operating Expenses	19,853	24,837	21,342	18,559	22,777	63,311	62,678
Total Expenses	77,869	66,284	90,276	68,383	87,843	252,753	246,502
Economic Income (Loss)	\$ 9,514	\$ 88,566	\$ (2,489)	\$ 11,302	\$ 62,839	\$ 26,702	\$ 71,652

Unitholder Distribution

- ▶ Generated \$0.58 of Distributable Earnings per common unit during the quarter, bringing the year-to-date amount to \$2.51 per common unit, up 58% compared to the same period last year.
- ▶ Declared a quarterly distribution of \$0.49 per common unit to record holders as of October 26, 2015; payable on November 2, 2015.

(Dollars in Thousands, Except per Unit Data)	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	% Change		YTD'14	YTD'15	% Change	
						vs. 3Q'14				vs. YTD'14	
Distributable Earnings ("DE")	\$ 686,086	\$ 1,134,054	\$ 1,240,207	\$ 1,033,920	\$ 691,534	1%		\$ 1,929,904	\$ 2,965,661	54%	
Add: Other Payables Attributable to Common Unitholders	69,707	87,977	7,288	-	-	(100)%		119,447	7,288	(94)%	
DE before Certain Payables	755,793	1,222,031	1,247,495	1,033,920	691,534	(9)%		2,049,351	2,972,949	45%	
Percent to Common Unitholders	53%	53%	53%	54%	54%			53%	53%		
DE before Certain Payables Attributable to Common Unitholders	400,587	650,899	663,608	554,120	370,902	(7)%		1,082,803	1,588,630	47%	
Less: Other Payables Attributable to Common Unitholders	(69,707)	(87,977)	(7,288)	-	-	(100)%		(119,447)	(7,288)	(94)%	
DE Attributable to Common Unitholders	330,880	562,922	656,320	554,120	370,902	12%		963,356	1,581,342	64%	
DE per Common Unit	\$ 0.54	\$ 0.92	\$ 1.05	\$ 0.88	\$ 0.58	7%		\$ 1.59	\$ 2.51	58%	
Less: Retained Capital per Common Unit	\$ (0.10)	\$ (0.14)	\$ (0.16)	\$ (0.14)	\$ (0.09)	(10)%		\$ (0.25)	\$ (0.39)	56%	
Actual Distribution per Common Unit	\$ 0.44	\$ 0.78	\$ 0.89	\$ 0.74	\$ 0.49	11%		\$ 1.34	\$ 2.12	58%	
Record Date					Oct 26, 2015						
Payable Date					Nov 2, 2015						

A detailed description of Blackstone's distribution policy and the definition of Distributable Earnings can be found on page 31, Definitions and Distribution Policy. DE before Certain Payables represents Distributable Earnings before the deduction for the Payable Under Tax Receivable Agreement and tax expense (benefit) of wholly owned subsidiaries. Per Unit calculations are based on end of period Total Common Units Outstanding (page 30, Unit Rollforward); actual distributions are paid to unitholders as of the applicable record date. For the periods presented, Net Cash Available for Distribution per Common Unit equals the Actual Distribution per Common Unit. Retained capital is withheld pro-rata from common and Blackstone Holdings Partnership unitholders. Common unitholders' share was \$57.2 million for 3Q'15 and \$245.6 million for YTD'15.

Fee-Earning Assets Under Management

3Q'15 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
2Q'15	\$ 49,537	\$ 62,684	\$ 65,512	\$ 61,609	\$ 239,342
Inflows	2,168	3,505	2,166	3,323	11,162
Outflows	(5)	(6)	(948)	(1,129)	(2,088)
Realizations	(1,017)	(1,559)	(266)	(2,596)	(5,438)
Net Inflows (Outflows)	1,146	1,940	952	(402)	3,636
Market Activity	(122)	234	(1,282)	(869)	(2,039)
3Q'15	\$ 50,561	\$ 64,858	\$ 65,182	\$ 60,338	\$ 240,939
QoQ Increase (Decrease)	2%	3%	(1)%	(2)%	1%

3Q'15 LTM Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
3Q'14	\$ 43,818	\$ 52,308	\$ 62,037	\$ 56,657	\$ 214,820
Inflows	12,654	26,376	9,546	17,389	65,965
Outflows	(1,099)	(4,203)	(6,102)	(6,384)	(17,788)
Realizations	(5,005)	(9,150)	(390)	(5,259)	(19,804)
Net Inflows	6,550	13,023	3,054	5,746	28,373
Market Activity	193	(473)	91	(2,065)	(2,254)
3Q'15	\$ 50,561	\$ 64,858	\$ 65,182	\$ 60,338	\$ 240,939
YoY Increase	15%	24%	5%	6%	12%

3Q'15 Highlights

Private Equity

- ▶ **Inflows:** Tactical Opportunities platform (\$1.8 billion); Strategic Partners (\$285 million).
- ▶ **Realizations:** BCP V strategic and public dispositions including Center Parcs, Summit Materials, CMS Info Systems and Michaels Stores; Strategic Partners fund of fund realizations.

Real Estate

- ▶ **Inflows:** BPP (\$1.5 billion); final closing of BREP VIII (\$850 million); BREDS (\$786 million).
- ▶ **Realizations:** BREDS (\$651 million); BREP International II (\$212 million); BREP VI (\$158 million); BREP Europe III (\$166 million).

Hedge Fund Solutions

- ▶ **Inflows:** Individual investor solutions (\$1.1 billion); specialized solutions (\$476 million); commingled products (\$327 million); customized solutions (\$240 million).
- ▶ **Outflows:** Driven by investors' liquidity needs and certain strategic shifts in their programs.

Credit

- ▶ **Inflows:** BDCs (\$1.1 billion); Hedge Fund Strategies (\$594 million); new CLO product (\$600 million).
- ▶ **Outflows:** BDCs (\$647 million); Hedge Fund Strategies (\$272 million).
- ▶ **Realizations:** Returned to CLO investors (\$1.0 billion European, \$872 million U.S.); drawdown funds (\$719 million).

Inflows include contributions, capital raised, other increases in available capital, purchases and acquisitions. Outflows represent redemptions, client withdrawals and other decreases in available capital. Realizations represent realizations from the disposition of assets. Market Activity represents gains (losses) on portfolio investments and impact of foreign exchange rate fluctuations.

Total Assets Under Management

3Q'15 Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
2Q'15	\$ 92,026	\$ 91,579	\$ 67,830	\$ 81,289	\$ 332,724
Inflows	3,882	4,276	3,126	4,817	16,101
Outflows	(79)	(6)	(958)	(1,198)	(2,241)
Realizations	(2,705)	(3,050)	(277)	(2,962)	(8,994)
Net Inflows	1,098	1,220	1,891	657	4,866
Market Activity	(1,633)	389	(1,315)	(1,105)	(3,664)
3Q'15	\$ 91,491	\$ 93,188	\$ 68,406	\$ 80,841	\$ 333,926
QoQ Increase (Decrease)	(1)%	2%	1%	(1)%	0%

3Q'15 LTM Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
3Q'14	\$ 69,890	\$ 80,189	\$ 64,184	\$ 70,152	\$ 284,415
Inflows	31,050	29,341	10,646	25,874	96,911
Outflows	(1,087)	(455)	(6,204)	(7,151)	(14,897)
Realizations	(14,220)	(23,821)	(419)	(6,312)	(44,772)
Net Inflows	15,743	5,065	4,023	12,411	37,242
Market Activity	5,858	7,934	199	(1,722)	12,269
3Q'15	\$ 91,491	\$ 93,188	\$ 68,406	\$ 80,841	\$ 333,926
YoY Increase	31%	16%	7%	15%	17%

3Q'15 Highlights

Private Equity

- ▶ **Inflows:** Tactical Opportunities platform (\$2.1 billion); fundraising for seventh private equity fund (\$1.1 billion).
- ▶ **Realizations:** BCP V (\$1.7 billion) and Strategic Partners (\$522 million).

Real Estate

- ▶ **Inflows:** BPP (\$2.5 billion); final closing of BREP VIII (\$851 million); BREDS (\$422 million).
- ▶ **Realizations:** BREP International II (\$682 million); BREP VI (\$474 million); BREP Europe III (\$375 million); BREP VII (\$359 million); BREDS (\$467 million).

Hedge Fund Solutions

- ▶ **Inflows:** BAAM's third seeding vehicle held its first close with \$655 million in commitments; additional close of general partner interests vehicle with \$3.3 billion in total commitments.
- ▶ **Outflows:** Driven by investors' liquidity needs and certain strategic shifts in their programs.

Credit

- ▶ **Inflows:** Capital raised in energy focused products (\$1.0 billion); European Senior Debt Strategy (\$954 million); BDCs (\$1.1 billion).
- ▶ **Outflows:** BDCs (\$647 million); Hedge Fund Strategies (\$247 million).
- ▶ **Realizations:** Returned to CLO investors (\$1.9 billion); drawdown funds (\$1.1 billion).

Inflows include contributions, capital raised, other increases in available capital, purchases and acquisitions. Outflows represent redemptions, client withdrawals and other decreases in available capital. Realizations represent realizations from the disposition of assets. Market Activity represents gains (losses) on portfolio investments and impact of foreign exchange rate fluctuations.

Net Accrued Performance Fees

	Net Accrued Performance Fees			
	2Q'15	3Q'15	3Q'15 Per Unit	QoQ Change
(Dollars in Millions, Except per Unit Data)				
Private Equity				
BCP IV Carried Interest	\$ 186	\$ 156	\$ 0.13	\$ (30)
BCP V Carried Interest	1,119	486	0.41	(633)
BCP VI Carried Interest	320	303	0.26	(17)
BEP Carried Interest	82	59	0.05	(23)
Tactical Opportunities Carried Interest	36	42	0.04	6
BTAS Carried Interest	2	1	-	(1)
Strategic Partners Carried Interest	18	27	0.02	9
Other Carried Interest	1	1	-	-
Total Private Equity	\$ 1,764	\$ 1,075	\$ 0.91	\$ (689)
Real Estate				
BREP IV Carried Interest	36	26	0.02	(10)
BREP V Carried Interest	583	542	0.46	(41)
BREP VI Carried Interest	868	720	0.61	(148)
BREP VII Carried Interest	565	613	0.52	48
BREP VIII Carried Interest	-	3	-	3
BREP Europe III Carried Interest	200	195	0.16	(5)
BREP Europe IV Carried Interest	86	112	0.09	26
BREP Asia Carried Interest	43	48	0.04	5
BPP Carried Interest	18	24	0.02	6
BPP Incentive Fees	4	7	0.01	3
BREDS Carried Interest	11	14	0.01	3
BREDS Incentive Fees	3	5	-	2
Asia Platform Incentive Fees	7	7	0.01	-
Total Real Estate	\$ 2,424	\$ 2,316	\$ 1.95	\$ (108)
Hedge Fund Solutions				
Incentive Fees	60	38	0.03	(22)
Total Hedge Fund Solutions	\$ 60	\$ 38	\$ 0.03	\$ (22)
Credit				
Carried Interest	183	134	0.11	(49)
Incentive Fees	41	22	0.02	(19)
Total Credit	\$ 224	\$ 156	\$ 0.13	\$ (68)
Total Blackstone				
Carried Interest	4,357	3,506	2.96	(851)
Incentive Fees	115	79	0.07	(36)
Net Accrued Performance Fees	\$ 4,472	\$ 3,585	\$ 3.03	\$ (887)
<i>Memo: Net Realized Performance Fees</i>	<i>\$ 52</i>	<i>\$ 31</i>	<i>\$ 0.03</i>	<i>\$ (21)</i>

\$3.6 billion

Net Accrued Performance Fees at 3Q'15

\$3.03 per unit

Net Accrued Performance Fees at 3Q'15

63%

of 3Q'14 Net Accrued Performance
Fees realized in LTM'15

Net Accrued Performance Fees are presented net of performance fee compensation and do not include clawback amounts, if any, which are disclosed in the 10-K/Q. Net Realized Performance Fees are included in DE. When these fees are received, the receivable is reduced without further impacting DE. Per Unit calculations are based on end of period DE Units Outstanding (see page 30, Unit Rollforward).

Investment Records as of September 30, 2015^(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	-	\$	1,741,738	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		199,298		305,478	1.4x	-		2,619,040	1.4x		2,924,518	1.4x	7%	6%
BCP IV (Nov 2002 / Dec 2005)		6,773,182		221,559		2,360,762	1.3x	27%		18,652,893	3.2x		21,013,655	2.8x	45%	36%
BCP V (Dec 2005 / Jan 2011)		21,024,105		1,330,193		13,220,032	1.6x	59%		23,805,670	2.0x		37,025,702	1.8x	10%	8%
BCP VI (Jan 2011 / Jan 2017)		15,183,973		5,537,622		12,254,533	1.3x	18%		2,004,781	1.9x		14,259,314	1.4x	47%	12%
BEP (Aug 2011 / Feb 2015)		2,438,835		230,025		2,784,328	1.3x	21%		539,484	2.0x		3,323,812	1.4x	56%	20%
BEP II (Feb 2015 / Feb 2021)		4,951,351		4,951,351		-	n/a	-		-	n/a		-	n/a	n/a	n/a
BCP VII (TBD)		16,775,000		16,775,000		-	n/a	-		-	n/a		-	n/a	n/a	n/a
Total Corporate Private Equity	\$	75,471,379	\$	29,245,048	\$	30,925,133	1.4x	36%	\$	61,805,113	2.3x	\$	92,730,246	1.9x	19%	16%
Tactical Opportunities		11,999,235		7,057,842		5,598,643	1.1x	1%		1,208,134	1.5x		6,806,777	1.2x	38%	12%
Strategic Partners		17,280,564		4,227,205		6,971,984	1.7x	n/a		12,720,524	1.1x		19,692,508	1.3x	n/a	15%
Other Funds and Co-Investment (e)		1,868,221		277,682		1,311,485	1.1x	45%		108,013	1.8x		1,419,498	1.1x	n/a	n/m
Total Private Equity	\$	106,619,399	\$	40,807,777	\$	44,807,245	1.4x	27%	\$	75,841,784	1.9x	\$	120,649,029	1.7x	19%	15%
Real Estate																
Dollar																
Pre-BREP	\$	140,714	\$	-	\$	-	n/a	-	\$	345,190	2.5x	\$	345,190	2.5x	33%	33%
BREP I (Sep 1994 / Oct 1996)		380,708		-		-	n/a	-		1,327,708	2.8x		1,327,708	2.8x	40%	40%
BREP II (Oct 1996 / Mar 1999)		1,198,339		-		-	n/a	-		2,531,613	2.1x		2,531,613	2.1x	19%	19%
BREP III (Apr 1999 / Apr 2003)		1,522,708		-		-	n/a	-		3,328,504	2.4x		3,328,504	2.4x	21%	21%
BREP IV (Apr 2003 / Dec 2005)		2,198,694		-		1,027,268	0.9x	11%		3,632,929	2.2x		4,660,197	1.7x	45%	13%
BREP V (Dec 2005 / Feb 2007)		5,539,418		-		5,071,272	2.3x	30%		7,729,999	2.2x		12,801,271	2.2x	13%	11%
BREP VI (Feb 2007 / Aug 2011)		11,059,523		584,807		8,799,927	2.2x	65%		16,589,673	2.4x		25,389,600	2.3x	15%	13%
BREP VII (Aug 2011 / Apr 2015)		13,486,361		3,002,256		15,819,308	1.6x	1%		7,514,814	1.9x		23,334,122	1.7x	34%	24%
BREP VIII (Apr 2015 / Oct 2020)		15,928,531		14,984,719		1,087,193	1.1x	-		-	n/a		1,087,193	1.1x	n/a	n/m
Total Global BREP	\$	51,454,996	\$	18,571,782	\$	31,804,968	1.7x	24%	\$	43,000,430	2.2x	\$	74,805,398	2.0x	22%	17%
Euro																
BREP Int'I (Jan 2001 / Sep 2005)	€	824,172	€	-	€	-	n/a	-	€	1,364,490	2.1x	€	1,364,490	2.1x	23%	23%
BREP Int'I II (Sep 2005 / Jun 2008)		1,629,748		53,252		817,019	1.2x	45%		1,417,697	2.1x		2,234,716	1.6x	10%	6%
BREP Europe III (Jun 2008 / Sep 2013)		3,205,140		464,993		3,451,390	1.8x	7%		2,356,583	2.2x		5,807,973	2.0x	25%	20%
BREP Europe IV (Sep 2013 / Mar 2019)		6,693,483		3,064,932		4,836,148	1.3x	-		354,935	1.3x		5,191,083	1.3x	35%	21%
Total Euro BREP	€	12,352,543	€	3,583,177	€	9,104,557	1.4x	7%	€	5,493,705	2.0x	€	14,598,262	1.6x	18%	14%
BREP Co-Investment (f)	\$	5,709,088	\$	-	\$	5,555,712	1.8x	67%	\$	5,804,079	2.2x	\$	11,359,791	2.0x	16%	16%
BREP Asia (Jun 2013 / Dec 2017)		5,079,687		2,944,998		2,709,568	1.3x	-		52,498	1.4x		2,762,066	1.3x	22%	14%
Total BREP	\$	78,314,999	\$	25,614,141	\$	52,158,982	1.6x	23%	\$	56,167,818	2.2x	\$	108,326,800	1.9x	21%	17%
BPP (g)	\$	7,925,523	\$	3,278,618	\$	5,400,419	1.2x	-	\$	-	n/a	\$	5,400,419	1.2x	n/a	20%
BREDS (h)	\$	7,256,058	\$	2,359,876	\$	2,482,860	1.2x	-	\$	5,197,513	1.3x	\$	7,680,373	1.3x	13%	12%
Hedge Fund Solutions																
BSCH (Dec 2013 / Jun 2020) (i)	\$	3,301,000	\$	3,015,745	\$	297,429	1.1x	-	\$	54,573	n/a	\$	352,002	1.3x	n/m	8%
Hedge Fund Solutions	\$	3,301,000	\$	3,015,745	\$	297,429	1.1x	-	\$	54,573	n/a	\$	352,002	1.3x	n/m	8%
Credit (j)																
Mezzanine I (Jul 2007 / Oct 2011)	\$	2,000,000	\$	102,380	\$	472,638	1.8x	-	\$	4,384,595	1.6x	\$	4,857,233	1.6x	n/a	18%
Mezzanine II (Nov 2011 / Nov 2016)		4,120,000		2,731,998		2,507,099	1.2x	-		1,514,372	1.5x		4,021,471	1.3x	n/a	19%
Rescue Lending I (Sep 2009 / May 2013)		3,253,143		552,445		1,848,064	1.3x	-		4,034,599	1.5x		5,882,663	1.4x	n/a	13%
Rescue Lending II (Jun 2013 / Jun 2018)		5,125,000		3,485,668		1,924,642	1.1x	-		88,846	1.1x		2,013,488	1.1x	n/a	22%
Total Credit	\$	14,498,143	\$	6,872,491	\$	6,752,443	1.2x	-	\$	10,022,412	1.5x	\$	16,774,855	1.4x	n/a	16%

Investment Records as of September 30, 2015 – Notes

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

- n/m Not meaningful.
- n/a Not applicable.
- (a) Preliminary.
- (b) Available Capital represents total investable capital commitments, including side-by-side, adjusted for certain expenses and expired or callable capital, less invested capital. This amount is not reduced by outstanding commitments to investments.
- (c) Multiple of Invested Capital (“MOIC”) represents carrying value, before management fees, expenses and Carried Interest, divided by invested capital.
- (d) Net Internal Rate of Return (“IRR”) represents the annualized inception to September 30, 2015 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest.
- (e) Returns for Other Funds and Co-Invest are not meaningful as these funds have limited transaction activity.
- (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 Carried Interest.
- (g) BPP, or Blackstone Property Partners, are the core+ real estate funds which invest with a more modest risk profile and lower leverage.
- (h) Excludes Capital Trust drawdown funds.
- (i) BSCH is a permanent capital vehicle focused on acquiring strategic minority positions in alternative asset managers.
- (j) The Total Investments MOIC for Mezzanine I, Mezzanine II, Rescue Lending I and Rescue Lending II Funds, excluding recycled capital during the investment period, was 2.0x, 1.7x, 1.6x and 1.3x, respectively. Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the four flagship credit drawdown funds presented.

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	3Q'14	4Q'14	1Q'15 ^(m)	2Q'15	3Q'15	YTD'14	YTD'15
Net Income (Loss) Attributable to The Blackstone Group L.P.	\$ 250,505	\$ 551,451	\$ 629,448	\$ 134,168	\$ (254,697)	\$ 1,033,138	\$ 508,919
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	271,194	586,582	645,230	134,870	(247,318)	1,114,518	532,782
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	55,491	95,557	81,796	66,716	30,671	239,513	179,183
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(23,328)	29,844	7,527	13,780	(12,520)	44,950	8,787
Net Income (Loss)	\$ 553,862	\$ 1,263,434	\$ 1,364,001	\$ 349,534	\$ (483,864)	\$ 2,432,119	\$ 1,229,671
Provision for Taxes	79,108	74,686	99,344	43,251	1,573	216,487	144,168
Income (Loss) Before Provision for Taxes	\$ 632,970	\$ 1,338,120	\$ 1,463,345	\$ 392,785	\$ (482,291)	\$ 2,648,606	\$ 1,373,839
Transaction-Related Charges ^(a)	209,240	291,550	231,862	192,018	80,962	564,832	504,842
Amortization of Intangibles ^(b)	27,828	26,113	25,899	24,720	30,624	85,141	81,243
(Income) Associated with Non-Controlling Interests of Consolidated Entities ^(c)	(32,163)	(125,401)	(89,323)	(80,496)	(18,151)	(284,463)	(187,970)
Economic Income (Loss)	\$ 837,875	\$ 1,530,382	\$ 1,631,783	\$ 529,027	\$ (388,856)	\$ 3,014,116	\$ 1,771,954
Taxes ^(d)	(79,519)	(83,649)	(9,719)	(20,587)	(27,070)	(115,863)	(57,376)
Economic Net Income (Loss)	\$ 758,356	\$ 1,446,733	\$ 1,622,064	\$ 508,440	\$ (415,926)	\$ 2,898,253	\$ 1,714,578
Taxes ^(d)	79,519	83,649	9,719	20,587	27,070	115,863	57,376
Performance Fee Adjustment ^(e)	(891,087)	(1,323,338)	(1,673,736)	(569,664)	639,349	(3,068,539)	(1,604,051)
Investment (Income) Loss Adjustment ^(f)	(80,766)	(98,424)	(189,641)	(10,774)	136,131	(373,204)	(64,284)
Net Interest Loss ^(g)	10,636	5,851	8,402	14,411	9,522	30,660	32,335
Performance Fee Compensation and Benefits Adjustment ^(h)	360,162	270,249	403,816	215,441	(130,479)	1,015,254	488,778
Fee Related Earnings	\$ 236,820	\$ 384,720	\$ 180,624	\$ 178,441	\$ 265,667	\$ 618,287	\$ 624,732
Net Realized Performance Fees ⁽ⁱ⁾	470,560	699,472	932,789	725,433	357,114	1,087,127	2,015,336
Realized Investment Income ⁽ⁱ⁾	75,832	153,477	107,792	136,497	87,526	389,948	331,815
Net Interest (Loss) ^(g)	(10,636)	(5,851)	(8,402)	(14,411)	(9,522)	(30,660)	(32,335)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(k)	(96,437)	(108,456)	(16,994)	(20,587)	(27,070)	(172,332)	(64,651)
Equity-Based Compensation ^(l)	9,947	10,692	44,398	28,547	17,819	37,534	90,764
Distributable Earnings	\$ 686,086	\$ 1,134,054	\$ 1,240,207	\$ 1,033,920	\$ 691,534	\$ 1,929,904	\$ 2,965,661
Interest Expense	34,221	34,154	38,853	45,437	44,981	98,701	129,271
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(k)	96,437	108,456	16,994	20,587	27,070	172,332	64,651
Depreciation and Amortization	7,557	7,200	6,927	6,715	6,719	25,100	20,361
Adjusted EBITDA	\$ 824,301	\$ 1,283,864	\$ 1,302,981	\$ 1,106,659	\$ 770,304	\$ 2,226,037	\$ 3,179,944

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See page 31, Definitions and Distribution Policy.

- (a) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes amounts for Transaction-Related Charges which include principally equity-based compensation charges associated with Blackstone's initial public offering and long-term retention programs outside of annual deferred compensation and other corporate actions.
- (b) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes amounts for the Amortization of Intangibles which are associated with Blackstone's initial public offering and other corporate actions.
- (c) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes the amount of (Income) Loss Associated with Non-Controlling Interests of Consolidated Entities and includes the amount of Management Fee Revenues associated with Consolidated CLO Entities.
- (d) Taxes represent the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes.
- (e) This adjustment removes from EI the total segment amount of Performance Fees.
- (f) This adjustment removes from EI the total segment amount of Investment Income (Loss).
- (g) This adjustment represents Interest Income and Dividend Revenue less Interest Expense.
- (h) This adjustment removes from expenses the compensation and benefit amounts related to Blackstone's profit sharing plans related to Performance Fees.
- (i) Represents the adjustment for realized Performance Fees net of corresponding actual amounts due under Blackstone's profit sharing plans related thereto.
- (j) Represents the adjustment for Blackstone's Investment Income (Loss) - Realized.
- (k) Taxes and Related Payables Including Payable Under Tax Receivable Agreement represent the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and the Payable Under Tax Receivable Agreement.
- (l) Represents equity-based award expense included in EI.
- (m) Blackstone adopted new GAAP consolidation guidance in 2Q'15 which resulted in the deconsolidation of certain Blackstone Funds as of January 1, 2015. Adoption did not change Net Income Attributable to The Blackstone Group L.P. in 1Q'15, but did change Income Before Taxes, Net Income and Net Income Attributable to Non-Controlling and Redeemable Non-Controlling Interests in Consolidated Entities. Such amounts have been recast here from the amounts originally reported in 1Q'15.

Walkdown of Financial Metrics

(Dollars in Thousands, Except per Unit Data)

	3Q'15		YTD'15	
	Results	Per Unit	Results	Per Unit

▶ Base Management Fees	\$	564,287		\$	1,597,176
▶ Advisory Fees		146,153			307,389
▶ Transaction and Other Fees, Net		32,403			81,204
▶ Management Fee Offsets		(34,176)			(70,555)
▶ Other Revenue		(841)			(1,740)
▶ Compensation		(329,575)			(948,765)
▶ Non-Interest Operating Expenses		(112,584)			(339,977)
Fee Related Earnings	\$	265,667	\$	0.22	\$ 624,732
▶ Net Realized Incentive Fees		19,724			63,149
▶ Net Realized Carried Interest		337,390			1,952,187
▶ Realized Investment Income		87,526			331,815
▶ Net Interest (Loss)		(9,522)			(32,335)
▶ Taxes and Related Payables		(27,070)			(64,651)
▶ Equity-Based Compensation		17,819			90,764
Distributable Earnings	\$	691,534	\$	0.58	\$ 2,965,661
▶ Net Unrealized Incentive Fees		(38,704)			19,135
▶ Net Unrealized Carried Interest		(827,280)			(919,198)
▶ Unrealized Investment (Loss)		(223,657)			(267,531)
▶ Add Back: Related Payables		-			7,275
▶ Less: Equity-Based Compensation		(17,819)			(90,764)
Economic Net Income (Loss)	\$	(415,926)	\$	(0.35)	\$ 1,714,578

Fee Earnings

Distributable Earnings

Economic Net Income

See page 29, Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics for the calculation of the amounts presented herein that are not the respective captions on page 14, Total Segments. 3Q'15 Fee Related Earnings per Unit is based on end of period DE Units Outstanding; 3Q'15 DE per Unit is based on DE attributable to Common Unit Holders (see page 20, Unitholder Distribution) and end of period Total Common Units Outstanding; and 3Q'15 ENI per Unit is based on Weighted-Average ENI Adjusted Units. YTD'15 per Unit represents the sum of the last three quarters. See page 30, Unit Rollforward.

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

(Dollars in Thousands)	3Q'15	YTD'15
Other Operating Expenses	\$ 157,565	\$ 469,248
Less: Interest Expense	(44,981)	(129,271)
Non-Interest Operating Expenses	\$ 112,584	\$ 339,977
Realized Incentive Fees	34,785	112,274
Less: Realized Incentive Fee Compensation	(15,061)	(49,125)
Net Realized Incentive Fees	\$ 19,724	\$ 63,149
Realized Carried Interest	435,189	2,580,266
Less: Realized Carried Interest Compensation	(97,799)	(628,079)
Net Realized Carried Interest	\$ 337,390	\$ 1,952,187
Interest Income and Dividend Revenue	35,459	96,936
Less: Interest Expense	(44,981)	(129,271)
Net Interest (Loss)	\$ (9,522)	\$ (32,335)
Equity-Based Compensation^(a)	\$ 17,819	\$ 90,764
Taxes and Related Payables^(b)	\$ (27,070)	\$ (64,651)
Unrealized Incentive Fees	(53,346)	35,585
Less: Unrealized Incentive Fee Compensation	14,642	(16,450)
Net Unrealized Incentive Fees	\$ (38,704)	\$ 19,135
Unrealized Carried Interest	(1,055,977)	(1,124,074)
Less: Unrealized Carried Interest Compensation	228,697	204,876
Net Unrealized Carried Interest	\$ (827,280)	\$ (919,198)
Related Payables^(c)	\$ -	\$ 7,275

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

(a) Represents equity-based award expense included in Economic Income.

(b) See page 26, Reconciliation of GAAP to Non-GAAP Measures for this adjustment.

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

Unit Rollforward

	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15
Total GAAP Weighted-Average Common Units Outstanding - Basic	611,684,213	615,492,620	625,276,969	631,881,205	638,832,799
<i>Adjustments:</i>					
Weighted-Average Unvested Deferred Restricted Common Units	3,294,657	6,843,140	5,955,072	2,311,444	1,913,028
Total GAAP Weighted-Average Common Units Outstanding - Diluted	614,978,870	622,335,760	631,232,041	634,192,649	640,745,827
<i>Adjustments:</i>					
Weighted-Average Blackstone Holdings Partnership Units	539,856,777	536,973,966	548,837,150	555,641,388	550,983,910
Weighted-Average Economic Net Income Adjusted Units	1,154,835,647	1,159,309,726	1,180,069,191	1,189,834,037	1,191,729,737
Economic Net Income Adjusted Units, End of Period	1,155,075,985	1,159,954,181	1,192,529,251	1,190,864,027	1,191,328,573
Total Common Units Outstanding	607,590,602	611,480,457	625,985,058	630,414,455	635,440,608
<i>Adjustments:</i>					
Blackstone Holdings Partnership Units	538,760,225	536,543,970	550,783,119	545,861,003	549,317,005
Distributable Earnings Units Outstanding	1,146,350,827	1,148,024,427	1,176,768,177	1,176,275,458	1,184,757,613

Common Unitholders receive tax benefits from deductions taken by Blackstone's corporate tax paying subsidiaries and bear responsibility for the deduction from Distributable Earnings of the Payable Under Tax Receivable Agreement and certain other tax-related payables. Distributable Earnings Units Outstanding excludes units which are not entitled to distributions.

Definitions and Distribution Policy

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

- Blackstone uses Economic Income, or “EI”, as a key measure of value creation, a benchmark of its performance and in making resource deployment and compensation decisions across its five segments. EI represents segment net income before taxes excluding transaction-related charges. Transaction-related charges arise from Blackstone’s initial public offering (“IPO”) and long-term retention programs outside of annual deferred compensation and other corporate actions, including acquisitions. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets and contingent consideration associated with acquisitions. EI presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages.
- Economic Net Income, or “ENI”, represents EI adjusted to include current period taxes. Taxes represent the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes.
- Blackstone uses Fee Related Earnings, or “FRE”, as a key measure to highlight earnings from operations excluding: (a) the income related to performance fees and related carry plan costs and (b) income earned from Blackstone’s investments in the Blackstone Funds. 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 includes amortization of non-IPO and non-acquisition-related equity-based awards, but excludes amortization of IPO and acquisition-related equity-based awards, carried interest and incentive fee compensation), and (b) other 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 and Advisory Fees, (b) Interest and Dividend Revenue, (c) Other Revenue, (d) Realized Performance Fees, and (e) 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 Including the Payable Under Tax Receivable Agreement. DE is reconciled to Blackstone’s Consolidated Statement of Operations.
- Blackstone uses Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization, or “Adjusted EBITDA”, which is derived from segment results, to assess its ability to service its borrowings. Adjusted EBITDA represents DE plus the addition of (a) Interest Expense, (b) Taxes and Related Payables Including Payable Under Tax Receivable Agreement, and (c) Depreciation and Amortization.

Distribution Policy. Blackstone’s intention is to distribute quarterly approximately 85% of The Blackstone Group L.P.’s share of Distributable Earnings, subject to adjustment by amounts determined by Blackstone’s general partner to be necessary or appropriate to provide for the conduct of its business, to make appropriate investments in its business and funds, to comply with applicable law, any of its debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and distributions to unitholders for any ensuing quarter. The amount to be distributed could also be adjusted upward in any one quarter. All of the foregoing is subject to the qualification that the declaration and payment of any distributions are at the sole discretion of Blackstone’s general partner and may change at any time, including, without limitation, to eliminate such distributions entirely.

Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect Blackstone’s current views with respect to, among other things, Blackstone’s operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “indicator,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Blackstone believes these factors include but are not limited to those described under the section entitled “Risk Factors” in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as such factors may be updated from time to time in its periodic filings with the Securities and Exchange Commission, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in the filings. Blackstone undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

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