



Blackstone Reports Third Quarter 2018 Results

New York, October 18, 2018: Blackstone (NYSE:BX) today reported its third quarter 2018 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “Blackstone reported excellent third quarter results, highlighted by strong fundamental growth across our key financial metrics, \$1 billion in distributions and share buybacks, and \$125 billion of capital inflows over the past twelve months, an industry record. Assets under management increased 18% versus the prior year, bringing the total to a new record of \$457 billion. We have powerful momentum throughout our existing business lines and multiple promising new initiatives underway, including the launch of Blackstone Life Sciences.”

Blackstone issued a full detailed presentation of its third quarter 2018 results, which can be viewed at www.blackstone.com.

Distribution

Blackstone has declared a quarterly distribution of \$0.64 per common unit to record holders of common units at the close of business on October 29, 2018. This distribution will be paid on November 5, 2018.

Quarterly Investor Call Details

Blackstone will host a conference call on October 18, 2018 at 9:00 a.m. ET to discuss third quarter 2018 results. The conference call can be accessed via the Shareholders 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 530 008 16#.

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 solve problems. Our asset management businesses, with \$457 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, financial performance and unit repurchase and distribution activities. 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, 2017, 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 2018 Earnings

October 18, 2018

Blackstone's Third Quarter 2018 GAAP Results

- GAAP Net Income was \$949 million for the quarter, and \$3.3 billion year-to-date. GAAP Net Income Attributable to The Blackstone Group L.P. was \$443 million for the quarter and \$1.6 billion year-to-date.

(Dollars in Thousands, Except per Unit Data) (Unaudited)	3Q'17	3Q'18	% Change vs. 3Q'17	3Q'17 YTD	3Q'18 YTD	% Change vs. 3Q'17 YTD
Revenues						
Management and Advisory Fees, Net	\$ 685,922	\$ 780,009	14%	\$ 2,022,263	\$ 2,230,242	10%
Incentive Fees	35,513	9,799	(72)%	122,327	41,743	(66)%
Investment Income						
Performance Allocations						
Realized	434,982	592,103	36%	2,149,549	1,365,119	(36)%
Unrealized	406,649	299,238	(26)%	377,560	1,367,678	262%
Principal Investment Income						
Realized	74,805	134,619	80%	451,207	305,961	(32)%
Unrealized	96,085	52,840	(45)%	63,172	268,082	324%
Total Investment Income	1,012,521	1,078,800	7%	3,041,488	3,306,840	9%
Interest and Dividend Revenue	36,974	48,604	31%	99,172	124,062	25%
Other	(35,572)	9,368	n/m	(99,448)	625,394	n/m
Total Revenues	1,735,358	1,926,580	11%	5,185,802	6,328,281	22%
Expenses						
Compensation and Benefits						
Compensation	359,209	419,285	17%	1,078,001	1,236,167	15%
Incentive Fee Compensation	18,332	7,251	(60)%	61,829	23,656	(62)%
Performance Allocations Compensation						
Realized	162,505	200,442	23%	724,721	498,902	(31)%
Unrealized	175,534	178,184	2%	269,977	622,610	131%
Total Compensation and Benefits	715,580	805,162	13%	2,134,528	2,381,335	12%
General, Administrative and Other	121,036	168,813	39%	349,974	441,354	26%
Interest Expense	41,545	41,355	(0)%	122,880	119,346	(3)%
Fund Expenses	26,350	2,302	(91)%	100,095	74,909	(25)%
Total Expenses	904,511	1,017,632	13%	2,707,477	3,016,944	11%
Other Income						
Net Gains from Fund Investment Activities	63,448	66,838	5%	239,634	250,956	5%
Income Before Provision for Taxes	\$ 894,295	\$ 975,786	9%	\$ 2,717,959	\$ 3,562,293	31%
Provision for Taxes	59,512	26,798	(55)%	146,557	220,024	50%
Net Income	\$ 834,783	\$ 948,988	14%	\$ 2,571,402	\$ 3,342,269	30%
Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	3,215	2,569	(20)%	6,206	2,199	(65)%
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	113,446	143,101	26%	365,075	427,678	17%
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	340,202	360,576	6%	1,032,885	1,359,736	32%
Net Income Attributable to The Blackstone Group L.P. ("BX")	\$ 377,920	\$ 442,742	17%	\$ 1,167,236	\$ 1,552,656	33%
Net Income per Common Unit, Basic	\$ 0.57	\$ 0.65	14%	\$ 1.76	\$ 2.28	30%
Net Income per Common Unit, Diluted	\$ 0.55	\$ 0.64	16%	\$ 1.73	\$ 2.27	31%

n/m = not meaningful. Effective January 1, 2018, Blackstone adopted new GAAP guidance regarding revenue recognition. All prior periods have been conformed to the new guidance.

Blackstone's Third Quarter 2018 Segment Highlights

- ▶ Economic Net Income (“ENI”) was \$911 million (\$0.76/unit) in the quarter, up 11% year-over-year, on \$1.8 billion of Total Segment Revenues.
 - ENI was \$2.8 billion (\$2.31/unit) year-to-date, up 12% year-over-year, on \$5.5 billion of Total Segment Revenues.
- ▶ Distributable Earnings (“DE”) was \$769 million (\$0.63/unit) in the quarter, up 23% year-over-year, driven by \$602 million of Realized Performance Revenues.
 - DE was \$2.0 billion (\$1.60/unit) year-to-date on \$1.4 billion of Realized Performance Revenues.
- ▶ Fee Related Earnings (“FRE”) was \$346 million in the quarter, up 1% year-over-year, on \$779 million of Net Management and Advisory Fees.
 - FRE was \$1.0 billion year-to-date, up 5% year-over-year, on \$2.2 billion of Net Management and Advisory Fees.
- ▶ Total Assets Under Management (“AUM”) of \$456.7 billion, up 18% year-over-year.
 - Inflows were \$24.1 billion in the quarter, bringing the last twelve months (“LTM”) inflows to \$124.6 billion.
 - Fee-Earning AUM increased 20% year-over-year to \$342.3 billion.
- ▶ Blackstone declared a third quarter distribution of \$0.64 per common unit payable on November 5, 2018.
 - Returning approximately \$1.0 billion to our unitholders through distributions, including a special cash distribution of \$0.10 per unit, and the repurchase of 6.0 million common units in the quarter.

Blackstone's Third Quarter 2018 Segment Earnings

(Dollars in Thousands, Except per Unit Data)	3Q'17	3Q'18	% Change vs. 3Q'17	3Q'17 YTD	3Q'18 YTD	% Change vs. 3Q'17 YTD
Management and Advisory Fees, Net	\$ 691,982	\$ 779,219	13%	\$ 2,038,399	\$ 2,238,257	10%
Performance Revenues	877,932	901,389	3%	2,651,419	2,775,419	5%
Principal Investment Income	77,572	94,324	22%	249,251	283,768	14%
Interest, Dividend and Other Revenue	3,741	59,028	n/m	(4,816)	170,662	n/m
Total Revenues	1,651,227	1,833,960	11%	4,934,253	5,468,106	11%
Total Expenses	806,535	909,746	13%	2,383,019	2,629,435	10%
Taxes	22,552	12,793	(43)%	65,525	51,047	(22)%
Economic Net Income	\$ 822,140	\$ 911,421	11%	\$ 2,485,709	\$ 2,787,624	12%
<i>ENI per Unit</i>	<i>\$ 0.68</i>	<i>\$ 0.76</i>	<i>12%</i>	<i>\$ 2.07</i>	<i>\$ 2.31</i>	<i>12%</i>
Fee Related Earnings	\$ 344,134	\$ 346,228	1%	\$ 977,232	\$ 1,022,743	5%
<i>FRE per Unit</i>	<i>\$ 0.29</i>	<i>\$ 0.29</i>	<i>0%</i>	<i>\$ 0.82</i>	<i>\$ 0.85</i>	<i>4%</i>
Distributable Earnings	\$ 625,566	\$ 769,284	23%	\$ 2,637,069	\$ 1,971,481	(25)%
<i>DE per Common Unit</i>	<i>\$ 0.52</i>	<i>\$ 0.63</i>	<i>21%</i>	<i>\$ 2.17</i>	<i>\$ 1.60</i>	<i>(26)%</i>
Total AUM	\$ 387,449,746	\$ 456,691,832	18%	\$ 387,449,746	\$ 456,691,832	18%
Fee-Earning AUM	\$ 285,698,425	\$ 342,261,123	20%	\$ 285,698,425	\$ 342,261,123	20%

Private Equity

- ▶ Corporate Private Equity carrying value increased 7.5% in the quarter and 30.2% in the LTM.
- ▶ Invested \$3.3 billion in the quarter across the Private Equity segment.
 - Committed an additional \$2.2 billion during the quarter that has not yet been deployed.
 - After quarter end, closed the \$20.4 billion Refinitiv transaction.
- ▶ Realizations of \$4.0 billion in the quarter were driven by activity across Corporate Private Equity, Strategic Partners and Tactical Opportunities, bringing LTM realizations to \$11.5 billion.
- ▶ Raised \$6.5 billion of capital mainly driven by Energy and Tactical Opportunities in the quarter, bringing LTM capital raised to \$19.6 billion.
- ▶ Total AUM increased 23% year-over-year to \$126.2 billion, driven by Total AUM inflows of \$7.0 billion and portfolio appreciation in the quarter.
 - Fee-Earning AUM increased 16% year-over-year to \$78.2 billion.

(Dollars in Thousands)	3Q'17	3Q'18	% Change vs. 3Q'17	3Q'17 YTD	3Q'18 YTD	% Change vs. 3Q'17 YTD
Management and Advisory Fees, Net	\$ 190,424	\$ 222,629	17%	\$ 562,336	\$ 617,441	10%
Performance Revenues	182,244	532,625	192%	778,624	1,643,509	111%
Principal Investment Income	24,377	63,548	161%	80,425	204,101	154%
Interest, Dividend and Other Revenue	700	16,510	n/m	(2,641)	46,861	n/m
Total Revenues	397,745	835,312	110%	1,418,744	2,511,912	77%
Compensation	96,166	117,031	22%	270,445	320,558	19%
Performance Compensation	93,503	225,536	141%	321,059	699,643	118%
Interest Expense	10,804	12,139	12%	31,959	35,045	10%
Other Operating Expenses	32,166	36,654	14%	88,519	103,852	17%
Total Expenses	232,639	391,360	68%	711,982	1,159,098	63%
Economic Income	\$ 165,106	\$ 443,952	169%	\$ 706,762	\$ 1,352,814	91%
Total AUM	\$ 102,453,979	\$ 126,184,368	23%	\$ 102,453,979	\$ 126,184,368	23%
Fee-Earning AUM	\$ 67,538,062	\$ 78,195,072	16%	\$ 67,538,062	\$ 78,195,072	16%

7.5%

3Q'18 Increase in Corporate
Private Equity Carrying Value

\$4.0 billion

3Q'18 Realizations

\$126.2 billion

Total AUM up 23% YoY

Real Estate

- ▶ Opportunistic funds' and core+ funds' carrying value increased 3.0% and 2.7%, in the quarter, and 14.5% and 11.2% in the LTM, respectively.
- ▶ Continued robust investment pace with \$4.1 billion deployed in the quarter, including the privatization of a Spanish REIT in BREP and a student housing portfolio in BREIT.
 - Committed an additional \$2.7 billion during the quarter, including for a public Spanish multifamily REIT.
 - More than 50% of capital deployed outside of the U.S. in the quarter and year-to-date.
 - After quarter end, closed the \$7.9 billion privatization of Gramercy Property Trust, a U.S. industrial REIT.
- ▶ Realizations of \$4.0 billion in the quarter driven by sales from U.S. and U.K. office portfolios.
- ▶ Total AUM up 8% and Fee-Earning AUM up 21% year-over-year to \$119.9 billion and \$90.8 billion, respectively.
 - Total AUM inflows of \$2.6 billion in the quarter primarily driven by \$1.4 billion in the core+ platform.
 - Core+ Total AUM up 86% year-over-year to \$33.4 billion, less than five years after launching the business.

(Dollars in Thousands)	3Q'17	3Q'18	% Change vs. 3Q'17	3Q'17 YTD	3Q'18 YTD	% Change vs. 3Q'17 YTD
Management Fees, Net	\$ 240,432	\$ 291,501	21%	\$ 694,974	\$ 809,201	16%
Performance Revenues	585,441	335,485	(43)%	1,584,157	920,057	(42)%
Principal Investment Income	36,130	16,466	(54)%	108,936	55,998	(49)%
Interest, Dividend and Other Revenue	2,353	22,746	867%	2,825	61,328	n/m
Total Revenues	864,356	666,198	(23)%	2,390,892	1,846,584	(23)%
Compensation	105,753	124,475	18%	318,721	346,898	9%
Performance Compensation	211,719	142,066	(33)%	602,277	341,312	(43)%
Interest Expense	15,028	13,584	(10)%	44,450	39,122	(12)%
Other Operating Expenses	33,256	39,787	20%	97,499	105,230	8%
Total Expenses	365,756	319,912	(13)%	1,062,947	832,562	(22)%
Economic Income	\$ 498,600	\$ 346,286	(31)%	\$ 1,327,945	\$ 1,014,022	(24)%
Total AUM	\$ 111,298,844	\$ 119,942,029	8%	\$ 111,298,844	\$ 119,942,029	8%
Fee-Earning AUM	\$ 75,081,521	\$ 90,772,735	21%	\$ 75,081,521	\$ 90,772,735	21%

3.0%
3Q'18 Increase in Opportunistic
Funds' Carrying Value

\$4.0 billion
3Q'18 Realizations

\$119.9 billion
Total AUM up 8% YoY

Carrying value for core+ funds excludes BREIT.

Hedge Fund Solutions

- ▶ The BPS Composite gross return was 1.7% in the quarter (1.5% net) with less than a third of the volatility of the broader market, bringing year-to-date to 4.4% (3.8% net).
- ▶ Total AUM inflows of \$3.7 billion during the quarter and \$10.6 billion year-to-date, driven by customized solutions and commingled products.
 - Record Total AUM inflows of \$14.7 billion over the LTM.
 - October 1 subscriptions of \$734 million are not yet included in Total AUM.
- ▶ Total AUM increased 8% year-over-year to \$80.0 billion, driven primarily by appreciation across strategies.
 - Fee-Earning AUM up 8% year-over-year to \$74.6 billion.

(Dollars in Thousands)	3Q'17	3Q'18	% Change vs. 3Q'17	3Q'17 YTD	3Q'18 YTD	% Change vs. 3Q'17 YTD
Management Fees, Net	\$ 129,430	\$ 130,320	1%	\$ 388,551	\$ 390,258	0%
Performance Revenues	24,544	17,156	(30)%	79,887	49,594	(38)%
Principal Investment Income	14,039	10,498	(25)%	43,503	14,503	(67)%
Interest, Dividend and Other Revenue	(543)	6,033	n/m	(4,202)	23,328	n/m
Total Revenues	167,470	164,007	(2)%	507,739	477,683	(6)%
Compensation	44,347	50,213	13%	139,312	148,599	7%
Performance Compensation	10,425	8,740	(16)%	34,494	25,239	(27)%
Interest Expense	6,763	6,459	(4)%	19,994	18,630	(7)%
Other Operating Expenses	17,958	20,753	16%	50,655	58,032	15%
Total Expenses	79,493	86,165	8%	244,455	250,500	2%
Economic Income	\$ 87,977	\$ 77,842	(12)%	\$ 263,284	\$ 227,183	(14)%
Total AUM	\$ 74,219,563	\$ 80,005,136	8%	\$ 74,219,563	\$ 80,005,136	8%
Fee-Earning AUM	\$ 69,037,961	\$ 74,558,599	8%	\$ 69,037,961	\$ 74,558,599	8%

1.7%
3Q'18 BPS Composite Gross Return

\$3.7 billion
3Q'18 Total AUM Inflows

\$80.0 billion
Total AUM up 8% YoY

The BPS Composite gross and net returns are based on the BAAM Principal Solutions ("BPS") Composite, which does not include BAAM's individual investor solutions (liquid alternatives), ventures (seeding and minority interests), strategic opportunities (co-invests), and advisory (non-discretionary) platforms, except for investments by BPS funds directly into those platforms. BAAM-managed funds in liquidation and non fee-paying assets (net returns only) are also excluded. The funds/accounts that comprise the BPS Composite are not managed within a single fund or account and are managed with different mandates. There is no guarantee that BAAM would have made the same mix of investments in a stand-alone fund/account. The BPS Composite is not an investible product and, as such, the performance of the Composite does not represent the performance of an actual fund or account.

Credit

- ▶ Composite gross returns of 1.5% for Performing Credit and 0.6% for Distressed Strategies for the quarter, and 9.4% and 4.0%, respectively, year-to-date.
- ▶ Investment pace remained active across the platform with \$3.2 billion of capital deployed or committed during the quarter and \$6.0 billion year-to-date.
- ▶ Continued strong realization activity across funds of \$2.6 billion in the quarter and \$6.9 billion year-to-date.
- ▶ Total AUM increased 31% year-over-year to \$130.6 billion and Fee-Earning AUM increased 33% to \$98.7 billion.
 - Closed \$2.6 billion of capital for the new direct lending platform.
 - Launched three new U.S. CLOs totaling \$1.6 billion and received \$1.2 billion of inflows within leveraged loan separately managed accounts.
 - Raised an additional \$1.1 billion of capital within energy strategies.

(Dollars in Thousands)			% Change		% Change	
	3Q'17	3Q'18	vs. 3Q'17	3Q'17 YTD	3Q'18 YTD	vs. 3Q'17 YTD
Management Fees, Net	\$ 131,696	\$ 134,769	2%	\$ 392,538	\$ 421,357	7%
Performance Revenues	85,703	16,123	(81)%	208,751	162,259	(22)%
Principal Investment Income	3,026	3,812	26%	16,387	9,166	(44)%
Interest, Dividend and Other Revenue	1,231	13,739	n/m	(798)	39,145	n/m
Total Revenues	221,656	168,443	(24)%	616,878	631,927	2%
Compensation	56,532	62,482	11%	168,604	191,863	14%
Performance Compensation	40,724	9,535	(77)%	98,697	78,974	(20)%
Interest Expense	8,154	8,741	7%	24,090	25,249	5%
Other Operating Expenses	23,237	31,551	36%	72,244	91,189	26%
Total Expenses	128,647	112,309	(13)%	363,635	387,275	7%
Economic Income	\$ 93,009	\$ 56,134	(40)%	\$ 253,243	\$ 244,652	(3)%
Total AUM	\$ 99,477,360	\$ 130,560,299	31%	\$ 99,477,360	\$ 130,560,299	31%
Fee-Earning AUM	\$ 74,040,881	\$ 98,734,717	33%	\$ 74,040,881	\$ 98,734,717	33%

3Q'18 Composite Gross Returns

Performing Credit	1.5%
Distressed	0.6%

\$10.8 billion

3Q'18 Total AUM Inflows

\$130.6 billion

Total AUM up 31% YoY

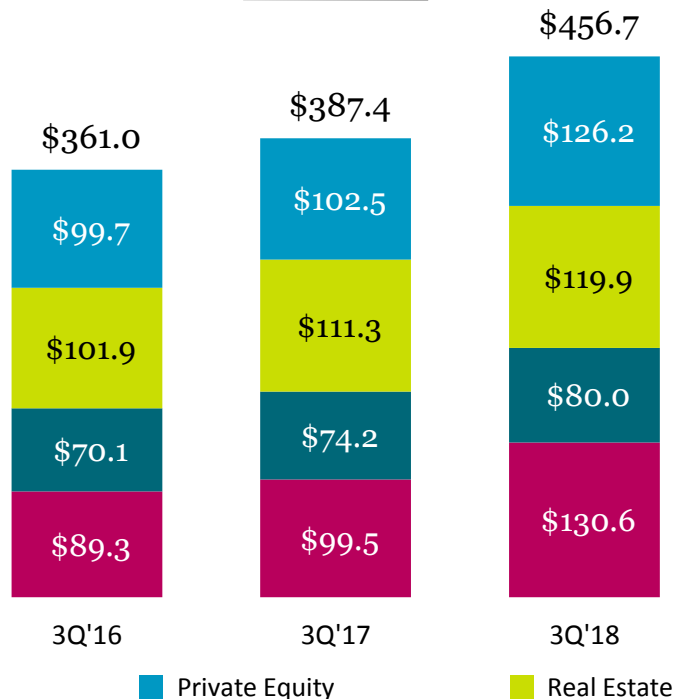
Performing Credit Strategies include mezzanine lending funds, middle market direct lending funds and other performing credit strategy funds. Distressed Strategies include credit alpha strategies, stressed / distressed funds and energy strategies. The composite gross returns represent a weighted-average composite of the fee-earning funds exceeding \$100 million of fair value at each respective quarter end for each strategy. Composite gross returns exclude the Blackstone Funds that were contributed to GSO as part of Blackstone's acquisition of GSO in March 2008. Performing Credit Strategies' net composite returns were 0.9% and 6.9% for 3Q'18 and 3Q'18 YTD. Distressed Strategies' net composite returns were 0.1% and 2.4% for 3Q'18 and 3Q'18 YTD. The breakdown of Total AUM for 3Q'18 is as follows: Distressed Strategies \$26.3 billion, Performing Credit Strategies \$24.1 billion, Long Only \$47.7 billion, Blackstone Insurance Solutions \$20.2 billion, and Harvest \$12.3 billion. The breakdown of Fee-Earning AUM for 3Q'18 is as follows: Distressed Strategies \$10.3 billion, Performing Credit Strategies \$10.3 billion, Long Only \$45.8 billion, Blackstone Insurance Solutions \$20.2 billion, and Harvest \$12.1 billion.

Assets Under Management

- ▶ Total AUM increased \$69.2 billion, up 18% year-over-year, to \$456.7 billion driven by \$124.6 billion of inflows.
 - Total AUM increased despite realizations of \$43.9 billion during the LTM.
- ▶ Fee-Earning AUM of \$342.3 billion, up 20% year-over-year, as \$118.5 billion of inflows outpaced \$68.1 billion of realizations and outflows.

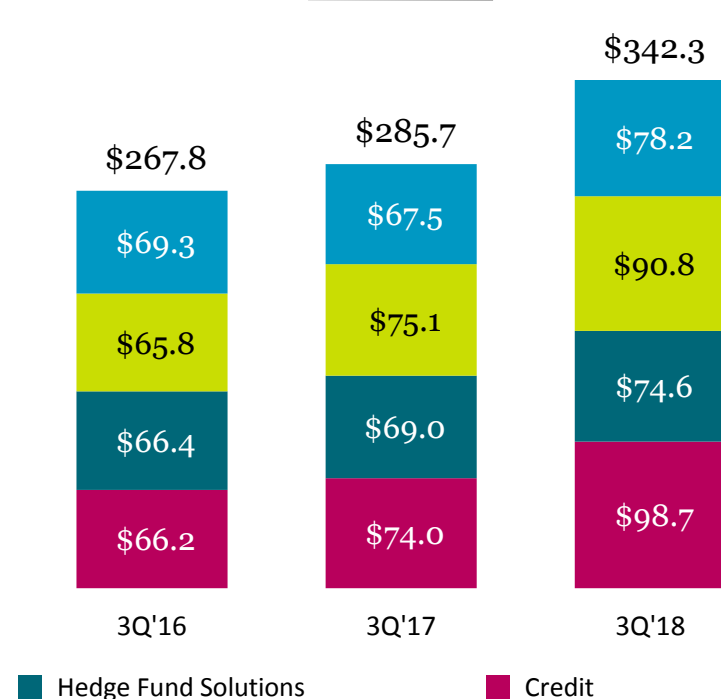
Total AUM by Segment

(Dollars in Billions)



Fee-Earning AUM by Segment

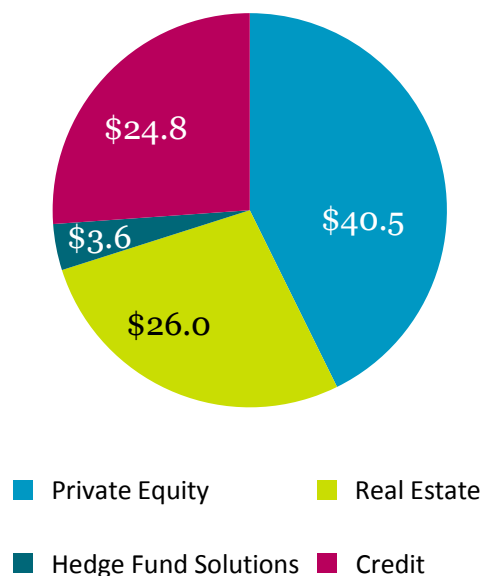
(Dollars in Billions)



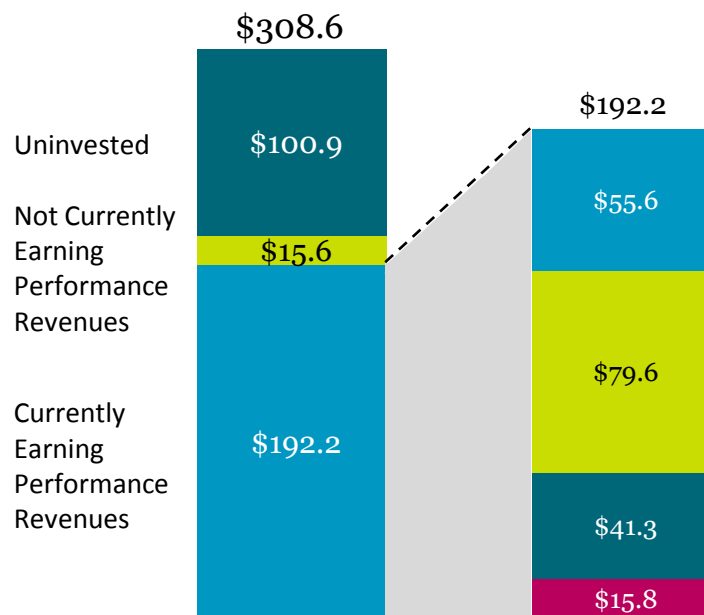
Additional Capital Detail

- ▶ Undrawn capital (“Total Dry Powder”) was \$94.8 billion, despite \$47.9 billion of capital deployed over the LTM.
- ▶ Performance Revenue Eligible AUM reached \$308.6 billion at quarter end, up 7% year-over-year, despite significant realizations in the Real Estate, Private Equity, and Credit segments.
- ▶ Perpetual Capital AUM reached \$68.3 billion, up 61% year-over-year.

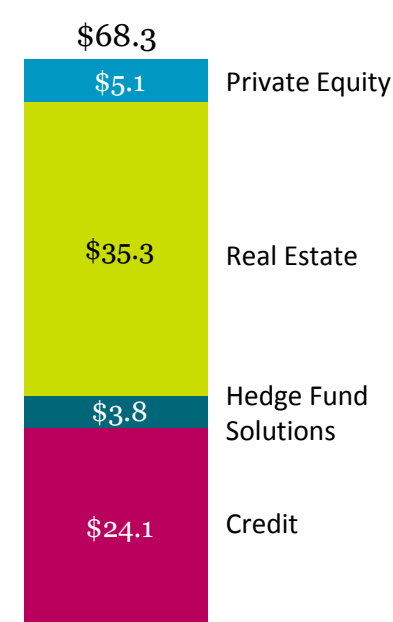
**\$95 billion
Total Dry Powder**



**\$309 billion Performance
Revenue Eligible AUM**



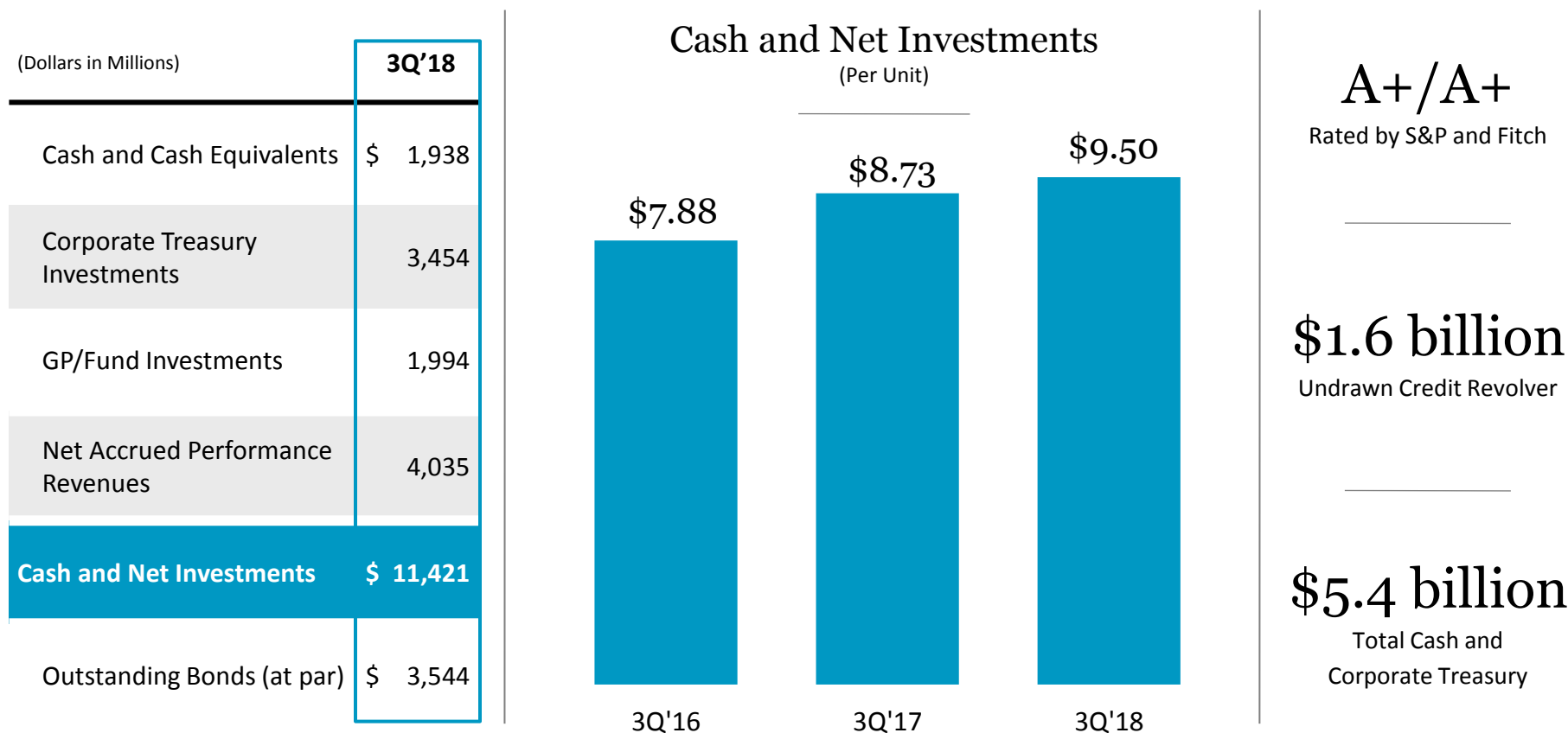
**\$68 billion
Perpetual Capital AUM**



Performance Revenue Eligible AUM Currently Earning Performance Revenues of \$192.2 billion includes \$55.6 billion for Private Equity (Corporate Private Equity \$35.4 billion, Tactical Opportunities \$12.4 billion, Strategic Partners \$7.7 billion), \$79.6 billion for Real Estate (BREP \$43.1 billion, core+ \$28.1 billion, BREDS \$8.4 billion), \$41.3 billion for Hedge Fund Solutions, and \$15.8 billion for Credit (Distressed Strategies \$7.3 billion, Performing Credit Strategies \$7.9 billion, Long Only and Master Limited Partnership (“MLP”) \$569 million). See pages 31 and 32 for information regarding Perpetual Capital AUM.

Deconsolidated Balance Sheet Highlights

- ▶ At September 30, 2018, Blackstone had \$5.4 billion in total cash, cash equivalents, and corporate treasury investments and \$11.4 billion of cash and net investments, or \$9.50 per unit.
 - In September 2018, the revolver was upsized and extended to a September 2023 maturity.



Balance Sheet Highlights are preliminary, and exclude the consolidated Blackstone Funds. GP/Fund Investments include Blackstone investments in Private Equity, Real Estate, Hedge Fund Solutions, and Credit, which were \$767 million, \$817 million, \$110 million, and \$299 million, respectively, as of September 30, 2018. Cash and Net Investments per unit amounts are calculated using period end DE Units Outstanding (see page 30, Unit Rollforward).

Performance Revenues

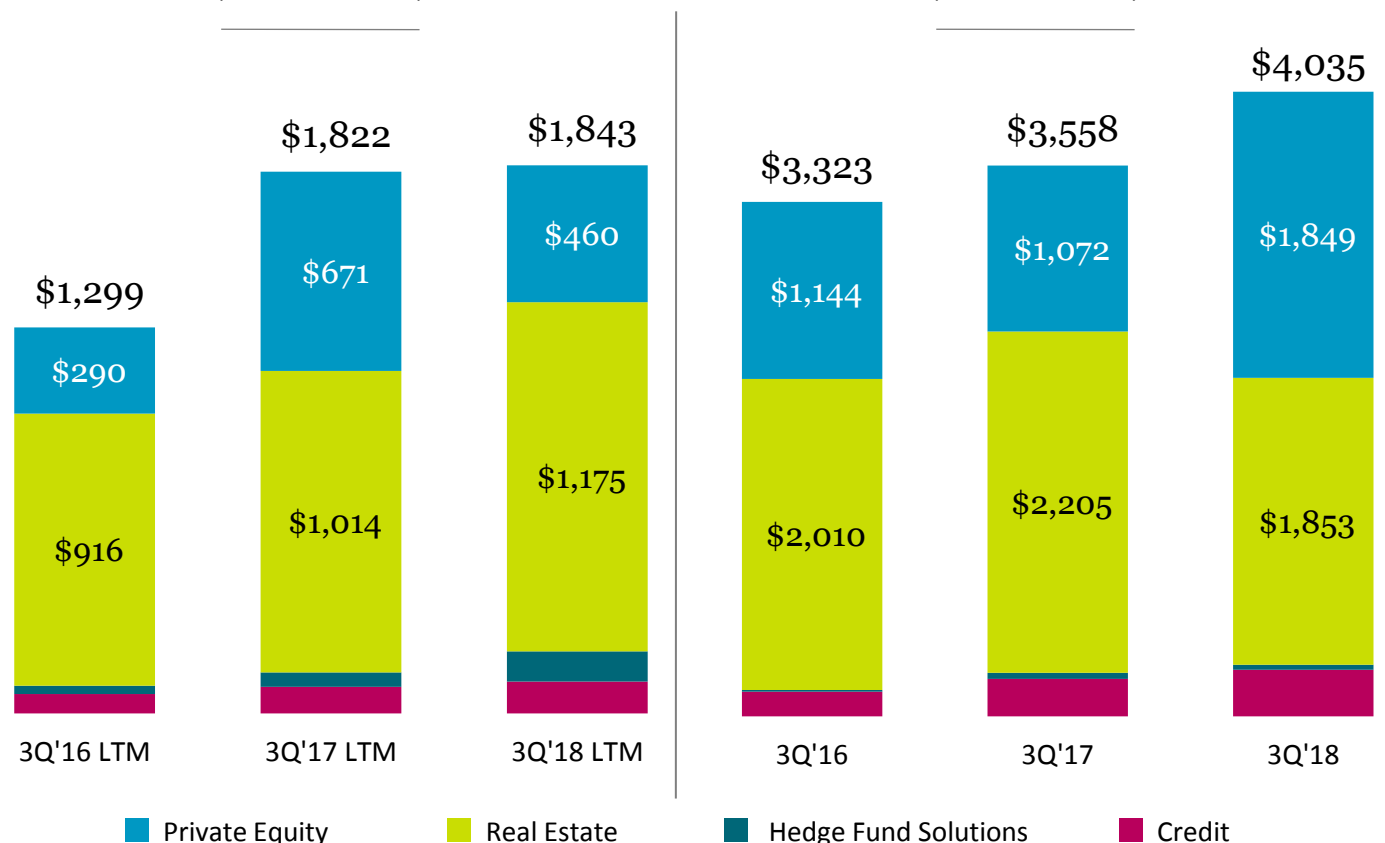
- ▶ Net Accrued Performance Revenues were \$4.0 billion (\$3.36/unit), increasing 13% year-over-year with strong appreciation generating \$2.3 billion of additional Net Accrued Performance Revenues offsetting \$1.8 billion of Net Realized Performance Revenues.

Net Realized Performance Revenues

(Dollars in Millions)

Net Accrued Performance Revenues

(Dollars in Millions)



\$4.0 billion

Net Accrued Performance Revenues at 3Q'18

\$3.36
per unit

Net Accrued Performance Revenues at 3Q'18

Appendix

Total Segments

(Dollars in Thousands)	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	3Q'17 YTD	3Q'18 YTD
Revenues							
Management and Advisory Fees, Net							
Base Management Fees	\$ 669,902	\$ 696,163	\$ 707,156	\$ 692,915	\$ 721,606	\$ 1,984,228	\$ 2,121,677
Transaction, Advisory and Other Fees, Net	32,295	45,407	37,066	40,912	73,944	111,409	151,922
Management Fee Offsets	(10,215)	(9,178)	(8,178)	(10,833)	(16,331)	(57,238)	(35,342)
Total Management and Advisory Fees, Net	691,982	732,392	736,044	722,994	779,219	2,038,399	2,238,257
Performance Revenues							
Realized Incentive Fees	35,513	122,057	12,566	19,504	9,800	122,327	41,870
Realized Performance Allocations	434,994	1,422,830	269,642	503,555	592,658	2,150,038	1,365,855
Unrealized Performance Allocations	407,425	(484,486)	628,339	440,424	298,931	379,054	1,367,694
Total Performance Revenues	877,932	1,060,401	910,547	963,483	901,389	2,651,419	2,775,419
Principal Investment Income (Loss)							
Realized	60,188	72,225	28,693	94,647	65,620	363,969	188,960
Unrealized	17,384	(16,488)	13,978	52,126	28,704	(114,718)	94,808
Total Principal Investment Income	77,572	55,737	42,671	146,773	94,324	249,251	283,768
Interest Income and Dividend Revenue	37,885	42,836	36,385	41,727	49,936	100,084	128,048
Other	(34,144)	(35,151)	(60,894)	94,416	9,092	(104,900)	42,614
Total Revenues	1,651,227	1,856,215	1,664,753	1,969,393	1,833,960	4,934,253	5,468,106
Expenses							
Compensation	302,798	306,034	336,327	317,390	354,201	897,082	1,007,918
Performance Compensation							
Realized Incentive Fees	18,332	43,450	6,662	9,743	7,251	61,829	23,656
Realized Performance Allocations	162,505	557,244	112,062	186,398	200,442	724,721	498,902
Unrealized Performance Allocations	175,534	(166,183)	254,435	189,991	178,184	269,977	622,610
Total Compensation and Benefits	659,169	740,545	709,486	703,522	740,078	1,953,609	2,153,086
Interest Expense	40,749	72,345	38,238	38,885	40,923	120,493	118,046
Other Operating Expenses	106,617	115,949	107,092	122,466	128,745	308,917	358,303
Total Expenses	806,535	928,839	854,816	864,873	909,746	2,383,019	2,629,435
Economic Income	\$ 844,692	\$ 927,376	\$ 809,937	\$ 1,104,520	\$ 924,214	\$ 2,551,234	\$ 2,838,671
Economic Net Income	\$ 822,140	\$ 891,370	\$ 791,709	\$ 1,084,494	\$ 911,421	\$ 2,485,709	\$ 2,787,624
Fee Related Earnings	\$ 344,134	\$ 352,499	\$ 336,715	\$ 339,800	\$ 346,228	\$ 977,232	\$ 1,022,743
Distributable Earnings	\$ 625,566	\$ 1,239,146	\$ 502,055	\$ 700,142	\$ 769,284	\$ 2,637,069	\$ 1,971,481
Total Assets Under Management	\$ 387,449,746	\$ 434,128,243	\$ 449,613,826	\$ 439,386,656	\$ 456,691,832	\$ 387,449,746	\$ 456,691,832
Fee-Earning Assets Under Management	\$ 285,698,425	\$ 335,343,998	\$ 344,650,797	\$ 332,978,145	\$ 342,261,123	\$ 285,698,425	\$ 342,261,123
Weighted Average Fee-Earning AUM	\$ 284,114,581	\$ 311,353,064	\$ 343,211,044	\$ 328,594,512	\$ 340,994,284	\$ 282,401,080	\$ 336,496,661
LP Capital Invested	\$ 10,043,022	\$ 18,663,837	\$ 9,323,329	\$ 8,026,698	\$ 9,358,423	\$ 27,552,576	\$ 26,708,450
Total Capital Invested	\$ 10,925,170	\$ 19,529,797	\$ 10,119,519	\$ 8,351,772	\$ 9,894,470	\$ 31,148,666	\$ 28,365,761

See page 31 for information regarding the redefinition of Fee Related Earnings.

Private Equity

(Dollars in Thousands)	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	3Q'17 YTD	3Q'18 YTD
Revenues							
Management and Advisory Fees, Net							
Base Management Fees	\$ 182,764	\$ 187,664	\$ 182,961	\$ 195,521	\$ 205,893	\$ 537,154	\$ 584,375
Transaction, Advisory and Other Fees, Net	8,748	15,411	11,094	12,780	21,709	42,213	45,583
Management Fee Offsets	(1,088)	(976)	(3,193)	(4,351)	(4,973)	(17,031)	(12,517)
Total Management and Advisory Fees, Net	190,424	202,099	190,862	203,950	222,629	562,336	617,441
Performance Revenues							
Realized Performance Allocations	101,918	274,421	77,123	138,171	290,012	882,767	505,306
Unrealized Performance Allocations	80,326	90,929	397,316	498,274	242,613	(104,143)	1,138,203
Total Performance Revenues	182,244	365,350	474,439	636,445	532,625	778,624	1,643,509
Principal Investment Income (Loss)							
Realized	7,077	25,298	6,338	32,600	44,408	129,539	83,346
Unrealized	17,300	(2,303)	17,368	84,247	19,140	(49,114)	120,755
Total Principal Investment Income	24,377	22,995	23,706	116,847	63,548	80,425	204,101
Interest Income and Dividend Revenue	9,046	9,209	8,543	11,549	13,258	23,629	33,350
Other	(8,346)	(9,392)	(16,408)	26,667	3,252	(26,270)	13,511
Total Revenues	397,745	590,261	681,142	995,458	835,312	1,418,744	2,511,912
Expenses							
Compensation	96,166	92,229	99,729	103,798	117,031	270,445	320,558
Performance Compensation							
Realized Performance Allocations	48,019	111,832	33,045	68,513	106,401	292,712	207,959
Unrealized Performance Allocations	45,484	42,748	178,802	193,747	119,135	28,347	491,684
Total Compensation and Benefits	189,669	246,809	311,576	366,058	342,567	591,504	1,020,201
Interest Expense	10,804	19,170	10,133	12,773	12,139	31,959	35,045
Other Operating Expenses	32,166	32,478	31,151	36,047	36,654	88,519	103,852
Total Expenses	232,639	298,457	352,860	414,878	391,360	711,982	1,159,098
Economic Income	\$ 165,106	\$ 291,804	\$ 328,282	\$ 580,580	\$ 443,952	\$ 706,762	\$ 1,352,814
Total Assets Under Management	\$ 102,453,979	\$ 105,560,576	\$ 111,414,214	\$ 119,524,518	\$ 126,184,368	\$ 102,453,979	\$ 126,184,368
Fee-Earning Assets Under Management	\$ 67,538,062	\$ 70,140,883	\$ 72,398,415	\$ 78,045,697	\$ 78,195,072	\$ 67,538,062	\$ 78,195,072
Weighted Average Fee-Earning AUM	\$ 67,606,365	\$ 68,815,882	\$ 71,881,372	\$ 73,587,774	\$ 78,938,034	\$ 68,156,992	\$ 74,511,980
LP Capital Invested	\$ 3,725,919	\$ 4,614,237	\$ 3,301,949	\$ 2,356,960	\$ 2,981,402	\$ 12,309,148	\$ 8,640,311
Total Capital Invested	\$ 4,279,062	\$ 4,929,609	\$ 3,955,198	\$ 2,586,395	\$ 3,276,586	\$ 15,249,400	\$ 9,818,179

Real Estate

(Dollars in Thousands)	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	3Q'17 YTD	3Q'18 YTD
Revenues							
Management Fees, Net							
Base Management Fees	\$ 224,048	\$ 222,399	\$ 226,526	\$ 249,680	\$ 254,088	\$ 649,792	\$ 730,294
Transaction and Other Fees, Net	20,616	24,799	23,088	23,859	45,678	57,982	92,625
Management Fee Offsets	(4,232)	(3,134)	(1,668)	(3,785)	(8,265)	(12,800)	(13,718)
Total Management Fees, Net	240,432	244,064	247,946	269,754	291,501	694,974	809,201
Performance Revenues							
Realized Incentive Fees	3,778	20,094	4,375	11,394	5,898	11,538	21,667
Realized Performance Allocations	307,932	971,996	151,309	351,630	297,710	1,217,246	800,649
Unrealized Performance Allocations	273,731	(498,562)	226,442	(160,578)	31,877	355,373	97,741
Total Performance Revenues	585,441	493,528	382,126	202,446	335,485	1,584,157	920,057
Principal Investment Income (Loss)							
Realized	44,449	34,276	14,690	50,199	16,197	221,627	81,086
Unrealized	(8,319)	(9,529)	2,687	(28,044)	269	(112,691)	(25,088)
Total Principal Investment Income	36,130	24,747	17,377	22,155	16,466	108,936	55,998
Interest Income and Dividend Revenue	15,461	16,036	15,128	14,494	18,556	42,048	48,178
Other	(13,108)	(12,202)	(21,497)	30,457	4,190	(39,223)	13,150
Total Revenues	864,356	766,173	641,080	539,306	666,198	2,390,892	1,846,584
Expenses							
Compensation	105,753	108,490	112,824	109,599	124,475	318,721	346,898
Performance Compensation							
Realized Incentive Fees	1,967	10,203	2,210	5,820	3,289	6,011	11,319
Realized Performance Allocations	104,112	364,410	54,183	109,233	89,879	408,580	253,295
Unrealized Performance Allocations	105,640	(172,254)	79,170	(51,370)	48,898	187,686	76,698
Total Compensation and Benefits	317,472	310,849	248,387	173,282	266,541	920,998	688,210
Interest Expense	15,028	26,891	14,149	11,389	13,584	44,450	39,122
Other Operating Expenses	33,256	38,543	29,417	36,026	39,787	97,499	105,230
Total Expenses	365,756	376,283	291,953	220,697	319,912	1,062,947	832,562
Economic Income	\$ 498,600	\$ 389,890	\$ 349,127	\$ 318,609	\$ 346,286	\$ 1,327,945	\$ 1,014,022
Total Assets Under Management	\$ 111,298,844	\$ 115,340,363	\$ 119,575,884	\$ 119,399,973	\$ 119,942,029	\$ 111,298,844	\$ 119,942,029
Fee-Earning Assets Under Management	\$ 75,081,521	\$ 83,984,824	\$ 87,284,578	\$ 88,776,501	\$ 90,772,735	\$ 75,081,521	\$ 90,772,735
Weighted Average Fee-Earning AUM	\$ 74,340,895	\$ 77,626,395	\$ 86,670,284	\$ 88,050,906	\$ 90,280,123	\$ 73,647,952	\$ 87,754,854
LP Capital Invested	\$ 3,778,790	\$ 10,845,388	\$ 4,254,201	\$ 4,538,154	\$ 3,977,693	\$ 8,741,127	\$ 12,770,048
Total Capital Invested	\$ 3,841,972	\$ 11,008,356	\$ 4,342,936	\$ 4,600,382	\$ 4,053,615	\$ 8,873,859	\$ 12,996,933

Hedge Fund Solutions

(Dollars in Thousands)	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	3Q'17 YTD	3Q'18 YTD
Revenues							
Management Fees, Net							
Base Management Fees	\$ 129,410	\$ 129,472	\$ 129,228	\$ 129,553	\$ 129,554	\$ 386,576	\$ 388,335
Transaction and Other Fees, Net	48	977	345	812	766	2,003	1,923
Management Fee Offsets	(28)	(65)	-	-	-	(28)	-
Total Management Fees, Net	129,430	130,384	129,573	130,365	130,320	388,551	390,258
Performance Revenues							
Realized Incentive Fees	12,186	74,031	8,171	6,887	3,847	32,821	18,905
Realized Performance Allocations	2,031	44,416	2,006	383	138	3,075	2,527
Unrealized Performance Allocations	10,327	(35,647)	5,061	9,930	13,171	43,991	28,162
Total Performance Revenues	24,544	82,800	15,238	17,200	17,156	79,887	49,594
Principal Investment Income (Loss)							
Realized	1,316	8,165	640	7,766	2,024	909	10,430
Unrealized	12,723	(1,582)	440	(4,841)	8,474	42,594	4,073
Total Principal Investment Income	14,039	6,583	1,080	2,925	10,498	43,503	14,503
Interest Income and Dividend Revenue	5,316	7,538	4,812	5,152	6,672	13,987	16,636
Other	(5,859)	(6,191)	(10,288)	17,619	(639)	(18,189)	6,692
Total Revenues	167,470	221,114	140,415	173,261	164,007	507,739	477,683
Expenses							
Compensation	44,347	37,470	50,300	48,086	50,213	139,312	148,599
Performance Compensation							
Realized Incentive Fees	5,862	20,159	4,034	4,155	3,284	16,973	11,473
Realized Performance Allocations	1,022	14,626	2,415	937	1,314	1,590	4,666
Unrealized Performance Allocations	3,541	(12,814)	2,186	2,772	4,142	15,931	9,100
Total Compensation and Benefits	54,772	59,441	58,935	55,950	58,953	173,806	173,838
Interest Expense	6,763	11,624	6,271	5,900	6,459	19,994	18,630
Other Operating Expenses	17,958	17,610	18,785	18,494	20,753	50,655	58,032
Total Expenses	79,493	88,675	83,991	80,344	86,165	244,455	250,500
Economic Income	\$ 87,977	\$ 132,439	\$ 56,424	\$ 92,917	\$ 77,842	\$ 263,284	\$ 227,183
Total Assets Under Management	\$ 74,219,563	\$ 75,090,834	\$ 78,657,551	\$ 77,403,078	\$ 80,005,136	\$ 74,219,563	\$ 80,005,136
Fee-Earning Assets Under Management	\$ 69,037,961	\$ 69,914,061	\$ 73,570,498	\$ 71,889,290	\$ 74,558,599	\$ 69,037,961	\$ 74,558,599
Weighted Average Fee-Earning AUM	\$ 68,957,501	\$ 71,101,632	\$ 72,979,993	\$ 73,635,114	\$ 74,637,255	\$ 68,902,797	\$ 73,954,966
LP Capital Invested	\$ 360,748	\$ 328,640	\$ 755,818	\$ 112,753	\$ 226,086	\$ 572,590	\$ 1,094,657
Total Capital Invested	\$ 363,420	\$ 383,070	\$ 785,874	\$ 113,108	\$ 227,870	\$ 578,499	\$ 1,126,852

Credit

(Dollars in Thousands)	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	3Q'17 YTD	3Q'18 YTD
Revenues							
Management Fees, Net							
Base Management Fees	\$ 133,680	\$ 156,628	\$ 168,441	\$ 118,161	\$ 132,071	\$ 410,706	\$ 418,673
Transaction and Other Fees, Net	2,883	4,220	2,539	3,461	5,791	9,211	11,791
Management Fee Offsets	(4,867)	(5,003)	(3,317)	(2,697)	(3,093)	(27,379)	(9,107)
Total Management Fees, Net	131,696	155,845	167,663	118,925	134,769	392,538	421,357
Performance Revenues							
Realized Incentive Fees	19,549	27,932	20	1,223	55	77,968	1,298
Realized Performance Allocations	23,113	131,997	39,204	13,371	4,798	46,950	57,373
Unrealized Performance Allocations	43,041	(41,206)	(480)	92,798	11,270	83,833	103,588
Total Performance Revenues	85,703	118,723	38,744	107,392	16,123	208,751	162,259
Principal Investment Income (Loss)							
Realized	7,346	4,486	7,025	4,082	2,991	11,894	14,098
Unrealized	(4,320)	(3,074)	(6,517)	764	821	4,493	(4,932)
Total Principal Investment Income	3,026	1,412	508	4,846	3,812	16,387	9,166
Interest Income and Dividend Revenue	8,062	10,053	7,902	10,532	11,450	20,420	29,884
Other	(6,831)	(7,366)	(12,701)	19,673	2,289	(21,218)	9,261
Total Revenues	221,656	278,667	202,116	261,368	168,443	616,878	631,927
Expenses							
Compensation	56,532	67,845	73,474	55,907	62,482	168,604	191,863
Performance Compensation							
Realized Incentive Fees	10,503	13,088	418	(232)	678	38,845	864
Realized Performance Allocations	9,352	66,376	22,419	7,715	2,848	21,839	32,982
Unrealized Performance Allocations	20,869	(23,863)	(5,723)	44,842	6,009	38,013	45,128
Total Compensation and Benefits	97,256	123,446	90,588	108,232	72,017	267,301	270,837
Interest Expense	8,154	14,660	7,685	8,823	8,741	24,090	25,249
Other Operating Expenses	23,237	27,318	27,739	31,899	31,551	72,244	91,189
Total Expenses	128,647	165,424	126,012	148,954	112,309	363,635	387,275
Economic Income	\$ 93,009	\$ 113,243	\$ 76,104	\$ 112,414	\$ 56,134	\$ 253,243	\$ 244,652
Total Assets Under Management	\$ 99,477,360	\$ 138,136,470	\$ 139,966,177	\$ 123,059,087	\$ 130,560,299	\$ 99,477,360	\$ 130,560,299
Fee-Earning Assets Under Management	\$ 74,040,881	\$ 111,304,230	\$ 111,397,306	\$ 94,266,657	\$ 98,734,717	\$ 74,040,881	\$ 98,734,717
Weighted Average Fee-Earning AUM	\$ 73,209,820	\$ 93,809,155	\$ 111,679,395	\$ 93,320,718	\$ 97,138,872	\$ 71,693,340	\$ 100,274,861
LP Capital Invested	\$ 2,177,565	\$ 2,875,572	\$ 1,011,361	\$ 1,018,831	\$ 2,173,242	\$ 5,929,711	\$ 4,203,434
Total Capital Invested	\$ 2,440,716	\$ 3,208,762	\$ 1,035,511	\$ 1,051,887	\$ 2,336,399	\$ 6,446,908	\$ 4,423,797

Unitholder Distribution

- ▶ Generated \$0.63 of Distributable Earnings per common unit during the quarter, bringing the year-to-date amount to \$1.60 per common unit.
- ▶ Blackstone declared a quarterly distribution of \$0.64 per common unit, which includes a \$0.10 special cash distribution, to record holders as of October 29, 2018; payable on November 5, 2018.

(Dollars in Thousands, Except per Unit Data)	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	% Change		% Change	
						vs. 3Q'17	3Q'17 YTD	3Q'18 YTD	vs. 3Q'17 YTD
Distributable Earnings	\$ 625,566	\$ 1,239,146	\$ 502,055	\$ 700,142	\$ 769,284	23%	\$ 2,637,069	\$ 1,971,481	(25)%
Add: Other Payables Attributable to Common Unitholders	9,448	52,216	7,028	29,379	22,980	143%	45,888	59,387	29%
DE before Certain Payables	635,014	1,291,362	509,083	729,521	792,264	25%	2,682,957	2,030,868	(24)%
Percent to Common Unitholders	56%	56%	56%	57%	56%		55%	56%	
DE before Certain Payables Attributable to Common Unitholders	353,193	720,124	285,633	414,071	447,516	27%	1,487,968	1,147,220	(23)%
Less: Other Payables Attributable to Common Unitholders	(9,448)	(52,216)	(7,028)	(29,379)	(22,980)	143%	(45,888)	(59,387)	29%
DE Attributable to Common Unitholders	343,745	667,908	278,605	384,692	424,536	24%	1,442,080	1,087,833	(25)%
DE per Common Unit	\$ 0.52	\$ 1.00	\$ 0.41	\$ 0.56	\$ 0.63	21%	\$ 2.17	\$ 1.60	(26)%
Less: Retained Capital per Common Unit	\$ (0.08)	\$ (0.15)	\$ (0.06)	\$ (0.08)	\$ (0.09)	13%	\$ (0.32)	\$ (0.23)	(28)%
Special Cash Distribution per Common Unit	\$ -	\$ -	\$ -	\$ 0.10	\$ 0.10	n/m	\$ -	\$ 0.20	n/m
Actual Distribution per Common Unit	\$ 0.44	\$ 0.85	\$ 0.35	\$ 0.58	\$ 0.64	45%	\$ 1.85	\$ 1.57	(15)%
Record Date					Oct 29, 2018				
Payable Date					Nov 5, 2018				

A detailed description of Blackstone's distribution policy and the definition of Distributable Earnings can be found on page 32, 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. Retained capital is withheld pro-rata from common and Blackstone Holdings Partnership unitholders. Common unitholders' share was \$61 million for 3Q'18 and \$156 million for 3Q'18 YTD.

Total Assets Under Management

3Q'18 Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
2Q'18	\$ 119,525	\$ 119,400	\$ 77,403	\$ 123,059	\$ 439,387
Inflows	6,997	2,609	3,702	10,757	24,066
Outflows	(346)	(735)	(1,994)	(1,672)	(4,747)
Realizations	(4,033)	(4,039)	(71)	(2,575)	(10,719)
Net Inflows (Outflows)	2,618	(2,165)	1,637	6,510	8,600
Market Activity	4,042	2,707	965	991	8,705
3Q'18	\$ 126,184	\$ 119,942	\$ 80,005	\$ 130,560	\$ 456,692
QoQ Increase	6%	0%	3%	6%	4%

3Q'18 LTM Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
3Q'17	\$ 102,454	\$ 111,299	\$ 74,220	\$ 99,477	\$ 387,450
Inflows	21,842	22,236	14,722	65,762	124,563
Outflows	(1,691)	(2,006)	(10,780)	(27,339)	(41,816)
Realizations	(11,539)	(21,228)	(1,872)	(9,290)	(43,929)
Net Inflows (Outflows)	8,612	(998)	2,070	29,133	38,817
Market Activity	15,118	9,641	3,716	1,950	30,425
3Q'18	\$ 126,184	\$ 119,942	\$ 80,005	\$ 130,560	\$ 456,692
YoY Increase	23%	8%	8%	31%	18%

3Q'18 Highlights

Private Equity

- ▶ **Inflows:** Corporate Private Equity (\$3.4 billion); Tactical Opportunities (\$3.1 billion); Infrastructure (\$419 million).
- ▶ **Realizations:** Corporate Private Equity (\$2.7 billion); Strategic Partners (\$793 million); Tactical Opportunities (\$535 million).
- ▶ **Market Activity:** Carrying value increase of 7.5% within Corporate Private Equity.

Real Estate

- ▶ **Inflows:** BREDS (\$1.0 billion); BREIT (\$829 million); BPP U.S. and co-invest (\$414 million); BREP opportunistic funds and co-invest (\$182 million); BPP Europe (\$172 million).
- ▶ **Realizations:** BREP opportunistic funds and co-invest (\$3.3 billion); core+ funds (\$416 million); BREDS (\$342 million).
- ▶ **Market Activity:** Carrying value increases of 3.0% and 2.7% within the opportunistic and core+ funds, respectively.

Hedge Fund Solutions

- ▶ **Inflows:** Customized solutions (\$2.3 billion); individual investor and specialized solutions (\$786 million); commingled products (\$578 million).
- ▶ **Outflows and Realizations:** Individual investor and specialized solutions (\$1.3 billion); customized solutions (\$741 million).
- ▶ **Market Activity:** BAAM's Principal Solutions Composite up 1.7% gross (1.5% net) during the quarter.

Credit

- ▶ **Inflows:** Long only and MLP (\$3.4 billion); direct lending (\$2.6 billion); distressed strategies (\$2.2 billion); three new CLOs and two CLO resets (\$2.1 billion); Blackstone Insurance Solutions (\$1.5 billion); mezzanine funds (\$187 million); partially offset by \$1.2 billion of allocations from insurance multi-asset products to other strategies.
- ▶ **Outflows and Realizations:** Distressed strategies (\$1.2 billion); long only and MLP (\$1.1 billion); capital returned to investors for CLOs outside investment periods (\$955 million); mezzanine funds (\$739 million); Blackstone Insurance Solutions (\$133 million).

Inflows include contributions, capital raised, other increases in available capital, purchases, multi-asset product allocations to other strategies 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. In the Real Estate segment, carrying value for core+ funds excludes BREIT.

Fee-Earning Assets Under Management

3Q'18 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
2Q'18	\$ 78,046	\$ 88,777	\$ 71,889	\$ 94,267	\$ 332,978
Inflows	2,214	3,620	3,282	7,588	16,704
Outflows	(478)	(208)	(1,483)	(1,548)	(3,717)
Realizations	(1,585)	(2,336)	(67)	(2,242)	(6,230)
Net Inflows	151	1,076	1,732	3,799	6,757
Market Activity	(1)	921	937	669	2,526
3Q'18	\$ 78,195	\$ 90,773	\$ 74,559	\$ 98,735	\$ 342,261
QoQ Increase	0%	2%	4%	5%	3%

3Q'18 LTM Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
3Q'17	\$ 67,538	\$ 75,082	\$ 69,038	\$ 74,041	\$ 285,698
Inflows	17,025	29,123	13,228	59,115	118,491
Outflows	(1,565)	(4,068)	(9,589)	(26,960)	(42,183)
Realizations	(5,206)	(11,733)	(1,702)	(7,261)	(25,903)
Net Inflows	10,254	13,322	1,936	24,894	50,406
Market Activity	403	2,370	3,584	(200)	6,157
3Q'18	\$ 78,195	\$ 90,773	\$ 74,559	\$ 98,735	\$ 342,261
YoY Increase	16%	21%	8%	33%	20%

3Q'18 Highlights

Private Equity

- ▶ **Inflows:** Tactical Opportunities (\$2.0 billion); Infrastructure (\$201 million).
- ▶ **Realizations:** Corporate Private Equity (\$721 million); Strategic Partners (\$441 million); Tactical Opportunities (\$423 million).

Real Estate

- ▶ **Inflows:** BREDS (\$1.8 billion); BREIT (\$829 million); BPP U.S. and co-invest (\$446 million); BPP Europe and co-invest (\$405 million); BREP opportunistic funds and co-invest (\$118 million).
- ▶ **Realizations:** BREP opportunistic funds and co-invest (\$1.3 billion); BREDS (\$657 million); core+ funds (\$374 million).

Hedge Fund Solutions

- ▶ **Inflows:** Customized solutions (\$2.1 billion); individual investor and specialized solutions (\$660 million); commingled products (\$558 million).
- ▶ **Outflows and Realizations:** Individual investor and specialized solutions (\$817 million); customized solutions (\$700 million).

Credit

- ▶ **Inflows:** Long only and MLP (\$3.1 billion); three new CLOs and two CLO resets (\$2.1 billion); Blackstone Insurance Solutions (\$1.5 billion); distressed strategies (\$929 million); mezzanine funds (\$777 million); direct lending (\$336 million); partially offset by \$1.2 billion of allocations from insurance multi-asset products to other strategies.
- ▶ **Outflows and Realizations:** Distressed strategies (\$1.1 billion); long only and MLP (\$1.1 billion); capital returned to investors for CLOs outside investment periods (\$847 million); mezzanine funds (\$595 million); Blackstone Insurance Solutions (\$133 million).

Inflows include contributions, capital raised, other increases in available capital, purchases, multi-asset product allocations to other strategies 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 Revenues

Net Accrued Performance Revenues					
	2Q'18	3Q'18	3Q'18 Per Unit	QoQ Change	
(Dollars in Millions, Except per Unit Data)					
Private Equity					
BCP IV	\$ 99	\$ 111	\$ 0.09	\$	12
BCP V	87	44	0.04		(43)
BCP VI	911	1,008	0.84		97
BCP VII	94	166	0.14		72
BEP I	142	155	0.13		13
BEP II	50	66	0.05		16
Tactical Opportunities	152	161	0.13		9
Strategic Partners	91	95	0.08		4
BTAS	30	32	0.03		2
Other	1	11	0.01		10
Total Private Equity	\$ 1,657	\$ 1,849	\$ 1.54	\$	192
Real Estate					
BREP IV	14	12	0.01		(2)
BREP V	159	91	0.08		(68)
BREP VI	132	106	0.09		(26)
BREP VII	592	592	0.49		-
BREP VIII	317	386	0.32		69
BREP Europe III	33	1	-		(32)
BREP Europe IV	211	201	0.17		(10)
BREP Europe V	61	86	0.07		25
BREP Asia I	110	103	0.09		(7)
BPP	194	207	0.17		13
BREIT	10	18	0.01		8
BREDS	29	21	0.02		(8)
BTAS	31	29	0.02		(2)
Total Real Estate	\$ 1,893	\$ 1,853	\$ 1.54	\$	(40)
Total Hedge Fund Solutions	\$ 23	\$ 32	\$ 0.03	\$	9
Total Credit	\$ 299	\$ 301	\$ 0.25	\$	2
Net Accrued Performance Revenue	\$ 3,872	\$ 4,035	\$ 3.36	\$	163
<i>Memo: Net Realized Performance Revenues</i>	<i>\$ 33</i>	<i>\$ 109</i>	<i>\$ 0.09</i>	<i>\$</i>	<i>76</i>

\$4.0 billion

Net Accrued Performance Revenues at 3Q'18

\$3.36 per unit

Net Accrued Performance Revenues at 3Q'18

\$516 million

Increase to Receivable from Net Performance Revenues in 3Q'18

\$353 million

Decrease to Receivable from Net Realized Distributions in 3Q'18

Net Accrued Performance Revenues are presented net of performance compensation and do not include clawback amounts, if any, which are disclosed in the 10-K/Q. Net Realized Performance Revenues are included in DE. Net Realized Performance Revenues above represent Performance Revenues realized, but not yet distributed as of the reporting date and included in the Net Accrued Performance Revenues balance. 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, 2018^(a)

Fund (Investment Period Beginning Date / Ending Date)	Committed		Unrealized Investments			Realized Investments		Total Investments		Net IRRs (d)		
	Capital	Available Capital (b)	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	24,575	17,447	1.4x	-	2,953,649	1.4x	2,971,096	1.4x	7%	6%	
BCP IV (Nov 2002 / Dec 2005)	6,773,182	207,524	770,288	0.9x	60%	20,861,464	3.1x	21,631,752	2.9x	41%	36%	
BCP V (Dec 2005 / Jan 2011)	21,022,215	1,048,362	2,148,761	1.1x	30%	36,254,085	2.0x	38,402,846	1.9x	9%	8%	
BCP VI (Jan 2011 / May 2016)	15,191,118	1,750,783	17,300,679	1.9x	35%	10,388,364	2.1x	27,689,043	1.9x	21%	15%	
BEP I (Aug 2011 / Feb 2015)	2,435,346	223,625	2,734,648	1.7x	45%	1,828,396	2.2x	4,563,044	1.9x	25%	15%	
BEP II (Feb 2015 / Feb 2021)	4,919,256	1,560,360	3,337,879	1.5x	-	186,221	1.9x	3,524,100	1.5x	48%	17%	
BCP VII (May 2016 / May 2022)	18,559,346	10,783,682	9,046,515	1.3x	-	402,432	1.3x	9,448,947	1.3x	21%	22%	
BCP Asia (Dec 2017 / Dec 2023) (e)	2,369,469	2,201,623	137,164	1.2x	-	-	n/a	137,164	1.2x	n/a	n/m	
BEP III (TBD)	3,198,311	3,198,311	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
Total Corporate Private Equity	\$ 82,793,176	\$ 20,998,845	\$ 35,493,381	1.6x	23%	\$ 87,057,856	2.2x	\$ 122,551,237	2.0x	17%	16%	
Tactical Opportunities	21,508,073	11,014,336	10,022,805	1.3x	11%	5,777,258	1.7x	15,800,063	1.4x	23%	12%	
Tactical Opportunities Co-Investment and Other	4,946,019	1,317,372	3,832,000	1.2x	2%	1,235,479	1.6x	5,067,479	1.3x	28%	16%	
Total Tactical Opportunities	\$ 26,454,092	\$ 12,331,708	\$ 13,854,805	1.3x	9%	\$ 7,012,737	1.7x	\$ 20,867,542	1.4x	23%	12%	
Strategic Partners I-V and Co-Investment (f)	11,913,117	1,798,461	1,810,766	n/m	-	15,813,541	n/m	17,624,307	1.5x	n/a	13%	
Strategic Partners VI LBO, RE and SMA (f)	7,402,171	2,047,468	3,361,831	n/m	-	2,964,370	n/m	6,326,201	1.5x	n/a	20%	
Strategic Partners VII (f)	7,669,970	2,396,585	4,669,166	n/m	-	645,883	n/m	5,315,049	1.4x	n/a	40%	
Strategic Partners RA II (f)	1,898,154	1,065,577	419,404	n/m	-	32,263	n/m	451,667	1.1x	n/a	18%	
Total Strategic Partners	\$ 28,883,412	\$ 7,308,091	\$ 10,261,167	n/m	-	\$ 19,456,057	n/m	\$ 29,717,224	1.5x	n/a	14%	
BCEP (Jan 2017 / Jan 2021) (g)	4,755,616	2,603,351	2,351,861	1.1x	-	-	n/a	2,351,861	1.1x	n/a	7%	
Other Funds and Co-Investment (h)	1,539,393	325,028	72,084	0.9x	22%	635,564	0.9x	707,648	0.9x	n/m	n/m	
Real Estate												
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	-	301,446	0.4x	24%	4,259,544	2.2x	4,560,990	1.7x	34%	12%	
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	783,714	1.8x	35%	12,536,269	2.4x	13,319,983	2.3x	12%	11%	
BREP VI (Feb 2007 / Aug 2011)	11,060,444	-	1,352,439	1.6x	3%	26,167,065	2.6x	27,519,504	2.5x	14%	13%	
BREP VII (Aug 2011 / Apr 2015)	13,495,034	2,057,992	11,396,491	1.7x	19%	17,467,417	2.1x	28,863,908	1.9x	28%	17%	
BREP VIII (Apr 2015 / Oct 2020)	16,429,229	7,814,227	12,028,819	1.4x	2%	4,328,795	1.5x	16,357,614	1.4x	28%	17%	
Total Global BREP	\$ 51,965,288	\$ 9,872,219	\$ 25,862,909	1.5x	11%	\$ 72,294,008	2.3x	\$ 98,156,917	2.0x	19%	16%	
BREP Int'l (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ -	n/a	-	€ 1,369,016	2.1x	€ 1,369,016	2.1x	23%	23%	
BREP Int'l II (Sep 2005 / Jun 2008) (i)	1,629,748	-	105,181	1.0x	-	2,334,143	1.8x	2,439,324	1.7x	8%	8%	
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	463,074	773,749	1.0x	-	5,497,856	2.5x	6,271,605	2.1x	21%	15%	
BREP Europe IV (Sep 2013 / Dec 2016)	6,709,145	1,332,728	4,476,835	1.5x	14%	6,957,202	2.0x	11,434,037	1.8x	25%	18%	
BREP Europe V (Dec 2016 / Jun 2022)	7,868,436	3,523,103	5,121,036	1.2x	-	14,155	n/m	5,135,191	1.2x	n/m	18%	
Total Euro BREP	€ 20,236,668	€ 5,318,905	€ 10,476,801	1.3x	6%	€ 16,172,372	2.1x	€ 26,649,173	1.7x	16%	14%	
BREP Asia I (Jun 2013 / Dec 2017)	\$ 5,096,216	\$ 1,759,883	\$ 4,041,221	1.4x	-	\$ 2,883,151	1.8x	\$ 6,924,372	1.5x	21%	15%	
BREP Asia II (Dec 2017 / Jun 2023)	7,123,119	6,930,266	348,643	n/m	-	-	n/a	348,643	1.0x	n/m	n/m	
BREP Co-Investment (j)	6,892,347	146,573	2,130,069	1.8x	49%	11,818,812	2.1x	13,948,881	2.1x	16%	16%	
Total BREP	\$ 95,859,327	\$ 24,880,999	\$ 44,716,236	1.4x	10%	\$ 107,630,873	2.2x	\$ 152,347,109	1.9x	18%	16%	
BPP (k)	\$ 25,332,010	\$ 2,797,024	\$ 27,127,479	1.2x	-	\$ 2,693,606	n/m	\$ 29,821,085	1.2x	n/m	11%	
BREDS (l)	\$ 13,240,239	\$ 4,078,535	\$ 3,393,396	1.1x	-	\$ 9,712,652	1.3x	\$ 13,106,048	1.2x	11%	11%	

See page 23 for continued Investment Record and for Notes.

Investment Records as of September 30, 2018^(a) – Continued

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	
Hedge Fund Solutions												
BSCH (Dec 2013 / Jun 2020) (m)	\$ 3,298,575	\$ 2,326,290	\$ 1,004,382	1.0x	-	\$ 275,472	n/a	\$ 1,279,854	1.3x	n/a	6%	
BSCH Co-Investment	276,000	164,903	102,202	0.9x	-	26,443	n/a	128,645	1.1x	n/a	9%	
Total Hedge Fund Solutions	\$ 3,574,575	\$ 2,491,193	\$ 1,106,584	1.0x	-	\$ 301,915	n/a	\$ 1,408,499	1.3x	n/a	6%	
Credit (n)												
Mezzanine I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 97,114	\$ 36,499	0.7x	-	\$ 4,770,982	1.6x	\$ 4,807,481	1.6x	n/a	17%	
Mezzanine II (Nov 2011 / Nov 2016)	4,120,000	1,146,274	2,412,906	1.1x	-	4,214,546	1.6x	6,627,452	1.3x	n/a	13%	
Mezzanine III (Sep 2016 / Sep 2021)	6,639,133	3,198,430	3,056,152	1.1x	-	781,375	1.5x	3,837,527	1.2x	n/a	13%	
Stressed / Distressed Investing I (Sep 2009 / May 2013)	3,253,143	175,000	417,477	0.7x	-	5,573,234	1.5x	5,990,711	1.4x	n/a	11%	
Stressed / Distressed Investing II (Jun 2013 / Jun 2018)	5,125,000	584,021	2,501,490	1.1x	-	3,480,028	1.4x	5,981,518	1.2x	n/a	11%	
Stressed / Distressed Investing III (Dec 2017 / Dec 2022)	7,356,380	6,357,485	863,400	1.1x	-	248,102	1.2x	1,111,502	1.1x	n/a	n/a	
Energy Select Opportunities (Nov 2015 / Nov 2018)	2,856,867	1,108,540	2,032,185	1.2x	-	523,100	1.6x	2,555,285	1.2x	n/a	16%	
Euro												
European Senior Debt Fund (Feb 2015 / Feb 2019)	€ 1,964,689	€ 1,599,931	€ 1,967,235	1.0x	-	€ 739,301	1.5x	€ 2,706,536	1.1x	n/a	10%	
Total Credit	\$ 33,616,933	\$ 14,525,185	\$ 13,605,053	1.1x	-	\$ 20,439,621	1.5x	\$ 34,044,674	1.3x	n/a	13%	

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

- n/m Not meaningful.
- n/a Not applicable.
- (a) Preliminary.
- (b) Available Capital represents total investable capital commitments, including side-by-side, adjusted for certain expenses and expired or callable capital and may include leverage, less invested capital. This amount is not reduced by outstanding commitments to investments.
- (c) Multiple of Invested Capital (“MOIC”) represents carrying value, before management fees, expenses and Carried Interest, divided by invested capital.
- (d) Net Internal Rate of Return (“IRR”) represents the annualized inception to September 30, 2018 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest.
- (e) Includes foreign currency gain or loss on invested undrawn capital, if any.
- (f) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not meaningful.
- (g) BCEP, or Blackstone Core Equity Partners, is a core private equity fund which invests with a more modest risk profile and longer hold period.
- (h) Returns for Other Funds and Co-Investment are not meaningful as these funds have limited transaction activity.
- (i) 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.
- (j) 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.
- (k) BPP represents the core+ real estate funds which invest with a more modest risk profile and lower leverage. Excludes BREIT.
- (l) Excludes Capital Trust drawdown funds.
- (m) BSCH, or Blackstone Strategic Capital Holdings, is focused on acquiring strategic minority positions in alternative asset managers.
- (n) 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.

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	3Q'17 YTD	3Q'18 YTD
Net Income Attributable to The Blackstone Group L.P.	\$ 377,920	\$ 304,138	\$ 367,872	\$ 742,042	\$ 442,742	\$ 1,167,236	\$ 1,552,656
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	340,202	359,438	320,208	678,952	360,576	1,032,885	1,359,736
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	113,446	132,364	155,499	129,078	143,101	365,075	427,678
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	3,215	7,600	(1,275)	905	2,569	6,206	2,199
Net Income	\$ 834,783	\$ 803,540	\$ 842,304	\$ 1,550,977	\$ 948,988	\$ 2,571,402	\$ 3,342,269
Provision for Taxes	59,512	596,590	54,495	138,731	26,798	146,557	220,024
Income Before Provision for Taxes	\$ 894,295	\$ 1,400,130	\$ 896,799	\$ 1,689,708	\$ 975,786	\$ 2,717,959	\$ 3,562,293
Transaction-Related Charges (a)	55,714	(347,055)	52,489	(470,078)	79,242	170,524	(338,347)
Amortization of Intangibles (b)	11,344	14,265	14,873	14,873	14,856	34,032	44,602
Impact of Consolidation (c)	(116,661)	(139,964)	(154,224)	(129,983)	(145,670)	(371,281)	(429,877)
Economic Income	\$ 844,692	\$ 927,376	\$ 809,937	\$ 1,104,520	\$ 924,214	\$ 2,551,234	\$ 2,838,671
(Taxes) (d)	(22,552)	(36,006)	(18,228)	(20,026)	(12,793)	(65,525)	(51,047)
Economic Net Income	\$ 822,140	\$ 891,370	\$ 791,709	\$ 1,084,494	\$ 911,421	\$ 2,485,709	\$ 2,787,624
Taxes (d)	22,552	36,006	18,228	20,026	12,793	65,525	51,047
Performance Revenues (e)	(877,932)	(1,060,401)	(910,547)	(963,483)	(901,389)	(2,651,419)	(2,775,419)
Principal Investment Income (f)	(77,572)	(55,737)	(42,671)	(146,773)	(94,324)	(249,251)	(283,768)
Other Revenues (g)	34,144	35,151	60,894	(94,416)	(9,092)	104,900	(42,614)
Net Interest (Income) Loss (h)	2,864	29,509	1,853	(2,842)	(9,013)	20,409	(10,002)
Performance Compensation (i)	356,371	434,511	373,159	386,132	385,877	1,056,527	1,145,168
Fee Related Net Performance Revenues (j)	37,426	24,913	3,842	25,179	16,441	68,599	45,462
Equity-Based Compensation - Non-Performance Compensation Related (k)	24,141	17,177	40,248	31,483	33,514	76,233	105,245
Fee Related Earnings	\$ 344,134	\$ 352,499	\$ 336,715	\$ 339,800	\$ 346,228	\$ 977,232	\$ 1,022,743
Net Realized Performance Revenues, Non-Fee Related (l)	255,913	923,499	163,542	304,650	381,386	1,426,697	849,578
Realized Principal Investment Income (m)	60,188	72,225	28,693	94,647	65,620	363,969	188,960
Net Interest Income (Loss) (h)	(2,864)	(29,509)	(1,853)	2,842	9,013	(20,409)	10,002
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (n)	(31,805)	(79,568)	(25,042)	(41,797)	(32,963)	(110,420)	(99,802)
Distributable Earnings	\$ 625,566	\$ 1,239,146	\$ 502,055	\$ 700,142	\$ 769,284	\$ 2,637,069	\$ 1,971,481
Interest Expense (o)	40,749	72,345	38,238	38,885	40,923	120,493	118,046
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (n)	31,805	79,568	25,042	41,797	32,963	110,420	99,802
Depreciation and Amortization	6,027	6,593	6,251	5,986	5,681	18,635	17,918
Adjusted EBITDA	\$ 704,147	\$ 1,397,652	\$ 571,586	\$ 786,810	\$ 848,851	\$ 2,886,617	\$ 2,207,247

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See page 32, Definitions and Distribution Policy.

- (a) This adjustment removes Transaction-Related Charges. 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 adds the amortization of transaction-related intangibles including intangibles associated with Blackstone's investment in Pátria, which is accounted for under the equity method.
- (c) This adjustment represents the effect of consolidating Blackstone Funds, 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) 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.
- (e) This adjustment removes total segment Performance Revenues.
- (f) This adjustment removes total segment Principal Investment Income (Loss).
- (g) This adjustment removes total segment Other Revenues.
- (h) This adjustment removes total segment Interest and Dividend Revenue less total segment Interest Expense.
- (i) This adjustment removes the total segment amount of Performance Compensation, comprised of Incentive Fee Compensation and Performance Allocations Compensation.
- (j) Fee Related Net Performance Revenues refers to the realized portion of Performance Revenues from Perpetual Capital that are (i) measured and received on a recurring basis, and (ii) not dependent on realization events from the underlying investments ("Fee Related Performance Revenues"), net of directly related cash compensation expense.
- (k) This adjustment removes the component of total segment Compensation that is equity-based.
- (l) This adjustment adds the total segment amounts of Realized Incentive Fees and Realized Performance Allocations, net of realized Performance Compensation and excluding Fee Related Net Performance Revenues.
- (m) This adjustment adds the total segment amount of Realized Principal Investment Income.
- (n) Taxes and Related Payables Including Payable Under Tax Receivable Agreement represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and to exclude the tax impact on any divestitures and the Payable Under Tax Receivable Agreement.
- (o) This adjustment adds back the total segment amount of Interest Expense.

Reconciliation of GAAP to Total Segment Measures

(Dollars in Thousands)	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	3Q'17 YTD	3Q'18 YTD
Management and Advisory Fees, Net							
GAAP	\$ 685,922	\$ 729,059	\$ 728,849	\$ 721,384	\$ 780,009	\$ 2,022,263	\$ 2,230,242
Consolidation and Elimination Adjustment (a)	6,060	3,333	7,195	1,610	(790)	16,136	8,015
Total Segment	\$ 691,982	\$ 732,392	\$ 736,044	\$ 722,994	\$ 779,219	\$ 2,038,399	\$ 2,238,257
Performance Revenue							
GAAP							
Incentive Fees	35,513	120,187	12,566	19,378	9,799	122,327	41,743
Investment Income - Realized Performance Allocations	434,982	1,422,262	269,640	503,376	592,103	2,149,549	1,365,119
Investment Income - Unrealized Performance Allocations	406,649	(483,033)	628,089	440,351	299,238	377,560	1,367,678
GAAP	\$ 877,144	\$ 1,059,416	\$ 910,295	\$ 963,105	\$ 901,140	\$ 2,649,436	\$ 2,774,540
Elimination Adjustment (b)	788	985	252	378	249	1,983	879
Total Segment	\$ 877,932	\$ 1,060,401	\$ 910,547	\$ 963,483	\$ 901,389	\$ 2,651,419	\$ 2,775,419
Principal Investment Income							
GAAP							
Investment Income - Realized Principal Investment Income	74,805	184,562	42,145	129,197	134,619	451,207	305,961
Investment Income - Unrealized Principal Investment Income	96,085	(20,567)	111,774	103,468	52,840	63,172	268,082
GAAP	\$ 170,890	\$ 163,995	\$ 153,919	\$ 232,665	\$ 187,459	\$ 514,379	\$ 574,043
Consolidation and Elimination Adjustment (c)	(93,318)	(108,258)	(111,248)	(85,892)	(93,135)	(265,128)	(290,275)
Total Segment	\$ 77,572	\$ 55,737	\$ 42,671	\$ 146,773	\$ 94,324	\$ 249,251	\$ 283,768
Interest, Dividend and Other Revenue							
GAAP							
Interest and Dividend Revenue	36,974	40,524	35,385	40,073	48,604	99,172	124,062
Other	(35,572)	(33,781)	(59,317)	675,343	9,368	(99,448)	625,394
GAAP	\$ 1,402	\$ 6,743	\$ (23,932)	\$ 715,416	\$ 57,972	\$ (276)	\$ 749,456
Consolidation and Elimination Adjustment (d)	2,339	942	(577)	(579,273)	1,056	(4,540)	(578,794)
Total Segment	\$ 3,741	\$ 7,685	\$ (24,509)	\$ 136,143	\$ 59,028	\$ (4,816)	\$ 170,662
Total Revenues							
GAAP	\$ 1,735,358	\$ 1,959,213	\$ 1,769,131	\$ 2,632,570	\$ 1,926,580	\$ 5,185,802	\$ 6,328,281
Consolidation and Elimination Adjustment (e)	(84,131)	(102,998)	(104,378)	(663,177)	(92,620)	(251,549)	(860,175)
Total Segment	\$ 1,651,227	\$ 1,856,215	\$ 1,664,753	\$ 1,969,393	\$ 1,833,960	\$ 4,934,253	\$ 5,468,106
Compensation							
GAAP	\$ 359,209	\$ 364,484	\$ 389,403	\$ 427,479	\$ 419,285	\$ 1,078,001	\$ 1,236,167
Consolidation Adjustment (f)	(56,411)	(58,450)	(53,076)	(110,089)	(65,084)	(180,919)	(228,249)
Total Segment	\$ 302,798	\$ 306,034	\$ 336,327	\$ 317,390	\$ 354,201	\$ 897,082	\$ 1,007,918

Continued...

Reconciliation of GAAP to Total Segment Measures – Continued

(Dollars in Thousands)	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	3Q'17 YTD	3Q'18 YTD
Performance Compensation							
GAAP							
Incentive Fee Compensation	\$ 18,332	\$ 43,450	\$ 6,662	\$ 9,743	\$ 7,251	\$ 61,829	\$ 23,656
Performance Allocations Compensation - Realized	162,505	557,244	112,062	186,398	200,442	724,721	498,902
Performance Allocations Compensation - Unrealized	175,534	(166,183)	254,435	189,991	178,184	269,977	622,610
GAAP	\$ 356,371	\$ 434,511	\$ 373,159	\$ 386,132	\$ 385,877	\$ 1,056,527	\$ 1,145,168
Total Segment	\$ 356,371	\$ 434,511	\$ 373,159	\$ 386,132	\$ 385,877	\$ 1,056,527	\$ 1,145,168
Interest Expense							
GAAP							
Consolidation Adjustment (g)	\$ 41,545	\$ 74,606	\$ 38,671	\$ 39,320	\$ 41,355	\$ 122,880	\$ 119,346
	(796)	(2,261)	(433)	(435)	(432)	(2,387)	(1,300)
Total Segment	\$ 40,749	\$ 72,345	\$ 38,238	\$ 38,885	\$ 40,923	\$ 120,493	\$ 118,046
GAAP General, Administrative and Other to Total Segment Other Operating Expenses							
GAAP							
Consolidation and Elimination Adjustment (h)	\$ 121,036	\$ 138,608	\$ 126,713	\$ 145,828	\$ 168,813	\$ 349,974	\$ 441,354
	(14,419)	(22,659)	(19,621)	(23,362)	(40,068)	(41,057)	(83,051)
Total Segment	\$ 106,617	\$ 115,949	\$ 107,092	\$ 122,466	\$ 128,745	\$ 308,917	\$ 358,303
Total Expenses							
GAAP							
Less: GAAP Fund Expenses (i)	\$ 904,511	\$ 1,044,901	\$ 982,931	\$ 1,016,381	\$ 1,017,632	\$ 2,707,477	\$ 3,016,944
	(26,350)	(32,692)	(54,985)	(17,622)	(2,302)	(100,095)	(74,909)
Consolidation and Elimination Adjustment (i)	(71,626)	(83,370)	(73,130)	(133,886)	(105,584)	(224,363)	(312,600)
Total Segment	\$ 806,535	\$ 928,839	\$ 854,816	\$ 864,873	\$ 909,746	\$ 2,383,019	\$ 2,629,435
GAAP Income Before Provision for Taxes to Total Segment Economic Income							
GAAP							
Revenues Less Expenses	830,847	914,312	786,200	1,616,189	908,948	2,478,325	3,311,337
Other Income (j)	63,448	485,818	110,599	73,519	66,838	239,634	250,956
GAAP	\$ 894,295	\$ 1,400,130	\$ 896,799	\$ 1,689,708	\$ 975,786	\$ 2,717,959	\$ 3,562,293
Consolidation and Elimination Adjustment (k)	(49,603)	(472,754)	(86,862)	(585,188)	(51,572)	(166,725)	(723,622)
Total Segment	\$ 844,692	\$ 927,376	\$ 809,937	\$ 1,104,520	\$ 924,214	\$ 2,551,234	\$ 2,838,671

This analysis reconciles the summarized components of Total Segments (pages 3-7) to their respective Total Segment amounts (page 13) and to their equivalent GAAP measures, reported on the Consolidated Statements of Operations (page 1).

- (a) Represents (1) the add back of net management fees earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Other Operating Expenses in the Total Segment measures.
- (b) Represents the add back of performance revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.
- (c) Represents (1) the add back of Principal Investment Income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the inclusion of Principal Investment Income on non-consolidated Blackstone Funds which in GAAP is recorded as Other Income (Loss) - Net Gains (Losses) from Fund Investment Activities.
- (d) Represents (1) the add back of Other Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of certain Transaction-Related Charges. For the nine months ended September 30, 2018, Transaction-Related Charges included \$580.9 million of Other Revenues received upon the conclusion of Blackstone's investment sub-advisory relationship with FS Investments' funds.
- (e) Represents the reversal of all revenue-related consolidation and elimination adjustments.
- (f) Represents transaction-related equity compensation that is not recorded in the Total Segment measures.
- (g) Represents interest expense associated with the Tax Receivable Agreement.
- (h) Represents the removal of (1) the amortization of transaction-related intangibles, and (2) certain expenses reimbursed by the Blackstone Funds, which are presented gross under GAAP but netted against Other Operating Expenses in the Total Segment measures.
- (i) Represents the reversal of (1) GAAP Fund Expenses, which are attributable to consolidated Blackstone Funds and not a component of the segments, and (2) all expense-related consolidation and elimination adjustments.
- (j) Represents the inclusion of Other Income (Loss) which is included in GAAP but not as a component of the Total Segment measures.
- (k) Represents all consolidation and elimination adjustments between GAAP and Total Segment measures.

Walkdown of Financial Metrics

(Dollars in Thousands, Except per Unit Data)

	3Q'18		3Q'18 YTD	
	Results	Per Unit	Results	Per Unit
▶ Management and Advisory Fees, Net	\$ 779,219		\$ 2,238,257	
▶ Fee Related Net Performance Revenues	16,441		45,462	
▶ Fee Related Compensation	(320,687)		(902,673)	
▶ Other Operating Expenses	(128,745)		(358,303)	
Fee Related Earnings	\$ 346,228	\$ 0.29	\$ 1,022,743	\$ 0.85
▶ Net Realized Performance Revenues, Non-Fee Related	381,386		849,578	
▶ Realized Principal Investment Income	65,620		188,960	
▶ Net Interest Income	9,013		10,002	
▶ Taxes and Related Payables	(32,963)		(99,802)	
Distributable Earnings	\$ 769,284	\$ 0.63	\$ 1,971,481	\$ 1.60
▶ Net Unrealized Performance Revenues	120,747		745,084	
▶ Unrealized Principal Investment Income	28,704		94,808	
▶ Other Revenue	9,092		42,614	
▶ Add Back: Related Payables	20,170		48,755	
▶ Less: Equity-Based Compensation	(36,576)		(115,118)	
Economic Net Income	\$ 911,421	\$ 0.76	\$ 2,787,624	\$ 2.31

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 13, Total Segments. 3Q'18 Fee Related Earnings per Unit is based on end of period DE Units Outstanding; 3Q'18 DE per Unit is based on DE attributable to Common Unitholders (see page 18, Unitholder Distribution) and end of period Total Common Units Outstanding; and 3Q'18 ENI per Unit is based on Weighted-Average ENI Adjusted Units. 3Q'18 YTD per Unit represents the sum of the last three quarters. See page 30, Unit Rollforward.

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

(Dollars in Thousands)	3Q'18	3Q'18 YTD
Realized Incentive Fees - Fee Related (a)	\$ 5,898	\$ 20,951
Realized Performance Allocations - Fee Related (a)	24,401	58,700
Fee Related Performance Revenues	\$ 30,299	\$ 79,651
Less: Realized Incentive Fees Compensation - Fee Related (a)	(3,289)	(11,003)
Less: Realized Performance Allocations Compensation - Fee Related (a)	(10,569)	(23,186)
Fee Related Net Performance Revenues	\$ 16,441	\$ 45,462
Compensation	(354,201)	(1,007,918)
Less: Equity-Based Compensation - Non-Performance Compensation Related (b)	33,514	105,245
Fee Related Compensation	\$ (320,687)	\$ (902,673)
Realized Incentive Fees	9,800	41,870
Realized Performance Allocations	592,658	1,365,855
Less: Realized Incentive Fees Compensation	(7,251)	(23,656)
Less: Realized Performance Allocations Compensation	(200,442)	(498,902)
Plus: Equity-Based Compensation - Performance Compensation Related (c)	3,062	9,873
Less: Fee Related Net Performance Revenues	(16,441)	(45,462)
Net Realized Performance Revenues, Non-Fee Related	\$ 381,386	\$ 849,578
Interest Income and Dividend Revenue	49,936	128,048
Less: Interest Expense	(40,923)	(118,046)
Net Interest Income	\$ 9,013	\$ 10,002
Taxes and Related Payables (d)	\$ (32,963)	\$ (99,802)
Unrealized Performance Allocations	298,931	1,367,694
Less: Unrealized Performance Allocations Compensation	(178,184)	(622,610)
Net Unrealized Performance Revenues	\$ 120,747	\$ 745,084
Related Payables (e)	\$ 20,170	\$ 48,755
Equity-Based Compensation - Non-Performance Compensation Related (b)	33,514	105,245
Plus: Equity-Based Compensation - Performance Compensation Related (c)	3,062	9,873
Equity-Based Compensation (f)	\$ 36,576	\$ 115,118

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

- (a) Represents the Fee Related component of each of the captions.
- (b) Represents the equity-based compensation expense component of Compensation.
- (c) Represents the total equity-based compensation expense component of Realized Incentive Fees Compensation and Realized Performance Allocations Compensation.
- (d) See page 24, Note (n), Reconciliation of GAAP to Non-GAAP Measures.
- (e) Represents tax-related payables including the Payable Under Tax Receivable Agreement, which is a component of Taxes and Related Payables.
- (f) Represents all equity-based compensation expenses included in Economic Income. This excludes all transaction-related equity-based charges.

Unit Rollforward

- ▶ In the first quarter of 2018, Blackstone increased its unit repurchase authorization to \$1 billion.
- ▶ Blackstone repurchased 6.0 million units in the quarter resulting in Distributable Earnings Units Outstanding of 1,202 million units.
 - Available authorization remaining was \$710 million at September 30, 2018.

	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18
Total GAAP Weighted-Average Common Units Outstanding - Basic	667,384,727	668,781,321	674,479,140	681,794,492	682,435,177
<i>Adjustments:</i>					
Weighted-Average Unvested Deferred Restricted Common Units	663,474	702,960	198,934	216,118	230,759
Weighted-Average Blackstone Holdings Partnership Units	532,454,091	-	535,895,780	-	523,212,047
Total GAAP Weighted-Average Units Outstanding - Diluted	1,200,502,292	669,484,281	1,210,573,854	682,010,610	1,205,877,983
<i>Adjustments:</i>					
Weighted-Average Blackstone Holdings Partnership Units	-	531,139,507	-	528,872,187	-
Weighted-Average Economic Net Income Adjusted Units	1,200,502,292	1,200,623,788	1,210,573,854	1,210,882,797	1,205,877,983
Economic Net Income Adjusted Units, End of Period	1,200,559,970	1,200,553,187	1,210,853,058	1,208,784,937	1,201,916,688
Total Common Units Outstanding	667,027,762	668,733,356	676,168,743	682,801,258	678,771,864
<i>Adjustments:</i>					
Blackstone Holdings Partnership Units	532,235,827	530,472,212	528,967,264	520,175,306	522,898,542
Distributable Earnings Units Outstanding	1,199,263,589	1,199,205,568	1,205,136,007	1,202,976,564	1,201,670,406

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.

Fee Related Earnings Redefinition

- ▶ Effective in the third quarter of 2018, Blackstone redefined Fee Related Earnings to include Fee Related Net Performance Revenues.
- ▶ The change was made to reflect Blackstone's evolving business model and to provide investors with useful information regarding how management plans for and monitors performance of the business.
- ▶ Blackstone refers to Assets Under Management with the following characteristics as Perpetual Capital:
 - Indefinite term.
 - No requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows.
- ▶ Fee Related Net Performance Revenues derived from Perpetual Capital will now be included in FRE when realized Performance Revenues are:
 - Measured and received on a recurring basis and stated timetable.
 - Not dependent on realization events from the underlying investments.
- ▶ FRE is calculated and presented in accordance with the revised definition on a full retrospective basis for all prior periods.
 - This resulted in no change to Blackstone's non-GAAP measures of Economic Income and Distributable Earnings.

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:

- **Economic Income**, or “**EI**”, represents segment net income before taxes and is used as a key measure of value creation, a benchmark of performance and in making resource deployment and compensation decisions across Blackstone’s four segments. EI presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages, and excludes the amortization of intangibles and other transaction-related charges.
 - **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.
- **Economic Net Income**, or “**ENI**”, represents EI adjusted to include current period taxes. Current period 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.
- **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 Net Performance Revenues, less (a) fee related cash compensation expense, 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 Net 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 Revenues”), net of directly related cash compensation expense.
- **Distributable Earnings**, or “**DE**”, which is derived from Blackstone’s segment reported results, is a supplemental measure 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 intended to show the amount of net realized earnings without the effects of the consolidation of the Blackstone Funds. DE is the sum across all segments of: (a) Total Management, Advisory and Other Fees, Net, (b) Interest and Dividend Revenue, (c) Realized Incentive Fees, (d) Realized Performance Allocations, and (e) Realized Principal Investment Income (Loss); less (a) Compensation, excluding the expense of equity-based awards, (b) Realized Incentive Fee Compensation, (c) Realized Performance Allocations Compensation, (d) Interest Expense, (e) Other Operating Expenses, and (f) Taxes and Related Payables Under the Tax Receivable Agreement. DE is reconciled to Blackstone’s Consolidated Statement of Operations.
- **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.
- **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.
- **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.

Distribution Policy. Blackstone’s intention is to distribute quarterly to common unitholders 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 its distribution policy 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, financial performance and unit repurchase and distribution activities. 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, 2017, 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.