



Blackstone Reports Fourth Quarter and Full Year 2019 Results

New York, January 30, 2020: Blackstone (NYSE:BX) today reported its fourth quarter and full year 2019 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “2019 was a momentous year for Blackstone and our shareholders. In addition to delivering another year of outstanding results, we converted to a corporation, allowing a vastly wider universe of investors to own our stock. We continued to expand our leading investment platforms into new areas, driving \$134 billion of capital inflows during the year, and enabling us to deploy \$63 billion – both records for the firm. We ended the year with \$571 billion of Assets Under Management, also a record and up 21% year-over-year, including \$104 billion of perpetual capital. As we enter the new decade, the outlook has never been stronger, with Blackstone positioned as the clear reference institution in the fast-growing alternatives sector.”

Blackstone issued a full detailed presentation of its fourth quarter and full year 2019 results, which can be viewed at www.blackstone.com.

Dividend

Blackstone has declared a quarterly dividend of \$0.61 per common share to record holders of common shares at the close of business on February 10, 2020. This dividend will be paid on February 18, 2020.

Quarterly Investor Call Details

Blackstone will host a conference call on January 30, 2020 at 9:00 a.m. ET to discuss fourth quarter and full year 2019 results. The conference call can be accessed via the Shareholders section of Blackstone’s website at www.blackstone.com or by dialing +1 (866) 318-8619 (U.S. domestic) or +1 (617) 399-5138 (international), passcode 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), passcode 461 589 63#.

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 \$571 billion in assets under management, include investment vehicles focused on

private equity, real estate, public debt and equity, growth equity, opportunistic, 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 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 our current views with respect to, among other things, our operations, taxes, earnings and financial performance, share repurchases and dividends. 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. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission (“SEC”), 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 report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we undertake 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.

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Blackstone's Fourth Quarter and Full Year 2019 Earnings

January 30, 2020

Blackstone's Fourth Quarter and Full Year 2019 GAAP Results

- GAAP Net Income was \$978 million for the quarter and \$3.9 billion for the year. GAAP Net Income Attributable to The Blackstone Group Inc. was \$483 million for the quarter and \$2.0 billion for the year.

(Dollars in Thousands, Except per Share Data) (Unaudited)				
	4Q'18	4Q'19	FY'18	FY'19
Revenues				
Management and Advisory Fees, Net	\$ 797,554	\$ 943,900	\$ 3,027,796	\$ 3,472,155
Incentive Fees	15,797	87,610	57,540	129,911
Investment Income (Loss)				
Performance Allocations				
Realized	511,388	717,555	1,876,507	1,739,000
Unrealized	(806,305)	128,231	561,373	1,126,332
Principal Investments				
Realized	109,901	100,535	415,862	393,478
Unrealized	(218,165)	67,913	49,917	215,003
Total Investment Income (Loss)	(403,181)	1,014,234	2,903,659	3,473,813
Interest and Dividend Revenue	47,885	52,146	171,947	182,398
Other	46,923	(6,410)	672,317	79,993
Total Revenues	504,978	2,091,480	6,833,259	7,338,270
Expenses				
Compensation and Benefits				
Compensation	373,790	447,646	1,609,957	1,820,330
Incentive Fee Compensation	10,260	24,589	33,916	44,300
Performance Allocations Compensation				
Realized	212,174	295,059	711,076	662,942
Unrealized	(302,868)	93,845	319,742	540,285
Total Compensation and Benefits	293,356	861,139	2,674,691	3,067,857
General, Administrative and Other	153,519	186,971	594,873	679,408
Interest Expense	44,644	60,688	163,990	199,648
Fund Expenses	3,577	5,229	78,486	17,738
Total Expenses	495,096	1,114,027	3,512,040	3,964,651
Other Income (Loss)				
Change in Tax Receivable Agreement Liability	-	(13,039)	-	161,567
Net Gains (Losses) from Fund Investment Activities	(59,234)	42,923	191,722	282,829
Income (Loss) Before Provision (Benefit) for Taxes	\$ (49,352)	\$ 1,007,337	\$ 3,512,941	\$ 3,818,015
Provision (Benefit) for Taxes	29,366	28,943	249,390	(47,952)
Net Income (Loss)	\$ (78,718)	\$ 978,394	\$ 3,263,551	\$ 3,865,967
Net Loss Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(4,303)	(3,688)	(2,104)	(121)
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	(68,800)	120,796	358,878	476,779
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	5,253	378,137	1,364,989	1,339,627
Net Income (Loss) Attributable to The Blackstone Group Inc. ("BX")	\$ (10,868)	\$ 483,149	\$ 1,541,788	\$ 2,049,682
Net Income (Loss) Per Share of Class A Common Stock, Basic	\$ (0.02)	\$ 0.71	\$ 2.27	\$ 3.03
Net Income (Loss) Per Share of Class A Common Stock, Diluted	\$ (0.02)	\$ 0.71	\$ 2.26	\$ 3.03
Income (Loss) Before Provision (Benefit) for Taxes Margin	(9.8)%	48.2%	51.4%	52.0%

Income (Loss) Before Provision (Benefit) for Taxes Margin is calculated by dividing Income (Loss) Before Provision (Benefit) for Taxes by Total Revenues. Effective July 1, 2019, The Blackstone Group L.P. converted from a Delaware limited partnership to a Delaware corporation, The Blackstone Group Inc. (the "Conversion"). This presentation includes results for The Blackstone Group L.P. prior to the Conversion. As of any time prior to the Conversion, references to "Blackstone," "the Company," "our" and similar terms mean The Blackstone Group L.P. and its consolidated subsidiaries and, as of any time after the Conversion, The Blackstone Group Inc. and its consolidated subsidiaries. All references to shares or per share amounts prior to the Conversion refer to units or per unit amounts.

Blackstone's Fourth Quarter and Full Year 2019 Highlights

Financial Measures

- ▶ Fee Related Earnings (“FRE”) of \$552 million (\$0.46/share) in the quarter, up 27% year-over-year
 - FRE was \$1.8 billion for the year (\$1.49/share), up 23% year-over-year
- ▶ Distributable Earnings (“DE”) of \$914 million (\$0.72/share) in the quarter, up 27% year-over-year
 - DE was \$2.9 billion for the year (\$2.31/share), up 7% year-over-year
- ▶ Net Accrued Performance Revenues receivable of \$4.3 billion (\$3.61/share)

Capital Metrics

- ▶ Total Assets Under Management (“AUM”) of \$571.1 billion, up 21% year-over-year
- ▶ Inflows of \$26.0 billion in the quarter and \$134.4 billion for the year
- ▶ Realizations of \$11.6 billion in the quarter and \$40.2 billion for the year
- ▶ Deployment of \$17.3 billion in the quarter and \$62.9 billion for the year

Capital Returned to Shareholders

- ▶ Dividend of \$0.61 per common share payable on February 18, 2020
 - Dividends of \$1.95 per common share for the year
- ▶ Repurchased 1.5 million common shares in the quarter and 12.8 million common shares for the year
- ▶ Over \$850 million distributed with respect to the fourth quarter to shareholders through dividends and share repurchases, and \$3.0 billion for the year

Blackstone's Fourth Quarter and Full Year 2019 Segment Earnings

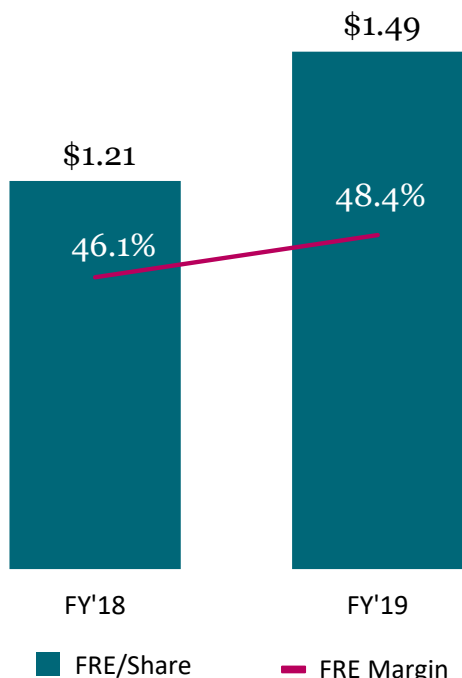
			% Change			% Change
(Dollars in Thousands, Except per Share Data)	4Q'18	4Q'19	vs. 4Q'18	FY'18	FY'19	vs. FY'18
Management and Advisory Fees, Net	\$ 798,195	\$ 945,673	18%	\$ 3,036,452	\$ 3,484,236	15%
Fee Related Performance Revenues	44,185	156,373	254%	123,836	212,001	71%
Fee Related Compensation	(279,284)	(388,879)	39%	(1,216,146)	(1,336,578)	10%
Other Operating Expenses	(130,025)	(161,359)	24%	(488,328)	(571,142)	17%
Fee Related Earnings	\$ 433,071	\$ 551,808	27%	\$ 1,455,814	\$ 1,788,517	23%
FRE per Share	\$ 0.36	\$ 0.46	28%	\$ 1.21	\$ 1.49	23%
Realized Performance Revenues	483,697	651,647	35%	1,811,771	1,660,642	(8)%
Realized Performance Compensation	(199,645)	(249,359)	25%	(678,141)	(603,935)	(11)%
Realized Principal Investment Income	47,098	38,542	(18)%	236,058	224,155	(5)%
Net Realizations	331,150	440,830	33%	1,369,688	1,280,862	(6)%
Total Segment Distributable Earnings	\$ 764,221	\$ 992,638	30%	\$ 2,825,502	\$ 3,069,379	9%
Net Interest Income (Loss)	11,923	(2,496)	n/m	21,925	(2,441)	n/m
Taxes and Related Payables	(54,063)	(76,104)	41%	(153,865)	(196,159)	27%
Distributable Earnings	\$ 722,081	\$ 914,038	27%	\$ 2,693,562	\$ 2,870,779	7%
DE per Common Share	\$ 0.57	\$ 0.72	26%	\$ 2.17	\$ 2.31	6%
Total Segment Revenues	\$ 1,373,175	\$ 1,792,235	31%	\$ 5,208,117	\$ 5,581,034	7%
Total Assets Under Management	\$ 472,242,317	\$ 571,122,463	21%	\$ 472,242,317	\$ 571,122,463	21%
Fee-Earning Assets Under Management	\$ 342,527,507	\$ 408,074,852	19%	\$ 342,527,507	\$ 408,074,852	19%

Fee Related Earnings per Share is based on end of period DE Shares Outstanding (see page 23, Share Summary). DE per Common Share is based on DE Attributable to Common Shareholders (see page 22, Shareholder Dividends) and end of period Participating Common Shares outstanding. Full year per Share amounts represent the sum of the last four quarters. See pages 30-31 for the Reconciliation of GAAP to Total Segment Measures.

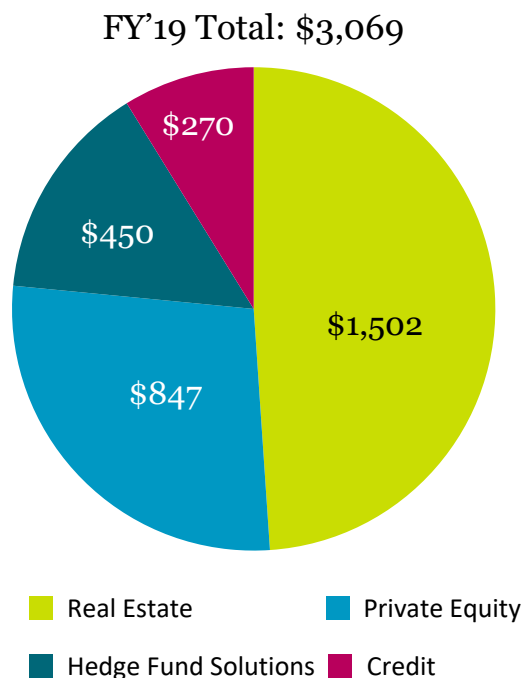
Summary of Financials

- ▶ Full year Fee Related Earnings of \$1.49 per share, an increase of 23% year-over-year.
- ▶ Full year Total Segment Distributable Earnings were \$3.1 billion, an increase of 9% year-over-year.

Fee Related Earnings per Share



Segment Distributable Earnings (Dollars in Millions)



FRE Margin is calculated by dividing Fee Related Earnings by Fee Related Revenues (defined as the sum of Total Segment Management and Advisory Fees, Net and Fee Related Performance Revenues). Totals may not add due to rounding.

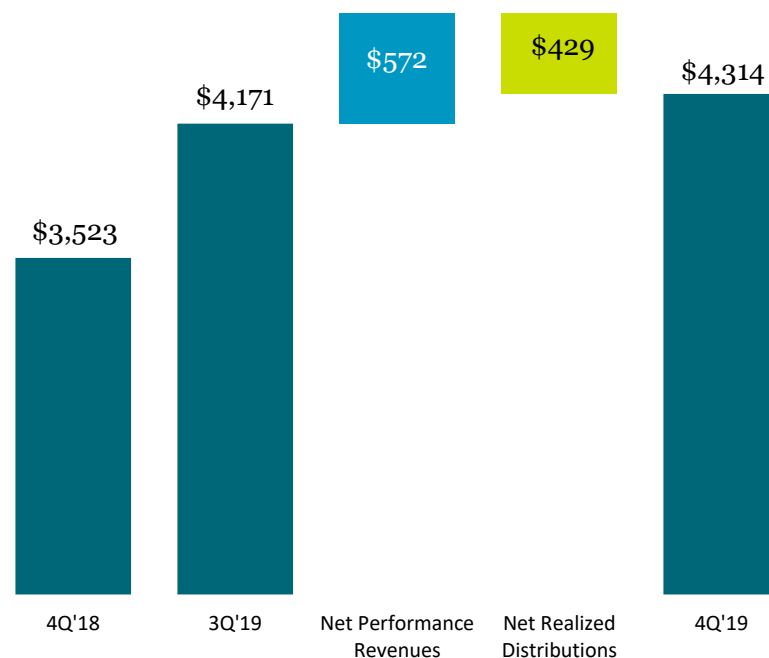
Investment Performance and Net Accrued Performance Revenues

- ▶ Positive overall appreciation drove Net Accrued Performance Revenues to \$4.3 billion (\$3.61/share), up 22% year-over-year.
 - Appreciation generated \$572 million of additional Net Accrued Performance Revenues, relative to \$429 million of Net Realized Distributions in the quarter.

Investment Performance (Appreciation / Gross Returns)

	4Q'19	FY'19
Real Estate		
Opportunistic Funds	4.7%	17.6%
Core+	2.9%	9.2%
Private Equity		
Corporate Private Equity	1.5%	9.3%
Tactical Opportunities	7.7%	13.1%
Strategic Partners	5.4%	17.0%
Hedge Fund Solutions		
BPS Composite	2.2%	8.2%
Credit		
Performing Credit	3.8%	13.4%
Distressed	(0.8)%	(4.4)%

Net Accrued Performance Revenues (Dollars in Millions)



Investment Performance represents fund appreciation for Real Estate and Private Equity and gross returns for Hedge Fund Solutions and Credit. Appreciation for core+ funds excludes BREIT. BPS Composite net returns were 2.0% and 7.3% for 4Q'19 and FY'19, respectively. Performing Credit net returns were 2.9% and 9.7% for 4Q'19 and FY'19, respectively. Distressed net returns were (1.1)% and (6.0)% for 4Q'19 and FY'19, respectively. Effective with the 4Q'19 Earnings Release, Credit returns exclude funds in liquidation. Net Realized Distributions excludes Net Performance Revenues realized, but not yet distributed as of the reporting date which are included in the Net Accrued Performance Revenues balance.

Capital Metrics Activity

- ▶ Inflows were \$26.0 billion in the quarter, bringing full year inflows to \$134.4 billion.
- ▶ Realizations were \$11.6 billion in the quarter and \$40.2 billion for the year.
- ▶ Deployed \$17.3 billion in the quarter and \$62.9 billion for the year.
 - Committed an additional \$5.3 billion during the quarter that is not yet deployed.

(Dollars in Millions)

		Inflows		Realizations		Capital Deployed	
		4Q'19	FY'19	4Q'19	FY'19	4Q'19	FY'19
Real Estate	▶ Total Real Estate	\$ 8,046	\$ 34,191	\$ 6,474	\$ 18,098	\$ 7,269	\$ 22,458
	• Opportunistic	948	16,212	4,994	13,104	4,501	11,006
	• Core+	3,986	11,952	906	2,709	2,536	9,844
	• BREDS	3,111	6,026	575	2,285	232	1,608
Private Equity	▶ Total Private Equity	8,304	56,837	2,307	13,541	5,772	26,601
	• Private Equity	5,710	31,936	1,013	7,669	3,736	10,215
	• Tactical Opportunities	1,106	5,378	375	3,164	536	4,686
	• Strategic Partners	1,488	11,234	920	2,708	1,500	9,198
	• Infrastructure	-	8,289	-	-	-	2,503
Hedge Fund Solutions	▶ BAAM	2,697	12,243	483	1,272	712	3,704
Credit	▶ GSO/BIS/Harvest	6,921	31,107	2,334	7,291	3,587	10,185
Total Blackstone		\$ 25,968	\$ 134,377	\$ 11,599	\$ 40,202	\$ 17,339	\$ 62,948

Private Equity includes Corporate Private Equity, Core Private Equity, Life Sciences, and BTAS.

Assets Under Management

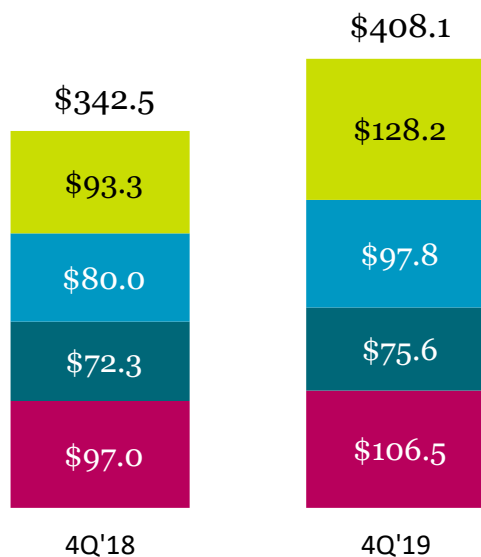
- ▶ Total AUM increased to \$571.1 billion, up 21% year-over-year, with \$26.0 billion of inflows in the quarter and \$134.4 billion for the year.
- ▶ Fee-Earning AUM of \$408.1 billion was up 19% year-over-year, with \$27.4 billion of inflows in the quarter and \$112.2 billion for the year.
- ▶ Perpetual Capital AUM reached \$103.7 billion, up 43% year-over-year.

Total AUM
(Dollars in Billions)



Real Estate

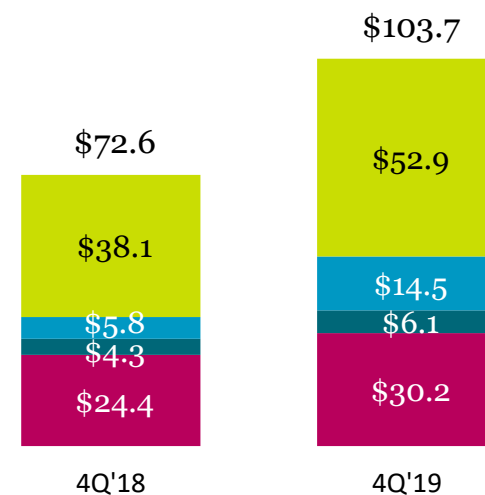
Fee-Earning AUM
(Dollars in Billions)



Private Equity

Hedge Fund Solutions

Perpetual Capital AUM
(Dollars in Billions)



Credit

Additional Capital Detail

- ▶ Invested Performance Revenue Eligible AUM reached \$248.7 billion at quarter end, up 18% year-over-year.
- ▶ Undrawn capital (“Total Dry Powder”) available for investment of \$151.1 billion, driven by fundraising activity for the latest flagship funds.

Invested Performance Revenue Eligible AUM

(Dollars in Billions)



Real Estate

Private Equity

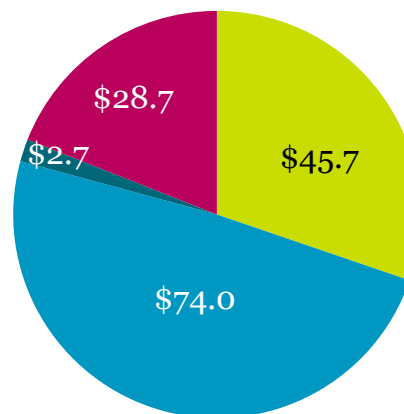
Hedge Fund Solutions

Credit

Total Dry Powder

(Dollars in Billions)

4Q'19 Total: \$151.1



Invested Performance Revenue Eligible AUM represents the fair value of invested assets that are eligible to earn performance revenues.

Segment Highlights

Real Estate

- ▶ **Total AUM:** Increased 20% to a record \$163.2 billion with inflows of \$8.0 billion in the quarter and \$34.2 billion for the year.
 - Inflows during the quarter included \$2.8 billion in BREIT, \$1.8 billion in the fourth real estate debt fund, and an additional \$442 million in BREP Europe VI, which commenced its investment period on October 9.
 - Core+ Total AUM increased 31% to \$46.2 billion with BREIT surpassing \$13.1 billion after three years.
 - Perpetual Capital AUM of \$52.9 billion, up 39% year-over-year, now represents one-third of Total AUM.
- ▶ **Realizations:** \$6.5 billion in the quarter and \$18.1 billion for the year; realizations in the quarter included the sale of Hembla, a Swedish multifamily portfolio, and the final secondary sale of Invitation Homes shares.
 - \$150 million of Fee Related Performance Revenues in the quarter driven by BREIT's annual crystallization.
- ▶ **Capital Deployed:** \$7.3 billion in the quarter and a record \$22.5 billion for the year; deployment in the quarter included the acquisition of a last-mile U.S. logistics portfolio in BREP and the Bellagio Las Vegas in BREIT.
- ▶ **Appreciation:** Opportunistic funds and core+ funds appreciated 4.7% and 2.9% in the quarter, and 17.6% and 9.2% for the year, respectively.

			% Change				% Change
(Dollars in Thousands)	4Q'18	4Q'19	vs. 4Q'18	FY'18	FY'19	vs. FY'18	
Management Fees, Net	\$ 317,269	\$ 370,833	17%	\$ 1,126,470	\$ 1,265,178	12%	
Fee Related Performance Revenues	44,185	149,889	239%	124,502	198,237	59%	
Fee Related Compensation	(109,695)	(186,465)	70%	(459,430)	(531,259)	16%	
Other Operating Expenses	(41,030)	(45,335)	10%	(146,260)	(168,332)	15%	
Fee Related Earnings	\$ 210,729	\$ 288,922	37%	\$ 645,282	\$ 763,824	18%	
Realized Performance Revenues	172,985	474,203	174%	914,984	1,032,337	13%	
Realized Performance Compensation	(54,179)	(190,910)	252%	(284,319)	(374,096)	32%	
Realized Principal Investment Income	11,439	16,476	44%	92,525	79,733	(14)%	
Net Realizations	130,245	299,769	130%	723,190	737,974	2%	
Segment Distributable Earnings	\$ 340,974	\$ 588,691	73%	\$ 1,368,472	\$ 1,501,798	10%	
Segment Revenues	\$ 545,878	\$ 1,011,401	85%	\$ 2,258,481	\$ 2,575,485	14%	
Total AUM	\$ 136,247,229	\$ 163,156,064	20%	\$ 136,247,229	\$ 163,156,064	20%	
Fee-Earning AUM	\$ 93,252,724	\$ 128,214,137	37%	\$ 93,252,724	\$ 128,214,137	37%	

Appreciation for core+ funds excludes BREIT.

Private Equity

- ▶ **Total AUM:** Increased 40% to a record \$182.9 billion with inflows of \$8.3 billion in the quarter and \$56.8 billion for the year.
 - Inflows in the quarter primarily driven by \$3.2 billion for the latest life sciences fund, \$862 million for the third secondaries infrastructure fund, and \$463 million for the final close of BCP VIII.
- ▶ **Realizations:** \$2.3 billion in the quarter and \$13.5 billion for the year.
- ▶ **Capital Deployed:** \$5.8 billion in the quarter and \$26.6 billion for the year across regions; committed an additional \$2.4 billion that was not yet deployed in the quarter, including MagicLab.
- ▶ **Appreciation:** Corporate Private Equity appreciated 1.5% in the quarter and 9.3% for the year.

			% Change				% Change
(Dollars in Thousands)	4Q'18	4Q'19	vs. 4Q'18	FY'18	FY'19		vs. FY'18
Management and Advisory Fees, Net	\$ 212,443	\$ 278,352	31%	\$ 829,884	\$ 1,064,329		28%
Fee Related Compensation	(86,089)	(105,285)	22%	(375,446)	(423,752)		13%
Other Operating Expenses	(29,244)	(47,145)	61%	(133,096)	(160,010)		20%
Fee Related Earnings	\$ 97,110	\$ 125,922	30%	\$ 321,342	\$ 480,567		50%
Realized Performance Revenues	252,100	65,255	(74)%	757,406	468,992		(38)%
Realized Performance Compensation	(110,209)	(37,895)	(66)%	(318,167)	(192,566)		(39)%
Realized Principal Investment Income	26,385	10,227	(61)%	109,731	90,249		(18)%
Net Realizations	168,276	37,587	(78)%	548,970	366,675		(33)%
Segment Distributable Earnings	\$ 265,386	\$ 163,509	(38)%	\$ 870,312	\$ 847,242		(3)%
Segment Revenues	\$ 490,928	\$ 353,834	(28)%	\$ 1,697,021	\$ 1,623,570		(4)%
Total AUM	\$ 130,665,286	\$ 182,886,109	40%	\$ 130,665,286	\$ 182,886,109		40%
Fee-Earning AUM	\$ 80,008,166	\$ 97,773,964	22%	\$ 80,008,166	\$ 97,773,964		22%

Hedge Fund Solutions

- ▶ **Total AUM:** Increased 4% to \$80.7 billion with inflows of \$2.7 billion in the quarter and \$12.2 billion for the year.
 - Held the second close for the second GP stakes fund in the quarter, bringing its Total AUM to \$2.4 billion.
 - Individual Investor Solutions had \$381 million of net inflows in the quarter and \$1.3 billion for the year.
 - Record year for market appreciation for the segment of \$5.4 billion.
 - January 1 subscriptions of \$631 million are not yet included in Total AUM.
- ▶ **Returns:** BPS Composite gross returns of 2.2% in the quarter (2.0% net).
 - Gross returns of 8.2% for the year (7.3% net), with less than one fifth of the volatility of broader markets.

			% Change				% Change
(Dollars in Thousands)	4Q'18	4Q'19	vs. 4Q'18	FY'18	FY'19		vs. FY'18
Management Fees, Net	\$ 132,611	\$ 143,399	8%	\$ 522,869	\$ 560,125		7%
Fee Related Compensation	(38,557)	(33,486)	(13)%	(162,172)	(151,960)		(6)%
Other Operating Expenses	(19,740)	(22,507)	14%	(77,772)	(81,999)		5%
Fee Related Earnings	\$ 74,314	\$ 87,406	18%	\$ 282,925	\$ 326,166		15%
Realized Performance Revenues	20,987	108,677	418%	42,419	126,576		198%
Realized Performance Compensation	(14,401)	(19,713)	37%	(21,792)	(24,301)		12%
Realized Principal Investment Income	6,609	8,204	24%	17,039	21,707		27%
Net Realizations	13,195	97,168	636%	37,666	123,982		229%
Segment Distributable Earnings	\$ 87,509	\$ 184,574	111%	\$ 320,591	\$ 450,148		40%
Segment Revenues	\$ 160,207	\$ 260,280	62%	\$ 582,327	\$ 708,408		22%
Total AUM	\$ 77,814,516	\$ 80,738,112	4%	\$ 77,814,516	\$ 80,738,112		4%
Fee-Earning AUM	\$ 72,280,606	\$ 75,636,004	5%	\$ 72,280,606	\$ 75,636,004		5%

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), strategic capital (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 BPS Composite does not represent the performance of an actual fund or account.

Credit

- ▶ **Total AUM:** Increased 13% to a record \$144.3 billion with inflows of \$6.9 billion in the quarter and \$31.1 billion for the year.
 - U.S. Direct Lending strategy had inflows of \$2.0 billion in the quarter and \$6.2 billion for the year, bringing Total AUM to \$12.4 billion.
 - European Direct Lending strategy raised \$1.4 billion in the quarter and \$4.0 billion for the year.
 - Insurance Solutions had \$844 million of gross inflows in the quarter and \$8.1 billion for the year.
- ▶ **Realizations:** \$2.3 billion in the quarter and \$7.3 billion for the year.
- ▶ **Capital Deployed:** \$3.6 billion in the quarter, driven by the U.S. Direct Lending strategy, and \$10.2 billion for the year; committed an additional \$1.7 billion in the quarter that is not yet deployed.
- ▶ **Returns:** Gross returns of 3.8% in the quarter for Performing Credit; gross returns of (0.8)% in the quarter for Distressed driven by certain energy and select other positions.

			% Change			% Change	
(Dollars in Thousands)	4Q'18	4Q'19	vs. 4Q'18	FY'18	FY'19	vs. FY'18	
Management Fees, Net	\$ 135,872	\$ 153,089	13%	\$ 557,229	\$ 594,604	7%	
Fee Related Performance Revenues	-	6,484	n/m	(666)	13,764	n/m	
Fee Related Compensation	(44,943)	(63,643)	42%	(219,098)	(229,607)	5%	
Other Operating Expenses	(40,011)	(46,372)	16%	(131,200)	(160,801)	23%	
Fee Related Earnings	\$ 50,918	\$ 49,558	(3)%	\$ 206,265	\$ 217,960	6%	
Realized Performance Revenues	37,625	3,512	(91)%	96,962	32,737	(66)%	
Realized Performance Compensation	(20,856)	(841)	(96)%	(53,863)	(12,972)	(76)%	
Realized Principal Investment Income	2,665	3,635	36%	16,763	32,466	94%	
Net Realizations	19,434	6,306	(68)%	59,862	52,231	(13)%	
Segment Distributable Earnings	\$ 70,352	\$ 55,864	(21)%	\$ 266,127	\$ 270,191	2%	
Segment Revenues	\$ 176,162	\$ 166,720	(5)%	\$ 670,288	\$ 673,571	0%	
Total AUM	\$ 127,515,286	\$ 144,342,178	13%	\$ 127,515,286	\$ 144,342,178	13%	
Fee-Earning AUM	\$ 96,986,011	\$ 106,450,747	10%	\$ 96,986,011	\$ 106,450,747	10%	

Performing Credit includes mezzanine lending funds, middle market direct lending funds, including our BDCs, and other performing credit strategy funds. Distressed includes credit alpha strategies, stressed/distressed funds and energy strategies. The 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. Performing Credit net returns were 2.9% for 4Q'19 and Distressed net returns were (1.1)% for 4Q'19. Credit returns exclude Blackstone Funds that were contributed to GSO as part of Blackstone's acquisition of GSO in March 2008. In addition, effective with the 4Q'19 Earnings Release, Credit returns exclude funds in liquidation.

Supplemental Details

Total Segments

(Dollars in Thousands)	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
Management and Advisory Fees, Net							
Base Management Fees	\$ 722,648	\$ 757,518	\$ 805,315	\$ 809,729	\$ 873,368	\$ 2,844,325	\$ 3,245,930
Transaction, Advisory and Other Fees, Net	77,576	65,150	61,495	92,702	95,073	229,498	314,420
Management Fee Offsets	(2,029)	(8,606)	(22,654)	(22,086)	(22,768)	(37,371)	(76,114)
Total Management and Advisory Fees, Net	798,195	814,062	844,156	880,345	945,673	3,036,452	3,484,236
Fee Related Performance Revenues	44,185	7,779	13,624	34,225	156,373	123,836	212,001
Fee Related Compensation	(279,284)	(324,031)	(293,834)	(329,834)	(388,879)	(1,216,146)	(1,336,578)
Other Operating Expenses	(130,025)	(123,311)	(142,121)	(144,351)	(161,359)	(488,328)	(571,142)
Fee Related Earnings	\$ 433,071	\$ 374,499	\$ 421,825	\$ 440,385	\$ 551,808	\$ 1,455,814	\$ 1,788,517
Realized Performance Revenues	483,697	246,769	341,386	420,840	651,647	1,811,771	1,660,642
Realized Performance Compensation	(199,645)	(85,240)	(125,466)	(143,870)	(249,359)	(678,141)	(603,935)
Realized Principal Investment Income	47,098	25,908	123,557	36,148	38,542	236,058	224,155
Total Net Realizations	331,150	187,437	339,477	313,118	440,830	1,369,688	1,280,862
Total Segment Distributable Earnings	\$ 764,221	\$ 561,936	\$ 761,302	\$ 753,503	\$ 992,638	\$ 2,825,502	\$ 3,069,379
Net Interest Income (Loss)	11,923	5,061	2,761	(7,767)	(2,496)	21,925	(2,441)
Taxes and Related Payables	(54,063)	(29,039)	(55,201)	(35,815)	(76,104)	(153,865)	(196,159)
Distributable Earnings	\$ 722,081	\$ 537,958	\$ 708,862	\$ 709,921	\$ 914,038	\$ 2,693,562	\$ 2,870,779
Total Segment Revenues	\$ 1,373,175	\$ 1,094,518	\$ 1,322,723	\$ 1,371,558	\$ 1,792,235	\$ 5,208,117	\$ 5,581,034
Total Assets Under Management	\$ 472,242,317	\$ 511,777,762	\$ 545,482,337	\$ 554,022,343	\$ 571,122,463	\$ 472,242,317	\$ 571,122,463
Fee-Earning Assets Under Management	\$ 342,527,507	\$ 352,993,394	\$ 387,864,642	\$ 394,138,443	\$ 408,074,852	\$ 342,527,507	\$ 408,074,852
Total Capital Invested	\$ 16,349,738	\$ 11,783,583	\$ 17,669,109	\$ 16,156,664	\$ 17,339,074	\$ 44,715,499	\$ 62,948,430

Total Capital Invested has been updated for 2Q'19.

Assets Under Management

4Q'19 Total AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
3Q'19	\$ 157,076	\$ 173,858	\$ 81,154	\$ 141,933	\$ 554,022
Inflows	8,046	8,304	2,697	6,921	25,968
Outflows	(349)	(294)	(4,142)	(2,710)	(7,494)
Net Inflows (Outflows)	7,697	8,010	(1,444)	4,211	18,474
Realizations	(6,474)	(2,307)	(483)	(2,334)	(11,599)
Market Activity	4,857	3,325	1,511	532	10,225
4Q'19	\$ 163,156	\$ 182,886	\$ 80,738	\$ 144,342	\$ 571,122
QoQ Increase (Decrease)	4%	5%	(1)%	2%	3%

FY'19 Total AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
4Q'18	\$ 136,247	\$ 130,665	\$ 77,815	\$ 127,515	\$ 472,242
Inflows	34,191	56,837	12,243	31,107	134,377
Outflows	(2,665)	(1,065)	(13,434)	(11,629)	(28,793)
Net Inflows (Outflows)	31,526	55,771	(1,191)	19,478	105,584
Realizations	(18,098)	(13,541)	(1,272)	(7,291)	(40,202)
Market Activity	13,481	9,991	5,386	4,640	33,498
4Q'19	\$ 163,156	\$ 182,886	\$ 80,738	\$ 144,342	\$ 571,122
YoY Increase	20%	40%	4%	13%	21%

4Q'19 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
3Q'19	\$ 116,749	\$ 97,937	\$ 74,878	\$ 104,574	\$ 394,138
Inflows	17,108	1,682	3,342	5,261	27,392
Outflows	(3,302)	(1,072)	(3,506)	(1,748)	(9,628)
Net Inflows (Outflows)	13,806	610	(165)	3,513	17,764
Realizations	(3,867)	(813)	(449)	(1,812)	(6,941)
Market Activity	1,525	41	1,371	176	3,114
4Q'19	\$ 128,214	\$ 97,774	\$ 75,636	\$ 106,451	\$ 408,075
QoQ Increase (Decrease)	10%	(0)%	1%	2%	4%

FY'19 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
4Q'18	\$ 93,253	\$ 80,008	\$ 72,281	\$ 96,986	\$ 342,528
Inflows	52,425	27,260	11,488	21,069	112,243
Outflows	(9,690)	(2,353)	(11,929)	(9,068)	(33,039)
Net Inflows (Outflows)	42,735	24,908	(441)	12,002	79,203
Realizations	(11,354)	(7,213)	(1,154)	(5,629)	(25,350)
Market Activity	3,581	71	4,950	3,092	11,694
4Q'19	\$ 128,214	\$ 97,774	\$ 75,636	\$ 106,451	\$ 408,075
YoY Increase	37%	22%	5%	10%	19%

Inflows include contributions, capital raised, other increases in available capital, purchases, inter-segment allocations 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 the impact of foreign exchange rate fluctuations. AUM is reported in the segment where the assets are managed.

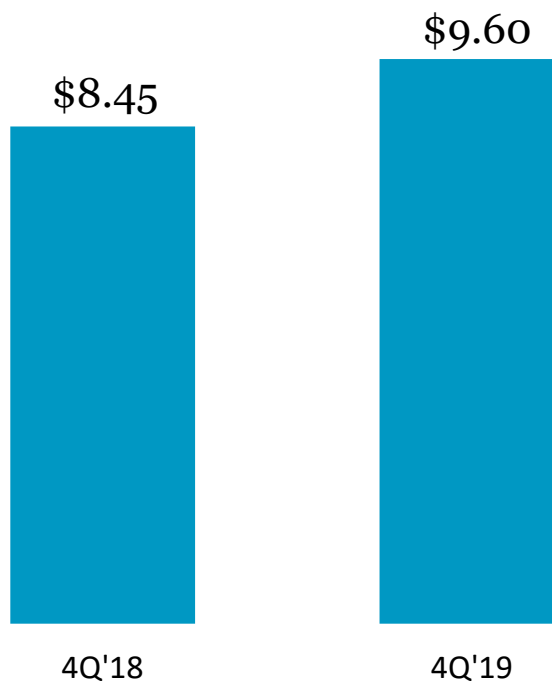
Deconsolidated Balance Sheet Highlights

- ▶ At December 31, 2019, Blackstone had \$5.3 billion in total cash, cash equivalents, and corporate treasury investments and \$11.5 billion of cash and net investments, or \$9.60 per share.
- ▶ Blackstone has no net debt, a \$1.6 billion undrawn credit revolver and maintains A+/A+ ratings.

(Dollars in Millions)	4Q'19
Cash and Cash Equivalents	\$ 2,172
Corporate Treasury Investments	3,112
GP/Fund Investments	1,892
Net Accrued Performance Revenues	4,314
Cash and Net Investments	\$ 11,490
Outstanding Bonds (at par)	\$ 4,682

Cash and Net Investments

(Per Share)



A+/A+

Rated by S&P and Fitch

\$1.6 billion

Undrawn Credit Revolver
with September 2023 Maturity

\$5.3 billion

Total Cash and
Corporate Treasury

Net Accrued Performance Revenues

Net Accrued Performance Revenues							
(Dollars in Millions, Except per Share Data)	4Q'18	3Q'19	4Q'19	4Q'19 Per Share	QoQ Change	YoY Change	
Real Estate							
BREP IV	\$ 3	\$ 11	\$ 11	\$ 0.01	\$ 1	\$ 8	
BREP V	55	47	19	0.02	(29)	(36)	
BREP VI	89	92	81	0.07	(11)	(8)	
BREP VII	484	501	447	0.37	(55)	(37)	
BREP VIII	429	597	674	0.56	77	245	
BREP IX	-	-	6	0.01	6	6	
BREP International II	-	44	-	-	(44)	-	
BREP Europe III	-	-	-	-	-	-	
BREP Europe IV	200	222	167	0.14	(55)	(33)	
BREP Europe V	110	174	193	0.16	19	83	
BREP Asia I	114	162	152	0.13	(10)	38	
BREP Asia II	-	-	22	0.02	22	22	
BPP	215	273	282	0.24	8	67	
BREIT	23	59	79	0.07	20	56	
BREDS	17	29	47	0.04	17	30	
BTAS	36	45	42	0.04	(3)	6	
Total Real Estate	\$ 1,775	\$ 2,256	\$ 2,220	\$ 1.86	\$ (36)	\$ 445	
Private Equity							
BCP IV	72	24	23	0.02	(1)	(49)	
BCP V	-	-	-	-	-	-	
BCP VI	746	724	705	0.59	(19)	(41)	
BCP VII	225	382	471	0.39	89	246	
BCP Asia	-	7	17	0.01	10	17	
BEP I	103	133	102	0.09	(31)	(1)	
BEP II	73	8	-	-	(8)	(73)	
Tactical Opportunities	155	114	160	0.13	46	5	
Strategic Partners	94	133	144	0.12	11	50	
BCEP	19	36	46	0.04	10	27	
Life Sciences	-	4	7	0.01	3	7	
BTAS	41	53	61	0.05	9	20	
Other	1	0	0	-	0	(1)	
Total Private Equity	\$ 1,529	\$ 1,616	\$ 1,737	\$ 1.45	\$ 121	\$ 208	
Total Hedge Fund Solutions	\$ 24	\$ 61	\$ 105	\$ 0.09	\$ 44	\$ 81	
Total Credit	\$ 195	\$ 238	\$ 252	\$ 0.21	\$ 14	\$ 57	
Net Accrued Performance Revenues	\$ 3,523	\$ 4,171	\$ 4,314	\$ 3.61	\$ 143	\$ 791	
<i>Memo: Net Realized Performance Revenues</i>	<i>\$ 68</i>	<i>\$ 129</i>	<i>\$ 215</i>	<i>\$ 0.18</i>	<i>\$ 86</i>	<i>\$ 146</i>	

4Q'19 QoQ Rollforward (Dollars in Millions)

	3Q'19	Net Performance Revenues	Net Realized Distributions	4Q'19
Real Estate	\$ 2,256	\$ 341	\$ (377)	\$ 2,220
Private Equity	1,616	158	(37)	1,737
HFS	61	44	-	105
Credit	238	29	(15)	252
Total	\$ 4,171	\$ 572	\$ (429)	\$ 4,314
<i>QoQ Increase</i>				<i>3%</i>

FY'19 Rollforward (Dollars in Millions)

	4Q'18	Net Performance Revenues	Net Realized Distributions	4Q'19
Real Estate	\$ 1,775	\$ 1,144	\$ (700)	\$ 2,220
Private Equity	1,529	530	(321)	1,737
HFS	24	95	(14)	105
Credit	195	86	(29)	252
Total	\$ 3,523	\$ 1,855	\$ (1,064)	\$ 4,314
<i>YoY Increase</i>				<i>22%</i>

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 Share calculations are based on end of period DE Shares Outstanding (see page 23, Share Summary).

Investment Records as of December 31, 2019^(a)

(Dollars in Thousands, Except Where Noted)

Fund (Investment Period Beginning Date / Ending Date)

	Committed		Available		Unrealized Investments		Realized Investments		Total Investments		Net IRRs (d)	
	Capital	Capital (b)	Value	MOIC (c)	Value	MOIC (c)	Value	MOIC (c)	Value	MOIC (c)	Realized	Total
Real Estate												
Pre-BREP	\$ 140,714	\$ -	\$ -	n/a	\$ 345,190	2.5x	\$ 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	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	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	3,330,406	2.4x	21%	21%
BREP IV (Apr 2003 / Dec 2005)	2,198,694	-	74,855	0.1x	4,521,164	2.2x	4,596,019	1.7x	4,596,019	1.7x	28%	12%
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	272,765	1.0x	13,030,719	2.4x	13,303,484	2.3x	13,303,484	2.3x	12%	11%
BREP VI (Feb 2007 / Aug 2011)	11,060,444	-	917,009	2.8x	26,936,728	2.5x	27,853,737	2.5x	27,853,737	2.5x	13%	13%
BREP VII (Aug 2011 / Apr 2015)	13,496,564	1,906,699	7,262,924	1.6x	22,551,604	2.1x	29,814,528	2.0x	29,814,528	2.0x	22%	16%
BREP VIII (Apr 2015 / Jun 2019)	16,629,914	3,254,163	18,095,903	1.4x	6,838,570	1.7x	24,934,473	1.5x	24,934,473	1.5x	26%	16%
*BREP IX (Jun 2019 / Dec 2024)	20,634,398	16,859,273	3,907,608	1.0x	87,590	n/m	3,995,198	1.0x	3,995,198	1.0x	n/m	n/m
Total Global BREP	\$ 72,801,901	\$ 22,020,135	\$ 30,531,064	1.4x	\$ 81,501,293	2.2x	\$ 112,032,357	1.9x	\$ 112,032,357	1.9x	18%	16%
BREP Int'l (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ -	n/a	€ 1,373,170	2.1x	€ 1,373,170	2.1x	€ 1,373,170	2.1x	23%	23%
BREP Int'l II (Sep 2005 / Jun 2008) (e)	1,629,748	-	3,566	n/a	2,572,364	1.8x	2,575,930	1.8x	2,575,930	1.8x	8%	8%
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	467,438	581,528	0.8x	5,579,325	2.5x	6,160,853	2.1x	6,160,853	2.1x	21%	14%
BREP Europe IV (Sep 2013 / Dec 2016)	6,709,145	1,339,258	3,091,281	1.6x	8,910,480	2.0x	12,001,761	1.9x	12,001,761	1.9x	23%	17%
BREP Europe V (Dec 2016 / Oct 2019)	7,935,140	1,780,767	7,935,118	1.3x	667,050	2.6x	8,602,168	1.4x	8,602,168	1.4x	51%	16%
*BREP Europe VI (Oct 2019 / Apr 2025)	8,880,497	8,371,719	507,476	1.0x	-	n/a	507,476	1.0x	507,476	1.0x	n/a	n/m
Total BREP Europe	€ 29,183,869	€ 11,959,182	€ 12,118,969	1.3x	€ 19,102,389	2.1x	€ 31,221,358	1.7x	€ 31,221,358	1.7x	16%	14%
BREP Asia I (Jun 2013 / Dec 2017)	\$ 5,096,361	\$ 1,728,289	\$ 3,774,257	1.6x	\$ 4,049,838	1.9x	\$ 7,824,095	1.7x	\$ 7,824,095	1.7x	21%	15%
*BREP Asia II (Dec 2017 / Jun 2023)	7,208,070	4,785,471	2,787,120	1.2x	62,050	1.6x	2,849,170	1.2x	2,849,170	1.2x	n/m	10%
BREP Co-Investment (f)	7,055,974	170,135	1,587,692	2.1x	13,263,050	2.1x	14,850,742	2.1x	14,850,742	2.1x	15%	16%
Total BREP	\$ 127,001,719	\$ 42,113,862	\$ 52,689,535	1.4x	\$ 122,989,021	2.2x	\$ 175,678,556	1.9x	\$ 175,678,556	1.9x	17%	15%
*Core+ BPP (Various) (g)	29,378,175	689,947	32,420,228	n/a	5,877,291	n/a	38,297,519	n/a	38,297,519	n/a	n/m	10%
*Core+ BREIT (Various) (h)	12,532,379	n/m	13,104,041	n/a	258,935	n/a	13,362,976	n/a	13,362,976	n/a	n/m	10%
*BREDS High-Yield (Various) (i)	13,856,187	4,489,213	3,310,277	1.1x	11,889,018	1.3x	15,199,295	1.3x	15,199,295	1.3x	11%	11%
Corporate Private Equity												
BCP I (Oct 1987 / Oct 1993)	\$ 859,081	\$ -	\$ -	n/a	\$ 1,741,738	2.6x	\$ 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	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	9,184,688	2.3x	14%	14%
BCOM (Jun 2000 / Jun 2006)	2,137,330	24,575	13,493	n/a	2,953,649	1.4x	2,967,142	1.4x	2,967,142	1.4x	6%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,182	198,964	178,378	2.5x	21,417,821	2.9x	21,596,199	2.9x	21,596,199	2.9x	36%	36%
BCP V (Dec 2005 / Jan 2011)	21,013,658	1,039,805	736,918	0.7x	37,166,622	1.9x	37,903,540	1.9x	37,903,540	1.9x	9%	8%
BCP VI (Jan 2011 / May 2016)	15,192,447	1,652,514	12,566,484	1.7x	14,834,583	2.1x	27,401,067	1.9x	27,401,067	1.9x	18%	12%
*BCP VII (May 2016 / May 2022)	18,819,853	5,048,792	17,566,425	1.4x	1,663,648	1.7x	19,230,073	1.4x	19,230,073	1.4x	45%	19%
BCP VIII (TBD)	24,500,000	24,500,000	-	n/a	-	n/a	-	n/a	-	n/a	n/a	n/a
Energy I (Aug 2011 / Feb 2015)	2,435,285	224,784	1,611,101	1.6x	2,699,524	2.0x	4,310,625	1.8x	4,310,625	1.8x	18%	12%
*Energy II (Feb 2015 / Feb 2021)	4,913,607	749,717	4,347,043	1.3x	278,192	1.8x	4,625,235	1.3x	4,625,235	1.3x	43%	7%
Energy III (TBD)	4,193,015	4,193,015	-	n/a	-	n/a	-	n/a	-	n/a	n/a	n/a
*BCP Asia (Dec 2017 / Dec 2023)	2,397,744	1,310,366	1,028,271	1.3x	54,308	1.7x	1,082,579	1.3x	1,082,579	1.3x	n/m	25%
Total Corporate Private Equity	\$ 108,563,724	\$ 38,942,532	\$ 38,048,113	1.5x	\$ 95,251,592	2.1x	\$ 133,299,705	1.9x	\$ 133,299,705	1.9x	16%	15%
*Core Private Equity (Jan 2017 / Jan 2021) (j)	4,755,077	1,385,354	4,325,980	1.3x	418,053	1.6x	4,744,033	1.3x	4,744,033	1.3x	37%	15%

Notes on page 21. BREP – Blackstone Real Estate Partners, BREIT – Blackstone Real Estate Income Trust, BPP – Blackstone Property Partners, BREDS – Blackstone Real Estate Debt Strategies, BCP – Blackstone Capital Partners, BCOM – Blackstone Communications.

* Represents funds that are currently in their investment period and open ended funds.

Investment Records as of December 31, 2019^(a) – Continued

(Dollars in Thousands, Except Where Noted)											
Fund (Investment Period Beginning Date / Ending Date)	Committed Capital	Available Capital (b)	Unrealized Investments		Realized Investments		Total Investments		Net IRRs (d)		
			Value	MOIC (c)	Value	MOIC (c)	Value	MOIC (c)	Realized	Total	
Tactical Opportunities											
*Tactical Opportunities (Various)	\$ 23,654,242	\$ 10,157,252	\$ 10,351,985	1.2x	\$ 8,955,179	1.7x	\$ 19,307,164	1.4x	19%	10%	
*Tactical Opportunities Co-Investment and Other (Various)	6,885,259	2,352,464	5,409,682	1.3x	1,894,792	1.6x	7,304,474	1.4x	23%	14%	
Total Tactical Opportunities	\$ 30,539,501	\$ 12,509,716	\$ 15,761,667	1.3x	\$ 10,849,971	1.7x	\$ 26,611,638	1.4x	20%	11%	
Strategic Partners (Secondaries)											
Strategic Partners I-V (Various) (k)	11,862,623	1,732,094	1,092,247	n/m	16,645,510	n/m	17,737,757	1.5x	n/a	13%	
Strategic Partners VI (Apr 2014 / Apr 2016) (k)	4,362,750	1,140,935	1,488,888	n/m	3,111,382	n/m	4,600,270	1.5x	n/a	16%	
Strategic Partners VII (May 2016 / Mar 2019) (k)	7,489,970	2,506,624	5,556,596	n/m	1,546,950	n/m	7,103,546	1.5x	n/a	23%	
*Strategic Partners Real Assets II (May 2017 / Mar 2022) (k)	1,749,807	516,372	817,832	n/m	271,186	n/m	1,089,018	1.2x	n/a	17%	
*Strategic Partners VIII (Mar 2019 / Jul 2023) (k)	10,763,600	5,421,224	3,166,592	n/m	53,818	n/m	3,220,410	1.3x	n/a	n/m	
*Strategic Partners Real Estate, SMA and Other (Various) (k)	6,606,978	2,096,602	2,498,143	n/m	1,189,081	n/m	3,687,224	1.3x	n/a	18%	
Total Strategic Partners (Secondaries)	\$ 42,835,728	\$ 13,413,851	\$ 14,620,298	n/m	\$ 22,817,927	n/m	\$ 37,438,225	1.5x	n/a	14%	
*Infrastructure (Various)	13,659,163	11,309,149	2,407,643	1.0x	-	n/a	2,407,643	1.0x	n/a	n/m	
Life Sciences											
*Clarus IV (Jan 2018 / May 2023)	910,000	547,667	467,471	1.5x	3,323	n/m	470,794	1.5x	n/m	29%	
BXLS V (Jan 2020 / Jan 2025)	3,194,630	3,194,630	-	n/a	-	n/a	-	n/a	n/a	n/a	
Credit (l)											
Mezzanine I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 97,114	\$ 23,053	1.2x	\$ 4,772,316	1.6x	\$ 4,795,369	1.6x	n/a	17%	
Mezzanine II (Nov 2011 / Nov 2016)	4,120,000	1,033,255	1,371,238	0.9x	5,273,460	1.6x	6,644,698	1.3x	n/a	11%	
*Mezzanine III (Sep 2016 / Sep 2021)	6,639,133	2,845,176	4,324,259	1.1x	1,678,739	1.6x	6,002,998	1.2x	n/a	12%	
Distressed I (Sep 2009 / May 2013)	3,253,143	85,000	121,458	0.2x	5,772,964	1.6x	5,894,422	1.4x	n/a	10%	
Distressed II (Jun 2013 / Jun 2018)	5,125,000	573,315	1,160,820	0.6x	4,300,232	1.3x	5,461,052	1.1x	n/a	2%	
*Distressed III (Dec 2017 / Dec 2022)	7,356,380	4,962,377	1,772,334	1.0x	866,528	1.4x	2,638,862	1.1x	n/a	11%	
Energy I (Nov 2015 / Nov 2018)	2,856,867	1,078,049	1,834,281	1.1x	1,013,466	1.7x	2,847,747	1.3x	n/a	10%	
*Energy II (Feb 2019 / Feb 2024)	3,616,081	2,973,803	671,512	1.0x	30,067	2.3x	701,579	1.1x	n/a	n/m	
Euro											
European Senior Debt (Feb 2015 / Feb 2019)	€ 1,964,689	€ 381,768	€ 2,028,539	1.1x	€ 1,159,583	1.5x	€ 3,188,122	1.2x	n/a	9%	
*European Senior Debt II (Jun 2019 / Jun 2024)	€ 3,403,585	€ 3,117,425	€ 292,468	1.0x	€ -	n/a	€ 292,468	1.0x	n/a	n/m	
Total Credit	\$ 41,095,232	\$ 17,575,933	\$ 13,884,286	1.0x	\$ 25,026,993	1.5x	\$ 38,911,279	1.3x	n/a	11%	

Investment Records as of December 31, 2019 – Notes

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

- n/m Not meaningful generally due to the limited time since initial investment.
- n/a Not applicable.
- (a) Preliminary. Excludes investment vehicles where Blackstone does not earn fees.
- (b) Available Capital represents total investable capital commitments, including side-by-side, adjusted for certain expenses and expired or callable capital and may include leverage, less invested capital. This amount is not reduced by outstanding commitments to investments.
- (c) Multiple of Invested Capital (“MOIC”) represents carrying value, before management fees, expenses and Performance Revenues, divided by invested capital.
- (d) Net Internal Rate of Return (“IRR”) represents the annualized inception to December 31, 2019 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues. IRRs are calculated using actual timing of limited partner cash flows. Initial inception date cash flow may differ from the Investment Period Beginning Date.
- (e) The 8% Realized Net IRR and 8% Total Net IRR exclude investors that opted out of the Hilton investment opportunity. Overall BREP International II performance reflects a 7% Realized Net IRR and a 7% Total Net IRR.
- (f) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment’s realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.
- (g) BPP represents the core+ real estate funds which invest with a more modest risk profile and lower leverage.
- (h) Unrealized Investment Value reflects BREIT’s net asset value as of December 31, 2019. Realized Investment Value represents BREIT’s cash distributions, net of servicing fees. BREIT net return reflects a per share blended return, assuming BREIT had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. These returns are not representative of the returns experienced by any particular investor or share class. Inception to date net returns are presented on an annualized basis and are from January 1, 2017.
- (i) BREDS High-Yield represents the flagship real estate debt drawdown funds only and excludes BREDS High-Grade.
- (j) BCEP, or Blackstone Core Equity Partners, is a core private equity fund which invests with a more modest risk profile and longer hold period.
- (k) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not meaningful. If information is not available on a timely basis, returns are calculated from results that are reported on a three month lag.
- (l) Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the credit drawdown funds presented.

Shareholder Dividends

- ▶ Generated \$0.72 of Distributable Earnings per common share during the quarter, bringing the year-to-date amount to \$2.31 per common share.
- ▶ Blackstone declared a quarterly dividend of \$0.61 per common share to record holders as of February 10, 2020; payable on February 18, 2020.

(Dollars in Thousands, Except per Share Data)	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	% Change		FY'18	FY'19	% Change	
						vs. 4Q'18				vs. FY'18	
Distributable Earnings	\$ 722,081	\$ 537,958	\$ 708,862	\$ 709,921	\$ 914,038	27%		\$ 2,693,562	\$ 2,870,779	7%	
Add: Other Payables Attributable to Common Shareholders	43,345	14,598	39,673	24,578	63,796	47%		102,732	142,645	39%	
DE before Certain Payables	765,426	552,556	748,535	734,499	977,834	28%		2,796,294	3,013,424	8%	
Percent to Common Shareholders	56%	56%	56%	56%	57%			56%	56%		
DE before Certain Payables Attributable to Common Shareholders	429,433	310,832	419,502	413,900	556,133	30%		1,576,653	1,700,367	8%	
Less: Other Payables Attributable to Common Shareholders	(43,345)	(14,598)	(39,673)	(24,578)	(63,796)	47%		(102,732)	(142,645)	39%	
DE Attributable to Common Shareholders	386,088	296,234	379,829	389,322	492,337	28%		1,473,921	1,557,722	6%	
DE per Common Share	\$ 0.57	\$ 0.44	\$ 0.57	\$ 0.58	\$ 0.72	26%		\$ 2.17	\$ 2.31	6%	
Less: Retained Capital per Common Share	\$ (0.09)	\$ (0.07)	\$ (0.09)	\$ (0.09)	\$ (0.11)	22%		\$ (0.32)	\$ (0.36)	13%	
Special Cash Dividend per Common Share	\$ 0.10	\$ -	\$ -	\$ -	\$ -	n/m		\$ 0.30	\$ -	n/m	
Actual Dividend per Common Share	\$ 0.58	\$ 0.37	\$ 0.48	\$ 0.49	\$ 0.61	5%		\$ 2.15	\$ 1.95	(9)%	
Record Date					Feb 10, 2020						
Payable Date					Feb 18, 2020						

A detailed description of Blackstone's dividend policy and the definition of Distributable Earnings can be found on pages 32-33, Definitions and Dividend 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 Share calculations are based on end of period Participating Common Shares (page 23, Share Summary); actual dividends are paid to shareholders as of the applicable record date. Retained capital is withheld pro-rata from common and Blackstone Holdings Partnership unitholders. Common shareholders' share was \$75 million for 4Q'19 and \$243 million for FY'19.

Share Summary

- ▶ Distributable Earnings Shares Outstanding as of quarter end of 1,196 million shares.
 - Repurchased 1.5 million common shares in the quarter and 12.8 million common shares for the year.
 - Available authorization remaining was \$781 million at December 31, 2019.

	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19
Participating Common Shares	672,755,818	674,457,578	669,561,793	675,640,119	680,457,424
Participating Partnership Units	526,370,654	524,504,626	525,165,724	523,338,040	515,973,657
Distributable Earnings Shares Outstanding	1,199,126,472	1,198,962,204	1,194,727,517	1,198,978,159	1,196,431,081

Reconciliations and Disclosures

Reconciliation of GAAP to Non-GAAP Measures

	QTD					FY	
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
(Dollars in Thousands)							
Net Income (Loss) Attributable to The Blackstone Group Inc.	\$ (10,868)	\$ 481,304	\$ 305,792	\$ 779,437	\$ 483,149	\$ 1,541,788	\$ 2,049,682
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	5,253	402,260	259,330	299,900	378,137	1,364,989	1,339,627
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	(68,800)	186,833	80,744	88,406	120,796	358,878	476,779
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(4,303)	2,480	1,095	(8)	(3,688)	(2,104)	(121)
Net Income (Loss)	\$ (78,718)	\$ 1,072,877	\$ 646,961	\$ 1,167,735	\$ 978,394	\$ 3,263,551	\$ 3,865,967
Provision (Benefit) for Taxes	29,366	41,155	38,736	(156,786)	28,943	249,390	(47,952)
Income (Loss) Before Provision (Benefit) for Taxes	\$ (49,352)	\$ 1,114,032	\$ 685,697	\$ 1,010,949	\$ 1,007,337	\$ 3,512,941	\$ 3,818,015
Transaction-Related Charges (a)	76,431	89,451	106,994	(82,547)	94,715	(261,916)	208,613
Amortization of Intangibles (b)	15,392	16,483	16,483	16,483	16,482	59,994	65,931
Impact of Consolidation (c)	73,103	(189,313)	(81,839)	(88,398)	(117,108)	(356,774)	(476,658)
Unrealized Performance Revenues (d)	806,531	(664,333)	(157,398)	(176,604)	(128,333)	(561,163)	(1,126,668)
Unrealized Performance Allocations Compensation (e)	(302,868)	287,015	64,518	94,907	93,845	319,742	540,285
Unrealized Principal Investment (Income) Loss (f)	160,659	(139,925)	56,353	5,219	(34,974)	65,851	(113,327)
Other Revenues (g)	(46,854)	(13,189)	20,150	(92,843)	6,435	(89,468)	(79,447)
Equity-Based Compensation (h)	43,102	66,776	53,105	58,570	51,743	158,220	230,194
Taxes and Related Payables (i)	(54,063)	(29,039)	(55,201)	(35,815)	(76,104)	(153,865)	(196,159)
Distributable Earnings	\$ 722,081	\$ 537,958	\$ 708,862	\$ 709,921	\$ 914,038	\$ 2,693,562	\$ 2,870,779
Taxes and Related Payables (i)	54,063	29,039	55,201	35,815	76,104	153,865	196,159
Net Interest (Income) Loss (j)	(11,923)	(5,061)	(2,761)	7,767	2,496	(21,925)	2,441
Total Segment Distributable Earnings	\$ 764,221	\$ 561,936	\$ 761,302	\$ 753,503	\$ 992,638	\$ 2,825,502	\$ 3,069,379
Realized Performance Revenues (k)	(483,697)	(246,769)	(341,386)	(420,840)	(651,647)	(1,811,771)	(1,660,642)
Realized Performance Compensation (l)	199,645	85,240	125,466	143,870	249,359	678,141	603,935
Realized Principal Investment Income (m)	(47,098)	(25,908)	(123,557)	(36,148)	(38,542)	(236,058)	(224,155)
Fee Related Earnings	\$ 433,071	\$ 374,499	\$ 421,825	\$ 440,385	\$ 551,808	\$ 1,455,814	\$ 1,788,517
Adjusted EBITDA Reconciliation							
Distributable Earnings	\$ 722,081	\$ 537,958	\$ 708,862	\$ 709,921	\$ 914,038	\$ 2,693,562	\$ 2,870,779
Interest Expense (n)	41,792	41,638	43,230	52,815	57,351	159,838	195,034
Taxes and Related Payables (i)	54,063	29,039	55,201	35,815	76,104	153,865	196,159
Depreciation and Amortization	5,964	5,789	6,000	6,895	7,666	23,882	26,350
Adjusted EBITDA	\$ 823,900	\$ 614,424	\$ 813,293	\$ 805,446	\$ 1,055,159	\$ 3,031,147	\$ 3,288,322

Notes on pages 26-27.

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See pages 32-33, Definitions and Dividend Policy.

- (a) This adjustment removes Transaction-Related Charges, which are excluded from Blackstone's segment presentation. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures, and Blackstone's initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.
- (b) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone's segment presentation. This amount includes amortization of intangibles associated with Blackstone's investment in Pátia, which is accounted for under the equity method.
- (c) This adjustment reverses the effect of consolidating Blackstone Funds, which are excluded from Blackstone's segment presentation. This adjustment includes the elimination of Blackstone's interest in these funds and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.
- (d) This adjustment removes Unrealized Performance Revenues on a segment basis. The Segment Adjustment represents the add back of performance revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.

	QTD					FY	
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
GAAP Unrealized Performance Allocations	\$ (806,305)	\$ 663,999	\$ 157,732	\$ 176,370	\$ 128,231	\$ 561,373	\$ 1,126,332
Segment Adjustment	(226)	334	(334)	234	102	(210)	336
Unrealized Performance Revenues	\$ (806,531)	\$ 664,333	\$ 157,398	\$ 176,604	\$ 128,333	\$ 561,163	\$ 1,126,668

- (e) This adjustment removes Unrealized Performance Allocations Compensation.
- (f) This adjustment removes Unrealized Principal Investment Income (Loss) on a segment basis. The Segment Adjustment 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 removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

	QTD					FY	
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
GAAP Unrealized Principal Investment Income (Loss)	\$ (218,165)	\$ 169,044	\$ (37,345)	\$ 15,391	\$ 67,913	\$ 49,917	\$ 215,003
Segment Adjustment	57,506	(29,119)	(19,008)	(20,610)	(32,939)	(115,768)	(101,676)
Unrealized Principal Investment Income (Loss)	\$ (160,659)	\$ 139,925	\$ (56,353)	\$ (5,219)	\$ 34,974	\$ (65,851)	\$ 113,327

- (g) This adjustment removes Other Revenues on a segment basis. The Segment Adjustment 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 year ended December 31, 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.

	QTD					FY	
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
GAAP Other Revenue	\$ 46,923	\$ 10,250	\$ (17,120)	\$ 93,273	\$ (6,410)	\$ 672,317	\$ 79,993
Segment Adjustment	(69)	2,939	(3,030)	(430)	(25)	(582,849)	(546)
Other Revenues	\$ 46,854	\$ 13,189	\$ (20,150)	\$ 92,843	\$ (6,435)	\$ 89,468	\$ 79,447

- (h) This adjustment removes Equity-Based Compensation on a segment basis.

Reconciliation of GAAP to Non-GAAP Measures – Notes Continued

- (i) Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and adjusted to exclude the tax impact of any divestitures. Related Payables represent tax-related payables including the amount payable under the Tax Receivable Agreement.

	QTD					FY	
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
Taxes	\$ 38,975	\$ 15,344	\$ 34,209	\$ 26,933	\$ 63,930	\$ 90,022	\$ 140,416
Related Payables	15,088	13,695	20,992	8,882	12,174	63,843	55,743
Taxes and Related Payables	\$ 54,063	\$ 29,039	\$ 55,201	\$ 35,815	\$ 76,104	\$ 153,865	\$ 196,159

- (j) This adjustment removes Interest and Dividend Revenue less Interest Expense on a segment basis. The Segment Adjustment represents (1) the add back of Other Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of interest expense associated with the Tax Receivable Agreement.

	QTD					FY	
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
GAAP Interest and Dividend Revenue	\$ 47,885	\$ 44,084	\$ 43,686	\$ 42,482	\$ 52,146	\$ 171,947	\$ 182,398
Segment Adjustment	5,830	2,615	2,305	2,566	2,709	9,816	10,195
Interest and Dividend Revenue	\$ 53,715	\$ 46,699	\$ 45,991	\$ 45,048	\$ 54,855	\$ 181,763	\$ 192,593
GAAP Interest Expense	\$ 44,644	\$ 42,002	\$ 43,596	\$ 53,362	\$ 60,688	\$ 163,990	\$ 199,648
Segment Adjustment	(2,852)	(364)	(366)	(547)	(3,337)	(4,152)	(4,614)
Interest Expense	\$ 41,792	\$ 41,638	\$ 43,230	\$ 52,815	\$ 57,351	\$ 159,838	\$ 195,034
Net Interest Income (Loss)	\$ 11,923	\$ 5,061	\$ 2,761	\$ (7,767)	\$ (2,496)	\$ 21,925	\$ (2,441)

- (k) This adjustment removes the total segment amounts of Realized Performance Revenues.

- (l) This adjustment removes the total segment amounts of Realized Performance Compensation.

- (m) This adjustment removes the total segment amount of Realized Principal Investment Income.

- (n) This adjustment adds back Interest Expense on a segment basis.

Reconciliation of GAAP Shares of Class A Common Stock Outstanding to Distributable Earnings Shares Outstanding

	QTD				
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19
GAAP Shares of Class A Common Stock Outstanding	663,212,830	665,331,887	660,588,369	666,257,305	671,157,692
Unvested Participating Common Shares	9,542,988	9,125,691	8,973,424	9,382,814	9,299,732
Total Participating Common Shares	672,755,818	674,457,578	669,561,793	675,640,119	680,457,424
Participating Partnership Units	526,370,654	524,504,626	525,165,724	523,338,040	515,973,657
Distributable Earnings Shares Outstanding	1,199,126,472	1,198,962,204	1,194,727,517	1,198,978,159	1,196,431,081

Disclosure of Weighted-Average Shares of Class A Common Stock Outstanding

	QTD					FY	
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
Total GAAP Weighted-Average Shares of Class A Common Stock Outstanding - Basic	676,629,572	674,507,698	673,655,305	675,963,129	679,420,988	678,850,245	675,900,466
Weighted-Average Shares of Unvested Deferred Restricted Class A Common Stock	-	207,752	330,639	256,629	274,520	226,487	267,385
Weighted-Average Blackstone Holdings Partnership Units	-	525,764,790	-	-	-	527,886,114	-
Total GAAP Weighted-Average Shares of Class A Common Stock Outstanding - Diluted	676,629,572	1,200,480,240	673,985,944	676,219,758	679,695,508	1,206,962,846	676,167,851

Blackstone's Fourth Quarter 2019 GAAP Balance Sheet Results

(Dollars in Thousands) (Unaudited)	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19
Assets					
Cash and Cash Equivalents	\$ 2,207,841	\$ 1,570,741	\$ 1,484,444	\$ 2,468,563	\$ 2,172,441
Cash Held by Blackstone Funds and Other	337,320	217,625	324,609	375,981	351,210
Investments	20,377,031	21,180,950	22,242,040	22,204,460	22,281,682
Accounts Receivable	636,238	711,889	802,066	755,777	975,075
Due from Affiliates	1,994,123	2,320,291	2,211,737	2,464,163	2,594,873
Intangible Assets, Net	468,507	450,757	433,007	415,257	397,508
Goodwill	1,869,860	1,869,860	1,869,860	1,869,860	1,869,860
Other Assets	294,248	302,033	354,253	402,670	382,493
Right-of-Use Assets	-	521,932	507,065	490,882	471,059
Deferred Tax Assets	739,482	728,873	743,132	938,158	1,089,305
Total Assets	\$ 28,924,650	\$ 29,874,951	\$ 30,972,213	\$ 32,385,771	\$ 32,585,506
Liabilities and Equity					
Loans Payable	\$ 9,951,862	\$ 10,011,155	\$ 10,676,138	\$ 11,270,245	\$ 11,080,723
Due to Affiliates	1,035,776	1,045,452	1,081,899	984,969	1,026,871
Accrued Compensation and Benefits	2,942,128	3,001,597	3,308,595	3,623,258	3,796,044
Securities Sold, Not Yet Purchased	142,617	128,106	128,512	87,051	75,545
Repurchase Agreements	222,202	218,865	207,676	163,059	154,118
Operating Lease Liabilities	-	587,408	574,619	558,253	542,994
Accounts Payable, Accrued Expenses and Other Liabilities	875,979	735,667	929,688	1,069,475	806,159
Total Liabilities	15,170,564	15,728,250	16,907,127	17,756,310	17,482,454
Redeemable Non-Controlling Interests in Consolidated Entities	141,779	136,941	101,310	93,667	87,651
Equity					
The Blackstone Group L.P. Partners' Capital	6,415,700	6,501,072	6,335,897	-	-
Class A Common Stock, \$0.00001 par value (671,157,692 shares issued and outstanding as of December 31, 2019)	-	-	-	7	7
Class B Common Stock, \$0.00001 par value (1 share issued and outstanding as of December 31, 2019)	-	-	-	-	-
Class C Common Stock, \$0.00001 par value (1 share issued and outstanding as of December 31, 2019)	-	-	-	-	-
Additional Paid-in-Capital	-	-	-	6,292,765	6,428,647
Retained Earnings	-	-	-	456,814	609,625
Accumulated Other Comprehensive Loss	(36,476)	(32,430)	(27,542)	(35,173)	(28,495)
Non-Controlling Interests in Consolidated Entities	3,648,766	3,852,346	3,869,303	4,035,513	4,186,069
Non-Controlling Interests in Blackstone Holdings	3,584,317	3,688,772	3,786,118	3,785,868	3,819,548
Total Equity	13,612,307	14,009,760	13,963,776	14,535,794	15,015,401
Total Liabilities and Equity	\$ 28,924,650	\$ 29,874,951	\$ 30,972,213	\$ 32,385,771	\$ 32,585,506

See page 29, Reconciliation of GAAP to Non-GAAP Balance Sheet Measures.

Reconciliation of GAAP to Non-GAAP Balance Sheet Measures

(Dollars in Thousands)	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19
Investments of Consolidated Blackstone Funds	\$ 8,376,338	\$ 8,603,847	\$ 8,633,794	\$ 8,481,233	\$ 8,380,698
Equity Method Investments					
Partnership Investments	3,649,423	3,815,993	3,802,565	3,864,453	4,035,675
Accrued Performance Allocations	5,883,924	6,486,450	6,743,542	7,003,889	7,180,449
Corporate Treasury Investments	2,206,493	2,005,174	2,797,908	2,588,529	2,419,587
Other Investments	260,853	269,486	264,231	266,356	265,273
Total GAAP Investments	\$ 20,377,031	\$ 21,180,950	\$ 22,242,040	\$ 22,204,460	\$ 22,281,682
Accrued Performance Allocations - GAAP	\$ 5,883,924	\$ 6,486,450	\$ 6,743,542	\$ 7,003,889	\$ 7,180,449
Impact of Consolidation (a)	-	374	607	237	384
Due from Affiliates - GAAP (b)	33,419	9,483	25,022	18,955	154,980
Less: Accrued Performance Compensation - GAAP (c)	(2,394,747)	(2,638,374)	(2,724,998)	(2,851,817)	(3,021,899)
Net Accrued Performance Revenues	\$ 3,522,596	\$ 3,857,933	\$ 4,044,173	\$ 4,171,264	\$ 4,313,914
Corporate Treasury Investments - GAAP	\$ 2,206,493	\$ 2,005,174	\$ 2,797,908	\$ 2,588,529	\$ 2,419,587
Impact of Consolidation (a)	73,106	75,988	160,644	163,183	164,243
Other Assets (d)	438,454	519,884	425,823	440,982	602,707
Other Liabilities (e)	(205,332)	(101,605)	(91,016)	(80,086)	(74,898)
Corporate Treasury Investments - Deconsolidated	\$ 2,512,721	\$ 2,499,441	\$ 3,293,359	\$ 3,112,608	\$ 3,111,639
Partnership and Other Investments - GAAP	\$ 3,910,276	\$ 4,085,479	\$ 4,066,796	\$ 4,130,809	\$ 4,300,948
Impact of Consolidation (f)	(2,015,417)	(2,095,717)	(2,209,825)	(2,289,139)	(2,409,218)
GP/Fund Investments - Deconsolidated	\$ 1,894,859	\$ 1,989,762	\$ 1,856,971	\$ 1,841,670	\$ 1,891,730
Loans Payable - GAAP	\$ 9,951,862	\$ 10,011,155	\$ 10,676,138	\$ 11,270,245	\$ 11,080,723
Impact of Consolidation (g)	(6,480,711)	(6,561,111)	(6,536,221)	(6,492,686)	(6,479,867)
Outstanding Bonds (Carrying Value)	3,471,151	3,450,044	4,139,917	4,777,559	4,600,856
Unamortized Discount/Premium	60,879	59,576	66,033	82,336	81,094
Outstanding Bonds (at par) - Deconsolidated	\$ 3,532,030	\$ 3,509,620	\$ 4,205,950	\$ 4,859,895	\$ 4,681,950

(a) This adjustment adds back investments in consolidated Blackstone Funds which have been eliminated in consolidation.

(b) Represents GAAP accrued performance revenue recorded within Due from Affiliates.

(c) Represents GAAP accrued performance compensation associated with Accrued Performance Allocations and is recorded within Accrued Compensation and Benefits and Due to Affiliates.

(d) This adjustment adds other assets related to Treasury Operations that are recorded within Accounts Receivable, reverse repurchase agreements and Due from Affiliates.

(e) This adjustment adds other liabilities related to Treasury Operations that are recorded within Accounts Payable, Accrued Expenses and Other Liabilities, Repurchase Agreements and securities sold short, not yet purchased.

(f) This adjustment removes amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests and adds back investments in consolidated Blackstone Funds which have been eliminated in consolidation.

(g) This adjustment removes amounts related to consolidated Blackstone Funds.

Reconciliation of GAAP to Total Segment Measures

	QTD					FY	
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
(Dollars in Thousands)							
Management and Advisory Fees, Net							
GAAP	\$ 797,554	\$ 809,726	\$ 840,378	\$ 878,151	\$ 943,900	\$ 3,027,796	\$ 3,472,155
Segment Adjustment (a)	641	4,336	3,778	2,194	1,773	8,656	12,081
Total Segment	\$ 798,195	\$ 814,062	\$ 844,156	\$ 880,345	\$ 945,673	\$ 3,036,452	\$ 3,484,236
GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues							
GAAP							
Incentive Fees	15,797	12,132	21,915	8,254	87,610	57,540	129,911
Investment Income - Realized Performance Allocations	511,388	242,375	332,520	446,550	717,555	1,876,507	1,739,000
GAAP	\$ 527,185	\$ 254,507	\$ 354,435	\$ 454,804	\$ 805,165	\$ 1,934,047	\$ 1,868,911
Total Segment							
Less: Realized Performance Revenues	(483,697)	(246,769)	(341,386)	(420,840)	(651,647)	(1,811,771)	(1,660,642)
Segment Adjustment (b)	697	41	575	261	2,855	1,560	3,732
Total Segment	\$ 44,185	\$ 7,779	\$ 13,624	\$ 34,225	\$ 156,373	\$ 123,836	\$ 212,001
GAAP Compensation to Total Segment Fee Related Compensation							
GAAP							
Compensation	373,790	471,397	438,521	462,766	447,646	1,609,957	1,820,330
Incentive Fees Compensation	10,260	5,406	8,886	5,419	24,589	33,916	44,300
Realized Performance Allocations Compensation	212,174	86,395	125,825	155,663	295,059	711,076	662,942
GAAP	\$ 596,224	\$ 563,198	\$ 573,232	\$ 623,848	\$ 767,294	\$ 2,354,949	\$ 2,527,572
Total Segment							
Less: Realized Performance Compensation	(199,645)	(85,240)	(125,466)	(143,870)	(249,359)	(678,141)	(603,935)
Less: Equity-Based Compensation - Operating Compensation	(39,968)	(63,708)	(50,225)	(56,139)	(51,612)	(145,213)	(221,684)
Less: Equity-Based Compensation - Performance Compensation	(3,134)	(3,068)	(2,880)	(2,431)	(131)	(13,007)	(8,510)
Segment Adjustment (c)	(74,193)	(87,151)	(100,827)	(91,574)	(77,313)	(302,442)	(356,865)
Total Segment	\$ 279,284	\$ 324,031	\$ 293,834	\$ 329,834	\$ 388,879	\$ 1,216,146	\$ 1,336,578
GAAP General, Administrative and Other to Total Segment Other Operating Expenses							
GAAP	\$ 153,519	\$ 146,062	\$ 175,308	\$ 171,067	\$ 186,971	\$ 594,873	\$ 679,408
Segment Adjustment (d)	(23,494)	(22,751)	(33,187)	(26,716)	(25,612)	(106,545)	(108,266)
Total Segment	\$ 130,025	\$ 123,311	\$ 142,121	\$ 144,351	\$ 161,359	\$ 488,328	\$ 571,142
Realized Performance Revenues							
GAAP							
Incentive Fees	15,797	12,132	21,915	8,254	87,610	57,540	129,911
Investment Income - Realized Performance Allocations	511,388	242,375	332,520	446,550	717,555	1,876,507	1,739,000
GAAP	\$ 527,185	\$ 254,507	\$ 354,435	\$ 454,804	\$ 805,165	\$ 1,934,047	\$ 1,868,911
Total Segment							
Less: Fee Related Performance Revenues	(44,185)	(7,779)	(13,624)	(34,225)	(156,373)	(123,836)	(212,001)
Segment Adjustment (b)	697	41	575	261	2,855	1,560	3,732
Total Segment	\$ 483,697	\$ 246,769	\$ 341,386	\$ 420,840	\$ 651,647	\$ 1,811,771	\$ 1,660,642

Reconciliation of GAAP to Total Segment Measures – Continued

(Dollars in Thousands)	QTD					FY	
	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	FY'18	FY'19
Realized Performance Compensation							
GAAP							
Incentive Fee Compensation	\$ 10,260	\$ 5,406	\$ 8,886	\$ 5,419	\$ 24,589	\$ 33,916	\$ 44,300
Realized Performance Allocations Compensation	212,174	86,395	125,825	155,663	295,059	711,076	662,942
GAAP	\$ 222,434	\$ 91,801	\$ 134,711	\$ 161,082	\$ 319,648	\$ 744,992	\$ 707,242
Total Segment							
Less: Fee Related Performance Compensation	(19,655)	(3,493)	(6,365)	(14,781)	(70,158)	(53,844)	(94,797)
Less: Equity-Based Compensation - Performance Compensation	(3,134)	(3,068)	(2,880)	(2,431)	(131)	(13,007)	(8,510)
Total Segment	\$ 199,645	\$ 85,240	\$ 125,466	\$ 143,870	\$ 249,359	\$ 678,141	\$ 603,935
Realized Principal Investment Income							
GAAP	\$ 109,901	\$ 73,261	\$ 145,040	\$ 74,642	\$ 100,535	\$ 415,862	\$ 393,478
Segment Adjustment (e)	(62,803)	(47,353)	(21,483)	(38,494)	(61,993)	(179,804)	(169,323)
Total Segment	\$ 47,098	\$ 25,908	\$ 123,557	\$ 36,148	\$ 38,542	\$ 236,058	\$ 224,155
GAAP Interest and Dividend Revenue net of Interest Expense to Total Segment Net Interest Income (Loss)							
GAAP							
Interest and Dividend Revenue	47,885	44,084	43,686	42,482	52,146	171,947	182,398
Interest Expense	(44,644)	(42,002)	(43,596)	(53,362)	(60,688)	(163,990)	(199,648)
GAAP	\$ 3,241	\$ 2,082	\$ 90	\$ (10,880)	\$ (8,542)	\$ 7,957	\$ (17,250)
Segment Adjustment (f)	8,682	2,979	2,671	3,113	6,046	13,968	14,809
Total Segment	\$ 11,923	\$ 5,061	\$ 2,761	\$ (7,767)	\$ (2,496)	\$ 21,925	\$ (2,441)

This analysis reconciles the components of Total Segment Distributable Earnings (page 3) to their equivalent GAAP measures, reported on the Consolidated Statement of Operations (page 1). Segment basis presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages and excludes the amortization of intangibles, the expense of equity-based awards and Transaction-Related Charges.

- (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 Management and Advisory Fees, Net 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 the removal of Transaction-Related Charges that are not recorded in the Total Segment measures.
- (d) 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 Management and Advisory Fees, Net in the Total Segment measures.
- (e) 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 removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.
- (f) Represents (1) the add back of Other Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of interest expense associated with the Tax Receivable Agreement.

Definitions and Dividend Policy

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

- **Segment Distributable Earnings**, or “**Segment DE**”, is Blackstone’s segment profitability measure used to make operating decisions and assess performance across Blackstone’s four segments. Segment DE represents the net realized earnings of Blackstone’s segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone’s segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone’s consolidated Operating Partnerships, removes the amortization of intangible assets and removes Transaction-Related Charges. Segment DE excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes.
 - **Net Realizations** is presented on a segment basis and is the sum of Realized Principal Investment Income and Realized Performance Revenues (which refers to Realized Performance Revenues excluding Fee Related Performance Revenues), less Realized Performance Compensation (which refers to Realized Performance Compensation excluding Fee Related Performance Compensation and Equity-Based Performance Compensation).
 - **Total Segment Revenues** and **Segment Revenues** represent Net Management and Advisory Fees, Fee Related Performance Revenues, Realized Performance Revenues and Realized Principal Investment Income.
- **Distributable Earnings**, or “**DE**”, is derived from Blackstone’s segment reported results. DE is used to assess performance and amounts available for dividends to Blackstone shareholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. DE is the sum of Segment DE plus Net Interest Income (Loss) less Taxes and Related Payables. DE excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes.
 - **Net Interest Income (Loss)** is presented on a segment basis and is equal to Interest and Dividend Revenue less Interest Expense, adjusted for the impact of consolidation of Blackstone Funds, and interest expense associated with the Tax Receivable Agreement.
 - **Taxes and Related Payables** represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes excluding the tax impact of any divestitures and including the Payable under the Tax Receivable Agreement.
- **Fee Related Earnings**, or “**FRE**”, is a performance measure used to assess Blackstone’s ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. FRE equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Performance Revenues, less (a) Fee Related Compensation on a segment basis, and (b) Other Operating Expenses. FRE is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes.
 - **Fee Related Compensation** is presented on a segment basis and refers to the compensation expense, excluding Equity-Based Compensation, directly related to (a) Management and Advisory Fees, Net and (b) Fee Related Performance Revenues, referred to as Fee Related Performance Compensation.
 - **Fee Related Performance Revenues** refers to the realized portion of Performance Revenues from Perpetual Capital that are (a) measured and received on a recurring basis, and (b) not dependent on realization events from the underlying investments.
 - **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.

Definitions and Dividend Policy – Continued

- **Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization**, or “**Adjusted EBITDA**”, is a supplemental measure used to assess performance derived from Blackstone’s segment results and may be used to assess its ability to service its borrowings. Adjusted EBITDA represents Distributable Earnings plus the addition of (a) Interest Expense on a segment basis, (b) Taxes and Related Payables, and (c) Depreciation and Amortization. Adjusted EBITDA is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes.
- **Performance Revenues** collectively refers to: (a) Incentive Fees, and (b) Performance Allocations.
- **Performance Compensation** collectively refers to: (a) Incentive Fee Compensation, and (b) Performance Allocations Compensation.
- **Transaction-Related Charges** arise from corporate actions including acquisitions, divestitures, and Blackstone’s initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.

Dividend Policy. Blackstone’s intention is to pay to holders of Class A common stock a quarterly dividend representing approximately 85% of The Blackstone Group Inc.’s share of Distributable Earnings, subject to adjustment by amounts determined by Blackstone’s board of directors 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 dividends to shareholders for any ensuing quarter. The dividend amount 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 dividends are at the sole discretion of Blackstone’s board of directors and our board of directors may change our dividend policy at any time, including, without limitation, to eliminate such dividends 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 our current views with respect to, among other things, our operations, taxes, earnings and financial performance, share repurchases and dividends. 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. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission (“SEC”), 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 report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we undertake 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.