

Blackstone

Blackstone Reports Third Quarter Results

New York, October 17, 2013: Blackstone (NYSE:BX) today reported its third quarter 2013 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “In the third quarter 2013, Blackstone attracted \$12 billion of organic capital inflows, and \$53 billion in total inflows over the past year. We are actively deploying this capital, as our global scale and diversification allow us to source investment opportunities around the world, providing the foundation for strong future returns. At the same time we are seeing increased momentum in realizing gains for our fund investors, with \$6.7 billion of total realizations in the third quarter and \$26 billion over the past twelve months. Despite greater realizations, we grew total assets under management by 21% year over year, to a record \$248 billion.”

Blackstone issued a full detailed presentation of its third quarter 2013 results which can be viewed at www.Blackstone.com.

Distribution

Blackstone has declared a quarterly distribution of \$0.23 per common unit to record holders of common units at the close of business on October 28, 2013. This distribution will be paid on November 4, 2013.

Quarterly Investor Call Details

Blackstone will host a conference call on October 17, 2013 at 11:00 a.m. ET to discuss third quarter 2013 results. The conference call can be accessed via the Investors section of Blackstone’s website at www.Blackstone.com or by dialing +1 (877) 391-6747 (U.S. domestic) or +1 (617) 597-9291 (international), pass code 149 943 55#. For those unable to listen to the live broadcast, a replay will be available on www.Blackstone.com or by dialing +1 (888) 286-8010 (U.S. domestic) or +1 (617) 801-6888 (international), pass code 430 608 89#.

About Blackstone

Blackstone (NYSE:BX) is one of the world’s leading investment and advisory firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, the companies we advise and the broader global economy. We do this through the commitment of our extraordinary people and flexible capital. Our asset management businesses include investment vehicles focused on private equity, real estate, hedge fund solutions, non-investment grade credit, secondary funds, and multi asset class exposures falling outside of other funds’ mandates. Blackstone also provides various financial advisory services, including financial and strategic advisory, restructuring and

reorganization advisory and fund placement services. Further information is available at www.Blackstone.com. Follow Blackstone on Twitter @Blackstone.

Forward-Looking Statements

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect Blackstone's current views with respect to, among other things, Blackstone's operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Blackstone believes these factors include but are not limited to those described under the section entitled "Risk Factors" in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012, 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.

Investor and Media Relations Contacts

Joan Solotar
Blackstone
Tel: +1 (212) 583-5068
solotar@blackstone.com

Weston Tucker
Blackstone
Tel: +1 (212) 583-5231
tucker@blackstone.com

Peter Rose
Blackstone
Tel: +1 (212) 583-5871
rose@blackstone.com

Blackstone's Third Quarter 2013 Earnings

October 17, 2013

Blackstone's Third Quarter 2013 Highlights

- ▶ Economic Net Income (“ENI”) was \$640 million, or \$0.56 per unit, for the quarter and \$2.0 billion, or \$1.72 per unit, year-to-date, up 49% compared to the same period last year, reflecting strong growth in Fee Revenues in our investing and advisory businesses and favorable year-to-date Performance Fees across all investing businesses.
- ▶ Distributable Earnings (“DE”) increased 59% year-over-year to \$313 million, or \$0.26 per common unit, bringing the year-to-date total to over \$1.0 billion, or \$0.88 per common unit, up 86% year-over-year as an increased pace of realizations drove higher Performance Fees and greater Fee-Earning AUM generated higher Management Fees.
- ▶ GAAP Net Income was \$171 million for the quarter, net of certain non-cash IPO and transaction related expenses and exclusive of net income attributable to non-controlling interests, mainly inside ownership.
- ▶ Total AUM reached a record \$248 billion, up 21% year-over-year with double-digit increases across all investing businesses, through a combination of strong inflows and appreciation.
 - Gross inflows totaled \$21 billion in the third quarter and \$53 billion over the last twelve months, including \$9.1 billion for the Strategic Partners acquisition.
 - Blackstone’s funds returned \$34 billion^(a) of capital to investors over the last twelve months.
- ▶ Blackstone declared a third quarter distribution of \$0.23 per common unit payable on November 4, 2013, bringing the year-to-date distribution to \$0.76 per common unit.

(a) See Appendix - Total Assets Under Management Flows - LTM Total AUM Rollforward.

Blackstone's Third Quarter 2013 Earnings

(Dollars in Thousands, Except per Unit Data)	3Q'12	3Q'13	% Change vs. 3Q'12	YTD'12	YTD'13	% Change vs. YTD'12
Fee Revenues	\$ 509,192	\$ 581,678	14%	\$ 1,539,862	\$ 1,719,076	12%
Performance Fees	602,999	544,936	(10)%	1,123,592	1,868,154	66%
Investment Income	107,432	99,172	(8)%	174,574	331,062	90%
Total Revenues	\$ 1,219,623	\$ 1,225,786	1%	\$ 2,838,028	\$ 3,918,292	38%
Total Expenses	586,614	570,763	(3)%	1,483,034	1,905,540	28%
Taxes	11,257	14,792	31%	29,676	40,975	38%
Economic Net Income ("ENI")	\$ 621,752	\$ 640,231	3%	\$ 1,325,318	\$ 1,971,777	49%
<i>ENI per Unit ^(a)</i>	<i>\$ 0.55</i>	<i>\$ 0.56</i>	<i>2%</i>	<i>\$ 1.18</i>	<i>\$ 1.72</i>	<i>46%</i>
GAAP Net Income	\$ 128,824	\$ 171,164	33%	\$ 112,185	\$ 549,947	390%
Fee Related Earnings ("FRE")	\$ 135,052	\$ 178,596	32%	\$ 427,709	\$ 484,763	13%
Distributable Earnings ("DE")	\$ 196,448	\$ 312,673	59%	\$ 561,628	\$ 1,042,070	86%
<i>DE per Common Unit ^(b)</i>	<i>\$ 0.16</i>	<i>\$ 0.26</i>	<i>63%</i>	<i>\$ 0.48</i>	<i>\$ 0.88</i>	<i>83%</i>
Total Assets Under Management	\$204,551,572	\$248,064,888	21%	\$204,551,572	\$248,064,888	21%
Fee-Earning Assets Under Management	\$168,630,082	\$188,649,817	12%	\$168,630,082	\$188,649,817	12%

(a) ENI per Unit is based on the Weighted-Average ENI Adjusted Units.

(b) DE per Common Unit equals DE Attributable to Common Unitholders divided by Total Common Units Outstanding.

Walkdown of Financial Metrics

(Dollars in Thousands, Except per Unit Data)

	3Q'13		YTD'13	
	Results	Per Unit ^(a)	Results	Per Unit ^(a)
▶ Base Management Fees	\$ 437,294		\$ 1,271,715	
▶ Advisory Fees	83,602		271,356	
▶ Transaction and Other Fees, Net	42,806		147,244	
▶ Management Fee Offsets	(8,271)		(28,468)	
▶ Interest Income and Other Revenue	25,535		33,336	
▶ Compensation	(279,498)		(852,952)	
▶ Other Operating Expenses	(122,872)		(357,468)	
Fee Related Earnings	\$ 178,596	\$ 0.16	\$ 484,763	\$ 0.43
▶ Net Realized Incentive Fees	16,639		70,711	
▶ Net Realized Carried Interest	122,285		434,396	
▶ Net Realized Investment Income	18,164		108,509	
▶ Taxes and Related Payables	(31,756)		(88,124)	
▶ Equity-Based Compensation	8,745		31,815	
Distributable Earnings	\$ 312,673	\$ 0.26	\$ 1,042,070	\$ 0.88
▶ Net Unrealized Incentive Fees	29,908		94,459	
▶ Net Unrealized Carried Interest	207,711		573,468	
▶ Net Unrealized Investment Income	81,720		246,446	
▶ Add Back: Related Payables	16,964		47,149	
▶ Less: Equity-Based Compensation	(8,745)		(31,815)	
Economic Net Income	\$ 640,231	\$ 0.56	\$ 1,971,777	\$ 1.72

Fee Earnings

Distributable Earnings

Economic Net Income

See Appendix – Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metric Components for the calculation of the amounts presented herein that are not the respective captions from the Total Segment information.

(a) Fee Related Earnings per Unit is based on DE Units Outstanding; DE per Unit equals DE per Common Unit; and ENI per Unit is based on Weighted-Average ENI Adjusted Units. (See Appendix - Unit Rollforward.) YTD'13 Fee Related Earnings per Unit and DE per Unit amounts equal the sum of the respective per unit amounts for 2013.

Summary Walkdown of GAAP to Non-GAAP Financial Metrics

(Dollars in Millions)

	<u>3Q'13</u>	<u>YTD'13</u>
GAAP		
	\$518	\$1,564
Economic Income "EI"		
	\$655	\$2,013
Fee Related Earnings "FRE"		
	\$179	\$485
Distributable Earnings "DE"		
	\$313	\$1,042
Adjusted EBITDA		
	\$379	\$1,234

See Appendix – Reconciliation of GAAP to Non-GAAP Measures for details.

Private Equity

- ▶ Total Revenues were up 44% to \$732 million year-to-date on continued strong fund performance.
- ▶ Realized Performance Fees totaled \$85 million in the third quarter, although declines in the value of certain publicly traded investments in funds above their carry threshold led to a reduction in Unrealized Performance Fees.
 - On a year-to-date basis, Performance Fees remained strong, up 74%, resulting in Total Net Accrued Performance Fees of \$589 million at the end of the quarter.
- ▶ Overall carrying value of portfolio assets^(a) appreciated 4.2% during the quarter and 17.4% year-to-date.
- ▶ Realizations continued to gain momentum with proceeds of \$2.5 billion during the quarter and \$6.1 billion year-to-date, bringing the last twelve months total to \$8.0 billion.
- ▶ Invested and/or committed \$548 million of total capital for the quarter and \$2.1 billion year-to-date.
- ▶ Raised an additional \$703 million of commitments for the tactical opportunities investment vehicles during the quarter, increasing total capital commitments for this strategy to \$3.7 billion.
- ▶ Completed the acquisition of Strategic Partners, a premier secondary alternatives business, adding \$9.1 billion of Total AUM and \$6.9 billion of Fee-Earning AUM to the Private Equity segment.

(Dollars in Thousands)			% Change				% Change	
	3Q'12	3Q'13	vs. 3Q'12	YTD'12	YTD'13	vs. YTD'12		
Fee Revenues	\$ 116,125	\$ 116,005	(0)%	\$ 323,864	\$ 356,268	10%		
Performance Fees	160,338	(1,179)	n/m	139,210	241,584	74%		
Investment Income	50,456	35,116	(30)%	46,304	133,663	189%		
Total Revenues	326,919	149,942	(54)%	509,378	731,515	44%		
Compensation	62,424	55,800	(11)%	168,746	179,750	7%		
Performance Fee Compensation	44,276	(16,374)	n/m	36,089	105,479	192%		
Other Operating Expenses	30,944	30,024	(3)%	90,346	91,370	1%		
Total Expenses	137,644	69,450	(50)%	295,181	376,599	28%		
Economic Income	\$ 189,275	\$ 80,492	(57)%	\$ 214,197	\$ 354,916	66%		
Total AUM	\$ 50,222,312	\$ 62,619,813	25%	\$ 50,222,312	\$ 62,619,813	25%		
Fee-Earning AUM	\$ 38,505,497	\$ 43,645,106	13%	\$ 38,505,497	\$ 43,645,106	13%		

17.4%

YTD'13 increase in fund carrying value^(a)

\$85 million

3Q'13 Realized Performance Fees

\$589 million

Net Accrued Performance Fees at 3Q'13

(a) Core Private Equity portfolio (BCP, BCOM and BEP), Tactical Opportunities and Other Funds (including fee-paying co-investment funds). Excludes returns for Strategic Partners.

Real Estate

- ▶ Total Revenues were up 49% to \$1.8 billion year-to-date as Performance Fees and Investment Income rose sharply.
- ▶ Higher revenues translated into strong Economic Income for the third quarter, up 43% to \$414 million, and up 51% to \$1.1 billion year-to-date compared to the same periods last year.
- ▶ Overall carrying value of BREP investments^(a) appreciated 5.8% for the quarter and 17.9% year-to-date, driven by strong operating fundamentals across all sectors of the portfolio.
- ▶ Debt Strategies drawdown funds^(b) appreciated 3.2% for the quarter and 8.4% year-to-date, while the real estate hedge funds appreciated 2.5% for the quarter and 7.3% year-to-date.
- ▶ Realization activity remained strong with \$1.6 billion of proceeds during the quarter and \$4.6 billion year-to-date.
- ▶ Invested \$2.4 billion of total capital with an additional \$2.5 billion committed at quarter end, bringing year-to-date total capital invested plus committed to \$8.4 billion, up from \$6.3 billion in the same period last year.
- ▶ Blackstone's Asian real estate fund held a second closing, bringing total commitments to \$1.8 billion and our latest European fund held an initial close with \$1.9 billion of total commitments.

(Dollars in Thousands)	3Q'12	3Q'13	% Change vs. 3Q'12	YTD'12	YTD'13	% Change vs. YTD'12
Fee Revenues	\$ 150,084	\$ 161,714	8%	\$ 455,812	\$ 459,902	1%
Performance Fees	270,569	440,502	63%	672,888	1,197,119	78%
Investment Income	44,000	58,584	33%	101,735	177,634	75%
Total Revenues	464,653	660,800	42%	1,230,435	1,834,655	49%
Compensation	71,456	75,346	5%	216,921	218,597	1%
Performance Fee Compensation	73,208	140,799	92%	173,650	391,490	125%
Other Operating Expenses	31,284	30,614	(2)%	86,768	86,693	(0)%
Total Expenses	175,948	246,759	40%	477,339	696,780	46%
Economic Income	\$ 288,705	\$ 414,041	43%	\$ 753,096	\$ 1,137,875	51%
Total AUM	\$ 53,546,023	\$ 68,964,455	29%	\$ 53,546,023	\$ 68,964,455	29%
Fee-Earning AUM	\$ 40,609,286	\$ 44,715,985	10%	\$ 40,609,286	\$ 44,715,985	10%

17.9%

YTD'13 increase in fund carrying value^(a)

\$98 million

3Q'13 Realized Performance Fees

\$1.9 billion

Net Accrued Performance Fees at 3Q'13

(a) Blackstone Real Estate Partners ("BREP") portfolio (including fee-paying co-investment funds).

(b) Excludes the Capital Trust drawdown funds.

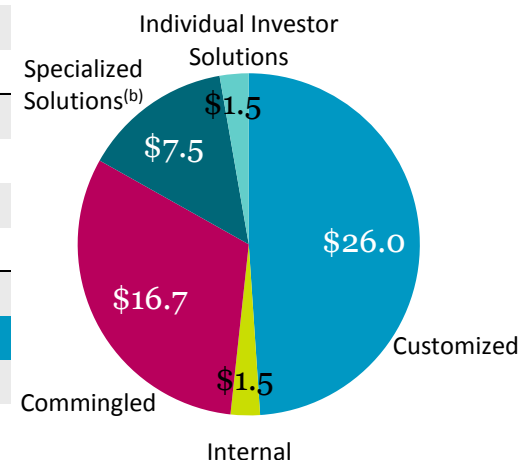
Hedge Fund Solutions

- ▶ Total Revenues were up 40% to \$451 million year-to-date driven by a combination of strong Fee Revenues up 18% and Performance Fees up 148% as a record level of assets were generating Performance Fees.
 - \$26.5 billion, or 97%, of Incentive Fee-Earning AUM, were above their High Water Mark and/or Hurdle, up from \$18.5 billion, or 77% a year ago, generating \$139 million of Performance Fees year-to-date, generally payable at year end.
- ▶ BAAM Core Composite^(a) was up 2.0% for the quarter and 8.3% year-to-date.
- ▶ Fee-Earning AUM grew 17% year-over-year to a record \$50.8 billion driven by fund performance and \$2.2 billion of net inflows during the quarter bringing the year-to-date total to \$4.7 billion.
 - BAAM launched its first alternative investment-focused '40 Act mutual fund for the retail market (Blackstone Alternative Multi-Manager Fund) on August 5, raising \$1 billion of capital in the third quarter.
 - October 1 subscriptions of \$325 million are not included in quarter end Fee-Earning AUM.

(Dollars in Thousands)	3Q'12	3Q'13	% Change vs. 3Q'12	YTD'12	YTD'13	% Change vs. YTD'12
Fee Revenues	\$ 87,811	\$ 105,605	20%	\$ 254,138	\$ 300,461	18%
Performance Fees	39,272	34,528	(12)%	55,951	138,572	148%
Investment Income	5,836	5,841	0%	12,003	12,220	2%
Total Revenues	132,919	145,974	10%	322,092	451,253	40%
Compensation	28,826	37,611	30%	91,618	108,323	18%
Performance Fee Compensation	9,124	12,131	33%	14,631	49,771	240%
Other Operating Expenses	12,878	19,575	52%	41,318	51,269	24%
Total Expenses	50,828	69,317	36%	147,567	209,363	42%
Economic Income	\$ 82,091	\$ 76,657	(7)%	\$ 174,525	\$ 241,890	39%
Total AUM	\$ 46,218,618	\$ 53,162,174	15%	\$ 46,218,618	\$ 53,162,174	15%
Fee-Earning AUM	\$ 43,601,541	\$ 50,829,734	17%	\$ 43,601,541	\$ 50,829,734	17%

\$53 billion

3Q'13 Total AUM^(b)



(a) BAAM's Core Composite does not include BAAM's long-only equity, long-biased commodities, seed, strategic opportunities (external investments) and advisory platforms. On a net of fees basis, the BAAM Core Composite was up 1.7% for the quarter and 7.4% year-to-date.

(b) Specialized Solutions includes long-only, ventures and strategic opportunities.

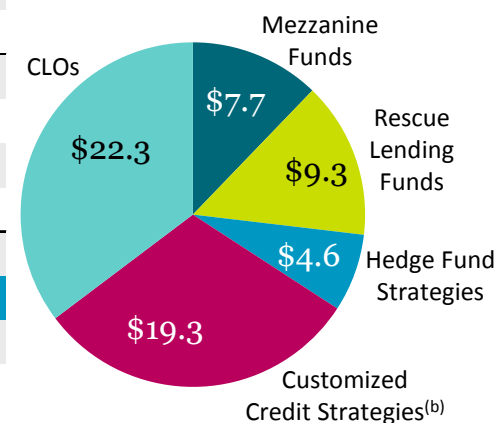
Credit

- ▶ Total Revenues were up 16% to \$624 million year-to-date driven by solid growth of 19% in Fee Revenues.
- ▶ Total AUM grew 16% year-over-year to \$63.3 billion driven by continued strong net inflows within the long-only platform and new fund launches across several strategies.
- ▶ Investment performance^(a) remained favorable across the platform.
 - Hedge Fund Strategies were up 1.5% for the quarter and 14.4% year-to-date.
 - Mezzanine Funds were up 3.3% for the quarter and 20.4% year-to-date.
 - Rescue Lending Funds were up 5.6% for the quarter and 17.5% year-to-date.
- ▶ Invested \$287 million of total capital with an additional \$179 million committed but not yet invested during the quarter, bringing year-to-date total capital invested and committed to \$1.4 billion.
- ▶ Committed capital not yet paying fees of \$9.5 billion at quarter end, representing significant dry powder for investment.

(Dollars in Thousands)	3Q'12	3Q'13	% Change vs. 3Q'12	YTD'12	YTD'13	% Change vs. YTD'12
Fee Revenues	\$ 94,169	\$ 111,283	18%	\$ 272,223	\$ 324,215	19%
Performance Fees	132,820	71,085	(46)%	255,543	290,879	14%
Investment Income (Loss)	5,961	(546)	n/m	12,337	9,157	(26)%
Total Revenues	232,950	181,822	(22)%	540,103	624,251	16%
Compensation	50,236	53,250	6%	130,224	154,712	19%
Performance Fee Compensation	72,989	31,837	(56)%	125,432	148,380	18%
Other Operating Expenses	33,527	23,451	(30)%	66,372	67,374	2%
Total Expenses	156,752	108,538	(31)%	322,028	370,466	15%
Economic Income	\$ 76,198	\$ 73,284	(4)%	\$ 218,075	\$ 253,785	16%
Total AUM	\$ 54,564,619	\$ 63,318,446	16%	\$ 54,564,619	\$ 63,318,446	16%
Fee-Earning AUM	\$ 45,913,758	\$ 49,458,992	8%	\$ 45,913,758	\$ 49,458,992	8%

\$63 billion

3Q'13 Total AUM



Totals may not add due to rounding.

(a) Represents weighted average performance of the assets of the respective flagship funds within each strategy. Hedge Fund Strategies net returns were 0.9% for 3Q'13 and 10.6% YTD'13, Mezzanine Funds net returns were 1.7% for 3Q'13 and 14.5% YTD'13 and Rescue Lending Funds net returns were 4.3% for 3Q'13 and 13.5% YTD'13.

(b) Includes business development companies ("BDCs"), closed-end funds, commingled funds, the ETF and separately managed accounts.

Financial Advisory

- ▶ Total Revenues were up 40% for the quarter and 17% year-to-date compared to the same periods last year, primarily due to an increase in activity in our Restructuring and Park Hill fund placement businesses.
- ▶ Restructuring has maintained strong performance despite the improving economy, as the business was ranked #1 in the Thomson Reuters Restructuring league tables for worldwide completed transactions for the first nine months of 2013.
- ▶ Park Hill's revenue increased year-over-year, and the pipeline remains strong as challenging fundraising market conditions continue to drive demand for alternative asset placement services.
- ▶ Blackstone Advisory Partners revenue was up modestly year-over-year and down year-to-date as strategic advisory and merger and acquisition activity globally remains soft.

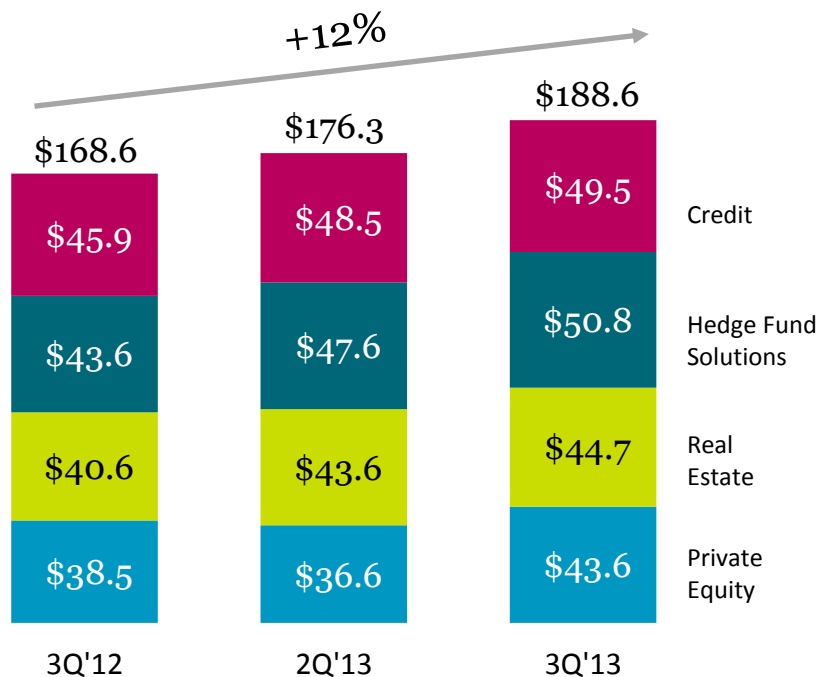
(Dollars in Thousands)	3Q'12	3Q'13	% Change vs. 3Q'12	YTD'12	YTD'13	% Change vs. YTD'12
Fee Revenues	\$ 61,003	\$ 87,071	43%	\$ 233,825	\$ 278,230	19%
Investment Income (Loss)	1,179	177	(85)%	2,195	(1,612)	n/m
Total Revenues	62,182	87,248	40%	236,020	276,618	17%
Compensation	46,619	57,491	23%	175,708	191,570	9%
Other Operating Expenses	18,823	19,208	2%	65,211	60,762	(7)%
Total Expenses	65,442	76,699	17%	240,919	252,332	5%
Economic Income (Loss)	\$ (3,260)	\$ 10,549	n/m	\$ (4,899)	\$ 24,286	n/m

Assets Under Management

- ▶ Fee-Earning AUM: up 12% year-over-year to a record \$189 billion, as \$41 billion of gross inflows more than offset \$26 billion of realizations and outflows.
 - Including commitments, not yet earning fees, Fee-Earning AUM was \$208 billion, up 23% year-over-year.
- ▶ Total AUM: increased 21% year-over-year to a record \$248 billion driven by \$53 billion of gross inflows and \$25 billion of market appreciation across all investment businesses.

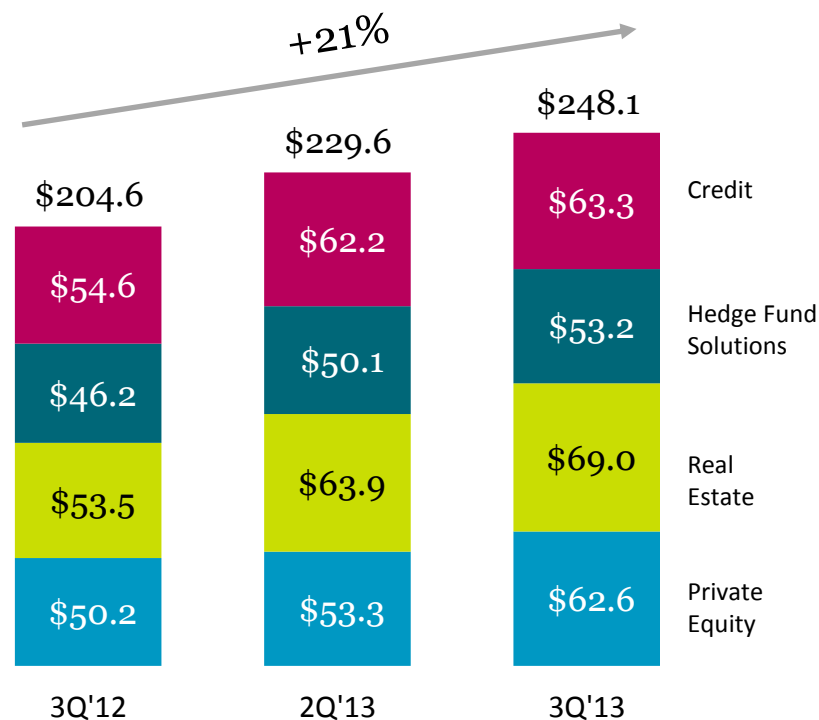
Fee-Earning AUM by Segment

(Dollars in Billions)



Total AUM by Segment

(Dollars in Billions)

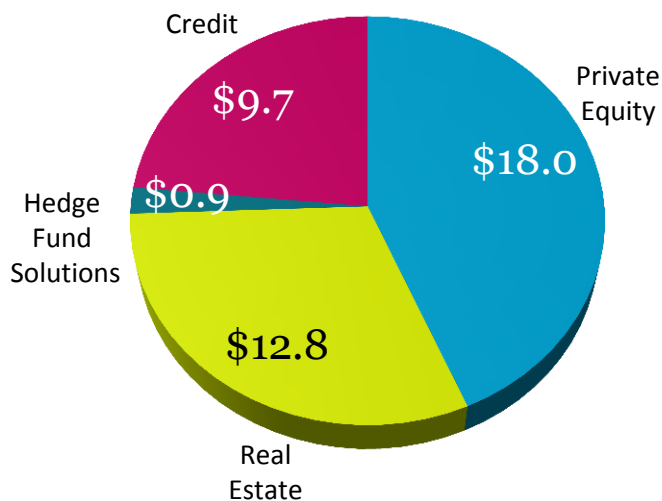


Totals may not add due to rounding.

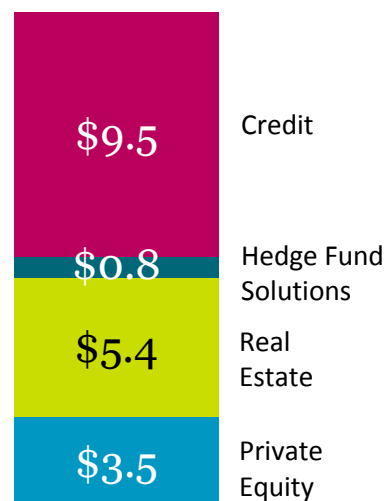
3Q'13 Available Capital Summary

- ▶ Achieved record level of committed undrawn capital (“dry powder”) with \$41.4 billion at quarter end.
- ▶ \$19.2 billion of Total AUM was not yet earning Base Management Fees at quarter end due largely to fund structures with fees that are triggered by the investment of capital.
- ▶ Performance Fee Eligible AUM was \$143.8 billion at quarter end, including \$85.6 billion (\$104.0 billion at fair value) currently earning Performance Fees.

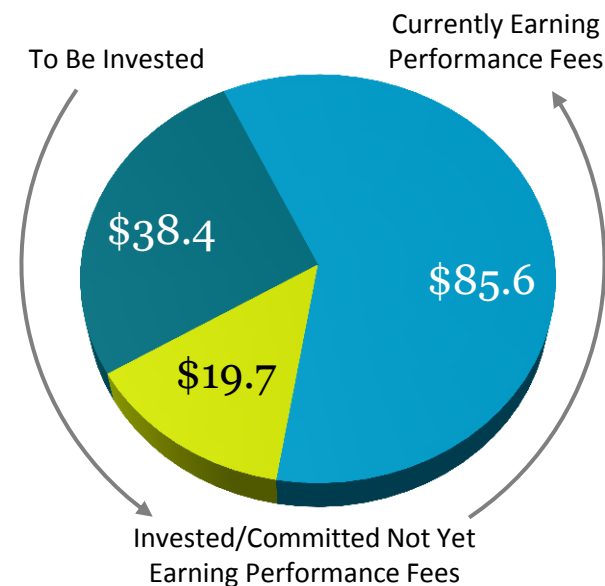
\$41 billion Dry Powder^(a)



\$19 billion Not Yet Earning Base Management Fees^(b)



\$144 billion Performance Fee Eligible AUM^(c)



(a) Represents illiquid drawdown funds only; excludes marketable vehicles; includes both Fee-Earning (third party) capital and GP/employee commitments that do not earn fees. Amounts reduced by outstanding commitments to invest, but for which capital has not been called.

(b) Represents (i) committed uninvested capital of our Private Equity and Real Estate drawdown funds with closed investment periods, and (ii) committed uninvested capital for our Real Estate debt strategies drawdown funds, our Credit Mezzanine and Rescue Lending funds and our Hedge Fund Solutions Strategic Alliance Fund and other separately managed accounts.

(c) Represents invested and to be invested capital, including closed commitments for funds whose investment period has not yet commenced, on which performance fees could be earned if certain hurdles are met.

Unitholder Distribution

- ▶ Earned \$0.26 of Distributable Earnings per common unit during the third quarter, up 63% year-over-year.
- ▶ Declared a quarterly distribution of \$0.23 per common unit to record holders as of October 28, 2013; payable on November 4, 2013.
- ▶ Blackstone's base quarterly distribution is \$0.12 per unit, up 20% from \$0.10 per unit in 2012, and any excess Net Cash Available for Distribution to Common Unitholders is distributed each quarter as earned^(a).

(Dollars in Thousands, Except per Unit Data)	New Policy					% Change		New Policy		% Change
	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13	vs. 3Q'12	YTD'12	YTD'13	vs. YTD'12	
Distributable Earnings ("DE")	\$ 196,448	\$ 562,337	\$ 390,912	\$ 338,485	\$ 312,673	59%	\$ 561,628	\$ 1,042,070	86%	
Add: Other Payables Attributable to Common Unitholders	20,012	61,237	2,204	28,498	17,694	(12)%	30,396	48,396	59%	
DE before Certain Payables ^(b)	216,460	623,574	393,116	366,983	330,367	53%	592,024	1,090,466	84%	
Percent to Common Unitholders	48%	51%	51%	51%	52%		47%	51%		
DE before Certain Payables Attributable to Common Unitholders	103,659	315,951	199,812	187,652	170,216	64%	279,253	557,680	100%	
Less: Other Payables Attributable to Common Unitholders	(20,012)	(61,237)	(2,204)	(28,498)	(17,694)	12%	(30,396)	(48,396)	(59)%	
DE Attributable to Common Unitholders	83,647	254,714	197,608	159,154	152,522	82%	248,857	509,284	105%	
DE per Common Unit^(c)	\$ 0.16	\$ 0.45	\$ 0.34	\$ 0.28	\$ 0.26	63%	\$ 0.48	\$ 0.88	83%	
Less: Retained Capital per Unit ^(d)	\$ (0.04)	\$ (0.11)	\$ (0.04)	\$ (0.05)	\$ (0.03)	25%	\$ (0.10)	\$ (0.12)	(20)%	
Net Cash Available for Distribution per Common Unit ^(c)	\$ 0.12	\$ 0.34	\$ 0.30	\$ 0.23	\$ 0.23	92%	\$ 0.38	\$ 0.76	100%	
Actual Distribution per Common Unit ^(c)	\$ 0.10	\$ 0.42	\$ 0.30	\$ 0.23	\$ 0.23	130%	\$ 0.30	\$ 0.76	153%	
Record Date					Oct 28, 2013					
Payable Date					Nov 4, 2013					

(a) A detailed description of Blackstone's distribution policy and the revised definition of Distributable Earnings can be found in Appendix – Definitions and Distribution Policy.

(b) 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.

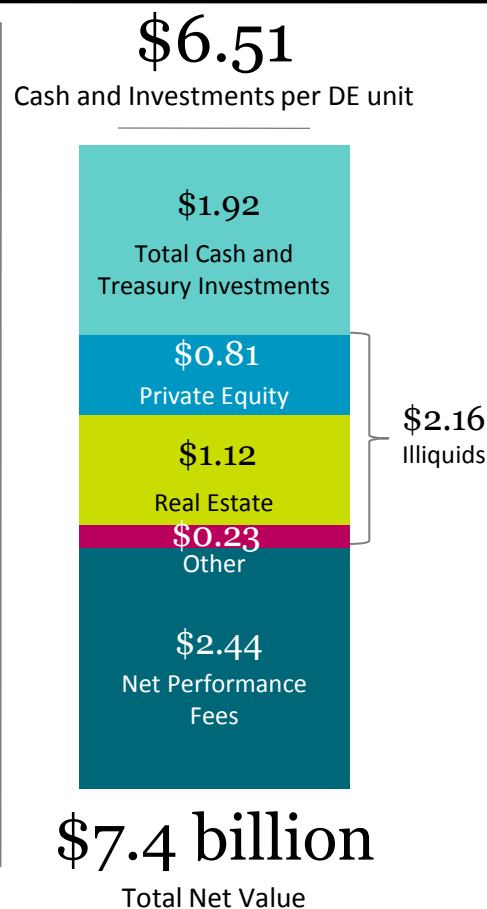
(c) Per Unit calculations are based on Total Common Units Outstanding (see Appendix – Unit Rollforward); actual distributions are paid to applicable unitholders as of the record date.

(d) Retained capital is withheld pro-rata from common and Blackstone Holdings Partnership unitholders. Common unitholders' share was \$17.2 million for 3Q'13 and \$66.9 million for YTD'13.

Balance Sheet Highlights^(a)

- ▶ At September 30, 2013, Blackstone had \$2.2 billion in total cash, corporate treasury and liquid investments and \$7.4 billion of total net value, or \$6.51 per DE unit, up 15% from \$5.66 a year ago.
- ▶ Blackstone's Net Performance Fees reached a record \$2.8 billion at the end of the quarter, up 35% year-over-year and over two times the amount from two years ago.
- ▶ Long-term debt of \$1.6 billion from the 2009, 2010 and 2012 bond issuances.
- ▶ There are currently no borrowings outstanding against the \$1.1 billion revolving credit facility expiring in 2017.

(Dollars in Millions)	2Q'13	3Q'13
Cash and Cash Equivalents	\$ 661	\$ 889
Treasury Cash Management Strategies	1,460	1,137
Liquid Investments ^(b)	145	151
Illiquid Investments ^(c)	2,318	2,447
Net Performance Fees	2,529	2,769
Total Net Value	\$ 7,113	\$ 7,393
Outstanding Bonds (at par) ^(d)	\$ 1,635	\$ 1,635



A/A+
rated by S&P / Fitch

\$1.1 billion
undrawn credit revolver with
July 2017 maturity

\$2.2 billion
total cash, corporate treasury
and liquid investments

(a) Preliminary, excludes the consolidated Blackstone funds. Totals may not add due to rounding.

(b) Primarily Blackstone investments in Hedge Fund Solutions and non-drawdown Credit.

(c) Illiquids include Blackstone investments in all drawdown funds in Private Equity, Real Estate and Credit.

(d) Senior notes of \$600 million issued August 2009 maturing on August 15, 2019 (6.625% coupon), \$400 million issued September 2010 maturing on March 15, 2021 (5.875% coupon), \$400 million issued August 2012 maturing on February 15, 2023 (4.750% coupon) and \$250 million issued August 2012 maturing on August 15, 2042 (6.250% coupon), net of \$15 million held by Blackstone.

GAAP Statement of Operations

(Dollars in Thousands, Except per Unit Data) (Unaudited)	3Q'12	3Q'13	% Change vs. 3Q'12	YTD'12	YTD'13	% Change vs. YTD'12
Revenues						
Management and Advisory Fees, Net	\$ 469,109	\$ 531,095	13%	\$ 1,428,833	\$ 1,591,951	11%
Performance Fees						
Realized Carried Interest	83,765	182,654	118%	153,254	660,112	331%
Realized Incentive Fees	11,588	30,884	167%	28,497	130,729	359%
Unrealized Carried Interest	403,465	290,052	(28)%	786,551	924,105	17%
Unrealized Incentive Fees	104,312	37,713	(64)%	155,011	144,449	(7)%
Total Performance Fees	603,130	541,303	(10)%	1,123,313	1,859,395	66%
Investment Income						
Realized	18,559	19,507	5%	40,652	137,350	238%
Unrealized	119,599	100,341	(16)%	181,906	263,141	45%
Total Investment Income	138,158	119,848	(13)%	222,558	400,491	80%
Interest and Dividend Revenue	10,278	19,892	94%	27,181	46,263	70%
Other	2,415	4,707	95%	443	5,688	n/m
Total Revenues	1,223,090	1,216,845	(1)%	2,802,328	3,903,788	39%
Expenses						
Compensation and Benefits						
Compensation	503,295	465,631	(7)%	1,531,917	1,396,042	(9)%
Performance Fee Compensation						
Realized Carried Interest	22,023	60,369	174%	37,860	225,716	496%
Realized Incentive Fees	4,457	14,599	228%	14,284	60,121	321%
Unrealized Carried Interest	128,863	82,341	(36)%	250,221	350,637	40%
Unrealized Incentive Fees	44,254	11,084	(75)%	47,437	58,646	24%
Total Compensation and Benefits	702,892	634,024	(10)%	1,881,719	2,091,162	11%
General, Administrative and Other	139,172	119,435	(14)%	417,675	346,106	(17)%
Interest Expense	19,074	26,268	38%	47,365	80,286	70%
Fund Expenses	(9,747)	6,678	n/m	28,243	18,714	(34)%
Total Expenses	851,391	786,405	(8)%	2,375,002	2,536,268	7%
Other Income (Loss)						
Net Gains (Losses) from Fund Investment Activities	(135,960)	87,952	n/m	400,412	196,128	(51)%
Income Before Provision for Taxes	\$ 235,739	\$ 518,392	120%	\$ 827,738	\$ 1,563,648	89%
Provision for Taxes	39,237	57,477	46%	119,327	164,552	38%
Net Income	\$ 196,502	\$ 460,915	135%	\$ 708,411	\$ 1,399,096	97%
Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	41,854	51,188	22%	78,447	135,870	73%
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	(157,607)	30,231	n/m	279,970	48,723	(83)%
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	183,431	208,332	14%	237,809	664,556	179%
Net Income Attributable to The Blackstone Group L.P. ("BX")	\$ 128,824	\$ 171,164	33%	\$ 112,185	\$ 549,947	390%
Net Income per Common Unit, Basic	\$ 0.24	\$ 0.29	21%	\$ 0.21	\$ 0.94	348%
Net Income per Common Unit, Diluted	\$ 0.24	\$ 0.29	21%	\$ 0.21	\$ 0.93	343%

Appendix

Total Segments

(Dollars in Thousands)	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13	YTD'12	YTD'13
Revenues							
Management and Advisory Fees, Net							
Base Management Fees	\$ 398,088	\$ 416,465	\$ 408,747	\$ 425,674	\$ 437,294	\$ 1,174,938	\$ 1,271,715
Advisory Fees	59,951	128,248	67,020	120,734	83,602	229,169	271,356
Transaction and Other Fees, Net ^(a)	45,126	94,069	37,974	66,464	42,806	133,050	147,244
Management Fee Offsets ^(b)	(8,454)	(11,476)	(9,662)	(10,535)	(8,271)	(29,477)	(28,468)
Total Management and Advisory Fees, Net	494,711	627,306	504,079	602,337	555,431	1,507,680	1,661,847
Performance Fees							
Realized Carried Interest	83,765	174,168	294,170	183,288	182,654	153,254	660,112
Realized Incentive Fees	11,620	272,873	24,727	74,867	31,238	28,591	130,832
Unrealized Carried Interest	403,465	207,639	177,347	456,706	290,052	786,551	924,105
Unrealized Incentive Fees	104,149	(184,507)	107,755	4,358	40,992	155,196	153,105
Total Performance Fees	602,999	470,173	603,999	719,219	544,936	1,123,592	1,868,154
Investment Income							
Realized	25,098	37,448	38,110	54,586	11,492	57,950	104,188
Unrealized	82,334	74,222	96,661	42,533	87,680	116,624	226,874
Total Investment Income	107,432	111,670	134,771	97,119	99,172	174,574	331,062
Interest Income and Dividend Revenue	12,004	14,890	14,661	15,342	21,539	31,740	51,542
Other	2,477	4,707	2,143	(1,164)	4,708	442	5,687
Total Revenues	1,219,623	1,228,746	1,259,653	1,432,853	1,225,786	2,838,028	3,918,292
Expenses							
Compensation	259,561	247,559	266,977	306,477	279,498	783,217	852,952
Performance Fee Compensation							
Realized Carried Interest	22,023	58,573	89,437	75,910	60,369	37,860	225,716
Realized Incentive Fees	4,457	125,758	10,508	35,014	14,599	14,284	60,121
Unrealized Carried Interest	128,863	71,378	95,472	172,824	82,341	250,221	350,637
Unrealized Incentive Fees	44,254	(91,965)	44,478	3,084	11,084	47,437	58,646
Total Compensation and Benefits	459,158	411,303	506,872	593,309	447,891	1,133,019	1,548,072
Other Operating Expenses	127,456	131,430	114,444	120,152	122,872	350,015	357,468
Total Expenses	586,614	542,733	621,316	713,461	570,763	1,483,034	1,905,540
Economic Income	\$ 633,009	\$ 686,013	\$ 638,337	\$ 719,392	\$ 655,023	\$ 1,354,994	\$ 2,012,752
Economic Net Income	\$ 621,752	\$ 669,981	\$ 628,306	\$ 703,240	\$ 640,231	\$ 1,325,318	\$ 1,971,777
Fee Related Earnings	\$ 135,052	\$ 272,604	\$ 137,733	\$ 168,434	\$ 178,596	\$ 427,709	\$ 484,763
Distributable Earnings	\$ 196,448	\$ 562,337	\$ 390,912	\$ 338,485	\$ 312,673	\$ 561,628	\$ 1,042,070
Total Assets Under Management	\$ 204,551,572	\$ 210,219,960	\$ 218,210,672	\$ 229,571,741	\$ 248,064,888	\$ 204,551,572	\$ 248,064,888
Fee-Earning Assets Under Management	\$ 168,630,082	\$ 167,880,440	\$ 170,949,347	\$ 176,338,947	\$ 188,649,817	\$ 168,630,082	\$ 188,649,817
Weighted Average Fee-Earning AUM	\$ 162,377,631	\$ 168,328,454	\$ 169,551,186	\$ 173,706,678	\$ 185,628,676	\$ 157,608,079	\$ 182,031,703
LP Capital Invested	\$ 3,085,441	\$ 5,690,474	\$ 1,784,463	\$ 3,634,404	\$ 3,378,067	\$ 8,208,497	\$ 8,796,934
Total Capital Invested	\$ 3,754,061	\$ 6,200,755	\$ 1,840,474	\$ 3,757,591	\$ 3,536,365	\$ 9,414,094	\$ 9,134,430

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners including, for Private Equity, broken deal expenses.

(b) Primarily placement fees.

Private Equity

(Dollars in Thousands)	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13	YTD'12	YTD'13
Revenues							
Management Fees, Net							
Base Management Fees	\$ 86,136	\$ 89,194	\$ 86,246	\$ 86,621	\$ 95,281	\$ 259,400	\$ 268,148
Transaction and Other Fees, Net ^(a)	25,693	41,339	24,453	38,348	16,052	58,741	78,853
Management Fee Offsets ^(b)	(767)	(705)	(480)	(1,950)	(2,080)	(5,221)	(4,510)
Total Management Fees, Net	111,062	129,828	110,219	123,019	109,253	312,920	342,491
Performance Fees							
Realized Carried Interest	31,592	45,491	139,892	3,899	85,121	64,306	228,912
Unrealized Carried Interest	128,746	73,477	(83,954)	182,926	(86,300)	74,904	12,672
Total Performance Fees	160,338	118,968	55,938	186,825	(1,179)	139,210	241,584
Investment Income							
Realized	7,189	10,918	24,162	21,586	11,495	14,905	57,243
Unrealized	43,267	53,938	31,711	21,088	23,621	31,399	76,420
Total Investment Income	50,456	64,856	55,873	42,674	35,116	46,304	133,663
Interest Income and Dividend Revenue	3,413	4,609	2,984	3,251	5,231	8,947	11,466
Other	1,650	420	424	366	1,521	1,997	2,311
Total Revenues	326,919	318,681	225,438	356,135	149,942	509,378	731,515
Expenses							
Compensation	62,424	53,963	60,203	63,747	55,800	168,746	179,750
Performance Fee Compensation							
Realized Carried Interest	1,048	1,507	16,246	877	19,824	2,172	36,947
Unrealized Carried Interest	43,228	24,638	16,619	88,111	(36,198)	33,917	68,532
Total Compensation and Benefits	106,700	80,108	93,068	152,735	39,426	204,835	285,229
Other Operating Expenses	30,944	40,499	29,168	32,178	30,024	90,346	91,370
Total Expenses	137,644	120,607	122,236	184,913	69,450	295,181	376,599
Economic Income	\$ 189,275	\$ 198,074	\$ 103,202	\$ 171,222	\$ 80,492	\$ 214,197	\$ 354,916
Total Assets Under Management	\$ 50,222,312	\$ 51,002,973	\$ 52,491,811	\$ 53,287,294	\$ 62,619,813	\$ 50,222,312	\$ 62,619,813
Fee-Earning Assets Under Management	\$ 38,505,497	\$ 37,050,167	\$ 36,785,770	\$ 36,635,224	\$ 43,645,106	\$ 38,505,497	\$ 43,645,106
Weighted Average Fee-Earning AUM	\$ 38,096,139	\$ 38,507,697	\$ 36,907,936	\$ 36,675,636	\$ 43,886,763	\$ 37,745,618	\$ 44,293,199
LP Capital Invested	\$ 1,015,605	\$ 1,461,987	\$ 276,987	\$ 749,290	\$ 524,320	\$ 1,761,548	\$ 1,550,597
Total Capital Invested	\$ 1,427,871	\$ 1,860,738	\$ 291,011	\$ 780,339	\$ 548,173	\$ 2,216,883	\$ 1,619,523

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners including, for Private Equity, broken deal expenses.

(b) Primarily placement fees.

Real Estate

(Dollars in Thousands)	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13	YTD'12	YTD'13
Revenues							
Management Fees, Net							
Base Management Fees	\$ 135,659	\$ 140,044	\$ 138,346	\$ 137,000	\$ 136,721	\$ 411,278	\$ 412,067
Transaction and Other Fees, Net ^(a)	14,937	31,181	9,140	19,013	19,205	54,500	47,358
Management Fee Offsets ^(b)	(6,034)	(8,591)	(7,286)	(6,312)	(2,385)	(20,018)	(15,983)
Total Management Fees, Net	144,562	162,634	140,200	149,701	153,541	445,760	443,442
Performance Fees							
Realized Carried Interest	51,845	91,113	68,773	143,481	93,878	74,001	306,132
Realized Incentive Fees	4,879	13,012	3,092	31,102	3,737	12,644	37,931
Unrealized Carried Interest	207,695	110,059	280,076	259,972	340,406	573,705	880,454
Unrealized Incentive Fees	6,150	(12,657)	2,400	(32,279)	2,481	12,538	(27,398)
Total Performance Fees	270,569	201,527	354,341	402,276	440,502	672,888	1,197,119
Investment Income							
Realized	10,324	18,099	9,534	18,577	928	27,203	29,039
Unrealized	33,676	16,343	60,303	30,636	57,656	74,532	148,595
Total Investment Income	44,000	34,442	69,837	49,213	58,584	101,735	177,634
Interest Income and Dividend Revenue	3,581	5,038	4,298	4,396	6,060	9,410	14,754
Other	1,941	252	(133)	(274)	2,113	642	1,706
Total Revenues	464,653	403,893	568,543	605,312	660,800	1,230,435	1,834,655
Expenses							
Compensation	71,456	54,201	69,459	73,792	75,346	216,921	218,597
Performance Fee Compensation							
Realized Carried Interest	19,822	35,118	25,863	55,005	38,942	27,300	119,810
Realized Incentive Fees	2,570	6,617	1,724	15,733	1,919	6,443	19,376
Unrealized Carried Interest	47,940	31,590	89,057	78,604	99,323	133,892	266,984
Unrealized Incentive Fees	2,876	(6,598)	1,034	(16,329)	615	6,015	(14,680)
Total Compensation and Benefits	144,664	120,928	187,137	206,805	216,145	390,571	610,087
Other Operating Expenses	31,284	36,946	28,462	27,617	30,614	86,768	86,693
Total Expenses	175,948	157,874	215,599	234,422	246,759	477,339	696,780
Economic Income	\$ 288,705	\$ 246,019	\$ 352,944	\$ 370,890	\$ 414,041	\$ 753,096	\$ 1,137,875
Total Assets Under Management	\$ 53,546,023	\$ 56,695,645	\$ 59,475,215	\$ 63,919,906	\$ 68,964,455	\$ 53,546,023	\$ 68,964,455
Fee-Earning Assets Under Management	\$ 40,609,286	\$ 41,931,339	\$ 42,140,507	\$ 43,635,493	\$ 44,715,985	\$ 40,609,286	\$ 44,715,985
Weighted Average Fee-Earning AUM	\$ 38,947,049	\$ 40,164,238	\$ 41,682,661	\$ 42,523,604	\$ 44,163,396	\$ 37,078,418	\$ 42,928,397
LP Capital Invested	\$ 1,342,811	\$ 3,876,701	\$ 1,175,775	\$ 2,213,668	\$ 2,365,224	\$ 4,341,474	\$ 5,754,667
Total Capital Invested	\$ 1,397,249	\$ 3,990,620	\$ 1,202,736	\$ 2,274,853	\$ 2,438,725	\$ 4,524,863	\$ 5,916,314

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners.

(b) Primarily placement fees.

Hedge Fund Solutions

(Dollars in Thousands)	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13	YTD'12	YTD'13
Revenues							
Management Fees, Net							
Base Management Fees	\$ 87,334	\$ 92,777	\$ 92,791	\$ 100,113	\$ 103,392	\$ 253,433	\$ 296,296
Transaction and Other Fees, Net ^(a)	4	27	4	61	295	161	360
Management Fee Offsets ^(b)	(382)	(322)	(324)	(714)	(1,200)	(1,092)	(2,238)
Total Management Fees, Net	86,956	92,482	92,471	99,460	102,487	252,502	294,418
Performance Fees							
Realized Incentive Fees	2,637	76,323	13,709	13,845	5,320	7,110	32,874
Unrealized Incentive Fees	36,635	(39,799)	55,501	20,989	29,208	48,841	105,698
Total Performance Fees	39,272	36,524	69,210	34,834	34,528	55,951	138,572
Investment Income							
Realized	637	5,201	852	13,668	(598)	2,069	13,922
Unrealized	5,199	(1,417)	3,913	(12,054)	6,439	9,934	(1,702)
Total Investment Income	5,836	3,784	4,765	1,614	5,841	12,003	12,220
Interest Income and Dividend Revenue	540	718	1,216	1,878	2,523	1,421	5,617
Other	315	3,601	85	(254)	595	215	426
Total Revenues	132,919	137,109	167,747	137,532	145,974	322,092	451,253
Expenses							
Compensation	28,826	28,113	33,868	36,844	37,611	91,618	108,323
Performance Fee Compensation							
Realized Incentive Fees	1,062	20,985	5,022	5,116	1,954	2,095	12,092
Unrealized Incentive Fees	8,062	(11,219)	19,836	7,666	10,177	12,536	37,679
Total Compensation and Benefits	37,950	37,879	58,726	49,626	49,742	106,249	158,094
Other Operating Expenses	12,878	16,491	15,159	16,535	19,575	41,318	51,269
Total Expenses	50,828	54,370	73,885	66,161	69,317	147,567	209,363
Economic Income	\$ 82,091	\$ 82,739	\$ 93,862	\$ 71,371	\$ 76,657	\$ 174,525	\$ 241,890
Total Assets Under Management	\$ 46,218,618	\$ 46,092,505	\$ 48,187,865	\$ 50,128,028	\$ 53,162,174	\$ 46,218,618	\$ 53,162,174
Fee-Earning Assets Under Management	\$ 43,601,541	\$ 43,478,791	\$ 45,585,454	\$ 47,572,465	\$ 50,829,734	\$ 43,601,541	\$ 50,829,734
Weighted Average Fee-Earning AUM	\$ 42,005,752	\$ 43,709,019	\$ 44,999,899	\$ 46,783,727	\$ 48,933,335	\$ 41,016,254	\$ 47,203,844
LP Capital Invested	\$ 196,180	\$ -	\$ 55,849	\$ 118,323	\$ 248,422	\$ 200,841	\$ 422,594
Total Capital Invested	\$ 207,250	\$ -	\$ 59,000	\$ 125,000	\$ 262,309	\$ 212,752	\$ 446,309

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners.

(b) Primarily placement fees.

Credit

(Dollars in Thousands)	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13	YTD'12	YTD'13
Revenues							
Management Fees, Net							
Base Management Fees	\$ 88,959	\$ 94,450	\$ 91,364	\$ 101,940	\$ 101,900	\$ 250,827	\$ 295,204
Transaction and Other Fees, Net ^(a)	4,486	21,480	4,374	9,002	7,058	19,395	20,434
Management Fee Offsets ^(b)	(1,271)	(1,858)	(1,572)	(1,559)	(2,606)	(3,146)	(5,737)
Total Management Fees, Net	92,174	114,072	94,166	109,383	106,352	267,076	309,901
Performance Fees							
Realized Carried Interest	328	37,564	85,505	35,908	3,655	14,947	125,068
Realized Incentive Fees	4,104	183,538	7,926	29,920	22,181	8,837	60,027
Unrealized Carried Interest	67,024	24,103	(18,775)	13,808	35,946	137,942	30,979
Unrealized Incentive Fees	61,364	(132,051)	49,854	15,648	9,303	93,817	74,805
Total Performance Fees	132,820	113,154	124,510	95,284	71,085	255,543	290,879
Investment Income (Loss)							
Realized	6,697	2,593	3,328	901	496	13,018	4,725
Unrealized	(736)	5,450	1,093	4,381	(1,042)	(681)	4,432
Total Investment Income (Loss)	5,961	8,043	4,421	5,282	(546)	12,337	9,157
Interest Income and Dividend Revenue	2,673	2,480	4,547	4,071	5,288	6,850	13,906
Other	(678)	529	1,828	(1,063)	(357)	(1,703)	408
Total Revenues	232,950	238,278	229,472	212,957	181,822	540,103	624,251
Expenses							
Compensation	50,236	51,853	45,521	55,941	53,250	130,224	154,712
Performance Fee Compensation							
Realized Carried Interest	1,153	21,948	47,328	20,028	1,603	8,388	68,959
Realized Incentive Fees	825	98,156	3,762	14,165	10,726	5,746	28,653
Unrealized Carried Interest	37,695	15,150	(10,204)	6,109	19,216	82,412	15,121
Unrealized Incentive Fees	33,316	(74,148)	23,608	11,747	292	28,886	35,647
Total Compensation and Benefits	123,225	112,959	110,015	107,990	85,087	255,656	303,092
Other Operating Expenses	33,527	18,116	20,962	22,961	23,451	66,372	67,374
Total Expenses	156,752	131,075	130,977	130,951	108,538	322,028	370,466
Economic Income	\$ 76,198	\$ 107,203	\$ 98,495	\$ 82,006	\$ 73,284	\$ 218,075	\$ 253,785
Total Assets Under Management	\$ 54,564,619	\$ 56,428,837	\$ 58,055,781	\$ 62,236,513	\$ 63,318,446	\$ 54,564,619	\$ 63,318,446
Fee-Earning Assets Under Management	\$ 45,913,758	\$ 45,420,143	\$ 46,437,616	\$ 48,495,765	\$ 49,458,992	\$ 45,913,758	\$ 49,458,992
Weighted Average Fee-Earning AUM	\$ 43,328,691	\$ 45,947,499	\$ 45,960,690	\$ 47,723,711	\$ 48,645,182	\$ 41,767,789	\$ 47,606,263
LP Capital Invested	\$ 530,845	\$ 351,786	\$ 275,852	\$ 553,123	\$ 240,101	\$ 1,904,634	\$ 1,069,076
Total Capital Invested	\$ 721,691	\$ 349,397	\$ 287,727	\$ 577,399	\$ 287,158	\$ 2,459,596	\$ 1,152,284

(a) Transaction and Other Fees, Net, are net of amounts, if any, shared with limited partners.

(b) Primarily placement fees.

Financial Advisory

(Dollars in Thousands)	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13	YTD'12	YTD'13
Revenues							
Advisory Fees	\$ 59,951	\$ 128,248	\$ 67,020	\$ 120,734	\$ 83,602	\$ 229,169	\$ 271,356
Transaction and Other Fees, Net	6	42	3	40	196	253	239
Total Advisory and Transaction Fees	59,957	128,290	67,023	120,774	83,798	229,422	271,595
Investment Income (Loss)							
Realized	251	637	234	(146)	(829)	755	(741)
Unrealized	928	(92)	(359)	(1,518)	1,006	1,440	(871)
Total Investment Income (Loss)	1,179	545	(125)	(1,664)	177	2,195	(1,612)
Interest Income and Dividend Revenue	1,797	2,045	1,616	1,746	2,437	5,112	5,799
Other	(751)	(95)	(61)	61	836	(709)	836
Total Revenues	62,182	130,785	68,453	120,917	87,248	236,020	276,618
Expenses							
Compensation	46,619	59,429	57,926	76,153	57,491	175,708	191,570
Total Compensation and Benefits	46,619	59,429	57,926	76,153	57,491	175,708	191,570
Other Operating Expenses	18,823	19,378	20,693	20,861	19,208	65,211	60,762
Total Expenses	65,442	78,807	78,619	97,014	76,699	240,919	252,332
Economic Income (Loss)	\$ (3,260)	\$ 51,978	\$ (10,166)	\$ 23,903	\$ 10,549	\$ (4,899)	\$ 24,286

Fee-Earning Assets Under Management Flows

- ▶ **Fee-Earning AUM:** up \$20.0 billion or 12% from a year ago driven mainly by continued strong inflows and market appreciation totaling \$46.5 billion, which more than offset \$17.5 billion of realizations and \$8.9 billion of outflows.
- ▶ **Private Equity:** up \$5.1 billion or 13% from a year ago driven by the acquisition of Strategic Partners which added \$6.9 billion of Fee-Earning AUM in the current quarter, partially offset by \$4.2 billion of realizations.
- ▶ **Real Estate:** grew 10% during the past year driven by fundraising for several investment vehicles, the BXMT transaction and secondary offering, and fee-paying co-investment capital, partially offset by \$5.8 billion of realizations and outflows.
- ▶ **Hedge Fund Solutions:** continued solid growth with \$2.2 billion of net inflows during the quarter, bringing the last twelve months to \$3.9 billion of net inflows and \$3.3 billion of market appreciation.
- ▶ **Credit:** up \$3.5 billion or 8% during the past year primarily due to new fund launches, capital raised across our long-only platform, capital invested in our carry funds and market appreciation.

3Q'13 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
2Q'13	\$ 36,635	\$ 43,635	\$ 47,572	\$ 48,496	\$ 176,339
Inflows ^(a)	7,806	2,645	3,011	3,406	16,869
Outflows ^(b)	(155)	(984)	(797)	(703)	(2,639)
Realizations ^(c)	(660)	(541)	-	(2,381)	(3,582)
Net Inflows	6,991	1,120	2,214	322	10,648
Market Activity ^(d)	18	(40)	1,043	641	1,663
3Q'13	\$ 43,645	\$ 44,716	\$ 50,830	\$ 49,459	\$ 188,650
QoQ Increase	19%	2%	7%	2%	7%

LTM Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
3Q'12	\$ 38,505	\$ 40,609	\$ 43,602	\$ 45,914	\$ 168,630
Inflows ^(a)	9,514	10,010	7,799	14,149	41,472
Outflows ^(b)	(155)	(2,469)	(3,917)	(2,385)	(8,926)
Realizations ^(c)	(4,236)	(3,297)	-	(9,976)	(17,509)
Net Inflows	5,123	4,244	3,882	1,788	15,038
Market Activity ^(d)	16	(138)	3,347	1,757	4,982
3Q'13	\$ 43,645	\$ 44,716	\$ 50,830	\$ 49,459	\$ 188,650
YoY Increase	13%	10%	17%	8%	12%

Totals may not add due to rounding.

(a) Inflows: include contributions, capital raised, other increases in available capital, purchases and acquisitions.

(b) Outflows: represent redemptions, client withdrawals and other decreases in available capital.

(c) Realizations: represent realizations from the disposition of assets.

(d) Market Activity: gains (losses) on portfolio investments and impact of foreign exchange rate fluctuations.

Total Assets Under Management Flows

- ▶ **Total AUM:** up \$43.5 billion or 21% from a year ago driven by strong inflows and market appreciation across Blackstone's investment segments.
 - Realization activity continued to improve and the funds returned \$8.6 billion to investors during the quarter and \$34.2 billion during the last twelve months.
- ▶ **Private Equity:** up 25% over the last twelve months driven by the acquisition of Strategic Partners, fundraising and market appreciation, which more than offset \$8.7 billion of realizations and outflows.
- ▶ **Real Estate:** grew 29% during the past year driven by fundraising from several investment vehicles, the BXMT transaction and secondary offering, co-investment capital and market appreciation, partially offset by \$7.4 billion of realizations and outflows.
- ▶ **Hedge Fund Solutions:** increased 15% over the last twelve months due to strong net inflows and \$3.6 billion of market appreciation driven by solid returns.
- ▶ **Credit:** grew 16% during the past year due to strong net inflows, new fund launches and favorable market performance.

3Q'13 Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
2Q'13	\$ 53,287	\$ 63,920	\$ 50,128	\$ 62,237	\$ 229,572
Inflows ^(a)	10,451	4,030	2,780	3,397	20,658
Outflows ^(b)	(177)	(99)	(831)	(792)	(1,899)
Realizations ^(c)	(2,485)	(1,657)	-	(2,599)	(6,740)
Net Inflows	7,789	2,275	1,949	7	12,018
Market Activity ^(d)	1,544	2,770	1,086	1,075	6,475
3Q'13	\$ 62,620	\$ 68,964	\$ 53,162	\$ 63,318	\$ 248,065
<i>QoQ Increase</i>	<i>18%</i>	<i>8%</i>	<i>6%</i>	<i>2%</i>	<i>8%</i>

LTM Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
3Q'12	\$ 50,222	\$ 53,546	\$ 46,219	\$ 54,565	\$ 204,552
Inflows ^(a)	12,600	13,614	7,515	19,212	52,941
Outflows ^(b)	(618)	(716)	(4,130)	(2,702)	(8,165)
Realizations ^(c)	(8,043)	(6,711)	-	(11,290)	(26,045)
Net Inflows	3,939	6,188	3,385	5,219	18,731
Market Activity ^(d)	8,458	9,231	3,559	3,535	24,782
3Q'13	\$ 62,620	\$ 68,964	\$ 53,162	\$ 63,318	\$ 248,065
<i>YoY Increase</i>	<i>25%</i>	<i>29%</i>	<i>15%</i>	<i>16%</i>	<i>21%</i>

Totals may not add due to rounding.

(a) Inflows: include contributions, capital raised, other increases in available capital, purchases and acquisitions.

(b) Outflows: represent redemptions, client withdrawals and other decreases in available capital.

(c) Realizations: represent realizations from the disposition of assets.

(d) Market Activity: gains (losses) on portfolio investments and impact of foreign exchange rate fluctuations.

Net Accrued Performance Fees and Carried Interest Status^(a)

- ▶ Blackstone had \$2.8 billion of accrued performance fees, net of performance fee compensation, as of the end of the third quarter.
- ▶ BCP V and BREP Int'l II were below their respective carried interest thresholds as of quarter end.

(Dollars in Millions, Except per Unit Data)	2Q'13	3Q'13	Per Unit ^(c)	Change vs. 2Q'13	Carried Interest Status (excl. SBS) ^(d)				
					Remaining Capital		Gain to Cross Carry Threshold		
					(Dollars / Euros In Millions)	@ FMV	@ Cost	Amount	% Change in TEV
Private Equity					Private Equity				
BCP IV Carried Interest	\$ 500	\$ 506	\$ 0.45	\$ 6	BCP V	\$ 19,215	\$ 14,530	\$ 3,234	7%
BCP VI Carried Interest	63	15	0.01	(48)					
BEP Carried Interest	67	62	0.05	(5)	Real Estate				
Tactical Opportunities Carried Interest	3	5	0.00	2	BREP Int'l II	€ 1,162	€ 1,129	€ 1,009	25%
SP V	-	1	0.00	1					
Total Private Equity	633	589	0.52	(44)					
Real Estate									
BREP V Carried Interest	552	616	0.54	64					
BREP VI Carried Interest	740	857	0.76	117					
BREP VII Carried Interest	189	248	0.22	59					
BREP Int'l I Carried Interest	2	2	0.00	0					
BREP Europe III Carried Interest	105	128	0.11	23					
BREDS Carried Interest	22	21	0.02	(1)					
BREDS Incentive Fees	7	2	0.00	(5)					
Asia Platform Incentive Fees	18	16	0.01	(2)					
Total Real Estate	1,635	1,890	1.67	255					
Hedge Fund Solutions									
Incentive Fees	67	75	0.07	8					
Total Hedge Fund Solutions	67	75	0.07	8					
Credit									
Carried Interest	129	143	0.13	14					
Incentive Fees	65	72	0.06	7					
Total Credit	194	215	0.19	21					
Total Blackstone									
Carried Interest	2,372	2,604	2.29	232					
Incentive Fees	157	165	0.15	8					
Net Accrued Performance Fees	\$ 2,529	\$ 2,769	\$ 2.44	\$ 240					
<i>Memo: Net Realized Performance Fees</i>	<i>\$ 38</i>	<i>\$ 64</i>	<i>\$ 0.06</i>	<i>\$ 26</i>					

\$2.8 billion

Net Accrued Performance Fees at 3Q'13

\$2.44 per unit^(c)

Net Accrued Performance Fees at 3Q'13

35% increase

in Net Accrued Performance Fees since 3Q'12

(a) Preliminary. Totals may not add due to rounding.

(b) Net Accrued Performance Fees are presented net of performance fee compensation and do not include clawback amounts, if any, which are disclosed in the 10-K/Q. As of 3Q 13, \$64 million of Net Accrued Performance Fees, primarily attributable to Real Estate, have been realized and included in Distributable Earnings. When these fees are received, the receivable will be reduced without further impacting Distributable Earnings.

(c) Per Unit calculations are based on quarter end Distributable Earnings Units Outstanding (see Appendix – Unit Rollforward).

(d) Represents the required increase in equity at the fund level (excluding side-by-side investments) for funds with expired investment periods that are currently not generating performance fees.

Investment Records as of September 30, 2013^(a)

(Dollars in Thousands, Except Where Noted)	Committed Capital	Available Capital (b)	Unrealized Investments			Realized Investments		Total Investments		Net IRRs (e)		
			Value	MOIC (c)	% Public (d)	Value	MOIC (c)	Value	MOIC (c)	Realized	Total	
Private Equity												
BCP I (Oct 1987 / Oct 1993)	\$ 859,081	\$ -	\$ -	n/a	-	\$ 1,741,738	2.6x	\$ 1,741,738	2.6x	19%	19%	
BCP II (Oct 1993 / Aug 1997)	1,361,100	-	-	n/a	-	3,256,819	2.5x	3,256,819	2.5x	32%	32%	
BCP III (Aug 1997 / Nov 2002)	3,967,422	-	-	n/a	-	9,184,688	2.3x	9,184,688	2.3x	14%	14%	
BCOM (Jun 2000 / Jun 2006)	2,137,330	199,298	236,534	0.8x	12%	2,594,278	1.4x	2,830,812	1.3x	8%	6%	
BCP IV (Nov 2002 / Dec 2005)	6,773,138	239,535	4,923,637	2.1x	39%	15,921,587	3.1x	20,845,224	2.8x	50%	37%	
BCP V (Dec 2005 / Jan 2011)	21,035,590	1,547,819	20,733,168	1.4x	31%	6,393,995	1.3x	27,127,163	1.4x	4%	5%	
BCP VI (Jan 2011 / Jan 2016)	15,174,607	10,693,266	4,208,180	1.2x	21%	376,709	1.7x	4,584,889	1.3x	45%	8%	
BEP (Aug 2011 / Aug 2017)	2,429,415	1,497,114	1,027,967	2.2x	48%	208,415	1.4x	1,236,382	2.0x	19%	57%	
Total Core Private Equity	\$ 53,737,683	\$ 14,177,032	\$ 31,129,486	1.4x	31%	\$ 39,678,229	2.2x	\$ 70,807,715	1.8x	21%	15%	
Tactical Opportunities	3,523,679	2,882,867	731,033	1.1x	7%	110,534	1.1x	841,567	1.1x	18%	13%	
Strategic Partners	12,467,267	2,651,187	6,441,264	1.4x	n/m	8,836,356	1.4x	15,277,620	1.4x	n/a	14%	
Other Funds and Co-Invest (f)	1,130,264	149,421	449,991	0.6x	60%	20,890	1.0x	470,881	0.6x	n/m	n/m	
Total Private Equity	\$ 70,858,893	\$ 19,860,507	\$ 38,751,774	1.4x	31%	\$ 48,646,009	2.0x	\$ 87,397,783	1.7x	21%	15%	
Real Estate												
Dollar												
Pre-BREP	\$ 140,714	\$ -	\$ -	n/a	-	\$ 345,190	2.5x	\$ 345,190	2.5x	33%	33%	
BREP I (Sep 1994 / Oct 1996)	380,708	-	-	n/a	-	1,327,708	2.8x	1,327,708	2.8x	40%	40%	
BREP II (Oct 1996 / Mar 1999)	1,198,339	-	-	n/a	-	2,531,613	2.1x	2,531,613	2.1x	19%	19%	
BREP III (Apr 1999 / Apr 2003)	1,522,708	-	2,161	0.1x	-	3,325,133	2.4x	3,327,294	2.4x	22%	21%	
BREP IV (Apr 2003 / Dec 2005)	2,198,694	-	1,324,589	0.9x	-	3,019,302	2.4x	4,343,891	1.6x	72%	14%	
BREP V (Dec 2005 / Feb 2007)	5,538,579	243,946	7,916,980	1.8x	-	2,415,921	1.7x	10,332,901	1.8x	41%	10%	
BREP VI (Feb 2007 / Aug 2011)	11,056,740	679,208	16,124,116	1.7x	1%	2,996,023	2.1x	19,120,139	1.8x	32%	11%	
BREP VII (Aug 2011 / Feb 2017)	13,403,431	7,144,655	8,700,115	1.4x	-	1,427,799	1.6x	10,127,914	1.4x	44%	30%	
Total Global Real Estate Funds	\$ 35,439,913	\$ 8,067,809	\$ 34,067,961	1.6x	1%	\$ 17,388,689	2.1x	\$ 51,456,650	1.7x	28%	16%	
Euro												
BREP Int'I (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ 104,405	1.2x	-	€ 1,235,480	2.2x	€ 1,339,885	2.0x	25%	23%	
BREP Int'I II (Sep 2005 / Jun 2008)	1,627,954	80,575	1,271,454	1.1x	-	198,004	1.2x	1,469,458	1.1x	3%	-	
BREP Europe III (Jun 2008 / Dec 2013)	3,203,646	676,744	3,673,034	1.4x	-	179,011	1.4x	3,852,045	1.4x	20%	17%	
Total Euro Real Estate Funds	€ 5,655,772	€ 757,319	€ 5,048,893	1.3x	-	\$ 1,612,495	1.9x	€ 6,661,388	1.4x	24%	9%	
BREP Co-Investment (g)	5,160,715	-	7,167,351	1.5x	-	683,569	1.5x	7,850,920	1.5x	12%	13%	
BREP Asia (Jun 2013 / Dec 2017)	1,447,326	1,215,732	275,332	1.1x	-	-	n/a	275,332	1.1x	n/a	207%	
Total Real Estate	\$ 49,179,915	\$ 10,308,193	\$ 48,289,209	1.5x	0%	\$ 20,107,182	2.1x	\$ 68,396,391	1.6x	27%	15%	
BREDS I	2,838,485	482,622	2,085,338	1.4x	-	2,161,553	1.3x	4,246,891	1.3x	17%	13%	
BREDS II	3,332,777	2,691,799	655,406	1.0x	-	-	n/a	655,406	1.0x	n/a	n/m	
Total BREDS (h)	6,171,262	3,174,421	2,740,744	n/m	-	2,161,553	n/m	4,902,297	n/m	n/m	n/m	
Credit (i)												
Mezzanine	\$ 6,120,000	\$ 3,067,259	\$ 3,043,168	1.3x	-	\$ 3,662,048	1.6x	\$ 6,705,216	1.5x	n/a	19%	
Rescue Lending	8,378,143	5,386,524	4,031,530	1.4x	-	1,456,572	1.1x	5,488,102	1.3x	n/a	15%	
Total Credit	\$ 14,498,143	\$ 8,453,783	\$ 7,074,698	1.4x	-	\$ 5,118,620	1.4x	\$ 12,193,318	1.4x			

Investment Records as of September 30, 2013 – Notes

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

n/m Not meaningful.

n/a Not applicable.

(a) Preliminary.

(b) Available Capital represents total investable capital commitments, including side-by-side, adjusted for certain expenses and expired or callable capital, less invested capital. This amount is not reduced by outstanding commitments to investments.

(c) Multiple of Invested Capital (“MOIC”) represents carrying value, before management fees, expenses and Carried Interest, divided by invested capital.

(d) Strategic Partners is excluded from the total percent of unrealized value in public companies due to the nature of the investments made from its funds.

(e) Net Internal Rate of Return (“IRR”) represents the annualized inception to September 30, 2013 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest.

(f) Returns for Other Funds and Co-Invest are not meaningful as these funds have no or little realizations.

(g) 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.

(h) Excludes Capital Trust drawdown funds. Returns and MOICs for Total BREDS are not applicable or not meaningful as BREDS II commenced its investment period in May 2013.

(i) The Total Investments MOIC for Mezzanine and Rescue Lending Funds, excluding recycled capital during the investment period, was 1.9x and 1.5x, respectively.

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13	YTD'12	YTD'13
Net Income Attributable to The Blackstone Group L.P.	\$ 128,824	\$ 106,413	\$ 167,635	\$ 211,148	\$ 171,164	\$ 112,185	\$ 549,947
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	183,431	169,918	207,090	249,134	208,332	237,809	664,556
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	(157,607)	(180,011)	(9,452)	27,944	30,231	279,970	48,723
Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	41,854	25,151	62,316	22,366	51,188	78,447	135,870
Net Income	\$ 196,502	\$ 121,471	\$ 427,589	\$ 510,592	\$ 460,915	\$ 708,411	\$ 1,399,096
Provision for Taxes	39,237	65,696	50,993	56,082	57,477	119,327	164,552
Income Before Provision for Taxes	\$ 235,739	\$ 187,167	\$ 478,582	\$ 566,674	\$ 518,392	\$ 827,738	\$ 1,563,648
IPO and Acquisition-Related Charges ^(a)	248,179	317,499	186,962	178,706	190,525	762,012	556,193
Amortization of Intangibles ^(b)	33,338	26,487	25,657	24,322	27,525	123,661	77,504
(Income) Loss Associated with Non-Controlling Interests in (Income) Loss of Consolidated Entities ^(c)	115,753	154,860	(52,864)	(50,310)	(81,419)	(358,417)	(184,593)
Economic Income	\$ 633,009	\$ 686,013	\$ 638,337	\$ 719,392	\$ 655,023	\$ 1,354,994	\$ 2,012,752
Taxes ^(d)	(11,257)	(16,032)	(10,031)	(16,152)	(14,792)	(29,676)	(40,975)
Economic Net Income	\$ 621,752	\$ 669,981	\$ 628,306	\$ 703,240	\$ 640,231	\$ 1,325,318	\$ 1,971,777
Taxes ^(d)	11,257	16,032	10,031	16,152	14,792	29,676	40,975
Performance Fee Adjustment ^(e)	(602,999)	(470,173)	(603,999)	(719,219)	(544,936)	(1,123,592)	(1,868,154)
Investment Income (Loss) Adjustment ^(f)	(107,432)	(111,670)	(134,771)	(97,119)	(99,172)	(174,574)	(331,062)
Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies ^(g)	12,877	4,690	(1,729)	(21,452)	(712)	21,079	(23,893)
Performance Fee Compensation and Benefits Adjustment ^(h)	199,597	163,744	239,895	286,832	168,393	349,802	695,120
Fee Related Earnings	\$ 135,052	\$ 272,604	\$ 137,733	\$ 168,434	\$ 178,596	\$ 427,709	\$ 484,763
Realized Performance Fees ⁽ⁱ⁾	68,905	262,710	218,952	147,231	138,924	129,701	505,107
Realized Investment Income ^(j)	25,098	37,448	38,110	54,586	11,492	57,950	104,188
Adjustment Related to Realized Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies ^(k)	(8,251)	(6,444)	(3,820)	1,469	6,672	(15,428)	4,321
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(l)	(31,169)	(72,553)	(12,148)	(44,220)	(31,756)	(59,772)	(88,124)
Equity-Based Compensation ^(m)	6,813	68,572	12,085	10,985	8,745	21,468	31,815
Distributable Earnings	\$ 196,448	\$ 562,337	\$ 390,912	\$ 338,485	\$ 312,673	\$ 561,628	\$ 1,042,070
Interest Expense	18,163	24,585	26,069	25,960	25,268	44,567	77,297
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(l)	31,169	72,553	12,148	44,220	31,756	59,772	88,124
Depreciation and Amortization	8,895	12,681	8,643	9,116	8,956	29,554	26,715
Adjusted EBITDA	\$ 254,675	\$ 672,156	\$ 437,772	\$ 417,781	\$ 378,653	\$ 695,521	\$ 1,234,206

See notes following this reconciliation.

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See Appendix – Definitions and Distribution Policy.

- (a) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes amounts for Transaction-Related Charges which include principally equity-based compensation charges associated with Blackstone’s initial public offering and long-term retention programs outside of annual deferred compensation and other corporate actions.
- (b) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes amounts for the Amortization of Intangibles which are associated with Blackstone’s initial public offering and other corporate actions.
- (c) This adjustment adds back to Income (Loss) Before Provision (Benefit) for Taxes the amount of (Income) Loss Associated with Non-Controlling Interests in (Income) Loss of Consolidated Entities and includes the amount of Management Fee Revenues associated with Consolidated CLO Entities.
- (d) Taxes represent the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes.
- (e) This adjustment removes from EI the total segment amount of Performance Fees.
- (f) This adjustment removes from EI the total segment amount of Investment Income (Loss).
- (g) This adjustment represents the realized and unrealized gain on Blackstone’s Treasury Cash Management Strategies which are a component of Investment Income (Loss) but included in Fee Related Earnings.
- (h) This adjustment removes from expenses the compensation and benefit amounts related to Blackstone’s profit sharing plans related to Performance Fees.
- (i) Represents the adjustment for realized Performance Fees net of corresponding actual amounts due under Blackstone’s profit sharing plans related thereto.
- (j) Represents the adjustment for Blackstone’s Investment Income (Loss) - Realized.
- (k) Represents the elimination of Realized Investment Income attributable to Blackstone’s Treasury Cash Management Strategies which is a component of both Fee Related Earnings and Realized Investment Income (Loss).
- (l) Taxes and Related Payables Including Payable Under Tax Receivable Agreement represent the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and the Payable Under Tax Receivable Agreement.
- (m) Represents equity-based award expense included in EI.

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

(Dollars in Thousands)	3Q'13	YTD'13
Interest Income and Dividend Revenue	\$ 21,539	\$ 51,542
Other Revenue	4,708	5,687
Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies ^(a)	(712)	(23,893)
Interest Income and Other Revenue	\$ 25,535	\$ 33,336
Realized Incentive Fees	31,238	130,832
Less: Realized Incentive Fee Compensation	(14,599)	(60,121)
Net Realized Incentive Fees	\$ 16,639	\$ 70,711
Realized Carried Interest	182,654	660,112
Less: Realized Carried Interest Compensation	(60,369)	(225,716)
Net Realized Carried Interest	\$ 122,285	\$ 434,396
Realized Investment Income	11,492	104,188
Adjustment Related to Realized Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies ^(a)	6,672	4,321
Net Realized Investment Income	\$ 18,164	\$ 108,509
Equity-Based Compensation^(b)	\$ 8,745	\$ 31,815
Unrealized Incentive Fees	40,992	153,105
Less: Unrealized Incentive Fee Compensation	(11,084)	(58,646)
Net Unrealized Incentive Fees	\$ 29,908	\$ 94,459
Unrealized Carried Interest	290,052	924,105
Less: Unrealized Carried Interest Compensation	(82,341)	(350,637)
Net Unrealized Carried Interest	\$ 207,711	\$ 573,468
Unrealized Investment Income	87,680	226,874
Less: Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies ^(a)	712	23,893
Less: Adjustment Related to Realized Investment Income (Loss) - Blackstone's Treasury Cash Management Strategies ^(a)	(6,672)	(4,321)
Net Unrealized Investment Income	\$ 81,720	\$ 246,446
Related Payables^(c)	\$ 16,964	\$ 47,149

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

(a) See Appendix - Reconciliation of GAAP to Non-GAAP Measures for this adjustment.

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

(c) Represents tax-related payables including the Payable Under Tax Receivable Agreement.

Unit Rollforward

	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13	YTD'12	YTD'13
Total GAAP Weighted-Average Common Units Outstanding - Basic	544,716,399	553,989,577	582,322,183	583,843,094	589,643,844	526,892,258	585,296,526
<i>Adjustments:</i>							
Weighted-Average Unvested Deferred Restricted Common Units	2,207,204	2,430,014	3,377,716	2,919,959	3,276,951	5,810,614	3,191,542
Total GAAP Weighted-Average Common Units Outstanding - Diluted	546,923,603	556,419,591	585,699,899	586,763,053	592,920,795	532,702,872	588,488,068
<i>Adjustments:</i>							
Weighted-Average Blackstone Holdings Partnership Units	586,762,611	581,202,276	557,463,170	555,224,714	551,916,623	593,555,609	554,857,282
Weighted-Average Economic Net Income Adjusted Units	1,133,686,214	1,137,621,867	1,143,163,069	1,141,987,767	1,144,837,418	1,126,258,481	1,143,345,350
Economic Net Income Adjusted Units, End of Period	1,133,637,141	1,143,019,281	1,143,893,134	1,142,576,555	1,145,675,305	1,133,637,141	1,145,675,305
Total Common Units Outstanding ^(a)	537,299,585	568,600,922	573,275,746	576,466,264	584,860,157	537,299,585	584,860,157
<i>Adjustments:</i>							
Blackstone Holdings Partnership Units	584,690,200	553,614,040	554,603,708	550,902,208	550,274,903	584,690,200	550,274,903
Distributable Earnings Units Outstanding^(b)	1,121,989,785	1,122,214,962	1,127,879,454	1,127,368,472	1,135,135,060	1,121,989,785	1,135,135,060

(a) 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.

(b) Excludes units which are not entitled to distributions.

Definitions and Distribution Policy

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

- Blackstone uses Economic Income, or “EI”, as a key measure of value creation, a benchmark of its performance and in making resource deployment and compensation decisions across its five segments. EI represents segment net income before taxes excluding transaction-related charges. Transaction-related charges arise from Blackstone’s initial public offering (“IPO”) and long-term retention programs outside of annual deferred compensation and other corporate actions, including acquisitions. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets and contingent consideration associated with acquisitions. EI presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages.
- Economic Net Income, or “ENI”, represents EI adjusted to include current period taxes. Taxes represent the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes.
- Blackstone uses Fee Related Earnings, or “FRE”, as a key measure to highlight earnings from operations excluding: (a) the income related to performance fees and related carry plan costs, (b) income earned from Blackstone’s investments in the Blackstone Funds, and (c) realized and unrealized gains (losses) from other investments except for such gains (losses) from Blackstone’s Treasury cash management strategies. Blackstone uses FRE as a measure to assess whether recurring revenue from its businesses is sufficient to adequately cover all of its operating expenses and generate profits. FRE equals contractual fee revenues, investment income from Blackstone’s Treasury cash management strategies and interest income, less (a) compensation expenses (which includes amortization of non-IPO and non-acquisition-related equity-based awards, but excludes amortization of IPO and acquisition-related equity-based awards, carried interest and incentive fee compensation), and (b) other operating expenses.
- Distributable Earnings, or “DE”, which is derived from Blackstone’s segment reported results, is a supplemental measure to assess performance and amounts available for distributions to Blackstone unitholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings partnerships. DE is intended to show the amount of net realized earnings without the effects of the consolidation of the Blackstone Funds. DE, which is a component of ENI, is the sum across all segments of: (a) Total Management and Advisory Fees, (b) Interest and Dividend Revenue, (c) Other Revenue, (d) Realized Performance Fees, and (e) Realized Investment Income (Loss); less (a) Compensation, excluding the expense of equity-based awards, (b) Realized Performance Fee Compensation, (c) Other Operating Expenses, and (d) Taxes and Related Payables Including the Payable Under Tax Receivable Agreement. DE is reconciled to Blackstone’s Consolidated Statement of Operations.
- Blackstone uses Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization, or “Adjusted EBITDA”, as a measure of segment performance and an indicator of its ability to cover recurring operating expenses. Adjusted EBITDA equals DE before segment interest expense, segment depreciation and amortization, and the taxes and related payables including the Payable Under Tax Receivable Agreement.
- Net Cash Available for Distribution to Common Unitholders is The Blackstone Group L.P.’s share of Distributable Earnings, less realized investment gains and returns of capital from investments and acquisitions, in excess of 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.

Distribution Policy. For 2013, Blackstone’s intention is to distribute to common unitholders each quarter substantially all of its Net Cash Available for Distribution to Common Unitholders, subject to a minimum base quarterly distribution of \$0.12 per unit. In circumstances in which the Net Cash Available for Distribution to Common Unitholders for a quarter falls short of the amount necessary to support such per unit distribution, Blackstone intends to correspondingly reduce subsequent quarterly distributions below the amounts supported by the Net Cash Available for Distribution to Common Unitholders by the amount of the shortfall, but not below \$0.12 per unit. All of the foregoing is subject to the qualification that the declaration and payment of any distributions are at the sole discretion of Blackstone’s general partner and may change at any time, including, without limitation, to reduce the quarterly distribution payable to common unitholders to less than \$0.12 per unit or even to eliminate such distributions entirely.

Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect Blackstone's current views with respect to, among other things, Blackstone's operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "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, 2012, 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.