

Blackstone

Blackstone Reports First Quarter Results

New York, April 16, 2015: Blackstone (NYSE:BX) today reported its first quarter 2015 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “Blackstone again broke all of our asset and earnings records in the first quarter. Economic Net Income doubled from the prior year, while Distributable Earnings rose nearly 160%. Realization activity continued to accelerate while, at the same time, we’ve been raising and investing funds at an unprecedented rate, creating the basis for future value. Our limited partners entrusted us with \$30 billion of new capital in the quarter and \$77 billion over the last twelve months, shattering our own record for the alternative asset management industry, and driving our Total Assets Under Management to \$310 billion, up 14% year over year.”

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

Distribution

Blackstone has declared a quarterly distribution of \$0.89 per common unit to record holders of common units at the close of business on April 27, 2015. This distribution will be paid on May 4, 2015.

Quarterly Investor Call Details

Blackstone will host a conference call on April 16, 2015 at 11:00 a.m. ET to discuss first quarter 2015 results. The conference call can be accessed via the Investors section of Blackstone’s website at www.Blackstone.com or by dialing +1 (877) 384-4191 (U.S. domestic) or +1 (857) 244-7413 (international), pass code 197 089 58#. 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 538 280 93#.

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 over \$300 billion in assets under management, include investment vehicles focused on

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private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. 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](https://twitter.com/Blackstone).

Forward-Looking Statements

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

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

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Blackstone's First Quarter 2015 Earnings

April 16, 2015

Blackstone's First Quarter 2015 Highlights

- ▶ Economic Net Income (“ENI”) was a record \$1.6 billion (\$1.37/unit) in the first quarter, up 99% from the same period last year, on continued strong portfolio company operating performance and fund appreciation across the investment businesses.
- ▶ Distributable Earnings (“DE”) reached a record \$1.2 billion (\$1.05/unit) in the first quarter on \$13.5 billion of realizations, up 159% from \$479 million on \$9.3 billion of realizations in the same period last year.
 - Fund activity generated \$1.2 billion of Realized Performance Fees, three times the prior year period, while continuing to grow Net Accrued Performance Fees to a record \$4.9 billion (\$4.17/unit).
- ▶ GAAP Net Income was \$629 million for the quarter, net of certain non-cash IPO and transaction related expenses and net income attributable to non-controlling interests, primarily inside ownership.
- ▶ Total AUM rose to \$310.5 billion, making Blackstone the first alternative asset manager to eclipse the \$300 billion milestone.
 - Total AUM was up 14% year-over-year, despite returning \$62.5 billion of capital to investors over the last twelve months as asset growth and appreciation outpaced the impact of increased realizations.
 - Gross inflows were \$30.4 billion in the first quarter and \$77.2 billion over the last twelve months.
- ▶ Increased investment activity led to \$5.1 billion of capital invested during the first quarter, bringing the last twelve months (“LTM”) to \$26.6 billion, up 5% and 46% from the respective prior year periods.
- ▶ Blackstone declared a first quarter distribution of \$0.89 per common unit payable on May 4, 2015, the highest quarterly distribution in its history (up 154% from last year).

Blackstone's First Quarter 2015 Earnings

| (Dollars in Thousands, Except per Unit Data) | 1Q'14 | 1Q'15 | % Change vs. 1Q'14 | 1Q'14 LTM | 1Q'15 LTM | % Change vs. 1Q'14 LTM |
|--|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------------|
| Fee Revenues | \$ 590,976 | \$ 614,891 | 4% | \$ 2,381,140 | \$ 2,601,360 | 9% |
| Performance Fees | 779,014 | 1,673,736 | 115% | 3,731,388 | 5,286,599 | 42% |
| Investment Income | 116,467 | 189,641 | 63% | 669,501 | 544,802 | (19)% |
| Interest Income and Dividend Revenue | 22,362 | 30,451 | 36% | 78,637 | 104,433 | 33% |
| Total Revenues | \$ 1,508,819 | \$ 2,508,719 | 66% | \$ 6,860,666 | \$ 8,537,194 | 24% |
| Total Expenses | 683,573 | 876,936 | 28% | 3,077,718 | 3,186,159 | 4% |
| Taxes | 11,312 | 9,719 | (14)% | 83,445 | 197,919 | 137% |
| Economic Net Income ("ENI") | \$ 813,934 | \$ 1,622,064 | 99% | \$ 3,699,503 | \$ 5,153,116 | 39% |
| <i>ENI per Unit</i> | <i>\$ 0.70</i> | <i>\$ 1.37</i> | <i>96%</i> | <i>\$ 3.23</i> | <i>\$ 4.43</i> | <i>37%</i> |
| GAAP Net Income | \$ 265,617 | \$ 629,448 | 137% | \$ 1,269,184 | \$ 1,948,420 | 54% |
| Fee Related Earnings ("FRE") | \$ 175,055 | \$ 180,624 | 3% | \$ 822,196 | \$ 1,008,576 | 23% |
| Distributable Earnings ("DE") | \$ 478,646 | \$ 1,240,207 | 159% | \$ 1,951,264 | \$ 3,825,519 | 96% |
| <i>DE per Common Unit</i> | <i>\$ 0.40</i> | <i>\$ 1.05</i> | <i>163%</i> | <i>\$ 1.61</i> | <i>\$ 3.16</i> | <i>96%</i> |
| Total Assets Under Management | 271,745,583 | 310,451,289 | 14% | 271,745,583 | 310,451,289 | 14% |
| Fee-Earning Assets Under Management | 203,599,604 | 223,511,700 | 10% | 203,599,604 | 223,511,700 | 10% |

Fee Related Earnings, a Total Segment measure, has been redefined to exclude Interest Income and Dividend Revenue, Interest Expense and Investment Income (Loss) – Blackstone Treasury Cash Management Strategies. As a result, Distributable Earnings, a Total Segment measure, has been redefined to exclude Unrealized Investment Income (Loss) – Blackstone Treasury Cash Management Strategies. Calculated under the prior methodology, the 1Q'15 FRE and DE would have been \$2.1 million greater and \$11.3 million greater, respectively, and the 1Q'15 LTM FRE and DE would have been \$33.3 million lower and \$1.3 million lower, respectively.

Walkdown of Financial Metrics

(Dollars in Thousands, Except per Unit Data)

| | 1Q'15 | | 1Q'15 LTM | |
|-----------------------------------|---------------------|----------------|---------------------|----------------|
| | Results | Per Unit | Results | Per Unit |
| ▶ Base Management Fees | \$ 516,397 | | \$ 2,027,048 | |
| ▶ Advisory Fees | 84,238 | | 435,120 | |
| ▶ Transaction and Other Fees, Net | 37,073 | | 223,600 | |
| ▶ Management Fee Offsets | (17,945) | | (88,072) | |
| ▶ Other Revenue | (4,872) | | 3,664 | |
| ▶ Compensation | (329,838) | | (1,176,804) | |
| ▶ Non-Interest Operating Expenses | (104,429) | | (415,980) | |
| Fee Related Earnings | \$ 180,624 | \$ 0.15 | \$ 1,008,576 | \$ 0.88 |
| ▶ Net Realized Incentive Fees | 17,443 | | 138,887 | |
| ▶ Net Realized Carried Interest | 915,346 | | 2,366,074 | |
| ▶ Realized Investment Income | 107,792 | | 539,300 | |
| ▶ Net Interest Income (Loss) | (8,402) | | (36,877) | |
| ▶ Taxes and Related Payables | (16,994) | | (266,728) | |
| ▶ Equity-Based Compensation | 44,398 | | 76,287 | |
| Distributable Earnings | \$ 1,240,207 | \$ 1.05 | \$ 3,825,519 | \$ 3.16 |
| ▶ Net Unrealized Incentive Fees | 37,659 | | (10,225) | |
| ▶ Net Unrealized Carried Interest | 299,472 | | 1,339,798 | |
| ▶ Unrealized Investment Income | 81,849 | | 5,502 | |
| ▶ Add Back: Related Payables | 7,275 | | 68,809 | |
| ▶ Less: Equity-Based Compensation | (44,398) | | (76,287) | |
| Economic Net Income | \$ 1,622,064 | \$ 1.37 | \$ 5,153,116 | \$ 4.43 |

Fee Earnings

Distributable Earnings

Economic Net Income

See page 31-32, Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics for the calculation of the amounts presented herein that are not the respective captions on page 16, Total Segments. 1Q'15 Fee Related Earnings per Unit is based on end of period DE Units Outstanding; 1Q'15 DE per Unit is based on end of period Total Common Units Outstanding; and 1Q'15 ENI per Unit is based on Weighted-Average ENI Adjusted Units. 1Q'15 LTM per Unit represents the sum of the last four quarters. See page 33, Unit Rollforward.

Private Equity

- ▶ Record Total Revenues and Economic Income of \$1.2 billion and \$829 million for the quarter, respectively.
- ▶ Performance Fees up over 200% to \$950 million from \$287 million in the same period last year.
- ▶ Appreciation of 6.4% in the quarter and 21.1% LTM on strong operating performance particularly in BCP V (up 12.0% and 34.2% during the quarter and LTM, respectively).
- ▶ Realizations remained strong with \$3.3 billion during the quarter and \$14.0 billion LTM driven by public and strategic exits in corporate private equity funds.
 - First quarter realizations: Catalent, Pinnacle Foods and Michaels (BCP V); Merlin (BCP IV).
 - Completed the successful IPO of Summit Materials and announced the strategic sale of Freescale.
- ▶ Investment environment remains solid, with \$2.5 billion total capital invested during the quarter.
- ▶ Raised \$2.4 billion of new capital for the second Tactical Opportunities platform bringing total closings to date to \$3.1 billion.
- ▶ Currently fundraising for seventh global Private Equity fund; first close expected in the second quarter of 2015.

| (Dollars in Thousands) | 1Q'14 | 1Q'15 | % Change vs. 1Q'14 | 1Q'14 LTM | 1Q'15 LTM | % Change vs. 1Q'14 LTM |
|--------------------------------------|-------------------|-------------------|-----------------------|-------------------|---------------------|---------------------------|
| Fee Revenues | \$ 140,582 | \$ 121,968 | (13)% | \$ 493,649 | \$ 519,292 | 5% |
| Performance Fees | 286,870 | 949,800 | 231% | 959,157 | 2,640,160 | 175% |
| Investment Income | 51,502 | 76,303 | 48% | 245,404 | 203,606 | (17)% |
| Interest Income and Dividend Revenue | 5,228 | 7,617 | 46% | 17,846 | 24,372 | 37% |
| Total Revenues | 484,182 | 1,155,688 | 139% | 1,716,056 | 3,387,430 | 97% |
| Compensation | 73,307 | 70,089 | (4)% | 249,224 | 273,229 | 10% |
| Performance Fee Compensation | 58,623 | 217,602 | 271% | 407,444 | 635,818 | 56% |
| Other Operating Expenses | 33,006 | 38,755 | 17% | 127,975 | 148,647 | 16% |
| Total Expenses | 164,936 | 326,446 | 98% | 784,643 | 1,057,694 | 35% |
| Economic Income | \$ 319,246 | \$ 829,242 | 160% | \$ 931,413 | \$ 2,329,736 | 150% |
| Total AUM | \$ 66,142,945 | \$ 76,327,189 | 15% | \$ 66,142,945 | \$ 76,327,189 | 15% |
| Fee-Earning AUM | \$ 41,150,728 | \$ 49,342,211 | 20% | \$ 41,150,728 | \$ 49,342,211 | 20% |

21.1%

1Q'15 LTM increase in fund carrying value

\$510 million

YoY increase in 1Q'15 Economic Income

\$76.3 billion

Total AUM up 15% YoY

Real Estate

- ▶ Total Revenues and Economic Income of \$915 million and \$638 million for the quarter, up 68% and 99%, respectively, driven by continued strong operating fundamentals across real estate asset classes.
- ▶ Opportunistic Real Estate funds' carrying value appreciated 8.2% for the quarter and 24.4% LTM.
- ▶ Record realizations of \$9.1 billion for the quarter, which generated Realized Performance Fees of \$812 million, up more than 4x from the prior year period, bringing total realizations to \$26.9 billion LTM.
- ▶ Raised a record \$16.4 billion during the quarter, including \$14.5 billion from the first and only institutional limited partner closing for the eighth global opportunistic real estate fund, and \$1.6 billion in BPP funds.
- ▶ Capital invested of \$1.4 billion in the quarter; \$3.9 billion committed not yet deployed at quarter end.
- ▶ Subsequent to quarter end, announced acquisition of GE Capital real estate assets, which will result in an estimated \$3 billion of capital invested across multiple vehicles, including inaugural investment of the eighth global opportunistic real estate fund.

| (Dollars in Thousands) | 1Q'14 | 1Q'15 | % Change vs. 1Q'14 | 1Q'14 LTM | 1Q'15 LTM | % Change vs. 1Q'14 LTM |
|--------------------------------------|-------------------|-------------------|-----------------------|---------------------|---------------------|---------------------------|
| Fee Revenues | \$ 163,993 | \$ 158,721 | (3)% | \$ 649,346 | \$ 683,260 | 5% |
| Performance Fees | 337,606 | 637,022 | 89% | 2,138,847 | 2,317,202 | 8% |
| Investment Income | 36,736 | 108,854 | 196% | 369,459 | 322,283 | (13)% |
| Interest Income and Dividend Revenue | 6,110 | 9,997 | 64% | 23,375 | 34,084 | 46% |
| Total Revenues | 544,445 | 914,594 | 68% | 3,181,027 | 3,356,829 | 6% |
| Compensation | 80,233 | 84,834 | 6% | 304,996 | 330,918 | 8% |
| Performance Fee Compensation | 110,184 | 151,343 | 37% | 717,043 | 674,558 | (6)% |
| Other Operating Expenses | 33,107 | 40,143 | 21% | 121,036 | 153,119 | 27% |
| Total Expenses | 223,524 | 276,320 | 24% | 1,143,075 | 1,158,595 | 1% |
| Economic Income | \$ 320,921 | \$ 638,274 | 99% | \$ 2,037,952 | \$ 2,198,234 | 8% |
| Total AUM | \$ 81,333,562 | \$ 92,785,658 | 14% | \$ 81,333,562 | \$ 92,785,658 | 14% |
| Fee-Earning AUM | \$ 53,490,834 | \$ 50,783,247 | (5)% | \$ 53,490,834 | \$ 50,783,247 | (5)% |

24.4%

1Q'15 LTM increase in fund carrying value

\$812 million

1Q'15 Realized Performance Fees

\$92.8 billion

Total AUM up 14% YoY

Hedge Fund Solutions

- ▶ Total Revenues and Economic Income of \$185 million and \$88 million for the quarter, respectively, driven by an increase in Fee-Earning AUM from sustained growth in organic net inflows which resulted in a 15% increase in Fee Revenues year-over-year.
- ▶ Despite more difficult markets globally, the composite gross return was up 2.7% for the quarter and 7.6% LTM.
- ▶ Fee-Earning net inflows of \$1.8 billion during the quarter and \$6.6 billion LTM, driven by significant investments in customized and commingled strategies.
 - BAAM held an additional closing for its first permanent capital vehicle acquiring general partner interests in hedge funds, bringing total commitments to \$3.0 billion.
 - April 1 subscriptions of \$839 million are not yet included in Fee-Earning AUM.
- ▶ Total AUM reached a record \$66.4 billion at the end of the quarter on growth of customized strategies and continued diversification of the platform.

| (Dollars in Thousands) | 1Q'14 | 1Q'15 | % Change vs. 1Q'14 | 1Q'14 LTM | 1Q'15 LTM | % Change vs. 1Q'14 LTM |
|--------------------------------------|-------------------|------------------|-----------------------|-------------------|-------------------|---------------------------|
| Fee Revenues | \$ 112,144 | \$ 128,775 | 15% | \$ 426,833 | \$ 497,022 | 16% |
| Performance Fees | 57,930 | 57,943 | 0% | 204,173 | 139,663 | (32)% |
| Investment Income (Loss) | 21,251 | (5,892) | n/m | 34,793 | (461) | n/m |
| Interest Income and Dividend Revenue | 2,661 | 3,949 | 48% | 9,050 | 12,402 | 37% |
| Total Revenues | 193,986 | 184,775 | (5)% | 674,849 | 648,626 | (4)% |
| Compensation | 40,571 | 56,104 | 38% | 143,173 | 147,191 | 3% |
| Performance Fee Compensation | 20,032 | 19,121 | (5)% | 63,823 | 41,267 | (35)% |
| Other Operating Expenses | 19,480 | 21,206 | 9% | 71,287 | 87,855 | 23% |
| Total Expenses | 80,083 | 96,431 | 20% | 278,283 | 276,313 | (1)% |
| Economic Income | \$ 113,903 | \$ 88,344 | (22)% | \$ 396,566 | \$ 372,313 | (6)% |
| Total AUM | \$ 58,262,659 | \$ 66,378,908 | 14% | \$ 58,262,659 | \$ 66,378,908 | 14% |
| Fee-Earning AUM | \$ 55,571,357 | \$ 64,114,498 | 15% | \$ 55,571,357 | \$ 64,114,498 | 15% |

7.6%

1Q'15 LTM Composite Gross Return

\$36.1 billion

Incentive Fee Eligible AUM at 1Q'15

\$1.8 billion

1Q'15 Fee-Earning Net Inflows

The Composite Gross Return represents BAAM Principal Solutions ("BPS") Composite and does not include BAAM's individual investor solutions (i.e., liquid alternatives), long-only equity, long-biased commodities, ventures (i.e., seeding and minority interests) and strategic opportunities (i.e., co-investments) platforms except where a BPS fund invests directly into those platforms. BAAM's advisory platforms and liquidating funds are also excluded. On a net of fees basis, the BPS Composite was up 2.5% for the quarter and 6.6% for the LTM.

Credit

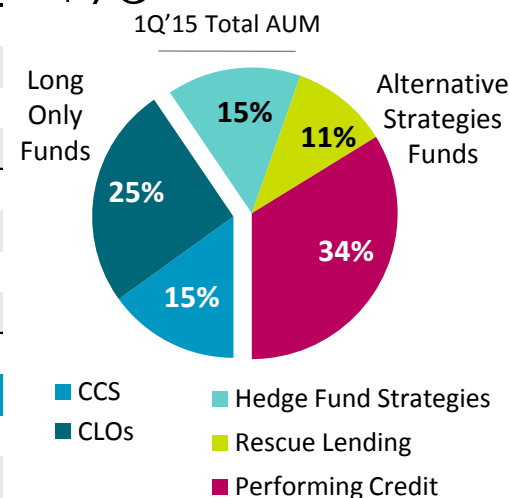
- ▶ Fee Revenues up 17% year-over-year on record Fee-Earning AUM.
 - Significant year-over-year Fee-Earning AUM growth of 35% in both of the Performing Credit and Hedge Fund Strategies.
- ▶ Total AUM reached a record level of \$75.0 billion driven by new product launches and inflows to existing strategies highlighting continued investor demand in credit focused products.
 - Launched 11 CLOs (six U.S. and five European) in the LTM with \$6.2 billion of Total AUM, including three during the first quarter of 2015.
- ▶ Deployed \$990 million of capital during the first quarter in the drawdown funds, while returning \$447 million in proceeds to fund limited partners.
- ▶ 75% of the capital deployed in the first quarter was deployed in Europe, reflecting strong private debt market opportunities.

Investment Performance

| | Gross Returns | |
|---------------------------|---------------|-----------|
| | 1Q'15 | 1Q'15 LTM |
| Mezzanine Strategies | 2.7% | 20.9% |
| Rescue Lending Strategies | (0.6)% | 8.5% |
| Hedge Fund Strategies | 1.6% | 0.9% |

| (Dollars in Thousands) | 1Q'14 | 1Q'15 | % Change vs. 1Q'14 | 1Q'14 LTM | 1Q'15 LTM | % Change vs. 1Q'14 LTM |
|--------------------------------------|------------------|------------------|--------------------|-------------------|-------------------|------------------------|
| Fee Revenues | \$ 104,407 | \$ 122,129 | 17% | \$ 395,355 | \$ 465,610 | 18% |
| Performance Fees | 96,608 | 28,971 | (70)% | 429,211 | 189,574 | (56)% |
| Investment Income | 6,150 | 9,124 | 48% | 19,778 | 17,383 | (12)% |
| Interest Income and Dividend Revenue | 5,861 | 5,651 | (4)% | 19,460 | 22,830 | 17% |
| Total Revenues | 213,026 | 165,875 | (22)% | 863,804 | 695,397 | (19)% |
| Compensation | 50,752 | 49,877 | (2)% | 191,745 | 187,325 | (2)% |
| Performance Fee Compensation | 48,415 | 15,750 | (67)% | 222,231 | 100,422 | (55)% |
| Other Operating Expenses | 32,839 | 21,836 | (34)% | 108,817 | 79,521 | (27)% |
| Total Expenses | 132,006 | 87,463 | (34)% | 522,793 | 367,268 | (30)% |
| Economic Income | \$ 81,020 | \$ 78,412 | (3)% | \$ 341,011 | \$ 328,129 | (4)% |
| Total AUM | \$ 66,006,417 | \$ 74,959,534 | 14% | \$ 66,006,417 | \$ 74,959,534 | 14% |
| Fee-Earning AUM | \$ 53,386,685 | \$ 59,271,744 | 11% | \$ 53,386,685 | \$ 59,271,744 | 11% |

\$75.0 billion



For Mezzanine and Rescue Lending Strategies, Investment Performance represents the combined returns of the fee-earning funds that have over \$100 million of fair value as of 1Q'15 within each strategy. For Hedge Fund Strategies, Investment Performance represents the weighted-average performance of the fee-earning funds that have over \$100 million of fair value as of 1Q'15. Mezzanine Strategies net returns were 2.3% for 1Q'15 and 15.9% for 1Q'15 LTM, Rescue Lending Strategies net returns were (0.5)% for 1Q'15 and 6.9% for 1Q'15 LTM and Hedge Fund Strategies net returns were 1.1% for 1Q'15 and (0.8)% for 1Q'15 LTM. Performing Credit includes Mezzanine Funds and business development companies ("BDCs"). Customized Credit Strategies ("CCS") include closed-end funds, commingled funds, the exchange traded fund and separately managed accounts.

Financial Advisory

- ▶ Total Revenues up 20% for the quarter and 6% LTM, primarily from increased deal activity.
- ▶ Blackstone Advisory Partners first quarter Fee Revenues grew year-over-year due to an increased number of closed transactions.
- ▶ While Restructuring Fee Revenues decreased in the first quarter compared to the prior year due to fewer deal closings, the pipeline remains steady across a diverse group of industries, most notably in the energy sector.
- ▶ Park Hill's Fee Revenues were up significantly in the first quarter year-over-year, led by an increase in the number of transactions in the private equity and real estate businesses.
- ▶ Blackstone Capital Markets had a good start to the year, with Fee Revenues up slightly from the same period in the prior year.
- ▶ On October 10, 2014, Blackstone announced the tax-free spin-off of its financial advisory business (excluding capital markets) to Blackstone unitholders. The business will combine with PJT Partners to create an independent, world-class, publicly traded advisory firm, which is expected to occur in the second half of 2015.

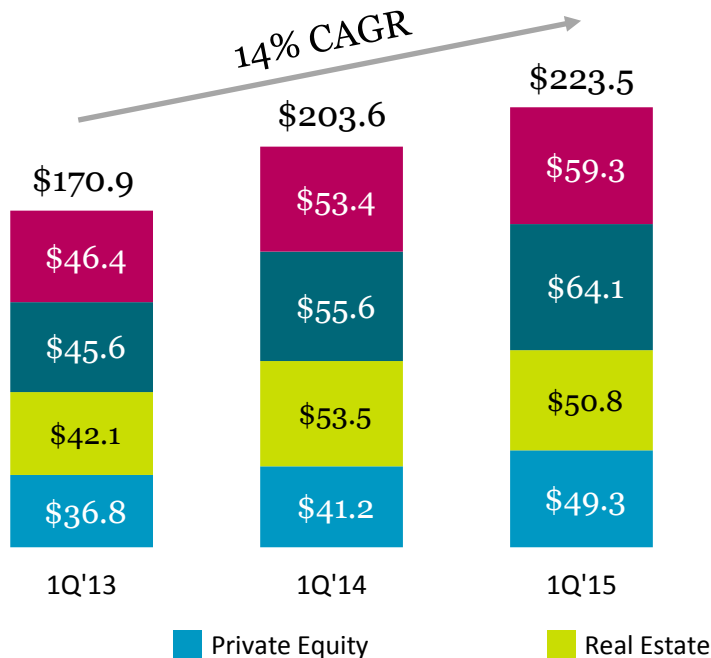
| (Dollars in Thousands) | 1Q'14 | 1Q'15 | % Change vs. 1Q'14 | 1Q'14 LTM | 1Q'15 LTM | % Change vs. 1Q'14 LTM |
|--------------------------------------|-------------------|-------------------|-----------------------|------------------|-------------------|---------------------------|
| Fee Revenues | \$ 69,850 | \$ 83,298 | 19% | \$ 415,957 | \$ 436,176 | 5% |
| Investment Income | 828 | 1,252 | 51% | 67 | 1,991 | n/m |
| Interest Income and Dividend Revenue | 2,502 | 3,237 | 29% | 8,906 | 10,745 | 21% |
| Total Revenues | 73,180 | 87,787 | 20% | 424,930 | 448,912 | 6% |
| Compensation | 61,682 | 68,934 | 12% | 266,070 | 238,141 | (10)% |
| Other Operating Expenses | 21,342 | 21,342 | 0% | 82,854 | 88,148 | 6% |
| Total Expenses | 83,024 | 90,276 | 9% | 348,924 | 326,289 | (6)% |
| Economic Income (Loss) | \$ (9,844) | \$ (2,489) | 75% | \$ 76,006 | \$ 122,623 | 61% |

Assets Under Management

- ▶ Record Fee-Earning AUM of \$223.5 billion was up 10% over the same period last year as \$56.0 billion of gross inflows outpaced \$34.4 billion of realizations and outflows.
 - Fee-Earning AUM drove Base Management Fees up 12% to \$2.0 billion LTM.
- ▶ Total AUM increased 14% year-over-year to \$310.5 billion driven by \$77.2 billion from gross inflows and \$24.0 billion from consistently strong fund appreciation.

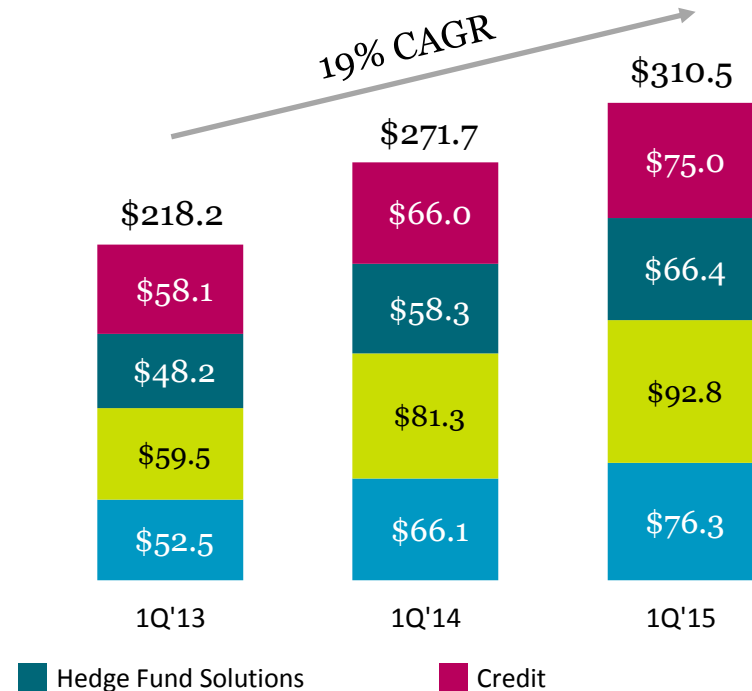
Fee-Earning AUM by Segment

(Dollars in Billions)



Total AUM by Segment

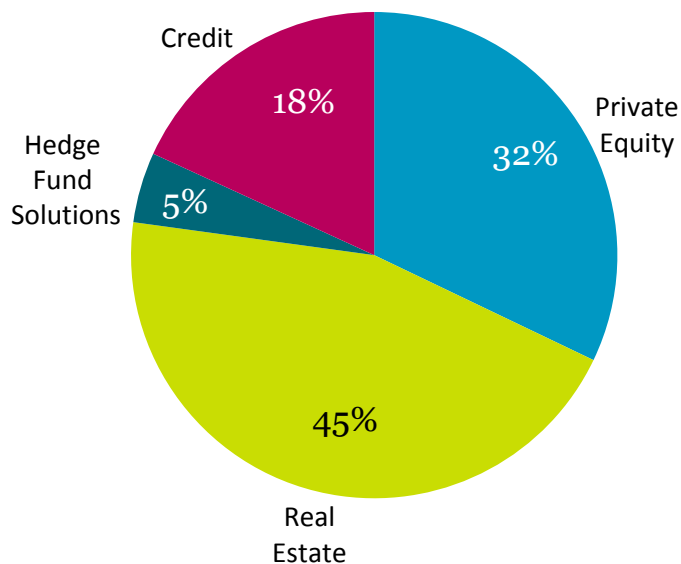
(Dollars in Billions)



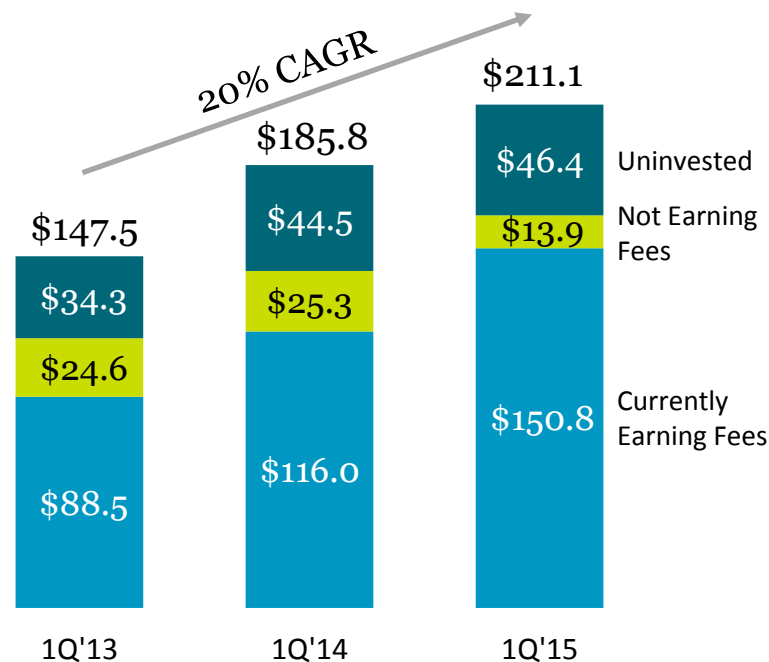
Additional Capital Detail

- ▶ Undrawn capital (“Total Dry Powder”) of \$64.5 billion, up 34% from the same period last year.
 - Blackstone now has a record amount of Total Dry Powder to invest across its global businesses, leveraging unique diversity and broad fund mandates.
- ▶ Performance Fee Eligible AUM reached \$211.1 billion at the end of the quarter, up 14% year-over-year, despite record realizations in Performance Fee Earning funds over the same period.
- ▶ Net inflows and strong investment performance drove a 30% year-over-year increase in assets currently earning Performance Fees to \$150.8 billion.

\$64 billion 1Q'15 Total Dry Powder



\$211 billion Performance Fee Eligible AUM



Capital Invested

- ▶ Blackstone continues to raise and deploy capital at an offsetting pace, maintaining its ability to make opportunistic investments.
- ▶ Invested \$26.6 billion of capital over LTM, up 46% from \$18.2 billion from the year ago period.
 - Invested \$5.1 billion of capital in 1Q'15, up 5% from \$4.8 billion year over year.
 - 50% of capital invested over LTM was deployed outside of North America, reflecting Blackstone's global fund mandates which present an opportunity to leverage its diversity.
 - 51% of capital invested over LTM was by products that did not exist at the time of Blackstone's 2007 IPO.

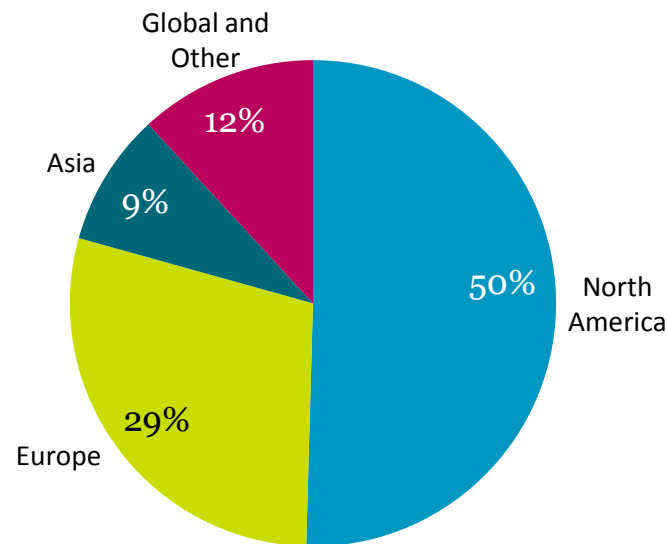
Capital Invested by Segment

(Dollars in Billions)



1Q'15 LTM Capital Invested by Region

(Dollars in Billions)

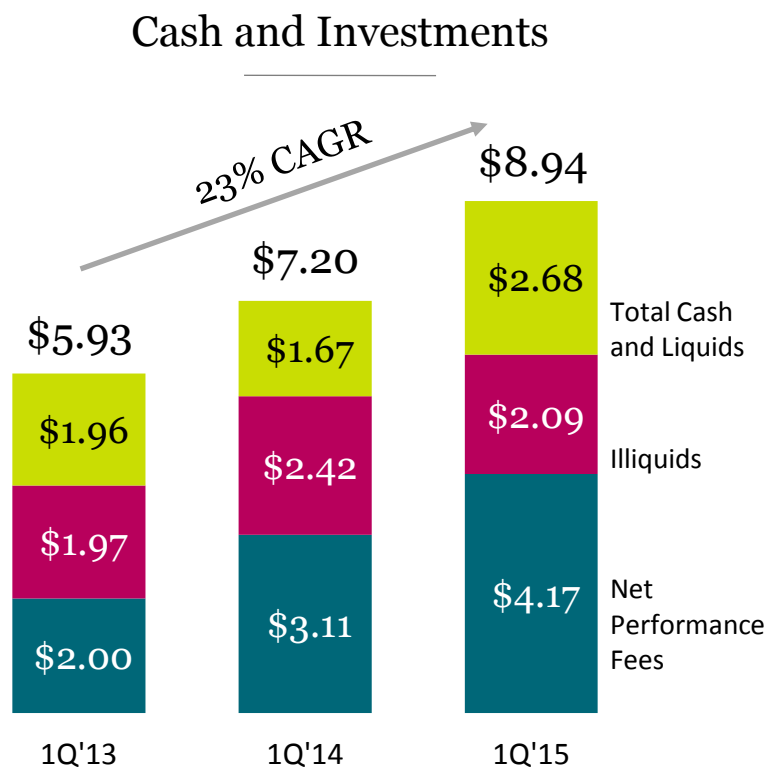


■ Private Equity ■ Real Estate ■ Hedge Fund Solutions ■ Credit

Balance Sheet Highlights

- ▶ At March 31, 2015, Blackstone had \$3.2 billion in total cash, corporate treasury and liquid investments and \$10.5 billion of total net value, or \$8.94 per DE unit, up 24% from \$7.20 a year ago.
- ▶ Long-term debt of \$2.1 billion at quarter end contributed to a Debt to Adjusted EBITDA ratio of 0.50x for the first quarter LTM period, well below the range of similarly rated companies.

| (Dollars in Millions) | 1Q'15 |
|-------------------------------------|------------------|
| Cash and Cash Equivalents | \$ 1,135 |
| Treasury Cash Management Strategies | 1,838 |
| Liquid Investments | 183 |
| Illiquid Investments | 2,458 |
| Net Accrued Performance Fees | 4,910 |
| Total Net Value | \$ 10,524 |
| Outstanding Bonds (at par) | \$ 2,135 |



A+ / A+

rated by S&P and Fitch

\$1.1 billion

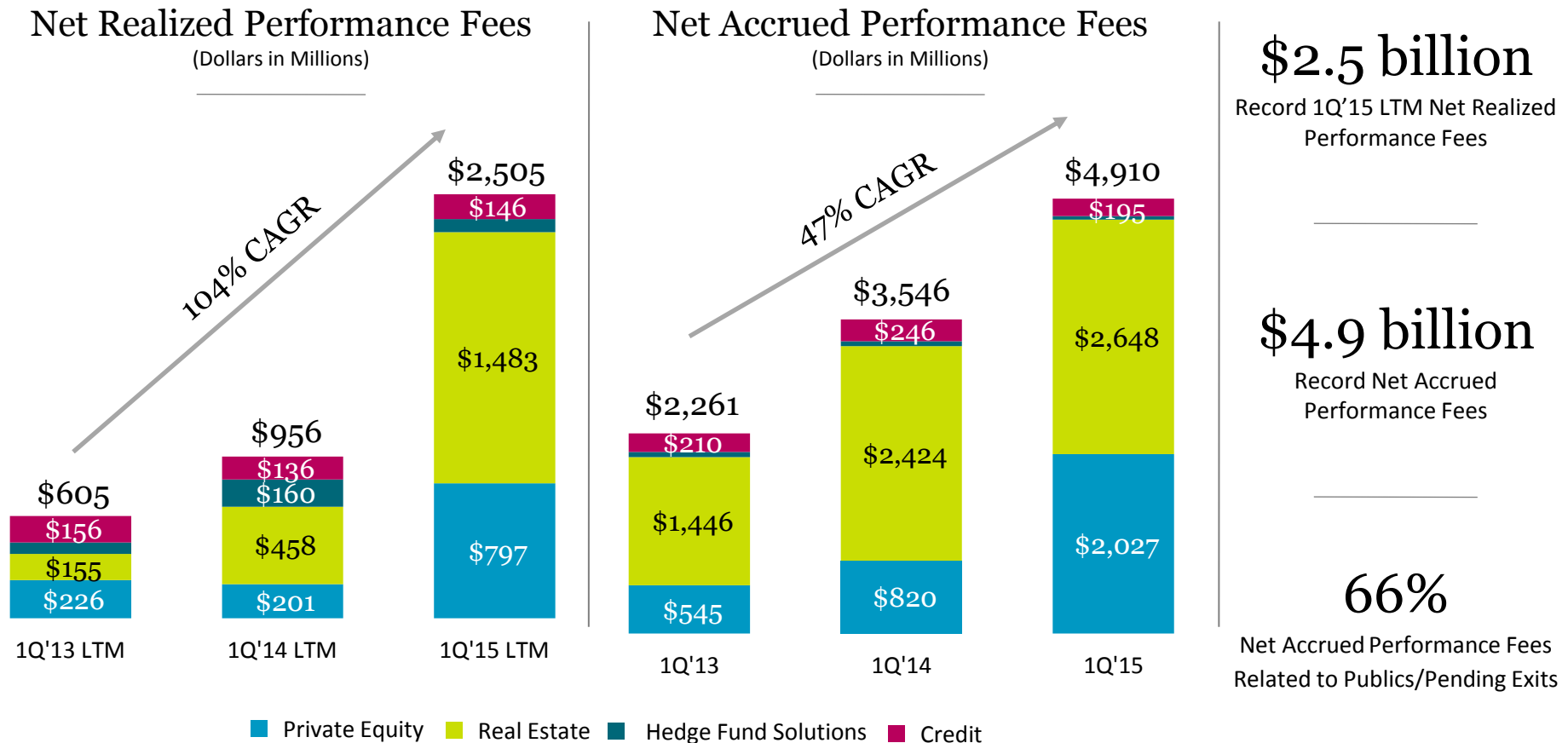
undrawn credit revolver with
May 2019 maturity

\$3.2 billion

total cash, corporate treasury
and liquid investments

Performance Fees

- ▶ Despite Net Realized Performance Fees of \$2.5 billion LTM, asset appreciation across all investing businesses drove Net Accrued Performance Fees to a record \$4.9 billion (\$4.17/unit), up \$1.4 billion from the same period last year driven in large part by gains in the Private Equity segment.
- ▶ Net Accrued Performance Fees grew at a 47% CAGR since the first quarter of 2013, primarily driven by continued appreciation in Real Estate and Private Equity.



GAAP Statement of Operations

| (Dollars in Thousands, Except per Unit Data) (Unaudited) | | | % Change | | % Change | |
|---|-------------------|---------------------|-------------|---------------------|---------------------|---------------|
| | 1Q'14 | 1Q'15 | vs. 1Q'14 | 1Q'14 LTM | 1Q'15 LTM | vs. 1Q'14 LTM |
| Revenues | | | | | | |
| Management and Advisory Fees, Net | \$ 573,160 | \$ 603,498 | 5% | \$ 2,285,012 | \$ 2,527,590 | 11% |
| Performance Fees | | | | | | |
| Realized Carried Interest | 333,623 | 1,206,425 | 262% | 983,411 | 3,322,884 | 238% |
| Realized Incentive Fees | 43,794 | 27,992 | (36)% | 484,891 | 233,203 | (52)% |
| Unrealized Carried Interest | 330,394 | 374,481 | 13% | 2,311,057 | 1,749,011 | (24)% |
| Unrealized Incentive Fees | 64,233 | 61,860 | (4)% | (64,314) | (32,122) | 50% |
| Total Performance Fees | 772,044 | 1,670,758 | 116% | 3,715,045 | 5,272,976 | 42% |
| Investment Income | | | | | | |
| Realized | 153,026 | 187,710 | 23% | 299,317 | 558,419 | 87% |
| Unrealized | 13,500 | 15,771 | 17% | 518,934 | 12,536 | (98)% |
| Total Investment Income | 166,526 | 203,481 | 22% | 818,251 | 570,955 | (30)% |
| Interest and Dividend Revenue | 14,069 | 21,499 | 53% | 66,023 | 77,239 | 17% |
| Other | 869 | (5,656) | n/m | 9,032 | 2,880 | (68)% |
| Total Revenues | 1,526,668 | 2,493,580 | 63% | 6,893,363 | 8,451,640 | 23% |
| Expenses | | | | | | |
| Compensation and Benefits | | | | | | |
| Compensation | 485,351 | 559,559 | 15% | 1,878,406 | 1,943,076 | 3% |
| Performance Fee Compensation | | | | | | |
| Realized Carried Interest | 149,398 | 292,248 | 96% | 317,162 | 958,493 | 202% |
| Realized Incentive Fees | 23,635 | 12,227 | (48)% | 214,042 | 98,691 | (54)% |
| Unrealized Carried Interest | 40,730 | 74,380 | 83% | 911,975 | 412,687 | (55)% |
| Unrealized Incentive Fees | 23,531 | 24,961 | 6% | (32,598) | (17,846) | 45% |
| Total Compensation and Benefits | 722,645 | 963,375 | 33% | 3,288,987 | 3,395,101 | 3% |
| General, Administrative and Other | 135,554 | 130,973 | (3)% | 500,690 | 544,882 | 9% |
| Interest Expense | 24,667 | 31,370 | 27% | 105,578 | 128,227 | 21% |
| Fund Expenses | 4,985 | 23,232 | 366% | 24,235 | 48,745 | 101% |
| Total Expenses | 887,851 | 1,148,950 | 29% | 3,919,490 | 4,116,955 | 5% |
| Other Income | | | | | | |
| Reversal of Tax Receivable Agreement Liability | - | - | n/m | 20,469 | - | (100)% |
| Net Gains from Fund Investment Activities | 70,155 | 238,972 | 241% | 384,609 | 526,671 | 37% |
| Income Before Provision for Taxes | \$ 708,972 | \$ 1,583,602 | 123% | \$ 3,378,951 | \$ 4,861,356 | 44% |
| Provision for Taxes | 54,097 | 99,344 | 84% | 258,746 | 336,420 | 30% |
| Net Income | \$ 654,875 | \$ 1,484,258 | 127% | \$ 3,120,205 | \$ 4,524,936 | 45% |
| Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities | 45,792 | 56,358 | 23% | 166,791 | 85,360 | (49)% |
| Net Income Attributable to Non-Controlling Interests in Consolidated Entities | 43,961 | 153,222 | 249% | 251,970 | 444,331 | 76% |
| Net Income Attributable to Non-Controlling Interests in Blackstone Holdings | 299,505 | 645,230 | 115% | 1,432,260 | 2,046,825 | 43% |
| Net Income Attributable to The Blackstone Group L.P. ("BX") | \$ 265,617 | \$ 629,448 | 137% | \$ 1,269,184 | \$ 1,948,420 | 54% |
| Net Income per Common Unit, Basic | \$ 0.44 | \$ 1.01 | 130% | n/a | n/a | n/m |
| Net Income per Common Unit, Diluted | \$ 0.44 | \$ 1.00 | 127% | n/a | n/a | n/m |

Appendix

Total Segments

| (Dollars in Thousands) | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 | 1Q'14 LTM | 1Q'15 LTM |
|---|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues | | | | | | | |
| Management and Advisory Fees, Net | | | | | | | |
| Base Management Fees | \$ 476,878 | \$ 496,570 | \$ 505,493 | \$ 508,588 | \$ 516,397 | \$ 1,808,938 | \$ 2,027,048 |
| Advisory Fees | 69,963 | 114,914 | 84,131 | 151,837 | 84,238 | 413,457 | 435,120 |
| Transaction and Other Fees, Net | 59,910 | 49,196 | 90,885 | 46,446 | 37,073 | 228,913 | 223,600 |
| Management Fee Offsets | (16,644) | (20,218) | (22,763) | (27,146) | (17,945) | (79,202) | (88,072) |
| Total Management and Advisory Fees, Net | 590,107 | 640,462 | 657,746 | 679,725 | 619,763 | 2,372,106 | 2,597,696 |
| Performance Fees | | | | | | | |
| Realized Carried Interest | 333,623 | 641,659 | 638,752 | 836,562 | 1,207,594 | 983,411 | 3,324,567 |
| Realized Incentive Fees | 53,837 | 39,291 | 36,840 | 131,777 | 29,670 | 503,443 | 237,578 |
| Unrealized Carried Interest | 330,288 | 660,712 | 222,026 | 495,935 | 373,852 | 2,310,951 | 1,752,525 |
| Unrealized Incentive Fees | 61,266 | 56,776 | (6,531) | (140,936) | 62,620 | (66,417) | (28,071) |
| Total Performance Fees | 779,014 | 1,398,438 | 891,087 | 1,323,338 | 1,673,736 | 3,731,388 | 5,286,599 |
| Investment Income (Loss) | | | | | | | |
| Realized | 111,917 | 202,199 | 75,832 | 153,477 | 107,792 | 244,278 | 539,300 |
| Unrealized | 4,550 | (26,228) | 4,934 | (55,053) | 81,849 | 425,223 | 5,502 |
| Total Investment Income | 116,467 | 175,971 | 80,766 | 98,424 | 189,641 | 669,501 | 544,802 |
| Interest Income and Dividend Revenue | 22,362 | 22,094 | 23,585 | 28,303 | 30,451 | 78,637 | 104,433 |
| Other | 869 | (6) | 719 | 7,823 | (4,872) | 9,034 | 3,664 |
| Total Revenues | 1,508,819 | 2,236,959 | 1,653,903 | 2,137,613 | 2,508,719 | 6,860,666 | 8,537,194 |
| Expenses | | | | | | | |
| Compensation | 306,545 | 323,015 | 324,426 | 199,525 | 329,838 | 1,155,208 | 1,176,804 |
| Performance Fee Compensation | | | | | | | |
| Realized Carried Interest | 149,398 | 260,301 | 186,003 | 219,941 | 292,248 | 317,162 | 958,493 |
| Realized Incentive Fees | 23,635 | 18,509 | 19,029 | 48,926 | 12,227 | 214,042 | 98,691 |
| Unrealized Carried Interest | 40,690 | 114,336 | 164,132 | 59,879 | 74,380 | 911,935 | 412,727 |
| Unrealized Incentive Fees | 23,531 | 24,692 | (9,002) | (58,497) | 24,961 | (32,598) | (17,846) |
| Total Compensation and Benefits | 543,799 | 740,853 | 684,588 | 469,774 | 733,654 | 2,565,749 | 2,628,869 |
| Other Operating Expenses | 139,774 | 145,111 | 131,440 | 137,457 | 143,282 | 511,969 | 557,290 |
| Total Expenses | 683,573 | 885,964 | 816,028 | 607,231 | 876,936 | 3,077,718 | 3,186,159 |
| Economic Income | \$ 825,246 | \$ 1,350,995 | \$ 837,875 | \$ 1,530,382 | \$ 1,631,783 | \$ 3,782,948 | \$ 5,351,035 |
| Economic Net Income | \$ 813,934 | \$ 1,325,963 | \$ 758,356 | \$ 1,446,733 | \$ 1,622,064 | \$ 3,699,503 | \$ 5,153,116 |
| Fee Related Earnings | \$ 175,055 | \$ 206,412 | \$ 236,820 | \$ 384,720 | \$ 180,624 | \$ 822,196 | \$ 1,008,576 |
| Distributable Earnings | \$ 478,646 | \$ 765,172 | \$ 686,086 | \$ 1,134,054 | \$ 1,240,207 | \$ 1,951,264 | \$ 3,825,519 |
| Total Assets Under Management | \$ 271,745,583 | \$ 278,917,713 | \$ 284,414,936 | \$ 290,381,069 | \$ 310,451,289 | \$ 271,745,583 | \$ 310,451,289 |
| Fee-Earning Assets Under Management | \$ 203,599,604 | \$ 209,913,760 | \$ 214,819,600 | \$ 216,691,799 | \$ 223,511,700 | \$ 203,599,604 | \$ 223,511,700 |
| Weighted Average Fee-Earning AUM | \$ 200,246,002 | \$ 209,251,436 | \$ 213,525,423 | \$ 215,196,253 | \$ 218,241,987 | \$ 188,952,701 | \$ 216,244,401 |
| LP Capital Invested | \$ 4,468,527 | \$ 5,426,511 | \$ 6,664,365 | \$ 7,810,098 | \$ 4,765,536 | \$ 16,863,768 | \$ 24,666,510 |
| Total Capital Invested | \$ 4,807,663 | \$ 5,858,210 | \$ 7,619,737 | \$ 8,090,350 | \$ 5,052,370 | \$ 18,217,475 | \$ 26,620,667 |

Private Equity

| (Dollars in Thousands) | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 | 1Q'14 LTM | 1Q'15 LTM |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Revenues | | | | | | | |
| Management Fees, Net | | | | | | | |
| Base Management Fees | \$ 98,584 | \$ 103,204 | \$ 108,236 | \$ 105,817 | \$ 108,383 | \$ 380,484 | \$ 425,640 |
| Transaction and Other Fees, Net | 42,847 | 27,616 | 48,996 | 15,183 | 20,359 | 115,382 | 112,154 |
| Management Fee Offsets | (1,713) | (4,246) | (5,837) | (7,350) | (4,949) | (6,916) | (22,382) |
| Total Management Fees, Net | 139,718 | 126,574 | 151,395 | 113,650 | 123,793 | 488,950 | 515,412 |
| Performance Fees | | | | | | | |
| Realized Carried Interest | 119,805 | 212,394 | 124,913 | 297,290 | 382,978 | 309,906 | 1,017,575 |
| Unrealized Carried Interest | 167,065 | 502,210 | 96,455 | 457,098 | 566,822 | 649,251 | 1,622,585 |
| Total Performance Fees | 286,870 | 714,604 | 221,368 | 754,388 | 949,800 | 959,157 | 2,640,160 |
| Investment Income (Loss) | | | | | | | |
| Realized | 60,535 | 74,812 | 20,421 | 46,951 | 44,816 | 124,399 | 187,000 |
| Unrealized | (9,033) | 17,662 | (12,754) | (19,789) | 31,487 | 121,005 | 16,606 |
| Total Investment Income | 51,502 | 92,474 | 7,667 | 27,162 | 76,303 | 245,404 | 203,606 |
| Interest Income and Dividend Revenue | 5,228 | 4,666 | 5,346 | 6,743 | 7,617 | 17,846 | 24,372 |
| Other | 864 | 564 | 2,150 | 2,991 | (1,825) | 4,699 | 3,880 |
| Total Revenues | 484,182 | 938,882 | 387,926 | 904,934 | 1,155,688 | 1,716,056 | 3,387,430 |
| Expenses | | | | | | | |
| Compensation | 73,307 | 73,038 | 79,007 | 51,095 | 70,089 | 249,224 | 273,229 |
| Performance Fee Compensation | | | | | | | |
| Realized Carried Interest | 85,771 | 112,720 | 30,944 | 36,958 | 39,482 | 108,478 | 220,104 |
| Unrealized Carried Interest | (27,148) | 66,194 | 93,434 | 77,966 | 178,120 | 298,966 | 415,714 |
| Total Compensation and Benefits | 131,930 | 251,952 | 203,385 | 166,019 | 287,691 | 656,668 | 909,047 |
| Other Operating Expenses | 33,006 | 39,193 | 34,109 | 36,590 | 38,755 | 127,975 | 148,647 |
| Total Expenses | 164,936 | 291,145 | 237,494 | 202,609 | 326,446 | 784,643 | 1,057,694 |
| Economic Income | \$ 319,246 | \$ 647,737 | \$ 150,432 | \$ 702,325 | \$ 829,242 | \$ 931,413 | \$ 2,329,736 |
| Total Assets Under Management | \$ 66,142,945 | \$ 68,294,162 | \$ 69,890,367 | \$ 73,073,252 | \$ 76,327,189 | \$ 66,142,945 | \$ 76,327,189 |
| Fee-Earning Assets Under Management | \$ 41,150,728 | \$ 42,888,756 | \$ 43,817,741 | \$ 43,890,167 | \$ 49,342,211 | \$ 41,150,728 | \$ 49,342,211 |
| Weighted Average Fee-Earning AUM | \$ 41,815,672 | \$ 43,702,379 | \$ 43,838,483 | \$ 42,899,791 | \$ 45,051,839 | \$ 44,164,744 | \$ 46,107,237 |
| LP Capital Invested | \$ 2,029,019 | \$ 1,857,330 | \$ 2,277,861 | \$ 3,459,063 | \$ 2,374,599 | \$ 4,320,614 | \$ 9,968,853 |
| Total Capital Invested | \$ 2,271,273 | \$ 2,159,178 | \$ 3,172,660 | \$ 3,593,887 | \$ 2,517,769 | \$ 4,930,391 | \$ 11,443,494 |

Real Estate

| (Dollars in Thousands) | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 | 1Q'14 LTM | 1Q'15 LTM |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Revenues | | | | | | | |
| Management Fees, Net | | | | | | | |
| Base Management Fees | \$ 159,336 | \$ 157,869 | \$ 155,089 | \$ 156,208 | \$ 152,348 | \$ 586,172 | \$ 621,514 |
| Transaction and Other Fees, Net | 13,564 | 13,514 | 38,312 | 26,220 | 15,216 | 84,099 | 93,262 |
| Management Fee Offsets | (9,224) | (7,702) | (8,977) | (8,540) | (4,866) | (24,759) | (30,085) |
| Total Management Fees, Net | 163,676 | 163,681 | 184,424 | 173,888 | 162,698 | 645,512 | 684,691 |
| Performance Fees | | | | | | | |
| Realized Carried Interest | 194,658 | 417,826 | 349,237 | 526,041 | 811,249 | 612,658 | 2,104,353 |
| Realized Incentive Fees | (26) | 6,070 | 1,159 | 4,296 | 723 | 42,744 | 12,248 |
| Unrealized Carried Interest | 140,237 | 119,461 | 187,175 | 77,173 | (181,019) | 1,511,861 | 202,790 |
| Unrealized Incentive Fees | 2,737 | (3,483) | (374) | (4,401) | 6,069 | (28,416) | (2,189) |
| Total Performance Fees | 337,606 | 539,874 | 537,197 | 603,109 | 637,022 | 2,138,847 | 2,317,202 |
| Investment Income (Loss) | | | | | | | |
| Realized | 31,357 | 122,664 | 49,173 | 105,901 | 71,344 | 74,182 | 349,082 |
| Unrealized | 5,379 | (50,437) | 14,492 | (28,364) | 37,510 | 295,277 | (26,799) |
| Total Investment Income | 36,736 | 72,227 | 63,665 | 77,537 | 108,854 | 369,459 | 322,283 |
| Interest Income and Dividend Revenue | 6,110 | 8,009 | 7,135 | 8,943 | 9,997 | 23,375 | 34,084 |
| Other | 317 | (218) | 976 | 1,788 | (3,977) | 3,834 | (1,431) |
| Total Revenues | 544,445 | 783,573 | 793,397 | 865,265 | 914,594 | 3,181,027 | 3,356,829 |
| Expenses | | | | | | | |
| Compensation | 80,233 | 85,582 | 90,586 | 69,916 | 84,834 | 304,996 | 330,918 |
| Performance Fee Compensation | | | | | | | |
| Realized Carried Interest | 51,833 | 143,442 | 64,187 | 173,534 | 246,496 | 174,807 | 627,659 |
| Realized Incentive Fees | (16) | 3,081 | 592 | 2,323 | 356 | 22,138 | 6,352 |
| Unrealized Carried Interest | 56,985 | 27,339 | 108,789 | 4,061 | (98,084) | 534,765 | 42,105 |
| Unrealized Incentive Fees | 1,382 | (1,783) | (123) | (2,227) | 2,575 | (14,667) | (1,558) |
| Total Compensation and Benefits | 190,417 | 257,661 | 264,031 | 247,607 | 236,177 | 1,022,039 | 1,005,476 |
| Other Operating Expenses | 33,107 | 36,542 | 36,138 | 40,296 | 40,143 | 121,036 | 153,119 |
| Total Expenses | 223,524 | 294,203 | 300,169 | 287,903 | 276,320 | 1,143,075 | 1,158,595 |
| Economic Income | \$ 320,921 | \$ 489,370 | \$ 493,228 | \$ 577,362 | \$ 638,274 | \$ 2,037,952 | \$ 2,198,234 |
| Total Assets Under Management | \$ 81,333,562 | \$ 80,410,988 | \$ 80,188,858 | \$ 80,863,187 | \$ 92,785,658 | \$ 81,333,562 | \$ 92,785,658 |
| Fee-Earning Assets Under Management | \$ 53,490,834 | \$ 52,823,975 | \$ 52,308,175 | \$ 52,563,068 | \$ 50,783,247 | \$ 53,490,834 | \$ 50,783,247 |
| Weighted Average Fee-Earning AUM | \$ 50,954,956 | \$ 53,233,974 | \$ 52,764,267 | \$ 52,236,610 | \$ 51,671,739 | \$ 45,064,145 | \$ 53,085,887 |
| LP Capital Invested | \$ 1,692,232 | \$ 3,017,193 | \$ 3,046,867 | \$ 3,478,850 | \$ 1,443,163 | \$ 10,257,734 | \$ 10,986,073 |
| Total Capital Invested | \$ 1,746,460 | \$ 3,128,232 | \$ 3,071,425 | \$ 3,584,035 | \$ 1,405,603 | \$ 10,793,457 | \$ 11,189,295 |

Hedge Fund Solutions

| (Dollars in Thousands) | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 | 1Q'14 LTM | 1Q'15 LTM |
|--------------------------------------|-------------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|
| Revenues | | | | | | | |
| Management Fees, Net | | | | | | | |
| Base Management Fees | \$ 113,384 | \$ 123,008 | \$ 121,484 | \$ 125,105 | \$ 130,637 | \$ 429,914 | \$ 500,234 |
| Transaction and Other Fees, Net | 93 | 126 | 161 | 189 | 25 | 712 | 501 |
| Management Fee Offsets | (1,455) | (1,531) | (1,099) | (929) | (280) | (4,518) | (3,839) |
| Total Management Fees, Net | 112,022 | 121,603 | 120,546 | 124,365 | 130,382 | 426,108 | 496,896 |
| Performance Fees | | | | | | | |
| Realized Incentive Fees | 39,845 | 7,973 | 6,683 | 86,028 | 10,516 | 233,871 | 111,200 |
| Unrealized Incentive Fees | 18,085 | 30,556 | 25,473 | (74,993) | 47,427 | (29,698) | 28,463 |
| Total Performance Fees | 57,930 | 38,529 | 32,156 | 11,035 | 57,943 | 204,173 | 139,663 |
| Investment Income (Loss) | | | | | | | |
| Realized | 16,820 | 2,394 | 2,693 | (357) | (10,375) | 43,581 | (5,645) |
| Unrealized | 4,431 | 1,057 | (1,168) | 812 | 4,483 | (8,788) | 5,184 |
| Total Investment Income (Loss) | 21,251 | 3,451 | 1,525 | 455 | (5,892) | 34,793 | (461) |
| Interest Income and Dividend Revenue | 2,661 | 2,340 | 2,724 | 3,389 | 3,949 | 9,050 | 12,402 |
| Other | 122 | (203) | 740 | 1,196 | (1,607) | 725 | 126 |
| Total Revenues | 193,986 | 165,720 | 157,691 | 140,440 | 184,775 | 674,849 | 648,626 |
| Expenses | | | | | | | |
| Compensation | 40,571 | 43,341 | 41,940 | 5,806 | 56,104 | 143,173 | 147,191 |
| Performance Fee Compensation | | | | | | | |
| Realized Incentive Fees | 13,271 | 2,918 | 2,312 | 23,950 | 3,470 | 74,042 | 32,650 |
| Unrealized Incentive Fees | 6,761 | 11,252 | 8,778 | (27,064) | 15,651 | (10,219) | 8,617 |
| Total Compensation and Benefits | 60,603 | 57,511 | 53,030 | 2,692 | 75,225 | 206,996 | 188,458 |
| Other Operating Expenses | 19,480 | 25,101 | 20,480 | 21,068 | 21,206 | 71,287 | 87,855 |
| Total Expenses | 80,083 | 82,612 | 73,510 | 23,760 | 96,431 | 278,283 | 276,313 |
| Economic Income | \$ 113,903 | \$ 83,108 | \$ 84,181 | \$ 116,680 | \$ 88,344 | \$ 396,566 | \$ 372,313 |
| Total Assets Under Management | \$ 58,262,659 | \$ 60,672,759 | \$ 64,183,863 | \$ 63,585,670 | \$ 66,378,908 | \$ 58,262,659 | \$ 66,378,908 |
| Fee-Earning Assets Under Management | \$ 55,571,357 | \$ 58,084,020 | \$ 62,037,082 | \$ 61,417,558 | \$ 64,114,498 | \$ 55,571,357 | \$ 64,114,498 |
| Weighted Average Fee-Earning AUM | \$ 54,715,882 | \$ 56,793,206 | \$ 60,009,283 | \$ 61,730,313 | \$ 62,910,553 | \$ 50,438,845 | \$ 59,945,488 |
| LP Capital Invested | \$ 167,170 | \$ 188,236 | \$ 473,233 | \$ 25,489 | \$ 133,351 | \$ 542,596 | \$ 820,309 |
| Total Capital Invested | \$ 202,674 | \$ 196,348 | \$ 487,398 | \$ 12,137 | \$ 139,223 | \$ 598,664 | \$ 835,106 |

Credit

| (Dollars in Thousands) | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 | 1Q'14 LTM | 1Q'15 LTM |
|--|------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|
| Revenues | | | | | | | |
| Management Fees, Net | | | | | | | |
| Base Management Fees | \$ 105,574 | \$ 112,489 | \$ 120,684 | \$ 121,458 | \$ 125,029 | \$ 412,368 | \$ 479,660 |
| Transaction and Other Fees, Net | 3,344 | 7,064 | 3,025 | 4,728 | 1,457 | 27,556 | 16,274 |
| Management Fee Offsets | (4,252) | (6,739) | (6,850) | (10,327) | (7,850) | (43,009) | (31,766) |
| Total Management Fees, Net | 104,666 | 112,814 | 116,859 | 115,859 | 118,636 | 396,915 | 464,168 |
| Performance Fees | | | | | | | |
| Realized Carried Interest | 19,160 | 11,439 | 164,602 | 13,231 | 13,367 | 60,847 | 202,639 |
| Realized Incentive Fees | 14,018 | 25,248 | 28,998 | 41,453 | 18,431 | 226,828 | 114,130 |
| Unrealized Carried Interest | 22,986 | 39,041 | (61,604) | (38,336) | (11,951) | 149,839 | (72,850) |
| Unrealized Incentive Fees | 40,444 | 29,703 | (31,630) | (61,542) | 9,124 | (8,303) | (54,345) |
| Total Performance Fees | 96,608 | 105,431 | 100,366 | (45,194) | 28,971 | 429,211 | 189,574 |
| Investment Income (Loss) | | | | | | | |
| Realized | 3,071 | 2,223 | 3,040 | 1,020 | 2,237 | 3,841 | 8,520 |
| Unrealized | 3,079 | 4,521 | 4,892 | (7,437) | 6,887 | 15,937 | 8,863 |
| Total Investment Income (Loss) | 6,150 | 6,744 | 7,932 | (6,417) | 9,124 | 19,778 | 17,383 |
| Interest Income and Dividend Revenue | 5,861 | 4,892 | 5,968 | 6,319 | 5,651 | 19,460 | 22,830 |
| Other | (259) | 11 | (3,619) | 1,557 | 3,493 | (1,560) | 1,442 |
| Total Revenues | 213,026 | 229,892 | 227,506 | 72,124 | 165,875 | 863,804 | 695,397 |
| Expenses | | | | | | | |
| Compensation | 50,752 | 51,310 | 54,877 | 31,261 | 49,877 | 191,745 | 187,325 |
| Performance Fee Compensation | | | | | | | |
| Realized Carried Interest | 11,794 | 4,139 | 90,872 | 9,449 | 6,270 | 33,877 | 110,730 |
| Realized Incentive Fees | 10,380 | 12,510 | 16,125 | 22,653 | 8,401 | 117,862 | 59,689 |
| Unrealized Carried Interest | 10,853 | 20,803 | (38,091) | (22,148) | (5,656) | 78,204 | (45,092) |
| Unrealized Incentive Fees | 15,388 | 15,223 | (17,657) | (29,206) | 6,735 | (7,712) | (24,905) |
| Total Compensation and Benefits | 99,167 | 103,985 | 106,126 | 12,009 | 65,627 | 413,976 | 287,747 |
| Other Operating Expenses | 32,839 | 22,159 | 20,860 | 14,666 | 21,836 | 108,817 | 79,521 |
| Total Expenses | 132,006 | 126,144 | 126,986 | 26,675 | 87,463 | 522,793 | 367,268 |
| Economic Income | \$ 81,020 | \$ 103,748 | \$ 100,520 | \$ 45,449 | \$ 78,412 | \$ 341,011 | \$ 328,129 |
| Total Assets Under Management | \$ 66,006,417 | \$ 69,539,804 | \$ 70,151,848 | \$ 72,858,960 | \$ 74,959,534 | \$ 66,006,417 | \$ 74,959,534 |
| Fee-Earning Assets Under Management | \$ 53,386,685 | \$ 56,117,009 | \$ 56,656,602 | \$ 58,821,006 | \$ 59,271,744 | \$ 53,386,685 | \$ 59,271,744 |
| Weighted Average Fee-Earning AUM | \$ 52,759,492 | \$ 55,521,877 | \$ 56,913,390 | \$ 58,329,539 | \$ 58,607,856 | \$ 49,284,967 | \$ 57,105,789 |
| LP Capital Invested | \$ 580,106 | \$ 363,752 | \$ 866,404 | \$ 846,696 | \$ 814,423 | \$ 1,742,824 | \$ 2,891,275 |
| Total Capital Invested | \$ 587,256 | \$ 374,452 | \$ 888,254 | \$ 900,291 | \$ 989,775 | \$ 1,894,963 | \$ 3,152,772 |

Financial Advisory

| (Dollars in Thousands) | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 | 1Q'14 LTM | 1Q'15 LTM |
|--|-------------------|------------------|-----------------|------------------|-------------------|------------------|-------------------|
| Revenues | | | | | | | |
| Advisory Fees | \$ 69,963 | \$ 114,914 | \$ 84,131 | \$ 151,837 | \$ 84,238 | \$ 413,457 | \$ 435,120 |
| Transaction and Other Fees, Net | 62 | 876 | 391 | 126 | 16 | 1,164 | 1,409 |
| Total Advisory and Transaction Fees | 70,025 | 115,790 | 84,522 | 151,963 | 84,254 | 414,621 | 436,529 |
| Investment Income (Loss) | | | | | | | |
| Realized | 134 | 106 | 505 | (38) | (230) | (1,725) | 343 |
| Unrealized | 694 | 969 | (528) | (275) | 1,482 | 1,792 | 1,648 |
| Total Investment Income (Loss) | 828 | 1,075 | (23) | (313) | 1,252 | 67 | 1,991 |
| Interest Income and Dividend Revenue | 2,502 | 2,187 | 2,412 | 2,909 | 3,237 | 8,906 | 10,745 |
| Other | (175) | (160) | 472 | 291 | (956) | 1,336 | (353) |
| Total Revenues | 73,180 | 118,892 | 87,383 | 154,850 | 87,787 | 424,930 | 448,912 |
| Expenses | | | | | | | |
| Compensation | 61,682 | 69,744 | 58,016 | 41,447 | 68,934 | 266,070 | 238,141 |
| Total Compensation and Benefits | 61,682 | 69,744 | 58,016 | 41,447 | 68,934 | 266,070 | 238,141 |
| Other Operating Expenses | 21,342 | 22,116 | 19,853 | 24,837 | 21,342 | 82,854 | 88,148 |
| Total Expenses | 83,024 | 91,860 | 77,869 | 66,284 | 90,276 | 348,924 | 326,289 |
| Economic Income (Loss) | \$ (9,844) | \$ 27,032 | \$ 9,514 | \$ 88,566 | \$ (2,489) | \$ 76,006 | \$ 122,623 |

Unitholder Distribution

- ▶ Generated \$1.05 of Distributable Earnings per common unit during the quarter, up 163% year-over-year.
- ▶ Declared a quarterly distribution of \$0.89 per common unit to record holders as of April 27, 2015; payable on May 4, 2015.

| (Dollars in Thousands, Except per Unit Data) | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 | % Change | | |
|---|----------------|----------------|----------------|----------------|----------------|-------------|----------------|----------------|
| | | | | | | vs. 1Q'14 | 1Q'14 LTM | 1Q'15 LTM |
| Distributable Earnings ("DE") | \$ 478,646 | \$ 765,172 | \$ 686,086 | \$ 1,134,054 | \$ 1,240,207 | 159% | \$ 1,951,264 | \$ 3,825,519 |
| Add: Other Payables Attributable to Common Unitholders | 19,856 | 29,884 | 69,707 | 87,977 | 7,288 | (63)% | 124,151 | 194,856 |
| DE before Certain Payables | 498,502 | 795,056 | 755,793 | 1,222,031 | 1,247,495 | 150% | 2,075,415 | 4,020,375 |
| Percent to Common Unitholders | 53% | 53% | 53% | 53% | 53% | | 52% | 53% |
| DE before Certain Payables Attributable to Common Unitholders | 261,980 | 420,236 | 400,587 | 650,899 | 663,608 | 153% | 1,075,452 | 2,135,330 |
| Less: Other Payables Attributable to Common Unitholders | (19,856) | (29,884) | (69,707) | (87,977) | (7,288) | 63% | (124,151) | (194,856) |
| DE Attributable to Common Unitholders | 242,124 | 390,352 | 330,880 | 562,922 | 656,320 | 171% | 951,301 | 1,940,474 |
| DE per Common Unit | \$ 0.40 | \$ 0.65 | \$ 0.54 | \$ 0.92 | \$ 1.05 | 163% | \$ 1.61 | \$ 3.16 |
| Less: Retained Capital per Common Unit | \$ (0.05) | \$ (0.10) | \$ (0.10) | \$ (0.14) | \$ (0.16) | (220)% | \$ (0.22) | \$ (0.50) |
| Actual Distribution per Common Unit | \$ 0.35 | \$ 0.55 | \$ 0.44 | \$ 0.78 | \$ 0.89 | 154% | \$ 1.39 | \$ 2.66 |
| Record Date | | | | | April 27, 2015 | | | |
| Payable Date | | | | | May 4, 2015 | | | |

A detailed description of Blackstone's distribution policy and the definition of Distributable Earnings can be found on page 34, Definitions and Distribution Policy. DE before Certain Payables represents Distributable Earnings before the deduction for the Payable Under Tax Receivable Agreement and tax expense (benefit) of wholly owned subsidiaries. Per Unit calculations are based on end of period Total Common Units Outstanding (page 33, Unit Rollforward); actual distributions are paid to unitholders as of the applicable record date. For the periods presented, Net Cash Available for Distribution per Common Unit equals the Actual Distribution per Common Unit. Retained capital is withheld pro-rata from common and Blackstone Holdings Partnership unitholders. Common unitholders' share was \$100.2 million for 1Q'15.

Fee-Earning Assets Under Management

1Q'15 Fee-Earning AUM Rollforward

(Dollars in Millions)

| | Private Equity | Real Estate | Hedge Fund Solutions | Credit | Total |
|-------------------------|----------------|-------------|----------------------|-----------|------------|
| 4Q'14 | \$ 43,890 | \$ 52,563 | \$ 61,418 | \$ 58,821 | \$ 216,692 |
| Inflows | 7,647 | 1,444 | 3,070 | 3,924 | 16,085 |
| Outflows | (985) | (33) | (1,266) | (1,972) | (4,256) |
| Realizations | (1,247) | (2,494) | (21) | (776) | (4,538) |
| Net Inflows (Outflows) | 5,415 | (1,083) | 1,783 | 1,176 | 7,291 |
| Market Activity | 37 | (697) | 914 | (725) | (471) |
| 1Q'15 | \$ 49,342 | \$ 50,783 | \$ 64,115 | \$ 59,272 | \$ 223,512 |
| QoQ Increase (Decrease) | 12% | (3)% | 4% | 1% | 3% |

1Q'15 LTM Fee-Earning AUM Rollforward

(Dollars in Millions)

| | Private Equity | Real Estate | Hedge Fund Solutions | Credit | Total |
|-------------------------|----------------|-------------|----------------------|-----------|------------|
| 1Q'14 | \$ 41,151 | \$ 53,491 | \$ 55,571 | \$ 53,387 | \$ 203,600 |
| Inflows | 14,021 | 9,674 | 12,725 | 19,630 | 56,050 |
| Outflows | (1,767) | (237) | (6,022) | (5,016) | (13,042) |
| Realizations | (4,401) | (10,641) | (146) | (6,157) | (21,345) |
| Net Inflows (Outflows) | 7,853 | (1,204) | 6,557 | 8,457 | 21,663 |
| Market Activity | 338 | (1,504) | 1,987 | (2,572) | (1,751) |
| 1Q'15 | \$ 49,342 | \$ 50,783 | \$ 64,115 | \$ 59,272 | \$ 223,512 |
| YoY Increase (Decrease) | 20% | (5)% | 15% | 11% | 10% |

1Q'15 Highlights

Private Equity

- ▶ **Inflows:** Blackstone Energy Partners II (\$4.4 billion) and Blackstone Tactical Opportunities second vintage (\$3.0 billion) investment period commencement.
- ▶ **Realizations:** BCP IV, BCP V and Tactical Opportunities and public and strategic dispositions including Merlin, Catalent, Pinnacle, Michaels Stores, Bayview Asset Management and Milestone; Strategic Partners realizations.

Real Estate

- ▶ **Inflows:** Capital raised in BPP funds (\$1.0 billion) and BREP Europe IV (\$193 million).
- ▶ **Realizations:** BREP VI (\$1.3 billion); BREP V (\$353 million); BREDS (\$513 million).

Hedge Fund Solutions

- ▶ **Inflows:** Customized solutions (\$1.3 billion); commingled products (\$369 million); specialized solutions (\$936 million); individual investor solutions (\$476 million).
- ▶ **Outflows:** Driven by investors' liquidity needs and certain strategic shifts in their programs.

Credit

- ▶ **Inflows:** CLOs (\$1.0 billion U.S., \$431 million European); BDCs (\$765 million); Hedge Fund Strategies (\$366 million); Carry Funds (\$762 million).
- ▶ **Outflows:** BDCs (\$256 million); Long Only separately managed accounts (\$1.2 billion); Hedge Fund Strategies (\$227 million).

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

Total Assets Under Management

1Q'15 Total AUM Rollforward

(Dollars in Millions)

| | Private Equity | Real Estate | Hedge Fund Solutions | Credit | Total |
|------------------------|------------------|------------------|----------------------|------------------|-------------------|
| 4Q'14 | \$ 73,073 | \$ 80,863 | \$ 63,586 | \$ 72,859 | \$ 290,381 |
| Inflows | 2,870 | 18,362 | 3,083 | 6,124 | 30,439 |
| Outflows | (25) | (169) | (1,275) | (2,273) | (3,742) |
| Realizations | (3,314) | (9,155) | (26) | (1,006) | (13,501) |
| Net Inflows (Outflows) | (469) | 9,038 | 1,782 | 2,845 | 13,196 |
| Market Activity | 3,722 | 2,885 | 1,011 | (744) | 6,874 |
| 1Q'15 | \$ 76,327 | \$ 92,786 | \$ 66,379 | \$ 74,960 | \$ 310,451 |
| QoQ Increase | 4% | 15% | 4% | 3% | 7% |

1Q'15 LTM Total AUM Rollforward

(Dollars in Millions)

| | Private Equity | Real Estate | Hedge Fund Solutions | Credit | Total |
|------------------------|------------------|------------------|----------------------|------------------|-------------------|
| 1Q'14 | \$ 66,143 | \$ 81,334 | \$ 58,263 | \$ 66,006 | \$ 271,746 |
| Inflows | 14,442 | 27,035 | 12,225 | 23,492 | 77,194 |
| Outflows | (1,482) | (485) | (6,093) | (5,591) | (13,651) |
| Realizations | (14,011) | (27,499) | (167) | (7,167) | (48,844) |
| Net Inflows (Outflows) | (1,051) | (949) | 5,965 | 10,734 | 14,699 |
| Market Activity | 11,234 | 12,401 | 2,151 | (1,780) | 24,006 |
| 1Q'15 | \$ 76,327 | \$ 92,786 | \$ 66,379 | \$ 74,960 | \$ 310,451 |
| YoY Increase | 15% | 14% | 14% | 14% | 14% |

1Q'15 Highlights

Private Equity

- ▶ **Inflows:** Fundraising for second vintage of Tactical Opportunities separately managed accounts (\$2.4 billion), BEP II (\$365 million) and Strategic Partners (\$100 million).
- ▶ **Realizations:** BCP IV (\$645 million), BCP V (\$1.8 billion), Tactical Opportunities (\$332 million) and Strategic Partners (\$332 million).
- ▶ **Market Activity:** BCP V appreciation of 12.0% driven by public holdings including the IPO of Summit Materials.

Real Estate

- ▶ **Inflows:** Fundraising for the eighth global opportunistic fund (\$14.5 billion) and BPP funds (\$1.6 billion).
- ▶ **Realizations:** Record realization activity of \$9.2 billion in the quarter with 79% generated from BREP V, VI and VII.
- ▶ **Market Activity:** 8.2% appreciation in opportunistic funds driven by strong operating fundamentals in the BREP private portfolio (up 5% or \$2.1 billion) and public portfolio appreciation (up 15% or \$2.2 billion).

Hedge Fund Solutions

- ▶ **Inflows:** Additional close of general partner interests vehicle with \$3.0 billion in total commitments.
- ▶ **Market Activity:** BAAM's Principal Solutions Composite up 2.7% gross (2.5% net).

Credit

- ▶ **Realizations:** Returns to CLO investors (\$99 million U.S., \$460 million European); carry funds (\$447 million).

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

Net Accrued Performance Fees

- ▶ Blackstone had \$4.9 billion of accrued performance fees, net of performance fee compensation and distributed Realized Performance Fees, at the end of the quarter.

| Net Accrued Performance Fees | | | | | |
|---|-----------------|-----------------|----------------|------------------|-------------|
| (Dollars in Millions, Except per Unit Data) | 4Q'14 | 1Q'15 | Per Unit | Change vs. 4Q'14 | |
| Private Equity | | | | | |
| BCP IV Carried Interest | \$ 282 | \$ 178 | \$ 0.15 | \$ | (104) |
| BCP V Carried Interest | 1,050 | 1,479 | 1.26 | | 429 |
| BCP VI Carried Interest | 233 | 270 | 0.23 | | 37 |
| BEP Carried Interest | 63 | 64 | 0.05 | | 1 |
| Tactical Opportunities Carried Interest | 24 | 24 | 0.02 | | - |
| Strategic Partners Carried Interest | 4 | 11 | 0.01 | | 7 |
| Other | 1 | 1 | 0.00 | | - |
| Total Private Equity | 1,657 | 2,027 | 1.72 | | 370 |
| Real Estate | | | | | |
| BREP IV Carried Interest | 18 | 30 | 0.03 | | 12 |
| BREP V Carried Interest | 602 | 652 | 0.55 | | 50 |
| BREP VI Carried Interest | 1,113 | 1,109 | 0.94 | | (4) |
| BREP VII Carried Interest | 605 | 527 | 0.45 | | (78) |
| BREP Int'l I Carried Interest | - | 1 | 0.00 | | 1 |
| BREP Europe III Carried Interest | 183 | 201 | 0.17 | | 18 |
| BREP Europe IV Carried Interest | 37 | 56 | 0.05 | | 19 |
| BREP Asia Carried Interest | 17 | 30 | 0.03 | | 13 |
| BPP Carried Interest | 14 | 14 | 0.01 | | - |
| BREDS Carried Interest | 14 | 17 | 0.01 | | 3 |
| BREDS Incentive Fees | 2 | 4 | 0.00 | | 2 |
| Asia Platform Incentive Fees | 7 | 7 | 0.01 | | - |
| Total Real Estate | 2,612 | 2,648 | 2.25 | | 36 |
| Hedge Fund Solutions | | | | | |
| Incentive Fees | 76 | 40 | 0.03 | | (36) |
| Total Hedge Fund Solutions | 76 | 40 | 0.03 | | (36) |
| Credit | | | | | |
| Carried Interest | 175 | 165 | 0.14 | | (10) |
| Incentive Fees | 32 | 30 | 0.03 | | (2) |
| Total Credit | 207 | 195 | 0.17 | | (12) |
| Total Blackstone | | | | | |
| Carried Interest | 4,435 | 4,829 | 4.10 | | 394 |
| Incentive Fees | 117 | 81 | 0.07 | | (36) |
| Net Accrued Performance Fees | \$ 4,552 | \$ 4,910 | \$ 4.17 | \$ | 358 |
| <i>Memo: Net Realized Performance Fees</i> | <i>\$ 106</i> | <i>\$ 130</i> | <i>\$ 0.11</i> | <i>\$</i> | <i>24</i> |

\$4.9 billion
Net Accrued Performance Fees at 1Q'15

\$4.17 per unit
Net Accrued Performance Fees at 1Q'15

38% increase
in Net Accrued Performance Fees since 1Q'14

Net Accrued Performance Fees are presented net of performance fee compensation and do not include clawback amounts, if any, which are disclosed in the 10-K/Q. Net Realized Performance Fees are included in DE. When these fees are received, the receivable is reduced without further impacting DE. Per Unit calculations are based on end of period DE Units Outstanding (see page 33, Unit Rollforward).

Investment Records as of March 31, 2015

| (Dollars in Thousands, Except Where Noted) | Committed Capital | Available Capital (b) | Unrealized Investments | | | Realized Investments | | Total Investments | | Net IRRs (d) | |
|--|----------------------|-----------------------|------------------------|-------------|------------|----------------------|-------------|-----------------------|-------------|--------------|------------|
| | | | Value | MOIC (c) | % Public | Value | MOIC (c) | Value | MOIC (c) | Realized | Total |
| Private Equity | | | | | | | | | | | |
| BCP I (Oct 1987 / Oct 1993) | \$ 859,081 | \$ - | \$ - | n/a | - | \$ 1,741,738 | 2.6x | \$ 1,741,738 | 2.6x | 19% | 19% |
| BCP II (Oct 1993 / Aug 1997) | 1,361,100 | - | - | n/a | - | 3,256,818 | 2.5x | 3,256,818 | 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 (June 2000 / Jun 2006) | 2,137,330 | 199,298 | 244,522 | 1.1x | - | 2,619,040 | 1.4x | 2,863,562 | 1.3x | 7% | 6% |
| BCP IV (Nov 2002 / Dec 2005) | 6,773,182 | 223,589 | 2,498,337 | 1.4x | 36% | 18,651,078 | 3.2x | 21,149,415 | 2.8x | 45% | 36% |
| BCP V (Dec 2005 / Jan 2011) | 21,032,061 | 1,311,618 | 18,361,782 | 1.8x | 61% | 19,291,650 | 1.9x | 37,653,432 | 1.9x | 11% | 9% |
| BCP VI (Jan 2011 / Jan 2017) | 15,182,144 | 5,980,880 | 11,696,775 | 1.3x | 16% | 1,548,216 | 1.8x | 13,244,991 | 1.4x | 50% | 14% |
| BEP (Aug 2011 / Aug 2017) | 2,437,287 | 372,131 | 2,713,049 | 1.4x | 24% | 535,189 | 2.0x | 3,248,238 | 1.4x | 56% | 29% |
| BEP II (Feb 2015 / Feb 2021) | 4,864,865 | 4,864,865 | - | n/a | - | - | n/a | - | n/a | n/a | n/a |
| Total Corporate Private Equity | \$ 58,614,472 | \$ 12,952,381 | \$ 35,514,465 | 1.6x | 41% | \$ 56,828,417 | 2.3x | \$ 92,342,882 | 1.9x | 22% | 16% |
| Tactical Opportunities | 8,858,500 | 5,128,542 | 4,232,095 | 1.1x | 2% | 980,853 | 1.4x | 5,212,948 | 1.2x | 27% | 14% |
| Strategic Partners | 16,693,422 | 4,553,811 | 6,549,585 | 1.6x | n/a | 11,673,083 | 1.3x | 18,222,668 | 1.4x | n/a | 15% |
| Other Funds and Co-Invest | 1,621,886 | 169,977 | 1,187,250 | 1.1x | 55% | 103,859 | 1.7x | 1,291,109 | 1.1x | n/a | n/a |
| Total Private Equity | \$ 85,788,280 | \$ 22,804,711 | \$ 47,483,395 | 1.5x | 32% | \$ 69,586,212 | 2.0x | \$ 117,069,607 | 1.8x | 20% | 16% |
| 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 | - | 2,531,612 | 2.1x | 2,531,612 | 2.1x | 19% | 19% |
| BREP III (Apr 1999 / Apr 2003) | 1,522,708 | - | - | n/a | - | 3,328,504 | 2.4x | 3,328,504 | 2.4x | 21% | 21% |
| BREP IV (Apr 2003 / Dec 2005) | 2,198,694 | - | 1,053,344 | 0.9x | 16% | 3,619,482 | 2.2x | 4,672,826 | 1.7x | 48% | 14% |
| BREP V (Dec 2005 / Feb 2007) | 5,539,418 | - | 5,775,716 | 2.2x | 11% | 6,922,979 | 2.2x | 12,698,695 | 2.2x | 16% | 12% |
| BREP VI (Feb 2007 / Aug 2011) | 11,059,494 | 586,765 | 12,817,654 | 2.7x | 62% | 14,006,819 | 2.3x | 26,824,473 | 2.5x | 17% | 15% |
| BREP VII (Aug 2011 / April 2015) | 13,476,021 | 4,089,253 | 15,523,310 | 1.5x | 2% | 5,036,944 | 1.9x | 20,560,254 | 1.6x | 39% | 26% |
| BREP VIII (April 2015 / October 2020) | 14,556,000 | 14,556,000 | - | n/a | n/a | - | n/a | - | n/a | n/a | n/a |
| Total Global Real Estate Funds | \$ 50,072,096 | \$ 19,232,018 | \$ 35,170,024 | 1.9x | 26% | \$ 37,119,238 | 2.2x | \$ 72,289,262 | 2.0x | 23% | 18% |
| Euro | | | | | | | | | | | |
| BREP Int'l (Jan 2001 / Sep 2005) | € 824,172 | € - | € 9,364 | 0.5x | - | € 1,359,864 | 2.1x | € 1,369,228 | 2.1x | 25% | 23% |
| BREP Int'l II (Sep 2005 / Jun 2008) | 1,629,748 | 54,198 | 1,681,289 | 1.5x | 41% | 567,022 | 1.8x | 2,248,311 | 1.6x | 12% | 6% |
| BREP Europe III (Jun 2008 / Sep 2013) | 3,204,714 | 525,539 | 4,307,781 | 1.8x | 9% | 1,149,471 | 2.5x | 5,457,252 | 1.9x | 32% | 20% |
| BREP Europe IV (Sep 2013 / Mar 2019) | 6,509,841 | 4,382,570 | 3,385,545 | 1.2x | - | 247,017 | 1.3x | 3,632,562 | 1.2x | 40% | 21% |
| Total Euro Real Estate Funds | € 12,168,475 | € 4,962,307 | € 9,383,979 | 1.5x | 11% | € 3,323,374 | 2.1x | € 12,707,353 | 1.6x | 23% | 14% |
| BREP Co-Investment (f) | \$ 5,556,716 | \$ - | \$ 7,834,007 | 2.1x | 67% | \$ 4,357,984 | 2.3x | \$ 12,191,991 | 2.2x | 17% | 18% |
| BREP Asia (Jun 2013 / Dec 2017) | 5,076,119 | 3,111,174 | 2,347,061 | 1.2x | - | 4,400 | 1.0x | 2,351,461 | 1.2x | n/a | 15% |
| Total Real Estate | \$ 76,577,457 | \$ 27,712,904 | \$ 57,810,842 | 1.8x | 27% | \$ 45,894,528 | 2.2x | \$ 103,705,370 | 1.9x | 22% | 17% |
| BPP | \$ 5,063,701 | \$ 3,008,012 | \$ 2,449,050 | 1.2x | - | \$ - | n/a | \$ 2,449,050 | 1.2x | n/a | n/a |
| BREDS (g) | \$ 7,142,206 | \$ 2,092,436 | \$ 2,713,830 | 1.2x | - | \$ 3,947,173 | 1.3x | \$ 6,661,003 | 1.3x | 13% | 12% |
| Credit (h) | | | | | | | | | | | |
| Mezzanine I (Jul 2007 / Jul 2012) | \$ 2,000,000 | \$ 134,024 | \$ 841,926 | 1.7x | - | \$ 3,999,712 | 1.6x | \$ 4,841,638 | 1.6x | n/a | 18% |
| Mezzanine II (Nov 2011 / Nov 2016) | 4,120,000 | 2,590,229 | 2,588,856 | 1.2x | - | 1,217,175 | 1.5x | 3,806,031 | 1.3x | n/a | 22% |
| Rescue Lending I (Sep 2009 / May 2013) | 3,253,143 | 558,165 | 2,414,948 | 1.4x | - | 3,397,415 | 1.4x | 5,812,363 | 1.4x | n/a | 14% |
| Rescue Lending II (Jun 2013 / Jun 2018) | 5,125,000 | 3,797,864 | 1,727,755 | 1.2x | - | 3,795 | 1.0x | 1,731,550 | 1.2x | n/a | n/m |
| Total Credit | \$ 14,498,143 | \$ 7,080,282 | \$ 7,573,485 | 1.3x | - | \$ 8,618,097 | 1.5x | \$ 16,191,582 | 1.4x | n/a | 17% |

Notes on next page.

Investment Records as of March 31, 2015 – Notes

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

n/m Not meaningful.

n/a Not applicable.

(a) Preliminary.

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

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

(d) Net Internal Rate of Return (“IRR”) represents the annualized inception to March 31, 2015 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest. Net IRRs for BREP Europe IV, BREP Asia and BREDS II are calculated from commencement of their respective investment periods which, being less than one year, are not annualized.

(e) Returns for Other Funds and Co-Invest are not meaningful as these funds have limited transaction activity.

(f) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment’s realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest.

(g) Excludes Capital Trust drawdown funds.

(h) The Total Investments MOIC for Mezzanine I, Mezzanine II, Rescue Lending I and Rescue Lending II Funds, excluding recycled capital during the investment period, was 2.0x, 1.7x, 1.6x and 1.3x, respectively. Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the four flagship credit drawdown funds presented.

Reconciliation of GAAP to Non-GAAP Measures - Quarters

| (Dollars in Thousands) | 1Q'13 | 2Q'13 | 3Q'13 | 4Q'13 | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 |
|---|-------------------|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| Net Income Attributable to The Blackstone Group L.P. | \$ 167,635 | \$ 211,148 | \$ 171,164 | \$ 621,255 | \$ 265,617 | \$ 517,016 | \$ 250,505 | \$ 551,451 | \$ 629,448 |
| Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone | 207,090 | 249,134 | 208,332 | 675,289 | 299,505 | 543,819 | 271,194 | 586,582 | 645,230 |
| Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities | (9,452) | 27,944 | 30,231 | 149,834 | 43,961 | 140,061 | 55,491 | 95,557 | 153,222 |
| Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities | 62,316 | 22,366 | 51,188 | 47,445 | 45,792 | 22,486 | (23,328) | 29,844 | 56,358 |
| Net Income | \$ 427,589 | \$ 510,592 | \$ 460,915 | \$ 1,493,823 | \$ 654,875 | \$ 1,223,382 | \$ 553,862 | \$ 1,263,434 | \$ 1,484,258 |
| Provision for Taxes | 50,993 | 56,082 | 57,477 | 91,090 | 54,097 | 83,282 | 79,108 | 74,686 | 99,344 |
| Income Before Provision for Taxes | \$ 478,582 | \$ 566,674 | \$ 518,392 | \$ 1,584,913 | \$ 708,972 | \$ 1,306,664 | \$ 632,970 | \$ 1,338,120 | \$ 1,583,602 |
| IPO and Acquisition-Related Charges ^(a) | 186,962 | 178,706 | 190,525 | 166,514 | 177,024 | 178,568 | 209,240 | 291,550 | 231,862 |
| Amortization of Intangibles ^(b) | 25,657 | 24,322 | 27,525 | 29,139 | 29,003 | 28,310 | 27,828 | 26,113 | 25,899 |
| (Income) Associated with Non-Controlling Interests of Consolidated Entities ^(c) | (52,864) | (50,310) | (81,419) | (197,279) | (89,753) | (162,547) | (32,163) | (125,401) | (209,580) |
| Economic Income | \$ 638,337 | \$ 719,392 | \$ 655,023 | \$ 1,583,287 | \$ 825,246 | \$ 1,350,995 | \$ 837,875 | \$ 1,530,382 | \$ 1,631,783 |
| Taxes ^(d) | (10,031) | (16,152) | (14,792) | (41,189) | (11,312) | (25,032) | (79,519) | (83,649) | (9,719) |
| Economic Net Income | \$ 628,306 | \$ 703,240 | \$ 640,231 | \$ 1,542,098 | \$ 813,934 | \$ 1,325,963 | \$ 758,356 | \$ 1,446,733 | \$ 1,622,064 |
| Taxes ^(d) | 10,031 | 16,152 | 14,792 | 41,189 | 11,312 | 25,032 | 79,519 | 83,649 | 9,719 |
| Performance Fee Adjustment ^(e) | (603,999) | (719,219) | (544,936) | (1,688,219) | (779,014) | (1,398,438) | (891,087) | (1,323,338) | (1,673,736) |
| Investment (Income) Adjustment ^(f) | (134,771) | (97,119) | (99,172) | (356,743) | (116,467) | (175,971) | (80,766) | (98,424) | (189,641) |
| Net Interest Loss ^(g) | 11,408 | 10,618 | 3,729 | 7,213 | 8,036 | 11,988 | 10,636 | 5,851 | 8,402 |
| Performance Fee Compensation and Benefits Adjustment ^(h) | 239,895 | 286,832 | 168,393 | 718,062 | 237,254 | 417,838 | 360,162 | 270,249 | 403,816 |
| Fee Related Earnings | \$ 150,870 | \$ 200,504 | \$ 183,037 | \$ 263,600 | \$ 175,055 | \$ 206,412 | \$ 236,820 | \$ 384,720 | \$ 180,624 |
| Net Realized Performance Fees ⁽ⁱ⁾ | 218,952 | 147,231 | 138,924 | 455,068 | 214,427 | 402,140 | 470,560 | 699,472 | 932,789 |
| Realized Investment Income ⁽ⁱ⁾ | 38,110 | 54,586 | 11,492 | 66,283 | 111,917 | 202,199 | 75,832 | 153,477 | 107,792 |
| Net Interest (Loss) ^(g) | (11,408) | (10,618) | (3,729) | (7,213) | (8,036) | (11,988) | (10,636) | (5,851) | (8,402) |
| Taxes and Related Payables Including Payable Under Tax Receivable Agreement | (12,148) | (44,220) | (31,756) | (68,610) | (31,054) | (44,841) | (96,437) | (108,456) | (16,994) |
| Equity-Based Compensation ^(l) | 12,085 | 10,985 | 8,745 | 98,309 | 16,337 | 11,250 | 9,947 | 10,692 | 44,398 |
| Distributable Earnings | \$ 396,461 | \$ 358,468 | \$ 306,713 | \$ 807,437 | \$ 478,646 | \$ 765,172 | \$ 686,086 | \$ 1,134,054 | \$ 1,240,207 |
| Interest Expense | 26,069 | 25,960 | 25,268 | 26,607 | 30,398 | 34,082 | 34,221 | 34,154 | 38,853 |
| Taxes and Related Payables Including Payable Under Tax Receivable Agreement | 12,148 | 44,220 | 31,756 | 68,610 | 31,054 | 44,841 | 96,437 | 108,456 | 16,994 |
| Depreciation and Amortization | 8,643 | 9,116 | 8,956 | 8,726 | 10,373 | 7,170 | 7,557 | 7,200 | 6,927 |
| Adjusted EBITDA | \$ 443,321 | \$ 437,764 | \$ 372,693 | \$ 911,380 | \$ 550,471 | \$ 851,265 | \$ 824,301 | \$ 1,283,864 | \$ 1,302,981 |

Reconciliation of GAAP to Non-GAAP Measures - Years

| (Dollars in Thousands) | 2010 | 2011 | 2012 | 2013 | 2014 | 1Q'14 LTM | 1Q'15 LTM |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Income (Loss) Attributable to The Blackstone Group L.P. | \$ (370,028) | \$ (168,303) | \$ 218,598 | \$ 1,171,202 | \$ 1,584,589 | \$ 1,269,184 | \$ 1,948,420 |
| Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone | (668,444) | (83,234) | 407,727 | 1,339,845 | 1,701,100 | 1,432,260 | 2,046,825 |
| Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities | 343,498 | 7,953 | 99,959 | 198,557 | 335,070 | 251,970 | 444,331 |
| Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities | 87,651 | (24,869) | 103,598 | 183,315 | 74,794 | 166,791 | 85,360 |
| Net Income | \$ (607,323) | \$ (268,453) | \$ 829,882 | \$ 2,892,919 | \$ 3,695,553 | \$ 3,120,205 | \$ 4,524,936 |
| Provision for Taxes | 84,669 | 345,711 | 185,023 | 255,642 | 291,173 | 258,746 | 336,420 |
| Income Before Provision for Taxes | \$ (522,654) | \$ 77,258 | \$ 1,014,905 | \$ 3,148,561 | \$ 3,986,726 | \$ 3,378,951 | \$ 4,861,356 |
| IPO and Acquisition-Related Charges ^(a) | 2,369,195 | 1,269,932 | 1,079,511 | 722,707 | 856,382 | 712,769 | 911,220 |
| Amortization of Intangibles ^(b) | 165,378 | 220,865 | 150,148 | 106,643 | 111,254 | 109,989 | 108,150 |
| (Income) Associated with Non-Controlling Interests of Consolidated Entities ^(c) | (431,149) | 16,916 | (203,557) | (381,872) | (409,864) | (418,761) | (529,691) |
| Economic Income (Loss) | \$ 1,580,770 | \$ 1,584,971 | \$ 2,041,007 | \$ 3,596,039 | \$ 4,544,498 | \$ 3,782,948 | \$ 5,351,035 |
| Taxes ^(d) | (28,932) | (45,763) | (45,708) | (82,164) | (199,512) | (83,445) | (197,919) |
| Economic Net Income (Loss) | \$ 1,551,838 | \$ 1,539,208 | \$ 1,995,299 | \$ 3,513,875 | \$ 4,344,986 | \$ 3,699,503 | \$ 5,153,116 |
| Taxes ^(d) | 28,932 | 45,763 | 45,708 | 82,164 | 199,512 | 83,445 | 197,919 |
| Performance Fee Adjustment ^(e) | (926,289) | (1,174,526) | (1,593,765) | (3,556,373) | (4,391,877) | (3,731,388) | (5,286,599) |
| Investment (Income) Adjustment ^(f) | (548,549) | (185,264) | (286,244) | (687,805) | (471,628) | (669,501) | (544,802) |
| Net Interest Loss ^(g) | 570 | 14,357 | 22,522 | 32,968 | 36,511 | 29,596 | 36,877 |
| Performance Fee Compensation and Benefits Adjustment ^(h) | 356,962 | 316,712 | 513,546 | 1,413,182 | 1,285,503 | 1,410,541 | 1,452,065 |
| Fee Related Earnings | \$ 463,464 | \$ 556,250 | \$ 697,066 | \$ 798,012 | \$ 1,003,007 | \$ 822,196 | \$ 1,008,576 |
| Net Realized Performance Fees ⁽ⁱ⁾ | 233,347 | 128,409 | 392,411 | 960,175 | 1,786,599 | 955,650 | 2,504,961 |
| Realized Investment Income ⁽ⁱ⁾ | 46,915 | 102,575 | 95,398 | 170,471 | 543,425 | 244,278 | 539,300 |
| Net Interest (Loss) ^(g) | (570) | (14,357) | (22,522) | (32,968) | (36,511) | (29,596) | (36,877) |
| Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(k) | (48,867) | (74,696) | (132,325) | (156,734) | (280,788) | (175,640) | (266,728) |
| Equity-Based Compensation ^(l) | 68,900 | 84,626 | 90,040 | 130,124 | 48,226 | 134,376 | 76,287 |
| Distributable Earnings | \$ 763,189 | \$ 782,807 | \$ 1,120,068 | \$ 1,869,079 | \$ 3,063,958 | \$ 1,951,264 | \$ 3,825,519 |
| Interest Expense | 36,666 | 53,201 | 69,152 | 103,904 | 132,855 | 108,233 | 141,310 |
| Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(k) | 48,867 | 74,696 | 132,325 | 156,734 | 280,788 | 175,640 | 266,728 |
| Depreciation and Amortization | 26,629 | 32,764 | 42,235 | 35,441 | 32,300 | 37,171 | 28,854 |
| Adjusted EBITDA | \$ 875,351 | \$ 943,468 | \$ 1,363,780 | \$ 2,165,158 | \$ 3,509,901 | \$ 2,272,308 | \$ 4,262,411 |

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See page 34, Definitions and Distribution Policy.

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

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

| (Dollars in Thousands) | 1Q'13 | 2Q'13 | 3Q'13 | 4Q'13 | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 |
|---|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Operating Expenses | 114,444 | 120,152 | 122,872 | 129,171 | 139,774 | 145,111 | 131,440 | 137,457 | 143,282 |
| Less: Interest Expense | (26,069) | (25,960) | (25,268) | (26,607) | (30,398) | (34,082) | (34,221) | (34,154) | (38,853) |
| Non-Interest Operating Expenses | \$ 88,375 | \$ 94,192 | \$ 97,604 | \$ 102,564 | \$ 109,376 | \$ 111,029 | \$ 97,219 | \$ 103,303 | \$ 104,429 |
| Realized Incentive Fees | 24,727 | 74,867 | 31,238 | 343,501 | 53,837 | 39,291 | 36,840 | 131,777 | 29,670 |
| Less: Realized Incentive Fee Compensation | (10,508) | (35,014) | (14,599) | (140,794) | (23,635) | (18,509) | (19,029) | (48,926) | (12,227) |
| Net Realized Incentive Fees | \$ 14,219 | \$ 39,853 | \$ 16,639 | \$ 202,707 | \$ 30,202 | \$ 20,782 | \$ 17,811 | \$ 82,851 | \$ 17,443 |
| Realized Carried Interest | 294,170 | 183,288 | 182,654 | 283,846 | 333,623 | 641,659 | 638,752 | 836,562 | 1,207,594 |
| Less: Realized Carried Interest Compensation | (89,437) | (75,910) | (60,369) | (31,485) | (149,398) | (260,301) | (186,003) | (219,941) | (292,248) |
| Net Realized Carried Interest | \$ 204,733 | \$ 107,378 | \$ 122,285 | \$ 252,361 | \$ 184,225 | \$ 381,358 | \$ 452,749 | \$ 616,621 | \$ 915,346 |
| Interest Income and Dividend Revenue | 14,661 | 15,342 | 21,539 | 19,394 | 22,362 | 22,094 | 23,585 | 28,303 | 30,451 |
| Less: Interest Expense | (26,069) | (25,960) | (25,268) | (26,607) | (30,398) | (34,082) | (34,221) | (34,154) | (38,853) |
| Net Interest Income (Loss) | \$ (11,408) | \$ (10,618) | \$ (3,729) | \$ (7,213) | \$ (8,036) | \$ (11,988) | \$ (10,636) | \$ (5,851) | \$ (8,402) |
| Equity-Based Compensation^(b) | \$ 12,085 | \$ 10,985 | \$ 8,745 | \$ 98,309 | \$ 16,337 | \$ 11,250 | \$ 9,947 | \$ 10,692 | \$ 44,398 |
| Taxes and Related Payables^(a) | \$ (12,148) | \$ (44,220) | \$ (31,756) | \$ (68,610) | \$ (31,054) | \$ (44,841) | \$ (96,437) | \$ (108,456) | \$ (16,994) |
| Unrealized Incentive Fees | 107,755 | 4,358 | 40,992 | (173,033) | 61,266 | 56,776 | (6,531) | (140,936) | 62,620 |
| Less: Unrealized Incentive Fee Compensation | (44,478) | (3,084) | (11,084) | 70,297 | (23,531) | (24,692) | 9,002 | 58,497 | (24,961) |
| Net Unrealized Incentive Fees | \$ 63,277 | \$ 1,274 | \$ 29,908 | \$ (102,736) | \$ 37,735 | \$ 32,084 | \$ 2,471 | \$ (82,439) | \$ 37,659 |
| Unrealized Carried Interest | 177,347 | 456,706 | 290,052 | 1,233,905 | 330,288 | 660,712 | 222,026 | 495,935 | 373,852 |
| Less: Unrealized Carried Interest Compensation | (95,472) | (172,824) | (82,341) | (616,080) | (40,690) | (114,336) | (164,132) | (59,879) | (74,380) |
| Net Unrealized Carried Interest | \$ 81,875 | \$ 283,882 | \$ 207,711 | \$ 617,825 | \$ 289,598 | \$ 546,376 | \$ 57,894 | \$ 436,056 | \$ 299,472 |
| Related Payables^(c) | \$ 2,117 | \$ 28,068 | \$ 16,964 | \$ 27,421 | \$ 19,742 | \$ 19,809 | \$ 16,918 | \$ 24,807 | \$ 7,275 |

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

(a) See pages 28-30, 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, which is a component of Taxes and Related Payables.

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

| (Dollars in Thousands) | 2010 | 2011 | 2012 | 2013 | 2014 | 1Q'14 LTM | 1Q'15 LTM |
|---|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating Expenses | 344,516 | 421,342 | 481,445 | 486,639 | 553,782 | 511,969 | 557,290 |
| Less: Interest Expense | (36,666) | (53,201) | (69,152) | (103,904) | (132,855) | (108,233) | (141,310) |
| Non-Interest Operating Expenses | \$ 307,850 | \$ 368,141 | \$ 412,293 | \$ 382,735 | \$ 420,927 | \$ 403,736 | \$ 415,980 |
| Realized Incentive Fees | 116,700 | 89,029 | 301,464 | 474,333 | 261,745 | 503,443 | 237,578 |
| Less: Realized Incentive Fee Compensation | (57,600) | (55,912) | (140,042) | (200,915) | (110,099) | (214,042) | (98,691) |
| Net Realized Incentive Fees | \$ 59,100 | \$ 33,117 | \$ 161,422 | \$ 273,418 | \$ 151,646 | \$ 289,401 | \$ 138,887 |
| Realized Carried Interest | 244,963 | 138,907 | 327,422 | 943,958 | 2,450,596 | 983,411 | 3,324,567 |
| Less: Realized Carried Interest Compensation | (70,716) | (43,615) | (96,433) | (257,201) | (815,643) | (317,162) | (958,493) |
| Net Realized Carried Interest | \$ 174,247 | \$ 95,292 | \$ 230,989 | \$ 686,757 | \$ 1,634,953 | \$ 666,249 | \$ 2,366,074 |
| Interest Income and Dividend Revenue | 36,096 | 38,844 | 46,630 | 70,936 | 96,344 | 78,637 | 104,433 |
| Less: Interest Expense | (36,666) | (53,201) | (69,152) | (103,904) | (132,855) | (108,233) | (141,310) |
| Net Interest Income (Loss) | \$ (570) | \$ (14,357) | \$ (22,522) | \$ (32,968) | \$ (36,511) | \$ (29,596) | \$ (36,877) |
| Equity-Based Compensation^(b) | \$ 68,900 | \$ 84,626 | \$ 90,040 | \$ 130,124 | \$ 48,226 | \$ 134,376 | \$ 76,287 |
| Taxes and Related Payables^(a) | \$ (48,867) | \$ (74,696) | \$ (132,325) | \$ (156,734) | \$ (280,788) | \$ (175,640) | \$ (266,728) |
| Unrealized Incentive Fees | 107,624 | (24,928) | (29,311) | (19,928) | (29,425) | (66,417) | (28,071) |
| Less: Unrealized Incentive Fee Compensation | (63,306) | 20,759 | 44,528 | 11,651 | 19,276 | 32,598 | 17,846 |
| Net Unrealized Incentive Fees | \$ 44,318 | \$ (4,169) | \$ 15,217 | \$ (8,277) | \$ (10,149) | \$ (33,819) | \$ (10,225) |
| Unrealized Carried Interest | 457,002 | 971,518 | 994,190 | 2,158,010 | 1,708,961 | 2,310,951 | 1,752,525 |
| Less: Unrealized Carried Interest Compensation | (165,340) | (237,944) | (321,599) | (966,717) | (379,037) | (911,935) | (412,727) |
| Net Unrealized Carried Interest | \$ 291,662 | \$ 733,574 | \$ 672,591 | \$ 1,191,293 | \$ 1,329,924 | \$ 1,399,016 | \$ 1,339,798 |
| Related Payables^(c) | \$ 19,935 | \$ 28,933 | \$ 86,617 | \$ 74,570 | \$ 81,276 | \$ 92,195 | \$ 68,809 |

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

(a) See pages 28-30, 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, which is a component of Taxes and Related Payables.

Unit Rollforward

- ▶ Weighted-Average Economic Net Income Adjusted Units, were 1.2 billion, up 20.8 million from the prior quarter, partially attributable to the buy out of partnership holdings interests, which is expected to be accretive to the segments and earnings per unit in the future.

| | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | 1Q'15 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total GAAP Weighted-Average Common Units Outstanding - Basic | 601,527,299 | 606,690,740 | 611,684,213 | 615,492,620 | 625,276,969 |
| <i>Adjustments:</i> | | | | | |
| Weighted-Average Unvested Deferred Restricted Common Units | 4,141,865 | 3,207,089 | 3,294,657 | 6,843,140 | 5,955,072 |
| Total GAAP Weighted-Average Common Units Outstanding - Diluted | 605,669,164 | 609,897,829 | 614,978,870 | 622,335,760 | 631,232,041 |
| <i>Adjustments:</i> | | | | | |
| Weighted-Average Blackstone Holdings Partnership Units | 549,327,240 | 544,158,132 | 539,856,777 | 536,973,966 | 548,837,150 |
| Weighted-Average Economic Net Income Adjusted Units | 1,154,996,404 | 1,154,055,961 | 1,154,835,647 | 1,159,309,726 | 1,180,069,191 |
| Economic Net Income Adjusted Units, End of Period | 1,154,889,678 | 1,154,840,023 | 1,155,075,985 | 1,159,954,181 | 1,192,529,251 |
| Total Common Units Outstanding | 599,372,943 | 603,270,771 | 607,590,602 | 611,480,457 | 625,985,058 |
| <i>Adjustments:</i> | | | | | |
| Blackstone Holdings Partnership Units | 541,129,472 | 538,074,958 | 538,760,225 | 536,543,970 | 550,783,119 |
| Distributable Earnings Units Outstanding | 1,140,502,415 | 1,141,345,729 | 1,146,350,827 | 1,148,024,427 | 1,176,768,177 |

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

Definitions and Distribution Policy

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

- Blackstone uses Economic Income, or “EI”, as a key measure of value creation, a benchmark of its performance and in making resource deployment and compensation decisions across its five segments. EI represents segment net income before taxes excluding transaction-related charges. Transaction-related charges arise from Blackstone’s initial public offering (“IPO”) and long-term retention programs outside of annual deferred compensation and other corporate actions, including acquisitions. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets and contingent consideration associated with acquisitions. EI presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages.
- Economic Net Income, or “ENI”, represents EI adjusted to include current period taxes. Taxes represent the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes.
- Blackstone uses Fee Related Earnings, or “FRE”, as a key measure to highlight earnings from operations excluding: (a) the income related to performance fees and related carry plan costs, (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.

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

Forward-Looking Statements

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

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