

Blackstone

Blackstone Reports First Quarter Results

New York, April 21, 2016: Blackstone (NYSE:BX) today reported its first quarter 2016 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “In the first quarter Blackstone reached a record \$344 billion in total assets under management, with \$80 billion of gross inflows driving 11% year-over-year AUM growth, and \$17 billion of gross inflows in the first quarter alone. Global investors continue to turn to the alternatives asset class, and Blackstone in particular, to provide superior long-term investment performance in a challenging and uncertain environment, fueling these trends. Our major drawdown funds again outperformed the relevant indices in the first quarter and, while certain liquid strategies were not immune to the market turbulence in the period, as a firm we’ve never been better positioned for long-term success with our clients around the world.”

Blackstone’s press release of its first quarter 2016 results can also be viewed at www.blackstone.com.

Distribution

Blackstone has declared a quarterly distribution of \$0.28 per common unit to record holders of common units at the close of business on May 2, 2016. This distribution will be paid on May 9, 2016.

Quarterly Investor Call Details

Blackstone will host a conference call on April 21, 2016 at 11:00 a.m. ET to discuss first quarter 2016 results. The conference call can be accessed via the Shareholders section of Blackstone’s website at www.blackstone.com or by dialing +1 (877) 391-6747 (U.S. domestic) or +1 (617) 597-9291 (international), pass code 149 943 55#. For those unable to listen to the live broadcast, a replay will be available on www.blackstone.com or by dialing +1 (888) 286-8010 (U.S. domestic) or +1 (617) 801-6888 (international), pass code 204 488 67#.

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 \$340 billion in assets under management, include investment vehicles focused on

private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at www.blackstone.com. Follow Blackstone on Twitter [@Blackstone](https://twitter.com/Blackstone).

Forward-Looking Statements

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect Blackstone's current views with respect to, among other things, Blackstone's operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "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, 2015, 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 2016 Earnings

April 21, 2016

Blackstone's First Quarter 2016 Highlights

- ▶ Economic Net Income (“ENI”) was \$371 million (\$0.31/unit) in the first quarter, on \$929 million of Total Segment Revenues.
 - ENI was \$899 million (\$0.76/unit) for the last twelve months (“LTM”) on \$3.0 billion of Total Segment Revenues.
- ▶ Distributable Earnings (“DE”) was \$388 million (\$0.33/ unit) in the first quarter, on \$259 million of Realized Performance Fees.
 - DE was \$3.0 billion (\$2.51/unit) LTM on \$2.4 billion of Realized Performance Fees.
- ▶ Fee Related Earnings (“FRE”) was \$219 million in the first quarter, up 21% from \$181 million in the prior year despite the spin-off of Blackstone’s Advisory businesses completed in October 2015.
 - FRE was \$974 million LTM, on \$2.6 billion of Fee Revenues.
- ▶ GAAP Net Income was \$150 million (\$0.23/unit diluted) for the quarter and \$230 million (\$0.28/unit diluted) LTM, net of certain non-cash IPO and transaction related expenses and net income attributable to non-controlling interests, primarily inside ownership.
- ▶ Total Assets Under Management (“AUM”) reached a record \$343.7 billion through a combination of strong fundraising and organic expansion.
 - Gross inflows were \$17.1 billion in the first quarter, bringing LTM inflows to \$80.2 billion.
 - Total AUM increased 11% year-over-year, despite returning \$48.2 billion of capital to investors.
- ▶ Significant capital deployment of \$6.7 billion in the first quarter was achieved by leveraging Blackstone’s diverse platform to find opportunities globally.
- ▶ Blackstone declared a first quarter distribution of \$0.28 per common unit payable on May 9, 2016.

Blackstone's First Quarter 2016 Segment Earnings

(Dollars in Thousands, Except per Unit Data)	1Q'15	1Q'16	% Change vs. 1Q'15	1Q'15 LTM	1Q'16 LTM	% Change vs. 1Q'15 LTM
Fee Revenues	\$ 614,891	\$ 606,953	(1)%	\$ 2,601,360	\$ 2,565,467	(1)%
Performance Fees	1,673,736	314,065	(81)%	5,286,599	438,406	(92)%
Investment Income (Loss)	189,641	(26,650)	n/m	544,802	(163,442)	n/m
Interest Income and Dividend Revenue	30,451	35,081	15%	104,433	136,231	30%
Total Revenues	2,508,719	929,449	(63)%	8,537,194	2,976,662	(65)%
Total Expenses	876,936	542,004	(38)%	3,186,159	2,043,204	(36)%
Taxes	9,719	16,794	73%	197,919	34,602	(83)%
Economic Net Income ("ENI")	\$ 1,622,064	\$ 370,651	(77)%	\$ 5,153,116	\$ 898,856	(83)%
<i>ENI per Unit</i>	<i>\$ 1.37</i>	<i>\$ 0.31</i>	<i>(77)%</i>	<i>\$ 4.43</i>	<i>\$ 0.76</i>	<i>(83)%</i>
GAAP Net Income	\$ 629,448	\$ 150,033	(76)%	\$ 1,948,420	\$ 230,374	(88)%
Fee Related Earnings ("FRE")	\$ 180,624	\$ 219,456	21%	\$ 1,008,576	\$ 974,443	(3)%
Distributable Earnings ("DE")	\$ 1,240,207	\$ 387,967	(69)%	\$ 3,825,519	\$ 2,991,448	(22)%
<i>DE per Common Unit</i>	<i>\$ 1.05</i>	<i>\$ 0.33</i>	<i>(69)%</i>	<i>\$ 3.16</i>	<i>\$ 2.51</i>	<i>(21)%</i>
Total AUM	\$ 310,451,289	\$ 343,705,462	11%	\$ 310,451,289	\$ 343,705,462	11%
Fee-Earning AUM	\$ 223,511,700	\$ 244,452,764	9%	\$ 223,511,700	\$ 244,452,764	9%

n/m = not meaningful. See page 11 for the GAAP Statement of Operations.

Private Equity

- ▶ Corporate Private Equity carrying value increased 1.7% in the quarter driven by public portfolio appreciation.
- ▶ Realizations through public and strategic sales were \$2.1 billion in the first quarter and \$12.3 billion over the LTM.
- ▶ Deployed \$2.0 billion during the quarter including the closing of several new investments and synergistic add-on investments to existing platform deals.
- ▶ Raised \$3.5 billion in the quarter across the segment, including initial closings for the seventh secondary fund and the Core Private Equity fund, bringing total capital raised to \$30.3 billion over the last twelve months.
- ▶ Total AUM increased 25% year-over-year to a record \$95.5 billion, driven by fundraising across flagship funds, Strategic Partners, Tactical Opportunities and Core Private Equity.

(Dollars in Thousands)	1Q'15	1Q'16	% Change vs. 1Q'15	1Q'15 LTM	1Q'16 LTM	% Change vs. 1Q'15 LTM
Fee Revenues	\$ 124,397	\$ 131,133	5%	\$ 542,358	\$ 525,289	(3)%
Performance Fees	949,800	104,157	(89)%	2,640,160	(88,611)	n/m
Investment Income (Loss)	76,303	83	(100)%	203,606	(2,909)	n/m
Interest Income and Dividend Revenue	7,618	9,849	29%	24,381	35,449	45%
Total Revenues	1,158,118	245,222	(79)%	3,410,505	469,218	(86)%
Compensation	71,072	80,274	13%	277,450	289,450	4%
Performance Fee Compensation	217,602	24,723	(89)%	635,818	53,871	(92)%
Other Operating Expenses	38,875	48,063	24%	149,240	208,346	40%
Total Expenses	327,549	153,060	(53)%	1,062,508	551,667	(48)%
Economic Income (Loss)	\$ 830,569	\$ 92,162	(89)%	\$ 2,347,997	\$ (82,449)	n/m
Total AUM	\$ 76,327,189	\$ 95,466,227	25%	\$ 76,327,189	\$ 95,466,227	25%
Fee-Earning AUM	\$ 49,342,211	\$ 50,228,312	2%	\$ 49,342,211	\$ 50,228,312	2%

1.7%

1Q'16 increase in Corporate
Private Equity carrying value

\$3.5 billion

1Q'16 capital raised

\$95.5 billion

Total AUM up 25% YoY

Real Estate

- ▶ Opportunistic funds' carrying value was up 1.8% during the quarter due to gains across public and private investment values; core+ funds' carrying value was up 4.4% in the quarter.
- ▶ Investment pace remained strong with \$3.8 billion invested in the quarter, including the closing of the BioMed Realty acquisition, a publicly traded U.S. life sciences office REIT.
- ▶ Sustained strong level of realizations with \$3.5 billion in the quarter through both Blackstone's public stake in Gecina and private sales, including asset sales within the Equity Office Properties and Trizec office portfolios.
- ▶ Total AUM up 9% year-over-year and up more than 27% since the beginning of 2014 to over \$100 billion despite \$44.2 billion of capital returned to investors in the same period.
 - Fee-Earning AUM up 33% year-over-year to \$67.3 billion driven by increases in scale of opportunistic funds and growth of the core+ strategy.
- ▶ Raised \$8.4 billion in the quarter, including \$5.2 billion for the first closing of the fifth European opportunistic fund and \$1.7 billion for the third mezzanine debt fund.

(Dollars in Thousands)	1Q'15	1Q'16	% Change		% Change	
			vs. 1Q'15	1Q'15 LTM	1Q'16 LTM	vs. 1Q'15 LTM
Fee Revenues	\$ 158,721	\$ 230,197	45%	\$ 683,260	\$ 822,366	20%
Performance Fees	637,022	202,939	(68)%	2,317,202	558,063	(76)%
Investment Income (Loss)	108,854	10,838	(90)%	322,283	(94,323)	n/m
Interest Income and Dividend Revenue	9,997	13,188	32%	34,084	47,181	38%
Total Revenues	914,594	457,162	(50)%	3,356,829	1,333,287	(60)%
Compensation	84,834	100,578	19%	330,918	374,125	13%
Performance Fee Compensation	151,343	77,070	(49)%	674,558	230,912	(66)%
Other Operating Expenses	40,143	48,097	20%	153,119	187,129	22%
Total Expenses	276,320	225,745	(18)%	1,158,595	792,166	(32)%
Economic Income	\$ 638,274	\$ 231,417	(64)%	\$ 2,198,234	\$ 541,121	(75)%
Total AUM	\$ 92,785,658	\$ 101,107,528	9%	\$ 92,785,658	\$ 101,107,528	9%
Fee-Earning AUM	\$ 50,783,247	\$ 67,298,439	33%	\$ 50,783,247	\$ 67,298,439	33%

1.8%

1Q'16 increase in opportunistic funds' carrying value

\$205 million

1Q'16 Realized Performance Fees

\$101.1 billion

Total AUM up 9% YoY

Hedge Fund Solutions

- ▶ The composite gross return was down 2.9% in the quarter on challenging market conditions.
- ▶ Fee-Earning gross inflows of \$2.9 billion during the quarter and \$9.4 billion LTM were driven by customized and commingled strategies and individual investor solutions.
 - April 1 subscriptions of \$205 million are not yet included in Fee-Earning AUM.
- ▶ Total AUM up 3% year-over-year to \$68.5 billion driven by continued platform diversification and growth in customized strategies and individual investor solutions.
 - Total AUM net inflows of \$1.4 billion during the quarter and \$4.5 billion LTM reflect continued investor confidence in BAAM's ability to identify strategic opportunities while managing risk.
 - Total AUM for BAAM's individual investor solutions platform reached \$6.8 billion, up 79% from \$3.8 billion year-over-year.

(Dollars in Thousands)	1Q'15	1Q'16	% Change vs. 1Q'15	1Q'15 LTM	1Q'16 LTM	% Change vs. 1Q'15 LTM
Fee Revenues	\$ 128,775	\$ 129,313	0%	\$ 497,022	\$ 525,612	6%
Performance Fees	57,943	(219)	n/m	139,663	3,972	(97)%
Investment Income (Loss)	(5,892)	(17,036)	189%	(461)	(25,320)	n/m
Interest Income and Dividend Revenue	3,949	5,296	34%	12,402	18,621	50%
Total Revenues	184,775	117,354	(36)%	648,626	522,885	(19)%
Compensation	56,104	54,169	(3)%	147,191	177,549	21%
Performance Fee Compensation	19,121	668	(97)%	41,267	6,613	(84)%
Other Operating Expenses	21,206	26,146	23%	87,855	95,012	8%
Total Expenses	96,431	80,983	(16)%	276,313	279,174	1%
Economic Income	\$ 88,344	\$ 36,371	(59)%	\$ 372,313	\$ 243,711	(35)%
Total AUM	\$ 66,378,908	\$ 68,475,416	3%	\$ 66,378,908	\$ 68,475,416	3%
Fee-Earning AUM	\$ 64,114,498	\$ 64,831,253	1%	\$ 64,114,498	\$ 64,831,253	1%

(2.9)%
1Q'16 Composite Gross Return

\$35.4 billion
Incentive Fee Eligible AUM at 1Q'16

\$2.9 billion
1Q'16 Fee-Earning Gross Inflows

The composite gross return is based on the BAAM Principal Solutions ("BPS") Composite, which does not include BAAM's individual investor solutions (liquid alternatives), long-biased commodities, ventures (seeding and minority interests), strategic opportunities (co-investments), Senfina (direct trading) and advisory (non-discretionary) platforms, except for investments by BPS funds directly into those platforms. BAAM-managed funds in liquidation are also excluded. On a net of fees basis, the BPS Composite was (3.1)% for 1Q'16.

Credit

- ▶ Credit markets continued to experience significant volatility, creating investment opportunities as \$569 million of capital was deployed during the quarter, with significant investment activity from rescue lending strategies.
- ▶ Performance across the Distressed and Performing Credit Strategies was negatively impacted by energy investments.
- ▶ Given significant dislocation in the market there continues to be a robust deal pipeline for our rescue lending and mezzanine strategies.
- ▶ Fee-Earning AUM growth of 5% year-over-year driven by capital deployed in drawdown funds and growth across the BDC platform.
- ▶ Continued realization activity across funds of \$885 million in the quarter and \$7.2 billion LTM, primarily in drawdown funds and the CLO platform.

(Dollars in Thousands)	1Q'15	1Q'16	% Change vs. 1Q'15	1Q'15 LTM	1Q'16 LTM	% Change vs. 1Q'15 LTM
Fee Revenues	\$ 122,129	\$ 116,310	(5)%	\$ 465,610	\$ 476,640	2%
Performance Fees	28,971	7,188	(75)%	189,574	(35,018)	n/m
Investment Income (Loss)	9,124	(20,535)	n/m	17,383	(38,731)	n/m
Interest Income and Dividend Revenue	5,651	6,748	19%	22,830	25,696	13%
Total Revenues	165,875	109,711	(34)%	695,397	428,587	(38)%
Compensation	49,877	52,382	5%	187,325	192,694	3%
Performance Fee Compensation	15,750	3,614	(77)%	100,422	(24,577)	n/m
Other Operating Expenses	21,836	26,220	20%	79,521	98,010	23%
Total Expenses	87,463	82,216	(6)%	367,268	266,127	(28)%
Economic Income	\$ 78,412	\$ 27,495	(65)%	\$ 328,129	\$ 162,460	(50)%
Total AUM	\$ 74,959,534	\$ 78,656,291	5%	\$ 74,959,534	\$ 78,656,291	5%
Fee-Earning AUM	\$ 59,271,744	\$ 62,094,760	5%	\$ 59,271,744	\$ 62,094,760	5%

1Q'16 Composite Gross Returns

Performing Credit	0.6%
Distressed	(3.3)%

\$569 million

1Q'16 Total Capital Deployed

\$78.7 billion

Total AUM up 5% YoY

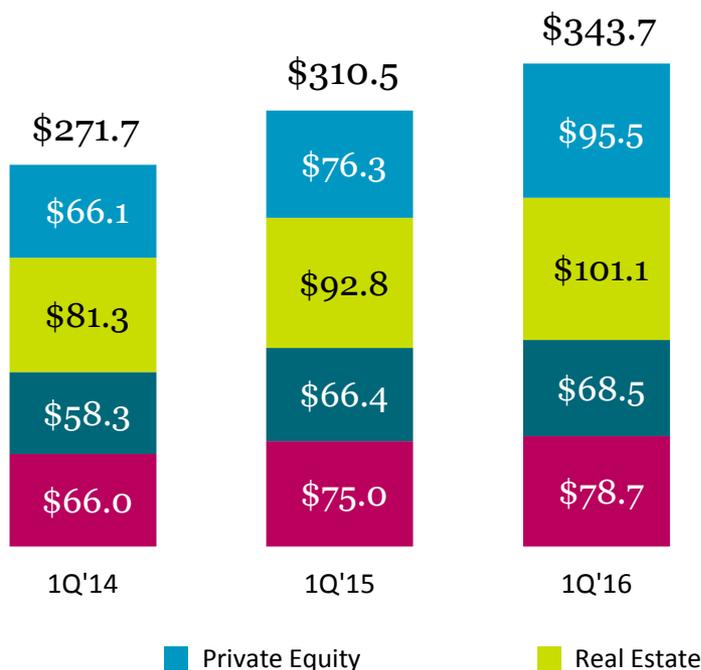
Performing Credit Strategies include mezzanine lending funds, Business Development Companies ("BDCs") and other performing credit strategy funds. Distressed Strategies include hedge fund strategies, rescue lending funds and distressed energy strategies. The composite gross returns represent a weighted-average composite of the fee-earning funds exceeding \$100 million of fair value at each respective quarter end for each strategy. Composite gross returns exclude the Blackstone Funds that were contributed to GSO as part of Blackstone's acquisition of GSO in March 2008. Performing Credit Strategies' net returns were (0.4)% for 1Q'16 and Distressed Strategies' net returns were (3.9)% for 1Q'16. The breakdown of Total AUM for 1Q'16 is as follows: Distressed Strategies \$20.7 billion (34% Incentive Fee, 66% Carried Interest), Performing Credit Strategies \$27.3 billion (61% Incentive Fee, 39% Carried Interest), and Long Only \$30.7 billion.

Assets Under Management

- ▶ Total AUM increased 11% year-over-year to \$343.7 billion driven by \$80.2 billion from gross inflows.
 - Each segment experienced growth despite \$48.2 billion of capital returned to investors during the year.
 - Real Estate ended the quarter with \$101.1 billion Total AUM, making it Blackstone's first segment to surpass the \$100 billion threshold.
- ▶ Fee-Earning AUM of \$244.5 billion was up 9% year-over-year as \$59.8 billion of gross inflows significantly outpaced \$35.7 billion of realizations and outflows.

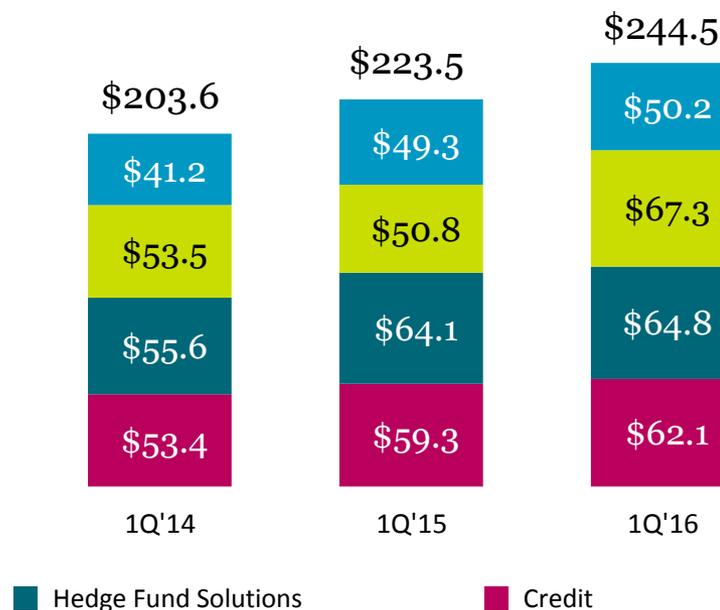
Total AUM by Segment

(Dollars in Billions)



Fee-Earning AUM by Segment

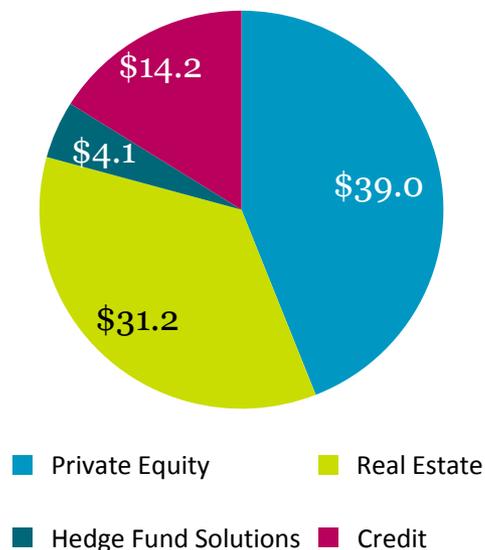
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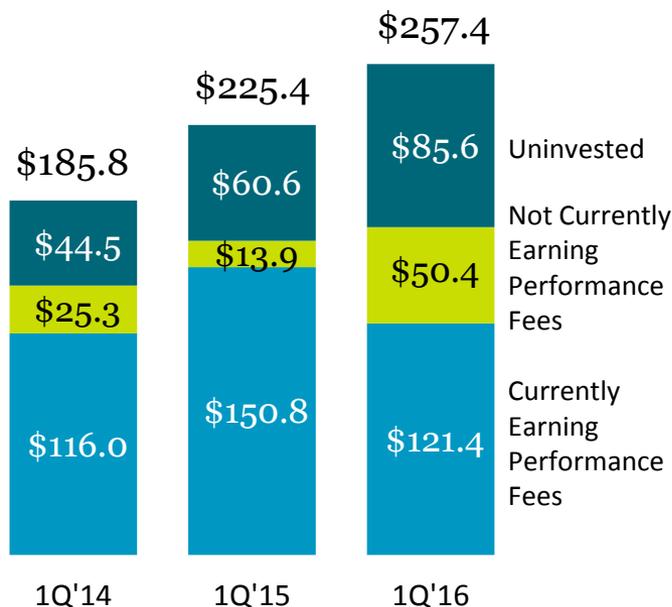
Additional Capital Detail

- ▶ Undrawn capital (“Total Dry Powder”) was \$88.6 billion, up 37% year-over-year, driven by recent fundraises for the latest global private equity and real estate funds.
- ▶ Performance Fee Eligible AUM reached \$257.4 billion at quarter end, up 14% year-over-year, despite significant realizations in the Real Estate and Private Equity segments.
 - Consistently strong fundraising drove a 41% year-over-year increase in Performance Fee Eligible assets not yet invested to \$85.6 billion.

\$89 billion 1Q'16
Total Dry Powder



\$257 billion Performance
Fee Eligible AUM

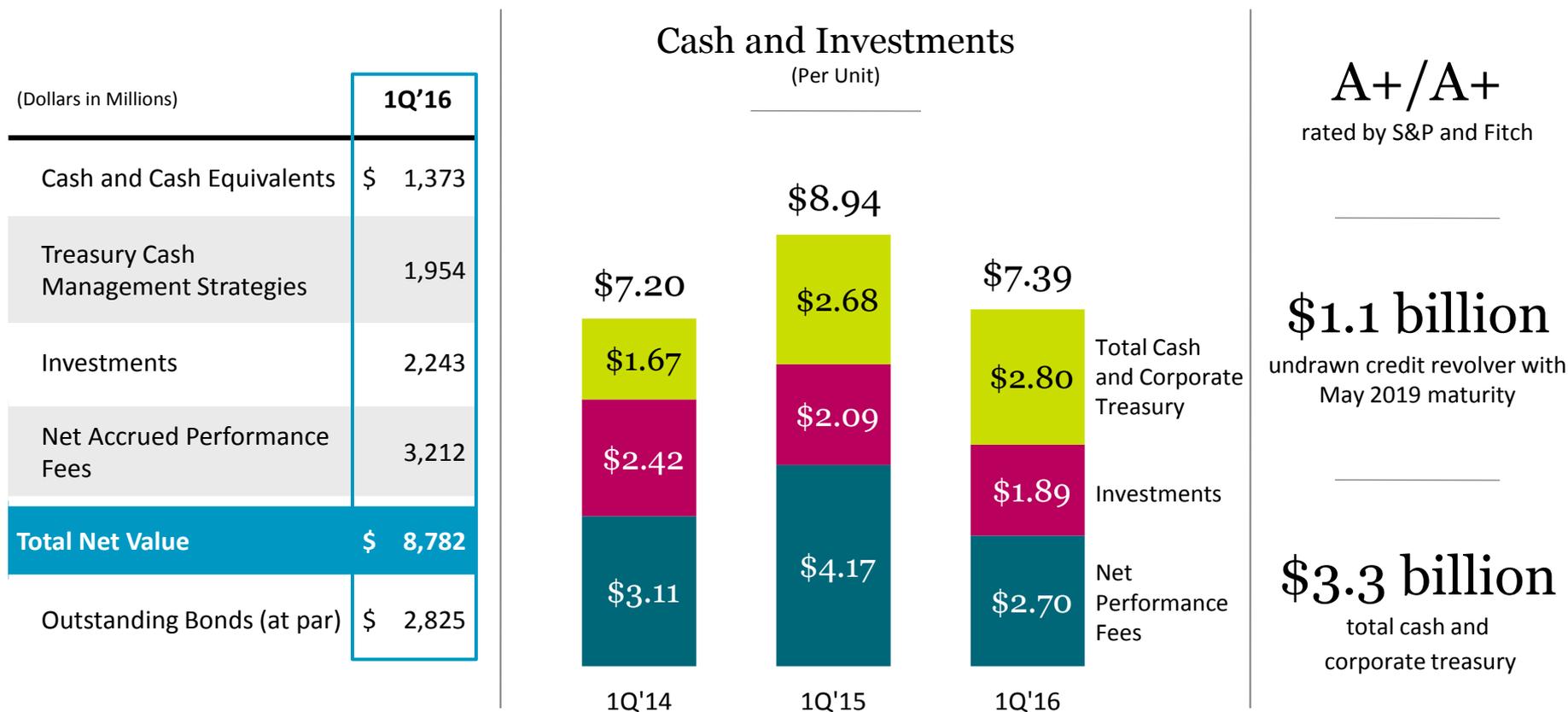


\$53 billion Not Currently
Earning Management Fees



Balance Sheet Highlights

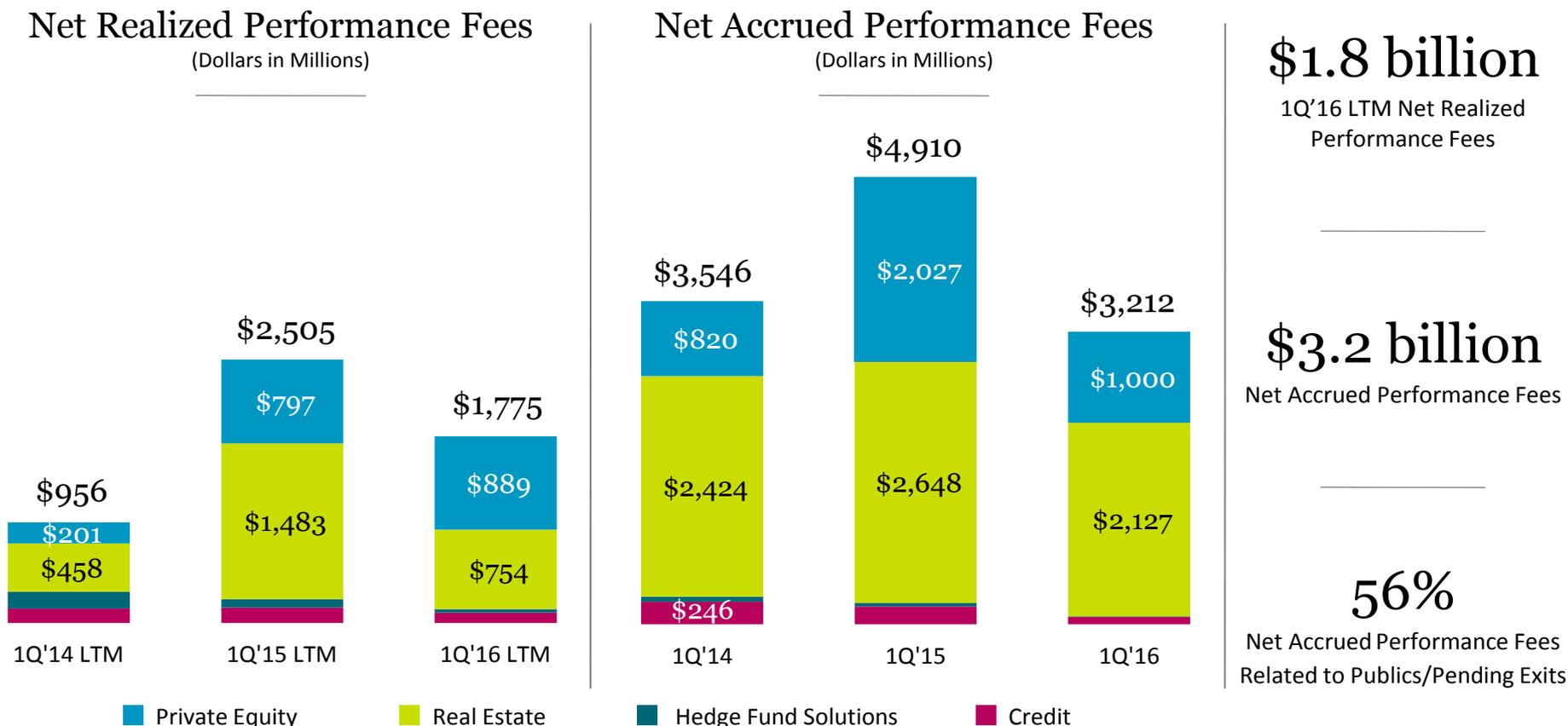
- ▶ At March 31, 2016, Blackstone had \$3.3 billion in total cash and corporate treasury investments and \$8.8 billion of total net value, or \$7.39 per unit.
- ▶ Blackstone has no net debt, a \$1.1 billion undrawn credit revolver and maintained A+/A+ ratings.



Balance Sheet Highlights are preliminary, and exclude the consolidated Blackstone funds. Investments include Blackstone investments in Private Equity, Real Estate, Hedge Fund Solutions, and Credit, which were \$793 million, \$1.1 billion, \$128 million, and \$260 million, respectively, as of March 31, 2016, \$1.0 billion, \$1.3 billion, \$131 million, and \$239 million, respectively, as of March 31, 2015 and \$1.1 billion, \$1.5 billion, \$118 million, and \$253 million, respectively, as of March 31, 2014. Cash and Investments per unit amounts are calculated using period end DE Units Outstanding (see page 29, Unit Rollforward).

Performance Fees

- ▶ Net Accrued Performance Fees were \$3.2 billion (\$2.70/unit) despite high Net Realized Performance Fees of \$1.8 billion over the last twelve months.
 - Realized 36% of the \$4.9 billion Net Accrued Performance Fees balance from one year prior.



Net Accrued Performance Fees per unit is calculated using period end DE Units Outstanding (see page 29, Unit Rollforward).

GAAP Statement of Operations

(Dollars in Thousands, Except per Unit Data) (Unaudited)

	1Q'15	1Q'16	% Change vs. 1Q'15	1Q'15 LTM	1Q'16 LTM	% Change vs. 1Q'15 LTM
Revenues						
Management and Advisory Fees, Net	\$ 616,768	\$ 608,906	(1)%	\$ 2,540,860	\$ 2,534,643	(0)%
Performance Fees						
Realized Carried Interest	1,207,594	230,909	(81)%	3,324,053	2,228,605	(33)%
Realized Incentive Fees	29,638	28,419	(4)%	234,849	192,019	(18)%
Unrealized Carried Interest	373,840	47,586	(87)%	1,748,370	(1,921,428)	n/m
Unrealized Incentive Fees	62,036	7,579	(88)%	(31,946)	(61,145)	91%
Total Performance Fees	1,673,108	314,493	(81)%	5,275,326	438,051	(92)%
Investment Income (Loss)						
Realized	187,930	(12,001)	n/m	558,639	355,240	(36)%
Unrealized	18,273	3,493	(81)%	15,038	(365,309)	n/m
Total Investment Income (Loss)	206,203	(8,508)	n/m	573,677	(10,069)	n/m
Interest and Dividend Revenue	21,920	23,075	5%	77,660	96,112	24%
Other	(5,641)	(5,612)	(1)%	2,895	7,811	170%
Total Revenues	2,512,358	932,354	(63)%	8,470,418	3,066,548	(64)%
Expenses						
Compensation and Benefits						
Compensation	559,559	346,003	(38)%	1,943,076	1,512,635	(22)%
Performance Fee Compensation						
Realized Carried Interest	292,248	58,504	(80)%	958,493	560,057	(42)%
Realized Incentive Fees	12,227	14,124	16%	98,691	87,842	(11)%
Unrealized Carried Interest	74,380	30,001	(60)%	412,687	(357,075)	n/m
Unrealized Incentive Fees	24,961	3,448	(86)%	(17,846)	(24,003)	35%
Total Compensation and Benefits	963,375	452,080	(53)%	3,395,101	1,779,456	(48)%
General, Administrative and Other	130,973	123,045	(6)%	544,882	568,175	4%
Interest Expense	31,370	37,356	19%	128,227	150,508	17%
Fund Expenses	16,850	5,229	(69)%	42,363	67,878	60%
Total Expenses	1,142,568	617,710	(46)%	4,110,573	2,566,017	(38)%
Other Income						
Reversal of Tax Receivable Agreement Liability	-	-	n/m	-	82,707	n/m
Net Gains from Fund Investment Activities	93,555	19,142	(80)%	381,254	101,951	(73)%
Income Before Provision for Taxes	\$ 1,463,345	\$ 333,786	(77)%	\$ 4,741,099	\$ 685,189	(86)%
Provision for Taxes	99,344	18,866	(81)%	336,420	109,920	(67)%
Net Income	\$ 1,364,001	\$ 314,920	(77)%	\$ 4,404,679	\$ 575,269	(87)%
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	7,527	(6,401)	n/m	36,529	(2,783)	n/m
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	81,796	40,086	(51)%	372,905	178,190	(52)%
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	645,230	131,202	(80)%	2,046,825	169,488	(92)%
Net Income Attributable to The Blackstone Group L.P. ("BX")	\$ 629,448	\$ 150,033	(76)%	\$ 1,948,420	\$ 230,374	(88)%
Net Income per Common Unit, Basic	\$ 1.01	\$ 0.23	(77)%	\$ 3.17	\$ 0.36	(89)%
Net Income per Common Unit, Diluted	\$ 1.00	\$ 0.23	(77)%	\$ 3.14	\$ 0.28	(91)%

Appendix

Total Segments

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	1Q'15 LTM	1Q'16 LTM
Revenues							
Management and Advisory Fees, Net							
Base Management Fees	\$ 516,397	\$ 516,492	\$ 564,287	\$ 599,407	\$ 586,703	\$ 2,027,048	\$ 2,266,889
Advisory Fees	84,238	76,998	146,153	742	481	435,120	224,374
Transaction and Other Fees, Net	37,073	11,728	32,403	72,481	46,118	223,600	162,730
Management Fee Offsets	(17,945)	(18,434)	(34,176)	(22,939)	(20,101)	(88,072)	(95,650)
Total Management and Advisory Fees, Net	619,763	586,784	708,667	649,691	613,201	2,597,696	2,558,343
Performance Fees							
Realized Carried Interest	1,207,594	937,483	435,189	625,610	230,909	3,324,567	2,229,191
Realized Incentive Fees	29,670	47,819	34,785	82,472	28,450	237,578	193,526
Unrealized Carried Interest	373,852	(441,949)	(1,055,977)	(471,222)	47,606	1,752,525	(1,921,542)
Unrealized Incentive Fees	62,620	26,311	(53,346)	(42,834)	7,100	(28,071)	(62,769)
Total Performance Fees	1,673,736	569,664	(639,349)	194,026	314,065	5,286,599	438,406
Investment Income (Loss)							
Realized	107,792	136,497	87,526	86,993	(10,101)	539,300	300,915
Unrealized	81,849	(125,723)	(223,657)	(98,428)	(16,549)	5,502	(464,357)
Total Investment Income (Loss)	189,641	10,774	(136,131)	(11,435)	(26,650)	544,802	(163,442)
Interest Income and Dividend Revenue	30,451	31,026	35,459	34,665	35,081	104,433	136,231
Other	(4,872)	3,973	(841)	10,240	(6,248)	3,664	7,124
Total Revenues	2,508,719	1,202,221	(32,195)	877,187	929,449	8,537,194	2,976,662
Expenses							
Compensation	329,838	289,352	329,575	240,454	287,403	1,176,804	1,146,784
Performance Fee Compensation							
Realized Carried Interest	292,248	238,032	97,799	165,721	58,503	958,493	560,055
Realized Incentive Fees	12,227	21,837	15,061	36,821	14,123	98,691	87,842
Unrealized Carried Interest	74,380	(50,559)	(228,697)	(107,820)	30,001	412,727	(357,075)
Unrealized Incentive Fees	24,961	6,131	(14,642)	(18,940)	3,448	(17,846)	(24,003)
Total Compensation and Benefits	733,654	504,793	199,096	316,236	393,478	2,628,869	1,413,603
Other Operating Expenses	143,282	168,401	157,565	155,109	148,526	557,290	629,601
Total Expenses	876,936	673,194	356,661	471,345	542,004	3,186,159	2,043,204
Economic Income (Loss)	\$ 1,631,783	\$ 529,027	\$ (388,856)	\$ 405,842	\$ 387,445	\$ 5,351,035	\$ 933,458
Economic Net Income (Loss)	\$ 1,622,064	\$ 508,440	\$ (415,926)	\$ 435,691	\$ 370,651	\$ 5,153,116	\$ 898,856
Fee Related Earnings	\$ 180,624	\$ 178,441	\$ 265,667	\$ 310,879	\$ 219,456	\$ 1,008,576	\$ 974,443
Distributable Earnings	\$ 1,240,207	\$ 1,033,920	\$ 691,534	\$ 878,027	\$ 387,967	\$ 3,825,519	\$ 2,991,448
Total Assets Under Management	\$ 310,451,289	\$ 332,723,546	\$ 333,925,521	\$ 336,384,575	\$ 343,705,462	\$ 310,451,289	\$ 343,705,462
Fee-Earning Assets Under Management	\$ 223,511,700	\$ 239,342,214	\$ 240,939,356	\$ 246,146,372	\$ 244,452,764	\$ 223,511,700	\$ 244,452,764
Weighted Average Fee-Earning AUM	\$ 218,241,987	\$ 237,576,488	\$ 239,786,680	\$ 242,942,380	\$ 244,891,488	\$ 216,244,401	\$ 251,213,289
LP Capital Invested	\$ 4,765,536	\$ 4,814,362	\$ 6,145,446	\$ 14,779,702	\$ 6,515,571	\$ 24,666,510	\$ 32,255,081
Total Capital Invested	\$ 5,052,370	\$ 5,048,058	\$ 6,507,371	\$ 15,747,511	\$ 6,693,375	\$ 26,620,667	\$ 33,996,315

Private Equity

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	1Q'15 LTM	1Q'16 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 108,383	\$ 121,918	\$ 128,452	\$ 143,887	\$ 130,648	\$ 425,640	\$ 524,905
Advisory Fees	2,429	4,843	2,547	742	481	21,990	8,613
Transaction and Other Fees, Net	20,359	(11,842)	9,359	18,382	8,439	113,230	24,338
Management Fee Offsets	(4,949)	(9,028)	(12,262)	(10,521)	(6,848)	(22,382)	(38,659)
Total Management Fees, Net	126,222	105,891	128,096	152,490	132,720	538,478	519,197
Performance Fees							
Realized Carried Interest	382,978	546,575	214,532	330,902	30,282	1,017,575	1,122,291
Unrealized Carried Interest	566,822	(305,573)	(809,363)	(169,841)	73,875	1,622,585	(1,210,902)
Total Performance Fees	949,800	241,002	(594,831)	161,061	104,157	2,640,160	(88,611)
Investment Income (Loss)							
Realized	44,816	50,258	46,917	47,658	(15,357)	187,000	129,476
Unrealized	31,487	(22,301)	(110,689)	(14,835)	15,440	16,606	(132,385)
Total Investment Income (Loss)	76,303	27,957	(63,772)	32,823	83	203,606	(2,909)
Interest Income and Dividend Revenue	7,618	7,669	8,119	9,812	9,849	24,381	35,449
Other	(1,825)	2,515	471	4,693	(1,587)	3,880	6,092
Total Revenues	1,158,118	385,034	(521,917)	360,879	245,222	3,410,505	469,218
Expenses							
Compensation	71,072	68,106	70,419	70,651	80,274	277,450	289,450
Performance Fee Compensation							
Realized Carried Interest	39,482	106,502	16,303	94,635	15,427	220,104	232,867
Unrealized Carried Interest	178,120	(25,574)	(141,448)	(21,270)	9,296	415,714	(178,996)
Total Compensation and Benefits	288,674	149,034	(54,726)	144,016	104,997	913,268	343,321
Other Operating Expenses	38,875	62,571	43,812	53,900	48,063	149,240	208,346
Total Expenses	327,549	211,605	(10,914)	197,916	153,060	1,062,508	551,667
Economic Income (Loss)	\$ 830,569	\$ 173,429	\$ (511,003)	\$ 162,963	\$ 92,162	\$ 2,347,997	\$ (82,449)
Total Assets Under Management	\$ 76,327,189	\$ 92,026,337	\$ 91,490,669	\$ 94,280,074	\$ 95,466,227	\$ 76,327,189	\$ 95,466,227
Fee-Earning Assets Under Management	\$ 49,342,211	\$ 49,537,189	\$ 50,560,404	\$ 51,451,196	\$ 50,228,312	\$ 49,342,211	\$ 50,228,312
Weighted Average Fee-Earning AUM	\$ 45,051,839	\$ 49,925,744	\$ 50,268,174	\$ 51,185,170	\$ 51,240,819	\$ 46,107,237	\$ 52,093,539
LP Capital Invested	\$ 2,374,599	\$ 1,800,854	\$ 1,535,702	\$ 4,508,023	\$ 1,865,698	\$ 9,968,853	\$ 9,710,277
Total Capital Invested	\$ 2,517,769	\$ 1,949,748	\$ 1,677,876	\$ 5,270,078	\$ 1,974,391	\$ 11,443,494	\$ 10,872,093

Real Estate

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	1Q'15 LTM	1Q'16 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 152,348	\$ 140,743	\$ 175,710	\$ 199,774	\$ 199,907	\$ 621,514	\$ 716,134
Transaction and Other Fees, Net	15,216	21,510	21,390	52,461	35,794	93,262	131,155
Management Fee Offsets	(4,866)	(5,428)	(10,147)	(6,399)	(3,595)	(30,085)	(25,569)
Total Management Fees, Net	162,698	156,825	186,953	245,836	232,106	684,691	821,720
Performance Fees							
Realized Carried Interest	811,249	363,983	169,051	290,450	200,627	2,104,353	1,024,111
Realized Incentive Fees	723	1,220	3,879	11,331	4,069	12,248	20,499
Unrealized Carried Interest	(181,019)	(188,608)	(128,854)	(182,061)	(11,522)	202,790	(511,045)
Unrealized Incentive Fees	6,069	3,935	2,784	8,014	9,765	(2,189)	24,498
Total Performance Fees	637,022	180,530	46,860	127,734	202,939	2,317,202	558,063
Investment Income (Loss)							
Realized	71,344	85,432	39,821	38,985	12,975	349,082	177,213
Unrealized	37,510	(107,691)	(95,382)	(66,326)	(2,137)	(26,799)	(271,536)
Total Investment Income (Loss)	108,854	(22,259)	(55,561)	(27,341)	10,838	322,283	(94,323)
Interest Income and Dividend Revenue	9,997	10,259	11,057	12,677	13,188	34,084	47,181
Other	(3,977)	1,077	(938)	2,416	(1,909)	(1,431)	646
Total Revenues	914,594	326,432	188,371	361,322	457,162	3,356,829	1,333,287
Expenses							
Compensation	84,834	79,484	99,255	94,808	100,578	330,918	374,125
Performance Fee Compensation							
Realized Carried Interest	246,496	116,168	52,546	68,827	43,076	627,659	280,617
Realized Incentive Fees	356	671	1,838	5,813	2,133	6,352	10,455
Unrealized Carried Interest	(98,084)	(50,559)	(23,018)	(24,686)	27,703	42,105	(70,560)
Unrealized Incentive Fees	2,575	230	5,215	797	4,158	(1,558)	10,400
Total Compensation and Benefits	236,177	145,994	135,836	145,559	177,648	1,005,476	605,037
Other Operating Expenses	40,143	43,346	42,050	53,636	48,097	153,119	187,129
Total Expenses	276,320	189,340	177,886	199,195	225,745	1,158,595	792,166
Economic Income	\$ 638,274	\$ 137,092	\$ 10,485	\$ 162,127	\$ 231,417	\$ 2,198,234	\$ 541,121
Total Assets Under Management	\$ 92,785,658	\$ 91,578,634	\$ 93,187,556	\$ 93,917,824	\$ 101,107,528	\$ 92,785,658	\$ 101,107,528
Fee-Earning Assets Under Management	\$ 50,783,247	\$ 62,683,857	\$ 64,858,622	\$ 67,345,357	\$ 67,298,439	\$ 50,783,247	\$ 67,298,439
Weighted Average Fee-Earning AUM	\$ 51,671,739	\$ 60,939,868	\$ 63,492,663	\$ 65,356,567	\$ 66,943,268	\$ 53,085,887	\$ 72,387,238
LP Capital Invested	\$ 1,443,163	\$ 2,963,609	\$ 4,118,952	\$ 7,733,638	\$ 3,747,181	\$ 10,986,073	\$ 18,563,380
Total Capital Invested	\$ 1,405,603	\$ 3,035,837	\$ 4,326,151	\$ 7,835,881	\$ 3,820,460	\$ 11,189,295	\$ 19,018,329

Hedge Fund Solutions

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	1Q'15 LTM	1Q'16 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 130,637	\$ 130,216	\$ 133,592	\$ 129,941	\$ 130,158	\$ 500,234	\$ 523,907
Transaction and Other Fees, Net	25	-	219	73	543	501	835
Management Fee Offsets	(280)	(608)	(507)	1,566	-	(3,839)	451
Total Management Fees, Net	130,382	129,608	133,304	131,580	130,701	496,896	525,193
Performance Fees							
Realized Incentive Fees	10,516	16,915	2,783	37,983	2,684	111,200	60,365
Unrealized Carried Interest	-	8,014	(5,394)	(599)	32	-	2,053
Unrealized Incentive Fees	47,427	15,855	(29,711)	(41,655)	(2,935)	28,463	(58,446)
Total Performance Fees	57,943	40,784	(32,322)	(4,271)	(219)	139,663	3,972
Investment Income (Loss)							
Realized	(10,375)	(1,757)	(468)	(141)	(4,745)	(5,645)	(7,111)
Unrealized	4,483	2,032	(6,411)	(1,539)	(12,291)	5,184	(18,209)
Total Investment Income (Loss)	(5,892)	275	(6,879)	(1,680)	(17,036)	(461)	(25,320)
Interest Income and Dividend Revenue	3,949	3,970	4,136	5,219	5,296	12,402	18,621
Other	(1,607)	459	(66)	1,414	(1,388)	126	419
Total Revenues	184,775	175,096	98,173	132,262	117,354	648,626	522,885
Expenses							
Compensation	56,104	45,841	44,408	33,131	54,169	147,191	177,549
Performance Fee Compensation							
Realized Incentive Fees	3,470	8,711	(436)	15,410	1,863	32,650	25,548
Unrealized Carried Interest	-	4,077	(3,041)	(213)	-	-	823
Unrealized Incentive Fees	15,651	3,764	(7,011)	(15,316)	(1,195)	8,617	(19,758)
Total Compensation and Benefits	75,225	62,393	33,920	33,012	54,837	188,458	184,162
Other Operating Expenses	21,206	20,499	24,147	24,220	26,146	87,855	95,012
Total Expenses	96,431	82,892	58,067	57,232	80,983	276,313	279,174
Economic Income	\$ 88,344	\$ 92,204	\$ 40,106	\$ 75,030	\$ 36,371	\$ 372,313	\$ 243,711
Total Assets Under Management	\$ 66,378,908	\$ 67,829,866	\$ 68,405,948	\$ 69,105,425	\$ 68,475,416	\$ 66,378,908	\$ 68,475,416
Fee-Earning Assets Under Management	\$ 64,114,498	\$ 65,512,170	\$ 65,182,338	\$ 65,665,439	\$ 64,831,253	\$ 64,114,498	\$ 64,831,253
Weighted Average Fee-Earning AUM	\$ 62,910,553	\$ 65,453,883	\$ 65,782,066	\$ 65,802,335	\$ 65,123,126	\$ 59,945,488	\$ 65,763,940
LP Capital Invested	\$ 133,351	\$ 2,131	\$ 66,427	\$ 41,332	\$ 315,757	\$ 820,309	\$ 425,647
Total Capital Invested	\$ 139,223	\$ 2,136	\$ 71,132	\$ 39,877	\$ 329,793	\$ 835,106	\$ 442,938

Credit

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	1Q'15 LTM	1Q'16 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 125,029	\$ 123,615	\$ 126,533	\$ 125,805	\$ 125,990	\$ 479,660	\$ 501,943
Transaction and Other Fees, Net	1,457	2,060	1,289	1,565	1,342	16,274	6,256
Management Fee Offsets	(7,850)	(3,370)	(11,260)	(7,585)	(9,658)	(31,766)	(31,873)
Total Management Fees, Net	118,636	122,305	116,562	119,785	117,674	464,168	476,326
Performance Fees							
Realized Carried Interest	13,367	26,925	51,606	4,258	-	202,639	82,789
Realized Incentive Fees	18,431	29,684	28,123	33,158	21,697	114,130	112,662
Unrealized Carried Interest	(11,951)	44,218	(112,366)	(118,721)	(14,779)	(72,850)	(201,648)
Unrealized Incentive Fees	9,124	6,521	(26,419)	(9,193)	270	(54,345)	(28,821)
Total Performance Fees	28,971	107,348	(59,056)	(90,498)	7,188	189,574	(35,018)
Investment Income (Loss)							
Realized	2,237	2,723	1,735	491	(2,974)	8,520	1,975
Unrealized	6,887	2,760	(10,177)	(15,728)	(17,561)	8,863	(40,706)
Total Investment Income (Loss)	9,124	5,483	(8,442)	(15,237)	(20,535)	17,383	(38,731)
Interest Income and Dividend Revenue	5,651	5,938	6,053	6,957	6,748	22,830	25,696
Other	3,493	34	(73)	1,717	(1,364)	1,442	314
Total Revenues	165,875	241,108	55,044	22,724	109,711	695,397	428,587
Expenses							
Compensation	49,877	47,124	51,324	41,864	52,382	187,325	192,694
Performance Fee Compensation							
Realized Carried Interest	6,270	15,362	28,950	2,259	-	110,730	46,571
Realized Incentive Fees	8,401	12,455	13,659	15,598	10,127	59,689	51,839
Unrealized Carried Interest	(5,656)	21,497	(61,190)	(61,651)	(6,998)	(45,092)	(108,342)
Unrealized Incentive Fees	6,735	2,137	(12,846)	(4,421)	485	(24,905)	(14,645)
Total Compensation and Benefits	65,627	98,575	19,897	(6,351)	55,996	287,747	168,117
Other Operating Expenses	21,836	23,539	24,898	23,353	26,220	79,521	98,010
Total Expenses	87,463	122,114	44,795	17,002	82,216	367,268	266,127
Economic Income	\$ 78,412	\$ 118,994	\$ 10,249	\$ 5,722	\$ 27,495	\$ 328,129	\$ 162,460
Total Assets Under Management	\$ 74,959,534	\$ 81,288,709	\$ 80,841,348	\$ 79,081,252	\$ 78,656,291	\$ 74,959,534	\$ 78,656,291
Fee-Earning Assets Under Management	\$ 59,271,744	\$ 61,608,998	\$ 60,337,992	\$ 61,684,380	\$ 62,094,760	\$ 59,271,744	\$ 62,094,760
Weighted Average Fee-Earning AUM	\$ 58,607,856	\$ 61,256,993	\$ 60,243,777	\$ 60,598,308	\$ 61,584,275	\$ 57,105,789	\$ 60,968,572
LP Capital Invested	\$ 814,423	\$ 47,768	\$ 424,365	\$ 2,496,709	\$ 586,935	\$ 2,891,275	\$ 3,555,777
Total Capital Invested	\$ 989,775	\$ 60,337	\$ 432,212	\$ 2,601,675	\$ 568,731	\$ 3,152,772	\$ 3,662,955

Financial Advisory

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	1Q'15 LTM	1Q'16 LTM
Revenues							
Advisory Fees	\$ 81,809	\$ 72,155	\$ 143,606	\$ -	\$ -	\$ 413,130	\$ 215,761
Transaction and Other Fees, Net	16	-	146	-	-	333	146
Total Advisory and Transaction Fees	81,825	72,155	143,752	-	-	413,463	215,907
Investment Income (Loss)							
Realized	(230)	(159)	(479)	-	-	343	(638)
Unrealized	1,482	(523)	(998)	-	-	1,648	(1,521)
Total Investment Income (Loss)	1,252	(682)	(1,477)	-	-	1,991	(2,159)
Interest Income and Dividend Revenue	3,236	3,190	6,094	-	-	10,736	9,284
Other	(956)	(112)	(235)	-	-	(353)	(347)
Total Revenues	85,357	74,551	148,134	-	-	425,837	222,685
Expenses							
Compensation	67,951	48,797	64,169	-	-	233,920	112,966
Total Compensation and Benefits	67,951	48,797	64,169	-	-	233,920	112,966
Other Operating Expenses	21,222	18,446	22,658	-	-	87,555	41,104
Total Expenses	89,173	67,243	86,827	-	-	321,475	154,070
Economic Income (Loss)	\$ (3,816)	\$ 7,308	\$ 61,307	\$ -	\$ -	\$ 104,362	\$ 68,615

Note: On October 1, 2015, Blackstone spun-off its Financial Advisory businesses, which did not include Blackstone's capital markets services business. The results of Blackstone's capital markets services business have been reclassified from the Financial Advisory segment to the Private Equity segment. All prior periods have been recast to reflect this reclassification.

Unitholder Distribution

- ▶ Generated \$0.33 of Distributable Earnings per common unit during the quarter, down 69% compared to the same period last year.
- ▶ Declared a quarterly distribution of \$0.28 per common unit to record holders as of May 2, 2016; payable on May 9, 2016.

(Dollars in Thousands, Except per Unit Data)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	% Change		% Change	
						vs. 1Q'15	1Q'15 LTM	1Q'16 LTM	vs. 1Q'15 LTM
Distributable Earnings ("DE")	\$ 1,240,207	\$ 1,033,920	\$ 691,534	\$ 878,027	\$ 387,967	(69)%	\$ 3,825,519	\$ 2,991,448	(22)%
Add: Other Payables Attributable to Common Unitholders	7,288	-	-	26,918	-	(100)%	194,856	26,918	(86)%
DE before Certain Payables	1,247,495	1,033,920	691,534	904,945	387,967	(69)%	4,020,375	3,018,366	(25)%
Percent to Common Unitholders	53%	54%	54%	54%	54%		53%	54%	
DE before Certain Payables Attributable to Common Unitholders	663,608	554,120	370,902	487,075	210,286	(68)%	2,135,330	1,622,383	(24)%
Less: Other Payables Attributable to Common Unitholders	(7,288)	-	-	(26,918)	-	(100)%	(194,856)	(26,918)	(86)%
DE Attributable to Common Unitholders	656,320	554,120	370,902	460,157	210,286	(68)%	1,940,474	1,595,465	(18)%
DE per Common Unit	\$ 1.05	\$ 0.88	\$ 0.58	\$ 0.72	\$ 0.33	(69)%	\$ 3.16	\$ 2.51	(21)%
Less: Retained Capital per Common Unit	\$ (0.16)	\$ (0.14)	\$ (0.09)	\$ (0.11)	\$ (0.05)	(69)%	\$ (0.50)	\$ (0.39)	(22)%
Actual Distribution per Common Unit	\$ 0.89	\$ 0.74	\$ 0.49	\$ 0.61	\$ 0.28	(69)%	\$ 2.66	\$ 2.12	(20)%
Record Date					May 2, 2016				
Payable Date					May 9, 2016				

A detailed description of Blackstone's distribution policy and the definition of Distributable Earnings can be found on page 30, 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 29, 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 \$32.2 million for 1Q'16 and \$247.8 million for 1Q'16 LTM.

Total Assets Under Management

1Q'16 Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
4Q'15	\$ 94,280	\$ 93,918	\$ 69,105	\$ 79,081	\$ 336,385
Inflows	2,989	9,057	3,181	1,864	17,090
Outflows	(261)	(268)	(1,632)	(1,385)	(3,545)
Realizations	(2,119)	(3,451)	(151)	(885)	(6,606)
Net Inflows (Outflows)	608	5,339	1,398	(406)	6,939
Market Activity	578	1,851	(2,028)	(19)	382
1Q'16	\$ 95,466	\$ 101,108	\$ 68,475	\$ 78,656	\$ 343,705
QoQ Increase (Decrease)	1%	8%	(1)%	(1)%	2%

1Q'16 LTM Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
1Q'15	\$ 76,327	\$ 92,786	\$ 66,379	\$ 74,960	\$ 310,451
Inflows	30,153	20,170	11,138	18,724	80,185
Outflows	(642)	(442)	(5,916)	(5,673)	(12,673)
Realizations	(12,299)	(15,312)	(680)	(7,246)	(35,536)
Net Inflows	17,212	4,416	4,543	5,805	31,976
Market Activity	1,927	3,906	(2,446)	(2,108)	1,279
1Q'16	\$ 95,466	\$ 101,108	\$ 68,475	\$ 78,656	\$ 343,705
YoY Increase	25%	9%	3%	5%	11%

1Q'16 Highlights

Private Equity

- ▶ **Inflows:** Strategic Partners (\$1.8 billion); BCP VII (\$899 million); Core Private Equity (\$670 million); Tactical Opportunities (\$327 million); reduced by allocations of multi-strategy capital to Blackstone funds (\$671 million).
- ▶ **Realizations:** BCP V (\$1.4 billion); Strategic Partners (\$352 million).

Real Estate

- ▶ **Inflows:** Fifth European opportunistic fund (\$5.2 billion); third mezzanine debt fund (\$1.7 billion); BREP co-investment (\$842 million); BPP U.S. (\$555 million).
- ▶ **Realizations:** BREP Global and European opportunistic platforms (\$1.9 billion); BREP co-investment (\$1.1 billion) and BREDS (\$328 million).
- ▶ **Market Activity:** Carrying value increases of 1.8% and 4.4% within the opportunistic and core+ platforms, respectively.

Hedge Fund Solutions

- ▶ **Inflows:** Individual investor and specialized solutions (\$1.5 billion); customized solutions (\$950 million); additional close of BAAM's third seeding vehicle (\$400 million); commingled products (\$362 million).
- ▶ **Market Activity:** BAAM's Principal Solutions Composite down 2.9% gross (3.1% net) during the quarter.

Credit

- ▶ **Inflows:** CLOs (\$528 million); BDCs (\$507 million); long only products (\$462 million).
- ▶ **Outflows:** Primarily driven by investor liquidity needs, shift in investor sentiment on credit and de-leveraging of the BDC funds.

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.

Fee-Earning Assets Under Management

1Q'16 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
4Q'15	\$ 51,451	\$ 67,345	\$ 65,665	\$ 61,684	\$ 246,146
Inflows	558	1,592	2,852	2,331	7,333
Outflows	(371)	(37)	(1,603)	(1,107)	(3,117)
Realizations	(1,288)	(2,120)	(146)	(723)	(4,277)
Net Inflows (Outflows)	(1,100)	(565)	1,103	501	(61)
Market Activity	(123)	518	(1,937)	(90)	(1,632)
1Q'16	\$ 50,228	\$ 67,298	\$ 64,831	\$ 62,095	\$ 244,453
QoQ Increase (Decrease)	(2)%	(0)%	(1)%	1%	(1)%

1Q'16 LTM Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
1Q'15	\$ 49,342	\$ 50,783	\$ 64,114	\$ 59,272	\$ 223,512
Inflows	6,794	27,846	9,448	15,668	59,755
Outflows	(780)	(4,170)	(5,766)	(5,035)	(15,752)
Realizations	(5,148)	(8,139)	(641)	(6,027)	(19,955)
Net Inflows	866	15,537	3,041	4,605	24,048
Market Activity	20	978	(2,324)	(1,782)	(3,107)
1Q'16	\$ 50,228	\$ 67,298	\$ 64,831	\$ 62,095	\$ 244,453
YoY Increase	2%	33%	1%	5%	9%

1Q'16 Highlights

Private Equity

- ▶ **Inflows:** Strategic Partners (\$584 million); Tactical Opportunities (\$288 million); reduced by allocations of multi-strategy capital to Blackstone funds (\$368 million).
- ▶ **Realizations:** BCP V (\$982 million); Strategic Partners (\$214 million).

Real Estate

- ▶ **Inflows:** BREP co-investment (\$710 million); BREDS (\$560 million).
- ▶ **Realizations:** \$1.4 billion across BREP platform including co-investment; \$658 million in BREDS.

Hedge Fund Solutions

- ▶ **Inflows:** Individual investor and specialized solutions (\$1.5 billion); customized solutions (\$950 million); commingled products (\$362 million).
- ▶ **Outflows:** Driven by investors' liquidity needs and certain strategic shifts in their programs.

Credit

- ▶ **Inflows:** BDCs (\$507 million); CLOs (\$500 million); long only products (\$493 million).
- ▶ **Outflows:** Primarily driven by investor liquidity needs, shift in investor sentiment on credit and de-leveraging of the BDC funds.

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

(Dollars in Millions, Except per Unit Data)

	4Q'15	1Q'16	1Q'16 Per Unit	QoQ Change
Private Equity				
BCP IV Carried Interest	\$ 144	\$ 155	\$ 0.13	\$ 11
BCP V Carried Interest	288	358	0.30	70
BCP VI Carried Interest	359	340	0.29	(19)
BEP Carried Interest	48	46	0.04	(2)
Tactical Opportunities Carried Interest	52	56	0.05	4
BTAS Carried Interest	3	5	-	2
Strategic Partners Carried Interest	36	38	0.03	2
Other Carried Interest	1	2	-	1
Total Private Equity	\$ 931	\$ 1,000	\$ 0.84	\$ 69
Real Estate				
BREP IV Carried Interest	20	11	0.01	(9)
BREP V Carried Interest	497	417	0.35	(80)
BREP VI Carried Interest	628	636	0.54	8
BREP VII Carried Interest	608	570	0.48	(38)
BREP VIII Carried Interest	7	34	0.03	27
BREP Europe III Carried Interest	186	181	0.15	(5)
BREP Europe IV Carried Interest	121	126	0.11	5
BREP Asia Carried Interest	54	68	0.06	14
BPP Carried Interest	28	41	0.03	13
BPP Incentive Fees	12	18	0.02	6
BREDS Carried Interest	12	16	0.01	4
BREDS Incentive Fees	6	2	-	(4)
Asia Platform Incentive Fees	7	7	0.01	-
Total Real Estate	\$ 2,186	\$ 2,127	\$ 1.79	\$ (59)
Hedge Fund Solutions				
Incentive Fees	38	5	-	(33)
Total Hedge Fund Solutions	\$ 38	\$ 5	\$ -	\$ (33)
Credit				
Carried Interest	77	66	0.06	(11)
Incentive Fees	19	14	0.01	(5)
Total Credit	\$ 96	\$ 80	\$ 0.07	\$ (16)
Total Blackstone				
Carried Interest	3,169	3,166	2.67	(3)
Incentive Fees	82	46	0.04	(36)
Net Accrued Performance Fees	\$ 3,251	\$ 3,212	\$ 2.70	\$ (39)
<i>Memo: Net Realized Performance Fees</i>	<i>\$ 89</i>	<i>\$ 28</i>	<i>\$ 0.02</i>	<i>\$ (61)</i>

\$3.2 billion

Net Accrued Performance Fees at 1Q'16

\$2.70 per unit

Net Accrued Performance Fees at 1Q'16

36%

of 1Q'15 Net Accrued Performance Fees realized in 1Q'16 LTM

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. Net Realized Performance Fees represents Performance Fees realized, but not yet distributed as of the reporting date and included in the Net Accrued Performance Fee balance. When these fees are received, the receivable is reduced without further impacting DE. Per Unit calculations are based on end of period DE Units Outstanding (see page 29, Unit Rollforward).

Investment Records as of March 31, 2016^(a)

(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	-	3,256,819	2.5x	3,256,819	2.5x	32%	32%	
BCP III (Aug 1997 / Nov 2002)	3,967,422	-	-	n/a	-	9,184,688	2.3x	9,184,688	2.3x	14%	14%	
BCOM (Jun 2000 / Jun 2006)	2,137,330	126,093	116,658	1.7x	66%	2,851,514	1.4x	2,968,172	1.4x	7%	6%	
BCP IV (Nov 2002 / Dec 2005)	6,773,182	219,136	2,160,727	1.3x	31%	18,951,775	3.2x	21,112,502	2.8x	43%	36%	
BCP V (Dec 2005 / Jan 2011)	21,025,507	1,261,736	10,330,979	1.6x	76%	27,296,433	2.0x	37,627,412	1.9x	10%	8%	
BCP VI (Jan 2011 / Jan 2017)	15,188,733	2,797,578	14,976,100	1.3x	24%	2,044,675	1.9x	17,020,775	1.3x	50%	10%	
BEP (Aug 2011 / Feb 2015)	2,439,112	183,562	2,713,693	1.3x	25%	539,548	2.0x	3,253,241	1.4x	57%	14%	
BEP II (Feb 2015 / Feb 2021)	4,951,351	4,875,450	22,908	1.0x	-	-	n/a	22,908	1.0x	n/a	n/a	
BCP VII (TBD)	18,898,630	18,898,630	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
Total Corporate Private Equity	\$ 77,601,448	\$ 28,362,185	\$ 30,321,065	1.4x	42%	\$ 65,867,190	2.3x	\$ 96,188,255	1.9x	19%	15%	
Tactical Opportunities	13,287,442	6,765,473	7,328,776	1.1x	7%	1,296,745	1.5x	8,625,521	1.2x	31%	10%	
Strategic Partners I-V and Co-Investment	12,156,390	2,356,537	3,991,432	2.9x	-	13,110,144	1.3x	17,101,576	1.5x	n/a	14%	
Strategic Partners VI LBO, RE and SMA (e)	6,737,766	1,653,078	3,567,570	n/m	-	432,994	n/m	4,000,564	1.4x	n/a	44%	
Strategic Partners VII	1,511,972	1,511,972	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
BCEP (f)	669,500	669,500	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
Other Funds and Co-Investment (g)	2,343,637	620,141	1,409,258	1.1x	33%	228,347	1.3x	1,637,605	1.1x	n/a	n/a	
Total Private Equity	\$ 114,308,155	\$ 41,938,886	\$ 46,618,101	1.4x	30%	\$ 80,935,420	2.0x	\$ 127,553,521	1.7x	19%	15%	
Real Estate												
Dollar												
Pre-BREP	\$ 140,714	\$ -	\$ -	n/a	-	\$ 345,190	2.5x	\$ 345,190	2.5x	33%	33%	
BREP I (Sep 1994 / Oct 1996)	380,708	-	-	n/a	-	1,327,708	2.8x	1,327,708	2.8x	40%	40%	
BREP II (Oct 1996 / Mar 1999)	1,198,339	-	-	n/a	-	2,531,613	2.1x	2,531,613	2.1x	19%	19%	
BREP III (Apr 1999 / Apr 2003)	1,522,708	-	-	n/a	-	3,336,402	2.4x	3,336,402	2.4x	21%	21%	
BREP IV (Apr 2003 / Dec 2005)	2,198,694	-	653,847	0.7x	14%	3,900,697	2.2x	4,554,544	1.7x	40%	13%	
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	3,938,344	2.2x	31%	8,899,153	2.2x	12,837,497	2.2x	13%	11%	
BREP VI (Feb 2007 / Aug 2011)	11,059,523	579,112	7,608,688	2.2x	68%	17,951,460	2.4x	25,560,148	2.3x	15%	13%	
BREP VII (Aug 2011 / Apr 2015)	13,491,598	2,461,897	15,743,502	1.6x	1%	8,584,025	1.9x	24,327,527	1.7x	31%	21%	
BREP VIII (Apr 2015 / Oct 2020)	16,145,129	10,754,125	5,921,200	1.1x	-	4,793	1.0x	5,925,993	1.1x	n/a	16%	
Total Global BREP	\$ 51,676,831	\$ 13,795,134	\$ 33,865,581	1.6x	20%	\$ 46,881,041	2.2x	\$ 80,746,622	1.9x	21%	17%	
Euro												
BREP Int'I (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ -	n/a	-	€ 1,364,490	2.1x	€ 1,364,490	2.1x	23%	23%	
BREP Int'I II (Sep 2005 / Jun 2008)	1,629,748	-	530,198	1.1x	64%	1,714,052	1.8x	2,244,250	1.6x	8%	5%	
BREP Europe III (Jun 2008 / Sep 2013)	3,205,140	466,916	3,201,449	1.9x	-	2,635,024	2.1x	5,836,473	2.0x	23%	18%	
BREP Europe IV (Sep 2013 / Mar 2019)	6,696,404	2,110,961	6,334,310	1.3x	-	573,041	1.4x	6,907,351	1.3x	27%	16%	
BREP Europe V (TBD)	4,669,823	4,669,823	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
Total Euro BREP	€ 17,025,287	€ 7,247,700	€ 10,065,957	1.4x	3%	€ 6,286,607	2.0x	€ 16,352,564	1.6x	16%	13%	
BREP Co-Investment (h)	\$ 6,819,065	\$ -	\$ 5,125,104	1.6x	46%	\$ 7,387,601	2.1x	\$ 12,512,705	1.9x	17%	16%	
BREP Asia (Jun 2013 / Dec 2017)	5,081,069	2,728,072	3,143,960	1.3x	-	185,124	1.5x	3,329,084	1.3x	22%	14%	
Total BREP	\$ 84,884,181	\$ 24,691,363	\$ 54,805,711	1.5x	17%	\$ 62,823,968	2.2x	\$ 117,629,679	1.8x	20%	16%	
BPP (i)	\$ 10,909,794	\$ 2,752,215	\$ 9,485,250	1.2x	-	\$ -	n/a	\$ 9,485,250	1.2x	n/a	17%	
BREDS (j)	\$ 9,789,251	\$ 5,374,702	\$ 2,481,353	1.3x	-	\$ 5,681,724	1.3x	\$ 8,163,077	1.3x	13%	12%	

Continued...

Investment Records as of March 31, 2016^(a) – Continued

(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
Hedge Fund Solutions											
BSCH (Dec 2013 / Jun 2020) (k)	\$ 3,300,600	\$ 2,755,702	\$ 549,508	1.0x	-	\$ 68,755	n/a	\$ 618,263	1.2x	n/a	5%
BSCH Co-Investment	75,500	31,237	44,481	1.0x	-	1,254	n/a	45,735	1.0x	n/a	5%
Total Hedge Fund Solutions	\$ 3,376,100	\$ 2,786,939	\$ 593,989	1.0x	-	\$ 70,009	n/a	\$ 663,998	1.2x	n/a	5%
Credit (l)											
Mezzanine I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 99,280	\$ 444,786	1.7x	-	\$ 4,406,799	1.6x	\$ 4,851,585	1.6x	n/a	18%
Mezzanine II (Nov 2011 / Nov 2016)	4,120,000	2,005,610	2,746,265	1.1x	-	1,896,457	1.4x	4,642,722	1.2x	n/a	13%
Rescue Lending I (Sep 2009 / May 2013)	3,253,143	553,745	1,465,694	1.2x	-	4,197,595	1.5x	5,663,289	1.4x	n/a	11%
Rescue Lending II (Jun 2013 / Jun 2018)	5,125,000	2,561,654	2,701,252	1.0x	-	88,846	1.1x	2,790,098	1.0x	n/a	2%
Energy Select Opportunities (Nov 2015 / Nov 2018)	2,856,866	2,469,556	419,038	1.1x	-	-	n/a	419,038	1.1x	n/a	n/m
Euro											
European Senior Debt (Feb 2015 / Feb 2018)	€ 1,964,689	€ 3,369,434	€ 523,149	1.0x	-	€ 142,288	1.2x	€ 665,437	1.0x	n/a	n/m
Total Credit	\$ 19,621,419	\$ 11,529,777	\$ 8,372,349	1.1x	-	\$ 10,747,165	1.5x	\$ 19,119,514	1.3x	n/a	14%

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

n/m Not meaningful.

n/a Not applicable.

(a) Preliminary.

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

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

(d) Net Internal Rate of Return (“IRR”) represents the annualized inception to March 31, 2016 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest.

(e) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOIC’s are not meaningful in the early life of the funds.

(f) BCEP, or Blackstone Core Equity Partners, is a core private equity fund which invests with a more modest risk profile and longer hold period.

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

(h) 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.

(i) BPP, or Blackstone Property Partners, are the core+ real estate funds which invest with a more modest risk profile and lower leverage.

(j) Excludes Capital Trust drawdown funds.

(k) BSCH is a permanent capital vehicle focused on acquiring strategic minority positions in alternative asset managers.

(l) The Total Investments MOIC for Mezzanine I, Mezzanine II, Rescue Lending I, Rescue Lending II Funds, Energy Select Opportunities Fund and European Senior Debt Fund, excluding recycled capital during the investment period was 2.0x, 1.4x, 1.6x, 1.0x, 1.1x and n/m, respectively. Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the six credit drawdown funds presented.

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	1Q'15 LTM	1Q'16 LTM
Net Income (Loss) Attributable to The Blackstone Group L.P.	\$ 629,448	\$ 134,168	\$ (254,697)	\$ 200,870	\$ 150,033	\$ 1,948,420	\$ 230,374
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	645,230	134,870	(247,318)	150,734	131,202	2,046,825	169,488
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	81,796	66,716	30,671	40,717	40,086	372,905	178,190
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	7,527	13,780	(12,520)	2,358	(6,401)	36,529	(2,783)
Net Income (Loss)	\$ 1,364,001	\$ 349,534	\$ (483,864)	\$ 394,679	\$ 314,920	\$ 4,404,679	\$ 575,269
Provision for Taxes	99,344	43,251	1,573	46,230	18,866	336,420	109,920
Income (Loss) Before Provision for Taxes	\$ 1,463,345	\$ 392,785	\$ (482,291)	\$ 440,909	\$ 333,786	\$ 4,741,099	\$ 685,189
Transaction-Related Charges ^(a)	231,862	192,018	80,962	(15,279)	64,136	911,220	321,837
Amortization of Intangibles ^(b)	25,899	24,720	30,624	23,287	23,208	108,150	101,839
(Income) Associated with Non-Controlling Interests of Consolidated Entities ^(c)	(89,323)	(80,496)	(18,151)	(43,075)	(33,685)	(409,434)	(175,407)
Economic Income (Loss)	\$ 1,631,783	\$ 529,027	\$ (388,856)	\$ 405,842	\$ 387,445	\$ 5,351,035	\$ 933,458
Taxes ^(d)	(9,719)	(20,587)	(27,070)	29,849	(16,794)	(197,919)	(34,602)
Economic Net Income (Loss)	\$ 1,622,064	\$ 508,440	\$ (415,926)	\$ 435,691	\$ 370,651	\$ 5,153,116	\$ 898,856
Taxes ^(d)	9,719	20,587	27,070	(29,849)	16,794	197,919	34,602
Performance Fee Adjustment ^(e)	(1,673,736)	(569,664)	639,349	(194,026)	(314,065)	(5,286,599)	(438,406)
Investment (Income) Loss Adjustment ^(f)	(189,641)	(10,774)	136,131	11,435	26,650	(544,802)	163,442
Net Interest Loss ^(g)	8,402	14,411	9,522	11,846	13,351	36,877	49,130
Performance Fee Compensation and Benefits Adjustment ^(h)	403,816	215,441	(130,479)	75,782	106,075	1,452,065	266,819
Fee Related Earnings	\$ 180,624	\$ 178,441	\$ 265,667	\$ 310,879	\$ 219,456	\$ 1,008,576	\$ 974,443
Net Realized Performance Fees ⁽ⁱ⁾	932,789	725,433	357,114	505,540	186,733	2,504,961	1,774,820
Realized Investment Income (Loss) ^(j)	107,792	136,497	87,526	86,993	(10,101)	539,300	300,915
Net Interest (Loss) ^(g)	(8,402)	(14,411)	(9,522)	(11,846)	(13,351)	(36,877)	(49,130)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(k)	(16,994)	(20,587)	(27,070)	(25,819)	(16,794)	(266,728)	(90,270)
Equity-Based Compensation ^(l)	44,398	28,547	17,819	12,280	22,024	76,287	80,670
Distributable Earnings	\$ 1,240,207	\$ 1,033,920	\$ 691,534	\$ 878,027	\$ 387,967	\$ 3,825,519	\$ 2,991,448
Interest Expense	38,853	45,437	44,981	46,511	48,432	141,310	185,361
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(k)	16,994	20,587	27,070	25,819	16,794	266,728	90,270
Depreciation and Amortization	6,927	6,715	6,719	6,852	6,292	28,854	26,578
Adjusted EBITDA	\$ 1,302,981	\$ 1,106,659	\$ 770,304	\$ 957,209	\$ 459,485	\$ 4,262,411	\$ 3,293,657

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See page 30, 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. Equals the sum of Net Realized Incentive Fees and Net Realized Carried Interest.
- (j) Represents the adjustment for Blackstone's Realized Investment Income (Loss).
- (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, which excludes all transaction-related equity-based charges.

Walkdown of Financial Metrics

(Dollars in Thousands, Except per Unit Data)

	1Q'16		1Q'16 LTM	
	Results	Per Unit	Results	Per Unit
▶ Base Management Fees	\$ 586,703		\$ 2,266,889	
▶ Advisory Fees	481		224,374	
▶ Transaction and Other Fees, Net	46,118		162,730	
▶ Management Fee Offsets	(20,101)		(95,650)	
▶ Other Revenue	(6,248)		7,124	
▶ Compensation	(287,403)		(1,146,784)	
▶ Non-Interest Operating Expenses	(100,094)		(444,240)	
Fee Related Earnings	\$ 219,456	\$ 0.18	\$ 974,443	\$ 0.81
▶ Net Realized Incentive Fees	14,327		105,684	
▶ Net Realized Carried Interest	172,406		1,669,136	
▶ Realized Investment Income (Loss)	(10,101)		300,915	
▶ Net Interest (Loss)	(13,351)		(49,130)	
▶ Taxes and Related Payables	(16,794)		(90,270)	
▶ Equity-Based Compensation	22,024		80,670	
Distributable Earnings	\$ 387,967	\$ 0.33	\$ 2,991,448	\$ 2.51
▶ Net Unrealized Incentive Fees	3,652		(38,766)	
▶ Net Unrealized Carried Interest	17,605		(1,564,467)	
▶ Unrealized Investment (Loss)	(16,549)		(464,357)	
▶ Add Back: Related Payables	-		55,668	
▶ Less: Equity-Based Compensation	(22,024)		(80,670)	
Economic Net Income	\$ 370,651	\$ 0.31	\$ 898,856	\$ 0.76

Fee Earnings

Distributable Earnings

Economic Net Income

See page 28, Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics for the calculation of the amounts presented herein that are not the respective captions on page 13, Total Segments. 1Q'16 Fee Related Earnings per Unit is based on end of period DE Units Outstanding; 1Q'16 DE per Unit is based on DE attributable to Common Unit Holders (see page 19, Unitholder Distribution) and end of period Total Common Units Outstanding; and 1Q'16 ENI per Unit is based on Weighted-Average ENI Adjusted Units. 1Q'16 LTM per Unit represents the sum of the last four quarters. See page 29, Unit Rollforward.

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

(Dollars in Thousands)	1Q'16	1Q'16 LTM
Other Operating Expenses	\$ 148,526	\$ 629,601
Less: Interest Expense	(48,432)	(185,361)
Non-Interest Operating Expenses	\$ 100,094	\$ 444,240
Realized Incentive Fees	28,450	193,526
Less: Realized Incentive Fee Compensation	(14,123)	(87,842)
Net Realized Incentive Fees	\$ 14,327	\$ 105,684
Realized Carried Interest	230,909	2,229,191
Less: Realized Carried Interest Compensation	(58,503)	(560,055)
Net Realized Carried Interest	\$ 172,406	\$ 1,669,136
Interest Income and Dividend Revenue	35,081	136,231
Less: Interest Expense	(48,432)	(185,361)
Net Interest (Loss)	\$ (13,351)	\$ (49,130)
Equity-Based Compensation^(a)	\$ 22,024	\$ 80,670
Taxes and Related Payables^(b)	\$ (16,794)	\$ (90,270)
Unrealized Incentive Fees	7,100	(62,769)
Less: Unrealized Incentive Fee Compensation	(3,448)	24,003
Net Unrealized Incentive Fees	\$ 3,652	\$ (38,766)
Unrealized Carried Interest	47,606	(1,921,542)
Less: Unrealized Carried Interest Compensation	(30,001)	357,075
Net Unrealized Carried Interest	\$ 17,605	\$ (1,564,467)
Related Payables^(c)	\$ -	\$ 55,668

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

(a) Represents equity-based award expense included in Economic Income, which excludes all transaction-related equity-based charges.

(b) See page 25, Reconciliation of GAAP to Non-GAAP Measures for this adjustment.

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

Unit Rollforward

	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16
Total GAAP Weighted-Average Common Units Outstanding - Basic	625,276,969	631,881,205	638,832,799	641,134,086	644,897,849
<i>Adjustments:</i>					
Weighted-Average Unvested Deferred Restricted Common Units	5,955,072	2,311,444	-	1,794,046	1,629,702
Weighted-Average Blackstone Holdings Partnership Units	-	-	-	547,495,655	548,042,780
Total GAAP Weighted-Average Units Outstanding - Diluted	631,232,041	634,192,649	638,832,799	1,190,423,787	1,194,570,331
<i>Adjustments:</i>					
Weighted-Average Unvested Deferred Restricted Common Units	-	-	1,913,028	-	-
Weighted-Average Blackstone Holdings Partnership Units	548,837,150	555,641,388	550,983,910	-	-
Weighted-Average Economic Net Income Adjusted Units	1,180,069,191	1,189,834,037	1,191,729,737	1,190,423,787	1,194,570,331
Economic Net Income Adjusted Units, End of Period	1,192,529,251	1,190,864,027	1,191,328,573	1,190,361,741	1,194,227,352
Total Common Units Outstanding	625,985,058	630,414,455	635,440,608	637,410,828	643,789,108
<i>Adjustments:</i>					
Blackstone Holdings Partnership Units	550,783,119	545,861,003	549,317,005	546,844,892	543,969,293
Distributable Earnings Units Outstanding	1,176,768,177	1,176,275,458	1,184,757,613	1,184,255,720	1,187,758,401

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 four 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”, which is derived from EI, as a measure to highlight earnings from operations excluding: (a) the income related to performance fees and related carry plan costs and (b) income earned from Blackstone’s investments in the Blackstone Funds. Blackstone uses FRE as a measure to assess whether recurring revenue from its businesses is sufficient to adequately cover all of its operating expenses and generate profits. FRE equals contractual fee revenues less (a) compensation expenses (which includes amortization of non-IPO and non-acquisition-related equity-based awards, but excludes amortization of IPO and acquisition-related equity-based awards, Carried Interest and incentive fee compensation), and (b) non-interest operating expenses.
- Distributable Earnings, or “DE”, which is derived from Blackstone’s segment reported results, is a supplemental measure to assess performance and amounts available for distributions to Blackstone unitholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings partnerships. DE is intended to show the amount of net realized earnings without the effects of the consolidation of the Blackstone Funds. DE, which is a component of ENI, is the sum across all segments of: (a) Total Management and Advisory Fees, (b) Interest and Dividend Revenue, (c) Other Revenue, (d) Realized Performance Fees, and (e) Realized Investment Income (Loss); less (a) Compensation, excluding the expense of equity-based awards, (b) Realized Performance Fee Compensation, (c) Other Operating Expenses, and (d) Taxes and Related Payables Under the 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”, is a supplemental non-GAAP measure derived from segment reported results and may be used to assess its ability to service its borrowings. Adjusted EBITDA represents DE plus the addition of (a) Interest Expense, (b) Taxes and Related Payables Including Payable Under Tax Receivable Agreement, and (c) Depreciation and Amortization.

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

Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect Blackstone's current views with respect to, among other things, Blackstone's operations 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, 2015, 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.