



Blackstone Reports First Quarter 2017 Results

New York, April 20, 2017: Blackstone (NYSE:BX) today reported its first quarter 2017 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “Blackstone reported outstanding results in the first quarter, marked by strong returns across our major fund strategies as well as our best quarter for realizations on record. The result was a more than doubling of revenue and earnings versus the prior-year period, and our second best quarterly distribution ever, at \$0.87 per common unit. In total, we will have distributed nearly \$14 per common unit of value since the IPO, including \$2.50 per year on average over the past three years^(a), making Blackstone consistently one of the highest yielding large-capitalization companies in the world.”

Blackstone issued a full detailed presentation of its first quarter 2017 results, which can be viewed at www.blackstone.com.

Distribution

Blackstone has declared a quarterly distribution of \$0.87 per common unit to record holders of common units at the close of business on May 1, 2017. This distribution will be paid on May 8, 2017.

Quarterly Investor Call Details

Blackstone will host a conference call on April 20, 2017 at 11:00 a.m. ET to discuss first quarter 2017 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 188 08 979#.

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 \$360 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).

^(a) Includes \$0.59 per common unit of value for the spin of PJT Partners on October 1, 2015, which increases the 3-year average of value distributed by \$0.20/year.

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, 2016, 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 2017 Earnings

April 20, 2017

Blackstone's First Quarter 2017 GAAP Results

- GAAP Net Income was \$1.0 billion for the quarter, and \$2.9 billion over the last twelve months ("LTM"). GAAP Net Income Attributable to The Blackstone Group L.P. was \$462 million for the quarter and \$1.3 billion over the LTM.

(Dollars in Thousands, Except per Unit Data) (Unaudited)	1Q'16	1Q'17	% Change vs. 1Q'16	1Q'16 LTM	1Q'17 LTM	% Change vs. 1Q'16 LTM
Revenues						
Management and Advisory Fees, Net	\$ 608,906	\$ 642,142	5%	\$ 2,534,643	\$ 2,476,211	(2)%
Performance Fees						
Realized Carried Interest	230,909	1,111,256	381%	2,228,605	2,355,177	6%
Realized Incentive Fees	28,419	47,160	66%	192,019	189,278	(1)%
Unrealized Carried Interest	47,586	(154,683)	n/m	(1,921,428)	279,035	n/m
Unrealized Incentive Fees	7,579	59,409	684%	(61,145)	101,490	n/m
Total Performance Fees	314,493	1,063,142	238%	438,051	2,924,980	568%
Investment Income (Loss)						
Realized	(12,001)	251,344	n/m	355,240	542,082	53%
Unrealized	3,493	(40,188)	n/m	(365,309)	33,633	n/m
Total Investment Income (Loss)	(8,508)	211,156	n/m	(10,069)	575,715	n/m
Interest and Dividend Revenue	23,075	28,495	23%	96,112	101,144	5%
Other	(5,612)	(4,212)	(25)%	7,811	56,153	619%
Total Revenues	932,354	1,940,723	108%	3,066,548	6,134,203	100%
Expenses						
Compensation and Benefits						
Compensation	346,003	351,589	2%	1,512,635	1,340,994	(11)%
Performance Fee Compensation						
Realized Carried Interest	58,504	366,191	526%	560,057	763,641	36%
Realized Incentive Fees	14,124	22,752	61%	87,842	86,724	(1)%
Unrealized Carried Interest	30,001	(4,387)	n/m	(357,075)	278,450	n/m
Unrealized Incentive Fees	3,448	23,139	571%	(24,003)	40,825	n/m
Total Compensation and Benefits	452,080	759,284	68%	1,779,456	2,510,634	41%
General, Administrative and Other	123,045	106,044	(14)%	568,175	503,308	(11)%
Interest Expense	37,356	40,246	8%	150,508	155,544	3%
Fund Expenses	5,229	24,076	360%	67,878	71,028	5%
Total Expenses	617,710	929,650	50%	2,566,017	3,240,514	26%
Other Income						
Reversal of Tax Receivable Agreement Liability	-	-	n/m	82,707	-	(100)%
Net Gains from Fund Investment Activities	19,142	66,132	245%	101,951	231,740	127%
Income Before Provision for Taxes	\$ 333,786	\$ 1,077,205	223%	\$ 685,189	\$ 3,125,429	356%
Provision for Taxes	9,146	57,437	528%	100,200	180,653	80%
Net Income	\$ 324,640	\$ 1,019,768	214%	\$ 584,989	\$ 2,944,776	403%
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(6,401)	2,000	n/m	(2,783)	12,378	n/m
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	40,086	138,685	246%	178,190	344,751	93%
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	131,202	417,258	218%	169,488	1,246,340	635%
Net Income Attributable to The Blackstone Group L.P. ("BX")	\$ 159,753	\$ 461,825	189%	\$ 240,094	\$ 1,341,307	459%
Net Income per Common Unit, Basic	\$ 0.25	\$ 0.70	180%	\$ 0.38	\$ 2.05	439%
Net Income per Common Unit, Diluted	\$ 0.23	\$ 0.69	200%	\$ 0.34	\$ 2.02	494%

n/m = not meaningful.

Blackstone's First Quarter 2017 Highlights

- ▶ Economic Net Income (“ENI”) was \$986 million (\$0.82/unit) in the quarter, up 166% year-over-year, on \$1.9 billion of Total Segment Revenues from management fee growth and strong fund returns.
 - ENI was \$3.0 billion (\$2.51/unit) for the LTM on \$6.0 billion of Total Segment Revenues.
- ▶ Distributable Earnings (“DE”) was \$1.2 billion (\$1.02/unit) in the quarter, with record realizations resulting in \$1.2 billion of Realized Performance Fees.
 - DE was \$3.0 billion (\$2.42/unit) for the LTM on \$2.5 billion of Realized Performance Fees.
- ▶ Fee Related Earnings (“FRE”) was \$291 million in the quarter, up 18% year-over-year, on \$650 million of Management and Advisory Fees, Net.
 - FRE was \$1.1 billion for the LTM, up 2% year-over-year, on \$2.5 billion of Management and Advisory Fees, Net, despite the spin-off of Blackstone’s Advisory businesses completed in the prior LTM period.
- ▶ Total Assets Under Management (“AUM”) grew to a record \$368.2 billion through a combination of continued fundraising, organic platform expansion and strong fund appreciation.
 - Gross inflows were \$14.0 billion in the quarter, bringing LTM inflows to \$66.5 billion.
 - Total AUM increased 7% year-over-year and Fee-Earning AUM was up 15% to \$280.2 billion.
- ▶ Capital deployed of \$11.7 billion in the quarter and \$28.1 billion in the LTM across the businesses, with significant deal flow outside the U.S.
- ▶ Blackstone declared a first quarter distribution of \$0.87 per common unit payable on May 8, 2017.

Blackstone's First Quarter 2017 Segment Earnings

(Dollars in Thousands, Except per Unit Data)			% Change		% Change	
	1Q'16	1Q'17	vs. 1Q'16	1Q'16 LTM	1Q'17 LTM	vs. 1Q'16 LTM
Management and Advisory Fees, Net	\$ 613,201	\$ 649,581	6%	\$ 2,558,343	\$ 2,499,373	(2)%
Performance Fees	314,065	1,063,728	239%	438,406	2,927,649	568%
Investment Income (Loss)	(26,650)	103,959	n/m	(163,442)	350,899	n/m
Interest Income and Dividend Revenue	35,081	45,876	31%	136,231	156,678	15%
Other	(6,248)	(8,287)	n/m	7,124	52,673	639%
Total Revenues	929,449	1,854,857	100%	2,976,662	5,987,272	101%
Total Expenses	542,004	850,014	57%	2,043,204	2,888,590	41%
Taxes	16,794	18,805	12%	34,602	94,274	172%
Economic Net Income	\$ 370,651	\$ 986,038	166%	\$ 898,856	\$ 3,004,408	234%
<i>ENI per Unit</i>	<i>\$ 0.31</i>	<i>\$ 0.82</i>	<i>165%</i>	<i>\$ 0.76</i>	<i>\$ 2.51</i>	<i>230%</i>
Fee Related Earnings	\$ 246,667	\$ 290,742	18%	\$ 1,042,935	\$ 1,065,763	2%
Distributable Earnings	\$ 394,215	\$ 1,230,138	212%	\$ 2,984,324	\$ 2,957,498	(1)%
<i>DE per Common Unit</i>	<i>\$ 0.33</i>	<i>\$ 1.02</i>	<i>209%</i>	<i>\$ 2.50</i>	<i>\$ 2.42</i>	<i>(3)%</i>
Total AUM	\$ 343,705,462	\$ 368,196,917	7%	\$ 343,705,462	\$ 368,196,917	7%
Fee-Earning AUM	\$ 244,452,764	\$ 280,215,551	15%	\$ 244,452,764	\$ 280,215,551	15%

The changes in carrying value, fund returns and composite returns presented throughout this presentation represent those of the applicable Blackstone Funds and not those of The Blackstone Group L.P. Fee Related Earnings, a Total Segment measure, has been redefined to exclude all Equity-Based Compensation and Other Revenue. Distributable Earnings, a Total Segment measure, has been redefined to exclude Other Revenue. Calculated under the prior methodology, the 1Q'17 FRE and DE would have been \$35 million lower and \$8 million lower, respectively, and the 1Q'17 LTM FRE and DE would have been \$27 million lower and \$53 million higher, respectively. All prior periods have been recast to reflect this definition. Please see page 34 for Blackstone's Definitions and the 1Q'17 Supplemental Financial Data available at ir.blackstone.com for additional historical periods.

Private Equity

- ▶ Corporate Private Equity carrying value increased 6.9% in the quarter, driven by appreciation in the private and public investment portfolio.
- ▶ Record realizations of \$6.2 billion in the quarter were primarily driven by private and public sales across the segment, bringing LTM realizations to \$18.3 billion.
- ▶ Invested \$6.7 billion in the quarter, primarily in the healthcare and energy sectors.
 - Committed an additional \$1.0 billion during the quarter.
- ▶ Total AUM increased 4% year-over-year to \$99.7 billion, driven by fundraising across all strategies, which more than offset significant realization activity.
 - AUM inflows were \$2.6 billion in the quarter bringing LTM inflows to \$16.5 billion.
- ▶ Fee-Earning AUM increased 36% year-over-year to \$68.2 billion due to the commencement of the investment periods for flagship funds.

(Dollars in Thousands)	1Q'16	1Q'17	% Change		1Q'16 LTM	1Q'17 LTM	% Change	
			vs. 1Q'16				vs. 1Q'16 LTM	
Management and Advisory Fees, Net	\$ 132,720	\$ 182,474	37%		\$ 519,197	\$ 610,951	18%	
Performance Fees	104,157	397,848	282%		(88,611)	963,740	n/m	
Investment Income (Loss)	83	40,065	n/m		(2,909)	108,516	n/m	
Interest Income and Dividend Revenue	9,849	10,922	11%		35,449	41,344	17%	
Other	(1,587)	(1,800)	13%		6,092	20,245	232%	
Total Revenues	245,222	629,509	157%		469,218	1,744,796	272%	
Compensation	80,274	83,742	4%		289,450	313,925	8%	
Performance Fee Compensation	24,723	142,277	475%		53,871	392,373	628%	
Other Operating Expenses	48,063	42,822	(11)%		208,346	191,192	(8)%	
Total Expenses	153,060	268,841	76%		551,667	897,490	63%	
Economic Income (Loss)	\$ 92,162	\$ 360,668	291%		\$ (82,449)	\$ 847,306	n/m	
Total AUM	\$ 95,466,227	\$ 99,711,406	4%		\$ 95,466,227	\$ 99,711,406	4%	
Fee-Earning AUM	\$ 50,228,312	\$ 68,231,620	36%		\$ 50,228,312	\$ 68,231,620	36%	

6.9%

1Q'17 increase in Corporate
Private Equity carrying value

\$6.2 billion

1Q'17 Realizations

\$99.7 billion

Total AUM up 4% YoY

Real Estate

- ▶ Opportunistic funds' carrying value was up 5.7% in the quarter primarily due to gains in private investment values; core+ funds' carrying value was up 3.1% in the quarter.
- ▶ Realizations of \$6.7 billion in the quarter, driven by the sale of a 25% stake in Hilton and the disposition of a Japanese residential property portfolio.
 - Completed the \$1.8 billion initial public offering for Invitation Homes, the second largest REIT IPO ever.
- ▶ Invested \$2.7 billion in the quarter including in OfficeFirst, a leading office-focused German real estate business.
 - Committed an additional \$1.4 billion, including for a 2.4 million square meter European urban logistics portfolio.
- ▶ Total AUM reached \$102.1 billion during the quarter despite \$21.2 billion of realizations over the LTM.
 - Raised \$2.5 billion during the quarter, including \$1.1 billion in core+ funds, \$630 million in BREDS and \$478 million from the initial launch of Blackstone's non-traded REIT.
- ▶ Fee-Earning AUM up 7% year-over-year to \$71.9 billion driven by growth in core+ funds and BREDS.

(Dollars in Thousands)			% Change		% Change	
	1Q'16	1Q'17	vs. 1Q'16	1Q'16 LTM	1Q'17 LTM	vs. 1Q'16 LTM
Management Fees, Net	\$ 232,106	\$ 215,608	(7)%	\$ 821,720	\$ 866,665	5%
Performance Fees	202,939	519,200	156%	558,063	1,437,900	158%
Investment Income (Loss)	10,838	35,726	230%	(94,323)	146,481	n/m
Interest Income and Dividend Revenue	13,188	18,167	38%	47,181	59,219	26%
Other	(1,909)	(3,150)	65%	646	15,282	n/m
Total Revenues	457,162	785,551	72%	1,333,287	2,525,547	89%
Compensation	100,578	102,702	2%	374,125	387,476	4%
Performance Fee Compensation	77,070	201,596	162%	230,912	530,880	130%
Other Operating Expenses	48,097	51,969	8%	187,129	207,834	11%
Total Expenses	225,745	356,267	58%	792,166	1,126,190	42%
Economic Income	\$ 231,417	\$ 429,284	86%	\$ 541,121	\$ 1,399,357	159%
Total AUM	\$ 101,107,528	\$ 102,070,930	1%	\$ 101,107,528	\$ 102,070,930	1%
Fee-Earning AUM	\$ 67,298,439	\$ 71,904,741	7%	\$ 67,298,439	\$ 71,904,741	7%

5.7%

1Q'17 increase in opportunistic funds' carrying value

\$6.7 billion

1Q'17 Realizations

\$102.1 billion

Total AUM up 1% YoY

Hedge Fund Solutions

- ▶ The BPS Composite gross return was 2.7% in the quarter (2.5% net), and 9.6% for the LTM (8.7% net), continuing the strong recovery from the challenging market conditions of the first quarter last year.
- ▶ Total gross inflows of \$3.6 billion during the quarter and \$11.2 billion for the LTM, driven by customized solutions, commingled products and individual investor and specialized solutions.
 - April 1 subscriptions of \$561 million are not yet included in AUM.
 - BAAM's third seeding fund held its final closing during the quarter, closing the fund at \$1.4 billion.
- ▶ Total AUM reached a record \$73.3 billion in the quarter, driven by continued platform diversification and sustained growth in customized solutions.
 - Fee-Earning AUM up 6% year-over-year to \$68.8 billion.

(Dollars in Thousands)			% Change		% Change	
	1Q'16	1Q'17	vs. 1Q'16	1Q'16 LTM	1Q'17 LTM	vs. 1Q'16 LTM
Management Fees, Net	\$ 130,701	\$ 128,727	(2)%	\$ 525,193	\$ 520,823	(1)%
Performance Fees	(219)	58,792	n/m	3,972	102,477	n/m
Investment Income (Loss)	(17,036)	17,661	n/m	(25,320)	42,935	n/m
Interest Income and Dividend Revenue	5,296	7,554	43%	18,621	25,341	36%
Other	(1,388)	(1,610)	16%	419	7,935	n/m
Total Revenues	117,354	211,124	80%	522,885	699,511	34%
Compensation	54,169	47,604	(12)%	177,549	178,755	1%
Performance Fee Compensation	668	22,530	n/m	6,613	41,732	531%
Other Operating Expenses	26,146	25,800	(1)%	95,012	108,290	14%
Total Expenses	80,983	95,934	18%	279,174	328,777	18%
Economic Income	\$ 36,371	\$ 115,190	217%	\$ 243,711	\$ 370,734	52%
Total AUM	\$ 68,475,416	\$ 73,303,381	7%	\$ 68,475,416	\$ 73,303,381	7%
Fee-Earning AUM	\$ 64,831,253	\$ 68,812,528	6%	\$ 64,831,253	\$ 68,812,528	6%

2.7%

1Q'17 BPS Composite Gross Return

\$3.6 billion

1Q'17 Total AUM Inflows

\$73.3 billion

Total AUM up 7% YoY

The BPS 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-invests), 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. The funds/accounts that comprise the BPS Composite are not managed within a single fund or account and are managed with different mandates. There is no guarantee that BAAM would have made the same mix of investments in a stand-alone fund/account. The BPS Composite is not an investible product and, as such, the performance of the Composite does not represent the performance of an actual fund or account.

Credit

- ▶ Composite gross returns for the quarter were 3.5% and 2.8% for Performing Credit and Distressed Strategies, respectively.
 - Strong performance across strategies during the LTM, resulting in gross returns of 26.2% and 24.9% for Performing Credit and Distressed Strategies, respectively.
- ▶ Strong realization activity of \$3.3 billion during the quarter, including \$1.7 billion across drawdown funds.
- ▶ Deployed or committed \$3.6 billion of capital during the quarter, capitalizing on investment opportunities predominately in Europe and the energy sector.
- ▶ Total AUM growth of 18% year-over-year to \$93.1 billion.
- ▶ Fee-Earning AUM increased 15% year-over-year to a record \$71.3 billion, driven by nine new CLOs, significant investment activity and record investment performance.

(Dollars in Thousands)			% Change		% Change	
	1Q'16	1Q'17	vs. 1Q'16	1Q'16 LTM	1Q'17 LTM	vs. 1Q'16 LTM
Management Fees, Net	\$ 117,674	\$ 122,772	4%	\$ 476,326	\$ 500,934	5%
Performance Fees	7,188	87,888	n/m	(35,018)	423,532	n/m
Investment Income (Loss)	(20,535)	10,507	n/m	(38,731)	52,967	n/m
Interest Income and Dividend Revenue	6,748	9,233	37%	25,696	30,774	20%
Other	(1,364)	(1,727)	27%	314	9,211	n/m
Total Revenues	109,711	228,673	108%	428,587	1,017,418	137%
Compensation	52,382	54,979	5%	192,694	204,684	6%
Performance Fee Compensation	3,614	41,292	n/m	(24,577)	204,657	n/m
Other Operating Expenses	26,220	32,701	25%	98,010	126,792	29%
Total Expenses	82,216	128,972	57%	266,127	536,133	101%
Economic Income	\$ 27,495	\$ 99,701	263%	\$ 162,460	\$ 481,285	196%
Total AUM	\$ 78,656,291	\$ 93,111,200	18%	\$ 78,656,291	\$ 93,111,200	18%
Fee-Earning AUM	\$ 62,094,760	\$ 71,266,662	15%	\$ 62,094,760	\$ 71,266,662	15%

1Q'17 Composite Gross Returns

Performing Credit	3.5%
Distressed	2.8%

\$3.6 billion

1Q'17 Total Capital Deployed
or Committed

\$93.1 billion

Total AUM up 18% YoY

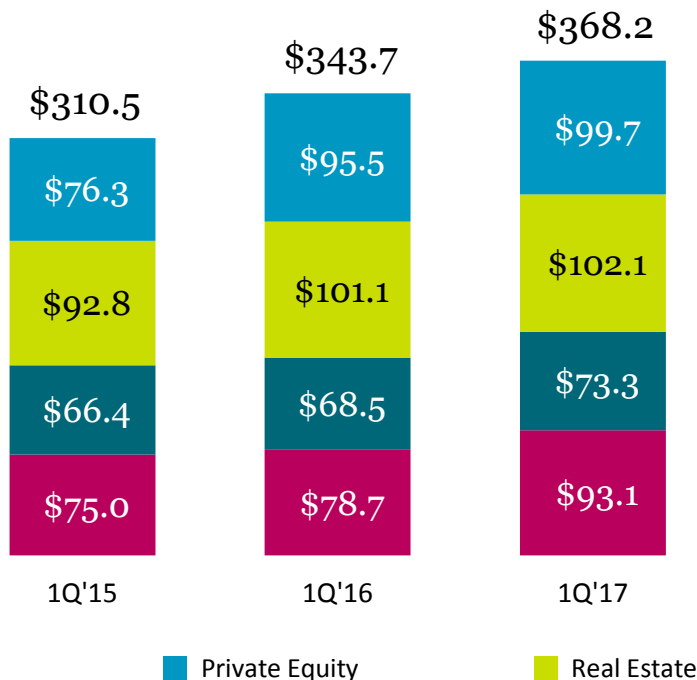
Performing Credit Strategies include mezzanine lending funds, Business Development Companies ("BDCs") and other performing credit strategy funds. Distressed Strategies include hedge fund strategies, rescue lending funds and distressed energy strategies. The composite gross returns represent a weighted-average 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 composite returns were 2.4% and 20.0% for 1Q'17 and 1Q'17 LTM. Distressed Strategies' net composite returns were 2.0% and 19.7% for 1Q'17 and 1Q'17 LTM. The breakdown of Total AUM for 1Q'17 is as follows: Distressed Strategies \$20.2 billion (36% Incentive Fee, 64% Carried Interest), Performing Credit Strategies \$38.1 billion (50% Incentive Fee, 50% Carried Interest), and Long Only \$34.8 billion. The breakdown of Fee-Earning AUM for 1Q'17 is as follows: Distressed Strategies \$12.8 billion (51% Incentive Fee, 49% Carried Interest), Performing Credit Strategies \$24.3 billion (78% Incentive Fee, 22% Carried Interest), and Long Only \$34.1 billion.

Assets Under Management

- ▶ Total AUM increased 7% year-over-year to \$368.2 billion driven by \$66.5 billion of gross inflows.
 - Each segment experienced year-over-year growth despite \$69.2 billion of capital returned to investors during the LTM.
- ▶ Record Fee-Earning AUM of \$280.2 billion up 15% year-over-year as \$72.9 billion of gross inflows significantly outpaced \$46.3 billion of realizations and outflows.

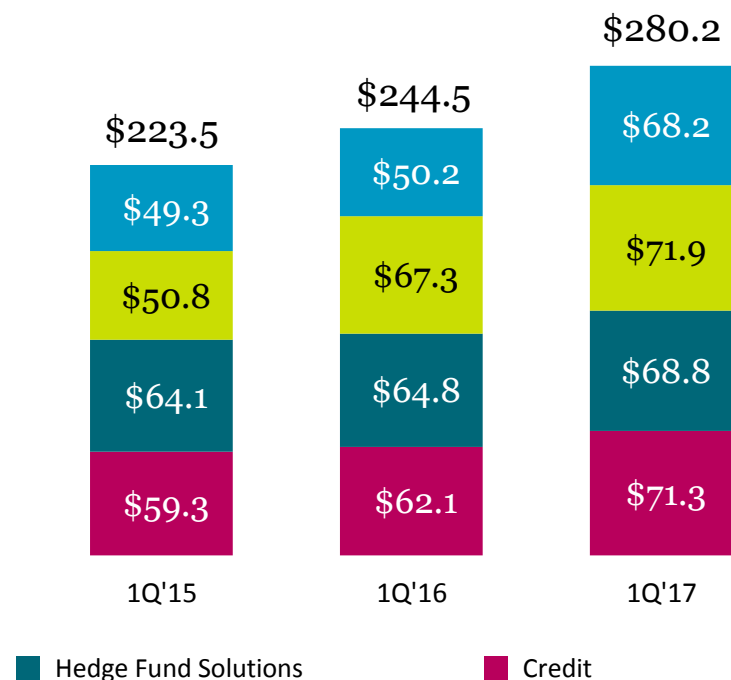
Total AUM by Segment

(Dollars in Billions)



Fee-Earning AUM by Segment

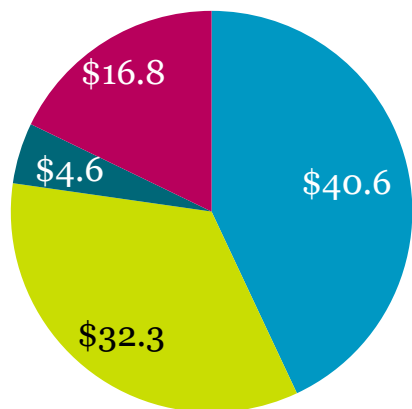
(Dollars in Billions)



Additional Capital Detail

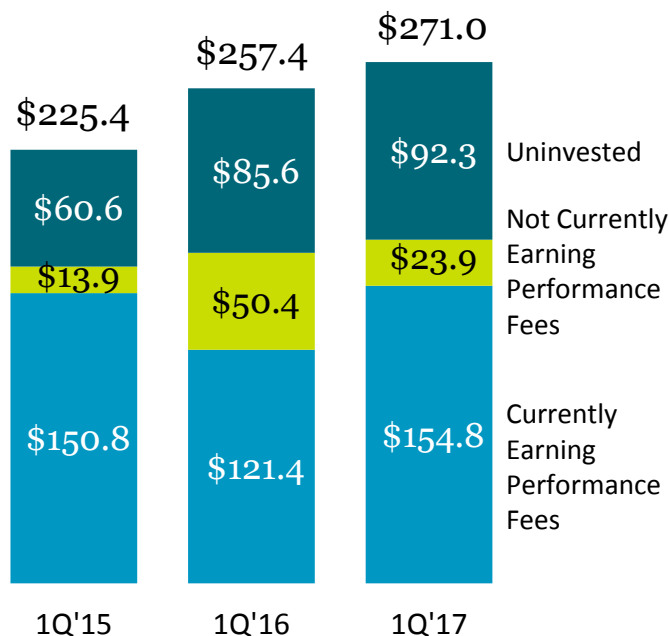
- ▶ Undrawn capital (“Total Dry Powder”) was \$94.3 billion, up 6% year-over-year, driven by recent fundraises for the latest global private equity fund and the latest European opportunistic real estate fund.
 - 75% of Total Dry Powder was raised since the beginning of 2015.
- ▶ Performance Fee Eligible AUM reached \$271.0 billion at quarter end, up 5% year-over-year, despite significant realizations in the Real Estate and Private Equity segments.

\$94 billion 1Q'17
Total Dry Powder

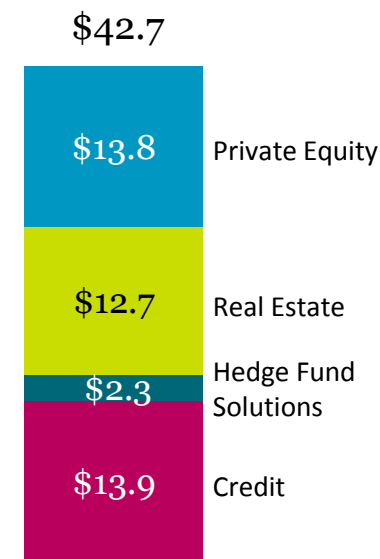


■ Private Equity ■ Real Estate
■ Hedge Fund Solutions ■ Credit

\$271 billion Performance
Fee Eligible AUM

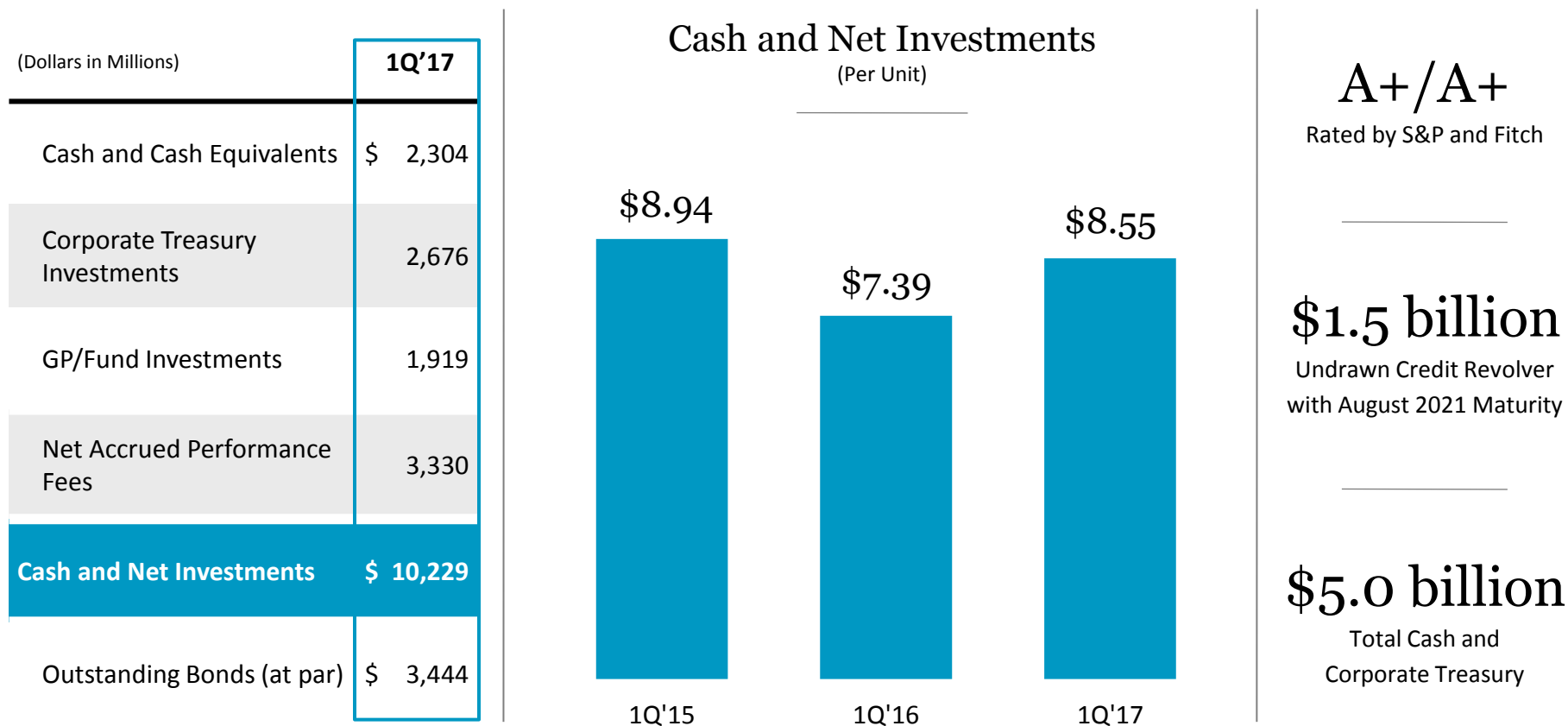


\$43 billion Not Currently
Earning Management Fees



Deconsolidated Balance Sheet Highlights

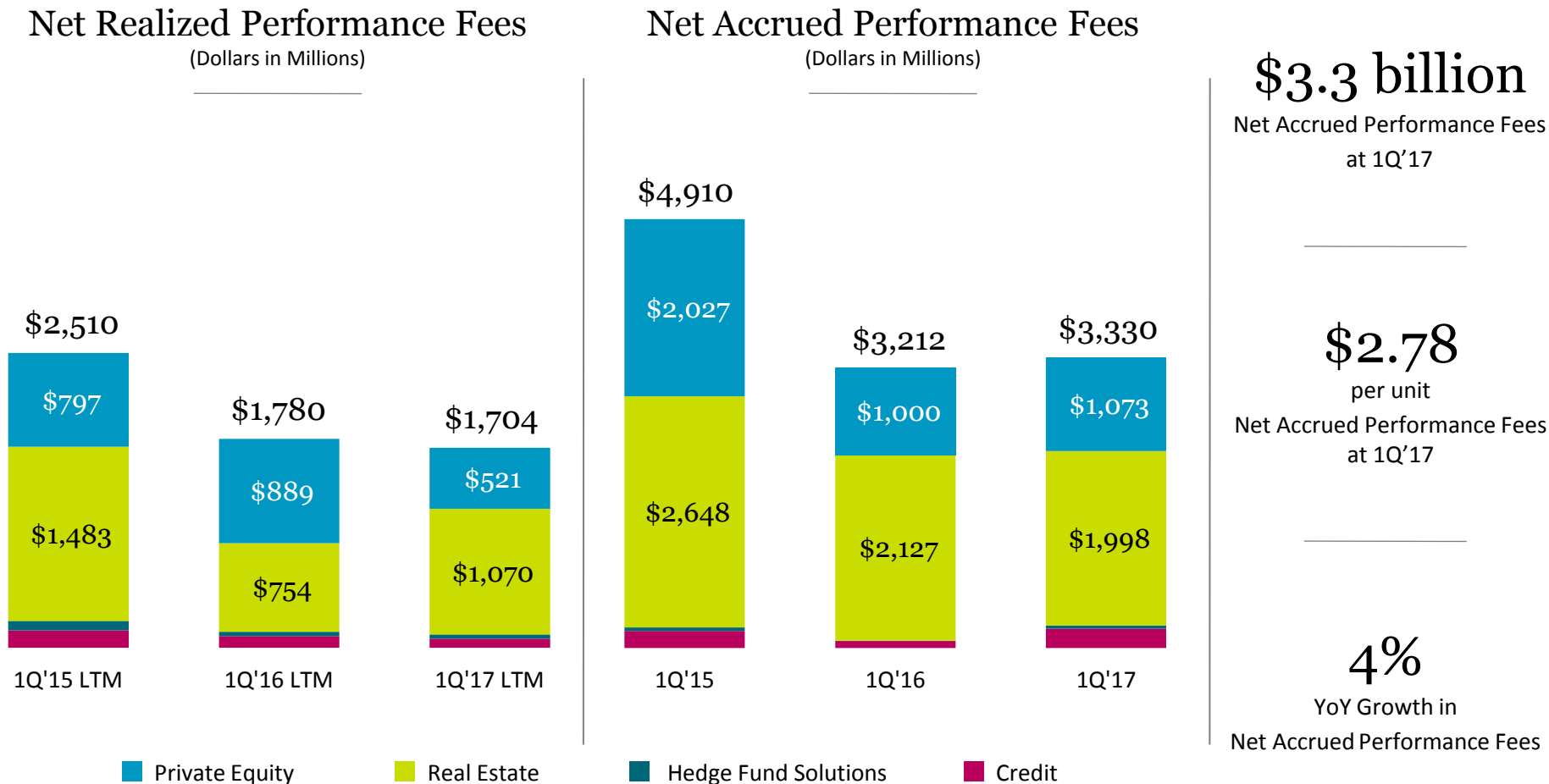
- ▶ At March 31, 2017, Blackstone had \$5.0 billion in total cash, cash equivalents, and corporate treasury investments and \$10.2 billion of cash and net investments, or \$8.55 per unit.
- ▶ Blackstone has no net debt, a \$1.5 billion undrawn credit revolver and maintained A+/A+ ratings.



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 \$643 million, \$866 million, \$111 million, and \$299 million, respectively, as of March 31, 2017, \$805 million, \$1.1 billion, \$125 million, and \$257 million, respectively, as of March 31, 2016 and \$1.0 billion, \$1.3 billion, \$128 million, and \$236 million, respectively, as of March 31, 2015. Total Net Value per unit amounts are calculated using period end DE Units Outstanding.

Performance Fees

- ▶ Net Accrued Performance Fees were \$3.3 billion (\$2.78/unit), up 4% year-over-year, despite realizing Net Performance Fees of \$1.7 billion during the year.



Net Accrued Performance Fees per unit is calculated using period end DE Units Outstanding (see page 33, Unit Rollforward).

Appendix

Total Segments

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	1Q'16 LTM	1Q'17 LTM
Revenues							
Management and Advisory Fees, Net							
Base Management Fees	\$ 586,703	\$ 593,996	\$ 593,509	\$ 623,571	\$ 642,958	\$ 2,266,889	\$ 2,454,034
Transaction, Advisory and Other Fees, Net	46,599	33,620	29,021	35,618	40,222	387,104	138,481
Management Fee Offsets	(20,101)	(15,396)	(20,850)	(23,297)	(33,599)	(95,650)	(93,142)
Total Management and Advisory Fees, Net	613,201	612,220	601,680	635,892	649,581	2,558,343	2,499,373
Performance Fees							
Realized Carried Interest	230,909	323,734	504,022	416,250	1,111,322	2,229,191	2,355,328
Realized Incentive Fees	28,450	29,363	30,295	83,993	47,137	193,526	190,788
Unrealized Carried Interest	47,606	88,268	106,157	239,210	(154,747)	(1,921,542)	278,888
Unrealized Incentive Fees	7,100	8,007	32,172	2,450	60,016	(62,769)	102,645
Total Performance Fees	314,065	449,372	672,646	741,903	1,063,728	438,406	2,927,649
Investment Income (Loss)							
Realized	(10,101)	53,670	60,634	95,666	202,894	300,915	412,864
Unrealized	(16,549)	6,101	27,253	3,616	(98,935)	(464,357)	(61,965)
Total Investment Income (Loss)	(26,650)	59,771	87,887	99,282	103,959	(163,442)	350,899
Interest Income and Dividend Revenue	35,081	35,233	33,081	42,488	45,876	136,231	156,678
Other	(6,248)	8,546	(425)	52,839	(8,287)	7,124	52,673
Total Revenues	929,449	1,165,142	1,394,869	1,572,404	1,854,857	2,976,662	5,987,272
Expenses							
Compensation	287,403	286,155	268,595	241,063	289,027	1,146,784	1,084,840
Performance Fee Compensation							
Realized Carried Interest	58,503	87,581	168,427	141,443	366,191	560,055	763,642
Realized Incentive Fees	14,123	15,251	15,436	33,286	22,752	87,842	86,725
Unrealized Carried Interest	30,001	75,202	70,044	137,591	(4,387)	(357,075)	278,450
Unrealized Incentive Fees	3,448	2,689	13,508	1,489	23,139	(24,003)	40,825
Total Compensation and Benefits	393,478	466,878	536,010	554,872	696,722	1,413,603	2,254,482
Other Operating Expenses	148,526	157,254	150,890	172,672	153,292	629,601	634,108
Total Expenses	542,004	624,132	686,900	727,544	850,014	2,043,204	2,888,590
Economic Income	\$ 387,445	\$ 541,010	\$ 707,969	\$ 844,860	\$ 1,004,843	\$ 933,458	\$ 3,098,682
Economic Net Income	\$ 370,651	\$ 519,776	\$ 686,984	\$ 811,610	\$ 986,038	\$ 898,856	\$ 3,004,408
Fee Related Earnings	\$ 246,667	\$ 234,442	\$ 246,084	\$ 294,495	\$ 290,742	\$ 1,042,935	\$ 1,065,763
Distributable Earnings	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 1,230,138	\$ 2,984,324	\$ 2,957,498
Total Assets Under Management	\$ 343,705,462	\$ 356,281,669	\$ 361,040,173	\$ 366,553,465	\$ 368,196,917	\$ 343,705,462	\$ 368,196,917
Fee-Earning Assets Under Management	\$ 244,452,764	\$ 266,006,713	\$ 267,757,727	\$ 277,092,672	\$ 280,215,551	\$ 244,452,764	\$ 280,215,551
Weighted Average Fee-Earning AUM	\$ 244,891,488	\$ 259,476,010	\$ 268,503,412	\$ 274,475,842	\$ 279,582,971	\$ 243,023,461	\$ 271,944,095
LP Capital Invested	\$ 6,515,571	\$ 3,795,171	\$ 4,127,005	\$ 7,770,798	\$ 9,616,665	\$ 32,255,081	\$ 25,309,639
Total Capital Invested	\$ 6,693,375	\$ 4,049,774	\$ 4,301,164	\$ 8,017,721	\$ 11,747,617	\$ 33,996,315	\$ 28,116,276

Private Equity

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	1Q'16 LTM	1Q'17 LTM
Revenues							
Management and Advisory Fees, Net							
Base Management Fees	\$ 130,648	\$ 131,477	\$ 131,708	\$ 160,301	\$ 177,464	\$ 524,905	\$ 600,950
Transaction, Advisory and Other Fees, Net	8,920	11,089	12,892	8,972	17,200	32,951	50,153
Management Fee Offsets	(6,848)	(4,195)	(12,917)	(10,850)	(12,190)	(38,659)	(40,152)
Total Management and Advisory Fees, Net	132,720	138,371	131,683	158,423	182,474	519,197	610,951
Performance Fees							
Realized Carried Interest	30,282	57,056	26,398	131,532	582,681	1,122,291	797,667
Unrealized Carried Interest	73,875	85,047	144,597	121,262	(184,833)	(1,210,902)	166,073
Total Performance Fees	104,157	142,103	170,995	252,794	397,848	(88,611)	963,740
Investment Income (Loss)							
Realized	(15,357)	22,926	15,469	50,339	80,889	129,476	169,623
Unrealized	15,440	(2,766)	8,884	(26,401)	(40,824)	(132,385)	(61,107)
Total Investment Income (Loss)	83	20,160	24,353	23,938	40,065	(2,909)	108,516
Interest Income and Dividend Revenue	9,849	9,516	9,160	11,746	10,922	35,449	41,344
Other	(1,587)	3,395	411	18,239	(1,800)	6,092	20,245
Total Revenues	245,222	313,545	336,602	465,140	629,509	469,218	1,744,796
Expenses							
Compensation	80,274	83,140	73,889	73,154	83,742	289,450	313,925
Performance Fee Compensation							
Realized Carried Interest	15,427	30,946	13,741	50,768	181,633	232,867	277,088
Unrealized Carried Interest	9,296	19,450	69,300	65,891	(39,356)	(178,996)	115,285
Total Compensation and Benefits	104,997	133,536	156,930	189,813	226,019	343,321	706,298
Other Operating Expenses	48,063	48,371	47,534	52,465	42,822	208,346	191,192
Total Expenses	153,060	181,907	204,464	242,278	268,841	551,667	897,490
Economic Income (Loss)	\$ 92,162	\$ 131,638	\$ 132,138	\$ 222,862	\$ 360,668	\$ (82,449)	\$ 847,306
Total Assets Under Management	\$ 95,466,227	\$ 99,685,655	\$ 99,722,322	\$ 100,192,950	\$ 99,711,406	\$ 95,466,227	\$ 99,711,406
Fee-Earning Assets Under Management	\$ 50,228,312	\$ 69,467,174	\$ 69,347,910	\$ 69,113,409	\$ 68,231,620	\$ 50,228,312	\$ 68,231,620
Weighted Average Fee-Earning AUM	\$ 51,240,819	\$ 63,083,579	\$ 69,546,251	\$ 69,616,781	\$ 68,618,130	\$ 52,093,539	\$ 68,430,645
LP Capital Invested	\$ 1,865,698	\$ 1,538,436	\$ 1,683,747	\$ 2,355,726	\$ 4,736,388	\$ 9,710,277	\$ 10,314,297
Total Capital Invested	\$ 1,974,391	\$ 1,637,601	\$ 1,804,304	\$ 2,495,215	\$ 6,748,859	\$ 10,872,093	\$ 12,685,979

Real Estate

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	1Q'16 LTM	1Q'17 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 199,907	\$ 201,004	\$ 197,629	\$ 196,621	\$ 197,879	\$ 716,134	\$ 793,133
Transaction and Other Fees, Net	35,794	21,112	14,190	24,228	21,279	131,155	80,809
Management Fee Offsets	(3,595)	(1,219)	(842)	(1,666)	(3,550)	(25,569)	(7,277)
Total Management Fees, Net	232,106	220,897	210,977	219,183	215,608	821,720	866,665
Performance Fees							
Realized Carried Interest	200,627	266,382	461,980	274,495	519,841	1,024,111	1,522,698
Realized Incentive Fees	4,069	6,099	3,857	15,600	2,914	20,499	28,470
Unrealized Carried Interest	(11,522)	(84,875)	(113,449)	58,849	(22,268)	(511,045)	(161,743)
Unrealized Incentive Fees	9,765	5,942	14,445	9,375	18,713	24,498	48,475
Total Performance Fees	202,939	193,548	366,833	358,319	519,200	558,063	1,437,900
Investment Income (Loss)							
Realized	12,975	19,929	46,704	43,104	119,579	177,213	229,316
Unrealized	(2,137)	(8,902)	(6,725)	16,645	(83,853)	(271,536)	(82,835)
Total Investment Income (Loss)	10,838	11,027	39,979	59,749	35,726	(94,323)	146,481
Interest Income and Dividend Revenue	13,188	13,084	12,460	15,508	18,167	47,181	59,219
Other	(1,909)	2,231	(548)	16,749	(3,150)	646	15,282
Total Revenues	457,162	440,787	629,701	669,508	785,551	1,333,287	2,525,547
Expenses							
Compensation							
Performance Fee Compensation	100,578	102,888	99,886	82,000	102,702	374,125	387,476
Realized Carried Interest							
Realized Carried Interest	43,076	56,441	147,419	85,686	179,925	280,617	469,471
Realized Incentive Fees							
Realized Incentive Fees	2,133	3,300	1,764	4,888	1,364	10,455	11,316
Unrealized Carried Interest							
Unrealized Carried Interest	27,703	14,257	(38,972)	41,787	11,798	(70,560)	28,870
Unrealized Incentive Fees							
Unrealized Incentive Fees	4,158	2,542	6,229	3,943	8,509	10,400	21,223
Total Compensation and Benefits	177,648	179,428	216,326	218,304	304,298	605,037	918,356
Other Operating Expenses	48,097	52,201	47,908	55,756	51,969	187,129	207,834
Total Expenses	225,745	231,629	264,234	274,060	356,267	792,166	1,126,190
Economic Income	\$ 231,417	\$ 209,158	\$ 365,467	\$ 395,448	\$ 429,284	\$ 541,121	\$ 1,399,357
Total Assets Under Management	\$ 101,107,528	\$ 103,197,060	\$ 101,876,562	\$ 101,963,652	\$ 102,070,930	\$ 101,107,528	\$ 102,070,930
Fee-Earning Assets Under Management	\$ 67,298,439	\$ 66,744,550	\$ 65,785,083	\$ 72,030,054	\$ 71,904,741	\$ 67,298,439	\$ 71,904,741
Weighted Average Fee-Earning AUM	\$ 66,943,268	\$ 67,215,301	\$ 66,708,328	\$ 68,688,082	\$ 72,268,792	\$ 64,197,410	\$ 68,760,233
LP Capital Invested	\$ 3,747,181	\$ 1,524,415	\$ 1,719,764	\$ 3,978,386	\$ 2,590,419	\$ 18,563,380	\$ 9,812,984
Total Capital Invested	\$ 3,820,460	\$ 1,557,192	\$ 1,749,778	\$ 4,048,827	\$ 2,651,965	\$ 19,018,329	\$ 10,007,762

Hedge Fund Solutions

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	1Q'16 LTM	1Q'17 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 130,158	\$ 130,123	\$ 130,305	\$ 131,150	\$ 128,468	\$ 523,907	\$ 520,046
Transaction and Other Fees, Net	543	(5)	116	407	259	835	777
Management Fee Offsets	-	-	-	-	-	451	-
Total Management Fees, Net	130,701	130,118	130,421	131,557	128,727	525,193	520,823
Performance Fees							
Realized Incentive Fees	2,684	(251)	4,572	35,172	14,684	60,365	54,177
Unrealized Carried Interest	32	801	(84)	(245)	3,797	2,053	4,269
Unrealized Incentive Fees	(2,935)	1,036	12,038	(9,354)	40,311	(58,446)	44,031
Total Performance Fees	(219)	1,586	16,526	25,573	58,792	3,972	102,477
Investment Income (Loss)							
Realized	(4,745)	(515)	(1,211)	(753)	(632)	(7,111)	(3,111)
Unrealized	(12,291)	9,357	12,219	6,177	18,293	(18,209)	46,046
Total Investment Income (Loss)	(17,036)	8,842	11,008	5,424	17,661	(25,320)	42,935
Interest Income and Dividend Revenue	5,296	5,205	4,692	7,890	7,554	18,621	25,341
Other	(1,388)	1,125	(260)	8,680	(1,610)	419	7,935
Total Revenues	117,354	146,876	162,387	179,124	211,124	522,885	699,511
Expenses							
Compensation	54,169	44,436	47,206	39,509	47,604	177,549	178,755
Performance Fee Compensation							
Realized Incentive Fees	1,863	1,325	2,902	13,307	7,317	25,548	24,851
Unrealized Carried Interest	-	238	35	(92)	1,209	823	1,390
Unrealized Incentive Fees	(1,195)	480	4,557	(3,550)	14,004	(19,758)	15,491
Total Compensation and Benefits	54,837	46,479	54,700	49,174	70,134	184,162	220,487
Other Operating Expenses	26,146	27,218	27,432	27,840	25,800	95,012	108,290
Total Expenses	80,983	73,697	82,132	77,014	95,934	279,174	328,777
Economic Income	\$ 36,371	\$ 73,179	\$ 80,255	\$ 102,110	\$ 115,190	\$ 243,711	\$ 370,734
Total Assets Under Management	\$ 68,475,416	\$ 68,649,878	\$ 70,113,508	\$ 71,119,718	\$ 73,303,381	\$ 68,475,416	\$ 73,303,381
Fee-Earning Assets Under Management	\$ 64,831,253	\$ 64,973,999	\$ 66,434,971	\$ 66,987,553	\$ 68,812,528	\$ 64,831,253	\$ 68,812,528
Weighted Average Fee-Earning AUM	\$ 65,123,126	\$ 65,520,626	\$ 66,600,260	\$ 67,993,100	\$ 68,406,531	\$ 65,763,940	\$ 67,206,240
LP Capital Invested	\$ 315,757	\$ 32,804	\$ 135,105	\$ 56,677	\$ 28,592	\$ 425,647	\$ 253,178
Total Capital Invested	\$ 329,793	\$ 32,809	\$ 141,699	\$ 56,766	\$ 28,592	\$ 442,938	\$ 259,866

Credit

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	1Q'16 LTM	1Q'17 LTM
Revenues							
Management Fees, Net							
Base Management Fees	\$ 125,990	\$ 131,392	\$ 133,867	\$ 135,499	\$ 139,147	\$ 501,943	\$ 539,905
Transaction and Other Fees, Net	1,342	1,424	1,823	2,011	1,484	6,256	6,742
Management Fee Offsets	(9,658)	(9,982)	(7,091)	(10,781)	(17,859)	(31,873)	(45,713)
Total Management Fees, Net	117,674	122,834	128,599	126,729	122,772	476,326	500,934
Performance Fees							
Realized Carried Interest	-	296	15,644	10,223	8,800	82,789	34,963
Realized Incentive Fees	21,697	23,515	21,866	33,221	29,539	112,662	108,141
Unrealized Carried Interest	(14,779)	87,295	75,093	59,344	48,557	(201,648)	270,289
Unrealized Incentive Fees	270	1,029	5,689	2,429	992	(28,821)	10,139
Total Performance Fees	7,188	112,135	118,292	105,217	87,888	(35,018)	423,532
Investment Income (Loss)							
Realized	(2,974)	11,330	(328)	2,976	3,058	1,975	17,036
Unrealized	(17,561)	8,412	12,875	7,195	7,449	(40,706)	35,931
Total Investment Income (Loss)	(20,535)	19,742	12,547	10,171	10,507	(38,731)	52,967
Interest Income and Dividend Revenue	6,748	7,428	6,769	7,344	9,233	25,696	30,774
Other	(1,364)	1,795	(28)	9,171	(1,727)	314	9,211
Total Revenues	109,711	263,934	266,179	258,632	228,673	428,587	1,017,418
Expenses							
Compensation	52,382	55,691	47,614	46,400	54,979	192,694	204,684
Performance Fee Compensation							
Realized Carried Interest	-	194	7,267	4,989	4,633	46,571	17,083
Realized Incentive Fees	10,127	10,626	10,770	15,091	14,071	51,839	50,558
Unrealized Carried Interest	(6,998)	41,257	39,681	30,005	21,962	(108,342)	132,905
Unrealized Incentive Fees	485	(333)	2,722	1,096	626	(14,645)	4,111
Total Compensation and Benefits	55,996	107,435	108,054	97,581	96,271	168,117	409,341
Other Operating Expenses	26,220	29,464	28,016	36,611	32,701	98,010	126,792
Total Expenses	82,216	136,899	136,070	134,192	128,972	266,127	536,133
Economic Income	\$ 27,495	\$ 127,035	\$ 130,109	\$ 124,440	\$ 99,701	\$ 162,460	\$ 481,285
Total Assets Under Management	\$ 78,656,291	\$ 84,749,076	\$ 89,327,781	\$ 93,277,145	\$ 93,111,200	\$ 78,656,291	\$ 93,111,200
Fee-Earning Assets Under Management	\$ 62,094,760	\$ 64,820,990	\$ 66,189,763	\$ 68,961,656	\$ 71,266,662	\$ 62,094,760	\$ 71,266,662
Weighted Average Fee-Earning AUM	\$ 61,584,275	\$ 63,656,504	\$ 65,648,573	\$ 68,177,879	\$ 70,289,518	\$ 60,968,572	\$ 67,546,977
LP Capital Invested	\$ 586,935	\$ 699,516	\$ 588,389	\$ 1,380,009	\$ 2,261,266	\$ 3,555,777	\$ 4,929,180
Total Capital Invested	\$ 568,731	\$ 822,172	\$ 605,383	\$ 1,416,913	\$ 2,318,201	\$ 3,662,955	\$ 5,162,669

Financial Advisory

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	1Q'16 LTM	1Q'17 LTM
Revenues							
Transaction and Advisory Fees, Net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,907	\$ -
Total Transaction and Advisory Fees	-	-	-	-	-	215,907	-
Investment (Loss)							
Realized	-	-	-	-	-	(638)	-
Unrealized	-	-	-	-	-	(1,521)	-
Total Investment (Loss)	-	-	-	-	-	(2,159)	-
Interest Income and Dividend Revenue	-	-	-	-	-	9,284	-
Other	-	-	-	-	-	(347)	-
Total Revenues	-	-	-	-	-	222,685	-
Expenses							
Compensation	-	-	-	-	-	112,966	-
Total Compensation and Benefits	-	-	-	-	-	112,966	-
Other Operating Expenses	-	-	-	-	-	41,104	-
Total Expenses	-	-	-	-	-	154,070	-
Economic Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 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 \$1.02 of Distributable Earnings per common unit during the quarter, up 209% from the prior quarter, bringing the LTM amount to \$2.42 per common unit.
- ▶ Declared a quarterly distribution of \$0.87 per common unit to record holders as of May 1, 2017; payable on May 8, 2017.

(Dollars in Thousands, Except per Unit Data)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	% Change		1Q'17 LTM	% Change	
						vs. 1Q'16	1Q'16 LTM		vs. 1Q'16 LTM	
Distributable Earnings	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 1,230,138	212%	\$ 2,984,324	\$ 2,957,498	(1)%	
Add: Other Payables Attributable to Common Unitholders	-	10,438	30,576	41,304	6,632	n/m	26,918	88,950	230%	
DE before Certain Payables	394,215	505,351	624,029	680,298	1,236,770	214%	3,011,242	3,046,448	1%	
Percent to Common Unitholders	54%	54%	54%	55%	55%		54%	55%		
DE before Certain Payables Attributable to Common Unitholders	213,673	274,711	340,069	373,655	683,473	220%	1,618,581	1,671,908	3%	
Less: Other Payables Attributable to Common Unitholders	-	(10,438)	(30,576)	(41,304)	(6,632)	n/m	(26,918)	(88,950)	230%	
DE Attributable to Common Unitholders	213,673	264,273	309,493	332,351	676,841	217%	1,591,663	1,582,958	(1)%	
DE per Common Unit	\$ 0.33	\$ 0.41	\$ 0.48	\$ 0.51	\$ 1.02	209%	\$ 2.50	\$ 2.42	(3)%	
Less: Retained Capital per Common Unit	\$ (0.05)	\$ (0.05)	\$ (0.07)	\$ (0.04)	\$ (0.15)	200%	\$ (0.38)	\$ (0.31)	(18)%	
Actual Distribution per Common Unit	\$ 0.28	\$ 0.36	\$ 0.41	\$ 0.47	\$ 0.87	211%	\$ 2.12	\$ 2.11	(0)%	
Record Date					May 1, 2017					
Payable Date					May 8, 2017					

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. Retained capital is withheld pro-rata from common and Blackstone Holdings Partnership unitholders. Common unitholders' share was \$99 million for 1Q'17 and \$203 million for 1Q'17 LTM.

Total Assets Under Management

1Q'17 Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
4Q'16	\$ 100,193	\$ 101,964	\$ 71,120	\$ 93,277	\$ 366,553
Inflows	2,649	3,329	3,641	4,338	13,957
Outflows	(247)	(210)	(2,502)	(2,063)	(5,022)
Realizations	(6,167)	(6,685)	(503)	(3,263)	(16,618)
Net Inflows (Outflows)	(3,765)	(3,565)	636	(988)	(7,683)
Market Activity	3,284	3,673	1,548	822	9,326
1Q'17	\$ 99,711	\$ 102,071	\$ 73,303	\$ 93,111	\$ 368,197
QoQ Increase (Decrease)	(0)%	0%	3%	(0)%	0%

1Q'17 LTM Total AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
1Q'16	\$ 95,466	\$ 101,108	\$ 68,475	\$ 78,656	\$ 343,705
Inflows	16,528	13,320	11,243	25,437	66,528
Outflows	(1,531)	(443)	(10,742)	(7,067)	(19,784)
Realizations	(18,270)	(21,160)	(789)	(9,176)	(49,396)
Net Inflows (Outflows)	(3,273)	(8,284)	(288)	9,193	(2,652)
Market Activity	7,518	9,247	5,116	5,262	27,143
1Q'17	\$ 99,711	\$ 102,071	\$ 73,303	\$ 93,111	\$ 368,197
YoY Increase	4%	1%	7%	18%	7%

1Q'17 Highlights

Private Equity

- ▶ **Inflows:** BCP co-investment (\$1.7 billion); Strategic Partners (\$733 million); Tactical Opportunities (\$336 million).
- ▶ **Realizations:** Corporate Private Equity (\$4.5 billion); BCP co-investment (\$778 million); Strategic Partners (\$548 million); Tactical Opportunities (\$316 million).
- ▶ **Market Activity:** Carrying value increase of 6.9% within Corporate Private Equity.

Real Estate

- ▶ **Inflows:** Core+ funds (\$1.2 billion); BREP opportunistic funds (\$974 million); BREDS (\$673 million); BREIT (\$478 million).
- ▶ **Realizations:** BREP opportunistic funds (\$5.0 billion); BREP co-investment (\$1.0 billion); BREDS (\$348 million).
- ▶ **Market Activity:** Carrying value increases of 5.7% and 3.1% within the opportunistic and core+ funds, respectively.

Hedge Fund Solutions

- ▶ **Inflows:** Customized solutions (\$2.0 billion); individual investor and specialized solutions (\$1.1 billion); commingled products (\$568 million).
- ▶ **Outflows and Realizations:** Individual investor and specialized solutions (\$1.9 billion); customized solutions (\$1.1 billion).
- ▶ **Market Activity:** BAAM's Principal Solutions Composite up 2.7% gross (2.5% net) during the quarter.

Credit

- ▶ **Inflows:** Long Only (\$1.6 billion); Mezzanine strategies (\$882 million); BDCs (\$871 million); one new CLO (\$611 million).
- ▶ **Outflows:** Distressed strategies (\$1.6 billion); Long Only (\$306 million).
- ▶ **Realizations:** Distressed strategies (\$1.5 billion); capital returned to investors for CLOs outside investment periods (\$944 million); Mezzanine strategies (\$569 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.

Fee-Earning Assets Under Management

1Q'17 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
4Q'16	\$ 69,113	\$ 72,030	\$ 66,988	\$ 68,962	\$ 277,093
Inflows	1,135	2,125	3,183	5,421	11,864
Outflows	(29)	(97)	(2,269)	(787)	(3,182)
Realizations	(2,163)	(2,780)	(447)	(2,797)	(8,187)
Net Inflows (Outflows)	(1,057)	(751)	467	1,837	496
Market Activity	175	626	1,358	468	2,627
1Q'17	\$ 68,232	\$ 71,905	\$ 68,813	\$ 71,267	\$ 280,216
QoQ Increase (Decrease)	(1)%	(0)%	3%	3%	1%

1Q'17 LTM Fee-Earning AUM Rollforward

(Dollars in Millions)

	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Total
1Q'16	\$ 50,228	\$ 67,298	\$ 64,831	\$ 62,095	\$ 244,453
Inflows	29,495	14,764	10,464	18,135	72,857
Outflows	(2,813)	(2,240)	(10,411)	(4,278)	(19,741)
Realizations	(9,068)	(8,679)	(718)	(8,050)	(26,515)
Net Inflows (Outflows)	17,613	3,845	(664)	5,806	26,600
Market Activity	390	762	4,645	3,366	9,163
1Q'17	\$ 68,232	\$ 71,905	\$ 68,813	\$ 71,267	\$ 280,216
YoY Increase	36%	7%	6%	15%	15%

1Q'17 Highlights

Private Equity

- ▶ **Inflows:** Core Private Equity (\$585 million); Tactical Opportunities (\$219 million).
- ▶ **Realizations:** Corporate Private Equity (\$1.6 billion); Strategic Partners (\$492 million).

Real Estate

- ▶ **Inflows:** BREDS (\$946 million); BREP opportunistic funds (\$580 million); BREIT (\$478 million).
- ▶ **Realizations:** BREP opportunistic funds (\$1.4 billion); BREDS (\$748 million); BREP co-investment (\$347 million).

Hedge Fund Solutions

- ▶ **Inflows:** Customized solutions (\$1.9 billion); individual investor and specialized solutions (\$705 million); commingled products (\$549 million).
- ▶ **Outflows and Realizations:** Individual investor and specialized solutions (\$1.6 billion); customized solutions (\$1.1 billion).

Credit

- ▶ **Inflows:** Long Only (\$1.5 billion); Distressed strategies (\$1.3 billion); Mezzanine strategies (\$1.1 billion); BDCs (\$871 million).
- ▶ **Realizations:** Distressed strategies (\$1.2 billion); capital returned to investors for CLOs outside investment periods (\$944 million); Mezzanine strategies (\$372 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

	Net Accrued Performance Fees			
(Dollars in Millions, Except per Unit Data)	4Q'16	1Q'17	1Q'17 Per Unit	QoQ Change
Private Equity				
BCP IV Carried Interest	\$ 186	\$ 109	\$ 0.09	\$ (77)
BCP V Carried Interest	323	128	0.11	(195)
BCP VI Carried Interest	548	560	0.47	12
BEP I Carried Interest	71	99	0.08	28
BEP II Carried Interest	2	11	0.01	9
Tactical Opportunities Carried Interest	83	104	0.09	21
BTAS Carried Interest	17	21	0.02	4
Strategic Partners Carried Interest	34	38	0.03	4
Other Carried Interest	4	3	-	(1)
Total Private Equity	\$ 1,268	\$ 1,073	\$ 0.90	\$ (195)
Real Estate				
BREP IV Carried Interest	8	7	0.01	(1)
BREP V Carried Interest	300	265	0.22	(35)
BREP VI Carried Interest	510	316	0.26	(194)
BREP VII Carried Interest	504	552	0.46	48
BREP VIII Carried Interest	143	179	0.15	36
BREP Europe III Carried Interest	140	161	0.13	21
BREP Europe IV Carried Interest	184	289	0.24	105
BREP Asia Carried Interest	79	96	0.08	17
BPP Carried Interest	57	64	0.05	7
BPP Incentive Fees	34	41	0.03	7
BREDS Carried Interest	16	16	0.01	-
BREDS Incentive Fees	4	5	-	1
Asia Platform Incentive Fees	7	7	0.01	-
Total Real Estate	\$ 1,986	\$ 1,998	\$ 1.67	\$ 12
Hedge Fund Solutions				
Incentive Fees	24	38	0.03	14
Total Hedge Fund Solutions	\$ 24	\$ 38	\$ 0.03	\$ 14
Credit				
Carried Interest	168	195	0.16	27
Incentive Fees	24	26	0.02	2
Total Credit	\$ 192	\$ 221	\$ 0.18	\$ 29
Total Blackstone				
Carried Interest	3,377	3,213	2.69	(164)
Incentive Fees	93	117	0.10	24
Net Accrued Performance Fees	\$ 3,470	\$ 3,330	\$ 2.78	\$ (140)
<i>Memo: Net Realized Performance Fees</i>	<i>\$ 119</i>	<i>\$ 91</i>	<i>\$ 0.08</i>	<i>\$ (28)</i>

\$3.3 billion
Net Accrued Performance Fees at 1Q'17

\$2.78 per unit
Net Accrued Performance Fees at 1Q'17

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 33, Unit Rollforward).

Investment Records as of March 31, 2017^(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	24,575	23,299	1.8x	-	2,951,018	1.4x	2,974,317	1.4x	6%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,182	215,546	1,339,848	1.2x	41%	20,049,478	3.1x	21,389,326	2.8x	41%	36%
BCP V (Dec 2005 / Jan 2011)	21,019,849	1,241,060	3,871,309	1.4x	57%	34,076,797	1.9x	37,948,106	1.9x	9%	8%
BCP VI (Jan 2011 / May 2016)	15,190,007	1,794,580	15,219,024	1.4x	23%	6,084,689	2.0x	21,303,713	1.5x	28%	12%
BEP I (Aug 2011 / Feb 2015)	2,437,584	166,111	2,889,394	1.5x	32%	859,498	1.9x	3,748,892	1.6x	42%	15%
BEP II (Feb 2015 / Feb 2021)	4,816,358	2,933,755	1,881,655	1.2x	-	-	n/a	1,881,655	1.2x	n/a	47%
BCP VII (May 2016 / May 2022)	18,549,374	16,134,686	2,450,097	1.0x	-	-	n/a	2,450,097	1.0x	n/a	n/m
Total Corporate Private Equity	\$ 77,111,287	\$ 22,510,313	\$ 27,674,626	1.4x	26%	\$ 78,204,725	2.2x	\$ 105,879,351	1.9x	17%	15%
Tactical Opportunities	13,946,336	6,394,172	8,206,191	1.2x	7%	2,501,655	1.5x	10,707,846	1.3x	27%	11%
Tactical Opportunities Co-Investment and Other	3,262,702	1,141,991	2,028,075	1.1x	-	321,638	1.5x	2,349,713	1.2x	n/a	12%
Strategic Partners I-V and Co-Investment (e)	12,833,284	2,487,200	2,965,240	3.7x	-	14,288,889	n/m	17,254,129	1.5x	n/a	13%
Strategic Partners VI LBO, RE and SMA (e)	7,402,171	2,495,828	3,498,260	1.7x	-	1,277,356	n/m	4,775,616	1.4x	n/a	23%
Strategic Partners VII (e)	7,489,970	6,197,007	583,820	1.3x	-	26,626	n/a	610,446	1.2x	n/a	n/m
BCEP (f)	4,129,194	3,524,972	604,222	1.0x	-	-	n/a	604,222	1.0x	n/a	n/m
Other Funds and Co-Investment (g)	1,469,956	415,513	29,182	0.8x	67%	634,538	1.0x	663,720	1.0x	n/m	n/m
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	-	2,531,614	2.1x	2,531,614	2.1x	19%	19%
BREP III (Apr 1999 / Apr 2003)	1,522,708	-	-	n/a	-	3,330,406	2.4x	3,330,406	2.4x	21%	21%
BREP IV (Apr 2003 / Dec 2005)	2,198,694	-	369,644	0.5x	27%	4,160,248	2.2x	4,529,892	1.7x	31%	12%
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	2,496,440	2.1x	15%	10,609,427	2.3x	13,105,867	2.3x	12%	11%
BREP VI (Feb 2007 / Aug 2011)	11,060,444	557,816	3,736,543	2.2x	47%	23,036,112	2.5x	26,772,655	2.4x	14%	13%
BREP VII (Aug 2011 / Apr 2015)	13,493,581	2,209,815	14,636,784	1.6x	20%	11,269,048	1.9x	25,905,832	1.7x	28%	18%
BREP VIII (Apr 2015 / Oct 2020)	16,416,375	10,443,865	7,887,455	1.3x	1%	2,017,820	1.2x	9,905,275	1.3x	18%	18%
Total Global BREP	\$ 51,950,981	\$ 13,211,496	\$ 29,126,866	1.6x	18%	\$ 58,627,573	2.2x	\$ 87,754,439	1.9x	19%	16%
Euro											
BREP Int'I (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ -	n/a	-	€ 1,369,016	2.1x	€ 1,369,016	2.1x	23%	23%
BREP Int'I II (Sep 2005 / Jun 2008)	1,629,748	-	286,518	0.8x	55%	2,058,381	2.0x	2,344,899	1.7x	9%	6%
BREP Europe III (Jun 2008 / Sep 2013)	3,205,140	472,766	2,934,256	1.9x	-	3,041,895	2.2x	5,976,151	2.0x	22%	16%
BREP Europe IV (Sep 2013 / Dec 2016)	6,707,714	1,520,962	8,185,788	1.5x	3%	1,164,684	1.5x	9,350,472	1.5x	22%	18%
BREP Europe V (Dec 2016 / Jun 2021)	6,703,649	6,319,485	501,107	1.0x	-	-	n/a	501,107	1.0x	n/a	n/a
Total Euro BREP	€ 19,070,423	€ 8,313,213	€ 11,907,669	1.5x	3%	€ 7,633,976	2.0x	€ 19,541,645	1.7x	16%	14%
BREP Co-Investment (h)	\$ 6,819,065	\$ 146,573	\$ 3,053,753	1.6x	66%	\$ 10,203,022	2.1x	\$ 13,256,775	2.0x	16%	16%
BREP Asia (Jun 2013 / Dec 2017)	5,085,933	3,028,120	2,761,252	1.4x	1%	2,030,989	1.7x	4,792,241	1.5x	21%	17%
Total BREP	\$ 87,344,028	\$ 25,350,327	\$ 49,532,093	1.5x	16%	\$ 81,016,633	2.2x	\$ 130,548,726	1.9x	18%	16%
BPP (i)	\$ 14,115,916	\$ 3,403,887	\$ 13,277,011	1.2x	-	\$ 107,286	1.9x	\$ 13,384,297	1.2x	36%	13%
BREDS (j)	\$ 12,252,591	\$ 6,968,549	\$ 2,451,243	1.2x	-	\$ 6,892,140	1.3x	\$ 9,343,383	1.3x	13%	11%

Continued...

Investment Records as of March 31, 2017^(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	\$ 2,651,996	\$ 689,443	1.1x	-	\$ 135,582	n/a	\$ 825,025	1.3x	n/a	6%	
BSCH Co-Investment	75,500	31,237	44,495	1.0x	-	4,298	n/a	48,793	1.1x	n/a	6%	
Total Hedge Fund Solutions	\$ 3,376,100	\$ 2,683,233	\$ 733,938	1.0x	-	\$ 139,880	n/a	\$ 873,818	1.2x	n/a	6%	
Credit (l)												
Mezzanine I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 99,280	\$ 161,361	1.3x	-	\$ 4,663,932	1.6x	\$ 4,825,293	1.6x	n/a	17%	
Mezzanine II (Nov 2011 / Nov 2016)	4,120,000	1,393,677	3,256,146	1.1x	-	2,622,256	1.5x	5,878,402	1.3x	n/a	13%	
Mezzanine III (Sep 2016 / Sep 2021)	6,639,133	5,467,784	1,212,728	1.0x	-	-	n/a	1,212,728	1.0x	n/a	n/m	
Rescue Lending I (Sep 2009 / May 2013)	3,253,143	275,335	847,510	1.1x	-	5,120,819	1.5x	5,968,329	1.4x	n/a	11%	
Rescue Lending II (Jun 2013 / Jun 2018)	5,125,000	1,446,697	3,597,915	1.2x	-	1,199,162	1.3x	4,797,077	1.2x	n/a	19%	
Energy Select Opportunities (Nov 2015 / Nov 2018)	2,856,866	2,085,415	888,696	1.1x	-	172,592	1.5x	1,061,288	1.2x	n/a	26%	
Euro												
European Senior Debt Fund (Feb 2015 / Feb 2018)	€ 1,964,689	€ 2,925,122	€ 886,329	1.0x	-	€ 156,195	1.2x	€ 1,042,524	1.0x	n/a	(5)%	
Total Credit	\$ 26,260,552	\$ 13,896,899	\$ 10,914,405	1.1x	-	\$ 13,951,100	1.5x	\$ 24,865,505	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, 2017 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 MOICs are not meaningful.

(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 represents the core+ real estate funds which invest with a more modest risk profile and lower leverage.

(j) Excludes Capital Trust drawdown funds.

(k) BSCH, or Blackstone Strategic Capital Holdings, is a permanent capital vehicle focused on acquiring strategic minority positions in alternative asset managers.

(l) Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the seven credit drawdown funds presented.

Reconciliation of GAAP to Non-GAAP Measures – Quarters

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17
Net Income (Loss) Attributable to The Blackstone Group L.P.	\$ 629,448	\$ 134,168	\$ (254,697)	\$ 200,870	\$ 159,753	\$ 198,626	\$ 312,905	\$ 367,951	\$ 461,825
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	645,230	134,870	(247,318)	150,734	131,202	201,805	285,267	342,010	417,258
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	81,796	66,716	30,671	40,717	40,086	64,729	82,653	58,684	138,685
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	7,527	13,780	(12,520)	2,358	(6,401)	(2,049)	10,764	1,663	2,000
Net Income (Loss)	\$ 1,364,001	\$ 349,534	\$ (483,864)	\$ 394,679	\$ 324,640	\$ 463,111	\$ 691,589	\$ 770,308	\$ 1,019,768
Provision for Taxes	99,344	43,251	1,573	46,230	9,146	47,415	27,714	48,087	57,437
Income (Loss) Before Provision for Taxes	\$ 1,463,345	\$ 392,785	\$ (482,291)	\$ 440,909	\$ 333,786	\$ 510,526	\$ 719,303	\$ 818,395	\$ 1,077,205
Transaction-Related Charges ^(a)	231,862	192,018	80,962	(15,279)	64,136	69,956	60,029	70,816	56,979
Amortization of Intangibles ^(b)	25,899	24,720	30,624	23,287	23,208	23,208	22,054	15,996	11,344
(Income) Associated with Non-Controlling Interests of Consolidated Entities ^(c)	(89,323)	(80,496)	(18,151)	(43,075)	(33,685)	(62,680)	(93,417)	(60,347)	(140,685)
Economic Income (Loss)	\$ 1,631,783	\$ 529,027	\$ (388,856)	\$ 405,842	\$ 387,445	\$ 541,010	\$ 707,969	\$ 844,860	\$ 1,004,843
(Taxes) Benefit ^(d)	(9,719)	(20,587)	(27,070)	29,849	(16,794)	(21,234)	(20,985)	(33,250)	(18,805)
Economic Net Income (Loss)	\$ 1,622,064	\$ 508,440	\$ (415,926)	\$ 435,691	\$ 370,651	\$ 519,776	\$ 686,984	\$ 811,610	\$ 986,038
Taxes (Benefit) ^(d)	9,719	20,587	27,070	(29,849)	16,794	21,234	20,985	33,250	18,805
Performance Fee Adjustment ^(e)	(1,673,736)	(569,664)	639,349	(194,026)	(314,065)	(449,372)	(672,646)	(741,903)	(1,063,728)
Investment (Income) Loss Adjustment ^(f)	(189,641)	(10,774)	136,131	11,435	26,650	(59,771)	(87,887)	(99,282)	(103,959)
Other Revenue ^(g)	4,872	(3,973)	841	(10,240)	6,248	(8,546)	425	(52,839)	8,287
Net Interest Loss ^(h)	8,402	14,411	9,522	11,846	13,351	13,546	14,184	10,542	10,954
Performance Fee Compensation and Benefits Adjustment ⁽ⁱ⁾	403,816	215,441	(130,479)	75,782	106,075	180,723	267,415	313,809	407,695
Equity-Based Compensation - Non-Incentive Fee Related ^(j)	42,248	27,994	15,690	10,969	20,963	16,852	16,624	19,308	26,650
Fee Related Earnings	\$ 227,744	\$ 202,462	\$ 282,198	\$ 311,608	\$ 246,667	\$ 234,442	\$ 246,084	\$ 294,495	\$ 290,742
Net Realized Performance Fees ^(k)	934,939	725,986	359,243	506,851	187,794	251,935	352,008	327,053	772,780
Realized Investment Income (Loss) ^(l)	107,792	136,497	87,526	86,993	(10,101)	53,670	60,634	95,666	202,894
Net Interest (Loss) ^(h)	(8,402)	(14,411)	(9,522)	(11,846)	(13,351)	(13,546)	(14,184)	(10,542)	(10,954)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(m)	(16,994)	(20,587)	(27,070)	(25,819)	(16,794)	(31,588)	(51,089)	(67,678)	(25,324)
Distributable Earnings	\$ 1,245,079	\$ 1,029,947	\$ 692,375	\$ 867,787	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 1,230,138
Interest Expense	38,853	45,437	44,981	46,511	48,432	48,779	47,265	53,030	56,830
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(m)	16,994	20,587	27,070	25,819	16,794	31,588	51,089	67,678	25,324
Depreciation and Amortization	6,927	6,715	6,719	6,852	6,292	6,331	7,338	12,010	6,216
Adjusted EBITDA	\$ 1,307,853	\$ 1,102,686	\$ 771,145	\$ 946,969	\$ 465,733	\$ 581,611	\$ 699,145	\$ 771,712	\$ 1,318,508

Reconciliation of GAAP to Non-GAAP Measures – Years

(Dollars in Thousands)	2012	2013	2014	2015	2016	1Q'16 LTM	1Q'17 LTM
Net Income Attributable to The Blackstone Group L.P.	\$ 218,598	\$ 1,171,202	\$ 1,584,589	\$ 709,789	\$ 1,039,235	\$ 240,094	\$ 1,341,307
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	407,727	1,339,845	1,701,100	683,516	960,284	169,488	1,246,340
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	99,959	198,557	335,070	219,900	246,152	178,190	344,751
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	103,598	183,315	74,794	11,145	3,977	(2,783)	12,378
Net Income	\$ 829,882	\$ 2,892,919	\$ 3,695,553	\$ 1,624,350	\$ 2,249,648	\$ 584,989	\$ 2,944,776
Provision for Taxes	185,023	255,642	291,173	190,398	132,362	100,200	180,653
Income Before Provision for Taxes	\$ 1,014,905	\$ 3,148,561	\$ 3,986,726	\$ 1,814,748	\$ 2,382,010	\$ 685,189	\$ 3,125,429
Transaction-Related Charges ^(a)	1,079,511	722,707	856,382	489,563	264,937	321,837	257,780
Amortization of Intangibles ^(b)	150,148	106,643	111,254	104,530	84,466	101,839	72,602
(Income) Associated with Non-Controlling Interests of Consolidated Entities ^(c)	(203,557)	(381,872)	(409,864)	(231,045)	(250,129)	(175,407)	(357,129)
Economic Income	\$ 2,041,007	\$ 3,596,039	\$ 4,544,498	\$ 2,177,796	\$ 2,481,284	\$ 933,458	\$ 3,098,682
Taxes ^(d)	(45,708)	(82,164)	(199,512)	(27,527)	(92,263)	(34,602)	(94,274)
Economic Net Income	\$ 1,995,299	\$ 3,513,875	\$ 4,344,986	\$ 2,150,269	\$ 2,389,021	\$ 898,856	\$ 3,004,408
Taxes ^(d)	45,708	82,164	199,512	27,527	92,263	34,602	94,274
Performance Fee Adjustment ^(e)	(1,593,765)	(3,556,373)	(4,391,877)	(1,798,077)	(2,177,986)	(438,406)	(2,927,649)
Investment (Income) Loss Adjustment ^(f)	(286,244)	(687,805)	(471,628)	(52,849)	(220,290)	163,442	(350,899)
Other Revenue ^(g)	(5,149)	(10,308)	(9,405)	(8,500)	(54,712)	(7,124)	(52,673)
Net Interest Loss ^(h)	22,522	32,968	36,511	44,181	51,623	49,130	49,226
Performance Fee Compensation and Benefits Adjustment ⁽ⁱ⁾	513,546	1,413,182	1,285,503	564,560	868,022	266,819	1,169,642
Equity-Based Compensation - Non-Incentive Fee Related ^(j)	90,040	130,124	45,133	96,901	73,747	75,616	79,434
Fee Related Earnings	\$ 781,957	\$ 917,827	\$ 1,038,735	\$ 1,024,012	\$ 1,021,688	\$ 1,042,935	\$ 1,065,763
Net Realized Performance Fees ^(k)	392,411	960,175	1,789,692	2,527,019	1,118,790	1,779,874	1,703,776
Realized Investment Income (Loss) ^(l)	95,398	170,471	543,425	418,808	199,869	300,915	412,864
Net Interest (Loss) ^(h)	(22,522)	(32,968)	(36,511)	(44,181)	(51,623)	(49,130)	(49,226)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(m)	(132,325)	(156,734)	(280,788)	(90,470)	(167,149)	(90,270)	(175,679)
Distributable Earnings	\$ 1,114,919	\$ 1,858,771	\$ 3,054,553	\$ 3,835,188	\$ 2,121,575	\$ 2,984,324	\$ 2,957,498
Interest Expense	69,152	103,904	132,855	175,782	197,506	185,361	205,904
Taxes and Related Payables Including Payable Under Tax Receivable Agreement ^(m)	132,325	156,734	280,788	90,470	167,149	90,270	175,679
Depreciation and Amortization	42,235	35,441	32,300	27,213	31,971	26,578	31,895
Adjusted EBITDA	\$ 1,358,631	\$ 2,154,850	\$ 3,500,496	\$ 4,128,653	\$ 2,518,201	\$ 3,286,533	\$ 3,370,976

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 total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision 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 removes from EI the total segment amount of Other Revenue.
- (h) This adjustment represents Interest Income and Dividend Revenue less Interest Expense.
- (i) This adjustment removes from expenses the compensation and benefit amounts related to Blackstone's profit sharing plans related to Performance Fees, including Incentive Fee Related equity-based award expense.
- (j) Represents Non-Incentive Fee Related equity-based award expense and excludes all transaction-related equity-based charges.
- (k) 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.
- (l) Represents the adjustment for Blackstone's Realized Investment Income (Loss).
- (m) Taxes and Related Payables Including Payable Under Tax Receivable Agreement represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and the Payable Under Tax Receivable Agreement.

Reconciliation of GAAP to Total Segment Measures

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	1Q'16 LTM	1Q'17 LTM
Management and Advisory Fees, Net							
GAAP	\$ 608,906	\$ 607,823	\$ 596,154	\$ 630,092	\$ 642,142	\$ 2,534,643	\$ 2,476,211
Elimination Adjustment ^(a)	4,295	4,397	5,526	5,800	7,439	23,700	23,162
Total Segment	\$ 613,201	\$ 612,220	\$ 601,680	\$ 635,892	\$ 649,581	\$ 2,558,343	\$ 2,499,373
Performance Fees							
GAAP	\$ 314,493	\$ 449,243	\$ 671,032	\$ 741,563	\$ 1,063,142	\$ 438,051	\$ 2,924,980
Elimination Adjustment ^(a)	(428)	129	1,614	340	586	355	2,669
Total Segment	\$ 314,065	\$ 449,372	\$ 672,646	\$ 741,903	\$ 1,063,728	\$ 438,406	\$ 2,927,649
Investment Income (Loss)							
GAAP	\$ (8,508)	\$ 105,139	\$ 143,103	\$ 116,317	\$ 211,156	\$ (10,069)	\$ 575,715
Consolidation and Elimination Adjustment ^(b)	(18,142)	(45,368)	(55,216)	(17,035)	(107,197)	(153,373)	(224,816)
Total Segment	\$ (26,650)	\$ 59,771	\$ 87,887	\$ 99,282	\$ 103,959	\$ (163,442)	\$ 350,899
Interest and Dividend Revenue							
GAAP	\$ 23,075	\$ 22,286	\$ 21,819	\$ 28,544	\$ 28,495	\$ 96,112	\$ 101,144
Elimination Adjustment ^(c)	12,006	12,947	11,262	13,944	17,381	40,119	55,534
Total Segment	\$ 35,081	\$ 35,233	\$ 33,081	\$ 42,488	\$ 45,876	\$ 136,231	\$ 156,678
Other							
GAAP	\$ (5,612)	\$ 7,935	\$ (423)	\$ 52,853	\$ (4,212)	\$ 7,811	\$ 56,153
Elimination Adjustment ^(a)	(636)	611	(2)	(14)	(4,075)	(687)	(3,480)
Total Segment	\$ (6,248)	\$ 8,546	\$ (425)	\$ 52,839	\$ (8,287)	\$ 7,124	\$ 52,673
Total Revenues							
GAAP	\$ 932,354	\$ 1,192,426	\$ 1,431,685	\$ 1,569,369	\$ 1,940,723	\$ 3,066,548	\$ 6,134,203
Consolidation and Elimination Adjustment ^(d)	(2,905)	(27,284)	(36,816)	3,035	(85,866)	(89,886)	(146,931)
Total Segment	\$ 929,449	\$ 1,165,142	\$ 1,394,869	\$ 1,572,404	\$ 1,854,857	\$ 2,976,662	\$ 5,987,272
Compensation							
GAAP	\$ 346,003	\$ 355,424	\$ 329,634	\$ 304,347	\$ 351,589	\$ 1,512,635	\$ 1,340,994
Consolidation Adjustment ^(e)	(58,600)	(69,269)	(61,039)	(63,284)	(62,562)	(365,851)	(256,154)
Total Segment	\$ 287,403	\$ 286,155	\$ 268,595	\$ 241,063	\$ 289,027	\$ 1,146,784	\$ 1,084,840

Continued...

Reconciliation of GAAP to Total Segment Measures – Continued

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	1Q'16 LTM	1Q'17 LTM
Other Operating Expenses							
GAAP							
General, Administrative and Other	\$ 123,045	\$ 130,988	\$ 124,322	\$ 141,954	\$ 106,044	\$ 568,175	\$ 503,308
Interest Expense	37,356	36,878	37,278	41,142	40,246	150,508	155,544
GAAP	\$ 160,401	\$ 167,866	\$ 161,600	\$ 183,096	\$ 146,290	\$ 718,683	\$ 658,852
Consolidation and Elimination Adjustment ^(f)	(11,875)	(10,612)	(10,710)	(10,424)	7,002	(89,082)	(24,744)
Total Segment	\$ 148,526	\$ 157,254	\$ 150,890	\$ 172,672	\$ 153,292	\$ 629,601	\$ 634,108
Total Expenses							
GAAP	\$ 617,710	\$ 712,603	\$ 773,777	\$ 824,484	\$ 929,650	\$ 2,566,017	\$ 3,240,514
Less: GAAP Fund Expenses ^(g)	(5,229)	(8,592)	(15,128)	(23,232)	(24,076)	(67,878)	(71,028)
Consolidation and Elimination Adjustment ^(d)	(70,477)	(79,879)	(71,749)	(73,708)	(55,560)	(454,935)	(280,896)
Total Segment	\$ 542,004	\$ 624,132	\$ 686,900	\$ 727,544	\$ 850,014	\$ 2,043,204	\$ 2,888,590
GAAP Income (Loss) Before Provision for Taxes to Total Segment Economic Income							
GAAP							
Revenues Less Expenses	314,644	479,823	657,908	744,885	1,011,073	500,531	2,893,689
Other Income ^(h)	19,142	30,703	61,395	73,510	66,132	184,658	231,740
Income Before Provision for Taxes	333,786	510,526	719,303	818,395	1,077,205	685,189	3,125,429
Consolidation and Elimination Adjustment ⁽ⁱ⁾	53,659	30,484	(11,334)	26,465	(72,362)	248,269	(26,747)
Total Segment	\$ 387,445	\$ 541,010	\$ 707,969	\$ 844,860	\$ 1,004,843	\$ 933,458	\$ 3,098,682

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

- (a) Represents the add back of the management, performance, and other fees earned from consolidated Blackstone Funds which have been eliminated in consolidation.
- (b) Represents the add back of investment income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation and the inclusion of investment income on non-consolidated Blackstone Funds which in GAAP is recorded as Other Income (Loss) - Net Gains (Losses) from Fund Investment Activities.
- (c) Represents the elimination of inter-segment interest income and the related expense.
- (d) Represents the total consolidation and elimination adjustments for Total Revenues and Total Expenses, respectively.
- (e) Represents transaction-based equity compensation that is not recorded in the segments.
- (f) Represents the add back for the amortization of transaction based intangibles, which is not recorded in the segments, and the elimination of inter-segment interest expense.
- (g) Represents the reversal of Fund Expenses which are attributable to consolidated Blackstone Funds and not a component of the segments.
- (h) Represents the inclusion of Other Income (Loss) which is a consolidation amount not recorded in the segments.
- (i) Represents the total consolidation and elimination adjustment between GAAP and Total Segments.

Walkdown of Financial Metrics

(Dollars in Thousands, Except per Unit Data)

	1Q'17		1Q'17 LTM	
	Results	Per Unit	Results	Per Unit

▶ Management and Advisory Fees, Net	\$	649,581		\$	2,499,373
▶ Fee Related Compensation		(262,377)			(1,005,406)
▶ Non-Interest Operating Expenses		(96,462)			(428,204)
Fee Related Earnings	\$	290,742	\$	0.24	\$ 1,065,763
▶ Net Realized Incentive Fees		27,649			112,090
▶ Net Realized Carried Interest		745,131			1,591,686
▶ Realized Investment Income		202,894			412,864
▶ Net Interest (Loss)		(10,954)			(49,226)
▶ Taxes and Related Payables		(25,324)			(175,679)
Distributable Earnings	\$	1,230,138	\$	1.02	\$ 2,957,498
▶ Net Unrealized Incentive Fees		36,877			61,820
▶ Net Unrealized Carried Interest		(150,360)			438
▶ Unrealized Investment (Loss)		(98,935)			(61,965)
▶ Other Revenue		(8,287)			52,673
▶ Add Back: Related Payables		6,519			81,405
▶ Less: Equity-Based Compensation		(29,914)			(87,461)
Economic Net Income	\$	986,038	\$	0.82	\$ 3,004,408

Fee Earnings

Distributable Earnings

Economic Net Income

See pages 31 and 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 13, Total Segments. 1Q'17 Fee Related Earnings per Unit is based on end of period DE Units Outstanding; 1Q'17 DE per Unit is based on DE attributable to Common Unitholders (see page 19, Unitholder Distribution) and end of period Total Common Units Outstanding; and 1Q'17 ENI per Unit is based on Weighted-Average ENI Adjusted Units. 1Q'17 LTM per Unit represents the sum of the last four quarters. See page 33, Unit Rollforward.

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

(Dollars in Thousands)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17
Compensation	\$ (329,838)	\$ (289,352)	\$ (329,575)	\$ (240,454)	\$ (287,403)	\$ (286,155)	\$ (268,595)	\$ (241,063)	\$ (289,027)
Less: Equity-Based Compensation - Non-Incentive Fee Related	42,248	27,994	15,690	10,969	20,963	16,852	16,624	19,308	26,650
Fee Related Compensation	\$ (287,590)	\$ (261,358)	\$ (313,885)	\$ (229,485)	\$ (266,440)	\$ (269,303)	\$ (251,971)	\$ (221,755)	\$ (262,377)
Other Operating Expenses	143,282	168,401	157,565	155,109	148,526	157,254	150,890	172,672	153,292
Less: Interest Expense	(38,853)	(45,437)	(44,981)	(46,511)	(48,432)	(48,779)	(47,265)	(53,030)	(56,830)
Non-Interest Operating Expenses	\$ 104,429	\$ 122,964	\$ 112,584	\$ 108,598	\$ 100,094	\$ 108,475	\$ 103,625	\$ 119,642	\$ 96,462
Realized Incentive Fees	29,670	47,819	34,785	82,472	28,450	29,363	30,295	83,993	47,137
Less: Realized Incentive Fee Compensation	(12,227)	(21,837)	(15,061)	(36,821)	(14,123)	(15,251)	(15,436)	(33,286)	(22,752)
Plus: Equity-Based Compensation - Incentive Fee Related	2,150	553	2,129	1,311	1,061	1,670	1,554	1,539	3,264
Net Realized Incentive Fees	\$ 19,593	\$ 26,535	\$ 21,853	\$ 46,962	\$ 15,388	\$ 15,782	\$ 16,413	\$ 52,246	\$ 27,649
Realized Carried Interest	1,207,594	937,483	435,189	625,610	230,909	323,734	504,022	416,250	1,111,322
Less: Realized Carried Interest Compensation	(292,248)	(238,032)	(97,799)	(165,721)	(58,503)	(87,581)	(168,427)	(141,443)	(366,191)
Net Realized Carried Interest	\$ 915,346	\$ 699,451	\$ 337,390	\$ 459,889	\$ 172,406	\$ 236,153	\$ 335,595	\$ 274,807	\$ 745,131
Interest Income and Dividend Revenue	30,451	31,026	35,459	34,665	35,081	35,233	33,081	42,488	45,876
Less: Interest Expense	(38,853)	(45,437)	(44,981)	(46,511)	(48,432)	(48,779)	(47,265)	(53,030)	(56,830)
Net Interest (Loss)	\$ (8,402)	\$ (14,411)	\$ (9,522)	\$ (11,846)	\$ (13,351)	\$ (13,546)	\$ (14,184)	\$ (10,542)	\$ (10,954)
Taxes and Related Payables^(a)	\$ (16,994)	\$ (20,587)	\$ (27,070)	\$ (25,819)	\$ (16,794)	\$ (31,588)	\$ (51,089)	\$ (67,678)	\$ (25,324)
Unrealized Incentive Fees	62,620	26,311	(53,346)	(42,834)	7,100	8,007	32,172	2,450	60,016
Less: Unrealized Incentive Fee Compensation	(24,961)	(6,131)	14,642	18,940	(3,448)	(2,689)	(13,508)	(1,489)	(23,139)
Net Unrealized Incentive Fees	\$ 37,659	\$ 20,180	\$ (38,704)	\$ (23,894)	\$ 3,652	\$ 5,318	\$ 18,664	\$ 961	\$ 36,877
Unrealized Carried Interest	373,852	(441,949)	(1,055,977)	(471,222)	47,606	88,268	106,157	239,210	(154,747)
Less: Unrealized Carried Interest Compensation	(74,380)	50,559	228,697	107,820	(30,001)	(75,202)	(70,044)	(137,591)	4,387
Net Unrealized Carried Interest	\$ 299,472	\$ (391,390)	\$ (827,280)	\$ (363,402)	\$ 17,605	\$ 13,066	\$ 36,113	\$ 101,619	\$ (150,360)
Related Payables^(b)	\$ 7,275	\$ -	\$ -	\$ 55,668	\$ -	\$ 10,354	\$ 30,104	\$ 34,428	\$ 6,519
Equity-Based Compensation - Non-Incentive Fee Related	42,248	27,994	15,690	10,969	20,963	16,852	16,624	19,308	26,650
Plus: Equity-Based Compensation - Incentive Fee Related	2,150	553	2,129	1,311	1,061	1,670	1,554	1,539	3,264
Equity-Based Compensation^(c)	\$ 44,398	\$ 28,547	\$ 17,819	\$ 12,280	\$ 22,024	\$ 18,522	\$ 18,178	\$ 20,847	\$ 29,914

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

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

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

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

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

(Dollars in Thousands)	2012	2013	2014	2015	2016	1Q'16 LTM	1Q'17 LTM
Compensation	\$ (1,030,776)	\$ (1,115,640)	\$ (1,153,511)	\$ (1,189,219)	\$ (1,083,216)	\$ (1,146,784)	\$ (1,084,840)
Less: Equity-Based Compensation - Non-Incentive Fee Related	90,040	130,124	45,133	96,901	73,747	75,616	79,434
Fee Related Compensation	\$ (940,736)	\$ (985,516)	\$ (1,108,378)	\$ (1,092,318)	\$ (1,009,469)	\$ (1,071,168)	\$ (1,005,406)
Other Operating Expenses	481,445	486,639	553,782	624,357	629,342	629,601	634,108
Less: Interest Expense	(69,152)	(103,904)	(132,855)	(175,782)	(197,506)	(185,361)	(205,904)
Non-Interest Operating Expenses	\$ 412,293	\$ 382,735	\$ 420,927	\$ 448,575	\$ 431,836	\$ 444,240	\$ 428,204
Realized Incentive Fees	301,464	474,333	261,745	194,746	172,101	193,526	190,788
Less: Realized Incentive Fee Compensation	(140,042)	(200,915)	(110,099)	(85,946)	(78,096)	(87,842)	(86,725)
Plus: Equity-Based Compensation - Incentive Fee Related	-	-	3,093	6,143	5,824	5,054	8,027
Net Realized Incentive Fees	\$ 161,422	\$ 273,418	\$ 154,739	\$ 114,943	\$ 99,829	\$ 110,738	\$ 112,090
Realized Carried Interest	327,422	943,958	2,450,596	3,205,876	1,474,915	2,229,191	2,355,328
Less: Realized Carried Interest Compensation	(96,433)	(257,201)	(815,643)	(793,800)	(455,954)	(560,055)	(763,642)
Net Realized Carried Interest	\$ 230,989	\$ 686,757	\$ 1,634,953	\$ 2,412,076	\$ 1,018,961	\$ 1,669,136	\$ 1,591,686
Interest Income and Dividend Revenue	46,630	70,936	96,344	131,601	145,883	136,231	156,678
Less: Interest Expense	(69,152)	(103,904)	(132,855)	(175,782)	(197,506)	(185,361)	(205,904)
Net Interest (Loss)	\$ (22,522)	\$ (32,968)	\$ (36,511)	\$ (44,181)	\$ (51,623)	\$ (49,130)	\$ (49,226)
Taxes and Related Payables (a)	\$ (132,325)	\$ (156,734)	\$ (280,788)	\$ (90,470)	\$ (167,149)	\$ (90,270)	\$ (175,679)
Unrealized Incentive Fees	(29,311)	(19,928)	(29,425)	(7,249)	49,729	(62,769)	102,645
Less: Unrealized Incentive Fee Compensation	44,528	11,651	19,276	2,490	(21,134)	24,003	(40,825)
Net Unrealized Incentive Fees	\$ 15,217	\$ (8,277)	\$ (10,149)	\$ (4,759)	\$ 28,595	\$ (38,766)	\$ 61,820
Unrealized Carried Interest	994,190	2,158,010	1,708,961	(1,595,296)	481,241	(1,921,542)	278,888
Less: Unrealized Carried Interest Compensation	(321,599)	(966,717)	(379,037)	312,696	(312,838)	357,075	(278,450)
Net Unrealized Carried Interest	\$ 672,591	\$ 1,191,293	\$ 1,329,924	\$ (1,282,600)	\$ 168,403	\$ (1,564,467)	\$ 438
Related Payables (b)	\$ 86,617	\$ 74,570	\$ 81,276	\$ 62,943	\$ 74,886	\$ 55,668	\$ 81,405
Equity-Based Compensation - Non-Incentive Fee Related	90,040	130,124	45,133	96,901	73,747	75,616	79,434
Plus: Equity-Based Compensation - Incentive Fee Related	-	-	3,093	6,143	5,824	5,054	8,027
Equity-Based Compensation (c)	\$ 90,040	\$ 130,124	\$ 48,226	\$ 103,044	\$ 79,571	\$ 80,670	\$ 87,461

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

(a) See page 26, Reconciliation of GAAP to Non-GAAP Measures – Years for this adjustment.

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

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

Unit Rollforward

	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17
Total GAAP Weighted-Average Common Units Outstanding - Basic	644,897,849	646,933,698	650,917,510	655,074,617	660,939,708
<i>Adjustments:</i>					
Weighted-Average Unvested Deferred Restricted Common Units	1,332,772	1,309,402	1,495,331	1,643,603	809,184
Weighted-Average Blackstone Holdings Partnership Units	-	546,235,112	543,392,474	539,139,078	537,758,091
Total GAAP Weighted-Average Units Outstanding - Diluted	646,230,621	1,194,478,212	1,195,805,315	1,195,857,298	1,199,506,983
<i>Adjustments:</i>					
Weighted-Average Blackstone Holdings Partnership Units	548,042,780	-	-	-	-
Weighted-Average Economic Net Income Adjusted Units	1,194,273,401	1,194,478,212	1,195,805,315	1,195,857,298	1,199,506,983
Economic Net Income Adjusted Units, End of Period	1,194,083,538	1,194,567,513	1,195,797,124	1,196,223,079	1,199,565,618
Total Common Units Outstanding	643,789,108	645,810,990	649,587,761	654,833,530	661,126,963
<i>Adjustments:</i>					
Blackstone Holdings Partnership Units	543,969,293	542,206,078	542,410,515	537,393,402	535,206,716
Distributable Earnings Units Outstanding	1,187,758,401	1,188,017,068	1,191,998,276	1,192,226,932	1,196,333,679

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 certain long-term retention programs outside of annual deferred compensation and other corporate actions, including acquisitions. Transaction-related charges include certain 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 total GAAP tax provision adjusted to include only 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 performance fee compensation, (b) income earned from Blackstone’s investments in the Blackstone Funds (c) net interest income (loss) and (d) Other Revenue. 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 excludes amortization of 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, Advisory and Other Fees, Net (b) Interest and Dividend Revenue, (c) Realized Performance Fees, and (d) 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”, as 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 (including inter-segment interest related 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, 2016, 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.