



Blackstone Reports First Quarter 2019 Results and Announces Conversion to Corporation

New York, April 18, 2019: Blackstone (NYSE:BX) today reported its first quarter 2019 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “I am pleased to announce the compelling next step in Blackstone’s evolution as a public company: the firm’s conversion to a corporation. Blackstone has established itself as one of the leading public companies in the world, with robust long-term revenue and earnings growth and one of the most powerful brands in financial services. We believe the decision to convert will make it significantly easier for both domestic and international investors to own our stock and should drive greater value for all of our shareholders over time.

In terms of results, the power of the Blackstone franchise was again demonstrated by our first-quarter performance. Our funds delivered attractive returns for our limited partners, as they have for over thirty years, helping us capture \$43 billion of capital inflows in the quarter and a record \$126 billion over the last twelve months. Blackstone’s Total Assets Under Management now exceed half a trillion dollars, at \$512 billion, up 14% year over year.”

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

Distribution

Blackstone has declared a quarterly distribution of \$0.37 per common unit to record holders of common units at the close of business on April 29, 2019. This distribution will be paid on May 6, 2019.

Quarterly Investor Call Details

Blackstone will host a conference call on April 18, 2019 at 9:00 a.m. ET to discuss first quarter 2019 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 134 965 18#.

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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 in which we invest, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our businesses, with \$512 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, financial performance and unit repurchase and distribution activities. 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, 2018, 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 2019 Earnings

April 18, 2019

Blackstone's First Quarter 2019 GAAP Results

- ▶ GAAP Net Income was \$1.1 billion for the quarter and \$3.5 billion over the last twelve months (“LTM”). GAAP Net Income Attributable to The Blackstone Group L.P. was \$481 million for the quarter and \$1.7 billion over the LTM.

(Dollars in Thousands, Except per Unit Data) (Unaudited)	1Q'18	1Q'19	% Change vs. 1Q'18	1Q'17 LTM	1Q'18 LTM	1Q'19 LTM	% Change vs. 1Q'18 LTM
Revenues							
Management and Advisory Fees, Net	\$ 728,849	\$ 809,726	11%	\$ 2,497,356	\$ 2,834,687	\$ 3,108,673	10%
Incentive Fees	12,566	12,132	(3)%	168,432	208,569	57,106	(73)%
Investment Income							
Performance Allocations							
Realized	269,640	242,375	(10)%	2,376,023	2,729,546	1,849,242	(32)%
Unrealized	628,089	663,999	6%	348,981	647,237	597,283	(8)%
Principal Investments							
Realized	42,145	73,261	74%	542,082	426,570	446,978	5%
Unrealized	111,774	169,044	51%	33,633	194,567	107,187	(45)%
Total Investment Income	1,051,648	1,148,679	9%	3,300,719	3,997,920	3,000,690	(25)%
Interest and Dividend Revenue	35,385	44,084	25%	101,144	146,586	180,646	23%
Other	(59,317)	10,250	n/m	56,153	(188,334)	741,884	n/m
Total Revenues	1,769,131	2,024,871	14%	6,123,804	6,999,428	7,088,999	1%
Expenses							
Compensation and Benefits							
Compensation	389,403	471,397	21%	1,340,994	1,480,299	1,691,951	14%
Incentive Fee Compensation	6,662	5,406	(19)%	77,601	89,476	32,660	(63)%
Performance Allocations Compensation							
Realized	112,062	86,395	(23)%	772,766	1,027,549	685,409	(33)%
Unrealized	254,435	287,015	13%	306,860	350,696	352,322	0%
Total Compensation and Benefits	762,562	850,213	11%	2,498,221	2,948,020	2,762,342	(6)%
General, Administrative and Other	126,713	146,062	15%	524,453	505,909	614,222	21%
Interest Expense	38,671	42,002	9%	155,544	195,911	167,321	(15)%
Fund Expenses	54,985	2,887	(95)%	71,028	163,696	26,388	(84)%
Total Expenses	982,931	1,041,164	6%	3,249,246	3,813,536	3,570,273	(6)%
Other Income							
Reduction of Tax Receivable Agreement Liability	-	-	n/m	-	403,855	-	(100)%
Net Gains from Fund Investment Activities	110,599	130,325	18%	231,740	366,064	211,448	(42)%
Income Before Provision for Taxes	\$ 896,799	\$ 1,114,032	24%	\$ 3,106,298	\$ 3,955,811	\$ 3,730,174	(6)%
Provision for Taxes	54,495	41,155	(24)%	180,653	740,205	236,050	(68)%
Net Income	\$ 842,304	\$ 1,072,877	27%	\$ 2,925,645	\$ 3,215,606	\$ 3,494,124	9%
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(1,275)	2,480	n/m	12,378	10,531	1,651	(84)%
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	155,499	186,833	20%	344,751	514,253	390,212	(24)%
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	320,208	402,260	26%	1,237,667	1,303,485	1,447,041	11%
Net Income Attributable to The Blackstone Group L.P. ("BX")	\$ 367,872	\$ 481,304	31%	\$ 1,330,849	\$ 1,387,337	\$ 1,655,220	19%
Net Income per Common Unit, Basic	\$ 0.55	\$ 0.71	29%	\$ 2.04	\$ 2.07	\$ 2.44	18%
Net Income per Common Unit, Diluted	\$ 0.53	\$ 0.71	34%	\$ 2.00	\$ 2.07	\$ 2.44	18%
Income Before Provision for Taxes Margin	50.7%	55.0%		50.7%	56.5%	52.6%	

n/m = not meaningful. Income Before Provision for Taxes Margin is calculated by dividing Income Before Provision for Taxes by Total Revenues.

Blackstone's First Quarter 2019 Highlights

Financial Measures

- ▶ Fee Related Earnings (“FRE”) of \$374 million (\$0.31/unit) in the quarter, up 11% year-over-year
 - FRE was \$1.5 billion for the LTM (\$1.24/unit), up 10% year-over-year
- ▶ Distributable Earnings (“DE”) of \$538 million (\$0.44/unit) in the quarter, up 7% year-over-year
 - DE was \$2.7 billion for the LTM (\$2.20/unit)
- ▶ Net Accrued Performance Revenues receivable of \$3.9 billion (\$3.22/unit), up 7% year-over-year

Capital Metrics

- ▶ Total Assets Under Management (“AUM”) of \$511.8 billion, up 14% year-over-year
- ▶ Inflows of \$42.9 billion in the quarter and \$125.7 billion for the LTM
- ▶ Realizations of \$8.3 billion in the quarter and \$36.1 billion for the LTM
- ▶ Deployment of \$11.8 billion in the quarter and \$46.4 billion for the LTM

Unitholder Distributions

- ▶ Distribution of \$0.37 per common unit payable on May 6, 2019
 - Distribution of \$2.17 per common unit for the LTM
- ▶ Repurchased 1.5 million common units in the quarter and 17.5 million common units over the LTM, a return of capital of \$594 million

Corporate Structure

- ▶ Announced plans to convert to a corporation, expected to be effective July 1, 2019
 - For detailed information please refer to the supplemental presentation posted at www.blackstone.com

Blackstone's First Quarter 2019 Segment Earnings

(Dollars in Thousands, Except per Unit Data)	1Q'18	1Q'19	% Change		1Q'18 LTM	1Q'19 LTM	% Change	
			vs. 1Q'18				vs. 1Q'18 LTM	
Management and Advisory Fees, Net	\$ 736,044	\$ 814,062	11%		\$ 2,857,254	\$ 3,114,470	9%	
Fee Related Performance Revenues	3,837	7,779	103%		146,068	127,778	(13)%	
Fee Related Compensation	(296,074)	(324,031)	9%		(1,207,635)	(1,244,103)	3%	
Other Operating Expenses	(107,092)	(123,311)	15%		(435,496)	(504,547)	16%	
Fee Related Earnings	\$ 336,715	\$ 374,499	11%		\$ 1,360,191	\$ 1,493,598	10%	
<i>FRE per Unit</i>	<i>\$ 0.28</i>	<i>\$ 0.31</i>	<i>11%</i>		<i>\$ 1.13</i>	<i>\$ 1.24</i>	<i>10%</i>	
Realized Performance Revenues	278,371	246,769	(11)%		2,794,933	1,780,169	(36)%	
Realized Performance Compensation	(114,829)	(85,240)	(26)%		(1,038,462)	(648,552)	(38)%	
Realized Principal Investment Income	28,693	25,908	(10)%		261,993	233,273	(11)%	
Net Realizations	192,235	187,437	(2)%		2,018,464	1,364,890	(32)%	
Total Segment Distributable Earnings	\$ 528,950	\$ 561,936	6%		\$ 3,378,655	\$ 2,858,488	(15)%	
Net Interest Income (Loss)	(1,853)	5,061	n/m		(40,817)	28,839	n/m	
Taxes and Related Payables	(25,042)	(29,039)	16%		(189,706)	(157,862)	(17)%	
Distributable Earnings	\$ 502,055	\$ 537,958	7%		\$ 3,148,132	\$ 2,729,465	(13)%	
<i>DE per Common Unit</i>	<i>\$ 0.41</i>	<i>\$ 0.44</i>	<i>7%</i>		<i>\$ 2.56</i>	<i>\$ 2.20</i>	<i>(14)%</i>	
Total Segment Revenues	\$ 1,046,945	\$ 1,094,518	5%		\$ 6,060,248	\$ 5,255,690	(13)%	
Total Assets Under Management	\$ 449,613,826	\$ 511,777,762	14%		\$ 449,613,826	\$ 511,777,762	14%	
Fee-Earning Assets Under Management	\$ 344,650,797	\$ 352,993,394	2%		\$ 344,650,797	\$ 352,993,394	2%	

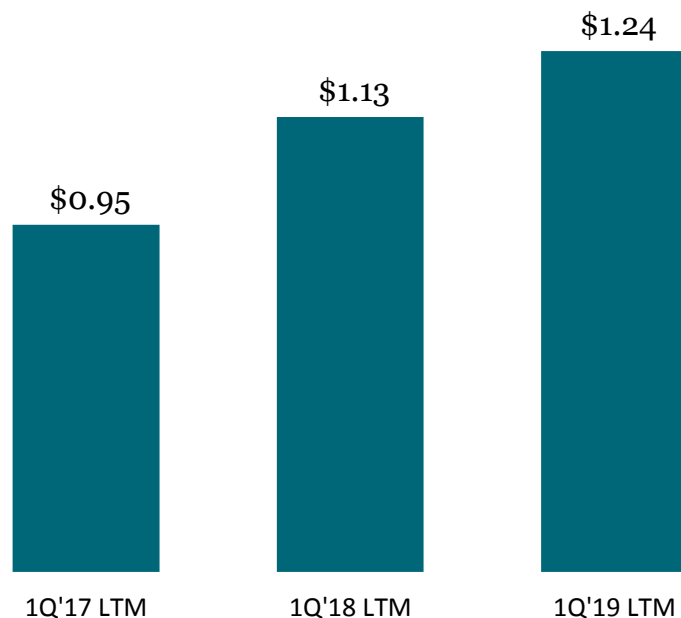
Fee Related Earnings per Unit is based on end of period DE Units Outstanding (see page 23, Unit Summary). DE per Common Unit is based on DE Attributable to Common Unitholders (see page 22, Unitholder Distribution) and end of period Participating Common Units outstanding. LTM per Unit amounts represent the sum of the last four quarters. See pages 28-29 for the Reconciliation of GAAP to Total Segment Measures.

Fee Related Earnings

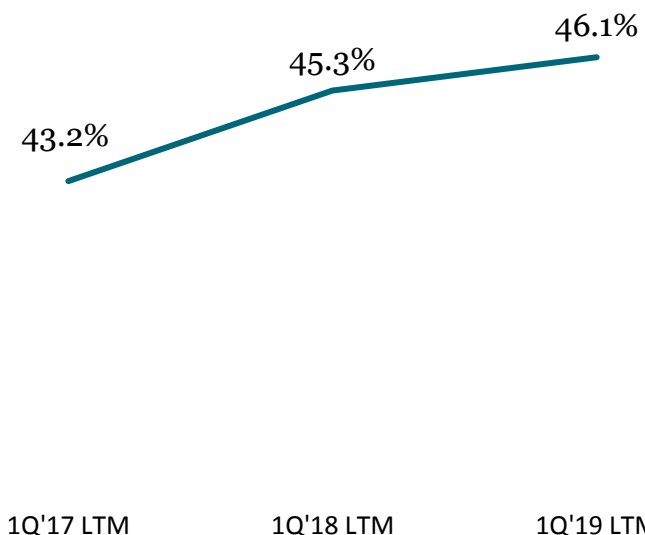
- ▶ LTM Fee Related Earnings of \$1.24 per unit is up 10% year-over-year and increased 31% since 1Q'17 LTM.
- ▶ FRE margin increased from 45.3% to 46.1% year-over-year, and has increased nearly 300 basis points since 1Q'17 LTM.

Fee Related Earnings

(Per Unit)



FRE Margin



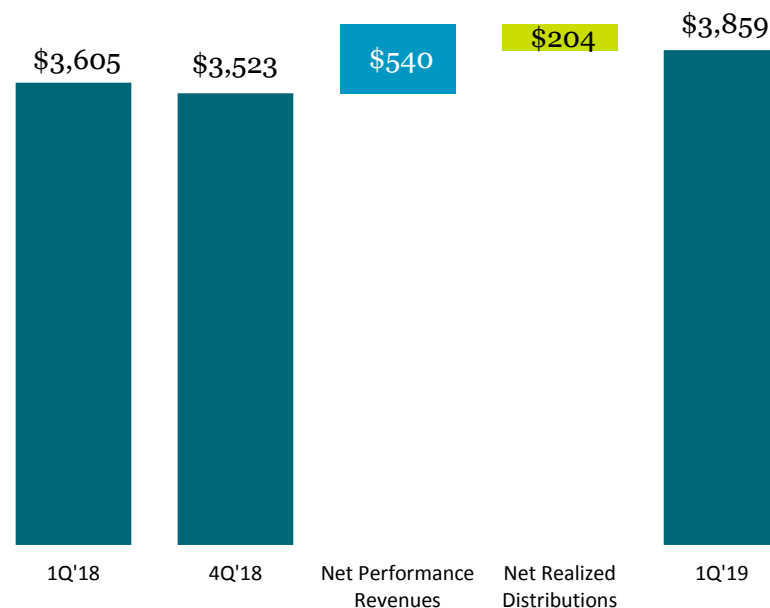
Investment Performance and Net Accrued Performance Revenues

- ▶ Strong investment performance during the quarter across all major strategies.
- ▶ Net Accrued Performance Revenues were \$3.9 billion (\$3.22/unit), up 7% year-over-year.
 - In the first quarter, strong appreciation generated \$540 million of additional Net Accrued Performance Revenues, offsetting \$204 million of Net Realized Distributions.

Investment Performance (Appreciation / Gross Returns)

	1Q'19	1Q'19 LTM
Real Estate		
Opportunistic Funds	4.7%	11.0%
Core+	2.7%	10.1%
Private Equity		
Corporate Private Equity	4.6%	17.7%
Tactical Opportunities	2.8%	11.0%
Strategic Partners	4.6%	16.7%
Hedge Fund Solutions		
BPS Composite	3.4%	4.2%
Credit		
Performing Credit	4.1%	10.2%
Distressed	3.7%	0.7%

Net Accrued Performance Revenues (Dollars in Millions)



Investment Performance represents fund appreciation for Real Estate and Private Equity and gross returns for Hedge Fund Solutions and Credit. Appreciation for core+ funds excludes BREIT. BPS Composite net returns were 3.2% and 3.4% for 1Q'19 and 1Q'19 LTM, respectively. Performing Credit net composite returns were 3.2% and 7.3% for 1Q'19 and 1Q'19 LTM, respectively. Distressed net composite returns were 3.1% and 0.3% for 1Q'19 and 1Q'19 LTM, respectively. Net Realized Distributions excludes Net Performance Revenues realized, but not yet distributed as of the reporting date and included in the Net Accrued Performance Revenues balance.

Capital Metrics Activity

- ▶ Inflows were \$42.9 billion in the quarter, bringing LTM inflows to a record \$125.7 billion.
 - Notable inflows in the quarter include the first close of \$22.2 billion for the eighth flagship private equity fund.
- ▶ Realizations were \$8.3 billion in the quarter and \$36.1 billion for the LTM.
- ▶ Deployed \$11.8 billion and committed an additional \$7.7 billion during the quarter that is not yet deployed.

(Dollars in Millions)

		Inflows		Realizations		Capital Deployed	
		1Q'19	1Q'19 LTM	1Q'19	1Q'19 LTM	1Q'19	1Q'19 LTM
Real Estate	▶ Total Real Estate	\$ 5,034	\$ 32,889	\$ 3,058	\$ 15,067	\$ 3,090	\$ 17,474
	• Opportunistic	2,944	19,420	2,091	10,683	1,316	7,561
	• Core+	1,698	8,177	608	2,314	1,292	7,318
	• BREDS	392	5,292	359	2,070	483	2,595
Private Equity	▶ Total Private Equity	28,471	51,577	3,743	13,097	7,106	19,802
	• Corporate Private Equity	22,557	30,345	2,601	8,090	1,311	8,052
	• Tactical Opportunities	2,134	7,254	621	2,508	1,286	3,756
	• Strategic Partners	2,680	7,192	520	2,500	2,034	5,520
	• Infrastructure	1,100	6,786	-	-	2,476	2,476
Hedge Fund Solutions	▶ BAAM	2,569	11,907	187	602	232	1,148
Credit	▶ GSO/BIS/Harvest	6,833	29,330	1,273	7,298	1,355	7,956
Total Blackstone		\$ 42,907	\$ 125,703	\$ 8,260	\$ 36,064	\$ 11,784	\$ 46,380

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

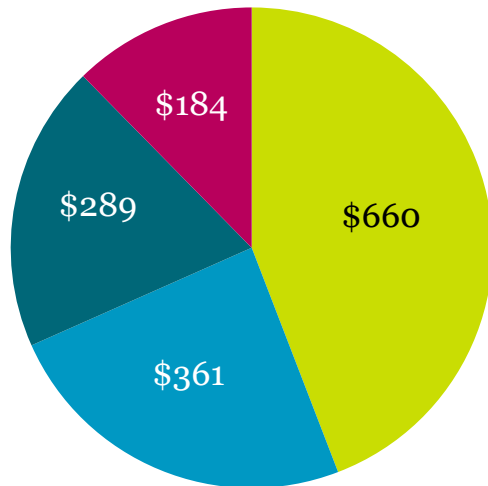
Summary of Financials by Segment

- ▶ Performance across segments generated LTM Fee Related Earnings of \$1.5 billion and LTM Segment Distributable Earnings of \$2.9 billion.

Fee Related Earnings

(Dollars in Millions)

1Q'19 LTM Total: \$1,494



Real Estate

Private Equity

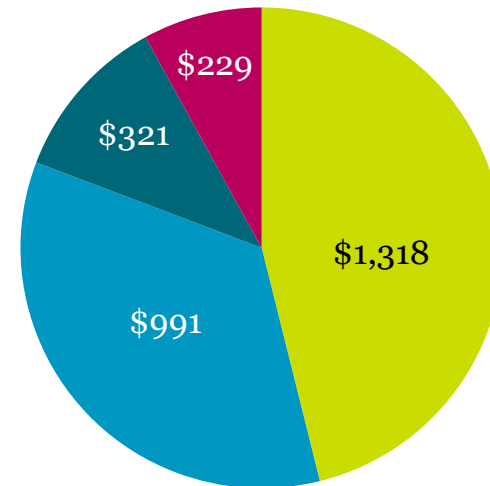
Hedge Fund Solutions

Credit

Segment Distributable Earnings

(Dollars in Millions)

1Q'19 LTM Total: \$2,858



Assets Under Management

- ▶ Total AUM increased to \$511.8 billion, up 14% year-over-year, driven by \$125.7 billion of inflows despite \$36.1 billion of realizations during the LTM.
- ▶ Fee-Earning AUM of \$353.0 billion was up 2% year-over-year as \$71.6 billion of inflows outpaced \$66.7 billion of realizations and outflows.
- ▶ Perpetual Capital AUM reached \$76.4 billion, up 5% from the fourth quarter of 2018.

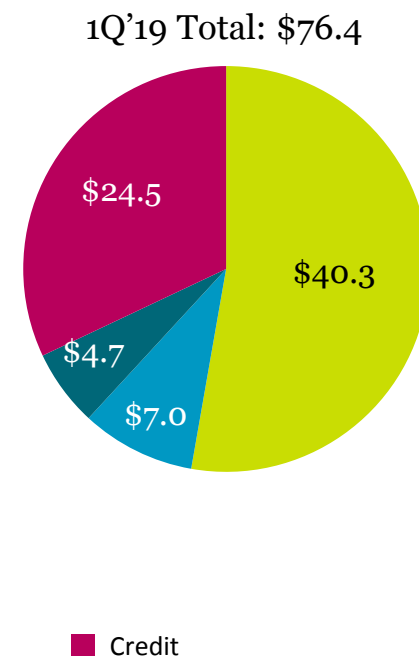
Total AUM
(Dollars in Billions)



Fee-Earning AUM
(Dollars in Billions)



Perpetual Capital AUM
(Dollars in Billions)



Real Estate

Private Equity

Hedge Fund Solutions

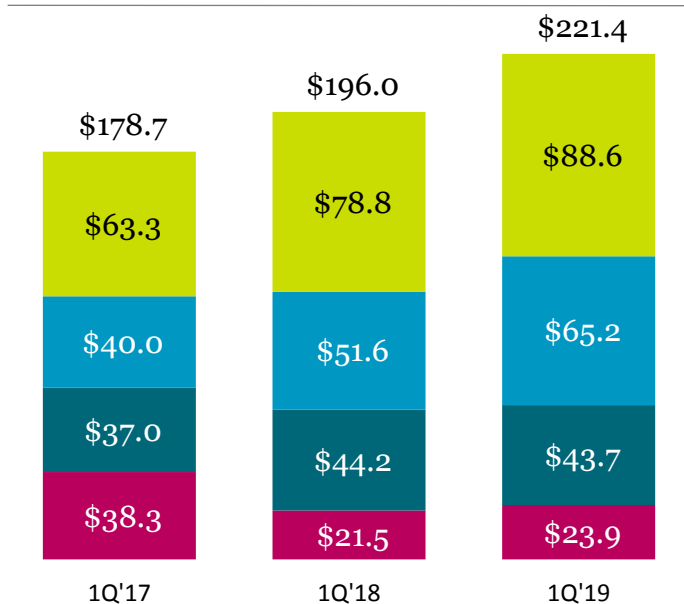
Credit

Additional Capital Detail

- ▶ Invested Performance Revenue Eligible AUM reached \$221.4 billion at quarter end, up 13% year-over-year, and increased 24% since the first quarter of 2017.
- ▶ Substantial undrawn capital (“Total Dry Powder”) available for investment of \$132.6 billion, up 18% quarter-over-quarter, driven by fundraising activity for the latest flagship funds.

Invested Performance Revenue Eligible AUM

(Dollars in Billions)



Real Estate

Private Equity

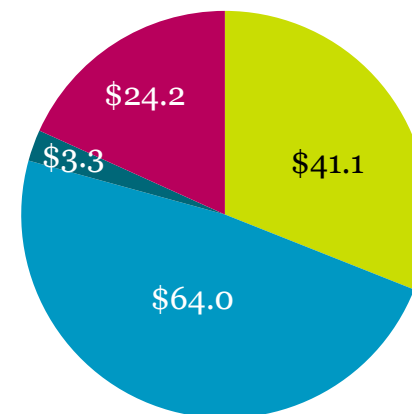
Hedge Fund Solutions

Credit

Total Dry Powder

(Dollars in Billions)

1Q'19 Total: \$132.6



Segment Highlights

Real Estate

- ▶ **Total AUM:** Increased 17% to a record \$140.3 billion with inflows of \$5.0 billion in the quarter and \$32.9 billion for the LTM.
 - Launched fundraising for sixth European opportunistic fund and fourth real estate debt fund.
- ▶ **Realizations:** \$3.1 billion in the quarter and \$15.1 billion for the LTM; realizations in the quarter included the first Invitation Homes secondary offering and asset sales in U.K. office and U.S. multifamily portfolios.
 - Closed the Embassy REIT IPO, the first ever Indian REIT listing that began trading on the Indian stock exchanges under the ticker “EMBASSY” on April 1.
- ▶ **Capital Deployed:** \$3.1 billion in the quarter and \$17.5 billion for the LTM, including the Network Rail real estate portfolio and a southern California industrial portfolio in the quarter.
 - Committed an additional \$1.3 billion during the quarter that is not yet deployed including a retail portfolio across South Korea and China in BPP Asia.
- ▶ **Appreciation:** Opportunistic funds and core+ funds increased 4.7% and 2.7% in the quarter, and 11.0% and 10.1% for the LTM, respectively.

(Dollars in Thousands)	1Q'18	1Q'19	% Change vs. 1Q'18	1Q'18 LTM	1Q'19 LTM	% Change vs. 1Q'18 LTM
Management Fees, Net	\$ 247,946	\$ 283,876	14%	\$ 971,376	\$ 1,162,400	20%
Fee Related Performance Revenues	4,503	6,676	48%	80,661	126,675	57%
Fee Related Compensation	(100,610)	(114,816)	14%	(441,181)	(473,636)	7%
Other Operating Expenses	(29,417)	(38,986)	33%	(134,595)	(155,829)	16%
Fee Related Earnings	\$ 122,422	\$ 136,750	12%	\$ 476,261	\$ 659,610	38%
Realized Performance Revenues	151,181	77,182	(49)%	1,773,142	840,985	(53)%
Realized Performance Compensation	(56,115)	(29,900)	(47)%	(627,900)	(258,104)	(59)%
Realized Principal Investment Income (Loss)	14,690	(2,131)	n/m	151,014	75,704	(50)%
Net Realizations	109,756	45,151	(59)%	1,296,256	658,585	(49)%
Segment Distributable Earnings	\$ 232,178	\$ 181,901	(22)%	\$ 1,772,517	\$ 1,318,195	(26)%
Segment Revenues	\$ 418,320	\$ 365,603	(13)%	\$ 2,976,193	\$ 2,205,764	(26)%
Total AUM	\$ 119,575,884	\$ 140,334,043	17%	\$ 119,575,884	\$ 140,334,043	17%
Fee-Earning AUM	\$ 87,284,578	\$ 94,223,034	8%	\$ 87,284,578	\$ 94,223,034	8%

Appreciation for core+ funds excludes BREIT.

Private Equity

- ▶ **Total AUM:** Increased 43% to a record \$159.0 billion with quarterly inflows of \$28.5 billion and \$51.6 billion for the LTM.
 - \$22.2 billion initial close for the eighth flagship private equity fund in the quarter.
- ▶ **Realizations:** \$3.7 billion in the quarter and \$13.1 billion for the LTM, including the sale of Ixom in the quarter.
- ▶ **Capital Deployed:** \$7.1 billion in the quarter and \$19.8 billion for the LTM, including Infrastructure's first two investments in Tallgrass Energy and Carrix, and Core Private Equity's investment in ServPro in the quarter.
 - Committed an additional \$3.6 billion during the quarter that is not yet deployed, including Corporate Private Equity's investment in Ultimate Software.
- ▶ **Appreciation:** Corporate Private Equity increased 4.6% in the quarter driven by publics and strong underlying financial performance in the private portfolio, and was up 17.7% for the LTM.

(Dollars in Thousands)	1Q'18	1Q'19	% Change		1Q'18 LTM	1Q'19 LTM	% Change	
			vs. 1Q'18				vs. 1Q'18 LTM	
Management and Advisory Fees, Net	\$ 190,862	\$ 251,723	32%		\$ 774,605	\$ 890,745	15%	
Fee Related Compensation	(89,566)	(107,587)	20%		(357,970)	(393,467)	10%	
Other Operating Expenses	(31,151)	(34,201)	10%		(124,387)	(136,146)	9%	
Fee Related Earnings	\$ 70,145	\$ 109,935	57%		\$ 292,248	\$ 361,132	24%	
Realized Performance Revenues	77,123	156,599	103%		651,630	836,882	28%	
Realized Performance Compensation	(33,045)	(50,556)	53%		(255,956)	(335,678)	31%	
Realized Principal Investment Income	6,338	25,139	297%		79,881	128,532	61%	
Net Realizations	50,416	131,182	160%		475,555	629,736	32%	
Segment Distributable Earnings	\$ 120,561	\$ 241,117	100%		\$ 767,803	\$ 990,868	29%	
Segment Revenues	\$ 274,323	\$ 433,461	58%		\$ 1,506,116	\$ 1,856,159	23%	
Total AUM	\$ 111,414,214	\$ 158,988,748	43%		\$ 111,414,214	\$ 158,988,748	43%	
Fee-Earning AUM	\$ 72,398,415	\$ 85,446,868	18%		\$ 72,398,415	\$ 85,446,868	18%	

Hedge Fund Solutions

- ▶ **Total AUM:** Increased 2% to a record \$80.2 billion with inflows of \$2.6 billion in the quarter and inflows of \$11.9 billion for the LTM.
 - Increase primarily driven by platform diversification, growth, and appreciation in customized strategies and individual investor and specialized solutions.
 - April 1 subscriptions of \$967 million are not yet included in Total AUM.

- ▶ **Returns:** BPS Composite gross return was up 3.4% in the quarter, outperforming the HFRX Global HF Return Index, which was up 2.6%.
 - Gross returns were up 4.2% for the LTM, outperforming global markets with approximately a fifth of the volatility, with MSCI All Country World Total Return Index up 3.2% and HFRX Global HF Return Index down 3.3%.

(Dollars in Thousands)	1Q'18	1Q'19	% Change		1Q'18 LTM	1Q'19 LTM	% Change	
			vs. 1Q'18				vs. 1Q'18 LTM	
Management Fees, Net	\$ 129,573	\$ 137,646	6%		\$ 519,781	\$ 530,942	2%	
Fee Related Compensation	(39,639)	(42,954)	8%		(148,698)	(165,487)	11%	
Other Operating Expenses	(18,785)	(17,885)	(5)%		(70,671)	(76,872)	9%	
Fee Related Earnings	\$ 71,149	\$ 76,807	8%		\$ 300,412	\$ 288,583	(4)%	
Realized Performance Revenues	10,177	4,091	(60)%		149,836	36,333	(76)%	
Realized Performance Compensation	(2,923)	(1,413)	(52)%		(39,459)	(20,282)	(49)%	
Realized Principal Investment Income (Loss)	640	(283)	n/m		10,346	16,116	56%	
Net Realizations	7,894	2,395	(70)%		120,723	32,167	(73)%	
Segment Distributable Earnings	\$ 79,043	\$ 79,202	0%		\$ 421,135	\$ 320,750	(24)%	
Segment Revenues	\$ 140,390	\$ 141,454	1%		\$ 679,963	\$ 583,391	(14)%	
Total AUM	\$ 78,657,551	\$ 80,182,772	2%		\$ 78,657,551	\$ 80,182,772	2%	
Fee-Earning AUM	\$ 73,570,498	\$ 73,647,014	0%		\$ 73,570,498	\$ 73,647,014	0%	

BPS Composite net returns were 3.2% and 3.4% for 1Q'19 and 1Q'19 LTM, respectively. The BPS Composite gross and net returns are based on the BAAM Principal Solutions ("BPS") Composite, which does not include BAAM's individual investor solutions (liquid alternatives), ventures (seeding and minority interests), strategic opportunities (co-invests), and advisory (non-discretionary) platforms, except for investments by BPS funds directly into those platforms. BAAM-managed funds in liquidation and non fee-paying assets (net returns only) are also excluded. The funds/accounts that comprise the BPS Composite are not managed within a single fund or account and are managed with different mandates. There is no guarantee that BAAM would have made the same mix of investments in a stand-alone fund/account. The BPS Composite is not an investible product and, as such, the performance of the Composite does not represent the performance of an actual fund or account.

Credit

- ▶ **Total AUM:** \$132.3 billion at quarter end with quarterly inflows of \$6.8 billion and \$29.3 billion for the LTM.
 - Raised \$2.6 billion for the second energy credit fund strategy in the quarter and \$5.0 billion for the LTM.
 - Launched 2 CLOs (1 U.S. and 1 Europe) in the quarter for \$1.1 billion and 10 CLOs in the LTM for \$5.9 billion.
 - Fundraising activity for the quarter brought Total AUM for the U.S. direct lending strategies to \$7.2 billion, which does not yet include an additional \$500 million of inflows on April 1.
 - Held first close of \$686 million for the second European senior debt fund strategy in the quarter.
- ▶ **Realizations:** \$1.3 billion in the quarter and \$7.3 billion for the LTM.
- ▶ **Capital Deployed:** Invested \$1.4 billion in the quarter and \$8.0 billion for the LTM, and committed an additional \$2.1 billion during the quarter that is not yet deployed.
- ▶ **Returns:** Composite gross returns of 4.1% for Performing Credit and 3.7% for Distressed in the quarter driven by solid performance across the portfolio and a broad market recovery, and 10.2% and 0.7% in the LTM, respectively.

(Dollars in Thousands)	1Q'18	1Q'19	% Change vs. 1Q'18	1Q'18 LTM	1Q'19 LTM	% Change vs. 1Q'18 LTM
Management Fees, Net	\$ 167,663	\$ 140,817	(16)%	\$ 591,492	\$ 530,383	(10)%
Fee Related Performance Revenues	(666)	1,103	n/m	65,407	1,103	(98)%
Fee Related Compensation	(66,259)	(58,674)	(11)%	(259,786)	(211,513)	(19)%
Other Operating Expenses	(27,739)	(32,239)	16%	(105,843)	(135,700)	28%
Fee Related Earnings	\$ 72,999	\$ 51,007	(30)%	\$ 291,270	\$ 184,273	(37)%
Realized Performance Revenues	39,890	8,897	(78)%	220,325	65,969	(70)%
Realized Performance Compensation	(22,746)	(3,371)	(85)%	(115,147)	(34,488)	(70)%
Realized Principal Investment Income	7,025	3,183	(55)%	20,752	12,921	(38)%
Net Realizations	24,169	8,709	(64)%	125,930	44,402	(65)%
Segment Distributable Earnings	\$ 97,168	\$ 59,716	(39)%	\$ 417,200	\$ 228,675	(45)%
Segment Revenues	\$ 213,912	\$ 154,000	(28)%	\$ 897,976	\$ 610,376	(32)%
Total AUM	\$ 139,966,177	\$ 132,272,199	(5)%	\$ 139,966,177	\$ 132,272,199	(5)%
Fee-Earning AUM	\$ 111,397,306	\$ 99,676,478	(11)%	\$ 111,397,306	\$ 99,676,478	(11)%

Performing Credit includes mezzanine lending funds, middle market direct lending funds and other performing credit strategy funds. Distressed includes credit alpha strategies, stressed / distressed funds and 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 net composite returns were 3.2% and 7.3% for 1Q'19 and 1Q'19 LTM, respectively. Distressed net composite returns were 3.1% and 0.3% for 1Q'19 and 1Q'19 LTM, respectively.

Supplemental Details

Total Segments

(Dollars in Thousands)	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	1Q'18 LTM	1Q'19 LTM
Management and Advisory Fees, Net							
Base Management Fees	\$ 707,156	\$ 692,915	\$ 721,606	\$ 722,648	\$ 757,518	\$ 2,744,589	\$ 2,894,687
Transaction, Advisory and Other Fees, Net	37,066	40,912	73,944	77,576	65,150	153,660	257,582
Management Fee Offsets	(8,178)	(10,833)	(16,331)	(2,029)	(8,606)	(40,995)	(37,799)
Total Management and Advisory Fees, Net	736,044	722,994	779,219	798,195	814,062	2,857,254	3,114,470
Fee Related Performance Revenues	3,837	45,515	30,299	44,185	7,779	146,068	127,778
Fee Related Compensation	(296,074)	(306,243)	(334,545)	(279,284)	(324,031)	(1,207,635)	(1,244,103)
Other Operating Expenses	(107,092)	(122,466)	(128,745)	(130,025)	(123,311)	(435,496)	(504,547)
Fee Related Earnings	\$ 336,715	\$ 339,800	\$ 346,228	\$ 433,071	\$ 374,499	\$ 1,360,191	\$ 1,493,598
Realized Performance Revenues	278,371	477,544	572,159	483,697	246,769	2,794,933	1,780,169
Realized Performance Compensation	(114,829)	(172,894)	(190,773)	(199,645)	(85,240)	(1,038,462)	(648,552)
Realized Principal Investment Income	28,693	94,647	65,620	47,098	25,908	261,993	233,273
Total Net Realizations	192,235	399,297	447,006	331,150	187,437	2,018,464	1,364,890
Total Segment Distributable Earnings	\$ 528,950	\$ 739,097	\$ 793,234	\$ 764,221	\$ 561,936	\$ 3,378,655	\$ 2,858,488
Net Interest Income (Loss)	(1,853)	2,842	9,013	11,923	5,061	(40,817)	28,839
Taxes and Related Payables	(25,042)	(41,797)	(32,963)	(54,063)	(29,039)	(189,706)	(157,862)
Distributable Earnings	\$ 502,055	\$ 700,142	\$ 769,284	\$ 722,081	\$ 537,958	\$ 3,148,132	\$ 2,729,465
Total Segment Revenues	\$ 1,046,945	\$ 1,340,700	\$ 1,447,297	\$ 1,373,175	\$ 1,094,518	\$ 6,060,248	\$ 5,255,690
Total Assets Under Management	\$ 449,613,826	\$ 439,386,656	\$ 456,691,832	\$ 472,242,317	\$ 511,777,762	\$ 449,613,826	\$ 511,777,762
Fee-Earning Assets Under Management	\$ 344,650,797	\$ 332,978,145	\$ 342,261,123	\$ 342,527,507	\$ 352,993,394	\$ 344,650,797	\$ 352,993,394
Weighted-Average Fee-Earning AUM	\$ 343,211,044	\$ 328,594,512	\$ 340,994,284	\$ 343,514,196	\$ 349,589,269	\$ 317,293,033	\$ 338,701,942
LP Capital Invested	\$ 9,323,329	\$ 8,026,698	\$ 9,358,423	\$ 14,218,797	\$ 10,844,363	\$ 45,829,812	\$ 42,448,281
Total Capital Invested	\$ 10,119,519	\$ 8,351,772	\$ 9,894,470	\$ 16,349,738	\$ 11,783,583	\$ 48,957,069	\$ 46,379,563

Assets Under Management

1Q'19 Total AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
4Q'18	\$ 136,247	\$ 130,665	\$ 77,815	\$ 127,515	\$ 472,242
Inflows	5,034	28,471	2,569	6,833	42,907
Outflows	(1,150)	(243)	(2,108)	(4,555)	(8,056)
Realizations	(3,058)	(3,743)	(187)	(1,273)	(8,260)
Net Inflows	826	24,486	275	1,005	26,591
Market Activity	3,261	3,838	2,093	3,752	12,944
1Q'19	\$ 140,334	\$ 158,989	\$ 80,183	\$ 132,272	\$ 511,778
<i>QoQ Increase</i>	<i>3%</i>	<i>22%</i>	<i>3%</i>	<i>4%</i>	<i>8%</i>

1Q'19 LTM Total AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
1Q'18	\$ 119,576	\$ 111,414	\$ 78,658	\$ 139,966	\$ 449,614
Inflows	32,889	51,577	11,907	29,330	125,703
Outflows	(3,165)	(1,482)	(11,761)	(30,653)	(47,061)
Realizations	(15,067)	(13,097)	(602)	(7,298)	(36,064)
Net Inflows (Outflows)	14,658	36,998	(457)	(8,620)	42,579
Market Activity	6,100	10,577	1,982	926	19,585
1Q'19	\$ 140,334	\$ 158,989	\$ 80,183	\$ 132,272	\$ 511,778
<i>YoY Increase (Decrease)</i>	<i>17%</i>	<i>43%</i>	<i>2%</i>	<i>(5)%</i>	<i>14%</i>

1Q'19 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
4Q'18	\$ 93,253	\$ 80,008	\$ 72,281	\$ 96,986	\$ 342,528
Inflows	2,734	8,663	1,635	3,866	16,897
Outflows	(265)	(729)	(2,068)	(3,242)	(6,303)
Realizations	(2,214)	(2,561)	(164)	(967)	(5,906)
Net Inflows (Outflows)	255	5,373	(598)	(343)	4,687
Market Activity	715	66	1,964	3,034	5,778
1Q'19	\$ 94,223	\$ 85,447	\$ 73,647	\$ 99,676	\$ 352,993
<i>QoQ Increase</i>	<i>1%</i>	<i>7%</i>	<i>2%</i>	<i>3%</i>	<i>3%</i>

1Q'19 LTM Fee-Earning AUM Rollforward

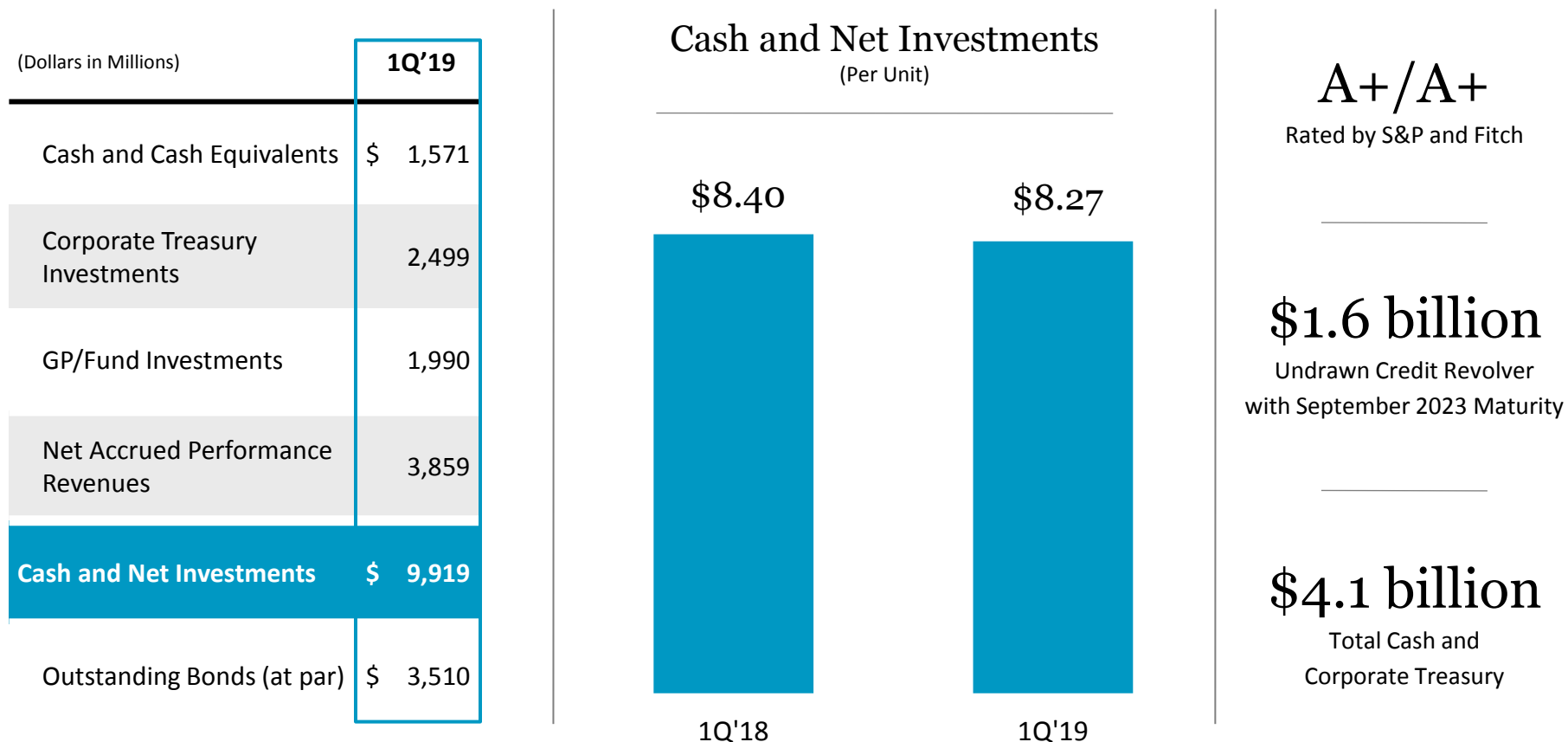
(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
1Q'18	\$ 87,285	\$ 72,398	\$ 73,570	\$ 111,397	\$ 344,651
Inflows	17,145	21,355	10,173	22,901	71,574
Outflows	(2,054)	(2,147)	(11,444)	(28,838)	(44,484)
Realizations	(9,501)	(6,555)	(539)	(5,645)	(22,239)
Net Inflows (Outflows)	5,590	12,653	(1,810)	(11,582)	4,851
Market Activity	1,349	395	1,886	(139)	3,492
1Q'19	\$ 94,223	\$ 85,447	\$ 73,647	\$ 99,676	\$ 352,993
<i>YoY Increase (Decrease)</i>	<i>8%</i>	<i>18%</i>	<i>0%</i>	<i>(11)%</i>	<i>2%</i>

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

Deconsolidated Balance Sheet Highlights

- ▶ At March 31, 2019, Blackstone had \$4.1 billion in total cash, cash equivalents, and corporate treasury investments and \$9.9 billion of cash and net investments, or \$8.27 per unit.
- ▶ Blackstone has no net debt, a \$1.6 billion undrawn credit revolver and maintains A+/A+ ratings.
 - On April 10, 2019, Blackstone issued €600 million of 10-year notes at 1.5% coupon.



Balance Sheet Highlights are preliminary, and exclude the consolidated Blackstone Funds. GP/Fund Investments include Blackstone investments in Real Estate, Private Equity, Hedge Fund Solutions, and Credit, which were \$860 million, \$709 million, \$108 million, and \$313 million, respectively, as of March 31, 2019. Cash and Net Investments per unit amounts are calculated using period end DE Units Outstanding (see page 23, Unit Summary).

Net Accrued Performance Revenues

	Net Accrued Performance Revenues					
	1Q'18	4Q'18	1Q'19	1Q'19 Per Unit	QoQ Change	YoY Change
<i>(Dollars in Millions, Except per Unit Data)</i>						
Real Estate						
BREP IV	\$ 10	\$ 3	\$ 1	\$ -	\$ (2)	\$ (9)
BREP V	205	55	62	0.05	7	(143)
BREP VI	184	89	88	0.07	(1)	(96)
BREP VII	606	484	552	0.46	68	(54)
BREP VIII	288	429	464	0.39	35	176
BREP International II	-	-	7	0.01	7	7
BREP Europe III	61	-	-	-	-	(61)
BREP Europe IV	220	200	213	0.18	13	(7)
BREP Europe V	41	110	137	0.11	27	96
BREP Asia I	112	114	137	0.11	23	25
BPP	174	215	245	0.20	30	71
BREIT	14	23	11	0.01	(12)	(3)
BREDS	32	17	23	0.02	6	(9)
BTAS	25	36	38	0.03	2	13
Total Real Estate	\$ 1,972	\$ 1,775	\$ 1,978	\$ 1.64	\$ 203	\$ 6
Private Equity						
BCP IV	70	72	42	0.04	(30)	(28)
BCP V	70	-	-	-	-	(70)
BCP VI	783	746	789	0.66	43	6
BCP VII	59	225	256	0.21	31	197
BCP Asia	-	-	6	0.01	6	6
BEP I	91	103	131	0.11	28	40
BEP II	34	73	70	0.06	(3)	36
Tactical Opportunities	138	155	158	0.13	3	20
Strategic Partners	81	94	109	0.09	15	28
BCEP	-	19	21	0.02	2	21
BTAS	19	41	50	0.04	9	31
Other	3	1	1	-	-	(2)
Total Private Equity	\$ 1,348	\$ 1,529	\$ 1,633	\$ 1.37	\$ 104	\$ 285
Total Hedge Fund Solutions	\$ 19	\$ 24	\$ 26	\$ 0.02	\$ 2	\$ 7
Total Credit	\$ 266	\$ 195	\$ 222	\$ 0.19	\$ 27	\$ (44)
Net Accrued Performance Revenues	\$ 3,605	\$ 3,523	\$ 3,859	\$ 3.22	\$ 336	\$ 254
<i>Memo: Net Realized Performance Revenues</i>	<i>\$ 50</i>	<i>\$ 68</i>	<i>\$ 21</i>	<i>\$ 0.02</i>	<i>\$ (47)</i>	<i>\$ (29)</i>

1Q'19 QoQ Rollforward

(Dollars in Millions)

	Net Performance Revenues		Net Realized Distributions	1Q'19
	4Q'18			
Real Estate	\$ 1,775	\$ 270	\$ (67)	\$ 1,978
Private Equity	1,529	226	(122)	1,633
HFS	24	11	(9)	26
Credit	195	33	(6)	222
Total	\$ 3,523	\$ 540	\$ (204)	\$ 3,859

QoQ Increase

10%

1Q'19 LTM Rollforward

(Dollars in Millions)

	Net Performance Revenues		Net Realized Distributions	1Q'19
	1Q'18			
Real Estate	\$ 1,972	\$ 637	\$ (631)	\$ 1,978
Private Equity	1,348	771	(486)	1,633
HFS	19	21	(14)	26
Credit	266	6	(50)	222
Total	\$ 3,605	\$ 1,435	\$ (1,181)	\$ 3,859

YoY Increase

7%

Net Accrued Performance Revenues are presented net of performance compensation and do not include clawback amounts, if any, which are disclosed in the 10-K/Q. Net Realized Performance Revenues are included in DE. Net Realized Performance Revenues above represent Performance Revenues realized, but not yet distributed as of the reporting date and included in the Net Accrued Performance Revenues balance. When these fees are received, the receivable is reduced without further impacting DE. Per Unit calculations are based on end of period DE Units Outstanding (see page 23, Unit Summary).

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

(Dollars in Thousands, Except Where Noted)

Fund (Investment Period Beginning Date / Ending Date)	Committed Capital	Available Capital (b)	Unrealized Investments			Realized Investments		Total Investments		Net IRRs (d)		
			Value	MOIC (c)	% Public	Value	MOIC (c)	Value	MOIC (c)	Realized	Total	
Real Estate												
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	-	208,353	0.3x	20%	4,290,925	2.2x	4,499,278	1.6x	33%	12%	
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	560,418	1.5x	28%	12,716,417	2.4x	13,276,835	2.3x	12%	11%	
BREP VI (Feb 2007 / Aug 2011)	11,060,444	-	1,085,024	2.1x	-	26,474,555	2.5x	27,559,579	2.5x	13%	13%	
BREP VII (Aug 2011 / Apr 2015)	13,495,496	2,001,709	9,900,355	1.7x	18%	19,119,840	2.1x	29,020,195	1.9x	26%	17%	
BREP VIII (Apr 2015 / Oct 2020)	16,585,524	5,467,780	15,084,938	1.4x	1%	5,029,991	1.6x	20,114,929	1.4x	26%	16%	
BREP IX (TBD)	17,964,219	17,964,219	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
Total Global BREP	\$ 70,086,264	\$ 25,433,708	\$ 26,839,088	1.4x	8%	\$ 75,166,646	2.3x	\$ 102,005,734	2.0x	19%	16%	
BREP Int'l (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ -	n/a	-	€ 1,367,665	2.1x	€ 1,367,665	2.1x	23%	23%	
BREP Int'l II (Sep 2005 / Jun 2008) (e)	1,629,748	-	161,201	2.8x	-	2,387,198	1.8x	2,548,399	1.8x	8%	8%	
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	468,156	656,505	0.9x	-	5,495,093	2.5x	6,151,598	2.1x	21%	15%	
BREP Europe IV (Sep 2013 / Dec 2016)	6,709,145	1,356,149	4,243,522	1.6x	13%	7,468,133	2.0x	11,711,655	1.8x	24%	17%	
BREP Europe V (Dec 2016 / Jun 2022)	7,943,145	3,116,571	6,074,523	1.3x	-	144,494	2.4x	6,219,017	1.3x	73%	17%	
Total Euro BREP	€ 20,311,377	€ 4,940,876	€ 11,135,751	1.4x	5%	€ 16,862,583	2.1x	€ 27,998,334	1.7x	16%	14%	
BREP Asia I (Jun 2013 / Dec 2017)	\$ 5,096,418	\$ 1,728,859	\$ 4,259,488	1.5x	0%	\$ 3,051,743	1.8x	\$ 7,311,231	1.6x	21%	15%	
BREP Asia II (Dec 2017 / Jun 2023)	7,174,723	5,843,040	1,444,947	1.0x	-	2,000	n/m	1,446,947	1.0x	n/m	n/m	
BREP Co-Investment (f)	7,055,974	171,656	2,129,980	1.9x	40%	12,123,536	2.1x	14,253,516	2.1x	15%	15%	
Total BREP	\$ 114,281,146	\$ 38,719,937	\$ 47,728,263	1.4x	8%	\$ 111,805,369	2.2x	\$ 159,533,632	1.9x	18%	15%	
BPP (g)	27,257,859	2,830,562	29,175,585	1.2x	-	4,134,665	2.4x	33,310,250	1.3x	n/m	11%	
BREDS High-Yield (h)	12,011,754	2,509,514	3,467,107	1.1x	-	10,484,654	1.3x	13,951,761	1.2x	11%	11%	
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	15,639	1.2x	-	2,953,649	1.4x	2,969,288	1.4x	7%	6%	
BCP IV (Nov 2002 / Dec 2005)	6,773,182	204,794	344,504	2.2x	50%	21,251,054	2.9x	21,595,558	2.9x	37%	36%	
BCP V (Dec 2005 / Jan 2011)	21,013,586	1,039,733	993,106	0.9x	40%	37,058,962	1.9x	38,052,068	1.9x	8%	8%	
BCP VI (Jan 2011 / May 2016)	15,191,350	1,767,265	14,578,233	1.8x	34%	12,817,204	2.1x	27,395,437	1.9x	21%	14%	
BEP I (Aug 2011 / Feb 2015)	2,435,285	224,784	2,524,303	1.7x	48%	2,047,071	2.3x	4,571,374	1.9x	26%	14%	
BEP II (Feb 2015 / Feb 2021)	4,902,640	1,000,390	4,564,315	1.3x	-	227,225	2.0x	4,791,540	1.4x	45%	13%	
BCP VII (May 2016 / May 2022)	18,590,630	8,728,039	12,741,883	1.4x	0%	452,900	1.3x	13,194,783	1.4x	35%	19%	
BCP Asia (Dec 2017 / Dec 2023)	2,405,153	2,076,729	221,543	2.0x	-	-	n/a	221,543	2.0x	n/a	75%	
BEP III (TBD)	3,684,191	3,684,191	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
BCP VIII (TBD)	22,225,158	22,225,158	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
Total Corporate Private Equity	\$ 105,546,108	\$ 40,975,658	\$ 35,983,526	1.5x	19%	\$ 90,991,310	2.2x	\$ 126,974,836	1.9x	16%	15%	
Tactical Opportunities	21,911,160	10,394,383	9,898,867	1.3x	9%	6,806,144	1.7x	16,705,011	1.4x	21%	11%	
Tactical Opportunities Co-Investment and Other	6,520,129	2,519,961	3,653,882	1.2x	2%	1,514,218	1.6x	5,168,100	1.3x	25%	14%	
Total Tactical Opportunities	\$ 28,431,289	\$ 12,914,344	\$ 13,552,749	1.3x	7%	\$ 8,320,362	1.7x	\$ 21,873,111	1.4x	22%	11%	

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

(Dollars in Thousands, Except Where Noted)

Fund (Investment Period Beginning Date / Ending Date)	Committed Capital	Available Capital (b)	Unrealized Investments			Realized Investments		Total Investments		Net IRRs (d)		
			Value	MOIC (c)	% Public	Value	MOIC (c)	Value	MOIC (c)	Realized	Total	
Private Equity (continued)												
Strategic Partners I-V (i)	\$ 11,862,601	\$ 1,762,708	\$ 1,530,629	n/m	-	\$ 16,166,460	n/m	\$ 17,697,089	1.5x	n/a	13%	
Strategic Partners VI (Apr 2014 / Apr 2016) (i)	4,362,750	1,154,067	1,861,262	n/m	-	2,746,833	n/m	4,608,095	1.5x	n/a	19%	
Strategic Partners VII (May 2016 / Mar 2019) (i)	7,489,970	2,235,603	5,989,257	n/m	-	803,805	n/m	6,793,062	1.4x	n/a	35%	
Strategic Partners RA II (May 2017 / TBD) (i)	1,749,807	703,386	756,243	n/m	-	30,361	n/m	786,604	1.1x	n/a	18%	
Strategic Partners VIII (Mar 2019 / TBD) (i)	5,281,164	4,880,068	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
Strategic Partners RE, SMA and Other (i)	4,590,901	1,317,461	1,541,602	n/m	-	891,633	n/m	2,433,235	1.3x	n/a	17%	
Total Strategic Partners	\$ 35,337,193	\$ 12,053,293	\$ 11,678,993	n/m	-	\$ 20,639,092	n/m	\$ 32,318,085	1.5x	n/a	14%	
BCEP (Jan 2017 / Jan 2021) (j)	4,755,613	2,141,452	2,995,210	1.1x	-	240,480	1.7x	3,235,690	1.2x	27%	11%	
BIP	6,467,667	5,285,446	1,182,221	1.0x	100%	-	n/a	1,182,221	1.0x	n/a	n/m	
Other Funds and Co-Investment (k)	1,557,393	325,028	100,137	1.0x	17%	635,564	0.9x	735,701	1.0x	n/m	n/m	
Hedge Fund Solutions												
Total Strategic Capital Holdings (Dec 2013 / Jun 2020) (l)	\$ 3,378,575	\$ 759,351	\$ 2,709,970	1.5x	-	\$ 356,189	n/m	\$ 3,066,159	1.7x	n/a	8%	
Credit (m)												
Mezzanine I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 97,114	\$ 26,156	1.3x	-	\$ 4,772,132	1.6x	\$ 4,798,288	1.6x	n/a	17%	
Mezzanine II (Nov 2011 / Nov 2016)	4,120,000	1,168,881	1,867,420	1.0x	-	4,760,395	1.6x	6,627,815	1.4x	n/a	12%	
Mezzanine III (Sep 2016 / Sep 2021)	6,639,133	2,013,193	3,676,683	1.1x	-	1,079,275	1.6x	4,755,958	1.2x	n/a	13%	
Stressed / Distressed Investing I (Sep 2009 / May 2013)	3,253,143	135,000	216,928	0.4x	-	5,745,131	1.6x	5,962,059	1.4x	n/a	11%	
Stressed / Distressed Investing II (Jun 2013 / Jun 2018)	5,125,000	547,170	2,100,835	0.9x	-	3,756,349	1.3x	5,857,184	1.2x	n/a	8%	
Stressed / Distressed Investing III (Dec 2017 / Dec 2022)	7,356,380	5,678,860	1,479,363	1.0x	-	382,591	1.3x	1,861,954	1.1x	n/a	n/a	
Energy Select Opportunities (Nov 2015 / Nov 2018)	2,856,867	943,281	2,073,685	1.2x	-	569,083	1.7x	2,642,768	1.3x	n/a	13%	
Energy Select Opportunities II (Feb 2019 / Feb 2024)	3,347,431	2,811,011	91,152	1.0x	-	-	n/a	91,152	1.0x	n/m	n/m	
Euro												
European Senior Debt Fund (Feb 2015 / Feb 2019)	€ 1,964,689	€ 335,732	€ 2,082,059	1.0x	-	€ 881,841	1.5x	€ 2,963,900	1.2x	n/a	10%	
Total Credit	\$ 36,964,363	\$ 13,771,503	\$ 13,870,061	1.0x	-	\$ 22,075,083	1.5x	\$ 35,945,144	1.3x	n/a	12%	

The returns presented herein represent those of the applicable Blackstone Funds and not those of The Blackstone Group L.P. Excludes investment vehicles where Blackstone does not earn fees.

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 Performance Revenues, divided by invested capital.

(d) Net Internal Rate of Return ("IRR") represents the annualized inception to March 31, 2019 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.

(e) The 8% Realized Net IRR and 8% Total Net IRR exclude investors that opted out of the Hilton investment opportunity. Overall BREP International II performance reflects a 7% Realized Net IRR and a 7% Total Net IRR.

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

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

(h) BREDS High-Yield represents the flagship real estate debt drawdown funds only and excludes BREDS High Grade.

(i) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not meaningful.

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

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

(l) Represents Blackstone Strategic Capital Holdings (including Co-investment) which is focused on acquiring strategic minority positions in alternative asset managers.

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

Unitholder Distribution

- ▶ Generated \$0.44 of Distributable Earnings per common unit during the quarter, bringing the LTM amount to \$2.20 per common unit.
- ▶ Blackstone declared a quarterly distribution of \$0.37 per common unit to record holders as of April 29, 2019; payable on May 6, 2019.

(Dollars in Thousands, Except per Unit Data)	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	% Change		% Change	
						vs. 1Q'18	1Q'18 LTM	1Q'19 LTM	vs. 1Q'18 LTM
Distributable Earnings	\$ 502,055	\$ 700,142	\$ 769,284	\$ 722,081	\$ 537,958	7%	\$ 3,148,132	\$ 2,729,465	(13)%
Add: Other Payables Attributable to Common Unitholders	7,028	29,379	22,980	43,345	14,598	108%	98,500	110,302	12%
DE before Certain Payables	509,083	729,521	792,264	765,426	552,556	9%	3,246,632	2,839,767	(13)%
Percent to Common Unitholders	56%	57%	56%	56%	56%		56%	56%	
DE before Certain Payables Attributable to Common Unitholders	285,633	414,071	447,516	429,433	310,832	9%	1,810,252	1,601,852	(12)%
Less: Other Payables Attributable to Common Unitholders	(7,028)	(29,379)	(22,980)	(43,345)	(14,598)	108%	(98,500)	(110,302)	12%
DE Attributable to Common Unitholders	278,605	384,692	424,536	386,088	296,234	6%	1,711,752	1,491,550	(13)%
DE per Common Unit	\$ 0.41	\$ 0.56	\$ 0.63	\$ 0.57	\$ 0.44	7%	\$ 2.56	\$ 2.20	(14)%
Less: Retained Capital per Common Unit	\$ (0.06)	\$ (0.08)	\$ (0.09)	\$ (0.09)	\$ (0.07)	17%	\$ (0.38)	\$ (0.33)	(13)%
Special Cash Distribution per Common Unit	\$ -	\$ 0.10	\$ 0.10	\$ 0.10	\$ -	n/m	\$ -	\$ 0.30	n/m
Actual Distribution per Common Unit	\$ 0.35	\$ 0.58	\$ 0.64	\$ 0.58	\$ 0.37	6%	\$ 2.18	\$ 2.17	(0)%
Record Date					Apr 29, 2019				
Payable Date					May 6, 2019				

A detailed description of Blackstone's distribution policy and the definition of Distributable Earnings can be found on pages 30-31, 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 Participating Common Units (page 23, Unit Summary); 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 \$47 million for 1Q'19 and \$223 million for 1Q'19 LTM.

Unit Summary

- ▶ Blackstone repurchased 1.5 million common units in the quarter, resulting in Distributable Earnings Units Outstanding of 1,199 million units.
 - Over the LTM, Blackstone repurchased 17.5 million common units.
 - Available authorization remaining was \$406 million at March 31, 2019.

	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19
Participating Common Units	676,168,743	682,801,258	678,771,864	672,755,818	674,457,578
Participating Partnership Units	528,967,264	520,175,306	522,898,542	526,370,654	524,504,626
Distributable Earnings Units Outstanding	1,205,136,007	1,202,976,564	1,201,670,406	1,199,126,472	1,198,962,204

Reconciliations and Disclosures

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	1Q'18 LTM	1Q'19 LTM
Net Income (Loss) Attributable to The Blackstone Group L.P.	\$ 367,872	\$ 742,042	\$ 442,742	\$ (10,868)	\$ 481,304	\$ 1,387,337	\$ 1,655,220
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	320,208	678,952	360,576	5,253	402,260	1,303,485	1,447,041
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	155,499	129,078	143,101	(68,800)	186,833	514,253	390,212
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(1,275)	905	2,569	(4,303)	2,480	10,531	1,651
Net Income (Loss)	\$ 842,304	\$ 1,550,977	\$ 948,988	\$ (78,718)	\$ 1,072,877	\$ 3,215,606	\$ 3,494,124
Provision for Taxes	54,495	138,731	26,798	29,366	41,155	740,205	236,050
Income (Loss) Before Provision for Taxes	\$ 896,799	\$ 1,689,708	\$ 975,786	\$ (49,352)	\$ 1,114,032	\$ 3,955,811	\$ 3,730,174
Transaction-Related Charges (a)	52,489	(470,078)	79,242	76,431	89,451	(181,021)	(224,954)
Amortization of Intangibles (b)	14,873	14,873	14,856	15,392	16,483	51,826	61,604
Impact of Consolidation (c)	(154,224)	(129,983)	(145,670)	73,103	(189,313)	(524,784)	(391,863)
Unrealized Performance Revenues (d)	(628,339)	(440,424)	(298,931)	806,531	(664,333)	(646,985)	(597,157)
Unrealized Performance Allocations Compensation (e)	254,435	189,991	178,184	(302,868)	287,015	350,696	352,322
Unrealized Principal Investment (Income) Loss (f)	(13,978)	(52,126)	(28,704)	160,659	(139,925)	18,293	(60,096)
Other Revenues (g)	60,894	(94,416)	(9,092)	(46,854)	(13,189)	192,658	(163,551)
Equity-Based Compensation (h)	44,148	34,394	36,576	43,102	66,776	121,344	180,848
Taxes and Related Payables (i)	(25,042)	(41,797)	(32,963)	(54,063)	(29,039)	(189,706)	(157,862)
Distributable Earnings	\$ 502,055	\$ 700,142	\$ 769,284	\$ 722,081	\$ 537,958	\$ 3,148,132	\$ 2,729,465
Taxes and Related Payables (i)	25,042	41,797	32,963	54,063	29,039	189,706	157,862
Net Interest (Income) Loss (j)	1,853	(2,842)	(9,013)	(11,923)	(5,061)	40,817	(28,839)
Total Segment Distributable Earnings	\$ 528,950	\$ 739,097	\$ 793,234	\$ 764,221	\$ 561,936	\$ 3,378,655	\$ 2,858,488
Realized Performance Revenues (k)	(278,371)	(477,544)	(572,159)	(483,697)	(246,769)	(2,794,933)	(1,780,169)
Realized Performance Compensation (l)	114,829	172,894	190,773	199,645	85,240	1,038,462	648,552
Realized Principal Investment Income (m)	(28,693)	(94,647)	(65,620)	(47,098)	(25,908)	(261,993)	(233,273)
Fee Related Earnings	\$ 336,715	\$ 339,800	\$ 346,228	\$ 433,071	\$ 374,499	\$ 1,360,191	\$ 1,493,598
Adjusted EBITDA Reconciliation							
Distributable Earnings	\$ 502,055	\$ 700,142	\$ 769,284	\$ 722,081	\$ 537,958	\$ 3,148,132	\$ 2,729,465
Interest Expense (n)	38,238	38,885	40,923	41,792	41,638	191,626	163,238
Taxes and Related Payables (i)	25,042	41,797	32,963	54,063	29,039	189,706	157,862
Depreciation and Amortization	6,251	5,986	5,681	5,964	5,789	25,263	23,420
Adjusted EBITDA	\$ 571,586	\$ 786,810	\$ 848,851	\$ 823,900	\$ 614,424	\$ 3,554,727	\$ 3,073,985

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See pages 30-31, Definitions and Distribution Policy.

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

	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	1Q'18 LTM	1Q'19 LTM
GAAP Unrealized Performance Allocations	\$ 628,089	\$ 440,351	\$ 299,238	\$ (806,305)	\$ 663,999	\$ 647,237	\$ 597,283
Segment Adjustment	250	73	(307)	(226)	334	(252)	(126)
Unrealized Performance Revenues	\$ 628,339	\$ 440,424	\$ 298,931	\$ (806,531)	\$ 664,333	\$ 646,985	\$ 597,157

- (e) This adjustment removes Unrealized Performance Allocations Compensation.
- (f) This adjustment removes Unrealized Principal Investment Income (Loss) on a segment basis. The Segment Adjustment represents (1) the add back of Principal Investment Income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	1Q'18 LTM	1Q'19 LTM
GAAP Unrealized Principal Investment Income (Loss)	\$ 111,774	\$ 103,468	\$ 52,840	\$ (218,165)	\$ 169,044	\$ 194,567	\$ 107,187
Segment Adjustment	(97,796)	(51,342)	(24,136)	57,506	(29,119)	(212,860)	(47,091)
Unrealized Principal Investment Income (Loss)	\$ 13,978	\$ 52,126	\$ 28,704	\$ (160,659)	\$ 139,925	\$ (18,293)	\$ 60,096

- (g) This adjustment removes Other Revenues on a segment basis. The Segment Adjustment represents (1) the add back of Other Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of certain Transaction-Related Charges. For the three months ended June 30, 2018, Transaction-Related Charges included \$580.9 million of Other Revenues received upon the conclusion of Blackstone's investment sub-advisory relationship with FS Investments' funds.

	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	1Q'18 LTM	1Q'19 LTM
GAAP Other Revenue	\$ (59,317)	\$ 675,343	\$ 9,368	\$ 46,923	\$ 10,250	\$ (188,334)	\$ 741,884
Segment Adjustment	(1,577)	(580,927)	(276)	(69)	2,939	(4,324)	(578,333)
Other Revenues	\$ (60,894)	\$ 94,416	\$ 9,092	\$ 46,854	\$ 13,189	\$ (192,658)	\$ 163,551

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

Reconciliation of GAAP to Non-GAAP Measures – Notes Continued

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

	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	1Q'18 LTM	1Q'19 LTM
Taxes	\$ 18,228	\$ 20,026	\$ 12,793	\$ 38,975	\$ 15,344	\$ 100,954	\$ 87,138
Related Payables	6,814	21,771	20,170	15,088	13,695	88,752	70,724
Taxes and Related Payables	\$ 25,042	\$ 41,797	\$ 32,963	\$ 54,063	\$ 29,039	\$ 189,706	\$ 157,862

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

	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	1Q'18 LTM	1Q'19 LTM
GAAP Interest and Dividend Revenue	\$ 35,385	\$ 40,073	\$ 48,604	\$ 47,885	\$ 44,084	\$ 146,586	\$ 180,646
Segment Adjustment	1,000	1,654	1,332	5,830	2,615	4,223	11,431
Interest and Dividend Revenue	\$ 36,385	\$ 41,727	\$ 49,936	\$ 53,715	\$ 46,699	\$ 150,809	\$ 192,077
GAAP Interest Expense	\$ 38,671	\$ 39,320	\$ 41,355	\$ 44,644	\$ 42,002	\$ 195,911	\$ 167,321
Segment Adjustment	(433)	(435)	(432)	(2,852)	(364)	(4,285)	(4,083)
Interest Expense	\$ 38,238	\$ 38,885	\$ 40,923	\$ 41,792	\$ 41,638	\$ 191,626	\$ 163,238
Net Interest Income (Loss)	\$ (1,853)	\$ 2,842	\$ 9,013	\$ 11,923	\$ 5,061	\$ (40,817)	\$ 28,839

- (k) This adjustment removes the total segment amounts of Realized Performance Revenues.
(l) This adjustment removes the total segment amounts of Realized Performance Compensation.
(m) This adjustment removes the total segment amount of Realized Principal Investment Income.
(n) This adjustment adds back Interest Expense on a segment basis.

Reconciliation of GAAP Common Units Outstanding to Distributable Earnings Units Outstanding

	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19
GAAP Common Units Outstanding	666,812,752	673,544,082	669,411,215	663,212,830	665,331,887
Unvested Participating Common Units	9,355,991	9,257,176	9,360,649	9,542,988	9,125,691
Participating Common Units	676,168,743	682,801,258	678,771,864	672,755,818	674,457,578
Participating Partnership Units	528,967,264	520,175,306	522,898,542	526,370,654	524,504,626
Distributable Earnings Units Outstanding	1,205,136,007	1,202,976,564	1,201,670,406	1,199,126,472	1,198,962,204

Disclosure of Weighted-Average Units Outstanding

	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19
Total GAAP Weighted-Average Common Units Outstanding - Basic	674,479,140	681,794,492	682,435,177	676,629,572	674,507,698
Weighted-Average Unvested Deferred Restricted Common Units	198,934	216,118	230,759	-	207,752
Weighted-Average Blackstone Holdings Partnership Units	535,895,780	-	523,212,047	-	525,764,790
Total GAAP Weighted-Average Units Outstanding - Diluted	1,210,573,854	682,010,610	1,205,877,983	676,629,572	1,200,480,240

Reconciliation of GAAP to Total Segment Measures

(Dollars in Thousands)	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	1Q'18 LTM	1Q'19 LTM
Management and Advisory Fees, Net							
GAAP	\$ 728,849	\$ 721,384	\$ 780,009	\$ 797,554	\$ 809,726	\$ 2,834,687	\$ 3,108,673
Segment Adjustment (a)	7,195	1,610	(790)	641	4,336	22,567	5,797
Total Segment	\$ 736,044	\$ 722,994	\$ 779,219	\$ 798,195	\$ 814,062	\$ 2,857,254	\$ 3,114,470
GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues							
GAAP							
Incentive Fees	12,566	19,378	9,799	15,797	12,132	208,569	57,106
Investment Income - Realized Performance Allocations	269,640	503,376	592,103	511,388	242,375	2,729,546	1,849,242
GAAP	\$ 282,206	\$ 522,754	\$ 601,902	\$ 527,185	\$ 254,507	\$ 2,938,115	\$ 1,906,348
Total Segment							
Less: Realized Performance Revenues	(278,371)	(477,544)	(572,159)	(483,697)	(246,769)	(2,794,933)	(1,780,169)
Segment Adjustment (b)	2	305	556	697	41	2,886	1,599
Total Segment	\$ 3,837	\$ 45,515	\$ 30,299	\$ 44,185	\$ 7,779	\$ 146,068	\$ 127,778
GAAP Compensation to Total Segment Fee Related Compensation							
GAAP							
Compensation	389,403	427,479	419,285	373,790	471,397	1,480,299	1,691,951
Incentive Fees Compensation	6,662	9,743	7,251	10,260	5,406	89,476	32,660
Realized Performance Allocations Compensation	112,062	186,398	200,442	212,174	86,395	1,027,549	685,409
GAAP	\$ 508,127	\$ 623,620	\$ 626,978	\$ 596,224	\$ 563,198	\$ 2,597,324	\$ 2,410,020
Total Segment							
Less: Realized Performance Compensation	(114,829)	(172,894)	(190,773)	(199,645)	(85,240)	(1,038,462)	(648,552)
Less: Equity-Based Compensation - Operating Compensation	(40,248)	(31,483)	(33,514)	(39,968)	(63,708)	(107,008)	(168,673)
Less: Equity-Based Compensation - Performance Compensation	(3,900)	(2,911)	(3,062)	(3,134)	(3,068)	(14,336)	(12,175)
Segment Adjustment (c)	(53,076)	(110,089)	(65,084)	(74,193)	(87,151)	(229,883)	(336,517)
Total Segment	\$ 296,074	\$ 306,243	\$ 334,545	\$ 279,284	\$ 324,031	\$ 1,207,635	\$ 1,244,103
GAAP General, Administrative and Other to Total Segment Other Operating Expenses							
GAAP	\$ 126,713	\$ 145,828	\$ 168,813	\$ 153,519	\$ 146,062	\$ 505,909	\$ 614,222
Segment Adjustment (d)	(19,621)	(23,362)	(40,068)	(23,494)	(22,751)	(70,413)	(109,675)
Total Segment	\$ 107,092	\$ 122,466	\$ 128,745	\$ 130,025	\$ 123,311	\$ 435,496	\$ 504,547
Realized Performance Revenues							
GAAP							
Incentive Fees	12,566	19,378	9,799	15,797	12,132	208,569	57,106
Investment Income - Realized Performance Allocations	269,640	503,376	592,103	511,388	242,375	2,729,546	1,849,242
GAAP	\$ 282,206	\$ 522,754	\$ 601,902	\$ 527,185	\$ 254,507	\$ 2,938,115	\$ 1,906,348
Total Segment							
Less: Fee Related Performance Revenues	(3,837)	(45,515)	(30,299)	(44,185)	(7,779)	(146,068)	(127,778)
Segment Adjustment (b)	2	305	556	697	41	2,886	1,599
Total Segment	\$ 278,371	\$ 477,544	\$ 572,159	\$ 483,697	\$ 246,769	\$ 2,794,933	\$ 1,780,169

Reconciliation of GAAP to Total Segment Measures – Continued

(Dollars in Thousands)	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	1Q'18 LTM	1Q'19 LTM
Realized Performance Compensation							
GAAP							
Incentive Fee Compensation	\$ 6,662	\$ 9,743	\$ 7,251	\$ 10,260	\$ 5,406	\$ 89,476	\$ 32,660
Realized Performance Allocations Compensation	112,062	186,398	200,442	212,174	86,395	1,027,549	685,409
GAAP	\$ 118,724	\$ 196,141	\$ 207,693	\$ 222,434	\$ 91,801	\$ 1,117,025	\$ 718,069
Total Segment							
Less: Fee Related Performance Compensation	5	(20,336)	(13,858)	(19,655)	(3,493)	(64,227)	(57,342)
Less: Equity-Based Compensation - Performance Compensation	(3,900)	(2,911)	(3,062)	(3,134)	(3,068)	(14,336)	(12,175)
Total Segment	\$ 114,829	\$ 172,894	\$ 190,773	\$ 199,645	\$ 85,240	\$ 1,038,462	\$ 648,552
Realized Principal Investment Income							
GAAP	\$ 42,145	\$ 129,197	\$ 134,619	\$ 109,901	\$ 73,261	\$ 426,570	\$ 446,978
Segment Adjustment (e)	(13,452)	(34,550)	(68,999)	(62,803)	(47,353)	(164,577)	(213,705)
Total Segment	\$ 28,693	\$ 94,647	\$ 65,620	\$ 47,098	\$ 25,908	\$ 261,993	\$ 233,273
GAAP Interest and Dividend Revenue net of Interest Expense to Total Segment Net Interest Income							
GAAP							
Interest and Dividend Revenue	35,385	40,073	48,604	47,885	44,084	146,586	180,646
Interest Expense	(38,671)	(39,320)	(41,355)	(44,644)	(42,002)	(195,911)	(167,321)
GAAP	\$ (3,286)	\$ 753	\$ 7,249	\$ 3,241	\$ 2,082	\$ (49,325)	\$ 13,325
Segment Adjustment (f)	1,433	2,089	1,764	8,682	2,979	8,508	15,514
Total Segment	\$ (1,853)	\$ 2,842	\$ 9,013	\$ 11,923	\$ 5,061	\$ (40,817)	\$ 28,839

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

- (a) Represents (1) the add back of net management fees earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Other Operating Expenses in the Total Segment measures.
- (b) Represents the add back of Performance Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.
- (c) Represents the removal of Transaction-Related Charges that are not recorded in the Total Segment measures.
- (d) Represents the removal of (1) the amortization of transaction-related intangibles, and (2) certain expenses reimbursed by the Blackstone Funds, which are presented gross under GAAP but netted against Other Operating Expenses in the Total Segment measures.
- (e) Represents (1) the add back of Principal Investment Income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.
- (f) Represents (1) the add back of Other Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of interest expense associated with the Tax Receivable Agreement.

Definitions and Distribution Policy

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

- **Segment Distributable Earnings**, or “**Segment DE**”, is Blackstone’s segment profitability measure used to make operating decisions and assess performance across Blackstone’s four segments. Segment DE represents the net realized earnings of Blackstone’s segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone’s segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone’s consolidated Operating Partnerships, removes the amortization of intangible assets and removes Transaction-Related Charges. Segment DE excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.
 - **Net Realizations** is presented on a segment basis and is the sum of Realized Principal Investment Income and Realized Performance Revenues (which refers to Realized Performance Revenues excluding Fee Related Performance Revenues), less Realized Performance Compensation (which refers to Realized Performance Compensation excluding Fee Related Performance Compensation and Equity-Based Performance Compensation).
 - **Total Segment Revenues** and **Segment Revenues** represent Net Management and Advisory Fees, Fee Related Performance Revenues, Realized Performance Revenues and Realized Principal Investment Income.
- **Distributable Earnings**, or “**DE**”, is derived from Blackstone’s segment reported results, and is used 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 the sum of Segment DE plus Net Interest Income (Loss) less Taxes and Related Payables. DE excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.
 - **Net Interest Income (Loss)** is presented on a segment basis and is equal to Interest and Dividend Revenue less Interest Expense, adjusted for the impact of consolidation of Blackstone Funds, and interest expense associated with the Tax Receivable Agreement.
 - **Taxes and Related Payables** represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes excluding the tax impact of any divestitures and including the Payable under the Tax Receivable Agreement.
- **Fee Related Earnings**, or “**FRE**”, is a performance measure used to assess Blackstone’s ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. FRE equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Performance Revenues, less (a) Fee Related Compensation on a segment basis, and (b) Other Operating Expenses. FRE is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.
 - **Fee Related Compensation** is presented on a segment basis and refers to the compensation expense, excluding Equity-Based Compensation, directly related to Management and Advisory Fees, Net and Fee Related Performance Revenues.
 - **Fee Related Performance Revenues** refers to the realized portion of Performance Revenues from Perpetual Capital that are (a) measured and received on a recurring basis, and (b) not dependent on realization events from the underlying investments.
 - **Fee Related Performance Compensation** is included in Fee Related Compensation on a segment basis and refers to compensation expense directly related to Fee Related Performance Revenues.
 - **Perpetual Capital** refers to the component of assets under management with an indefinite term, that is not in liquidation, and for which there is no requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows. Includes co-investment capital with an investor right to convert into Perpetual Capital.

Definitions and Distribution Policy – Continued

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

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, financial performance and unit repurchase and distribution activities. 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, 2018, 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.

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