



## Blackstone Reports Second Quarter 2019 Results

**New York, July 18, 2019:** Blackstone (NYSE:BX) today reported its second quarter 2019 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “Blackstone’s strong second-quarter results were highlighted by \$45 billion of new capital inflows from our limited partners. Total Assets Under Management rose to a record \$545 billion, up 24% year over year, driven by an unprecedented \$151 billion of inflows over the last twelve months and positive investment performance. These results reflect the enormous confidence our firm has earned with global investors through decades of delivering strong performance and innovation. We marked the firm’s final quarter as a publicly-traded partnership, culminating in our transition to a corporation as of July 1. Investor reception to the conversion has been exceedingly positive, and we are beginning to see the benefits of having a vastly larger universe of potential shareholders.”

Blackstone issued a full detailed presentation of its second quarter 2019 results, which can be viewed at [www.blackstone.com](http://www.blackstone.com).

### Dividend

Blackstone has declared a quarterly dividend of \$0.48 per common share to record holders of common shares at the close of business on July 29, 2019. This dividend will be paid on August 5, 2019.

### Quarterly Investor Call Details

Blackstone will host a conference call on July 18, 2019 at 9:00 a.m. ET to discuss second quarter 2019 results. The conference call can be accessed via the Shareholders section of Blackstone’s website at [www.blackstone.com](http://www.blackstone.com) or by dialing +1 (877) 391-6747 (U.S. domestic) or +1 (617) 597-9291 (international), passcode 149 943 55#. For those unable to listen to the live broadcast, a replay will be available on [www.blackstone.com](http://www.blackstone.com) or by dialing +1 (888) 286-8010 (U.S. domestic) or +1 (617) 801-6888 (international), passcode 109 924 29#.

### 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 \$545 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](http://www.blackstone.com). Follow Blackstone on twitter [@Blackstone](https://twitter.com/Blackstone).

### **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 our current views with respect to, among other things, our operations, taxes, earnings and financial performance, share repurchases and dividends. 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. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission (“SEC”), which are accessible on the SEC’s website at [www.sec.gov](http://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 report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we undertake 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.

### **Investor and Media Relations Contacts**

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

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

Christine Anderson  
Blackstone  
Tel: +1 (212) 583-5182  
[Christine.Anderson@blackstone.com](mailto:Christine.Anderson@blackstone.com)

# Blackstone's Second Quarter 2019 Earnings

July 18, 2019

## Blackstone's Second Quarter 2019 GAAP Results

► GAAP Net Income was \$647 million for the quarter and \$1.7 billion year-to-date. GAAP Net Income Attributable to The Blackstone Group L.P. was \$306 million for the quarter and \$787 million year-to-date.

(Dollars in Thousands, Except per Unit Data) (Unaudited)	2Q'18	2Q'19	2Q'18 YTD	2Q'19 YTD	2Q'17 LTM	2Q'18 LTM	2Q'19 LTM
<b>Revenues</b>							
Management and Advisory Fees, Net	\$ 721,384	\$ 840,378	\$ 1,450,233	\$ 1,650,104	\$ 2,575,989	\$ 2,865,214	\$ 3,227,667
Incentive Fees	19,378	21,915	31,944	34,047	179,504	187,644	59,643
Investment Income (Loss)							
Performance Allocations							
Realized	503,376	332,520	773,016	574,895	2,654,741	2,630,260	1,678,386
Unrealized	440,351	157,732	1,068,440	821,731	349,657	992,056	314,664
Principal Investments							
Realized	129,197	145,040	171,342	218,301	602,103	430,709	462,821
Unrealized	103,468	(37,345)	215,242	131,699	806	290,760	(33,626)
Total Investment Income	1,176,392	597,947	2,228,040	1,746,626	3,607,307	4,343,785	2,422,245
Interest and Dividend Revenue	40,073	43,686	75,458	87,770	112,561	152,956	184,259
Other	675,343	(17,120)	616,026	(6,870)	(11,446)	546,673	49,421
<b>Total Revenues</b>	<b>2,632,570</b>	<b>1,486,806</b>	<b>4,401,701</b>	<b>3,511,677</b>	<b>6,463,915</b>	<b>8,096,272</b>	<b>5,943,235</b>
<b>Expenses</b>							
Compensation and Benefits							
Compensation	427,479	438,521	816,882	909,918	1,352,773	1,540,575	1,702,993
Incentive Fee Compensation	9,743	8,886	16,405	14,292	83,870	78,187	31,803
Performance Allocations Compensation							
Realized	186,398	125,825	298,460	212,220	880,435	1,018,209	624,836
Unrealized	189,991	64,518	444,426	351,533	316,754	453,777	226,849
Total Compensation and Benefits	813,611	637,750	1,576,173	1,487,963	2,633,832	3,090,748	2,586,481
General, Administrative and Other	145,828	175,308	272,541	321,370	508,616	532,185	643,702
Interest Expense	39,320	43,596	77,991	85,598	159,755	194,142	171,597
Fund Expenses	17,622	5,586	72,607	8,473	112,105	131,649	14,352
<b>Total Expenses</b>	<b>1,016,381</b>	<b>862,240</b>	<b>1,999,312</b>	<b>1,903,404</b>	<b>3,414,308</b>	<b>3,948,724</b>	<b>3,416,132</b>
<b>Other Income</b>							
Reduction of Tax Receivable Agreement Liability	-	-	-	-	-	403,855	-
Net Gains from Fund Investment Activities	73,519	61,131	184,118	191,456	311,091	329,529	199,060
<b>Income Before Provision for Taxes</b>	<b>\$ 1,689,708</b>	<b>\$ 685,697</b>	<b>\$ 2,586,507</b>	<b>\$ 1,799,729</b>	<b>\$ 3,360,698</b>	<b>\$ 4,880,932</b>	<b>\$ 2,726,163</b>
Provision for Taxes	138,731	38,736	193,226	79,891	162,846	849,328	136,055
<b>Net Income</b>	<b>\$ 1,550,977</b>	<b>\$ 646,961</b>	<b>\$ 2,393,281</b>	<b>\$ 1,719,838</b>	<b>\$ 3,197,852</b>	<b>\$ 4,031,604</b>	<b>\$ 2,590,108</b>
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	905	1,095	(370)	3,575	15,418	10,445	1,841
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	129,078	80,744	284,577	267,577	392,966	530,387	341,878
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	678,952	259,330	999,160	661,590	1,319,656	1,698,800	1,027,419
<b>Net Income Attributable to The Blackstone Group L.P. ("BX")</b>	<b>\$ 742,042</b>	<b>\$ 305,792</b>	<b>\$ 1,109,914</b>	<b>\$ 787,096</b>	<b>\$ 1,469,812</b>	<b>\$ 1,791,972</b>	<b>\$ 1,218,970</b>
<b>Net Income per Common Unit, Basic</b>	<b>\$ 1.09</b>	<b>\$ 0.45</b>	<b>\$ 1.64</b>	<b>\$ 1.17</b>	<b>\$ 2.25</b>	<b>\$ 2.66</b>	<b>\$ 1.80</b>
<b>Net Income per Common Unit, Diluted</b>	<b>\$ 1.09</b>	<b>\$ 0.45</b>	<b>\$ 1.63</b>	<b>\$ 1.16</b>	<b>\$ 2.22</b>	<b>\$ 2.66</b>	<b>\$ 1.79</b>
Income Before Provision for Taxes Margin	64.2%	46.1%	58.8%	51.2%	52.0%	60.3%	45.9%

Income Before Provision for Taxes Margin is calculated by dividing Income Before Provision for Taxes by Total Revenues. Effective July 1, 2019, The Blackstone Group L.P. converted from a Delaware limited partnership to a Delaware corporation, The Blackstone Group Inc. (the "Conversion"). This presentation includes results for The Blackstone Group L.P. prior to the Conversion and for the quarter ended June 30, 2019. As of any time prior to the Conversion, references to "Blackstone," "the Company," "our" and similar terms mean The Blackstone Group L.P. and its consolidated subsidiaries and, as of any time after the Conversion, The Blackstone Group Inc. and its consolidated subsidiaries.

## Blackstone's Second Quarter 2019 Highlights

### Financial Measures

- ▶ Fee Related Earnings (“FRE”) of \$422 million (\$0.35/share) in the quarter, up 24% year-over-year
  - FRE was \$796 million year-to-date (\$0.66/share), up 18% year-over-year
- ▶ Distributable Earnings (“DE”) of \$709 million (\$0.57/share) in the quarter, up 1% year-over-year
  - DE was \$1.2 billion year-to-date (\$1.01/share), up 4% year-over-year
- ▶ Net Accrued Performance Revenues receivable of \$4.0 billion (\$3.39/share), up 4% year-over-year

### Capital Metrics

- ▶ Total Assets Under Management (“AUM”) of \$545.5 billion, up 24% year-over-year
- ▶ Inflows of \$45.1 billion in the quarter and a record \$150.7 billion for the LTM
- ▶ Realizations of \$10.6 billion in the quarter and \$38.4 billion for the LTM
- ▶ Deployment of \$18.3 billion in the quarter and a record \$56.3 billion for the LTM

### Shareholder Dividends

- ▶ Dividend of \$0.48 per common share payable on August 5, 2019
  - Dividends of \$0.85 per common share year-to-date
- ▶ Repurchased 7.0 million common shares in the quarter and 22.3 million common shares for the LTM
  - Increased share repurchase authorization to \$1.0 billion
- ▶ Nearly \$900 million distributed with respect to the second quarter to shareholders through dividends and share repurchases

### Corporate Structure

- ▶ Completed the conversion to a corporation on July 1, 2019

## Blackstone's Second Quarter 2019 Segment Earnings

(Dollars in Thousands, Except per Share Data)	2Q'18	2Q'19	% Change		2Q'18 YTD	2Q'19 YTD	% Change	
			vs. 2Q'18				vs. 2Q'18 YTD	
Management and Advisory Fees, Net	\$ 722,994	\$ 844,156	17%		\$ 1,459,038	\$ 1,658,218	14%	
Fee Related Performance Revenues	45,515	13,624	(70)%		49,352	21,403	(57)%	
Fee Related Compensation	(306,243)	(293,834)	(4)%		(602,317)	(617,865)	3%	
Other Operating Expenses	(122,466)	(142,121)	16%		(229,558)	(265,432)	16%	
<b>Fee Related Earnings</b>	<b>\$ 339,800</b>	<b>\$ 421,825</b>	<b>24%</b>		<b>\$ 676,515</b>	<b>\$ 796,324</b>	<b>18%</b>	
<i>FRE per Share</i>	<i>\$ 0.28</i>	<i>\$ 0.35</i>	<i>25%</i>		<i>\$ 0.56</i>	<i>\$ 0.66</i>	<i>18%</i>	
Realized Performance Revenues	477,544	341,386	(29)%		755,915	588,155	(22)%	
Realized Performance Compensation	(172,894)	(125,466)	(27)%		(287,723)	(210,706)	(27)%	
Realized Principal Investment Income	94,647	123,557	31%		123,340	149,465	21%	
<b>Net Realizations</b>	<b>399,297</b>	<b>339,477</b>	<b>(15)%</b>		<b>591,532</b>	<b>526,914</b>	<b>(11)%</b>	
<b>Total Segment Distributable Earnings</b>	<b>\$ 739,097</b>	<b>\$ 761,302</b>	<b>3%</b>		<b>\$ 1,268,047</b>	<b>\$ 1,323,238</b>	<b>4%</b>	
Net Interest Income	2,842	2,761	(3)%		989	7,822	691%	
Taxes and Related Payables	(41,797)	(55,201)	32%		(66,839)	(84,240)	26%	
<b>Distributable Earnings</b>	<b>\$ 700,142</b>	<b>\$ 708,862</b>	<b>1%</b>		<b>\$ 1,202,197</b>	<b>\$ 1,246,820</b>	<b>4%</b>	
<i>DE per Common Share</i>	<i>\$ 0.56</i>	<i>\$ 0.57</i>	<i>2%</i>		<i>\$ 0.97</i>	<i>\$ 1.01</i>	<i>4%</i>	
Total Segment Revenues	\$ 1,340,700	\$ 1,322,723	(1)%		\$ 2,387,645	\$ 2,417,241	1%	
Total Assets Under Management	\$ 439,386,656	\$ 545,482,337	24%		\$ 439,386,656	\$ 545,482,337	24%	
Fee-Earning Assets Under Management	\$ 332,978,145	\$ 387,864,642	16%		\$ 332,978,145	\$ 387,864,642	16%	

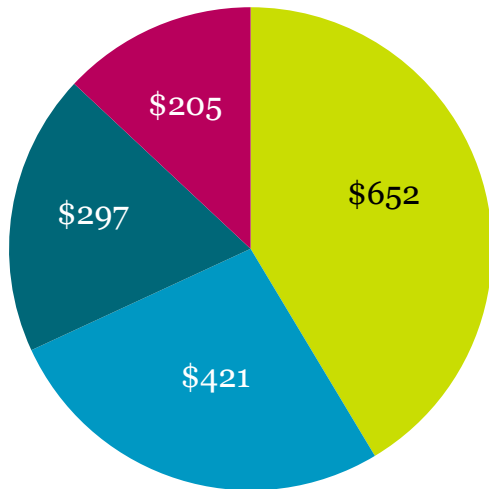
Fee Related Earnings per Share is based on end of period DE Shares Outstanding (see page 24, Share Summary). DE per Common Share is based on DE Attributable to Common Shareholders (see page 23, Shareholder Dividends) and end of period Participating Common Shares outstanding. YTD per Share amounts represent the sum of the last two quarters. See pages 31-32 for the Reconciliation of GAAP to Total Segment Measures.

## Summary of Financials by Segment

- ▶ Performance across segments generated LTM Fee Related Earnings of \$1.6 billion and LTM Segment Distributable Earnings of \$2.9 billion.
  - 2Q'19 LTM Distributable Earnings of \$2.7 billion.

### Fee Related Earnings (Dollars in Millions)

2Q'19 LTM Total: \$1,576



Real Estate

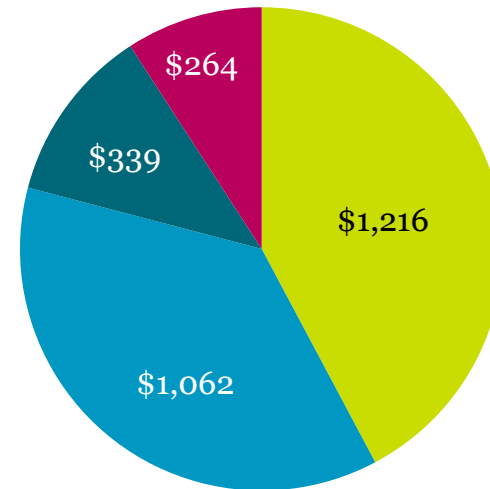
Private Equity

Hedge Fund Solutions

Credit

### Segment Distributable Earnings (Dollars in Millions)

2Q'19 LTM Total: \$2,881



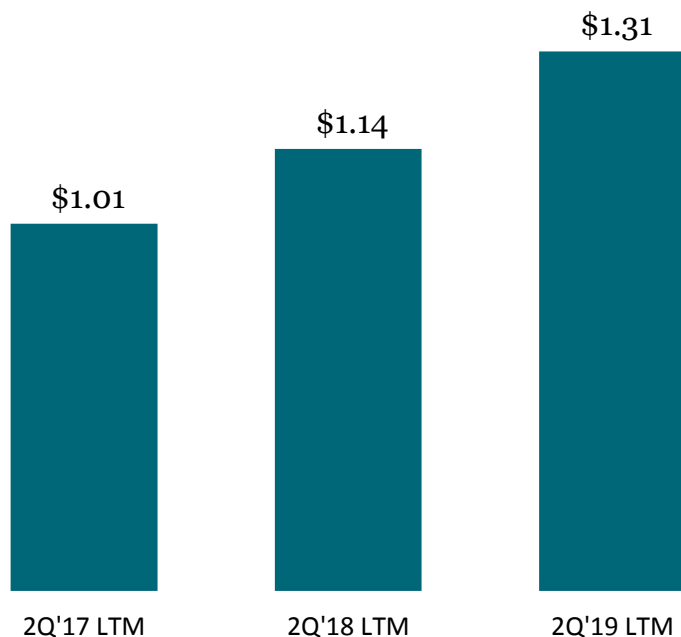
## Fee Related Earnings

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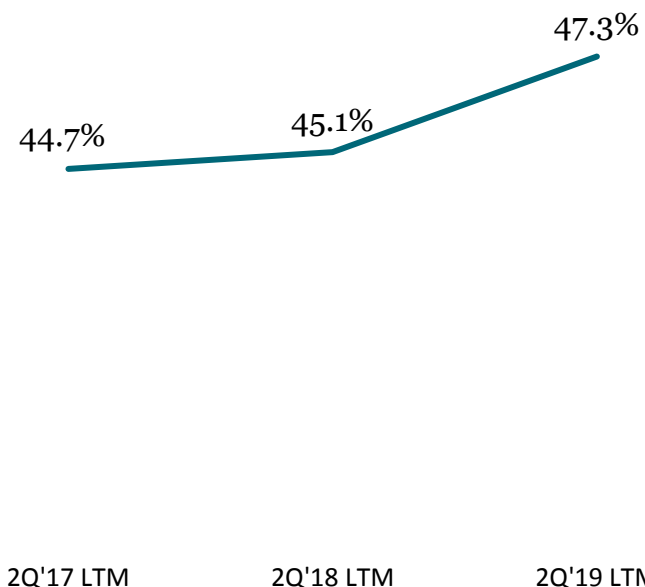
- ▶ LTM Fee Related Earnings of \$1.31 per share is up 15% year-over-year, and has increased 30% since 2Q'17 LTM.
- ▶ LTM Fee Related Earnings margin increased from 45.1% to 47.3% year-over-year, and has increased 260 basis points since 2Q'17 LTM.

### Fee Related Earnings

(Per Share)



### Fee Related Earnings Margin





## Investment Performance and Net Accrued Performance Revenues

- ▶ Range of performance across strategies in the quarter; Net Accrued Performance Revenues were \$4.0 billion (\$3.39/share), up 4% year-over-year.
  - Appreciation generated \$349 million of additional Net Accrued Performance Revenues, offsetting \$162 million of Net Realized Distributions.

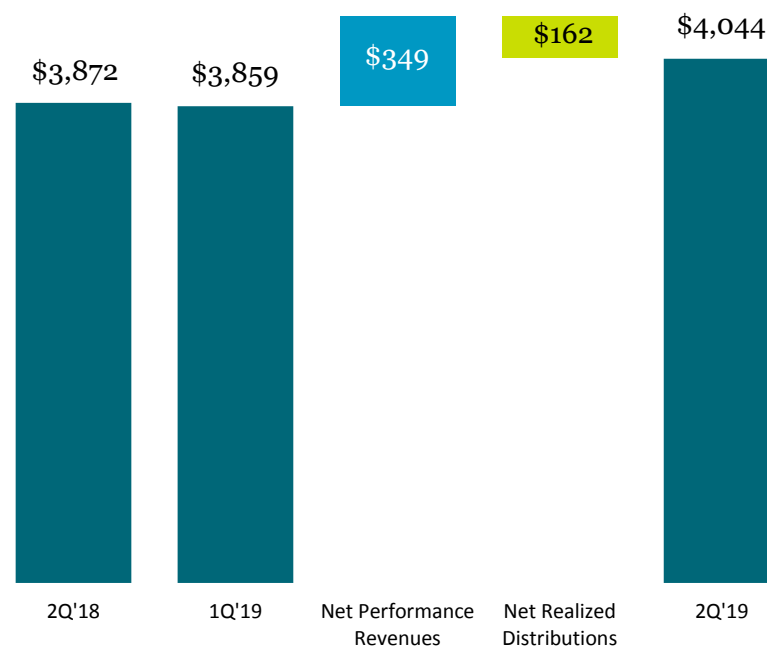
### Investment Performance

(Appreciation / Gross Returns)

	2Q'19	2Q'19 LTM
<b>Real Estate</b>		
Opportunistic Funds	4.4%	12.7%
Core+	0.8%	9.0%
<b>Private Equity</b>		
Corporate Private Equity	0.7%	9.6%
Tactical Opportunities	1.3%	7.9%
Strategic Partners	(2.6)%	7.9%
<b>Hedge Fund Solutions</b>		
BPS Composite	2.0%	4.8%
<b>Credit</b>		
Performing Credit	3.7%	9.8%
Distressed	(2.1)%	(5.1)%

### 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 1.8% and 4.0% for 2Q'19 and 2Q'19 LTM, respectively. Performing Credit net returns were 2.8% and 6.9% for 2Q'19 and 2Q'19 LTM, respectively. Distressed net returns were (2.5)% and (5.2)% for 2Q'19 and 2Q'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 \$45.1 billion in the quarter, bringing LTM inflows to a record \$150.7 billion.
  - Notable inflows in the quarter include \$8.4 billion for the initial close for the sixth Real Estate European opportunistic fund and \$7.2 billion raised for Infrastructure, bringing the Infrastructure platform to \$14.0 billion.
- ▶ Realizations were \$10.6 billion in the quarter and \$38.4 billion for the LTM.
- ▶ Deployed \$18.3 billion in the quarter and \$56.3 billion for the LTM.
  - Committed an additional \$8.4 billion during the quarter that is not yet deployed.

(Dollars in Millions)

		Inflows		Realizations		Capital Deployed	
		2Q'19	2Q'19 LTM	2Q'19	2Q'19 LTM	2Q'19	2Q'19 LTM
Real Estate	▶ Total Real Estate	\$ 14,365	\$ 42,130	\$ 3,990	\$ 14,729	\$ 3,933	\$ 16,807
	• Opportunistic	10,165	29,168	3,126	10,573	1,180	7,624
	• Core+	3,002	8,591	505	2,421	2,364	6,915
	• BREDS	1,198	4,371	359	1,735	389	2,268
Private Equity	▶ Total Private Equity	16,807	62,101	4,679	15,717	8,529	25,745
	• Private Equity	2,448	32,267	2,866	10,093	3,506	10,001
	• Tactical Opportunities	822	7,033	1,191	2,992	1,793	5,173
	• Strategic Partners	6,348	13,412	621	2,632	3,203	8,069
	• Infrastructure	7,189	9,388	-	-	27	2,503
Hedge Fund Solutions	▶ BAAM	3,813	12,724	296	773	2,102	3,136
Credit	▶ GSO/BIS/Harvest	10,127	33,770	1,630	7,136	3,719	10,623
<b>Total Blackstone</b>		<b>\$ 45,111</b>	<b>\$ 150,725</b>	<b>\$ 10,594</b>	<b>\$ 38,355</b>	<b>\$ 18,284</b>	<b>\$ 56,312</b>

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

## Assets Under Management

- ▶ Total AUM increased to \$545.5 billion, up 24% year-over-year, driven by \$150.7 billion of inflows despite \$65.1 billion of realizations and outflows.
- ▶ Fee-Earning AUM of \$387.9 billion was up 16% year-over-year as \$100.6 billion of inflows outpaced \$52.0 billion of realizations and outflows.
- ▶ Perpetual Capital AUM reached \$91.7 billion, up 43% year-over-year.

**Total AUM**  
(Dollars in Billions)



Real Estate

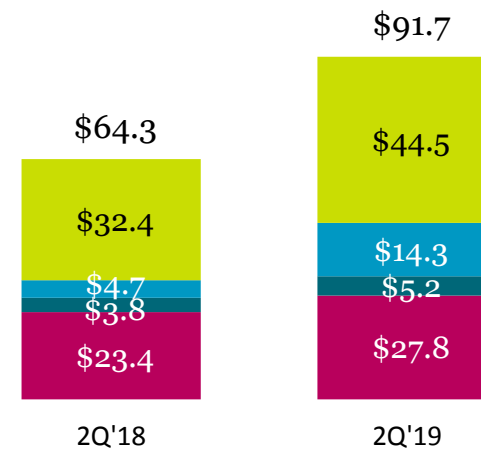
**Fee-Earning AUM**  
(Dollars in Billions)



Private Equity

Hedge Fund Solutions

**Perpetual Capital AUM**  
(Dollars in Billions)



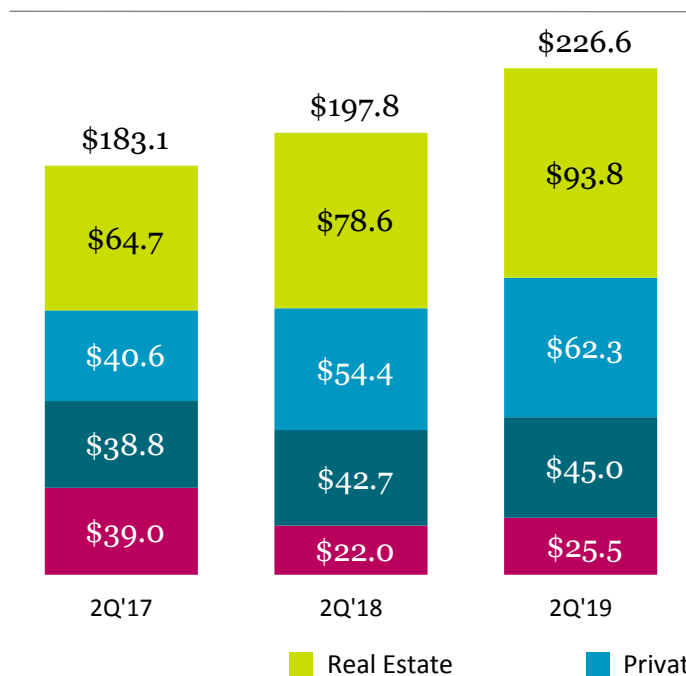
Credit

## Additional Capital Detail

- ▶ Invested Performance Revenue Eligible AUM reached \$226.6 billion at quarter end, up 15% year-over-year, and has increased 24% since the second quarter of 2017.
- ▶ Record undrawn capital (“Total Dry Powder”) available for investment of \$150.3 billion, driven by fundraising activity for the latest flagship funds.

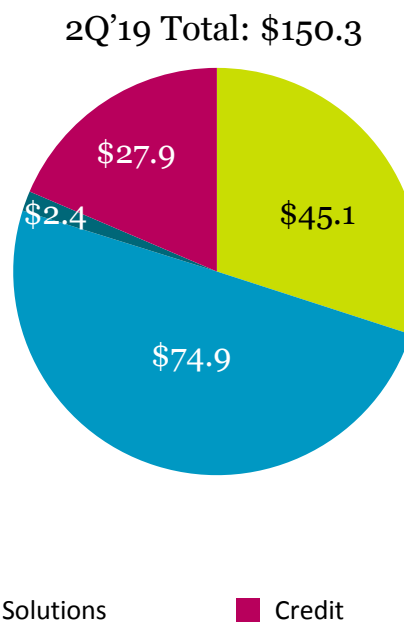
### Invested Performance Revenue Eligible AUM

(Dollars in Billions)



### Total Dry Powder

(Dollars in Billions)



# Segment Highlights

## Real Estate

- ▶ **Total AUM:** Increased 29% to a record \$153.6 billion with inflows of \$14.4 billion in the quarter and \$42.1 billion for the LTM.
  - Held \$8.4 billion initial close for the sixth European opportunistic fund; raised \$2.0 billion in BREIT and \$1.4 billion in BREP IX, which commenced its investment period on June 3rd.
- ▶ **Realizations:** \$4.0 billion in the quarter and \$14.7 billion for the LTM; realizations in the quarter included two secondary sales of Invitation Homes shares and the sale of Boca Resorts.
- ▶ **Capital Deployed:** \$3.9 billion in the quarter and \$16.8 billion for the LTM; deployment in the quarter included the acquisition of a Seattle office portfolio in BPP U.S. and an Australian office portfolio in BREP.
  - Committed an additional \$6.1 billion during the quarter that is not yet deployed, driven by the acquisition of GLP's 179 million square foot U.S. industrial portfolio, the largest ever private real estate transaction globally.
- ▶ **Appreciation:** Opportunistic funds and core+ funds increased 4.4% and 0.8% in the quarter, and 12.7% and 9.0% for the LTM, respectively.

(Dollars in Thousands)	2Q'18	2Q'19	% Change vs. 2Q'18	2Q'18 YTD	2Q'19 YTD	% Change vs. 2Q'18 YTD
Management Fees, Net	\$ 269,754	\$ 277,940	3%	\$ 517,700	\$ 561,816	9%
Fee Related Performance Revenues	45,515	11,072	(76)%	50,018	17,748	(65)%
Fee Related Compensation	(120,783)	(97,795)	(19)%	(221,393)	(212,611)	(4)%
Other Operating Expenses	(36,026)	(40,114)	11%	(65,443)	(79,100)	21%
<b>Fee Related Earnings</b>	<b>\$ 158,460</b>	<b>\$ 151,103</b>	<b>(5)%</b>	<b>\$ 280,882</b>	<b>\$ 287,853</b>	<b>2%</b>
Realized Performance Revenues	317,509	198,573	(37)%	468,690	275,755	(41)%
Realized Performance Compensation	(94,716)	(67,742)	(28)%	(150,831)	(97,642)	(35)%
Realized Principal Investment Income	50,199	47,420	(6)%	64,889	45,289	(30)%
<b>Net Realizations</b>	<b>272,992</b>	<b>178,251</b>	<b>(35)%</b>	<b>382,748</b>	<b>223,402</b>	<b>(42)%</b>
<b>Segment Distributable Earnings</b>	<b>\$ 431,452</b>	<b>\$ 329,354</b>	<b>(24)%</b>	<b>\$ 663,630</b>	<b>\$ 511,255</b>	<b>(23)%</b>
Segment Revenues	\$ 682,977	\$ 535,005	(22)%	\$ 1,101,297	\$ 900,608	(18)%
Total AUM	\$ 119,399,973	\$ 153,604,820	29%	\$ 119,399,973	\$ 153,604,820	29%
Fee-Earning AUM	\$ 88,776,501	\$ 112,287,094	26%	\$ 88,776,501	\$ 112,287,094	26%

Appreciation for core+ funds excludes BREIT.

## Private Equity

- ▶ **Total AUM:** Increased 43% to a record \$171.2 billion with inflows of \$16.8 billion in the quarter and \$62.1 billion for the LTM.
  - Raised \$15.7 billion of capital primarily driven by Infrastructure and Strategic Partners in the quarter.
- ▶ **Realizations:** \$4.7 billion in the quarter, including the sale of Cloverleaf, and \$15.7 billion for the LTM.
- ▶ **Capital Deployed:** \$8.5 billion in the quarter and \$25.7 billion for the LTM, including the acquisition of Ultimate Software and Aadhar in the quarter.
  - Committed an additional \$1.6 billion during the quarter that is not yet deployed, including Core Private Equity's investment in Merlin Entertainments.
- ▶ **Appreciation:** Corporate Private Equity increased 0.7% in the quarter driven by underlying appreciation in the private portfolio, partially offset by decreases in the public portfolio and certain energy positions, and was up 9.6% for the LTM.

(Dollars in Thousands)	2Q'18	2Q'19	% Change		2Q'18 YTD	2Q'19 YTD	% Change	
			vs. 2Q'18				vs. 2Q'18 YTD	
Management and Advisory Fees, Net	\$ 203,950	\$ 278,976	37%		\$ 394,812	\$ 530,699	34%	
Fee Related Compensation	(94,170)	(105,107)	12%		(183,736)	(212,694)	16%	
Other Operating Expenses	(36,047)	(40,429)	12%		(67,198)	(74,630)	11%	
<b>Fee Related Earnings</b>	<b>\$ 73,733</b>	<b>\$ 133,440</b>	<b>81%</b>		<b>\$ 143,878</b>	<b>\$ 243,375</b>	<b>69%</b>	
Realized Performance Revenues	138,171	122,907	(11)%		215,294	279,506	30%	
Realized Performance Compensation	(68,513)	(52,081)	(24)%		(101,558)	(102,637)	1%	
Realized Principal Investment Income	32,600	42,906	32%		38,938	68,045	75%	
<b>Net Realizations</b>	<b>102,258</b>	<b>113,732</b>	<b>11%</b>		<b>152,674</b>	<b>244,914</b>	<b>60%</b>	
<b>Segment Distributable Earnings</b>	<b>\$ 175,991</b>	<b>\$ 247,172</b>	<b>40%</b>		<b>\$ 296,552</b>	<b>\$ 488,289</b>	<b>65%</b>	
Segment Revenues	\$ 374,721	\$ 444,789	19%		\$ 649,044	\$ 878,250	35%	
Total AUM	\$ 119,524,518	\$ 171,171,687	43%		\$ 119,524,518	\$ 171,171,687	43%	
Fee-Earning AUM	\$ 78,045,697	\$ 96,467,272	24%		\$ 78,045,697	\$ 96,467,272	24%	

## Hedge Fund Solutions

- ▶ **Total AUM:** Increased 5% to a record \$81.4 billion with inflows of \$3.8 billion in the quarter and \$12.7 billion for the LTM.
  - Increase primarily driven by platform diversification, as well as appreciation in customized strategies and individual investor and specialized solutions.
  - July 1 subscriptions of \$1.1 billion are not yet included in Total AUM.
  
- ▶ **Returns:** BPS Composite gross returns of 2.0% in the quarter (1.8% net), outperforming on a net basis the HFRX Global HF Return Index which returned 1.6%.
  - Gross returns of 4.8% for the LTM (4.0% net) with less than one fifth of the volatility of broader markets, outperforming on a net basis the HFRX Global HF Return Index which returned (2.0)%.

(Dollars in Thousands)	2Q'18	2Q'19	% Change		2Q'18 YTD	2Q'19 YTD	% Change	
			vs. 2Q'18				vs. 2Q'18 YTD	
Management Fees, Net	\$ 130,365	\$ 137,713	6%		\$ 259,938	\$ 275,359	6%	
Fee Related Compensation	(40,533)	(36,622)	(10)%		(80,172)	(79,576)	(1)%	
Other Operating Expenses	(18,494)	(21,112)	14%		(37,279)	(38,997)	5%	
<b>Fee Related Earnings</b>	<b>\$ 71,338</b>	<b>\$ 79,979</b>	<b>12%</b>		<b>\$ 142,487</b>	<b>\$ 156,786</b>	<b>10%</b>	
Realized Performance Revenues	7,270	11,960	65%		17,447	16,051	(8)%	
Realized Performance Compensation	(2,546)	(2,175)	(15)%		(5,469)	(3,588)	(34)%	
Realized Principal Investment Income	7,766	12,306	58%		8,406	12,023	43%	
<b>Net Realizations</b>	<b>12,490</b>	<b>22,091</b>	<b>77%</b>		<b>20,384</b>	<b>24,486</b>	<b>20%</b>	
<b>Segment Distributable Earnings</b>	<b>\$ 83,828</b>	<b>\$ 102,070</b>	<b>22%</b>		<b>\$ 162,871</b>	<b>\$ 181,272</b>	<b>11%</b>	
Segment Revenues	\$ 145,401	\$ 161,979	11%		\$ 285,791	\$ 303,433	6%	
Total AUM	\$ 77,403,078	\$ 81,435,680	5%		\$ 77,403,078	\$ 81,435,680	5%	
Fee-Earning AUM	\$ 71,889,290	\$ 74,653,420	4%		\$ 71,889,290	\$ 74,653,420	4%	

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 BPS Composite does not represent the performance of an actual fund or account. Blackstone 13



## Credit

- ▶ **Total AUM:** Increased 13% to \$139.3 billion with inflows of \$10.1 billion in the quarter and \$33.8 billion for the LTM.
  - Concluded fundraising for the second energy credit fund strategy and held the second close for the second European senior debt fund strategy in the quarter.
  - Fundraising in the quarter brought Total AUM for U.S. direct lending strategies to \$9.7 billion.
  - In the quarter, Insurance Solutions had \$5.5 billion of gross inflows, including \$2.8 billion of commitments for three private structured credit mandates, \$705 million from the launch of a diversified alternatives product, and organic growth in existing relationships.
- ▶ **Realizations:** \$1.6 billion in the quarter and \$7.1 billion for the LTM.
- ▶ **Capital Deployed:** Record \$3.7 billion in the quarter including Targa Badlands, Ultimate Software and Custom Ink and \$10.6 billion for the LTM; committed an additional \$336 million in the quarter that is not yet deployed.
- ▶ **Returns:** Strong gross returns of 3.7% in the quarter for Performing Credit; gross returns of (2.1)% in the quarter for Distressed driven by certain energy positions.

(Dollars in Thousands)	2Q'18	2Q'19	% Change vs. 2Q'18	2Q'18 YTD	2Q'19 YTD	% Change vs. 2Q'18 YTD
Management Fees, Net	\$ 118,925	\$ 149,527	26%	\$ 286,588	\$ 290,344	1%
Fee Related Performance Revenues	-	2,552	n/m	(666)	3,655	n/m
Fee Related Compensation	(50,757)	(54,310)	7%	(117,016)	(112,984)	(3)%
Other Operating Expenses	(31,899)	(40,466)	27%	(59,638)	(72,705)	22%
<b>Fee Related Earnings</b>	<b>\$ 36,269</b>	<b>\$ 57,303</b>	<b>58%</b>	<b>\$ 109,268</b>	<b>\$ 108,310</b>	<b>(1)%</b>
Realized Performance Revenues	14,594	7,946	(46)%	54,484	16,843	(69)%
Realized Performance Compensation	(7,119)	(3,468)	(51)%	(29,865)	(6,839)	(77)%
Realized Principal Investment Income	4,082	20,925	413%	11,107	24,108	117%
<b>Net Realizations</b>	<b>11,557</b>	<b>25,403</b>	<b>120%</b>	<b>35,726</b>	<b>34,112</b>	<b>(5)%</b>
<b>Segment Distributable Earnings</b>	<b>\$ 47,826</b>	<b>\$ 82,706</b>	<b>73%</b>	<b>\$ 144,994</b>	<b>\$ 142,422</b>	<b>(2)%</b>
Segment Revenues	\$ 137,601	\$ 180,950	32%	\$ 351,513	\$ 334,950	(5)%
Total AUM	\$ 123,059,087	\$ 139,270,150	13%	\$ 123,059,087	\$ 139,270,150	13%
Fee-Earning AUM	\$ 94,266,657	\$ 104,456,856	11%	\$ 94,266,657	\$ 104,456,856	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 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. 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 returns were 2.8% for 2Q'19. Distressed net returns were (2.5)% for 2Q'19.

# Supplemental Details

## Total Segments

(Dollars in Thousands)	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18 YTD	2Q'19 YTD
Management and Advisory Fees, Net							
Base Management Fees	\$ 692,915	\$ 721,606	\$ 722,648	\$ 757,518	\$ 805,315	\$ 1,400,071	\$ 1,562,833
Transaction, Advisory and Other Fees, Net	40,912	73,944	77,576	65,150	61,495	77,978	126,645
Management Fee Offsets	(10,833)	(16,331)	(2,029)	(8,606)	(22,654)	(19,011)	(31,260)
Total Management and Advisory Fees, Net	722,994	779,219	798,195	814,062	844,156	1,459,038	1,658,218
Fee Related Performance Revenues	45,515	30,299	44,185	7,779	13,624	49,352	21,403
Fee Related Compensation	(306,243)	(334,545)	(279,284)	(324,031)	(293,834)	(602,317)	(617,865)
Other Operating Expenses	(122,466)	(128,745)	(130,025)	(123,311)	(142,121)	(229,558)	(265,432)
<b>Fee Related Earnings</b>	<b>\$ 339,800</b>	<b>\$ 346,228</b>	<b>\$ 433,071</b>	<b>\$ 374,499</b>	<b>\$ 421,825</b>	<b>\$ 676,515</b>	<b>\$ 796,324</b>
Realized Performance Revenues	477,544	572,159	483,697	246,769	341,386	755,915	588,155
Realized Performance Compensation	(172,894)	(190,773)	(199,645)	(85,240)	(125,466)	(287,723)	(210,706)
Realized Principal Investment Income	94,647	65,620	47,098	25,908	123,557	123,340	149,465
<b>Total Net Realizations</b>	<b>399,297</b>	<b>447,006</b>	<b>331,150</b>	<b>187,437</b>	<b>339,477</b>	<b>591,532</b>	<b>526,914</b>
<b>Total Segment Distributable Earnings</b>	<b>\$ 739,097</b>	<b>\$ 793,234</b>	<b>\$ 764,221</b>	<b>\$ 561,936</b>	<b>\$ 761,302</b>	<b>\$ 1,268,047</b>	<b>\$ 1,323,238</b>
Net Interest Income (Loss)	2,842	9,013	11,923	5,061	2,761	989	7,822
Taxes and Related Payables	(41,797)	(32,963)	(54,063)	(29,039)	(55,201)	(66,839)	(84,240)
<b>Distributable Earnings</b>	<b>\$ 700,142</b>	<b>\$ 769,284</b>	<b>\$ 722,081</b>	<b>\$ 537,958</b>	<b>\$ 708,862</b>	<b>\$ 1,202,197</b>	<b>\$ 1,246,820</b>
Total Segment Revenues	\$ 1,340,700	\$ 1,447,297	\$ 1,373,175	\$ 1,094,518	\$ 1,322,723	\$ 2,387,645	\$ 2,417,241
Total Assets Under Management	\$ 439,386,656	\$ 456,691,832	\$ 472,242,317	\$ 511,777,762	\$ 545,482,337	\$ 439,386,656	\$ 545,482,337
Fee-Earning Assets Under Management	\$ 332,978,145	\$ 342,261,123	\$ 342,527,507	\$ 352,993,394	\$ 387,864,642	\$ 332,978,145	\$ 387,864,642
Weighted-Average Fee-Earning AUM	\$ 328,594,512	\$ 340,994,284	\$ 343,514,196	\$ 349,589,269	\$ 368,900,952	\$ 334,643,503	\$ 359,104,556
LP Capital Invested	\$ 8,026,698	\$ 9,358,423	\$ 14,218,797	\$ 10,844,363	\$ 15,057,660	\$ 17,350,027	\$ 25,902,023
Total Capital Invested	\$ 8,351,772	\$ 9,894,470	\$ 16,349,738	\$ 11,783,583	\$ 18,283,803	\$ 18,471,291	\$ 30,067,386

## Assets Under Management

### 2Q'19 Total AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
1Q'19	\$ 140,334	\$ 158,989	\$ 80,183	\$ 132,272	\$ 511,778
Inflows	14,365	16,807	3,813	10,127	45,111
Outflows	(600)	(179)	(4,115)	(2,341)	(7,235)
Net Inflows (Outflows)	13,765	16,628	(302)	7,785	37,876
Realizations	(3,990)	(4,679)	(296)	(1,630)	(10,594)
Market Activity	3,496	234	1,851	842	6,423
<b>2Q'19</b>	<b>\$ 153,605</b>	<b>\$ 171,172</b>	<b>\$ 81,436</b>	<b>\$ 139,270</b>	<b>\$ 545,482</b>
<i>QoQ Increase</i>	9%	8%	2%	5%	7%

### 2Q'19 LTM Total AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
2Q'18	\$ 119,400	\$ 119,525	\$ 77,403	\$ 123,059	\$ 439,387
Inflows	42,130	62,101	12,724	33,770	150,725
Outflows	(2,762)	(1,260)	(11,331)	(11,346)	(26,699)
Net Inflows	39,367	60,842	1,393	22,424	124,026
Realizations	(14,729)	(15,717)	(773)	(7,136)	(38,355)
Market Activity	9,567	6,523	3,412	923	20,425
<b>2Q'19</b>	<b>\$ 153,605</b>	<b>\$ 171,172</b>	<b>\$ 81,436</b>	<b>\$ 139,270</b>	<b>\$ 545,482</b>
<i>YoY Increase</i>	29%	43%	5%	13%	24%

### 2Q'19 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
1Q'19	\$ 94,223	\$ 85,447	\$ 73,647	\$ 99,676	\$ 352,993
Inflows	25,130	13,724	3,578	7,549	49,981
Outflows	(5,572)	(444)	(3,944)	(2,232)	(12,192)
Net Inflows (Outflows)	19,559	13,279	(365)	5,317	37,789
Realizations	(2,375)	(2,104)	(276)	(1,201)	(5,957)
Market Activity	881	(155)	1,648	665	3,039
<b>2Q'19</b>	<b>\$ 112,287</b>	<b>\$ 96,467</b>	<b>\$ 74,653</b>	<b>\$ 104,457</b>	<b>\$ 387,865</b>
<i>QoQ Increase</i>	19%	13%	1%	5%	10%

### 2Q'19 LTM Fee-Earning AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
2Q'18	\$ 88,777	\$ 78,046	\$ 71,889	\$ 94,267	\$ 332,978
Inflows	36,337	28,021	11,372	24,871	100,601
Outflows	(6,244)	(1,974)	(11,032)	(9,522)	(28,772)
Net Inflows	30,093	26,047	340	15,349	71,829
Realizations	(9,417)	(7,658)	(714)	(5,432)	(23,221)
Market Activity	2,834	32	3,139	273	6,279
<b>2Q'19</b>	<b>\$ 112,287</b>	<b>\$ 96,467</b>	<b>\$ 74,653</b>	<b>\$ 104,457</b>	<b>\$ 387,865</b>
<i>YoY Increase</i>	26%	24%	4%	11%	16%

Inflows include contributions, capital raised, other increases in available capital, purchases, inter-segment allocations 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. AUM is reported in the segment where the assets are managed.

## Deconsolidated Balance Sheet Highlights

- ▶ At June 30, 2019, Blackstone had \$4.8 billion in total cash, cash equivalents, and corporate treasury investments and \$10.7 billion of cash and net investments, or \$8.94 per share.
- ▶ 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.

(Dollars in Millions)	2Q'19
Cash and Cash Equivalents	\$ 1,484
Corporate Treasury Investments	3,293
GP/Fund Investments	1,857
Net Accrued Performance Revenues	4,044
<b>Cash and Net Investments</b>	<b>\$ 10,679</b>
Outstanding Bonds (at par)	\$ 4,206

### Cash and Net Investments

(Per Share)



## A+ / A+

Rated by S&P and Fitch

## \$1.6 billion

Undrawn Credit Revolver  
with September 2023 Maturity

## \$4.8 billion

Total Cash and  
Corporate Treasury

## Net Accrued Performance Revenues

	Net Accrued Performance Revenues					
	2Q'18	1Q'19	2Q'19	2Q'19 Per Share	QoQ Change	YoY Change
(Dollars in Millions, Except per Share Data)						
<b>Real Estate</b>						
BREP IV	\$ 14	\$ 1	\$ 11	\$ 0.01	\$ 10	\$ (3)
BREP V	159	62	54	0.05	(8)	(105)
BREP VI	132	88	106	0.09	18	(26)
BREP VII	592	552	542	0.45	(10)	(50)
BREP VIII	317	464	517	0.43	53	200
BREP International II	-	7	25	0.02	18	25
BREP Europe III	33	-	-	-	-	(33)
BREP Europe IV	211	213	209	0.18	(4)	(2)
BREP Europe V	61	137	161	0.13	24	100
BREP Asia I	110	137	159	0.13	22	49
BPP	194	245	242	0.20	(3)	48
BREIT	10	11	36	0.03	25	26
BREDS	29	23	28	0.02	5	(1)
BTAS	31	38	41	0.03	3	10
<b>Total Real Estate</b>	<b>\$ 1,893</b>	<b>\$ 1,978</b>	<b>\$ 2,133</b>	<b>\$ 1.78</b>	<b>\$ 155</b>	<b>\$ 240</b>
<b>Private Equity</b>						
BCP IV	99	42	37	0.03	(5)	(62)
BCP V	87	-	-	-	-	(87)
BCP VI	911	789	755	0.63	(34)	(156)
BCP VII	94	256	293	0.25	37	199
BCP Asia	-	6	6	-	(0)	6
BEP I	142	131	134	0.11	3	(8)
BEP II	50	70	54	0.05	(16)	4
Tactical Opportunities	152	158	140	0.12	(18)	(12)
Strategic Partners	91	109	98	0.08	(11)	7
BCEP	-	21	30	0.03	9	30
BTAS	30	50	51	0.04	1	21
Other	1	1	0	-	(1)	(1)
<b>Total Private Equity</b>	<b>\$ 1,657</b>	<b>\$ 1,633</b>	<b>\$ 1,599</b>	<b>\$ 1.34</b>	<b>\$ (34)</b>	<b>\$ (58)</b>
<b>Total Hedge Fund Solutions</b>	<b>\$ 23</b>	<b>\$ 26</b>	<b>\$ 69</b>	<b>\$ 0.06</b>	<b>\$ 43</b>	<b>\$ 46</b>
<b>Total Credit</b>	<b>\$ 299</b>	<b>\$ 222</b>	<b>\$ 244</b>	<b>\$ 0.20</b>	<b>\$ 22</b>	<b>\$ (55)</b>
<b>Net Accrued Performance Revenues</b>	<b>\$ 3,872</b>	<b>\$ 3,859</b>	<b>\$ 4,044</b>	<b>\$ 3.39</b>	<b>\$ 185</b>	<b>\$ 172</b>
<i>Memo: Net Realized Performance Revenues</i>	<i>\$ 33</i>	<i>\$ 21</i>	<i>\$ 71</i>	<i>\$ 0.06</i>	<i>\$ 50</i>	<i>\$ 38</i>

## 2Q'19 QoQ Rollforward

(Dollars in Millions)

	Net Performance Revenues		Net Realized Distributions	2Q'19
	1Q'19			
Real Estate	\$ 1,978	\$ 259	\$ (103)	\$ 2,133
Private Equity	1,633	19	(53)	1,599
HFS	26	44	(1)	69
Credit	222	27	(5)	244
<b>Total</b>	<b>\$ 3,859</b>	<b>\$ 349</b>	<b>\$ (162)</b>	<b>\$ 4,044</b>
<i>QoQ Increase</i>				<i>5%</i>

## 2Q'19 LTM Rollforward

(Dollars in Millions)

	Net Performance Revenues		Net Realized Distributions	2Q'19
	2Q'18			
Real Estate	\$ 1,893	\$ 758	\$ (518)	\$ 2,133
Private Equity	1,657	443	(501)	1,599
HFS	23	56	(10)	69
Credit	299	(23)	(32)	244
<b>Total</b>	<b>\$ 3,872</b>	<b>\$ 1,234</b>	<b>\$ (1,061)</b>	<b>\$ 4,044</b>
<i>YoY Increase</i>				<i>4%</i>

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 Share calculations are based on end of period DE Shares Outstanding (see page 24, Share Summary).

# Investment Records as of June 30, 2019<sup>(a)</sup>

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)	Value	MOIC (c)	Realized	Total	
<b>Real Estate</b>												
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	-	85,178	0.1x	53%	4,493,255	2.2x	4,578,433	1.7x	28%	12%	
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	519,637	1.6x	33%	12,804,964	2.3x	13,324,601	2.3x	12%	11%	
BREP VI (Feb 2007 / Aug 2011)	11,060,444	-	1,007,808	2.5x	53%	26,707,066	2.5x	27,714,874	2.5x	13%	13%	
BREP VII (Aug 2011 / Apr 2015)	13,496,564	1,906,353	8,990,819	1.7x	16%	20,543,254	2.1x	29,534,073	2.0x	24%	17%	
BREP VIII (Apr 2015 / Jun 2019)	16,585,073	5,069,766	15,875,492	1.4x	1%	5,251,374	1.6x	21,126,866	1.4x	27%	15%	
BREP IX (Jun 2019 / Dec 2024)	19,562,369	19,562,369	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
<b>Total Global BREP</b>	<b>\$ 71,685,031</b>	<b>\$ 26,538,488</b>	<b>\$ 26,478,934</b>	<b>1.5x</b>	<b>9%</b>	<b>\$ 77,334,831</b>	<b>2.2x</b>	<b>\$ 103,813,765</b>	<b>2.0x</b>	<b>18%</b>	<b>16%</b>	
BREP Int'l (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ -	n/a	-	€ 1,370,659	2.1x	€ 1,370,659	2.1x	23%	23%	
BREP Int'l II (Sep 2005 / Jun 2008) (e)	1,629,748	-	167,659	4.4x	-	2,392,421	1.8x	2,560,080	1.8x	8%	8%	
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	465,609	665,111	0.9x	-	5,496,293	2.5x	6,161,404	2.1x	21%	15%	
BREP Europe IV (Sep 2013 / Dec 2016)	6,709,145	1,346,165	4,161,915	1.6x	13%	7,564,756	2.0x	11,726,671	1.8x	24%	17%	
BREP Europe V (Dec 2016 / Jun 2022)	7,944,368	2,928,021	6,474,004	1.3x	-	186,289	2.4x	6,660,293	1.3x	64%	17%	
BREP Europe VI (TBD)	7,525,683	7,525,681	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
Total Euro BREP	€ 27,838,283	€ 12,265,476	€ 11,468,689	1.4x	5%	€ 17,010,418	2.1x	€ 28,479,107	1.7x	16%	14%	
BREP Asia I (Jun 2013 / Dec 2017)	\$ 5,096,361	\$ 1,728,965	\$ 4,211,773	1.5x	11%	\$ 3,312,116	1.8x	\$ 7,523,889	1.6x	21%	15%	
BREP Asia II (Dec 2017 / Jun 2023)	7,179,916	5,408,481	1,968,923	1.1x	-	2,000	n/m	1,970,923	1.1x	n/m	4%	
BREP Co-Investment (f)	7,045,918	157,335	1,767,526	1.9x	26%	12,666,695	2.1x	14,434,221	2.1x	16%	16%	
<b>Total BREP</b>	<b>\$ 124,393,601</b>	<b>\$ 47,740,949</b>	<b>\$ 47,848,849</b>	<b>1.4x</b>	<b>12%</b>	<b>\$ 114,954,153</b>	<b>2.2x</b>	<b>\$ 162,803,002</b>	<b>1.9x</b>	<b>18%</b>	<b>15%</b>	
BPP (Various) (g)	26,737,038	1,222,865	30,407,207	1.2x	-	4,504,405	2.3x	34,911,612	1.3x	n/m	10%	
BREDS High-Yield (Various) (h)	12,053,117	2,422,012	3,554,670	1.1x	-	10,742,370	1.3x	14,297,040	1.2x	11%	11%	
<b>Private Equity</b>												
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	13,723	n/a	-	2,953,649	1.4x	2,967,372	1.4x	6%	6%	
BCP IV (Nov 2002 / Dec 2005)	6,773,182	204,794	169,034	2.6x	-	21,417,730	2.9x	21,586,764	2.9x	36%	36%	
BCP V (Dec 2005 / Jan 2011)	21,013,586	1,039,733	803,327	0.8x	44%	37,188,995	1.9x	37,992,322	1.9x	9%	8%	
BCP VI (Jan 2011 / May 2016)	15,191,541	1,740,222	13,779,127	1.7x	38%	13,530,145	2.1x	27,309,272	1.9x	19%	13%	
BEP I (Aug 2011 / Feb 2015)	2,435,285	224,784	1,942,443	1.9x	58%	2,655,839	1.9x	4,598,282	1.9x	16%	14%	
BEP II (Feb 2015 / Feb 2021)	4,912,842	857,610	4,410,554	1.3x	-	269,992	1.8x	4,680,546	1.3x	24%	9%	
BCP VII (May 2016 / May 2022)	18,787,568	7,414,455	12,744,292	1.4x	0%	1,167,223	1.7x	13,911,515	1.4x	42%	19%	
BCP Asia (Dec 2017 / Dec 2023)	2,389,096	1,495,423	565,977	1.3x	-	-	n/a	565,977	1.3x	n/a	37%	
BEP III (TBD)	3,808,631	3,808,631	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
BCP VIII (TBD)	23,186,208	23,186,208	-	n/a	-	-	n/a	-	n/a	n/a	n/a	
<b>Total Corporate Private Equity</b>	<b>\$ 106,822,872</b>	<b>\$ 39,996,435</b>	<b>\$ 34,428,477</b>	<b>1.5x</b>	<b>19%</b>	<b>\$ 93,366,818</b>	<b>2.1x</b>	<b>\$ 127,795,295</b>	<b>1.9x</b>	<b>16%</b>	<b>15%</b>	

## Investment Records as of June 30, 2019<sup>(a)</sup> – Continued

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	
<b>Private Equity (continued)</b>												
Tactical Opportunities (Various)	\$ 23,700,086	\$ 10,574,775	\$ 10,193,246	1.2x	10%	\$ 7,679,719	1.7x	\$ 17,872,965	1.4x	21%	10%	
Tactical Opportunities Co-Investment and Other (Various)	5,938,806	1,955,170	3,777,453	1.2x	5%	1,767,187	1.5x	5,544,640	1.3x	24%	12%	
<b>Total Tactical Opportunities</b>	<b>\$ 29,638,892</b>	<b>\$ 12,529,945</b>	<b>\$ 13,970,699</b>	<b>1.2x</b>	<b>9%</b>	<b>\$ 9,446,906</b>	<b>1.7x</b>	<b>\$ 23,417,605</b>	<b>1.4x</b>	<b>21%</b>	<b>11%</b>	
Strategic Partners I-V (Various) (i)	11,862,601	1,752,541	1,281,172	n/m	-	16,352,178	n/m	17,633,350	1.5x	n/a	13%	
Strategic Partners VI (Apr 2014 / Apr 2016) (i)	4,362,750	1,123,539	1,590,319	n/m	-	2,956,879	n/m	4,547,198	1.5x	n/a	17%	
Strategic Partners VII (May 2016 / Mar 2019) (i)	7,489,970	2,489,452	5,673,278	n/m	-	885,791	n/m	6,559,069	1.4x	n/a	25%	
Strategic Partners RA II (May 2017 / Mar 2022) (i)	1,749,807	684,257	730,741	n/m	-	109,311	n/m	840,052	1.2x	n/a	17%	
Strategic Partners VIII (Mar 2019 / Jul 2023) (i)	10,533,600	7,676,804	591,603	n/m	-	-	n/a	591,603	1.0x	n/a	n/m	
Strategic Partners RE, SMA and Other (Various) (i)	5,665,536	1,881,140	1,926,558	n/m	-	968,040	n/m	2,894,598	1.3x	n/a	17%	
<b>Total Strategic Partners</b>	<b>\$ 41,664,264</b>	<b>\$ 15,607,733</b>	<b>\$ 11,793,671</b>	<b>n/m</b>	<b>-</b>	<b>\$ 21,272,199</b>	<b>n/m</b>	<b>\$ 33,065,870</b>	<b>1.4x</b>	<b>n/a</b>	<b>14%</b>	
BCEP (Jan 2017 / Jan 2021) (j)	4,755,613	2,281,812	3,102,524	1.2x	-	378,007	1.6x	3,480,531	1.3x	27%	14%	
BIP (Various)	13,659,163	12,471,902	1,187,262	1.0x	100%	-	n/a	1,187,262	1.0x	n/a	n/m	
<b>Hedge Fund Solutions</b>												
Total Strategic Capital Holdings (Dec 2013 / Jun 2020) (k)	\$ 3,378,575	\$ 730,855	\$ 1,676,269	1.1x	-	\$ 392,301	n/m	\$ 2,068,570	1.4x	n/a	9%	
<b>Credit (l)</b>												
Mezzanine I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 97,114	\$ 22,864	1.2x	-	\$ 4,772,270	1.6x	\$ 4,795,134	1.6x	n/a	17%	
Mezzanine II (Nov 2011 / Nov 2016)	4,120,000	1,078,506	1,898,494	1.0x	7%	4,816,985	1.6x	6,715,479	1.4x	n/a	12%	
Mezzanine III (Sep 2016 / Sep 2021)	6,639,133	2,260,839	4,323,712	1.1x	2%	1,248,248	1.6x	5,571,960	1.2x	n/a	13%	
Stressed / Distressed Investing I (Sep 2009 / May 2013)	3,253,143	135,000	201,288	0.4x	0%	5,744,873	1.6x	5,946,161	1.4x	n/a	10%	
Stressed / Distressed Investing II (Jun 2013 / Jun 2018)	5,125,000	540,145	1,686,278	0.8x	18%	3,971,120	1.3x	5,657,398	1.1x	n/a	5%	
Stressed / Distressed Investing III (Dec 2017 / Dec 2022)	7,356,380	5,447,806	1,780,427	1.0x	2%	553,681	1.3x	2,334,108	1.1x	n/a	15%	
Energy Select Opportunities (Nov 2015 / Nov 2018)	2,856,867	884,658	2,022,053	1.2x	-	670,729	1.6x	2,692,782	1.3x	n/a	12%	
Energy Select Opportunities II (Feb 2019 / Feb 2024)	3,347,431	2,976,038	489,928	1.0x	-	-	n/a	489,928	1.0x	n/a	n/m	
<b>Euro</b>												
European Senior Debt Fund (Feb 2015 / Feb 2019)	€ 1,964,689	€ 318,903	€ 2,108,075	1.0x	-	€ 940,008	1.6x	€ 3,048,083	1.2x	n/a	10%	
European Senior Debt Fund II (Jun 2019 / Jun 2024)	€ 629,740	€ 476,310	€ 152,443	1.0x	-	€ -	n/a	€ 152,443	1.0x	n/a	n/m	
<b>Total Credit</b>	<b>\$ 37,678,960</b>	<b>\$ 14,325,694</b>	<b>\$ 14,999,276</b>	<b>1.0x</b>	<b>4%</b>	<b>\$ 22,853,291</b>	<b>1.5x</b>	<b>\$ 37,852,567</b>	<b>1.3x</b>	<b>n/a</b>	<b>12%</b>	



## Investment Records as of June 30, 2019 – Notes

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**The returns presented herein represent those of the applicable Blackstone Funds and not those of The Blackstone Group Inc.**

- n/m Not meaningful generally due to the limited time since initial investment.
- n/a Not applicable.
- (a) Preliminary. Excludes investment vehicles where Blackstone does not earn fees.
- (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 June 30, 2019 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues. IRRs are calculated using actual timing of limited partner cash flows. Initial inception date cash flow may differ from the Investment Period Beginning Date.
- (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. If information is not available on a timely basis, returns are calculated from results that are reported on a three month lag.
- (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) Represents Blackstone Strategic Capital Holdings (including Co-investment) which is 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 credit drawdown funds presented.

## Shareholder Dividends

- ▶ Generated \$0.57 of Distributable Earnings per common share during the quarter, bringing the year-to-date amount to \$1.01 per common share.
- ▶ Blackstone declared a quarterly dividend of \$0.48 per common share to record holders as of July 29, 2019; payable on August 5, 2019.

(Dollars in Thousands, Except per Share Data)	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	% Change		% Change	
						vs. 2Q'18	2Q'18 YTD	2Q'19 YTD	vs. 2Q'18 YTD
Distributable Earnings	\$ 700,142	\$ 769,284	\$ 722,081	\$ 537,958	\$ 708,862	1%	\$ 1,202,197	\$ 1,246,820	4%
Add: Other Payables Attributable to Common Shareholders	29,379	22,980	43,345	14,598	39,673	35%	36,407	54,271	49%
DE before Certain Payables	729,521	792,264	765,426	552,556	748,535	3%	1,238,604	1,301,091	5%
Percent to Common Shareholders	57%	56%	56%	56%	56%		56%	56%	
DE before Certain Payables Attributable to Common Shareholders	414,071	447,516	429,433	310,832	419,502	1%	699,704	730,334	4%
Less: Other Payables Attributable to Common Shareholders	(29,379)	(22,980)	(43,345)	(14,598)	(39,673)	35%	(36,407)	(54,271)	49%
DE Attributable to Common Shareholders	384,692	424,536	386,088	296,234	379,829	(1)%	663,297	676,063	2%
<b>DE per Common Share</b>	<b>\$ 0.56</b>	<b>\$ 0.63</b>	<b>\$ 0.57</b>	<b>\$ 0.44</b>	<b>\$ 0.57</b>	<b>2%</b>	<b>\$ 0.97</b>	<b>\$ 1.01</b>	<b>4%</b>
Less: Retained Capital per Common Share	\$ (0.08)	\$ (0.09)	\$ (0.09)	\$ (0.07)	\$ (0.09)	13%	\$ (0.14)	\$ (0.16)	14%
Special Cash Dividend per Common Share	\$ 0.10	\$ 0.10	\$ 0.10	\$ -	\$ -	n/m	\$ 0.10	\$ -	n/m
<b>Actual Dividend per Common Share</b>	<b>\$ 0.58</b>	<b>\$ 0.64</b>	<b>\$ 0.58</b>	<b>\$ 0.37</b>	<b>\$ 0.48</b>	<b>(17)%</b>	<b>\$ 0.93</b>	<b>\$ 0.85</b>	<b>(9)%</b>
Record Date					Jul 29, 2019				
Payable Date					Aug 5, 2019				

A detailed description of Blackstone's dividend policy and the definition of Distributable Earnings can be found on pages 33-34, Definitions and Dividend 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 Share calculations are based on end of period Participating Common Shares (page 24, Share Summary); actual dividends are paid to shareholders as of the applicable record date. Retained capital is withheld pro-rata from common and Blackstone Holdings Partnership shareholders. Common shareholders' share was \$60 million for 2Q'19 and \$107 million for 2Q'19 YTD.

## Share Summary

- ▶ Distributable Earnings Shares Outstanding as of quarter end of 1,195 million shares.
  - Repurchased 7.0 million common shares in the quarter and 22.3 million common shares for the LTM.
  - Increased share repurchase authorization to \$1.0 billion.

	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19
Participating Common Shares	682,801,258	678,771,864	672,755,818	674,457,578	669,561,793
Participating Partnership Shares	520,175,306	522,898,542	526,370,654	524,504,626	525,165,724
<b>Distributable Earnings Shares Outstanding</b>	<b>1,202,976,564</b>	<b>1,201,670,406</b>	<b>1,199,126,472</b>	<b>1,198,962,204</b>	<b>1,194,727,517</b>

# Reconciliations and Disclosures

## Reconciliation of GAAP to Non-GAAP Measures

	QTD					YTD		LTM		
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18	2Q'19	2Q'17	2Q'18	2Q'19
(Dollars in Thousands)										
<b>Net Income (Loss) Attributable to The Blackstone Group L.P</b>	<b>\$ 742,042</b>	<b>\$ 442,742</b>	<b>\$ (10,868)</b>	<b>\$ 481,304</b>	<b>\$ 305,792</b>	<b>\$ 1,109,914</b>	<b>\$ 787,096</b>	<b>\$ 1,469,812</b>	<b>\$ 1,791,972</b>	<b>\$ 1,218,970</b>
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	678,952	360,576	5,253	402,260	259,330	999,160	661,590	1,319,656	1,698,800	1,027,419
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	129,078	143,101	(68,800)	186,833	80,744	284,577	267,577	392,966	530,387	341,878
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	905	2,569	(4,303)	2,480	1,095	(370)	3,575	15,418	10,445	1,841
<b>Net Income (Loss)</b>	<b>\$ 1,550,977</b>	<b>\$ 948,988</b>	<b>\$ (78,718)</b>	<b>\$ 1,072,877</b>	<b>\$ 646,961</b>	<b>\$ 2,393,281</b>	<b>\$ 1,719,838</b>	<b>\$ 3,197,852</b>	<b>\$ 4,031,604</b>	<b>\$ 2,590,108</b>
Provision for Taxes	138,731	26,798	29,366	41,155	38,736	193,226	79,891	162,846	849,328	136,055
<b>Income (Loss) Before Provision for Taxes</b>	<b>\$ 1,689,708</b>	<b>\$ 975,786</b>	<b>\$ (49,352)</b>	<b>\$ 1,114,032</b>	<b>\$ 685,697</b>	<b>\$ 2,586,507</b>	<b>\$ 1,799,729</b>	<b>\$ 3,360,698</b>	<b>\$ 4,880,932</b>	<b>\$ 2,726,163</b>
Transaction-Related Charges (a)	(470,078)	79,242	76,431	89,451	106,994	(417,589)	196,445	245,655	(708,930)	352,118
Amortization of Intangibles (b)	14,873	14,856	15,392	16,483	16,483	29,746	32,966	60,738	55,355	63,214
Impact of Consolidation (c)	(129,983)	(145,670)	73,103	(189,313)	(81,839)	(284,207)	(271,152)	(408,384)	(540,832)	(343,719)
Unrealized Performance Revenues (d)	(440,424)	(298,931)	806,531	(664,333)	(157,398)	(1,068,763)	(821,731)	(350,633)	(991,702)	(314,131)
Unrealized Performance Allocations Compensation (e)	189,991	178,184	(302,868)	287,015	64,518	444,426	351,533	316,754	453,777	226,849
Unrealized Principal Investment (Income) Loss (f)	(52,126)	(28,704)	160,659	(139,925)	56,353	(66,104)	(83,572)	101,233	(67,000)	48,383
Other Revenues (g)	(94,416)	(9,092)	(46,854)	(13,189)	20,150	(33,522)	6,961	18,342	35,773	(48,985)
Equity-Based Compensation (h)	34,394	36,576	43,102	66,776	53,105	78,542	119,881	96,929	127,748	199,559
Taxes and Related Payables (i)	(41,797)	(32,963)	(54,063)	(29,039)	(55,201)	(66,839)	(84,240)	(197,382)	(178,212)	(171,266)
<b>Distributable Earnings</b>	<b>\$ 700,142</b>	<b>\$ 769,284</b>	<b>\$ 722,081</b>	<b>\$ 537,958</b>	<b>\$ 708,862</b>	<b>\$ 1,202,197</b>	<b>\$ 1,246,820</b>	<b>\$ 3,243,950</b>	<b>\$ 3,066,909</b>	<b>\$ 2,738,185</b>
Taxes and Related Payables (i)	41,797	32,963	54,063	29,039	55,201	66,839	84,240	197,382	178,212	171,266
Net Interest (Income) Loss (j)	(2,842)	(9,013)	(11,923)	(5,061)	(2,761)	(989)	(7,822)	42,271	31,384	(28,758)
<b>Total Segment Distributable Earnings</b>	<b>\$ 739,097</b>	<b>\$ 793,234</b>	<b>\$ 764,221</b>	<b>\$ 561,936</b>	<b>\$ 761,302</b>	<b>\$ 1,268,047</b>	<b>\$ 1,323,238</b>	<b>\$ 3,483,603</b>	<b>\$ 3,276,505</b>	<b>\$ 2,880,693</b>
Realized Performance Revenues (k)	(477,544)	(572,159)	(483,697)	(246,769)	(341,386)	(755,915)	(588,155)	(2,731,564)	(2,657,434)	(1,644,011)
Realized Performance Compensation (l)	172,894	190,773	199,645	85,240	125,466	287,723	210,706	909,329	1,009,830	601,124
Realized Principal Investment Income (m)	(94,647)	(65,620)	(47,098)	(25,908)	(123,557)	(123,340)	(149,465)	(460,081)	(255,753)	(262,183)
<b>Fee Related Earnings</b>	<b>\$ 339,800</b>	<b>\$ 346,228</b>	<b>\$ 433,071</b>	<b>\$ 374,499</b>	<b>\$ 421,825</b>	<b>\$ 676,515</b>	<b>\$ 796,324</b>	<b>\$ 1,201,287</b>	<b>\$ 1,373,148</b>	<b>\$ 1,575,623</b>
<b>Adjusted EBITDA Reconciliation</b>										
<b>Distributable Earnings</b>	<b>\$ 700,142</b>	<b>\$ 769,284</b>	<b>\$ 722,081</b>	<b>\$ 537,958</b>	<b>\$ 708,862</b>	<b>\$ 1,202,197</b>	<b>\$ 1,246,820</b>	<b>\$ 3,243,950</b>	<b>\$ 3,066,909</b>	<b>\$ 2,738,185</b>
Interest Expense (n)	38,885	40,923	41,792	41,638	43,230	77,123	84,868	155,249	190,217	167,583
Taxes and Related Payables (i)	41,797	32,963	54,063	29,039	55,201	66,839	84,240	197,382	178,212	171,266
Depreciation and Amortization	5,986	5,681	5,964	5,789	6,000	12,237	11,789	31,956	24,857	23,434
<b>Adjusted EBITDA</b>	<b>\$ 786,810</b>	<b>\$ 848,851</b>	<b>\$ 823,900</b>	<b>\$ 614,424</b>	<b>\$ 813,293</b>	<b>\$ 1,358,396</b>	<b>\$ 1,427,717</b>	<b>\$ 3,628,537</b>	<b>\$ 3,460,195</b>	<b>\$ 3,100,468</b>

## Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See pages 33-34, Definitions and Dividend 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 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.

	QTD					YTD		LTM		
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18	2Q'19	2Q'17	2Q'18	2Q'19
GAAP Unrealized Performance Allocations	\$ 440,351	\$ 299,238	\$ (806,305)	\$ 663,999	\$ 157,732	\$ 1,068,440	\$ 821,731	\$ 349,657	\$ 992,056	\$ 314,664
Segment Adjustment	73	(307)	(226)	334	(334)	323	-	976	(354)	(533)
Unrealized Performance Revenues	\$ 440,424	\$ 298,931	\$ (806,531)	\$ 664,333	\$ 157,398	\$ 1,068,763	\$ 821,731	\$ 350,633	\$ 991,702	\$ 314,131

- (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.

	QTD					YTD		LTM		
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18	2Q'19	2Q'17	2Q'18	2Q'19
GAAP Unrealized Principal Investment Income (Loss)	\$ 103,468	\$ 52,840	\$ (218,165)	\$ 169,044	\$ (37,345)	\$ 215,242	\$ 131,699	\$ 806	\$ 290,760	\$ (33,626)
Segment Adjustment	(51,342)	(24,136)	57,506	(29,119)	(19,008)	(149,138)	(48,127)	(102,039)	(223,760)	(14,757)
Unrealized Principal Investment Income (Loss)	\$ 52,126	\$ 28,704	\$ (160,659)	\$ 139,925	\$ (56,353)	\$ 66,104	\$ 83,572	\$ (101,233)	\$ 67,000	\$ (48,383)

- (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.

	QTD					YTD		LTM		
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18	2Q'19	2Q'17	2Q'18	2Q'19
GAAP Other Revenue	\$ 675,343	\$ 9,368	\$ 46,923	\$ 10,250	\$ (17,120)	\$ 616,026	\$ (6,870)	\$ (11,446)	\$ 546,673	\$ 49,421
Segment Adjustment	(580,927)	(276)	(69)	2,939	(3,030)	(582,504)	(91)	(6,896)	(582,446)	(436)
Other Revenues	\$ 94,416	\$ 9,092	\$ 46,854	\$ 13,189	\$ (20,150)	\$ 33,522	\$ (6,961)	\$ (18,342)	\$ (35,773)	\$ 48,985

- (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.

	QTD					YTD		LTM		
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18	2Q'19	2Q'17	2Q'18	2Q'19
Taxes	\$ 20,026	\$ 12,793	\$ 38,975	\$ 15,344	\$ 34,209	\$ 38,254	\$ 49,553	\$ 97,208	\$ 96,812	\$ 101,321
Related Payables	21,771	20,170	15,088	13,695	20,992	28,585	34,687	100,174	81,400	69,945
Taxes and Related Payables	\$ 41,797	\$ 32,963	\$ 54,063	\$ 29,039	\$ 55,201	\$ 66,839	\$ 84,240	\$ 197,382	\$ 178,212	\$ 171,266

- (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.

	QTD					YTD		LTM		
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18	2Q'19	2Q'17	2Q'18	2Q'19
GAAP Interest and Dividend Revenue	\$ 40,073	\$ 48,604	\$ 47,885	\$ 44,084	\$ 43,686	\$ 75,458	\$ 87,770	\$ 112,561	\$ 152,956	\$ 184,259
Segment Adjustment	1,654	1,332	5,830	2,615	2,305	2,654	4,920	417	5,877	12,082
Interest and Dividend Revenue	\$ 41,727	\$ 49,936	\$ 53,715	\$ 46,699	\$ 45,991	\$ 78,112	\$ 92,690	\$ 112,978	\$ 158,833	\$ 196,341
GAAP Interest Expense	\$ 39,320	\$ 41,355	\$ 44,644	\$ 42,002	\$ 43,596	\$ 77,991	\$ 85,598	\$ 159,755	\$ 194,142	\$ 171,597
Segment Adjustment	(435)	(432)	(2,852)	(364)	(366)	(868)	(730)	(4,506)	(3,925)	(4,014)
Interest Expense	\$ 38,885	\$ 40,923	\$ 41,792	\$ 41,638	\$ 43,230	\$ 77,123	\$ 84,868	\$ 155,249	\$ 190,217	\$ 167,583
Net Interest Income (Loss)	\$ 2,842	\$ 9,013	\$ 11,923	\$ 5,061	\$ 2,761	\$ 989	\$ 7,822	\$ (42,271)	\$ (31,384)	\$ 28,758

- (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 Shares Outstanding

	QTD				
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19
GAAP Common Units Outstanding	673,544,082	669,411,215	663,212,830	665,331,887	660,588,369
Unvested Participating Common Shares	9,257,176	9,360,649	9,542,988	9,125,691	8,973,424
Participating Common Shares	682,801,258	678,771,864	672,755,818	674,457,578	669,561,793
Participating Partnership Shares	520,175,306	522,898,542	526,370,654	524,504,626	525,165,724
<b>Distributable Earnings Shares Outstanding</b>	<b>1,202,976,564</b>	<b>1,201,670,406</b>	<b>1,199,126,472</b>	<b>1,198,962,204</b>	<b>1,194,727,517</b>

## Disclosure of Weighted-Average Units Outstanding

	QTD					YTD		LTM		
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18	2Q'19	2Q'17	2Q'18	2Q'19
Total GAAP Weighted-Average Common Units Outstanding - Basic	681,794,492	682,435,177	676,629,572	674,507,698	673,655,305	678,156,936	674,079,074	657,868,076	673,078,646	676,828,114
Weighted-Average Unvested Deferred Restricted Common Units	216,118	230,759	-	207,752	330,639	207,526	269,196	1,236,773	444,760	257,322
Weighted-Average Blackstone Holdings Partnership Units	-	523,212,047	-	525,764,790	-	532,363,486	526,244,006	538,678,130	-	524,831,943
<b>Total GAAP Weighted-Average Units Outstanding - Diluted</b>	<b>682,010,610</b>	<b>1,205,877,983</b>	<b>676,629,572</b>	<b>1,200,480,240</b>	<b>673,985,944</b>	<b>1,210,727,948</b>	<b>1,200,592,276</b>	<b>1,197,782,979</b>	<b>673,523,406</b>	<b>1,201,917,379</b>

## Blackstone's Second Quarter 2019 GAAP Balance Sheet Results

(Dollars in Thousands) (Unaudited)	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,710,251	\$ 1,937,963	\$ 2,207,841	\$ 1,570,741	\$ 1,484,444
Cash Held by Blackstone Funds and Other	288,675	408,561	337,320	217,625	324,609
Investments	22,008,182	22,094,920	20,377,031	21,180,950	22,242,040
Accounts Receivable	917,717	875,647	636,238	711,889	802,066
Due from Affiliates	2,015,949	2,017,637	1,994,123	2,320,291	2,211,737
Intangible Assets, Net	380,844	366,368	468,507	450,757	433,007
Goodwill	1,778,192	1,778,192	1,869,860	1,869,860	1,869,860
Other Assets	252,936	269,470	294,248	302,033	354,253
Right-of-Use Assets	-	-	-	521,932	507,065
Deferred Tax Assets	722,551	711,599	739,482	728,873	743,132
<b>Total Assets</b>	<b>\$ 30,075,297</b>	<b>\$ 30,460,357</b>	<b>\$ 28,924,650</b>	<b>\$ 29,874,951</b>	<b>\$ 30,972,213</b>
<b>Liabilities and Equity</b>					
Loans Payable	\$ 10,195,403	\$ 10,161,886	\$ 9,951,862	\$ 10,011,155	\$ 10,676,138
Due to Affiliates	967,250	981,980	1,035,776	1,045,452	1,081,899
Accrued Compensation and Benefits	2,987,977	3,414,215	2,942,128	3,001,597	3,308,595
Securities Sold, Not Yet Purchased	155,780	166,309	142,617	128,106	128,512
Repurchase Agreements	182,489	199,488	222,202	218,865	207,676
Operating Lease Liabilities	-	-	-	587,408	574,619
Accounts Payable, Accrued Expenses and Other Liabilities	950,802	829,496	875,979	735,667	929,688
<b>Total Liabilities</b>	<b>15,439,701</b>	<b>15,753,374</b>	<b>15,170,564</b>	<b>15,728,250</b>	<b>16,907,127</b>
<b>Redeemable Non-Controlling Interests in Consolidated Entities</b>	<b>158,799</b>	<b>153,504</b>	<b>141,779</b>	<b>136,941</b>	<b>101,310</b>
<b>Equity</b>					
Partners' Capital	7,105,225	7,024,079	6,415,700	6,501,072	6,335,897
Accumulated Other Comprehensive Loss	(57,876)	(36,562)	(36,476)	(32,430)	(27,542)
Non-Controlling Interests in Consolidated Entities	3,492,621	3,673,135	3,648,766	3,852,346	3,869,303
Non-Controlling Interests in Blackstone Entities	3,936,827	3,892,827	3,584,317	3,688,772	3,786,118
<b>Total Equity</b>	<b>14,476,797</b>	<b>14,553,479</b>	<b>13,612,307</b>	<b>14,009,760</b>	<b>13,963,776</b>
<b>Total Liabilities and Equity</b>	<b>\$ 30,075,297</b>	<b>\$ 30,460,357</b>	<b>\$ 28,924,650</b>	<b>\$ 29,874,951</b>	<b>\$ 30,972,213</b>



## Reconciliation of GAAP to Non-GAAP Balance Sheet Measures

(Dollars in Thousands)	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19
Investments of Consolidated Blackstone Funds	\$ 8,608,565	\$ 8,503,423	\$ 8,376,338	\$ 8,603,847	\$ 8,633,794
Equity Method Investments					
Partnership Investments	3,589,234	3,690,841	3,649,423	3,815,993	3,802,565
Accrued Performance Allocations	6,354,179	6,722,430	5,883,924	6,486,450	6,743,542
Corporate Treasury Investments	3,088,001	2,883,610	2,206,493	2,005,174	2,797,908
Other Investments	368,203	294,616	260,853	269,486	264,231
<b>Total GAAP Investments</b>	<b>\$ 22,008,182</b>	<b>\$ 22,094,920</b>	<b>\$ 20,377,031</b>	<b>\$ 21,180,950</b>	<b>\$ 22,242,040</b>
<b>Accrued Performance Allocations - GAAP</b>	<b>\$ 6,354,179</b>	<b>\$ 6,722,430</b>	<b>\$ 5,883,924</b>	<b>\$ 6,486,450</b>	<b>\$ 6,743,542</b>
Impact of Consolidation (a)	534	229	-	374	607
Due From Affiliates - GAAP (b)	26,365	13,546	33,419	9,483	25,022
Less: Accrued Performance Compensation - GAAP (c)	(2,509,219)	(2,700,828)	(2,394,747)	(2,638,374)	(2,724,998)
<b>Net Accrued Performance Revenues</b>	<b>\$ 3,871,859</b>	<b>\$ 4,035,377</b>	<b>\$ 3,522,596</b>	<b>\$ 3,857,933</b>	<b>\$ 4,044,173</b>
<b>Corporate Treasury Investments - GAAP</b>	<b>\$ 3,088,001</b>	<b>\$ 2,883,610</b>	<b>\$ 2,206,493</b>	<b>\$ 2,005,174</b>	<b>\$ 2,797,908</b>
Impact of Consolidation (a)	74,021	75,340	73,106	75,988	160,644
Other Assets (d)	462,321	586,527	438,454	519,884	425,823
Other Liabilities (e)	(105,979)	(91,406)	(205,332)	(101,605)	(91,016)
<b>Corporate Treasury Investments - Deconsolidated</b>	<b>\$ 3,518,364</b>	<b>\$ 3,454,071</b>	<b>\$ 2,512,721</b>	<b>\$ 2,499,441</b>	<b>\$ 3,293,359</b>
<b>Partnership and Other Investments - GAAP</b>	<b>\$ 3,957,437</b>	<b>\$ 3,985,457</b>	<b>\$ 3,910,276</b>	<b>\$ 4,085,479</b>	<b>\$ 4,066,796</b>
Impact of Consolidation (f)	(1,919,052)	(1,991,871)	(2,015,417)	(2,095,717)	(2,209,825)
<b>GP/Fund Investments - Deconsolidated</b>	<b>\$ 2,038,385</b>	<b>\$ 1,993,586</b>	<b>\$ 1,894,859</b>	<b>\$ 1,989,762</b>	<b>\$ 1,856,971</b>
<b>Loans Payable - GAAP</b>	<b>\$ 10,195,403</b>	<b>\$ 10,161,886</b>	<b>\$ 9,951,862</b>	<b>\$ 10,011,155</b>	<b>\$ 10,676,138</b>
Impact of Consolidation (g)	(6,707,046)	(6,679,598)	(6,480,711)	(6,561,111)	(6,536,221)
Outstanding Bonds (Carrying Value)	3,488,357	3,482,288	3,471,151	3,450,044	4,139,917
Unamortized Discount/Premium	63,886	62,755	60,879	59,576	66,033
<b>Outstanding Bonds (at par) - Deconsolidated</b>	<b>\$ 3,552,243</b>	<b>\$ 3,545,043</b>	<b>\$ 3,532,030</b>	<b>\$ 3,509,620</b>	<b>\$ 4,205,950</b>

- (a) This adjustment adds back investments in consolidated Blackstone Funds which have been eliminated in consolidation.
- (b) Represents GAAP accrued performance revenue recorded within Due from Affiliates.
- (c) Represents GAAP accrued performance compensation associated with Accrued Performance Allocations and is recorded within Accrued Compensation and Benefits and Due to Affiliates.
- (d) This adjustment adds other assets related to Treasury Operations that are recorded within Accounts Receivable, reverse repurchase agreements and Due from Affiliates.
- (e) This adjustment adds other liabilities related to Treasury Operations that are recorded within Accounts Payable, Accrued Expenses and Other Liabilities, Repurchase Agreements and securities sold short, not yet purchased.
- (f) This adjustment removes amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests and adds back investments in consolidated Blackstone Funds which have been eliminated in consolidation.
- (g) This adjustment removes amounts related to consolidated Blackstone Funds.

# Reconciliation of GAAP to Total Segment Measures

(Dollars in Thousands)	QTD					YTD		LTM		
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18	2Q'19	2Q'17	2Q'18	2Q'19
<b>Management and Advisory Fees, Net</b>										
GAAP	\$ 721,384	\$ 780,009	\$ 797,554	\$ 809,726	\$ 840,378	\$ 1,450,233	\$ 1,650,104	\$ 2,575,989	\$ 2,865,214	\$ 3,227,667
Segment Adjustment (a)	1,610	(790)	641	4,336	3,778	8,805	8,114	8,000	18,198	7,965
<b>Total Segment</b>	<b>\$ 722,994</b>	<b>\$ 779,219</b>	<b>\$ 798,195</b>	<b>\$ 814,062</b>	<b>\$ 844,156</b>	<b>\$ 1,459,038</b>	<b>\$ 1,658,218</b>	<b>\$ 2,583,989</b>	<b>\$ 2,883,412</b>	<b>\$ 3,235,632</b>
<b>GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues</b>										
GAAP										
Incentive Fees	19,378	9,799	15,797	12,132	21,915	31,944	34,047	179,504	187,644	59,643
Investment Income - Realized Performance Allocations	503,376	592,103	511,388	242,375	332,520	773,016	574,895	2,654,741	2,630,260	1,678,386
GAAP	\$ 522,754	\$ 601,902	\$ 527,185	\$ 254,507	\$ 354,435	\$ 804,960	\$ 608,942	\$ 2,834,245	\$ 2,817,904	\$ 1,738,029
Total Segment										
Less: Realized Performance Revenues	(477,544)	(572,159)	(483,697)	(246,769)	(341,386)	(755,915)	(588,155)	(2,731,564)	(2,657,434)	(1,644,011)
Segment Adjustment (b)	305	556	697	41	575	307	616	2,173	2,757	1,869
<b>Total Segment</b>	<b>\$ 45,515</b>	<b>\$ 30,299</b>	<b>\$ 44,185</b>	<b>\$ 7,779</b>	<b>\$ 13,624</b>	<b>\$ 49,352</b>	<b>\$ 21,403</b>	<b>\$ 104,854</b>	<b>\$ 163,227</b>	<b>\$ 95,887</b>
<b>GAAP Compensation to Total Segment Fee Related Compensation</b>										
GAAP										
Compensation	427,479	419,285	373,790	471,397	438,521	816,882	909,918	1,352,773	1,540,575	1,702,993
Incentive Fees Compensation	9,743	7,251	10,260	5,406	8,886	16,405	14,292	83,870	78,187	31,803
Realized Performance Allocations Compensation	186,398	200,442	212,174	86,395	125,825	298,460	212,220	880,435	1,018,209	624,836
GAAP	\$ 623,620	\$ 626,978	\$ 596,224	\$ 563,198	\$ 573,232	\$ 1,131,747	\$ 1,136,430	\$ 2,317,078	\$ 2,636,971	\$ 2,359,632
Total Segment										
Less: Realized Performance Compensation	(172,894)	(190,773)	(199,645)	(85,240)	(125,466)	(287,723)	(210,706)	(909,329)	(1,009,830)	(601,124)
Less: Equity-Based Compensation - Operating Compensation	(31,483)	(33,514)	(39,968)	(63,708)	(50,225)	(71,731)	(113,933)	(88,024)	(113,049)	(187,415)
Less: Equity-Based Compensation - Performance Compensation	(2,911)	(3,062)	(3,134)	(3,068)	(2,880)	(6,811)	(5,948)	(8,905)	(14,699)	(12,144)
Segment Adjustment (c)	(110,089)	(65,084)	(74,193)	(87,151)	(100,827)	(163,165)	(187,978)	(248,831)	(278,026)	(327,255)
<b>Total Segment</b>	<b>\$ 306,243</b>	<b>\$ 334,545</b>	<b>\$ 279,284</b>	<b>\$ 324,031</b>	<b>\$ 293,834</b>	<b>\$ 602,317</b>	<b>\$ 617,865</b>	<b>\$ 1,061,989</b>	<b>\$ 1,221,367</b>	<b>\$ 1,231,694</b>
<b>GAAP General, Administrative and Other to Total Segment Other Operating Expenses</b>										
GAAP	\$ 145,828	\$ 168,813	\$ 153,519	\$ 146,062	\$ 175,308	\$ 272,541	\$ 321,370	\$ 508,616	\$ 532,185	\$ 643,702
Segment Adjustment (d)	(23,362)	(40,068)	(23,494)	(22,751)	(33,187)	(42,983)	(55,938)	(83,049)	(80,061)	(119,500)
<b>Total Segment</b>	<b>\$ 122,466</b>	<b>\$ 128,745</b>	<b>\$ 130,025</b>	<b>\$ 123,311</b>	<b>\$ 142,121</b>	<b>\$ 229,558</b>	<b>\$ 265,432</b>	<b>\$ 425,567</b>	<b>\$ 452,124</b>	<b>\$ 524,202</b>
<b>Realized Performance Revenues</b>										
GAAP										
Incentive Fees	19,378	9,799	15,797	12,132	21,915	31,944	34,047	179,504	187,644	59,643
Investment Income - Realized Performance Allocations	503,376	592,103	511,388	242,375	332,520	773,016	574,895	2,654,741	2,630,260	1,678,386
GAAP	\$ 522,754	\$ 601,902	\$ 527,185	\$ 254,507	\$ 354,435	\$ 804,960	\$ 608,942	\$ 2,834,245	\$ 2,817,904	\$ 1,738,029
Total Segment										
Less: Fee Related Performance Revenues	(45,515)	(30,299)	(44,185)	(7,779)	(13,624)	(49,352)	(21,403)	(104,854)	(163,227)	(95,887)
Segment Adjustment (b)	305	556	697	41	575	307	616	2,173	2,757	1,869
<b>Total Segment</b>	<b>\$ 477,544</b>	<b>\$ 572,159</b>	<b>\$ 483,697</b>	<b>\$ 246,769</b>	<b>\$ 341,386</b>	<b>\$ 755,915</b>	<b>\$ 588,155</b>	<b>\$ 2,731,564</b>	<b>\$ 2,657,434</b>	<b>\$ 1,644,011</b>

## Reconciliation of GAAP to Total Segment Measures – Continued

(Dollars in Thousands)	QTD					YTD		LTM		
	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	2Q'18	2Q'19	2Q'17	2Q'18	2Q'19
<b>Realized Performance Compensation</b>										
GAAP										
Incentive Fee Compensation	\$ 9,743	\$ 7,251	\$ 10,260	\$ 5,406	\$ 8,886	\$ 16,405	\$ 14,292	\$ 83,870	\$ 78,187	\$ 31,803
Realized Performance Allocations Compensation	186,398	200,442	212,174	86,395	125,825	298,460	212,220	880,435	1,018,209	624,836
<b>GAAP</b>	<b>\$ 196,141</b>	<b>\$ 207,693</b>	<b>\$ 222,434</b>	<b>\$ 91,801</b>	<b>\$ 134,711</b>	<b>\$ 314,865</b>	<b>\$ 226,512</b>	<b>\$ 964,305</b>	<b>\$ 1,096,396</b>	<b>\$ 656,639</b>
Total Segment										
Less: Fee Related Performance Compensation	(20,336)	(13,858)	(19,655)	(3,493)	(6,365)	(20,331)	(9,858)	(46,071)	(71,867)	(43,371)
Less: Equity-Based Compensation - Performance Compensation	(2,911)	(3,062)	(3,134)	(3,068)	(2,880)	(6,811)	(5,948)	(8,905)	(14,699)	(12,144)
<b>Total Segment</b>	<b>\$ 172,894</b>	<b>\$ 190,773</b>	<b>\$ 199,645</b>	<b>\$ 85,240</b>	<b>\$ 125,466</b>	<b>\$ 287,723</b>	<b>\$ 210,706</b>	<b>\$ 909,329</b>	<b>\$ 1,009,830</b>	<b>\$ 601,124</b>
<b>Realized Principal Investment Income</b>										
GAAP	\$ 129,197	\$ 134,619	\$ 109,901	\$ 73,261	\$ 145,040	\$ 171,342	\$ 218,301	\$ 602,103	\$ 430,709	\$ 462,821
Segment Adjustment (e)	(34,550)	(68,999)	(62,803)	(47,353)	(21,483)	(48,002)	(68,836)	(142,022)	(174,956)	(200,638)
<b>Total Segment</b>	<b>\$ 94,647</b>	<b>\$ 65,620</b>	<b>\$ 47,098</b>	<b>\$ 25,908</b>	<b>\$ 123,557</b>	<b>\$ 123,340</b>	<b>\$ 149,465</b>	<b>\$ 460,081</b>	<b>\$ 255,753</b>	<b>\$ 262,183</b>
<b>GAAP Interest and Dividend Revenue net of Interest Expense to Total Segment Net Interest Income (Loss)</b>										
GAAP										
Interest and Dividend Revenue	40,073	48,604	47,885	44,084	43,686	75,458	87,770	112,561	152,956	184,259
Interest Expense	(39,320)	(41,355)	(44,644)	(42,002)	(43,596)	(77,991)	(85,598)	(159,755)	(194,142)	(171,597)
<b>GAAP</b>	<b>\$ 753</b>	<b>\$ 7,249</b>	<b>\$ 3,241</b>	<b>\$ 2,082</b>	<b>\$ 90</b>	<b>\$ (2,533)</b>	<b>\$ 2,172</b>	<b>\$ (47,194)</b>	<b>\$ (41,186)</b>	<b>\$ 12,662</b>
Segment Adjustment (f)	2,089	1,764	8,682	2,979	2,671	3,522	5,650	4,923	9,802	16,096
<b>Total Segment</b>	<b>\$ 2,842</b>	<b>\$ 9,013</b>	<b>\$ 11,923</b>	<b>\$ 5,061</b>	<b>\$ 2,761</b>	<b>\$ 989</b>	<b>\$ 7,822</b>	<b>\$ (42,271)</b>	<b>\$ (31,384)</b>	<b>\$ 28,758</b>

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 Management and Advisory Fees, Net 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 Management and Advisory Fees, Net 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 Dividend Policy

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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. DE is used to assess performance and amounts available for dividends to Blackstone shareholders, 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 (a) Management and Advisory Fees, Net and (b) Fee Related Performance Revenues, referred to as Fee Related Performance Compensation.
  - **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.
  - **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 Dividend Policy – Continued

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- **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.

Dividend Policy. Blackstone’s intention is to dividend quarterly to common shareholders approximately 85% of The Blackstone Group Inc.’s share of Distributable Earnings, subject to adjustment by amounts determined by Blackstone’s board of directors 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 dividends to shareholders for any ensuing quarter. The dividend amount 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 dividends are at the sole discretion of Blackstone’s board of directors and our board of directors may change our dividend policy at any time, including, without limitation, to eliminate such dividends entirely.

## Forward-Looking Statements

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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 our current views with respect to, among other things, our operations, taxes, earnings and financial performance, share repurchases and dividends. 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. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission (“SEC”), which are accessible on the SEC’s website at [www.sec.gov](http://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 report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we undertake 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.