



Blackstone Reports Third Quarter 2019 Results

New York, October 23, 2019: Blackstone (NYSE:BX) today reported its third quarter 2019 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “In the third quarter Blackstone again generated strong results for our investors, who in today’s challenging environment look to our firm as a critical solutions provider. Our ability to execute on scale investment opportunities across a broad array of strategies is highly differentiated, as demonstrated by \$16 billion of deployments in the quarter and a record \$62 billion over the last twelve months. Our investors continue to entrust us with capital for both new and existing strategies, including nearly \$150 billion of inflows during the last year – culminating in industry-record Total Assets Under Management of \$554 billion, up 21% year-over-year.”

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

Dividend

Blackstone has declared a quarterly dividend of \$0.49 per common share to record holders of common shares at the close of business on November 4, 2019. This dividend will be paid on November 12, 2019.

Quarterly Investor Call Details

Blackstone will host a conference call on October 23, 2019 at 9:00 a.m. ET to discuss third 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), passcode 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), passcode 139 805 59#.

About Blackstone

Blackstone is one of the world’s leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our asset management businesses, with \$554 billion in assets under management, include investment vehicles focused on

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private equity, real estate, public debt and equity, growth equity, opportunistic, 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 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. 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.

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Blackstone's Third Quarter 2019 Earnings

October 23, 2019

Blackstone's Third Quarter 2019 GAAP Results

► GAAP Net Income was \$1.2 billion for the quarter and \$2.9 billion year-to-date. GAAP Net Income Attributable to The Blackstone Group Inc. was \$779 million for the quarter and \$1.6 billion year-to-date.

(Dollars in Thousands, Except per Share Data) (Unaudited)	3Q'18	3Q'19	3Q'18 YTD	3Q'19 YTD	3Q'17 LTM	3Q'18 LTM	3Q'19 LTM
Revenues							
Management and Advisory Fees, Net	\$ 780,009	\$ 878,151	\$ 2,230,242	\$ 2,528,255	\$ 2,659,862	\$ 2,959,301	\$ 3,325,809
Incentive Fees	9,799	8,254	41,743	42,301	188,025	161,930	58,098
Investment Income (Loss)							
Performance Allocations							
Realized	592,103	446,550	1,365,119	1,021,445	2,582,430	2,787,381	1,532,833
Unrealized	299,238	176,370	1,367,678	998,101	629,097	884,645	191,796
Principal Investments							
Realized	134,619	74,642	305,961	292,943	557,557	490,523	402,844
Unrealized	52,840	15,391	268,082	147,090	73,139	247,515	(71,075)
Total Investment Income	1,078,800	712,953	3,306,840	2,459,579	3,842,223	4,410,064	2,056,398
Interest and Dividend Revenue	48,604	42,482	124,062	130,252	127,716	164,586	178,137
Other	9,368	93,273	625,394	86,403	(46,595)	591,613	133,326
Total Revenues	1,926,580	1,735,113	6,328,281	5,246,790	6,771,231	8,287,494	5,751,768
Expenses							
Compensation and Benefits							
Compensation	419,285	462,766	1,236,167	1,372,684	1,382,348	1,600,651	1,746,474
Incentive Fee Compensation	7,251	5,419	23,656	19,711	89,199	67,106	29,971
Performance Allocations Compensation							
Realized	200,442	155,663	498,902	367,883	872,080	1,056,146	580,057
Unrealized	178,184	94,907	622,610	446,440	412,927	456,427	143,572
Total Compensation and Benefits	805,162	718,755	2,381,335	2,206,718	2,756,554	3,180,330	2,500,074
General, Administrative and Other	168,813	171,067	441,354	492,437	499,435	579,962	645,956
Interest Expense	41,355	53,362	119,346	138,960	164,022	193,952	183,604
Fund Expenses	2,302	4,036	74,909	12,509	123,327	107,601	16,086
Total Expenses	1,017,632	947,220	3,016,944	2,850,624	3,543,338	4,061,845	3,345,720
Other Income							
Reduction of Tax Receivable Agreement Liability	-	174,606	-	174,606	-	403,855	174,606
Net Gains from Fund Investment Activities	66,838	48,450	250,956	239,906	313,144	332,919	180,672
Income Before Provision for Taxes	\$ 975,786	\$ 1,010,949	\$ 3,562,293	\$ 2,810,678	\$ 3,541,037	\$ 4,962,423	\$ 2,761,326
Provision (Benefit) for Taxes	26,798	(156,786)	220,024	(76,895)	194,644	816,614	(47,529)
Net Income	\$ 948,988	\$ 1,167,735	\$ 3,342,269	\$ 2,887,573	\$ 3,346,393	\$ 4,145,809	\$ 2,808,855
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	2,569	(8)	2,199	3,567	7,869	9,799	(736)
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	143,101	88,406	427,678	355,983	423,759	560,042	287,183
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	360,576	299,900	1,359,736	961,490	1,377,060	1,719,174	966,743
Net Income Attributable to The Blackstone Group Inc. ("BX")	\$ 442,742	\$ 779,437	\$ 1,552,656	\$ 1,566,533	\$ 1,537,705	\$ 1,856,794	\$ 1,555,665
Net Income Per Share of Class A Common Stock, Basic	\$ 0.65	\$ 1.15	\$ 2.28	\$ 2.32	\$ 2.32	\$ 2.74	\$ 2.30
Net Income Per Share of Class A Common Stock, Diluted	\$ 0.64	\$ 1.15	\$ 2.27	\$ 2.32	\$ 2.29	\$ 2.74	\$ 2.30
Income Before Provision for Taxes Margin	50.6%	58.3%	56.3%	53.6%	52.3%	59.9%	48.0%

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. 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. All references to shares or per share amounts prior to the Conversion refer to units or per unit amounts.

Blackstone's Third Quarter 2019 Highlights

Financial Measures

- ▶ Fee Related Earnings (“FRE”) of \$440 million (\$0.37/share) in the quarter, up 27% year-over-year
 - FRE was \$1.7 billion for the LTM (\$1.39/share), up 21% year-over-year
- ▶ Distributable Earnings (“DE”) of \$710 million (\$0.58/share) in the quarter
 - DE was \$2.7 billion for the LTM (\$2.16/share)
- ▶ Net Accrued Performance Revenues receivable of \$4.2 billion (\$3.48/share)

Capital Metrics

- ▶ Total Assets Under Management (“AUM”) of \$554.0 billion, up 21% year-over-year
- ▶ Inflows of \$20.4 billion in the quarter and \$147.1 billion for the LTM
- ▶ Realizations of \$9.7 billion in the quarter and \$37.4 billion for the LTM
- ▶ Deployment of \$16.2 billion in the quarter and a record \$62.0 billion for the LTM

Shareholder Dividends

- ▶ Dividend of \$0.49 per common share payable on November 12, 2019
 - Dividends of \$1.92 per common share for the LTM
- ▶ Repurchased 2.8 million common shares in the quarter and 19.1 million common shares for the LTM
- ▶ Over \$700 million distributed with respect to the third quarter to shareholders through dividends and share repurchases, and over \$3.0 billion for the LTM

Corporate Structure

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

Blackstone's Third Quarter 2019 Segment Earnings

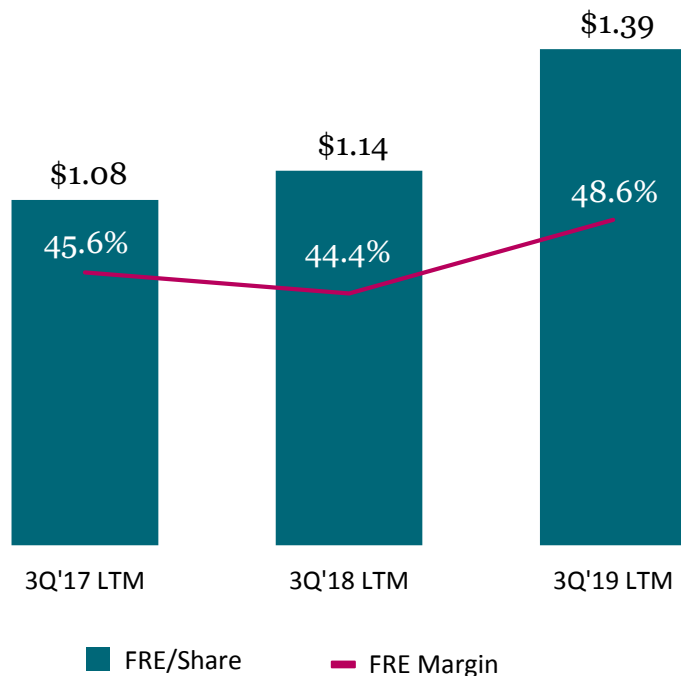
(Dollars in Thousands, Except per Share Data)	3Q'18	3Q'19	% Change		3Q'18 YTD	3Q'19 YTD	% Change	
			vs. 3Q'18				vs. 3Q'18 YTD	
Management and Advisory Fees, Net	\$ 779,219	\$ 880,345	13%		\$ 2,238,257	\$ 2,538,563	13%	
Fee Related Performance Revenues	30,299	34,225	13%		79,651	55,628	(30)%	
Fee Related Compensation	(334,545)	(329,834)	(1)%		(936,862)	(947,699)	1%	
Other Operating Expenses	(128,745)	(144,351)	12%		(358,303)	(409,783)	14%	
Fee Related Earnings	\$ 346,228	\$ 440,385	27%		\$ 1,022,743	\$ 1,236,709	21%	
<i>FRE per Share</i>	<i>\$ 0.29</i>	<i>\$ 0.37</i>	<i>28%</i>		<i>\$ 0.85</i>	<i>\$ 1.03</i>	<i>21%</i>	
Realized Performance Revenues	572,159	420,840	(26)%		1,328,074	1,008,995	(24)%	
Realized Performance Compensation	(190,773)	(143,870)	(25)%		(478,496)	(354,576)	(26)%	
Realized Principal Investment Income	65,620	36,148	(45)%		188,960	185,613	(2)%	
Net Realizations	447,006	313,118	(30)%		1,038,538	840,032	(19)%	
Total Segment Distributable Earnings	\$ 793,234	\$ 753,503	(5)%		\$ 2,061,281	\$ 2,076,741	1%	
Net Interest Income (Loss)	9,013	(7,767)	n/m		10,002	55	(99)%	
Taxes and Related Payables	(32,963)	(35,815)	9%		(99,802)	(120,055)	20%	
Distributable Earnings	\$ 769,284	\$ 709,921	(8)%		\$ 1,971,481	\$ 1,956,741	(1)%	
<i>DE per Common Share</i>	<i>\$ 0.63</i>	<i>\$ 0.58</i>	<i>(8)%</i>		<i>\$ 1.60</i>	<i>\$ 1.59</i>	<i>(1)%</i>	
Total Segment Revenues	\$ 1,447,297	\$ 1,371,558	(5)%		\$ 3,834,942	\$ 3,788,799	(1)%	
Total Assets Under Management	\$ 456,691,832	\$ 554,022,343	21%		\$ 456,691,832	\$ 554,022,343	21%	
Fee-Earning Assets Under Management	\$ 342,261,123	\$ 394,138,443	15%		\$ 342,261,123	\$ 394,138,443	15%	

Fee Related Earnings per Share is based on end of period DE Shares Outstanding (see page 23, Share Summary). DE per Common Share is based on DE Attributable to Common Shareholders (see page 22, Shareholder Dividends) and end of period Participating Common Shares outstanding. YTD per Share amounts represent the sum of the last three quarters. See pages 30-31 for the Reconciliation of GAAP to Total Segment Measures.

Summary of Financials

- ▶ LTM Fee Related Earnings of \$1.39 per share, an increase of 22% year-over-year.
- ▶ LTM Total Segment Distributable Earnings were \$2.8 billion.

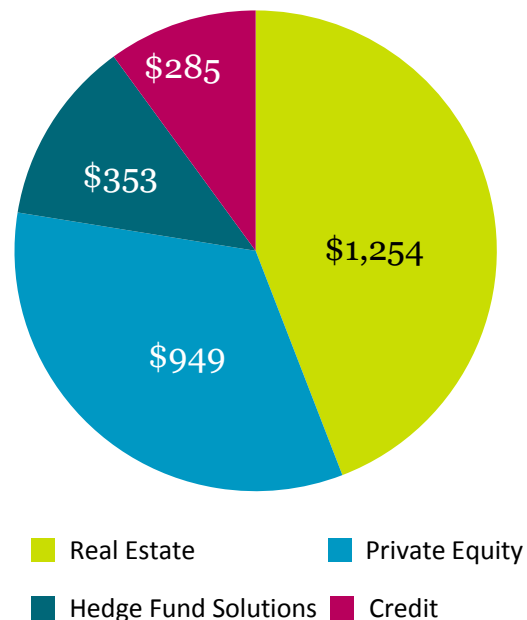
Fee Related Earnings per Share



Segment Distributable Earnings

(Dollars in Millions)

3Q'19 LTM Total: \$2,841



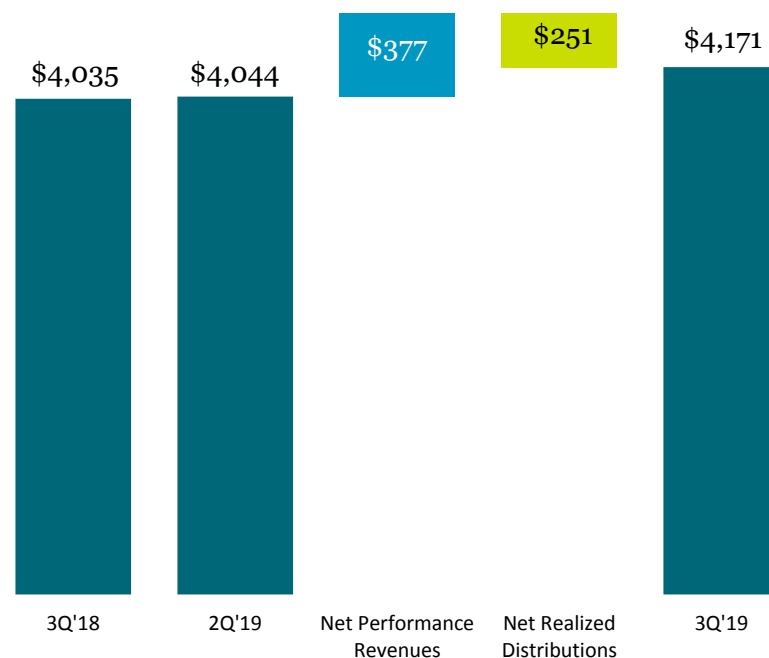
Investment Performance and Net Accrued Performance Revenues

- ▶ Positive overall appreciation drove Net Accrued Performance Revenues to \$4.2 billion (\$3.48/share), up 3% year-over-year.
 - Appreciation generated \$377 million of additional Net Accrued Performance Revenues, relative to \$251 million of Net Realized Distributions in the quarter.

Investment Performance (Appreciation / Gross Returns)

	3Q'19	3Q'19 LTM
Real Estate		
Opportunistic Funds	3.8%	13.6%
Core+	2.3%	8.7%
Private Equity		
Corporate Private Equity	2.6%	4.9%
Tactical Opportunities	1.0%	5.6%
Strategic Partners	9.6%	16.5%
Hedge Fund Solutions		
BPS Composite	0.4%	3.5%
Credit		
Performing Credit	0.9%	8.9%
Distressed	(3.9)%	(9.3)%

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 0.2% and 2.7% for 3Q'19 and 3Q'19 LTM, respectively. Performing Credit net returns were 0.3% and 5.9% for 3Q'19 and 3Q'19 LTM, respectively. Distressed net returns were (4.1)% and (9.2)% for 3Q'19 and 3Q'19 LTM, respectively. Net Realized Distributions excludes Net Performance Revenues realized, but not yet distributed as of the reporting date which are included in the Net Accrued Performance Revenues balance.

Capital Metrics Activity

- ▶ Inflows were \$20.4 billion in the quarter, bringing LTM inflows to \$147.1 billion.
- ▶ Realizations were \$9.7 billion in the quarter and \$37.4 billion for the LTM.
- ▶ Deployed \$16.2 billion in the quarter and \$62.0 billion for the LTM.
 - Committed an additional \$9.1 billion during the quarter that is not yet deployed.

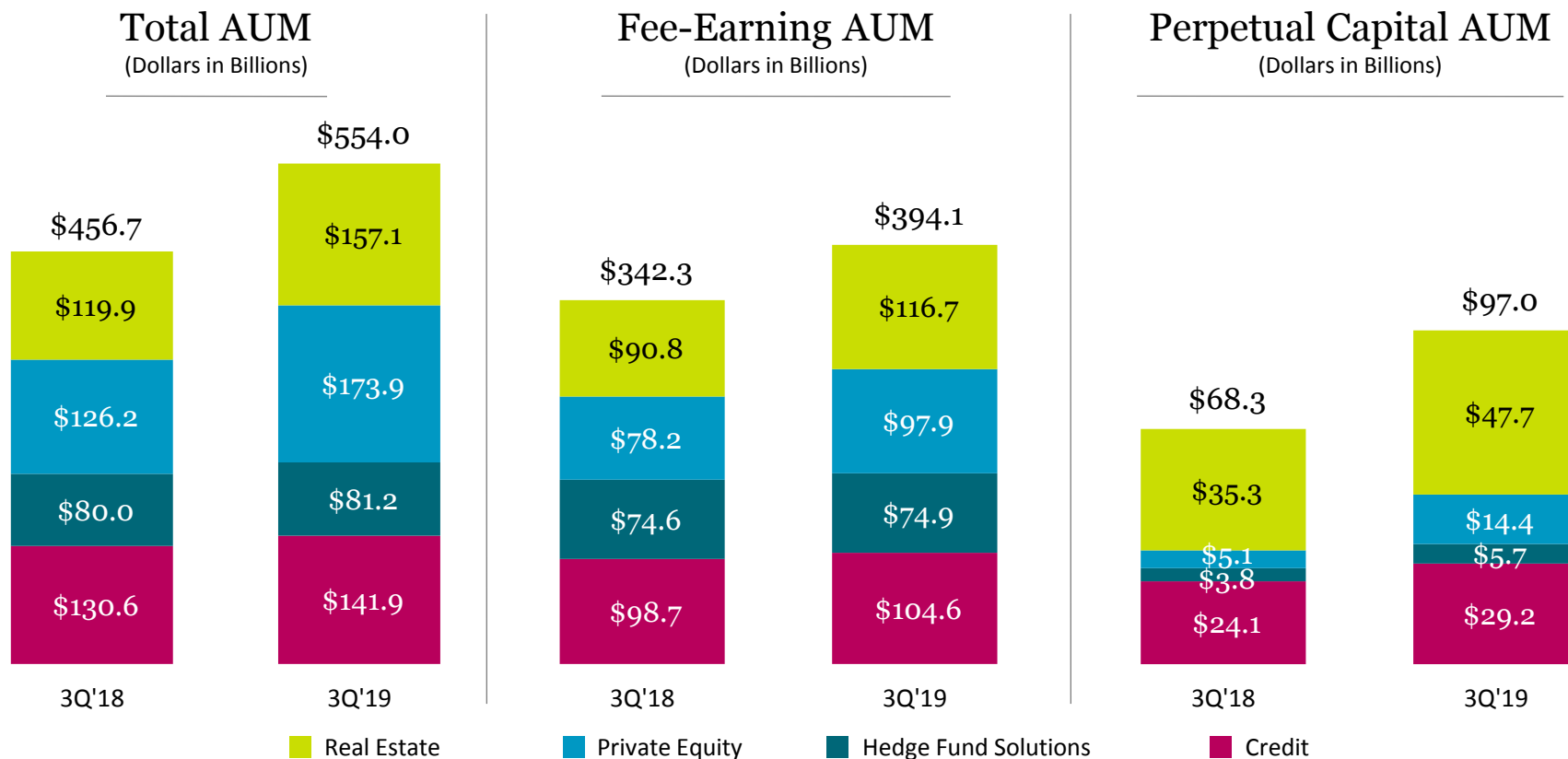
(Dollars in Millions)

		Inflows		Realizations		Capital Deployed	
		3Q'19	3Q'19 LTM	3Q'19	3Q'19 LTM	3Q'19	3Q'19 LTM
Real Estate	▶ Total Real Estate	\$ 6,746	\$ 46,267	\$ 4,576	\$ 15,266	\$ 8,165	\$ 20,918
	• Opportunistic	2,155	31,142	2,893	10,185	4,009	9,910
	• Core+	3,266	10,442	690	2,695	3,652	8,997
	• BREDS	1,325	4,683	993	2,386	505	2,011
Private Equity	▶ Total Private Equity	3,255	58,358	2,812	14,496	5,809	27,663
	• Private Equity	1,220	30,090	1,188	8,577	1,662	9,835
	• Tactical Opportunities	1,316	5,256	977	3,434	1,685	5,704
	• Strategic Partners	718	14,044	646	2,485	2,462	9,621
	• Infrastructure	-	8,969	-	-	-	2,503
Hedge Fund Solutions	▶ BAAM	3,164	12,186	306	1,007	659	3,568
Credit	▶ GSO/BIS/Harvest	7,227	30,239	2,054	6,615	1,523	9,810
Total Blackstone		\$ 20,391	\$ 147,050	\$ 9,748	\$ 37,384	\$ 16,157	\$ 61,959

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

Assets Under Management

- ▶ Total AUM increased to \$554.0 billion, up 21% year-over-year, with \$20.4 billion of inflows in the quarter and \$147.1 billion for the LTM.
- ▶ Fee-Earning AUM of \$394.1 billion was up 15% year-over-year, with \$18.0 billion of inflows in the quarter and \$101.9 billion for the LTM.
- ▶ Perpetual Capital AUM reached \$97.0 billion, up 42% year-over-year.

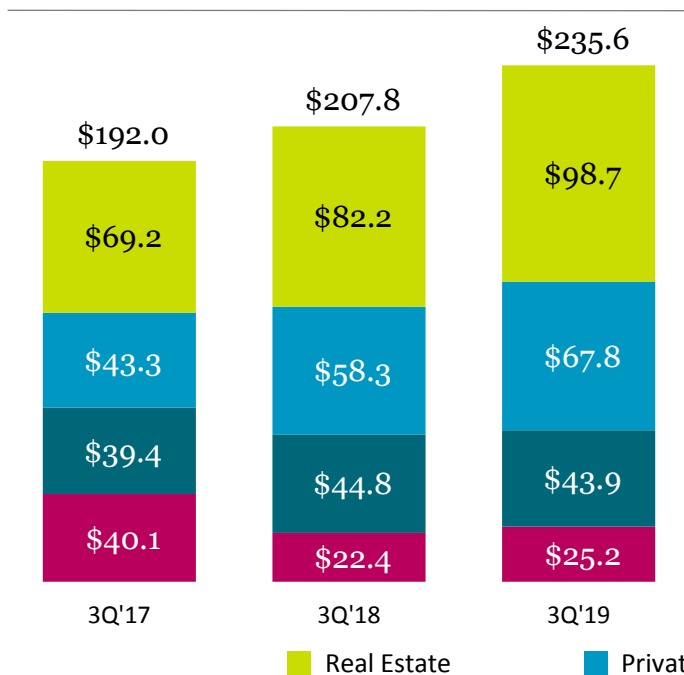


Additional Capital Detail

- ▶ Invested Performance Revenue Eligible AUM reached \$235.6 billion at quarter end, up 13% year-over-year, and has increased 23% since the third quarter of 2017.
- ▶ Undrawn capital (“Total Dry Powder”) available for investment of \$148.0 billion, driven by fundraising activity for the latest flagship funds.

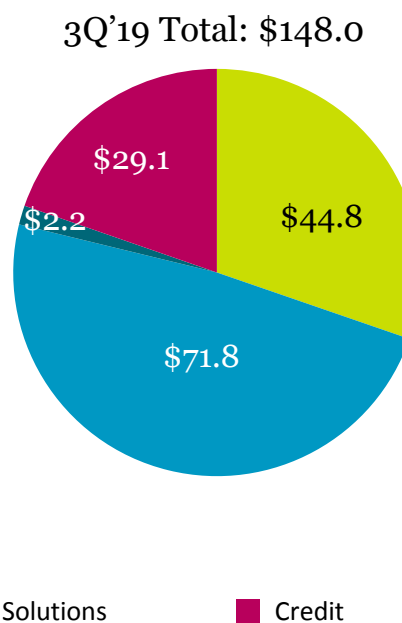
Invested Performance Revenue Eligible AUM

(Dollars in Billions)



Total Dry Powder

(Dollars in Billions)



Segment Highlights

Real Estate

- ▶ **Total AUM:** Increased 31% to \$157.1 billion with inflows of \$6.7 billion in the quarter and \$46.3 billion for the LTM.
 - Held the final close for BREP IX, the largest real estate fund ever at \$20.5 billion, in the quarter; raised \$2.4 billion in BREIT and \$1.1 billion in the sixth European opportunistic fund.
- ▶ **Realizations:** \$4.6 billion in the quarter and \$15.3 billion for the LTM; realizations in the quarter included a secondary share sale of Invitation Homes and the sale of the final office asset in Equity Office Properties.
- ▶ **Capital Deployed:** \$8.2 billion in the quarter and \$20.9 billion for the LTM; deployment in the quarter included the acquisition of GLP's U.S. industrial portfolio, the largest private real estate transaction ever.
 - Committed an additional \$4.0 billion during the quarter that is not yet deployed, including the acquisition of a 62 million square foot last-mile logistics portfolio.
- ▶ **Appreciation:** Opportunistic funds and core+ funds appreciated 3.8% and 2.3% in the quarter, and 13.6% and 8.7% for the LTM, respectively.

(Dollars in Thousands)	3Q'18	3Q'19	% Change		3Q'18 YTD	3Q'19 YTD	% Change	
			vs. 3Q'18				vs. 3Q'18 YTD	
Management Fees, Net	\$ 291,501	\$ 332,529	14%		\$ 809,201	\$ 894,345	11%	
Fee Related Performance Revenues	30,299	30,600	1%		80,317	48,348	(40)%	
Fee Related Compensation	(128,342)	(132,183)	3%		(349,735)	(344,794)	(1)%	
Other Operating Expenses	(39,787)	(43,897)	10%		(105,230)	(122,997)	17%	
Fee Related Earnings	\$ 153,671	\$ 187,049	22%		\$ 434,553	\$ 474,902	9%	
Realized Performance Revenues	273,309	282,379	3%		741,999	558,134	(25)%	
Realized Performance Compensation	(79,309)	(85,544)	8%		(230,140)	(183,186)	(20)%	
Realized Principal Investment Income	16,197	17,968	11%		81,086	63,257	(22)%	
Net Realizations	210,197	214,803	2%		592,945	438,205	(26)%	
Segment Distributable Earnings	\$ 363,868	\$ 401,852	10%		\$ 1,027,498	\$ 913,107	(11)%	
Segment Revenues	\$ 611,306	\$ 663,476	9%		\$ 1,712,603	\$ 1,564,084	(9)%	
Total AUM	\$ 119,942,029	\$ 157,076,273	31%		\$ 119,942,029	\$ 157,076,273	31%	
Fee-Earning AUM	\$ 90,772,735	\$ 116,749,305	29%		\$ 90,772,735	\$ 116,749,305	29%	

Appreciation for core+ funds excludes BREIT.

Private Equity

- ▶ **Total AUM:** Increased 38% to \$173.9 billion with inflows of \$3.3 billion in the quarter and \$58.4 billion for the LTM.
 - Raised \$2.9 billion of capital primarily driven by Corporate Private Equity and Tactical Opportunities.
- ▶ **Realizations:** \$2.8 billion in the quarter, including both public and private sales, and \$14.5 billion for the LTM.
- ▶ **Capital Deployed:** \$5.8 billion in the quarter and \$27.7 billion for the LTM across regions; committed an additional \$2.6 billion in the quarter that is not yet deployed.
- ▶ **Appreciation:** Corporate Private Equity appreciated 2.6% in the quarter driven by underlying appreciation in the private portfolio and appreciated 4.9% for the LTM.

(Dollars in Thousands)	3Q'18	3Q'19	% Change		3Q'18 YTD	3Q'19 YTD	% Change	
			vs. 3Q'18				vs. 3Q'18 YTD	
Management and Advisory Fees, Net	\$ 222,629	\$ 255,278	15%		\$ 617,441	\$ 785,977	27%	
Fee Related Compensation	(105,621)	(105,773)	0%		(289,357)	(318,467)	10%	
Other Operating Expenses	(36,654)	(38,235)	4%		(103,852)	(112,865)	9%	
Fee Related Earnings	\$ 80,354	\$ 111,270	38%		\$ 224,232	\$ 354,645	58%	
Realized Performance Revenues	290,012	124,231	(57)%		505,306	403,737	(20)%	
Realized Performance Compensation	(106,400)	(52,034)	(51)%		(207,958)	(154,671)	(26)%	
Realized Principal Investment Income	44,408	11,977	(73)%		83,346	80,022	(4)%	
Net Realizations	228,020	84,174	(63)%		380,694	329,088	(14)%	
Segment Distributable Earnings	\$ 308,374	\$ 195,444	(37)%		\$ 604,926	\$ 683,733	13%	
Segment Revenues	\$ 557,049	\$ 391,486	(30)%		\$ 1,206,093	\$ 1,269,736	5%	
Total AUM	\$ 126,184,368	\$ 173,858,400	38%		\$ 126,184,368	\$ 173,858,400	38%	
Fee-Earning AUM	\$ 78,195,072	\$ 97,936,871	25%		\$ 78,195,072	\$ 97,936,871	25%	

Hedge Fund Solutions

- ▶ **Total AUM:** Increased 1% to \$81.2 billion with inflows of \$3.2 billion in the quarter and \$12.2 billion for the LTM.
 - Held the initial close for the second GP stakes fund in the quarter, bringing Total AUM to \$1.2 billion.
 - October 1 subscriptions of \$232 million are not yet included in Total AUM.
- ▶ **Returns:** BPS Composite gross returns of 0.4% in the quarter (0.2% net), bringing year-to-date to 5.9% (5.2% net).
 - Gross returns of 3.5% for the LTM (2.7% net), outperforming global markets with less than one fifth of the volatility of broader markets, compared to 0.0% return for the benchmark HFRX Global HF Return Index.

(Dollars in Thousands)	3Q'18	3Q'19	% Change		3Q'18 YTD	3Q'19 YTD	% Change	
			vs. 3Q'18				vs. 3Q'18 YTD	
Management Fees, Net	\$ 130,320	\$ 141,367	8%		\$ 390,258	\$ 416,726	7%	
Fee Related Compensation	(43,443)	(38,898)	(10)%		(123,615)	(118,474)	(4)%	
Other Operating Expenses	(20,753)	(20,495)	(1)%		(58,032)	(59,492)	3%	
Fee Related Earnings	\$ 66,124	\$ 81,974	24%		\$ 208,611	\$ 238,760	14%	
Realized Performance Revenues	3,985	1,848	(54)%		21,432	17,899	(16)%	
Realized Performance Compensation	(1,922)	(1,000)	(48)%		(7,391)	(4,588)	(38)%	
Realized Principal Investment Income	2,024	1,480	(27)%		10,430	13,503	29%	
Net Realizations	4,087	2,328	(43)%		24,471	26,814	10%	
Segment Distributable Earnings	\$ 70,211	\$ 84,302	20%		\$ 233,082	\$ 265,574	14%	
Segment Revenues	\$ 136,329	\$ 144,695	6%		\$ 422,120	\$ 448,128	6%	
Total AUM	\$ 80,005,136	\$ 81,154,390	1%		\$ 80,005,136	\$ 81,154,390	1%	
Fee-Earning AUM	\$ 74,558,599	\$ 74,877,976	0%		\$ 74,558,599	\$ 74,877,976	0%	

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.

Credit

- ▶ **Total AUM:** Increased 9% to \$141.9 billion with inflows of \$7.2 billion in the quarter and \$30.2 billion for the LTM.
 - Held additional closes for the second European senior debt fund strategy totaling \$1.8 billion in the quarter.
 - Inflows of \$2.5 billion in new CLOs and other Long Only strategies in the quarter.
 - Insurance Solutions had \$1.6 billion of gross inflows in the quarter, including \$1.0 billion of commitments for a private structured credit mandate.
- ▶ **Realizations:** \$2.1 billion in the quarter and \$6.6 billion for the LTM.
- ▶ **Capital Deployed:** \$1.5 billion in the quarter, driven by the U.S. Direct Lending strategy, and \$9.8 billion for the LTM; committed an additional \$1.8 billion in the quarter that is not yet deployed.
- ▶ **Returns:** Gross returns of 0.9% in the quarter for Performing Credit; gross returns of (3.9)% in the quarter for Distressed driven by certain upstream energy positions.

(Dollars in Thousands)	3Q'18	3Q'19	% Change vs. 3Q'18	3Q'18 YTD	3Q'19 YTD	% Change vs. 3Q'18 YTD
Management Fees, Net	\$ 134,769	\$ 151,171	12%	\$ 421,357	\$ 441,515	5%
Fee Related Performance Revenues	-	3,625	n/m	(666)	7,280	n/m
Fee Related Compensation	(57,139)	(52,980)	(7)%	(174,155)	(165,964)	(5)%
Other Operating Expenses	(31,551)	(41,724)	32%	(91,189)	(114,429)	25%
Fee Related Earnings	\$ 46,079	\$ 60,092	30%	\$ 155,347	\$ 168,402	8%
Realized Performance Revenues	4,853	12,382	155%	59,337	29,225	(51)%
Realized Performance Compensation	(3,142)	(5,292)	68%	(33,007)	(12,131)	(63)%
Realized Principal Investment Income	2,991	4,723	58%	14,098	28,831	105%
Net Realizations	4,702	11,813	151%	40,428	45,925	14%
Segment Distributable Earnings	\$ 50,781	\$ 71,905	42%	\$ 195,775	\$ 214,327	9%
Segment Revenues	\$ 142,613	\$ 171,901	21%	\$ 494,126	\$ 506,851	3%
Total AUM	\$ 130,560,299	\$ 141,933,280	9%	\$ 130,560,299	\$ 141,933,280	9%
Fee-Earning AUM	\$ 98,734,717	\$ 104,574,291	6%	\$ 98,734,717	\$ 104,574,291	6%

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 0.3% for 3Q'19. Distressed net returns were (4.1)% for 3Q'19.

Supplemental Details

Total Segments

(Dollars in Thousands)	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18 YTD	3Q'19 YTD
Management and Advisory Fees, Net							
Base Management Fees	\$ 721,606	\$ 722,648	\$ 757,518	\$ 805,315	\$ 809,729	\$ 2,121,677	\$ 2,372,562
Transaction, Advisory and Other Fees, Net	73,944	77,576	65,150	61,495	92,702	151,922	219,347
Management Fee Offsets	(16,331)	(2,029)	(8,606)	(22,654)	(22,086)	(35,342)	(53,346)
Total Management and Advisory Fees, Net	779,219	798,195	814,062	844,156	880,345	2,238,257	2,538,563
Fee Related Performance Revenues	30,299	44,185	7,779	13,624	34,225	79,651	55,628
Fee Related Compensation	(334,545)	(279,284)	(324,031)	(293,834)	(329,834)	(936,862)	(947,699)
Other Operating Expenses	(128,745)	(130,025)	(123,311)	(142,121)	(144,351)	(358,303)	(409,783)
Fee Related Earnings	\$ 346,228	\$ 433,071	\$ 374,499	\$ 421,825	\$ 440,385	\$ 1,022,743	\$ 1,236,709
Realized Performance Revenues	572,159	483,697	246,769	341,386	420,840	1,328,074	1,008,995
Realized Performance Compensation	(190,773)	(199,645)	(85,240)	(125,466)	(143,870)	(478,496)	(354,576)
Realized Principal Investment Income	65,620	47,098	25,908	123,557	36,148	188,960	185,613
Total Net Realizations	447,006	331,150	187,437	339,477	313,118	1,038,538	840,032
Total Segment Distributable Earnings	\$ 793,234	\$ 764,221	\$ 561,936	\$ 761,302	\$ 753,503	\$ 2,061,281	\$ 2,076,741
Net Interest Income (Loss)	9,013	11,923	5,061	2,761	(7,767)	10,002	55
Taxes and Related Payables	(32,963)	(54,063)	(29,039)	(55,201)	(35,815)	(99,802)	(120,055)
Distributable Earnings	\$ 769,284	\$ 722,081	\$ 537,958	\$ 708,862	\$ 709,921	\$ 1,971,481	\$ 1,956,741
Total Segment Revenues	\$ 1,447,297	\$ 1,373,175	\$ 1,094,518	\$ 1,322,723	\$ 1,371,558	\$ 3,834,942	\$ 3,788,799
Total Assets Under Management	\$ 456,691,832	\$ 472,242,317	\$ 511,777,762	\$ 545,482,337	\$ 554,022,343	\$ 456,691,832	\$ 554,022,343
Fee-Earning Assets Under Management	\$ 342,261,123	\$ 342,527,507	\$ 352,993,394	\$ 387,864,642	\$ 394,138,443	\$ 342,261,123	\$ 394,138,443
Weighted-Average Fee-Earning AUM	\$ 340,994,284	\$ 343,514,196	\$ 349,589,269	\$ 368,900,952	\$ 391,977,663	\$ 336,496,661	\$ 365,664,742
LP Capital Invested	\$ 9,358,423	\$ 14,218,797	\$ 10,844,363	\$ 14,461,441	\$ 15,920,034	\$ 26,708,450	\$ 41,225,838
Total Capital Invested	\$ 9,894,470	\$ 16,349,738	\$ 11,783,583	\$ 17,669,109	\$ 16,156,664	\$ 28,365,761	\$ 45,609,356

LP Capital Invested and Total Capital Invested have been updated for 2Q'19.

Assets Under Management

3Q'19 Total AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
2Q'19	\$ 153,605	\$ 171,172	\$ 81,436	\$ 139,270	\$ 545,482
Inflows	6,746	3,255	3,164	7,227	20,391
Outflows	(566)	(349)	(3,070)	(2,023)	(6,008)
Net Inflows	6,180	2,905	94	5,204	14,383
Realizations	(4,576)	(2,812)	(306)	(2,054)	(9,748)
Market Activity	1,867	2,594	(69)	(486)	3,905
3Q'19	\$ 157,076	\$ 173,858	\$ 81,154	\$ 141,933	\$ 554,022
<i>QoQ Increase (Decrease)</i>	<i>2%</i>	<i>2%</i>	<i>(0)%</i>	<i>2%</i>	<i>2%</i>

3Q'19 LTM Total AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
3Q'18	\$ 119,942	\$ 126,184	\$ 80,005	\$ 130,560	\$ 456,692
Inflows	46,267	58,358	12,186	30,239	147,050
Outflows	(2,593)	(1,263)	(12,407)	(11,697)	(27,960)
Net Inflows (Outflows)	43,673	57,095	(221)	18,542	119,090
Realizations	(15,266)	(14,496)	(1,007)	(6,615)	(37,384)
Market Activity	8,727	5,075	2,378	(554)	15,625
3Q'19	\$ 157,076	\$ 173,858	\$ 81,154	\$ 141,933	\$ 554,022
<i>YoY Increase</i>	<i>31%</i>	<i>38%</i>	<i>1%</i>	<i>9%</i>	<i>21%</i>

3Q'19 Fee-Earning AUM Rollforward

(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
2Q'19	\$ 112,287	\$ 96,467	\$ 74,653	\$ 104,457	\$ 387,865
Inflows	7,452	3,192	2,934	4,395	17,973
Outflows	(552)	(108)	(2,411)	(1,846)	(4,917)
Net Inflows	6,900	3,085	523	2,549	13,056
Realizations	(2,898)	(1,735)	(265)	(1,648)	(6,545)
Market Activity	459	120	(33)	(783)	(237)
3Q'19	\$ 116,749	\$ 97,937	\$ 74,878	\$ 104,574	\$ 394,138
<i>QoQ Increase</i>	<i>4%</i>	<i>2%</i>	<i>0%</i>	<i>0%</i>	<i>2%</i>

3Q'19 LTM Fee-Earning AUM Rollforward

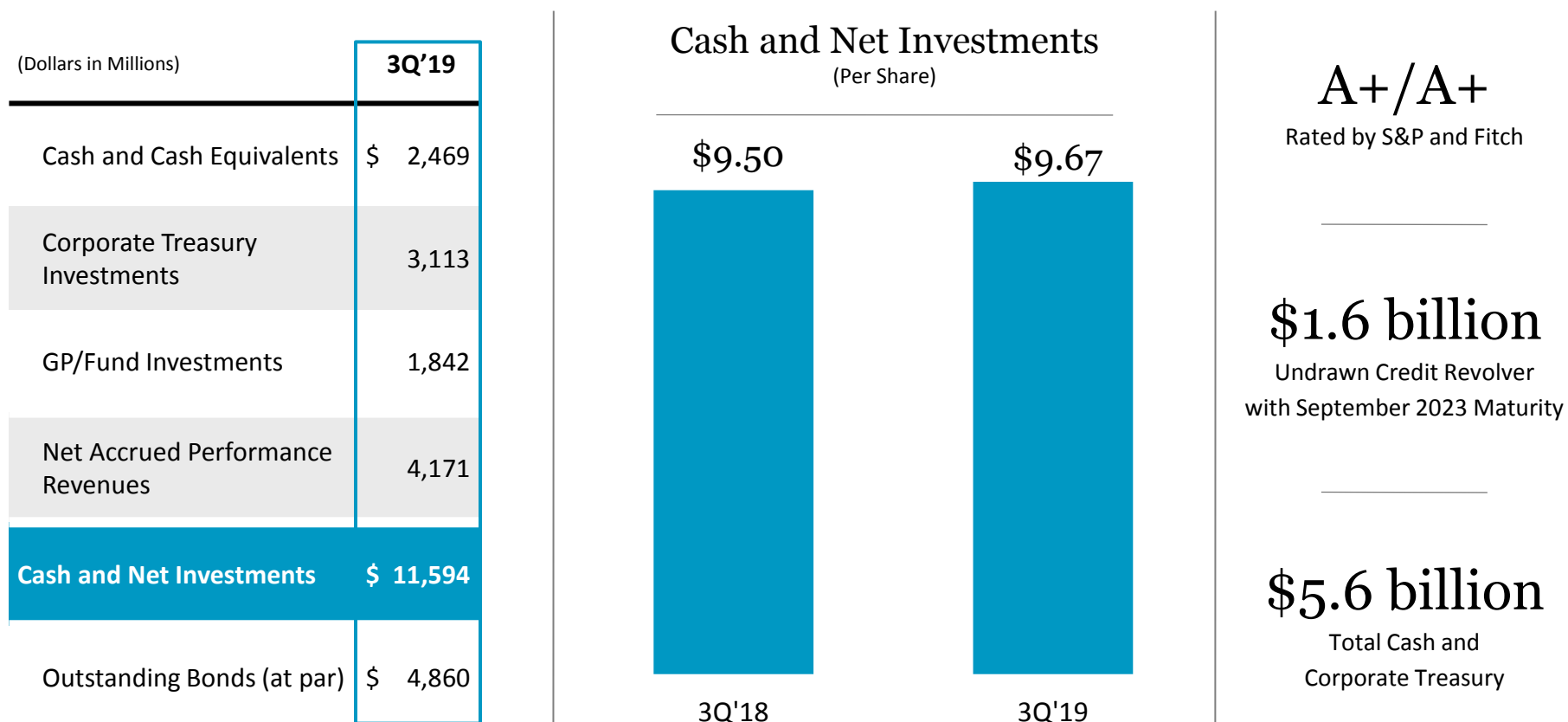
(Dollars in Millions)

	Real Estate	Private Equity	Hedge Fund Solutions	Credit	Total
3Q'18	\$ 90,773	\$ 78,195	\$ 74,559	\$ 98,735	\$ 342,261
Inflows	40,170	29,000	11,024	21,677	101,870
Outflows	(6,588)	(1,604)	(11,960)	(9,820)	(29,971)
Net Inflows (Outflows)	33,582	27,396	(936)	11,858	71,899
Realizations	(9,978)	(7,808)	(912)	(4,838)	(23,537)
Market Activity	2,373	154	2,168	(1,180)	3,515
3Q'19	\$ 116,749	\$ 97,937	\$ 74,878	\$ 104,574	\$ 394,138
<i>YoY Increase</i>	<i>29%</i>	<i>25%</i>	<i>0%</i>	<i>6%</i>	<i>15%</i>

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 September 30, 2019, Blackstone had \$5.6 billion in total cash, cash equivalents, and corporate treasury investments and \$11.6 billion of cash and net investments, or \$9.67 per share.
- ▶ Blackstone has no net debt, a \$1.6 billion undrawn credit revolver and maintains A+/A+ ratings.
 - On September 10, 2019, Blackstone issued \$500 million of 10-year notes at 2.5% coupon and \$400 million of 30-year notes at 3.5% coupon
 - Proceeds used to repurchase \$400 million outstanding 2021 notes, with \$175 million repurchased in the quarter and remainder redeemed subsequent to quarter end.



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 \$778 million, \$666 million, \$104 million, and \$293 million, respectively, as of September 30, 2019. Cash and Net Investments per share amounts are calculated using period end DE Shares Outstanding (see page 23, Share Summary).

Net Accrued Performance Revenues

	Net Accrued Performance Revenues					
	3Q'18	2Q'19	3Q'19	3Q'19 Per Share	QoQ Change	YoY Change
(Dollars in Millions, Except per Share Data)						
Real Estate						
BREP IV	\$ 12	\$ 11	\$ 11	\$ 0.01	\$ (1)	\$ (1)
BREP V	91	54	47	0.04	(7)	(44)
BREP VI	106	106	92	0.08	(14)	(14)
BREP VII	592	542	501	0.42	(41)	(91)
BREP VIII	386	517	597	0.50	80	211
BREP International II	-	25	44	0.04	19	44
BREP Europe III	1	-	-	-	-	(1)
BREP Europe IV	201	209	222	0.18	13	21
BREP Europe V	86	161	174	0.14	13	88
BREP Asia I	103	159	162	0.14	3	59
BPP	207	242	273	0.23	32	66
BREIT	18	36	59	0.05	22	41
BREDS	21	28	29	0.02	1	8
BTAS	29	41	45	0.04	4	16
Total Real Estate	\$ 1,853	\$ 2,133	\$ 2,256	\$ 1.88	\$ 124	\$ 403
Private Equity						
BCP IV	111	37	24	0.02	(13)	(87)
BCP V	44	-	-	-	-	(44)
BCP VI	1,008	755	724	0.60	(32)	(284)
BCP VII	166	293	382	0.32	88	216
BCP Asia	-	6	7	0.01	1	7
BEP I	155	134	133	0.11	(1)	(22)
BEP II	66	54	8	0.01	(47)	(58)
Tactical Opportunities	161	140	114	0.09	(26)	(47)
Strategic Partners	95	98	133	0.11	35	38
BCEP	11	30	36	0.03	5	25
BTAS	32	51	53	0.04	1	21
Other	-	0	4	-	4	4
Total Private Equity	\$ 1,849	\$ 1,599	\$ 1,616	\$ 1.35	\$ 17	\$ (233)
Total Hedge Fund Solutions	\$ 32	\$ 69	\$ 61	\$ 0.05	\$ (8)	\$ 29
Total Credit	\$ 301	\$ 244	\$ 238	\$ 0.20	\$ (6)	\$ (63)
Net Accrued Performance Revenues	\$ 4,035	\$ 4,044	\$ 4,171	\$ 3.48	\$ 127	\$ 136
<i>Memo: Net Realized Performance Revenues</i>	<i>\$ 109</i>	<i>\$ 71</i>	<i>\$ 129</i>	<i>\$ 0.11</i>	<i>\$ 58</i>	<i>\$ 20</i>

3Q'19 QoQ Rollforward

(Dollars in Millions)

	Net Performance Revenues		Net Realized Distributions	3Q'19
	2Q'19			
Real Estate	\$ 2,133	\$ 274	\$ (151)	\$ 2,256
Private Equity	1,599	110	(93)	1,616
HFS	69	(4)	(4)	61
Credit	244	(3)	(3)	238
Total	\$ 4,044	\$ 377	\$ (251)	\$ 4,171
<i>QoQ Increase</i>				<i>3%</i>

3Q'19 LTM Rollforward

(Dollars in Millions)

	Net Performance Revenues		Net Realized Distributions	3Q'19
	3Q'18			
Real Estate	\$ 1,853	\$ 853	\$ (450)	\$ 2,256
Private Equity	1,849	247	(480)	1,616
HFS	32	44	(15)	61
Credit	301	(32)	(31)	238
Total	\$ 4,035	\$ 1,112	\$ (976)	\$ 4,171
<i>YoY Increase</i>				<i>3%</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 23, Share Summary).

Investment Records as of September 30, 2019^(a)

Fund (Investment Period Beginning Date / Ending Date)	Committed Capital		Unrealized Investments			Realized Investments		Total Investments		Net IRRs (d)	
	Capital	Available Capital (b)	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	-	76,765	0.1x	46%	4,511,354	2.2x	4,588,119	1.7x	28%	12%
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	277,154	1.0x	51%	13,008,509	2.4x	13,285,663	2.3x	12%	11%
BREP VI (Feb 2007 / Aug 2011)	11,060,444	-	940,414	2.6x	64%	26,845,418	2.5x	27,785,832	2.5x	13%	13%
BREP VII (Aug 2011 / Apr 2015)	13,496,564	1,906,659	8,170,449	1.7x	14%	21,559,665	2.1x	29,730,114	2.0x	23%	16%
BREP VIII (Apr 2015 / Jun 2019)	16,607,049	3,548,251	17,779,455	1.4x	1%	5,643,169	1.6x	23,422,624	1.4x	27%	15%
BREP IX (Jun 2019 / Dec 2024)	20,468,154	18,849,963	1,618,192	1.0x	-	-	n/a	1,618,192	1.0x	n/a	n/m
Total Global BREP	\$ 72,612,792	\$ 24,304,873	\$ 28,862,429	1.4x	7%	\$ 79,103,033	2.2x	\$ 107,965,462	1.9x	18%	16%
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	-	10,637	2.7x	-	2,555,171	1.8x	2,565,808	1.8x	8%	8%
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	471,297	583,882	0.8x	-	5,557,290	2.5x	6,141,172	2.1x	21%	14%
BREP Europe IV (Sep 2013 / Dec 2016)	6,709,145	1,377,104	4,219,471	1.7x	16%	7,705,285	2.0x	11,924,756	1.9x	24%	17%
BREP Europe V (Dec 2016 / Jun 2022)	8,153,287	2,717,984	6,907,803	1.3x	-	431,777	2.3x	7,339,580	1.4x	45%	16%
BREP Europe VI (Oct 2019 / Apr 2025)	8,484,843	8,484,843	-	n/a	-	-	n/a	-	n/a	n/a	n/a
Total Euro BREP	€ 29,006,362	€ 13,051,228	€ 11,721,793	1.4x	6%	€ 17,620,182	2.1x	€ 29,341,975	1.8x	16%	14%
BREP Asia I (Jun 2013 / Dec 2017)	\$ 5,096,361	\$ 1,728,965	\$ 4,205,495	1.5x	12%	\$ 3,466,115	1.9x	\$ 7,671,610	1.7x	21%	15%
BREP Asia II (Dec 2017 / Jun 2023)	7,183,487	4,984,309	2,484,758	1.1x	-	5,584	n/m	2,490,342	1.1x	n/m	6%
BREP Co-Investment (f)	7,045,918	151,982	1,611,092	2.2x	17%	12,962,096	2.1x	14,573,188	2.1x	16%	16%
Total BREP	\$ 126,546,964	\$ 45,658,621	\$ 50,823,345	1.4x	7%	\$ 117,901,242	2.2x	\$ 168,724,587	1.9x	17%	15%
BPP (Various) (g)	27,194,838	915,347	31,556,095	1.2x	-	5,096,623	2.2x	36,652,718	1.3x	n/m	10%
BREDS High-Yield (Various) (h)	12,011,230	2,699,492	3,213,907	1.1x	-	11,528,445	1.3x	14,742,352	1.3x	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	13,150	n/a	-	2,953,649	1.4x	2,966,799	1.4x	6%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,182	198,964	175,763	2.5x	-	21,417,821	2.9x	21,593,584	2.9x	36%	36%
BCP V (Dec 2005 / Jan 2011)	21,013,586	1,039,733	787,587	0.7x	49%	37,164,778	1.9x	37,952,365	1.9x	9%	8%
BCP VI (Jan 2011 / May 2016)	15,192,244	1,760,758	12,994,521	1.7x	37%	14,467,088	2.1x	27,461,609	1.9x	18%	13%
BEP I (Aug 2011 / Feb 2015)	2,435,285	224,784	1,897,585	1.9x	63%	2,677,532	1.9x	4,575,117	1.9x	17%	13%
BEP II (Feb 2015 / Feb 2021)	4,909,004	827,274	4,390,305	1.3x	-	271,835	1.8x	4,662,140	1.3x	42%	8%
BCP VII (May 2016 / May 2022)	18,781,046	6,494,315	15,599,523	1.4x	n/m	1,179,341	1.7x	16,778,864	1.4x	45%	20%
BCP Asia (Dec 2017 / Dec 2023)	2,378,855	1,333,070	989,766	1.2x	n/m	-	n/a	989,766	1.2x	n/a	23%
BEP III (TBD)	3,994,781	3,994,781	-	n/a	-	-	n/a	-	n/a	n/a	n/a
BCP VIII (TBD)	24,036,991	24,036,991	-	n/a	-	-	n/a	-	n/a	n/a	n/a
Total Corporate Private Equity	\$ 107,839,907	\$ 39,935,245	\$ 36,848,200	1.5x	17%	\$ 94,315,289	2.1x	\$ 131,163,489	1.9x	16%	15%

Investment Records as of September 30, 2019^(a) – 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
Private Equity (continued)											
Tactical Opportunities (Various)	\$ 23,830,203	\$ 10,086,741	\$ 10,140,457	1.2x	9%	\$ 8,616,711	1.7x	\$ 18,757,168	1.4x	19%	10%
Tactical Opportunities Co-Investment and Other (Various)	6,268,265	1,686,983	4,524,239	1.2x	4%	1,846,940	1.6x	6,371,179	1.3x	24%	13%
Total Tactical Opportunities	\$ 30,098,468	\$ 11,773,724	\$ 14,664,696	1.2x	8%	\$ 10,463,651	1.7x	\$ 25,128,347	1.3x	20%	10%
Strategic Partners I-V (Various) (i)	11,862,636	1,739,914	1,258,026	n/m	-	16,433,139	n/m	17,691,165	1.5x	n/a	13%
Strategic Partners VI (Apr 2014 / Apr 2016) (i)	4,362,750	1,116,568	1,546,801	n/m	-	3,058,583	n/m	4,605,384	1.5x	n/a	17%
Strategic Partners VII (May 2016 / Mar 2019) (i)	7,489,970	2,532,867	5,723,979	n/m	-	1,185,979	n/m	6,909,958	1.4x	n/a	25%
Strategic Partners RA II (May 2017 / Mar 2022) (i)	1,749,807	661,916	833,571	n/m	-	170,334	n/m	1,003,905	1.2x	n/a	20%
Strategic Partners VIII (Mar 2019 / Jul 2023) (i)	10,763,600	6,261,019	1,852,344	n/m	-	-	n/a	1,852,344	1.3x	n/a	n/m
Strategic Partners RE, SMA and Other (Various) (i)	6,066,764	2,032,618	2,185,606	n/m	-	1,035,880	n/m	3,221,486	1.3x	n/a	18%
Total Strategic Partners	\$ 42,295,527	\$ 14,344,902	\$ 13,400,327	n/m	-	\$ 21,883,915	n/m	\$ 35,284,242	1.5x	n/a	14%
BCEP (Jan 2017 / Jan 2021) (j)	4,755,099	2,278,502	3,226,244	1.3x	-	378,007	1.6x	3,604,251	1.3x	36%	14%
BIP (Various)	13,659,163	11,955,845	1,729,806	1.0x	50%	-	n/a	1,729,806	1.0x	n/a	n/m
Hedge Fund Solutions											
Strategic Capital Holdings (Dec 2013 / Jun 2020) (k)	\$ 3,378,575	\$ 723,050	\$ 1,705,207	1.1x	-	\$ 431,655	n/m	\$ 2,136,862	1.4x	n/a	9%
Credit (l)											
Mezzanine I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 97,114	\$ 20,702	1.1x	33%	\$ 4,772,270	1.6x	\$ 4,792,972	1.6x	n/a	17%
Mezzanine II (Nov 2011 / Nov 2016)	4,120,000	1,081,205	1,558,118	0.9x	7%	5,086,796	1.6x	6,644,914	1.3x	n/a	11%
Mezzanine III (Sep 2016 / Sep 2021)	6,639,133	2,927,128	4,135,451	1.1x	1%	1,557,284	1.5x	5,692,735	1.2x	n/a	12%
Stressed / Distressed Investing I (Sep 2009 / May 2013)	3,253,143	85,000	189,921	0.3x	-	5,766,478	1.6x	5,956,399	1.4x	n/a	10%
Stressed / Distressed Investing II (Jun 2013 / Jun 2018)	5,125,000	594,808	1,378,356	0.7x	11%	4,102,362	1.3x	5,480,718	1.1x	n/a	1%
Stressed / Distressed Investing III (Dec 2017/ Dec 2022)	7,356,380	5,795,460	1,577,943	1.0x	2%	773,872	1.3x	2,351,815	1.1x	n/a	10%
Energy Select Opportunities (Nov 2015 / Nov 2018)	2,856,867	1,154,254	2,023,003	1.2x	-	703,185	1.7x	2,726,188	1.3x	n/a	11%
Energy Select Opportunities II (Feb 2019 / Feb 2024)	3,536,818	3,047,594	504,959	1.0x	-	21,773	2.4x	526,732	1.1x	n/a	n/m
Euro											
European Senior Debt Fund (Feb 2015 / Feb 2019)	€ 1,964,689	€ 444,379	€ 1,981,602	1.1x	2%	€ 1,116,137	1.4x	€ 3,097,739	1.2x	n/a	10%
European Senior Debt Fund II (Jun 2019 / Jun 2024)	€ 2,183,891	€ 1,913,446	€ 289,256	1.0x	-	€ -	n/a	€ 289,256	1.0x	n/a	n/m
Total Credit	\$ 39,631,921	\$ 17,353,064	\$ 13,867,520	1.0x	3%	\$ 24,055,122	1.5x	\$ 37,922,642	1.3x	n/a	11%

Investment Records as of September 30, 2019 – Notes

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 September 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 \$0.58 of Distributable Earnings per common share during the quarter, bringing the year-to-date amount to \$1.59 per common share.
- ▶ Blackstone declared a quarterly dividend of \$0.49 per common share to record holders as of November 4, 2019; payable on November 12, 2019.

(Dollars in Thousands, Except per Share Data)	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	% Change		% Change	
						vs. 3Q'18	3Q'18 YTD	3Q'19 YTD	vs. 3Q'18 YTD
Distributable Earnings	\$ 769,284	\$ 722,081	\$ 537,958	\$ 708,862	\$ 709,921	(8)%	\$ 1,971,481	\$ 1,956,741	(1)%
Add: Other Payables Attributable to Common Shareholders	22,980	43,345	14,598	39,673	24,578	7%	59,387	78,849	33%
DE before Certain Payables	792,264	765,426	552,556	748,535	734,499	(7)%	2,030,868	2,035,590	0%
Percent to Common Shareholders	56%	56%	56%	56%	56%		56%	56%	
DE before Certain Payables Attributable to Common Shareholders	447,516	429,433	310,832	419,502	413,900	(8)%	1,147,220	1,144,234	(0)%
Less: Other Payables Attributable to Common Shareholders	(22,980)	(43,345)	(14,598)	(39,673)	(24,578)	7%	(59,387)	(78,849)	33%
DE Attributable to Common Shareholders	424,536	386,088	296,234	379,829	389,322	(8)%	1,087,833	1,065,385	(2)%
DE per Common Share	\$ 0.63	\$ 0.57	\$ 0.44	\$ 0.57	\$ 0.58	(8)%	\$ 1.60	\$ 1.59	(1)%
Less: Retained Capital per Common Share	\$ (0.09)	\$ (0.09)	\$ (0.07)	\$ (0.09)	\$ (0.09)	-	\$ (0.23)	\$ (0.25)	9%
Special Cash Dividend per Common Share	\$ 0.10	\$ 0.10	\$ -	\$ -	\$ -	n/m	\$ 0.20	\$ -	n/m
Actual Dividend per Common Share	\$ 0.64	\$ 0.58	\$ 0.37	\$ 0.48	\$ 0.49	(23)%	\$ 1.57	\$ 1.34	(15)%
Record Date					Nov 4, 2019				
Payable Date					Nov 12, 2019				

A detailed description of Blackstone's dividend policy and the definition of Distributable Earnings can be found on pages 32-33, 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 23, 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 unitholders. Common shareholders' share was \$61 million for 3Q'19 and \$168 million for 3Q'19 YTD.

Share Summary

- ▶ Distributable Earnings Shares Outstanding as of quarter end of 1,199 million shares.
 - Repurchased 2.8 million common shares in the quarter and 19.1 million common shares for the LTM.
 - Available authorization remaining was \$864 million at September 30, 2019.

	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
Participating Common Shares	678,771,864	672,755,818	674,457,578	669,561,793	675,640,119
Participating Partnership Units	522,898,542	526,370,654	524,504,626	525,165,724	523,338,040
Distributable Earnings Shares Outstanding	1,201,670,406	1,199,126,472	1,198,962,204	1,194,727,517	1,198,978,159

Reconciliations and Disclosures

Reconciliation of GAAP to Non-GAAP Measures

	QTD					YTD		LTM		
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18	3Q'19	3Q'17	3Q'18	3Q'19
(Dollars in Thousands)										
Net Income (Loss) Attributable to The Blackstone Group Inc.	\$ 442,742	\$ (10,868)	\$ 481,304	\$ 305,792	\$ 779,437	\$ 1,552,656	\$ 1,566,533	\$ 1,537,705	\$ 1,856,794	\$ 1,555,665
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	360,576	5,253	402,260	259,330	299,900	1,359,736	961,490	1,377,060	1,719,174	966,743
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	143,101	(68,800)	186,833	80,744	88,406	427,678	355,983	423,759	560,042	287,183
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	2,569	(4,303)	2,480	1,095	(8)	2,199	3,567	7,869	9,799	(736)
Net Income (Loss)	\$ 948,988	\$ (78,718)	\$ 1,072,877	\$ 646,961	\$ 1,167,735	\$ 3,342,269	\$ 2,887,573	\$ 3,346,393	\$ 4,145,809	\$ 2,808,855
Provision for Taxes	26,798	29,366	41,155	38,736	(156,786)	220,024	(76,895)	194,644	816,614	(47,529)
Income (Loss) Before Provision for Taxes	\$ 975,786	\$ (49,352)	\$ 1,114,032	\$ 685,697	\$ 1,010,949	\$ 3,562,293	\$ 2,810,678	\$ 3,541,037	\$ 4,962,423	\$ 2,761,326
Transaction-Related Charges (a)	79,242	76,431	89,451	106,994	(82,547)	(338,347)	113,898	241,340	(685,402)	190,329
Amortization of Intangibles (b)	14,856	15,392	16,483	16,483	16,483	44,602	49,449	50,028	58,867	64,841
Impact of Consolidation (c)	(145,670)	73,103	(189,313)	(81,839)	(88,398)	(429,877)	(359,550)	(431,628)	(569,841)	(286,447)
Unrealized Performance Revenues (d)	(298,931)	806,531	(664,333)	(157,398)	(176,604)	(1,367,694)	(998,335)	(629,267)	(883,208)	(191,804)
Unrealized Performance Allocations Compensation (e)	178,184	(302,868)	287,015	64,518	94,907	622,610	446,440	412,927	456,427	143,572
Unrealized Principal Investment (Income) Loss (f)	(28,704)	160,659	(139,925)	56,353	5,219	(94,808)	(78,353)	111,102	(78,320)	82,306
Other Revenues (g)	(9,092)	(46,854)	(13,189)	20,150	(92,843)	(42,614)	(85,882)	52,061	(7,463)	(132,736)
Equity-Based Compensation (h)	36,576	43,102	66,776	53,105	58,570	115,118	178,451	106,561	136,514	221,553
Taxes and Related Payables (i)	(32,963)	(54,063)	(29,039)	(55,201)	(35,815)	(99,802)	(120,055)	(178,098)	(179,370)	(174,118)
Distributable Earnings	\$ 769,284	\$ 722,081	\$ 537,958	\$ 708,862	\$ 709,921	\$ 1,971,481	\$ 1,956,741	\$ 3,276,063	\$ 3,210,627	\$ 2,678,822
Taxes and Related Payables (i)	32,963	54,063	29,039	55,201	35,815	99,802	120,055	178,098	179,370	174,118
Net Interest (Income) Loss (j)	(9,013)	(11,923)	(5,061)	(2,761)	7,767	(10,002)	(55)	30,951	19,507	(11,978)
Total Segment Distributable Earnings	\$ 793,234	\$ 764,221	\$ 561,936	\$ 761,302	\$ 753,503	\$ 2,061,281	\$ 2,076,741	\$ 3,485,112	\$ 3,409,504	\$ 2,840,962
Realized Performance Revenues (k)	(572,159)	(483,697)	(246,769)	(341,386)	(420,840)	(1,328,074)	(1,008,995)	(2,625,683)	(2,824,872)	(1,492,692)
Realized Performance Compensation (l)	190,773	199,645	85,240	125,466	143,870	478,496	354,576	886,038	1,051,795	554,221
Realized Principal Investment Income (m)	(65,620)	(47,098)	(25,908)	(123,557)	(36,148)	(188,960)	(185,613)	(459,635)	(261,185)	(232,711)
Fee Related Earnings	\$ 346,228	\$ 433,071	\$ 374,499	\$ 421,825	\$ 440,385	\$ 1,022,743	\$ 1,236,709	\$ 1,285,832	\$ 1,375,242	\$ 1,669,780
Adjusted EBITDA Reconciliation										
Distributable Earnings	\$ 769,284	\$ 722,081	\$ 537,958	\$ 708,862	\$ 709,921	\$ 1,971,481	\$ 1,956,741	\$ 3,276,063	\$ 3,210,627	\$ 2,678,822
Interest Expense (n)	40,923	41,792	41,638	43,230	52,815	118,046	137,683	159,579	190,391	179,475
Taxes and Related Payables (i)	32,963	54,063	29,039	55,201	35,815	99,802	120,055	178,098	179,370	174,118
Depreciation and Amortization	5,681	5,964	5,789	6,000	6,895	17,918	18,684	30,645	24,511	24,648
Adjusted EBITDA	\$ 848,851	\$ 823,900	\$ 614,424	\$ 813,293	\$ 805,446	\$ 2,207,247	\$ 2,233,163	\$ 3,644,385	\$ 3,604,899	\$ 3,057,063

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See pages 32-33, 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		
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18	3Q'19	3Q'17	3Q'18	3Q'19
GAAP Unrealized Performance Allocations	\$ 299,238	\$ (806,305)	\$ 663,999	\$ 157,732	\$ 176,370	\$ 1,367,678	\$ 998,101	\$ 629,097	\$ 884,645	\$ 191,796
Segment Adjustment	(307)	(226)	334	(334)	234	16	234	170	(1,437)	8
Unrealized Performance Revenues	\$ 298,931	\$ (806,531)	\$ 664,333	\$ 157,398	\$ 176,604	\$ 1,367,694	\$ 998,335	\$ 629,267	\$ 883,208	\$ 191,804

- (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		
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18	3Q'19	3Q'17	3Q'18	3Q'19
GAAP Unrealized Principal Investment Income (Loss)	\$ 52,840	\$ (218,165)	\$ 169,044	\$ (37,345)	\$ 15,391	\$ 268,082	\$ 147,090	\$ 73,139	\$ 247,515	\$ (71,075)
Segment Adjustment	(24,136)	57,506	(29,119)	(19,008)	(20,610)	(173,274)	(68,737)	(184,241)	(169,195)	(11,231)
Unrealized Principal Investment Income (Loss)	\$ 28,704	\$ (160,659)	\$ 139,925	\$ (56,353)	\$ (5,219)	\$ 94,808	\$ 78,353	\$ (111,102)	\$ 78,320	\$ (82,306)

- (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		
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18	3Q'19	3Q'17	3Q'18	3Q'19
GAAP Other Revenue	\$ 9,368	\$ 46,923	\$ 10,250	\$ (17,120)	\$ 93,273	\$ 625,394	\$ 86,403	\$ (46,595)	\$ 591,613	\$ 133,326
Segment Adjustment	(276)	(69)	2,939	(3,030)	(430)	(582,780)	(521)	(5,466)	(584,150)	(590)
Other Revenues	\$ 9,092	\$ 46,854	\$ 13,189	\$ (20,150)	\$ 92,843	\$ 42,614	\$ 85,882	\$ (52,061)	\$ 7,463	\$ 132,736

- (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		
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18	3Q'19	3Q'17	3Q'18	3Q'19
Taxes	\$ 12,793	\$ 38,975	\$ 15,344	\$ 34,209	\$ 26,933	\$ 51,047	\$ 76,486	\$ 98,775	\$ 87,053	\$ 115,461
Related Payables	20,170	15,088	13,695	20,992	8,882	48,755	43,569	79,323	92,317	58,657
Taxes and Related Payables	\$ 32,963	\$ 54,063	\$ 29,039	\$ 55,201	\$ 35,815	\$ 99,802	\$ 120,055	\$ 178,098	\$ 179,370	\$ 174,118

(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		
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18	3Q'19	3Q'17	3Q'18	3Q'19
GAAP Interest and Dividend Revenue	\$ 48,604	\$ 47,885	\$ 44,084	\$ 43,686	\$ 42,482	\$ 124,062	\$ 130,252	\$ 127,716	\$ 164,586	\$ 178,137
Segment Adjustment	1,332	5,830	2,615	2,305	2,566	3,986	7,486	912	6,298	13,316
Interest and Dividend Revenue	\$ 49,936	\$ 53,715	\$ 46,699	\$ 45,991	\$ 45,048	\$ 128,048	\$ 137,738	\$ 128,628	\$ 170,884	\$ 191,453
GAAP Interest Expense	\$ 41,355	\$ 44,644	\$ 42,002	\$ 43,596	\$ 53,362	\$ 119,346	\$ 138,960	\$ 164,022	\$ 193,952	\$ 183,604
Segment Adjustment	(432)	(2,852)	(364)	(366)	(547)	(1,300)	(1,277)	(4,443)	(3,561)	(4,129)
Interest Expense	\$ 40,923	\$ 41,792	\$ 41,638	\$ 43,230	\$ 52,815	\$ 118,046	\$ 137,683	\$ 159,579	\$ 190,391	\$ 179,475
Net Interest Income (Loss)	\$ 9,013	\$ 11,923	\$ 5,061	\$ 2,761	\$ (7,767)	\$ 10,002	\$ 55	\$ (30,951)	\$ (19,507)	\$ 11,978

(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 Shares of Class A Common Stock Outstanding to Distributable Earnings Shares Outstanding

	QTD				
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
GAAP Shares of Class A Common Stock Outstanding	669,411,215	663,212,830	665,331,887	660,588,369	666,257,305
Unvested Participating Common Shares	9,360,649	9,542,988	9,125,691	8,973,424	9,382,814
Participating Common Shares	678,771,864	672,755,818	674,457,578	669,561,793	675,640,119
Participating Partnership Units	522,898,542	526,370,654	524,504,626	525,165,724	523,338,040
Distributable Earnings Shares Outstanding	1,201,670,406	1,199,126,472	1,198,962,204	1,194,727,517	1,198,978,159

Disclosure of Weighted-Average Shares of Class A Common Stock Outstanding

	QTD					YTD		LTM		
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18	3Q'19	3Q'17	3Q'18	3Q'19
Total GAAP Weighted-Average Shares of Class A Common Stock Outstanding - Basic	682,435,177	676,629,572	674,507,698	673,655,305	675,963,129	679,598,629	674,714,040	661,998,357	676,872,119	675,196,841
Weighted-Average Shares of Unvested Deferred Restricted Class A Common Stock	230,759	-	207,752	330,639	256,629	215,270	265,007	1,028,809	337,193	263,789
Weighted-Average Blackstone Holdings Partnership Units	523,212,047	-	525,764,790	-	-	529,299,345	-	535,998,944	-	-
Total GAAP Weighted-Average Shares of Class A Common Stock Outstanding - Diluted	1,205,877,983	676,629,572	1,200,480,240	673,985,944	676,219,758	1,209,113,244	674,979,047	1,199,026,110	677,209,312	675,460,630

Blackstone's Third Quarter 2019 GAAP Balance Sheet Results

(Dollars in Thousands) (Unaudited)

	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
Assets					
Cash and Cash Equivalents	\$ 1,937,963	\$ 2,207,841	\$ 1,570,741	\$ 1,484,444	\$ 2,468,563
Cash Held by Blackstone Funds and Other	408,561	337,320	217,625	324,609	375,981
Investments	22,094,920	20,377,031	21,180,950	22,242,040	22,204,460
Accounts Receivable	875,647	636,238	711,889	802,066	755,777
Due from Affiliates	2,017,637	1,994,123	2,320,291	2,211,737	2,464,163
Intangible Assets, Net	366,368	468,507	450,757	433,007	415,257
Goodwill	1,778,192	1,869,860	1,869,860	1,869,860	1,869,860
Other Assets	269,470	294,248	302,033	354,253	402,670
Right-of-Use Assets	-	-	521,932	507,065	490,882
Deferred Tax Assets	711,599	739,482	728,873	743,132	938,158
Total Assets	\$ 30,460,357	\$ 28,924,650	\$ 29,874,951	\$ 30,972,213	\$ 32,385,771
Liabilities and Equity					
Loans Payable	\$ 10,161,886	\$ 9,951,862	\$ 10,011,155	\$ 10,676,138	\$ 11,270,245
Due to Affiliates	981,980	1,035,776	1,045,452	1,081,899	984,969
Accrued Compensation and Benefits	3,414,215	2,942,128	3,001,597	3,308,595	3,623,258
Securities Sold, Not Yet Purchased	166,309	142,617	128,106	128,512	87,051
Repurchase Agreements	199,488	222,202	218,865	207,676	163,059
Operating Lease Liabilities	-	-	587,408	574,619	558,253
Accounts Payable, Accrued Expenses and Other Liabilities	829,496	875,979	735,667	929,688	1,069,475
Total Liabilities	15,753,374	15,170,564	15,728,250	16,907,127	17,756,310
Redeemable Non-Controlling Interests in Consolidated Entities	153,504	141,779	136,941	101,310	93,667
Equity					
The Blackstone Group L.P. Partners' Capital	7,024,079	6,415,700	6,501,072	6,335,897	-
Class A Common Stock, \$0.00001 par value (666,257,305 shares issued and outstanding as of September 30, 2019)	-	-	-	-	7
Class B Common Stock, \$0.00001 par value (1 share issued and outstanding as of September 30, 2019)	-	-	-	-	-
Class C Common Stock, \$0.00001 par value (1 share issued and outstanding as of September 30, 2019)	-	-	-	-	-
Additional Paid-in-Capital	-	-	-	-	6,292,765
Retained Earnings	-	-	-	-	456,814
Accumulated Other Comprehensive Loss	(36,562)	(36,476)	(32,430)	(27,542)	(35,173)
Non-Controlling Interests in Consolidated Entities	3,673,135	3,648,766	3,852,346	3,869,303	4,035,513
Non-Controlling Interests in Blackstone Holdings	3,892,827	3,584,317	3,688,772	3,786,118	3,785,868
Total Equity	14,553,479	13,612,307	14,009,760	13,963,776	14,535,794
Total Liabilities and Equity	\$ 30,460,357	\$ 28,924,650	\$ 29,874,951	\$ 30,972,213	\$ 32,385,771

See page 29, Reconciliation of GAAP to Non-GAAP Balance Sheet Measures.

Reconciliation of GAAP to Non-GAAP Balance Sheet Measures

(Dollars in Thousands)	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
Investments of Consolidated Blackstone Funds	\$ 8,503,423	\$ 8,376,338	\$ 8,603,847	\$ 8,633,794	\$ 8,481,233
Equity Method Investments					
Partnership Investments	3,690,841	3,649,423	3,815,993	3,802,565	3,864,453
Accrued Performance Allocations	6,722,430	5,883,924	6,486,450	6,743,542	7,003,889
Corporate Treasury Investments	2,883,610	2,206,493	2,005,174	2,797,908	2,588,529
Other Investments	294,616	260,853	269,486	264,231	266,356
Total GAAP Investments	\$ 22,094,920	\$ 20,377,031	\$ 21,180,950	\$ 22,242,040	\$ 22,204,460
Accrued Performance Allocations - GAAP	\$ 6,722,430	\$ 5,883,924	\$ 6,486,450	\$ 6,743,542	\$ 7,003,889
Impact of Consolidation (a)	229	-	374	607	237
Due From Affiliates - GAAP (b)	13,546	33,419	9,483	25,022	18,955
Less: Accrued Performance Compensation - GAAP (c)	(2,700,828)	(2,394,747)	(2,638,374)	(2,724,998)	(2,851,817)
Net Accrued Performance Revenues	\$ 4,035,377	\$ 3,522,596	\$ 3,857,933	\$ 4,044,173	\$ 4,171,264
Corporate Treasury Investments - GAAP	\$ 2,883,610	\$ 2,206,493	\$ 2,005,174	\$ 2,797,908	\$ 2,588,529
Impact of Consolidation (a)	75,340	73,106	75,988	160,644	163,183
Other Assets (d)	586,527	438,454	519,884	425,823	440,982
Other Liabilities (e)	(91,406)	(205,332)	(101,605)	(91,016)	(80,086)
Corporate Treasury Investments - Deconsolidated	\$ 3,454,071	\$ 2,512,721	\$ 2,499,441	\$ 3,293,359	\$ 3,112,608
Partnership and Other Investments - GAAP	\$ 3,985,457	\$ 3,910,276	\$ 4,085,479	\$ 4,066,796	\$ 4,130,809
Impact of Consolidation (f)	(1,991,871)	(2,015,417)	(2,095,717)	(2,209,825)	(2,289,139)
GP/Fund Investments - Deconsolidated	\$ 1,993,586	\$ 1,894,859	\$ 1,989,762	\$ 1,856,971	\$ 1,841,670
Loans Payable - GAAP	\$ 10,161,886	\$ 9,951,862	\$ 10,011,155	\$ 10,676,138	\$ 11,270,245
Impact of Consolidation (g)	(6,679,598)	(6,480,711)	(6,561,111)	(6,536,221)	(6,492,686)
Outstanding Bonds (Carrying Value)	3,482,288	3,471,151	3,450,044	4,139,917	4,777,559
Unamortized Discount/Premium	62,755	60,879	59,576	66,033	82,336
Outstanding Bonds (at par) - Deconsolidated	\$ 3,545,043	\$ 3,532,030	\$ 3,509,620	\$ 4,205,950	\$ 4,859,895

- (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		
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18	3Q'19	3Q'17	3Q'18	3Q'19
Management and Advisory Fees, Net										
GAAP	\$ 780,009	\$ 797,554	\$ 809,726	\$ 840,378	\$ 878,151	\$ 2,230,242	\$ 2,528,255	\$ 2,659,862	\$ 2,959,301	\$ 3,325,809
Segment Adjustment (a)	(790)	641	4,336	3,778	2,194	8,015	10,308	14,429	11,348	10,949
Total Segment	\$ 779,219	\$ 798,195	\$ 814,062	\$ 844,156	\$ 880,345	\$ 2,238,257	\$ 2,538,563	\$ 2,674,291	\$ 2,970,649	\$ 3,336,758
GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues										
GAAP										
Incentive Fees	9,799	15,797	12,132	21,915	8,254	41,743	42,301	188,025	161,930	58,098
Investment Income - Realized Performance Allocations	592,103	511,388	242,375	332,520	446,550	1,365,119	1,021,445	2,582,430	2,787,381	1,532,833
GAAP	\$ 601,902	\$ 527,185	\$ 254,507	\$ 354,435	\$ 454,804	\$ 1,406,862	\$ 1,063,746	\$ 2,770,455	\$ 2,949,311	\$ 1,590,931
Total Segment										
Less: Realized Performance Revenues	(572,159)	(483,697)	(246,769)	(341,386)	(420,840)	(1,328,074)	(1,008,995)	(2,625,683)	(2,824,872)	(1,492,692)
Segment Adjustment (b)	556	697	41	575	261	863	877	2,153	3,301	1,574
Total Segment	\$ 30,299	\$ 44,185	\$ 7,779	\$ 13,624	\$ 34,225	\$ 79,651	\$ 55,628	\$ 146,925	\$ 127,740	\$ 99,813
GAAP Compensation to Total Segment Fee Related Compensation										
GAAP										
Compensation	419,285	373,790	471,397	438,521	462,766	1,236,167	1,372,684	1,382,348	1,600,651	1,746,474
Incentive Fees Compensation	7,251	10,260	5,406	8,886	5,419	23,656	19,711	89,199	67,106	29,971
Realized Performance Allocations Compensation	200,442	212,174	86,395	125,825	155,663	498,902	367,883	872,080	1,056,146	580,057
GAAP	\$ 626,978	\$ 596,224	\$ 563,198	\$ 573,232	\$ 623,848	\$ 1,758,725	\$ 1,760,278	\$ 2,343,627	\$ 2,723,903	\$ 2,356,502
Total Segment										
Less: Realized Performance Compensation	(190,773)	(199,645)	(85,240)	(125,466)	(143,870)	(478,496)	(354,576)	(886,038)	(1,051,795)	(554,221)
Less: Equity-Based Compensation - Operating Compensation	(33,514)	(39,968)	(63,708)	(50,225)	(56,139)	(105,245)	(170,072)	(95,541)	(122,422)	(210,040)
Less: Equity-Based Compensation - Performance Compensation	(3,062)	(3,134)	(3,068)	(2,880)	(2,431)	(9,873)	(8,379)	(11,020)	(14,092)	(11,513)
Segment Adjustment (c)	(65,084)	(74,193)	(87,151)	(100,827)	(91,574)	(228,249)	(279,552)	(244,203)	(286,699)	(353,745)
Total Segment	\$ 334,545	\$ 279,284	\$ 324,031	\$ 293,834	\$ 329,834	\$ 936,862	\$ 947,699	\$ 1,106,825	\$ 1,248,895	\$ 1,226,983
GAAP General, Administrative and Other to Total Segment Other Operating Expenses										
GAAP	\$ 168,813	\$ 153,519	\$ 146,062	\$ 175,308	\$ 171,067	\$ 441,354	\$ 492,437	\$ 499,435	\$ 579,962	\$ 645,956
Segment Adjustment (d)	(40,068)	(23,494)	(22,751)	(33,187)	(26,716)	(83,051)	(82,654)	(70,876)	(105,710)	(106,148)
Total Segment	\$ 128,745	\$ 130,025	\$ 123,311	\$ 142,121	\$ 144,351	\$ 358,303	\$ 409,783	\$ 428,559	\$ 474,252	\$ 539,808
Realized Performance Revenues										
GAAP										
Incentive Fees	9,799	15,797	12,132	21,915	8,254	41,743	42,301	188,025	161,930	58,098
Investment Income - Realized Performance Allocations	592,103	511,388	242,375	332,520	446,550	1,365,119	1,021,445	2,582,430	2,787,381	1,532,833
GAAP	\$ 601,902	\$ 527,185	\$ 254,507	\$ 354,435	\$ 454,804	\$ 1,406,862	\$ 1,063,746	\$ 2,770,455	\$ 2,949,311	\$ 1,590,931
Total Segment										
Less: Fee Related Performance Revenues	(30,299)	(44,185)	(7,779)	(13,624)	(34,225)	(79,651)	(55,628)	(146,925)	(127,740)	(99,813)
Segment Adjustment (b)	556	697	41	575	261	863	877	2,153	3,301	1,574
Total Segment	\$ 572,159	\$ 483,697	\$ 246,769	\$ 341,386	\$ 420,840	\$ 1,328,074	\$ 1,008,995	\$ 2,625,683	\$ 2,824,872	\$ 1,492,692

Reconciliation of GAAP to Total Segment Measures – Continued

(Dollars in Thousands)	QTD					YTD		LTM		
	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	3Q'18	3Q'19	3Q'17	3Q'18	3Q'19
Realized Performance Compensation										
GAAP										
Incentive Fee Compensation	\$ 7,251	\$ 10,260	\$ 5,406	\$ 8,886	\$ 5,419	\$ 23,656	\$ 19,711	\$ 89,199	\$ 67,106	\$ 29,971
Realized Performance Allocations Compensation	200,442	212,174	86,395	125,825	155,663	498,902	367,883	872,080	1,056,146	580,057
GAAP	\$ 207,693	\$ 222,434	\$ 91,801	\$ 134,711	\$ 161,082	\$ 522,558	\$ 387,594	\$ 961,279	\$ 1,123,252	\$ 610,028
Total Segment										
Less: Fee Related Performance Compensation	(13,858)	(19,655)	(3,493)	(6,365)	(14,781)	(34,189)	(24,639)	(64,221)	(57,365)	(44,294)
Less: Equity-Based Compensation - Performance Compensation	(3,062)	(3,134)	(3,068)	(2,880)	(2,431)	(9,873)	(8,379)	(11,020)	(14,092)	(11,513)
Total Segment	\$ 190,773	\$ 199,645	\$ 85,240	\$ 125,466	\$ 143,870	\$ 478,496	\$ 354,576	\$ 886,038	\$ 1,051,795	\$ 554,221
Realized Principal Investment Income										
GAAP	\$ 134,619	\$ 109,901	\$ 73,261	\$ 145,040	\$ 74,642	\$ 305,961	\$ 292,943	\$ 557,557	\$ 490,523	\$ 402,844
Segment Adjustment (e)	(68,999)	(62,803)	(47,353)	(21,483)	(38,494)	(117,001)	(107,330)	(97,922)	(229,338)	(170,133)
Total Segment	\$ 65,620	\$ 47,098	\$ 25,908	\$ 123,557	\$ 36,148	\$ 188,960	\$ 185,613	\$ 459,635	\$ 261,185	\$ 232,711
GAAP Interest and Dividend Revenue net of Interest Expense to Total Segment Net Interest Income (Loss)										
GAAP										
Interest and Dividend Revenue	48,604	47,885	44,084	43,686	42,482	124,062	130,252	127,716	164,586	178,137
Interest Expense	(41,355)	(44,644)	(42,002)	(43,596)	(53,362)	(119,346)	(138,960)	(164,022)	(193,952)	(183,604)
GAAP	\$ 7,249	\$ 3,241	\$ 2,082	\$ 90	\$ (10,880)	\$ 4,716	\$ (8,708)	\$ (36,306)	\$ (29,366)	\$ (5,467)
Segment Adjustment (f)	1,764	8,682	2,979	2,671	3,113	5,286	8,763	5,355	9,859	17,445
Total Segment	\$ 9,013	\$ 11,923	\$ 5,061	\$ 2,761	\$ (7,767)	\$ 10,002	\$ 55	\$ (30,951)	\$ (19,507)	\$ 11,978

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

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

- **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 issue a 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

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. 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.