

PJT Partners



# Introduction to Investors

September 2015

# Notices and Disclaimers

## Forward-Looking Statements

This presentation contains forward-looking statements, including those about PJT Partners Inc.'s (the "Company") outlook and prospects, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those which are not historical facts. These and other statements that relate to future results and events are based on the Company's current expectations as of September 2, 2015.

Our actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties. The risks and uncertainties that we believe are material are described in the Risk Factors section of the Information Statement that is an exhibit to PJT Partners' Registration Statement on Form 10, which was filed with the Securities and Exchange Commission dated September 2, 2015, SEC File No. 001-36869. Please consult these documents for a more complete understanding of these risks and uncertainties. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

Our outlook is provided for the purpose of providing information about our current expectations for 2015 and the general outlook for the business in the longer term. This information may not be appropriate for other purposes.

## Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States of America ("GAAP") in the statements of operations, financial condition or statements of cash flow of the company. The Company has provided a reconciliation of Adjusted Pre-Tax Income, a non-GAAP financial measure, to GAAP Income (Loss) Before Provision for Taxes in the Appendix to this presentation. Adjusted Pre-Tax Income is presented because management believes that such a financial measure, when viewed with the Company's results of operations in accordance with GAAP and the reconciliation of Adjusted Pre-Tax Income to Income (Loss) Before Provision for Taxes, provides additional information to investors about certain transaction-related charges arising from the spin-off related transactions. You should not consider Adjusted Pre-Tax Income in isolation, or as a substitute for analysis of results as reported under GAAP. Our calculation of Adjusted Pre-Tax Income may not be comparable to that reported by other companies. For additional information about our non-GAAP financial measures, see our filings with the Securities and Exchange Commission.

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## Presentation of Information

All facts, metrics and other information provided herein are presented as of 9/11/15 unless otherwise stated.

# Transaction Summary

<b>TRANSACTION</b>	Blackstone Advisory merges with PJT Capital followed by spin-off
<b>PUBLIC COMPANY</b>	PJT Partners Inc.
<b>DISTRIBUTED SECURITY</b>	Class A Common Stock
<b>EXCHANGE</b>	NYSE
<b>TICKER</b>	PJT
<b>DISTRIBUTION RATIO</b>	1:40
<b>INITIAL FLOAT</b>	15.4 million
<b>RECORD DATE</b>	September 22, 2015
<b>WHEN-ISSUED DATE</b>	September 18, 2015
<b>TRADING DATE</b>	October 1, 2015

## Today's Presenters



Paul J. Taubman  
**CHAIRMAN & CEO**



Ji-Yeun Lee  
**MANAGING PARTNER**



Helen Meates  
**CHIEF FINANCIAL OFFICER**

# We Are PJT Partners



## We Are Frequently Asked...

... *Why this transaction?*

- > Two anchor businesses – alpha play on advisory
  - World-class fund placement and restructuring businesses
  - Proven ability to build premier advisory business
- > **Creating a best-in-class platform to better serve clients**

... *Why go public now?*

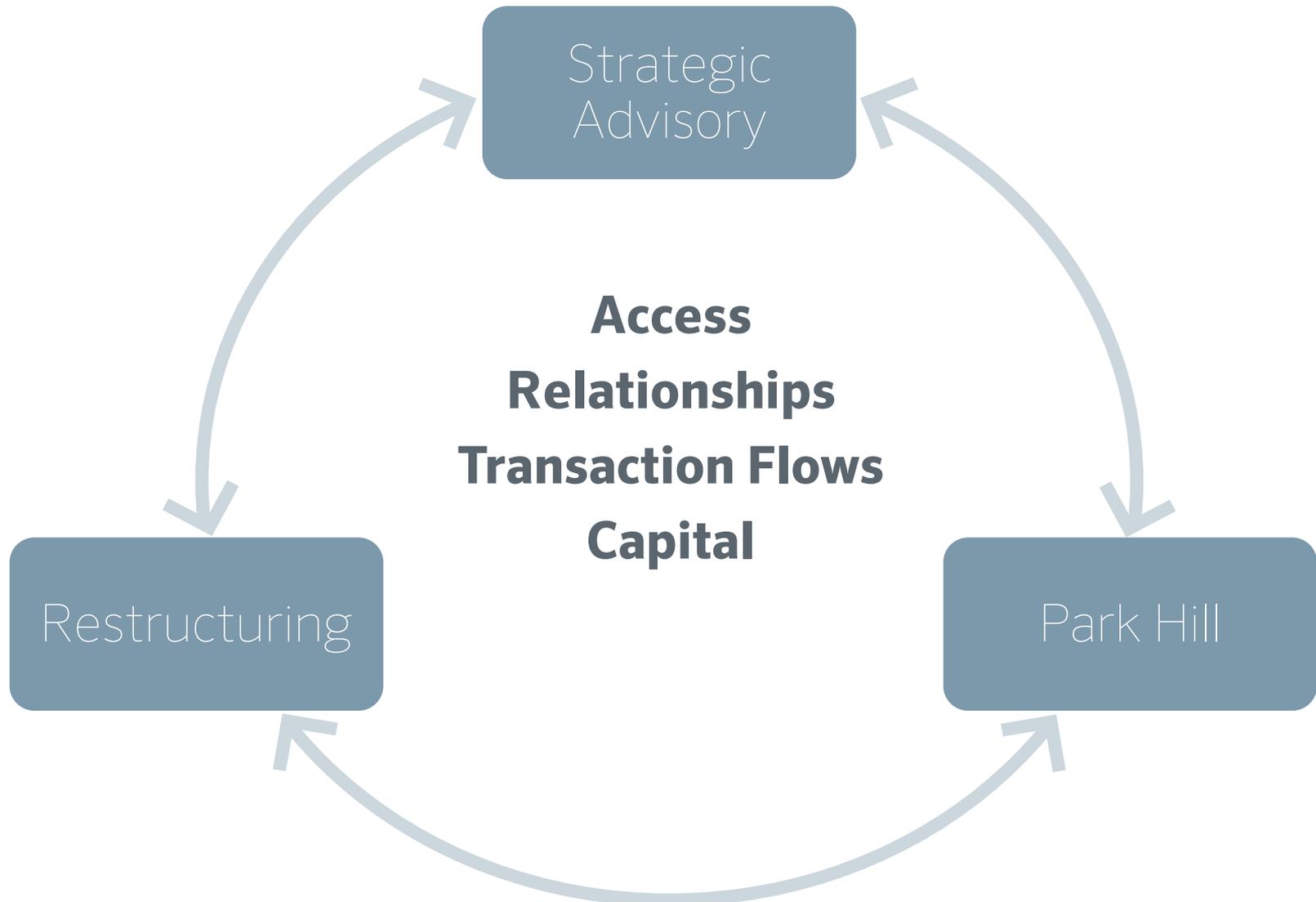
- > Beginning the journey now
  - Not raising capital
  - Not seeking liquidity
- > **Accelerant for growth and unlocking value**

# Unshackled from Constraints to Be Even More Powerful

## HISTORICAL CONSTRAINTS

	Financial Sponsors	Investing Businesses within Blackstone	Corporate Clients
<b>STRATEGIC ADVISORY</b>	X	X	X
<b>RESTRUCTURING &amp; SPECIAL SITUATIONS</b>	X	X	X
<b>PARK HILL</b>	X		

# Bringing Together Relationships and Capabilities to Better Serve Clients



# 30 Years New: A Start-Up With Instant Scale

8 offices

Headquartered in New York, NY

~330 employees

235 Americas, 83 Europe, 10 Asia-Pacific

46 partners

37 Americas, 9 Europe

24 years

Average partner experience

# Premier Destination for Best-in-Class Talent

## WHAT WE VALUE

Alpha players with:

Content

Client relationships

Collaboration

Character

## WHAT WE OFFER

Be part of a premier franchise

Be surrounded by leading talent

Make a difference

Create long-term value

# Proven Management Team: Ability to Scale

## CORPORATE TEAM

Name	Role	Years of Experience	Former Position
<b>Executive Officers</b>			
Paul J. Taubman	Chairman & CEO	33	Co-President of Institutional Securities at Morgan Stanley
Ji-Yeun Lee	Managing Partner	26	Deputy Head of Global Investment Banking at Morgan Stanley
Helen Meates	Chief Financial Officer	22	Deputy Head of Global Capital Markets at Morgan Stanley
James Cuminale	General Counsel	37	Chief Legal Officer at Nielsen
<b>Other Senior Management</b>			
Paige Costigan	Chief Operating Officer	15	CAO of Global Investment Banking at Morgan Stanley
Sharon Pearson	Head of Investor & External Relations	20	Associate Director of Equity Research at Morgan Stanley
Richard Itri	Chief Technology Officer	18	CIO at Sky Road
Steven Murray	Global Head of Human Resources	14	Global Head of Compensation at UBS Investment Bank

# PJT Partners Scorecard – To Date

> Talent retention



> Culture of collaboration



> High quality hires



– Attracted to vision and platform



> Built out public company infrastructure

– Board



– Management team



– Systems/controls



– Facilities



# PJT Partners Scorecard – Going Forward

> Continue to attract talent



> Realize benefits of demerger and collaboration



> Franchise/brand building

– Mind share



– Win rate



– Announcements



## A Powerful Beginning

- > 30-years new: proven track record with start-up feel
- > Premier destination for best-in-class talent
- > Unshackled from constraints to better pursue opportunities
- > Bringing together relationships and capabilities to better serve clients

Built to be an alpha play

# Park Hill: The Leading Intermediary in the Alternative Asset Space

2005

Year established

3,000+

Investor relationships

84

Professionals in New York, Chicago, Hong Kong, London, San Francisco and Sydney

~20%

Market share of secondary transaction volume<sup>(1)</sup>

24

Average years of experience across  
14 partners

\$260bn+

Raised by Park Hill clients since inception, representing 194 primary funds<sup>(2)</sup>

(1) Preqin Special Report: Private Equity Secondary Market. Mar. 2015.

(2) Amount as of 6/30/15.

# Park Hill: Leading Market Position in Each of the Principal Alternative Asset Categories

## Private Equity

## Hedge Fund

## Real Estate

## Secondary Advisory



(1) Represents clients served across multiple verticals.

# Park Hill: Growth Opportunities

## Benefit from PJT Advisory Alignment

- > Leveraging advisory relationships
- > Portfolio monetization opportunities
- > Bespoke investment opportunities
- > Enhanced real estate capabilities/collaboration

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## Build Out Existing Capabilities/Execute on Core Strengths

- > Continue to capture GP recapitalization opportunities
- > Lead in high-growth securitization space
- > Increase market share via specialist model
- > Expand breadth of products across all four verticals

# Restructuring & Special Situations: Market Leadership in Advising Distressed Companies

1991

Year established

~430

Distressed advisory situations<sup>(1)</sup>

60

Professionals based in New York and London<sup>(3)</sup>

~\$1.6 trillion

Total liabilities restructured<sup>(1)(2)</sup>

22

Average years of experience across 11 partners<sup>(3)</sup>

#1

Global completed and announced worldwide restructurings - Thomson Reuters 2015<sup>(1)</sup>

(1) As of 6/30/15.

(2) Represents total liabilities restructured by professionals based in New York and London. Certain transactions were previously attributed to the advisory business.

(3) Certain partners and professionals were previously considered part of the advisory business.

# Restructuring & Special Situations: Global Reach and Unmatched Expertise

## OUT-OF-COURT ASSIGNMENTS



## IN-COURT ASSIGNMENTS



## CREDITOR ASSIGNMENTS



Completed Restructurings in More than 30 Countries

# Restructuring & Special Situations: Significant Industry Expertise and Experience in Key Sectors

## **AUTOMOTIVE**

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Ford Motor Company  
General Motors  
Goodyear Tire & Rubber

## **CONSUMER PRODUCTS**

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CEDC  
Eastman Kodak  
Hostess Brands

## **HEALTHCARE**

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Angiotech  
Pharmaceuticals  
Four Seasons Health Care  
M\*Modal

## **MUNICIPAL**

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Detroit  
Jefferson County  
Puerto Rico

## **RETAIL**

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Barneys New York  
BCBG Max Azria Group  
J.C. Penney

## **CHEMICALS**

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Dow Corning  
Specialty Products Holding  
W.R. Grace & Co.

## **ENERGY & POWER**

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Dynegy  
Edison Mission Energy  
Energy Future Holdings

## **LEISURE**

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Indianapolis Downs  
Los Angeles Dodgers  
Travelport

## **OIL & GAS**

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Endeavour International  
OGX  
Samson Resources

## **SHIPPING**

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Genco Shipping & Trading  
ZIM Integrated Shipping  
Nautilus Holdings

## **COAL**

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New World Resources  
Patriot Coal  
Walter Energy

## **FINANCIAL SERVICES**

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Ambac Financial Group  
MBIA re: Bank of America  
Northern Rock

## **MANUFACTURING**

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Covalent Materials  
Essar Steel Algoma  
NewPage

## **PUBLISHING**

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Cengage Learning  
Houghton Mifflin  
GateHouse Media

## **SOVEREIGN**

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Dubai World  
Greece  
Iceland

## **COMMUNICATIONS**

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Clearwire  
Lightsquared  
NII Holdings

## **GAMING**

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Caesars Entertainment  
Foxwoods Casino  
Mohegan Tribal Gaming

## **MEDIA**

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CSN Houston  
Relativity Media  
Tribune Company

## **REAL ESTATE**

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Homex  
Kerzner International  
IVG Immobilien

## **TRANSPORTATION**

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Delta Air Lines  
Hawker Beechcraft  
Pinnacle Airlines

# Restructuring & Special Situations: Growth Opportunities

## Stronger M&A/Capital Markets Advisory Presence

- > Enhanced M&A capabilities and industry expertise complement the skillset and business dynamics of Restructuring
  - Ability to leverage strong industry expertise and relationships and deep market insights
  - M&A and Capital Markets Advisory leadership provide differentiation vis-à-vis competitors
- > Advisory relationships facilitate earlier client introductions

## Expanded Sponsor Opportunities

- > Increases opportunities to expand PE relationships
  - Sponsor owned businesses represent recurring revenue stream
  - More opportunities to advise on distressed M&A transactions
  - Eliminates reluctance to do business with a competitor
  - Eliminates concerns about the optics of hiring Blackstone to assist with troubled investments

## Unencumbered

- > Eliminates conflicts with Blackstone's hundreds of billions of credit, real estate and private equity investments/dry powder
  - Passed on numerous substantial assignments due to conflicts (e.g. Lehman Brothers)
- > Creates opportunity to transform Blackstone/GSO relationships into a more traditional client/advisor relationship

## Strategic Advisory: Transition and Transform

- > Historically the most constrained of the three businesses
  - Most significant dislocations
  - Most significant growth opportunities
- > Exceeded expectations in ability to attract senior talent
  - 13 new advisory partners added...and counting
- > 20% more advisory partners today than at time of spin/merge announcement
- > Intend to continue build-out of advisory team
  - Focus on talent not organization chart

# Strategic Advisory: Small Firm Feel with Big Firm Capabilities

18... and counting

*Partners*

7

*Regional Experts*

10

*Product Experts*

13

*Industry Experts*

100%

*Former Group Heads/Senior  
Management Positions*

7

*Institutions Represented*

5

*Partners with 20+ years experience  
at previous firm*

9

*Partners with 10+ years experience  
at previous firm*

# An Alpha Play on Advisory

## **EMBEDDED GROWTH**

- > Continue to transform the Strategic Advisory business
- > Commercial impact of difference makers
- > Footprint expansion
- > Enhanced win rate through collaboration with other businesses

## **FAVORABLE MACRO TRENDS**

- > Established market demand for our services
- + > Share/influence of smaller, more focused firms continues to grow
- > M&A as a corporate tool not going away

## Strong Balance Sheet

- > Debt-free at closing
  - Undrawn revolver of up to \$80 million
  - One-time build-out/start-up costs behind us
- > Ordinary course working capital
- > Deferred tax asset of \$117 million (pro forma as of 6/30/15)

# Fully-Diluted Shares Outstanding

(Shares in Millions)



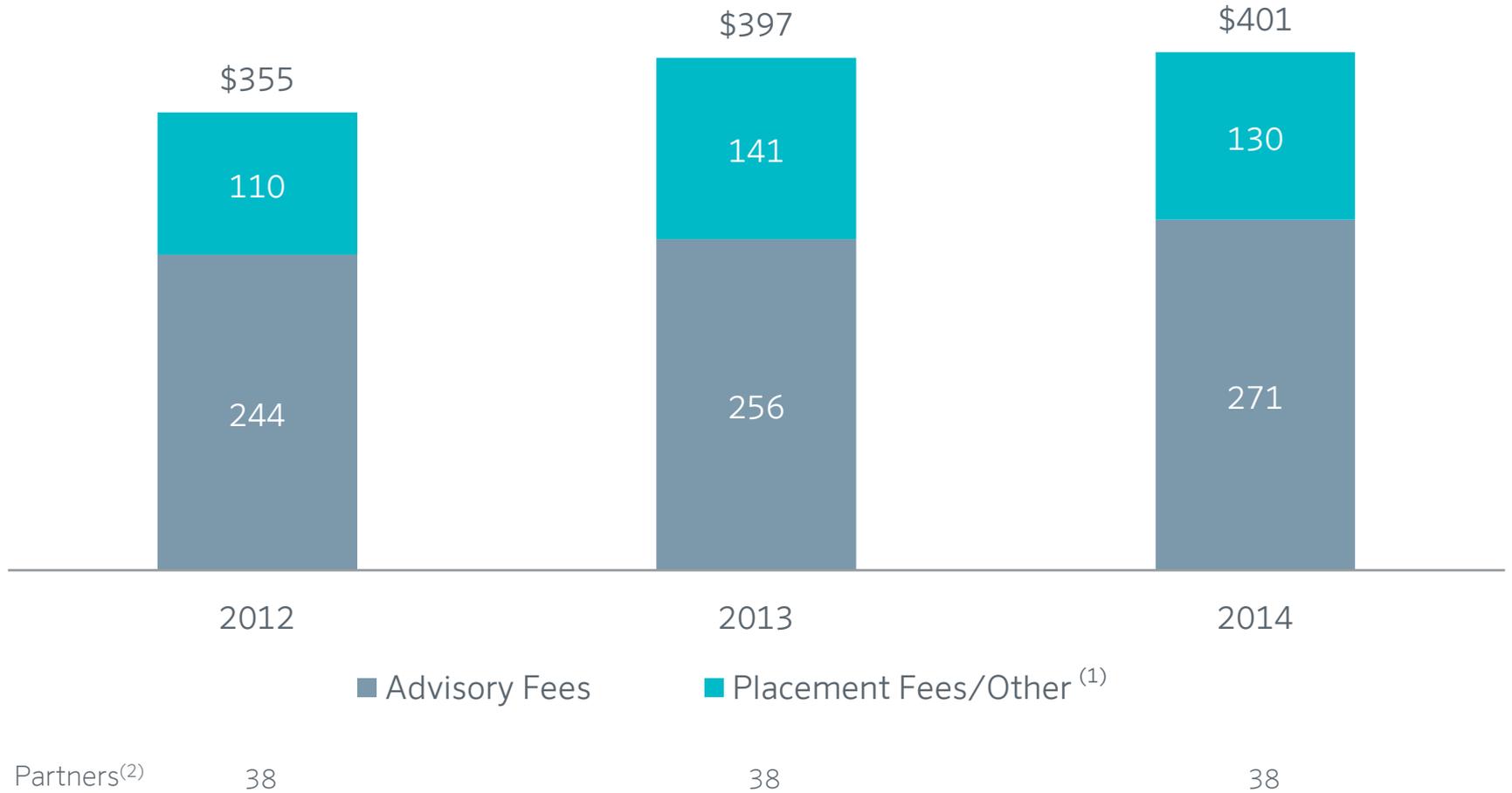
Note: Represents the composition of fully-diluted shares outstanding at the time of spin-off. Excludes an aggregate of approximately 6.5 million shares deliverable on settlement of earn-out awards subject to time and performance-based vesting, as described in the Form 10.

(1) Represents shares owned by Blackstone insiders and PJT employees.

# Historical Financials

## HISTORICAL REVENUE

(\$ in Millions)



Note: Excludes historical PJT revenues. Totals may not add due to rounding.

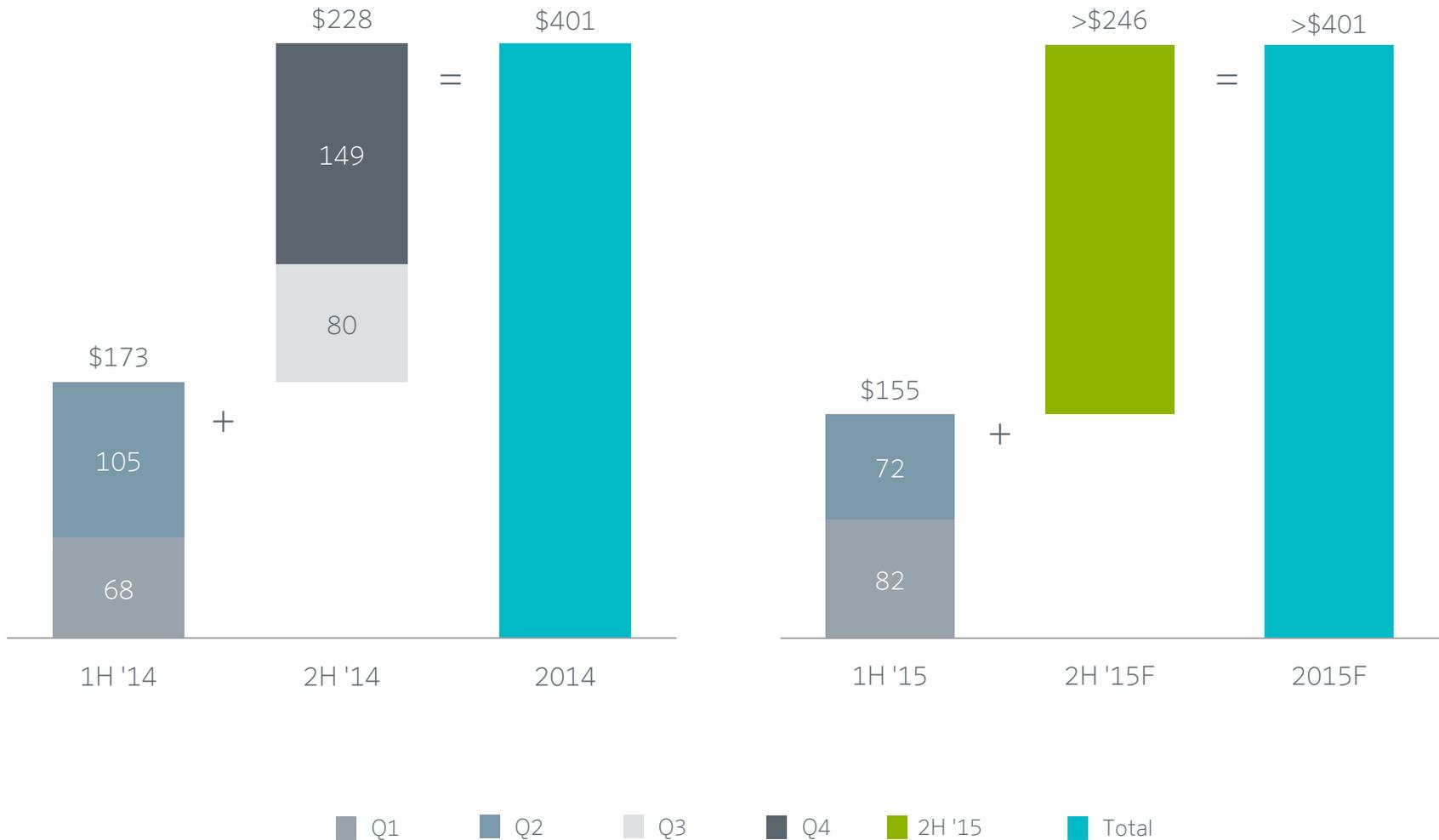
(1) Includes interest income and other revenue.

(2) Average number of Partners/Senior Managing Directors in a corresponding year.

# Recent/Projected Financial Performance

## HISTORICAL/PROJECTED REVENUE

(\$ in Millions)

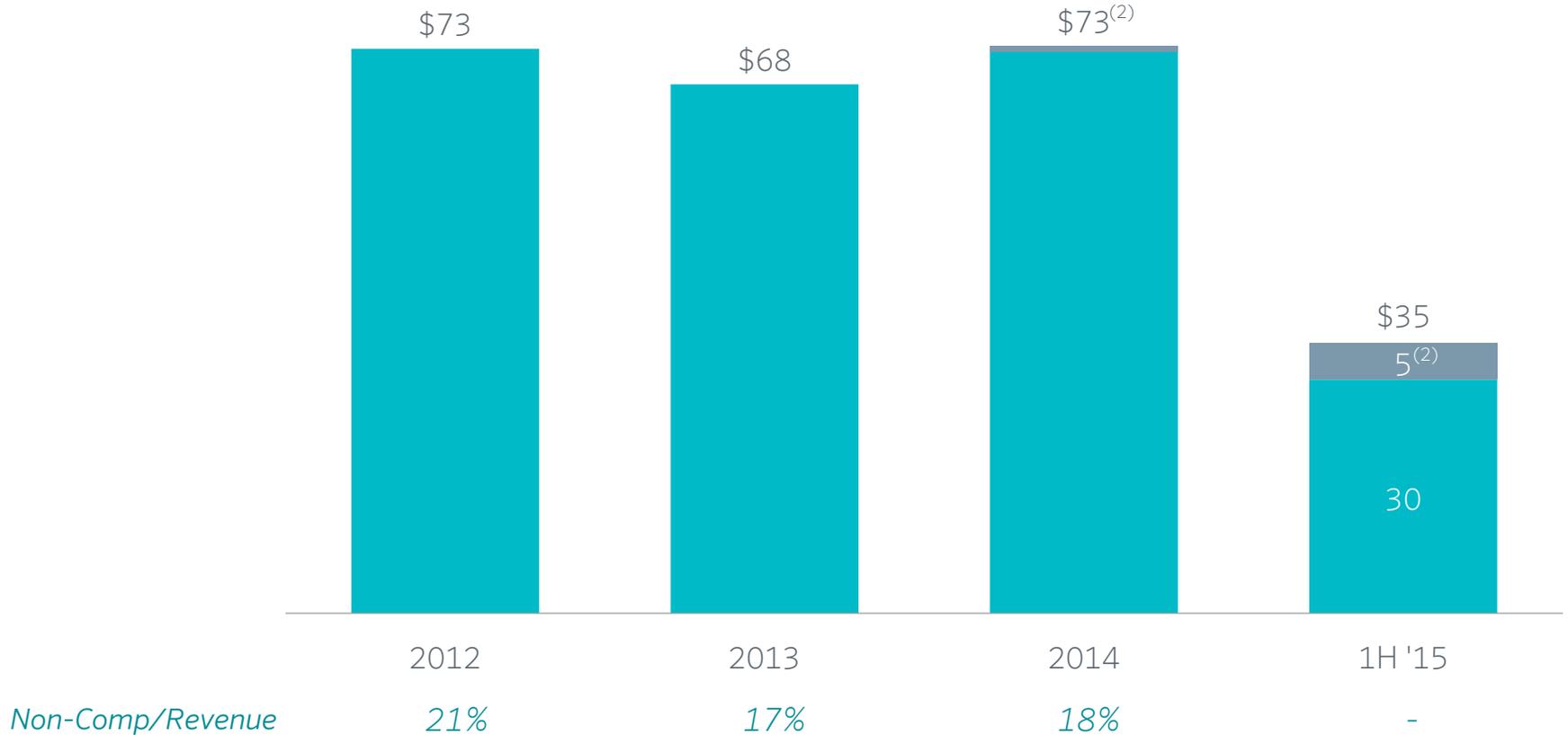


Note: Totals may not add due to rounding.

# Non-Compensation Expense

## HISTORICAL ADJUSTED NON-COMPENSATION EXPENSE<sup>(1)</sup>

(\$ in Millions)



Note: See appendix for reconciliation of non-GAAP adjustments.

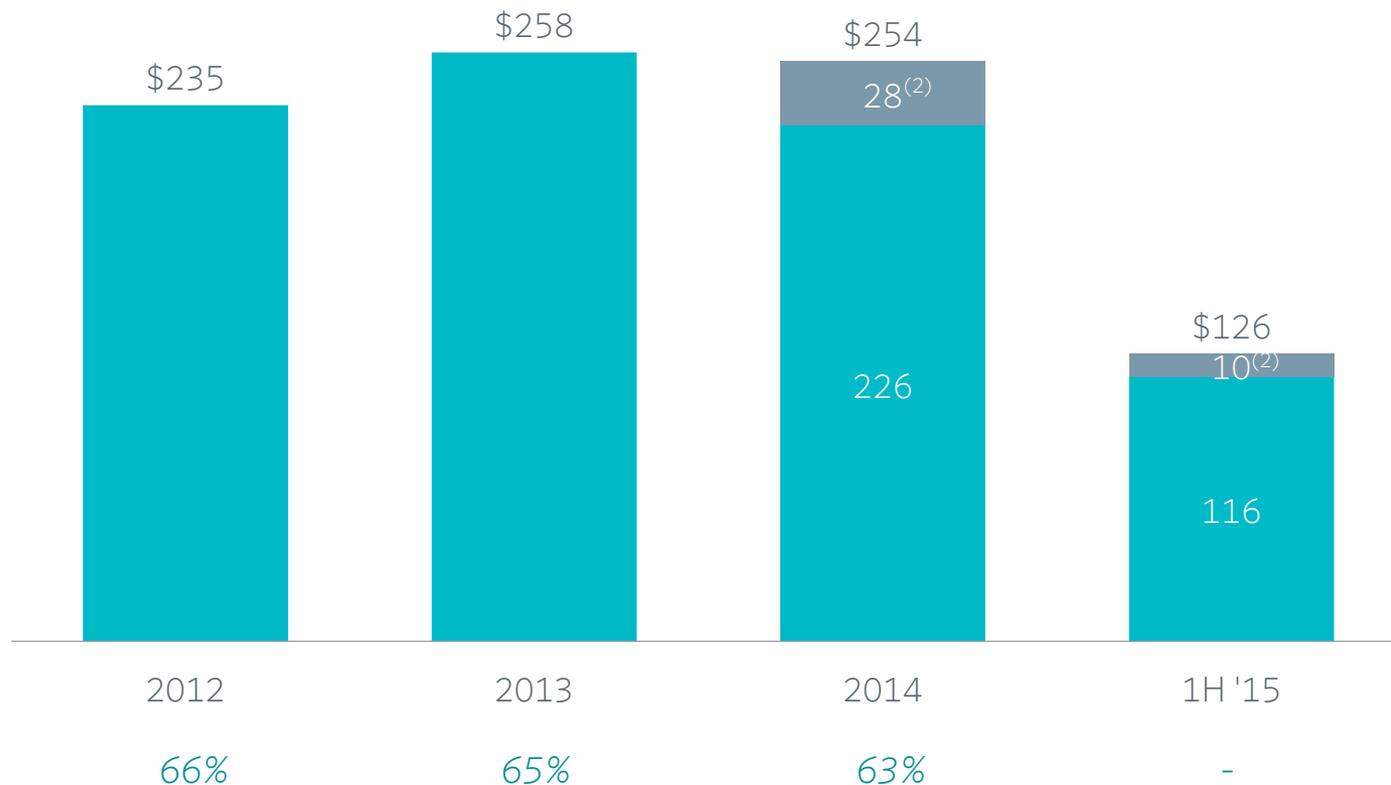
(1) Excludes amortization of Blackstone IPO awards of \$2.7 million, \$2.7 million, \$2.8 million and \$1.3 million in 2012, 2013, 2014 and 1H '15, respectively.

(2) Adjusted to reflect additional expenses of \$0.7 million in 2014 and \$3.4 million and \$1.3 million in 1H '15 related to occupancy and related and professional fees, respectively.

# Compensation Expense

## HISTORICAL ADJUSTED COMPENSATION EXPENSE<sup>(1)</sup>

(\$ in Millions)



Note: See appendix for reconciliation of non-GAAP adjustments. The adjustments include principally equity-based compensation charges associated with Blackstone's IPO in 2007 and special equity awards from reissued IPO units. These awards vested from 2007 to 2015, and will be non-recurring after 2015.

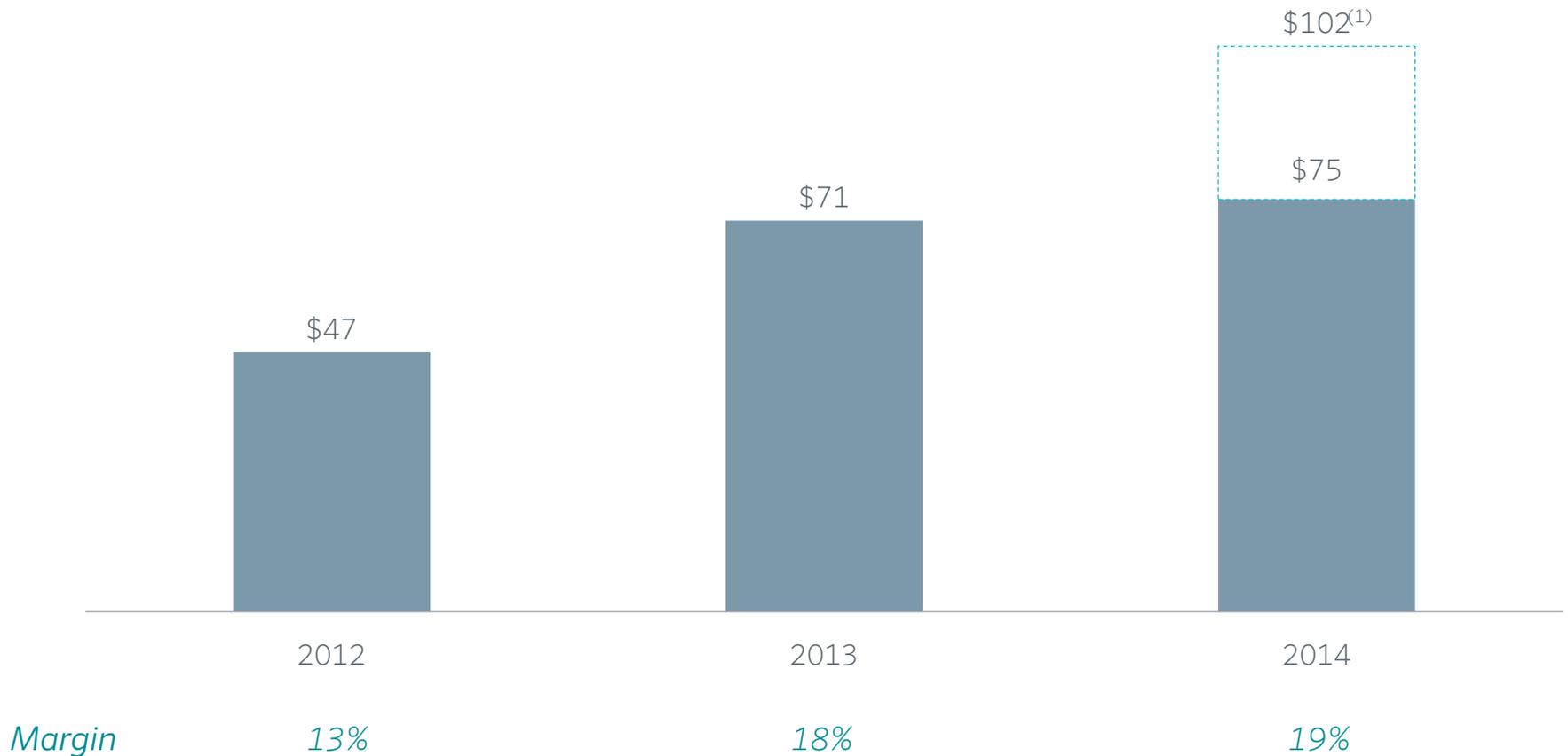
(1) Excludes amortization of Blackstone IPO awards of \$83.5 million, \$82.0 million, \$71.5 million and \$23.1 million in 2012, 2013, 2014 and 1H '15, respectively, and severance of \$19.8 million in 2014 and \$0.3 million for 1H '15.

(2) Adjusted to reflect \$27.7 million and \$9.6 million of incremental equity-based compensation expense in connection with the spin-off as a result of a change in vesting period and distributions related to the Bonus Deferral Plan in 2014 and 1H '15, respectively.

# Adjusted Pre-Tax Income

## HISTORICAL ADJUSTED PRE-TAX INCOME

(\$ in Millions)



Note: See appendix for reconciliation of non-GAAP adjustments. Totals may not add due to rounding.

(1) Excludes additional expense of \$27.7 million related to the change in vesting period and distributions related to the Bonus Deferral Plan.

# Outlook: Focus on Growth in Revenue and Pre-Tax Income

	<b>2015</b>	<b>2016F</b>	<b>2017F+</b>
	<i>Year of Transition</i>	<i>Franchise Building</i>	<i>Growth through Franchise Building/ Return on Investment</i>
Revenue	> Stable despite significant merger dislocations	> Revenue growth	> Accelerating revenue growth
Non-Compensation Expense	> Largely Blackstone allocations	> Similar in aggregate to historical levels	> Evidence of operating leverage
Compensation Expense		> Management Focus: <ul style="list-style-type: none"> <li>– Principally Awarded compensation</li> <li>– Additionally, GAAP excluding all transaction-related amortization</li> </ul>	

# Why PJT Partners

## 1 Differentiated growth strategy

- Spin-off serves as a catalyst for growth

## 2 Value creating expansion strategy

- Global presence and connectivity with less overhead

## 3 Management highly aligned with shareholders

- Incentives aligned with increasing shareholder value



Your Results  
Are Our Reputation

# Appendix

# Strong Board Oversight: Broad-based and Relevant Experience

## NON-EXECUTIVE BOARD MEMBERS

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### Name

### Current & Former Positions

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Dennis  
Hersch

- > Wexner family advisor and L Brands Board member
  - > Former Global Chairman of M&A at J.P. Morgan
  - > Former Partner at Davis Polk & Wardwell
- 

Emily  
Rafferty

- > Chair, Board of Directors of the Federal Reserve Bank of New York
  - > President Emerita, The Metropolitan Museum of Art
- 

Thomas Ryan

- > Former Chairman and CEO of CVS Health Corporation, formerly known as CVS Caremark Corporation
  - > Serves as a member of the Board of Directors of Yum! Brands and Five Below, Inc.
  - > Former member of the Boards of Directors of Bank of America, Reebok International Ltd., and Vantiv, Inc.
- 

Kenneth  
Whitney

- > Former Head of the Investor Relations & Business Development Group at Blackstone
  - > Formerly at Coopers & Lybrand, now known as PricewaterhouseCoopers
-

# PJT Infrastructure

## FULLY INDEPENDENT PJT INFRASTRUCTURE

## ONE-TIME START-UP COSTS BEHIND US

Facilities

- > Built out new offices (New York, London and Hong Kong)
- > Closed offices (Frankfurt and Atlanta)
- > Consolidated Menlo Park office into San Francisco

Finance

- **Tax**
- **Compensation**
- Public company reporting
- External relations
- Internal audit

- > Global financial reporting systems

Human resources

- > Global HR systems

Information technology

- > Global IT infrastructure

Legal and compliance

Blackstone Transition Services Agreement (TSA) in place but we intend to primarily use it for tax and compensation

# GAAP Statements of Operations

(\$ in Thousands)

	6 Months Ended	Year Ended December 31,		
	June 30,	2014	2013	2012
	2015			
Revenues				
Advisory Fees	\$105,266	\$271,278	\$256,433	\$244,439
Placement Fees	48,323	127,664	136,726	106,764
Interest Income	1,530	3,046	2,955	3,809
Other	(325)	(919)	840	(395)
Total Revenues	154,794	401,069	396,954	354,617
Expenses				
Compensation and Benefits	139,760	317,478	339,778	318,255
Occupancy and Related	14,044	25,601	21,715	22,332
Travel and Related	6,306	13,382	13,678	13,606
Professional Fees	5,966	10,837	12,344	13,713
Communications and Information Services	2,791	7,048	6,772	7,855
Other Expenses	7,055	19,185	16,467	18,047
Total Expenses	175,922	393,531	410,754	393,808
Income (Loss) Before Provision for Taxes	(21,128)	7,538	(13,800)	(39,191)
Provision for Taxes	2,002	3,046	3,373	3,357
Net Income (Loss) Attributable to PJT Partners	\$(23,130)	\$4,492	\$(17,173)	\$(42,548)

# Adjusted Pre-Tax Income

## RECONCILIATION OF INCOME (LOSS) BEFORE PROVISION FOR TAXES TO ADJUSTED PRE-TAX INCOME

(\$ in Thousands)

	6 Months Ended	Year Ended December 31,		
	June 30,	2014	2013	2012
	2015			
Income (Loss) Before Provision for Taxes	\$(21,128)	\$7,538	\$(13,800)	\$(39,191)
Adjustments				
Compensation and Benefits <sup>(1)</sup>	23,337	91,294	81,981	83,529
Occupancy and Related <sup>(2)</sup>	3,360	679	-	-
Professional Fees <sup>(2)</sup>	1,303	44	-	-
Communications and Information Services <sup>(2)</sup>	8	-	-	-
Other Expenses <sup>(3)</sup>	1,311	2,828	2,653	2,653
<b>Adjusted Pre-Tax Income</b>	<b>\$8,191</b>	<b>\$102,383</b>	<b>\$70,834</b>	<b>\$46,991</b>

(1) This adjustment adds back to Income (Loss) Before Provision for Taxes amounts for Transaction-Related charges, which include principally equity-based compensation charges associated with Blackstone's IPO, special equity awards from reissued IPO units and severance. Severance was \$19.8 million for the year ended December 31, 2014 and \$0.3 million for the six months ended June 30, 2015. There were no severance costs related to the spin-off that were incurred during the years ended December 31, 2013 and 2012. The \$19.8 million of severance costs for the year ended December 31, 2014 consists of \$14.6 million of cash-based severance payments and \$5.2 million of equity-based severance payments. The cash severance amount is based on Blackstone's plan to provide departing employees with 50% of their 2014 total cash compensation amount. The equity amount is based on accelerated vesting of certain equity awards held by departing employees. The balance of this adjustment relates to equity-based compensation charges associated with the vesting during the periods presented of awards granted and re-issued in connection with the Blackstone IPO in 2007. These awards have vested or will vest in the period from 2007 through 2015. As these awards represent payment for prior existing ownership interests, and as the associated expense is not expected to recur in periods after 2015, we believe that the presentation of a non-GAAP financial measure that excludes the expense associated with their vesting, as well as non-recurring severance costs associated with the spin-off, provides useful insights into the results of the business in the periods presented. We expect to incur costs for similar equity-based awards after the spin-off as further discussed in "Certain Relationships and Related Party Transactions—Agreements with Blackstone Related to the Spin-Off—Employee Matters Agreement" in the Form 10. We also expect to incur incremental costs for similar equity-based awards to be put in place at the time the spin-off is consummated as discussed in the Unaudited Pro Forma Combined Statement of Operations in adjustment (f) in the Form 10. Had these similar plans been in place on January 1, 2014, the incremental expense to the Company, as also noted in pro forma adjustment (f) to the Unaudited Pro Forma Combined Financial Statements, would have been \$27.7 million for the year ended December 31, 2014 and \$9.6 million for the six months ended June 30, 2015.

(2) These adjustments add back to Income (Loss) Before Provision for Taxes Transaction-Related charges associated with the spin-off.

(3) This adjustment adds back to Income (Loss) Before Provision for Taxes amounts for the amortization of intangible assets which are associated with Blackstone's IPO.

# GAAP Reconciliation

## COMPENSATION EXPENSE

(\$ in Thousands)

	6 Months	Year Ended December 31,		
	Ended June 30,	2014	2013	2012
	2015			
GAAP Compensation Expense	\$139,760	\$317,478	\$339,778	\$318,255
Amort. of Blackstone IPO Awards	(23,060)	(71,453)	(81,981)	(83,529)
Severance	(277)	(19,841)	-	-
<b>Adjusted Compensation Expense</b>	<b>\$116,423</b>	<b>\$226,184</b>	<b>\$257,797</b>	<b>\$234,726</b>

## NON-COMPENSATION EXPENSE

(\$ in Thousands)

	6 Months	Year Ended December 31,		
	Ended June 30,	2014	2013	2012
	2015			
GAAP Total Expenses	\$175,922	\$393,531	\$410,754	\$393,808
GAAP Compensation Expense	(139,760)	(317,478)	(339,778)	(318,255)
Amort. of Blackstone IPO Intangible Assets <sup>(1)</sup>	(1,311)	(2,828)	(2,653)	(2,653)
Occupancy and Related <sup>(2)</sup>	(3,360)	(679)	-	-
Professional Fees <sup>(2)</sup>	(1,303)	(44)	-	-
Communications and Information Services <sup>(2)</sup>	(8)	-	-	-
<b>Adjusted Non-Compensation Expense</b>	<b>\$30,180</b>	<b>\$72,502</b>	<b>\$68,323</b>	<b>\$72,900</b>

(1) See Footnote 3 on page 38.

(2) See Footnote 2 on page 38.