



BLACKSTONE HOLDINGS FINANCE CO. L.L.C.

OFFER TO PURCHASE

**Offer to Purchase for Cash
Any and All Outstanding
5.875% Senior Notes due 2021**

**(CUSIP No. 09256BAB3 (144A); CINS No. U09254AB6 (Regulation S))
(ISINs US09256BAB36 (144A) and USU09254AB61 (Regulation S))**

THE OFFER (AS DEFINED BELOW) WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON SEPTEMBER 9, 2019, UNLESS EXTENDED OR THE OFFER IS EARLIER TERMINATED BY THE COMPANY (AS DEFINED BELOW) IN ITS SOLE DISCRETION (SUCH TIME, AS THE SAME MAY BE EXTENDED OR EARLIER TERMINATED, THE “EXPIRATION TIME”).

Blackstone Holdings Finance Co. L.L.C., a Delaware limited liability company (the “*Company*”), hereby offers to purchase for cash any and all of its outstanding 5.875% Senior Notes due 2021, CUSIP No. 09256BAB3 (144A), CINS No. U09254AB6 (Regulation S), ISINs US09256BAB36 (144A) and USU09254AB61 (Regulation S) (the “*Notes*”), from holders thereof (each, a “*Holder*” and collectively, the “*Holders*”) upon the terms and subject to the conditions set forth in this Offer to Purchase (as it may be amended or supplemented from time to time, this “*Offer to Purchase*”), the related Letter of Transmittal (as it may be amended or supplemented from time to time, the “*Letter of Transmittal*”) and the Notice of Guaranteed Delivery (as it may be amended or supplemented from time to time, the “*Notice of Guaranteed Delivery*”), which together constitute the Offer (the “*Offer*”).

The consideration (the “*Notes Consideration*”) offered per \$1,000 principal amount of Notes validly tendered and accepted for purchase pursuant to the Offer will be determined by the Dealer Managers referred to below in the manner described in this Offer to Purchase, using the formula set forth in Schedule A to this Offer to Purchase, by reference to the fixed spread for the Notes (the “*Fixed Spread*”) specified below plus the yield (the “*Reference Yield*”) based on the bid-side price of the U.S. Treasury Reference Security specified below (the “*Reference Security*”) as quoted on the Bloomberg Bond Trader FIT1 series of pages (the “*Reference Page*”) and calculated by the Dealer Managers at 11:00 a.m., New York City time, on the date referred to herein as the “*Price Determination Date*.” The sum of the Fixed Spread and the Reference Yield is referred to as the “*Repurchase Yield*.” See Schedule B to this Offer to Purchase for a hypothetical calculation of the Notes Consideration.

Notes	CUSIP Number/CINS/ISIN	Principal Amount Outstanding	U.S. Treasury Reference Security	Bloomberg Reference Page	Fixed Spread
5.875% Senior Notes due 2021	CUSIP No. 09256BAB3 (144A) CINS No. U09254AB6 (Reg S) ISINs US09256BAB36 (144A) USU09254AB61 (Reg S)	\$400,000,000	1.500% UST due 08/31/2021	FIT1	+50 bps

In addition to the Notes Consideration, all Holders of Notes accepted for purchase will also receive accrued and unpaid interest from the March 15, 2019 interest payment date up to, but not including, the Settlement Date (“*Accrued Interest*”).

THIS OFFER TO PURCHASE, THE INFORMATION INCORPORATED BY REFERENCE, THE LETTER OF TRANSMITTAL AND THE NOTICE OF GUARANTEED DELIVERY SHOULD BE READ CAREFULLY BEFORE A DECISION IS MADE WITH RESPECT TO THE OFFER. NEITHER THIS OFFER TO PURCHASE NOR ANY OF THE OTHER DOCUMENTS RELATING TO THE OFFER HAVE BEEN FILED WITH OR REVIEWED BY THE FEDERAL OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY OF ANY COUNTRY, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO PURCHASE OR ANY OF THE OTHER DOCUMENTS RELATING TO THE OFFER. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE.

The Joint Lead Dealer Managers for the Offer are:

Citigroup

Morgan Stanley

September 3, 2019

Notwithstanding any other provision of the Offer, the consummation of the Offer and the Company's obligation to accept for purchase, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to the Offer are subject to the satisfaction of or waiver of the following conditions: (a) the successful completion by the Company of a debt financing transaction (the "*Proposed Financing*"), the proceeds of which, together with cash on hand or available liquidity, will be sufficient to (i) fund the purchase of all outstanding Notes and (ii) pay all fees and expenses associated with the Proposed Financing and the Offer, all on terms and conditions acceptable to the Company in its sole discretion (the "*Financing Condition*"); and (b) satisfaction of the other conditions set forth in "Terms of the Offer—Conditions to the Offer." The Company reserves the right to amend or waive any of the conditions of the Offer, in whole or in part, at any time or from time to time, in its sole discretion. The Offer is not conditioned on any minimum amount of Notes being tendered.

In the event that the Offer is withdrawn or otherwise not completed, the Notes Consideration will not be paid or become payable to Holders who have validly tendered their Notes in connection with the Offer. In any such event, Notes previously tendered pursuant to the Offer will be promptly returned to the tendering Holder.

Subject to the terms and conditions of the Offer, the Company expects to accept for purchase promptly following the Expiration Time all of the Notes validly tendered and not validly withdrawn prior to the Expiration Time (the date of such acceptance, the "*Acceptance Date*"). With respect to Notes accepted for purchase on the Acceptance Date and delivered on or prior to the Expiration Time, if any, the Holders thereof will receive payment of the Notes Consideration for such accepted Notes promptly after the Expiration Time, with the date on which the Company deposits with The Depository Trust Company ("*DTC*") the aggregate Notes Consideration for such Notes, together with an amount equal to Accrued Interest thereon, being referred to as the "*Settlement Date*." With respect to accepted Notes delivered pursuant to the guaranteed delivery procedures described below, the Holders thereof will receive payment of the Notes Consideration for such Notes one business day after the Notice of Guaranteed Delivery Date (as defined below), together with an amount equal to the Accrued Interest to but not including the Settlement Date, such date being referred to as the "*Guaranteed Delivery Settlement Date*." For the avoidance of doubt, Accrued Interest will cease to accrue on the Settlement Date for all Notes accepted in the Offer including Notes tendered using the procedures for guaranteed delivery. Under no circumstances will any interest on the Notes Consideration be payable because of any delay in the transmission of funds to Holders by the Depository or DTC.

Notes may be tendered and accepted for payment only in principal amounts equal to minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Notes must continue to hold Notes in the minimum authorized denomination of \$2,000 principal amount. All references in this Offer to Purchase to "\$" are to U.S. dollars. Any Notes that are validly tendered and accepted in the Offer will be retired and cancelled.

Subject to applicable laws and the terms set forth in the Offer, the Company reserves the right, with respect to the Notes, (i) to waive or modify in whole or in part any and all conditions to the Offer, (ii) to extend the Expiration Time, (iii) to modify or terminate the Offer, (iv) to decrease the principal amount of Notes subject to the Offer, or (v) to otherwise amend the Offer in any respect.

Global Bondholder Services Corporation is acting as the Depository (in such capacity, the "*Depository*") and the Information Agent (in such capacity, the "*Information Agent*"). The Trustee for the Notes is The Bank of New York Mellon (the "*Trustee*"). Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC are acting as Dealer Managers for the Offer (the "*Dealer Managers*" and each, a "*Dealer Manager*").

The Notes are governed by the Indenture, dated as of August 20, 2009, among the Company, the guarantors party thereto and the Trustee, as supplemented by the Second Supplemental Indenture, dated as of September 20, 2010 and the Eighth Supplemental Indenture, dated as of October 1, 2015 (as so supplemented, the "*Indenture*").

The Company expects to exercise, on a redemption date on or following the date 30 days after the Settlement Date, its right to optionally redeem pursuant to the terms of the Indenture any and all Notes not purchased by the Company in this Offer. However, there can be no assurance that any Notes will be redeemed. Neither this Offer to Purchase nor the Offer constitutes a notice of redemption under the optional redemption provisions of the Indenture governing the Notes. In the event that the Company does not consummate the redemption of the Notes, it may

otherwise acquire any Notes which remain outstanding after the Expiration Time, through open market or privately negotiated transactions, one or more additional tender offers, or otherwise, upon such terms and at such prices as the Company may determine, which may be more or less than the prices to be paid pursuant to the Offer or in a redemption.

Holders should note the following times relating to the Offer:

Date	Calendar Date	Event
Launch Date	September 3, 2019	Commencement of the Offer.
Price Determination Date	11:00 a.m., New York City time, on September 9, 2019, unless extended or the Offer is earlier terminated by the Company in its sole discretion.	The date and time for determining the Notes Consideration with respect to the Notes.
Withdrawal Deadline	At or prior to the Expiration Time (which is 5:00 p.m., New York City time, on September 9, 2019 or, if the Offer is extended, the 10th business day after commencement of the Offer. In addition, tendered Notes may be withdrawn at any time after the 60th business day after the commencement of the Offer if for any reason the offer has not been consummated within 60 business days after the date of commencement of the Offer.	The last date and time for Holders to withdraw previously tendered Notes.
Expiration Time	5:00 p.m., New York City time, on September 9, 2019, unless extended or the Offer is earlier terminated by the Company in its sole discretion.	The last date and time for Holders to tender Notes to qualify for the payment of the Notes Consideration.
Acceptance Date	The Company expects that the Acceptance Date will be September 10, 2019, one business day following the Expiration Time.	Acceptance of all Notes validly tendered and not validly withdrawn at or prior to the Expiration Time.
Settlement Date	In respect of Notes that are accepted for purchase on the Acceptance Date and delivered on or prior to the Expiration Time, the Company expects the Settlement Date to occur on the Acceptance Date, which will be promptly after the Expiration Time and is expected to be September 10, 2019.	The date on which the Company deposits with DTC the aggregate Notes Consideration for Notes tendered and accepted for purchase on the Acceptance Date, together with an amount equal to the Accrued Interest thereon. The Settlement Date will occur promptly after the Expiration Time. Accrued Interest will cease to accrue on the Settlement Date for all Notes accepted in the Offer.
Notice of Guaranteed Delivery Date	Guaranteed deliveries will be required to be provided no later than	In respect of Notes that are tendered pursuant to the guaranteed procedures described below, the last

Date	Calendar Date	Event
	5:00 p.m., New York City time, on September 11, 2019.	date and time for Holders to deliver such Notes.
Guaranteed Delivery Settlement Date	In respect of accepted Notes that are delivered pursuant to the guaranteed procedures described below, the Company expects the Guaranteed Delivery Settlement Date to occur on September 12, 2019, one business day after the Notice of Guaranteed Delivery Date.	The date on which the Company deposits with DTC the aggregate Notes Consideration for accepted Notes tendered and delivered through the guaranteed delivery procedures described below, together with an amount equal to the Accrued Interest to but not including the Settlement Date. For the avoidance of doubt, Accrued Interest will cease to accrue on the Settlement Date for all Notes accepted in the Offer including Notes tendered using the procedures for guaranteed delivery.

The Company reserves the right to extend the Offer with respect to the Notes, if necessary, so that the Acceptance Date occurs upon or shortly after the satisfaction or waiver of the conditions to the Offer.

Subject to applicable laws and the terms set forth in the Offer, the Company reserves the right, with respect to the Notes, (i) to waive or modify in whole or in part any and all conditions to the Offer, (ii) to extend the Expiration Time, (iii) to modify or terminate the Offer, (iv) to decrease the principal amount of Notes subject to the Offer, or (v) to otherwise amend the Offer in any respect. In the event that the Offer is terminated or otherwise not completed with respect to the Notes, the Notes Consideration relating to the Notes will not be paid or become payable to Holders of such Notes, without regard to whether such Holders have validly tendered their Notes (in which case such tendered Notes will be promptly returned to the Holders).

If the consideration to be paid in the Offer is increased or decreased or the principal amount of Notes subject to the Offer is decreased, the Offer will remain open at least five business days from the date the Company first gives notice to Holders, by public announcement or otherwise prior to 10:00 a.m. New York City time on such day, of such increase or decrease. In the event of any other material change to the Offer, the Offer will remain open at least three business days from the date the Company first gives notice to Holders, by public announcement or otherwise prior to 10:00 a.m. New York City time on such day, of such other material change.

IMPORTANT INFORMATION

A beneficial owner of Notes that are held of record by a broker, dealer, custodian bank, depository, trust company or other nominee (each a “Custodian”) must instruct such Custodian to tender the Notes on the beneficial owner’s behalf. See “Terms of the Offer—Procedure for Tendering Notes.” **Beneficial owners should be aware that a Custodian may establish its own earlier deadline for participation in the Offer. Accordingly, beneficial owners wishing to participate in the Offer should contact their Custodians as soon as possible in order to determine the time by which such beneficial owner must take action in order to participate. If you hold your Notes through a Custodian, you should ask your Custodian if you will be charged a fee to tender your Notes through the Custodian.**

DTC has authorized DTC participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders. To effect a tender, DTC participants may, in lieu of physically completing and signing the Letter of Transmittal, transmit their acceptance to DTC through DTC’s Automated Tender Offer Program (“**ATOP**”). To effect such a tender, participants should transmit their acceptance through ATOP and follow the procedure for book-entry transfer set forth under “Terms of the Offer—Procedure for Tendering Notes.” Neither Holders nor beneficial owners of tendered Notes will be obligated to pay brokerage fees or commissions to the Dealer Managers, the Depository, the Information Agent or the Company. If you desire to tender your Notes and (1) you cannot comply with the procedure for book-entry transfer, (2) in the case of Notes not held in global form through DTC, your Notes certificates are not immediately available or cannot be delivered to the Depository or (3) you cannot deliver the other required documents to the Depository by the expiration of the Offer, you must tender your Notes according to the guaranteed delivery procedures described below.

Questions and requests for assistance may be directed to the Dealer Managers or the Information Agent at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery and other related materials may be obtained from the Information Agent at its address and telephone numbers set forth on the back cover of this Offer to Purchase. Beneficial owners may also contact the Custodians through which they hold the Notes with questions and requests for assistance.

The Company expects to exercise, on a redemption date on or following the date 30 days after the Settlement Date, its right to optionally redeem pursuant to the terms of the Indenture any and all Notes not purchased by the Company in this Offer. However, there can be no assurance that any Notes will be redeemed. Neither this Offer to Purchase nor the Offer constitutes a notice of redemption under the optional redemption provisions of the Indenture governing the Notes. In the event that the Company does not consummate the redemption of the Notes, it may otherwise acquire any Notes which remain outstanding after the Expiration Time, through open market or privately negotiated transactions, one or more additional tender offers, or otherwise, upon such terms and at such prices as the Company may determine, which may be more or less than the prices to be paid pursuant to the Offer or in a redemption.

This Offer does not constitute a notice of redemption under the optional redemption provisions of the Indenture.

The statements made in this Offer to Purchase are made as of the date on the cover page and the statements incorporated by reference are made as of the date of the document incorporated by reference or such other date as may be specified therein. The delivery of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery shall not under any circumstances create any implication that the information contained herein or incorporated by reference is correct as of a later date or that there has been no change in such information or in the affairs of the Company or any of its subsidiaries or affiliates since such dates.

If you do not tender your Notes or if you tender Notes that are not accepted for purchase, they will remain outstanding. If the Company consummates the Offer, the applicable trading market for your outstanding Notes may be significantly more limited.

This Offer to Purchase does not constitute an offer to purchase any Notes in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer under applicable securities or “blue sky” or other laws.

This Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery do not constitute an offer to buy or the solicitation of an offer to sell any securities in any jurisdiction where such offer or solicitation would be unlawful. Nothing in this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery constitutes an offer to sell any securities.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase and, if given or made, such information or representation may not be relied upon as having been authorized by the Company or the Dealer Managers.

NONE OF THE COMPANY, THE BOARD OF DIRECTORS OF THE BLACKSTONE GROUP INC., THE TRUSTEE, THE INFORMATION AGENT, THE DEPOSITARY, THE DEALER MANAGERS OR ANY OF THEIR RESPECTIVE AFFILIATES MAKES ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER, OR REFRAIN FROM TENDERING AS TO ALL OR ANY PORTION OF THE PRINCIPAL AMOUNT OF THEIR NOTES PURSUANT TO THE OFFER. HOLDERS MUST MAKE THEIR OWN DECISIONS WITH REGARD TO TENDERING NOTES AND NO ONE HAS BEEN AUTHORIZED BY ANY OF THEM TO MAKE SUCH A RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISIONS AS TO WHETHER TO TENDER NOTES, AND, IF SO, THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

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SUMMARY

This Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery contain important information that should be read carefully before any decision is made with respect to the Offer.

The following summary is provided solely for the convenience of Holders. This summary is not intended to be complete and is qualified in its entirety by reference to the full text and more specific details contained elsewhere or incorporated by reference in this Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and any amendments or supplements hereto or thereto. Holders are urged to read this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery in their entirety. Each of the capitalized terms used but not defined in this summary has the meaning set forth elsewhere in this Offer to Purchase.

If you have questions, please call the Information Agent or the Dealer Managers at their respective telephone numbers on the back cover of this Offer to Purchase.

The Company	Blackstone Holdings Finance Co. L.L.C.
The Notes	5.875% Senior Notes due 2021 (CUSIP No. 09256BAB3 (144A); CINS No. U09254AB6 (Regulation S)) (ISINs US09256BAB36 (144A) and USU09254AB61 (Regulation S))
Principal Amount Outstanding	\$400,000,000.
The Offer	The Company is offering to purchase for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery, any and all of its outstanding Notes, validly tendered and accepted for purchase by the Company. See “Terms of the Offer—General.”
Notes Consideration	The Notes Consideration for each \$1,000 principal amount of Notes validly tendered and accepted for purchase pursuant to the Offer will be determined by the Dealer Managers in the manner described in this Offer to Purchase by reference to the Fixed Spread for such Notes specified on the front cover of this Offer to Purchase plus the yield to maturity of the Reference Security based on the bid-side price of the Reference Security specified on the front cover of this Offer to Purchase as quoted on the Reference Page and calculated by the Dealer Managers at 11:00 a.m., New York City time, on the Price Determination Date. The formula for determining the Notes Consideration is set forth on Schedule A.
Accrued Interest	The Notes Consideration for the Notes will be paid together with a cash amount equal to accrued and unpaid interest from the March 15, 2019 interest payment date for the Notes up to, but not including, the Settlement Date. No interest on Notes tendered by using the guaranteed delivery procedures will be paid for the period from the Settlement Date to the Guaranteed Delivery Settlement Date.
Price Determination Date	11:00 a.m., New York City time on September 9, 2019, unless extended or the Offer is earlier terminated by the Company.
Expiration Time	5:00 p.m., New York City time on September 9, 2019, unless extended or the Offer is earlier terminated by the Company in its sole discretion. The Company retains the right to extend the Offer with respect to the Notes for any reason.
Acceptance Date	The Company expects that the Acceptance Date will be September 10, 2019, one business day after the Expiration Time, on which date the Company

	intends to accept for purchase all of the Notes validly tendered and not validly withdrawn at or prior to the Expiration Time, subject to the satisfaction or waiver of the conditions to the Offer.
Settlement Dates	The Settlement Date will occur promptly after the Expiration Time. Assuming that the Offer is not extended, the Company expects that the Settlement Date will be September 10, 2019. Accrued Interest will cease to accrue on the Settlement Date for all Notes accepted in the Offer, including Notes tendered using the guaranteed delivery procedures. In respect of accepted Notes that are delivered pursuant to the guaranteed delivery procedures described below, the Company expects that the Guaranteed Delivery Settlement Date will be September 12, 2019, one business day after the Notice of Guaranteed Delivery Date.
Withdrawal Rights.....	Notes tendered pursuant to the Offer may be withdrawn at or prior to the earlier of (i) the Expiration Time, and (ii) if the Offer is extended, the 10th business day after commencement of the Offer; <i>provided, however</i> , that if the Company is required by law to permit withdrawal, then previously tendered Notes may be validly withdrawn to the extent required. In addition, tendered Notes may be withdrawn at any time after the 60th business day after the commencement of the Offer if for any reason the offer has not been consummated within 60 business days after the date of commencement of the Offer. Holders wishing to withdraw tendered Notes must comply with the applicable procedures described herein.
How to Tender Notes.....	Any beneficial owner desiring to tender Notes pursuant to the Offer should request such beneficial owner's Custodian to effect the transaction for such beneficial owner or according to the guaranteed delivery procedures described below. Participants in DTC may electronically transmit their acceptance of the Offer by causing DTC to transfer Notes to the Depository in accordance with DTC's ATOP procedures for transfers. See "Terms of the Offer—Procedure for Tendering Notes." For further information, call the Information Agent or the Dealer Managers at their respective telephone numbers set forth on the back cover of this Offer to Purchase or consult your Custodian for assistance. Beneficial owners should be aware that a Custodian may establish its own earlier deadline for participation in the Offer. Accordingly, beneficial owners wishing to participate in the Offer should contact their Custodians as soon as possible in order to determine the time by which such beneficial owner must take action in order to participate. If you hold your Notes through a Custodian, you should ask your Custodian if you will be charged a fee to tender your Notes through the Custodian.
Purpose of the Offer	The purpose of the Offer is to refinance the Notes with proceeds from the Proposed Financing, together with cash on hand or available liquidity. See "Purpose of the Offer."
Conditions to the Offer.....	Notwithstanding any other provision of the Offer, the consummation of the Offer and the Company's obligation to accept for purchase, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to the Offer are subject to the satisfaction of or waiver of the Financing Condition and the other conditions set forth in "Terms of the Offer— Conditions to the Offer." The Company reserves the right to amend or waive any of the conditions of the Offer, in whole or in part, at any time or from time to time, in its sole discretion. The Offer is not conditioned upon any minimum amount of Notes being tendered.

Acceptance for Payment and Payment for Notes	<p>On the terms of the Offer and upon satisfaction or waiver of the conditions of the Offer specified herein under “Terms of the Offer—Conditions to the Offer,” the Company will (a) accept for purchase Notes validly tendered (or defectively tendered, if in its sole discretion the Company waives such defect) and not validly withdrawn, (b) promptly deposit with DTC, on the Settlement Date, the Notes Consideration, plus an amount equal to the Accrued Interest thereon, for Notes that are validly tendered in the Offer and accepted for purchase, and (c) promptly pay on the Guaranteed Delivery Settlement Date the Notes Consideration for such accepted Notes delivered pursuant to the guaranteed delivery procedures set forth below, plus an amount equal to the Accrued Interest to but not including the Settlement Date.</p> <p>The Company reserves the right, subject to applicable laws, to (a) accept for purchase and pay for all of the Notes validly tendered at or prior to the Expiration Time with respect to the Offer and to keep the Offer open or extend the Expiration Time to a later date and time and (b) waive all conditions to the Offer with respect to the Notes tendered at or prior to the Expiration Time.</p>
Certain Significant Consequences	For a summary of certain significant consequences of the Offer, see “Certain Significant Consequences.”
Certain U.S. Federal Income Tax Consequences	For a summary of certain U.S. federal income tax consequences of the Offer, see “Certain United States Federal Income Tax Consequences.”
Brokerage Commissions	No brokerage commissions are payable by Holders to the Dealer Managers, the Information Agent, the Company, the Trustee or the Depositary.
Dealer Managers.....	Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC.
Depositary and Information Agent	Global Bondholder Services Corporation.
Further Information	Questions may be directed to the Dealer Managers or the Information Agent, and additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained by contacting the Information Agent, at their respective telephone numbers and addresses set forth on the back cover of this Offer to Purchase.

AVAILABLE INFORMATION

The Blackstone Group Inc. files annual, quarterly and current reports and other information with the Securities and Exchange Commission (the “**Commission**”). The Commission maintains an internet site that contains reports, information statements and other information regarding The Blackstone Group Inc. The Commission’s website address is www.sec.gov.

Copies of the materials referred to in the preceding paragraph, as well as copies of any current amendment or supplement to this Offer to Purchase, may also be obtained from the Information Agent at its address set forth on the back cover of this Offer to Purchase.

DOCUMENTS INCORPORATED BY REFERENCE

This Offer to Purchase incorporates by reference the documents listed below that The Blackstone Group Inc. has previously filed with the Commission. They contain important information about and the financial condition of The Blackstone Group Inc. and its consolidated subsidiaries. Any information referred to in this way is considered part of this Offer to Purchase from the date The Blackstone Group Inc. files that document. Any reports filed by The Blackstone Group Inc. with the Commission after the date of this Offer to Purchase and prior to the expiration or termination of this Offer will automatically update and, where applicable, supersede any information contained in this Offer to Purchase or incorporated by reference in this Offer to Purchase.

We incorporate by reference into this Offer to Purchase the following documents or information filed by The Blackstone Group Inc. with the Commission:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed on March 1, 2019;
- Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2019 and June 30, 2019, filed on May 9, 2019 and August 8, 2019, respectively;
- Current Reports on Form 8-K, filed on April 2, 2019 (two reports), April 11, 2019, April 12, 2019, July 1, 2019 (excluding the information furnished under Item 7.01 and Exhibit 99.2), July 5, 2019 and August 29, 2019; and
- All documents filed by The Blackstone Group Inc. under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) after the date of this Offer to Purchase and prior to the expiration or termination of this Offer (other than information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K, unless expressly stated otherwise therein).

In reviewing any agreements incorporated by reference, please remember they are included to provide you with information regarding the terms of such agreements and are not intended to provide any other factual or disclosure information about The Blackstone Group Inc., its consolidated subsidiaries or us. The agreements may contain representations and warranties by The Blackstone Group Inc., its consolidated subsidiaries or us, which should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. The representations and warranties were made only as of the date of the relevant agreement or such other date or dates as may be specified in such agreement and are subject to more recent developments. Accordingly, these representations and warranties alone may not describe the actual state of affairs as of the date they were made or at any other time.

Any statement contained in the previously filed document incorporated by reference into this Offer to Purchase is deemed to be modified or superseded for purposes of this Offer to Purchase and to the extent that a statement contained in this Offer to Purchase, or in a subsequently filed document also incorporated by reference herein, modifies or supersedes that statement.

The Information Agent will provide without charge to each person to whom this Offer to Purchase is delivered upon the request of such person, a copy of any or all of the documents incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into this Offer to Purchase). Requests for such documents should be directed to the Information Agent at its address set forth on the back cover of this Offer to Purchase.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Offer to Purchase and, if given or made, such information or representation may not be relied upon as having been authorized by the Company or its affiliates, the Dealer Managers or their affiliates, the Depositary and Information Agent or the Trustee with respect to the Notes.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase may contain or incorporate by reference 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 herein under “Risk Factors” and in the section entitled “Risk Factors” in the most recent Annual Report on Form 10-K and any subsequently filed Quarterly Reports on Form 10-Q filed by The Blackstone Group Inc. with the SEC, as such factors may be updated from time to time in our periodic filings with the 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 or incorporated by reference in this Offer to Purchase and in our other periodic filings. The forward-looking statements speak only as of the date of such statement, 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.

THE COMPANY

Blackstone is a leading global manager of private capital, with Total Assets Under Management (as defined in our most recent Annual Report on Form 10-K) of approximately \$545 billion as of June 30, 2019. As stewards of public funds, we look to drive outstanding results for our investors and clients by deploying capital and ideas to help businesses succeed and grow. Our alternative asset management businesses include investment vehicles focused on real estate, private equity, hedge fund solutions, credit, secondary funds of funds and multi-asset class strategies. We also provide capital markets services.

All of Blackstone's businesses use a solutions oriented approach to drive better performance. We believe our scale, diversified business, long track record of investment performance, rigorous investment approach and strong client relationships, position us to continue to perform well in a variety of market conditions, expand our assets under management and add complementary businesses.

Two of our primary limited partner constituencies are public and corporate pension funds. As a result, to the extent our funds perform well, it supports a better retirement for millions of pensioners.

In addition, because we are a global firm with a footprint on nearly every continent, our investments can make a difference around the world. We are committed to making our portfolio companies stronger in ways that can have positive impacts on local economies.

As of June 30, 2019, we employed approximately 2,765 people, including our 159 senior managing directors, at our headquarters in New York and around the world. We believe hiring, training and retaining talented individuals coupled with our rigorous investment process has supported our excellent investment record over many years. This record in turn has allowed us to successfully and repeatedly raise additional assets from an increasingly wide variety of sophisticated investors.

Our business is organized into four business segments: Real Estate; Private Equity; Hedge Fund Solutions; and Credit.

For a further description of our business, properties and operations, you should read the documents that we have filed with the Commission that are incorporated by reference in this Offer to Purchase, including our Annual Report on form 10-K for the year ended December 31, 2018 and our subsequently filed Quarterly Reports on Form 10-Q, as well as the other information included or incorporated by reference in this Offer to Purchase.

Blackstone Holdings Finance Co. L.L.C. was formed in Delaware on April 28, 2009 as a limited liability company and is a wholly-owned subsidiary of Blackstone Holdings I L.P., a guarantor of the Notes. The Company is a finance subsidiary without other material business activities. The principal executive offices of the Company are located at 345 Park Avenue, New York, New York 10154 and its telephone number is (212) 583-5000.

CERTAIN SIGNIFICANT CONSEQUENCES

In deciding whether to participate in the Offer, each Holder should consider carefully, in addition to the other information contained or incorporated by reference in this Offer to Purchase, the following:

The Offer is subject to certain conditions

Notwithstanding any other provision of the Offer, the Company will not be obligated to accept for purchase, and pay for, validly tendered Notes pursuant to the Offer if the Financing Condition and other conditions set forth in "Terms of the Offer—Conditions to the Offer" have not been satisfied or waived. In addition, subject to applicable law, the Company may terminate the Offer at any time prior to the Expiration Time. There can be no assurance that such conditions will be met, that the Company will not terminate the Offer or that, in the event that the Offer is not consummated, the value and liquidity of the Notes will not be materially adversely affected. The Offer is not conditioned upon any minimum amount of securities being tendered.

Holders are responsible for complying with the procedures for participating in the Offer

Holders are responsible for complying with all of the procedures for submitting a tender instruction. Holders who wish to tender their Notes for purchase should allow sufficient time for timely completion of the relevant submission procedures. None of the Company, the Dealer Managers, the Information Agent or the Depositary (or any of their respective directors, employees or affiliates) assumes any responsibility for informing Holders of irregularities with respect to any such Holder's tender instruction or for notifying the Holder of any failure to follow the proper procedure.

If Notes are held through a Custodian, such entity may require the relevant Holder to take action with respect to the Offer a number of days before the Expiration Time in order for such entity to tender for purchase the relevant Notes on the relevant Holder's behalf on or prior to the Expiration Time. **Accordingly, beneficial owners wishing to participate in the Offer should contact their Custodians as soon as possible in order to determine the time by which such beneficial owner must take action in order to participate. If you hold your Notes through a Custodian, you should ask your Custodian if you will be charged a fee to tender your Notes through the Custodian.**

Holders have the responsibility to consult their own tax, accounting, financial, legal and professional advisers before participating in the Offer

Holders should consult their own tax, accounting, financial, legal and professional advisers as they may deem appropriate regarding the tax, accounting, financial and legal consequences of participating or declining to participate in the Offer. This Offer to Purchase does not discuss any tax consequences for Holders arising from the purchase by the Company of the relevant Notes and the receipt of the Accrued Interest to but not including the Settlement Date, other than certain United States federal income tax considerations (see "Certain United States Federal Income Tax Consequences"). Holders are urged to consult their own professional advisers regarding any tax consequences under the laws of any relevant jurisdictions. Holders are liable for their own taxes and have no recourse to the Company, the Dealer Managers, the Information Agent or the Depositary with respect to taxes arising in connection with the Offer. None of the Company, the Dealer Managers, the Information Agent or the Depositary (nor any director, officer, employee, agent or affiliate of any such person) is acting for any Holder or will be responsible to any Holder for providing any protections which might be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Company, the Dealer Managers, the Information Agent or the Depositary (nor any director, officer, employee, agent or affiliate of, any such person) makes any recommendation whether Holders should tender or refrain from tendering Notes in the Offer.

Limited Trading Market

The Notes are not listed on any national or regional securities exchange. Quotations for securities that are not widely traded, such as the Notes, may differ from actual trading prices and should be viewed as approximations. Holders are urged to contact their brokers with respect to current information regarding the Notes. To the extent that only a portion of the Notes are tendered and accepted in the Offer, the trading market for Notes that remain outstanding will become more limited. A bid for a debt security with a smaller outstanding principal amount available for trading (a smaller "float") may be lower than a bid for a comparable debt security with greater float. Therefore, the market value of any untendered or otherwise unpurchased Notes may be affected adversely to the extent that the Notes tendered and purchased pursuant to the Offer reduce the float. The reduced float may also tend to make the trading price more volatile. Holders of untendered or unpurchased Notes may attempt to obtain quotations for such Notes from their brokers; however, there can be no assurance that an active trading market will exist for the Notes following the Offer. The extent of the public market for the Notes following consummation of the Offer would depend upon the number of Holders holding Notes remaining at such time, and the interest in maintaining a market in the Notes on the part of securities firms and other factors.

Changes in Reference Yield on U.S. Treasury Reference Security

The Notes Consideration will be based on the bid-side yield of the U.S. Treasury Reference Security as of the Price Determination Date. This yield may fluctuate during the term of the Offer prior to the Price Determination Date. As a result, the actual amount of cash that will be received by a tendering Holder of the Notes pursuant to the

Offer will be affected by such changes and may be different than if such amount were calculated based on the yield of the U.S. Treasury Reference Security prevailing on dates or times prior to the Price Determination Date. Changes in the yield on the U.S. Treasury Reference Security following the Price Determination Date will not alter the Notes Consideration unless the terms of the Offer are amended.

Changes in Ratings

The Company may from time to time approach the rating agencies in an effort to obtain more favorable ratings, including more favorable ratings for the Notes. While no assurance can be given that more favorable ratings will be obtained, if that does occur, it could have a favorable impact on the market price at which the Notes trade, including increasing the market price for the Notes above the Notes Consideration. Should that occur, the Company will have no obligation to make any additional payments in respect of any such increase to Holders who tender their Notes and receive payment for Notes which are accepted all in accordance with the Offer terms.

Subsequent Repurchases of Notes; Redemption

The Company reserves the absolute right, in its sole discretion, from time to time to purchase any Notes that remain outstanding after the Expiration Time through open-market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as it may determine (or as may be provided by the terms of the Indenture governing the Notes), which may be more or less than the price paid pursuant to the Offer and could be for cash or other consideration. **Pursuant to its optional redemption right under the terms of the Indenture, the Company expects to redeem, on a redemption date on or following the date 30 days after the Settlement Date, any and all Notes not purchased by the Company in this Offer.** The redemption price in such a redemption would be, as more fully specified in the Indenture, a price equal to the greater of (i) 100% of the principal amount of any Notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on any Notes being redeemed (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate (as specified in the Indenture) plus 50 basis points, plus in each case accrued and unpaid interest thereon to, but excluding, the date of redemption. However, there can be no assurance that any Notes will be redeemed. Neither this Offer to Purchase nor the Offer constitutes a notice of redemption under the optional redemption provisions of the Indenture governing the Notes.

The decision to redeem any Notes that remain outstanding after the Offer, and the selection of any particular redemption date, is in the Company's sole discretion.

PURPOSE OF THE OFFER

The purpose of the Offer is to refinance the Notes with the net proceeds from the Proposed Financing, together with cash on hand or available liquidity. Any Notes that are tendered and accepted in the Offer will be retired and canceled.

SOURCE OF FUNDS

The Company expects to use the net cash proceeds from the Proposed Financing, together with cash on hand or available liquidity, to provide the total amount of funds required by the Company to purchase the Notes validly tendered and accepted pursuant to the Offer and to pay all related fees and expenses in connection with the Offer. The Company expects to consummate the Proposed Financing on or prior to the Settlement Date.

TERMS OF THE OFFER

General

Upon the terms and subject to the conditions set forth in this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery and any supplements or amendments hereto or thereto, the Company hereby offers to purchase for cash any and all of its outstanding Notes for the Notes Consideration payable on the Settlement Date or the Guaranteed Delivery Settlement Date, as the case may be.

Subject to the terms and conditions of the Offer or the waiver thereof by the Company in its sole discretion, Holders that validly tender and do not validly withdraw their Notes and validly deliver their Notes at or before the Expiration Time will be eligible to receive the Notes Consideration, together with an amount equal to the Accrued Interest thereon.

Only Notes that are validly tendered in accordance with the procedures set forth herein before the Expiration Time, or in accordance with guaranteed delivery procedures will, upon the terms and subject to the conditions hereof, be eligible for acceptance by the Company. If so accepted, payment will be made therefor on the Settlement Date or, in the case of accepted Notes delivered pursuant to the guaranteed delivery procedures, payment will be made on the Guaranteed Delivery Settlement Date. No such payments will be made with respect to the Notes if the Offer is terminated. All conditions to the Offer, if any Notes are to be accepted for purchase promptly after the Expiration Time, will be either satisfied or waived by the Company prior to or concurrently with the expiration of the Offer at the Expiration Time.

In the event of any dispute or controversy regarding the (i) Notes Consideration, (ii) Reference Yield, (iii) Repurchase Yield or (iv) amount of the Accrued Interest for Notes tendered and accepted for purchase pursuant to the Offer, the Company's determination (or the Dealer Managers' determination on the Company's behalf) of such amounts shall be conclusive and binding, absent manifest error.

In the event of a termination of the Offer with respect to the Notes, all Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders. **The Company expects to exercise its right to redeem any Notes not purchased in this Offer and that remain outstanding pursuant to the Indenture governing the Notes.** In the event that the Company does not exercise its right to redeem the Notes, it may acquire any Notes which remain outstanding after the Expiration Time, through open-market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as it may determine (or as may be provided by the terms of the Indenture governing the Notes), which may be more or less than the prices to be paid pursuant to the Offer or in a redemption.

The Company's obligation to accept and pay for Notes validly tendered pursuant to the Offer is conditioned upon satisfaction or waiver of certain conditions as set forth under "Terms of the Offer— Conditions to the Offer." **Subject to applicable securities laws and the terms set forth in the Offer, the Company reserves the right, with respect to the Notes, (i) to waive or modify in whole or in part any and all conditions to the Offer, (ii) to extend the Expiration Time, (iii) to modify or terminate the Offer, (iv) to decrease the principal amount of Notes subject to the Offer, or (v) to otherwise amend the Offer in any respect.** The rights reserved by the Company in this paragraph are in addition to the Company's rights to terminate the Offer described in "Terms of the Offer— Conditions to the Offer."

Any amendment to the Offer with respect to the Notes will apply to all Notes tendered in the Offer. Any extension or amendment of the Price Determination Date or Expiration Time with respect to the Notes will be followed as promptly as practicable by public announcement thereof, the announcement in the case of an extension of the Expiration Time to be issued no later than 9:00 a.m., New York City time, on the next New York City business day after the previously scheduled Expiration Time. Without limiting the manner in which any public announcement may be made, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release to *Business Wire*.

If the consideration to be paid in the Offer with respect to the Notes is increased or decreased or the principal amount of Notes subject to the Offer is decreased, the Offer will remain open at least five business days from the date the Company first gives notice to Holders, by public announcement or otherwise prior to 10:00 a.m. New York City time on such day, of such increase or decrease. In the event of any other material change to the Offer, the Offer will remain open at least three business days from the date the Company first gives notice to Holders, by public announcement or otherwise prior to 10:00 a.m. New York City time on such day, of such other material change. The

Company will announce any such change in a press release issued at least three business days, or in the case of a change in the Notes Consideration, at least five business days, prior to the expiration of the Offer and prior to 10:00 a.m., New York City time, on the first day of such five- or three-business day period, as applicable. The Company will also describe any change in the consideration to be paid in the Offer with respect to the Notes in a Current Report on Form 8-K filed with the Commission prior to 12:00 noon, New York City time, on the first day of such five-business day period. During any extension of the Offer, all Notes previously tendered will remain subject to the Offer unless validly withdrawn at or prior to the Expiration Time. Any Notes that are tendered may be withdrawn at any time prior to the Expiration Time. See “Terms of the Offer—Withdrawal of Tenders.”

Notes Consideration

The Notes Consideration offered per \$1,000 principal amount of Notes validly tendered and accepted for purchase pursuant to the Offer will be calculated by the Dealer Managers in accordance with standard market practice, as described on Schedule A hereto, so as to result in a price as of the Settlement Date based on a yield to the maturity date for the Notes equal to the sum of:

- the yield to maturity on the Reference Security, calculated by the Dealer Managers in accordance with standard market practice, based on the bid-side price of the Reference Security set forth for the Notes on the front cover of this Offer to Purchase, as quoted on the Reference Page and calculated by the Dealer Managers at 11:00 a.m., New York City time, on the Price Determination Date, plus
- the Fixed Spread set forth for the Notes on the front cover of this Offer to Purchase.

This sum is referred to in this Offer to Purchase as the Repurchase Yield. Specifically, the Notes Consideration offered per \$1,000 principal amount of Notes validly tendered and accepted for purchase will be the amount calculated by the Dealer Managers to equal:

- the present value per \$1,000 principal amount of all remaining payments of principal and interest on the Notes, discounted to the Settlement Date in accordance with the formula set forth on Schedule A hereto, at a discount rate equal to the Repurchase Yield, minus
- Accrued Interest up to, but not including, the Settlement Date per \$1,000 principal amount of the Notes.

Subject to the terms and conditions described in this Offer to Purchase, if a Holder validly tenders its Notes pursuant to the Offer prior to or at the Expiration Time, and such Holder’s Notes are accepted for purchase, such Holder will receive the Notes Consideration for each \$1,000 principal amount of its tendered Notes.

In addition to the Notes Consideration, all Holders of Notes accepted for purchase will also receive Accrued Interest from the March 15, 2019 interest payment date up to, but not including, the Settlement Date, payable on the Settlement Date. No interest on Notes tendered by using the guaranteed delivery procedures will be paid for the period from the Settlement Date to the Guaranteed Delivery Settlement Date.

Because the consideration applicable to the Offer is based on a fixed spread pricing formula linked to the yield on the Reference Security, the actual amount of consideration that may be received by a tendering Holder pursuant to the Offer will be affected by changes in such yield during the term of the Offer prior to the Price Determination Date. After 11:00 a.m., New York City time, on the Price Determination Date, when the consideration applicable to the Offer is no longer linked to the yield on the Reference Security, the actual amount of cash that may be received by a tendering Holder pursuant to the Offer will be known, and Holders will be able to ascertain the Notes Consideration, that would be received by all tendering Holders whose Notes are accepted for purchase pursuant to the Offer in the manner described above.

Prior to 11:00 a.m., New York City time, on the Price Determination Date, Holders may obtain a hypothetical quote of the yield of the Reference Security (calculated as of a then-recent time) and the resulting hypothetical Notes Consideration, by contacting each Dealer Manager at its telephone number set forth on the back cover of this Offer to Purchase. In addition, as soon as practicable after 11:00 a.m., New York City Time, on the Price Determination Date,

but in any event no later than 2:00 p.m., New York City time, on the expiration date for the Offer, the Company will publicly announce the pricing information by press release, if applicable. The Company will not pay the Notes Consideration for the Offer until promptly after the expiration of the Offer pursuant to Rule 14e-1(c) promulgated under the Exchange Act.

Although the Repurchase Yield will be calculated based on the actual Reference Yield calculated as described above, you may find information regarding the closing yield to maturity of the Reference Security on any trading day in *The Wall Street Journal* online edition.

Price Determination Date; Expiration Time; Extensions; Amendments. The Price Determination Date is 11:00 a.m., New York City time, on September 9, 2019, unless extended, in which case the Price Determination Date will be such date to which the Price Determination Date is extended. The Expiration Time for the Offer is 5:00 p.m., New York City time, on September 9, 2019, unless extended, in which case the Expiration Time will be such date to which the Expiration Time is extended. The Company, in its sole discretion, may extend the Price Determination Date or the Expiration Time or otherwise amend the Offer for any purpose, including waiving or modifying in whole or in part any and all conditions to the Offer. To extend the Price Determination Date or Expiration Time or otherwise amend the Offer, the Company will notify the Depositary and Information Agent and will promptly make a public announcement thereof. In the case of an extension of the Expiration Time, an announcement will be issued no later than 9:00 a.m., New York City time, on the business day after the previously scheduled Expiration Time. Without limiting the manner in which the Company may choose to make a public announcement of any extension, amendment or termination of the Offer, the Company will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by issuing a press release to *Business Wire*.

No Recommendation

None of the Company, the board of directors of The Blackstone Group Inc., the Trustee, the Information Agent, the Depositary, the Dealer Managers or any of their respective affiliates makes any recommendation as to whether Holders should tender, or refrain from tendering as to all or any portion of the principal amount of their Notes pursuant to the Offer. Holders must make their own decisions with regard to tendering Notes and no one has been authorized by any of them to make such a recommendation. Holders must make their own decisions as to whether to tender Notes, and, if so, the principal amount of Notes to tender.

Settlement of Notes

Subject to the terms and conditions set forth herein, the Company expects to accept for purchase on the Acceptance Date all of the Notes that are validly tendered prior to the Expiration Time. With respect to Notes accepted for purchase on the Acceptance Date and delivered on or prior to the Expiration Time, the Holders thereof will receive payment of the Notes Consideration for such accepted Notes on the Settlement Date, which date will be the date on or promptly after the Acceptance Date on which the Company deposits with DTC the aggregate Notes Consideration for such Notes, together with an amount equal to the Accrued Interest thereon. With respect to accepted Notes delivered pursuant to the guaranteed delivery procedures described below, the Holders thereof will receive payment of the Notes Consideration for such Notes one business day after the Notice of Guaranteed Delivery Date, together with an amount equal to the Accrued Interest to but not including the Settlement Date, such date being referred to as the “*Guaranteed Delivery Settlement Date*.” For the avoidance of doubt, Accrued Interest will cease to accrue on the Settlement Date for all Notes accepted in the Offer. No interest on Notes tendered by using the guaranteed delivery procedures will be paid for the period from the Settlement Date to the Guaranteed Delivery Settlement Date.

Notes may be tendered and accepted for payment only in principal amounts equal to minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Notes must continue to hold Notes in the minimum authorized denomination of \$2,000 principal amount.

Conditions to the Offer

Notwithstanding any other provision of the Offer and in addition to (and not in limitation of) the Company's rights to terminate, to extend and/or amend any or all of the Offer with respect to the Notes, in its sole discretion, the Company shall not be required to accept for payment, purchase or pay for, and may delay the acceptance for payment of, any Notes validly tendered (and not validly withdrawn), in each event subject to Rule 14e-1(c) under the Exchange Act, and may terminate any or all of the Offer, if any of the following has occurred:

- the Financing Condition has not been satisfied;
- there shall have been instituted, threatened or be pending any action, proceeding or investigation (whether formal or informal) (or there shall have been any material adverse development to any action or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with the Offer that, in the reasonable judgment of the Company, either (a) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of The Blackstone Group Inc. and its consolidated subsidiaries, including the Company but excluding any Blackstone investment fund or vehicle and its respective portfolio companies and investments ("**Blackstone Group**"), (b) would or might prohibit, prevent, restrict or delay consummation of the Offer, or (c) would materially impair the contemplated benefits of the Offer to the Company or be material to Holders in deciding whether to accept the Offer;
- an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the reasonable judgment of the Company, either (a) would or might prohibit, prevent, restrict or delay consummation of the Offer or (b) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Blackstone Group;
- there shall have occurred or be likely to occur any event affecting the business or financial affairs of Blackstone Group that, in the reasonable judgment of the Company, would or might result in any of the consequences referred to in the second bullet above;
- the Trustee shall have objected in any respect to or taken action that could, in the reasonable judgment of the Company, adversely affect the consummation of the Offer or shall have taken any action that challenges the validity or effectiveness of the procedures used by the Company in the making of the Offer or the acceptance of, or payment for, the Notes; or
- there has occurred (a) any general suspension of, or limitation on prices for, trading in securities in the United States securities or financial markets, (b) any significant adverse change in the price of the Notes in the United States or other major securities or financial markets, (c) a material impairment in the trading market for debt securities, (d) a declaration of a banking moratorium or any suspension of payments in respect to banks in the United States or other major financial markets, (e) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in the reasonable judgment of the Company, might affect the extension of credit by banks or other lending institutions, (f) a commencement of a war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States, (g) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof, or (h) any event that has resulted, or may in the reasonable judgment of the Company result, in a material adverse change in the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Blackstone Group.

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company regardless of the circumstances giving rise to any such condition (including any action or inaction by the Company) and may be waived by the Company with respect to the Notes, in whole or in part, at any time and from time to time, in the sole discretion of the Company. All conditions to the Offer will, if any Notes are to be accepted for purchase promptly after the Expiration Time, be either satisfied or waived by the Company concurrently with or before such

time. If any of the conditions are not satisfied at the Expiration Time, the Company may, in its sole discretion and without giving any notice, terminate the Offer, or extend the Offer, and continue to accept tenders. The failure by the Company at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time.

Acceptance for Payment and Payment for Notes

On the terms of the Offer and upon satisfaction or waiver of the conditions of the Offer specified herein under “Terms of the Offer—Conditions to the Offer,” the Company will (a) accept for purchase Notes validly tendered (or defectively tendered, if in its sole discretion the Company waives such defect) and not validly withdrawn, (b) promptly deposit with DTC, on the Settlement Date, the Notes Consideration, as the case may be, plus an amount equal to the Accrued Interest thereon, for Notes that are validly tendered in the Offer and accepted for purchase and (c) promptly pay on the Guaranteed Delivery Settlement Date, the Notes Consideration for such accepted Notes delivered pursuant to the guaranteed delivery procedures set forth below, plus an amount equal to the Accrued Interest to but not including the Settlement Date.

The Company reserves the right, subject to applicable laws, to (a) accept for purchase and pay for all of the Notes validly tendered at or prior to the Expiration Time with respect to the Offer and to keep the Offer open or extend the Expiration Time to a later date and time and (b) waive all conditions to the Offer for Notes tendered at or prior to the Expiration Time. Notes will be accepted for purchase in base denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

For purposes of the Offer, tendered Notes will be deemed to have been accepted for purchase, if, as and when the Company gives oral or written notice thereof to the Depositary. Payment for Notes accepted for purchase shall be made on the Settlement Date or the Guaranteed Delivery Settlement Date, as the case may be, by the deposit of the aggregate Notes Consideration plus an amount equal to the Accrued Interest thereon, in immediately available funds with DTC. Under no circumstances will additional interest on the Notes Consideration be paid by the Company after the Settlement Date by reason of any delay on the part of the guaranteed delivery procedures, the Depositary or DTC in making payment to Holders.

The Company expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for purchase of or payment for Notes in order to comply, in whole or in part, with any applicable law. See “Terms of the Offer—Conditions to the Offer.” In all cases, payment by the Depositary or DTC to Holders or beneficial owners of the Notes Consideration for Notes purchased pursuant to the Offer will be made only after receipt by the Depositary of (i) a timely confirmation of a book-entry transfer of such Notes into the Depositary’s account at DTC pursuant to the procedures set forth under “Terms of the Offer—Procedure for Tendering Notes” (a “**Book-Entry Confirmation**”) or, in the case of any definitive Notes not held in global form, a certificate representing such Notes, as the case may be, and (ii) a properly transmitted Agent’s Message (as defined below) through ATOP or a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) with any required signature guarantees and any other documents required by the Letter of Transmittal, as applicable.

Tendering Holders will not be obligated to pay brokerage fees or commissions to the Dealer Managers, the Information Agent, the Depositary or the Company but Holders’ Custodians may charge fees in relation to participation in the Offer. The Company will pay or cause to be paid all transfer taxes with respect to the purchase of any Notes unless the box titled “Special Payment Instructions” or the box titled “Special Delivery Instructions” on the Letter of Transmittal has been completed, as described in the instructions thereto. If payment is to be made to, or if Notes not tendered or purchased are to be registered in the name of or delivered to, any persons other than the registered owners, or if tendered Notes are registered in the name of any persons other than the persons signing the Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered Holder or such other person) payable on account of the transfer to such other person will be deducted from the payment unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

The Company reserves the right to transfer or assign, in whole at any time or in part from time to time, to one or more affiliates, the right to purchase Notes tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Company of its obligations under the Offer or prejudice the rights of tendering Holders to receive

payment of the Notes Consideration, for Notes validly tendered pursuant to the Offer and accepted for purchase by the Company.

Procedure for Tendering Notes

The tender of Notes that are not validly withdrawn pursuant to this Offer and in accordance with the procedures described below will constitute a valid tender of Notes. Holders will not be eligible to receive the Notes Consideration unless they validly tender their Notes (and not validly withdraw their Notes) pursuant to this Offer at or prior to the Expiration Time. All Holders whose Notes are purchased pursuant to the Offer will also receive a cash amount equal to the Accrued Interest thereon.

The method of delivery of Notes, the Letter of Transmittal and the guaranteed delivery procedures, any required signature guarantees and all other required documents, including delivery through DTC and any acceptance of an Agent's Message transmitted through ATOP, is at the election and risk of the Holder tendering Notes and delivering the Letter of Transmittal, the Notice of Guaranteed Delivery or transmitting an Agent's Message and, except as otherwise provided in the Letter of Transmittal or the Notice of Guaranteed Delivery, delivery will be deemed made only when actually received by the Depository. If delivery is by mail, it is suggested that the Holder use properly insured, registered mail with return receipt requested, and that the mailing be made sufficiently in advance of the Expiration Time to permit delivery to the Depository at or prior to such date. Manually signed facsimile copies of the Letter of Transmittal or the Notice of Guaranteed Delivery, properly completed and duly executed, will be accepted. **In no event shall the Holder send any Notes to the Dealer Managers, the Information Agent or the Company.**

Tender of Notes Held Through DTC. For a tender of Notes held of record by DTC to be valid and for a Holder to be eligible to receive payment for Notes that are tendered, the Notes must be delivered to the Depository pursuant to the book-entry delivery procedures described below; and either

- the Depository must receive from the DTC participant in whose account the Notes are held at DTC, at the address of the Depository set forth on the back cover of this Offer to Purchase, a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof); or
- an acceptance of the Offer must be transmitted to the Depository in accordance with DTC's ATOP procedures,

in each case at or prior to the Expiration Time or in accordance with the guaranteed delivery procedures described below.

A beneficial owner of Notes held through a custodian or nominee that is a direct or indirect DTC participant, such as a bank, broker, trust company or other financial intermediary, must instruct the custodian or nominee to tender the beneficial owner's Notes on behalf of the beneficial owner.

The Depository and DTC have confirmed that the Offer is eligible for ATOP. Accordingly, DTC participants may electronically transmit their acceptance of the Offer by causing DTC to transfer Notes to the Depository in accordance with DTC's ATOP procedures for transfer. DTC will then send an Agent's Message to the Depository. Holders using ATOP must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC at or prior to the Expiration Time. If the ATOP procedures are used, the DTC participant in whose account the Notes are held at DTC need not complete and physically deliver the Letter of Transmittal to the Depository. Holders whose Notes are held through Clearstream Banking, S.A. ("Clearstream") or Euroclear Bank NV/SA ("Euroclear") must transmit their acceptance in accordance with the requirements of Clearstream and Euroclear in sufficient time for such tenders to be timely made prior to the Expiration Time. Holders should note that such clearing systems may require that action be taken a day or more prior to the Expiration Time.

The term "**Agent's Message**" means a message transmitted by DTC, received by the Depository and forming part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the DTC participant tendering Notes that are the subject of such Book-Entry Confirmation that such DTC participant has

received and agrees to be bound by the terms of the Offer as set forth in this Offer to Purchase and the Letter of Transmittal and that the Company may enforce such agreement against such DTC participant.

Tender of Notes Held in Physical Form. For a Holder to validly tender Notes held in physical form pursuant to the Offer, a properly completed and validly executed Letter of Transmittal (or a manually signed facsimile thereof), together with any signature guarantees and any other documents required by the instructions to the Letter of Transmittal, must be received by the Depositary at its address set forth on the back cover of this Offer to Purchase and either certificates for tendered Notes must be received by the Depositary at such address or such Notes must be transferred pursuant to the procedures for book-entry transfer described above and a Book-Entry Confirmation must be received by the Depositary in either case prior to the Expiration Time.

Guaranteed Delivery. If a Holder desires to tender Notes into the Offer and the Holder's Notes are not immediately available or the Holder cannot deliver the Notes to the Depositary before the Expiration Time, or the Holder cannot complete the procedure for book-entry transfer on a timely basis, or if time will not permit all required documents to reach the Depositary before the Expiration Time, the Holder may nevertheless tender the Notes, provided that the Holder satisfies all of the following conditions:

- the Holder makes the tender by or through an eligible guarantor institution;
- the amount tendered is in minimum denominations of principal, or face, amount of \$2,000 and integral multiples of \$1,000 in excess thereof, subject to the requirement that Holders who tender less than all of their Notes must continue to hold Notes in the minimum authorized denomination of \$2,000 principal amount;
- the Depositary receives by mail, overnight courier or facsimile transmission, before the Expiration Time, a properly completed and duly executed Notice of Guaranteed Delivery; and
- the Depositary receives a timely Book-Entry Confirmation or, in the case of any definitive Notes not held in global form, the certificates representing the Notes tendered, in proper form for transfer, in each case together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), with any required signature guarantees and any other documents required by the Letter of Transmittal, or a properly transmitted Agent's Message, as applicable, by the Notice of Guaranteed Delivery Date.

Guaranteed deliveries will be required to be provided by no later than 5:00 p.m., New York City time, on the Notice of Guaranteed Delivery Date, the second business day after the Expiration Time, which is expected to be September 11, 2019 assuming that the Offer is not extended. The Guaranteed Delivery Settlement Date will be one business day after the Notice of Guaranteed Delivery Date and is expected to take place on September 12, 2019 assuming that the Offer is not extended. If the Holder is executing the tender through ATOP, the DTC participant need not complete and physically deliver the Notice of Guaranteed Delivery, but each Holder will be bound by the terms of the Offer.

FOR THE AVOIDANCE OF DOUBT, THE DELIVERY OF NOTES TENDERED BY GUARANTEED DELIVERY PROCEDURES MUST BE MADE NO LATER THAN 5:00 P.M., NEW YORK CITY TIME, ON THE SECOND BUSINESS DAY AFTER THE EXPIRATION TIME. INTEREST WILL CEASE TO ACCRUE ON THE SETTLEMENT DATE FOR ALL NOTES ACCEPTED IN THE OFFER, INCLUDING THOSE TENDERED BY THE GUARANTEED DELIVERY PROCEDURES SET FORTH ABOVE AND UNDER NO CIRCUMSTANCES WILL ADDITIONAL INTEREST ON THE NOTES CONSIDERATION BE PAID BY THE COMPANY AFTER THE SETTLEMENT DATE BY REASON OF ANY DELAY ON THE PART OF THE GUARANTEED DELIVERY PROCEDURES.

THE LETTER OF TRANSMITTAL AND THE NOTICE OF GUARANTEED DELIVERY AND, IN THE CASE OF THE CERTIFICATES REPRESENTING ANY NOTES TENDERED NOT HELD IN GLOBAL FORM THROUGH DTC, SUCH NOTES SHOULD BE SENT ONLY TO THE DEPOSITARY,

AND NOT TO THE COMPANY, THE DEALER MANAGERS, THE INFORMATION AGENT OR TO ANY BOOK-ENTRY TRANSFER FACILITY.

THE METHOD OF DELIVERY OF NOTES, THE LETTER OF TRANSMITTAL, THE NOTICE OF GUARANTEED DELIVERY AND ALL OTHER REQUIRED DOCUMENTS TO THE DEPOSITARY IS AT THE ELECTION AND RISK OF THE HOLDER TENDERING NOTES. DELIVERY OF SUCH DOCUMENTS WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. NO ALTERNATIVE, CONDITIONAL OR CONTINGENT TENDERS OF NOTES WILL BE ACCEPTED.

Signature Guarantees. Signatures on the Letter of Transmittal must be guaranteed by a firm that is a participant in the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchange Medallion Program (a “Medallion Signature Guarantor”) unless the Notes are tendered and delivered (i) by a participant in DTC whose name appears on a security position listing as the owner of such Notes who has not completed any of the boxes entitled “Special Payment Instructions” or “Special Delivery Instructions” on the Letter of Transmittal, or (ii) for the account of a member firm of a registered national securities exchange, a member of the Financial Industry Regulatory Authority, Inc. or a commercial bank or trust company having an office or correspondent in the United States (each of the foregoing being referred to as an “*Eligible Institution*”). Without limiting the foregoing, unless Notes are tendered by an Eligible Institution, (i) if the signer of the Letter of Transmittal is a person other than the registered Holder or DTC participant whose name appears on a security position listing as the owner, (ii) if the payment of the Notes Consideration plus Accrued Interest is being made to a person other than the registered Holder or DTC participant whose name appears on a security position listing as the owner, or (iii) Notes not accepted for purchase or not tendered are to be returned to a person other than the registered Holder or DTC participant whose name appears on a security position listing as the owner, then the signature on the Letter of Transmittal accompanying the tendered Notes must be guaranteed by a Medallion Signature Guarantor as described above. Beneficial owners whose Notes are registered in the name of a Custodian must contact such Custodian if they wish to tender Notes so registered.

Book-Entry Transfer. The Depositary will establish a new account or utilize an existing account with respect to the Notes at DTC (DTC being a “**Book-Entry Transfer Facility**”) for purposes of the Offer promptly after the date of this Offer to Purchase (to the extent such arrangements have not been made previously by the Depositary), and any financial institution that is a participant in DTC and whose name appears on a security position listing as the owner of the Notes may make book-entry delivery of Notes by causing DTC to transfer such Notes into the Depositary’s account in accordance with DTC’s procedures for such transfer. **Delivery of documents to DTC in accordance with such Book-Entry Transfer Facility’s procedures does not constitute delivery to the Depositary.**

Other Matters. Notwithstanding any other provision hereof, payment for Notes accepted for purchase pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (i) a timely Book-Entry Confirmation pursuant to the procedures set forth above, or, in the case of any definitive Notes not held in global form, a certificate representing such Notes, as the case may be, and (ii) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof), with any required signature guarantees and any other documents required by the Letter of Transmittal, or a properly transmitted Agent’s Message through ATOP, as applicable.

Tenders of Notes pursuant to any of the procedures described above, and acceptance thereof by the Company for purchase, will constitute a binding agreement between the Company and the tendering Holder of the Notes, upon the terms and subject to the conditions of the Offer, which agreement will be governed by, and construed in accordance with, the laws of the State of New York.

By executing a Letter of Transmittal or delivering an Agent’s Message, and subject to and effective upon acceptance for purchase of, and payment for, the Notes tendered therewith, a tendering Holder irrevocably sells, assigns and transfers to or upon the order of the Company all right, title and interests in and to all the Notes tendered thereby, waives any and all other rights with respect to the Notes and releases and discharges the Company from any and all claims such Holder may have now, or may have in the future, arising out of, or related to, the Notes, including without limitation any claims that such Holder is entitled to receive additional principal or interest payments with respect to the Notes or to participate in any redemption of the Notes.

All questions as to the form of all documents and the validity (including time of receipt) and acceptance of all tenders of Notes will be determined by the Company, in its sole discretion, the determination of which shall be conclusive and binding. Alternative, conditional or contingent tenders of Notes will not be considered valid. The Company reserves the right to reject any or all tenders of Notes that are not in proper form or the acceptance of which, in the Company's opinion, would be unlawful. The Company also reserves the right to waive any defects, irregularities or conditions of tender as to particular Notes. A waiver of any defect or irregularity with respect to the tender of one Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Note.

Any defect or irregularity in connection with tenders of Notes must be cured within such time as the Company determines, unless waived by the Company. Tenders of Notes shall not be deemed to have occurred until all defects and irregularities have been waived by the Company or cured. None of the Company, the Dealer Managers, the Depositary, the Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders of Notes or will incur any liability to Holders for failure to give such notice.

Withdrawal of Tenders

Notes tendered may be withdrawn at any time before the earlier of (i) the Expiration Time and (ii) if the Offer is extended, the 10th business day after the commencement of the Offer. In addition, tendered Notes may be withdrawn at any time after the 60th business day after the commencement of the Offer if for any reason the Offer has not been consummated within 60 business days after the date of commencement of the Offer. In the event of a termination of the Offer with respect to the Notes, such Notes will be credited to the account maintained at DTC from which such Notes were delivered or in the case of any definitive Notes not held in global form, certificates for such Notes will be returned to such tendering Holders. In addition, the Company may, if it deems appropriate, extend the Expiration Time for any other reason. If the Company makes a material change in the terms of the Offer or the information concerning the Offer or waives a material condition of the Offer, the Company will disseminate additional Offer materials and extend the Offer to the extent required by law. If the consideration to be paid in the Offer is increased or decreased or the principal amount of Notes subject to the Offer is decreased, the Offer will remain open at least five business days from the date the Company first gives notice to Holders, by public announcement or otherwise, of such increase or decrease. In addition, the Company may, if it deems appropriate, extend the Offer for any other reason.

For a withdrawal of Notes tendered at or prior to the Expiration Time to be effective, a properly transmitted "Request Message" through ATOP or a notice of withdrawal must be delivered at or prior to the Expiration Time.

If Notes have been delivered under the procedures for book-entry transfer, any notice of withdrawal must specify the name and number of the account of the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Notes and must otherwise comply with that Book-Entry Transfer Facility's procedures. Any Notes validly withdrawn will be deemed to be not validly tendered for purposes of the Offer.

Any permitted withdrawal of Notes may not be rescinded, and any Notes validly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer; *provided, however*, that validly withdrawn Notes may be re-tendered by again following one of the appropriate procedures described herein at any time at or prior to the Expiration Time.

If the Company extends the Offer or is delayed in its acceptance for purchase of Notes or is unable to purchase Notes pursuant to the Offer for any reason, then, without prejudice to the Company's rights hereunder, tendered Notes may be retained by the Depositary on behalf of the Company and may not be withdrawn (subject to Rule 14e-1(c) under the Exchange Act, which requires that a company pay the consideration offered or return the securities deposited by or on behalf of the investor promptly after the termination or withdrawal of a tender offer), except as otherwise provided herein. All questions as to the validity, form and eligibility (including time of receipt) of notices of withdrawal of Notes will be determined by the Company, in the Company's sole discretion (whose determination shall be final and binding). None of the Company, the Depositary, the Dealer Managers, the Information Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal, or incur any liability for failure to give any such notification.

OTHER PURCHASES OF NOTES

The Company expects to exercise, on a redemption date on or following the date 30 days after the Settlement Date, its right to optionally redeem pursuant to the terms of the Indenture any and all Notes not purchased by the Company in this Offer. However, there can be no assurance that any Notes will be redeemed. Neither this Offer to Purchase nor the Offer constitutes a notice of redemption under the optional redemption provisions of the Indenture governing the Notes. In the event that the Company does not consummate the redemption of the Notes, it may otherwise acquire any Notes which remain outstanding after the Expiration Time, through open market or privately negotiated transactions, one or more additional tender offers, or otherwise, upon such terms and at such prices as the Company may determine, which may be more or less than the prices to be paid pursuant to the Offer or in a redemption.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain U.S. federal income tax consequences to a beneficial owner of the Notes with respect to the Offer. This discussion is general in nature and does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular beneficial owner in light of the beneficial owner's particular circumstances, or to certain types of beneficial owners subject to special treatment under U.S. federal income tax laws (such as insurance companies, tax-exempt organizations, regulated investment companies, real estate investment trusts, U.S. Holders (as defined below) that have a "functional currency" other than the U.S. dollar, persons holding Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, persons required to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an applicable financial statement, financial institutions, brokers, dealers in securities, commodities or currencies, traders that elect to mark-to-market their securities, U.S. expatriates or former long-term residents of the United States, "controlled foreign corporations," "passive foreign investment companies," corporations that accumulate earnings to avoid U.S. federal income tax or tax-qualified retirement plans). In addition, the discussion does not consider the effect of any alternative minimum taxes or foreign, state, local or other tax laws, or any U.S. federal tax considerations (e.g., estate or gift tax or the Medicare tax on certain investment income) other than U.S. federal income tax considerations that may be applicable to particular beneficial owners. Further, this summary only addresses beneficial owners of the Notes that hold the Notes as "capital assets" within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "**Code**") (generally, property held for investment).

This discussion does not consider the U.S. federal income tax consequences of a sale of a Note held by an entity that is treated as a partnership for U.S. federal income tax purposes. If an entity treated as a partnership holds Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A person or entity that is a partner of a partnership tendering Notes is urged to consult its own tax advisor.

This summary is based on the Code and applicable U.S. Treasury regulations, rulings, administrative pronouncements and judicial decisions thereunder as of the date hereof, all of which are subject to change or differing interpretations at any time with possible retroactive effect.

As used in this Offer to Purchase, a "**U.S. Holder**" means a beneficial owner of a Note that is for U.S. federal income tax purposes: (a) an individual who is a citizen or resident of the United States, (b) a corporation created or organized in or under the laws of the United States, any state of the United States or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust that either (i) is subject to the primary supervision of a court within the United States and has one or more United States persons (as defined in the Code) with the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

As used in this Offer to Purchase, a "**Non-U.S. Holder**" means a beneficial owner of a Note that is not a U.S. Holder and not an entity treated as a partnership for U.S. federal income tax purposes.

This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to particular beneficial owners in light of their particular circumstances. Holders are urged to consult their own tax advisors as to the particular tax consequences to them of the sale of Notes to the Company pursuant to the Offer, including the effect of any federal, state, local, foreign and other tax laws.

Tax Considerations for U.S. Holders

U.S. Holders that Validly Tender Their Notes Pursuant to the Offer and Whose Tendered Notes are Accepted for Purchase

A sale of Notes by a U.S. Holder pursuant to the Offer will be a taxable transaction to such U.S. Holder for U.S. federal income tax purposes. A U.S. Holder generally will recognize capital gain (subject to the market discount rules discussed below) or loss on the sale of a Note in an amount equal to the difference, if any, between (a) the amount of cash received for such Note (excluding the portion of any cash received for such Note that is properly allocable to

accrued but unpaid interest, which will be taxable as described below) and (b) the U.S. Holder's "adjusted tax basis" in such Note at the time of sale. Generally, a U.S. Holder's adjusted tax basis in a Note will be equal to the amount paid for the Note by such U.S. Holder (i) increased by any market discount (if the election described below has been made) previously included in income and (ii) decreased (but not below zero) by any bond premium which the U.S. Holder has previously amortized. Certain non-corporate U.S. Holders (including individuals) generally are eligible for preferential rates of U.S. federal income taxation in respect of long-term capital gains (i.e., gain on a Note held for more than one year). The deductibility of capital losses is subject to limitations.

An exception to the capital gain treatment described above may apply to a U.S. Holder that purchased a Note at a "market discount." Subject to a statutory de minimis exception, in general, market discount is equal to the excess of a Note's stated principal amount over the U.S. Holder's tax basis in the Note immediately after its acquisition by such U.S. Holder. In general, unless the U.S. Holder has elected to include market discount in income currently as it accrues, any gain realized by a U.S. Holder on the sale of a Note having market discount in excess of a de minimis amount will be treated as ordinary income to the extent of any market discount that has accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant yield basis) but has not yet been included in income while such Note was held by the U.S. Holder. Gain in excess of such accrued market discount will be subject to the capital gains provisions described above.

The amount of cash received in the Offer that is attributable to accrued but unpaid interest on a Note will be taxable as ordinary interest income to the extent not previously included in income by the U.S. Holder.

U.S. Holders That Do Not Tender Their Notes Pursuant to the Offer

A U.S. Holder that does not tender its Notes in the Offer or does not have its tender of Notes accepted for purchase pursuant to the Offer will not recognize any gain or loss as a result of the Offer.

Information Reporting and Backup Withholding

In general, information reporting requirements apply to any amounts (including any accrued but unpaid interest) paid pursuant to the Offer to U.S. Holders other than certain exempt recipients (such as corporations). U.S. Holders may be subject to backup withholding (currently at a rate of 24%) on payments received with respect to the Offer unless such U.S. Holder (a) falls within certain exempt categories (such as corporations) and demonstrates this fact when required, or (b) provides a correct U.S. taxpayer identification number, certifies that such U.S. Holder is exempt from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. Each U.S. Holder may provide such U.S. Holder's correct taxpayer identification number and certify that such U.S. Holder is not subject to backup withholding by completing the Internal Revenue Service (the "**IRS**") Form W-9 included in the Letter of Transmittal.

Backup withholding is not an additional tax. A U.S. Holder subject to the backup withholding rules will be allowed a credit equal to the amount withheld against such U.S. Holder's U.S. federal income tax liability (if any) and, if withholding results in an overpayment of tax, such U.S. Holder may be entitled to a refund, provided that the requisite information is timely furnished to the IRS.

Tax Considerations for Non-U.S. Holders

For purposes of the discussion below, any income or gain on the sale of a Note pursuant to the Offer will be considered to be "U.S. trade or business income" if such income or gain is:

- effectively connected with the conduct of a Non-U.S. Holder's U.S. trade or business; and
- if required by an applicable tax treaty with the United States, attributable to a U.S. permanent establishment (or a fixed base) maintained by the Non-U.S. Holder in the United States.

Sale of a Note

Any gain realized by a Non-U.S. Holder on the sale of a Note pursuant to the Offer will not be subject to U.S. federal income or withholding tax, unless such gain is U.S. trade or business income, or unless the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met. If an individual Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met, unless an applicable income tax treaty provides otherwise, such Non-U.S. Holder will generally be subject to a flat 30% U.S. federal income tax on any gain recognized, which may be offset by certain U.S. source losses. A Non-U.S. Holder who realizes U.S. trade or business income with respect to the sale of a Note pursuant to the Offer generally will be taxed in the same manner as a U.S. Holder (see “— Tax Considerations for U.S. Holders” above), unless an applicable tax treaty provides otherwise. In addition, a Non-U.S. Holder that is a foreign corporation may be subject to a branch profits tax equal to 30% (or lower applicable tax treaty rate) of the Non-U.S. Holder’s effectively connected earnings and profits attributable to such U.S. trade or business income, subject to adjustments.

Interest

The portion of the amount paid by the Company pursuant to the Offer that is properly allocable to accrued but unpaid interest will not be subject to U.S. federal income or withholding tax provided that:

- the accrued interest is not effectively connected with the Non-U.S. Holder’s conduct of a U.S. trade or business;
- the Non-U.S. Holder does not actually or constructively own 10% or more of the capital or profits interests of Blackstone Holdings I L.P. within the meaning of the Code;
- the Non-U.S. Holder is not a controlled foreign corporation that is related, directly or indirectly, to Blackstone Holdings I L.P. within the meaning of the Code;
- the Non-U.S. Holder is not a bank whose receipt of interest on the Notes is described in Section 881(c)(3)(A) of the Code; and
- either (a) the Non-U.S. Holder provides its name and address on an IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) and certifies under penalties of perjury that it is not a United States person, or (b) the Non-U.S. Holder holds its Notes through certain foreign intermediaries and satisfies the certification requirements of applicable U.S. Treasury regulations. Special certification rules apply to Non-U.S. Holders that are pass-through entities rather than corporations or individuals.

If a Non-U.S. Holder cannot satisfy the requirements described above, the portion of the amount paid by the Company pursuant to the Offer that is properly allocable to accrued but unpaid interest will be subject to a 30% U.S. federal withholding tax, unless the Non-U.S. Holder provides the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or
- IRS Form W-8ECI (or other applicable form) stating that interest paid on the Notes is not subject to withholding tax because it is U.S. trade or business income (as discussed in further detail below).

If the portion of the proceeds received by a Non-U.S. Holder that is properly allocable to accrued interest is U.S. trade or business income, the Non-U.S. Holder will not be subject to the 30% U.S. federal withholding tax on such interest if the Non-U.S. Holder provides the applicable withholding agent with a properly executed IRS Form W-8ECI, as discussed above. Instead, such Non-U.S. Holder will generally be taxed in the same manner as a U.S. Holder (see “— Tax Considerations for U.S. Holders” above). In addition, a Non-U.S. Holder that is a corporation

may be subject to an additional branch profits tax at a rate of 30% (or lower applicable treaty rate) of such Non-U.S. Holder's effectively connected earnings and profits attributable to such interest income, subject to adjustments.

Non-U.S. Holders That Do Not Tender Their Notes Pursuant to the Offer

A Non-U.S. Holder that does not tender its Notes in the Offer or does not have its tender of Notes accepted for purchase pursuant to the Offer will not recognize any gain or loss as a result of the Offer.

Information Reporting and Backup Withholding

Information returns will generally be filed with the IRS in connection with the payment of accrued interest on the Notes. The payment of the gross proceeds from the sale of a Note pursuant to the Offer and the payment of accrued interest on the Notes will possibly be subject to additional information reporting and to backup withholding (currently at a rate of 24%) unless the Non-U.S. Holder certifies as to its non-United States person status under penalties of perjury on an applicable IRS Form W-8 or otherwise establishes an exemption, provided that the applicable withholding agent does not have actual knowledge or reason to know that the Non-U.S. Holder is a United States person or that the conditions of any other exemption are not, in fact, satisfied.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability (if any), provided that the required information is timely provided to the IRS.

DEALER MANAGERS, INFORMATION AGENT AND DEPOSITARY

In connection with the Offer, the Company has retained Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC to act on its behalf as the Dealer Managers for the Offer and has agreed to provide the Dealer Managers with customary indemnification. Further, the Company has retained Global Bondholder Services Corporation to act as the Information Agent and as the Depositary for the Offer, which will receive customary fees for its services. The Company has agreed to reimburse each Dealer Manager, the Information Agent and the Depositary for its respective out-of-pocket expenses and to indemnify it against certain liabilities, including in certain cases liabilities under federal securities laws. In connection with the Offer, the Company will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the Offer and related documents to the beneficial owners of the Notes and in handling or forwarding tenders of Notes by their customers.

Any Holder that has questions concerning the terms of the Offer may contact each Dealer Manager at its address and telephone number set forth on the back cover of this Offer to Purchase. Questions and requests for assistance or additional copies of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery may be directed to the Information Agent at its address and telephone number set forth on the back cover of this Offer to Purchase. Holders may also contact their Custodian for assistance concerning the Offer.

Letters of Transmittal and all correspondence in connection with the Offer should be sent or delivered to the Depositary at its address or to the facsimile number set forth on the back cover of this Offer to Purchase. Any Holder or beneficial owner that has questions concerning tender procedures should contact the Depositary at its address and telephone number set forth on the back cover of this Offer to Purchase.

The Dealer Managers may contact Holders regarding the Offer and may request the Custodian to forward this Offer to Purchase and related materials to beneficial owners of Notes.

The Dealer Managers and their affiliates have from time to time provided, may be presently providing and may in the future provide certain commercial banking, financial advisory and investment banking services to the Company and its affiliates for which they have received customary fees. Affiliates of the Dealer Managers are participating lenders under the credit agreement governing the Company's revolving credit facility. In the ordinary course of its business, the Dealer Managers and their affiliates may at any time hold long or short positions, and may trade for their own account or the accounts of customers, in the debt or equity securities of the Company, including any of the Notes and, to the extent that the Dealer Managers and their affiliates own Notes during the Offer, they may tender such Notes pursuant to the terms of the Offer.

None of the Dealer Managers, the Information Agent or the Depositary assumes any responsibility for the accuracy or completeness of the information concerning the Company contained or incorporated by reference in this Offer to Purchase or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of such information.

MISCELLANEOUS

No person has been authorized to give any information or make any representations other than those contained or incorporated by reference herein or in the Letter of Transmittal or the Notice of Guaranteed Delivery and other materials, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company, the Trustee, the Dealer Managers, the Information Agent, the Depositary or any other person.

The statements made in this Offer to Purchase are made as of the date on the cover page of this Offer to Purchase and the statements incorporated by reference are made as of the date of the document incorporated by reference. The delivery of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery shall not, under any circumstances, create any implication that the information contained herein or incorporated by reference is correct as of a later date.

Recipients of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery should not construe the contents hereof or thereof as legal, business or tax advice. Each recipient should consult its own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning the Offer.

Schedule A

Formula for Determining Notes Consideration and Accrued Interest

YLD	=	The Repurchase Yield expressed as a decimal number.
CPN	=	The contractual annual rate of interest payable on a Note expressed as a decimal number.
N	=	The number of scheduled semi-annual interest payments from, but not including, the Settlement Date to, and including, the maturity date.
S	=	The number of days from and including the semi-annual interest payment date immediately preceding the Settlement Date up to, but not including, the Settlement Date. The number of days is computed using the 30/360 day-count method.
Exp	=	Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp.”
N Σ K=1	=	Summate. The term in the brackets to the right of the summation symbol is separately calculated “N” times (substituting for “K” in that term each whole number between 1 and N, inclusive), and the separate calculations are then added together.
Accrued Interest	=	$\$1,000(CPN)(S/360)$
Notes Consideration	=	The price per \$1,000 principal amount of a Note (excluding Accrued Interest). A tendering Holder will receive a total amount per \$1,000 principal amount (rounded to the nearest cent) equal to the Notes Consideration plus Accrued Interest.
Formula for Notes Consideration	=	

$$\left[\frac{\$1,000}{(1 + YLD/2) \exp \left(N - \frac{S}{180} \right)} \right] + \sum_{k=1}^N \left[\frac{\$1,000 (CPN/2)}{(1 + YLD/2) \exp (k - S/180)} \right] - \$1,000(CPN)(S/360)$$

The Depositary for the Offer is:

Global Bondholder Services Corporation

*By Hand, Overnight Delivery or Mail
(Registered or Certified Mail Recommended):*

Global Bondholder Services Corporation
65 Broadway, Suite 404
New York, New York 10006

Attention: Corporation Actions

*By Facsimile Transmission
(for Eligible Institutions only):*

(212) 430-3775/3779

For Confirmation:

(212) 430-3774

Toll-Free: (866) 470-3700

Questions, requests for assistance and requests for additional copies of this Offer to Purchase, the related Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent or the Dealer Managers at their respective address set forth below.

Copies of this Offer to Purchase, the related Letter of Transmittal and the Notice of Guaranteed Delivery are also available at the following web address: <http://www.gbsc-usa.com/Blackstone/>

The Information Agent for the Offer is:

Global Bondholder Services Corporation

65 Broadway, Suite 404
New York, New York 10006
Banks and Brokers: (212) 430-3774
[Email: contact@gbsc-usa.com](mailto:contact@gbsc-usa.com)

The Joint Lead Dealer Managers for the Offer are:

Citigroup

388 Greenwich Street, 7th Floor
New York, New York 10013
U.S. Toll-Free: (800) 558-3745
Collect: (212) 723-6106

Morgan Stanley & Co. LLC

1585 Broadway, 29th Floor
New York, New York
Attention: Liability Management Group
U.S. Toll-Free: (800) 624-1808
Collect: (212) 761-1057