



For BX (Figure 11) we expect stronger intermediate-term growth as BX' realization cycle matures over the next 1-2 years, we think peaking in 2015 or later. Combined with good organic growth trends, we see EI and revenue growing at a double digit pace, largely through a realization cycle (2012-16). In addition, we do not see a dramatic change in the business mix over time, with variances more attributable to market performance and realization timing. This is testament to BX' philosophy in growing the firm in diverse areas and maintaining leadership positions in key areas – private equity, real estate, credit, and alternatives advisory.

Figure 11: BX – DB forecasts for EI by segment & revenue by type (\$mn)

Segments	Pretax Economic Income (€)					CAGR
	2012	2013E	2014E	2015E	2016E	2012-16E
Private Equity	\$412	\$742	\$1,172	\$1,312	\$879	20.8%
Real Estate	\$999	\$1,488	\$1,462	\$1,448	\$1,142	3.4%
Hedge Fund Solutions	\$257	\$342	\$412	\$518	\$724	29.5%
Credit	\$325	\$374	\$493	\$419	\$420	6.6%
Advisory	\$47	\$52	\$93	\$110	\$119	26.1%
Total	\$2,041	\$2,998	\$3,632	\$3,806	\$3,285	12.6%

Segments	Pretax € Business Mix					Average
	2012	2013E	2014E	2015E	2016E	2012-16E
Private Equity	20.2%	24.8%	32.3%	34.5%	26.8%	27.7%
Real Estate	49.0%	49.6%	40.2%	38.0%	34.8%	42.3%
Hedge Fund Solutions	12.6%	11.4%	11.4%	13.6%	22.0%	14.2%
Credit	15.9%	12.5%	13.6%	11.0%	12.8%	13.2%
Advisory	2.3%	1.7%	2.6%	2.9%	3.6%	2.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Segments	Revenues by Type					CAGR
	2012	2013E	2014E	2015E	2016E	2012-16E
Fees	\$2,135	\$2,285	\$2,688	\$3,024	\$3,294	11.4%
Carried Interest & Incentives	\$1,594	\$2,884	\$3,676	\$3,787	\$2,554	12.5%
Principal & other income	\$338	\$605	\$631	\$613	\$645	17.5%
Total	\$4,067	\$5,775	\$6,995	\$7,424	\$6,493	12.4%

Segments	Revenue Mix by Type					Average
	2012	2013E	2014E	2015E	2016E	2012-16E
Fees	52.5%	39.6%	38.4%	40.7%	50.7%	44.4%
Carried Interest & Incentives	39.2%	49.9%	52.5%	51.0%	39.3%	46.4%
Principal & other income	8.3%	10.5%	9.0%	8.3%	9.9%	9.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company reports and Deutsche Bank