



Figure 38: APO Credit Segment Income Statement Forecast

INCOME STATEMENT	2012	1Q13	2Q13	3Q13	4Q13E	2013E	1Q14E	2Q14E	3Q14E	4Q14E	2014E	2015E	2016E
<b>Fee revenue:</b>													
Advisory & transaction fees from affiliates	27.8	21.8	22.0	23.3	41.9	109.0	42.4	42.8	43.2	43.8	172.0	34.4	38.1
Management fees from affiliates	299.7	84.4	90.4	87.0	138.9	400.7	138.5	141.5	144.4	145.9	570.3	644.3	733.0
Carried interest realized gains from affiliates	37.8	9.0	10.1	9.1	10.0	38.2	11.0	11.1	11.2	12.4	45.7	48.0	50.4
<b>Total mgmt business revenue</b>	<b>365.1</b>	<b>115.2</b>	<b>122.5</b>	<b>119.4</b>	<b>190.8</b>	<b>547.9</b>	<b>191.9</b>	<b>195.4</b>	<b>198.9</b>	<b>201.9</b>	<b>788.0</b>	<b>726.7</b>	<b>819.5</b>
<b>Carried Interest Income:</b>													
Unrealized gains (losses)	301.1	73.2	(58.8)	(10.3)	(35.5)	(31.4)	(29.5)	(31.9)	(34.4)	(37.0)	(132.7)	(112.1)	(6.8)
Realized gains	179.9	51.5	102.1	104.8	86.7	325.1	60.0	60.0	60.0	60.0	240.0	200.0	130.9
<b>Total carried interest income</b>	<b>481.0</b>	<b>124.7</b>	<b>43.3</b>	<b>94.5</b>	<b>51.2</b>	<b>293.7</b>	<b>30.5</b>	<b>28.1</b>	<b>25.6</b>	<b>23.0</b>	<b>107.3</b>	<b>87.9</b>	<b>124.0</b>
<b>Total Revenue</b>	<b>846.1</b>	<b>239.9</b>	<b>165.8</b>	<b>213.9</b>	<b>222.0</b>	<b>841.6</b>	<b>222.4</b>	<b>223.5</b>	<b>224.5</b>	<b>224.9</b>	<b>895.3</b>	<b>814.8</b>	<b>943.6</b>
<b>Expenses:</b>													
Compensation & benefits:													
Equity-based comp	27.0	6.5	7.1	5.9	8.0	27.5	8.0	7.0	6.0	8.0	29.0	32.0	32.0
Salary, bonus & benefits	122.8	34.3	32.0	39.7	60.7	166.7	63.0	61.4	59.6	66.7	250.7	244.1	263.0
Profit sharing expense:													
Unrealized profit sharing expense	75.4	16.5	(15.5)	34.5	(14.2)	21.3	(11.8)	(12.8)	(13.8)	(14.8)	(53.1)	(44.8)	(2.7)
Realized profit sharing expense	80.1	22.0	39.3	34.8	26.7	122.8	24.0	24.0	24.0	24.0	96.0	80.0	52.4
<b>Total profit sharing expense</b>	<b>155.5</b>	<b>38.5</b>	<b>23.8</b>	<b>69.3</b>	<b>12.5</b>	<b>144.1</b>	<b>12.2</b>	<b>11.2</b>	<b>10.2</b>	<b>9.2</b>	<b>42.9</b>	<b>35.2</b>	<b>49.6</b>
Incentive fee comp	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Comp &amp; Benefits</b>	<b>305.3</b>	<b>79.3</b>	<b>62.9</b>	<b>114.9</b>	<b>81.2</b>	<b>338.3</b>	<b>83.2</b>	<b>79.6</b>	<b>75.9</b>	<b>83.9</b>	<b>322.6</b>	<b>311.3</b>	<b>344.7</b>
Total non-comp expenses	149.1	38.4	35.2	34.4	43.0	154.0	38.7	40.8	38.6	46.3	164.3	156.0	163.9
<b>Total Expenses</b>	<b>454.4</b>	<b>117.7</b>	<b>101.1</b>	<b>149.3</b>	<b>124.2</b>	<b>492.3</b>	<b>121.9</b>	<b>120.3</b>	<b>114.5</b>	<b>130.2</b>	<b>486.9</b>	<b>467.3</b>	<b>508.5</b>
<b>Other income (loss):</b>													
Other income/loss (mgmt business)	15.0	4.5	4.0	15.3	7.7	31.5	8.0	8.4	8.9	9.7	35.1	38.6	40.5
Other income/loss (incentive business)	-	-	0.2	2.5	2.6	5.3	2.7	2.8	3.0	3.3	11.8	13.0	13.6
Net gains/losses from investment activities	(1.1)	4.0	(5.7)	(7.1)	(3.6)	(12.4)	(1.8)	0.9	0.4	1.1	0.7	1.0	1.1
Income (loss) from equity method investments	46.1	6.9	6.4	6.7	6.8	26.8	7.1	7.5	7.8	8.6	31.0	34.1	35.8
<b>Total Other Income (loss)</b>	<b>60.0</b>	<b>15.4</b>	<b>4.9</b>	<b>17.4</b>	<b>13.4</b>	<b>51.1</b>	<b>16.1</b>	<b>19.6</b>	<b>20.1</b>	<b>22.7</b>	<b>78.5</b>	<b>86.7</b>	<b>91.1</b>
Non-controlling interest	(8.7)	(3.5)	(3.2)	(2.8)	(2.8)	(11.5)	(2.0)	(2.0)	(2.0)	(2.0)	(8.0)	(8.0)	(8.0)
<b>Pretax Economic Net Income</b>	<b>443.0</b>	<b>134.1</b>	<b>66.4</b>	<b>79.2</b>	<b>109.3</b>	<b>389.0</b>	<b>114.6</b>	<b>120.8</b>	<b>128.1</b>	<b>115.4</b>	<b>479.0</b>	<b>425.9</b>	<b>518.1</b>

Source: Company reports and Deutsche Bank