



Figure 39: APO Real Estate 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	0.7	1.1	1.3	-	1.0	3.4	1.0	1.0	1.0	1.0	4.1	4.3	4.5
Management fees from affiliates	46.3	13.6	13.2	13.4	13.3	53.5	12.9	12.9	13.0	12.8	51.6	50.8	42.4
Carried interest realized gains from affiliates	-	-	-	-	-	-	-	1.0	2.0	3.0	6.0	3.0	3.0
Total mgmt business revenue	47.0	14.7	14.5	13.4	14.3	56.9	13.9	15.0	16.0	16.9	61.7	58.1	49.9
<b>Carried Interest Income:</b>													
Unrealized gains (losses)	10.4	0.6	(6.4)	3.3	5.2	2.7	9.0	8.8	8.7	8.6	35.1	33.7	8.3
Realized gains	4.7	0.3	0.2	-	-	0.5	6.7	6.7	6.7	6.7	26.7	26.7	40.0
Total carried interest income	15.1	0.9	(6.2)	3.3	5.2	3.2	15.6	15.5	15.4	15.2	61.7	60.3	48.3
<b>Total Revenue</b>	<b>62.1</b>	<b>15.6</b>	<b>8.3</b>	<b>16.7</b>	<b>19.4</b>	<b>60.0</b>	<b>29.6</b>	<b>30.5</b>	<b>31.3</b>	<b>32.1</b>	<b>123.5</b>	<b>118.5</b>	<b>98.2</b>
<b>Expenses:</b>													
<b>Compensation &amp; benefits:</b>													
Equity-based comp	10.7	2.5	2.2	3.1	3.0	10.8	3.0	3.0	3.0	3.0	12.0	10.0	10.0
Salary, bonus & benefits	23.3	6.7	6.7	8.9	10.6	32.9	7.5	8.2	9.0	9.6	34.3	30.7	24.9
<b>Profit sharing expense:</b>													
Unrealized profit sharing expense	6.7	0.3	(4.5)	1.8	2.1	(0.3)	3.6	3.5	3.5	3.4	14.0	13.5	19.9
Realized profit sharing expense	7.5	0.5	0.6	0.5	-	1.6	2.7	2.7	2.7	2.7	10.7	10.7	-
Total profit sharing expense	14.2	0.8	(3.9)	2.3	2.1	1.3	6.3	6.2	6.1	6.1	24.7	24.1	19.9
Incentive fee comp	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comp & Benefits	48.2	10.0	5.0	14.3	15.6	44.9	16.7	17.4	18.1	18.7	71.0	64.8	54.9
Total non-comp expenses	24.2	7.3	6.0	7.1	7.3	27.7	7.4	7.3	7.2	7.3	29.2	29.5	29.2
<b>Total Expenses</b>	<b>72.4</b>	<b>17.3</b>	<b>11.0</b>	<b>21.4</b>	<b>22.9</b>	<b>72.6</b>	<b>24.1</b>	<b>24.7</b>	<b>25.4</b>	<b>26.0</b>	<b>100.2</b>	<b>94.4</b>	<b>84.1</b>
<b>Other income (loss):</b>													
Other income/loss (mgmt business)	1.3	1.1	0.3	0.8	0.8	3.0	0.8	0.9	0.9	0.9	3.6	3.7	3.9
Other income/loss (incentive business)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains/losses from investment activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) from equity method investments	1.0	(0.1)	0.8	0.8	0.8	2.3	0.8	0.9	0.9	0.9	3.6	3.7	3.9
<b>Total Other income (loss)</b>	<b>2.3</b>	<b>1.0</b>	<b>1.1</b>	<b>1.6</b>	<b>1.6</b>	<b>5.3</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.9</b>	<b>7.1</b>	<b>7.5</b>	<b>7.8</b>
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pretax Economic Net income</b>	<b>(8.0)</b>	<b>(0.7)</b>	<b>(1.6)</b>	<b>(3.1)</b>	<b>(1.9)</b>	<b>(7.3)</b>	<b>7.2</b>	<b>7.5</b>	<b>7.8</b>	<b>7.9</b>	<b>30.3</b>	<b>31.6</b>	<b>21.9</b>

Source: Company reports and Deutsche Bank