



Figure 39: APO Real Estate Segment Income Statement Forecast

| INCOME STATEMENT | 2012 | 1Q13 | 2Q13 | 3Q13 | 4Q13E | 2013E | 1Q14E | 2Q14E | 3Q14E | 4Q14E | 2014E | 2015E | 2016E |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|
| Fee revenue: | | | | | | | | | | | | | |
| 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 |
| Carried Interest Income: | | | | | | | | | | | | | |
| 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 |
| Total Revenue | 62.1 | 15.6 | 8.3 | 16.7 | 19.4 | 60.0 | 29.6 | 30.5 | 31.3 | 32.1 | 123.5 | 118.5 | 98.2 |
| Expenses: | | | | | | | | | | | | | |
| Compensation & benefits: | | | | | | | | | | | | | |
| 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 |
| Profit sharing expense: | | | | | | | | | | | | | |
| 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 |
| Total Expenses | 72.4 | 17.3 | 11.0 | 21.4 | 22.9 | 72.6 | 24.1 | 24.7 | 25.4 | 26.0 | 100.2 | 94.4 | 84.1 |
| Other income (loss): | | | | | | | | | | | | | |
| 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 |
| Total Other income (loss) | 2.3 | 1.0 | 1.1 | 1.6 | 1.6 | 5.3 | 1.7 | 1.7 | 1.8 | 1.9 | 7.1 | 7.5 | 7.8 |
| Non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Pretax Economic Net income | (8.0) | (0.7) | (1.6) | (3.1) | (1.9) | (7.3) | 7.2 | 7.5 | 7.8 | 7.9 | 30.3 | 31.6 | 21.9 |

Source: Company reports and Deutsche Bank