

A P O L L O

AP Alternative Assets, L.P. Q1 2010 Results Presentation – May 11, 2010

It should not be assumed that investments made in the future will be profitable or will equal the performance of investments in this document.

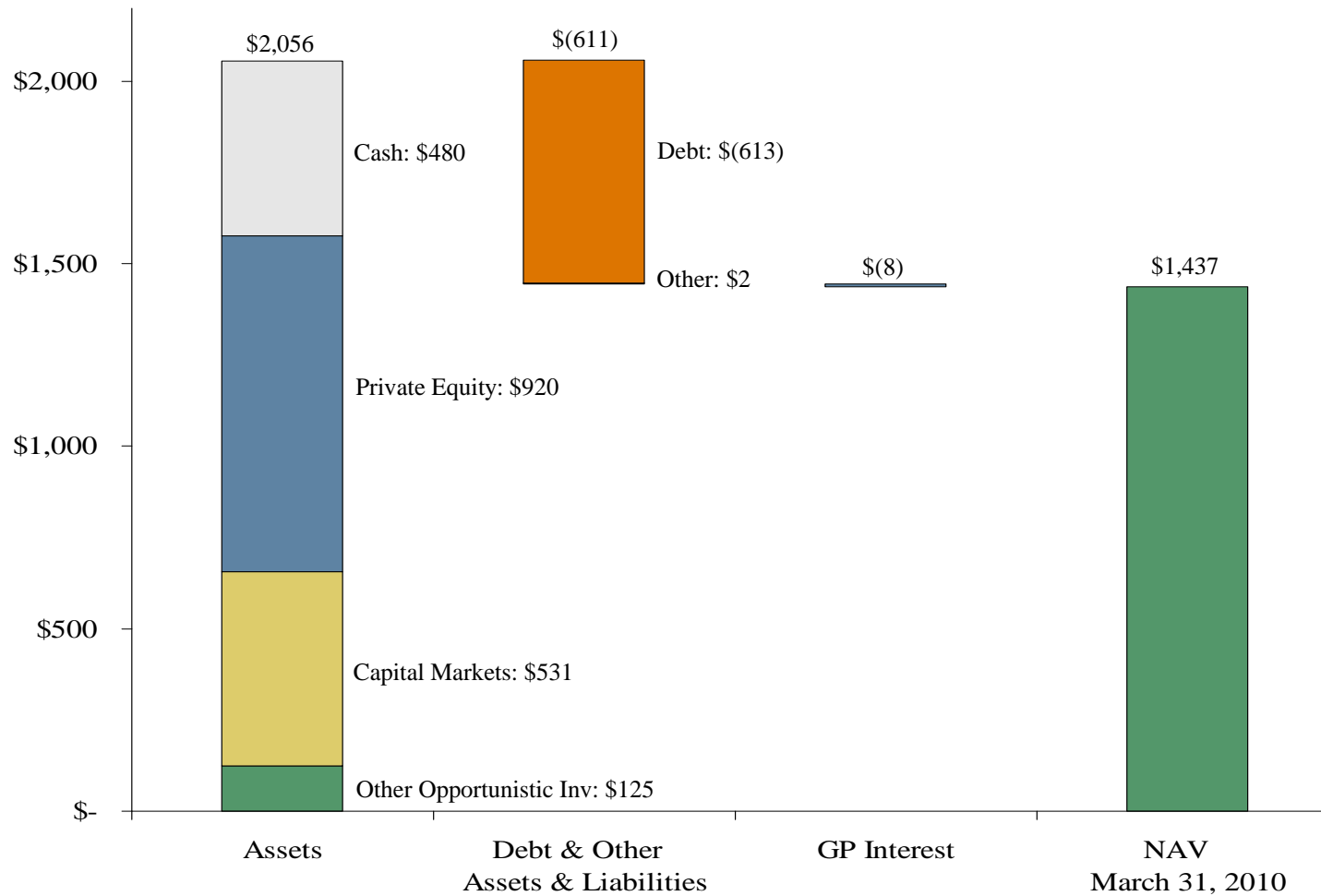
Agenda

- 1. Net Asset Value as of March 31, 2010**
2. Private Equity Portfolio Update
3. Capital Markets Portfolio Update
4. Other Opportunistic Investment Update
5. Summary of Q1 2010 Financial Results

Net Asset Value as of March 31, 2010

(\$ in millions)

NAV per unit at March 31, 2010 was \$14.81, up 9% from December 31, 2009



Note: Past performance is not indicative of future results.

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Recent Portfolio Company Re-financings



- *Over \$8.6 bn of re-financings across six transactions since Dec. '08*
- *Retired remaining near-term maturities with \$750 mm offering in April '10*



- *\$500 mm second lien offering in Q3 '09*
- *Debt exchange improved liquidity to approx \$1 bn, provided cushion for first lien covenant*



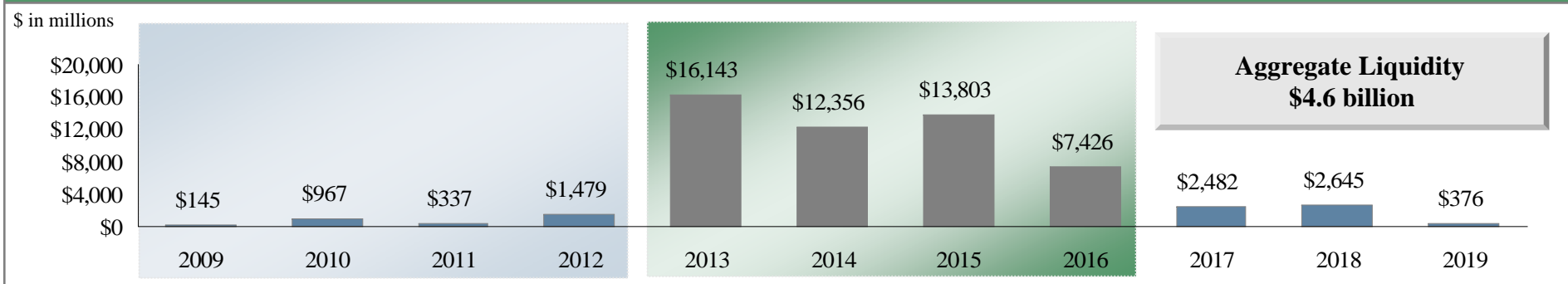
- *\$750 mm senior secured revolver and \$450 mm senior secured note offering in Q4 '09*
- *Extended maturities from '12 and '13 to '15 and '16*



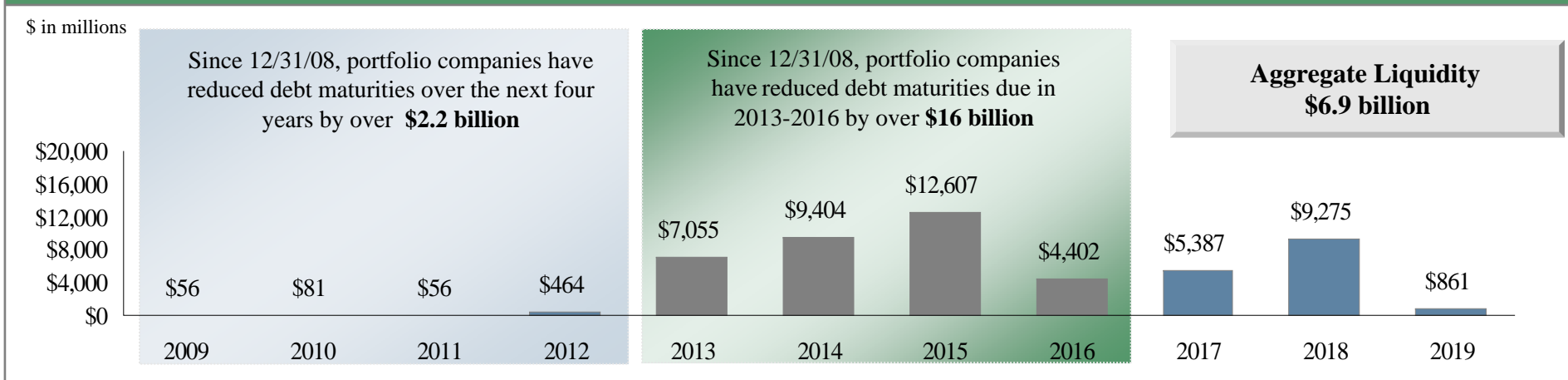
- *Approx \$2 bn of term loan and revolver re-financings in Q1 '10*
- *Repaid portion of term loan; extended most remaining maturities from '13 to '15*

Optimizing Maturities

Aggregate Debt Maturity Profile¹ – 12/31/08



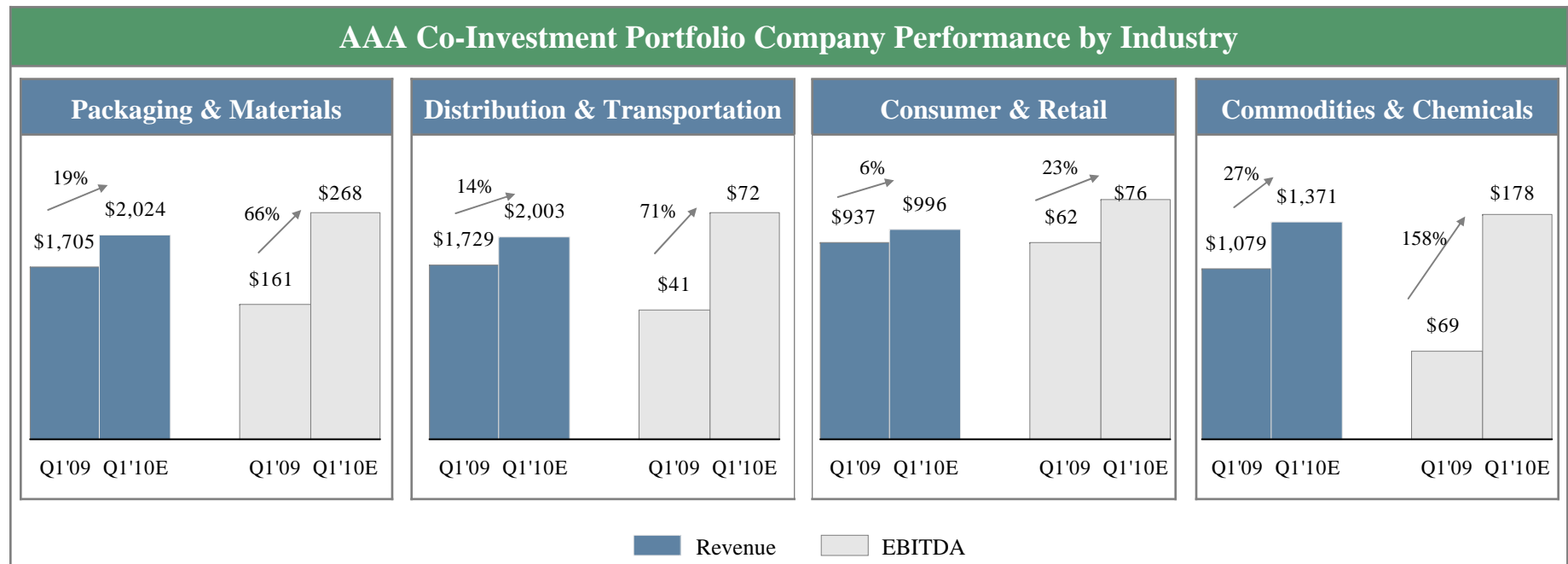
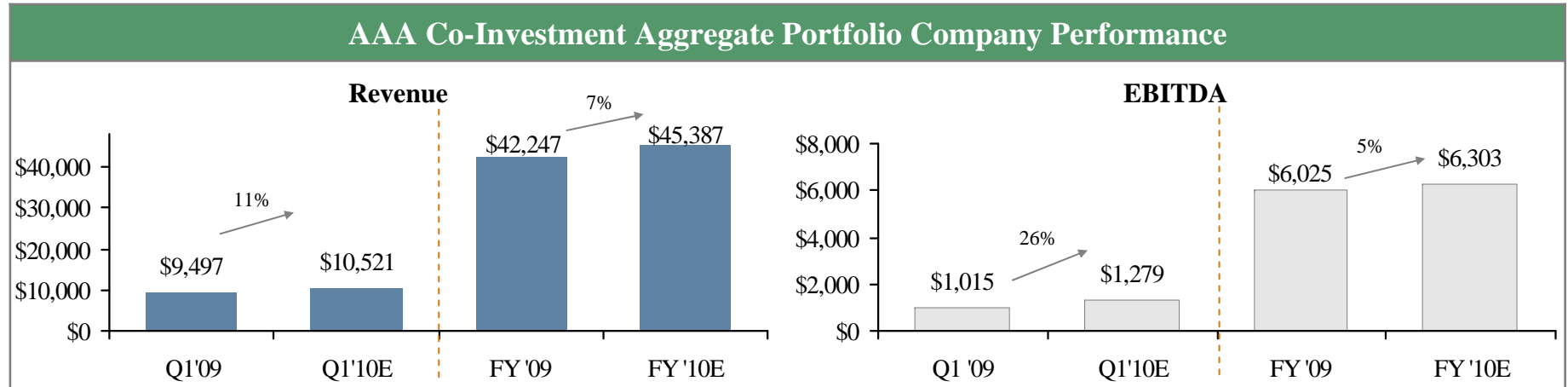
Aggregate Debt Maturity Profile¹ – 3/31/10 EST



Since 12/31/08, total maturities due through 2016 have been reduced by over \$18 billion

(1) Refers to the portfolio investments that AAA has made alongside Fund VI.

The Recovery Appears to be Real and Broad



Portfolio Company Management

Cost Cutting

- Over **\$2.7 billion** of cost savings implemented across AAA portfolio companies



Capital Structure Optimization

- **Optimizing Maturities:** Since December 2008, portfolio companies have reduced total maturities due through 2016 by over **\$18 billion**
- **Refinancings:** Over **\$9 billion** of refinancing completed since window opened in early 2009; select examples include:



Growth Initiatives

- Active growth in the businesses of our portfolio companies and gains in market share
- The following companies recently completed strategic acquisitions at attractive valuation that we believe will be accretive to earnings



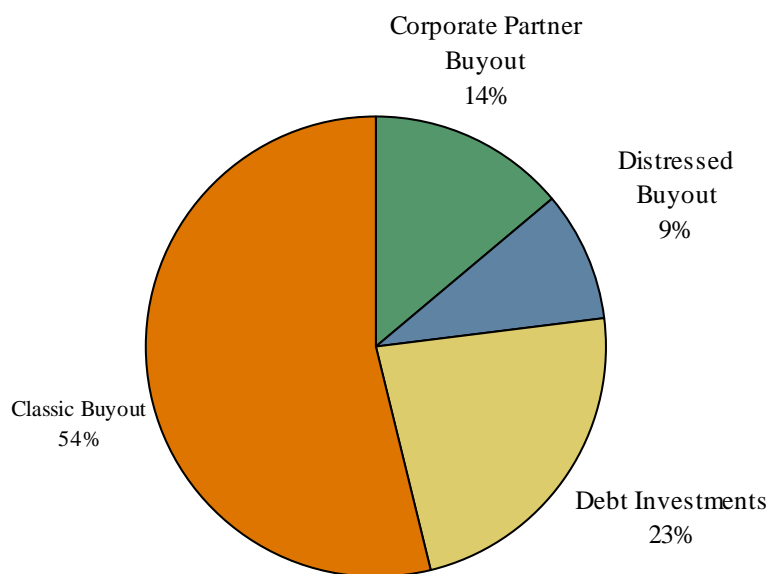
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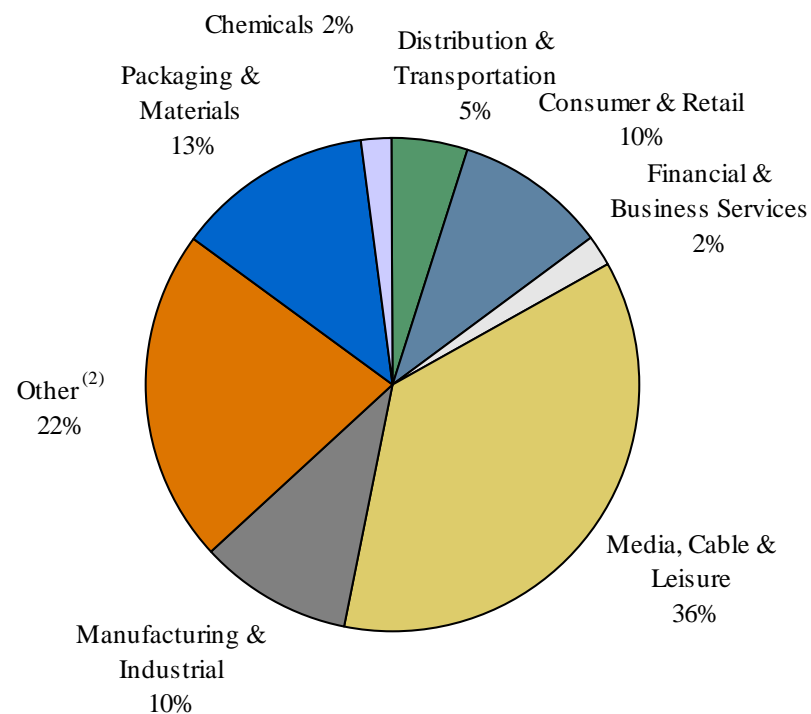


Overview of AAA's Private Equity Portfolio

AAA Private Equity Portfolio by Strategy Type ⁽¹⁾



AAA Private Equity Portfolio by Industry Sector ⁽¹⁾



(1) Based on fair value as of March 31, 2010.

(2) Primarily represents Debt Investment Vehicles, which includes investments in Apollo Fund VI BC, L.P., Apollo ALS Holdings, L.P., Autumnleaf, L.P., Leverage Source, L.P., Lily, L.P., and RCIV Holdings, L.P.

AAA's Largest Private Equity Investments

Co-investments alongside Apollo Investment Funds VI & VII ⁽¹⁾					
(\$ in millions)	As of 3/31/10			As of 12/31/09	
	Original Cost ⁽²⁾	Net Invested Capital ⁽³⁾	GAAP Cost ⁽⁴⁾	Fair Value	Adjusted Fair Value ⁽⁵⁾
Debt Investment Vehicles	\$439.2	\$232.6	\$273.3	\$207.9	\$197.3
Harrah's Entertainment	165.6	165.6	165.6	122.0	126.0
AP Charter Holdings L.P.	45.1	44.5	44.5	80.2	82.4
Rexnord Corporation	89.2	37.5	37.5	87.8	82.7
All Others	<u>707.8</u>	<u>587.8</u>	<u>544.4</u>	<u>422.2</u>	<u>369.1</u>
Total	\$1,446.9	\$1,068.0	\$1065.3	\$920.1	\$857.5

(1) AAA invests its capital through, and is the sole limited partner of, AAA Investments, L.P. (the "Investment Partnership"), which has made co-investments alongside Apollo Investment Fund VI, L.P. and its parallel investment vehicles (collectively, "Apollo Investment Fund VI") and Apollo Investment Fund VII, L.P. and its parallel investment vehicles (collectively, "Apollo Investment Fund VII"). The table above includes details on each of the Investment Partnership's investments that represent more than 5% of the Investment Partnership's net asset value as of March 31, 2010. "All Others" represents the combined cost and fair value of all other private equity co-investments made by the Investment Partnership alongside Apollo Investment Funds VI and VII.

(2) Represents original cost paid for the investment.

(3) Represents original cost of the investment less all cash payments received from the investment including returns of capital, realized gains/losses, dividend income, interest income, and capitalized interest.

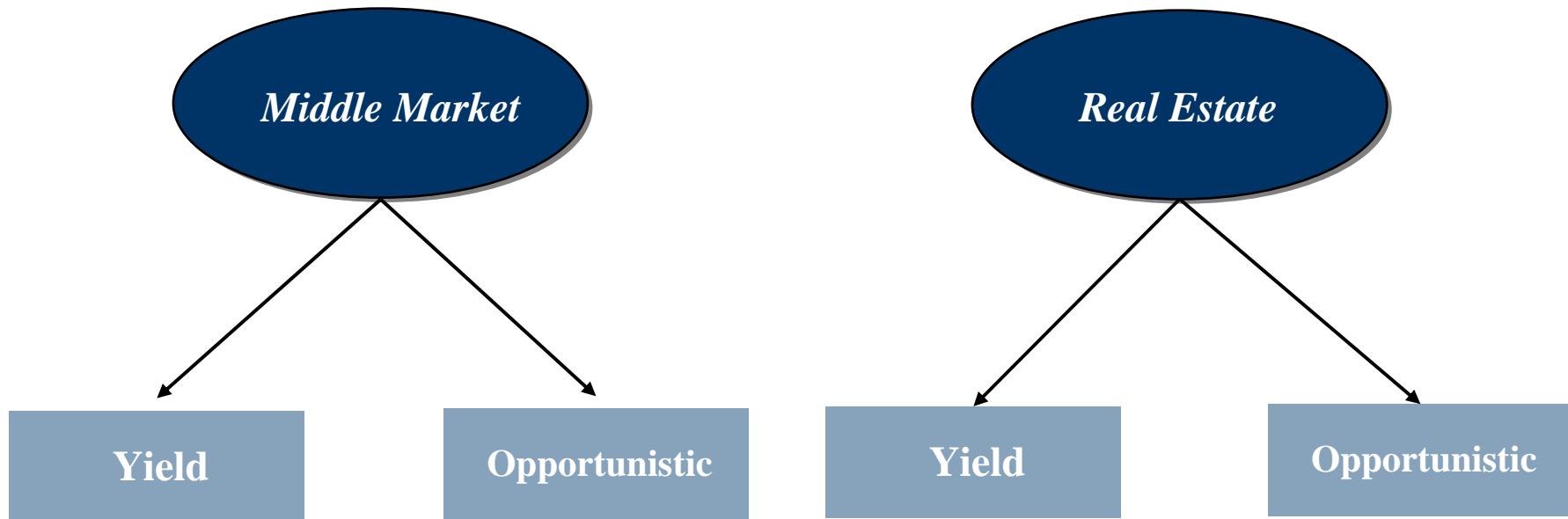
(4) Represents original cost of the investment less returns of capital, sales of holdings, permanent impairments, and capitalized interest.

(5) Adjusted to facilitate comparability for purchases, realized losses and returns of capital during the quarter ended March 31, 2010. The adjustments were \$(38.5)mm for the debt investment vehicles, \$(0.6)mm for AP Charter Holdings, L.P., and \$(11.2)mm for all others.

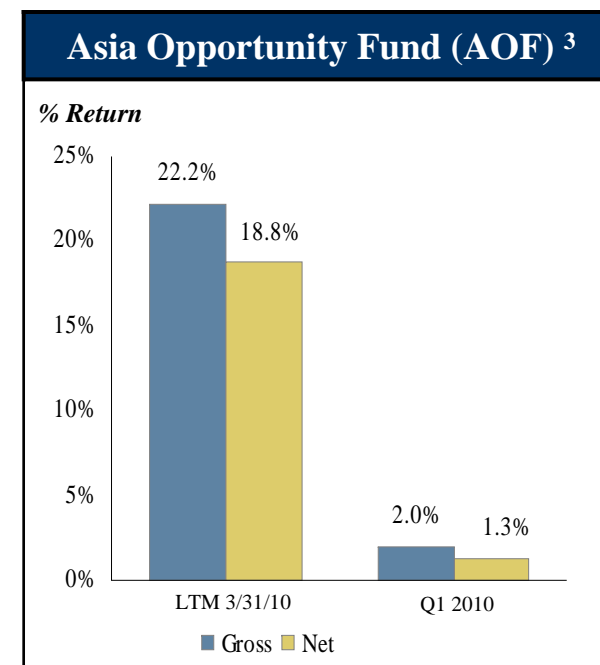
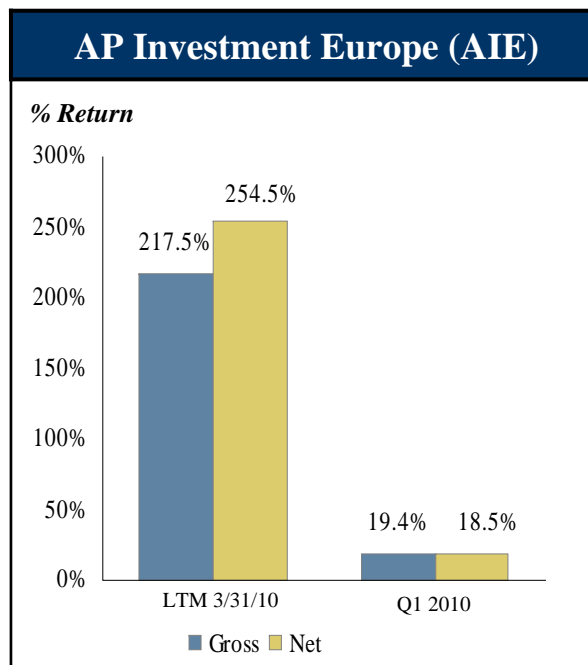
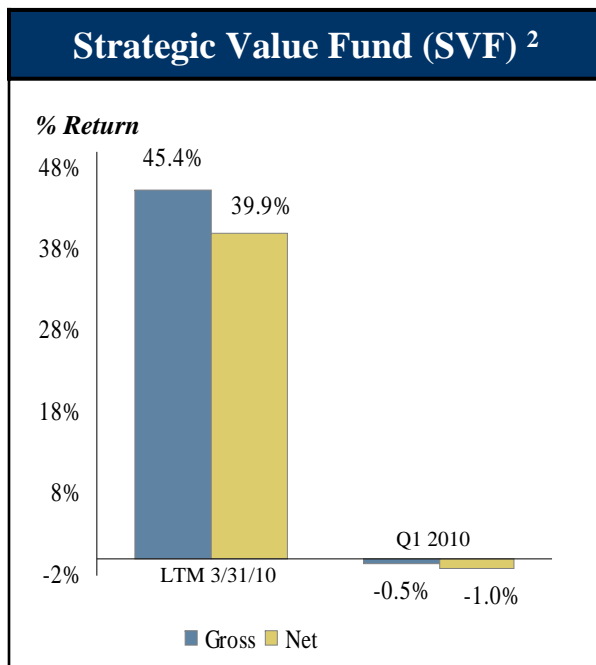
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Market Opportunities



Returns for AAA's Capital Markets Portfolio ⁽¹⁾



(1) Returns for the three and twelve months ended March 31, 2010. Does not include AAA's investment in Apollo European Principal Finance Fund, L.P. (EPF) due to private equity type structure of the fund.

(2) Returns for liquidating shares of SVF.

(3) Reflects a blended return for AOF for the entire portfolio due to holdings in liquidating shares and primary fund.

Note: Past performance is not indicative of future results.

Overview of AAA's Capital Markets Portfolio

Capital Markets Investments					
(\$ in millions)	As of 3/31/10			As of 12/31/09	
	Original Cost ⁽¹⁾	Net Invested Capital ⁽²⁾	GAAP Cost ⁽³⁾	Fair Value	Adjusted Fair Value ⁽⁴⁾
Apollo Strategic Value Fund	\$550.0	\$176.4	\$132.8	\$172.5	\$173.3
Apollo Asia Opportunity Fund	218.0	125.5	120.3	116.6	114.0
Apollo European Principal Finance Fund ⁽⁵⁾	116.7	112.6	112.6	117.1	120.7
AP Investment Europe Limited	<u>339.5</u>	<u>307.2</u>	<u>314.4</u>	<u>125.0</u>	<u>110.4</u>
Total	\$1,224.2	\$721.7	\$680.1	\$531.2	\$518.4

(1) Represents original cost paid for the investment.

(2) Represents original cost paid for the investment, less all cash payments received from the investment including returns of capital, dividend income, interest income, foreign currency gains/losses, and capitalized interest.

(3) Represents original cost of the investment less returns of capital, realized losses on redemptions, and capitalized interest.

(4) Adjusted to facilitate comparability for returns of capital, realized losses and purchases during the quarter ended March 31, 2010. The adjustments were \$(11.3)mm for Apollo Strategic Value Fund, \$(44.6)mm for Apollo Asia Opportunity Fund, and \$9.5mm for Apollo European Principal Finance Fund, and \$(25.1) for AP Investment Europe Limited.

(5) The Apollo European Principal Finance Fund is reflected net of any proceeds received from the fund that are recallable.

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Overview of Athene Life Re Ltd.

- Positive results for Athene in Q1 2010 driven by:
 - Acquisition of additional policies, which increased the business by approximately 25%
 - Increased portfolio yield due to diversification of Athene's asset mix

Other Opportunistic Investment					
(\$ in millions)	As of 3/31/10			As of 12/31/09	
	Original Cost ⁽¹⁾	Net Invested Capital ⁽²⁾	GAAP Cost ⁽³⁾	Fair Value	Fair Value
Other Opportunistic Investments – Apollo Life Re Ltd.	\$98.0	\$98.0	\$98.0	\$125.4	\$87.9

(1) Represents original cost paid for the investment.

(2) Represents original cost paid for the investment, less all cash payments received from the investment including returns of capital, dividend income, interest income, foreign currency gains/losses, and capitalized interest.

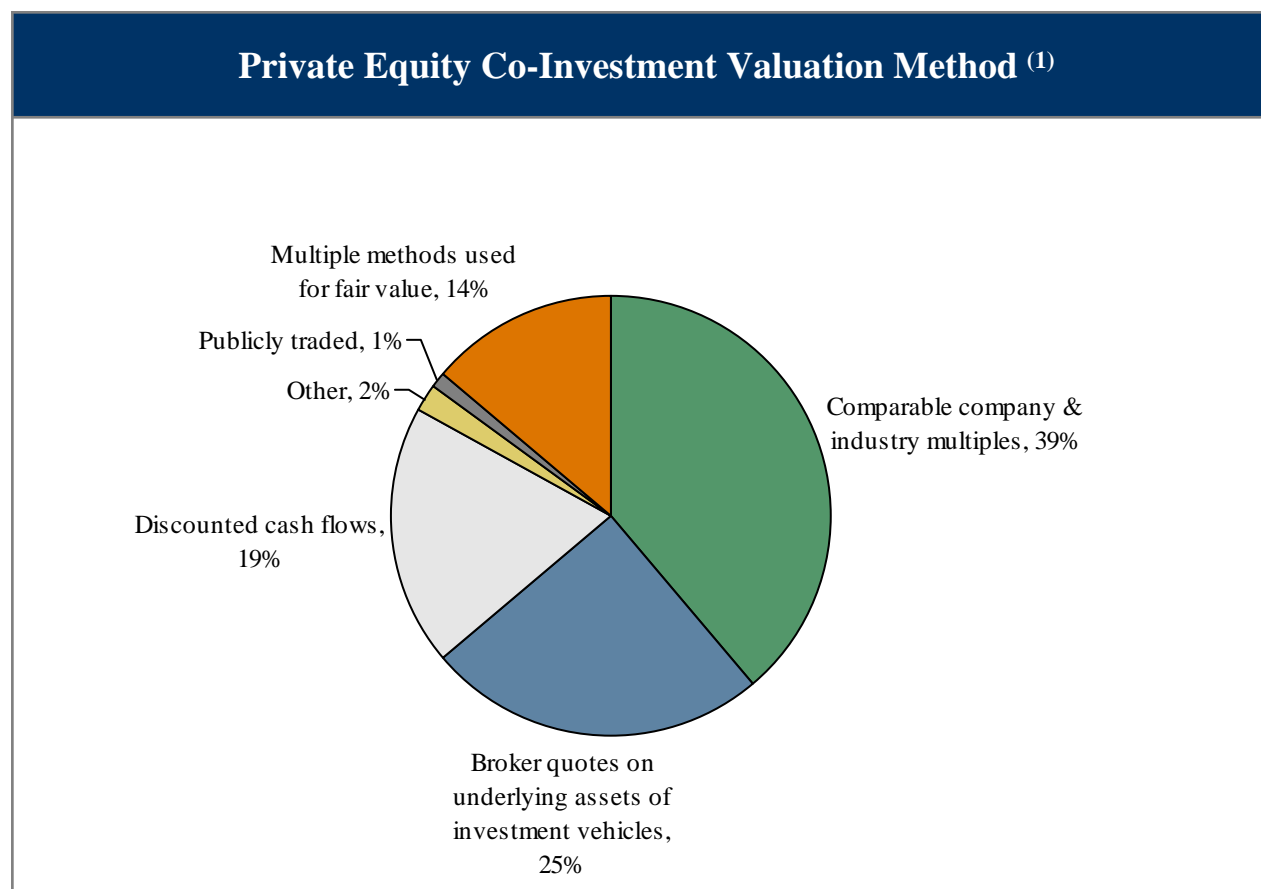
(3) Represents original cost of the investment less returns of capital, realized losses on redemptions, and capitalized interest.

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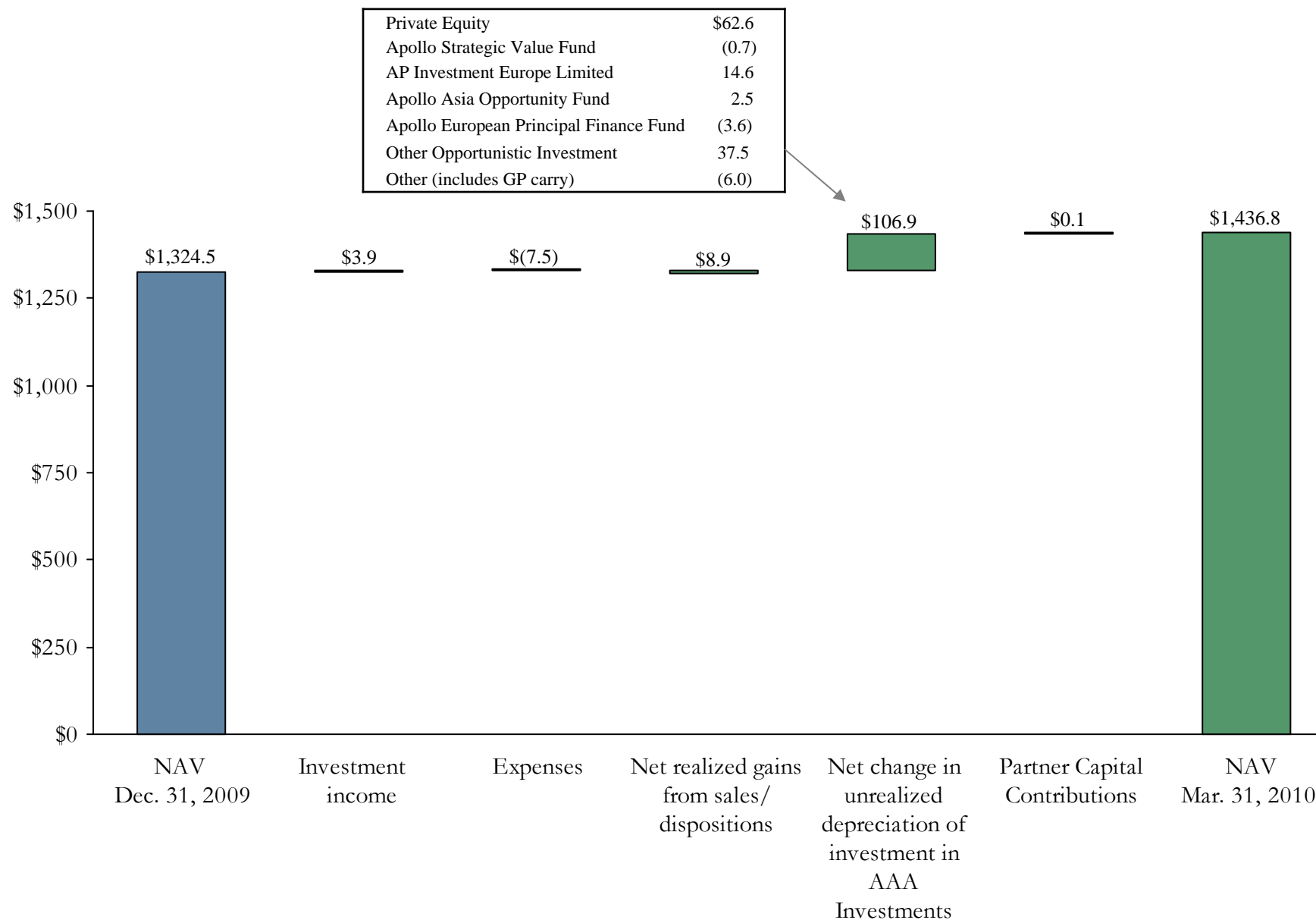
Private Equity Valuation Methodology

- At March 31, 2010 AAA's portfolio of private equity investments was valued based on the methodologies below



(1) Based on fair value as of March 31, 2010.

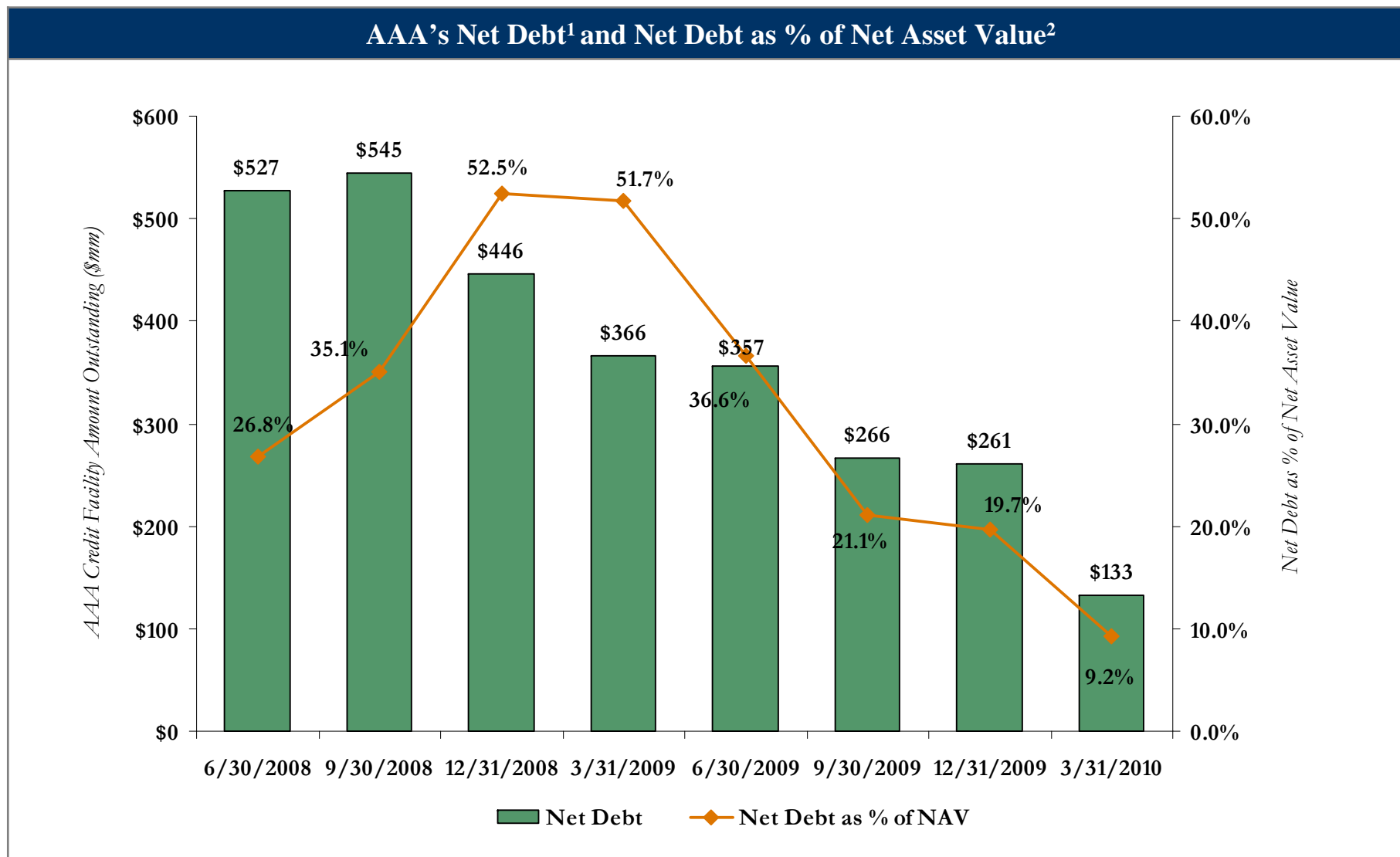
Q1 2010 NAV Performance



\$ in millions.

Note: Figures as of March 31, 2010. The past performance of Apollo's funds is intended to be illustrative of Apollo's investing experience and not indicative of future results.

Significant Reduction of Net Debt Since Credit Crisis



1. Net debt defined as AAA Investments, L.P.'s total debt outstanding less cash
 2. Net asset value of AP Alternative Assets, L.P.

Update on Redemptions & Monetizations

- During 2008 and 2009 AAA requested redemptions from SVF and AOF, and agreed to a monetization plan in 2009 with respect to AIE

Apollo Strategic Value Fund (SVF)

- In 2008, AAA requested redemption of \$475 million
 - \$200 million redeemed in 2008
 - \$163 million redeemed in 2009
- Remainder of redemption converted into liquidating shares issued by SVF, with cash proceeds realized as investments are liquidated
 - \$10 million redeemed through March 31, 2010

Asia Opportunity Offshore Fund (AOF)

- During 2009, AAA requested redemptions of shares with a total value of \$140 million
 - \$49 million redeemed in 2009
- Redemptions converted into liquidating shares issued by AOF, with cash proceeds realized as investments are liquidated
 - \$43 million redeemed through March 31, 2010

AP Investment Europe (AIE)

- During July 2009, AIE shareholders approved a three-year monetization plan for the fund
 - Opportunistically selling assets over a 3-year period
- First distribution of \$25 million received on March 31, 2010

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