

## AP ALTERNATIVE ASSETS RELEASES ITS FINANCIAL RESULTS RELATING TO THE QUARTER ENDED MARCH 31, 2008

Guernsey, Channel Islands, May 29, 2008

AP Alternative Assets, L.P. (“AAA”, Euronext Amsterdam: AAA) today released its financial results for the quarter ended March 31, 2008.

AAA invests its capital through, and is the sole limited partner of, AAA Investments, L.P., which is referred to as the Investment Partnership. At March 31, 2008, the Investment Partnership’s net asset value was allocated as follows:

	<u>% of Net Asset Value</u>
Private Equity co-investments	53%
Apollo Strategic Value Fund	29
Apollo Investment Europe	16
Apollo Asia Opportunity Fund	12
Apollo European Principal Finance Fund	8
Temporary investments and other assets	3
Borrowings under credit facility and other liabilities	-21
	<u>100%</u>

### Overview

As of March 31, 2008, the net asset value of AAA approximated \$2,004 million, or \$20.73 per common unit. This compares to \$2,131 million, or \$22.06 per common unit, as of December 31, 2007.

Josh Harris, a managing partner and President of Apollo Global Management, commented, “The past year has tested the core principals of many organizations. The key as we have learned from past cycles is to stay focused on good fundamental credit quality while taking advantage of a combination of depressed market prices and favorable terms from motivated sellers. AAA is able to take advantage of this dynamic on both sides of the equation through private equity and credit oriented capital markets investments.”

### Results of Operations

Operating results for AAA for the three months ended March 31, 2008 and 2007, were highlighted by the following:

- The net decrease in net assets resulting from operations was approximately \$(127.8) million, or \$(1.33) per common unit, for the three months ended March 31, 2008, compared to an increase of \$89.2 million, or \$0.92 per common unit, for the three months ended March 31, 2007
- Net change in unrealized appreciation of AAA’s limited partner interests in the Investment Partnership was approximately \$(118.4) million and \$74.7 million, respectively, resulting from the change in net assets of the Investment Partnership. The decrease in unrealized appreciation on investments in AAA Investments, L.P. of \$193.1 million is due to the performance of the underlying portfolio companies and capital markets investments.
- Investment income allocated from the Investment Partnership was \$1.1 million for the three months ended March 31, 2008, which primarily represented interest income from cash

management activities. For the three months ended March 31, 2007, investment income allocated from the Investment Partnership was \$15.7 million, which represented interest income from cash management activities, dividend income from portfolio investments and realized gains from sales. The decrease in net investment income of \$14.6 million is primarily due to less cash on hand for short-term investing and non-recurring dividends from portfolio companies in the first quarter of 2007.

- Investment expense and general and administrative expenses were \$10.4 million and \$1.1 million for the three months ended March 31, 2008 and 2007, respectively, which primarily included direct expenses and allocated expenses from the Investment Partnership for professional services, management fees, certain deal costs and other general expenses, as well as expenses of our Managing General Partner's board of directors and other administrative costs. The increase in investment expense and general and administrative expenses of \$9.3 million is primarily due to management fees, which were incurred beginning in the second quarter of 2007 once applicable earnings and other hurdles were met, expenses related to the credit facility, which began in the second quarter of 2007, and increased professional fees.

Operating results for the Investment Partnership for the three months ended March 31, 2008 and 2007, were highlighted by the following:

- The net (decrease) increase in net assets resulting from operations was approximately \$(136.9) million and \$102.5 for the three months ended March 31, 2008 and 2007, respectively.
- Total change in net unrealized appreciation, resulting from investments recorded at fair value, for the three months ended March 31, 2008 and 2007, was \$(130.0) million and \$86.8 million, respectively. The key drivers of the results in the first quarter of 2008 are as follows:
  - Private equity co-investments had a decrease in unrealized appreciation of \$59.1 million for the three months ended March 31, 2008, primarily due to a change in fair value of several of our portfolio companies, especially those in the real estate and retail sectors.
  - Investment in Strategic Value Fund had a decrease in net unrealized appreciation of \$24.8 million for the three months ended March 31, 2008. This was primarily due to the ongoing turbulence in the credit and equity markets. In particular, the losses can be attributed to weakness in the consumer and technology sectors, offset partially by the fund's industrial positions and short exposure in the financial sector.
  - Investment in Apollo Investment Europe had a decrease in net unrealized appreciation of \$60.5 million during the first quarter. The Investment Partnership's investment in Apollo Investment Europe was negatively impacted by the continued downward market movements given the funds long-only strategy and use of leverage. The decrease in unrealized appreciation was partially offset by unrealized appreciation of approximately \$24.6 million as a result of foreign currency movements on our investment.
- Investment income was \$1.1 million for the three months ended March 31, 2008, which primarily represented interest income from cash management activities. For the three months ended March 31, 2007, investment income was \$16.1 million, which represented interest income from cash management activities, dividend income from portfolio investments and realized gains from sales. The decrease in investment income is primarily due to less cash on hand for short-term investing and non-recurring dividends from portfolio companies in the first quarter of 2007.

- Expenses approximated \$8.0 million and \$0.5 million for the three months ended March 31, 2008 and 2007, respectively. The increase in investment expense and general and administrative expenses of \$7.5 million is primarily due to management fees, which were incurred beginning in the second quarter of 2007 once applicable earnings and other hurdles were met, and expenses related to the credit facility, which began in the second quarter of 2007.

## Investments

As of March 31, 2008, AAA's investments consist of \$2,007.8 million invested in AAA Investments, L.P.

The underlying portfolio of AAA Investments, L.P. consists of temporary investments of \$52.7 million and portfolio investments approximating \$2,392.4 million as follows:

	<u>Fair Value at</u> <u>March 31,</u> <u>2008</u>
<b>Capital Markets Funds:</b>	
Apollo Strategic Value Fund	\$595.8
Apollo Investment Europe	323.8
Apollo Asia Opportunity Fund	241.5
Apollo European Principal Finance Fund	157.0
<b>Private Equity Co-investments:</b>	
Harrah's Entertainment Inc.	179.5
CEVA Logistics	128.3
Prestige Cruise Holdings	105.7
All others	660.8
Total	<u>\$2,392.4</u>

In the first quarter of 2008, AAA borrowed \$385 million under its revolving credit facility to partially fund new investments. In the first quarter of 2008, the Investment Partnership made new investments of \$98.9 million, and \$165.6 million in NCL Corporation and Harrah's Entertainment Inc., respectively. In addition, the Investment Partnership made follow on investments of approximately \$60.0 million and \$119.0 million in Prestige Cruise Holdings (formerly Oceania Cruise Lines) and the debt investment vehicles, respectively.

## Tax Distribution

The Board of Directors of AAA's general partner declared a distribution of \$0.46 per unit payable on or about June 26, 2008 to unitholders of record immediately after the closing of business in Amsterdam on June 11, 2008 with an ex-dividend date of June 9, 2008. Because the distribution was declared subsequent to March 31, 2008, the aggregate distribution payable of \$44.5 million is not yet reflected in AAA's net asset value as of March 31, 2008.

## **Information for Investors – Teleconference and Webcast**

The company will discuss its financial results during a conference call on Thursday, May 29, 2008, at 6 p.m. CEST (Amsterdam) / 5 p.m. BST (London) / 12 p.m. EDT (New York). All interested parties are welcome to participate. You can access this call by dialing 20 717 6857 within The Netherlands or 31 20 717 6857 outside of The Netherlands. Please dial-in approximately 5 to 10 minutes prior to the call. When prompted, callers should reference “AAA Earnings”. An archived replay of the conference call will also be available through June 29, 2008, via the company’s website at [www.apolloalternativeassets.com](http://www.apolloalternativeassets.com).

## **About AAA**

AP Alternative Assets was established by Apollo and is a closed-end limited partnership established under the laws of Guernsey. Apollo is a leading private equity and capital markets investor with 18 years of experience investing across the capital structure of leveraged companies. AP Alternative Assets is managed by Apollo Alternative Assets and invests in and co-invests with Apollo’s private-equity and capital-markets investment funds. For more information about AP Alternative Assets, please visit [www.apolloalternativeassets.com](http://www.apolloalternativeassets.com).

## **Forward-Looking Statements**

This press release contains forward-looking statements. Forward-looking statements involve risks and uncertainties because they relate to future events and circumstances. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results and developments to differ materially from the historical experience and expressed or implied expectations of AAA. Undue reliance should not be placed on such forward-looking statements. Forward-looking statements speak only as of the date on which they are made and AAA does not undertake to update its forward-looking statements unless required by law.

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**Financial Schedules Follow**

**AP ALTERNATIVE ASSETS, L.P.**  
**STATEMENT OF OPERATIONS (UNAUDITED)**  
(In thousands)

	For the Three Months Ended March 31,	
	2008	2007
NET INVESTMENT (LOSS) INCOME ALLOCATED FROM AAA INVESTMENTS, L.P.		
Interest, dividends and gains from short-term investments	\$ 1,190	\$ 13,402
Net realized (losses) gains from investments	(96)	2,282
Expenses	(7,974)	(472)
	(6,880)	15,212
EXPENSES - General and administrative expenses	(2,457)	(642)
NET INVESTMENT (LOSS) INCOME	(9,337)	14,570
NET CHANGE IN UNREALIZED APPRECIATION OF INVESTMENT IN AAA INVESTMENTS, L.P.	(118,419)	74,674
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (127,756)	\$ 89,244

**AP ALTERNATIVE ASSETS, L.P.**  
**STATEMENT OF ASSETS AND LIABILITIES**  
(In thousands, except per unit amounts)

	As of March 31, 2008 (unaudited)	As of December 31, 2007
<b>ASSETS</b>		
Investment in AAA Investments, L.P. (cost of \$1,803,340 and \$1,803,110 at March 31, 2008 and December 31, 2007, respectively)	\$ 2,007,778	\$ 2,132,847
Other assets	86	1,201
<b>TOTAL ASSETS</b>	<u>2,007,864</u>	<u>2,134,048</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,734	2,554
Due to Affiliates	162	-
<b>NET ASSETS</b>	<u>\$ 2,003,968</u>	<u>\$ 2,131,494</u>
<b>NET ASSETS CONSIST OF:</b>		
Partners' capital contribution, net (96,651,857 and 96,635,722 common units outstanding at March 31, 2008 and December 31, 2007, respectively)	\$ 1,824,782	\$ 1,824,552
Partners' capital distributions	(23,924)	(23,924)
Accumulated increase in assets resulting from operations	<u>203,110</u>	<u>330,866</u>
	<u>\$ 2,003,968</u>	<u>\$ 2,131,494</u>
Net asset value per common unit	<u>\$ 20.73</u>	<u>\$ 22.06</u>
Market price	<u>\$ 12.00</u>	<u>\$ 15.00</u>

**AAA INVESTMENTS, L.P.**  
**STATEMENT OF OPERATIONS (UNAUDITED)**  
**(In thousands)**

	For the Three Months Ended March 31,	
	2008	2007
<b>INVESTMENT INCOME:</b>		
Interest, dividends and gains from short-term investments	\$ 1,190	\$ 13,410
Net realized (losses) gains from sales	(96)	2,699
	<u>1,094</u>	<u>16,109</u>
<b>EXPENSES :</b>		
Management fees	(3,323)	-
General and administrative expenses	(4,653)	(473)
	<u>(6,882)</u>	<u>(473)</u>
<b>NET INVESTMENT (LOSS) INCOME</b>	<b>(6,882)</b>	<b>15,636</b>
Net change in unrealized appreciation on investments	(130,043)	86,837
	<u>(136,925)</u>	<u>102,473</u>
<b>NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$ (136,925)</b>	<b>\$ 102,473</b>

**AAA INVESTMENTS, L.P.**  
**STATEMENT OF ASSETS AND LIABILITIES**  
(In thousands)

	As of March 31, 2008 (unaudited)	As of December 31, 2007
<b>ASSETS:</b>		
<b>Investments:</b>		
Co-investments - Apollo Investment Fund VI and Fund VII at fair value (cost of \$936,943 and \$494,830 in 2008 and 2007, respectively)	\$ 1,074,274	\$ 691,258
Investment in Apollo Strategic Value Offshore Fund, Ltd. at fair value (cost of \$550,000 in 2008 and 2007)	595,766	620,568
Investment in AP Investment Europe Limited at fair value (cost of \$339,488 in 2008 and 2007)	323,768	384,280
Investment in Apollo Asia Opportunity Offshore Fund, Ltd. at fair value (cost of \$218,000 in 2008 and 2007)	241,575	239,014
Investment in Apollo European Principal Fund, L.P. at fair value (cost of \$149,136 and \$132,317 in 2008 and 2007, respectively)	157,034	128,501
<b>Total Investments</b>	<b>2,392,417</b>	<b>2,063,621</b>
Cash and cash equivalents	52,722	114,735
Other assets	7,333	6,130
Due from affiliates	571	2,359
<b>TOTAL ASSETS</b>	<b>2,453,043</b>	<b>2,186,845</b>
<b>LIABILITIES:</b>		
Borrowings under credit facility	385,000	-
Accounts payable and accrued liabilities	3,081	1,878
Due to affiliates	26,105	9,415
<b>NET ASSETS</b>	<b>\$ 2,038,857</b>	<b>\$ 2,175,552</b>
<b>NET ASSETS CONSIST OF:</b>		
Partners' capital	\$ 1,798,344	\$ 1,798,114
Accumulated increase in net assets resulting from operations	240,513	377,438
	<b>\$ 2,038,857</b>	<b>\$ 2,175,552</b>