



AP Alternative Assets Releases Financial Results for the Three and Six Months Ended June 30, 2012

Guernsey, Channel Islands, August 2, 2012: AP Alternative Assets, L.P. (“AAA”, Euronext Amsterdam: AAA) today released its financial results for the three and six months ended June 30, 2012. AAA invests its capital through, and is the sole limited partner of, AAA Investments, L.P., which is referred to as the “Investment Partnership.”

Highlights

Net Asset Value for AAA

- Net asset value at June 30, 2012 was \$1,514.6 million, or \$18.88 per unit, representing a net decrease in net assets of \$65.6 million during the quarter and a net increase in net asset value per unit of \$0.33 during the quarter.

Operating Results for the Investment Partnership

- The net (loss) gain from investments was \$(9.1) million and \$143.9 million for the three and six months ended June 30, 2012.
- The Investment Partnership had \$219.5 million in cash and cash equivalents at June 30, 2012.

Capital Management Initiatives

- On April 20, 2012, AAA commenced an offer to purchase common units or restricted depositary units at prices ranging from \$9.00 to \$10.50 per unit. Under the terms of this tender offer, which was oversubscribed, AAA purchased 4,967,462 units at a price per unit of \$10.00, or \$49.7 million in total (\$49.8 million including expenses).

Management Commentary

Marc Rowan, Senior Managing Director of AAA’s investment manager, said “As we have indicated previously, we believe that AAA has a significant amount of embedded value that is not reflected in the market price of its units. With AAA currently trading at a discount to net asset value of over 40%, we continue to view purchases of our own units as the most attractive investment alternative to deliver value to AAA’s unitholders. To that end, during the first half of 2012 we successfully completed two tender offers, both of which were oversubscribed, for a total of approximately \$100 million of AAA’s units.”

Operating Results for AAA

At June 30, 2012, AAA's net asset value was \$1,514.6 million, or \$18.88 per unit, representing a net decrease in net asset value after distributions, contributions and unit purchases of \$65.6 million, and a net increase in net asset value per unit of \$0.33 during the three months ended June 30, 2012 and representing an increase in net asset value after distributions, contributions and unit purchases of \$35.0 million, or \$2.47 per unit, during the six months ended June 30, 2012.

The following table details the change in NAV per unit during the three and six months ended June 30, 2012:

<i>(values per unit)</i>	For the Three Months Ended June 30, 2012	For the Six Months Ended June 30, 2012
Net asset value at the beginning of the period	\$ 18.55	\$ 16.41
Income from investment operations:		
Net investment income	0.01	0.01
Net (loss)/gain from investments	(0.13)	1.59
Total from investment operations	(0.12)	1.60
Capital distributions	--	(0.02)
Unit purchases	(0.60)	(1.17)
Accretion from unit purchases/effect of dilution	1.05	2.06
Net asset value at end of the period	\$ 18.88	\$ 18.88

Operating Results for the Investment Partnership

AAA derives the majority of its results from operations, except for direct expenses, from its interest in the Investment Partnership.

<i>\$ in millions</i>	For the Three Months Ended		For the Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Net realized gains from sales/dispositions on investments	\$25.7	\$0.3	\$39.7	\$22.4
Net change in unrealized depreciation/appreciation on investments	(34.8)	66.4	104.2	190.9
Net (loss) gain from investments	(9.1)	66.7	143.9	213.3
Investment income	11.0	8.4	21.2	13.2
Expenses	(9.8)	(8.1)	(19.2)	(16.3)
Net (Decrease) Increase in Net Assets Resulting from Operations	\$(7.9)	\$67.0	\$145.9	\$210.2

The net (decrease) increase in net assets resulting from operations was approximately \$(7.9) million and \$145.9 million for the three and six months ended June 30, 2012, which was primarily due to the net (loss) gain from investments driven by unrealized changes in mark-to-market valuations in the investment portfolio and realized gains on investments.

The table below details the net (loss) gain from investments by sector for private equity co-investments, by capital markets fund and by opportunistic investment:

<i>\$ in millions</i>	For the Three Months Ended		For the Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Private Equity:				
Chemicals	\$ (17.2)	\$ 20.6	\$ (26.9)	\$ 46.3
Consumer and Retail	14.0	7.8	17.8	25.0
Debt Investment Vehicles	(15.3)	3.6	30.5	16.4
Distribution and Transportation	(23.1)	18.4	10.3	27.6
Financial and Business Services	1.6	(0.4)	2.4	(0.5)
Manufacturing and Industrial	(8.3)	(3.4)	17.4	4.7
Media, Cable & Leisure	8.8	0.5	20.4	26.4
Packaging and Materials	14.3	(15.6)	39.2	2.3
Total Private Equity	(25.2)	31.5	111.1	148.2
Capital Markets Funds:				
Apollo Strategic Value Offshore Fund, Ltd.	(2.9)	3.8	9.1	12.0
Other Apollo Capital Markets Funds	(7.5)	5.2	(3.7)	24.4
Apollo Life Re Ltd.	26.3	26.3	27.1	28.8
Other	0.2	(0.1)	0.3	(0.1)
Net (Loss) Gain from Investments	\$ (9.1)	\$ 66.7	\$ 143.9	\$ 213.3

For the three months ended June 30, 2012, the Investment Partnership recognized realized gains from sales/distributions on investments of \$25.7 million, primarily from the sale of the investment in Charter Communications Inc. which generated a net realized gain of \$26.0 million.

During the three months ended June 30, 2012, the net unrealized depreciation/appreciation on investments was \$(34.8) million which was primarily driven by unrealized depreciation of \$(51.2) million in the private equity investment portfolio which was partially offset by unrealized appreciation in the investment in Apollo Life Re Ltd. of \$26.3 million. The negative change in unrealized depreciation in the private equity portfolio during the three months ended June 30, 2012 was driven by certain portfolio companies, primarily those in the distribution and transportation, chemicals, and media, cable and leisure sectors. The net unrealized depreciation in the private equity portfolio, when combined with the realized gains on Charter Communications Inc., resulted in a net loss from private equity investments of \$(25.2) million for the three months ended June 30, 2012.

For the six months ended June 30, 2012, the Investment Partnership recognized realized gains from sales/distributions on investments of \$39.7 million, primarily from the sale of the remaining equity investment in Charter Communications Inc. which generated net realized gains of \$26.0 million and a realized gain of \$12.3 from the partial sale of the investment in Noranda Aluminum.

During the six months ended June 30, 2012, the net unrealized depreciation/appreciation on investments was \$104.2 million which was driven primarily by the change in unrealized depreciation in the private equity investment portfolio of \$72.9 million in addition to the positive unrealized appreciation in the investment in Apollo Life Re Ltd. of \$27.1 million. During the six months ended June 30, 2012, investments in the packaging and materials, consumer and retail sectors and investments in debt investment vehicles were the primary contributors to the positive change in unrealized depreciation in the private equity portfolio. The net unrealized depreciation in the private equity portfolio, when combined with realized gains resulted in a net gain from private equity investments of \$111.1 million for the six months ended June 30, 2012.

Capital Management

The Investment Partnership had \$219.5 million of cash and cash equivalents at June 30, 2012 and \$359.9 million of borrowings outstanding under its existing term loan facility at June 30, 2012. During the quarter ended June 30, 2012, the Investment Partnership prepaid \$42.6 million of the senior secured term loan as a result of certain asset sales and investment realizations.

Sources and Uses of Cash

The main sources and uses of cash by the Investment Partnership for the three months ended June 30, 2012 were as follows:

Sources of Cash	<i>\$ in millions</i>
Apollo Asia Opportunity Offshore Fund, Ltd.	\$45.5
Sale of Charter Communications Inc.	36.7
Interest and proceeds from LeverageSource L.P.	26.0
GA Data Holdings Ltd.	10.3
Apollo Strategic Value Offshore Fund, Ltd.	9.0
AP Investment Europe Ltd.	4.4
 Uses of Cash	
April Tender Offer	(49.7)
Partial repayment of credit facility	(42.6)
Apollo Asia Private Credit Fund L.P.	(9.0)
Apollo European Principal Finance Fund, L.P.	(7.3)

Net expenses / other activity (management fee, interest expense, other) (8.5)

Net cash inflows for the three months ended June 30, 2012 **\$14.8**

Net Asset Value

At June 30, 2012, AAA had net assets of \$1,514.6 million, including its share of the net assets of the Investment Partnership, as follows:

	<u>Net Asset Value as of</u> <i>(in \$ millions, except per unit amounts)</i>		
	June 30, 2012	March 31, 2012	December 31, 2011
Gross Asset Value:			
Cash	\$219.5	\$204.8	\$229.9
Private Equity Co-investments	947.1	1,025.0	903.7
Capital Markets Funds:			
Apollo Strategic Value Offshore Fund, Ltd.	164.9	176.8	164.8
Other Apollo Capital Markets Funds	107.0	148.0	167.0
Apollo Life Re Ltd.	457.9	431.6	430.8
Other ¹	(21.9)	(3.5)	(14.2)
Debt	<u>(359.9)</u>	<u>(402.5)</u>	<u>(402.5)</u>
Net Asset Value	<u>\$1,514.6</u>	<u>\$1,580.2</u>	<u>\$1,479.5</u>
Net Asset Value per Unit	\$18.88	\$18.55	\$16.41
Net Common Units Outstanding	80,215,738	85,183,200	90,183,200

Interim Report

AAA's interim financial report, which includes its unaudited financial statements and the unaudited financial statements of the Investment Partnership, is available on its website at www.apolloalternativeassets.com.

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Conference Call

¹ Includes Other Opportunistic Investment, Other Assets & Liabilities and General Partner Interest. General Partner Interest is primarily comprised of unrealized carry receivable of \$21.4 million at June 30, 2012, \$14.1 million at March 31, 2012 and \$22.1 million at December 31, 2011 related to private equity co-investments and Apollo Life Re Ltd.

AAA will host a conference call on Thursday, August 2nd, 2012, at 2:00 p.m. CEST (Amsterdam) / 1:00 p.m. BST (London) / 8:00 a.m. EDT (New York). During the call Marc Rowan, Senior Managing Director of Apollo Global Management, LLC; Barry Giarraputo, Chief Financial Officer; and Gary Stein, Head of Corporate Communications, will discuss AAA and review the company's financial results for the second quarter of 2012. All interested parties are welcome to participate. You can access this call by dialing 20-718-8506 within The Netherlands or +31-20-718-8506 outside of The Netherlands. Please dial in approximately 5 to 10 minutes prior to the call. When prompted, callers should reference "AAA Earnings".

A presentation will be referenced during the call and will be available on the company's website at <http://www.apolloalternativeassets.com> prior to the conference call.

The company will take questions via email, either in advance or during the call, at inquiries@apolloalternativeassets.com.

An archived replay of the conference call will be available through September 4, 2012, via the company's website at www.apolloalternativeassets.com.

About AAA

AAA was established by Apollo Global Management, LLC and its affiliates ("Apollo") and is a closed-end limited partnership established under the laws of Guernsey. Apollo is a leading global alternative investment manager with 22 years of experience investing across the capital structure of leveraged companies. AAA is managed by Apollo Alternative Assets, L.P. and invests in or co-invests alongside certain Apollo-sponsored private equity funds, capital markets funds and other opportunistic investments. For more information about AAA, please visit 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.

Financial Schedules Follow

Financial Schedule I

AP ALTERNATIVE ASSETS, L.P.				
STATEMENT OF OPERATIONS (UNAUDITED)				
(in thousands)				
	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
INVESTMENT INCOME (LOSS) (ALLOCATED FROM AAA INVESTMENTS, L.P.)				
Interest, dividends and gains from short-term investments	\$ 11,027	\$ 8,424	\$ 21,205	\$ 13,201
Expenses	(9,800)	(8,112)	(19,188)	(16,229)
	<u>1,227</u>	<u>312</u>	<u>2,017</u>	<u>(3,028)</u>
EXPENSES				
General and administrative expenses	(678)	(591)	(1,334)	(1,217)
NET INVESTMENT INCOME (LOSS)	<u>549</u>	<u>(279)</u>	<u>683</u>	<u>(4,245)</u>
REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)				
Net realized gains from sales/dispositions on investments	25,731	290	39,695	22,350
Net change in unrealized depreciation of investment	(42,108)	60,477	96,830	181,857
NET (LOSS) GAIN FROM INVESTMENTS	<u>(16,377)</u>	<u>60,767</u>	<u>136,525</u>	<u>204,207</u>
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (15,828)</u>	<u>\$ 60,488</u>	<u>\$ 137,208</u>	<u>\$ 199,962</u>

Financial Schedule II

AP ALTERNATIVE ASSETS, L.P.		
STATEMENT OF ASSETS AND LIABILITIES		
(in thousands, except per unit amounts)		
	As of June 30, 2012 (unaudited)	As of December 31, 2011
ASSETS		
Investment in AAA Investments, L.P. (cost of \$1,561,204 and \$1,662,999 at June 30, 2012 and December 31, 2011, respectively)	\$ 1,516,899	\$ 1,480,152
Other assets	596	327
TOTAL ASSETS	1,517,495	1,480,479
LIABILITIES		
Accounts payable and accrued liabilities	550	727
Due to affiliates	2,380	229
NET ASSETS	\$ 1,514,565	\$ 1,479,523
NET ASSETS CONSIST OF:		
Partners' capital contribution, 80,215,738 and 90,183,200 net common units outstanding at June 30, 2012 and December 31, 2011, respectively)	\$ 1,683,764	\$ 1,783,810
Partners' capital distributions	(112,259)	(110,139)
Accumulated decrease in assets resulting from operations	(56,940)	(194,148)
	\$ 1,514,565	\$ 1,479,523
Net asset value per common unit	\$ 18.88	\$ 16.41
Market price per common unit	\$ 10.50	\$ 8.45

Financial Schedule III

**AAA INVESTMENTS, L.P.
STATEMENT OF OPERATIONS (unaudited)
(in thousands)**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
INVESTMENT INCOME-				
Interest, dividends and gains from short-term investments	\$ 11,031	\$ 8,430	\$ 21,215	\$ 13,209
EXPENSES:				
Management fees	(4,361)	(4,602)	(8,854)	(9,256)
General and administrative expenses	(5,441)	(3,513)	(10,339)	(6,978)
NET INVESTMENT INCOME (LOSS)	<u>1,229</u>	<u>315</u>	<u>2,022</u>	<u>(3,025)</u>
REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS				
Net realized gains from sales/dispositions on investments	25,745	290	39,717	22,362
Net change in unrealized depreciation/appreciation on investments	(34,826)	66,431	104,196	190,898
NET (LOSS) GAIN FROM INVESTMENTS	<u>(9,081)</u>	<u>66,721</u>	<u>143,913</u>	<u>213,260</u>
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (7,852)</u>	<u>\$ 67,036</u>	<u>\$ 145,935</u>	<u>\$ 210,235</u>

Financial Schedule IV

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

	As of June 30, 2012 (unaudited)	As of December 31, 2011
ASSETS		
Investments:		
Co-investments – Apollo Investment Fund VI and Apollo Investment Fund VII at fair value (cost of \$996,980 in 2012 and \$1,026,471 in 2011)	\$ 947,130	\$ 903,745
Investment in Apollo Strategic Value Offshore Fund, Ltd. at fair value (cost of \$98,832 in 2012 and \$105,889 in 2011)	164,895	164,811
Investment in Other Apollo Capital Markets Funds at fair value (cost of \$276,347 in 2012 and \$332,776 in 2011)	106,989	166,959
Investment in Opportunistic Investment at fair value (cost of \$358,241 in 2012 and \$358,241 in 2011)	457,900	430,800
Investment in Other Opportunistic Investment at fair value (cost of \$4,137 in 2012 and \$12,953 in 2011)	4,018	12,214
Total Investments	1,680,932	1,678,529
Cash and cash equivalents	219,528	229,892
Other assets	3,117	2,349
Due from affiliates	2,380	3,002
TOTAL ASSETS	1,905,957	1,913,772
LIABILITIES		
Borrowings under credit facility	359,865	402,500
Accounts payable and accrued liabilities	1,787	1,228
Due to affiliates	5,088	6,944
NET ASSETS	\$ 1,539,217	\$ 1,503,100
NET ASSETS CONSIST OF		
Partners' capital	\$ 1,541,976	\$ 1,651,794
Accumulated decrease in net assets resulting from operations	(2,759)	(148,694)
	\$ 1,539,217	\$ 1,503,100