



AP ALTERNATIVE ASSETS RELEASES ITS FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2010

Guernsey, Channel Islands, August 18, 2010: AP Alternative Assets, L.P. ("AAA", Euronext Amsterdam: AAA) today released its financial results for the three and six months ended June 30, 2010.

AAA invests its capital through, and is the sole limited partner of, AAA Investments, L.P., which is referred to as the "Investment Partnership".

Overview:

Operating results for AAA for the three and six months ended June 30, 2010 included the following:

- Net asset value at June 30, 2010 was \$1,418.8 million, or \$14.64 per unit (or approximately \$15.20 per unit after giving effect to the tender offer completed in August).
 - Subsequent to the end of the second quarter, AAA settled a tender offer at \$7.00 per unit, which reduced shares outstanding by 6,777,308 units.
 - AAA's net asset value per unit at June 30, 2010 would increase by approximately \$0.56 per unit as a result of the units acquired by AAA in August, net of estimated transaction expenses.
- AAA declared a distribution of \$0.07 per unit that was paid on June 22, 2010 to unitholders of record on June 10, 2010.

Operating results for the Investment Partnership for the three and six months ended June 30, 2010 included the following:

- The net loss from investments for the three months ended June 30, 2010 was \$3.7 million.
- The net gain from investments for the six months ended June 30, 2010 was \$118.1 million.
- The Investment Partnership and AAA together had \$372.4 million in cash and cash equivalents at June 30, 2010.
- In connection with its ongoing deleveraging strategy, the Investment Partnership permanently reduced its revolving credit facility to \$537.5 million.

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Conference Call

AAA will discuss its financial results during a conference call on Wednesday, August 18, 2010 at 3 p.m. CEST (Amsterdam) / 2 p.m. BST (London) / 9 a.m. EDT (New York). All interested parties are welcome to participate. You can access this call by dialling 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". An archived replay of the conference call will also be available through September 17, 2010, via AAA's website at www.apolloalternativeassets.com.

A short presentation will be made available on AAA's website at www.apolloalternativeassets.com prior to the conference call.

About AAA

AAA was established by Apollo and is a closed-end limited partnership established under the laws of Guernsey. Apollo is a leading global alternative asset manager with 20 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.

Operating Results

At June 30, 2010, AAA's net asset value was \$1,418.8 million, or \$14.64 per unit, representing a decrease in net asset value of \$18.0 million, or \$0.17 per unit, during the three months ended June 30, 2010, and an increase in net asset value of \$94.2 million, or \$0.99 per unit, during the six months ended June 30, 2010, inclusive of a \$0.07 per unit distribution paid to unitholders during the second quarter of 2010.

For the three months ended June 30, 2010, the net decrease in net assets from operations of AAA was \$10.8 million, or \$0.12 per common unit, versus a net increase in net assets from operations of \$266.3 million, or \$2.74 per common unit, for the three months ended June 30, 2009. For the six months ended June 30, 2010, the net increase in net assets from operations of AAA was \$101.4 million, or \$1.04 per common unit, versus a net increase in net assets from operations of \$120.4 million, or \$1.24 per common unit, for the six months ended June 30, 2009.

AAA derives the majority of its results from operations, except for direct expenses, from its interest in the Investment Partnership. At June 30, 2010, the Investment Partnership represented 99.5% of the net assets of AAA.

Operating results for the Investment Partnership for the three and six months ended June 30, 2010 and 2009 were highlighted by the following:

- The net (decrease) increase in net assets resulting from operations was approximately \$(7.7) million and \$267.2 million for the three months ended June 30, 2010 and 2009, respectively. The net increase in net assets resulting from operations was approximately \$111.2 million and \$120.7 million for the six months ended June 30, 2010 and 2009, respectively.
- The net change in unrealized depreciation on investments for the three and six months ended June 30, 2010 was a (negative) positive impact of \$(16.9) million and \$96.0 million, respectively. The primary drivers of these results in the three and six months ended June 30, 2010 were as follows:
 - Private equity co-investments had a change in unrealized depreciation of \$(15.8) million and \$46.7 million for the three and six months ended June 30, 2010, respectively, compared to a net change in unrealized depreciation of \$179.3 million and \$113.7 million for the three and six months ended June 30, 2009, respectively. The change in unrealized depreciation for the three months ended June 30, 2010 is attributable to a change in the fair value of certain underlying

portfolio companies, particularly those in the distribution and transportation, and media, cable and leisure sectors, as well as certain of our debt investment vehicles, offset in part by increases in the fair value of investments in the packaging and materials sector. The change in unrealized depreciation for the six months ended June 30, 2010 is attributable to a change in the fair value of certain underlying portfolio companies, particularly those in the packaging and materials and manufacturing and industrial sectors, offset in part by decreases in the distribution and transportation sectors.

- Capital markets investments had a change in net unrealized appreciation/depreciation of \$(11.6) million and \$1.2 million for the three and six months ended June 30, 2010, respectively, compared to a change in net unrealized depreciation of \$97.8 million and \$77.9 million for the three and six months ended June 30, 2009, respectively. The primary drivers of these capital markets results during the three and six months ended June 30, 2010 were as follows:
 - Investment in Apollo Strategic Value Offshore Fund, Ltd. (“SVF”) had a net change in unrealized appreciation for the three and six months ended June 30, 2010 of \$(0.3) million and \$(1.0) million, respectively, compared to a net change in unrealized appreciation of \$47.4 million and \$68.3 million for the three and six months ended June 30, 2009, respectively. During the quarter ended June 30, 2010, on a sector level the primary positive contributors to SVF’s returns were holdings in the automotive, energy, consumer and industrial sectors, offset by negative contributions from holdings in the building materials and housing and transportation sectors. During the six months ended June 30, 2010, performance for the liquidating shares of SVF was slightly negative. On a sector level, the primary positive contributors to SVF’s returns during the six months ended June 30, 2010 were holdings in the consumer, industrial and auto sectors, offset by negative contributions from holdings in the building materials and housing, transportation and energy sectors.
 - Investment in AP Investment Europe Limited (“AIE”) had a net change in unrealized depreciation of \$(6.2) million and \$8.4 million for the three and six months ended June 30, 2010, respectively, compared to a net change in unrealized depreciation of \$27.2 million and \$(5.2) million for the three and six months ended June 30, 2009, respectively. AIE continued to demonstrate strong performance, with the exception of the Investment Partnership’s foreign currency exposure, during the second quarter of 2010 due to overall positive market trends and earnings performance in its portfolio companies, and to a lesser extent by the successful exit of one of AIE’s equity investments. Year to date performance as of June 30, 2010 was strong, driven by the rebound in the global credit markets, and generally strong trading results from AIE’s portfolio companies. However, the Investment Partnership’s returns during this period were negatively impacted by foreign currency movements, specifically the weakening of the Euro versus the US Dollar, as Apollo Investment Europe is a Euro-denominated fund. The net change in unrealized depreciation for the three and six months ended June 30, 2010 was impacted by an unrealized loss of approximately \$9.2 million and \$15.1 million, respectively, as a result of foreign currency movements.
 - Investment in Apollo Asia Opportunity Offshore Fund, Ltd. (“AAOF”) had a change in net unrealized depreciation of \$1.6 million and \$4.1 million for the three and six months ended June 30, 2010, respectively, compared to a change in net unrealized depreciation of \$10.6 million and \$8.9 million for the three and six months ended June 30, 2009, respectively. During the quarter ended June 30, 2010, AAOF’s biggest performance contributors were holdings in the education, real estate and commodities sectors, partially offset by weakness in holdings in the

building materials and metals and mining sectors and in index-linked holdings. On a country level, for the three months ending June 30, 2010 the primary contributors to AAOF's positive returns were holdings in Malaysia, Hong Kong/Macau and China, while holdings in India detracted from value. For the six months ended June 30, 2010 AAOF's positive performance was driven by education, real estate and financial sector holdings, which was partially offset by weakness in holdings in the building materials and oil and gas sectors. On a country level, for the six months ending June 30, 2010 the primary contributors to AAOF's returns were holdings in Malaysia, Hong Kong/Macau and India.

- Investment in Apollo European Principal Finance Fund, L.P. ("EPF") had a change in net unrealized depreciation of \$(6.7) million and \$(10.3) million for the three and six months ended June 30, 2010, respectively, compared to a change in unrealized depreciation of \$10.0 million and \$4.1 million for the three and six months ended June 30, 2009, respectively. For the three and six months ended June 30, 2010, our investment in EPF was negatively impacted by approximately \$15.0 million and \$24.5 million, respectively, as a result of foreign currency movements, offset in part by better than expected loan resolutions in the majority of the portfolios.
- Other opportunistic investment had a net change in unrealized appreciation of \$10.5 million and \$48.0 million for the for the three and six months ended June 30, 2010, respectively, primarily due to Apollo Life Re Ltd.'s ("Athene") continued growth in annuity policies and continued outperformance on investment yield in Athene's asset portfolio.
- Net realized gains (losses) from sales or dispositions of the Investment Partnership were \$13.2 million and \$22.1 million for the three and six months ended June 30, 2010, respectively, compared to \$(6.2) million and \$(67.7) million for the three and six months ended June 30, 2009, respectively. For the three months ended June 30, 2010, net realized gains from sales or dispositions primarily relate to \$11.3 million from the early extinguishment of a portion of the Investment Partnership's debt and \$2.0 million from the redemption of Apollo Strategic Value Fund. For the six months ended June 30, 2010, net realized gains from sales or dispositions primarily relate to the realized gains of \$16.5 million from the sale of the Investment Partnership's interest in Huntsman Corporation notes and \$16.9 million from the early extinguishment of a portion of the Investment Partnership's debt, partially offset by \$11.2 million from the permanent impairment of value of the private equity co-investment in Jacuzzi Brands.
- Investment income of the Investment Partnership was \$2.7 million and \$6.6 million for the three and six months ended June 30, 2010, respectively, compared to \$4.8 million and \$15.0 million for the three and six months ended June 30, 2009, respectively. Investment income for the three and six months ended June 30, 2010 primarily represented distributions of interest income from the debt investment vehicles and accrued interest income from interest bearing securities.
- For the three and six months ended June 30, 2010, the Investment Partnership's expenses approximated \$6.7 million and \$13.5 million, respectively, compared to expenses of \$8.4 million and \$18.2 million for the three and six months ended June 30, 2009, respectively. These expenses primarily relate to ongoing operating expenses, including interest expense. For the three and six months ended June 30, 2010, the decrease in investment expense and general and administrative expenses is primarily due to reduced interest expense as a result of reduced outstanding borrowings on the credit facility, offset in part by increased management fees as a result of an increase in investment values.

Net Asset Value

At June 30, 2010, AAA had net assets of \$1,418.8 million, including its share of the net assets of the Investment Partnership, as follows:

	<u>Net Asset</u> <u>Value at</u> <u>June 30, 2010</u>
	(in millions)
Gross Asset Value:	
Cash	\$372.4
Private Equity Co-investments	943.5
Capital Markets Funds:	
Apollo Strategic Value Offshore Fund, Ltd.	164.2
Apollo Asia Opportunity Offshore Fund, Ltd.	116.1
Apollo European Principal Finance Fund, L.P.	143.9
AP Investment Europe Limited	88.5
Other Opportunistic Investment	135.9
Debt	(537.5)
Other Assets & Liabilities	2.0
General Partner Interest	(10.2)
Net Asset Value	<u>\$1,418.8</u>

Sources and Uses of Cash and Liquidity

The Investment Partnership and AAA had \$372.4 million in cash and cash equivalents at June 30, 2010 and the Investment Partnership had \$537.5 million of borrowings outstanding under its existing revolving credit facility. In connection with the Investment Partnership's ongoing deleveraging strategy, during the quarter the Investment Partnership purchased \$75.0 million of its own debt for a purchase price of 85% of par value, or \$63.8 million, recognizing a realized gain on extinguishment of \$11.3 million. As a result of this purchase, the revolving credit facility was permanently reduced to \$537.5 million as of June 30, 2010.

As of August 16, 2010 the Investment Partnership and AAA had \$347.3 million in cash and cash equivalents and \$537.5 million of borrowings outstanding under the existing revolving credit facility.

In connection with the on-market unit buyback program previously approved by the Boards of Directors of the Managing General Partner and the Managing Investment Partner, through June 30, 2010, AAA had purchased 117,715 units at an average price of \$6.29 per unit for total consideration of \$0.7 million. Subsequent to June 30, 2010, AAA purchased 17,452 additional units at an average price of \$6.03 per unit for total consideration of \$0.1 million. The remaining approved maximum aggregate consideration of \$24.2 million for the on-market unit buyback program represents 4.0 million units based on AAA's closing price at June 30, 2010. AAA intends to continue monitoring the trading performance of AAA in the market and may, from time to time, seek to purchase units either directly or through one or more affiliates, when market conditions permit.

The Board of Directors of the Managing General Partner approved the commencement of an offer to purchase for cash up to 4,545,454 common units or RDUs ("Units") for a maximum aggregate consideration of up to \$25 million (the "Tender Offer"). The Tender Offer dated July 12, 2010 was announced on July 12, 2010 and remained open until August 11, 2010, the full terms of the tender offer can be found at www.apolloalternativeassets.com. Under the terms of the Tender Offer, Units were able to be tendered to AAA by unitholders or RDU holders at a price range between \$5.50 and \$7.00 per Unit. As at August 11, 2010, 6,777,308 Units had been tendered by the unitholders and RDU holders. Under the terms of the Tender Offer, the price payable per Unit was determined to be \$7.00. Due to the fact that the Units tendered exceeded the \$25 million maximum amount payable by AAA pursuant to the Tender Offer (the "Maximum Amount"), AAA had the right to pro-rate the number of Units it purchased from unitholders at the \$7.00 price so that the Maximum Amount would not be exceeded. However, at a meeting on August 12, 2010 of the board of directors of the Managing General Partner, which had been convened to consider the outcome of the Tender Offer, the board of directors of the Managing General Partner resolved, in accordance with the provisions of the Tender Offer, to increase the Maximum Amount to a level where all Units tendered in the Tender Offer would be accepted. The Maximum Amount was therefore increased to \$47.4 million and AAA determined to buy back 6,777,308 Units pursuant to the Tender Offer. It is anticipated that the Units acquired in the Tender Offer will be cancelled. The impact of the Tender Offer on the June 30, 2010 results would be an increase in net asset value of approximately \$0.56 per unit, net of estimated transaction expenses

In August, 2010, AAA issued 5,004 common units, in the form of restricted depository units, to AAA Holdings, L.P. at a price per unit of \$6.35. The units issued were subscribed by AAA Holdings, L.P. in fulfillment of Apollo's obligation to reinvest a portion of the carried interest received by it in respect of investments made by AAA Investments, L.P. as set forth in AP Alternative Assets' prospectus.

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.

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 June		For the Six Months Ended June	
	30,		30,	
	2010	2009	2010	2009
INVESTMENT LOSS (ALLOCATED FROM AAA INVESTMENTS, L.P.)				
Interest, dividends and gains from short-term investments	\$ 2,696	\$ 4,776	\$ 6,564	\$ 15,007
Expenses	(6,698)	(8,430)	(13,453)	(18,213)
	<u>(4,002)</u>	<u>(3,654)</u>	<u>(6,889)</u>	<u>(3,206)</u>
Interest Income	2	—	2	—
EXPENSES				
General and administrative expenses	(828)	(672)	(1,587)	(1,320)
	<u>(828)</u>	<u>(672)</u>	<u>(1,587)</u>	<u>(1,320)</u>
NET INVESTMENT LOSS	(4,828)	(4,326)	(8,474)	(4,526)
REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)				
Net realized gains (losses) from sales/dispositions on investments	13,213	(6,226)	22,134	(67,626)
Net change in unrealized depreciation/appreciation of investment	(19,172)	276,888	87,745	192,516
	<u>(5,959)</u>	<u>270,662</u>	<u>109,879</u>	<u>124,890</u>
NET (LOSS) GAIN FROM INVESTMENTS	(5,959)	270,662	109,879	124,890
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (10,787)	\$ 266,336	\$ 101,405	\$ 120,364

Financial Schedule II

AP ALTERNATIVE ASSETS, L.P.		
STATEMENT OF ASSETS AND LIABILITIES		
(in thousands, except per unit amounts)		
	As of June 30, 2010 (unaudited)	As of December 31, 2009
ASSETS		
Investment in AAA Investments, L.P. (cost of \$1,737,337 and \$1,753,985 at June 30, 2010 and December 31, 2009, respectively)	\$ 1,411,281	\$ 1,324,939
Cash and cash equivalents	9,317	-
Other assets	838	431
TOTAL ASSETS	1,421,436	1,325,370
LIABILITIES		
Accounts payable and accrued liabilities	907	783
Due to affiliates	1,775	47
NET ASSETS	\$ 1,418,754	\$ 1,324,540
NET ASSETS CONSIST OF:		
Partners' capital contribution, net (96,938,398 and 97,006,895 net common units outstanding at June 30, 2010 and December 31, 2009, respectively)	\$ 1,831,374	\$ 1,831,771
Partners' capital distributions	(79,015)	(72,221)
Accumulated decrease in assets resulting from operations	(333,605)	(435,010)
	\$ 1,418,754	\$ 1,324,540
Net asset value per common unit	\$ 14.64	\$ 13.65
Market price per common unit	\$ 6.10	\$ 6.70

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,	
	2010	2009	2010	2009
INVESTMENT INCOME:				
Interest, dividends and gains from short-term investments	\$ 2,698	\$ 4,778	\$ 6,567	\$ 15,015
EXPENSES:				
Management fees	(3,171)	(2,338)	(6,531)	(4,190)
General and administrative expenses	(3,530)	(6,095)	(6,925)	(14,030)
NET INVESTMENT LOSS	(4,003)	(3,655)	(6,889)	(3,205)
REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS				
Net realized gains (losses) from sales/dispositions on investments	13,220	(6,229)	22,146	(67,663)
Net change in unrealized depreciation/appreciation on investments	<u>(16,898)</u>	<u>277,100</u>	<u>95,965</u>	<u>191,592</u>
NET (LOSS) GAIN FROM INVESTMENTS	(3,678)	270,871	118,111	123,929
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (7,681)</u>	<u>\$267,216</u>	<u>\$ 111,222</u>	<u>\$ 120,724</u>

Financial Schedule IV

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

	As of June 30, 2010 (Unaudited)	As of December 31, 2009
ASSETS		
Investments:		
Co-investments – Apollo Investment Fund VI and Apollo Investment Fund VII at fair value (cost of \$1,104,610 in 2010 and \$1,115,631 in 2009)	\$ 943,514	\$ 907,813
Investment in Apollo Strategic Value Offshore Fund, Ltd. at fair value (cost of \$124,761 in 2010 and \$144,111 in 2009)	164,184	184,575
Investment in Apollo Asia Opportunity Offshore Fund, Ltd. at fair value (cost of \$118,209 in 2010 and \$164,813 in 2009)	116,140	158,597
Investment in Apollo European Principal Finance Fund, L.P. at fair value (cost of \$146,131 in 2010 and \$103,081 in 2009)	143,898	111,152
Investment in AP Investment Europe Limited at fair value (cost of \$284,119 in 2010 and \$339,488 in 2009)	88,546	135,473
Investment in Opportunistic Investments at fair value (cost of \$98,002 in 2010 and 2009)	135,900	87,900
Total Investments	1,592,182	1,585,510
Cash and cash equivalents	363,085	389,371
Other assets	7,001	10,008
Due from affiliates	1,775	47
TOTAL ASSETS	1,964,043	1,984,936
LIABILITIES		
Borrowings under credit facility	537,500	650,000
Accounts payable and accrued liabilities	1,692	1,994
Due to affiliates	3,411	6,067
NET ASSETS	\$ 1,421,440	\$ 1,326,875
NET ASSETS CONSIST OF		
Partners' capital	\$ 1,726,173	\$ 1,742,830
Accumulated decrease in net assets resulting from operations	(304,733)	(415,955)
	\$ 1,421,440	\$ 1,326,875