



AP Alternative Assets Releases Financial Results for the Three Months Ended March 31, 2012

Guernsey, Channel Islands, May 8, 2012: AP Alternative Assets, L.P. (“AAA”, Euronext Amsterdam: AAA) today released its financial results for the three months ended March 31, 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

Capital Management Initiatives

- On February 10, 2012, AAA commenced an offer to purchase common units or restricted depositary units at prices ranging from \$9.20 to \$10.70 per unit. Under the terms of this tender offer, which was oversubscribed, AAA purchased 5.0 million units at a price per unit of \$10.00, or \$50 million in total (\$50.3 million including estimated expenses).
- Subsequent to the end of the first quarter, on April 20, 2012, AAA announced another tender offer to purchase for cash up to 5,555,555 of its outstanding units at a range of \$9.00 to \$10.50 per unit for a maximum aggregate payment amount of up to \$50 million.

Net Asset Value for AAA

- Net asset value at March 31, 2012 was \$1,580.2 million, or \$18.55 per unit, representing an increase of \$100.6 million, or \$2.14 per unit during the quarter.

Operating Results for the Investment Partnership

- The net gain from investments was \$153.0 million for the three months ended March 31, 2012.
- The Investment Partnership had \$204.8 million in cash and cash equivalents at March 31, 2012.
- The Investment Partnership had \$231.1 million in cash and cash equivalents at May 4, 2012.

Management Commentary

Marc Rowan, Senior Managing Director of AAA’s investment manager, said “We continue to 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 45% discount to net asset value, we view repurchases of our own units as the most attractive investment alternative to deliver superior value to AAA’s unitholders. To that end, during the first quarter of 2012 we successfully completed a tender offer, which was oversubscribed, for \$50 million of AAA’s units. In addition, in April of 2012 we launched another tender offer for an additional \$50 million of AAA’s units.”

Mr. Rowan continued, “We remain enthusiastic regarding our existing portfolio of investments and the opportunities that are available to us as we continue to seek to create value for AAA’s unitholders.”

Capital Management

The Investment Partnership had \$204.8 million of cash and cash equivalents at March 31, 2012 and \$402.5 million of borrowings outstanding under its existing term loan facility at March 31, 2012. Subsequent to March 31, 2012, the Investment Partnership prepaid \$35.6 million of the senior secured term loan as a result of certain asset sales and investment realizations. As a result of these prepayments, the borrowings outstanding under the term loan facility as of May 7, 2012 were \$366.9 million.

Sources and Uses of Cash

The main sources and uses of cash by the Investment Partnership between December 31, 2011 and March 31, 2012 were as follows:

Sources of Cash	<u>\$mm</u>
Net Dividend and Partial sale of shares of Noranda	\$18.1
Sale of interest in Apollo European Principal Finance Fund	16.2
Other net private equity co-investment distributions	4.6
Distributions from Apollo Asia Opportunity Offshore Fund	3.8
Distributions from Apollo European Principal Finance Fund	2.7
Uses of Cash	
February Tender Offer	(50.0)
Carried interest related to co-investments alongside Apollo Investment Fund VII	(8.0)
Investment in GA Data Holdings	(1.7)
Net expenses (management fee, interest, other expenses)	<u>(10.8)</u>
Net cash outflows between December 31, 2011 and March 31, 2012	<u><u>\$(25.1)</u></u>

Tender Offer

On April 20, 2012, AAA announced a tender offer (the “April Tender Offer”) to purchase a portion of its outstanding units for a maximum aggregate payment of up to \$50.0 million of cash. The April Tender Offer will be conducted as a modified “Dutch Auction” with investors able to tender their units at prices ranging from \$9.00 to \$10.50 per unit.

Eligible unitholders and restricted depositary unitholders will be able to apply to tender none, any or all of their units. All units will be repurchased at the same price, which will be the lowest price level at which \$50.0 million of units can be repurchased (“Tender Clearing Price”). The tender will be filled in the order of tender elections from the lowest price tendered to the highest, but not to exceed the Tender Clearing Price. AAA will not acquire units which have been tendered above the Tender Clearing Price.

The April Tender Offer is expected to be open to unitholders and restricted depositary unitholders that (i) do not reside in and are not citizens of Italy, Japan, Australia or South Africa and (ii) are, in the case of unitholders that reside in or are citizens of the United Kingdom, persons (i) who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005 (the “Order”), or (ii) who are high net worth companies falling within Article 49(2)(a) of the Order, or (iii) who are other persons to whom the Tender Offer may be lawfully communicated.

The April Tender Offer itself and the full details thereof are provided in an April Tender Offer document available on AAA’s website (www.apolloalternativeassets.com). Details may be amended or supplemented from time to time on the basis set out therein.

On February 10, 2012, AAA commenced an offer (the “February Tender Offer”) to purchase common units or restricted depositary units, at prices ranging from \$9.20 to \$10.70 per unit. Under the terms of the February Tender Offer, which was oversubscribed, AAA purchased 5.0 million units at a price per unit of \$10.00. The amount tendered was \$50.0 million, (\$50.3 million inclusive of estimated expenses), and the units acquired in the February Tender Offer were cancelled.

It has been determined that in 2012, the Investment Partnership will not make a tax distribution related to the 2011 taxable income generated by the Investment Partnership, and at the current time, intends to retain the available cash that would have otherwise been available to pay a tax distribution to further enable the Investment Partnership to execute tender offers or make other acquisitions of units if and when deemed appropriate.

Net Asset Value

At March 31, 2012, AAA had net assets of \$1,580.2 million, including its share of the net assets of the Investment Partnership, as follows:

	<u>Net Asset Value as of</u> (in \$ millions)	
	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
Gross Asset Value:		
Cash	\$204.8	\$229.9
Private Equity Co-investments	1,025.0	903.7
Capital Markets Funds:		
Apollo Strategic Value Offshore Fund, Ltd.	176.8	164.8
Apollo Asia Opportunity Offshore Fund, Ltd.	84.2	86.3
Other Apollo Capital Markets Funds	63.8	80.6
Athene	431.6	430.8
Other ¹	(3.5)	(14.1)
Debt	<u>(402.5)</u>	<u>(402.5)</u>
Net Asset Value	<u>\$1,580.2</u>	<u>\$1,479.5</u>
Net Asset Value per Unit	\$18.55	\$16.41

¹ Includes Other Opportunistic Investment, Other Assets & Liabilities and General Partner Interest. General Partner Interest is primarily comprised of carry receivable of \$14.1 million at March 31, 2012, \$22.1 million at December 31, 2011 and \$15.6 million at March 31, 2011 related to private equity co-investments and Athene.

Operating Results for AAA

At March 31, 2012, AAA's net asset value was \$1,580.2 million, or \$18.55 per unit, representing an increase in net asset value after distributions and contributions of \$100.6 million, or \$2.14 per unit, during the three months ended March 31, 2012. The following table details the change in NAV per unit during the quarter ended March 31, 2012:

Per unit operating performance:	For the Quarter Ended March 31, 2012
Net asset value at the beginning of the period	\$ 16.41
Income from investment operations:	
Net investment income	0.00
Net gain from investments	1.72
Total from investment operations	1.72
Capital distributions	(0.02)
Share repurchases	(0.57)
Accretion from share repurchases/effect of dilution	1.01
Net asset value at end of the period	\$ 18.55

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	
	March 31, 2012	March 31, 2011
Net realized gains from sales/dispositions on investments	\$14.0	\$22.1
Net change in unrealized depreciation/appreciation on investments	139.0	124.4
Net gain from investments	153.0	146.5
Investment Income	10.2	4.8
Expenses	(9.4)	(8.1)
Net Increase in Net Assets Resulting from Operations	\$153.8	\$143.2

The net increase in net assets resulting from operations was approximately \$153.8 million for the three months ended March 31, 2012, which was primarily driven by the net gain from investments. The table below details net 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	
	March 31, 2012	March 31, 2011
Private Equity:		
Chemicals	\$ (9.7)	\$ 25.7
Consumer and Retail	3.8	17.2
Debt Investment Vehicles	45.9	12.7
Distribution and Transportation	33.3	9.2
Financial and Business Services	0.8	(0.1)
Manufacturing and Industrial	25.7	8.1
Media, Cable & Leisure	11.6	25.9
Packaging and Materials	24.9	17.9
Total Private Equity	136.3	116.6
Capital Markets Funds:		
Apollo Strategic Value Offshore Fund, Ltd.	12.0	8.2
Apollo Asia Opportunity Offshore Fund, Ltd.	1.6	(0.6)
Other Apollo Capital Markets Funds	2.1	19.8
Athene	0.8	2.5
Other	0.2	-
Net Gain (Loss) from Investments	\$ 153.0	\$ 146.5

During the three months ended March 31, 2012, the net gain from investments was primarily driven by unrealized appreciation in the private equity investment portfolio. During the three months ended March 31, 2012, the debt investment vehicles provided \$45.9 million to the net gain from investments, while the distribution and transportation, the manufacturing and industrial, and the packaging and materials sectors contributed \$83.9 million to the net gain from investments while investments in the chemicals sector partially reduced the net gain from investments by \$9.7 million. The Apollo Strategic Value Fund also contributed \$12.0 million to the net investment gain.

During the first quarter of 2012, the Investment Partnership recognized realized gains from sales/distributions on investments of \$14.0 million, primarily from the partial sale of the investment in Noranda Aluminum which generated net realized gains from sales of \$12.3 million.

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.

Contacts

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Conference Call

AAA will host a conference call on Tuesday, May 8th, 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 first 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 June 7, 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 21 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 March 31, 2012	For the Three Months Ended March 31, 2011
INVESTMENT INCOME (LOSS) (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Interest, dividends and gains from short-term investments	\$ 10,178	\$ 4,777
Expenses	(9,388)	(8,117)
	790	(3,340)
EXPENSES		
General and administrative expenses	(656)	(626)
NET INVESTMENT INCOME (LOSS)	134	(3,966)
REALIZED AND UNREALIZED GAINS FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Net realized gains from sales/dispositions on investments	13,964	22,060
Net change in unrealized depreciation on investments	138,938	121,380
NET GAIN FROM INVESTMENTS	152,902	143,440
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 153,036	\$ 139,474

Financial Schedule II

AP ALTERNATIVE ASSETS, L.P.		
STATEMENT OF ASSETS AND LIABILITIES		
(in thousands, except per unit amounts)		
	As of March 31, 2012 (unaudited)	As of December 31, 2011
ASSETS		
Investment in AAA Investments, L.P. (cost of \$1,610,928 and \$1,662,999 at March 31, 2012 and December 31, 2011, respectively)	\$ 1,581,773	\$ 1,480,152
Other assets	131	327
TOTAL ASSETS	1,581,904	1,480,479
LIABILITIES		
Accounts payable and accrued liabilities	866	727
Due to affiliates	871	229
NET ASSETS	\$ 1,580,167	\$ 1,479,523
NET ASSETS CONSIST OF:		
Partners' capital contribution, 85,183,200 and 90,183,200 net common units outstanding at March 31, 2012 and December 31, 2011, respectively)	\$ 1,733,489	\$ 1,783,810
Partners' capital distributions	(112,210)	(110,139)
Accumulated decrease in assets resulting from operations	(41,112)	(194,148)
	\$ 1,580,167	\$ 1,479,523
Net asset value per common unit	\$ 18.55	\$ 16.41
Market price per common unit	\$ 9.45	\$ 8.45

Financial Schedule III

AAA INVESTMENTS, L.P.		
STATEMENT OF OPERATIONS (unaudited)		
(in thousands)		
	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
INVESTMENT INCOME:		
Interest, dividends and gains from short-term investments	\$ 10,184	\$ 4,779
EXPENSES:		
Management fees	(4,493)	(4,654)
General and administrative expenses	(4,898)	(3,465)
NET INVESTMENT INCOME (LOSS)	793	(3,340)
REALIZED AND UNREALIZED GAINS FROM INVESTMENTS		
Net realized gains from sales/dispositions on investments	13,972	22,072
Net change in unrealized depreciation/appreciation on investments	139,022	124,467
NET GAIN FROM INVESTMENTS	152,994	146,539
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 153,787	\$ 143,199

Financial Schedule IV

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

	As of March 31, 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 \$1,023,608 in 2012 and \$1,026,471 in 2011)	\$ 1,024,968	\$ 903,745
Investment in Apollo Strategic Value Offshore Fund, Ltd. at fair value (cost of \$105,889 in 2012 and \$105,889 in 2011)	176,768	164,811
Investment in Apollo Asia Opportunity Offshore Fund, Ltd. at fair value (cost of \$84,811 in 2012 and \$88,166 in 2011)	84,196	86,329
Investment in Other Apollo Capital Markets Funds at fair value (cost of \$227,033 in 2012 and \$244,610 in 2011)	63,823	80,630
Investment in Opportunistic Investment at fair value (cost of \$358,241 in 2012 and \$358,241 in 2011)	431,600	430,800
Investment in Other Opportunistic Investment at fair value (cost of \$14,660 in 2012 and \$12,953 in 2011)	14,108	12,214
Total Investments	1,795,463	1,678,529
Cash and cash equivalents	204,774	229,892
Other assets	2,506	2,349
Due from affiliates	3,644	3,002
TOTAL ASSETS	2,006,387	1,913,772
LIABILITIES		
Borrowings under credit facility	402,500	402,500
Accounts payable and accrued liabilities	2,074	1,228
Due to affiliates	4,993	6,944
NET ASSETS	\$ 1,596,820	\$ 1,503,100
NET ASSETS CONSIST OF		
Partners' capital	\$ 1,591,727	\$ 1,651,794
Accumulated increase (decrease) in net assets resulting from operations	5,093	(148,694)
	\$ 1,596,820	\$ 1,503,100