



AP ALTERNATIVE ASSETS RELEASES ITS FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2011

Guernsey, Channel Islands, May 12, 2011: AP Alternative Assets, L.P. (“AAA”, Euronext Amsterdam: AAA) today released its financial results for the quarter ended March 31, 2011.

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 quarter ended March 31, 2011 included the following:

- Net asset value at March 31, 2011 was \$1,776.2 million, or \$19.70 per unit, representing an increase of \$139.5 million, or \$1.54 per unit during the quarter.

Operating results for the Investment Partnership for the quarter ended March 31, 2011 included the following:

- The net gain from investments for the three months ended March 31, 2011 was a positive impact of \$146.5 million.
- The Investment Partnership had \$401.1 million in cash and cash equivalents and net debt of \$136.4 million¹ at March 31, 2011.

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Conference Call

The company will discuss its financial results during a conference call on Thursday, May 12, 2011 at 2 p.m. CEST (Amsterdam) / 1 p.m. BST (London) / 8 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 June 12, 2011, via the company’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.

The company does not intend to take questions during the live conference call. However, questions can be sent via email in advance of the call to inquiries@apolloalternativeassets.com, and management may address these questions during the call.

¹ Net debt is defined as total debt outstanding less cash.

About AAA

AP Alternative Assets, L.P. 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 21 years of experience investing across the capital structure of leveraged companies. AP Alternative Assets, L.P. 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 AP Alternative Assets, L.P., please visit www.apolloalternativeassets.com.

Operating Results

At March 31, 2011, AAA's net asset value was \$1,776.2 million, or \$19.70 per unit, representing an increase of \$139.5 million, or \$1.54 per unit, during the three months ended March 31, 2011.

For the three months ended March 31, 2011, the net increase in net assets from operations of AAA was \$139.5 million, or \$1.54 per common unit, versus a net increase in net assets from operations of \$112.2 million, or \$1.16 per common unit, for the three months ended March 31, 2010.

AAA derives the majority of its results from operations, except for direct expenses, from its interest in the Investment Partnership. At March 31, 2011, the Investment Partnership represented 100.1% of the net assets of AAA.

Operating results for the Investment Partnership for the quarter ended March 31, 2011 and 2010 were highlighted by the following:

- The net increase in net assets resulting from operations was approximately \$143.2 million and \$118.9 million for the three months ended March 31, 2011 and 2010, respectively.
- The net change in unrealized appreciation on investments for the quarter ended March 31, 2011 was a positive impact of \$124.5 million. The primary drivers of these positive results in the quarter ended March 31, 2011 were as follows:
 - Private equity co-investments had a net change in unrealized appreciation of \$95.4 million for the quarter ended March 31, 2011, compared to a net change in unrealized depreciation of \$62.6 million for the quarter ended March 31, 2010. The positive net change in unrealized appreciation for the three months ended March 31, 2011 is attributable to a change in the fair value of certain of our portfolio companies, particularly those in the media, cable and leisure, chemicals, packaging and materials and consumer and retail sectors.
 - Capital markets investments had a net change in unrealized appreciation/depreciation of \$26.6 million for the quarter ended March 31, 2011, compared to a net change in unrealized appreciation/depreciation of \$12.8 million for the quarter ended March 31, 2010. The primary drivers of these capital markets results in the quarter ended March 31, 2011 were as follows:
 - Investment in Apollo Strategic Value Offshore Fund, Ltd. ("SVF") had a net change in unrealized appreciation of \$8.2 million for the quarter ended March 31, 2011 compared to a net change in unrealized appreciation of \$(0.7) million for the quarter ended March 31, 2010. During the first quarter of 2011, SVF's positive performance reflected improved company fundamentals and the realization of the fund's investment thesis in a select number of holdings. On a sector level, the primary contributors to return were holdings in the building materials and housing, media and communications and auto sectors. Positive performance during the quarter was partially offset by holdings in the transportation and industrial sectors.
 - Investment in Other Apollo Capital Markets Funds, which is comprised of investments in Apollo Investment Europe ("AIE"), Apollo European Principal Finance Fund, L.P. "EPF"), and Apollo Credit Senior Loan Fund, had a change

in net unrealized depreciation of \$19.7 million for the quarter ended March 31, 2011, which was driven primarily by the following:

- » For the three months ended March 31, 2011, the net change in unrealized depreciation of the investment in AIE was \$13.2 million. AIE continued to perform well during the first quarter of 2011, benefitting from continued inflows into bond and loan funds, coupled with limited new issuance in the European loan market, which drove strong demand for assets in the secondary market. Performance was driven by positions in the manufacturing and industrials and chemicals sectors. The net change in unrealized depreciation for the three months ended March 31, 2011 was also partially impacted by an unrealized gain of approximately \$4.3 million as a result of foreign currency movements.
 - » For the three months ended March 31, 2011, the investment in EPF had a net change in unrealized appreciation of \$6.0 million. The positive net change in unrealized appreciation for the three months ended March 31, 2011 was primarily driven by foreign currency movements on the Investment Partnership's euro-denominated investment and better than expected loan resolutions primarily in non-performing loan portfolios. For the three months ended March 31, 2011, the investment was positively impacted by approximately \$3.7 million as a result of foreign currency movements.
- Net realized gains from sales or dispositions of the Investment Partnership were \$22.1 million for the quarter ended March 31, 2011, compared to gains of \$8.9 million for the quarter ended March 31, 2010. For the quarter ended March 31, 2011, net realized gains from sales primarily relate to the realized gains of \$21.2 million from the sale of assets from the debt investment vehicles and \$0.7 million from the redemptions of Apollo Asia Opportunity Fund.
 - For the quarter ended March 31, 2011, the Investment Partnership's expenses approximated \$8.1 million, compared to expenses of \$6.8 million for the quarter ended March 31, 2010. These expenses primarily relate to ongoing operating expenses, including interest expense. For the three months ended March 31, 2011, the increase in investment expense and general and administrative expenses is primarily due to increased management fees as a result of an increase in investment values and increased deal-related expenses, offset in part by lower interest expense as a result of reduced outstanding borrowings on the credit facility.

Net Asset Value

At March 31, 2011, AAA had net assets of \$1,776.2 million, including its share of the net assets of the Investment Partnership, as follows:

	<u>Net Asset Value at March 31, 2011</u>
	(in millions)
Gross Asset Value:	
Cash	\$401.1
Private Equity Co-investments	1,231.6
Capital Markets Funds:	
Apollo Strategic Value Offshore Fund, Ltd.	168.5
Apollo Asia Opportunity Offshore Fund, Ltd.	104.4
Other Apollo Capital Markets Funds	173.0
Other Opportunistic Investment	252.4
Debt	(537.5)
Other Assets & Liabilities	(0.7)
General Partner Interest	(16.6)
Net Asset Value	<u>\$1,776.2</u>

Sources of Cash and Liquidity

The Investment Partnership had \$401.1 million in cash and cash equivalents at March 31, 2011 and the Investment Partnership had \$537.5 million of borrowings outstanding under its existing revolving credit facility at March 31, 2011.

The Boards of Directors of the Managing General Partner and the Managing Investment Partner extended the unit purchase program through December 31, 2011. This program allows AAA to purchase, either directly or through one or more of its affiliates, AAA units for up to a maximum aggregate consideration of \$25 million, which represents 2.0 million units based on the closing price at March 31, 2011. In light of these approvals, 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.

In fulfillment of Apollo's obligation to reinvest a portion of the carried interests received by it in respect of investments made by the Investment Partnership as set forth in its prospectus, on April 29, 2011, AAA issued 24,482 common units, in the form of restricted depository units, to AAA Holdings, L.P., an affiliate of Apollo, at a price of \$12.56 per unit.

The Board of Directors of AAA's general partner declared a distribution of \$0.31 per unit payable on or about June 22, 2011 to unitholders of record immediately after the closing of business in Amsterdam on June 10, 2011 with an ex-dividend date of June 8, 2011. Because the distribution was declared subsequent to March 31, 2011, the aggregate distribution payable of \$28.0 million is not yet reflected in AAA's net asset value as of March 31, 2011.

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 March 31, 2011	For the Three Months Ended March 31, 2010
INVESTMENT LOSS (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Interest, dividends and gains from short-term investments	\$ 4,777	\$ 3,868
Expenses	(8,117)	(6,754)
	<u>(3,340)</u>	<u>(2,886)</u>
EXPENSES		
General and administrative expenses	(626)	(759)
	<u>(626)</u>	<u>(759)</u>
NET INVESTMENT LOSS	<u>(3,966)</u>	<u>(3,645)</u>
REALIZED AND UNREALIZED GAINS FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Net realized gains from sales/dispositions on investments	22,060	8,921
Net change in unrealized appreciation/depreciation of investments	121,380	106,916
	<u>143,440</u>	<u>115,837</u>
NET GAIN FROM INVESTMENTS	<u>143,440</u>	<u>115,837</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 139,474</u>	<u>\$ 112,192</u>

Financial Schedule II

AP ALTERNATIVE ASSETS, L.P.		
STATEMENT OF ASSETS AND LIABILITIES		
(in thousands, except per unit amounts)		
	As of March 31, 2011 (unaudited)	As of December 31, 2010
ASSETS		
Investment in AAA Investments, L.P. (cost of \$1,695,992 and \$1,695,992 at March 31, 2011 and December 31, 2010, respectively)	\$ 1,777,191	\$ 1,637,091
Other assets	152	381
TOTAL ASSETS	1,777,343	1,637,472
LIABILITIES		
Accounts payable and accrued liabilities	500	581
Due to affiliates	653	175
NET ASSETS	\$ 1,776,190	\$ 1,636,716
NET ASSETS CONSIST OF:		
Partners' capital contribution, net 90,148,642 and 90,148,642 net common units outstanding at March 31, 2011 and December 31, 2010, respectively)	\$ 1,783,378	\$ 1,783,378
Partners' capital distributions	(79,009)	(79,009)
Accumulated increase (decrease) in assets resulting from operations	71,821	(67,653)
	\$ 1,776,190	\$ 1,636,716
Net asset value per common unit	\$ 19.70	\$ 18.16
Market price per common unit	\$ 12.25	\$ 8.83

Financial Schedule III

AAA INVESTMENTS, L.P.		
STATEMENT OF OPERATIONS (unaudited)		
(in thousands)		
	For the Three Months Ended March 31, 2011	For the Three Months Ended March 31, 2010
INVESTMENT INCOME:		
Interest, dividends and gains from short-term investments	\$ 4,779	\$ 3,870
EXPENSES:		
Management fees	(4,654)	(3,360)
General and administrative expenses	(3,465)	(3,396)
NET INVESTMENT LOSS	(3,340)	(2,886)
REALIZED AND UNREALIZED GAINS FROM INVESTMENTS		
Net realized gains from sales/dispositions on investments	22,072	8,926
Net change in unrealized appreciation/depreciation on investments	124,467	112,863
NET GAIN FROM INVESTMENTS	146,539	121,789
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 143,199	\$ 118,903

Financial Schedule IV

AAA INVESTMENTS, L.P.		
STATEMENT OF ASSETS AND LIABILITIES		
(in thousands)		
	As of March 31, 2011 (unaudited)	As of December 31, 2010
ASSETS		
Investments:		
Co-investments – Apollo Investment Fund VI and Apollo Investment Fund VII at fair value (cost of \$1,079,203 in 2011 and \$1,099,111 in 2010)	\$ 1,231,576	\$ 1,156,112
Investment in Apollo Strategic Value Offshore Fund, Ltd. at fair value (cost of \$113,772 in 2011 and \$113,772 in 2010)	168,466	160,262
Investment in Apollo Asia Opportunity Offshore Fund, Ltd. at fair value (cost of \$98,247 in 2011 and \$102,530 in 2010)	104,441	110,029
Investment in Other Apollo Capital Markets Funds at fair value (cost of \$329,515 in 2011 and \$339,239 in 2010)	172,966	162,996
Investment in Opportunistic Investments at fair value (cost of \$201,098 in 2011 and \$201,098 in 2010)	252,400	249,900
Total Investments	1,929,849	1,839,299
Cash and cash equivalents	401,116	349,599
Other assets	5,952	6,338
Due from affiliates	653	175
TOTAL ASSETS	2,337,570	2,195,411
LIABILITIES		
Borrowings under credit facility	537,500	537,500
Accounts payable and accrued liabilities	1,492	1,734
Due to affiliates	4,772	5,570
NET ASSETS	\$ 1,793,806	\$ 1,650,607
NET ASSETS CONSIST OF		
Partners' capital	\$ 1,684,805	\$ 1,684,805
Accumulated increase (decrease) in net assets resulting from operations	109,001	(34,198)
	\$ 1,793,806	\$ 1,650,607