



## AP ALTERNATIVE ASSETS RELEASES ITS FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2010

*Guernsey, Channel Islands, May 11, 2010:* AP Alternative Assets, L.P. (“AAA”, Euronext Amsterdam: AAA) today released its financial results for the quarter ended March 31, 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 quarter ended March 31, 2010 included the following:

- Net asset value at March 31, 2010 was \$1,436.8 million, or \$14.81 per unit, representing an increase of \$112.2 million, or \$1.16 per unit, during the quarter.

Operating results for the Investment Partnership for the quarter ended March 31, 2010 included the following:

- The net change in unrealized valuation on investments for the three months ended March 31, 2010 was a positive impact of \$112.9 million.
- The Investment Partnership had \$479.7 million in cash and cash equivalents at March 31, 2010, and \$457.0 million in cash and cash equivalents as of May 7, 2010.
- In connection with its ongoing deleveraging strategy, during the quarter ended March 31, 2010, the Investment Partnership permanently reduced its revolving credit facility by \$37.5 million to \$612.5 million.

### Contacts

AP Alternative Assets:  
Barry Giarraputo +1 (212) 515 3478

Press Contact:  
Ed Gascoigne-Pees +44 (0) 207 269 7132

### Conference Call

The company will discuss its financial results during a conference call on Tuesday, May 11, 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 June 10, 2010, via the company’s website at [www.apolloalternativeassets.com](http://www.apolloalternativeassets.com).

A short presentation will be made available on AAA’s website at [www.apolloalternativeassets.com](http://www.apolloalternativeassets.com) prior to the conference call.

## 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 20 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](http://www.apolloalternativeassets.com).

## Operating Results

At March 31, 2010, AAA's net asset value was \$1,436.8 million, or \$14.81 per unit, representing an increase of \$112.2 million, or \$1.16 per unit, during the three months ended March 31, 2010.

For the three months ended March 31, 2010, the net increase in net assets from operations of AAA was \$112.2 million, or \$1.16 per common unit, versus a net decrease in net assets from operations of \$146.0 million, or \$1.50 per common unit, for the three months ended March 31, 2009.

AAA derives the majority of its results from operations, except for direct expenses, from its interest in the Investment Partnership. At March 31, 2010, the Investment Partnership represented 100.0% of the net assets of AAA.

Operating results for the Investment Partnership for the quarter ended March 31, 2010 and 2009 were highlighted by the following:

- The net increase (decrease) in net assets resulting from operations was approximately \$118.9 million and \$(146.5) million for the three months ended March 31, 2010 and 2009, respectively.
- The net change in unrealized depreciation on investments for the quarter ended March 31, 2010 was a positive impact of \$112.9 million. The primary drivers of these positive results in the quarter ended March 31, 2010 were as follows:
  - Private equity co-investments had a change in net life-to-date unrealized depreciation of \$62.6 million for the quarter ended March 31, 2010, compared to a net change in unrealized depreciation of \$(65.6) million for the quarter ended March 31, 2009. The positive change in unrealized depreciation for the three months ended March 31, 2010 is attributable to a change in the fair value of a number of underlying portfolio companies, particularly those in the packaging and materials and media, cable and leisure sectors, as well as certain of our debt investment vehicles.
  - Capital markets investments had a change in net unrealized appreciation/depreciation of \$12.8 million for the quarter ended March 31, 2010, compared to a change in net unrealized depreciation of \$(19.1) million for the quarter ended March 31, 2009. The primary drivers of these capital markets results in the quarter ended March 31, 2010 were as follows:
    - Investment in Apollo Strategic Value Offshore Fund, Ltd. ("SVF") had a net change in unrealized appreciation of \$(0.7) million compared to a net change in unrealized depreciation of \$20.9 million for the quarter ended March 31, 2009. During the first quarter of 2010, SVF's slightly negative performance was driven by its holdings in the energy, building materials and housing and rental and services sector, which was partially offset by gains in the transportation, consumer and industrial sectors.
    - Investment in AP Investment Europe Limited ("AIE") had a net change in unrealized depreciation of \$14.6 million for the quarter ended March 31, 2010, compared to a net change in unrealized depreciation of \$(32.4) million for the quarter ended March 31, 2009. AIE's strong performance during the quarter reflected a continued rebound in the global credit markets and overall positive earnings performance in its portfolio companies. Primary drivers of AIE's

positive performance were investments in the chemicals, media, cable and leisure, packaging and materials, and financial and business sectors.

- Investment in Apollo Asia Opportunity Offshore Fund, Ltd. (“AAOF”) had a change in net unrealized depreciation of \$2.5 million for the quarter ended March 31, 2010, compared to a change in net unrealized depreciation of \$(1.7) million for the quarter ended March 31, 2009. During the first quarter of 2010, AAOF’s biggest performance contributors were holdings in the financials, metals and mining and real estate sectors. Positive performance during the quarter was partially offset by weakness in holdings in the sovereign bond and oil and gas sectors. Holdings in India, Malaysia and Indonesia added the most value during the quarter while holdings in China detracted from value.
- Investment in Apollo European Principal Finance Fund, L.P. (“EPF”) had a change in net unrealized appreciation of \$(3.6) million for the quarter ended March 31, 2010, compared to a change in unrealized depreciation of \$(5.9) million for the quarter ended March 31, 2009. For the three months ended March 31, 2010, AAA’s investment in EPF was negatively impacted by approximately \$7.0 million 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 \$37.5 million for the quarter ended March 31, 2010 primarily due to Apollo Life Re Ltd.’s (“Athene”) acquisition of additional policies, which increased the business by approximately 25%. In addition, the portfolio yield rose as Athene diversified its asset mix.
- Net realized gains (losses) from sales or dispositions of the Investment Partnership were \$8.9 million for the quarter ended March 31, 2010. For the three months ended March 31, 2010, net realized gains from sales primarily relate to realized gains of \$16.5 million from the sale of the Investment Partnership’s interest in Huntsman Corporation notes and \$5.6 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 capital value of the private equity co-investment in Jacuzzi Brands and realized losses of \$1.0 million and \$1.4 million, respectively, from the redemptions of SVF and AAOF.
- Investment income of the Investment Partnership was \$3.9 million for the quarter ended March 31, 2010, compared to \$10.2 million for the quarter ended March 31, 2009. Investment income for the three months ended March 31, 2010 primarily represented distributions of interest income from the debt investment vehicles and accrued interest income from interest bearing securities of portfolio companies.
- For the quarter ended March 31, 2010, the Investment Partnership’s expenses approximated \$6.8 million, compared to expenses of \$9.8 million for the quarter ended March 31, 2009. These expenses primarily relate to ongoing operating expenses, including interest expense. For the three months ended March 31, 2010, the decrease in investment expense and general and administrative expenses is primarily due to lower interest expense as a result of reduced outstanding borrowings on the credit facility.

## **Net Asset Value**

At March 31, 2010, AAA had net assets of \$1,436.8 million, including its share of the net assets of the Investment Partnership, as follows:

|   | <b><u>Net Asset<br/>Value at<br/>March 31,<br/>2010</u></b> |
|---|---|
|   | (in millions)   |
| Gross Asset Value:                              |   |
| Cash  | \$479.7   |
| Private Equity Co-investments                   | 920.1   |
| Capital Markets Funds:                          |   |
| Apollo Strategic Value Offshore<br>Fund, Ltd.   | 172.5   |
| Apollo Asia Opportunity Offshore<br>Fund, Ltd.  | 116.6   |
| Apollo European Principal<br>Finance Fund, L.P. | 117.1   |
| AP Investment Europe Limited                    | 125.0   |
| Other Opportunistic Investment                  | 125.4   |
| Debt  | (612.5)   |
| Other Assets & Liabilities                      | 0.8   |
| General Partner Interest                        | (7.9)   |
| Net Asset Value                                 | <u>\$1,436.8</u>  |

### **Sources of Cash and Liquidity**

The Investment Partnership had \$479.7 million in cash and cash equivalents at March 31, 2010 and \$457.0 million in cash and cash equivalents as of May 7, 2010. As of March 31, 2010 and May 7, 2010, the Investment Partnership had \$612.5 million of borrowings outstanding under its existing credit facility.

In connection with the Investment Partnership's ongoing deleveraging strategy, in February 2010 the Investment Partnership purchased \$37.5 million of its own debt for a purchase price of 85% of par value, or \$31.9 million with a realized gain on extinguishment of \$5.6 million. As a result of this purchase, the revolving credit facility was permanently reduced to \$612.5 million.

Pursuant to a meeting on May 10, 2010, the Board of Directors of AAA's general partner declared a distribution of \$0.07 per unit payable on or about June 22, 2010 to unitholders of record immediately after the closing of business in Amsterdam on June 10, 2010 with an ex-dividend date of June 8, 2010. Because the distribution was declared subsequent to March 31, 2010, the aggregate distribution payable of \$6.8 million is not yet reflected in AAA's net asset value as of March 31, 2010.

The Boards of Directors of the Managing General Partner and the Managing Investment Partner approved the extension of the unit purchase program to December 31, 2010 from June 30, 2010. 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 3.5 million units based on the closing price at March 31, 2010. 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.

## **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](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.

---

**Financial Schedules Follow**

Financial Schedule I

| <b>AP ALTERNATIVE ASSETS, L.P.</b>  |  |  |
|---|--|--|
| <b>STATEMENT OF OPERATIONS (unaudited)</b>  |  |  |
| <b>(in thousands)</b>   |  |  |
|   | For the<br>Three Months<br>Ended<br>March 31, 2010 | For the<br>Three Months<br>Ended<br>March 31, 2009 |
| <b>INVESTMENT (LOSS) INCOME (ALLOCATED FROM AAA INVESTMENTS, L.P.)</b>                                |  |  |
| Interest, dividends and gains from short-term investments   | \$ 3,868   | \$ 10,231  |
| Expenses  | (6,754)  | (9,783)  |
|   | (2,886)  | 448  |
| <b>EXPENSES</b>   |  |  |
| General and administrative expenses   | (759)  | (648)  |
| <b>NET INVESTMENT LOSS</b>  | <b>(3,645)</b>                                     | <b>(200)</b>                                       |
| <b>REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)</b> |  |  |
| Net realized gains (losses) from sales/dispositions on investments                                    | 8,921  | (61,400)   |
| Net change in unrealized depreciation of investments  | 106,916  | (84,371)   |
| <b>NET GAIN (LOSS) FROM INVESTMENTS</b>   | <b>115,837</b>                                     | <b>(145,771)</b>                                   |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>                                | <b>\$ 112,192</b>                                  | <b>\$ (145,971)</b>                                |

Financial Schedule II

| <b>AP ALTERNATIVE ASSETS, L.P.</b>   |  |                               |
|--|--|-------------------------------|
| <b>STATEMENT OF ASSETS AND LIABILITIES (unaudited)</b>   |  |                               |
| <b>(in thousands, except per unit amounts)</b>   |  |                               |
|  | As of<br>March 31, 2010<br>(unaudited) | As of<br>December 31,<br>2009 |
| <b>ASSETS</b>  |  |                               |
| Investment in AAA Investments, L.P. (cost of \$1,754,042 and \$1,753,985 at March 31, 2010 and December 31, 2009, respectively)                | \$ 1,437,947                           | \$ 1,324,939                  |
| Other assets   | 173                                    | 431                           |
| <b>TOTAL ASSETS</b>  | <b>1,438,120</b>                       | <b>1,325,370</b>              |
| <b>LIABILITIES</b>   |  |                               |
| Accounts payable and accrued liabilities   | 747                                    | 783                           |
| Due to affiliates  | 584                                    | 47                            |
| <b>NET ASSETS</b>  | <b>\$ 1,436,789</b>                    | <b>\$ 1,324,540</b>           |
| <b>NET ASSETS CONSIST OF:</b>  |  |                               |
| Partners' capital contribution, net (97,014,485 and 97,006,895 common units outstanding at March 31, 2010 and December 31, 2009, respectively) | \$ 1,831,828                           | \$ 1,831,771                  |
| Partners' capital distributions  | (72,221)                               | (72,221)                      |
| Accumulated decrease in assets resulting from operations   | (322,818)                              | (435,010)                     |
|  | <b>\$ 1,436,789</b>                    | <b>\$ 1,324,540</b>           |
| Net asset value per common unit  | <b>\$ 14.81</b>                        | <b>\$ 13.65</b>               |
| Market price per common unit   | <b>\$ 7.20</b>                         | <b>\$ 6.70</b>                |

Financial Schedule III

| <b>AAA INVESTMENTS, L.P.</b>   |   |   |
|--|---|---|
| <b>STATEMENT OF OPERATIONS (unaudited)</b>                             |   |   |
| <b>(in thousands)</b>  |   |   |
|  | For the Three Months<br>Ended<br>March 31, 2010 | For the Three Months<br>Ended<br>March 31, 2009 |
| <b>INVESTMENT INCOME</b>   |   |   |
| Interest, dividends and gains from short-term investments              | \$ 3,870  | \$ 10,236                                       |
| <b>EXPENSES</b>  |   |   |
| Management fees  | (3,360)   | (1,852)   |
| General and administrative expenses                                    | (3,396)   | (7,935)   |
| <b>NET INVESTMENT (LOSS) INCOME</b>                                    | <b>(2,886)</b>                                  | <b>449</b>                                      |
| <b>REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS</b>         |   |   |
| Net realized gains (losses) from sales/dispositions on investments     | 8,926   | (61,433)  |
| Net change in unrealized appreciation/depreciation on investments      | 112,863   | (85,507)  |
| <b>NET GAIN (LOSS) FROM INVESTMENTS</b>                                | <b>121,789</b>                                  | <b>(146,940)</b>                                |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b> | <b>\$ 118,903</b>                               | <b>\$ (146,491)</b>                             |



Financial Schedule IV

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

|   | As of<br>March 31, 2010<br>(Unaudited) | As of<br>December 31,<br>2009 |
|---|--|-------------------------------|
| <b>ASSETS</b>   |  |                               |
| <b>Investments:</b>   |  |                               |
| Co-investments – Apollo Investment Fund VI and Apollo Investment Fund VII at fair value (cost of \$1,065,317 in 2010 and \$1,115,631 in 2009) | \$ 920,056                             | \$ 907,813                    |
| Investment in Apollo Strategic Value Offshore Fund, Ltd. at fair value (cost of \$132,810 in 2010 and \$144,111 in 2009)                      | 172,541                                | 184,575                       |
| Investment in Apollo Asia Opportunity Offshore Fund, Ltd. at fair value (cost of \$120,256 in 2010 and \$164,813 in 2009)                     | 116,582                                | 158,597                       |
| Investment in Apollo European Principal Finance Fund, L.P. at fair value (cost of \$112,642 in 2010 and \$103,081 in 2009)                    | 117,093                                | 111,152                       |
| Investment in AP Investment Europe Limited at fair value (cost of \$314,384 in 2010 and \$339,488 in 2009)                                    | 124,986                                | 135,473                       |
| Investment in Opportunistic Investments at fair value (cost of \$98,002 in 2010 and 2009)   | 125,400                                | 87,900                        |
| <b>Total Investments</b>  | <b>1,576,658</b>                       | <b>1,585,510</b>              |
| Cash and cash equivalents   | 479,665                                | 389,371                       |
| Other assets  | 6,497                                  | 10,008                        |
| Due from affiliates   | 584                                    | 47                            |
| <b>TOTAL ASSETS</b>   | <b>2,063,404</b>                       | <b>1,984,936</b>              |
| <b>LIABILITIES</b>  |  |                               |
| Borrowings under credit facility  | 612,500                                | 650,000                       |
| Accounts payable and accrued liabilities  | 1,606                                  | 1,994                         |
| Due to affiliates   | 3,463                                  | 6,067                         |
| <b>NET ASSETS</b>   | <b>\$ 1,445,835</b>                    | <b>\$ 1,326,875</b>           |
| <b>NET ASSETS CONSIST OF</b>  |  |                               |
| Partners' capital   | \$ 1,742,887                           | \$ 1,742,830                  |
| Accumulated decrease in net assets resulting from operations  | (297,052)                              | (415,955)                     |
|   | <b>\$ 1,445,835</b>                    | <b>\$ 1,326,875</b>           |