



**AP ALTERNATIVE ASSETS RELEASES ITS FINANCIAL RESULTS FOR THE
QUARTER AND YEAR ENDED DECEMBER 31, 2010 AND PUBLISHES
ITS ANNUAL REPORT FOR 2010**

Guernsey, Channel Islands, February 16, 2011: AP Alternative Assets, L.P. (“AAA”, Euronext Amsterdam: AAA) today released its financial results for the quarter and year ended December 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 and year ended December 31, 2010 included the following:

- Net asset value at December 31, 2010 was \$1,636.7 million, or \$18.16 per unit, representing an increase of \$165.3 million, or \$1.84 per unit, during the three months ended December 31, 2010, and an increase of \$312.2 million, or \$4.51 per unit, during the year ended December 31, 2010.
 - AAA’s net asset value per unit at December 31, 2010 includes year-to-date accretion, net of unit repurchases, of \$0.68 per unit as a result of the units acquired by AAA through the tender offer and on-market unit buyback program.

Operating results for the Investment Partnership for the quarter and year ended December 31, 2010 included the following:

- The net gain from investments was \$168.5 million and \$396.9 million for the quarter and year ended December 31, 2010, respectively.
- The Investment Partnership had \$349.6 million in cash and cash equivalents and net debt of \$187.9 million¹ at December 31, 2010.

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Conference Call

AAA will discuss its financial results during a conference call on Wednesday, February 16, 2011 at 3 p.m. CET (Amsterdam) / 2 p.m. GMT (London) / 9 a.m. EST (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

¹ Net debt is defined as total debt outstanding less cash

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 March 16, 2011, 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 December 31, 2010, AAA’s net asset value was \$1,636.7 million, or \$18.16 per unit, representing an increase in net asset value of \$165.3 million, or \$1.84 per unit, during the three months ended December 31, 2010, and an increase in net asset value of \$312.2 million, or \$4.51 per unit, during the year ended December 31, 2010, inclusive of a \$0.07 per unit distribution paid to unitholders during the second quarter of 2010.

For the three months ended December 31, 2010, the net increase in net assets from operations of AAA was \$165.3 million, or \$1.78 per common unit, versus a net increase in net assets from operations of \$62.1 million, or \$0.64 per common unit, for the three months ended December 31, 2009.

For the year ended December 31, 2010, the net increase in net assets from operations of AAA was \$367.4 million, or \$3.90 per common unit, versus a net increase in net assets from operations of \$469.6 million, or \$4.84 per common unit, for the year ended December 31, 2009.

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

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

- The net increase in net assets resulting from operations was approximately \$166.2 million and \$63.3 million for the three months ended December 31, 2010 and 2009, respectively. The net increase in net assets resulting from operations was approximately \$381.8 million and \$472.4 million for the year ended December 31, 2010 and 2009, respectively.
- The net change in unrealized depreciation/appreciation on investments for the quarter and year ended December 31, 2010 was a positive impact of \$160.7 million and \$363.2 million, respectively. The primary drivers of these results in the quarter and year ended December 31, 2010 were as follows:
 - Private equity co-investments had a change in unrealized appreciation of \$164.3 million and \$264.8 million for the quarter and year ended December 31, 2010, respectively, compared to a net change in unrealized depreciation of \$34.3 million and \$335.4 million for the quarter and year ended December 31, 2009, respectively. The positive change in unrealized appreciation for the three months ended December 31, 2010 is attributable to a change in the fair value of certain underlying portfolio companies, particularly those in the manufacturing and industrial, packaging and materials, and distribution and

transportation sectors, as well as certain debt investment vehicles. The positive change in net unrealized appreciation during the year ended December 31, 2010 is attributable to a change in the fair value of certain of the Investment Partnership's portfolio companies, particularly those in the chemicals, packaging and materials, and manufacturing and industrial sectors, as well as certain debt investment vehicles.

- Capital markets investments had a change in net unrealized appreciation/depreciation of \$12.7 million and \$51.2 million for the quarter and year ended December 31, 2010, respectively, compared to a change in net unrealized appreciation/depreciation of \$23.3 million and \$200.5 million for the quarter and year ended December 31, 2009, respectively. The net unrealized appreciation/depreciation for the quarter and year ended December 31, 2010 is exclusive of the impact of the sale of a portion of the investment in Apollo European Principal Finance Fund, L.P. ("EPF") of \$(11.8) million. The aggregate year-on-year decrease in the capital markets investments change in net unrealized appreciation/depreciation is primarily due to the reduction of our exposure to several of our capital markets funds in connection with our liquidity management initiatives as follows:
 - » During the years ended December 31, 2010 and 2009, the Investment Partnership received redemptions of \$35.3 million and \$163.4 million from the Apollo Strategic Value Offshore Fund, Ltd. ("SVF"), respectively.
 - » During the years ended December 31, 2010 and 2009, the Investment Partnership received redemptions of \$61.8 million and \$49.3 million from Apollo Asia Opportunity Offshore Fund, Ltd., respectively.
 - » During the year ended December 31, 2010, the Investment Partnership received distributions of \$78.1 million from Apollo Investment Europe.
 - » During the year ended December 31, 2010 the Investment Partnership sold 65.8% of its interest in EPF to parties that are not affiliated with Apollo for €75.4mm (or approximately \$105.5 million). This sale reduced the Investment Partnership's total EPF commitment to €77.0 million, of which €30.8 million (or approximately \$41.2 million) was unfunded as of December 31, 2010. In 2010, the Investment Partnership reflected a net loss from investments on the sale of approximately \$9.5 million, including the reversal of previously recognized unrealized appreciation of \$11.8 million offset in part by a realized gain of \$2.3 million related to the sale proceeds in excess of original cost.
- The opportunistic investment in Apollo Life Re Ltd., an Apollo sponsored vehicle that owns substantially all of the equity of Athene Holding Ltd., the parent of Athene Life Re Ltd. ("Athene"), had a net change in unrealized appreciation of \$(4.4) million and \$58.9 million for the for the quarter and year ended December 31, 2010, respectively. In the fourth quarter of 2010, an additional institutional investor invested in Athene Holding Ltd, alongside the Investment Partnership's interest at the same original basis and terms as the Investment Partnership. For the year ended December 31, 2010, the positive results were driven by continued growth in annuity policies and continued strong performance on investment yield in Athene's asset portfolio.
- Net realized gains (losses) from sales or dispositions of the Investment Partnership were \$7.8 million and \$33.7 million for the quarter and year ended December 31, 2010, respectively, compared to \$1.8 million and \$(62.2) million for the quarter and year ended December 31, 2009, respectively. For the year ended December 31, 2010, net realized gains from sales primarily relate to the realized gains of \$16.5 million from the sale of the Investment Partnership's interest in Huntsman Corporation notes, \$16.9 million from the early extinguishment of a portion of the Investment Partnership's debt, \$4.9 million

from the redemption of SVF, \$4.8 million from the sale of assets from the debt investment vehicles, and \$2.3 million from the sale of a portion of the Investment Partnership's interest in EPF, partially offset by \$11.2 million loss from the permanent impairment of capital value of the private equity co-investment in Jacuzzi Brands.

- Investment income of the Investment Partnership was \$7.5 million and \$18.7 million for the quarter and year ended December 31, 2010, respectively, compared to \$17.4 million and \$40.4 million for the quarter and year ended December 31, 2009, respectively. Investment income for the quarter and year ended December 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 and year ended December 31, 2010, the Investment Partnership's expenses were \$9.9 million and \$33.8 million, respectively, compared to expenses of \$6.5 million and \$33.3 million for the quarter and year ended December 31, 2009, respectively. These expenses primarily relate to ongoing operating expenses, such as management and professional fees, certain deal costs, and interest expense on the credit facility. For the three months and year ended December 31, 2010, 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, including broken deals, offset in part by reduced interest expense as a result of reduced outstanding borrowings on the credit facility.

Net Asset Value

At December 31, 2010, AAA had net assets of \$1,636.7 million, including its share of the net assets of the Investment Partnership, as follows:

	Net Asset Value at December 31, 2010
	(in millions)
Gross Asset Value:	
Cash	\$ 349.6
Private Equity Co-investments	1,156.1
Capital Markets Funds:	
Apollo Strategic Value Offshore Fund, Ltd.	160.3
Apollo Asia Opportunity Offshore Fund, Ltd.	110.0
Other Apollo Capital Markets Funds	163.0
Opportunistic Investments – Apollo Life Re Ltd.	249.9
Debt	(537.5)
Other Assets & Liabilities	(1.2)
General Partner Interest	(13.5)
Net Asset Value	<u>\$ 1,636.7</u>

Sources and Uses of Cash and Liquidity

The Investment Partnership had \$349.6 million in cash and cash equivalents at December 31, 2010 and the Investment Partnership had \$537.5 million of borrowings outstanding under its existing revolving credit facility at December 31, 2010.

In July 2010, 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 restricted depositary units ("Units") for a maximum aggregate consideration of up to \$25 million (the "Tender Offer"). As a result of the Tender Offer, 6,777,308 Units were tendered by the unitholders and restricted depositary unitholders. 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 pursuant to the Tender Offer (the "Maximum Amount"), the Board of Directors of the Managing General Partner on August 12, 2010 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, \$47.9 million inclusive of expenses, and AAA bought 6,777,308 Units pursuant to the Tender Offer. The Units acquired in the Tender Offer were cancelled.

In connection with the on-market unit buyback program during the year ended December 31, 2010, AAA purchased 135,167 units at an average price of \$6.25 per unit for total consideration of \$0.8 million. The Boards of Directors of the Managing General Partner and the Managing Investment Partner approved the extension of the on-market unit buyback program to June 30, 2011 and increased the outstanding amount to \$25.0 million.

As previously discussed, in connection with AAA's liquidity management initiatives, the Investment Partnership capitalized upon an opportunity to sell 65.8% of its interest in EPF to parties that are not affiliated with Apollo for €75.4mm (or approximately \$105.5 million). This sale reduced the Investment Partnership's total EPF commitment to €77.0 million, of which €30.8 million (or approximately \$41.2 million) was unfunded as of December 31, 2010.

Consistent with AAA's growth strategy, through December 31, 2010, the Investment Partnership made investments of \$201.1 million in Apollo Life Re Ltd., including transaction related costs and has commitments to fund an additional \$100.0 million in Apollo Life Re Ltd.

Annual Report

AP Alternative Assets, L.P. today published its Annual Report for 2010. The Annual Report for 2010 can be downloaded free of charge from the website of AP Alternative Assets, L.P. at www.apolloalternativeassets.com.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements involve risks and uncertainties as 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 (in thousands)		
	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009
INVESTMENT (LOSS) INCOME (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Interest, dividends and gains from short-term investments	\$ 18,722	\$ 40,357
Expenses	(33,836)	(33,260)
	(15,114)	7,097
Interest Income	2	—
EXPENSES		
General and administrative expenses	(2,790)	(2,298)
	(17,902)	4,799
REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Net realized gains (losses) from sales/dispositions on investments	33,690	(62,118)
Net change in unrealized depreciation/appreciation of investments	351,569	526,894
	385,259	464,776
NET GAIN FROM INVESTMENTS	385,259	464,776
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 367,357	\$ 469,575

Financial Schedule II

AP ALTERNATIVE ASSETS, L.P. STATEMENT OF ASSETS AND LIABILITIES (in thousands, except per unit amounts)		
	As of December 31, 2010	As of December 31, 2009
ASSETS		
Investment in AAA Investments, L.P. (cost of \$1,695,992 and \$1,753,985 at December 31, 2010 and 2009, respectively)	\$ 1,637,091	\$ 1,324,939
Other assets	381	431
TOTAL ASSETS	1,637,472	1,325,370
LIABILITIES		
Accounts payable and accrued liabilities	581	783
Due to affiliates	175	47
NET ASSETS	\$ 1,636,716	\$ 1,324,540
NET ASSETS CONSIST OF:		
Partners' capital contribution, net (90,148,642 and 97,006,895 net common units outstanding at December 31, 2010 and 2009, respectively)	\$ 1,783,378	\$ 1,831,771
Partners' capital distributions	(79,009)	(72,221)
Accumulated decrease in assets resulting from operations	(67,653)	(435,010)
	\$ 1,636,716	\$ 1,324,540
Net asset value per common unit	\$ 18.16	\$ 13.65
Market price per common unit	\$ 8.83	\$ 6.70

Financial Schedule III

AAA INVESTMENTS, L.P.		
STATEMENT OF OPERATIONS		
(in thousands)		
	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009
INVESTMENT INCOME:		
Interest, dividends and gains from short-term investments	\$ 18,732	\$ 40,379
EXPENSES:		
Management fees	(14,502)	(9,416)
General and administrative expenses	(19,344)	(23,857)
NET INVESTMENT (LOSS) INCOME	(15,114)	7,106
REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS		
Net realized gains (losses) from sales/dispositions on investments	33,708	(62,151)
Net change in unrealized depreciation/appreciation on investments	363,163	527,432
NET GAIN FROM INVESTMENTS	396,871	465,281
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 381,757	\$ 472,387

Financial Schedule IV

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

	<u>As of December 31, 2010</u>	<u>As of December 31, 2009</u>
ASSETS		
Investments:		
Co-investments – Apollo Investment Fund VI and Apollo Investment Fund VII at fair value (cost of \$1,099,111 in 2010 and \$1,115,631 in 2009)	\$ 1,156,112	\$ 907,813
Investment in Apollo Strategic Value Offshore Fund, Ltd. at fair value (cost of \$113,772 in 2010 and \$144,111 in 2009)	160,262	184,575
Investment in Apollo Asia Opportunity Offshore Fund, Ltd. at fair value (cost of \$102,530 in 2010 and \$164,813 in 2009)	110,029	158,597
Investment in Other Apollo Capital Markets Funds at fair value (cost of \$339,239 in 2010 and \$442,569 in 2009)	162,996	246,625
Investment in Opportunistic Investments at fair value (cost of \$201,098 in 2010 and \$98,002 in 2009)	249,900	87,900
Total Investments	<u>1,839,299</u>	<u>1,585,510</u>
Cash and cash equivalents	349,599	389,371
Other assets	6,338	10,008
Due from affiliates	175	47
TOTAL ASSETS	<u>2,195,411</u>	<u>1,984,936</u>
LIABILITIES		
Borrowings under credit facility	537,500	650,000
Accounts payable and accrued liabilities	1,734	1,994
Due to affiliates	5,570	6,067
NET ASSETS	<u>\$ 1,650,607</u>	<u>\$ 1,326,875</u>
NET ASSETS CONSIST OF		
Partners' capital	\$ 1,684,805	\$ 1,742,830
Accumulated decrease in net assets resulting from operations	<u>(34,198)</u>	<u>(415,955)</u>
	<u>\$ 1,650,607</u>	<u>\$ 1,326,875</u>