# AP ALTERNATIVE ASSETS RELEASES ITS FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010

*Guernsey, Channel Islands, November 9, 2010:* AP Alternative Assets, L.P. ("AAA", Euronext Amsterdam: AAA) today released its financial results for the three and nine months ended September 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 nine months ended September 30, 2010 included the following:

- Net asset value at September 30, 2010 was $1,471.4 million, or $16.32 per unit, representing an increase of $52.7 million, or $1.68 per unit, during the three months ended September 30, 2010, and an increase of $146.9 million, or $2.67 per unit, during the nine months ended September 30, 2010.
  - During the third quarter, AAA settled a tender offer at $7.00 per unit, which reduced units outstanding by 6,777,308.
  - AAA's net asset value per unit at September 30, 2010 includes year-to-date accretion, net of unit repurchases, of $0.62 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 three and nine months ended September 30, 2010 included the following:

- The net gain from investments was $110.3 million and $228.4 million for the three and nine months ended September 30, 2010, respectively.
- The Investment Partnership had $354.3 million in cash and cash equivalents at September 30, 2010.

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## Conference Call

AAA will discuss its financial results during a conference call on Tuesday, November 9, 2010 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 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 December 8, 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 September 30, 2010, AAA's net asset value was $1,471.4 million, or $16.32 per unit, representing an increase in net asset value of $52.7 million, or $1.68 per unit, during the three months ended September 30, 2010, and an increase in net asset value of $146.9 million, or $2.67 per unit, during the nine months ended September 30, 2010, inclusive of a $0.07 per unit distribution paid to unitholders during the second quarter of 2010.

For the three months ended September 30, 2010, the net increase in net assets from operations of AAA was $100.6 million, or $1.08 per common unit, versus a net increase in net assets from operations of $287.1 million, or $2.96 per common unit, for the three months ended September 30, 2009.

For the nine months ended September 30, 2010, the net increase in net assets from operations of AAA was $202.1 million, or $2.12 per common unit, versus a net increase in net assets from operations of $407.5 million, or $4.20 per common unit, for the nine months ended September 30, 2009.

AAA derives the majority of its results from operations, except for direct expenses, from its interest in the Investment Partnership. At September 30, 2010, the Investment Partnership represented 100.2% of the net assets of AAA.

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

- The net increase in net assets resulting from operations was approximately $104.4 million and $288.4 million for the three months ended September 30, 2010 and 2009, respectively. The net increase in net assets resulting from operations was approximately $215.6 million and $409.1 million for the nine months ended September 30, 2010 and 2009, respectively.
- The net change in unrealized depreciation/appreciation on investments for the three and nine months ended September 30, 2010 was a positive impact of $106.5 million and $202.4 million, respectively. The primary drivers of these results in the three and nine months ended September 30, 2010 were as follows:
  - Private equity co-investments had a change in unrealized depreciation of $53.8 million and $100.5 million for the three and nine months ended September 30, 2010, respectively, compared to a net change in unrealized depreciation of $187.4 million and $301.2 million for the three and nine months ended

September 30, 2009, respectively. The positive change in unrealized depreciation for the three months ended September 30, 2010 is attributable to a change in the fair value of certain underlying portfolio companies, particularly those in the chemicals and packaging and materials sectors, as well as certain debt investment vehicles, offset in part by decreases in the fair value of investments in the media, cable and leisure sector. The positive change in net unrealized depreciation during the nine months ended September 30, 2010 is attributable to a change in the fair value of certain of the Investment Partnership's portfolio companies, particularly those in the chemicals and packaging and materials sectors, as well as certain debt investment vehicles, offset in part by decreases in the distribution and transportation sectors

- o Capital markets investments had a change in net unrealized appreciation/depreciation of $37.3 million and $38.6 million for the three and nine months ended September 30, 2010, respectively, compared to a change in net unrealized appreciation/depreciation of $100.7 million and $177.0 million for the three and nine months ended September 30, 2009, respectively. The primary drivers of these capital markets results during the three and nine months ended September 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 nine months ended September 30, 2010 of $2.2 million and $1.2 million, respectively, compared to a net change in unrealized appreciation of $13.8 million and $82.1 million for the three and nine months ended September 30, 2009, respectively. For the three months ended September 30, 2010, performance for the liquidating shares of SVF was net positive, and on a sector level the primary contributors to SVF's returns were holdings in the building materials and housing, industrial and automotive sectors. Positive performance during the quarter was partially offset by holdings in the energy sector. During the nine months ended September 30, 2010, performance for the liquidating shares of SVF was also positive, and on a sector level, the primary contributors to return were holdings in the automotive, industrial and building materials and housing sectors. Positive performance during the nine months ended September 30, 2010 was partially offset by holdings in the energy, media and communication, and rental and services sectors.

  - ▪ Investment in AP Investment Europe Limited ("AIE") had a net change in unrealized depreciation of $10.5 million and $19.0 million for the three and nine months ended September 30, 2010, respectively, compared to a net change in unrealized depreciation of $65.4 million and $60.3 million for the three and nine months ended September 30, 2009, respectively. The credit markets continued the 2010 year to date trend of positive performance in the third quarter due to continuing demand for credit, and positive inflows into bond and loan funds. AIE had strong gains in several positions during the quarter ended September 30, 2010, including the senior secured notes of a concrete manufacturer, a mezzanine investment in a chemicals business, and a post-restructuring equity investment in an automotive supplier, all of which were primarily driven by technical buying strength and fundamental outperformance. These gains were mostly offset by price declines in several investments, including a mezzanine investment in a northern European hotel company and an equity investment in a Canadian oil sands business. These declines were primarily due to technical selling pressures, and not underlying credit fundamentals. For the nine months ended September 30, 2010, AIE's positive performance was driven primarily by the strength of the first two quarters of the year, which was the result of strong demand for global credit and overall positive earnings performance in portfolio companies. The net change in unrealized depreciation for the three and nine months ended September 30, 2010 was also partially impacted by an unrealized gain (loss) of approximately $9.4 million and $(4.6) million, respectively, as a result of foreign currency movements on the Investment Partnership's Euro-denominated investment.

- Investment in Apollo Asia Opportunity Offshore Fund, Ltd. ("AAOF") had a change in net unrealized appreciation of $4.2 million for the three months ended September 30, 2010, and a change in net unrealized appreciation of $8.4 million for the nine months ended September 30, 2010, compared to a change in net unrealized depreciation of $6.9 million and $15.8 million for the three and nine months ended September 30, 2009, respectively. During the third quarter of 2010, AAOF's biggest performance contributors were holdings in the real estate, financials, and alternative energy sectors. Positive performance during the third quarter was partially offset by weakness in holdings in the commodity sectors and in index-linked holdings and hedges. Holdings in China, Singapore and India added the most value during the quarter while select U.S. and Korea holdings detracted from value. For the nine months ended September 30, 2010, AAOF's performance was driven by real estate, financials, and alternative energy investments. Positive performance during the period was partially offset by weakness in holdings in the distribution/wholesale sector, index-linked holdings and hedges. On a country level, the primary contributors to returns for the nine months ended September 30, 2010 were holdings in Malaysia, China, and Hong Kong/Macau, while select Western Europe, U.S. and Korea based investments detracted from value.

- Investment in Apollo European Principal Finance Fund, L.P. ("EPF") had a change in net unrealized appreciation of $20.4 million and $10.1 million for the three and nine months ended September 30, 2010, respectively, compared to a change in net unrealized appreciation of $14.6 million and $18.8 million for the three and nine months ended September 30, 2009, respectively. The net change in unrealized appreciation for the three months ended September 30, 2010 was primarily driven by foreign currency movements on the Investment Partnership's euro-denominated investment, coupled with better than expected loan resolutions in the non-performing loan portfolios. The net change in unrealized appreciation for the nine months ended September 30, 2010 was primarily driven by better than expected loan resolutions and increases to projected loan resolutions which were partially offset by foreign currency movements during the period. For the three and nine months ended September 30, 2010, the Investment Partnership's investment was positively (negatively) impacted by approximately $16.5 million and $(8.1) million, respectively, as a result of foreign currency movements.

o The other 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 $15.3 million and $63.3 million for the for the three and nine months ended September 30, 2010, respectively, and the positive results were driven by 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 $3.8 million and $25.9 million for the three and nine months ended September 30, 2010, respectively, compared to $3.7 million and $(63.9) million for the three and nine months ended September 30, 2009, respectively. For the three months ended September 30, 2010, net realized gains from sales primarily relate to the realized gains of $3.4 million from the sale of assets from the debt investment vehicles and $0.7 million from the redemption of AAOF. For the nine months ended September 30, 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 and $3.9 million from the sale of assets from the debt investment vehicles, partially offset by $11.2 million from the permanent impairment of capital value of the private equity co-investment in Jacuzzi Brands.

- Investment income of the Investment Partnership was $4.6 million and $11.2 million for the three and nine months ended September 30, 2010, respectively, compared to $8.0 million and $23.0 million for the three and nine months ended September 30, 2009, respectively. Investment income for the three and nine months ended September 30, 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 three and nine months ended September 30, 2010, the Investment Partnership's expenses were $10.5 million and $24.0 million, respectively, compared to expenses of $8.6 million and $26.8 million for the three and nine months ended September 30, 2009, respectively. These expenses primarily relate to ongoing operating expenses, including interest expense. For the three months ended September 30, 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. For the nine months ended September 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 and increased deal-related expenses, including broken deals.

**Net Asset Value**

At September 30, 2010, AAA had net assets of $1,471.4 million, including its share of the net assets of the Investment Partnership, as follows:

| | Net Asset Value at September 30, 2010 |
|---|---|
| | (in millions) |
| Gross Asset Value: | |
| Cash | $354.3 |
| Private Equity Co-investments | 992.4 |
| Capital Markets Funds: | |
| Apollo Strategic Value Offshore Fund, Ltd. | 166.4 |
| Apollo Asia Opportunity Offshore Fund, Ltd. | 107.2 |
| Apollo European Principal Finance Fund, L.P. | 160.8 |
| AP Investment Europe Limited | 91.4 |
| Other Opportunistic Investment | 151.2 |
| Debt | (537.5) |
| Other Assets & Liabilities | (1.5) |
| General Partner Interest | (13.3) |
| Net Asset Value | $1,471.4 |

**Sources and Uses of Cash and Liquidity**

The Investment Partnership had $354.3 million in cash and cash equivalents at September 30, 2010 and the Investment Partnership had $537.5 million of borrowings outstanding under its existing revolving credit facility.

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 resticted 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 payable by AAA 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 nine months ended September 30, 2010, AAA purchased 135,167 units at an average price of $6.25 per unit for total consideration of $0.8 million. Subsequent to September 30, 2010, 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.

In connection with AAA's liquidity management initiatives, subsequent to September 30, 2010 the Investment Partnership capitalized upon an opportunity to reduce its long-term investment in EPF, including unfunded capital commitments. The Investment Partnership sold 64.4% of its interest in EPF to parties that are not affiliated with Apollo for €73.6mm (or approximately $103.2 million), inclusive of €6.3mm (or approximately $8.9 million) funded subsequent to September 30, 2010. This sale reduced the Investment Partnership's total EPF commitment to €80.0 million, of which €41.4 million (or approximately $56.4 million) was unfunded as of September 30, 2010. In the fourth quarter of 2010, the Investment Partnership will reflect a net loss from investments of approximately $9.3 million from the sale of its interest in EPF.

Consistent with AAA's growth strategy, subsequent to September 30, 2010 the Investment Partnership invested an additional $103.1 million in Apollo Life Re Ltd., and committed to fund up to an additional $100.0 million in connection with Athene Holding Ltd's pending acquisition of Liberty Life Insurance Company, a South Carolina based insurer with a $2.8 billion block of fixed annuities and insurance licenses in 49 states. As part of the transaction, an institutional investor also made a significant investment in Athene Holding Ltd.

### 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 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.

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**Financial Schedules Follow**

## Financial Schedule I

**AP ALTERNATIVE ASSETS, L.P.**
**STATEMENT OF OPERATIONS (UNAUDITED)**
**(In thousands)**

| | For the Three Months Ended September 30, 2010 | For the Three Months Ended September 30, 2009 | For the Nine Months Ended September 30, 2010 | For the Nine Months Ended September 30, 2009 |
|---|---|---|---|---|
| INVESTMENT LOSS (ALLOCATED FROM AAA INVESTMENTS, L.P.) | | | | |
| Interest, dividends and gains from short-term investments | $ 4,620 | $ 7,999 | $ 11,184 | $ 23,005 |
| Expenses | (10,496) | (8,585) | (23,948) | (26,797) |
| | (5,876) | (586) | (12,764) | (3,792) |
| Interest Income | 1 | — | 2 | — |
| EXPENSES | | | | |
| General and administrative expenses | (562) | (600) | (2,149) | (1,921) |
| NET INVESTMENT LOSS | (6,437) | (1,186) | (14,911) | (5,713) |
| REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.) | | | | |
| Net realized gains (losses) from sales/dispositions on investments | 3,801 | 3,734 | 25,935 | (63,892) |
| Net change in unrealized depreciation of investment | 103,285 | 284,558 | 191,029 | 477,075 |
| NET GAIN FROM INVESTMENTS | 107,086 | 288,292 | 216,964 | 413,183 |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | $ 100,649 | $ 287,106 | $ 202,053 | $ 407,470 |

Financial Schedule II

## AP ALTERNATIVE ASSETS, L.P.
## STATEMENT OF ASSETS AND LIABILITIES
### (in thousands, except per unit amounts)

| | As of September 30, 2010 (unaudited) | As of December 31, 2009 |
|---|---|---|
| ASSETS | | |
| Investment in AAA Investments, L.P. (cost of $1,698,890 and $1,753,985 at September 30, 2010 and December 31, 2009, respectively) | $ 1,474,044 | $ 1,324,939 |
| Cash and cash equivalents | 37 | - |
| Other assets | 609 | 431 |
| TOTAL ASSETS | 1,474,690 | 1,325,370 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 900 | 783 |
| Due to affiliates | 2,384 | 47 |
| NET ASSETS | $ 1,471,406 | $ 1,324,540 |
| NET ASSETS CONSIST OF: | | |
| Partners' capital contribution, net (90,148,642 and 97,006,895 net common units outstanding at September 30, 2010 and December 31, 2009, respectively) | $ 1,783,378 | $ 1,831,771 |
| Partners' capital distributions | (79,015) | (72,221) |
| Accumulated decrease in assets resulting from operations | (232,957) | (435,010) |
| | $ 1,471,406 | $ 1,324,540 |
| Net asset value per common unit | $ 16.32 | $ 13.65 |
| Market price per common unit | $ 7.24 | $ 6.70 |

Financial Schedule III

## AAA INVESTMENTS, L.P.
## STATEMENT OF OPERATIONS (unaudited)
## (In thousands)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 |
| **INVESTMENT INCOME:** | | | | |
| Interest, dividends and gains from short-term investments | $ 4,623 | $ 8,003 | $ 11,191 | $ 23,018 |
| **EXPENSES:** | | | | |
| Management fees | (3,513) | (2,960) | (10,044) | (7,150) |
| General and administrative expenses | (6,987) | (5,628) | (13,913) | (19,658) |
| **NET INVESTMENT LOSS** | (5,877) | (585) | (12,766) | (3,790) |
| **REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS** | | | | |
| Net realized gains (losses) from sales/dispositions on investments | 3,803 | 3,736 | 25,949 | (63,927) |
| Net change in unrealized depreciation/appreciation on investments | 106,450 | 285,247 | 202,415 | 476,840 |
| **NET GAIN FROM INVESTMENTS** | 110,253 | 288,983 | 228,364 | 412,913 |
| **NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS** | $ 104,376 | $ 288,398 | $ 215,598 | $ 409,123 |

Financial Schedule IV

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

| | As of September 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 $1,099,706 in 2010 and $1,115,631 in 2009) | $ 992,426 | $ 907,813 |
| Investment in Apollo Strategic Value Offshore Fund, Ltd. at fair value (cost of $124,761 in 2010 and $144,111 in 2009) | 166,428 | 184,575 |
| Investment in Apollo Asia Opportunity Offshore Fund, Ltd. at fair value (cost of $105,033 in 2010 and $164,813 in 2009) | 107,174 | 158,597 |
| Investment in Apollo European Principal Finance Fund, L.P. at fair value (cost of $142,670 in 2010 and $103,081 in 2009) | 160,800 | 111,152 |
| Investment in AP Investment Europe Limited at fair value (cost of $276,469 in 2010 and $339,488 in 2009) | 91,412 | 135,473 |
| Investment in Opportunistic Investments at fair value (cost of $98,002 in 2010 and 2009) | 151,200 | 87,900 |
| Total Investments | 1,669,440 | 1,585,510 |
| | | |
| Cash and cash equivalents | 354,290 | 389,371 |
| Other assets | 6,724 | 10,008 |
| Due from affiliates | 2,384 | 47 |
| TOTAL ASSETS | 2,032,838 | 1,984,936 |
| | | |
| LIABILITIES | | |
| Borrowings under credit facility | 537,500 | 650,000 |
| Accounts payable and accrued liabilities | 1,742 | 1,994 |
| Due to affiliates | 6,248 | 6,067 |
| NET ASSETS | $ 1,487,348 | $ 1,326,875 |
| | | |
| NET ASSETS CONSIST OF | | |
| Partners' capital | $ 1,687,705 | $ 1,742,830 |
| Accumulated decrease in net assets resulting from operations | (200,357) | (415,955) |
| | $ 1,487,348 | $ 1,326,875 |