

August 2, 2012

APOLLO

Apollo Global Management, LLC Reports Second Quarter 2012 Results

- **Total assets under management (“AUM”) of \$105 billion as of June 30, 2012, a 46% increase compared to AUM of \$72 billion as of June 30, 2011**
- **Total management business revenues of \$236 million for the second quarter ended June 30, 2012, compared to \$156 million for the same period in 2011**
- **Total economic net income (“ENI”) of \$42 million for the second quarter ended June 30, 2012, compared to \$125 million for the same period in 2011**
- **ENI After Taxes per Share of \$0.05 for the second quarter ended June 30, 2012, compared to \$0.31 per share for the same period in 2011**
- **U.S. GAAP net loss attributable to Apollo Global Management, LLC of \$41 million for the second quarter ended June 30, 2012, compared to a \$51 million loss for the same period in 2011**
- **Apollo declares a distribution of \$0.24 per Class A share for the second quarter of 2012**

NEW YORK--(BUSINESS WIRE)-- Apollo Global Management, LLC (NYSE: APO) and its consolidated subsidiaries (collectively, “Apollo”) today reported results for the second quarter ended June 30, 2012.

Apollo reported ENI of \$42.0 million for the second quarter of 2012, compared to \$125.3 million for the second quarter of 2011. The 66% decrease in ENI was primarily driven by Apollo’s Incentive Business, which reported an economic net loss of \$28.4 million for the second quarter of 2012, compared to economic net income of \$94.8 million for the same period in 2011. The quarter over quarter change in economic net income for the Incentive Business was largely the result of lower carried interest income from our private equity segment during the second quarter of 2012 compared to the same period in 2011. Partially offsetting this decline was the improved performance of Apollo’s Management Business, which reported economic net income of \$70.4 million for the second quarter of 2012, compared to \$30.5 million for the same period in 2011.

Total AUM was \$104.9 billion as of June 30, 2012, compared to \$71.7 billion as of June 30, 2011, an increase of \$33.2 billion or 46%. The increase in total AUM was primarily driven by growth in Apollo’s capital markets segment, which more than doubled to \$56.1 billion of AUM as of June 30, 2012, compared to \$23.7 billion as of June 30, 2011. Fee-generating AUM was \$77.4 billion as of June 30, 2012, compared to \$48.9 billion as of June 30, 2011, an increase of \$28.5 billion, or 58%, which was also primarily driven by growth in Apollo’s capital markets segment.

U.S. GAAP results for the quarter ended June 30, 2012 included a net loss attributable to Apollo Global Management, LLC of \$41.4 million, compared to a \$51.0 million loss for the

quarter ended June 30, 2011.

Leon Black, Chairman and Chief Executive Officer said, "We reported solid financial results for the second quarter despite a challenging global market environment. Our results again demonstrated the growth inherent in Apollo's business model as we actively raised and deployed capital around the world, and our diversified investment platform continued to generate cash distributions for our shareholders."

Combined Segments

Total revenue for Apollo's Management Business was \$235.6 million during the second quarter of 2012, an increase of \$79.6 million, or 51%, from the second quarter of 2011. This includes management fee revenues of \$156.4 million for the second quarter of 2012, which increased \$35.2 million, or 29%, from the second quarter of 2011, and advisory and transaction fee revenue of \$70.0 million for the second quarter of 2012, which increased \$46.4 million, or 197%, from the second quarter of 2011. The significant increase in advisory and transaction fee revenue during the second quarter of 2012 was primarily driven by net transaction fees earned in connection with the acquisition of EP Energy, a leading North American oil and gas producer, which was acquired by investment funds affiliated with Apollo along with Riverstone Holdings LLC, Access Industries, Inc., Korea National Oil Corporation and other investors.

Apollo's Incentive Business reported \$3.2 million of total carried interest income during the second quarter of 2012, compared to \$152.9 million during the second quarter of 2011. These amounts include \$56.0 million of realized gains from carried interest income for the second quarter of 2012, compared to \$178.7 million for the second quarter of 2011, which was primarily driven by the sale of Hughes Communications Inc., a portfolio company investment in Fund IV that was sold during the second quarter of 2011. The decrease in total carried interest income was also impacted by lower unrealized investment appreciation in Apollo's private equity funds during the second quarter of 2012 compared to the second quarter of 2011.

Total expenses for Apollo's Management Business were \$158.3 million during the second quarter of 2012, compared to \$137.6 million during the second quarter of 2011. Total salary, bonus and benefits expense for Apollo's Management Business was \$74.9 million during the second quarter of 2012, an increase of \$10.6 million, or 16%, from the second quarter of 2011. Non-compensation expenses for Apollo's Management Business were \$69.3 million during the second quarter of 2012, an increase of \$13.0 million, or 23%, from the second quarter of 2011. The increase in non-compensation expense during the second quarter of 2012 was largely driven by \$8.1 million of placement fees incurred in connection with recent fundraising activities, as well as \$2.8 million of Stone Tower acquisition costs that are not expected to recur.

Private Equity Segment

ENI from Apollo's private equity segment was \$55.8 million for the second quarter of 2012, a \$56.5 million or 50% decrease compared to \$112.3 million for the second quarter of 2011. Management Business revenues for the private equity segment were \$134.3 million for the second quarter of 2012, compared to \$87.0 million for the second quarter of 2011. The \$47.3 million increase was primarily driven by higher advisory and transaction fees from the EP

Energy acquisition previously mentioned. Management Business expenses for the private equity segment were \$69.1 million for the second quarter of 2012, compared to \$61.9 million for the second quarter of 2011.

Apollo's private equity segment reported \$5.7 million of total carried interest income for the second quarter of 2012, compared to \$139.0 million for the same period in 2011. Profit sharing expense was \$13.8 million for the second quarter of 2012, compared to \$60.0 million for the same period in 2011. Income from equity method investments was \$1.9 million for the second quarter of 2012, compared to \$4.5 million for the same period in 2011.

Apollo's private equity fund performance, as measured by IRR, was down slightly during the second quarter of 2012. From its inception in 2008 through June 30, 2012, Fund VII generated an annual gross and net IRR of 33% and 23%, respectively. Fund VI, which began investing in 2006 during the peak of the credit and housing market boom, generated an annual gross and net IRR of 9% and 8%, respectively, since its inception through June 30, 2012. The combined fair value of Apollo's private equity funds was 46% above cost as of June 30, 2012 and appreciated by 1% during the second quarter of 2012.

Apollo continued to identify compelling investment opportunities during the quarter, led by the previously mentioned acquisition of EP Energy for approximately \$7.1 billion including debt. Private equity capital invested during the second quarter of 2012 was \$1.7 billion, and uncalled private equity commitments, or "dry powder", was \$6.6 billion as of June 30, 2012.

Capital Markets Segment

Apollo's capital markets segment had an economic net loss of \$14.4 million for the second quarter of 2012, compared to economic net income of \$10.5 million for the second quarter of 2011. There was a carried interest loss of \$6.7 million for the second quarter of 2012, compared to \$13.9 million of carried interest income for the second quarter of 2011. Management fees within the capital markets segment were \$74.3 million for the second quarter of 2012, an increase of \$28.2 million, or 61%, from the second quarter of 2011. The increase in management fees was largely driven by the previously announced acquisitions of Stone Tower Capital LLC and its related management companies (collectively "Stone Tower") and Gulf Stream Asset Management LLC.

On April 2, 2012, Apollo closed the acquisition of Stone Tower, a leading alternative credit manager. The Stone Tower transaction bolsters Apollo's position as one of the world's largest and most diverse credit managers by adding significant scale and several new credit product capabilities. As of June 30, 2012, the funds previously managed by Stone Tower had approximately \$17.8 billion of AUM as of June 30, 2012, which includes \$4.5 billion of AUM with a contractual life of 12 to 18 months.

Real Estate Segment

Apollo's real estate segment had ENI of \$0.6 million for the second quarter of 2012, compared to \$2.5 million for the second quarter of 2011. The decline in ENI in the second quarter of 2012 compared to the second quarter of 2011 was primarily driven by a one-time, non-recurring \$8.0 million gain during the second quarter of 2011 for the reimbursement of previously incurred offering costs related to the launch of Apollo Commercial Real Estate Finance, Inc. Total revenues for the real estate segment during the second quarter of 2012

were \$17.7 million, an increase of \$8.0 million or 82% compared to \$9.7 million for the same period in 2011. The increase in revenues during the second quarter of 2012 was largely due to a \$4.2 million increase in total carried interest income, including \$2.6 million of realized gains. As of June 30, 2012, Apollo's real estate AUM was \$7.9 billion, compared to \$7.6 billion at June 30, 2011.

Capital and Liquidity

As of June 30, 2012, Apollo had \$619.9 million of cash and cash equivalents and \$738.1 million of debt. These amounts exclude cash and debt associated with Apollo's consolidated funds and consolidated variable interest entities. As of June 30, 2012, Apollo had a \$1,303 million carried interest receivable and corresponding profit sharing payable of \$665.9 million as well as total investments in its private equity, capital markets and real estate funds of \$446.0 million, excluding consolidated VIEs and consolidated funds.

Distribution

Apollo Global Management, LLC has declared a second quarter 2012 cash distribution of \$0.24 per Class A share, which comprises a regular distribution of \$0.07 per Class A share and a quarterly distribution of \$0.17 per Class A share primarily attributable to fund realizations, net transaction fees, and interest and dividend income earned by our funds. This distribution will be paid on August 31, 2012 to holders of record at the close of business on August 27, 2012.

Apollo intends to distribute to its shareholders on a quarterly basis substantially all of its net after-tax cash flow in excess of amounts determined by its manager to be necessary or appropriate to provide for the conduct of its business. However, we cannot assure shareholders that they will receive any distributions.

Conference Call

Apollo will host a conference call on August 2, 2012 at 11:00 am EDT. During the call Marc Spilker, President, Gene Donnelly, Chief Financial Officer, and Gary Stein, Head of Corporate Communications, will review Apollo's financial results. The conference call can be accessed by dialing (888) 868-4188 (U.S. domestic) or +1 (615) 800-6914 (international), and by providing conference call ID 98654082 when prompted by the operator. The number should be dialed at least ten minutes prior to the start of the call. A simultaneous webcast of the conference call will be available to the public on a listen-only basis and can be accessed through the Investor Relations section of Apollo's website at www.agm.com.

Following the call, a replay of the event can be accessed either telephonically or via audio webcast. A telephonic replay of the live broadcast will be available approximately two hours after the live broadcast by dialing (800) 585-8367 (U.S. callers) or +1 (404) 537-3406 (non-U.S. callers), pass code 98654082. To access the audio webcast, please visit Events in the Investor Relations section of Apollo's website at www.agm.com.

About Apollo

Apollo is a leading global alternative investment manager with offices in New York, Los Angeles, Houston, London, Frankfurt, Luxembourg, Singapore, Mumbai and Hong Kong.

Apollo had assets under management of approximately \$105 billion as of June 30, 2012, in private equity, credit-oriented capital markets and real estate funds invested across a core group of nine industries where Apollo has considerable knowledge and resources. For more information about Apollo, please visit www.agm.com.

Forward-Looking Statements

This press release may contain forward looking statements that are within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, discussions related to Apollo's expectations regarding the performance of its business, its liquidity and capital resources and the other non-historical statements in the discussion and analysis. These forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. When used in this release, the words "believe," "anticipate," "estimate," "expect," "intend" and similar expressions are intended to identify forward-looking statements. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These statements are subject to certain risks, uncertainties and assumptions, including risks relating to our dependence on certain key personnel, our ability to raise new private equity, capital markets or real estate funds, market conditions, generally, our ability to manage our growth, fund performance, changes in our regulatory environment and tax status, the variability of our revenues, net income and cash flow, our use of leverage to finance our businesses and investments by our funds and litigation risks, among others. We believe these factors include but are not limited to those described under the section entitled "Risk Factors" in the Company's Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 9, 2012, and such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in other filings. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law. This release does not constitute an offer of any Apollo fund.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011
(dollars in thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues:				
Advisory and transaction fees from affiliates	\$ 69,777	\$ 23,556	\$ 97,013	\$ 42,972

Management fees from affiliates

143,326	121,187	270,504	239,337
---------	---------	---------	---------

Carried interest (loss) income from affiliates

(1,475)	164,133	620,854	722,909
---------	---------	---------	---------

Total Revenues

211,628	308,876	988,371	1,005,218
---------	---------	---------	-----------

Expenses:

Compensation and benefits:

Equity-based compensation

142,114	287,358	290,980	570,965
---------	---------	---------	---------

Salary, bonus and benefits

74,948	64,286	140,019	136,355
--------	--------	---------	---------

Profit sharing expense

19,851	70,733	268,875	287,818
--------	--------	---------	---------

Incentive fee compensation

(27)	(3,594)	8	6,565
------	---------	---	-------

Total Compensation and benefits

236,886	418,783	699,882	1,001,703
---------	---------	---------	-----------

Interest expense

10,567	10,327	21,947	21,209
--------	--------	--------	--------

Professional fees

16,832	12,992	28,359	30,353
--------	--------	--------	--------

General, administrative and other

23,575	22,502	42,782	39,109
--------	--------	--------	--------

Placement fees

8,131	575	9,052	1,114
-------	-----	-------	-------

Occupancy

8,990	7,925	17,716	15,151
-------	-------	--------	--------

Depreciation and amortization

11,981	6,902	20,454	12,948
--------	-------	--------	--------

Total Expenses

316,962	480,006	840,192	1,121,587
---------	---------	---------	-----------

Other Income:

Net (losses) gains from investment activities

(28,214)	63,311	129,494	221,240
----------	--------	---------	---------

Net gains (losses) from investment activities of consolidated variable interest entities

31,763	(12,369)	15,562	4,719
--------	----------	--------	-------

(Loss) income from equity method investments

(839)	5,370	42,412	27,196
-------	-------	--------	--------

Interest and dividend income

2,202	612	3,816	870
-------	-----	-------	-----

Other income, net

1,793,299	13,111	1,799,115	21,174
-----------	--------	-----------	--------

Total Other Income

1,798,211	70,035	1,990,399	275,199
-----------	--------	-----------	---------

Income (loss) before income tax provision

1,692,877	(101,095)	2,138,578	158,830
-----------	-----------	-----------	---------

Income tax provision

(10,650)	(3,550)	(25,210)	(12,370)
----------	---------	----------	----------

Net Income (Loss)

1,682,227	(104,645)	2,113,368	146,460
-----------	-----------	-----------	---------

Net (income) loss attributable to Non-Controlling Interests	<u>(1,723,613)</u>	<u>53,656</u>	<u>(2,056,711)</u>	<u>(159,293)</u>
Net (Loss) Income Attributable to Apollo Global Management, LLC	<u>\$ (41,386)</u>	<u>\$ (50,989)</u>	<u>\$ 56,657</u>	<u>\$ (12,833)</u>
Dividends Declared per Class A Share	<u>\$ 0.25</u>	<u>\$ 0.22</u>	<u>\$ 0.71</u>	<u>\$ 0.39</u>

Net (Loss) Income Per Class A Share:

Net (Loss) Income Per Class A Share – Basic and Diluted	<u>\$ (0.38)</u>	<u>\$ (0.46)</u>	<u>\$ 0.32</u>	<u>\$ (0.19)</u>
Weighted Average Number of Class A Shares – Basic	<u>126,457,443</u>	<u>120,963,248</u>	<u>125,863,348</u>	<u>109,652,330</u>
Weighted Average Number of Class A Shares – Diluted	<u>126,457,443</u>	<u>120,963,248</u>	<u>126,260,767</u>	<u>109,652,330</u>

**APOLLO GLOBAL MANAGEMENT, LLC
SEGMENT RESULTS (UNAUDITED)
(dollars in millions, except per share data)**

Summary of Combined Segment Results for Management Business and Incentive Business:

	Three Months Ended				Six Months Ended			
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012	June 30, 2011	June 30, 2012
Management Business:								
Advisory and transaction fees from affiliates	\$ 19.4	\$ 23.6	\$ 17.2	\$ 22.1	\$ 27.3	\$ 70.0	\$ 43.0	\$ 97.1
Management fees from affiliates	118.2	121.2	123.0	127.8	130.0	156.4	239.4	286.4

Carried interest
income from
affiliates:

Realized gains	<u>12.5</u>	<u>11.2</u>	<u>11.3</u>	<u>9.5</u>	<u>9.6</u>	<u>9.2</u>	<u>23.7</u>	<u>18.1</u>
Total management business revenues	150.1	156.0	151.5	159.4	166.9	235.6	306.1	402.1
Equity-based compensation ⁽¹⁾	13.2	17.0	18.0	20.0	18.9	14.1	30.2	33.0
Salary, bonus and benefits	72.1	64.3	68.4	46.3	65.1	74.9	136.4	140.0
Interest expense	10.9	10.3	9.8	9.9	11.4	10.2	21.2	21.0
Professional fees	17.1	12.8	6.8	21.6	11.3	16.5	29.9	27.0
General, administrative and other	16.2	22.1	16.3	19.4	18.7	23.1	38.3	41.0
Placement fees	0.5	0.6	2.0	0.8	0.9	8.1	1.1	9.0
Occupancy	7.2	7.9	10.4	10.3	8.7	9.0	15.1	17.0
Depreciation and amortization ⁽²⁾	<u>2.9</u>	<u>2.6</u>	<u>3.0</u>	<u>2.6</u>	<u>2.4</u>	<u>2.4</u>	<u>5.5</u>	<u>4.0</u>
Total non-compensation expenses	54.8	56.3	48.3	64.6	53.4	69.3	111.1	122.0
Total management business expenses	140.1	137.6	134.7	130.9	137.4	158.3	277.7	295.0
Other income (loss)	8.3	13.7	(9.5)	2.3	7.0	(4.5)	22.0	2.0
Non-controlling interest ⁽³⁾	<u>(3.6)</u>	<u>(1.6)</u>	<u>(4.1)</u>	<u>(2.8)</u>	<u>(1.4)</u>	<u>(2.4)</u>	<u>(5.2)</u>	<u>(3.1)</u>

**Management
Business
Economic Net
Income**

14.7	30.5	3.2	28.0	35.1	70.4	45.2	105.4
------	------	-----	------	------	------	------	-------

**Incentive
Business:**

Carried interest
income (loss):

Unrealized
gains (losses)

411.4	(25.8)	(1,683.2)	211.0	474.3	(52.8)	385.6	421.4
-------	--------	-----------	-------	-------	--------	-------	-------

Realized
gains

134.8	178.7	52.9	278.2	149.8	56.0	313.5	205.4
-------	-------	------	-------	-------	------	-------	-------

Total carried
interest
income (loss)

546.2	152.9	(1,630.3)	489.2	624.1	3.2	699.1	627.4
-------	-------	-----------	-------	-------	-----	-------	-------

Profit sharing
expense:

Unrealized
profit sharing
expense

167.6	(9.6)	(582.7)	54.1	178.4	(10.8)	158.0	167.4
-------	-------	---------	------	-------	--------	-------	-------

Realized
profit sharing
expense

49.5	80.4	19.3	157.8	70.7	30.7	129.9	101.4
------	------	------	-------	------	------	-------	-------

Total profit
sharing
expense

217.1	70.8	(563.4)	211.9	249.1	19.9	287.9	269.4
-------	------	---------	-------	-------	------	-------	-------

Incentive fee
compensation

10.1	(3.6)	(3.8)	0.7	-	-	6.5	
------	-------	-------	-----	---	---	-----	--

Net gains
(losses) from
investment
activities
Income (loss)
from equity
method
investments
Other income
(loss)

17.8	2.3	(33.4)	7.4	3.4	(13.1)	20.1	(9.7)
------	-----	--------	-----	-----	--------	------	-------

25.1	6.8	(65.7)	44.6	48.5	1.4	31.9	49.4
------	-----	--------	------	------	-----	------	------

42.9	9.1	(99.1)	52.0	51.9	(11.7)	52.0	40.4
------	-----	--------	------	------	--------	------	------

Incentive Business Economic Net Income (Loss)	<u>361.9</u>	<u>94.8</u>	<u>(1,162.2)</u>	<u>328.6</u>	<u>426.9</u>	<u>(28.4)</u>	<u>456.7</u>	<u>398.4</u>
Total Economic Net Income (Loss)	<u>376.6</u>	<u>125.3</u>	<u>(1,159.0)</u>	<u>356.6</u>	<u>462.0</u>	<u>42.0</u>	<u>501.9</u>	<u>504.1</u>
Income Tax (Provision) Benefit on Economic Net Income⁽⁴⁾	<u>(25.2)</u>	<u>(7.8)</u>	<u>66.5</u>	<u>(54.6)</u>	<u>(39.7)</u>	<u>(23.3)</u>	<u>(33.0)</u>	<u>(63.1)</u>
Total Economic Net Income (Loss) After Taxes	<u>\$ 351.4</u>	<u>\$ 117.5</u>	<u>\$ (1,092.5)</u>	<u>\$ 302.0</u>	<u>\$ 422.3</u>	<u>\$ 18.7</u>	<u>\$ 468.9</u>	<u>\$ 441.0</u>
Non-GAAP Weighted average diluted shares outstanding (in millions)	<u>353.6</u>	<u>376.0</u>	<u>378.0</u>	<u>379.3</u>	<u>383.6</u>	<u>386.0</u>	<u>364.8</u>	<u>384.1</u>
Total ENI After Taxes per Share	<u>\$ 0.99</u>	<u>\$ 0.31</u>	<u>\$ (2.89)</u>	<u>\$ 0.80</u>	<u>\$ 1.10</u>	<u>\$ 0.05</u>	<u>\$ 1.29</u>	<u>\$ 1.14</u>

- (1) The combined amounts relate to RSUs (excluding RSUs granted in connection with the 2007 private placement) and share options. Excludes equity-based compensation expense comprising amortization of Apollo Operating Group (AOG) units.
- (2) Includes amortization of leasehold improvements.
- (3) Reflects the remaining interest held by certain individuals who receive an allocation of income from certain of our capital markets management companies.
- (4) See the definition of ENI after taxes in the non-GAAP financial information and definitions section of this press release.

Private Equity Segment:

Three Months Ended						Six Months Ended	
March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012	June 30, 2011	June 30, 2012

**Management
Business:**

Advisory and
transaction fees
from affiliates

\$ 15.1 \$ 21.6 \$ 14.8 \$ 15.4 \$ 25.9 \$ 65.1 \$ 36.7 \$ 91.0

Management
fees from
affiliates

65.5 65.4 65.3 67.0 67.0 69.2 130.9 136.2

Total
management
business
revenues

80.6 87.0 80.1 82.4 92.9 134.3 167.6 227.2

Equity-based
compensation

7.2 7.5 8.1 9.0 7.8 7.4 14.7 15.2

Salary, bonus
and benefits

37.8 27.8 32.4 27.1 30.8 37.8 65.6 68.6

Other expenses

23.6 26.6 24.8 24.3 20.8 23.9 50.2 44.7

Total
management
business
expenses

68.6 61.9 65.3 60.4 59.4 69.1 130.5 128.5

Other income
(loss)

5.1 3.7 (1.0) (0.7) 3.3 (3.2) 8.8 0.1

**Management
Business
Economic Net
Income**

17.1 28.8 13.8 21.3 36.8 62.0 45.9 98.8

**Incentive
Business:**

Carried interest
income (loss):

Unrealized

gains (losses)

323.1 (32.4) (1,399.1) 88.7 326.0 (37.7) 290.7 288.3

Realized gains

118.6 171.4 40.5 240.0 122.1 43.4 290.0 165.5

Total carried
interest

income (loss)

441.7 139.0 (1,358.6) 328.7 448.1 5.7 580.7 453.8

Profit sharing
expense:

Unrealized profit sharing expense	147.1	(17.4)	(513.1)	13.1	153.7	(9.1)	129.7	144.6
Realized profit sharing expense	<u>45.1</u>	<u>77.4</u>	<u>15.8</u>	<u>131.6</u>	<u>50.6</u>	<u>22.9</u>	<u>122.5</u>	<u>73.5</u>
Total profit sharing expenses	192.2	60.0	(497.3)	144.7	204.3	13.8	252.2	218.1
Income (losses) from equity method investments	<u>15.8</u>	<u>4.5</u>	<u>(39.4)</u>	<u>27.1</u>	<u>30.6</u>	<u>1.9</u>	<u>20.3</u>	<u>32.5</u>
Total other income (loss)	15.8	4.5	(39.4)	27.1	30.6	1.9	20.3	32.5
Incentive Business Economic Net Income (Loss)	<u>265.3</u>	<u>83.5</u>	<u>(900.7)</u>	<u>211.1</u>	<u>274.4</u>	<u>(6.2)</u>	<u>348.8</u>	<u>268.2</u>
Total Economic Net Income (Loss)	<u>\$282.4</u>	<u>\$112.3</u>	<u>\$ (886.9)</u>	<u>\$ 232.4</u>	<u>\$311.2</u>	<u>\$ 55.8</u>	<u>\$394.7</u>	<u>\$367.0</u>

Capital Markets Segment:

	Three Months Ended						Six Months Ended	
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012	June 30, 2011	June 30, 2012
Management Business:								
Advisory and transaction fees from affiliates	\$ 4.3	\$ 2.0	\$ 1.9	\$ 6.5	\$ 1.4	\$ 4.3	\$ 6.3	\$ 5.7
Management fees from affiliates	43.4	46.1	47.2	50.0	52.6	74.3	89.5	126.9
Carried interest income from affiliates:								
Realized gains	<u>12.5</u>	<u>11.2</u>	<u>11.3</u>	<u>9.5</u>	<u>9.6</u>	<u>9.2</u>	<u>23.7</u>	<u>18.8</u>

Total management business revenues	60.2	59.3	60.4	66.0	63.6	87.8	119.5	151.4
Equity-based compensation	3.5	6.3	6.4	7.1	8.1	4.3	9.8	12.4
Salary, bonus and benefits	24.5	28.6	29.1	10.7	27.6	31.2	53.1	58.8
Other expenses	26.0	23.8	17.5	27.7	25.9	39.2	49.8	65.1
Total management business expenses	54.0	58.7	53.0	45.5	61.6	74.7	112.7	136.3
Other income (loss)	2.7	0.5	(8.3)	3.1	2.9	(0.7)	3.2	2.2
Non-controlling interest	(3.6)	(1.6)	(4.1)	(2.8)	(1.4)	(2.4)	(5.2)	(3.8)
Management Business Economic Net Income (Loss)	5.3	(0.5)	(5.0)	20.8	3.5	10.0	4.8	13.5
Incentive Business:								
Carried interest income (loss):								
Unrealized gains (losses)	88.3	6.6	(284.1)	122.3	148.3	(16.7)	94.9	131.6
Realized gains	16.2	7.3	12.4	38.2	26.0	10.0	23.5	36.0
Total carried interest income (loss)	104.5	13.9	(271.7)	160.5	174.3	(6.7)	118.4	167.6
Profit sharing expense:								
Unrealized profit sharing expense	20.5	7.8	(69.6)	41.0	24.7	(2.9)	28.3	21.8
Realized profit sharing expense	4.4	3.0	3.5	24.8	18.6	6.8	7.4	25.4

Total profit sharing expense	24.9	10.8	(66.1)	65.8	43.3	3.9	35.7	47.2
Incentive fee compensation	10.1	(3.6)	(3.8)	0.7	-	-	6.5	-
Net gains (losses) from investment activities	17.8	2.3	(33.4)	7.4	3.4	(13.1)	20.1	(9.7)
Income (loss) from equity method investments	9.1	2.0	(26.4)	17.4	17.7	(0.7)	11.1	17.0
Total other income (loss)	26.9	4.3	(59.8)	24.8	21.1	(13.8)	31.2	7.3
Incentive Business Economic Net Income (Loss)	<u>96.4</u>	<u>11.0</u>	<u>(261.6)</u>	<u>118.8</u>	<u>152.1</u>	<u>(24.4)</u>	<u>107.4</u>	<u>127.7</u>
Total Economic Net Income (Loss)	<u>\$101.7</u>	<u>\$10.5</u>	<u>\$ (266.6)</u>	<u>\$ 139.6</u>	<u>\$155.6</u>	<u>\$(14.4)</u>	<u>\$112.2</u>	<u>\$141.2</u>

Real Estate Segment:

	Three Months Ended						Six Months Ended	
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012	June 30, 2011	June 30, 2012
Management Business:								
Advisory and transaction fees from affiliates	\$ -	\$ -	\$ 0.5	\$ 0.2	\$ -	\$ 0.6	\$ -	\$ 0.6
Management fees from affiliates	9.3	9.7	10.5	10.8	10.4	12.9	19.0	23.3
Total management business revenues	9.3	9.7	11.0	11.0	10.4	13.5	19.0	23.9

Equity-based compensation	2.5	3.2	3.5	3.9	3.0	2.4	5.7	5.4
Salary, bonus and benefits	9.8	7.9	6.9	8.5	6.7	5.9	17.7	12.6
Other expenses	5.2	5.9	6.0	12.6	6.7	6.2	11.1	12.9
Total management business expenses	17.5	17.0	16.4	25.0	16.4	14.5	34.5	30.9
Other income (loss)	0.5	9.5	(0.2)	(0.1)	0.8	(0.6)	10.0	0.2
Management Business Economic Net (Loss) Income	<u>(7.7)</u>	<u>2.2</u>	<u>(5.6)</u>	<u>(14.1)</u>	<u>(5.2)</u>	<u>(1.6)</u>	<u>(5.5)</u>	<u>(6.8)</u>
Incentive Business:								
Carried interest income:								
Unrealized gains	-	-	-	-	-	1.6	-	1.6
Realized gains	-	-	-	-	1.7	2.6	-	4.3
Total carried interest income	-	-	-	-	1.7	4.2	-	5.9
Profit sharing expense:								
Unrealized profit sharing expense	-	-	-	-	-	1.2	-	1.2
Realized profit sharing expense	-	-	-	1.4	1.5	1.0	-	2.5
Total profit sharing expense	-	-	-	1.4	1.5	2.2	-	3.7
Income from equity method investments	0.1	0.3	0.2	0.1	0.2	0.2	0.4	0.4
Incentive Business Economic Net Income (Loss)	<u>0.1</u>	<u>0.3</u>	<u>0.2</u>	<u>(1.3)</u>	<u>0.4</u>	<u>2.2</u>	<u>0.4</u>	<u>2.6</u>
Total Economic Net (Loss) Income	<u>\$ (7.6)</u>	<u>\$ 2.5</u>	<u>\$ (5.4)</u>	<u>\$ (15.4)</u>	<u>\$ (4.8)</u>	<u>\$ 0.6</u>	<u>\$ (5.1)</u>	<u>\$ (4.2)</u>

APOLLO GLOBAL MANAGEMENT, LLC
RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO ECONOMIC NET INCOME
(LOSS) (UNAUDITED)
(dollars in millions)

Reconciliation of U.S. GAAP Net Income (Loss) to Economic Net Income (Loss):

	Three Months Ended						Six Months Ended	
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012	June 30, 2011	June 30, 2012
Net Income (Loss) Attributable to Apollo Global Management, LLC	\$ 38.2	\$ (51.0)	\$ (467.0)	\$ 11.0	\$ 98.0	\$ (41.3)	\$ (12.8)	\$ 56.7
Impact of non-cash charges related to equity-based compensation:								
AOG units	258.2	258.2	258.2	258.2	116.2	116.1	516.4	232.3
RSUs Private placement awards ⁽¹⁾	11.9	11.9	11.4	11.8	13.3	11.0	23.8	24.3
ARI restricted stock awards, ARI RSUs and AMTG RSUs	0.2	0.2	0.4	0.5	0.4	0.4	0.4	0.8
AAA RDUs	0.1	0.1	0.2	0.1	0.1	0.3	0.2	0.4
Total non-cash charges related to equity-based compensation	270.4	270.4	270.2	270.6	130.0	127.8	540.8	257.8
Income tax provision (benefit)	8.8	3.6	(19.9)	19.4	14.6	10.6	12.4	25.2
Income (loss) from consolidated VIEs	-	-	0.7	(0.7)	-	-	-	-

Amortization of intangible assets associated with the 2007 Reorganization and acquisitions	3.2	4.3	3.6	4.0	6.1	9.6	7.5	15.7
Net income (loss) attributable to Non-Controlling Interests in Apollo Operating Group	<u>56.0</u>	<u>(102.0)</u>	<u>(946.6)</u>	<u>52.3</u>	<u>213.3</u>	<u>(64.7)</u>	<u>(46.0)</u>	<u>148.6</u>
Economic Net Income (Loss)	<u>\$376.6</u>	<u>\$ 125.3</u>	<u>\$ (1,159.0)</u>	<u>\$ 356.6</u>	<u>\$462.0</u>	<u>\$ 42.0</u>	<u>\$501.9</u>	<u>\$504.0</u>

(1) Represents awards granted in connection with the 2007 private placement.

APOLLO GLOBAL MANAGEMENT, LLC
ASSETS UNDER MANAGEMENT
(UNAUDITED)

Assets Under Management—Fee-Generating and Non-Fee Generating

The table below sets forth fee-generating and non-fee generating AUM by segment as of June 30, 2012 and 2011 and December 31, 2011. Changes in market conditions, the additional funds raised and strategic acquisitions have had significant impacts to our AUM:

	As of June 30,		As of December 31,
	2012	2011	2011
	(in millions)		
Total Assets Under Management	\$ 104,893 ⁽¹⁾	\$ 71,714	\$ 75,222
Fee-generating	77,449	48,851	58,121
Non-fee generating	27,444 ⁽¹⁾	22,863	17,101
Private Equity	38,228	40,430	35,384
Fee-generating	27,754	27,729	28,031
Non-fee generating	10,474	12,701	7,353

Capital Markets ⁽²⁾	56,108	23,684	31,867
Fee-generating	45,509	18,064	26,553
Non-fee generating	10,599	5,620	5,314
Real Estate ⁽²⁾	7,861	7,600	7,971
Fee-generating	4,186	3,058	3,537
Non-fee generating	3,675	4,542	4,434

(1) Includes \$2.7 billion of commitments that have yet to be deployed to an Apollo fund within our three segments.

(2) Certain of our publicly traded vehicles AUM and Fee-generating AUM are as of March 31, 2012.

The following tables summarize changes in total AUM and total AUM for each of our segments for the three and six months ended June 30, 2012 and 2011:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011 ⁽¹⁾	2012	2011 ⁽¹⁾
	(in millions)			
Change in Total AUM:				
Beginning of Period	\$ 86,126 ⁽²⁾	\$ 69,959	\$ 75,222	\$ 67,551
Income	380	1,601	4,836	4,299
Subscriptions/Capital raised	2,251	1,085	6,592	1,886
Other inflows/Acquisitions	18,546	-	19,928	-
Distributions	(3,269)	(1,551)	(3,582)	(3,137)
Redemptions	(654)	(30)	(753)	(139)
Leverage	1,513	650	2,650	1,254
End of Period	<u>\$ 104,893⁽²⁾</u>	<u>\$ 71,714</u>	<u>\$ 104,893⁽²⁾</u>	<u>\$ 71,714</u>
Change in Private Equity AUM:				
Beginning of Period	\$ 38,398	\$ 39,578	\$ 35,384	\$ 38,799
Income	517	837	3,748	2,670
Subscriptions/Capital raised	20	-	28	-
Distributions	(1,518)	(998)	(1,578)	(2,209)
Net segment transfers	158	31	157	164
Leverage	653	982	489	1,006
End of Period	<u>\$ 38,228</u>	<u>\$ 40,430</u>	<u>\$ 38,228</u>	<u>\$ 40,430</u>
Change in Capital Markets AUM:				
Beginning of Period	\$ 36,465	\$ 23,834	\$ 31,867	\$ 22,283
(Loss) Income	(117)	371	934	1,246
Subscriptions/Capital raised	2,101	1,000	3,129	1,805

Other inflows/Acquisitions	18,546	-	19,928	-
Distributions	(1,162)	(246)	(1,244)	(621)
Redemptions	(381)	(30)	(480)	(139)
Net segment transfers	(551)	(523)	(640)	(757)
Leverage	1,207	(722)	2,614	(133)
End of Period	<u>\$ 56,108</u>	<u>\$ 23,684</u>	<u>\$ 56,108</u>	<u>\$ 23,684</u>

Change in Real Estate AUM:

Beginning of Period	\$ 8,263	\$ 6,547	\$ 7,971	\$ 6,469
(Loss) income	(20)	393	154	383
Subscriptions/Capital raised	84	85	389	81
Distributions	(589)	(307)	(760)	(307)
Redemptions ⁽³⁾	(273)	-	(273)	-
Net segment transfers	743	492	833	593
Leverage	(347)	390	(453)	381
End of Period	<u>\$ 7,861</u>	<u>\$ 7,600</u>	<u>\$ 7,861</u>	<u>\$ 7,600</u>

- (1) Reclassified to conform to current period's presentation.
- (2) Includes \$3.0 billion and \$2.7 billion of commitments that have yet to be deployed to an Apollo fund within our three segments at the end of the first quarter and second quarter, respectively.
- (3) Includes \$273 million of released unfunded commitments primarily related to two legacy CPI real estate funds that were past their investment periods.

The following tables summarize changes in total fee-generating AUM and fee-generating AUM for each of our segments for the three and six months ended June 30, 2012 and 2011:

For the Three Months Ended June 30,		For the Six Months Ended June 30,	
2012	2011	2012	2011
(in millions)			

Change in Total Fee-Generating AUM:

Beginning of Period	\$59,571	\$48,269	\$58,121	\$47,037
(Loss) Income	(110)	419	289	994
Subscriptions/Capital raised	2,609	221	3,023	888
Other inflows/Acquisitions	16,194	-	17,576	-
Distributions	(1,269)	(196)	(1,453)	(511)
Redemptions	(363)	(12)	(460)	(118)
Net movements between Fee Generating and Non-Fee Generating	(615)	-	(618)	100
Leverage	1,432	150	971	461
End of Period	<u>\$77,449</u>	<u>\$48,851</u>	<u>\$77,449</u>	<u>\$48,851</u>

Change in Private Equity Fee-Generating AUM:

Beginning of Period	\$27,653	\$27,804	\$28,031	\$27,874
Income (loss)	58	(56)	134	(28)
Subscriptions/Capital raised	18	-	28	-
Distributions	(298)	(57)	(351)	(234)
Net segment transfers	-	31	-	65
Net movements between Fee Generating and Non-Fee Generating	230	-	239	-
Leverage	93	7	(327)	52
End of Period	<u>\$27,754</u>	<u>\$27,729</u>	<u>\$27,754</u>	<u>\$27,729</u>

Change in Capital Markets Fee-Generating AUM:

Beginning of Period	\$28,207	\$17,660	\$26,553	\$16,484
(Loss) Income	(125)	954	130	1,536
Subscriptions/Capital raised	2,478	142	2,781	741
Other inflows/Acquisitions	16,194	-	17,576	-
Distributions	(833)	(100)	(903)	(231)
Redemptions	(363)	(12)	(460)	(118)
Net segment transfers	(501)	(292)	(589)	(326)
Net movements between Fee Generating and Non-Fee Generating	(887)	-	(877)	-
Leverage	1,339	(288)	1,298	(22)
End of Period	<u>\$45,509</u>	<u>\$18,064</u>	<u>\$45,509</u>	<u>\$18,064</u>

Change in Real Estate Fee-Generating AUM:

Beginning of Period	\$ 3,711	\$ 2,805	\$ 3,537	\$ 2,679
(Loss) Income	(43)	(479)	25	(514)
Subscriptions/Capital raised	113	79	214	147
Distributions	(138)	(39)	(199)	(46)
Net segment transfers	501	261	589	261
Net movements between Fee Generating and Non-Fee Generating	42	-	20	100
Leverage	-	431	-	431
End of Period	<u>\$ 4,186</u>	<u>\$ 3,058</u>	<u>\$ 4,186</u>	<u>\$ 3,058</u>

APOLLO GLOBAL MANAGEMENT, LLC
FUND PERFORMANCE (UNAUDITED)

Investment Record*Private Equity*

The following table summarizes the investment record of our private equity fund portfolios. All of June 30, 2012, unless otherwise noted:

	Vintage Year	Committed Capital	Total Invested Capital			Total Value	As of June 30, 2012	
				Realized	Unrealized ⁽¹⁾		Gross IRR	Net IRR
				(in millions)				
ANRP ⁽²⁾	2012	\$ 802	\$ 187	\$ -	\$ 180	\$ 180	NM ⁽²⁾	NM ⁽²⁾
Fund VII	2008	14,676	13,130	7,244	12,485	19,729	33%	23%
Fund VI	2006	10,136	11,797	5,194	10,345	15,539	9	8
Fund V	2001	3,742	5,192	11,155	1,747	12,902	61	44
Fund IV	1998	3,600	3,481	6,757	60	6,817	12	9
Fund III	1995	1,500	1,499	2,654	51	2,705	18	11
Fund I, II & MIA ⁽³⁾	1990/92	2,220	3,773	7,924	-	7,924	47	37
Totals		\$ 36,676	\$39,059	\$40,928	\$ 24,868	\$65,796	39% ⁽⁴⁾	25% ⁽⁴⁾

(1) Figures include the market values, estimated fair value of certain unrealized investments and capital committed to investments.

(2) Apollo Natural Resources Partners, L.P. ("ANRP") commenced investing capital less than 24 months prior to the period indicated. Given the limited investment period and overall longer investment period for private equity funds, the return information was deemed not meaningful.

(3) Fund I and Fund II were structured such that investments were made from either fund depending on which fund had available capital. We do not differentiate between Fund I and Fund II investments for purposes of performance figures because they are not meaningful on a separate basis and do not demonstrate the progression of returns over time. The general partners and managers of Funds I, II and MIA, as well as the general partner of Fund III were excluded assets in connection with the 2007 reorganization of Apollo Global Management, LLC. As a result, Apollo Global Management, LLC did not receive the economics associated with these entities. The investment performance of these funds is presented to illustrate fund performance associated with our managing partners and other investment professionals.

(4) Total IRR is calculated based on total cash flows for all funds presented.

Capital Markets

The following table summarizes the investment record for certain funds with a defined maturity return since inception, which is computed for the purposes of this table based on the actual contributions, distributions and ending limited partners' capital as of the specified date. All amc 2012, unless otherwise noted:

		Vintage Year	Committed Capital	Total Invested		Realized Unrealized ⁽¹⁾ (in millions)		Total Value	Gro IRI
	Strategy								
ACRF II ⁽²⁾	Other	2012	\$ 85.2	\$ 59.7	\$ 0.6	\$ 60.6	\$ 61.2	NM	
EPF II ⁽³⁾	Non- Performing Loan	2012	2,054.3	133.7	5.5	126.4	131.9	NM	
FCI ⁽³⁾	Other	2012	558.8	321.4	10.3	318.1	328.4	NM	
AESI ⁽³⁾	Senior Credit Fund	2011	450.1	248.5	62.8	207.3	270.1	NM	
AEC ⁽³⁾	Senior Credit Fund	2011	270.3	100.0	22.4	81.6	104.0	NM	
AIE II ⁽⁵⁾	Mezzanine Fund	2008	261.4	763.7	684.3	349.3	1,033.6	18.3	
COF I	Senior Credit Fund	2008	1,484.9	1,611.3	1,158.4	2,180.9	3,339.3	27.0	
COF II	Senior Credit Fund	2008	1,583.0	2,176.4	1,481.4	1,392.6	2,874.0	13.0	
EPF I ⁽⁵⁾	Non- Performing Loan	2007	1,639.5	1,571.5	1,072.5	1,033.8	2,106.3	16.8	
ACLF	Senior Credit Fund	2007	984.0	1,448.5	1,436.1	424.3	1,860.4	11.3	
Artus	Senior Credit Fund	2007	106.6	190.1	39.0	170.6	209.6	4.2	
Totals			\$ 9,478.1	\$8,624.8	\$5,973.3	\$ 6,345.5	\$12,318.8		

(1) Figures include the market values, estimated fair value of certain unrealized investments and capital committed to investments.

(2) As part of the Stone Tower acquisition, Apollo acquired the manager of Apollo Structured Credit Recovery Master Fund II, Ltd. ("ACRF II"). Apollo became the manager of this fund upon completing the acquisition on April 2, 2012.

- (3) Apollo European Principal Finance Fund II, L.P. ("EPF II"), Financial Credit Investment I, L.P. ("FCI"), Apollo European Strategic Investment, L.P. ("AESI") and Apollo European Credit Master Fund, L.P. ("AEC") were established during 2011. FCI had its final capital raise in the first quarter of 2012, establishing its vintage year.
- (4) Returns have not been presented as the fund commenced investing capital less than 24 months prior to the period indicated and therefore such return information was deemed not meaningful.
- (5) Fund is denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.27 as of June 30, 2012.

The following table summarizes the investment record for certain funds with no maturity date, except AIE I which is winding down and is therefore expected to have a finite life. All amounts as of June 30, 2012, unless otherwise noted:

			Current Net Asset Value as of June 30, 2012	Net Return				
Strategy	Vintage Year			Since Inception to June 30, 2012	For the Six Months Ended June 30, 2012	For the Six Months Ended June 30, 2011	Since Inception to December 31, 2011	For the Year Ended December 31, 2011
			(in millions)					
ACSF ⁽²⁾	Other	2011	\$ 153.8	NM ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾
STCS ⁽²⁾	Other	2010	84.3	NM ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾
ACF ⁽²⁾	Other	2005	1,705.9	NM ⁽¹⁾⁽²⁾	NM ⁽¹⁾⁽²⁾	NM ⁽¹⁾⁽²⁾	NM ⁽¹⁾⁽²⁾	NM ⁽¹⁾
ACSP ⁽¹⁾ (3)	Senior Credit Fund	2012	176.4	NM ⁽¹⁾	NM ⁽¹⁾	N/A	NM ⁽¹⁾	NM ⁽¹⁾
AMTG ⁽¹⁾ (4)	Senior Credit Fund	2011	216.7	NM ⁽¹⁾	NM ⁽¹⁾	N/A	NM ⁽¹⁾	NM ⁽¹⁾
AFT ⁽¹⁾⁽⁵⁾	Senior Credit Fund	2011	284.0	NM ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾
AAOF	Distressed and Event Driven	2007	88.9	0.7%	(6.2)%	(1.9)%	7.4%	(7.3)%
SOMA ⁽⁶⁾	Distressed and Event Driven	2007	927.7	43.3	13.8	3.2	25.9	(10.5)
AIE I ⁽⁷⁾	Mezzanine Fund	2006	25.5	(56.7)	(18.4)	11.4	(50.0)	(4.4)
AINV ⁽⁸⁾	Mezzanine Fund	2004	1,685.2	43.8	7.2	6.0	34.1	(5.1)

Value	Distressed and Event							
Funds ⁽⁹⁾	Driven	2003/2006	803.1	62.8	8.6	3.2	50.0	(9.6)
Totals			<u>\$6,151.5</u>					

- (1) Returns have not been presented as the fund commenced investing capital less than 24 months prior to the period indicated and therefore such return information was deemed not meaningful.
- (2) As part of the Stone Tower acquisition, Apollo acquired the manager of Apollo Credit Strategies Master Fund Ltd. (“ACSF”), Stone Tower Credit Solutions Master Fund Ltd. (“STCS”), and Apollo Credit Master Fund Ltd (“ACF”). The net IRR from inception for ACF was (14.4)%, which was primarily achieved during a period in which Apollo did not make the initial investment decisions. Apollo became the manager of these funds upon completing the acquisition on April 2, 2012.
- (3) Apollo Centre Street Partnership, L.P. (“ACSP”) is a strategic investment account with \$615.0 million of committed capital.
- (4) In July 2011, Apollo Residential Mortgage, Inc. (“AMTG”) completed its initial public offering raising approximately \$203.0 million in net proceeds. The net asset value is shown as of March 31, 2012. Refer to www.apolloresidentialmortgage.com for the most recent financial information on AMTG.
- (5) The Apollo Senior Floating Rate Fund Inc. (“AFT”) completed its initial public offering during the first quarter of 2011. Refer to www.agmfunds.com for the most recent financial information on AFT.
- (6) SOMA’s NAV and returns are for the primary mandate, which follows similar strategies as the Value Funds and excludes SOMA’s investments in other Apollo funds.
- (7) Fund is denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.27 as of June 30, 2012.
- (8) Net return for AINV represents NAV return including reinvested dividends. Results are presented as of March 31, 2012. Refer to www.apolloic.com for the most recent public financial information on AINV.
- (9) Value Funds consist of Apollo Strategic Value Master Fund, L.P., together with its feeder funds (“SVF”) and Apollo Value Investment Master Fund, L.P., together with its feeder funds (“VIF”).

Real Estate

The following table summarizes the investment record for certain funds with a defined maturity return since inception, which for the purposes of this table is computed based on the actual contributions, distributions and ending limited partners’ capital as of the specified date. All amc 2012, unless otherwise noted:

	Vintage Year	Raised Capital	Current Net Asset Value	Total Invested Capital	Realized	Unrealized ⁽¹⁾	Total Value	G I
					(in millions)			
AGRE U.S. Real Estate Fund, L.P. ⁽²⁾⁽³⁾	2012	\$ 785.2	\$ 104.8	\$ 116.2	\$ -	\$ 115.8	\$ 115.8	N
AGRE Debt Fund I, LP ⁽²⁾	2011	155.5	155.8	155.0	-	155.0	155.0	N
2011 A4 Fund, L.P. ⁽²⁾	2011	234.7	211.4	930.8	-	930.5	930.5	N
AGRE CMBS Fund, L.P.	2009	418.8	192.4	1,572.9	-	881.8	881.8	14
CPI Capital Partners North America ⁽⁴⁾	2006	600.0	131.6	451.4	227.7	113.2	340.9	N
CPI Capital Partners Asia Pacific ⁽⁴⁾	2006	1,291.6	390.8	1,103.9	1,052.5	378.0	1,430.5	N
CPI Capital Partners Europe ⁽⁴⁾ ⁽⁵⁾	2006	1,471.1	448.1	922.4	65.9	422.5	488.4	N
CPI Other	Various	3,151.7	1,058.1	N/A ⁽⁶⁾	N/A ⁽⁶⁾	N/A ⁽⁶⁾	N/A ⁽⁶⁾	N
Totals		<u>\$8,108.6</u>	<u>\$2,693.0</u>	<u>\$5,252.6</u>	<u>\$1,346.1</u>	<u>\$ 2,996.8</u>	<u>\$4,342.9</u>	

(1) Figures include estimated fair value of unrealized investments.

(2) Returns have not been presented as the fund commenced investing capital less than 24 months prior to the period indicated and therefore such return information was deemed not meaningful.

- (3) AGRE U.S. Real Estate Fund, L.P., a newly formed closed-end private investment fund that intends to make real estate-related investments principally located in the United States, held closings in January 2011, June 2011 and April 2012 for a total of \$263.2 million in base capital commitments and \$450 million in additional capital commitments. Additionally, there was \$72.0 million of co-invest commitments raised for an investment in the first quarter of 2012, which is included in the figures in the table above.
- (4) As part of the CPI acquisition, Apollo acquired general partner interests in fully invested funds. The net IRRs from the inception of the respective fund to June 30, 2012 were (10.7)%, 5.4% and (15.1)% for the CPI Capital Partners North America, Asia Pacific and Europe funds, respectively. These net IRRs were primarily achieved during a period in which Apollo did not make the initial investment decisions and Apollo only became the general partner or manager of these funds upon completing the acquisition on November 12, 2010.
- (5) CPI Capital Partners Europe is denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.27 as of June 30, 2012.
- (6) CPI Other consists of funds or individual investments of which we are not the general partner or manager and only receive fees pursuant to either a sub-advisory agreement or an investment management and administrative agreement. CPI Other fund performance is a result of invested capital prior to Apollo's management of these funds. Return and certain other performance data is therefore not considered meaningful as we perform primarily an administrative role.

Apollo also manages Apollo Commercial Real Estate Finance, Inc. (NYSE: ARI), which as of March 31, 2012 had total raised capital and total stockholders' equity of \$355.3 million and \$338.4 million, respectively.

APOLLO GLOBAL MANAGEMENT, LLC SUPPLEMENTAL SEGMENT INFORMATION (UNAUDITED)

Supplemental Segment Information

Private Equity Dollars Invested and Uncalled Commitments

The following table summarizes the private equity dollars invested during the specified reporting periods:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
	(in millions)			
Private equity dollars invested	\$ 1,657	\$ 565	\$ 2,641	\$ 1,367

The following table summarizes the uncalled private equity commitments as of June 30, 2012, December 31, 2011 and June 30, 2011:

	As of June 30, 2012	As of December 31, 2011	As of June 30, 2011
		(in millions)	
Uncalled private equity commitments	\$ 6,647	\$ 8,204	\$ 9,911

Cost and Fair Value of our Funds' Investments by Segment

The following table provides a summary of the cost and fair value of our funds' investments by segment:

	As of June 30, 2012	As of December 31, 2011	As of June 30, 2011
		(in millions)	
Private Equity:			
Cost	\$ 16,963	\$ 15,956	\$ 14,459
Fair Value	24,817	20,700	24,024
Capital Markets⁽¹⁾:			
Cost	13,618	10,917	\$ 10,216
Fair Value	14,190	11,696	12,193
Real Estate⁽²⁾:			
Cost	4,093	4,791	\$ 4,110
Fair Value	3,664	4,344	3,528

(1) Includes AINV and AMTG amounts as of March 31, 2012.

(2) Includes ARI amounts as of March 31, 2012.

As of June 30, 2012, approximately 72% of the fair value of our fund investments was determined using market-based valuation methods (i.e., reliance on broker or listed exchange quotes) and the remaining 28% was determined primarily by comparable company and industry multiples or discounted cash flow models. For our private equity, capital markets and real estate segments, the percentage determined using market-based valuation methods as of June 30, 2012 was 59%, 87% and 47%, respectively.

**APOLLO GLOBAL MANAGEMENT, LLC
CARRIED INTERST RECEIVABLE AND CARRIED INTEREST INCOME (LOSS)
SUMMARY (UNAUDITED)**

The table below presents an analysis of our (i) carried interest receivable and (ii) realized and unrealized carried interest (loss) income for our combined segments as of and for the three and six months ended June 30, 2012:

	As of June 30, 2012	For the Three Months Ended June 30, 2012			For the Six Months Ended June 30, 2012		
	Carried Interest Receivable	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income (Loss)	Total Carried Interest Income (Loss)	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income (Loss)	Total Carried Interest Income (Loss)
(in millions)							
Private Equity Funds:							
Fund VII	\$ 770.7	\$ 14.0	\$ 26.6	\$ 40.6	\$ 301.9	\$ 51.2	\$ 353.1
Fund VI	-	(102.6) ⁽²⁾	16.0	(86.6)	(68.5)	105.5	37.0
Fund V	184.2	47.6	-	47.6	59.2	-	59.2
Fund IV	13.2	(5.2)	0.8	(4.4)	(4.8)	0.8	(4.0)
Other (AAA, Stanhope)	22.5	8.5	-	8.5	0.5	8.0	8.5
Total Private Equity Funds	990.6	(37.7)	43.4	5.7	288.3	165.5	453.8
Capital Markets Funds:							
Distressed and Event-Driven Hedge Funds (Value Funds, SOMA, AAOF)	17.2	(27.4)	-	(27.4)	4.4	-	4.4
Mezzanine Funds (AIE II, AINV)	8.3	(0.8)	9.2	8.4	4.9	18.8	23.7
Non-Performing Loan Fund (EPF)	65.8	18.3	-	18.3	14.6	-	14.6

Senior Credit Funds (COF I/COF II, ACLF, AEC, AESI, CLOs)	190.4	(20.8)	9.5	(11.3)	89.6	33.3	122.9
Stone Tower Funds/CLOs	24.9	18.1	0.5	18.6	18.1	0.5	18.6
Sub-Advisory Arrangements	2.2	(4.1)	-	(4.1)	-	2.2	2.2
Total Capital Markets Funds	308.8	(16.7)	19.2	2.5	131.6	54.8	186.4

Real Estate Funds:

CPI Other	3.4	1.6	2.6	4.2	1.6	4.3	5.9
Total Real Estate Funds	3.4	1.6	2.6	4.2	1.6	4.3	5.9
Total	<u>\$ 1,302.8⁽¹⁾</u>	<u>\$ (52.8)</u>	<u>\$ 65.2</u>	<u>\$ 12.4</u>	<u>\$ 421.5</u>	<u>\$ 224.6</u>	<u>\$ 646.1</u>

- (1) There was a corresponding profit sharing payable of \$665.9 million as of June 30, 2012 that results in a net carried interest receivable amount of \$636.9 million as of June 30, 2012.
- (2) See the table below summarizing the fair value gains on investments and income needed to generate carried interest for funds and the related general partner obligation to return previously distributed carried interest income.

The following table summarizes the fair value gains on investments and income to reverse the general partner obligation to return previously distributed carried interest income based on the current fair value of the underlying funds' investments as of June 30, 2012:

Fund	General Partner Obligation ⁽¹⁾	Fair Value of Investments as of June 30, 2012 (in millions)	Fair Value Gain on Investments and Income to Reverse General Partner Obligation ⁽²⁾
Fund VI	\$ 143.8	\$ 10,345.0	\$ 440.0
SOMA	18.3	791.8	20.3
	<u>\$ 162.1</u>	<u>\$ 11,136.8</u>	<u>\$ 460.3</u>

- (1) Based upon a hypothetical liquidation as of June 30, 2012, Apollo has recorded a general partner obligation to return previously distributed carried interest income, which represents amounts due to this fund. The actual determination and any required payment of a general partner obligation would not take place until the final disposition of the fund's investments based on contractual termination of the fund.
- (2) The fair value gain on investments and income to reverse the general partner obligation is based on the life-to-date activity of the entire fund and assumes a hypothetical liquidation of the fund as of June 30, 2012.

APPOLO GLOBAL MANAGEMENT, LLC
SUPPLEMENTAL SHARE INFORMATION (UNAUDITED)

The table below presents Non-GAAP weighted average diluted shares outstanding for the three and six months ended June 30, 2012 and 2011:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
Total GAAP Weighted Average Outstanding Class A Shares:				
Basic	126,457,443	120,963,248	125,863,348	109,652,330
Non-GAAP Adjustments:				
AOG Units	240,000,000	240,000,000	240,000,000	240,000,000
Vested RSUs(1)	19,564,430	15,050,637	18,961,618	15,195,574
Non-GAAP Weighted Average Diluted Shares Outstanding	<u>386,021,873</u>	<u>376,013,885</u>	<u>384,824,966</u>	<u>364,847,904</u>

- (1) Vested RSUs have not been issued in the form of Class A shares. As a result, the amount of Vested RSUs has been excluded from the outstanding Class A share basic and diluted amounts.

The table below presents Non-GAAP diluted shares outstanding as of June 30, 2012 and 2011:

	As of June 30,	
	2012	2011
Total GAAP Outstanding Class A Shares:		
Basic	126,460,740	121,721,490
Non-GAAP Adjustments:		
AOG Units	240,000,000	240,000,000
Vested RSUs(1)	20,943,567	16,629,276
Non-GAAP Diluted Shares Outstanding	<u>387,404,307</u>	<u>378,350,766</u>

- (1) Vested RSUs have not been issued in the form of Class A shares. As a result, the amount of Vested RSUs has been excluded from the outstanding Class A share basic and diluted amounts.

Note: In addition to fully diluted shares outstanding above, there were approximately 5.4 million and 6.5 million unvested RSUs that participate in distributions as of June 30, 2012 and 2011, respectively.

APOLLO GLOBAL MANAGEMENT, LLC

NON-GAAP FINANCIAL INFORMATION AND DEFINITIONS (UNAUDITED)

Non-GAAP Financial Information

Apollo discloses the following financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America ("Non-GAAP"):

- **Economic Net Income, or ENI**, as well as **ENI after taxes** are key performance measures used by management in evaluating the performance of Apollo's private equity, capital markets and real estate segments. Management also believes the components of ENI such as the amount of management fees, advisory and transaction fees and carried interest income are indicative of Apollo's performance. Management uses these performance measures in making key operating decisions such as the following:
 - Decisions related to the allocation of resources such as staffing decisions including hiring and locations for deployment of the new hires;
 - Decisions related to capital deployment such as providing capital to facilitate growth for the business and/or to facilitate expansion into new businesses; and
 - Decisions related to expenses, such as determining annual discretionary bonuses and equity-based compensation awards to its employees. As it relates to compensation, management seeks to align the interests of certain professionals and selected other individuals with those of the investors in such funds and those of the Company's shareholders by providing such individuals a profit sharing interest in the carried interest income earned in relation to the funds. To achieve that objective, a certain amount of compensation is based on the Company's performance and growth for the year.

These measures of profitability have certain limitations in that they do not take into account certain items included under U.S. GAAP. ENI represents segment income (loss) attributable to Apollo Global Management, LLC, which excludes the impact of non-cash charges related to RSUs granted in connection with the 2007 private placement and amortization of AOG units, income tax expense, amortization of intangibles associated with the 2007 Reorganization as well as acquisitions and Non-Controlling Interests excluding the remaining interest held by certain individuals who receive an allocation of income from certain of our capital markets management companies. In addition, segment data excludes the assets, liabilities and operating results of the consolidated funds and VIEs that are included in the consolidated

financial statements.

- **ENI After Taxes** represents ENI adjusted to reflect Income tax provision on ENI that has been calculated assuming that all income is allocated to Apollo Global Management, LLC, which would occur following an exchange of all AOG units for Class A shares of Apollo Global Management, LLC. The assumptions and methodology impact the implied income tax provision which is consistent with those methodologies and assumptions used in calculating the income tax provision for Apollo's consolidated statements of operations under U.S. GAAP. We believe this measure is more consistent with how we assess the performance of our segments which is described above in our definition of ENI.
- **ENI After Taxes per Share** represents ENI After Taxes which is divided by Non-GAAP Weighted Average Diluted Shares Outstanding. We believe ENI After Taxes per Share provides useful information to shareholders because management uses ENI After Taxes per Share as the basis to derive our earnings available for the determination of distributions to Class A shareholders.
- **Non-GAAP Weighted Average Diluted Shares Outstanding** is calculated using the GAAP Weighted Average Outstanding Class A Shares plus Non-GAAP adjustments assuming (i) the exchange of all of the AOG units for 240,000,000 Class A shares and (ii) the settlement of the weighted average vested RSUs in the form of Class A shares during the period. Management uses this measure in determining ENI After Taxes per Share described above.
- **Non-GAAP Diluted Shares Outstanding** is calculated using the GAAP Outstanding Class A Shares plus Non-GAAP adjustments assuming (i) the exchange of all of the AOG units for 240,000,000 Class A shares and (ii) the settlement of the vested RSUs in the form of Class A shares during the period. Management uses this measure, taking into account the unvested RSUs that participate in distributions, in determining our Class A shares eligible for cash distributions.

Definitions

- **Assets Under Management, or AUM**, refers to the investments we manage or with respect to which we have control, including capital we have the right to call from our investors pursuant to their capital commitments to various funds. Our AUM equals the sum of:
 - (i) the fair value of our private equity investments plus the capital that we are entitled to call from our investors pursuant to the terms of their capital commitments plus non-recallable capital to the extent a fund is within the commitment period in which management fees are calculated based on total commitments to the fund;
 - (ii) the net asset value, or "NAV," of our capital markets funds, other than certain senior credit funds, which are structured as collateralized loan obligations (such as Artus, which we measure by using the mark-to-market value of the aggregate principal amount of the underlying collateralized loan obligations) or certain collateralized loan obligation and collateralized debt obligation credit funds that have a fee generating basis other than mark-to-market asset, plus used or available leverage and/or capital commitments;

(iii) the gross asset values or net asset value of our real estate entities and the structured portfolio vehicle investments included within the funds we manage, which includes the leverage used by such structured portfolio vehicles;

(iv) the incremental value associated with the reinsurance investments of the portfolio company assets that we manage; and

(v) the fair value of any other investments that we manage plus unused credit facilities, including capital commitments for investments that may require pre-qualification before investment plus any other capital commitments available for investment that are not otherwise included in the clauses above.

Our AUM measure includes Assets Under Management for which we charge either no or nominal fees. Our definition of AUM is not based on any definition of Assets Under Management contained in our operating agreement or in any of our Apollo fund management agreements. We consider multiple factors for determining what should be included in our definition of AUM. Such factors include but are not limited to (1) our ability to influence the investment decisions for existing and available assets; (2) our ability to generate income from the underlying assets in our funds; and (3) the AUM measures that we use internally or believe are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, our calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers.

We use AUM as a performance measurement of our investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs.

- **Fee-generating AUM** consists of assets that we manage and on which we earn management fees or monitoring fees pursuant to management agreements on a basis that varies among the Apollo funds. Management fees are normally based on “net asset value,” “gross assets,” “adjusted par asset value,” “adjusted cost of all unrealized portfolio investments,” “capital commitments,” “adjusted assets,” “stockholders’ equity,” “invested capital” or “capital contributions,” each as defined in the applicable management agreement. Monitoring fees for AUM purposes are based on the total value of certain structured portfolio vehicle investments, which normally include leverage, less any portion of such total value that is already considered in fee-generating AUM.

We use fee-generating AUM as a performance measurement of our investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs.

- **Non-fee generating AUM** consists of assets that do not produce management fees or monitoring fees. These assets generally consist of the following:
 - (i) fair value above invested capital for those funds that earn management fees based

on invested capital;

(ii) net asset values related to general partner and co-investment ownership;

(iii) unused credit facilities;

(iv) available commitments on those funds that generate management fees on invested capital;

(v) structured portfolio vehicle investments that do not generate monitoring fees; and

(vi) the difference between gross assets and net asset value for those funds that earn management fees based on net asset value.

We use non-fee generating AUM combined with fee-generating AUM as a performance measurement of our investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs. Non-fee generating AUM includes assets on which we could earn carried interest income.

- **Private equity dollars invested** is the aggregate amount of dollars invested by certain of Apollo's private equity funds during a given period, which we believe is a useful supplemental measure because it provides shareholders with information about the capital deployed for investment opportunities in a given period.
- **Uncalled private equity commitments** represents unfunded capital commitments that certain of Apollo's private equity funds have received from its limited partners to contribute capital to fund future or current investments and expenses, which we believe is a useful supplemental measure because it provides shareholders with information about the unfunded capital commitments available to be deployed for future or current investments and expenses for our private equity funds.
- **"Gross IRR"** of a fund represents the cumulative investment-related cash flows for all of the investors in the fund on the basis of the actual timing of investment inflows and outflows (for unrealized investments assuming disposition on June 30, 2012 or other date specified) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, carried interest and certain other fund expenses (including interest incurred by the fund itself) and measures the returns on the fund's investments as a whole without regard to whether all of the returns would, if distributed, be payable to the fund's investors.
- **"Net IRR"** of a fund means the Gross IRR applicable to all investors, including related parties which may not pay fees, net of management fees, organizational expenses, transaction costs, and certain other fund expenses (including interest incurred by the fund itself) and realized carried interest all offset to the extent of interest income, and measures returns based on amounts that, if distributed, would be paid to investors of the fund; to the extent that an Apollo private equity fund exceeds all requirements detailed within the applicable fund agreement, the estimated unrealized value is adjusted such that a percentage of up to 20.0% of the unrealized gain is allocated to the general partner, thereby reducing the balance attributable to fund investors.

For inquiries regarding Apollo, please contact:

Apollo Global Management, LLC
Gary M. Stein, Head of Corporate Communications
212-822-0467

gstein@apollop.com

or

Apollo Global Management, LLC
Patrick M. Parmentier, CPA, Investor Relations Manager
212-822-0472

pparmentier@apollop.com

or

For media inquiries regarding Apollo, please contact:
Rubenstein Associates, Inc. for Apollo Global Management, LLC
Charles Zehren, 212-843-8590

czehren@rubenstein.com

Source: Apollo Global Management, LLC