

August 6, 2014

APOLLO

Apollo Global Management, LLC Reports Second Quarter 2014 Results

- **U.S. GAAP net income attributable to Apollo Global Management, LLC of \$72 million for the second quarter ended June 30, 2014, compared to \$59 million for the comparable period in 2013**
- **Apollo declares a distribution of \$0.46 per Class A share for the second quarter of 2014**
- **Total economic net income (“ENI”) after taxes of \$208 million for the second quarter ended June 30, 2014, compared to \$220 million for the comparable period in 2013**
- **ENI after taxes per share of \$0.52 for the second quarter ended June 30, 2014, compared to \$0.56 per share for the comparable period in 2013**
- **Total distributable earnings (“DE”) after taxes and related payables of \$227 million for the second quarter ended June 30, 2014, compared to \$604 million for the comparable period in 2013**
- **Total assets under management (“AUM”) of \$168 billion as of June 30, 2014, compared to \$113 billion as of June 30, 2013**

NEW YORK--(BUSINESS WIRE)-- Apollo Global Management, LLC (NYSE:APO) (together with its consolidated subsidiaries, “Apollo”) today reported results for the second quarter ended June 30, 2014.

U.S. GAAP results for the second quarter ended June 30, 2014 included net income attributable to Apollo Global Management, LLC of \$71.7 million, or \$0.33 per Class A share, compared to \$58.7 million, or \$0.32 per Class A share, for the same period in 2013.

Apollo reported ENI after taxes of \$207.5 million for the second quarter ended June 30, 2014, compared to \$220.1 million for the same period in 2013. The \$12.6 million decrease in ENI after taxes was driven by a higher tax provision and increased profit sharing expense, partially offset by higher Management Business ENI.

Apollo reported DE after taxes and related payables of \$227.1 million for the second quarter ended June 30, 2014, compared to \$603.9 million for the same period in 2013. The \$376.8 million decrease in DE was driven by lower net realized carried interest income from Apollo's private equity segment compared to the same period in 2013.

Apollo's total AUM was \$167.5 billion as of June 30, 2014, an increase of \$54.4 billion, or 48%, compared to \$113.1 billion as of June 30, 2013. Fee-generating AUM was \$130.3 billion as of June 30, 2014, an increase of \$51.0 billion, or 64%, compared to \$79.3 billion as of June 30, 2013. The increase in total AUM and fee-generating AUM was driven by growth in Apollo's credit and private equity segments.

"In the current market environment, just as we have done throughout all market cycles since Apollo's founding in 1990, we remain disciplined and patient as we seek attractive opportunities by utilizing the firm's integrated global platform and value-oriented investment approach. During the first half of 2014, the funds we manage have already invested or committed more than \$7 billion in aggregate across Apollo's businesses," said Leon Black, Chairman and Chief Executive Officer. "We also continue to opportunistically monetize the portfolio of investment funds we manage, and during the first half of 2014 these funds have returned more than \$6 billion to Apollo's fund investors."

Combined Segments

Total revenue for Apollo's combined segments was \$579.1 million for the second quarter ended June 30, 2014, an increase of \$69.0 million, or 14%, compared to the same period in 2013, due to a \$55.2 million increase in Management Business revenues and a \$13.8 million increase in Incentive Business revenues. Total expenses for Apollo's combined segments were \$330.0 million for the second quarter ended June 30, 2014, an increase of \$45.4 million, or 16%, compared to the same period in 2013, primarily driven by an increase in profit sharing expense.

Total revenue for Apollo's Management Business was \$299.7 million for the second quarter ended June 30, 2014, an increase of \$55.2 million, or 23%, from the same period in 2013. This includes management fee revenues of \$228.9 million for the second quarter ended June 30, 2014, an increase of \$59.6 million, or 35%, from the same period in 2013 primarily due to an increase in fee-generating AUM. In addition, there was \$60.8 million of advisory and transaction fees for the second quarter ended June 30, 2014, a decrease of \$4.3 million, or 7%, from the same period in 2013.

Total expenses for Apollo's Management Business were \$169.4 million for the second quarter ended June 30, 2014, an increase of \$12.0 million, or 8%, from the same period in 2013. Total compensation expenses, including salary and benefits and equity-based compensation, were \$103.6 million for the second quarter of 2014, an increase of \$17.5 million, or 20%, from the same period in 2013. This increase was driven by increased headcount to support growth in fee generating AUM. Non-compensation expenses for Apollo's Management Business were \$65.8 million during the second quarter ended June 30, 2014, a decrease of \$5.5 million from the same period in 2013 primarily due to lower interest expense.

Apollo's Incentive Business reported \$279.4 million of total carried interest income for the second quarter ended June 30, 2014, an increase of \$13.8 million from the same period in 2013. Apollo reported total profit sharing expense of \$160.6 million for the second quarter ended June 30, 2014, an increase of \$33.4 million from the same period in 2013. Total profit sharing expense increased more than total carried interest income primarily due to the mix of funds that generated carried interest income during the period. During the second quarter ended June 30, 2014, the Incentive Business generated \$241.7 million of realized gains, which was largely attributable to dispositions relating to a number of investments held by funds managed by Apollo, including Sprouts Farmers Market, Inc., Rexnord Corporation, Berry Plastics Group Inc., and Brit PLC.

Private Equity Segment

Apollo's private equity segment generated ENI of \$119.1 million for the second quarter ended June 30, 2014, compared to \$175.7 million for the same period in 2013. The year-over-year decrease in ENI was largely driven by lower carried interest income of \$187.6 million for the second quarter of 2014, compared to \$228.5 million for the second quarter of 2013.

Apollo's traditional private equity funds continued to perform well as measured by internal rate of return ("IRR") and the funds appreciated by approximately 5% during the second quarter ended June 30, 2014. From its inception in 2008 through June 30, 2014, Apollo Investment Fund VII, L.P. ("Fund VII") generated an annual gross and net IRR of 39% and 30%, respectively. Apollo Investment Fund VI, L.P. ("Fund VI"), which began investing in 2006, generated an annual gross and net IRR of 14% and 11%, respectively, since its inception through June 30, 2014. The combined fair value of Apollo's private equity funds, including AP Alternative Assets, L.P. ("AAA"), was 58% above cost as of June 30, 2014.

Management fees from Apollo's private equity segment were \$82.1 million for the second quarter ended June 30, 2014, which increased by \$16.4 million compared to the same period in 2013 due to the commencement of Apollo Investment Fund VIII, L.P.'s ("Fund VIII") investment period, partially offset by significant realizations in Funds VI and VII as well as a change in the fee basis with respect to Fund VII. Advisory and transaction fees were \$5.2 million for the second quarter ended June 30, 2014, which decreased by \$36.6 million compared to the same period in 2013 due to the absence of a one-time termination fee in connection with the initial public offering of Taminco Corporation and other portfolio company transaction fees that did not recur in the current period. Total Management Business expenses within the private equity segment were \$54.3 million for the second quarter of 2014, which decreased by \$5.7 million compared to the same period in 2013.

Uncalled commitments within Apollo's private equity segment were \$23.5 billion as of June 30, 2014, and \$0.4 billion of capital was deployed by these funds during the second quarter ended June 30, 2014. As of June 30, 2014, Apollo's private equity segment AUM was \$51.6 billion, compared to \$40.2 billion at June 30, 2013.

Credit Segment

Apollo's credit segment generated ENI of \$144.3 million for the second quarter ended June 30, 2014, compared to ENI of \$67.4 million for the second quarter of 2013. The year-over-year increase in ENI resulted from an increase in ENI in the Management Business, which generated ENI of \$99.3 million for the second quarter of 2014, compared to \$41.6 million for the same period in 2013 as a result of higher management fees and advisory and transaction fees.

Management fees from Apollo's credit segment were \$134.6 million for the second quarter ended June 30, 2014, which increased by \$44.2 million, or 49%, compared to the same period in 2013 primarily due to higher fee-generating AUM from Athene Holding Ltd. and its subsidiaries ("Athene"). Total Management Business expenses within the credit segment were \$101 million for the second quarter of 2014, which increased by \$19.3 million compared to the same period in 2013, primarily due to costs associated with managing a greater amount of fee-generating AUM.

Uncalled commitments within our credit segment were \$7.4 billion as of June 30, 2014, and

\$1.0 billion of capital was deployed by Apollo's credit funds and strategic investment accounts ("SIAs") with a defined maturity date during the second quarter ended June 30, 2014. As of June 30, 2014, Apollo's credit segment AUM was \$105.7 billion, compared to \$62.2 billion at June 30, 2013.

Real Estate Segment

Apollo's real estate segment had an economic net income of \$3.6 million for the second quarter of 2014, compared to an economic net loss of \$1.4 million for the same period in 2013. Total revenues for the real estate segment during the second quarter of 2014 were \$17.1 million, an increase of \$8.8 million, compared to the same period in 2013. Total expenses for the real estate segment during the second quarter of 2014 were \$16.9 million, an increase of \$6.1 million compared to the same period in 2013. Income from equity method investments for the real estate segment during the second quarter of 2014 was \$3.2 million, an increase of \$2.4 million compared to the same period in 2013.

Uncalled commitments within Apollo's real estate segment were \$875 million as of June 30, 2014, and \$882 million of capital was deployed by Apollo's real estate funds and SIAs with a defined maturity date and funds and SIAs in Apollo's real estate debt strategy during the second quarter ended June 30, 2014. As of June 30, 2014, Apollo's real estate segment AUM was \$9.1 billion, compared to \$9.5 billion at June 30, 2013.

Capital and Liquidity

As of June 30, 2014, Apollo had \$1,094 million of cash and cash equivalents and \$999 million of debt (which does not include a \$500 million undrawn revolving credit facility). These amounts exclude cash and debt associated with Apollo's consolidated funds and consolidated variable interest entities ("VIEs").

On May 30, 2014, Apollo Management Holdings, L.P., a subsidiary of Apollo Global Management, LLC, issued \$500 million of 4.000% senior notes due 2024. The senior notes are rated A and A- by Standard and Poor's and Fitch, respectively.

As of June 30, 2014, Apollo had a \$2,050 million carried interest receivable on an unconsolidated basis and corresponding profit sharing payable of \$964 million, as well as total investments on an unconsolidated basis in its private equity, credit and real estate funds of \$797 million.

Distribution

Apollo Global Management, LLC has declared a second quarter 2014 cash distribution of \$ 0.46 per Class A share, which comprises a regular quarterly distribution of \$0.15 per Class A share and a distribution of \$0.31 per Class A share attributable to additional carried interest earned by Apollo's funds through realizations and Management Business earnings. This distribution will be paid on August 29, 2014 to holders of record at the close of business on August 22, 2014. Apollo intends to distribute to its shareholders on a quarterly basis substantially all of its distributable earnings after taxes and related payables in excess of amounts determined by its manager to be necessary or appropriate to provide for the conduct of its business. However, Apollo cannot assure its shareholders that they will receive any distributions.

Conference Call

Apollo will host a conference call on Wednesday, August 6, 2014 at 11:00 a.m. Eastern Time. During the call, members of Apollo's senior management team will review Apollo's financial results for the second quarter ended June 30, 2014. The conference call may be accessed by dialing (888) 868-4188 (U.S. domestic) or +1 (615) 800-6914 (international), and providing conference call ID 71623183 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 may 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 71623183. 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, Toronto, London, Frankfurt, Luxembourg, Singapore, Mumbai and Hong Kong. Apollo had assets under management of approximately \$168 billion as of June 30, 2014 in private equity, credit 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

In this press release, references to "Apollo," "we," "us," "our" and the "Company" refer collectively to Apollo Global Management, LLC, together with its consolidated subsidiaries. This press release may contain forward-looking statements that are within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 press 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, credit 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 Apollo's Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 3, 2014, as 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 press 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 press release does not constitute an offer of any Apollo fund.

APOLLO GLOBAL MANAGEMENT, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013
(dollars in thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Revenues:				
Advisory and transaction fees from affiliates, net	\$ 60,786	\$ 65,085	\$ 176,851	\$ 112,504
Management fees from affiliates	226,420	155,070	436,211	305,517
Carried interest income from affiliates	284,946	277,106	450,490	1,388,313
Total Revenues	572,152	497,261	1,063,552	1,806,334
Expenses:				
Compensation and benefits:				
Equity-based compensation	28,711	43,501	87,689	88,787
Salary, bonus and benefits	89,832	69,282	170,362	142,678
Profit sharing expense	160,778	127,244	264,737	550,864
Total Compensation and Benefits	279,321	240,027	522,788	782,329
Interest expense	4,524	7,594	7,638	15,112
Professional fees	20,211	21,665	39,663	37,725
General, administrative and other	25,291	26,037	49,969	48,978
Placement fees	3,489	3,120	5,275	12,478
Occupancy	10,418	10,149	20,321	19,954
Depreciation and amortization	11,115	14,195	22,834	28,813
Total Expenses	354,369	322,787	668,488	945,389
Other Income (Loss):				
Net (losses) gains from investment activities	(9,534)	1,116	213,874	53,249
Net gains (losses) from investment activities of consolidated variable interest entities	43,425	(35,198)	91,160	12,663
Income from equity method investments	30,701	20,090	53,611	47,880

Interest income	2,726	3,049	6,054	6,140
Other income, net	2,238	2,778	19,769	4,076
Total Other Income (Loss)	<u>69,556</u>	<u>(8,165)</u>	<u>384,468</u>	<u>124,008</u>
Income before income tax provision	287,339	166,309	779,532	984,953
Income tax provision	(35,037)	(18,139)	(67,586)	(36,718)
Net Income	<u>252,302</u>	<u>148,170</u>	<u>711,946</u>	<u>948,235</u>
Net income attributable to Non-controlling Interests	(180,634)	(89,433)	(568,109)	(640,520)
Net Income Attributable to Apollo Global Management, LLC	<u>\$ 71,668</u>	<u>\$ 58,737</u>	<u>\$ 143,837</u>	<u>\$ 307,715</u>
Net Income Per Class A Share:				
Net Income Available to Class A Share – Basic	<u>\$ 0.33</u>	<u>\$ 0.32</u>	<u>\$ 0.64</u>	<u>\$ 1.94</u>
Net Income Available to Class A Share – Diluted	<u>\$ 0.33</u>	<u>\$ 0.32</u>	<u>\$ 0.64</u>	<u>\$ 1.93</u>
Weighted Average Number of Class A Shares – Basic	<u>152,852,427</u>	<u>137,289,147</u>	<u>150,328,495</u>	<u>134,285,776</u>
Weighted Average Number of Class A Shares – Diluted	<u>152,852,427</u>	<u>137,289,147</u>	<u>150,328,495</u>	<u>138,104,463</u>

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

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

	Three Months Ended						Six Months Ended	
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014	June 30, 2013	June 30, 2014
Management Business:								
Advisory and transaction fees from affiliates, net	\$ 47.4	\$ 65.1	\$ 28.9	\$ 55.2	\$ 116.1	\$ 60.8	\$ 112.5	\$ 176.9
Management fees from affiliates	164.3	169.3	165.2	231.8	223.8	228.9	333.6	452.7

Carried interest
income from
affiliates:

Realized gains	9.0	10.1	9.1	8.7	8.5	10.0	19.1	18.5
Total management business revenues	220.7	244.5	203.2	295.7	348.4	299.7	465.2	648.1
Equity-based compensation ⁽¹⁾	17.4	16.8	16.5	15.6	58.1	13.7	34.2	71.8
Salary, bonus and benefits	73.4	69.3	81.3	70.8	80.5	89.9	142.7	170.4
Interest expense	7.5	7.6	7.2	7.0	3.1	4.5	15.1	7.6
Professional fees	15.4	21.6	18.4	27.0	19.0	19.9	37.0	38.9
General, administrative and other	22.6	25.9	21.3	27.3	24.4	25.0	48.5	49.4
Placement fees	9.4	3.1	3.2	26.7	1.8	3.5	12.5	5.3
Occupancy	9.8	10.2	9.8	10.1	9.9	10.4	20.0	20.3
Depreciation and amortization ⁽²⁾	2.9	2.9	2.6	2.6	2.6	2.5	5.8	5.1
Total non-compensation expenses	67.6	71.3	62.5	100.7	60.8	65.8	138.9	126.6
Total management business expenses	158.4	157.4	160.3	187.1	199.4	169.4	315.8	368.8
Other income	7.2	5.2	22.8	8.7	6.4	4.3	12.4	10.7
Non-controlling interest ⁽³⁾	(3.5)	(3.2)	(2.8)	(4.5)	(3.3)	(3.1)	(6.7)	(6.4)
Management Business Economic Net Income	66.0	89.1	62.9	112.8	152.1	131.5	155.1	283.6
Incentive Business:								
Carried interest income:								
Unrealized gains (losses)	771.4	(574.9)	311.3	(105.0)	(301.8)	37.7	196.5	(264.1)

Realized gains	<u>345.2</u>	<u>840.5</u>	<u>638.9</u>	<u>631.8</u>	<u>462.7</u>	<u>241.7</u>	<u>1,185.7</u>	<u>704.4</u>
Total carried interest income	1,116.6	265.6	950.2	526.8	160.9	279.4	1,382.2	440.3
Profit sharing expense:								
Unrealized profit sharing expense	272.8	(219.6)	165.3	(23.2)	(99.1)	65.9	53.2	(33.2)
Realized profit sharing expense	<u>150.8</u>	<u>346.8</u>	<u>259.3</u>	<u>221.0</u>	<u>203.1</u>	<u>94.7</u>	<u>497.6</u>	<u>297.8</u>
Total profit sharing expense	423.6	127.2	424.6	197.8	104.0	160.6	550.8	264.6
Other income, net	—	0.3	2.9	7.0	14.0	—	0.3	14.0
Net gains (losses) from investment activities	4.0	(5.7)	(7.1)	(3.8)	18.0	(9.3)	(1.7)	8.7
Income from equity method investments	<u>29.4</u>	<u>19.2</u>	<u>30.7</u>	<u>34.0</u>	<u>28.3</u>	<u>26.0</u>	<u>48.6</u>	<u>54.3</u>
Other income	<u>33.4</u>	<u>13.8</u>	<u>26.5</u>	<u>37.2</u>	<u>60.3</u>	<u>16.7</u>	<u>47.2</u>	<u>77.0</u>
Incentive Business Economic Net Income	<u>726.4</u>	<u>152.2</u>	<u>552.1</u>	<u>366.2</u>	<u>117.2</u>	<u>135.5</u>	<u>878.6</u>	<u>252.7</u>
Total Economic Net Income	<u>792.4</u>	<u>241.3</u>	<u>615.0</u>	<u>479.0</u>	<u>269.3</u>	<u>267.0</u>	<u>1,033.7</u>	<u>536.3</u>
Income Tax Provision on Economic Net Income⁽⁴⁾	<u>(28.8)</u>	<u>(21.2)</u>	<u>(64.1)</u>	<u>(35.0)</u>	<u>(50.7)</u>	<u>(59.5)</u>	<u>(50.0)</u>	<u>(110.2)</u>
Total Economic Net Income After Taxes	<u>\$ 763.6</u>	<u>\$ 220.1</u>	<u>\$ 550.9</u>	<u>\$ 444.0</u>	<u>\$ 218.6</u>	<u>\$ 207.5</u>	<u>\$ 983.7</u>	<u>\$ 426.1</u>

**Non-GAAP
Weighted
Average
Diluted Shares
Outstanding
(in millions)
Total ENI After
Taxes per
Share**

392.1	393.8	394.8	395.3	398.1	399.7	392.9	398.9
\$ 1.95	\$ 0.56	\$ 1.40	\$ 1.12	\$ 0.55	\$ 0.52	\$ 2.50	\$ 1.07

(1) The combined amounts relate to restricted share units ("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 the credit management companies.

(4) During the first quarter of 2014, the calculation of the income tax provision on economic net income was revised to include the benefit of tax deductions in excess of GAAP deductions from share-based arrangements, as further discussed in the definition of ENI After Taxes in the non-GAAP financial information and definitions section of this press release. The prior period financial data was recast to conform to the revised definition of income tax provision on economic net income. The difference in the ENI tax provision under the revised definition as compared to the previous methodology is \$22.3 million or \$0.06 per Class A share for each quarter presented in 2013.

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

Private Equity Segment:

	Three Months Ended				Six Months Ended			
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014	June 30, 2013	June 30, 2014
Management Business:								
Advisory and transaction fees from affiliates, net	\$ 24.5	\$ 41.8	\$ 5.6	\$ 6.5	\$ 37.7	\$ 5.2	\$ 66.3	\$ 42.9
Management fees from affiliates	66.3	65.7	64.8	88.0	79.4	82.1	132.0	161.5

Total management business revenues	90.8	107.5	70.4	94.5	117.1	87.3	198.3	204.4
Equity-based compensation	8.4	7.5	7.5	8.6	24.4	7.1	15.9	31.5
Salary, bonus and benefits	27.4	25.7	27.9	28.8	22.3	26.7	53.1	49.0
Other expenses	21.9	26.8	21.1	42.7	18.7	20.5	48.7	39.2
Total management business expenses	57.7	60.0	56.5	80.1	65.4	54.3	117.7	119.7
Other income	1.6	0.9	6.7	3.8	1.7	0.9	2.5	2.6
Management Business Economic Net Income	34.7	48.4	20.6	18.2	53.4	33.9	83.1	87.3
Incentive Business:								
Carried interest income:								
Unrealized gains (losses)	697.6	(509.7)	318.3	(51.5)	(293.6)	(10.4)	187.9	(304.0)
Realized gains	293.4	738.2	534.1	496.9	396.9	198.0	1,031.6	594.9
Total carried interest income	991.0	228.5	852.4	445.4	103.3	187.6	1,219.5	290.9
Profit sharing expense:								
Unrealized profit sharing expense	256.0	(199.6)	129.0	(37.7)	(115.9)	33.7	56.4	(82.2)
Realized profit sharing expense	131.9	312.9	229.1	208.8	182.0	82.1	444.8	264.1
Total profit sharing expense	387.9	113.3	358.1	171.1	66.1	115.8	501.2	181.9
Other income, net	—	0.1	0.4	1.2	1.6	—	0.1	1.6

Income from equity method investments	22.6	12.0	23.2	21.1	18.8	13.4	34.6	32.2
Total other income	22.6	12.1	23.6	22.3	20.4	13.4	34.7	33.8
Incentive Business Economic Net Income	625.7	127.3	517.9	296.6	57.6	85.2	753.0	142.8
Total Economic Net Income	<u>\$660.4</u>	<u>\$175.7</u>	<u>\$ 538.5</u>	<u>\$ 314.8</u>	<u>\$111.0</u>	<u>\$119.1</u>	<u>\$ 836.1</u>	<u>\$230.1</u>

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

Credit Segment:

	Three Months Ended						Six Months Ended	
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014	June 30, 2013	June 30, 2014
Management Business:								
Advisory and transaction fees from affiliates, net	\$ 21.8	\$22.0	\$ 23.3	\$ 47.6	\$ 77.5	\$ 55.6	\$ 43.8	\$133.1
Management fees from affiliates	84.4	90.4	87.0	130.6	131.6	134.6	174.8	266.2
Carried interest income from affiliates:								
Realized gains	9.0	10.1	9.1	8.7	8.5	10.0	19.1	18.5
Total management business revenues	115.2	122.5	119.4	186.9	217.6	200.2	237.7	417.8
Equity-based compensation	6.5	7.1	5.9	4.6	28.3	5.5	13.6	33.8

Salary, bonus and benefits	38.8	36.4	44.0	33.9	50.7	55.8	75.2	106.5
Other expenses	<u>38.4</u>	<u>38.2</u>	<u>34.4</u>	<u>51.1</u>	<u>36.4</u>	<u>39.7</u>	<u>76.6</u>	<u>76.1</u>
Total management business expenses	83.7	81.7	84.3	89.6	115.4	101.0	165.4	216.4
Other income	4.5	4.0	15.3	4.7	4.3	3.2	8.5	7.5
Non-controlling interest	<u>(3.5)</u>	<u>(3.2)</u>	<u>(2.8)</u>	<u>(4.5)</u>	<u>(3.3)</u>	<u>(3.1)</u>	<u>(6.7)</u>	<u>(6.4)</u>
Management Business Economic Net Income	<u>32.5</u>	<u>41.6</u>	<u>47.6</u>	<u>97.5</u>	<u>103.2</u>	<u>99.3</u>	<u>74.1</u>	<u>202.5</u>
Incentive Business:								
Carried interest income:								
Unrealized gains (losses)	73.2	(58.8)	(10.3)	(60.7)	(7.9)	47.2	14.4	39.3
Realized gains	<u>51.5</u>	<u>102.1</u>	<u>104.8</u>	<u>134.9</u>	<u>65.8</u>	<u>39.7</u>	<u>153.6</u>	<u>105.5</u>
Total carried interest income	124.7	43.3	94.5	74.2	57.9	86.9	168.0	144.8
Profit sharing expense:								
Unrealized profit sharing expense	16.5	(15.5)	34.5	12.4	17.4	31.0	1.0	48.4
Realized profit sharing expense	<u>18.8</u>	<u>33.9</u>	<u>30.2</u>	<u>11.9</u>	<u>21.1</u>	<u>11.0</u>	<u>52.7</u>	<u>32.1</u>
Total profit sharing expense	35.3	18.4	64.7	24.3	38.5	42.0	53.7	80.5
Other income, net	-	0.2	2.5	5.8	12.4	-	0.2	12.4
Net gains (losses) from investment activities	4.0	(5.7)	(7.1)	(3.8)	18.0	(9.3)	(1.7)	8.7
Income from equity method investments	<u>6.9</u>	<u>6.4</u>	<u>6.7</u>	<u>10.7</u>	<u>8.8</u>	<u>9.4</u>	<u>13.3</u>	<u>18.2</u>

Total other income	10.9	0.9	2.1	12.7	39.2	0.1	11.8	39.3
Incentive Business Economic Net Income	<u>100.3</u>	<u>25.8</u>	<u>31.9</u>	<u>62.6</u>	<u>58.6</u>	<u>45.0</u>	<u>126.1</u>	<u>103.6</u>
Total Economic Net Income	<u>\$132.8</u>	<u>\$67.4</u>	<u>\$ 79.5</u>	<u>\$ 160.1</u>	<u>\$161.8</u>	<u>\$144.3</u>	<u>\$200.2</u>	<u>\$306.1</u>

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

Real Estate Segment:

	Three Months Ended						Six Months Ended	
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014	June 30, 2013	June 30, 2014
Management Business:								
Advisory and transaction fees from affiliates, net	\$ 1.1	\$ 1.3	\$ —	\$ 1.1	\$ 0.9	\$ —	\$ 2.4	\$0.9
Management fees from affiliates	<u>13.6</u>	<u>13.2</u>	<u>13.4</u>	<u>13.2</u>	<u>12.8</u>	<u>12.2</u>	<u>26.8</u>	<u>25.0</u>
Total management business revenues	14.7	14.5	13.4	14.3	13.7	12.2	29.2	25.9
Equity-based compensation	2.5	2.2	3.1	2.4	5.4	1.1	4.7	6.5
Salary, bonus and benefits	7.2	7.1	9.4	8.2	7.5	7.4	14.3	14.9
Other expenses	<u>7.3</u>	<u>6.0</u>	<u>7.1</u>	<u>7.1</u>	<u>5.7</u>	<u>5.6</u>	<u>13.3</u>	<u>11.3</u>
Total management business expenses	17.0	15.3	19.6	17.7	18.6	14.1	32.3	32.7
Other income	<u>1.1</u>	<u>0.3</u>	<u>0.8</u>	<u>0.2</u>	<u>0.4</u>	<u>0.2</u>	<u>1.4</u>	<u>0.6</u>
Management Business Economic Net Loss	<u>(1.2)</u>	<u>(0.5)</u>	<u>(5.4)</u>	<u>(3.2)</u>	<u>(4.5)</u>	<u>(1.7)</u>	<u>(1.7)</u>	<u>(6.2)</u>
Incentive Business:								
Carried interest income (loss):								
Unrealized gains (losses)	0.6	(6.4)	3.3	7.2	(0.3)	0.9	(5.8)	0.6
Realized gains	<u>0.3</u>	<u>0.2</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4.0</u>	<u>0.5</u>	<u>4.0</u>

Total carried interest income (loss)	0.9	(6.2)	3.3	7.2	(0.3)	4.9	(5.3)	4.6
Profit sharing expense:								
Unrealized profit sharing expense	0.3	(4.5)	1.8	2.1	(0.6)	1.2	(4.2)	0.6
Realized profit sharing expense	0.2	—	—	0.2	—	1.6	0.2	1.6
Total profit sharing expense	0.5	(4.5)	1.8	2.3	(0.6)	2.8	(4.0)	2.2
(Loss) income from equity method investments	(0.1)	0.8	0.8	2.2	0.7	3.2	0.7	3.9
Incentive Business Economic Net Income (Loss)	0.3	(0.9)	2.3	7.1	1.0	5.3	(0.6)	6.3
Total Economic Net (Loss) Income	<u>\$ (0.9)</u>	<u>\$(1.4)</u>	<u>\$ (3.1)</u>	<u>\$ 3.9</u>	<u>\$ (3.5)</u>	<u>\$3.6</u>	<u>\$(2.3)</u>	<u>\$0.1</u>

APOLLO GLOBAL MANAGEMENT, LLC
DISTRIBUTABLE EARNINGS (UNAUDITED)
(dollars in millions, except share data)

Summary of Distributable Earnings and Economic Net Income

	Three Months Ended						Six Months Ended	
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014	June 30, 2013	June 30, 2014
Management Business Economic Net Income	<u>\$ 66.0</u>	<u>\$ 89.1</u>	<u>\$ 62.9</u>	<u>\$ 112.8</u>	<u>\$152.1</u>	<u>\$131.5</u>	<u>\$ 155.1</u>	<u>\$283.6</u>
Net realized carried interest income	194.4	493.7	379.6	410.8	259.6	147.0	688.1	406.6
Realized investment income ⁽¹⁾	19.7	29.2	27.5	31.3	24.7	5.7	48.9	30.4
Athene capital and surplus fees ⁽²⁾	(20.1)	(21.8)	(22.6)	(45.5)	(59.1)	(51.9)	(41.9)	(111.0)
Equity-based compensation	17.4	16.8	16.5	15.6	58.1	13.7	34.2	71.8

Depreciation and amortization	<u>2.9</u>	<u>2.9</u>	<u>2.6</u>	<u>2.6</u>	<u>2.6</u>	<u>2.5</u>	<u>5.8</u>	<u>5.1</u>
Distributable Earnings	<u>280.3</u>	<u>609.9</u>	<u>466.5</u>	<u>527.6</u>	<u>438.0</u>	<u>248.5</u>	<u>890.2</u>	<u>686.5</u>
Taxes and related payables ⁽³⁾	<u>(4.9)</u>	<u>(6.0)</u>	<u>(10.9)</u>	<u>(19.4)</u>	<u>(25.9)</u>	<u>(21.4)</u>	<u>(10.9)</u>	<u>(47.3)</u>
Distributable Earnings After Taxes and Related Payables	<u>\$275.4</u>	<u>\$603.9</u>	<u>\$ 455.6</u>	<u>\$ 508.2</u>	<u>\$412.1</u>	<u>\$227.1</u>	<u>\$ 879.3</u>	<u>\$639.2</u>
Net unrealized carried interest income (loss)	498.6	(355.4)	146.0	(81.7)	(202.7)	(28.2)	143.2	(230.9)
Unrealized investment and other income (loss)	13.7	(15.3)	(1.0)	5.8	35.6	11.0	(1.6)	46.6
Add back: Athene capital and surplus fees ⁽²⁾	20.1	21.8	22.6	45.5	59.1	51.9	41.9	111.0
Add back: Taxes and related payables ⁽³⁾	4.9	6.0	10.9	19.4	25.9	21.4	10.9	47.3
Less: Equity-based compensation	(17.4)	(16.8)	(16.5)	(15.6)	(58.1)	(13.7)	(34.2)	(71.8)
Less: Depreciation and amortization	<u>(2.9)</u>	<u>(2.9)</u>	<u>(2.6)</u>	<u>(2.6)</u>	<u>(2.6)</u>	<u>(2.5)</u>	<u>(5.8)</u>	<u>(5.1)</u>
Total Economic Net Income	<u>792.4</u>	<u>241.3</u>	<u>615.0</u>	<u>479.0</u>	<u>269.3</u>	<u>267.0</u>	<u>1,033.7</u>	<u>536.3</u>
Income Tax Provision on Economic Net Income	<u>(28.8)</u>	<u>(21.2)</u>	<u>(64.1)</u>	<u>(35.0)</u>	<u>(50.7)</u>	<u>(59.5)</u>	<u>(50.0)</u>	<u>(110.2)</u>

**Total Economic
Net Income
After Taxes**

\$763.6 \$220.1 \$ 550.9 \$ 444.0 \$218.6 \$207.5 \$ 983.7 \$426.1

(1) Represents realized gains from our general partner investments in our funds and other balance sheet investments.

(2) Represents monitoring fees paid by Athene to Apollo by delivery of common shares of Athene Holding, calculated based on Athene's capital and surplus, as defined in our transaction and advisory services agreement with Athene.

(3) Represents the estimated current corporate, local and Non-U.S. taxes as well as the payable under Apollo's tax receivable agreement.

**APOLLO GLOBAL MANAGEMENT, LLC
DISTRIBUTABLE EARNINGS (UNAUDITED)
(dollars in millions, except share data)**

Distribution to Common and Equivalents⁽¹⁾

	Three Months Ended				Six Months Ended			
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014	June 30, 2013	June 30, 2014
Distributable Earnings After Taxes and Related Payables	\$275.4	\$603.9	\$ 455.6	\$ 508.2	\$412.1	\$227.1	\$879.3	\$639.4
Add back: Taxes and related payables attributable to common and equivalents	2.7	3.7	8.6	17.2	22.6	18.7	6.4	41.4
Distributable earnings before certain payables ⁽²⁾	278.1	607.6	464.2	525.4	434.7	245.8	885.7	680.8
Percent to common and equivalents	40%	42%	42%	43%	43%	45%	42%	44%

Distributable earnings before other payables attributable to common and equivalents	111.0	257.8	195.5	225.4	186.8	111.1	368.8	297
Less:								
Taxes and related payables attributable to common and equivalents	(2.7)	(3.7)	(8.6)	(17.2)	(22.6)	(18.7)	(6.4)	(41
Distributable earnings attributable to common and equivalents	<u>108.3</u>	<u>254.1</u>	<u>186.9</u>	<u>208.2</u>	<u>164.2</u>	<u>92.4</u>	<u>362.4</u>	<u>256</u>
Distributable earnings per share of common and equivalent ⁽³⁾	\$ 0.69	\$ 1.51	\$ 1.11	\$ 1.21	\$ 0.94	\$ 0.51	\$ 2.20	\$ 1.4
Retained capital per share of common and equivalent ⁽³⁾	<u>(0.12)</u>	<u>(0.19)</u>	<u>(0.10)</u>	<u>(0.13)</u>	<u>(0.10)</u>	<u>(0.05)</u>	<u>(0.31)</u>	<u>(0.1</u>
Net distribution per share of common and equivalent ⁽³⁾	<u>\$ 0.57</u>	<u>\$ 1.32</u>	<u>\$ 1.01</u>	<u>\$ 1.08</u>	<u>\$ 0.84</u>	<u>\$ 0.46</u>	<u>\$ 1.89</u>	<u>\$ 1.3</u>

(1) Common and equivalents refers to Class A shares and RSUs that participate in distributions.

(2) Distributable earnings before certain payables represents distributable earnings before the deduction for the estimated current corporate taxes and the payable under Apollo's tax receivable agreement.

(3) Per share calculations are based on total Class A shares outstanding and RSUs that participate in distributions.

APOLLO GLOBAL MANAGEMENT, LLC
RECONCILIATION OF U.S. GAAP NET INCOME
ATTRIBUTABLE TO APOLLO GLOBAL MANAGEMENT, LLC

**TO ECONOMIC NET INCOME
(UNAUDITED)
(dollars in millions)**

Reconciliation of U.S. GAAP Net Income Attributable to Apollo Global Management, LLC to Economic Net Income:

	Three Months Ended						Six Months Ended	
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014	June 30, 2013	June 30, 2014
Net Income Attributable to Apollo Global Management, LLC	\$249.0	\$ 58.7	\$ 192.5	\$ 159.2	\$ 72.2	\$ 71.7	\$ 307.7	\$143.8
Impact of non-cash charges related to equity-based compensation:								
AOG units RSUs - Private placement awards ⁽¹⁾	15.0	15.0	—	—	—	—	30.0	—
Other equity-based compensation awards ⁽²⁾	11.4	11.0	3.3	0.1	0.1	(0.2)	22.4	(0.1)
AAA RDUs	1.3	0.5	0.6	0.4	0.1	(0.1)	1.8	—
	0.3	0.2	0.3	0.4	0.2	(0.1)	0.5	0.1
Total non-cash charges related to equity-based compensation	28.0	26.7	4.2	0.9	0.4	(0.4)	54.7	—
Income tax provision	18.6	18.1	47.2	23.7	32.5	35.0	36.7	67.6
Amortization of intangible assets associated with the 2007 reorganization and acquisitions	11.6	11.3	10.3	10.0	9.1	8.6	22.9	17.7

Net income
attributable to
Non-controlling
Interests in
Apollo Operating
Group

	<u>485.2</u>	<u>126.5</u>	<u>360.8</u>	<u>285.2</u>	<u>155.1</u>	<u>152.1</u>	<u>611.7</u>	<u>307.2</u>
Economic Net Income	<u>\$792.4</u>	<u>\$241.3</u>	<u>\$ 615.0</u>	<u>\$ 479.0</u>	<u>\$269.3</u>	<u>\$267.0</u>	<u>\$1,033.7</u>	<u>\$536.3</u>

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

(2) Includes non-cash revenue and expense related to equity awards granted by unconsolidated affiliates to employees of the Company.

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, 2014 and 2013 and December 31, 2013. Changes in market conditions and additional funds raised have had significant impact on Apollo's AUM.

	As of June 30,		As of December 31,
	2014	2013	2013
	(in millions)		
Total Assets Under Management	\$167,496 ⁽¹⁾	\$113,116 ⁽¹⁾	\$ 161,177 ⁽¹⁾
Fee-generating	130,329	79,290	128,368
Non-fee generating	37,167 ⁽¹⁾	33,826 ⁽¹⁾	32,809 ⁽¹⁾
Private Equity	51,585	40,213	49,908
Fee-generating	33,554	26,014	34,173
Non-fee generating	18,031	14,199	15,735
Credit	105,725	62,212	100,886
Fee-generating	90,780	47,507	88,249
Non-fee generating	14,945	14,705	12,637
Real Estate	9,056	9,473	9,289
Fee-generating	5,995	5,769	5,946
Non-fee generating	3,061	3,704	3,343

(1) As of June 30, 2014 and 2013 and December 31, 2013, includes \$1.1 billion, \$1.2 billion

and \$1.1 billion of commitments, respectively, that have yet to be deployed to an Apollo fund within Apollo's three segments.

The following table presents Carry Eligible AUM and Carry Generating AUM for each of Apollo's three segments as of June 30, 2014, June 30, 2013 and December 31, 2013:

	Carry Eligible AUM			Carry Generating AUM		
	As of June 30, 2014	As of June 30, 2013	As of December 31, 2013	As of June 30, 2014	As of June 30, 2013	As of December 31, 2013
	(in millions)					
Private equity	\$44,543	\$32,131	\$ 45,050	\$24,381	\$25,332	\$ 24,791
Credit	38,234	33,979	34,580	28,036	24,164	23,539
Real estate	2,525	3,166	3,041	821	573	941
Total ⁽¹⁾⁽²⁾	<u>\$86,412</u>	<u>\$70,498</u>	<u>\$ 83,729</u>	<u>\$53,238</u>	<u>\$50,069</u>	<u>\$ 49,271</u>

(1) As of June 30, 2014 and 2013 and December 31, 2013, includes \$1.1 billion, \$1.2 billion and \$1.1 billion of commitments, respectively, that have yet to be deployed to an Apollo fund within Apollo's three segments.

(2) As of June 30, 2014 and 2013 and December 31, 2013, includes \$27.7 billion, \$12.6 billion and \$28.7 billion of Uninvested Carry Eligible AUM, respectively, and \$5.4 billion, \$7.8 billion and \$5.8 billion of AUM Not Currently Generating Carry, respectively.

APOLLO GLOBAL MANAGEMENT, LLC ASSETS UNDER MANAGEMENT (UNAUDITED)

The following tables summarize changes in total AUM for each of Apollo's three segments for the three and six months ended June 30, 2014 and 2013:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2014	2013	2014	2013
	(in millions)			
Change in Total AUM:				
Beginning of Period	\$ 159,326 ⁽¹⁾	\$ 114,269 ⁽¹⁾	\$ 161,177 ⁽¹⁾	\$ 113,379 ⁽¹⁾
Income	1,580	2,277	3,395	6,334
Subscriptions/Capital raised	4,517 ⁽²⁾	6,926	6,060 ⁽²⁾	8,126
Distributions	(1,722) ⁽³⁾	(7,186)	(6,091) ⁽³⁾	(10,582)
Redemptions	(147)	(665)	(320)	(1,018)
Leverage/Other ⁽⁴⁾	3,942	(2,505)	3,275	(3,123)
End of Period	<u>\$ 167,496 ⁽¹⁾</u>	<u>\$ 113,116 ⁽¹⁾</u>	<u>\$ 167,496 ⁽¹⁾</u>	<u>\$ 113,116 ⁽¹⁾</u>
Change in Private Equity AUM:				

Beginning of Period	\$ 48,086	\$ 39,205	\$ 49,908	\$ 37,832
Income	1,200	1,233	1,588	4,515
Subscriptions/Capital raised	2,496 ⁽²⁾	5,834	2,820 ⁽²⁾	5,838
Distributions	(735) ⁽³⁾	(5,669)	(3,757) ⁽³⁾	(7,571)
Redemptions	—	(19)	—	(19)
Net segment transfers	(11)	850	(11)	1,062
Leverage	549	(1,221)	1,037	(1,444)
End of Period	<u>\$ 51,585</u>	<u>\$ 40,213</u>	<u>\$ 51,585</u>	<u>\$ 40,213</u>
Change in Credit AUM:				
Beginning of Period	\$ 101,228	\$ 63,535	\$ 100,886	\$ 64,406
Income	162	1,165	1,484	1,896
Subscriptions/Capital raised	1,807 ⁽²⁾	627	2,799 ⁽²⁾	1,300
Distributions	(516)	(1,285)	(1,458)	(2,641)
Redemptions	(13)	(356)	(186)	(709)
Net segment transfers	(272)	(256)	(498)	(495)
Leverage/Other ⁽⁴⁾	3,329	(1,218)	2,698	(1,545)
End of Period	<u>\$ 105,725</u>	<u>\$ 62,212</u>	<u>\$ 105,725</u>	<u>\$ 62,212</u>
Change in Real Estate AUM:				
Beginning of Period	\$ 8,899	\$ 9,412	\$ 9,289	\$ 8,800
Income (loss)	202	(125)	288	(81)
Subscriptions/Capital raised	214	465	441	988
Distributions	(471)	(232)	(876)	(370)
Redemptions ⁽⁵⁾	(134)	(290)	(134)	(290)
Net segment transfers	283	309	509	560
Leverage	63	(66)	(461)	(134)
End of Period	<u>\$ 9,056</u>	<u>\$ 9,473</u>	<u>\$ 9,056</u>	<u>\$ 9,473</u>

(1) As of June 30, 2014 and 2013, March 31, 2014 and 2013, and December 31, 2013 and 2012 includes \$1.1 billion, \$1.2 billion, \$1.1 billion, \$2.1 billion, \$1.1 billion and \$2.3 billion of commitments, respectively, that have yet to be deployed to an Apollo fund within Apollo's three segments.

(2) For the three and six months ended June 30, 2014, includes \$2.5 billion of AUM from co-investment vehicles that was raised in prior periods.

(3) During the three months ended June 30, 2014, an additional \$0.5 billion of cash was received and distributed in connection with two dispositions of fund related investments. This cash was included within distributions for the first quarter of 2014.

(4) Represents changes in used and available leverage, and includes the changes in NAV on AUM managed by Athene Asset Management that is not sub-advised by Apollo.

(5) Represents release of unfunded commitments primarily related to two legacy Citi Property Investors ("CPI") real estate funds that were past their investment periods.

ASSETS UNDER MANAGEMENT (UNAUDITED)

The following tables summarize changes in total fee-generating AUM and fee-generating AUM for each of Apollo's three segments for the three and six months ended June 30, 2014 and 2013:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2014	2013	2014	2013
	(in millions)			
Change in Total Fee-Generating AUM:				
Beginning of Period	\$ 128,537	\$ 81,633	\$128,368	\$81,934
(Loss) Income	(111)	2,917	786	3,090
Subscriptions/Capital raised	889	1,084	2,183	2,163
Distributions	(1,110)	(4,298)	(2,573)	(5,209)
Redemptions	(9)	(340)	(163)	(710)
Net movements between Fee-Generating and Non-Fee Generating	(629)	256	(481)	421
Leverage/Other ⁽¹⁾	2,762	(1,962)	2,209	(2,399)
End of Period	<u>\$ 130,329</u>	<u>\$ 79,290</u>	<u>\$130,329</u>	<u>\$79,290</u>
Change in Private Equity Fee-Generating AUM:				
Beginning of Period	\$ 34,207	\$ 27,868	\$ 34,173	\$27,932
(Loss) Income	(44)	2,070	(46)	2,131
Subscriptions/Capital raised	131	39	455	43
Distributions	(176)	(3,201)	(480)	(3,295)
Redemptions	—	(19)	—	(19)
Net segment transfers	(11)	—	(11)	196
Net movements between Fee-Generating and Non-Fee Generating	(508)	(193)	(465)	(190)
Leverage	(45)	(550)	(72)	(784)
End of Period	<u>\$ 33,554</u>	<u>\$ 26,014</u>	<u>\$ 33,554</u>	<u>\$26,014</u>
Change in Credit Fee-Generating AUM:				
Beginning of Period	\$ 88,404	\$ 48,488	\$ 88,249	\$49,518
(Loss) Income	(139)	923	746	985
Subscriptions/Capital raised	575	572	1,392	1,204
Distributions	(484)	(879)	(1,228)	(1,629)
Redemptions	(9)	(321)	(163)	(691)
Net segment transfers	(272)	(259)	(498)	(706)
Net movements between Fee-Generating and Non-Fee Generating	(102)	395	1	441
Leverage/Other ⁽¹⁾	2,807	(1,412)	2,281	(1,615)
End of Period	<u>\$ 90,780</u>	<u>\$ 47,507</u>	<u>\$ 90,780</u>	<u>\$47,507</u>

Change in Real Estate Fee-Generating AUM:

Beginning of Period	\$ 5,926	\$ 5,277	\$ 5,946	\$ 4,484
Income (Loss)	72	(76)	86	(26)
Subscriptions/Capital raised	183	473	336	916
Distributions	(450)	(218)	(865)	(285)
Net segment transfers	283	259	509	510
Net movements between Fee-Generating and Non-Fee Generating	(19)	54	(17)	170
End of Period	<u>\$ 5,995</u>	<u>\$ 5,769</u>	<u>\$ 5,995</u>	<u>\$ 5,769</u>

(1) Represents changes in used and available leverage, and includes the changes in NAV on AUM managed by Athene Asset Management that is not sub-advised by Apollo.

APOLLO GLOBAL MANAGEMENT, LLC FUND PERFORMANCE (UNAUDITED)

Investment Record

The following table summarizes the investment record by segment for Apollo's multi-year drawdown, commitment-based funds and strategic investment accounts ("SIAs") that have a defined maturity date in which investors make commitments to provide capital at the formation of such funds and deliver capital when called as investment opportunities become available. All amounts are as of June 30, 2014, unless otherwise noted:

	Strategy	Vintage Year	Committed Capital	Total Invested Capital	Unrealized ⁽¹⁾		Total Value
					Realized		
					(in millions)		
Private Equity: ⁽²⁾							
Fund VIII	Traditional Private Equity Funds	2013	\$ 18,377	\$ 688	\$ -	\$ 688	\$
Fund VII	Traditional Private Equity Funds	2008	14,677	15,102	21,580	11,034	32
Fund VI	Traditional Private Equity Funds	2006	10,136	12,457	14,045	7,495	21
Fund V	Traditional Private Equity Funds	2001	3,742	5,192	12,537	430	12

Fund IV	Traditional Private Equity Funds	1998	3,600	3,481	6,776	26	6
Fund III	Traditional Private Equity Funds	1995	1,500	1,499	2,695	-	2
Fund I, II & MIA ⁽⁴⁾	Traditional Private Equity Funds	1990/ 1992	2,220	3,773	7,924	-	7
Subtotal			<u>\$ 54,252</u>	<u>\$42,192</u>	<u>\$65,557</u>	<u>\$ 19,673</u>	<u>\$85</u>
AION	Other	2013	825	134	-	167	
ANRP	Natural Resources	2012	<u>1,323</u>	<u>475</u>	<u>25</u>	<u>589</u>	<u></u>
Total Private Equity			<u>\$ 56,400</u>	<u>\$42,801</u>	<u>\$65,582</u>	<u>\$ 20,429</u>	<u>\$86</u>
Credit:⁽⁶⁾							
ACRF III ⁽⁷⁾	Structured Credit	-	\$ 205	\$ 64	\$ -	\$ 106	\$
COF III ⁽⁷⁾	Opportunistic Credit	-	1,421	651	79	701	
FCI II	Structured Credit	2013	1,555	653	5	678	
EPF II ⁽⁸⁾	Non- Performing Loans	2012	3,659	1,811	143	2,007	2
FCI	Structured Credit	2012	559	443	170	450	
AEC	European Credit	2012	292	539	389	193	
AIE II ⁽⁸⁾	European Credit	2008	283	911	1,336	107	1
COF I	U.S. Performing Credit	2008	1,485	1,611	3,871	567	4
COF II	U.S. Performing Credit	2008	1,583	2,176	2,905	238	3
EPF I ⁽⁸⁾	Non- Performing Loans	2007	1,773	2,330	2,466	1,169	3
ACLF	U.S. Performing Credit	2007	<u>984</u>	<u>1,449</u>	<u>2,429</u>	<u>187</u>	<u>2</u>

Total Credit			<u>\$ 13,799</u>	<u>\$12,638</u>	<u>\$13,793</u>	<u>\$ 6,403</u>	<u>\$20</u>
Real Estate:⁽⁶⁾							
AGRE U.S. Real Estate Fund, L.P. ⁽⁹⁾	Equity	2012	869	530	283	397	
AGRE Debt Fund I, LP	Debt	2011	957	954	259	838	1
CPI Capital Partners North America ⁽¹⁰⁾	Equity	2006	600	453	350	30	
CPI Capital Partners Asia Pacific ⁽¹⁰⁾	Equity	2006	1,292	1,176	1,461	223	1
CPI Capital Partners Europe ⁽⁸⁾ ⁽¹⁰⁾	Equity	2006	1,591	1,050	277	512	
CPI Other ⁽¹¹⁾	Equity	Various	<u>2,399</u>	<u>N/A</u>	<u>N/A⁽¹¹⁾</u>	<u>N/A⁽¹¹⁾</u>	<u></u>
Total Real Estate			<u>\$ 7,708</u>	<u>\$ 4,163</u>	<u>\$ 2,630</u>	<u>\$ 2,000</u>	<u>\$ 4</u>

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

(2) Amounts presented are computed based on actual timing of the funds' cash inflows and outflows.

(3) 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.

(4) Fund I and Fund II were structured such that investments were made from either fund depending on which fund had available capital. Apollo does 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. 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 Apollo's managing partners and other investment

professionals.

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

(6) The investment record table for the credit and real estate funds and SIAs presented is computed based on the actual dates of capital contributions, distributions and ending limited partners' capital as of the specified dates.

(7) Apollo Credit Opportunity Fund III, L.P. ("COF III") and Apollo Structured Recovery Fund III, L.P. ("ACRF III") were launched during 2013 and 2014, respectively, and have not established their vintage year.

(8) Funds are denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.36 as of June 30, 2014.

(9) AGRE U.S. Real Estate Fund, L.P., a closed-end private investment fund has \$154 million of co-invest commitments raised, which are included in the figures in the table above. The co-invest entity within AGRE U.S. Real Estate Fund is denominated in GBP and translated into U.S. dollars at an exchange rate of £1.00 to \$1.71 as of June 30, 2014.

(10) As part of the CPI acquisition, Apollo acquired general partner interests in fully invested funds. The gross and net IRRs are presented in the investment record table above since acquisition on November 12, 2010. The net IRRs from the inception of the respective fund to June 30, 2014 were (7)%, 7% and (7)% 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.

(11) CPI Other consists of funds or individual investments of which Apollo is not the general partner or manager and only receives 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 are therefore not considered meaningful as Apollo performs primarily an administrative role.

Credit

The following table summarizes the investment record for certain funds and SIAs within Apollo's credit segment with no maturity date. All amounts are as of June 30, 2014, unless otherwise noted:

Strategy	Vintage Year	Net Asset Value as of June 30, 2014 (in millions)	Net Return				Funds
			Since Inception to June 30, 2014	For the Six Months Ended June 30, 2014	For the Six Months Ended June 30, 2013	Since Inception to December 31, 2013	
ACSF ⁽¹⁾	Opportunistic Credit	2011	379	27% ⁽¹⁾	5% ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾
SOMA ⁽²⁾	Opportunistic Credit	2007	745	68	6	3%	58%

ACF ⁽¹⁾	U.S. Performing Credit	2005	2,299	33 ⁽¹⁾	5 ⁽¹⁾	NM ⁽¹⁾	NM ⁽¹⁾
Value Funds ⁽³⁾	Opportunistic Credit	2003/2006	252	74	-	6	74
Totals			<u>\$ 3,675</u>				

(1) As part of the Stone Tower acquisition, Apollo acquired the manager of Apollo Credit Strategies Master Fund Ltd. ("ACSF") and Apollo Credit Master Fund Ltd. ("ACF"). The net returns are presented in the investment record table above since acquisition on April 2, 2012. As of June 30, 2014, the net returns from inception for ACSF and ACF were 44% and 8% respectively. These returns were 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.

(2) Net asset value and returns are for the primary mandate and excludes Apollo Special Opportunities Managed Account, L.P.'s ("SOMA") investments in other Apollo funds.

(3) Value Funds consist of Apollo Strategic Value Master Fund, L.P., together with its feeder funds, and Apollo Value Investment Master Fund, L.P., together with its feeder funds.

APOLLO GLOBAL MANAGEMENT, LLC FUND PERFORMANCE (UNAUDITED)

The following table summarizes the investment record for publicly traded vehicles that Apollo manages by segment as of June 30, 2014:

						Total Returns ⁽¹⁾			
						Since Inception	For the Six Months Ended June 30, 2014	For the Six Months Ended June 30, 2013	Since Inception to December 31, 2012
Strategy		IPO Year ⁽²⁾	Raised Capital ⁽³⁾	Gross Assets	Current Net Asset Value	to June 30, 2014	June 30, 2014	June 30, 2013	December 31, 2012
(in millions)									
Private Equity:									
AAA ⁽⁴⁾	Other	2006	\$ 1,823	\$ 2,148	\$ 2,145	60%	13%	42%	4
Credit:									
AIF ⁽⁵⁾	U.S. Performing Credit	2013	276	426	288	NM ⁽⁶⁾	NM ⁽⁶⁾	NM ⁽⁶⁾	NM
AFT ⁽⁵⁾	U.S. Performing Credit	2011	295	448	299	13	3	8	.
AMTG	Structured Credit	2011	791	3,895	797	29	19	(12)	

AINV (7)	Opportunistic Credit	2004	3,080	3,642	2,050	65	6	(3)	!
Real Estate:									
ARI	Debt	2009	879	1,466	850	28	6	3	!
Totals			<u>\$ 7,144</u>	<u>\$12,025</u>	<u>\$ 6,429</u>				

(1) Total returns are based on the change in closing trading prices during the respective periods presented taking into account dividends and distributions, if any, as if they were reinvested without regard to commissions.

(2) An initial public offering ("IPO") year represents the year in which the vehicle commenced trading on a national securities exchange. Apollo Tactical Income Fund Inc. ("AIF"), Apollo Senior Floating Rate Fund Inc. ("AFT"), Apollo Residential Mortgage, Inc. ("AMTG") and Apollo Commercial Real Estate Finance, Inc. ("ARI") are publicly traded vehicles traded on the New York Stock Exchange ("NYSE"). Apollo Investment Corporation ("AINV") is a public company traded on the National Association of Securities Dealers Automated Quotation. AAA is a publicly traded vehicle traded on Euronext Amsterdam.

(3) Amounts represent raised capital net of offering and issuance costs.

(4) AAA is the sole limited partner in AAA Investments, L.P. ("AAA Investments"). Athene was AAA Investments' only investment as of June 30, 2014. During the second quarter of 2014, Athene Holding Ltd. raised \$1.218 billion of net equity commitments (the "Athene Private Placement") primarily from third-party institutional investors, certain existing investors in Athene, and employees of Athene and its affiliates (the "Athene Private Placement"). As of June 30, 2014, AAA Investments' ownership stake in Athene was reduced as a result of the Athene Private Placement and the issuance of 3.7 million unrestricted common shares of Athene Holding Ltd. under Athene's management equity plan resulting in an approximate 47.8% economic ownership stake (calculated as if the commitments in the Athene Private Placement closed through June 30, 2014 were fully drawn down but without giving effect to (i) restricted common shares issued under Athene's management equity plan, (ii) the conversion to common shares of AAA Investments' note receivable from Athene, or (iii) common shares to be issued under the amended AAA services agreement or the amended Athene services agreement) and effectively 45% of the voting power of Athene.

(5) Gross Assets presented for AFT and AIF represents total managed assets of these closed-end funds.

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

(7) Refer to www.apolloic.com for the most recent financial information on AINV. The information contained on AINV's website is not part of this press release. All amounts are as of March 31, 2014 except for total returns.

Athene and SIAs

As of June 30, 2014, Athene Asset Management, L.P. had \$61.0 billion of total AUM in accounts owned by or related to Athene, of which approximately \$10.4 billion, was either sub-advised by Apollo or invested in Apollo funds and investment vehicles. Of the approximately \$10.4 billion of assets, the vast majority were in sub-advisory managed accounts that manage high grade credit asset classes, such as collateralized loan obligation

("CLO") debt, commercial mortgage backed securities, and insurance-linked securities.

Apollo also manages CLOs within Apollo's credit segment, with such CLOs representing a total AUM of approximately \$10.6 billion as of June 30, 2014. Such CLO performance information is not included in the above investment record tables.

As of June 30, 2014, Apollo managed approximately \$15 billion of total AUM in SIAs, which include certain SIAs in the investment record tables above and capital deployed from certain SIAs across Apollo's private equity, credit and real estate funds. The above investment record tables exclude certain funds with an aggregate AUM of approximately \$6.2 billion as of June 30, 2014 because management deemed them to be immaterial.

APOLLO GLOBAL MANAGEMENT, LLC SUPPLEMENTAL SEGMENT INFORMATION (UNAUDITED)

Supplemental Segment Information

Dollars Invested

The following table summarizes by segment the dollars invested for funds and SIAs with a defined maturity date and certain funds and SIAs in Apollo's real estate debt strategy during the specified reporting periods:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2014	2013	2014	2013
	(in millions)			
Private equity	\$ 413	\$ 177	\$ 969	\$ 1,368
Credit	1,010	474	2,739	1,609
Real Estate (1)	882	828	1,376	1,676
Total dollars invested	<u>\$ 2,305</u>	<u>\$ 1,479</u>	<u>\$ 5,084</u>	<u>\$ 4,653</u>

(1) Included in dollars invested is \$793 million and \$1,177 million for the three and six months ended June 30, 2014, respectively, and \$713 million and \$1,347 million for the three and six months ended June 30, 2013, respectively, for funds in Apollo's real estate debt strategy.

Uncalled Commitments

The following table summarizes the uncalled commitments by segment during the specified reporting periods:

	As of June 30, 2014	As of June 30, 2013	As of December 31, 2013
	(in millions)		
Private equity	\$ 23,538	\$ 13,026	\$ 23,689

Credit	7,447	5,829	7,113
Real Estate	875	1,020	971
Total Uncalled Commitments ⁽¹⁾			
(2)	\$ 32,941	\$ 21,092	\$ 32,852

(1) As of June 30, 2014 and 2013 and December 31, 2013, includes \$1.1 billion, \$1.2 billion and \$1.1 billion of commitments, respectively, that have yet to be deployed to an Apollo fund within Apollo's three segments.

(2) As of June 30, 2014 and 2013 and December 31, 2013, \$29.2 billion, \$19.4 billion, and \$29.5 billion, respectively, represents the amount of capital available for investment or reinvestment subject to the provisions of the applicable limited partnership agreements or other governing agreements.

Cost and Fair Value of Apollo's Funds' Investments by Segment

The following table provides a summary of the cost and fair value of Apollo's funds' investments by segment for the funds and SIAs listed in the investment record tables:

	As of June 30, 2014	As of June 30, 2013	As of December 31, 2013
		(in millions)	
Private Equity:			
Cost	\$ 14,300	\$ 15,807	\$ 14,213
Fair Value	22,575	24,019	23,432
Credit:			
Cost	\$ 17,304 ⁽¹⁾	\$ 14,651 ⁽²⁾	\$ 15,262 ⁽²⁾
Fair Value	17,672 ⁽¹⁾	15,264 ⁽²⁾	16,177 ⁽²⁾
Real Estate:			
Cost	\$ 3,456	\$ 3,100 ⁽²⁾	\$ 3,073 ⁽²⁾
Fair Value	3,351	2,915 ⁽²⁾	2,966 ⁽²⁾

(1) AINV cost and fair value amounts are as of March 31, 2014.

(2) Prior periods have been restated to conform to current presentation.

As of June 30, 2014, approximately 70% of the value of Apollo's funds' investments on a gross basis were determined using market-based valuation methods (i.e., reliance on broker or listed exchange quotes) and the remaining 30% were determined primarily by comparable company and industry multiples or discounted cash flow models. For Apollo's private equity, credit and real estate segments, the percentages determined using market-based valuation methods as of June 30, 2014 were 50%, 82% and 51%, respectively.

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

The table below presents an analysis of Apollo's (i) carried interest receivable on an unconsolidated basis and (ii) realized and unrealized carried interest income (loss) for Apollo's combined segments' Incentive Business as of and for the three and six months ended June 30, 2014:

	As of June 30, 2014	For the Three Months Ended June 30, 2014			For the Six Months Ended June 30, 2014	
	Carried Interest Receivable on an Unconsolidated Basis	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income	Total Carried Interest Income (Loss)	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income
		(in millions)				
Private Equity Funds:						
Fund VII	\$ 999.0	\$ 216.2	\$ 30.5	\$ 246.7	\$ 98.9	\$ 289.6
Fund VI	342.2	(184.2)	136.1	(48.1)	(359.8)	247.8
Fund V	41.4	(12.9)	13.3	0.4	(1.7)	23.8
Fund IV	5.3	(0.2)	—	(0.2)	(2.5)	—
AAA/Other (1)(2)	189.7	(29.3)	18.1	(11.2)	(38.9)	33.7
Total Private Equity Funds	1,577.6	(10.4)	198.0	187.6	(304.0)	594.9
Credit Funds:						
U.S. Performing Credit	149.0	(9.6)	25.0	15.4	(8.5)	42.5
Opportunistic Credit	53.9	5.7	3.6	9.3	20.8	4.6
Structured Credit	58.5	(3.3)	4.0	0.7	3.7	4.0
European Credit	14.4	(3.7)	5.4	1.7	(0.5)	8.7
Non- Performing Loans	177.9	58.1	1.7	59.8	23.8	45.7
Total Credit Funds	453.7	47.2	39.7	86.9	39.3	105.5
Real Estate Funds:						
CPI Funds	6.6	2.6	0.6	3.2	1.3	0.6
AGRE U.S. Real Estate Fund, L.P.	8.7	(0.9)	2.7	1.8	0.3	2.7
Other	3.2	(0.8)	0.7	(0.1)	(1.0)	0.7

Total Real Estate Funds	18.5	0.9	4.0	4.9	0.6	4.0
Total	<u>\$ 2,049.8</u> ⁽³⁾	<u>\$ 37.7</u>	<u>\$ 241.7</u>	<u>\$ 279.4</u>	<u>\$ (264.1)</u>	<u>\$ 704.4</u>

(1) Includes certain strategic investment accounts.

(2) Includes \$121.3 million of carried interest receivable from AAA Investments which will be paid in common shares of Athene Holding Ltd. (valued at the then fair market value) if there is a distribution in kind of shares of Athene Holding Ltd. (unless such payment in shares would violate Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended), or paid in cash if AAA sells the shares of Athene Holding Ltd.

(3) There was a corresponding profit sharing payable of \$963.9 million as of June 30, 2014 that resulted in a net carried interest receivable on an unconsolidated basis of \$1,085.9 million as of June 30, 2014. Included within profit sharing payable are contingent consideration obligations of \$115.2 million.

APOLLO 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, 2014 and 2013:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2014	2013	2014	2013
Total GAAP Weighted Average Outstanding Class A Shares:				
Basic	152,852,427	137,289,147	150,328,495	134,285,776
Non-GAAP Adjustments:				
AOG units	225,725,411	235,470,768	227,331,084	237,722,872
Vested RSUs ⁽¹⁾	21,142,309	20,948,076	21,263,534	20,894,686
Non-GAAP Weighted Average Diluted Shares Outstanding	<u>399,720,147</u>	<u>393,707,991</u>	<u>398,923,113</u>	<u>392,903,334</u>

(1) Vested RSUs presented have not yet been issued in the form of Class A shares. As a result, the amount of vested RSUs indicated 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, 2014 and 2013:

	As of June 30,	
	2014	2013
Total GAAP Outstanding Class A Shares:		
Basic	156,296,748	141,722,471

Non-GAAP Adjustments:

AOG units	222,736,477	231,230,636
Vested RSUs ⁽¹⁾	<u>21,573,419</u>	<u>22,518,436</u>
Non-GAAP Diluted Shares Outstanding	<u>400,606,644</u>	<u>395,471,543</u>

(1) Vested RSUs presented have not yet been issued in the form of Class A shares. As a result, the amount of vested RSUs indicated 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 4.3 million and 4.2 million unvested RSUs that participate in distributions as of June 30, 2014 and 2013, 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, credit 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. With respect to compensation, management seeks to align the interests of certain professionals and selected other individuals with those of the investors in the funds and those of Apollo'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 Apollo'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 (i) non-cash charges related to RSUs granted in connection with the 2007 private placement and amortization of AOG units, (ii) income tax expense, (iii) amortization of intangibles associated with the 2007 reorganization as well as acquisitions, (iv) Non-Controlling Interests excluding the remaining

interest held by certain individuals who receive an allocation of income from certain of our credit management companies and (v) non-cash revenue and expense related to equity awards granted by unconsolidated affiliates to employees of the Company. In addition, segment data excludes the assets, liabilities and operating results of the 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, with the exception of including the benefit of tax deductions in excess of GAAP deductions from share-based arrangements. 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.
- **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 225,725,411 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.
- **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 222,736,477 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.
- **Distributable Earnings, or DE**, as well as **DE After Taxes and Related Payables** are derived from our segment reported results, and are supplemental measures to assess performance and amounts available for distribution to Class A shareholders, holders of RSUs that participate in distributions and holders of AOG units. DE represents the amount of net realized earnings without the effects of the consolidation of any of the affiliated funds. DE, which is a component of ENI, is the sum across all segments of (i) total management fees and advisory and transaction fees, excluding monitoring fees received from Athene based on its capital and surplus (as defined in Apollo's transaction advisory services agreement with Athene), (ii) realized carried interest income, and (iii) realized investment income, less (i) compensation expense, excluding the expense related to equity-based awards, (ii) realized profit sharing expense, and (iii) non-compensation expenses, excluding depreciation and amortization expense. DE after taxes and related payables represents DE less estimated current corporate, local and non-U.S. taxes as well as the payable under Apollo's tax receivable agreement.
- **Assets Under Management, or AUM**, refers to the assets we manage for the funds, partnerships and accounts to which we provide investment management services, including, without limitation, capital that such funds, partnerships and accounts have

the right to call from investors pursuant to capital commitments. Our AUM equals the sum of:

- (i) the fair value of the investments of the private equity funds, partnerships and accounts we manage plus the capital that such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments;
- (ii) the net asset value, or “NAV,” of the credit funds, partnerships and accounts for which we provide investment management services, other than certain collateralized loan obligations (“CLOs”) and collateralized debt obligations (“CDOs”), which have a fee generating basis other than the mark-to-market value of the underlying assets, plus used or available leverage and/or capital commitments;
- (iii) the gross asset value or net asset value of the real estate funds, partnerships and accounts we manage, and the structured portfolio company investments of the funds, partnerships and accounts we manage, which includes the leverage used by such structured portfolio company investments;
- (iv) the incremental value associated with the reinsurance investments of the portfolio company assets we manage; and
- (v) the fair value of any other assets that we manage for the funds, partnerships and accounts to which we provide investment management services, plus unused credit facilities, including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification before investment plus any other capital commitments to such funds, partnerships and accounts 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 we manage for the funds, partnerships and accounts to which we provide investment management services and on which we earn management fees, monitoring fees pursuant to management or other fee agreements on a basis that varies among the Apollo funds, partnerships and accounts we manage. 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, also referred to as advisory fees, with respect to the structured portfolio company investments of the funds, partnerships and accounts we manage, are generally based on the total value of such structured portfolio company investments, which normally includes leverage, less any portion of such total value that is already considered in fee-generating AUM.

- **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 company investments that do not generate monitoring fees; and
 - (vi) the difference between gross asset and net asset value for those funds that earn management fees based on net asset value.
- **Carry Eligible AUM** refers to the AUM that may eventually produce carried interest income. All funds for which we are entitled to receive a carried interest income allocation are included in Carry Eligible AUM, which consists of the following:
 - **Carry Generating AUM** refers to funds' invested capital that is currently above its hurdle rate or preferred return, and the funds' profit is allocated to the general partner in accordance with the applicable limited partnership agreements or other governing agreements.
 - **AUM Not Currently Generating Carry** refers to funds' invested capital that is currently below its hurdle rate or preferred return.
 - **Uninvested Carry Eligible AUM** refers to available capital for investment or reinvestment subject to the provisions of applicable limited partnership agreements or other governing agreements that are not currently part of the NAV or fair value of investments that may eventually produce carried interest income, which would be allocated to the general partner.

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.

- **Dollars invested** is the aggregate amount of capital, including capital commitments from the limited partner investors in our funds, that have been invested by our multi-year drawdown, commitment-based funds and SIAs that have a defined maturity date

and for funds and SIAs in our real estate debt strategy 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 commitments** represents unfunded capital commitments that certain of Apollo's funds and SIAs have received from limited partners 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 private equity 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, 2014 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 private equity 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). The realized and 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 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 a private equity fund exceeds all requirements detailed within the applicable fund agreement.

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