

Limited Liability Partnership Registration No OC316197 (England and Wales)

APOLLO MANAGEMENT INTERNATIONAL LLP
MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011



APOLLO MANAGEMENT INTERNATIONAL LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Members

Apollo Management (UK) VI, LLC
AMI (Holdings) LLC
David Abrams
Sachin Khajuria
Fred Khedhour
Tyler Mingst
Roger Orf
Sanjay Patel
Gareth Turner
Mark Beith (Appointed 6 April 2012)
Alexander Humphreys (Appointed 1 March 2012)
Gernot Lohr (Appointed 1 March 2012)
Fabrice Nottin (Appointed 1 November 2011)
Andres Rubio (Appointed 2 April 2012)

Registration number

OC316197

Registered office

25 St George Street
London
W1S 1FS

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Bankers

Coutts & Co
440 The Strand
London
WC2R 0QS

APOLLO MANAGEMENT INTERNATIONAL LLP

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APOLLO MANAGEMENT INTERNATIONAL LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The members present their report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the limited liability partnership ('the Partnership') continued to be that of finance advisors to various private equity and credit-orientated capital markets' investment fund managers

The results for the year and the financial position at the year end were considered satisfactory by the members who expect some growth in the foreseeable future

Members

The following members have held office since 1 January 2011 except as stated

Apollo Management (UK) VI, LLC

AMI (Holdings) LLC

David Abrams

Sachin Khajuna

Fred Khedhour

Tyler Mingst

Roger Orf

Sanjay Patel

Gareth Turner

Mark Berth

(Appointed 6 April 2012)

Alexander Humphreys

(Appointed 1 March 2012)

Gernot Lohr

(Appointed 1 March 2012)

Fabrice Nottin

(Appointed 1 November 2011)

Andres Rubio

(Appointed 2 April 2012)

All members are designated members

Policy on members' drawings

Members are permitted to make drawings in anticipation of profits that will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash requirements of the business.

New members are required to subscribe a minimum level of capital and in subsequent years members may be invited to subscribe for further capital, the amount of which is determined by the performance and seniority of those members. On retirement, capital is repaid to the members.

APOLLO MANAGEMENT INTERNATIONAL LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of members' responsibilities

The members are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that year. In preparing those financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Political and charitable donations	2011	2010
	£	£

During the year the limited liability partnership made the following payments:
Charitable donations

2250	-
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Statement of disclosure to auditor

So far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware. Additionally, the members have taken all the necessary steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

In accordance with the limited liability partnership's articles, a resolution proposing that Deloitte LLP be reappointed as auditor of the limited liability partnership will be put at a General Meeting.

Pillar 3 disclosures

Details of Apollo's 'Pillar 3' disclosures, as required by the FSA, are available at <http://www.pillar3.eu/AMI0900710>

APOLLO MANAGEMENT INTERNATIONAL LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Financial risk management

The Partnership is exposed to financial risk through its financial assets and financial liabilities. In particular the key financial risk is that the debtors may not be able to pay the amounts in full when they become due. The most important components of its financial risk are credit risk and liquidity risk.

- Credit risk

Credit risk is the risk of suffering financial loss should any of the Partnership's counterparties fail to fulfil their contractual obligations. Management monitors exposure to credit risk through regular review of credit exposure to its counterparties; this risk is significantly reduced by virtue of the fact that most of the Partnership's counterparties are other Apollo Global Management LLC group subsidiaries and affiliates ("Apollo Group Entities"). The maximum exposure to credit risk is represented by the carrying value of financial assets at the balance sheet date. At the balance sheet date the partners believe that there was no major concentration of credit risk, other than to Apollo Group Entities and liquid funds held by the bank.

- Liquidity risk

Liquidity risk is the risk that the Partnership will be unable to meet its financial obligations when they fall due. Liquidity risk is managed through maintaining sufficient cash and interest-bearing deposits, having no borrowings and through the availability of funding from Apollo Group Entities.

- Foreign Currency Risk

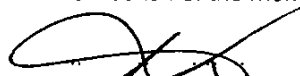
Foreign currency risk is the risk of loss resulting from adverse fluctuations in the value of a foreign currency. The Partnership's presentational currency is Sterling and its functional currency is the US dollar. Foreign exchange risk arises on monetary assets and liabilities denominated in Sterling which have to be translated at each balance sheet date. The Partnership manages this risk by ensuring, where possible, the majority of transactions carried out with Apollo Group Entities are denominated in Sterling.

Going concern

The Partnership's approach to financial risk management is set out above. The Partnership has sufficient cash resources and no borrowings. As a consequence, the members believe that the Partnership is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. The members believe that the firm's performance leaves the Partnership in a healthy financial position and accordingly the Partnership continues to adopt the Going Concern basis in preparing the financial statements.

On behalf of the members



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APOLLO MANAGEMENT INTERNATIONAL LLP

We have audited the financial statements of Apollo Management International LLP for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and auditor

As explained more fully in the Statement of Members' Responsibilities, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF APOLLO MANAGEMENT INTERNATIONAL LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applicable to limited liability partnerships requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



Calum Thomson (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

25.4.12.

APOLLO MANAGEMENT INTERNATIONAL LLP

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	46,229,874	48,811,798
Administrative expenses		(37,620,576)	(36,532,536)
Other operating income		207,793	389,043
Operating profit	3	8,817,091	12,668,305
Other interest receivable and similar income	4	42,621	46,208
Interest payable and similar charges	5	-	(10)
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members	11	8,859,712	12,714,503

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains or losses other than those passing through the profit and loss account, for the current and prior year and accordingly no statement of gains and losses has been presented

Notes 1 to 21 form an integral part of these financial statements

APOLLO MANAGEMENT INTERNATIONAL LLP

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6		3,215,016		4,894,136
Current assets					
Debtors amounts falling due within one year	8	16,347,074		1,565,914	
Cash at bank and in hand		24,768,796		47,104,521	
		41,115,870		48,670,435	
Creditors amounts falling due within one year	9	(10,295,763)		(23,385,919)	
Net current assets			30,820,107		25,284,516
Total assets less current liabilities			34,035,123		30,178,652
REPRESENTED BY					
Loans and other debts due to members within one year					
Other amounts	12		11,800,902		7,954,431
			11,800,902		7,954,431
Members' other interests					
Members' capital	11		22,234,221		22,224,221
			34,035,123		30,178,652
TOTAL MEMBERS' INTERESTS					
Amounts due from members	8		-		(47,000)
Loans and other debts due to members	12		11,800,902		7,954,431
Members' other interests	11		22,234,221		22,224,221
TOTAL MEMBERS' INTERESTS			34,035,123		30,131,652

Approved by the Members and authorised for issue on 24 APRIL 2012



TYLER MUNGST, DESIGNATED MEMBER

Company Registration No OC316197

Notes 1 to 21 form an integral part of these financial statements

APOLLO MANAGEMENT INTERNATIONAL LLP

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	£	2011 £	£	2010 £
Net cash (outflow)/inflow from operating activities	18		(17,032,336)		32,910,945
Returns on investments and servicing of finance					
Interest received		42,621		46,208	
Interest paid		-		(10)	
Net cash inflow for returns on investments and servicing of finance			42,621		46,198
Capital expenditure					
Payments to acquire tangible assets		(389,769)		(869,630)	
Net cash outflow for capital expenditure			(389,769)		(869,630)
Transactions with members and former members					
Payments to members		(5,013,241)		(6,699,441)	
Capital returned to members		-		(47,000)	
Contributions by members		57,000		131,000	
			(4,956,241)		(6,615,441)
Net cash (outflow)/inflow before management of liquid resources and financing			(22,335,725)		25,472,072
Net cash outflow from financing			-		-
(Decrease)/increase in cash in the year	19, 20		(22,335,725)		25,472,072

Notes 1 to 21 form an integral part of these financial statements

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The financial statements have been prepared on the going concern basis which assumes that the Partnership will continue in operational existence for the foreseeable future as detailed in the Members' report on page 1.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Limited Liability Partnership Statement of Recommended Practice, which have been applied consistently.

1.3 Turnover

Turnover represents amounts receivable for investment advisory and sub advisory services provided net of VAT. Turnover is recognised on an accruals basis as advisory services are rendered.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Straight-line basis over the lesser of 192 months or lease term
Office equipment	Straight-line basis over 60 months
Computer equipment	Straight-line basis over 36 months
Fixtures, fittings and equipment	Straight-line basis over 60 months

1.5 Leasing

Rentals payable under operating leases are charged against the profit and loss account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are similarly spread over the lease term on a straight line basis. Lease premiums are amortised on a straight line basis over the lease term.

1.6 Pensions

The Partnership operates a defined contribution scheme for the benefit of some of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. Differences between the contributions payable in the period and the contributions actually paid are shown within accruals and deferred income or prepayments and accrued income on the balance sheet.

1.7 Foreign currency translation

The functional currency of the Partnership is the US dollar, which is the functional currency of all Apollo Group Entities. The presentational currency of the Partnership is Pounds Sterling, which is the currency in which the Partnership primarily generates and expends cash. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the spot rate ruling at the date of the transaction. All differences are taken to profit and loss account.

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

(continued)

1.8 Members' participation rights

Members' participation rights are the rights of a member against the Partnership that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits)

Members' participation rights in the earnings or assets of the Partnership are analysed between those that are, from the Partnership's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments Presentation and UITF Abstract 39 Members' Shares in Co-operative Entities and Similar Instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the Partnership.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classified as equity if the Partnership has an unconditional right to refuse payment to members. If the Partnership does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the Partnership does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

1.9 Share based payment

Equity-settled share-based payments are issued by other Apollo Group Entities to partners and employees of Apollo Group Entities including those of the Partnership. The Partnership accounts for the cost of stock granted to employees or members of the Partnership.

In accordance with FRS 20 Share-based Payment, equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period. The fair value is determined based on the market price of the respective group entities' shares, discounted for the transfer restrictions and lack of dividends, at the date of grant.

1.10 Taxation

Income tax payable on the Partnership's profits are solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

2 Turnover

	Turnover	
	2011	2010
	£	£
Geographical market		
Germany	2,688,625	3,843,455
UK	43,541,249	44,968,343
	<u>46,229,874</u>	<u>48,811,798</u>

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

3	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging (crediting)		
	Depreciation of tangible assets	1,378,952	1,366,083
	Loss on disposal of tangible assets	4,723	3,512
	Loss/(Profit) on foreign exchange transactions	32,715	(934,532)
	Operating lease rentals		
	- Plant and machinery	18,927	6,282
	- Other assets	1,719,900	2,559,755
	Auditor's remuneration	426,332	343,530

The analysis of Auditor's remuneration is as follows

	2011	2010
	£	£
Fees payable to the company's auditor for the audit of the annual accounts	51,500	36,000
General taxation and business advisory services	371,332	281,530
Other review fees	3,500	26,000
Total non-audit fees	374,832	307,530

4	Interest Receivable	2011	2010
		£	£
	Bank interest	42,621	46,208

5	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	-	10

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

6 Tangible fixed assets

	Land and buildings Leasehold £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2011	4,204,158	3,509,228	1,256,877	8,970,263
Provision	(434,863)	(99,534)	(286,324)	(820,721)
Additions	78,385	144,555	166,829	389,769
Disposals	-	(47,259)	-	(47,259)
At 31 December 2011	3,847,680	3,506,990	1,137,382	8,492,052
Depreciation				
At 1 January 2011	939,658	2,298,345	838,124	4,076,127
Provision	(30,189)	(47,681)	(57,637)	(135,507)
On disposals	-	(42,536)	-	(42,536)
Charge for the year	213,779	943,098	222,075	1,378,952
At 31 December 2011	1,123,248	3,151,226	1,002,562	5,277,036
Net book value				
At 31 December 2011	2,724,432	355,764	134,820	3,215,016
At 31 December 2010	3,264,500	1,210,883	418,753	4,894,136

The provision at 31 December 2011 reflects a provision for the write off of fixed assets at net book value pertaining to an office which the Partnership had committed to leave at 31 December 2011. No material compensation is expected to be received in respect of fixed assets currently provided for above.

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

7 Share Option Schemes

Restricted Share Units ("RSUs")

The ultimate parent undertaking, Apollo Global Management LLC, grants Apollo Global Management LLC (the group) Restricted Share Units (RSUs) to employees and partners of the Partnership. The costs of the plan and bonus grants are charged to the Partnership based on the grant date fair value of RSUs expected to vest. The fair value for the plan grants are calculated on the grant date based on the public share price discounted for transfer restrictions and lack of distributions until vested and will be charged to the profit and loss account on a straight line basis over the vesting period. For bonus grants, the grant date fair value considers transfer restrictions and timing of distributions. It has been estimated that as at 31 December 2011 6% (2010: 6%) of unvested RSU's will be forfeited based on the employee population.

The weighted average fair value of the outstanding RSUs at 31 December 2011 was £23,761,422 (US\$36,737,534) [2010: £19,994,173 (US\$30,447,680)]. The 2011 expenditure incurred for the RSU scheme was £8,901,347 (2010: £5,876,645).

The RSU activity is summarised in the table below

	2011 No. of shares	2010 No. of shares
Outstanding at 1 January	3,805,960	1,376,532
Granted during the year	964,506	3,041,757
Transferred during the year	(151,620)	95,679
Forfeited during the year	-	(143,035)
Vested during the year	(1,658,529)	(564,973)
Outstanding at 31 December	2,960,317	3,805,960

Restricted Depository Units ("RDU's")

On 15 June 2006, AAA Holdings, L.P., a subsidiary entity of the group, purchased Restricted Depository Units (RDUs) of AP Alternative Assets L.P. The group periodically grants these RDUs to certain employees and partners of the Partnership. The RDU once vested can be converted into units of A.P. Alternative Assets L.P.

The grant date fair value, based on the observable market price of the RDUs is recognised on a straight line basis over the vesting period. It has been estimated that as at 31 December 2011 6% (2010: 12%) of unvested RDU's will be forfeited based on the employee population.

The weighted average fair value of outstanding RDUs at 31 December 2011 was £852,509 (US\$1,318,065) [(2010: £nil (US\$nil))]. The 2011 expenditure incurred for the RDU scheme by the Partnership was £481,050 (2010: £1,996,271).

The RDU activity is summarised in the table below

	2011 No. of shares	2010 No. of shares
Outstanding at 1 January	-	19,513
Granted during the year	33,975	327,974
Transferred during the year	166,667	1,667
Forfeited during the year	-	(630)
Vested during the year	(44,658)	(348,524)
Outstanding at 31 December	155,984	-

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

8 Debtors	2011	2010
	£	£
Amounts due from members	-	47,000
Amounts owed by group undertakings	15,045,193	-
Other debtors	500,449	773,129
Prepayments and accrued income	801,432	745,785
	<u>16,347,074</u>	<u>1,565,914</u>

9 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	21,190	101,731
Amounts owed to group undertakings	-	11,638,455
Other Taxes and social security	6,638,808	5,125,352
Other creditors	1,198,990	1,636,825
Accruals and deferred income	2,436,775	4,883,556
	<u>10,295,763</u>	<u>23,385,919</u>

10 Pension costs

The Partnership operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Partnership in an independently administered fund. The pension cost charge represents contributions payable by the partnership to the fund.

Defined contribution

	2011	2010
	£	£
Contributions payable by the Partnership for the year	<u>148,823</u>	<u>42,581</u>

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

11 Members' interests	Members' other interests		Total	Loans and other debts due to/(from) members	
	Members' capital (classified as equity)	Other reserves			Total
	£	£	£	£	£
Members' interests at 1 January 2011	22,224,221	-	22,224,221	7,907,431	30,131,652
Profit for the financial year available for discretionary division among members	-	8,859,712	8,859,712	-	8,859,712
Members' interests after profit for the year	22,224,221	8,859,712	31,083,933	7,907,431	38,991,364
Other divisions of profits	-	(8,859,712)	(8,859,712)	8,859,712	-
Prior year capital paid in by members	-	-	-	47,000	47,000
Introduced by members	10,000	-	10,000	-	10,000
Drawings	-	-	-	(5,013,241)	(5,013,241)
Members' interests at 31 December 2011	<u>22,234,221</u>	<u>-</u>	<u>22,234,221</u>	<u>11,800,902</u>	<u>34,035,123</u>
Members' interests (comparative)					
Members' interests at 1 January 2010	22,150,221	-	22,150,221	4,049,451	26,199,672
Profit for the financial year available for discretionary division among members	-	12,714,503	12,714,503	-	12,714,503
Members' interests after profit for the year	22,150,221	12,714,503	34,864,724	4,049,451	38,914,175
Other divisions of profits	-	(12,714,503)	(12,714,503)	12,714,503	-
Prior year capital paid in by members	-	-	-	10,000	10,000
Introduced by members	121,000	-	121,000	-	121,000
Repayments of capital	(47,000)	-	(47,000)	-	(47,000)
Drawings	-	-	-	(8,866,523)	(8,866,523)
Members' interests at 31 December 2010	<u>22,224,221</u>	<u>-</u>	<u>22,224,221</u>	<u>7,907,431</u>	<u>30,131,652</u>

For a breakdown of loans and other debts due to members, please refer to note 12

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

12 Loans and other debts due to members	2011 £	2010 £
Amounts owed to members in respect of profits	11,800,902	7,954,431
Due from members	-	(47,000)
	<u>11,800,902</u>	<u>7,907,431</u>

13 Financial commitments

At 31 December 2011 the Partnership was committed to making the following payments under non-cancellable operating leases for the year ending 31 December 2012

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Within one year	63,981	88,827	6,284	-
Between two and five years	411,128	435,716	9,423	12,564
In over five years	<u>1,523,688</u>	<u>1,523,718</u>	<u>-</u>	<u>-</u>
	<u>1,998,797</u>	<u>2,048,261</u>	<u>15,707</u>	<u>12,564</u>

The Partnership has funds of £1,778,810 (2010 £1,778,618) on deposit (under charge) with Coutts & Co, London for guarantees they have provided in respect of operating lease rentals on the Partnership's premises. The Partnership continues to receive interest income on the amounts placed on deposit.

14 Member's shares of profits	2011 Number	2010 Number
The average number of members during the year was	<u>9</u>	<u>8</u>
	2011 £	2010 £
The average profit per member during the year was	<u>966,514</u>	<u>1,548,975</u>
	2011 £	2010 £
The share of profit to the member with the largest entitlement was	<u>3,846,468</u>	<u>6,015,062</u>

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

15 Employees

Number of employees

The average monthly number of employees during the year was

2011 Number	2010 Number
52	52

Employment costs

	£	£
Wages and salaries	20,302,370	19,451,029
Social security costs	2,046,055	3,454,646
Other pension costs	148,823	42,581
	<u>22,497,248</u>	<u>22,948,256</u>

16 Control

The Partnership's ultimate controlling party is deemed to be Apollo Global Management LLC, a Delaware, United States, Limited Liability Corporation. Apollo Global Management LLC consolidates the results of Apollo Management International LLP. The smallest and largest group that consolidates this entity, for which financial statements are publicly available, is Apollo Global Management LLC.

17 Related party transactions

The Partnership has entered into investment advisory and sub advisory agreements with other Apollo Global Management LLC group subsidiaries and affiliates "Apollo Group Entities". Under these agreements the Partnership earns and pays respective entities an arm's length fee for the services performed. Under an Apollo Management group settlement agreement, the Partnership can elect to settle the net balance due to/from other Apollo Group Entities on a net settlement basis, with Apollo Global Management LLC.

Accordingly, the net amounts due from Apollo Global Management LLC at year end was £15,045,193 (2010 £11,638,455 creditor).

Included within the profit and loss account is turnover earned from Apollo Group Entities of £46,229,874 (2010 £48,811,798) and operating expenses incurred on behalf of Apollo Group Entities of £2,688,625 (2010 £3,843,455).

The Partnership also pays fees and expenses on behalf of funds which are managed by the Apollo Global Management LLC group. These expenses are not expenses of the Partnership and are therefore not included in the income statement of the Partnership. The amounts due at year end from these funds are included within amounts owed by group undertakings in note 8.

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

18 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2011	2010
	£	£
Operating profit	8,817,091	12,668,305
Depreciation of tangible assets	1,378,952	1,366,083
Loss on disposal of tangible assets	4,723	3,512
Provision against fixed assets	685,214	-
(Increase)/Decrease in debtors	(14,828,160)	4,765,910
Increase/(Decrease) in creditors within one year	(13,090,156)	16,274,217
Non cash distribution to members	-	(2,167,082)
Net cash (outflow)/inflow from operating activities	(17,032,336)	32,910,945

19 Analysis of net funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	47,104,521	(22,335,725)	-	24,768,796
Net funds	47,104,521	(22,335,725)	-	24,768,796

	2011	2010
	£	£
Amounts due to members (see note 12)	11,800,902	7,907,431

20 Reconciliation of net cash flow to movement in net funds	2011	2010
	£	£
(Decrease)/increase in cash in the year	(22,335,725)	25,472,072
Movement in net funds in the year	(22,335,725)	25,472,072
Opening net funds	47,104,521	21,632,449
Closing net funds	24,768,796	47,104,521

APOLLO MANAGEMENT INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

21 Analysis and Reconciliation of Net Debt	2011	2010
	£	£
Payments to Members	(5,013,241)	(6,699,441)
Non cash distribution to Members	-	(2,167,082)
Introduced by Members	47,000	10,000
Other Division of Profits	8,859,712	12,714,503
	<hr/>	<hr/>
Movement in Net Debt in Year	3,893,471	3,857,980
	<hr/>	<hr/>
Net Debt at 1 January	7,907,431	4,049,451
	<hr/>	<hr/>
Net Debt at 31 December	11,800,902	7,907,431
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