

Black Family Partners, L.P.
ADJUSTED BOOK VALUE
AS OF JUNE 7, 2007

Assets

	<u>Aggregate Fair Market Value</u>
Apollo Operating Group Interests	
Apollo Management Holdings, L.P.	\$851,700,000
Apollo Principal Holdings II, L.P.	\$81,200,000
Apollo Advisors IV, L.P.	\$37,500,000
Apollo Advisors V, L.P.	\$59,000,000
Apollo Advisors VI, L.P.	\$105,800,000
Apollo Advisors VI (EH), L.P.*	\$63,700,000
Apollo Advisors V (EH Cayman), LP	\$25,100,000
Co-Investor Interests	
Apollo AIC Co-Investors, LLC	\$7,800,000
Apollo Co-Investors III, LLC	\$7,200,000
Apollo Co-Investors IV, LLC	\$7,600,000
Apollo Co-Investors V, LLC	\$17,700,000
Apollo Co-Investors V (EH), LLC	\$6,700,000
Apollo Co-Investors VI (A), LLC	\$30,700,000
Apollo Co-Investors VI (EH-A), LP	\$3,350,000
Apollo SOMA Co-Investors, LLC	\$660,000
Apollo Value Co-Investors, LLC	\$2,920,000
Total Assets	<u>\$1,308,630,000</u>
Liabilities & Equity	
Total Liabilities	\$0
Total Equity	\$1,308,630,000
Total Liabilities and Equity	<u>\$1,308,630,000</u>
Adjusted Book Value	\$1,308,630,000
Investment Company/ Lack of Control Discount	5.0% <u>(\$65,431,500)</u>
Freely Tradable Value	\$1,243,198,500
Pro Rata, Non-Controlling Partnership Interest	1% \$12,431,985
Discount for Lack of Marketability	25% <u>(\$3,107,996)</u>
Pro Rata, Fair Market Value of 1% Partner's Interest	\$9,323,989
Pro Rata, Fair Market Value of 1% Partner's Interest, rounded	<u>\$9,300,000</u>

*The Fair Market Value presented for Apollo Advisors VI (EH), L.P. includes a Class A interest in AAA Associates, L.P.

- The lack consistency of reporting by alternative asset managers of private equity and capital market funds, exacerbated by the fact that the some of the guideline companies report based on guidelines applicable to the London Stock Exchange versus stock exchanges monitored by the Securities Exchange Commission ("SEC") in the U.S.;
- The Apollo Operating Group is an arbitrary aggregation, an entity that does not legally exist and therefore the aggregate MVIC may not be fully representative of the MVIC if an entity that aggregated the companies of the Apollo Operating Group;
- Historic revenues of alternative asset manager such as the companies of the Apollo Operating Group and the guideline companies have high volatility in their revenue stream, which include as a source carried interest, i.e. investment performance, which is typically only paid if investment performance hurdles are met.

In conclusion, based on a review of the reasonableness test information presented in Exhibit C and the analysis presented above, the aggregate MVIC of the Apollo Operating Group was considered reasonable. Therefore, the individual MVIC values concluded in the various June 2007 Reports were considered reasonable. Further, the fair market values of BFP's interests in the entities concluded in the June 2007 Reports derived from the respective MVIC values were considered reasonable and used in the determination of BFP's ABV, discussed below.

G. Adjusted Book Value of BFP

As discussed, a willing buyer would typically assess the value of BFP's capital at least partly on the basis of its underlying assets. Thus, it is reasonable to utilize ABV as a valuation method. By definition, this methodology should be based on going concern value, not on the assumption of business liquidation. In reality, though, holders of minority ownership interests can only receive their pro rata share of their company's assets if it is liquidated.

Book value, unadjusted, is another name for the shareholders' equity account as it appears on the balance sheet. Again, ABV as a willing buyer would assess it involves determining the value of each of the ABV Entities bundle of assets, less its liabilities, but before transaction costs.

This analysis began with the each of BFP's June 7, 2007 balance sheet. Each asset and liability was assessed to determine its estimated market value as of the Valuation Date. As of the Valuation Date BFP held the following assets:

- The ABV Entities and DFE Entities, as described earlier in this report and summarized in Table XIII above;
- A pro rata interest in AMH with a FMV of \$851,700,000, as stated in the AMH Report;
- A pro rata interest in APH2 with a FMV of \$81,200,000, as stated in the APH2 Report;
- A pro rata interest in AAIIVLP with a FMV of \$37,500,000, as stated in the AAIIVLP Report;
- A pro rata interest in AAVLP with a FMV of \$59,000,000, as stated in the AAVLP Report;
- A pro rata interest in AAVILP with a FMV of \$105,800,000, as stated in the AAVILP Report;
- A pro rata interest in AAVEHLP with a FMV of \$25,100,000, as stated in the AAVLP Report;
- A pro rata interest in AAVIEHLP with a FMV of \$63,700,000¹⁹, rounded, as stated in the AAVILP Report; and
- A pro rata interest in ACIV with a FMV of \$7,600,000, as stated in the ACIV Report.

BFP had no other assets or liabilities. Therefore, the ABV of the Partnership was \$1,306,730,000. This value represents a fully marketable controlling interest level value in BFP. Therefore, considerations for issues of lack of control and lack of marketability must be considered for a limited partners' non-controlling interest in BFP. See Exhibit D.

H. Investment Company Discount for BFP

As discussed, the ICD is an adjustment that is typically appropriate because a fractional equity owner has no ability to affect the investment decisions of his holding company. The discount takes into consideration the portfolio risk of the holding company. The ICD tends to be lower for a company with a diversified portfolio of marketable securities. Higher discounts are generally found as

¹⁹ Includes AAVIEHLP's pro rata Class A ownership of AAAALP of \$53,800,000.

diversification decreases. The highest level of ICDs are associated with companies which have portfolios comprised of non-diversified, high-risk, closely-held securities. Again, the application of the ICD places BFP's members on a footing similar to that of minority shareholders who own the voting shares of fully marketable closed-end funds.

Therefore, to derive an ICD for BFP's non-controlling partnership interests on a fully marketable basis, a market approach (i.e., the guideline company method) was utilized whereby a reasonably comparable group of publicly traded closed-end investment funds was selected and the public pricing of these funds was used to determine an ICD appropriate for BFP's non-controlling interests.

The samples were groups of: (1) CALY; (2) CAHY; (3) sector specific - private equity and venture capital. The relevant statistics were presented in Table IV and shown in more detail in Exhibits B-1 through B-3. BFP is most comparable to the CALY sample which had a median implied ICD of 8.1%.

The table below presents a qualitative comparison of these investment companies with BFP:

Table XV
Attributes of Closed-End Funds

Attributes of Closed-End Funds	Adjustment to BFP		
	Positive	Negative	Neutral
Portfolio Size			X
Portfolio Diversification			X
Liquidity of Underlying Investments		X	
Professionally Managed			X

Summary Value: BFP as an investment holding company provides an additional layer of investment management. BFP's LP's are therefore one additional step removed from the underlying investment of any of the various Apollo funds and/or fund management vehicles. Consideration was given to the fact that in deriving the FMV of BFP's holding intermediate level ICD's were applied. Therefore, concluding an ICD for BFP must be considered incremental. Based upon the above analysis of BFP, a concluded ICD of 5% was selected as reasonable to use in determining the aggregate marketable value of non-controlling partner's capital on a fully marketable basis. See Exhibit D.

Using a 5% ICD, the aggregate marketable value of non-controlling partnership interest in BFP is reasonably stated at \$1,241,393,500 in aggregate [\$1,306,730,000

$\times (1 - 0.05)]$. Therefore, a pro rata 1% non-controlling fully marketable partnership interest in BFP was \$12,413,935 ($\$1,241,393,500 \times 1\%$). See Exhibit D.

I. Discount for Lack of Marketability for BFP

General discussions regarding lack of marketability were discussed in previous sections with further supporting details provided in Addendum 4 and Addendum 5.

In assessing the lack of marketability discount applicable to a non-managing membership interest in BFP, a number of specific factors were considered, including the following: (1) the impact of distributions; (2) information access and reliability; (3) the potential of near-term liquidation; and (4) especially, any restrictions on transfer and withdrawal.

- Impact of Distributions: Distributions are very important to an investor in any closely-held company because they provide a means for him to receive a return on investment without having to sell it. There is no guarantee of distributions for tax purposes, and LPs would have no ability to influence distributions. Distributions may be made in cash or in kind, with the value of in-kind distributions determined by the GP. The current situation supports a higher lack of marketability discount.
- Information Access & Reliability: With regard to ownership rights, clearly the GP has complete access to all pertinent information about the Partnership's investments and prospects. Access to books and records is provided, but there is no requirement for annual statements to be prepared and distributed. If prepared, there is no requirement that they be audited. Furthermore, the Partnership's underlying assets, as well as the ownership structure of the underlying assets, is complex. It is assumed, but not specifically stated, that partners will be provided with information necessary for income tax reporting purposes. Although information is available, the fact that no audited statements are required suggests that the reliability of available information, and the ability of LPs to interpret it, is significantly impaired relative to an investment in a publicly-traded company. These issues argue for a higher lack of marketability discount.
- Potential of Near-Term Liquidation: The chance of an LP recouping his investment through liquidation was not considered to be high during the near future. Additionally, the Partnership did not have a specified term of existence. The Partnership can only liquidate upon the occurrence of certain events, which were previously detailed. Taking all of these factors into

account, the likelihood of BFP's near-term liquidation was not considered to be great, thereby arguing for a higher discount for lack of marketability.

- Restrictions on Transfer & Withdrawal: BFP allows withdrawal from the Partnership. The right of withdrawal tends to reduce a discount for lack of marketability. However, the composition of BFP's assets is entirely privately-held companies and no cash or marketable securities. Not only will the FMV of these assets need to be determined, but it is likely that assets will be distributed in kind. The fact that there is no market for assets that would be distributed (i.e., not easy to convert to cash) could be a material offsetting factor. There are no material restrictions on the transfer of interests in the Partnership. Although consent of the GP is required for a transferee to be admitted as an LP, the rights of an LP are so limited that there does not appear to be much difference in owning an LP interest or an economic interest only. These restrictions support a lower discount for lack of marketability.

In conclusion, some discount must be allocated against the pro rata fully marketable value derived above in order to quantify the fair market value of non-managing membership interests. After assessing all factors, it was determined that no less than a 25% discount should be applied to the fully marketable value of a non-managing membership interest in BFP. This is consistent with the fact that such an interest lacks most voting rights and other elements of control, and its holder may find it difficult, if not impossible, to transfer his interest in, or withdraw from, the Partnership if such a course should become desirable.

Therefore, in our opinion the pro rata fully marketable value of \$12,413,935 for the Interest should be reduced by 25% to account for the Interest's lack of marketability under the terms of the BFP Agreement. This calculation results in a fair market value of \$9,300,000, rounded, for a non-controlling partnership interest in BFP ($\$12,413,935 \times [1.00 - 0.25]$.) Again, please see Exhibit D.

Carlyn McCaffrey, Esq.
October 19, 2007
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Valuation Summary

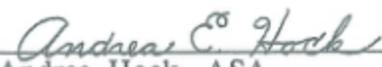
Given the foregoing review and analysis, and subject to the attached Statement of Limiting Conditions, it is our opinion that the fair market value of a 1% non-controlling limited partnership interest in Black Family Partners, L.P. is reasonably stated as \$9,300,000, as of June 7, 2007, for use by Leon Black for estate planning purposes.

Respectfully submitted,

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