

= Apollo Global Management =

Apollo Global Management , LLC is an American private equity firm , founded in 1990 by former Drexel Burnham Lambert banker Leon Black . The firm specializes in leveraged buyout transactions and purchases of distressed securities involving corporate restructuring , special situations , and industry consolidations . Apollo is headquartered in New York City , and also has offices in Purchase , New York , Los Angeles , Houston , London , Frankfurt , Luxembourg , Singapore , Hong Kong and Mumbai .

As of August 2015 , Apollo managed over US \$ 162 billion of investor commitments across its private equity , credit and real estate funds and other investment vehicles making it one of the largest alternative investment management firms globally . Among the most notable companies currently owned by Apollo are Claire 's , Caesars Entertainment Corporation , Norwegian Cruise Line , Novitex Enterprise Solutions , and CORE Media Group ( American Idol ) .

= = History = =

Apollo , originally referred to as Apollo Advisors , was founded in 1990 , on the heels of the collapse of Drexel Burnham Lambert in February 1990 . It was founded by Leon Black , the former head of Drexel 's mergers and acquisitions department , along with other Drexel alumni . Among the most notable founders are John Hannan , Drexel 's former co @-@ director of international finance ; Craig Cogut , a lawyer who worked with Drexel 's high @-@ yield division in Los Angeles ; and Arthur Bilger , the former head of the corporate finance department . Other founding partners included Marc Rowan , Josh Harris and Michael Gross , who both worked under Black in the mergers and acquisitions department , and Antony Ressler , who worked as a senior vice president in Drexel 's high yield department with responsibility for the new issue / syndicate desk .

Less than six months after the collapse of Drexel , the founders of Apollo had already begun a series of ventures . Apollo Investment Fund L.P. , the first of their private equity investment funds , was formed to make investments in distressed companies . Apollo 's first fund raised approximately \$ 400 million of investor commitments on the strength of Black 's reputation as a prominent lieutenant of Michael Milken and key player in the buyout boom of the 1980s . Lion Advisors was set up to provide investment services to Credit Lyonnais , which was seeking to profit from depressed prices in the high yield market .

= = = 1990s = = =

At the time of Apollo 's founding , financing for new leveraged buyouts was minimal and Apollo turned instead to a strategy of distressed @-@ to @-@ control takeovers . Apollo would purchase distressed securities which could be converted into a controlling interest in the equity of the company through a bankruptcy reorganization or other restructuring . Apollo used distressed debt as an entry point , enabling the firm to invest in such firms as Vail Resorts , Walter Industries , Culligan and Samsonite .

Early on , Apollo made a name for itself by acquiring interests in companies that Drexel had helped finance by purchasing high @-@ yield bonds from failed savings and loans and insurance companies . Apollo acquired several large portfolios of assets from the U.S. government 's Resolution Trust Corporation . One of Apollo 's earliest and most successful deals involved the acquisition of Executive Life Insurance Company 's bond portfolio . Using this vehicle , Apollo would purchase the Executive Life portfolio , generating tremendous profits when the value of high yield bonds recovered , but also resulting in a variety of state regulatory issues for Apollo and Credit Lyonnais over the purchase . More than a decade after the purchase , in 2002 , California Attorney General Bill Lockyer accused Apollo , Leon Black , and an investor group led by French bank Credit Lyonnais , of illegally acquiring the assets and bond portfolio of Executive Life Insurance Co. in 1991 . According to the State of California , Lion allegedly violated a California law that prohibited foreign government @-@ owned banks from owning California insurance companies .

In 1993 , Apollo Real Estate Advisers was founded in collaboration with William Mack to seek opportunities in the U.S. property markets . Apollo Real Estate Investment Fund , L.P. , the first in a family of real estate " opportunity funds " was closed in April 1993 with \$ 500 million of investor commitments . In 2000 , Apollo exited the partnership , which continued to operate as Apollo Real Estate Advisers until changing its name to AREA Property Partners , effective January 15 , 2009 . That firm is owned and controlled by its remaining principals , who include William Mack , Lee Neibart , William Benjamin , John Jacobsson , Stuart Koenig and Richard Mack . Apollo Real Estate Investment Fund , L.P. , the first in a family of real estate " opportunity funds " was closed in April 1993 with \$ 500 million of investor commitments . As of 2008 , the firm was investing out of three funds : Apollo Real Estate Investment Fund V , Apollo European Real Estate Fund II and Apollo Value Enhancement Fund VII . In 2004 , Apollo Real Estate acquired the Value Enhancement Funds family of investment vehicles to broaden its offerings in the " value @-@ added " segment of the real estate investment spectrum . Apollo also operates a real estate mezzanine lending program and real estate securities hedge fund called Claros Real Estate Securities Fund , L.P.

In 1995 , Apollo raised its third private equity fund , Apollo Investment Fund III with \$ 1 @.@ 5 billion of investor commitments from investors that included CalPERS and the General Motors pension fund . Unlike its first two funds and later funds , Fund III would ultimately prove only an average performer for private equity funds of its vintage . Among the investments made in Fund III ( invested through 1998 ) were : Alliance Imaging , Allied Waste Industries , Breuners Home Furnishings , Levitz Furniture , Communications Corporation of America , Dominick 's , Ralphs ( acquired Apollo 's Food @-@ 4 @-@ Less ) , Move.com , NRT Incorporated , Pillowtex Corporation , Telemundo and WMC Mortgage Corporation .

Also in 1995 , Apollo founding partner Craig Cogut left the firm to found a smaller competitor Pegasus Capital Advisors . Since inception Pegasus has raised \$ 1 @.@ 8 billion in four private equity funds focused on investments in middle @-@ market companies in financial distress . In 1997 , Apollo co @-@ founder Tony Ressler founded Ares Management as the successor to its Lion Advisors business which would manage collateralized debt obligation vehicles .

In 1998 , Apollo raised its fourth private equity fund , Apollo Investment Fund IV , with \$ 3 @.@ 6 billion of investor commitments . Among the investments made in Fund IV ( invested through 2001 ) were : Allied Waste Industries , AMC Entertainment , Berlitz International , Clark Retail Enterprises , Corporate Express ( Buhrmann ) , Encompass Services Corporation , National Financial Partners , Pacer International , Rent @-@ A @-@ Center , Resolution Performance Products , Resolution Specialty Materials , Sirius Satellite Radio , SkyTerra Communications , United Rentals and Wyndham Worldwide .

= = = 2000 @-@ 2005 = = =

Apollo deployed its fourth fund during the booming markets of the late 1990s , only to experience difficulties with the collapse of the Internet bubble and the onset of the recession . Amid the turmoil of collapsing markets , Apollo was able to raise its fifth private equity fund in 2001 , Apollo Investment Fund V , with \$ 3 @.@ 7 billion of investor commitments , roughly the same amount raised as for its previous fund . Among the investments made in Fund V ( invested through 2006 ) were Affinion Group , AMC Entertainment , Berry Plastics , Cablecom , Compass Minerals , General Nutrition Centers ( GNC ) , Goodman Global , Hexion Specialty Chemicals ( Borden ) , Intelsat , Linens ? n Things , Metals USA , Nalco Investment Holdings , Sourcecorp , Spectrasite Communications , and Unity Media .

Meanwhile , Ares continued to grow through the late 1990s , and profited significantly from investments made after the collapse of the high yield market in 2000 and 2001 . Although technically , the founders of Ares had completed a spin out with the formation of the firm in 1997 , they had maintained a close relationship with Apollo over its first five years and operated as the West Coast affiliate of Apollo . By 2002 , when Ares raised its first corporate opportunities fund , the firm announced that it was more formally separating itself from its former parent company . The timing of this separation also coincided with Apollo 's legal difficulties with the State of California over its

purchase of Executive Life Insurance Company in 1991 .

Following the spin @-@ off of Ares in 2002 , Apollo developed two new affiliates to continue its investment activities in the capital markets . The first of these new affiliates , founded in 2003 , was Apollo Distressed Investment Fund ( DIF ) Management a credit opportunity investment vehicle . The following year , in April 2004 , Apollo raised \$ 930 million through an initial public offering ( IPO ) for a listed business development company , Apollo Investment Corporation ( NASDAQ : AINV ) ) . Apollo Investment Corporation was formed to invest primarily in middle @-@ market companies in the form of mezzanine debt and senior secured loans , as well as by making certain direct equity investments in companies . The Company also invests in the securities of public companies .

= = = 2005 @-@ 2010 = = =

The 2005 - 2007 period marked a boom period in private equity with new " largest buyout " records set and surpassed several times in an 18 @-@ month window from the beginning of 2006 through the middle of 2007 . Apollo was among the most active investors in leveraged buyout transactions during this period . Although Apollo was involved in a number of notable and large buyouts , the firm largely avoided the very largest transactions of this period . Among Apollo 's most notable investments during this period included Harrah 's Entertainment , a leading US gaming and casino company ; Norwegian Cruise Line , the cruise line operator ; Claire 's Stores , the retailer of costume jewelry ; and Realogy , the real estate franchisor that owns Coldwell Banker , Century 21 and Sotheby 's International Realty .

In August 2006 , Apollo launched a \$ 2 billion publicly traded private equity vehicle in Europe , AP Alternative Assets ( ENXTAM : AAA ) . The IPO of this new vehicle followed in the footsteps of Kohlberg Kravis Roberts , which raised \$ 5 billion for its KKR Private Equity Investors vehicle in May 2006 . Apollo initially attempted to raise \$ 2 @.@ 5 billion for the public vehicle , but fell short when it offered the shares in June , raising only \$ 1 @.@ 5 billion . Apollo raised an additional \$ 500 million via private placements in the weeks following that sale .

As the private equity industry expanded through 2006 and 2007 , several of the largest private equity firms , most notably The Blackstone Group and Kohlberg Kravis Roberts , announced plans to realize value from their firms through the sale of shares in the public equity markets . Apollo Management chose a slightly different path , by completing a private placement of shares in its management company in July 2007 . By pursuing a private placement rather than a public offering , Apollo would be able to avoid much of the public scrutiny applied to Blackstone and KKR . In November 2007 , Apollo was able to realize additional value from the sale of a 9 % ownership interest in its management company to the Abu Dhabi Investment Authority ( ADIA ) . Ultimately , in April 2008 , Apollo would file with the U.S. Securities and Exchange Commission ( SEC ) to permit some holders of its privately traded stock to sell their shares on the New York Stock Exchange and in March 2011 , Apollo completed its initial public offering ( NYSE : APO ) . In 2008 , the firm opened an office in India , marking their first push into Asia .

As the deterioration of the financial markets worsened into 2008 , Apollo saw several of its investments come under pressure . Apollo 's 2005 investment in the struggling US retailer , Linens ' n Things suffered from a significant debt burden and softening consumer demand . In May 2008 , Linens was forced to file for bankruptcy protection , one of several high profile retail bankruptcies in 2008 , costing Apollo all of its \$ 365 million investment in the company . At the same time , Apollo 's investment in Claire 's , Realogy and Harrah 's Entertainment came under pressure . Apollo would respond actively to its investment difficulties seeking to exchange a portion of the existing debt at Harrah 's and Realogy to more favorable securities . At Claire 's , Apollo exercised its " PIK toggle " option to shut off cash interest payments to its bondholders and issue more debt instead , in order to provide the company with additional financial flexibility .

In December 2008 , Apollo completed fundraising for its latest fund , Apollo Investment Fund VII with approximately \$ 14 @.@ 7 billion of investor commitments . Apollo had been targeting \$ 15 billion , but had been in fundraising for more than 16 months , with the bulk of the capital raised in 2007 .

In December 2009 , it was announced that Apollo would acquire Cedar Fair Entertainment Company shares and the company would become private underneath the management group . The deal includes a cash payment of \$ 635 million and assumed debt which gives the transaction a value of \$ 2 @. @ 4 billion . It was later announced in April 2010 that the deal was pulled due to poor shareholder response .

= = = 2010 @-@ 2015 = = =

In March 2012 it made a second attempt to acquire an amusement park operator with a \$ 225 @. @ 7 million offer for Great Wolf Resorts .

In November 2012 , The McGraw @-@ Hill Companies sold their education division ( " McGraw @-@ Hill Education " ) to Apollo Global Management , in a deal totaling \$ 2 @. @ 5 billion .

On 11 March 2013 , Apollo Global Management made the only bid for the snacks business of Hostess Brands , including Twinkies , for \$ 410 million .

In December 2013 , Apollo bought a portfolio of Irish home loans from Lloyds Bank for ? 307m , less than half their nominal £ 610m ( ? 367m ) value . The shares were bought by an Apollo Global Management subsidiary , Tanager Limited . The portfolio made a £ 33m loss last year .

On 16 January 2014 , The Financial Times reported Apollo will buy CEC Entertainment , the parent of Chuck E. Cheese 's , for about \$ 1 billion .

In June 2015 , Apollo Global Management made a successful offer of around \$ 1 @. @ 03 billion in cash to privatise OM Group . Also that month , Apollo won the bidding during an auction for Saint @-@ Gobain ? s Verallia glass bottle manufacturing unit for a rumoured fee of around 2 @. @ 95 billion .

In June 2016 , Apollo Global Management made a successful offer to purchase Diamond Resorts International .

= = Operations = =

Apollo is operated by its managing partners , Leon Black , Joshua Harris and Marc Rowan and a team of more than 250 investment professionals , as of March 31 , 2013 . The firm 's headquarters are located in the Solow Building at 9 West 57th Street in New York City , and the firm operates additional offices in Purchase , New York , Los Angeles , Houston , London , Frankfurt , Luxembourg , Singapore , Hong Kong and Mumbai

Apollo ? s executive committee includes : Leon Black , chairman and chief executive officer ; Josh Harris , senior managing director ; Marc Rowan , senior managing director ; and Marc Spilker who was hired as President in November 2010 .

Apollo operates three business lines in an integrated manner :

Private equity ? The private equity business is the cornerstone of Apollo 's investment activities . Apollo invests through a variety of private equity strategies , most notably leveraged buyouts and distressed buyouts and debt investments . This business operates primarily through the firm 's family of private equity investment funds ( See : Investment funds )

Credit ? Apollo invests through a variety of credit strategies to complement its core private equity business . Apollo invests through a variety of investment vehicles including mezzanine funds , hedge funds , European non @-@ performing loan funds and senior credit opportunity funds .

Real Estate ? Apollo Global Real Estate ( AGRE ) was established in 2008 to build upon Apollo 's history of investing in real estate @-@ related sectors such as hotels and lodging , leisure and logistics . AGRE manages a number of debt and equity @-@ oriented real estate investment funds .

= = Investment vehicles = =

= = = Private equity funds = = =

Apollo has historically relied primarily on private equity funds , pools of committed capital from pension funds , insurance companies , endowments , fund of funds , high @-@ net @-@ worth individuals , family offices , sovereign wealth funds and other institutional investors . Since 2014 , Apollo has begun investing its eighth private equity fund , Apollo Investment Fund VIII , which raised approximately \$ 18 billion of investor commitments , making it the largest private equity fund raised since the financial crisis . Since inception in 1990 , Apollo has raised a total of eight private equity funds , including :

= = = Apollo Investment Corporation = = =

Apollo Investment Corporation is a US @-@ domiciled publicly traded private equity closed @-@ end fund and an affiliate of Apollo . AIC was formed to invest primarily in middle @-@ market companies in the form of mezzanine debt and senior secured loans , as well as by making certain direct equity investments in companies . The Company also invests in the securities of public companies .

AIC is structured as a business development company , a type of publicly traded private equity vehicle that is designed to generate interest income and long term capital appreciation . AIC historically has not invested in companies controlled by Apollo 's private equity funds .

= = = AP Alternative Assets = = =

AP Alternative Assets ( Euronext : AAA ) is a Guernsey @-@ domiciled publicly traded private equity closed @-@ end limited partnership , managed by Apollo Alternative Assets , an affiliate of Apollo Management . AAA was formed to invest alongside Apollo 's main private equity funds and hedge funds .

AAA was launched in August 2006 , shortly after Kohlberg Kravis Roberts completed an initial public offering for its \$ 5 billion for its KKR Private Equity Investors vehicle in May 2006 . Apollo raised a total of \$ 2 billion for AAA including the vehicle 's \$ 1 @-@ 5 billion IPO and a subsequent private placement .

AAA 's investment portfolio is made up of a mix of private equity and capital markets investments :

= = Portfolio investments = =

Apollo has been an active private equity investor through the mid @-@ 2000s buyout boom . The following is a list of Apollo 's most recent and currently active private equity investments . The bulk of these investments are held in Apollo Investment Fund V , VI and VII .

Other investments include Connections Academy and Unity Media GMBH .

= = Affiliated businesses = =

From its inception , Apollo built as part of a network of affiliated businesses focusing on private equity and a variety of distressed investment strategies .

= = = Lion Advisors = = =

Lion Advisors ( or Lion Capital ) , which was founded at the same time as Apollo in 1990 , focused on investment management and consulting services to foreign institutional accounts targeting investments in public and private high yield debt securities in the US . In 1992 , Lion entered into a more formal arrangement to manage the \$ 3 billion high @-@ yield portfolio for Credit Lyonnais which together with a consortium of other international investors provided the capital for Lion 's investment activities . The Lion business would ultimately be replaced by Ares Management .

== = Ares Management == =

Ares Management , founded in 1997 , was initially established to manage a \$ 1 @. @ 2 billion market value collateralized debt obligation vehicle . Ares would grow to manage a family of collateralized loan obligation ( CLO ) vehicles that would invest in capital markets @- @ based securities including senior bank loans and high @- @ yield and mezzanine debt . Ares was founded by Antony Ressler and John H. Kissick , both partners at Apollo as well as Bennett Rosenthal , who joined the group from the global leveraged finance group at Merrill Lynch .

Ares I and II which were raised were structured as market value CLOs . Ares III though Ares X were structured as cash flow CLOs . In 2002 , Ares completed a spinout from Apollo management . Although technically , the founders of Ares had completed a spinout with the formation of the firm in 1997 , they had maintained a close relationship with Apollo over its first five years and operated as the West Coast affiliate of Apollo . Shortly thereafter , Ares completed fundraising for Ares Corporate Opportunities Fund , a special situations investment fund with \$ 750 million of capital under management .

In 2004 , Ares debuted a publicly traded business development company , Ares Capital Corporation ( NASDAQ : ARCC ) . In 2006 , Ares raised a \$ 2 @. @ 1 billion successor special situations fund ( Ares Corporate Opportunities Fund II ) .