

Alpha Tiger Property Trust Ltd

03 December 2007

£12.1 MILLION COMMITMENT TO ACQUIRE 74% EQUITY INTEREST IN A BUSINESS PARK DEVELOPMENT IN NOIDA (INDIA)

Highlights

- Excellent opportunity to develop a business park within Noida, a high growth office market in the National Capital Region ("NCR") of India with one of the leading developers of business parks in North India
- Transaction expected to deliver high total returns to shareholders
- Development expected to be completed within 24 months
- Alpha Tiger now has conditionally committed 74% of total equity raised at flotation

Introduction

Alpha Tiger Property Trust Limited (the "Company" or "Alpha Tiger") is delighted to announce that it has successfully entered into an agreement to acquire a 74 per cent. equity interest in a business park project ("Logix Technova") in Noida, in the NCR, near Delhi, India. The Company will invest in partnership with Logix Group ("Logix"), one of the leading developers of business parks in North India, in a Special Purpose Vehicle ("SPV") incorporated for the purposes of holding and developing the land which is the subject of the transaction. Logix, together with certain original allottees are the existing owners of the SPV. The Company together with Logix will develop approximately 575,000 square feet of business park and other support facilities at the site.

The estimated gross purchase price to be paid by the Company for 74 per cent. of the equity (voting and economic rights) in the SPV is INR 1005 million (£12.1 million). This amount shall be satisfied in stages. Initially INR 200 million (£2.4 million) will be paid, further to the satisfaction of certain conditions precedent, with a further INR 200 million (£2.4 million) being released to the SPV upon, inter alia, receipt of statutory approvals to commence construction (anticipated by end of January 2008). The SPV will issue to the Company a Fully Convertible Debenture ("FCD") instrument in respect of this initial INR 200 million investment, with such FCD instrument accruing a coupon of 13.56 per cent. per annum. The same terms shall also apply to the second tranche of INR 200 million. These initial amounts will be utilised by the developer in the construction of the business park.

Upon the earlier of either the SPV achieving 90 per cent. of the leaseable area being contracted to prospective tenants and 24 months from the date of the transaction, Alpha Tiger shall convert the FCDs and accrued coupon into equity in the SPV and subscribe for further equity to achieve 74% of voting and economic ownership of the SPV. Prior to this conversion mechanism, the Company shall retain a 5 per cent. voting interest in the SPV.

The Development

The total area of the site is approximately five acres with 30 per cent. permissible site coverage for business park development. This would potentially allow for 575,000 square feet of landmark development together with the provision of other support facilities.

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The SPV is in the process of obtaining the final development approvals to commence construction with such statutory approvals likely to be obtained by the end of January 2008. The preliminary architectural drawings have been prepared for submission to the local authorities for approval, and these have been reviewed by Alpha Tiger.

The SPV has entered into a development agreement with VC Solutions Private Limited for the construction of the buildings and the development is forecast to be completed and occupied within 24 months (by December 2009).

Location

Noida is a large planned suburban township located South-East of Delhi, within the NCR. Given Noida's proximity to Delhi (25km to CBD), the area has evolved into an established location for IT/IT Enabled Services businesses seeking a large pool of skilled resource, with over 1 million people residing in Noida and a further 7 million people within the catchment area.

The site is located at Sector-132 within the Noida Master plan 2021 and is categorised as an institutional zone on which office and institutional usages are permitted. The site is situated just off the main Noida Expressway connecting Noida with the satellite township of Greater Noida, which itself is developing as a residential and institutional satellite for Noida.

Noida has attracted a substantial number of significant industrial and corporate offices including Oracle, Hewitt associates, Samsung, Barclays, Adobe, Xansa and Perot Systems. Given the substantial development of the area, Noida has become a pre-eminent retail destination within the NCR including the development of one of the largest shopping malls in the NCR, Great India Place, with approximately 1 million square feet of operational retail space.

Transaction Structure

Alpha Tiger will ultimately acquire a 74 per cent. equity interest in the SPV and this will be achieved in stages within a 24 month period. Consideration will be satisfied using the existing cash resources of the Company. The key terms of the investment are as follows:

Stage 1 – First closing – no later than 15 December 2007

- Subject to certain conditions precedent (which maybe waived by the Company), Alpha Tiger will acquire a 5 per cent. equity interest in the SPV for a nominal sum and shall additionally subscribe for FCDs, such FCDs accruing a fixed coupon of 13.56 per cent. per annum. Payment of accrued interest in respect of the FCDs is in the form of a bullet payment to be converted into equity at completion of Stage 3. This initial capital will be utilised by the SPV to commence construction.
- The SPV will arrange a third party loan facility to fund the proposed construction of the business park. The land will be provided as security against the loan facility. Any shortfall in funding in excess of the loan facility to complete the construction project is the exclusive responsibility of Logix and any such shortfall funding will be provided as a subscription for new (non voting) equity.

Stage 2 – Second closing – expected by 31 January 2008

- Upon the completion of certain conditions precedent, principally the receipt by the SPV of approval to commence construction from the local authorities, Alpha Tiger will subscribe for a further INR 200 million (£2.4 million) of FCDs, issued by the SPV. Such FCDs will also attract an accrued coupon of 13.56 per cent. per annum with such compounded coupon to be converted into equity at Stage 3. Again such capital will be utilised by the SPV to partially fund the construction project.

Stage 3 – Completion – expected before December 2009

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- Alpha Tiger shall convert the FCDs and accrued coupon into equity and purchase a further equity interest after: (a) 24 months from the exchange of binding contracts or, at the option of Logix, (b) when over 90 per cent. of the leaseable area is contracted to prospective tenants. The completion mechanism for the purchase of further equity will be as follows:
 - The asset value of the SPV shall be calculated by capitalising at a pre-agreed discount rate the annualised rental profits and the net profit of other ancillary income of the SPV;
 - The net asset value (“NAV”) of the SPV shall be calculated by deducting from the asset value calculated above any tenant security deposits and any other liabilities (including the third party debt secured on the SPV). Based on this NAV, Alpha Tiger shall acquire an additional equity interest in the SPV to equate to an aggregate 74 per cent. voting and economic equity interest. Such incremental consideration shall be the residual balance after the deduction of the FCDs’ principal amount and the accrued interest from 74 per cent. of the calculated NAV.
 - Further to the completion mechanism, Alpha Tiger shall own 74 per cent. and Logix shall own 26 per cent. of the voting and economic rights of the SPV.

Investment rationale

This investment by Alpha Tiger represents an excellent opportunity to participate in the high growth office market of the NCR, with a strong local partner focused on business park development. The project is being promoted by Logix, one of North India’s established real estate companies, which has successfully developed other business parks within Noida.

This transaction is an opportunity for Alpha Tiger to establish a solid platform for it to undertake other investments in similar office developments in the NCR.

In addition, the site is located approximately 10 minutes from the western border with Delhi, and 25 minutes from the northern border. This is a definite advantage over the alternate office micro-markets in Noida, that are located along congested access roads resulting in longer access times from Delhi and from other residential sectors within Noida.

This transaction represents an attractive investment for the Company with a coupon rate of 13.56 per cent. on the initial capital, and the calculation of our ultimate equity interest undertaken at an attractive discount rate which will provide adequate downside protection for investors.

Alpha Tiger equity commitments

This transaction, together with the equity commitment assumptions outlined within the framework agreement with Xansa Plc, as announced on 29 May 2007, mean that the Company now has total equity conditionally committed in excess of £53 million or approximately 74 per cent. of net equity proceeds raised at the time of flotation.

Brad Bauman, Fund Manager to Alpha Tiger commented:

“This investment represents an excellent opportunity for Alpha Tiger to participate in the high growth office market in the National Capital Region of India, with a strong partner focused on business park development. The transaction is expected to deliver excellent returns to shareholders, which is in line with the Company’s objective to achieve high total returns, whilst providing adequate downside risk protection.”

An exchange rate of £1 = INR 83 is used in this announcement.

Alpha Tiger Property Trust Ltd

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Notes to Editors:

About Alpha Real Capital LLP

Alpha Real Capital is a value-adding international property fund management group with operations in the Indian and other international real estate markets. Alpha Real Capital was established by Phillip Rose and Sir John Beckwith.

Alpha Real Capital is the Investment Manager to Alpha Tiger. Alpha Real Capital's Indian CEO, Brad Bauman is Fund Manager to Alpha Tiger. He has 18 years' experience in the real estate and finance industries, and has been responsible for Alpha Real Capital's Asian investment programme since 2005.

About Alpha Tiger Property Trust Limited

Alpha Tiger is a Guernsey registered closed-ended investment company investing in and developing Indian real estate. The Company floated on AIM in December 2006, raising £75m.

Further information is available at www.alphatigerpropertytrust.com

About Logix Group

Logix Group, based in North India, has been a front runner in establishing and promoting the IT/ITES industry in India and has established more than 25 IT/ITES facilities in the region. In aggregate, Logix Group has completed over 4 million sq ft of IT facilities and has established a prime address for software development centers, back offices, operations and call centers. Logix Group has a motivated team of experienced professionals to produce truly international class facilities.

Logix Group's IT park developments include Logix Park, Logix Techno Park, Logix Infotech Park and Logix Cyber Park. Logix Galaxia (IT Special Economic Zone) is under development.

Further information is available at www.logixgroup.in