

Alpha Tiger Property Trust Limited

25 March 2008

ALPHA TIGER TO CO-DEVELOP 1.2 MILLION SQUARE FEET IN BUSINESS PARK-LED SPECIAL ECONOMIC ZONE (SEZ) IN NOIDA

Highlights

- 1.2 million square feet business park-led development in SEZ within NOIDA, a high growth office market in the National Capital Region (“NCR”) of India
- £14.7 million equity commitment
- Site ideally located to take full beneficial advantage of rapid growth in demand for business space from IT and IT Enabled Services companies
- Transaction expected to deliver high total returns to shareholders
- Experienced local partner
- Development expected to be completed in phases within 36 months
- Alpha Tiger has now conditionally committed approximately 93% of the net equity proceeds raised at flotation

Introduction

Alpha Tiger Property Trust Limited (the “Company” or “Alpha Tiger”) is delighted to announce that it has successfully agreed to acquire a 50 per cent. interest in a Special Purpose Vehicle (“SPV”), IT Infrastructure Park Private Limited, which will develop an IT/IT Enabled Services (“IT/ITES”) SEZ on 11.2 acres of land in NOIDA, in the National Capital Region (“NCR”) of Delhi, India. The Company will invest in partnership with Logix Group (“Logix”), one of the leading developers of business parks in North India, who will retain ownership of the residual 50 per cent of the SPV. The SPV will develop approximately 1.2 million square feet of business park-led space.

The SPV has an agreement to sub-lease 45 per cent. of a larger 24.8 acre plot which was originally leased to Sarv Mangal Realtech Pvt Limited (“Sarv Mangal”) from NOIDA on a 90 year lease. Development of an SEZ has been formally approved by the Indian Government’s Board of Approval. The SPV has also executed a co-development agreement with Sarv Mangal, providing equivalent development rights and benefits.

Alpha Tiger has committed INR 1147 million (£14.7 million) to acquire a 50 per cent. equity interest in the SPV which has an agreement to sub-lease the land and will undertake the development for an aggregate construction cost of c. INR 2100 million (£26.9 million).

The Development

Under the SEZ regulations prescribed by the state government (Uttar Pradesh), the land plot can be subdivided and sub-leased by the owner, being Sarv Mangal, to the co-developer of the SEZ, being the SPV.

The SPV and Sarv Mangal will prepare an integrated master plan for the SEZ site although the subsequent design and construction within each zone shall be executed independently by either party.

The total area of the sub-leased land is approximately 11.2 acres with the proposed development of approximately 1.2 million sq ft of landmark office development together with the provision of other support facilities, including potentially retail, non-IT offices, serviced apartments and hotels. It is anticipated construction will be completed in phases with the entire development completed within 36 months.

Location

NOIDA is a large planned suburban township located South-East of Delhi, within the NCR. Given NOIDA's proximity to Delhi (15km to Delhi CBD), the area has evolved into an established location for IT/ITES 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-140a within the NOIDA Master plan 2021 and is categorised as an industrial/SEZ zone on which IT/ITES office and support usages are permitted. The site is situated just off the main NOIDA Expressway connecting Noida with the township of Greater NOIDA, which itself is developing as a residential and institutional satellite for NOIDA.

The SEZ site is well-located for large-scale IT and ITES companies, and other business park tenants, that are expanding in the NCR. The NOIDA Expressway locality encompasses a cluster of technology firms and other commercial businesses that have been attracted by the improving infrastructure and affordable office rents compared to other suburban locations like Gurgaon. The growth of this location is also generating demand for retail and hospitality services, and the site is positioned to benefit from this potential demand.

Transaction Structure

Alpha Tiger has agreed to acquire a 50 per cent. equity interest in the SPV, which has an agreement to lease the land, and additionally will contribute equity towards the proposed construction costs. It is anticipated that third party debt can be secured in respect of over 70 per cent. of the projected construction costs and the residual equity requirement shall be shared equally between the SPV's joint

Alpha Tiger Property Trust Limited

venture partners. Consideration for the SPV interest and construction equity will be satisfied using the existing cash resources of the Company. The key terms of the investment are as follows:

- Subject to certain conditions precedent (which maybe waived by the Company), Alpha Tiger will be acquiring certain shares and issued new equity in the SPV resulting in a 50 per cent. equity and voting interest. Consideration to acquire and be issued shares shall be INR 1147 million (£14.7 million);
- Logix is responsible for arranging 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 shall be the equal responsibility of both joint venture partners.

All profits of the SPV shall be distributed after the repayment of interest on any third-party loans. Alpha Tiger has a priority return of an IRR of 19 per cent. on equity with subsequent upside shared with Logix.

Investment rationale

This investment by Alpha Tiger represents an excellent opportunity to develop a high grade business park in an IT/ITES SEZ in the high growth NOIDA market of the NCR. The development benefits from a strong local partner with a track record of developing business parks within the NOIDA area. Alpha Tiger has developed a strong relationship with Logix. This is the second executed transaction with Logix following the successful execution of a business park development project at Sector 132, NOIDA.

Alpha Tiger equity commitments

This transaction, together with the equity commitment assumptions outlined in prior transaction announcements, mean that the Company now has total equity conditionally committed in excess of £67 million or approximately 93 per cent. of the net equity proceeds raised at the time of flotation.

Contact:

Alpha Tiger Property Trust Limited

David Jeffreys, Chairman, Alpha Tiger

+44(0)1481 723 450

Brad Bauman, Alpha Tiger Fund Manager

+91(0)9980 001122

Panmure Gordon, Nominated Adviser to the Company

Richard Gray/Andrew Potts/Stuart Gledhill

+44(0)20 7459 3600

Alpha Tiger Property Trust Limited

Notes to Editors:

An exchange rate of £1 = INR 78 is used in this announcement.

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.

Alpha Real Capital is regulated in the United Kingdom by the Financial Services Authority.

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