

# Alpha Tiger Property Trust Limited

13 July 2009

## Alpha Tiger Property Trust Limited

### ALPHA TIGER AGREES REVISED TERMS FOR CO-INVESTMENT IN "GALAXIA" SPECIAL ECONOMIC ZONE (SEZ) IN NOIDA

#### Highlights

- Alpha Tiger and its development partner, Logix, have agreed terms for a lower risk, phased development of the SEZ site - "Galaxia"
- Stage 1 will develop approximately 50% of the total developable area of 1.2 million sq.ft. with a second phase for the balance at the Company's option – immediate equity commitment reduced to c.£6.8 million from £15.5 million
- Site ideally located to take full advantage of significant growth in IT and ITeS companies expanding in the NCR
- Transaction expected to deliver high total returns to shareholders
- First stage development is currently anticipated to be completed within 24 months

#### Introduction

Alpha Tiger Property Trust Limited (the "Company" or "Alpha Tiger") announced on 25 March 2008 that it had entered into an agreement with Logix Group ("Logix") to acquire a 50% equity interest in IT infrastructure Park Private Limited, a Special Purpose Vehicle ("SPV") with development rights over 11.2 acres in NOIDA sector 140a, with the express purpose of developing a 1.2 million sq. ft. business park - "Galaxia".

The Company is pleased to announce that it has successfully revised the terms of the agreement regarding this investment. The SPV will initially develop 600,000 sq. ft. of business park-led space, with the Company having the sole option over investment participation in the second development stage, with such option to be exercised by the Company at any time up to the earlier of completion of the construction of the initial stage of building and the building being 90 per cent. let or a period of three years.

To undertake the first stage of development, Alpha Tiger has committed INR 510 million (£6.8 million). The Company has already injected nominal capital to acquire a 50 per cent. equity interest in the SPV which has an agreement to sublease the land. It is currently estimated that the second stage of the development would require a further capital injection of c. INR 550 million (£7.3 million) which the Board has reserved.

#### Transaction Structure

To date Alpha Tiger has acquired (for nominal consideration) a 50 per cent. equity interest in the SPV. The revised transaction commits the Company to a lower risk, phased development of the SEZ. Consideration will be satisfied using the existing cash resources of the Company.

The revised key terms of the investment are as follows:

- First phase commitment by the Company to inject INR 510 million (£6.8 million) – the SPV has sanctioned approvals for the required level of third party debt for construction funding;
- The first phase of development is currently anticipated to be completed in 24 months;

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- The Company shall have the right to participate in the development of the second phase (being a further 600,000 sq. ft. of developed space) up to the earlier of the completion of construction of the first phase of development and completion of leasing of 90 per cent. of the area or a period of three years;
- In aggregate, Alpha Tiger and Logix shall each own 50% of the voting equity in the SPV and shall each have effectively contributed 50% of the equity required for construction;
- All profits of the SPV shall be distributed after the repayment of interest on any third-party debt. Alpha Tiger retains a priority return on its equity;
- Construction is anticipated to commence in the fourth quarter 2009.

**Brad Bauman, Fund Manager commented** “We have developed a strong relationship with our local partner, Logix, which has facilitated this agreement to revise the terms between the parties. The decision to phase development into two stages will deliver a lower risk investment given general current economic uncertainties while delivering a 600,000 sq. ft. world class business park with a reduced initial capital commitment. In addition, a right to complete the second development stage is retained. Once developed, Galaxia will be a landmark SEZ development well placed to take advantage of evolving demand from technology firms and other commercial businesses re-locating to the NOIDA Expressway locality attracted by the improving infrastructure and affordable office rents.”

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**Notes to Editors:**

An exchange rate of £1 = INR 75 is used in this announcement.

Further information is available at [www.alphatigerpropertytrust.com](http://www.alphatigerpropertytrust.com)