

Alpha Tiger Property Trust Limited

20 May 2009

Alpha Tiger Property Trust Limited ('Alpha Tiger' or the 'Company') Trading Update

Both the Indian economy and real estate markets continue to hold up better than many global markets. Difficult economic conditions still prevailed in the first quarter of 2009 reflecting slowing global economic growth and a tightening of credit markets in 2008. High inflation which peaked in 2008 at 12.8% has eased considerably to 0.3% by mid April 2009. Continuing interest rate falls are assisting Government and Reserve Bank of India ("RBI") stimulus packages.

The steep fall in inflation provided the RBI scope to reduce its main lending rate, the Repurchase Rate (the rate at which the RBI lends to commercial banks) from 9% in October to 4.5% in April 2009. This is yet to be passed on in full measure by commercial banks, with Alpha Tiger project borrowing rates reducing by approximately 1.5%; however the RBI has signalled that it expects banks to pass on greater rate cuts going forward.

GDP growth for the fiscal year ending March 2009 was around 6% and is forecast to moderate to 5% in the fiscal year 2009-10 with GDP growth accelerating to an average 7.6% per annum between 2010-11 and 2013-14. The fundamental economic drivers for business park space from India's expanding Information Technology ("IT"), IT-Enabled-Services ("ITeS") and Business Process Outsourcing ("BPO") industries remain in place, within the context of the broader economic environment of India, creating the opportunity for attractive investor returns over the medium term.

During the first quarter of 2009 letting activity has focused on small to medium size enterprises for accommodation below 100,000 square feet. However larger investment and occupier transactions remain muted compared to recent years. In light of reduced tenant demand, many developers have adopted more conservative development timelines, phasing or postponing planned projects in order to manage stock creation and mitigate vacancy build-up. Jones Lang LaSalle indicates that approximately 40% of the projects expected to complete in 2009 will be delayed.

On the political front, the recent elections have delivered an unexpectedly clear victory to the ruling Congress-led United Progressive Alliance ("UPA"). The UPA has won 262 of the 543 parliamentary seats giving Prime Minister Manmohan Singh a second term. Economists expect the government to move ahead with privatisation and greater private participation in infrastructure development. Markets have reacted favourably to this result.

Given the general shift in market dynamics, there is evidence of corporate occupiers taking advantage and re-negotiating lease terms and rentals with landlords and / or re-locating to more cost effective locations. Alpha Tiger's focus on Grade A projects in locations with traditional cost advantages leaves the Company relatively well positioned to attract increasingly cost conscious occupiers.

The Company's strategy remains focused on opportunities that can deliver high returns from value-added real estate investments, while seeking to manage risk through a combination of operational controls, diversification and preferred return structures. As previously reported, the Company is seeking to enhance the position of its existing investments and has had success in delivering this in a number of its projects where the risk and reward profiles have been restructured to improve Alpha Tiger's position in the current economic climate.

Net asset value

The unaudited adjusted net asset value per share of the Company is 108.7 pence at 31 March 2009 (31 December 2008: 109.6 pence).

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Investment activity

The total equity committed (including conditional commitments) is £54.2 million (INR 4,062 million) of which £8.7 million (INR 684 million) has been spent to 31 March 2009. The cash position at 31 March 2009 is £64.9 million.

Development	Commitments		Drawn to Date	
	£ million	INR m	£ million	INR m
Galaxia (Noida, Sector 140a)	15.5	1,147	0.1	10
Technova* (Noida, Sector 132)	11.0	844	6.4	500
Technika (Noida, Sector 132)	4.3	335	1.2	103
Chennai	23.4	1,736	1.0	71
Total	54.2	4,062	8.7	684

* Includes compound interest on the Fully Convertible Debentures ("FCD's").

The exchange rate as at 31 March 2009 of INR 74.16:£1 has been used except for historic funded amounts which reflect the exchange rate on the date of funding.

Financing

Technova - the SPV has debt facilities of £13.5 million (INR 1,000 million) comprising secured debt facilities of £8.9 million (INR 660 million) and sanctioned (approved in principle) debt of £4.6 million (INR 340 million), representing approximately 78% of construction cost.

Galaxia - the SPV has targeted debt facilities of £19.8 million (INR 1,470 million), representing approximately 70% of the estimated project cost. Since the last results announcement the SPV has received a further sanction letter of £6.7 million (INR 500 million). This brings the total sanctioned debt on the project to £15.3 million (INR 1,135 million) from two banks which is sufficient to finance the construction of the first stage of the development.

Developments

The Company has established a strong presence within the National Capital Region ("NCR") of New Delhi. The Company is progressing substantial developments with Logix Group ("Logix"), one of the leading developers of business parks in Northern India.

NOIDA

Galaxia

Business park and mixed use - 1.2 million square feet – notified SEZ (Special Economic Zone)

The Company together with Logix will develop approximately 1.2 million square feet of total built up area of business park led space and other support facilities at NOIDA in Sector 140a.

On 25 March 2008, the Company announced that it had entered into an agreement with Logix to acquire a 50% equity interest in a SPV which owns the development rights.

Alpha Tiger has committed £15.5 million (INR 1,147 million) for a 50% equity interest in the SPV. As previously reported Alpha Tiger is in discussions with its joint venture partner to examine the possibility of phasing the development which could result in the opportunity for staged equity payments.

Technova

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Business park – 0.8 million square feet

The Company, together with Logix, is developing approximately 0.8 million square feet of total built up area (business park and other support facilities) at NOIDA at Sector 132.

The estimated cash requirement to be paid by the Company for 74% of the equity (voting and economic rights) in the SPV is £11.0 million (INR 844 million) on a staged payment basis. The Company's initial investment of £5.0 million (INR 400 million) was made in March 2008 in the form of Fully Convertible Debentures ("FCDs"). The FCDs accrue interest of 13.56% per annum and are convertible on the earlier of either the SPV achieving 90% of the leasable area being contracted to tenants or 24 months from the date of the transaction. At this point Alpha Tiger will purchase the additional equity from the promoter to achieve 74% of voting and economic ownership of the SPV. Prior to this conversion mechanism, the Company shall retain a 5% voting interest in the SPV. The SPV has entered into a development agreement with Logix for the construction of the buildings and the development is forecast to be completed by February 2010.

Technika

Business park – 1.15 million square feet

As previously announced, Alpha Tiger has reached agreement with its joint venture partners to explore a potential sale of a site earmarked for a business park development in NOIDA at Sector 132 ("Technika"). Marketing is continuing and Alpha Tiger holds a 31.75% position in the SPV established to fund the speculative development of 1.2 million square feet on the 7.6 acre plot. In parallel, Alpha Tiger and its joint venture partners will continue to evaluate alternative development options for commencement in the second half of 2009. To date Alpha Tiger has contributed £1.2 million (INR 103 million) to the project. The proceeds from a successful sale would result in a minimum capital return of £0.9 million (INR 69 million) and the release of £3.1 million (INR 232 million) currently reserved as equity for the Technika construction funding.

CHENNAI

Business park and mixed use - 2.65 million square feet – approved SEZ

The Company intends to develop up to 2.65 million square feet of business park-led space and other support facilities at the State Industries Promotion Corporation of Tamil Nadu (SIPCOT) Industrial Park in Chennai.

The Company has conditionally committed £23.4 million (INR 1,736 million) for the development of 25 acres of undeveloped land at Chennai, including the initial construction of business park led space for Steria's occupation. Alpha Tiger has adopted a more cautious approach by significantly reducing the development pace planned in Chennai to create 1.2 million square feet within the first stage of development, of which up to 50% will be taken by Steria. The construction of this high-quality business park led space will be undertaken in phases over three years, in keeping within SEZ required timeframes.

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Further information is available at www.alphatigerpropertytrust.com