

Alpha Tiger Property Trust Limited

24 September 2009

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

The Indian economy delivered growth of 6.1% in the June quarter up from 5.8% in the previous three months. While India's economic growth is interlinked with global markets, a pickup in local economic drivers is expected to have a more immediate impact leading to faster economic recovery. The Economic Intelligence Unit ("EIU") has marginally raised its GDP forecasts to 8.0% for 2011 onwards. Whilst this growth has moderated from the levels in excess of 9.0% recorded earlier, India remains the fastest growing major economy after China.

Whilst it is still too early to say with confidence, signs of improvement in the global and Indian economies suggest that the worst of the recent general economic slowdown has been seen. There is no doubt that difficult property market trading conditions still prevail however, recent indicators have increased positive sentiment which is expected to assist growth prospects in the real estate sector and increase transaction volumes going forward.

Wholesale price inflation, the official reported measure, has dropped markedly from a high of 12.8% in August 2008 to negative rates since June 2009. This has enabled the Reserve Bank of India ("RBI") to cut interest rates, with the most recent rate cut in April taking the main borrowing rate, the repo rate, to 4.75%.

The Government of India has made positive recent announcements for the real estate sector, including a one year extension of the Software Technology Parks of India ("STPI") tax holiday scheme to March 2011 which is expected to benefit the Company's Technova investment. Further, it was announced that developers of Special Economic Zones ("SEZs") will be permitted to access External Commercial Borrowings ("ECB") and given recent Reserve Bank of India clarification, loans to those developing, operating and maintaining SEZs as well as setting up or acquiring units in SEZs will be designated infrastructure lending. This should make funds available to the SEZ sector on the terms and conditions which are applicable for infrastructure lending and thereby benefit from access to cheaper borrowing sources. These announcements are expected to benefit the Company's Galaxia investment.

The occupier market has seen an emergence of opportunistic demand with select occupiers seeking to lock in leases at attractive rentals. Current transactions sizes are typically below 100,000 square feet, although Cisco have recently committed to 700,000 square feet in Bangalore. This activity is focussed on suburban micro-markets where rents are most affordable. Alpha Tiger's focus on Grade A specifications in suburban micro markets with traditional cost advantages is deemed advantageous to capitalise on such demand.

Investment transaction volumes remain muted, however, there are reports of increased investor interest and the number of transactions is anticipated to increase going forward.

Net asset value

The unaudited adjusted net asset value per share of the Company is 106.7 pence at 30 June 2009 (31 March 2009: 108.7 pence).

Interim results

The Company is due to announce its interim results for the 9 month period ending 30 September 2009 on 27 November 2009.

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Investment activity

The total equity committed (including conditional commitments and capitalised costs) is £28.9 million (INR 2,328 million) of which £7.8 million (INR 640 million) has been spent to 30 June 2009. The cash position at 30 June 2009 is £65.2 million.

Development	Commitments		Drawn to Date	
	£ million	INR m	£ million	INR m
Galaxia (Noida, Sector 140a)*	13.7	1,101	0.1	14
Technova (Noida, Sector 132) **	11.0	883	6.5	523
Technika (Noida, Sector 132)	4.2	344	1.2	103
Total	28.9	2,328	7.8	640

* Includes capital reserved for Stage 2 of the Galaxia Project of £6.8 million (INR 550 million)

**Includes compound interest on the Fully Convertible Debentures ("FCD's") and estimated future capitalised costs.

The exchange rate as at 30 June 2009 of INR 80.36:£1 has been used except for historic funded amounts which reflect the exchange rate on the date of funding.

Financing

Technova - the SPV has secured debt facilities of £12.4 million (INR 1,000 million), representing approximately 80% of budgeted construction cost. Since the last quarter, we have converted INR 340 million of previously sanctioned debt facilities into secured debt facilities.

Galaxia - the SPV has targeted debt facilities of £14.1 million (INR 1,135 million) and has secured sanction letters for this amount from two banks which is sufficient to finance the budgeted construction of the first stage of the development.

Recent developments

Alpha Tiger has reviewed its investment policy in light of the current property investment climate in India in comparison to other geographical regions and has proposed certain changes to its investment policy to allow greater diversification and to better manage risk, as was announced on 11 September 2009. An EGM to consider a change of investing policy has been convened for 28th September 2009 and a circular sent to Shareholders which is available at www.alphatigerpropertytrust.com. The Company will continue to consider investments in India, and the Investment Manager continues to develop a pipeline of opportunities for the Company in India. The revised investing policy would allow the Company to invest in real estate opportunities and real estate services, which would include real estate fund management activities, unconstrained by geography, but with a particular focus on the UK, Europe and Asia.

Share buyback policy

As stated in the circular to shareholders dated 11 September 2009, the Directors and the Investment Manager will continue to actively consider share buybacks and other returns of capital where such exercises are considered to be in Shareholders' best interests. The Company has renewed the authority to purchase up to 24.99 per cent. of its issued share capital at each of the Company's Annual General Meetings since Admission, utilising the authority once on 29 October 2008 when it repurchased 7,500,000 Alpha Tiger Shares (10 per cent. of the Company's issued share capital) at a price of 34 pence per Alpha Tiger Share.

The Directors would support in principle the instigation of a share buyback programme by way of tender offer to all shareholders or on-market purchases. Since share buybacks or other returns of capital may increase the shareholding of Antler, together with the Investment Manager and partners of the Investment Manager who are deemed to be acting in concert with Antler, as a percentage of the Company's total issued share capital (currently 39.9 per cent.), any such transaction would require the consent of the Takeover Panel and independent Shareholder approval.

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Galaxia

Business park and mixed use SEZ, 1.2 million square feet (Stage 1: 0.6 million square feet)

As previously announced, the Company has agreed with Logix, its joint venture partner, to revise the terms of its Galaxia investment in NOIDA at Sector 140a to pursue a lower risk phased development. The Company together with Logix will initially develop approximately 0.6 million square feet of business park led space and other support facilities on the 11.2 acre site. To undertake the first stage of development, Alpha Tiger has committed INR 510 million (£6.3 million of equity).

The Company has the sole option over investment participation in the second development stage, being a further 0.6 million square feet requiring an estimated further capital injection of c. INR 550 million (£6.8 million) which the Board has reserved.

To date the Company has acquired a 50 per cent. equity interest in the SPV which has an agreement to sublease the land. In aggregate, Alpha Tiger and Logix shall each own 50% of the voting equity in the SPV and shall each have effectively committed 50% of the equity required for construction. Alpha Tiger retains a priority return on its equity.

Construction is anticipated to commence in the fourth quarter 2009 and is currently anticipated to be completed within 24 months.

Technova

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) in 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, including capitalised costs, is £11.0 million (INR 883 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. Upon conversion Alpha Tiger will acquire 74% of the 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 in second quarter 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"). Alpha Tiger holds a 31.75% position in the SPV which is 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 £2.9 million (INR 232 million) currently reserved as equity for the Technika construction funding.

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Further information on Alpha Tiger Property Trust Limited is available at
www.alphatigerpropertytrust.com