Alpha Real Trust

Half year report 2012

For the six months ended 30 September 2012

Alpha Real Trust

Contents

Alpha Real Trust remains committed to its disciplined strategy and investment principles, which focus on opportunities that can deliver high total returns while seeking to manage risk through a combination of operational controls, diversification and defensive return structures.

Highlights

- NAV per share 103.8p (106.8p 31 March 2012)
- Adjusted earnings per share of 2.1p for the six month period to 30 September 2012
- 88% of the Company's investment portfolio is in income producing investments in the UK and Europe
- H2O: Nike has signed a lease to open a new destination outlet store at the H2O shopping centre; a further 7 new leases signed with service, food and fashion tenants
- AURE: reduced borrowings following strategic sales and amortisation programme
- Cambourne: annual income return from the Cambourne business park investment of 12.5%
- FIT: additional £4 million invested to provide additional returns on cash reserves
- Announcement of potential acquisition of investment portfolio from Property Investment Portfolio Plc and commencement of a dividend subject to the completion of the transaction

103.8p

NAV per share of 103.8p

88%

88% of the Company's investment portfolio is in income producing investments in the UK and Europe

2.1p

Adjusted earnings per share of 2.1p for the six month period to 30 September 2012

Trust summary and objective

Change of name

On 6 August 2012 the Company changed its name from Alpha Tiger Property Trust Limited to Alpha Real Trust Limited.

Strategy

Alpha Real Trust Limited ("the Company", "Alpha Real Trust" or "ART") targets investment opportunities across the real estate spectrum, including real estate operating companies, securities, services and other related businesses that offer high risk adjusted total returns.

Listing

The Company's shares are traded on the Specialist Fund Market ("SFM") of the London Stock Exchange ("LSE").

Management

The Company's Investment Manager is Alpha Real Capital LLP ("the Investment Manager" or "ARC"). Control of the Company rests with the non-executive Guernsey based Board of Directors.

Website

www.alpharealtrustlimited.com

Financial highlights

	For the six months ended 30 September 2012	Year ended 31 March 2012	For the six months ended 30 September 2011
Net asset value (£'000)	51,879	53,385	54,855
Net asset value per ordinary share	103.8p	106.8p	109.0p
Earnings per share (basic and diluted) (adjusted)*	2.1p	2.6p	0.6p
Earnings per share (basic and diluted)	(1.4)p	0.7p	1.1p

* The adjusted earnings per share include adjustments for the effect of the fair value revaluation of investment properties and indirect property investments, the fair value movements on financial assets and deferred tax provisions: full analysis is provided in note 8 to the accounts.

The Company's current focus is on investments with strong cashflows and/or defensive risk profiles.

Chairman's statement

David Jeffreys
Chairman

I am pleased to present the Company's results for the half year ended 30 September 2012.

Despite facing headwinds from a difficult economic environment, there has been encouraging active management progress in the Company's directly and indirectly managed investments. This includes new leasing activity in Spain and in the portfolios underlying the UK investments.

Notwithstanding the challenging real estate market in Spain, a new lease contract has been signed with Nike, who will open their largest premium outlet store in Madrid at the Company's H2O shopping centre. This represents one of the more significant recent leasing transactions in the Spanish retail market. The 1,430 square metre unit to be occupied by Nike was vacant at the time of the Company's investment in H2O. Nike's commitment represents an important milestone for H2O following the earlier re-leasing of the supermarket space to leading Spanish operator Mercadona.

In Alpha UK Multi Property Trust Plc ("AUMP"), new lettings and lease renewals reported during the six months to 30 June 2012 represent 8.6% of the estimated rental value of the total AUMP portfolio. The occupancy level by estimated rental value improved to 80.6% as at 30 June 2012 and bank borrowings were reduced by £0.5 million during the six months to 30 June 2012.

Shorter term investments such as the Company's investment in Freehold Income Trust ("FIT") demonstrate a commitment to maximise shareholder returns, including the component derived from income. During June 2012, ART invested a further £4 million in FIT, bringing the Company's total investment in FIT to £10.2 million as at 30 September. The investment should continue to provide a superior return to that currently earned on the Company's cash balances.

During the period, the Company announced the extension of its management agreement with the Investment Manager for a further term of eight years expiring on 21 December 2022. The Company believes that the extension will assist in progressing future transactions, particularly where certainty of management is required.

H2O
Madrid

Nike will open their largest premium outlet store in Madrid at the Company's H2O shopping centre.

Proposed investment in Property Investment Portfolio Plc

As announced on 19 October 2012, ART has agreed terms to acquire the majority of the portfolio held by Property Investment Portfolio Plc ("PIP") a fund that has a diversified exposure to the UK and European commercial property markets through a range of specialist fund investments, including some of ART's existing investments. The Company is anticipated to benefit from the acquisition for a number of reasons, including:

- This scrip acquisition at NAV would allow the Company to grow without dilution to existing ART shareholders; the PIP transaction is structured on a NAV-for-NAV basis with consideration by way of a new unlisted class of ART A shares ("A Shares"), with the holders having the option to convert A Shares one-for-one into listed ART ordinary shares after a period of 60 days following the issue
- The Company's enlarged portfolio would benefit from greater diversification by spread of investments
- The acquisition would provide ART with geographic and currency diversification, including exposure to the northern European market by way of a portfolio located in the strong Norwegian economy
- Certain PIP assets offer scope for divestment over the medium term providing ART with the opportunity to recycle capital and target investments with scope for higher risk-adjusted returns
- The increase in scale together with cash and liquid securities would potentially allow the Company to undertake larger individual investments in the future, increasing the range of available investment opportunities
- The nature, the diversification and quantum of earnings generated within the combined investment portfolio would be expected to enhance the ability of the Company to consider payment of a dividend.

PIP has a NAV of £26.4 million as at 30 June 2012, of which the majority is in 5 key investments:

- £10.8 million investment in European Property Investment Portfolio Plc ("Europip"), a geared property fund principally invested in Norway
- £4.6 million of FIT units, a fund invested in UK ground rents
- £3.6 million in Healthcare & Leisure Property Limited ("HLP"), an ungeared leisure property fund
- £3.3 million in Business Centre Properties Limited ("BCP"), a business centre fund which is predominantly ungeared
- £0.5 million in AUMP, comprising 19% of AUMP's ordinary share capital; AUMP has a regionally diversified portfolio of UK light industrial and office property.

PIP is managed by Alpha Real Property Investment Advisers LLP ("ARPIA"), a subsidiary of ARC. The PIP transaction demonstrates the Company's and the Investment Manager's ability to source and innovatively structure new investment opportunities with defensive capital structures with the potential to deliver enhanced earnings.

ART is committed to its disciplined strategy and investment principles, which focus on opportunities that can deliver high risk adjusted total returns while seeking to manage risk through a combination of operational controls, diversification and defensive return structures. ART remains in a strong position to capitalise on further opportunistic investments.

The Company's current focus is on investments with strong cashflows and/or defensive risk profiles.

A detailed summary of the Company's investments are contained within the investment review section.

> The proposed transaction with PIP represents an exciting opportunity for ART.



Cambourne Business Park

Results, financing and dividends

Adjusted earnings for the period show a profit after interest and tax of £1.1 million and adjusted earnings per share of 2.1 pence (see note 8 of the financial statements). This compares with adjusted earnings per share of 0.6 pence for the same period in 2011 and the improvement mainly represents the incremental income received from the Company's investments in FIT, AURE and Cambourne.

The net asset value per share at 30 September 2012 is 103.8 pence (31 March 2012: 106.8 pence) (see note 9 of the financial statements).

Financing

Some of ART's underlying investments are exposed to the effects of gearing through external bank debt.

At H2O, the bank borrowings now stand at €73.4 million (£58.4 million), which represents a reduction of €1.6 million from the initial €75.0 million borrowed. The bank borrowings do not have any loan to value covenants and there continues to be a substantial surplus of rental income in excess of finance charges.

Further details of individual asset financing can be found under the individual investment review sections later in this report.

Foreign currency

The Company monitors foreign exchange exposures and considers hedging where appropriate. Foreign currency balances have been translated at the period end rates of £1:€1.257 or £1:INR84.863, as appropriate.

Dividends

As announced on 19 October 2012, subject to the completion of the transaction with PIP, the current intention of the Board is to declare an interim dividend of 1.05 pence per share. The declaration and payment of any dividend would be subject to applicable Guernsey legislation. The interim dividend is forecast to be paid during the first six months of 2013.

Subject to the completion of the transaction with PIP, the current intention of the Board is to declare an interim dividend.

Summary

During the period, the Company has undertaken asset management initiatives to further consolidate its existing investments.

The Company continues to see encouraging performance in its underlying investments. As at 30 September 2012, 88% of ART's assets are in income producing investments in the UK and Europe.

The proposed transaction with PIP represents an exciting opportunity for ART and the enlarged investment portfolio provides increased cash flow and an enhanced ability to recycle capital into investments with higher risk adjusted returns and/or defensive capital structures over the medium term.

The Company continues to pursue further investment opportunities and is well positioned to take advantage of these as they are identified.

David Jeffreys
Chairman
22 November 2012

Statement of Directors' Responsibilities

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7 and 4.2.8.

The Directors of Alpha Real Trust Limited are listed on page 31 and have been Directors throughout the period.

By order of the Board

David Jeffreys
Chairman
22 November 2012

Brad Bauman
Joint fund manager

Gordon Smith
Joint fund manager

Investment review

UK

Economic outlook

Despite continuing economic uncertainty and challenges emanating from the eurozone, confirmation that the UK moved out of recession in the third quarter has provided some grounds for optimism that domestic policy appears to be achieving the correct balance between austerity measures and growth orientated policies. The reported UK unemployment rate at 7.9% in October 2012 and employment of 29.6 million people, a record high, are helping to provide underlying strength to the UK's fiscal position.

In their most recent meeting in October the Bank of England's Monetary Policy Committee voted unanimously to maintain the official bank base rate at 0.5% whilst continuing with their programme of asset purchases, now totalling £375 billion, to assist the recovering UK economy.

Property market outlook

A recent report by CBRE indicates that the rate of capital value decline for UK commercial property is gradually easing. However, there remains a strong divergence between the performance of prime and secondary assets and further pressure on secondary asset yields cannot be ruled out.

Although the investment transaction market remains generally subdued, overseas investors are continuing to support demand. Reflecting the perceived safe haven status of the UK market, over 60% of UK investment transactions are generated from foreign investors.

While investment appetite remains attracted to prime assets and is largely still focused on London, opportunities are emerging for good secondary assets in regional locations; although a lack of debt funding has limited transaction volumes. Given such factors, alternative means of investment via defensive capital structures, such as the Company's AURE and AUMP investments, remain attractive.

Investment review

Alpha UK Real Estate Fund Plc ("AURE")

Company investment	Income return *	Property type	Defensive capital structure
£7.5m	10.7% p.a.	High-yield diversified portfolio	Convertible loan. LTV 63-76%

* Based on coupon plus redemption premium annualised.

The Company has invested £7.5 million in AURE by way of a three-year convertible loan, which matures in November 2014, earns a coupon of 6% per annum and a 14% redemption premium if not converted, providing a minimum return of 10.7% per annum.

AURE is an Irish resident open ended investment company listed on the Irish Stock Exchange, which is invested in a diversified portfolio of UK commercial property (27 properties comprising industrial, office and retail properties) valued at £58.5 million (as at 30 June 2012; AURE fact sheet published in August 2012).

ART's investment enjoys an attractive position in the capital structure with a preferred minimum return and the potential to benefit from value created through the active asset management of an income focused property portfolio.

Bank borrowings represented a Loan to Value ("LTV") ratio of 63.3% at 30 June 2012. A key goal for AURE is re-financing the bank loan facility and it is progressing discussions in advance of the facility expiry date of 12 December 2012.

The following details were included in the AURE half year report (the latest published accounts) for the six months ended 31 March 2012:

- Lease extensions and new leases covering approximately 74,000 square feet achieved since 1 October 2011
- A comfortable margin above the bank interest cover ratio covenant limit of 1.2 times (at the 25 April 2012 interest payment date the interest cover ratio was 2.6 times).

ARC is the investment manager of AURE. ARC is pursuing value enhancement opportunities on over 55% of the AURE portfolio assets to increase net income and improve the profile of this income through lease extensions, renewals and reducing unrecoverable void costs.

Alpha UK Real Estate Fund Plc
AURE

Sector	Irish Stock Exchange listed
Underlying assets	UK offices, industrial and retail property
Description	AURE is an Irish Stock Exchange listed UK property fund with gross property assets of £58.5 million (as at 30 June 2012). AURE has a regionally diversified portfolio of 27 properties.

Alpha UK Multi Property Trust Plc
AUMP

Sector	LSE listed
Underlying assets	UK offices and industrial property
Description	AUMP is a London Stock Exchange listed UK property fund with gross property assets of £89.3 million (as at 30 June 2012). AUMP has a regionally diversified portfolio of UK light industrial and office property.

Alpha UK Multi Property Trust Plc ("AUMP")

Company investment	Income return *	Property type	Defensive capital structure
£5.9m	10.8% p.a.	High-yield diversified UK portfolio	Convertible Loan. LTV 68-74.5%

* Based on coupon plus redemption premium annualised.

The Company holds £5.9 million of convertible unsecured loan stock ("CULS"), maturing in June 2013, in AUMP, a LSE listed UK property fund with a regionally diversified portfolio of 55 properties of multi-let light industrial and office assets valued at £89.3 million (as per the published half year report for the six months ended 30 June 2012).

ART's investment enjoys an attractive position in the capital structure with a preferred minimum return and the potential to benefit from value created through the active asset management of an income focused property portfolio.

AUMP announced on 22 October 2012 that its loan facility of £8.6 million, provided by Nationwide, is to be amended such that the term of the facility is extended to 23 January 2013. AUMP further announced on 1 November 2012 that its loan facility of £51.4 million, provided by Bank of Scotland, is to be amended such that the term of the facility is extended to 31 January 2013.

Discussions with Bank of Scotland, Nationwide and alternative banks and providers of capital are continuing in order to pursue a further extension to, or refinancing of, these loan facilities.

The CULS earn a coupon of 4.75% per annum and are convertible into ordinary share capital at any time until June 2013. Should ART not elect to convert, the CULS are redeemable at a premium of 18% to their face value, providing a minimum total return of 10.8% per annum.

> ART continues to implement its active management policy and this has delivered encouraging results in the existing portfolio.

The following highlights were included in the AUMP interim management statement for the quarter ending 30 September 2012:

- Adjusted earnings per ordinary share – profit of 5.5 pence for the nine months to 30 September 2012 (3.7 pence for the six months to 30 June 2012)
- Occupancy improved – the occupancy level by estimated rental value stood at 81.4% as at 30 September 2012, compared with 80.6% as at 30 June 2012
- Borrowings reduced – bank borrowings reduced by £0.3 million during the quarter to 30 September 2012; a further £0.2 million has been repaid in October 2012
- Loan to value ("LTV") – the combined LTV across the Group on secured borrowings was 70.5% at 30 September 2012 (67.9% at 30 June 2012); the Group remains compliant with all covenants on its secured borrowings
- Adjusted net asset value ("NAV") per ordinary share – 261 pence as at 30 September 2012 (305 pence at 30 June 2012).

ARC is the investment manager of AUMP.

Cambourne Business Park

Cambridge

Sector	Business parks
Underlying assets	Office
Tenants	Regus, Citrix Systems, Netcracker Technology
Area	9,654 square metres
Description	The asset consists of three Grade A specification modern office buildings located in the town of Cambourne. Phase 1000 is situated at the front of the business park. It is an institutional quality asset with Open B1 Business user planning.

The Freehold Income Trust

FIT

Sector	Freehold ground rents (UK)
Underlying assets	Freehold residential ground rents
Description	FIT is an open-ended unauthorised unit trust scheme that provides secure and stable investment returns from acquiring freehold residential ground rent, which offer an attractive income stream, capital growth prospects and attractive risk-adjusted returns. FIT owns over 64,000 freeholds in the UK with a gross annual rent income of £7.8 million.

Cambourne Business Park, Phase 1000, Cambridge

Company investment	Income return *	Property type	Defensive capital structure
£1.2m	12.5% p.a.	High-yield business park	Bank facility at 50% LTV (current interest cover of 2.4 times covenant level)

* Over 12 months to 30 September 2012.

The Company has invested £1.2 million in a joint venture that owns Phase 1000 of Cambourne Business Park. The property consists of three Grade A specification modern office buildings constructed in 1999 located in the town of Cambourne, approximately 8 miles west of Cambridge city centre. The property comprises 9,654 square metres of lettable area, is self-contained and has 475 car parking spaces. Phase 1000 is situated at the front of the business park with good access and visibility.

Phase 1000 is a high quality asset, fully let to Netcracker Technology EMEA Ltd (recently renamed from Convergys after the $449 million takeover by NEC Corporation), Citrix Systems and Regus. The property has open B1 Business user planning permission and has potential value-add opportunities.

Phase 1000 was purchased in a joint venture partnership with a major overseas investor for £23.0 million including acquisition costs. Bank finance of £10.8 million was obtained. ART's equity contribution of £1.2 million, which represents 10% of the total equity commitment, was invested into a newly formed joint venture entity, a subsidiary of which holds the property. The property was acquired for an 8.5% net initial yield and delivered an annual income return of 12.5% as at 30 September 2012.

ARC is the investment manager to the joint venture owning the Cambourne property and continues to pursue opportunities to add value to the investment.

Freehold Income Trust

Company investment	Income return *	Property type	Defensive capital structure
£10.2m	5.3% p.a.	Highly defensive income freehold ground rents	Very low gearing (4% net LTV); monthly liquidity

* For the period ended 30 September 2012.

Following a further £4.0 million investment during the period, the Company has invested a total of £10.2 million in FIT, an open-ended unit trust that invests in UK residential freehold ground rents. FIT owns a highly diversified portfolio of over 64,000 freeholds in the UK with a gross annual ground rent income of £7.8 million. FIT offers an attractive income stream, capital growth prospects, and resilient capital values with relatively low volatility and conservative gearing levels.

FIT has provided investors with nineteen years of consistently positive, inflation beating returns in excess of 5.5% per annum with continuous monthly liquidity. FE Trustnet recently ranked FIT the best risk adjusted return fund of the decade.

FIT's total gross assets at 31 August 2012 were £156.5 million.

The investment is expected to continue to provide a better return than is currently earned on the Company's cash balances. FIT operates a monthly dealing facility to provide liquidity.

The following highlights were reported in the FIT fact sheet as at 31 August 2012:

- FIT distributed income of 3.1% in May 2012, having already distributed 2.2% in November 2011
- FIT exceeded its target annual income this year with an income return of 5.32%
- 75% of FIT's freeholds have a form of inflation protection through periodic uplifts linked to Retail Price Index, property values or fixed uplifts.

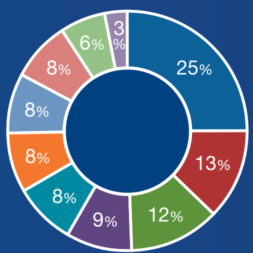
ARPIA, a subsidiary of ARC, is the investment manager of FIT.

H2O

Madrid - Spain

Sector	Retail
Asset	Shopping centre
Tenants include	Nike, Zara, Mango, Cortefiel, H&M, C&A and Massimo Dutti
Area	51,825 square metres
Description	The property is located in the Rivas-Vaciamadrid district of Madrid. H2O has a primary catchment area of 166,000 people but the location, due to the concentration of complementary retail, has a total catchment of 2.2 million people. The weighted average lease length as at 30 September 2012 is 10.9 years to expiry and 2.7 years to next break. Centre occupancy 83.7% as at 30 September 2012.

Top ten tenants (30 September 2012)



Spain

Economic outlook

The Spanish government continues to demonstrate commitment to implementing fiscal consolidation and structural reforms to stimulate economic growth and competitiveness. Further support has been forthcoming from the European Union, with the Spanish government successfully negotiating access to a €100 billion facility from the European Financial Stability Facility ("EFSF") for funding to directly recapitalise the Spanish banking system. The European Central Bank has further expressed a willingness to support the government through further financial support for the state. Whilst there are calls from some industry bodies for the government to apply for support as soon as possible to improve companies and banks' access to credit, when this will occur remains to be clarified.

Positive action has been taken to aid the retail sector and counter the dampening impact of wider austerity measures. This has included the recent lifting of restrictions on Sunday opening allowing retailers in the Madrid region to trade throughout the year – a move which has positively impacted the Company's H2O shopping centre investment, with Sunday visitor numbers increasing up to 100%.

Property market outlook

The availability of bank finance in Spain is limited and currently focused on prime assets. There is limited evidence of investment transactions within a constrained market. This is in part due to the lack of available finance but also as a result of many investors postponing decisions as they await the outcome of wider economic issues at national and European levels. There is, however, increasing investor interest in opportunistic investments including recapitalisation of property investment vehicles that offer scope for defensive capital positions with high risk adjusted returns.

The occupational market remains competitive and landlord incentives, such as fit-out contributions, remain key to securing anchor tenants. A number of major brands are seeking to take advantage of this current market dynamic to secure a broader market presence.

Investment review

H2O, Madrid

Company investment	Income returns *	Property type	Defensive capital structure
£13.2m (€16.6m)	11.3% p.a.	High-yield dominant shopping centre	Debt facility with no LTV covenant and a 1.1x ICR covenant

* Over 12 months to 30 September 2012.

The H2O shopping centre was acquired in March 2010 for €83.3 million (£66.3 million) including acquisition costs and funding was provided for a further €5.0 million (£4.0 million) for future capital improvements. The acquisition was financed with a €75.0 million (£59.7 million) seven year syndicated bank facility. ART initially provided €14.5 million (£11.5 million) of mezzanine and equity finance to the transaction.

In March 2012, the Company exercised its option to consolidate ownership of the H2O investment. ART's total investment in H2O is £13.2 million (€16.6 million).

H2O was opened in June 2007 and built to a high standard providing shopping, restaurants and leisure around a central theme of landscaped gardens and an artificial lake. H2O has a gross lettable area of 51,825 square metres comprising 118 units. In addition to a multiplex cinema, supermarket (let to leading Spanish supermarket operator Mercadona) and restaurants, it has a large fashion retailer base, including some of the strongest European fashion brands, such as Nike, Zara, Mango, Cortefiel, H&M, C&A and Massimo Dutti.

As at 30 September 2012, the centre was 83.7% occupied by rental value with a weighted average lease length of 10.9 years to expiry (2.7 years to next break).

> Positive news from its underlying investments includes leasing progress in the UK and in Spain. Most notably the signing of a contract with Nike for a large destination store.

The following asset management highlights are being implemented:

- Nike has signed a lease to open its largest premium outlet store in Madrid at H2O; Nike will occupy a 1,430 square metre unit which has been vacant since the date of the Company's investment; it is anticipated that the presence of one of the world's leading brands will further establish and anchor the centre and attract increased visitor numbers
- A further 7 new lettings during and post the reporting period with national branded service, restaurant and fashion tenants; these additions include a pharmacy, which represents an important new customer service, and in this heavily regulated sector, the securing of the locality's only new licenced operator
- For the calendar year to date, footfall increases of 6.8%, on the previous corresponding period, have been achieved, aided by the opening of Mercadona, one of Spain's leading supermarket operators, during September 2011; over the same period the national footfall index has declined 3.7%
- During the period, the Madrid region changed legislation which previously restricted Sunday and festival trading hours; as a result of the change shopping centre retailers are able to trade throughout the year; Sunday footfall increases of up to 100% have been achieved
- Active negotiations are underway to extend the lease terms of key tenants
- Accessibility to the centre has been improved, following the granting of licences, with two new vehicular entrances and a parking area being completed; these are expected to enhance circulation and accessibility between H2O and the adjacent retail park and sports superstore
- Innovative marketing events have been undertaken to increase footfall and dwell time at the centre including one of Madrid's largest Oktoberfest functions; in addition, following on from the inaugural event earlier in the year, Spain's largest video game tournament was again hosted at H2O during October
- Improved promotional signage and pedestrian links to the large retail park located opposite the shopping centre have been constructed, with a view to creating a more integrated "retail village" and to increase footfall; additional phases of this project are under review to broaden the customer appeal of the location
- An active cost management exercise continues to be implemented to reduce the centre's operating costs and improve the quality and efficiency of services.

India

Economic outlook

GDP growth in India is expected to be approximately 6% for the current year, a relatively high rate in comparison to many Western economies, albeit moderating from domestic growth rates witnessed in recent years. The Government of India has implemented a series of market reforms including opening up of the multi-brand retail, broadcasting and aviation sectors to foreign investment in an effort to boost economic growth.

Whilst there have been calls for the Reserve Bank of India ("RBI", the central bank) to embark on a more aggressive cycle of monetary easing, a stubbornly high inflation rate, which remains close to 8% per annum, has restrained the RBI's response in reversing earlier policy tightening measures. To date, this cautious approach has seen a single cut in the main policy interest rate in April; with the rate currently standing at 8% per annum.

Property market outlook

Several projects in NOIDA, a suburb of Delhi, are at the advanced stages of construction and nearing completion, however signs of moderating tenant demand have meant that developers are delaying new construction launches and slowing the pace of construction as they await demonstrable tenant demand. Rental levels remain broadly stable.

Despite continuing signs of a slowdown in occupational demand, a new 300,000 square feet office development located along the NOIDA Expressway, close to the Company's Galaxia investment, became operational during September 2012 with 100% and 86% occupancy respectively within its two buildings. Notable leasing transactions in NOIDA during the period included commitments by Oracle, Samsung and Pfizer each letting space in excess of 100,000 square feet.

Investment volumes and land sales transaction activity continues to remain muted.

Investment review

Galaxia, National Capital Region, NOIDA

ART invested INR 450 million (£5.3 million) in the Galaxia project, a development site extending to 11.2 acres, which enjoys Special Economic Zone status with the potential to develop 1.2 million square feet. Galaxia is located in NOIDA, an established, well planned suburb of Delhi that continues to benefit from new infrastructure projects and is one of the principal office micromarkets in India. The Company has a 50% shareholding in the SPV which controls the Galaxia site. There are no bank borrowings on the asset.

On 2 February 2011, ART recommenced arbitration proceedings against its development partner Logix Group in order to protect its Galaxia investment.

A timetable for the arbitration has been circulated by the Tribunal. Terms of reference for the arbitration have been agreed and both sides have made their initial representations and submitted witness statements. Hearings are expected to commence during the first quarter of 2013.

Notwithstanding the above, the Company is continuing to explore avenues for a sale of the development.

Summary

Economic uncertainty in Europe continues to provide the backdrop to the current commercial property environment. Although governments are making positive steps to address underlying concerns, the process of reviving sustained economic growth is proving to be slow.

ART continues to implement its active management policy and this has delivered encouraging results in the existing portfolio. Positive news from its underlying investments includes leasing progress in the UK and in Spain. Most notably the signing of a contract with Nike for a large destination store.

ART remains well placed to capitalise on new investment opportunities as they are identified.

Brad Bauman and Gordon Smith
For and on behalf of the Investment Manager
22 November 2012

Independent review report

To Alpha Real Trust Limited
(formerly Alpha Tiger Property Trust Limited)

We have been engaged by the Company to review the condensed set of financial statements in the half year report for the six months ended 30 September 2012 which comprises the consolidated statement of comprehensive income, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and related notes. We have read the other information contained in the half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half year financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half year financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half year financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half year report based on our review. This report, including the conclusion, has been prepared for, and only for, the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half year financial report for the six months to 30 September 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

BDO Limited.

BDO Limited
Chartered Accountants
Place du Pré, Rue du Pré, St Peter Port, Guernsey
22 November 2012

Condensed consolidated statement of comprehensive income

	Notes	For the six months ended 30 September 2012 (unaudited) Revenue £'000	Capital £'000	Total £'000	For the six months ended 30 September 2011 (unaudited) Revenue £'000	Capital £'000	Total £'000
Income							
Revenue	3	4,222	-	4,222	1,417	-	1,417
Net change in the revaluation of investment properties	10	-	(1,667)	(1,667)	-	500	500
Total income		**4,222**	**(1,667)**	**2,555**	**1,417**	**500**	**1,917**
Expenses							
Property operating expenses		(1,858)	-	(1,858)	(617)	-	(617)
Investment Manager's fee		(683)	-	(683)	(510)	-	(510)
Other administration costs		(474)	-	(474)	(688)	-	(688)
Total operating expenses		**(3,015)**	**-**	**(3,015)**	**(1,815)**	**-**	**(1,815)**
Operating profit/(loss)		**1,207**	**(1,667)**	**(460)**	**(398)**	**500**	**102**
Finance income	4	1,068	214	1,282	1,157	125	1,282
Finance costs	5	(1,179)	(318)	(1,497)	(387)	(383)	(770)
Profit/(loss) before taxation		**1,096**	**(1,771)**	**(675)**	**372**	**242**	**614**
Taxation	7	(45)	-	(45)	(32)	-	(32)
Profit/(loss) after taxation		**1,051**	**(1,771)**	**(720)**	**340**	**242**	**582**
Other comprehensive expenses for the period							
Exchange differences arising on translation of foreign operations		-	(786)	(786)	-	(446)	(446)
Other comprehensive expenses for the period		**-**	**(786)**	**(786)**	**-**	**(446)**	**(446)**
Total comprehensive profit/(loss) for the period		**1,051**	**(2,557)**	**(1,506)**	**340**	**(204)**	**136**
Earnings per share (basic & diluted)	8			**(1.4)p**			**1.1p**
Adjusted earnings per share (basic & diluted)	8			**2.1p**			**0.6p**

The total column of this statement represents the Group's income statement, prepared in accordance with IFRS. The revenue and capital columns are supplied as supplementary information permitted under IFRS. All items in the above statement derive from continuing operations.

The accompanying notes on pages 21 to 30 form an integral part of this statement.

Condensed consolidated balance sheet

	Notes	30 September 2012 (unaudited) £'000	31 March 2012 (audited) £'000
Non-current assets			
Investment properties	10	69,200	73,771
Indirect property investment held at fair value	11	5,303	5,428
Derivatives held at fair value through profit or loss	13	227	932
Trade and other receivables	14	7,481	13,099
		82,211	**93,230**
Current assets			
Investment held at fair value	12	10,418	6,390
Derivatives held at fair value through profit or loss	13	551	-
Trade and other receivables	14	7,306	954
Cash and cash equivalents		14,560	18,224
		32,835	**25,568**
Total assets		**115,046**	**118,798**
Current liabilities			
Trade and other payables	15	(4,313)	(3,832)
Bank borrowings	16	(577)	(636)
		(4,890)	**(4,468)**
Total assets less current liabilities		**110,156**	**114,330**
Non-current liabilities			
Bank borrowings	16	(58,245)	(60,929)
Derivatives held at fair value through profit or loss	13	(32)	(16)
		(58,277)	**(60,945)**
Total liabilities		**(63,167)**	**(65,413)**
Net assets		**51,879**	**53,385**
Equity			
Share capital	18	-	-
Special reserve		56,859	56,859
Translation reserve		(1,794)	(1,008)
Capital reserve		(7,310)	(5,539)
Revenue reserve		4,124	3,073
Total equity		**51,879**	**53,385**
Net asset value per share	9	**103.8p**	**106.8p**

David Jeffreys
Director

Serena Tremlett
Director

The financial statements were approved by the Board of Directors and authorised for issue on 22 November 2012. They were signed on its behalf by David Jeffreys and Serena Tremlett.

The accompanying notes on pages 21 to 30 form an integral part of this statement.

Condensed consolidated cash flow statement

	For the six months ended 30 September 2012 (unaudited) £'000	For the six months ended 30 September 2011 (unaudited) £'000
Operating activities		
Profit/(loss) for the period after taxation	(720)	582
Adjustments for:		
Net change in revaluation of investment properties	1,667	(500)
Taxation	45	32
Finance income	(1,282)	(1,282)
Finance cost	1,497	770
Operating cash flows before movements in working capital	**1,207**	**(398)**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(345)	2,536
Increase/(decrease) in trade and other payables	481	(39)
Cash generated from operations	**1,343**	**2,099**
Interest received	64	1,355
Interest paid	(1,131)	(385)
Tax paid	(44)	-
Cash flows generated from operating activities	**232**	**3,069**
Investing activities		
Acquisition of investments	(4,000)	-
Capital expenditure on investment property	(297)	(440)
CULS interest received	267	-
Dividend income	236	-
VAT loan repayments	-	8,272
Cash flows (used in)/from investing activities	**(3,794)**	**7,832**
Financing activities		
Tender offer/share buyback	-	(4,146)
Share buyback costs	-	(9)
Cash flows used in financing activities	**-**	**(4,155)**
Net (decrease)/increase in cash and cash equivalents	**(3,562)**	**6,746**
Cash and cash equivalents at beginning of period	**18,224**	**17,947**
Exchange translation movement	(102)	(5)
Cash and cash equivalents at end of period	**14,560**	**24,688**

The accompanying notes on pages 21 to 30 form an integral part of this statement.

Condensed consolidated statement of changes in equity

For the six months ended 30 September 2012 (unaudited)	Special reserve £'000	Warrant reserve £'000	Translation reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
At 1 April 2012	**56,859**	**-**	**(1,008)**	**(5,539)**	**3,073**	**53,385**
Total comprehensive expense for the period	-	-	(786)	(1,771)	1,051	(1,506)
At 30 September 2012	**56,859**	**-**	**(1,794)**	**(7,310)**	**4,124**	**51,879**

For the six months ended 30 September 2011 (unaudited)	Special reserve £'000	Warrant reserve £'000	Translation reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
At 1 April 2011	**60,781**	**40**	**420**	**(4,530)**	**1,716**	**58,427**
Total comprehensive expense for the period	-	-	(446)	242	340	136
Share buyback costs	(9)	-	-	-	-	(9)
Share buyback	(3,699)	-	-	-	-	(3,699)
At 30 September 2011	**57,073**	**40**	**(26)**	**(4,288)**	**2,056**	**54,855**

The accompanying notes on pages 21 to 30 form an integral part of this statement.

Notes to the financial statements

For the six months ended 30 September 2012

1. General information

The Company is a limited liability, closed-ended investment company incorporated in Guernsey. On 6 August 2012 the Company changed its name from Alpha Tiger Property Trust Limited to Alpha Real Trust Limited. The Group comprises the Company and its subsidiaries. These financial statements are presented in pounds Sterling as this is the currency in which the funds are raised and in which the investors are seeking a return. The Company's functional currency is Sterling and the subsidiaries' currencies are either Euro or Indian Rupees. The presentational currency of the Group is Sterling. The period end exchange rate used is £1:INR84.863 (March 2012: £1:INR82.898) and the average rate for the period used is £1:INR86.242 (September 2011: £1:INR73.497). For Euro based transactions the period end exchange rate used is £1:€1.257 (March 2012: £1:€1.199) and the average rate for the period used is £1:€1.247 (September 2011: £1:€1.136).

The address of the registered office is given on page 31. The nature of the Group's operations and its principal activities are set out in the Chairman's Statement. The half year report was approved and authorised for issue on 22 November 2012 and signed by David Jeffreys and Serena Tremlett on behalf of the Board.

2. Significant accounting policies

Basis of preparation

The unaudited condensed financial information included in the half year report for the six months ended 30 September 2012, have been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting' as adopted by the European Union. This half year report should be read in conjunction with the Group's annual report and accounts for the year ended 31 March 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The same accounting policies and methods of computation are followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 March 2012, which are available at the Company's website (www.alpharealtrustlimited.com).

The Directors considered all relevant new standards, amendments and interpretations to existing standards effective for the half year report for the six months ended 30 September 2012: their adoption has not led to any changes in the Group's accounting policies and they had no material impact on the financial statements of the Group.

The half year condensed financial statements are made up from 1 April 2012 to 30 September 2012 and have been prepared under the historical cost convention as modified by the revaluation of investment properties, indirect property investment, investment held at fair value and mark to market of derivative instruments.

As noted in the last annual accounts, on 30 March 2012 the Company exercised its option to fully consolidate the H2O Shopping Centre in Madrid, Spain. Prior to 30 March 2012, the investment was by way of a joint venture in the LuxCo 111 SARL group and had been proportionally consolidated in the consolidated statement of comprehensive income and consolidated balance sheet. Hence, in the comparative period's consolidated statement of comprehensive income only 26%, being the proportionate share in the joint venture of the underlying investment, of the LuxCo 111 SARL group's result was consolidated.

The preparation of the half year condensed financial statements requires Directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the condensed interim financial statements. If in the future such estimates and assumptions, which are based on the Directors' best judgement at the date of the interim condensed financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

3. Revenue

	For the six months ended 30 September 2012	For the six months ended 30 September 2011
	£'000	£'000
Rental income	3,148	1,036
Service charges	1,074	297
Other income	-	84
Total	**4,222**	**1,417**

4. Finance income

	For the six months ended 30 September 2012 £'000	For the six months ended 30 September 2011 £'000
Bank interest received	64	78
Interest receivable on convertible loan stock	740	323
Interest receivable from joint venture loan	-	623
Foreign exchange gain	43	-
Net gains on financial assets and liabilities held at fair value through profit or loss (note 6)	435	258
Total	**1,282**	**1,282**

5. Finance costs

	For the six months ended 30 September 2012 £'000	For the six months ended 30 September 2011 £'000
Interest on bank borrowings	1,179	387
Foreign exchange loss	-	14
Net losses on financial assets and liabilities held at fair value through profit or loss (note 6)	318	369
Total	**1,497**	**770**

6. Net gains and losses on financial assets and liabilities at fair value through profit or loss

	For the six months ended 30 September 2012 £'000	For the six months ended 30 September 2011 £'000
Unrealised gains and losses on financial assets and liabilities held at fair value through profit or loss		
Movement in fair value of interest rate cap	(282)	(327)
Movement in fair value of interest rate swap	(16)	-
Movement in fair value of currency swaps	171	125
Movement in fair value of the conversion options	(20)	(42)
Undistributed investment income	28	133
Realised gains and losses on financial assets and liabilities held at fair value through profit or loss		
Distributed investment income	236	-
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss	**117**	**(111)**
Disclosed as:		
Finance income (note 4)	435	258
Finance costs (note 5)	(318)	(369)
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss	**117**	**(111)**

7. Taxation

	For the six months ended 30 September 2012 £'000	For the six months ended 30 September 2011 £'000
Current tax	45	32
Deferred tax	-	-
Tax expense	**45**	**32**

The Company is exempt from Guernsey taxation on income derived outside of Guernsey and bank interest earned in Guernsey. A fixed annual fee of £600 is payable to the States of Guernsey in respect of this exemption. No charge to Guernsey taxation arises on capital gains. The Group is liable to foreign tax arising on activities in the overseas subsidiaries. The Company has investments, subsidiaries and joint venture operations in Luxembourg, United Kingdom, the Netherlands, Spain, Cyprus, Jersey and India.

The current tax charge is mainly due on income receivable from the Company's investment in FIT, in the United Kingdom.

Due to the unpredictability of future taxable profits, the Directors believe it is not prudent to recognise a deferred tax asset for the unused tax losses. Cypriot and Luxembourg's unused tax losses can be carried forward indefinitely whereas the Netherlands unused tax losses can be carried forward for 9 years and Spanish for 15 years.

8. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	For the six months ended 30 September 2012	Year ended 31 March 2012	For the six months ended 30 September 2011
Earnings per income statement (£'000)	(720)	348	582
Basic and diluted earnings pence per share	**(1.4)p**	**0.7p**	**1.1p**
Earnings per income statement (£'000)	(720)	348	582
Net change in the revaluation of investment properties (gain)/loss	1,667	510	(500)
Movement in fair value of interest rate cap (Mark to Market)	282	433	327
Movement in fair value of interest rate swap (Mark to Market)	16	16	-
Movement in fair value of currency swaps (Mark to market)	(171)	(65)	(125)
Movement in fair value of conversion options (Mark to Market)	20	54	42
Foreign exchange (gain)/loss	(43)	61	14
Adjusted earnings	**1,051**	**1,357**	**340**
Adjusted earnings per share	**2.1p**	**2.6p**	**0.6p**
Weighted average number of ordinary shares (000's)	**49,980**	**51,820**	**53,576**

The adjusted earnings are presented to provide what the Company believes is a more appropriate assessment of the operational income accruing to the Group's activities. Hence, the Company adjusts basic earnings for income and costs which are not of a recurrent nature or which may be more of a capital nature.

9. Net asset value per share

	At 30 September 2012 £'000	At 31 March 2012 £'000	At 30 September 2011 £'000
Net asset value (£'000)	51,879	53,385	54,855
Net asset value per share (p)	**103.8p**	**106.8p**	**109.0p**
Number of ordinary shares (000's)	**49,980**	**49,980**	**50,314**

10. Investment properties

	30 September 2012 £'000	31 March 2012 £'000
Fair value of investment properties at 1 April	**73,771**	**18,642**
Acquired during the period/year	-	55,900
Subsequent capital expenditure after acquisition	297	605
Rent incentive movement	87	129
Fair value adjustment in the period/year	(1,667)	(510)
Foreign exchange movements	(3,288)	(995)
Fair value of investment properties at 30 September / 31 March	**69,200**	**73,771**

The fair value of the H2O property has been arrived at on the basis of an independent valuation carried out at the balance sheet date by CBRE Valuation Advisory S.L.; CBRE Valuation Advisory S.L. are independent valuers and are not connected to the Group.

The valuation basis used is fair value as defined by the Royal Institute of Chartered Surveyors ("RICS") Approval and Valuation Standards. The approved RICS definition of fair value is the "the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date."

The Company's proportionately consolidates its share (10%) of the Cambourne property.

The Camborne property has not been independently valued and is carried (at the proportionate share) at the original acquisition cost and subsequent capital expenditure. The Directors believe this to be a reasonable estimate of the fair value of the property.

Properties have been pledged as security for the related borrowings in the SPVs in which the properties are held (note 16).

11. Indirect property investment held at fair value

	30 September 2012 £'000	31 March 2012 £'000
As at 1 April	**5,428**	**6,182**
Effect of foreign exchange	(125)	(754)
As at 30 September / 31 March	**5,303**	**5,428**

The Galaxia investment is carried at a fair value of INR 450 million (£5.3 million). The Group's estimation of fair value is based upon legal advice following a recommencement of arbitration proceedings following breaches by Logix Group. The arbitration seeks an award of INR 450 million plus the agreed minimum investment return and lost profit from the Logix Group promoters. The Directors consider it prudent to continue to value the indirect investment at INR 450 million.

12. Investment held at fair value

	30 September 2012 £'000	31 March 2012 £'000
As at 1 April	**6,390**	**6,317**
Additions during the period/year	4,000	-
Distributed investment income in period/year	(190)	(117)
Undistributed investment income in period/year	218	190
As at 30 September / 31 March	**10,418**	**6,390**

During the financial year ended 31 March 2011, the Group invested £6.2 million in income units of FIT, a fund offering monthly redemptions. On 20 June 2012, the Group invested a further £4 million in FIT. FIT provides monthly valuations of the net asset value of its units. The investment has therefore been valued at the net asset value provided on 20 September 2012, this being the closest valuation to the Group's balance sheet date.

13. Financial assets and liabilities held at fair value through the profit and loss

	30 September 2012 £'000	31 March 2012 £'000
Current assets		
Currency options	551	-
Non-current assets		
Convertible unsecured loan stock conversion options	-	20
Interest rate cap	227	532
Currency options	-	380
Total derivatives held as non-current assets	**227**	**932**
Non-current liabilities		
Interest rate swap	(32)	(16)
Total	**746**	**916**

14. Trade and other receivables

	30 September 2012 £'000	31 March 2012 £'000
Non-current		
CULS	7,481	12,339
Interest receivable from CULS	-	760
Total	**7,481**	**13,099**
Current		
CULS	4,918	-
Trade debtors	411	303
VAT	302	55
Accrued bank interest	52	52
Other debtors	223	318
Interest receivable from CULS	1,400	226
Total	**7,306**	**954**

On 9 August 2010, the Company subscribed for £4.75 million of convertible unsecured loan stock ("CULS") in AUMP. The CULS carry an annual coupon of 4.75% and can be converted at any time up to and including 30 June 2013 into Ordinary Shares at a Conversion Price of 31 pence. The CULS annual coupon can either be paid in cash at the relevant interest payment dates or can be made as a Payment In Kind ("PIK") by the issuance of further CULS at each relevant date. The CULS attract an 18% redemption premium if not converted. Additionally, AUMP has issued 4 million share options to the Company at an exercise price of 50 pence per share.

On 18 October 2011, the Company completed the investment of £7.5 million by way of a three year Convertible Loan in AURE. The loan can be converted at any time up to expiry (20 November 2014) into ordinary shares at an effective price of 41.4p per Fund share. The Convertible Loan has an annual coupon of 6% payable quarterly in cash. Should the Company elect not to convert, the Convertible Loan is redeemable at a premium of 14% to its face value.

The fair value of the conversion option within the CULS instruments and the additional options have been valued by reference to an external valuation by J.C. Rathbone (using a binomial model).

15. Trade and other payables

	30 September 2012 £'000	31 March 2012 £'000
Trade creditors	1,736	930
Investment Manager's fee payable	167	168
Accruals	486	632
Other creditors	1,866	2,045
Corporation tax	58	57
Total	**4,313**	**3,832**

Trade creditors and accruals primarily comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The Directors consider that the carrying amount of trade and other payables approximate their fair value.

16. Bank borrowings

	30 September 2012 £'000	31 March 2012 £'000
Current liabilities: interest payable	145	183
Current liabilities: repayments	432	453
Total current liabilities	**577**	**636**
Non-current liabilities: bank borrowings	58,245	60,929
Total liabilities	**58,822**	**61,565**
The borrowings are repayable as follows:		
Interest payable	145	183
On demand or within one year	432	453
In the second to fifth years inclusive	1,834	1,918
After five years	56,411	59,011
Total	**58,822**	**61,565**

Movements in the Group's non-current bank borrowings are analysed as follows:

	30 September 2012 £'000	31 March 2012 £'000
As at 1 April	**60,929**	**16,625**
Additional borrowings	-	45,692
Repayment of borrowings	-	(122)
Reclassification to current liabilities	21	(453)
Amortisation of deferred finance costs	79	43
Exchange differences on translation of foreign currencies	(2,784)	(856)
As at 30 September / 31 March	**58,245**	**60,929**

The bank borrowings represent the syndicated loan finance provided to the Spanish SPV, owner of the H2O property in Madrid, Spain, and the proportionate share of the loan finance provided to the Jersey SPV, owner of the Cambourne property in Cambridge, UK.

The Spanish SPV loan is provided by a syndicate of three banks (Eurohypo AG, Deutsche Hypothekenbank and Landesbank Hessen-Thuringen Girozentrale). The loan has two tranches of debt of which one tranche has an agreed schedule of amortisation as reflected in the repayment table above; the balance of the loans after amortisation is repayable on 4 October 2017. The loans are secured by a first charge mortgage against the Spanish property.

The Spanish property owning SPV has entered into an interest rate cap under which the floating rate element of the interest charge is capped at 2.85% for the full term of the loan on €50 million of the principal borrowings of €75 million.

The Jersey SPV (Scholar Property Investments Limited) loan is provided by the National Westminster Bank PLC. The loan is repayable on 6 October 2015 and is secured by a first charge mortgage against the UK property (Phase 1000 of Cambourne Business Park).

17. Investment in joint ventures

The joint venture in the Scholar Property Holdings Limited group has been proportionally consolidated.

The following amounts have been recognised in the condensed consolidated balance sheet and condensed consolidated statement of comprehensive income in respect of this joint venture:

	30 September 2012 £'000	31 March 2012 £'000
Income	96	95
Expenses	(37)	(56)
Net result	**59**	**39**
Non-current assets	2,295	2,295
Current assets	76	136
Current liabilities	(112)	(160)
Non-current liabilities	(1,063)	(1,061)
Net assets	**1,196**	**1,210**

18. Share capital

			Number of shares
Authorised			
Ordinary shares of no par value			Unlimited
Issued share capital	**Treasury**	**External**	**Total**
At 1 April 2012	**5,553,281**	**49,979,532**	**55,532,813**
Shares cancelled following completion of tender offer	-	-	-
Shares bought back via tender offer	-	-	-
At 30 September 2012	**5,553,281**	**49,979,532**	**55,532,813**

The Company has one class of ordinary shares, which carries no right to fixed income.

The Company has the right to reissue or cancel the remaining treasury shares at a later date.

As previously announced, following the Extraordinary General Meeting on 17 March 2011, the Company's shareholders approved a general authority allowing the Company to buy back up to 24.99% of its shares.

No shares have been repurchased and cancelled during the six months to 30 September 2012.

The Ordinary Share capital of the Company is 55,532,813 (including shares held in treasury). The Company holds a total of 5,553,281 shares in treasury. The total voting rights in ART, following the purchase and cancellation of the Ordinary Shares, are 49,979,532.

19. Share based payments

The Group has not recognised any share based payment for the period ended 30 September 2012 (31 March 2012: £nil).

20. Events after the balance sheet date

On 19 October 2012, ART announced the proposed acquisition of the majority of the investments of PIP and, in relation to the proposed transaction, the issue of a new share class.

PIP is an unlisted open-ended investment company incorporated in the Isle of Man, which has a diversified exposure to the UK and European commercial property markets, as well as UK residential ground rents, through a range of specialist funds. PIP has been voluntarily suspended for dealing since January 2008.

PIP has a NAV of £26.4 million as at 30 June 2012, of which the majority is in 5 key investments:

- £10.8 million investment in Europip, a geared property fund principally invested in Norway
- £4.6 million of FIT units
- £3.6 million in HLP, an ungeared leisure property fund
- £3.3 million in BCP, a business centre fund which is predominantly ungeared
- £0.5 million of AUMP, which represents 19% of AUMP's ordinary share capital.

PIP is managed by ARPIA, a subsidiary of ARC, the Investment Manager of ART.

21. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. ARC is the Investment Manager to the Company under the terms of the Investment Management Agreement and is thus considered a related party of the Company.

The Investment Manager is entitled to receive a fee from the Company at an annual rate of 2% of the net assets of the Company, payable quarterly in arrears. The Investment Manager is also entitled to receive an annual performance fee calculated with reference to total shareholder return ("TSR"), whereby the fee is 20% of any excess over an annualised TSR of 15% subject to a rolling 3 year high water mark.

The Investment Manager has a management agreement directly with the H2O property company, Alpha Tiger Spain 1, SLU under which it earns a fee of 0.9% per annum based upon the gross assets of Alpha Tiger Spain 1, SLU. In order to avoid double counting of fees, the Investment Manager provides a rebate to the Company of a proportion of its current fee equivalent to the value of the Company's net asset value attributable to the H2O investment.

The Company has invested in AUMP where ARC is the Investment Manager. Phillip Rose is a Director on the Board of AUMP. ARC rebates fees earned in relation to the Company's investment in AUMP.

The Company has invested in FIT where ARPIA, a subsidiary of ARC, is the Investment Manager. ARC rebates fees earned in relation to the Company's investment in FIT.

The Company has invested in AURE, where ARC is the Investment Manager. Phillip Rose and Brad Bauman are Directors on the Board of AURE. ARC rebates fees earned in relation to the Company's investment in AURE.

The Company has invested in Phase 1000, Cambourne Business Park, Cambridge, and ARC was appointed as asset and property manager of the joint venture entity. ARC rebates to ART the relevant proportion of fees earned by ARC, which apply to the Company's investment.

Details of the Investment Manager's fees for the current period are disclosed on the face of the condensed consolidated statement of comprehensive income and the balance payable at 30 September 2012 is provided in note 15.

The Directors of the Company received total fees as follows:

	For the six months ended 30 September 2012	Year ended 31 March 2012
David Jeffreys	16,000	32,000
Phillip Rose	10,000	20,000
Serena Tremlett	18,750	32,204
Jeff Chowdhry	10,000	20,000
Roddy Sage	10,000	20,000

21. Related party transactions (continued)

The Directors' interests in the shares of the Company are detailed below:

	30 September 2012 Number of ordinary shares held	31 March 2012 Number of ordinary shares held
David Jeffreys	10,000	10,000
Phillip Rose	139,695	139,695
Serena Tremlett	15,000	15,000
Jeff Chowdhry	40,000	40,000
Roddy Sage	-	-

ARC held 22,175,000 shares in the Company at 30 September 2012 (31 March 2012: 22,175,000). The following, being partners of the Investment Manager, also hold direct interests in the following shares of the Company at 30 September 2012:

	30 September 2012 Number of ordinary shares held	31 March 2012 Number of ordinary shares held
IPGL Property Funds Limited*	3,010,100	3,010,100
Brian Frith**	1,500,000	-
Phillip Rose	139,695	139,695
Brad Bauman	55,006	55,006
Ronald Armist	500	500

* IPGL Property Funds Limited's interest includes 3,000,000 (31 March 2012: 3,000,000) owned by a fellow group company, IPGL.
** Brian Frith became a partner of ARC on 10 September 2012.

Serena Tremlett is also the Managing Director and a major shareholder of Morgan Sharpe Administration Limited, the Company's administrator and secretary. During the period the Company paid Morgan Sharpe Administration Limited fees of £38,000 (31 March 2012: £77,000).

Directors and Company information

Directors:
David Jeffreys (Chairman)
Jeff Chowdhry
Roddy Sage
Phillip Rose
Serena Tremlett

Registered office:
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Investment Manager:
Alpha Real Capital LLP
1b Portland Place
London W1B 1PN

Administrator and secretary:
Morgan Sharpe
Administration Limited
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Broker:
Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Independent valuers in India:
Colliers International
(Hong Kong) Limited
Suite 5701 Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Independent valuers in Spain:
CBRE Valuation Advisory S.L.
Edificio Torre Picasso
Planta 27
Plaza Pablo Ruiz Picasso, s/n
Madrid, 28020
Spain

Auditors:
BDO Limited
Place du Pré
Rue du Pré
St Peter Port
Guernsey GY1 3LL

Tax advisors in Europe:
Ernst & Young LLP
1 More London Place
London SE1 2AF

Tax advisors in India:
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The Great Eastern Centre
First Floor
70, Nehru Place
New Delhi – 110 019
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Legal advisors in Guernsey:
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Legal advisors in India:
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Plot A-8 Sector 4
NOIDA 201 301
India

Legal advisors in Spain:
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Alcalá, 61
28014 Madrid
Spain

Registrar:
Computershare Investor
Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

Shareholder information

Further information on the Company, compliant with the SFM regulations, can be found at the Company's website: www.alpharealtrustlimited.com

Share price

The Company's Ordinary Shares are listed on the SFM of the London Stock Exchange.

Change of address

Communications with shareholders are mailed to the addresses held on the share register. In the event of a change of address or other amendment, please notify the Company's Registrar under the signature of the registered holder.

Investment Manager

The Company is advised by Alpha Real Capital LLP, which is authorised and regulated by the Financial Services Authority in the United Kingdom.

Financial calendar

Financial reporting	Date
Half year report	23 November 2012
Trading statement (quarter 3)	13 February 2013
Annual report and accounts announcement	21 June 2013
Annual report published	28 June 2013
Annual general meeting	8 August 2013

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020 7193 7950 www.ottleydesign.co.uk

www.alpharealtrustlimited.com