1 April 2010

ALPHA TIGER PROPERTY TRUST LIMITED ("ALPHA TIGER" OR THE "COMPANY")

ALPHA TIGER ANNOUNCES INVESTMENT IN MADRID SHOPPING CENTRE

Highlights

- Co-investment in 49,516 sqm shopping centre comprising 120 units, including shops, a cinema and restaurants
- Alpha Tiger equity and mezzanine commitment of €14.7m (£13.1m)
- €75m (£67m) seven year non-recourse debt package
- Site located in new commuter town of Rivas-Vaciamadrid, 20km southeast of Madrid city centre
- Transaction expected to offer high total returns to the Company
- Investment represents the first transaction under the Company's revised investing policy

The Asset

The shopping centre, named H2Ocio, opened in June 2007 and was built to a high standard providing shopping, restaurants and leisure around a central theme of landscaped gardens and an artificial lake. H2Ocio was designed as a new concept centre, combining different uses, with the objective of attracting and sustaining a wider range of consumers. The centre offers ample parking with 2,750 spaces.

H2Ocio has a gross lettable area of 49,516 sqm, comprising 120 units, including shops, a cinema and restaurants. The centre is currently 90% occupied. It has a large fashion retailer base, including some of the strongest European fashion brands, including Zara, Mango, Cortefiel, H&M, C&A and Massimo Dutti.

The centre has a net rental income of €6.7m.

Location

The property is located in the town of Rivas-Vaciamadrid, approximately 20 kilometres southeast of the centre of Madrid on the A-3 Madrid-Valencia motorway. Rivas-Vaciamadrid is a new commuter town, mostly developed after the 1980s. H2Ocio has a primary catchment area of 166,000 people. The Rivas Futura location, because of the concentration of complementary retail including an adjacent 55,000 sq m retail park, has a total catchment of 2.2 million people.

Registered office
Regency Court
Glategny Esplanade
St Peter Port
Guernsey

Transaction structure

The centre is being purchased from Rivas Futura S.A.U. for €83.3m (£74.4m) including acquisition costs, with a commitment to invest a further €5m (£4.5m) in capital improvements over the next 7 years. Senior bank finance of €75m (£67m) at the level of the acquiring SPV has been agreed with a syndicate of banks for 7 years with no LTV covenants. The loan is at a rate of approximately 3% over 3 month EURIBOR (currently below 1%). The Company intends to take out interest cap arrangements over €50m of debt for the loan period and has committed €2.7m of capital for this purpose.

Alpha Tiger will invest €14.7m (£13.1m) as mezzanine and equity finance in the transaction from its existing cash resources. The mezzanine loan of €14m (£12.5m) will rank above equity and will accrue a coupon of 8% together with profit participation of 10% of EBITDA (after bank interest). Alpha Real Capital LLP ("ARC") will invest €1.5m (£1.3m) in equity.

The asset will be jointly controlled by the Company and ARC and the Company will proportionally consolidate its interest in the joint venture.

The Company has entered into an option agreement dated 31 March 2010 giving the Company the right to acquire ARC's investment for a pre-determined price (or fair value, if higher) between 1 May 2010 and 31 December 2010 (the "Option Agreement").

If the Board of Alpha Tiger chooses to exercise its rights under the Option Agreement, the election to exercise the Option Agreement will be treated as a transaction with a related party under the AIM Rules for Companies.

In addition, the Company will provide a short term VAT loan for €12.8m (£11.4m) (the "VAT Loan"). The loan will earn an arrangement fee of 2% and a margin of 2% over 3 month EURIBOR and is expected to be returned within 6 months when the Spanish tax authorities repay the VAT incurred on the acquisition.

The SPV acquiring the asset will pay a fee to ARC equal to 0.9% of the Gross Asset Value of the investment (not including the VAT Loan), consistent with market practise reflecting the nature and management requirements of this type of asset. To avoid double counting of fees, ARC will rebate to Alpha Tiger the current fee (2% of net asset value) payable under the investment management agreement in respect of the relevant proportion of the net assets which apply to the Company's investment (the "Asset Management Agreement").

Investment rationale

The investment by Alpha Tiger represents an excellent opportunity to invest in a high quality shopping centre in an excellent location near Madrid that offers scope to add value through ARC's asset management expertise and experience and benefit from the forecast strengthening of the Spanish economy over the medium term. The principals of ARC have considerable experience through investing in Spain for over 10 years.

Registered office
Regency Court
Glategny Esplanade
St Peter Port
Guernsey

Attractive financing terms have been secured for the centre and the Company retains an option to increase its stake to 100%.

The investment marks the Company's first outside of India and is line with the revised investing policy approved by shareholders in September 2009.

Related party transactions

As part of the overall acquisition, there are a number of transactions that are deemed to be related party transactions under the AIM Rules for Companies.

Phillip Rose is deemed to be a related party due to his relationship with ARC, as such he has not participated in the Board's consideration of the transaction.

The Directors of Alpha Tiger (excluding Phillip Rose) consider, having consulted with Panmure Gordon (UK) Limited, Alpha Tiger's nominated adviser, that the terms of the equity and mezzanine investment, the VAT Loan and the Asset Management Agreement (together the "Transaction") are fair and reasonable insofar as its shareholders are concerned.

For further information please contact:

Alpha Tiger Property Trust Limited

David Jeffreys, Chairman, Alpha Tiger	+44 (0) 1481 723 450
Brad Bauman, Joint Fund Manager, Alpha Tiger	+91 9980 00 11 22 (India)

Panmure Gordon, Nominated Adviser to the Company

Richard Gray/Andrew Potts/Stuart Gledhill	+44(0)20 7459 3600

Notes to editors:

About Alpha Tiger Property Trust

Further information is available at www.alphatigerpropertytrust.com

Registered office
Regency Court
Glategny Esplanade
St Peter Port
Guernsey