26 March 2010

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

Sentiment in the real estate market in India continues to improve as investors are reassured by the release of encouraging economic data.

Most major countries appear to have moved out of recession in the second half of 2009. Whilst there are still lingering economic concerns, the worst-case scenarios envisaged in early 2009 now seem unlikely to materialise. India’s GDP growth increased each quarter during 2009’s fiscal year (April 2009-March 2010), with the most recent quarter delivering 6.7%. The full year forecast for 2009/10 is 6.8%, rising to 7.7% in 2010/11[1].

Following a drop to sub-zero rates in the latter half of the year, wholesale price inflation (‘WPI’) is expected to average 2.5% in the 2009 fiscal year, rising to 5.6% in 2010 (in part, driven by a 20% increase in food prices) and then moderate to 4.1% in 2011. Consumer price inflation (“CPI”) has not fallen by the same measure and is expected to peak at 13% in early 2010, and subsequently ease to an average of 10.3% in 2010/11 and 5.7% in 2011.

Balancing its policy between promoting growth and stemming inflationary pressure, the Reserve Bank of India (“RBI”) raised its cash reserve ratio – the proportion of deposits that banks need to hold with the RBI - by 0.75% to 5.75%. The repo rate and reverse repo rate – the RBI’s base lending and deposit rates – have remained unchanged since mid 2009 at 4.75% and 3.25% respectively. Research indicates anticipated near term upward movement.

Commercial banks’ prime lending rates are expected to stay in the current range of 12-12.5% for the short term with upside movement anticipated during 2010 in line with forecast RBI policy rate increases.

India's industrial production rose by 16.8% year on year in December 2009, the strongest performance in two decades and the third consecutive month of double-digit gain. If such unexpected rises continue, GDP growth upside is considered likely.

The recent budget stressed the Government of India’s continued focus on easing Foreign Direct Investment regulations and promoting Special Economic Zones (“SEZs”).

The residential sector continues to lead a revival in real estate market activity. Residential pricing in Tier 1 cities has stabilised or is experiencing some growth, with some isolated micro-markets, predominantly in Mumbai, reporting a return to peak 2008 prices.

Pan India office take-up during 2009 was almost 60% of that witnessed in 2008 - 19.6 million square feet against 33.1 million square feet. Faced with lower demand, the trend of developers deferring and/or converting space to alternative uses, in particular conversions to residential, continues. Jones Lang LaSalle estimates that of the 88.1 million square feet of office space announced by developers to become operational in 2009, less than half (41.6 million square feet) actually became operational.

Many IT/ITES and BPO occupiers put their expansion plans on hold to rationalise costs during the downturn. These industries were a major economic driver pre 2008. The IT-BPO sector is expected to add an additional 90,000 jobs in 2009/10 and 150,000 in 2010/11 which is partly driven by IT-BPO sector export revenue growth of 5.5% and 13% in the respective years. There have been signs of increased letting activity in this sector however it remains subdued compared to past highs when the sector’s exports were growing at approximately 30% per annum[2]. A resurgence to historic growth levels is forecast to materialise by 2012 when Jones Lang LaSalle anticipate a shift in market dynamics to favour landlords.

Some notable recent lettings reported in the National Capital Region (“NCR”), including NOIDA where the Company’s assets are located, include Royal Bank of Scotland, Ericsson, Toshiba, Schneider Electric, Sapient, Samsung and Max New York. Of particular note is that many of these transactions are in excess of 100,000 square feet, a category which has seen limited activity since the latter half of 2008. In one of the largest reported NOIDA lettings since the recent economic downturn began, EXL, a leading IT outsourcing firm in India, leased 250,000 sq ft of SEZ space.

---

[1] Economic Intelligence Unit
[2] NASSCOM

Registered office
Regency Court
Glategny Esplanade
St Peter Port
Guernsey

As announced on 22 February 2010, the Company has exited its Technika investment, resulting in a capital return of £0.9 million (INR 69 million) and the release of £3.3 million (INR 241 million) previously reserved as equity for Technika construction funding. The proceeds from the disposal will be used to make investments in accordance with Alpha Tiger's investing policy.

As announced on 8 February 2010 the Company has initiated arbitration proceedings in order to protect its investments in Technova, a 5 acre business park and Galaxia, an 11.2 acre Special Economic Zone, both located in NOIDA, NCR, India. Updates will be provided to shareholders on further developments

Net asset value

The unaudited adjusted net asset value per share of the Company is 101.8 pence at 31 December 2009 (30 September 2009: 102.3 pence).

Full year results

The Company is due to announce its full year results for the 15 month period ending 31 March 2010 on 11 June 2010.

Investment activity

The total equity committed (including conditional commitments and capitalized costs) is £30.5 million (INR 2,318 million) of which £14.6 million (INR 1,135 million) has been spent to 31 December 2009. The cash position at 31 December 2009 is £60.2 million.

Commitments

	Commitments		Drawn as at 31 December 09	
Development	**£ million**	**INR million**	**£ million**	**INR million**
Galaxia (Noida, Sector 140a) *	14.9	1,115	6.3	473
Technova (Noida, Sector 132) **	11.1	859	7.1	559
Total	**26.0**	**1,974**	**13.4**	**1,032**

* Includes capital reserved for Stage 2 of the Galaxia Project of £7.4 million (INR 550 million)

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

The exchange rate as at 31 December 2009 of INR 74.69:£1 has been used except for historic funded amounts which reflect the exchange rate on the date of funding.

Financing

Galaxia - the SPV has targeted debt facilities of £15.2 million (INR 1,135 million) and has secured sanction letters for this amount from two banks.

Technova - the SPV has secured debt facilities of £13.4 million (INR 1,000 million), representing approximately 80% of budgeted construction cost.

Tender offer

As announced on 12 January 2010, a Tender Offer resulted in the repurchase and cancellation of 10,537,706 Ordinary Shares, returning approximately £7.6 million to Shareholders.

Registered office
Regency Court
Glategny Esplanade
St Peter Port
Guernsey

NOIDA

Galaxia

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

The Company together with Logix Group ("Logix") agreed to develop approximately 1.2 million square feet of total built up area of business park led space and other support facilities at NOIDA in two stages.

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 a long leasehold interest in 11.2 acres in NOIDA sector 140a. As subsequently announced, revised terms were agreed with Logix, our joint venture partner, to pursue a lower risk phased development. The SPV has executed and registered a sub-lease for 45% of a larger 24.8 acre plot leased to Sarv Mangal Realtech Pvt. Limited ("Sarv Mangal") from NOIDA on a 90 year lease. The development of a SEZ and approval of the SPV to act as co-developer has been received from the Board of Approvals, a government body. The SPV has also executed a SEZ Development Agreement with Sarv Mangal, providing equivalent development rights and benefits. The Company has acquired a 50% equity interest in the SPV and retains a priority return on its 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 £7.4 million (INR 550 million) which the Company's Board has reserved.

During December 2009 the Company funded £6.0 million (INR 450 million) as part of its total equity commitment to undertake the first stage of development. The Company has initiated arbitration proceedings in order to protect its investment.

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) at NOIDA.

On 3 December 2007, the Company announced it had entered into an agreement to acquire a 74% equity interest in a business park project in NOIDA Sector 132. The estimated maximum commitment of the Company for 74% of the equity (voting and economic rights) in the SPV, including capitalised costs, is £10.8 million (INR 844 million) payable 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.

The SPV has entered into a development agreement with Logix for the construction of the buildings. The development had been scheduled to be completed in the second quarter 2010. The Company has initiated arbitration proceedings in order to protect its investment.

The Company is actively evaluating potential investments in accordance with its new investing policy, and will update shareholders as progress is made.

Contact:

Alpha Tiger Property Trust Limited

David Jeffreys, Chairman, Alpha Tiger	+44 (0)1481 723 450
Brad Bauman, Joint Alpha Tiger Fund Manager	+91 99 80 00 11 22

Panmure Gordon, Nominated Adviser to the Company

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

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

Registered office
Regency Court
Glategny Esplanade
St Peter Port
Guernsey