15 August 2012

Alpha Real Trust Limited ("ART'' or the "Company'') Interim Management Statement

ART today publishes its interim management statement for the quarter ending 30 June 2012 and the period up until the date of this announcement. The information contained herein has not been audited.

Highlights

- NAV per share as at 30 June 2012 of 106.2p (106.8p 31 March 2012)
- Adjusted earnings per share of 1.2p* for the 3 months period to 30 June 2012 (equivalent to an annualised yield of 4.5% on NAV)
- A further £4 million was invested in the FIT ground rent fund during the quarter
- Further income received from FIT of £0.2m in May 2012 (having already received £0.1m in November 2011)
- Active management initiatives identified and being actively pursued in over 55% of the AURE investment portfolio assets
- Annualised income return from the Cambourne business park investment is 9.8%
- Further lettings at the H2O shopping centre investment with 3 new leases signed
- Footfall increases of 9% achieved at H2O
- 88% of the Company's investment portfolio is in income producing investments in the UK and Europe
- Cash reserves and redeemable FIT units equating to £20.9m
- Since 23 March 2012 the Company's shares have been traded on the Specialist Fund Market of the LSE.

** The adjusted earnings per share include adjustments for the effect of the fair value revaluation of investment properties and indirect property investments and the fair value movements on financial assets.*

Update

On the 3 August the Company changed its name to Alpha Real Trust Limited (from Alpha Tiger Property Trust Limited).

ART remains 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 capital structures. ART remains in a strong position to capitalise on further opportunistic investments.

The Company's investments have benefited from an active management approach with successes evident in the H2O shopping centre asset in Madrid, Spain and the assets underlying the Company´s indirect investments. The Company´s earnings are continuing to increase as a consequence of allocation of capital to yield driven investments. Approximately 57% of the Company´s investments are in convertible notes invested in AURE and AUMP, which enjoy a preferred position, and equity in FIT´s highly defensive freehold ground rents. With cash reserves and redeemable units in FIT equating to approximately 39% of shareholder funds, the Company remains in a strong position to make further income enhancing acquisitions.

Europe – UK

Economic and property market outlook

The European Central Bank has expressed a willingness to proactively continue to act towards supporting the Euro, which should also bolster the ongoing efforts of the Monetary Policy Committee to stimulate the UK economy and assist in sheltering UK economic growth from the impact of wider eurozone sovereign debt concerns. A recently revised International Monetary Fund forecast suggests the UK exiting recession during the course of the year.

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Domestic policy continues to balance austerity measures alongside growth orientated policies. During the quarter the economy received further fiscal stimulus as the Bank of England's Monetary Policy Committee voted to increase its asset purchase facility by a further £50 billion. The latest tranche of stimuli now brings the total quantum of the Committee's quantitative easing efforts to £375 billion.

New entrants to the property lending market, such as insurance companies have succeeded in expanding (re)financing options. In the commercial property market, investor appetite has remained focussed on prime assets and central locations. The impact of this has been most noticeable in the secondary property markets where transaction volumes remain muted. A lack of comparable pricing evidence has given rise to a mismatch between buyer and seller expectations. Given such factors, alternative means of investment via defensive capital structures, such as through the Company´s AURE and AUMP investments, remain attractive.

Investment review

Alpha UK Real Estate Fund plc ("AURE")

Company Investment	Property Type	Defensive Capital Structure	Income Return *
£7.5m	High-yield diversified portfolio	Convertible loan. LTV 61-74%	10.7% p.a.

* 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 UK properties comprising industrial, office and retail properties valued at £60.9 million as at 31 March 2012).

Alpha Real Capital LLP ("ARC") is the investment manager of AURE.

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.

The following details were included in the AURE half year report for the six months ended 31 March 2012:

- Lease extensions and new leases covering approximately 74,000 square feet achieved since 1 October 2011
- Bank borrowings reduced by £0.8 million to £37.4 million representing a Loan to Value ("LTV") ratio of 61.4%
- The initial yield from the portfolio was 7.1%, with a reversionary yield of 9.0% at 31 March 2012.
- 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 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 Multi Property Trust Plc ("AUMP")

Company Investment	Property Type	Defensive Capital Structure	Income Return *
£5.8m	High-yield multi-let industrial	Convertible Loan. LTV 68-74%	10.8% p.a.

* Based on coupon plus redemption premium annualised.

The Company holds £5.8 million by way of convertible unsecured loan stock ("CULS"), maturing in June 2013, in AUMP, a LSE listed UK property fund with a regionally diversified portfolio of UK multi-let light industrial and office property assets valued at £89.6 million (as at 31 March 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.

ARC is the investment manager of AUMP.

The Company's CULS earn a coupon of 4.75% per annum. The CULS 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.

The following highlights were included in the AUMP interim management statement for the period ending 31 March 2012:

- Further reduction in debt of £0.3 million during the quarter
- The LTV on secured debt was 67.8% as at 31 March 2012
- Strong progress in letting of vacant units with 26 new lettings and 10 lease extensions completed
- Occupancy levels continue to improve with 81.5% of the property portfolio let, based on estimated rental value
- On-going active asset management initiatives continue to identify value enhancement opportunities within the portfolio.

Cambourne Business Park, Phase 1000, Cambridge

Company Investment	Property Type	Defensive Capital Structure	Income Return *
£1.2m	High-yield business park	4-year bank facility at 50% LTV (current interest cover of 2.4 times covenant level)	9.8% p.a.

* Estimated annualised return for the period ended 30 June 2012.

The Company has invested £1.2 million in a joint venture that acquired Phase 1000 of Cambourne Business Park, which consists of three quality 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 9,600 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 Convergys, 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. 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. Bank finance of £10.8 million was obtained. The property was acquired for an 8.5% net initial yield and is currently delivering an annualised income return of 9.8% as at 30 June 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 ("FIT")

Company Investment	Property Type	Defensive Capital Structure	Income Return *
£10.2m	Highly defensive income freehold ground rents	Very low gearing (6% net LTV); monthly liquidity	5.8% p.a.

* For the period ended 30 June 2012.

Following a further £4.0 million investment during the quarter, 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 which offers an attractive income stream, capital growth prospects, resilient capital values with relatively low volatility and conservative gearing levels. FIT owns a highly diversified portfolio of approximately 64,000 freeholds (as at 31 May 2012) in the UK with a gross annual ground rent income of £7.8 million.

FIT has delivered an annual compound total return of 6.2% over the five years to 31 March 2012 (based on a bid to bid basis) and has an unbroken track record of almost two decades of positive, inflation beating returns.

FIT's total gross assets at 31 May 2012 were £152.6 million.

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

Alpha Real Property Investment Advisers LLP ("ARPIA"), a subsidiary of ARC, is the investment manager of FIT.

The following highlights were reported in the FIT factsheet as at 31 May 2012:

- FE Trustnet ranked FIT the best risk adjusted return fund of the decade
- FIT continues its unbroken 19 year track record of positive, inflation beating returns
- Total return for the year to 31 March 2012 was 6.02% (based on the bid price of accumulation units) up by 9.5% on the prior year
- 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.

Europe – Spain

Economic and property market outlook

Spain´s conservative government, elected in November 2011, are pursuing a path of fiscal austerity and growth orientated structural reforms to aid economic recovery. Labour law reform has been implemented with a view to boost competitiveness and a series of fiscal consolidation plans have been introduced to improve the countries fiscal standing. Whilst the terms are still being finalised, the government has recently also successfully negotiated with the European Union for access to a €100 billion facility to directly recapitalise the country´s banking system.

Positive action has been taken to aid the retail sector and counter the effects of wider austerity measures. This includes the lifting of restrictions on Sunday opening, allowing retailers in the Madrid region to trade 365 days a year – a move expected to positively impact the Company´s H2O shopping centre investment.

Commercial property investment activity remains focussed on prime assets and sectors. Whilst many investors are postponing decisions as they await the outcome of wider economic issues, there is increasing interest in opportunistic investments including recapitalisation of property investment vehicles that offer scope for defensive capital positions with high risk adjusted returns.

Investment review

H2O Rivas-Vaciamadrid, Madrid

Company Investment	Property Type	Defensive Capital Structure	Income Returns *
£13.4 (€16.6m)	High-yield dominant shopping centre	7 year debt with no LTV covenant and a 1.1x ICR covenant	12% equity yield with capital upside

* For the 12 month period to 30 June 2012

The H2O shopping centre was acquired for €83.3 million (£67.1 million) including acquisition costs and funding was provided for a further €5.0 million (£4.0 million) of capital improvements. The acquisition was financed with a €75.0 million (£60.4 million) seven year syndicated bank facility. ART initially provided €14.5 million (£11.7 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 £13.4m (€16.6m).

The H2O shopping centre 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. H2O was designed as a new concept centre, combining different uses, with the objective of attracting and sustaining a wide range of consumers.

H2O has a gross lettable area of 51,825 square metres, comprising 118 units, including shops, a multiplex cinema and restaurants. 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, in addition to leading Spanish supermarket operator Mercadona which opened at H2O during September 2011.

As at 30 June 2012, the centre was 86% occupied by rental value with a passing net operating income of €6.0 million (£4.9 million) per annum. The weighted average lease length as at 30 June 2012 is 10.9 years to expiry and 2.9 years to next break.

The following asset management highlights are being implemented:

- Successful releasing - 3 new leases signed with national branded tenants: Mayoral (children's wear), Café Jamaica (food and beverage) and Halcon Viajes (services)
- For the calendar year to date, footfall increases of 8.9% have been achieved, aided by the opening of Mercadona, one of Spain's leading supermarket operators, during September 2011. The 3,100 square metre supermarket unit was vacant at the time of the Company´s investment in H2O
- The Madrid region has recently changed legislation which previously restricted Sunday and festival trading hours; as a result of the change shopping centre retailers are able to open 365 days per year. Whilst recently implemented in July this year, Sunday footfall increases of in excess of 50% have been achieved
- Active negotiations are underway to extend key tenants´ contracted lease periods; notable lease regears and extensions to date include: H&M, Mango, Vodafone, Etam, TGI Fridays, Game, Swarovski and Pimkie
- Licence applications have been secured to create new vehicular access and parking areas with a view to enhancing circulation and accessibility between H2O and the adjacent retail park and sports superstore
- A new children´s play area has been created, to further animate external lakeside areas with a view to increasing footfall and dwell time at the centre
- Improved promotional signage and improved pedestrian links to the large retail park located opposite the shopping centre have been completed, 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
- Innovative marketing events are underway to promote the fifth anniversary of H2O´s opening, focussing on the centre's water themed name; including a surf wave and family summer camp with water based games.

- An active cost management exercise continues to be implemented to reduce the centre´s operating costs and improve the quality and efficiency of services.

Asia - India

Economic and property market outlook

India´s economy has not been immune to the effects of global financial market uncertainty with declining GDP growth and high inflation weighing on sentiment. Nonetheless, the concerns are relative, with GDP growth of 6.6% still estimated for the current year. In response to calls for financial stimulus, the Reserve Bank of India (“RBI”, the central bank) reduced its main policy interest rate by 50-basis-points to 9% in April 2012 but its scope to embark on a cycle of monetary easing may be restricted by stubbornly high inflation which remains above 7%.

Several projects in NOIDA are at the advanced stages of construction and nearing completion, but developers are slowing the pace of construction as they await leasing commitments from tenants. Investment volumes and land sales transaction activity remains muted. Notable leasing transactions included Mercer and UHG each taking 100,000 square feet of office accommodation in SEZ projects in NOIDA.

Investment review

Galaxia, National Capital Region, NOIDA

ART invested INR 450 million (£5.1 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 micro-markets 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.

The terms of reference for the arbitration have been finalised by the arbitration committee and a timetable provided for submissions to be made prior to hearings commencing in the first quarter of 2013.

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

Net asset value

The unaudited net asset value per share of the Company was 106.2 pence at 30 June 2012 (31 March 2012: 106.8 pence). There was no revaluation of the investment properties during the period.

Foreign currency

All foreign currency balances have been translated at the period end rate £1:€1.242, £1:INR87.528.

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