



Alpha Tiger Property Trust Limited

Interim report | 2007
For the period to 30 June 2007



Alpha Tiger Property Trust Limited

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Company summary and objective

Alpha Tiger Property Trust Limited listed on the Alternative Investment Market of the London Stock Exchange on 21 December 2006.

The Company is a closed-ended Guernsey registered investment company

Objective

Alpha Tiger Property Trust Limited (the "Company" or "Alpha Tiger") has been formed in order to invest in and develop real estate in India that will offer high total returns. Alpha Tiger's current intention is that business parks and business park-led mixed use projects will form the core of its property portfolio.

Capital structure

The Company raised initial shareholder equity of £75 million before expenses and listed on AIM (the Alternative Investment Market of the London Stock Exchange) on 21 December 2006. The Company intends to borrow in due course to optimise returns for investors.

Management

The Company is a closed-ended Guernsey registered investment company. Control of the Company rests with the non-executive Board of Directors. The Company's Investment Manager is Alpha Real Capital LLP (the "Investment Manager").

Financial highlights

	30 June 2007
Net asset value (£'000)	73,121
Net asset value per ordinary share	97.5p
Ordinary share price	99.0p
Earnings per share (basic and diluted)	1.4p

Chairman's statement



David Jeffreys
Chairman

I am pleased to report the Company's results for the period from incorporation to 30 June 2007.

Alpha Tiger was established for the purposes of investing in and developing real estate in India. The Company's objective is to target investment and development opportunities in real estate in India that will offer high total returns. The Company's investment strategy includes both property investment and development, focusing on business parks and business-park led mixed use properties and township projects.

The Company seeks to diversify risk through investments in existing real estate, forward funding of development opportunities and development partnerships on both a pre-committed and speculative basis. The Company is targeting a geographic spread of properties across India with a variety of tenants with strong covenants.

Alpha Tiger seeks to work closely with international occupiers and local real estate companies in order to access land and transition it, through the development process, up the property value and quality curve. Alpha Tiger is in discussions on a number of potential transactions and partnerships creating a reasonably priced land bank to deliver a number of key benefits to stakeholders:

- higher-quality, higher-specification commercial space at competitive rents for Alpha Tiger's tenants;
- increased development flexibility in terms of the scale, mix and timing of development for the benefit of both tenants and the communities in which Alpha Tiger participates; and
- strong future profitability for investors.

The Company has conditionally agreed to acquire from Xansa plc, approximately 40 acres of development land and six investment properties in Chennai, Pune and Noida

Investment activity

The Company has conditionally agreed to acquire from Xansa plc approximately 40 acres of development land and six investment properties in Chennai, Pune and Noida for up to £36 million, with the capacity to develop up to 3.4 million sqft of new business park space. The Company currently intends to initially commit up to £40 million of additional capital to build 1.7 million sqft of high-quality business park space.

Alpha Tiger will initially finance the investment properties with equity and refinance at 50% of gross asset value with third party debt in due course. The 40 acres of development land will be financed with equity. Alpha Tiger intends to target borrowing levels on developments at 60% of construction cost. In aggregate, the initial commitment following refinancing will require approximately £43 million of equity, representing over 50% of the net proceeds raised at flotation.

The purchase price for the investment properties of approximately £19 million is based on an initial rental yield of approximately 11% with 15% rental uplifts every three years. The purchase price for the development land is approximately £17 million.

The Investment Manager is evaluating additional investment opportunities with its Indian partners and international companies, which could involve in excess of 3 million sqft of real estate.

Results, finance and dividends

Results for the period show an adjusted profit after interest and tax of £1,051,000 or 1.4p per share.

The adjusted net asset value per share was 97.5p at 30 June 2007.

During the period under review, the Company retained the net funds raised on deposit in Sterling.

The Company has no existing borrowings but expects to target borrowing levels of between 50% and 65% of gross assets in due course.

In accordance with the dividend policy set out in the Company's Admission Document, the Board does not propose an interim dividend. The Board will consider the payment of a dividend as the Company's development programme matures.

Chairman's statement (continued)

Economic outlook

India is the fourth largest economy in the world after the United States, China and Japan, as measured by purchasing power parity (PPP) with gross domestic product (GDP) in 2006 estimated to be USD 4.0 trillion. India is also the second fastest growing major economy in the world. Between 2004-06, GDP grew at an average of 8.5% per annum. The growth momentum has accelerated further and is forecast to remain strong at 9.2% in 2007, making this the fastest growing year in terms of GDP in recent Indian history. This growth is a function of India's stable political outlook, growing foreign exchange reserves, sustained growth in services and industrial sectors, young demographic profile and regulated financial environment. As a result of this robust outlook, India has emerged as an attractive investment destination.

The services sector, which includes among others, the IT, construction and real estate sectors, is the fastest growing sector in the Indian economy. In 2007 this sector is expected to grow by 11.2%.

Property market outlook

Investment yields have remained constant despite higher interest rates and more conservative bank lending policies.

The Investment Manager continues to see attractive opportunities for investing in Indian real estate; particularly business park developments. Generally, both economic and property market conditions remain favourable with strong and growing tenant demand keeping pace with increasing availability of stock. In particular, there remains a significant market opportunity for higher-quality, operationally efficient business park space that meets the international standards of global occupiers. The Company is focused on this opportunity, as demonstrated by the major commitment made to meeting Xansa plc's occupational requirements in India.

The Investment Manager continues to see attractive opportunities for investing in Indian real estate, particularly business park developments. Generally, both economic and property market conditions remain favourable

Summary

Looking ahead, Alpha Tiger remains focused on delivering the announced transactions and further advancing the current pipeline.

David Jeffreys
Chairman

Property investment review



Brad Bauman
Fund manager

Investment and portfolio review

Alpha Tiger has established a very strong base for future growth. The Company's pipeline has been further strengthened by forging promising relationships with leading local development partners demonstrating world-class execution and with international investors.

The Company announced on 29 May 2007 a framework agreement with Xansa plc, a leading outsourcing and technology company, to purchase 40 acres of development land and the sale and leaseback of Xansa plc's real estate interests in India. The agreement also appoints Alpha Tiger as Xansa plc's preferred real estate supplier in India to facilitate best-in-class development and management of the properties.

On 31 July 2007 Xansa plc announced a merger with Groupe Steria SCA and this will, in the opinion of the Investment Manager, improve the potential opportunity for the Company, as a strategic real estate supplier for Xansa plc's continuing business expansion in India.



Investment Properties

Noida (Delhi NCR)

The properties in Noida consist of two separately located office buildings; one two-storey building (with ground and basement level) over 42,000 sqft of floor area; and a four storey building (with ground and two basement levels) over 180,000 sqft of floor area.

Pune

The property in Pune comprises two two-storey buildings (Phase I with basement, ground floor, first floor, and canteen; Phase II with two basements, ground floor, and first floor), in a campus-style setting with a combined floor area of over 95,000 sqft.

Chennai (Madras)

The property in Chennai is a campus-style development with two buildings representing a floor area of over 165,000 sqft.

Development land

Chennai – 25 acres

The Chennai site is a long leasehold with development rights over 25 acres of undeveloped land (with SEZ approval, subject to notification) providing development potential for approximately 2.2 million sqft of floor space. It is intended that the site will be developed in four phases over four to five years.

Pune – 15.7 acres

The Pune site is a long leasehold with development rights over approximately 15.7 acres. This site has the ability to develop up to an additional area of approximately 1.2 million sqft of floor space. The intention is to develop this site in three phases over three to four years.

Brad Bauman

For and on behalf of the Investment Manager

Independent review report to Alpha Tiger Property Trust Limited

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the period ended 30 June 2007 which comprises the condensed balance sheet and the related condensed statements of income, changes in equity and cash flows. We have read the other information contained in the interim 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 interim financial report is the responsibility of, and has been approved by, the Directors. 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 interim financial report has 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 interim financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial 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 interim financial report for the period 15 May 2006 to 30 June 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

BDO Novus Limited.

BDO Novus Limited

Chartered Accountants

PO Box 180
Elizabeth House
Ruelle Braye
St Peter Port
Guernsey GY1 3LL

27 September 2007

Condensed Company income statement

For the period from 15 May 2006 to 30 June 2007	Notes	Revenue £'000	Capital £'000	Total £'000
Revenue				
Bank interest receivable		2,045	-	2,045
Expenses				
Professional fees		43	-	43
Investment Manager's fee		758	-	758
Non-executive Directors' fees		58	-	58
Administration costs		135	-	135
Total expenses		994	-	994
Net profit before taxation		1,051	-	1,051
Taxation		-	-	-
Profit for the period		1,051	-	1,051
Earnings per share – basic and diluted	4	1.4p	-	1.4p

The Total column of this statement represents the Company'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 are an integral part of this statement.

Condensed Company balance sheet

At 30 June 2007	Notes	£'000
Current Assets		
Trade and other receivables	5	750
Cash and cash equivalents		72,768
Total assets		73,518
Current liabilities		
Trade and other payables	6	(397)
Net assets		73,121
Equity		
Share capital	7	-
Share premium account		-
Special reserve		72,030
Warrant reserve		40
Revenue reserve		1,051
Total equity		73,121
Number of ordinary shares		75,000,000
Net asset value per ordinary share		97.5p



David Jeffreys
Director



Serena Tremlett
Director

The Financial Statements were approved by the board of directors and authorised for issue on 27 September 2007. They were signed on its behalf by David Jeffreys and Serena Tremlett.

The accompanying notes are an integral part of this statement.

Condensed Company cash flow statement

For the period from 15 May 2006 to 30 June 2007	£'000
Net profit before taxation	1,051
Adjustments for:	
Increase in operating trade and other receivables	(241)
Increase in operating trade and other payables	397
Net cash inflow from operating activities	1,207
Cash flows from investing activities	
Acquisition costs - deposit paid	(509)
Net cash outflow from investing activities	(509)
Cash flows from financing activities	
Proceeds from issue of ordinary share capital	75,000
Issue costs	(2,930)
Net cash inflow from financing activities	72,070
Net increase in cash and cash equivalents	72,768
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	72,768

The accompanying notes are an integral part of this statement.

Condensed Company statement of changes in equity

For the period from 15 May 2006 to 30 June 2007	Share capital	Share premium	Special reserve	Warrant reserve	Revenue reserve	Total reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Changes in equity for the period						
Profit for the period	-	-	-	-	1,051	1,051
Total recognised income and expense for the period	-	-	-	-	1,051	1,051
Issue of share capital	-	75,000	-	-	-	75,000
Share issue costs	-	(2,930)	-	-	-	(2,930)
Transfer to special reserve	-	(72,030)	72,030	-	-	-
Share based payments	-	(40)	-	40	-	-
At 30 June 2007	-	-	72,030	40	1,051	73,121

The accompanying notes are an integral part of this statement.

Notes to the interim condensed financial statements

1. General information

The Company is a limited liability, closed-ended investment company, incorporated in Guernsey on 15 May 2006. The nature of the Company's operations and its principal activities are set out in the Chairman's statement on pages 3 to 4. The interim financial statements were authorised for issue on 27 September 2007 by David Jeffreys and Serena Tremlett on behalf of the Board.

These condensed interim financial statements are presented in Sterling as this is the currency in which the funds were raised and in which investors are seeking a return. The Company's reporting currency is Sterling.

2. Significant accounting policies

The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 ("IAS 34"), 'Interim Financial Reporting'.

The condensed interim financial statements are made up from 15 May 2006 to 30 June 2007 and have been prepared under the historical cost convention.

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

The principal accounting policies adopted are set out below.

Presentation of income statement

In order to better reflect the activities of the Company and in accordance with guidance issued by the Association of Investment Companies ("AIC"), supplementary information which analyses the income statement between the items of a revenue and capital nature has been presented alongside the income statement.

Revenue recognition

Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

Foreign currencies

Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each Balance Sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Balance Sheet date. Non-monetary assets and liabilities are carried at fair value; those that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly to equity.

Expenses

All expenses are accounted for on an accruals basis and include those of the Administrators, the Investment Manager and the Directors.

Taxation

The Company is exempt from Guernsey taxation on income derived outside of Guernsey and bank interest earned in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. 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.

Notes to the interim condensed financial statements (continued)

2. Significant accounting policies (continued)

Dividends

Dividends are recognised as a liability in the period in which they become obligations of the Company.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business being property investment business. It operates in a single geographical segment (India).

Share-based payments

The Company makes equity-settled share-based payments to certain advisers and service providers. Equity-settled share-based payments are measured at fair value as at the date of grant. The fair value determined at grant date is expensed on a straight line basis over the vesting period, based on the Company's estimate of the number of instruments that will eventually vest.

Trade and other receivables

Trade and other receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash in banks and short term deposits that are held to maturity are carried at cost. Cash and cash equivalents consist of cash in hand and short term deposits in banks with an original maturity of three months or less.

Trade and other payables

Trade payables and other payables are non interest-bearing and are stated at their nominal value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements to which they relate. An equity instrument is any contract that evidences a residual interest in the asset of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

3. Dividends

In accordance with the policy set out in the Company's AIM Admission Document, no dividend has been declared for the period to 30 June 2007.

Notes to the interim condensed financial statements (continued)

4. Earnings per share

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

	Period 15 May 2006 to 30 June 2007	Period 15 May 2006 to 30 June 2007	Period 15 May 2006 to 30 June 2007
	Revenue	Capital	Total
Earnings (£'000)			
Earnings for the purposes of basic and diluted earnings per share	1,051	-	1,051
Number of shares (000's)			
Weighted average number of ordinary shares for the purposes of basic earnings per share	75,000	-	75,000
Basic earnings per share	1.4p	-	1.4p

5. Trade and other receivables

	30 June 2007 £'000
Bank interest receivable	241
Other debtors	509
Total	750

Other debtors include the deposit paid to Xansa plc in relation to the execution of the framework agreement (£0.5m).

6. Trade and other payables

	30 June 2007 £'000
Investment Manager's fee payable	363
Accruals	34
Total	397

Notes to the interim condensed financial statements (continued)

7. Share capital

	No.	£'000
Authorised		
Ordinary shares of no par value	Unlimited	-
Issued share capital		
At 15 May 2006	-	-
Ordinary shares of no par value issued in the period	75,000,000	-
At 30 June 2007	75,000,000	-
The Company has one class of ordinary shares which carry no right to fixed income.		

8. 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. Alpha Real Capital LLP is the Investment Manager to the Company under the terms of the Investment Manager 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 per cent 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 per cent of any excess over an annualised TSR of 15 per cent subject to a high water mark.

Details of the Investment Manager fees for the current accounting period are given in the condensed income statement and the balance payable at the balance sheet date is shown in note 6.

The Investment Manager has also been issued warrants over the Company's ordinary share capital, further details of which are provided in note 9.

The Directors of the Company received fees for their services with a total charge to the income statement during the period of £58,315.

The Investment Manager received payment of £300,000 in respect of time costs and expenses incurred by the Investment Manager in connection with the initial placing and admission to AIM.

Pacific Investments plc, a company controlled by Sir John Beckwith, who also controls the Investment Manager, was paid £150,000 in respect of their professional costs and expense in connection with the initial placing and admission to AIM.

Notes to the interim condensed financial statements (continued)

9. Share based payments

Warrants

The Company has issued warrants to the Investment Manager pursuant to which it has been granted the right to subscribe for 3,750,000 ordinary shares in the Company at an exercise price of £1 per share. Such warrants can be exercised at any time up to and including 21 December 2011. The warrant instrument provides that the holder of the warrant may from time to time transfer all or some of its warrants to third parties.

The fair value of the warrants at grant date has been measured as £39,553 using an appropriate option pricing model. In light of the immaterial amount of the fair value the directors do not consider it worthwhile to disclose the assumptions used in determining this fair value.

Directors and Company information

Directors:

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

Registered office:

Regency Court
Gategny Esplanade
St Peter Port
Guernsey GY1 1WW

Investment Manager:

Alpha Real Capital LLP
124 Sloane Street
London SW1X 9BW

Administrator and secretary:

International Administration
(Guernsey) Limited
Regency Court
Gategny Esplanade
St Peter Port
Guernsey GY1 3RH

Nominated advisor:

Panmure Gordon (Broking)
Limited
Moorgate Hall
155 Moorgate
London EC2M 6XB

Independent valuers:

Colliers International
(Hong Kong) Limited
Suite 5701 Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Financial and corporate advisors:

Kinmont Limited
6 Arlington Street
London SW1A 1RE

Auditors:

BDO Novus Limited
Elizabeth House
Ruelle Braye
St Peter Port
Guernsey GY1 3LL

Tax advisors:

Ernst & Young LLP
1 More London Place
London SE1 2AF

Legal advisors in Guernsey:

Carey Olsen
7 New Street
St Peter Port
Guernsey GY1 4BZ

Legal advisors in the UK:

Norton Rose LLP
3 More London Riverside
London SE1 2AQ

Bankers in Guernsey:

Royal Bank of Scotland
International Limited
Royal Bank Place
1 Gategny Esplanade
St Peter Port
Guernsey GY1 4BQ

Registrar:

Computershare Investor
Services (Channel Islands)
Limited
Ordnance House
31 Pier Road
St Helier
Jersey JE4 8PW

Shareholder information

Full information on the Company, compliant with AIM Rule 26, can be found at the Company's website:
www.alphatigerpropertytrust.com

Share price

The Company's Ordinary Shares are listed on the London Stock Exchange and reported daily in the Financial Times.

Change of address

Communications with shareholders are mailed to the address 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.

Financial calendar

Financial year end	31 December 2007
Notification of full year results	25 March 2008
Report and accounts published	By 30 April 2008
AGM	By 31 May 2008



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