

Alpha Pyrenees Trust Limited

20 September 2007

ALPHA PYRENEES TRUST LIMITED

(“ALPHA PYRENEES” OR THE “TRUST” OR THE “COMPANY”)

ALPHA PYRENEES POSTS INTERIM RESULTS

INTERIM DIVIDEND UP 20 PER CENT TO 3p PER SHARE

DIVIDEND EXPECTED TO RISE TO 7p IN 2008

NET ASSET VALUE UP 6.8 PER CENT TO 97.8 PENCE

Alpha Pyrenees, the property company investing in commercial real estate in France and Spain, today posts its interim results covering the period from 1 January 2007 to 30 June 2007.

The Trust announced an adjusted profit after interest and tax of £3.2 million and a dividend of 3.0p per share for the period.

Highlights of the period to 30 June 2007 include:

- Dividend of 3p for the six months to 30 June 2007 (up 20%)
- Intention to increase dividend to 7p per share in respect of the year to 31 December 2008
- Dividends to be paid quarterly from quarter 3 2007
- Portfolio increased in value by £9.4m on a like for like basis in the period
- NAV (adjusted) up 6.8% to 97.8p
- Total investment in the portfolio now £225m, representing over 230,000 square metres
- Portfolio yielding 7.2% at valuation
- 81% of portfolio income comes from Grade A tenants
- Leases are subject to annual indexation
- £108m of debt fixed at weighted average interest rate of 5.14% p.a. to 2015

Dick Kingston, Chairman of Alpha Pyrenees, commented:

“The Trust is approaching 60% of its target asset portfolio and is well positioned to grow earnings and dividends through the acquisition of additional properties on yields significantly above the Trust’s finance costs. Against the background of the acquisitions made to date, the Board is declaring a dividend of 3p per share in respect of the period to 30 June 2007. Thereafter the Trust will move to dividends being paid quarterly and the Board’s current intention is to recommend a dividend of not less than 1.5p per share for each of the quarters ending 30 September 2007 and 31 December 2007 making an expected total dividend of at least 6p for the year to 31 December 2007. The Trust continues to make progress on further acquisitions and accordingly it is the Board’s current intention to recommend a dividend of not less than 7p in respect of the year to 31 December 2008.”

The Investment Manager to Alpha Pyrenees is Alpha Real Capital LLP.

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NOTES:

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements which are inherently subject to risks and uncertainties because they relate to future events and therefore actual results may differ materially from those expressed or implied by such forward-looking statements. The statements regarding dividends for future periods are the Board's current intentions and do not represent a profit forecast.

ABOUT ALPHA PYRENEES TRUST

The Company is a Guernsey registered closed-ended investment company investing in French and Spanish commercial real estate.

Investment Strategy

The Company's strategy is to invest in a diversified portfolio of properties in France and Spain, focusing on commercial property in the industrial, logistics, office and retail sectors. Alpha Real Capital believes that there will be capital growth opportunities in the portfolio through income growth, active asset management and yield compression.

For more information on Alpha Pyrenees please visit www.alphapyreneestrust.com

ABOUT ALPHA REAL CAPITAL

Alpha Real Capital is a value-adding international property fund management group with operations in both the French and Spanish real estate markets. Alpha Real Capital was established by Phillip Rose and Sir John Beckwith.

Alpha Real Capital is the Investment Manager to Alpha Pyrenees Trust. Alpha Real Capital's European Funds Director, Paul Cable, is Fund Manager, Alpha Pyrenees Trust.

For more information on Alpha Real Capital please visit www.alpharealcapital.com

ALPHA PYRENEES TRUST LIMITED

Interim results

For the period 1 January 2007 to 30 June 2007

These are not the Company's statutory financial statements.

Trust Summary and Objective

Objective

Alpha Pyrenees Trust Limited (“the Trust” or “the Company” or “Alpha Pyrenees”) invests in commercial property in France and Spain with inflation-indexed rents that will provide an income return to investors as well as the potential for capital growth.

Listing

The Trust is a closed-ended Guernsey registered investment company.

Its shares are listed on the Official List of the UK Listing Authority and traded on the London Stock Exchange.

Capital structure

The Trust has issued share capital of 127.5 million ordinary shares. The group’s acquisitions are financed by this equity and bank debt. It is currently anticipated that the gearing level will be around 75% of the cost of the portfolio once fully invested.

Management

The Trust’s Investment Manager is Alpha Real Capital LLP (“the Investment Manager”). Control of the Trust rests with the non-executive Guernsey-based Board of Directors.

ISA/PEP/SIPP status

The Trust’s shares are eligible for both Individual Savings Accounts (ISAs), Personal Equity Plans (PEPs) and Self Invested Personal Pensions (SIPPs).

Financial Highlights

	Period 1 January 2007 to 30 June 2007	Period 1 July 2006 to 31 December 2006	% Change
Net asset value (adjusted)* (£'000)	124,680	116,750	+6.8%
Net asset value per ordinary share (adjusted)*	97.8p	91.6p	+6.8%
Dividend per share (proposed and paid)	3.0p	2.5p	+20%
Earnings per share (adjusted - basic & diluted)**	2.5p	2.0p	+25%

* The net asset value and net asset value per ordinary share have been adjusted for the unrealised fair value mark-to-market revaluation of the currency hedge and interest rate swap derivatives and deferred tax provisions; please see note 12 to the accounts for a full analysis.

** The earnings per share has been adjusted for the effect of the unrealised fair value mark-to-market revaluation of the currency hedge and interest rate swap derivatives and deferred tax provisions; please see note 5 to the accounts for a full analysis.

Chairman's Statement

The Trust invests in higher-yielding properties in France and Spain, focusing on commercial property in the industrial, logistics, office and retail sectors. Alpha Real Capital LLP is the Investment Manager to the Trust.

The Trust's objective is to invest in properties that can provide shareholders with a regular, secure dividend stream whilst also having the potential for capital growth from a combination of rent increases (all of our leases are typically indexed to increase in line with inflation), yield compression and active management.

The Trust seeks to diversify risk by investing in a geographic spread of properties across different property sectors with a variety of tenants.

Investment activity

I am pleased to be able to report that the Trust's investment programme has continued to be successfully implemented and with recent acquisitions the portfolio has grown to over 230,000 square metres (approximately 2.5 million square feet) as shown in the table below. Further details of these acquisitions are provided in the Property Review and the individual property profiles.

The total cost of the portfolio to date including the Mulhouse and Aubervilliers properties is approximately €335 million including all acquisition costs and the valuation of these assets is currently approximately €337 million. The stabilised rent roll of €24.3 million per annum will provide the Trust with an average yield of 7.2% at current valuation.

I am pleased to note that many of the tenants in the Trust's properties are well known companies belonging to groups with strong covenants such as Credit Lyonnais, Alcatel-Lucent, Novartis, Carrefour, Aldi, GlaxoSmithKline, La Poste, MediaMarkt, Saint Gobain, BNP Paribas and Vinci Group. Prime tenants also include government or quasi-government bodies and together the rent from such tenants accounts for 81% of the Trust's income.

The Trust's pipeline of potential property acquisitions continues to be healthy and we currently have a number of properties undergoing active due diligence.

Portfolio Summary

Country	Property	Sqm	Description	Status	Valuation €m
France	Villarcieux-Nozay	77,180	Business park	Completed	136.0
France	Aubervilliers	8,750	Offices	Contracted	26.3
France	St Cyr L'Ecole	6,340	Offices	Completed	18.5
France	Champs sur Marne	5,930	Offices	Completed	17.9
France	Athis Mons	23,280	Logistics with offices	Completed	14.2
France	Aubergenville	27,700	Logistics	Completed	13.7
France	Mulhouse	5,250	Offices	Completed*	12.1
France	Evreux	14,130	Logistics with offices	Completed	12.0
France	Gennevilliers	3,330	Offices with light industrial	Completed	11.0
France	Nimes	3,100	Offices and retail	Completed	8.7
France	Ivry-sur-Seine	7,420	Warehouse and offices	Completed	8.0
France	Vitry-sur-Seine	5,180	Warehouse and offices	Completed	6.6
France	Fresnes	6,540	Warehouse and offices	Completed	6.6
Spain	Córdoba	16,880	Retail park	Completed	23.4
Spain	Zaragoza	9,520	Warehouses	Completed	8.1
Spain	Écija	5,950	Shopping centre	Completed	7.4
Spain	Alcalá de Guadaíra	5,700	Shopping centre	Completed	6.2
Total		232,180			336.7

* Completed 5 July 2007

Results and dividend

Results for the period show an adjusted profit after interest and tax of £3.2 million or 2.5p per share.

The adjusted net asset value per share is 97.8p, reflecting start up costs and property acquisition costs.

Properties held at 30 June 2007 are shown in the balance sheet at an independent valuation of £200.6 million.

Against the background of the acquisitions made to date, the Board is declaring a dividend of 3p per share in respect of the period to 30 June 2007. This dividend will be payable to the shareholders on the register as of 26 September 2007 and will be paid on 15 October 2007.

Thereafter the Trust will move to dividends being paid quarterly and the Board's current intention is to recommend a dividend of not less than 1.5p per share for each of the quarters ending 30 September 2007 and 31 December 2007 making an expected total dividend of at least 6p for the year to 31 December 2007.

The Trust continues to make progress on further acquisitions and accordingly it is the Board's current intention to recommend a dividend of not less than 7p in respect of the year to 31 December 2008.

Finance

The Trust has drawn down borrowings of €160.2 million as at 30 June 2007 under the €364 million facility with Barclays Bank. Interest rates have been fixed on drawn down loans to February 2015 at a weighted average rate of 5.14%.

Currency hedge instruments are in place that significantly protects the conversion of the shareholders' original equity back to Sterling together with the anticipated dividend on that equity. The hedges total €163 million and were fixed at an average rate of €1.49 to the pound.

The Company has hedged its interest rate exposure on pipeline acquisitions by agreeing with Barclays Bank plc to fix the interest on €65million of future loan draw-downs made under the current loan facility this year; this agreement provides a fixed rate of 5.55% on loans drawn-down under this arrangement.

Market outlook

We continue to see attractive opportunities for investing, particularly in the French property market. Generally, property market conditions remain favourable with improving tenant demand, declining vacancy rates and increasing signs of rental growth.

Summary

The factors underlying the Trust's investment strategy continue to offer a strong investment case:

- higher yields are available on properties targeted by the Trust relative to many other markets
 - the Trust's portfolio will provide a yield of 7.2% on current valuation
- finance is available at rates which are typically well below investment yields on our target properties
 - the Trust's €160.2m borrowings are fixed at an average of 5.14% to 2015
- potential exists for capital growth from a combination of rental growth, active asset management and yield compression
 - on a like for like basis the Trust's portfolio increased in value by €14.0m (£9.4m) during the period
- tenant leases are typically inflation indexed, providing the opportunity for year-on-year income growth.

Dick Kingston

Chairman

19 September 2007

Property review

Investment highlights

The Trust has completed or agreed seventeen acquisitions to date in France and Spain involving a cost of approximately €335 million including acquisition costs. The valuation of this portfolio as at 30 June 2007 showed a total of approximately €337 million demonstrating that all acquisition costs have been more than absorbed through increases in value. The Trust's portfolio will produce an average yield on cost of 7.2% on a stabilised rent roll of approximately €24.3 million per annum.

The Trust now owns over 230,000 square metres (approximately 2.5 million square feet) of commercial real estate and has continued its investment policy of identifying properties that are well let, well located and offer good value. The average cost of the portfolio to date including all acquisition costs is €1,444 per square metre (equivalent to £90 per square foot) and the average rent is €105 per square metre per annum (equivalent to £6.50 per square foot) and this is for a portfolio that has 68% exposure to the French office and business park sector.

Of the total property portfolio, 86% is invested in France and 14% in Spain in terms of capital value. The Trust has achieved diversification across the sectors with 68% in offices and business park property, 21% in warehouses and 11% in retail. It has also continued to achieve a significant geographical diversification with assets in Paris (Ile-de-France), Normandy, Nîmes, Mulhouse, Seville, Córdoba and Zaragoza.

The portfolio benefits from strong credit tenants with over 80% of its stabilised rent roll secured by leases to Grade A tenants (large international/national companies or public sector)

The portfolio also enjoys high levels of occupancy with rental income comprising 95% of the potential total income and income from rental guarantees in excess of eighteen months' duration comprising 4% of the potential total income.

Portfolio review

As reported in the Annual Report for the period to 31 December 2006 the Trust had completed the acquisition of thirteen properties for a combined cost of approximately €270 million. Since that date the Trust has acquired or agreed to acquire a further four properties for a combined cost of approximately €65 million and has increased its exposure to offices in the Ile-de-France and in the French provinces.

On 26 June 2007 the Trust completed the purchase of a modern office property with ancillary retail accommodation in Nîmes, Southern France approximately 50 kilometres north west of Montpellier. The property is located in an established mixed use area comprising office, retail and residential complexes approximately one kilometre south of the city centre and close to transportation links.

The acquisition price was approximately €8.5 million for the 3,100 square metre property. The offices represent 2,900 square metres and are let to a government body, the Conseil Général du Gard on a lease expiring in 2013 with no breaks and this accounts for 98% of the income. The retail space of 200 square metres is let to France Télécom on a lease expiring in 2014. The investment provides an initial yield of 7.5%.

On 29 June 2007 the Trust completed the purchase of a logistics warehouse investment close to Aubergenville, Ile-de-France. The property is located in an established industrial zone bordering the A13 motorway which links Paris, some 40 kilometres to the east, with Normandy.

The acquisition price was approximately €14 million for the 27,700 square metre building which is fully income producing and tenants include Alloin, VH Logistique and CEPL Fleury occupying on standard French institutional leases. The investment provides an initial yield of 7.4%.

On 5 July 2007 the Trust completed the acquisition of a modern office building in Mulhouse, in the Alsace region of Eastern France. Mulhouse is close to the German and Swiss borders, approximately 115 kilometres to the south of Strasbourg. The property is located within a development zone about half a kilometre south east of the city centre and close to transportation links. The acquisition price was approximately €12.1 million for the 5,250 square metre building in two phases and tenants include BNP Paribas and Societe d'Equipement de la Region Mulhousienne (the local development agency) on leases expiring in 2014. The investment will provide a yield of 7%.

On 16 July 2007 Alpha Pyrenees agreed the acquisition of a modern office building in Aubervilliers, Ile-de-France. The property is located in the "Seine-Saint-Denis" department which adjoins Paris and is situated to the south of Aubervilliers in an urban development zone comprising residential, offices, light industrial and retail space. Transportation links are good with road access via the A86 motorway and the boulevard Périphérique linking Paris to Aubervilliers. The acquisition price is approximately €26 million for the 8,750 square metre building which is fully income producing and has good quality tenants on

leases expiring in 2013. The investment will provide an initial yield of 7%.

Asset management continues to be a key focus.

On 15 February 2007 the Trust acquired IPGL's 23% interest in the Alcatel-Lucent Business Park and the property is now wholly owned by Alpha Pyrenees.

During the period, excellent progress has been made on the refurbishment and new development works being carried out by Alcatel-Lucent. Refurbishment of the Copernic and Newton buildings was completed on programme and the properties were handed over to the tenant on 27 June.

We continue to monitor closely the development of the Huygens office building and car park and the new restaurant facility which are currently in line with the original programme and are due to be handed over to the tenant before the end of the year. The deferred consideration of €14 million will be paid on completion of the new buildings.

The rent will rise from its current level of approximately €8.5 million per annum to €9.6 million per annum on the earlier of the completion of the new buildings or 1 January 2008. The rent will be subject to annual indexation and the property is currently producing a rental yield of approximately 7.3% on cost. The cost of completion of the construction works is covered by bank guarantees and the deferred payment.

At Ivry-sur-Seine, approximately 760 square metres of vacant space, that was covered by a guarantee on purchase, has been let to an existing tenant, Distripaq, for expansion of their operations.

At Connecta Retail Park in Cordoba the 4,550 square metre MediaMarkt anchor store is trading strongly and is a major influence on the number of visitors and the sales performance of the park. As a result of this, during the period a vacant unit of 1,030 square metres within the ground floor of the cinema building has been let to a furniture and household goods retailer, Hogaria, which trades in a number of locations close to other MediaMarkt stores. In addition VisionLab, a multiple optician with over one hundred stores, has taken a 200 square metre unit at an improved rent replacing a weak tenant on the remaining frontage of the cinema building. Both of these lettings have added to the rental income from the centre and there are now only 535 square metres available on the park and discussions are ongoing with a number of interested parties for this space.

At the Las Torres Shopping Centre in Ecija, two retail units totalling 190 square metres have been let to local tenants thereby boosting rental income in the centre.

Strong attention continues to be given to ensuring service charges are spent effectively, the annual level of property costs is controlled and additional sources of income are identified..

Market overview

France

Despite a slight decrease in the rate of growth in GDP in France in the first half of 2007, survey measures such as the EC Economic Sentiment Indicator suggest that growth will re-accelerate in the coming months. Industrial surveys suggest that output growth is likely to continue at recent modest levels so the key driver for growth is likely to continue to be robust consumer spending. Consumer confidence remains high and French unemployment rates have fallen markedly in the past year or so.

The economy is likely to benefit in the medium term from the pro-business reforms to be implemented by recently elected President Nicholas Sarkozy. Furthermore, the President is proposing to implement a fiscal boost through tax cuts implying higher disposable incomes and stronger consumer spending growth over the next eighteen months. GDP growth is forecast to be around 2.3% for 2007 (2.2% in 2006) but may increase to around 2.5% in 2008.

Paris attracts a wide range of office occupiers and remains one of Europe's most dynamic office markets. During 2006 office take-up in the Paris Ile-de-France region reached record levels of 2.9 million square metres against the backdrop of two years of falling supply. Demand has continued to be strong with 690,000 square metres rented in Paris in the first quarter of 2007 and with low vacancy rates of around 5% and moderate forecasts for office space completions over the next three years the office market appears to offer the prospect of sustained rental growth through this period.

The Paris warehouse market benefits from its strategic location, population concentration and balanced supply and is likely to demonstrate modest rental growth over the next three years.

In many French regional office markets, service sector growth and increased demand for office space has been ongoing for a number of years and is driven by national and regional companies and by public and semi-public sector organisations.

Spain

The Spanish economy has continued to grow and GDP increased at an annualised rate of 3.8% in the first half of 2007. The

housing market has continued to decelerate over recent months with prices rising at their slowest rate since 1998. However, unemployment continues to decrease and the Spanish economy is forecast to show GDP growth of 3.5% in 2007 (3.9% in 2006) still well above the Euro-zone forecast of 2.4%.

Retailers are still benefiting from strong consumer confidence and as a result operator demand for units remains strong especially in the retail warehouse sector.

Rents in the industrial market continue to display the gentle upward trend of recent years.

Outlook

The Trust is seeing a continuing flow of investments including attractive individual asset acquisition opportunities, larger single lot investments and portfolio transactions.

We are continuing to make progress on the investment programme and we look forward to reporting on further acquisitions over the forthcoming months.

Paul Cable

For and on behalf of the Investment Manager

19 September 2007

Independent Review Report to Alpha Pyrenees 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 1 January 2007 to 30 June 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

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19 September 2007

Condensed Consolidated Income Statement

	Notes	For the period 1 January 2007 to 30 June 2007			For the period 15 November 2005 to 30 June 2006		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Revenue							
Gross rental income		6,138	-	6,138	327	-	327
Other income		511	-	511	25	-	25
Interest receivable		1,105	-	1,105	3,031	-	3,031
Total income		7,754	-	7,754	3,383	-	3,383
Expenses							
Property costs		(741)	-	(741)	(90)	-	(90)
Professional fees		(240)	-	(240)	(251)	-	(251)
Investment Manager's fee		(808)	(346)	(1,154)	(690)	(19)	(709)
Non executive directors' fees		(55)	-	(55)	(67)	-	(67)
Other costs		(146)	-	(146)	(153)	-	(153)
Total expenses		(1,990)	(346)	(2,336)	(1,251)	(19)	(1,270)
Losses on foreign currency exchange		(181)	-	(181)	(4)	-	(4)
Finance costs		(2,366)	-	(2,366)	(3)	-	(3)
Unrealised loss on revaluation of currency hedge		-	(1,813)	(1,813)	-	-	-
Unrealised profit on revaluation of investment properties		-	8,313	8,313	-	-	-
Unrealised profit on revaluation of interest rate swaps		-	2,756	2,756	-	-	-
Net profit (loss) before taxation		3,217	8,910	12,127	2,125	(19)	2,106
Taxation	3	-	(2,640)	(2,640)	-	-	-
Profit (loss) for the period		3,217	6,270	9,487	2,125	(19)	2,106
Earnings per share - basic & diluted	5			7.4			1.7

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 are an integral part of this statement.

Condensed Consolidated Balance Sheet

	Notes	30 June 2007 £'000	31 December 2006 £'000
Non-current assets			
Investment properties	6	200,595	176,509
Finance lease receivable		350	368
Property, plant and equipment		19	21
Interest rate swaps		2,756	-
		203,720	176,898
Current assets			
Trade and other receivables	7	24,210	27,084
Cash and cash equivalents		21,762	18,575
		45,972	45,659
Total assets		249,692	222,557
Current liabilities			
Trade and other payables	8	(15,283)	(17,922)
Non-current liabilities			
Interest bearing bank loans	9	(105,573)	(81,808)
Rent deposits		(1,400)	(1,285)
Unrealised loss on currency hedge		(3,496)	(1,668)
Deferred taxation liabilities		(2,640)	-
		(113,109)	(84,761)
Total liabilities		(128,392)	(102,683)
Net assets		121,300	119,874
Equity			
Share capital	10	-	-
Share premium account		2,500	2,500
Special reserve		119,362	119,362
Warrant reserve		130	130
Translation reserve		(1,695)	(1,614)
Capital reserve		(337)	(6,607)
Revenue reserve		1,340	1,311
Equity attributable to the equity holders of the parent		121,300	115,082
Minority Interest		-	4,792
Total equity		121,300	119,874

The Financial Statements were approved by the board of directors and authorised for issue on 19 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 Consolidated Cash Flow Statement

	Notes	Period 1 January 2007 to 30 June 2007 £'000	Period 15 November 2005 to 30 June 2006 £'000
Cash flows from operating activities			
Profit before taxation		12,127	2,106
Adjustments for:			
Increase in operating trade and other receivables		(2,634)	(4,411)
Increase in operating trade and other payables		2,669	875
Unrealised loss on revaluation of the currency hedge		1,813	-
Unrealised gain on the revaluation of investment properties		(8,313)	-
Unrealised gain on revaluation of interest rate swaps		(2,756)	-
Net cash inflow/(outflow) from operating activities		2,906	(1,430)
Cash flows from investing activities			
Payments to acquire investment properties		(16,868)	(29,512)
Net cash outflow from investing activities		(16,868)	(29,512)
Cash flows from financing activities			
Proceeds from issue of ordinary share capital		-	125,000
Issue costs		-	(5,127)
New bank loans raised		23,374	-
Currency hedge collateral paid		(3,021)	-
Dividends paid		(3,188)	-
Net cash inflow from financing activities		17,165	119,873
Net increase in cash and cash equivalents		3,203	88,931
Cash and cash equivalents at beginning of period		18,575	-
Effect of foreign exchange translation		(16)	-
Cash and cash equivalents at end of period		21,762	88,931

The accompanying notes are an integral part of this statement.

Condensed Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Special reserve £'000	Warrant reserve £'000	Translation reserve £'000	Capital reserve £'000	Revenue reserve £'000	Minority interest £'000	Total reserves £'000
Changes in equity for the period									
At 1 January 2007	-	2,500	119,362	130	(1,614)	(6,607)	1,311	4,792	119,874
Foreign exchange losses on translation of foreign operations	-	-	-	-	(81)	-	-	-	(81)
Profit for the period	-	-	-	-	-	6,270	3,217	-	9,487
Total recognised income and expense for the period	-	-	-	-	(81)	6,270	3,217	-	9,406
Purchase of minority interest	-	-	-	-	-	-	-	(4,792)	(4,792)
Dividends	-	-	-	-	-	-	(3,188)	-	(3,188)
At 30 June 2007	-	2,500	119,362	130	(1,695)	(337)	1,340	-	121,300

	Share capital £'000	Share premium £'000	Special reserve £'000	Warrant reserve £'000	Translation reserve £'000	Capital reserve £'000	Revenue reserve £'000	Minority interest £'000	Total reserves £'000
Changes in equity for the period									
At 15 November 2005	-	-	-	-	-	-	-	-	-
(Loss)/profit for the period	-	-	-	-	-	(19)	2,125	-	2,106
Total recognised income and expense for the period	-	-	-	-	-	(19)	2,125	-	2,106
Issue of share capital	-	125,000	-	-	-	-	-	-	125,000
Share issue costs	-	(5,393)	-	-	-	-	-	-	(5,393)
Transfer to special reserve	-	(119,607)	119,607	-	-	-	-	-	-
Share based payments	-	-	-	133	-	-	-	-	133
At 30 June 2006	-	-	119,607	133	-	(19)	2,125	-	121,846

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. The Group comprises the Company and its subsidiaries. The Group invests in commercial property in France and Spain with inflation-indexed rents that will provide an income return to investors as well as the potential for capital growth. These financial statements are presented in pounds Sterling as this is the currency in which the funds were raised and in which investors are seeking a return. The Company's functional currency is Sterling and the subsidiaries' functional currency is Euros. The presentation currency of the Company and the Group is Sterling.

2. Significant accounting policies

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

The condensed interim financial statements are made up from 1 January 2007 to 30 June 2007, and have been prepared under the historical cost convention as modified by the revaluation of investment properties and the mark to market of debt and derivative instruments.

The preparation of the interim condensed financial statements requires the 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 the which the circumstances change.

The same accounting policies, presentation 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 period ended 31 December 2006, except for the adoption of IFRS 7, 'Financial Instruments: Disclosure'. IFRS 7 will require additional disclosure on capital and financial instruments within the annual financial statements to 31 December 2007.

3. 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.

Deferred taxation has been provided in accordance with IFRS. The Group is currently liable to French income tax at 33.33% and Spanish income tax at 32.5% arising on activities of the Group's operations in France and Spain.

4. Dividends

	Period 1 January 2007 to 30 June 2007 £'000	Period 15 November 2005 to 30 June 2006 £'000
Amounts recognised as distributions to equity holders in the period:		
Dividend for the six months to 31 December 2006 of 2.5p per share	3,188	-

5. Earnings per share

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

	Period 1 January 2007 to 30 June 2007 Revenue	Period 1 January 2007 to 30 June 2007 Capital	Period 1 January 2007 to 30 June 2007 Total	Period 15 November 2005 to 30 June 2006 Revenue	Period 15 November 2005 to 30 June 2006 Capital	Period 15 November 2005 to 30 June 2006 Total
Earnings (£'000)						
Earnings for the purposes of basic and diluted earnings per share being net profit/(loss) attributable to equity holders of the parent.	3,217	6,270	9,487	2,125	(19)	2,106
Number of shares (000's)						
Weighted average number of ordinary shares for the purposes of basic earnings per share	127,500	127,500	127,500	125,000	125,000	125,000
Basic earnings per share	2.5	4.9	7.4	1.7	-	1.7

As the average price of the shares over the period was lower than the exercise price of the warrants and as the performance criteria of the options has not been met there is no dilution of earnings per share attributable to the warrants and options issued.

6. Investment properties

	30 June 2007 £'000	31 December 2006 £'000
Market value of investment properties 1 January 2007 / 15 November 2005	176,509	-
Acquisitions during the period at cost	16,129	181,699
Fair value adjustment in the period	8,313	(5,250)
Effect of foreign exchange	(356)	60
Market value of investment properties at 30 June 2007 / 31 December 2006	200,595	176,509

The fair value of the Group's investment properties at 31 December 2006 and 30 June 2007 has been arrived at on the basis of valuations carried out at those dates by Knight Frank LLP, independent valuers not connected to the Group. The valuation basis is market value as defined by the RICS Red Book. The approved RICS definition of market value is the "estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The Group has pledged a number of its investment properties to secure banking facilities granted to the Group.

7. Trade and other receivables

	30 June 2007 £'000	31 December 2006 £'000
Trade debtors	3,564	612
VAT recoverable	3,758	8,448
Bank interest receivable	1,241	185
Other debtors	15,647	17,839
Total	24,210	27,084

Other debtors include collateral held in relation to the currency hedge (£5m) and the deferred acquisition cost of the Villarceaux-Nozay property which is held in escrow (£9.6m).

8. Trade and other payables

	30 June 2007 £'000	31 December 2006 £'000
Trade creditors	2,319	86
Deferred property acquisition costs	9,591	9,373
Investment Manager's fee payable	634	520
Interest accrued	1,569	123
Other creditors and accruals	1,170	7,820
Total	15,283	17,922

9. Interest bearing bank loans

On 21 December 2006, the Group entered into a loan facility with Barclays Bank Plc totalling €364 million and a VAT facility totalling €40 million. The loan facility is to be repaid on 10 February 2015.

Loans drawn down on the facility are secured over the shares in the Company's operating subsidiaries and mortgages over properties with a total value of €243m. The gross loans drawn down at 30 June 2007 total €160.2m producing an average loan to value of 66%.

The interest rates are fixed for the entire loan period at the time of drawing down. The weighted average interest rate payable on the loans at 30 June 2007 is 5.14%.

All of the Group's borrowings have a maturity of over five years.

10. Share capital

	30 June 2007 £'000
Authorised share capital is not limited	-
Issued share capital	
127.5 million ordinary shares of no par value	-
The Company has one class of ordinary shares which carry no right to fixed income.	-

11. 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.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Investment Manager is entitled to receive a fee from the Group at an annual rate of 1 per cent of the gross assets of the Group, 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 12 per cent and then a further 15 per cent of any excess over 20 per cent. Details of the investment management fees for the current accounting period are given in the condensed income statement and the balance payable at the balance sheet dates is shown in note 8.

The Investment Manager has also been issued warrants and granted options over the Company's ordinary share capital, further details of which are provided in note 14.

The Directors of the Company receive fees for their services. The total charge to the income statement during the period was £55,000.

12. Net asset value per share

	30 June 2007	31 December 2006	30 June 2006
Net asset value (£'000)	121,300	115,082	121,846
Number of ordinary shares at ('000's)	127,500	127,500	125,000
Net asset value per share	95.1p	90.3p	97.5p
Net asset value (£'000)	121,300	115,082	121,846
Mark to market of currency hedge	3,496	1,668	-
Mark to market of interest rate swaps	(2,756)	-	-
Deferred taxation	2,640	-	-
Adjusted net asset value	124,680	116,750	121,846
Number of ordinary shares at ('000's)	127,500	127,500	125,000
Net asset value per share (adjusted)	97.8p	91.6p	97.5p

13. Events after the balance sheet date

On 5 July 2007, the Company acquired an office property in Mulhouse (€12.1m). In the same month the Company also agreed to acquire an office property in Aubervilliers (€26m) which will complete in the near future.

On 3 August 2007, the Company entered into a pre-hedge agreement with Barclays Bank plc in which it hedged the interest rate on €65m of potential draw-downs under the current facility. As a requirement of this agreement the Company paid collateral of €3.9m to Barclays to be repaid to the Company on the draw-downs against the loan facility over the period to the end of the year.

14. 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 6,375,000 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 29 November 2010. 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 was measured as £130,043 using an appropriate option pricing model.

Incentive options

In order to incentivise the Investment Manager, the Company has granted options to it to acquire up to 3,825,000 ordinary shares. The options vest in three tranches of equal amounts over a three year period ending on the third, fourth and fifth anniversaries of admission of the shares to the Official List of the UKLA subject to a cumulative shareholder return performance criteria of 10% per annum (50% vesting) and 12% per annum (100% vesting) having been met over a period of the preceding three years for each tranche respectively.

Once vested the options are exercisable during the subsequent seven year period.

Number of options	Expiry	Price
1,275,000	29 November 2015	100p
1,275,000	29 November 2016	100p
1,275,000	29 November 2017	Average share price on the 20 trading days prior to 29 November 2007

The directors have assessed the fair value of the options granted and consider it to be immaterial in relation to the activities of the Group.

Directors and Trust Information

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Phillip Rose
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Registrar:

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Shareholder Information

Dividends

The financial calendar is recorded below. Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from the Group's Registrar. Where dividends are paid directly to shareholders' bank accounts, dividend tax vouchers are sent directly to shareholders' registered addresses.

Share price

The Trust's Ordinary Shares are listed on the London Stock Exchange.

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 Trust's Registrar under the signature of the registered holder.

Financial Calendar

Financial reporting	Dividend period	Ex-dividend date	Record date	Payment date
Interim report announcement 20 September 2007	Six months to 30 June 2007	26 September 2007	28 September 2007	15 October 2007
Trading update 31 October 2007	Three months 1 July- 30 September 2007	12 December 2007	14 December 2007	14 January 2008
Preliminary announcement 18 March 2008	Three months 1 October – 31 December 2007	26 March 2008	28 March 2008	21 April 2008