

Alpha Pyrenees Trust Limited

13 November 2008

Alpha Pyrenees Trust Limited

Interim Management Statement

Alpha Pyrenees Trust Limited ("Alpha Pyrenees" or the "Trust") today publishes its interim management statement for the quarter ending 30 September 2008. The information contained herein has not been audited.

KEY POINTS

- **DECLARED DIVIDEND OF 1.75 PENCE PER SHARE FOR THE QUARTER TO 30 SEPTEMBER 2008**
- **INTENTION TO PAY 7 PENCE PER SHARE FOR YEAR TO 31 DECEMBER 2008**
- **ADJUSTED NAV* 82p AS AT 30 SEPTEMBER 2008**
- **NET LOAN TO VALUE 60.4% (AFTER CASH OF £27.3 MILLION); LOAN TO VALUE COVENANTS AT 85% OR HIGHER**
- **AVERAGE YIELD OF 7.7% ON VALUATION OF £275.6 MILLION (€346.8 MILLION) AT 30 SEPTEMBER 2008**
- **82% OF RENTAL INCOME COMES FROM GRADE A TENANTS**
- **WEIGHTED AVERAGE LEASE LENGTH OF 4.9 YEARS TO NEXT BREAK AND 8.3 YEARS TO EXPIRY**
- **ALL DEBT FIXED LONG TERM AT A WEIGHTED AVERAGE INTEREST RATE OF 5.26% PER ANNUM; 91% OF DEBT MATURES IN 2015**
- **LEASES ARE SUBJECT TO ANNUAL INDEXATION**

**Adjusted NAV – after adjustments for the unrealised mark-to-market of the currency hedge, fixed rate loans and deferred taxation.*

DIVIDEND OF 7 PENCE PER SHARE PER ANNUM FOR 2008

It continues to be the Board's current intention to pay a quarterly dividend of 1.75 pence per share in respect of the quarters up to and including 31 December 2008. It is therefore the Board's current intention to pay a dividend of 7 pence per share in respect of the year to 31 December 2008.

The Board is declaring a dividend of 1.75 pence per share for the third quarter of 2008. The dividend will be paid on 12 January 2009, with an associated ex-dividend date of 10 December 2008 and record date of 12 December 2008.

PORTFOLIO YIELD AT VALUATION OF 7.7%

The Trust's investment portfolio was independently valued at £275.6m (€346.8m) on 30 September 2008. The stabilised annual income of approximately £21.3m (€26.8m) will give an average yield on current valuation of 7.7%.

Registered office
Second Floor
Albert House
South Esplanade
St. Peter Port
Guernsey

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ADJUSTED NAV* 82p

As at 30 September 2008, Alpha Pyrenees' investment portfolio decreased in value on a like for like basis by 2.3% from its value at 30 June 2008 and 6.85% from its value at 31 December 2007.

**Adjusted NAV – after adjustments for the unrealised mark-to-market of the currency hedge, fixed rate loans and deferred taxation.*

FINANCING

The Trust's total borrowings of £193.7m (€244m) and portfolio value of £275.6m (€346.8m) gives a net loan to value after cash (£27.3m (€34.4m)) of 60.4%.

Interest rates on the euro-denominated bank loans have been fixed until 2013 (9% of the debt) and 2015 (91% of the debt) at a weighted average of 5.26% per annum.

The Trust is performing comfortably within its banking covenants which include loan to value tests at 85% or higher in February 2012 for France, February 2010 for Spain and annually for the Alcatel-Lucent property.

PROPERTY UPDATE

At present the trend in rent indexation increases is accelerating due to increases in the INSEE Construction Cost Index applicable to leases in France and to the Spanish Consumer Price Index applicable to leases in Spain. During the quarter to 30 September 2008 7.4% of the portfolio income was the subject of indexation and the average indexation increase applied was approximately 5.5%.

During the period the Trust's Investment Manager has continued to be highly focused on asset management within the portfolio.

France

Further progress has been made on the letting of vacant warehouse space at the Trust's Goussainville property. A unit of approximately 1,500 square metres has been let to the French company, ITS on a new 3/6/9 year lease from 3 October 2008. ITS's business is the storage, transport and maintenance of bank cash machines (ATMs) for major French banks. Discussions are at an advanced stage with the local authority and a prospective tenant concerning a potential turnkey development on an undeveloped portion of the Goussainville site. There are a number of active leads being followed up for the remaining warehouse and office space.

At the Trust's Mulhouse office property, formal completion of the 1,915 square metres Phase II development is expected to take place shortly following which the two year rental guarantee from the developer will commence. The Investment Manager is actively pursuing interest from a number of potential tenants for space at the property.

The following tenants have all extended their leases through unexercised break options:

- Fresnes - Anteos and Exaflor (total 1,080 square metres of light industrial and offices)
- Ivry-sur-Seine - Gtie Telecoms part of Vinci Group (1,350 square metres of offices)
- Goussainville – Ovalis (470 square metres of offices).

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At the Trust's St Cyr L'Ecole office property the former tenant Syngenta has exercised a lease break option. The Trust's Investment Manager is actively involved in a re-letting campaign for the vacated 6,340 square metre property and there are a number of active leads being followed up at present. St Cyr represents around 4.4% of the portfolio by value and 2.4% by floor area.

Spain

The Trust is pleased to report that a unit of approximately 1,760 square metres at its Ecija shopping centre has been let to Actix Gyms on a 25 year lease with a firm period of 15 years from 1 October 2008. The unit was formerly occupied by Dia.

The following tenants have all extended their leases through unexercised break options:

- Cordoba – Norauto, Dia (Carrefour Group) and McDonalds (total 2,800 square metres of retail).

FOR FURTHER INFORMATION:

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For more information on the Trust, please visit www.alphapyreneestrust.com.

For more information on the Trust's Investment Manager please visit www.alpharealcapital.com.

FORWARD-LOOKING STATEMENTS

This interim management statement contains forward-looking statements which are inherently subject to risks and uncertainties because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are based on the Board's current view and information known to them at the date of this statement. The Board does not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this interim management statement should be construed as a profit forecast.