

Alpha Pyrenees Trust Limited

15 August 2008

ALPHA PYRENEES TRUST LIMITED
("ALPHA PYRENEES" OR THE "TRUST")

ALPHA PYRENEES POSTS RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2008:

ADJUSTED EARNINGS UP 62% TO £5.2 MILLION (4.4p per share)

NET ASSET VALUE PER SHARE (ADJUSTED) IS 88.5p

DIVIDEND PAID AND DECLARED FOR THE HALF YEAR ENDED 30 JUNE 2008 UP 17% TO 3.5p PER SHARE

STRONG BALANCE SHEET WITH NET LEVERAGE OF UNDER 60%

Alpha Pyrenees, the property company investing in commercial real estate in France and Spain, today posts its results covering the half year from 1 January 2008 to 30 June 2008.

The Trust announces adjusted earnings of £5.2 million for the period together with the declaration of a further dividend of 1.75p per share in respect of the second quarter. The Trust has now paid and declared 3.5p per share for the half year to 30 June 2008. It is the Board's current intention to pay a total dividend of 7p per share in respect of the current financial year (payable quarterly).

Highlights of the half year to 30 June 2008 include:

- 83% of portfolio income derived from Grade A tenants
- Net leverage (after cash) remains under 60%
- Loan to value covenants are at 85% or higher
- All debt fixed at a weighted average interest rate of 5.26% p.a. to 2015 (91% of debt) and 2013 (9%)
- Leases are subject to annual indexation
- Dividend of 1.75p per share paid for the quarter to 31 March 2008 and a further dividend of 1.75p per share declared for the quarter to 30 June 2008
- Current intention to pay dividend of 7p per share in respect of the year to 31 December 2008
- EPS (adjusted) up 76% to 4.4p per share for the six months to 30 June 2008 (compared to 2.5p per share for the six months to 30 June 2007)
- NAV (basic) of 88.0p and NAV (adjusted) of 88.5p per share as at 30 June 2008

Dick Kingston, Chairman of Alpha Pyrenees, commented:

"The Board is declaring a dividend of 1.75p per share for the second quarter making a total of 3.5p per share for the period to 30 June 2008. In the light of the current uncertainty in the banking markets, the Trust continues to place great emphasis on the security of its financing and has maintained a defensive financial position with overall net leverage (taking into account cash) being under 60%. Management emphasis during the first half of the year has been principally focused on value-added asset management within the existing portfolio and the Board is pleased to note the considerable progress achieved on this front."

Paul Cable, Fund Manager, Alpha Real Capital, commented:

"The Trust owns a diversified portfolio of good quality properties with a high proportion of income secured by tenants with strong covenants. The Trust's leases are subject to annual index-linked rent reviews which continue to show healthy levels of increase. The property portfolio contains numerous opportunities to enhance income and these opportunities are being actively pursued. The Trust has the resources to take advantage of value enhancing opportunities as they arise."

The Half Year Report is being posted to shareholders today and will be available on the website www.alphapyreneestrust.com this morning.

Contact:**Dick Kingston**

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Paul Cable

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NOTES:**ABOUT ALPHA PYRENEES TRUST**

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

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

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

Directors

The Directors of the Company, all of whom are non-executive, are responsible for the implementation of the investment policy of the Company and the overall supervision of the Group's activities. The Board consists of:

Dick Kingston (Chairman)**Christopher Bennett****David Jeffreys****Phillip Rose****Serena Tremlett**

Dick Kingston was an executive director of Slough Estates Plc (now SEGRO Plc), one of the largest London Stock Exchange listed property companies. He was responsible for Group Finance at Slough Estates Plc for nine years, and chairman of their continental European real estate activities. He was a non-executive director of Mersey Docks and Harbour Company and is a qualified Chartered Accountant.

ABOUT ALPHA REAL CAPITAL

Alpha Real Capital is a co-investing international real estate fund manager with global operations, including the French and Spanish real estate markets. Alpha Real Capital was established by Sir John Beckwith and Phillip Rose and is jointly owned by them, members of the Alpha management team and IPGL Fund Services Limited, an entity substantially owned via IPGL Limited by Michael Spencer and his family. .

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

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

Alpha Pyrenees Trust Limited

Half Year Report for the period 1 January 2008 to 30 June 2008.

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”) typically 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.

Dividends

Dividends are paid quarterly and the Company’s objective is to pay a total of 7 p per share each year from 2008 onwards including the current financial year.

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.

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 Individual Savings Accounts (ISAs), Personal Equity Plans (PEPs) and Self Invested Personal Pensions (SIPPs).

Financial highlights

	Half year ending 30 June 2008	Year ending 31 December 2007	Half year ending 30 June 2007
Net asset value (adjusted) (£'000)*	103,954	127,085	124,680
Net asset value per ordinary share (adjusted)*	88.5p	100.1p	97.8p
Net asset value per ordinary share	88.0p	97.1p	95.1p
Dividend per share (proposed and paid)	3.5p	6.0p	3.0p
Earnings per share (adjusted - basic & diluted)**	4.4p	6.3p	2.5p
Earnings per share (basic & diluted)	(13.4)p	4.7p	7.4p

*

The net asset value and net asset value per ordinary share have been adjusted for the fair value mark-to-market revaluation of the currency swap and interest rate swap derivatives and the deferred tax provisions; full analysis is given in note 6 to the accounts.

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The adjusted earnings per share includes adjustments for the effect of the fair value mark-to-market revaluation of the currency swap and interest rate swap derivatives and the deferred tax provisions and rental guarantee income; full analysis is given in note 5 to the accounts.

Chairman's Statement

Objectives

The Trust invests in higher-yielding properties in France and Spain, focusing on commercial property in the office, industrial, logistics, and retail sectors.

The Trust seeks to provide shareholders with a regular, secure dividend stream whilst also having the potential for capital growth from a combination of rent increases (our leases are typically indexed to increase in line with inflation) and active asset management.

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

Finance

Uncertainty in financial markets has focused greater attention on leverage within property companies and the Trust maintains a conservative position in this regard with net leverage (taking into account cash) of under 60% on current valuation. The Trust has total borrowings of £193 million (€244 million) as at 30 June 2008 under its facilities with Barclays Bank Plc.

The Trust continues to place great emphasis on the security of its financing, the key features of which are:

- Long term maturities
 - French facility (91% of debt) matures in 2015; and
 - Spanish facility (9% of debt) matures in 2013.
- All interest rates are fixed to maturity at a weighted average rate of 5.26% per annum.
- Next loan to value testing dates
 - December 2011 for the French facility (with the exception of the Alcatel-Lucent property which is tested annually); and
 - February 2010 for the Spanish facility.
- Loan to value of mortgaged property at testing date should not exceed 87.5% on a country portfolio basis; with the exception of the Alcatel-Lucent property where it should not exceed 85% (currently 68.9%).
- Interest Cover Ratio (ICR) should not fall below 110% - ICR over the six months to 30 June 2008 was over 190%.
- The Trust is comfortably performing against these requirements and is well within its loan covenant ratios.

Currency hedge instruments are in place that significantly protect the conversion of the shareholders' original equity back to Sterling together with the anticipated dividend on that equity.

Management activity

In light of the uncertainty prevalent in the banking markets since mid-2007 and the subsequent decrease in overall investment activity in the markets in which the Trust operates the Trust has not made any further acquisitions since the acquisition of properties at Roissy-en-France and Goussainville that were completed and financed in December 2007 and reported at the year end.

The Trust has adopted a cautious approach to further acquisitions and a conservative policy towards further gearing with no additional debt since the year end. The Trust has un-mortgaged properties with a value of £15.4 million (€19.7 million).

Management emphasis during the first half of the year has been principally focused on value-added asset management within the existing portfolio. The Board are pleased to note the considerable progress achieved on this front during the period most notably the letting to Husqvarna at Gennevilliers and the renewal and extension of the lease to DNP (Konica-Minolta) at Roissy-en-France. Further detail on asset management progress appears in the Property Review.

Results and dividend

Results for the period show adjusted earnings of £5.2 million (note 5). The adjusted earnings per share is 4.4 pence per share (note 5), an increase of 76% on the six months to 30 June 2007 reflecting the progress made in acquiring properties on attractive yields.

The Board is declaring a dividend of 1.75p per share for the second quarter. The dividend will be payable to the shareholders on the register as of 19 September 2008 and will be paid on 13 October 2008. This brings the total dividend paid for the period to 3.5p per share.

It is the Board's current intention to pay a total dividend of 7p per share in respect of the year to 31 December 2008.

Revaluation and Net Asset Value

The portfolio of approximately 260,000 square metres (approximately 2.77 million square feet) was valued at 30 June 2008 at £280.7 million (€354.8 million) and the stabilised annual income of £21.0 million (€26.5 million) will give an average yield on current valuation of 7.5%.

Many of the tenants in the Trust's properties are well known international companies belonging to groups with strong covenants such as Credit Lyonnais, Alcatel-Lucent, Carrefour, Aldi, GlaxoSmithKline, La Poste, MediaMarkt, Saint Gobain, BNP Paribas, Dai Nippon Printing, UPS, KDI, Husqvarna and Vinci Group. Prime tenants also include government or quasi-government bodies and together the rent from such tenants accounts for 83% of the Trust's income.

The weighted average lease length within the portfolio is currently 5.1 years.

Investment properties held at 30 June 2008 are included in the balance sheet at an independent valuation of £277.4 million (€350.6 million). Development property of £3.3 million (€4.2 million) is shown at cost.

The adjusted net asset value per ordinary share is 88.5p (note 6); this compares to 100.1p as at 31 December 2007, a decrease of 11.6p for the period or 11.6%. The movement is mainly due to revaluation of the Trust's investment portfolio which showed a decrease in value on a like for like basis of 4.7% as at 30 June 2008 compared to 31 December 2007.

Portfolio Summary

Country	Property	Sqm	Description	Valuation £m	Valuation €m
France	Villardeaux-Notzay	77,180	Business park	107.2	135.5
France	Aubervilliers	8,750	Offices	20.3	25.7
France	Goussainville	20,500	Warehouse and offices	16.9	21.4
France	St Cyr L'Ecole	6,340	Offices	12.4	15.7
France	Champs sur Marne	5,930	Offices	14.1	17.8
France	Athis Mons	23,280	Logistics with offices	10.8	13.6
France	Aubergenville	27,700	Logistics	10.0	12.6
France	Evreux	14,130	Logistics with offices	9.3	11.7
France	Mulhouse*	5,250	Offices	9.1	11.5
France	Gennevilliers	3,330	Offices with light industrial	7.6	9.6
France	Roissy-en-France	7,800	Offices and warehouse	7.9	10.0
France	Nimes	3,100	Offices and retail	6.4	8.3
France	Ivry-sur-Seine	7,420	Warehouse and offices	6.3	7.9
France	Vitry-sur-Seine	5,180	Warehouse and offices	4.8	6.0
France	Fresnes	6,540	Warehouse and offices	4.9	6.2
Spain	Córdoba	16,880	Retail park	17.6	22.2
Spain	Zaragoza	9,520	Warehouses	6.1	7.7
Spain	Écija	5,950	Shopping centre	4.8	6.1
Spain	Alcalá de Guadaíra	5,700	Shopping centre	4.2	5.3
Total		260,480		280.7	354.8

* Part of the Mulhouse property represents a development of a new office building which will shortly be completed; the table above includes this development property at cost.

Market outlook

The Trust continues to investigate selective opportunities for investing, particularly in the French property market where conditions remain more favourable with continuing tenant demand, low vacancy rates and continued rental growth over the review period.

The Trust's defensive financial position with net gearing below 60% enables it to be well positioned to take advantage of value enhancing opportunities that may arise both within the existing portfolio and for new acquisitions.

Summary

- The Trust is well positioned to deliver a strong flow of cash dividends to its investors from its high-yielding, quality-tenanted property portfolio:
- The Trust owns a diversified freehold portfolio of properties totalling £281 million (€355 million) with a stabilised income yield of 7.5% at the June valuation.
- All the Trust's leases are subject to annual index-linked rent reviews which continue to show healthy levels of increase.
- Over 83% of the Trust's rental income comes from Grade A tenants with an excellent capacity to pay.
- The Trust's current average lease length is 5.1 years.
- All debt is fixed at a weighted average interest rate of 5.26% per annum to maturities of 2015 (91% of debt) and 2013 (9%).
- Net leverage is below 60% and the Trust has robust loan to value covenants at 85% or higher.

The Board accordingly confirms it is its current intention to pay a dividend of 7p per share in respect of the current year to 31 December 2008.

Dick Kingston

Chairman

14 August 2008

Statement of Directors' Responsibilities

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7 and 4.2.8.

The Directors of Alpha Pyrenees Trust Limited are listed at the end of this announcement and have been Directors throughout the period.

By order of the Board

Dick Kingston

Chairman

14 August 2008

Property review

Investment highlights

The Trust owns a portfolio of fifteen properties in France and four properties in Spain totalling approximately 260,000 square metres (approximately 2.77 million square feet) of commercial real estate. The properties are well let, well located and offer good value accommodation to occupiers. The valuation of this portfolio as at 30 June 2008 showed a total of approximately £281 million (€354.8 million).

The average value of the portfolio is approximately £1,077 (€1,360) per square metre (equivalent to £100 per square foot) and the average rental value is approximately £81 (€102) per square metre per annum (equivalent to £7.50 per square foot). The portfolio has 64% exposure to the French office and business park sector of which 58% is in the Ile-de-France region around Paris. The reinstatement cost of these buildings has been assessed at £232.6 million (€294 million) representing 83% of current value.

For the first quarter of 2008 the French indexation basis, the INSEE Cost of Construction index, showed a year on year increase of 5% and this accelerated to 8% for the second quarter.

The Trust's stabilised annual income of £21.0 million (€26.5 million) will give an average yield on current valuation of 7.5%.

Of the total property portfolio, 88% is invested in France and 12% in Spain in terms of capital value. The Trust has achieved diversification across the sectors with 64% in offices and business park property, 27% in warehouses and 9% in retail. The Trust has 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 83% of its rent roll secured by leases to Grade A tenants (large international/national companies or public sector).

The portfolio also enjoyed a high level of average occupancy during the review period. Rental income comprised 92% of the potential total income and income from rental guarantees with duration ranging from nine to twenty four months 4% of the potential total income. The weighted average lease length, including rent guarantees, increased by 0.4 years to 5.1 years over the second quarter assisted by new leasing and lease extensions from unexercised break options.

Portfolio review

The Investment Manager has been very active in pursuing various asset management and property management initiatives and we are pleased to report a number of important achievements during the period. These successes have contributed to the joint goals of;

- increasing the maturity profile of the Trust's leases,
- increasing income from vacant units, and
- improving the overall credit strength of the Trust's tenant roster.

At Gennevilliers the previous tenant, RISC, exercised their option to break their 3/6/9 year lease at 30 June 2008. In June the Trust signed a new 9 year lease with Husqvarna France for a minimum term of 6 years from 1 October 2008 for the whole building comprising 3,330 square metres of offices and light industrial space. The dilapidations claim with the previous tenant has been finalised and will largely fund refurbishment of the space for the new tenant. The Husqvarna Group are the global leader in outdoor power products for forestry, park maintenance and lawn and garden care, as well as cutting equipment and diamond tools for the construction and stone industries. The Group has approximately 16,000 employees and its products are sold in more than 100 countries. Group sales in 2007 amounted to €3.6 billion. This letting results in both an extension of the term of the lease and an improvement in the credit of the tenant.

During 2007, one of the tenants of the Trust's property at Roissy-en-France, Konica Minolta Sensing Europe, was acquired by Dai Nippon Printing Company (DNP). DNP is one of the world's largest comprehensive printing companies with annual sales of 1.616 trillion yen (€9.5 billion) and 37,800 employees as of March 2008. The tenant Konica-Minolta Sensing Europe had a break option at December 2008 and their successor company, DNP Photo Imaging Europe, have signed a new 3/6/9 year lease with effect from 12 July 2008 on 3,000 square metres of office and warehouse space. The Trust will undertake a phased upgrading of the air conditioning system and the tenant will undertake refurbishment works on the accommodation. This re-setting of the lease results in both an extension of the term of the lease and an improvement in the credit of the tenant.

The Trust is pleased to report that encouraging progress has been made on the letting of vacant warehouse units at the Goussainville property which was acquired in December 2007. One unit of approximately 870 square metres has been let to US tool manufacturer, Hurco. Discussions are underway with the local authority and a prospective occupier concerning a potential turnkey development on an undeveloped portion of the site. There are a number of active leads being followed up at present both for the two remaining vacant warehouse units totalling 2,500 square metres and for suites within the office space.

At the Ivry-sur-Seine property Metallerie Marie have renewed their lease by signing a 3/6/9 year lease on approximately 840 square metres of light industrial space at an increased rental level. In addition the Trust is creating some additional parking space on site which will create additional rental income.

At Champs-sur-Marne, Crédit Lyonnais, Ecole Nationale des Ponts et Chaussées and Université de Marne la Vallée have extended their leases and Laboratoire GlaxoSmithKline have extended their lease at Evreux, all through unexercised break options.

At the Vitry-sur-Seine property Mediapost have renewed their lease on two warehouse units totaling 890 square metres and their subsidiary Neopresse have taken occupation on a further two units totaling 890 square metres. A further unit of 500 square metres has been let to Stanbridge.

The 1,915 square metres Phase II of the Mulhouse property is nearing completion when the two year rent guarantee from the developer will commence. We are currently at the early stages of discussions with a potential tenant for the space in Phase II.

The Trust is also in discussions with other important tenants to establish their potential needs for extensions at the properties they occupy.

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

The French economy is showing signs of a moderate slowdown in growth largely caused by higher inflation and financial markets uncertainty and GDP growth forecasts have been revised downwards to 1.5% for 2008 (2.1% in 2007).

Of the Trust's portfolio, 88% is in France and 58% is in Ile-de-France office and business park space.

Paris remains one of Europe's strongest office markets. In the first half of 2008 take-up was 1,175,000 square metres with good levels of activity across different size requirements. This take-up compares well with the average for the corresponding period in the previous eight years.

The trend in prime office rents remained positive and the vacancy rate in the Paris region remains low at 5.1%.

The French industrial market is one of the most important in Europe and France's position between the Iberian peninsula and the rest of continental Europe and as a gateway to the United Kingdom means that it is a strategic location for pan-European as well as domestic distribution. Currently the Paris region is one of the most significant logistics hubs with nearly a third of all logistics stock in France. Occupier demand has remained strong and supply is in balance.

Spain

The Spanish economy has slowed over the first half of the year with a decrease in household spending growth, a slowing housing market, rising unemployment and rising inflation. The Government's €6 billion tax rebate, coupled with the fact that a large proportion of workers' wages are still linked to inflation should assist consumers later this year. However, GDP growth forecasts have been revised down to 1.5% for 2008.

Rental Indexation

Rental indexation continues to run at significant levels, reflecting a continuing rise in construction and replacement costs. Approximately 90% of the Trust's leases are indexed to the INSEE Construction Cost Index. The annual increase for leases referenced to the index basis for the first quarter of 2008 was approximately 5% and 8% for those referenced to the second quarter.

Outlook

The continuing volatility in the banking markets has introduced a greater degree of uncertainty with regard to investment markets generally. The Trust has adopted a prudent policy towards lower levels of borrowing within the portfolio at present and has the resources to take advantage of value enhancing opportunities as they arise both within the existing portfolio and externally. The pick up in indexation is expected to contribute to the growth of the portfolio's income yield. The Trust's property portfolio contains numerous opportunities to enhance income and these opportunities are being actively pursued.

Paul Cable

For and on behalf of the Investment Manager

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 six months ended 30 June 2008 which comprises the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow and related notes. We have read the other information contained in the half-yearly 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. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly 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. This report, including the conclusion, has been prepared for, and only for the Company, for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not in producing this report accept or assume responsibility for any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 half-yearly financial report for the six months to 30 June 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

BDO Novus Limited

Chartered Accountants

Elizabeth House, St Peter Port, Guernsey

14 August 2008

Condensed consolidated income statement

	Notes	For the six months ended 30 June 2008			For the six months ended 30 June 2007		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income							
Revenue		10,786	-	10,786	6,649	-	6,649
Property operating expenses		(1,219)	-	(1,219)	(741)	-	(741)
Net Rental Income		9,567	-	9,567	5,908	-	5,908
Net change in (losses)/gains on revaluation of investment properties		-	(14,443)	(14,443)	-	8,313	8,313
Investment Manager's fee		(1,231)	(527)	(1,758)	(808)	(346)	(1,154)
Other administration costs		(730)	-	(730)	(441)	-	(441)
Operating profit/(loss)		7,606	(14,970)	(7,364)	4,659	7,967	12,626
Finance income		2,494	4,981	7,475	1,105	2,756	3,861
Finance costs		(5,253)	(11,082)	(16,335)	(2,547)	(1,813)	(4,360)
Net profit/(loss) before taxation		4,847	(21,071)	(16,224)	3,217	8,910	12,127
Taxation	3	-	392	392	-	(2,640)	(2,640)
Profit/(loss) for the period		4,847	(20,679)	(15,832)	3,217	6,270	9,487
Earnings per share - basic & diluted	5			(13.4)p			7.4p
Adjusted earnings per share - basic & diluted	5			4.4p			2.5p

All items in the above statement derive from continuing operations.

The accompanying notes on the following pages are an integral part of this statement.

Condensed consolidated balance sheet

	Notes	30 June 2008 £'000	31 December 2007 £'000
Non-current assets			
Investment properties	7	276,677	270,946
Development properties	8	3,338	2,441
Financial assets at fair value through profit or loss	9	5,963	813
Property, plant and equipment		15	17
		285,993	274,217
Current assets			
Trade and other receivables	10	14,930	17,623
Cash and cash equivalents		25,603	34,430
		40,533	52,053
Total assets		326,526	326,270
Current liabilities			
Trade and other payables	11	(3,909)	(8,061)
Bank borrowings	12	(1,357)	(1,073)
		(5,266)	(9,134)
Total assets less current liabilities		321,260	317,136
Non-current liabilities			
Financial liabilities at fair value through profit or loss	9	(21,001)	(9,919)
Bank borrowings	12	(189,045)	(176,033)
Rent deposits		(2,531)	(2,292)
Deferred taxation	3	(5,263)	(5,623)
		(217,840)	(193,867)
Total liabilities		(223,106)	(203,001)
Net assets		103,420	123,269
Equity			
Share capital	13	-	-
Share premium account		2,500	2,500
Special reserve		110,462	118,251
Warrant reserve		130	130
Translation reserve		15,388	7,941
Capital reserve		(28,958)	(8,279)
Revenue reserve		3,898	2,726
Total equity		103,420	123,269
Net asset value per share	6	88.0	97.1p
Net asset value per share (adjusted)	6	88.5	100.1p

The half-yearly Financial Statements were approved by the Board of Directors and authorised for issue on 14 August 2008.

David Jeffreys

Serena Tremlett

Director

Director

The accompanying notes on the following pages are an integral part of this statement.

Condensed consolidated cash flow statement

	Notes	For the six months ended 30 June 2008 £'000	For the six months ended 30 June 2007 £'000
Operating activities			
(Loss)/profit for the period		(15,832)	9,487
Adjustments for :			
Net change in losses/(gains) on revaluation of investment properties		14,443	(8,313)
Deferred taxation		(392)	2,640
Finance income		(7,475)	(3,861)
Finance costs		16,335	4,360
Operating cash flows before movements in working capital		7,079	4,313
Movements in working capital:			
Decrease/ (Increase) in operating trade and other receivables		1,374	(2,634)
(Decrease)/Increase in operating trade and other payables		(1,090)	2,669
Cash generated from operations		7,363	4,348
Interest received		597	1,104
Swap interest received		1	553
Bank loan interest paid and costs		(5,522)	(3,099)
Taxation		-	-
Cash flows from operating activities		2,439	2,906
Investing activities			
Purchase of investment properties and capital expenditure		(2,453)	(16,868)
Capital expenditure on development property		(718)	-
Cash flows from investing activities		(3,171)	(16,868)
Financing activities			
Increase in borrowings		-	23,374
Collateral requirements		1,548	(3,021)
Share buyback	13	(8,190)	-
Dividends paid	4	(3,675)	(3,188)
Cash flows from financing activities		(10,317)	17,165
Net (decrease)/ increase in cash and cash equivalents		(11,049)	3,203
Cash and cash equivalents at beginning of period		34,430	18,575
Exchange translation movement		2,222	(16)
Cash and cash equivalents at end of period		25,603	21,762

The accompanying notes on the following pages are an integral part of this statement.

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2007	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
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
Dividends	-	-	-	-	-	-	(3,188)	-	(3,188)
Acquisition of minority interest	-	-	-	-	-	-	-	(4,792)	(4,792)
At 30 June 2007	-	2,500	119,362	130	(1,695)	(337)	1,340	-	121,300

For the six months ended 30 June 2008	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
At 1 January 2008	-	2,500	118,251	130	7,941	(8,279)	2,726	-	123,269
Foreign exchange gains on translation of foreign operations	-	-	-	-	7,447	-	-	-	7,447
(Loss)/ profit for the period	-	-	-	-	-	(20,679)	4,847	-	(15,832)
Total recognised income and expense for the period	-	-	-	-	7,447	(20,679)	4,847	-	(8,385)
Dividends	-	-	-	-	-	-	(3,675)	-	(3,675)
Share buy back	-	-	(7,789)	-	-	-	-	-	(7,789)
At 30 June 2008	-	2,500	110,462	130	15,388	(28,958)	3,898	-	103,420

The accompanying notes on the following pages are an integral part of this statement.

Notes to the 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 income return to investors as well as potential for capital growth. These financial statements are presented in pounds Sterling as this is the currency in which the funds are raised and in which the investors are seeking a return. The Company's functional currency is Sterling and the subsidiaries' currency is Euros. The presentational currency of the Group is Sterling.

2. Significant accounting policies

The unaudited condensed financial information included in the half year report for the six months ended 30 June 2008, have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' as adopted by the European Union. The half year report should be read in conjunction with the Group's Annual Report and Financial Statements for the year ended 31 December 2007, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The same accounting policies 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 year ended 31 December 2007, which are available on the Company's website (www.alphapyreneestrust.com)

The interim condensed financial statements are made up from 1 January 2008 to 30 June 2008, and have been prepared under 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 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 which the circumstances change.

The following standards and interpretations, although effective for the year ending 31 December 2008, do not have an impact on the Group:

IFRIC 12 Service concession arrangements

IFRIC 13 Customer loyalty programmes

IFRIC 14 IAS 19 – The limit on a defined benefit asset, minimum funding requirements and other interactions.

3. Taxation

The Company is exempt from Guernsey taxation on income derived outside Guernsey and bank interest earned in Guernsey under 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 34.43% and Spanish income tax at 30% (2007: 32.5%) arising on the activities of the Groups operations in France and Spain.

4. Dividends

The Company pays dividends quarterly. A quarterly dividend of £1,912,500 (1.5 pence per share) for the quarter ended 30 September 2007 was paid in January 2008. A quarterly dividend of £1,762,500 (1.5 pence per share) for the quarter ended 31 December 2007 was paid on 21 April 2008. A further quarterly dividend £2,056,250 (1.75 pence per share) in relation to the three months to 30 March 2008 was paid 14 July 2008; this is not included in these Financial Statements.

5. Earnings per share

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

	1 January 2008 to 30 June 2008	1 January 2007 to 30 June 2007
Earnings per income statement	(15,832)	9,487
Basic earnings per share	(13.4)p	7.4p
Earnings per income statement	(15,832)	9,487
Revaluation losses/(gains) in investment properties	14,443	(8,313)
Mark to market of currency swaps	11,082	1,813
Mark to market of interest rate swaps	(4,981)	(2,756)
Deferred taxation movement	(392)	2,640
Investment Manager's fee (capital)	527	346
Rental guarantee income	358	-
Adjusted earnings	5,205	3,217
Adjusted earnings per share	4.4p	2.5p
Weighted average number of ordinary shares	118,231	127,500

The adjusted earnings are presented to provide what the Company believes is a more appropriate assessment of the operational income accruing to the Group's activities. Hence, the Company adjusts basic earnings for income and costs which are not of a recurrent nature or which may be more of a capital nature.

The Group has the following instruments which could potentially dilute basic earnings per share in the future:

	30 June 2008
Warrants	6,375,000
Options	3,825,000

6. Net asset value per share

	30 June 2008	31 December 2007
Net asset value (£'000)	103,420	123,269
Net asset value per share	88.0p	97.1p
Net asset value (£'000)	103,420	123,269
Mark to market of currency hedge*	1,234	(994)
Mark to market of interest rate swaps	(5,963)	(813)
Deferred taxation	5,263	5,623
Adjusted net asset value	103,954	127,085
Net asset value per share (adjusted)	88.5p	100.1p
Number of ordinary shares (000's)	117,500	127,000

* The mark to market of the currency hedge necessarily includes both a movement in relation to currency fluctuation and also a movement due to relative future interest rates. For the purpose of providing an adjusted net asset value the element of valuation in relation to the interest rates is included as an adjustment; the intention is to hold the instruments to maturity at which point this element will have unwound.

The adjusted net assets are presented to provide what the Company believes is a more relevant assessment of the Group's net asset position. The Company has determined that certain fair value and accounting requirements may not be realisable in the longer term.

7. Investment properties

	30 June 2008 £'000	31 December 2007 £'000
Market value of investment properties at 1 January	270,946	176,509
Acquisitions during the period/year at cost	504	62,158
Adjustment for rental guarantees recognised as debtors	-	(2,082)
Fair value adjustment in the period/year	(14,443)	12,231
Effect of foreign exchange	19,670	22,130
Market value of investment properties at 30 June/31 December	276,677	270,946
Valuation per Knight Frank LLP of investment properties	277,394	271,897
Adjustment for rental guarantees	(717)	(951)
Market value of investment properties at 30 June/31 December	276,677	270,946

The fair value of the Group's investment properties at 30 June 2008 and 31 December 2007 has been arrived at on the basis of valuations carried out at that date by Knight Frank LLP, independent valuers not connected to the Group. The valuation basis has been market value as defined by the Royal Institution of Chartered Surveyors Appraisal and Valuations Standards.

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 arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

8. Development property

	30 June 2008 £'000	31 December 2007 £'000
At 1 January	2,441	-
Development costs incurred in period/year	703	2,233
Borrowing costs capitalised	15	33
Effect of foreign exchange	179	175
At 30 June/31 December	3,338	2,441

9. Financial assets and liabilities held at fair value through the profit or loss

	30 June 2008 £'000	31 December 2007 £'000
Non-current assets		
Interest rate swaps	5,963	813
Non-current liabilities		
Currency swap - a	(16,277)	(7,412)
Currency swap - b	(4,724)	(2,507)
	(21,001)	(9,919)
Total	(15,038)	(9,106)

Interest rate swap

The Company is required under the financing agreements with Barclays to fix the rate at which it borrows over the duration of each loan. The Company has agreed a fixed interest rate with Barclays Bank plc at each loan draw-down.

The bank has undertaken a variable to fixed rate swap with a third party. The Company is not party to the swap agreement but via the financing agreement the Company has all the risks and rewards of the swap as should the loan be repaid early the company would be required to pay the swap break costs or, alternatively accrue a swap benefit as a capital reduction depending on the value of the underlying swap at that point in time.

The interest rate swap is valued by reference to the bank's redemption notice of amounts due if the Company repaid its borrowings at the balance sheet date; the Directors consider this to represent fair value. The movement in fair values totalling £5 million is included within finance income in capital column of the Income Statement.

Currency swap

The Group uses currency derivatives to hedge significant future foreign currency transactions and cash flows to safeguard the equity investments of shareholders against significant adverse movements between Sterling and Euros.

a) On 13 October 2006, Alpha Pyrenees Trust Finance Company Limited ("Alpha Finance"), a wholly owned subsidiary of the Company, entered into a currency swap with Barclays Bank Plc. Under the terms of this agreement, Alpha Finance will pay Barclays Bank Plc €130.1 million and Barclays Bank Plc will pay Alpha Finance £87.6 million on 16 October 2013. In addition, there are quarterly periodic payments in February, May, August and October of each year starting on 16 February 2007 and ending 16 October 2013. On these dates Barclays Bank Plc will pay Alpha Finance an amount equal to 7 per cent per annum on £87.6 million and Alpha Finance will pay Barclays Bank Plc an amount equal to 6 per cent per annum on €130.1 million.

b) On 18 January 2007, Alpha Finance entered into a further currency swap with Barclays Bank Plc. Under the terms of this swap, Alpha Finance will pay Barclays Bank Plc €33 million and Barclays Bank Plc will pay Alpha Finance £21.6 million on 16 October 2013. In addition, there are quarterly periodic payments in February, May, August and November of each year starting on 16 February 2007 and ending on 16 October 2013. On these dates Barclays Bank Plc will pay Alpha Finance an amount equal to 7 per cent per annum on £21.6 million and Alpha Finance will pay Barclays Bank Plc an amount equal to 5.9725 per cent per annum on €33 million.

A total amount of €8.6 million has been pledged as collateral to Barclays Bank Plc to support both the 13 October 2006 and 18 January 2007 swaps.

The fair value of the currency swap contracts is determined by reference to the valuation process carried out by the contractual counterparty. The movement in fair value totalling £11.1 million is included within finance cost in the capital column of the Income Statement.

10. Trade and other receivables

	30 June 2008 £'000	31 December 2007 £'000
Trade receivables	3,732	5,132
Bank interest receivable	122	50
Prepayments	438	231
Rental guarantees	1,704	1,929
Other debtors	7,534	10,281
VAT recoverable	1,400	-
Total	14,930	17,623

11. Trade and other payables

	30 June 2008 £'000	31 December 2007 £'000
Trade creditors	1,928	2,343
Deferred income	193	2,339
Property acquisition costs payable	-	1,535
Investment Manager's fee payable	824	134
VAT Payable	-	672
Share buy back	-	400
Accruals	964	638
Total	3,909	8,061

12. Bank borrowings

	30 June 2008 £'000	31 December 2007 £'000
Current liabilities: Interest payable	1,357	1,073
Non-current liabilities – Bank borrowing	189,045	176,033
Total liabilities	190,402	177,106
The borrowings are repayable as follows:		
Interest payable	1,357	1,073
On demand or within one year	-	-
In the second to fifth years inclusive	-	-
After five years	189,045	176,033
	190,402	177,106

There have been no breaches of any bank covenants during the period.

13. Share capital

	Number of shares
At 1 January 2008	127,000,000
Shares cancelled during the period	(9,500,000)
At 30 June 2008	117,500,000

The authorised share capital is unlimited. The Company has one class of share which carries no right to fixed income. All ordinary shares have a nil par value. There have been no shares issued during the year.

In January 2008, 9.5 million shares were purchased by the Company for cancellation at an average price of 82 pence per share. The cost of the buyback has been taken against reserves.

14. Warrants and incentive options

a) Warrants

During 2005, the Company 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. No warrants have been exercised during the period.

b) 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 trade on the Official List of the London Stock Exchange 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	100p

15. 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 shown on the face of the income statement and any balances outstanding are disclosed separately in note 11.

The Directors of the Company received total fees as follows:

	Six months ending 30 June 2008	Year ending 31 December 2007 £
Dick Kingston	15,000	30,000
Christopher Bennett	10,000	20,000
David Jeffreys	10,000	20,000
Phillip Rose	10,000	20,000
Serena Tremlett	10,000	20,000
Total	55,000	110,000

Alpha Real Capital Singapore Pte Limited, being a wholly owned subsidiary of the Investment Manager, held 1,490,000 shares at 30 June 2008 in the Company.

The following, being partners of the Investment Manager held the following shares in the Company at 30 June 2008.

Number of shares held	30 June 2008	31 December 2007
Sir John Beckwith	2,143,600	2,143,600
P. Rose	525,000	375,000
B. Bauman	68,884	50,000
M. Johnson	26,400	26,400
S. Wilson	5,000	5,000

Phillip Rose is the CEO and a partner of the Investment Manager. Paul Cable, being the Investment Manager's Fund Manager responsible for the Trust's investments, held 20,000 (31 December 2007: 20,000) shares in Alpha Pyrenees Trust Limited.

Directors and Trust information

Directors:

Dick Kingston (Chairman)
Christopher Bennett
David Jeffreys
Phillip Rose
Serena Tremlett

Registered office:

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Guernsey

Investment Manager:

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Administrator and Secretary:

Morgan Sharpe Administration
Limited
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St Peter Port
Guernsey GY1 4BQ

Bankers in London:

Barclays Capital
5 The North Colonnade
Canary Wharf
London E14 4BB

Registrar:

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

Shareholder information

Dividends

Ordinary dividends are paid quarterly. 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 this purpose. Mandates may be obtained from the Group's Registrar. Where dividends are paid directly to shareholders' bank accounts, dividend 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 addresses 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.

Investment Manager

The Company is advised by Alpha Real Capital LLP which is authorised and regulated by the Financial Services Authority in the United Kingdom.

Financial Calendar

Financial reporting	Date	Dividend period	Ex-dividend date	Record date	Payment date
Half Year Report and announcement of dividend	15 August 2008	1 April – 30 June 2008	17 September 2008	19 September 2008	13 October 2008
Interim Management Statement (Q3)	13 November 2008	1 July – 30 September 2008	10 December 2008	12 December 2008	12 January 2009
Annual Report and Accounts announcement	20 March 2009	1 October – 31 December 2008	1 April 2009	3 April 2009	27 April 2009
Annual Report Published	3 April 2009				
Annual General Meeting	30 April 2009				

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