

**17 December 2009**

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

## **ALPHA PYRENEES REMOVES LOAN-TO-VALUE ("LTV") COVENANTS UNTIL 2014**

The Trust has reached an agreement with its bankers to remove the LTV covenant tests on its loans for both its French and Spanish portfolios until February 2014 and to extend the term of the Spanish loan to February 2015.

The Trust and its bankers have agreed that there will be no LTV covenant tests on any of the Trust's properties until February 2014 (previously February 2010 on Spain, February 2012 on France and annually on the Alcatel-Lucent property). The LTV covenant at the next testing date in 2014 remains the same i.e. this should not exceed 87.5% on a country portfolio basis. Within the French portfolio test, the Alcatel-Lucent property should not exceed 85%.

The maturity of the Spanish loan has been extended by two years to February 2015 (previously February 2013) and this brings it into line with the maturity of the French loan. This allows the Trust the flexibility to benefit from a gradual recovery in Spanish property values in the medium term.

In respect of the Spanish loan, the Écija and Alcalá properties that were previously un-mortgaged have been added to the security thereby increasing the income available to satisfy the interest cover ratio ("ICR") test. From February 2010, if the LTV on the Spanish loan is in excess of 75%, as is likely for a period of time, there will be a sweep during such period of any excess Spanish income, after interest payments and agreed operating costs, which will go towards amortisation of the Spanish loan while it remains above a 75% LTV.

The Spanish loan has a reduced fixed rate of 5.28% (from 5.32%) through to maturity at February 2015. The cost to the Trust of undertaking this extension of the fixed rate was €1.8 million which was principally the cost of re-setting the underlying swap to market. This means that the interest rates on both the Euro-denominated bank loans are fixed to February 2015 at an unchanged weighted average rate of 5.26% per annum.

There were no other fees payable under these new arrangements.

## **PROPERTY UPDATE**

Further progress has been made with the letting of vacant space at the Trust's Goussainville property. A new 3/6/9 year lease has been signed with Business Computer System on a 615 square metre warehouse unit from 1 December 2009.

**Dick Kingston, Chairman of Alpha Pyrenees Trust, commented:**

*“The Spanish loan facility has been put on a secure footing with no LTV covenant test until 2014, finance secured until 2015 and increased income to satisfy the ICR tests allowing the Trust the flexibility to benefit from a gradual recovery in Spanish property values.*

*A combination of these changes on the Spanish loan and the deferral until 2014 of the LTV covenant test on the French loan facility means that the Trust is now in a position to consider redeploying low-returning cash into higher yielding property investment with consequent benefits to the Trust’s earnings.”*

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For more information on the Trust please visit [www.alphapyreneestrust.com](http://www.alphapyreneestrust.com).

For more information on the Trust’s Investment Manager please visit [www.alpharealcapital.com](http://www.alpharealcapital.com).

**FORWARD-LOOKING STATEMENTS**

This announcement 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 announcement should be construed as a profit forecast.