

Alpha Pyrenees Trust Limited

17 May 2010

Alpha Pyrenees Trust Limited (the "Trust")

Interim Management Statement

Alpha Pyrenees Trust Limited today publishes its interim management statement for the quarter ending 31 March 2010 and the period up until the date of this announcement. The information contained herein has not been audited.

KEY POINTS

- **DIVIDEND OF 0.9 PENCE PER SHARE DECLARED FOR THE FIRST QUARTER 2010**
- **VALUATIONS STABILISING AND OUTLOOK IMPROVING**
- **VALUATION YIELD OF 8.6% AT 31 MARCH 2010**
- **ADJUSTED NAV* 31p PER SHARE AS AT 31 MARCH 2010**
- **84% OF PORTFOLIO INCOME COMES FROM GRADE A TENANTS**
- **LEASES ARE SUBJECT TO ANNUAL INDEXATION; INDEXATION TREND IMPROVING**
- **NO LOAN TO VALUE COVENANT TESTS UNTIL FEBRUARY 2014**
- **99% OF BORROWINGS FIXED AT A WEIGHTED AVERAGE INTEREST RATE OF 5.26% PER ANNUM TO MATURITY IN FEBRUARY 2015**
- **WEIGHTED AVERAGE LEASE LENGTH OF 7.5 YEARS TO EXPIRY AND 4.1 YEARS TO NEXT BREAK**
- **FURTHER PROGRESS ON LETTINGS IN FRANCE AND SPAIN**

DIVIDEND

The Board is declaring a dividend of 0.9 pence per share for the first quarter of 2010. The dividend will be paid on 21 June 2010, with an associated ex-dividend date of 26 May 2010 and record date of 28 May 2010.

REVALUATION AND NET ASSET VALUE ("NAV")

The Trust's investment portfolio was valued at £262.5m (€294m) on 31 March 2010 giving an average valuation yield of 8.6% (French portfolio 8.6% and the Spanish portfolio 8.5%). The Euro like-for-like declines in portfolio valuations have demonstrated a slowing trend over the past year. The quarterly decline as at 30 June 2009 was 4.3%, as at 30 September it was 2.4%, as at 31 December it was 0.6% and as at 31 March 2010 it was 0.4%.

As at 31 March 2010 the adjusted NAV* is 31p per share.

**Adjusted NAV – unaudited, after adjustments for the unrealised mark-to-market of the interest component of the currency swap, interest rate swap derivatives and deferred taxation provisions.*

FINANCING

The Trust's total borrowings of £217.4m (€243.5m) and portfolio value of £262.5m (€294m) gives a net leverage after cash of 77.2% as at 31 March 2010.

All borrowings are long term with maturity in February 2015 and 99% of borrowings have interest rates that are fixed to maturity at a weighted average rate of 5.26% per annum. There are no Loan to Value ("LTV") covenant tests until February 2014 at which point the Trust's LTV should not exceed 87.5% on a country portfolio basis (with the exception of the Alcatel-Lucent property where it should not exceed 85%). The French (€221m) and Spanish (€22.5m) borrowings are independent and are not cross-collateralised.

PROPERTY UPDATE

The Trust's Investment Manager continues to pursue the goals of:

- preserving existing lease income,
- extending lease terms, and
- letting vacant units within the portfolio.

FRANCE

In addition to the lettings to MPS (8,760 square metres of warehouse and office space) at Goussainville and KIS (1,125 square metres of office space) at Aubervilliers which were reported at the time of the Annual Report, the following new lettings of vacant units have occurred in the period:

Vitry - Progress on the letting of vacant units has continued with the letting of a further 350 square metre warehouse unit to existing tenant, Mediapost (La Poste Group) on a 3/6/9 year lease from 15 March 2010 which brings their total occupation to 1,240 square metres. A new 6/9 year lease has also been signed with Celeonet on a 360 square metre warehouse unit from 6 April 2010.

St Cyr - The Trust's Investment Manager remains actively involved in the marketing campaign for the vacant 6,340 square metre office property at St Cyr and there are a number of leads being pursued at present.

SPAIN

A number of short term lettings have been agreed at the Trust's smaller retail properties with effect from 1 April 2010.

Alcala - A total of 260 square metres has been let in two units to Café de Indias and Hosteleria Marojun.

Ecija - A total of 120 square metres has been let in two units to Blanca Novias and El Montaito.

Overall the portfolio enjoys high levels of occupancy with rental income comprising 89% of potential total income; income from rental guarantees representing 2% and vacancy representing 9%.

RENTAL INDEXATION

The trend in rental indexation continues to improve. The INSEE Construction Cost Index applicable to leases in France has shown modest quarter-on-quarter growth (approx. 0.3% per quarter) for the last two published quarters (Q3 and Q4 2009) and the Spanish Consumer Price Index was running at an annualised rate of increase of 1.4% as at the end of March 2010.

For further information:

Dick Kingston, Chairman, Alpha Pyrenees Trust Limited 01481 735 541

Paul Cable, Fund Manager, Alpha Real Capital LLP 020 7268 0300

For more information on the Company, please visit www.alphapyreneestrust.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.