



# BPT Optima S.A., SICAR

## Q2 2009



- After revaluation of the properties NAV of the fund is 42.50
- Young City fully owned by the fund, withdrawal from further land acquisitions
- Operating cash flow remains healthy

### Commentary

BPT Optima is a direct real estate fund covering commercial property in Estonia, Latvia, Lithuania and Poland. The fund is targeted at institutional investors and should be seen as a medium term investment product. BPT Optima became fully invested one year ago and since then has concentrated on protecting economic performance of its investments and strengthening its capital structure. The three new board members were elected into the board of directors of the fund in May and the whole board as well as the management company have actively worked throughout the summer with the review of the fund's strategy. Commercial property markets are undergoing major corrections across all segments of fund's operations and the capital markets have contracted substantially since the investment program of BPT Optima was completed. These aspects have now been thoroughly analyzed and the new strategy of the Fund will expectedly be finalized, in Q4 2009.

This report constitutes overview of the fund's operations over the entire first half of 2009 as the quarterly fund report for Q1 was not published due to uncertainty of the property values at the time. Having recorded revaluation losses at the end of June as well as one-off items related to acquisition of full ownership in Young City project the NAV of the fund has decreased from EUR 107.23 (Q4 2008) to EUR 42.50 (Q2 2009).

### Activities of the first half of 2009

Occupancy markets are severely affected in the Baltics where the economies continued to contract at double-digit pace. Office markets in Warsaw and Tricity have also seen rents falling from their all-time high levels by 10-15% (in euro, but not yet in zloty terms), in despite of the general resilience of the Polish economy. Performance of our Baltic property portfolio has so far been mostly affected in the multitenant shopping centers where the total occupancy has fallen now below 90%. Rental levels are also reduced in all business centers, where the focus

### Fund performance

|   |           |
|---|-----------|
| NAV per share                             | EUR 42.50 |
| Latest dividend per share (paid-out 2007) | EUR 4.5   |
| Total fund return since inception         | -50.7%    |
| Fund return since inception annualised    | -17.2%    |

### Portfolio

|                              |           |
|------------------------------|-----------|
| Number of properties         | 25        |
| Average gross property value | EUR 16.1m |
| Occupancy ratio              | 92.7%     |

### Fund facts

|  |                                 |
|--|---------------------------------|
| Fund inception (as of the first NAV)     | September 2005                  |
| Expected exit                            | 2015                            |
| Status                                   | Closed-end, fully invested      |
| Target share capital                     | EUR 150.0m / green shoe EUR 50m |
| Total share capital                      | EUR 150.0m                      |
| Net asset value (total equity)           | EUR 63.8m                       |
| Total equity including convertible bonds | EUR 86.6m                       |
| Investment capacity                      | EUR 500m / green shoe EUR 167m  |
| Gross property value                     | EUR 443.2m                      |
| Gross asset value (GAV)                  | EUR 476.1m                      |
| Total cash and cash equivalents          | EUR 14.3m                       |
| Loans                                    | EUR 328.4m*                     |
| Loan to value                            | 74.1%*                          |
| Interest coverage                        | 64.3%*                          |

\* excluding convertible bonds.

### Acquisitions and sales



**Pluton Towers (Warsaw, Poland)**  
3 Office Towers, 62,752 sq.m.  
Acquired 30 July 2008



**Marat (Tallinn, Estonia)**  
Office building, 21,000 sq.m.  
Acquired 25 April 2008



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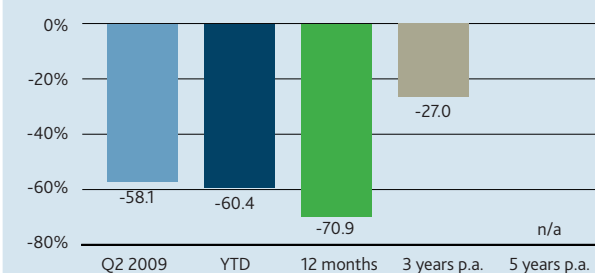
Direct tel: +45 33 69 21 70

For further information on this report or share dealings, please contact Mikkel Krøyer.

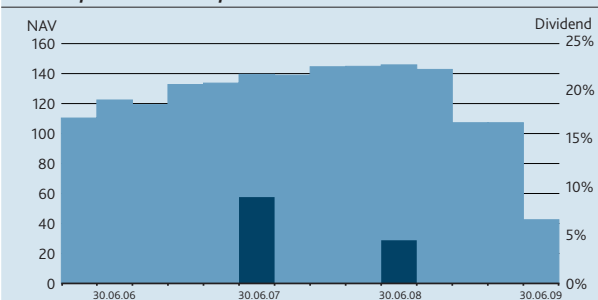
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**Direct property yield (DPY) p.a. and net initial yield (NIY) p.a.**

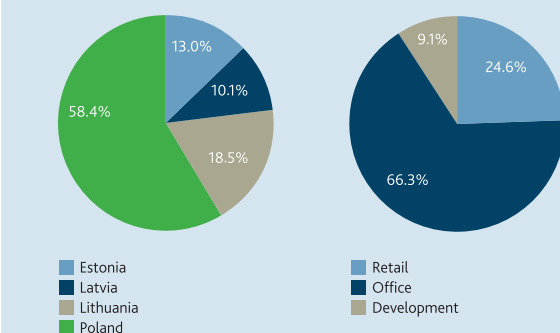
NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

**Total fund return**

Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

**Development in NAV per share and historical dividends**

Development in NAV is excluding reinvested dividends. Historical dividends are shown at the time they are deducted from the NAV per share.

**Allocation**

Allocation is calculated based on gross property value.

**Top 5 holdings**

|   |             |                    |
|---|-------------|--------------------|
| <b>Twarda Tower (Pluton)</b>                | Office      | Warsaw, Poland     |
| <b>Olympia</b>                              | Retail      | Riga, Latvia       |
| <b>Zelazna</b>                              | Office      | Warsawa, Poland    |
| <b>Vertas</b>                               | Office      | Vilnius, Lithuania |
| <b>Gdansk Young City</b>                    | Development | Gdansk, Poland     |
| <b>Weight of total gross property value</b> | 60.1%       |                    |

Top 5 holdings is based on gross property value.

today is to maintain sustainable long-term lease relationships with the end-users. The supermarket portfolio continues to perform in line with the previous periods due to strong tenant base and long remaining lease terms. Our Polish office portfolio has also performed according to the budgets due to a stable tenancy structure (5 out of 8 office buildings are single-tenant properties).

In March 2009 BPT Optima has successfully managed to raise from existing shareholders EUR 21.7m in convertible bonds with maturity of 2 years.

On 24 June 2009 30% of BPTO Gdansk Development A/S shares were acquired by the fund from TDA, and now this company is 100% owned by the fund. Purchase price was EUR 13m, transaction result minus EUR 6.5m. Obligation to acquire third phase land from TDA has been waived.

**Half year financial results to end of June 2009**

Property performance in Q2 was worse than in Q1, quarterly net rental income has decreased from EUR 9.4m (yield 7.8%) to EUR 8.9m (yield 7.3%), resulting in a year-to-date (YTD) net rental income of EUR 18.3m. Even more dramatic shifts have taken place in the investment markets, where no transactions were recorded in the Baltics during the period and in Warsaw the prime yields have moved up by some 150 basis points. Subsequently at the end of the second quarter independent valuations were performed which has resulted in the revaluation loss of 91 mEUR. The average net yield applied for the valuation of Baltic properties of the fund is above 9.5% while the Polish portfolio was appraised using weighted average rate of 8.5%.

Thus, net loss for the first half of the year (unaudited) was EUR 92.9m.

**Market outlook**

No quick recovery is envisaged in the Baltic markets and Polish office market is still to experience the full effect of a macroeconomic cool-down, but hopefully to a more moderate effect than Baltics. Protection of operating cash flow, i.e. daily operations of the properties, will therefore remain a key priority for the rest of this year and into 2010. At the same time the fund will continue strengthening its capital base through a number of strategic measurements.

**Fees**

|                        |   |
|------------------------|---|
| <b>Management fee</b>  | 0.125% of GAV per quarter*                |
| <b>Acquisition fee</b> | 0.3% of the property acquisition value    |
| <b>Incentive fee</b>   | 22% of net profits exceeding 10% RoE p.a. |

\*The fee declines in steps depending on GAV margins, from 0.3125% below EUR 100m to 0.1250% above EUR 400m. 0.125% only applies to the GAV margin above EUR 400m.

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