

Q4 2009

BPT Secura A/S Quarterly Fund Report



Deglava Rimi Supermarket, Riga, Latvia

- Property valuation decrease
- Direct property yields and occupancy are down
- NAV declines to 193 DKK
- The market seems to be stabilizing

COMMENTARY

BPT Secura is a direct real estate fund covering commercial property in Lithuania, Latvia and Estonia. The fund is targeted towards institutional investors and should be seen as a medium term investment product.

The fund's NAV decreased to 193 DKK due to downward valuations of the properties at year end. Operating profits started to fall in the last quarter of 2009, compared to previous quarters as the effects of the economic downturn started to show. Vacancies, lowered rental rates and doubtful debts are putting pressure on net rental yields.

ACTIVITIES OVER THE QUARTER

The effect of the economic downturn started to really show on the property performance of in the fourth quarter of 2009. Throughout 2009 there was significant pressure from tenants to reduce rental rates or occupied space. This was the norm across all sectors of real estate in the Baltic States and the effect in Secura was lower rental yields and increased vacancies especially in Q4 2009. Nevertheless, rental and vacancy rates in Secura were kept at levels better than the general market. The average monthly rental rate decreased from DKK 99.3 per sqm in 2008 to DKK 91.3 per sqm, an 8.1% decrease. In general, the market experienced a decrease of between 15-30%. The Fund managed to sustain an average occupancy rate of 94.0% for the year, down from 99.2% the year before.

Fund performance

NAV per share	DKK 192.71
Latest dividend per share (paid out 2009)	DKK 0.00
Total fund return since inception	151.7%
Fund return since inception annualised	14.7%

Portfolio

Number of properties	11
Average gross property value	DKK 96.2 m
Occupancy ratio (quarter average)	90.6%

Fund facts

Fund inception (as of the first NAV)	March 2003
Expected exit	2010/2011
Status	Closed-end, closed for investments
Target share capital	DKK 300.0m
Total share capital	DKK 300.0m (fully invested)
Net asset value (total equity)	DKK 578.1m
Investment capacity	DKK 750.0m
Gross property value	DKK 1,058.3m
Gross asset value (GAV)	DKK 1,112.4m
Total cash and cash equivalents	DKK 39.0m
Loans	DKK 429.8m
Loan to value	40.6%
Interest coverage	330.2%

Largest Holdings



Europa (Vilnius, Lithuania)
Retail, 22,611 sq.m.
Acquired December 2004



Valdemara (Riga, Latvia)
Office, 12,000 sq.m.
Acquired October 2005

Contacts

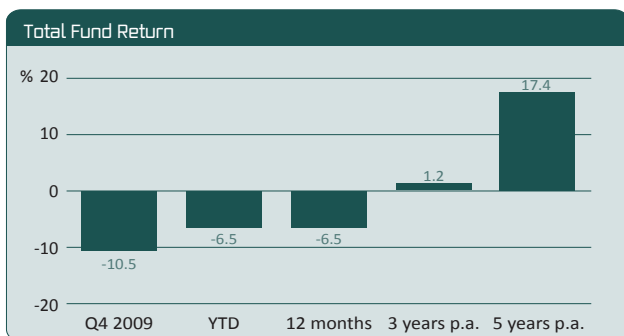


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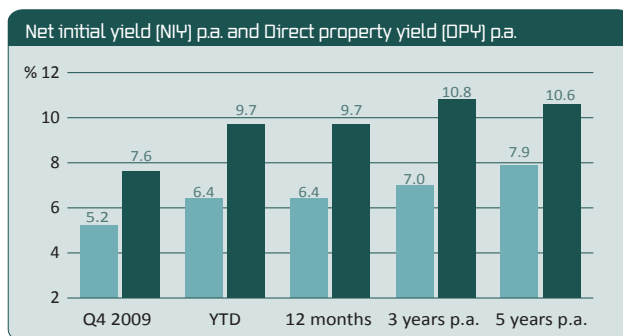


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Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year.



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

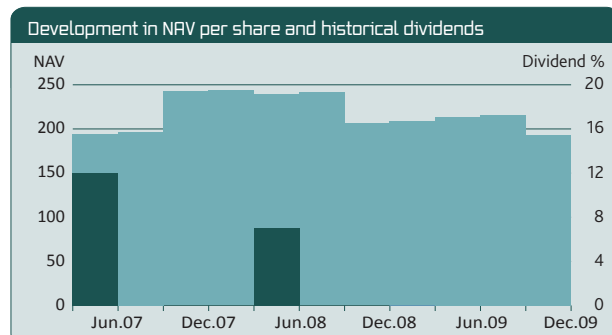
It should be noted that the direct property yield in Q4 did decrease to 7.6% and occupancy to 90.6%. Similar levels are expected in the first half of 2010 indicating a stabilization of the Fund's properties' performance at that level.

Valuations of the properties were lower than 2008 levels, falling by 8.8%. The valuation method used by the valuers was the discounted cash flow ("DCF") method, changing from the direct capitalization method used in previous years. There have been no significant commercial real estate transactions made in the Baltics in the past 18 months, making the direct capitalization method unpractical as it requires knowledge of actual transactions and the yields adopted.

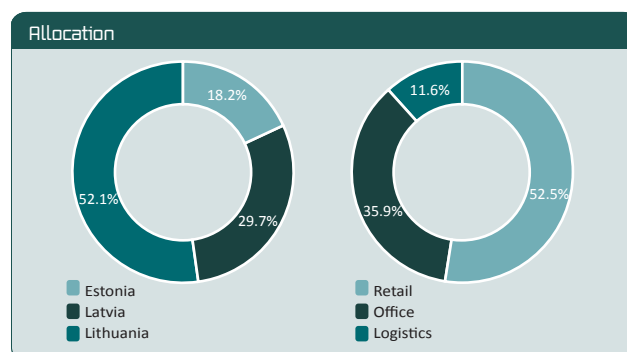
The overall effect of the positive operating profits, but a reduction of property values is a net loss for the fund in 2009 of DKK 35.9 million.

As a result of the economic downturn, it was earlier suggested by the Board that a delay of the Fund's exit should be considered for 2 to 3 years or until the economic conditions have stabilized and improved. Apart from a straight trade sale or individual disposal of properties, an exit that can also be considered is a listing of the Fund.

The Annual General Meeting of the shareholders will be held in Copenhagen on the 27th April 2010 during which the financial accounts for 2009 will be finalized, dividends determined and exit strategy decided upon.



Development in NAV (light blue) is excluding reinvested dividends. Historical dividends (dark green) are shown at the time they are deducted from the NAV per share.



Allocation is calculated based on gross property value.

MARKET OUTLOOK

2009 was, no doubt, the most difficult economic year in the Baltics in the last two decades. The year 2010 should be a year of stabilization in the property markets of the Baltic States where all properties will start sustaining rental levels of 20-30% lower than pre-crisis levels. It could not be expected that all properties will get to full occupancy although vacancy levels in the prime properties should not extend beyond 10%. Further decreases in valuations in 2010 could only be expected if the world economy experiences a double-dip recession.

With respect to possible Baltic currency devaluation, analysts still expect currency pegs to hold due to external (EU, IMF) and internal support for pegs, progressing fiscal tightening and lack of strong local stakeholders for whom the devaluation would benefit. Local short-term interest rates appear to be supporting their argument. Estonia is targeting Euro adoption by 2011 and Lithuania and Latvia likewise by 2014.

Property	Sector	Location
Europa	Retail	Vilnius, Lithuania
Valdemara	Office	Riga, Latvia
Rävala	Office	Tallinn, Estonia
Zariju	Logistics	Vilnius, Lithuania
Kalku	Office	Riga, Latvia
Weight of total gross property value		80.4%

Top 5 holdings is based on gross property value.

Management fee	0.6% of gross asset value p.a.
Incentive fee	40% of increase in net operating profit before tax

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