

Q1 2010

BPT Secura A/S Quarterly Fund Report



- NAV increases to 194.6 DKK
- Baltic markets have bottomed out
- Formal exit postponed

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 increased to DKK 194.6 from DKK 192.7 at the end of 2009. The operating profit for the quarter exceeded expectations as it has now become clear that the Baltic real estate market has bottomed. Although higher vacancies and lower rental rates have been experienced, sustainability and new growth from these new levels are the key goals in the next few quarters.

ACTIVITIES OVER THE QUARTER

The fund performed better than budgeted during the first quarter with direct property yield at 8.5% (1.0% higher than expected) and an average occupancy at 87.2% (0.5% higher than expected) although this is a drop of 3.4% down from the previous quarter. The net profit for the quarter amounted to DKK 7.7m, exceeding budget by DKK 2.0m. The better than expected performance for the quarter comes down to a relative conservative view that we had of the adjusted rent levels made at the end of 2009. No further bad debt write-off was required during the quarter and even a small portion of previously written down debt was recovered. All properties performed as expected or better for the quarter.

Fund performance

NAV per share	DKK 194.58
Latest dividend per share (paid out 2008)	DKK 7.00
Total fund return since inception	154.2%
Fund return since inception annualised	14.3%

Portfolio

Number of properties	11
Average gross property value	DKK 96.3m
Occupancy ratio (quarter average)	87.2%

Fund facts

Fund inception (as of the first NAV)	March 2003
Expected exit	postponed to 2012
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 583.7m
Investment capacity	DKK 750.0m
Gross property value	DKK 1,059.2m
Gross asset value (GAV)	DKK 1,112.7m
Total cash and cash equivalents	DKK 38.0m
Loans	DKK 423.9m
Loan to value	40.0%
Interest coverage	279.7%

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

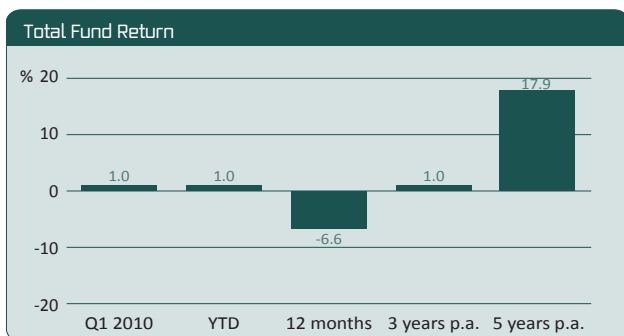


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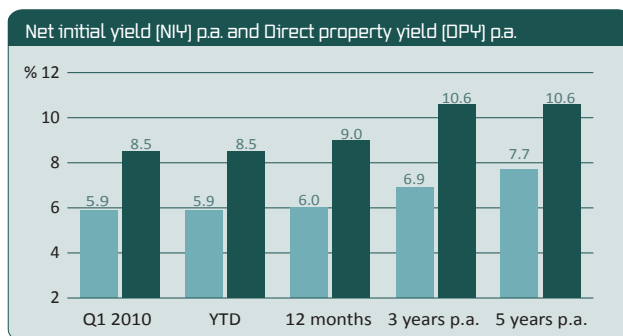


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Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year.

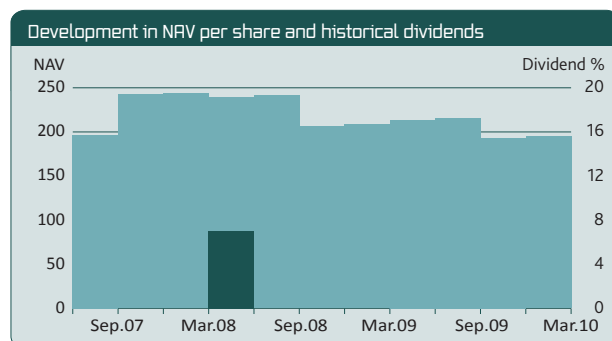


NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark green) is calculated as the net operating income divided by the acquisition costs annualized.

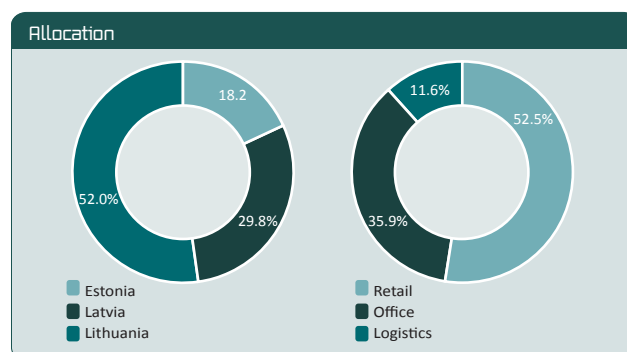
There will still be some pressure on occupancy rates of the Fund in the next quarters largely due to the anchor tenant of the Vilnius distribution centre vacating in the summer. In the last months, management has put in extra efforts to ensure higher occupancy of the centre (and other vacant spaces) although to date no firm commitments have been made. Currently the demand for such space in the Baltics had dropped significantly due to the supply of space available.

Also of particular note was the signing of a new tenancy agreement with the brand restaurant "Vapiano" for the Europa shopping centre. The restaurant will open its doors in late summer and it is foreseen that it will give a major lift to the footfall presence for the whole of the shopping centre.

At the Annual General Meeting held in late April, it was decided to maintain a conservative position on the Fund's cash balance until full clarity is obtained on the refinancing of loans expiring in 2010 and 2011. Accordingly, no dividends were declared. Dividends may be considered later in the year. All possible exit scenarios were discussed at length at the meeting, but the consensus from the Board and amongst most of the investors is to prolong the Fund for still a couple of years, unless a reasonable opportunity for exit arises. Some investors may wish to exit by offering their shares for sale to other existing shareholders.



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

It is now widely perceived that the Baltic commercial real estate market has bottomed out with rental rates in both the retail and office sectors having dipped between 20 to 40% from their peaks. The main priority in the Fund today is to ensure that these rates do not slide any further and that the current vacancies start to be filled, bearing in mind the Fund's specific vacancy issues arising in the coming quarters.

Although there has been new recent turmoil surrounding the economies of some of the euro zone countries, Estonia has now been accepted to join the euro from January 2011. The euro must still be seen as a sign of stability in future years and entry into it is being maintained a major strategy for the Baltic States.

Property Name	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		80.3%

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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