

Q2 2010

# BPT Hansa Lux SICAV-SIF Quarterly Fund Report



Wärtsilä Office and Factory Building, Hamburg

- Direct property yield stable at 5.6%
- Occupancy slightly decreased to 93.0%
- Decrease of NAV to 97.99 EUR per share

## COMMENTARY

BPT Hansa Lux SICAV-SIF is a direct real estate fund, designed for German and non-domestic institutional investors.

## ACTIVITIES OVER THE QUARTER

The gross property value of the entire fund remains unchanged compared to the end of 2009 and stands at EUR 59.2m. The net rental income of the fund for the first half-year amounted to EUR 1,636m. The budget was exceeded by 3% mainly caused by non-realized budgeted fit-out costs and the timing difference between recognition of service charge income and related operating expenses. The average direct property yield for the second quarter remained stable at 5.6%. It is again higher than the average yield for the year 2009 of 5.4% and is matching the budget. Caused by changes of some residential tenants, the occupancy of the entire Fund decreased from 93.6% to 93.0%.

The stable and satisfactory performance of the Hamburg-Wärtsilä property continued well in the second quarter. The direct property yield shows only a small volatility with a decrease by 0.1% to 6.7%. After the closure of the project accounts with the developer below budget and takeover of tenant fit-out costs of approx. EUR 150k, the total investment cost will be EUR 8.6m as budgeted.

In the Dahlem Campus Hotel in Berlin the additional lease agreement with the hotel operator Seminaris was signed in June. The fit-out works are ordered and expected to start end of August. For the retail space several fruitful negotiations are in progress. Particularly for 300 – 500 sq. m. of the remaining space (950 sq.m.) we are expecting to lease these

## Fund performance

NAV per share	EUR 97.99
Latest dividend per share	EUR 0.0
Total fund return since inception	-2.00%
Fund return since inception annualised	-0.81%

## Portfolio

Number of properties	4
Average gross property value	EUR 14.8 m
Occupancy ratio (quarter average)	93.0%

## Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2022
Status	Closed-end
Target share capital	EUR 90.0m
Total share capital	EUR 24.3m
Net asset value (total equity)	EUR 23.9m
Investment capacity	EUR 300m
Gross property value	EUR 59.2m
Gross asset value (GAV)	EUR 62.2m
Total cash and cash equivalents	EUR 2.8m
Loans	EUR 36.8m
Loan to value	62.1%
Interest coverage	51.9%

## Selected Holdings



**Wärtsilä Headquarter (Hamburg)**  
Industrial/Other, 4,985 sq. m.  
Acquired June 2007



**Dahlem Campus Hotel (Berlin)**  
Retail/Other, 17,765 sq. m.  
Acquired July 2007

## Contacts



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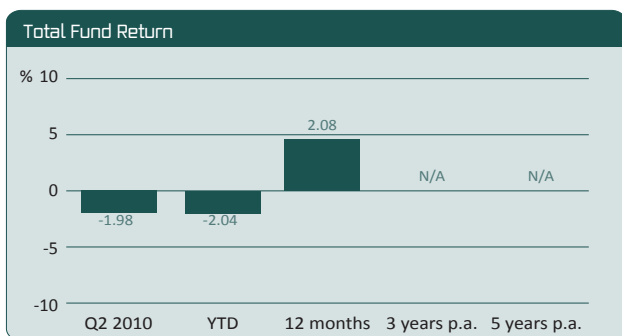


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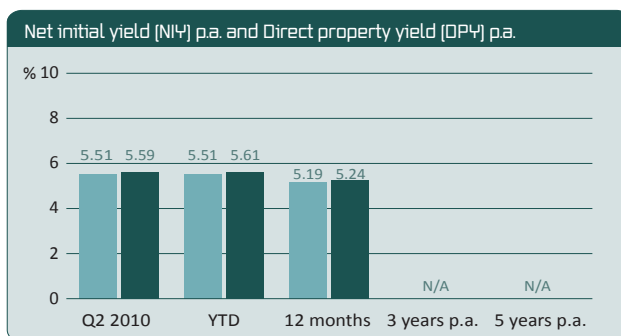


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Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year.



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.

spaces near-term. The payments out of the settlement with the general contractor and lease guarantor in an amount of approx. EUR 1.1m have been paid meantime in favour of the Fund's account; will however cause a partial write-off under IFRS of EUR 0.5m. The direct property yield was stable at 5.4% and is in line with the budget.

Tenant changes in Weinmeisterstrasse property flats in Berlin caused a small decrease of occupancy to 93.3%. Nevertheless the performance was strong and the direct property yield changed from 6.2% in Q1 to actual 6.1% which is above budget.

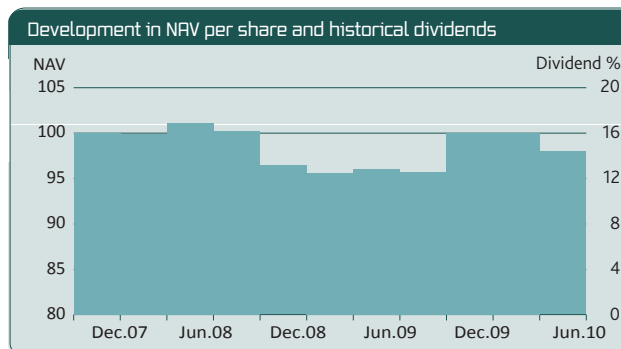
At Walsroder Strasse the occupancy is unchanged at 66.5%. There is a continuous delay in final negotiations by a prospective tenant for 670 sq. m. However, negotiations with a health insurance company and two other potential tenants are offering the opportunity for letting approx. 550-750 sq. m. within the next months. The direct property yield in the first quarter increased from 4.6% to 4.8% due to lower operating costs.

Following the amended Articles of Association (AoA), currently the Board of Directors and management are in the process of amending the PPM. Parallel, a new fund raising agency agreement covering the German and Austrian institutional market is in place and the promotion of the Fund in these countries has started.

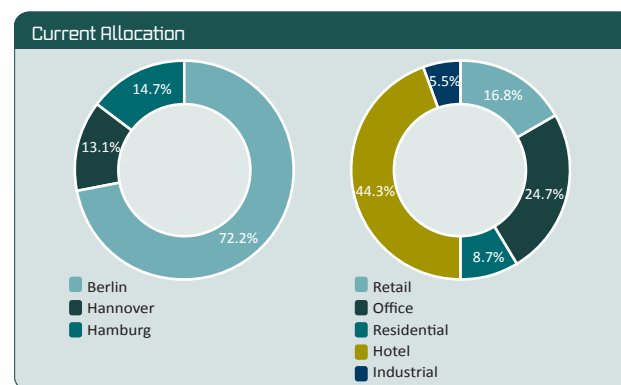
### MARKET OUTLOOK

The German economy showed a more stable recovery than expected by the economists. There is a boom thanks to a strong demand from abroad with +8.2% in exports, compared to Q1; the private consumption increased by +0.6%. Compared to the previous quarter the GDP increased by 2.2% - this was the strongest increase since the reunion. The confidence of the consumers and investors is back in the economy and the prognosis for the growth in 2010 has increased. It is now expected with 3% (Bundesbank) to 3.5% (Deutsche Bank). Nevertheless the ongoing progression of the German economy is depending on the further development of the global economics.

There is an ongoing high dynamic in the German investment market. The total turnover of more than EUR 8.65bn in the first six month shows a plus of 162% compared to the first half of 2009. Due to some huge investments in shopping centres 48% of the turnover was made in the retail segment. The strong requirement in core products will increase the tendency for a slight decrease of yields in all segments. The prognosis for the 2010 turnover became raised up from 12.5 – 15.0bn to 15.0 – 20.0bn. The confidence of national and international investors in the German market as a market for secure investments is strengthened again.



Development in NAV (light blue) is excluding reinvested dividends. Historical dividends (none so far) are shown at the time they are deducted from the NAV per share.



Allocation is calculated based on gross property value.

Property Name	Property Type	Location
Dahlem Campus Hotel	Other/Hotel	Berlin
Weinmeisterstrasse	Office/Retail/Residential	Berlin
Walsroderstrasse	Office	Hannover
Wärtsilä	Office/Industrial	Hamburg

There are currently four holdings in the fund

Top 5 holdings is based on gross property value.

Fee Type	Rate
Management fee	0.75% of gross asset value p.a.
Acquisition fee	0.3% of the transaction sum
Incentive fee	20% of RoE in excess of 7% p.a.
Subscription fee	2.5% of the subscription price

