

Q2 2010

# BPT Optima S.A., SICAR Quarterly Fund Report



Valge Maja, Tallinn, Estonia

- Net rental income in line with budget
- Recapitalization is successfully concluded
- Medium-term agreements reached with the main banks

## COMMENTARY

The fund has successfully concluded the capital increase by EUR 20.0m. Majority of the new preferred shares was placed with existing investors. As a pre-condition to the injection of new capital, sustainable medium term solutions were reached with all the major creditors of the fund. With these milestones in place, the fund will now concentrate on executing the turn-around and property portfolio strategy.

## ACTIVITIES DURING THE SECOND QUARTER

As part of the recapitalization plan the fund has first written-down the share capital to the level of EUR 41.0m by offsetting the accumulated losses. Subsequently a number of existing and a few new investors have subscribed to the full EUR 20m of preferred equity. Shareholder loan in amount of EUR 7.66m extended until the end of 2012. The portfolio-level agreements with Nordea, SEB and the Pluton syndicate have been reached regarding the waivers of individual property-level covenants until 2012. A substantial progress was reached with DnB regarding the three properties financed by this bank in Warsaw.

The property portfolio strategy including individual review of each property was prepared with the conclusion to be reached in Q3. A short-term divestment programme was set and it includes part or all of Pluton, Young City, Dmowskiego Center (preliminary agreement is signed already) and Baltic Business Center.

Actual performance of the property portfolio in Poland remained stable, with the main attention now focused on the multi-tenant properties Zelazna Center and Dominanta Praska in Warsaw. The binding preliminary sale-purchase agree-

Fund Performance	Ordinary Shares	Preferred Shares
NAV per share	EUR 63.2	EUR 100.1
Latest dividend per share (2009)	EUR 0.0	n/a
Total return since inception	-80.0%	0.1%
Return since inception annualised	-28.7%	20.0%

Portfolio	
Number of properties	25
Average gross property value	EUR 15.3m
Occupancy ratio (quarter average)	91.3%

Fund facts	
Fund inception (as of the first NAV)	September 2005
Expected exit	2015
Status	Closed-end, closed for investments
Total share capital	EUR 61.0m
Net asset value (total equity)	EUR 45.9m
Investment capacity	EUR 500m
Gross property value	EUR 415.4m
Gross asset value (GAV)	EUR 471.6m
Total cash and cash equivalents	EUR 31.8m
Loans	EUR 320.8m*
Loan to value	77.2%*
Interest coverage	117.7%*

\* excluding convertible bonds

## Largest Holdings



**Twarda Tower (Warsaw, Poland)**  
Office, 39,484 sq. m.  
Acquired July 2008



**Zelazna (Warsaw, Poland)**  
Office, 20,367 sq. m.  
Acquired September 2006

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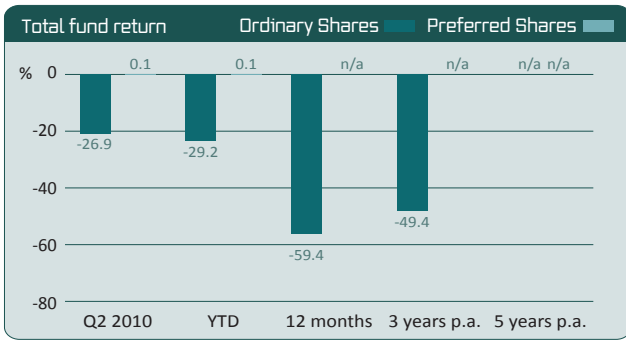


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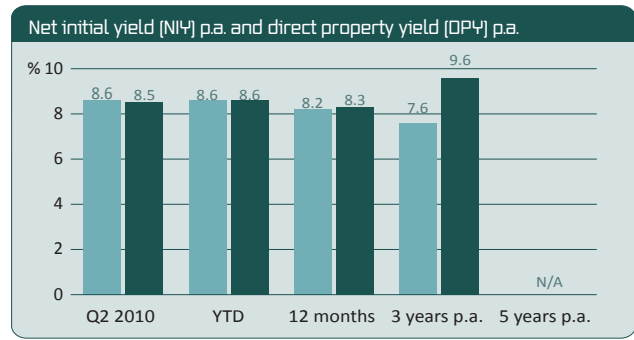


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Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year.



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.

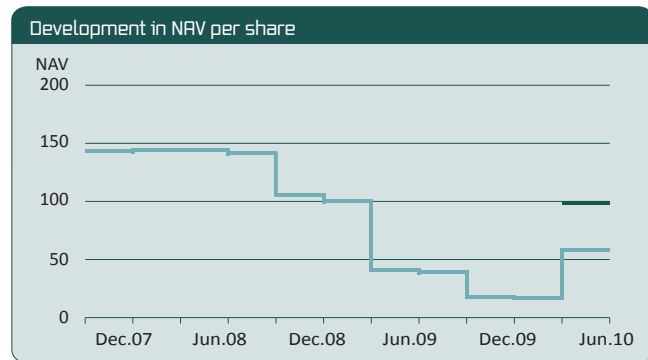
ment regarding the sale of Dmowski Center in Gdansk was concluded in July. Prolongation until 2016 with Thomson Reuters for 80% of BBC in Gdynia were signed in April. The Baltic supermarket portfolio delivered a stable operating performance, while the shopping centers continued to struggle with continuous decline of the retail trade and tense competition. On a more positive note several important new lease agreements were concluded in Olimpia (large sports club City Fitness 1061 sq.m.), Molas (Tiger – the first store in Lithuania), BIG (summer store of JYSK with anticipated opening of full format JYSK in 2011). The office properties in Tallinn and Vilnius are slightly behind the budget with the new letting coming into effect slower than planned. The biggest letting efforts are being addressed now at Valge Maja and Laki Business complex in Tallinn as well as BPT Business Center in Vilnius. The new cooperation agreement with the city of Gdansk is still pending for execution regarding the Young City.

**FINANCIAL RESULTS**

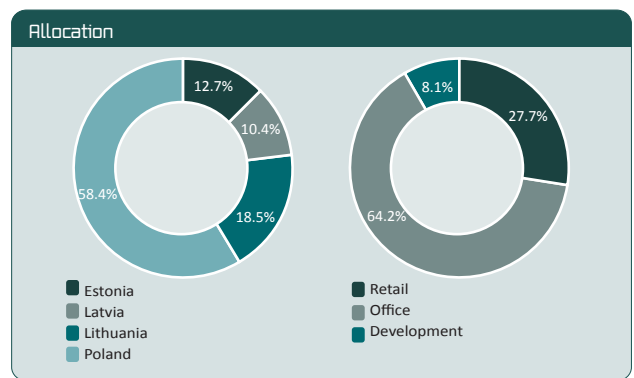
Net rental income came in below the budget for the quarter however remains on the budgeted level YTD. The weighted average occupancy of fund properties excluding Pluton remains around 90%. The net yield for the quarter (excluding Pluton) remained on the same level as in Q1 – 8.2%. The overheads of the fund exceeded the budget mainly due to consultant expenses in connection with the new capital increase. The financial expenses have slightly exceeded the budget mainly due to the delayed execution of capital increase. A further negative effects charged to the equity were EUR 3.8m on the interest rate swaps and EUR 2.1m on the currency translation (due to depreciation of PLN over the quarter). The capital expenditure originally budgeted for the first half of 2010 has been postponed until the refinancing solution was implemented (deferred cash flow effect by EUR 3.1m).

**OUTLOOK**

In the beginning of Q3 the fund has repaid EUR 10.0m of the term loan to Nordea. Remaining part of the term loan (EUR 7.5m) is to be repaid from the proceeds from divestments of fund properties. The sale of Dmowski Center is to be closed in Q3. The building permit for the road in Young City is still expected in Q3. The overall performance of property portfolio is expected to be in line with the original budget for 2010.



Ordinary Shares NAV (light blue), Preferred Shares NAV (dark green). Development in NAV is excluding reinvested dividends.



Allocation is calculated based on gross property value.

Top 5 holdings		
Twarda Tower	Office	Warsaw, Poland
Zelazna	Office	Warsaw, Poland
Moniuszki Tower	Office	Warsaw, Poland
Olimpia	Retail	Riga, Latvia
Gdansk Young City	Development	Gdansk, Poland
Weight of total gross property value		52.2%

Top 5 holdings is based on gross property value.

Fees	
Management fee	EUR 3.2 m p.a.
Incentive fee	up to EUR 100t per year if budget is exceeded
Success fee	Payable if the IRR of the ordinary shares at exit is >5% EUR 200t per p.p. from 5% to 10% EUR 300t per p.p. over 10%.

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