

Q4 2010

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



Twarda Tower, Warsaw, Poland

- Net rental income as budgeted
- LOI signed for the sale of BBC and Valdemara Hypermarket
- Portfolio value remains unchanged
- Interest rate swap liability decreased substantially

## COMMENTARY

The full year operating result from the properties is in line with the budget in despite of slightly lower than planned average occupancy and deferred capital expenditure projects. A notable improvement in the payment discipline of the tenants due to both stringent collection procedures and improved economic situation mainly in the Baltic retail segment has resulted in much lower than budgeted costs of bad debts.

Independent appraisal of the property portfolio resulted in the overall property value being in line with that a year ago. The board of directors and the fund manager however remain uncertain about the valuation of the largest asset of the fund – Twarda Tower.

The negative value of interest rate swaps has improved over the quarter to the level of EUR 29.5m (change from EUR 38m end of Q3).

## ACTIVITIES OVER THE QUARTER

The fund continued working on the stabilization of its medium-term liquidity and improvement of the operating performance of its properties.

During the quarter two of its properties – Valdemara Hypermarket in Riga and Baltic Business Center in Gdynia – were signed up for exclusive due diligence with respective buyers. Both properties would be sold both

Fund Performance	Ordinary Shares	Preferred Shares
NAV per share	EUR 78.78	EUR 109.74
Latest dividend per share (2009)	EUR 0.0	n/a
Total return since inception	-75.0%	9.7%
Return since inception annualised	-23.2%	20.0%

Portfolio	
Number of properties	24
Average gross property value	EUR 15.8m
Occupancy ratio (quarter average)	88.9%

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 54.2m
Investment capacity	EUR 500m
Gross property value	EUR 426.6m
Gross asset value (GAV)	EUR 468.3m
Total cash and cash equivalents	EUR 17.9m*
Loans	EUR 303.8m**
Loan to value	71.2%**
Interest coverage	131.7%**

\* excluding bank security deposits, \*\* excluding convertible bonds

All figures in this QFR are preliminary un-audited results and subject to AGM approval.

## Holdings up for divestment



**BBC (Gdynia, Poland)**  
Office, 14,583 sq. m.  
Acquired January 2007



**Valdemara Rimi (Riga, Latvia)**  
Retail, 5,901 sq. m.  
Acquired October 2007

## Contacts

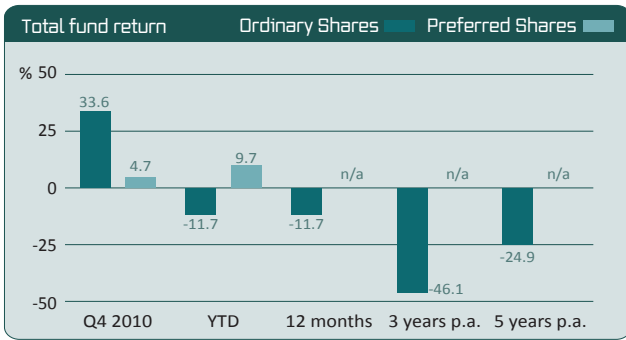


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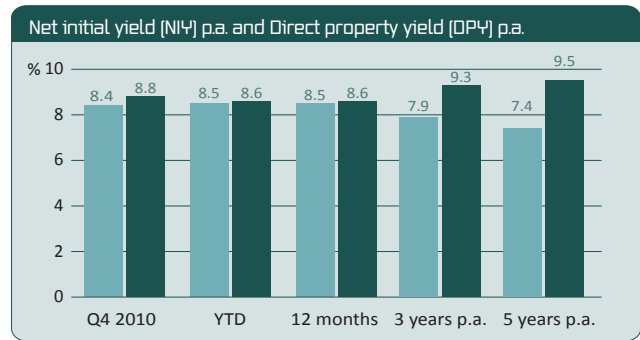


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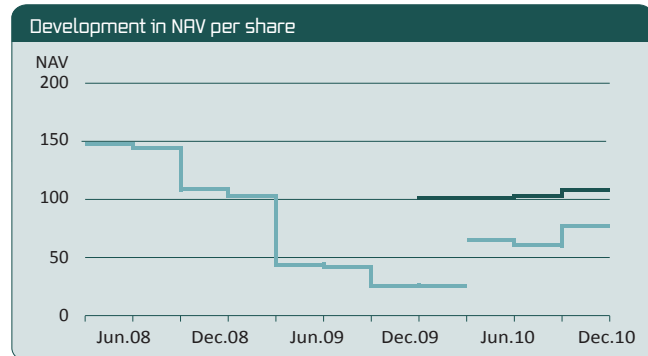
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year.



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.

above the original acquisition price and latest independent valuation, net proceeds would be used to restore acceptable medium-term liquidity levels. Closing of both divestments is planned for the first quarter of 2011.

Following the renewed agreement with the City of Gdansk regarding the infrastructure development in Young City, the building permit for the "small loop" of Nova Walowa street is now issued. The sale efforts for the entire project or individual development sites is continuing. The owner of one development site Atrium (developer - TK Development) has claimed penalties for delayed building permits, constructive negotiation about the future cooperation on the project is underway.

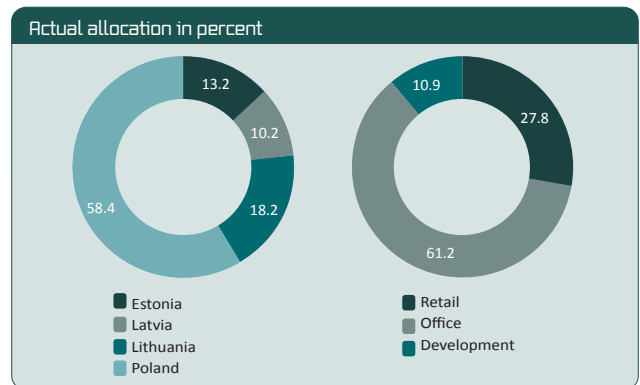


Ordinary Shares NAV (light blue), Preferred Shares NAV (dark green). Development in NAV is excluding reinvested dividends.

### FINANCIAL RESULTS

Unaudited preliminary NAV of ordinary shares at the end of Q4 is estimated to be at approximately 80, preferred shares 110.

Net rental income of investment properties for the full year is in line with the budget, operating income fell behind the budget in Young City due to higher than budgeted perpetual usufruct fees and administrative expenses. The occupancy (excluding Pluton) remains around 90%.



The allocation reflects the property book values.

The annual general meeting will take place on the 27<sup>th</sup> of April 2011.

### OUTLOOK

The economic outlook in all markets where the fund has invested is better, economies returned to growth in 2010 in all countries except for Latvia. The recovery of occupancy markets for commercial property is lagging behind, but should have its positive effect in late 2011. Despite this fact the fund will, over the coming year, continue concentrating on optimization of its portfolio through divestments (the budget assumes a sale of 6 investment properties in 2011) and on improvement of operating performance on its core properties.

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		52.8%

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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