

Q2 2011

# BPT Arista S.A. SICAV-SIF Quarterly Fund Report



- NAV stands at 60.37 per share
- All buildings are fully let and operating results improved further during Q2 2011
- Operating cash-flow was further enhanced

## COMMENTARY

BPT Arista is a direct real estate fund covering commercial real estate in Russia, primarily focusing on Moscow and St. Petersburg. The fund is targeting institutional investors and should be regarded a medium-term investment product.

## ACTIVITIES OVER THE QUARTER

General operating results improved for the entire portfolio during Q2 and as of June, the fund has again reached a situation where all buildings are fully let, including KuhniPark.

Rental income for June 2011 YTD amounted to EUR 7.9m well above the budget by EUR 0.3m. Rental income of Global City and KuhniPark exceeded the budget while Country Park did not manage to reach the budgeted target. The average rental yield grew from 8.3 % in Q1 to 8.7 % in Q2 2011, which is an increase of 13 % compared to the average yield (7.7 %) in 2010. Global City, our local shopping centre, had its 10th anniversary celebration, which was used to make a significant amount of extraordinary customer and tenant related activities. The extraordinary costs of EUR 140 thousand related to these special events have all been expensed in our second quarter result.

Net operating income grew by 5.6% from EUR 2.9m in Q1 to EUR 3.1m in Q2 2011. The increase is mainly attributable to better business results in Country Park and KuhniPark. EBIT YTD in June reached EUR 4.6m, an increase of 5.9 % compared to the same period last year reflecting a combination of lower administrative expenses (down by 6.0 %) and higher rental income.

Net profit YTD in June 2011 is EUR 0.37m versus the budgeted net profit of EUR 0.62m. Deviation from the budget was mainly caused by unbudgeted and unrealized foreign exchange losses of EUR 0.22m resulting from the current USD exposure from a cash deposit.

## Fund Performance

NAV per share	EUR 60.37
Latest dividend per share	n/a
Total fund return since inception	-40.0%
Return since inception annualised	-10.7%

## Portfolio

Number of properties	3
Average gross property value	EUR 36.1m
Occupancy ratio (quarter average)	95.8%

## Fund facts

Fund inception (as of the first NAV)	October 2005
Expected exit	2016
Status	Closed-end, open for investments
Target share capital	EUR 400m
Total share capital	EUR 72.9m
Net asset value (total equity)	EUR 42.4m
Gross property value	EUR 108.2m
Gross asset value (GAV)	EUR 119.6m
Total cash and cash equivalents	EUR 7.3m
Loans	EUR 67.3m
Loan to value	62.1%
Interest coverage	167.8%

## Contacts

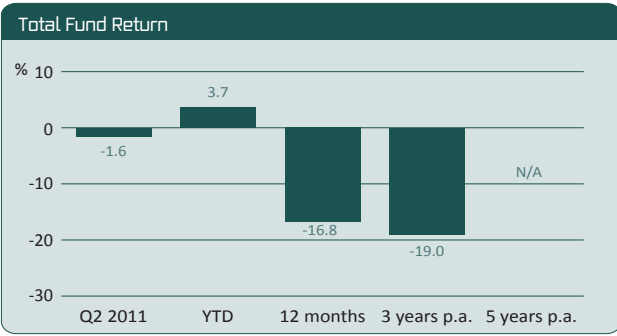


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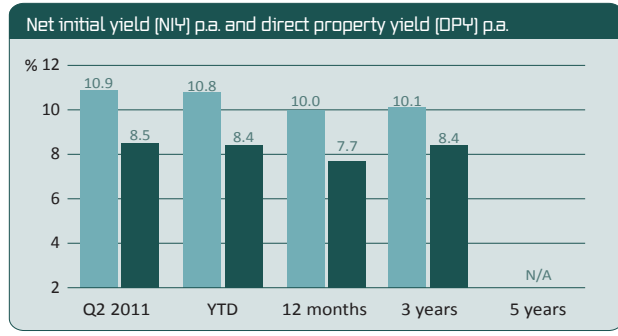


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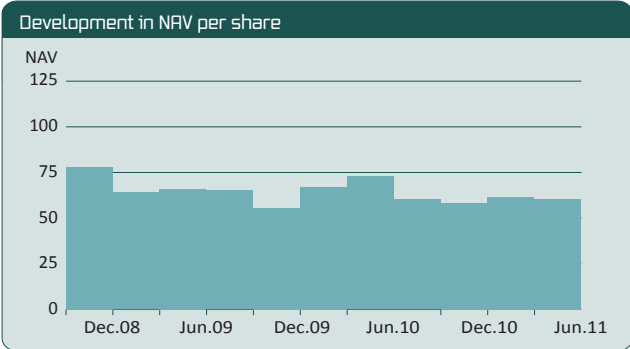
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year



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.

NAV decreased to EUR 60.37 at the end of June 2011 versus EUR 61.35 at 31 March 2011, but is up by 3.7 % compared to year-end 2010. The negative change during Q2 2011 is mainly attributable to depreciation of the Rouble by 0.9%, which is the functional currency of the fund.

Such a decrease did not materially affect the income statement, but significantly decreased the cumulative foreign currency reserve by EUR 0.9m. The real estate values in Moscow did recover during the reporting period, but due to our policy of only making valuations at year-end this factor, which would have a positive impact, is not build into our half year results.

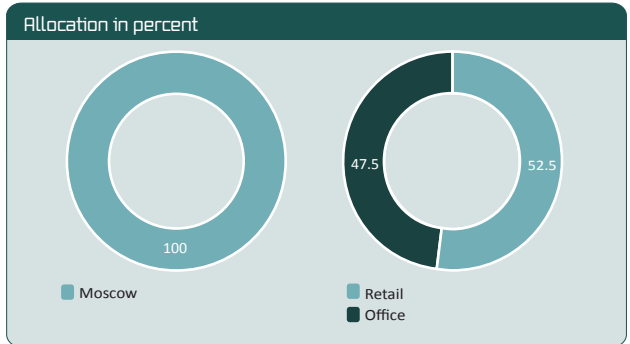


Development in NAV (light blue) is excluding reinvested dividends. Historical dividends (none so far) will be shown at the time they are deducted from the NAV per share.

**MARKET OUTLOOK**

Leading macro-economic forecasts from international banks still remain optimistic on Russia and expect GDP growth to reach at least 4 % in 2011 and 4.5 % in 2012. Obviously, the growth impact of the latest financial stock and bond market turbulence is difficult to assess at this moment and especially if it would have any real impact on consumer spending.

The first six months of this year there was a strong market recovery both in terms of liquidity, investor interest and yield expectations. Prime office and retail objects reached a level of 9 %, which is basically only 50-100 basis points above early 2008 (i.e. pre-crisis level). Total value of reported market transactions grew by approx. 87 % YoY in H1 2011, to EUR 2.6 billion. Market activity in Q2 2011 was for the first time since 2008 characterized by the dominance of foreign investors, who accounted for 67% of the total investment volume.



Allocation is calculated based on gross property value.

Property Name	Property Type	Location
Country Park	Office	Moscow
Global City	Retail	Moscow
KuhniPark	Retail	Moscow
Weight of total gross property value		100%

Top 3 holdings are based on gross property values.

Subscription fee	4% excluding VAT
Management fee	1.25% - 1.70% of the total year-end GAV
Acquisition fee	0.3% of the property acquisition value
Success fee	20% in excess of RoE hurdle of 11% p.a

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