BPT HANSA LUX SICAV-SIF
Société d'Investissement à Capital variable

CONSOLIDATED FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

AS AT

31 DECEMBER 2012

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MANAGEMENT STATEMENT

Today the Board of Directors have reviewed and approved the 2012 consolidated financial statements of BPT Hansa Lux SICAV-SIF and its subsidiaries.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. We consider the applied policies to be appropriate and that the consolidated financial statements provide a true and fair view of the consolidated financial position of BPT Hansa Lux SICAV-SIF and its subsidiaries as of December 31, 2012 and of their consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

We recommend that the consolidated financial statements and the annual report are approved at the annual general meeting of shareholders.

15 April 2013

Board of Directors

Alain Heinz (Chairman)

Dr. Lars Ohnemus

Dr. Rudiger Kimpel

Ernst & Young
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Independent auditor's report

To the Shareholders of
BPT Hansa Lux SICAV - SIF

Following our appointment by the General Meeting of the Shareholders, we have audited the accompanying consolidated financial statements of BPT Hansa Lux, SICAV-SIF and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Responsibility of the "réviseur d'entreprises agréé" (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of BPT Hansa Lux SICAV-SIF and its subsidiaries as of 31 December 2012, and of their consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

Michael HORNSBY

Luxembourg, 15 April 2013

MANAGEMENT REVIEW

Principle Activities and Review of Business

As of the end of 2012 BPT Hansa Lux SICAV-SIF (hereinafter the "Fund" or "BPT Hansa") has completed its fifth full year of operations. The net operating income of the Fund in 2012 remained stable at EUR 3.2 million (EUR 3.2 million in 2011). The average direct property yield for the year was higher than budgeted in Hamburg-Wärtsilä (7.1%) and Weinmeisterstrasse in Berlin (6.0%), in line with the budget in Walsroder Strasse in Hannover (6.6%), however, the Berlin-Dahlem property performed below budget (4.5%). The NAV per share increased from EUR 100.95 at the year-end 2011 to EUR 103.32 at the year-end 2012.

The Fund's total gross asset value (GAV) increased over the year to EUR 62.0 million at year end 2012 and the direct property yield shows an average of 5.4% for the entire portfolio which is 0.5pp lower than the budget. The 2012 performance was negatively affected by a decrease of the net operating income of Berlin-Dahlem caused by a delayed and outstanding payment of the lease guarantor. However, the Berlin-Dahlem property performance will increase in 2013 since another 450 sq. m. have been rented to the hotel operator Seminaris from December 2012.

The remaining weighted non-breakable lease term for the properties in the portfolio was approximately 11 years at the end of 2012. Once again the general economic growth in the cities where the Fund has invested had a favorable impact on occupancy levels of all assets. This positive trend is expected to continue in 2013.

At the end of 2012, the portfolio of the Fund shows an occupancy rate of 100% including the lease guarantee for some minor vacant retail space in Berlin-Dahlem, or 99.2% when considering some minor vacant archive space and parking places. As for the minor vacancy in Berlin-Dahlem, Seminaris has again requested additional space for rent. The Fund is currently in negotiations for this possible letting.

Due to the effects of the general financial crisis and in particular – Euro zone crisis, the Fund has not raised new equity in the past year and is thus behind its planned investments for the year 2012. Nevertheless, compared to many competing funds, BPT Hansa has not faced any legacy issues; the business concept is clear and the operating results are satisfactory. Moreover, the general fund raising environment improved late 2012 and management will use this moment to promote the Fund to institutional investors in 2013.

Additionally, the Board of Directors together with the Fund Manager is progressing in amending the current structure of the Fund to an umbrella fund with a main focus on Berlin (called "BPT Berlin Fund") and setting up a new residential sub-fund. Once approved by the shareholders and fully implemented, this would provide investors with a focussed investment concept between different asset classes and further reduce overhead costs for the current investors.

In this respect, the management is looking at different investment opportunities and future investment focus will primarily be on Berlin; the strategy is to dispose buildings with no future value enhancement potential.

In the interest of optimizing the setup and improving the efficiency of the vehicle by further reducing fixed costs, the Fund has changed its custodian and central administration service provider as from Q3 2012. New custodian is Banque de Luxembourg and new central administrator is European Fund Administration.

The operating performance of the Fund

The Fund's net profit increased from EUR 0.15 million in 2011 to EUR 0.77 million in 2012. Even with allowance for doubtful receivables from the lease guarantor in Berlin-Dahlem, the profit is in line with the budget. This is mainly caused by an improved positive operating result from Hamburg-Wärtsilä and Weinmeisterstrasse in Berlin. Other comprehensive income was negative and amounted to minus EUR 0.2 million due to decrease in value of interest rate swap.

Over the course of 2012, the Fund's loan portfolio decreased from EUR 36.0 million to 35.2 million. This decrease is due to ongoing amortization of the loans. As of 31 December 2012, the loan to value ratio of the Fund was 58.6% (2011: 60.6%). The Fund's general loan strategy is to have a selected number of strong and trustworthy banks as financing partners with a focus on long-term credit facilities. The Fund maintains its current relationships with its financing partners by taking a proactive approach in cooperating with the banks, especially after the financial crisis when banks have increased their focus on risk management and loan performance.

As a result of the ongoing asset and property management, the year-end fair value of the portfolio consisting of four investment properties has increased to EUR 60.1 million (2011: EUR 59.3 million). The entire portfolio was jointly appraised by two independent valuators (Dipl.-Ing. Gallina (CIS HypCert) and Dr.-Ing. Krellmann, publicly appointed and sworn expert). The average (unweighted) capitalization rate applied to the valuation of BPT Hansa's portfolio slightly decreased in comparison to 2011.

Future Developments

During 2013, the Fund will concentrate on the composition and performance of the current property portfolio including, if preferable, the possible divestment of properties with no future value enhancement potential and reinvestment of released equity into Berlin assets to allow for a better risk/return balance; and will follow the new "BPT Berlin Fund" strategy, once approved by the shareholders. Additionally, during 2013 the Fund will focus on the build-up of a new residential sub-fund.

Macro-Economic Factors

After a brilliant year of growth (3.0%) in 2011, year 2012 was affected by weakening trends in world trade and a new debt crisis. Nevertheless, despite the cooling down of the European and world economic climate, the German economy kept expanding by 0.7% in 2012 driven largely by the domestic factors.

For 2013, the government is projecting a GDP growth of 0.4%. The continuous improvement of the labour market is providing a significant support for private income and an increase in private consumption. Germany has experienced a strong rise in employment during 2011 and 2012. Number of employed people reached 41.68 million, which is the highest level ever noted. The total unemployment level was steadily decreasing, or at least remaining stable, and reached its lowest level in 20 years with a rate of only 6.8%.

After a moderate increase in consumer prices in 2011 (2.3%), 2012 showed again a rise of 2.0%. The annual inflation for 2013 is expected to be slightly lower.

Table: The main macro-economic indicators for Germany

Indicator	2007	2008	2009	2010	2011	2012
GDP at market prices (EUR bn)	2,423	2,496	2,407	2,498	2,570	2,645
Real GDP growth (%, YOY)	2.2	1.3	-4.7	3.6	3.0	0.9
Government balance (% of GDP)	0.2	0.0	-3.0	-3.3	-1.0	-1.0
Consumer price inflation (%)	2.3	2.6	0.4	1.1	2.3	2.0
Unemployed rate (%)	8.7	7.5	7.9	7.4	7.1	6.8
Population (million)	82.2	82.0	81.9	81.8	81.8	82.0

Sources: *Statistisches Bundesamt, Deutsche Bundesbank, Bundesagentur für Arbeit, HWWI.*

Financial Instruments and Strategy

In connection with the investments, the Fund has secured loans with long-term fixed interest rates. The Private Placement Memorandum (further – PPM) allows the Fund to use hedging techniques designed to protect the Fund against adverse movements in interest rates but there has only been one case that the interest rate exposure was hedged with an interest rate swap maturing in 2017. At 31 December 2012, 84% of loans in the portfolio are fixed and 16% of the loans carry variable interests. However, taking into account before-mentioned interest rate swap, 100% of the Fund's borrowings effectively have a fixed interest rate.

Risks and Opportunities

– Interest rate
In 2012 the Fund has signed a new interest rate swap contract which has materially reduced the average loan costs of BPT Hansa by 0.66% to 4.69% (in 2011 at 5.35%). Typically, interest rate is fixed for the whole loan term, i.e. for the Fund's loans average 6 years remaining.

– Receivables from tenants
Disregarding the outstanding payment from the lease guarantor, the payment discipline was approximately 99.56% in 2012. No increase in bad debts is expected for 2013. Such risk is mitigated by the solidity of the tenants and lease guaranties and securities.

Property Report

Berlin-Dahlem

After its launch phase in 2009, the hotel operations of the Berlin-Dahlem property have been developing well. The hotel operator Seminaris has increased its turnover with a stable rising trend. Additional space of approximately 450 sq. m. has been let to Seminaris as from December 2012. For the remaining space of 500 sq. m. discussions are still ongoing with Seminaris. A final contract will however depend on the ability to align expectations on the issue of fit-out-costs and possible lease terms and on the other side a further business increase by Seminaris. The initial lease and lease gap guarantees of the vendor expired in 2012; however, the total occupancy rate at the meantime is on a high level at 96.6% and expected to reach 100% soon. As a result of a lower income from the rental guarantee caused by the delayed and outstanding payment of the lease guarantor, the direct property yield was 4.5%.

The value of the property remained unchanged at EUR 33.0 million.

Weinmeisterstrasse, Berlin

Some fluctuation in the occupancy of the residential area caused a minor volatility in occupancy in 2012. However, the average occupancy rate over the year was at a high level of 98.2%. For both the office and retail space, the occupancy has remained at 100% throughout the year. Despite rent free time out of prolongation of the commercial lease contracts and the fluctuation in the residential occupancy, the property performed stable with the direct property yield of 6.0% (2011: 6.0%) and slightly above budget.

The property value increased materially in 2012 by EUR 0.535 million to EUR 10.0 million.

Wärtsilä, Hamburg

In the third full year after completion of the Hamburg property, performance was again excellent. A pending amendment of the lease agreement has been signed and accrued indexation is effective as of Q4 2012. When the Fund entered into this investment, the direct property yield after construction was expected to be in the range of 6.0% - 6.3%. As in the year before the average direct property yield for 2012 was 7.1% and slightly above budget.

The market value of the property increased by EUR 0.18 million to EUR 8.88 million.

Walsroder Strasse, Hannover

The Walsroder Strasse property showed again a strong year 2012; the office space is fully let through 2012. After lease extension with Bosch the rental income increased again. The average direct property yield increased to 6.6% (from 6.2% in 2011) and was in line with the budget.

The market value of the property increased slightly by EUR 0.06 million to EUR 8.2 million.

BPT Hansa Lux SICAV-SIF
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

'000 Euro	Notes	2012	2011
Rental income		4,004	3,676
Cost of rental activities	4	(808)	(497)
Profit from property operating activities		**3,196**	**3,179**
Administrative expenses	5	(765)	(804)
Fund custodian fees*		(90)	(51)
Fund expenses		**(855)**	**(855)**
Other operating income		42	28
Other operating expenses		(69)	(41)
Gross valuation gains on investment properties	9	866	176
Gross valuation losses on investment properties	9	(258)	(409)
Net operating profit before financing		**2,922**	**2,078**
Financial income	6	32	62
Financial expenses	7	(1,906)	(1,975)
Net financing costs		**(1,874)**	**(1,913)**
Profit before tax		**1,048**	**165**
Income tax charge	8	(272)	(15)
Profit for the year		776	**150**
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME			
Net movement on cash flow hedges		(250)	241
Income tax effect		51	-
		(199)	**241**
Other comprehensive income / (loss) for the year, net of tax		**(199)**	**241**
Total comprehensive income for the year, net of tax		**577**	**391**

* Fund custodian fees caption includes central administration fees.

The accompanying notes are an integral part of these consolidated financial statements.

BPT Hansa Lux SICAV-SIF

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 AND 31 DECEMBER 2011

'000 Euro	Notes	2012	2011
Non-current assets			
Investment properties	9	60,080	59,305
Deferred tax asset	8	611	-
Total non-current assets		**60,691**	**59,305**
Current assets			
Trade and other receivables	10	776	312
Cash and cash equivalents	11	532	1,959
Total current assets		**1,308**	**2,271**
Total assets		**61,999**	**61,576**
Equity			
Share capital	12a	24,348	24,348
Cash flow hedge reserve	12b	(295)	(96)
Retained earnings		1,104	328
Total equity		**25,157**	**24,580**
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	13	34,357	35,160
Derivative financial instruments	20	247	-
Deferred income tax liabilities	8	827	-
Other non-current liabilities		79	65
Total non-current liabilities		**35,510**	**35,225**
Current liabilities			
Interest bearing loans and borrowings	13	832	801
Trade and other payables	14	70	31
Derivative financial instruments	20	99	96
Other current liabilities	15	331	843
Total current liabilities		**1,332**	**1,771**
Total liabilities		**36,842**	**36,996**
Total equity and liabilities		**61,999**	**61,576**

The accompanying notes are an integral part of these consolidated financial statements.

BPT Hansa Lux SICAV-SIF

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

'000 Euro	Share capital	Cash flow hedge reserve	Retained earnings	Total equity
As at 1 January 2011	**24,348**	**(337)**	**178**	**24,189**
Net profit for year	-	-	150	**150**
Net gains on cash flows hedges arising during the year	-	241	-	**241**
Total comprehensive income	-	**241**	**150**	**391**
As at 31 December 2011	**24,348**	**(96)**	**328**	**24,580**
Net profit for the year	-	-	776	776
Net (losses) on cash flows hedges arising during the year	-	(199)	-	(199)
Total comprehensive income	-	**(199)**	**776**	**577**
As at 31 December 2012	**24,348**	**(295)**	**1,104**	**25,157**

The accompanying notes are an integral part of these consolidated financial statements.

BPT Hansa Lux SICAV-SIF

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

'000 Euro	Notes	2012	2011
Operating activities			
Profit (loss) before tax		**1,048**	**165**
Adjustments for non-cash items:			
Value adjustment of investment properties, net	9	(608)	233
Change in allowance for bad debts	4	274	-
Interest income		(7)	(62)
Amortized loan administration fees	7	28	27
Interest expenses	7	1,878	1,947
Working capital adjustments:			
(Increase)/decrease in trade and other accounts receivables		(741)	84
Increase in other non-current liabilities		14	1
(Decrease) in trade and other accounts payable		(82)	(421)
(Decrease)/increase in other current liabilities		(224)	35
Refunded/(paid) income tax		2	(30)
Net cash flow from operating activities		**1,582**	**1,979**
Investing activities			
Interest received		7	62
Capital expenditure on investment properties	9	(258)	(148)
Net cash flow from investing activities		**(251)**	**(86)**
Financing activities			
Reimbursement of bank loans	13	(800)	(535)
Interest paid		(1,958)	(1,826)
Net cash flow from financing activities		**(2,758)**	**(2,361)**
Net change in cash and cash equivalents		**(1,427)**	**(468)**
Cash and cash equivalents at the beginning of the year		**1,959**	**2,427**
Cash and cash equivalents at the end of the year	11	**532**	**1,959**

The accompanying notes are an integral part of these consolidated financial statements.

1. General Information

BPT Hansa Lux SICAV-SIF was incorporated in the Grand Duchy of Luxembourg on 23 October 2006 as a "société anonyme" under the Luxembourg law on commercial companies dated 10 August 1915; amended and registered as a "société d'investissement à Capital variable" ("SICAV-SIF") under the related law dated 13 February 2007.

The Articles of Incorporation (the "Articles") have been published on 26 January 2007 in the Memorial C, Recueil des Sociétés et Associations (the "Mémorial"). BPT Hansa Lux SICAV-SIF is registered at the Registre de Commerce, Luxembourg, under number B122.072. The Articles of Association have been amended for the last time on 24 June 2010, published in the Mémorial on 16 August 2010.

BPT Hansa Lux SICAV-SIF is established for a limited period so as to end on 3 May 2023 but may be dissolved prior to this term by a resolution of the shareholders, subject to the quorum and majority requirements for the amendment of the Articles.

The Fund consists of BPT Hansa Lux SICAV-SIF and the subsidiaries disclosed in Note 22 (the "Fund").

BPT Hansa Lux SICAV-SIF is the ultimate parent and controlling entity. The exclusive object of BPT Hansa Lux SICAV-SIF is to invest in securities representing risk capital in order to provide its investors with the benefit of the result of the management of its assets in consideration of the risk they incur. BPT Hansa Lux SICAV-SIF is offering an opportunity to invest in a diversified real estate investment fund focussing on the Northern German real estate market.

The consolidated financial statements of the Fund for the year ended on 31 December 2012 were authorised for issue in accordance with a resolution of the Board of Directors of 15 April 2013 and will be submitted to the annual general meeting of shareholders on 2 May 2013.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated in the following text.

Basis of preparation

The Fund's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (the 'IFRS') as adopted for use in the European Union.

The Fund has adopted the following new and amended IFRS and IFRIC interpretations during the year (adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Fund, they did, however, give rise to additional disclosures, including in some cases revisions to accounting policies):

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS interpretations effective as of 1 January 2012:

- *IAS 12 Income Taxes – Recovery of Underlying Assets (amendment) effective 1 January 2012;*
- *IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements*

IAS 12 Income Taxes – Recovery of Underlying Assets (amendment)

The IASB has issued an amendment to IAS 12 that clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 should always be measured on a sale basis of the assets. The amendment did not have an impact on the financial position, performance or disclosures of the Group.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosures about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The entity did not have any assets with these characteristics, so there has not been any effect in the presentation of its financial statements.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

IAS 1 Financial Statement Presentation — Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment will have no impact on the Group's financial position. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but *Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures*, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected by the end of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but is not expected to have any impact on classification and measurements of financial liabilities. The Group has chosen to defer a full impact analysis of the new standard until it is completed by inclusion of the still outstanding phases, and quantitative information of the effects of the new standard is therefore not available.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013. Based on the preliminary analysis performed, IFRS 10 is not expected to have any impact on the currently held investments of the Group.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, joint arrangements that meet the definition of a Joint Venture must be accounted for using the equity method. Otherwise joint arrangements are accounted for by recognizing the group's share of the arrangements assets and liabilities.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

A number of new disclosures are also required including:

- A requirement to disclose judgements made in determining if the Group controls, has joint control or significant influence over an entity;
- A requirement to disclose judgements made in determining the type of joint arrangement in which the Group has an interest.

The Group will disclose its judgement in respect of the entity currently excluded from the consolidated financial statements that will be included due to the existence of potential voting rights held within the Group.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group does not consider that the definition of fair value that is applied in IFRS 13 differs in a material way from its current approach and consequently anticipates there will not be any impact from this standard on its financial position. However, IFRS 13 does expand the disclosure requirements in respect of fair value measurement. In particular, the financial statements will in the future, as well as other disclosures, contain:

- An analysis of the fair value hierarchy for investment property (as well as for financial instruments — see Note 19);
- Information about the sensitivity of fair value measurements to changes in unobservable estimation inputs; and
- A detailed commentary on the Group's valuations methods and procedures.

IFRS 13 becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 32 Offsetting Financial Assets and Financial Liabilities-Amendment to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Fund's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

The significant accounting policies applied by the Fund are as follows:

2a. Presentation currency

The consolidated financial statements have been prepared in Euro (EUR), which is BPT Hansa Lux SICAV-SIF's functional and presentation currency.

Unless stated otherwise, all values are rounded to the nearest thousand of Euro. The consolidated financial statements are presented in thousand of Euro.

2b. Consolidated financial statements

The consolidated financial statements of the Fund include BPT Hansa Lux SICAV-SIF and subsidiaries (Note 22) of which BPT Hansa Lux SICAV-SIF directly or indirectly holds more than 50 per cent of the voting rights or otherwise has controlling influence. The equity and net income attributable to non-controlling interests, if any, are shown separately in the consolidated statement of financial position and consolidated statement of comprehensive income.

The consolidated financial statements are prepared on the basis of financial statements of BPT Hansa Lux SICAV-SIF and its subsidiaries by consolidation of financial statements' items of a uniform nature. The financial statements used for consolidation have been prepared applying Fund's accounting policy.

Inter-company balances and transactions, including unrealised profits and losses, are eliminated in consolidation.

Companies acquired or sold during a year are included into the financial statements from the date BPT Hansa Lux SICAV-SIF obtains control to the date control ceases, respectively.

The purchase method is applied in the acquisition of new subsidiaries which qualify as business combination, under which the identifiable assets and liabilities and contingent liabilities of these companies are measured at fair value at the acquisition date. Cost of the acquired company consists of fair value of the paid consideration (cash or own shares). If the final determination of the consideration is conditioned by one or several future events, these are only recognised in cost if the relevant event is likely and the effect in cost can be calculated reliably. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, is recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured until it is finally settled within equity.

When the transaction has not been identified as being a business combination, the transaction has been accounted for an acquisition of individual assets and liabilities where the initial purchase consideration is allocated to the separate assets and liabilities acquired, based on their relative fair values.

Assets are recognised in the consolidated statement of financial position when it is probable that future economic benefits will flow to the Fund and the value of the assets can be measured reliably.

Liabilities are recognised in the consolidated statement of financial position when they are probable and can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each financial statement item below.

2b. Consolidated financial statements (continued)

BPT Hansa Lux SICAV-SIF group structure discloses following shareholders owing minority participating interest in the Fund's subsidiaries:

- BPT Asset Management Germany GmbH owing 6.181102% participation in BPT KG, 0.00006% participation in BPT 1 KG and 0.00385% in BPT 3 KG;
- Bauwo Grundstucks AG owing 5.99994% participation in BPT 1 KG and 5.99615% participation in BPT 3 KG;
- Kommunalprojekt privatepublicpartnerships GmbH owing 6% participation in BPT 2 KG.

The minority interest shareholders within the subsidiaries of the Fund are for the sole purpose to comply with the specific tax optimization requirements in order to benefit from the established tax structure under Luxembourg tax legislation. Due to this reason the minority shareholders will not be remunerated for their participation in any form, neither will they be liable for any short fall in the future. As such no minority interest have been allocated from the profit or losses made by the Fund or its subsidiaries to date.

2c. Foreign currency translation

The functional currency of a subsidiary is determined with reference to the currency of the primary economic environment in which the entity generates and expends cash and raises finance. Transactions in other currencies than the functional currency are transactions in foreign currencies.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rate of exchange ruling at the reporting date.

The cumulative effect of exchange differences on cash transactions are classified as realised gains and losses in profit or loss in the period in which they are settled.

2d. Investment properties

Investment properties are real estate properties (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for the use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment property is initially recorded at cost including costs directly resulting from the acquisition such as transfer taxes and legal fees. Costs, adding new or improved qualities to an investment property compared to the date of acquisition, and which thereby improve the future yield of the property, are added to cost as an improvement. Costs, which do not add new or improved qualities to an investment property, are expensed in profit or loss under operating expenses.

Under IAS 40, investment properties are valued to fair value as determined by independent appraisers being the estimated price at which the property could be exchanged at the date of the valuation between knowledgeable, willing parties in an arm's length transaction. Valuations are also undertaken on acquisitions and contributions in kind. Two independent valuators: Dipl.-Ing. Gallina Günter (CIS HypCert) and Dr.-Ing. Egbert Krellmann (publicly appointed and sworn valuator) have been appointed as appraisers of the Fund for the year 2012 and 2011. Their valuations are prepared in accordance with the Practice Statements and Relevant Guidance Notes of the RICS Appraisal and Valuation and approved by both the International Valuation Standards Committee (IVSC) and by the European Group of Valuers' Association (TEGoVA) and by applying the methodology and valuation guidelines as set out by the Royal Institution of Chartered Surveyors in the United Kingdom and in accordance with IAS 40.

2d. Investment properties (continued)

Valuations are prepared using the direct capitalization approach. Under the direct capitalization approach, the income and expenses of one year are stabilised and the net resulting operating income is capitalised at a capitalisation or return rate in proportion to the title to the subject property. Such income capitalisation considers the competitive return resulting from alternative instruments of investment into real estate or other property. This calculation excludes the effects of taxes and disposal costs borne by the seller, and is net of transaction costs normally borne by the purchaser. Depreciation is not provided on investment properties.

The fair value does not necessarily represent the liquidation value of the properties which would be dependent upon the price negotiated at the time net of selling costs. The fair value is largely based on estimates as described above which are inherently subjective.

The yield requirement (discount factor) is determined for each property.

Value adjustments are recognised in profit or loss under the items "Gross valuation gains on investment properties" and "Gross valuation (losses) on investment properties".

2e. Investment properties under construction

Investment properties under construction are initially measured at cost. Cost comprises all costs directly allocable to the construction process and an appropriate share of overheads.

Until 31 December 2008 and as of that date, the investment properties were stated at cost. Since 1 January 2009, the official policy has been changed, and subsequent to initial recognition, investment properties under construction are stated at fair value. Where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable.

As of 31 December 2012 and 2011 there were no investment properties under construction due to the projects being completed.

If investment properties under construction are sold, their carrying value is recognised as an expense in the year in which the related revenue is recognised.

2f. Accounts receivable

Receivables are measured at nominal value less allowances for doubtful debts, if any. The management assesses specific provisions on a customer by customer basis throughout the year.

2g. Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

2h. Derivative financial instruments

The Fund engages in interest rate swaps mainly for interest rate risk management purposes. Outstanding interest rate swaps are carried in the consolidated statement of financial position at the fair value. Fair value is derived from quoted market prices, or using the discounted cash flow method applying effective interest rate. The estimated fair values of these contracts are reported on a gross basis as financial assets for contracts having a positive fair value; and financial liabilities for contracts with a negative fair value. Contracts executed with the same counterparty under legally enforceable master netting agreements are presented on a net basis.

Gains or losses from changes in the fair value of outstanding interest rate swaps, which are not classified as hedging instruments, are recognised in profit or loss as they arise.

2i. Hedge accounting

The effectiveness of the hedge is assessed by comparing the value of the hedge item with the notional value implicit in the contractual terms of the financial instruments being used in the hedge.

For the purposes of hedge accounting, hedges are classified into two categories: (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability; and (b) cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

In relation to fair value hedges, which meet the conditions for hedge accounting, any gain or loss from re-measuring the hedging instrument to fair value is recognised immediately in profit or loss.

In relation to cash flow hedges, which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised initially in other comprehensive income and the ineffective portion is recognised in profit or loss. The gains or losses on effective cash flow hedges recognised initially in other comprehensive income are either transferred to profit or loss in the year in which the hedged transaction impacts profit or loss or included in the initial measurement of the cost of the related asset or liability.

For hedges, which do not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the hedging instrument are taken directly to profit or loss for the year.

2j. Financial liabilities

Debts to banks and financial institutions are recognised on taking out the loan at the proceeds received less transaction costs incurred. Subsequently, these debts items are measured at amortised cost using the effective interest rate method.

The Fund classifies its financial liabilities as current when they are due to be settled within twelve months after reporting date, even if:

(i) The original term was for a period longer than twelve months; and
(ii) An agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the consolidated financial statements are authorised for issue.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2j. Financial liabilities (continued)

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognising of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Borrowing costs are expensed as incurred.

2k. Other liabilities

Other liabilities, comprising payables to suppliers, guarantee deposits received from tenants and other payables, are measured at amortised cost using the effective interest rate method.

Deferred income is recognised under liabilities and includes received payments for future income.

2l. Financial assets

The Fund recognises financial assets on its consolidated statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Fund determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All "regular way" purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention are recognised at trade date (the date that the Fund commits to purchase or sell the asset), otherwise such transactions are treated as derivatives until the settlement day.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

(i) The rights to receive cash flows from the asset have expired;

(ii) The Fund has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and

(iii) The Fund either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2m. Contingent liabilities

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow or economic benefits is possible.

2n. Subsequent events

Post-reporting date events that provide additional information about the Fund's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post-reporting date events that are not adjusting events are disclosed in the notes when material.

2o. Rental income

The Fund leases its buildings to customers under agreements that are classified as operating lease.

Rental income represents rents charged to customers and is recognised on a straight line basis, net of any sales taxes, over the lease period to the first break option.

Expense reimbursement income are recognised on gross basis and included in profit or loss when the company is not acting as agent on behalf of third parties and charging the commissions for the collections. Otherwise, revenue is the commissions.

2p. Expenses recognition

Expenses are accounted for an accrual basis. Expenses are charged to profit or loss, except for those incurred in the acquisition of an investment property which are capitalised as part of the cost of investment and costs incurred to acquire borrowings (Note 2j). Operating expenses comprise costs incurred to earn rental revenue during the financial year to cover operations and maintenance of the own properties.

2q. Administrative expenses

Administrative expenses include costs and expenses which were incurred for the management of the investment properties and the Fund during the year.

2r. Current taxation

The consolidated subsidiaries of the Fund are subject to taxation in the countries in which they operate. Current taxation is provided for at the applicable current rates on the respective taxable profits.

2s. Deferred taxation

Deferred income tax is provided using the liability method on temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2s. Deferred taxation (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised except:

i) Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when an asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2t. Significant accounting judgments, estimates and assumptions

The preparation of the Fund's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Classification of investment property
The Fund determines whether a property qualifies as investment property. Investment in property mainly comprises the investment in land and buildings in the form of offices, commercial warehouse, retail for residential properties which are not occupied substantially for use by, or in the operations of, the Fund, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation by leasing to third parties under long term operating leases.

2t. Significant accounting judgments, estimates and assumptions (continued)

Operating lease contracts – Fund as lessor
Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

Deferred tax
The Fund is subject to income and capital gains taxes in numerous jurisdictions. Significant judgment is required in determining the total provision for income and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain during the ordinary course of business. In particular, the effective tax rate applicable on the temporary differences on investment properties depends on the way and timing the investment property will be disposed of. The Fund recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the year in which the determination is made.

Estimates and assumptions

Deferred tax assets
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Revaluation of investment properties
The Fund carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Fund engaged two independent valuation specialists to determine fair value as at 31 December 2012. The valuators used a valuation technique based on a direct capitalization approach as there is a lack of comparable market data because of the nature of the property. The determined fair value of the investment properties is the most sensitive to the estimated yield. The key assumptions used to determine the fair value of the investment property, are further explained in Note 9.

3. Fund's risk management policy

3a. Risk relating to investment in real estate

Investment in real estate is subject to varying degrees of risk. The main factors which affect value of investment include:

(i) Changes in the general economic climate;
(ii) Conditions in the market in which invested real estate operate;
(iii) Government regulations and taxation;
(iv) Availability of investment opportunities in real estate.

To address these risks the Fund is subject to the following investment restrictions that is described in more detail in the Fund's PPM:

(i) None of the shareholders is allowed to hold directly or indirectly more than 25% of the shares of the Fund;
(ii) In any case, no investor may hold less than EUR 125,000 of subscribed capital in the Fund;
(iii) Following the investment period no more than 15% of the final Fund's GAV will be invested in any single real estate property. Also the ten largest investments may not be more than 50% of the final Fund's GAV. The Fund will not invest more than 30% of its NAV in one real estate company.

3b. Credit risk

The Fund's procedures are in force to ensure on a permanent basis that properties are leased to customers with an appropriate credit history and do not exceed an acceptable credit exposure limit. Major acquisition and project finance credit risks are minimised by sharing these risks with banks and insurance companies. Credit risks related to the placement of liquid funds and to trading in financial instruments (counterparty credit risks) are minimised by making agreements only with the most reputable domestic and international banks and financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, if any, in the consolidated statement of financial position. Consequently, the Fund considers that its maximum exposure is reflected by the amount of trade receivables, net of allowance for doubtful accounts recognised at the reporting date.

There are no significant concentrations of credit risk within the Fund.

3c. Interest rate risk

The Fund is exposed to interest rate risk primarily through market value changes to the net debt portfolio (price risk) and also through changes in interest rates. Fluctuations in interest rates affect the interest expense. As the Fund's income is not directly correlated with the level of interest rates, there is the risk management policy to synchronize the interest cost with the earnings and to hedge the long-term loans to a fixed rate for their whole life. This converts floating rate liabilities to fixed rate liabilities. In order to achieve this, the Fund either takes fixed rate loans or swaps floating for fixed interest payments (Note 19b).

At 31 December 2012 and 2011, after taking into account the effect of interest rate swaps, 100% of the Fund's borrowings are at fixed interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of Fund's equity (through the impact on interest rate swap values). There is no impact on the Fund's profit before tax.

'000 Euro	2012 Effect on equity	2011 Effect on equity
Increase in basis points, +100	228	15
Decrease in basis points, -100	(228)	(15)

3d. Liquidity risk

The investments made by the Fund will be illiquid in nature. The ability of the Fund to liquidate its investments at attractive prices at appropriate times will depend on a number of factors that may be outside of the control of the management. The Fund's management reviews the liquidity of the assets held within the Fund based on current market conditions on a regular basis.

The Fund's objectives are to maintain a balance between continuity of funding and flexibility through the use of bank loans. 2.4% of Fund's borrowings will mature in less than one year at 31 December 2012 (2011: 2.2%) based on the carrying value of borrowings reflected in the consolidated financial statements. The table below summarises the maturity profile of Fund's financial liabilities at 31 December 2012 and 2011.

'000 Euro	On demand	Less than 1 year	1-5 years	>5 years	Total
Year ended 31 December 2012					
Interest bearing loans and borrowings*	-	2,562	19,878	22,569	**45,009**
Trade and other payables	-	70	-	-	**70**
Other liabilities	-	331	79	-	**410**
Total current and non-current	-	**2,963**	**19,957**	**22,569**	**45,489**
Year ended 31 December 2011					
Interest bearing loans and borrowings*	-	2,714	17,584	28,142	**48,440**
Trade and other payables	-	31	-	-	**31**
Other liabilities	-	266	65	-	**331**
Total current and non-current	-	**3,011**	**17,649**	**28,142**	**48,802**

*Includes interest expense for the same period.

3e. Foreign exchange risk

The Fund holds assets denominated in the Euro, its functional currency. The Fund is therefore has no risk from movements in exchange rates of other currencies against Euro.

3f. Capital management

The Fund monitors capital using gearing ratio, which is borrowing divided by total paid in capital plus borrowings. The Fund's target gearing ratio is maximum 70% that should be reached when the Fund is fully invested.

'000 Euro	2012	2011
Interest bearing loans and borrowings	35,189	35,961
Total borrowings	**35,189**	**35,961**
Total paid in capital	24,348	24,348
Total borrowings and paid in capital	**59,537**	**60,309**
Gearing ratio	**59.1%**	**59.6%**

4. Cost of rental activities

'000 Euro	2012	2011
Bad debts allowances	274	-
Real estate taxes	210	210
Repair and maintenance	105	70
Property management expenses	82	79
Utilities	81	76
Property insurance	49	47
Other costs	7	15
Total cost of rental activities	**808**	**497**

In 2012, EUR 239 thousand of total rental activities costs were recharged to the tenants (2011: EUR 225 thousand). The recharged amount is included in the rental income balance.

5. Administrative expenses

'000 Euro	2012	2011
Management fee	445	445
External consultant expenses	230	233
Board fees and other Board related expenses	80	121
Other	10	5
Total	**765**	**804**

BPT Asset Management A/S is entitled to a base management fee equivalent to a percentage of the value of the Fund's investment in real estate. A quarterly management fee is based on the investment properties GAV at the end of each calendar quarter and charged 0.75% of the GAV per annum of the real estate portfolio.

6. Financial income

Financial income in 2012 amounts to EUR 32 thousand (2011: EUR 62 thousand) and represents interest income that was earned mainly on loan notes and cash balances on current bank accounts.

7. Financial expenses

Financial expenses in 2012 amount to EUR 1,906 thousand (2011: EUR 1,975 thousand) and represent interest expenses mainly related to liabilities to banks (Note 13).

8. Income tax

BPT Hansa Lux SICAV-SIF is subject to an income tax (corporate income tax and municipal business tax) at the global rate of 28.80% (2011: 28.80%). However, BPT Hansa Lux SICAV-SIF can exempt from its tax base all investment income or capital gains attributable to securities.

Real estate revenues, or capital gains derived from real estate are subject to taxes by assessment in the countries where real estate is situated. The Fund's subsidiaries depreciate their historical property cost in accordance with applicable tax regulations. Depreciation is deducted from taxable profits in determining current taxable income.

The major components of income tax for the years ended 31 December 2012 and 2011 are:

'000 Euro	2012	2011
Consolidated statement of comprehensive income		
Tax on taxable income for the year	(5)	(15)
Adjustment of deferred tax for the year	(267)	-
Income tax expense reported in the income statement	**(272)**	**(15)**
Revaluation of derivative instruments to fair value	51	-
Income tax expense reported in other comprehensive income	**51**	**-**
Income tax expense reported in the statement of comprehensive income	**(221)**	**(15)**

Deferred income tax as at 31 December 2012 and 2011 relates to following:

	Consolidated statement of financial position		Consolidated income statement	
'000 Euro	2012	2011	2012	2011
Deferred tax liability				
Revaluation of investment properties to fair value	(827)	(387)	(440)	(107)
	(827)	**(387)**	**(440)**	**(107)**
Deferred tax assets				
Tax losses brought forward	560	387	173	107
Revaluation of derivative instruments to fair value	51	-	-	-
	611	**387**	**173**	**107**
Deferred income tax liability, net	**(216)**	-		
Deferred income tax expenses/(income)			**(267)**	-
Reflected in the statement of financial position as follows				
Deferred tax assets	611	387		
Deferred tax liability	(827)	(387)		
Deferred income tax liability, net	**(216)**	-		

In 2011, the Fund has offset the deferred tax asset and liability, as the Fund has a legally enforceable right to set off current tax assets against current tax liabilities of Fund's property entities.

8. Income tax (continued)

The tax losses incurred by the Fund's German entities were recognised to the extent it can be utilised in near future. As at 31 December 2012 the tax losses were recognized in full. The unrecognised tax losses at 31 December 2011 amounted to EUR 627 thousand.

The reconciliation between tax expense and accounting profit for the years ended 31 December 2012 and 2011 is as follows:

'000 Euro	2012	2011
Profit before income tax	1,048	165
At weighted average statutory tax rate	(160)	(12)
Non-deductible expenses	(205)	38
Non-taxable income	-	(37)
Allowance for deferred tax asset	93	-
Adjustments related to previous year	-	(4)
Total income tax expenses	**(272)**	**(15)**

Summary of taxation rates by country is presented below:

	2012	2011
Germany	15.825%	15.825%
Luxembourg	28.80%	28.80%

The subsidiaries in Germany are not subject to the German income tax. BPT Hansa Lux SICAV-SIF is the limited tax payer in Germany on the income received from its partnership interest held in the subsidiaries at a tax rate of 15.825% in 2012 and 2011.

9. Investment property

Investment property represents buildings, which are rented out under lease contracts.

The fair value of the investment properties was jointly appraised by two independent valuators (Dipl.-Ing. Gallina Günter (CIS HypCert) and Dr.-Ing. Egbert Krellmann (publicly appointed and sworn valuator)), same as in 2011, in accordance with the Practice Statements and Relevant Guidance Notes of the RICS Appraisal and Valuation and approved by both the International Valuation Standards Committee (IVSC) and by the European Group of Valuers' Association (TEGoVA). In accordance with that basis, the market value is an estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The appraisers derive the fair value by applying the methodology and valuation guidelines as set out by the Royal Institution of Chartered Surveyors in the United Kingdom and in accordance with IAS 40.

9. Investment property (continued)

According to the PPM, properties will be assessed at least annually by an independent real estate appraiser.

'000 Euro	2012	2011
Cost		
Balance at 1 January	59,395	59,247
Additions (subsequent expenditure)	258	148
Write-offs	(91)	-
Cost at 31 December	**59,562**	**59,395**
Fair valuations		
Balance at 1 January	(90)	143
Net revaluation gain (loss)	608	(233)
Fair valuations at 31 December	**518**	**(90)**
Carrying amount at 31 December	**60,080**	**59,305**

Capitalisation yields used by the appraiser to value the investment properties as at 31 December 2012 were between 5.37% and 6.74% (2011: between 5.54% and 6.74%).

In 2009, the Fund has received a government grant of EUR 3,760 thousand for development of Berlin-Dahlem Campus, which decreased the acquisition cost of the investment property.

10. Trade and other receivables

'000 Euro	2012	2011
Trade receivable, gross	804	89
Less allowance for doubtful receivables	(274)	-
Accounts receivables from limited partners	167	142
Prepaid expenses	43	49
Accrued income	29	21
Other accounts receivables	7	11
Total	**776**	**312**

Trade receivables are non-interest bearing and are generally on 30 days' terms.

As at 31 December and for the year then ended, the allowances for doubtful receivables were as follows:

'000 Euro	2012	2011
Balance at 1 January	-	-
Charge for the year	(274)	-
Balance at 31 December	**(274)**	-

Allowances for doubtful receivables accounted for in 2012 are related to Berlin-Dahlem property.

10. Trade and other receivables (continued)

As at 31 December, the ageing analysis of trade receivables that were past due but not impaired is as follows:

		Neither past due nor	Past due but not impaired				
'000 Euro	Total	impaired	<30 days	30-60 days	60-90 days	90-120 days	>120 days
2012	530	264	-	-	-	-	266
2011	89	80	-	9	-	-	-

11. Cash and cash equivalents

'000 Euro	2012	2011
Cash at banks and on hand	532	1,959
Total cash	**532**	**1,959**

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents net of outstanding bank overdrafts. As at 31 December 2012 and 31 December 2011, the Fund had no outstanding bank overdrafts.

As at 31 December 2012, BPT2 GmbH & Co held restricted cash balance in amount of EUR 88 thousand, which could only be used by the company.

12. Equity

12a. Subscribed capital

As at 31 December 2012 and 2011, the subscribed capital of BPT Hansa Lux SICAV-SIF is represented by 243,484 ordinary shares with a par value of EUR 100 each, fully paid-in. There were no changes in number of shares and share value during 2012 and 2011.

12b. Cash flow hedge valuation reserve

This reserve represents the fair value of the effective part of the derivative financial instruments (interest rate swaps), used by the Fund to secure the cash flows from interest rate risk, at the reporting date.

'000 Euro	2012	2011
Balance at the beginning of the year	**(96)**	**(337)**
Movement in fair value of existing hedges	(250)	241
Movement in deferred income tax	51	-
Net variation during the year	**(199)**	**241**
Balance at the end of the year	**(295)**	**(96)**

13. Interest bearing loans and borrowings

'000 Euro	Maturity	Effective interest rate	2012	2011
Non-current borrowings				
Sparkasse Hannover	Oct 2016	4.77%	5,473	5,605
Hypothekenbank Frankfurt AG	Dec 2017	2.70%	5,768	5,860
Berlin-Hannoversche Hypothekenbank	Jun 2019	5.32%	18,344	18,783
Berlin-Hannoversche Hypothekenbank	Jun 2023	5.97%	5,760	5,898
Less capitalised loan arrangement and legal fees			(156)	(185)
Less current portion			(832)	(801)
Total non-current debt			**34,357**	**35,160**
Current portion of non-current borrowings				
Current portion of non-current borrowings			832	801
Total current debt			**832**	**801**
Total			**35,189**	**35,961**

All bank loans are denominated in EUR.

The fair values of borrowings bearing variable interest rates are approximate their carrying value. Changes in fair value of fixed interest rate loans are disclosed in Note 19a.

For the maturity of the borrowings see Note 3d.

For the borrowings received, the Fund issued the following securities:

- Assignment of land charge for properties located at:
  - Walsroderstrasse 93/93a, Hannover, Germany, with the carrying value totalling to EUR 8,200 thousand;
  - Weinmeisterstrasse 12-14, Berlin, Germany, with the carrying value totalling to EUR 10,000 thousand;
  - Lansstrasse 2, 14195 Berlin-Dahlem, Germany, with the carrying value totalling to EUR 33,000 thousand;
  - Schlenzigstrasse 8, D-21107 Hamburg, Germany, with the carrying value totalling to EUR 8,880 thousand.
- Assignment of rights and claims of existing and future rent receivables from lease agreements of investment properties located at Walsroderstrasse 93/93a, Hannover, Germany; Weinmeisterstrasse 12-14, Berlin, Germany; Lansstrasse 2, 14195 Berlin-Dahlem, Germany and Schlenzigstrasse 8, D-21107 Hamburg, Germany.
- Assignment of all rights and claims arising from the following guarantee agreements:
  - Between the BPT2 GmbH & Co. KG and Kommunalprojekt privatepublic-partnership GmbH, Brigachtal for the rights and claims out of the leasehold rent difference guarantee contract and the first letting guarantee contract;
  - Between the BPT2 GmbH & Co. KG and Kirchner Hoch- und Tiefbau GmbH for the rights and claims out of the general contractor's agreement for the amount of EUR 300 thousand;
  - Between the BPT 3 GmbH & Co. Vermögensverwaltung KG and bauwo Grundstücks AG for the rights and claims arising out of the general contractor's agreement.
- Pledge of all claims arising from the derivative instrument.

14. Trade and other payables

'000 Euro	2012	2011
Trade payables	70	31
Total trade and other payables	**70**	**31**

Terms and conditions of trade and other payables:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Other payables are non-interest bearing and have an average term of 3 months.

15. Other current liabilities

'000 Euro	2012	2011
Accrued payables for investment properties	87	266
Accrued audit and accounting fees	25	107
Accrued financial expenses	15	227
Accrued directors fees and related taxes	-	18
Other accrued payables	129	139
Other current liabilities	75	86
Total other current liabilities	**331**	**843**

16. Commitments and contingencies

16a. Operating leases commitments – Fund as a lessor

The Fund leases real estate under operating leases. The terms of the leases are in line with normal practises in each market. Leases are reviewed or subject to automatic inflationary adjustments as appropriate.

The leasing arrangements entered into or in relation with Fund's investment properties portfolio which include a clause authorising tenants to terminate the leasing arrangements up to six-months' notice are as such not considered as non-cancellable leases.

Lease payments receivable from non-cancellable lease are shown below. For the purposes of this schedule it is conservatively assumed that a lease expires on the date of the first break option.

	2012		2011	
'000 Euro	Amount receivable	%	Amount receivable	%
Within 1 year	2,974	23%	2,863	21%
Between 2 and 5 years	2,803	21%	2,988	22%
5 years and more	7,433	56%	7,864	57%
Total	**13,210**	**100%**	**13,715**	**100%**

16b. Litigation

As at 31 December 2012 and 2011, the Fund had no pending legal actions.

17. Related parties

During the year, the Fund entered into transactions with related parties. Those transactions and related balances are presented below. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

BPT Asset Management A/S
The Fund has entered into investment advisory agreement with BPT Asset Management A/S. Under the terms of the agreement, BPT Asset Management A/S group companies carry out asset manager's functions on behalf of the Fund and the Fund is paying management fees respectively (Note 5). In 2012 and 2011 a quarterly management fee was based on the investment properties GAV at the end of each calendar quarter and charged 0.75% of the GAV per annum of the real estate portfolio.

In addition, internal costs borne by BPT Asset Management A/S group related to the acquisition of properties are remunerated with an acquisition fee of 0.3% of the investment value of each acquisition made. In 2012 and 2011 there were no acquisitions of properties and respectively no acquisition fee paid.

The following table provides the total amount of the transactions, which have been entered into with related parties for the relevant financial year:

'000 Euro	2012	2011
BPT Asset Management A/S		
Management fees	(445)	(445)
Property management fees	(23)	(21)

Entities having control or significant influence over the Fund
The shareholders owning more than 5% of the ordinary shares as of 31 December 2012:

	Number of shares	%
Danske Capital, Sampo Bank Plc Clients	130,396	53.6%
Aage V. Jensen Charity Foundation	40,000	16.4%
Danske Capital Copenhagen	26,634	10.9%
Evli Bank Plc	16,640	6.8%

18. Remuneration of the management and other payments

The Fund's management (Board of Directors) remuneration amounted to EUR 52 thousand in 2012 (2011: EUR 82 thousand). In 2012 and 2011, the management of the Fund did not receive any loans or guarantees; no other payments or property transfers were made or accrued.

19. Financial Instruments

19a. Fair values

Set out below is a comparison by category of carrying amount and fair values of all of the Fund's financial instruments carried in the consolidated financial statements:

	Carrying amount		Fair value	
'000 Euro	2012	2011	2012	2011
Financial assets				
Cash and cash equivalents	532	1,959	532	1,959
Financial liabilities				
Debts to banks	35,189	36,146	41,318	41,109
Derivative financial instruments	346	96	346	96

The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates as no market quotations are available for these instruments.

The following table shows an analysis of the fair values of financial instruments recognised in the balance sheet by the level of the fair value hierarchy:

Year ended 31 December 2012

'000 Euro	Level* 1	Level* 2	Level* 3	Total fair value
Financial assets				
Cash and cash equivalents	-	532	-	**532**
Financial liabilities				
Debts to banks	-	42,733	-	**42,733**
Hedging Instruments	-	346	-	**346**

Year ended 31 December 2011

'000 Euro	Level* 1	Level* 2	Level* 3	Total fair value
Financial assets				
Cash and cash equivalents	-	1,959	-	**1,959**
Financial liabilities				
Debts to banks	-	41,109	-	**41,109**
Hedging instruments	-	96	-	**96**

**Explanation of the fair value hierarchy:*

- *Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;*
- *Level 2 — use of a model with inputs (other than quoted prices included in level 1) that are directly or indirectly observable market data;*
- *Level 3 — use of a model with inputs that are not based on observable market data.*

19a. Fair values (continued)

The fair value of derivatives has been calculated by discounting the expected future cash flows at prevailing interest rates, as no market quotations are available for these instruments. The fair value of borrowings approximates to the carrying value disclosed in the consolidated statement of financial position.

19b. Interest rate risk

The following table sets out the carrying amount by maturity, of the Fund's financial instruments that are exposed to interest rate risk:

Year ended 31 December 2012

'000 Euro	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Fixed rate							
Interest rate swap	105	111	117	123	5,305	-	**5,760**
Bank loan	(138)	(145)	(152)	(5,039)	-	-	**(5,473)**
Bank loan	(105)	(111)	(117)	(123)	(5,231)	-	**(5,687)**
Bank loan	(451)	(487)	(514)	(542)	(513)	(15,779)	**(18,286)**
Bank loan	(138)	(146)	(155)	(164)	(150)	(4,990)	**(5,743)**

Year ended 31 December 2011

'000 Euro	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Fixed rate							
Bank loan	(132)	(137)	(145)	(152)	(5,039)	-	(5,605)
Bank loan	(100)	(104)	(111)	(117)	(123)	(5,305)	(5,860)
Interest rate swap	100	104	111	117	123	5,305	5,860
Bank loan	(439)	(463)	(488)	(514)	(543)	(16,336)	(18,783)
Bank loan	(130)	(138)	(146)	(155)	(164)	(5,165)	(6,898)

Interest on financial instruments classified as floating rate is reprised at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Fund that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

20. Derivative financial instruments

The Fund entered into an interest rate swap agreement ('IRS') with Hypothekenbank Frankfurt AG. The purpose of IRS is to hedge the interest rate risk arising from interest rate fluctuations on the non-current bank loan, as Fund's policy is to have fixed interest expenses. According to the IRS contract, the Fund pays fixed interest payments to a bank and receives variable interest rate payments from a bank.

IAS 39 (Financial Instruments: Recognition and Measurement) allows hedge accounting provided that the hedge is expected to be highly effective. In such cases, any gain or loss recorded on the fair value of the financial instrument goes to equity reserves rather than income statement. Specific documentation on each financial instrument is required to be maintained to ensure hedge accounting principles.

20. Derivative financial instruments (continued)

On 19 July 2007, BPT1 GmbH & Co. Vermögensverwaltung KG signed the IRS contract of EUR 6,000 thousand with Eurohypo AG with maturity at 28 September 2012. The hedge accounting start date coincides with the date of Hypothekenbank Frankfurt AG loan full disbursement. The loan was fully disbursed on 31 December 2007. On 22 February 2012, BPT1 GmbH & Co. Vermögensverwaltung KG signed a new IRS contract of EUR 5,786 thousand with a start date coinciding the date of the previous IRS contract maturity and thus prolonging the hedge of Hypothekenbank Frankfurt AG loan until its maturity on 29 December 2017.

The IRS contract is designated as effective cash flow hedge instrument, thus changes in the fair value are accounted for in a separate equity reserve (Note 12b). As at 31 December 2012, the fair value of the IRS was minus EUR 346 thousand (2011: minus EUR 96 thousand).

21. Subsequent events

On 8 March 2013, BPT1 GmbH & Co. Vermögensverwaltung KG has signed a letter of intent to sell Weinmeisterstrasse property in an asset deal at a price of EUR 11,400 thousand. The closing is expected end of May 2013. The loan of EUR 5,768 thousand to Hypothekenbank Frankfurt AG is planned to be fully repaid following the sale.

There were no other subsequent events.

22. List of consolidated companies

Subsidiaries included in the consolidated financial statements

Company name	Registered office	Registration Number	Date of Acquisition	Activity	Share capital
BPT Hansa S.à r.l.	20, Boulevard Emmanuel Servais, L-2535 Luxembourg	B-120 957	13 November 2007	Financing company	100%
BPT GmbH & Co. Vermögensverwaltung KG	Weinmeisterstr. 12 – 14 10178 Berlin, Germany	HRA 42461 B	10 November 2006	Asset holding company	100% (directly 93.82%, indirectly 6.18%)
BPT GmbH	Weinmeisterstr. 12 – 14 10178 Berlin, Germany	HRB 110698 B	10 November 2006	General partner	100%
BPT1 GmbH & Co. Vermögensverwaltung KG	Weinmeisterstr. 12 – 14 10178 Berlin, Germany	HRA 41318 B	20 November 2007	Asset holding company	100% (directly 94%, indirectly 6%)
BPT1 GmbH	Weinmeisterstr. 12 – 14 10178 Berlin, Germany	HRB 113832 B	20 November 2007	General partner	100%
BPT2 GmbH & Co. KG	Weinmeisterstr.12-14, 10178 Berlin, Germany	HRA 44328 B	28 July 2007	Asset holding company	100% (directly 94%, indirectly 6%)
BPT 2 GmbH	Weinmeisterstr.12-14, 10178 Berlin, Germany	HRB 126293 B	28 July 2007	General partner	100%
BPT3 GmbH & Co. Vermögensverwaltung KG	Weinmeisterstr. 12-14 10178 Berlin, Germany	HRA 42479 B	4 June 2008	Asset holding company	100% (directly 94%, indirectly 6%)
BPT3 GmbH	Weinmeisterstr. 12-14 10178 Berlin, Germany	HRB 116714 B	4 June 2008	General partner	100%