

Q4 2010

# BPT Hansa Lux SICAV-SIF Quarterly Fund Report



Takustrasse Campus Hotel, Berlin-Dahlem

- Direct property yield increased to 5.7% in Q4
- The portfolio has stabilised with an occupancy of 100%
- Slight NAV increase over the quarter to EUR 99.35 per share

## COMMENTARY

BPT Hansa Lux SICAV-SIF is a direct real estate fund for international and German institutional investors.

The portfolio consists of few efficient buildings, which through active management are all fully stabilized, with all key tenants being in place on long-term leases. Costs are thus decreasing and the management of the fund is primarily focused on securing a strong pipeline of interesting investment objectives, as well as obtaining additional investment mandates.

## FINANCIAL RESULTS FOR THE YEAR 2010

The direct property yield for the year 2010 increased by 0.2pp to 5.6%, and is expected to further increase in 2011. The net operating income for 2010 increased significantly to EUR 3,272m (2009: EUR 2.521m) and thus exceeded the budget by 1.5%, and would have resulted in a net profit of EUR 0.35m in 2010, had it not been for a one-time, extraordinary write-off of EUR 0.59m due to a necessary settlement with the lease guarantor of the Dahlem project. The final result for 2010 was thus EUR -0.24m versus a net profit of EUR 0.96m in 2009. The NAV slightly decreased over the year to EUR 99.35, from 100.02 at Q4 2009, however, the year-end valuation by two independent appraisers shows an increase of GPV and stands at EUR 59.4m.

## ACTIVITIES OVER THE QUARTER

The average direct property yield for Q4 increased by 0.2pp to 5.7%. With 100% occupancy in Walsroder Strasse, the occupancy of the entire Fund increased to exceptional 100% (99,2% including some minor vacant archive space).

The Hamburg-Wärtsilä property once again performed excellently. The direct property yield increased by 0.4pp to 7.0% in Q4 and even exceeded the budget by 0.2pp.

In the Dahlem Campus property the Seminaris restaurant expansion of 212 sq. m. was handed over in November; negotiations for an additional expansion of approx. 450 sq.m.

## Fund Performance

NAV per share	EUR 99.35
Latest dividend per share	EUR 0.0
Total fund return since inception	-0.64%
Return since inception annualised	-0.22%
Expected net IRR at exit	8.5%

## Portfolio

Number of properties	4
Average gross property value	EUR 14.8m
Occupancy ratio (quarter average)	99.2%

## Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2022
Status	Closed-end
Target share capital	EUR 100.0m
Total share capital	EUR 24.3m
Net asset value (total equity)	EUR 24.2m
Investment capacity	EUR 300m
Gross property value	EUR 59.4m
Gross asset value (GAV)	EUR 62.2m
Total cash and cash equivalents	EUR 2.4m
Loans	EUR 36.5m
Loan to value	61.4%
Interest coverage	118.2%

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

## Contacts

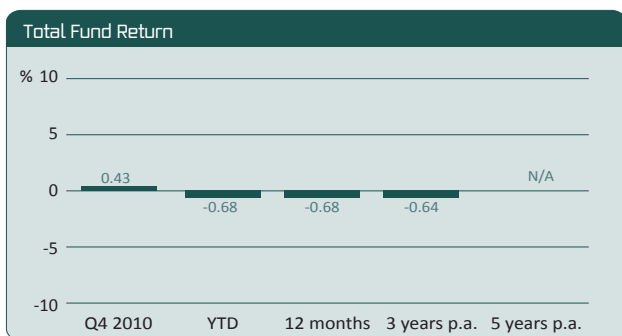


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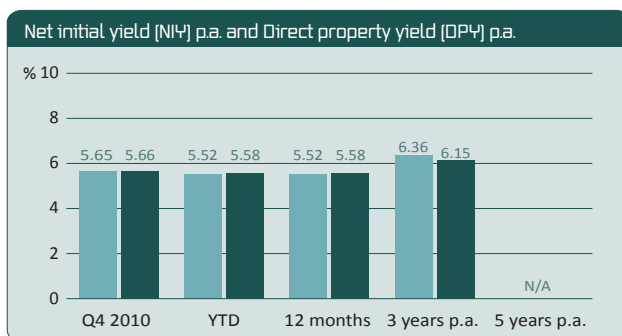


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Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year.



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.

are currently in progress. Several complementary concepts for the remaining space 500 sq. m. are in discussion with potential attractive operators.

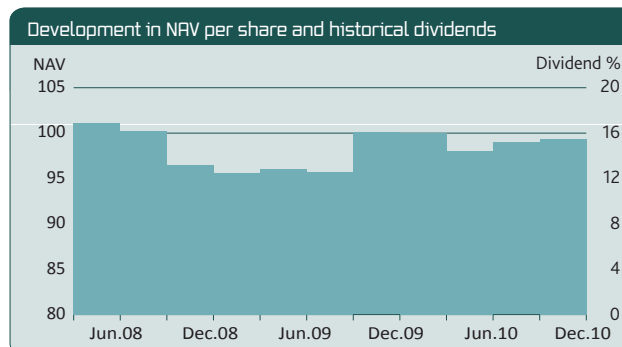
The Weinmeisterstrasse property was also fully let in Q4. After a slight decrease in Q3, the direct property yield (DPY) in Q4 increased again to 6.1% and thus exceeded the budgeted DPY of 5.9%.

After signing two more lease agreements in November, 100% of the office space at Walsroder Strasse is let. A 15 year lease contract for 667 sq. m. was signed with a dental clinic beginning summer 2011, and a lease contract with a notable health insurance Group for a space of 302 sq. m. began in February 2011. The direct property yield decreased from 4.4% to 4.1% due to marketing expenses for one of the new tenants and repair and maintenance costs for the second half of 2010.

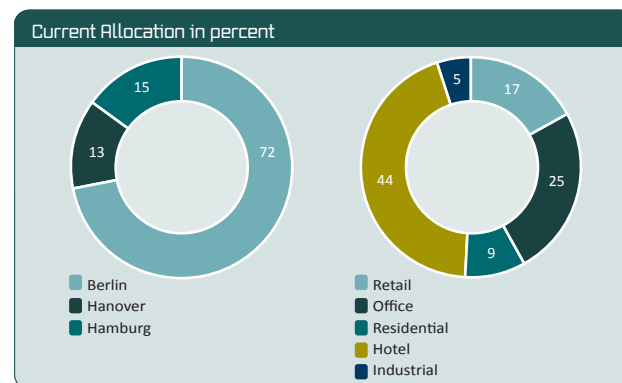
### MARKET OUTLOOK

In 2010 the German economy achieved a record growth of 3.6%. This was the strongest increase of the GDP since the reunification in 1990. The upswing is boosted by two strong factors. Additional to the initial stimulus from the exports, the domestic demand became the driving force for the economic expansion. The domestic demand is expected to contribute up to 75% to the 2011 overall economic activity. The Government is projecting a growth of GDP of 2.3% for 2011. With the economic recovery Germany experienced an upswing in employment as well. A total employment of 40.4 m people is reached, which is also the highest level noted since the reunification. The unemployment rate decreased to 7.7%.

The solid growth of the German economy and the confidence of the investors in the German investment market delivered a remarkably high transaction volume of EUR 19.1bn, which is 83% higher than the year before. The Q4 turnover of 6.8bn was bigger than all 10 previous quarters, mainly caused by large-scale investments. 41% was invested in office and retail properties. The proportion of foreign investors increased by 35% compared to the year before. Prime yields decreased by 0.1% as a result of the high demand. An ongoing high demand for core properties is expected for the next quarters.



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



Allocation is calculated based on gross property value.

Property Name	Property Type	Location
Hechtgraben Campus Hotel	Other/Hotel	Berlin
Weinmeisterstrasse	Office/Retail/Residential	Berlin
Walsroder Strasse	Office	Hanover
Wärtsilä	Office/Industrial	Hamburg

There are currently four holdings in the fund

Top 5 holdings is based on gross property value.

Management fee	0.75% p.a. of GAV of the portfolio
Acquisition fee	0.3% of the total acquisition sum
Incentive fee	20% above a hurdle rate of 7% RoE
Subscription fee	max. 1.95%

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