



***Baltic Property Trust A/S
Report for the Half I of 2007***



MANAGEMENT STATEMENT

The financial report of Baltic Property Trust A/S as of 30 June 2007 is prepared in accordance with International Financial Reporting Standards as adopted by the EU and further the Danish reporting requirements. We consider that the financial report provides a true and fair view of the assets, liabilities and the financial position as of 30 June 2007 of the Group's and the Company's activities and cash flows during the first half of year 2007.

Fund Manager

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The report was prepared by UAB "BPT Asset Management":
Treasury analyst

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I. GENERAL PROVISIONS

1. Accounting period of the report

The report has been issued as of the first half of 2007.

2. The basic data about the issuer

The name of the company – Baltic Property Trust A/S

Authorised capital – DKK 100,000,000 (one hundred million)

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Legal organisation status – legal entity, incorporated in Copenhagen in the Kingdom of Denmark on June 8, 2001 and acts in accordance with the laws of the Kingdom of Denmark. The Company is registered with the Danish Commerce and Companies Agency (Erhvervs & Selskabsstyrelsen), in Copenhagen, Denmark, under entity number 26112869.

II. FINANCIAL STATUS

Baltic Property Trust A/S is the ultimate parent and controlling entity of the Group comprising the Company and its subsidiaries and is situated in Denmark with subsidiaries in Lithuania, Latvia and Estonia.

The financial statements of the subsidiary companies are integrated into the consolidated financial statements.

The report of Baltic Property Trust A/S is presented in accordance with International Financial Reporting Standards (IFRS), approved by the European Union (EU) and other Danish annual reporting requirements in reporting class D, cf. the IFRS-regulations issued in connection with the Danish Financial Statements Act.

**INCOME STATEMENT**

DKK'000	Group	
	H1 2007	H1 2006
Rental income	14,094	12,720
Cost of rental activities	(3,430)	(3,404)
Net rental income (NRI)	10,664	9,316
Administrative expenses	(5,618)	(2,471)
Other operating income (expenses)	11	-
Operating profit (EBIT)	5,057	6,845
Financial income	578	239
Financial expenses	(2,713)	(2,993)
Profit before tax (PBT)	2,922	4,091
Income tax expenses	(522)	(1,231)
Profit for the year (PAT)	2,400	2,860
Is distributed as follows:		
Shareholders of Baltic Property Trust A/S	2,400	2,860
Minority Interests	-	-
Total	2,400	2,860
Annualized earnings per share (EPS)	4.8	5.7

**BALANCE SHEET - ASSETS**

DKK'000	Group	
	30 Jun 2007	31 Dec 2006
ASSETS		
Non-current assets		
Investment property	283,230	283,550
Fixtures and fittings, tools and equipment	12	19
Prepayments for property, plant and equipment	532	402
Property, plant and equipment	283,774	283,971
Derivative financial instruments	682	452
Deferred tax asset	3,074	3,074
Other non-current assets	3,756	3,526
Non-current assets	287,530	287,497
Current assets		
Trade receivables	1,027	1,313
Prepayments and other receivables	813	9,999
Derivative financial instruments	-	32
Cash and cash equivalents	14,440	13,025
Current Assets	16,280	24,369
TOTAL ASSETS	303,810	311,866



BALANCE SHEET - EQUITY AND LIABILITIES

DKK'000	Group	
	30 Jun 2007	31 Dec 2006
EQUITY AND LIABILITIES		
Share capital	100,000	100,000
Other reserves	(1,856)	(1,786)
Retained earnings	82,772	80,372
Total shareholders' equity	180,916	178,586
Non-current liabilities		
Debts to credit institutions	65,237	65,792
Deferred tax liability	9,896	9,380
Derivative financial instruments	-	22
Advances received	219	230
Non-current liabilities	75,352	75,424
Current liabilities		
Trade payables	752	856
Debts to credit institutions	39,687	39,925
Income tax payable	756	1,827
Other payables	6,347	4,348
Payables to subsidiaries	-	-
Provisions	-	10,900
Current liabilities	47,542	57,856
Total liabilities	122,804	133,280
EQUITY AND LIABILITIES	303,810	311,866

**STATEMENT OF CHANGES IN EQUITY**

DKK'000	Share capital	Other Reserves	Retained earnings	Declared dividends	Total
Group					
Equity at 1 January 2006	100,000	(2,821)	44,862	-	142,041
Net profit for the period	-	-	49,510	-	49,510
Exchange adjustments	-	(157)	-	-	(157)
Change in hedging reserve	-	1,192	-	-	1,192
Total income for year 2006	-	1,035	49,510	-	50,545
Interim dividends distributed	-	-	(14,000)	-	(14,000)
Equity at 31 December 2006	100,000	(1,786)	80,372	-	178,586
Net profit for the period	-	-	2,400	-	2,400
Exchange adjustments	-	(322)	-	-	(322)
Change in hedging reserve	-	252	-	-	252
Total income for year 2007	-	(70)	2,400	-	2,330
Equity at 30 June 2007	100,000	(1,856)	82,772	-	180,916



CASH FLOW STATEMENT

DKK'000	Group	
	H1 2007	H1 2006
Net result before tax	2,922	4,091
Adjustments for non-cash items:	2,142	2,759
Changes in working capital:	236	10,541
Cash flows from operating activities before financials and income tax	5,300	17,391
Financial income received	578	239
Financial expenses paid	(2,713)	(2,993)
Income tax	(1,077)	311
Cash flows from operating activities	2,088	14,948
Additions to investment property	(130)	-
Acquisitions of property, plant and equipment	-	-
Disposals of investments properties	-	11,402
Divestments/Investment in loans of subsidiaries	-	-
Cash flows from investing activities	(130)	11,402
Advances received	-	-
Repayment of loans	-	(16,094)
Capital increase	-	-
Dividends paid	-	(14,000)
Cash flows from financing activities	-	(30,094)
Cash flows for the period	1,958	(3,744)
Currency adjustments	(543)	813
Net cash flows for the year	1,415	(2,931)
Cash at the beginning of the period	13,025	12,848
Cash at the end of the period	14,440	9,917

**ADJUSTMENTS FOR NON-CASH ITEMS AND WORKING CAPITAL**

DKK'000	Group	
	H1 2007	H1 2006
Depreciation of property, plant and equipment	7	5
Financial income received	(578)	(239)
Financial expenses paid	2,713	2,993
Total	2,142	2,759
Changes in working capital:		
(Increase) / decrease in trade receivables	286	17,221
(Increase) / decrease in prepayments and other receivables	9,186	(975)
(Increase) / decrease in derivative financial instruments	(220)	(191)
Increase / (decrease) in trade payables	(104)	(3,145)
Increase / (decrease) in other payables and liabilities	1,988	(2,369)
Increase / (decrease) in provision	(10,900)	-
Total	236	10,541



EXPLANATORY NOTES

Baltic Property Trust A/S fund continued its strong performance during the first half of year 2007. Return on paid in capital for the first half of the year reached 4.8%. The fund's overall net rental yield continued to rise and is now at 11.4% for the first half of the year after taking advantage of increased rental income predominately coming from indexation and lower vacancy.

The fund is in the process of being sold to a new set of investors as part of its original plans as described in the prospectus. As a result, it was decided for the first time in the fund's history not to declare dividends from the 2006 result until further notice.

Financial performance

Net rental income was DKK 10.7 million for the first half of the year, which was slightly above budget. Net profit equalled to DKK 2.4 million and was DKK 2.3 million below budget, mainly due to DKK 1.8 million of VAT for period 2004-2006 to be returned to the budget of Denmark, additional non-budgeted consultancy fees on the exit strategy of the fund, and higher than planned fund management fee.

Estonia

Both the Hobujaama office building and Torupilli SC are performing as expected with their yields at 13.2% and 9.7% respectively. Occupancy has continually been maintained at 100%. The major reconstruction of the first floor of Hobujaama has been successfully finished and completely let out to the anchor tenant Nordea bank.

Latvia

The Valdemara shopping centre in Riga, as expected, has provided the stable and high cash flow. The property continued with its 16.3% net rental yield throughout the first half of the year.

Lithuania

Further rework with some of the existing tenants' leases, mainly the anchor tenant, Ukio bank, has enhanced the net rental yield in the Gostauto office building to a level of 8.4% by the end of the first half of the year. The property should now enjoy rental stability throughout 2007.



Key Financial Figures and Ratios for Baltic Property Trust A/S

<i>(DKK million)</i>	2006 H1	2007 H1	2007 H1 Budget
Rental income	10.3	11.4	11.4
Total operating expenses*	(1.0)	(0.7)	(1.0)
Net rental income	9.3	10.7	10.4
Overheads	(1.2)	(3.7)	(0.9)
Fund fee ¹	(1.3)	(1.9)	(1.5)
Interest/Financial expenses	(2.7)	(2.2)	(2.2)
Corporate income tax expense	(1.2)	(0.5)	(1.2)
Net Income	2.9	2.4	4.7
Return on paid in capital (annualized), %	5.7	4.8	9.4
Net rental income yield, %	9.7	11.4	10.9
Occupation ratio YTD, %	92.2	99.7	99.3

¹ 1.25% of assets under management