



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



MANAGEMENT STATEMENT

The financial report of “Baltic Property Trust A/S” as of 31 March 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 provide a true and fair view of the assets, liabilities and the financial position as of 31 March 2007 of the Group’s activities and cash flows during the first quarter of year 2007.

Fund Manager

Algirdas Jonas Vaitiekūnas

The report was prepared by UAB “BPT Asset Management”:
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I. GENERAL PROVISIONS

1. Accounting period of the report

The report has been issued as of the first quarter 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, Kingdom of 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	
	Q1 2007	Q1 2006
Rental income	7,043	6,452
Cost of rental activities	(1,729)	(1,771)
Net rental income (NRI)	5,314	4,681
Administrative expenses	(1,757)	(1,193)
Operating profit (EBIT)	3,557	3,488
Financial income	211	135
Financial expenses	(1,305)	(1,668)
Profit before tax (PBT)	2,463	1,955
Income tax expenses	(287)	(617)
Profit for the year (PAT)	2,176	1,338
Is distributed as follows:		
Shareholders of Baltic Property Trust A/S	2,176	1,338
Minority Interests	-	-
Total	2,176	1,338
Annualized earnings per share (EPS)	8.7	5.4



BALANCE SHEET - ASSETS

DKK'000	Group	
	31 Mar 2007	31 Dec 2006
ASSETS		
Non-current assets		
Investment property	281,971	283,550
Fixtures and fittings, tools and equipment	15	19
Prepayments for property, plant and equipment	462	402
Property, plant and equipment	282,448	283,971
Derivative financial instruments	419	452
Deferred tax asset	3,074	3,074
Other non-current assets	3,493	3,526
Non-current assets	285,941	287,497
Current assets		
Trade receivables	893	1,313
Prepayments and other receivables	797	9,999
Derivative financial instruments	-	32
Cash and cash equivalents	23,528	13,025
Current Assets	25,218	24,369
TOTAL ASSETS	311,159	311,866



BALANCE SHEET - EQUITY AND LIABILITIES

DKK'000	Group	
	31 Mar 2007	31 Dec 2006
EQUITY AND LIABILITIES		
Share capital	100,000	100,000
Other reserves	(2,978)	(1,786)
Retained earnings	82,548	80,372
Total shareholders' equity	179,570	178,586
Non-current liabilities		
Debts to credit institutions	65,563	65,792
Deferred tax liability	9,505	9,380
Derivative financial instruments	-	22
Advances received	216	230
Non-current liabilities	75,284	75,424
Current liabilities		
Trade payables	748	856
Debts to credit institutions	39,685	39,925
Income tax payable	1,829	1,827
Other payables	3,143	4,348
Payables to subsidiaries	-	-
Provisions	10,900	10,900
Current liabilities	56,305	57,856
Total liabilities	131,589	133,280
EQUITY AND LIABILITIES	311,159	311,866



STATEMENT OF CHANGES IN EQUITY

DKK'000	Share capital	Other Reserves	Retained earnings	Declared dividends	Total
Group					
Equity at 1 January 2005	100,000	(2,265)	3,449	9,000	110,184
Net profit for the period	-	-	41,343	-	41,343
Exchange adjustments	-	207	-	-	207
Change in hedging reserve	-	(763)	-	-	(763)
Total income for year 2005	-	(556)	41,343	-	40,787
Dividends distributed	-	-	70	(9,000)	(8,930)
Equity at 31 December 2005	100,000	(2,821)	44,862	-	142,041
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
Equity at 1 January 2007	100,000	(1,786)	80,372	-	178,586
Net profit for the period	-	-	2,176	-	2,176
Exchange adjustments	-	(1,181)	-	-	(1,181)
Change in hedging reserve	-	(11)	-	-	(11)
Total income for year 2007	-	(1,192)	2,176	-	984
Equity at 31 March 2007	100,000	(2,978)	82,548	-	179,570



CASH FLOW STATEMENT

DKK'000	Group	
	Q1 2007	Q1 2006
Net result before tax	2,463	1,955
Adjustments for non-cash items	1,098	1,535
Changes in working capital	8,352	11,517
Cash flows from operating activities before financials and income tax	11,913	15,007
Financial income received	211	135
Financial expenses paid	(1,305)	(1,668)
Income tax	(287)	-
Cash flows from operating activities	10,532	13,474
Additions to investment property	(60)	(80)
Acquisitions of property, plant and equipment	-	-
Disposals of investments properties	-	11,917
Cash flows from investing activities	(60)	11,837
Advances received	(14)	66
Repayment of loans	-	(16,048)
Dividends paid	-	70
Cash flows from financing activities	(14)	(15,912)
Exchange adjustments effect on cash flows	45	26
Net cash flows for the period	10,503	9,425
Cash at the beginning of the period	13,025	12,848
Cash at the end of the period	23,528	22,273

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

DKK'000	Group	
	Q1 2007	Q1 2006
Depreciation of property, plant and equipment	4	2
Financial income received	(211)	(135)
Financial expenses paid	1,305	1,668
Total	1,098	1,535
Changes in working capital:		
(Increase) / decrease in trade receivables	420	(206)
(Increase) / decrease in prepayments and other receivables	9,202	16,498
(Increase) / decrease in derivative financial instruments	43	(742)
Increase / (decrease) in trade payables	(108)	(851)
Increase / (decrease) in other payables and liabilities	(1,205)	(3,182)
Increase / (decrease) in provision	-	-
Total	8,352	11,517



EXPLANATORY NOTES

BPT A/S fund continued its strong performance during the first quarter of 2007. Return on paid in capital for the quarter reached 8.7%. The fund's overall net rental yield continued to rise and is now at 11.4% for the quarter after taking advantage of increased rental income predominately coming from indexation and lower vacancy.

Financial performance

Net rental income was DKK 5.3 million in Q1, which was slightly above budget. Net profit was DKK 2.2 million, DKK 0.2 million below budget, mainly due to additional non-budgeted consultancy fees on the exit strategy of the fund.

Estonia

Both the Hobujaama office building and Torupilli SC are performing as expected with their quarterly yields at 13.1% and 9.8% respectively. Occupancy has continually been maintained at 100%. The major reconstruction of the first floor of Hobujaama has successfully been finished and completely let out to the anchor tenant Nordea bank.

Latvia

The Valdemara shopping centre in Riga has provided the stable and high cash flow performance we expect. The property continued with its 16.5% net rental yield throughout the quarter.

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 quarter. The property should now enjoy rental stability throughout 2007. Sevcenkos office building has also now found its rental stability.



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

<i>(DKK million)</i>	2006 Q1	2007 Q1	2007 Q1 Budget
Rental income	6.4	5.7	5.7
Total operating expenses	(1.7)	(0.4)	(0.5)
Net rental income	4.7	5.3	5.2
Overheads	(0.4)	(0.7)	(0.3)
Fund fee ¹	(0.8)	(1.0)	(0.9)
Interest/Financial expenses	(1.5)	(1.1)	(1.0)
Corporate income tax expense	(0.6)	(0.3)	(0.6)
Net Income	1.3	2.2	2.4
Return on paid in capital (annualized), %	7.6	8.7	9.6
Net rental income yield, %	9.5	11.4	10.9
Occupation ratio YTD, %	95.0	99.7	99.3

¹ 1.25% of assets under management.