

# **ADVANCE TerraFund REIT (ATERA BU)**

## **MONTHLY NEWSLETTER – MARCH 2007**

### **ADVANCE TERRAFUND REIT HAS SIGNED RENTAL CONTRACTS FOR 5 000 HA**

#### **INVESTMENT ACTIVITY**

Since the beginning of 2007 the company has invested in agricultural land BGN 5 204 584 (or Euro 2.66m). The **average acquisition price** since launch date now is 2 050 BGN/ha or 1 048 Euro/ha.

As of March 31, 2007 Advance TerraFund REIT **owns in total** 14 630.3 ha of agricultural land.

#### **RENTING OUT AGRICULTURAL LAND**

As of March 31, 2007 the Fund has signed **rental contracts** for 5 002.8 ha of agricultural land, which represents 41% of the total land bought as 2006-end. The process for signing rental agreements for the agricultural year 2006-2007 will continue until May 15, 2007. This is the last day by which the farmers should submit application for direct subsidies per ha. The Fund's **average rent payment** so far is 111 BGN/ha or 57 Euro/ha. The **expected revenues** from rental contracts signed so far are BGN 555 229 or Euro 283 884.

#### **CHANGE IN THE ACCOUNTING POLICY**

Based on a recommendation by the company's auditor DELOITTE, effectively from March 2007 Advance TerraFund REIT made a change in the reported financial statements for 2005 and 2006. The major difference relates to the inclusion for the assets' revaluation into the revenues and earnings from core business activities.

#### **REVENUES FROM CORE BUSINESS ACTIVITIES**

The revenues from core business activities of Advance TerraFund REIT as of 2006-end are for the amount of BGN 8.751m or Euro 4.474m, which includes interest income, revenues from operations with investment properties and revenues from assets revaluation. The revenues as of 2005-end were BGN 0.833m or Euro 0.426m.

#### **PROFIT / LOSS FROM CORE BUSINESS ACTIVITIES**

The profit of Advance TerraFund REIT as of 2006-end is BGN 7.348m or Euro 3.757m. As the of 2005-end the profit was BGN 0.430m or Euro 0.220m.

### NET OPERATING PROFIT / LOSS

The current financial result as of 2006-end is a profit of BGN 7.348m or Euro 3.757m. As of 2005-end the company had a profit of BGN 0.430m or Euro 0.220m. The company is exempt from corporate tax.

### NET OPERATING PROFIT / LOSS PER SHARE

The company's profit per share for 2006 is approximately BGN 0.40 or Euro 0.2045, where as for 2005 it was BGN 1.14 or Euro 0.5829.

### TOTAL ASSETS

As of the day of publishing the updated registration document of the company, the total assets of Advance TerraFund REIT amount to BGN 44.314 (or Euro 22.657m). For year 2005 the total assets value was BGN 11.851m (or Euro 6.059m)

## MARKET STATISTICS FOR MARCH 2007

	Price in BGN	Date
Start price	1.375	01.03.2007
Last price	1.447	30.03.2007
Highest (max) price	1.458	30.03.2007
Lowest (min) price	1.360	06.03.2007
Average for the month	1.402	
Value change	0.072	
Change in %	5.24%	

Market Cap in BGN	63 749 116	30.03.2007
Market Cap in EUR	32 594 405	30.03.2007

Number of trade sessions	22
Number of trades	265
Total number of shares traded	648 799
Average number of shares traded daily	29 490

Monthly volume in BGN	909 625
Monthly volume in EUR	465 084

Average daily volume in BGN	41 347
Average daily volume in EUR	21 140