

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

## **MONTHLY NEWSLETTER – December 2007**

### **Advance TerraFund REIT**

#### **INVESTMENT ACTIVITY**

Advance TerraFund REIT owns land for BGN 67m (or EUR 34.26m), in which value the revaluation of the assets for 2007 is not included. In the total portfolio of the company 83% of the investments are for agricultural land and 17% are for urban land.

The company invests mainly in the most fertile farmland – 99.5% are with land category from 1 to 6 (out of 10 in total, where 1 is the best land), and respectively this is where the most developed farm companies are. The allocation of the acquired agricultural land is: Northeastern region – 44%, North Central region – 30%, Northwestern region - 15%, South Central region – 8% and Southeastern region – 3%.

As of December 30, 2007 Advance TerraFund REIT owns in total 22 000 ha of agricultural land. The average acquisition price for the month is 2 680 BGN/ha or 1 370 EUR/ha. The average acquisition price since launch date now is 2 170 BGN/ha or 1 110 EUR/ha.

Date	Paid ha	Average monthly price	Average portfolio price
Oct-05	600	840	840
Nov-05	1 100	872	854
Dec-05	2 100	851	859
Jan-06	2 500	869	864
Feb-06	3 200	898	869
Mar-06	4 500	925	890
Apr-06	5 700	1002	915
May-06	7 000	1023	941
Jun-06	8 400	1032	956
Jul-06	9 300	1094	977
Aug-06	10 300	1087	987
Sep-06	11 000	1068	992
Oct-06	11 500	1060	997
Nov-06	12 000	1117	1002
Dec-06	12 444	1077	1007
Jan-07	12 987	1213	1023
Feb-07	13 647	1169	1038
Mar-07	14 630	1252	1048
Apr-07	15 792	1268	1058
May-07	17 113	1278	1074
Jun-07	18 200	1278	1084
Jul-07	19 000	1273	1084

Aug-07	19 250	1273	1084
Sep-07	20 000	1278	1084
Oct-07	21 050	1355	1099
Nov-07	21 700	1380	1110
Dec-07	22 000	1370	1110

The Company was able to complete 2 more swaps with two private companies. The Fund gave in 36 lots in the vicinity of Simeonovgrad (district of Haskovo) and received 27 lots with total are of 19.6 ha.

## RENTING OUT AGRICULTURAL LAND

As of Dec 30, 2007 **the revenues received for the agricultural year 2006-2007** so far are BGN 446 637 (or EUR 228 362). All contracts by which no payments have been received 3 months following the end of 2006-2007 agricultural year, will be canceled automatically. This will give us the possibility to negotiate for new better conditions of the rent payment. For the upcoming year 2007-2008 all rent payments have been insured by the Bulgarian Export Insurance Agency, which guarantees for 100% rent collection.

For the first three months of the agricultural year 2007-2008 (October, November, December 2007), Advance TerraFund REIT has signed **rental contracts** for 6 048 ha of agricultural land, which represents 27.49% of the land bought so far.

## MARKET STATISTICS FOR DECEMBER 2007

	Price in BGN	Date
Start price	2.086	03.12.2007
Last price	2.030	21.12.2007
Highest (max) price	2.135	03.12.2007
Lowest (min) price	1.970	19.12.2007
Average for the month	2.022	
Value change	-0.056	
Change in %	-2.685%	

Market Cap in BGN	89 433 797	21.12.2007
Market Cap in EUR	45 726 775	21.12.2007

Number of trade sessions	16
Number of trades	229
Total number of shares traded	859 386
Average number of shares traded daily	53 712
Monthly volume in BGN	1 737 747
Monthly volume in EUR	888 496
Average daily volume in BGN	108 609
Average daily volume in EUR	55 531