

ADVANCE TerraFund REIT (ATERA BU)

MONTHLY NEWSLETTER – OCTOBER 2007

ADVANCE TERRAFUND HAS LAND CONCENTRATION OF ABOVE 50 HA/VILLAGE IN MORE THAN 1/3 OF ITS AGRICULTURAL LAND

INVESTMENT ACTIVITY

Advance TerraFund REIT owns land for BGN 64m (or EUR 32.7m), 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 – 45%, North Central region – 29%, Northwestern region - 15%, South Central region – 8% and Southeastern region – 3%.

As of October 30, 2007 Advance TerraFund REIT owns in total 21 050 ha of agricultural land. The average acquisition price for the month is 2 650 BGN/ha or 1 355 EUR/ha. The average acquisition price since launch date now is 2 150 BGN/ha or 1 099 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

The company is focused in certain villages with the aim to increase the concentration of its farm land.

Land concentration as of Q3 2007	Number of villages
Land between 200-300 ha/village	2
Land between 100-200 ha/village	16
Land between 50-100 ha/village	63
Land between 20-50 ha/village	200
Land up to 20 ha/village	976
Total	1257

In 81 villages the farm land of Advance Terrafund REIT exceeds 50 ha per village. The land there is about 7 000 ha, that represents circa 1/3 of all company's land. As a result of the concentration there are rent contracts signed at higher rentals, due to the farmers' interest to cultivate larger plots in one village. The real consolidation of the separate plots is done by the farmers in the form of the so called "consolidation by use".

MARKET STATISTICS FOR OCTOBER 2007

	Price in BGN	Date
Start price	2.328	01.10.2007
Last price	2.156	31.10.2007
Highest (max) price	2.340	01.10.2007
Lowest (min) price	2.137	29.10.2007
Average for the month	2.184	
Value change	-0.172	
Change in %	-7.39%	

Market Cap in BGN	94 984 861	31.10.2007
Market Cap in EUR	48 564 988	31.10.2007

Number of trade sessions	23
Number of trades	388
Total number of shares traded	958 332
Average number of shares traded daily	41 667

Monthly volume in BGN	2 093 456
Monthly volume in EUR	1 070 367

Average daily volume in BGN	91 020
Average daily volume in EUR	46 538