

ADVANCE TerraFund REIT

MONTHLY NEWSLETTER – July 2008

INVESTMENT ACTIVITY

Advance TerraFund REIT **owns land** for BGN 100 million (**EUR 51.30 million**). In the total portfolio of the company after the revaluation 75% is agricultural land and 25% is urban land.

The company invests in **the most fertile farmland** – 99% is with land category from 1 to 6 (out of 10, where 1 represents the most fertile land), and respectively is in regions, where the most developed and productive farm companies work.

As of July 31, 2008 Advance TerraFund REIT owns in total **24 300 ha** of agricultural land. The average acquisition price for this month is 3 590 BGN/deca (**1835 EUR/ha**), and the **average acquisition price** since launch date is 2 300 BGN/ha (**1 176 EUR/ha**).

Date	Paid ha	Average monthly price	Average portfolio price
July-08	24 300	1835	1176
Jun-08	23 720	1810	1150
May-08	23 300	1784	1135
Apr-08	22 500	1790	1135
Mar-08	21 700	1380	1110
Feb-08	21 700	1380	1110
Jan-08	21 700	1380	1110
Dec-07	21 700	1380	1110
Nov-07	21 700	1380	1110
Oct-07	21 050	1355	1099
Sep-07	20 000	1278	1084
Aug-07	19 250	1273	1084
Jul-07	19 000	1273	1084
Jun-07	18 200	1278	1084
May-07	17 113	1278	1074
Apr-07	15 792	1268	1058
Mar-07	14 630	1252	1048
Feb-07	13 647	1169	1038
Jan-07	12 987	1213	1023
Dec-06	12 444	1077	1007
Nov-06	12 000	1117	1002
Oct-06	11 500	1060	997
Sep-06	11 000	1068	992
Aug-06	10 300	1087	987
Jul-06	9 300	1094	977
Jun-06	8 400	1032	956
May-06	7 000	1023	941
Apr-06	5 700	1002	915
Mar-06	4 500	925	890
Feb-06	3 200	898	869
Jan-06	2 500	869	864
Dec-05	2 100	851	859

LEASED AGRICULTURAL LAND

As of July 31, 2008 **the revenue received for the agricultural year 2006-2007 is BGN 682 600 (EUR 342 720).**

For the agricultural year 2007-2008, Advance TerraFund REIT has signed **rental contracts** for 15 100 ha of agricultural land, which represents **70%** of the land bought in 2007. The **average rental payment** is 14 BGN/dca (**71.6 EUR/ha**) and the **total expected amount from rentals** is BGN 2 100 000 (**EUR 1 073 713**). For the current year 2007-2008 the rent payments have been insured by the Bulgarian Export Insurance Agency (BEIA).

MARKET STATISTICS FOR JULY 2008

	Price in BGN	Date
Start price	1.91	01.07.2008
Last price	1.78	31.07.2008
Highest (max) price	1.91	01.07.2008
Lowest (min) price	1.78	31.07.2008
Average for the month	1.88	
Value change	-0.13	
Change in %	-6.81%	

Number of trade sessions	23
Number of trades	269
Total number of shares traded	1 522 998
Average number of shares traded daily	66 217
Monthly volume in BGN	2 856 045
Monthly volume in EUR	1 460 272
Average daily volume in BGN	124 176
Average daily volume in EUR	63 490

Additional information for the shareholders

The General Assembly of the shareholders of Advance Terrafund REIT will take place on 14.08.2008 in Sofia, 14 Todor Alexandrov Blvd., Hotel Anel, 5th floor, Anel Hall at 9.30 am.

With reference to decisions of the Board of Directors, publications in the State Gazette, issue 69/05.08.2008, and in Dnevnik newspaper from 04.08.2008 concerning the capital increase in the capital of Advance Terrafund REIT –Sofia /6A6/, please be informed of the following:

- Number of shares before the capital increase: 44,056,058;
- Number of rights issued 44,056,058;
- Number of shares to be registered 66,084,087;
- Ratio between issued and new shares: right/shares: 1/1.5;
- Everyone may subscribe to at least 1 new share and to utmost such number of shares, equal to the number of the rights held or acquired multiplied by 1.5;
- The capital will be increased, if at least 25,000,000 shares of are subscribed to and paid in. Ticker of the rights: 6A6A; BGN 1.00 nominal value; BGN 1.90 issuing value;
- Initial date for trading in the rights on the Exchange: 14.08.2008, final date for trading in the rights on the Exchange: 27.08.2008;
- Initial date for transferring the rights: 14.08.2008;
- Final date for transferring the rights: 27.08.2008;
- Date of Auction as of Art. 112b (7) as of POSA: 05.009.2008
- Initial date for subscription to shares: 14.08.2008;
- Final date for subscription to shares: 23.09.2008;
- Investment intermediary authorised to administer the capital increase: Karoll AD;
- Bank, with which the accumulation account to be opened: CB United Bulgarian Bank AD;
- The right to participate in the capital increase will be entitled to all shareholders, who acquired shares of the company within 7 days upon the promulgation of the announcement in the State Gazette at the latest, i.e. as of record date 12.08.2008 /Tuesday/;
- The final date for transacting shares of this company on the BSE-Sofia, as a result of which the holder will be entitled to participate in the capital increase, is 08.08.2008 /Friday/.