

ADVANCE TerraFund REIT (ATERA BU)

MONTHLY NEWSLETTER – May 2008

INVESTMENT ACTIVITY

Advance TerraFund REIT **owns land** for BGN 97.6 million (or **EUR 49.9 million**). In the total portfolio of the company after the revaluation 75% are agricultural land and 25% are urban land.

The company invests mainly in **the most fertile farmland** – 99% are with land category from 1 to 6 (out of 10 in total, where 1 is the best land), and respectively this is in regions, where the most developed farm companies work. The allocation of the acquired agricultural land remains the same.

As of May 31, 2008 Advance TerraFund REIT owns in total **23 300 ha** of agricultural land. The average acquisition price for the month is 3 490 BGN/dca (or **1784 EUR/ha**), and the **average acquisition price** since launch date is 2 220 BGN/ha (or **1 135 EUR/ha**).

Date	Paid ha	Average monthly price	Average portfolio price
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
Nov-05	1 100	872	854
Oct-05	600	840	840

In May 2008 Advance TerraFund REIT acquired agricultural plot of 7.4 dca at the entrance of the city of Vratsa, which is adjacent to a plot bought earlier by the company. The two plots have total size of 12.9 dca (1.29 ha) with total 150 m face on the first-class road Sofia-Vratsa and are supplied with electricity and water.

LEASED AGRICULTURAL LAND

As of May 31, 2008 **the revenues received for the agricultural year 2006-2007** are BGN 682 600 (or **EUR 342 720**).

For the agricultural year 2007-2008, Advance TerraFund REIT has signed **rental contracts** for 14 000 ha of agricultural land, which represents **64.44%** of the land bought as of 2007-end. The **average rental payment** is 14 BGN/dca (or **71.6 EUR/ha**) and the **total expected amount from rentals** is BGN 1 950 000 (or **EUR 997 000**). For the current year 2007-2008 the rent payments have been insured by the Bulgarian Export Insurance Agency (BEIA). The lease contract signing campaign finished at the end of May, which was the deadline for the agricultural producers to submit their applications for the EU Single Area Payment subsidies.

MARKET STATISTICS FOR MAY 2008

	Price in BGN	Date
Start price	1.913	01.05.2008
Last price	1.942	30.05.2008
Highest (max) price	1.996	21.05.2008
Lowest (min) price	1.906	08.05.2008
Average for the month	1.935	
Value change	0.029	
Change in %	+1.516%	

Market Cap in BGN	85 556 865	30.05.2008
Market Cap in EUR	43 744 530	30.05.2008

Number of trade sessions	19
Number of trades	126
Total number of shares traded	1 107 034
Average number of shares traded daily	58 265
Monthly volume in BGN	2 142 319
Monthly volume in EUR	1 095 350
Average daily volume in BGN	112 754
Average daily volume in EUR	57 650