

ADVANCE TerraFund REIT

MONTHLY NEWSLETTER – March 2009

Investment activity

Advance TerraFund REIT **owns land** for above BGN 112.6 million (**EUR 57.6 million**) including the land revaluation for 2008.

As of March 31, 2009 Advance TerraFund REIT owns around **26 428 ha** of agricultural land and **13.8 ha** of urban land. During the month were acquired 120 ha and were sold 79 ha farmland, which marked the successful commencement of the so called “land banking”. The goal is to be sold concentrated lands in certain villages and simultaneously to keep on acquiring separated parcels in other villages. The farmers and the investors in solar and wind parks are looking for plots with bigger concentration in one village and they are the natural partners that wish to take advantage of the concentrated land ownership that Advance Terrafund REIT offers for sale. By doing this the company helps that certain farmers enlarge quickly their farming business and also it offers attractive investment opportunities for energy projects investors. At the same time, by selling concentrated lands, the Company reaches higher sale price than the acquisition price and thus it realizes net profit, which will be distributed as a dividend to the shareholders.

Date	Paid ha	Average monthly price	Average portfolio price
Mar-09	26 428	1386	1217
Feb-09	26 387	-	1217
Jan-09	26 387	-	1217
Dec-08	26 387	1641	1217
Nov-08	26 300	1646	1212
Oct-08	25 990	1790	1202
Sep-08	25 680	1882	1196
Aug-08	25 000	1876	1196
Jul-08	24 300	1836	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

Leased agricultural land

As of the end of March 2009 Advance TerraFund REIT has signed **rental contracts** for 18 009 ha or 69% of all the lands, out of which the new contracts in 2008 are at an average rental of about 20 BGN/dca (102 EUR/ha), and all contracts, along with those concluded in the previous years, are at an

average rental of 17.19 BGN/dca (87.89 EUR/ha). The lease contract signing campaign is still in progress.

For the agricultural year 2007-2008 there have been collected revenues from rentals for BGN 1 859 000 (EUR 950 492), which represents 89% of the expected rental revenues. The collection of the receivables was finished and the overdue payments were claimed for compensation according to the insurance policy with the insurer BAEI.

Land consolidation project in the village of Katunets

On March 21, 2009 was organized a meeting in the village-hall of Katunets where all farmland owners in the village were invited to take part voluntarily in the project. At the gathering were presented the Mayor of the Municipality of Ugartchin, the Mayor of Katunets, specialists from the Ministry of the Agriculture and Foods (MAF), officials from the municipal service Agriculture and Forests and over 70 landowners. Every project participant will take the opportunity to consolidate its own farmlands in order to achieve higher return for his/her own plots, either in the form of higher rentals or in the form of higher sale price, after the consolidation is done.

On the 1-st and 2-nd of April in the village of Katunets there was a workshop with the participation of specialists from Land Relationships Department from the MAF and three consultants from the Dutch Service for Water and Land Management, where was elaborated a conception for integrated development of the territory of the village. In addition, there were discussed the possibilities for the Municipality to apply for projects according to the Rural Development Program.

MARKET STATISTICS FOR MARCH 2009

	Price in BGN	Date
Start price	1.00	04.03.2009
Last price	1.00	31.03.2009
Highest (max) price	1.00	31.03.2009
Lowest (min) price	0.935	17.03.2009
Average for the month	0.989	
Value change	0.00	
Change in %	0.00%	

Number of trade sessions	16
Monthly volume in BGN	415 315
Monthly volume in EUR	212 347
Average daily volume in BGN	25 957
Average daily volume in EUR	13 272