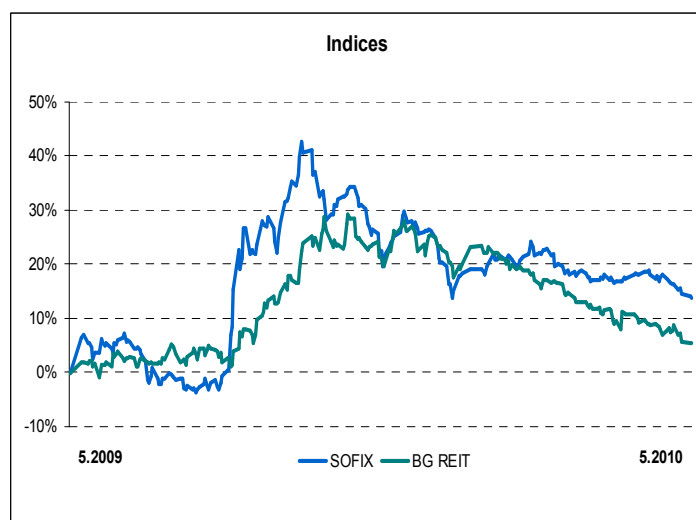


Executive Summary



Index	Value 14.05.2009	Value 14.05.2010	Change Y/Y
SOFIX	401.55	366.87	9.45%
BG 40	111.86	101.18	10.56%
BG TR 30	308.74	271.76	13.61%
BG REIT	40.46	39.44	2.59%

BG REIT : Components

Company	Price BGN 14.05.2009	Price BGN 14.05.2010	Change
AGROF(6AG)	0.89	0.99	10.67%
ATERA (6A6)	0.97	1.14	17.53%
BMREIT(6BMA)	0.49	0.33	-33.67%
LAND (5BD)	0.53	0.47	-11.49%
ELARG(4EC)	0.70	0.60	-14.29%
EXPRO(5EX)	0.88	0.79	-10.34%
PARK (4PK)	0.68	0.49	-28.24%
TBIRE (4PY)	0.91	0.60	-34.21%
FPP (6F3)	0.24	0.33	40.43%
BREF (5BU)	0.32	0.36	14.29%

Four BG REIT components declared dividends for 2009. Bulgaria Real Estate Fund will distribute BGN 0.039 per share, Advance Terrafund BGN 0.033, Bulland Investments BGN 0.03 and FairPlay Properties BGN 0.018.

Most index components reported negative revaluations of assets in their final financial statements for 2009, released in the end of April. Prime Property BG posted revaluation expenses of BGN 8.4mn, Bulgaria Real Estate Fund of BGN 7.04mn, Advance Terrafund of BGN 6.6mn and ELARG of BGN 2.7mn. Only three BG REIT components reported revaluation revenues: FairPlay Properties (BGN 0.6mn), Bulland Investments (BGN 0.027mn) and BenchMark REF (BGN 0.002mn).

In the end of 2009, BenchMark REF changed the accounting treatment of interest expenses and now they are treated as expenses for investment properties. A retrospective adjustment of Q1 2009 financials report was made.

Sales of FairPlay Properties REIT rose by 34% in the first quarter of 2010 compared to the year-ago period and reached BGN 5.6mn. For the period January – March 2010 the company sold 19 new apartments and concluded sales for 27 apartments from previous periods. On April 8 Holiday village ‘Santa Marina’, FPP’s largest project, was awarded as ‘The best project in Bulgaria’ by the Russian real estate magazine ‘Homes Overseas’.

Rental income of Agro Finance rose by 124% in Q1 2010 compared to the year-ago period. The company is owner of almost 129 000 decars of agricultural land.

Prices and Market Capitalization

Advance Terrafund is the largest BG REIT component

Without capital increases in the last twelve months the standing of BG REIT components in view of market capitalization was almost unchanged since the year-ago period. Companies for securitization of agricultural land dominated this standing. Advance Terrafund was the largest REIT with capitalization of BGN 97mn, followed by ELARG (BGN 35mn) and Agro Finance (BGN 31mn). Among BG REIT components for securitization of real estate, Bulgaria REF was the largest company with market cap of BGN 21.76mn, followed by Prime Property BG (BGN 21.42mn) and Fairplay Properties (BGN 18.42mn).

Prices and Market Capitalization

Company	Prices 14.05.2009	Market Cap. (BGN'000) 14.05.2009	Prices 14.05.2010	Market Cap. (BGN'000) 14.05.2010
Advance Terrafund	0.97	82 557	1.14	97 025
ELARG	0.70	41 801	0.60	35 830
Agro Finance	0.89	28 676	0.99	31 737
Bulgaria Real Estate Fund	0.32	19 042	0.36	21 762
Prime Property BG	0.91	32 565	0.60	21 424
FairPlay Properties	0.24	13 119	0.33	18 422
BenchMark Real Estate Fund	0.49	11 464	0.33	7 603
Exclusive Property	0.88	8 318	0.79	7 458
Bulland Investments	0.53	6 913	0.47	6 118
Park	0.68	6 610	0.49	4 743

BG REIT: Assets

Advance Terrafund is the largest REIT in terms of assets

BG REIT components reported limited investments in the first quarter of 2010 (as seen from their cash flow statements) and weak sales. In addition, many companies reported negative revaluations of assets and only a few of them acquired new assets. As a result, the standing of REITs in respect of total assets was unchanged since the end of the last quarter of 2009. Advance Terrafund (total assets of BGN 159mn) kept its leading position, followed by FairPlay Properties (BGN 131mn) and Bulgaria Real Estate Fund (BGN 101mn). BenchMark REF, Agro Finance and Bulland Investments posted higher total assets compared to the first three months of 2009.

BG REIT: Assets

Company	Assets(BGN'000) 31.03.2009	Assets (BGN'000) 31.12.2009	Assets(BGN'000) 31.03.2010	% Change Y/Y
Advance Terrafund	162 374	158 405	159 091	-2.02%
FairPlay Properties	136 455	133 142	131 178	-3.87%
Bulgaria Real Estate Fund	129 859	101 463	101 005	-22.22%
ELARG	92 054	89 542	89 117	-3.19%
BenchMark Real Estate Fund	65 195	74 297	79 825	22.44%
Prime Property BG	65 202	54 822	54 460	-16.47%
Agro Finance	50 772	51 748	51 647	1.72%
Bulland Investments	17 353	17 539	17 532	1.03%
Park	16 871	16 472	16 432	-2.60%
Exclusive Property	14 674	14 260	14 213	-3.14%

Three index components were free of bank debt

Bulland Investments, Advance Terrafund and Park didn't report bank loans and interest expenses in their financial statements for Q1 2010. Agro Finance showed bond obligation with pending maturity as a current asset, but the revenue generated was sufficient to cover the interest expenses. Cash and cash equivalents at this stage seem to be enough to cover the principal repayment in 2011.

Prime Property had negligible bank loans and low leverage ratios, but the negative operating results hampered its ability to meet debt payments.

BenchMark REF and Exclusive Property were burdened by high debt levels. Their operating losses for the last twelve months led to negative interest coverage ratios. Bulgaria REF was also embarrassed by interest expenses.

BG REIT: Solvency

Company	Debt-to-equity	Debt-to-assets	Financial leverage	Interest coverage
Bulland Investments	0.01	0.01	1.01	n.a
Advance Terrafund	0.01	0.01	1.01	n.a
Prime Property BG	0.02	0.02	1.02	-
Park	0.04	0.04	1.04	n.a
Agro Finance	0.14	0.12	1.14	2.19
ELARG	0.30	0.23	1.30	0.77
Bulgaria Real Estate Fund	0.45	0.31	1.45	-
FairPlay Properties	0.73	0.42	1.73	1.40
Exclusive Property	1.15	0.53	2.15	-
BenchMark Real Estate Fund	1.48	0.60	2.48	-

BG REIT: ROE – DuPont Decomposition

Bulland Investments had the highest return on equity

Bulland Investments had the highest return on equity due to the negligible sales for the last twelve months and net income generated predominantly by financial operations. These results led to extremely high net profit margin and extremely low assets turnover. Bulland Investments, together with Advance Terrafund, were the best leveraged BG REIT components. FairPlay Properties and Agro Finance were the other two index components with positive return on equity. FairPlay Properties was more leveraged than Agro Finance and had higher asset turnover but lower profit margin.

BG REIT: ROE – DuPont Decomposition

Company	Net income/Sales (net profit margin)	Sales/Assets (assets turnover)	Assets/Equity (financial leverage)	ROE
Bulland Investments	102.50	0.00	1.01	2.37%
FairPlay Properties	0.04	0.23	1.73	1.61%
Agro Finance	0.20	0.04	1.14	0.97%
ELARG	-	0.05	1.30	-
Advance Terrafund	-	0.03	1.01	-
Park	n.a.	0.00	1.04	-
Bulgaria Real Estate Fund	-	0.09	1.45	-
Exclusive Property	-	0.00	2.15	-
BenchMark Real Estate Fund	-	0.01	2.48	-
Prime Property BG	-	0.07	1.02	-

BG REIT: Return

Only components had positive profitability ratios

Only three BG REIT components had positive profitability ratios for the twelve month period ending on March 31, 2010. Bulland Investments, as already mentioned, had negligible sales which distorted its profitability ratios. The other two profitable companies were FairPlay Properties (ROA of 0.93% and ROS of 4.04%) and Agro Finance (ROA of 0.86% and ROS of 20.25%).

BG REIT: Return

Company	Earnings Per Share (Trailing 12 Months)	Return on Sales	Return on Assets	Return on Equity
Bulland Investments	0.03	not meaningful	2.35%	2.37%
FairPlay Properties	0.02	4.04%	0.93%	1.61%
Agro Finance	0.01	20.25%	0.86%	0.97%
ELARG	-	-	-	-
Advance Terrafund	-	-	-	-
Park	-	n.a.	-	-
Bulgaria Real Estate Fund	-	-	-	-
Exclusive Property	-	-	-	-
Benchmark Real Estate Fund	-	-	-	-
Prime Property BG	-	-	-	-

BG REIT: Cash Flows

Bulland Investments posted positive net cash flows

Bulland Investments was the only BG REIT component with positive net cash flows for the first quarter of 2010. The negative cash flows from operations were offset by cash inflows related to investing and financial operations. FairPlay Properties posted cash inflows from operations of BGN 2.2mn but cash outflows from financing of BGN 2.96mn. Investing cash outflows were negligible: BGN 7 thousands. BenchMark REF was the other index component with operating cash inflows: BGN 0.41mn, but investing cash outflows reached BGN 0.44mn and financing cash outflows BGN 0.024mn. Most REITs involved in development of real estate projects report cash flows connected with the development process as operating cash flows and cash flows connected with acquisition and/or disposal of investment properties as investing cash flows.

BG REIT: Cash Flows

Company	Cash Flows from Operations (BGN'000)	Cash Flows from Investing (BGN'000)	Cash Flows from Financing (BGN'000)	Net Cash Flows (BGN'000)
Bulland Investments	(341)	246	395	300
Exclusive Property	(77)	75	0	(2)
Park	(45)	0	0	(45)
Benchmark Real Estate Fund	413	(440)	(24)	(51)
Prime Property BG	(473)	360	(9)	(122)
FairPlay Properties	2 197	(7)	(2 963)	(773)
Bulgaria Real Estate Fund	(344)	281	(866)	(929)
Agro Finance	(518)	(315)	(103)	(936)
ELARG	(269)	(359)	(642)	(1 270)
Advance Terrafund	(621)	(1 336)	(2)	(1 959)

Performance of Bulgarian and foreign REITs in Q1

Sector indices in Germany, Austria, Turkey and the USA posted double-digit growth for the last twelve months. For this period BG REIT inched higher by only 2.59%.

BG REIT advanced modestly compared to its foreign peers

Index	14.05.2009	14.05.2010	% Change Y/Y
RX Reit Index (Germany)	413.05	634.75	53.67%
ImmobilienATX (Austria)	82.69	152.62	84.57%
ISE REITS (Turkey)	18 282.09	31 659.00	73.17%
MSCI US REIT Index	420.29	697.65	65.99%
BG REIT	39.44	40.46	2.59%

The merger between the real estate firms Immoeast and Immofinanz was effective since the end of April. The newly formed company is one of the top 10 real estate companies worldwide and ranks among the top three in Central and Eastern Europe, according to Eduard Zehetner, CEO of the newly-formed company. The union has a portfolio, heavily weighted toward eastern Europe, of EUR 15.3bn. Immofinanz will issue 567m new shares that will be distributed to shareholders of Immoeast at a rate of 3:2. The new formation will be listed in Vienna.

CA Immobilien Anlagen, the Austrian property company, has announced its intention to offer a voluntary takeover bid to the free float shareholders of CA Immo International AG. The offer price will be EUR 6.50 paid in cash. The maximum transaction value will be approximately EUR 104m. At present, CA Immobilien Anlagen AG has a 63.05 % stake in CA Immo International AG (directly and indirectly); after the offer, it intends to acquire full control over the takeover target by means of a squeeze out or merger. The bid will not be dependent on securing a minimum acceptance threshold.

Performance of Bulgarian and foreign REITs in Q1

Company	Prices (BGN) 14.05.'09	Prices (BGN) 14.05.'10	Price change 14.05.'09/14.05.'10	P/B 14.05.'10	ROA Q1 2010
Agro Finance /6AG/	0.89	0.99	10.67%	0.71	0.86%
Advance Terrafund /6A6/	0.97	1.14	17.53%	0.61	-
BenchMark Real Estate Fund /6BMA/	0.49	0.33	-33.67%	0.26	-
Bulland Investments /5BD/	0.53	0.47	-11.49%	0.35	2.35%
Elarg Agricultural Land Opportunity Fund /4EC/	0.70	0.60	-14.29%	0.51	-
Exclusive Property /5EX/	0.88	0.79	-10.34%	1.11	-
Park REIT /4PK/	0.68	0.49	-28.24%	0.30	-
Prime Property BG /4PY/	0.91	0.60	-34.21%	0.37	-
FairPlay Properties /6F3/	0.24	0.33	40.43%	0.24	0.93%
Bulgaria Real Estate Fund /5BU/	0.32	0.36	14.29%	0.27	-

Company	Prices (EUR) 14.05.'09	Prices (EUR) 14.05.'10	Price change 14.05.'09/14.05.'10	P/B 14.05.'10	ROA Q1 2010
Atrium European RE	3.14	4.15	32.17%	0.70	1.53%
Immofinanz	1.47	2.67	81.63%	0.50	2.67%
ORCO Property Group	7.75	6.60	-14.84%	1.10	-
CA Immobilien	5.11	9.00	76.13%	0.40	1.63%

Useful links:

Agro Finance: <http://www.agrofinance.bg/>

Advance Terrafund: http://www.karoll.net/en/?section=investirane_v_advance&id=32

BenchMark Real Estate Fund: http://www.benchmark.bg/?type=1&service=1&id_subservices=2

Bulland Investments: <http://www.bulland.org/>

ELARG: <http://www.elarg.bg>

Exclusive Property: <http://www.expro.bg/>

Park: <http://www.park.bg/>

Prime Property BG: <http://primepropertybg.com/?cid=29>

FairPlay Properties: <http://www.fpp.bg/>

Bulgaria Real Estate Fund: <http://brefbg.com/>

Bulgarian Stock Exchange – Sofia: <http://www.bse-sofia.bg/>

Financial Supervision Commission: www.fsc.bg

DISCLAIMER:

This report is prepared by Focal Point Investments under an agreement with FairPlay Properties REIT and is property of FairPlay Properties REIT. Unauthorized distribution is prohibited.

This report is for informational purposes only and does not represent a recommendation to buy or sell securities. The material is based on publicly available information.

This report has no regard to the individual investment objectives, financial situation or particular needs of any specific recipient and should not be relied upon as authoritative, or taken in substitution for the exercise of judgment by any receiver. Each recipient should consider the appropriateness of any investment decision having regard to their own circumstances, the full range of information available and appropriate professional advice, and should consult their advisors to make sure all involved risks are fully understood.

The information and opinions in this report constitute judgment as of the date that this report was compiled from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Opinions expressed herein are subject to change without notice. This report is not intended to be a complete statement or summary of the securities, markets or developments mentioned in this report.