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EXPAT BETA REIT

SHORT SUMMARY OF THE PROSPECTUS FOR THE PUBLIC OFFERING OF SHARES

This short summary contains only the basic information relevant to the company's activities and the shares offered and it has to be approached as an introduction to the Prospectus. The short summary outlines certain relevant information included in three parts of the Prospectus: Registration Document, Document of the Offered Securities, and the Resume. The short summary may not contain the complete information which is needed for an investment decision to be taken. Before you decide to make an investment in company's shares, it is in your own interest to read carefully the entire Prospectus – namely the Registration Document, Document for the Offered Securities, and the Resume, along with the appendix and the referred documents, if any.

Investing in the offered shares involves certain risks. Check "Risk factors" in the Registration document, as well as "Risk factors" in the Document of the offered securities.

The Financial Supervision Commission (FSC) has approved the Prospectus, the Registration Document, Document of the Offered Securities, and the Resume with decision № 289-E/05.05.2010, which does not constitute an investment recommendation in the offered shares. The FSC is not responsible for the correctness and the completeness of the Prospectus data.

The members of the Board of Directors of Expat Beta REIT, as well as the investment intermediary who has signed the Prospectus, are jointly responsible for damages caused by incorrect, misleading or incomplete data in the Prospectus. The people who prepared the annual financial report of the company are jointly responsible with the individuals mentioned in the previous sentence for damages caused by incorrect, misleading or incomplete data in the financial reports of the company, while the registered auditor – for the damages caused by the audited financial reports. The individuals, who prepared the Resume, as well as the translation, are responsible for damages only if the containing information is misleading, incorrect or contradicts the other parts of the Prospectus.

The Prospectus for the public offering of ordinary shares of Expat Beta REIT contains 3 documents: (1) Registration Document, (2) Document for the Offered Securities, and (3) Resume of the Prospectus. The Registration Document contains important information about the company which is needed to form an investment decision, the Document for the Offered Securities contains information about the public offering of securities (shares), while the Resume briefly outlines the main characteristics and risks related to the company's activities and the offered shares and has to be read as an introduction to the Prospectus.

Expat Beta REIT informs the potential investors that the value of the company's shares and its profits may decrease. The company does not guarantee any profit and there is a risk for the investors to not receive back the full amount of the investment. The investments in the company are not guaranteed by a guarantee fund and the previous results not have any relation with future company results.

Investors can receive the Registration Document, the Document for the Offered Securities, and the Resume of the Prospectus from: Expat Beta REIT, Sofia 1000, 96A "G. S. Rakovski" Str.; tel.: +359 2 980 1881; contact person – Mr. Andrey Breshkov, executive director, from 9:00 to 18:00 h.

The mentioned documents are also published on the Bulgarian Stock Exchange – Sofia and the Financial Supervision Commission websites from the date of approval of company's Prospectus, where the investors will be able to inform themselves about their content.

INFORMATION ABOUT THE COMPANY

Expat Beta (“The company”) is a real estate investment trust – public company which invests funds raised through securities issues in real estate (securitization of real estate). It was established on 19.02.2008 and is registered in the Trading registry of the Bulgarian Registration Agency with United Identification Code (UIC) 200059488. The company is founded with no term of existence. The headquarters and management address is Sofia 1000, 96A “G. S. Rakovski” Str.; tel.: +359 2 980 1881; fax: +359 2 980 7472.

Company’s activities are raising cash through securities issues and purchasing real estate and real rights of real estate properties, finishing constructions and improvements in order to be conceded for management, rent, leasing or lease and/or further sale.

The company is functioning as a REIT after receiving a license from FSC with registration № 641-ДСИЦ/23.06.2008.

MANAGEMENT BODY

Expat Beta is a JSC with a one level management system. The management body of the company is the Board of Directors, which is formed by 3 individuals including 1 independent member as follows:

- Andrey Lyudmilov Breshkov – Executive Member (Executive Director) of the Board of Directors
- Monika Lyubomirova Yosifova – Chairman of the Board of Directors
- Marina Plamenova Todorova – independent member of the Board of Directors

MAJORITY SHAREHOLDERS

Shareholders who own over 5% of the shares with a right to vote are:

1. “Oxigen”, UIC 131141943 – 879,458 ordinary dematerialized named shares, or 20.3% of the company’s capital
2. “Ciela Soft and Publishing”, UIC 130199580 – 865,511 ordinary dematerialized named shares, or 19.9% of the company’s capital
3. Attorney corporation “Georgiev, Todorov and Co”, UIC 131437426 – 312,494 ordinary dematerialized named shares, or 7.2% of the company’s capital
4. “Activ Group”, UIC 121891779 – 300,000 ordinary dematerialized named shares, or 6.9% of the company’s capital
5. Ivan Todorov Todorov – personal ID № 5810016640 – 243,175 ordinary dematerialized named shares, or 5.6% of the company’s capital

REAL ESTATE ASSETS

From the establishment date up to the date of the current Prospectus, Expat Beta REIT has acquired 3 regulated real estate (RRE) properties. Company's investments in these 3 properties have been made in 2009 and are as follows:

- RRE II-822,821 (second for properties with numbers eight hundred twenty two and eight hundred twenty one) in 33 quarter (thirty three) as per the plan of "Kamchia" resort, Bliznatsi village, "Boaza" neighborhood, Avren municipality, Varna Region – 53,788 sq. m area;
- RRE I (Roman one), 12 quarter (twelve) as per the plan of "Kamchia" resort, Bliznatsi village, "Boaza" neighborhood, Avren municipality, Varna Region – 52,111 sq. m area;
- RRE 1-776 (first for the property seven hundred seventy six), 25 quarter (twenty five) as per the plan of "Kamchia" resort, Bliznatsi village, "Boaza" neighborhood, Avren municipality, Varna Region – 34,200 sq. m area.

The acquisition price of the properties is as follows: for the regulated property with 53 788 sq. m area – BGN 1,747,188.08 without VAT; for the regulated property with 52,111 sq. m area and the regulated property with 34,200 sq. m area – total amount of BGN 2,803,675.79 without VAT.

The current valuation of the properties as of 31.12.2009 is prepared by licensed real estate evaluation expert – Ilian Kuzmanov. The valuation is calculated using peer market analysis and is as follows: for the property with 53,788 sq. m area – BGN 1,633,465; for the property with 52,111 sq. m area – BGN 1,641,910 for the property with 34,200 sq. m area – BGN 1,057,960. The total valuation amount of the 3 properties owned by Expat Beta REIT is BGN 4,333,335.

Expat Beta REIT does not possess and has not rented other properties. Up to the moment of preparation of this document, there are no construction proceedings, repairs and improvements performed on the properties.

INVESTMENT PLANS

The company intends to sell the properties it owns to other investors without doing any design or construction activities. The expected cash flow from this project during the next year is around EUR 5 mln at a total acquisition price of BGN 4,550,863.87 and a total area of 140 099 sq. m.

The company will invest in undervalued assets mainly in Sofia and first-rate locations in finished construction and permission for running order. The company will invest mainly in newly built, high quality of construction commercial buildings, which fit the definition of investment grade. The acquisition price will be close to the value of the bank financing of the purchased property. The company intends to acquire assets in bank auctions, which sell collaterals of non-performing loans as well as properties of entities which are not able to pay their financial obligations. If the current capital increase is fully subscribed, the company will acquire properties with around 40-50 thousand sq. m total built up area. The investment strategy is to let out at prices, which will provide a 12-15% rental yield the first year after the purchase and up to 25% after the 3rd year. The company intends to hold most of these assets for not more than 5 years after which it intends to sell to strategic or institutional investors the properties with a yield closer to the 10% mark after the 4th year. The total average yield for each property is expected to reach or exceed 20% annually. The company intends to avoid any construction risks and to avoid buying assets in unfinished condition or which need major repair.

FINANCIAL STATEMENTS

The audited financial statements of the company as of 31.12.2008 and 31.12.2009 are presented below.

Balance sheet of Expat Beta REIT

ASSETS (thousand leva)	31.12.2009	31.12.2008
Non-current assets		
Investment properties	4,333	0
Total Non-current assets	4,333	0
Current assets		
Trade and other receivables	253	1,995
Cash and cash equivalents	20	2,348
Total current assets	273	4,343
TOTAL ASSETS	4 606	4,343
LIABILITIES (thousand leva)	31.12.2009	31.12.2008
NET WORTH AND LIABILITIES		
Net worth		
Share capital	4,343	4,343
Retained loss	-1	0
Profit/(loss) from the current period	-498	-1
Total net worth	3,844	4,342
Current liabilities		
Trade accounts payables	762	0
Other current liabilities	0	1
Total current liabilities	762	1
TOTAL NET WORTH AND LIABILITIES	4,606	4,343

Income statement Expat Beta REIT

thousand leva	31.12.2009	31.12.2008
Revenues from sale	0	0
Other expenses/revaluation of investment properties	-379	-1
Profit/ (loss) from investment	-379	-1
Administrative expenses incl.	160	123
<i>External services</i>	141	106
<i>Salaries and insurances</i>	19	17
Financial income/(expenses)	41	123
Profit/(loss) before taxes	-498	-1
Corporate tax	0	0
Net profit/(loss) for the period	-498	-1

Cash flow statement (direct method) of Expat Beta REIT

thousand leva	31.12.2009	31.12.2008
Cash flow from operational activities		
Cash paid to suppliers	-121	-2,101
Cash paid to employees and social security	-20	-17
Corporate tax paid	646	0
Interest received	41	123
Net cash flow from operational activities	546	-1,995
Cash flow from investing activities		
Purchase of investments	-2,874	0
Net cash flow from investing activities	-2,874	0
Dividends paid	0	0
Net cash flow from financing activities	0	0
CHANGE IN CASH AND CASH EQUIVALENTS	-2,328	2,348
CASH AND CASH EQUIVALENTS IN THE BEGINNING OF	2,348	0
CASH AND CASH EQUIVALENTS AT THE END OF THE	20	2,348

The company has not realized any property sales. The only revenues of the Company are from interests on deposits. The company has not distributed any dividends.

Up to the moment of preparation of this document, the company has not taken any short or long-term bank loans, has not invested in financial instruments and has not taken any obligations for making capital expenditures. The main source of capital and liquidity is the money from the establishment capital and the first capital increase.

SHAREHOLDERS' EQUITY

In accordance with the decision of the establishment meeting of Expat Beta REIT on 04.02.2008 and after it received a license from the FSC with decision № 641-ДСИЦ/23.06.2008 the company increased its capital from BGN 3,000,000 to BGN 4,342,890 through an IPO of 1 342 890 ordinary named dematerialized shares with voting rights with nominal amount of 1 lev each. In September 2008, the initial compulsory capital increase was successfully completed as 1,342,890 of all 2,000,000 offered for trading rights were bought, and 1,342,890 shares were subscribed. Up to this date, the company's capital is BGN 4,342,890, and there have been no further capital increases. With decision № 1315-ПД/05.11.2008 by FSC the company is registered as a public company in the Register of Public Companies and Other Issuers of Securities, and an issue of BGN 4,342,890 is registered and distributed in 4,342,890 shares with nominal price of BGN 1.

Company's capital is fully deposited in cash. Company's shares are accepted for trading on the stock exchange.

The company took a decision for a capital increase through an issue of ordinary shares, from BGN 4,342,890 to 47,771,790, in accordance with the decision of the Board of Directors of 23.02.2010.

INFORMATION ABOUT THE ISSUE

The subject of the IPO is 43,428,900 ordinary dematerialized shares with voting rights of the issue of the current capital increase. The nominal and emission price of the offered shares is BGN 1 (one). The ISIN code of the existing shares of the company is: BG1100018081.

The offered shares of the current capital increase are issued on the ground of the Board of Directors decision. The decision provides for a capital increase of Expat Beta REIT from BGN 4,342,890 to BGN 47,771,790 through an IPO of new 43,428,890 ordinary dematerialized shares with voting rights with a nominal and emission price of BGN 1 (one) each, from the same class as the already issued ones. If at the subscription deadline of new shares, the issue is not fully subscribed, and respectively no corresponding payments are made, the capital will be increased by the amount which corresponds to the subscribed shares. The minimum number of the subscribed shares, so that the subscription to be considered successful, is 100,000 shares.

After the successful completion of the subscription and the IPO, the new shares of the company will begin trading on the regulated market, more precisely on the Bulgarian Stock Exchange – Sofia JSC.

Rights will be issued under the current capital increase of Expat Beta REIT. These are securities which provide rights for subscription of a definite number of shares in accordance with the decision for a capital increase of the company. Based on the decision of the Board of Directors of Expat Beta REIT, one right is issued for every share of the current capital increase of Expat Beta REIT, and for one right 10 new shares can be subscribed.

During the current capital increase of the company the present shareholders have the rights of privileged acquisition of part of the new shares, corresponding to their part of the capital before the increase.

All investors who wish to subscribe for shares of the new issue of the company have to acquire rights first during the time of their transfer. One investor can subscribe at least 10 new shares for the emission price of BGN 1 (one) and at most such a number of new shares, which is proportional to the number of the possessed rights.

ISSUE EXPENSES

The main expenses which are directly connected with the IPO are presented in items below. All mentioned expenses are for the company-issuer account (in BGN).

FSC fee for confirmation of the prospectus	5,000.00
Publication of a message in the State Gazette (forecast)	130.00
Publication of a message in one national daily newspaper (forecast)	600.00
Depositing of rights with the Central Depository (for 4,342,890 shares)	2,939.00
Depositing of shares with the Central Depository (with a nominal value of BGN 43,428,900)	7,071.00
Investment intermediary fee	3,500.00
Total expenses	19,240.00
Total net cash flows (in the case of subscription of all shares of the increase)	43,409,660.00

EXPECTED SCHEDULE OF THE OFFERING

Date of publication of the Prospectus	21.05.2010
Date of publication of the message for the offering in the State Gazette and in a national daily newspaper – “Pari” Newspaper	21.05.2010
Beginning of the transfer and the trade with rights on BSE – Sofia and of the subscription of new shares	31.05.2010
Final day of trade with rights on BSE – Sofia	29.06.2010
Final day of transferring the rights	01.07.2010
Conducting an open auction for the unexercised rights	06.07.2010
Final day for payment of new shares by all investors, who bought rights on BSE – Sofia	20.07.2010
Final day for the payment of new shares by all investors who subscribed new shares	20.07.2010
Registration of the issue of new shares and the capital increase in the Trading (Commercial) registry	On or around 10.08.2010
Registration of the new shares to the investors’ accounts in the Central Depository	On or around 17.08.2010
Beginning of the trade with new shares on the BSE – Sofia	Around 30.08.2010

MAIN PARTNERS

The investment intermediary which is managing the capital increase of the company is “BenchMark Finance” with headquarters and management address: Sofia, Lozenets District, 19 “Viskyar planina” Str.

The auditor of the annual report of the company as of 31.12.2009 is Stefana Trifonova Stoitseva, member of Institute of certificated accountants in Bulgaria, personal ID № 3507016933, registered auditor, diploma № 0154, address: Sofia, 52 “Knyaz Al. Dondukov” Blvd. The same auditor was chosen for the verification and certification of the annual financial statement of Expat Beta REIT for 2008.

The custodian bank of the company is “First Investment Bank” with headquarters and management address: Sofia 1797, 37 “Dragan Tsankov” Blvd., tel.: +359 2 817 1100, fax: +359 (2) 980 5033, e-mail: fib@fibank.bg, web page: www.fibank.bg.

The company has a contract with “Expat Capital” with headquarters and management address is Sofia 1000, 96A “G. S. Rakovski” Str., tel: +359 2 980 1881, fax: +359 2 9807472, e-mail: office@expat.bg as a management company.

Up to the moment, the chosen valuer of Expat Beta REIT properties is Ilian Kuzmanov – a licensed real estate evaluation expert (license № 4502 from 15.03.1996 of Registration agency). The same valuation expert was chosen for the market valuation before the purchase of the properties by Expat Beta REIT.