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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
ELARG AGRICULTURAL LAND OPPORTUNITY FUND REIT
Sofia

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **ELARG AGRICULTURAL LAND OPPORTUNITY FUND REIT ("The Group")** which comprise the consolidated statement of financial position as of 31 December 2009, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by EU and the national legislation. This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of **ELARG AGRICULTURAL LAND OPPORTUNITY FUND REIT** as of 31 December 2009, and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by EU and the national legislation.

Emphasis of Matter

Without qualifying our opinion we draw attention to notes 10 „Trade receivables”, 13 ”Other receivables” and 15 „Assets and disposal groups, classified as held for sale” to consolidated statements, which indicate that Trade receivables, Awarded receivables and Assets held for sale are impaired with 3 293 thousand BGN. Management estimations regarding impairment depend on future events and circumstances. The actual results may differ from the judgments, estimates and assumptions made by management.

Report on other legal and regulatory requirements – Consolidated Annual Activity Report for the year ended 31 December 2009.

We have reviewed the consolidated annual activity report for the year ended 31 December 2009 of **ELARG AGRICULTURAL LAND OPPORTUNITY FUND REIT**, which is not part of the consolidated financial statements. The historical financial information in the consolidated annual activity report, prepared by the management, complies in its main aspects with the financial information, presented in the consolidated financial statements for the year ended 31 December 2009, prepared in accordance with International Financial Reporting Standards, as adopted by EU and the national legislation. The preparation of the management's report is responsibility of the management.

Mariy Apostolov
Registered Auditor
Managing partner
Grant Thornton Ltd.
Auditing Company

Mariana Mihaylova, PhD
Registered Auditor

30 April 2010
Bulgaria, Sofia