

Condensed consolidated interim report for the
first quarter
2010

Beginning of interim period:	1.1.2010
End of interim period:	31.03.2010
Beginning of financial year:	1.1.2010
End of financial year:	31.12.2010
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Brief description

AS Trigon Property Development is a real estate development.

AS Trigon Property Development currently owns one real estate development project involving a 36-hectare area in the City of Pärnu, Estonia. Commercial real estate will be developed on this area.

The Group's shares are listed in the Main List of Tallinn Stock Exchange. OÜ Trigon Wood has 59,62 % of votes represented by shares in AS Trigon Property Development. By the time of preparing this report the biggest shareholders of OÜ Trigon Wood are AS Trigon Capital (30.13%), Veikko Laine Oy (15.52%), BCB Baltic AB (14.07%), Hermitage Eesti OÜ (11.94%), Thominvest Oy (11.94%) and Assetman Oy (11.94%).

Management report

Overview of business areas

The main business activity of Trigon Property Development AS is real estate development.

Investments

As at the end of first quarter 2010 AS Trigon Property Development owned one development project involving a 36 hectare area in the City of Pärnu, Estonia. Commercial real estate will be developed on this area. The property has been rented out to third parties until the beginning of construction works under operating lease agreements. To finance the development the Group is planning to sell partly the investment property. Trigon Property Development AS considers expansion of business activity and analyses acquisition opportunities for different new projects.

Staff

AS Trigon Property Development had no employees as at 31 March 2010 and 31 March 2009.

Financial ratios

Statement of financial position	EEK thous		thous EUR	
	3 months 2010	3 months 2009	3 months 2010	3 months 2009
Total assets	65 507	124 534	4 187	7 959
Return on assets	-0,05%	0,05%	-0,05%	0,05%
Equity	61 483	121 207	3 930	7 746
Return on equity	-0,06%	0,06%	-0,06%	0,06%
Debt ratio	6,14%	2,67%	6,14%	2,67%
	EEK thous		thous EUR	
Share (31.12)	3 months 2010	3 months 2009	3 months 2010	3 months 2009
Closing price of the share (EEK/EUR)	7,98	4,54	0,51	0,29
Earnings per share (EEK/EUR)	-0,01	0,02	0,00	0,00
Price-to-earnings (PE) ratio	-1 055,94	300,37	-1 055,91	300,37
Book value of the share (EEK/EUR)	13,67	26,94	0,87	1,72
Price-to-book ratio	0,58	0,17	0,58	0,17
Market capitalisation	35 903	20 426	2 295	1 305

Return on assets = net profit / total assets

Return on equity = net profit/ equity

Debt ratio = liabilities / total assets

Earnings per share = net profit/ number of shares

Price-to-earnings (PE) ratio = closing price of the share / earnings per share

Book value of the share = equity / number of shares

Price-to-book ratio = closing price of the share / book value of the share

Market capitalisation = closing price of the share * number of shares

Description of main risks

Interest rate risk

Interest rate risk is the risk that the interest rates of the Company's liabilities differ significantly from the market interest rates. The interest rate risk of AS Trigon Property Development is limited to the difference between the fixed interest rates of the Company's long-term borrowings and the market interest rates. At the time of preparing these financial statements, the market interest rates were higher than the interest rates of the Company's borrowings; therefore the fair value of the loan assumed by the Company is lower than its carrying amount.

Foreign exchange risk

Foreign exchange risk is the Group's risk of incurring major losses due to exchange rate fluctuations. Group's monetary assets are nominated in Estonian kroons. The Group's liabilities are nominated in Estonian kroons and in euros. In consequence the Group faces the foreign exchange risk regarding possible revaluation/devaluation of Euro against Estonian kroon.

Operating environment risk

The Company is exposed to the risk of real estate prices and real estate rental prices. The Company is not exposed to the market risk arising from financial instruments, because it does not hold any securities or derivatives.

Fair value

The fair values of cash, accounts receivable, short-term loans and borrowings do not materially differ from their book values. The fair value of long-term loans and borrowings is presented in Note 3.

Group structure

Shares of subsidiaries

	OÜ VN Niidu Kinnisvara (Estonia)
Country of location	
Number of shares 31.12.2009 (pcs)	1
Ownership percentage 31.12.2009	100
Number of shares 31.03.2010 (pcs)	1
Ownership percentage 31.03.2010	100

OÜ VN Niidu Kinnisvara was set up for the development of land located in the area of Niidu Street, Pärnu. At the time of preparing the financial statements, it is the only subsidiary of AS Trigon Property Development.

Management and Supervisory Boards and auditor

Management board of AS Trigon Property Development has one member - Aivar Kempí.

Supervisory Board of AS Trigon Property Development has three members: Ülo Adamson, Joakim Helenius and Gleb Ognýannikov.

Audits are carried out by PricewaterhouseCoopers AS.

Transactions with related parties

In first 3 months 2010 and 2009 no remuneration has been paid to the Management or Supervisory board. There are no potential liabilities to members of the Management Board of Supervisory Board.

In first 3 months 2010 and 2009 no goods and services were bought from companies that are controlled by members of the Management Board or Supervisory Board of Trigon Property Development AS.

In first 3 months 2010 the Group received loans from companies that are controlled by members of the Management Board or Supervisory Board of Property Development AS in the amount of 109 thousand kroons/7 thousand euros. The loans are payable in 2010. In first 3 months 2010 interest 30 thousand kroons/2 thousand euros was calculated from these loans.

In first 3 months 2009 the Group did not receive any loans from companies that are controlled by members of the Management Board or Supervisory Board of Property Development AS, but in first 3 months 2009 the interest 9 thousand kroons/1 thousand euros were accrued from named loans received on previous periods.

Condensed consolidated interim report

Management Board's declaration

The Management Board confirms the correctness and completeness of the consolidated condensed unaudited interim report of AS Trigon Property Development for the first quarter 2010 as set out on pages 4-15.

The Management Board confirms that to the best of their knowledge:

1. the accounting policies and presentation of information applied in the preparation of the condensed consolidated interim report are in compliance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The presentation of the condensed interim report is in compliance with the requirements of IAS 34 *Interim Financial Reporting*;
2. the interim report presents a true and fair view of the financial position, the results of operations and cash flows of the Group;
3. the management report presents true and fair view of significant events that took place during the accounting period and their impact to financial statements and includes the description of major risks and doubts;
4. group entities are going concerns.

Member of the Management Board



Aivar Kemp

27 May 2010

Condensed consolidated statement of financial position

	<i>EEK thous</i>	<i>EEK thous</i>	<i>EUR thous</i>	<i>EUR thous</i>
	31.03.2010	31.12.2009	31.03.2010	31.12.2009
Cash	30	71	2	5
Receivables and prepayments	277	190	18	12
Total current assets	307	261	20	17
Investment property (note 2)	65 200	65 200	4 167	4 167
Total non-current assets	65 200	65 200	4 167	4 167
TOTAL ASSETS	65 507	65 461	4 187	4 184
Borrowings (note 3)	2 180	2 071	139	132
Payables and prepayments	82	111	5	7
Total current liabilities	2 262	2 182	144	139
Long-term borrowings (note 3)	1 762	1 762	113	113
Total non-current liabilities	1 762	1 762	113	113
Total liabilities	4 024	3 944	257	252
Share capital at nominal value (note 4)	44 991	44 991	2 875	2 875
Share premium	3 537	3 537	226	226
Statutory reserve capital	4 499	4 499	288	288
Retained earnings	8 456	8 490	541	543
Total equity	61 483	61 517	3 930	3 932
TOTAL LIABILITIES AND EQUITY	65 507	65 461	4 187	4 184

The notes to the condensed consolidated interim report presented on pages 12-15 are an integral part of this report.

Condensed consolidated statement of comprehensive income

	<i>EEK thous</i>	<i>EEK thous</i>	<i>EUR thous</i>	<i>EUR thous</i>
	First quarter 2010	First quarter 2009	First quarter 2010	First quarter 2009
Rental income (note 6)	114	155	7	10
Expenses related to investment property	-80	-45	-5	-3
Gross profit (loss)	34	110	2	7
Administrative and general expenses	-38	-33	-2	-2
Operating profit (loss)	-4	77	0	5
Net financial income	-30	-9	-2	0
NET PROFIT (LOSS) FOR THE PERIOD	-34	68	-2	5
TOTAL COMPREHENSIVE INCOME	-34	68	-2	5
Basic earnings per share (note 5)	-0,01	0,02	0,00	0,00
Diluted earning per share (note 5)	-0,01	0,02	0,00	0,00

The notes to the condensed consolidated interim report presented on pages 12-15 are an integral part of this report.

Condensed consolidated cash flow statement

	EEK thous	EEK thous	EUR thous	EUR thous
	First quarter 2010	First quarter 2009	First quarter 2010	First quarter 2009
Cash flows from operating activities				
<i>Net loss for the period</i>	-34	68	-2	5
<i>Adjustments for:</i>				
Interest expenses	30	9	2	0
<i>Changes in working capital:</i>	-4	77	0	5
Change in receivables and prepayments related to operating activities	-87	-12	-6	-1
Change in liabilities and prepayments related to operating activities	-59	-17	-4	-1
<i>Cash generated from operations</i>	-150	48	-10	3
Total cash flows from operating activities	-150	48	-10	3
Cash flows from investing activities				
Cash flows from financing activities				
Proceeds from borrowings (note 3, 7)	109	0	7	0
Total cash flows from financing activities	109	0	7	0
NET INCREASE/DECREASE IN CASH BALANCE	-41	48	-3	3
OPENING BALANCE OF CASH	71	69	5	4
CLOSING BALANCE OF CASH	30	117	2	7

The notes to the condensed consolidated interim report presented on pages 12-15 are an integral part of this report.

Condensed consolidated statement of changes in equity

<i>EEK thous</i>	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
Balance 31.12.2008	44 991	3 537	4 499	68 112	121 139
Comprehensive income for 3 months 2009	0	0	0	68	68
Balance 31.03.2009	44 991	3 537	4 499	68 180	121 207
Balance 31.12.2009	44 991	3 537	4 499	8 490	61 517
Comprehensive income for 3 months 2010	0	0	0	-34	-34
Balance 31.03.2010	44 991	3 537	4 499	8 456	61 483

<i>EUR thous</i>	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
Balance 31.12.2008	2 875	226	288	4 352	7 741
Comprehensive income for 3 months 2009	0	0	0	5	5
Balance 31.03.2009	2 875	226	288	4 357	7 746
Balance 31.12.2009	2 875	226	288	543	3 932
Comprehensive income for 3 months 2010	0	0	0	-2	-2
Balance 31.03.2010	2 875	226	288	541	3 930

The notes to the consolidated condensed interim financial statements presented on pages 12-15 are an integral part of these financial statements.

Notes to condensed consolidated interim report

Note 1 Accounting methods and evaluation bases used in the preparation of the condensed consolidated interim report

The condensed interim report prepared as at 31 March 2010 include the consolidated results of AS Trigon Property Development and its wholly-owned subsidiary OÜ VN Niidu Kinnisvara (together referred to as the Group). The Group's main area of operations is real estate development.

The accounting policies used for preparing the condensed consolidated interim report of AS Trigon Property Development for the first quarter 2010 are in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The presentation of the consolidated financial statements complies with the requirements of IAS 34 "Interim Financial Reporting". Condensed consolidated interim financial statements should be read together with the consolidated annual report of last year. The accounting policies that have been used in the preparation of the condensed interim report are the same as those used in the consolidated annual report for the year ended 31 December 2009.

In connection with changes in IAS 1 "Presentation of Financial Statements", which came into force from 1 January 2009, the term "Balance sheet" is replaced by the term "Statement of financial position" in the interim report for the first quarter 2010. Income statement is replaced by statement of comprehensive income, which in addition includes non-owner changes previously recognised in equity.

Management estimates that AS Trigon Property Development is a going concern and the Group's consolidated interim report for the first quarter 2010 presents a true and fair view of the financial position, the results of operations and the cash flows of AS Trigon Property Development. This interim report has not been audited.

The interim report has been prepared in thousands of Estonian kroons. For the benefit of the reader, the financial information has also been presented in thousands of euros as supplementary information. The official exchange rate of the Bank of Estonia (EUR 1 = EEK 15.6466) has been used to translate the Estonian kroons to euros.

Note 2 Investment property

	<i>EEK thous</i>	<i>EUR thous</i>
Balance as at 31.12.2008	124 280	7 943
Balance as at 31.03.2009	124 280	7 943
Balance as at 31.12.2009	65 200	4 167
Balance as at 31.03.2010	65 200	4 167

Group currently owns one real estate development project involving a 36-hectare area in the City of Pärnu, Estonia.

The costs related to the management of investment property totaled 80 thousand kroons/5 thousand euros in three months 2010 and 45 thousand kroons/3 thousand euros in three months 2009.

The property has been rented out until the beginning of construction works under operating lease agreements. Revenue from the leasing of investment property totaled 114 thousand kroons/7 thousand euros in 3 months 2010 and 155 thousand kroons/10 thousand euros in 3 months 2009.

The investment property was evaluated by independent qualified appraisers of Colliers International at the end of financial year 2009 and 2008. The evaluation was based on discounted cash flow estimates due to the fact that there were no transactions with similar properties done recently as the real estate market has been very illiquid in comparison with the previous period.

The real estate estimate is based on estimates, assumptions and historical experience adjusted with prevailing market conditions and other factors which management assesses to the best of its ability on an on-going basis. Therefore, based on the definition, these assessments represent a risk which could lead to a significant change in the carrying amount of investment property in future periods.

As at 31 March 2010 and 31 December 2009, investment properties were encumbered with mortgages for the benefit of Estonian Republic in the amount of 6 186 thousand kroons/395 thousand euros. Mortgages were set as collateral for long-term borrowings (note 3). As at 31 March 2010 the carrying amount of investment properties encumbered with mortgages was 65 200 thousand kroons/4 167 thousand euros and 31 March 2009 124 280 thousand kroons/7 943 thousand euros.

Note 3 Borrowings

	<i>EEK thous</i>	<i>EEK thous</i>	<i>EUR thous</i>	<i>EUR thous</i>
	31.03.2010	31.12.2009	31.03.2010	31.12.2009
Short-term borrowings	2 180	2 071	139	132
Long-term borrowings	1 762	1 762	113	113
TOTAL	3 942	3 833	252	245

Long-term borrowings include the instalment payment for land on which interest in the amount of 39 thousand kroons/2 thousand euros per annum is paid. The repayment date of the loan is year 2015. Investment property with the carrying amount of 65 200 thousand kroons/4 167 thousand euros as at 31 March 2010 and as at 31 December 2009 has been set as collateral for the borrowings. Using the interest rate of 7% per annum, the fair value of the loan is 1 736 thousand kroons/111 thousand euros.

As at 31 March 2010 loans in the amount of 755 thousand kroons/48 thousand euros and 1 033 thousand kroons/66 thousand euros are considered as short-term borrowings. These borrowing are denominated in euros and the interest rate is 7% per annum. Due date of these loans is 31 December 2010.

As at 31 December 2009 short-term borrowings include loans in the amount of 646 thousand Estonian kroons/41 thousand euros and 1 033 thousand Estonian kroons/66 thousand euros with the repayment date 31 December 2010. The loans have denominated in euros and the interest rate is 7% per annum.

Borrowings terms have not been breached during the accounting period nor as at the balance sheet date.

Note 4 Equity

	Number of shares <i>pcs</i>	Share capital <i>EEK</i>	Share capital <i>EUR</i>
Balance 31.03.2010	4 499 061	44 990 610	2 875 424
Balance 31.12.2009	4 499 061	44 990 610	2 875 424

The share capital of AS Trigon Property Development is 44 990 610 kroons/2 875 424 euros. The share capital consists of 4 499 061 ordinary shares with the nominal value of 10 kroons/0.64 euros which have been approved by the shareholders, issued and fully paid for. The maximum share capital stipulated in the articles of association is 177 480 800 kroons/11 343 090 euros. Each ordinary share grants one vote to its owner at the General Meeting of Shareholders and the right to receive dividends.

Note 5 Earnings per share

	<i>EEK</i> 31.03.2010	<i>EEK</i> 31.03.2009	<i>EUR</i> 31.03.2010	<i>EUR</i> 31.03.2009
Basic earnings per share (basic EPS)	-0,01	0,02	0,00	0,00
Diluted earnings per share	-0,01	0,02	0,00	0,00
Book value of the share	13,67	26,94	0,87	1,72
Price to earnings ratio (P/E)	-1 055,94	300,37	-1 055,91	300,37
Closing price of the share of AS Trigon Property Development on Tallinn Stock Exchange	7,98	4,54	0,51	0,29

Basic earnings per share have been calculated on the basis of the net profit for the interim period and the number of shares.

Basic EPS for 3 months 2010 = -38 thousand / 4 499 061 = -0.01 kroons / 0.00 euros

Basic EPS for 3 months 2009 = 68 thousand / 4 499 061 = 0.02 kroons / 0.00 euros

Diluted earnings per share equal the basic earnings per share because the Company does not have any potential ordinary shares with the dilutive effect on the earnings per share.

Price to earnings (P/E) ratio for 3 months 2010 = 7.98 / -0.01 = -

Price to earnings (P/E) ratio for 3 months 2009 = 4.54 / 0.02 = -

Note 6 Net sales

The net sales of AS Trigon Property Development for the 3 months of 2010 totalled 114 thousand kroons/7 thousand euros and for the 3 months of 2009 totalled 155 thousand kroons/10 thousand euros which consisted of the rental services relating to the registered immovables.

Note 7 Related party transactions

The following parties are considered to be related parties:

- Parent company Trigon Wood OÜ and owners of the parent company;
- Subsidiaries;
- Members of the Management board, the Management Board and the Supervisory Board of AS Trigon Property Development and their close relatives;
- Entities under the control of the members of the Management Board and Supervisory Board;
- Individuals with significant ownership unless these individuals lack the opportunity to exert significant influence over the business decisions of the Group.

The Group's shares are listed in the Main List of Tallinn Stock Exchange. OÜ Trigon Wood has 59,62 % of votes represented by shares in AS Trigon Property Development. By the time of preparing this report the biggest shareholders of OÜ Trigon Wood are AS Trigon Capital (30.13%), Veikko Laine Oy (15.52%), BCB Baltic AB (14.07%), Hermitage Eesti OÜ (11.94%), Thominvest Oy (11.94%) and Assetman Oy (11.94%).

In first 3 months 2010 and 2009 no remuneration has been paid to the Management or Supervisory board. There are no potential liabilities to members of the Management Board of Supervisory Board.

In first 3 months 2010 and 2009 no goods and services were bought from companies that are controlled by members of the Management Board or Supervisory Board of Trigon Property Development AS.

In first 3 months 2010 the Group received loans from companies that are controlled by members of the Management Board or Supervisory Board of Property Development AS in the amount of 109 thousand kroons/7 thousand euros. As at 31 March 2010 the balance of named loans was in total 1 788 thousand kroons/144 thousand euros, as at 31 December 2009 1 679 thousand kroons/107 thousand euros. The loans are payable in 2010.

As at 31 March 2010 the accrued interest of 75 thousand kroons/5 thousand euros from these loans. In first 3 months 2010 interest 30 thousand kroons/2 thousand euros were calculated. As at 31 December 2009 the accrued interest was in total 45 thousand kroons/3 thousand euros.

In first 3 months 2009 the Group did not receive any loans from companies that are controlled by members of the Management Board or Supervisory Board of Property Development AS, but in first 3 months 2009 the interest 9 thousand kroons/1 thousand euros were accrued from named loans received on previous periods.