

**Consolidated interim report for
the third quarter and 9 months of 2012**
(unaudited)

Beginning of interim period:	1.1.2012
End of interim period:	30.9.2012
Beginning of financial year:	1.1.2012
End of financial year:	31.12.2012
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Brief description

AS Trigon Property Development is a real estate development company.

AS Trigon Property Development currently owns one real estate development project involving a 35.4-hectare area in the City of Pärnu, Estonia. Commercial real estate will be developed on this area.

The Group is listed in Nasdaq OMX Tallinn Stock Exchange. On November 6, 2012, the Listing and Surveillance Committee of NASDAQ OMX Tallinn decided to delist AS Trigon Property Development shares from the Main List starting November 21, 2012, and to admit the shares simultaneously to trading in the Secondary List.

In total OÜ Trigon Wood is controlling 59.62 % of votes represented by shares in AS Trigon Property Development. The biggest shareholders of OÜ Trigon Wood are AS Trigon Capital (30.13%), Veikko Laine Oy (26.49%), SEB Finnish Clients (10.96%), Hermitage Eesti OÜ (12.64%) and Thominvest Oy (11.94%).

Management report

Overview of business areas

The main business activity of Trigon Property Development AS is real estate development. As at 30.09.2012 AS Trigon Property Development owned one development project involving a 35.4-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 the construction works. To finance the development the Group is planning to sell parts of the investment property. Trigon Property Development AS is considering expansion of business activity and analysing acquisition opportunities for various new projects.

Management

The law, the articles of association, decisions and goals stated by the shareholders and supervisory board are followed when managing the company. According to the Commercial Code a resolution on amendment of the articles of association shall be adopted, if at least two-third of the votes represented at a general meeting is in favour of the amendment.

Group structure

Shares of subsidiaries

	Location	Shareholding as		
		of 30.09.2012	of 31.12.2011	of 30.09.2011
OÜ VN Niidu Kinnisvara	Estonia	100%	100%	100%

OÜ VN Niidu Kinnisvara was set up for the development of the land located in the area of Niidu Street in Pärnu.

Financial ratios

Statement of financial position	9 m 2012	9 m 2011
Total assets	2 511 118	4 188 796
Return on assets	5.37%	0.14%
Equity	2 298 814	3 912 536
Return on equity	5.86%	0.15%
Debt ratio	8.45%	6.60%
Share (30.09)	9 m 2012	9 m 2011
Closing price of the share	0.339	0.275
Earnings per share	0.02996	0.00133
Price-to-earnings (PE) ratio	11.32	206.93
Book value of the share	0.51	0.87
Price-to-book ratio	0.66	0.32
Market capitalisation	1 525 182	1 237 242

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

Share

Since 5th of September 1997, the shares of Trigon Property Development AS have been listed in the Tallinn Stock Exchange. Trigon Property Development AS has issued 4,499,061 registered shares, each with the nominal value of 0.60 euros. The shares are freely transferable, no statutory restrictions apply. There are no restrictions on transfer of securities to the company as provided by contracts between the company and its shareholders.

The share with a price of 0.29 euros at the end of 2011 was closed in the end of September 2012 at 0.339 euros. In total of 92,242 shares were traded in 9 months 2012 and the total sales amounted to 28,568 euros.

Share price and trading statistics on the Tallinn Stock Exchange from 01.01.2012 to 30.09.2012:



The distribution of share capital by the number of shares acquired as at 30.09.2012.

	Number of shareholders	% of shareholders	Number of shares	% of share capital
1-99	84	16.97%	2 829	0.06%
100-999	186	37.58%	64 286	1.43%
1 000-9 999	194	39.19%	493 686	10.97%
10 000-99 999	25	5.05%	559 788	12.44%
100 000-999 999	5	1.01%	696 280	15.48%
1 000 000-9 999 999	1	0.20%	2 682 192	59.62%
TOTAL	495	100%	4 499 061	100%

List of shareholders with over 1% holdings as at 30.09.2012.

Shareholder	Number of shares	Ownership %
OÜ TRIGON WOOD	2 682 192	59.62%
Skandinaviska Enskilda Banken Ab Clients	169 860	3.78%
ING LUXEMBOURG S.A.	168 350	3.74%
OÜ SUUR SÄMM	125 160	2.78%
SWEDBANK AB / UAB PRUDENTIS	119 384	2.65%
Central Securities Depository of Lithuania	113 526	2.52%
E.N.Co Holdings OÜ	52 327	1.16%
TOIVO KULDMÄE	49 231	1.09%
ERSTE GROUP BANK AG CLIENTS	45 000	1.00%

Personal

AS Trigon Property Development had one employee as at 30 September 2012 and no employees as at 30 September 2011. Total labour costs in 9 months 2012 were 19,336 euros.

Description of main risks

Interest rate risk

Interest rate risk is the risk that the interest rates of the Group'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 Group'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 Group's borrowings; therefore the fair value of the loan assumed by the Group is lower than its carrying amount.

Operating environment risk

The Group is exposed to the risk of real estate prices and real estate rental prices. The Group is not exposed to the market risk arising from financial instruments, as it does not hold any securities or derivative agreements.

Fair value

The fair values of accounts payable, 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.

Management and Supervisory Boards and auditor

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

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

Audits are carried out by PricewaterhouseCoopers AS.

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 third quarter and 9 months 2012 as set out on pages 4-16.

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.
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

29.11.2012

Condensed consolidated statement of financial position

<i>EUR</i>	30.09.2012	31.12.2011	30.09.2011
Cash	124 245	12 492	32 280
Receivables and prepayments	2 353	2 518	1 029
Total current assets	126 598	15 010	33 309
Investment property (note 2)	2 384 520	2 425 000	4 155 487
Total non-current assets	2 384 520	2 425 000	4 155 487
TOTAL ASSETS	2 511 118	2 440 010	4 188 796
Borrowings (note 3)	12 516	25 032	12 516
Payables and prepayments (note 4)	34 080	55 244	43 004
Total current liabilities	46 596	80 276	55 520
Long-term borrowings (note 3)	165 708	195 709	220 740
Total non-current liabilities	165 708	195 709	220 740
Total liabilities	212 304	275 985	276 260
Share capital at nominal value (note 5)	2 699 437	2 699 437	2 699 437
Share premium	226 056	226 056	226 056
Statutory reserve capital	287 542	287 542	287 542
Retained earnings	-914 221	-1 049 010	699 501
Total equity	2 298 814	2 164 025	3 912 536
TOTAL LIABILITIES AND EQUITY	2 511 118	2 440 010	4 188 796

The notes to the condensed consolidated interim report presented on pages 12-16 are an integral part of this report.

Condensed consolidated statement of comprehensive income

<i>EUR</i>	Q3 2012	Q3 2011	9 m 2012	9 m 2011
Rental income (note 7)	4 740	5 380	13 840	17 740
Expenses related to investment property (note 8)	-59	0	-10 343	-9 351
Gross loss (profit)	4 681	5 380	3 497	8 389
Administrative and general expenses (note 9)	-9 029	-6 252	-31 678	-12 648
Changes in fair value of investment property (note 5)	0	18 448	170 520	18 448
Operating loss	-4 348	17 576	142 339	14 189
Net financial income	-1 787	-2 342	-7 550	-8 210
NET LOSS FOR THE PERIOD	-6 135	15 234	134 789	5 979
TOTAL COMPREHENSIVE INCOME	-6 135	15 234	134 789	5 979
Basic earnings per share	-0,00136	0,00339	0,02996	0,00133
Diluted earnings per share	-0,00136	0,00339	0,02996	0,00133

The notes to the condensed consolidated interim report presented on pages 12-16 are an integral part of this report.

Condensed consolidated cash flow statement

<i>EUR</i>	9 m 2012	9 m 2011
Cash flows from operating activities		
Net loss for the period	134 789	5 979
<u>Adjustments for:</u>		
Change in fair value of investment property (note 2)	-170 520	11 552
Interest charge	7 550	8 210
Changes in working capital:		
Change in receivables and prepayments related to operating activities	164	-217
Change in liabilities and prepayments related to operating activities	-28 714	19 495
Cash used in operations	-56 731	45 019
Interests paid	0	-1 252
Total cash flows used in operating activities	-56 731	43 767
Cash flows from investing activities		
Sales of investment property	211 000	0
Total cash flows from investing activities	211 000	0
Cash flows from financing activities		
Received loans (note 3)	3 370	3 500
Repayment of loans (note 3)	-45 886	-22 791
Total cash flows from financing activities	-42 516	-19 291
CHANGE IN CASH BALANCE	111 753	24 476
OPENING BALANCE OF CASH	12 492	7 804
CLOSING BALANCE OF CASH	124 245	32 280

The notes to the condensed consolidated interim report presented on pages 12-16 are an integral part of this report.

Condensed consolidated statement of changes in equity

Balance 31.12.2010	2 875 424	226 056	287 542	517 535	3 906 557
Conversion of share capital	-175 987	0	0	175 987	0
Total comprehensive income for the period	0	0	0	5 979	5 979
Balance 30.09.2011	2 699 437	226 056	287 542	699 501	3 912 536
Balance 31.12.2011	2 699 437	226 056	287 542	-1 049 010	2 164 025
Total comprehensive income for the reporting period	0	0	0	134 789	134 789
Balance 30.09.2012	2 699 437	226 056	287 542	-914 221	2 298 814

The notes to the consolidated condensed interim financial statements presented on pages 12-16 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 30 September 2012 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 third quarter and 9 months of 2012 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 2011.

The financial statements have been prepared in euros (EUR).

Management estimates that AS Trigon Property Development is a going concern and the Group's consolidated interim report for the third quarter and 9 months of 2012 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.

Note 2 Investment property

	<i>EUR</i>
Balance as at 31.12.2010	4 167 039
Sales of investment property	-30 000
Loss from change in fair value	18 448
Balance as at 30.09.2011	4 155 487
Balance as at 31.12.2011	2 425 000
Sales of investment property	-211 000
Loss from change in fair value	170 520
Balance as at 30.09.2012	2 384 520

Group currently owns one real estate development project involving a 35.4-hectare area in the City of Pärnu, Estonia.

On the 21th of May in 2012 a 6,006 m² legal share of immovable (6,006 m²/41,341 m²) at Niidu 9 Pärnu was sold for 211,000 EUR.

The expenses related to the management of investment property totalled 10,343 euros in 9 months of 2012 and 9,351 euros in 9 months of 2011.

The property has been rented out until the beginning of construction works under operating lease agreements. Revenue from the leasing of investment property totalled 13,840 euros in 9 months of 2012 and 17,740 euros in 9 months of 2011.

In 2011 the investment property was valued by independent valuer Colliers International using the comparable transactions approach (in 2010 and 2009 the discounted cash flow method was used) which benchmarked the value of Niidu land area against the prices of transacted land plots along the Pärnu City. The benchmark land plot prices ranged from EUR 15 to 39 per square meter, inclusive of basic site infrastructure (internal roads and access road, water / sewage, etc). Based on comparable transaction the valuer has estimated the sales price at 16 EUR/m² including infrastructure.

As at 31 December 2011 the evaluation resulting in a fair value of 2,425,000 euros

As at 30 September 2012 and 30 September 2011, investment properties were encumbered with mortgages for the benefit of Estonian Republic in the amount of 395 thousand euros. Mortgages were set as collateral for long-term borrowings (note 3). As at 30 September 2012 the carrying amount of investment properties encumbered with mortgages was 2,384,520 euros and 30 September 2011 4,155,487 euros.

Note 3 Borrowings

<i>EUR</i>	30.09.2012	31.12.2011	30.09.2011
Current borrowings			
Instalment payment for land	12 516	25 032	12 516
TOTAL	12 516	25 032	12 516
Non-current borrowings			
Instalment payment for land	62 578	62 578	87 610
Loans from related parties	103 130	133 130	133 130
TOTAL	165 708	195 708	220 740

As at 30 September 2012 short-term borrowings include instalment payment for land 12,516 euros with the repayment date 20 November 2012.

Non-current borrowings include the instalment payment for land 62,578 euros on which interest in the fixed amount of 2,503 euros per annum is paid. The repayment date of the loan is 2015. Using the fair market interest rate of 7% per annum, the fair value of the loan is 58,198 euros. Long-term borrowings include also loans from parent company in the amount of 103,130 euros with the repayment date 31.12.2014.

As at 30 September 2011 short-term borrowings include instalment payment for land 12,516 euros with the repayment date 20 November 2011.

Non-current borrowings include the instalment payment for land 87,610 euros on which interest in the fixed amount of 2,503 euros per annum is paid. The repayment date of the loan is 2015. Long-term borrowings include also loans from parent company in the amount of 133,130 euros with the repayment date 31.12.2012.

Borrowing terms have not been breached during the accounting period or as at the balance sheet date.

Note 4 Payables and prepayments

<i>EUR</i>	30.09.2012	31.12.2011	30.09.2011
Payables	5 065	3 629	249
Prepayments	0	21 000	21 000
Interests	27 273	20 922	18 573
Other payables	1 742	9 693	3 182
TOTAL	34 080	55 244	43 004

As at 31th of December 2011 and 30th of September 2011 a prepayment for the preliminary sale of part of immovable at Niidu 9 Pärnu equal to 6,006/41,341 of total immovable is reflected.

Note 5 Equity

	Number of shares <i>pcs</i>	Share capital <i>EUR</i>
Balance 30.09.2011	4 499 061	2 699 437
Balance 31.12.2011	4 499 061	2 699 437
Balance 30.09.2012	4 499 061	2 699 437

The share capital of AS Trigon Property Development is 2,699,437 euros. On the 28th of September in 2011 the conversion of share capital into euro and the consequential decrease of the share capital of AS Trigon Property Development were registered in the Commercial Register. Relevant resolutions were adopted by the Annual General Meeting of shareholders held on the 29th of September 2011. The new amount of registered share capital of AS Trigon Property Development is 2,699,437 euro which is divided into 4,499,061 ordinary shares with the nominal value of 0.60 euro. The maximum share capital stipulated in the articles of association is 10,797,744 euros. Each ordinary share grants one vote to its owner at the General Meeting of Shareholders and the right to receive dividends.

As at 30 September 2012 the retained earnings amounted to -914,221 euros. As at 30 September 2011 the retained earnings amounted to 699,501 euros. At the balance sheet date it is possible to pay out 552,606 euros as dividends. The corresponding corporate income tax on dividends would amount to 146,895 euros.

As at 30 September 2012, the Group had 495 shareholders (30 September 2011: 526 shareholders) of which the entities with more than a 5% holdings were:

- Trigon Wood OÜ with 2 682 192 shares or 59.62% (2011: 59.62%)

Members of the Management Board and Supervisory Board owned no shares as at 30 September 2012 and 30 September 2011.

Note 6 Expenses related to investment property

<i>EUR</i>	Q3 2012	Q3 2011	9 m 2012	9 m 2011
Land tax	0	0	5 719	8 601
Evaluation	0	0	0	750
Other expenses	59	0	4 624	0
TOTAL	59	0	10 343	9 351

Note 7 Administrative and general expenses

<i>EUR</i>	Q3 2012	Q3 2011	9 m 2012	9 m 2011
Consulting fees	0	0	6 140	0
Salary	6 451	0	19 336	0
Auditing	0	2 000	38	2 019
Security transactions and stock exchange fees	2 379	2 776	5 201	6 090
Other expenses	199	1 476	963	4 539
TOTAL	9 029	6 252	31 678	12 648

Note 8 Earnings per share

<i>EUR</i>	9 m 2012	9 m 2011
Basic earnings per share (basic EPS)	0.02996	0.00133
Diluted earnings per share	0.02996	0.00133
Book value of the share	0.51	0.87
Price to earnings ratio (P/E)	11.32	206.93
Closing price of the share of AS Trigon Property Development on Tallinn Stock Exchange 30.09	0.339	0.275

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

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

Note 9 Segment

The Group operates in one business segment - property investments. Property investment division rents out land and develops property in Estonia.

	9 m 2012		9 m 2011	
	<i>EUR</i>	%	<i>EUR</i>	%
Client A	10 800	78%	9 840	55%
Client B	0	0%	4 480	25%
Client C	3 040	22%	3 420	19%
TOTAL	13 840	100%	17 740	100%

Note 10 Related party transactions

The following parties are considered to be related parties:

- Parent company Trigon Wood OÜ and owners of the parent company;
- 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.

In total OÜ Trigon Wood is controlling 59.62 % of votes represented by shares in AS Trigon Property Development. The biggest shareholders of OÜ Trigon Wood are AS Trigon Capital (30.13%), Veikko Laine Oy (26.49%), SEB Finnish Clients (10.96%), Hermitage Eesti OÜ (12.64%) and Thominvest Oy (11.94%)

In 9 months of 2012 and 2011 no remuneration has been paid to the Management or Supervisory board. There are no potential liabilities to members of the Management Board or Supervisory Board.

In 9 months of 2012 services in the amount of 75 (2011: 0) euros were bought from entities under the control of members of Supervisory Board of Trigon Property Development AS.

In 9 months of 2012 Group received loan from parent company in the amount of 3,370 (2011: 0) euros and repayed in the amount 33,370. As at 30.09.2012 the balance of loans from parent company was in the amount of 103,130 (2011: 133,130) euros and the accrued interest from these loans was 27,273 (2011: 18,573) euros. In 9 months of 2012 interest 6,351 (2011: 6,970) euros were calculated.

In 9 months of 2011 Group repayed loan from entities under the control of members of Supervisory Board in the amount 10,275 euros.