

**Consolidated interim report for
the fourth quarter and 12 months of 2012
(unaudited)**

Beginning of interim period:	1.1.2012
End of interim period:	31.12.2012
Beginning of financial year:	1.1.2012
End of financial year:	31.12.2012
Business name:	AS Trigon Property Development
Commercial Registry no.:	10106774
Address:	Viru väljak 2 Tallinn 10111
Phone:	+372 6679 200
Fax:	+372 6679 201
E-mail:	info@trigonproperty.com
Internet homepage:	www.trigonproperty.com
Auditor:	PricewaterhouseCoopers AS



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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 31.12.2012 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. In 2012 a 6,006 m² legal share of immovable (6,006 m²/41,341 m²) at Niidu 9 Pärnu was sold. 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 31.12.2012	Shareholding as of 31.12.2011
OÜ VN Niidu Kinnisvara	Estonia	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	12 m 2011	12 m 2010
Total assets	2 319 786	2 440 010
Return on assets	0.72%	-71.41%
Equity	2 180 827	2 164 025
Return on equity	0.77%	-80.52%
Debt ratio	5.99%	11.31%

Share (31.12)	12 m 2012	12 m 2011
Closing price of the share	0.295	0.29
Earnings per share	0.00373	-0.38731
Price-to-earnings (PE) ratio	78.99	-0.75
Book value of the share	0.48	0.48
Price-to-book ratio	0.61	0.60
Market capitalisation	1 327 223	1 304 728

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

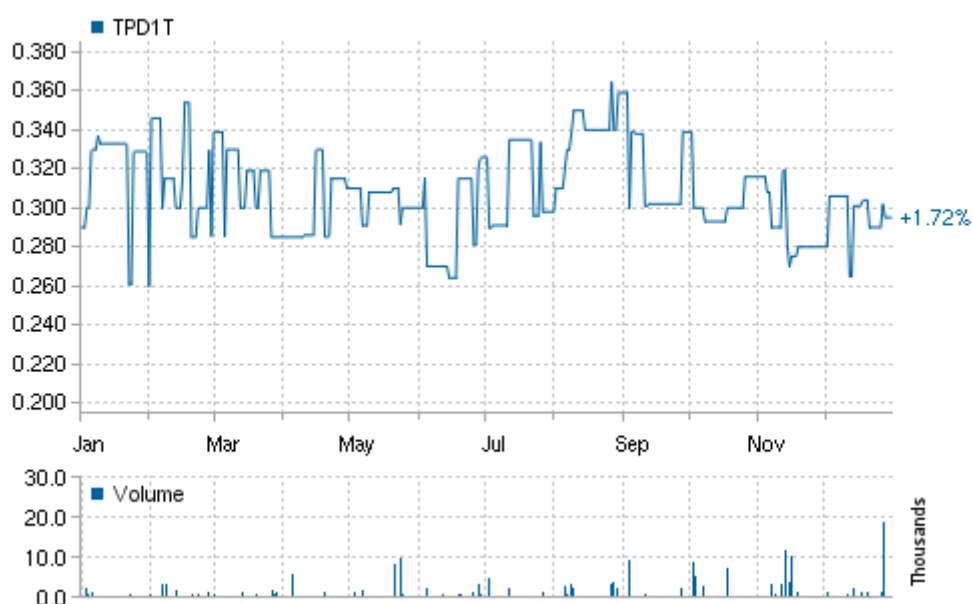
Market capitalisation = closing price of the share * number of shares

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 0.295 euros. In total of 172,266 shares were traded in 12 months 2012 and the total sales amounted to 51,630 euros.

Share price and trading statistics on the Tallinn Stock Exchange from 01.01.2012 to 31.12.2012:



The distribution of share capital by the number of shares acquired as at 31.12.2012

	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 31.12.2012.

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.	143 515	3.19%
OÜ SUUR SAMM	125 160	2.78%
SWEDBANK AB / UAB PRUDENTIS	119 384	2.65%
Central Securities Depository of Lithuania	113 576	2.52%
James Kelly	56 351	1.25%
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 31 December 2012 and 31 December. Total labour costs in 2012 were 25,787 euros and 2011 were 2,613.

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 Kempî.

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 fourth quarter and 12 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

27.02.2013

Condensed consolidated statement of financial position

<i>EUR</i>	31.12.2012	31.12.2011
Cash	26 868	12 492
Receivables and prepayments	2 918	2 518
Total current assets	29 786	15 010
Investment property (note 2)	2 290 000	2 425 000
Total non-current assets	2 290 000	2 425 000
TOTAL ASSETS	2 319 786	2 440 010
Borrowings (note 3)	25 032	25 032
Payables and prepayments (note 4)	23 250	55 244
Total current liabilities	48 282	80 276
Long-term borrowings (note 3)	90 677	195 709
Total non-current liabilities	90 677	195 709
Total liabilities	138 959	275 985
Share capital at nominal value (note 5)	2 699 437	2 699 437
Share premium	226 056	226 056
Statutory reserve capital	287 542	287 542
Retained earnings	-1 032 208	-1 049 010
Total equity	2 180 827	2 164 025
TOTAL LIABILITIES AND EQUITY	2 319 786	2 440 010

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>	4 Q 2012	4 Q 2011	12 m 2012	12 m 2011
Rental income (note 9)	4 373	4 740	18 213	22 480
Expenses related to investment property (note 6)	-9 753	-5 128	-20 096	-14 479
Gross loss (profit)	-5 380	-388	-1 883	8 001
Administrative and general expenses (note 7)	-15 516	-14 041	-47 194	-26 689
Changes in fair value of investment property (note 2)	-94 520	-1 730 487	76 000	-1 712 039
Operating loss	-115 416	-1 744 916	26 923	-1 730 727
Net financial income	-2 571	-3 595	-10 121	-11 805
NET PROFIT (-LOSS) FOR THE PERIOD	-117 987	-1 748 511	16 802	-1 742 532
TOTAL COMPREHENSIVE INCOME	-117 987	-1 748 511	16 802	-1 742 532
Basic earnings per share	-0,02622	-0,38864	0,00373	-0,38731
Diluted earnings per share	-0,02622	-0,38864	0,00373	-0,38731

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>	12 m 2012	12 m 2011
Cash flows from operating activities		
Net loss for the period	16 802	-1 742 532
<u>Adjustments for:</u>		
Change in fair value of investment property (note 2)	-76 000	1 712 039
Interest charge	10 121	11 805
Changes in working capital:		
Change in receivables and prepayments related to operating activities	-400	-1 706
Change in liabilities and prepayments related to operating activities	-23 178	29 392
Interests paid	-18 938	-2 503
Total cash flows used in operating activities	-91 592	6 495
Cash flows from investing activities		
Sales of investment property (note 2)	211 000	30 000
Total cash flows from investing activities	211 000	30 000
Cash flows from financing activities		
Received loans (note 3)	24 170	3 500
Repayment of loans (note 3)	-129 202	-35 307
Total cash flows from financing activities	-105 032	-31 807
CHANGE IN CASH BALANCE	14 376	4 688
OPENING BALANCE OF CASH	12 492	7 804
CLOSING BALANCE OF CASH	26 868	12 492

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

<i>EUR</i>	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
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 2011	0	0	0	-1 742 532	-1 742 532
Balance 31.12.2011	2 699 437	226 056	287 542	-1 049 010	2 164 025
Total comprehensive income for 2012	0	0	0	16 802	16 802
Balance 31.12.2012	2 699 437	226 056	287 542	-1 032 208	2 180 827

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 31 December 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 fourth quarter and 12 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 fourth quarter and 12 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 of 31.12.2010	4 167 039
Sales of investment property	-30 000
Loss from change in fair value 2011	-1 712 039
Balance as at 31.12.2010	2 425 000
Sales of investment property	-211 000
Loss from change in fair value 2011	76 000
Balance as at 31.12.2011	2 290 000

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

On the 18th 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 20,096 euros in 2012 and 14,479 euros in 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 18,213 euros in 2012 and 22,480 euros in 2011.

In 2012 the investment property was valued by independent valuer Neweswc Valuations EE using the comparable transactions approach 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 7 to 15 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 10 EUR/m². To evaluate the present value of the area as of 31.12.2012, the valuer has estimated the sales period to be 4 years and discount rate 19.6% was used.

As at 31 December 2012 the evaluation resulting in a fair value of 2,290,000 euros.

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. To evaluate the present value of the area as of 31.12.2011, the valuer has estimated the sales period to be 8 years and has deducted the expenditures needed for the construction of infrastructure from the cash flow. The discount rate 10.2% was used.

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

The property valuation 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 and taking into account that evaluation is based on a number of presumptions, which may not realize in assessed way, the valuation can be subject to significant adverse effects. This could lead to a significant change in the carrying amount of investment property in future periods. The fair value of the investment property, which is assessed using the described model is essentially dependent on whether this project could be accomplished and appropriate financing found in compliance with the presumptions made and schedule used in evaluation model.

As at 31 December 2012 and 31 December 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 31 December 2012 the carrying amount of investment properties encumbered with mortgages was 2,290,000 euros and 31 December 2011 2,425,000 euros.

Note 3 Borrowings

<i>EUR</i>	31.12.2012	31.12.2011
Current borrowings		
Instalment payment for land	25 032	25 032
TOTAL	25 032	25 032
Non-current borrowings		
Instalment payment for land	37 547	62 579
Loans from related parties	53 130	133 130
TOTAL	90 677	195 709

As at 31 December 2012 short-term borrowings include instalment payment for land 25,032 (2011: 25,032) euros with the repayment date 20 November 2013 (2011: 20 November 2012).

Non-current borrowings include the instalment payment for land 37,547 (2011: 62,579) 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 53,130 (2011: 133,130) euros with the repayment date 31.12.2014.

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>	31.12.2012	31.12.2011
Payables	4 508	3 629
Prepayments	0	21 000
Interests	12 159	20 922
Other payables	6 583	9 693
TOTAL	23 250	55 244

As at 31st of December 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	Share capital
	<i>pcs</i>	<i>EUR</i>
Balance 31.12.2011	4 499 061	2 699 437
Balance 31.12.2012	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 31 December 2012 the retained earnings amounted to -1,032,208 euros. As at 31 December 2011 the retained earnings amounted to -1,049,010 euros.

As at 31 December 2012, the Group had 492 shareholders (31 December 2011: 516 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 31 December 2012 and 31 December 2011.

Note 6 Expenses related to investment property

<i>EUR</i>	4 Q 2012	4 Q 2011	12 m 2012	12 m 2011
Land tax	5 718	2 867	11 437	11 468
Evaluation	1 785	1 333	1 785	2 083
Other expenses	2 250	928	6 874	928
TOTAL	9 753	5 128	20 096	14 479

Note 7 Administrative and general expenses

<i>EUR</i>	4 Q 2012	4 Q 2011	12 m 2012	12 m 2011
Salary	6 451	2 613	25 787	2 613
Auditing	7 539	9 250	7 577	11 269
Security transactions and stock exchange fees	1 486	1 786	6 687	7 858
Consulting	0	0	5 000	600
Other	40	392	2 143	4 349
TOTAL	15 516	14 041	47 194	26 689

Note 8 Earnings per share

<i>EUR</i>	12 m 2012	12 m 2011
Basic earnings per share (basic EPS)	-0.00373	-0.38731
Diluted earnings per share	-0.00373	-0.38731
Book value of the share	0.48	0.48
Price to earnings ratio (P/E)	78.99	-0.75
Closing price of the share of AS Trigon Property Development on Tallinn Stock Exchange 31.12	0.295	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.

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.

	12 m 2012		12 m 2011	
	<i>EUR</i>	%	<i>EUR</i>	%
Client A	14 033	77%	13 440	60%
Client B	0	0%	3 840	17%
Client C	4 180	23%	4 560	20%
Client D	0	0%	640	3%
TOTAL	18 213	100%	22 480	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.

The Group is listed in Nasdaq OMX Tallinn Stock Exchange. 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 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 2012 services in the amount of 75 (2011: 0) euros were bought from related parties.

In 2012 Group received loan from related parties in the amount of 24,170 (2011: 0) euros and repayed in the amount 104,170 euros. As at 31 December 2012 the balance of loans from parent company was in the amount of 53,130 (2011: 133,130) euros and the accrued interest from these loans was 12,159 (2011: 20,922) euros. In 2012 interest 7,672 (2011: 9,319) euros were calculated.